

Consumer electronics make a comeback and other Prime Day predictions

Article

Though it's not the extravaganza it once was, Amazon Prime Day is still a massive event for Amazon and other retailers riding the Prime Day wave.

Here's what's in store for next week's Prime Day event.

All eyes on electronics: One category to watch this year is computer and consumer electronics, our analyst Andrew Lipsman said during a recent [“Behind the Numbers: The Daily”](#) podcast.

During the pandemic, many consumers made big-ticket purchases they may not have otherwise made for a few years, pushing up the upgrade cycles that happen in a three- or four-year cadence. The category is due for a comeback.

While a full category rebound probably won't occur until 2024, we could see growth this year, which would be good news not just for Amazon (whose business relies heavily on the success of consumer electronics), but for the entire retail industry, said Lipsman.

“If you are thinking about consumer electronics, this is the event to get into the act,” he said. “If we see a rebound during Prime Day, that to me actually is a great bellwether for not just Amazon, not just ecommerce, but the state of retail in total because it means that a huge category is coming back.”

The big event: We expect US Amazon Prime sales will grow nearly 10% this year to reach \$8.03 billion, according to our forecast.

“There's enough demand to support a healthy growth rate, but it's not eye-popping,” said Lipsman.

But Prime Day isn't just about Amazon anymore.

- In total, we forecast sales across all US retailers during the Prime Day period will total \$13.48 billion. While Amazon still brings in over half of that figure, sales figures from non-Amazon retailers are growing.
- “[Other retailers] have been playing catch up to Amazon on Prime Day for a while now,” said Lipsman. “They know how to draft off of the event and run their own competing promotions and take advantage of that spillover shopping activity. It's mostly steady, but Amazon is losing a little bit of share.”

Amazon shouldn't worry though: No other retailer can compete with the “frenzy of sales and activity” of Amazon's Prime Day, said Lipsman, though “big-box retailers [like] Walmart,

Target, [and] Best Buy all have a chance to win consumers' attention" by creating their own sales days.

Still, it's important for retailers to keep the dates of their sales events relatively in line with Amazon's.

"It's very hard to create consumer behavior out of thin air," said Lipsman. "Amazon did it many years ago and it's been building ever since. The shoppers are locked in and the retailers are locked in. If you try to do it off-cycle, it's just hard. It's hard to win their attention."

"If you can't beat them, join them," he said. "You have a place [in the event period], especially if you're Walmart or Target."

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