

Retailers bet on dedicated sales days to revitalize consumer demand

Article

The trend: As ecommerce sales begin to soften, retailers in the US and China are leaning on shopping events to spur consumer spending.

- **Amazon** may host an [additional Prime Day](#) this year to mitigate the effects of excess warehouse and logistics capacity.
- **Alibaba, JD.com, and Pinduoduo** are some of the Chinese platforms looking to 618, the country's second-largest shopping event, to revitalize growth amid sluggish demand.
- **Walmart** is using [members-only shopping events](#) to boost Walmart+ subscriber numbers and take share from Amazon.

The benefits: These events don't just generate sales for retailers; they're also an opportunity to gain market share and convert shoppers into subscribers.

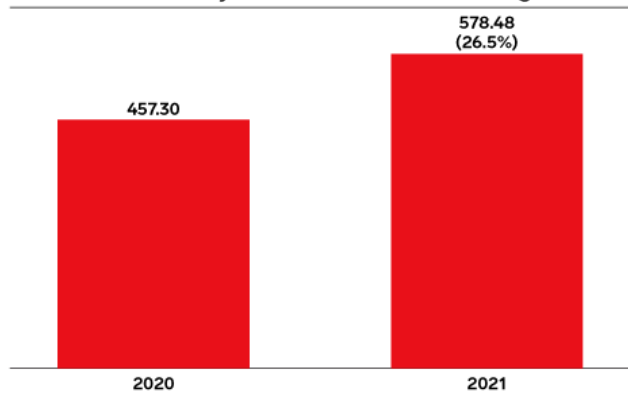
- Last year, **2% of US Prime Day shoppers signed up for Amazon Prime** during the event, per Numerator.
- Over one-fourth (26%) of Walmart+ subscribers cited special savings events as a reason for joining the program, Numerator found.

A much-needed boost: Ecommerce retailers in China are looking to 618 promotions to rejuvenate consumer spending after months of declining retail sales.

- Both JD.com and Alibaba [reported](#) their slowest quarterly growth on record in Q1 as China's zero-COVID policy contributed to depressed consumer sentiment.
- Both platforms are encouraging brands to offer extensive promotions, while JD.com is touting "newcomer rights" and coupons to incentivize first-time buyers and inspire shoppers to spend more.
- With China showing no sign of loosening its strict zero-COVID stance, Chinese shoppers will likely continue to rely on ecommerce platforms to deliver everything from groceries to apparel—but convincing them to spend on bigger-ticket items like electronics will be difficult as consumers remain cautious.

618 Shopping Festival* B2C Ecommerce Sales in China, 2020 & 2021

billions of Chinese yuan renminbi and % change



Note: *June 1-June 18, 2021
Source: Syntun, "Interpreting data from 618 Ecommerce Sales Data"; Insider Intelligence calculations, June 21, 2021

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Amazon's competitors sense an opportunity: Dedicated sales days only work if customers feel like they're taking advantage of an offer they can't get elsewhere.

- With retailers like **Target**, **Abercrombie & Fitch**, and **Big Lots** offering steep markdowns on their excess inventory, customers may feel less inclined to wait for Prime Day or other big sales events.
- Target, for instance, is looking to quickly get rid of bulky items like furniture and consumer electronics—two categories that typically perform well on Prime Day—so it can make room for groceries, back-to-school products, and household essentials.

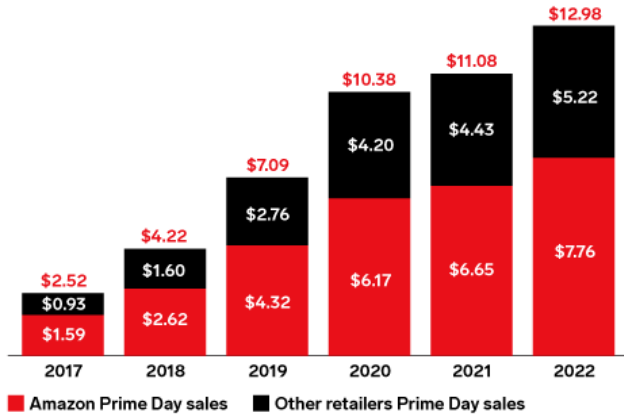
The big takeaway: Retailers' ability to take sales away from Amazon depends partly upon their ability to make shoppers aware such deals are available.

- Without a dedicated event to market against, it's much harder to drive sales at anywhere close to the scale of a Walmart+ Weekend or Prime Day.
- That said, the mere existence of a shopping event doesn't guarantee shoppers will respond: **Only 33% of the people who shopped on Walmart+ Weekend knew about it beforehand**, per Numerator. By contrast, 94% of Prime Day shoppers in 2021 knew about the event in advance.
- Most retailers are probably better off leveraging Prime Day for their own benefit by offering competing sales. We expect competitors to generate **\$5.22 billion** in sales this Prime Day—up 17.8% year-over-year (YoY).

Go further: For more on what brands and retailers can do to prepare for Amazon Prime Day, read our latest report [here](#).

**US Amazon Prime Day Retail Ecommerce Sales,
Amazon vs. Other Retailers, 2017-2022**

billions



Source: eMarketer, May 2022

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