tinuiti

THE STATE OF

Amazon Prime in 2021

Inside the Minds of Amazon's Most Valuable Spenders

Introduction

Amazon Prime, the free shipping subscription service with more than 150 million members in the U.S., marks its 15th anniversary this year and seems poised for even more success in the future.

As the nation contends with the effects of COVID-19, membership loyalty remains strong due to the convenience, speed, and the competitive pricing that Prime offers.

Prime sets the standard for efficiency, selection, and ease of use for the ecommerce industry as a whole—and as the retail sector retools for a rebuilt economy, it's a good time to take a few pages out of Amazon's playbook.

Here's what we'll explore in our exclusive study:

- A snapshot of the current impact of global changes on Amazon Prime
- Changing Prime member demographics (a look at three key personas)
- The breakdown of Prime member spending—how and how much
- The most appealing Prime perks and products
- The impact of competitors such as Walmart

METHODOLOGY

This survey was commissioned by Tinuiti and conducted by Survata, an independent research firm in San Francisco. Survata interviewed 2001 consumers between August 05, 2020, and August 10, 2020. Respondents were screened with the question: "Are you an Amazon Prime Member?". Survey respondents were reached when they took a survey to access content or a service, such as free Wi-Fi. Consumers receive no monetary payment for their participation. More information on Survata's methodology can be found at survata.com/methodology.

Amazon Prime Shopping in Uncertain Times

Even a phenomenon like Amazon doesn't exist in a vacuum, and in 2020, external forces have shaped retail to a larger extent than ever.

THE GLOBAL PANDEMIC SHIFTS SHOPPING HABITS

Widespread store closures since March accelerated a shift to online shopping that is likely here to stay. Despite the loosening of stay-at-home restrictions from state to state, consumers are still wary of in-store shopping, with 60% planning to venture into stores less during the upcoming holiday season due to fear of COVID-19 exposure, according to a survey from Radial.[1]

Offline operations have also been impacted. Retailers continue to expand and pivot their existing store pickup services to introduce curbside offerings in keeping with local public health regulations, and 30% of consumers surveyed by Salesforce report using store pickup more than usual.[2]

UNPREDICTABILITY IS THE RULE

Pandemic-induced shutdowns have produced ripple effects throughout the economy, impacting consumer confidence and budgets. Overall, unemployment has reached historic highs, and with the expiration of $600-per-week supplemental unemployment benefits, economists fear a wave of evictions as families are forced to make hard choices about how to spend dwindling reserves.[3]

Back-to-school season has added further stress to families, as parents grapple with helping their children navigate distance learning from home or hybrid schedules on campus.[4] Touch-and-go business reopening plans with daily-changing COVID-19 health data and guidelines make fourth-quarter forecasting a tricky proposition. Adding to 2020's turmoil are natural occurrences, such as hurricanes in the Southeast and firestorms in the West that will make the rest of the year just as uncertain.

AMAZON POISED TO EMERGE VICTORIOUSLY

If there's one constant throughout 2020, it's that Amazon seems unstoppable. The uptick in online shopping has benefited the world's largest web retailer, and, according to Forrester Research, 46% of U.S. consumers believe that the increase in Amazon shopping will be a lasting impact of the global pandemic.[5]

Amazon's Prime Day sales event was postponed this year due to the need to keep up with record-high order volumes during the pandemic. According to Amazon, the event will now take place at some point during the fourth quarter,[6] and forecasters predict an October date.

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[1] MarTech Series, "Retailers Get Ready: Survey Shows COVID-19 Impact Hasn't Disrupted Consumer Holiday Shopping Plans," 7/8/20, https://martechseries.com/mobile/mobile-marketing/e-commerce-and-mobile-commerce/retailers-get-ready-survey-shows-covid-19-impact-hasnt-disrupted-consumer-holiday-shopping-plans/

[2] Salesforce, "How COVID-19 Will Shape the 2020 Holiday Season: 5 Predictions on the Future of Retail," 7/30/20, https://www.salesforce.com/blog/2020/07/covid19-holiday-readiness-retail-commerce.html

[3] CNBC, "It's been a month since the extra $600 per week in enhanced unemployment benefits expired. Here's where things stand now," 8/28/20, https://www.cnbc.com/2020/08/28/its-been-a-month-since-enhanced-unemployment-benefits-ended.html

[4] Psychology Today, "Back to School, Back to Stress," 8/30/20, https://www.psychologytoday.com/us/blog/the-adolescent-mind/202008/back-school-back-stress

[5] Forrester Research, "The State Of The US Shopper - COVID-19," 7/20, https://www.forrester.com/report/The+State+Of+The+US+Shopper+COVID19/-/E-RES161256

[5] CNET, "Amazon Prime Day is coming in the fourth quarter," 7/30/20, https://www.cnet.com/news/amazon-prime-day-is-coming-in-the-fourth-quarter/

MONTHLY SPEND

64%

of respondents spend $100 or less on Amazon per month

PRIME MEMBERSHIP

33%

over a third of respondents have been subscribed to Amazon Prime for 4+ years

PRIME DAY

70%

nearly 70% of respondents plan to shop for deals on Amazon's 2020 Prime Day

PRIME PERKS

#1 **Prime Shipping**

all demographics agree that fast and free Prime shipping is the #1 member benefit

PRIME NOW

34%

of respondents have tried Amazon's Prime Now

Survey Highlights

→ While 63.5% of respondents spend $100 or less on Amazon monthly, Prime spending is up overall, with more than a third of respondents now saying they make at least $100 in purchases per month—a jump of 23%. The percentage of elite Prime members spending more than $300 per month has grown 49%, from 3.5% to 5.2% of all respondents.

→ As Amazon Prime marks its 15th anniversary, more than a third of respondents have been subscribed for four or more years, and 14% have been members for seven years or more. Churn is low, with three-quarters of respondents having been members for at least a year.

→ Nearly 70% of respondents plan to shop for deals on Amazon's 2020 Prime Day, even without knowing when exactly it will be. Among Prime Super Spenders, 78% plan to shop on Prime Day.

→ Prime members in every age, income, and spending bracket say fast and free Prime shipping is the number one benefit of membership, just as they did in 2019. Prime Video ranks as the second most popular benefit, and—perhaps due to the need for more at-home entertainment during the pandemic—Prime Music is number three.

→ Roughly 34% of respondents said they've tried Amazon's Prime Now, the local delivery service for groceries, restaurant takeout, and more—far outranking Amazon Fresh and Amazon Pantry, Amazon's other grocery-related offerings for Prime members.

TOP ITEMS PURCHASED

1 home goods **2** electronics
3 self-care & beauty products

PRICE CHECKING

36%

of respondents check Amazon prices against other online retailers

GEN Z & MILLENNIAL

56%

of Gen Z and Millennial respondents say they are not at all likely to cancel Prime

AMAZON ADS

25%

of Gen Z shoppers say ads have negatively impacted their Amazon experience

COMPETITORS

40%

of respondents would turn to Walmart if a product was unavailable on Amazon

Survey Highlights

→ Home goods and electronics top the list of most-frequently purchased items for 2020, just as in 2019, with self-care and beauty products edging out apparel for the number three spot.

→ Roughly 36% of Prime members check prices elsewhere every time they shop on Amazon, up 9% from last year. This increased scrutiny comes largely from Prime parents; for example, more than 40% of single parents check prices at competitor sites every time they shop Amazon.

→ About 20% of Generation Z and Millennial respondents say they never comparison-shop—32.5% higher than survey respondents overall. They're also more loyal to Amazon Prime; 55.9% say they are not at all likely to cancel their subscription in the coming year, a figure that is 16% higher than the survey average.

→ Nearly 25% of Gen Z shoppers say that ads have negatively impacted their Amazon experience, topping their list of concerns about the site. More than one in five men who spend at least $100 on Amazon monthly also report problems with ads.

→ When asked to name which site they'd turn to if a product was unavailable or delayed via Amazon, nearly 40% of respondents selected Walmart—putting the retailer ahead of Google and Target. Over half of the survey respondents (55.7%) said they would sign up for a Walmart loyalty club; most—but not all—would retain their Prime memberships, too.

Key Prime Personas

2020 EDITION

Key Prime Personas, 2020 Edition

With so many external forces impacting consumer behavior, demographics can be less important. However, it's worthwhile to examine the makeup of the 2020 Prime survey respondents, as key shifts compared with 2019 inform attitudes and responses throughout.

The three key Prime member personas that emerged in the 2019 survey are worth focusing on again in 2020—though with significant variations.

Parents, Diversified

In 2019, 30.8% of respondents were single, compared with 38.3% in 2020. Similarly, 42.1% of respondents in 2020 stated they aren't parents, compared with 35% in 2019. The shifting population also affected our 2019 Family Savers category, originally defined as married, partnered, or divorced parents. In 2019, that cohort represented 54% of all survey respondents; this year, the same criteria applied to just 47% of respondents and excluded the more than one in 10 respondents who are single parents. Accordingly, we're diversifying our category to include all parents—and, in recognition that such a large cohort (57.9% of the total) isn't monolithic, we've identified relevant subsets of parent groups throughout.

PRIME SUPER SPENDERS REFLECT RISE IN SPENDING

Whereas in 2019 29.6% of Prime members reported spending $100 or more on Amazon each month, in 2020 that percentage rose to 37%—growth of 23%, reflecting increased spending among survey respondents overall. As in 2019, these consistent purchasers are more likely than average to come from households in upper income brackets, with 78.1% earning more than $50,000 annually—34% higher than average. Super Spenders are more engaged with Prime membership perks and are avid Prime Day participants, while also being more likely to report negative Amazon experiences, perhaps due to their higher overall usage of the site.

AMAZON NATIVES AND OLDER SUBSCRIBERS—THE GREAT DIVIDE AT 40

Amazon "Natives"—that is, those who were born or grew up with Amazon as a go-to name in retail—are the collective grouping that includes Generation Z (ages 18 to 23) and Millennials (24 to 39), and represent 39% of all survey respondents. More than 60% of Amazon Natives are single and 72% are child-free, marking a contrast with Super Spenders, who are more likely to be married with kids. Close to half (49.4%) of all Amazon Natives earn $50,000 or less, 20% higher than the survey average.

Prime Personas at a Glance

	PARENTS, DIVERSIFIED *One or More Children*	PRIME SUPER SPENDERS *$100+ Monthly Spend on Amazon*	AMAZON NATIVES *Gen Z and Millennials*
% OF SURVEY RESPONDENTS	58%	37%	39%
% SINGLE	18%	29%	63%
% WITH CHILDREN	100%	67%	28%
% SUPER SPENDERS	42%	100%	32%
% USING PRIME NOW	36%	43%	38%
% COMPARISON SHOPPERS	35%	31%	35%
% PLANNING TO PARTICIPATE IN PRIME DAY	73%	78%	69%
% WOULD NOT JOIN WALMART LOYALTY CLUB	40%	42%	50%

Prime Spending

IS STRONG
& STEADY

Prime Spending is Strong & Steady

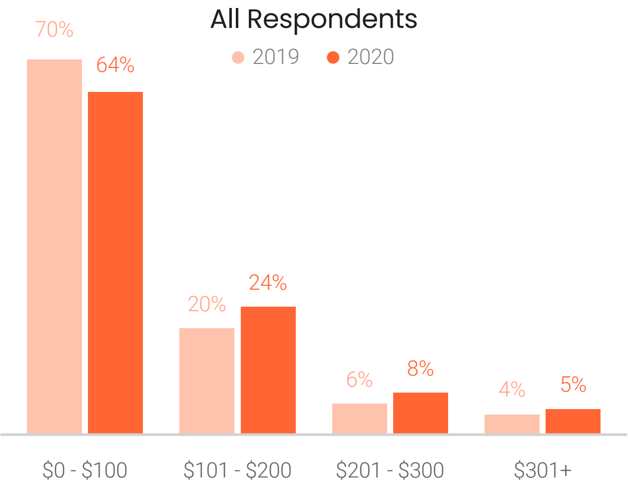
Despite the economic and societal challenges wrought by 2020, Prime members are buying more from Amazon than ever. In addition, as the Prime club marks its 15th year of existence, loyalty to the subscription service is high—suggesting that Amazon is likely to convert an ever higher percentage of U.S. consumers to members as the year draws to a close.

