

• THE NEW FRONTIER •

**InfoScout**

# Amazon Echo

Convenience and its Impact on Amazon Purchase Behavior

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# Amazon Echo: Background

A voice-controlled intelligent personal assistant developed by Amazon.com

- Introduced Summer 2015
- Capable of voice interaction, audio playback, setting alarms, making lists, and providing real-time information
- Echo's core differentiator is the user's Amazon account, and the ability to shop by voice.

## THE BIG QUESTION

**Does the Echo's convenience and ease-of-use change users' purchase behavior on Amazon?**



# Who is the Amazon Echo Buyer?

- 9% of U.S. households have purchased an Amazon Echo since June 2015
- Older than typical Amazon households, they also skew Male, High Income, and Caucasian



## AGE

**Boomers**

HHs: 44%, Index: 114



## INCOME

**>\$80k**

HHs: 49%, Index: 147



## ETHNICITY

**Caucasian**

HHs: 74%, Index: 107



## GENDER

**Male**

HHs: 22%, Index: 119



## MARITAL STATUS

**Married**

HHs: 67%, Index: 118



## HOUSEHOLD SIZE

**2 People**

HHs: 41%, Index: 120



## CHILDREN UNDER 17

**No Children**

HHs: 65%, Index: 101



## EDUCATION

**4 Year Degree+**

HHs: 48%, Index: 117



## URBANICITY

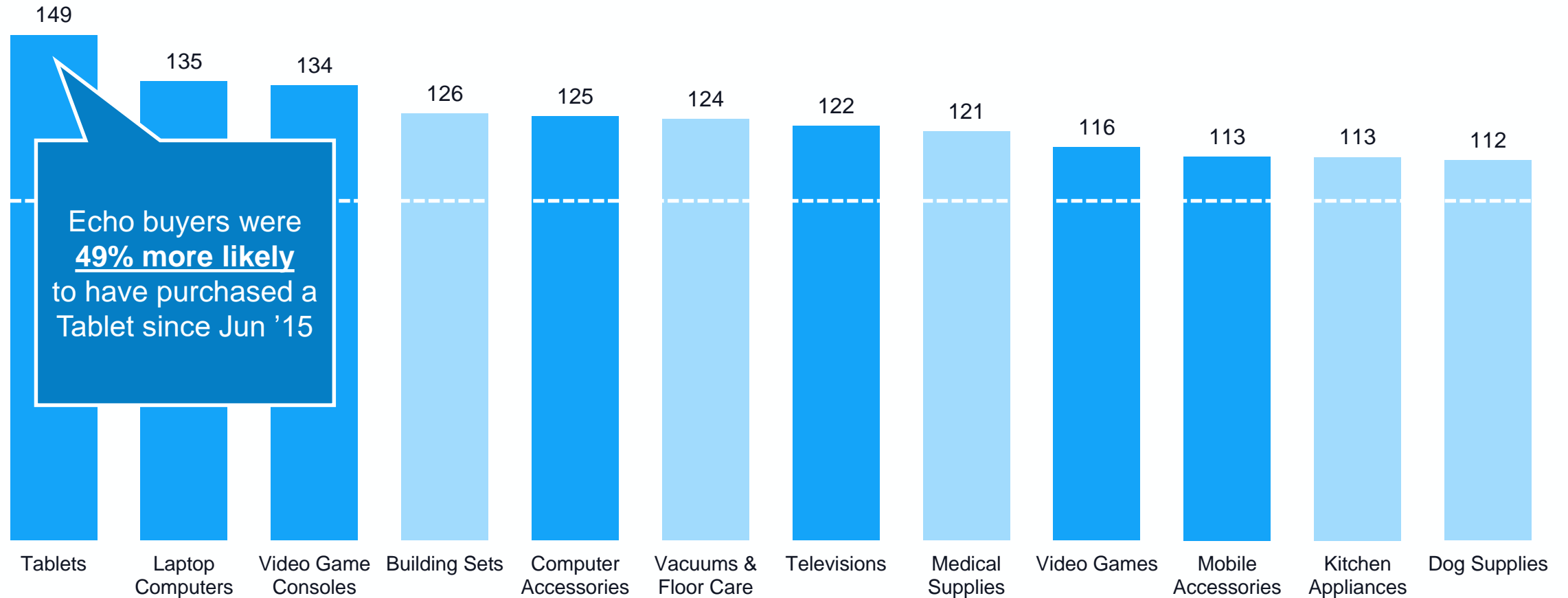
**Suburban**

HHs: 44%, Index: 109

# Echo Buyers Are also Tech Enthusiasts

## Household Affinity: Echo Buyer Index to Total Amazon Shopper HHs

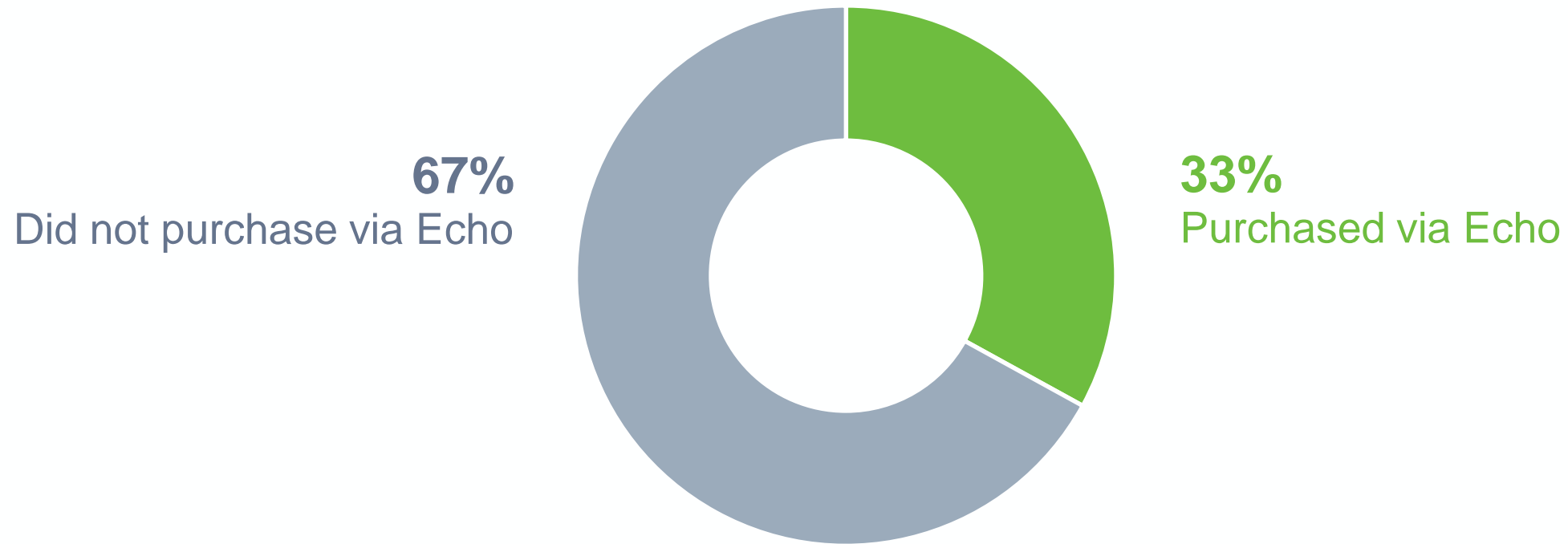
Which products were Echo buyers more likely to purchase overall compared to other Amazon shoppers?



# Only 1/3 Claim They Have Personally Shopped via Echo

## % Purchased Through Amazon Echo

Amazon Echo Buyers + Owners



# But... Echo is Likely Being Shared Among the Household

- There is a high propensity to purchase Amazon Echo as a gift...
- But also to use at home by the purchaser and their family members



**1 in 4 purchases**  
were made as a gift



**88% of purchases**  
were made with the intent to  
use in the purchaser's home



**90% of purchases**  
were made for usage among the  
purchaser and family members





## Echo-Buyer

Purchased an Amazon Echo  
as a holiday gift for the...

