

U.S. Prime Day Deals 2022: Promotion Intelligence First Look

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BY JEEVANANTHAM

As inflation hits another 40-year high at 9.1 percent, U.S. consumers geared up for their first sign of hope and relief in the form of anticipated discount buys – 2022 Amazon Prime Days, or so we thought. While Prime Days have grown to become a promotional period almost as important as Black Friday to digital shoppers, the combination of economic uncertainty, inflationary pressures, and supply chain challenges seemed to alter the discount strategy expected given activity seen during **2021 Prime Days**.

Our analyst team has been hard at work aiming to provide a ‘first look’ at 2022 Prime Day **Promotional Insights**, tracking discounts offered across 46,000+ SKUs within key categories like Electronics, Clothing, Health & Beauty and Home, on seven major retailer websites – Amazon, Target, Best Buy, Sephora, Ulta, Lowe’s and Home Depot. Our analysis compares prices seen during Amazon Prime Day 2022 on July 12th, to pre-Prime Day maximum value prices seen in the ten days leading up to Prime Days, to determine the average change in discounts offered during the promotional period. Below is a summary of our findings.

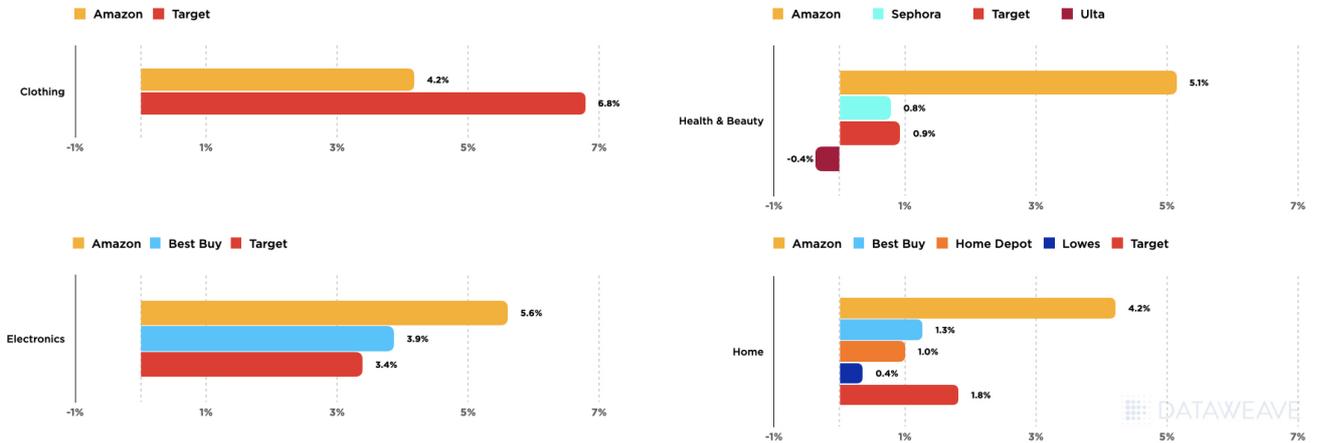
Competitive Promotions Give Amazon a Run for their Money

Amazon offered the greatest average discount enhancements for Electronics at 5.6 percent followed by Health & Beauty items at 5.1 percent, and Home products at 4.2 percent versus pre-Prime Day discounts seen across the categories considered within our analysis. The only category reviewed where



average discounts were greater on a competitor's website was on Target.com within the Clothing category. As seen below, Clothing on Target.com average discounts were 6.8 percent greater than pre-Prime Day offers, which was 2.6 percent higher than the average discounts offered for Clothing on Amazon.

