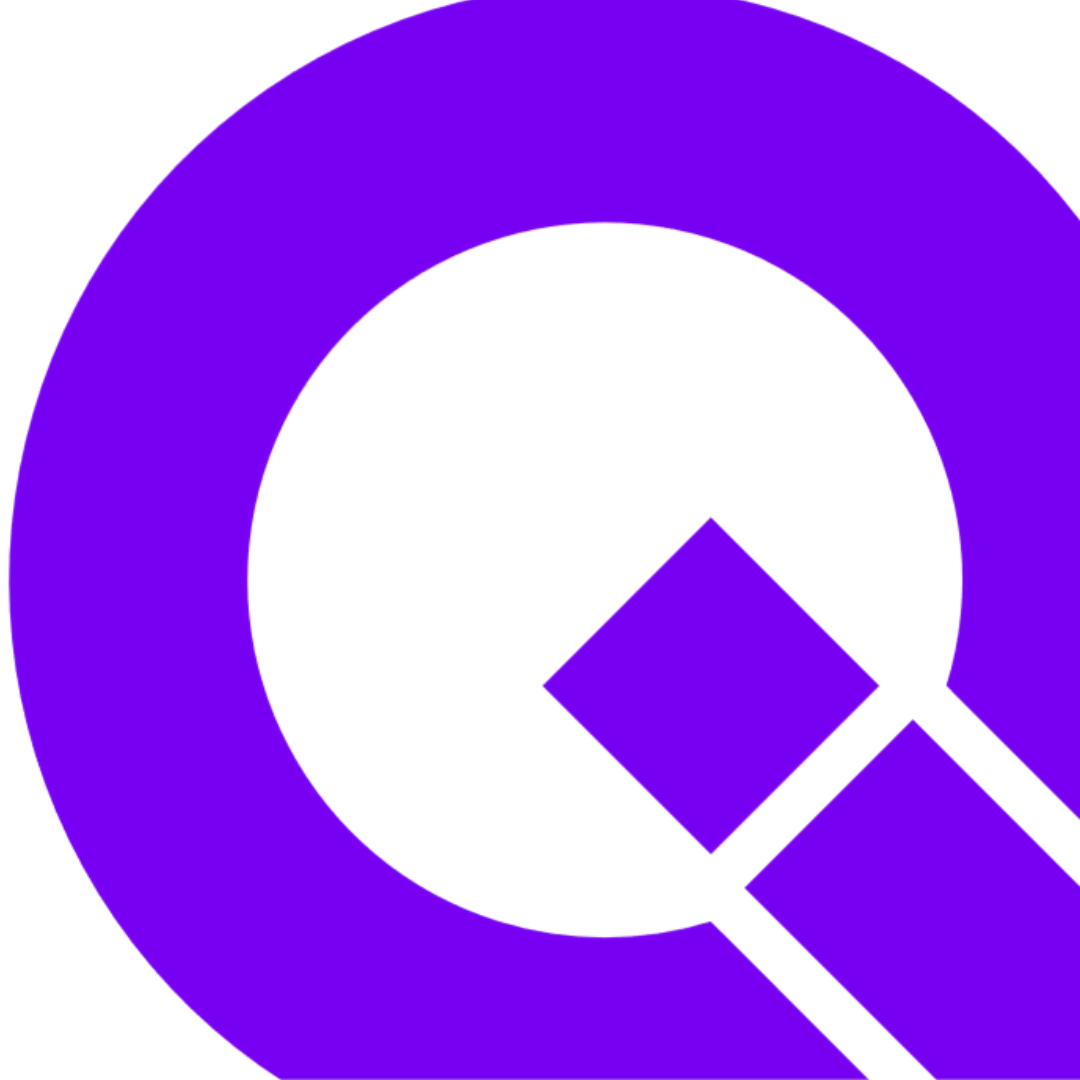


CommercelQ

Industry Trends

January 2023



Included retail ecommerce metrics



Supply Chain

Included Metrics

- Replenishable OOS
- Revenue Lost to OOS
- Units Ordered Index
- Fill Rates



Sales and Operations

Included Metrics

- Price Index
- Gross Unit Margin
- OPS



Retail Media

Included Metrics

- Ad Spend Index
- Return on Ad Spend
- Cost-Per-Click

Executive Summary: January 2023



Supply chain normalizing

Highlights

- Revenue lost due to OOS is 33% lower YoY, Units OOS is the same as January 2022
- Units ordered is up 82% vs. last month as Amazon once again orders more from 1P vendors
- Fill rates high enough that more product flows through AMZ 1P

