# Driving Growth on amazon



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Helping brands grow products that are better for people and our planet.

## Who We Are



Founded in 2017



250+ Brand Partners



\$700mm+ Managed GMV



#### Managing the Full Amazon Value Chain

We offer a comprehensive outsourced solution with, a focus on upstream optimization, while leaning on our CPG domain expertise.

#### Common Problems We Solve

- Per Unit Margin Visibility
- Amazon P&L Profitability
- In-Stock Rate Optimization

- 3rd Party Reseller Reduction
- Omni-channel Price Matching Management
- Performance Driven Content Creation

Active Ad Management with CAC and LTV focus

Nov-2021 Dec-2021

- Channel Cannibalization Monitoring
- Consistent Growth on Amazon



Traditional Agency

#### **Operations Design**

#### **Retail Approach, Product Assortment**

Our supply chain and packaging optimizations drive smooth shipping and inventory processes.

#### **P&L Management**

#### **Financial Discipline**

We continously outline per-unit margins with every cost to sell on Amazon.

#### Category Knowledge

#### **Expertise by Browse Node**

Our deep category knowledge and extensive competitor analyses drive pricing and merchandising approach.

#### **Content Execution**

#### **Creative & SEO**

Our category-specific best practices deliver conversion-optimized content.

#### **Advertising**

#### **Full Funnel Strategy**

Downstream

From PPC to DSP, we test and iterate to efficiency thresholds and tailor a unique approach for each brand.

## The Cartograph Approach

What makes us different in the industry?

#### Financial Discipline

**Shaping the Business You Want** 

#### Full P&L Management

Manage from top-line revenue down to contribution margin and cash.

#### Personalized Approach

Strategy constructed bottom-up for each brand - built experimentally into our 90-day launch plan.

#### Forecasting with High Accuracy

We set business expectations and meet them within 5%, both monthly and annually.

#### **Customer Journey Focus**

We think through your customer journey and how Amazon fits alongside your other channels.

DTC and Amazon: Pricing, cannibalization, promos

**B&M and Amazon:** Price matching, resellers, line pricing

#### Sustainable Expansion.

We drive strategy based on margins.

+80%

Gross Margin Referral Fees

-15%

-20%

Shipping

-20%

Ads

-5%

SnS, Freight,

Returns, Etc,



**Net Margin** 

\*Pro-forma P&L. Numbers vary depending on your business.

## Unmatched Domain Expertise in CPG



#### Category-Specific Understanding

Our team has worked through category-specific challenges, including short dated product, dimensional weight, temperature tolerances, etc.

#### Real Amazon Experience

We **know** your category and the brands within them.
Food & Bev, Beauty & Personal Care, Baby, Pet,
Supplements.

#### Navigate Omnichannel Challenges

We regularly navigate and solve the omnichannel challenges you face.

#### **Custom Built Analytics Solutions**

Considering margin constraints, we focus on subscription and repeat purchases with a full suite of custom-built dashboards available 24/7.

#### **Unmatched Network**

Our years of experience have helped build our network of CPG investors and founders.

#### **Prep for Fundraising and Exits**

We have helped dozens of brands prepare for large fundraising rounds and exits.

#### **Team of Domain Experts**

#### **Extension of Your Team**

We meet your business where you are through quality communication and accessibility

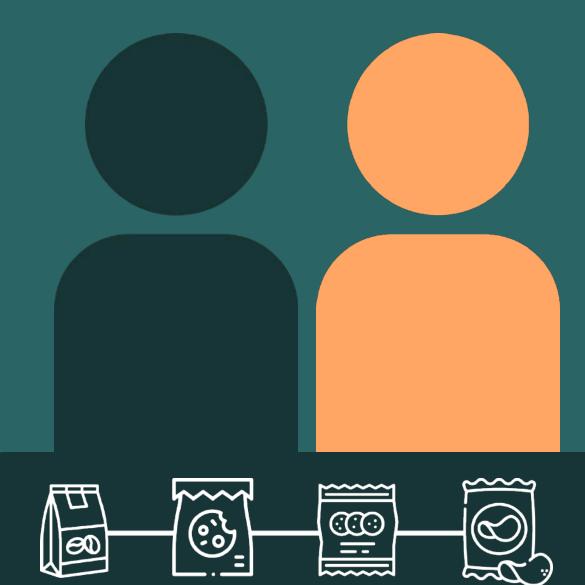
- Strategy: We build "ground up," data-driven strategies with the ability to be creative and experimental
- Full-service accountability: We take full accountability across the value chain so there is zero wasted spend when inventory is low

