

# Bespoke Survey Research

February 2024

## Low-Cost Retail

Volume 33 | Quarterly Survey

1,000 US Consumers Balanced To Census

Tickers Covered: WMT, TGT, AMZN, COST.

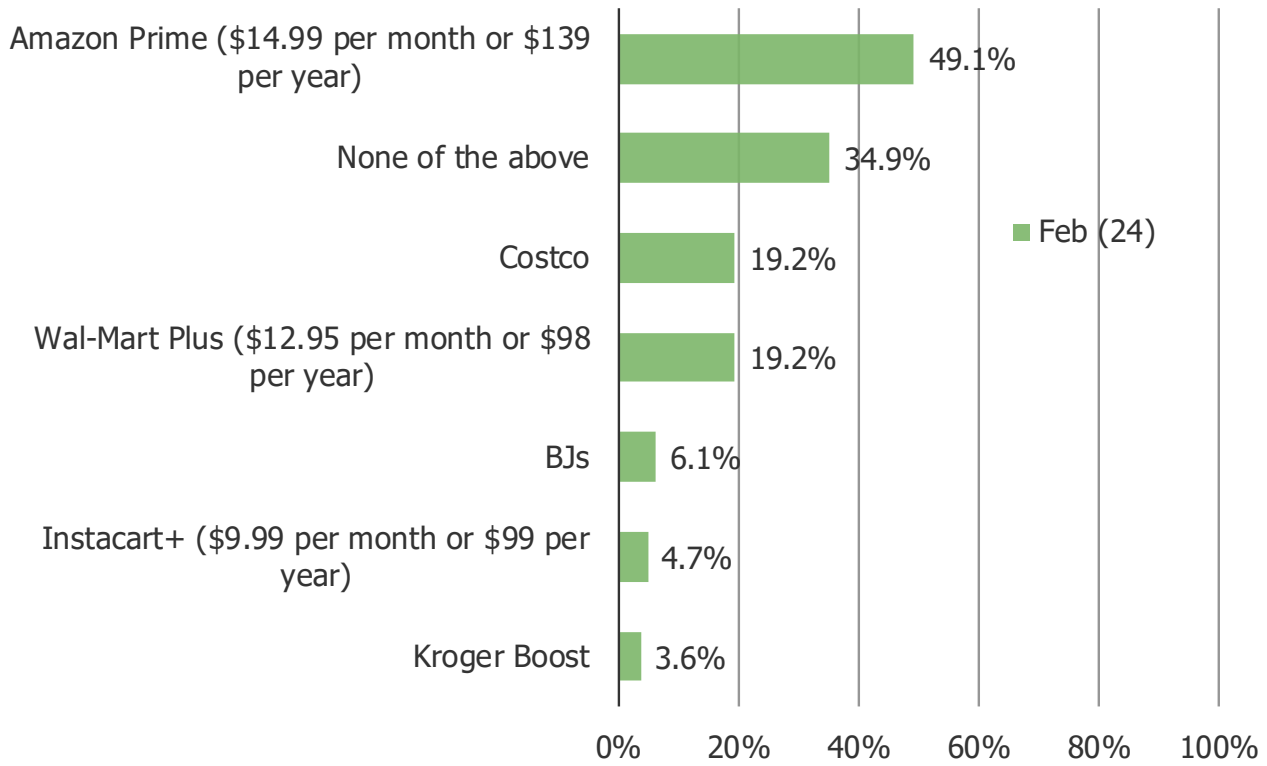
### KPIs and Key questions

1. Projected interest in a potential/rumored paid membership program through Target is relatively low among the broader population, but ~35% of folks who shop Target 2-3+ times per month indicate being a range of somewhat to very interested.
2. If Target were to pursue a Costco or BJ's model with their "Project Trident" membership, they would find fewer customers interested in paying up compared to if they pursued an Amazon / Walmart + type program.
3. Costco purchase recency is tracking consistent relative to our update in November.
4. Costco customers continue to note that Costco fuel prices are lower relative to other gas stations, but the share has declined q/q since we started asking the question. We would also note that the share of customers who say the in-store experience was better before the pandemic has increased sequentially.
5. Feedback around the "in-store experience" at Wal-Mart and Target has also worsened in recent quarters.
6. The share of Walmart and Target customers who flag higher prices continues to decline relative to the peak.
7. Self-reported Wal-Mart shopping trends have been fairly stable over time in our quarterly survey. Our monthly tracker that asks consumers simply if they have visited Wal-Mart in the past month has been performing above historical ranges since its recovery Covid troughs.
8. Feedback around Target shopping recency and frequency has been in a softening pattern in recent volumes of our survey. Our tracker has consistently shown those shopping Target less to suggest they are using Amazon instead. In recent quarters, we've seen an increase in trading down to Wal-Mart and some of the dollar stores that we ask about.

