

# Amazon's grocery revamp continues with new Prime subscription offering

Article

**The news:** Amazon launched a [grocery delivery subscription](#) for Prime members and shoppers using Electronic Benefit Transfer (EBT) cards.

- For \$9.99 per month—or \$4.99 for EBT users—customers will receive unlimited free delivery on orders over \$35 from **Amazon Fresh, Whole Foods Market**, and select local grocery and

specialty retailers on Amazon.com.

- Other benefits include 1-hour delivery windows when available, unlimited 30-minute pickup on all orders, and priority access to the retailer's Recurring Reservations feature.

**Why it matters:** The service is Amazon's latest attempt to chip away at **Walmart's** grocery dominance and woo cost-conscious shoppers—although its high price point relative to Walmart+ and other delivery services like **Instacart+** makes it a tough sell.

- Amazon claims that the benefit “pays for itself” if shoppers place at least one order per month. And it's trying to sweeten the deal further by offering unlimited delivery on orders above \$35 from retailers like **Cardenas Markets, Rite Aid, and Save Mart.**
- But tacking on the grocery subscription will bring Prime members' annual fees to \$259—nearly three times the cost of a Walmart+ or **Target Circle 360 membership.**
- Walmart also offers half-price memberships for shoppers receiving qualifying governmental assistance, such as SNAP benefits or Medicaid.

**The big takeaway:** Amazon continues to **fine-tune its grocery strategy.** in search of an offering that will resonate with shoppers.

- But charging more for grocery delivery, a service that's offered for free by other retailers, is unlikely to give Amazon's grocery business the edge it needs to win back share from Walmart.

## Digital Channels From Which US Digital Buyers Purchase Food/Beverage Products, by Demographic, Feb 2024

% of respondents

	Gender		Age			Total
	Female	Male	18-34	35-54	55-65	
Walmart	58%	63%	67%	62%	50%	60%
Amazon (including Amazon Fresh and Whole Foods Market)	53%	61%	56%	60%	53%	57%
Target	30%	26%	39%	30%	11%	28%
Grocery store's website (e.g., kroger.com, albertsons.com, publix.com, heb.com)	23%	29%	27%	27%	22%	25%
Club store's website (e.g., costco.com)	16%	16%	14%	18%	16%	16%
Other online grocery delivery company (e.g., FreshDirect, Uber Eats, DoorDash)	19%	13%	25%	15%	6%	16%
Instacart	17%	9%	18%	14%	7%	13%
Meal kit company (e.g., Blue Apron, HelloFresh)	7%	7%	7%	10%	2%	7%
Quick commerce (e.g., Gopuff, Getir, Gorillas)	3%	6%	10%	2%	0%	4%
Other	4%	4%	1%	4%	8%	4%

Note: ages 18-65; in the past 30 days

Source: "The EMARKETER Ecommerce Survey" conducted in February 2024 by Bizrate Insights, Feb 29, 2024

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