DATA SCIENCE &
RESEARCH CENTER

AMVISOR DATA SCIENCE & RESEARCH REPORTING

GROWTH UNDER PRESSURE

BRANDS BETWEEN PROFITABILITY, CENTRALIZATION AND INTERNATIONALIZATION

May 2025

amvisor.com

Introduction: Growth under pressure.

During the ASK 2025 conference in Marburg, leading manufacturers and brand owners came together for a panel discussion on the current state of the Amazon Vendor business.

The discussion revealed a shared reality: growth on Amazon is increasingly tied to complex trade-offs between profitability, centralization, and international expansion. Rising margin pressure, the growing cost of advertising, and logistical challenges in cross-border distribution are shaping how brands operate – and how they plan for the future.
Backed by anonymized data from thousands of ASINs and enriched with the perspectives of over 100 industry participants, this report highlights the structural tensions that define the current Vendor landscape – and the decisions that will shape its next chapter.

LINDA HALFTER

CCO AMVISOR

"In every conversation with our clients, the same themes come up—tight margins, rising ad costs, and the complexity of going global. This report puts numbers to those pressures and helps brands see they're not alone."

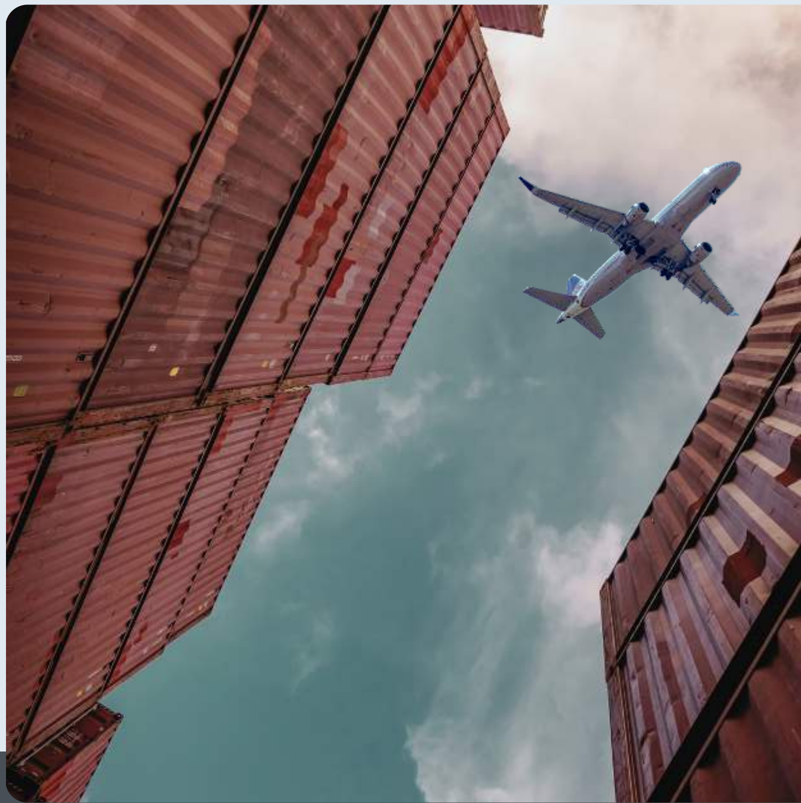
Focusing on key questions:

- How much did cross-boarder shipments rise over the couple years?
- How did the NetPPM change over the last 2 years?
- How does Amazon try to stay profitable?
- How did the advertisment budget evolve over the 2 years?

How much did cross-boarder shipments rise?

With every 5th euro coming from outside Germany, how are cross-border sales impacting your processes with Amazon?

According to AMVisor data analysis, in 2023 and 2024, every **2nd product** involved a cross-border shipment, with the average number of such shipments per product (ASIN) **increasing by 40%.** The trend becomes particularly evident when looking at the share of indirect sales revenue: this figure rose from **17% in 2023 to 21% in 2024**.



