

Prime Day 2022

Inflation Hits, But Amazon Still Wins

PYMNTS.com is where the best minds and the best content meet on the web to learn about "What's Next" in payments and commerce. Our interactive platform is reinventing the way in which companies in payments share relevant information about the initiatives that shape the future of this dynamic sector and make news. Our data and analytics team includes economists, data scientists and industry analysts who work with companies to measure and quantify the innovation that is at the cutting edge of this new world.



INTRODUCTION

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Amazon Prime Day 2022 arrived at a time of soaring inflation and widespread concerns about a potential recession. The challenging economic climate took some wind out of Amazon’s July extravaganza, but Prime Day still set new spending records — success that contrasts strongly with the mixed performance of June’s **Walmart+ Weekend**.

New research from PYMNTS reveals five key trends that shaped Prime Day 2022:

- Prime Day shoppers spent more on average this year despite cutting back on big-ticket items. Median receipts jumped to \$175, up 40% from 2021, and 74% of shoppers spent less than \$500.
- Inflation caused many Prime members to cut back on Prime Day. Thirty-two percent of low-income and 23% of high-income subscribers who knew about the event either skipped it or bought less.
- Prime members who live paycheck to paycheck and struggle to make ends meet ramped up their Prime Day spending. Their median receipts rose \$48 year over year, but this reflects more strategic deal-seeking than splurging.
- Prime Day 2022 outshined Walmart+ Weekend 2022. Amazon’s member participation rate held steady while Walmart’s dropped 24% compared to last year’s respective flagship events.
- Consumers are shifting away from high-frequency purchasing. Both Amazon and Walmart saw modest shares of customers shift from shopping at least once a week to once a month or less, with gas prices deterring in-store Walmart shoppers from frequent visits.

Prime Day 2022: Inflation Hits, But Amazon Still Wins examines how Prime and Walmart+ are faring during a stormy year and dives deep into the recent Prime Day and Walmart+ Weekend events. PYMNTS surveyed 2,199 Amazon and Walmart subscribers between July 14 and July 18 to gauge how the two events performed among their respective membership bases and take a closer look at purchasing patterns across demographics and product segments.

This is what we learned.

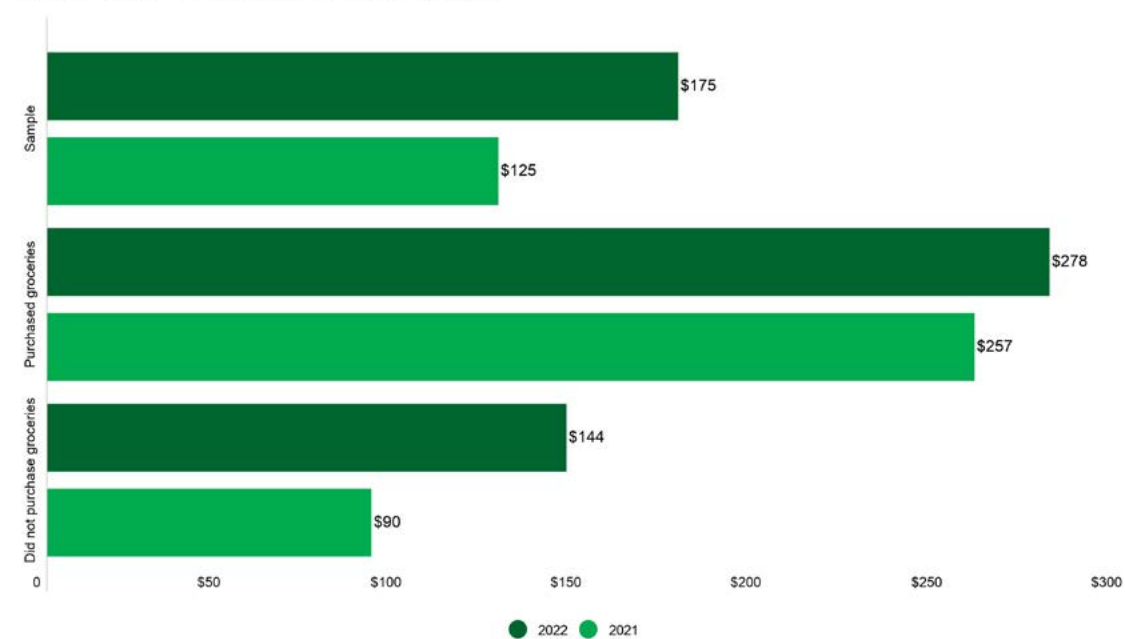
Prime Day shoppers spent more on average this year despite cutting back on big-ticket items.

Median receipts jumped to \$175 — up 40% from 2021 — and 74% of shoppers spent less than \$500.

