



enso

# PREPARING FOR 2023

INSIGHTS FOR THE SMB AMAZON SELLER  
FROM AN AGGREGATOR

amazon.com



enso

# INTRODUCTION

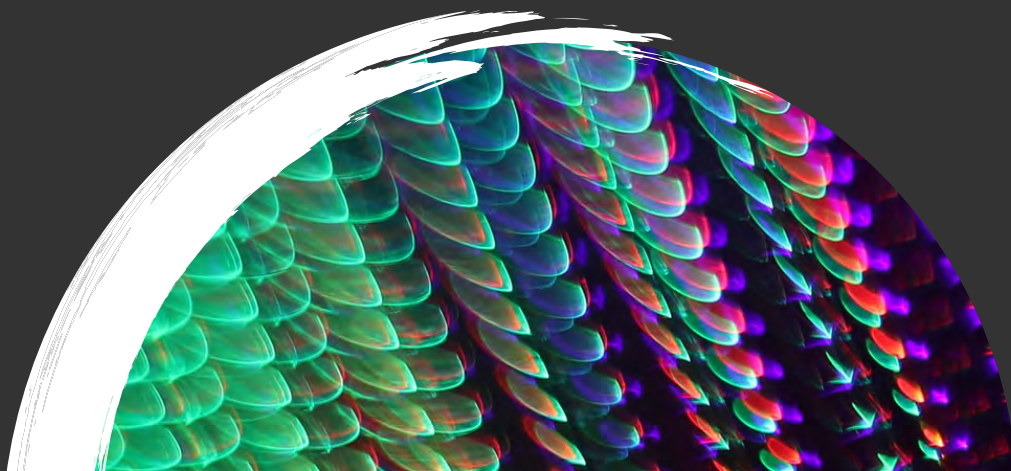
*With every successful quarter  
pushing us forward, the time  
has come to consider*

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2023

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Many businesses are already deliberating their plans for the upcoming year and beyond. If you want to survive in this competitive culture, you must be aware of what is coming next.



# WHAT THE EXPERTS ARE SAYING

## 01 About Traditional Retail

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- 1.2 The Emergence of Sustainable Brands and Environmentally Conscious Consumers

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- 3.2 There Will Be an Influx of New Sellers on Amazon

# 01

*ABOUT*

## Traditional Retail

What will retail look like in 2023? This is a question that every forward-thinking retailer should be asking themselves. Big data and technological advancements have spawned a competitive environment that is quickly changing. A key component of staying one step ahead of the competition is to plan for the future and consider how you can set up your business today.



### 1.1 The Supply Chain Will Ease Out but Not Go Back to Normal

Moving things used to be rather dependable and predictable. Now that we live in the "post-Covid-19 age," the global supply chain is out of control. Over the past two years, global supply chains have been stretched to the limit. 93% of Amazon sellers experienced revenue losses due to supply chain disruptions. These alterations have an impact on the entire world economy.

Several factors have hampered supply chains, including COVID-related production issues, workforce shortages, the war in Ukraine, inflation, and other global factors. But the greatest offender is the unanticipated and unusual spike in product demand.

Early on in the pandemic, a dramatic but temporary decline in demand caused many businesses to reduce their inventories and production. But soon after, the demand for products reached all-time highs. In comparison to October 2019, US consumer spending on durable products increased by 40% in October 2021.

Despite the enormous demand, the supply chain could only be supported by a limited (and, in certain circumstances, decreasing) number of resources. According to economists, the demand for dock workers, truck drivers, and warehouse employees was at levels that could not be satisfied.

Before the pandemic, ports were already having trouble keeping up with the surge in freight, and they lacked the capacity to handle the disruption, according to Ayman Omar, an associate professor at American University's Kogod School of Business. The issue, which then included a lack of trucks transport cargo containers to their destinations, was made worse by the pandemic. These problems persisted until 2022, and now that 2023 is almost here, many experts predict that they will continue to linger.

Tom Coughlin, IEEE Life Fellow, claims that the ongoing effects of COVID in many countries as well as other changes in the workforce that led to worker shortages have made recovery difficult. He believes it will take several months, if not years, to fix these supply chain problems. However, there is a glimmer of hope. Even though supply chain issues are expected to continue, they will not be as bad as it was in the past 2 years.