40%

Key Insight

- Every 2nd item in 2024 was shipped cross-boarder
- 40% more in 2024 from these ASINs
- 4% increase in revenue from indirect YoY sales
- Every 5th € coming from outside Germany

Conclusion

This development comes with a growing need for clearly defined transnational distribution and warehouse management structures to implement scaling efficiently and profitably.

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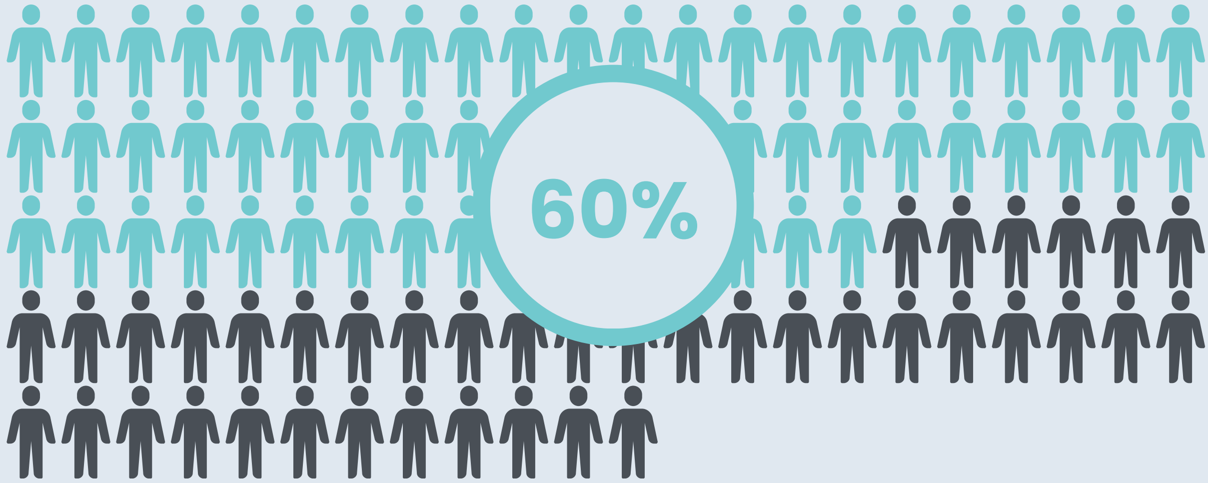
Profitability under pressure



Net profitability (Net PPM) in the vendor model shows a **2% increase** YoY.
60% of our customers are experiencing increased margin pressure from Amazon. his forces manufacturers to further reduce their prices to remain competitiv

The alternative—adjusting prices upward—makes the product unattractive to end customers. The result is a dilemma: loss on the manufacturer's side or insufficient sales figures.

+2% YoY NetPPM

Conclusion

Even this small increase of 2% makes a huge difference when it come to being profitable on Amazon. It chages the whole deminer of how you go about your anual vendor negotiations with Amazon.

Investment with unchanged impact?

Not only have advertising expenditures increased over the past two years, but advertising costs (RACOs, TACOs) have also risen.

According to AMVisor's data analysis, **20% more was invested in advertising in 2024** compared to 2023, and **17% more products (ASINs) were promoted**.
This indicates that brands overall have increased their advertising spend on Amazon.
In terms of advertising costs, we observed an **increase in RACO of about 6.5%**, which points to rising ad costs relative to spend. However, **TACO remained largely unchanged,** meaning the ratio between advertising spend and total revenue stayed consistent.

Conclusion
This suggests that advertising efficiency has not decreased despite the higher investment in ads.

Key Insight

More invest in Amazon ads plus 17% more promoted products.
The RACO increased about 6.5% whilst TACO stayed the same.

Voices from the field 100 eCommerce experts

ASK Survey Results

Alongside the data analysis, 100 industry representatives were surveyed at this year's ASK in Marburg. The results confirm the hypotheses:

Net PPM Rising

Over **50%** experienced a highter Net PPM last year.

