

# State of Amazon 2016

**Ahead of the critical 2016 holiday season**, where e-commerce is predicted to grow **13.6 percent**<sup>1</sup>, 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.

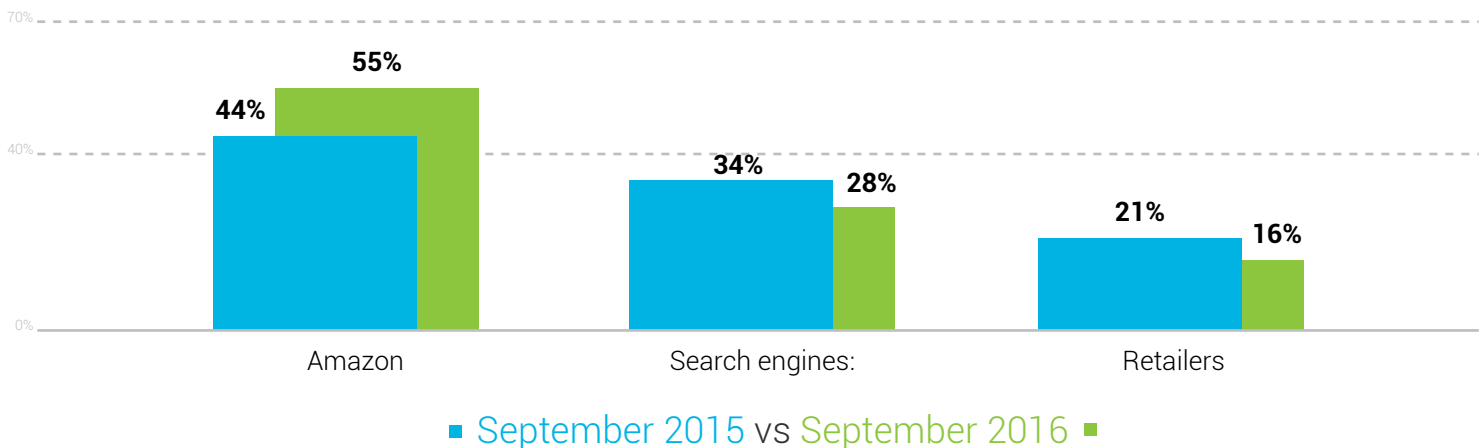
The second-annual "State of Amazon" study, which surveyed 2,000 U.S. consumers over Labor Day weekend, found that search engines and retailers lost almost equal ground, coming in at 28 percent and 16 percent respectively. Amazon increased its share by 11 percent in one year following BloomReach's inaugural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



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

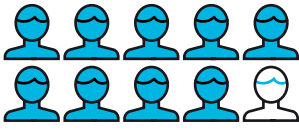
Comparing 2015 to 2016, Amazon has increased its lead as consumers' first destination for product search over search engines and retailers.

## Where customers begin their product search



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

<sup>1</sup> <http://www.emarketer.com/Article/Ecommerce-Sales-Expected-Boom-Again-This-Holiday-Season/1013778>  
<sup>2</sup> <http://bloomreach.com/2015/10/amazon-commands-nearly-half-of-consumers-first-product-search/>

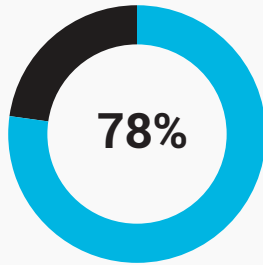


9 in 10 say they check Amazon (comparison shop) even if they found a product they want on a retailer's site.

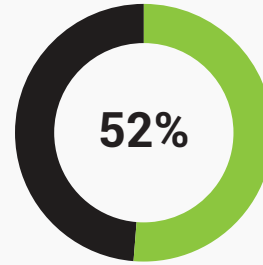


7 in 10 say they check another retailer even if they found a product they want on Amazon.

Of that 9 in 10, 78% said they do this often or always.



Of that 7 in 10, only 52% said they do this often or always.



