



CADDLE

# The Canadian Amazon Subscribe & Save Shopper

Mobile Savvy, Shopping for Many, Buying More, and Strong Promoters of Amazon

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## Introduction



With about 2.4 million active sellers worldwide choosing to distribute their products on the Amazon platform<sup>1</sup> and nearly 3 billion visits to Amazon.com per month<sup>2</sup>, Amazon continues to lead the charge on consumer spending for all types of product categories. And even with the announcement that [Jeff Bezos will be stepping away from the CEO role](#) and into an executive chair later in 2021, the brand continues to chug along at a pace unheard of in other sectors. To wit, the company reported all-time high quarterly revenues in the last quarter of 2020, totalling \$125.56 billion USD<sup>3</sup>. This is a huge feat under normal circumstances, but even more so considering the plight of numerous other retailers whose businesses have suffered under pandemic restrictions.

Based on the hype around the mega-brand, and following on the heels of our investigation into [Canadian Amazon Prime members](#), we're digging deeper into one particular feature that's gaining a lot of industry attention—the Amazon Subscribe & Save program.

According to [Jungle Scout](#) (a leading all-in-one platform for selling on Amazon), 35% of all U.S. consumers and 51% of U.S.-based Amazon Prime members have purchased products using the Amazon Subscribe & Save subscription program<sup>4</sup>. While such numbers from south of the border are certainly eye-opening, they only hint at what might be taking place in Canada.

Read on to learn more about the influence of the Amazon Subscribe & Save (S&S) program in Canada and what its ongoing adoption might mean for retailers having to compete with the retail behemoth (especially in CPG, FMCG and other major categories).

**Amazon takes loyalty to a new level. At its essence, the Amazon Subscribe & Save program is designed to encourage repeat purchasing among consumers—especially Amazon Prime members.**

From electronics to home supplies, beauty and personal care to groceries, and beyond, the online subscription program incentivizes frequent purchases based on two major value propositions. First, subscribers can save up to 15% off everyday items, and also receive free shipping if they sign up for monthly auto-delivery. (Prime members can unlock 20% off some items by signing up for at least five monthly deliveries). Second, by automating purchase and delivery, subscribers never have to worry about running out of the items they use in and out, every day.

And subscribers definitely take advantage of those cost- and time-savings: “Price discount” and “convenience” ranked equally (at about 35% each) as the main reasons for Caddle’s Daily Panel respondents’ participation in the S&S program<sup>5</sup>.

<sup>1</sup> Marketplace Pulse, “[Number of Sellers on Amazon Marketplace](#)”

<sup>2</sup> [SimilarWeb Amazon.com Traffic Overview](#)

<sup>3</sup> According to reports in “[Amazon reports first \\$100 billion quarter following holiday and pandemic shopping surge](#)”

<sup>4</sup> <https://www.junglescout.com/blog/amazon-subscribe-save-for-sellers/>

<sup>5</sup> n = 2,260; date: Feb. 6, 2021

## Who Are Canada's Amazon Subscribe & Save Shoppers?

Nearly a quarter of our 10,000-strong, Canada-wide Daily Panel respondents have personally used or have had a housemate use Amazon's S&S program. Adoption is particularly strong among younger Canadians, with Millennial and Gen Z groups almost 2x as likely as Baby Boomers to have personally or had a housemate use the service.

- **22% have personally/have had a housemate use Amazon's S&S program** General Population (n = 8,755)
- **28% of Canadian Millennials & Gen Zers have personally/have had a housemate use Amazon's S&S program** Millennials & Gen Z (n = 3,233)
- **2x Likelihood of Canadian Millennials & Gen Zers to use Amazon's S&S, compared to Canadian Baby Boomers** Millennials & Gen Z (n = 3,233)

