

# 2016 HOLIDAY RETAIL ANALYSIS: **AMAZON VS. WALMART AND JET**



## Overview

Much has been said and written about Walmart's acquisition of e-tail startup Jet, which took place in August 2016. The \$3.3 billion acquisition is said to be the largest buyout in American e-commerce history<sup>1</sup>. Did the acquisition help Walmart lessen the assortment and pricing gap with Amazon during the 2016 holiday season? To find out, Ugam compared Walmart and Jet's combined assortment and price competitiveness against Amazon for the **top 100 trending toys** and **electronics**.

## What's covered in this report?

Ugam compared how Walmart and Jet together competed against Amazon in the top 100 trending **toys** and **electronics** during the Thanksgiving to Cyber Monday period:

- How did Walmart and Jet's combined assortment compare with Amazon?
- How many products went out-of-stock across each retailer?
- Who offered the lowest prices on Black Friday and Cyber Monday?
- How did Walmart and Jet compare to Amazon on price?
- How did Walmart's assortment and pricing compare with Amazon during the same time periods in 2015?

## Key takeaways

- Amazon carried more trending toys and electronics than Walmart and Jet combined.
- Amazon offered the lowest (or tied for the lowest) prices on more toys and electronics than Walmart and Jet.
- Average toy prices on Walmart were higher than Amazon throughout the analysis period.
- For electronics, Walmart's average price trend mirrored that of Amazon. Both retailers had the lowest average prices on Thanksgiving Day.
- Walmart's out-of-stocks were significantly lower on Black Friday and Cyber Monday in 2016 compared to the same time in 2015.

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<sup>1</sup>Deal Positions Walmart for Expanded e-Commerce Growth and Customer Reach <http://news.walmart.com/2016/08/08/walmart-agrees-to-acquire-jetcom-one-of-the-fastest-growing-e-commerce-companies-in-the-us>

# Amazon vs. Walmart and Jet – Toys

How did Walmart and Jet’s combined assortment compare to Amazon’s assortment?

## AVAILABILITY OF THE TOP 100 TRENDING TOYS



Fig 1.1 Considers the U.S. top 100 trending toys as of October 24, 2016 based on Ugam’s Shopper Intent Index (SII).

- Amazon had the highest availability of the top 100 trending toys on both Black Friday and Cyber Monday.
- The combined assortment availability of Walmart and Jet was 96%, falling short by just four products.
- The toys that weren’t available at either Walmart or Jet were:

Play-Doh Case of Colors

Bright Starts 5-in-1 Your Way Ball Play Activity Gym

Just Like Home Microwave with play food

3 Bees & Me Bath Toys for Boys and Girls – Magnet Boats

# How did Walmart's assortment compare to Amazon's assortment in 2015?

AVAILABILITY OF THE TOP TRENDING TOYS IN 2015

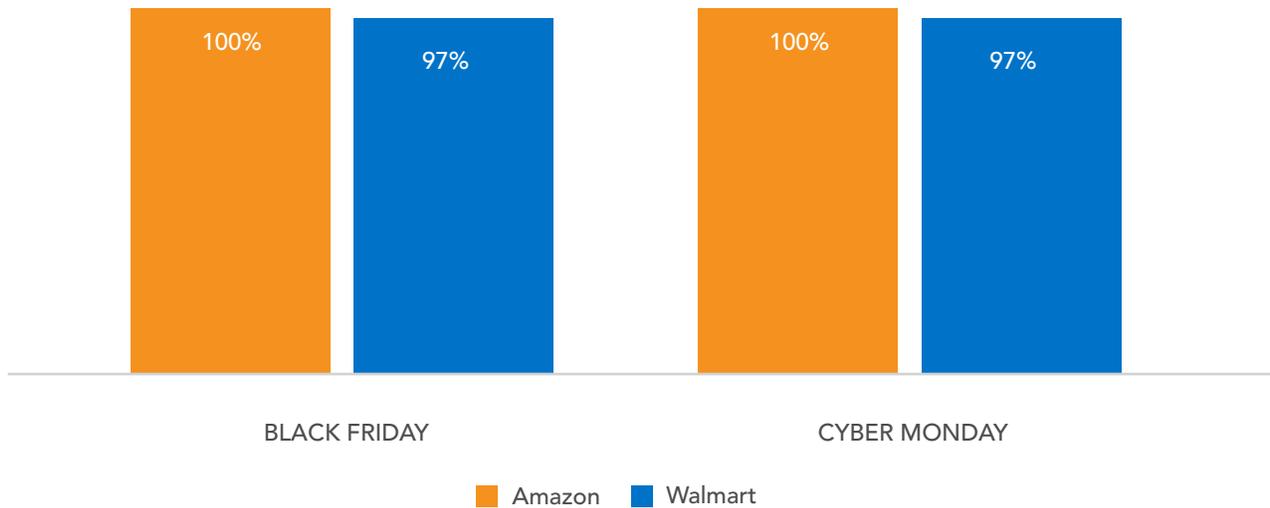


Fig 1.2 Considers the top 60 trending toys as of October 2015.

