

How ecommerce powers Amazon's success in 5 charts

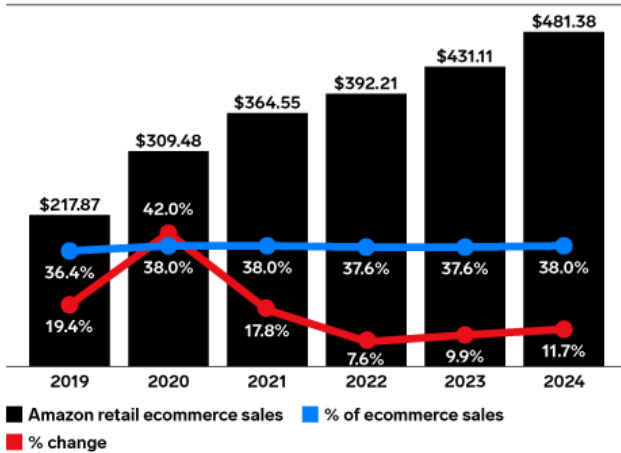
Article

Amazon sits at the top of US ecommerce, accounting for 37.6% of sales this year, according to our forecast. In addition to generating billions of dollars in sales, Amazon's ecommerce business propels its other ventures, including retail media and B2B ecommerce. By harnessing the power of generative AI, Amazon could leave its retail competition even further in the dust, and possibly catch up to the Google-Meta duopoly.

1. Ecommerce is Amazon's bread and butter

US Amazon Retail Ecommerce Sales, 2019-2024

billions, % change, and % of ecommerce sales



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, Amazon Business sales, advertising services, and credit card agreements; includes direct and marketplace sales
Source: eMarketer, Feb 2023

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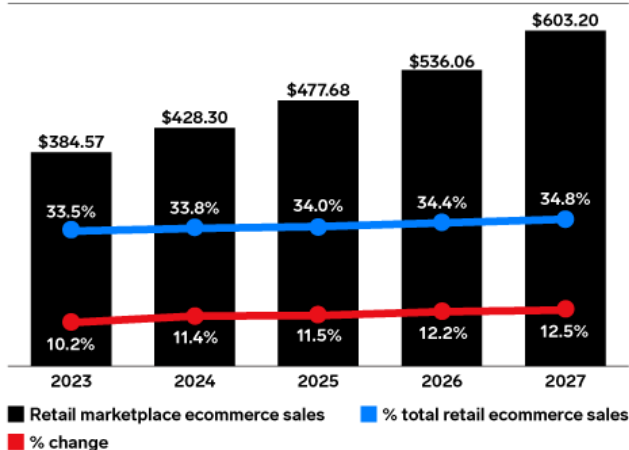
Amazon remains the top dog of ecommerce in the US, taking the No. 1 spot in our **top 15 US retail ecommerce companies** by sales ranking. For context, Walmart, at No. 2, will rake in \$73.45 billion in US retail ecommerce sales this year, a far cry from Amazon's \$431.11 billion.

The **computer and consumer electronics category** makes up the largest share of Amazon's US ecommerce business, representing a little over a fifth of total sales. Other top categories include apparel and accessories; furniture and home furnishings; books, music, and video; and health and personal care.

2. Third-party marketplace sales generate over half of Amazon's total sales

US Retail Marketplace Ecommerce Sales, 2023-2027

billions, % change, and % total retail ecommerce sales



Note: represents the gross value of products sold by third-party sellers on a retail marketplace platform; excludes first-party sales on these platforms; excludes travel and event tickets; excludes food services and drinking place sales

