

RETAIL

Prime Day proves fruitful for both Amazon and competitors

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As Prime Day reigns successful every year, Amazon's competitors pay close attention and hope to implement rival sales events. Image credit: Placer.ai

By KATIE TAMOLA

Ecommerce giant Amazon will host its annual Prime Day event on July 13 and 14, sparking consumer interest and competitor movement.

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The yearly event is always anticipated by shoppers and challengers alike, as Amazon often keeps specific deals and event dates under wraps until the set plans near. Placer.ai released a new [study](#) finding that the event not only bodes well for the ecommerce giant but also lights a fire under its competitors as well.

For its latest whitepaper, Placer.ai observed overall weekly visits to 20 Amazon warehouses throughout the U.S., all of which have been in operation since 2017.

Gearing up for Prime

Amazon's Prime Day, which was introduced in 2015, marks a sales event exclusively for Prime members. The 48-hour event promotes savings on thousands of items across all product categories from both small businesses to well-known brands ([see story](#)).

The event has evolved since its inception, garnering increased attention year after year.



In 2020, foot traffic to the 20 Amazon warehouses the week of Oct. 12 was 25.9 percent higher than the 2020 year-to-date weekly average. Image credit: Placer.ai

For the past five years, weekly warehouse foot traffic during the week of Prime Day was significantly higher than its weekly year-to-date average.

Ostensibly, consumers excitedly gauge the deals and add to their carts.

In 2020, foot traffic to the 20 Amazon warehouses the week of Oct. 12 was 25.9 percent higher than the 2020 year-to-date weekly average. In 2021, Prime Day increased weekly foot traffic at Amazon warehouses by 14.0 percent, compared to the year-to-date weekly average.

Although the 2021 Prime Day increase in foot traffic was the smallest increase in the past five years, analysts do not believe this is cause for alarm or a sign that the event's popularity is decreasing. The smallest increase most likely reflected consumers' overall boosted online demand in 2021 due to the COVID-19 pandemic.

As the event remains successful **Forbes** reported that 2020 Prime Day sales came in at about \$10.4 billion Amazon's competitors pay close attention and hope to implement rival sales events.

Somehow the competition seems to work for all parties involved.

In 2020 and 2021, during the week of Prime Day, visits increased by 0.6 percent at Walmart, 4.4 percent at Best Buy and 1 percent at Target compared to the previous five week's average.

Although affluents are typically not immensely invested in sales events, Prime Day is an enjoyable event that could surprise wealthy consumers by showing them deals on items from vacuums to homeware that they did not know they needed.

What about luxury?

Despite the fact that affluents may not be the core demographic for Prime Day, Amazon has still worked over the years to expand its luxury offerings and partnerships.

Amazon Luxury Stores debuted on Sept. 15, 2020, with fashion label Oscar de la Renta as its launch partner. More than 40 fashion, footwear, leather goods and beauty brands now retail on Luxury Stores as Amazon looks to engage affluent consumers in an increasingly competitive ecommerce atmosphere.



Amazon Luxury Stores now hosts more than 40 brands. Image courtesy of Amazon Luxury Stores

Through Luxury Stores, Amazon gives participating brands the option to independently manage their own inventory,

selection and pricing. In return, the ecommerce platform provides brands with merchandising technology to personalize content and engage consumers with features such as "View in 360," auto-play imagery and in-motion graphics ([see story](#)).

The ecommerce giant is going to great lengths in efforts to remove counterfeit products from its platform.

Last month, French jeweler Cartier and ecommerce giant Amazon jointly filed two lawsuits against a social media influencer and eight other businesses over counterfeiting allegations.

Cartier and Amazon allege the defendants advertised, promoted and facilitated the sale of counterfeit luxury goods through Instagram and other sites, infringing on Cartier's trademarks and violating Amazon's policies. The lawsuits were filed in the U.S. District Court for the Western District of Washington and claim the defendants conspired with one another to sell counterfeit products and publish false advertising ([see story](#)).

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