## NEW QUESTIONS | FEBRUARY 2024

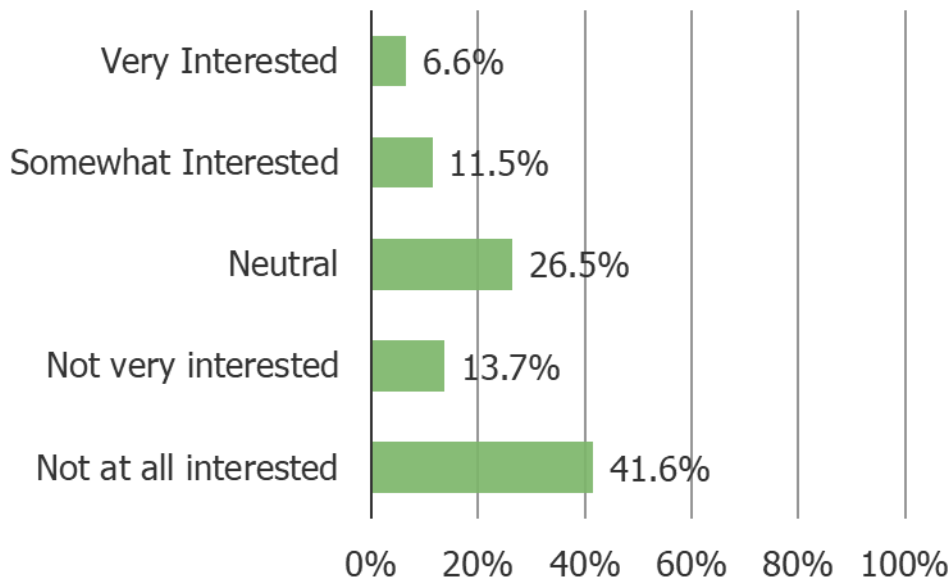
ARE YOU OR ANYONE IN YOUR HOUSEHOLD CURRENTLY A PAYING MEMBER OF ANY OF THE FOLLOWING?

This question was posed to all respondents.

