

A blurred photograph of a busy shopping mall or department store. The image captures a large group of people walking through the aisles, their figures and clothing rendered as soft, colorful streaks due to motion blur. The background shows the architectural details of the store, including escalators and overhead lighting fixtures. The overall atmosphere is one of a fast-paced, crowded retail environment.

Feedvisor

The 2021 Amazon Consumer Behavior Report: Based on a Survey of 2,000+ U.S. Shoppers

Introduction

Providing a glimpse into the minds and behaviors of today's digitally savvy consumers, this report aims to illuminate brands and retailers to the growing trends and expectations of shoppers on Amazon and other e-marketplaces as we head into a post-pandemic landscape for e-commerce.

To win in this era, especially on Amazon and other e-marketplaces, brands and retailers will need to take a hard look at factors that drive consumers to make a purchase, paying close attention to personalization, convenience, value, and product assortment.

In its fourth installation, *The 2021 Amazon Consumer Behavior Report* provides a comprehensive and detailed view into the minds and wallets of over 2,000 U.S. consumers. This report includes the impact of Covid-19 on consumers' buying habits and the evolution of their online media consumption and shopping behaviors, with comparisons to pre-pandemic statistics.

Asked about their shopping motivations and tendencies, consumers offered a wide range of thoughts on topics like which categories they are buying from, how loyalty programs like Prime membership and Walmart+ influence their purchasing decisions, plus insights into their upcoming holiday shopping plans for Black Friday, Cyber Monday and beyond.



Explore this in-depth report to find out exactly what brands and retailers need to know about consumer behaviors, their most important needs, as well as effective strategies for how to leverage Amazon and e-marketplaces to identify and act on key high-value opportunities.



Dani Nadel

President and Chief Operating Officer, Feedvisor

Methodology & Demographics

This poll was commissioned and analyzed by Feedvisor. It was distributed online from July 13–16, 2021, among a sample of 2,003 U.S. adults who have purchased a product on Amazon within the last 24 months. Results from the full survey have a margin of error of plus or minus 2.2 percentage points. All numbers have been rounded to the nearest percent. Zogby Analytics conducted the survey on behalf of Feedvisor.

The respondent pool encompassed all age ranges and income levels as well as Prime and non-Prime members to provide a true snapshot of what the overall market wants from retail experiences.

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Key Takeaways

- 1 Online shopping will remain dominant, with **57%** of consumers claiming they **do more online shopping now than they did before the pandemic.**
- 2 Consumers are not as brand loyal as in previous years, with **60%** of consumers saying they **purchased products from brands they hadn't previously tried** before during the pandemic.
- 3 Ads on Amazon are resonating with consumers as **55%** of shoppers said they **notice ads on a search results page** and **49% of shoppers aged 27-40** say they always or **frequently/often buy the first product listed** on an Amazon SERP.
- 4 Amazon remains a driving retail force as **92%** of consumers say they are **more likely to buy products from Amazon** than other e-commerce sites while 56% of consumers say they visit Amazon daily or at least a few times a week.
- 5 Amazon continues to be the first place consumers look for product information, with **75%** of consumers saying they **check prices and product reviews on Amazon** before making a purchase.
- 6 Consumers still view the holidays as the best time to score deals with **47%** saying they **wait specifically for Black Friday and Cyber Monday to make a big purchase.**

To optimize your end-to-end e-commerce strategy, get in touch with us at feedvisor.com/connect

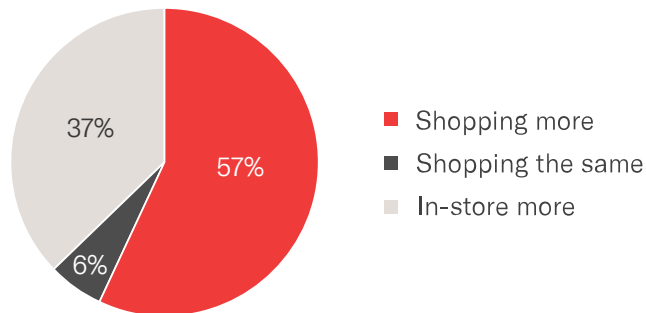
The Expanded Role of Amazon and E-Commerce Marketplaces

Consumers' Digital-First Behavior Is Here to Stay

The ongoing impact of the Covid-19 pandemic has undoubtedly accelerated consumer adoption of online shopping, especially as brick-and-mortar retail faces ever-evolving social-distancing protocols, fluctuating inventory in-store and limited hours of operation due to staffing constraints.

The survey shows that Amazon and e-marketplaces continue to play a growing role in the lives of shoppers, with more than half of consumers (57%) revealing that they do more online shopping now than before the pandemic.

Consumers are shopping more online than in-store



64%

of Prime members and 36% of non-Prime members said they now shop more online than they did prior to the start of the pandemic.

53%

of consumers buy products online at least once per week, with 9% of consumers making purchases on a daily or nearly daily basis.

In particular, 64% of Prime members and 36% of non-Prime members said they now shop more online than they did prior to the start of the pandemic. Additionally, more than half of consumers (53%) said they currently buy products online at least once a week, up from 48% in 2019, with 9% saying they make online purchases every day or almost every day. It is increasingly evident that, even as retail restrictions lift and loosen in certain parts of the U.S., the growth of online shopping continues to accelerate at a rapid pace.

Overall, U.S. e-commerce sales are projected to continue seeing double-digit growth, up nearly 17.9% in 2021 to over \$933 billion, and expected to surpass \$1 trillion in 2022. Poised to sustain this growth in the years ahead, e-commerce is on track to account for over 20% of total U.S. retail sales by 2024.¹ Clearly, consumers' digital-first behavior is here to stay.

¹ eMarketer, 2021

Amazon Is at the Center of Online Shopping Habits

56%

of consumers visit Amazon daily or at least a few times a week, up from 47% in 2019.

As consumers' comfortability and reliance on e-marketplaces accelerates amid the pandemic, Amazon has emerged as the biggest beneficiary from the growing trend towards online shopping. Focused on providing convenience and offering a vast assortment of products and brands, as well as attractive loyalty program benefits like exclusive deals and faster shipping times for Prime members, Amazon continues to position itself as an integral component to many aspects of consumers' day-to-day lives.

47%

of consumers make a purchase on Amazon at least once a week

Not only are consumers visiting Amazon more often, but they are also increasingly converting and making purchases on the platform. The survey reveals that 47% of overall consumers make a purchase on Amazon at least once a week, with 8% of respondents saying they make a purchase on Amazon daily or almost every day. In addition, 10% of current Prime members buy a product on Amazon on a daily or nearly daily basis.

