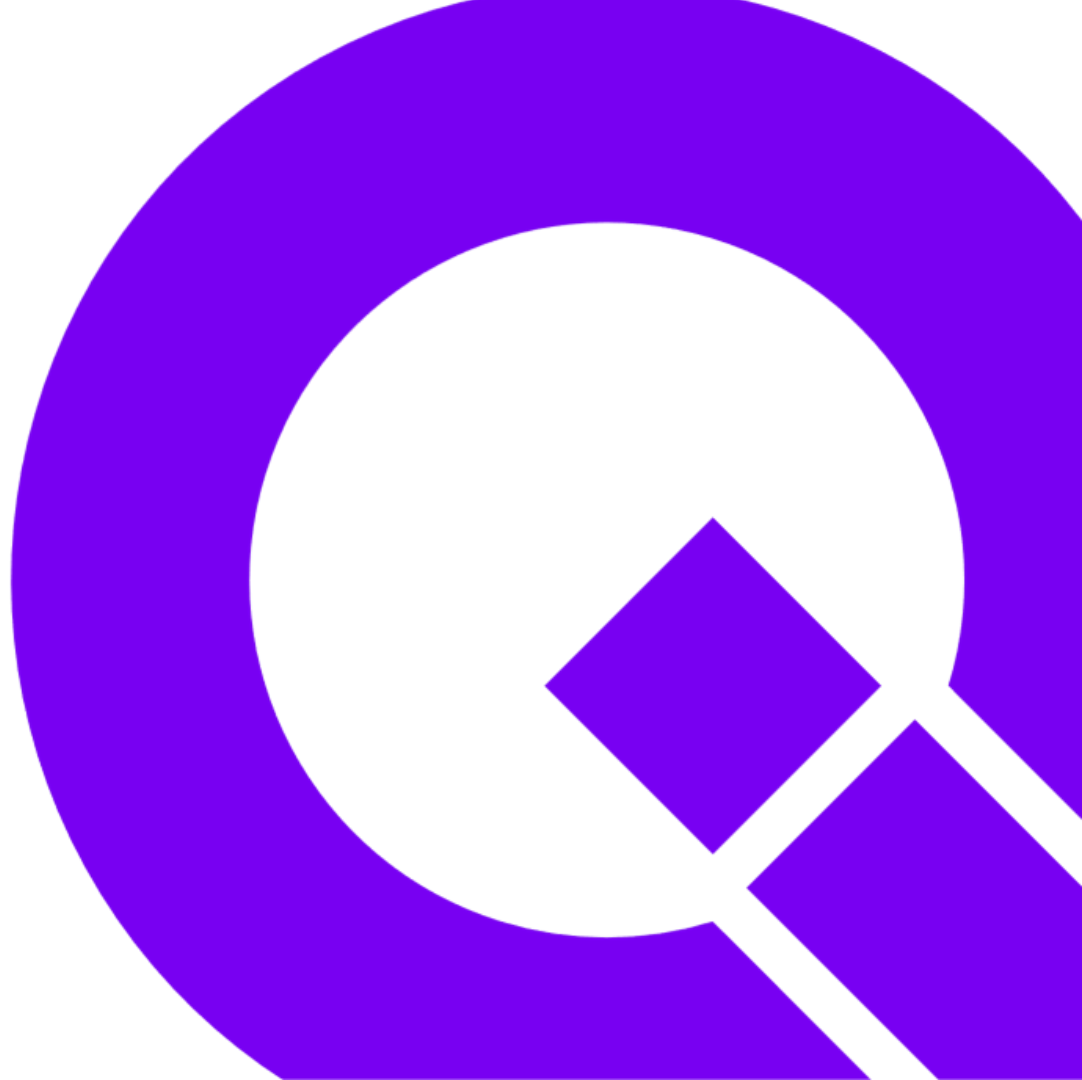


CommercelQ

# Industry Trends

April 2023



# Included retail ecommerce metrics



## Supply Chain

### Included Metrics

- Replenishable OOS
- Revenue Lost to OOS
- Units Ordered Index
- Fill Rates
- On-Hand Inventory



## Sales and Operations

### Included Metrics

- Price Index
- Amazon Unit Margin
- OPS



## Retail Media

### Included Metrics

- Ad Spend Index
- Return on Ad Spend
- Cost-Per-Click
- Glance Views
- Conversion Rate

# Executive Summary: April 2023



## Supply chain tightening again

### Highlights

- Revenue lost due to OOS is 23% higher than YoY, and units OOS are up almost 70%
- Units ordered down 21% vs. last month as Amazon tightens inventory, but up vs. late 2022
- Fill rates bounce around 60 and 70%, currently back up at 71%

**Supply chain keeps tightening and OOS begins to rise as Amazon pulls back on inventory**



## Prices slow as OPS stalls, margins fall

### Highlights

- Price levels slow growth to 4%, below the growth levels that occurred most recently
- OPS stalls at 0% growth, a record recent low
- Unit margins at Amazon fell 9.8 percentage points in April, marking an accelerating fall

**1P ecommerce falters as OPS growth stalls despite ongoing inflation, pressuring margins**



## Ad spend falling YoY as ROAS soars

### Highlights

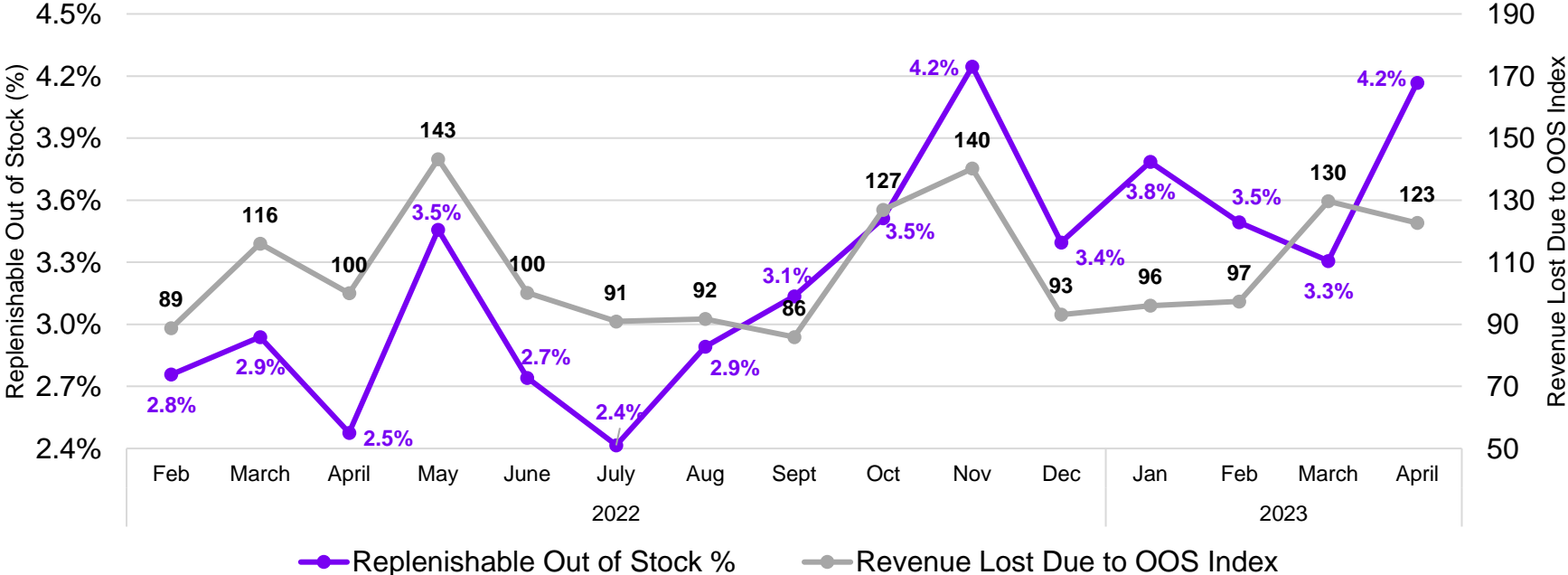
- Glance views stall at 0% growth, similar to OPS as conversion rates at 26%
- Per-brand ad spend down 20% on Amazon and 8% on Walmart
- Amazon ROAS up 13% YoY
- CPCs rising unevenly at Amazon despite recent downtick