Walmart's assortment of the trending toys in 2016 (Fig 1.1) does not seem to have improved drastically since last year. As the above graph shows, Walmart carried 97 percent of the trending toys, while Amazon carried all the trending toys considered for the analysis.

## How many products went out-of-stock across each retailer?

Retailer	Percentage of out-of-stock toys – Black Friday	Percentage of out-of-stock toys – Cyber Monday
Amazon	0% (0 out of 100)	0% (0 out of 100)
Walmart	7% (7 out of 95)	6% (6 out of 96)
Jet	10% (6 out of 59)	22% (13 out of 59)
<b>Category specialist</b> Toys“R”Us	3% (2 out of 79)	2% (2 out of 89)

Fig 2.1 Based on daily price readings at 8 a.m. ET.

- Amazon was stocked with all the trending toys on both Black Friday and Cyber Monday.
- Jet's out-of-stock products more than doubled on Cyber Monday compared to Black Friday.
- Both Walmart and Jet had more out-of-stock toys than Amazon and the category specialist, Toys“R”Us.

## How many products went out-of-stock on Black Friday and Cyber Monday on Amazon and Walmart in 2015?

Retailer	Percentage of out-of-stock toys – Black Friday 2015	Percentage of out-of-stock toys – Cyber Monday 2015
Amazon	0% (0 out of 60)	0% (0 out of 60)
Walmart	40% (23 out of 58)	29% (17 out of 58)

Fig 2.2 Based on daily price readings at 8 a.m. ET.

The amount of products that went out-of-stock on Walmart were significantly less in 2016 compared to the same time period in 2015.

## How did Walmart and Jet compare to Amazon on price?

PERCENTAGE OF THE LOWEST PRICES  
– BLACK FRIDAY (N=93)

PERCENTAGE OF THE LOWEST PRICES  
– CYBER MONDAY (N=91)



Fig 3.1 Considers the final prices of matching products available for purchase on Amazon and Walmart or Jet (whichever is priced lower).

Amazon had lower prices (or tied for it) for more products than Walmart and Jet combined.

# How were Walmart prices in comparison to Amazon's in 2015?

PERCENTAGE OF THE LOWEST PRICES  
– BLACK FRIDAY 2015 (N=55)

PERCENTAGE OF THE LOWEST PRICES  
– CYBER MONDAY 2015 (N=55)



Fig 3.2 Considers the final prices of matching products available for purchase on Amazon and Walmart.

Walmart was more price-competitive than Amazon on Black Friday and Cyber Monday in 2015, offering lower prices (or tying for it) for over 65 percent of the toys available on both websites.

