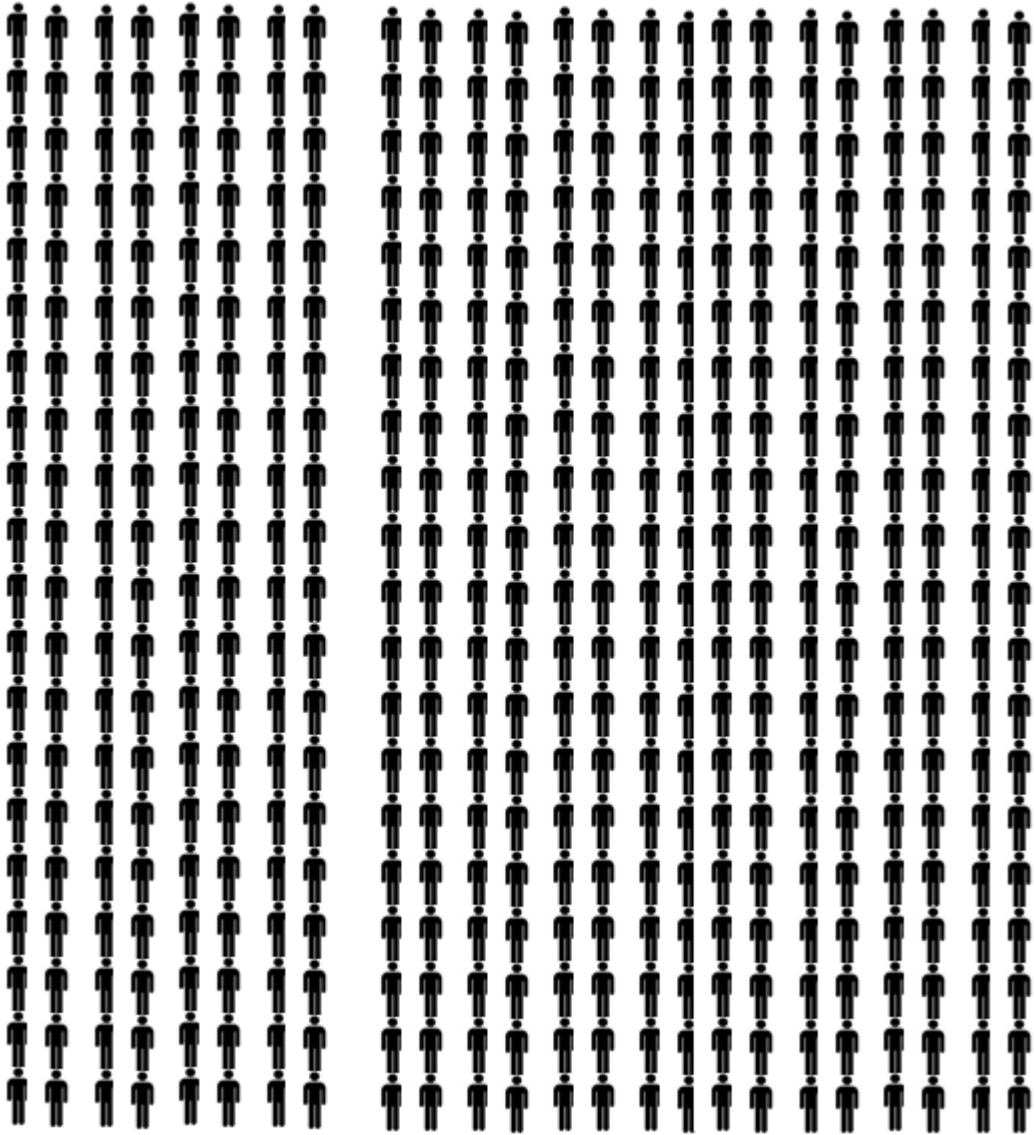
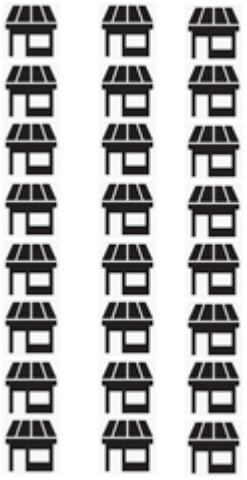