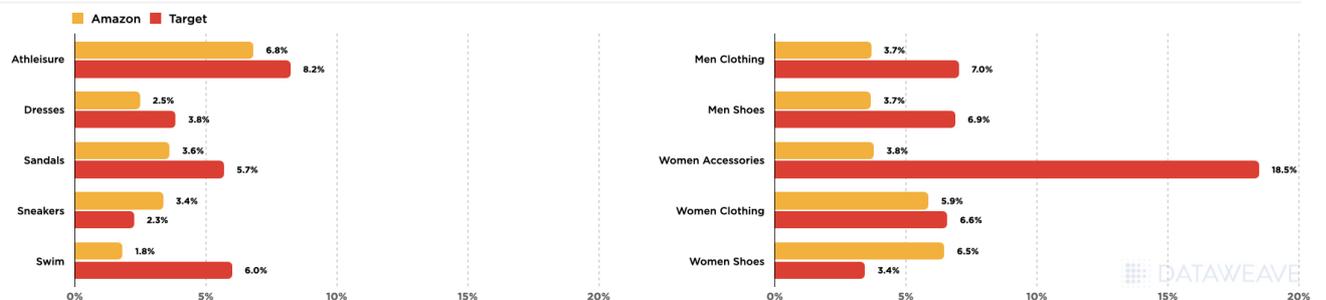
Average Change in Discount By Category for Prime Day



Target Capitalizes on Growth Opportunity in Clothing Category

Diving deeper into the details of where **Target won within the Clothing category**, you can see a majority of their promotional activity took place within Women's Accessories where discounts offered were 18.5 percent greater than those seen pre-Prime Day 2022, which was almost 15 percent greater than the discount enhancements seen on Amazon for Women's Accessories. In fact, Women's Shoes and Sneakers were the only two categories where the average discounts offered were greater on Amazon than on Target.com.

Average Additional Discount by Subcategory for Clothing on Prime Day

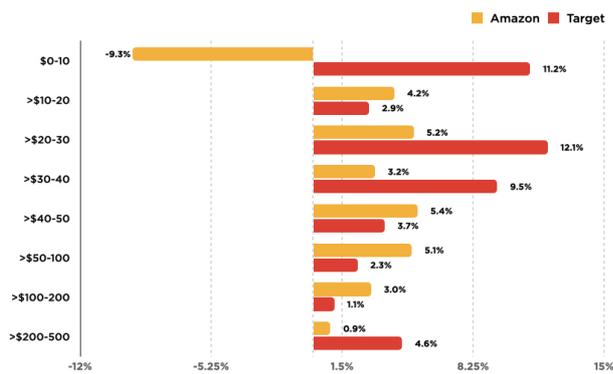


Overall, the discounts offered on Target.com within the Clothing category were primarily concentrated within items priced \$40 and lower, but what was

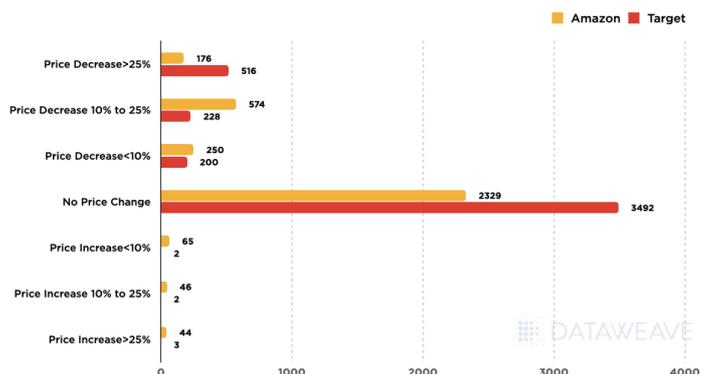
most interesting is that within the \$10 and under price bucket, Target offered average discounts of over 11 percent whereas Amazon increased prices for these items on average by over 9 percent.

While most of the Clothing available on both Amazon and Target.com during Prime Days 2022 were offered without a price change, the greatest discount percentages tracked were within the range of 10-25 percent off on Amazon whereas Target chose to offer the bulk of their promotions at 25 percent off an up.