# How did the pricing behavior of Walmart and Jet compare with Amazon?

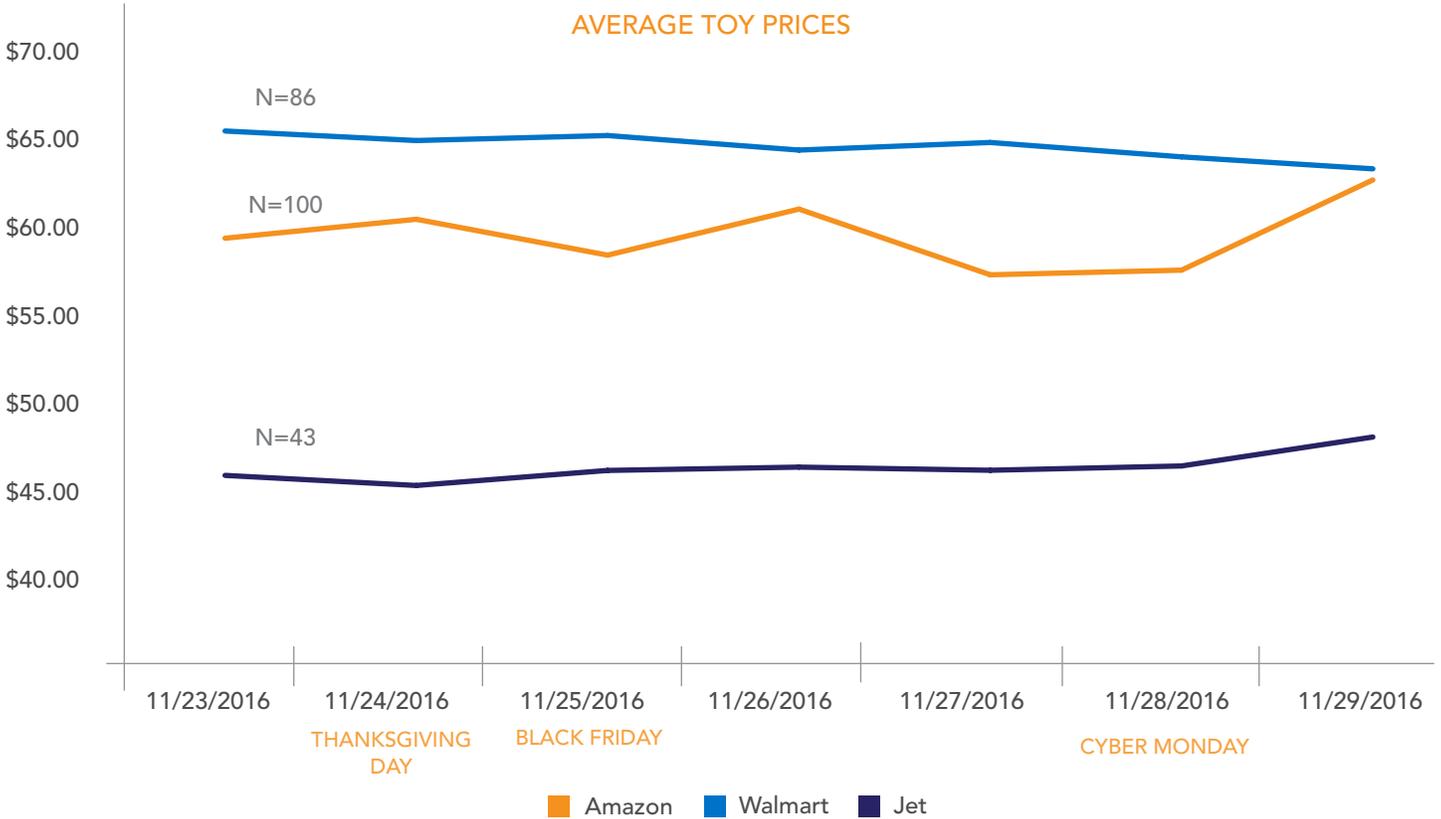


Fig 4.1 Considers the average final prices of products available for purchase on all days.

- Amazon and Jet’s average prices increased, while Walmart’s prices decreased throughout the analysis period.
- Average prices on Amazon were the lowest on the Sunday after Black Friday and the highest on the day after Cyber Monday.
- Average prices on Walmart were the lowest on the day after Cyber Monday.
- Average prices on Jet were the lowest on Thanksgiving Day.

