



| Arvind(PM)
| Anagha (OM)
| Swapnil (DM)

PRESS RELEASE

Introducing “Amazon DIY” to help all Doers Realize their Potential

Bringing our Customers Closer to their Passion

SEATTLE--(BUSINESS WIRE)--Dec. 14, 2017-- (NASDAQ:AMZN) — Amazon understands the value of their customers’ time and money more than anyone else does, this is the impetus behind “Amazon DIY” - to make the most out of your time with the least expense. Now customers can rent costly equipment required to pursue their passion for photography, music, woodwork, arts and crafts, adventure sports, dancing, anything at all. Even for household work, customers don’t have to worry about investing in equipment that will only be used once or twice a year, this can include lawn mowers, power tools, etc. Amazon will take care of all the logistics required to ensure a convenient experience. Amazon DIY is available to all customers with Prime members having certain added benefits.



FAQ Document

Who takes care of delivery and pick-up?

Amazon, you don't have to worry about logistics at all.

What if I receive a faulty item?

We take great care in avoiding that situation, in case there is a lapse in our part and you end up receiving a faulty item, you will not be charged for maintenance. You can report it on our website within an hour of the delivery.

How well in advance should I book a rental?

A day before, for Prime members.

3 days before for non-prime members.

What if I accidentally broke the equipment?

If deemed unusable by Amazon FAQ, you will be charged the full buyout price.

What if I need to extend the rental period?

If not returned by return date, extension of 5-15 days is possible (as per membership). If still not returned, you will be charged the full buyout price.



1

Market Research

44%

of online shoppers go directly to Amazon before
checking any other site.

