

amazon by the numbers

research presented by **fortna** The Distribution Experts®



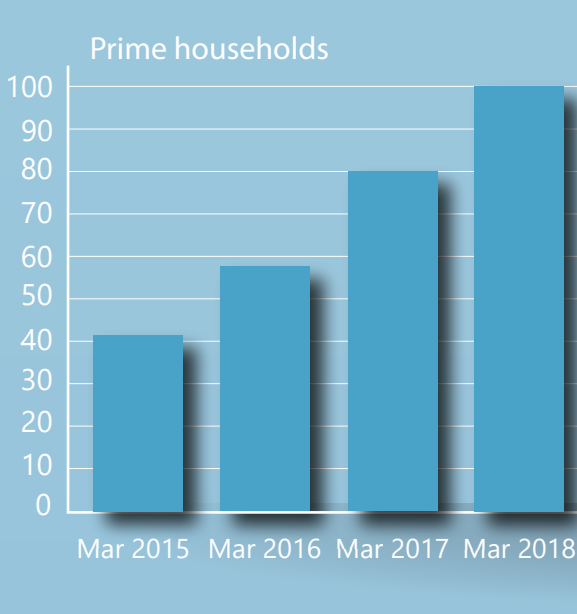
135+ private label brands & extensions

Amazon continues to add new products, services and extensions



prime membership

100 million Prime members globally



next-day ground to

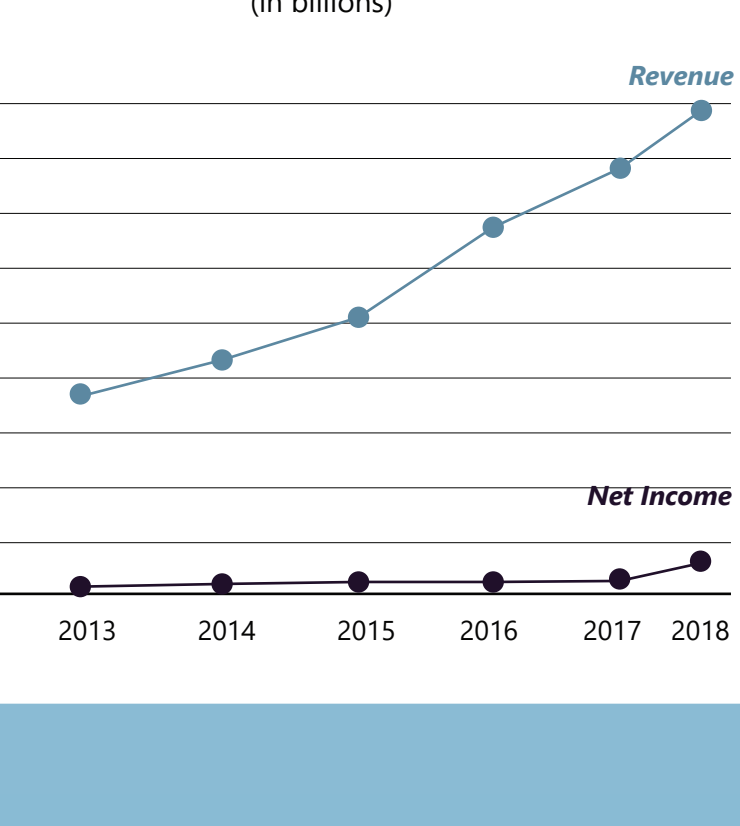