Two key trends help explain the divergence between higher median spending and reduced big-ticket purchases. First, many Prime Day shoppers likely accelerated planned purchases to secure savings, effectively cannibalizing future sales. Second, the rates of Prime members buying groceries and other everyday items increased modestly this year compared to 2021, reflecting an increased focus on necessities and basics.

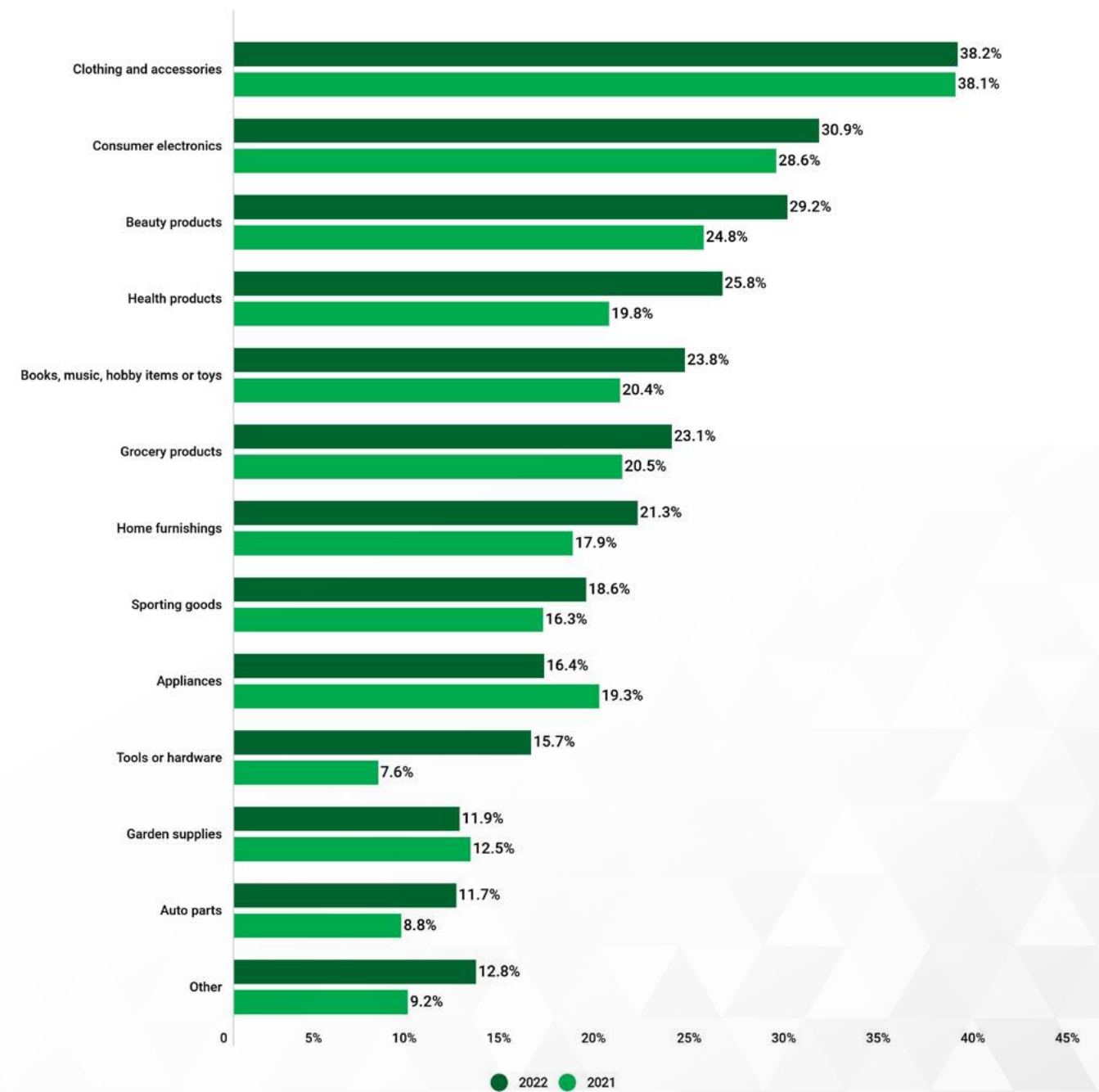
That said, only 23% of Prime Day shoppers bought groceries — roughly half the 45% rate of their Walmart+ Weekend counterparts. Conversely, shoppers buying electronics were more apt to do so on Prime Day (31%) over Walmart+ Weekend (24%).

