The Canadian Amazon Prime Shopper in 2022

Amazon.ca, Prime Membership, and the Subscribe & Save Program

CADDLE | amazon.ca

Make better decisions, faster, with access to rapid insights at every stage of the consumer journey

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Who We Are

Dylan Gao

Research Director
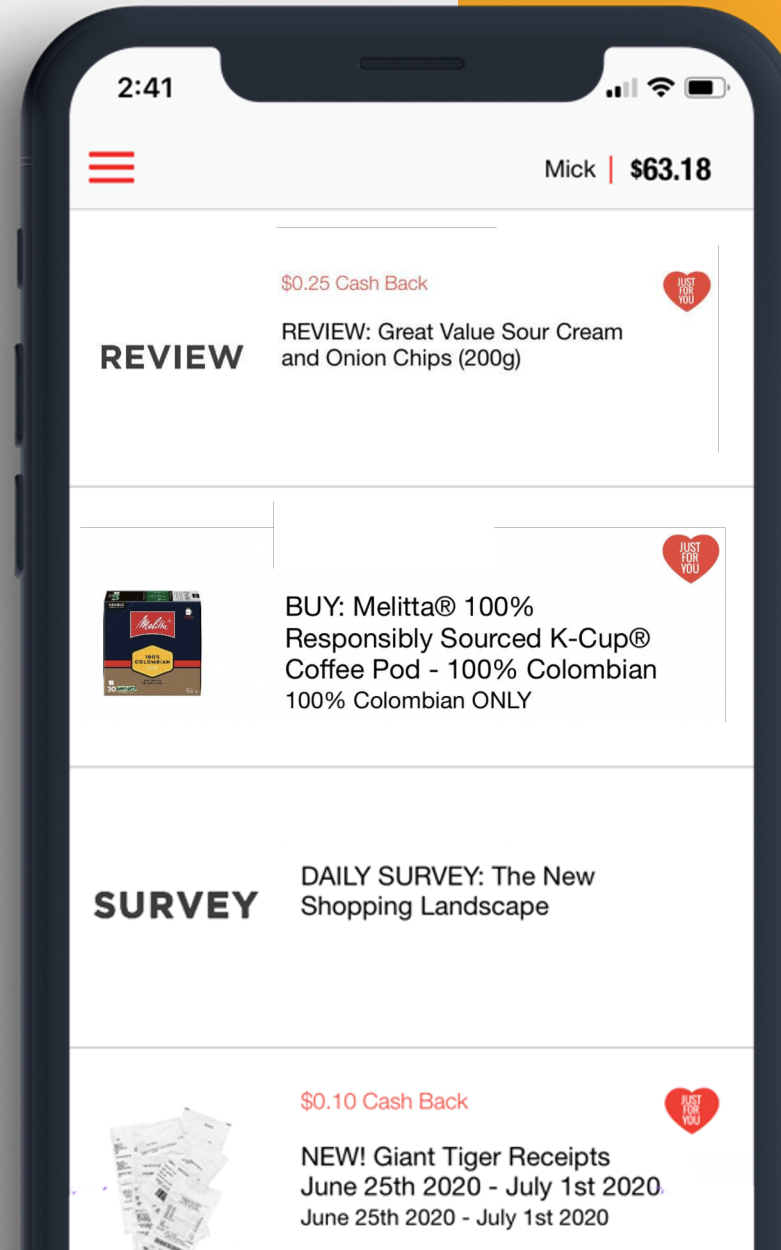
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Camille Kennedy

Head of Marketing

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Agenda

03 Prime Members Using Subscribe & Save (S&S)

01 The Power of Amazon

04 Dual Members: S&S and Costco

02 Prime Membership & Usage

**05** Amazon.ca Ratings & Reviews

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AskCaddle®

Caddle® is the largest daily and monthly active panel in the Canadian market. Our mobile-first insights platform rewards Canadians for sharing data and engaging with brands.

How It Works

Capture relevant insights for any challenge or opportunity. Engage seamlessly with shoppers at every stage of the consumer journey by leveraging the **Caddle suite of tools**.

Caddle rewards panel members for actions ranging from video, survey, receipt capture, reviews, and more.

VIDEO

SURVEY

RECEIPT

REVIEW

RE-ENGAGE

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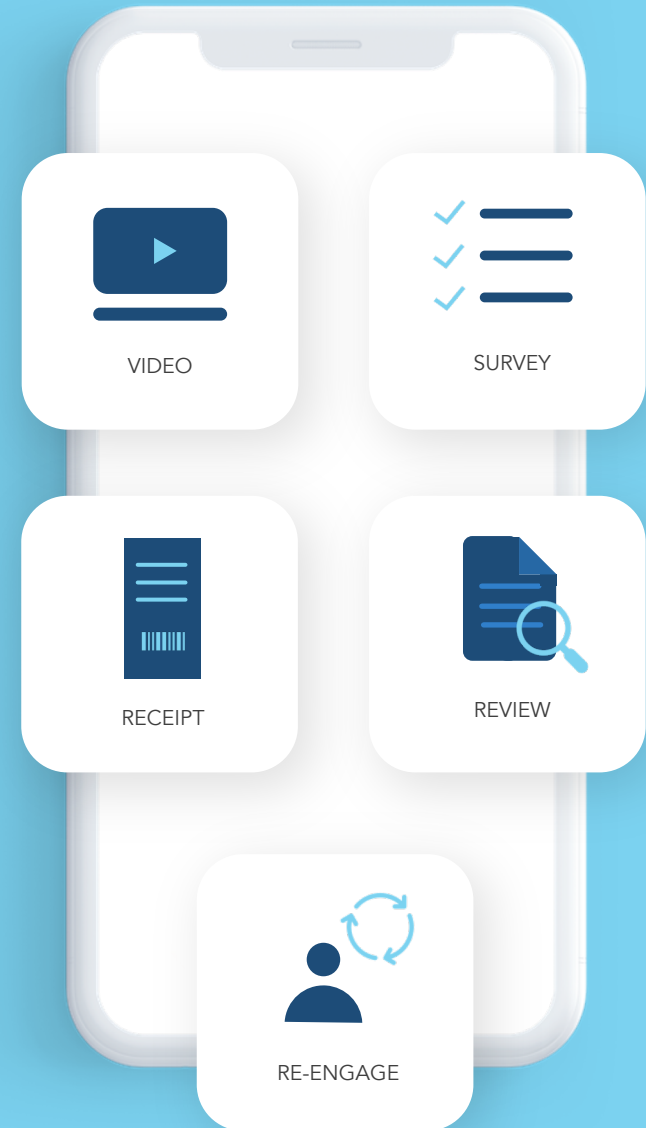
100% Owned & Operated Panel

Largest Daily Active Panel in Canada

Unmatched Panel Diversity

Large Canadian Representative Samples

Micro-Niche Audience Access

Purchase & Declared Panel Data

Methodology

A representative online survey of Canadian shoppers has been conducted quarterly since Q1 2021. This report includes results for Q1 (n=5,018), Q2 (n=5,029), Q3 (n=5,018), and Q4 (n=5,020).

Three Rapid Response Surveys were conducted in January, 2022 (n=8,012)

Q4 fieldwork was conducted in December 12 to 18, 2021.

As a reference, a survey with a random sample of 5,020 respondents would yield a Margin of Error of +/- 1.4%, 19 times out of 20.

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The Power of Amazon

Amazon's Retail eCommerce Sales Worldwide will Reach $729.76 Billion in 2022

E-Commerce > Key Figures of E-Commerce

Annual net sales of Amazon in selected leading markets from 2014 to 2021

(in billion U.S. dollars)

Amazon's Incredible Long-Term Growth

Amazon's revenue and net income from 1997 through 2021

— Net sales   — Net income

Amazon Releases Impact Report Showing Significant Growth for Canadian Sellers [Exclusive]

Amazon will overtake Walmart as the largest U.S. retailer in 2022, JPMorgan predicts

$469.8b

AMAZON.COM
3,123.01 +346.
3300
3150

$200b

$100b

$33.4b

$0b

'97   '00   '05   '10   '15   '21

- ● United States   ● Germany   ● United Kingdom   ● Japan   ● Rest of world

Amazon Announces Significant Expansion in Canada, will Hire 15,000 Employees and Increase Wages

By *Mario Toneguzzi*   September 13, 2021   💬 0

Details: Worldwide; Amazon; 2014 to 2021; including AWS

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VIDEO 03:27   EPS: $27.75, REVS: $137.4B   CNBC 4:02
Amazon reports 40% growth rate for AWS in Q4

Most Canadians Shop on Amazon.ca

81% Of Canadians shop on Amazon.ca

86% Of Amazon Prime members are likely to renew their Amazon Prime membership next year

43% Are currently Amazon Prime members (January, 2022)

28% Of Amazon Prime members use the Subscribe & Save Program

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Majority of Amazon.ca Shoppers Spend $25-99 Per Month

Approximately how much do you spend on Amazon.ca each month?

