

Prime Day is a chance for Amazon to flex its advertising power

Article

The news: Amazon Prime Day is here, kicking off a two-day event that isn't just an anchor for Amazon's ecommerce sales, but also for its growing advertising business.

Sales look strong: Prime membership sign-ups may be [slowing down](#) thanks to Amazon's hefty market penetration, but there's no slowing down Prime Day itself.

- Amazon's global Prime Day sales will reach **\$12.52 billion**, a 17% jump from last year. Over 60% of that will come from the US, where sales will total **\$7.76 billion**.
- Competing retailers on Amazon's service will also enjoy a growing share of overall US Prime Day sales, growing from **\$4.43 billion** last year to **\$5.22 billion**.
- Amazon will still lead sales overall, but competitors' increased share of revenues comes after watchdog groups and regulators spent months pressuring Amazon to change its search features, which heavily promoted Amazon's own products.

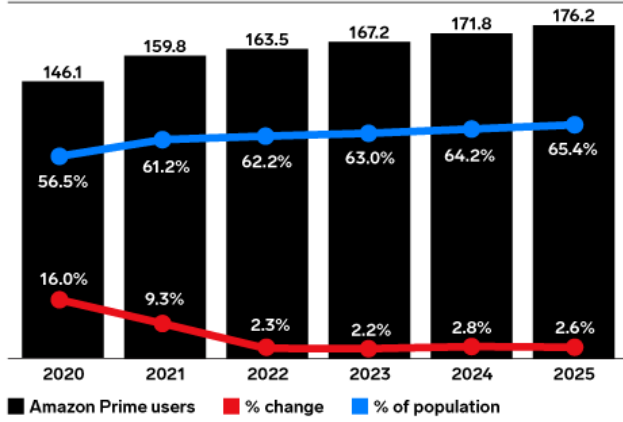
The advertising angle: Over two-thirds of all US households subscribe to Prime, and every search, click, and purchase those tens of millions of users make will pump heaps of personalized data into Amazon's ad ecosystem.

- Whether you searched for a specific brand or a generic product category, products with a certain rating or price range, or left items in your cart rather than buying them, Amazon Ads tracks nearly every action taken on its platform and uses it to organize customers into a number of incredibly specific groups.
- Those identifiers can pinpoint traits as specific as celebrities you might like, or overlapping interests like "gardening" and "video games"—the sort of highly personalized data that advertisers large and small are clinging onto after Apple's privacy changes and the deprecation of third party cookies.
- That coveted data has helped turn Amazon into an advertising titan. The company reported **\$31 billion in ad revenue** last year, and ate up **14% of online ad spending**.

The takeaway: This Prime Day is an especially valuable opportunity for Amazon to fill the personalized data void left by sweeping privacy changes and will further tighten its hold on both ecommerce and advertising.

US Amazon Prime Users, 2020-2025

millions, % change, and % of population



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