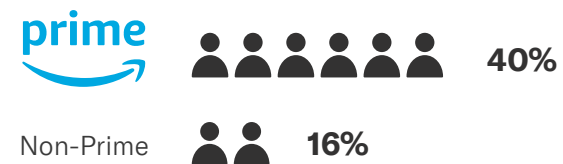
¹ eMarketer, 2021

As a result, Amazon is expected to account for 41.4% of all U.S. retail e-commerce sales in 2021 and will make up more than 50% of U.S. growth in online sales from 2019 to 2021. Amazon's e-commerce sales are projected to rise by \$168.53 billion in that time frame as well, reaching more than \$386 billion by the end of this year.¹

Consumers visiting Amazon daily or nearly daily



Members visiting Amazon daily or nearly daily in 2020



Consumers Use Amazon for Every Stage of the Buyer Journey

Amazon is now an essential resource that consumers increasingly rely on at every stage of their buying journeys, from searching for new products and checking prices to scanning product reviews and, ultimately, conversion to making a purchase.

While Google has reigned as the leading search engine ever since its inception in 1997, the survey reveals that 62% of consumers now begin their search for new products on Amazon, while only 18% of consumers went to Google. Walmart continues to gain ground in this area, as 10% of consumers say they start their search for new products via the growing e-marketplace.

Top 3 destinations where consumers start their search for new products:

	62%
	18%
	10%

Top 3 destinations where consumers go when ready to buy a product:

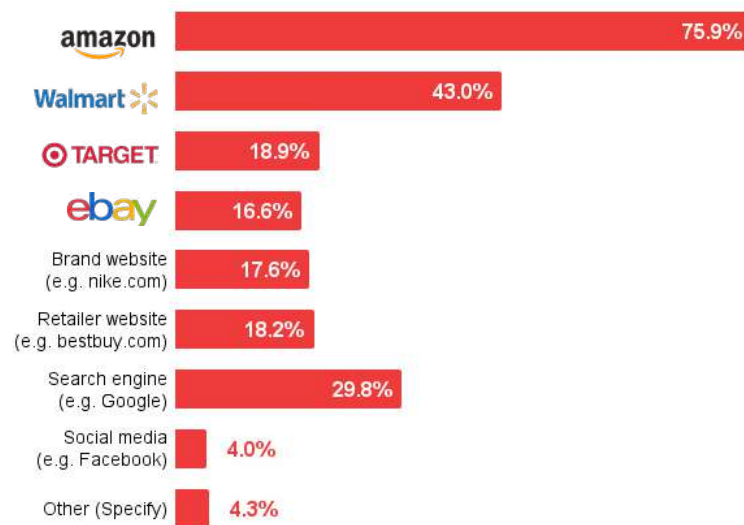
	71%
	10%
	7%

Consumers Are Doing Their Research on Price and Reviews

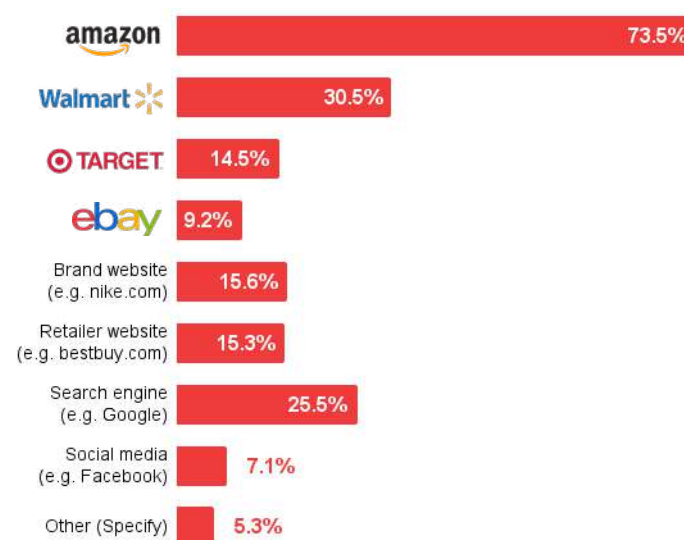
More and more consumers are looking for the best deal, especially when it comes to price. They aren't afraid to do a little research and are choosing Amazon as their go-to resource. The survey reveals 76% of consumers check prices on Amazon, and 74% check Amazon product reviews before making a purchase.

Combined with the convenient and efficient shopping experience that's difficult to match, it's no surprise then that 71% of consumers also go straight to Amazon when they are ready to buy a product, with only 10% of consumers going directly to Walmart and just 7% of consumers going to search engines.

Where consumers check **prices** before making a purchase



Where consumers check product **reviews** prior to making a purchase



Consumers Prefer E-Marketplaces Over Brand and Retailer Websites

The evolution of the e-commerce landscape has given way to e-marketplaces establishing dominance, outpacing all other channels by offering consumers a more convenient shopping experience to discover, compare, and purchase a variety of products. E-marketplaces are also sought after because they help shoppers find the most competitive prices on the best quality products, with access to an array of brands on just a single platform. In fact, US retail ecommerce sales are expected to grow 13.7%, reaching \$908.73 billion in 2021. Prior to the pandemic, it was expected sales would grow just 12.8%.¹

63%

of all global online spending occurred via digital marketplaces in 2020, which was a 29% increase in gross merchandise sales.²

92%

of consumers are more likely to buy products from Amazon than other e-commerce sites.



Amazon, Walmart, and e-marketplaces as a whole continue to grow in popularity among consumers, becoming the preferred choices for many shoppers over brand and retailer websites. Amazon is once again a top platform for shoppers, with 92% of consumers surveyed agreeing that they are more likely to buy products from Amazon than other e-commerce sites, up slightly from 89% in 2019. As so many consumers embrace Amazon, it comes as no surprise that the online shopping leader is expected to bring in more U.S. e-commerce sales in 2021 than the next nine biggest U.S. retailers combined.³

¹ Insider Intelligence, 2021

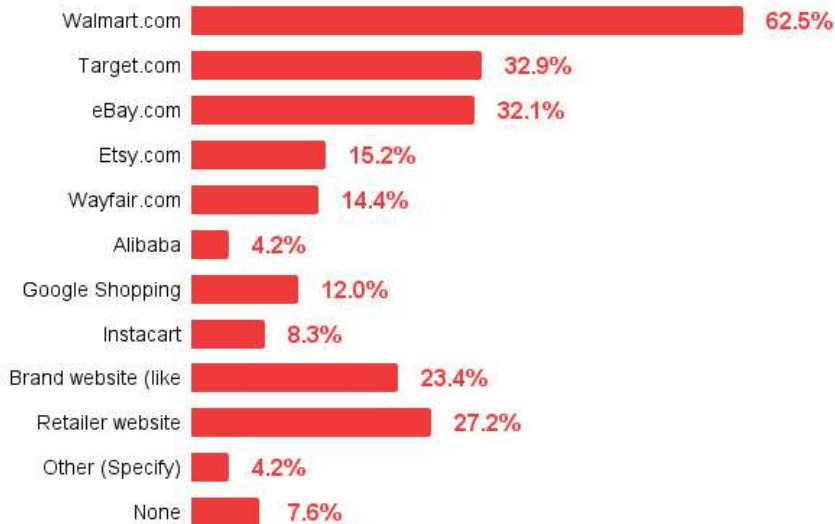
² Digital Commerce 360, 2021

³ eMarketer, 2021

Walmart has also shown significant growth, with 63% of consumers saying they now purchase products from the company, in addition to Amazon, up from 51% in 2019. Target.com is attracting online shoppers as well, with 33% of consumers surveyed saying they purchase products from the site in addition to Amazon. Target's online sales have surged since 2019, up 175%, and is expected to hit \$18 billion in U.S. e-commerce sales this year.¹

Meanwhile, only 27% of consumers surveyed said they buy products on retailer websites, down from 38% in 2019, while 23% of consumers said they make purchases on brand websites, up slightly from 21% in 2019. The growth of e-marketplaces like Amazon and Walmart is leading to declining sales for retailers like Best Buy, which is expected to be the only top retailer in the U.S. to see a drop in e-commerce sales this year.² Additionally, eBay.com is sliding in popularity as well, with only 32% of consumers surveyed saying they buy products on the platform, down from 38% in 2019.