Amazon Profitability

Over **60%** mention higher fees and a more aggressive pricing policy to be the main drivers of Amazon's profitability.

Cross Border Shippments

55% of Vendors underestimated the rising of cross border shipments.

Advertising Budget

Over **60%** have increased its Advertising budgets significantly in recent years.

Advertising Strategy

Over **50%** prefer inhouse-teams to manage Amazon advertising.

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The AMVisor Digital Shelf Plugin

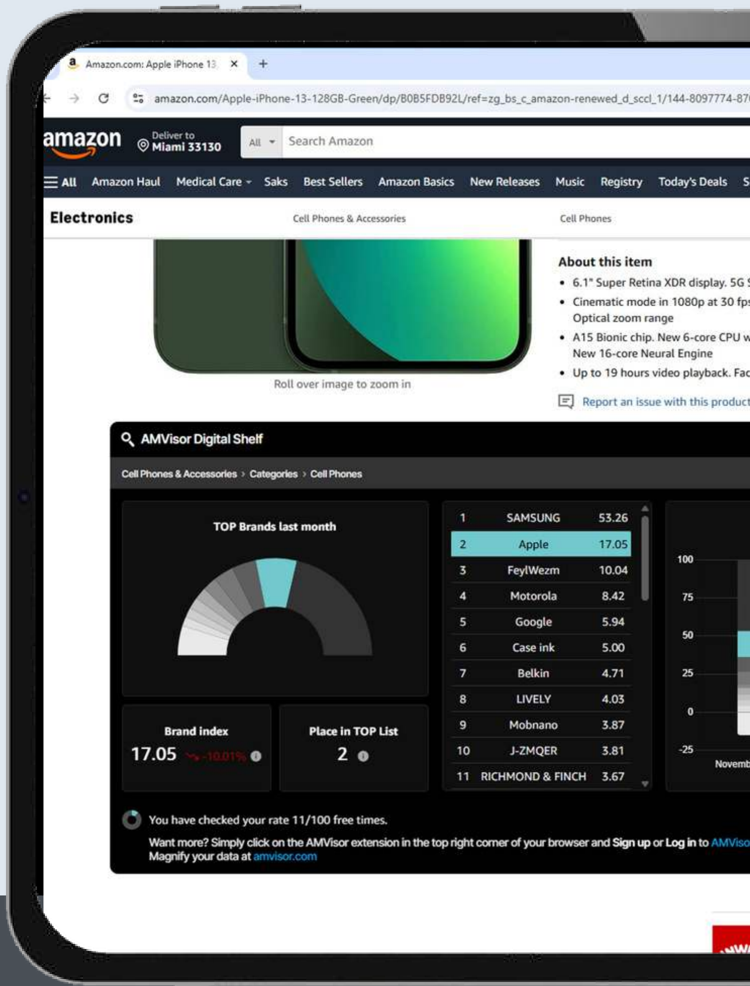
Smarter Insights. Stronger Strategies.

AMVisor's Digital Shelf Browser Extension brings real-time competitive benchmarking directly to Amazon's product detail pages. Instantly assess your brand's visibility, track performance trends, and gain critical market insights—without ever leaving the page.

What's New:

- Performance Benchmarking – See how your brand stacks up against competitors.
- Trend Analysis – Spot emerging trends early to stay ahead.
- Market Insights – Align your strategy with category shifts and buyer behavior.

Powered by publicly available Amazon data, AMVisor ensures privacy while delivering reliable, accurate analytics.



Magnified

TINA FRIEDRICH
CMO AMVISOR

"How frustrating it is trying to see where my brand stands on Amazon! That's exactly why we built Digital Shelf—to give eComm teams instant clarity without digging through endless reports."

Try it out today

Get it for Edge **Add to Chrome**

Method of Analysis

Analysis of the Amazon Vendor Commercial Business

The AMVisor Data Science & Research Report is based on anonymized data from hundreds of thousands of ASINs in Amazon's vendor (1P) business.