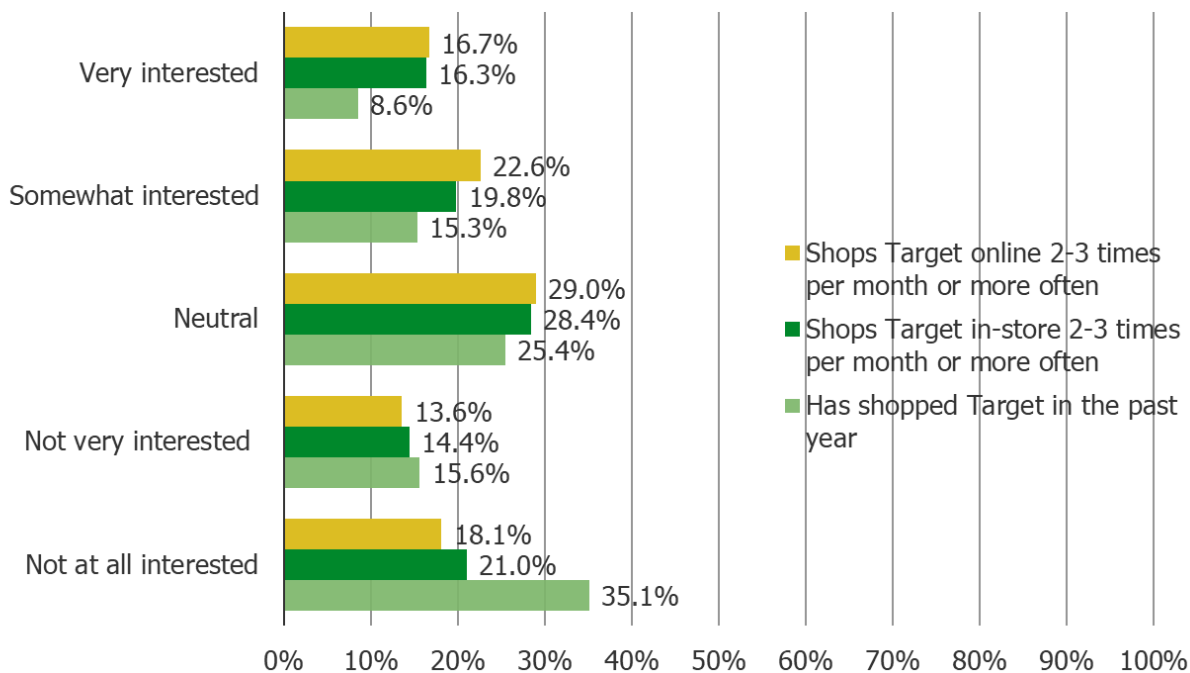


WOULD YOU HAVE ANY INTEREST IN SIGNING UP FOR A PAID MEMBERSHIP WITH TARGET IF THEY LAUNCHED ONE? THE MEMBERSHIP WOULD LIKELY COST \$10-\$15 PER MONTH OR AROUND \$99 PER YEAR AND WOULD GET YOU FREE SHIPPING AND DEALS WHILE SHOPPING.

This question was posed to all respondents.



Cross-Tabs: How different types of Target customers answer the question above...



WOULD YOU HAVE ANY INTEREST IN SIGNING UP FOR A PAID MEMBERSHIP WITH TARGET IF THEY LAUNCHED ONE? THE MEMBERSHIP WOULD LIKELY COST \$10-\$15 PER MONTH OR AROUND \$99 PER YEAR AND WOULD GET YOU FREE SHIPPING AND DEALS WHILE SHOPPING.

### Optional Comments

2 person household, no need for bulk because I don't have any money due to healthcare costs  
 Because of their pro-LGBTQ stance.  
 Because they don't have a Target where I live, so I wouldn't be able to sign up even if I wanted to.  
 Can't afford it  
 Can't afford it  
 cost too much  
 Depending  
 Depending on benefits I would consider a membership  
 Depends on what the benefits are  
 Disapprove of some of their policies  
 do not shop enough to warrant cost  
 Do not shop there.  
 Don't like target  
 Don't shop Target on line  
 Don't shop there enough to be worth it anymore, maybe if Trump wins that will change cause I'll have more money!  
 Don't use target online enough to need the benefits of membership  
 Don't usually shop there a lot  
 don't go there enough  
 Don't have a target close enough to utilize it.  
 DON'T HAVE STRONG FEELING EITHER WAY  
 don't have the need  
 dont know  
 dont like target  
 don't like the store  
 don't need it  
 Don't really care for this store.  
 Don't shop at Target enough to make it worthwhile  
 Don't shop enough at Target to warrant free shipping membership.  
 dont shop much there  
 Don't shop that often  
 don't shop there  
 Don't shop there much.  
 Don't shop there too often  
 Grocery are more expensive at Target and I do like other household products there!  
 Hate target  
 have enough as it is  
 have to many as it is, i do instore pickup  
 I already have amazon prime. I don't need Target  
 I already have enough memberships, plus there aren't any Targets close enough to me that would make this worthwhile.

I am not sure about the overall discounts and savings  
 i can shop by myself I feel that this new way is making people lazy  
 I choose to not frequent Target for any reason.  
 I dint like target  
 I do already have enough subscriptions  
 I do not appreciate their policies!  
 I do not buy enough to make it worth it & I like to shop in different places  
 I do not have the extra money  
 I do not like Target.  
 I do not shop there often  
 i do not shop there often enough because their prices are too high  
 I don't need it and I'm unemployed anyway  
 I don't shop there often  
 I don't shop there often enough for it to be worth it  
 I don't do art target very often  
 I don't do that much shopping at Target to pay for a membership from there  
 i don't generally shop at Target  
 I don't have a Target by me.  
 I don't have any extra money  
 I don't have the extra money  
 I don't have the extra money right now.  
 I don't know if it's worth it  
 I don't live near target  
 I don't particularly like Target  
 I don't really need it----infrequent shopper  
 I don't shop at Target, they're much higher than Walmart  
 I don't shop there enough for it to pay off.  
 I don't shop there enough to justify a paid membership  
 I don't shop there enough to pay for it.  
 I don't shop there very often.  
 I don't shop there.  
 I hate subscription type business. Everything is subscription like damn stop  
 I have been boycotting Target for about 5 years because they refused to hold accountable their employee who used their security system to read my debit card numbers and compromise my bank account.  
 I have instituted a lifetime ban of Target due to their stance on transgender people.  
 I have too many other subscriptions.  
 I just do a lot more shopping elsewhere. I also love so far from a target store that delivery from store wouldn't be an option.  
 I like one price unlimited delivery

