

Prime Day 2022 was Amazon's biggest yet as consumers jumped on discounts for everyday items

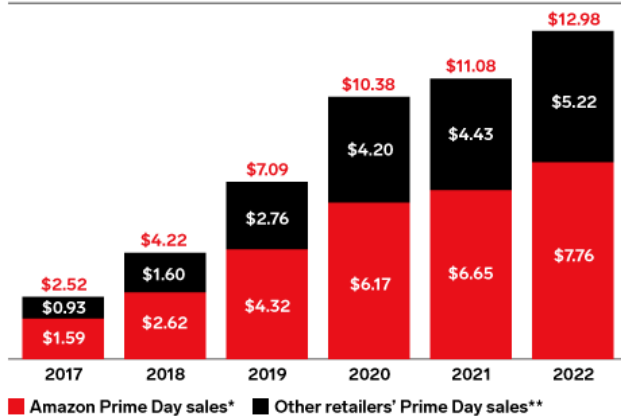
Article

The news: Prime Day 2022 was Amazon's biggest ever, the ecommerce giant [said](#).

- Total US online spending reached **\$11.9 billion**, up 8.5% year-over-year (YoY), per Adobe.
- Prime members **purchased 300 million items globally**, more than ever before.

US Amazon Prime Day Retail Ecommerce Sales, Amazon vs. Other Retailers, 2017-2022

billions



Note: *represents the gross value of products or services sold on Amazon.com (browser or app) during the Amazon Prime Day sales event, regardless of the method of payment or fulfillment; excludes travel and event tickets, Amazon Web Services (AWS) sales, advertising services, and credit card agreements; includes direct and marketplace sales; **includes products or services ordered using the internet during the Amazon Prime Day sales event across all retailers, regardless of the method of payment or fulfillment; excludes travel and event tickets

Source: eMarketer, May 2022

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Inflation takes its toll: Rising prices had a clear impact on consumers' purchase decisions. Shoppers gravitated toward deals on household essentials over categories like health and beauty and consumer electronics, last year's top sellers.

- **Over one-third (35%) of Prime Day shoppers reported spending less this year**, [per Numerator](#).
- About the same amount (34%) said they waited for the sale to purchase a specific item at a discount. Twenty-eight percent said they opted against "a great deal" because it wasn't a necessity.
- While Amazon devices were the most popular items sold, products like **Frito-Lay** variety packs also performed well, an indication that shoppers used the sale as an opportunity to stock up on everyday goods.

Impact of Inflation on US Adults, by Category, April 2022

% of respondents in each group

	Spending priority	Cutting back
Groceries	56%	33%
Gas	43%	32%
Rent/mortgage	29%	6%
Healthcare	18%	9%
Household goods	16%	21%
Vehicle prices	13%	18%
Education	13%	11%
Dining out	12%	48%
Childcare	12%	10%
Apparel, footwear & accessories	11%	31%
Entertainment and recreation	10%	32%
Home decor and furniture	8%	21%
Travels/hotels/flights/vacations	7%	23%
Gym memberships	7%	12%

Source: First Insight, "The State of Consumer Spending: Inflation Impacting Consumer Confidence," May 5, 2022

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Small businesses see mixed benefits: Amid an ongoing antitrust investigation by the European Commission, Amazon highlighted the success of small merchants on its platform, noting that this year marked “the biggest Prime Day event for Amazon’s selling partners.”

- Roughly one-third of the items purchased by shoppers were from small businesses, Amazon said.
- But as **Jason Goldberg**, chief commerce strategy officer for Publicis, told Vox, it’s difficult for third-party sellers to build loyalty on Amazon because people tend to go for the first—and cheapest—listing they see. “Sellers are increasingly learning that you can’t acquire customers on Amazon; you’re renting customers on Amazon,” he said.
- Prime Day is also an opportunity for Amazon to **collect valuable data** on what consumers are searching for and buying, which it then uses to inform its own advertising and retail business.

Amazon’s growing pains: While Prime Day 2022 appears to be a success on paper, the shift toward smaller-ticket items like chips and toilet paper may have eaten into Amazon’s margins, even when accounting for record Amazon device sales.

The company is also proposing concessions to its European business that could affect its ability to grow as it seeks to quell antitrust scrutiny.

- Amazon told the European Commission it would stop using seller data to aid its retail business, expand seller access to the “Buy Box” and other valuable site real estate, and enable

merchants to use other logistics providers to fulfill Prime orders.

The big takeaway: Prime Day is no longer the tremendous boost to Amazon's business it once was, although it will likely help the ecommerce giant overcome sluggish sales in the first part of the year.

But as eroding spending power forces consumers to make hard choices about what and how they buy, Amazon's reputation for good deals coupled with the convenience of Prime delivery could make the retailer the first port of call for inflation-weary shoppers.