

Amazon Private-Labels Report

H1 2017



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In This Report

Intro	3
Sales	4
Growth	5
Conversion	6
Top Items	7
Search Terms	8
Key Takeaways	9

Intro

Private-label products have long been valued for their quality and affordable price points. Grocery and drug store chains have been selling generic brands in stores for decades. Even though private-label is nothing new, it's being embraced by a growing population of shoppers that aren't as brand loyal as generations past - Millennials. It's no surprise that in the past two years, Amazon has rolled out upwards of 20 private-label brands in categories spanning from clothing to baby to bedding.

Amazon's first foray into private-label products began with the Kindle. Since then, they have expanded their electronics to include the Kindle Fire tablet, the Fire TV streaming media player, and the Amazon Echo, a voice-enabled Bluetooth speaker. Aside from electronics, Amazon has become the category leader in batteries and cables, leading the charge with their AmazonBasics brand that provides quality products for less. Amazon Elements and Mama Bear are two of Amazon's brands that sell baby goods for parents that value organic ingredients in their children's products. Amazon also has a couple of brands in the snacks and bedding & bath spaces, but more than half of their private-label brands sell clothing.

While Amazon private-label products only accounted for 2% of total units sold on Amazon (excluding Marketplace and Subscription) in the first half of 2017, the growth of individual brands shows promise. In fact, on Prime Day 2017, Amazon private-label products comprised 12% of total units sold on Amazon direct. In this report, 1010data tracked Amazon's private-label brands to share insights on their market size, growth, conversion rate, and more.

