

# Impacting eCommerce: The Amazon Effect: Incl Impact of COVID-19 - US - April 2020

Report Price: £3695 | \$4995 | €4400

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

## This report looks at the following areas:

This has been especially true as a result of COVID-19, as consumers turn to Amazon for many of their shopping needs. At first, the pandemic even threw Amazon off its game, with demand so high the company couldn't keep up. As consumers' shopping behaviors and needs continue to evolve, they will continue to rely on Amazon to fulfill their needs. As it works to resolve the initial issues and improve its services, Amazon is poised for strong growth moving forward.

- The impact of COVID-19 on consumer behavior and the retail market
- How Amazon will fare in the post-COVID-19 slowdown
- Amazon's effect on consumer shopping behavior and other retailers' business practices and offerings
- Amazon's key initiatives and areas of focus moving forward

The Amazon Effect refers to how consumers have changed shopping behaviors because of something the company has done or offered, and how its disruptive actions have forced its rivals to think differently and be more strategic in order to survive. The recent COVID-19 outbreak has had a major impact on the entire retail industry, and not even the world's largest online retailer is immune to it. With many consumers turning to shopping online, Amazon is playing a major role during the pandemic, quickly working to address new issues and adjust its approach moving forward.



"Amazon is powerful and influential. But it's also rather universally respected and trusted, and there can be a big difference between having power and garnering respect. As a leader, Amazon comes under scrutiny often, but overall, consumers are supportive, trusting, and even grateful, seeing it as an essential part of their lives."

– Diana Smith, Associate Director – Retail & Apparel

## Buy this report now

Visit	store.mintel.com
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

## Table of Contents

### OVERVIEW

- What you need to know
- Key issues covered in this Report
- Definition

### EXECUTIVE SUMMARY

- Overview
- The impact of COVID-19 on Amazon  
Figure 1: Short, medium and longer term impact of COVID-19 on Amazon, April 2020
- Key findings, opportunities and threats
- Size and scale
- Amazon Prime
- Consumer demographics
- Consumer perceptions
- Amazon in grocery
- Amazon in fashion
- What it means

### IMPACT OF COVID-19 ON AMAZON

- What you need to know  
Figure 2: Short, medium and longer term impact of COVID-19 on Amazon, April 2020
- Opportunities and Threats
- Unavailable items and delivery delays open door for competition
- Despite initial inventory issues, Amazon can provide support for sellers and vendors
- Employee welfare a top priority  
Figure 3: Amazon Support of employee welfare in Light of COVID-19, April 2020
- Amazon looks to improve online grocery offering
- Impact on Amazon
- Amazon expected to see increase in sales
- A delayed Prime Day could still see record sales
- A return to stores
- DTC brands may need Amazon to survive
- Reprioritization of initiatives
- Amazon's relief efforts can improve consumer perceptions  
Figure 4: Amazon Support of Local Community in Light of COVID-19, April 2020
- How the crisis will affect Amazon's key consumer segments

### What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

## Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

### Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

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

- **A prime opportunity to highlight Prime benefits with all shoppers**  
Figure 5: Higher priority on Leisure and entertainment spending due to COVID-19, by generation, April 2020  
Figure 6: Amazon Prime Facebook ads featuring various benefits, October–November 2019
- **Amazon works to open windows for online grocery shoppers**  
Figure 7: Shopping changes after COVID-19 outbreak, by generation, April 2020
- **How a COVID-19 recession will reshape Amazon's effect**
- **Financial uncertainties lead to limited, prioritized spending**  
Figure 8: Limiting spending as a result of COVID-19, by age and income, April 2020  
Figure 9: Unemployment, April 2000–April 2020  
Figure 10: Monthly Unemployment Rate, seasonally adjusted, January – April 2020
- **COVID-19: US context**

## AMAZON OVERVIEW – WHAT YOU NEED TO KNOW

- **A change agent**
- **Onward, upward and outward bound**
- **Prime is pure gold**
- **High marks in nearly all aspects of retailing but one**
- **Never a dull day**

## DEFINING THE EFFECT

- **Multidimensional and widescale impact**
- **The effect on consumer shopping behavior**
- **The effect on consumer expectations**  
Figure 11: Amazon scorecard, select above average attributes, January 2020
- **The effect on competitors**  
Figure 12: Associations with innovation and influence, by select retailer, January 2020

## AMAZON SCALE

- **Amazon is still king**  
Figure 13: Amazon's US net sales, at current prices, 2014–19
- **Amazon is ecommerce**
- **An ecosystem, not just an online retailer**  
Figure 14: Amazon's global net sales, by retail type, 2017 and 2019  
Figure 15: Percentage of global sales segmented by category, 2012–19