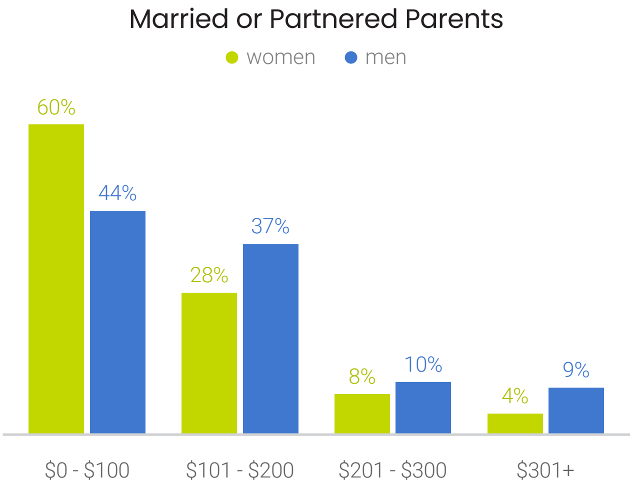
Prime Spending is Up—Even as Income Flattens

Overall, Prime members report few negative impacts from COVID-19 when it comes to their spending power. Prime spending is up, with more than a third of respondents now saying they make at least $100 in purchases per month—a jump of 23% year over year. Although still a small sliver of the overall survey population, the segment of those spending more than $300 per month has grown the most, jumping 49% from 3.5% to 5.2% of all respondents.

At the same time, the majority of respondents, 63.5%, still spend $100 or less on Amazon monthly, a drop of 10% since 2019. The youngest and oldest Prime members are likely to be budget buyers, with 73.3% of Gen Z respondents under the age of 24 and 76.3% of Seniors ages 75 and up saying they spend $100 or less monthly on Amazon.

Survey Question: How much do you spend on Amazon per month?





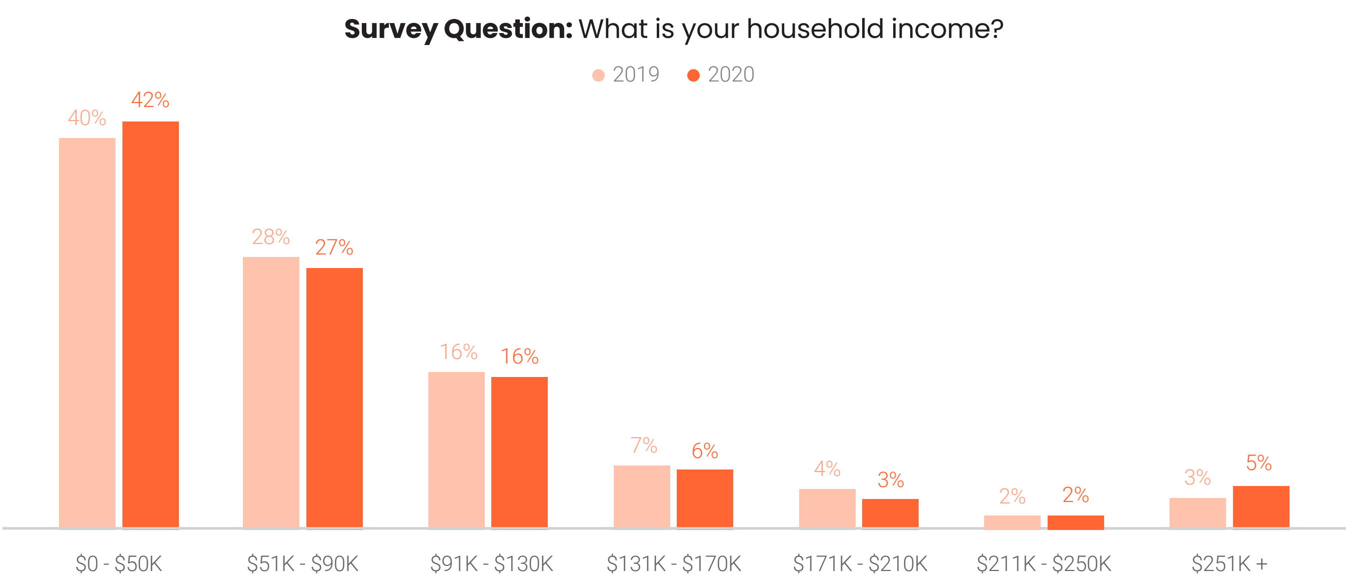
MARRIED OR PARTNERED PARENTS DRIVE ROBUST SPENDING

The upwards spending shift is driven by families with married or partnered parents, among whom 48% spend at least $100 per month on Prime, and 6.5% spend more than $300. With the potential dual-earning power of two adults, 44% of these households report income of more than $90,000 per year, 40% higher than the survey average.

COVID-era pressures on families may be driving this spending; however, basics like groceries and pet supplies are no higher on the list of top product categories for this group as for survey respondents overall, suggesting that convenient ordering of daily necessities isn't behind the higher purchase totals for this cohort. The majority of married or partnered fathers spend $100 and up, compared with the more than 60% of married or partnered moms who hold the line on spending beneath the $100 threshold.

PRIME MEMBER INCOMES REMAIN FLAT

Prime spending growth is occurring despite household incomes of Prime members remaining relatively flat. No income tier grew or dropped by more than 1.7 percentage points. Just as in 2019, more than 40% of respondents reported a household income of $50,000 or less, and more than two-thirds reported earning $90,000 or less.



In the upper tiers, the percentage of those earning $251,000 or more per year grew by 1.2 percentage points to 4.5%, while those earning between $171,000 and $210,000 annually dropped by a percentage point to 3.2%.

Members Sign Up and Stay

Despite the tumult in the economy caused by the global pandemic, Prime members seeking to trim their budgets seem unlikely to do so by canceling their subscriptions. More than a third of respondents have been in the club for four or more years of Prime's 15-year history, with 14% having been members for seven years or more. Overall, three-quarters of respondents have been members for at least a year, suggesting that churn is low.

Furthermore, membership tenure tracks with respondents' ages—another indicator that once signed up, Prime subscribers are unlikely to drop out. Of those who've been members for seven years or longer, for example, more than half are over the age of 40, while among those who've been members for less than a year, the majority are 39 or younger. Gen X respondents ages 40 to 55 have the highest percentage of the long-haul Prime members, with 16.5% saying they've subscribed for seven years or more.

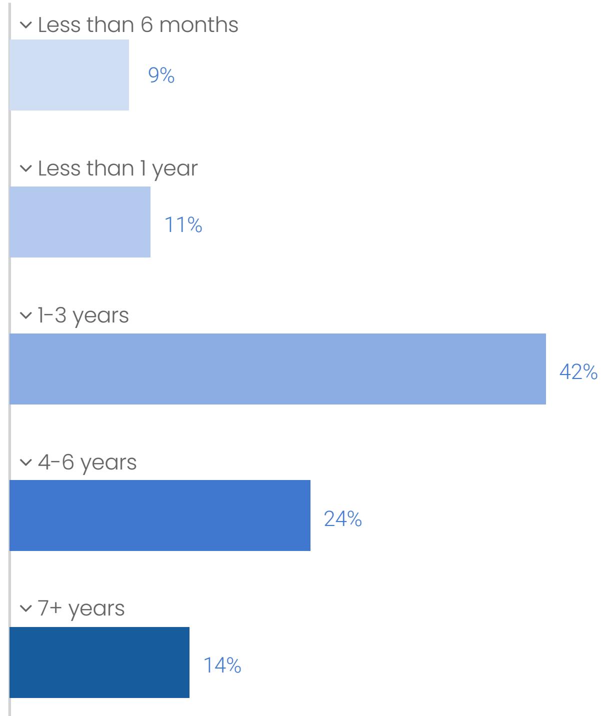
YOUNG LOYALISTS DISTINCT FROM LONG-HAULERS

While the majority of loyalists who've been Amazon Prime members for at least 4 years are over 40, a significant percentage of those under 40—31% —also have subscribed for that long. The younger loyalists have markedly different attitudes toward Prime; they're both more loyal and more apt to scrutinize Amazon than their elders, while being far less likely to patronize Amazon's chief rival, Walmart.

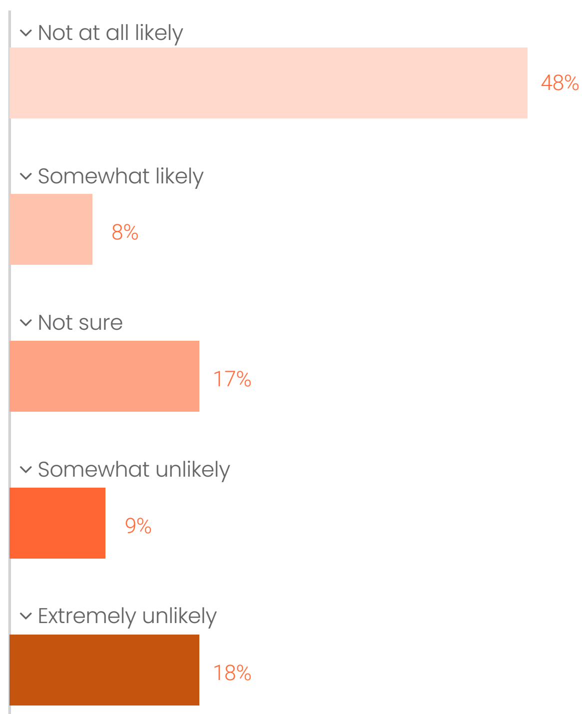
MOST MEMBERS HAVE NO PLANS TO CANCEL

When asked how likely they were to cancel their memberships in the coming year, nearly half of respondents (48.4%) said they were not at all likely to do so, with just a quarter (24.9%) entertaining the possibility or unsure. This data suggests that if Prime members need to

Survey Question: How long have you been a Prime member?



Survey Question: How likely are you to cancel your Prime Membership in the next 12 months?