## How did Walmart’s pricing behavior compare to Amazon’s last year?

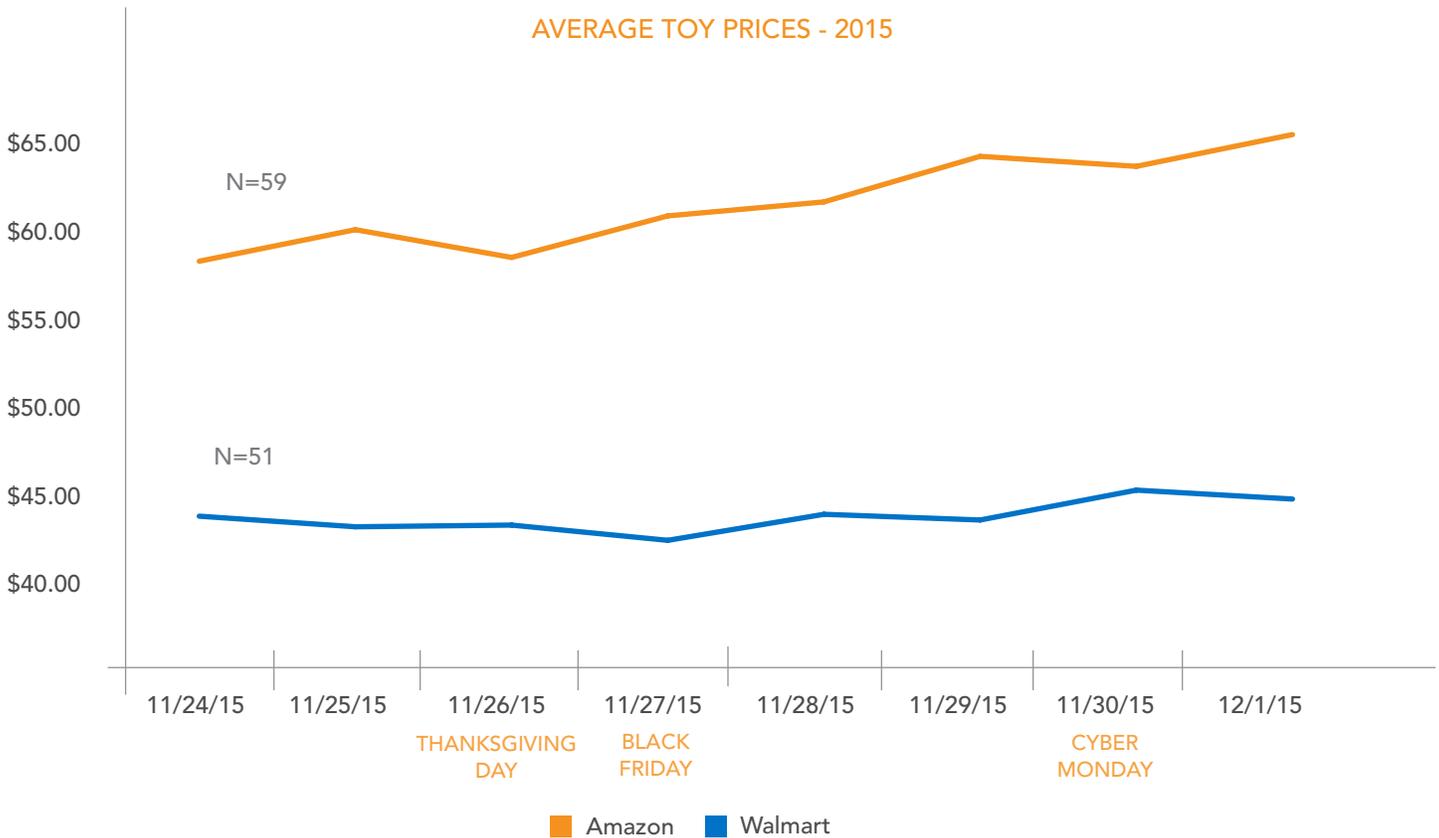


Fig 4.2 Considers average final prices of products available for purchase on all days.

- Amazon’s average prices increased, while Walmart’s average prices remained quite steady through the Thanksgiving to Cyber Monday period in 2015.
- Average prices on Amazon were the lowest on Thanksgiving Day, while Walmart’s average prices were the lowest on Black Friday.

# Amazon vs. Walmart and Jet – Electronics

How did Walmart and Jet’s combined assortment compare to Amazon’s assortment?

## AVAILABILITY OF THE TOP 100 TRENDING ELECTRONICS

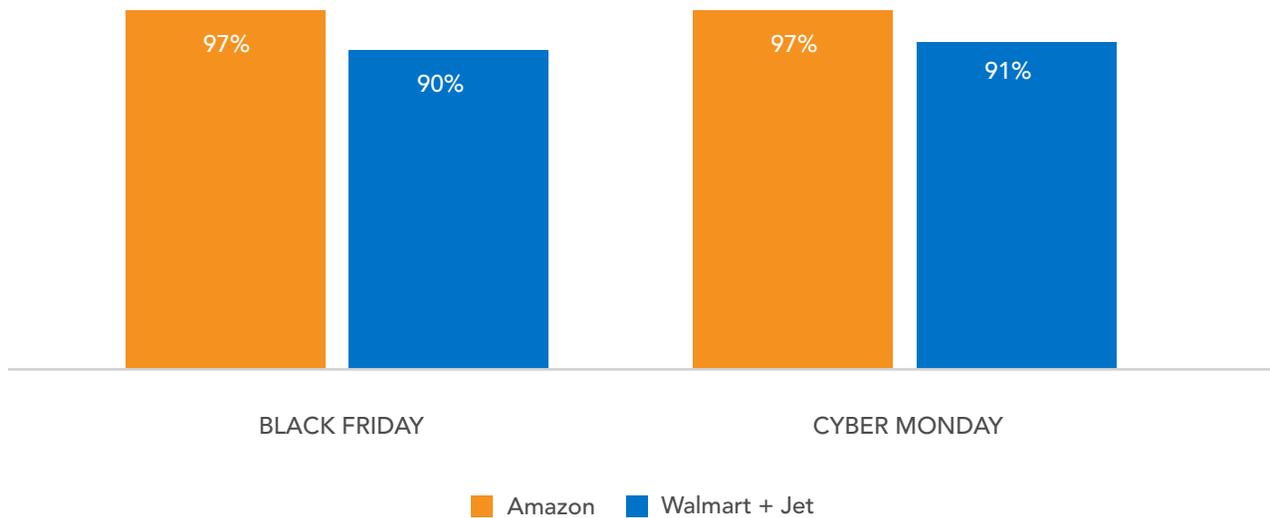


Fig 5.1 Considers the U.S. top 100 trending electronics as of November 15, based on Ugam’s Shopper Intent Index (SII).