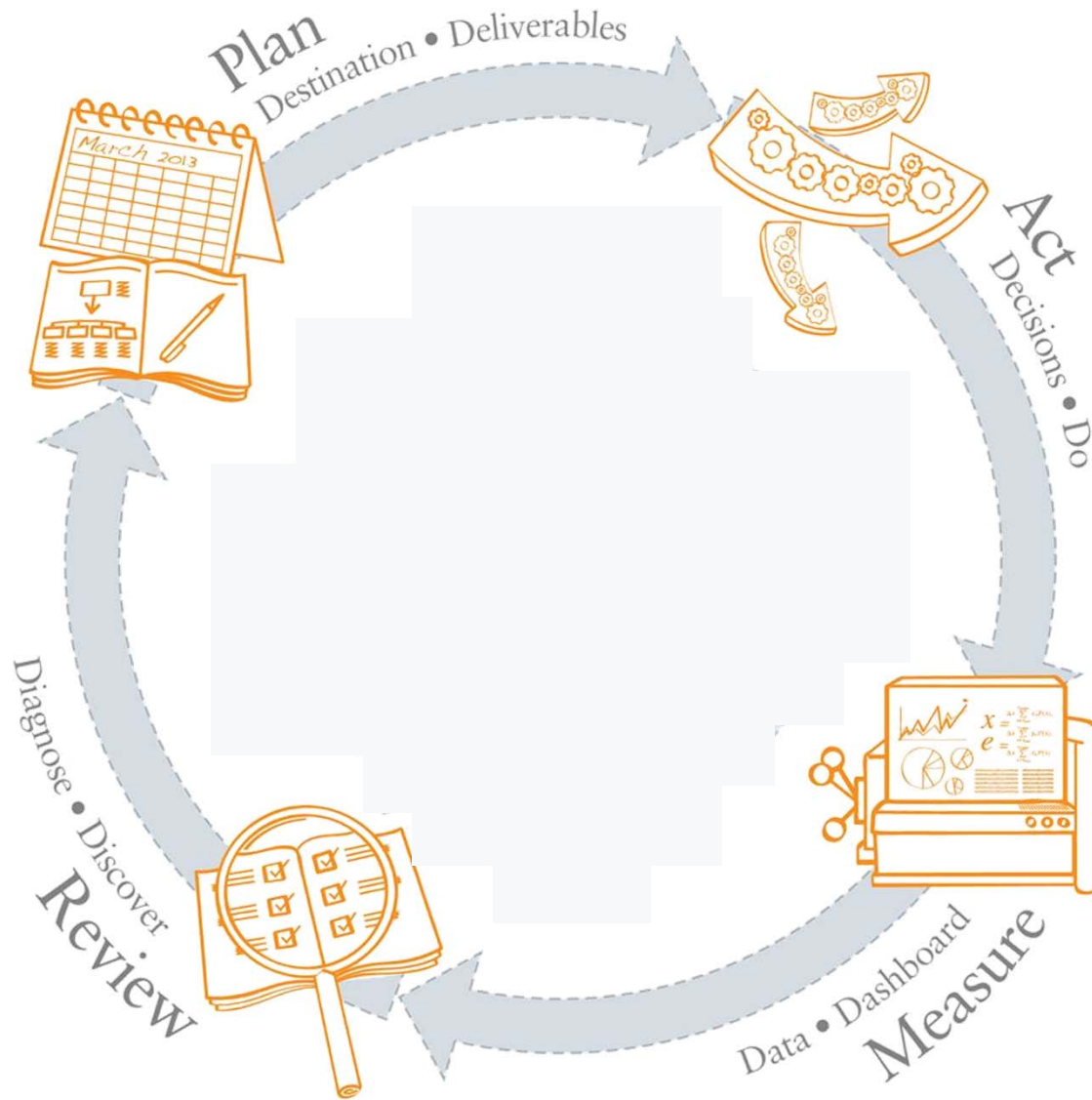
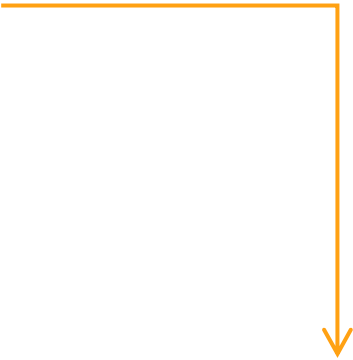


