

Amazon makes an all-out push to drive growth

Article



The strategy: After [missing sales expectations in Q2](#), Amazon is taking a multipronged approach to drive growth.

- The retail giant partnered with **TikTok** and **Pinterest** to enable shoppers to buy items from Amazon advertisements without leaving the social media apps.
- It is testing a new rapid-delivery service featuring a convoy of **Kia Souls** to reduce its reliance on its Amazon Flex gig economy service, per Bloomberg.

- It is aggressively courting Chinese sellers by [featuring inexpensive items on a dedicated section of its homepage](#)—an attempt to combat the growing influence of **Temu** and **Shein**, per Nikkei Asia.

Simple and convenient: Amazon’s social commerce and rapid-delivery initiatives are centered on simplicity and convenience, which are central to the company’s value proposition.

- The partnerships with TikTok and Pinterest (and similar deals it previously struck with **Meta** and **Snap**) make it easy to click and buy. While consumers who clicked on an Amazon ad were previously redirected to Amazon’s website, they can now link their accounts to their Amazon profiles and check out within the apps using the payment and shipping information they’ve stored with Amazon.
- The social platforms also enable Amazon to tap into the fast-growing social commerce space. While Amazon’s retail ecommerce sales are growing at a healthy clip—[we expect](#) US retail ecommerce sales on Amazon to rise 10.4% this year—that’s less than half as fast as US social commerce sales, which [we expect](#) to grow 23.5% this year.
- At the same time, Amazon is on a relentless push to speed up fulfillment, which is where the new rapid-delivery service fits in. The Kia Soul drivers deliver packages from “sub-same day” facilities that are located closer to urban centers than its massive fulfillment centers to get items to shoppers quickly. The faster Amazon delivers items, the more order frequency grows by giving consumers the reassurance that the necessities they need will arrive very shortly.

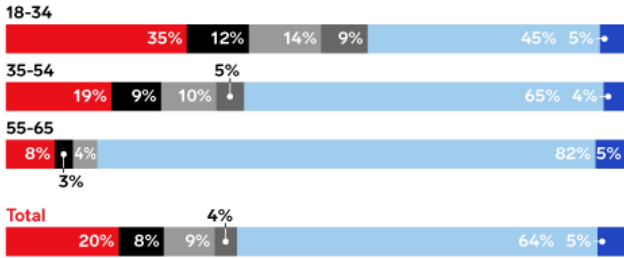
Price matters: Another key element within Amazon’s value proposition is price. Accordingly, the company aims to build a pipeline for low-cost goods shipped directly from warehouses in China.

- It has used live events and online seminars to support sellers looking to enter the global market via Amazon.
- It also sought to provide assistance to potential sellers by opening offices in Wuhan and Zhengzhou.

The big takeaway: Rather than throw spaghetti at the wall to see what sticks, Amazon is strategically zeroing in on key initiatives in line with its overall strategy. That should put it in a strong position to bounce back after a disappointing (although still solid) Q2.

US Adults Who Have Made a Purchase via Shoppable Commerce, June 2024

% of respondents, by age



- Yes, through a social media platform (e.g., Instagram, TikTok, YouTube)
- Yes, on a retail website (e.g., a livestream on a shopping website)
- Yes, through a connected TV platform (e.g., Amazon Prime Video, Peacock, The Roku Channel)
- Yes, through a news media website (e.g., Wirecutter, BuzzFeed, Tasty)
- Yes, through other forms of shoppable media
- No, I have not made a purchase through shoppable media in the past year
- Don't know

Note: in the past year; numbers may not add up to 100% due to rounding; includes instant shopping through links in livestreams, social media and videos or scanning a QR code on TV; excludes cases where items can't be added to a cart; purchases can occur on the content platform, retailer's site, or third-party services like PayPal

Source: "EMARKETER Ecommerce Survey" conducted in June 2024 by Bizrate Insights, June 27, 2024

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