- Amazon carried 97% of the top 100 trending electronics, more than Walmart and Jet combined.
- Products that were unavailable on both Walmart and Jet included:

**Bose QuietComfort  
35 wireless  
headphones**

**Apple iMac  
MK442LL/A 21.5-  
Inch Desktop**

**DKnight MagicBox  
II Bluetooth 4.0  
Portable Wireless  
Speaker**

**EightOnes VR  
Google  
Cardboard Kit**

# How did Walmart's assortment compare to Amazon's assortment in 2015?

## AVAILABILITY OF THE TRENDING ELECTRONICS – 2015

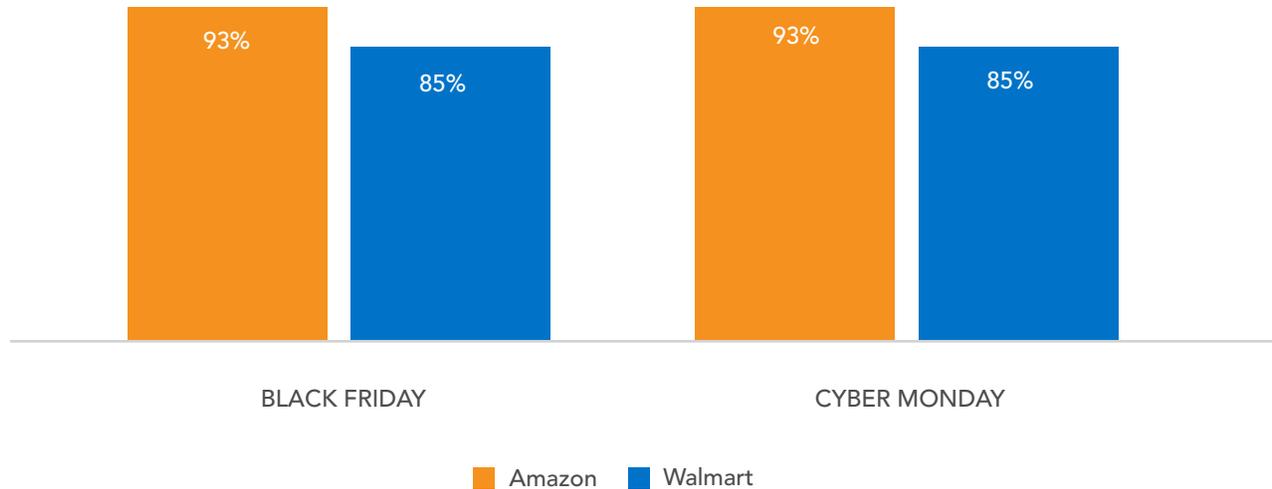


Fig 5.2 Considers the top 60 trending electronics as of October 2015

Same as in 2016, Amazon carried more trending electronics than Walmart in 2015.

## How many products went out-of-stock across each retailer?

Retailer	Percentage of out-of-stock electronics – Black Friday	Percentage of out-of-stock electronics – Cyber Monday
Amazon	1% (1 out of 97)	4% (4 out of 97)
Walmart	13% (11 out of 85)	18% (15 out of 85)
Jet	19% (13 out of 70)	32% (24 out of 75)
<b>Category specialist</b> Best Buy	1% (1 out of 80)	10% (8 out of 81)

Fig 6.1 Based on daily price readings at 8 a.m. ET.

- On both days, Walmart and Jet had more out-of-stock electronics than Amazon and the category specialist, Best Buy.
- There was an increase in the products that went out-of-stock across all retailers on Cyber Monday compared to Black Friday.

## How many products went out-of-stock on Amazon and Walmart in 2015?

Retailer	Percentage of out-of-stock electronics – Black Friday	Percentage of out-of-stock electronics – Cyber Monday
Amazon	0% (0 out of 56)	2% (1 out of 56)
Walmart	47% (24 out of 51)	53% (27 out of 51)

Fig 6.2 Based on daily price readings at 8 a.m. ET.

The percentage of electronics that went out-of-stock on Walmart were significantly lower in 2016 compared to the same time in 2015.

## How price-competitive were Walmart and Jet compared to Amazon?

PERCENTAGE OF THE LOWEST PRICES  
– BLACK FRIDAY (N=74)

PERCENTAGE OF THE LOWEST PRICES  
– CYBER MONDAY (N=68)

