

The 2020 Amazon Prime Member Survey

| How and Why Prime Members
Shop on Amazon

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Methodology

The 2020 Amazon Prime Member Survey by Orca Pacific is based on anonymized data collected from 1126 Prime members via online survey.

This survey was conducted by Survata, an independent research firm in San Francisco. Survata interviewed 1126 online respondents between August 09, 2019 and September 09, 2019. Respondents were reached across the Survata publisher network, where they take a survey to unlock premium content, like articles and ebooks. Respondents received no cash compensation for their participation.

More information on Survata's methodology can be found at survata.com/methodology.

About Orca Pacific

Orca Pacific is a modern full-service agency dedicated to growing brands on Amazon. The team of former Amazonians and eCommerce experts optimize every stage of the Amazon customer journey, from SEO and Advertising to Content Optimization and Strategic Consulting. After a decade working in Amazon's own backyard, Orca Pacific has become the premiere partner for all Vendors and Sellers looking to thrive on Amazon.

To learn more about Orca Pacific, please visit our website: orcapac.com/company

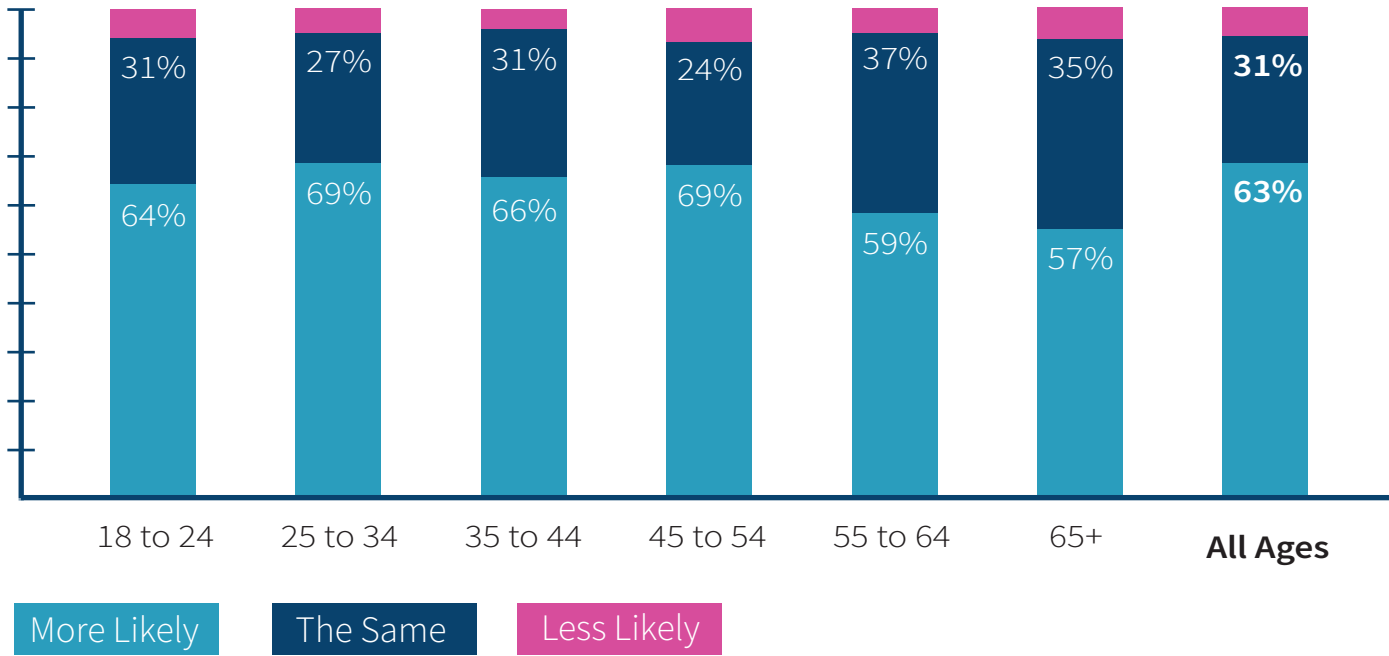


One-Day Shipping

63% of Prime Shoppers Are More Likely to Purchase a Product Online with One-Day Shipping

Amazon’s push toward faster delivery times is likely to increase sales from Prime shoppers across the board. But for those shoppers who value delivery speed, **one-day shipping** is especially promising. Broken down by age, the vast majority (67%) of Prime subscribers aged 18-54 said they would be more likely to purchase a product online if that product will arrive the next day. For those over 55, a smaller majority (58%) gave the same response.

