

The Amazon Effect - US - December 2018

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



"Amazon is the world's second largest retailer, with \$120 billion in US sales in 2017, up 71% in two years' time, and for approximately 40% of total US ecommerce sales. Its membership program, Amazon Prime, surpassed the 100 million member mark globally this year, and is viewed as the gold standard of membership programs."

- Diana Smith, Associate Director - Retail & Apparel

This report looks at the following areas:

More than four in 10 adults say that Amazon has redefined what convenience means from a shopping perspective and more than a quarter have higher expectations of other retailers now as a result. One third of consumers say Amazon is their favorite place to shop, and a fifth couldn't live without it. Amazon offers a simple proposition that consumers want and are willing to pay for in the case of Prime: convenience, low prices, vast product selection, and fast delivery. Not only does it deliver on this value proposition repeatedly, earning high levels of customer satisfaction and trust, but it also continues to redefine convenience as it unapologetically forays into new territory. That is the "Amazon effect."

**BUY THIS
REPORT NOW**

VISIT:
store.mintel.com

CALL:
EMEA
+44 (0) 20 7606 4533

Brazil
0800 095 9094

Americas
+1 (312) 943 5250

China
+86 (21) 6032 7300

APAC
+61 (0) 2 8284 8100

EMAIL:
reports@mintel.com

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

The Amazon Effect - US - December 2018

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

Overview

What you need to know
Definition

Executive Summary

Overview
Changes in Amazon shopping behavior
What you want to know
What we see
Amazon's role in the purchase process
What you want to know
What we see
The impact of Prime
What you want to know
What we see
Consumer affinity for Amazon
What you want to know
What we see
The role of trust
What you want to know
What we see
Amazon's vulnerabilities
What you want to know
What we see
What's next?

Amazon Overview – What You Need to Know

"My favorite place to shop"
Unmatched pace of growth
A cut above the rest in nearly all areas
Prime is Amazon's most powerful tool
Environmental responsibility and customer service not its strongest assets
Never resting on its laurels

Defining the Effect

What is the "Amazon effect"?
The effect on consumer behavior
Figure 1: Amazon attitudes and perceptions, October 2018
The effect on consumer expectations

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com
CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
Americas +1 (312) 943 5250 | China +86 (21) 6032 7300
APAC +61 (0) 2 8284 8100 |
EMAIL: reports@mintel.com

The Amazon Effect - US - December 2018

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 2: Shopping expectations and perceptions, October 2018

The effect on competitors

Where's the tipping point?

Amazon Scale

"Earth's most consumer-centric company"

Figure 3: Amazon.com US net sales, 2015-17

Amazon = US ecommerce

Where Amazon excels

Overdelivers what online shoppers want

Figure 4: Amazon rating – Select above average attributes, October 2018

Drives loyalty through Amazon Prime

Invests in understanding its customers

Diversifies beyond retail

Figure 5: Amazon.com global net sales by product type, 2017

Amazon Prime Membership

100 million subscribers and growing

Participation rates

Reasons for membership and benefits used

Figure 6: Prime membership, October 2018

High satisfaction keeps consumers loyal

Figure 7: Prime membership satisfaction, October 2018

Figure 8: Shopping attitudes, by Prime membership, October 2018

Nonmembers don't see value in exchange for fees

Figure 9: Reasons for non-Prime membership, October 2018

Opportunity Areas for Competing with Amazon

Consumers would like Amazon to be more environmentally friendly

Figure 10: Amazon ratings – Select average/below average attributes, October 2018

Environmental and other corporate social responsibility

Quality

Customer service

Other considerations

Figure 11: Frustrations when shopping on Amazon, by heavy Amazon shoppers, April 2018

Figure 12: Reasons for shopping less on Amazon, October 2018

Key Initiatives

Broad-based initiatives

Physical store expansion

Echos and "Alexa inside"

Delivery improvements

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

The Amazon Effect - US - December 2018

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

HQ2: A second US headquarters

Category-specific initiatives

Figure 13: Role of Amazon when shopping by category, October 2018

Amazon's effect on toys and games

Figure 14: Amazon Toy Catalog, October 2018

Amazon's effect on electronics

Amazon's effect on beauty/personal care

Amazon's effect on grocery

Amazon's effect on apparel

The Amazon Shopper – What You Need to Know

Flocking to Amazon

High consumer favorability

Attract, convert, repeat

Trust is very high, but not implied

Amazon Shopper Profile

Synonymous with online shopping

Figure 15: Shopping frequency, online in general versus on Amazon, October 2018

A lock on young affluents

Figure 16: Amazon shopping frequency, by age and income, October 2018

Much more shopping on Amazon

Figure 17: Shopping level versus a year ago, by Amazon shopping frequency, October 2018

Figure 18: Reasons for shopping more, October 2018

Attrition is low

Figure 19: Reasons for shopping less, October 2018

How Consumers Shop on Amazon

The first stop

Figure 20: Shopping behaviors, by Prime membership, October 2018

Figure 21: Prime-specific shopping behaviors, October 2018

Figure 22: Online shopping starting point for select categories, October 2018

Amazon as personal shopping advisor

Figure 23: Purchasing behaviors, by Amazon shopping frequency, October 2018

Consumer Perceptions

Addicted to Amazon

Figure 24: Perceptions, by Prime membership and Amazon shopping frequency, October 2018

Consumers' emotional relationship with Amazon is actually mostly functional in nature

Figure 25: Correspondence analysis – Principal map – Attributes, October 2018

Figure 26: Attributes, October 2018

How much is too much?

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

The Amazon Effect - US - December 2018

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 27: Perceptions regarding power, by age and income, October 2018

Figure 28: Amazon "Can You Feel It?" holiday TV ad, November 2018

Trust in Amazon

High levels of trust

Figure 29: Trustworthiness, by Amazon shopping frequency and Prime membership, October 2018

Third-party sellers not capturing halo effect

Figure 30: Trust of Amazon compared to third-party sellers, by Amazon shopping frequency and Prime membership, October 2018

Figure 31: Amazon storefront of the week featuring Lalabu, October 2018

Trust should not be taken for granted

Figure 32: Trusted services, October 2018

Figure 33: Trusted services, by generation, October 2018

Appendix – Data Sources and Abbreviations

Data sources

Sales data

Consumer survey data

Consumer qualitative research

Correspondence analysis methodology

Direct marketing creative

Abbreviations and terms

Abbreviations

Terms

Appendix – The Market

Figure 34: Amazon.com, net sales by country, 2015-17

Figure 35: Amazon.com, Global net sales by product type, 2015-17

BUY THIS
REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com