Clothing Discount Percentage by Price Bucket on Prime Day



Number of SKU Price Changes by Discount Percentage for Clothing on Prime Day

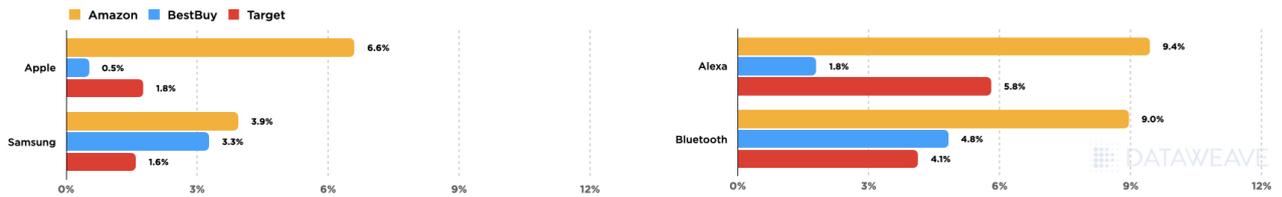


Strategic Promotional Strategies Defined at the Electronics Subcategory Level

When it comes to the Electronics category on Prime Day, the big question is always who will win the battle of the brands. Below shows the difference in average **pricing and promotions** discounts offered between products manufactured by Samsung versus Apple across each retailer platform, noting discounts were almost 3 percent greater on average for Apple versus Samsung products on Amazon, and Apple discounts were almost 5 percent greater on Amazon versus than those seen on Target.com.

Amazon wasn't going all in on Apple however, as we saw 'Alexa' devices (Amazon products) available on Best Buy and Target websites also, but the discounts were almost 4 percent greater on Amazon versus Target and over 7 percent greater than the discounts seen on BestBuy.com.

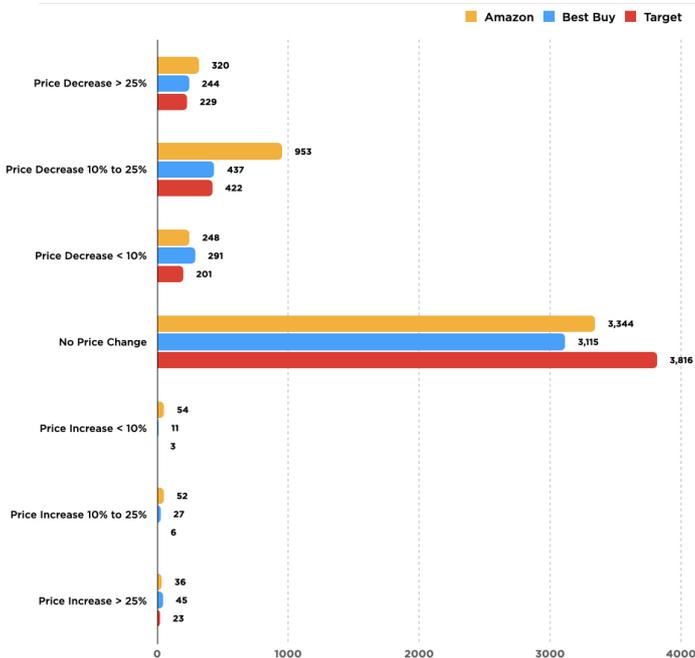
Average Additional Discount for Electronics Brands and Technologies on Prime Day



