

A close-up photograph of a computer keyboard. The central focus is a blue key with a white shopping cart icon. Surrounding keys are visible, including the number '1' with an underline, the asterisk key, the plus key, and the hash key. The lighting is soft, highlighting the texture of the keys.

**EXAMINING THE BATTLE FOR ONLINE SHOPPERS:
AMAZON VS. WALMART**

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Amazon and Walmart: Getting Data on the Big Players

Word association in the ecommerce and online grocery shopping space has historically been a pretty simple task. Say any of those above phrases, and “Amazon” will almost always be the first company that comes to mind.

The behemoth company boasts [43% of the country's online retail sales](#), and is a key player in the shift towards ecommerce groceries. Amazon is pursuing the latter heavily, and in August 2017 acquired popular grocer, Whole Foods. Shortly after that deal went through, [more than 1,000 Whole Food products](#) were added to Amazon's online food sites like Prime Pantry and AmazonFresh. Even before the Whole Foods acquisition, Amazon's ecommerce grocery platforms accounted for two-thirds of the U.S.'s online grocery shopping market.

Amazon's pursuit of the ecommerce grocery space is no economic surprise. The food and beverage sales industry alone is valued at more than \$600 billion, and ecommerce grocery sales are [projected to reach \\$18 billion](#) annually by the end of 2018. To cash in on this market — and grow its share of the consumer online shopping industry — Amazon has been relentless in pursuing big market data. Studying how its consumers shop, and [adjusting its experiences](#) with that data, is one of the strongest contributors to Amazon's \$360 billion market cap.

While Amazon is the reigning king of the online shopping experience, they're not the only ones that want to be on top. Ubiquitous for its presence in box store complexes around the country, Walmart has had an online shopping service since 2007. In June 2016, the company [started testing last-mile grocery delivery](#) using services such as Uber and Lyft. Since then, Walmart Grocery sales account for an impressive amount of the company's overall online sales, [contributing to just over one fourth](#) of all ecommerce sales in the second quarter of 2017.

With the online grocery industry growing steadily, both retail competitors are looking for ways to edge out the other. As a result of that competition, it has been difficult to access consumer behavior data for Amazon and Walmart, as both retailers keep their big data close to their chest. This is challenging for brands and marketers who want to gain a better understanding of the online shopping habits of two of the country's largest retail brands.

Luckily, the tools available to marketers are changing. For the first time, Luth Research's ZQ Intelligence *[add trademark sign]* adaptive technology means brands can passively track consumer behaviors across their computer, phone, and tablet. This works for every site and app, including those of Amazon and Walmart. ZQ Intelligence uses deep analytics, content scraping techniques, and survey research to provide marketers a holistic view of consumer behavior.

This whitepaper pulls back the curtain on the shopping data the ZQ Intelligence technology has gathered in collaboration with consumer analytics company, PREDIQT. This data provides helpful insights into the competition between Amazon and Walmart, and allows brands and retailers alike to benefit from a bank of customer data and buying patterns.

Who Shops on Amazon and Walmart?

Before we do a deep dive into consumer behavior data, let's take a look at who shops on these respective grocery platforms. Even though online retail allows for virtually unlimited reach in the American market, regional retail and demographic loyalties have translated to online shopping. For example, Walmart exceeds Amazon by three percentage points for shoppers in the Southern U.S., while Amazon is more popular with shoppers in the Western part of the country.

Site	Region	Percentage
Amazon	Midwest	22%
Amazon	Northeast	17%
Amazon	South	38%
Amazon	West	23%
Walmart	Midwest	22%
Walmart	Northeast	17%
Walmart	South	41%
Walmart	West	20%