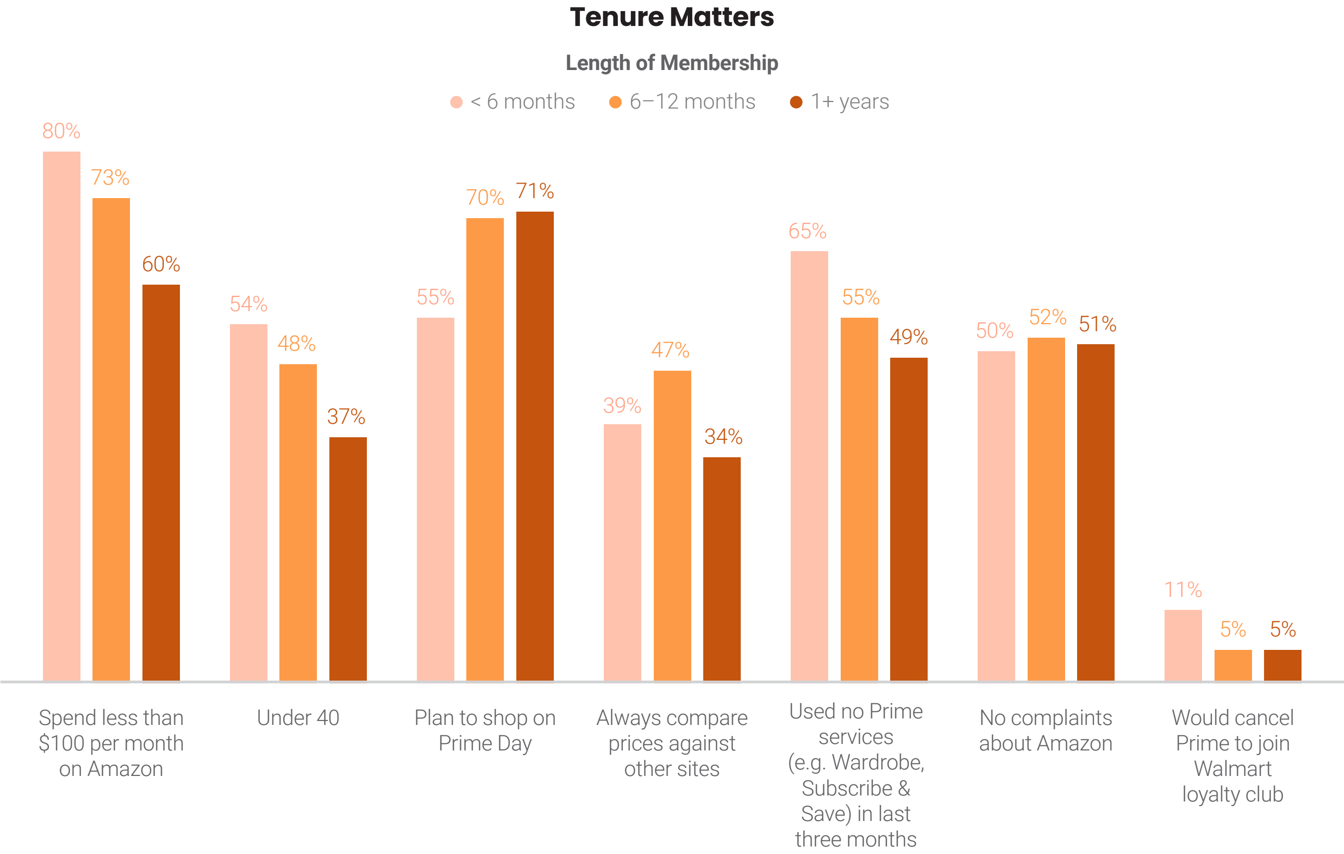


economize due to COVID-era challenges, their subscriptions are not likely to be on the chopping block.

Not surprisingly, Super Spenders are least likely to cancel their memberships, with just 19.9% registering uncertainty or a faint "maybe." Most likely to consider ending Prime subscriptions are shoppers above the age of 55, 27.4% of whom said they might cancel or were unsure—and among the oldest Prime members, the percentage jumps to more than one in three (34.2%).

NEW MEMBERS ARE LESS ENGAGED

The 20% of respondents who have joined Prime within the last year are less likely to be making the most of their subscriptions and are more likely to consider cancellation. That's especially true among those who've joined the club in the past six months since COVID-19 prompted stores to shut down nationwide. Those most recent members are among the least likely to have used Prime services such as Wardrobe, Subscribe and Save, or Prime Now, with 65.2% saying they've tried none of them. Meanwhile, a little over half of the members who've joined in the past six months, 54.5%, plan to participate in Prime Day sales— 27% lower than the overall average.



Long-Time Prime Members

YOUNG LOYALISTS	LONG-HAULERS
Under 40 *and Prime Members for 4+ Years*	**Over 40** *and Prime Members for 4+ Years*
% GENDER	
38% *WOMEN* **62%** *MEN*	**63%** *WOMEN* **37%** *MEN*
% MARITAL STATUS & PARENTHOOD	
55% *SINGLE* **31%** *HAVE KIDS*	**23%** *SINGLE* **78%** *HAVE KIDS*
% LOYAL RESPONDENTS	
31% *OF UNDER-40S* **12%** *OF TOTAL*	**42%** *OF OVER-40S* **24%** *OF TOTAL*
% SUPER SPENDERS	
43% *+34% THAN UNDER-40S GROUP OVERALL*	**49%** *+23% THAN OVER-40S GROUP OVERALL*
TOP PRIME PERKS	
1 Fast & Free Shipping **2** Prime Video **3** Prime Music	**1** Fast & Free Shipping **2** Prime Video **3** Prime Music
TOP AMAZON GRIPES	
1 Product Quality (22%) **2** Ads (21%) **3** Prices (21%) No Complaints: 42%	**1** Product Quality (19%) **2** Prices (14%) **3** Negative Press about Amazon (12%) No Complaints: 56%
% USING PRIME NOW	
40%	**33%**
% COMPARISON SHOPPERS	
36%	**31%**

Shipping & Deals

THE ONLY PERKS THAT MATTER?

Shipping and Deals: The Only Perks That Matter?

Increasingly, for Prime members, there are only two perks that matter—Prime Day deals and free and fast shipping, with everything else trailing by a wide margin. This increasing focus on savings and shipping may be a result of COVID-era economizing and restrictions on other activities, or simply the natural endpoint for ecommerce trends years in the making. Regardless, the upshot is that merchants hoping to compete with Amazon must either slash prices and shipping fees or work harder than ever to prove alternate value-added services are worthwhile.

Members Are Ready for Prime Day—Whenever It Is

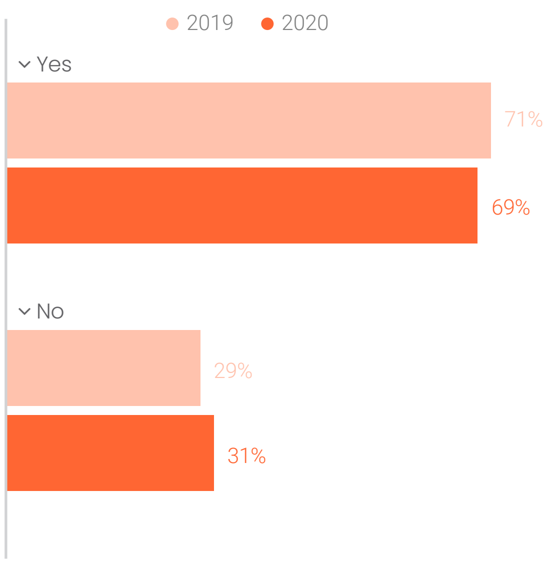
Nearly 70% of respondents plan to shop for deals on Amazon's 2020 Prime Day, even without knowing when exactly it will be. That uncertainty may be behind the slight drop—two percentage points, a difference of less than 3%— in the percentage of respondents who will participate compared with 2019.[7]

Members' consistently high participation in the sales event is bolstered by earlier Tinuiti research that found consumers are willing to upend their holiday shopping plans if the 2020 Prime Day is scheduled for October. More than 40% of shoppers say they would do at least some of their holiday shopping during the event, and 17.5% are willing to buy all the gifts on their list; another third (35.9%) said they might be tempted depending on the deals offered.[8]

TOP SPENDERS AND PARENTS MOST LIKELY TO SHOP ON PRIME DAY

Prime Super Spenders are among those most likely to take advantage of Prime day deals, at 78.1%. It's perhaps not surprising that those who typically spend more than $100 per month on Amazon are most enthusiastic about the site's biggest event of the year—but even so, it's worth noting that these shoppers aren't typical bargain hunters. Among

Survey Question: Do you plan to shop on Amazon during Prime Day?



[7] Tinuiti's 2019 Prime survey was fielded in June of 2019, just ahead of Prime Day, which began July 15. In 2020, the Prime survey was fielded in August, with Prime Day dates as-yet unannounced.

[8] Tinuiti, "2020 Holiday Shopping Trends Report," 9/20, https://tinuiti.com/content/guides/the-2020-holiday-shopping-trends-report/

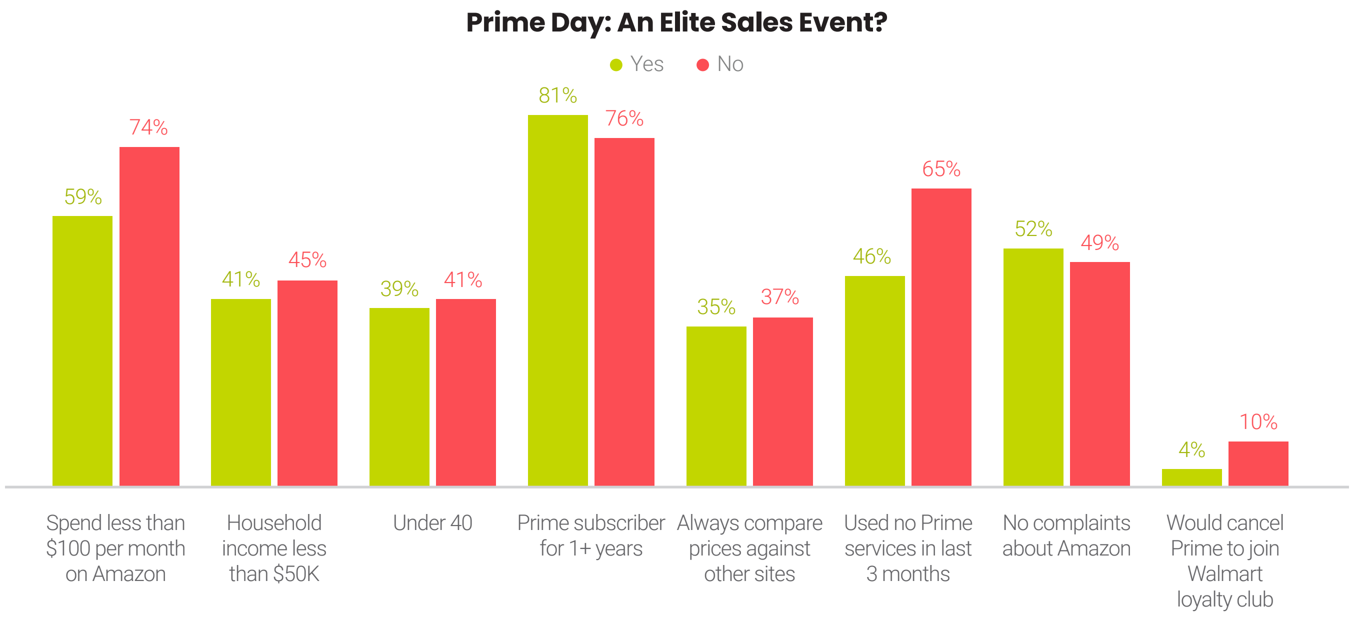
Super Spenders who plan to shop Prime Day, 16.2% earn more than $170,000 per year, 76% higher than survey respondents overall.

