



Marketplace **Pulse**

YEAR IN REVIEW 2023



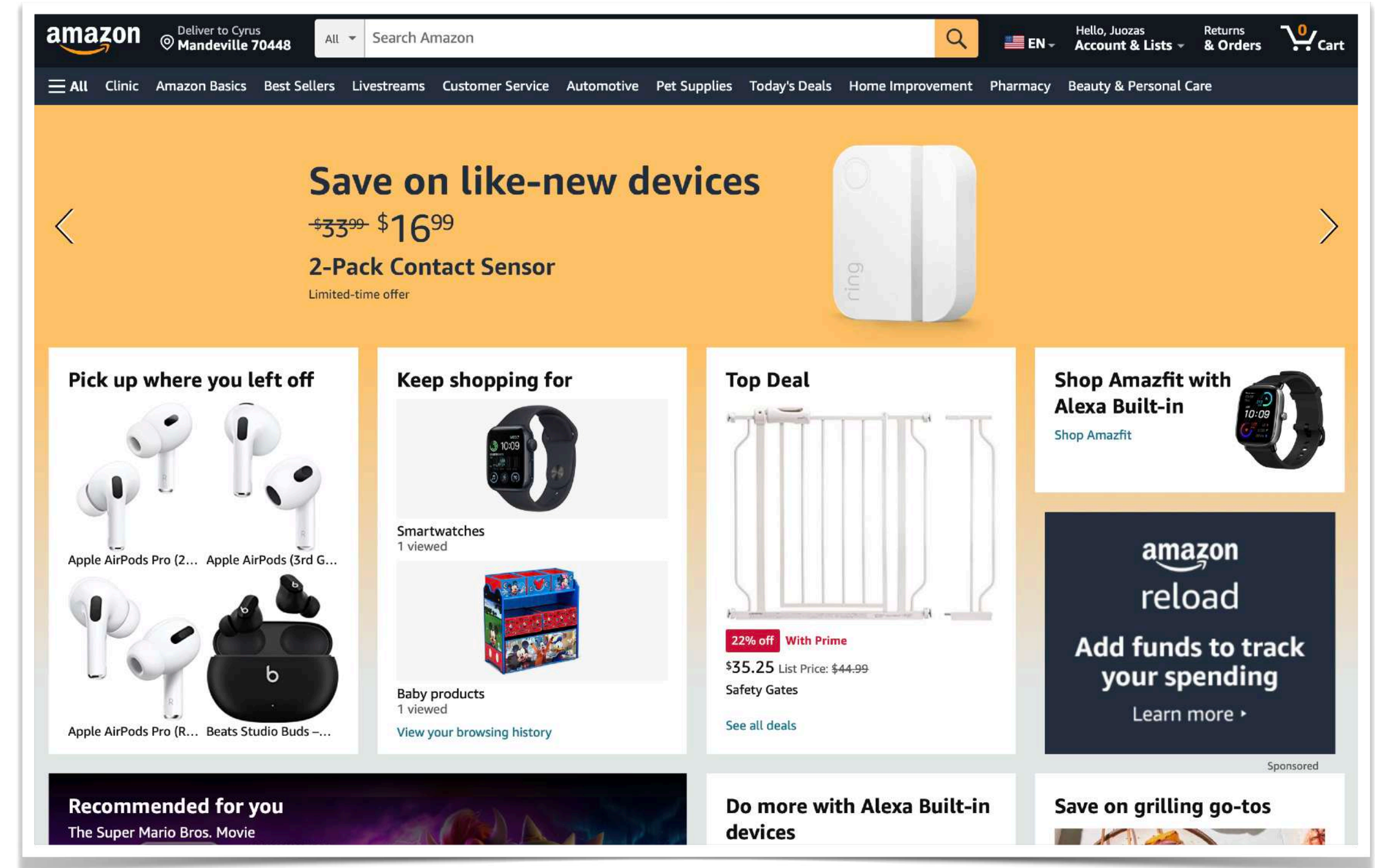
Juozas Kaziukėnas / juozas@marketplacepulse.com / December 2023

“What’s not going to change in the next five to ten years?”

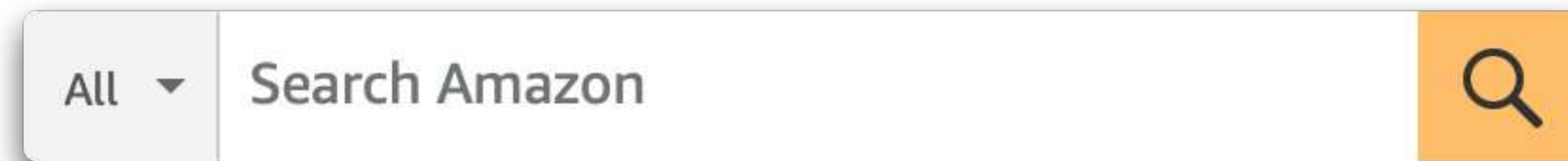
Jeff Bezos, CEO of Amazon, in 2007

“I can’t imagine that ten years from now [our customers] are going to say, ‘I love Amazon, but if only they could deliver my products a little more slowly.’”

Jeff Bezos, CEO of Amazon, in 2007



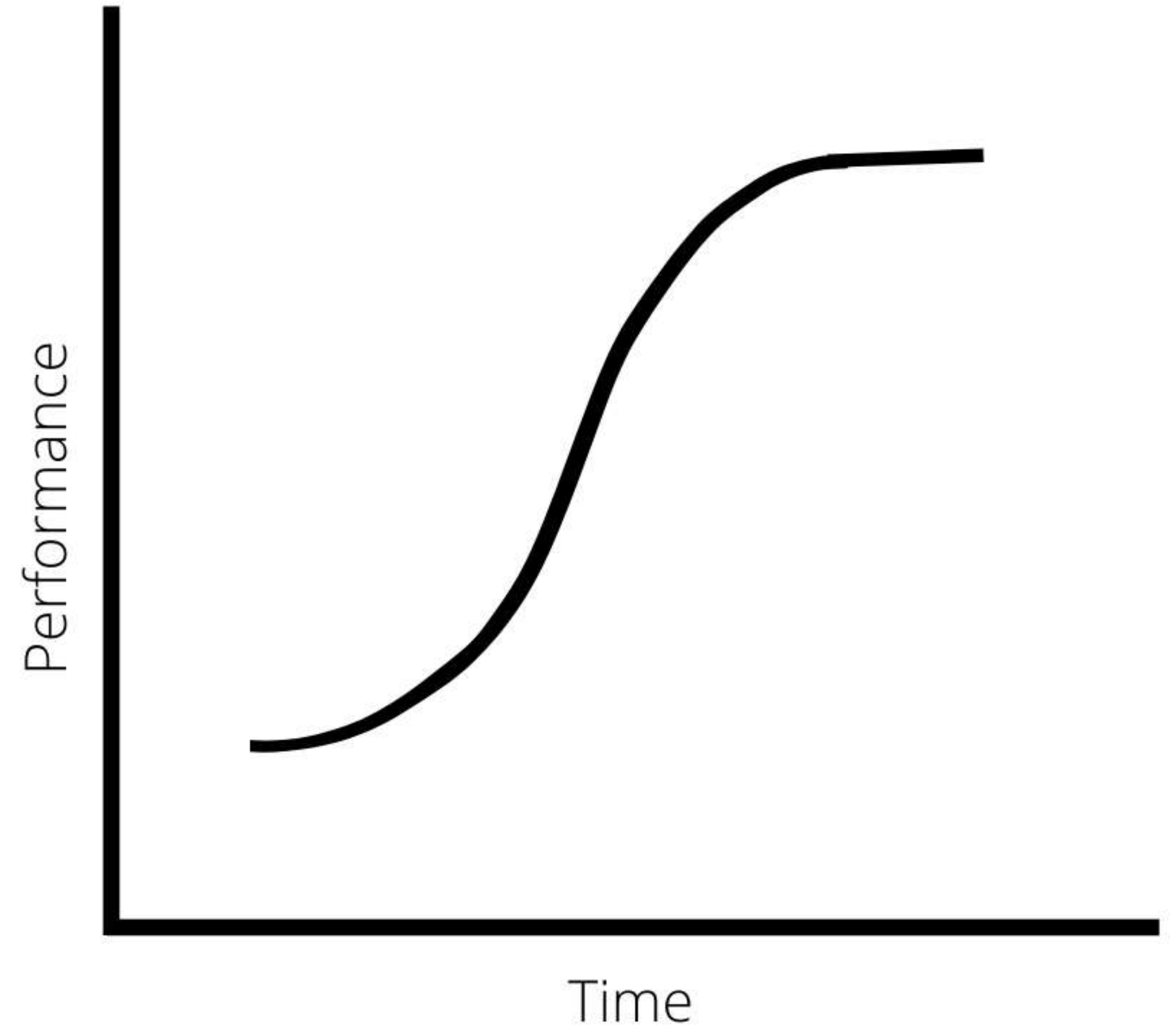
Amazon of the 90s, 2000s, 2010s, 2020s looks identical.



E-commerce is a search bar

Amazon is spending more on fulfillment warehouses CapEx than on the future of commerce R&D.

Amazon sits at the top of the S-shaped curve of innovation.



Every year, a new flock of companies set out to “kill Amazon.” Yet nothing in this market was or is an “Amazon killer.”

The image shows a collage of three news articles. The top article is from Bloomberg, titled "TikTok Emerges as Threat to Amazon With \$20 Billion Shopping Pilot". The middle article is from The Wall Street Journal, titled "Shein Takes on Amazon in the Business of Selling Everything". The bottom article is from The Telegraph, titled "Here comes Temu, China's 'scary' bargain-basement Amazon killer".

Bloomberg US Edition Sign In

• Live Now Markets Economics Industries Tech AI Politics Wealth Pursuits Opinion Businessweek

Business

TikTok Emerges as Threat to Amazon With \$20 Billion Shopping Pilot

Booming Indonesia offers a template for TikTok's global e-commerce push

THE WALL STREET JOURNAL.

COSMETICS TIME A FEW YEARS AGO. ONE THIRTY TWO / DECEMBER 20 NEWS

BUSINESS

Shein Takes on Amazon in the Business of Selling Everything

Founded in China as fast-fashion retailer, the company is now positioning itself as a marketplace for practically anything

The Telegraph News Sport Business Opinion Ukraine Money Royal

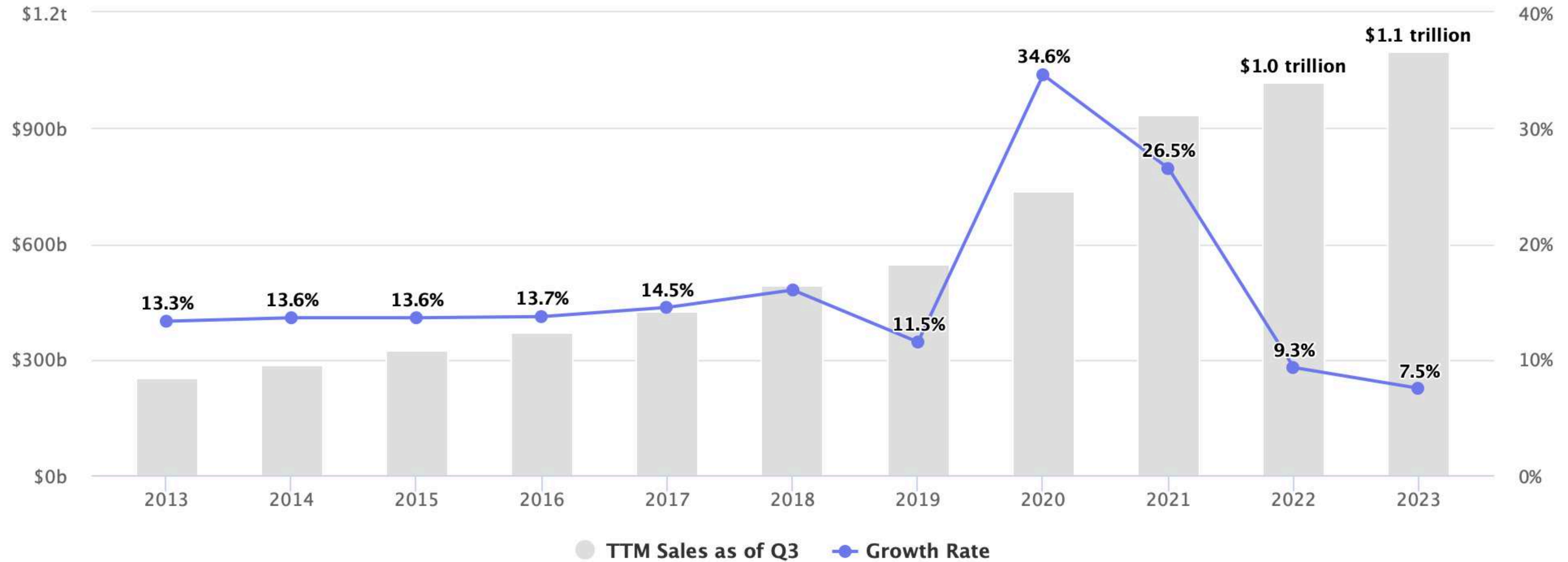
Alex Economy Companies Markets Tech

Here comes Temu, China's 'scary' bargain-basement Amazon killer

The 'shop like a billionaire' brand is luring millions of UK customers – but at what cost?