Figure 1A
Prime Day spending indicators and types of products purchased
Adjusted median expenditure during Prime Day, by shopper type



Source: PYMNTS.com
Prime Day 2022: Inflation Hits, But Amazon Still Wins, August 2022
N = 1,131: Surveyed Amazon Prime Day shoppers, fielded July 14, 2022 – July 18, 2022

Figure 1B
Prime Day spending indicators and types of products purchased
Share of shoppers who purchased select types of products during Prime Day



Source: PYMNTS.com
Prime Day 2022: Inflation Hits, But Amazon Still Wins, August 2022
N = 1,131: Surveyed Amazon Prime Day shoppers, fielded July 14, 2022 – July 18, 2022

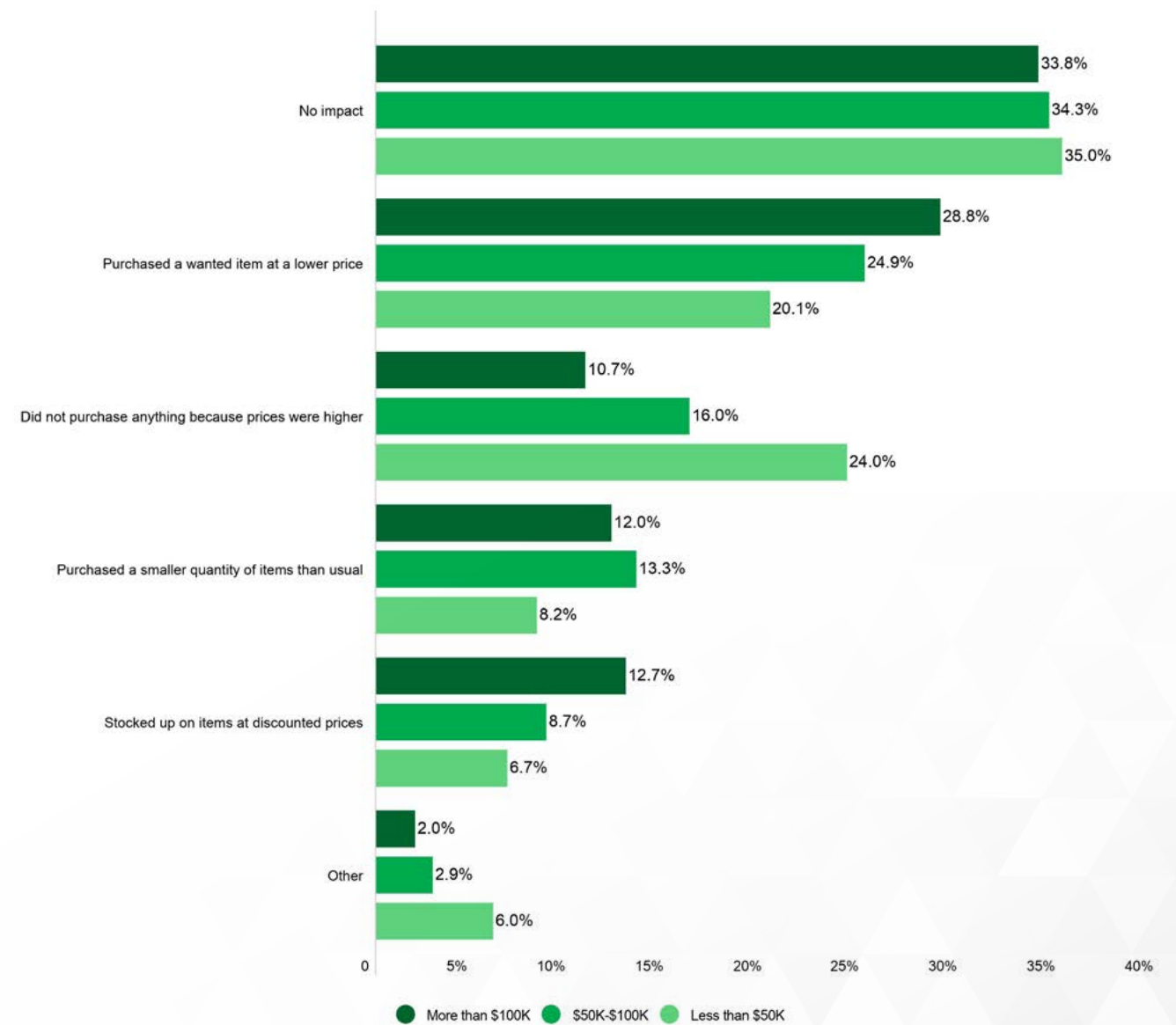
Inflation caused many Prime members to cut back on Prime Day.

Thirty-two percent of low-income and 23% of high-income subscribers who knew about the event either skipped it or bought less.

Inflation had the greatest chilling effect on low-income Prime members. Among those who knew about Prime Day, 24% of subscribers earning below \$50,000 per year said that high prices prompted them to not make purchases, while 16% of middle-income subscribers (those earning between \$50,000 and \$100,000 per year) and 11% of high-income subscribers (those earning more than \$100,000 per year) said the same.