Amount Spent Per Month	General Population
$0 to $24	17%
$25 to $49	20%
$50 to $74	21%
$75 to $99	18%
$100 to $149	14%
$150 to $199	4%
$200 +	7%

Source: Caddle Rapid Response Survey | January, 2022 | n = 5,827 *All Amazon.ca shoppers

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Prime Membership & Usage

Overall, More than Half of Canadian Households are Taking Advantage of Prime

Amazon Prime Total Current Users January 2022

43%

Members

12%

Use someone
else's membership

45%

Non-users

55% of Canadians are benefiting from Amazon Prime

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Access to Amazon Prime

through alternative sources mainly from spouses and children

30% Use their partner's

21% Use their friend's
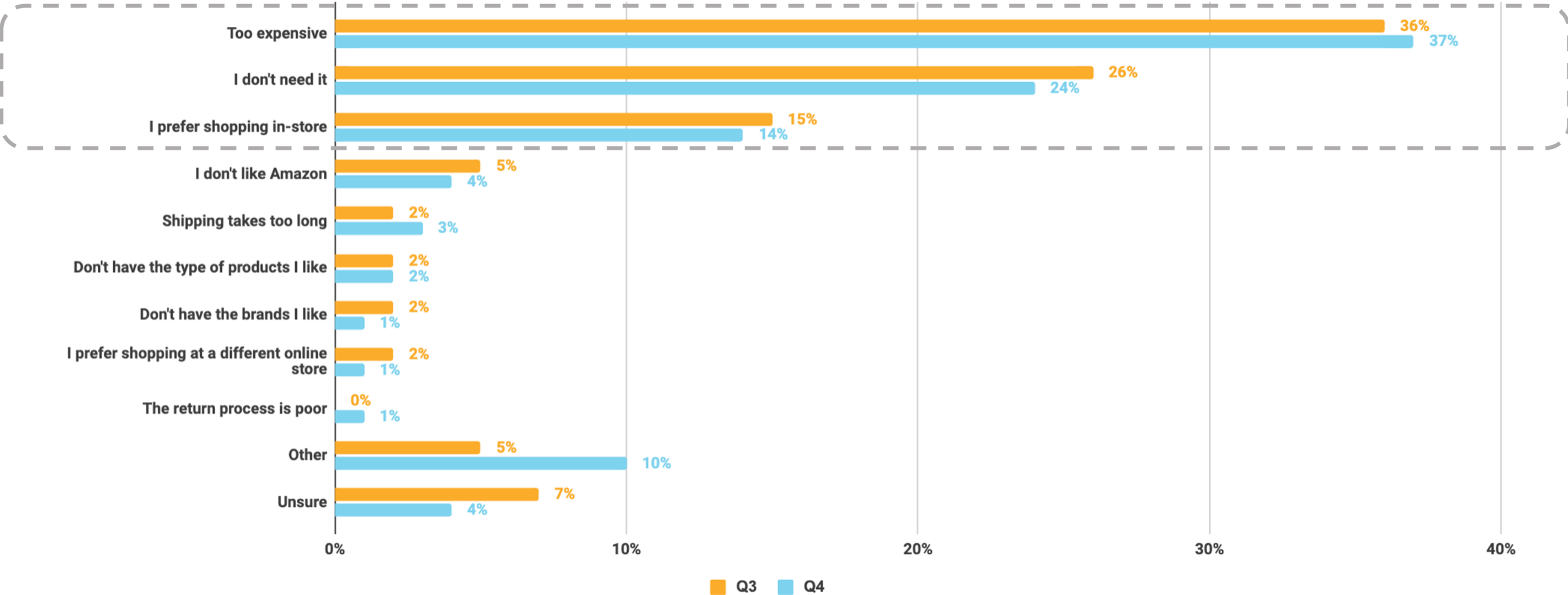
28% Use their children's

8% Use their parent's

Source: Caddle Amazon Prime Tracker | Q4, 2021 | n = 648 (Those who use someone else's Amazon Prime membership)

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The Perception of Prime Membership Being Expensive Continues to be the Main Barrier

What is the main reason that is stopping you from joining the Amazon Prime membership?

Reason	Q3	Q4
Too expensive	36%	37%
I don't need it	26%	24%
I prefer shopping in-store	15%	14%
I don't like Amazon	5%	4%
Shipping takes too long	2%	3%
Don't have the type of products I like	2%	2%
Don't have the brands I like	2%	1%
I prefer shopping at a different online store	2%	1%
The return process is poor	0%	1%
Other	5%	10%
Unsure	7%	4%

Q3   Q4

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Prime Members Using Subscribe & Save

Subscribe & Save
Program

Amazon.ca service that allows you to set up regularly scheduled deliveries and earn savings of up to 20% for products such as diapers, toilet paper and more

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22%

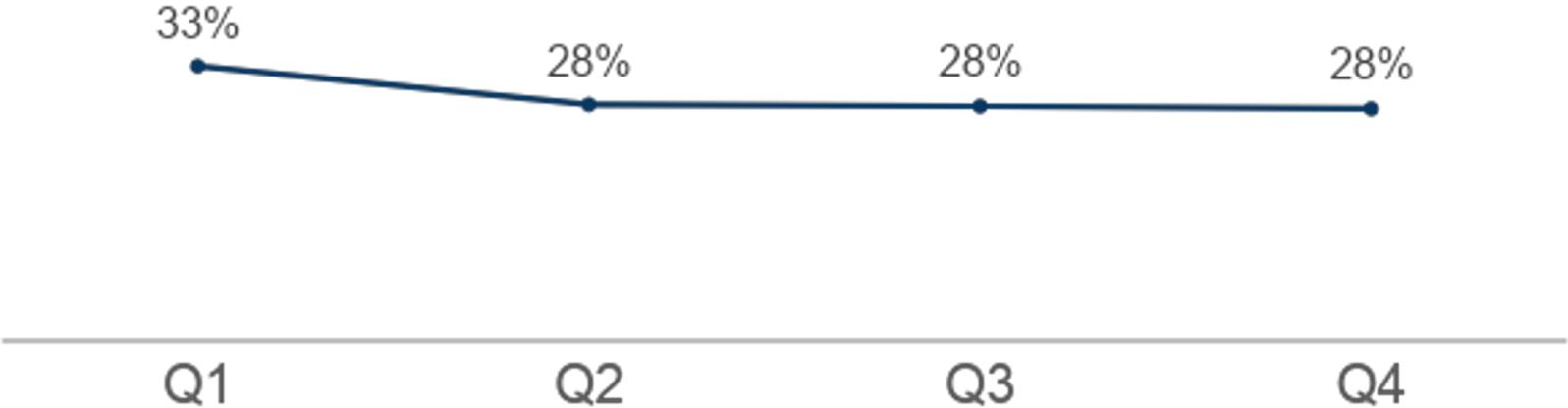Of Canadians use the Subscribe & Save Program

28%

Of Amazon Prime members use the Subscribe & Save Program

Source: Caddle Amazon Prime Tracker | Q4, 2021 | n = 5,020 (All respondents) | Caddle Rapid Response Survey | January, 2022 | n = 8,012

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Close to 3-in-10 Amazon Prime members used S&S Program

Have you ever used Amazon's Subscribe & Save program? (Among Amazon Prime members)

	Q1	Q2	Q3	Q4
	33%	28%	28%	28%

Source: Caddle Amazon Prime Tracker | Q1 -Q4, 2021 | n = 5,018, 5,029, 5,018, 5,020 (Among Amazon Prime members)

Majority Rules: Who Makes Up the Main Group of Prime Members Using S&S Program?

