

WALMART+ WEEKEND:

**PRIME DAY RIVAL
OR TRIP TO THE
GROCERY STORE?**



PYMNTS.com

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INTRODUCTION

Searching for deals and discounts is a favorite pastime for U.S. consumers, especially during times of high inflation and economic slowdown. Walmart+ and Amazon Prime have become leading ways for consumers to access everyday savings, special sales events and members-only deals. Walmart+ has climbed to an estimated 51 million subscribers in the United States, though it trails far behind Prime's unrivaled 171 million members. The massive subscriber bases of these retail juggernauts make their flagship sales events national phenomena. Amazon's annual Prime Day rivals Black Friday as the most anticipated shopping day of the year, as does Walmart+ Weekend.

On the surface, these members-only extravaganzas offer consumers similar opportunities, but PYMNTS' data reveals very different purchasing patterns and demographic trends. June's Walmart+ Weekend generated a much bigger surge in grocery shopping than last year's Prime Day, relative to membership base. A much larger share of Walmart+ members cite same day grocery delivery as a key reason for joining the program compared to Prime, whose members predominantly care about free shipping and Prime Video access. This is the case even though the membership bases of the two programs share broadly similar distributions across age groups and income brackets.

Walmart+ Weekend: Prime Day Rival Or Trip To The Grocery Store explores the state of play for Walmart+ and Amazon Prime and their flagship sales events. We surveyed 2,894 consumers between June 8 and June 24 on these sales, including 1,047 Walmart+ subscribers and 2,055 Amazon Prime subscribers; 668 respondents participated in the recent Walmart+ Weekend and 730 participated in Amazon Prime Day in 2021.

This is what we learned.