Other websites, aside from Amazon, that consumers use to buy products



¹ eMarketer, 2021

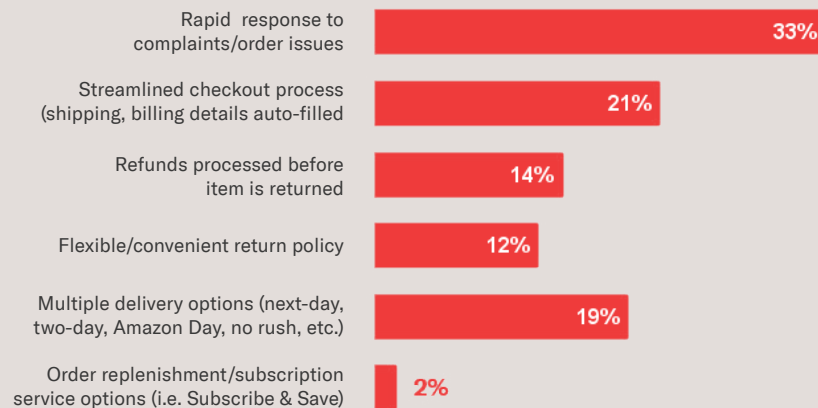
² eMarketer, 2021

The "New" Customer Experience and Expectations Moving Forward

Amazon's Customer Service Drives Shopper Retention

Customer service has always been a factor in consumer purchasing decisions, but lately it has had a much larger influence with 50% of consumers saying they'd switch to a new brand after one bad experience.¹

Best Parts of Amazon's Customer Service



90% | of consumers are satisfied with Amazon's customer service

A driving force behind Amazon's continued success is its ability to satisfy shoppers through its customer service experience. Amazon cultivates high retention rates by providing streamlined processes and quickly addressing any issues that may come up.

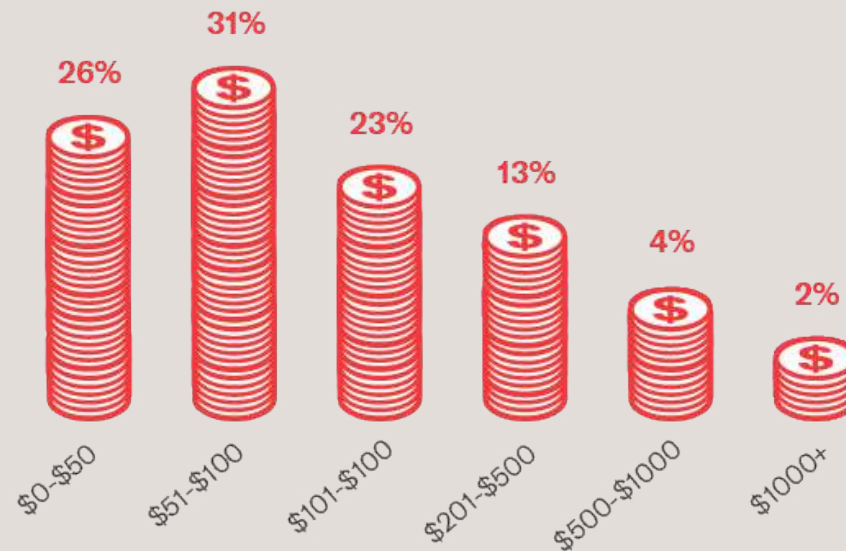
According to the survey, 90% of consumers are satisfied with Amazon's customer service, with 33% of respondents citing the company's rapid response to complaints and order issues as the best part of Amazon's customer service experience. Meanwhile, 21% of consumers enjoy Amazon's streamlined checkout process, while 19% of consumers say that having access to multiple delivery options is the highlight of the company's customer service.

¹ Zendesk, 2020

It is no surprise then that Amazon's Prime membership is up from 55% in 2019 to 72%, bringing shopper loyalty to an all-time high. Prime members are a proven, high-value customer base that are critical to reach since they shop online more often, purchase from Amazon more often (69% of consumers have purchased a product on Amazon in the last two months), and spend more money compared to non-Prime members (57% of Prime members spend up to \$100 per month on Amazon).

As the king of customer centricity, Amazon curates the shopping journey to make the entire experience as seamless as possible. Retailers and brands can benefit from this approach by ensuring their content and advertising are integral to this journey. This means authoring their product features and benefits responsive to customer searches through advanced keyword targeting and keeping content aligned with customer needs at that stage. Amazon businesses should test personalized promotions, using customized discounts and incentives to further enhance shopper's experiences.¹

How much, on average, Prime Members spend on Amazon each month



¹ Feedvisor, Proprietary Data, 2021

Shoppers Want an Assortment of Quality Products

95% | of consumers are satisfied with the **relevancy of Amazon's search results**

99% | of consumers are satisfied with the **assortment of products on Amazon**

Beyond customer service, consumers are also impressed with Amazon's powerful search algorithm and collection of quality product offerings. According to the survey, 99% of consumers said that they are satisfied or highly satisfied with Amazon's assortment of products, while 95% of consumers are satisfied or highly satisfied with the relevancy of Amazon's search results when looking for products on the platform. By quickly connecting customers with quality items that meet or exceed their product search expectations, Amazon makes the shopping journey both simple and seamless for consumers.



Apparel, Beauty and Personal Care Products Account for Most Online Purchases

Over the course of the pandemic, consumers have shifted their purchases from “essential” categories around health and household products to more discretionary items. Historically slower to grow online, apparel has particularly benefited from consumers’ newfound digital-first behavior, with the survey revealing that 60% of consumers make the most online purchases in the Clothing, Shoes, and Jewelry category, while 49% of consumers purchase the most in the Beauty and Personal Care category.

The growth in online sales around apparel and beauty products is aided by brands’ and retailers’ adoption of interactive shopping features such as augmented reality (AR), virtual reality (VR), and livestreaming content featuring influencers. Many brands and retailers are now investing in more ways to test out products from afar, as consumers are increasingly purchasing products without the need to feel them or try them on.¹

Top 5 categories consumers are making online purchases of the most:



¹ eMarketer, 2021

Although online is growing rapidly, there is still demand and interest around in-person shopping, proving that the future is omnichannel. While e-commerce sales are projected to see a moderate 13.7% growth this year, brick-and-mortar retail sales are expected to rebound from a 0.2% decline in 2020 to a 2.2% gain in 2021.¹ According to the survey, 47% of consumers plan to buy more products in the Grocery and Gourmet Food category at physical stores, while 41% of consumers plan to buy more items in the Clothing, Shoes, and Jewelry category in person.