The majority of Prime Super Spenders who will shop Prime Day deals have children, and parents at all spending levels are more likely than average to shop on Prime Day, with 72.6% saying they'll do so. More mothers have set their sights on Prime Day savings, with nearly 75% saying they will participate, compared with 70.1% of fathers. As the traditional planners and holiday gift buyers, it's no surprise that moms with Prime memberships are more apt to say they'll plan their spending around the sales event.

PRIME DAY—NOT FOR BUDGET BUYERS?

The enthusiasm for Prime Day on the part of affluent loyalists is mirrored by a lack of participation among true budget buyers—those who earn less than $50,000 per year and spend less than $100 per month on Amazon. Just over 60% of these shoppers will shop Prime Day deals.

Indeed, among those who say they won't shop Prime Day deals, nearly 74% spend less than $100 on Amazon monthly, and nearly as many (72.5%) earn $90,000 or less. Given that they're skipping the site's biggest sales event of the year, it's not surprising that these Prime members are more likely to consider canceling their memberships, with 36.2% saying they might or expressing uncertainty—45% higher than the survey average.



Free and Fast Shipping Universally Ranks #1

When asked to rank which Prime features they value most, Prime members in every age, income, and spending bracket chose fast and free Prime shipping as the number one perk, just as in 2019. Prime

Video ranks as the second most popular benefit—and, in 2020, perhaps due to the need for more at-home entertainment during the pandemic, respondents selected Prime Music as the number three perk.

SURVEY QUESTION

Which Prime Membership features do you value most?
Rank in order of most valuable to least valuable.

2019	2020
1 • Free 2-Day Shipping / Same-Day Delivery	1 • Free 2-Day Shipping / Same-Day Delivery
2 • Prime Video	2 • Prime Video
3 • Subscribe & Save	3 • Prime Music (+1 ↑)
4 • Prime Music	4 • Subscribe & Save (-1 ↓)
5 • Amazon Wardrobe	5 • Amazon Fresh / Pantry (+1 ↑)
6 • Amazon Fresh / Pantry	6 • Amazon Wardrobe (-1 ↓)

The Subscribe and Save replenishment feature, which was third in 2019, has dropped in the rankings to fourth place; it remains popular with Boomers and Seniors, who still value it over free access to music streaming.

The pandemic may explain why Wardrobe, Amazon's try-before-you-buy service for apparel, dropped to last place among Prime perks. With fewer workplace and special occasions to dress for, Prime members value it less.

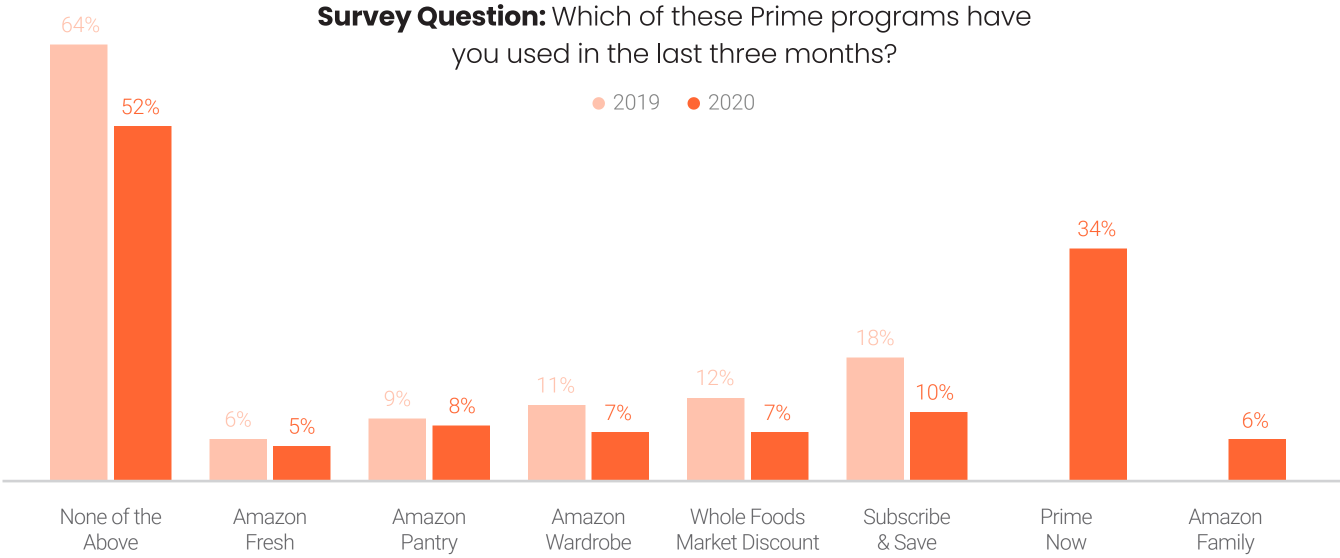
At the same time, Amazon Fresh and Amazon Pantry fared no better than fifth place in 2020; even COVID-induced panic buying of staples like toilet paper and flour didn't impact Prime members' priorities as much as might be expected.

USAGE OF MOST PRIME SERVICES DROPS

When asked whether they had used specific Amazon Prime services in the past three months, the majority of Prime members (51.5%) responded that they had not, choosing "none of the above" more than any other response. That percentage is lower than in 2019 when more 60% of respondents chose "none of the above"; still, of the list of perks included in both years' surveys, all the options saw drops in usage in 2020.

In alignment with their lower placement in the rankings, both Amazon Wardrobe and Subscribe and Save are seeing diminished use in 2020. Just over 10% of Prime members report purchasing items on a replenishment calendar with Subscribe and Save in 2020, a 43% drop compared with 2019—suggesting that respondents are unwilling to commit to ongoing purchase schedules in the face of changing economic circumstances.

The use of Amazon Wardrobe dropped by 29% to 7.4% of all respondents. The program is most popular with Amazon Natives under 40, 9% of whom report using the service, and top-spending Prime Super Spenders, at 10%. Among Amazon Natives, the service is most popular with men, who represent 52.1% of users within the age group; by contrast, 56.2% of Prime Super Spenders who used Wardrobe are women.



PRIME NOW OUTSHINES OTHER GROCERY SERVICES

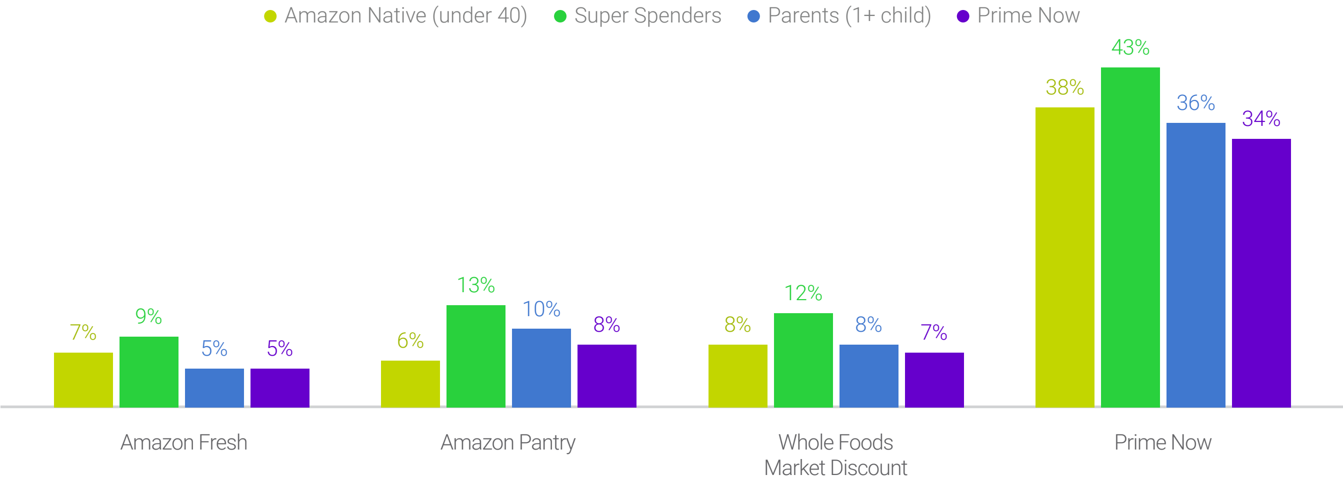
The most-used perk in 2020 is Prime Now, offering grocery, local store, and restaurant delivery in a mashup of offerings akin to Instacart and Uber Eats. The service, launched in 2014 in New York City, began rolling out more broadly in early 2019, and now serves 100+ U.S. cities and regions. Despite its regional limitations, more than a third of respondents, 34%, said they had tried it—far outranking the other grocery-related Prime perks that are more widely available nationwide.

Indeed, the use of the Whole Foods discount dropped steeply from 2019 to 2020, by 37%, to 7.4%—indicating that those shoppers may have switched to grocery delivery service via Prime Now due to the pandemic. Prime Super Spenders in particular have reduced usage of Prime discounts in-store, dropping from more than one in five in 2019 to 12.4% in 2020, a 41% reduction.

By contrast, the use of Amazon Fresh and Amazon Pantry dropped by less than a full percentage point overall year over year, to 4.9% and 8.4% respectively, suggesting these home-delivery services continue to attract customers.

Prime Now is especially popular among Prime Super Spenders, over 40% of whom use the service. Amazon Natives also use Prime Now more than average, at 38%, as do parents, at 35.6%. Reliance on other grocery delivery services is less consistent. Super Spenders and parents prefer Pantry for bulk goods and household items, while Amazon Natives favor Fresh for the speedy delivery of seasonal goods and produce; 6.9% of under-40s use Amazon Fresh, 39% higher than the overall survey average.

Survey Question: Which of these Prime programs have you used in the last three months?



