

Bespoke Survey Research

August 2023

Low-Cost Retail

Volume 31 | Quarterly Survey

1,000 US Consumers Balanced To Census

Tickers Covered: WMT, TGT, AMZN, COST.

KPIs and Key questions

1. A larger share of Costco customers feel the most recent in-store experience was better than one year ago compared to those who said worse (most said it was the same). Views on pre-pandemic vs. current shopping experience net out as around the same, on average.
2. Costco shoppers overwhelmingly view Costco fuel as less expensive than other gas stations. Saving money on fuel is important to Costco shoppers and is either the primary reason they go to Costco (26.5%) or it isn't the primary reason, but they fuel up when there (51.9%).
3. Most Costco customers feel that it would be worth paying a \$5 membership increase if one was ever instituted. Only 6.8% said they would definitely cancel their account.
4. In recent quarters, the share of consumers reporting a deterioration of the in-store experience at Target and Wal-Mart has increased.
5. The share of consumers who use Wal-Mart has held steady / increased in recent waves, but self-reported visit frequency among those who have shopped it has softened.
6. Self-reported spend per visit at Wal-Mart declined for the second consecutive quarter and is lower than readings one year ago in August.
7. Wal-Mart customers increasingly feel they are spending less, and an increased percentage are either just spending less in general or are shifting to dollar stores.
8. Target shopping engagement feedback shows less frequent self-reported visits among customers and reductions in average spend per visit among those who have purchased in the past 12 months.
9. Among those who are shopping Target less, there is a shift toward Amazon, Wal-Mart, and dollar stores.
10. Customers of Wal-Mart and Target continue to see prices as elevated, though this sentiment has pulled back from series worsts in February of 2023.

Noteworthy Stats:

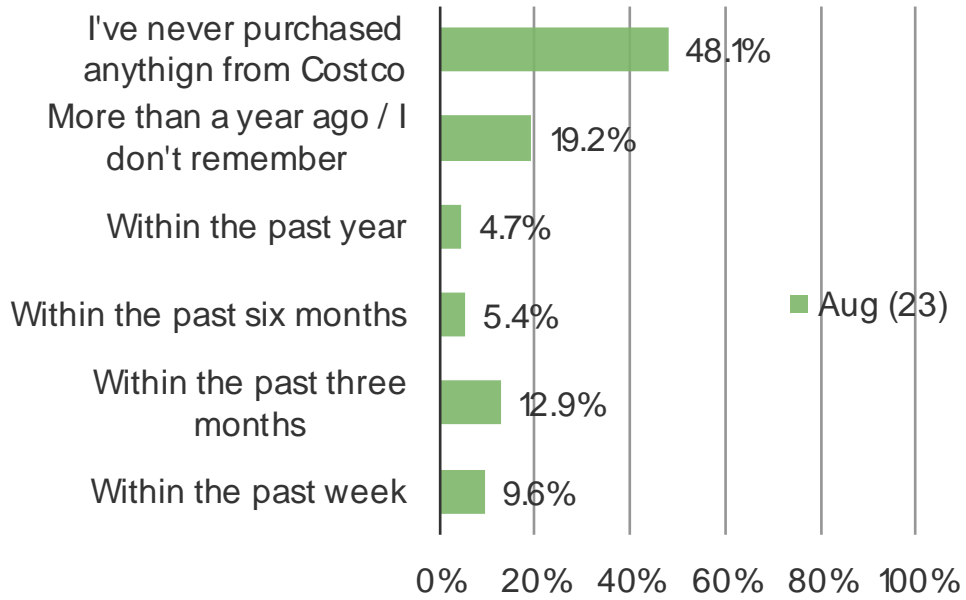
- 16.4%** Of consumers who have purchased anything from Costco within the past year indicated that their in-store experience was better relative to a year ago.
- 54.0%** Of consumers who have purchased anything from Costco within the past year note that Costco fuel/gas pricing is less expensive relative to other gas stations.
- 6.8%** Of consumers who have purchased anything from Costco within the past year note that they would definitely cancel their membership in response to a \$5 price increase.

Consumer Traffic, Online Share, and Sentiment

COSTCO

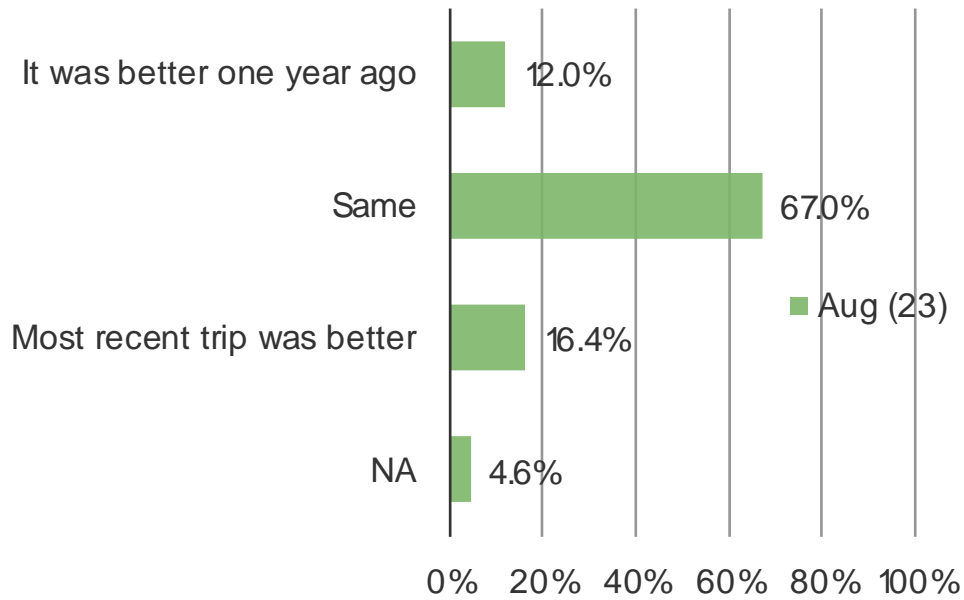
WHEN IS THE LAST TIME YOU PURCHASED ANYTHING FROM COSTCO?

This question was posed to all consumers.



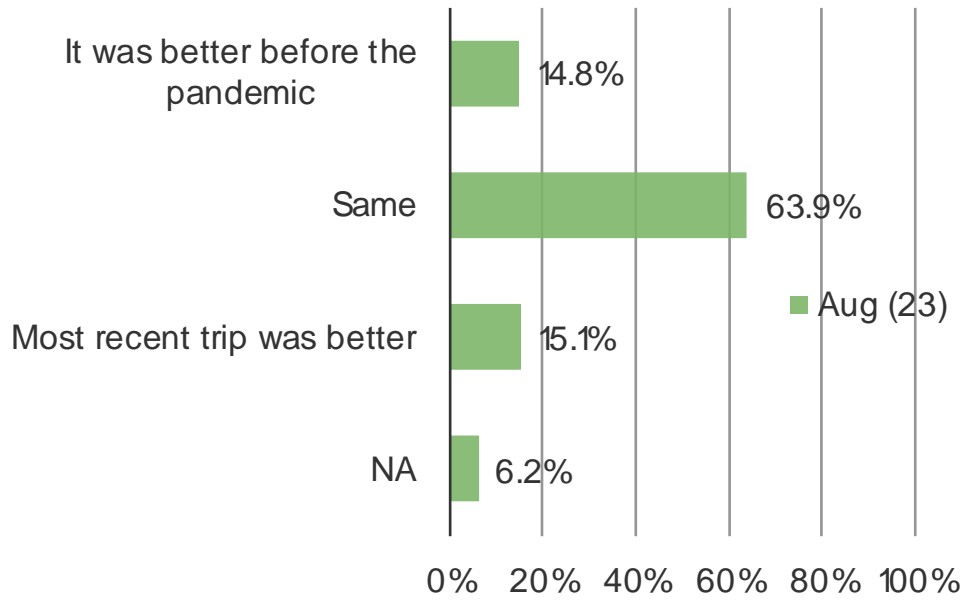
THINKING ABOUT YOUR LAST TRIP TO COSTCO, WAS THE IN-STORE EXPERIENCE BETTER OR WORSE COMPARED TO ONE YEAR AGO?

This question was posed to all consumers who have purchased anything from Costco within the past year.



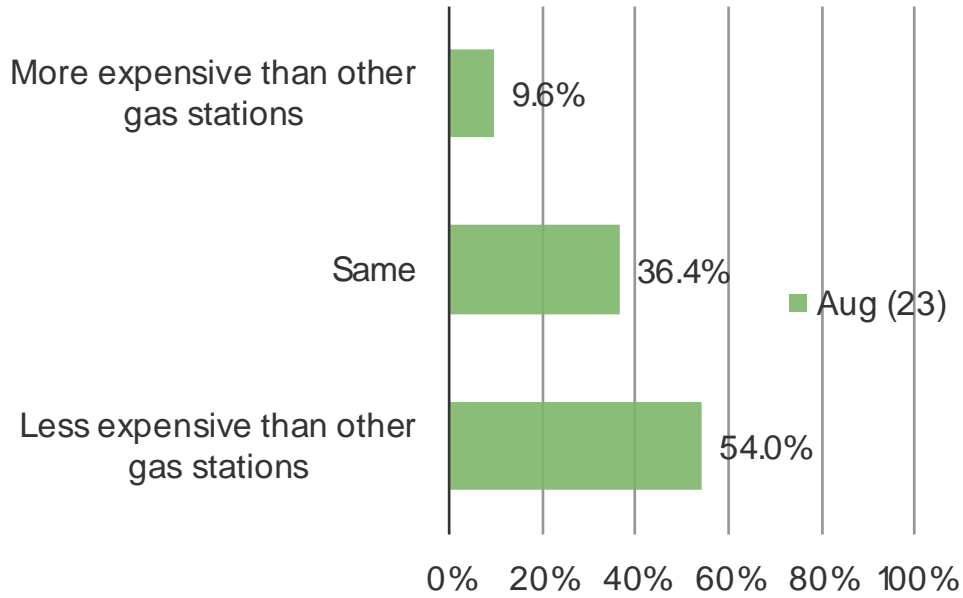
THINKING ABOUT YOUR LAST TRIP TO COSTCO, WAS THE IN-STORE EXPERIENCE BETTER OR WORSE COMPARED TO BEFORE THE PANDEMIC?

This question was posed to all consumers who have purchased anything from Costco within the past year.



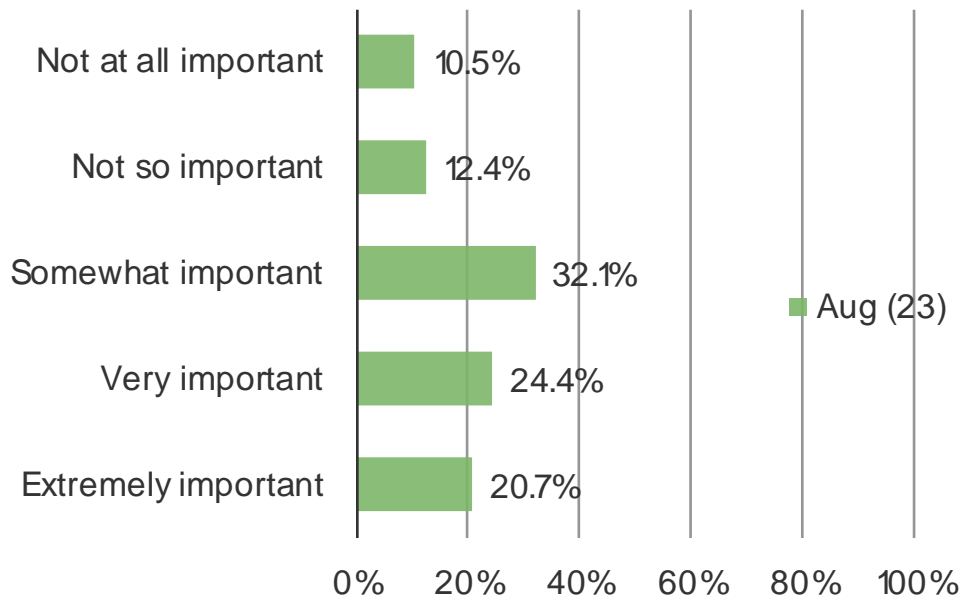
DO YOU FIND THAT COSTCO FUEL/GAS PRICING IS...

This question was posed to all consumers who have purchased anything from Costco within the past year.



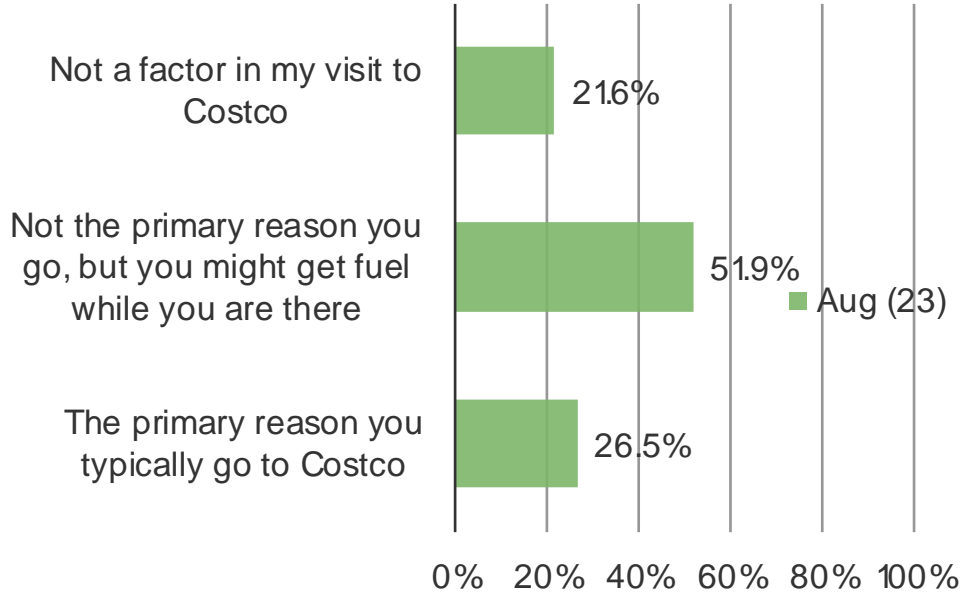
HOW IMPORTANT WAS SAVING MONEY ON FUEL TO YOU IN SIGNING UP FOR A COSTCO MEMBERSHIP TO BEGIN WITH?