Many other members reduced the quantity of their Prime Day purchases. Combining these subscribers with those who skipped Prime Day completely shows that 32% of low-income, 29% of middle-income and 23% of high-income subscribers held back on Prime Day due to inflation.

Figure 2
Inflation's effect on Prime Day 2022 participation, by income bracket
Inflation's influence on whether and how subscribers participated, by income bracket



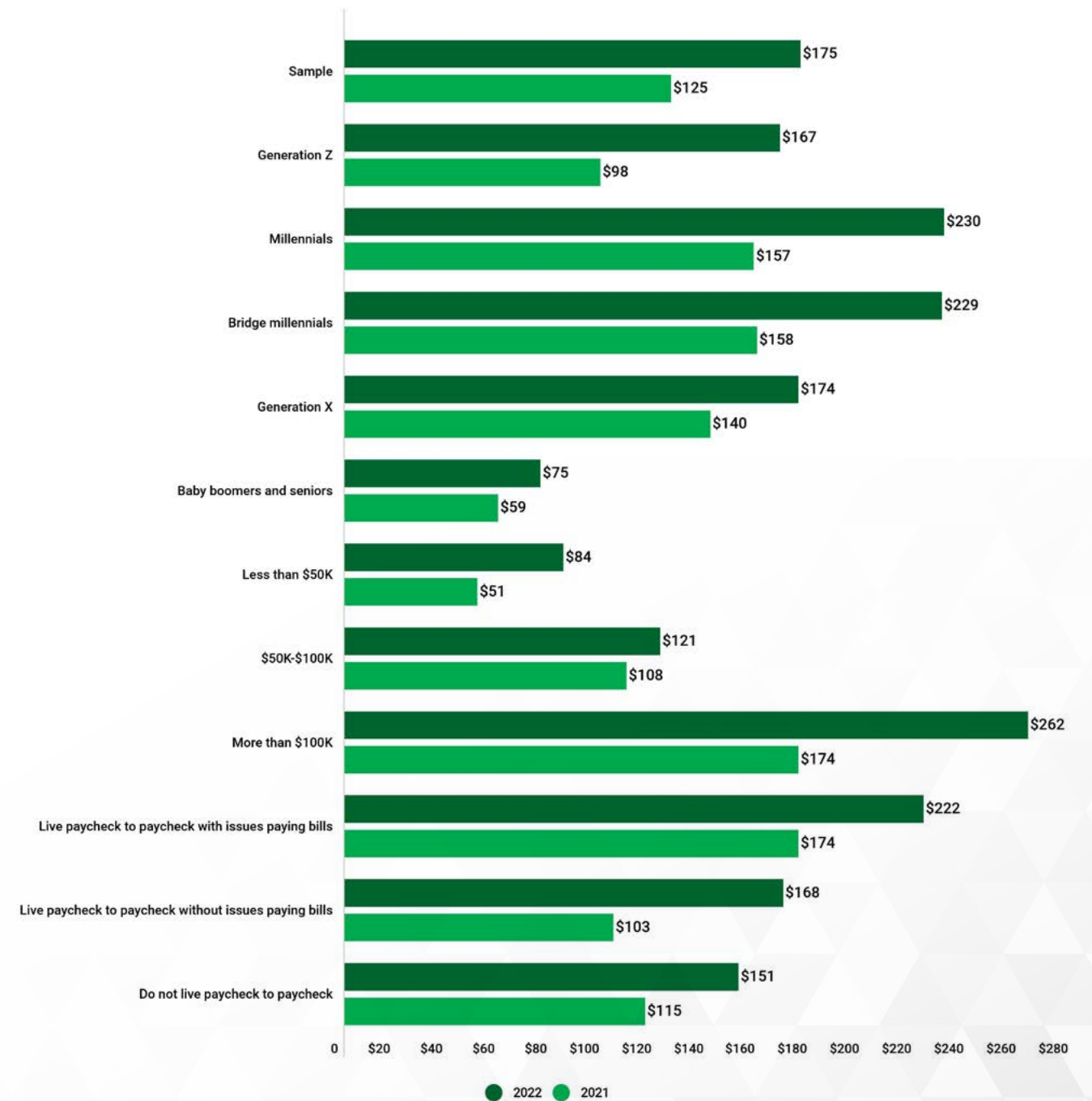
Source: PYMNTS.com
 Prime Day 2022: Inflation Hits, But Amazon Still Wins, August 2022
 N = 1,976: Surveyed Amazon Prime members who knew about Prime Day before the event took place, fielded July 14, 2022 – July 18, 2022

Prime members who live paycheck to paycheck and struggle to make ends meet ramped up their Prime Day spending.