Home & Electronics Are Top Product Categories

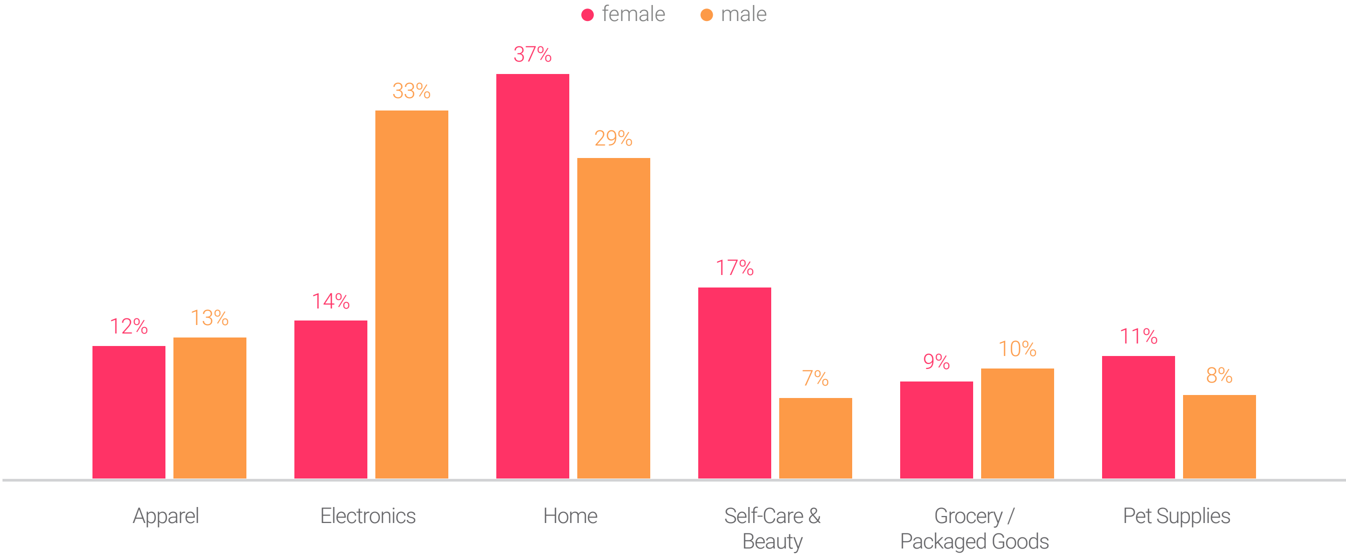
However much (or little) the global pandemic has impacted the use of Prime perks, there's been little change when it comes to which products Prime members purchase on Amazon. Home goods and electronics top the ranked list of most-frequently-purchased items for 2020, just as in 2019, with self-care and beauty products edging out apparel for the number three spot. Despite the relatively high usage of Prime Now compared with other membership perks, groceries and pet supplies remain at the bottom of the list.

Product Categories Purchased Most Frequently on Amazon by Prime Members

Men	Women	Overall
1 • Home	1 • Home	1 • Home
2 • Electronics	2 • Self-Care / Beauty	2 • Electronics
3 • Apparel	3 • Electronics	3 • Electronics
4 • Self-Care / Beauty	4 • Apparel	4 • Apparel
5 • Grocery / Packaged Goods	5 • Pet Supplies	5 • Grocery / Packaged Goods
6 • Pet Supplies	6 • Grocery / Packaged Goods	6 • Pet Supplies

Men and women have different priorities, with women giving home goods the edge for the number one category and men giving top honors to electronics. Women buy self-care and beauty products most frequently, more than either electronics or apparel, giving beauty the third-place ranking overall.

Survey Question: In the last 6 months, which categories of products have you bought most frequently on Amazon? Rank in order of most frequently to least frequently.



TOP THREE CATEGORIES FAVORED BY BOTH GENDERS, SUBVERTING STEREOTYPES

The home category is almost universally the top-ranking choice for all age cohorts of both genders. Beyond that, while men tilt heavily toward the number two choice, electronics, and women favor personal care and beauty products, both categories also receive strong support from select cohorts of the opposite gender.

Women ages 40 and up rank electronics in second place just like their male counterparts, ahead of personal care and beauty. Just over 36% of both Gen X and Boomer/Senior women ranked electronics as their top or second-place category purchased on Amazon. Among under-40 women, electronics consistently ranked third, ahead of apparel—demonstrating that women Prime subscribers are nearly as apt to buy Amazon Echo smart speakers, Kindle devices, and home electronics as men are.

When it comes to the beauty category, which ranks third overall, more than one in five Prime subscribers under 55 years old selected it as their first or second category—and among Boomer/Senior men 55 and up, that percentage increases to 24%. This data aligns with growing gender parity in the health and beauty industry; Tinuiti's recent consumer study focusing on beauty purchasing trends found that one in five men buy beauty products online at least monthly, and men account for 39% of Super Spenders buying at least $50 per month in beauty goods.[9]

[9] Tinuiti, "Beauty Industry Trends Report 2020" 8/20, https://tinuiti.com/content/guides/the-2020-holiday-shopping-trends-report/

Similarly, a nearly equal percentage of men and women Prime members say they buy clothing most frequently, accounting for its fourth-place showing. This finding is consistent with 2019, when men likewise chose apparel as their number three category. Amazon offers private-label clothing at competitive prices for wardrobe basics, free shipping, and time-saving convenience—all of which are a boon to buyers of both genders but may especially appeal to men who may be less experienced shopping online for apparel.

OVER-40 WOMEN RANK PET SUPPLIES HIGHER THAN AVERAGE

While overall, pet supplies rank last in importance for Prime buyers, there's a significant exception among Gen X and Boomer women for whom pet supplies and apparel are neck and neck for fourth place after home goods, electronics, and beauty items.

Among Gen X women 40 to 55 years old, 25.8% placed pet supplies at the top or second place in the category rankings, exactly equal to apparel; 24.2% of Boomer women did so, trailing apparel by just half a percentage point.

Nearly 80% of these women are parents as well—36% higher than average—and more than a third, 35.4%, are Amazon Super Spenders; they spend at least $100 per month on the site, giving them ample spending power to make purchases for their households. They're also less apt to fault Amazon on price issues, with just 14.8% reporting site prices have negatively impacted their experience—15% lower than the survey average. Brands listing items on Amazon's marketplace would do well to target these buyers, given their allegiance to the site, their spending power, and their household influence.

Prime Members

COURT THE COMPETITION

Prime Members Court Competition

Even as Amazon Prime enjoys loyalty and spending growth from its members, viable competition does exist. Prime members increasingly check prices elsewhere as a matter of routine, often at Walmart, which is poised to further disrupt Amazon's dominance with a subscription-based offering of its own. In response, merchants whose aim is to serve customers wherever they shop should prepare to broaden third-party marketplace placements.

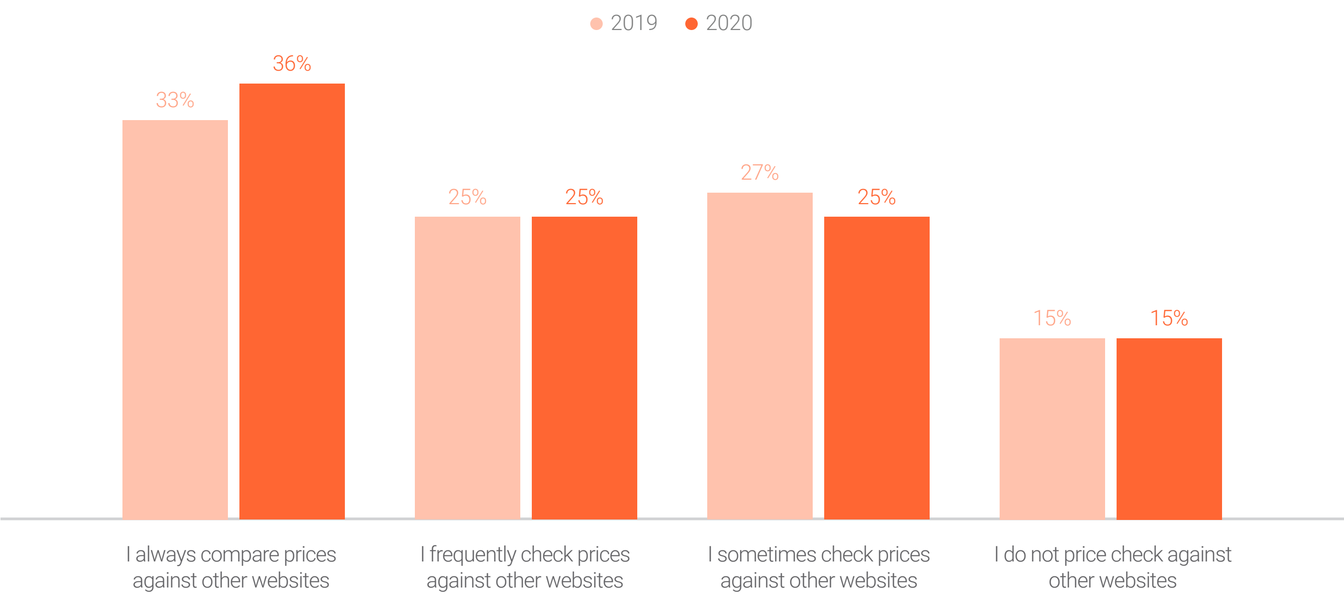
Frequent Comparison-Shopping on the Rise

While the overall percentage of Prime members who check prices on other sites has remained steady, those who comparison-shop in 2020 do so more frequently than last year.

More than 35% of Prime members check prices elsewhere every time they shop on Amazon, a jump of 9% compared with last year. Overall, more than 60% of respondents now say they price check frequently or always, an increase of 4% from 2019. By contrast, the percentage who never comparison shop grew infinitesimally, by 0.4 percentage points, to 15.1%.

The shifting percentages suggest that while a core of diehards rely exclusively on Amazon, the majority of respondents are habituated to spending research time to save money—even if that means they stray outside the confines of their Prime membership.

Survey Question: How often do you purchase on Amazon without comparing prices on other sites? Select one.

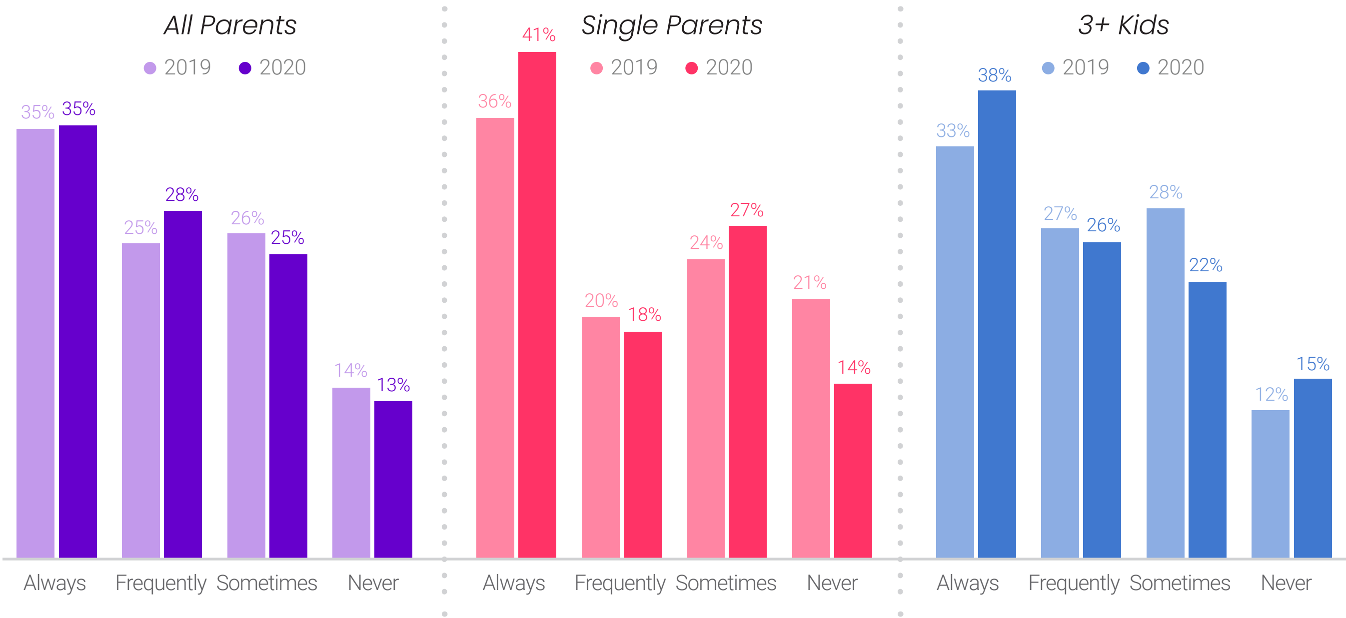


PARENTS UNDER PRESSURE DRIVE COMPARISON SHOPPING

This shift to increased scrutiny of Amazon prices comes largely from Prime parents, 62.9% of whom say they always or frequently check prices on other sites—4% higher than 2020 survey respondents overall and a 5% increase compared with parents in 2019.

