

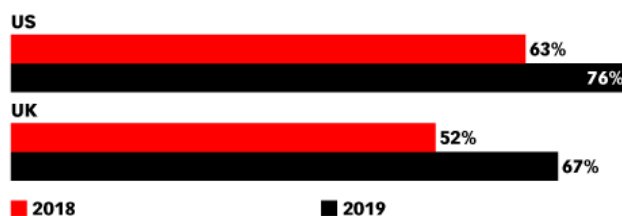
Three Predictions for Prime Day 2019

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eMarketer Editors

With Prime Day now in its fifth year, many Prime members have been conditioned to anticipate and prepare for the event. According to a Profitero survey, 76% of Amazon Prime members in the US expect to shop Prime Day, a big jump from the 63% who shopped last year. In addition, 56% of Prime members who purchased on Prime Day last year expect to spend more this year. And participation in Prime Day among UK Prime members is expected to climb from 52% in 2018 to 67% this year.

UK and US Amazon Prime Members Who Shopped on Amazon During Prime Day in 2018 vs. Plan to in 2019 % of respondents



Source: Profitero, "2019 Prime Day Predictions," June 25, 2019

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As we look back at Prime Day 2018 and examine how Amazon's business and the competitive landscape have evolved, here are our three predictions for Prime Day 2019.

Amazon brick-and-mortar promotions will get more aggressive.

This time last year, Amazon's brick-and-mortar footprint was Whole Foods Market and Amazon Books. Since then, the company has begun rolling out Amazon Go and Amazon 4-star locations to give it a more comprehensive brick-and-mortar portfolio. Expect the company to emphasize these offerings—especially Amazon Go, which is expected to open 3,000 locations over the next few years—in hopes of creating awareness and introducing these new concepts to the broader public. At the same time, Whole Foods discounts will also be heavily promoted, given its substantial store footprint that currently reaches a much wider proportion of Prime members.

Amazon will emphasize brand exclusives at the expense of private labels.

Amazon's aggressive approach to private-label offerings has taken a backseat to Amazon Exclusives, and there are a few reasons why they're likely to grab the spotlight on Prime Day. First, as better-known brands, they come with a perception of higher quality that combats Prime Day's image of excess inventory. Second, with Amazon's private-label strategy under increasing scrutiny amid growing antitrust concerns, it makes strategic sense not to raise the hackles of regulators.

Amazon will use its 'prime' real estate for something other than products.

Amazon has traditionally used the highly valuable content real estate on its website and app to promote the day's best product deals. While that won't change, Amazon will treat the homepage more like a media vehicle, one capable of reaching tens of millions of users in a concentrated period of time. Just like broadcast networks carve out time when hosting the Super Bowl to promote their own shows, expect Amazon to do more of that than it has done in the past—particularly with high-profile original TV shows like "Carnival Row," starring Orlando Bloom and Cara Delevingne, set to debut this summer.