■ ELECTRONICS



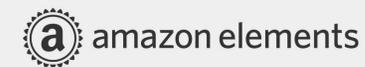
■ CLOTHING



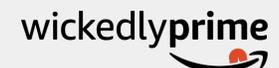
■ CPG



■ PERSONAL CARE



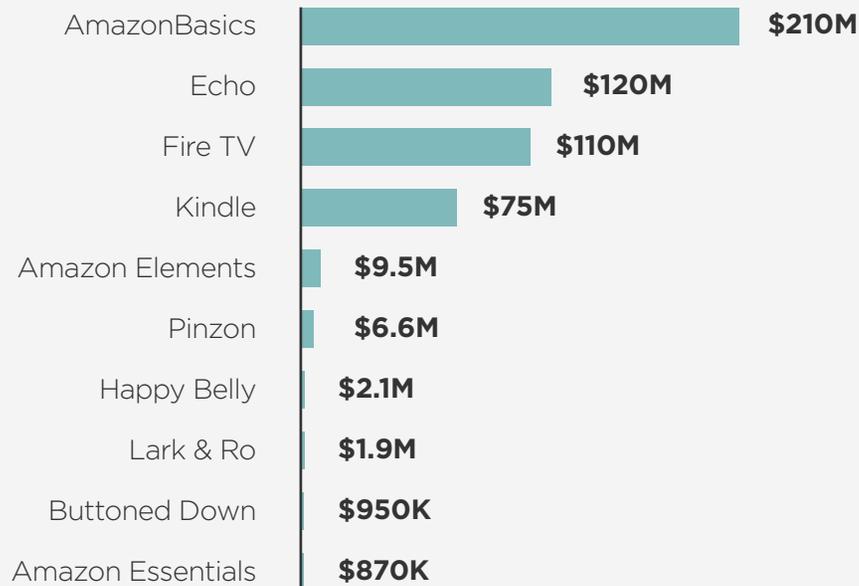
■ SNACKS



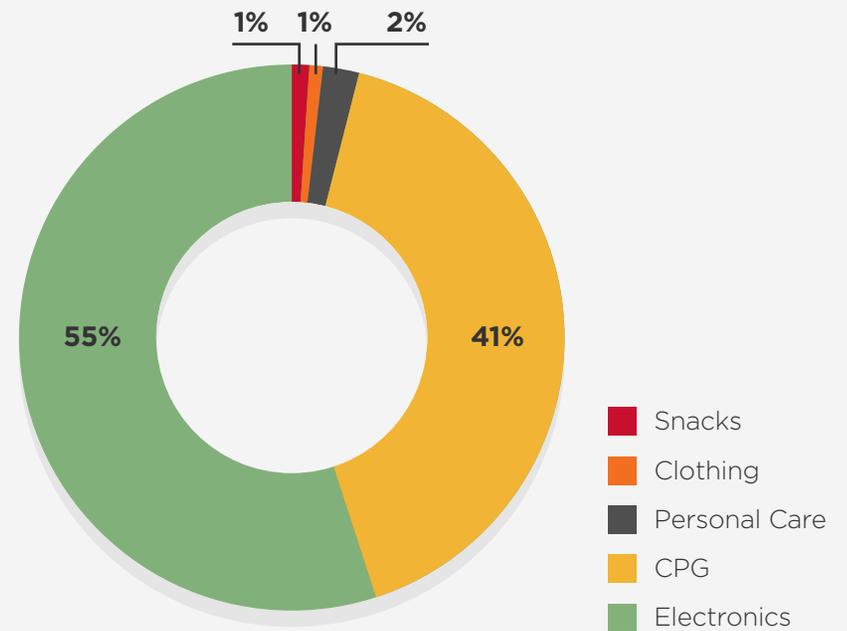


Sales

Sales of Amazon Private-Label Brands | H1 2017



Share of Amazon Private-Label Sales by Category | H1 2017

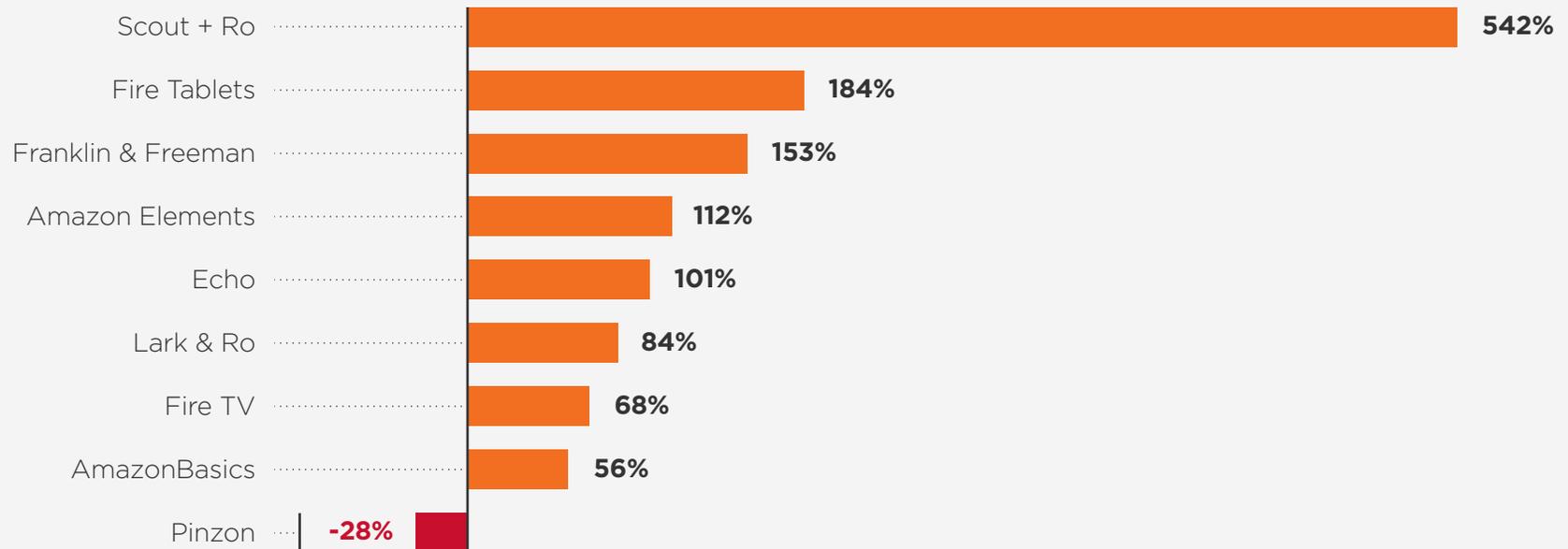


Amazon's private-label line, AmazonBasics, brought in over \$200 million in sales during the first half of 2017. The brand, which sells everything from batteries to pots & pans, is Amazon's biggest private-label brand with nearly 2000 CPG products. It's followed by Amazon's popular electronic products, like the Echo, Fire TV and Kindle Fire, which comprise 55% of all Amazon private-label sales. All electronic product lines had sales over \$75 million in H1. Amazon Elements, which earned \$9.5 million during H1 2017, had long been popular for its baby wipes and now sells health supplements. Amazon's new snack line, Happy Belly, debuted late last year and already made over \$2 million this year. Three of Amazon's clothing labels, Lark & Ro, Buttoned Down, and Amazon Essentials, round out the top ten. All of Amazon's private-label clothing lines encompass just 1% of all sales, demonstrating just how new they are to market.