**Ad spend YoY declines accelerating as many brands prioritize efficiency over growth**

# OOS jumps YoY, especially in units, as supply chain unsteady



## Out of Stocks for Units and Revenue

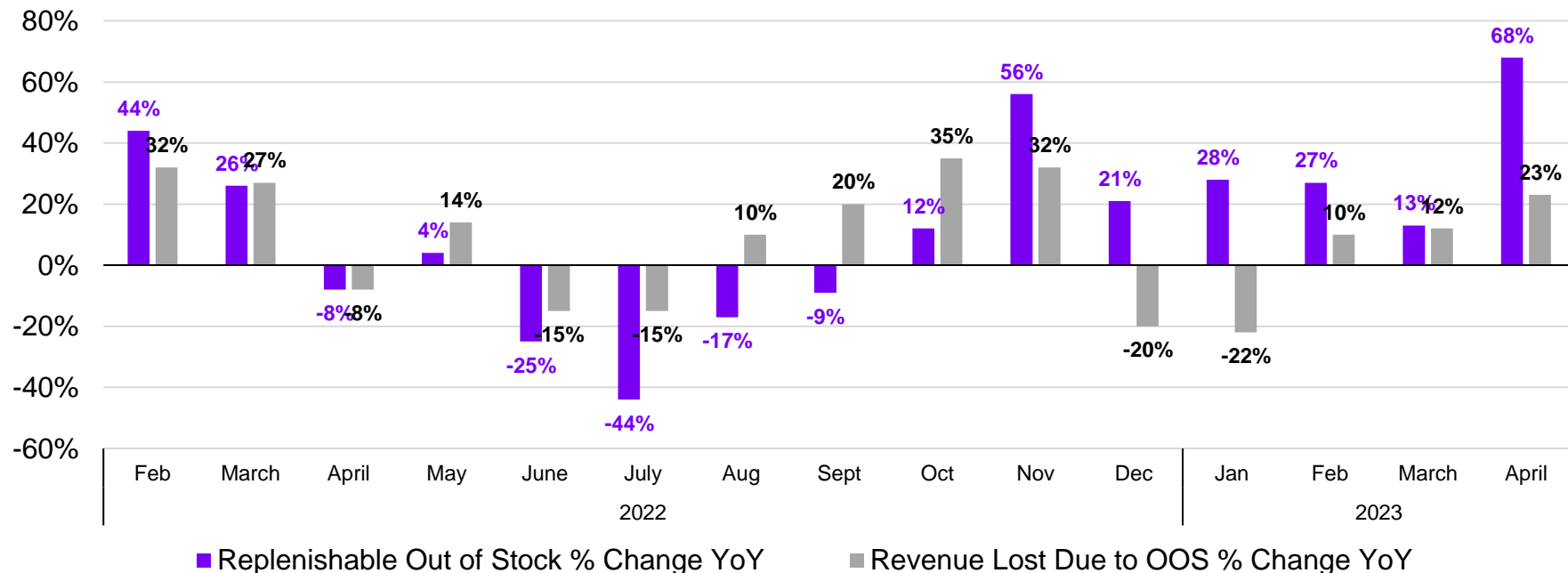


Note: Revenue lost due to OOS index set to 100 for April 2022 to create simpler comparisons for April 2023  
 All data taken from CommerceIQ clients in aggregate on Amazon

# OOS jumps YoY, especially in units, as supply chain unsteady



## Out of Stocks % Change YoY

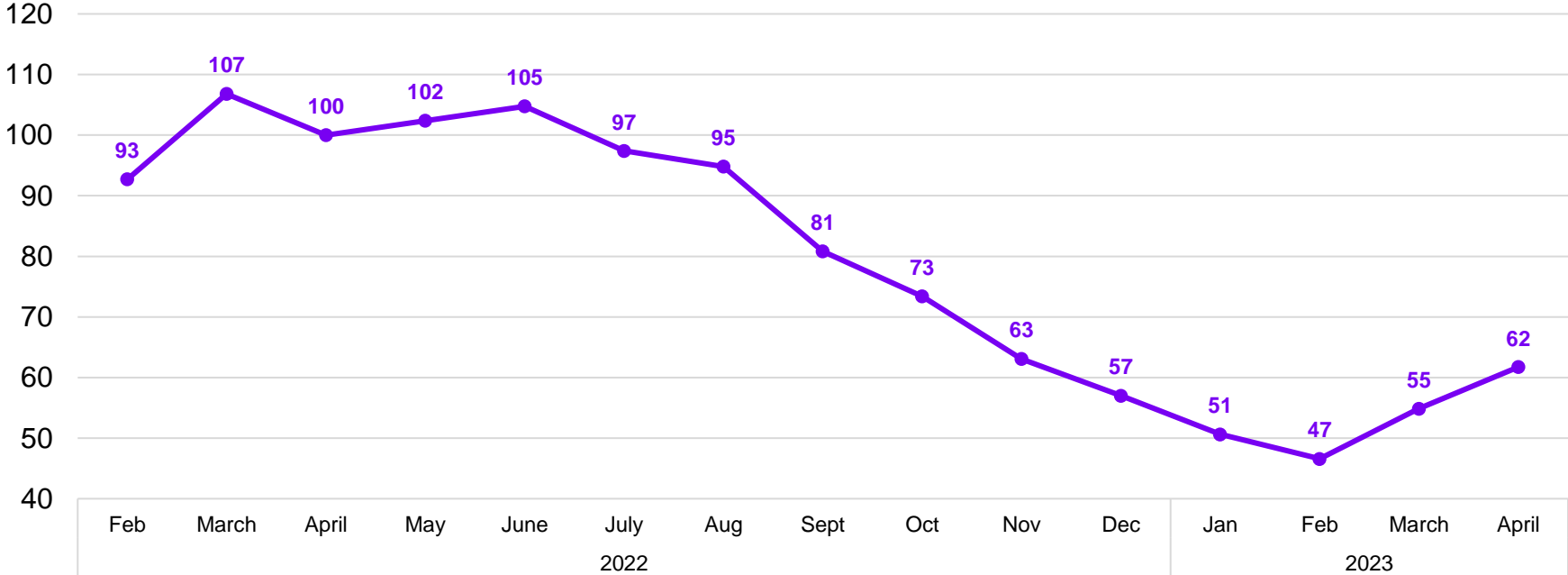


Note: "Out of Stocks % Change YoY" compares the percentage change for the out-of-stock levels for each shown month vs. the same month one year prior  
 All data taken from CommerceIQ clients in aggregate on Amazon