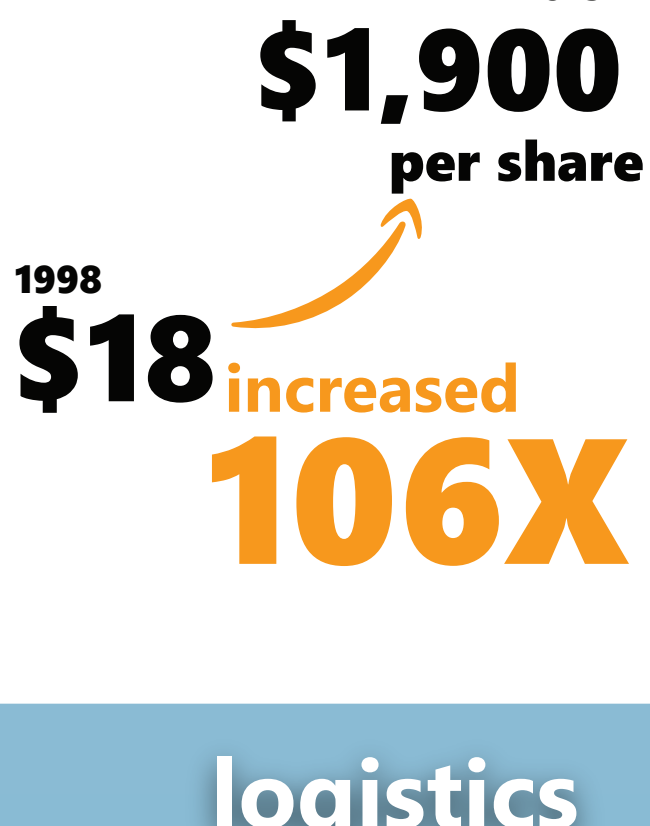
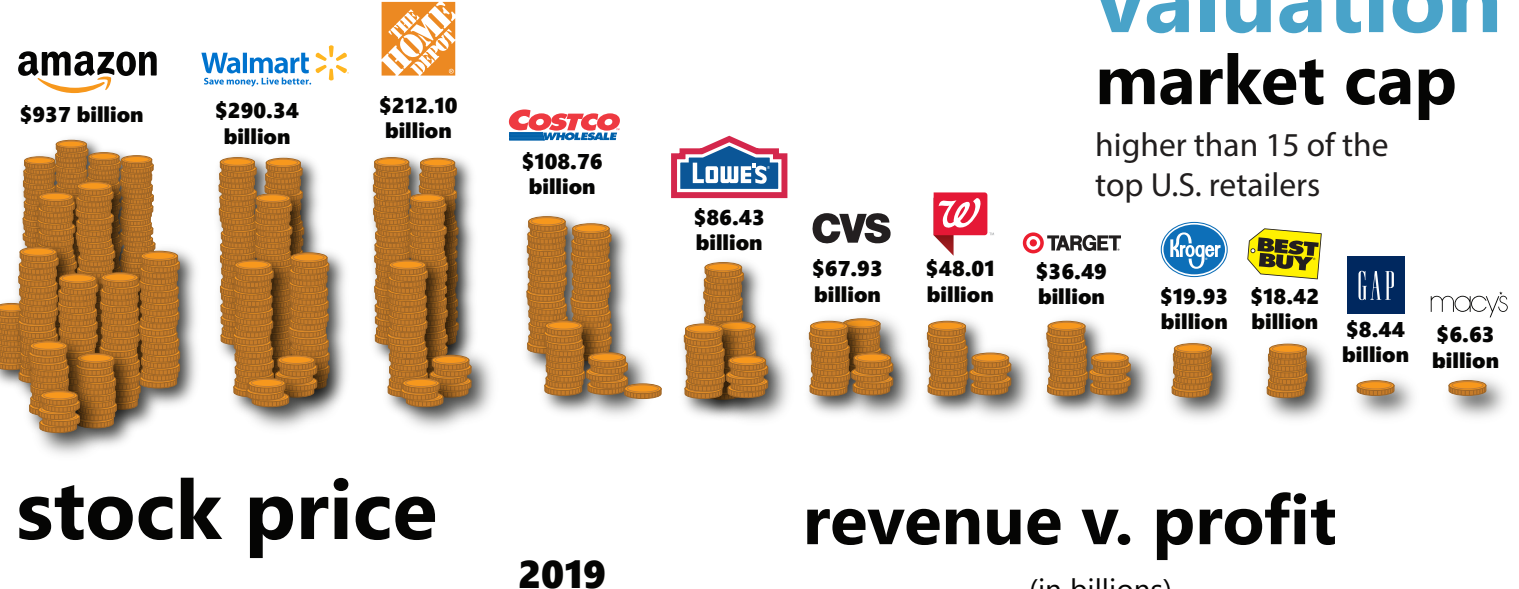
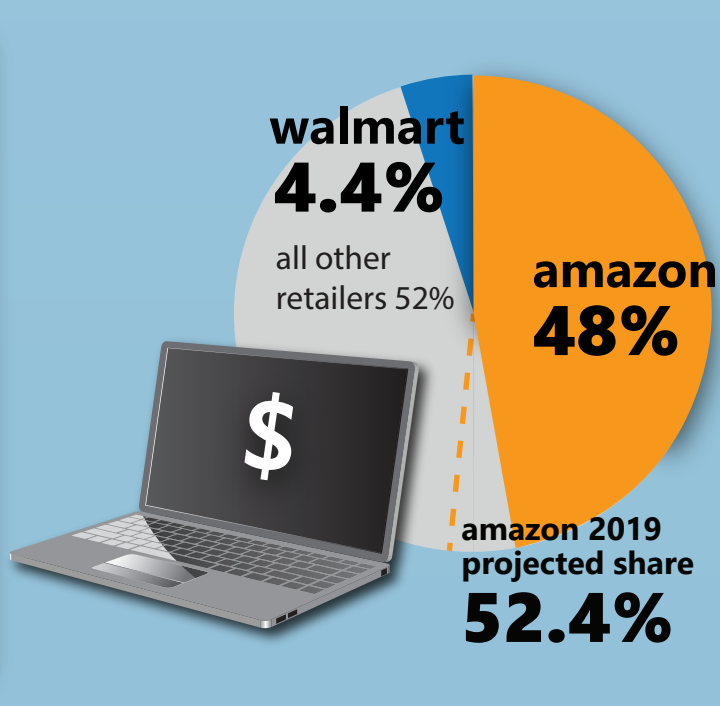
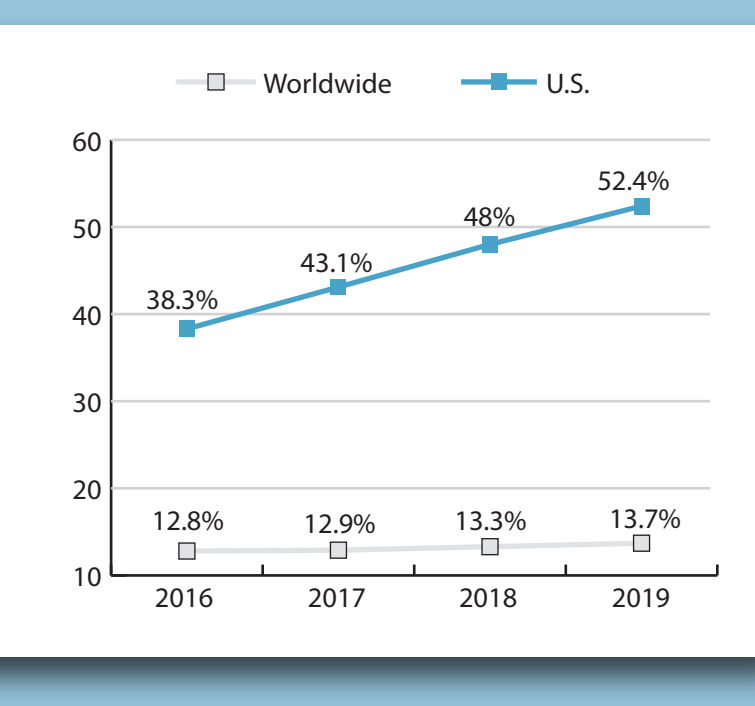
72% of U.S. households

