

What Prime Day Data Says About the Holiday Strategy of Using Discounts & Increasing Ad Spend

Mayan Helped One Customer Increase Sales by 277% on the 1st Day of Prime Day

Case studies

primeday



Andrew Laird

Multi-Million Dollar Amazon Seller and Mayan Account Manager

"Based on the data we've seen, **it's a no-brainer to leverage a discount or coupon** deal around a major shopping period."

What We Saw from Prime Day

A majority of customers had a lower ROAS around Prime Day compared to the week before, which aligns with the fact that nearly all customers spent more; this aligns with our rule of thumb that higher spend is inversely correlated with a lower ROAS.

One pricing insight that we identified was that products with the smallest impact on ROAS around Prime Day were those that were priced between \$20 and \$50.

An insight on ad spend we found was that, unsurprisingly, customers who increased their ad spend generated higher sales. **The sweet spot for Prime Day was to increase ad spend by anywhere from 50% to 150%.**

Customer's Week-over-Week Sales Growth during Prime Day in 2021 with no discount compared to 2022 with discount



The graph above illustrates the dramatic difference for one of Mayan's customers who offered a Prime discount in 2022 - versus when they hadn't in 2021.

One of Mayan's customers provided the perfect A/B test in that they did not leverage a discount in 2021, but they did offer a 20-25% discount in 2022 for their Prime-eligible products. Compared to the previous week of Prime Day 2021 when no discount was used, sales only increased by 1% and 3% during the two days of Prime Day. **However, in 2022 when a discount was shared for consumers, the sales growth was instead 277% and 206% for the two Prime Days.** Out of all customers that had a **triple-digit increase in sales growth around Prime Day**, only one did not give a discount to consumers.

What this says about the optimal strategy around the upcoming Prime Day, BFCM, and the holidays

Given the data we've seen both from past Prime Days and past holiday seasons, it's important for sellers to:

- ⚡ **Have deals available** for consumers that are clearly looking for discounts and coupons around Black Friday, Cyber Monday, and the first couple of weeks in December
- ⚡ Ensure your **ad campaigns** are ready to take advantage of the surge in traffic
- ⚡ **Ship enough inventory** to cover the spike in sales, but not too much inventory that there is cash flow tied up after the holidays are over.
- ⚡ Consider the products' margins to determine if a **20% discount** can be justified to profitably increase sales

If you are looking for a partner to help automate the main engine that drives your business growth (advertising and inventory optimization), don't hesitate to set up a call with us to see how Mayan can help you grow your sales during the upcoming prime-time season and beyond.

Learn More