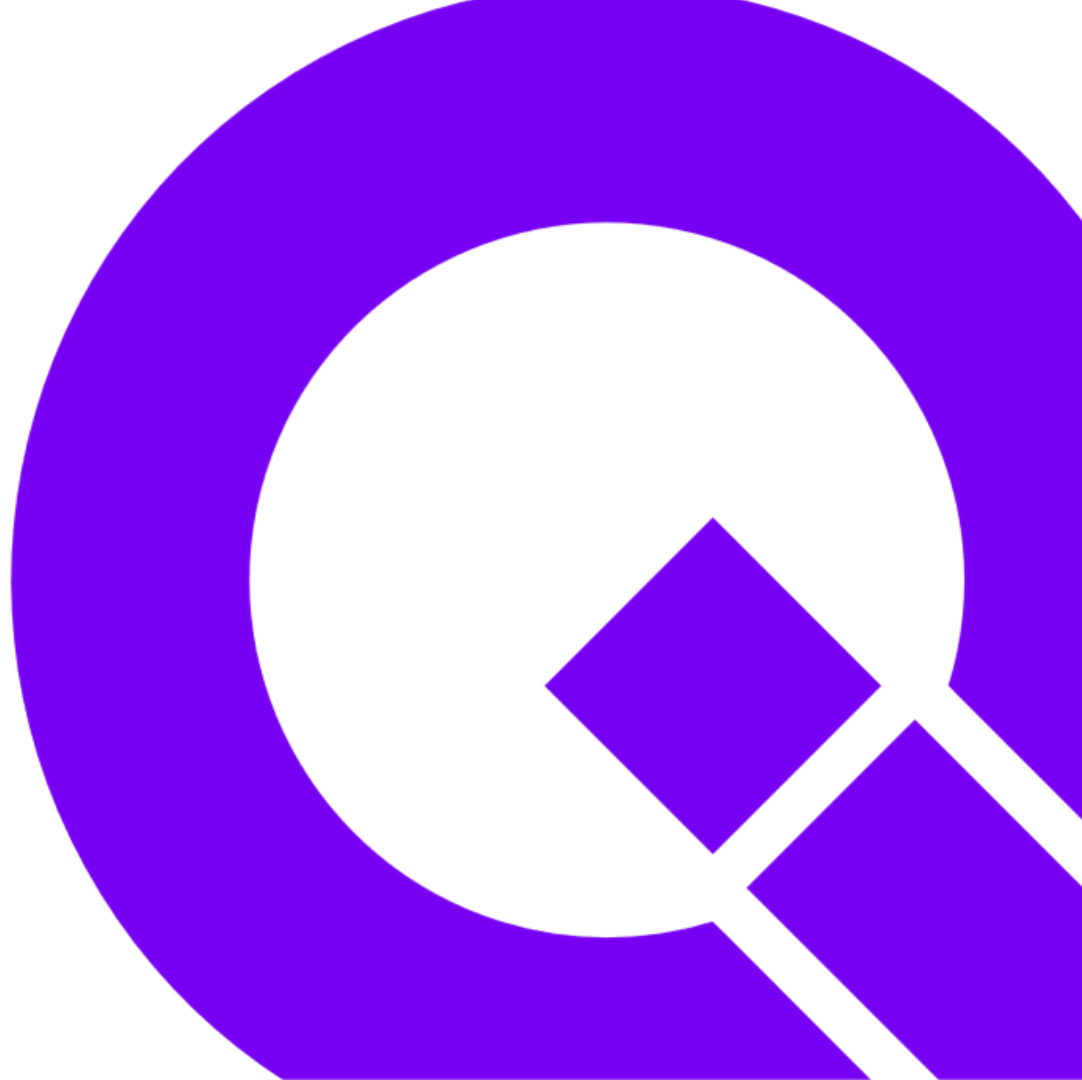


CommercelQ

Industry Trends

February 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: February 2023



Supply chain stable but worse YoY

Highlights

- Revenue lost due to OOS is 14% higher than YoY, but units OOS is the similar YoY
- Units ordered is once again down 24% vs. last month as Amazon pulls back on orders
- Fill rates rise 7 pp as a result, up 30 pp from last year

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



Growth and prices continue to be cool

Highlights

- Price levels rise 5% YoY, weaker than average
- OPS growth low at 2% in Feb, similar growth to past months
- Gross unit margin is stable but lower than at this time last year by 3-5 pp.