## Echo-User

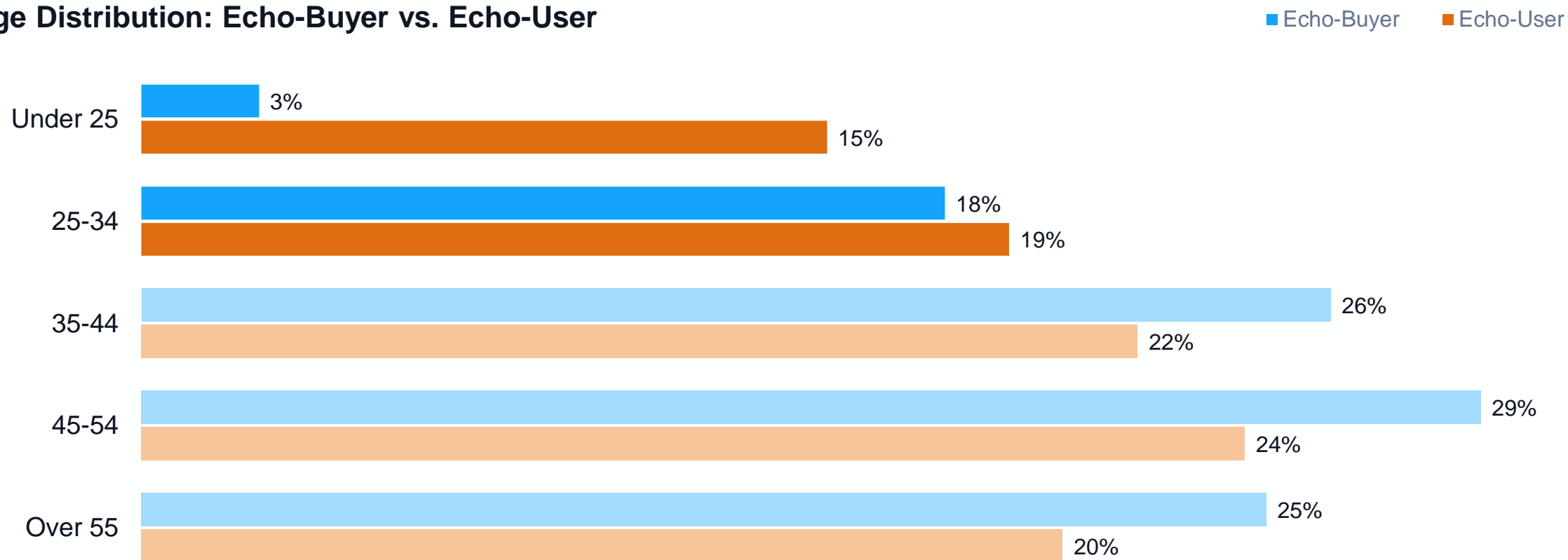
... who makes purchases via  
the voice-control device



# Primary Echo-User Often Younger Than Echo-Buyer

- Under 25 makes up only 3% of Echo-Buyers, but 15% of Echo-Users are in this age range

Age Distribution: Echo-Buyer vs. Echo-User





# Echo-Buyers + Owners Who Shop Via Echo

- As a result, the Echo shopping functionality user is much younger than the average Echo buyer