February 5, 2021

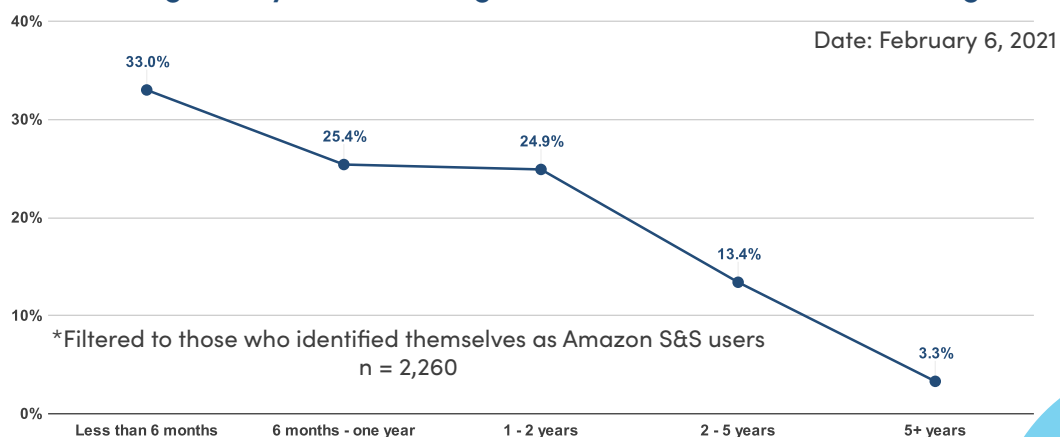
Meanwhile, Western Canadians seem somewhat less inclined to use the service, with consumers in British Columbia, Alberta, Saskatchewan, and Manitoba all even or under-indexing on this measure relative to the general population.

At the same time, among respondents who use the service, one-third have been subscribers for less than 6 months and an equal proportion (~25% each) have used the program for between 6 months to a full year and for 1 to 2 years.

Interestingly, we see a split between Gen Xers, the Greatest Generation and Millennials for the subscribers who have used the program the longest: On 2-5-year memberships, the Greatest Generation over-indexes by more than 6 points, while Millennials over-index by 2. In contrast, Gen Xers predominate the "5 years of more" category, over-indexing against the General Population by nearly 2 points.




This could reflect the interest in the added convenience offered by the program, but also may signify a factor we already know about older Canadians, which is that they're slower to key into the value and convenience of digitally-driven retail.

### Q: How long have you been using Amazon's Subscribe & Save Program?






## How are They Shopping?

About one-third of subscribers use the mobile app to shop the service, while almost a quarter use the mobile site. Yet, they're not the most tech-savvy overall, as only about 5% use voice-activated mobile ordering (like Apple Siri, Google Assistant) or home speakers (like Amazon Alexa or Google Home) to shop the service.

Which Devices Do They Use? <sup>6</sup>		
		
32%	31%	22%
Mobile app	Desktop website	Mobile website

## Who are Canadian Amazon Subscribe & Save Program Shoppers Shopping For?

Nearly half of Canadian consumers indicate that they're shopping for themselves when using the Amazon S&S program, while a further third are shopping for their partners/spouses, and an additional 16% shop for their children's use<sup>7</sup>.

Who Are They Shopping For?		
		
47%	34%	16%
The shopper themselves	The shopper's partner/spouse	The shopper's children