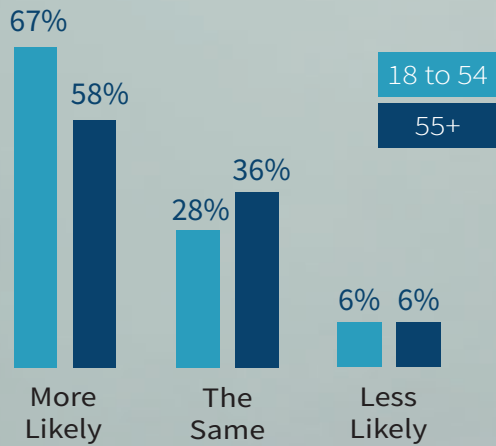
What is the likelihood of you purchasing a product online, compared to in-store, if you know it will arrive the next day?



John L. Giorso
Founder & CEO
Orca Pacific

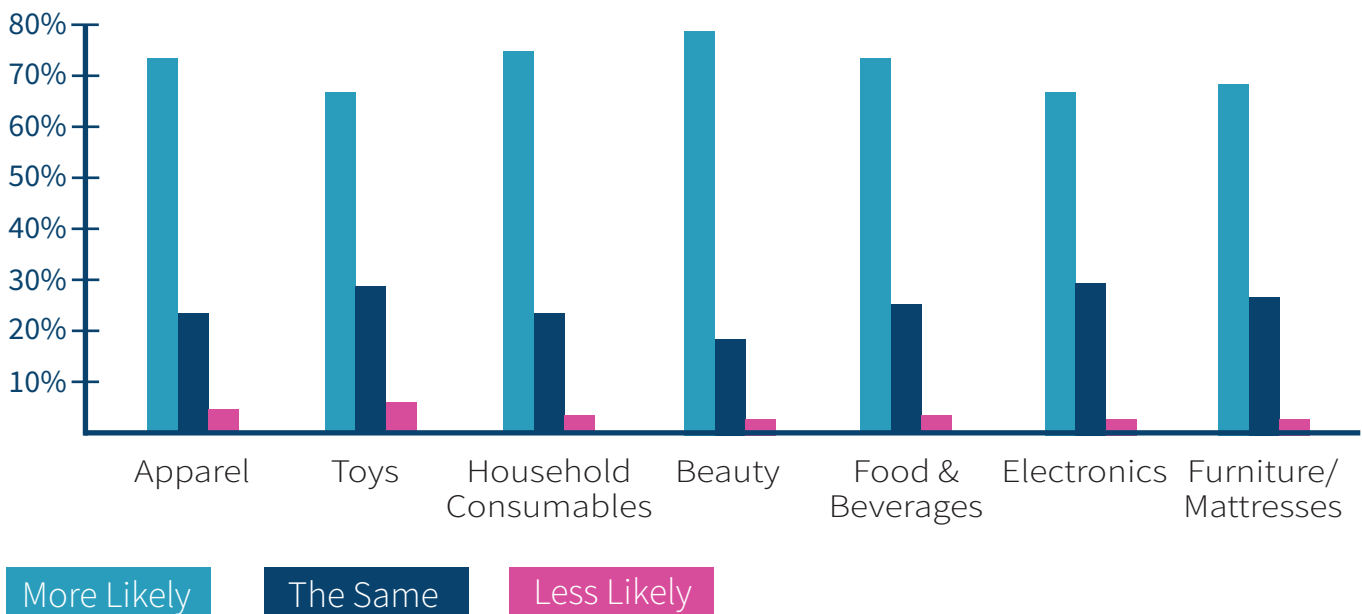
“Amazon set the industry bar with Prime two-day shipping. By pushing toward next-day delivery, they are yet again positioning themselves as the online marketplace with the most convenience and **availability**. While we are not surprised to see overwhelmingly positive responses to this change, we did note an age discrepancy suggesting that working shoppers could be more heavily impacted by this new development.

Likelihood to Purchase a Product Online If It Has One Day Shipping



While Prime subscribers across generations differ in likelihood of purchasing a product online based on shipping time, the discrepancy is less pronounced when considering category shoppers. As intuition would suggest, shoppers are especially eager to receive personal items such as **beauty** (77%) and **apparel** (74%) products as well as replenishable items such as **food/beverages** (71%) and **household consumables** (73%). For shoppers who purchase within hardlines categories such as **electronics** (68%), **toys** (67%) and **furniture** (69%), the one-day shipping offer had a less pronounced impact on their decision to make a purchase online.