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



Ad spend falls across AMZ, WMT

Highlights

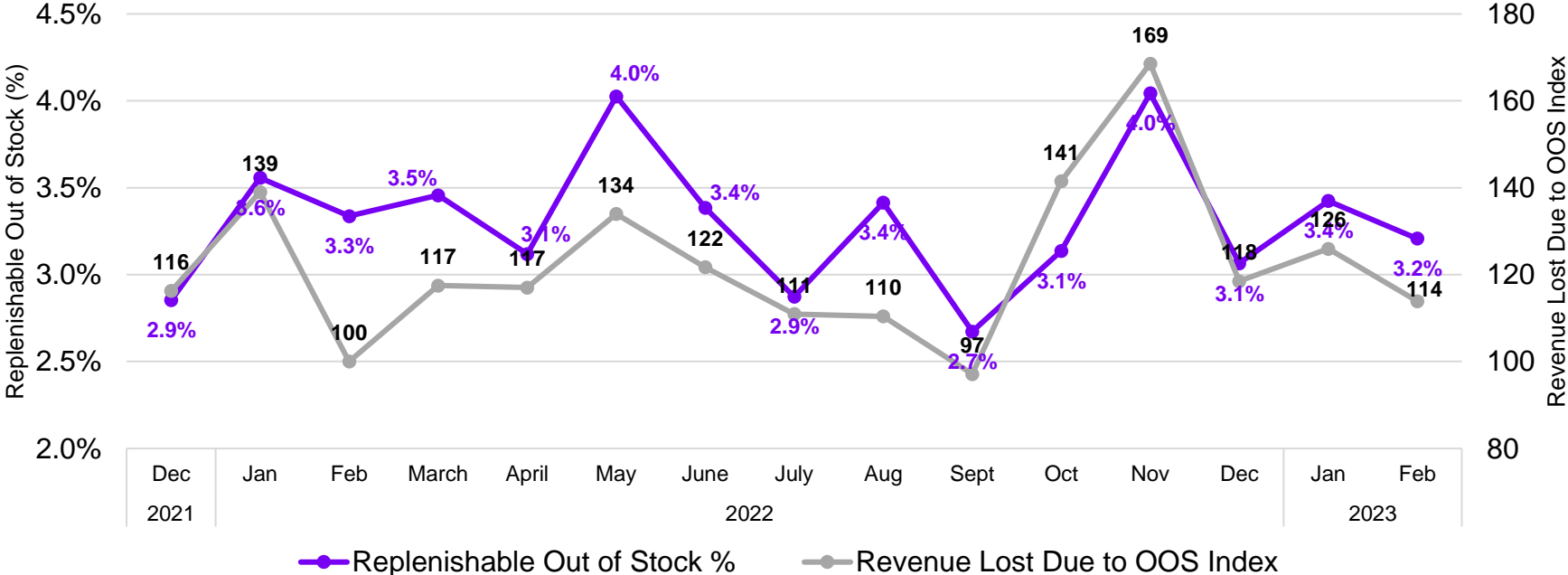
- Amazon ad spend fell 16%, now at similar levels to YoY despite past growth
- ROAS jumped 7% vs. past month and still much higher than last year
- Walmart ad spend fell 60% from January and 17% YoY