Brands and retailers must cultivate a seamless integration of both their online and offline experiences, focusing on innovation and modified store experiences that feature digitally integrated, frictionless shopping with atmospherics modified to accommodate the “new normal” of sanitization and social distancing.²

Top 5 categories consumers plan to buy more of in physical stores



47% Grocery & Gourmet Food



41% Clothing, Shoes and Jewelry



34% Beauty and Personal Care



27% Home and Kitchen



22% Pet Supplies

¹ eMarketer, 2021

² eMarketer, 2021

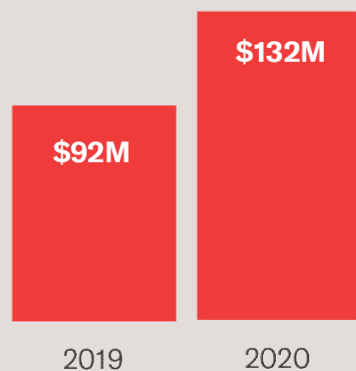
Price and Convenience Are Consumers' Top Priorities When Online Shopping

28%

of consumers say lower prices matter the most when shopping online.

Given the economic, societal, and physical repercussions of the pandemic, many consumers have a heightened focus on convenient, personalized shopping experiences and budget-friendly items. According to the survey, 28% of consumers say lower prices matter the most when shopping online, while 25% of consumers say convenience is the most important factor.

Overall spend on online groceries



46%

increase from
2019-2020

What matters most to consumers when shopping online



It is clear that price and convenience mean the most to online shoppers, which is why Amazon focuses on meeting these needs by offering rapid delivery options, simplified smart check out, convenient one click reorder, ensuring the best product prices on its platform and much more.

Amazon's grocery offerings have benefited significantly in the wake of the pandemic too, showing steady growth that has catapulted Amazon into being one of the leading U.S. grocery websites over competitors like Instacart and Kroger.¹ 11% of consumers surveyed said that they always buy groceries on Amazon, up from 6% in 2019, while 16% of consumers frequently or often buy groceries on the platform, up from 9% in 2019.

¹ eMarketer, 2021

Fake Reviews Are Consumers' Top Concern on Amazon

In the age where social proof and e-commerce frequently converge, maintaining a strong, credible reputation is essential. With consumers absorbing information across a variety of channels and touchpoints, they are constantly making more informed purchase decisions. According to the survey, 41% of consumers always read product reviews before making a purchase on Amazon, while 38% of consumers often read reviews prior to purchasing on the platform. But the prevalence of fake reviews is eroding trust as the survey reveals only 31% of consumers strongly agree with the statement “I trust the reviews on Amazon product listings,” which is down slightly from 33% in 2019.

41%

of consumers always read product reviews before making a purchase on Amazon.

While Amazon is increasingly taking actions to remove thousands of sellers and fake reviews from its platform, including a major crackdown on hundreds of top Chinese sellers who violated Amazon policies,¹ fake reviews remain a top concern for consumers. Brands and retailers need to ensure they are employing the proper reputation management strategies, maintaining healthy ratings and positive reviews by proactively working to improve feedback scores.²



¹ Marketplace Pulse, 2021

² Feedvisor Proprietary Data, 2021

Brands and Advertising Sentiment: What's Working?

Memberships Influence Shopper Loyalty

47%

of consumers say that being a member of a loyalty program influences where they go to make purchases.

In the wake of the pandemic, loyalty program influence on shopper behavior has been magnified, as homebound shoppers attracted to the convenient shipping benefits and wealth of additional features have steadily adopted and even welcomed loyalty memberships. According to our survey, 47% of consumers say that being a member of a loyalty program influences where they go to make purchases. However, 44% of consumers say that being a member does not influence their purchasing decisions, while 8% are unsure. When looking at age groups, this number widens as younger generations (consumers aged 18-40) are more heavily influenced to purchase where they have a membership than consumers aged 41+.

- 56% of consumers aged 18-40 are more likely to make a purchase where their memberships are
- 39% of consumers aged 41+ are more likely to make a purchase where their memberships are



Memberships to both Amazon's Prime and Walmart+ have risen in the wake of the pandemic. In fact, Amazon Prime membership is up 17% since 2019, and Walmart+ membership is up 18% from 2020.¹

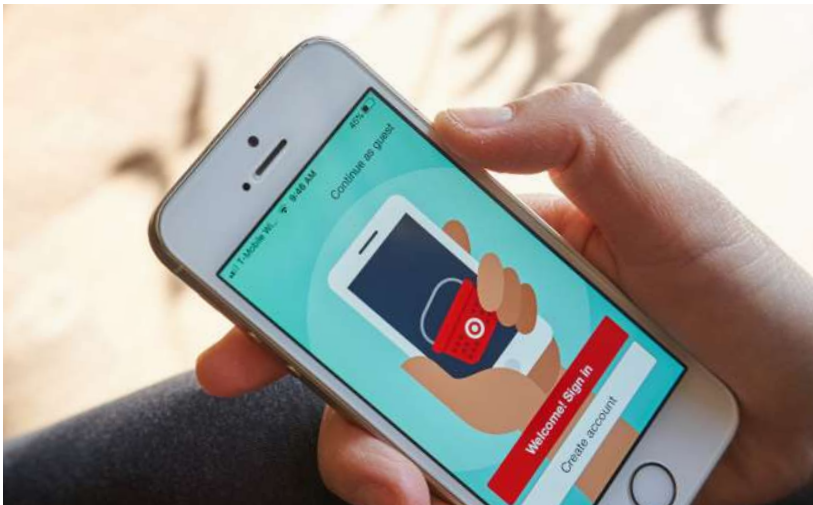
While each offers similar services, currently, Amazon's annual loyalty program costs \$119 a year and boasts free same-day and two-day shipping, a growing streaming library of video and music content, exclusive in-store deals at Whole Foods, free audiobook and magazine downloads, and more.

Conversely, Walmart+ is available at a slightly lower price point of \$98 a year or \$12.95 per month and offers less exclusive offerings than Prime but matches the free next-day and two-day shipping. Walmart+ members can also expect to enjoy other perks such as grocery deliveries, fuel discounts, and access to a specific mobile app for easy in-store shopping.