Perhaps unsurprisingly, parents with the most pressure on their budgets are most likely to comparison-shop routinely. More than 40% of single parents check prices at competitor sites every time they shop Amazon, a jump of 15% compared with single parents in 2019, and 15% above the 2020 average. Similarly, 37.7% of parents who have more than three children say they comparison-shop, an increase of 14% year over year and 6% higher than respondents overall.

Survey Question: How often do you purchase on Amazon without comparing prices on other sites? Select one.



While it's tempting to stereotype these cohorts as exclusively thrift buyers, the truth is that almost as many single parents are Prime Super Spenders, as survey respondents overall—32.4% compared with 36.5%—and parents with three or more children are 12% more likely than average to be in the Super Spender category. Similarly, 34.4% of parents with three or more children earn more than $90,000, 10% higher than average; while single parents are a third less likely than average to earn more than $90,000, more than 20% still do so.

Both groups are more likely than average to take advantage of Prime Day deals, with 73.3% of parents with three or more children and 73.2% of single parents planning to shop the event, 6% higher than the survey average. They're also more likely to use Amazon's Subscribe and Save, with more than one in 10 in each group having used the service in the past 90 days. Additionally, 23.9% of single parents and 22.5% of parents with at least three children rank Subscribe and Save as their most important or second-place Prime perk—ahead of Prime Music.

This combination of deal-seeking combined with replenishment usage suggests brands that compete successfully for family dollars using the right special offer may be able to win long-term recurring business.

AMAZON NATIVES LEAST LIKELY TO SHOP AROUND

Amazon Natives under the age of 40 are least likely to comparison shop. Nearly 21% of Generation Z and Millennial respondents say they never price check on other sites—32.5% higher than the survey average. They're also more loyal than average: more than half, 55.9%, say they are not at all likely to cancel their subscription in the coming year, 16% higher than the survey average.

Amazon Natives' reluctance to comparison-shop has only grown since 2019, by 18%. Given that the tendency to check prices correlates with parenthood, the relatively low percentage of parents in the Amazon Native cohort may be a contributing factor to this one-stop shopping habit; just 28% of Amazon Natives are parents, 64% lower than over-40 respondents.

Even within Amazon Natives, however, price checking becomes more important with age. Nearly 24% of Gen Z Prime members say they don't comparison-shop, compared with 17.3% of Millennials. Among Gen X and Boomers, the percentage drops still more, to just over 11% for each age group.

Reluctance to check prices rebounds to 15.8% for Seniors 75 and older, just above the survey-wide average. Familiarity with the brand may be driving the tendency to stick with Amazon for older shoppers, just as it does for those who've grown up with Amazon in their lives.

Slim Majority Report No Negative Amazon Experiences

If Prime members represent Amazon's most frequent and loyal customers, then it's somewhat surprising to learn that just over half of them (51.1%) report having no negative Amazon experiences. Product quality, prices, and ads are the leading problems Prime members report, with reviews, Amazon's bad press, and poor returns experiences rounding out the list.

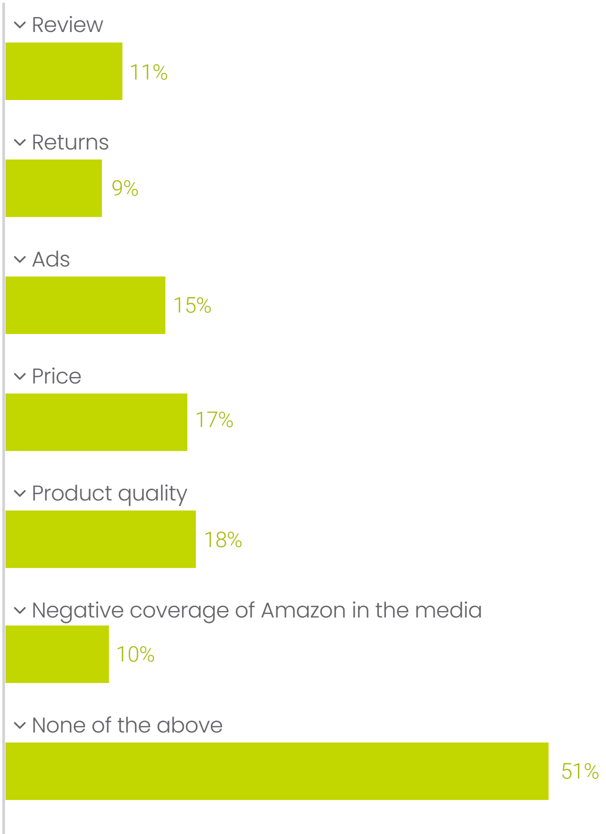
The percentage of members who've experienced each type of negative outcome is low, with none approaching one in five. Still, with competition growing steeper, marketplace merchants may soon find themselves subject to changing policies designed to improve Amazon's track record.

MAJORITY OF YOUNGER SHOPPERS AND SUPER SPENDERS REPORT PROBLEMS

By and large, satisfaction tracks with age, though perhaps in inverse proportion to what might be expected. The majority of younger Prime members report negative experiences, while older generations from Gen X onwards are more likely to select "none of the above." This finding demonstrates that although Amazon Natives have grown up with the site as a household brand, familiarity can be a double-edged sword, carrying with it higher expectations.

As shoppers who've grown up using Amazon, younger Prime members may also be more familiar with its features, leading them to be more discerning about problems. In support of that conclusion, 54.1% of Amazon Super Spenders report negative impacts on their experiences—suggesting that heavy usage of the site equates with a higher likelihood of problems.

Survey Question: Which of these, if any, have negatively impacted your Amazon experience?

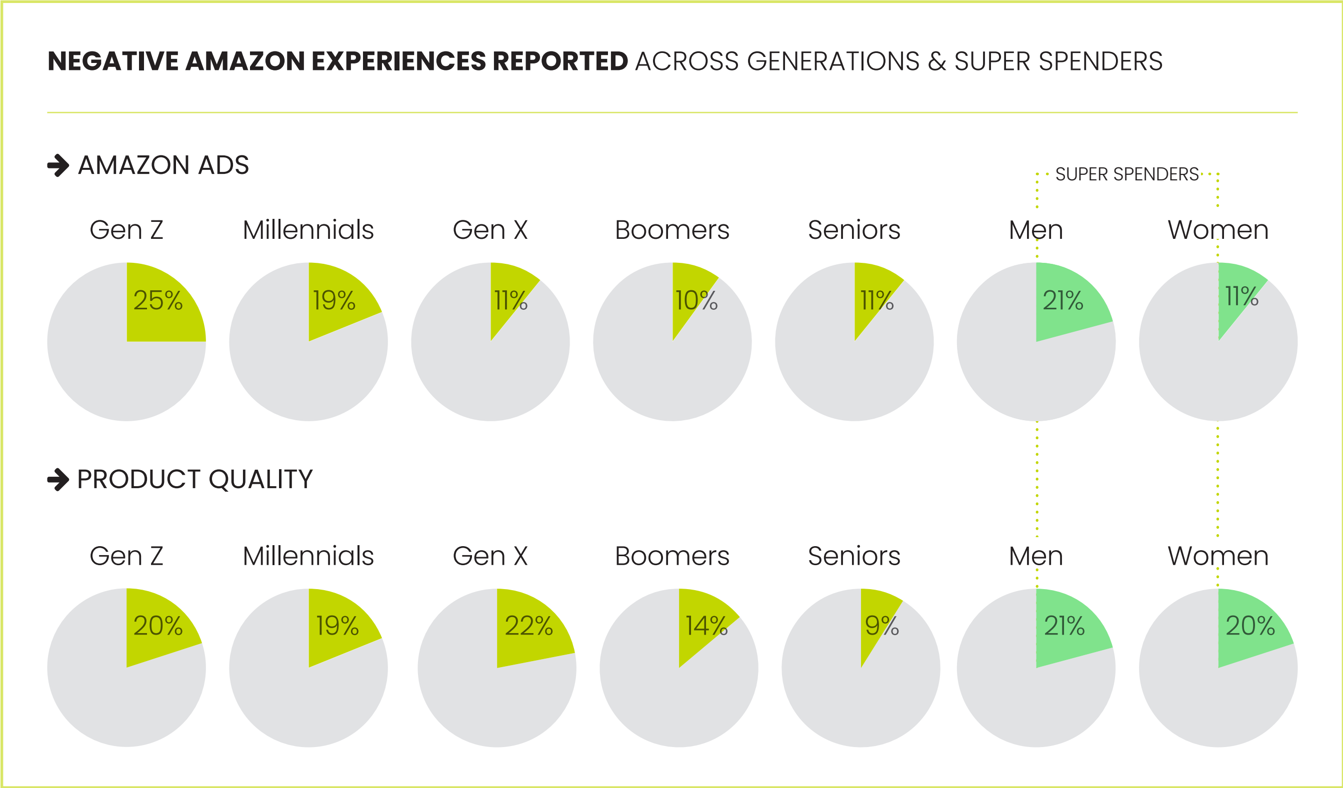


ADS TOP THE LIST OF COMPLAINTS FROM MEN AND GEN Z SUPER SPENDERS

Nearly 25% of Gen Z shoppers say that ads have negatively impacted their Amazon experience, topping the list of concerns; for Millennials, ads are tied for the second at 19.1%, behind price. In 2012, the launch of sponsored placements may have touched a nerve with these Amazon Native shoppers, who, despite their youth, are old enough to recall the evolution away from purely organic product results.

"By and large, satisfaction tracks with age, though perhaps in inverse proportion to what might be expected."

Men who spend at least $100 on Amazon monthly also report that ads have negatively impacted their experience, with more than one inf five doing so (20.9%). That's double the percentage of Super Spender women who say ads have negatively impacted their experience; instead, their primary concern is with product quality, at 19.8%, slightly ahead of price (16%).



PRODUCT QUALITY A BROAD CONCERN

Just under 18% of Prime member respondents overall (17.9%) report problems with product quality that have marred their Amazon experiences. Gen X, Gen Z, and Millennial Prime members are most likely to say product quality has negatively impacted their experience, at 22.1%, 19.7%, and 19.1%, respectively. Although the percentage of Boomers who say product quality is a problem is lower, at 13.9%, that's enough to tie price as the top concern for the age cohort, while 9.2% of Seniors report a negative impact.