Ad spend abruptly dropped off in February as vendors pulled back

OOS stable and comparable to last year on a per unit basis



Out of Stocks for Units and Revenue

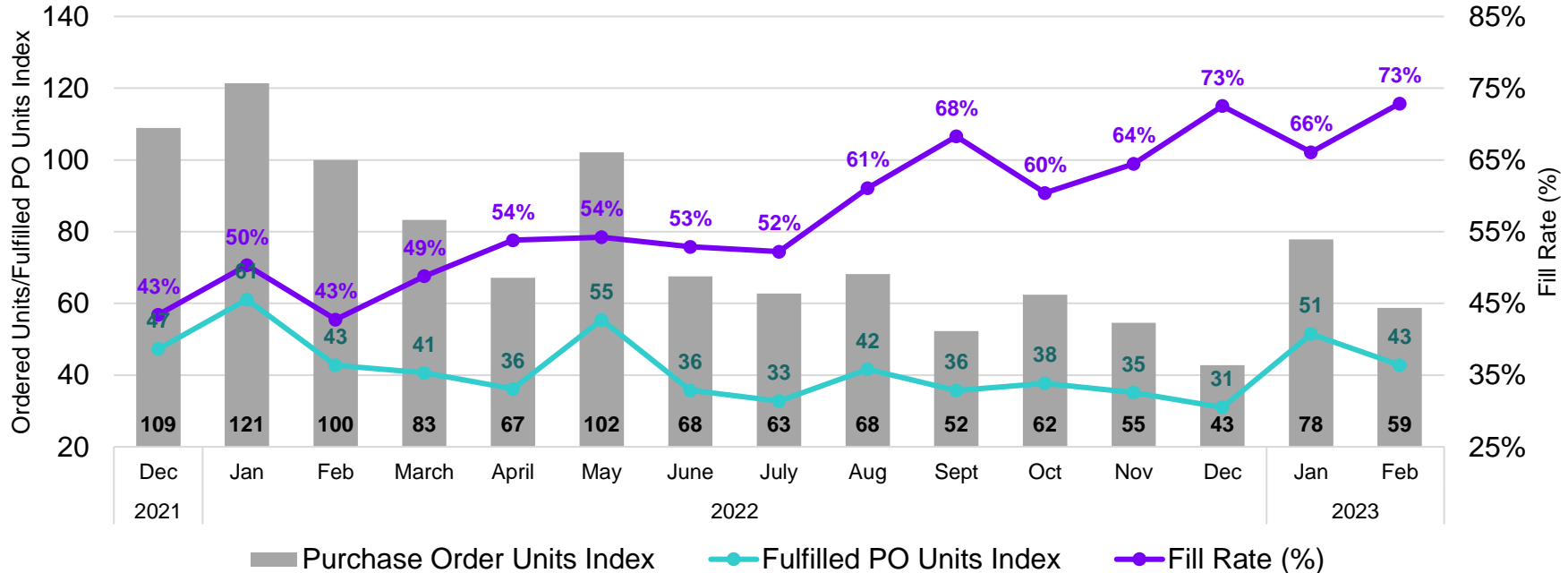


Note: Revenue lost due to OOS index set to 100 for February 2022 to create simpler comparisons for February 2023
 All data taken from CommerceIQ clients in aggregate on Amazon

Amazon cuts POs from January down 41% year over year



Purchase Order Units and Fill Rates



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

Price index only rises 5% YoY in February

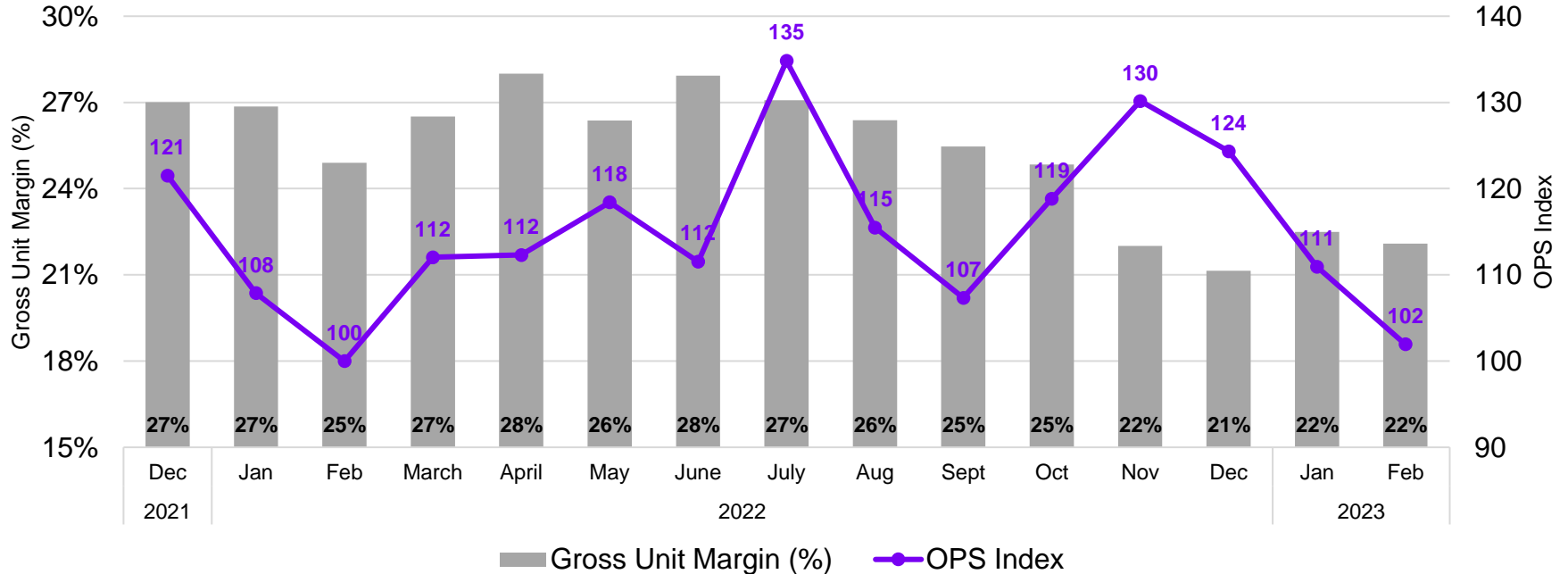


Note: Price index set to 100 for February 2022 to create simpler comparisons for February 2023
All data taken from CommercelQ clients in aggregate on Amazon