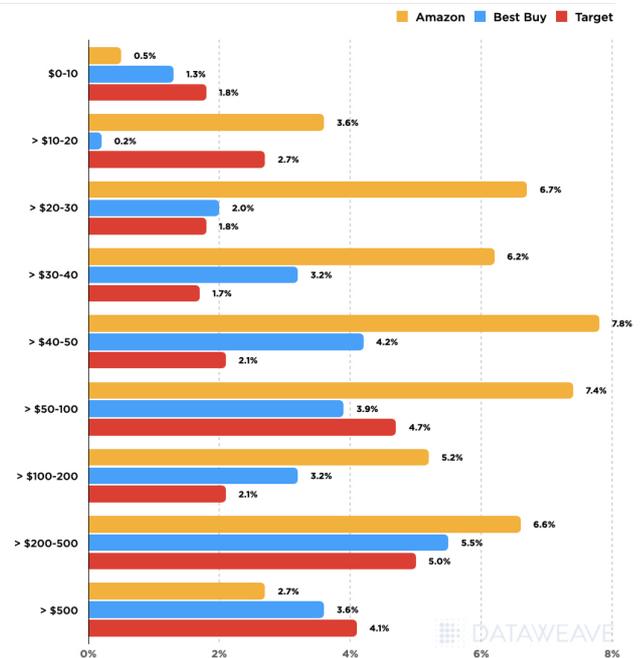
While the average discounts offered within the Electronics category were greatest on Amazon (5.6 percent) versus Best Buy (3.9 percent) and Target (3.4 percent) as noted within the first chart of this blog and across brands and technologies considered above, the discounts offered on Amazon were strategically focused between 10-25 percent as seen below.

Amazon’s Electronics promotions were also targeted at smaller price points, items priced between \$20-500, whereas Best Buy and Target offered greater promotions for electronics priced \$500 and up than Amazon.

Number of SKU Price Changes by Discount Percentage for Electronics on Prime Day



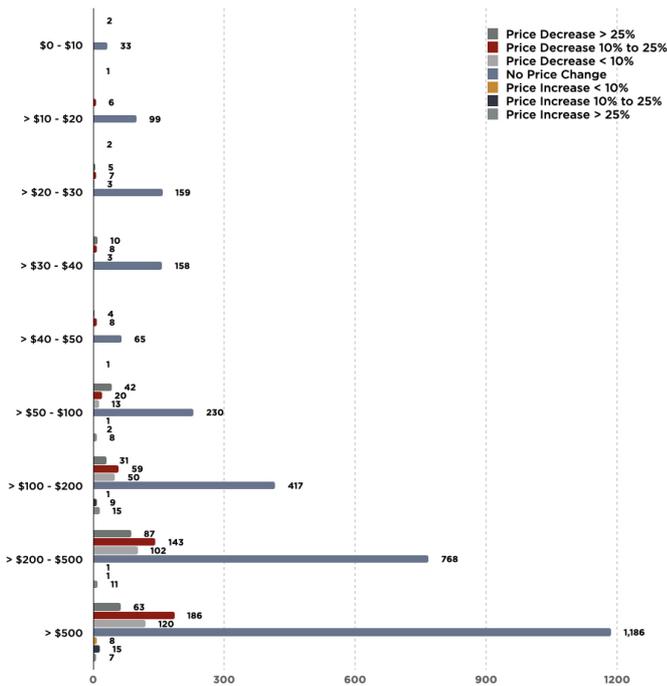
Electronics Discount Percentage By Price Bucket



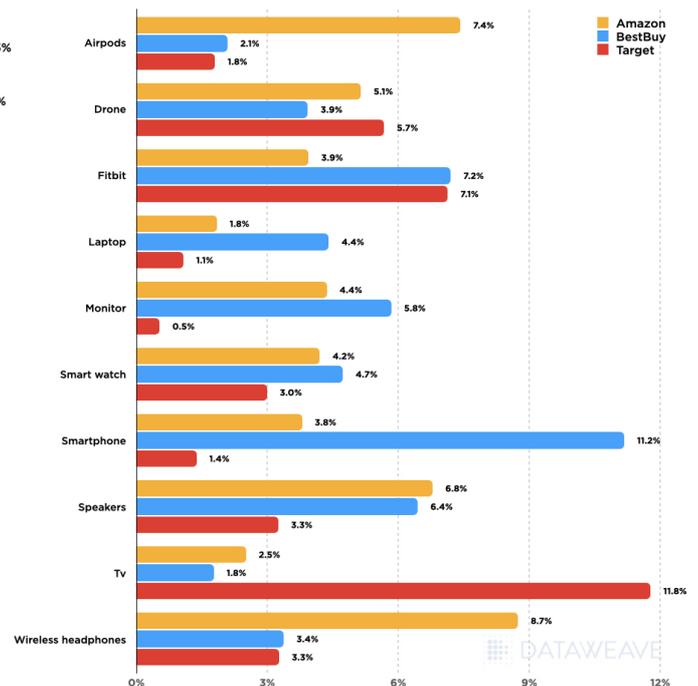
Below is a snapshot of price buckets tracked for Electronics available on BestBuy.com, highlighting where most of the promotional activity was targeted at products priced \$50 and up during Prime Days 2022, with discounts ranging from 10 percent up to greater than 25 percent greater than pre-Prime day prices.

