

Amazon sellers air grievances ahead of Prime Day

Article

The news: Amazon's pricing and return policies are sparking complaints from sellers ahead of Prime Day.

- The retailer's pricing algorithm pushed some merchants out of the Buy Box after finding lower prices on **Target** due to the latter's Circle Week sale—causing Amazon sellers to either lose

revenues to resellers or slash prices at the expense of their already slim margins, per CNBC.

- Swim diaper brand **Beau & Belle Littles** is yet to recover after Amazon mistakenly resold a used product, resulting in a negative review (with pictures) that tanked the business, owners **Paul and Rachelle Baron** told Bloomberg.

Simmering discontent: Sellers on Amazon are caught in a bind. On the one hand, the [cost of selling on Amazon](#) is significant, especially when factoring in logistics fees and growing advertising expenses. On the other hand, sellers can't afford *not* to sell on Amazon—the retailer accounts for [40.4% of total ecommerce](#) and [70.1% of retail marketplace sales](#), per our forecasts.

- The expense rises considerably around Prime Day, when merchants are pressured to spend on advertising to improve their visibility. **Sellers spent one-seventh (14%) of their Prime Day revenues on [Amazon ads last year](#)**, per Momentum Commerce.
- Higher seller fees and price-conscious behaviors from shoppers are weighing further on profits, as merchants feel compelled to swallow increased costs rather than pass them on to consumers in the form of price hikes.
- And the sheer size and complexity of Amazon's retail business can make it difficult for smaller sellers to get support when needed—as the Barons discovered when trying (unsuccessfully) to get the retailer to remove the negative review resulting from its mistake.

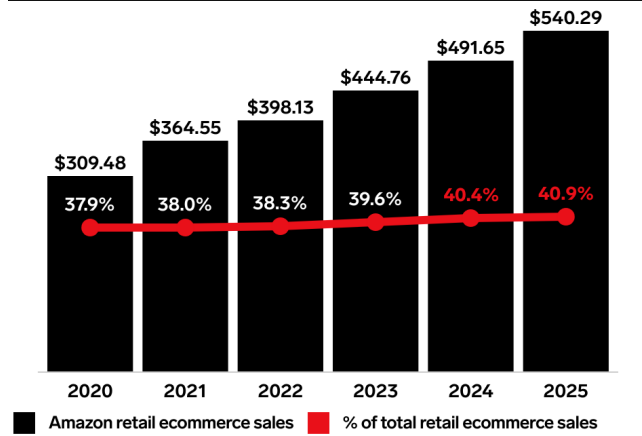
Looking ahead: Amazon sellers face more uncertainty ahead as they brace for the launch of Amazon's [low-cost Temu alternative](#), which US-based businesses fear will limit their abilities to compete with Chinese merchants and erode market share.

- The pressure to lower prices coupled with the high cost of operating on the platform could drive sellers to look for opportunities elsewhere, such as on [Walmart's fast-growing marketplace](#)—although Amazon will likely remain too valuable a sales channel to abandon fully.
- The [FTC's antitrust suit against Amazon](#) could also force changes to its pricing structures and fulfillment services, which would ease some of the burdens facing merchants.

Go further: Check out our [US Amazon Ecommerce Forecast 2024](#).

Amazon Will Surpass 40% of US Ecommerce Sales in 2024

billions in US Amazon retail ecommerce sales and % of total retail ecommerce sales, 2020-2025



Note: represents the gross value of products or services sold on amazon.com (browser or app), 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; excludes Amazon Business sales
Source: EMARKETER Forecast, Feb 2024

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