The Retailing Study Project Report: A Series of Research Studies from the Walton College of Business

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The Retailing Study Project Report

The February 2018 edition of The Retailing Study Project, a series of studies on consumer shopping perceptions and behavior, includes four study topics:

1. Shopper Perceptions of Amazon, Walmart and Target

2. What Do Millennials Want?

3. Will Physical Stores Go Away?

4. Walmart Shopper Profiles – In-store, Online and Store Pickup

*Note: The brand identities shown in the reports are brand names and trademarks of Amazon, Walmart and Target respectively. These companies are the sole owners of these brand names & marks, which are shown here for academic clarity.*
Perceptions of Amazon, Walmart and Target
Why This Study?

US RETAILING

16% GDP
$2.59 T

Rank: 1
$482 B
Rank: 10
$14 B $107 B
Rank: 11
$74 B $79 B $3 B

Source: Deloitte Global Powers of Retailing 2017

Darker color - Total Revenue, 2015
Lighter color - Ecommerce, 2015
Background – Disruption in the Industry

- Amazon’s market value dominates considerably
- Walmart has increased in value but is less than half the value of Amazon
- Many retailers have lost considerable value in last decade

Over $300B in M&A in the last 30 months in CPG & Retail
Why This Study?

- Ecommerce on the climb
- Amazon continues to grow
- Walmart giving a good fight. Others trying various things

Research question 1: What perceptions do shoppers have toward three key retailers: Amazon, Target, and Walmart?
Research Design and Methodology

- A cross-sectional, snap-shot in time, study was employed.

- A quantitative, online survey was posted to the internet during the month of December 2017.

- The research administrators recruited a random population of respondents from its sample panel of US consumers.

The sample developed can be used to make inferences about the universe of US shoppers.
Study Sample

Total Sample: 547 individuals

Female 65%
Male 35%

Average Age 41 years

Shopping Profile
% Shopping Each Retailer

- Amazon: 89%
- Walmart: 93%
- Target: 70%

- Amazon
- Walmart
- Target
Findings – Top of Mind Perceptions – Amazon

Respondents were asked: What are the first words that come to mind when you hear Amazon?

Best
Innovative
Low Prices
Great
Fast Shipping
Selection
Cool
Awesome
Fun
Prime
Good
Easy
Free shipping
Everything
Fast
Variety
Convenient
Online
Quality
Good Prices
Findings – Top of Mind Perceptions – Walmart

Respondents were asked: What are the first words that comes to mind when you hear Walmart?

- Fun
- Huge
- Nice
- Dirty
- Crowded
- Poor Service
- Cool
- Love
- Prices
- Low Quality
- Great
- Value
- Inexpensive
- Big
- Shopping
- Groceries
- Great Prices
- One-stop-shop
- Affordable
- Convenient
- Good
- Everything
- Good prices
- Variety
- Low-prices
- Cheap
Findings – Top of Mind Perceptions – Target

Respondents were asked: What are the first words that come to mind when you hear Target?

Unique  Trendy  Awesome  Favorite  Good Service  Dog
Shopping  Clean  Affordable  Everything  Cool
Bulls-eye  Convenient  Clothes  Inconvenient
Low-prices  Cheap  Good prices  Great
Nice  Variety  Red  Fun
Good  Quality  Expensive
Findings – Top of Mind Perceptions – Recap

- This recap is based on an analysis of verbatim comments.