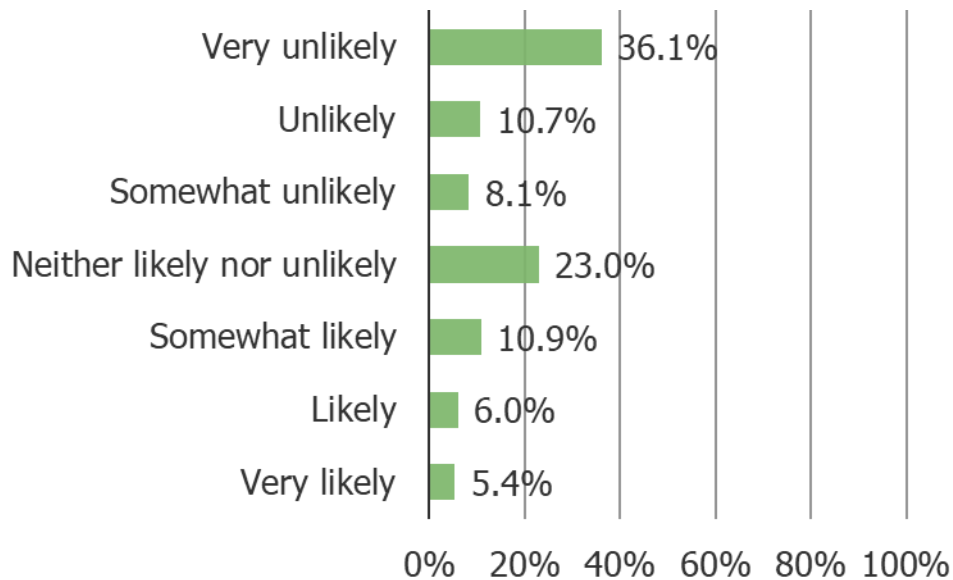
WOULD YOU HAVE ANY INTEREST IN SIGNING UP FOR A PAID MEMBERSHIP WITH TARGET IF THEY LAUNCHED ONE? THE MEMBERSHIP WOULD LIKELY COST \$10-\$15 PER MONTH OR AROUND \$99 PER YEAR AND WOULD GET YOU FREE SHIPPING AND DEALS WHILE SHOPPING.

### Optional Comments

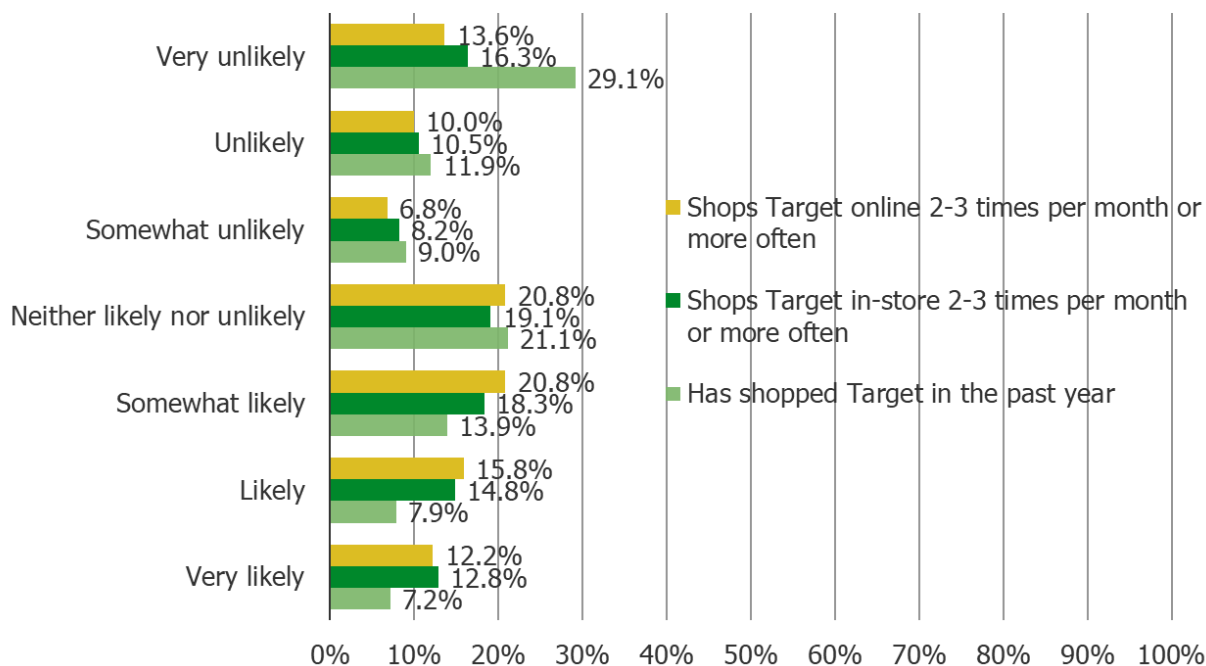
<p>I love target          I love the target circle program and it's free.          I never shop at this store          I see no benefit          I shop at target often and like alot of their products          I shouldn't have to pay to belong to a store.          I use walmart not target          I'd have to see what the "deals" are          I'm unemployed and broke right now.          id rather go into the store or just pay standard shipping as i          dont shop at target enough to pay premium maybe if they          promoted how they are helping improve the climate or          something ill consider          I'm not a frequent shopper          I'm not sure if I want to be a member of Target          I'm nowhere near a Target and I don't like shopping there          because it's expensive.          IT'S NOT WORTH IT          It's too far away from where I live.          Just am          love it save money          N/A          na          Neal          Nearest target is 30 minutes away so I don't shop there          regularly          Need more info          never shop at target, too expensive          No comment          No Comment          No income right now          no need          no store locally          No stores in my area          No Target nearby and am not a Target fan.          No Target store located near my area          No target stores where I live          none          None          none near me          not a fan right now          NOt close enough to me          Not necessary for me</p>	<p>not needed          Not needed.          not worth the cost          On a strict budget this year          only if offered free shipping like Walmart          prices are outrageous          RedCard provides that. I have Red Card.          Sounds good          Sounds great.          Sounds like an unwanted membership that won't be used.          Target is 45 min travel          Target right now isn't worth the subscription even with the free          shipping. I don't trust them to have deals low enough to justify          buying the subscription.          Target sells junk          Target supports the LGBTQ+ community          the cost is in my budget          There is no big stores where I live; only thrift stores          There is no nearby target.          There's a lot I can get at target that I haven't been able to          previously          They are close to me.          they are too woke and cater to kids clothes pushing gay          awareness          Too costly          Too expensive          too expensive and don't need it          Too political          Unique          use target alot          What is the membership for, is it like Kroger plus or something          why pay to save, never made since to me          Why take theFUN of shopping in store away from us?          woke          Won't use it          would not use them enough</p>
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IF TARGET SWITCHED TO A MODEL LIKE COSTCO OR BJ'S WHERE YOU HAD TO BE A PAYING MEMBER IN ORDER TO BE ABLE TO SHOP THERE, HOW LIKELY WOULD YOU BE TO SIGN UP?