<$50k Over 1 in 3 S&S users have a household income lower than $50k

24% of S&S users live by themselves

ON Majority (43%) of S&S users reside in Ontario

26% of S&S users live in a household of two

Source: Caddle Amazon Prime Tracker | Q1 -Q4, 2021 | n = 5,018, 5,029, 5,018, 5,020 | Caddle Rapid Response Survey | January, 2022 | n = 8,012

Younger Generations are the Most Active S&S Users

	Baby Boomers (1946-1964)	Gen X (1965-1980)	Millennials (1981-1996)	Gen Z (1997-2005)	Female	Male	Total Population
Have you ever used Amazon's Subscribe & Save program (Among Amazon Prime Members)	16%	23%	37%	42%	26%	29%	28%

Gen Z and Millennials lead the way in S&S adoption

NPS of S&S Program Among Prime Members Remains Strong at 62

How likely are you to recommend Amazon's Subscribe & Save program to a friend?
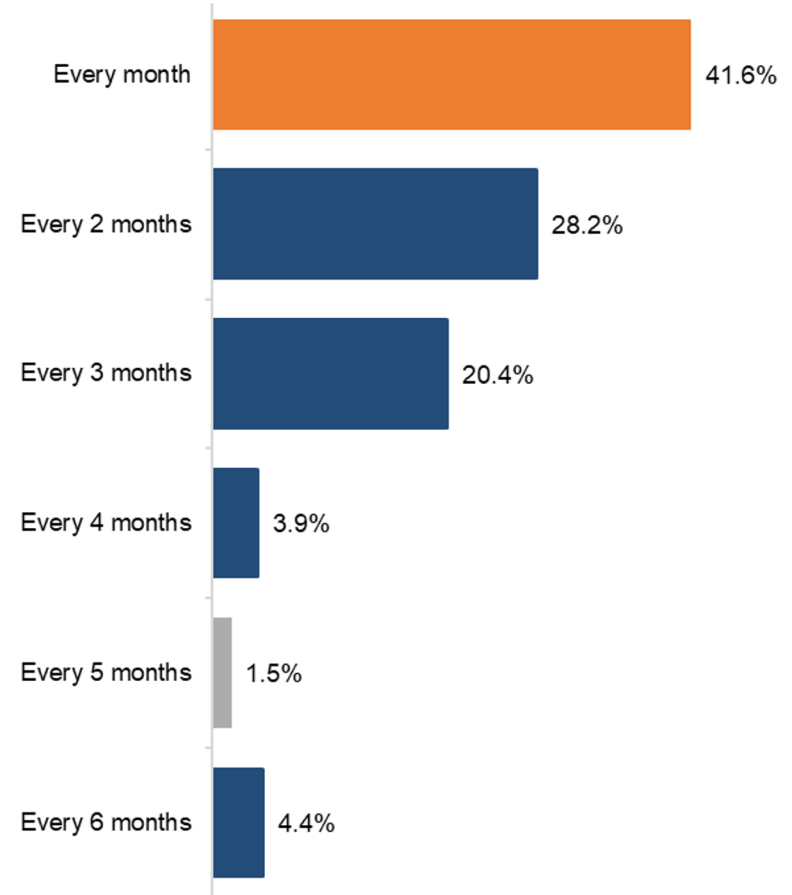

Promoters 70%

Detractors 8%
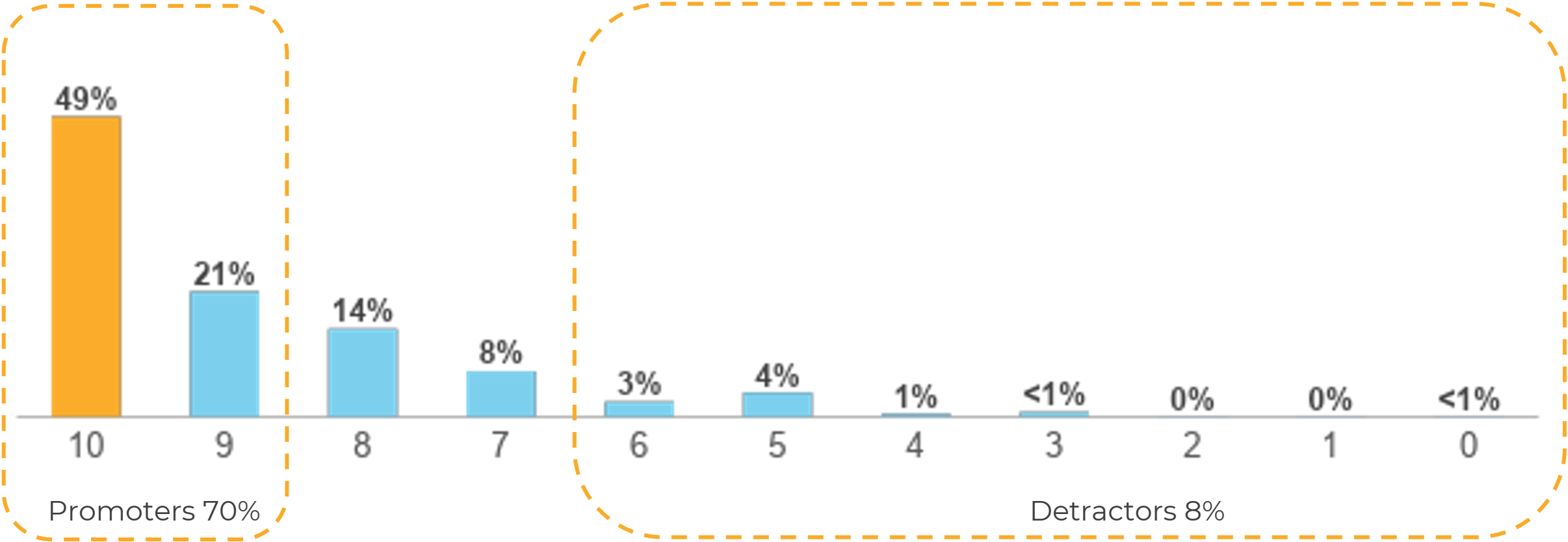
Net Promoter Score (NPS) is a trusted research methodology that provides an index to measure the willingness of consumers to recommend a company's products and/or services to others based on their experience.

NPS = % 9-10 ratings minus % 0-6 ratings

Source: Caddle Amazon Prime Tracker | Q4, 2021 | n = 578 (Amazon Prime members who use S&S Program)

Monthly Subscriptions Remain Most Popular

- Monthly delivery continues to be most common Amazon Prime among Subscribe & Save users (42%)

How frequently do you typically receive your S&S products?

Frequency	Percentage
Every month	41.6%
Every 2 months	28.2%
Every 3 months	20.4%
Every 4 months	3.9%
Every 5 months	1.5%
Every 6 months	4.4%

Source: Caddle Amazon Prime Tracker | Q4, 2021 | n = 578 (Amazon Prime members who use S&S Program)

Putting More Purchases on Auto-Pilot

- 3 item subscriptions increased by 5 percentage-pts in Q4 2021 versus Q3 2021
- More than half (55%) of Amazon Prime Subscribe & Save users subscribe to one or two products

How many different products do you subscribe to on Amazon's Subscribe & Save program?