This question was posed to all consumers who have purchased anything from Costco within the past year.



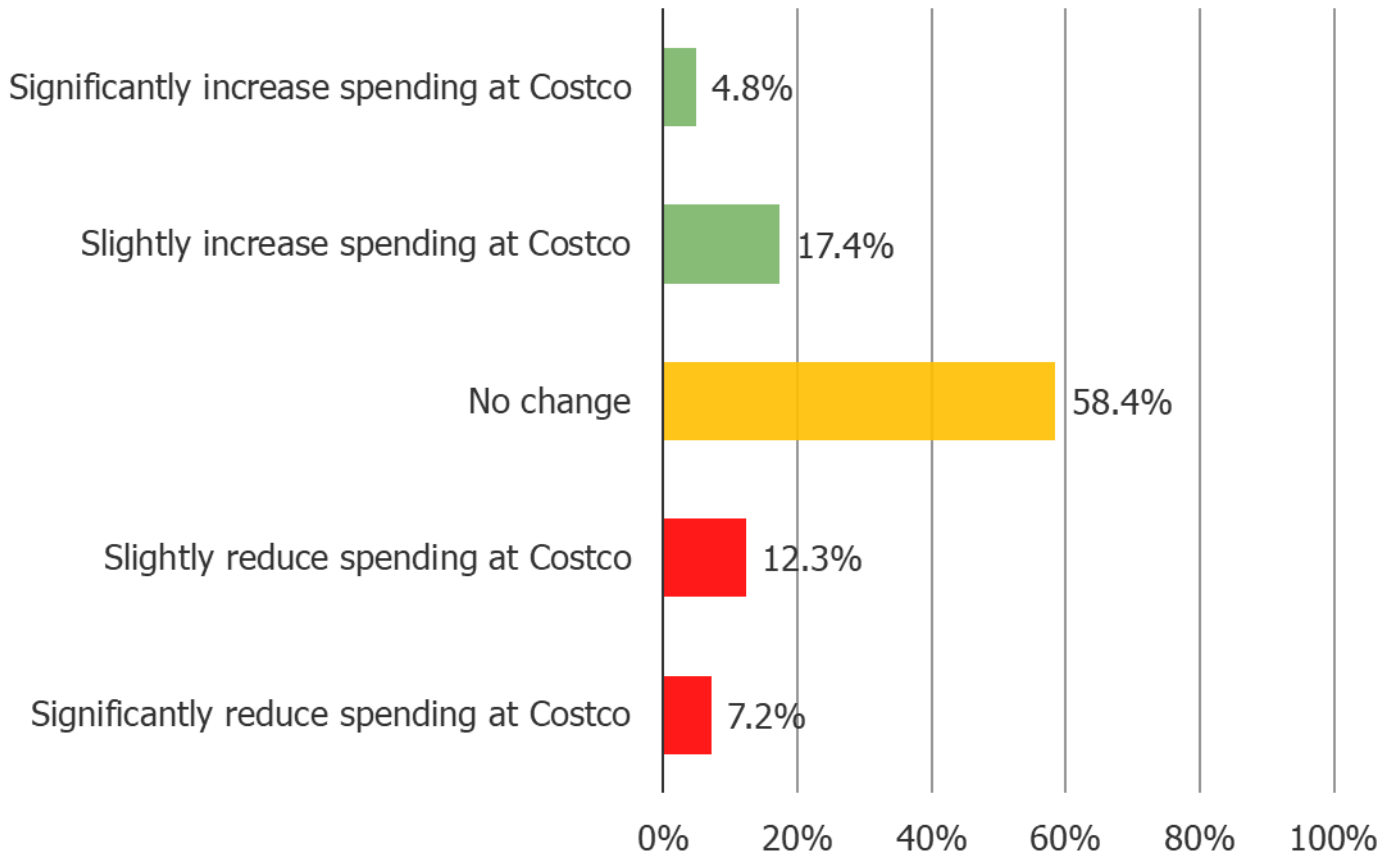
WHEN YOU GO TO COSTCO, IS GETTING LOWER COST FUEL...

This question was posed to all consumers who have purchased anything from Costco within the past year.



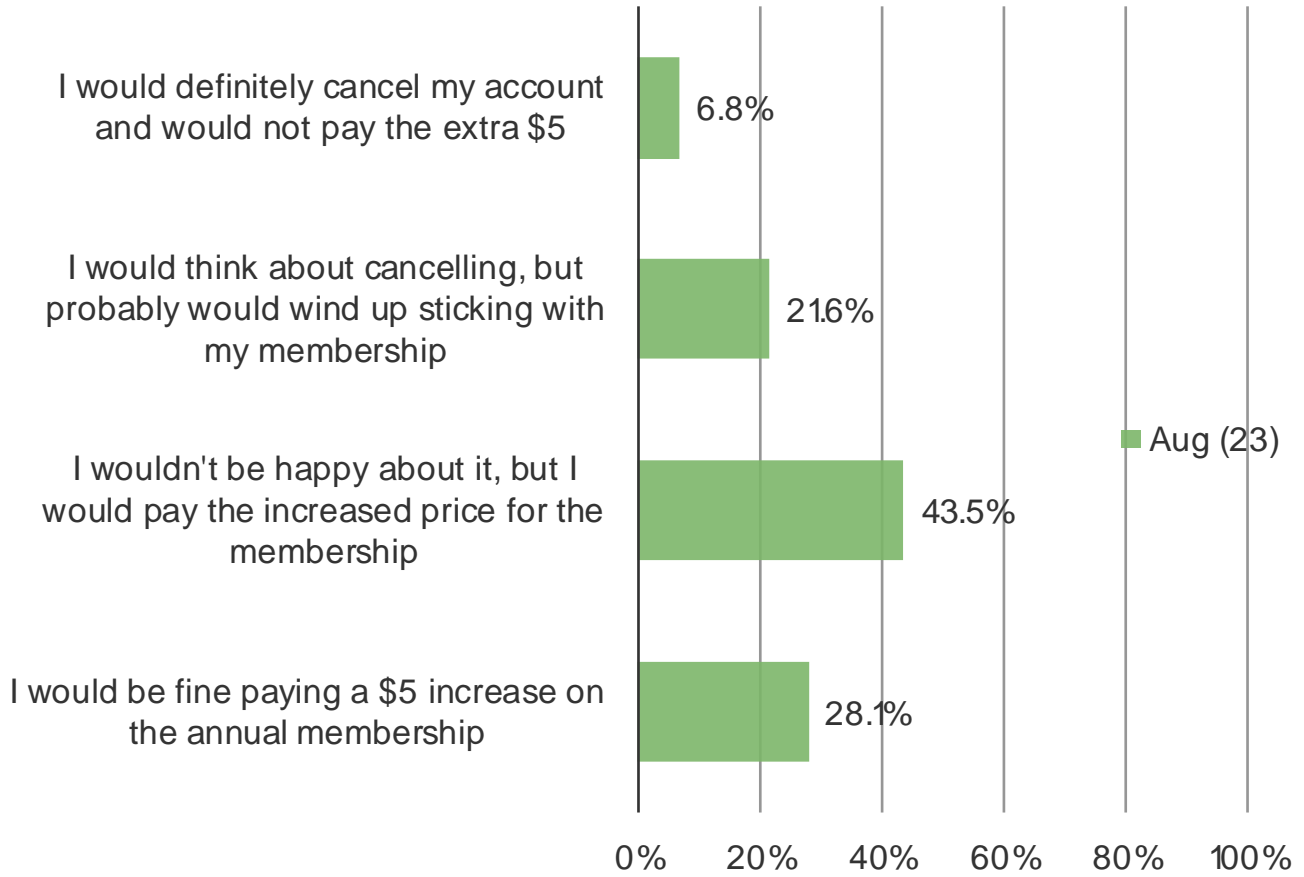
GOING FORWARD, DO YOU EXPECT TO...

This question was posed to all consumers who have purchased anything from Costco within the past year.



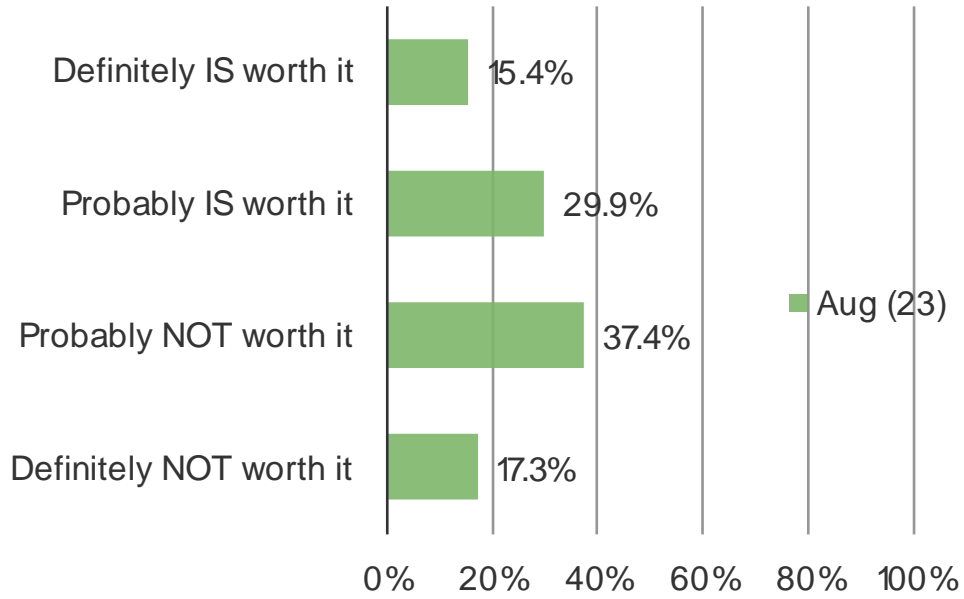
IF COSTCO INCREASED THE ANNUAL MEMBERSHIP FEES BY \$5, HOW WOULD YOU RESPOND?

This question was posed to all consumers who have purchased anything from Costco within the past year.



IN YOUR OPINION, IS IT WORTH IT TO UPGRADE FROM THE \$60 MEMBERSHIP TO THE EXECUTIVE MEMBERSHIP FOR \$120 PER YEAR TO GET ACCESS TO THE 2% CASH BACK REWARD ON YOUR COSTCO PURCHASES?

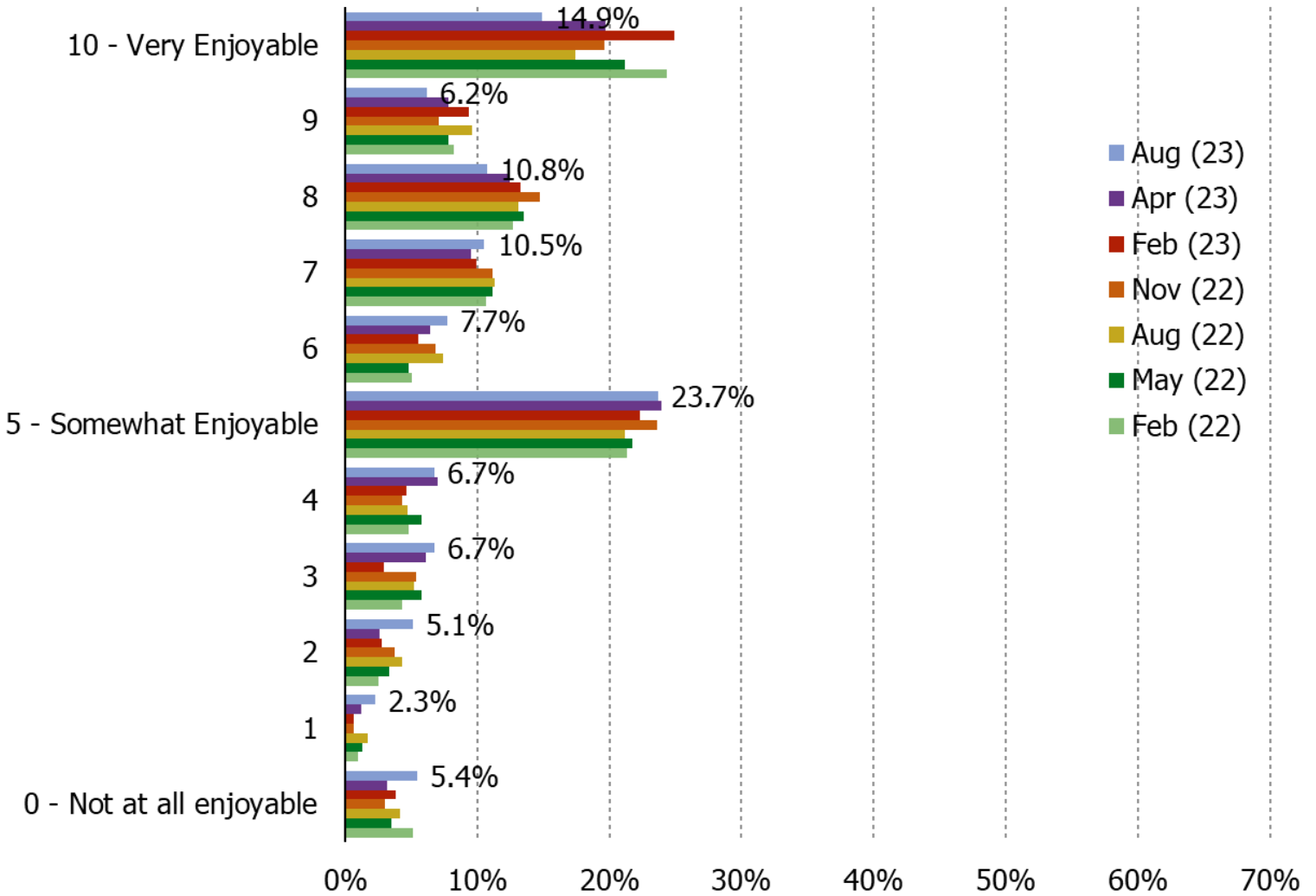
This question was posed to all consumers who have purchased anything from Costco within the past year.