Product quality is also the top concern overall for Prime Super Spenders, at 20.2%, and for parents, at 16.8%. This broad-based impact aligns with earlier research from Tinuiti, revealing that 45% of Amazon shoppers overall (not just Prime members) were concerned about counterfeits in at least one product category.[10] The problem is severe enough that a dozen retail trade groups founded a lobbying organization in favor of mandatory crackdowns on illicit copies of goods.[11] In recent weeks, Amazon has announced support for legislation, codifying responsibility for online marketplaces,[12] after an appeals court ruled the online giant could be held liable for defective products sold on its platform by third-party sellers.[13]

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[10] Tinuiti, "The 2020 Amazon Shopper Survey," 4/20, https://tinuiti.com/content/guides/2020-amazon-shopper-survey/

[11] Digital Commerce 360, "Retailers launch lobbying group to fight counterfeit goods on Amazon," 8/18/20, https://www.digitalcommerce360.com/2020/08/18/retailers-launch-lobbying-group-to-fight-counterfeit-goods-on-amazon/

[12] Amazon's Day One blog, "Amazon stands ready to support AB 3262 if all stores are held to the same standards," 8/21/20, https://blog.aboutamazon.com/policy/amazon-stands-ready-to-support-ab-3262-if-all-stores-are-held-to-the-same-standards

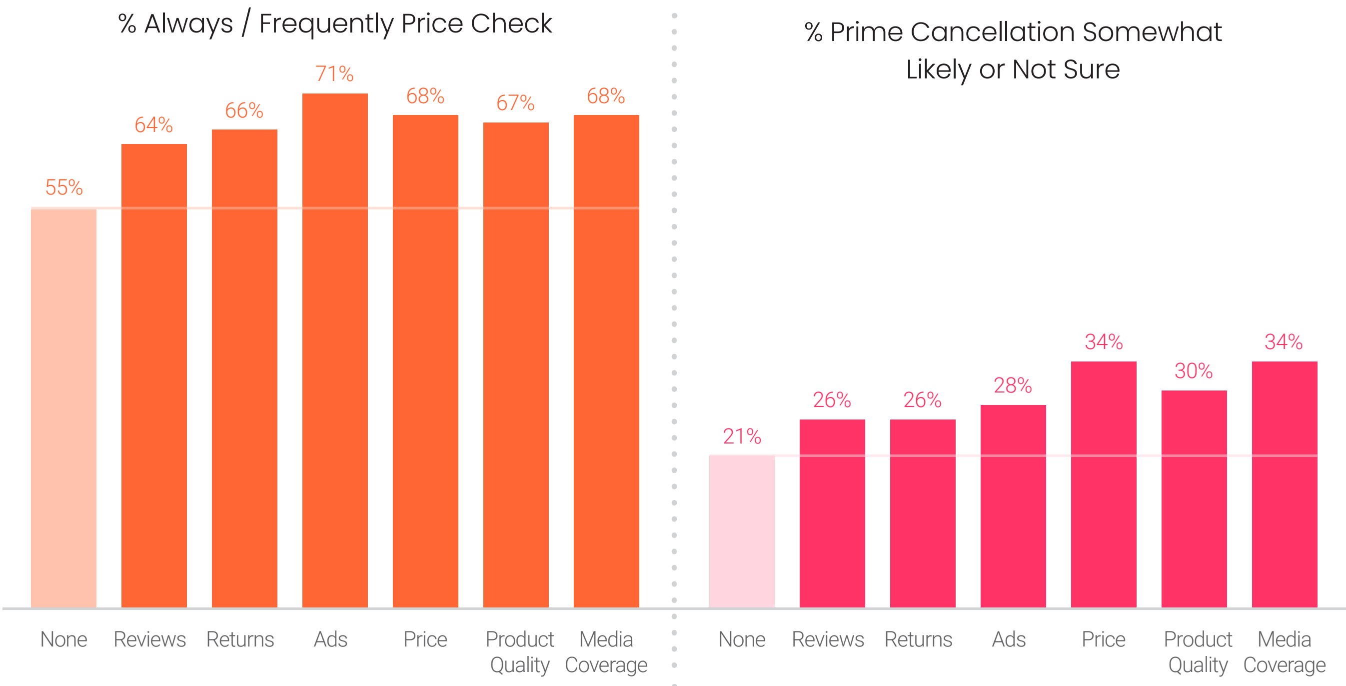
[13] USA Today, "Amazon liable for defective products from third-party sellers, California court says," 8/13/20, https://www.usatoday.com/story/tech/2020/08/13/amazon-retailer-liable-3rd-party-product-defects-california-court-rules/3369886001/

NEGATIVE IMPACTS TRANSLATE TO LESS ALLEGIANCE

Those who report one or more negative impacts on their Amazon experiences are more likely to check prices on other sites and more likely to consider cancellation in the coming year than those who say they're completely satisfied.

Reporting a negative ad experience correlates with the highest incidence of price checking, at 71.1%, while those who report price as a negative are most likely to consider cancellation, with 34% saying they're somewhat likely to pull the plug in the next 12 months or are unsure.

Percentage of Respondents with Negative Amazon Experiences and Their Likelihood to Price Check or Cancel Prime Membership



These findings demonstrate just how precarious loyalty to even Amazon can be—and how important it is for third-party sellers on the platform to establish credibility with quality product content and to consider other channels for heightened visibility among Amazon skeptics.

Walmart Poised to Compete for Prime Members

It's a battle of titans: Walmart, the world's largest brick-and-mortar retailer, versus online juggernaut Amazon, with the winner taking American retail as the prize. Walmart has been playing catchup to Amazon by rapidly expanding its online offering—and if Prime members' attitudes are any indication, the retailer is now solidly positioned as their go-to alternative.

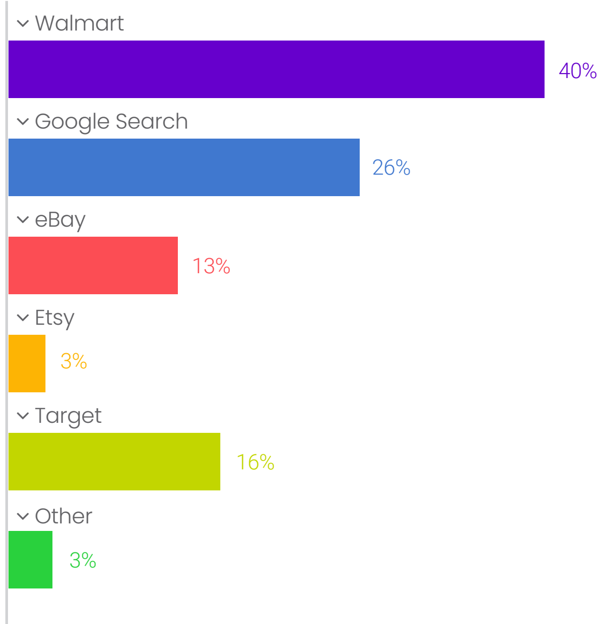
When asked to name which site they'd turn to if a product was unavailable or delayed via Amazon, nearly 40% of respondents (39.8%) selected Walmart—putting the retailer ahead of Google, at 26%, and Target, at 15.7% with eBay trailing Target by just over 3 percentage points for fourth place. Less than 5% of Prime members said they'd turn to Etsy or other sites in a pinch.

This finding aligns with earlier Tinuiti research showing that both Amazon and Walmart now regularly outrank Google as a shopping source; Tinuiti's holiday shopping survey found that more than three in four shoppers planned to buy gifts from Amazon and nearly half would do holiday shopping at Walmart online, while just over 20% planned to use Google for peak season browsing and buying.

WOMEN AMAZON NATIVES PREFER TARGET, MEN PREFER GOOGLE

Among younger Prime members, preference for either Target or Google as the runner-up to Walmart is heavily dependent on gender. More than 30% of Prime members of both genders favor Walmart as the top alternative to Amazon. But for women, Target is just 0.3 of a percentage point behind Walmart as the preferred Amazon backup, while for men, Google is the second choice, at 29.4%—just 1.6 percentage points behind Walmart. Target edges out eBay for the third-most-popular Amazon alternative for men under 40, while Google is women's third choice.

Survey Question: Which website are you most likely to turn to in the event that a product that you wanted to order from Amazon is out of stock or has a delayed delivery estimate?



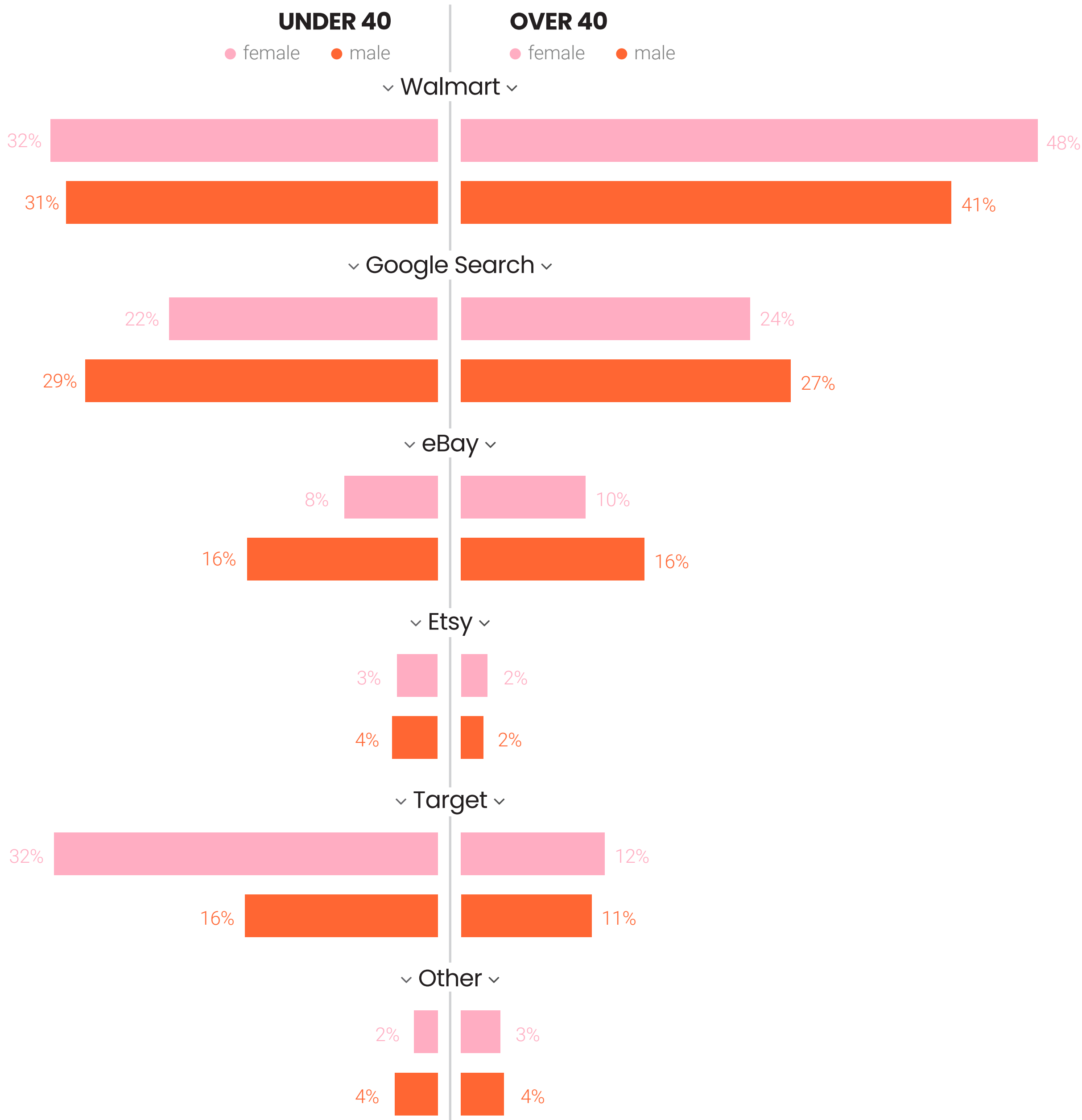
"This finding aligns with earlier Tinuiti research showing that both Amazon and Walmart now regularly outrank Google as a shopping source."