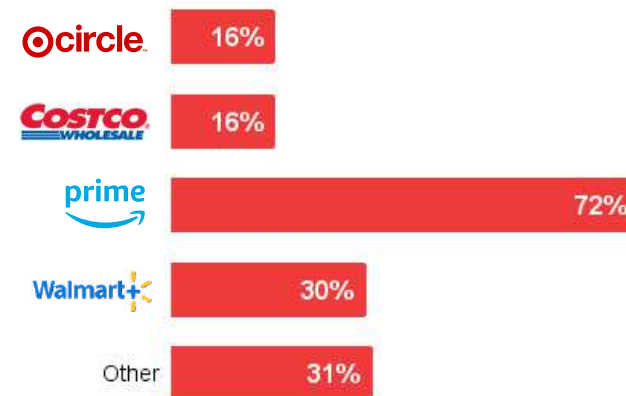
¹ Feedvisor Proprietary Consumer Data, 2020

Other Memberships Gaining Popularity

Looking at other programs, only 16% of consumers currently use Target Circle, and membership skews towards females. Target Circle, which replaced Target Cartwheel, offers some savings for non-RedCard purchases, a birthday discount, community support, and access to hundreds of deals and promotions. Additionally, 16% of consumers use Costco, but membership is skewed more towards males than females. Costco members enjoy reduced gas prices, travel options, discounts and promotions, and depending on membership, an annual reward on qualifying purchases.



Loyalty Program Membership



Members by Gender

- Prime: 73% male vs. 71% female
- Walmart+: 32% male vs. 28% female
- Target Circle: 20% female vs. 12% male
- Costco: 17% male vs. 15% female

Amazon Ads Are Resonating With Shoppers' Needs

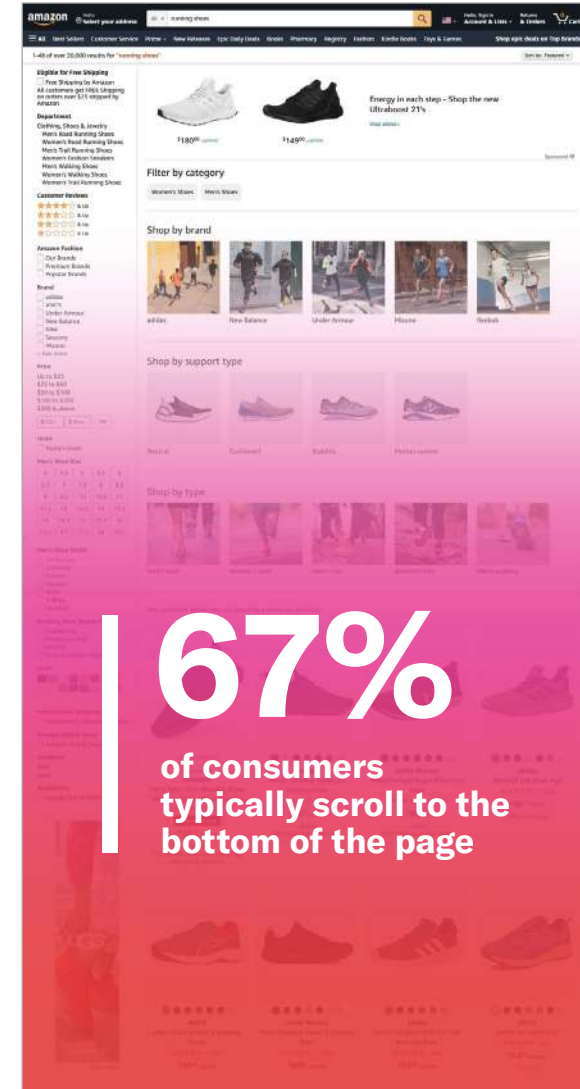
In today's competitive e-marketplace landscape, advertising has become a critical factor as part of strategies for demand and profitable growth, supplanting the importance placed on traditional product recommendations and personalization efforts.¹

49%

of consumers aged 27-40 always or frequently/often buy the first product listed on an Amazon SERP.

When it comes to Amazon, advertising is the leading force that guides the shopper journey, with the most ad spend directed towards Sponsored Products results in search. Securing ad placement above the fold on the first page of search results, ideally in the top product slot, is increasingly important, as the survey revealed 28% of shoppers always or often buy the first product listed on an Amazon SERP, with that figure climbing to 49% for shoppers aged 27-40. Additionally, more than half (55%) of shoppers notice ads on a search results page, while 50% of shoppers notice ads on product detail pages (PDP).

For those who can not secure above the fold placement, the survey revealed a majority of consumers (67%) scroll to the end of search results on a page, so their products will still be viewed by a majority of consumers

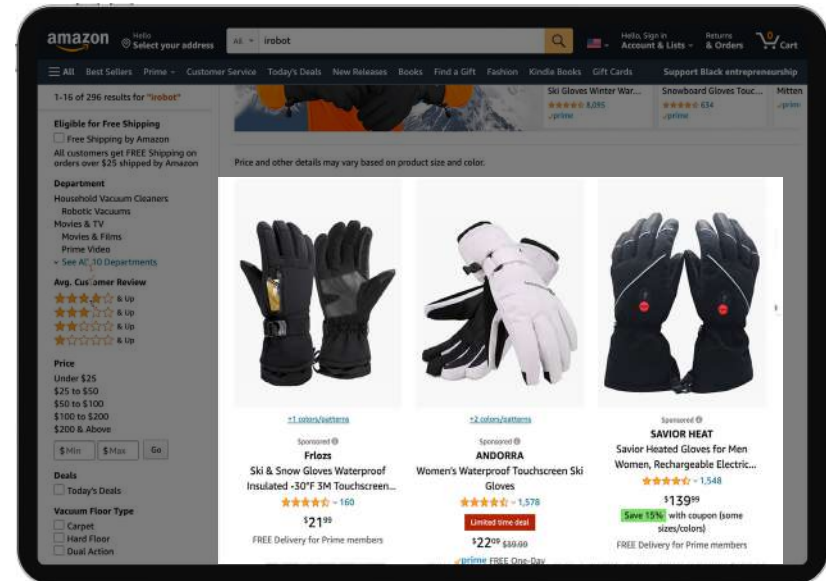


Take your Amazon advertising results to the next level with the power of Feedvisor360. Learn more at feedvisor.com/connect

¹ Marketplace Pulse, 2021

The increased investment in Sponsored Products and other advertising methods has caused cost-per-click (CPC) and ad spend as a whole to rise year-over-year since more brands are seeking out Amazon to showcase their messaging and connect with shoppers. CPC for Amazon ads in the U.S. rose to \$1.20 in 2021, up over 50% year-over-year, while average advertising cost of sale (ACoS) has risen from 22% in 2020 to over 30% this year.¹

Brands and sellers on Amazon need to have the right advertising optimization technology in place to ensure their strategies can intelligently drive demand and profit in accordance with business goals. The key is using data-driven, AI-powered technology that can help you optimize your advertising budget to achieve specific business objectives using messaging that truly resonates with the needs of today's shoppers.