This question was posed to all respondents.



Cross-Tabs: How different types of Target customers answer the question above...



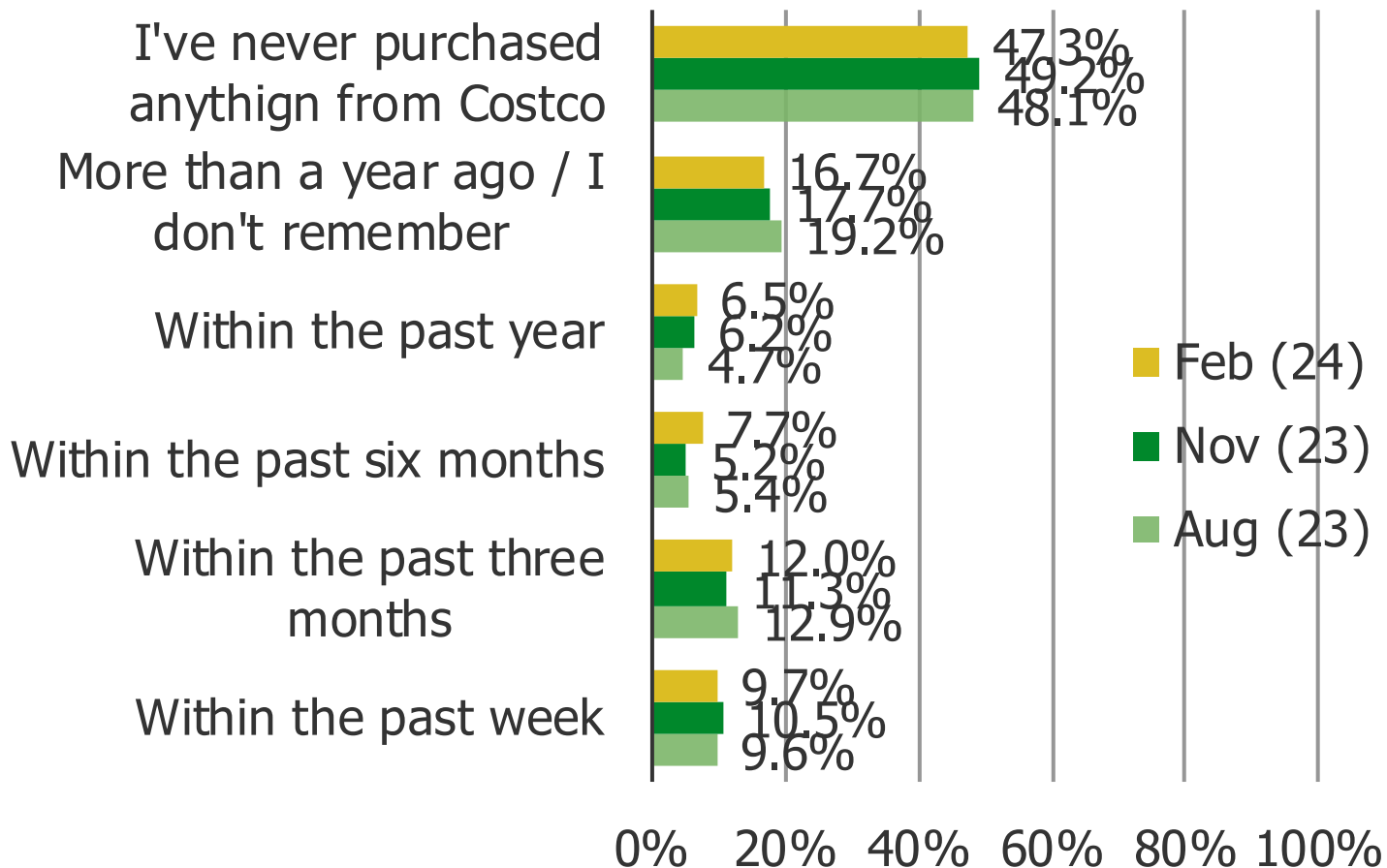
Consumer Traffic, Online Share, and Sentiment