IN-STORE EXPERIENCE

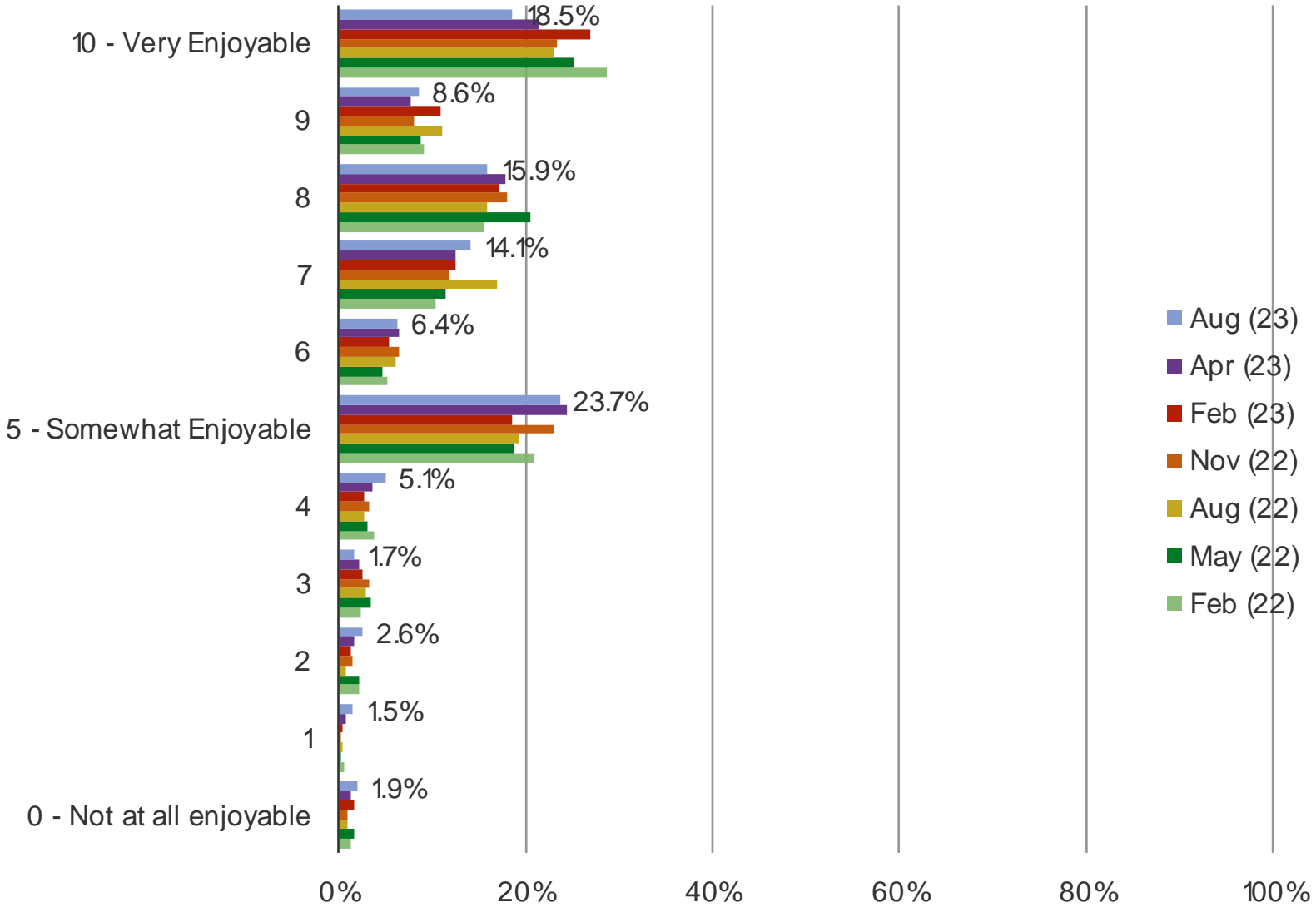
DO YOU FIND IT ENJOYABLE TO VISIT WAL-MART STORES?

This question was posed to all consumers who visit Walmart stores.



DO YOU FIND IT ENJOYABLE TO VISIT TARGET STORES?

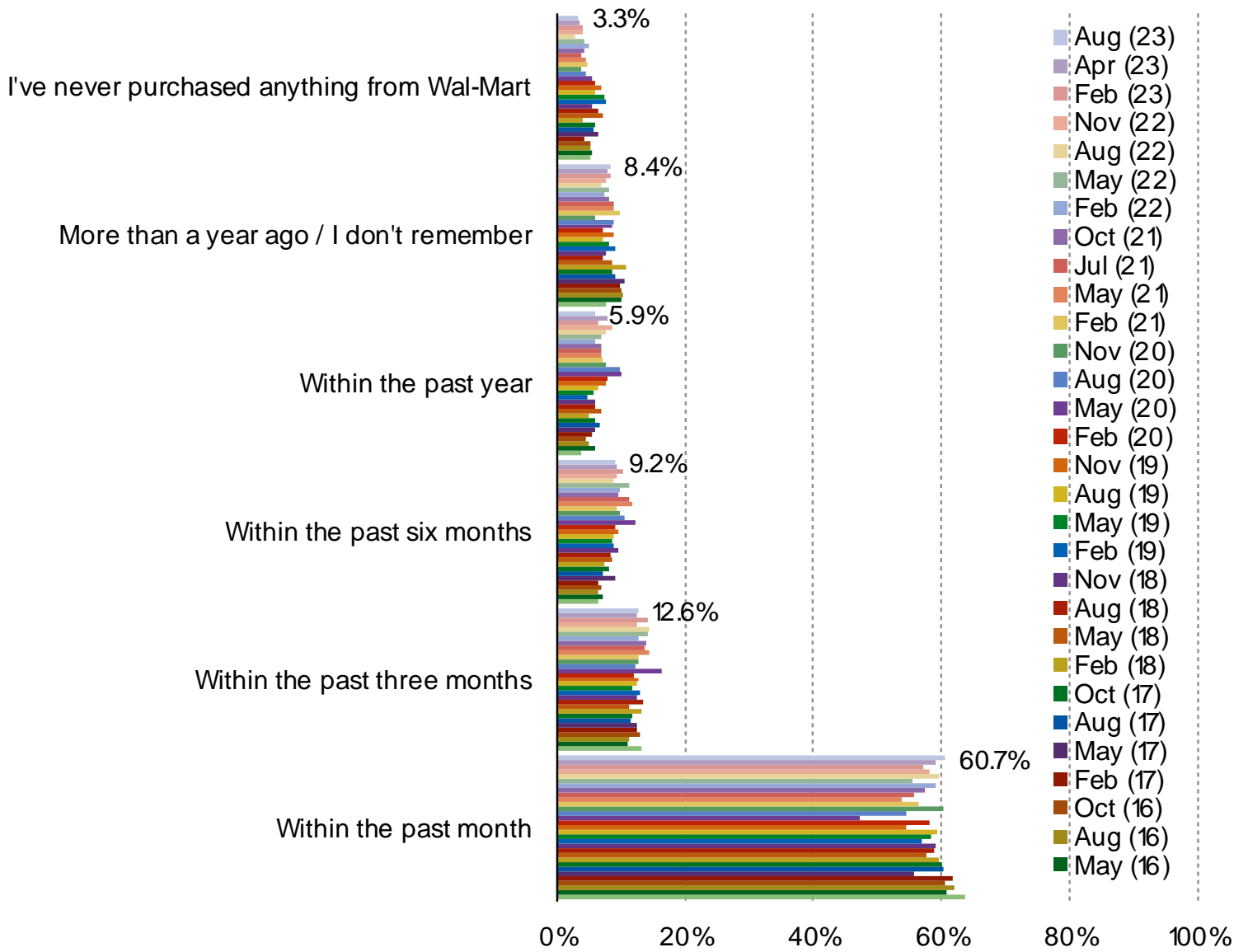
This question was posed to all consumers who visit Target stores.



WAL-MART DEEP DIVE

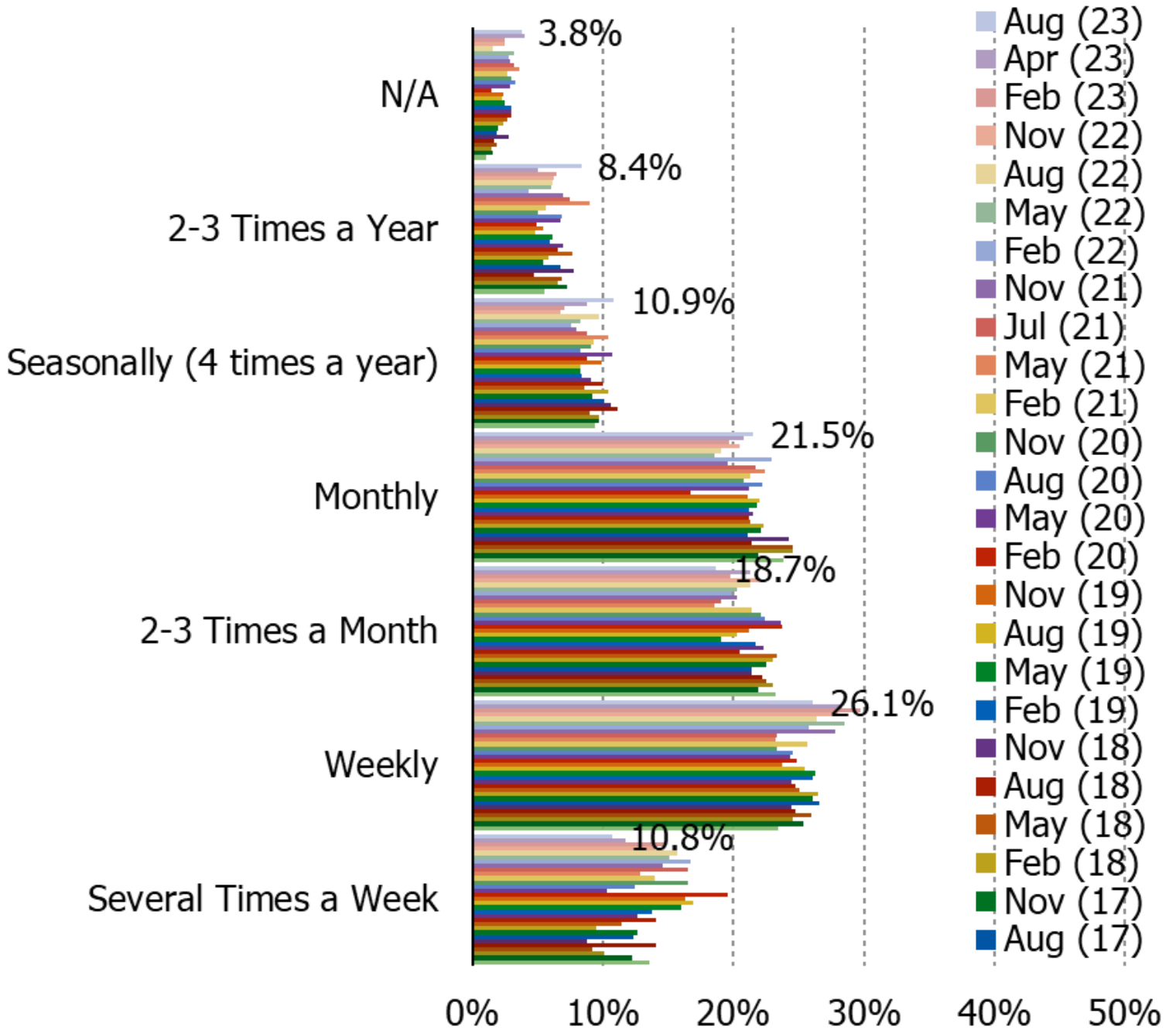
ALL CONSUMERS: LAST TIME PURCHASING FROM WAL-MART

This question was posed to all consumers.



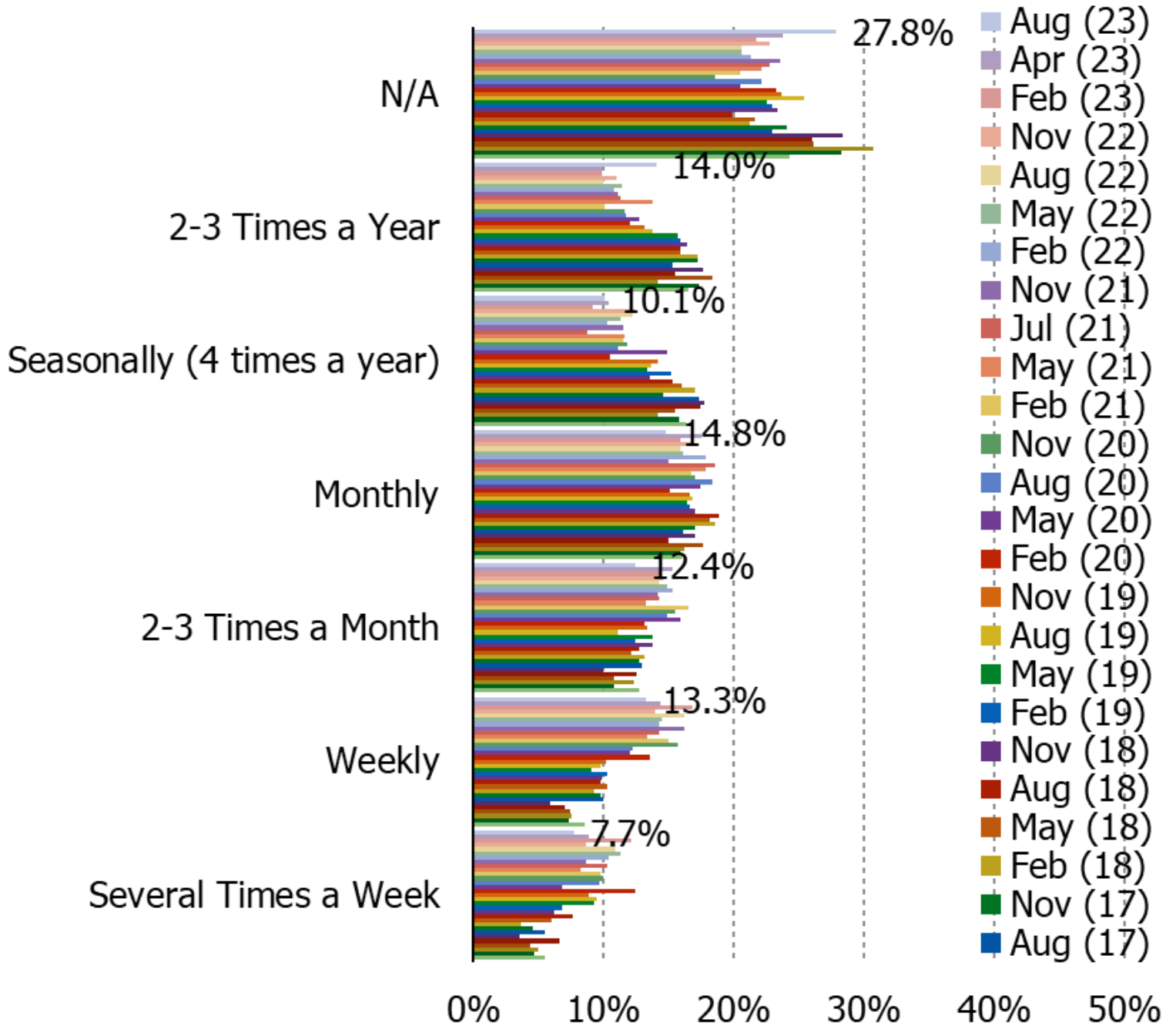
WAL-MART CUSTOMERS: SHOPPING FREQUENCY IN-STORES AT WAL-MART

Posed to respondents who have purchased from Wal-Mart in the past 12 months.