	Q3	Q4
1	32%	33%
2	22%	22%
3	10%	15%
4	8%	6%
5	7%	6%
6	5%	3%
7	2%	3%
8	3%	2%
9	0%	1%
10	3%	4%
11-14	2%	1%
15+	5%	5%
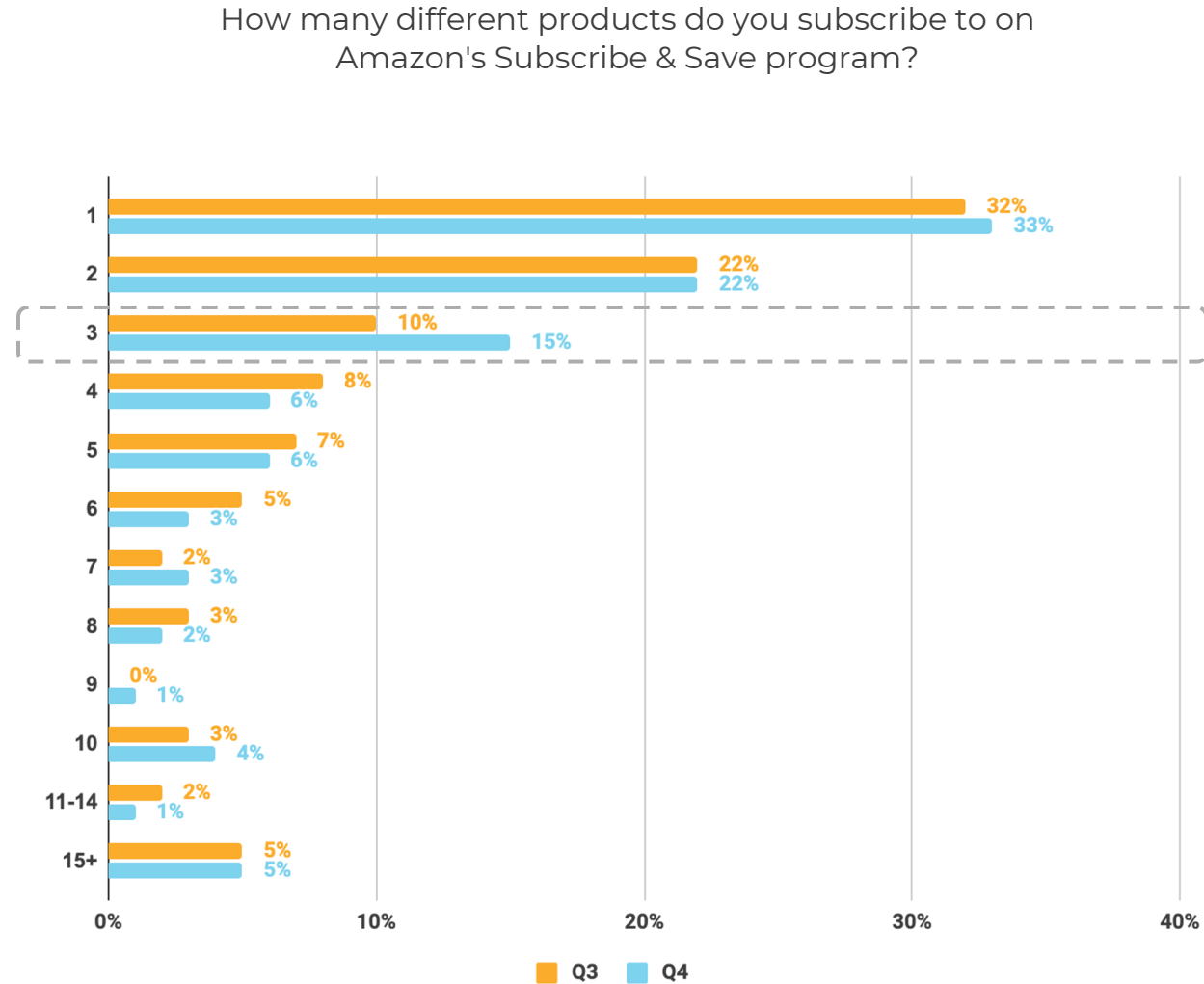
About 7 in 10 Prime S+S Program Users Spend <$50 Per Month using S&S

How much do you typically spend per month on Amazon's Subscribe & Save program?

Amount Spent

Legend: ■ Q1 ■ Q2 ■ Q3 ■ Q4

Source: Caddle Amazon Prime Tracker | Q4, 2021 | n = 578 (Amazon Prime members who use S&S)
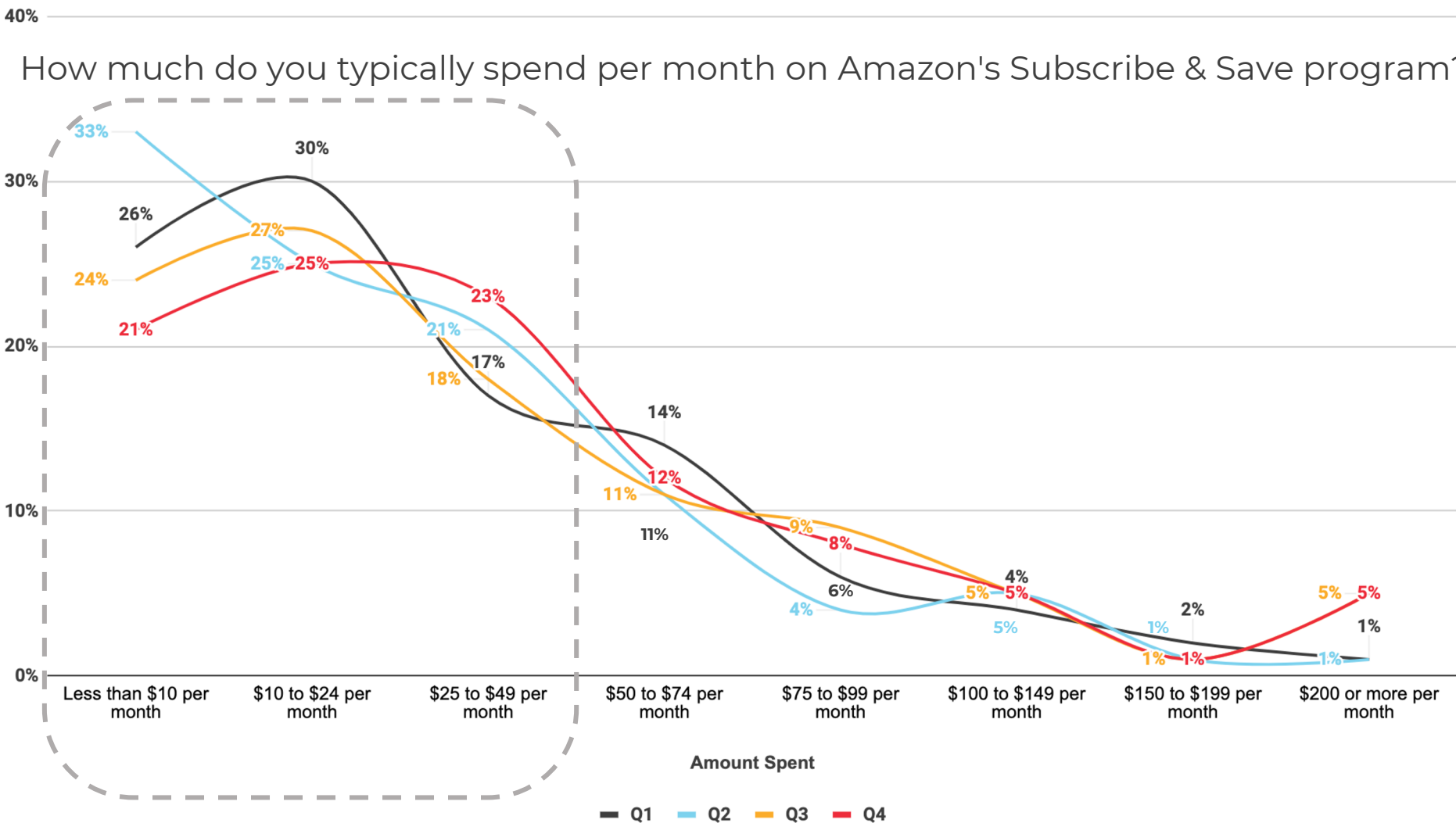
Main Grocery Channel Among Prime Members Who Use S&S Program

Where do you primarily shop for groceries?