The standout categories were TVs on Target.com with discounts averaging nearly 12 percent greater than those seen pre-Prime day, and smartphones on BestBuy.com with discounts averaging just over 11 percent greater than those seen pre-Prime Day. The category with the greatest average discount enhancements seen on Amazon during Prime Days 2022 was for Wireless Headphones with an average price discount of 8.7 percent.

Number of SKU by Price Change Bucket by Discount Percentage for Electronics on BestBuy.com on Prime Day



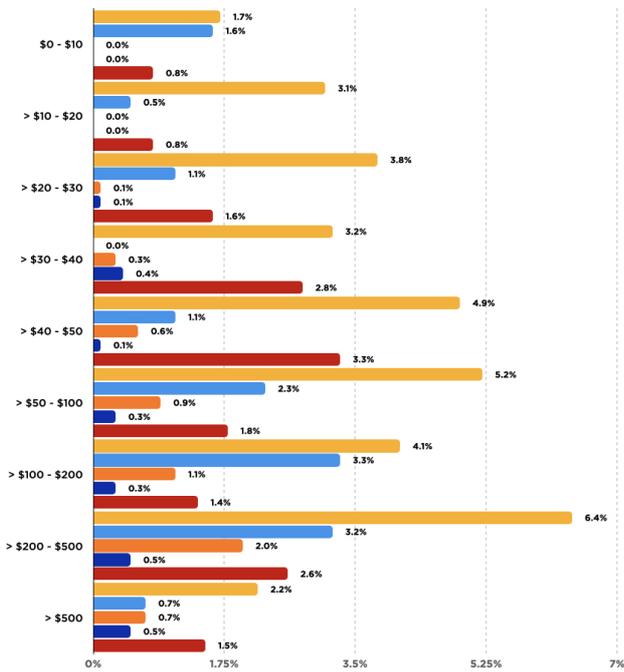
Average Additional Discount by Subcategory for Electronics on Prime Day



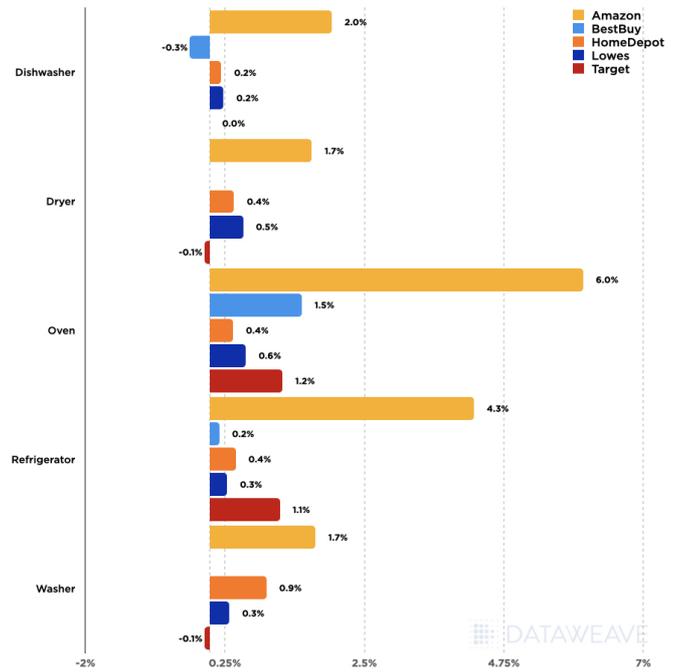
Home is Where Amazon’s Heart Was on Prime Day