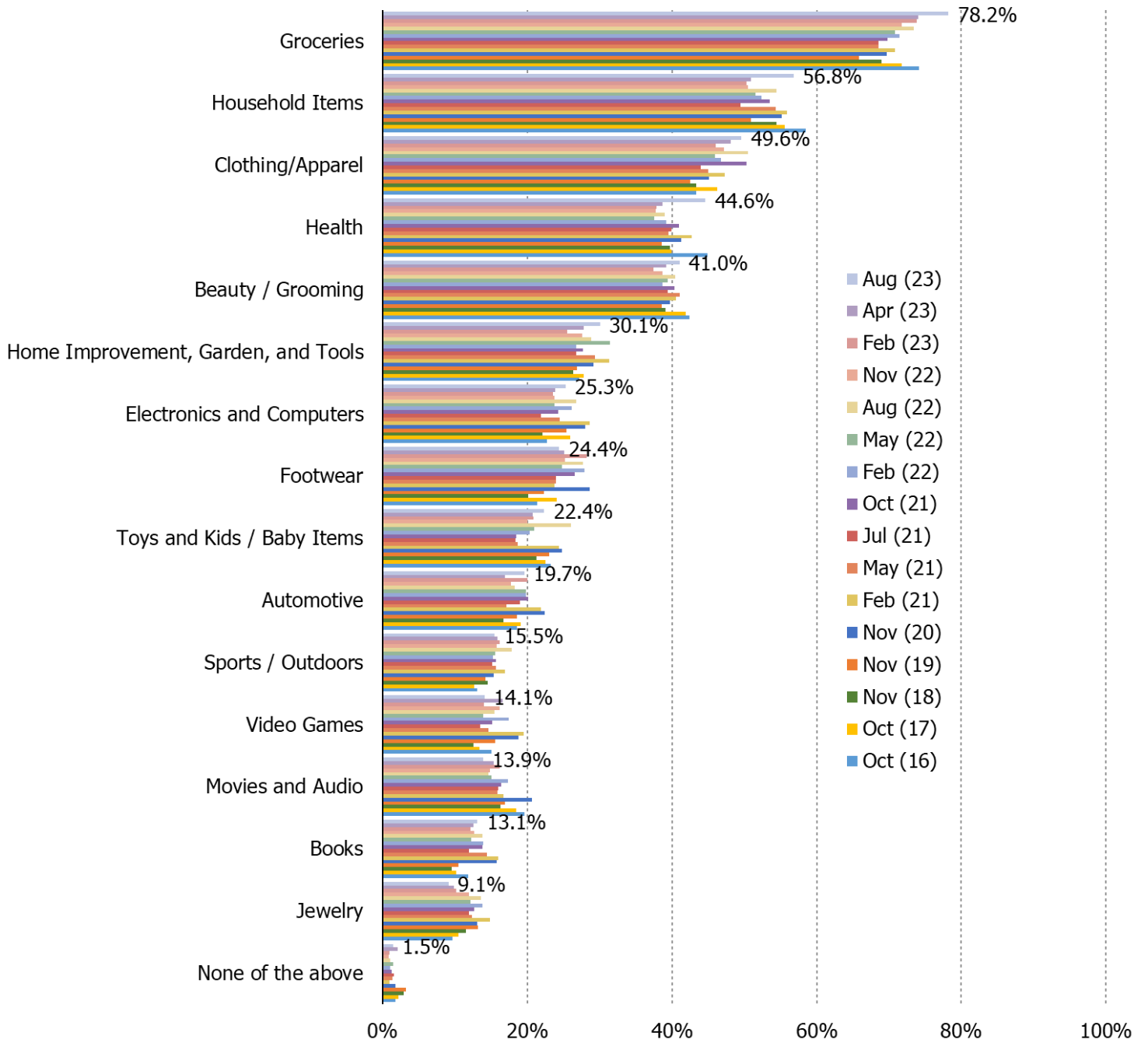
WAL-MART CUSTOMERS: SHOPPING FREQUENCY ONLINE AT WAL-MART

Posed to respondents who have purchased from Wal-Mart in the past 12 months.



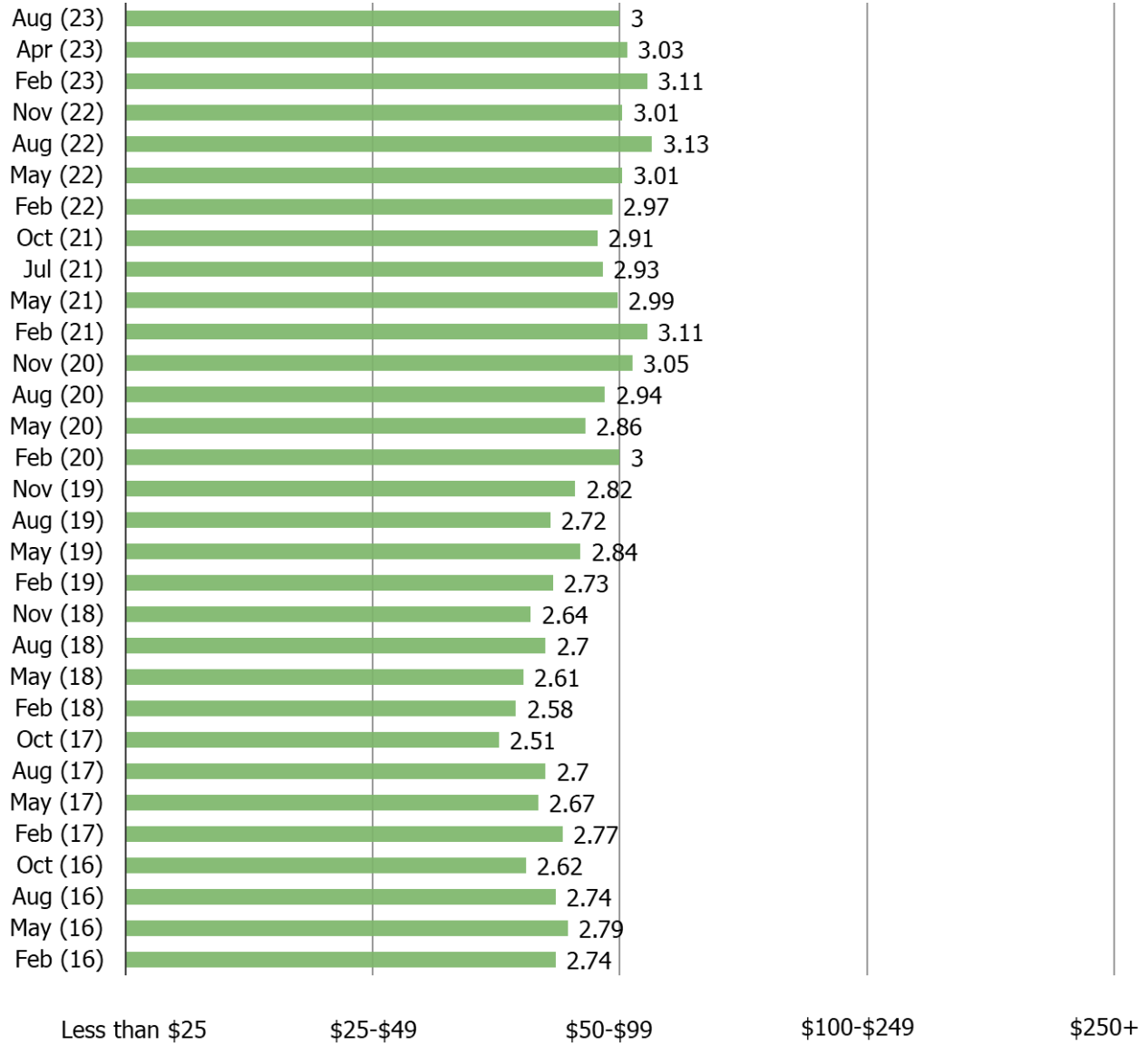
WAL-MART CUSTOMERS: WHAT THEY TYPICALLY BUY FROM WAL-MART (Q/Q TREND)

Posed to respondents who have purchased from Wal-Mart in the past 12 months.



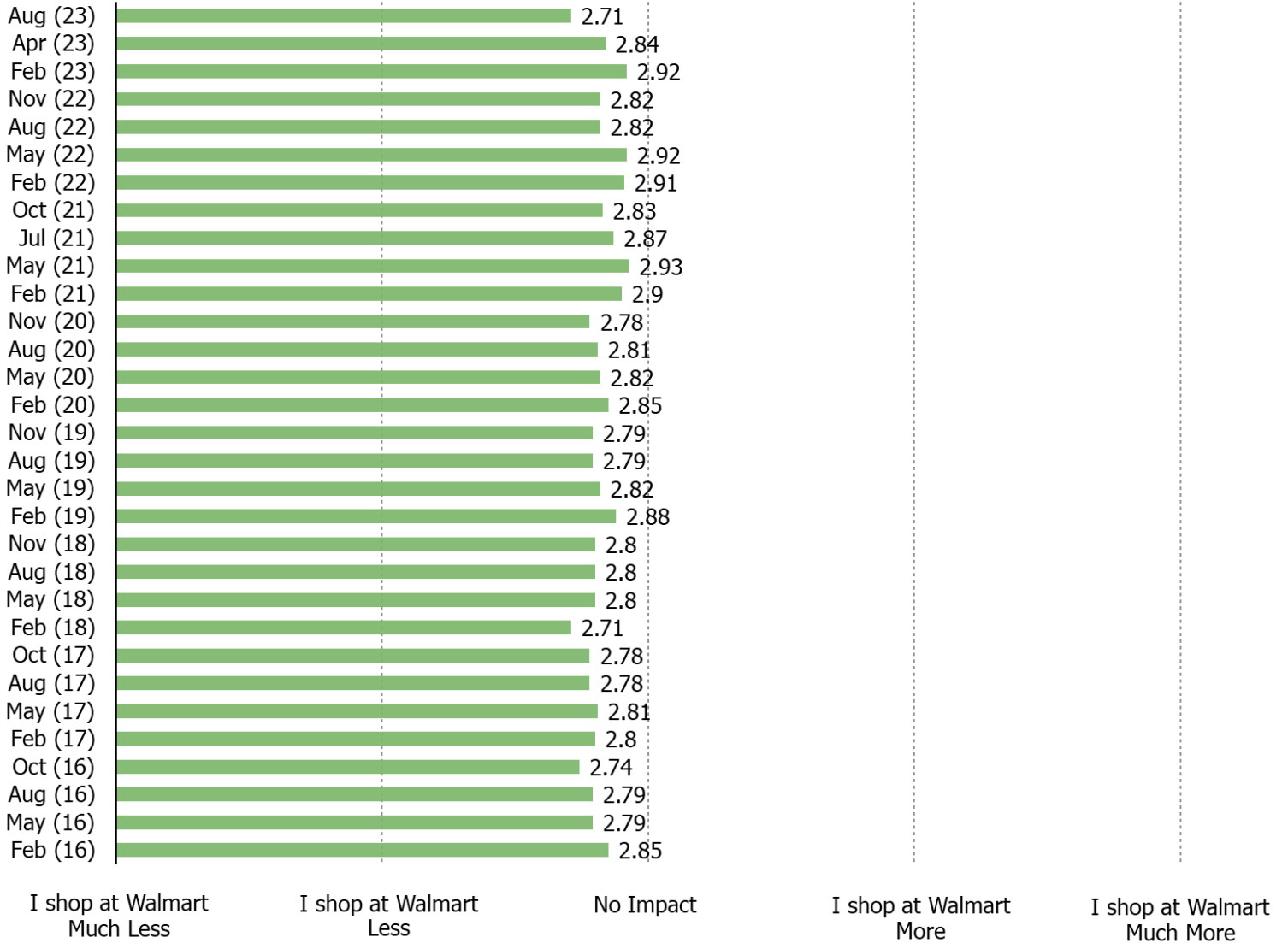
WAL-MART CUSTOMERS: AVERAGE SPEND PER VISIT

Posed to respondents who have purchased from Wal-Mart in the past 12 months.