According to the president of DHL's freight-forwarding division, port congestion should decrease in 2023 as new container ships are delivered and shippers' demand moderates from pandemic highs. Co-founder at Enso Brands, Gilad Warter also believes that the supply chain will probably ease out but not go back to normal. Currently, between 15% and 23% of the items in Amazon's online store are out of stock, and it will take some time for things to get back on track.

*The supply chain will become slightly less abnormal in 2023. Let's look at some strategies you could use as an Amazon seller to get ready for the supply chain issues of 2023.*



## Action Step

# Maintain Adequate Stock and Keep Track of Your Inventory

Having proper inventory management is essential for Amazon sellers. It's critical to find the ideal balance between having too much product and not enough inventory. Those that have too much inventory can incur expensive storage expenses, and brands that don't have enough inventory risk losing revenue by running out of stock. According to David Refaeli, Chief Operating Officer at Enso Brands, "make sure you always have enough inventory - it's crucial. As going out of stock has a major effect on the Amazon algorithm and your IPI."

## Tips on How To Handle This:

You can enhance your overall inventory operations and increase the effectiveness of your organization by using inventory tracking. By monitoring your inventory levels, you can spot possible problems early and take action to fix them. For instance, if you discover that you are frequently out of a certain product, you can modify your manufacturing procedures to guarantee that you always have enough stock of this product on hand.

You need to plan out every last aspect of your inventory management. Plan your orders, analyze the data to estimate the volume, and keep an eye on your stock levels.

You can also try inventory forecasting. According to Dov Weis, CFO at Enso Brands, "You need to create a yearly forecast in Q4-2022. Make sure to factor in sales growth for existing products as well as new product launches."

Essentially, inventory forecasting entails estimating the volume of stock that will be required to meet demand. It begins with a straightforward demand estimate and uses what is currently on hand to determine how much inventory will be needed moving forward.

It's critical to remember that forecasting is educated speculation. No forecast is guaranteed. Inventory forecasting will help you in understanding and preparing for the amount of expected stock you will need during the year.

### Action Step

## Be Flexible and Consider Your Options

You can never know when a specific product will stop being accessible due to an unpredictable supply chain. Be proactive and anticipate such problems. Investigate substitute suppliers, ideally in several places. By doing this, you'll be able to keep your inventory in check even if a particular supplier is unable to meet your demands.

According to Dov Weis, "You need to get on top of your supply chain. Get quotes from new suppliers to compare. Renegotiate your prices and payment terms. You'll be surprised by what you find."

If your existing provider is raising the price of the contract, you can attempt looking for alternative suppliers or renegotiating with your present supplier. If you work more closely with suppliers, you will be in a better position to mitigate the consequences of price fluctuations brought on by the supply chain.

The key to successfully renegotiating with suppliers is understanding what your supplier values as much as money says Simon Geale, executive vice-president at supply chain consultancy Proxima. For example, a supplier might value a long-term contract.



## Action Step

# Find a Reliable 3PL and Stay Informed

David Refaeli advises that if you don't have your own warehouse, you need to find a reputable 3PL. This will enable you to keep a supply of extra products on hand to send to Amazon if necessary. Additionally, it will allow you to ship more effectively and eliminate the need for expensive air shipping, which will lower your margins.

3PLs offer logistical support and covers various aspects of shipping operations. They are frequently used in a company's warehousing and shipping procedures. You can choose how involved you want them to be based on your requirements and goals. They can offer a single service or a collection of services that cover different facets of your supply chain.

By using a 3PL, you can focus more on your core competencies while minimizing or even doing away with the need to spend money on technology, transportation, and warehouse space for logistics operations. 3PLs can also warn companies about potentially costly and hazardous supply chain mistakes.

While supply chain disruptions can occur at any time, they are frequently preventable by being aware of what is going on and remaining updated. David believes that you need to be prepared for any eventuality.

Weather conditions, economic variables, and politics all have an impact on supply chains. Keep up to date on news that may affect your products as well as trends in your industry. If you can predict a potential shortage, you can take the necessary action. Of course, you won't always be able to foresee all potential disruptions. However, by staying current on developments, you can avoid these issues.



# 1.2 The Emergence of Sustainable Brands and Environmentally Conscious Consumers

Young shoppers, whose purchasing power is expanding, value firms that incorporate social and environmental responsibility into every aspect of their operations. Millennials currently have \$600 billion in purchasing power, with Gen Z contributing an additional \$140 billion. The term "sustainability" is no longer a fad.

