

More Retailers Are Shifting Their Sales to Amazon Marketplace

ARTICLE

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Online retail sales — [outside of the top 10 companies analyzed](#) — will see a decline in ecommerce sales growth, by roughly 3.8% this year, according to a new eMarketer forecast.

But, those sales aren't lost; they're just shifting.

Indeed, many of these retailers — particularly small- and medium-sized businesses — are beginning to sell their products on Amazon Marketplace. Sales will grow 35.6% in 2018, and overall, its share of US ecommerce will increase to 31.3% from 26.7% in 2017.

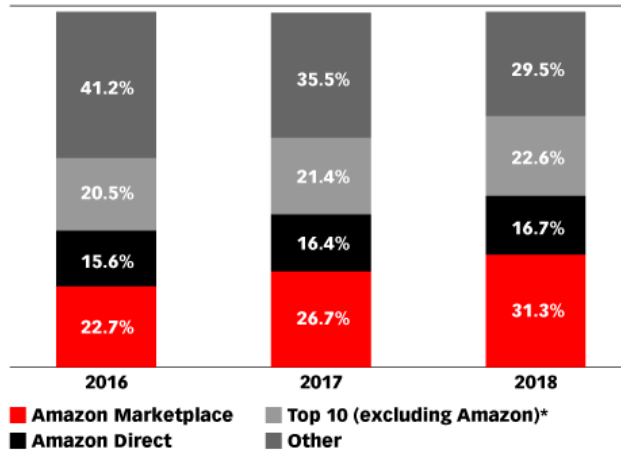
The Marketplace is becoming an attractive platform for online retailers as it enables them to reach an array of shoppers, while utilizing Amazon's shipping and fulfillment capabilities. We estimate that more than half of US households in 2019 will have a Prime subscription.

"Consumers who were once going directly to the retailer's site to make a purchase, are now finding that they can make these same purchases on Amazon," said eMarketer forecasting analyst Cindy Liu.

"And with fast — and sometimes free — shipping, it's not surprising that more of these sales are happening on Amazon," she said.

Amazon Share of US Retail Ecommerce Sales, Direct vs. Marketplace, 2016-2018

% of total retail ecommerce sales



Note: *includes eBay, Walmart, Apple, The Home Depot, Best Buy, Macy's, Qurate Retail Group, Costco Wholesale and Wayfair
Source: eMarketer, Nov 2018

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Studies have shown that digital buyers like marketplaces for competitive pricing and free shipping. Additionally, repeat buyers favor marketplaces over online retailers.

As for brand marketers—according to a Q2 2018 survey by the CMO Council and eBay—half are concerned most with conflict or cannibalization of traditional retail channels due to consumers' growing preference for online marketplaces. But that also leaves the other half that aren't concerned with the competition. Additionally, 56% of brand marketers worldwide thought online marketplaces were reinventing and revolutionizing global retail.