Amazon dominated offers within the Home categories, especially for products within mid (\$40-100) and higher price ranges (items priced \$200-500), with the bulk of the discounts offered between 10-25 percent. There was little to no promotional activity seen across all price points on Lowe’s or Home Depot’s websites within the categories we tracked, and most other competitive offers on Home products were seen on BestBuy.com for products priced from \$50-500. Even a subcategory like Tools offered deeper average discounts on Amazon (4.7 percent) than discounts seen on HomeDepot.com (1.1 percent) or Lowes.com (0 percent).

Home Products Discount Percentage By Price Bucket on Prime Day



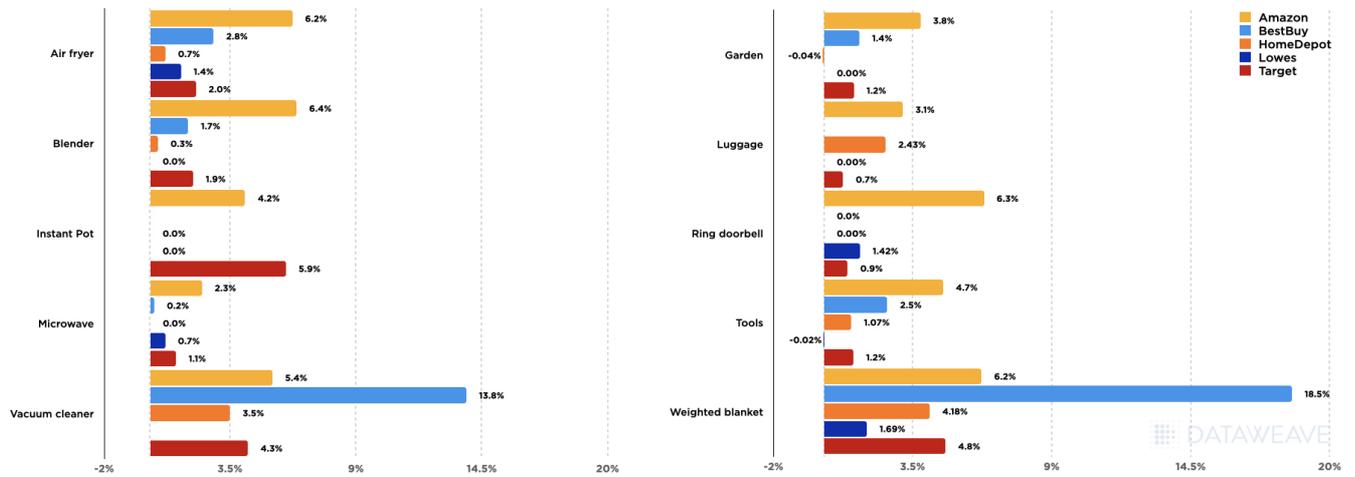
Average Additional Discount for Large Appliance Subcategory for Home Product on Prime Day



For Large Appliances, Amazon was the only retailer to offer any significant discount across each major subcategory with the greatest average discount being on Ovens at 6 percent, followed by Refrigerators at 4 percent. One caveat with this category, when we reviewed Large Appliance prices two weeks prior to Prime Days, we saw average price increases around 16.7 percent occurring on Amazon.

During Prime Days 2022 however, Amazon also offered top average discounts for small appliances, except for on Instant Pots which appeared to have greater average discounts on Target.com (5.9 percent versus 4.2 percent on Amazon), and Vacuum Cleaners which appeared to have the best promotion of appliances small and large at 13.8 percent average discount on BestBuy.com. Another subcategory deeply discounted on BestBuy.com was weighted blankets, which averaged discounts around 18.5 percent versus Amazon's average discount at only 6.2 percent.