Consumers prefer to spend their money on companies that share their beliefs. According to PwC's June 2021 Global Consumer Insights Pulse Survey, 50% of consumers identify as more "eco-friendly". According to shopping trends revealed by Forrester, consumers are evaluating products and brands based on their ethics and values, with 41% of US consumers actively wanting to buy from a company linked with social, environmental, and political goals.



"This is not a nice "business social responsibility" activity that looks good on the glossy pages of an annual report", claims Jim Nail, Principal Analyst at Forrester. Companies that put their values into action expand more quickly than other companies.

According to Thredup's 2021 research, 45% of millennials and Gen Z say they won't shop at non-sustainable stores. Retailers cannot afford to ignore this issue as consumer passion for it grows. The transition to sustainability is already underway with multiple companies already identifying as environmentally friendly and vegan.

*Focusing your company's efforts on ecologically responsible (or "green") business practices will have a very positive effect, and studies have shown that customers are satisfied when they know the retailer is sustainable. As a result, buyers are willing to spend more, allowing you to raise the price of your products. Being green is not only an ethical choice for your brand; it is also a wise economic move, given that more and more consumers are expressing interest in and concern over sustainability.*



## Action Step

# Check Your Packaging Practices

An industry leader in packaging, Arka, recommends that business owners need to use smaller packaging to cut costs and environmental waste.

Many retailers are guilty of using too much packaging. In an effort to accommodate a product's size or shape, you do not need to use large, unnecessary boxes. Overpacking is detrimental to the environment and also eats at your profits. You'll find yourself spending extra money on packaging that could otherwise be simply avoided if you use more material than is necessary.

## Tips on How To Handle This:

Another tip to consider when reducing unnecessary packing is to make sure your product design is as compact as possible. For instance, if your product has an abnormal shape, not only will it use up more material, but it will also take up more packaging. These small differences add up to significant reductions in carbon emissions.

Having a compact product design and being eco-friendly can be extremely beneficial as a seller on Amazon. You can try to apply for Amazon's Compact by Design certification and Frustration-Free Packaging (FFP).

To avail of this certification, your products must have the highest "unit efficiency" in their class. The unit efficiency of a product is determined by Amazon using product parameters like the item's package dimensions, weight, and the number of units per container.

Frustration-Free Packaging on the other hand is available for FBA sellers that want to use less packaging to make it easier for the customer to open their product. FFP also uses entirely recyclable packing material. FFP benefits both you and the environment.

If you hold any one of these certifications, Amazon will help make it easier for shoppers to identify your product when they are looking for sustainable items.

### Action Step

## Donate Excess and Faulty Stock

Most faulty and damaged stock ends up in landfills. Avoid putting sellable items in dumpsters; instead, donate them.

This will improve your reputation and brand recognition while also assisting the community and those in need. CEO of Compliant IA, Fabien Tiburce, firmly believes in this.

As an Amazon seller, you can also consider applying to the FBA Donations program. With the help of this initiative, vendors can donate surplus stock to selected American charities rather than getting rid of it. It is regarded as a sustainable option made to breathe new life into your excess, returned, or undesired products. This initiative is fantastic for sellers since it lets them give back to the community, cut waste, and can even give business owners some tax benefits.



## Action Step

# Improve Supply Chain Networks and Communication

John Scott, Head of Sustainability Risk at Zurich Insurance Group, believes it will be difficult, but necessary, to address the issue of emissions produced through supply networks.

Supply chain networks have the greatest room for improvement in order to meet sustainability goals. Along with making a significant contribution to your sustainability objectives, reducing your supply chain's carbon footprint also has a number of financial benefits, such as reduced operating expenses.

To lower your carbon impact, you must set clear goals for your suppliers. The second-largest global source of greenhouse gas emissions is transportation. Find suppliers who use more eco-friendly fuels and modes of transportation. Everyone on your team must work together to create a supply chain that is more environmentally friendly. They should all be informed when your company launches a new green project so they can understand your objectives and find ways to support you in achieving them.

Effective communication is crucial for corporate success, but it's even more crucial when it comes to sustainability because it can help prevent errors that would generate excessive waste.