# On hand inventory rising but still much lower than last year



### On Hand Inventory Index

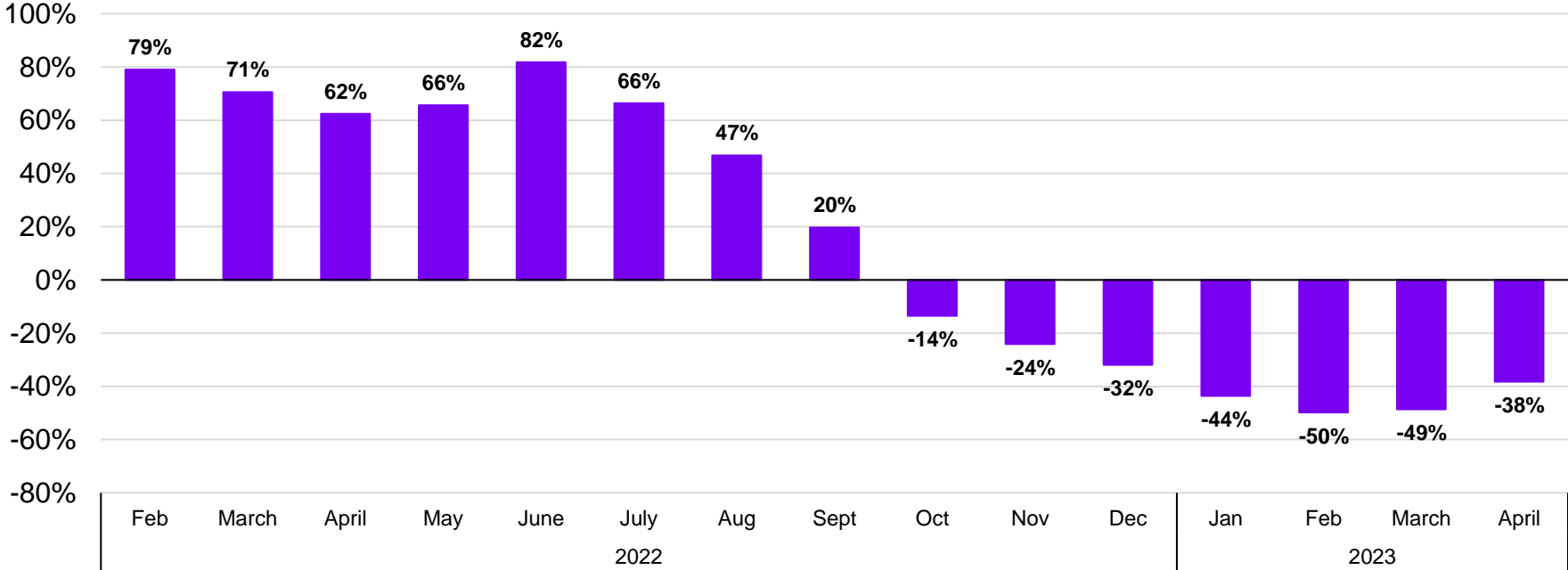


Note: On hand inventory index set to 100 for April 2022 to create simpler comparisons for April 2023  
All data taken from CommerceIQ clients in aggregate on Amazon

# Part of inventory drawdown is intentional as Amazon cuts POs



### On Hand Inventory % Change YoY

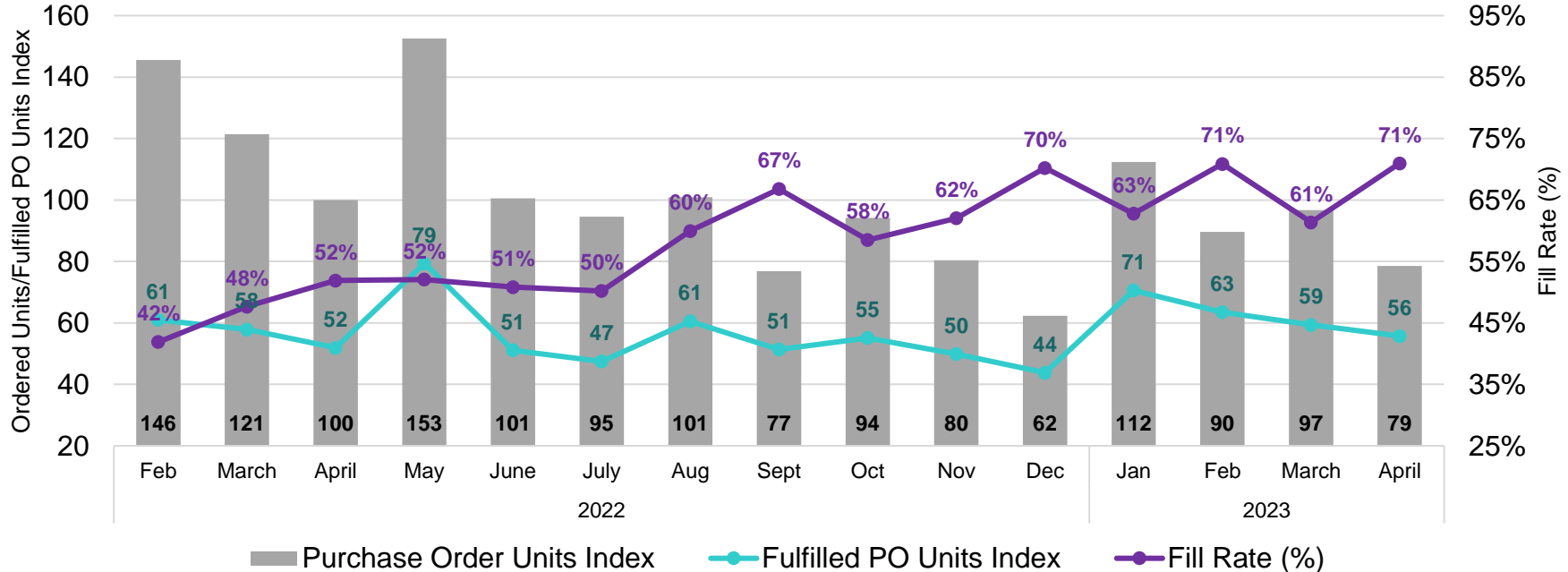


Note: "On Hand Inventory % Change YoY" compares the percentage change of on hand inventory for each shown month vs. the same month one year prior  
All data taken from CommerceIQ clients in aggregate on Amazon

# Amazon POs higher than late last year but still down 21% YoY



## Purchase Order Units and Fill Rates



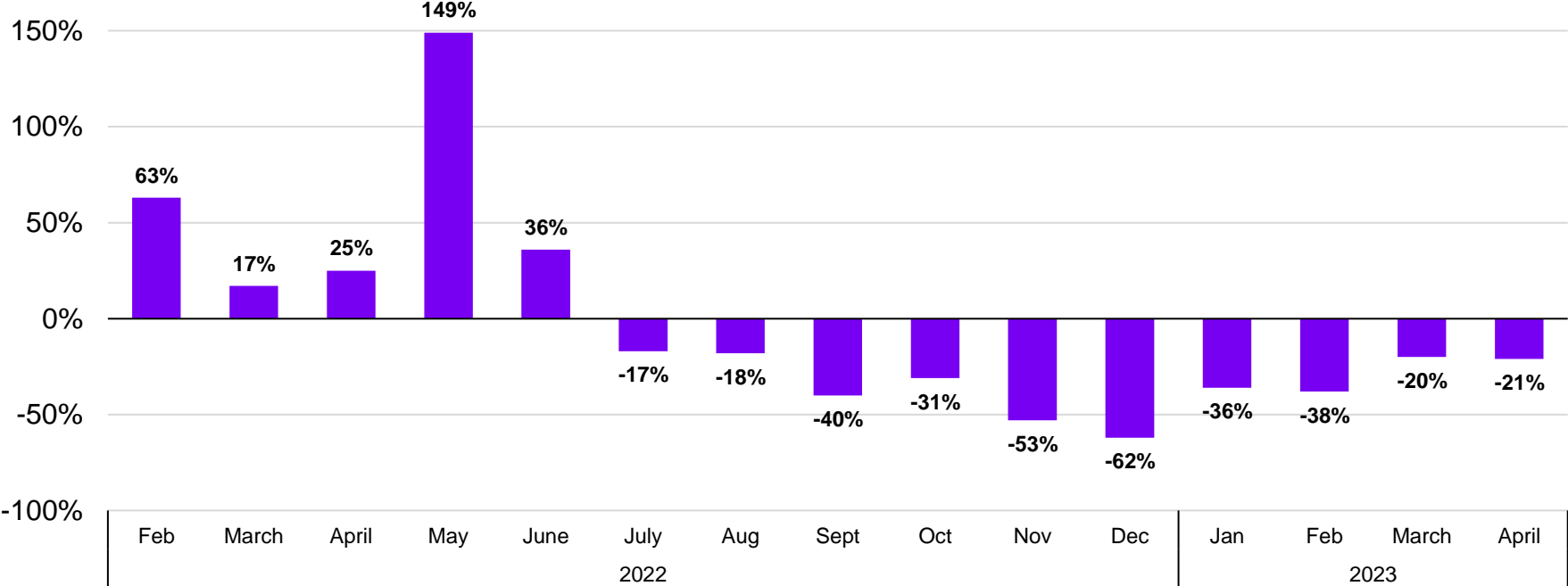
Note: Ordered units index set to 100 for April 2022 to create simpler comparisons for April 2023; Fulfilled PO Units Index = (PO Units Index) x (Fill Rate)  
 All data taken from CommerceIQ clients in aggregate on Amazon



