

Target and Walmart plan competing June sales events during Amazon's Prime Day

Article



Shortly after Amazon <u>confirmed</u> Prime Day for June 21 and 22, both retailers announced their own coinciding sales events.





Here's what you need to know:

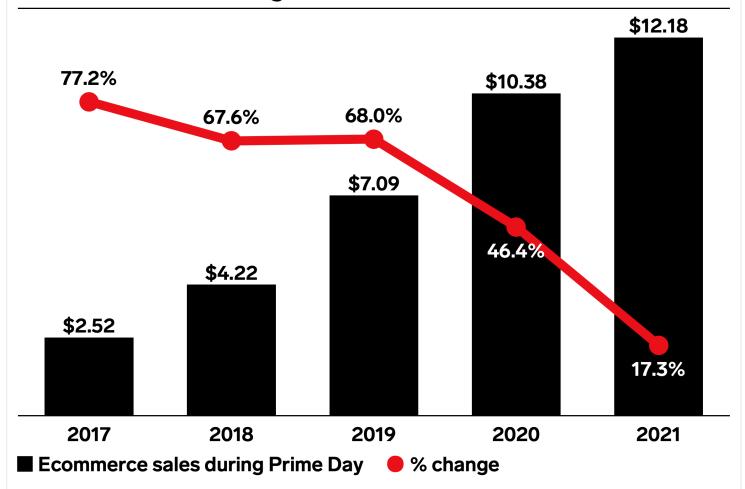
- Target's Deal Days will <u>take place</u> from June 20 to June 22. The digital sales event will feature discounts on electronics, home essentials, beauty items, toys, and—for the first time—food and beverages. All Deal Days purchases will be eligible for same-day delivery, as well as curbside and in-store pickup, and unlike Prime Day, Target's event doesn't require a membership. These tactics can attract a wider set of customers to help boost Target's sales volume.
- Walmart is holding Deals for Days from June 20 to June 23. The retail giant is hosting an omnichannel sales event, with some deals available either online or in-store and others available for both. Customers will be able to access promotions in categories like electronics, toys, and beauty from Walmart and its marketplace sellers. Walmart's omnichannel approach can help it net more overall sales than it would if it just relied on its online platform.

Target and Walmart's strategy to counter Prime Day isn't new, but it does point to heating competition. Last year, both retailers introduced events coinciding with Prime Day—which, as a result of the pandemic, was postponed from its typical July dates to October. These moves were likely meant to capture some market share from Amazon, whose 38.9% share made it the leader of the US ecommerce market in 2020, per eMarketer estimates from Insider Intelligence. In spite of the rival events, Amazon still managed to net \$6.17 billion in sales during Prime Day, according to our forecasts. Walmart and Target didn't release results on their respective events—though Target did say that its Deal Days sales more than doubled compared with 2019. But both retailers more than likely benefited from the pandemic-driven surge in online shopping on Prime Day, which saw \$4.21 billion in non-Amazon ecommerce sales, per our estimates.

Beyond coordinated sales events, all three retailers have enhanced their offerings to compete more aggressively. In the past year, Amazon has expanded its delivery efforts to get orders to customers faster and more efficiently: For instance, it recently bought up malls across the US, which it might use to improve distribution down the line. Meanwhile, Target and Walmart made moves that can pull in more customers and boost sales volume: Target jumped on the buy now, pay later (BNPL) trend by signing a three-year agreement with Sezzle to give customers access to a BNPL solution online and in stores. And as more consumers begin returning to stores, Walmart decided to expand its store hours and ease some COVID-19 restrictions. These measures can help Amazon, Target, and Walmart better compete for market share as US retail bounces back from the pandemic.

US Ecommerce Sales During Prime Day

billions and % change



Note: 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 fullfillment; exlcudes travel and event tickets. The Amazon Prime Day sales event may occur on a different day each year and the duration may vary.

Source: eMarketer, May 2021

Methodology: Estimates are based on the analysis of survey and traffic data from other research firms, historical consumer adoption trends, and demographic adoption trends.

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