304 million

active Amazon Accounts

19%

Millennials

16%

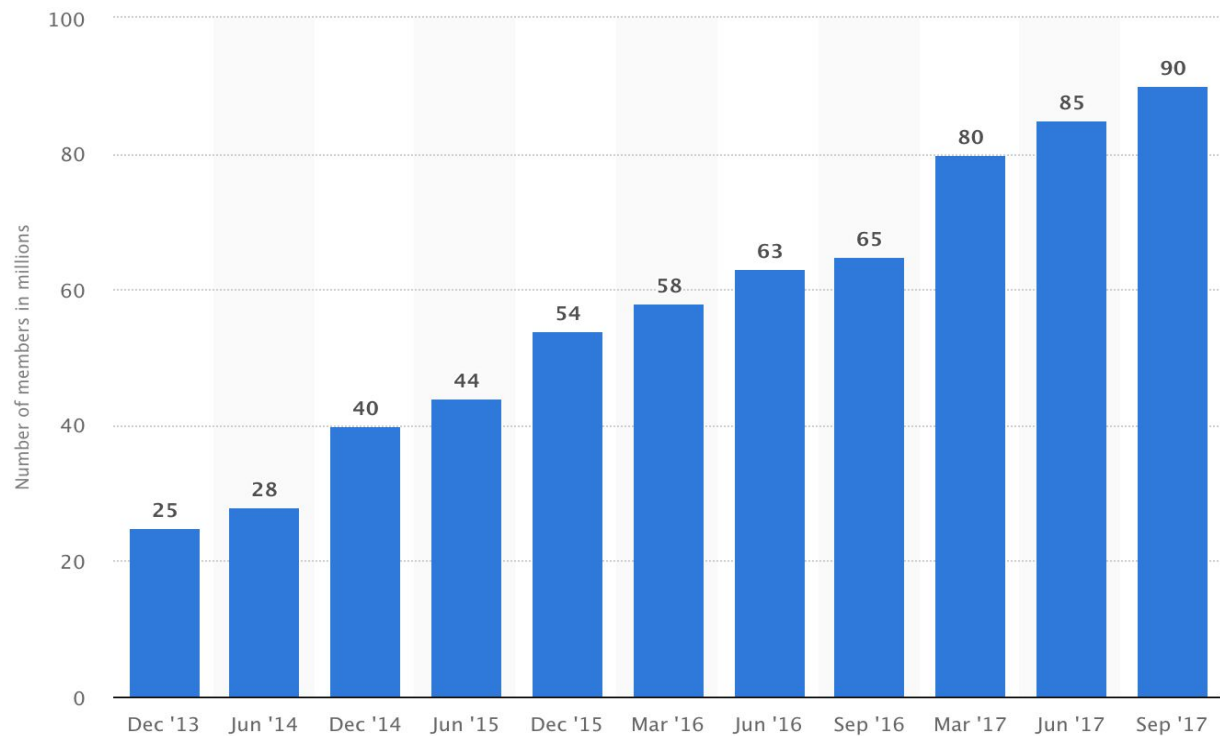
Gen X

11%

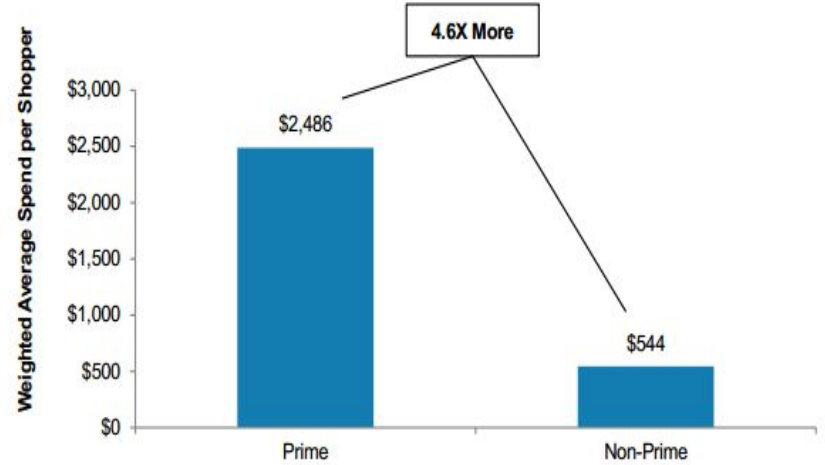
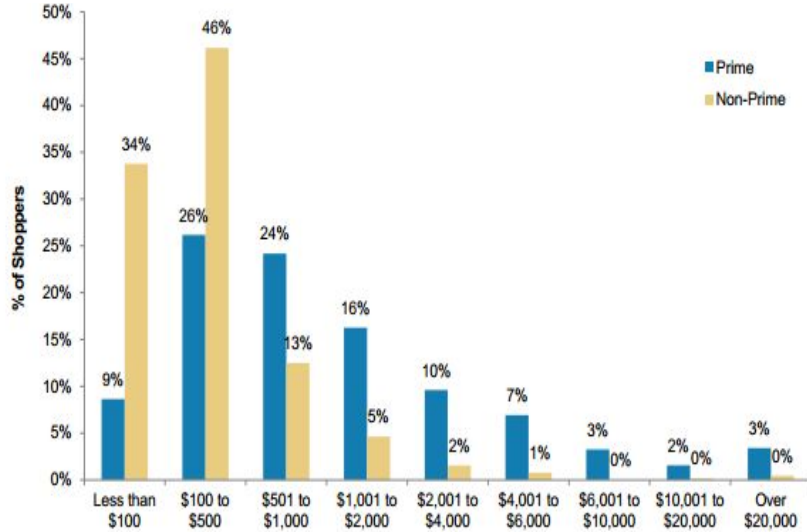
Baby Boomers

amazon

90 million Prime Members as of Sep '17



Prime members spend 4.6X more than non-prime members!



AlphaWise, Morgan Stanley Research

, Morgan Stanley Research



Product, Customer
Segments and
Channels



DIY Tools!



DIY Photography!



DIY Music!



DIY Costumes!

Persona: Jason

Jason Smith

Xtersio



"I would love to be able to rent equipment that I rarely use instead of having to buy the equipment and store it in my garage"

Age: 55 years

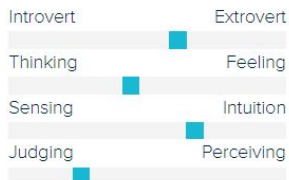
Work: Retired Banker

Family: Married, 2 kids and a dog

Location: St. Louis, MO

Character: Responsible

Personality



Retired

Lives in the suburb

Careful about spending money

Goals

- Manage expenditure & savings
- Take care of home and lawn
- Organize bi-weekly social get togethers

