

Study Reveals Amazon Shoppers' Behaviors, Preferences, and Attitudes

While there's no doubt that Amazon is the reigning king of eCommerce—or at least that's the perception—it is becoming increasingly evident that there are chinks in its armor. Most notably, it appears that Amazon is focusing its efforts on increasing profitability at the expense of the customer experience.¹ This is good news for other retailers looking to take control of the eCommerce kingdom, but we wanted to know what actual Amazon shoppers *really* think.

To find out, Radial recently conducted a survey of 1,000 Amazon shoppers to unveil their shopping behaviors, preferences, and attitudes towards the eCommerce giant. From shopping frequency to motivators for purchasing to their beliefs about Amazon's business practices, consumers from all walks of life revealed when, why, and how they shop on Amazon.

Shopper Behaviors and Preferences

Our study confirmed that, by and large, Amazon shoppers are loyal. Seventy-three percent of Amazon shoppers have been customers for at least four years, and 20 percent have been customers for at least ten years. Over half make multiple purchases in a month, and 80 percent buy a product at least once a month.

Who's the most loyal? It turns out that shoppers under 40, Asian and Hispanic consumers, and consumers who earn \$100K+ a year do the most shopping on Amazon. And they're not going anywhere soon. Ninety-four percent of Amazon shoppers say they will spend at least as much on Amazon next year as they did this year and 55 percent will spend more.

But why do consumers shop on Amazon anyway? In our survey, they cited product selection and prices as the main reasons. We found that younger shoppers choose Amazon for the speed of delivery, older and infrequent shoppers for product selection, and monthly shoppers as well as African-Americans for Amazon's prices. Over half of respondents in our study shop Amazon for electronics, entertainment, and media products, and one-in-three say they often shop for clothing, home products, and beauty and health products.



1. "Is there Grit in Amazon's Flywheel? Implications and What Retailers Need to Know to Survive," Radial. 2016. <https://www.radial.com/resources/retail-strategy-and-best-practices/there-grit-amazon-s-flywheel-implications-and-what>

Alternatives to Amazon

Although typical Amazon shoppers turn to the online retailer first, they know they have options when the eCommerce behemoth doesn't meet their needs. The majority of shoppers (54%) who decide not to shop on Amazon choose omnichannel retailers like Walmart or Target instead—usually to get a better price. This is especially true of older and infrequent customers, and shoppers in the Midwest. Younger and frequent Amazon shoppers typically shop with another retailer only when the product is sold out on Amazon.com.

When they go elsewhere, shoppers usually do so to buy home products, tablets, or technology accessories. These shoppers include recent and infrequent customers as well as those ages 30-39, Midwestern and Asian customers, and shoppers who earn \$100K+ a year. Fifty-eight percent of shoppers say they prefer to buy products directly from a retailer or brand rather than choosing an Amazon-branded product.

“We found that there is a clear relationship between how frequently customers shop on Amazon and how likely they are to think the company is trustworthy.”

Trust and Ethics

Do consumers trust Amazon? Our study shows that the vast majority of them do, as 95 percent of shoppers in our study consider Amazon to be trustworthy. Another 89 percent say the company is ethical and 93 percent say Amazon puts its customers first. Only 36 percent of shoppers in our study believe Amazon engages in questionable practices.

We found that there is a clear relationship between how frequently customers shop on Amazon and how likely they are to think the company is trustworthy. Sixty-five percent of weekly shoppers believe Amazon is trustworthy, while 37 percent of consumers who buy from Amazon a few times a year or less consider the company to be trustworthy.

Consumers are bullish on Amazon moving forward, as 49 percent of shoppers trust the eCommerce giant more than they did a few years ago and just 4 percent trust Amazon less. However, 37 percent of shoppers believe Amazon is more loyal to its bottom line than to its customers and 21 percent say they have lost faith in the company over the last several years. Only time will tell if Amazon's moves over the next few years will continue to increase customers' growing discontent with the company and cause them to shop elsewhere.

While Amazon is clearly still a behemoth in the eCommerce universe, the company is on the verge of losing ground to other retailers who have made significant omnichannel investments. Recent improvements by Best Buy² and Hudson's Bay Company,³ for example, are enabling these retailers to more effectively meet consumers' rising expectations and making them more competitive with Amazon in the process.

Uncover this study's key findings in the infographic below for the insights you need to compete with Amazon in 2017 and beyond.

