

How Amazon Prime Membership Impacts Digital Shopping Behavior

By Patrycja Malinowska

NEW YORK — As shoppers increasingly use the internet to purchase products, the opportunity for marketers is to optimize the digital experience, grow their customer base, increase online sales and win share in digital channels.

GfK senior vice president Natasha Stevens posits that one way to approach the complexity is to parse the digital shopping behavior of Amazon Prime shoppers – an estimated 65 million to 80 million people who generated \$6.4 billion dollars in revenue in 2016 alone. Presenting alongside Christina Pate, GfK senior research direc-

tor, digital experiences, during a Shopper Marketing Summit seminar in March, Stevens shared the results of research the company did specifically for the conference using digital data from GfK's Knowledge-Panel Digital.

Gathered from U.S. adult mobile device owners metered with 24/7 tracking technology, the data indicated similarities and differences between Prime members and non-Prime members in overall use of shopping resources, use of coupons and deals, breakdown of app usage versus site usage, and the 2016 holiday season. The sample

size included 297 Prime members and 419 non-Prime members.

The biggest takeaway was a simple one: Amazon is the most used shopper touchpoint bar none, among both Prime members and non-Prime members. Among the other learnings:

Don't Shy Away From Prime Members

Prime members are spending a lot of time outside of Amazon.com, and there are opportunities to engage them. They are much heavier online shoppers overall, averaging 50 more visits to (and five more hours spent

at) online retailers than non-members during the study. The study determined that:

- membership drives loyalty and frequency of visit to Amazon.com.
- members visit pure-play e-tailers twice as often as non-members.
- members are more inclined to shop for groceries online.
- members are less likely to visit a mass merchant.
- members are more inclined to go to club stores, indicating they may be more likely to join membership programs beyond Amazon Prime.

Include Use of Coupons and Deals

Prime members are more likely to use coupons if they are for online shopping. Grocery-focused apps that offer coupons for in-store shopping (such as Ibotta and Checkout 51) had more visits from non-Prime members, though usage numbers are low overall.

Elevate the Mobile App Experience

Shoppers use mobile sites more than they use mobile apps, but for those who engage with apps, they engage more frequently and for longer time periods. Prime members in particular use a mass app three times more often than a mass website. The fairly even percentage of users across pure-play and mass apps indicates a willingness to explore retailer app options.

Amazon shows the most users of any retail app, engaging 55% of its Prime members.

Start the Holiday Deals Early Next Year

Amazon activity for Prime members didn't spike until Black Friday, showing a possible opportunity for early engagement. Activity did spike the week of Nov. 6, but not on Amazon. That shows deliberate waiting time for Amazon deals with time spent beforehand getting the lay of the land.

Non-Prime shoppers spiked at other retailers during Black Friday and had no spike on Amazon (though there was a slight increase over time).

Overall, Prime members spend quite a bit of time away from Amazon, showing a real opportunity to engage.

Shopping Online Is the New Daydreaming

Shopping is not as purposeful as we may think. The majority of consumers are doing nothing related to shopping before they go to Amazon, instead arriving from email, social media, news, etc.

"Given that our lives are very busy and moving quickly, a shopping trip online isn't necessarily you saying, 'OK I'm going to search all these things.' We fit this in when we can do it during the day," Stevens said. "It's really about what we want, what we need, what we aspire to. And that's peppered throughout the day."

Search Is an Opportunity for Brands and Retailers

More non-Prime users get to Amazon via search, while Prime members go to Amazon directly.

Non-Prime shoppers have a larger portion of non-branded searches at the category level or generally for specific products.

For Prime members, more searches are brand/product searches that do not contain Amazon in the search – an engagement opportunity for brands and retailers from an SEO and paid search strategy. 