Was Amazon's Prime Day Sale Really That Big a Deal?

1st Aug, 2017

BY DATAWEAVE
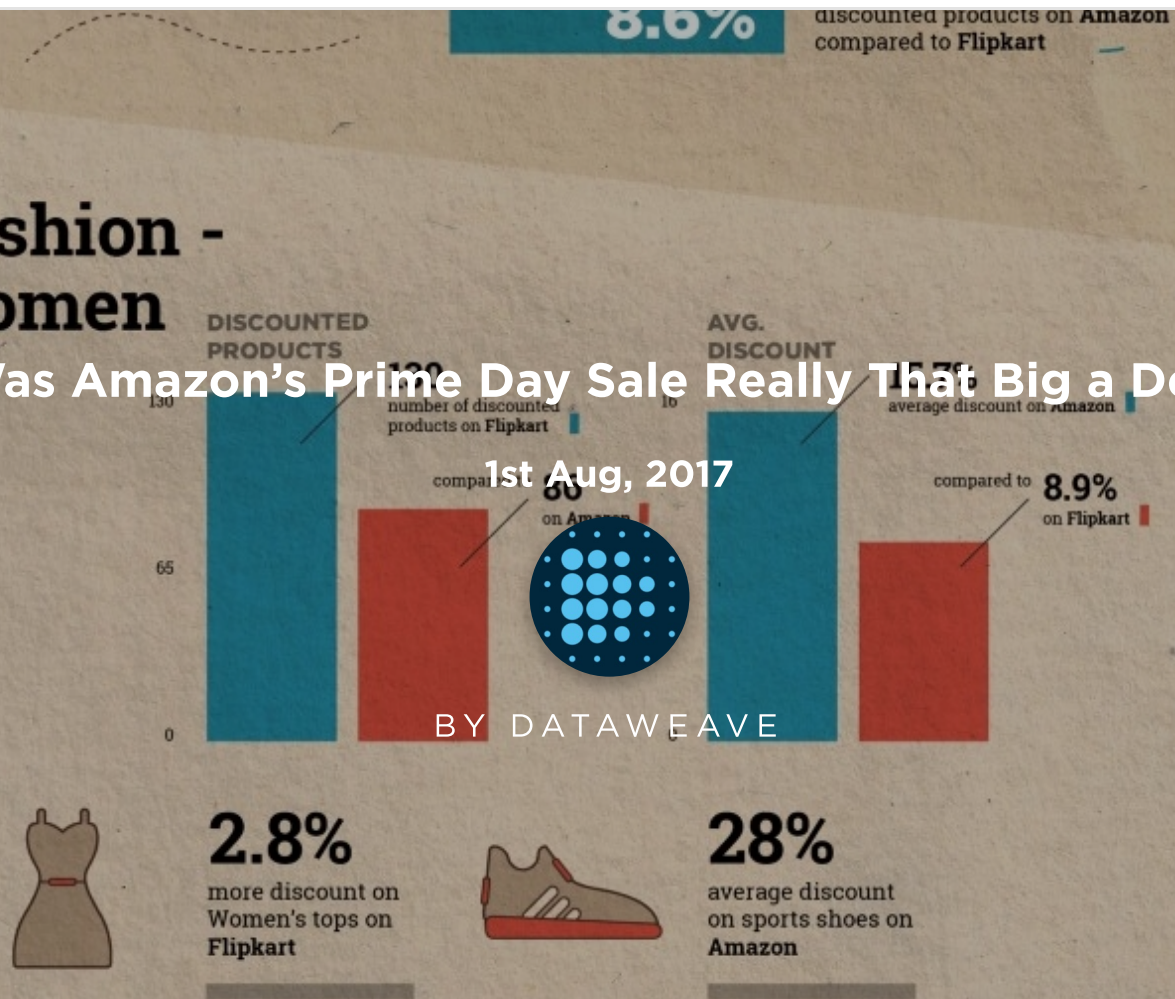
Hint: Only in some product categories

Amazon's Prime Day sale, the first-of-its-kind in India, made a conspicuous splash across the media a couple of weeks ago, with several stories of the sale's dramatic success doing the rounds. For 30 hours spread over 10th and 11th of July, the online retail giant rolled out deals as frequently as every five minutes, exclusively for Amazon Prime subscribers. And online shoppers lapped it up.