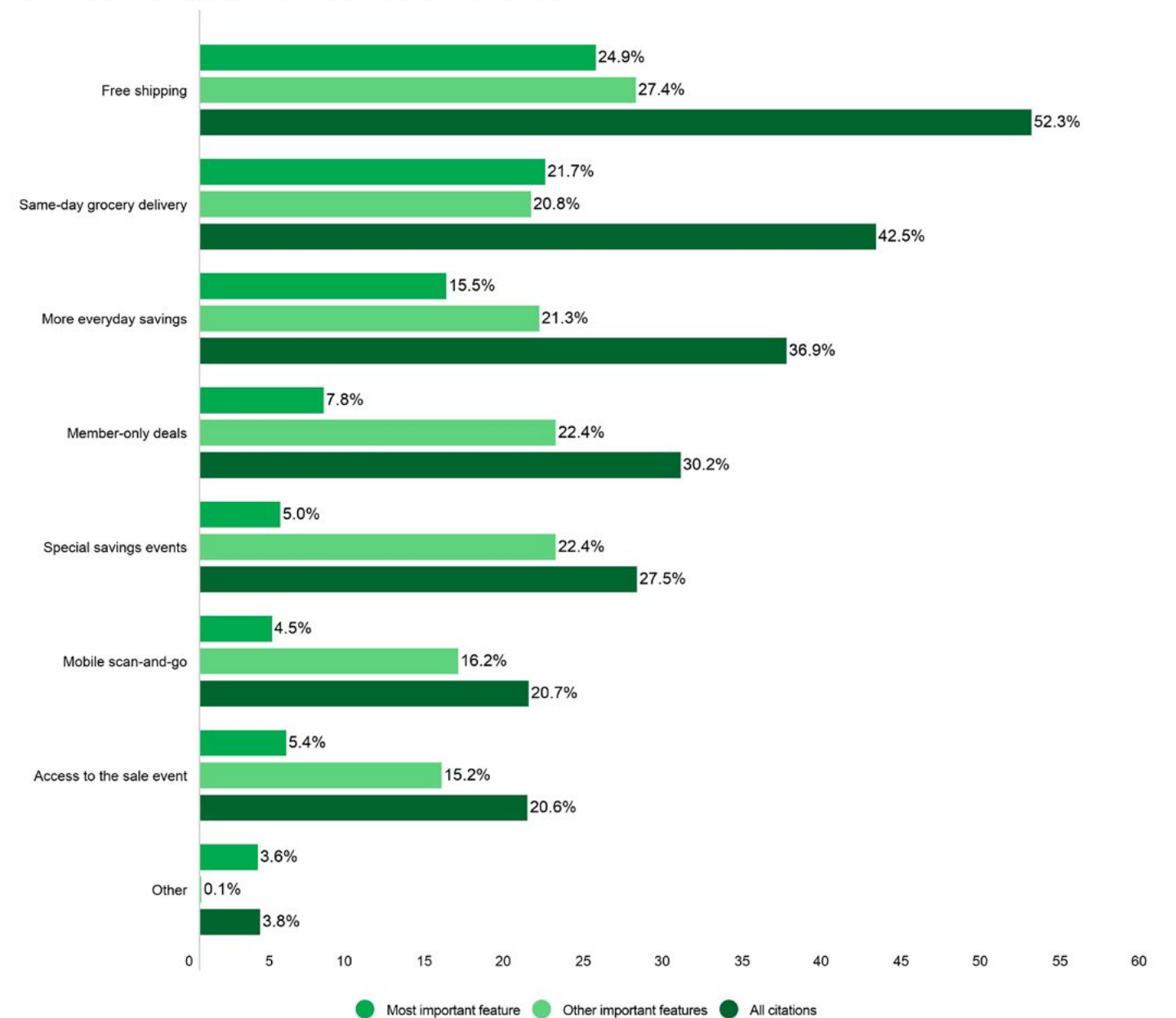
Key Findings

Most Walmart+ members join for groceries or gasoline.

Inflation and fear of recession are compelling consumers to tighten their purses and shop for deals. Walmart+ members focus more heavily than their Prime counterparts on the necessities of grocery shopping and filling up the gas tank. PYMNTS found that 43% of Walmart+ members signed up to take advantage of same-day grocery delivery, while just 13% of Prime members did the same. Another 20% of Walmart+ members cited gasoline discounts as a motivator — a perk not offered by Prime.

