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## MARKET INTELLIGENCE REPORT



### Smartphone

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Jul 17, 2023



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## PRODUCT UPDATES

- gapSnapshot: Did Other Merchants Successfully Counter Amazon Prime Day?
- Amazon Prime Day 2023: Smartphones



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# PRODUCT UPDATES

## gapSnapshot: Did Other Merchants Successfully Counter Amazon Prime Day?

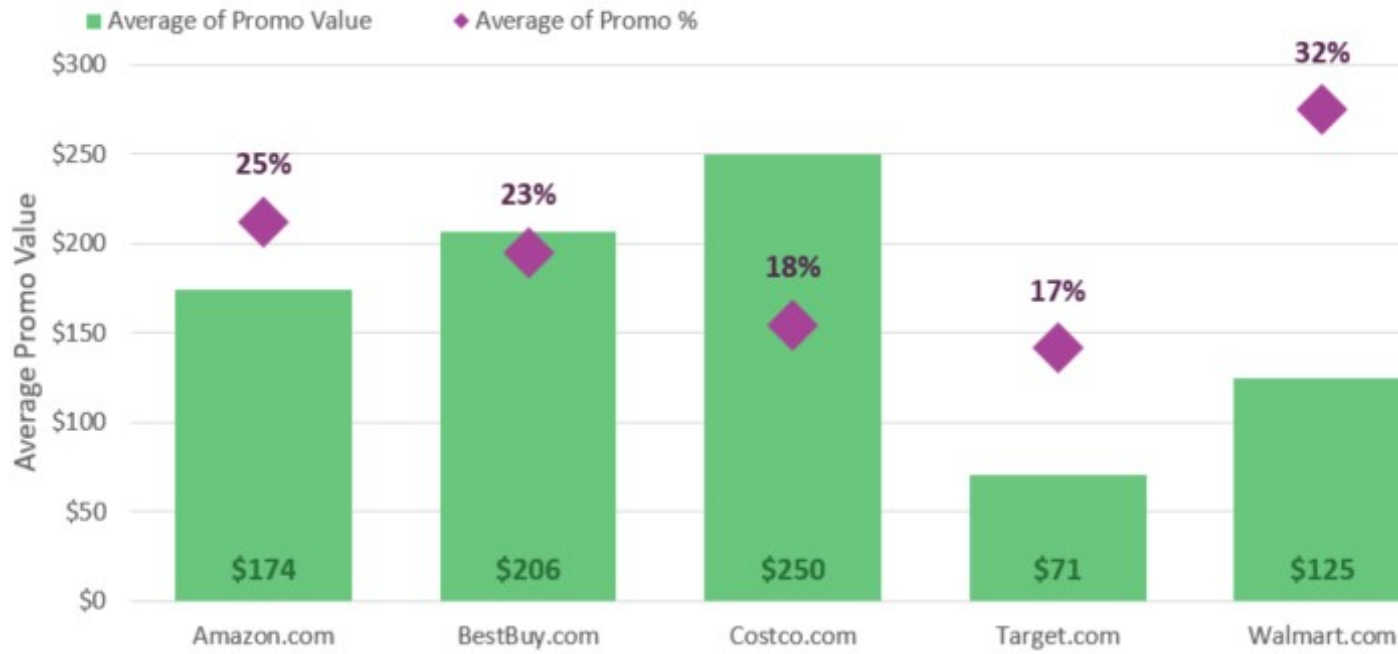
This week's Snapshot highlights the average promotional values and discounts from Amazon and other major retailers during the week of Amazon's 2023 Prime Day sales event. Data includes all products and pricing during the week of July 9, 2023, including but not limited to, designate sales events from:

- Amazon.com - Amazon Prime Day (7/11-7/12)
- BestBuy.com - Black Friday in July (7/11-7/12)
- Costco.com - Online Savings Event (7/10-7/26)
- Target.com - Target Circle Week (7/9-7/15)
- Walmart.com - Walmart+ Week (7/6-7/13)

### gap impact summary

- Amazon's Prime Day 2023 spurs competing sale events from major online merchants intent to capitalize on increased deal awareness during the week
- Largest deal on Amazon was 60%-off Samsung's dated Galaxy Z Fold2 5G foldable, price reduced to \$1,200 savings
- Best Buy closely trails Amazon's average promo discount percentage (23% vs. 25%-off) while offering similar average value in comparison (\$206 vs. \$174 savings)
- Costco has highest average promo value based on single Apple iPhone 14 Pro Max 5G deal; unlocked version advertised w/ \$250 savings, an 18% discount
- Walmart shows most aggressive average discount percentage during week (32%-off) based on low-price smartphone assortment, leading to lower average promo value compared to most merchants

## Smartphones: Major Merchant Reactions to Amazon Prime Day



*\*data includes all products & pricing captured during the week of 7/9/23 including, but not limited to, designated sale events*

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Source: “Promotions” tab within the July 16, 2023 Pricing & Promotions Report in [Dashboard](#) Recent Rep

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### Amazon Prime Day 2023: Smartphones

Amazon held Prime Day 2023 last week (July 11 & 12) and [revealed](#) that the first day of the sale was “the sales day in company history.” Prime members purchased more than 375 million items worldwide over the two-day shopping event, most of which came from independent small and medium-sized businesses operating on Amazon’s platform.

According to Adobe Analytics, US consumers spent \$6.4 billion on the first day of Prime Day, up 5.9% year-over-year (YoY), and \$6.3 billion on the second day of the event, up 6.4% YoY, totaling \$12.7 billion, which is a new record for Prime Day and an overall rise of 6.1% YoY. Numerator’s Amazon Prime Day Tracker also showed YoY im

across key sales metrics, with the most popular product categories being home goods (28%), household electronics (24%), and apparel/shoes (24%). According to Numerator, the average order size for Prime Day 2023 was \$54.05, up from last summer's event (vs. \$52.26 avg.), and 65% of households placed two or more separate orders, which brought the average household spend to \$155.67, up 7.6% YoY (vs. \$144.56 avg.). While 52% of Numerator's surveyed shoppers said they purchased items that they had postponed buying until the event, smaller purchases seem to have offset that and a 3.8% YoY decrease in average price per item to \$32.35 (vs. \$33.58 avg.) suggests that inflation was not the driver of the on-year upticks.