According to Amazon India, more customers signed up for Prime on the day of the sale and in the week leading up to it, than on any other month since Prime's launch in India last year. To boot, Prime subscribers shopped three-times more during the sale compared to other days.

The discounts offered on several products were quite frequently in the range of 60–70% and beyond, with some products reaching absurd discount levels of up to 85%. However, for a retailer as competitively priced as Amazon, what's interesting to explore is how much additional discount was offered during the sale. After all, even on normal days, Amazon discounts aggressively on its top 20% selling SKUs, in order to reinforce the commonly held perception that the company is the lowest priced retailer around.

More Than Meets the Eye

At DataWeave, our AI-based technology platform aggregates and analyzes publicly accessible data on the Web, at large scale, to deliver insights on competitors to retailers and consumer brands. We collected pricing and discount information for the Electronics and Fashion categories on Amazon during the sale, and compared it to numbers from before the sale. Thus, we evaluated just how much additional value Prime subscribers could've potentially drawn from this sale.

We performed a similar analysis on Flipkart as well, to examine how competing e-commerce websites react to big-ticket sale events.

The infographic below lists out some of the more interesting bits of our analysis.
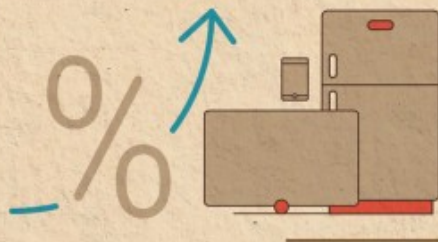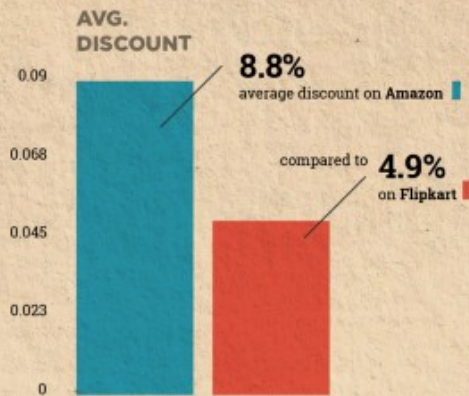
AMAZON
PRIME DAY SALE
A N A L Y S I S