E-commerce Growth

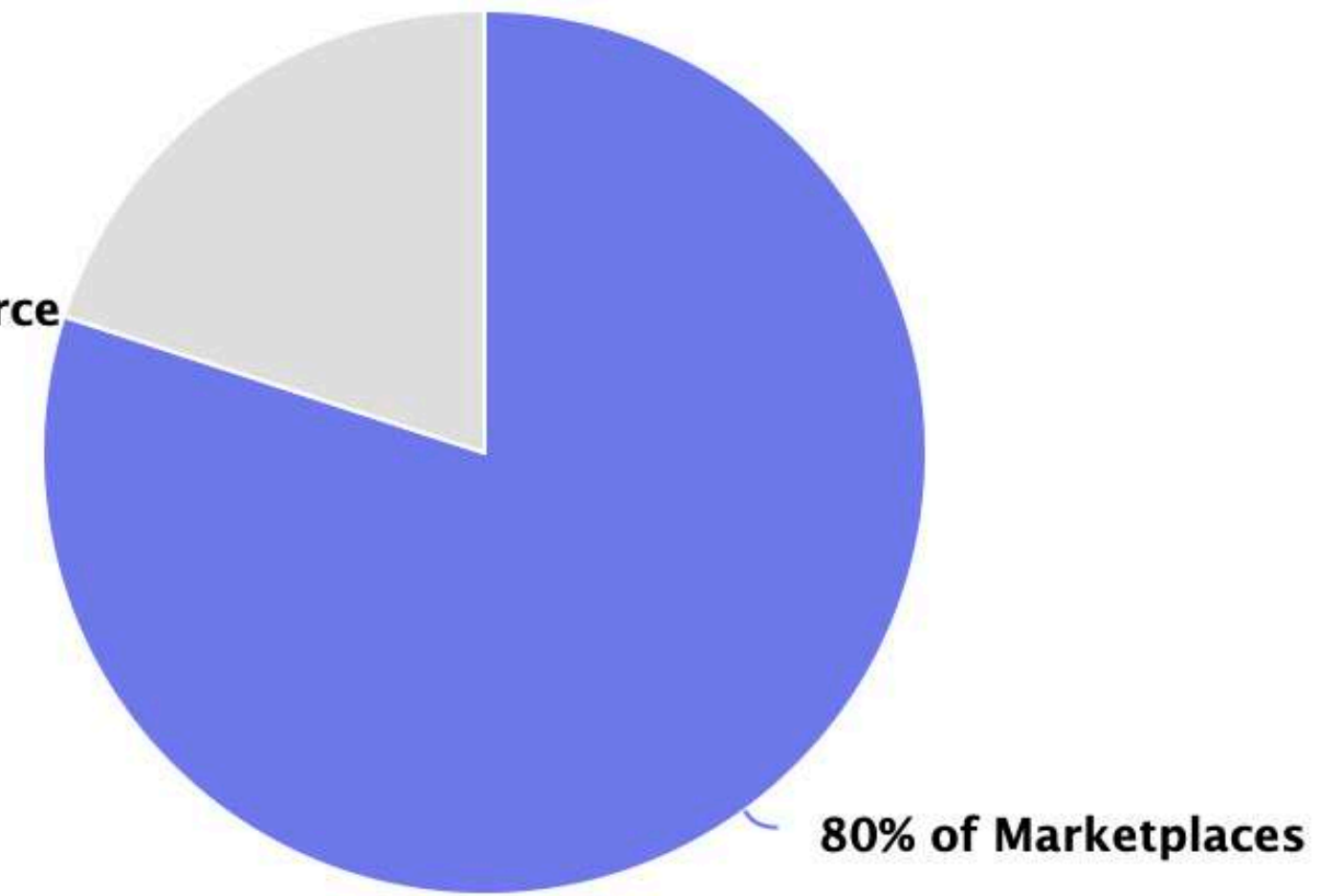
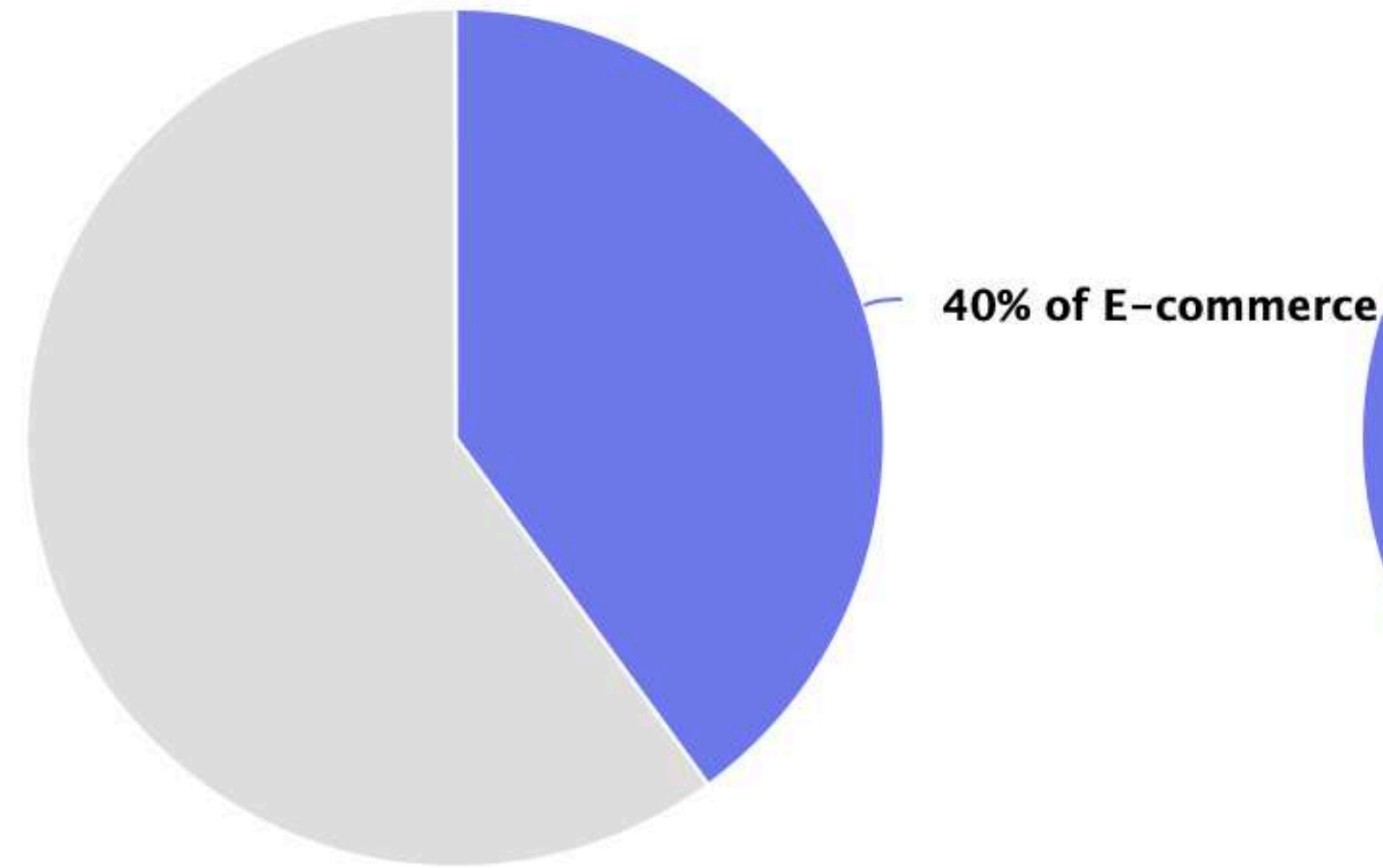
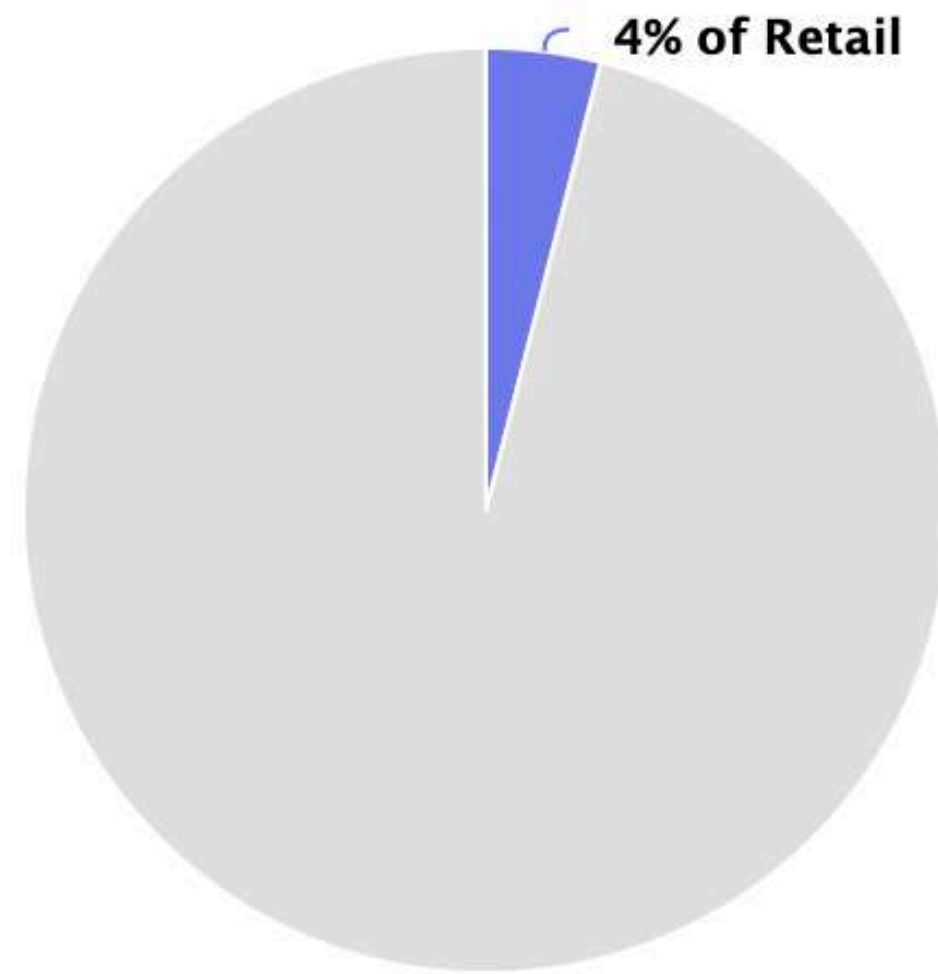
U.S. E-commerce Sales



Source: The Census Bureau of the Department of Commerce

E-commerce spending in the U.S. grew the slowest since the 2009 recession.