#### **Low Brand Manager Ratio**

A fewer number of brands allows our brand managers to have faster response times, more creativity, and big-picture thinking on how to grow your business

#### **Industry Lowest Ratio**

4 Accounts Max | Team of 2



# Our Commitment to You Service Levels & Pricing

#### Service Levels

#### **Full Service**

Full Management of Amazon: Content, Advertising,

Inventory, Forecasting, and P&L management

Access to Full Suite of Dashboards: P&L, Repeat

Purchase, Advertising, Sales Mix, and Inventory

Dedicated Brand Management Team

**Shared Slack Channel** 



#### **Not Ready for Full Service?**

Other Ways to Work With Us



#### **Media Only**

Just need help on advertising? We've won awards for our work on the full funnel of PPC and DSP ads on Amazon.



#### **Instacart & Retail Media**

We've scaled emerging brands to significant scale at a high ROI. Let us size up the opportunity based on our benchmarks.



#### Dashboards & Analytics

Our dashboards offer data automation, insights, always on access to data, and strategic visibility. Included in full service, but available stand-alone.

We help grow your Amazon business so you can focus more on what you do best.

## What we look for in brand partners

- Brands with differentiated products aligned with our mission
- Brands with proven success or that we believe can find rapid success on Amazon
- Product line with successful retail or eComm growth
- Products that can be sold profitably online
- Brand team ready to dedicate strategic efforts and investment to success on the platform
- Financial discipline and/or outside investment

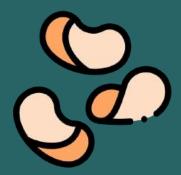


#### Why Amazon?

- Winning your category on Amazon can lead to considerable organic growth and discovery
- 74% of Amazon customers use Amazon to discover new products or brands
- For our largest clients, Amazon represents 20-35% of total top-line sales
- Generate cash early in your life cycle. Managed properly, Amazon can be a profitable business
- 0.25x ROI on non-Amazon digital ad spend in Amazon sales people see your ad and search on Amazon
- Fast track to testing new products and customer feedback even the most loyal customers often use Amazon over your own website
- For our clients, Amazon generally represents between 10-50% of DTC sales volume



## Our Values



#### Put our client's needs above our own

- We advise in the client's best interest, focusing on adding value to our client's P&L and business aspirations
- We build client capabilities by being a transparent partner, sharing all aspects of our work and helping the client grow their capabilities

## Transparency is a key ingredient in how we operate – internally and externally

- Bringing forward facts will help drive the best decisions and actions
- Constructive dissent is embraced and encouraged
- Drive accountability by doing what we said we would, and expecting the same of others

## Care about teammates as people first, and colleagues second

- Create an environment where all people, regardless of background,
   can find success, meaning, and happiness in their lives
- Allow for flexibility of working arrangement, to let team members drive value in the way they work best

## Foster growth and development of our entire team as people and professionals

• Invest in our people, ensure everyone in the company receives development, coaching and feedback

## Operate with a full team ownership mindset, where we celebrate taking initiative

- Collaborate across the company in both client work and developing other team members
- Any problem, issue, or opportunity discovered is ours to be addressed
- All team members are responsible for building and owning trust-based relationships with clients