**Amazon**
- Online
- Variety
- Convenient
- Everything
- Good Prices
- Prime
- Fast
- Free-shipping
- Easy
- Good

**Walmart**
- Cheap
- Low-prices
- Variety
- Good prices
- Good
- Affordable
- Everything
- Convenient
- One-stop-shop
- Great-Prices

**Target**
- Expensive
- Quality
- Good
- Fun
- Red
- Variety
- Nice
- Great
- Good-prices
- Cheap
Insights on the Retailers

1. Price is the attribute most often associated with Walmart
   - 5 out of 10 top 10 recall words deal with Price

2. 5 out of 10 words overlap with Amazon and Walmart
   - Variety, Good prices, Good, Convenient, Everything
   - Walmart should focus on being “fast” and “easy” to catch-up with Amazon

3. Most recalled word for Target is Expensive, followed by Quality
   - Target should focus on being more competitive on price
   - Could create a separate quality focused position also and let Amazon and Walmart take the price shoppers
Respondents were asked to rate the importance of a variety of factors for general merchandise, using a scale of 1 to 5, where one is not at all important and 5 is very important. The top five most important factors include the following:

1. Safety and Security of Data
2. Competitive Prices
3. Honesty and Trustworthiness
4. Wide Range of Product Choices
5. Offers Brands I want

Note: These are Top 5 out of 20 factors
Respondents were asked to evaluate the three retailers on the factors of importance for general merchandise using a scale of 1 to 5, where one is poor and 5 is excellent.

While these average scores are very close, Amazon scores highest in all the top categories of importance.
Respondents were asked to rate the importance of a variety of factors for groceries, using a scale of 1 to 5, where one is not at all important and 5 is very important. The top five most important factors include the following:

1. Freshness of Produce
2. Quality of Meat & Poultry
3. Cleanliness of Store
4. Convenient Locations
5. Quality of Local Produce

Note: These are Top 5 out of 10 factors
Findings – Important Features for Groceries

Respondents were asked to evaluate the three retailers on the factors of importance on groceries using a scale of 1 to 5, where one is poor and 5 is excellent.

<table>
<thead>
<tr>
<th></th>
<th>Freshness of produce</th>
<th>Quality of meat &amp; poultry</th>
<th>Cleanliness of store</th>
<th>Convenient locations</th>
<th>Quality of local produce</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walmart</td>
<td>3.8</td>
<td>3.8</td>
<td>3.9</td>
<td>4.1</td>
<td>3.8</td>
</tr>
<tr>
<td>Target</td>
<td>3.6</td>
<td>3.6</td>
<td>3.6</td>
<td>3.8</td>
<td>3.5</td>
</tr>
</tbody>
</table>

For grocery, Walmart scores highest for convenient locations. Target scores highest for cleanliness of store.
Amazon scores high on attributes that are important for shoppers

- Highest score for Availability of Wide range of Products

- With Whole Foods acquisition, offering convenient locations and pick-up also
Findings – Importance vs. Performance - Walmart - General Merchandise

- Walmart scores high on many attributes that are important for shoppers.
- Highest score for Convenient Locations.
- Only scores above 4 for 3 attributes.
Findings – Importance vs. Performance - Target - General Merchandise

- No score above 4. Needs to improve on many dimensions
- Target has high scores on only few attributes that are important for shoppers
- Low scores on Competitive Prices and Keeping data safe & secure
Findings – Importance vs. Performance - Walmart - Grocery

- Highest score for Convenient Locations
- Needs to improve on Freshness of Produce, Quality of Meat & Produce
- Doing much better in Grocery
Findings – Importance vs. Performance - Target - Grocery

- Target scores high on cleanliness of stores
- Needs to improve on everything else
Summary – Perceptions of Amazon, Walmart and Target

- Consumer Perceptions:
  - **Amazon**: Online, Convenient, Variety. Amazon and Walmart overlap in many ways.
  - **Walmart**: Cheap, Variety, Low-prices. 5 out of 10 top recall words deal with price. Walmart needs to focus on speed and ease of doing business to capture market share.
  - **Target**: Expensive, Good, Quality. Target is not perceived as competitive on price.

- Most Important Features – General Merchandise:
  Consumers want safety & security of their data, competitive prices, honesty & trustworthiness, a wide range of product choices and brands they want. Social and environmental consciousness are not very important.