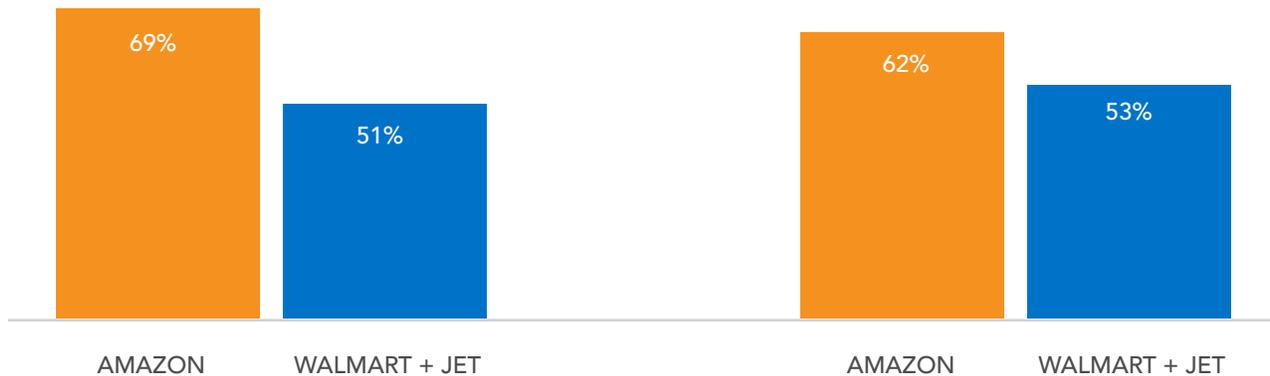


Fig 7.1 Considers the final prices of matching products available for purchase on Amazon and Walmart or Jet (whichever is priced lower).

Amazon was priced the lowest (or tied for it) for over 60% of electronics available on Amazon and Walmart or Jet.

# How did Walmart compare on price to Amazon in 2015?

PERCENTAGE OF THE LOWEST PRICES  
– BLACK FRIDAY 2015 (N=36)

PERCENTAGE OF THE LOWEST PRICES  
– CYBER MONDAY 2015 (N=36)

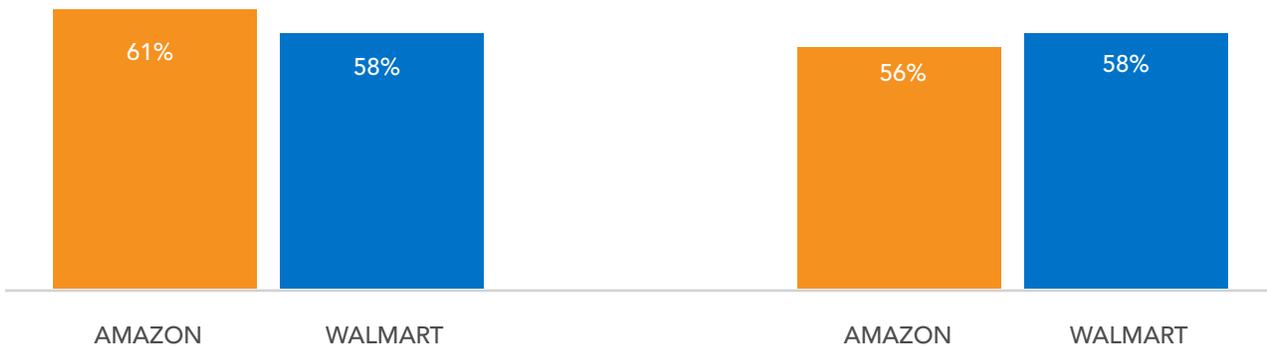


Fig 7.2 Considers the final prices of matching products available for purchase on Amazon and Walmart.

Walmart was more price-competitive than Amazon on Cyber Monday in 2015, offering lower prices (or tying for it) for more products that were available on both websites.