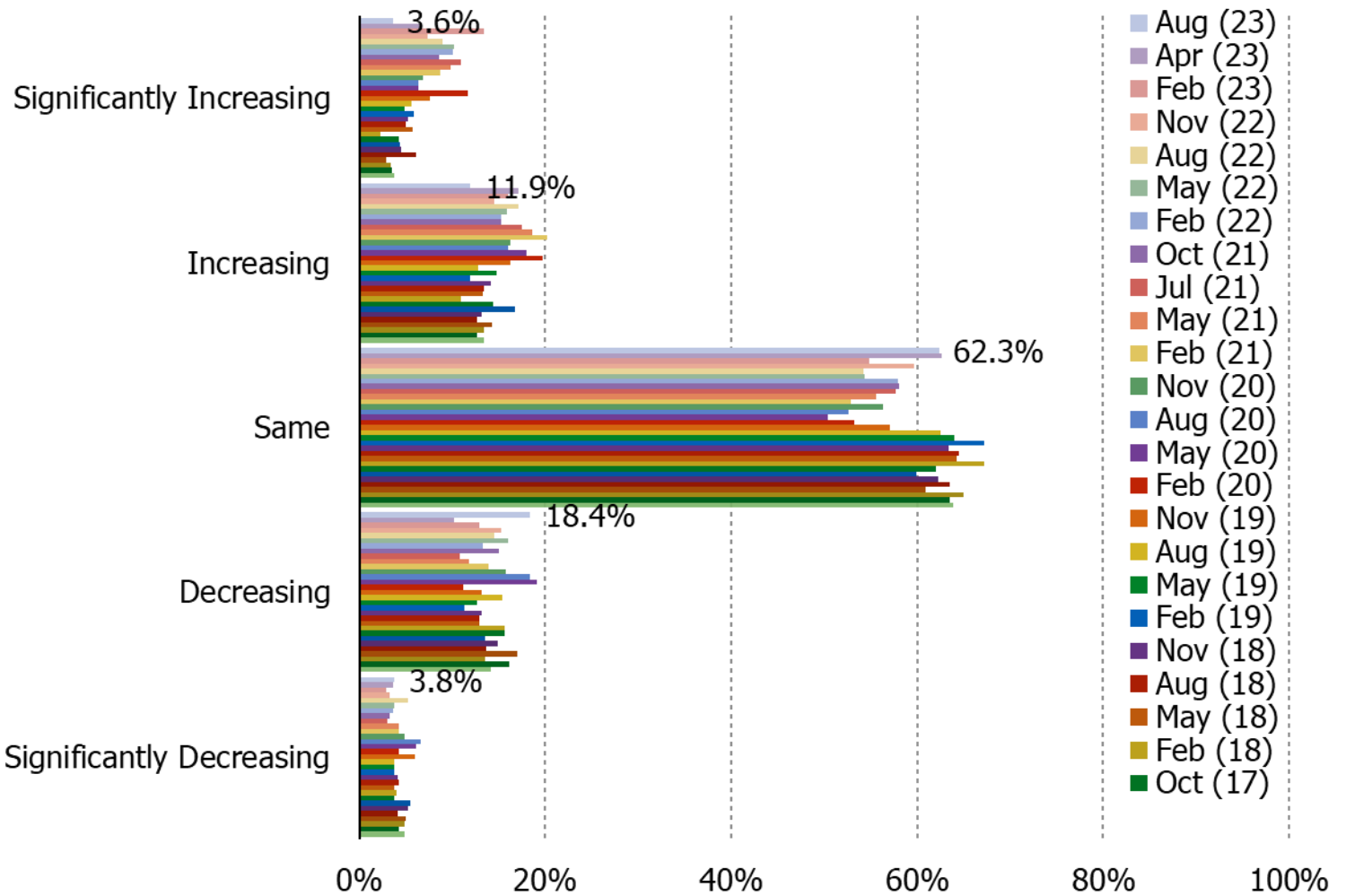
WAL-MART CUSTOMERS: IS AMAZON IMPACTING YOUR SHOPPING AT WAL-MART?

Posed to respondents who have purchased from Wal-Mart in the past 12 months.



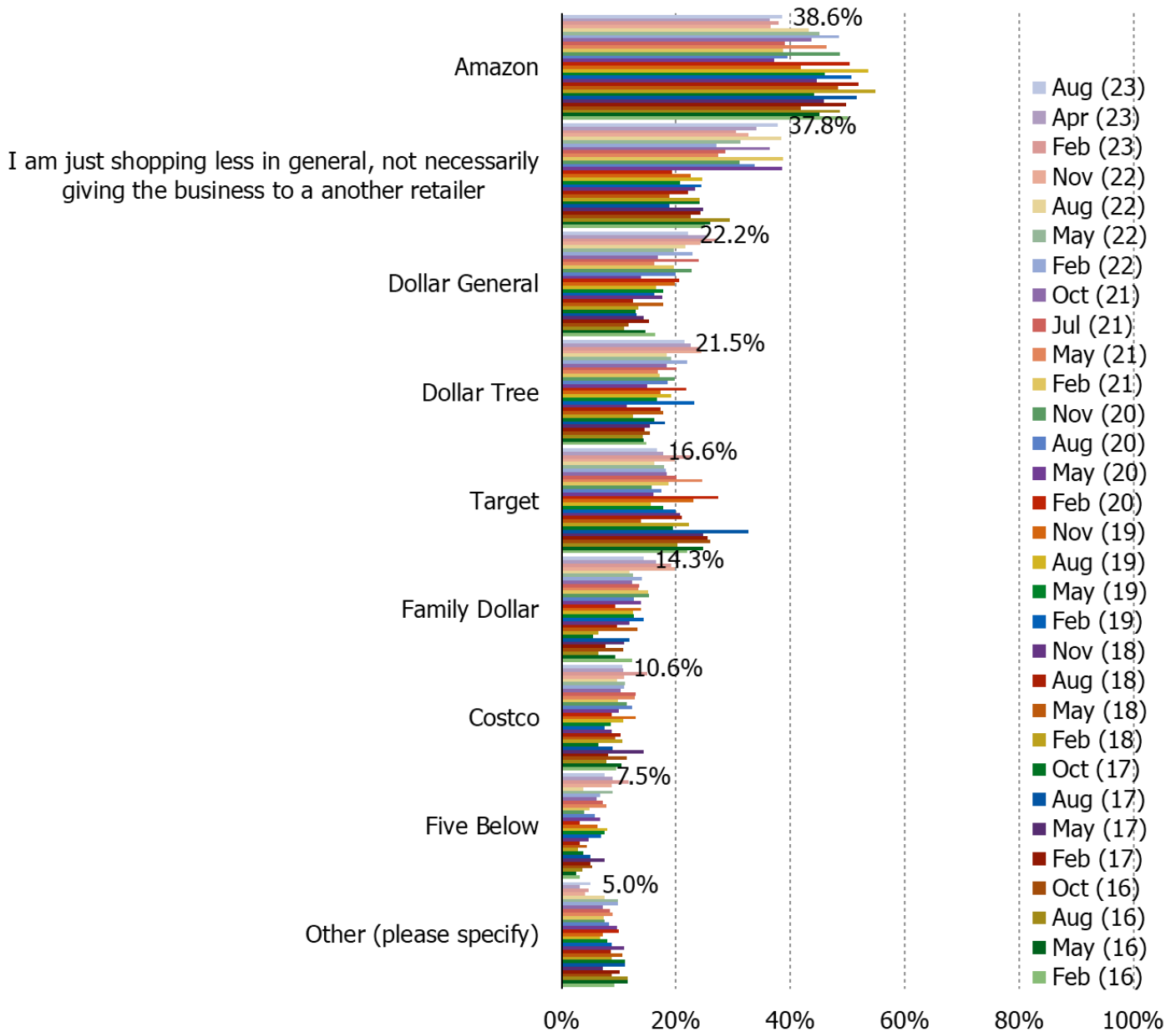
WAL-MART CUSTOMERS: CHANGES IN RECENT SHOPPING FREQUENCY

Posed to respondents who have purchased from Wal-Mart in the past 12 months.



SINCE YOU ARE SHOPPING LESS AT WAL-MART, ARE YOU GIVING THAT BUSINESS TO ANY OF THE FOLLOWING RETAILERS INSTEAD?

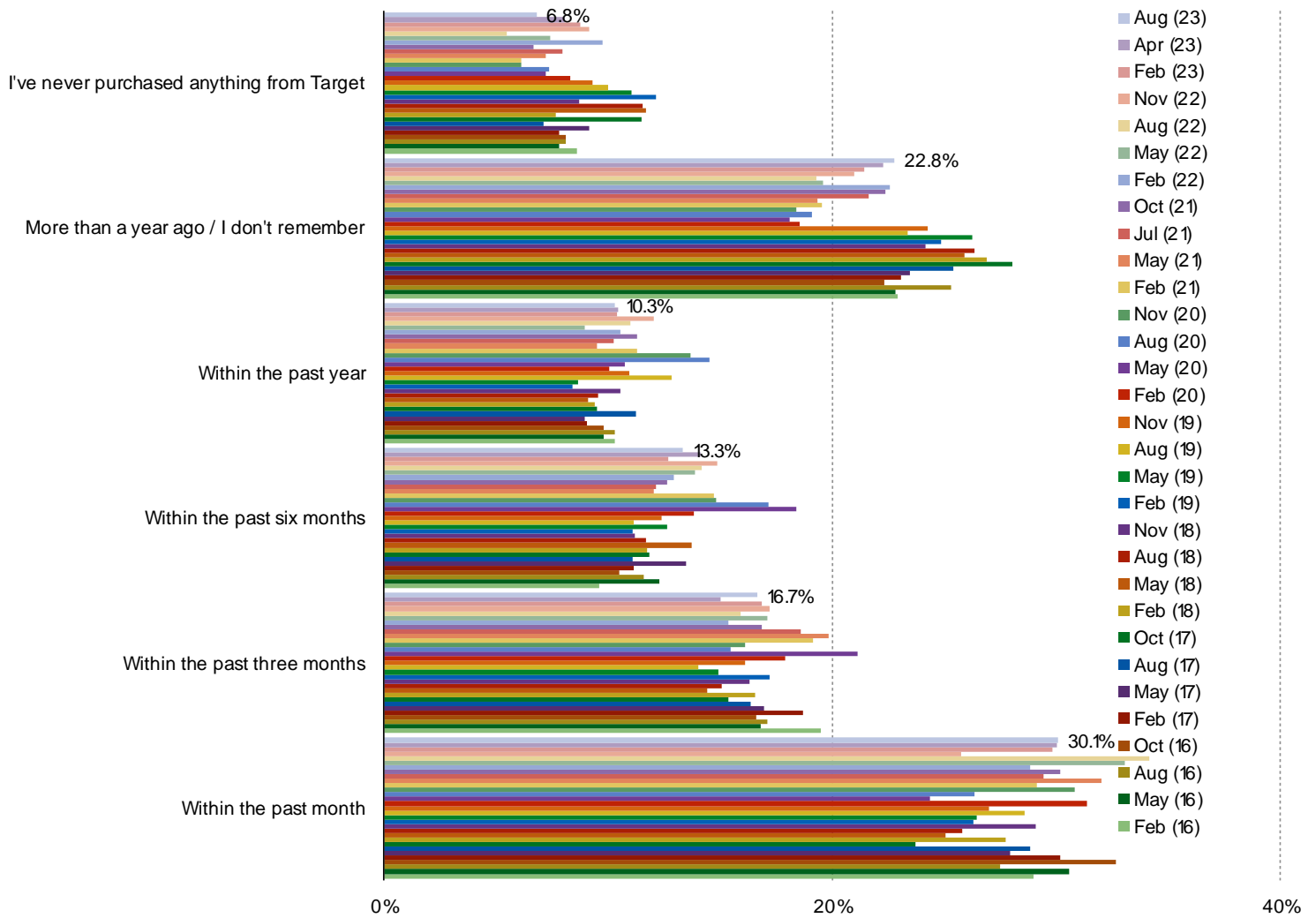
Posed to respondents who have purchased from Wal-Mart in the past 12 months AND said they have been shopping Wal-Mart less recently.



TARGET DEEP DIVE

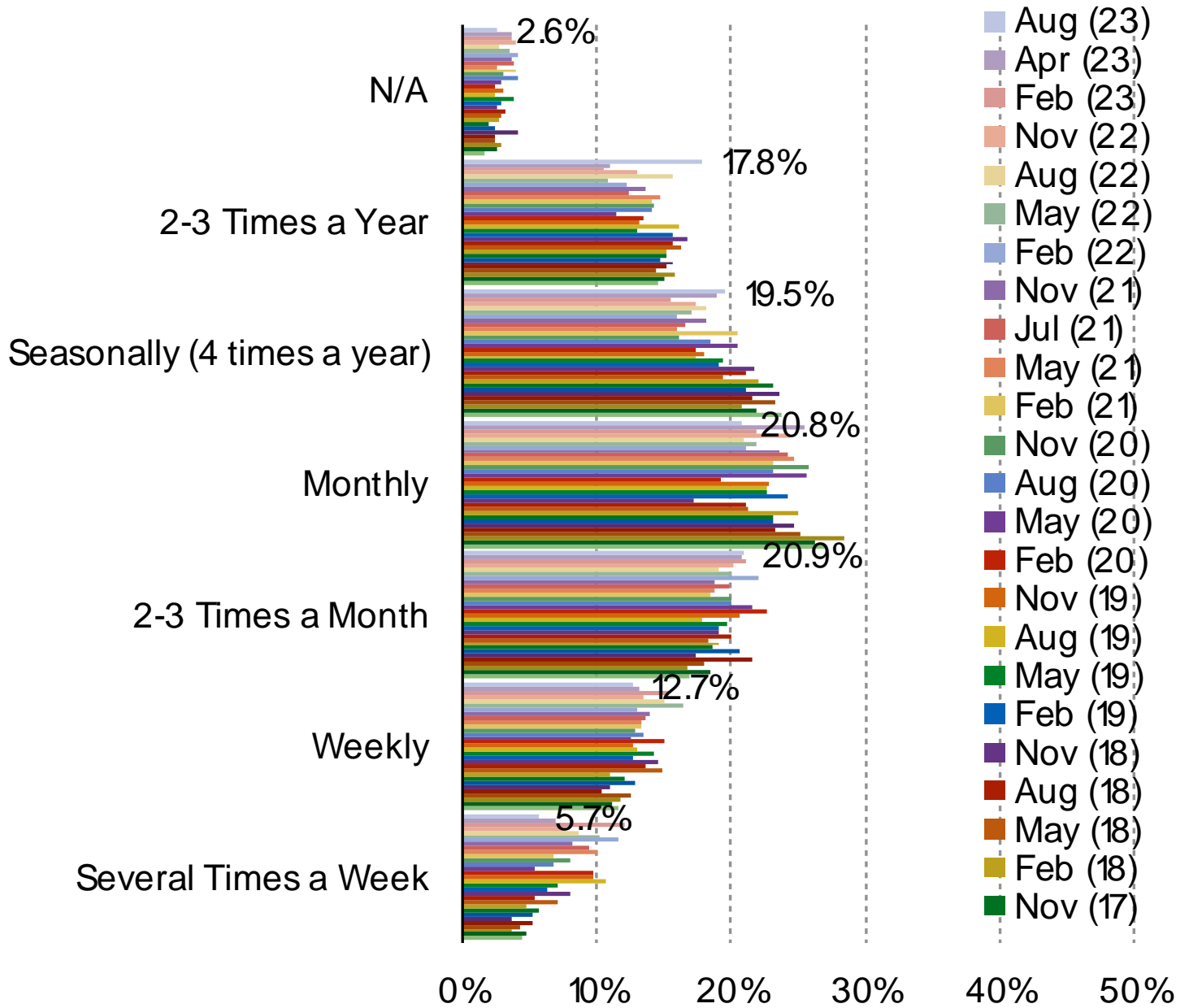
ALL CONSUMERS: LAST TIME PURCHASING FROM TARGET