### gap impact summary

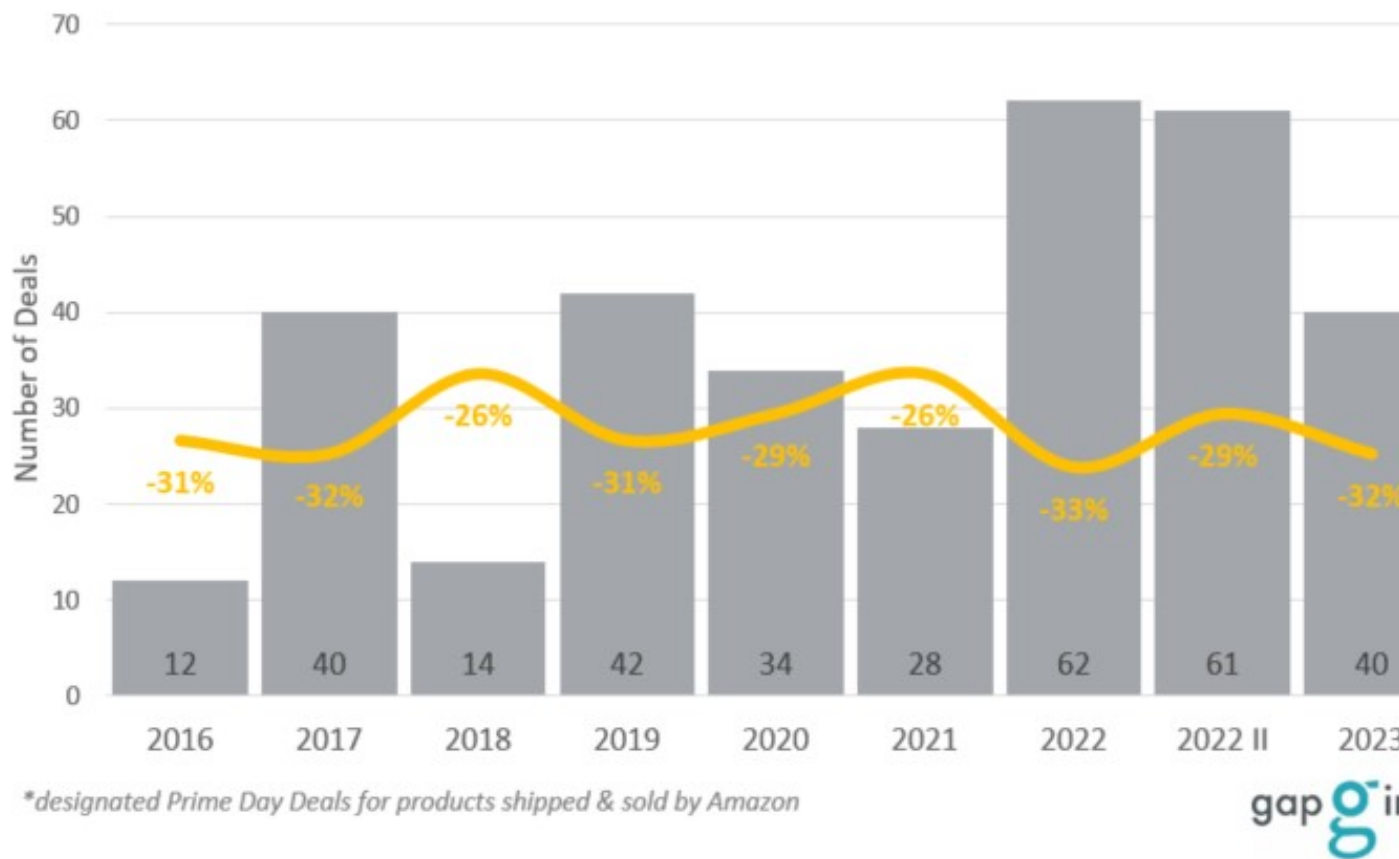
- Prime Day 2023 sales up 6.1% YoY to hit \$12.7 billion during 48-hour event, a new record
- First day of Prime Day 2023 was single largest sales day in Amazon history
- Prime members purchased over 375 million items worldwide, mostly from independent sellers
- Prime Day 2023 brings 40 unique smartphone deals, down from the 62 offered last year
- Overall average savings value of 32%-off is only 1-point under Prime Day 2022 (33%-off)
- Motorola & Samsung lead deal count; Samsung sets threshold of \$750-off



## Smartphones Amazon Prime Day 2022 Deals

gap intelligence compiled smartphone deals shipped and sold by Amazon.com specifically labeled as “Prime” during various intervals on Tuesday July 11 and Wednesday July 12, 2023. The smartphone deals captured during the event include:

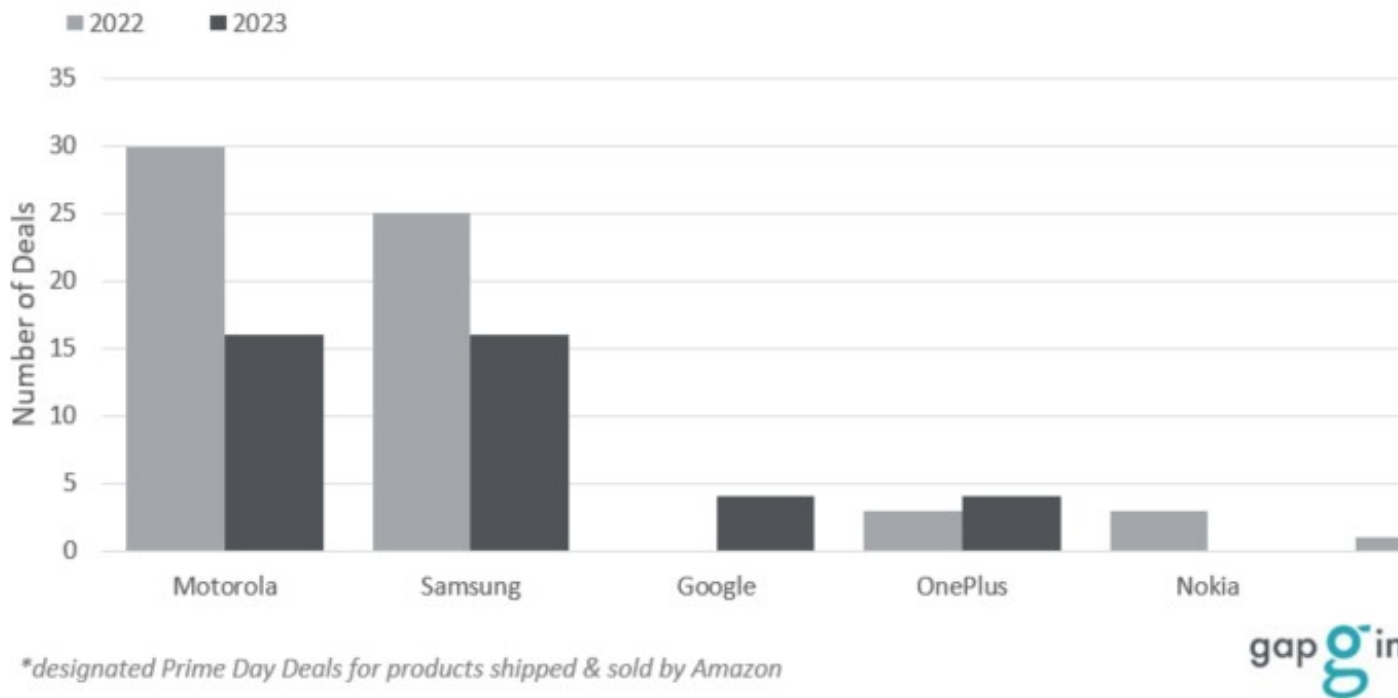
### Smartphones: Amazon Prime Day Trends



