

Amazon Saves



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The Problem

- Wasteful packaging practices at Amazon
 - Unnecessary plastic/cardboard
 - Single-use/not sustainable
 - E-commerce generates, over 1.3 million tons of cardboard just in North America (2018)
 - A jump from 1.1million tons the year before
 - Will grow with the growth in e-commerce
 - Will Amazon just be another contributor, or be a leader in environmental solutions?



The Solution

- Amazon delivers 2.5 billion packages per year through its own delivery service
 - An opportunity to turn single-use, unsustainable packaging problem into a sustainable solution
- 3 Pronged approach:
 - Reclaim cardboard packaging for reuse
 - Create incentive program for customers
 - Make already sustainable practices available mandatory for suppliers and the default selection for customers.



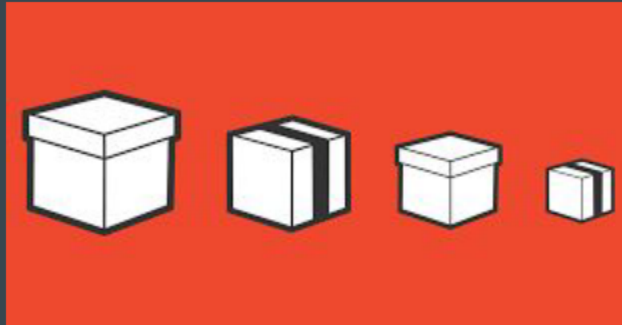
Key features

- Using Amazon delivery vehicles already on deliveries to reclaim cardboard packaging for reuse.
- Incentive program for customers: credit with Amazon
 - \$4 credit per 1 pound of reusable cardboard returned
 - Scan packaging barcodes to give customers their credit



Key features (continued)

- Making the Frustration-Free Packaging program (FFP) mandatory for all suppliers
 - The FFP program uses only recyclable packaging material and comes without excess packaging material
- Make reduced packaging the default packaging option.
 - If not feasible for all orders, revive the “request for reduced packaging in orders” program.



What is needed for the program to succeed

- Executive Support
 - Organizational/Strategic objectives
 - Funding
 - Delegation of duties
- Customer Support
 - Key to reclamation process
- Advertising
 - On Amazon itself
 - To the public at large



Who needs to be involved

- Amazon's executives
 - Leadership/Planning
- Warehouse staff
 - Collect/Process incoming cardboard
- Web-design team
 - Update Amazon's website for program
- Advertisement team
 - Raise awareness
- Customers
 - Providing reclaimable packaging
- Delivery drivers
 - Picking up cardboard packaging



Benefits for Amazon

- Makes Amazon's practices more sustainable
 - Eases environmental impact
- Good publicity
 - Can translate into more customers/sales (environmentally conscious consumers)
 - Can translate into higher stock prices (happy shareholders)
- Lowers packaging costs
 - Using less resources for packaging
 - Turning packaging resources from single-use to multi-use



Upfront investment

- Initial Costs: \$205 million
 - Website redesign: \$5 million
 - Cardboard processing equipment: \$200 million
- Annual Costs: \$605 million/year
 - Advertising: \$120 million/year
 - Reclamation process: \$1 million/year
 - Incentive Program: \$484 million/year



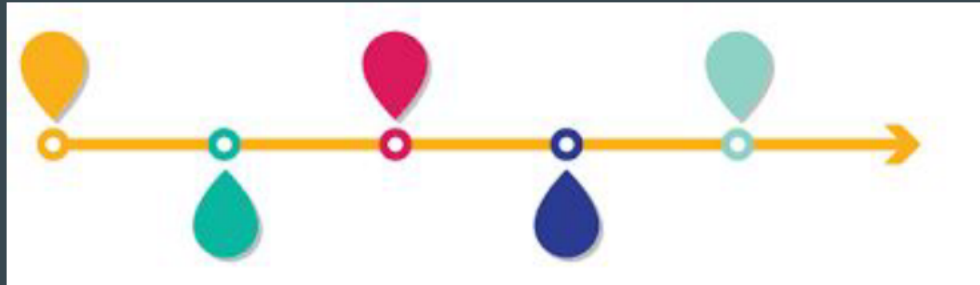
Projected Savings/Revenues

- Amazon's annual cardboard packaging costs of reclaimable cardboard: \$1.4 billion/year
- Savings:
 - Savings (at 65% reclamation rate):
 - Initial: \$99 million in first year
 - Annual: \$304 million/year after
- Revenues:
 - No projected sales revenues
 - Consumer data indicates they care about supporting companies who support social/environmental issues
 - 87% have a more positive image of a company
 - 88% will be more loyal to a company
 - 87% would buy a product with a social and environmental benefit
 - 92% will be more likely to trust a company



Proposed timeline

- Funding: 2 months
- Development of the reclamation/processing system: 2-3 months
- Training Drivers: 1 month
- Training warehouse staff: 1 month
- Development of website/advertisements: 2 months
- Time for consumers to learn/adopt the program: 2 months
- Total time frame for instituting the Amazon Saves program: 8-10 months.



Thank You



Questions?