COSTCO



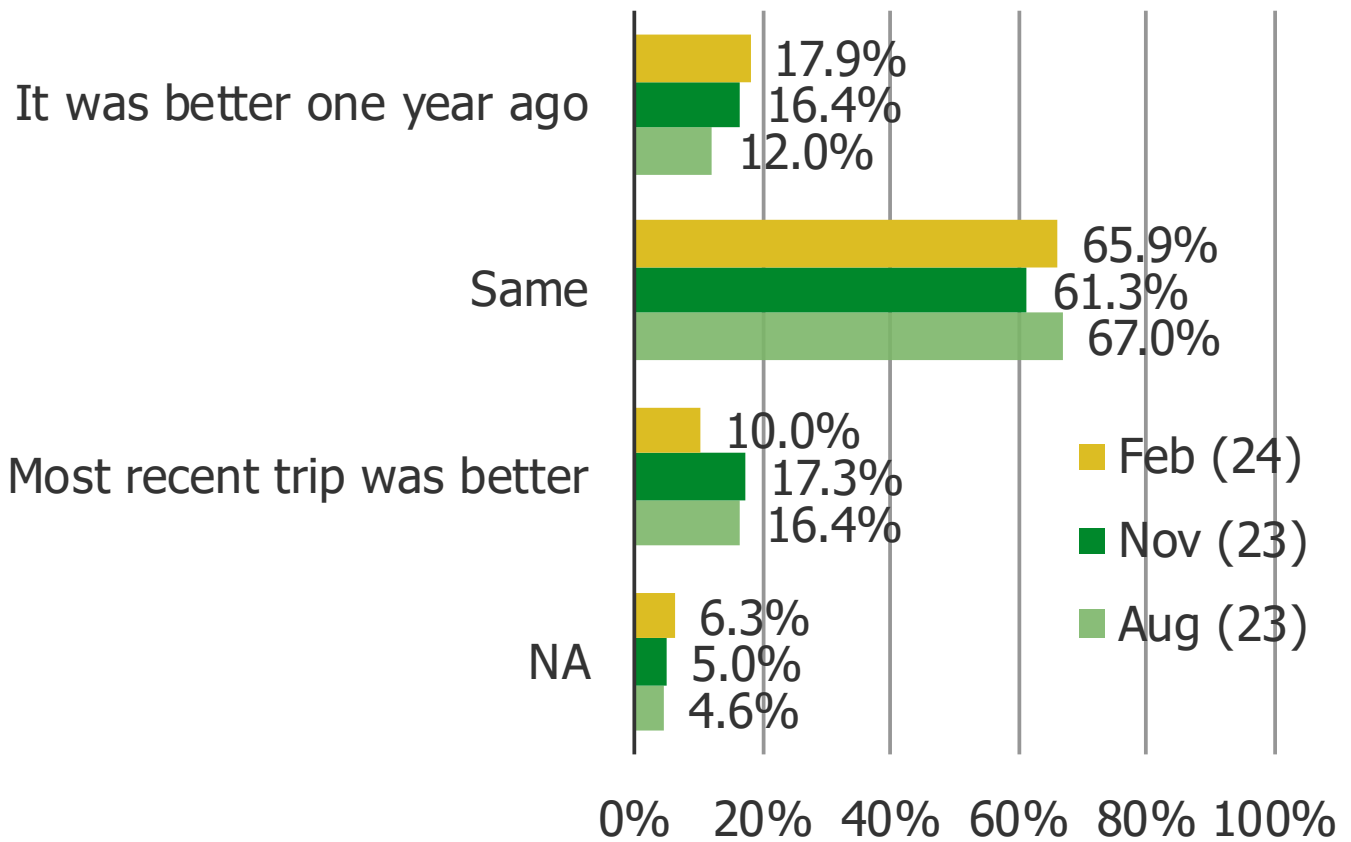
WHEN IS THE LAST TIME YOU PURCHASED ANYTHING FROM COSTCO?