# How did the pricing behavior of Walmart and Jet compare with Amazon?

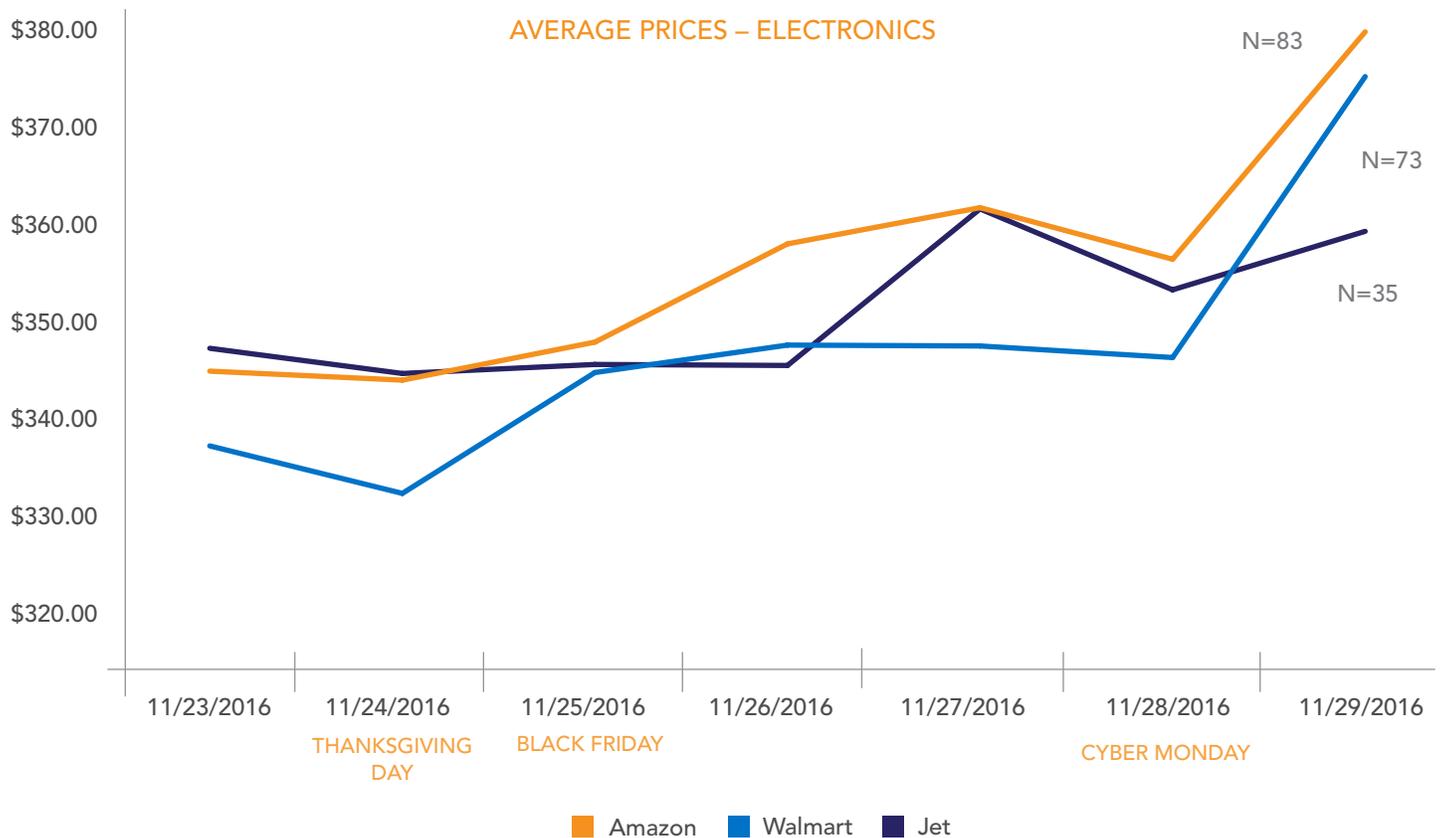


Fig 8.1 Considers the average final prices (before shipping) of products available for purchase on all days.

- The average prices during the analysis period increased across all three retailers.
- Amazon and Walmart increased prices through the Thanksgiving weekend before dropping prices on Cyber Monday.
- Post Cyber Monday, average prices increased by 5% on Amazon, 6% on Walmart, and 1% on Jet.
- Average prices on both Amazon and Walmart were the lowest on Thanksgiving Day.