2. Bosavage, Jennifer. "Best Buy Omnichannel Strategy: A Model for Other Brick-and-Mortar Retailers?" Commerce Lens. December 15, 2016. <https://www.radial.com/commercelens/strategy/best-buy-omnichannel-strategy-model-other-brick-and-mortar-retailers>

3. Bosavage, Jennifer. "HBC's Omnichannel Solution Combines Robots and Automated Warehousing, But Can It Catch Amazon?" Commerce Lens. December 20, 2016. <https://www.radial.com/commercelens/strategy/hbcs-omnichannel-solution-combines-robots-and-automated-warehousing-can-it>

Amazon Shopper Study



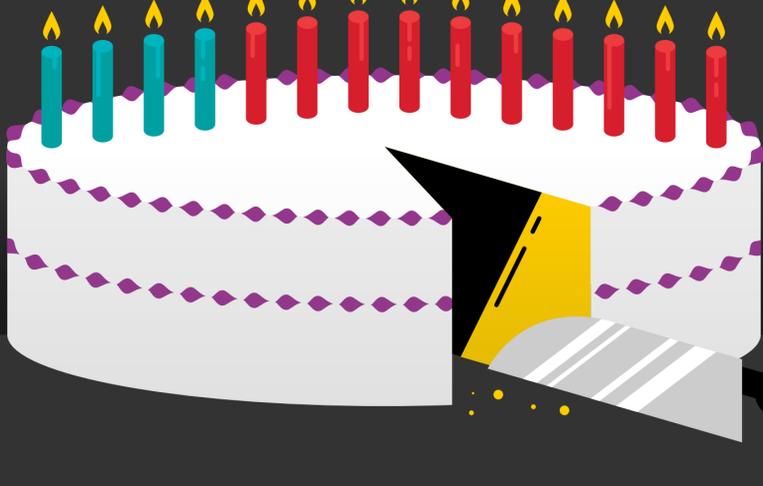
Shopper Behavior & Preferences

Amazon shoppers are loyal, with the majority of shoppers using the site several times a month to buy everything from electronics and media to clothing and home products.



73% of Amazon shoppers have been customers for **at least four years.**

20% of Amazon shoppers have been customers for **at least ten years.**



39% of Amazon shoppers say they will spend **as much** on Amazon next year as they did this year.

55% of Amazon shoppers say they will spend **more** on Amazon next year than they did this year.



Reasons consumers shop on Amazon:



38%
Product Selection



29%
Prices

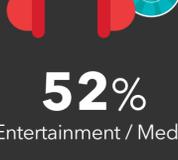


13%
Speed of Delivery

Top Three Types of Products Consumers Most Often Shop for on Amazon:



56%
Electronics



52%
Entertainment / Media



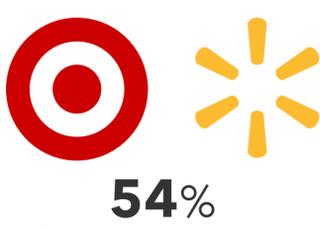
42%
Clothing



49% of Amazon shoppers say product reviews are most influential when deciding whether to purchase a product.

Alternatives to Amazon

Consumers can be persuaded to shop elsewhere, but Amazon has a clear advantage. Here's how and why shoppers choose another retailer.



54% of shoppers who decide not to shop on Amazon choose another major wide-ranging retailer like Target or Walmart.



44% of consumers will shop elsewhere to get a better price.

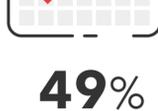
Shoppers most likely to shop for better prices elsewhere:



50%
Midwestern shoppers



49%
Shoppers between the ages of 50 and 64



49%
Consumers who shop a few times a year or less



58% of Amazon shoppers prefer to buy certain products directly from a retailer or brand rather than choosing an Amazon-branded product.

Trust & Ethics

Most Amazon shoppers trust the company, but some question its business practices. Will shoppers continue to remain loyal as other retailers make advancements?



67% of shoppers believe Amazon shows customers the most affordable product most or all of the time.



95% of shoppers consider Amazon to be trustworthy.



93% of shoppers say Amazon puts its customers first.



89% of shoppers say the company is ethical.

Weekly Amazon shoppers who **consider the company to be trustworthy.**



37% Amazon shoppers who **buy from Amazon a few times a year or less.***

*This statistic indicates that trust is clearly related to shopping frequency.



Nearly half (49%) of shoppers trust Amazon more than they did over the last several years, while just **4%** trust Amazon less than they did a few years ago.



36% of shoppers believe Amazon engages in questionable practices.



37% of shoppers believe Amazon is more loyal to its bottom line than to its customers.



26% of shoppers used to trust Amazon more than they do now.



21% of shoppers say Amazon's actions over the last several years have caused them to lose faith in the company.