Amazon Market Share of US Retail, E-commerce, Marketplaces

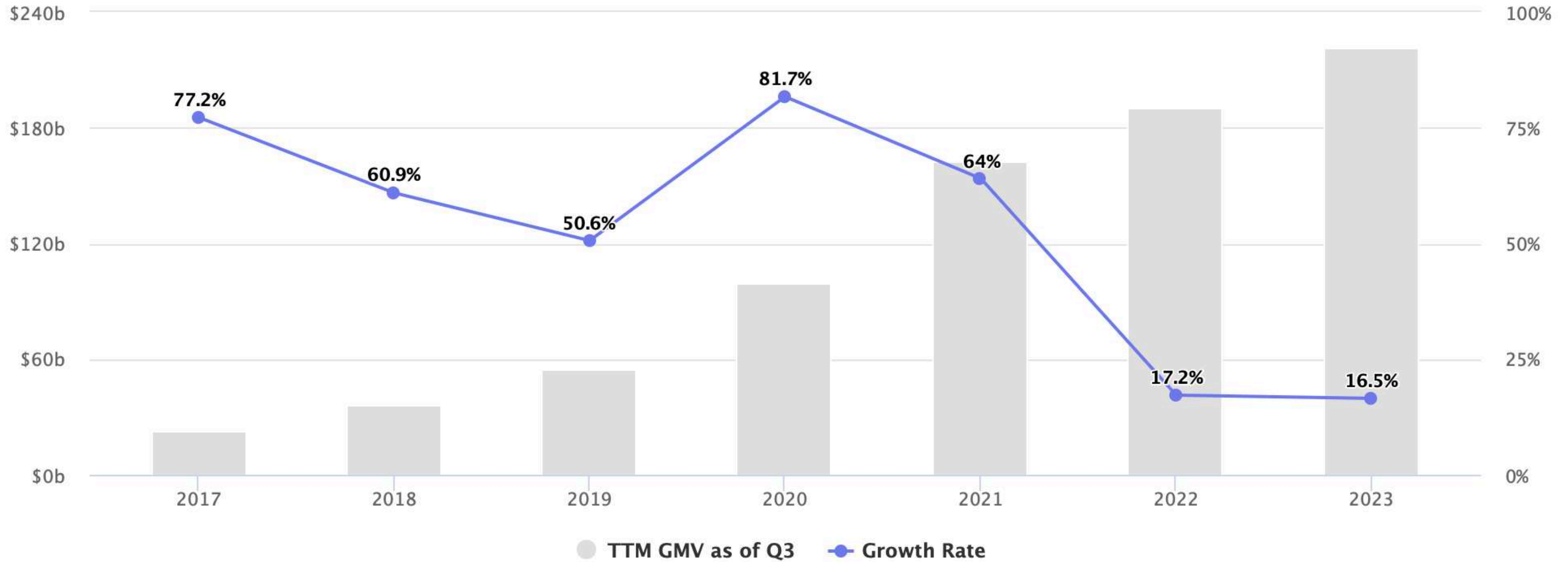


Source: Marketplace Pulse

Amazon is 4% of U.S. retail, 40% of e-commerce, and 80% of marketplaces.

If the conversation is about retail, Amazon could almost be an afterthought. But for e-commerce businesses that sell through marketplaces, Amazon is everpresent and unavoidable.

Shopify Gross Merchandise Volume (GMV)



Source: Shopify Quarterly Results

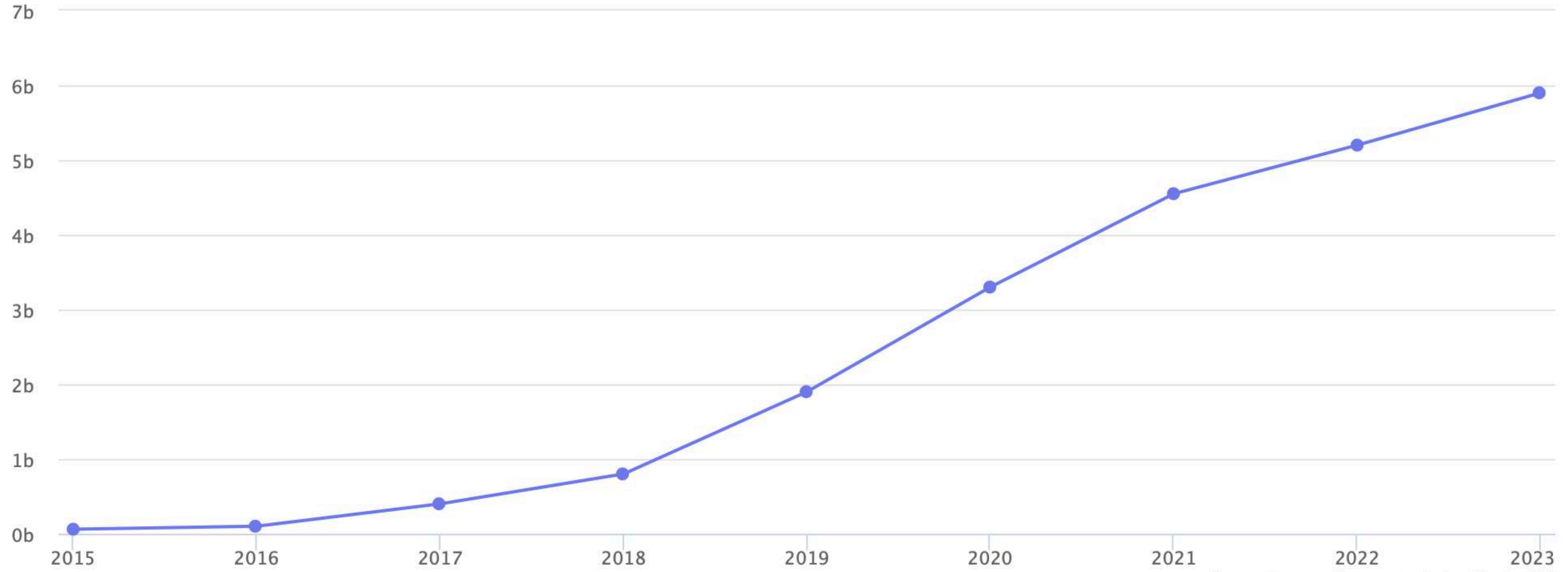
Shopify stores continue to grow faster than the overall market.

Shopify is closer to QuickBooks than Amazon
- it powers e-commerce stores and doesn't
create demand.

But, Shopify results indicate that consumers are comfortable buying directly from brands.

Fulfillment Logistics

Packages Delivered by Amazon Logistics in the US



Source: Amazon documents obtained by the WSJ

Amazon will deliver 5.9 billion packages in the U.S. in 2023, becoming bigger than FedEx and UPS.



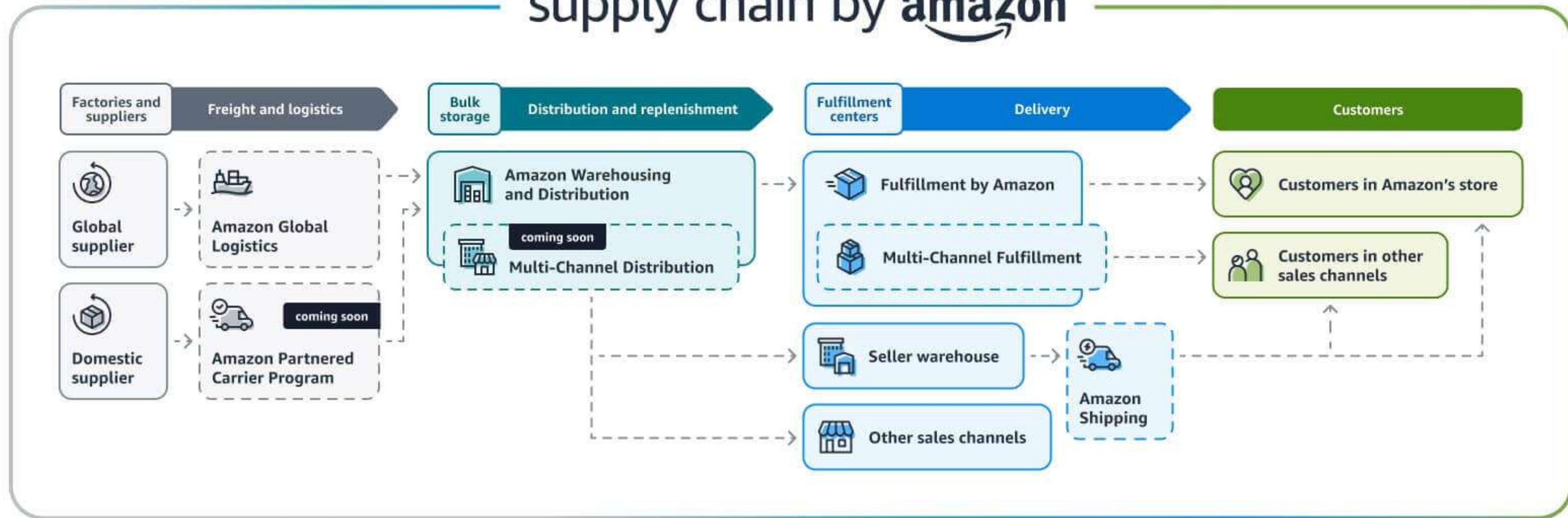
**“Amazon is testing delivering packages using
drones”**

Jeff Bezos, CEO of Amazon, in 2013

Drones are cool. But Amazon now delivers billions of packages yearly using good-old delivery trucks.

Fulfillment and logistics are the foundation of Amazon because Amazon doesn't sell goods. It sells goods that ship in one to two days and, for some shoppers, same-day.

supply chain by amazon

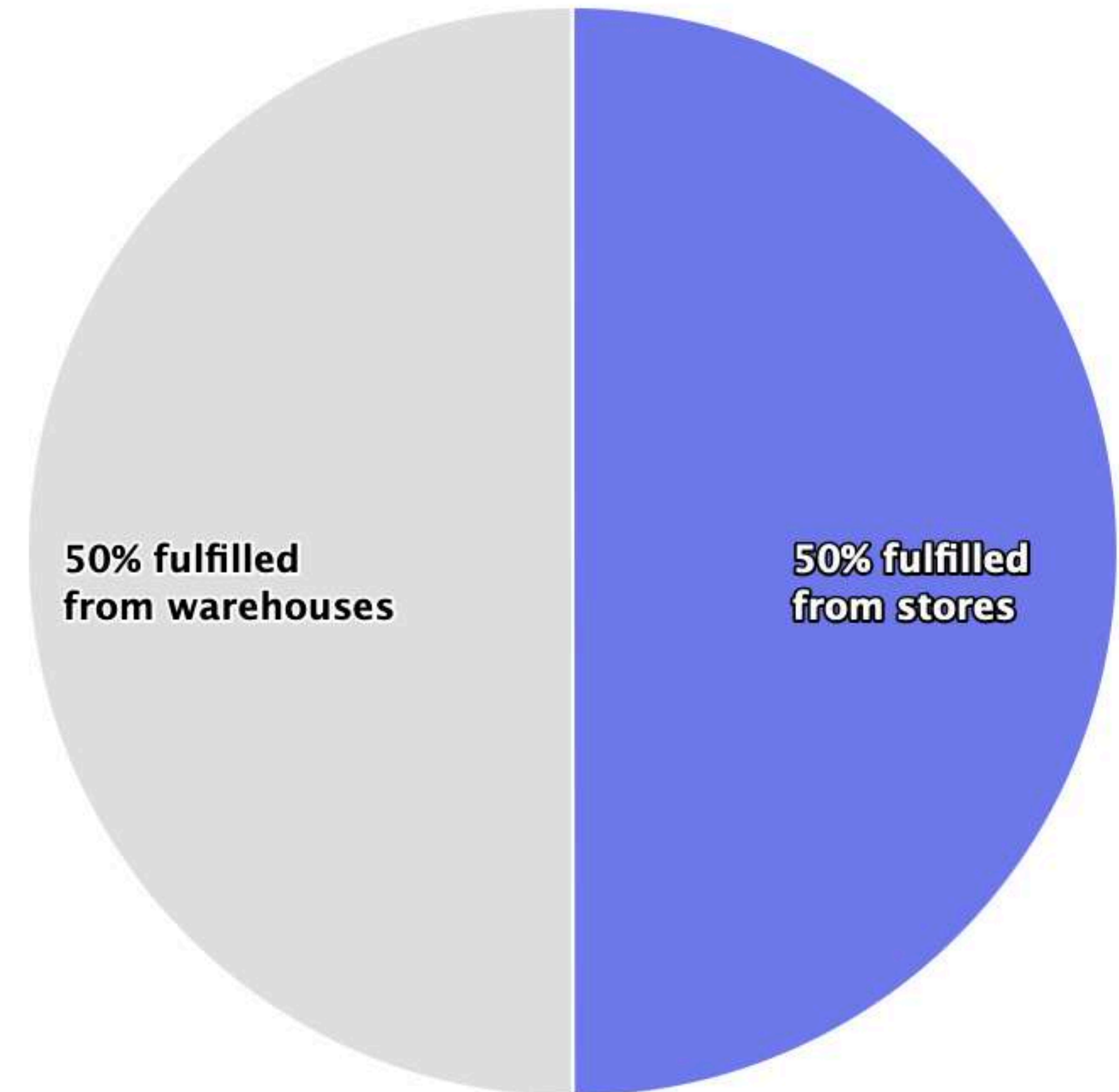


But Amazon can't make everyone shop on Amazon. So, it sells retail infrastructure even when shopping happens elsewhere.

“50% of the items that we sell online right now are fulfilled out of one of our stores.”