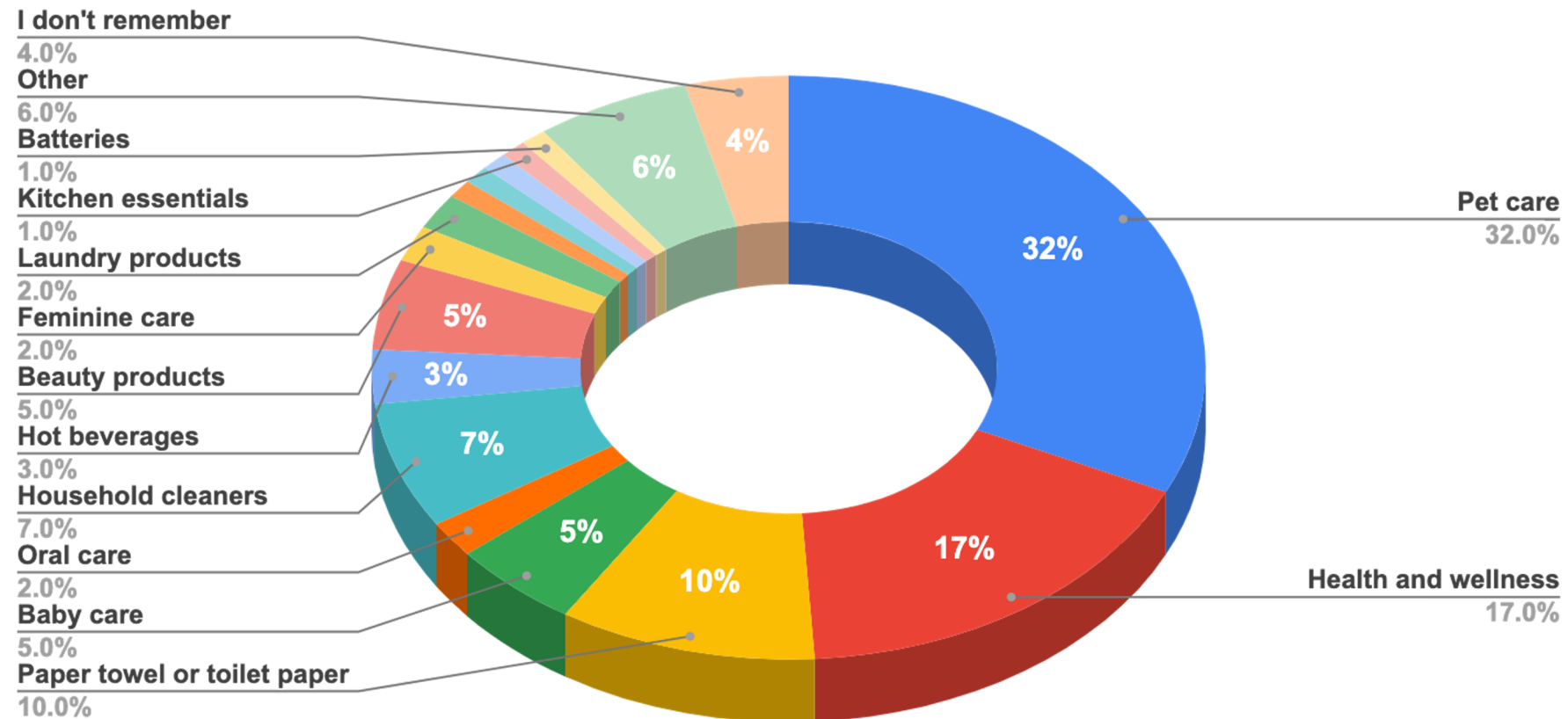| Grocery Retailer	General Population
Traditional grocery store	37%
Walmart	31%
Discount grocery store (e.g. No Frills or Maxi)	13%
Costco	13%
Drug store	2%
Online store	1%
Dollar store	1%
Natural / organic store	<1%
Other	3%

Subscribe & Save Impacts Walmart's Sales Most, and Impact on Drug Stores Increases by 6 percentage-pts

Where did you buy these products before you started buying them through Amazon's Subscribe & Save program?

Store	Q3	Q4
Walmart	52%	56%
Tradtional Grocery Store	35%	33%
Discount Grocery Store	23%	26%
Costco	21%	23%
Drug Store	15%	21%
Dollar Store	7%	7%
Specialty Store	4%	4%
Convenience Store	3%	3%
Another Online Store	3%	3%
Natural / Organic Store	2%	2%
Other	3%	8%

■ Q3 ■ Q4

Source: Caddle Amazon Prime Tracker | Q4, 2021 | n = 578 (Amazon Prime members who use S&S Program)

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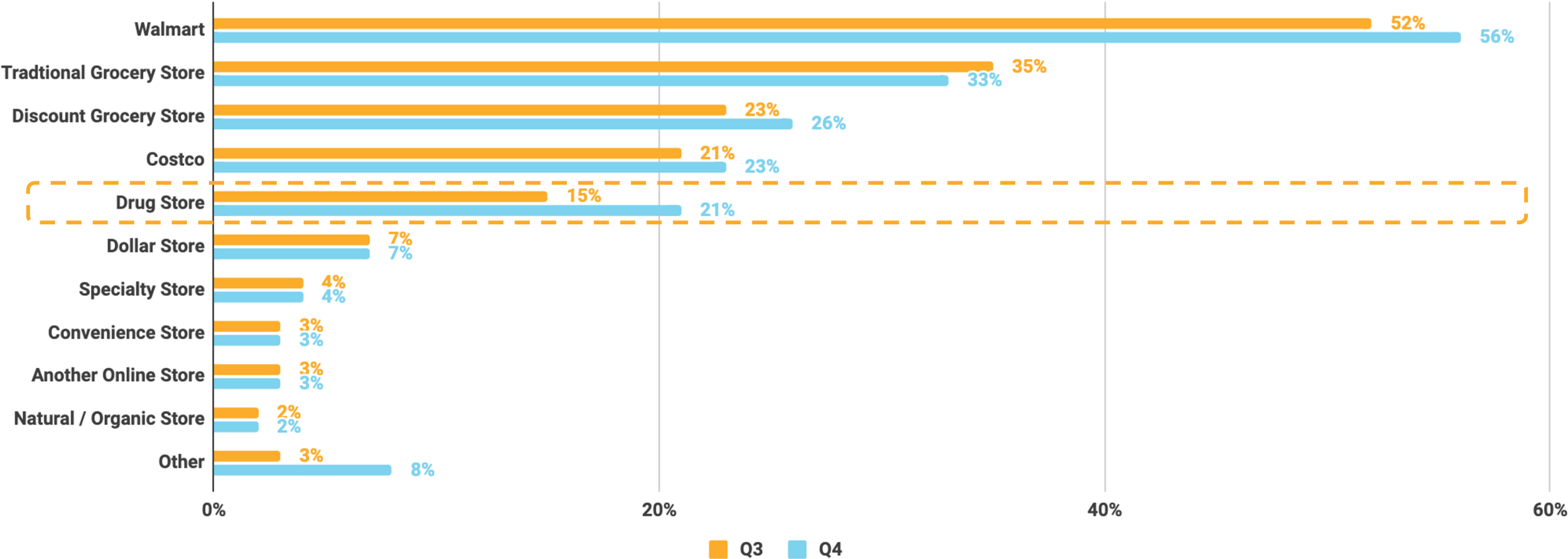
S&S Program Trial Driven by Pet Care, Health and Wellness, and Paper Products

What was the first product you ordered using Amazon's Subscribe & Save program?

