

The Amazon Road Map: A Brand Owner's Guide to A Successful Amazon Launch. Start to Finish

by Betsy McGinn and Phil Segal

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Foreward

Poor Charles Darwin, he of the H.M.S. Beagle, always gets misquoted. It is not survival of the *fittest*, *i.e. the* strongest, smartest, etc. but the most *adaptable*. Goodness knows that large consumer packaged goods companies are well occupied by highly accomplished, intelligent, well educated folks but they have until recently been largely out of step of where the consumer is going. Likewise, large conventional retailers have been struggling to remake themselves in a world where consumers are spoiled by Amazon, everyone has a smartphone, and people are not stopping to shop – they are shopping all the time.

For illustration – while perhaps not universal, in the natural products space there was a well-worn path to bringing products to market. Emerging brands followed a playbook of sorts. An entrepreneur with a great idea might venture out of their kitchen into farmers markets. From there they would look to get their products into independent health food shops. The next big step was landing a beachhead customer like Whole Foods, Wegman's or Sprouts which would leverage you into a national distributor. This would give you access to hundreds or thousands of retailers. From there the company would eventually migrate into supermarkets, mass accounts like Target and Wal-Mart, perhaps Costco and possibly some of the additional channels such as food service, chain drug, convenience and more.

While this was the world we lived in it required a lot of capital or long hard years of bootstrapping to scale. There were expenses like slotting fees and free fills, ad programs with retailers and distributors, and promotional allowances of all kind. One needed a sales team, brokers for each channel, and there was the ongoing everyday battle to get on the shelf, stay on the shelf, improve your shelf position, to exceed hurdle rates, to keep spending and hope you made it through the next category review.

Well...that world has been turned upside down and tossed out the window.

There has been an explosion of business online through eComm and DTC (direct to consumer). Traditional bricks and mortar retailers of all kinds are figuring out click and collect, home delivery, their own eComm and even setting up unmanned pick up centers and integrating ordering through smart speakers at home.

To compound the vertigo for CPG marketers and traditional retailers there has also been the rise of hard discounters like Aldi and Lidl, new channels emerging like *WeWork* and meal kits such as Blue Apron and Sun Basket siphoning off business from *someone*.

According to a study by FMI (Food Marketing Institute) and A.C. Nielsen, online grocery is expected to be \$100B by 2022. The amount of volume of groceries sold online in 2017 was equal to about 764 supermarkets. By 2025 that volume will be equivalent to 3,900 grocery stores. One can't simply watch the world go by – one must throw themselves in and figure it out or be left behind.

As Lord Baelish of *Game of Thrones* fame, famously intoned “chaos is a ladder”. In this case I heartily concur. The remarkable growth of Amazon, eComm in general and DTC has created an abundance of opportunities for entrepreneurs and CPG companies to reach consumers. In all this hurly burly there has never been a more fertile and amazing time to launch a brand, have access to capital and make your own success. Those who embrace this change and recognize it as the new normal are *adapting* to this reality and are meeting the consumer where they want to engage with your brand.

To be an entrepreneur, brand owner, marketer in 2019 you need be literate in the ways of eComm, DTC and... *it's so big as to block out the sun* – Amazon.

But – one does not simply walk into Mordor. Thankfully, graciously, Betsy McGinn and Phil Segal have shared so much of their expertise and hard won experience in an incredibly thoughtful and organized way in this fine publication, It walks the reader through a process of how to get started in eComm and notably Amazon and provides a comprehensive but accessible understanding of how to not only succeed but importantly how to integrate these initiatives with the rest of your Omnichannel activities to achieve your strategic and business objectives. In fact, online for many companies is becoming their launchpad into bricks and mortar. Brands are taking their learning's, their validation of consumer acceptance and even their reviews and data on how many consumers they have in a retailer's trading area to make their case to get on store shelves.

Whether you are a founder navigating your way through the constant chop or a manager responsible for delivering results or a senior executive seeking to understand the big picture this book is a *gift*.

It will dramatically accelerate your climb up the learning curve of this new reality and help you win by arming you with the knowledge and lessons that you can bring and apply to your business.

By the time you are through you will understand:

- that an eComm strategy is essential to your business
- you will understand the changing landscape

- you will appreciate the strategic considerations around product configuration, pricing, freight implications and effective marketing programs
- executing internally and/or using outsourced resources

You will develop your new playbook. Good luck and success in your travels.

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Bob has been a consultant for 21 years helping companies bring natural, organic and specialty products to market. He is the co-author of the Natural Products Field Manual, produces sales and financing seminars, serves on boards and advisory boards and prior to consulting led sales at Stonyfield Farm. He was named as one of the top 25 business builders over the last 25 years by Natural Foods Merchandiser magazine. Please see www.naturalconsulting.com