Frustrations

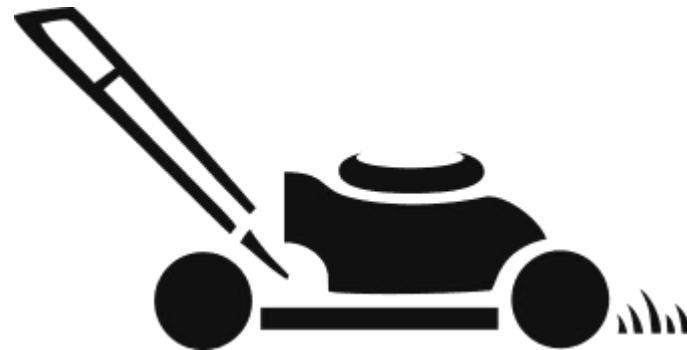
- Purchasing equipment for one-time use
- Borrowing equipment from neighbors
- Keeping home organized

Bio

Jason is a retired banker who is happily married and settled down after raising two successful young men. He's moved with his wife to the suburbs to get away from all the hustle and bustle of the city. He likes talking to genuine people and arranges bi-weekly get togethers with families within his neighborhood.

He is careful to have his home clean and organized and also makes sure to mow his lawn 2 to 3 times a year. He has a small home and is uninterested in buying equipment that he rarely uses, and making space to store it for a long period of time. He does not like to borrow his neighbors equipment and is often hesitant to ask. He would like a way through which he can rent equipment and return it as soon as he has finished using it.

Jason Lawn Dilemma



- Get a lawn mower
- Get fertilizers
- Find place for the lawn mower

“Enough now! I’ll just buy the lawn mower!”

Log on

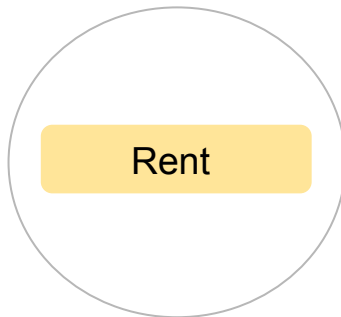


Rent

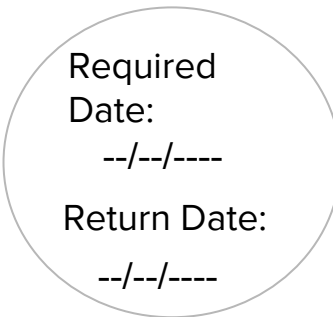
- 1 Go to Amazon Rentals and find mower and fertilizers



- 2 Click “Rent”



- 3 Select
“Required and
Return date”
(optional)

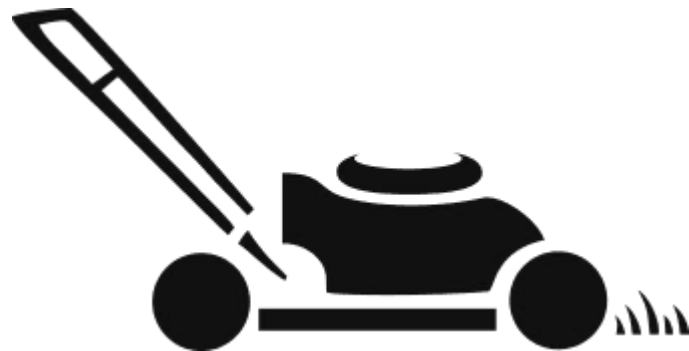


- 4 Add
Payment
information

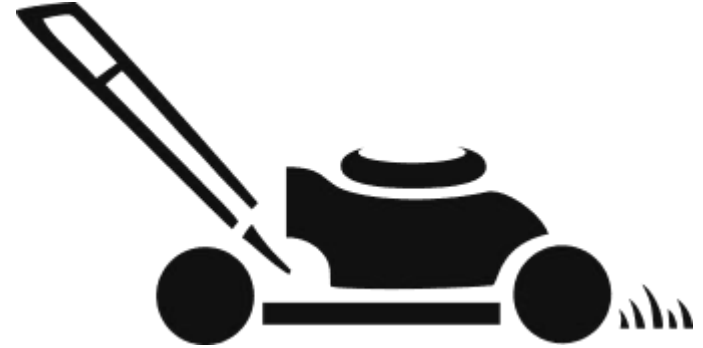


Place Order

How to use it ?



Club it with Amazon Services?