2.5X growth in 2 years

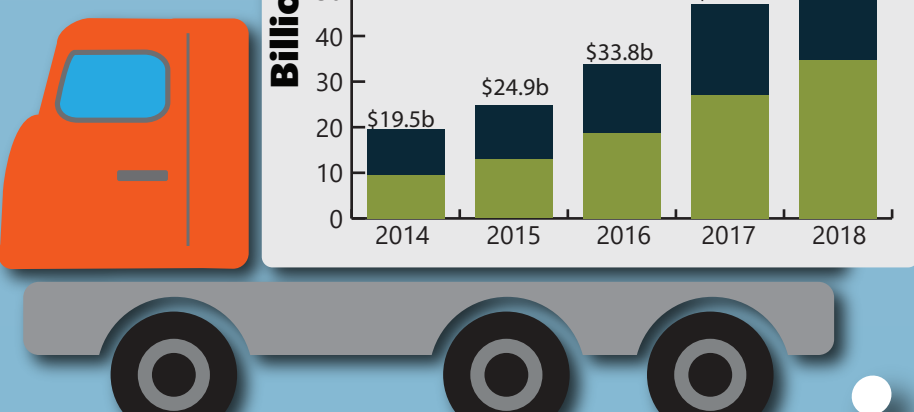


5 billion items shipped worldwide through Prime (2017)

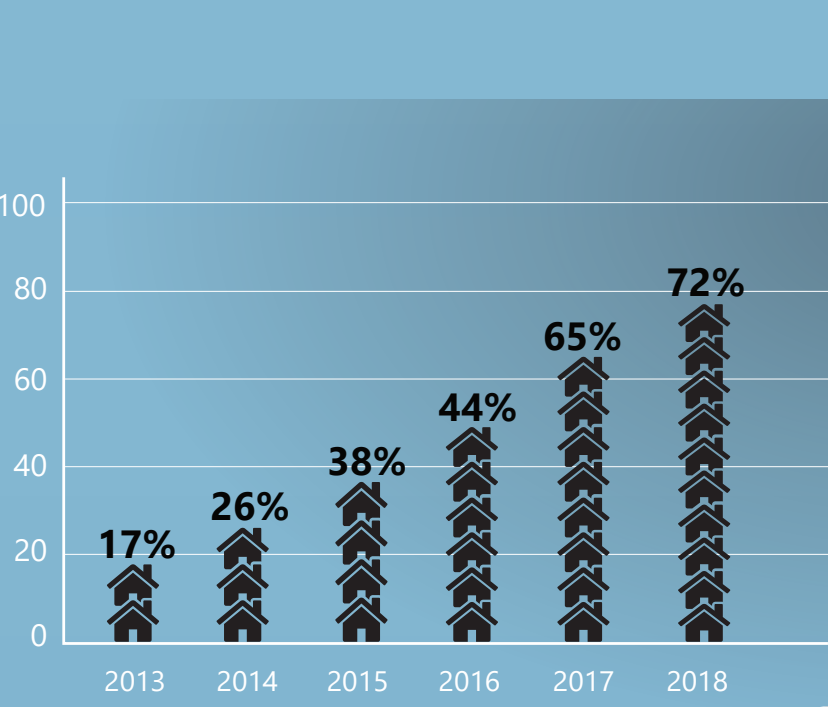
share of online retail sales



logistics



Amazon's free shipping policies have helped to widen the gap between Amazon's shipping costs and shipping revenue over the last several years. **Logistics (fulfillment and shipping) costs have increased steadily over the last 9 years to 26.5% of revenue in 2018.** That is up from 16.6% in 2007. Amazon is investing heavily to build out its global distribution network and develop its own logistics capabilities to give the e-tailer more control over the last mile, create additional shipping capacity during peak season and help to reduce or offset some of the rising costs. Amazon lowered the free shipping threshold for non-Prime members to \$25 to effectively compete with Walmart, Target and others with the ability to leverage expansive brick and mortar footprints.