Ecommerce has adapted to past supply chain shocks of 2022 but future stability is uncertain



Growth and prices cool at start of year

Highlights

- Price levels rise 4% YoY, returning to increases after weaker December YoY
- OPS growth low at 3% in Jan, similar growth to past months
- Gross unit margin has accelerated over past several months and is higher YoY

Consumers are still spending more but ecommerce sales and price growth have both cooled



Ad spend growth and ROAS strong

Highlights

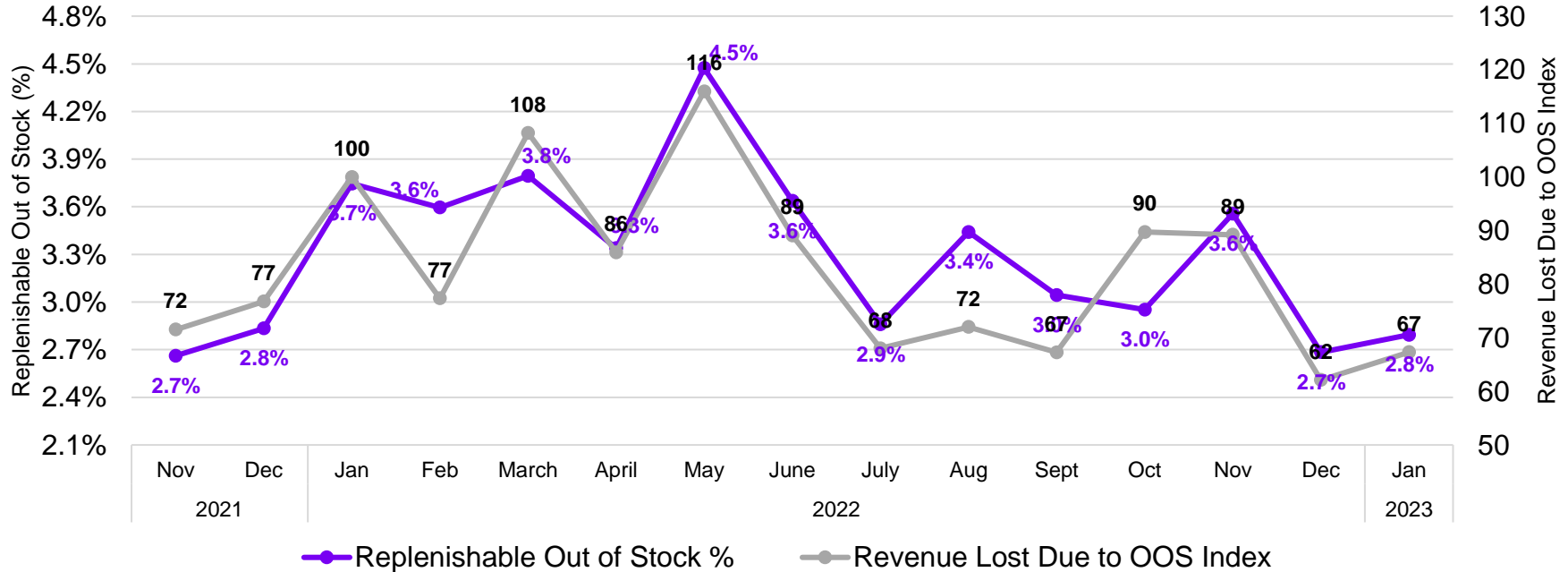
- Amazon ad spend still rises 15% YoY but falls 24% from prior holiday highs in 2022
- Similarly, ROAS is 12% higher at Amazon than last year but down 18% from Nov 2022 high
- Walmart ad spend higher 48% YoY but ROAS 13% lower YoY