Amazon’s Prime Day 2023 smartphone deals included an array of 40 unique promotions, down from the 62 featured for last fall’s [Prime Day 2022](#) and the 61 featured for last fall’s [Prime Early Access event](#). This 35% decrease came despite a consistent set of four brands returning this year with official Prime-exclusive deals, including Motorola, Samsung, and Google.

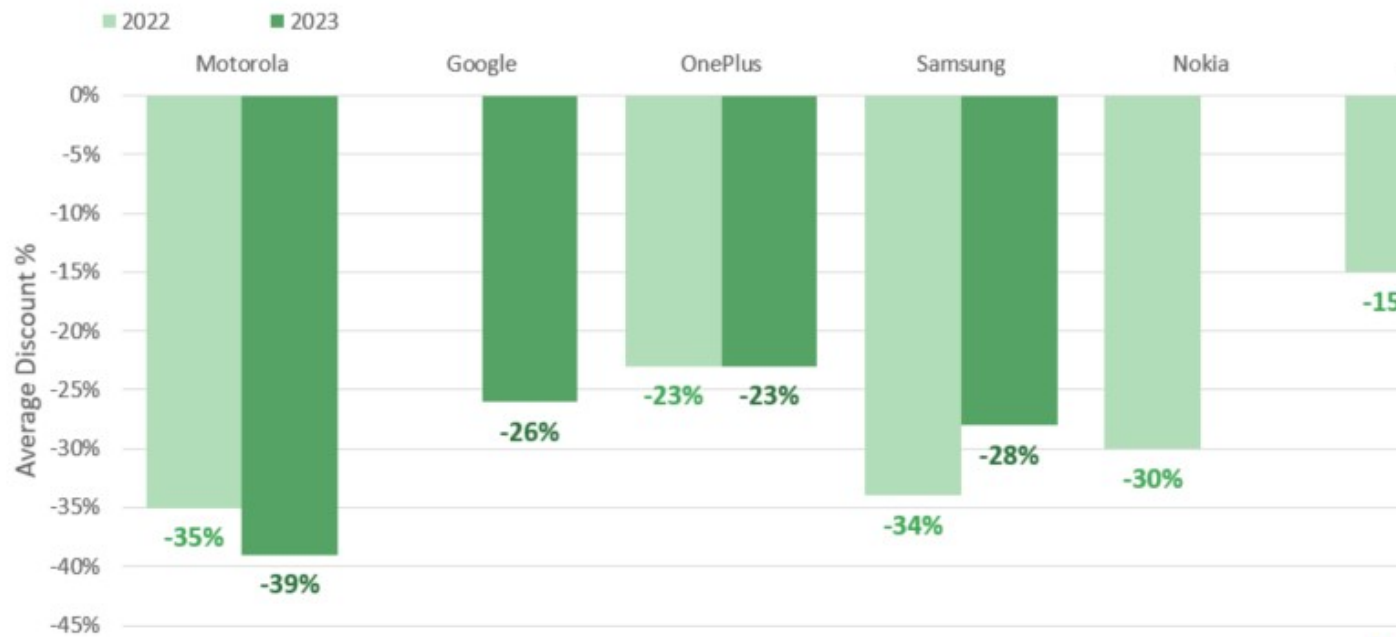
and OnePlus, however it should be noted that Google sat out of last July's event while Nokia and Alcatel are not participating in this round. \$750 represented the threshold of savings values for top-tier items during this latest event, which is up from the July 2022 event's \$710 savings limit. As a result, the overall average savings value of Amazon's July 2023 was 3-points deeper than its fall Early Access event with an average of 32%-off, which is only 1-point deeper than the fall Early Access Day 2022 (33%-off).

## Smartphones: Amazon Prime Day Deals by Brand



With multiple years of consistent participation, Samsung and Motorola are considered fixtures of Amazon Prime Day. After respective deal count decreases of 47% and 36%, Motorola and Samsung are tied with 16 unique deals for Prime Day 2023. Motorola used Prime Day 2022 to promote eight separate smartphone product families in a large collection of its exclusive deals, while Samsung focused on 10 to bring the highest diversity to the event. Motorola and OnePlus promoted members of three unique product families and Google focused its efforts on just two. The fact that these latter two brands had a reduction from the nine and 10 that they promoted for Amazon's fall 2022 event, but represent an increased participation compared to one year ago.

