Amazon uses smaller sales events to keep consumers spending outside of Prime Day

Article



Amazon's 2023 Prime Day events brought in a combined \$13.88 billion in US ecommerce sales last year, according to our forecast. But as consumers remain cautious with their spending,

Amazon is looking to boost sales outside of the July and October tentpole events.

The strategy: <u>Amazon</u> is adding several smaller sales events to its calendar, highlighting different categories and occasions to keep consumers spending.

So far this year, Amazon has hosted at least five separate sales events: the Big Spring Sale (March 20 to 25), Amazon Pet Day (May 7 to 8), Amazon Book Sale (May 15 to May 20), Amazon Summer Beauty Haul (May 13 to May 19), and Amazon's Memorial Day sale (May 20 to 27).

The reasoning: With consumer spending still sluggish, Amazon is using deals and discounts to increase its sales share in an increasingly competitive market.

- Looking for discounts and coupons is the No. 1 action US digital shoppers are taking to combat rising shopping costs, according to a December 2023 survey conducted by Intelligence Node in partnership with Dynata.
- Nearly two-thirds (64%) of US adults say that percent-based discounts are the type of coupon/incentive they're most likely to use, according to an October 2023 survey from ActiveCampaign and Ascend2.

The results: Amazon hasn't released any sales data from these events, but outside sources report the retailer's Big Spring Sale boosted sales and Prime memberships.

- Over a third (36%) of US consumers shopped Amazon's Big Spring Sale, slightly less than the
 41% that shopped Amazon's October Prime Day event, according to CivicScience.
- Sales increased 10.6% compared with the same time period in 2023, per Affinity Solutions data based on credit card, debit card, and transaction data.
- Unlike Prime Day, these smaller sales don't require shoppers to be Prime members to receive discounts. Still, 28% of Big Spring Sale shoppers who were not Prime members signed up for the program after the sale, according to data from CivicScience.

The "theme" of the Big Spring Sale didn't seem to have much impact on what consumers bought.

 Amazon promoted the event as a day to save on "spring fashion, fitness products, and cleaning and yard work essentials," but less than 10% of consumers purchased outdoor items or household cleaning products, despite heavy discounts, per CivicScience.



- Instead, consumers opted for health and beauty, electronics and tech, and home goods and decor, which were also heavily discounted.
 - **The bottom line:** While it seems like Amazon could be overloading on sales events in the first half of the year, as long as consumers remain price-sensitive, it's a smart strategy.
- While they could steal share from July's Prime Day, it's unlikely considering the magnitude of the event.
- As Amazon plans for the second half of the year, the company should focus its events on highperforming categories like beauty, health and wellness, and home goods.

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