Growth

YOY Growth of Amazon Private-Label Brands | H1 2016 to H1 2017

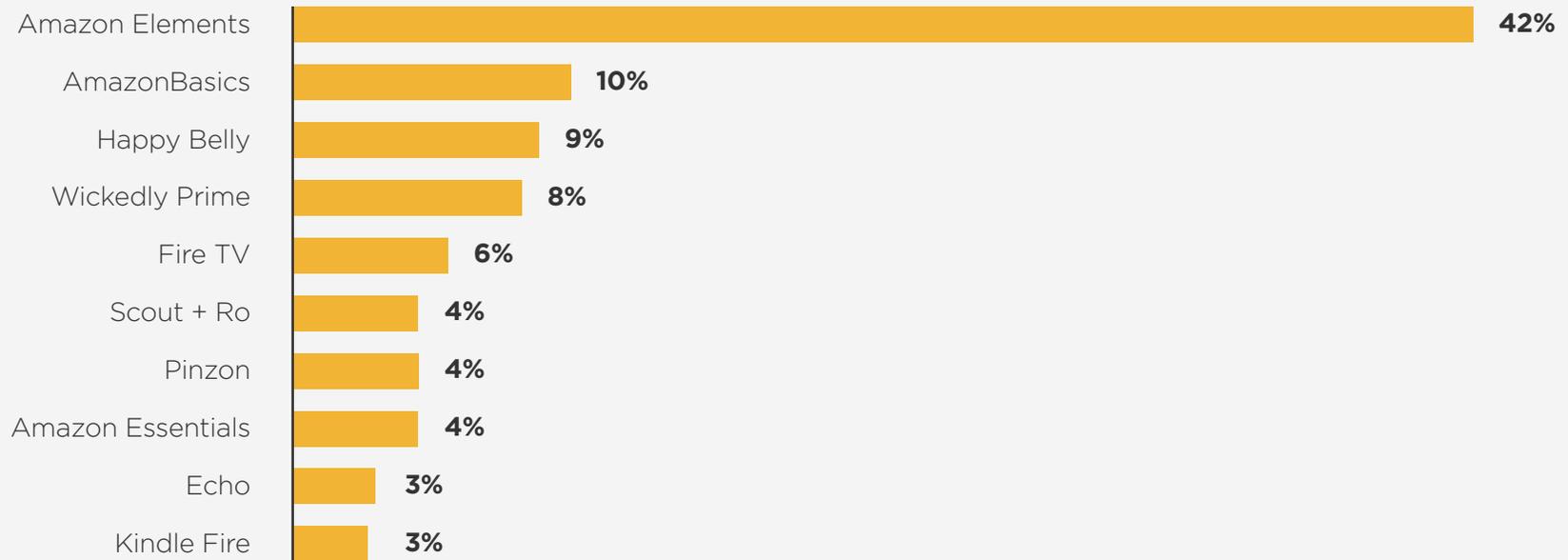


Although Amazon has about 20 private-label brands, more than half entered the market last year. Focusing on Amazon's brands that had sales during the first half of 2016, 1010data found that Scout + Ro, a children's clothing line, experienced the most aggressive growth year over year. Over the past year, Amazon has expanded the line fivefold, which explains why the brand has grown so quickly. The Amazon Echo doubled sales year over year, while sales of the Kindle Fire have nearly tripled. Franklin & Freeman, a men's shoe line, and Lark & Ro, a women's clothing line, also experienced healthy growth, increasing sales by 153% and 84%, respectively. Not all of Amazon's brands saw positive year over year growth, however. Pinzon, which produces bedding and towels, sold fewer units in 2017 compared to 2016.



Conversion

Conversion Rates of Amazon Private-Label Brands | H1 2017



Conversion rate is calculated as total number of units sold divided by the total number of times the product was viewed. Amazon Elements' high conversion rate of 42% is very impressive. 42% of shoppers who look at Amazon Elements products online end up buying the product. Amazon Elements converts shoppers four times as well as any other Amazon brand. Aside from AmazonBasics, the next top converting Amazon private-labels are Amazon's two snack lines, Happy Belly and Wickedly Prime. The online salty snack category has an average conversion rate of 9%, which puts Amazon's snack lines right on par with the category.