- Retailer Scores on Features of Importance – General Merchandise:
  While the average scores for the retailers are very close, Amazon scores highest in all the top categories of importance. Amazon scores highest in wide range of choices and easy to use website. Walmart scores well in convenient locations and offers both store and online shopping.
Most Important Features – Grocery:
Consumers want freshness of produce, quality of meat & poultry, cleanliness of store, convenient locations and quality of local produce. Fresh produce and clean stores are the most important. Organic items are not as important.

Retailer Scores on Features of Importance – Grocery:
While the average scores for the retailers are very close, Walmart has an edge in groceries except in the area of cleanliness of the store. Amazon was not evaluated in this category, although the intent to open more Amazon-branded locations may change this in future studies.
What do Millennials Want?

Research question 2: What do Millennial Shoppers want and what are their perceptions towards three key retailers: Amazon, Target, and Walmart?
Study Sample

Total Sample: 547 individuals

Female 65%
Male 35%

Millennials (18-34): 45%
70% Females

Non Millennials 61% Females

Average Age 41 years

Shopping Profile
% Shopping Each Retailer

<table>
<thead>
<tr>
<th>Retailer</th>
<th>% Shopping (Millennials)</th>
<th>% Shopping (Non-Millennials)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amazon</td>
<td>89%</td>
<td>88%</td>
</tr>
<tr>
<td>Walmart</td>
<td>93%</td>
<td>95%</td>
</tr>
<tr>
<td>Target</td>
<td>70%</td>
<td>62%</td>
</tr>
</tbody>
</table>

Average Age 41 years
Respondents were asked: If prices were cheaper at another store or site, for what discount would you be willing to switch to that other store or site.

43% will switch if prices are 10% or less than competition. Positioning based on price could be a double-edged sword.
Findings – Switching for Lower Prices (Millennials Vs Non Millennials)

Respondents were asked: If prices were cheaper at another store or site, for what discount would you be willing to switch to that other store or site.

41% Millennials will switch if prices are 10% or less than competition compared to 44% for Non-Millennials.
Findings – Willingness to Pay More for Better Quality

Respondents were asked: If you could get better quality for similar products, how much more would you be willing to pay for this better quality?

❖ Full Sample

Split between paying more for better quality. 48% will pay 5% or less while 52% will pay 10% or more prices for better quality.
Findings – Willingness to Pay for Quality (Millennials vs. Non-millennials)

Respondents were asked: If you could get better quality for similar products, how much more would you be willing to pay for this better quality?

- 54% of Non-Millennials Vs 41% of Millennials will pay 5% or less for better quality.
- 41% of Non-Millennials vs 59% of Millennials will pay 10% or more prices for better quality.
- Opportunity exists in the market to position based on quality.

Darker shades: Millennials
Respondents were asked: What are the first words that comes to mind when you hear Amazon?

- **Non-Millennials**
  - Online
  - Variety
  - Everything
  - Convenient
  - Good-Prices
  - Selection
  - Prime
  - Easy
  - Fast
  - Free-shipping

- **Millennials**
  - Online
  - Convenient
  - Variety
  - Fast
  - Everything
  - Prime
  - Good
  - Free-shipping
  - Awesome
  - Good prices

In addition to “Online” and “Variety, Millennials think of Amazon as “Convenient” and “Fast.” “Good Prices” are not as top-of-mind.
Findings – Top of Mind Perceptions – Walmart

Respondents were asked: What are the first words that come to mind when you hear Walmart?

❖ Non-Millennials
- Cheap
- Low prices
- Variety
- Good prices
- Everything
- Affordable
- Convenient
- One stop shop
- Value
- Inexpensive

❖ Millennials
- Cheap
- Good
- Low prices
- Variety
- Good prices
- Affordable
- Convenient
- Everything
- Groceries
- Cool

In addition to “Cheap, Good & Low Prices,” Millennials connect Walmart to “Groceries” and added “Cool” to their mix of thoughts.
**Findings – Top of Mind Perceptions – Target**

Respondents were asked: What are the first words that comes to mind when you hear Target?