#### Focus on value created

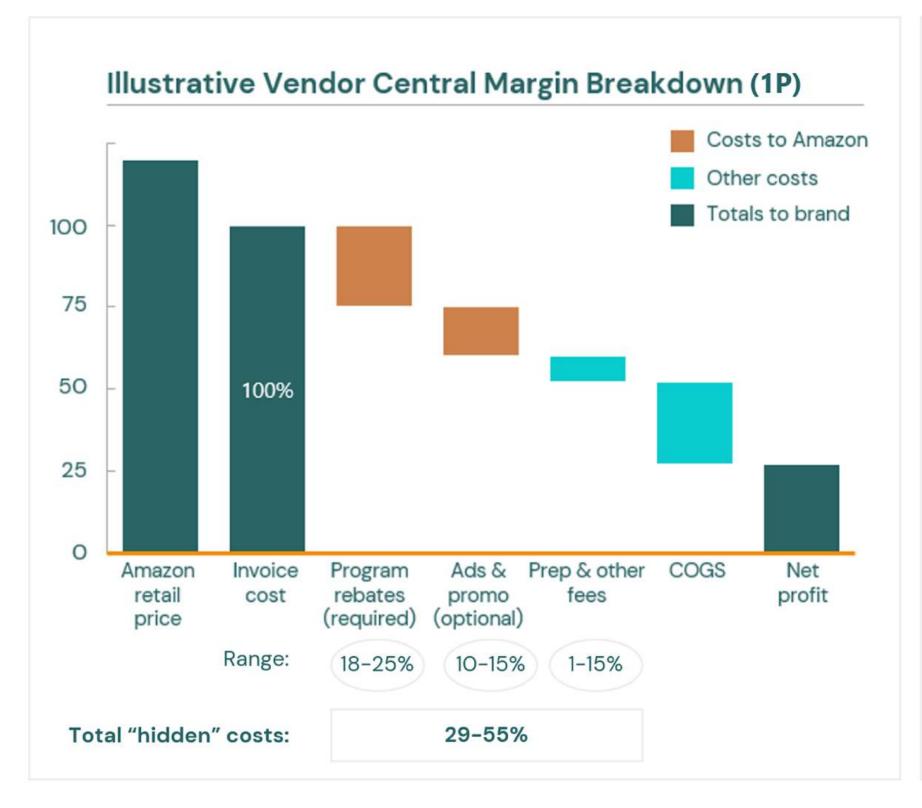
- Partner with brands we believe in, that we think are better for people and better for the planet
- For the internal team, focus on results and impact created, and reward it handsomely

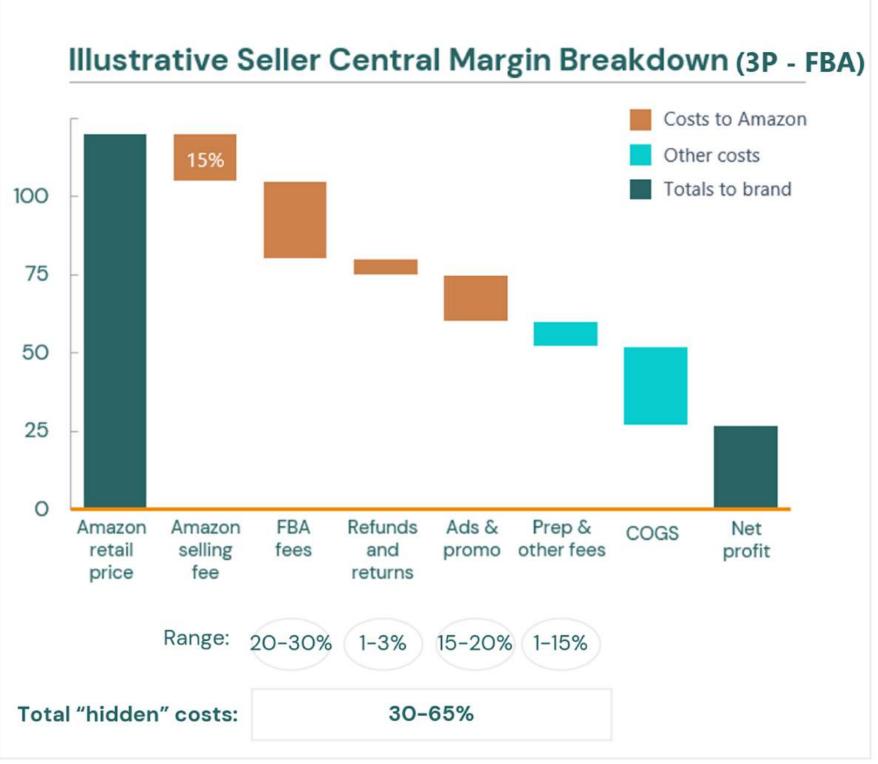
## Our Amazon Focus Areas

- 1 Full Net Profitability
- 2 Amazon Advertising Spend
- 3 Content Optimization
- 4 Operations & Logistics

## Looking at Full Net Profitability

We believe there is no "one size fits all" launch approach and we build a profitability model for every SKU to ensure each sale is profitable.