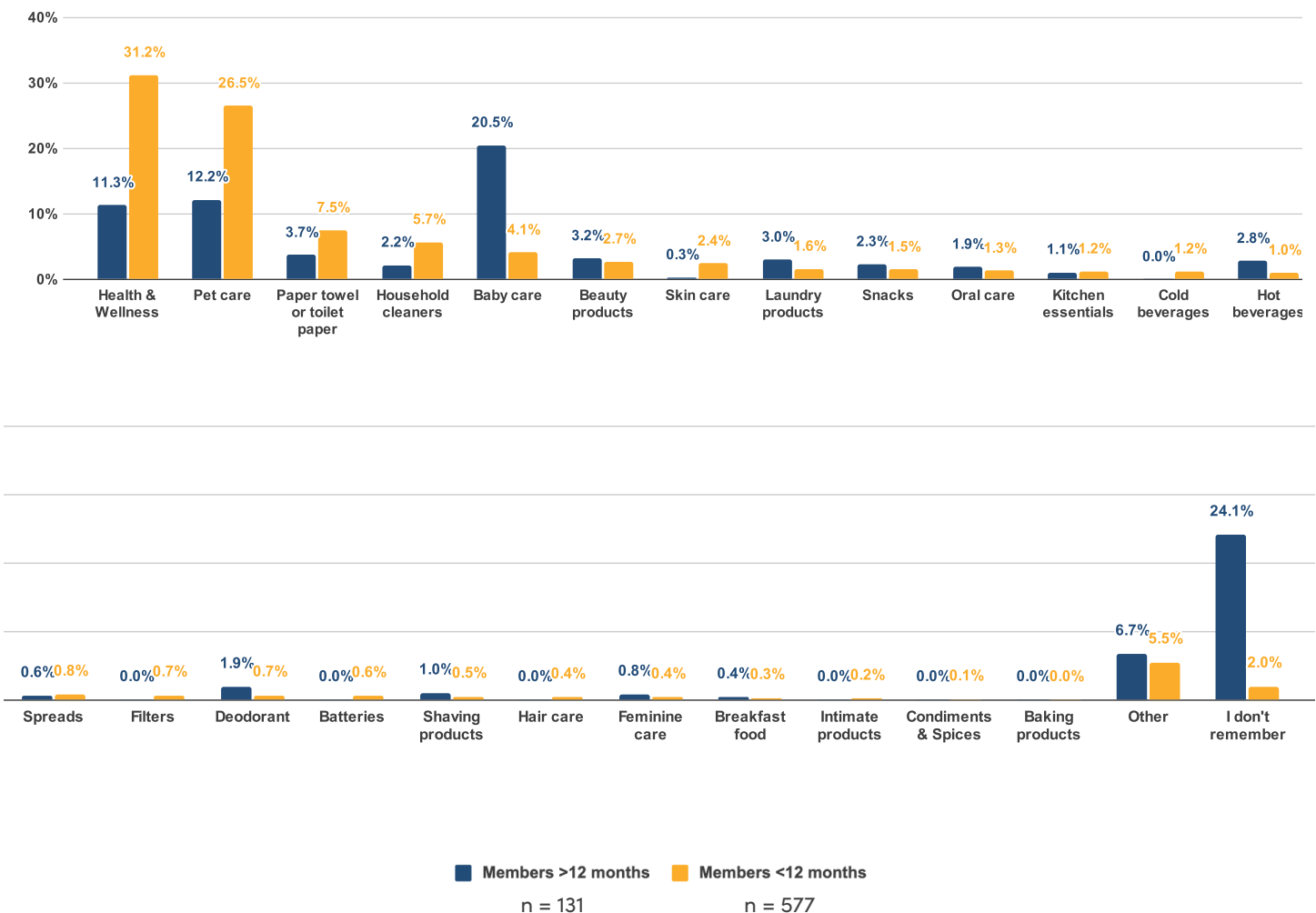
<sup>6</sup>n= 3,132; date: Feb 7, 2021  
<sup>7</sup>n = 3,151; date: Feb. 7, 2021

# What are Canadian Amazon Subscribe & Save Users Shopping For, How Much are They Spending, and How Frequently?

While 1 of 8 respondents have used “food and drink” subscribe and save subscriptions in the past year (and Millennials are nearly 3x as likely as Baby Boomers to do so)<sup>8</sup>, both long-time and newer S&S members are fairly consistent on the categories they view as most value-added: 20% of long-time members (members for >12 months) identified “baby care” as the first product they shopped using Amazon’s S&S program, followed by “pet care” and “health and wellness” in a near-tie for second. Meanwhile, about a third of newer members (<12 months) shopped “health and wellness” first, followed by “pet care,” and then a distant third, “paper products” (i.e., paper towels and toilet paper).