I don't remember
4.0%

Other
6.0%

Batteries
1.0%

Kitchen essentials
1.0%

Laundry products
2.0%

Feminine care
2.0%

Beauty products
5.0%

Hot beverages
3.0%

Household cleaners
7.0%

Oral care
2.0%

Baby care
5.0%

Paper towel or toilet paper
10.0%

Pet care
32.0%

Health and wellness
17.0%

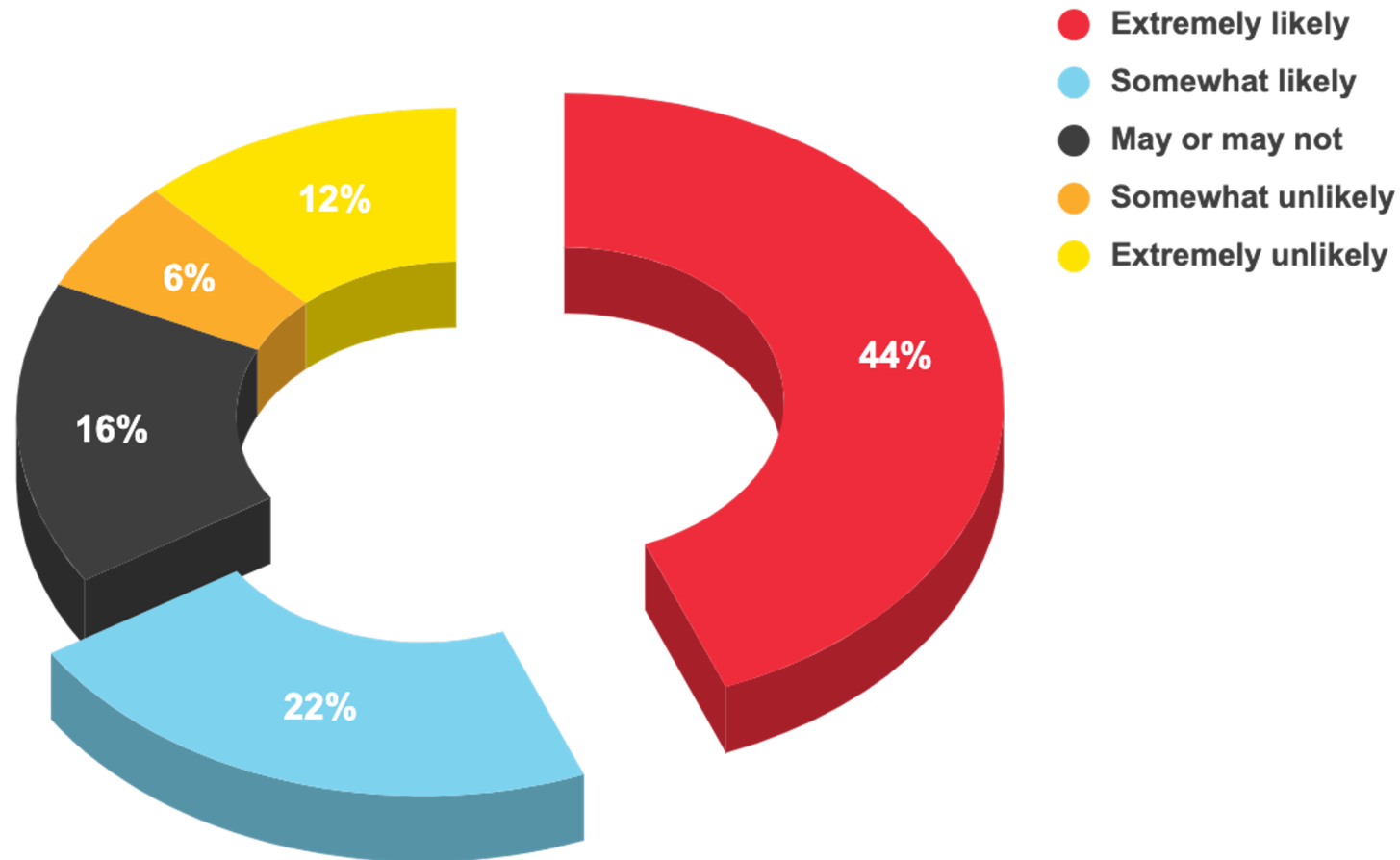*Only products with 1% or more are shown

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S&S Program Loyalty Also Driven by Pet Care, Health and Wellness, and Paper Products

What type(s) of products do you subscribe to on Amazon's Subscribe & Save program? (Select all)

Category	%
Pet care	42%
Health and wellness	32%
Paper towel or toilet paper	21%
Household cleaners	18%
Hot beverages	14%
Beauty products	13%
Laundry products	13%
Oral care	11%
Baby care	11%
Kitchen essentials	9%
Skin care	8%
Feminine care	8%
Other	8%
Snacks	7%
Deodorant	7%
Hair care	6%
Shaving	6%
Breakfast food	6%
Cold beverages	5%
Batteries	5%
Spreads	4%
Condiments & spices	4%
Baking products	4%
Filters	3%
Intimate products	3%

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Source: Caddle Amazon Prime Tracker | Q1-Q4, 2021 | All Subscribe & Save subscribers n = 708 / 563 / 545 / 581

Fresh Produce Delivery is an Enticing Opportunity to Increase S&S Program Usage

If Amazon's Subscribe & Save program offered fresh produce, how likely are you to subscribe?
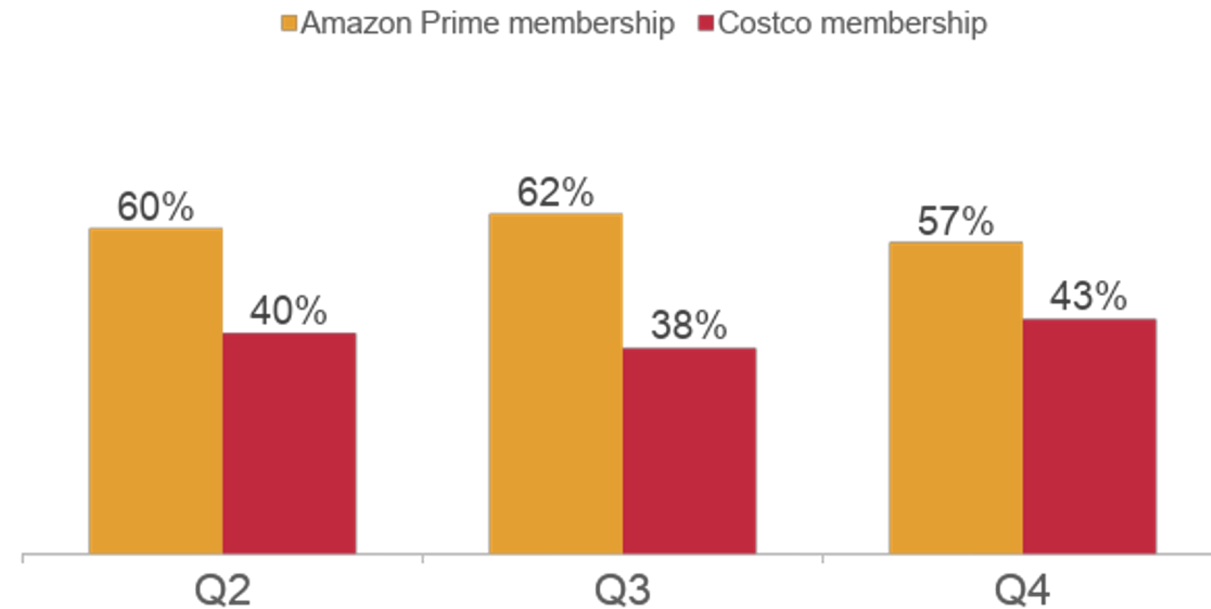

- 🔴 Extremely likely
- 🔵 Somewhat likely
- ⚫ May or may not
- 🟠 Somewhat unlikely
- 🟡 Extremely unlikely