## Amazon Advertising: Essential for Growth

**At Cartograph**, we're industry leaders in advertising and build a strategy that suits a brands goals

- Amazon uses search rankings by unit velocity to display products. Sales rank determines how much free organic traffic Amazon sends you.
- Our approach to advertising includes product, branded, defensive, and offensive targeting.
- We invest in advertising to improve sales velocity. As performance improves, improved visibility leads to more traffic and sales creating a flywheel effect which increases attributed sales and organic sales, reviews and subscriptions.
- Consistent tracking of monthly ad spend goals and performance allows us to enhance campaigns and optimize advertising spend.

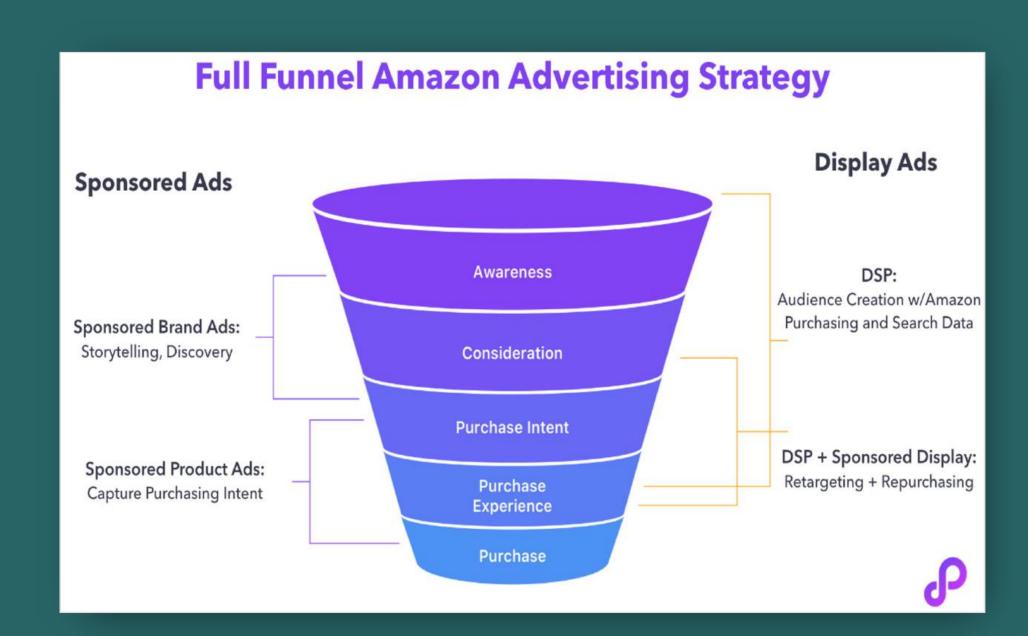
#### **BY THE NUMBERS**

- Invest 10-20% of P&L into advertising
- At scale, 20–30% ad-attributed sales
- Average of 20–30% conversion rate for visits to detail pages for mature listings with healthy reviews and review count
- 60% organic sales is often evidence of an issue
- 35% or less ACoS possible for most categories

## Amazon Advertising: Full Funnel Strategy

Advertising on Amazon drives brand awareness and increases sales by providing more visibility which helps convert shoppers and creates a customer journey.

- Our goal is to always be moving people down the funnel through various advertising efforts:
  - Our team has partnered with Perpetua; an advertising optimization tool to create and manage ad campaigns.
  - We bid on keyword search terms to reach actively looking shoppers through Sponsored Product targeting.
  - Utilizing rich, A+ content that features your brand's products, our team develops Sponsored Brand Ad strategies that promotes new customer engagement.



#### **Content Optimization & Best Practices**

Consumers turn to Amazon more than any other platform. To stay competitive, it's vital to optimize your product lists for more sales and better ranking.

We want customers to see the product, click, and purchase:

- Continuity across all listings
- Easy to understand storytelling of the product
- Focus on infographics, images, videos & A+ visuals
- Optimized content across desktop & mobile
- Take advantage of space on the Product Detail page
- Create dynamic ad content that delivers results









#### Listing and Search Ranking

Brands **need high-quality, keyword-optimized content** to make listings stand out and rise in ranking.