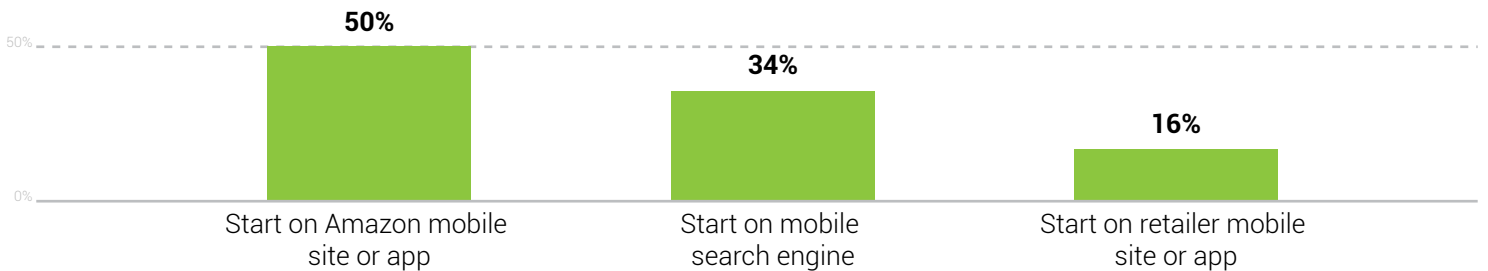
## Smartphone shopping continues to grow influence.



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

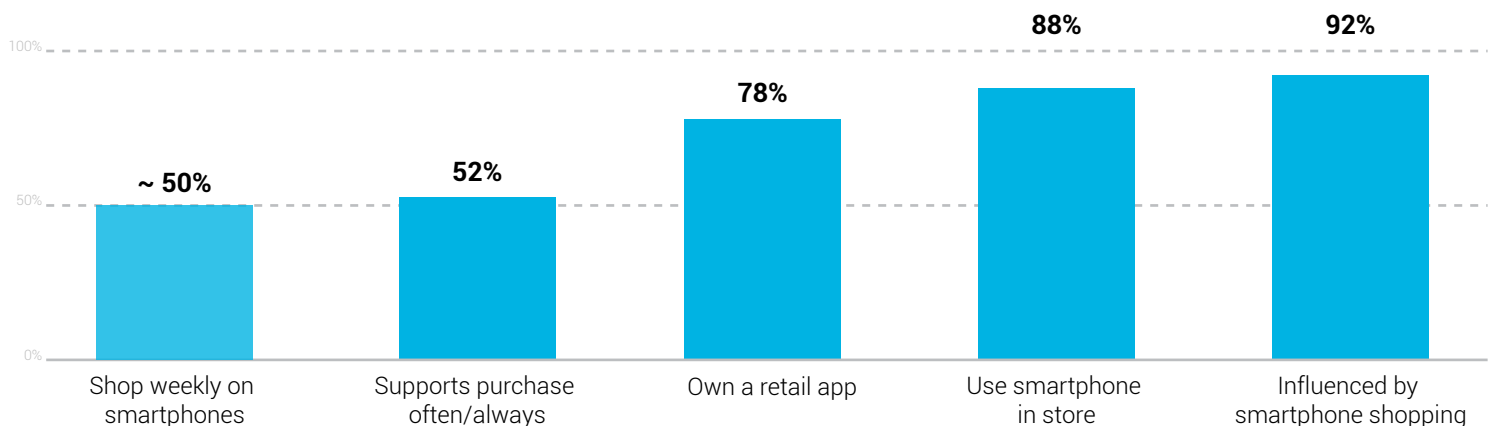
This year, the "State of Amazon" study also analyzed consumer shopping behaviors on mobile devices, a channel that is driving more than half of all traffic to top sites<sup>3</sup> and has grown to 30% of all U.S. e-commerce.<sup>4</sup>

### Where consumers start product searches on mobile devices



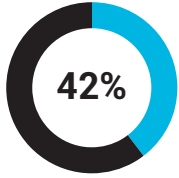
### Other notable findings include:

#### How consumers shop on smartphones

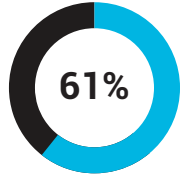


# Consumers are gearing up for holiday shopping.

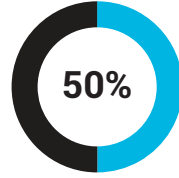
**With the core of 2016 holiday shopping season fast approaching** – a critical time for retailers – BloomReach also wanted to provide the first look into holiday-shopping behavior.



of consumers started gift shopping by Labor Day weekend



of the rest will start on or before Black Friday



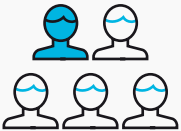
of holiday shopping will be done online by majority of shoppers



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.

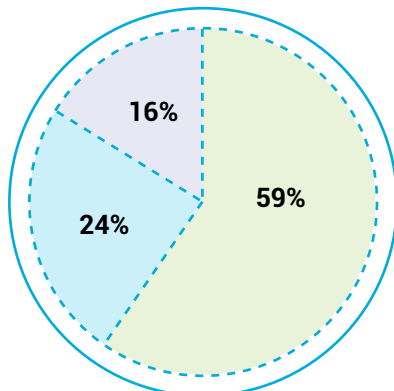
## Too dominant?



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.

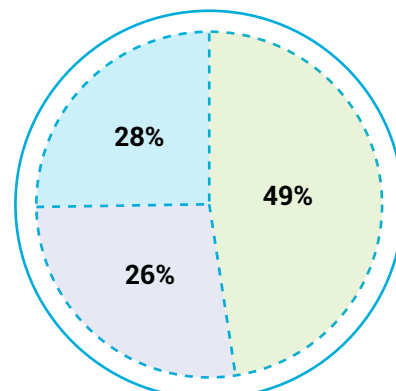
Consumers seem to view Amazon not only as a place to buy gifts, but also as a place to get gift ideas:

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



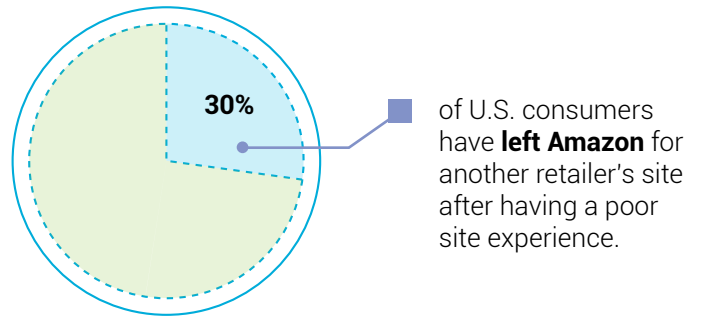
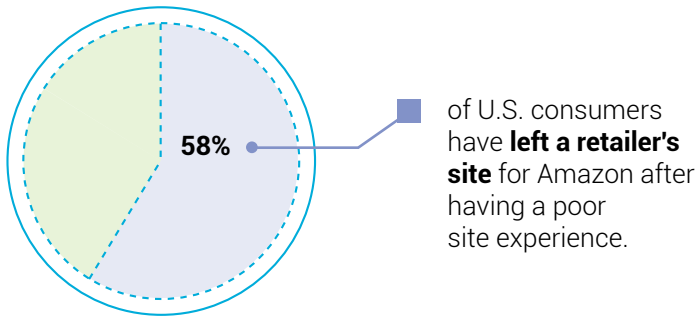
When holiday shoppers **don't know** what gift to buy, this is how they choose to shop:

- Amazon
- Search engine
- Retailer



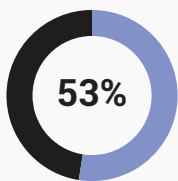
# Factors driving Amazon's success and opportunities for retailers

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

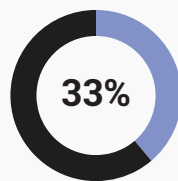


Site-experience issues - especially those related to site search - often were the reasons why consumers turned to Amazon.