## % Age (Generation)

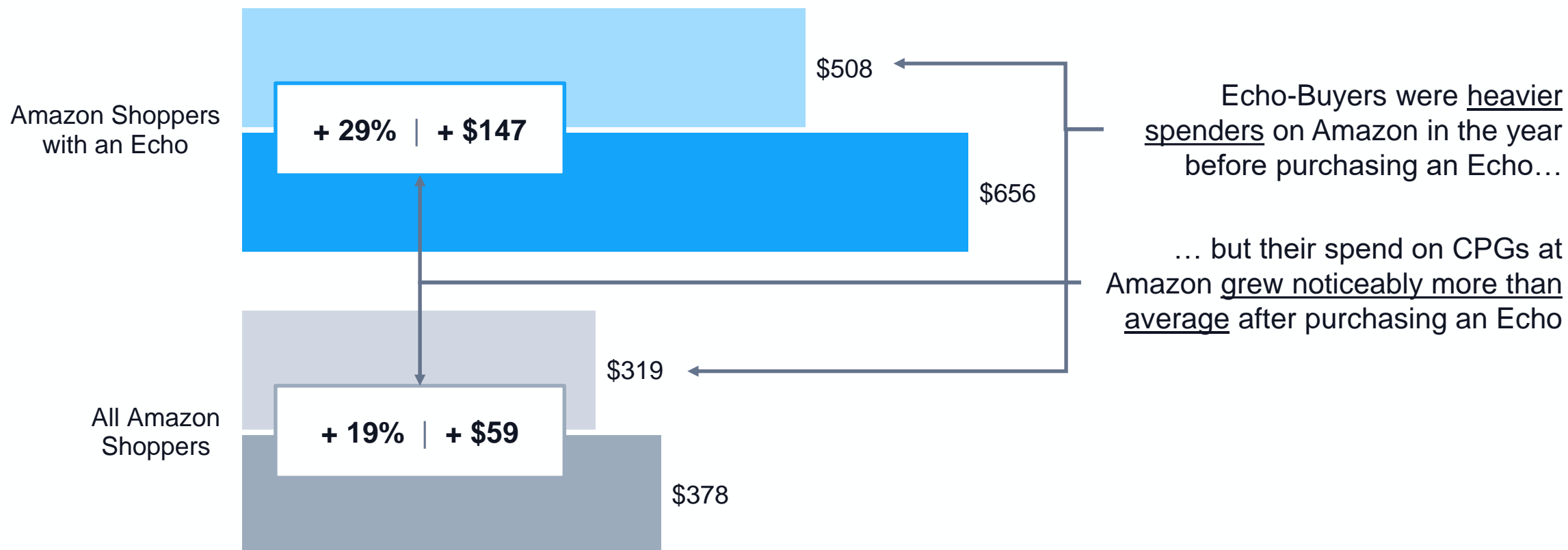
Index to Total Amazon Echo Buyers



# Echo Usage Correlates to Amazon Household Spend

## Buy Rate of CPG Categories\* on Amazon.com

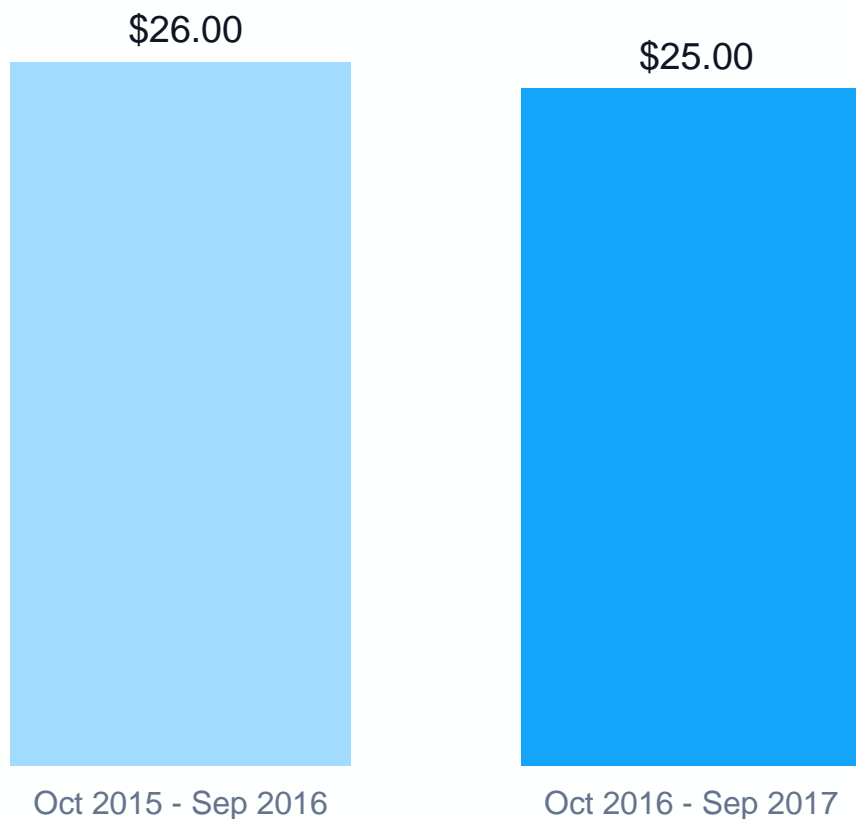
Amazon Echo Buyers in the Past Year vs. Total Amazon Shoppers