This question was posed to all consumers.



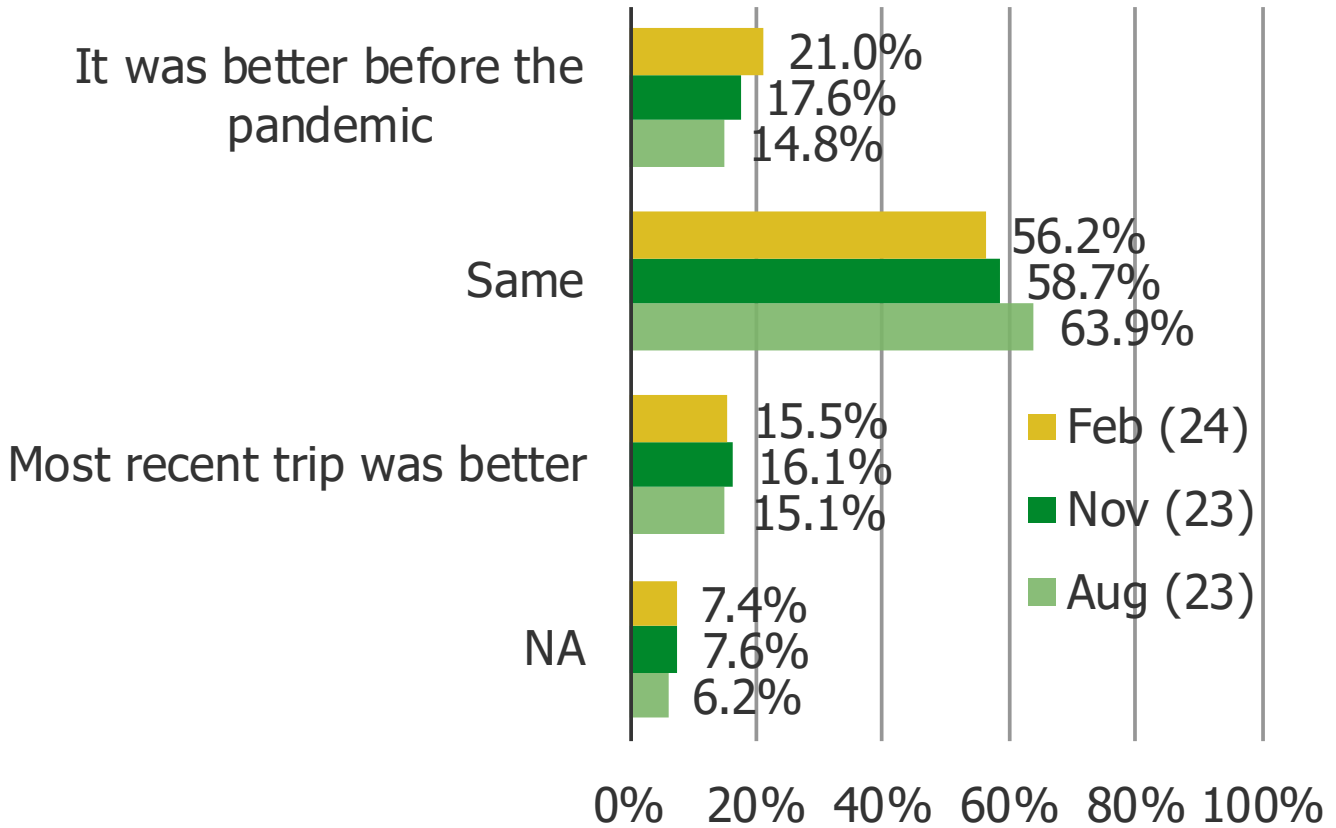
THINKING ABOUT YOUR LAST TRIP TO COSTCO, WAS THE IN-STORE EXPERIENCE BETTER OR WORSE COMPARED TO ONE YEAR AGO?