John David Rainey, CFO at Walmart

Walmart Online Orders' Fulfillment



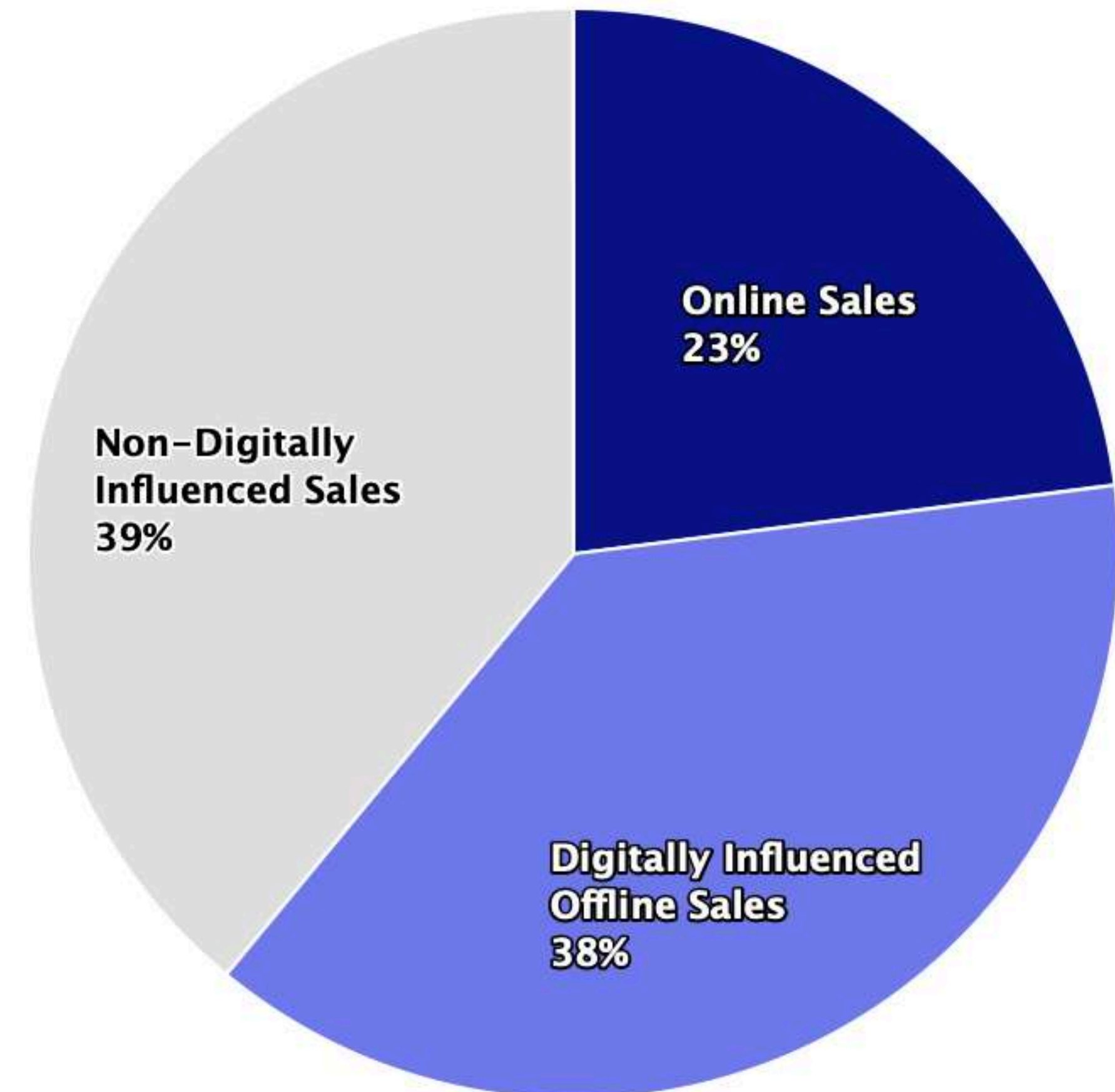
Source: David Rainey, CFO at Walmart, interview with Fortune

Smartphones and Social Commerce

iPhone launched in 2007. TikTok launched in 2017.

Pre-smartphone e-commerce was a sales channel; now, digital drives all retail.