*All discount percentages are additional
discounts offered during the sale

Electronics

AVG.
DISCOUNT

0.09

0.068

0.045

0.023

0

8.8%
average discount on Amazon

compared to **4.9%**
on Flipkart

177
number of
discounted products
on Amazon

COMPARED TO
27
ON FLIPKART

Refrigerators,
Mobiles, Televisions
Highest number of discounts on **Amazon**

Pen Drives,
Irons Top discounted product types on **Amazon**

10.5%
average discount for
Televisions on Amazon

average
discount of
11%
for DSLR Cameras
on Amazon
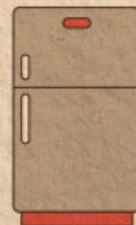
10
Number of Refrigerators
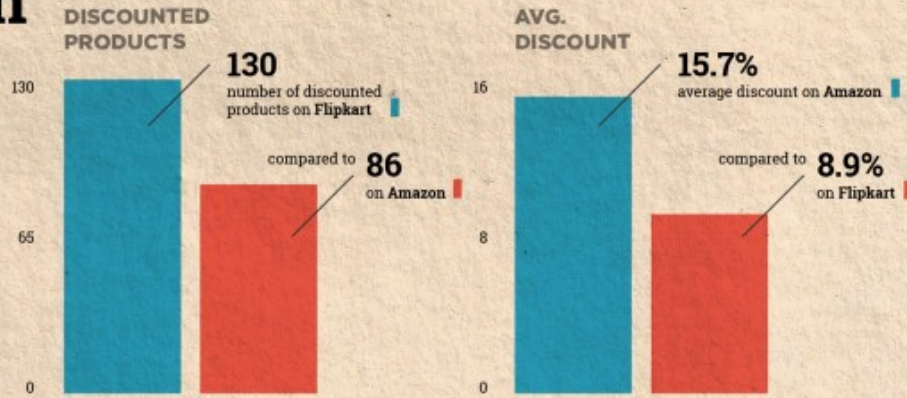discounted on **Flipkart**,
with an average discount of

2.5%

8.6%

higher average selling price of
discounted products on **Amazon**
compared to **Flipkart**

Fashion -

Women

DISCOUNTED PRODUCTS

130

130
number of discounted products on **Flipkart**

compared to **86** on **Amazon**

AVG. DISCOUNT

15.7%
average discount on **Amazon**

compared to **8.9%** on **Flipkart**

2.8%
more discount on Women's tops on **Flipkart**
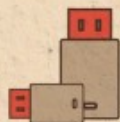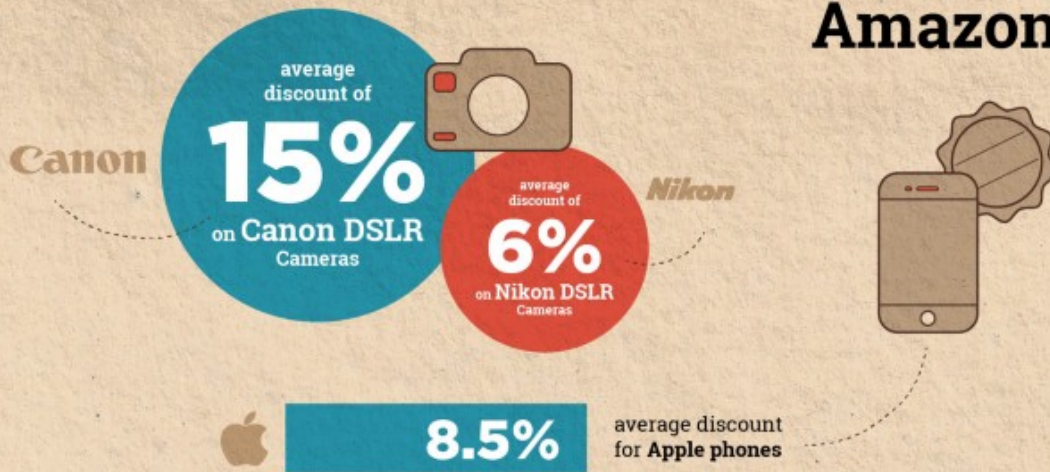
28%
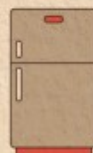average discount on sports shoes on **Amazon**

52%
higher average selling price of discounted products on **Flipkart**, compared to **Amazon**