## First Point of Entry Into the Subscribe & Save Program

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

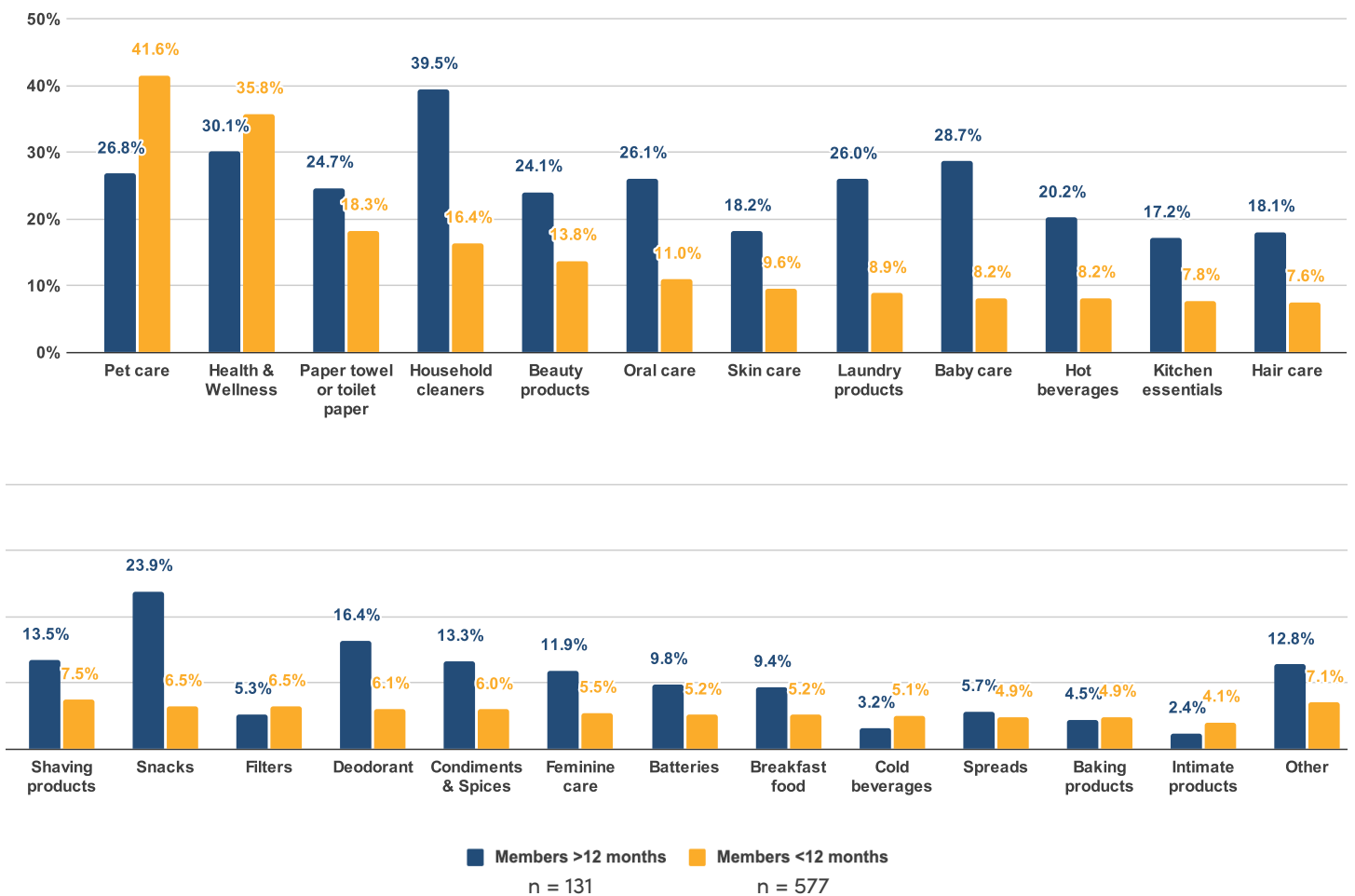


<sup>8</sup>n = 9,403; date: Feb. 4, 2021

When we look at categories that members are subscribing to over time, we see a slight shift: long-time members prioritize “household cleaners” (40%) and newer members rank “pet care” (at 42%), and both groups rank “health and wellness” in second place (at 30% and 36%, respectively). It makes sense that value- and convenience-oriented consumers would subscribe to such categories, as these types of products are often quick to use up and also typically fairly costly.

## Subscribe & Save Cart Items

What type(s) of products do you subscribe to with Amazon's Subscribe & Save Program? (select all)