# Amazon POs higher than late last year but still down 21% YoY



### Purchase Order Units % Change YoY

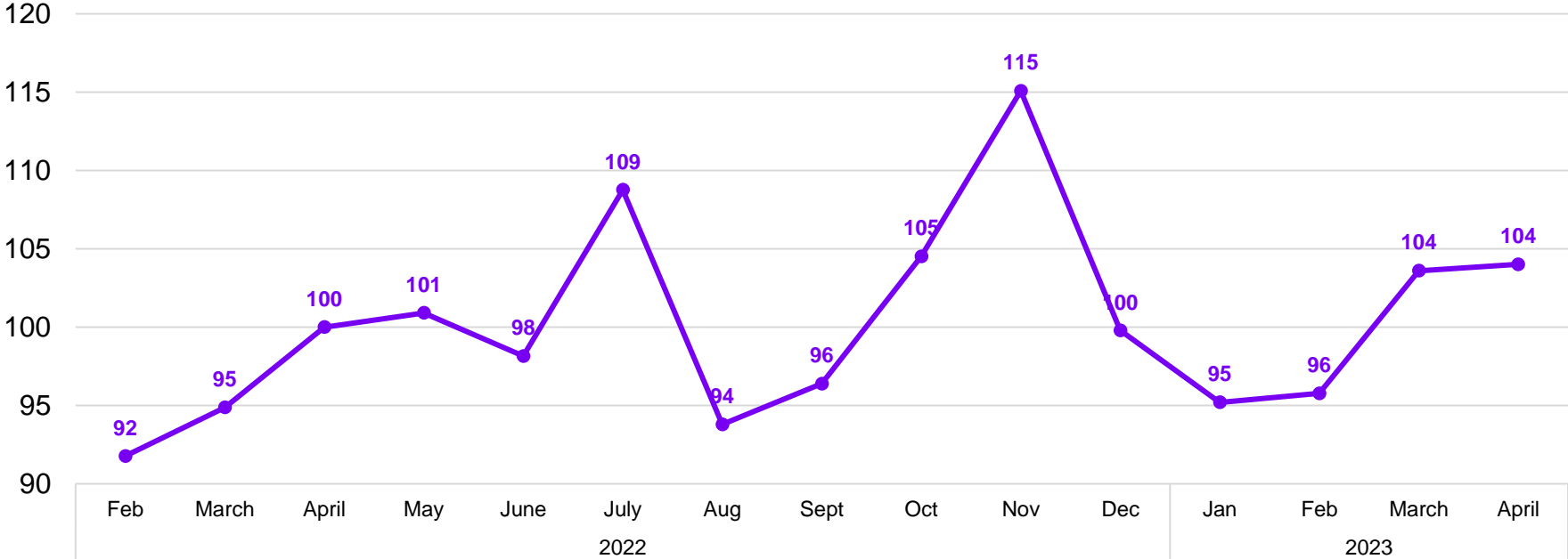


Note: "Purchase Order Units % Change YoY" compares the percentage change for the purchase order units for each shown month vs. the same month one year prior  
All data taken from CommerceIQ clients in aggregate on Amazon

# Price index elevated but similar to March 2023

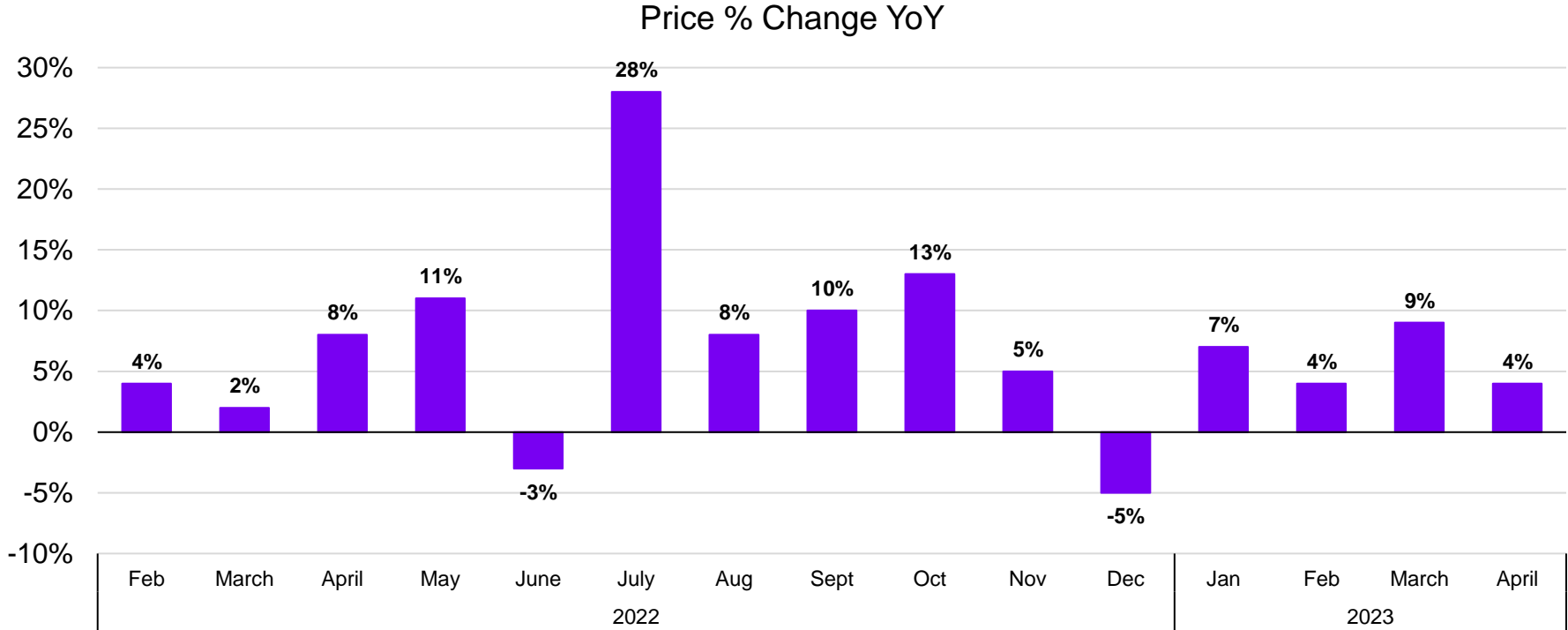


Price Index



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

# Price index sees slowing growth at 4% for April YoY

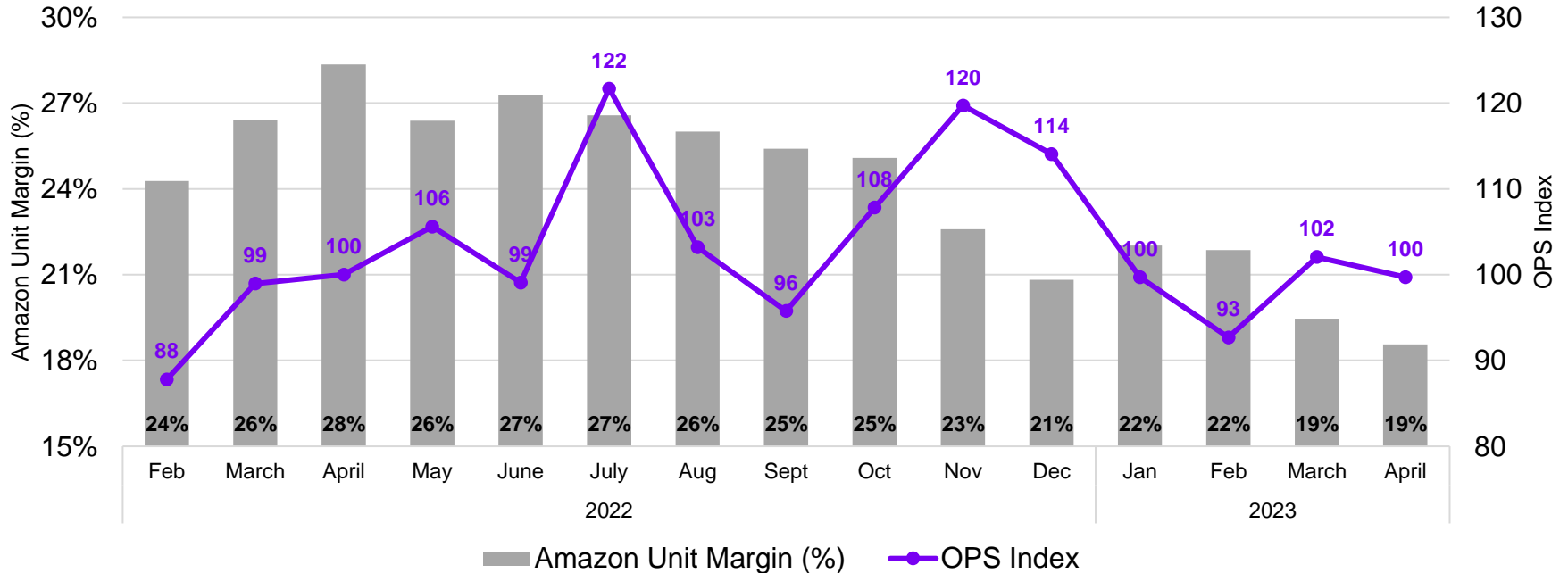


Note: "Price % Change YoY" compares the percentage change for the price level for each shown month vs. the same month one year prior  
All data taken from CommercelQ clients in aggregate on Amazon