Brands on Amazon

Canon

average discount of
15%
on **Canon DSLR** Cameras

Nikon

average discount of
6%
on **Nikon DSLR** Cameras

8.5%
average discount for **Apple phones**

HP, Sony
top discounting brands in Pen Drives

17
number of **LG Refrigerators** discounted, at an average rate of **4%**
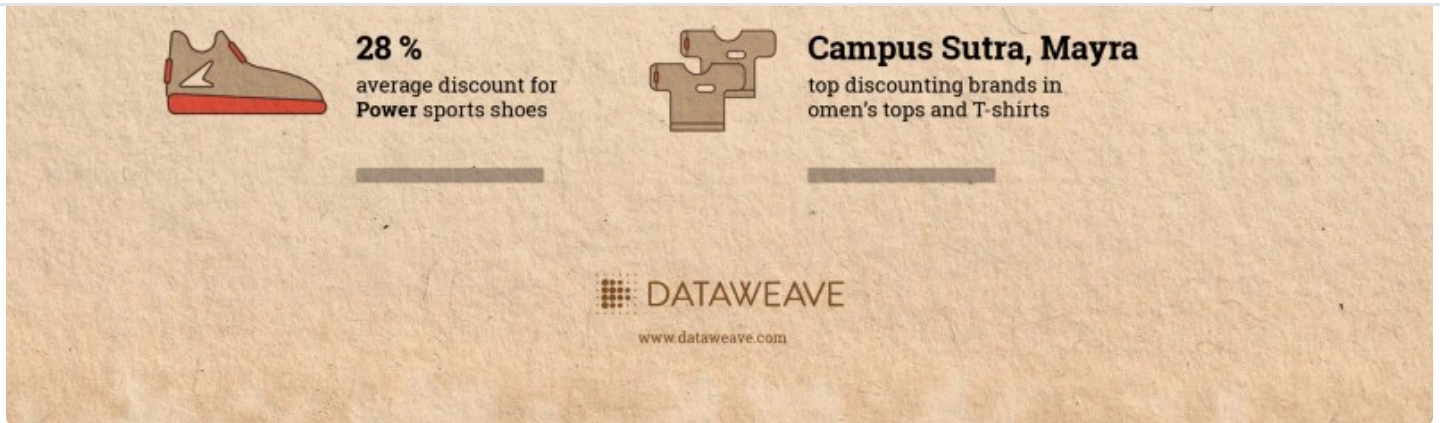
TCL, LG, Sanyo
top discounting brands in Televisions

TAP, Glory Fashion, Lavie
top discounting brands in Women's Handbags

28 %
average discount for
Power sports shoes

Campus Sutra, Mayra
top discounting brands in
omen's tops and T-shirts

DATAWEAVE
www.dataweave.com

Unsurprisingly, Amazon strengthened its grip in the electronics category by offering, on average, 3.9% higher discount than Flipkart, even with a higher-value assortment mix. Subsequently, Amazon reported a 5X increase in sales of smartphones and an 8X increase in sales of televisions during Prime Day.

While Apple discounted its phones by 8.5% during the sale, Sanyo was among the top discounting brands (10%) in Televisions, with the company reporting a 4X jump in television sales. TCL offered 20% additional discount, the highest for televisions.

What stands out from this analysis, though, is that Flipkart beat Amazon on price definitively in the fashion for women category, by extending 6.8% more discount than Amazon on a significantly higher-value assortment mix.

It's not uncommon to see e-commerce companies lowering their prices across the board to take advantage of the hype surrounding a competing e-commerce website's promotional activity. Clearly, it's a good idea for shoppers to always compare prices across websites before buying any product online.

The New Age of Retail

That shoppers today can easily compare products and prices across different e-commerce websites has brought about greater competition among online retailers. With the consequent margin pressure, comes the need for retailers to be able to react to price changes by their competitors in near-real-time.

And it's no mean task. Amazon has been found to effect over 80 million price changes a day during holiday season, and retailer-driven sale events like the Prime Day Sale are here to stay. Consequently, retailers look to Competitive Intelligence providers like DataWeave for easily consumable competitive information that enables them to react effectively and compete profitably.

DataWeave's AI-powered technology platform aggregates, compiles, and presents millions of data points to provide e-commerce companies with actionable competitive insights. With our solutions, retailers can effect profitable price changes, implement high-value assortment expansion, and proactively monitor and respond to promotional campaigns by competitors.

Find what we do interesting? **Visit our website** to find out more about how modern retailers benefit from using DataWeave's Competitive Intelligence as a Service.

- DataWeave Marketing

1st Aug, 2017

AMAZON E COMMERCE PRICING