

Amazon pushes vendors to stop selling on Temu

Article



The strategy: Amazon is offering incentives such as free advertising and lower commissions to China-based third-party merchants that agree to stop selling on **Temu**, per The Information.

- Amazon has also begun removing Buy Now buttons from product listings when it finds the same items listed on Temu at lower prices, a policy that it previously applied to listings on other platforms such as Walmart.
- The policy appears to have pushed Anker Innovations, which had had its products listed on Temu at much lower prices than on Amazon, to close its US Temu storefront. Since half of



Anker's annual revenues come from Amazon, the decision was likely driven by the company's desire to stay in Amazon's good graces.

Why it matters: Amazon isn't taking Temu's rapid growth and the significant threat it poses to its business lightly.

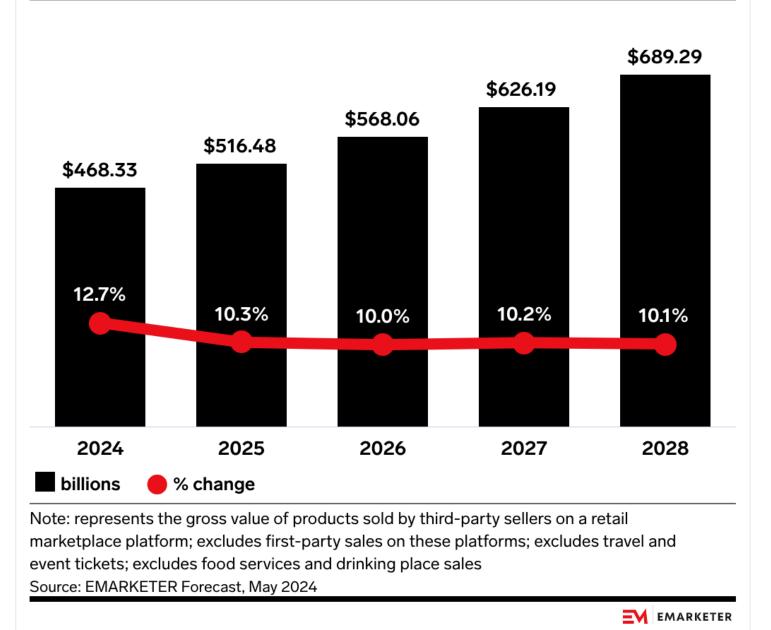
- Amazon late last year launched its own <u>low-cost marketplace</u>, Haul, where products retail for \$20 or less.
- It also cut its commissions in some key categories.
- At the same time, Amazon is on a relentless push to lean into its Prime advantage—fast delivery times—to keep shoppers clicking the buy button.

Our take: Amazon's efforts have already driven one prominent player off Temu, and it will continue to push back until it feels the Temu threat is neutralized.



Retail Marketplace Ecommerce Sales

US, 2024-2028



This article is part of EMARKETER's client-only subscription Briefings—daily newsletters authored by industry analysts who are experts in marketing, advertising, media, and tech trends. To help you finish 2024 strong, and start 2025 off on the right foot, articles like this one—delivering the latest news and insights—are completely free through January 31, 2025. If you want to learn how to get insights like these delivered to your inbox every day, and get access to our data-driven forecasts, reports, and industry benchmarks, <u>schedule a demo with</u> <u>our sales team</u>.