Likelihood to Purchase a Product Online with One Day Shipping by Category Shoppers

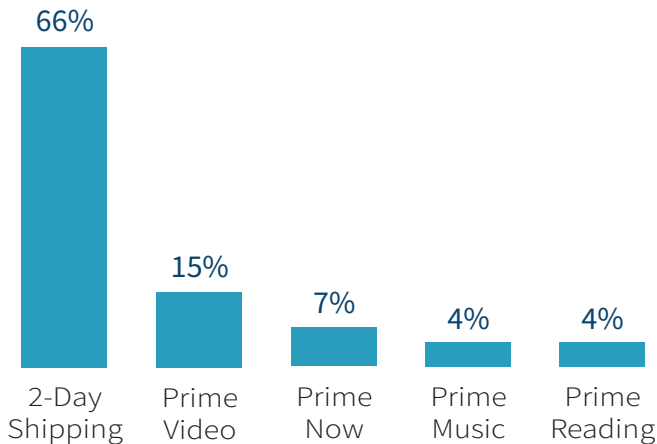




Prime Membership

Over Two-Thirds of Prime Shoppers Say Two-Day Shipping is the Most Valuable Feature of Membership

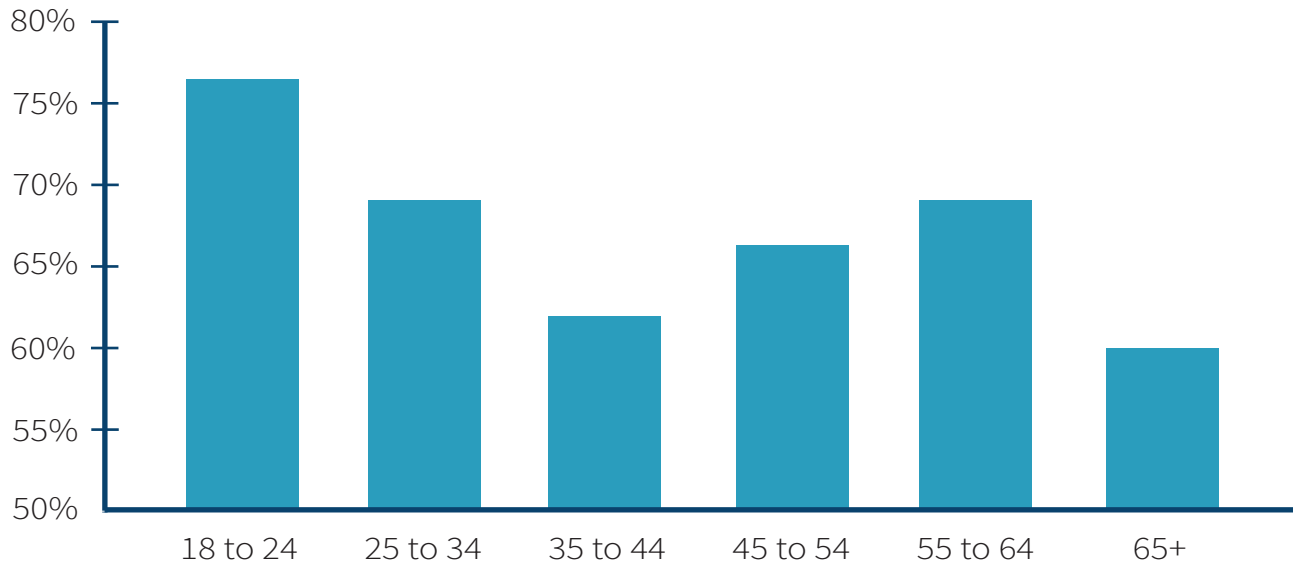
What do you value most about your Amazon Prime membership?



Amazon's commitment to Prime one-day shipping is supported by how Prime shoppers value their membership. 66% of Prime shoppers said that the current **two-day delivery** offer is the most valuable aspect of their membership, compared to only 15% who favored **Prime Video**, 7% who favored **Prime Now**, and 4% who most valued **Prime Music** and **Prime Reading**, respectively. By investing in quicker shipping times, Amazon is doubling down on their most popular Prime feature and will likely attract an increase in membership.

While two-day shipping is the most valuable feature of the Prime membership across the board, there are clear differences in degree when broken down by age.

