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## Cohabiting with your e-commerce partners

**Kari Alldredge and Kelly Ungerman**

Top-performing consumer-product companies are aiming to strengthen their digital-channel strategies by locating teams at Amazon and other key players.

In the 1990s, consumer-goods companies began moving product specialists to Bentonville, Arkansas, to learn the “Walmart Way” and benefit from the retailer’s expanding footprint. In the age of e-commerce, Amazon’s Seattle headquarters has become a favored destination. We looked at the channel strategies of more than 45 leading US consumer-packaged-goods companies,<sup>1</sup> identifying the top 25 percent by online sales growth.<sup>2</sup> We found that 20 percent of the high performers are locating teams of digital and functional specialists at Amazon, while an additional 60 percent plan to do so within two years. Lower-tier performers have yet to make such moves, though a small percentage say they will (Exhibit 1).

The on-site teams include category and distribution specialists who are learning to speed up decisions on product assortments and home deliveries to match Amazon’s pace. They are also gaining real-time access to Amazon’s tools for marketing and consumer analytics. Leading consumer companies are

dedicating teams to work with other online partners as well, but the Amazon trend is more pronounced. Most consumer companies we surveyed are also investing in comarketing with Amazon (Exhibit 2). But while digital opportunities continue to swell, all players are maintaining their investments in traditional channel strategies, which remain vital to success. ○

<sup>1</sup> In conjunction with Nielsen and the Grocery Manufacturers Association, we interviewed approximately 150 executives at more than 45 leading US companies.

<sup>2</sup> High-performing companies—those in the top quartile—grew their online sales 1.3 to 7.5 times faster than other companies from 2012 to 2013, depending on the product category.

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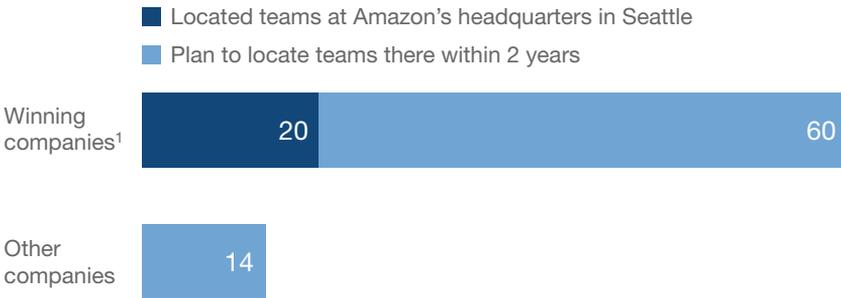
To download the full 2014 survey report, see “Adapting with speed: How agile selling orgs win,” on [mckinseyonmarketingandsales.com](http://mckinseyonmarketingandsales.com).



Exhibit 1

**High-performing US consumer-packaged-goods companies are increasingly locating—or planning to locate—digital and functional support teams at Amazon’s headquarters.**

**US consumer-packaged-goods companies,**  
% of respondents, n = >45 companies



<sup>1</sup>Defined as top-quartile companies that outperform their peers in the categories in which they compete.

Source: 2014 McKinsey customer and channel-management survey, in partnership with the Grocery Manufacturers Association and Nielsen

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Exhibit 2

**Winning US companies in consumer packaged goods are also investing in comarketing with Amazon for broader digital reach.**

**US consumer-packaged-goods companies,**  
% of respondents, n = >45 companies



<sup>1</sup>Defined as top-quartile companies that outperform their peers in the categories in which they compete.

Source: 2014 McKinsey customer and channel-management survey, in partnership with the Grocery Manufacturers Association and Nielsen

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