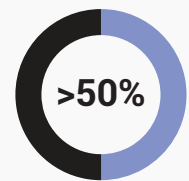
## Site experience influences Amazon's success.



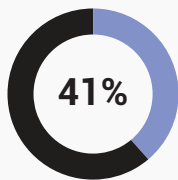
Felt Amazon had the best site experience overall



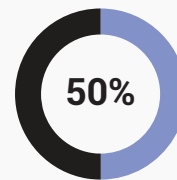
List Amazon's site experience as the **main reason** they choose Amazon over other retailers



distinguished Amazon's site search and product-filtering capabilities as superior



Have left a retailer's site for Amazon after a **poor site-search** experience



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

# 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.



The main concern for 1 in 5 shoppers was buying counterfeit products on Amazon.



Better personalization would make 2 in 5 consumers more likely to buy from a retailer over Amazon.



Only 1 in 3 shoppers cited Amazon's site personalization and product recommendations as superior.

## 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.



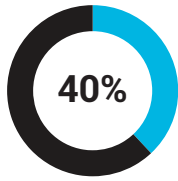
Approximately 1 in 3 felt that their top competitor could put their company out of business.



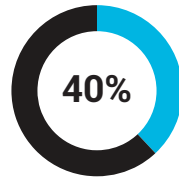
However, those who named Amazon as their top competitor were **67% more likely** to worry that Amazon would put their company out of business.



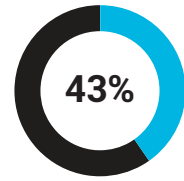
1 in 3 reported turnover rates for their company's management as above average.



Expressed worry about losing their jobs due to their top competitor



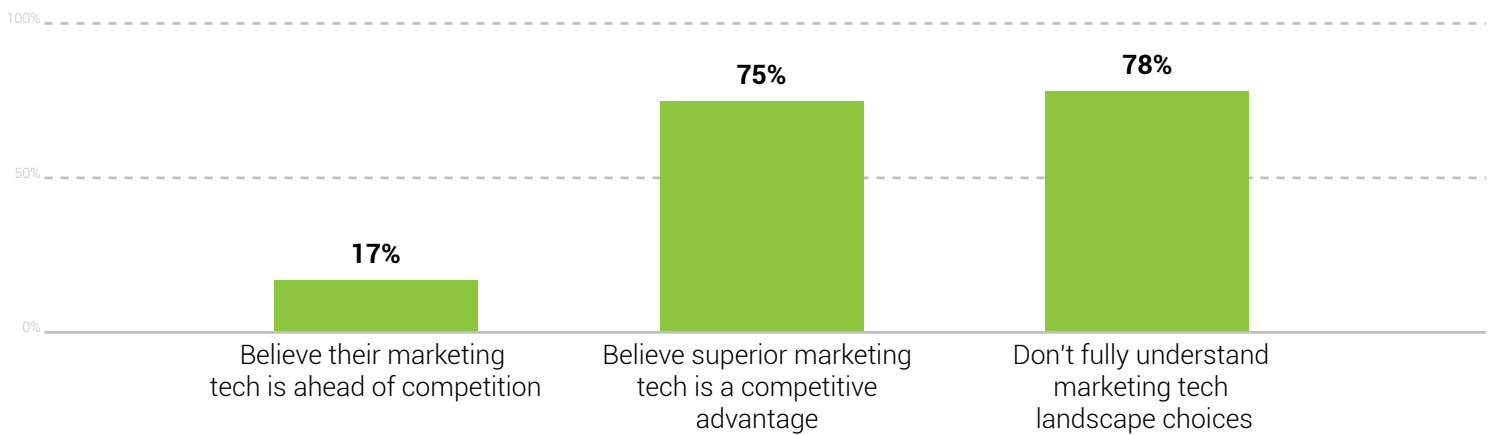
Don't think their e-commerce strategy is proactive



Don't think their opinions are "highly considered"

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



**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.



Both surveys were commissioned by BloomReach and fielded using Survata. If you'd like to review Survata's methodology, you can review it at [survata.com/methodology](http://survata.com/methodology)