Ahead of the critical 2016 holiday season, where e-commerce is predicted to grow 13.6 percent¹, a new study from personalization platform company BloomReach, conducted by Survata, found that Amazon has grown its lead as the place where consumers first search for products. Now, 55 percent of consumers begin their search on Amazon when shopping for products online.

The second-annual “State of Amazon” study, which surveyed 2,000 U.S. consumers over Labor Day weekend, found that search engines and retailers lost almost equal ground, coming in at 28 percent and 16 percent respectively. Amazon increased its share by 11 percent in one year following BloomReach’s inaugural “State of Amazon”².

Comparing 2015 to 2016, Amazon has increased its lead as consumers’ first destination for product search over search engines and retailers.

Where customers begin their product search

- **Amazon**: 55%
- **Search engines**: 34%
- **Retailers**: 21%

Approximately 9 in 10 consumers will check Amazon even if they find a product they want on another retailer’s site.

However, comparison shopping is a double-edged sword for Amazon.

¹ [http://www.emarketer.com/Article/Ecommerce-Sales-Expected-Boom-Again-This-Holiday-Season/1013778](http://www.emarketer.com/Article/Ecommerce-Sales-Expected-Boom-Again-This-Holiday-Season/1013778)
Smartphone shopping continues to grow influence.

76% of consumers shop on their smartphone, with 90% of them reporting that they’ve made a purchase on a smartphone.

This year, the “State of Amazon” study also analyzed consumer shopping behaviors on mobile devices, a channel that is driving more than half of all traffic to top sites³ and has grown to 30% of all U.S. e-commerce.⁴

Where consumers start product searches on mobile devices

- 50% Start on Amazon mobile site or app
- 34% Start on mobile search engine
- 16% Start on retailer mobile site or app

Other notable findings include:

How consumers shop on smartphones

- ~50% Shop weekly on smartphones
- 52% Supports purchase often/always
- 78% Own a retail app
- 88% Use smartphone in store
- 92% Influenced by smartphone shopping

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³ http://marketingland.com/mobile-top-sites-165725
⁴ https://www.internetretailer.com/2015/08/18/mobile-commerce-now-30-all-us-e-commerce
Consumers are gearing up for holiday shopping.

*With the core of 2016 holiday shopping season fast approaching* — a critical time for retailers — BloomReach also wanted to provide the first look into holiday-shopping behavior.

- 42% of consumers started gift shopping by Labor Day weekend
- 61% of the rest will start on or before Black Friday
- 50% of holiday shopping will be done online by majority of shoppers

### 94% of consumers plan to shop on Amazon this holiday season.

Approximately 58% of U.S. consumers have left a retailer’s site for Amazon after having a poor site experience.

**Too dominant?**

An overwhelming majority of U.S. consumers recognize Amazon as the dominant player in e-commerce. However, the “State of Amazon” study revealed that nearly one in five consumers was concerned about the company’s dominance relative to other retailers.

Consumers seem to view Amazon not only as a place to buy gifts, but also as a place to get gift ideas:

When holiday shoppers **know** what gift they want,

- 16% Amazon
- 24% Search engine
- 59% Retailer

When holiday shoppers **don't know** what gift to buy, this is how they choose to shop:

- 28% Amazon
- 26% Search engine
- 49% Retailer
Factors driving Amazon’s success and opportunities for retailers

Ensuring high-quality site experiences continues to be a prime reason why shoppers pick their retailers of choice.

Site-experience issues - especially those related to site search - often were the reasons why consumers turned to Amazon.

Felt Amazon had the best site experience overall

- 53% of U.S. consumers have left a retailer’s site for Amazon after having a poor site experience.

List Amazon’s site experience as the main reason they choose Amazon over other retailers

- 33% distinguished Amazon’s site search and product-filtering capabilities as superior

Have left a retailer’s site after having a poor site-search experience

- 41% have left Amazon for another retailer’s site after having a poor site experience.

Have left a retailer’s site after not being able to find a product they knew the retailer carried

- 50% of U.S. consumers have left Amazon for another retailer’s site after having a poor site experience.

State of Amazon 2016
41% said better personalization would make them more likely to buy from a retailer over Amazon.

However, the study did highlight some bright spots for retailers and opportunities to gain back market share.

Fierce competition in e-commerce sparks some worry among retailers

BloomReach also surveyed 400 marketing and sales professionals at large retailers to see how they viewed their competition, company performance and the marketing technology landscape.

A majority were optimistic about their company’s future; however, many expressed worry and uncertainty – especially among those who named Amazon as their top competitor.

40% worry about losing their jobs to their top competitor.

Those who named Amazon as their top competitor were almost twice as likely to fear losing their job.

Approximately 1 in 3 felt that their top competitor could put their company out of business.

However, those who named Amazon as their top competitor were 67% more likely to worry that Amazon would put their company out of business.

1 in 3 reported turnover rates for their company’s management as above average.
Marketing and e-commerce technology – a field that has exploded to more than 4,000 solutions – was viewed as a top way to compete more effectively, but the crowded space has created some confusion among online retailers.

How marketing technology is viewed

- 75% Believe superior marketing tech is a competitive advantage
- 78% Don’t fully understand marketing tech landscape choices
- 17% Believe their marketing tech is ahead of competition
- 40% Don’t think their e-commerce strategy is proactive
- 43% Don’t think their opinions are “highly considered”

Site personalization was considered the top tech for ROI over ad, email and testing/targeting tech.

The top two priorities for online retailers were site personalization and advertising tech. The lowest priority was integrating social media into e-commerce.