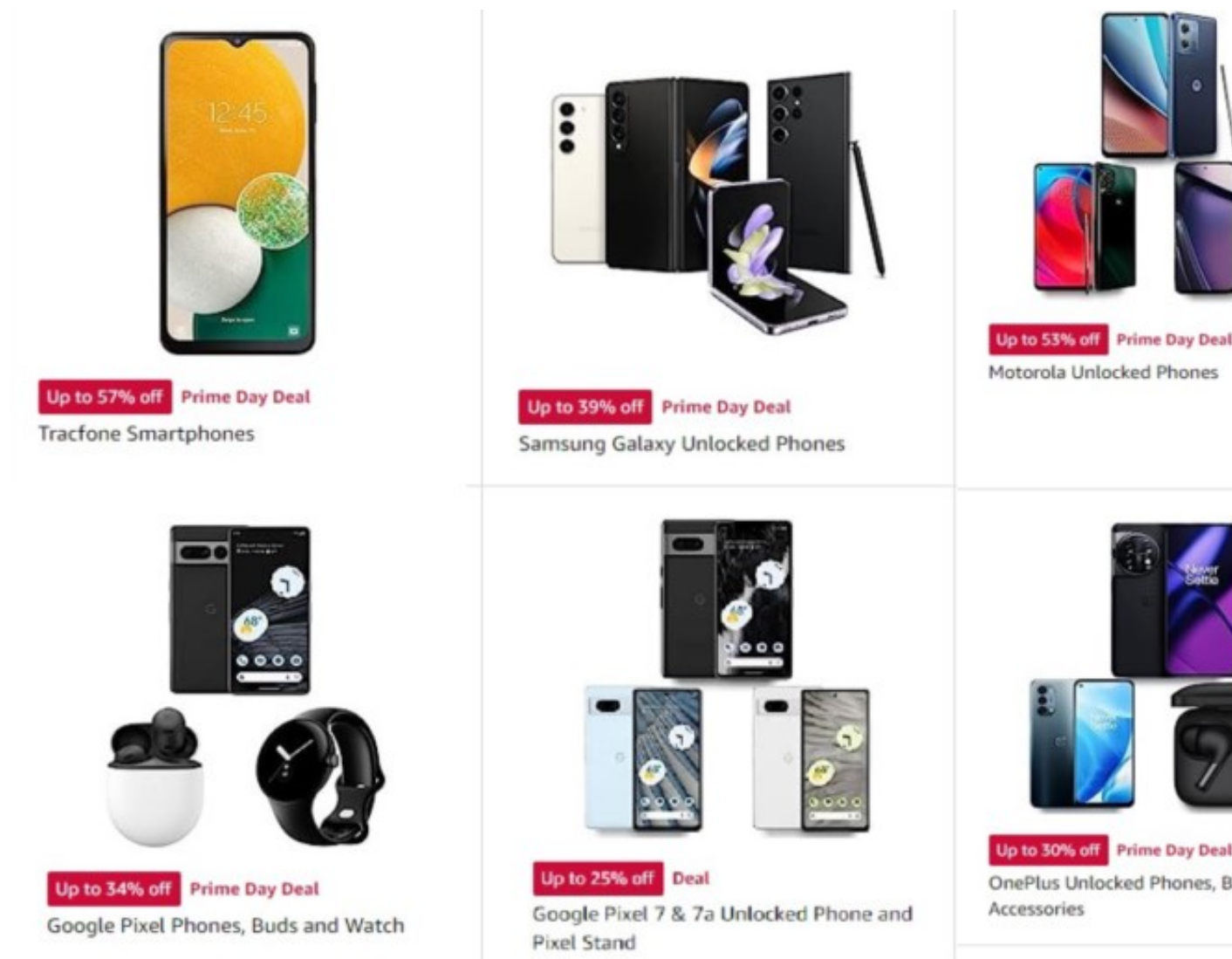
## Smartphones: Amazon Prime Day Average Discount by Brand



*\*designated Prime Day Deals for products shipped & sold by Amazon*



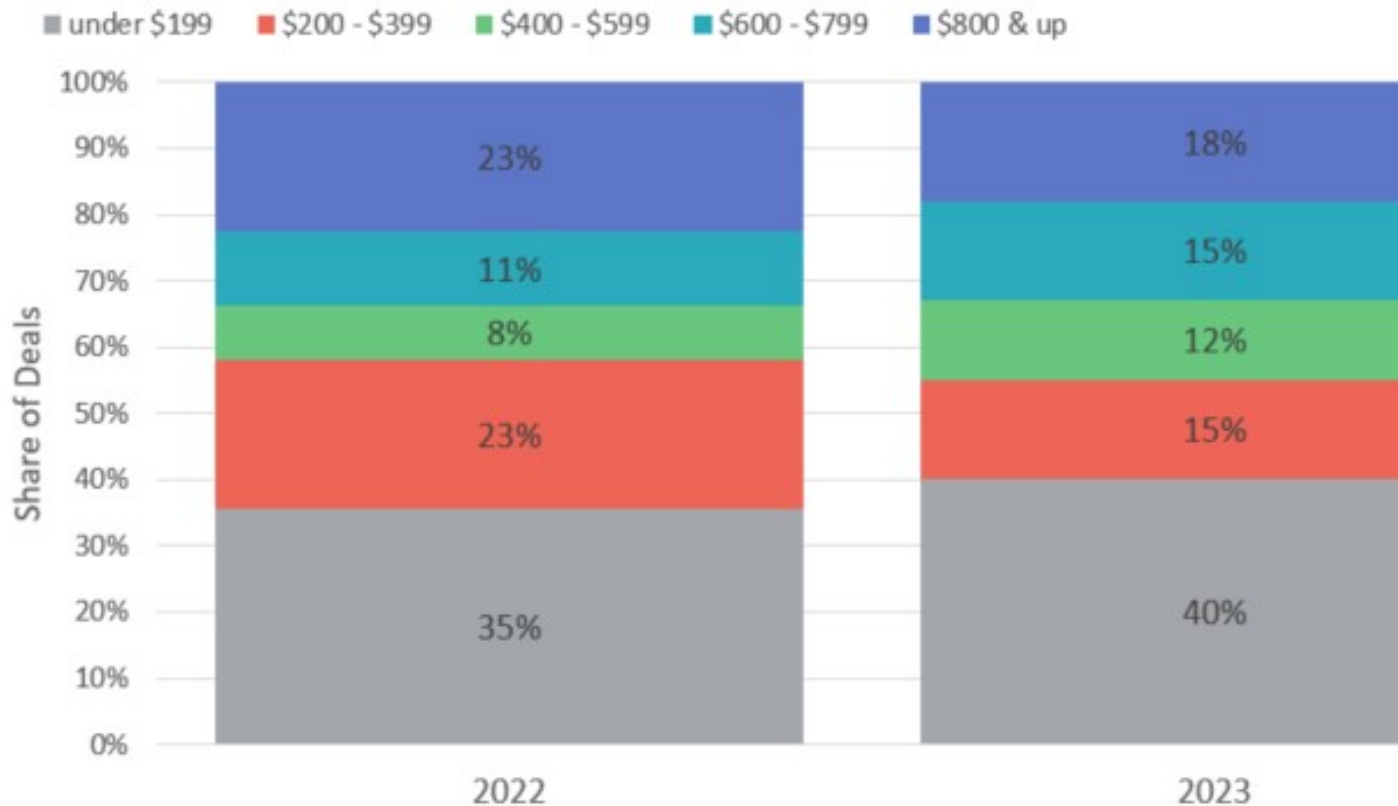
The overall average discount across the Prime Early Access Sale was 32%-off for smartphones, nearly matching the off average from Prime Day 2022 last July, which remains the most aggressive event thus far. Discounting for Prime Day was again led by Motorola with a 39%-off average savings, followed by Samsung with its 28%-off average. This represents an increase for Motorola on-year by 4-points, while Samsung's deals were 6-points lower on average.