Despite a weaker December YoY, ad spend shows strength in start to 2023 as Walmart gains steam

OOS stabilized heading into 2023



Out of Stocks for Units and Revenue

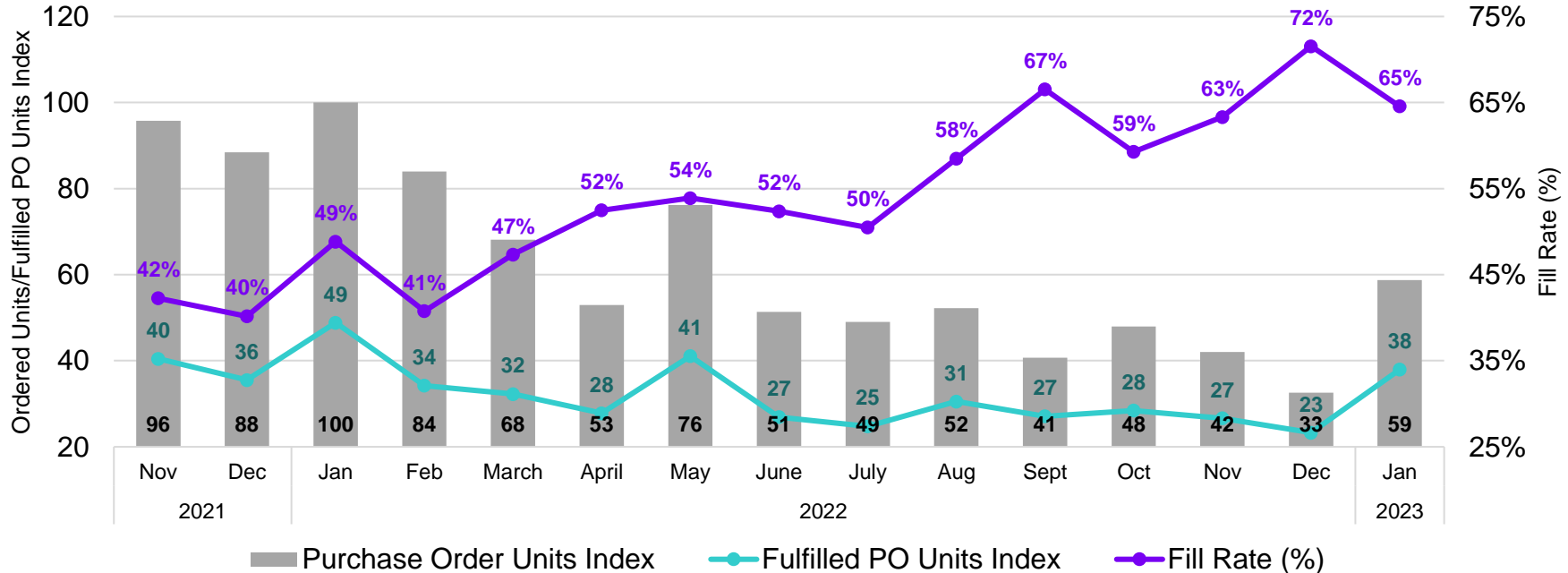


Note: Revenue lost due to OOS index set to 100 for January 2022 to create simpler comparisons for January 2023
 All data taken from CommerceIQ clients in aggregate on Amazon