## What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

## Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

## Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

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

Figure 16: Amazon portfolio, March 2020

## AMAZON PRIME MEMBERSHIP

- **Overview**
- **Prime membership shows no upward boundary**
  - Figure 17: Amazon Fresh Facebook ad, October 2019
  - Figure 18: Prime membership & Prime member demographics, January 2020
- **Delivery, Video and Music services seen as most valuable**
  - Figure 19: Prime benefits used, January 2020
  - Figure 20: Repertoire analysis – Prime benefits used, by select demographics, January 2020
  - Figure 21: Amazon Prime Facebook ads featuring various benefits, October–November 2019
  - Figure 22: Amazon Prime Facebook post featuring Kindle Reading App, April 2020
- **What do consumers have to say about their Prime benefits?**
- **What Prime benefits would members like to be added?**
- **The future of Prime: what-if scenarios**
- **What if the cost of Prime increases again?**
  - Figure 23: Willingness to pay more for Prime membership, January 2020
  - Figure 24: Amount of increase willing to pay for Prime membership, January 2020
- **What if there was a tiered pricing structure?**
- **What if a competitor (read: Walmart) introduces a comparable program to Prime?**
  - Figure 25: Intent to switch to another retailer's comparable membership program, by select demographics, January 2020
- **Anti-Prime, not Anti-Amazon**
  - Figure 26: Reasons for non-Prime membership, January 2020
- **COVID-19's impact on Prime**

## STRENGTHS AND VULNERABILITIES

- **Overview**
- **Strengths**
- **Ecosystem mentality**
- **Strengthening the brand through Prime Day**
- **Hard to beat the A student**
  - Figure 27: Amazon scorecard, January 2020
- **Prime members have a greater impression of Amazon**
  - Figure 28: Amazon scorecard – Above average (Net), by Prime membership, January 2020

## What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

## Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

## Buy this report now

Visit	store.mintel.com
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

- **Vulnerabilities**
- **Key driver analysis reveals opportunities for improvement**  
Figure 29: Key drivers of satisfaction with overall shopping experience, January 2020
- **Consumers want Amazon to do more to protect the environment**  
Figure 30: Attitude regarding Amazon's environmental efforts, by generation, January 2020
- **What do consumers want Amazon to do more of when it comes to sustainability?**  
Figure 31: Desired packaging information, January 2020
- **Consumers want reassurance about quality**
- **Consumers want Amazon to be more human**
- **Not immune to competition**

#### KEY INITIATIVES

- **Managing the pandemic**  
Figure 32: Whole Foods COVID-19 pandemic actions, Facebook post, March 2020
- **Cashierless technology**
- **What do consumers think about cashierless technology?**
- **Voice technology**
- **What do consumers think about using voice technology to shop?**
- **Brick and mortar expansion**  
Figure 33: Amazon 4-Star store, November 2018
- **Advertising**

#### THE AMAZON SHOPPER – WHAT YOU NEED TO KNOW

- **Calling all low-income families**
- **Amazon is the dependable friend, not the mushy friend**
- **Amazon shoppers are the real influencers**
- **Brands should use Amazon to help them grow, not rely on it for growth**
- **Brick and mortar expansion next up for Amazon in grocery**
- **Amazon effect extends to luxury fashion**
- **Big and powerful, yes, but still a fan favorite**
- **Amazon can be doing more with its power and influence**
- **Third-party sellers threaten Amazon's reputation**
- **Healthcare likely the next industry to be disrupted**

#### AMAZON SHOPPER PROFILE

- **Most Amazon customers shop at least monthly**

#### What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

#### Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

#### Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

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

Figure 34: Total online shopper frequency versus Amazon shopper frequency, January 2020

Figure 35: Total online shopper frequency versus Amazon shopper frequency – nets, January 2020

Figure 36: Amazon shopper frequency – nets, by age, January 2020

- **Capturing the low-income consumer**

Figure 37: Amazon shopper frequency – nets, by household income, January 2020

Figure 38: Light online shoppers – all versus Amazon, by household income, January 2020

Figure 39: Amazon shopper frequency – nets, by race and Hispanic origin, January 2020

- **More than one third of Prime members shop weekly**

Figure 40: Amazon shopping frequency, by Prime membership, January 2020

#### PERCEPTIONS OF AMAZON VERSUS COMPETITORS

- **Amazon isn't seen as going much "beyond the transaction"**

Figure 41: Company Attributes, January 2020

- **Time versus savings: what's more important?**

- **Prime members have a stronger emotional bond**

Figure 42: Attributes, by Prime membership, January 2020

#### HOW CONSUMERS SHOP ON AMAZON

- **No category immune to the Amazon effect**

Figure 43: Role of Amazon when shopping by category, January 2020

- **Amazon preferred**

Figure 44: Amazon's place in path to purchase, January 2020

- **Amazon's advice is helpful, but other shoppers' word is gospel**

Figure 45: Purchase influencers, January 2020

- **How much do consumers pay attention to Amazon's recommendations?**

- **What do consumers really think about Amazon's user reviews?**

- **Spotlight on Prime shoppers**

- **More purchases, more loyalty...with exceptions**

Figure 46: Shopping behaviors among Prime members, January 2020

#### What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

#### Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

#### Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

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

## AMAZON INFLUENCE ON BRANDS

- **No big deal if consumers can't find their favorite brands on Amazon**
- **Do consumers form brand impressions based on whether or not brands sell on Amazon?**
- **Do consumers trust unfamiliar brands more if they see them on Amazon?**