Two-Day Shipping as Most Valuable Factor By Age Group



- **Of Prime Shoppers aged 18-24 years old:** 77% say that two-day shipping is the most important feature of their Amazon Prime membership. This is the highest among all age groups surveyed and could be due to near-lifelong exposure to quick delivery speeds.
- **Of Prime Shoppers aged 35-44 years old:** 63% say that two-day shipping is the most important feature of their Amazon Prime membership. This is notably lower than adjacent age groups due to an increased value in other membership features such as Prime Video and Prime Now.
- **Of Prime Shoppers aged 65 and over:** 61% say that two-day shipping is the most important feature of their Amazon Prime membership. This is the least among all age groups surveyed potentially due to a lack of exposure to fast shipping and existing familiarity with 6-8 week shipping times when ordering products from a catalog or TV.

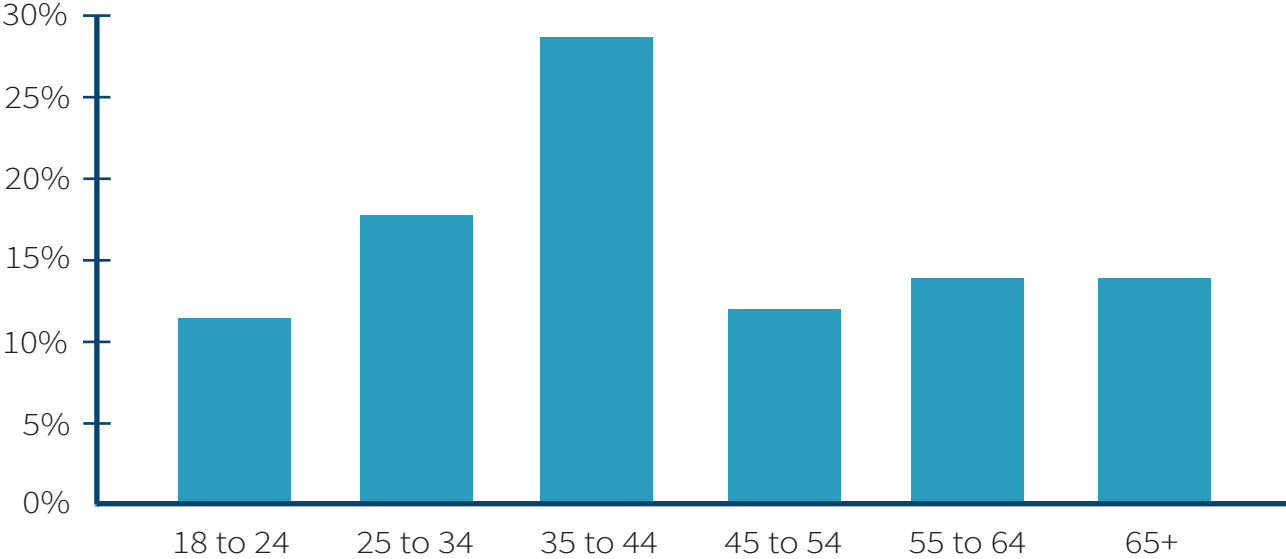


Kyle Olson
Dir. of Client Strategy
Orca Pacific

“When it comes to the ever-changing world of eCommerce, generational trends can provide valuable indicators of how online shopping might develop. Our findings indicate both that younger generations will likely place higher priority on the convenience of **fast delivery** and that subscriptions to **video-on-demand services** are likely to increase in value to consumers.”

Of Prime subscribers aged **35 to 44 years old**, 28% say that **Prime Video** is the most important feature of their Amazon Prime membership. That is 10% higher than the next closest age group of Prime subscribers **25 to 34 years old** (18%).

Prime Video as Most Valuable Factor By Age Group



The extreme popularity of **Prime Video** with Prime subscribers aged 35 to 44 is consistent with findings over the last few years that show Generation X accounting for nearly half of all video-on-demand users [1]. As Amazon makes free one-day shipping standard for all Prime members, it will be interesting to see how this age group values their Prime membership.