#### This includes:

- SEO optimized titles and content
- High quality rich media
- Thoughtful twisting of product and variations
- Tactical categorization of products

Reviews are critical and brands can utilize multiple review building strategies for both existing products and new product launches.

#### **AMAZON'S CHOICE**



#### **BEST SELLER**



#### **REVIEWS**

#### **Customer reviews**



#### **BROWSE NODES**

#1 in Gourmet > Cheese > Butter & Margarine

#1 in Gourmet > Cooking Shortening > Ghee

#### Operations & Logistics: Fundamentals for Success

**At Cartograph,** our team is ready to provide support with the critical operational execution necessary for the success of your business:

- Staying in stock by building inventory replenishment SOPs, managing inventory levels, and building demand forecast including seasonal changes
- Troubleshoot issues with your 3PL and any Amazon related freight, labeling or damaged product, etc.
- Help stand up 3PL or logistics partners that have
   Amazon eCommerce capabilities
- Limit operations related costs such as chargebacks, returns, storage fees, prep fees, etc.

#### Our playbook:



- Always be in stock
- Always have Prime Shipping
- Maximize search ranking and exposure on Amazon
- Understand full product net profitability





#### Background

- Hydrating flavored lemon water with zero sugar and no artificial flavors or sweeteners
- Partnered in 2020 to launch their Amazon business, focused on increasing sales velocities, review

#### Support

count and new consumers

- Deployed Full Funnel advertising strategy and DSP to drive traffic to Amazon
- Enhanced listing content with post-image edits to drive conversions
- Keyword Boosts on unbranded terms and designated campaigns against competitors
- Strong focus on TOS placement in ad strategies (held the #1 search slot during beverage season for "Drinks, Beverages, and Healthy Drinks")
- Review generation tactics and cross-selling opportunities

#### **Impact**

Increased our Best Seller Ranking in Flavored

Drinking Water from #20 to #6

One of the strongest growth stories in beverage in the last few years

Awarded an Amazon's Choice Badge in Flavored

**Drinking Water** 





## HOT

#### Background

- Founded 2010 and is today America's leading brand of hot honey
- Inherited a small Amazon business being run through Vendor Central
- Help brand scale growth, improve margins and spend efficiently

#### Support

- Shifted the business to hybrid selling on Amazon via Seller Central
- Helped launch a 10oz SKU and an Amazon exclusive SKU: Honey Extra Hot!
- Corrected line pricing to encourage customers to purchase in pack size
- Moved product from Honey category to Hot Sauce category
- Deployed Full Funnel strategy across DSP + Sponsored Ads

#### **Impact**

expanding margins

Shifted sales from one SKU to the full line

Achieve the #1 Best Seller slot for all of Amazon Grocery



## STARFACE

#### Background

- Skincare products brand popular for their star shaped pimple patches
- Brand focuses on Millennial and Gen Z consumer
- Strong partnerships including Hailey Bieber
- Partnered in early 2022 to launch Amazon business and drive incremental growth without diluting DTC and Retail business

#### Support

- Designed Amazon focused packs that could be successful and profitable on channel
- Created A+ content and Brand Store
- Deployed a Full Funnel strategy across DSP + Sponsored Ads

#### **Impact**

+\$5mm run rate by month 5

+120% revenue growth from holiday strategies

Brand experiencing continued highdouble digit MoM growth







#### Background

- Restaurant brand founded by Chef David Chang
- Partnered start of Q1 2022 to launch line of restaurant-grade products for home (chili crunch, sauces, salt and noodles) on Amazon and drive profitable growth amidst competitive landscape

#### Support

- Developed content that highlighted the flavor and quality differentiation of the brand.
- Created multi-pack and variety SKUs
- Focused ad spend only on category and competitor terms that resulted in high ROAS

#### **Impact**

- > \$0 to \$4MM run rate in 9 months
- Profitable growth in Year 1 with margins expanding with growth
- Best seller badge in key categories (Chili Sauces, Noodles)
- #1 Best Seller in Chili Sauces during July's