Amazon reverses pullback and boosts POs at start of year



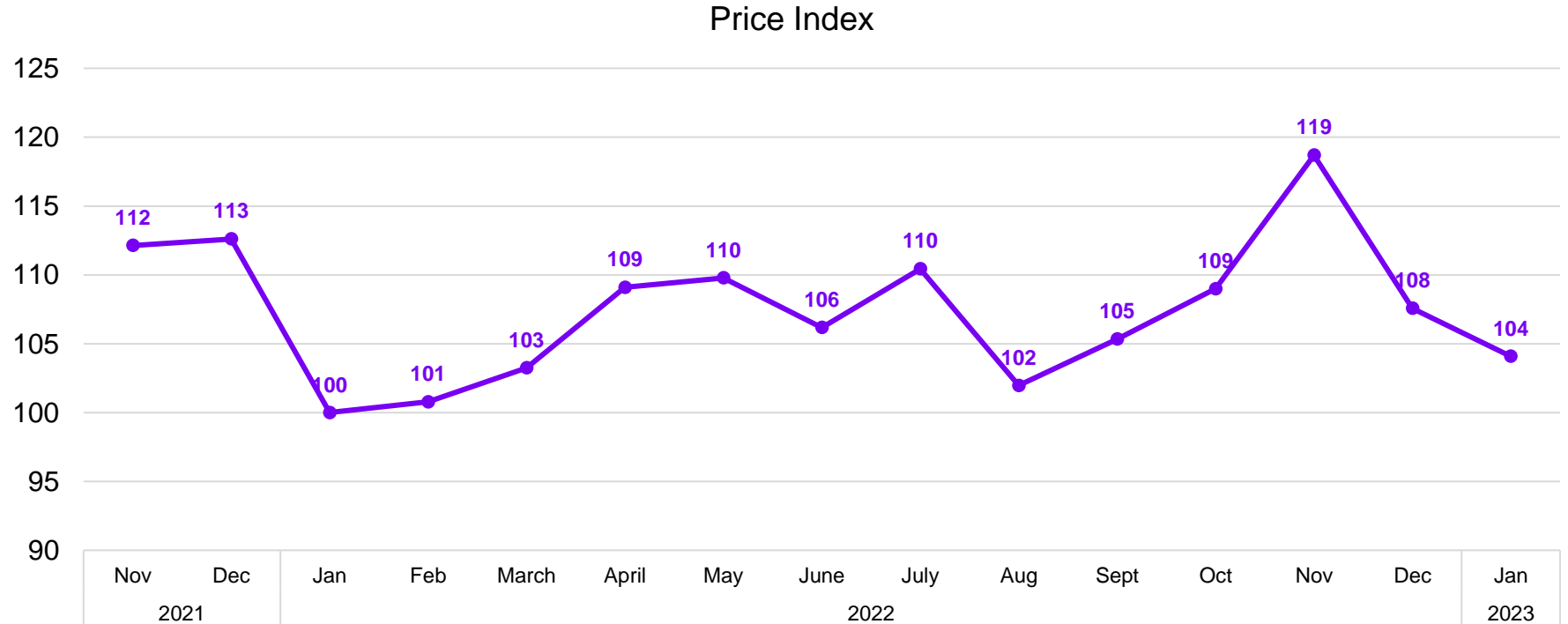
Purchase Order Units and Fill Rates



Note: Ordered units index set to 100 for January 2022 to create simpler comparisons for January 2023; Fulfilled PO Units Index = (PO Units Index) x (Fill Rate)
 All data taken from CommerceIQ clients in aggregate on Amazon



Price index resumes 4% rise YoY in January after weaker holiday season in 2022 vs. last year