[1] <https://www.forbes.com/sites/jeffewing/2019/02/12/new-research-highlights-streaming-demographic-trends/#15c0375060b2>



Category Shopping Behavior

Two-Thirds of Prime Members Bought Clothing and/or Consumer Electronics on Amazon in the Last Year

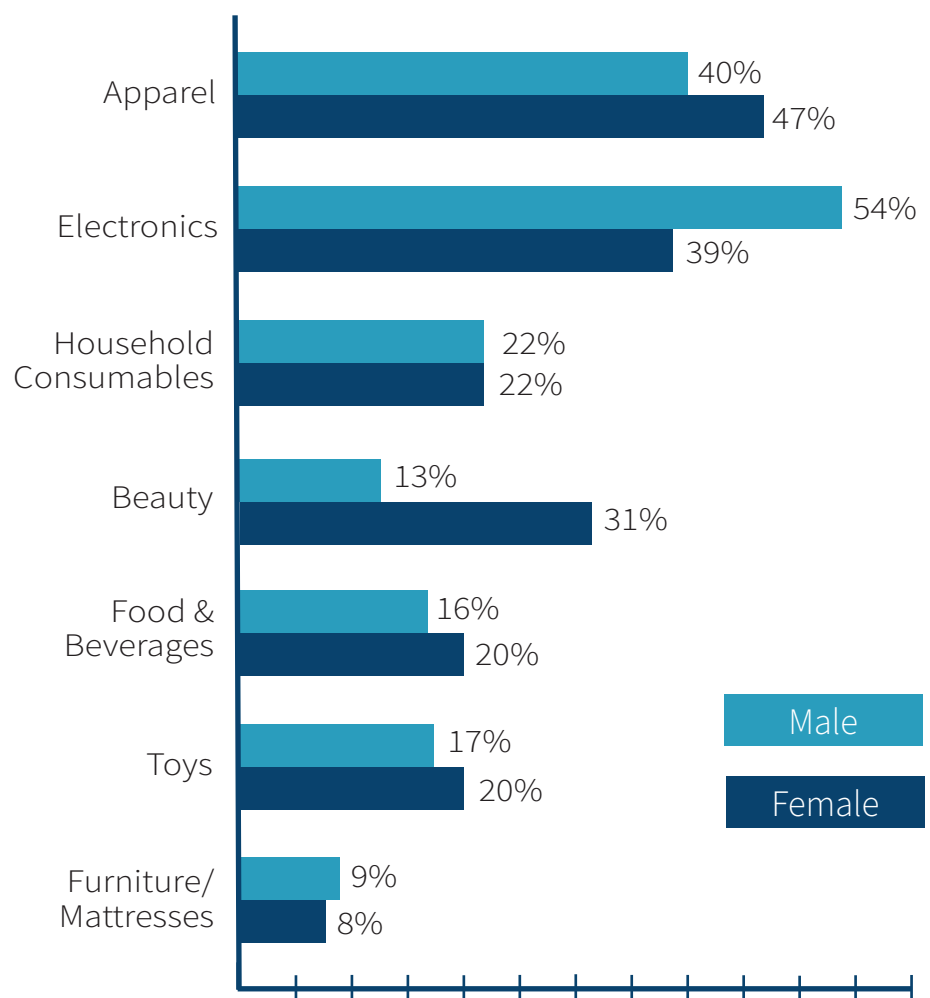
Amazon is now the top **apparel** retailer in the US [1], so it's no surprise that 43% of Prime subscribers reported purchasing **clothing** on the marketplace in 2019. While previous speculation has women dominating the apparel space, our findings suggest that, in fact, male Prime subscribers are closing that gap.

Though not all results are contrary to intuition. For example, we found that twice as many women Prime subscribers purchased **beauty products** in 2019 than men: a trend that we expect to continue.

Electronics, on the other hand, was mostly purchased by male Prime subscribers (54% to 39% female), while **toys, food, furniture, and household consumables** are relatively proportional.

With a number of categories, our findings show massive growth, specifically for **beauty** and **apparel**. In 2020 and beyond we expect these categories to continue their ascent.