Managing retail: the Amazon way

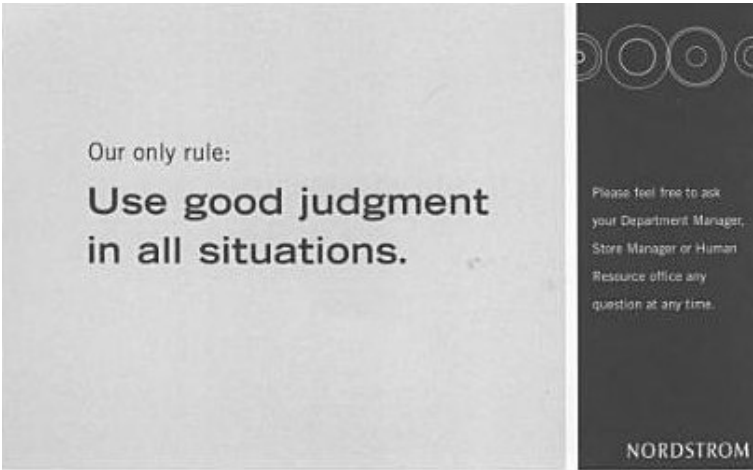






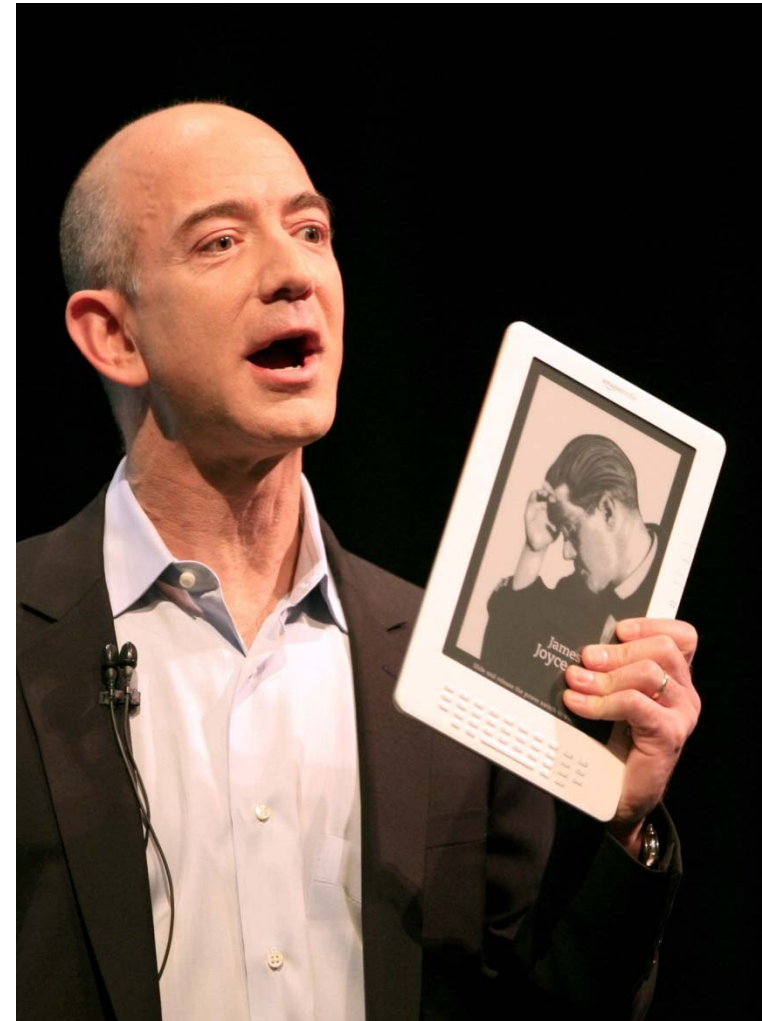


Turning over the card

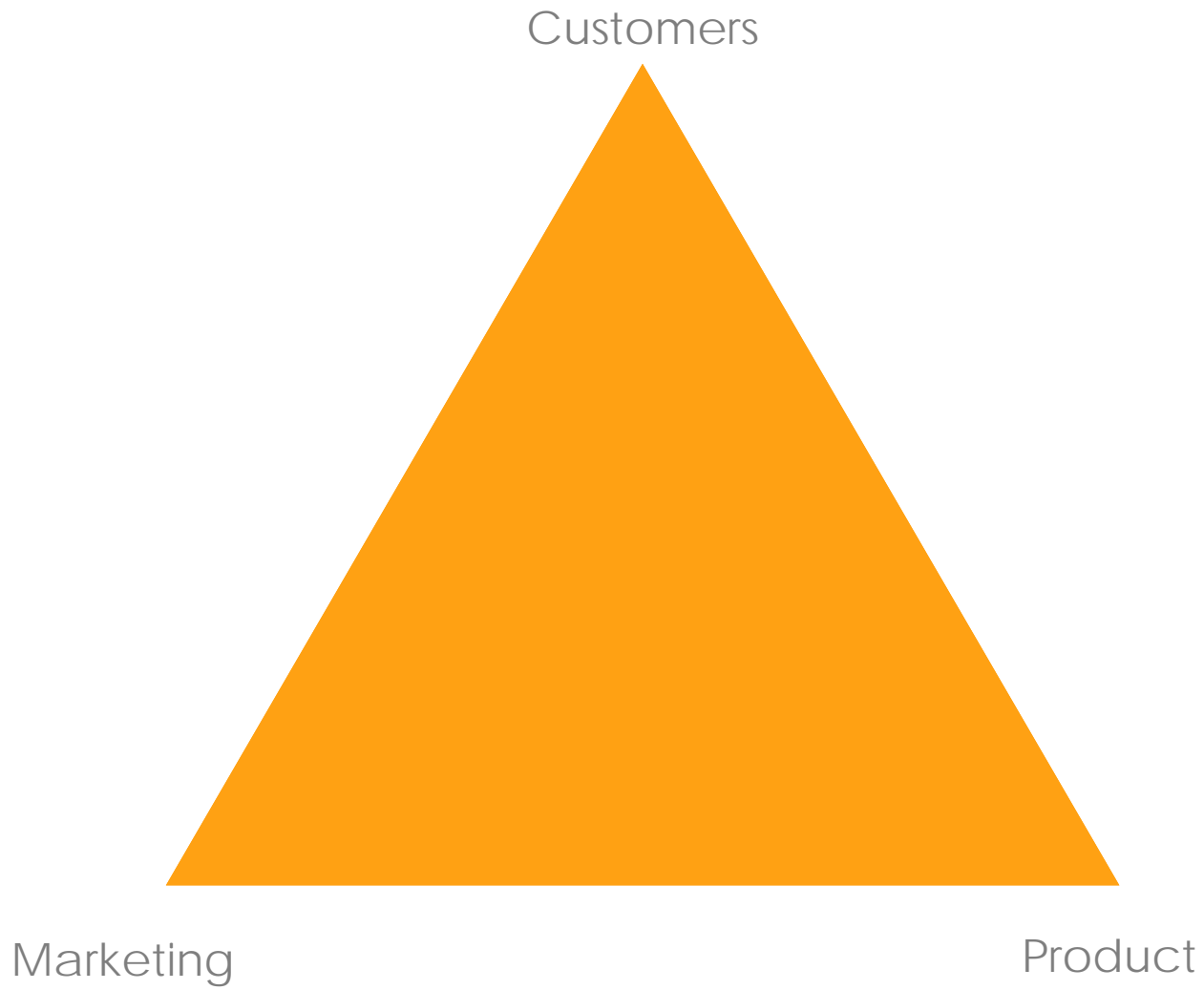


Plan

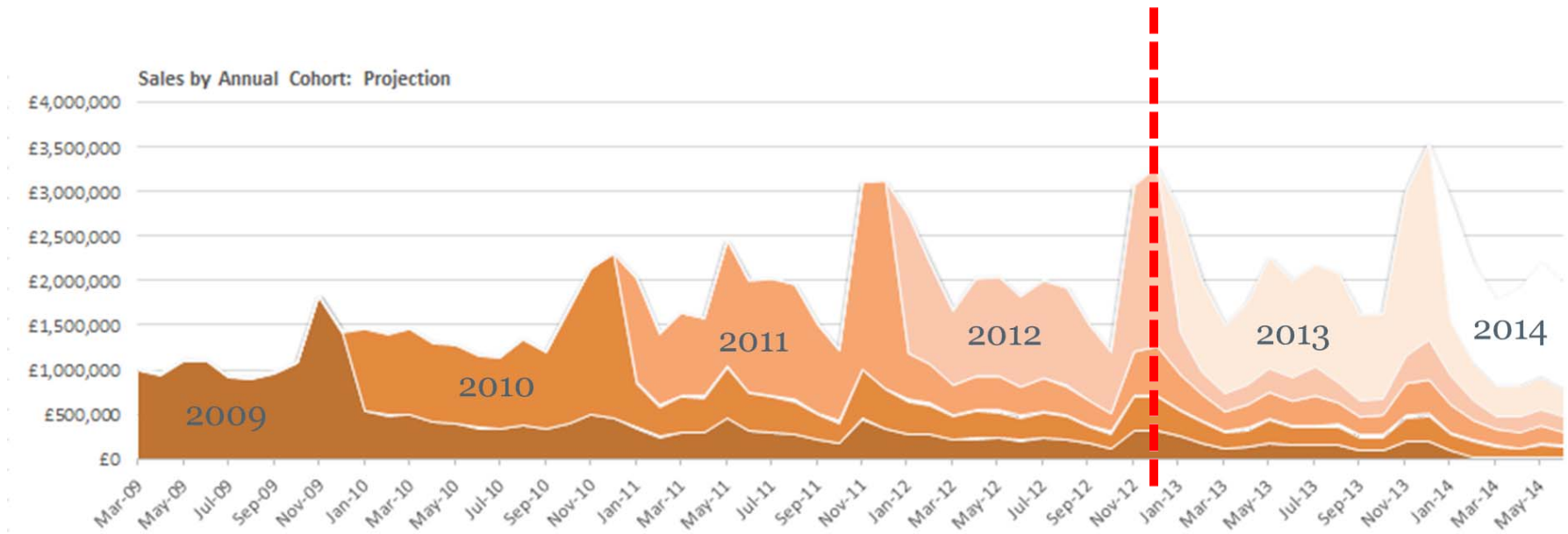
For 2010, we have 452 detailed goals with owners, deliverables, and targeted completion dates.....Taken as a whole, the set of goals is indicative of our fundamental approach. Start with customers, and work backwards. Listen to customers, but don't just listen to customers – also invent on their behalf.