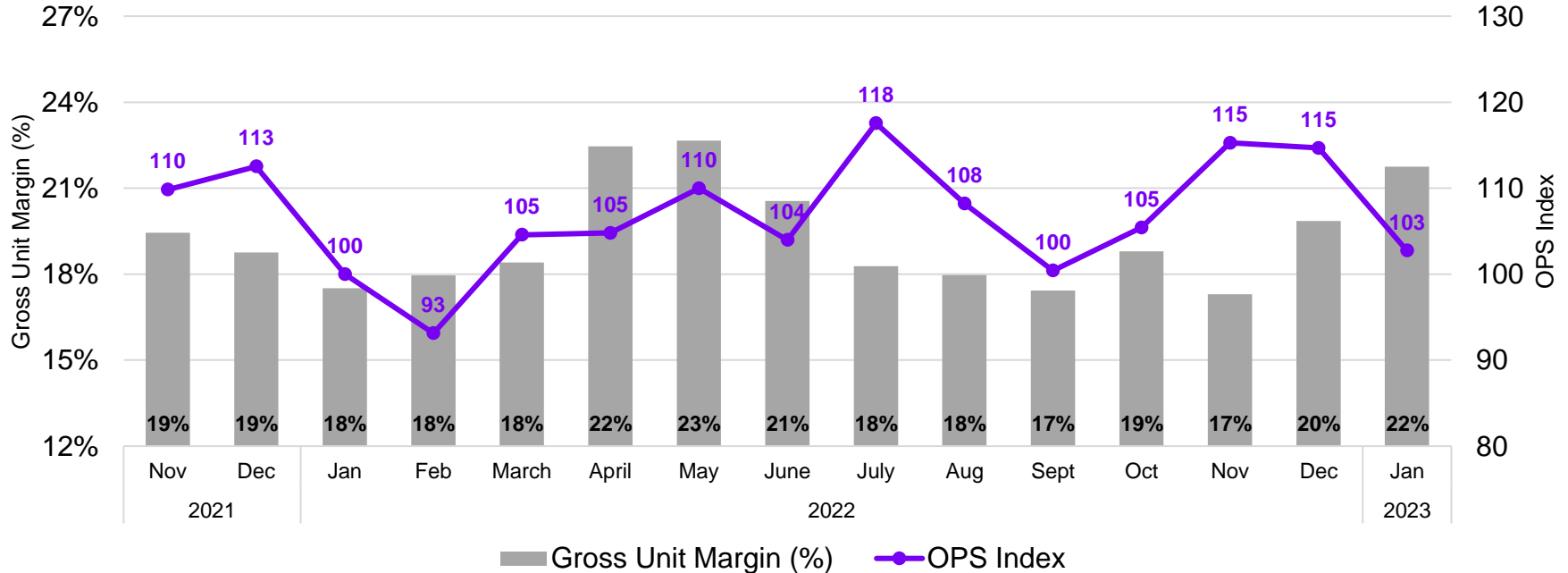


Note: Price index set to 100 for January 2022 to create simpler comparisons for January 2023
All data taken from CommercelQ clients in aggregate on Amazon

OPS grew 3% in January; gross unit margins have picking up strength for several months in a row