The highest value deals during Prime Day 2023 came from Samsung with \$750-off and \$700-off (-39%) its Fold4 5G, while it also gave \$400-off and \$350-off its Galaxy S23 Ultra 5G, which matches Motorola's top off the Edge (2022) 5G, which translated into a 58% discount on the latter unit. This 58% discount was the percentage of the event and Motorola also fortified this stance with a 57% discount on the Moto G Power (2023) Simple Mobile, which was among the few prepaid deals captured on the site.



## Smartphones: Amazon Prime Day by Price Band

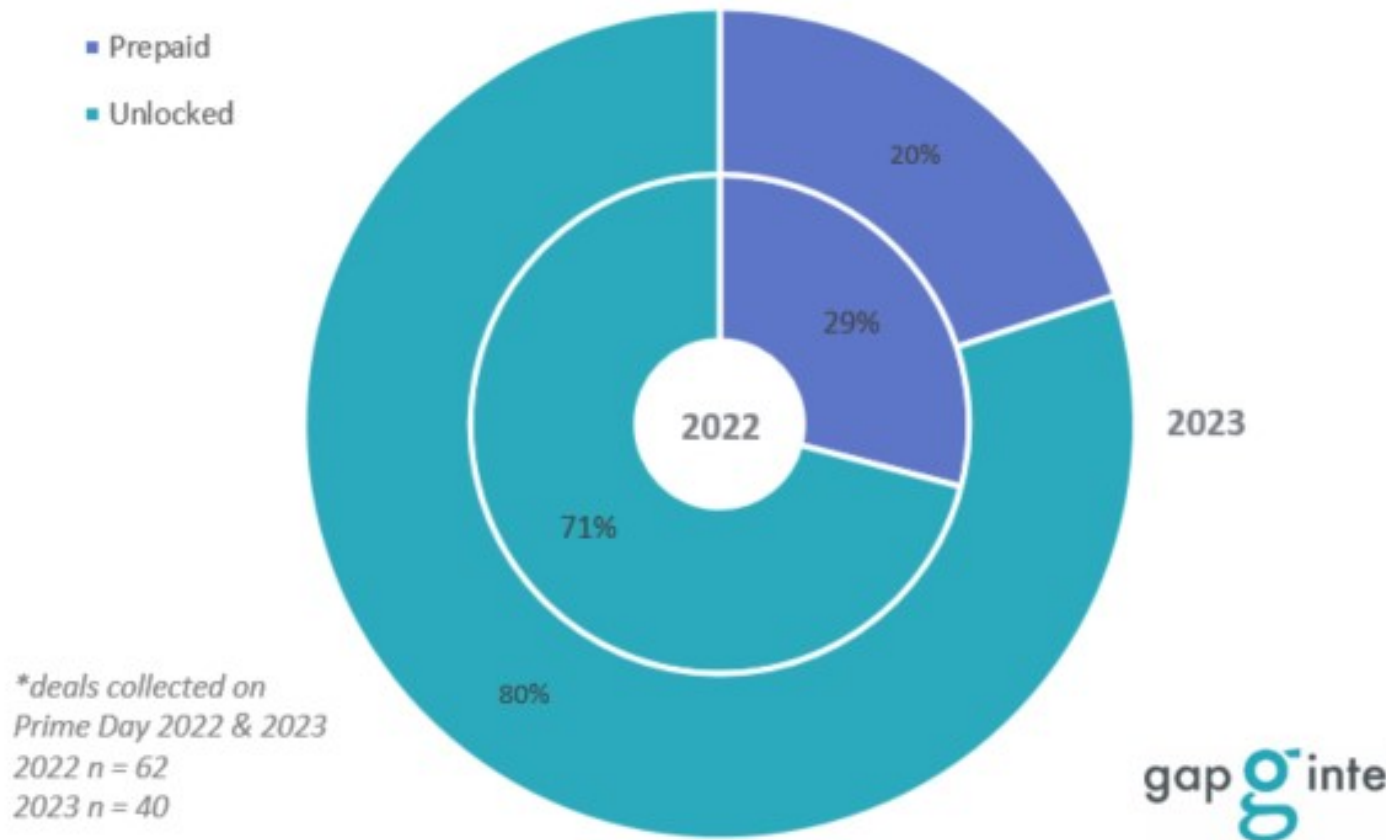


Designated Prime Day Deals for products shipped & sold by Amazon

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After lower representation during Amazon's Prime Early Access event last fall, Prime Day 2023 returned focus to the budget smartphone market with 40% of the deals applying to sub-\$200 handsets, up 5-points on-year. As a consequence, premium smartphones were a lesser portion of the deal mix, with only Samsung and a single Google applying to the \$800+ segment.

## Amazon Prime Day Smartphone Deals by Contract Type



Like prior events, Prime Day 2023 reflects Amazon's overall assortment by remaining a predominantly unlocked affair. Prepaid representation declines for this latest sale event, but while Tracfone was the sole carrier in the fall, Simple Mobile and Total Wireless are also a part of Prime Day 2023. The remainder of this year's Prime Day deals apply to unlocked smartphones with a wide array of Motorola and Samsung handsets, plus smaller selections from Google and OnePlus.