Top Items

	PRODUCT	INDEX
1	Fire TV Stick with Alexa Voice Remote - Streaming Media Player	100
2	Echo Dot (2nd Generation) - Black	43.7
3	AmazonBasics Apple Certified Lightning to USB Cable - 6 feet - White	27.2
4	AmazonBasics High-Speed HDMI Cable - 6 feet (Latest Standard)	24.3
5	AmazonBasics AA Performance Alkaline Batteries (48-pack)	22.2
6	Amazon Fire TV - Streaming Media Player	17.0
7	AmazonBasics AAA Performance Alkaline Batteries (36-pack)	15.0
8	Amazon Echo - Black	14.5
9	Echo Dot (2nd Generation) - White	13.7
10	AmazonBasics Apple Certified Lightning to USB Cable - 3 feet - White	13.2

The top ten most popular Amazon private-label products are technology related, which makes sense considering more than half of all Amazon private-label sales are from Amazon's electronic products. The Fire TV stick, which incorporates Amazon's Alexa voice technology, has been the most popular product sold on Amazon for the past several months and tops this list. The second most popular product is the Echo Dot. This is a smaller version of the Amazon Echo, which put the Alexa technology on the map. The black Echo Dot is three times as popular as the white Echo Dot and the black Amazon Echo. The remaining products on the top ten list are all from AmazonBasics, including HDMI cables, lightning to USB cables and batteries. Consumers buy twice as many 6-foot lightning to USB cables as they do 3-foot. During Prime Day 2017, Amazon's most popular private-label product sold was the Amazon Echo in black, which ranked eighth among the top ten during H1 2017.



Search Terms

BRAND	TOP SEARCH TERM
Amazon Echo	echo
Amazon Elements	baby wipes
Amazon Essentials	amazon essentials
AmazonBasics	hdmi cable
Buttoned Down	dress shirts for men
Fire TV	fire tv stick
Goodthreads	goodthreads
Happy Belly	happy belly
James & Erin	dresses for women
Kindle Fire	kindle fire
Lark & Ro	dress
Mama Bear	organic food vegetable
Paris Sunday	dress
Pinzon	body pillow
Scout + Ro	scout and ro girls
Wickedly Prime	wickedly prime

Search terms can help us understand how specific a user's buying journey is. If the most popular search term for a brand is the brand name, that indicates strong brand recognition in the market. However, if the top search term for the brand is the name of the product they are most known for, it could mean that the brand is stealing sales from a competitor. Based on the search terms for Amazon's private-label brands, we can conclude that half of Amazon's brands have a strong brand presence on Amazon. Consumers who want to buy clothes from Goodthreads or Scout + Ro and snacks from Happy Belly or Wickedly Prime are usually typing those brand names directly into Amazon's search bar before purchasing. Meanwhile, brands like James & Erin, Paris Sunday and Lark & Ro, are likely gaining new customers from consumers who are doing generic searches for dresses on Amazon.



Key Takeaways



amazonbasics
\$200 M

AmazonBasics earned more than \$200 million in sales during the first half of 2017



SCOUT + RO
6.4X YOY

Several Amazon private-label brands are experiencing tremendous growth, with **Scout + Ro** growing 6.4x YOY



amazon
elements
42%

42% of consumers who view **Amazon Elements** products online end up purchasing



amazon fireTV
★★★★★

Amazon's **Fire TV Stick** is the most popular Amazon product sold online



Most consumers search for the brand when buying an Amazon private-label product, indicating **strong brand recognition**

Methodology

1010data utilizes a number of sources of consumer spending data representing millions of consumers to provide an accurate assessment of online and offline retail sales, market share, and more. Our data enables clients to track consumer behavior using high-quality, granular datasets that are often difficult to source, cleanse, and consolidate.



ABOUT 1010DATA

Gaining actionable insight requires the best analytical tools and access to all relevant data. 1010data is a complete solution that provides both. We provide the only out-of-the-box, self-service, cross-enterprise insights platform. More than 875 of the world's largest companies trust 1010data to manage, share and analyze over 34 trillion rows of data because of our proven ability to deliver results more quickly, easily and accurately than any other solution. Please visit www.1010data.com for more information.

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