TOP SERVICES

HOUSE CLEANING

HANDYMAN SERVICES

CARPET CLEANING

LAWN MOWING

IPHONE REPAIR

DEEP CLEANING

TV WALL MOUNTING

WINDOW CLEANING

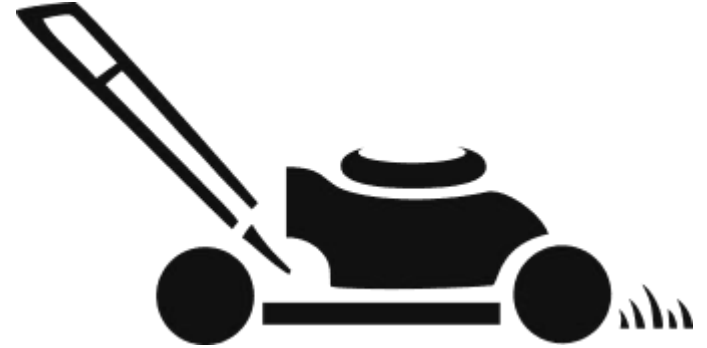
LAWN, GARDEN, OR YARD MAINTENANCE

GUTTER CLEANING

WALL HANGING

MOVING CLEANING

Amazon DIY Tools to the rescue!



5pm Friday, the lawn mower and fertilizers are delivered to his doorstep

Return

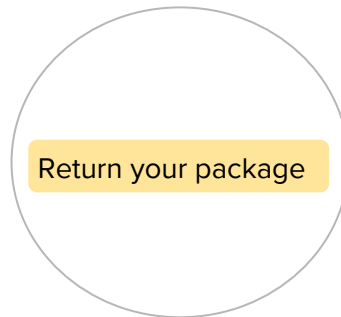
- 1 Go to Amazon Rentals and Locate Orders



- 2 Prepare your item



- 3 Click “Return your package” (optional)

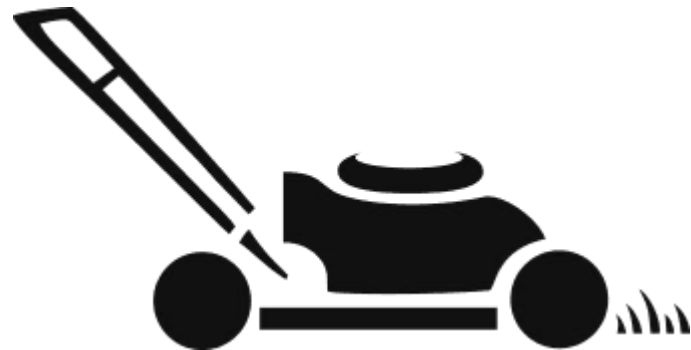


- 4 Amazon takes the item back



Finish

**Easy
Returns!**



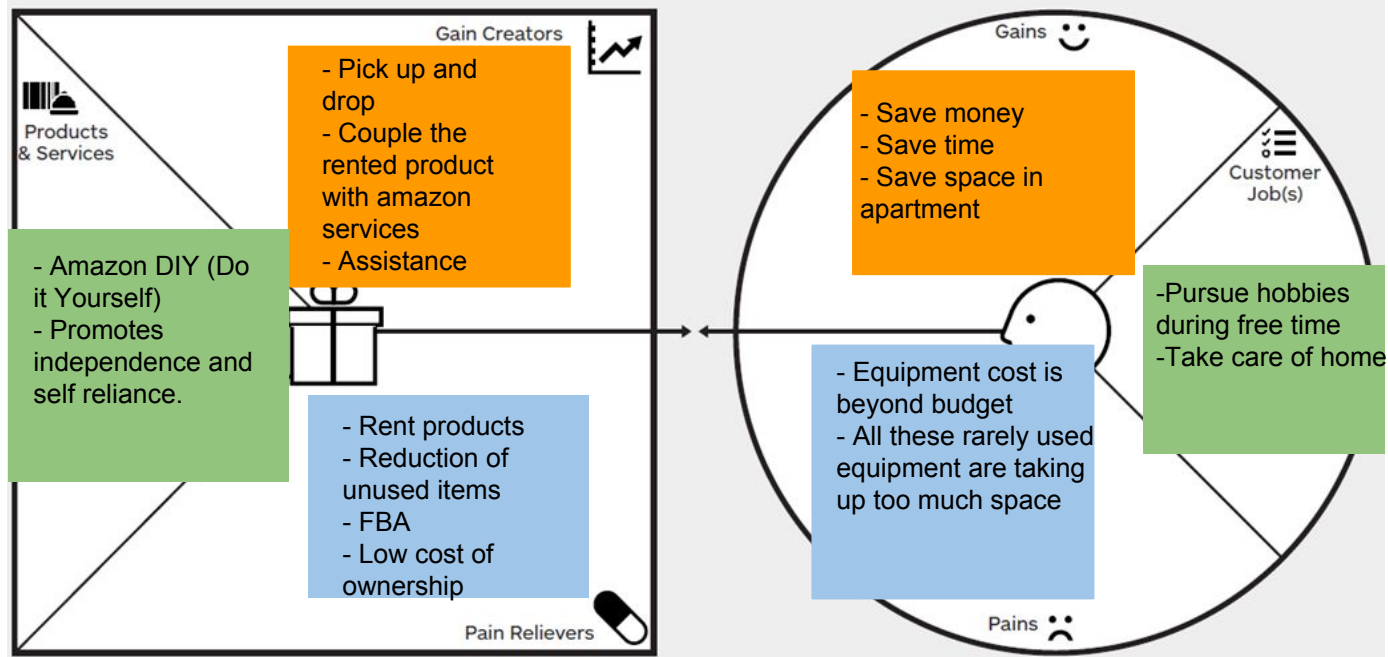
5pm Sunday, the lawn mower is picked up from his
doorstep.