## How did Walmart's pricing behavior compare to Amazon's in 2015?

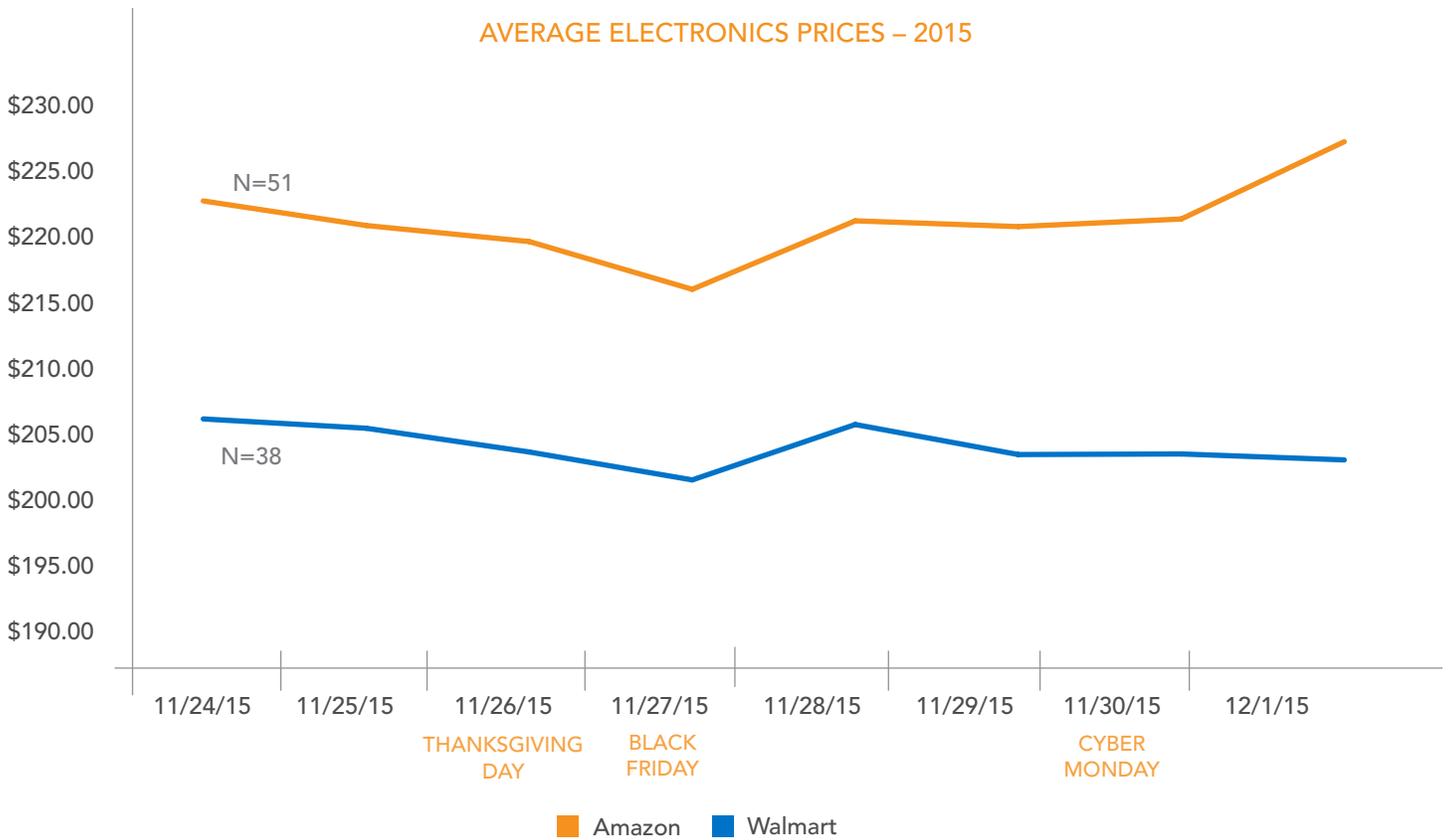


Fig 8.2 Considers the average final prices of products available for purchase on all days.

- Walmart's pricing behavior for the trending electronics was similar to that of Amazon's even in 2015.
- Average prices on both Amazon and Walmart were the lowest on Black Friday.
- While average prices on Amazon increased, Walmart's prices remained steady post the Thanksgiving weekend.

## Conclusion

Despite the acquisition of Jet, Amazon is still ahead of Walmart, offering more trending products and competitive pricing. While Walmart's assortment comes close to that of Amazon's (offering more than 90% of the trending toys and electronics), our analysis shows that Walmart still has a long way to go to minimize out-of-stock products and provide more competitive prices.

Amazon is known for using data-driven algorithms to identify products that are trending and offer competitive prices. This makes it extremely important for Amazon's competitors to use data and analytics to make smarter merchandising decisions. While it's too early to say, the acquisition of data-savvy Jet could provide Walmart with the perfect opportunity to leverage customer competition and demand data to compete with Amazon.

## Methodology

To determine the top 100 trending toys and electronics, Ugam first identified the consumer electronics and toys available across major U.S. online retailers including Amazon, Best Buy, Jet, Target, Toys"R"Us, and Walmart. Using its proprietary big data platform, Ugam calculated a popularity score for each product, called Ugam's Shopper Intent Index (SII), by aggregating consumer demand data such as search volume, social media signals, and online reviews and ratings.

We checked the availability of products using Ugam's proprietary technology platform, which identifies the key product attributes to accurately match products on competitor websites. We then tracked prices for matched products across websites considered for the analysis to find out which retailers are priced the lowest and how prices changed during the analysis period.

- Analysis period: November 23, 2016 to November 29, 2016
- Categories: Consumer Electronics, Toys & Games
- Online retailers considered: Amazon.com and marketplace, Walmart.com and marketplace, Jet, Target, Best Buy and Toys"R"Us
- Data crawl frequency: Daily

## You might also be interested in

[2016 Holiday Retail Analysis: Thanksgiving to Cyber Monday](#)

[A Look Back: Amazon's Pricing and Assortment Trends for the 2015 Holiday Shopping Season](#)

[Holiday Season 2016 – Analyzing the Digital Product Content of Trending Toys and Electronics for Better Conversions](#)

[Thanksgiving, Black Friday & Cyber Monday 2016: Key Takeaways](#)

[Assortment, Pricing and Search Insights for Trending Star Wars Merchandise](#)

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## About Ugam

Ugam is a global leader in managed analytics that helps retailers and brands transform big data into valuable insights. The company's unique managed services offering combines a proprietary big data technology platform with deep domain knowledge and analytics expertise to empower clients to make decisions that improve their business.

For retailers, online marketplaces, and brands, Ugam supports better merchandising, marketing, and channel management decisions through the use of analytics. For market research firms and insight-based consultancies, Ugam offers a portfolio of solutions including end-to-end research operations, technology transitioning support, and data warehousing, visualization and reporting that enables them to better serve their clients. **Five of the top 10 U.S. retailers**, many of the world's largest brands and online marketplaces work with Ugam because of its ability to deliver high-quality insights with unmatched customer experience.

For more information, contact: [info@ugamsolutions.com](mailto:info@ugamsolutions.com)

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