


amazon *Prime Kitchen*



“ Introducing a novel automated delivery system to deliver healthy and fresh food in a hassle free and optimized way. ”

Press Release



Amazon launches Amazon Prime kitchen in United States

Indianapolis, December 14, 2017 - Amazon announced their latest prime service, Amazon Prime Kitchen which will provide you with custom meal kits and will allow you to track your eating habits and calories on Amazon's App. The service comes with a mailbox so customers need to worry about food going bad if they are not available to collect it.

"If you are still not a Amazon prime customer you are missing out on all the delicious meals you can have in the comfort of your home" said Jeff Bezos, Amazon's CEO. "It will allow prime members to order meal kits and track their calorie intake through our website and App".

Amazon prime kitchen will provide you with the healthy and delicious meals with their meal kit plans. Customers also don't have to worry about collecting the meal kits as they will be delivered to your temperature controlled mailbox which comes free with the service

Starting today Amazon prime customers will get access to meal kit plans which they can customize to fit their needs. This service further increases the value of Prime subscription and marks the entry of e-commerce giant into the meal kits industry throughout United States.

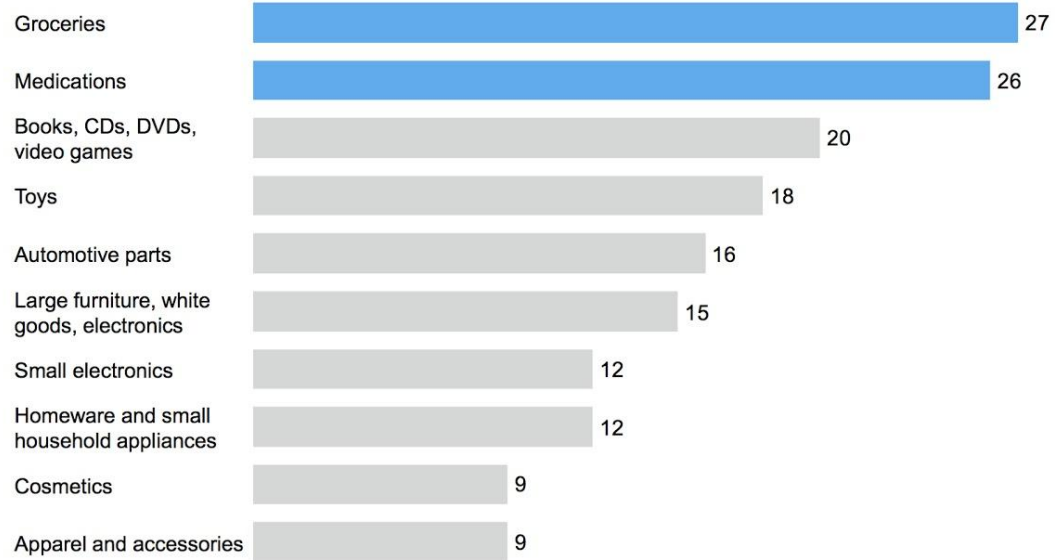
Research Findings

Groceries is still one of the biggest commodities consumers are not purchasing due to long delivery times.

Exhibit 2:

Share of respondents who did not purchase an item online due to long delivery times

Percent by category



Source: McKinsey & Company

Target audience

Major users of the product would be young working professionals or college students living in big cities who only cook for themselves and are willing to order food and groceries online.

- 01 | 18-35 year old
- 03 | Working professionals & students
- 03 | Familiar with online ordering
- 04 | Live alone or shared apartments
- 05 | Often eat outside and have no time to cook



Persona



Name: Jessica Walker

Age: 28 years

Occupation: Business Analyst

Meet Jessica who works as a business analyst at a medium sized company in New York City. She is busy with work almost all the day and does not have much time for cooking. She often eats out at restaurants or order online. She wants to stay fit and eat healthier. Jessica is looking for a meal delivery service which is reliable, quick and manages all the manual work. She is willing to pay for a good food service which meets her demands.