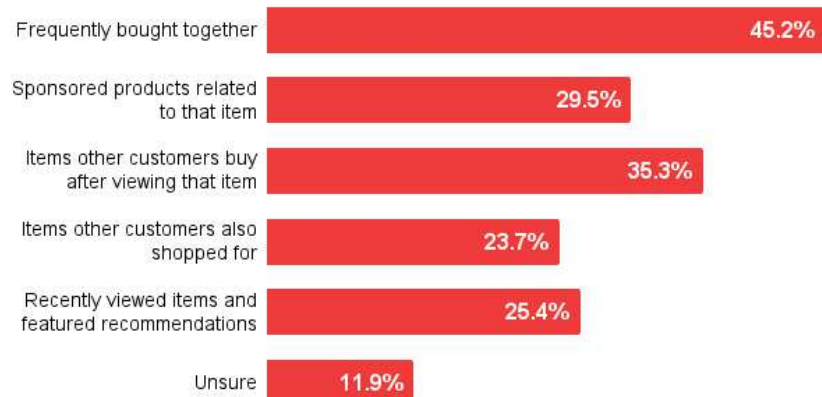
¹ Marketplace Pulse, 2021

Sponsored Product Recommendations Drive Consumer Purchases

E-commerce advertising has grown by 49.8% due to the pandemic, as brands and sellers are seeing significant sales growth thanks to their accelerated adoption of these digital advertising channels.¹

Personalized ads that offer relevant recommendations are proving to resonate best with consumers, with paid ads offering more personalization features now than ever before.

Types of suggested items that are clicked on from an Amazon product detail page



Out of Amazon's array of advertising offerings, Sponsored products are particularly powerful at driving consumers to make purchases. According to the survey, 30% of consumers have clicked on the area for Sponsored Products related to that item on a PDP, up from 26% in 2019. Meanwhile, 45% of consumers have clicked on a PDP's section for Frequently bought together items, while 35% of consumers have clicked items other customers buy after viewing that item.

The screenshot shows the Amazon product detail page for 'MCTI Ski Gloves Winter Waterproof Touch Screen Translucent Nylon Gloves for Women'. The page features a large image of the gloves, a 'Sponsored by' section with a 'Products related to this item' carousel, and a list of related products with their prices and ratings.

Products related to this item

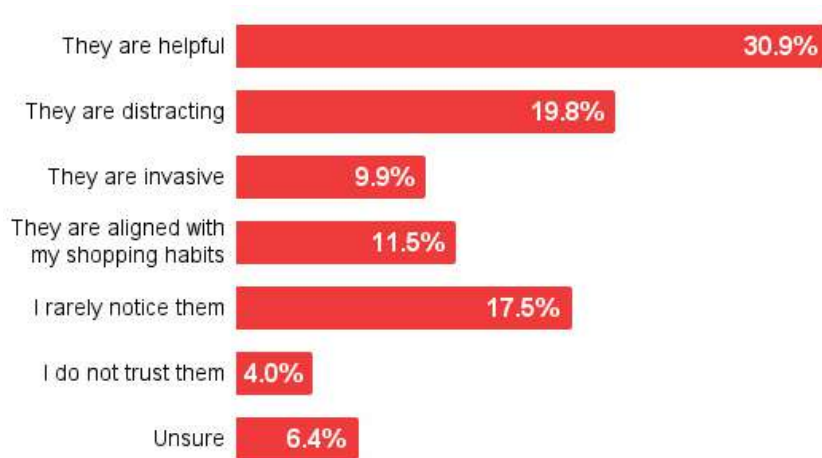
Product Name	Price	Rating
MCTI Ski Gloves Winter Waterproof Touch Screen Translucent Nylon Gloves for Women	\$35.99	4.5
Ski & Snow Gloves - Waterproof Winter Snowboard Gloves for Skiing, Snowboarding, Snowboarding...	\$18.95	4.1
MCTI Waterproof Ski Snowboard Gloves Translucent PU Leather Winter Gloves with...	\$28.99	4.5
MCTI Ski Gloves, Winter Snowboard Snowboard Warm Touchscreen...	\$24.99	4.7
Ski Gloves, Waterproof Snow Gloves for Snowboard...	\$25.95	4.5
Andara Women's Waterproof Quilted Snow Ski Gloves, White, Small	\$25.99	4.5
Riduka Women's Outdoor Waterproof Windproof Fleece Ski Cap Snow Ski...	\$35.99	4.5

¹ eMarketer, 2021

Although consumers are more aware of digital advertising these days, many shoppers do find them helpful. 31% of consumers said that sponsored ads within search results are helpful, up significantly from 20% in 2019. Only 20% of consumers said that these types of ads were distracting, down from 25% in 2019.

With more shoppers clicking on Sponsored products related to that item now compared to 2019, brands should utilize these ad types to redirect traffic from competitors to their own product listings, as well as target audiences that view products in their category.

Consumers find Sponsored Ads helpful



Price and Product Images Capture Shopper Attention in Search

The first step for prospective customers on Amazon often entails putting keywords in the search bar and then scrolling through an endless array of products. What piques their interest in clicking on a product and electing to purchase, comes down to similar details: price and imagery. According to the survey, when browsing search results on Amazon and clicking on a product, 44% of consumers said that price is the product detail that stands out the most to them while images came in second, with 26% of consumers saying a product's photo stands out most in Amazon search results.

As for the determining factors that lead shoppers to ultimately select a product, price is once again king. 78% of consumers said that price is most important when choosing an item. Additionally, 61% of consumers said low shipping cost was most important, while 53% of consumers chose fast shipping time.

78%

of consumers said price is the most important factor when selecting a product.

Having data-driven technology in place to optimize pricing is essential for brands and sellers on Amazon, however, businesses must also pay equal attention to the creation of their PDPs, which Amazon organizes its search functionality around. To increase discoverability, make sure your product listings feature accurate item information and organically placed keywords. They should also draw attention to any unique features while offering a clear look at key benefits, which will help make the purchasing decisions easier for potential buyers.

Product details that stand out the most when browsing Amazon search results

- 1 Price (44%)**
- 2 Image (25%)**
- 3 Title (10%)**
- 4 Prime Eligibility (10%)**
- 5 Ratings (9%)**

Brands Benefit from Pandemic with New Shoppers

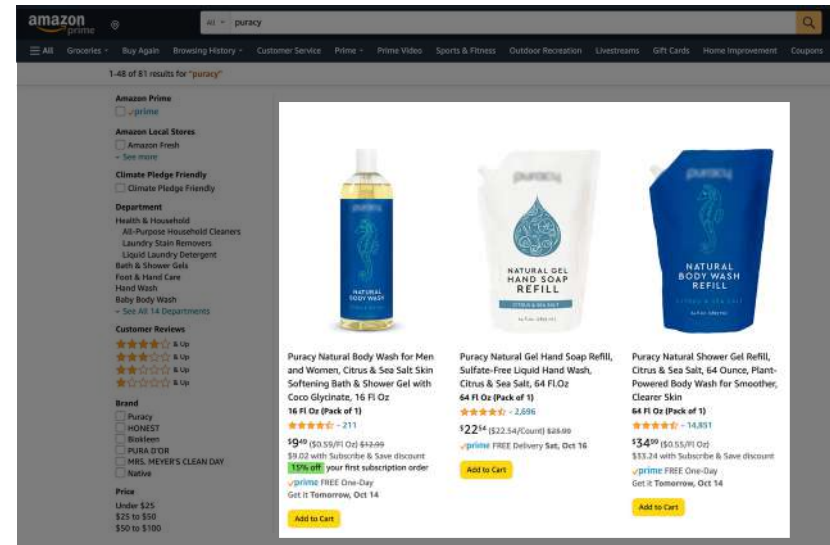
The ever-changing nature of the pandemic inspired shoppers to experiment, with many consumers buying from new brands for the first time. The survey revealed that 60% of consumers made a purchase from a brand that they never tried before, a testament to the immense opportunity businesses have to reach new customers.