<table>
<thead>
<tr>
<th>Non-Millenials</th>
<th>Millennials</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality</td>
<td>Expensive</td>
</tr>
<tr>
<td>Expensive</td>
<td>Good</td>
</tr>
<tr>
<td>Variety</td>
<td>Fun</td>
</tr>
<tr>
<td>Fun</td>
<td>Quality</td>
</tr>
<tr>
<td>Good</td>
<td>Red</td>
</tr>
<tr>
<td>Red</td>
<td>Variety</td>
</tr>
<tr>
<td>Inconvenient</td>
<td>Good prices</td>
</tr>
<tr>
<td>Low prices</td>
<td>Bulls-eye</td>
</tr>
<tr>
<td>Great</td>
<td>Clothes</td>
</tr>
<tr>
<td>Nice</td>
<td>Nice</td>
</tr>
</tbody>
</table>

General perception is “Expensive” and “Quality” for Target for both groups. Millennials consider Target as a “Clothes” destination.
Respondents were asked to rate the importance of a variety of factors for general merchandise, using a scale of 1 to 5, where one is not at all important and 5 is very important. The top five most important factors include the following:

1. Safety and Security of Data
2. Competitive Prices
3. Honesty and Trustworthiness
4. Wide Range of Product Choices
5. Offers Brands I want

These are Top 5 out of 20 factors
Findings – Comparison of Scores on Features for General Merchandise

Respondents were asked to evaluate the three retailers on the factors of importance for general merchandise using a scale of 1 to 5, where one is poor and 5 is excellent.

While these average scores are very close, Amazon scores highest in all the top categories of importance.
For general merchandise, Amazon scores highest in most important attributes. Walmart has lowest score in Honesty & Trust. Target needs to improve much.
Findings – Amazon (Millennials Vs Non Millennials) General Merchandise

- Small differences between Millennials and Non-Millennials for Amazon on most choices.
- Non-Millennials rate marginally higher on Competitive prices, Range of choices and Offers brands I want.
- Both groups rate it highly on Keeping data safe and secure.”
Findings – Walmart (Millennials Vs Non Millennials) General Merchandise

- Millennials rate Walmart better on most choices except Competitive prices.
- Both groups rate Walmart highly on Competitive Prices but lower than Amazon.
- Small differences between Millennials and Non-Millennials for Walmart on most choices.

<table>
<thead>
<tr>
<th>Feature</th>
<th>Millennials</th>
<th>Non-Millennials</th>
</tr>
</thead>
<tbody>
<tr>
<td>Keeps my data safe &amp; secure</td>
<td>3.80</td>
<td>3.94</td>
</tr>
<tr>
<td>Competitive prices</td>
<td>4.17</td>
<td>4.09</td>
</tr>
<tr>
<td>Honesty and trustworthiness</td>
<td>3.70</td>
<td>3.81</td>
</tr>
<tr>
<td>Wide range of product choices</td>
<td>4.06</td>
<td>4.14</td>
</tr>
<tr>
<td>Offers brands I want</td>
<td>3.94</td>
<td>3.97</td>
</tr>
</tbody>
</table>

Keeps my data safe & secure
Competitive prices
Honesty and trustworthiness
Wide range of product choices
Offers brands I want
▪ Millennials rate Target higher on all choices. Gap between two groups is more pronounced than other retailers.

▪ Target rates poorly on Competitive prices.

▪ Falling behind for Non-Millennials.
Five Most Important Features for Grocery

Respondents were asked to rate the importance of a variety of factors for groceries, using a scale of 1 to 5, where one is not at all important and 5 is very important. The top five most important factors include the following:

1. Freshness of Produce
2. Quality of Meat & Poultry
3. Cleanliness of Store
4. Convenient Locations
5. Quality of Local Produce

These are Top 5 out of 10 factors.
Respondents were asked to evaluate the three retailers on the factors of importance on groceries using a scale of 1 to 5, where one is poor and 5 is excellent.