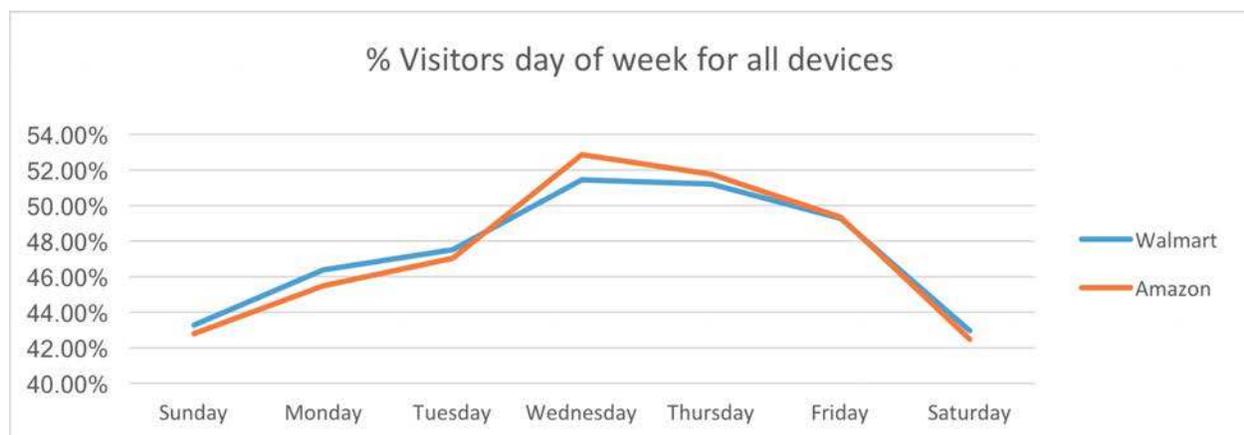
Looking at demographics by age, Amazon has the largest share of millennial shoppers, but Walmart has a slight edge over Generation X shoppers. Amazon's ownership of the millennial market is fairly substantial with Amazon having a four point lead over Walmart.

Site	Age	Percentage
Amazon	18-24	14%
Amazon	25-34	28%
Amazon	35-54	40%
Amazon	55+	18%
Walmart	18-24	10%
Walmart	25-34	24%
Walmart	35-54	42%
Walmart	55+	24%

This information, as well as the geographic data mentioned earlier, indicates Amazon is more popular with a middle income, urban customer base. Walmart shoppers are those who live in more rural parts of the country and are more likely to hunt for a deal.

When Do They Shop?

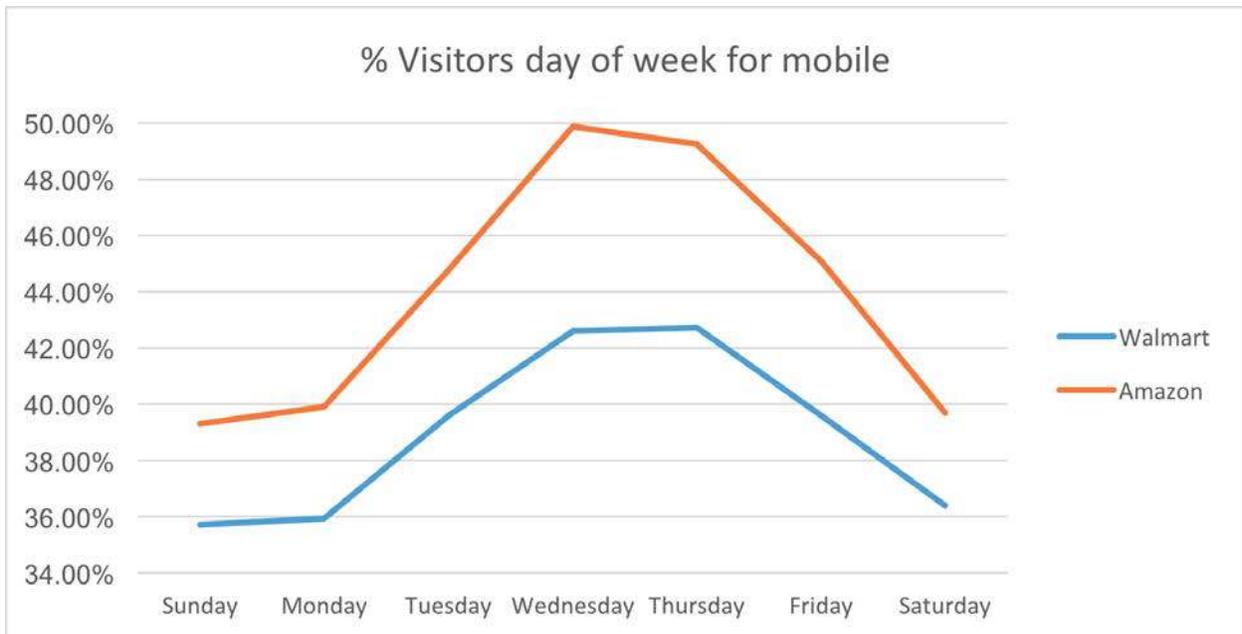
Despite their popularity with different customer bases, the shopping time patterns for Amazon and Walmart customers are similar. Interestingly, our research found that Wednesday and Thursday are the most popular days for e-commerce shopping. Saturday and Sunday, days where consumers would traditionally visit brick and mortar stores, rank the lowest for online shopping traffic.

