Amazon hopes to increase checkout dominance via Buy with Prime expansion

Article



The news: Amazon made its checkout solution, Buy with Prime, widely available to US merchants and introduced a reviews feature, per a press release.

Here's how it works: Buy with Prime—which has been available since April 2022 by appointment only—lets sellers offer Prime checkout for their customers directly on their websites instead of linking to Amazon.

The other feature, Reviews from Amazon, lets sellers using Buy with Prime display customer ratings and reviews on their websites for free.

Why this matters: Buy with Prime lets Amazon capitalize on purchases made off its core platform and tighten merchant loyalty.

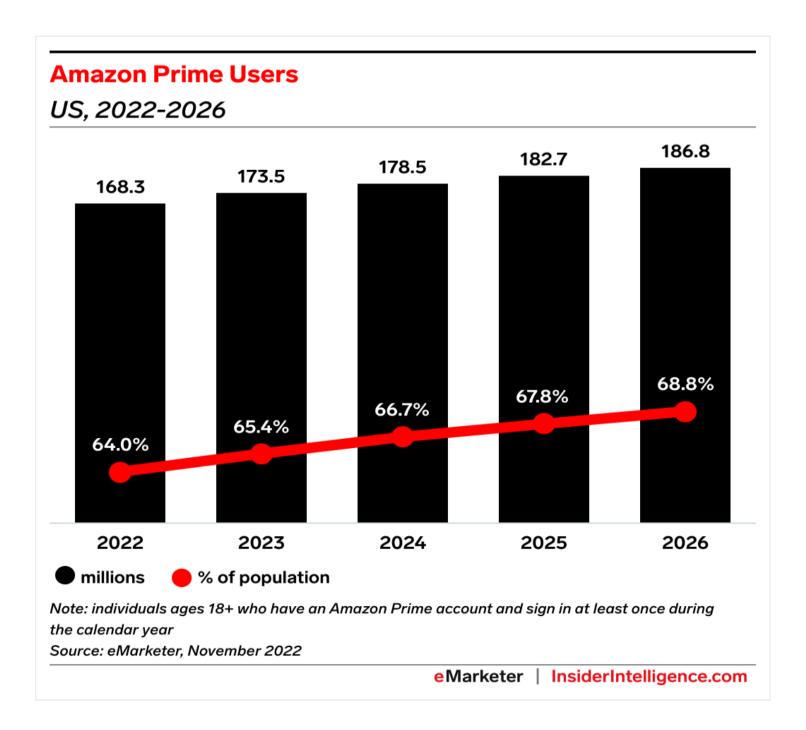
- Making the offering widely available means Amazon can sweep in more volume. Buy with Prime helps Amazon cast a wider sales net—so it can earn revenues for purchases made beyond its website or app. The solution also helps Amazon boost engagement with customers, which may encourage repeat purchasing and increase sales. Amazon's US sales volume is expected to reach \$450.72 billion in 2023, per Insider Intelligence forecasts.
- **Expanding accessibility can help make Amazon more competitive.** Buy with Prime competes with **Shopify's Shop Pay**. Making the solution widely available can encourage more customers to adopt Prime. The number of US Prime users is expected to hit 173.5 million this year, or **65.4% of the population**, according to our forecasts.
- Buy with Prime can boost Amazon's value proposition to merchants. Conversions increase an average of 25% for merchants that Buy with Prime compared with those that don't offer it, according to Amazon. Buy with Prime addresses sellers' need for interoperable solutions and highlights growing marketplace adoption. Bringing Amazon's successful Prime button to their websites means merchants can expect higher sales revenues—making them more likely to stick with the etailer.

The bigger picture: Buy with Prime highlights Amazon's growing push into the global payments space—which is expected to hit **\$3 trillion in revenues by 2026**, up from \$2.1 trillion in 2021, according to McKinsey.

- The company is <u>expanding</u> Amazon Just Walk Out, its cashierless checkout offering, to more retail spaces.
- It's also <u>brought</u> its hand-scan checkout solution, **Amazon One**, to more proprietary retail locations, including several **Whole Foods** stores.
- And Amazon partnered with Affirm to bring buy now, pay later (BNPL) to <u>US</u> and <u>Canadian</u> customers.



Related content: <u>Check out</u> what our Retail & Ecommerce analysts have to say about Buy with Prime's expansion.



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