Gross Unit Margin and OPS Index

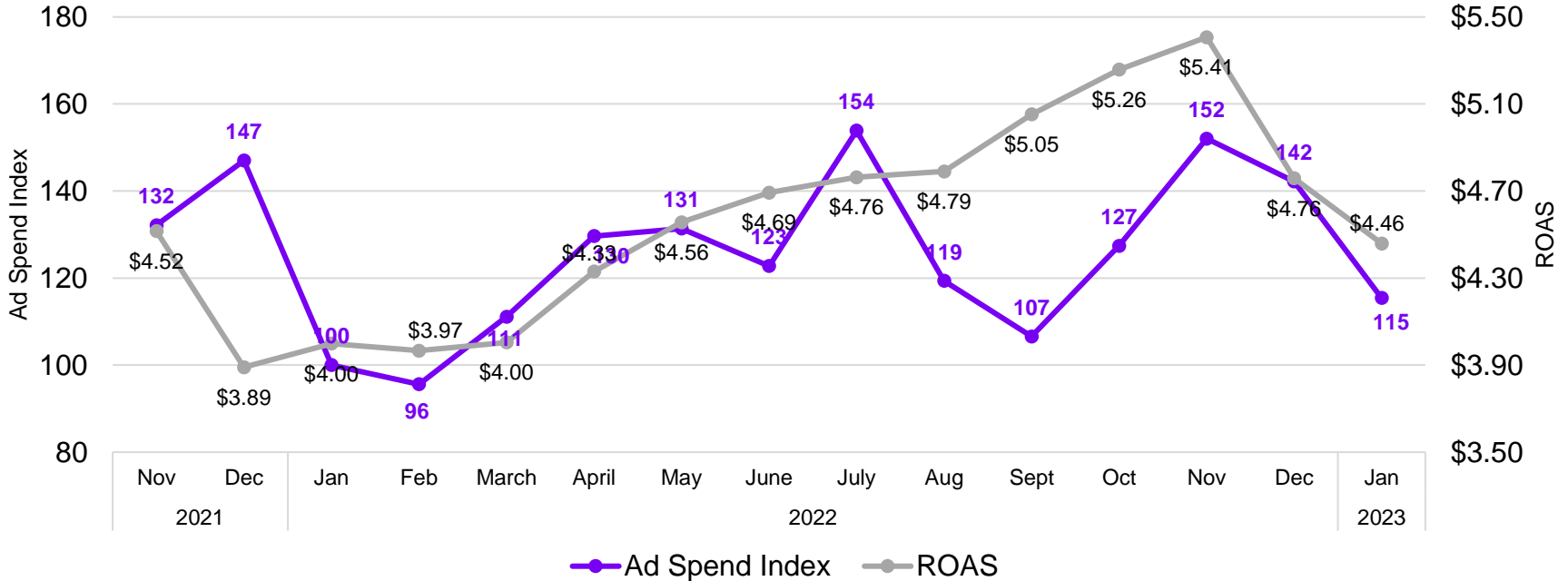


Note: OPS index set to 100 for January 2022 to create simpler comparisons for January 2023
 All data taken from CommercelQ clients in aggregate on Amazon