This trend is even more pronounced among Amazon Natives who are child-free: a third of women in this cohort (33.2%) would choose Target as their Amazon alternative, placing it ahead of Walmart, while 31.6% of Amazon Native men without children would search Google first if items weren't available via Amazon—4.2 percentage points ahead of Walmart. Overall, child-free Amazon Natives rank Google first as an Amazon alternative, followed by Walmart, and then Target.

Among Prime members over the age of 40, by contrast, Walmart is far more dominant as a backup, with 45.3% overall picking it—44% higher than for Amazon Natives. Women over 40 overwhelmingly prefer Walmart than their younger counterparts, at 48.1%, with Target and Google coming in distant second and third place, respectively. For over-40 men, 40% primarily turn to Walmart as an Amazon alternative, with Google and eBay rounding out the top three.

Parenthood is also less of an indicator for over-40s; among those without children, Walmart is still more popular by a wide margin, with nearly 10 percentage points separating it from second-place Google.

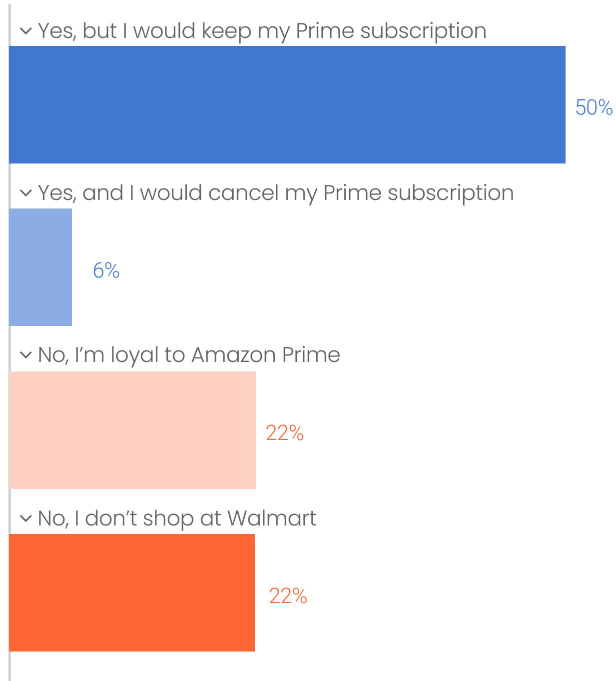
Survey Question: Which website are you most likely to turn to in the event that a product that you wanted to order from Amazon is out of stock or has a delayed delivery estimate?



MAJORITY OF PRIME MEMBERS WOULD JOIN WALMART LOYALTY CLUB

Walmart's new loyalty club is likely to bring more Prime members into Walmart's orbit.[14] When surveyed in July, before the Walmart+ launch announcement, more than half of survey respondents (55.7%) said they would sign on to a Walmart loyalty club; while most would retain their Amazon memberships, 5.6% would consider dropping Prime in favor of the Walmart offering. Parents are among the most likely to keep Prime while adding a Walmart subscription, with 54.5% saying they'd do so—9% higher than the survey average. Families with more than three children and single parents are even more likely to maintain dual subscriptions, at 57.4% and 57.3%, respectively.

Survey Question: If Walmart offered a loyalty club with perks similar to Amazon Prime, would you sign up?



Among the more than 44% who say a Walmart club wouldn't appeal to them, half cite loyalty to Amazon Prime as the reason, and the other half say they don't shop at Walmart. Amazon Natives are less likely than average to join a Walmart loyalty club, with 50% saying they'd skip it—13% more than average.

POTENTIAL WALMART DEFECTORS ALREADY ON THE FENCE

The 5.6% of respondents who would jump ship from Amazon in favor of a Walmart loyalty club are already considering canceling their Prime membership, with 59.8% saying they're somewhat likely to do so or are uncertain. More women than men in this cohort, fully 74.1%, are considering leaving.

These Prime members may be considering cancellation because don't seem to be engaging as much with their subscriptions. Just 45.1% say they'll participate in Prime Day—35% lower than the survey average—and 57.5% aren't using any Prime perks, 12% higher than overall. Negative experiences with Amazon may also contribute to their potential cancellation, as two thirds, 66.4%, report problematic interactions on the site. Price is the leading contributor to negative interactions for these subscribers, at 31.9%.

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[14] Retail Dive, "Walmart to launch its Walmart+ membership service," 9/1/20, https://www.retaildive.com/news/walmart-to-launch-its-walmart-membership-service/584478/

Conclusions

& KEY TAKEAWAYS

Conclusion & Key Takeaways

Prime Members Are a Valuable Audience—and They Shop Around

Brands should meet Prime members where they shop, both on Amazon and via other outlets, to establish connections that can result in sales and long-term loyalty, both on and off the marketplace platform.

- **Develop a Prime Day strategy and prepare to dive in.** At a minimum, sellers should have contingency plans at the ready for a Prime Day in October and a Prime Day timed to mesh with the traditional holiday season—and stand by to activate whichever fits the evolving situation. Whether merchants sell and advertise on the Amazon platform or plan to offer competing standalone sales, readiness and agility will win the day. Sellers should also optimize their inventory and pay attention to their IPI to ensure products stay visible and prominent.

- **Prepare for increased marketplace transparency to combat counterfeits.** As Amazon seeks to rectify problems around product quality and counterfeiting, and with potential legislation in the pipeline to protect Prime members and Amazon shoppers overall, merchants should expect a raft of changes to the way they list and advertise items, starting with displaying identifying information.

- **Consider using Walmart to complement your Amazon strategies.** 40% of Prime buyers rely on Walmart as their go-to backup and many will supplement, not replace, their Prime memberships with Walmart's loyalty club offering once it launches—allowing merchants to reach audiences twice. While sellers may vary their approaches and assortments for each of the platforms, consistency in pricing and promotional offers will be key to establishing credibility with shoppers who encounter placements on both sites.

> "It's not a question of either Amazon or Walmart. It should be a statement of Amazon AND Walmart. Amazon is clearly evolving to be in the core of a brand's digital presence and Walmart is emerging. I dislike comparing them at this stage in their digital programs, because for every similarity we see in the news, loyalty programs, fast & free shipping, drones—there is a differentiator that a brand should take advantage of. Whether that's through assortments, geographic distribution, pricing or items on physical shelves, there are clear benefits to executing a strategy where you take advantage of both and be where your customers are, wherever that is, when they're ready to buy."

Elizabeth Marsten
Senior Director, Strategic Marketplace Services at Tinuiti

Appendix

Appendix

PRIME MEMBERS BY GENERATION

Generations are defined according to [Pew Research Center guidelines](https://www.pewresearch.org/fact-tank/2019/01/17/where-millennials-end-and-generation-z-begins/).[15]

→ GENERATION Z
Ages 18-23

19% of respondents

81% single

93% no kids

27% are Super Spenders* (-26% below average)

Top Prime Perks:

1. Free/Fast shipping 2. Prime Video 3. Prime Music

35% use Prime Now

68% will shop Prime Day

36% always comparison-shop on other sites

26% might cancel Prime membership in the next year

Top Amazon Gripes:

1. Ads (25%) 2. Prices (23%) 3. Product quality (20%)

No complaints: 44%

Alternative Sites:

1. Walmart (30%) 2. Google (26%) 3. Target (24%)

48% wouldn't join a Walmart loyalty club

→ MILLENNIALS
Ages 24-39

20% of respondents

47% single

52% no kids

37% are Super Spenders* (+2% above average)

Top Prime Perks:

1. Free/Fast shipping 2. Prime Video 3. Prime Music

41% use Prime Now

69% will shop Prime Day

34% always comparison-shop on other sites

21% might cancel Prime membership in the next year

Top Amazon Gripes:

1. Prices (20%) 2. Ads (19%) 2. Product quality (19%)

No complaints: 43%

Alternative Sites:

1. Walmart (33%) 2. Google (28%) 3. Target (20%)

52% wouldn't join a Walmart loyalty club

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[14] Pew, "Where Millennials End and Generation Z Begins," 1/17/19, https://www.pewresearch.org/fact-tank/2019/01/17/where-millennials-end-and-generation-z-begins/

* Super Spenders: respondents who spend $100+ per month on Amazon.com

Appendix

PRIME MEMBERS BY GENERATION

Generations are defined according to [Pew Research Center guidelines](https://www.pewresearch.org/fact-tank/2019/01/17/where-millennials-end-and-generation-z-begins/).[15]

GENERATION X
Ages 40-55

25% of respondents

24% single

24% no kids

45% are Super Spenders* (+23% above average)

Top Prime Perks:

1. Free/Fast shipping 2. Prime Video
3. Prime Music

36% use Prime Now

69% will shop Prime Day

37% always comparison-shop on other sites

24% might cancel Prime membership in the next year

Top Amazon Gripes:

1. Product Quality (22%) 2. Prices (17%)
3. Ads (11%) 3. Reviews (11%)

No complaints: 51%

Alternative Sites:

1. Walmart (43%) 2. Google (25%) 3. Target (15%)

39% wouldn't join a Walmart loyalty club

BOOMERS
Ages 56-74

32% of respondents

20% single

23% no kids

37% are Super Spenders* (+2% above average)

Top Prime Perks:

1. Free/Fast shipping 2. Prime Video
3. Subscribe & Save

29% use Prime Now

71% will shop Prime Day

35% always comparison-shop on other sites

27% might cancel Prime membership in the next year

Top Amazon Gripes:

1. Product Quality (14%) 1. Prices (14%)
3. Negative Coverage of Amazon in the Media (11%)

No complaints: 58%

Alternative Sites:

1. Walmart (47%) 2. Google (26%) 3. eBay (13%)

42% wouldn't join a Walmart loyalty club

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[14] Pew, "Where Millennials End and Generation Z Begins," 1/17/19, https://www.pewresearch.org/fact-tank/2019/01/17/where-millennials-end-and-generation-z-begins/

* Super Spenders: respondents who spend $100+ per month on Amazon.com

Appendix

PRIME MEMBERS BY GENERATION

Generations are defined according to Pew Research Center guidelines.[15]

→ SENIORS
Ages 75+

4% of respondents

29% single

17% no kids

24% are Super Spenders* (-35% below average)

Top Prime Perks:

1. Free/Fast shipping 2. Prime Video
3. Subscribe & Save

26% use Prime Now

68% will shop Prime Day

30% always comparison-shop on other sites

34% might cancel Prime membership in the next year

Top Amazon Gripes:

1. Ads (11%) 2. Product Quality (9%) 2. Returns (9%)

No complaints: 75%

Alternative Sites:

1. Walmart (46%) 2. Google (21%) 3. eBay (15%)

41% wouldn't join a Walmart loyalty club

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[14] Pew, "Where Millennials End and Generation Z Begins," 1/17/19, https://www.pewresearch.org/fact-tank/2019/01/17/where-millennials-end-and-generation-z-begins/

* Super Spenders: respondents who spend $100+ per month on Amazon.com

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