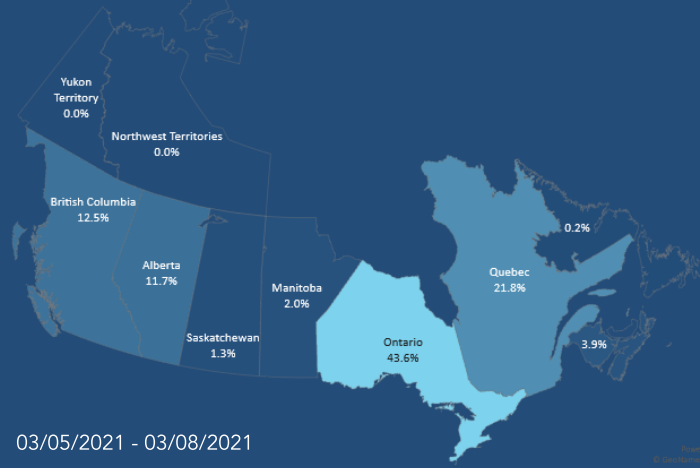


Along this line of thinking, we [learned elsewhere](#) that concerns over the ongoing COVID-19 pandemic have caused Canadians to tighten their belts on spending in some areas. Notably, while *younger Canadians (especially Millennials) are more likely to search for online deals, they're also more likely to be Prime Members for longer than other generations*. In fact, Millennials' numbers are more than 10x those of Baby Boomers in the “>12 months” membership category and 6x more than Baby Boomers in the “<12 months” membership category<sup>9</sup>.

<sup>9</sup>date: Mar. 5–8, 2021.

