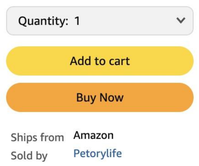
Determinants and Effects of Buy Box Suppression on Amazon

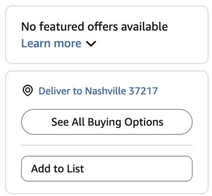
Jeffrey Gleason, Shuo Zhang, Christo Wilson

MOTIVATION

98% of sales on Amazon flow through the Buy Box. However, sometimes Amazon **suppresses the Buy Box**.



Featured Buy Box



Suppressed Buy Box

Suppression matters for two reasons:

1. FTC antitrust case: do low competitor prices trigger suppression or does Amazon respond to bad offers?
2. Third-party sellers allege that the consequences of suppression are severe.

RESEARCH QUESTIONS

(1) What are the determinants of Buy Box suppression?

(2) What impact does Buy Box suppression have on sellers, measured through their search rank and sales rank?

(3) How do prices on competitor websites respond to suppression events?

NEW DATASET!

We create a new **open-source** dataset:

- 17,754 products on Amazon.com
- 8 weeks (March 13 – May 7, 2024)
- Hourly frequency
- Offers from 59,301 unique competitors

FINDINGS

(1) The most important determinants of suppression are changes to the available offers on Amazon.

(2) Sizeable impacts on sellers: products immediately fall sharply in search, sales ranks are 12% worse after 48 hrs.

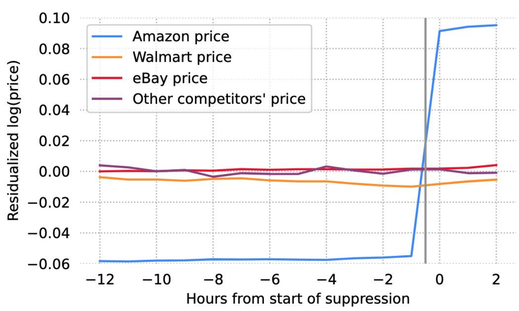
IMPLICATIONS

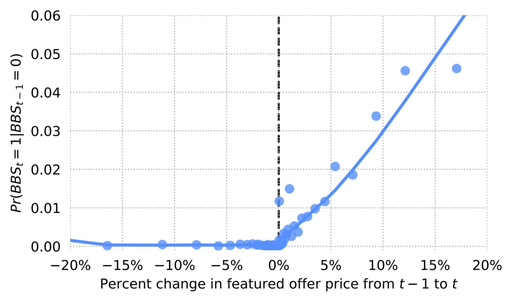
(1) Predominant reasons for suppression align closely with Amazon's public explanations.

(2) Buy Box suppression is a strong and swift intervention that Amazon uses to discipline third-party sellers.

Key Limitation: data collected after FTC filed lawsuit

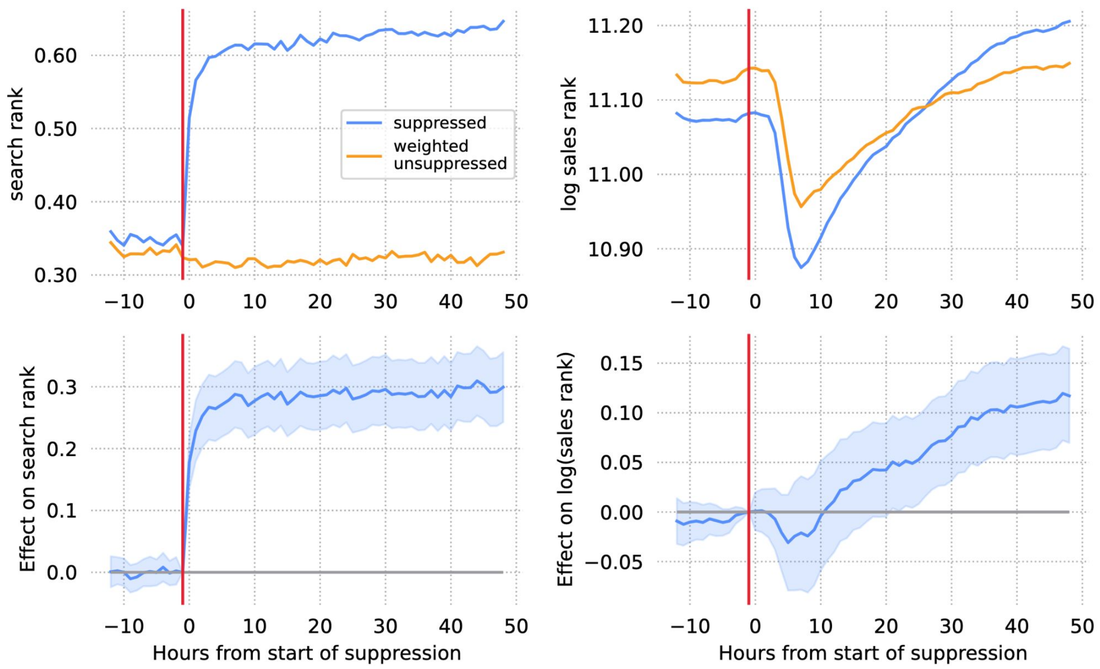
RESULT 1





Suppression incidents are triggered by price changes on **Amazon, not competitors**

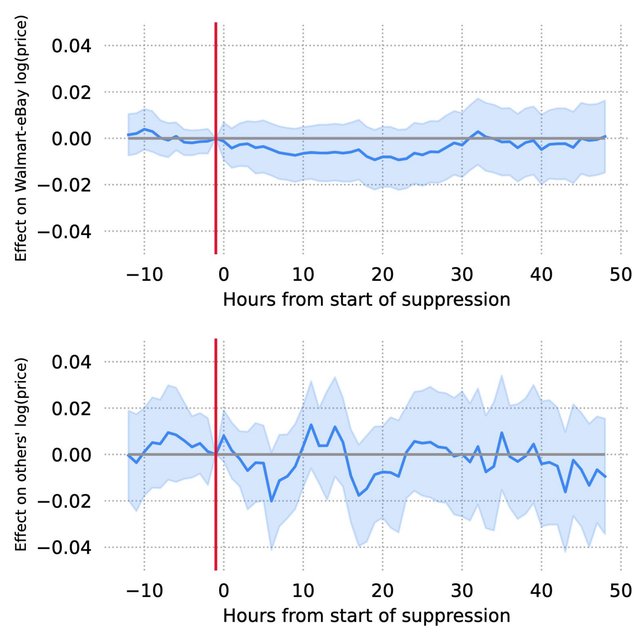
RESULT 2



Search rank is **25pp** worse within just 3 hours of suppression

Sales rank is **12%** worse after 48 hours of suppression

RESULT 3



No significant effects on competitor prices within 48 hours of suppression