44%
22%
16%
6%
12%

Dual Members: Subscribe & Save + Costco

Preference of Amazon Prime over Costco continues to be higher

- Prime continues to outperform Costco membership, leading by on average 19 percentage points quarter over quarter
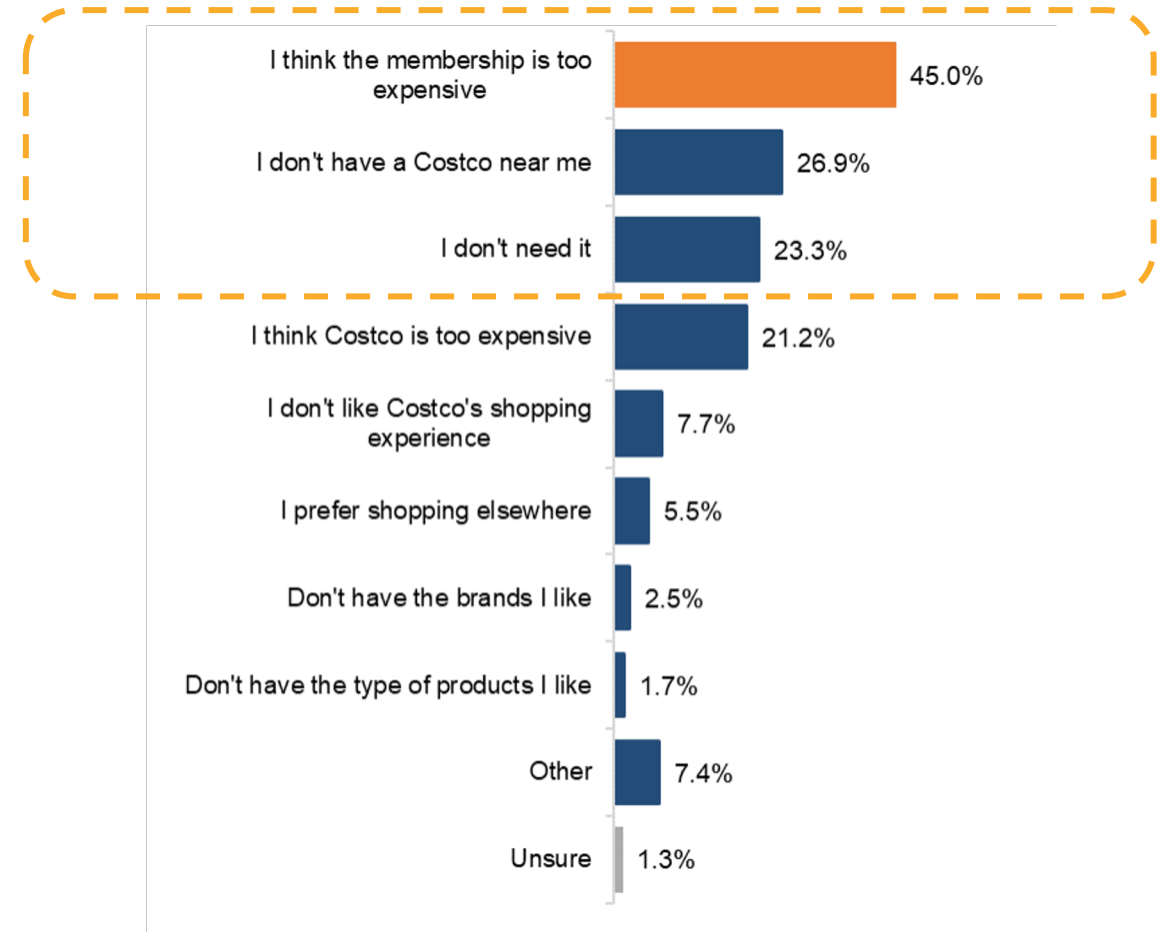
If you had to choose between keeping your Costco membership and your Amazon Prime membership, which one would you choose? (Among Dual Subscribe & Save and Costco members)

■ Amazon Prime membership ● Costco membership

	Q2	Q3	Q4
Amazon Prime membership	60%	62%	57%
Costco membership	40%	38%	43%

Source: Caddle Amazon Prime Tracker | Q4, 2021 | n = 434 (Prime members who use SS and have Costco membership)

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Barriers to Enter Costco

- The main barrier to join Costco is the perception of the membership as being expensive, followed by lack of Costco locations near me, and I don't need it.
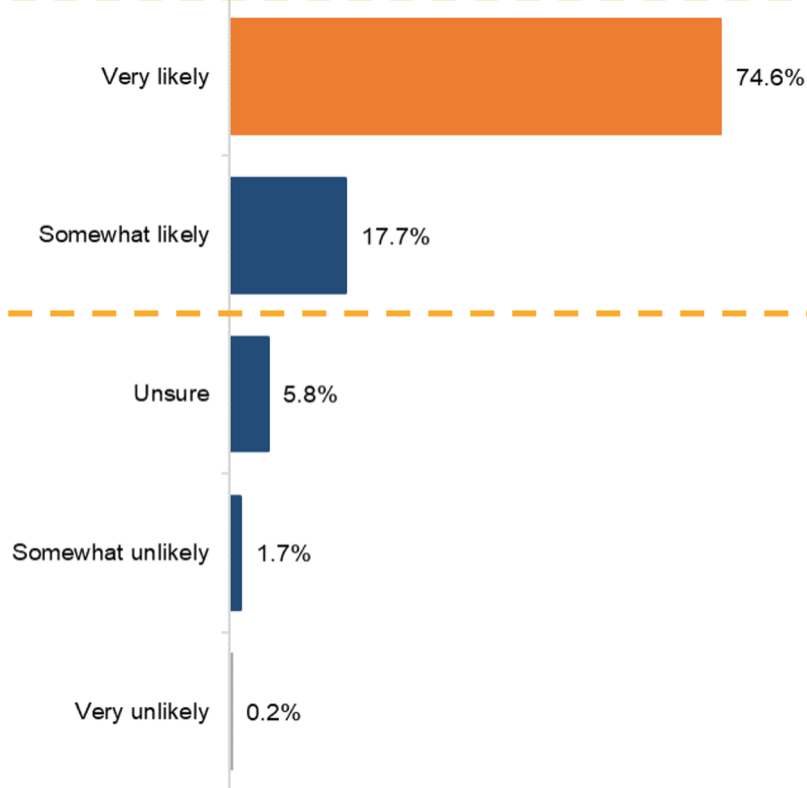
What's stopping you from becoming a Costco member? (Select all)

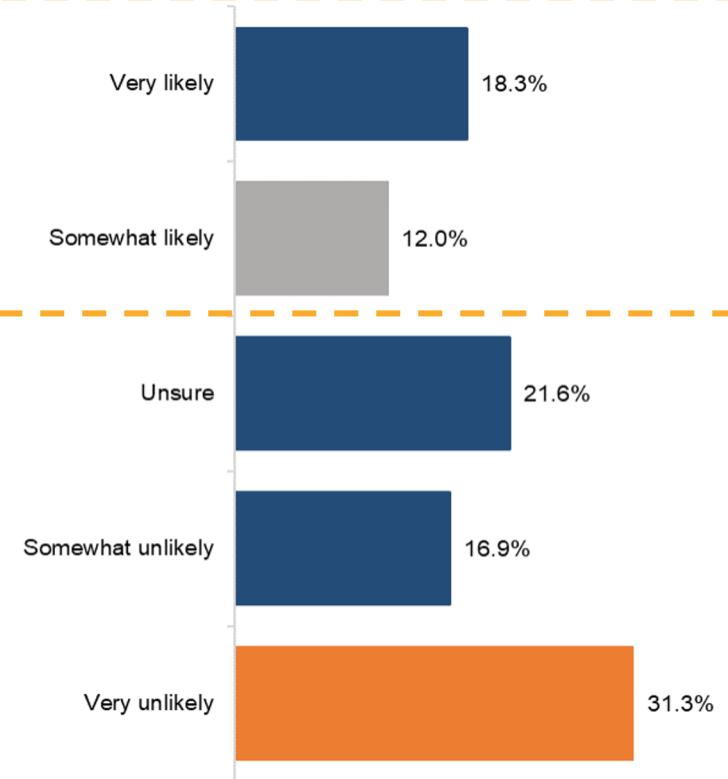|	
I think the membership is too expensive	45.0%
I don't have a Costco near me	26.9%
I don't need it	23.3%
I think Costco is too expensive	21.2%
I don't like Costco's shopping experience	7.7%
I prefer shopping elsewhere	5.5%
Don't have the brands I like	2.5%
Don't have the type of products I like	1.7%
Other	7.4%
Unsure	1.3%

93% of S&S Users / Costco Members are Likely to Renew Costco Membership in 2022

About one-third (30%) of S&S users with no Costco membership plan to sign up for Costco in 2022

How likely are you to renew your Costco membership next year?