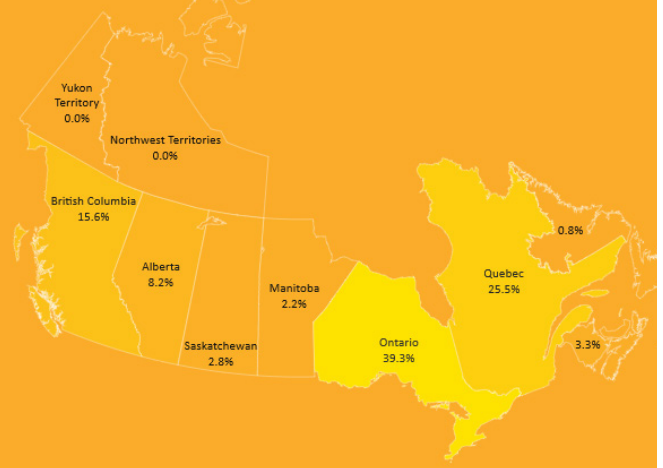
## Members >12 months n = 131

Greatest Gen	Baby Boomer	Gen X	Millennial	Gen Z
0	6	48	62	15



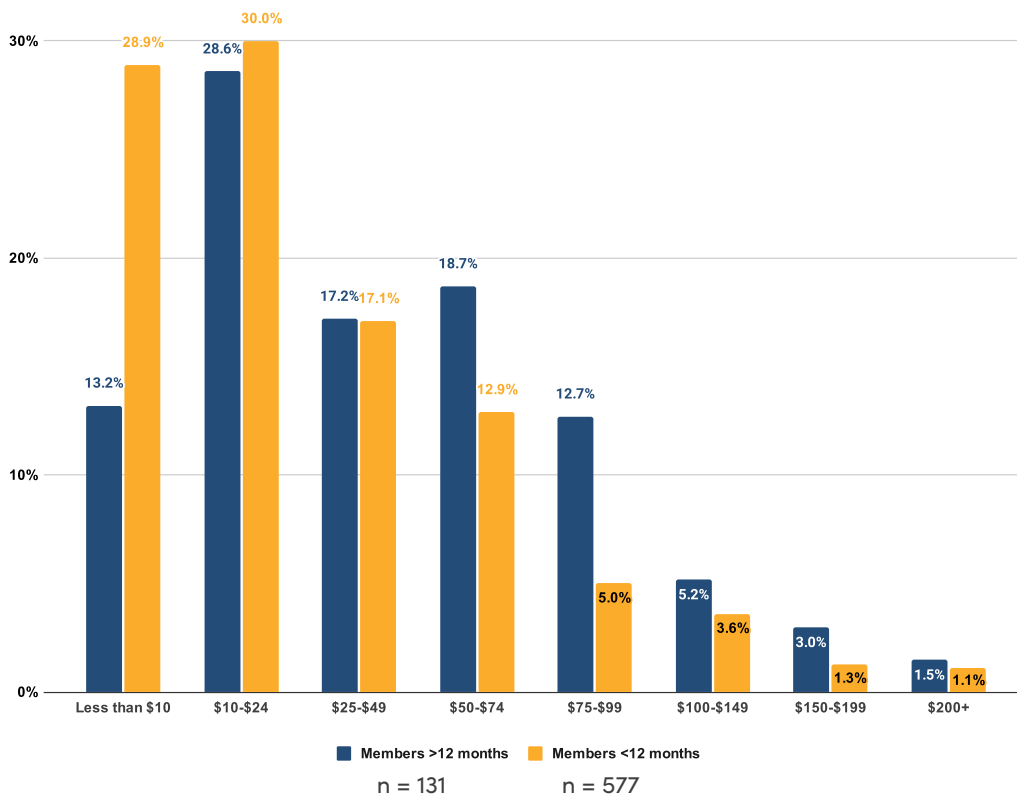
## Members <12 months n = 577

Greatest Gen	Baby Boomer	Gen X	Millennial	Gen Z
0	46	164	278	89



How much are consumers spending with the Amazon S&S program? Altogether, nearly 1 in 4 long-time members are spending \$900+ per year through the program. This is compared to only 11% of newer members who spend at that level.

### How much do you typically spend per month with Amazon's Subscribe & Save Program?



Ostensibly, Caddle data shows that the more consumers like the service, the more products they're adding to their subscriptions. This is driving up basket values and leading to a greater share of wallet taken away from other channels, including traditional banners.

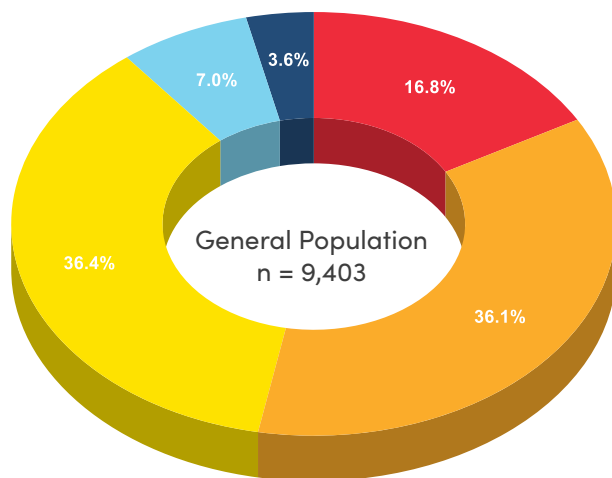


## How Do Canadian Consumers Feel about Amazon?

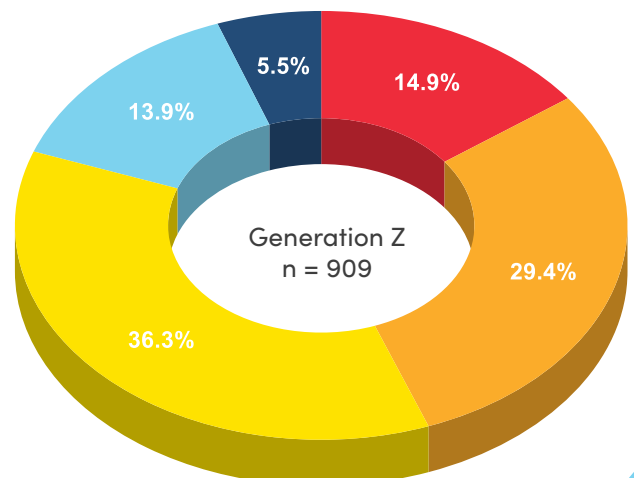
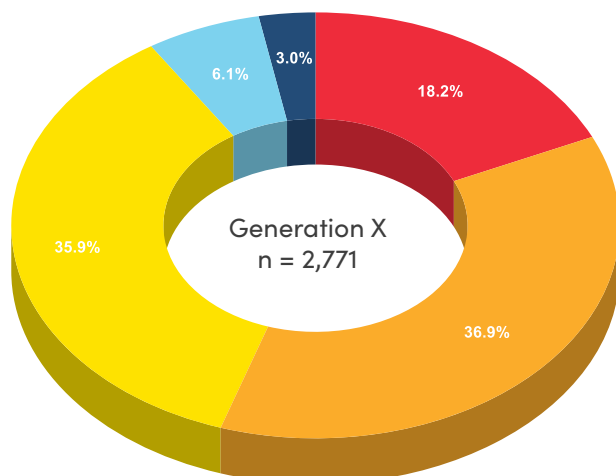
A significant number of Canadian consumers have good perceptions of Amazon, including 53% who feel “positive” or “very positive” about the brand. Gen Xers, as well as consumers living in Newfoundland and Labrador (66.3%), Manitoba (59.6%), Nova Scotia (58.4%), New Brunswick (57.1%) and Quebec (54.5%) all over-index on this measure. Meanwhile, Gen Zers as well as consumers in British Columbia (46.3%), Saskatchewan (50.0%), Alberta (50.2%) and P.E.I. (51.5%) have the least-positive perception of Amazon. When we contrast this to the fact that Gen Zers and British Columbian consumers, among others, are making more frequent purchases with Amazon S&S, we have to wonder whether they really want to, or if the various benefits—including cost-savings and convenience—make it an “offer they can’t refuse.”