Product Category Purchases by Gender



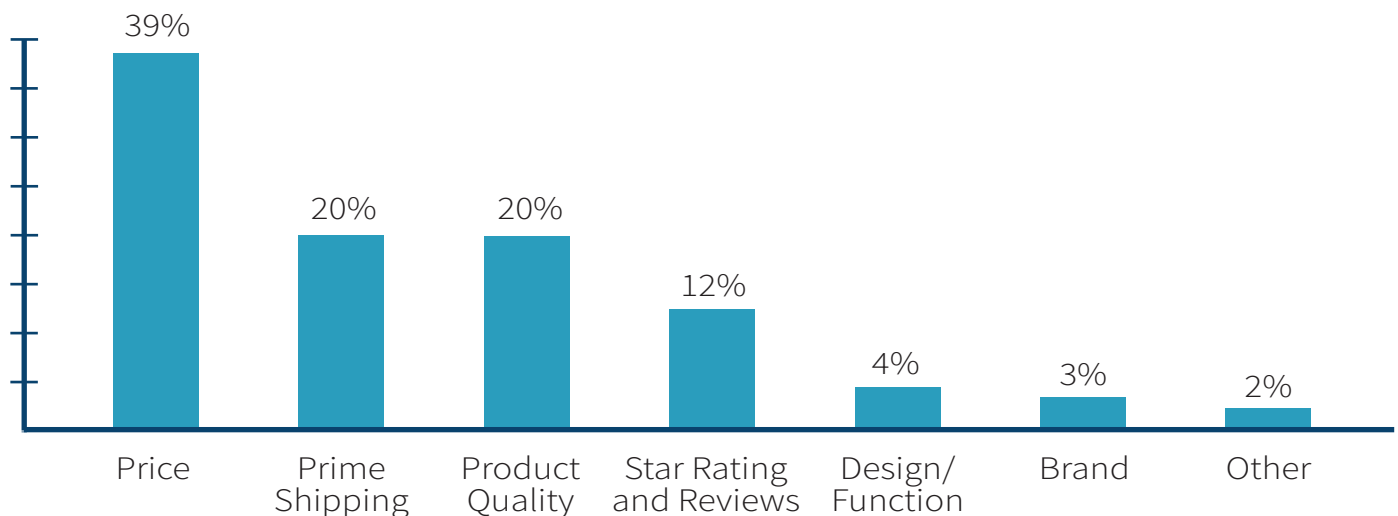
[1] <https://www.retaildive.com/news/amazon-poised-to-reign-over-apparel-by-years-end/532151/>

Purchasing Decision

Price is the Most Important Factor for Prime Members When Making a Purchasing Decision

39% of Prime subscribers see **product price** as the most important factor when making a purchasing decision on the Amazon platform, compared to 20% who see **two-day shipping** as most important factor and another 20% who value **product quality** most. **Star Rating and Reviews** are the most important factor for 12% of Prime subscribers while **Design** and **Brand** both fall below 5% of those surveyed.

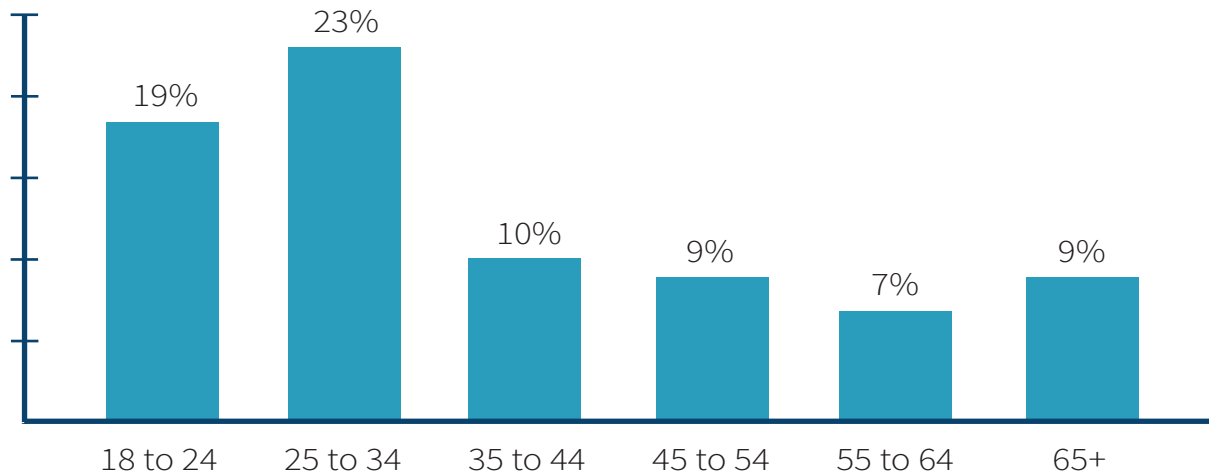
What 's the most important factor when making a purchasing decision on Amazon?