## Amazon Prime Day 2023 - Smartphone Deals

Brand	Product	Carrier	Contract Type	Previous Price	Price	Discount
Google	Pixel 6a 5G	na	Unlocked	\$349.00	\$249.00	\$100.00
	Pixel 7 Pro 5G 128GB	na	Unlocked	\$899.00	\$649.00	\$250.00
	Pixel 7 Pro 5G 256GB	na	Unlocked	\$999.00	\$749.00	\$250.00
	Pixel 7 Pro 5G 512GB	na	Unlocked	\$1,099.00	\$849.00	\$250.00
Motorola	Edge (2022) 5G	na	Unlocked	\$599.99	\$249.99	\$350.00
	Edge+ 5G (2022) 512GB	na	Unlocked	\$729.88	\$499.99	\$229.89
	Moto G 5G (2022) 256GB	na	Unlocked	\$399.99	\$189.99	\$210.00
	Moto G Power (2022) 128GB	na	Unlocked	\$249.99	\$129.99	\$120.00
	Moto G Power (2022) 64GB	na	Prepaid	\$69.99	\$29.99	\$40.00
	Moto G Power 5G (2023) 256GB	na	Unlocked	\$299.99	\$249.99	\$50.00
	Moto G Pure	na	Unlocked	\$159.99	\$94.99	\$65.00
	Moto G Stylus (2021)	na	Prepaid	\$99.99	\$59.99	\$40.00
	Moto G Stylus (2022)	na	Unlocked	\$299.99	\$133.54	\$166.45
	Moto G Stylus (2022)	na	Prepaid	\$129.99	\$79.99	\$50.00
	Moto G Stylus (2022)	na	Prepaid	\$149.99	\$99.99	\$50.00
	Moto G Stylus (2023) 64GB	na	Unlocked	\$199.99	\$169.99	\$30.00
	Moto G Stylus 5G 128GB	na	Unlocked	\$189.99	\$149.99	\$40.00
	Moto G Stylus 5G (2022) 256GB	na	Unlocked	\$389.99	\$239.99	\$150.00
	Moto G Stylus 5G (2023) 256GB	na	Unlocked	\$399.99	\$299.99	\$100.00
	One 5G Ace 64GB	na	Unlocked	\$299.99	\$149.98	\$150.01

OnePlus	10T 5G 256GB	Tracfone	Unlocked	\$699.99	\$499.99	\$200.00
	11 5G 128GB	na	Unlocked	\$699.99	\$569.99	\$130.00
	11 5G 256GB	na	Unlocked	\$799.99	\$664.99	\$135.00
	Nord N200 5G	na	Unlocked	\$199.99	\$142.00	\$57.00
Samsung	Galaxy A03s 32GB	na	Prepaid	\$59.99	\$34.99	\$25.00
	Galaxy A23 5G 64GB	na	Prepaid	\$199.99	\$149.99	\$50.00
	Galaxy A23 5G 64GB	na	Prepaid	\$169.99	\$119.99	\$50.00
	Galaxy A42 5G	na	Prepaid	\$277.61	\$199.99	\$77.61
	Galaxy A54 5G 128GB	na	Unlocked	\$449.99	\$349.99	\$100.00
	Galaxy S21 FE 5G 128GB	na	Unlocked	\$599.99	\$449.99	\$150.00
	Galaxy S23 5G 128GB	na	Unlocked	\$799.99	\$599.99	\$200.00
	Galaxy S23 5G 256GB	Tracfone	Unlocked	\$859.99	\$659.99	\$200.00
	Galaxy S23 Ultra 5G 256GB	Tracfone	Unlocked	\$1,199.99	\$849.99	\$350.00
	Galaxy S23 Ultra 5G 512GB	na	Unlocked	\$1,379.99	\$979.99	\$400.00
	Galaxy S23+ 5G 256GB	Tracfone	Unlocked	\$999.99	\$749.99	\$250.00
	Galaxy S23+ 5G 512GB	na	Unlocked	\$1,119.99	\$819.99	\$300.00
	Galaxy Z Flip4 5G 128GB	na	Unlocked	\$999.99	\$799.99	\$200.00
	Galaxy Z Flip4 5G 256GB	Tracfone	Unlocked	\$1,059.99	\$849.99	\$210.00
	Galaxy Z Fold4 5G 256GB	na	Unlocked	\$1,799.99	\$1,099.99	\$700.00
	Galaxy Z Fold4 5G 512GB	na	Unlocked	\$1,919.99	\$1,169.99	\$750.00

\*deals collected between 7/11/23 & 7/12/23

\*excludes refurb & 3rd party items



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## INDUSTRY REPORTS

### Adobe: Prime Day 2023 Sets New Sales Record

According to Adobe Analytics, a total of \$12.7 billion was spent online in the US during Prime Day 2023 (a growth of 6.1% year-over-year (YoY) that sets a new record for Amazon's annual event. The firm tracked sales on the first day, up 5.96% YoY, and \$6.3 billion on the second day of the Prime Day event, up 6.4% YoY.

In tracking over one trillion visits to US retail sites, 100 million SKUs, and 18 product categories, Adobe found that top sales were driven by appliances (up 52% vs. avg. daily sales in June 2023), housekeeping supplies (up 27% vs. avg. daily sales in June 2023), electronics (up 15% vs. avg. daily sales in June 2023), and stationery/office supplies (up 12% vs. avg. daily sales in June 2023), with the latter category spurred by back-to-school shoppers.

Shopping via smartphone remained a popular tactic, driving 44.8% of online sales by the end of Prime Day 2023, up from 41.5% during last summer's sale event. For retailers offering the service, curbside pickup was used for 20% of online orders, which is up 1-point YoY from 19% of Prime Day orders last year. Additionally, 6.5% of orders used buy now pay later (BNPL), driving \$927 million in revenue and up 20% YoY, driven by categories including furniture/home, and electronics.

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## Numerator: Order Size & Household Spend Rise this Prime Day

According to data from Numerator's Amazon Prime Day Tracker, this year's sale brought on-year improvement in key metrics including individual and household order size, as well as awareness of the event. 97% of the surveyed Prime Day shoppers knew that it was Prime Day before shopping, and over half (52%) purchased items that they hadn't bought from before the sale event. Numerator also saw that 65% of the households shopping on Prime Day placed more than one separate order, which brought this year's average household spend to \$155.67, up 7.6% YoY from last year's event (vs. \$144.56 avg.).

On day one of Prime Day 2023, the average order size was \$56.26, up 8% YoY (vs. \$52.22 avg.) and day two's average order size was \$56.07, up 5% YoY (vs. \$53.14 avg.). With both days combined, the average individual order size for Prime Day 2023 was \$54.05, up 3% YoY (vs. \$52.26 avg.). Meanwhile, the average price per item dropped 1% for Prime Day 2023 (\$32.35 avg. vs. \$33.58 avg.), suggesting that the increases logged in order sizes were not the result of inflation. Numerator found that 56% of Prime Day 2023 items sold for under \$20, while just 5% of items sold for over the \$100 threshold.