OPS growth low for 3 straight months, up 2% in February; Gross unit margins steady, but down from last year

Gross Unit Margin and OPS Index

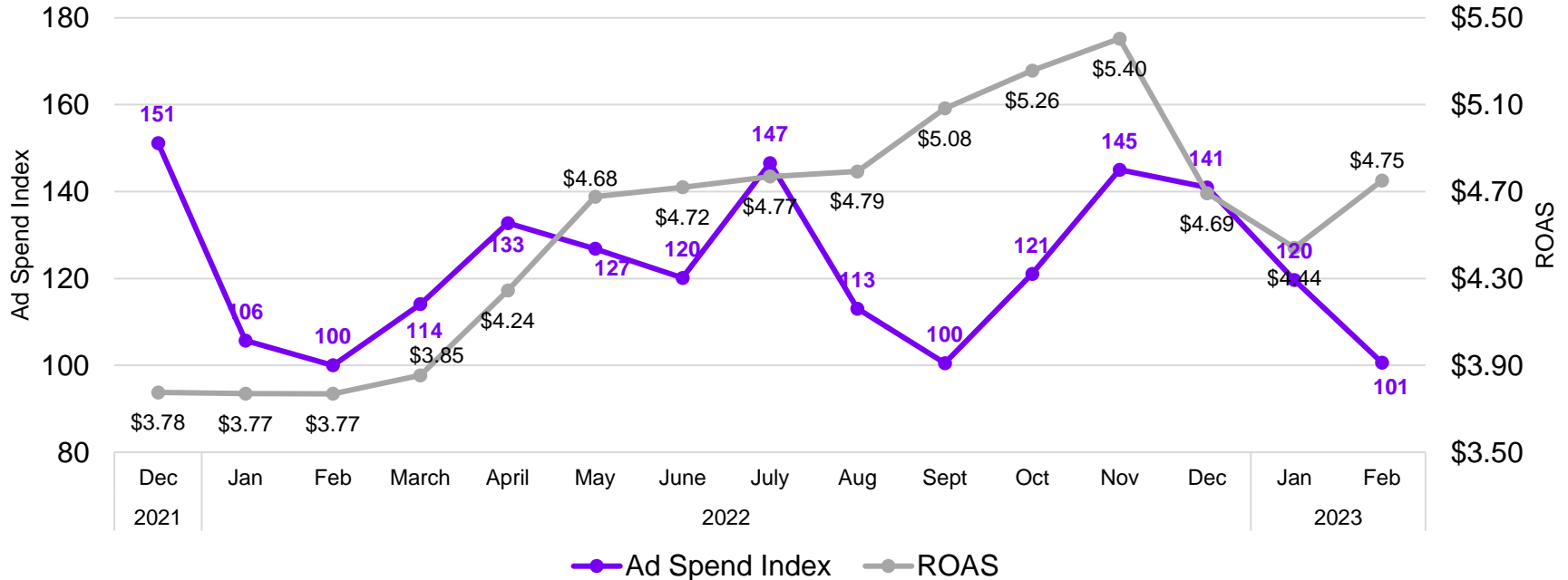


Note: OPS index set to 100 for February 2022 to create simpler comparisons for February 2023
All data taken from CommercelQ clients in aggregate on Amazon

Ad spend moderates in February, now similar to last year's levels for the same month, ROAS still elevated