## THE EFFECT ON GROCERY

- **Overview**
- **Where people currently shop**  
Figure 47: Grocery retailers shopped, by generation, January 2020
- **Whole Foods purchase has had no significant impact on shopping behavior yet**  
Figure 48: Impact of Amazon's purchase of Whole Foods, by generation, January 2020
- **Why aren't consumers shopping more at Whole Foods?**
- **Amazon's future in grocery**
- **Walmart shoppers willing to switch to Amazon for the right price**  
Figure 49: Willingness to switch from Walmart to Amazon for groceries, by generation, January 2020
- **Amazon will have its own physical grocery store**  
Figure 50: Interest in branded Amazon grocery store, by generation – part one, January 2020  
Figure 51: Interest in branded Amazon grocery store, by generation – part two, January 2020
- **What do consumers say is important besides price?**
- **What's the biggest reason some consumers don't want to shop at Amazon's new grocery store?**
- **Grocery option with cashierless technology an option too**  
Figure 52: Amazon Go Grocery, February 2020

## THE EFFECT ON APPAREL

- **Growing into its place in apparel**  
Figure 53: Apparel purchase incidence, by key demographics, January 2020  
Figure 54: Orolay coat sold on Amazon, November 2019
- **How it made headway**  
Figure 55: Awareness and usage of Prime wardrobe, by gender and age, January 2020  
Figure 56: Amazon Prime Wardrobe Facebook post, August 2019

### What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

### Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

### Buy this report now

Visit	store.mintel.com
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

- **Consumers like the improvements**

Figure 57: Attitudes toward Amazon's fashion assortment, by gender and age, January 2020

- **Luxury is next**

Figure 58: Example of winning look from Amazon's "Making the Cut" fashion show, April 2020

## ATTITUDES TOWARD AMAZON

- **Power + influence = the "effect" in action**

Figure 59: Positive attitudes regarding Amazon's influence, January 2020

Figure 60: Positive attitudes regarding Amazon's influence, by Prime membership, January 2020

Figure 61: Positive attitudes regarding Amazon's influence, by generation, January 2020

- **Naysayers could lead Amazon backlash efforts in the future**

Figure 62: Negative attitudes regarding Amazon, January 2020

Figure 63: Negative attitudes regarding Amazon, by Prime membership, January 2020

Figure 64: Negative attitudes regarding Amazon, by generation, January 2020

Figure 65: Percentage who are actively trying to shop less at Amazon, by weekly shopping frequency, by key demographics, January 2020

- **What do consumers have to say about Amazon's power and influence?**

- **The good**

- **The bad**

- **The ugly**

- **CSR efforts can help to mitigate future attrition**

Figure 66: Attitudes regarding Amazon's corporate social responsibility efforts, January 2020

Figure 67: Attitudes regarding Amazon's corporate social responsibility efforts, by generation, January 2020

## TRUST IN AMAZON

- **Trust earned by walking the talk**

Figure 68: Associations with trustworthiness, by select retailers, January 2020

- **Why do consumers trust Amazon?**

- **Why don't consumers trust Amazon?**

- **Trust has limits**

## What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

## Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

## Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

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



- **Third-party vendors are a rose and a thorn**

## WHAT'S NEXT?

- **Amazon's been quiet on the acquisition front...it is time for another big purchase?**
- **Healthcare likely up next to experience the full "Amazon effect"**
- **Paying with and without hands**
- **Consumer predictions**

## APPENDIX – DATA SOURCES AND ABBREVIATIONS

- **Data sources**
- **Sales data**
- **Consumer survey data**
- **Consumer qualitative research**
- **Key driver analysis methodology**
- **Abbreviations and terms**
- **Abbreviations**
- **Terms**

## APPENDIX – THE MARKET

Figure 69: Amazon's US net sales, at inflation-adjusted prices, 2014-19

Figure 70: Amazon's global net sales, by country, at current prices, 2014-19

## APPENDIX – THE CONSUMER

- **Key driver analysis**
- **Interpretation of results**  
Figure 71: Level of satisfaction with overall online shopping experience – key driver output, January 2020
- **Additional qualitative responses**
- **Amazon Prime Membership**
- **Cashierless technology**
- **User reviews**
- **Amazon influence on brands**
- **Interest in Amazon's own grocery store**
- **Trust in Amazon**

## What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

## Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

## Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

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



## About Mintel

Mintel is the **expert in what consumers want and why**. As the world's leading market intelligence agency, our analysis of consumers, markets, product innovation and competitive landscapes provides a unique perspective on global and local economies. Since 1972, our predictive analytics and expert recommendations have enabled our clients to make better business decisions faster

Our purpose is to help businesses and people grow. To find out how we do that, visit **[mintel.com](https://www.mintel.com)**.