Their median receipts rose \$48 year over year, but this reflects more strategic deal-seeking than splurging.

As in previous years, millennials and high-income subscribers outspent others on Prime Day. They racked up median receipts of \$230 (up 46% from 2021) and \$262 (up 51% from 2021), respectively. Notably, Prime members who live paycheck to paycheck and face challenges paying their bills increased their median spending by 28%, rising from \$174 in 2021 to \$222 in 2022, as inflation likely pushed them to bring forward spending to secure savings.

Figure 3
 Median receipt values for Prime Day 2021 and 2022
 Adjusted median spending on Amazon Prime Day, by generation, income and financial lifestyle



Source: PYMNTS.com
 Prime Day 2022: Inflation Hits, But Amazon Still Wins, August 2022
 N = 1,131: Surveyed Amazon Prime Day shoppers, fielded July 14, 2022 – July 18, 2022

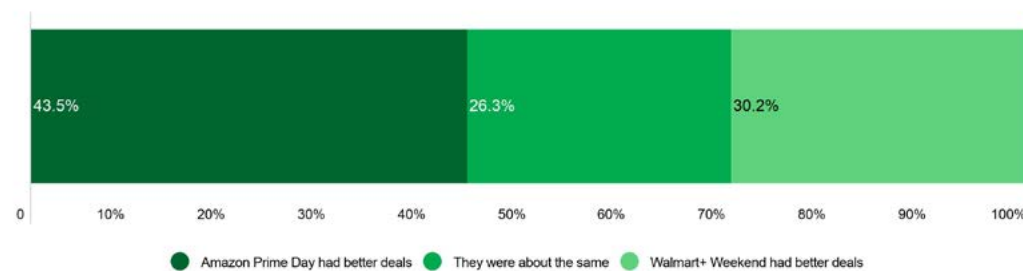
Prime Day 2022 outshined Walmart+ Weekend 2022.

Amazon’s member participation rate held steady this year, but Walmart’s dropped 24%.