# 02

ABOUT

## The U.S. Economy

### 2.1 Recession of the US Economy

The American economy ranks among the biggest in the world. It functions as a free market economy for consumer goods and commercial services. Since what happens in the US is likely to have an impact on the rest of the world, it is imperative that we get ready and brace ourselves for it.

The vast majority of American experts agree that a recession will hit the nation in 2023. Nearly 70% of eminent academic economists surveyed by the Financial Times predicted that the US economy will enter a recession next year. Jerome Powell, the head of the Federal Reserve, said that a U.S. recession is "certainly a possibility."

According to economists, a number of variables, including rising interest rates, unstable economic activity, inflation, and unpredictability in the markets, have made it more likely that the U.S. economy will experience a recession.

Whether or not a recession will affect Amazon sellers will depend. Amazon is the biggest e-commerce company in the U.S. and serves as a vital barometer of consumer spending during a recession. Consumers typically cut back on their purchases of discretionary products during economic downturns or at the very least exercise greater caution. Amazon merchants who sell more expensive items in premium categories are less protected during these periods.

Chris Palmer, Chief Executive of SupplyKick believes that consumers may cut back on non-essential expenditures linked to entertainment, hobbies, home repair, activities, and clothing if a recession strikes. This might have a significant negative on vendors in those industries. Luxury and discretionary income products will be in a more risky place if a recession hits.

*Dov Weis advises that you need to plan ahead of time. Recessions are a natural part of the economic cycle, therefore it is better to prepare for them now than to be unprepared when one hits.*

Action Step

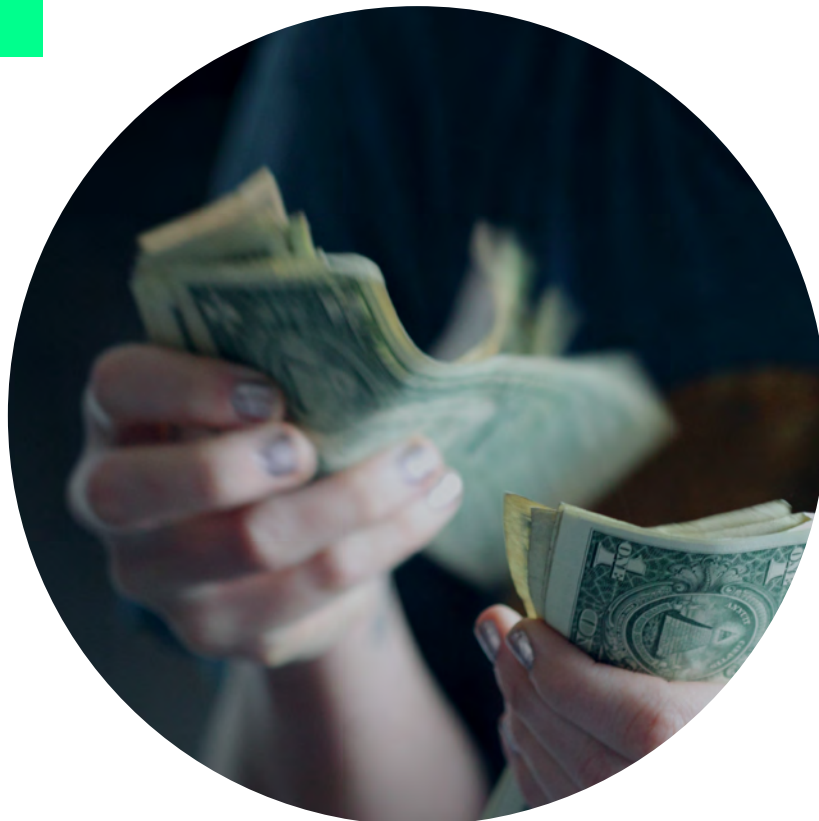
# Manage Your Cash Flow

According to Dov Weis of Enso Brands, "You need to manage your cash flow, CASH IS KING!"

Slimmer profit margins during recessions can make it challenging to maintain a steady cash flow. If cash flow stops, you will probably not survive. Cash is a two-way street. Observe how quickly cash is coming in and going out. The goal is to stay liquid. Planning ahead for measures to cushion your cash flow is therefore crucial if you want to survive a recession. Try to save at every stage of your supply chain.

## Tips on How To Handle This:

Keep an eye on your expenses and evaluate them often to determine where you might be overspending. You can cut costs by streamlining your operations, reducing inventory levels, and renegotiating supplier terms.



