

# Amazon Prime Day's solid start shows shoppers can't resist a good deal

Article

**The news:** Amazon Prime Day is off to a solid start.

- Average order size as of 4pm EDT was \$56.26, up from \$52.22 during the same period last year, per Numerator.

- More than half—52%—of households have already placed at least two orders, while over one-third (36%) have spent over \$100.

**The big picture:** We expect US Prime Day sales to reach **\$8.03 billion** this year, up 10.0% compared with 2022. That's despite fierce competition from **Target, Walmart, Best Buy, Nordstrom**, and a host of other retailers all looking to get a slice of a highly lucrative pie.

- As a result, Amazon's share of Prime Day sales is shrinking; **our forecast** puts it at 59.6%, down from 60.9% in 2019.
- Walmart and Target are among the biggest beneficiaries as inflation drives shoppers to look for deals on everyday items like groceries and other household essentials. Forty-four percent of shoppers plan to shop Target Circle Week in addition to Prime Day, while 33% are considering deals from Walmart+, per Numerator.
- As of this afternoon, the list of top-selling items on Prime Day was divided between household necessities like batteries and pricey electronics like the Apple Watch—a sign that consumers see the event as an opportunity to stock up just as well as splurge.

**A different approach:** While in previous years Amazon emphasized tech deals, its messaging shifted this year in response to changes in consumer spending patterns.

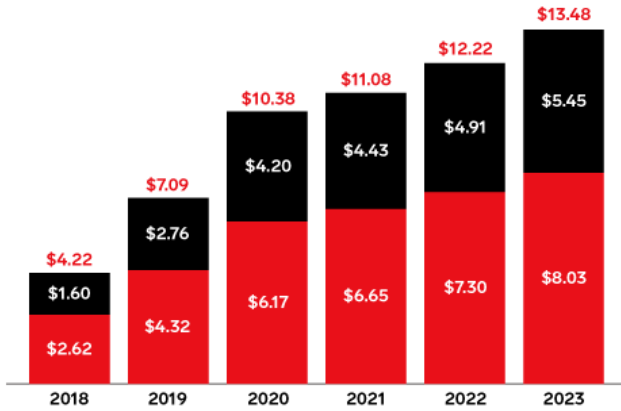
- For example, the retailer is offering some discounts that can only be redeemed in-store to capitalize on shopper affinity for brick-and-mortar retail and drive traffic to its various store concepts, including Amazon Style and Amazon Go.
- Amazon is also trying to give its grocery business a boost. Shoppers who visit an Amazon Fresh store during Prime Day will receive 25% off their purchases, while those who order from Amazon Fresh online get \$20 off purchases of \$100 or more.
- And in a Prime Day first, Amazon teamed up with **Priceline** to offer exclusive travel discounts to take advantage of **strong travel demand**.

**Looking ahead:** Given the economic pressures on consumers, ranging from inflation to student loan payments to the end of emergency SNAP benefits, it's unsurprising that many are using Prime Day sales as an opportunity to stock up on essentials.

- That cost-conscious behavior is likely to carry over into upcoming back-to-school and holiday sales, as well as the next Prime Day, which is expected to take place sometime in Q4.

## US Amazon Prime Day Retail Ecommerce Sales, Amazon vs. Other Retailers, 2018-2023

billions



■ Amazon Prime Day sales\*

■ Other retailers' ecommerce sales during Amazon Prime Day\*\*

Note: excludes travel and event tickets; \*represents the gross value of products or services sold on amazon.com (browser or app) during the Amazon Prime Day sales event, regardless of the method of payment or fulfillment; excludes Amazon Web Services (AWS) sales, advertising services, and credit card agreements; includes direct and marketplace sales; excludes Amazon Business sales; \*\*includes products or services ordered using the internet during the Amazon Prime Day sales event across all retailers, regardless of the method of payment or fulfillment

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