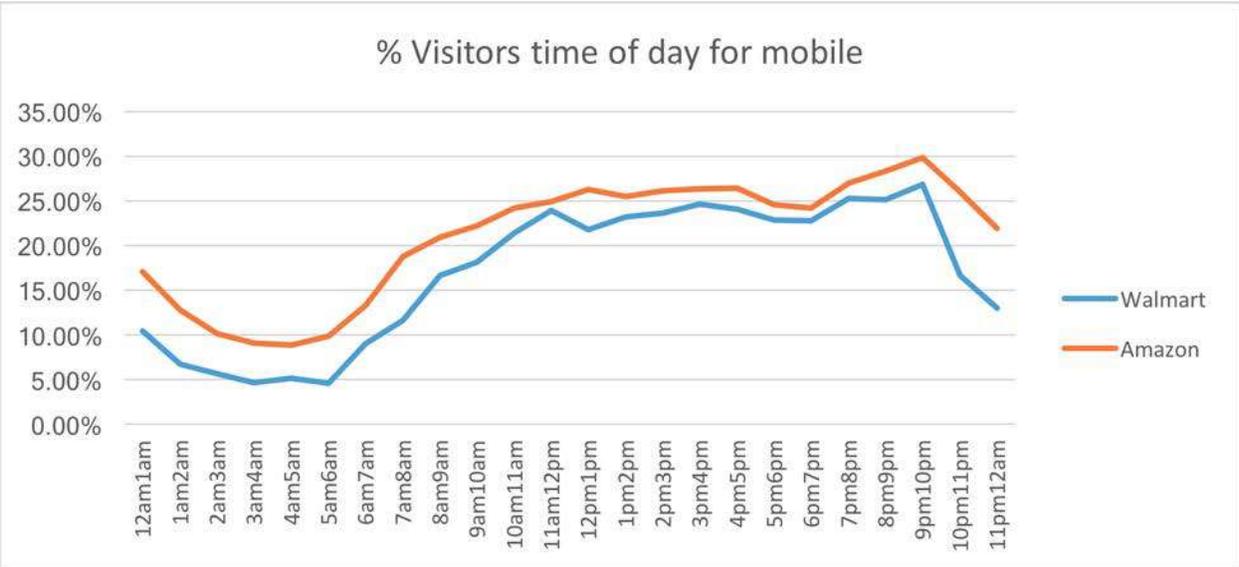


Daily consumer spending patterns differ for the retailers. Walmart customers primarily shop in the afternoon and before 10 p.m.. Amazon consumers, on the other hand, shop during a larger window of time — they start buying as early as 9 a.m. and spending patterns remain consistent beyond 10 p.m..