Ad Spend Index and ROAS

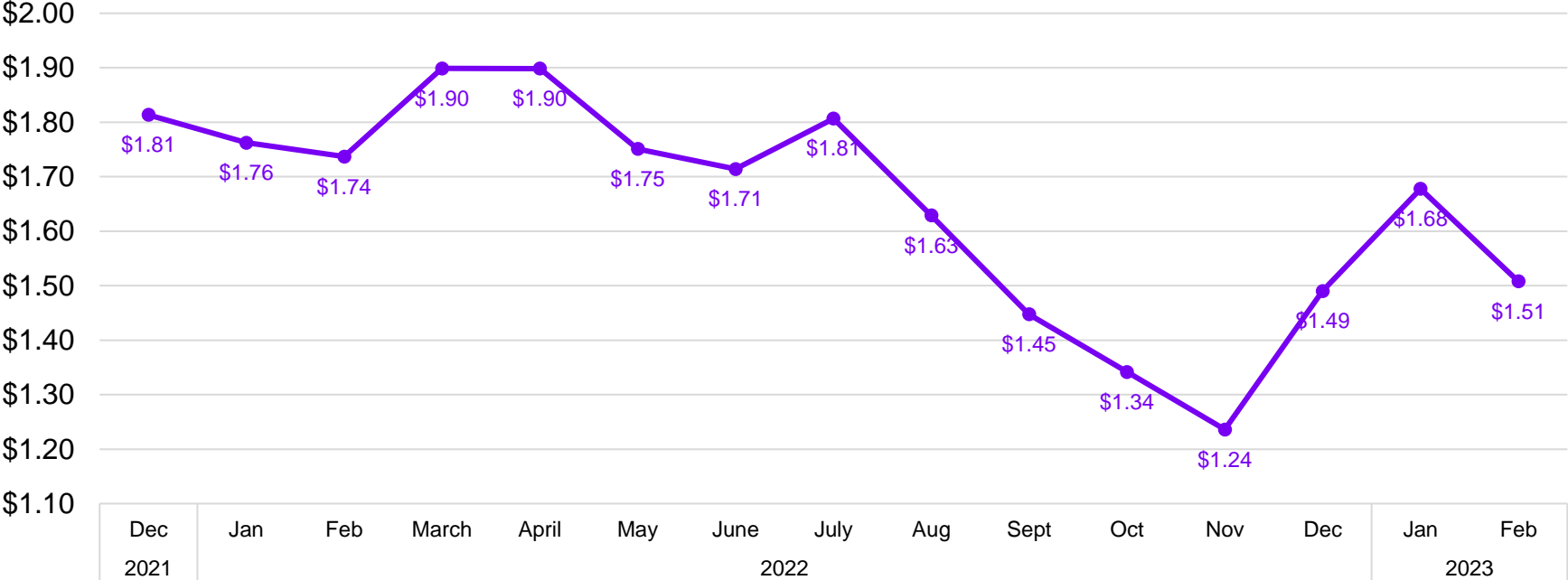


Note: Ad spend index set to 100 for February 2022 to create simpler comparisons for February 2023
 All data taken from CommerceIQ clients in aggregate on Amazon