# OPS growth disappears as margins continue falling

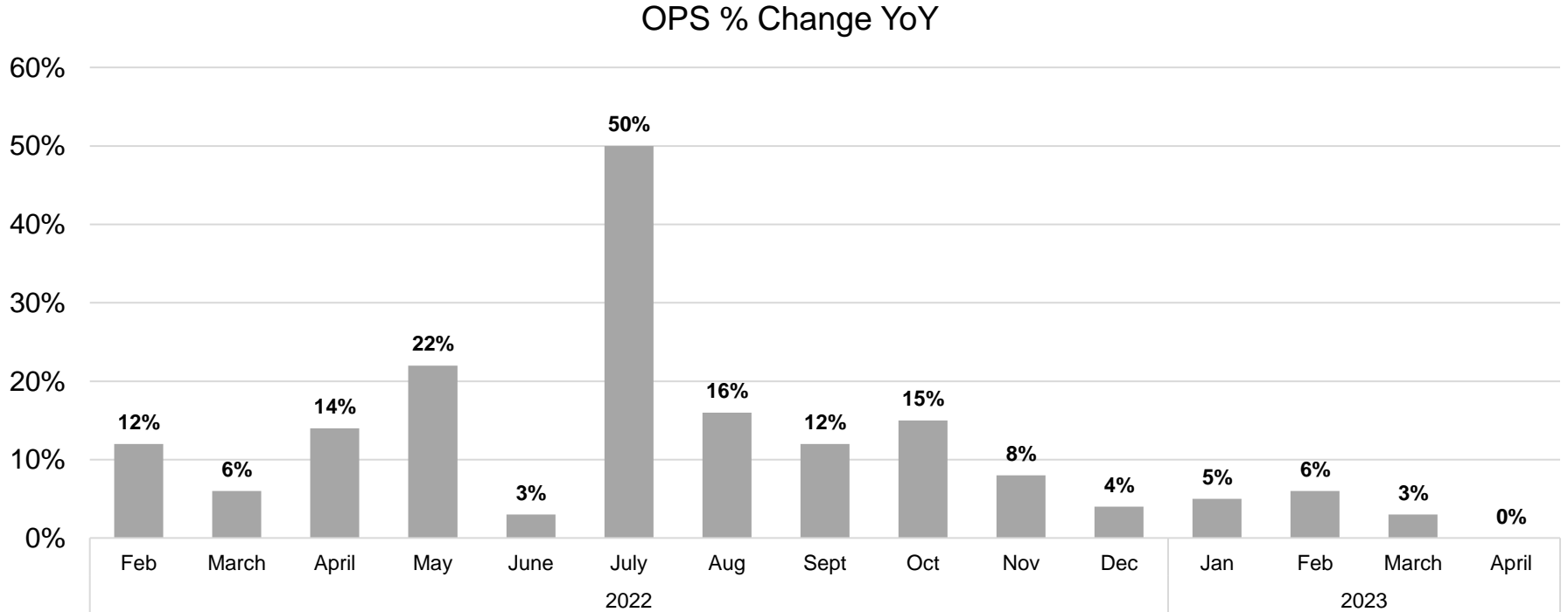


## Amazon Unit Margin and OPS Index



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

# OPS growth hits 0% in recent record as retail faces challenges

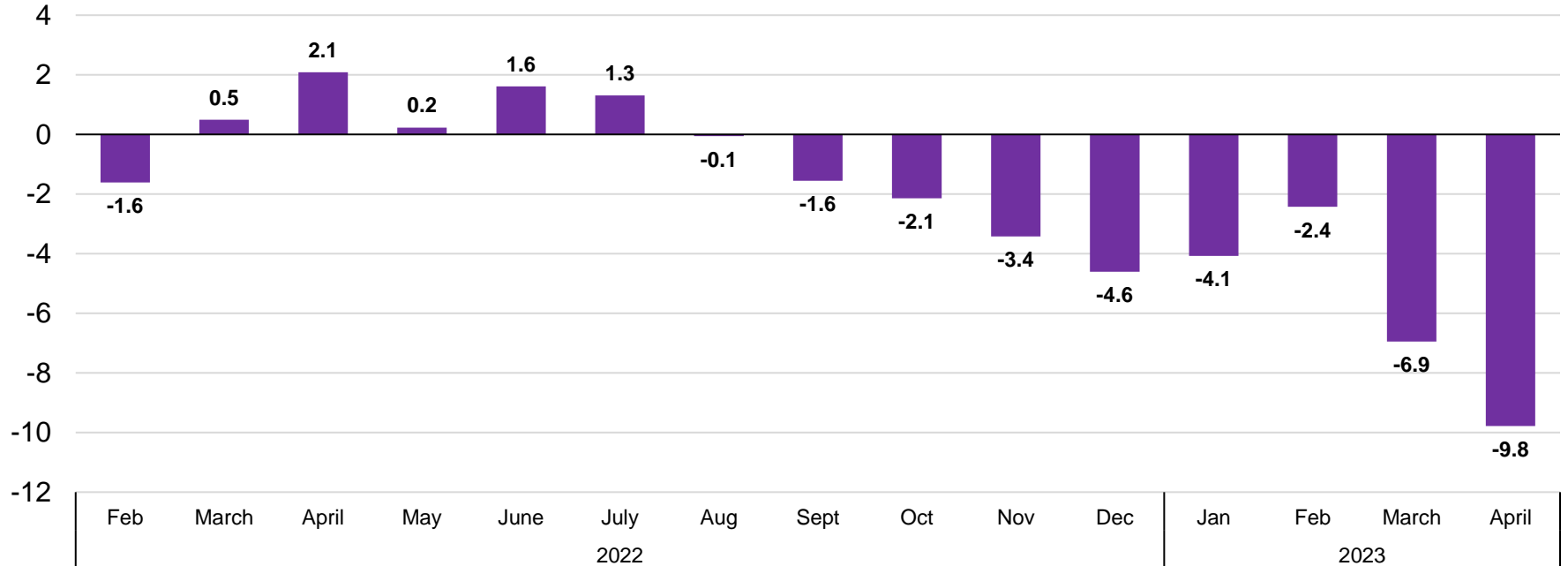


Note: "OPS % Change YoY" compares the percentage change for ordered product sales for each shown month vs. the same month one year prior  
All data taken from CommercelQ clients in aggregate on Amazon