Nate Hogle
Dir. of Account Mgmt.
Orca Pacific

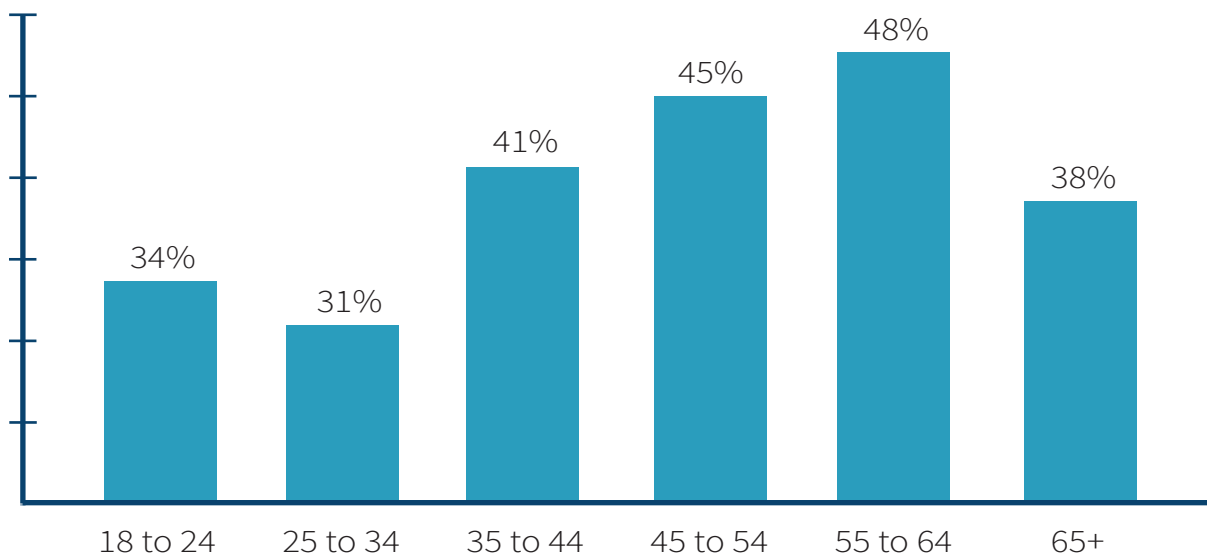
Amazon has long sought to offer the lowest prices, best availability, and most convenience. And while fortifying this triad has led to major success for the retail giant, our data suggests that low prices and the convenience of quick shipping are the most impactful factors for customers. Availability of the most products from top brands, Amazon's third tenant, is rarely the deciding factor for Prime shoppers making a purchasing decision. This is likely the case because Prime shoppers have already bought into the Amazon brand and therefore rely less on product brand trust to make their purchasing decisions.

Reviews as Most Important Factor in Purchasing Decision By Age Group



21% of Prime subscribers aged 34 or younger see **product reviews** as the most important factor in making a purchasing decision compared to under 10% of subscribers over 34. Millennials and Generation Z have largely grown up in a digital world, where reliance on feedback and rating systems is a natural part of the decision making process, from booking a hotel to selecting a restaurant to eat at. For older generations, however, this is a learned behavior. Instead, a sizable emphasis on **price** takes precedence with up to 48% of 55 to 64 year-olds considering it the most important factor in making a purchase.

Price as Most Important Factor in Purchasing Decision By Age Group

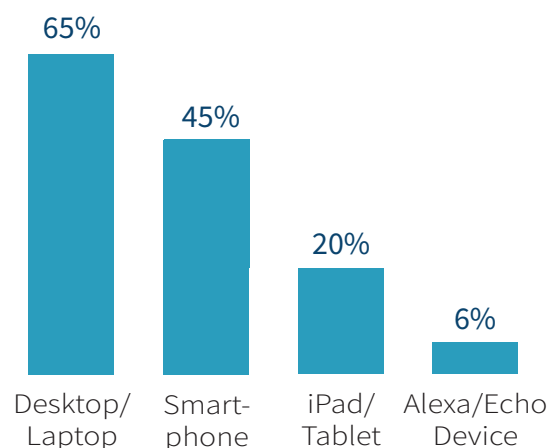




Alexa and Other Devices

6% of Prime Shoppers Purchased a Product Using Amazon Alexa in the Last Year

In the past 12 months, have you used the following devices to shop on Amazon?
(select all the apply)