Plan



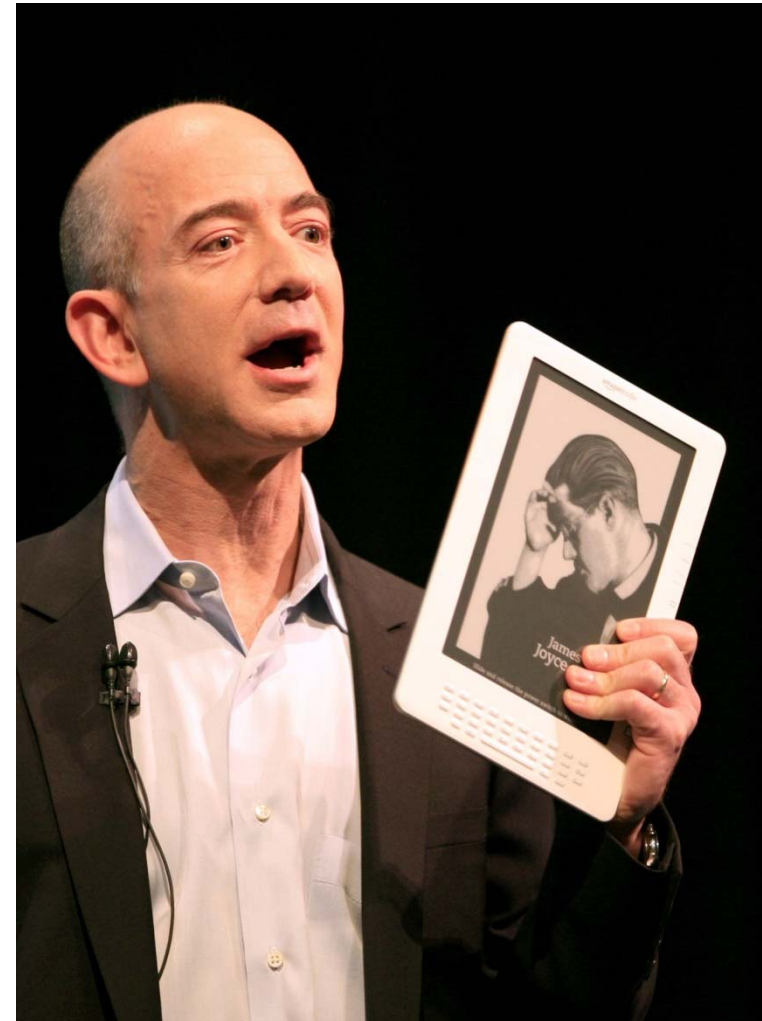
Customer-centric growth



Act

.....focus on defect reduction and execution..... a bunch of techniques, like **Six Sigma and lean manufacturing**tools to create repeatable processes and to know where those processes made sense.

Customer contacts per unit sold.....has gone down every year for 12 years. That's **big-time process management**.



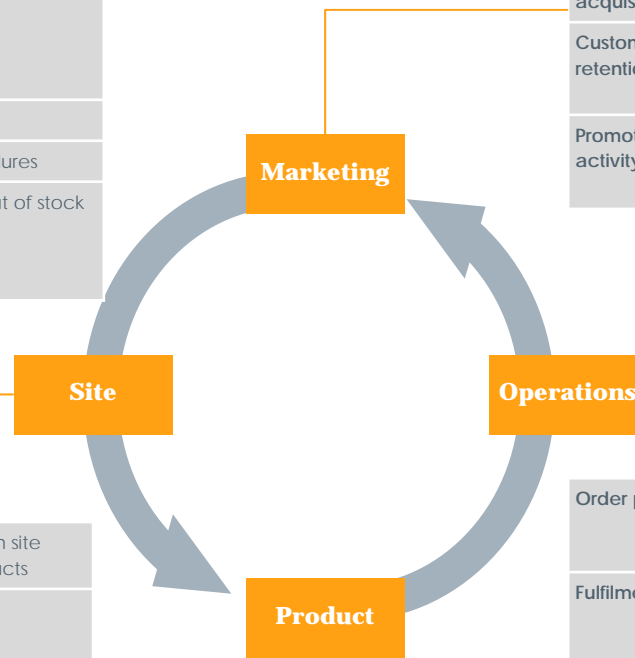
Act

Content/ landing pages	<ul style="list-style-type: none"> Review site entry pages Ensure key marketing messages are communicated at site entry Design and launch new homepage, site content, banners/imagery
Search/nav/ browse	<ul style="list-style-type: none"> Optimisation of top-level navigation Optimisation of sort orders Managing of synonyms, hyponyms, typos Managing facet presentation Review search results for opportunities
Personalisation	<ul style="list-style-type: none"> Review personalisation rules
Checkout	<ul style="list-style-type: none"> Check payment page errors and auth failures
Hygiene	<ul style="list-style-type: none"> Check for missing images, broken links, out of stock lines not removed, spell check Review analytics tagging Site speed

Channel optimisation	<ul style="list-style-type: none"> Review of channel performance: spend, customers, funnel performance for PPC, affiliates, banners, social, email, natural search etc. On-going refresh: new keywords, in-bound links, affiliate engagement
Customer acquisition	<ul style="list-style-type: none"> Review performance: cost, sources, permission Execute welcome program
Customer retention	<ul style="list-style-type: none"> Review RFM behaviour Execution of CRM activity Review retargeting activity
Promotional activity	<ul style="list-style-type: none"> Design and launch new promotions: either individual products, basket levels or combinations Analysis of promotional effectiveness