Digitally Influenced Sales

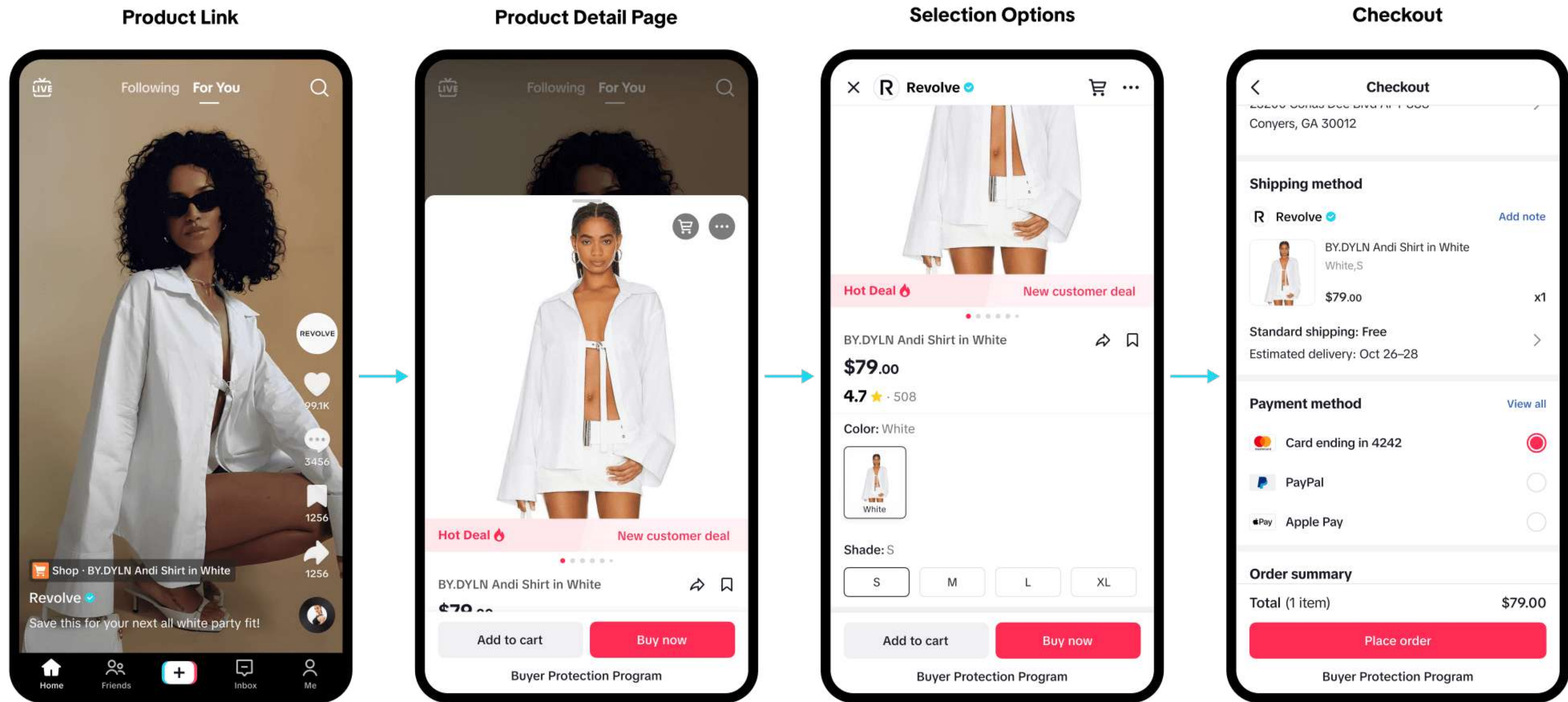


Source: Forrester, 2022 Digital-Influenced Retail Sales Forecast

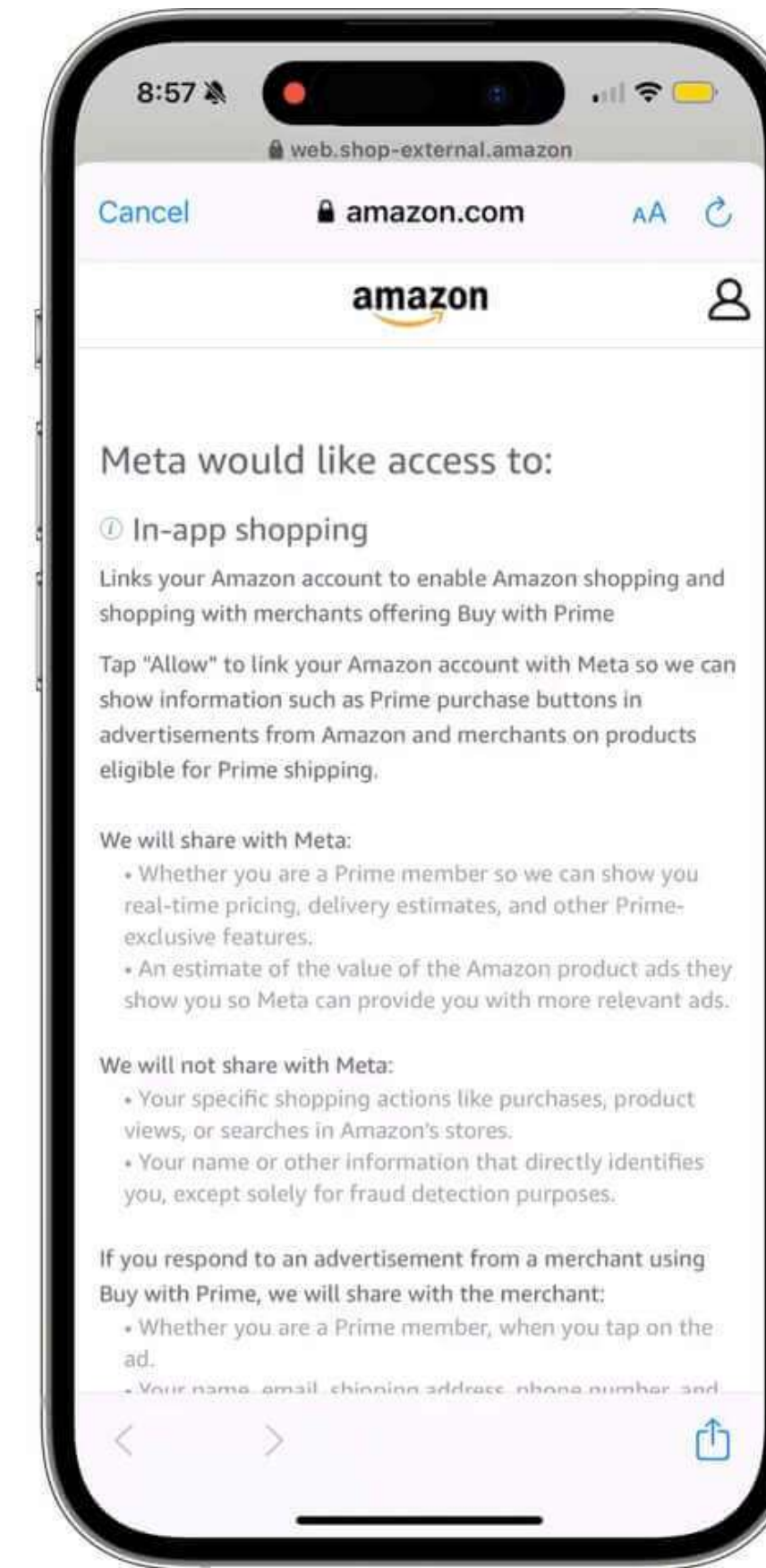
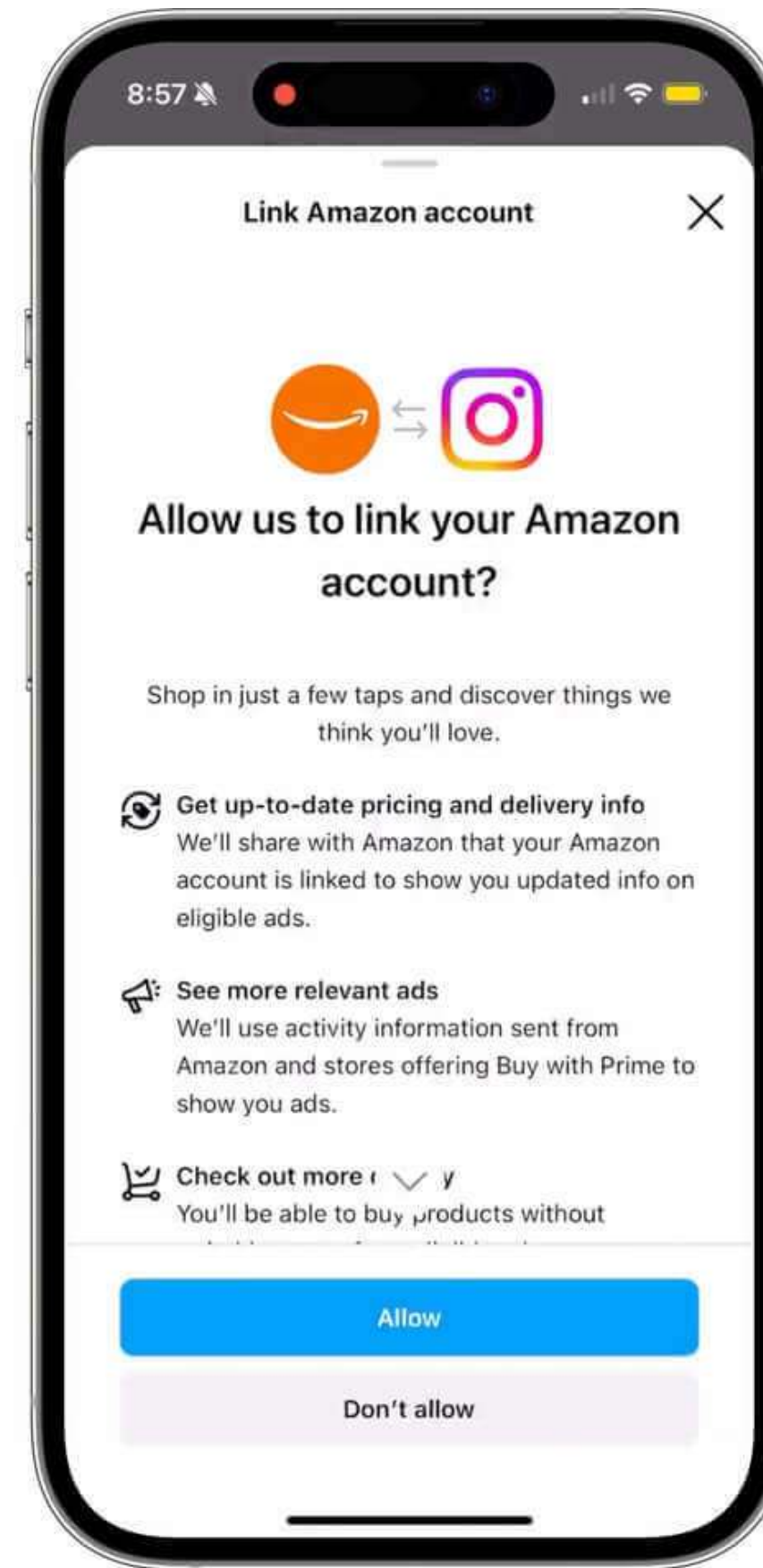
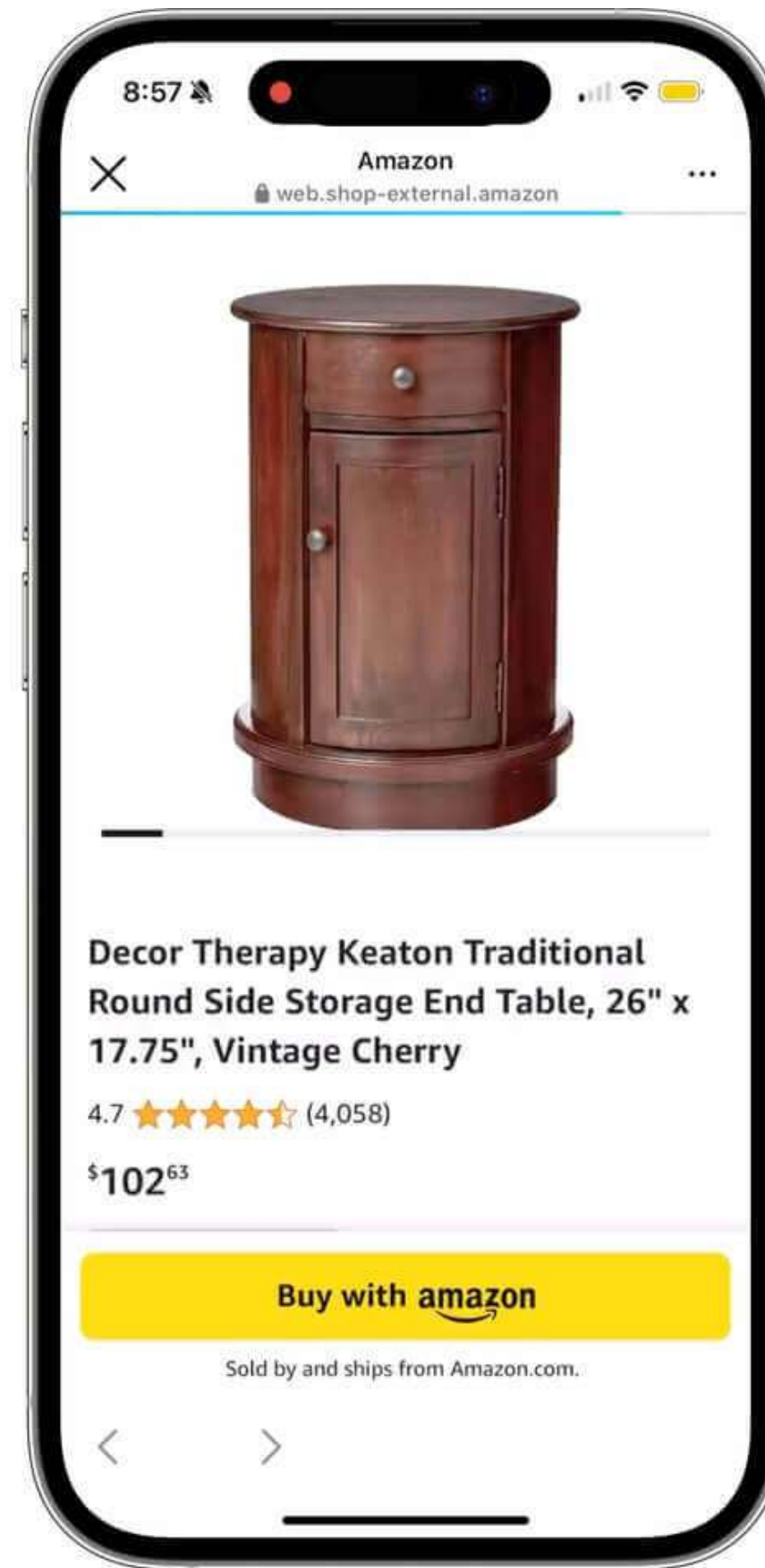
Mobile-influenced is the biggest new factor

Both inspiration and purchasing now happen
without a big screen in front of us.

The currency in the post-smartphone age is attention. Social media networks like Facebook, Instagram, and TikTok hold most of it.



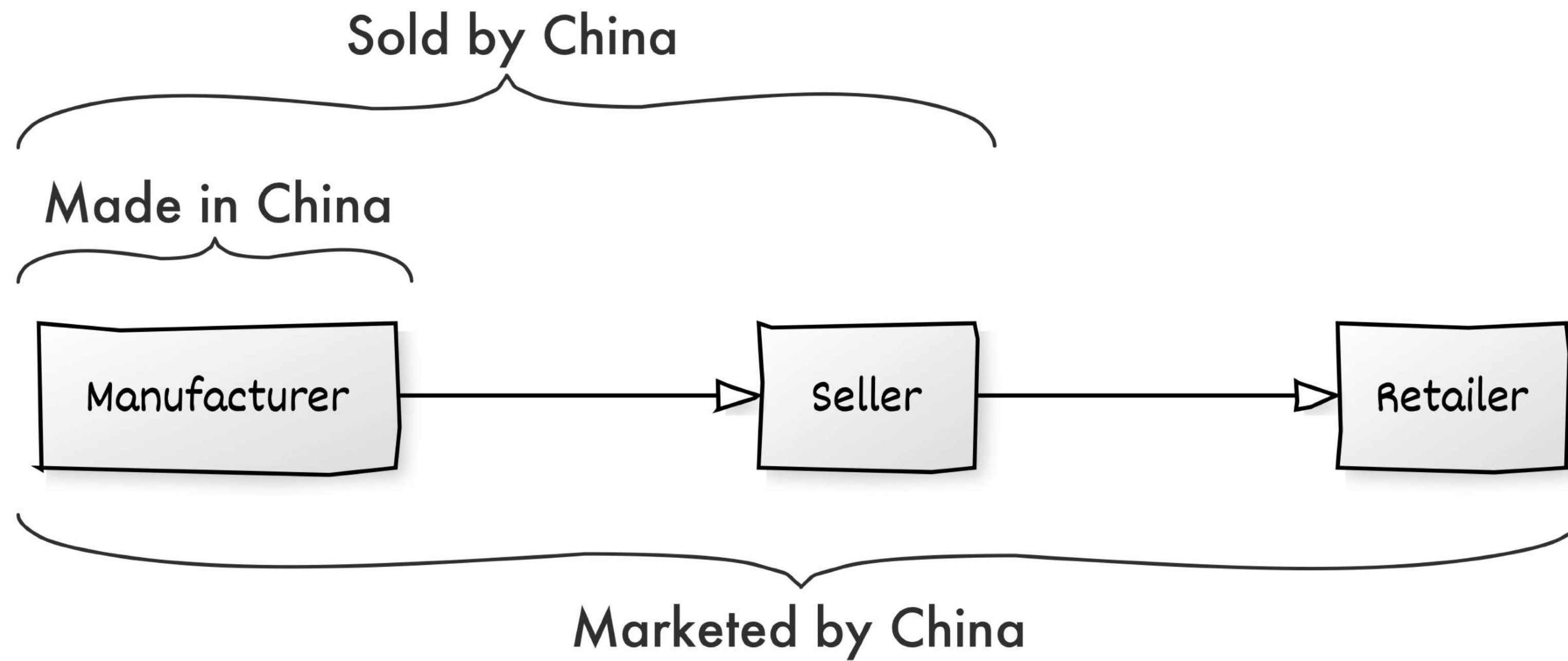
TikTok Shop is the closest U.S. shoppers had to social commerce at scale



But while its social commerce take failed, Amazon found a different wedge. It partnered with Snapchat, Facebook, and Instagram.

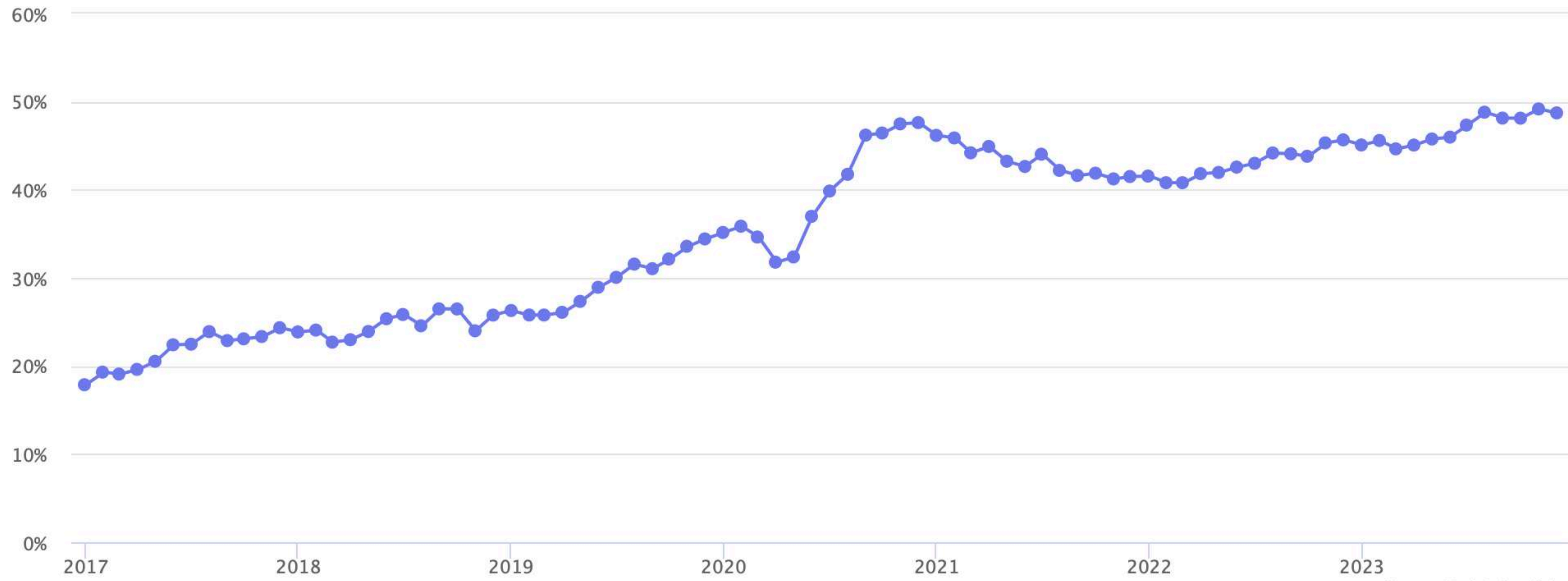
TikTok said no. Instead of partnering with Amazon, it birthed TikTok Shop.