## Action Step

# Try to Outbrand Your Competition

In Gilad Warter's opinion, "Branding is crucial." Everything else is built on the strength of a successful brand.

Businesses that remain successful during a recession are those that have been effective in demonstrating how they are better than their competitors. If you want to survive a recession, having a strong brand presence and a sizable catalog will enable you to outperform your rivals and maintain your position as the leader.

The top five Amazon sellers in any category will always have eye-catching graphics, captivating videos, and strong branding. You need to be one of these top 5 sellers if you want to survive a downturn. You can gain an edge over rivals on Amazon by developing your brand, and you'll move up to the top five spots quite rapidly. Make sure your photos feature branding cues and highlight how your product improves the customer's quality of life.

This level of branding is something that Amazon customers want. As a recession approaches, you must fortify your market position by developing initiatives to bring in new customers.



## Action Step

# Pay Attention to Your Customers' Needs and Adjust

Your chances of success increase if your customers are satisfied. People tend to reconsider their purchases during tough economic times. You might gain helpful insights about how to continue selling by paying attention to your customer's requirements and goals.

In fact, Meaghan Brophy, retail specialist who counsels small businesses at Fit Small Business, thinks that during a recession, paying attention to customers is essential. Customer spending patterns, priorities, and behavior alter during a downturn.

The most crucial thing that you can do to expand during a recession is to pay attention to and adjust to the changing needs of your customers.



# 03

## ABOUT eCommerce

### 3.1 E-Commerce Inflation Will Continue To Be a Problem

After two years of unprecedented change brought on by the pandemic, players in the eCommerce industry are no strangers to disruption and the necessity to adjust to shifting market dynamics. As we are moving to 2023, you must be aware of what will come next in eCommerce. These forecasts will help you stay competitive and get ready for the future.

According to Gilad Warter, "Inflation will continue to be a problem." The rate of inflation in the United States has increased four-fold since the pandemic. The main cause of inflation during 2022 have been rising gas and food price, both of which have been impacted by a global supply disruption since the war on Ukraine.

Energy prices in the US climbed by 34.6% over the past year, while food prices have increased by 10.1%. For the very first time ever, the average national price of gas has topped \$5 per gallon. Amazon also increased its fuel and inflation surcharge by 5% in April for sellers who use its Fulfilled by Amazon service. Inflation is very much a reality in eCommerce right now and will continue to be a problem in 2023.

According to the Financial Times and the Initiative on Global Markets, a research and economic policy institute at the University of Chicago, geopolitical concerns related to the conflict in Ukraine and rising oil prices will likely continue until 2023, pushing up inflation in the rest of the world.



It goes without saying that inflation affects all of us in some way, especially eCommerce business owners and entrepreneurs striving to establish themselves in the market. 2023 also see a lot of seller fallout according to Gilad Warter. This has already been seen in 2022 but the situation is likely to continue in 2023 as well. The surge of Chinese retailers taking advantage of the pricing war has forced many existing Amazon sellers away. These Chinese sellers do not mind selling their products at significantly lower prices than their competitors if doing so will drive the latter out of business or, at the very least, make it hard for them to sell better products (some even incur losses).

*Everything is more expensive, from gas to electronics. You'll probably notice a decline in your margins as a seller on Amazon. Suppliers' costs could go up, shipping your products will cost more, and staff members might ask for salary raises. Although the period of high inflation won't last forever, it will take some time before things return to normal. You'll need to devise a plan to stop inflation in the interim.*



### *Action Step*

## Find Back-Up Alternate Suppliers

Changing suppliers is more complicated than it first appears. You spent a lot of time seeking out and establishing a relationship with your current suppliers. Searching for new suppliers means you need to start over.

But however, this could be useful considering that analysts predict that inflation will take years to normalize, and even then, it will continue to have an impact. Make sure that you do not source inferior products in an effort to boost gross margins. Maintain the current level of quality while searching for suppliers nearby that are ready to lower their prices and provide better payment terms.

### Tips on How To Handle This:

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### *Action Step*

## Order in Advance and Know When To Ship

Finding suppliers nearby can significantly reduce the cost of your product. According to Dov Weis you need to consider ordering larger quantities in advance to reduce costs. Instead of making sporadic minor orders throughout the year, place bulk purchase orders with your supplier. Your pricing power will increase and you'll be better able to resist inflation if you're the only one in stock.