Additionally, half (50%) of consumers also strongly agreed that they are satisfied with the number of brands that they know on Amazon, up from 41% in 2019. Only 6% of consumers were strongly or somewhat dissatisfied with Amazon's brand offerings, down from 9% in 2019, proving that the company's efforts to expand access to more brands are paying off.

The shift in consumers' loyalty to brands amid the pandemic affects customer retention strategies on e-marketplaces much differently than it does for brick-and-mortar stores, as they offer brands and retailers fewer opportunities to directly engage with customers. Businesses on Amazon and other e-marketplaces should cultivate customer retention by creating seamless shopping journeys that foster engagement and conversion, advertising campaigns that drive awareness, as well as personalized promotional incentives that resonate with consumers.

60%

of consumers purchase from brands they had not previously tried prior to the pandemic.



Prime Day and Upcoming Holiday Trends

Prime Day Participation Appears To Be Waning

Since its launch, Prime Day has been a marquee event for Amazon and its merchants, providing shoppers with noteworthy deals and discounts that drive interest. Typically held in the summer, Prime Day moved to October in 2020, coinciding with back-to-school season and the start of the holiday shopping season. However, the 2021 event took place in June, which seemed to have a detrimental effect on Prime Day participation.

Even though the constantly shifting dates from year to year make direct comparisons a bit difficult, Prime Day is starting to show signs of reaching its peak as shoppers are becoming less likely to make big purchases during the event.¹ In 2020, 57% of consumers participated in Prime Day according to Feedvisor's holiday consumer survey.² This year, however, only 43% of consumers made a purchase during Prime Day 2021, while half (50%) of consumers did not.

Overwhelmingly, Prime membership status was a determining factor behind participation in the 2021 event, as 55% of consumers who are current Prime members did make a purchase during this year's Prime Day, while 86% of consumers who are not Prime members did not participate.

In general, Prime Day total sales increased by just 0.3% in 2021 compared to 2020, while they grew 5.2% in 2020 versus 2019.³ As for specific categories that shoppers gravitated towards during Prime Day 2021, 37% of consumers who made a purchase bought an item in the Beauty and Personal Care category, while 33% made a purchase in the Clothing, Shoes, and Jewelry category.



¹ eMarketer, 2021

² Feedvisor Proprietary Customer Data, 2020

³ Feedvisor Proprietary Customer Data, 2021

Consumers Only Had Eyes for Amazon Deals During Prime Day

57%

of shoppers were not aware of competing Prime Day promotions from other retailers.

To capitalize on the rising popularity of Amazon's Prime Day over the years, many retail competitors like Walmart, Target, and Best Buy run their own promotional events at the same time in hopes of capturing consumers' attention and increasing digital traffic through similarly attractive deals and discounts on items.¹

This competitive strategy has not had as big of an impact on shoppers as most of these companies might have hoped, as the survey revealed that the majority (57%) of consumers were completely unaware that competing Prime Day promotions from other retailers were even going on. Of those that did take advantage of competitors' events, 25% of consumers shopped at Walmart Deals for Days, 16% of consumers shopped at Target Deal Days, while 13% of consumers took part in Best Buy Bigger Deal Savings, while 9% of consumers took part in Kohl's Wow Deals, 7.6% of consumers took part in Bed Bath & Beyond's Beyond Big Savings Event, and 5.6% of consumers took part in Home Depot Special Buy of the Day sale.

Interestingly, the younger generation seems to be more inclined to utilize promotions from other retailers. According to the survey, only 37% of shoppers aged 27-40 were unaware of competing promotions while 40% shopped at the Walmart Deals for Days event.

As these events continue to grow in scope and scale, brands and retailers should consider how to optimize their strategies for maximizing their Prime Day results both on and off Amazon. Creating a holistic customer journey that keeps their products front and center in this highly promotional and competitive period is crucial.

Consumers who participated in other brand sales on Prime Day



¹ Business Insider, 2021

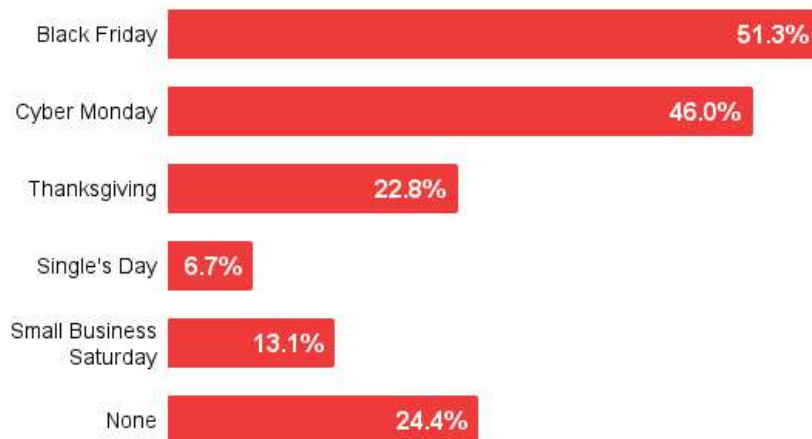
Holiday Events (BFCEM) Dictate Shopping Behavior

51%

plan to make a purchase during Black Friday.

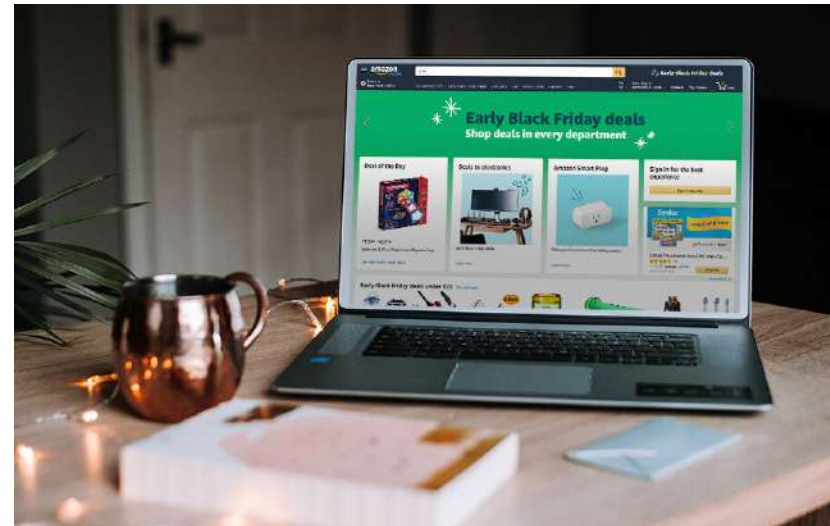
The importance of Q4 and the holiday season cannot be understated for brands and retailers on Amazon, with these critical dates and online events playing major roles in influencing consumers' shopping decisions.