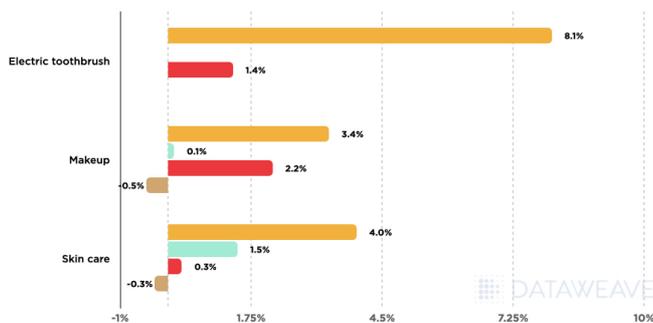
Average Additional Discounts for Small Appliance and Other Home Product Subcategories on Prime Day



Health & Beauty Retailer Pricing Strategies Revealed

Given the importance Health & Beauty Brands placed on Prime Day sales last year, we had anticipated to see more offers, especially within pure-play beauty retail channels, than we did for this booming category.

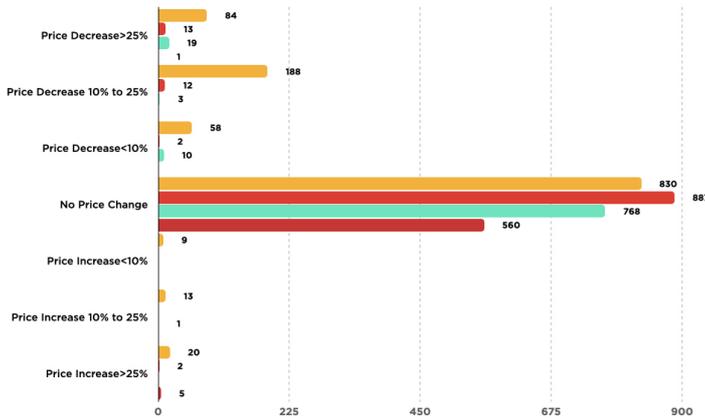
Average Additional Discount by Subcategory for Health & Beauty Products on Prime Day



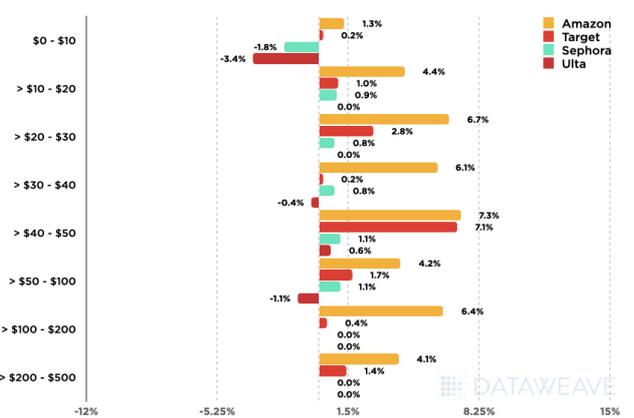
Prices Were Actually Higher on Ulta.Com During Prime Days 2022 Versus Prices Seen Pre-Prime Day (.5 Percent Higher Prices on Average for Makeup and .3 Percent Higher Prices on Average for Skin Care Items), and Minimal Discounts Were Seen on Sephora.Com for Health & Beauty Products.

Amazon drove most of the Health & Beauty offers seen averaging 5.1% discounts versus other retailers only offering less than 1% on average, but discounts were aimed at a targeted group of SKUs on Amazon, bringing the average discount lower overall. Most of the promotions offered on Amazon fell within mid-range price points (\$20-50) and were discounted between 10-25 percent versus pre-Prime Day prices.