You can also look for ways to cut down on your shipping costs. Shipping is a major factor that can increase your expenses. Knowing when to ship your products can help you save money. During an inflationary period, you want to minimize unnecessary expenses as much as possible.

According to David Refaeli "Understand and know when the correct times are to ship goods, you don't want to get caught scrambling to ship in Q3/beginning Q4 when shipping is at its highest cost."

Action Step

# Data Gathering and Analysis

According to Daniel Kutscher, "You need to Invest time in data gathering and analysis, from page views to conversion rate to indexing. All data points have action items, analyze what is going on with each ASIN and create action items to improve metrics that you have identified."

If you want your Amazon store to flourish rather than merely survive, you need more than simply a product to sell. You need data. With the help of data gathering and analysis, you can analyze customer behavior, sales, and several other data points to make smarter, data-driven decisions.

These metrics can then help you raise and improve your performance in terms of sales, conversion rates, etc.

**Tips on  
How To  
Handle  
This:**

It is the safest way for making your business thrive. Even when making future changes, you can do so with assurance knowing that your actions are backed by solid data.

Data analysis identifies flaws in your operational processes. You will find it simple to pinpoint the problem that is costing you money and take the required action to stop it. It makes it simpler to come up with sensible solutions to problems when you have the data in hand.



You will be able to determine which products are doing the best, the worst, and slow-moving products, as well as what your future sales will look like. As a result, inventory management will be simple and you will have access to information on how much additional stock of a given product is required at any given time.

You can also learn more about your conversion rate with the use of this data. By examining the facts and stats, you will be able to quickly comprehend how many consumers clicked on your advertisements and how many actually followed through by making a purchase. It will help you enhance your marketing initiatives or better optimize your product listings to boost conversion rates.

There are several options available on the market for analyzing Amazon sales data. Some of them offer more features and are more useful than others. "Invest in high-quality tools that give you reliable and accurate data. There are so many tools and plugins out there, make sure you have the right ones", advises Daniel Kutscher, Director of Amazon Operations at Enso Brands.

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### Action Step

## Find a Mentor

Since Amazon is full of bugs, updates, and confusion, Daniel Kutscher recommends that you need to find someone who can be your go-to person for questions, concerns, or help. No Amazon seller knows everything, so find people who can help. By speaking with someone who has both succeeded and failed on the Amazon platform, you might be able to avoid the same mistakes. Finding an Amazon mentor can be a wise choice. The most important lessons are almost always learned from mistakes. Finding the proper knowledge and answers on your own can take some time. Time is typically a crucial factor for sellers on Amazon. When you have access to a mentor, you won't need to spend hours looking for the information you need. They will offer you the precise answers you need for the problems you are facing.

The Amazon ecosystem is getting busier and more complex as it expands. You cannot advance by simply mastering the fundamentals. In 2023, Amazon sellers will turn on Amazon mentors for advice. From marketing to product ideation and design, brands will leverage technology, tools, and consultants in all aspects of their operations.

## Action Step

# Use Social Media to Your Advantage

Social media is predicted to provide \$30.73 billion in sales in 2023. This will make up for 20% of all eCommerce sales worldwide. According to Daniel Wallock, Marketing Strategist of Wallock Media, just because you're selling on Amazon doesn't mean you can't market the products elsewhere.

If you want to thrive on Amazon, consider employing inbound marketing strategies to drive customers to your products. Simply by building a strong presence on Instagram, and other social media platforms, you can drive hundreds of visits every day to your Amazon store or product pages. Since we're living in the golden age of social media, you need to market and engage with customers. You can also take advantage of the various features that Amazon is adding to allow brands to directly connect with customers such as Amazon Live. You can use the live streaming service to "boost the discovery" of your products.

The visual explanation in Amazon Live enhances the whole shopping experience for your customers, which encourages them to leave more positive reviews for your products.

Jordi Ordóez, eCommerce & Amazon consultant, jordio.com believes that sellers should concentrate on live streaming shopping using platforms like Twitch, Instagram, or Amazon Live. There is no longer a requirement to solely advertise on Amazon. Growing your brand's visibility on other platforms and directing all that traffic to your product pages is now simple thanks to Social Media.