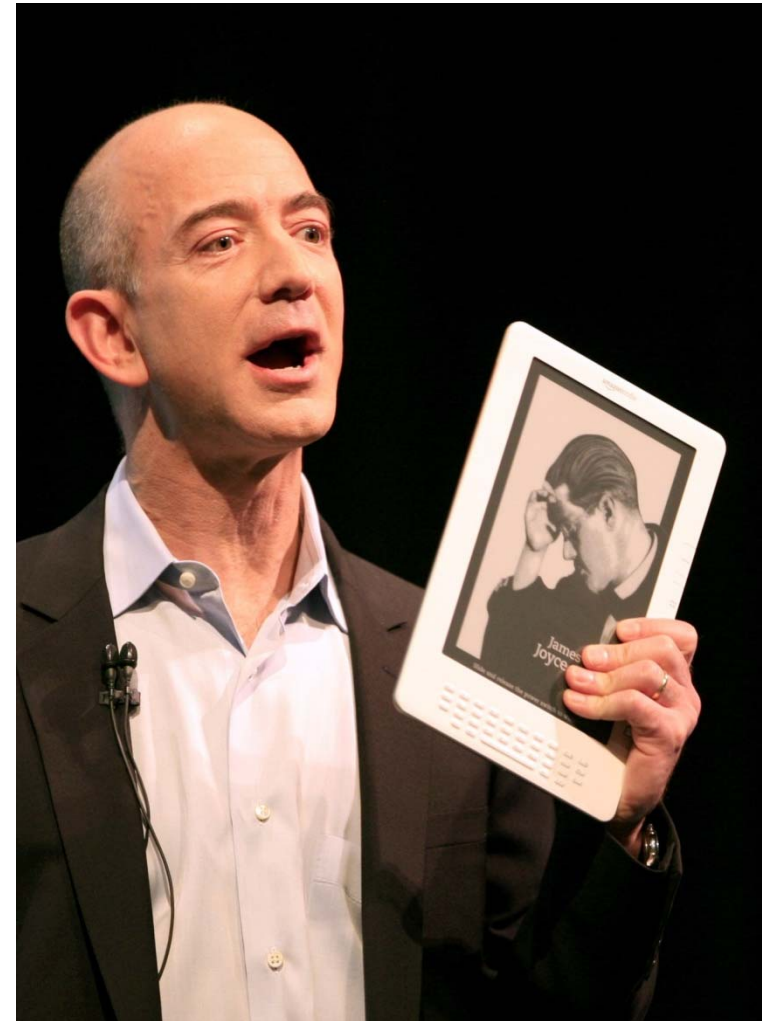
Range	<ul style="list-style-type: none"> Merchandise new products/bestsellers on site Review high view – low converting products
Price	<ul style="list-style-type: none"> Set retail prices Markdown management Review competitor pricing
Availability	<ul style="list-style-type: none"> Review of overstocks and understocks by SKU/product/category/total Open to buy management: daily/weekly replenishment Fragmented lines – move to last chance to buy/optimize search results
Content	<ul style="list-style-type: none"> Manage product coding: descriptions, photography, meta-data, reviews etc. New product publishing Managing ISNOS (in stock not on site)

Order processing	<ul style="list-style-type: none"> Review of order exceptions: high value, pick fails, missed promise, other Proactive order upgrades, apologies
Fulfilment	<ul style="list-style-type: none"> Accept/check deliveries at warehouse Pick, pack & despatch orders Process returns
Customer services	<ul style="list-style-type: none"> Deal with queries/complaints by telephone, email, livechat Handle order cancellations and declines
Fraud	<ul style="list-style-type: none"> Review chargebacks Review rejected orders