Number of SKU Price Changes by Discount Percentage for Health & Beauty Products on Prime Day

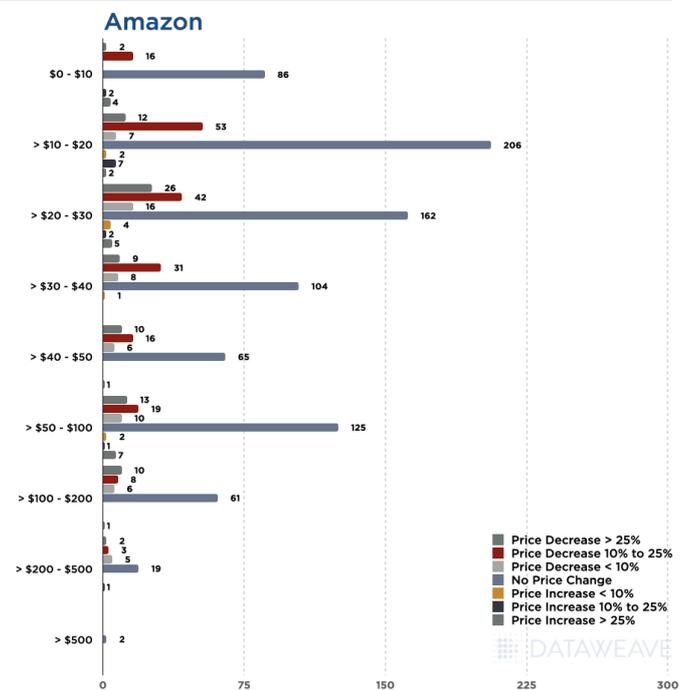
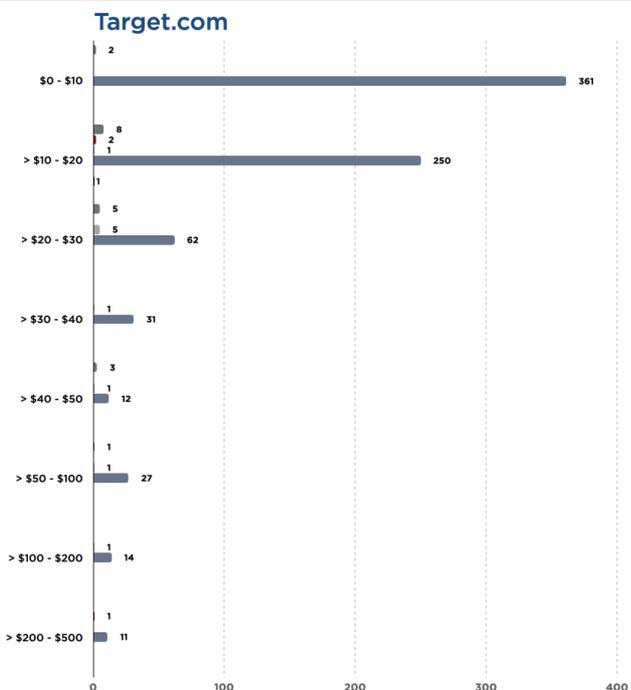


Health & Beauty Products Discount Percentage by Price Bucket on Prime Day



Target.com offered the most comparable discounts to Amazon for Health & Beauty products on average, but their strategy primarily focused on items within the \$20 and lower price range with discounts ranging primarily between 10-25 percent.

Number of Health & Beauty SKU Price Changes by Price Bucket and Price Change on Prime Day



More 2022 Prime Day Insights Coming Soon

We know the significance visibility to critical **pricing and promotional** insights play in enabling retailers and brands to offer the right discounts to stay

competitive, especially during promotional periods like Prime Days. While this blog is intended to provide a ‘sneak peek’ into 2022 Prime Day insights for the U.S. market, we will be providing more extensive, global coverage and will proactively share new insights with the marketplace as they become available throughout the month of July.

Be sure to also check out our [Press page](#) for access to the latest media coverage on Prime Day insights and more. Don’t hesitate to [reach out to our team](#) if there is any particular category you are interested in seeing in more detail, or for access to more information on our [Commerce Intelligence](#) and [Digital Shelf](#) solutions.

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