Made, Sold, and Marketed by China



***First:* For decades, factories in China made goods that filled the shelves of U.S. retailers and brands.**

Percent of Top Amazon Sellers Based in the China



Source: Marketplace Pulse

Second: Nearly half of the top third-party sellers on Amazon are based in China.

Third: The most noticeable and impactful disruptors are Shein and Temu shopping apps, both from China but only serving shoppers in the West. They represent the third iteration of Chinese commerce.

“Online commerce and gaming [advertising businesses] benefited from strong spend among advertisers in China reaching customers in other markets.”

Facebook CFO

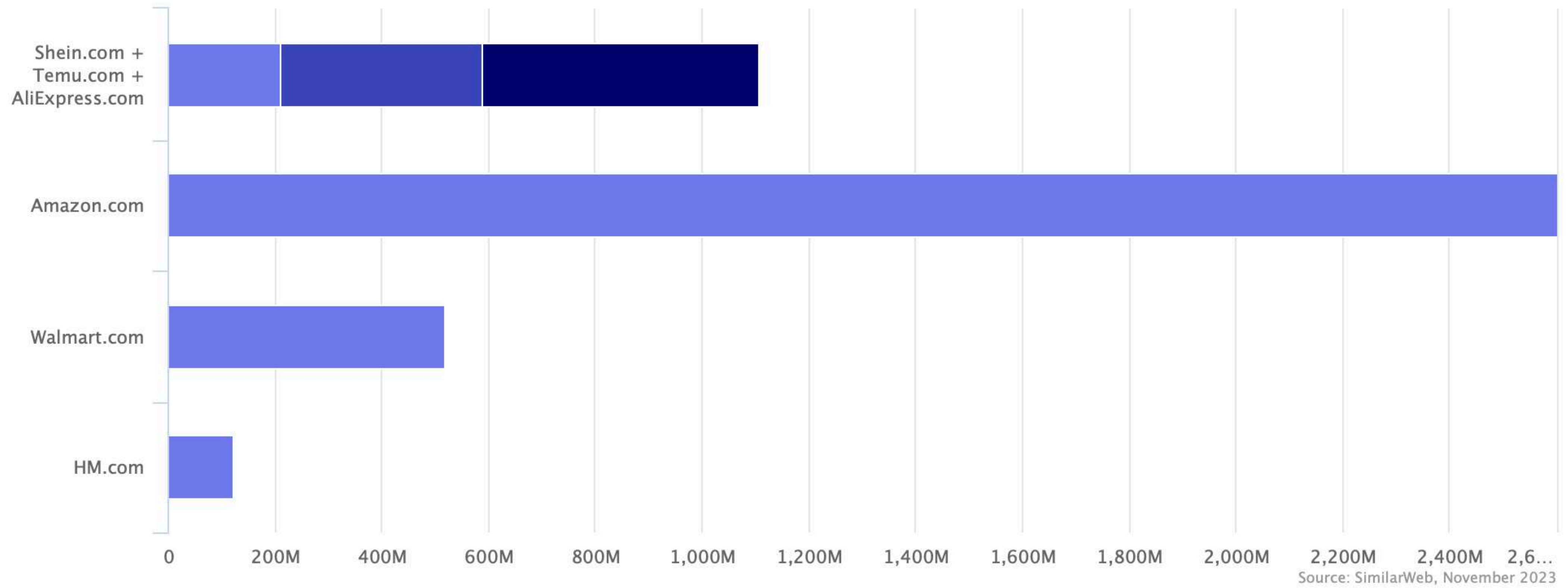
“I think those two players [Shein and Temu] are almost single-handedly having an impact on the cost of advertising, particularly in some paid channels in Google and in Meta.”

Etsy CEO

“A record of more than one billion packages entered the U.S. in the fiscal year ended Sept. 30 under the de minimis exemption - twice the 2019 level.”

The Wall Street Journal

Shein + Temu + AliExpress Web Traffic

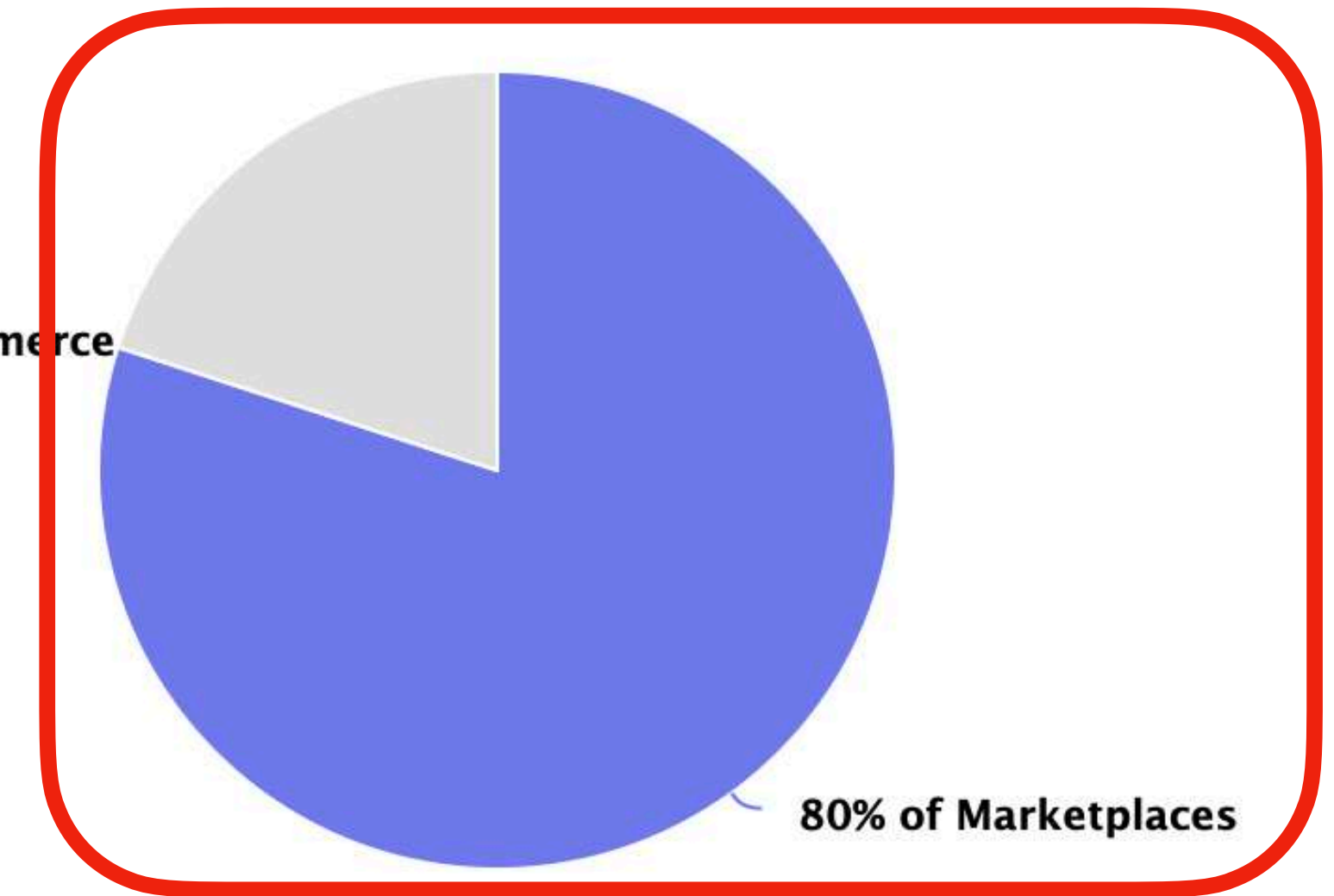
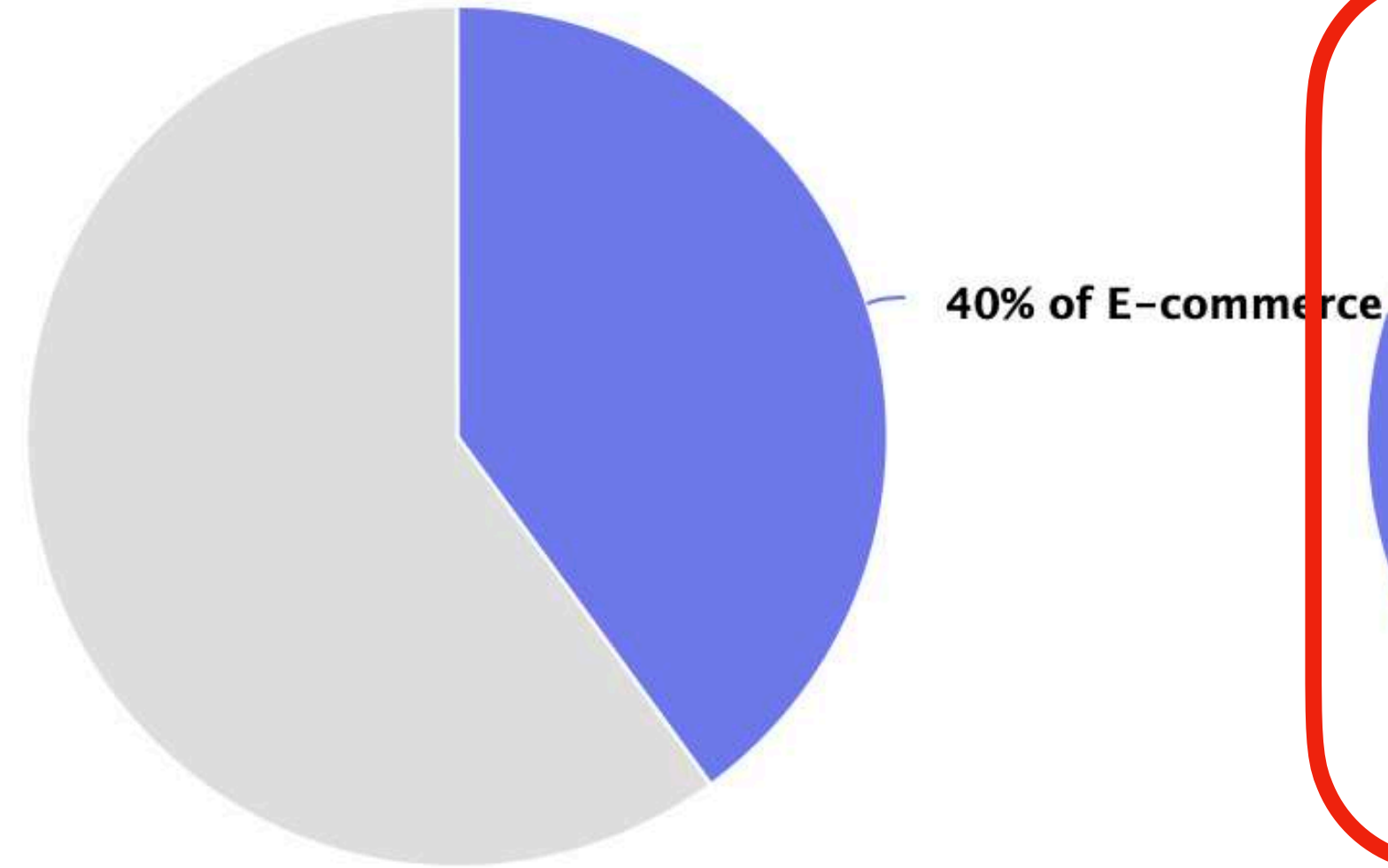
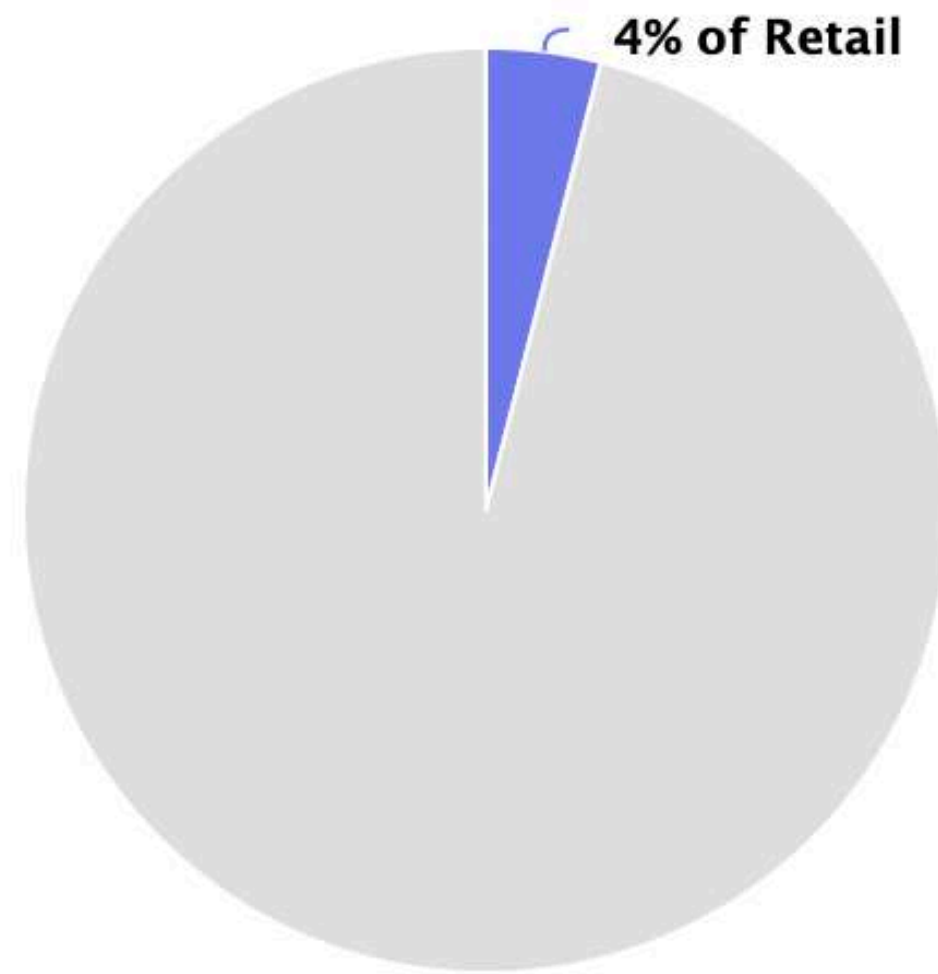