Figure 1: Reasons for Walmart+ and Amazon Prime memberships

1A: Share of consumers citing select reasons for signing up for Walmart+

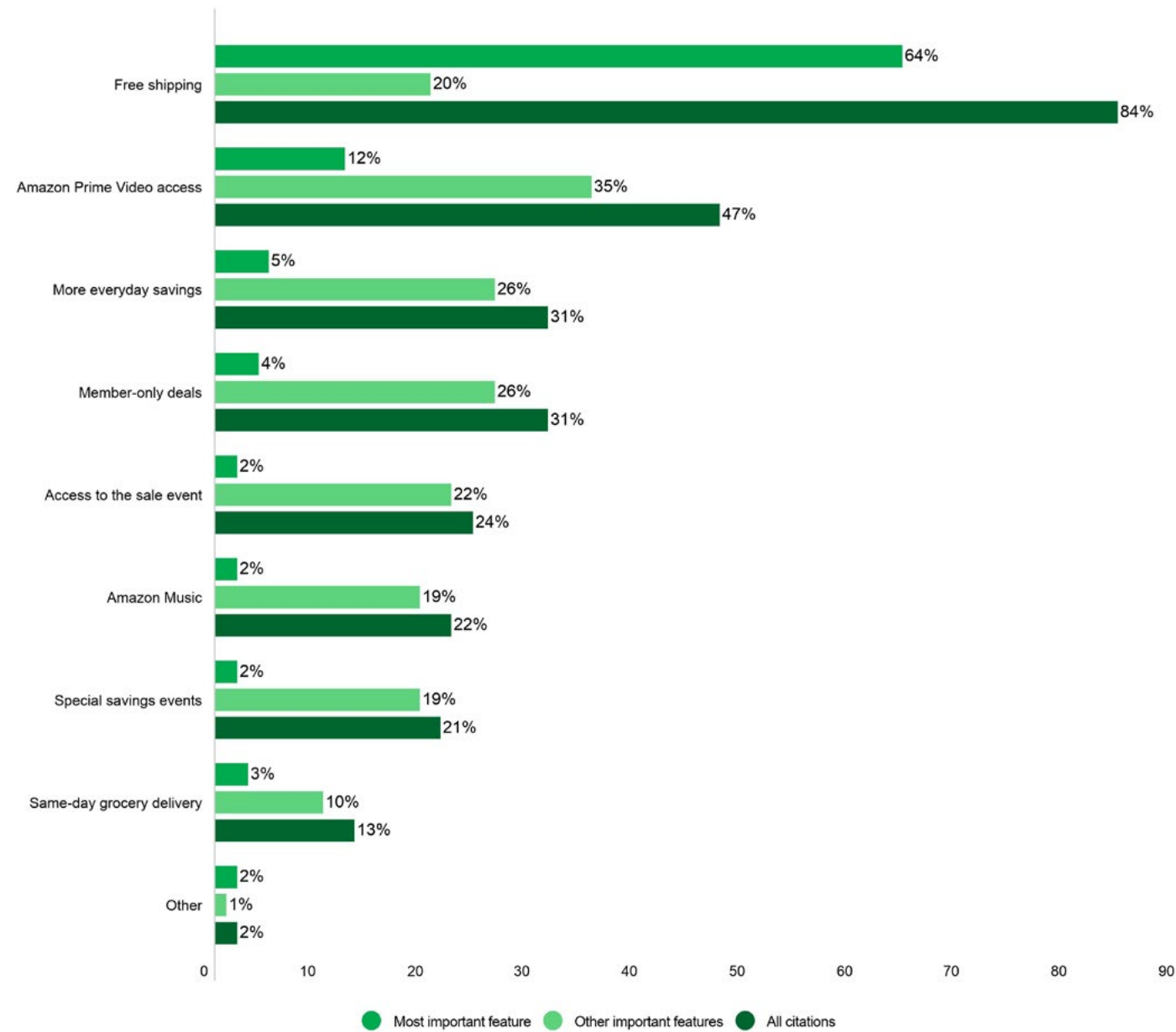


N= 2,193: Walmart shoppers with Walmart+ subscriptions

Source: PYMNTS.com

Figure 1: Reasons for Walmart+ and Amazon Prime memberships

1B: Share of consumers citing select reasons for signing up for Amazon Prime



N = 2,963: Amazon shoppers with Amazon Prime subscriptions

Source: PYMNTS.com

Walmart+ also holds greater appeal among its members for everyday savings than is the case for Prime. Thirty-seven percent of Walmart+ members cited this as a reason for signing up, versus 31% for Prime subscribers. Similarly, Walmart+ members more frequently cite special savings events as a reason for signing up than Prime members, at 28% and 24%, respectively

Free shipping holds much less sway with Walmart+ members.