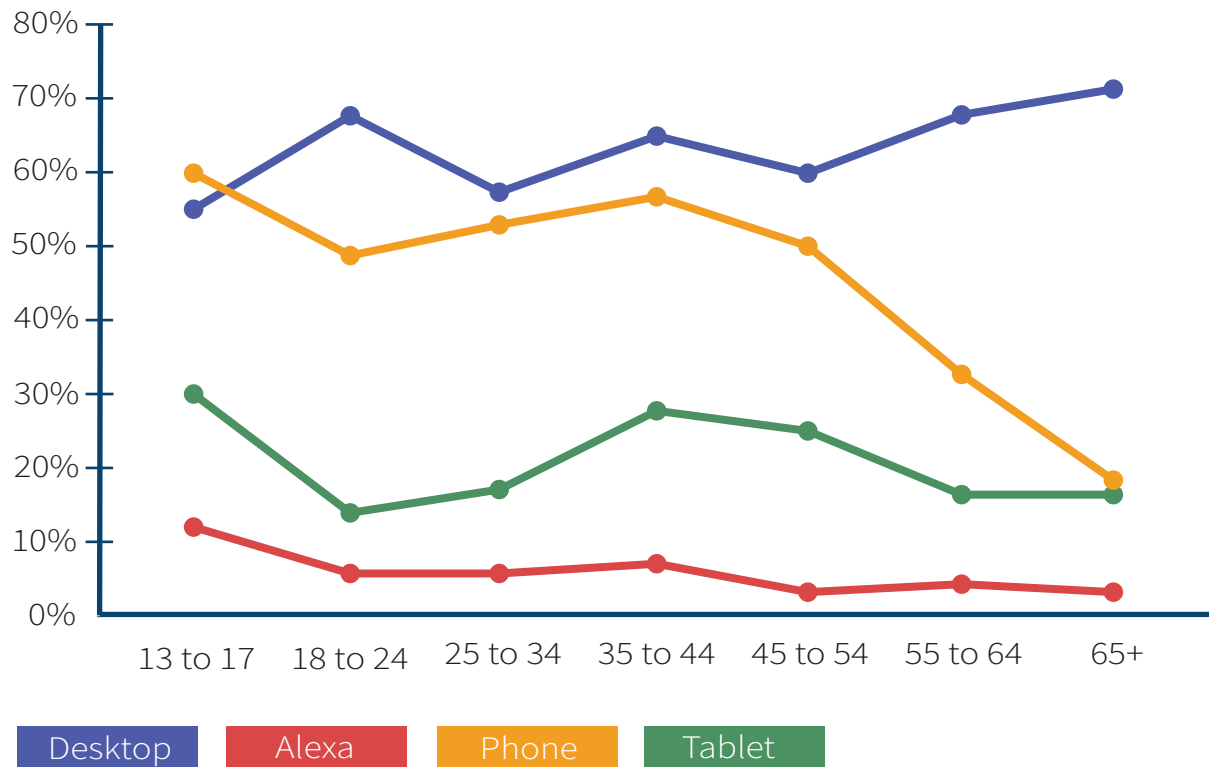


Since Amazon's launch of their **Alexa** voice platform in 2015, the rise of **voice shopping** has been slow. Some reports from 2018 had less than 2% of consumers with Alexa devices making purchases by voice [1]. However, we found that when it comes to voice shopping Prime members are a step ahead with 6% reporting that they have purchased a product using an Alexa device in the last year. While this figure is still minuscule in comparison to other devices like **desktops** (65%), **phones** (45%), and **tablets** (20%), the slow lift of voice shopping is significant.

[1] <https://www.twice.com/retailing/shopping-by-voice-muted>

As younger generations come to represent a larger share of the consumer market, current trends suggest that the popularity of shopping with **voice** and **mobile devices** will rise while the use of **laptops** and **desktops** to shop will decrease.

Devices Used to Purchase Products on Amazon in Last Year By Age Group



John L. Ghiorso
Founder & CEO
Orca Pacific

Amazon is in no rush to make voice a ubiquitous platform for shopping. Instead, they have made market penetration and engagement their No. 1 priority during Alexa’s infancy. So far, Amazon has been extremely successful at meeting its goal. As of 2018, over 25 percent of U.S. shoppers own a smart speaker device [1], representing a 77 percent year-over-year increase. Amazon is also dominating the market over competitors like Google, with 63 percent of smart speakers in the U.S. being Amazon Alexa devices [2].

Amazon sees **voice and gesture technology** as an inevitable shift in society’s relationship with technology, but one that’s unlikely to happen overnight. Integrating its platform as the default is a long-term play. It’s only with established engagement and a scaled platform that Amazon will begin creating larger lanes to monetize.

[1] <https://voicebot.ai/2018/10/30/u-s-smart-speaker-users-rise-to-57-million/>

[2] <https://content-na1.emarketer.com/amazon-echo-share-will-drop-below-two-thirds-in-2019>

Contact Us

Based in Amazon's backyard, we're a team of over 50 former Amazonians and retail industry thought leaders who use a combination of expertise and state-of-the-art technology to craft and carry out cutting-edge Amazon strategies. Put simply, we're known for knowing Amazon.

To reach out to our team, please email: marketing@orcapac.com

To learn more about Orca Pacific, please visit: orcapac.com

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