CPCs down vs prior month and prior year as ad spend falls



Cost-Per-Click

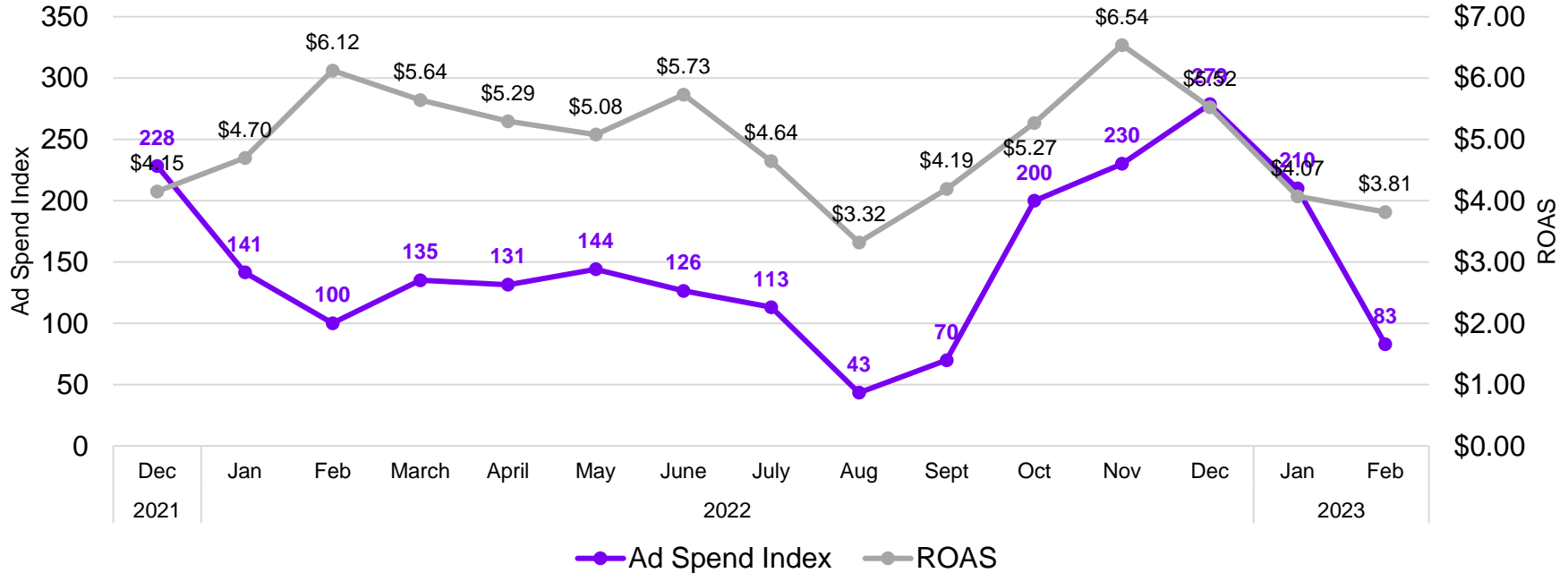


Note: All data taken from CommercIQ clients in aggregate on Amazon

Walmart ad spend falls off cliff for February, ROAS steady



Walmart Ad Spend and ROAS

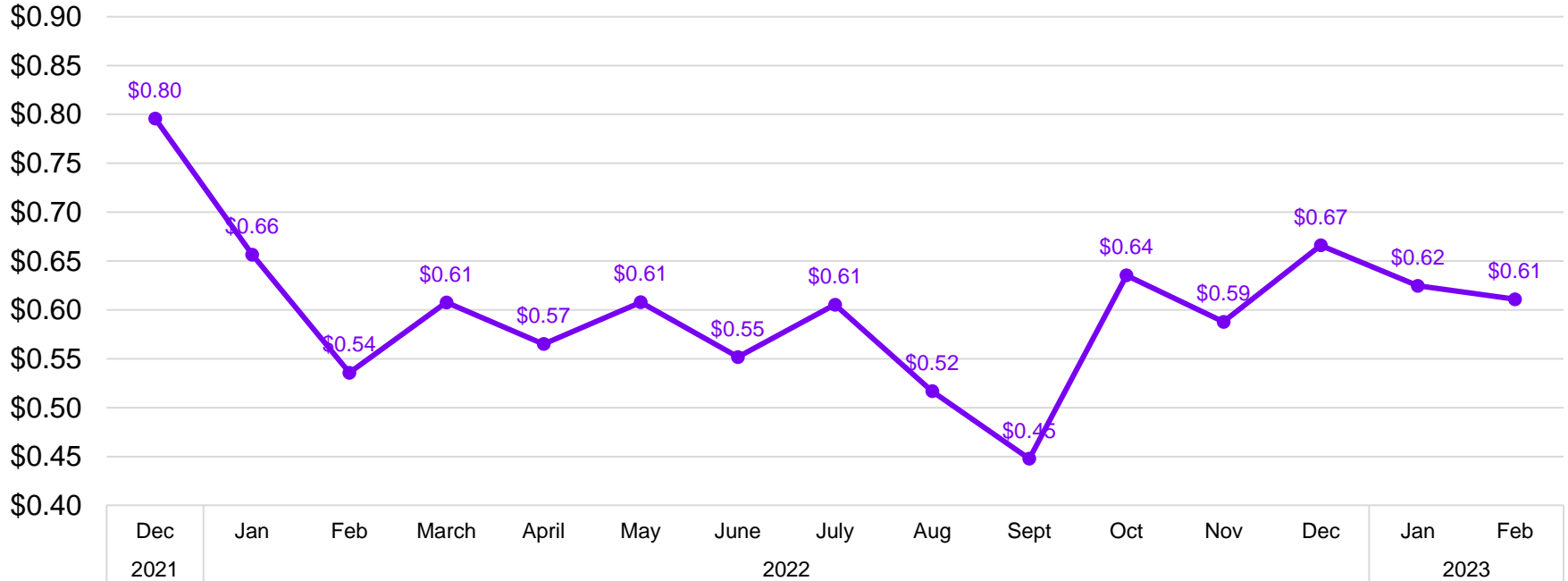


Note: Ad spend index set to 100 for February 2022 to create simpler comparisons for February 2023
 All data taken from several CommercelQ clients in aggregate on Walmart

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

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