USER NEEDS

- Get food fresh
- Get delivery on time
- Should not be expensive
- Save time & energy
- Try different cuisines
- Stay fit and healthy

PROBLEMS

- Food getting cold, not fresh
- Spending too much on food
- Time consuming deliveries
- Less option for healthy food
- Has to wait for delivery guy
- Order getting lost or stolen

OPPORTUNITY

- Faster delivery
- Personalized Meals
- Different food options
- Location tracking
- Order fresh online
- Track calories & food

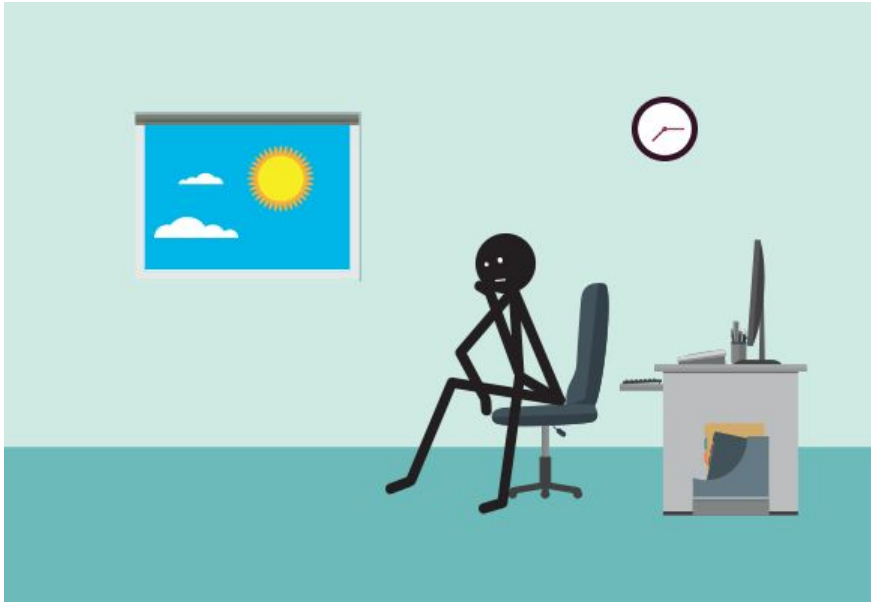
Mobile  90%

Laptop  85%

Social Media  83%

Online Shopping  65%

Focused Pain Points



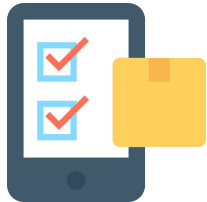
Solution Value



Real-time order
tracking & notification



Quick, secure &
efficient delivery

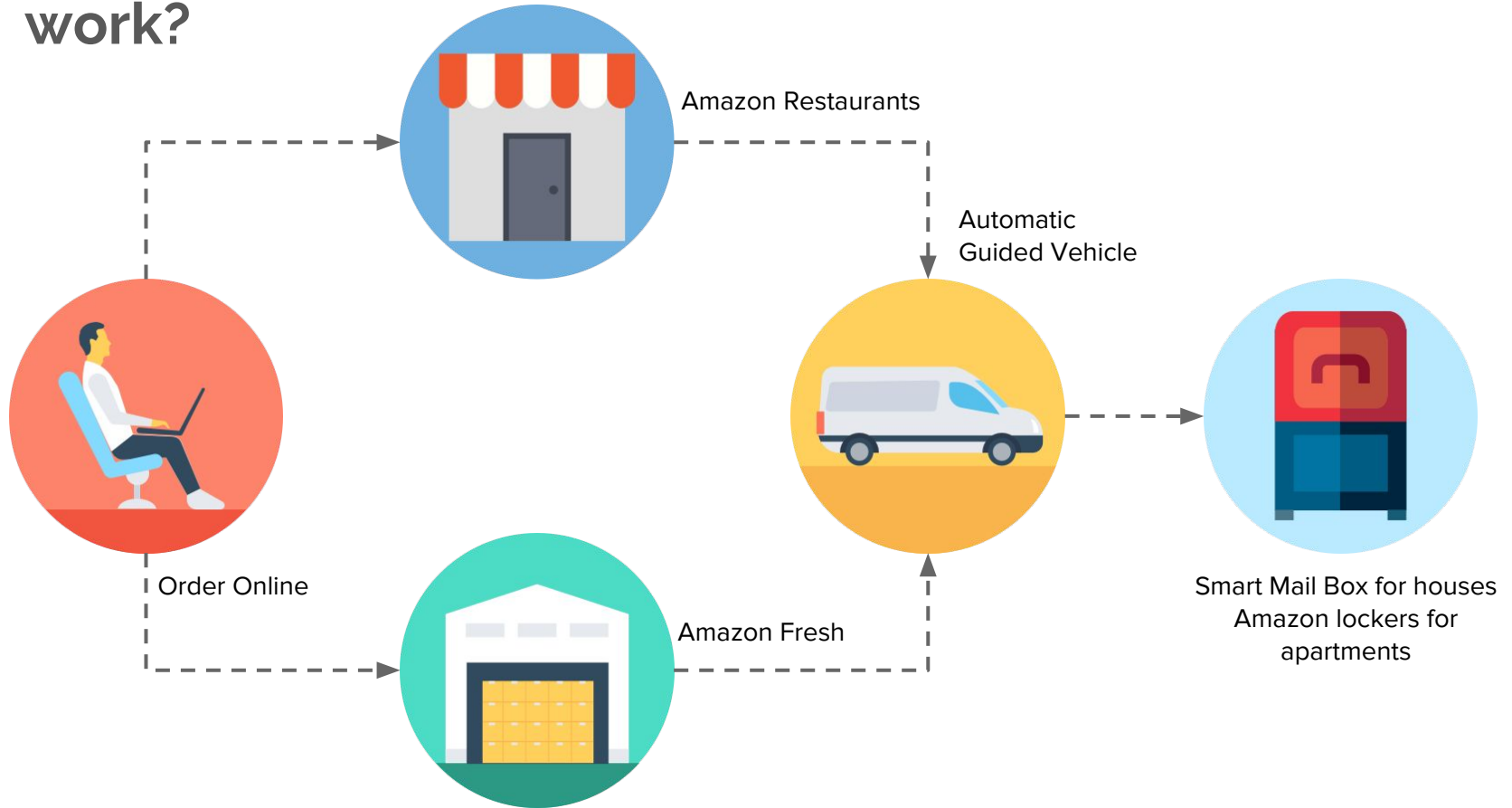


No need to wait for
delivery at home



Healthy food with
fitness tracking

How does it work?