# It's Driven by Slightly Smaller, More Frequent Purchases

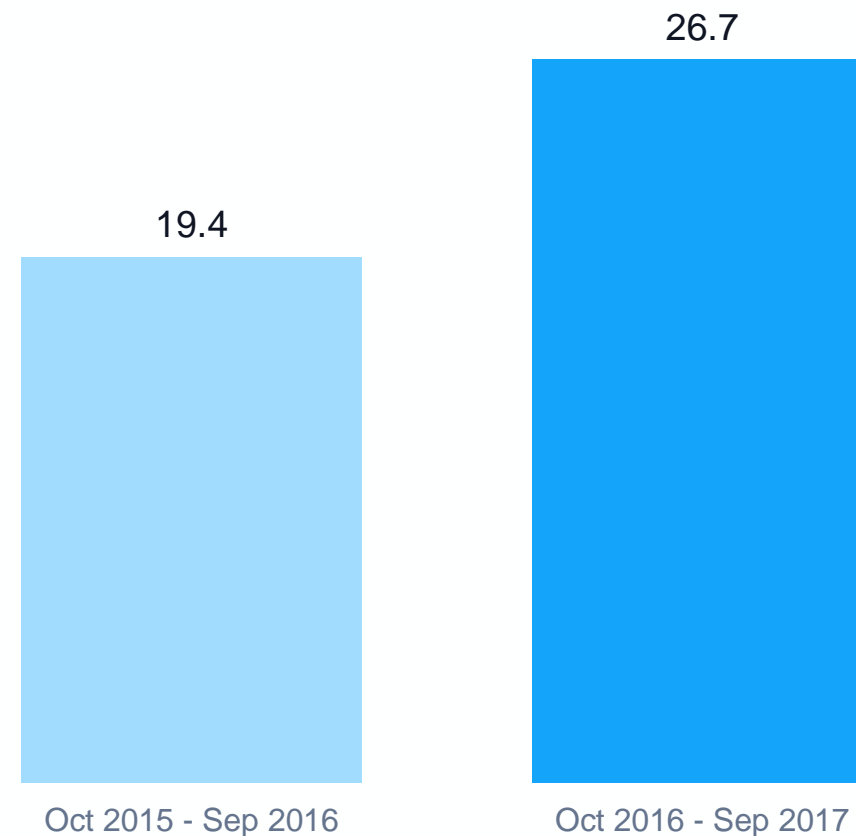
## Spend per Trip, CPG\* on Amazon

Among Amazon Echo