According to Numerator, the most popular product categories during Prime Day 2023 were home goods (22%), electronics (26%) and apparel/shoes (24%), while the top items purchased were Temptations cat treats, Fire TV and Liquid I.V. packets.

Numerator also examined demographic characteristics of Amazon Prime Day shoppers, finding that 78% were female with the typical buyer being a high-income suburban female aged 35 to 44. Other findings include:

- 88% are members of Amazon Prime
  - 84% have been Amazon Prime members for over 1 yr
- 80% have shopped Prime Day in the past
- 55% said Prime Day was their main reason for shopping
- 54% compared prices at competing online merchants
  - 36% checked Walmart
  - 25% checked Target

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## NRF: Economy Moving in the Right Direction in 2023

The economy is moving in the right direction, according to [National Retail Federation Chief Economic Jack Kleinhenz](#). He pointed to "clearly better momentum in the first half of 2023 than was recognized at first," with Q1 GDP growth adjusted for inflation (compared to the original 1.1% reported). Consumer spending in Q1 was the fastest growth since mid-2021; however, it slowed down in May (down 0.5% YoY), which suggests Q2 may have been slower. Although even though retail sales were up across most retail categories, consumers continue to slowly shift their dollars from goods to services. Other highlights from Kleinhenz's analysis include:

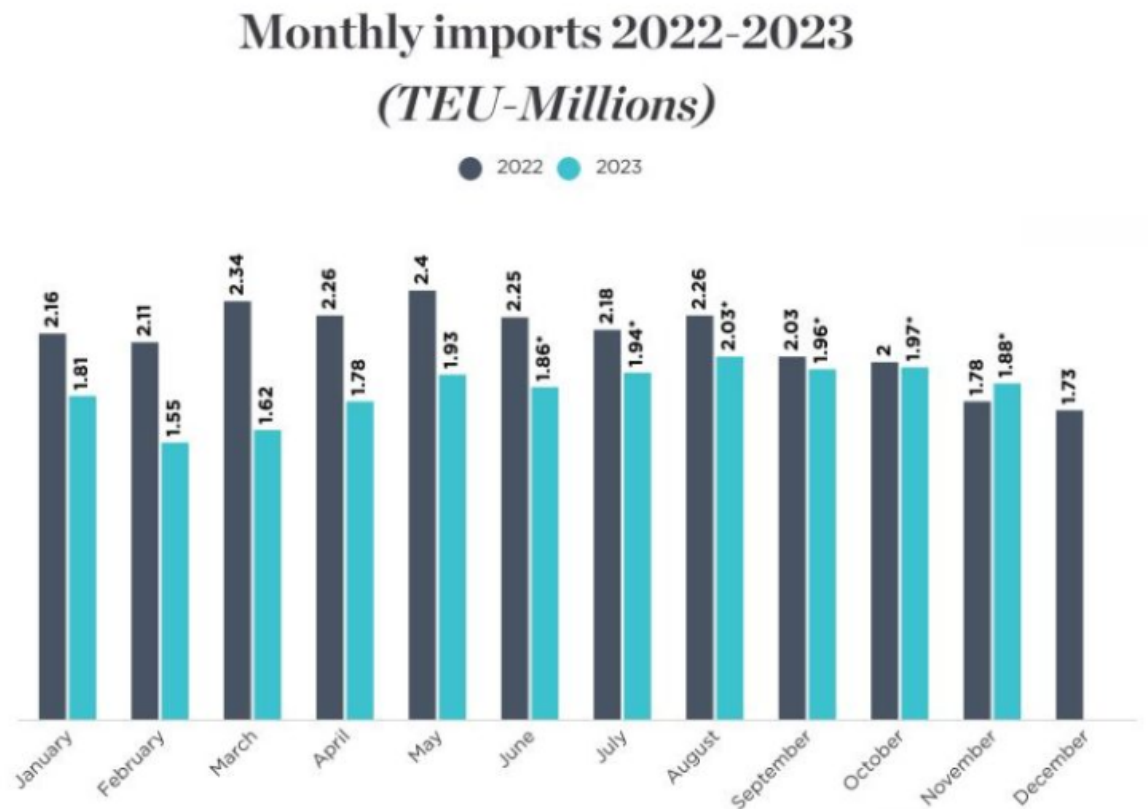
- June's Federal Reserve meeting suggests that interest rates will be left unchanged for the first time in over a year
  - Increases at some point in the future are still likely
- The economy added 339,000 jobs in May, according to the Bureau of Labor Statistics
  - Unemployment rate rose 0.3 ppt to 3.7%
- Inflation is elevated but slowing

□ It was up 3.8% YoY in May, its first time under 4% since early 2021

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## NRF: Imports Building Toward Summer High Despite Labor Disruptions

According to the [Global Port Tracker](#) report published by the National Retail Federation (NRF) and Hackett Associates, import cargo volume at the country's major container ports is anticipated to increase this summer and reach a peak in August. Retailers are monitoring labor problems at the ports in Western Canada and a prospective teamster strike at the United Parcel Service (UPS), despite a tentative contract deal being negotiated at West Coast ports, according to NRF.



Source: NRF/Hackett Associates Global Port Tracker \*Forecast

In May, the most recent month for which full figures are available, US ports tracked by Global Port Tracker handled 1.94 million Twenty-Foot Equivalent Twenty-Foot Equivalent Units (one 20-foot container or its equivalent). That was up by 8.5% from April but decreased by 19.3% from the previous year. Ports have not yet released their June figures, but according to Global Port Tracker, the month should have brought the first half of 2023's TEU volume to 10.1 million, down 22% from 2022's first half.

### July - November TEU Predictions

- July is anticipated to be 1.94 million TEU, down 11% from last year
- August is anticipated to be 2.03 million TEU, down 10.1% from last year but the first month to reach 2 million TEU since last October
- September is anticipated to be 1.96 million TEU, down 3.4%
- October is anticipated to be 1.97 million TEU, down 1.8%
- November is anticipated to be 1.88 million TEU, up 5.9% from last year and the first increase from July

While Global Port Tracker has not yet predicted the complete year, the third quarter is anticipated to reach 5.9 million TEU, down 8.3 percent from last year, and the first nine months of the year are anticipated to total 16.5 million TEU, down 17.6 percent from last year.