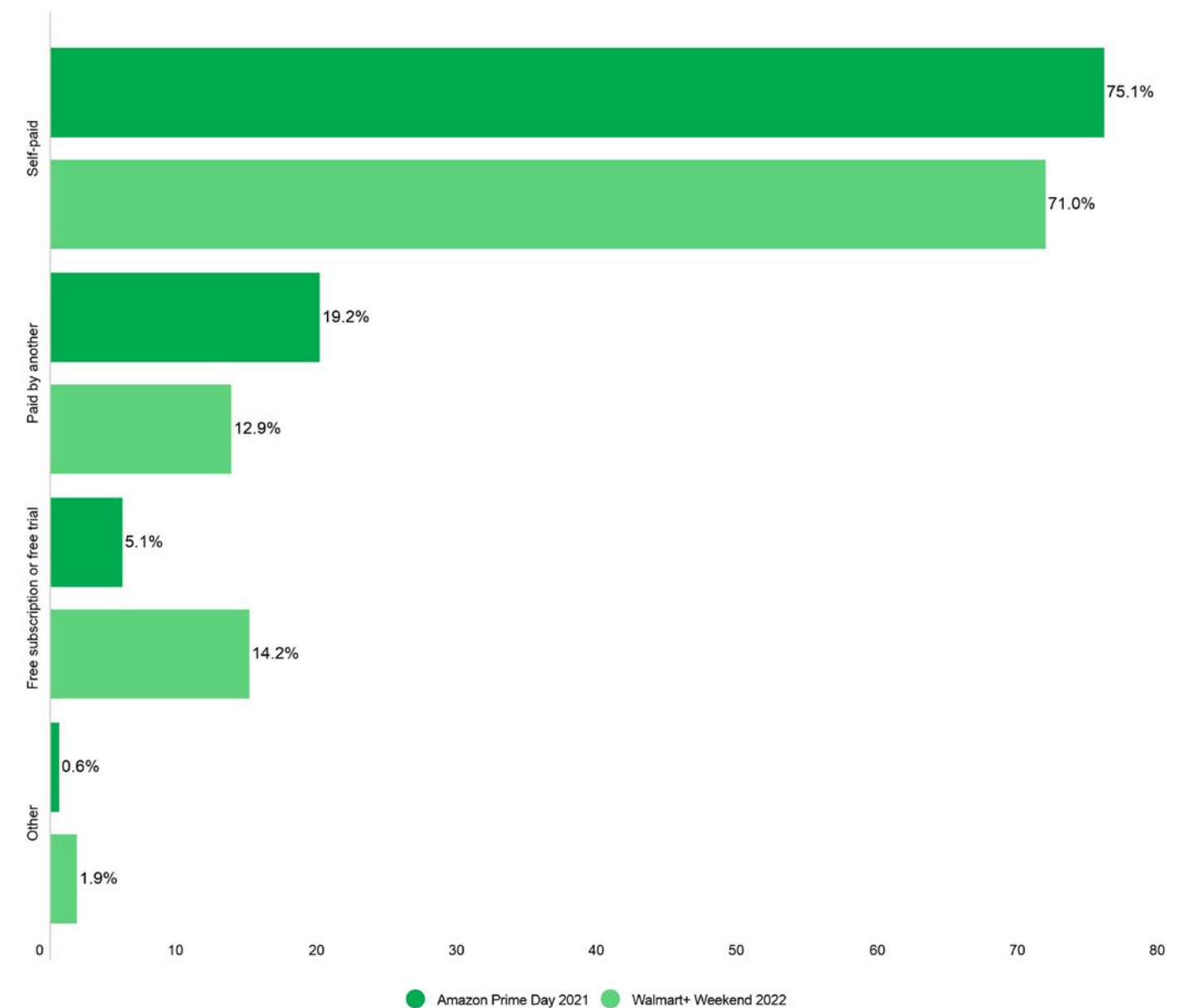
Free shipping still topped the list for members of both programs. Only 52% of Walmart+ subscribers said they joined to get this perk, however, and just one-quarter named it the top factor influencing their decision.

Free shipping is a much more dominant driver for Amazon, with 84% percent of Prime subscribers indicating this as a reason for membership and 64% citing it as the most important factor. Nearly half of Prime members meanwhile cite access to Prime Video — a service that Walmart does not offer.

PYMNTS' data also shows Prime's base is more deeply entrenched. The average Prime user has been a member for nearly four years, compared to under two years for Walmart+ users. Walmart+ subscribers are also much more likely to be on free trials than Prime members, at 14% and 5%, respectively.

Figure 2: Subscription status for Prime and Walmart+ members

Share of Amazon Prime and Walmart+ subscribers, by how they pay for their memberships



Walmart+ N = 2,193: Walmart shoppers with Walmart+ subscriptions

Amazon Prime N = 2,963: Amazon shoppers with Amazon Prime subscriptions

Source: PYMNTS.com

Groceries were the main attraction on Walmart+ Weekend.

