

What to expect during Amazon's Prime Day sale

Article



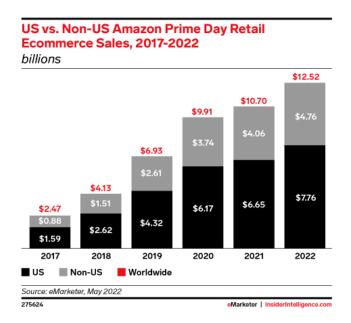
The news: We expect Amazon's Prime Day sales event this week will generate \$12.52 billion in worldwide revenues this year, a year-over-year (YoY) gain of 17.0%, per our new forecast.

- That growth is a far cry from the massive 67.8% YoY the retailer generated in 2019 and the 43.0% YoY from 2020 (when the event was held in October).
- But despite <u>economic headwinds</u> that have throttled <u>consumer spending</u>, the projected growth rate is a 9-percentage-point gain from last year's June event.





• That may be because a significant share of third-party merchants (39%) plan to increase their discounting this year, <u>per</u> a Bobsled Marketing survey. Another 39% plan to maintain the same rate as last year.



An established event: Given the frequency with which consumers shop Amazon, the retailer has an easier time than other merchants promoting its sale. Nearly half, 49%, of Amazon shoppers with knowledge of the sale learned of the event while on Amazon.com or the retailer's mobile app. Another 28% found out through a TV commercial, and 27% learned from social media, per Numerator.

- Forty-seven percent of internet users plan to make a purchase on Prime Day, per GWI.
- Now that the event is so familiar, Amazon has pivoted from spending on flashy star-studded concerts featuring stars like Ariana Grande and Lady Gaga to building buzz via <u>influencer</u> <u>marketing</u>.

Wever heard of Amazon Prime Day 7% Plan to purchase something on Amazon Prime day 46% Note: ages 16-64 Source: GWI, June 7, 2022 Marketer | InsiderIntelligence.com

The halo effect: Prime Day typically creates a halo effect as it drives consumers to shop online—both on Amazon and at other retailers, many of which offer their own sales events.

- We expect other merchants' online sales to jump 17.8% YoY to \$5.22 billion during the two-day event. That would be 61.1% higher than the average ecommerce shopping day.
- One retailer that won't be countering Prime Day is Walmart, a company spokesperson told CNBC. The retailer already hosted Walmart+ Weekend, its own Prime Day-like event for Walmart+ members, from June 2-5. And because it has excess inventory, much of its merchandise is already on sale.
- But Walmart's event lagged in awareness compared with Prime Day: **Only 33% of Walmart+ Weekend shoppers knew of the event before shopping**, compared with 94% of Prime Day 2021 shoppers, per Numerator.

The big takeaway: While it may not have the luster it once did, Prime Day remains a massive sales event that will deliver solid third-quarter growth for Amazon and the many merchants that sell on its platform.

"Consumer spending remains solid, despite inflation," said **Andrew Lipsman**, eMarketer principal analyst at Insider Intelligence. "We expect inflation will actually drive more deal-seeking behavior and generate a bit more excitement about the event this year, which will also benefit from better timing than last year."



Go further: Read our Prime Day report here.