For grocery, Walmart scores highest for convenient locations. Target scores highest for cleanliness of store.
For Millennials, Walmart also has an edge in Groceries except in the area of Cleanliness of the store.
Findings – Walmart (Millennials Vs Non Millennials) for Grocery

Millennials gave higher scores than the Non-Millennials in most categories. Non-Millennials think stores are a bit more convenient.
Findings – Target (Millennials Vs Non Millennials) for Grocery

Target fares much better with Millennials. The gap is much more pronounced between the two groups.
Summary – What Do Millennials Want?

- **Willingness to Switch to Other Stores for Price:**
  41% of Millennials and 44% of Non-Millennials will switch if prices are 10% or less than competition. Positioning based on price would be a double-edged sword.

- **Willingness to Switch to Other Stores for Quality:**
  56% of Non-Millennials Vs 41% of Millennials will pay 5% or less for better quality. 46% of Non-Millennials vs 59% of Millennials will pay 10% or more prices for better quality. Opportunity exists in the market to position based on quality.

- **Millennial Consumer Perceptions:**
  - **Amazon:** In addition to “Online” and “Variety,” Millennials think of Amazon as “Convenient” and “Fast.” “Good Prices” are not as top-of-mind for Millennials.
  - **Walmart:** In addition to “Cheap”, “Good” & “Low Prices”, Millennials connect Walmart to groceries and add “Cool” to their mix of thoughts.
  - **Target:** The general perception is “Expensive” and “Quality” for Target for both Millennials and Non-Millennials. Millennials consider Target as a “Clothes” destination.
### Evaluation of the Retailers – General Merchandise:
For general merchandise for both Non-Millennials and Millennials, Amazon scores highest in a wide range of choices and easy to use website. Walmart scores well in convenient locations and offers both store and online shopping.

- **Amazon:** Small differences between Millennials and Non-Millennials on most factors. Non-Millennials rate the retailer marginally higher on Competitive prices, Range of choices and Offers brands I want. Both groups rate Amazon highly on Keeping data safe and secure.

- **Walmart:** Millennials rate Walmart better on most choices except Competitive prices. Both Millennials and Non-Millennials rate Walmart highly on Convenient locations and Offering both store and online shopping. Speed of checkout is not scored highly by Non-Millennials.

- **Target:** Millennials rate Target higher on all choices. The gap between Millennials and Non-Millennials is more pronounced than at other retailers. Target rates poorly on Competitive prices and is failing behind for Non-Millennials.

### Evaluation of the Retailers – Grocery:
Overall, Walmart has an edge in Groceries except in the area of Cleanliness of the store.

- **Walmart:** Millennials gave higher scores than the Non-Millennials in most categories. Non-Millennials think stores are a bit more convenient.

- **Target:** Target fares much better with Millennials. The gap is much more pronounced between the two groups.
Research question 3: Will physical stores go away?
Online vs In-store Decisions

Respondents were asked: If everything you needed to buy was available at an online site, will you still shop at a store?

For Millennials, 74% want to shop in stores, 78% for Non-millennials. Stores are not going anywhere. Shoppers want to shop!!
Findings – Online vs In-store Decisions

Reasons for shopping in stores.

- Need it now
- Touch & Feel Products
- Shopping Experience/Fun
- Avoid Shipping Fees
- Try things on (clothes/shoes)
- Support Community
- Not best deals online
Findings – Online vs In-store Decisions

Reasons for shopping Online.

- Convenient
- Do not like large crowds
- Waste of Gas
- Bulky items
- Live far from stores
Findings – In-store vs Online Decisions

Respondents were asked: If everything you needed to buy was available at an online site, will you still shop at a store?
Respondents were asked: If everything you needed to buy was available at an online site, will you still shop at a store?