Shein, Temu, and AliExpress combined now get over 1 billion monthly web visits.

**Traffic and hype are not revenue, let alone profit,
but they indicate ambition.**

Amazon Sellers

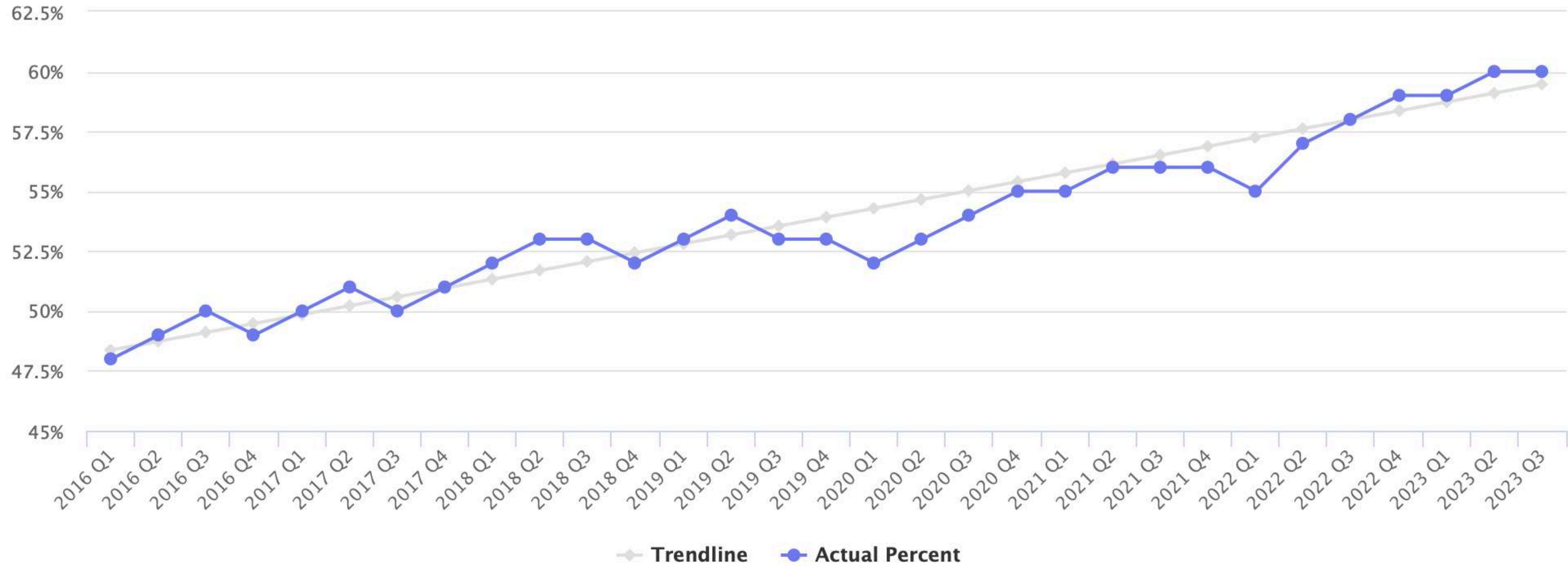
Amazon Market Share of US Retail, E-commerce, Marketplaces



Source: Marketplace Pulse

Sellers are in a market where Amazon is 80% of it.

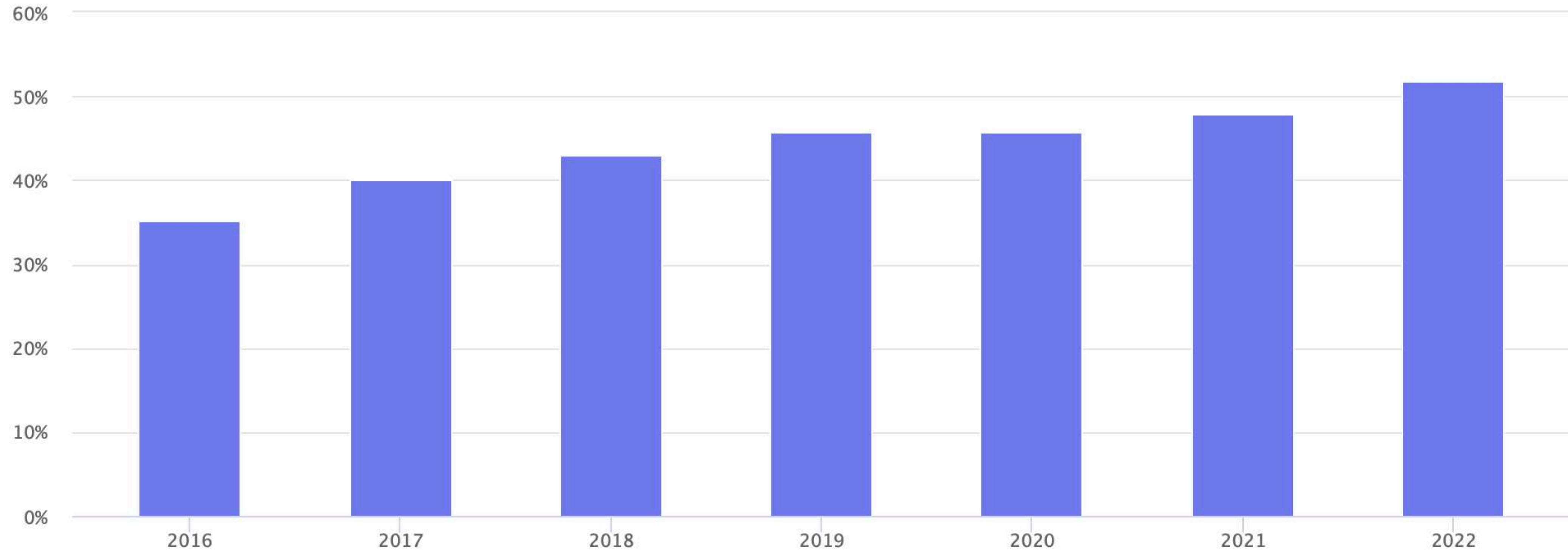
Amazon Percent of Units by Third-Party Sellers



Source: Amazon Quarterly Results

Amazon is its millions of sellers as it continues to move away from 1P sales to 3P sellers.

Amazon's Cut of Sellers' Revenue
Referral/Transaction, Fulfillment, Storage, Advertising and Other Fees



Amazon is pocketing more than 50% of sellers' revenue, up from 40% five years ago.

According to sellers, a typical Amazon seller pays a 15% transaction fee, 20-35% in Fulfillment by Amazon fees, and up to 15% for advertising and promotions on Amazon.



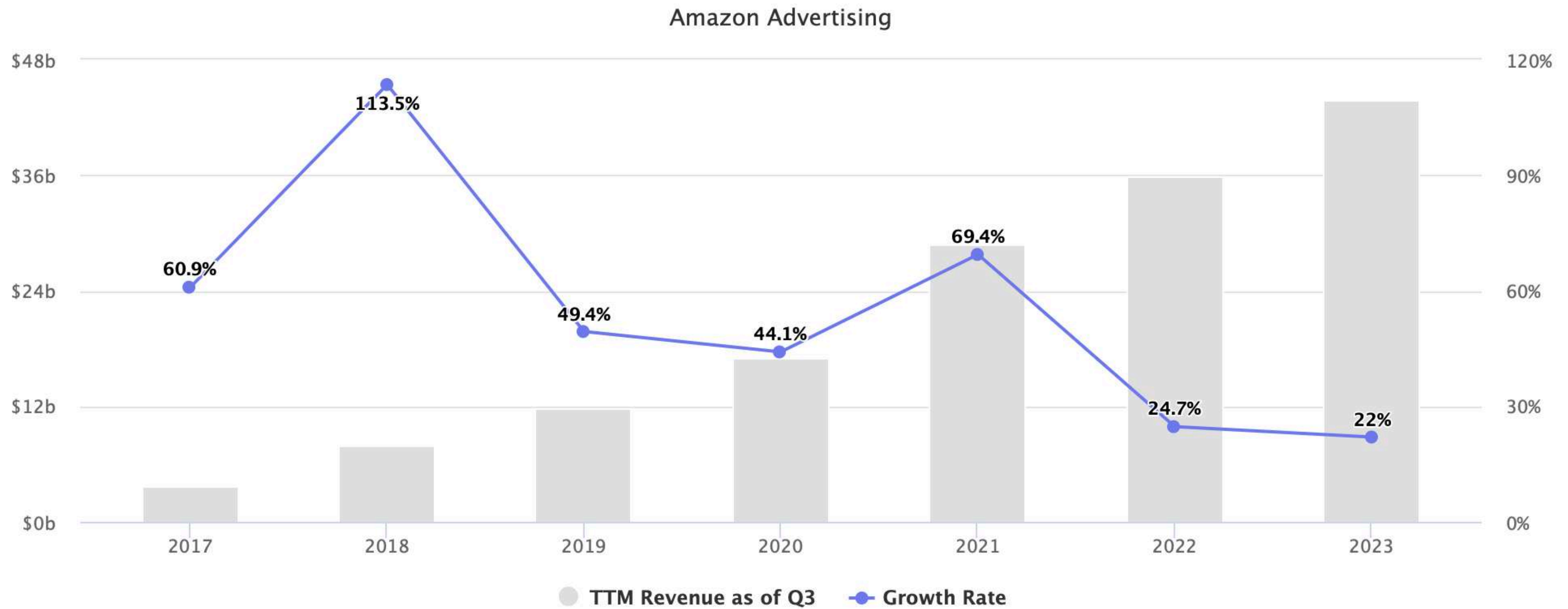
Source: Marketplace Pulse

Amazon describes FBA and advertising as optional services, and by strict definition, they are. However, they are not optional if sellers want to stay competitive and thus succeed.

Amazon fees pay for a lot of value; whether they are too costly or have risen too fast is subjective.

Retail Media Networks (Advertising)


Amazon and other retail media networks represent the third wave of digital advertising.




Source: Amazon Quarterly Results

Amazon's advertising business has exceeded a \$40 billion annual run rate.


Zulay Kitchen: Garlic Presses Like No Other
Shop Zulay Kitchen >



Best seller
Premium Garlic Press with Soft Easy-Squeeze Ergonomic Handle, Sturdy Design Extracts More Garlic Paste Per Clove, Garlic Crusher fo...
★★★★☆ - 21,550
20K+ bought in past month



Best seller
Zulay Kitchen Premium Garlic Press with Soft, Easy to Squeeze Ergonomic Handle, Sturdy Design Extracts More Garlic Paste Per Clove, Garlic Crusher fo...
★★★★☆ - 21,550
20K+ bought in past month



Best seller
Zulay Kitchen Premium Garlic Press with Soft, Easy to Squeeze Ergonomic Handle, Sturdy Design Extracts More Garlic Paste Per Clove, Garlic Crusher fo...
★★★★☆ - 21,550
20K+ bought in past month

Results
Check each product page for other buying options. Price and other details may vary based on product size and color.