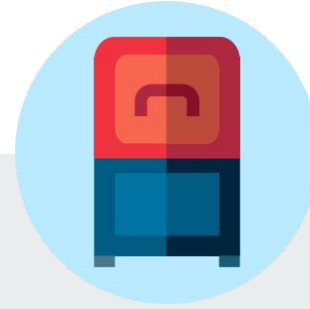


Solution Features



Automatic Guided Vehicle

1. Self-Driving
2. Location Tracking
3. Multiple Orders
4. Route Optimization
5. Real-time updates

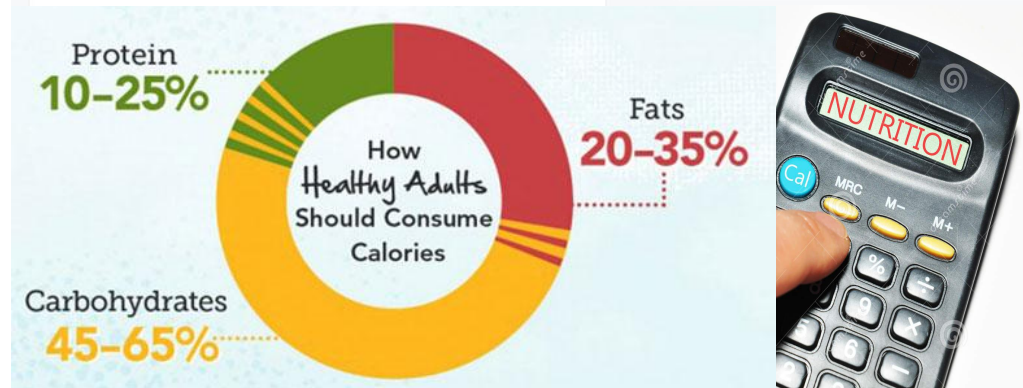
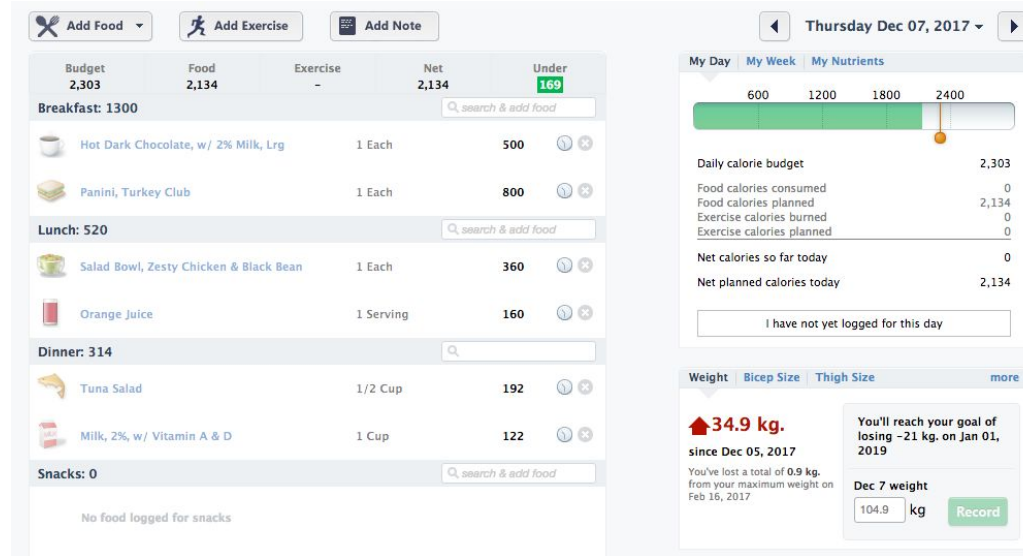


Smart Mail Box

1. GPS Locator
2. Temperature control
3. Notifications
4. Smart lock
5. Weather sealed

Platform Features

- Calculator in the cart
- Knowing not only the price, but also the nutrition facts about your meal
- Build personal profile in your Amazon Kitchen account



Acquiring Boxillion

- Intelligent postal system that receives parcels while people are out and keeps them safe
- Started as a Kickstarter campaign in November' 14
- Based out of Germany, opened first office in US in January 2015
- Has a connected mobile app service