Online events consumers plan to make a purchase during



According to the survey, 60% of consumers shop for deals and discounts during annual holiday events like Black Friday and Cyber Monday, while 47% of consumers wait until these key dates to make a big purchase.

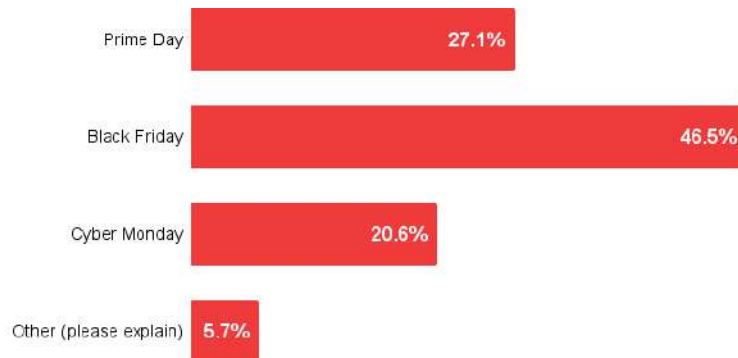
In particular, this year's Cyber 5, or rather, the period between Thanksgiving and Cyber Monday, is proving to be the time when the majority of consumers will make purchases. Black Friday continues to dominate as the most popular annual shopping event across all age groups as 47% of consumers say the best deals are on Black Friday and 51% claim they will make a purchase on Black Friday. Cyber Monday is still just as important with 46% of consumers also planning to shop on this sales day. Additionally, 23% of consumers plan to shop on Thanksgiving this year.



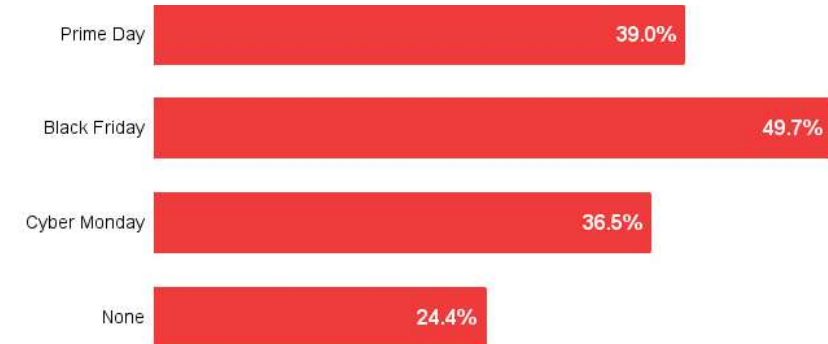
To accommodate both shoppers' holiday buying behaviors and the ongoing limitations imposed by the pandemic, many big retailers are altering their 2021 strategies, with health and safety at the forefront. Several major retailers plan to close their in-person shopping on traditionally busy days like Thanksgiving and Black Friday this year, which will likely encourage consumers to shop more online during these key dates instead.¹

Additionally, as uncertainty looms over supply chain issues, consumers are being encouraged to shop for the holidays as early as possible. While deals may be amazing during the Cyber 5, the likelihood of receiving the gift for the holidays is highly unlikely. Retailers and brands should follow Amazon's lead by offering "Black Friday-worthy deals" well in advance of the actual holiday in order to ensure products are received by consumers.²

Holidays that have the best deals



Online events where purchases are typically made



¹ eMarketer, 2021

² CNN, 2021

Amazon is the Top Destination for Last-Minute Gifts

Key shopping days like Black Friday and Cyber Monday have always been crucial for Amazon. However, these critical periods are no longer contained to just single dates, with the recent shift in paradigm allowing holiday-related sales to now run throughout the month of November and well into the final days of December.

As it gets later in the season, last-minute holiday gift offerings become more important, and Amazon is the leading destination for late Q4 shopping.

The survey revealed that more than half (53%) of consumers purchase last-minute holiday gifts from Amazon, while 25% go to Walmart and 7% go to Target to make these purchases.

Allocation of Holiday Budget for Amazon



Even for those focused on serving the needs of last-minute gift givers, brands and retailers need to prepare their holiday strategies as soon as possible, optimizing ad campaigns, product listings, promotions, and more to leverage the lead-up and lead-out period around Black Friday and Cyber Monday. By holistically optimizing your operations and holiday strategies continuously and well in advance of key shopping dates, brands and retailers put themselves in the best position to drive demand and profits throughout the entirety of Q4.

Top 3 destinations for last minute holiday gifts



Looking Ahead

While returning to pre-pandemic behaviors remains a hopeful yet uncertain goal for many, what is clear is that Amazon will continue to grow regardless of what the future holds over the coming year. According to forecasts by eMarketer, Amazon will amass more than \$463 billion in U.S. e-commerce sales by the end of 2022, further proof that the shift towards digital shopping is here to stay.¹

As outlined in the report, customer retention and loyalty programs will play increasingly important roles in driving engagement and maintaining shoppers' interest, while new formats and channels like social commerce are also rapidly evolving. In particular, livestreaming is growing in popularity and importance, with China's market already showing significant interest as the country's e-commerce livestreaming offerings are expected to grow by 85% this year after experiencing 160% growth the year prior, bringing in nearly \$300 billion in sales.²

Other trends gaining traction are those that enhance the buying experience from the comfort of consumers' homes, such as augmented reality and voice shopping. Augmented reality in particular gives shoppers the ability to see how products look on similar body types, or in their homes, and reduces the impulse to buy multiple items. This could significantly minimize the headache of returns for both the consumer and retailer. Additionally, augmented reality users are expected to hit 3.5 billion by 2025.³

¹ eMarketer, 2021

² eMarketer, 2021

³ Techjury, 2021

⁴ Invoca, 2021

Voice shopping is also garnering popularity for the convenience of telling a smart speaker device what is needed or wanted and that product being added to a list or purchased on the spot. More and more consumers are using voice shopping daily with 55% of households expected to own smart speaker devices by 2022.⁴

Beyond convenience-related trends, the introduction of cryptocurrency and blockchain is set to take over the e-commerce landscape. This technology will potentially affect online shopping in nearly endless ways, including giving consumers more payment options and creating more secure and decentralized databases. It also has the opportunity to sell digital products in the form of non-fungible tokens (NFT). Amazon is already reportedly dabbling in the cryptocurrency space, and it will be interesting to see how Amazon integrates this type of technology into its already massive collection of services and digital offerings.

As innovations and rules for both online and in-person shopping evolve in scope and complexity to meet the needs of today's retail environment, brands and retailers must stay one step ahead so they can consistently provide consumers with seamless experiences on Amazon and other essential e-marketplaces. This is why businesses operating across the e-commerce landscape need to rely on AI-powered technology and holistic optimization strategies that continually adapt to meet their goals while growing relationships with crucial customers and prospects.

Dani Nadel

President and Chief Operating Officer, Feedvisor

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Client Results Spotlight

87% average YoY sales growth

81% average YoY profit growth

57% average YoY ad sales growth

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Synergy

Integrated actions across advertising, pricing, inventory, and more maximize sales and drive optimal performance.



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Genius

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