<table>
<thead>
<tr>
<th></th>
<th>In-Store shoppers</th>
<th>Online shoppers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>41</td>
<td>40</td>
</tr>
<tr>
<td>Female</td>
<td>67%</td>
<td>57%</td>
</tr>
<tr>
<td>Children under 5 at home</td>
<td>21%</td>
<td>19%</td>
</tr>
<tr>
<td>Children 5-17 at home</td>
<td>36%</td>
<td>29%</td>
</tr>
<tr>
<td>Children 18+ at home</td>
<td>11%</td>
<td>10%</td>
</tr>
<tr>
<td>Household Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than $50K</td>
<td>54%</td>
<td>42%</td>
</tr>
<tr>
<td>$50 - $100K</td>
<td>32%</td>
<td>37%</td>
</tr>
<tr>
<td>$100K or more</td>
<td>18%</td>
<td>18%</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>High school</td>
<td>22%</td>
<td>25%</td>
</tr>
<tr>
<td>Some College/College</td>
<td>61%</td>
<td>53%</td>
</tr>
</tbody>
</table>

Females, households with children, college educated have greater preference for in-store shopping.
Online vs In-store Decisions

Of the people who said they would like to still shop in stores despite everything available online, they are frequent shoppers of these:

<table>
<thead>
<tr>
<th>Store Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amazon</td>
<td>53.72%</td>
</tr>
<tr>
<td>Walmart - in store</td>
<td>71.70%</td>
</tr>
<tr>
<td>Walmart - online with home delivery</td>
<td>23.50%</td>
</tr>
<tr>
<td>Walmart - online with store pickup</td>
<td>23.98%</td>
</tr>
<tr>
<td>Target - in store</td>
<td>40.77%</td>
</tr>
<tr>
<td>Target - online with home delivery</td>
<td>19.18%</td>
</tr>
<tr>
<td>Target - online with store pickup</td>
<td>17.27%</td>
</tr>
</tbody>
</table>

Approximately 54% of shoppers who shop at Amazon will be interested in shopping at a store!
For Millennials, 74% want to shop in stores, 78% for Non-millennials. Stores are not going anywhere. Shoppers want to shop!!

Approximately 54% of shoppers who shop at Amazon will be interested in shopping at a store!

Females, households with children, college educated have greater preference for in-store shopping

Reasons for shopping in stores
- Need it now; Touch & Feel Products; Shopping Experience; Avoid Shipping Fees; Try things on (clothes/shoes); Support Community; Not best deals online

Reasons for shopping Online
- Convenient; Do not like large crowds; Waste of Gas; Bulky items; Live far from stores
Research question 4: What are the characteristics of Walmart Shoppers – In-Store, Online & Store Pickup Buyers? How do they compare to Amazon and Target Shoppers?
Walmart shoppers visit more frequently than Target shoppers. Many shoppers do not want to visit Target!!
Shoppers of Amazon, Walmart and Target – Online Shoppers w/ Home Delivery

Amazon shoppers are buying there more often than at Walmart and Target. Large number of shoppers do not want to even try Target’s online shopping!!
Walmart gets a good percentage of shoppers to visit the store frequently. Many of them are open to trying the online site in future.
How Do Walmart Shopper Profiles Differ?