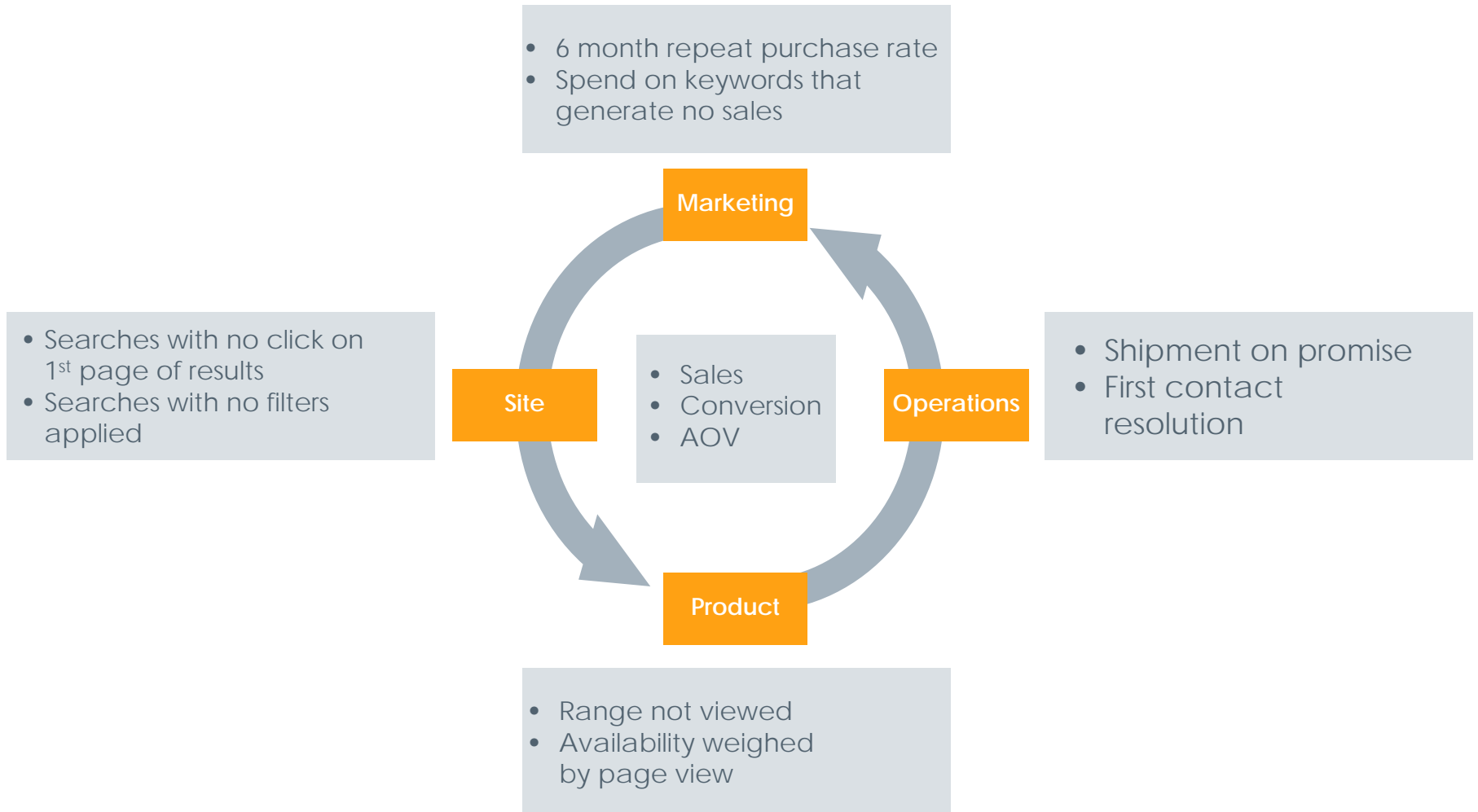
Measure

Senior leaders that are new to Amazon are often surprised by **how little time we spend discussing actual financial results** or debating projected financial outputs. To be clear, we take these financial outputs seriously, but we believe that **focusing our energy on the controllable inputs to our business** is the most effective way to maximize financial outputs over time.