3

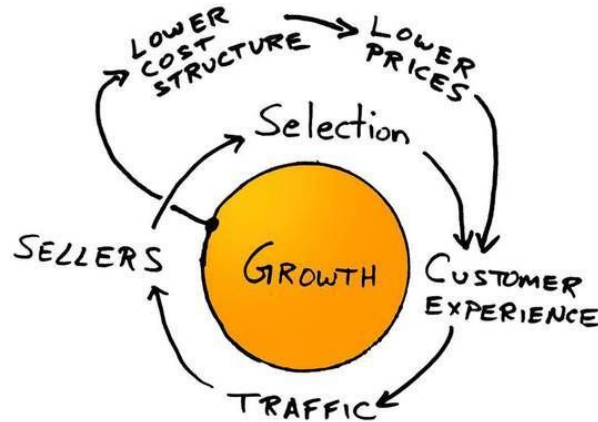
Value Proposition

Value Proposition



Solution

Design challenge - To design a *new Amazon delivery customer experience* that grows its subscriber base.



A new renting and delivery experience for customers

Good-Better-Best Strategy

Non Prime Members	Prime Members
<ul style="list-style-type: none">• Can rent 3 days prior to required date• Minimal payment for delivery and pick up• Learn from video• Minimum payment required• Extension of 5 days if not returned on time	<ul style="list-style-type: none">• Can rent 1 day prior to required date• NO payment required• Person can come to assist• NO minimum payment required• Extension of 15 days if not returned on time



4



Key Resources and
Key Activities



Key Resources

- More warehouse space and staff
- Skilled maintenance staff
- More staff for delivery and pick up
- Designers and Software Engineers for new website

Key Activities

- Recruiting & Training of new maintenance team
- Building new interface for Amazon Rental
- Marketing new feature
- Creating a new “Renter” mindset



5

Cost Structure



Capital Investment

Cost for initial rental inventory and maintenance



Logistics

Costs incurred for providing delivery, pickup, servicing, on-site help, storing in a warehouse, etc.



Marketing & Advertising

Cost for making sure customers know about the new feature



6

Revenue



Renting Fee

Amount paid per day for using the equipment, providing it for minimum renting periods.



