

# Amazon's losing its pricing advantage this holiday season

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online shopping

BY DATAWEAVE

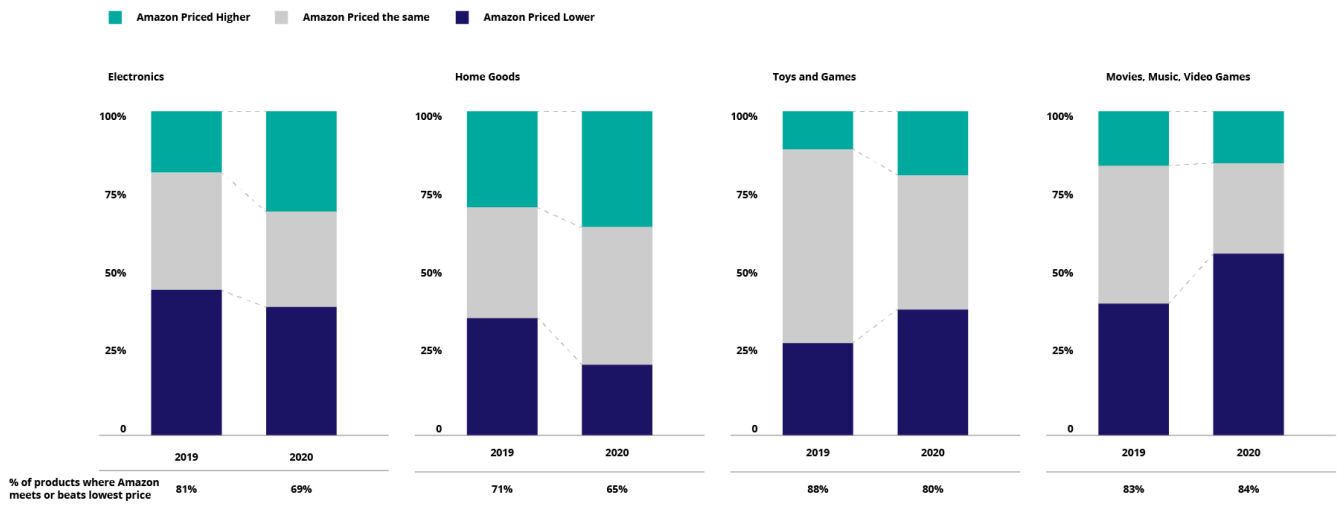
Amazon's pricing advantage has declined in key categories, compared to last year as we enter 2020's holiday season.

The holidays are here and the retail industry is gearing up for the yearly stampede. In a [report](#) published by Bain & Company, in partnership with DataWeave, it was observed that, "When it comes to pricing, Amazon's historical advantage is also deteriorating. The research shows that in October and November 2019, Amazon matched or beat competitors' prices 81% of the time in the categories studied. By November of 2020, that rate dropped to 74%". This was based on the four key categories where we had pricing data for Amazon and at least one other competitor.

## Amazon's pricing advantage has declined in key categories



## Amazon's product prices vs. competitors



Notes: Includes select SKUs only; Electronics product prices compared in October 2019 and Nov 2020; sporting goods and outdoors product prices compared in November 2019 and 2020; movies, music and video games product prices compared in November 2019 and 2020; home goods prices compared in November 2019 and 2020 Sources: DataWeave; Bain analysis

Aggressive pricing, which was once Amazon's forte, seems to be on a downward trend this year. All but one category saw an increase in the percentage of products where they beat the lowest price, 'movies, music, video games' – by a small margin of one percentage point.

What could this shift be attributed to? The obvious would be the repercussions of COVID but there perhaps is more at work here. As observed last year, the behemoth that Amazon is, does not deter its competitors from constantly biting at the heels, with a steely determination to rope in market share. Everything from increased and specific customer demands, to government legislation, there are a lot of moving parts.

One thing is for sure, this is surely just the beginning of the great e-commerce battle. For access to the full article that was published in the Retail Holiday Newsletter by Bain & Company and powered by DataWeave, click [here](#).

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