

## AMAZON SPREADING WINGS TO EXPLOIT EXPANDING CPG AD MARKET



Amazon.com Inc is eyeing its share of the multi-billion dollars pie, that the consumer packaged goods ad market has proven to be. According to estimates by eMarketer, an Internet market research firm, CPG industry ad spending will double last year's level and touch \$5 billion. During a speech at the ad:tech conference in San Francisco Lisa Utzschneider, vice president of global advertising sales at Amazon said that the CPG ad market presented a huge opportunity for revenue growth for the company. She added, "There are millions of moms researching products and buying online, moms have \$2 trillion dollars of annual spending power." Amazon has made rapid progress, since selling ads for other companies on its site, six years ago. Amazon campaigns these days, appear on Kindle devices, lining it amongst top online ad leaders, including Google Inc. Its aggressive stance is evident in Lisa Utzschneider statement, that Amazon has launched ad businesses in France and Canada this week, adding to teams the company already has in the US, UK, Germany and Japan. Ben Schechter, an analyst at Macquarie Securities, appreciated Amazon's progress on its advertising opportunities and was optimistic that the company had the requisite experience and knowledge to enter the market effectively. He said, "The key is being able to use massive amounts of personalized shopping data to better target ads," "Given Amazon's knowledge of users' buying habits, they are very well positioned to deliver on the potential of better targeted, and therefore more valuable, advertising experiences." Amongst other companies Amazon.com is keen to expand its work relationship with Kimberly-Clark Corp. In 2011, Kimberly-Clark Corporation spent \$686 million on advertising. Amazon had run an ad-campaign for Kimberly-Clark diapers called Huggies Slip-ons. The ad ran across Amazon sites and the company's Kindle devices. Under Amazon's subscribe-and-save program the company, in some of its ad offered the buyers \$2 off plus a 20 percent discount. Customers' reviews were also embedded in some of the ads, making it easier for customers to know what they are buying, and kindling their interest into actually buying the product. Utzschneider, vice president of global advertising sales at Amazon, said that the ads made consumers "30 times more likely to find out more about the diapers and 13 times more likely to buy them." Further adding, "The ads that ran on mobile devices helped double sales of Huggies Slip-ons via such devices during the campaign."