Fifty-six percent of Prime members made purchases on Prime Day 2022, down only slightly from 2021. By contrast, Walmart+ had 24% fewer subscribers shop during Walmart+ Weekend 2022 than Walmart+ Deal Days 2021. Across all income brackets, significantly lower shares of Walmart+ subscribers turned out, including among Walmart’s historically active low-income demographic, which was down 43%. While Prime Day saw a 12% dip in low-income shoppers, participation among the other income brackets remained steady.

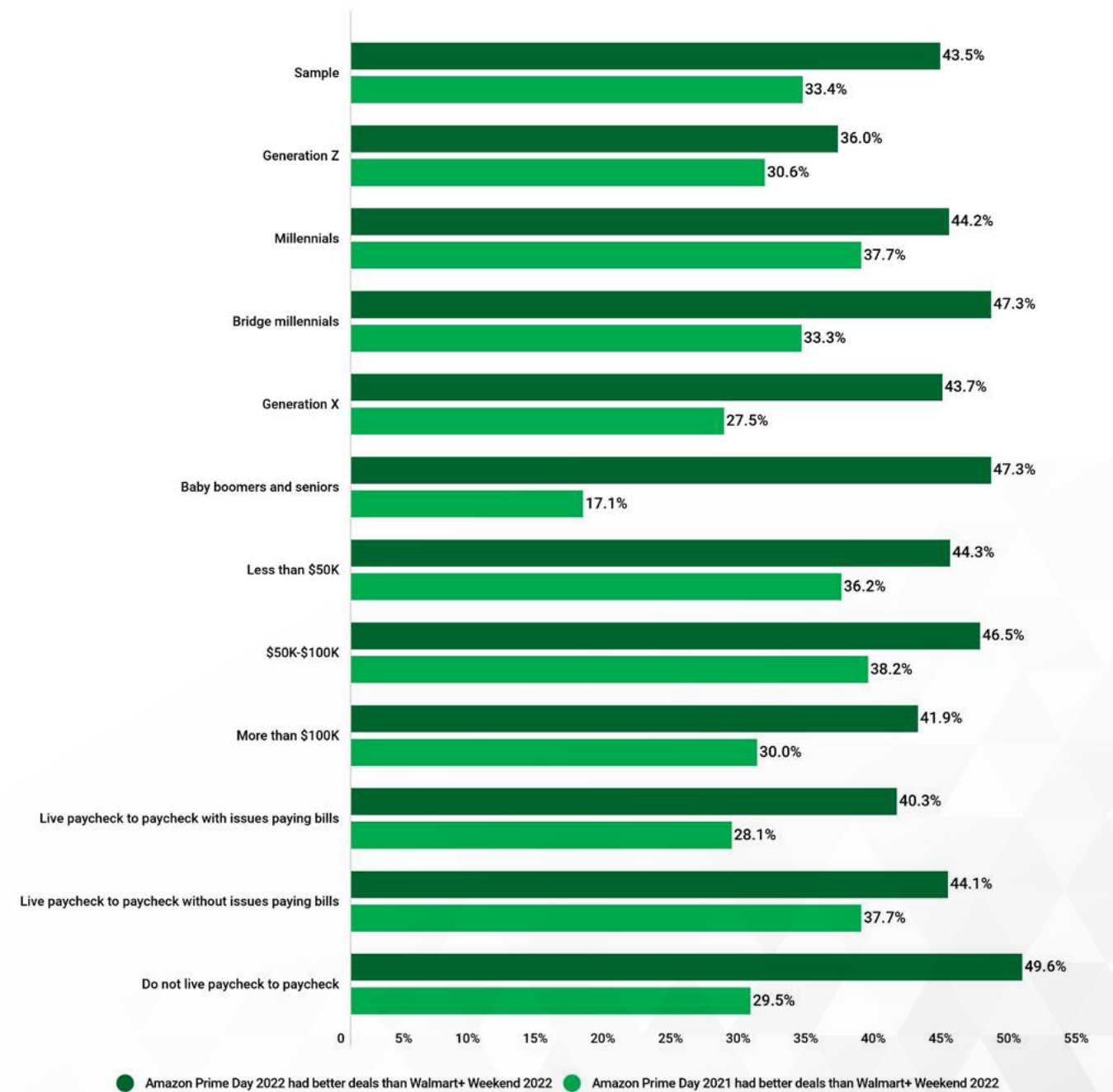
Prime Day also comes out ahead as the favorite among subscribers who shopped during both events in 2022. PYMNTS found that 44% believed Prime Day offered better deals while 30% said Walmart+ Weekend was better. In every age group and income bracket we analyzed, Prime Day beat Walmart+ Weekend. Those in the middle-income bracket showed stronger preference levels for Prime Day than their peers, as did those not living paycheck to paycheck.