Demo Video



Fitting all needs



Upgrading existing lockers for Apartments



Public Spaces

Use Case



User orders food on Amazon

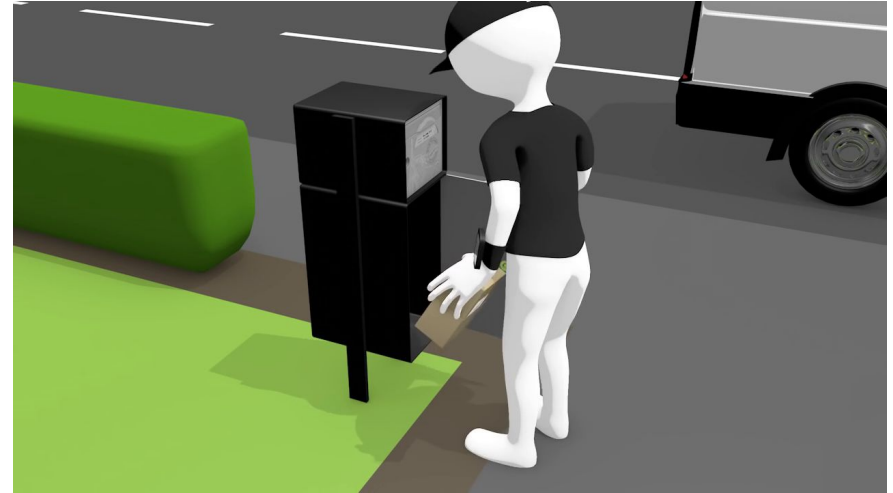


Amazon receives order and AGV is ready to deliver

Use Case



The delivery receives one time password

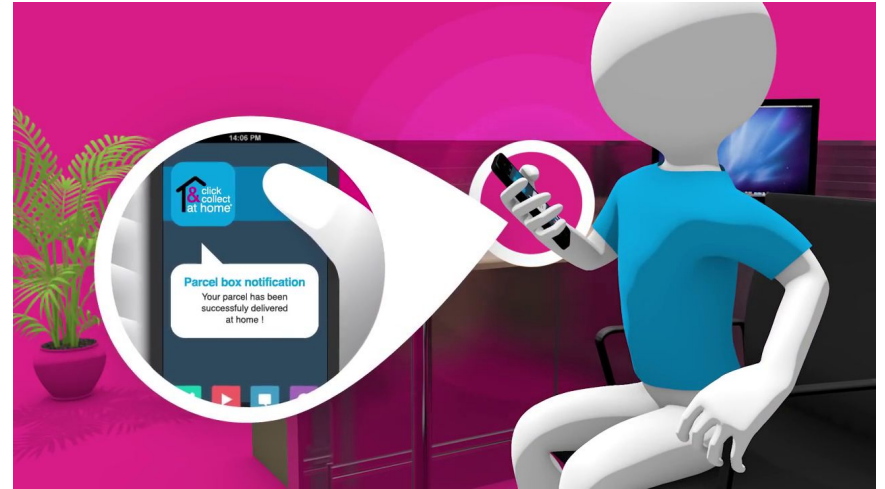


He keeps the order in the smart box

Use Case



The box is connected to the amazon mobile app

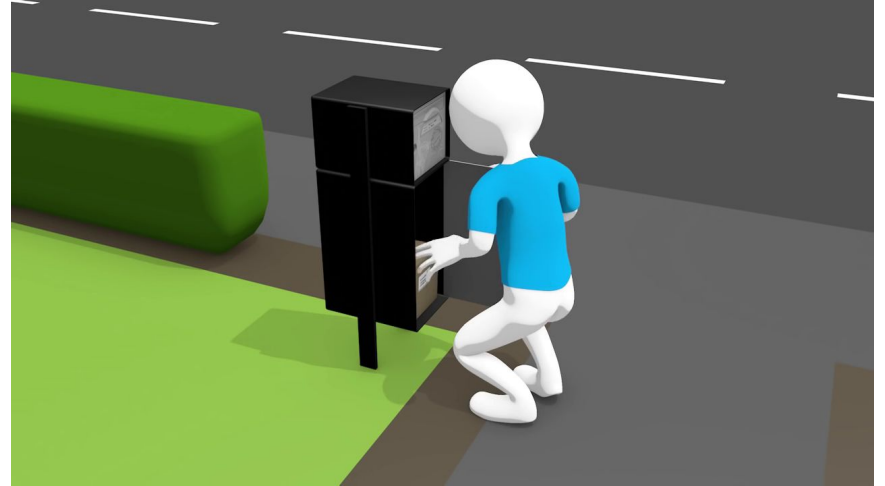


Users get notification about the order status

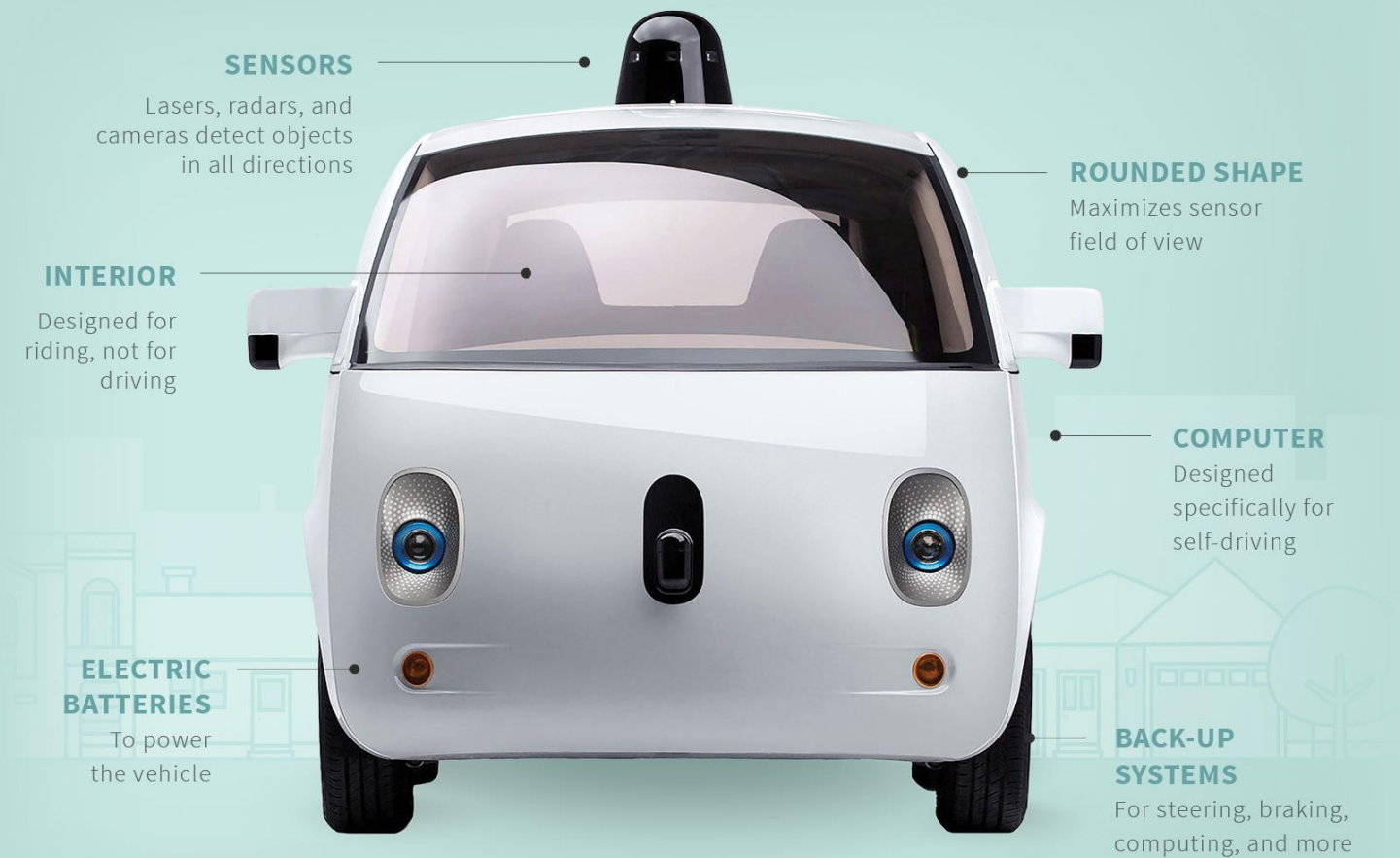
Use Case



The user can take the order when he is back



Similarly they can return orders if they want



SENSORS

Lasers, radars, and cameras detect objects in all directions

ROUNDED SHAPE

Maximizes sensor field of view

INTERIOR

Designed for riding, not for driving

COMPUTER

Designed specifically for self-driving

ELECTRIC BATTERIES

To power the vehicle

BACK-UP SYSTEMS

For steering, braking, computing, and more

Marketing Strategy

1. Free mail box for Prime Kitchen subscribers (Basic model)
2. Keep your food safe and fresh
3. Add more features to your mailbox (temperature control etc)