  Prime Day event





#### Background

- Leading ghee brand founded in 2015
- We launched their Amazon business and working together for 8 years
- Took brand from \$0 to \$2MM and #1 Ghee brand on Amazon in Year 1
- Scaled the business from \$2M to \$5M run rate in Year 2

#### Support

- More recently, team focused on improving contribution margin
- Tested advertising approach: slashing branded spend on key products to test
  - (a) elasticity of Best-Seller Rankings; and
  - (b) growth potential of organic sales in relation to decreasing ad-attributed sales
- Set up test parameters over three months and measured the impact on KPIs

#### **Impact**

- Reduced daily branded spend across top products by +60%, and in PPC spend by 47%
- 20% increase in organic sales across top

  SKUs



## As Featured In



















## What Our Clients Say



#### "Treated us as partners"

"Without much of a head start
Cartograph took us to #1 in our category
within two months and to #1 in all of
Amazon grocery twice within 2 years.
Most importantly they have always
treated us as partners, not customers."



Mike's Hot Honey

Partner Since 2019



#### "Best in class"

"Having spent many years working for large CPG-brands, I have engaged with other top tier eCommerce agency partners and consulting firms, and I can vouch that the Cartograph team really is best in class."



Sovos Brands

**Partner Since 2021** 



#### "Instrumental for us"

"For over four years, Cartograph has been instrumental in the tremendous growth in sales and profitability of our Amazon business. I recommend them to anyone needing a full-service Amazon partner."



Country
Archer
Partner Since 2018

## Thank you!

The Cartograph Team





## Our Mission

Helping brands grow products that are better for people and our planet.

Our mission and values guide
our strategy as a company as
well as our everyday
decision-making in our work,
both internally and with our
partners.