*Action Step*

## Get Rid of Dead Stock and Ensure Proper Inventory Planning

Dov Weis advises conducting a stock count at year's end and getting rid of any dead stock. This will significantly reduce your storage expenses. Dead stock can be a significant cost that hurts profitability by slowing sales, raising carrying costs, and occupying valuable warehouse space. These products might range from unsold excess stock to seasonal products to defective products. The secret to controlling your inventory expenses and preventing sales loss due to bad inventory planning is to properly manage your inventory and account for your inventory expenditures.



## 3.2 There Will Be an Influx of New Sellers on Amazon

One of the few companies to see significant growth as a result of the COVID-19 pandemic is Amazon. For instance, the business' Q4 2020 profits showed a profit growth of 42%. (Motley Fool, 2021).

In 2019, Feedvisor predicted that, within five years, 72% of companies would be on Amazon. Given that 54% of brands are already using the platform, this prediction is not far off.

Companies see a lot of sales potential by selling on Amazon. 44% of Amazon sellers generate more than 50% of their overall eCommerce sales via the platform.

Additionally, according to 32% of the firms on the platform, sales on the website account for around 75% of their overall online revenues. More precisely, a staggering 97% of brands on Amazon and a further 84% of brands outside the site think that by selling on the platform, they can attract new customers. 61% of companies want to strengthen their ties with Amazon so they can reach larger audiences. With these figures, you can expect a surge in first-party and third-party sellers.

Gilad Warter asserts that "Amazon is and will still be the best place to sell online. The bar was raised, but the Marathon runners will endure." Amazon will continue to have a strong, if not overwhelming, presence in the eCommerce market. It shows no signs of slowing down.



The logo for 'enso' is centered at the top of the page. It consists of the word 'enso' in a lowercase, sans-serif font, followed by a small circle that is partially filled with a vibrant green color. The background of the entire page is black, with large, expressive brushstrokes in white and green that sweep across the top and bottom edges, framing the central text.

# SUMMARY

*Knowing what will come next and preparing your brand for the future will help you stay one step ahead of the competition.*

*Your company will benefit from any foresight into the future. It will help you to identify future problems, improve your judgments, and assess the results of those decisions.*

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93% of Amazon sellers experienced revenue losses due to supply chain disruptions. These alterations have an impact on the entire world economy.

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Millennials currently have \$600 billion in purchasing power, with Gen Z contributing an additional \$140 billion

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According to PwC's June 2021 Global Consumer Insights Pulse Survey, 50% of consumers identify as more "eco-friendly".

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Avoid putting sellable items in dumpsters; instead, donate them. This will improve your reputation and brand recognition while also assisting the community and those in need. CEO of Compliant IA, Fabien Tiburce

<https://www.vendhq.com/blog/inventory-management-best-practices/#:~:text=Sellable%20material%20shouldn%E2%80%99t,in%20the%20community.>

John Scott, Head of Sustainability Risk at Zurich Insurance Group, believes it will be difficult, but necessary, to address the issue of emissions produced through supply networks.

<https://www.zurich.com/knowledge/topics/climate-change/how-to-reduce-carbon-in-our-supply-chains#:~:text=says%20Scott%2C%20%E2%80%9Cbut%20solving%20the%20problem%20of%20emissions%20created%20in%20supply%20chains%20that%20transport%20the%20goods%20and%20services%20they%20use%20every%20day%20is%20much%20more%20challenging.%E2%80%9D>

70% of eminent academic economists surveyed by the Financial Times predicted that the US economy will enter a recession next year.

<https://www.businessinsider.in/stock-market/news/the-us-will-tumble-into-a-recession-as-inflation-soars-70-of-top-economists-say/articleshow/92184706.cms#:~:text=Nearly%2070%25%20of%20leading%20economists%20expect%20the%20US%20to%20tumble%20into%20a%20recession%20as%20the%20country%20grapples%20with%20inflation.>

Jerome Powell, the head of the Federal Reserve, said that a U.S. recession is "certainly a possibility."

<https://www.wionews.com/world/us-recession-is-certainly-a-possibility-federal-reserve-chair-powell-490854>  
<https://www.ft.com/content/3e3dedc4-5ece-4a35-84c7-e3e670c29c72>

Chris Palmer, Chief Executive of SupplyKick believes that consumers may cut back on non-essential expenditures linked to entertainment, hobbies, home repair, activities, and clothing if a recession strikes.