<table>
<thead>
<tr>
<th>Walmart (in store)</th>
<th>Walmart (online with home delivery)</th>
<th>Walmart (online with store pick up)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shop several times a week</td>
<td>Shop several times a month</td>
<td>Shop several times a week</td>
</tr>
<tr>
<td>Sample</td>
<td>135</td>
<td>195</td>
</tr>
<tr>
<td>Average Age</td>
<td>39</td>
<td>42</td>
</tr>
<tr>
<td>Females</td>
<td>70 %</td>
<td>65 %</td>
</tr>
<tr>
<td>Children under 5 at home</td>
<td>32 %</td>
<td>21 %</td>
</tr>
<tr>
<td>Children 5 -17 at home</td>
<td>39 %</td>
<td>33 %</td>
</tr>
<tr>
<td>Employed (job outside home)</td>
<td>54 %</td>
<td>51 %</td>
</tr>
<tr>
<td>Some College/College Degree</td>
<td>54 %</td>
<td>58 %</td>
</tr>
<tr>
<td>Household Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than $25K</td>
<td>13 %</td>
<td>17 %</td>
</tr>
<tr>
<td>$25K - $49K</td>
<td>34 %</td>
<td>29 %</td>
</tr>
<tr>
<td>$50K - $99K</td>
<td>36 %</td>
<td>31 %</td>
</tr>
<tr>
<td>$100K - $125K</td>
<td>7 %</td>
<td>8 %</td>
</tr>
<tr>
<td>$200K &gt;</td>
<td>4 %</td>
<td>3 %</td>
</tr>
</tbody>
</table>

Online shopper is younger, has more young kids, more males & has greater income than in-store shoppers.
How do Amazon shopper profiles differ?

<table>
<thead>
<tr>
<th></th>
<th>Shop several times a week</th>
<th>Shop several times a month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sample</td>
<td>85</td>
<td>175</td>
</tr>
<tr>
<td>Average Age</td>
<td>38 yrs</td>
<td>40 yrs</td>
</tr>
<tr>
<td>Females</td>
<td>62 %</td>
<td>64 %</td>
</tr>
<tr>
<td>Children under 5 at home</td>
<td>27 %</td>
<td>25 %</td>
</tr>
<tr>
<td>Children 5-17 at home</td>
<td>41 %</td>
<td>39 %</td>
</tr>
<tr>
<td>Employed (job outside home)</td>
<td>61 %</td>
<td>55 %</td>
</tr>
<tr>
<td>Some College/College Degree</td>
<td>61 %</td>
<td>58 %</td>
</tr>
</tbody>
</table>

**Household Income**

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Amazon</th>
<th>Walmart.com</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $25K</td>
<td>6 %</td>
<td>13 %</td>
</tr>
<tr>
<td>$25K - $49K</td>
<td>18 %</td>
<td>27 %</td>
</tr>
<tr>
<td>$50K - $99K</td>
<td>44 %</td>
<td>39 %</td>
</tr>
<tr>
<td>$100K - $125K</td>
<td>16 %</td>
<td>6 %</td>
</tr>
<tr>
<td>$200K+</td>
<td>5 %</td>
<td>2 %</td>
</tr>
</tbody>
</table>

- Amazon has lowest percentage of shoppers in income range $25-$49K
- Amazon has greatest percentage of shoppers in income range $50-$125K
- Walmart.com is pulling Amazon shoppers towards it
### Difference in Shopper Profiles - Target

<table>
<thead>
<tr>
<th></th>
<th>Shop several times a week</th>
<th>Shop several times a month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sample</td>
<td>42</td>
<td>137</td>
</tr>
<tr>
<td>Average Age</td>
<td><strong>35</strong></td>
<td><strong>39</strong></td>
</tr>
<tr>
<td>Females</td>
<td>57 %</td>
<td>61 %</td>
</tr>
<tr>
<td>Children under 5 at home</td>
<td>29 %</td>
<td>24 %</td>
</tr>
<tr>
<td>Children 5-17 at home</td>
<td>50 %</td>
<td>29 %</td>
</tr>
<tr>
<td>Employed (job outside home)</td>
<td>83 %</td>
<td>67 %</td>
</tr>
<tr>
<td>Some College/College Degree</td>
<td>74 %</td>
<td>63 %</td>
</tr>
</tbody>
</table>

### Household Income

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Target's in-store shoppers are the youngest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $25K</td>
<td>Shopper with kids at home, employed in a out of home job and with a college degree is more likely to visit Target</td>
</tr>
<tr>
<td>$25K - $49K</td>
<td>Also draws the high income shopper the most of all three retailers</td>
</tr>
<tr>
<td>$50K - $99K</td>
<td></td>
</tr>
<tr>
<td>$100K - $125K</td>
<td></td>
</tr>
<tr>
<td>$200K +</td>
<td></td>
</tr>
</tbody>
</table>
# How Do Walmart Shoppers Compare with Amazon Shoppers?