# Amazon Unit Margin declines keep accelerating into April



## Amazon Units Margin Percentage Point Change YoY

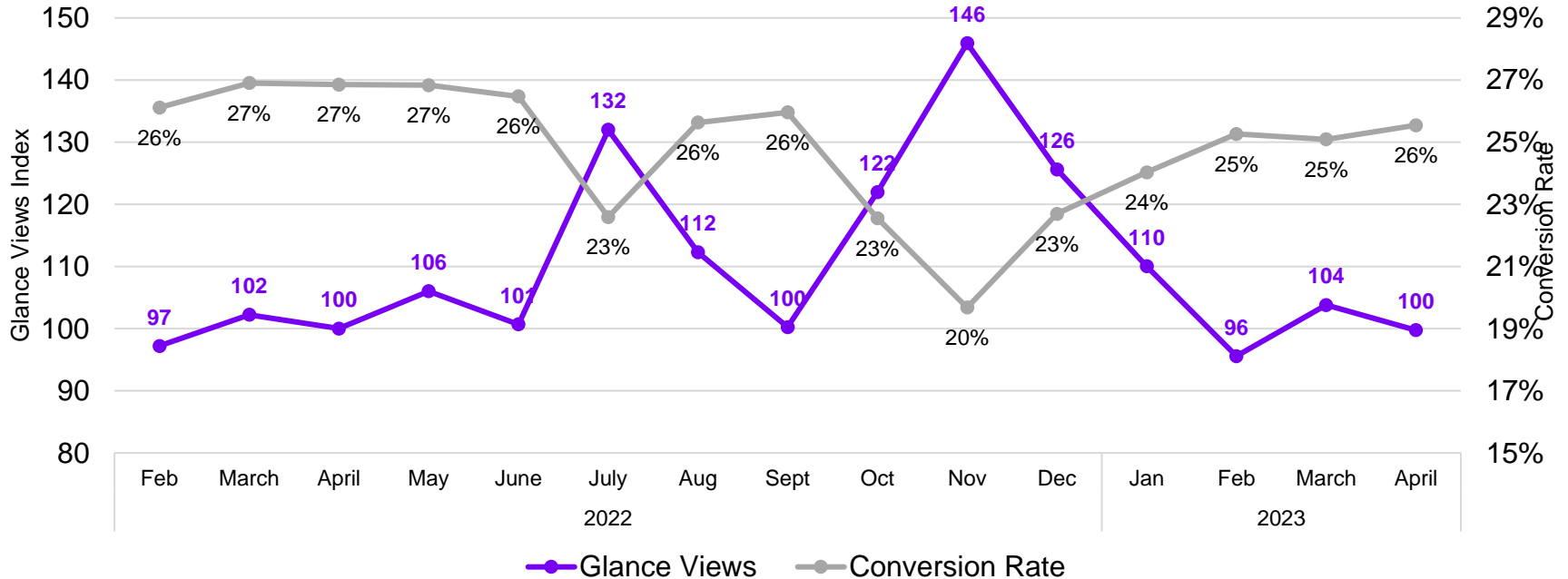


Note: "Amazon Unit Margin Percentage Point Change YoY" compares the percentage point change for Amazon unit margin for each shown month vs. the same month one year prior  
All data taken from CommercelQ clients in aggregate on Amazon

# Like OPS, glance views similar to last year with 0% growth, conversion recovered and now similar to YoY levels



## Glance Views Index and Conversion Rate

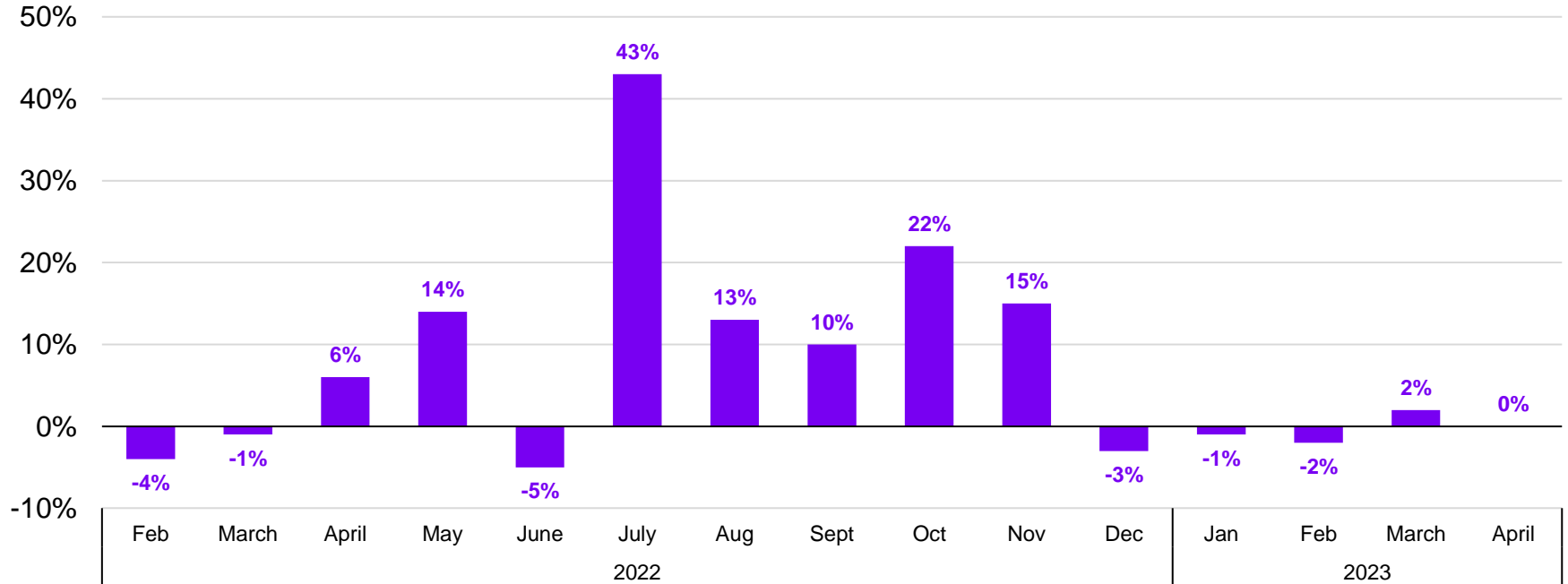


Note: Glance views index set to 100 for April 2022 to create simpler comparisons for April 2023  
 All data taken from CommerceIQ clients in aggregate on Amazon

# Glance views are stagnant YoY in evidence of slowing growth among 1P vendors on Amazon



Glance Views % Change YoY



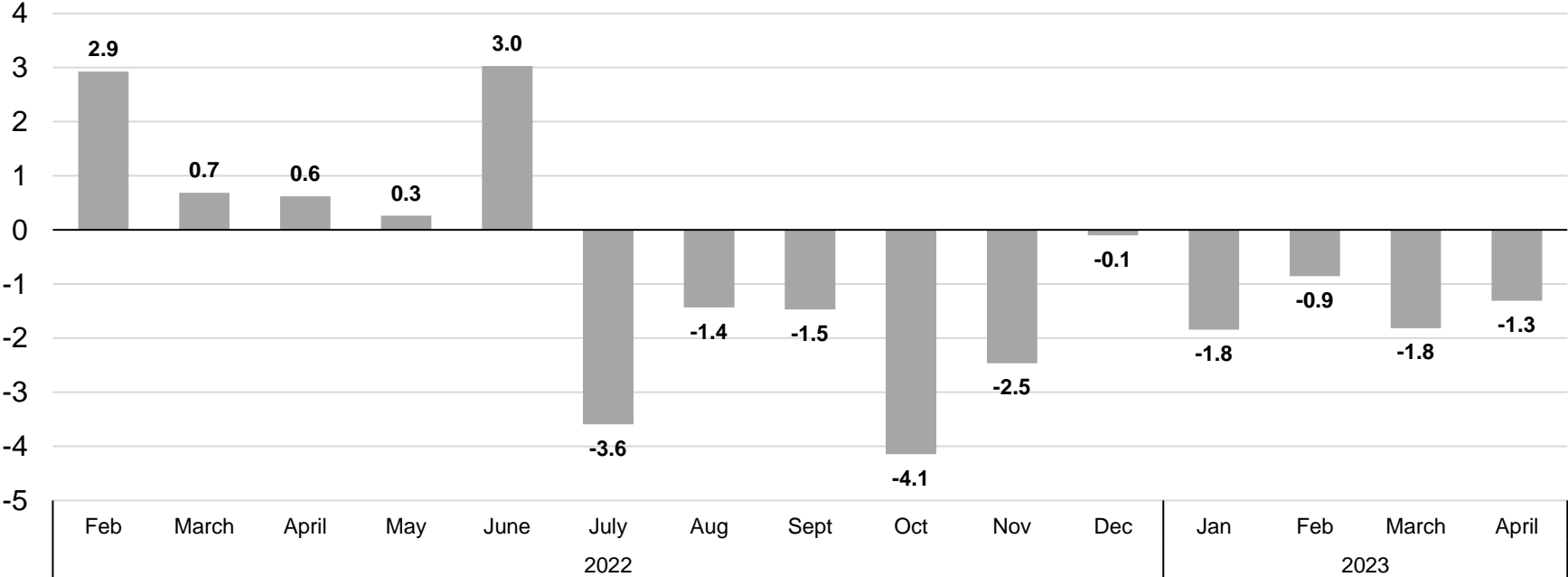
Note: "Glance Views % Change YoY" compares the percentage change for glance view levels for each shown month vs. the same month one year prior  
All data taken from CommerceIQ clients in aggregate on Amazon