72% of U.S. households within 20 miles of an Amazon DC

In 2017, Amazon invested \$1.5 billion to build a large **air cargo hub** for its Prime Air planes, which are used to expedite shipping for guaranteed one-day delivery to Prime members. They signed a 50-year lease for 900 acres of property from Cincinnati/Northern Kentucky International Airport. And they have plans to open additional air cargo hubs in the future.

Boeing 767 leases will allow for up to **50 Prime Air planes**

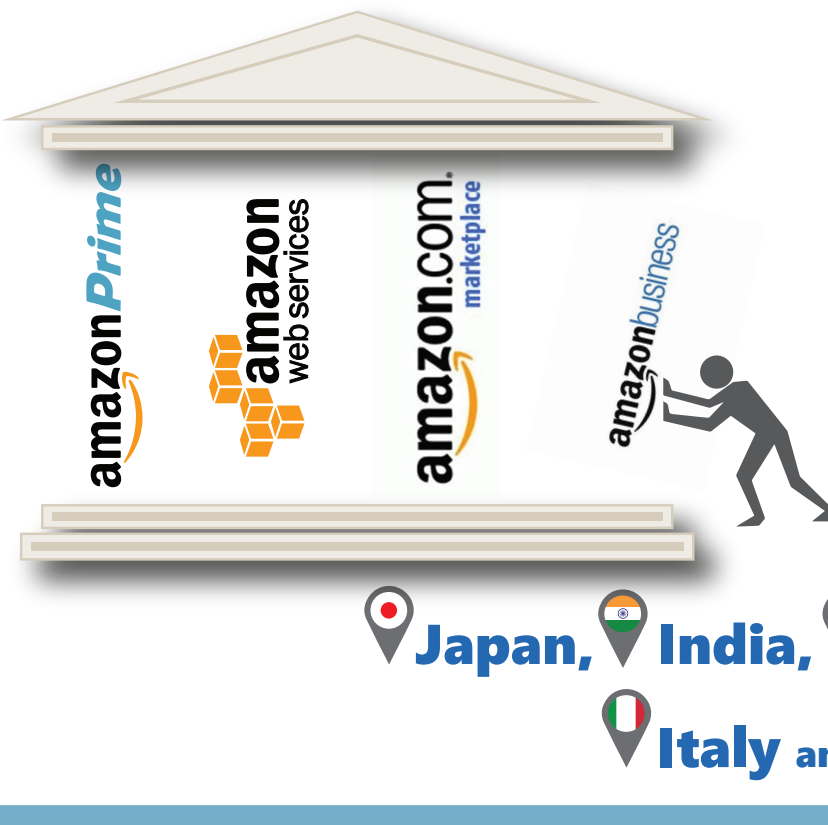
amazon purchased **10,000** truck trailers

In 2016, Amazon began coordinating ocean freight shipments from merchants in China to its warehouses in the U.S., further expanding its logistics footprint.