Buyers in the Past Year



## Purchase Frequency, CPG\* on Amazon

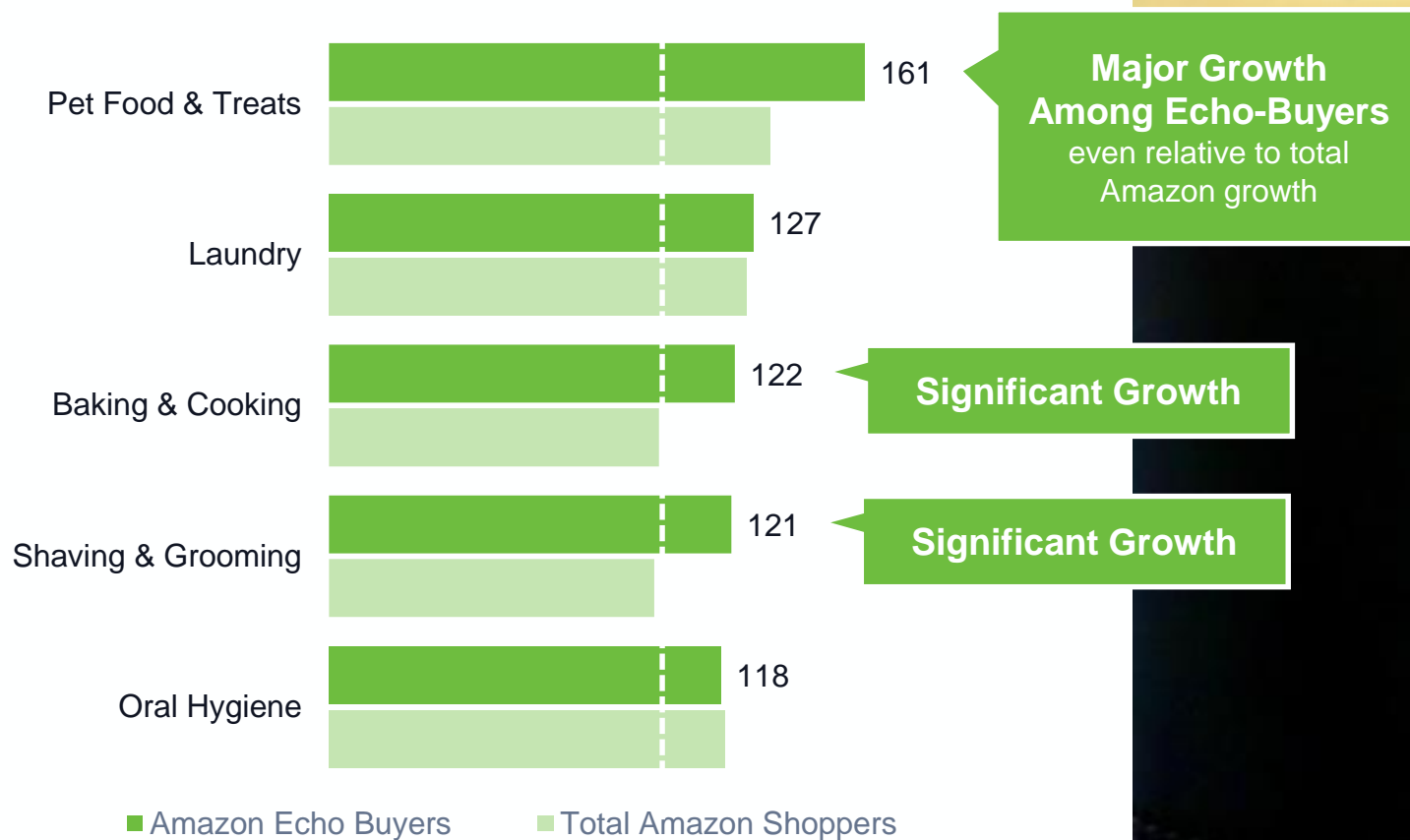
Among Amazon Echo Buyers in the Past Year