Value for the Customer

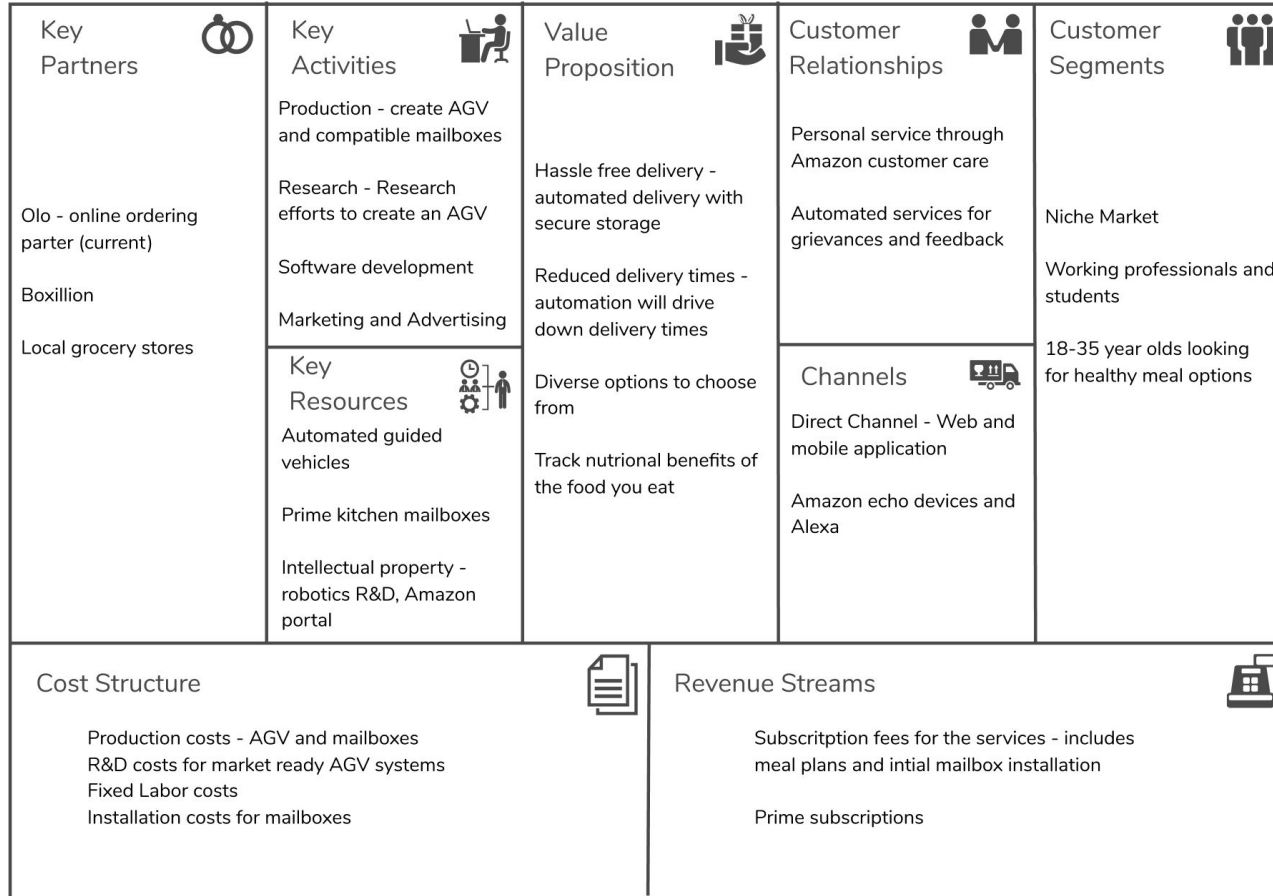
1. No need to stay home for delivery
2. Saves time in ordering
3. Free mailbox with yearly subscription
4. Shorter & accurate delivery time
5. Real time updates & notifications
6. Food remains fresh & healthy
7. Users can track calorie count
8. Users can get groceries or prepared meals according to their preference



Value for the Business

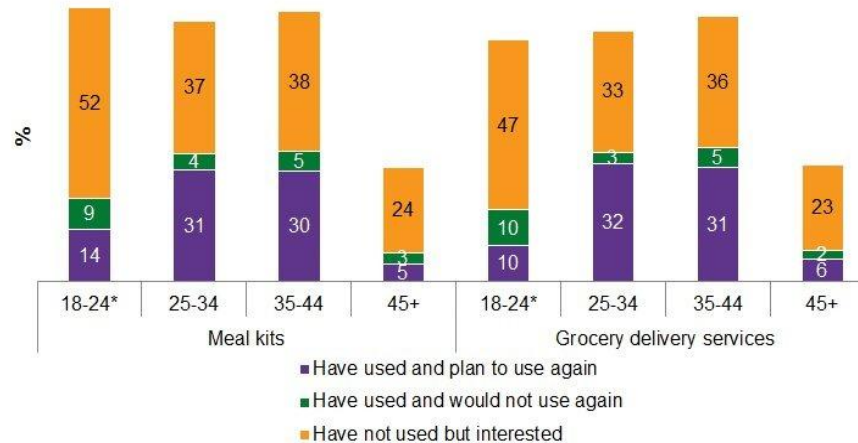
1. Less chances of manual errors & accidents
2. Cost effective in longer run
3. Automated process for order & delivery
4. Subscription based model for regular users
5. Less money spend on insurance
6. Can be expanded to all products on Amazon
7. Less chances of returns, food going bad, stolen and missing food
8. Ensures safety and healthy food