Subscription Fee

Prime subscription fee from all the new customers



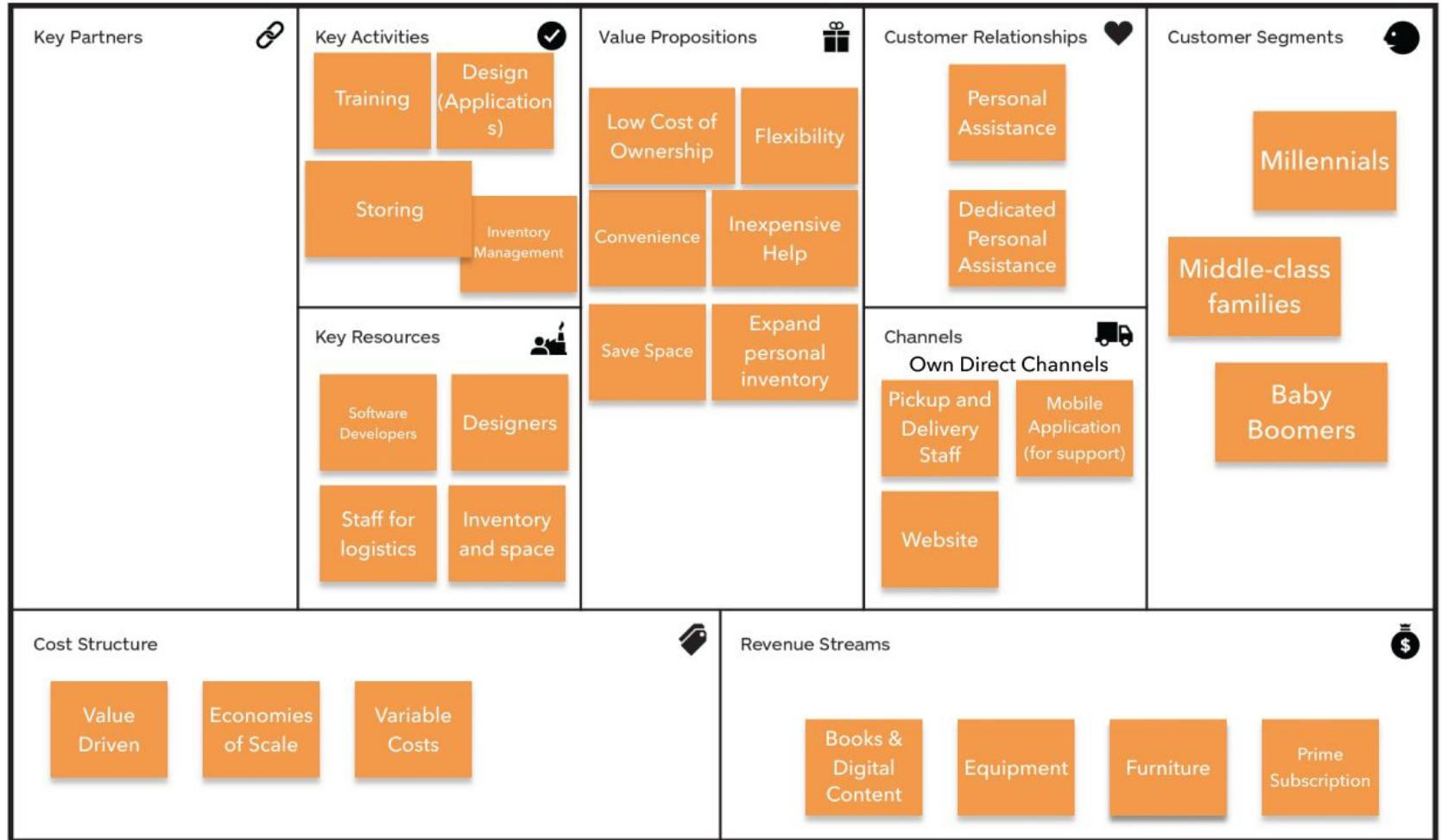
Transactional Fee

Per transaction fee for equipment that is not owned by Amazon

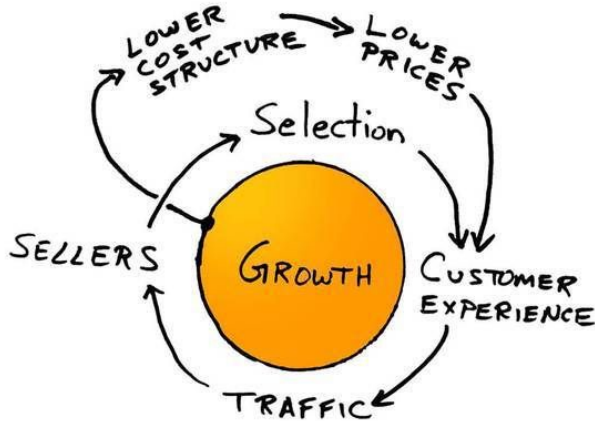


7

Conclusions



With Amazon DIY



- More customers from diverse age ranges would want to convert to Prime
- Expensive equipment in warehouses will get more movement
- Recurring revenue from renting the product will be more than one-time transaction of selling the product

Thanks!