The overall amount of imports in 2022 was 25.5 million TEU, which was 1.2 percent less than the previous year's total of 25.8 million TEU in 2021.

NRF Vice President Johnathan Gold warns consumers and merchants that despite labor and management negotiations at ports reaching a tentative agreement in June, supply chain disruptions are not over. The Vancouver and Prince Rupert port strikes are not predicted to have a significant impact in Canada, but they could have an impact on certain retailers and shops that import their goods through Canada, and they might also have an influence at other ports. If UPS and Teamsters can't come to an agreement before their contract expires at the end of the month, it may affect the flow of transport products from US ports to retailers.

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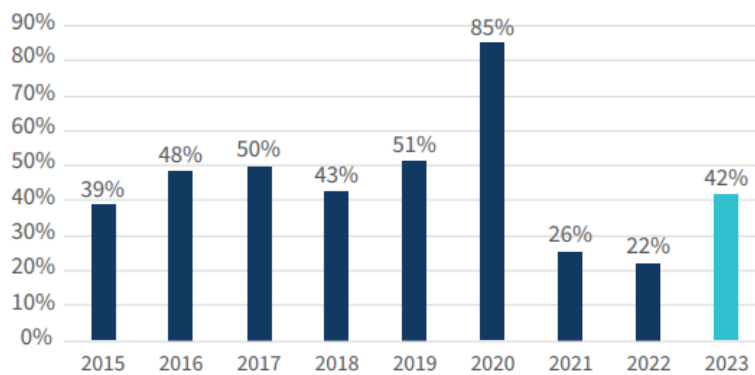
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## Report: F'TI Predicts US Online Sales to Hit \$1.14 Trillion in 2023



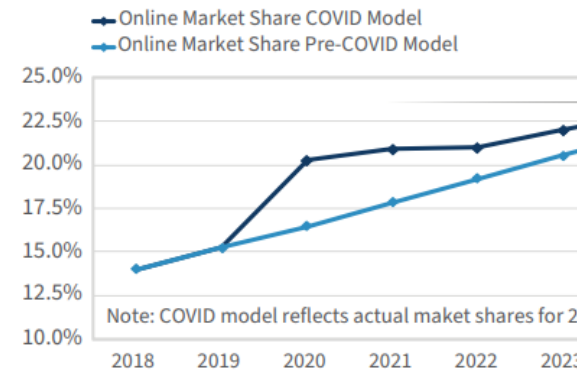
A recent [FTI Consulting](#) report predicts US online retail sales will hit \$1.14 trillion in 2023, an increase of 10% year-over-year, with 42% of overall retail sales expected to come from the e-commerce channel. The pandemic resulted in a surge in online shopping, but through the re-opening of brick-and-mortar stores, online sales are expected to grow by less than 10% in the coming years. Despite the long-term decline in growth, FTI believes e-commerce growth will remain faster than that of in-store on an annual basis through 2025 before leveling out.

**Figure 3: E-Commerce Share of Total Retail Sales Growth**



Source: U.S. Census Bureau, FTI Consulting Analysis

**Figure 4: U.S. E-Commerce Retail Market Share**



Source: FTI Consulting Analysis

FTI found many respondents were interested in personalized shopping experiences driven by AI, with 80% believing personalization is helpful and enhances the shopping experience. Additionally, 75% are very interested in receiving personalized product offers, advertisements, and catalogs, and 68% would switch retailers for a better personalized experience, with Gen Z leading the way (72%). The findings suggest that companies will likely invest more resources in enhancing personalization capabilities through the use of AI.

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## Survey: 2023 Back-to-School Spending Expected to Break Records

With back-to-school season approaching, there has been a surge of survey's gauging consumer attitudes and spending. According to the annual [survey](#) by the National Retail Federation and Prosper Insights & Analytics, consumer spending this BTS season is expected to reach an "unparalleled" \$41.5 billion, which is up 4.6 billion year-over-year. The survey also notes that 55% of consumers who are shopping for back-to-school stated that they started in July.

they still have at least half of their shopping left to do. Additionally, 70% of consumers will be looking for easy ways to save, which is likely due to the fact that more than 60% of back-to-school shoppers are concerned with inflation.

The increase in expected overall spending is primarily driven by a higher demand for electronics, with 69% of school shoppers expecting to purchase electronics (+4ppt YoY). Total spending on electronics is expected to record \$15.2 billion, with consumers planning to purchase laptops (51%), tablets (36%), and calculators (29%). 43% of consumers who are spending more this season say they need to replace items (+11ppt YoY), and 32% because they will need to purchase items such as a computer, phone, calculator or dorm furnishings.

## K-12 vs. College Spending

Households with children in elementary through high school expect to spend an average of \$890.07 on back-to-school items this season, about \$25 more YoY, setting a new high.

Back-to-college spending is expected to skyrocket to \$94 billion, about \$20 billion more YoY. College students and their families expected to spend about \$1,366.95 per person, up \$167.52 YoY, breaking the previous pending record of \$1,200.32 in 2021. The increase in college prep shopping YoY is driven by expected purchasing of big-ticket items such as electronics and furnishings, as well as necessities like food.

### Other Key Back-to-School Findings:

According to an annual [survey](#) by Sensormatic Solutions, the global retail solutions portfolio of Johnson Controls, consumers plan to shop for back-to-school in-stores this year (+3ppt YoY). The firm found that 91% of consumers plan to shop in-store this year, with price as the most important factor for in-store shopping, followed by product availability (75%) and safety and security (74%) (44%). The importance of in-store promotions continues to increase YoY for shoppers, with 30% saying it was important in their decisions compared to 24% (2022) and 16% (2021).

The Sensormatic data expects the busiest spending days of the season to be between July 30 and August 26 dates in the following:

- South: July 30 – August 5
- West: July 30 – August 12
- Midwest: Aug 6 – August 19
- Northeast: August 20 – 26

According to a separate survey by KPMG (as reported by Chain Store Age), 45% of those shopping in-store most likely to visit standalone locations, or those in strip malls. Other less popular locations include open-air (20%), enclosed malls (19%), and outlets (13%). KPMG also found that 70% of respondents state they are likely to spend more on clothing and accessories than any other category. According to KPMG's survey, apparel, footwear and school supplies will use 56% of each shopper's budget (+2ppt YoY). Additionally, 37% of consumers consider back-to-school to be part of their back-to-school budget this year (-16ppt YoY).

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