Figure 4A
Shoppers of both Walmart+ Weekend 2022 and Prime Day 2022 on which event was better
Share of participants believing either event had better deals



Source: PYMNTS.com
Prime Day 2022: Inflation Hits, But Amazon Still Wins, August 2022
N = 293: Respondents subscribed to Walmart+ and Amazon Prime who participated in Amazon Prime Day and Walmart+ Weekend, fielded July 14, 2022 – July 18, 2022

Figure 4B
Shoppers of both Walmart+ Weekend 2022 and Prime Day 2022 on which event was better
Share of participants believing either event had better deals, by generation, income and financial lifestyle



Source: PYMNTS.com
Prime Day 2022: Inflation Hits, But Amazon Still Wins, August 2022
N = 293: Respondents subscribed to Walmart+ and Amazon Prime who participated in Amazon Prime Day and Walmart+ Weekend, fielded July 14, 2022 – July 18, 2022

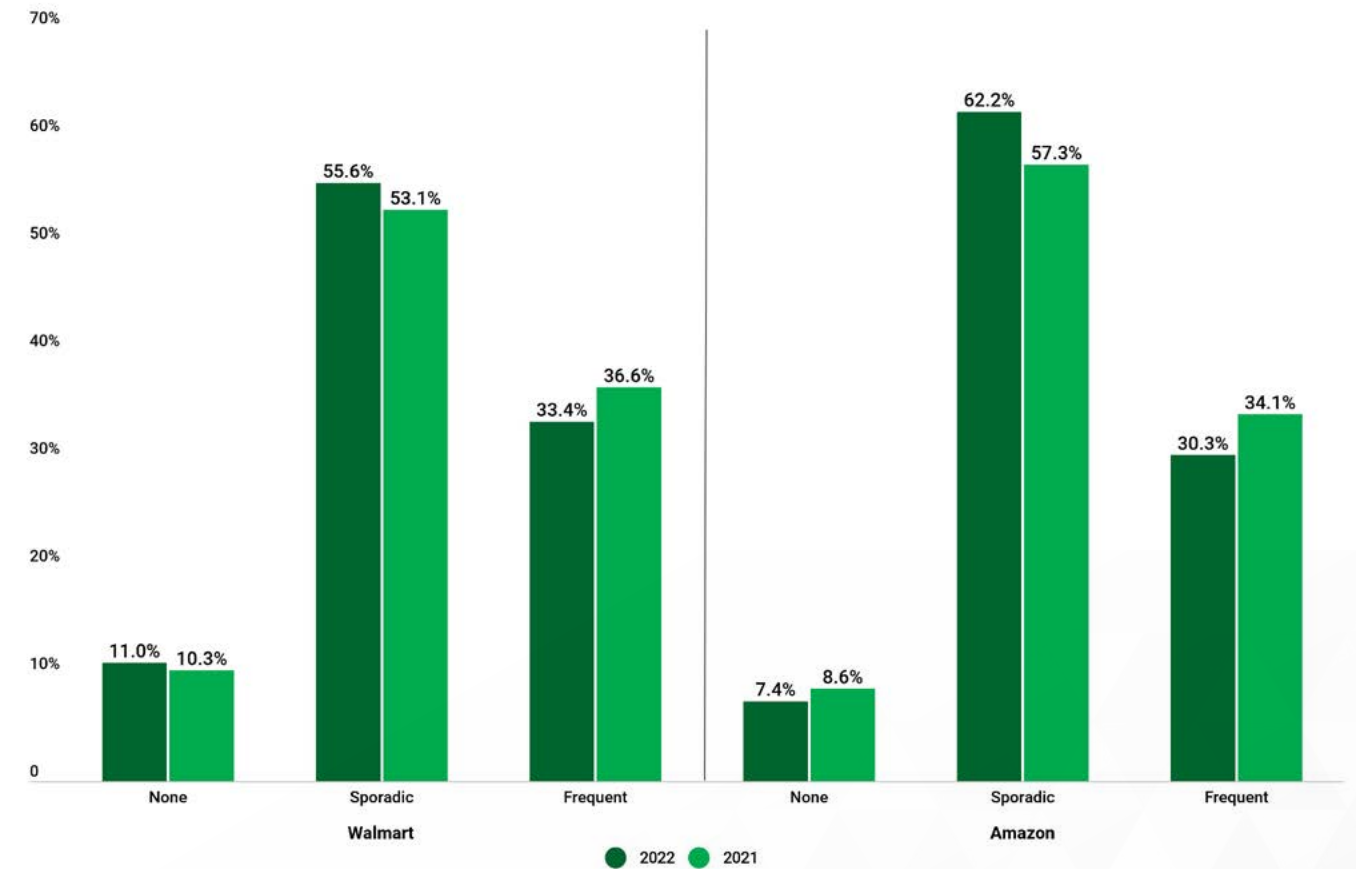
Consumers are shifting away from high-frequency purchasing.

Both Amazon and Walmart saw modest shares of customers shift from shopping at least once a week to once a month or less, with gas prices deterring in-store Walmart shoppers from frequent visits.

PYMNTS' research found that the share of consumers purchasing at least once per week from Amazon and Walmart slipped 3.8% and 3.2%, respectively. This includes Prime and Walmart+ members as well as nonmembers.

The small portion of consumers who say they do not shop at Amazon at all fell to 7.4% this year from 8.6% in 2021, translating to an estimated 2.5 million more consumers who are now Amazon shoppers. Walmart moved in the opposite direction, with 11% of consumers in 2022 reporting that they do not shop at Walmart at all versus 10.3% in 2021, reflecting a loss of approximately 1.4 million customers. This likely reflects decisions to limit driving in response to high gas prices.

Figure 5
Consumer shopping at Amazon and Walmart
Frequency of purchases at Amazon and Walmart, by year



Source: PYMNTS.com
Prime Day 2022: Inflation Hits, But Amazon Still Wins, August 2022
N = 2,297: 2021 sample (nonmembers considered); N = 3,245: 2022 sample (nonmembers considered), fielded July 14, 2022 – July 18, 2022