# Pet Food Loves the Echo...

## Share of CPG\* on Amazon, Index vs. YAG

Amazon Echo Buyers Past Year vs. Total Amazon



InfoScout Insights, Oct 2015 - Sep 2017

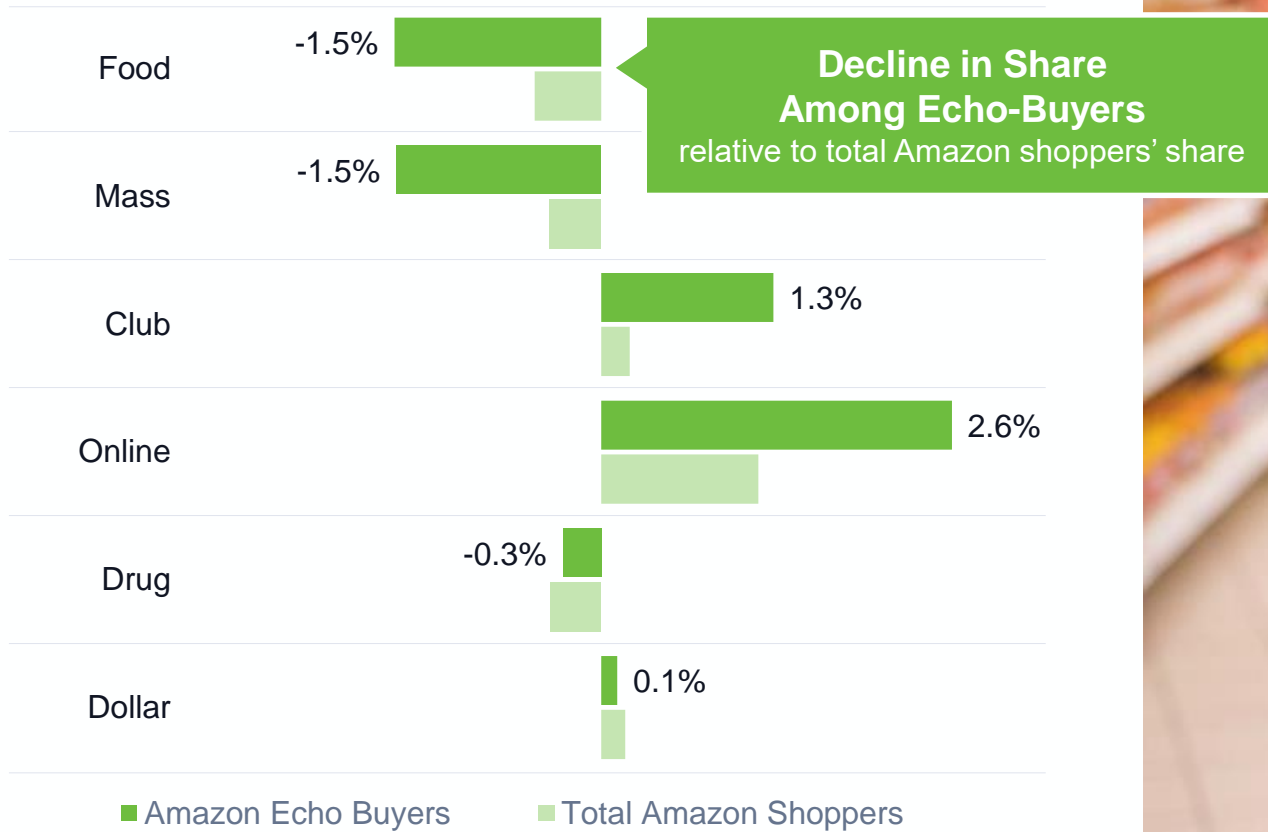
\*CPG sectors include Grocery, Household, Health & Beauty, Baby, and Pet



# ... Food and Mass Do Not

## Share of CPG\* Spend, Pt Change vs. YAG

Amazon Echo Buyers Past Year vs. Total Amazon



# So what now?

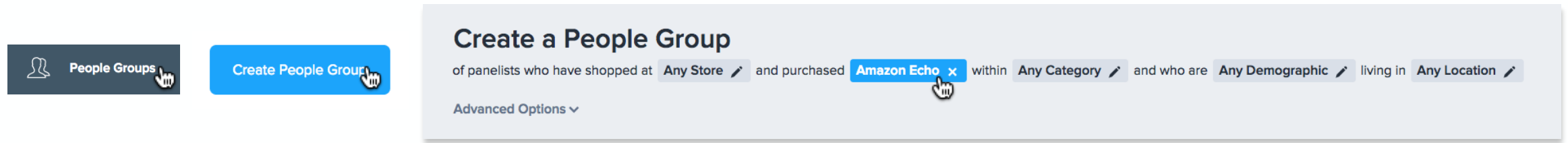
Purchase data suggests that the added convenience of voice-ordering via the Amazon Echo is driving increased purchase among those shoppers on Amazon... but what can manufacturers and other retailers do with this information?

- There is no physical shelf or interface to interact with when shopping on Echo: how can manufacturers ensure their brands are habitual and top of mind?
- Echo is not the only way to make ordering and re-ordering more convenient – Amazon Dash buttons may be another avenue worth exploring
- What can retailers leverage to make shopping more convenient? Are Dash-like buttons a possibility? Can click-and-collect act as an alternative for Prime Now in the immediate need space?



# Dive Deeper on InfoScout Insights

## 1. Create an Amazon Echo People Group



2. Run a Shopper Profile report to learn more about their general shopping behavior

3. Run a Leakage Tree report for your category to see if those shoppers are leaking to Amazon

4. Contact your consultant for further custom studies:

- What do consumers use their Echo for?
- Where do they keep the Echo in their home?
- What do they order from it?



## **Questions?**

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