### Q: What is your perception of Amazon?

Date: February 4, 2021



- Very positive
- Positive
- Neutral
- Negative
- Very negative





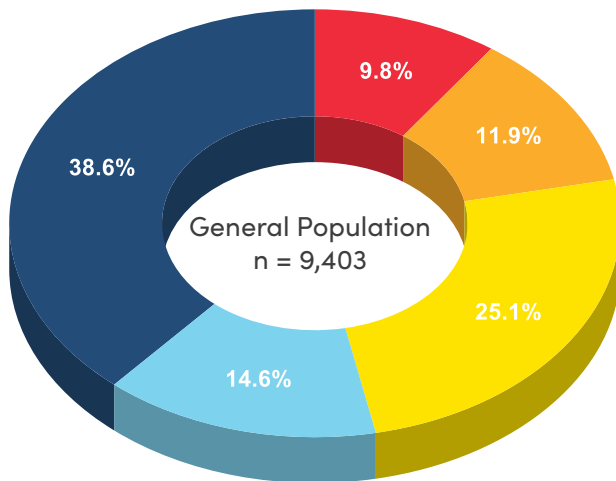
This leads us to wonder...

## Would These Same Consumers Use Other Subscribe & Save-Type Programs Other Than the One Offered by Amazon?

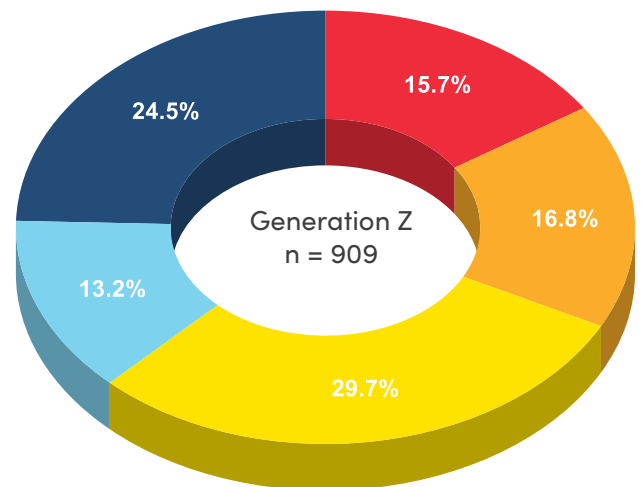
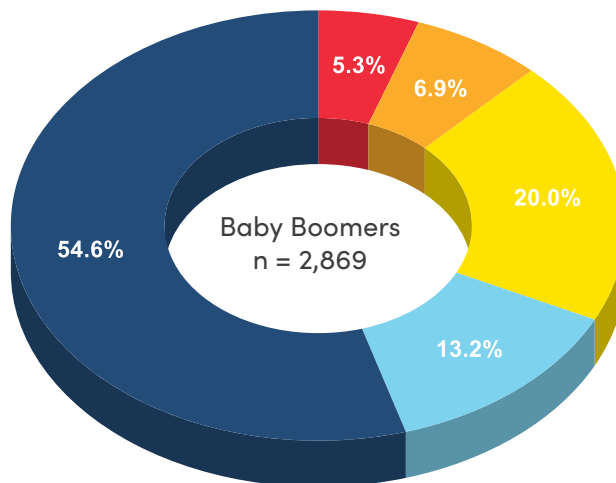
Just under a quarter of Caddle's Daily Panel respondents are "likely" or "extremely likely" to use a different vendor's S&S-type program, while about the same number are neutral on the subject.