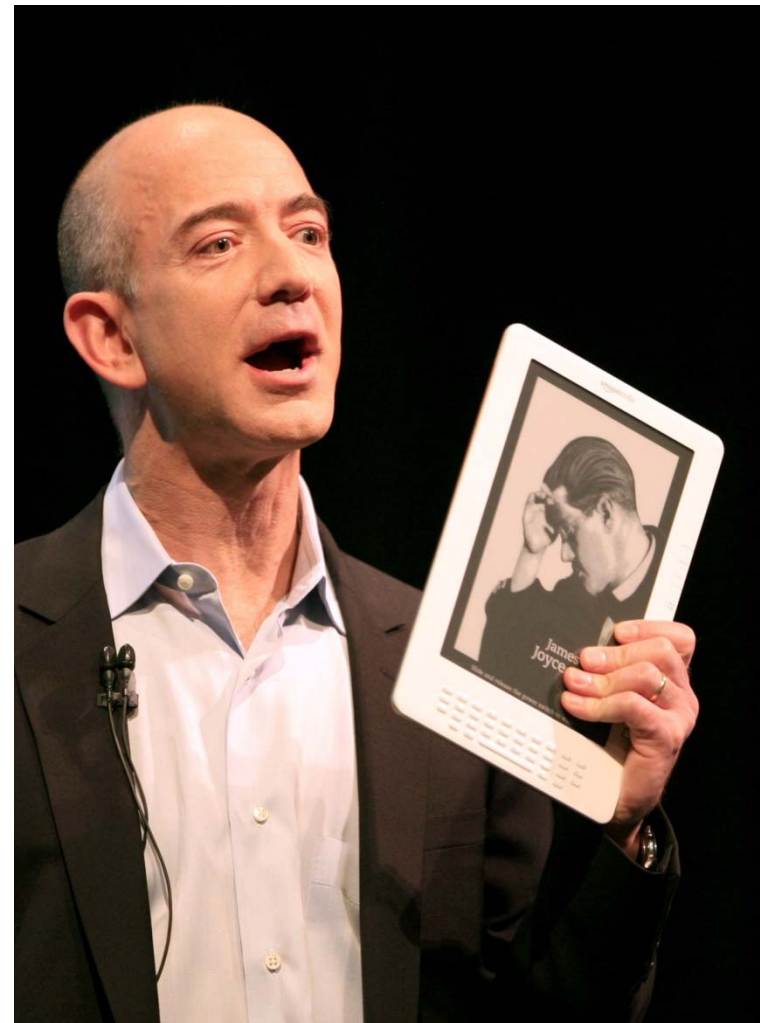
Measure

EXAMPLES



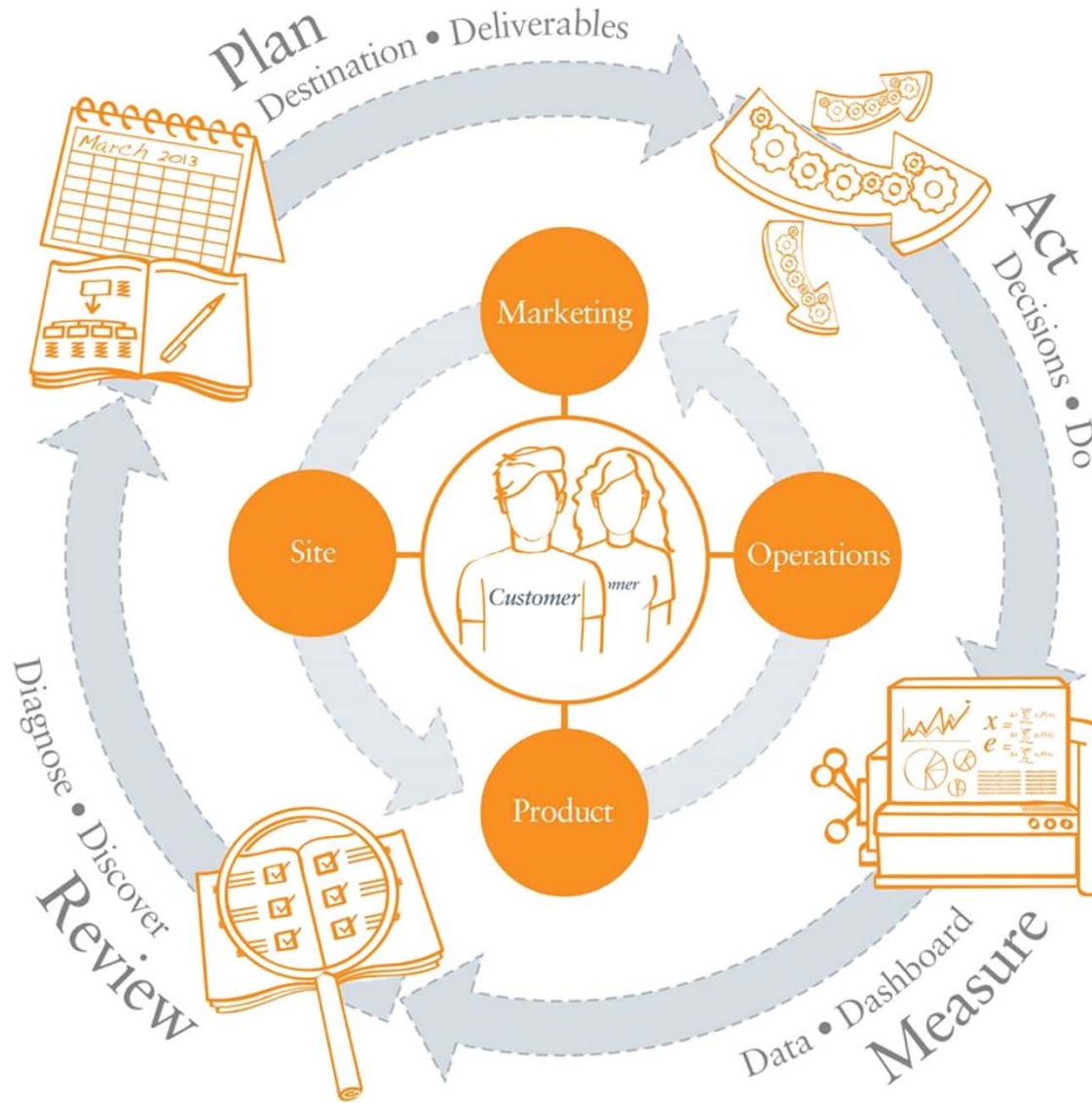
Review

At a fulfilment centre recently, one of our Kaizen experts asked me, "I'm in favour of a clean fulfilment centre, but why are you cleaning? Why don't you eliminate the source of dirt?"



Review







Michael Ross
Co-founder and Chief Scientist
eCommera

michael@ecommera.co.uk