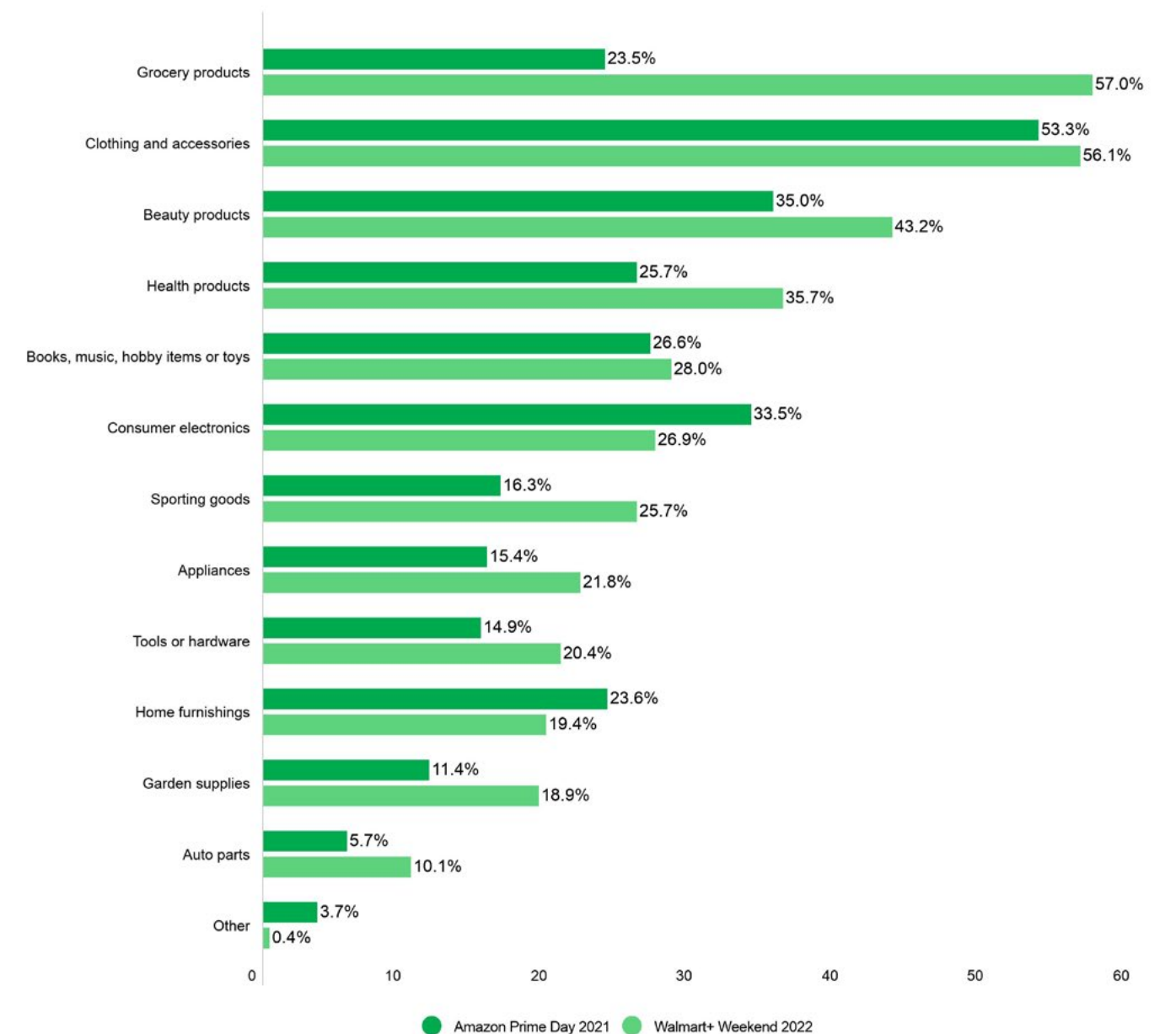
Walmart's function as an online grocery store came even more into the spotlight on Walmart+ Weekend. Fifty-seven percent of Walmart+ subscribers who shopped during the program's flagship event in June purchased grocery products, versus just 24% of Prime members who did so during Prime Day 2021. This indicates that the biggest impact of Walmart+ Weekend was to incentivize members to stock up on groceries in advance, frontloading essential spending that was already in their budgets to capture discounts.

Walmart+ led Prime in most other categories as well, but with narrower gaps. Fifty-six percent of Walmart+ and 53% of Prime members who shopped during the respective programs' big events stated they picked up clothing and related accessories. Walmart+ Weekend also edged out Prime Day in beauty and health products, sporting goods, appliances and other categories.