<https://www.modernretail.co/platforms/amazon-briefing-amazon-sellers-keep-a-close-eye-on-consumer-behavior-amid-mounting-risk-of-a-recession/#:~:text=%E2%80%9CIf%20a%20recession,a%20recession%20hits.%E2%80%9D>

Meaghan Brophy, a retail specialist who counsels small businesses at Fit Small Business, thinks that during a recession, paying attention to customers is essential. Customer spending patterns, priorities, and behavior alter during a downturn

<https://www.8fig.co/blog/recession-proof/>

Energy prices in the US climbed by 34.6% over the past year, while food prices have increased by 10.1%.

<https://www.industryweek.com/the-economy/article/21244030/us-consumer-price-inflation-rises-to-86-in-may-govt#:~:text=Energy%20has%20soared%2034.6%25%20over%20the%20past%20year%2C%20the%20fastest%20since%20September%202005%2C%20while%20food%20jumped%2010.1%25%20D%2D%20the%20first%20increase%20of%20more%20than%2010%25%20since%20March%201981%2C%20the%20report%20said.>

Amazon also increased its fuel and inflation surcharge by 5% in April for sellers who use its Fulfilled by Amazon service.

<https://www.reuters.com/technology/amazon-charge-merchants-5-surcharge-fulfillment-services-fuel-costs-rise-2022-04-13/>

One of the few companies to see significant growth as a result of the COVID-19 pandemic is Amazon. For instance, the business' Q4 2020 profits showed a profit growth of 42%. (Motley Fool, 2021).

<https://financesonline.com/amazon-trends/>

In 2019, Feedvisor predicted that, within five years, 72% of companies would be on Amazon. Companies see a lot of sales potential by selling on Amazon. 44% of Amazon sellers generate more than 50% of their overall eCom-merce sales via the platform. Additionally, according to 32% of the firms on the platform, sales on the website account for around 75% of their overall online revenues. More precisely, a staggering 97% of brands on Amazon and a further 84% of brands outside the site think that by selling on the platform, they can attract new customers. 61% of companies want to strengthen their ties with Amazon so they can reach larger audiences.

[https://www.globenewswire.com/news-release/2019/01/23/1704215/0/en/3-out-of-4-brands-will-sell-on-Amazon-in-the-next-five-years-Feedvisor-study-finds.html#:~:text=The%20analysis%20found%20that%20over%20half%20of%20brands%20\(54%20percent\)%20are%20already%20selling%20on%20Amazon%20today%2C%20and%20nearly%20three%2Dquarters%20\(72%20percent\)%20of%20brands%20will%20be%20selling%20on%20the%20platform%20within%20the%20next%20five%20years.](https://www.globenewswire.com/news-release/2019/01/23/1704215/0/en/3-out-of-4-brands-will-sell-on-Amazon-in-the-next-five-years-Feedvisor-study-finds.html#:~:text=The%20analysis%20found%20that%20over%20half%20of%20brands%20(54%20percent)%20are%20already%20selling%20on%20Amazon%20today%2C%20and%20nearly%20three%2Dquarters%20(72%20percent)%20of%20brands%20will%20be%20selling%20on%20the%20platform%20within%20the%20next%20five%20years.)

Social media is predicted to provide \$30.73 billion in sales in 2023.

<https://super-chain.tech/2023-ecommerce-predictions-whats-next/>

According to Daniel Wallock, Marketing Strategist of Wallock Media, "Just because you're selling on Amazon doesn't mean you can't market the products elsewhere."

<https://www.bigcommerce.com/blog/amazon-selling-tips/#think-bigger-than-amazon-to-drive-more-sales-on-amazon:~:text=I%20mean%20that%20just%20because%20you%E2%80%99re%20selling%20on%20Amazon%20doesn%E2%80%99t%20mean%20that%20you%20can%E2%80%99t%20promote%20the%20products%20with%20content%2C%20influencer%20campaigns%2C%20and%20get%20your%20products%20featured%20in%20the%20press.>

Jordi Ordóez, eCommerce & Amazon consultant, jordib.com believes that sellers should concentrate on live streaming shopping using platforms like Twitch, Instagram, or Amazon Live

<https://www.sellzone.com/blog/amazon-ecommerce-predicti>