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Sent: 3/8/2016 5:10:19 PM
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Subject: Wk8 WBR Follow-ups

Please see below answers to Week 8 WBR questions:

1. PC SIC FT, p6 – Video Games, Musical Instruments, Toys, Apparel, Luggage, Jewelry, Watches and Food down YoY in wk8. Drivers?

- Video Games [REDACTED] YoY (Eric Swanson/Adrian Alston) – “Primary driver is traffic to non-RDD titles releasing in H1. The highest profile non-RDD title is Dark Souls 3 (Namco), with -87bps impact across all platforms. Namco has historically confirmed RDD close to release on their titles, we’re working with this vendor to enable RDD on their ASINs when they go live and expect the change to be effective as of Week 10.”

- Musical Instruments [REDACTED] YoY (Alejandro Bethlen) “This is driven by Non-Price Competitive FT ([REDACTED] CTT) and Retail OOS [REDACTED] CTT). [REDACTED]

[REDACTED] For RepOOS: Three ASINs drove Retail OOS. (1) Rode VMGO Video Mic (-23bps CTT), (2) Rode Video Mic Pro [REDACTED] CTT), and the (3) Rode Swivel Mount Studio Arm [REDACTED] CTT). In the past few months these items have had high LBB, which caused our forecasting to be incorrect. These ASINs are now back in stock and we are working with Rode to better manage inventory on these ASINS until we are winning the buy box consistently.”

- Toys [REDACTED] YoY (Eva Lorenz) - “Driven by our Price Gouging Logic. We are working with the Marketplace Pricing Team on initiatives to improve existing price gouging logic to protect the customer experience related to highly sought after allocated toys. Typically, the FMA Buy Box Price Gouging Algorithm applies a threshold to the ASP (average price across Retail and 3P over 60 days). Offers above this threshold are moved to the OLP. This has minimal impact because ASP includes price gouged ASIN sales. The remaining FBA SIC FT decline is driven by a shift to retail due to selection improvements YoY. Cross-dock growth YoY also contributed to Retail SIC FT; top impacted items include Shopkins figures and LEGO Star Wars sets.”

- Apparel [REDACTED] YoY (Michelle Rothman) – “This is driven by Non PC FT [REDACTED] and DC transfers [REDACTED]. Due to switching from FT to PC FT this week, we are bridging the drivers at an ASIN level and will provide an update next week.”

- Luggage [REDACTED] YoY (Dana Luthy) – “Due to switching from FT to PC FT this week, we are bridging the drivers at an ASIN level and will provide an update next week.”

- Jewelry [REDACTED] YoY (Stefanie Harris) - “Primary driver is due to an increase in No Selection GV’s. [REDACTED] non-direct brands were added to the SIC selection since last year with [REDACTED] brands driving [REDACTED] of the issue. We need to vet these brands to determine if they are relevant selection to our category. Nordstorm’s and Macy’s were added as SIC in SLs so we have new NO SEL drivers that we need to dive into as this is the first week of having the information.”

- Watches [REDACTED] YoY (Stefanie Harris) – “Nordstorm’s and Macy’s were added as SIC in SLs so we have new NO SEL drivers that we need to dive into as this is the first week of having the information.”

- Food [REDACTED] YoY (Dan Brenner) – “The biggest cause of our YoY decline was a [REDACTED] increase in our Non-Price Competitive SIFT bucket, which made up [REDACTED] of our glance views in Wk08 2016. Of the [REDACTED] came

from non-price competitive Retail ASINS, [REDACTED] from FBA ASINS and the balance from MFN ASINS. The majority [REDACTED] of our non-price competitive Retail SIFT comes from ASINS in the "Unknown Root Cause" bucket. This bucket is primarily the result of a data quality due to issues with accurately mapping ASINS of various counts / pack sizes. The Fast Track team is aware of this problem and is currently working on a fix to address it. All of our other major buckets improved YoY in Wk08. Selection improved [REDACTED] Availability improved [REDACTED] Delivery improved [REDACTED] and Pricing remained flat at [REDACTED]. Note that the denominator for total SIC GV's uses a different data set for 2015 vs. 2016. The 2015 data set was based on SMT information while the 2016 is based on a CMT-based dataset. Due to this, YoY comparisons for any SIFT metrics will not be apples to apples comparisons until July 2016."

2. BB FT, p8 – Textbooks and Software down YoY in wk 8. Drivers?

- Textbooks [REDACTED] YoY (Robin Mendelson/David Forsythe) – "The YoY decline was primarily driven by NOFR (- [REDACTED] from obsolete/out of print titles as well as non-RDD NYPs [REDACTED] largely driven by one title (Dark Souls III Estus Flask Edition – ASIN: 0744017068)"
- Software [REDACTED] YoY (Carlos Fojo) – "Primary drivers were H&R Block [REDACTED] due to lower traffic to tax titles and Rosetta Stone [REDACTED] comping a DOTD which was executed a week later this year."

3. Top Competitor ASIN Rejections and Overrides, p13 for Baby:

Why did Walmart break MAP and we didn't?

4. QTD Buying Automation, p42 for Watches down [REDACTED] YoY and Panty down [REDACTED] YoY. What is driving this? Will this be once-off or recurring for the next few weeks?

- Watches [REDACTED] YoY. Why is automation for Watches down? (Stefanie Harris) "QTD automation declined - [REDACTED] WoW to [REDACTED] and was down [REDACTED] YoY. The continued QTD decline was driven by a low automation rate in Wk07 (the previously mentioned Invicta manual order of [REDACTED] units for Project Bahama 2.0) as well as a low automation rate in Wk08 of [REDACTED]. The low Wk8 automation rate was driven by several large Seiko and Casio promotional orders totaling [REDACTED] units. These were promotional purchases made with 100% return rights. These are purchase scenarios (100% return rights) that the Opportunity Buy Tool does not yet handle and resulted in the manual PO's being placed."

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