However, in the lucrative electronics category, Prime Day took the win. Our data shows that 34% of Prime members who shopped on Prime Day picked up new gadgets, while only 27% of Walmart+ members shopping on Walmart+ Weekend did the same.

Figure 3: Products purchased during Walmart+ Weekend 2022 and Prime Day 2021

Share of consumers who bought goods from select categories on Walmart+ Weekend 2022 and Prime Day 2021



Walmart+ N = 668: Walmart+ subscribers who participated in Walmart+ Weekend 2022
Amazon Prime: N = 730: Amazon Prime subscribers who participated in Amazon Prime Day 2021

Source: PYMNTS.com

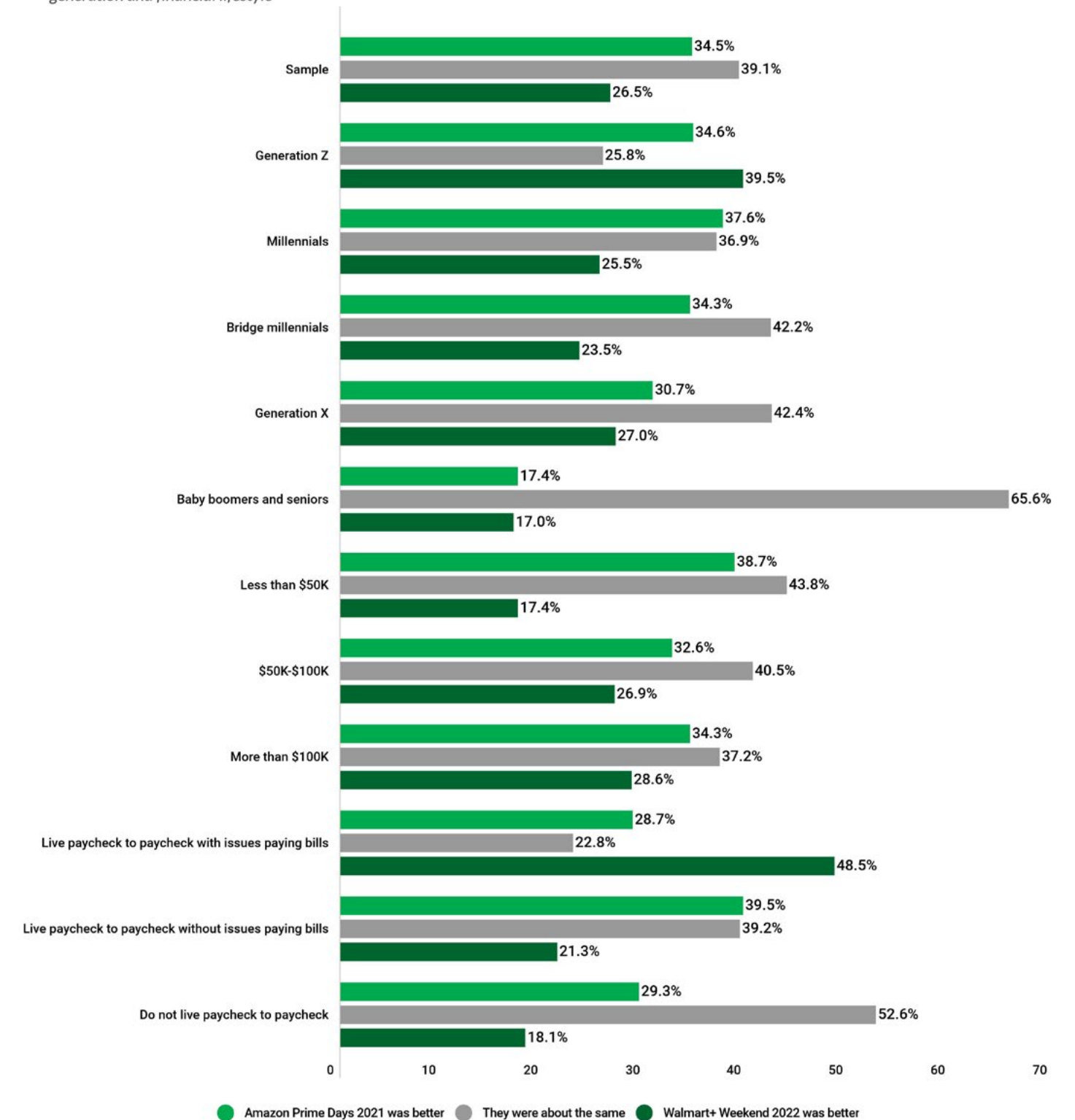
Walmart+ Weekend wins with cash-strapped consumers.