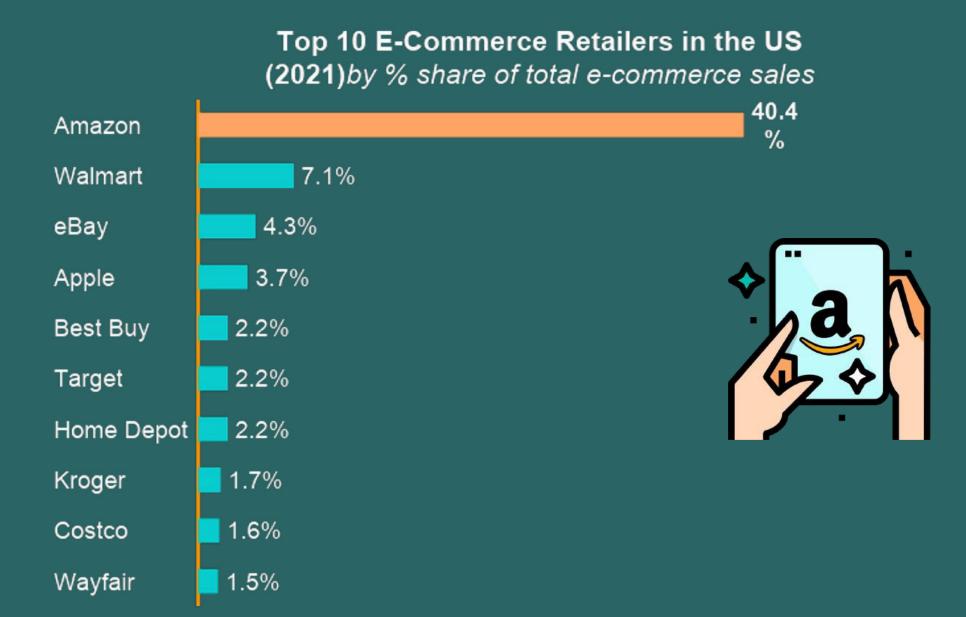
## Appendix



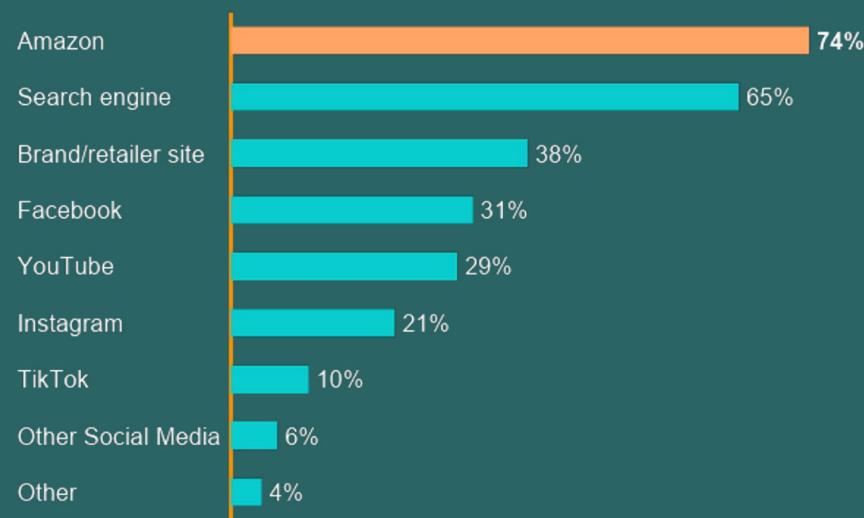
#### Amazon's share continues to dominate

Amazon Accounts for almost half of all online retail sales

Nearly 3 in 4 consumers start their search with Amazon



Consumer Search Activity for Products Online (2021)% of respondents



Source: Jungle Scout, 2021 Q1 Consumer Trends Study

Source: Statista, 'Market share of leading retail e-commerce companies in the United States as of February 202



## 140+ million Prime subscribers

Amazon Prime has continued its rapid growth in the US. As of April 2021, there were an estimated **147 million U.S.** 

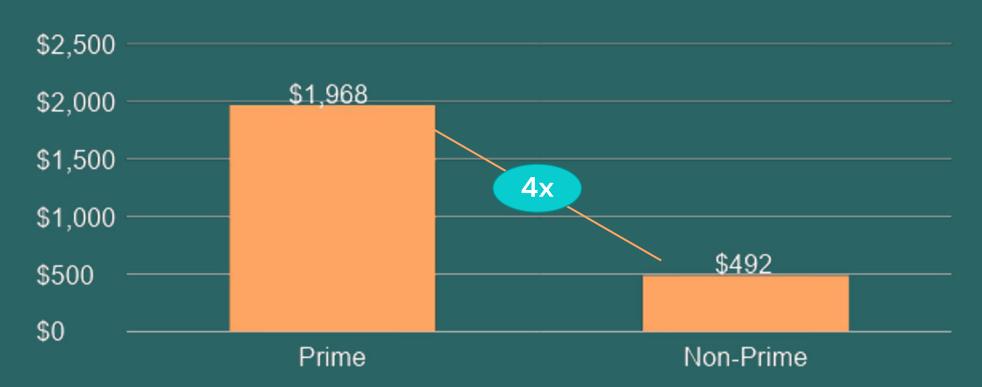
Amazon Prime subscribers, up from 80 million in Q1 2017 (+84%).

#### **Amazon Prime US Household Penetration**



Source: CIRP, April 2021

US Prime members spend an average of \$1,968 per year shopping on Amazon.