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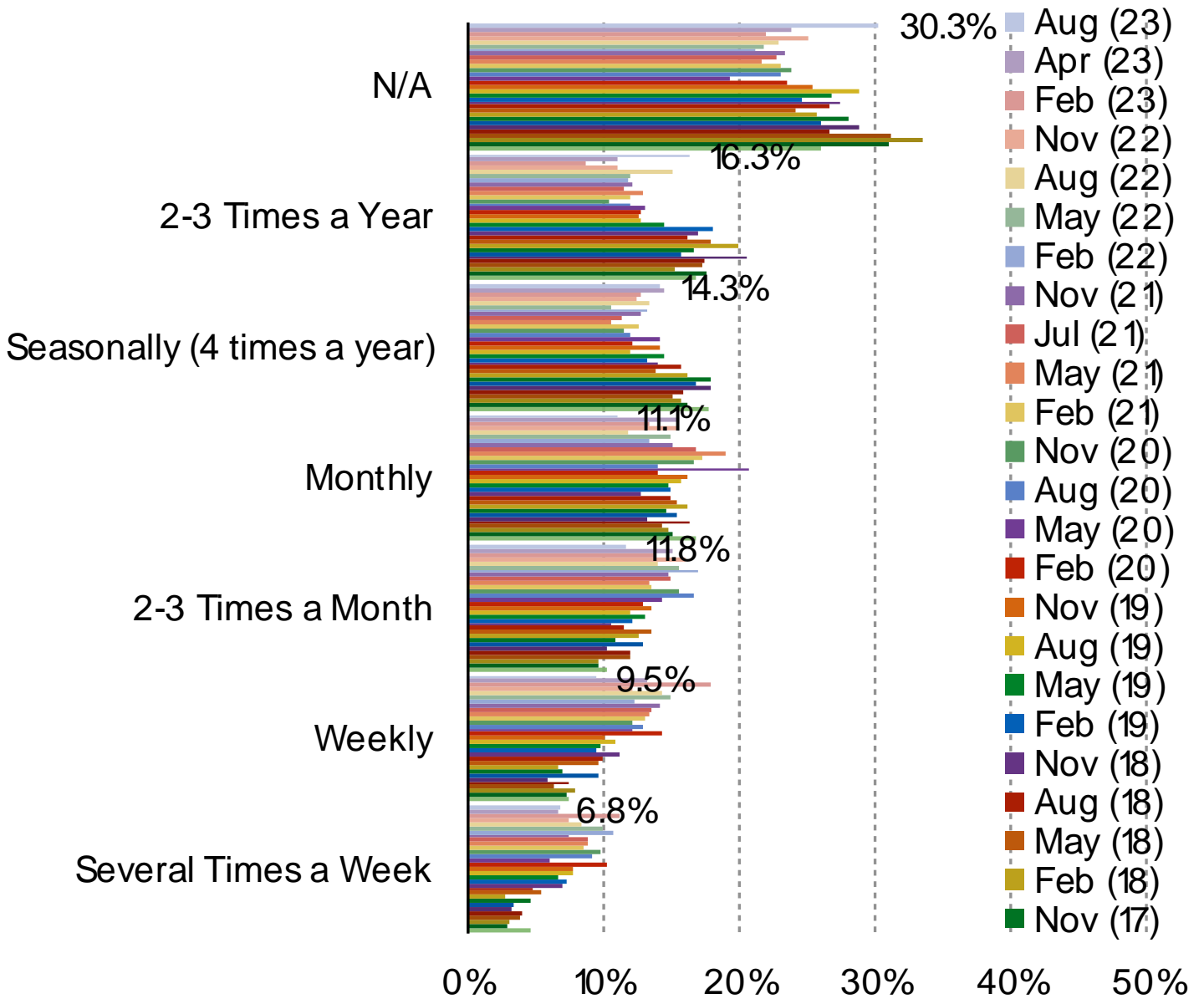
TARGET CUSTOMERS: SHOPPING FREQUENCY IN-STORES AT TARGET

Posed to respondents who have purchased from Target in the past 12 months.



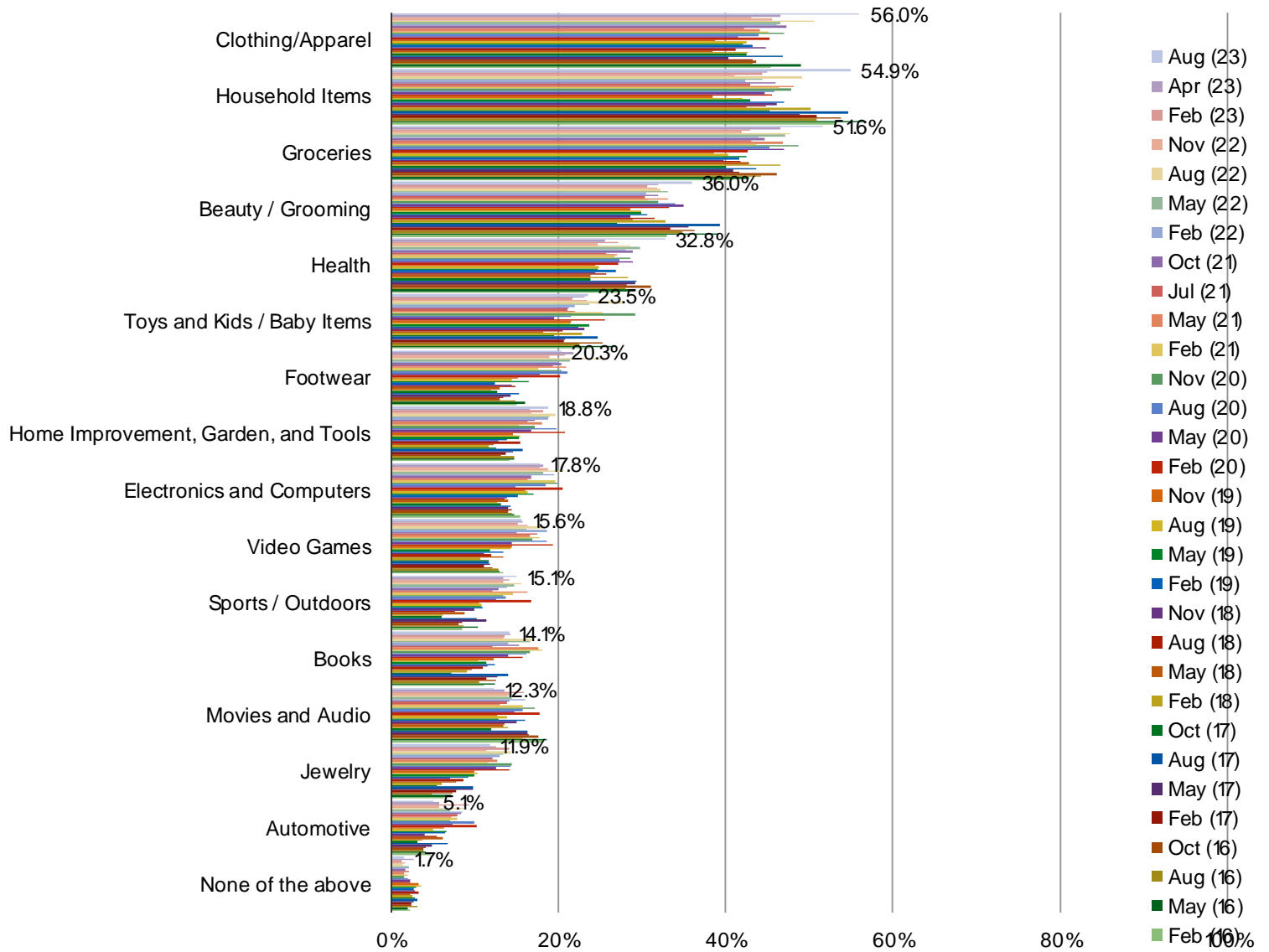
TARGET CUSTOMERS: SHOPPING FREQUENCY ONLINE AT TARGET

Posed to respondents who have purchased from Target in the past 12 months.



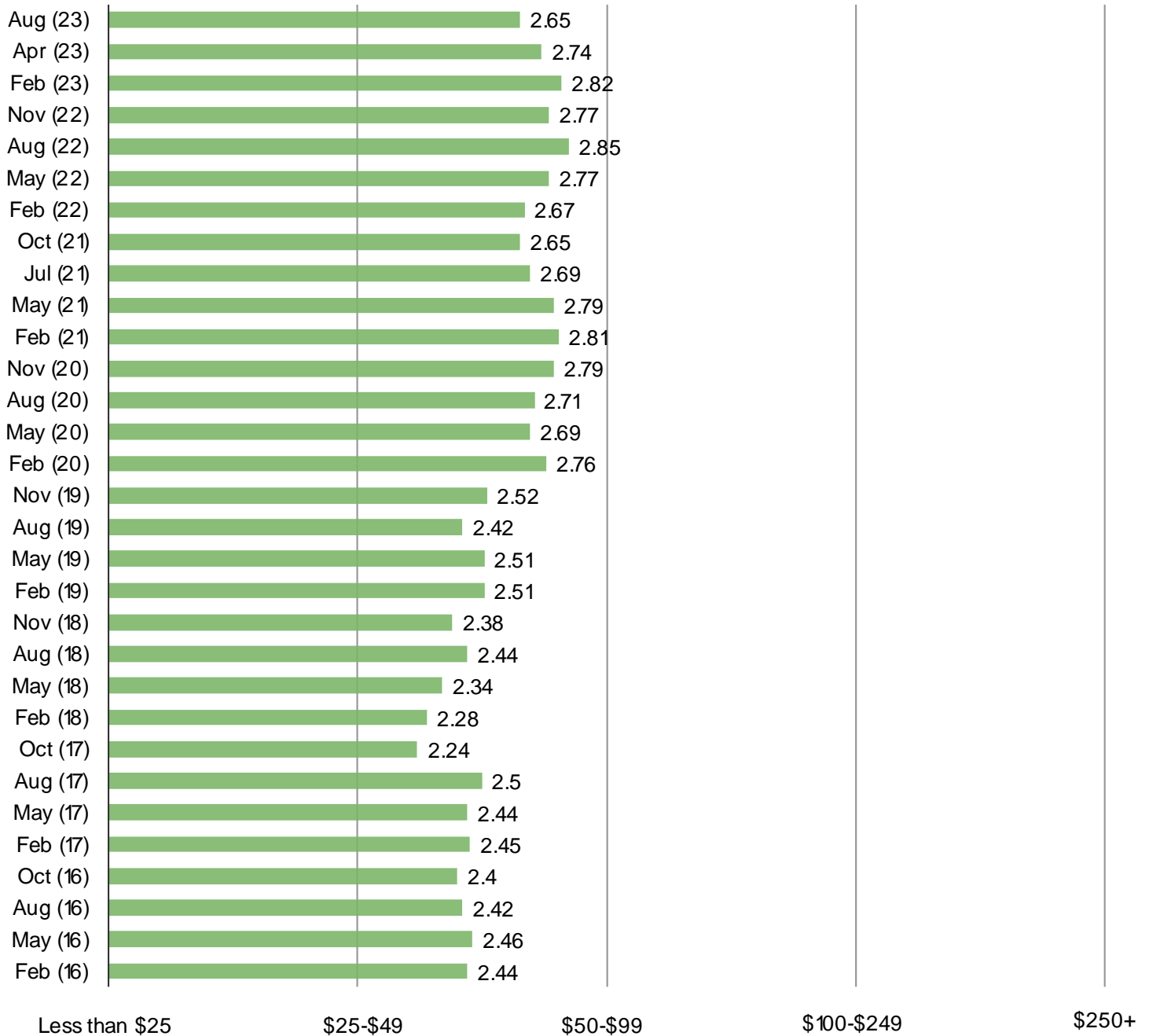
WHAT CUSTOMERS TYPICALLY BUY FROM TARGET (Q/Q TRACKING)

Posed to respondents who have purchased from Target in the past 12 months.