<table>
<thead>
<tr>
<th></th>
<th>Walmart (in store)</th>
<th>Walmart (online with home delivery)</th>
<th>Walmart (online with store pick up)</th>
<th>Amazon</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Shop several times a week</td>
<td>Shop several times a week</td>
<td>Shop several times a week</td>
<td>Shop several times a week</td>
</tr>
<tr>
<td>Sample</td>
<td>135</td>
<td>195</td>
<td>52</td>
<td>53</td>
</tr>
<tr>
<td>Average Age</td>
<td>39</td>
<td>42</td>
<td>32</td>
<td>40</td>
</tr>
<tr>
<td>Females</td>
<td>70 %</td>
<td>65 %</td>
<td>56 %</td>
<td>68 %</td>
</tr>
<tr>
<td>Children under 5 at home</td>
<td>32 %</td>
<td>21 %</td>
<td>37 %</td>
<td>19 %</td>
</tr>
<tr>
<td>Children 5 -17 at home</td>
<td>39 %</td>
<td>33 %</td>
<td>46 %</td>
<td>47 %</td>
</tr>
<tr>
<td>Employed (job outside home)</td>
<td>54 %</td>
<td>51 %</td>
<td>69 %</td>
<td>57 %</td>
</tr>
<tr>
<td>Some College/College Degree</td>
<td>54 %</td>
<td>58 %</td>
<td>65 %</td>
<td>56 %</td>
</tr>
<tr>
<td><strong>Household Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than $25K</td>
<td>13 %</td>
<td>17 %</td>
<td>10 %</td>
<td>15 %</td>
</tr>
<tr>
<td>$25K - $49K</td>
<td>34 %</td>
<td>29 %</td>
<td>25 %</td>
<td>38 %</td>
</tr>
<tr>
<td>$50K - $99K</td>
<td>36 %</td>
<td>31 %</td>
<td>33 %</td>
<td>13 %</td>
</tr>
<tr>
<td>$100K - $125K</td>
<td>7 %</td>
<td>8 %</td>
<td>10 %</td>
<td>8 %</td>
</tr>
<tr>
<td>$200K &gt;</td>
<td>4 %</td>
<td>3 %</td>
<td>6 %</td>
<td>2 %</td>
</tr>
</tbody>
</table>
Shopper Profile Insights

Visit Frequency:
Walmart shoppers visit the stores more frequently than Target shoppers. 13% do not want to visit Target. Amazon shoppers are buying there more often than at Walmart and Target. Large number of shoppers do not want to even try Target’s online shopping. Walmart gets a good percentage of shoppers to visit the store frequently. Many of them are open to trying the online site in the future.

Demographic Insights for Shoppers Who Shop Several Times a Week or Month:

- **Amazon** shopper is younger; Shoppers who use **Walmart** for home delivery or store pickup are even younger.
- **Walmart** online shoppers have small kids at home.
- Greater proportion of **Target** shoppers are employed with a job working outside of home.
- **Amazon**
  - lowest % of shoppers in income range $25-$49K.
  - greatest % of shoppers in income range $50-$125K.
Demographic Insights for Shoppers Who Shop Several Times a Week or Month:

- Shoppers with more than $200K income are either shopping more at Target in-store or using Walmart online & pickup service.
- Larger number of shoppers of Target in-store and Walmart’s online shoppers have some college or college degrees.
- Walmart.com is getting a different (Amazon) shopper than its in-store shopper.
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*Note: The brand identities shown in this report brand names and trademarks of Amazon, Walmart and Target respectively. These companies are the sole owners of these brand names and marks, which are shown here for academic clarity.