# Conversion rates fall YoY for 10<sup>th</sup> straight month



### Conversion Rate Percentage Point Change YoY

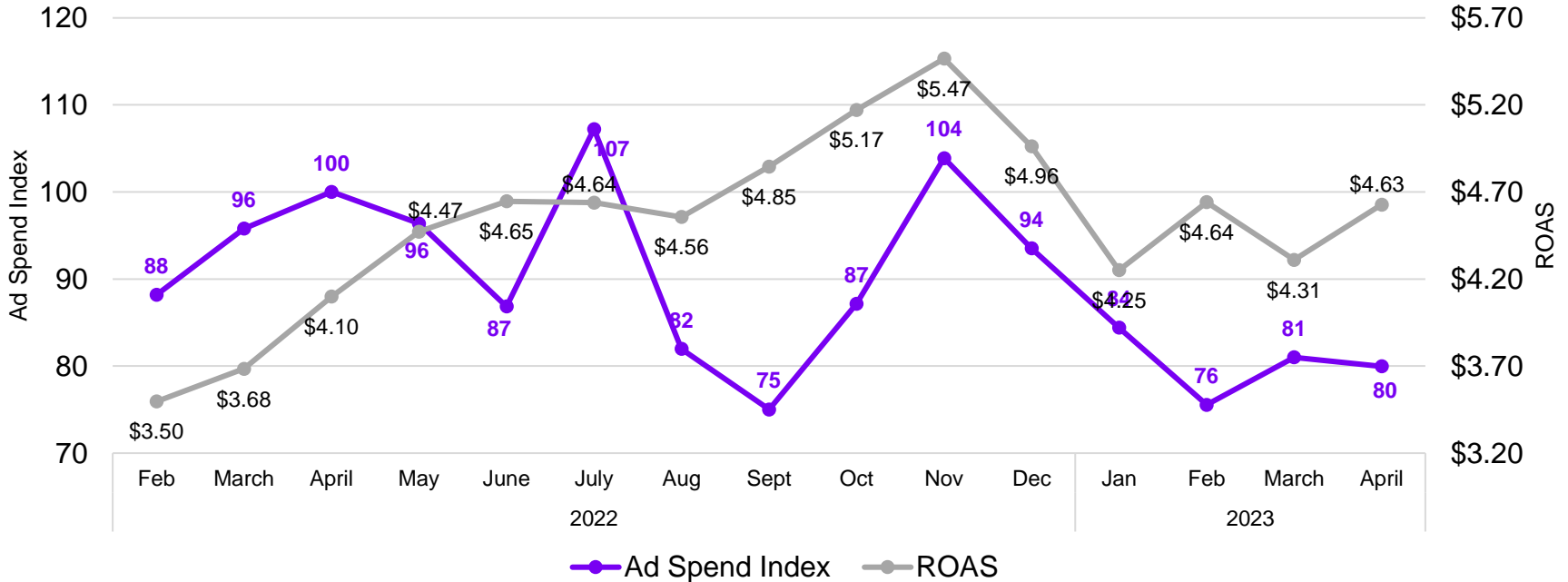


Note: "Conversion Rate Percentage Point Change YoY" compares the percentage point change for conversion rates for each shown month vs. the same month one year prior  
All data taken from CommerceIQ clients in aggregate on Amazon

# Ad spend for 1P vendors remains challenged, down 20%; ROAS higher by 13% YoY



### Ad Spend Index and ROAS

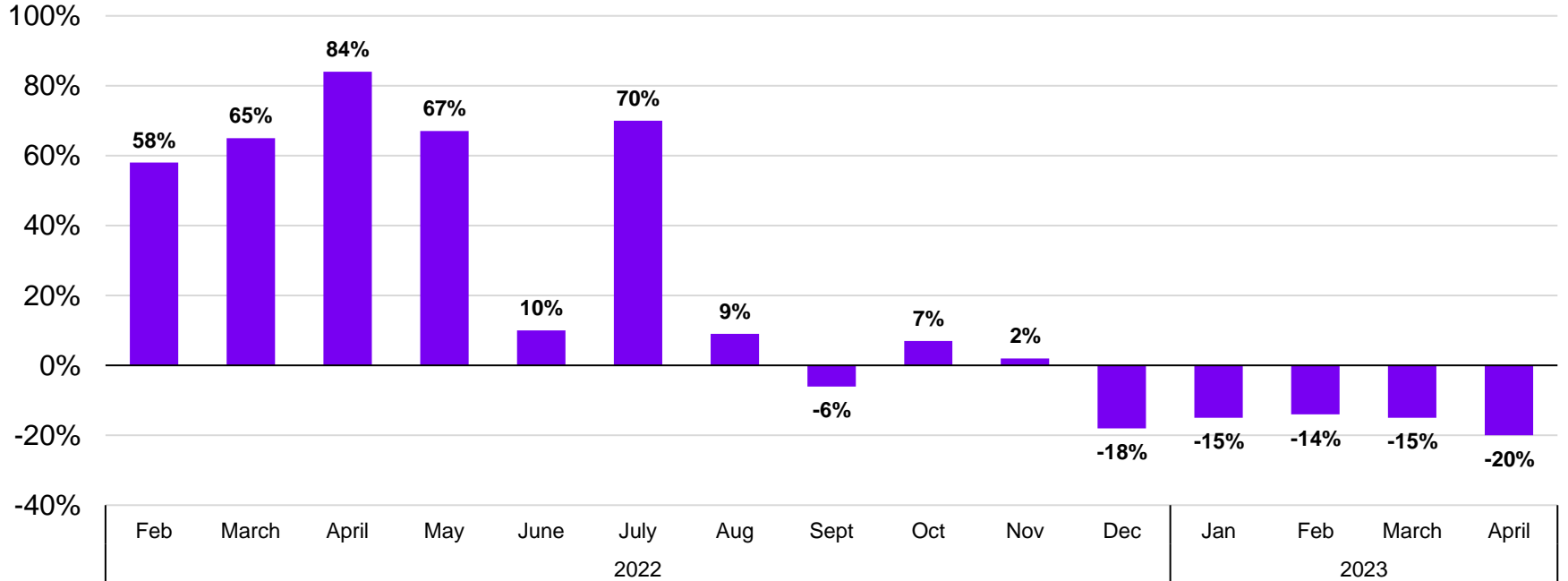


Note: Ad spend index set to 100 for April 2022 to create simpler comparisons for April 2023  
All data taken from CommerceIQ clients in aggregate on Amazon

# Ad spend sees biggest YoY drop for April 2023 in recent history



## Ad Spend % Change YoY



Note: "Ad Spend % Change YoY" compares the percentage change ad spend levels for each shown month vs. the same month one year prior  
All data taken from CommerceIQ clients in aggregate on Amazon