We analyzed the development of key metrics over the years 2022 to 2024. All ASINs included were actively listed on the German Amazon marketplace during the evaluation period.

Amazon

The data comes from AMVisor's proprietary databases and Amazon's public frontend, with a focus on established brand vendors using the AMVisor operating system.

These metrics do not reflect official Amazon or vendor performance but aim to highlight structural trends within Amazon's 1P vendor business and global market categories.

While every effort was made to ensure accuracy, minor statistical deviations may occur.

"The data clearly shows how growth on Amazon is shifting. By analyzing patterns and tracking key metrics over time, I was able to systematically capture the effects of internationalization and centralization."

Lukas Rommel
Data Scientist AMVisor

More information for Amazon data analytics?

Contact Us!

AMVisor offers leading eCommerce data solutions tailored for global manufacturers, optimizing product availability and profitability on Amazon with intuitive dashboards.

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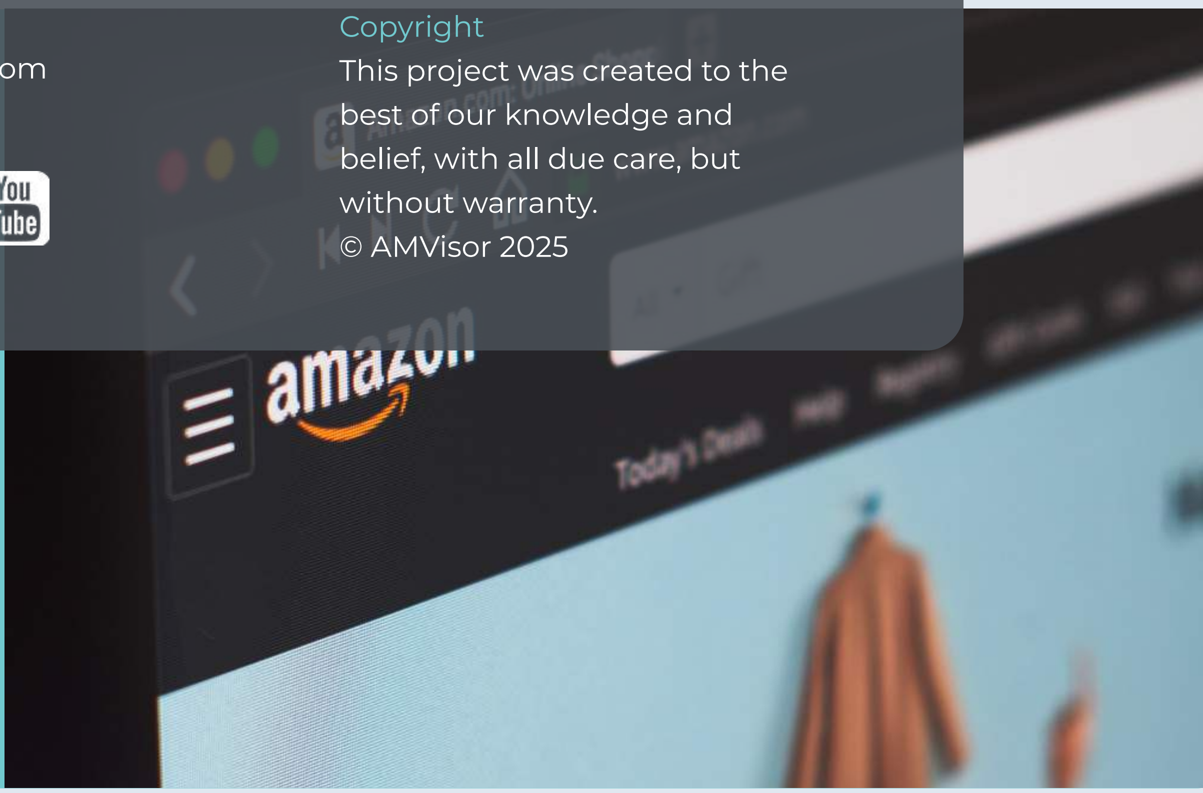

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