Very likely	74.6%
Somewhat likely	17.7%
Unsure	5.8%
Somewhat unlikely	1.7%
Very unlikely	0.2%

How likely are you to become a Costco member next year?

|	
Very likely	18.3%
Somewhat likely	12.0%
Unsure	21.6%
Somewhat unlikely	16.9%
Very unlikely	31.3%

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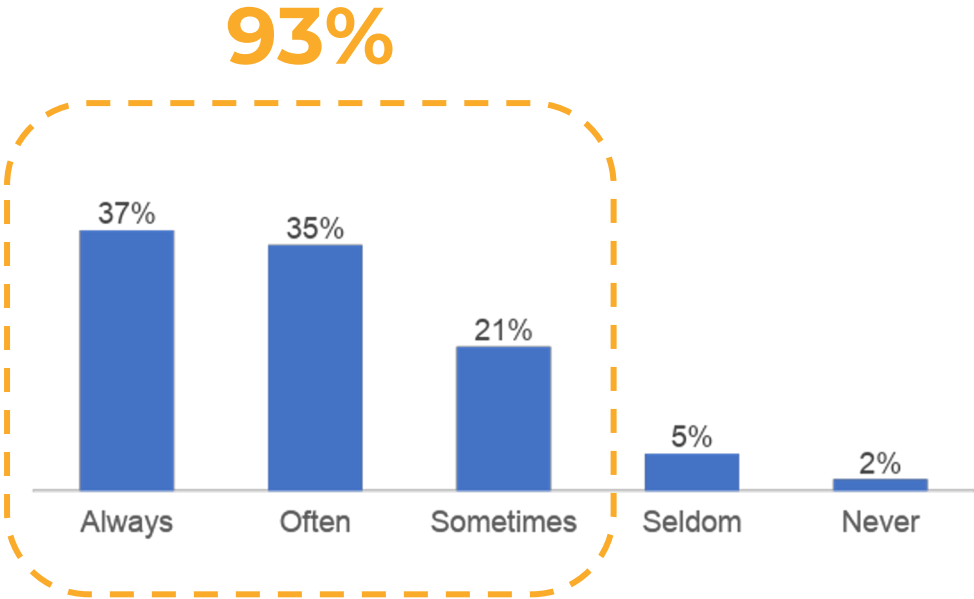
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Amazon.ca Ratings & Reviews

Most Canadians think Ratings & Reviews are Important and Use them Often when Shopping on Amazon.ca

How important are product Ratings & Reviews in your product decision making process when shopping on Amazon.ca?

87%

Very important	Somewhat important	Neutral	Not very important	Not important at all
46%	41%	10%	2%	1%
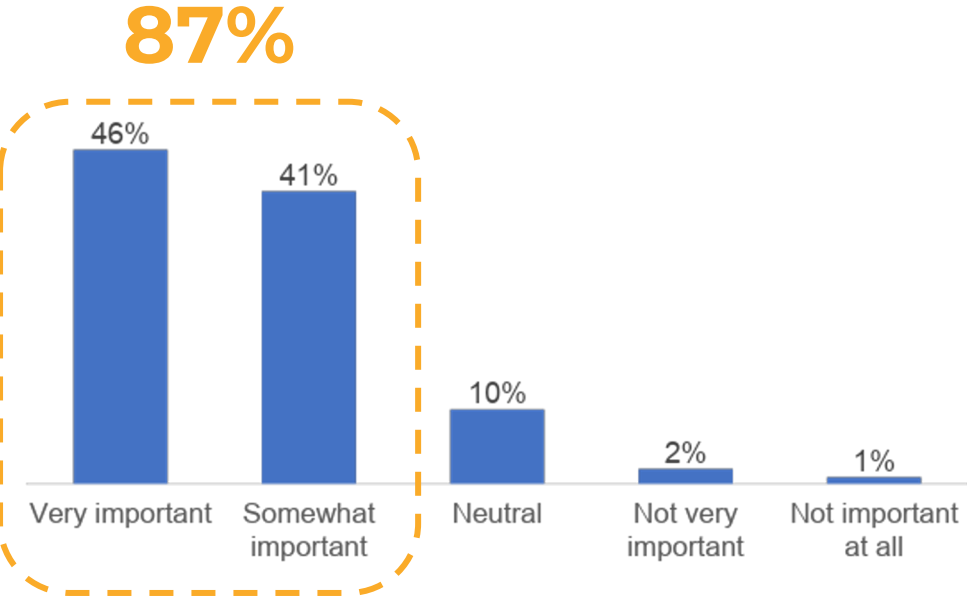
How often do you use product Ratings & Reviews when you are buying products on Amazon.ca?

93%

Always	Often	Sometimes	Seldom	Never
37%	35%	21%	5%	2%

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The Most Important Features of Ratings & Reviews

- Helpful reviews, star rating quality, and recent reviews are the top 3 most important features of product Ratings & Reviews

What is the most important feature of product Ratings & Reviews that you use to make a decision at Amazon.ca?

Feature	Percentage
Helpful reviews	38%
Star rating quality	21%
Recent reviews	16%
Verified purchase reviews	12%
Quantity of reviews	8%
Pictures of videos included in reviews	5%

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Amazon has Room for Improvement

- 1 in 3 Amazon.ca shoppers not having confidence in Amazon's Ratings & Reviews

How do you feel about the statement "I can trust Ratings & Reviews on products that I am looking to purchase on Amazon.ca"?

Strongly agree	Agree	Neutral	Disagree	Strongly disagree
18%	49%	29%	4%	1%
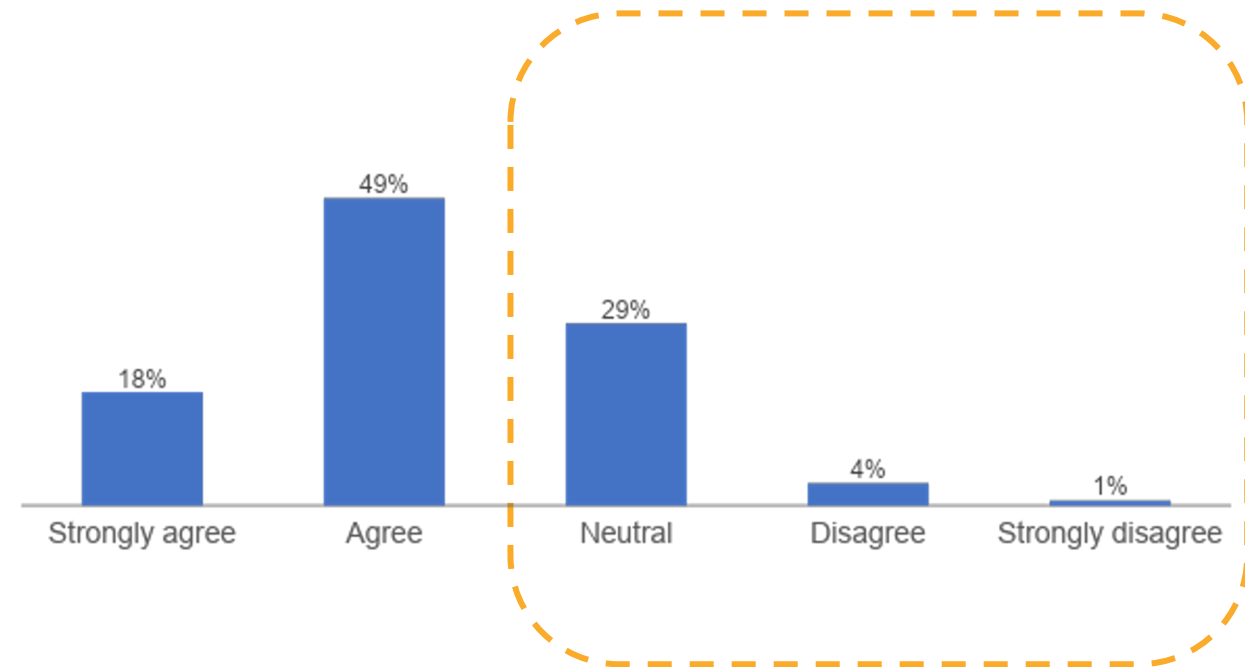
Caddle's Track Record in Ratings & Reviews

Caddle has spent 5+ years building a trusted panel of Canadian consumers

100K+

Ratings & Reviews Collected
through Caddle

4.2

Average Rating & Review
Star Rating

1000's

of Products Reviewed
through Caddle

Trusted by the Biggest Brands in CPG &
Retailer

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Next Webinar

April | Brand Loyalty within CPG in partnership with IRI Worldwide

CADDLE

Let's talk insights.

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