Business Model



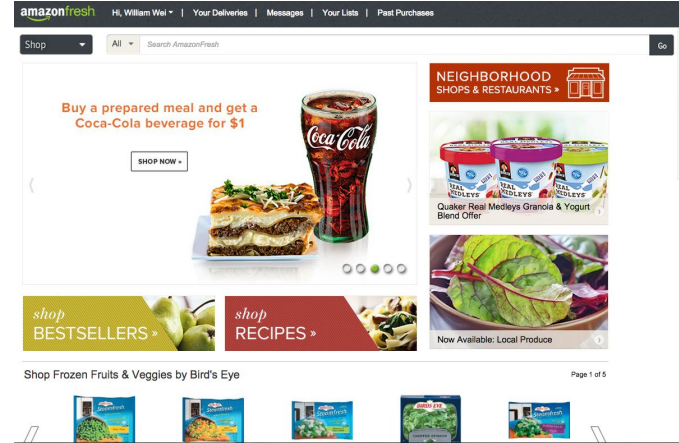
Customer Segment

- Working professionals and students 18-35 year olds looking for healthy meal options
- A report from Nov 2017 shows there is a huge market need in 18-35 age demographic



Key Resources

1. **Automated guided vehicles**
2. **Prime kitchen mailboxes** - The boxes are only with the customers as long as they are subscribed to the service. If the customer wants to end the service then Amazon will retake the mailbox
3. **Intellectual property** - Amazon web portal and Amazon kitchen web application will be Amazon IP. New IP's will be generated from the research that will make automated vehicles a reality



Key Partners

1. Amazon will be acquiring **Boxillion** which will be tasked with making Amazon kitchen mailboxes
2. **Olo** - Olo is another company working with Amazon to handle online food deliveries



Key Activities: Tech

1. **Production** - Production of AGV's and compatible mailboxes. Boxillion's technology needs to be upgraded with temperature control to keep the food fresh
2. **Research** - A long term research effort focused on creating road ready AGV that will take care of Amazon prime kitchen deliveries
3. **Software development** - Amazon's web application needs to create a portal for each kitchen user to place orders and track their nutritional intake



Key Activities: Business

1. Acquisition: Boxillion
2. Partnerships with restaurants
3. **Marketing** - Push offers for existing prime customers to increase early adoption
4. **Advertising** - Creating adverts for the new service to create awareness among customers.



Cost Structure

1. **Production costs** for creating Automated guided vehicles (AGV)
2. **Software development** costs for Amazon kitchen and calorie tracking
3. **Acquisition costs** for Prime Kitchen Mailbox which will store the meals and groceries delivered by AGV's
4. **R&D costs** - Amazon robotics will have to make an investment in creating these AGVs and design them to handle Prime Kitchen's activities



Revenue

1. **Subscription fees for service** - Subscription for based on meal plans selected and the amount of meals to be delivered per week
2. **Amazon Prime subscription** - All these services will only be accessible to prime customers.
3. **Upgrade Mailbox** with additional features such as temperature control etc



SWOT Analysis

Strengths

- Existing platform for restaurants & grocery
- Strong R&D with Amazon Robotics
- Reduces delivery time
- More accurate & error free
- Real time updates
- Reduces accidents & eco-friendly

Weakness

- Huge investment in R&D, testing
- Only viable in bigger cities
- Increases cost for installation
- AGV is a new concept and needs time to evolve

Opportunity

- Growth in the self-driving vehicle industry
- Battery powered & improved efficiency
- Smarter algorithms for route & order optimization
- Reduced costs by increasing number of orders
- Can be used for other orders on amazon.com

Threats

- Government policies & regulations
- Competition from uber eats, grubhub & google
- Not many users sign up due to subscription cost
- Fail to deliver or any accident can harm reputation
- Public acceptance

Design Challenge

Customer Delivery Experience

Grow the subscriber base

New Operational Systems

