MARSHALL

AMAZON SALES RECAP

JANUARY 2025



INSIGHTS & TRENDS

Many of us had hoped for a stronger start to sales on Amazon compared to the trends seen in 2024. However, January followed a similar pattern to last year, with the most significant shortfall occurring in the first two weeks.



POST HOLIDAY SPEND SLOWDOWN

After the holiday season in December, consumers often reduce their spending in January. This pattern was evident as U.S. retail sales fell by a seasonally adjusted 0.8% in January aligning to the sales decline of Marshall's managed brands (-1% YoY).



ECONOMIC UNCERTAINTY AND TARIFFS

Concerns over rising costs and potential tariffs from the new administration have made consumers more cautious.



INCREASED COMPETITION

China-based sellers make up nearly 50% of the top 10,000 sellers on Amazon and poses an ongoing challenge due to the massive scale of direct-from-China retail, facilitated by platforms such as Amazon, Shein, Temu, AliExpress, TikTok Shop, and other marketplaces.



AMAZON UPDATE & OUTLOOK

Amazon recently reported Q4 earnings, surpassing expectations on revenue and EPS. However, its Q1 sales guidance was set at 5-9%, with the lower end marking the slowest growth on record since 1997. Hardline categories will continue to face challenges in Q1.

To sustain and grow your sales, leveraging data analytics to optimize ASIN level details will be crucial.

Amazon's algorithm prioritizes items over brands, making it essential to focus on product-level performance. Ensure you are working closely with the Marshall team to act based on ASIN level inputs/outputs. Our framework and technology are designed to support these initiatives and drive success.

TOP Q1 GROWTH MARKETS



FASHION



CONSUMER PRODUCT GOODS



HEALTH & BEAUTY

TOP PRIORITIES FOR 2025



ACTIONABLE INSIGHTS AT THE ASIN LEVEL

Make data-driven decisions based on ASIN-level inputs and outputs to optimize performance.



STRENGTHEN BRAND DIFFERENTIATION

Build a strong brand moat to stand out from Chinese sellers and maintain a competitive edge.



STRATEGIC AD SPEND

Allocate ad dollars based on data-backed insights, considering line-item performance, competitor landscape, and competitor market trends.



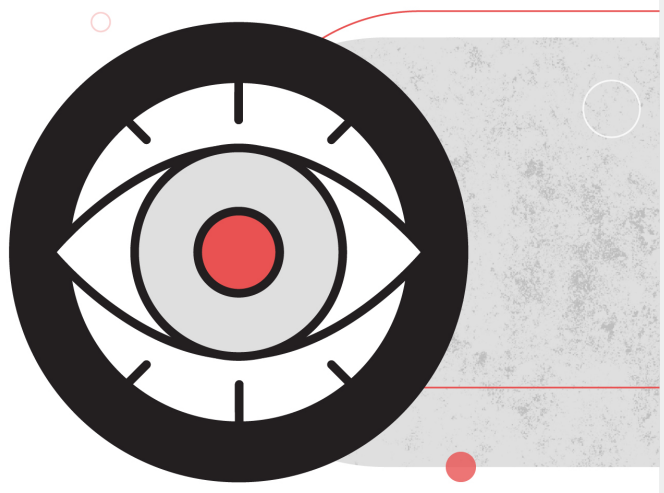
EFFECTIVE OMNI CHANNEL MANAGEMENT

Implement exclusive products, strategic pricing, curated promotions, and cohesive content to maintain retailer profitability and reduce suppression risks.

AMAZON WATCHPOINTS FOR Q1

It's the time of year to start strategizing your Annual Vendor Negotiations. Want our exclusive tips on how to manage your AVN for the year?

DOWNLOAD OUR GUIDE



Interested in leaning more about our eCommerce capabilities and team structure? Please reach out to us at: **marshallecommerce@marshassoc.com**