PYMNTS' research found that among respondents subscribed to both Amazon Prime and Walmart+, those who are the most cash-strapped preferred Walmart+ Weekend 2022 over Prime Day 2021. Just under half of subscribers living paycheck to paycheck who also face challenges paying bills stated that Walmart+ Weekend 2022 offered better deals, versus just 29% for Prime Day 2021.

The inverse plays out among those who live paycheck to paycheck without issues paying their bills, with 40% pointing to Prime Day as offering better deals versus just 21% for Walmart+ Weekend. Respondents who do not live paycheck to paycheck also preferred Prime Day over Walmart+ Weekend by a significant margin. Our study also found that subscribers across all income brackets tended to favor Prime Day, but the gap was smallest for those earning more than \$100,000.

Figure 4: Walmart+ Weekend or Prime Day: Which sales event had the better deals

Share of consumers who identified either Walmart+ Weekend 2022 or Amazon Prime Day 2021 as having better deals, by income, generation and financial lifestyle



N = 398; Respondents subscribed to both Walmart+ and Amazon Prime who participated in both Amazon Prime Day 2021 and Walmart+ Weekend 2022

Source: PYMNTS.com

Walmart+ Weekend loses with millennials and older consumers.

PYMNTS' data shows that Walmart+ and Prime have broadly similar subscriber bases in terms of age group and income distribution, although Walmart+ evidences a somewhat more cash-strapped clientele. Walmart+ attracts slightly higher shares of millennials and consumers with lower income levels, and a lower share of consumers who say they do not live paycheck to paycheck, compared to Prime. It is important to mention where the subscriber bases overlap: 85% of Walmart+ members are Prime members as well. And even considering that Prime's member count is much larger, 34% of subscribers also have a Walmart+ account.

Despite similar membership base demographics, we observed larger differences when it came to the programs' respective flagship events. Among respondents who participated in both Walmart+ Weekend 2022 and Prime Day 2021, shoppers across all age groups agreed that Prime Day had better deals than Walmart+ Weekend, with the exception of Generation Z. Forty percent of these younger consumers preferred Walmart+ Weekend, versus 35% who declared that Prime Day was better. At the other end of the spectrum, baby boomers and seniors were largely ambivalent but leaned slightly toward Prime.

Prime Day won with the critical groups in middle, taking an especially large lead with millennials: 38% of this cohort said Prime Day had better deals, versus 26% for Walmart+ Weekend. Bridge millennials and, to a lesser extent, Generation X consumers also favored Prime Day.

CONCLUSION

Inflation and recessionary headwinds are pushing consumers to budget more carefully and find the greatest bang for their buck, and this adds to the appeal of Walmart+ and Prime. Members of these programs focus on squeezing the value out of different spend categories, however, and our data shows that the key competitive advantage for Walmart+ over Prime is groceries. This extends to Walmart+ Weekend 2022, which saw consumers focus largely on everyday household items, especially grocery products. More than anything else, Walmart+ members appear to view Walmart primarily as a grocery store, while Prime subscribers join to get free shipping on a wider range of purchases and enjoy Prime Video streaming.

METHODOLOGY

Walmart+ Weekend: Prime Day Rival Or Trip To The Grocery Store explores the state of play for Walmart+ and Amazon Prime and their flagship sales events. We surveyed 2,894 consumers between June 8 and June 24. This includes 1,047 Walmart+ subscribers and 2,055 Amazon Prime subscribers; 668 respondents participated in the recent Walmart+ Weekend and 730 participated in Amazon Prime Day in 2021.

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