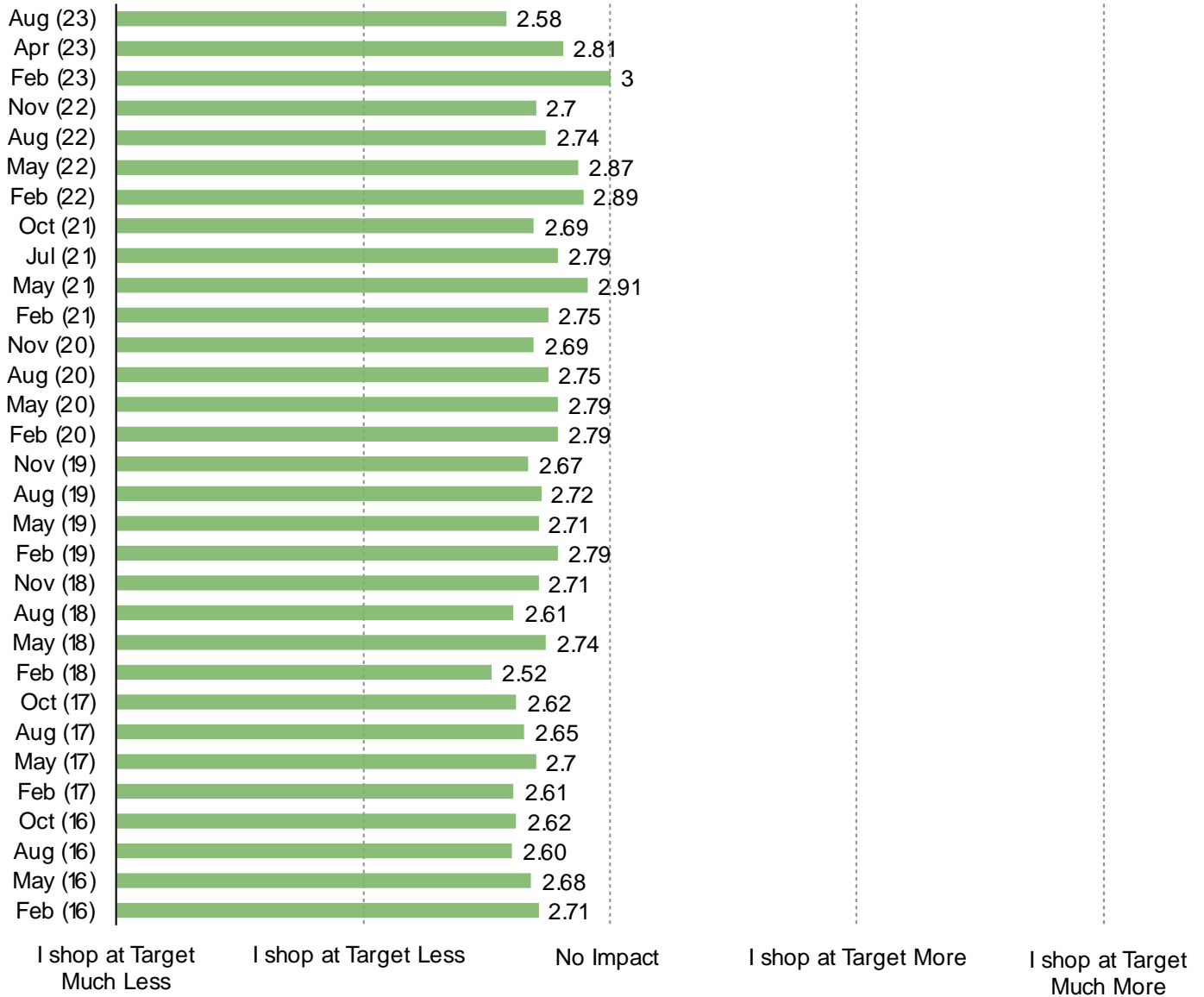
TARGET CUSTOMERS: AVERAGE SPEND PER VISIT

Posed to respondents who have purchased from Target in the past 12 months.



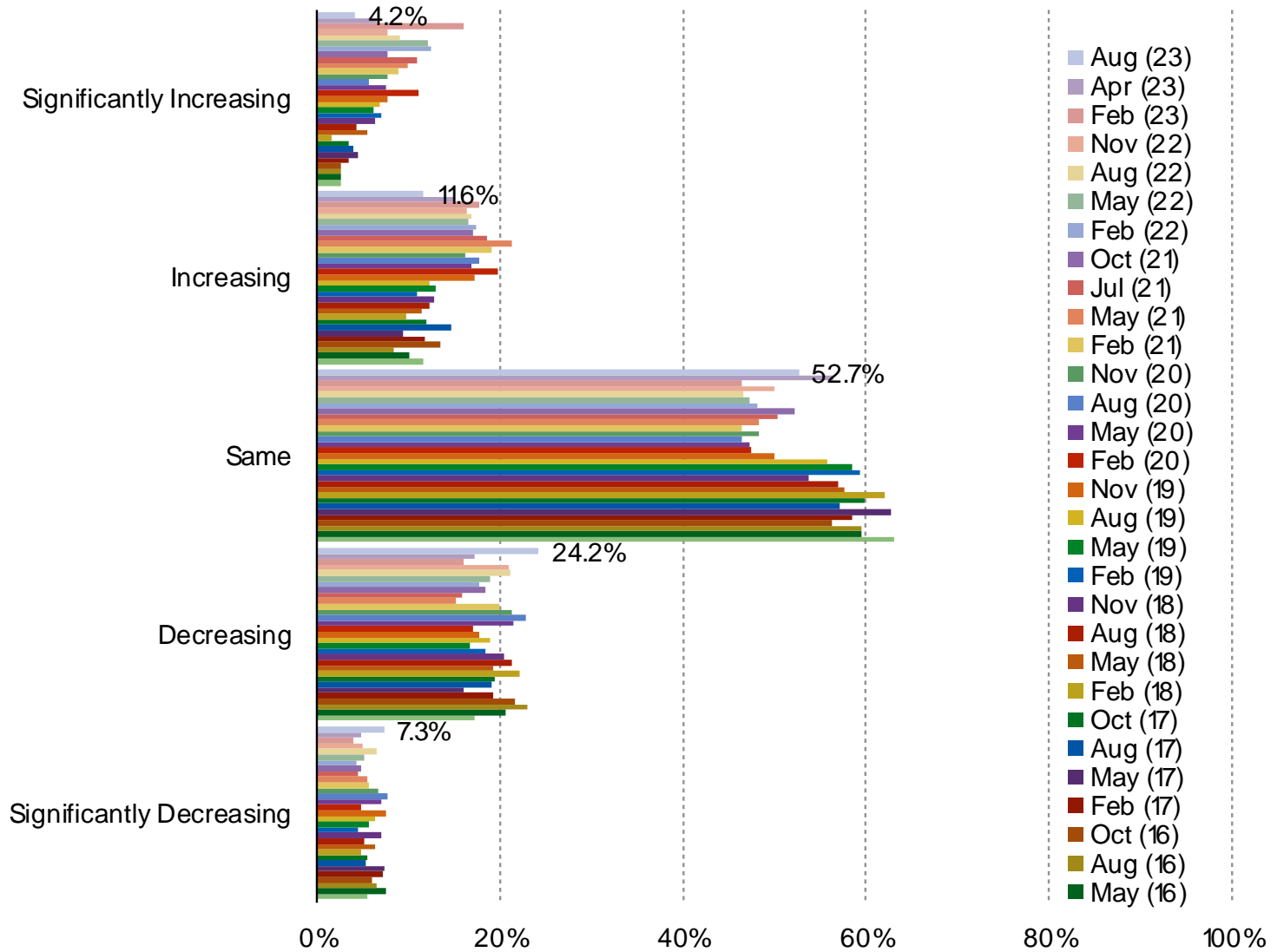
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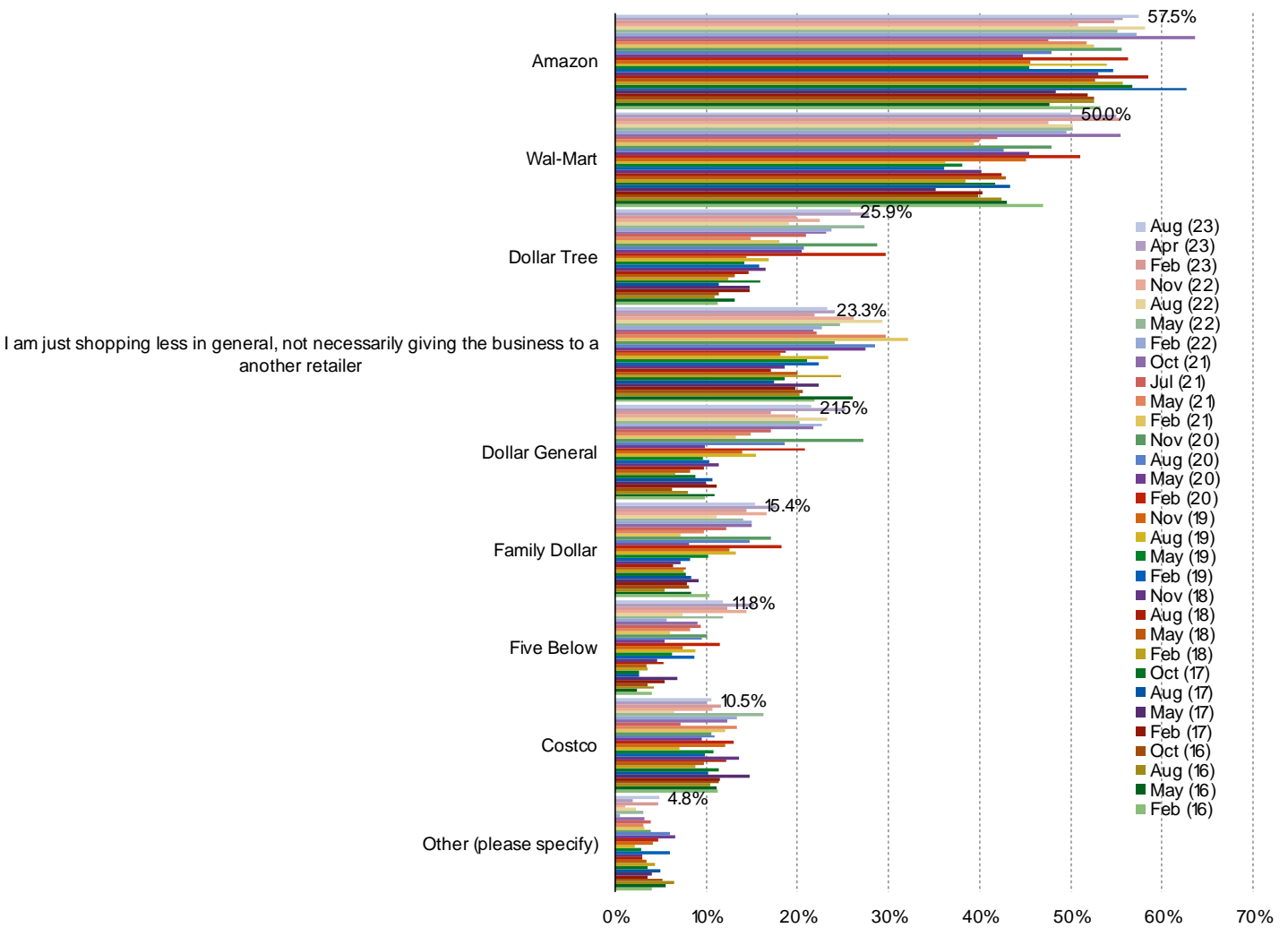
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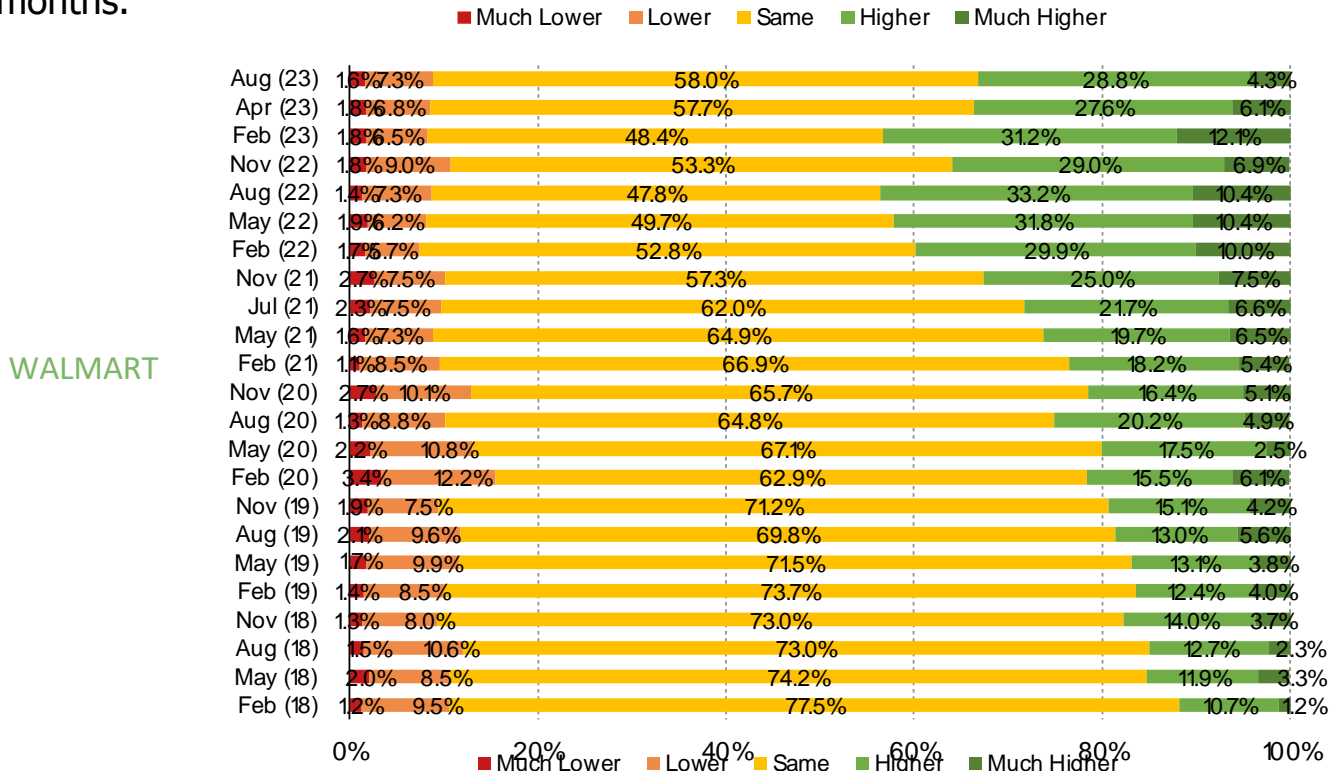
Posed to respondents who have purchased from Target in the past 12 months AND said they have been shopping Target less recently.