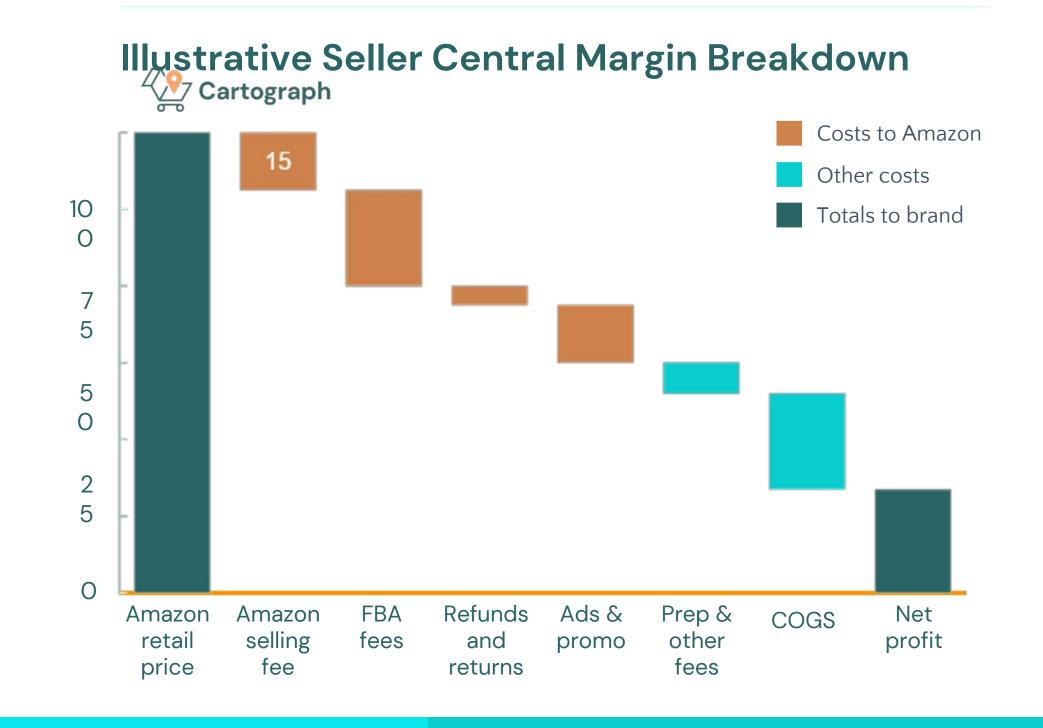




## Seller Central 3P Channel

"Sell on Amazon"

Seller Central lets brands sell on the Amazon platform for a fee. The brand must operate all aspects of the business, which includes more operational complexity.



Fulfillment By Amazon (FBA) let brands control inventory levels and pricing but requires more operational involvement and execution precision.

Seller Central pricing is anchored around an 8–15% fee, plus a fixed cost for FBA fulfillment.

In this channel you have no access to an account manager and have increased accounting and tax complexity.

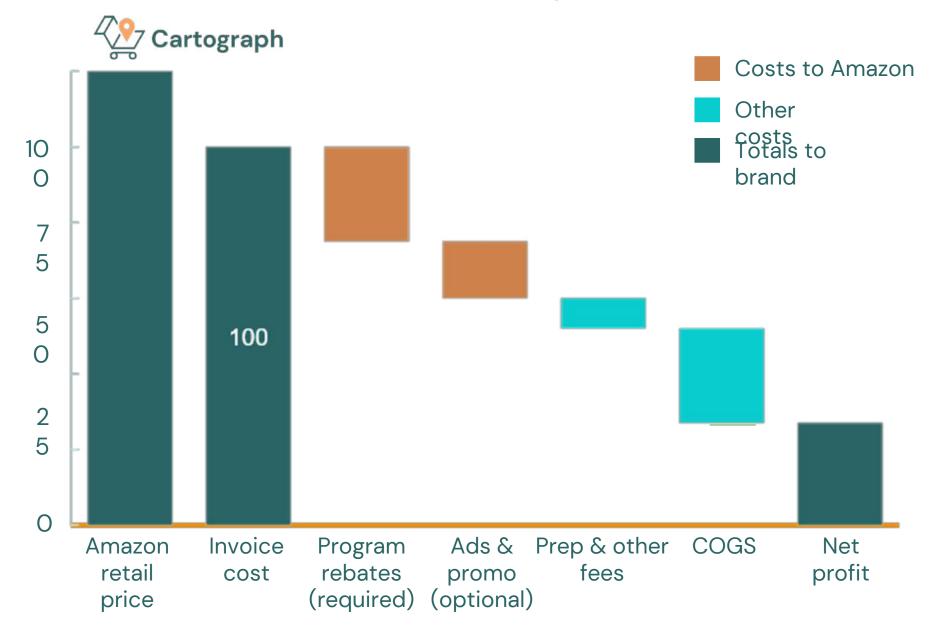
## Vendor Central 1P Channel

"Sell to Amazon"

Vendor Central offers the most strategic control on Amazon, and generally offers more favorable economics for low ASP items.

Amazon also handles all customer service, accounting and returns.

#### Illustrative Vendor Central Margin Breakdown



Amazon takes ~18–25% of Amazon's invoice cost price in program rebates. This covers marketing coop, freight, and damage, plus brands must cover compliance chargebacks.

Additionally, we recommend brands spend ~12% on advertising, promos, and subscribe and save.

Finally, brands must pay for prep costs. These can vary as Amazon has different prep requirements – and we have 3PL partners we recommend.