# CPCs rising, now close to YoY levels despite falling late 2022



### Cost-Per-Click

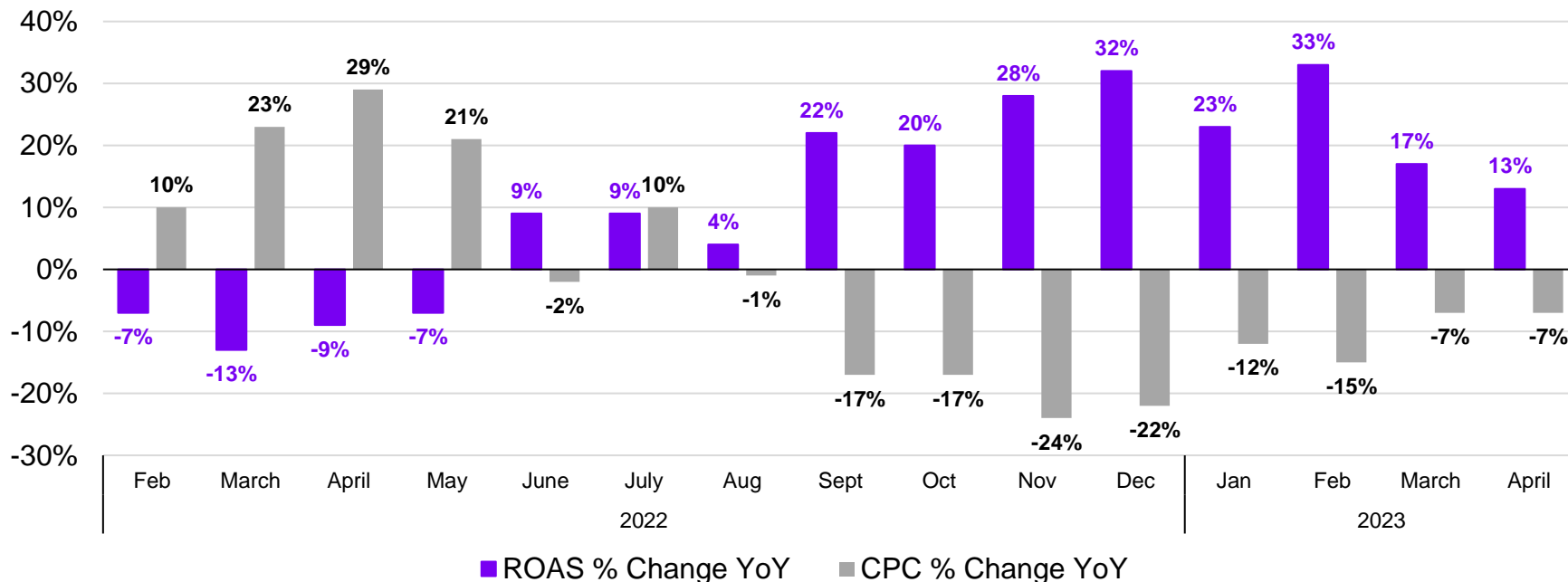


Note: All data taken from CommercIQ clients in aggregate on Amazon

# But CPCs are still down YoY while ROAS moves higher YoY



## ROAS and CPC % Change YoY

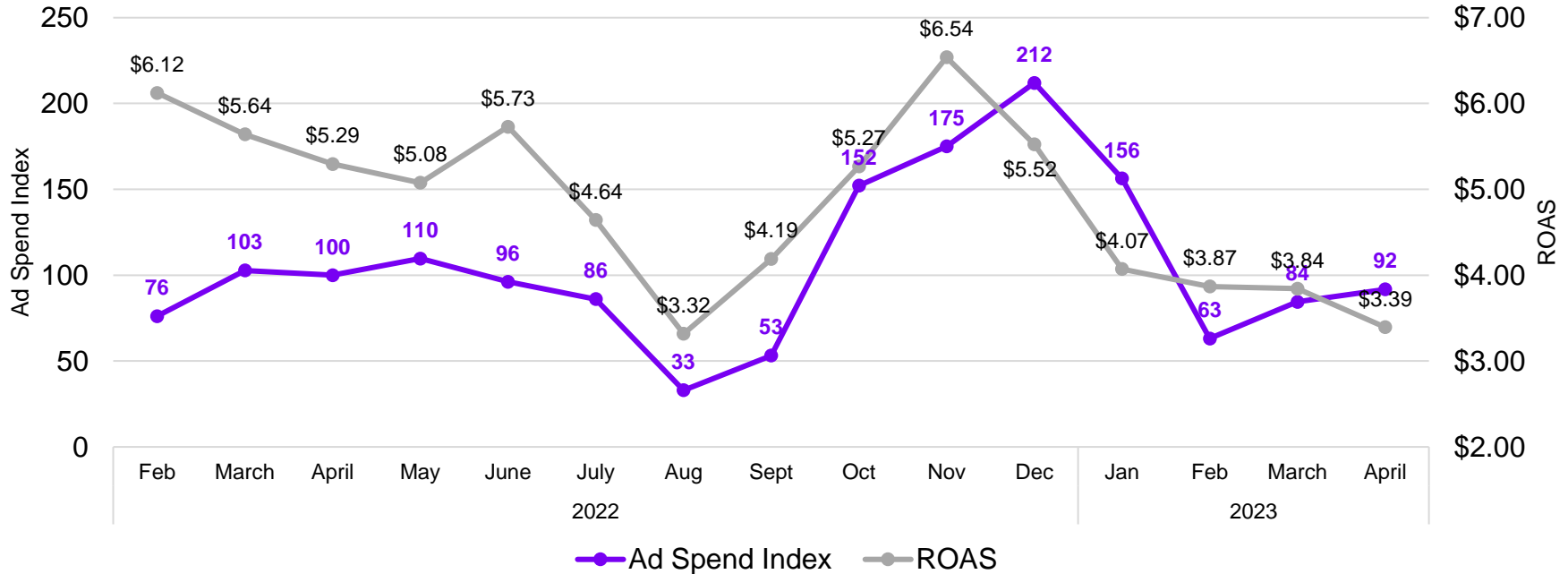


Note: "ROAS and CPC %Change YoY" compares the percentage change of either ROAS or CPC levels for each shown month vs. the same month one year prior  
All data taken from CommerceIQ clients in aggregate on Amazon

# Walmart ad spend also struggling on per-brand basis



## Walmart Ad Spend and ROAS

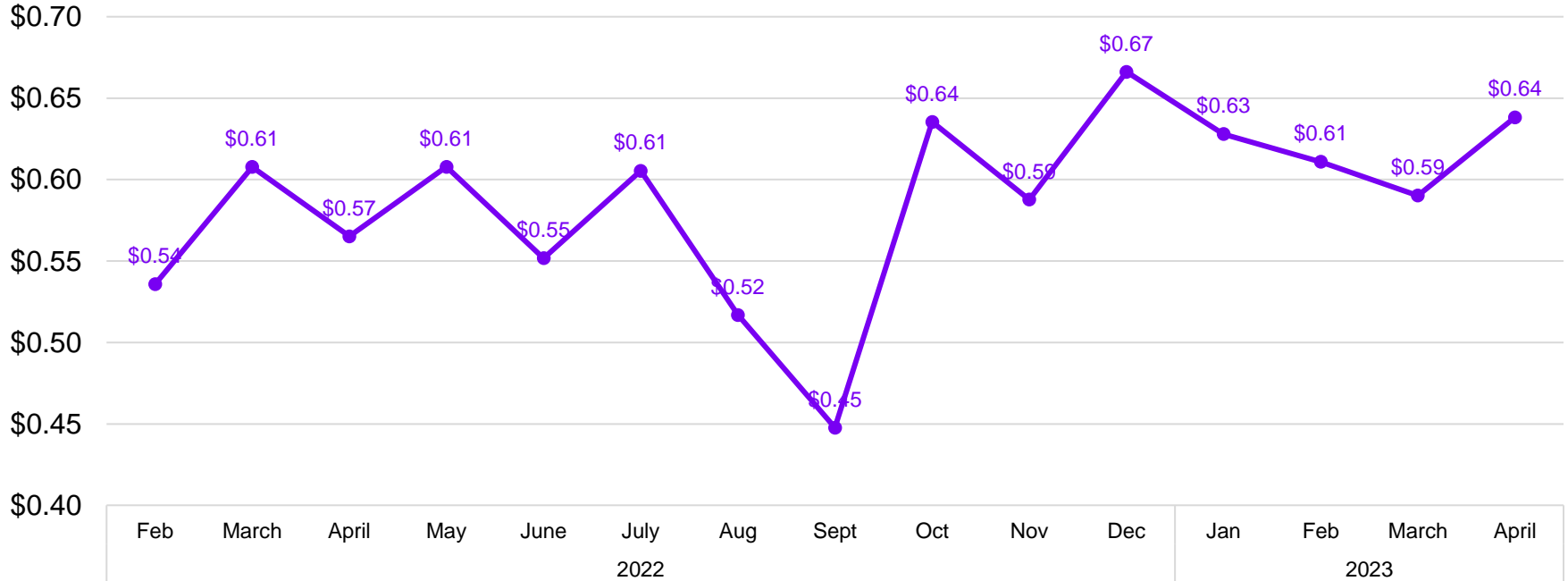


Note: Ad spend index set to 100 for April 2022 to create simpler comparisons for April 2023  
 All data taken from several CommercelQ clients in aggregate on Walmart

# Walmart CPCs mostly stays between \$0.50 to \$0.70 range



## Walmart Cost-Per-Click



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

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