amazon purchased **20,000** delivery vans

amazon aggressively building its fourth pillar

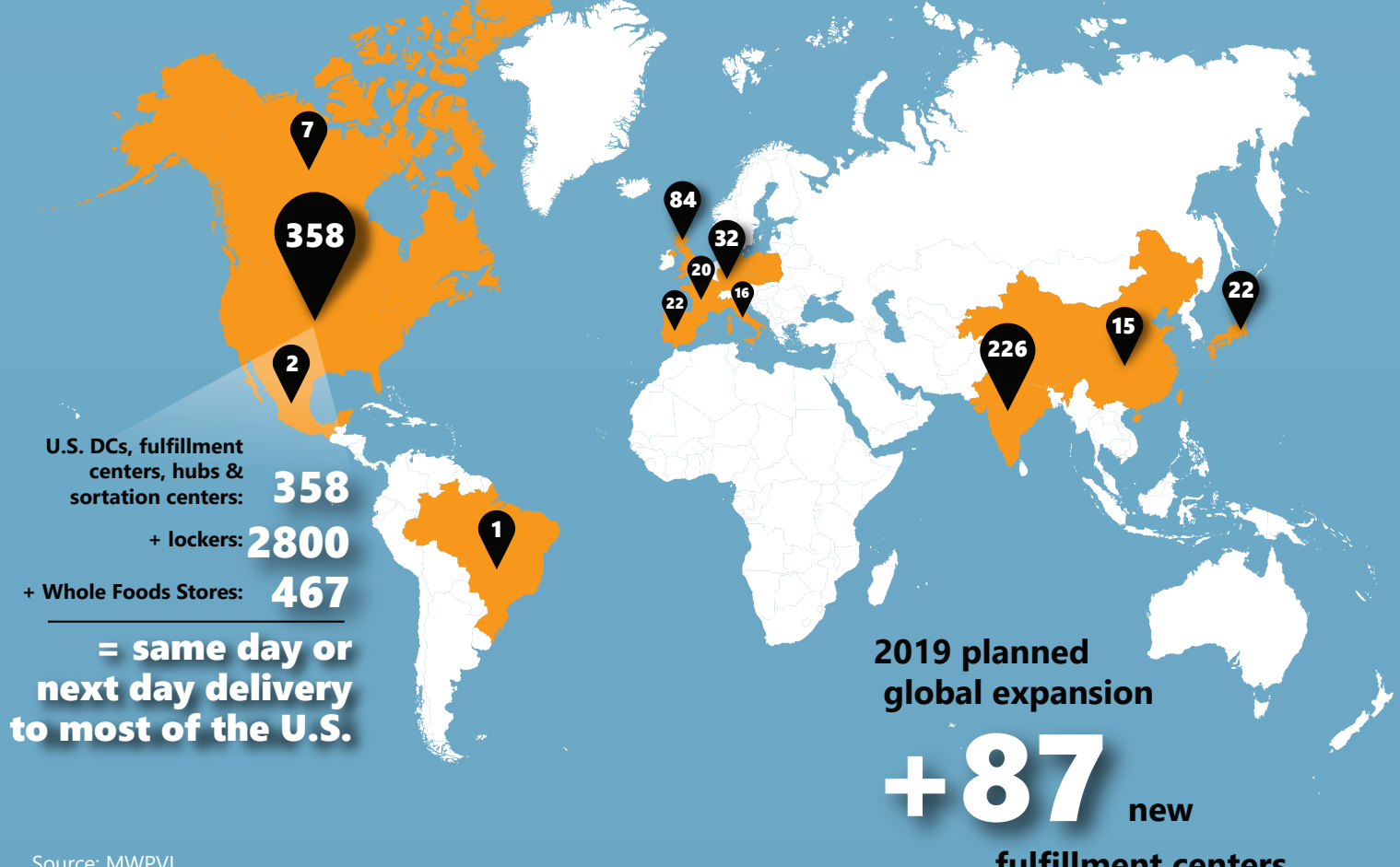
amazonbusiness millions of items



more than 1 million U.S. business customers
5X growth since January 2016
Forecasted **10%** of B2B sales in the U.S. by 2021
\$1.4 trillion Addressable Market
Launched in the **U.S. in 2015**
Japan, India, Germany and UK in 2017
Italy and Spain in 2018

rapidly expanding distribution network

856+ facilities around the globe



For over 70 years, Fortna has partnered with the world's top brands to transform their distribution operations into a competitive advantage. Fortna helps Clients make and keep bold promises to their customers – fast, accurate and cost-effective fulfillment consistently at every touch-point, across every channel. Fortna's expertise spans distribution strategy, distribution center operations, material handling automation, supply chain systems and warehouse execution software systems. We build our firm on a promise – we develop a solid business case for change and hold ourselves accountable for results.