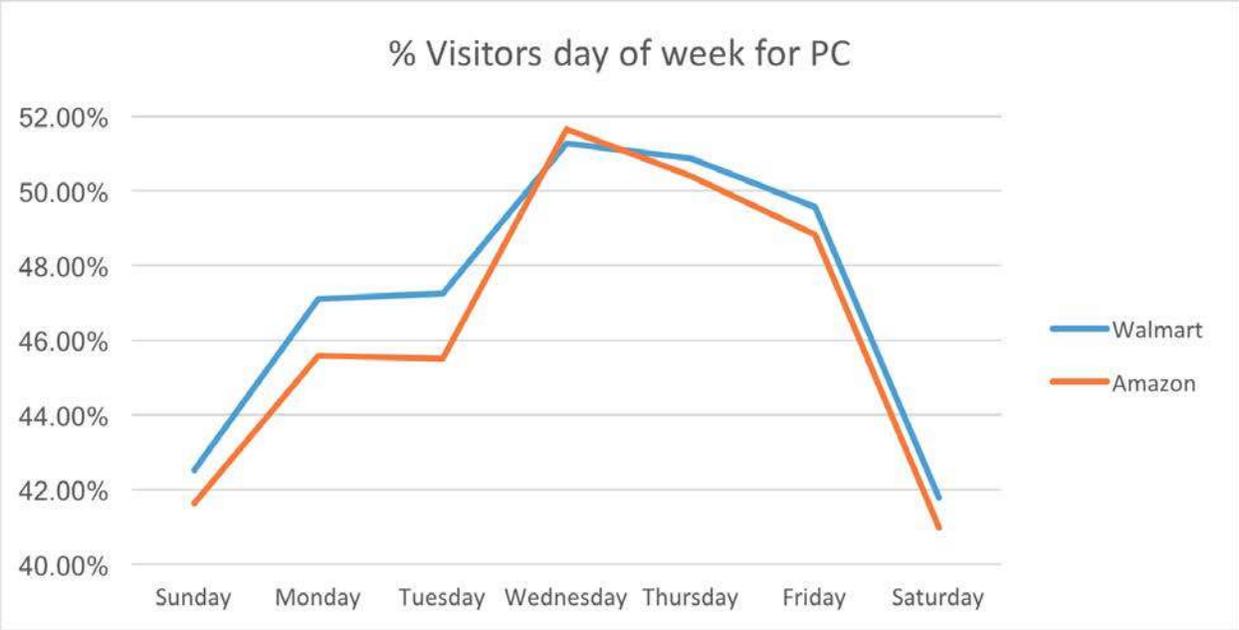


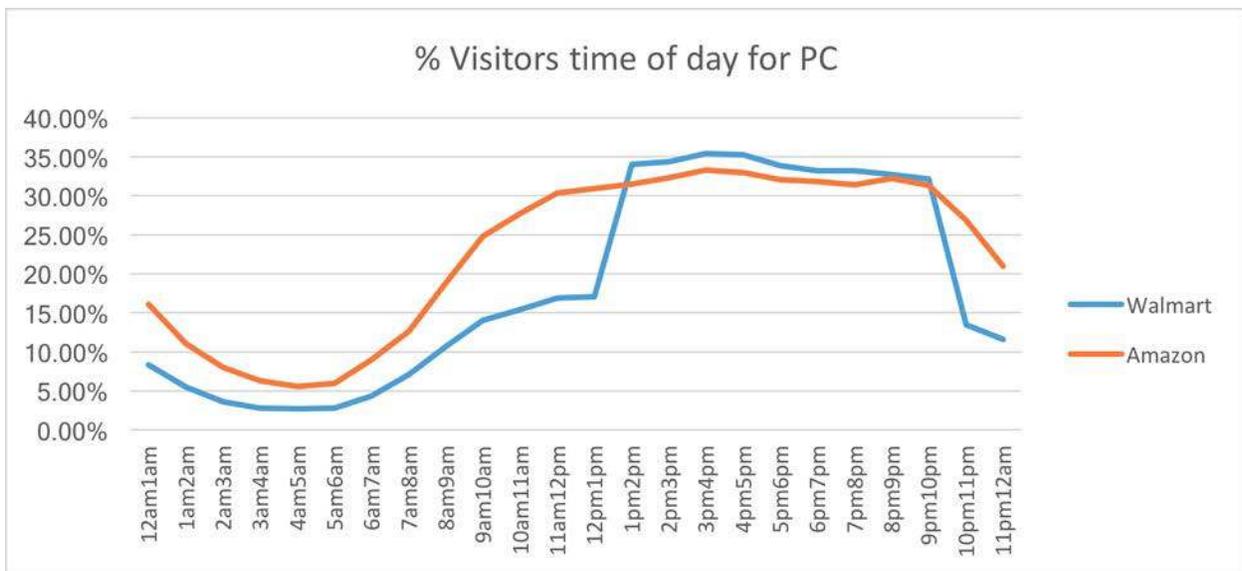
A trend favoring Amazon is its stronghold over mobile shoppers. The company has a much higher mobile shopper volume than Walmart, beating the latter by a 5% to 10% margin on every day of the week. Mobile buying patterns mirror those of all devices, with Wednesday and Thursday remaining the most popular shopping day. The most popular shopping hours are similar for mobile and desktop purchases.