Ad Spend falls from holiday highs but still up 15% YoY as vendors keep investing



Ad Spend Index and ROAS

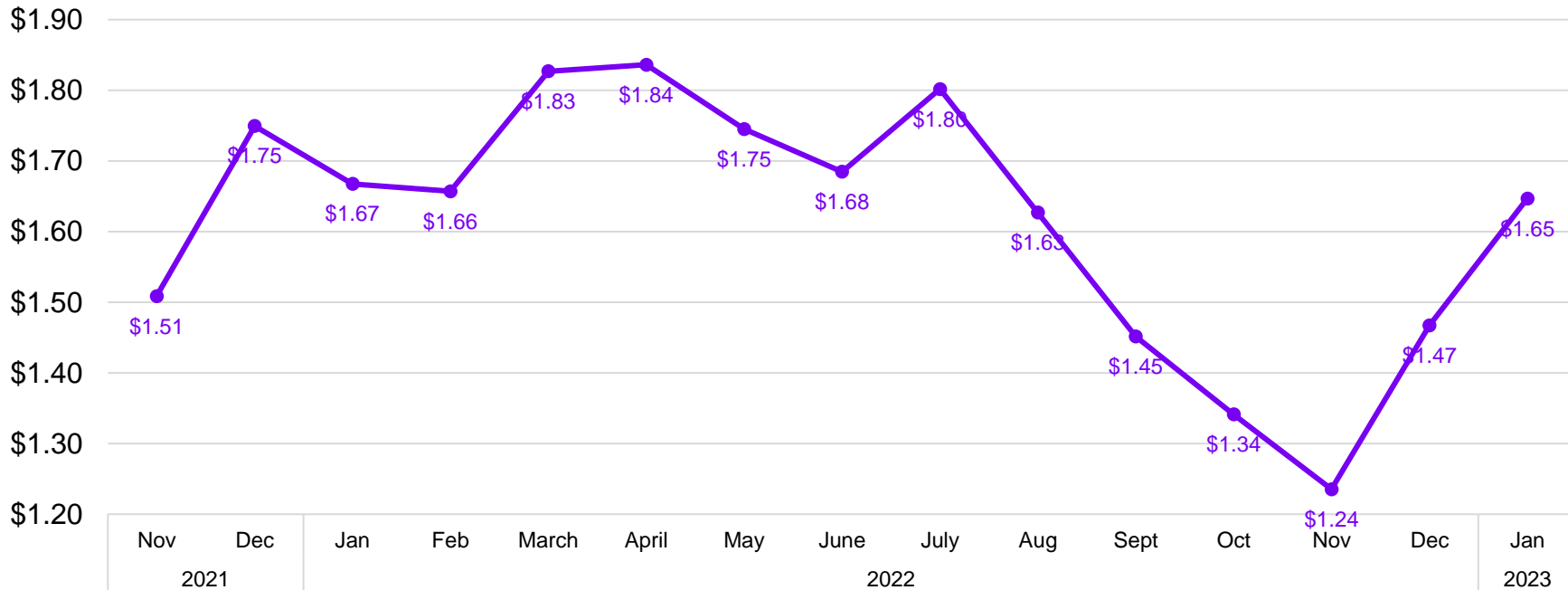


Note: Ad spend index set to 100 for January 2022 to create simpler comparisons for January 2023
 All data taken from CommerceIQ clients in aggregate on Amazon

