

Amazon Prime and Walmart+ go head-to-head for new subscribers

Article

The news: Amazon and Walmart are taking different approaches to grow their subscriber bases.

- Amazon is making its full Amazon Music catalog of 100 million songs available to Prime members for no additional charge, per a company announcement.

- Walmart cut the price of its annual Walmart+ membership in half for a limited time, per a press release, in an attempt to boost sign-ups ahead of its Black Friday Deals for Days shopping event.

Amazon’s “More is Better” approach: Prime growth has largely hit a wall as membership among US households approaches saturation. Nearly two-thirds (62.2%) of US households are Prime members, per our forecast, with growth expected to hover between 2.2% and 2.8% over the next three years.

But **Jamil Ghani**, vice president of Amazon Prime, told The Wall Street Journal that the service continues to see strong growth, especially with students. While Amazon has long courted college students with a special half-price promotion, its expanded music offering could act as an incentive to convince Gen Z consumers to sign up.

Walmart focuses on value: Unsurprisingly for a company whose motto is “Everyday low prices,” Walmart’s messaging emphasizes cost savings as it looks for ways to build its service into a viable Prime competitor.

- In addition to its half-price promotion, Walmart is allowing members to shop its weekly Black Friday sales seven hours before everyone else.
- While previous attempts to grow its subscriber base have produced lukewarm results at best, doubling down on value may give Walmart an opportunity to entice value-conscious consumers away from Amazon.

Which Retail Membership Services Do US Adults* Pay For?

% of respondents, by demographic, Aug 2022

	Female	Male	18-34	35-54	55-65	Total
Amazon Prime	67%	55%	60%	66%	58%	61%
Sam's Club	31%	25%	25%	30%	29%	28%
Costco Wholesale	22%	22%	18%	29%	19%	22%
Walmart+	14%	18%	23%	16%	10%	16%
Best Buy	6%	12%	13%	10%	5%	9%
DoorDash DashPass	6%	9%	13%	7%	3%	7%
Nike	5%	11%	18%	5%	2%	8%
InstacartExpress	5%	7%	9%	6%	3%	6%
Shipt	2%	2%	3%	2%	1%	2%
Fresh Direct DeliveryPass	1%	1%	2%	1%	0%	1%
Other	2%	2%	1%	3%	2%	2%
None	16%	19%	14%	14%	24%	17%

Note: *or any member in the household
Source: "The Insider Intelligence Ecommerce Survey" conducted in Aug 2022 by Bizrate Insights, Aug 24, 2022

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