For consumers buying through their computer, Walmart has a somewhat higher shopper volume on Monday and Tuesday, and a slightly higher volume from 12pm to 10pm.





What Do They Shop For?

As the demographics of an Amazon and Walmart shopper differ, it makes sense that the items they browse online also vary.

Amazon’s Technology Advantage

As mentioned, Amazon shoppers are big into entertainment, with almost all browsing an entertainment site before visiting the online shopping platform. That translates directly to the product types and brands they search online. On Amazon, 10 out of the 20 top brands browsed are tech companies like Samsung, HP, and Sony. The retailer has made itself a recognized name among technology shoppers, not only as a place to buy top name brands, but also as the home of popular Amazon tech products such as the Kindle e-book reader, Fire tablets, and its line of AmazonBasics. In fact, general Amazon products are the number one most sought after brand in the Amazon shop, with the AmazonBasics line also falling within the top 10 of most searched items.

Another tidbit gleaned from the data is that customers are increasingly shifting towards purchasing generic “no-name” technology products. While these products do not benefit from the reputation of large brands, e-commerce platforms such as Amazon allow users to weigh their purchases based on customer rating, rather than brand recognition.

Walmart Wins in Household Goods

Just 25% of the top 20 brands browsed on the Walmart website are related to technology — however the retailer does have a much higher draw for shoppers searching for household products.

As with Amazon’s technology products, Walmart’s store brand name items are also very popular with shoppers. Mainstays and Faded Glory, the company’s household basics and denim brands, are within the top three brands searched by shoppers. Made in America brands such as Hanes, Danskin, and Gold’s Gym are also popular with the retailer.

	Amazon Top 20 Brands	Walmart Top 20 Brands
1	Amazon	Mainstays
2	Samsung	Better Homes
3	Nintendo	Faded Glory
4	HP	HP
5	Generic	Great Value
6	AmazonBasics	Gold's
7	Sony	Valeo
8	Apple	Straight Talk
9	Hanes	Hanes
10	Logitech	L'Oreal
11	Skechers	VI
12	Unknown	Danskin
13	adidas	LEGO
14	Microsoft	RCA
15	Nike	Equate
16	Motorola	Maybelline
17	OtterBox	No Boundaries
18	Dell	Hamilton
19	Calvin Klein	LG
20	BLU	Dell

Single Brand vs. Multi-Brand Loyalty

Amazon shoppers are more loyal than Walmart customers. Nearly 60% of shoppers on Amazon view a single brand or product, while this figure is 45% for Walmart shoppers. This informs customers' different purchasing journeys. Amazon customers are more likely to go online shopping with one specific product in mind. They visit that product page, purchase the item, and end their computer session. While they may browse different products from that same brand using Amazon's recommended products algorithm, they are generally more focused in their buying.

The Walmart online shopping experience, on the other hand, is a closer reflection of the way a customer may behave in a physical Walmart store — browsing different product types and brands as though strolling through virtual aisles.