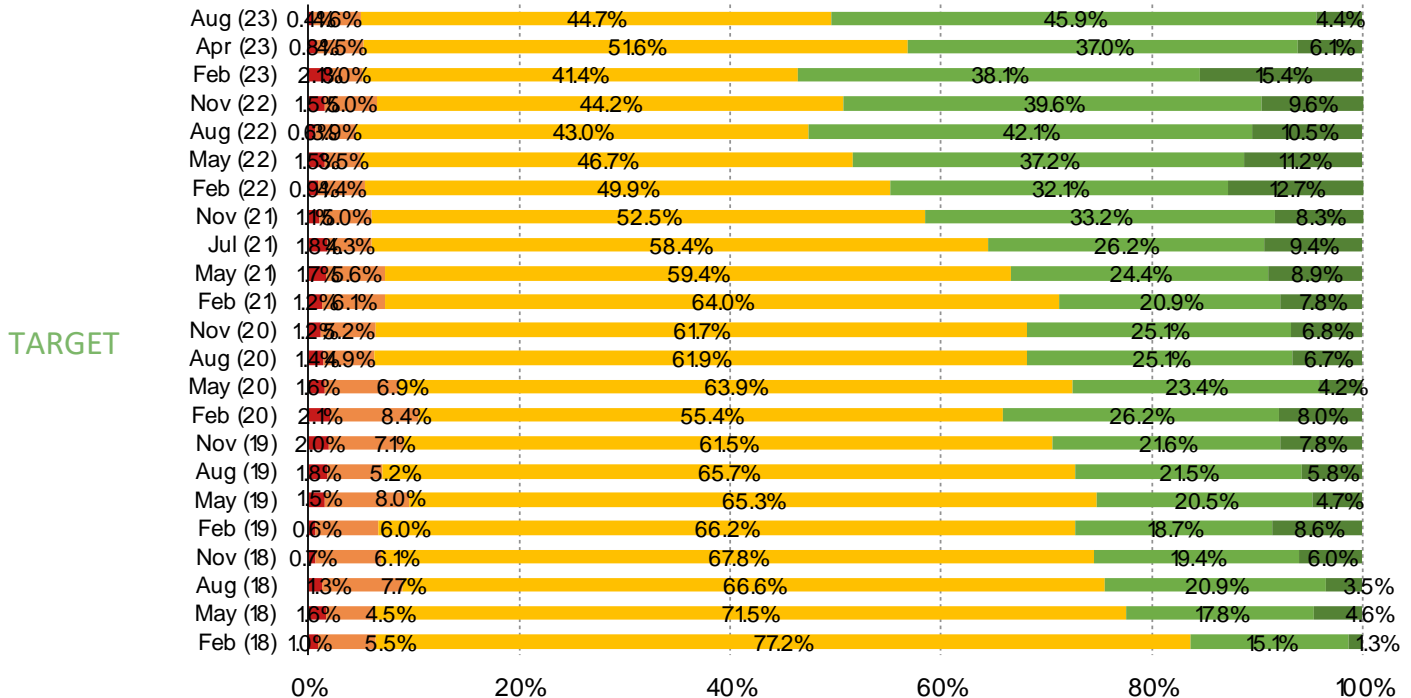
SENTIMENT TOWARD PRICING

WHEN YOU LAST VISITED, DID YOU NOTICE ANY CHANGES TO PRODUCT PRICES?

This question was posed to consumers who have shopped each retailer in the past 12 months.



WALMART

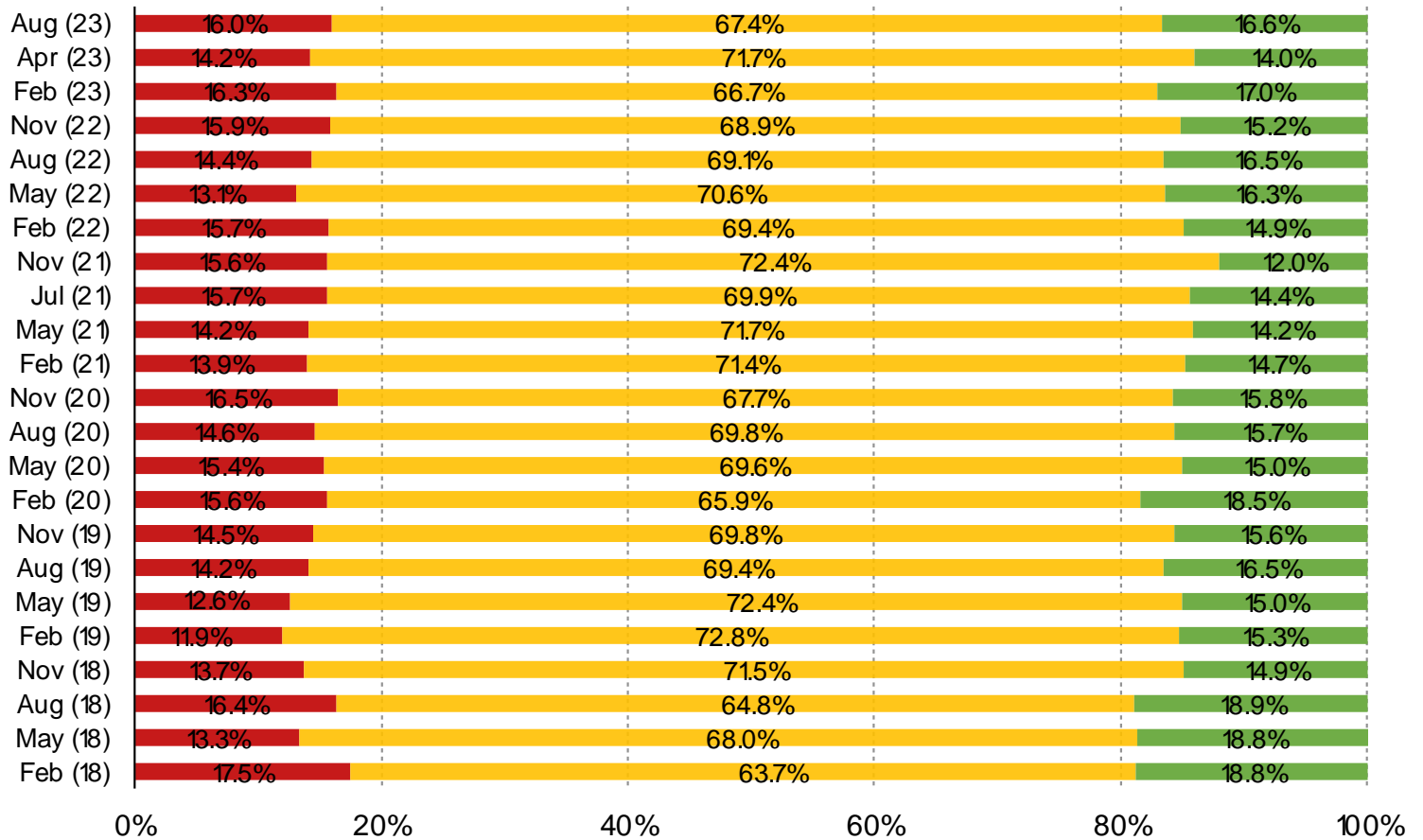


TARGET

FROM YOUR EXPERIENCE, ARE PRICES ON THE WAL-MART SITE DIFFERENT THAN THE PRICES IN-STORES

This question was posed to consumers who have shopped Wal-Mart online AND in-stores monthly or more frequently.

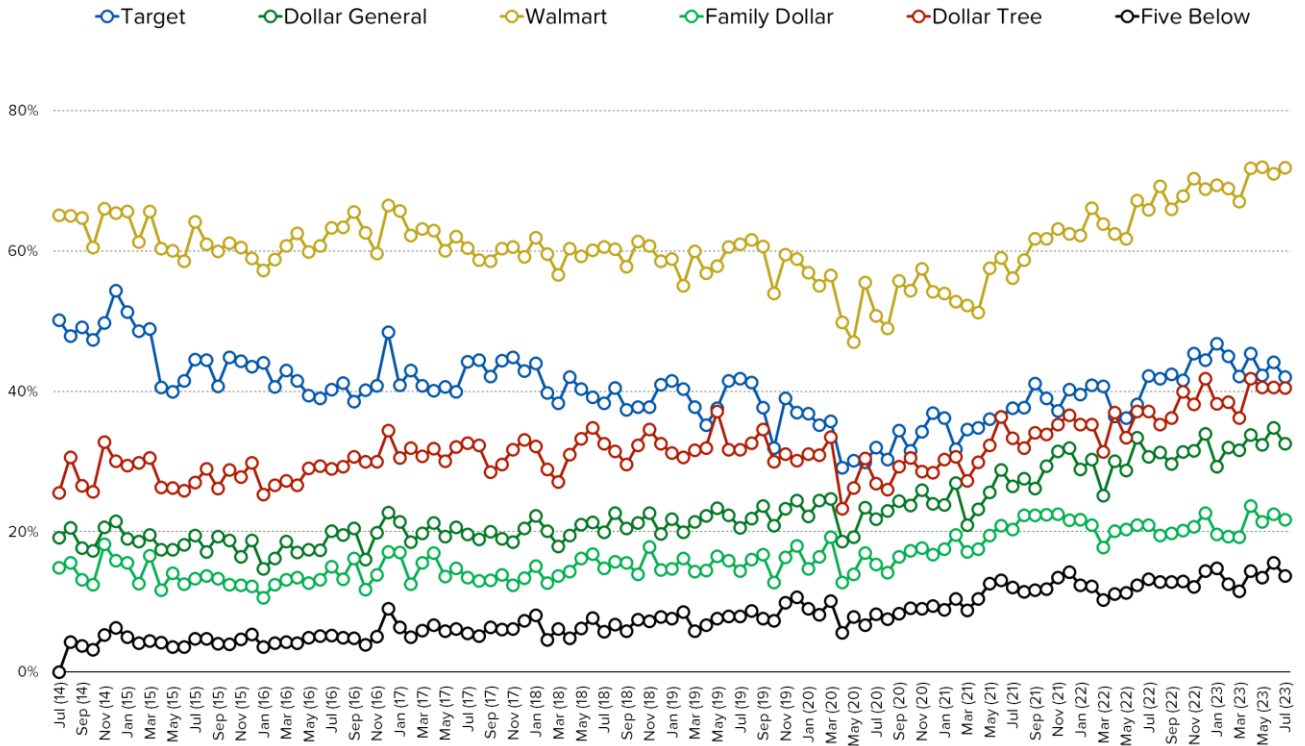
■ Lower Prices In-Stores ■ Same ■ Lower Prices Online



MONTHLY TRACKERS

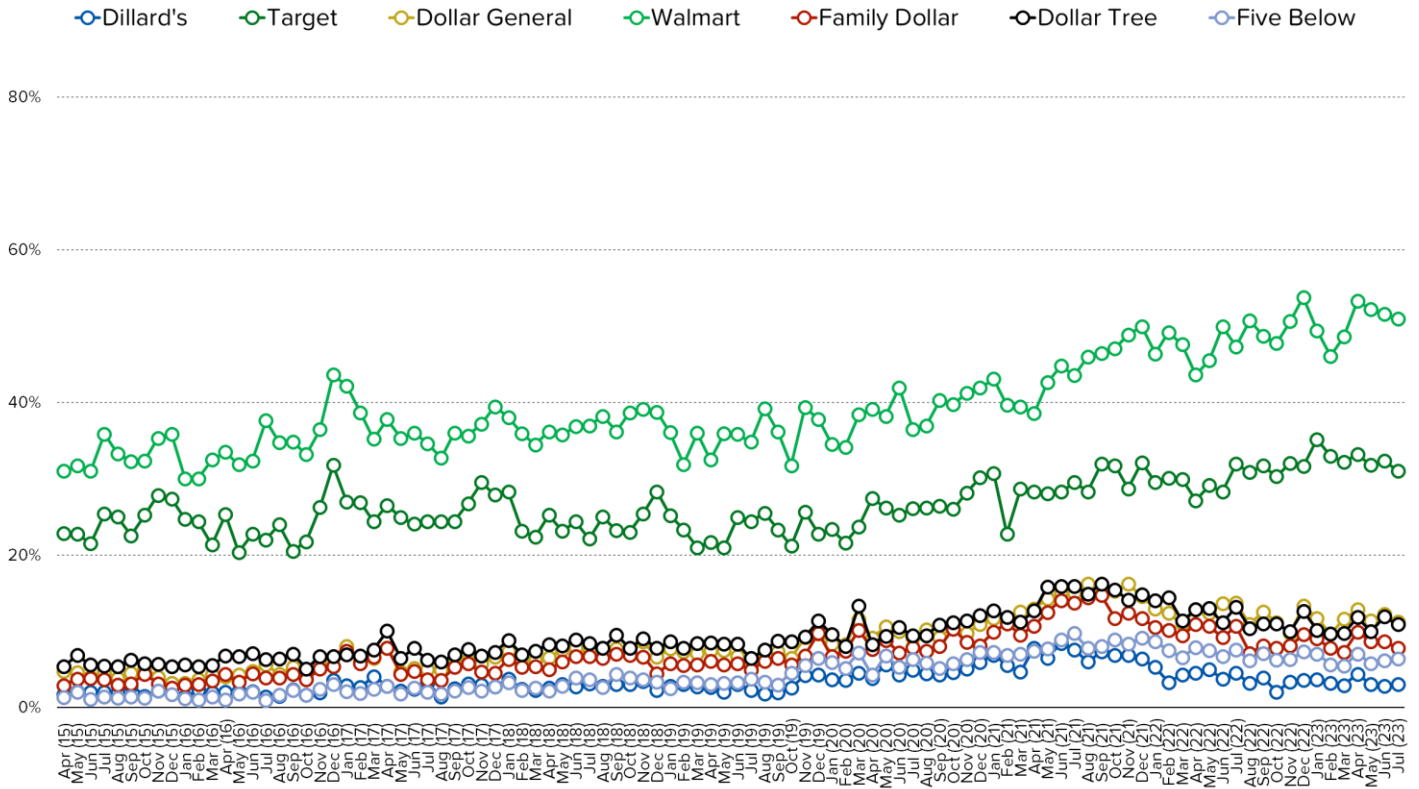
HAVE YOU VISITED ANY OF THE FOLLOWING COMPANY STORES IN THE PAST MONTH?

This question was posed to all respondents.



HAVE YOU VISITED ANY OF THE FOLLOWING COMPANY WEBSITES IN THE PAST MONTH?

This question was posed to all respondents.



HAVE YOU MADE A PURCHASE FROM ANY OF THE FOLLOWING IN THE PAST MONTH? (ONLINE OR IN-STORES)

This question was posed to all respondents.