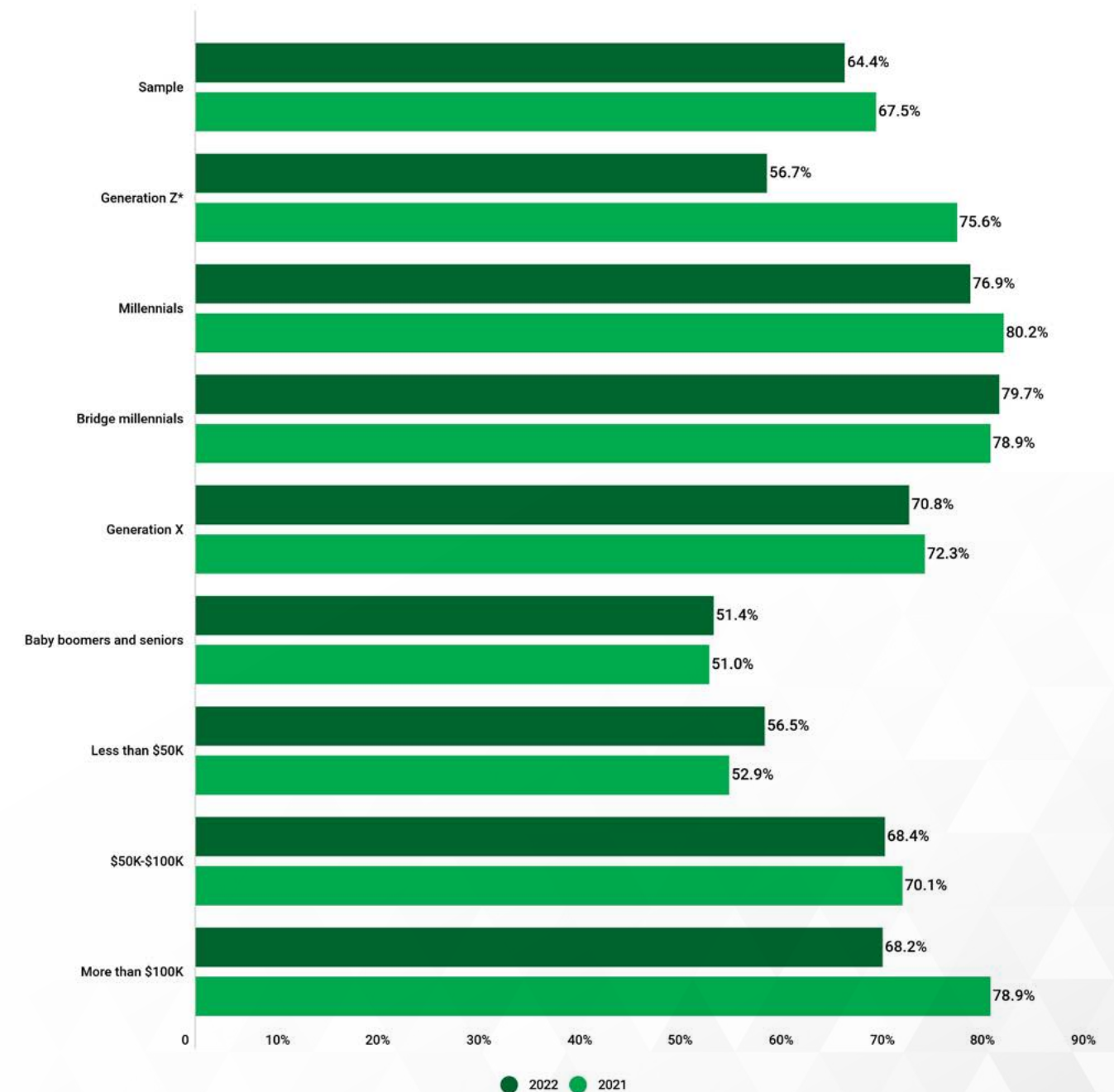
Both Amazon Prime and Walmart+ have seen membership growth stall since mid-2021.

We estimate that Prime stands at 167 million subscribers and Walmart+ at 50 million, including free and shared subscriptions.

For Amazon Prime, the biggest year-over-year weak point is a 14% contraction in the key high-income demographic. Prime also recorded a smaller decline among middle-income earners, though the program posted a 6.8% increase in the share of lower income subscribers. Membership rates held steady across age groups in 2022, except for a sharp 25% decline among Generation Z.

We also note large shares of nonpaying members — those participating in free trials or sharing accounts with paying subscribers — in both programs, which are included in our total membership estimates. For Prime, this trended slightly lower year over year, from 28% to 25%, while it held steady for Walmart+ at 28%.

Figure 6
Amazon Prime demographics
Select demographic indicators for Amazon Prime members



*Higher estimation error is expected due to small subsample size
Source: PYMNTS.com
Prime Day 2022: Inflation Hits, But Amazon Still Wins, August 2022
N = 2,297: 2021 sample (nonmembers considered); N = 3,245: 2022 sample (nonmembers considered), fielded July 14, 2022 – July 18, 2022

CONCLUSION

Amazon Prime Day delivered another robust turnout in 2022. Although inflation led many shoppers to avoid big ticket items, median receipt values climbed compared to 2021 as consumers jumped on discounts for everyday items. Prime Day also maintained strong traction with members in the lowest income bracket — historically a core demographic for Walmart, which saw broad declines in Walmart+ Weekend participation compared to Walmart Deal Days 2021. Given the severe economic headwinds, Amazon claimed a key victory with Prime Day 2022, maintaining critical momentum as consumers tighten their purse strings.

METHODOLOGY

Prime Day 2022: Inflation Hits, But Amazon Still Wins examines and compares purchasing behaviors during this year's Prime Day and Walmart+ Weekend events. PYMNTS surveyed 2,199 Amazon Prime and Walmart+ subscribers between July 14 and July 18 to gauge how the two events performed among their respective membership bases. The full sample consists of 3,245 respondents which was weighted to match the U.S. adult population in a set of key variables. Of them, 2,122 were Amazon Prime members and 737 were Walmart+ members. 1,131 and 361 members, respectively, participated in each merchant's flagship event, and 293 participated in both.

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