Source: eMarketer, March 2023

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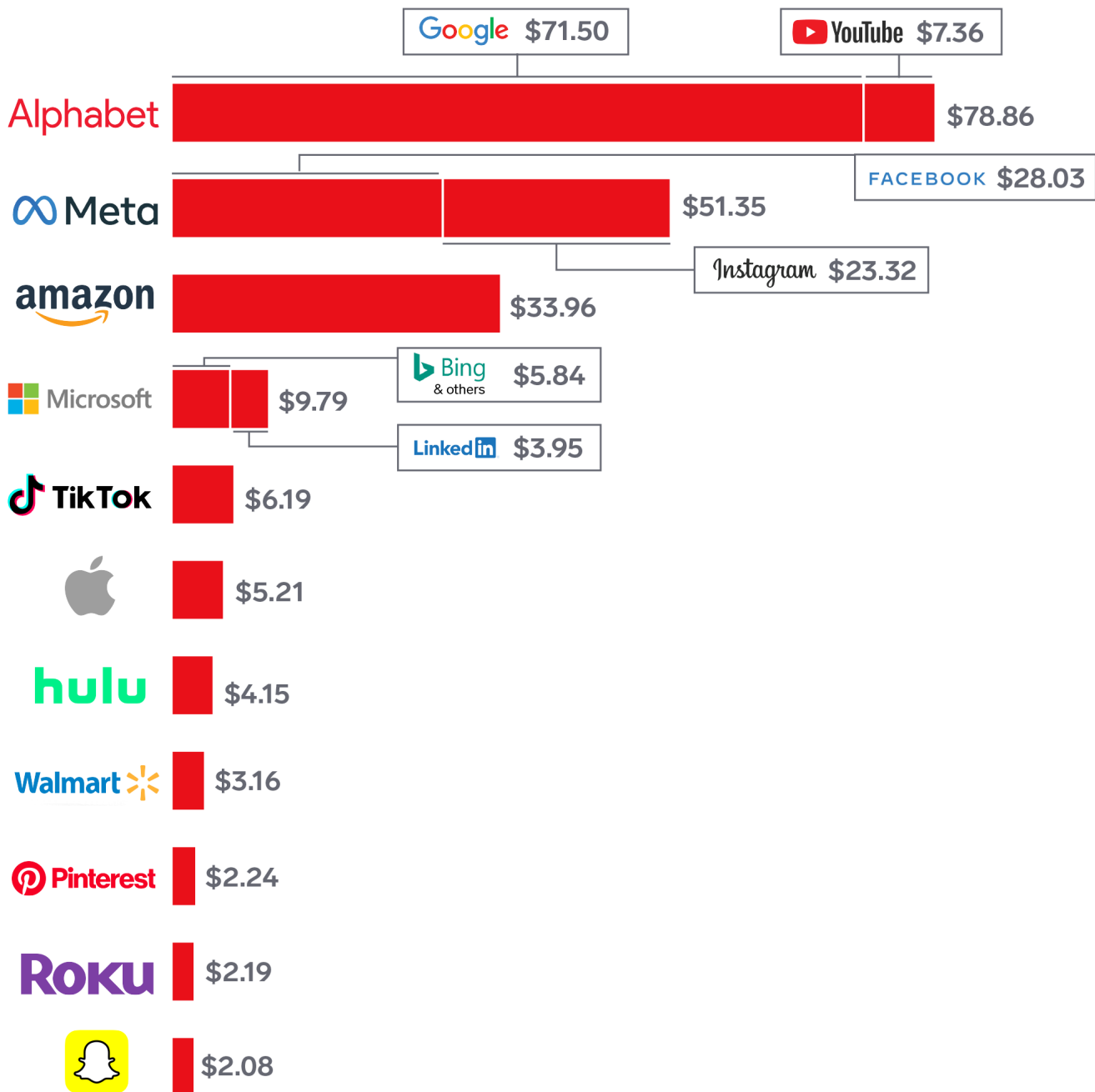
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Third-party marketplace ecommerce sales will grow faster than overall online sales in the US, according to our [US Retail Ecommerce Marketplaces Forecast 2023](#) report. Retail marketplace ecommerce sales will represent over a third of total retail ecommerce sales in the US by 2027.

Amazon dominates the marketplace, bringing in \$278.50 billion in third-party sales this year. Next year, that number will increase by 12.9% to reach \$314.34 billion, growing nearly as much as Walmart (13.0%) and outpacing eBay (-1.1%), Etsy (8.1%), and Poshmark (8.1%).

3. Amazon trails Meta and Google—but it's gaining share

Companies With Over \$2 Billion in US Net Digital Ad Revenues, 2023



Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices, and includes all the various formats of advertising on those platforms; net ad revenues after companies pay traffic acquisition costs (TAC) to partner sites; excludes spending by marketers that goes toward developing or maintaining a platform presence

Source: eMarketer, March 2023

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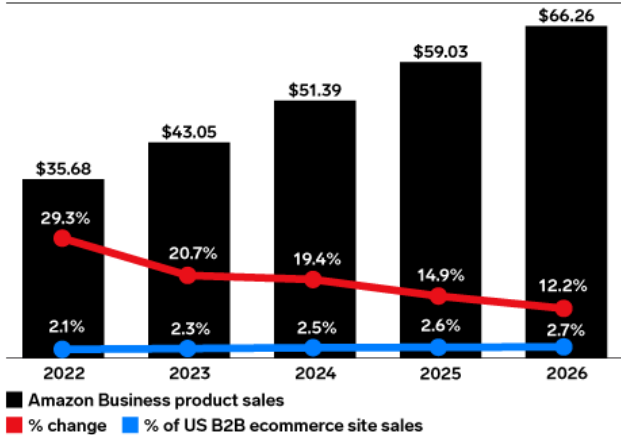
Amazon may be king when it comes to ecommerce, but it still has a ways to go to catch up with Google and Meta in US digital ad revenues.

However, Amazon's **strength in retail media** (bolstered by its strong ecommerce business) is giving it a boost, helping the company grow its ad share while the ad share of Google and Meta declines. Plus, Amazon's streaming assets—including Fire TV, Prime Video, and Freevee—give it an edge to engage in other media and offer shoppable ads.