CPCs continues surge in January after reaching low in November



Cost-Per-Click

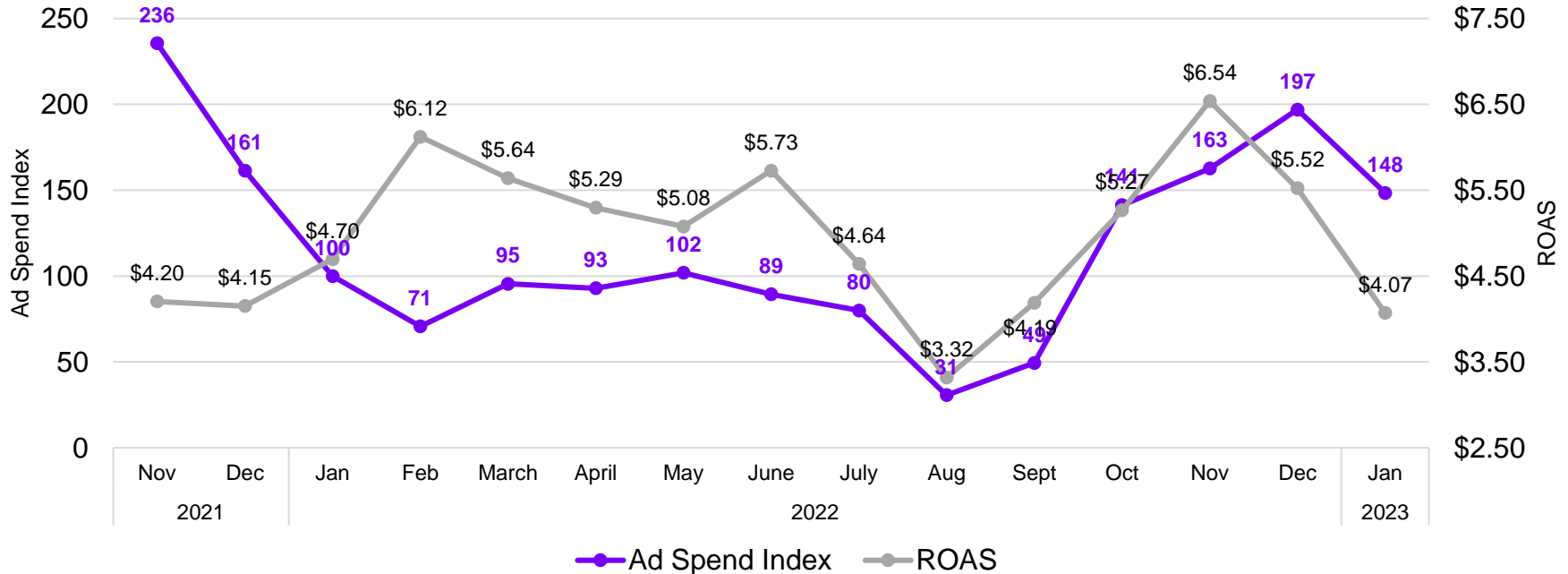


Note: All data taken from CommercIQ clients in aggregate on Amazon

Ad spend at Walmart falls from holiday but still up 48% YoY after big push from Walmart to invest in ad platform



Walmart Ad Spend and ROAS

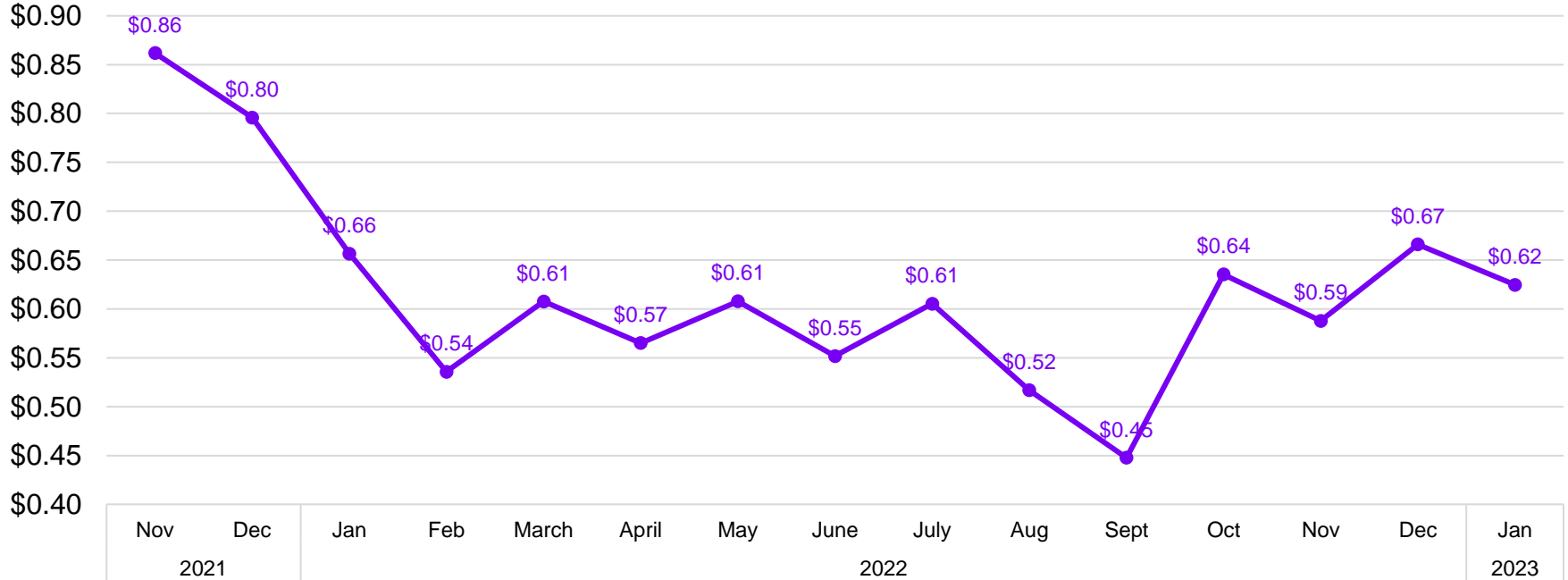


Note: Ad spend index set to 100 for January 2022 to create simpler comparisons for January 2023
 All data taken from several CommercelQ clients in aggregate on Walmart

Walmart cost-per-click stays between \$0.50 to \$0.70 range



Walmart Cost-Per-Click



Note: All data taken from several CommercelQ clients in aggregate on Walmart