Amazon Viewed Diapers.com as Top Competitor

The benchmarking team recently completed a study of Diapers.com. They are our largest and fastest growing competitor in the on-line diaper and baby care space.

“They keep the pressure on pricing on us. They apparently have lower fulfillment costs than we have.”
“We have already initiated a more aggressive ‘plan to win’ against diapers.com. . . . To the extent this plan undercuts the core diapers business for diapers.com, it will slow the adoption of soap.com.”

“[T]hese guys are our #1 short term competitor. . . . [W]e need to match pricing on these guys no matter what the cost.”
The Plan Worked

Decelerating Growth in Core Diapers Category. As noted, Quidsi had a challenging Q3-10..."  

"[T]hey expect to lose lots of money over the nxt few yrs-this will make it worse."