**Q: How likely are you to use a subscribe & save program from a company other than Amazon?**

Date: February 4, 2021



- Extremely likely
- Moderately likely
- Somewhat likely
- Slightly likely
- Not at all likely



When we consider the less-than-exuberant response that Gen Zers had to Amazon, it's no surprise to find that this group is almost 3x as likely as Baby Boomers and about 10% more likely than the general population to use a S&S-type program other than Amazon.

If we were to make an educated\* bet on the retailer that younger consumers would shop with, we'd argue it's Walmart (\*taking into account the results of our [eCommerce Grocery Retail Report](#), which looks at consumer preferences and Net Promoter Scores across all major Canadian online grocery retailers).

## Top 6 Grocery Retailers Based on Overall Online Shopping Experience

*Currently has S&S-type program	General Population n = 20,750	Amazon Prime Members n = 9,755	Amazon Subscribe & Save Users n = 8,087
1	Amazon.ca*	Amazon.ca*	Amazon.ca*
2	Costco.ca	Saveonfoods.com	Costco.ca
3	Saveonfoods.com	Costco.ca	Metro.ca
4	Metro.ca	Walmart.ca*	PCEExpress.ca (div. of LCL)
5	PCEExpress.ca (div. of LCL)	Instacart	Saveonfoods.com
6	Walmart.ca*	PCEExpress.ca (div. of LCL)	Walmart.ca*

Here's why: Walmart is one of the only major retailers that offers a S&S service, and they're ranked among the top 5 (after Amazon) for online shopping experience by the 3 major consumer groups—general population (n = 20,750), Amazon Prime members (n = 9,755), and Amazon S&S users (n = 8,087). And though consumers ranked them lower on the basis of product availability and speed of delivery/availability for pick-up, they're considered a good option based on accuracy of order. Plus: Walmart is able to offer significantly lower prices than many major retailers on everyday household items, including beauty, personal and baby care, as well as grocery items. All of this makes Walmart an easy choice for Canadian shoppers who are looking for a convenient and price-sensitive path to purchase.

## Conclusion: Fighting for Share of Wallet in the Subscribe & Save Wars

With our ears constantly “to the ground” on industry trends, we here at Caddle are realists when it comes to the Canadian retail marketplace. Understandably, most retailers of any size aren’t necessarily in the position to compete on pricing and delivery options with the likes of Amazon or Walmart. The scale, logistics and many other factors just aren’t set up to be able to accommodate such business transformations at this time.

And yet... several major retail firms seem to be taking steps to deliver the magic mix of convenience, budget-friendliness and value that Canadian consumers are craving. For instance, Loblaw Companies Ltd. is working to keep pricing competitive at its discount banners in an attempt to regain some of the market share lost during the height of the pandemic<sup>10</sup>. What’s more, they’re establishing a lock on loyalty by extending their PC Optimum points program to offer more valuable incentives, including deeper discounts and better curbside pick-up time slots to “Insider” subscribers.

Time will tell which retail banner will follow in the auspicious footsteps of Amazon in the online subscription program wars—and whether they’ll be able to deliver against Canadian consumer preferences as they continue to evolve in the coming months.

Want Canadian retail intel at your fingertips? [Get in touch](#) today to access deeper Amazon Prime, S&S and other program insights, as well as major national and regional retail players.

<sup>10</sup>According to reports by LCL president Sarah Davis, quoted [here](#).

\*Disclaimer: all data presented is owned by Caddle and has a Margin of Error of 1% or lower.

## About Caddle Inc.

Launched in 2015 by former consumer packaged goods (CPG) leader and Canadian Grocer 2016 Generation Next award winner Ransom Hawley, Caddle® is the largest daily and monthly active panel in the Canadian marketplace. Our mobile-first insights platform rewards Canadians for sharing data and engaging with brands.

Designed to help brands make better decisions, faster, Caddle has grown into Canada's largest daily active consumer research panel of 10,000+, 6-figure monthly active panel, and growing every day.

Macro and niche data verticals include:

- New Moms
- Costco Shoppers
- Amazon Prime Members
- Cannabis Consumers
- Health Professionals
- Luxury Shoppers
- Shopper Dads
- Repeat Purchasers
- Vegan Buyers
- Smokers/Non-Smokers

Now working with almost every major CPG company and making inroads with Canada's largest grocery retailers, Caddle provides access to rapid insights at every stage of the consumer journey across every type of shopper, country-wide.

Learn more at [www.getcaddle.com](http://www.getcaddle.com).

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