Best Seller
Premium Garlic Press with Soft Easy-Squeeze Ergonomic Handle, Sturdy Design Extracts More Garlic Paste Per Clove, Garlic Crusher fo...
★★★★☆ - 21,550
20K+ bought in past month
\$14.99 List: \$19.99
Buy any 2, Save 5%
FREE delivery Sun, Dec 17 on \$35 of items shipped by Amazon
Or fastest delivery Tomorrow, Dec 13
Arrives before Christmas
[Add to Cart](#)

Overall Pick
Premium Garlic Press, Professional Grade Garlic Mincer, Easy to Squeeze and Clean, Rust Proof & Dishwasher Safe, Efficient Ginger Crusher...
★★★★☆ - 2,328
10K+ bought in past month
\$8.99
FREE delivery Sun, Dec 17 on \$35 of items shipped by Amazon
Or fastest delivery Tomorrow, Dec 13
Arrives before Christmas
[Add to Cart](#)

NEW OXO Good Grips Garlic Press
★★★★☆ - 776
3K+ bought in past month
\$17.98
FREE delivery Sun, Dec 17 on \$35 of items shipped by Amazon
Or fastest delivery Overnight 4 AM - 8 AM
Arrives before Christmas
[Add to Cart](#)


Overall Pick
Premium Garlic Press, Professional Grade Garlic Mincer, Easy to Squeeze and Clean, Rust Proof & Dishwasher Safe, Efficient Ginger Crusher...
★★★★☆ - 2,328
10K+ bought in past month
\$8.99
FREE delivery Sun, Dec 17 on \$35 of items shipped by Amazon
Or fastest delivery Tomorrow, Dec 13
Arrives before Christmas
[Add to Cart](#)

Best Seller
Premium Garlic Press with Soft Easy-Squeeze Ergonomic Handle, Sturdy Design Extracts More Garlic Paste Per Clove, Garlic Crusher fo...
★★★★☆ - 21,550
20K+ bought in past month
\$14.99 List: \$19.99
Buy any 2, Save 5%
FREE delivery Sun, Dec 17 on \$35 of items shipped by Amazon
Or fastest delivery Tomorrow, Dec 13
Arrives before Christmas
[Add to Cart](#)


Overall Pick
Zulay Garlic Press Rocker Set - Stainless Steel Garlic Mincer With Silicone Peeler & Scraper - Comfortable Grip Garlic Crusher...
★★★★☆ - 2,834
2K+ bought in past month
\$12.99
Buy any 2, Save 5%
FREE delivery Sun, Dec 17 on \$35 of items shipped by Amazon
Or fastest delivery Tomorrow, Dec 13
Arrives before Christmas
[Add to Cart](#)

Best Seller
HiramWare Garlic Press, Premium Rust Proof Kitchen Garlic Mincer Slicer Crusher Squeezer with Ergonomic handle, Ginger Crush...
★★★★☆ - 113
1K+ bought in past month
\$6.99
FREE delivery Sun, Dec 17 on \$35 of items shipped by Amazon
Or fastest delivery Tomorrow, Dec 13
Arrives before Christmas
[Add to Cart](#)


4 stars and above
Sponsored | Based on star rating and number of customer ratings




Best Seller
Premium Garlic Press with Soft Easy-Squeeze Ergonomic Handle, Sturdy Design Extracts More Garlic Paste Per Clove, Garlic Crusher fo...
★★★★☆ - 21,550
20K+ bought in past month
\$14.99 List: \$19.99
Buy any 2, Save 5%




Garlic Press Stainless Steel, No Need to Peel Garlic Mincer Tool for Fine Garlic, Detachable for Easy Cleaning, Garlic Presser and...
★★★★☆ - 4,272
1K+ bought in past month
\$29.99
Save 10% with coupon



Alpha Grillers Garlic Press Stainless Steel - Premium Garlic Mincer with Silicone Garlic Peeler - Easy Squeeze Garlic Crusher, Grater an...
★★★★☆ - 14,099
2K+ bought in past month
\$14.99 List: \$19.99
Small Business




Coson Home Garlic Press Crusher Chopper Mincer Mashed Garlic Puree Maker with Silicone Peeler and Cleaning Brush, Easy to Clea...
★★★★☆ - 1,801
50+ bought in past month
\$8.99




Kitama Premium Manual Garlic Press - Tabletop/Handheld Mincer & Crusher - No Need to...
★★★★☆ - 30
100+ bought in past month
\$29.99
FREE delivery Sun, Dec 17 on \$35 of items shipped by Amazon
Or fastest delivery Thu, Dec 14
Arrives before Christmas


More results




Zyliss Susi 3 Garlic Press - Garlic & Ginger Mincer Tool - Garlic Press with Built-In Cleaner - Garlic Crusher, Mincer & Peeler Kitchen...
★★★★☆ - 8,308
2K+ bought in past month
\$15.99 List: \$24.99
FREE delivery Sun, Dec 17 on \$35 of items shipped by Amazon
Or fastest delivery Tomorrow, Dec 13
Arrives before Christmas
[Add to Cart](#)




Premium Garlic Press, Garlic Mincer Set of 3 with Silicone Roller Peeler & Cleaning Brush - Gloss Silver
★★★★☆ - 9,051
4K+ bought in past month
\$9.99 List: \$14.99
FREE delivery Sun, Dec 17 on \$35 of items shipped by Amazon
Or fastest delivery Tomorrow, Dec 13
Arrives before Christmas
[Add to Cart](#)




Coson Home Garlic Press Mashed Chopper Mincer Peeler Chopper Garlic Puree Maker with Silicone Tube Roller and Cleaning...
★★★★☆ - 1,801
50+ bought in past month
\$8.99




Garlic Press Stainless Steel, No Need to Peel Garlic Mincer Tool for Fine Garlic, Detachable for Easy Cleaning, Garlic Presser and...
★★★★☆ - 4,272
1K+ bought in past month
\$29.99
Save 10% with coupon
FREE delivery Sun, Dec 17 on \$35 of items shipped by Amazon
Or fastest delivery Tomorrow, Dec 13
Arrives before Christmas
[Add to Cart](#)




The Italian Kitchen Stainless Steel Garlic Press - Heavy Duty Garlic Extruder
★★★★☆ - 119
300+ bought in past month
\$15.95
FREE delivery Sun, Dec 17 on \$35 of items shipped by Amazon
Or fastest delivery Tomorrow, Dec 13
Arrives before Christmas
[Add to Cart](#)




2 Pack Garlic Press Rocker, Stainless Steel Garlic Mincer with 2 Peelers, 2 Scrapers and 2 Brushes | Garlic Crusher Garlic Chopper for...
★★★★☆ - 168
200+ bought in past month
\$8.99
FREE delivery Sun, Dec 17 on \$35 of items shipped by Amazon
Or fastest delivery Tomorrow, Dec 13
Arrives before Christmas
[Add to Cart](#)




Vantic Garlic Press Rocker - Stainless Steel Garlic Mincer Garlic Crusher, New Innovative Garlic Chopper with Peeler and Scraper...
★★★★☆ - 9,365
2K+ bought in past month
\$14.97
Save 5% with coupon
FREE delivery Sun, Dec 17 on \$35 of items shipped by Amazon
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Arrives before Christmas
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NEW OXO Good Grips Garlic Press
★★★★☆ - 776
3K+ bought in past month
\$17.98
FREE delivery Sun, Dec 17 on \$35 of items shipped by Amazon
Or fastest delivery Overnight 4 AM - 8 AM
Arrives before Christmas
[Add to Cart](#)
More Buying Choices \$11.95 (18 new offers)
Delivery from your local store
\$14.10 List: \$19.99
fresh \$4.95 delivery Tomorrow 6 AM - 8 AM on orders over \$100




ORBLUE Garlic Press Stainless Steel - Premium Professional Grade Garlic Mincer, Crusher & Peeler Set - Easy Clean, Dishwash...
★★★★☆ - 21,001
3K+ bought in past month
\$15.97 List: \$24.99
FREE delivery Sun, Dec 17 on \$35 of items shipped by Amazon
Or fastest delivery Tomorrow, Dec 13
Arrives before Christmas
[Add to Cart](#)




KitchenAid Classic Garlic Press, 7.68-Inch, Cobalt Blue
★★★★☆ - 4,501
700+ bought in past month
\$11.97 List: \$19.99
FREE delivery Sun, Dec 17 on \$35 of items shipped by Amazon
Or fastest delivery Overnight 4 AM - 8 AM
Arrives before Christmas
[Add to Cart](#)




ARFUEE Garlic Press, Garlic Press Rocker with Sturdy Handle, Garlic Press Stainless Steel, Garlic Mincer with Peeler and Scraper Brush, fo...
★★★★☆ - 965
50+ bought in past month
\$5.99
FREE delivery Sun, Dec 17 on \$35 of items shipped by Amazon
Or fastest delivery Tomorrow, Dec 13
Arrives before Christmas
[Add to Cart](#)




KITEXPERT Garlic Press, Premium Garlic Mincer with Ergonomic Grip Handle, Professional Garlic Presser Crusher and Peeler Set, Sturdy...
★★★★☆ - 965
1K+ bought in past month
\$9.99
FREE delivery Sun, Dec 17 on \$35 of items shipped by Amazon
Or fastest delivery Tomorrow, Dec 13
Arrives before Christmas
[Add to Cart](#)




SimCoker Garlic Press, Heavy Duty Garlic Press, Professional Grade Garlic Mincer, No Need to Peel, Easy to Clean, Ergonomic Handle, 304...
★★★★☆ - 8
200+ bought in past month
\$29.99
Save 30% with coupon
FREE delivery Sun, Dec 17 on \$35 of items shipped by Amazon
Or fastest delivery Tomorrow, Dec 13
Arrives before Christmas
[Add to Cart](#)



Zulay Garlic Press Rocker Set - Stainless Steel Garlic Mincer With Silicone Peeler & Scraper - Comfortable Grip Garlic Crusher...
★★★★☆ - 2,334
2K+ bought in past month
\$12.99
Buy any 2, Save 5%
FREE delivery Sun, Dec 17 on \$35 of items shipped by Amazon
Or fastest delivery Tomorrow, Dec 13
Arrives before Christmas
[Add to Cart](#)



KITEXPERT Garlic Press, Premium Garlic Mincer with Ergonomic Grip Handle, Professional Garlic Presser Crusher and Peeler Set, Sturdy...
★★★★☆ - 965
1K+ bought in past month
\$9.99
FREE delivery Sun, Dec 17 on \$35 of items shipped by Amazon
Or fastest delivery Tomorrow, Dec 13
Arrives before Christmas
[Add to Cart](#)



Joseph Joseph Garlic Rocker Crusher Mincer Press Dishwasher Safe, Stainless Steel
★★★★☆ - 4,691
1K+ bought in past month
\$19.99 List: \$28.99
FREE delivery Sun, Dec 17 on \$35 of items shipped by Amazon
Or fastest delivery Tomorrow, Dec 13
Arrives before Christmas
[Add to Cart](#)
More Buying Choices \$19.89 (2 new offers)

Amazon is ads

What are the *new* ideas

We continue to reiterate the ideas from a decade or decades ago.

In mature markets, it's hard to (profitably) offer better prices, more selection, and faster delivery than established players like Amazon.

Future trends

1. Even if social media is not shoppable, it drives all shopping decisions
2. Discovery to solve how you find products you don't know about
3. Two ad platforms (Facebook/Google) exploded into dozens of ad networks as all platforms are now ad networks
4. All B2B commerce is going digital
5. AI runs the business of every brand
6. Collecting data is the #1 job
7. Consumer-to-manufacturer like Shein is a unique selection unmatched by anyone else
8. Tax laws/import duties/shipping subsidies will change the cross-border playing field

What is the future

**E-commerce 10 years ago
was $X\%$ and today it is $X+Y\%$**

That tells us nothing about the future

Look at where people *spend their time, consume content, and talk to friends* as a proxy for where things are going.

Demand generation is key because selection is infinite now, and starting a brand takes watching a 15-minute YouTube tutorial.

"Walmart and Costco combined have roughly the same market cap as the entire auto industry, and they only exist because of mass car ownership."

Benedict Evans

The future of commerce is not the growth and penetration of e-commerce or a piece of software. The future is the answer to what the second-order effects of all decisions being influenced by the internet are.

Thank you!



Juozas Kaziukėnas / juozas@marketplacepulse.com