What Does This Data Mean for Marketers?

Ability to Compare Retailers

Until now, retailers and their internal marketing teams have relied heavily on analysis of their own data, without much to compare it against. At best, they can guess at consumer trends and behaviors for their competitors based on public knowledge. The ability to look at data for other online retailers, especially market leaders such as Amazon and Walmart, allows retailers of all sizes to better understand how they stack up to their competitors. With comparative knowledge of various retailers in the industry, marketing efforts can focus on what competitors are doing well, where there are gaps in marketing strategy, and opportunities for retailers to get a leg up on the competition.

Comparative data on retailers also aids marketing efforts for individual brands. With the ability to assess and compare multiple retailers, brands can better select which retailers to partner with based on audience demographics and shopping behavior. Brand marketers can then analyze shopping trends and consumer preferences for each retailer where the brand is listed, in order to optimize their presence in each online ecosystem. For instance, when looking specifically at the ecommerce grocery market, ZQ Intelligence data reveals that shoppers are most likely to search for products using phrases related to “coupon” and “recipe.” Food and cookware brands selling products on Amazon or Walmart may wish to offer exclusive online coupons to draw customers to their product pages. Or, marketers may seek out food bloggers and food network websites to include their products as part of a recipe.

Visibility into Omni-Channel Shopping Behavior

Luth's ZQ Intelligence provides an unprecedented level of visibility into consumer shopping behaviors across all digital channels. This gives marketers a fuller picture of their consumers' digital lives — not only how consumers interact with a brand or retailer online, but also what they do before and after their shopping experience.

The ability to track and understand a customer's behavior prior to point of purchase gives marketers insight into how to get more consumers to your brand. For instance, ZQ Intelligence was able to observe the top five food and drink websites and apps visited before customers make a grocery purchase on Amazon: The Minimalist Baker, Starbucks App, Allyou.com, BHG.com, and Walmart. For food and cookware brands listed on Amazon, these popular websites and apps should be prime targets for ads promoting the brand. For food brands listed on Walmart, ads may have stronger impact when posted on Yourtea.com, Benjerry.com, Gianteagle.com, Goldstar.com, and Kelloggs.com — the top food and drink websites and apps visited by shoppers before making an online grocery purchase on Walmart.

The value of such data tracking goes beyond identifying the websites consumers visit before they make purchases, to help marketers understand the digital lives consumers lead when they're not shopping. Even digital activities that may not be directly relevant to one shopping trip can have significant implications for how (and where) brands engage with their consumers. For example, when you understand how your target audience consumes entertainment, watches online content and streams music, you can align your marketing strategy to show up in the places where your consumers spend the most time.

Because ZQ Intelligence collects data across all devices, businesses can better determine the role of PC and mobile in their marketing efforts. If your target market does most online shopping via mobile devices, your ads and your website should be optimized for mobile screens. If your audience generally makes purchases via PC, but spends much of their leisure time on a mobile phone, your brand must be positioned to transition easily between the two. You may benefit from mobile-optimized ads that target your audience's preferred entertainment apps, and can guide consumers onto the path to purchase via your website.

About PREDIQT

To publish this groundbreaking data on the customer behavior of Amazon and Walmart shoppers, Luth Research collaborated with PREDIQT. The consumer analytics company provides valuable consumer path to purchase data through its machine learning and analytics engines. These tools are available to clients, who use the PREDIQT technology platform to observe the products and prices being viewed by their ecommerce shoppers.

About ZQ Intelligence™ and Luth Research

ZQ Intelligence is Luth Research's patent-pending, cross-platform digital behavior measurement system. It combines Luth Research's research panel with proprietary web and mobile tracking technologies to correlate consumer actions and attitudes. This innovative technology is the only and most comprehensive platform that has deep visibility into computer, both iOS and Android mobile operating systems, and empowers our clients to passively track digital behaviors and activities on a single-source basis, to gain unique insights about their target consumers.