4. B2B ecommerce presents a massive opportunity

US Amazon Business Product Sales, 2022-2026

billions, % change, and % of US B2B ecommerce site sales



Note: represents the gross value of products sold on Amazon Business (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; B2B ecommerce sales are the sale of physical products from one business to another that occurs over the internet via an ecommerce site, including sales directly from a supplier website or indirectly through third-party online stores like marketplaces
Source: eMarketer, Aug 2022

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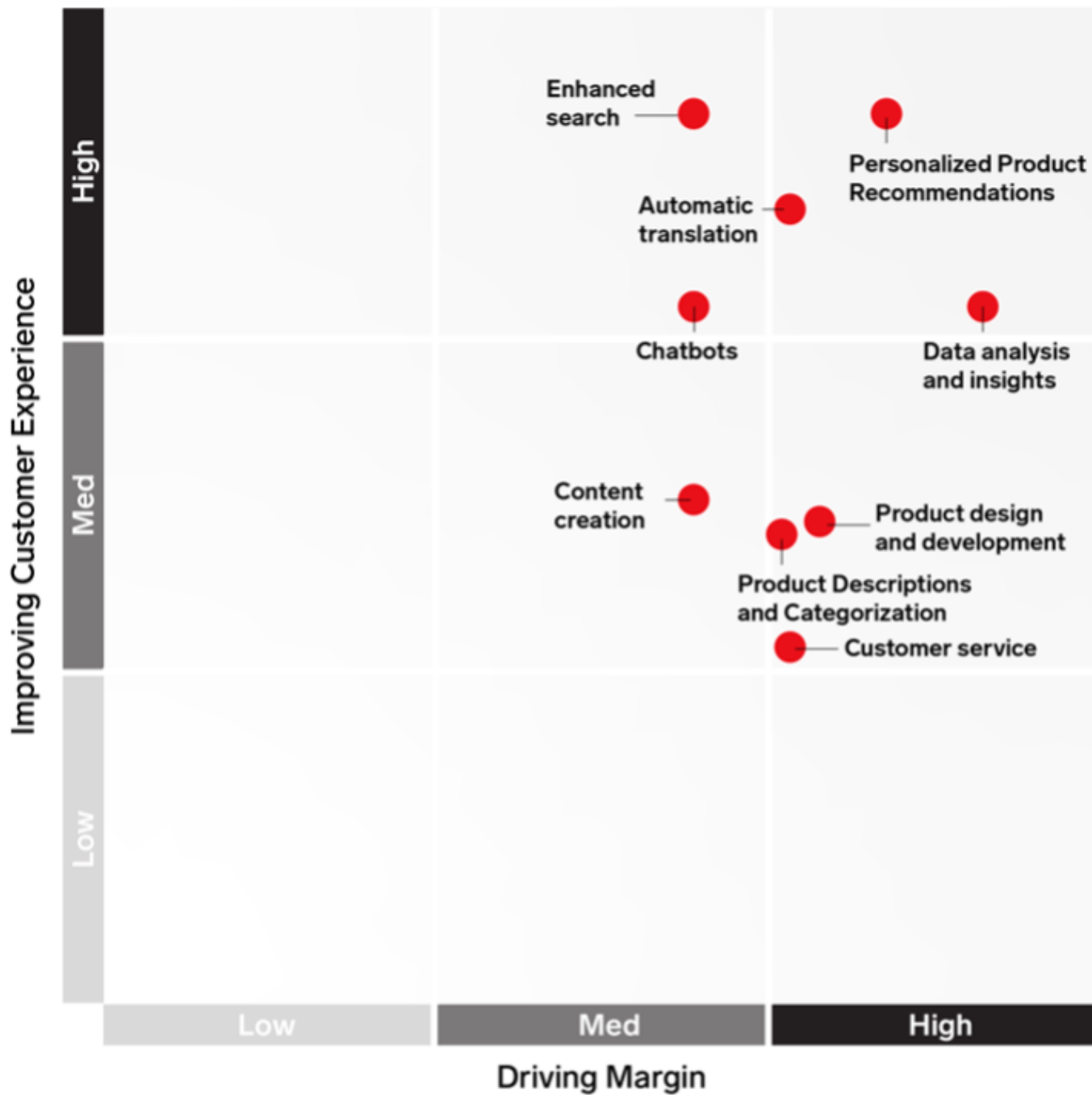
Amazon is also eyeing opportunities in B2B ecommerce, expanding Amazon Business into new markets in Europe and elsewhere.

US B2B ecommerce site sales will total \$1.857 trillion this year, breaking \$2 trillion in 2024, according to our forecast. Amazon currently has 2.3% of total US B2B ecommerce site sales, but it could easily use its B2C strength to increase that, especially as there's no one key player in B2B ecommerce at the moment.

5. Amazon has big plans for generative AI

Business Cases for Use of Generative AI in Retail

3-year potential



Source: Insider Intelligence, 2023

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In February, CEO Andy Jassy said Amazon had been **working on generative AI models** similar to ChatGPT for a long time. Then in May, **leaked documents** showed the company was planning to revamp Alexa with more ChatGPT-like features, while at the same time, **job postings** suggested Amazon would also incorporate generative AI into its search feature.

Retailers from **Walmart** to **Levi's** have begun experimenting with the technology, using it in both internal and external functions including **product recommendations**, **search**, and **generating product descriptions**.

If Amazon can find an easy way to bundle all of these capabilities into one service for merchants, it would gain even more of an edge over retail competitors.

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