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



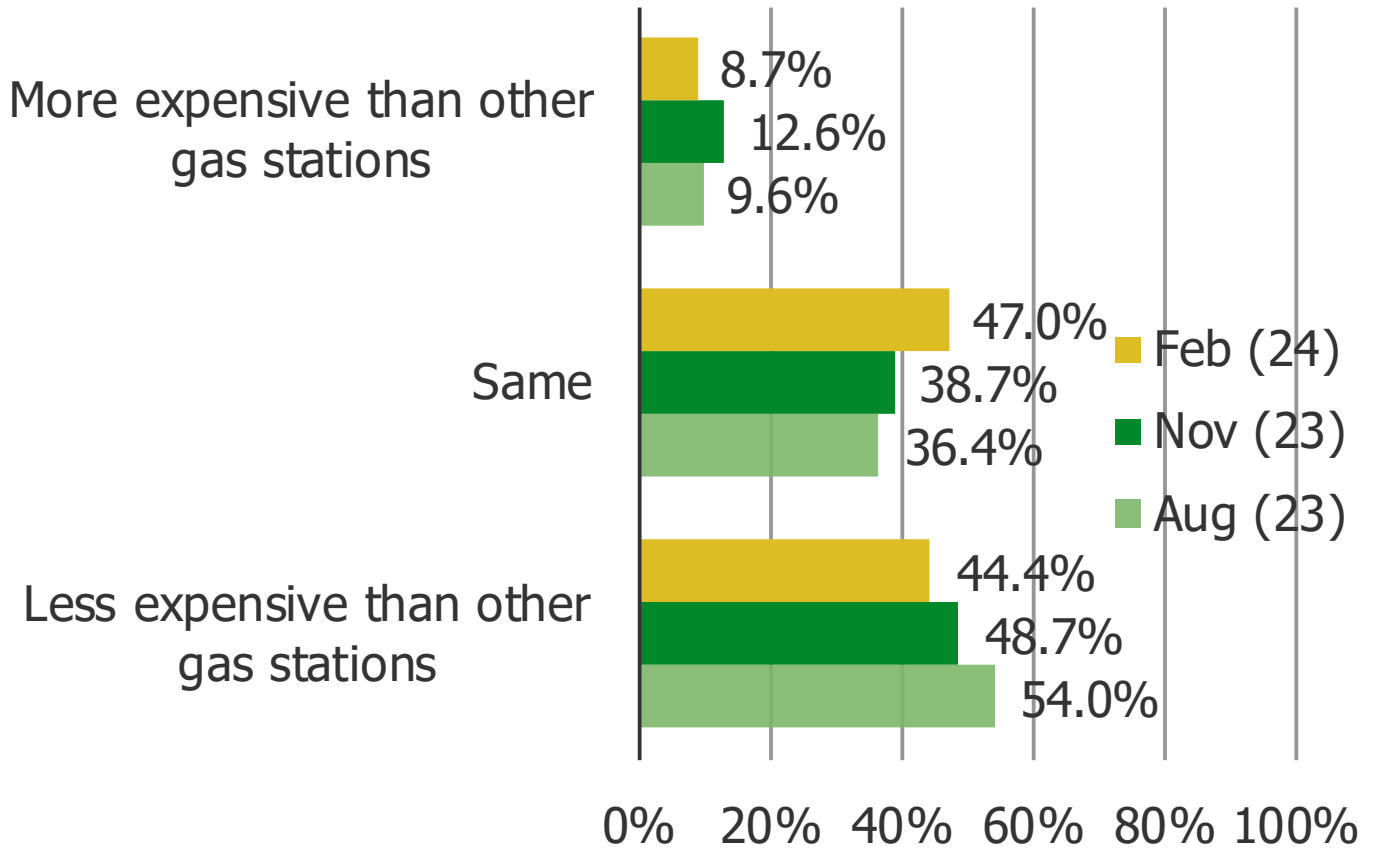
THINKING ABOUT YOUR LAST TRIP TO COSTCO, WAS THE IN-STORE EXPERIENCE BETTER OR WORSE COMPARED TO BEFORE THE PANDEMIC?

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



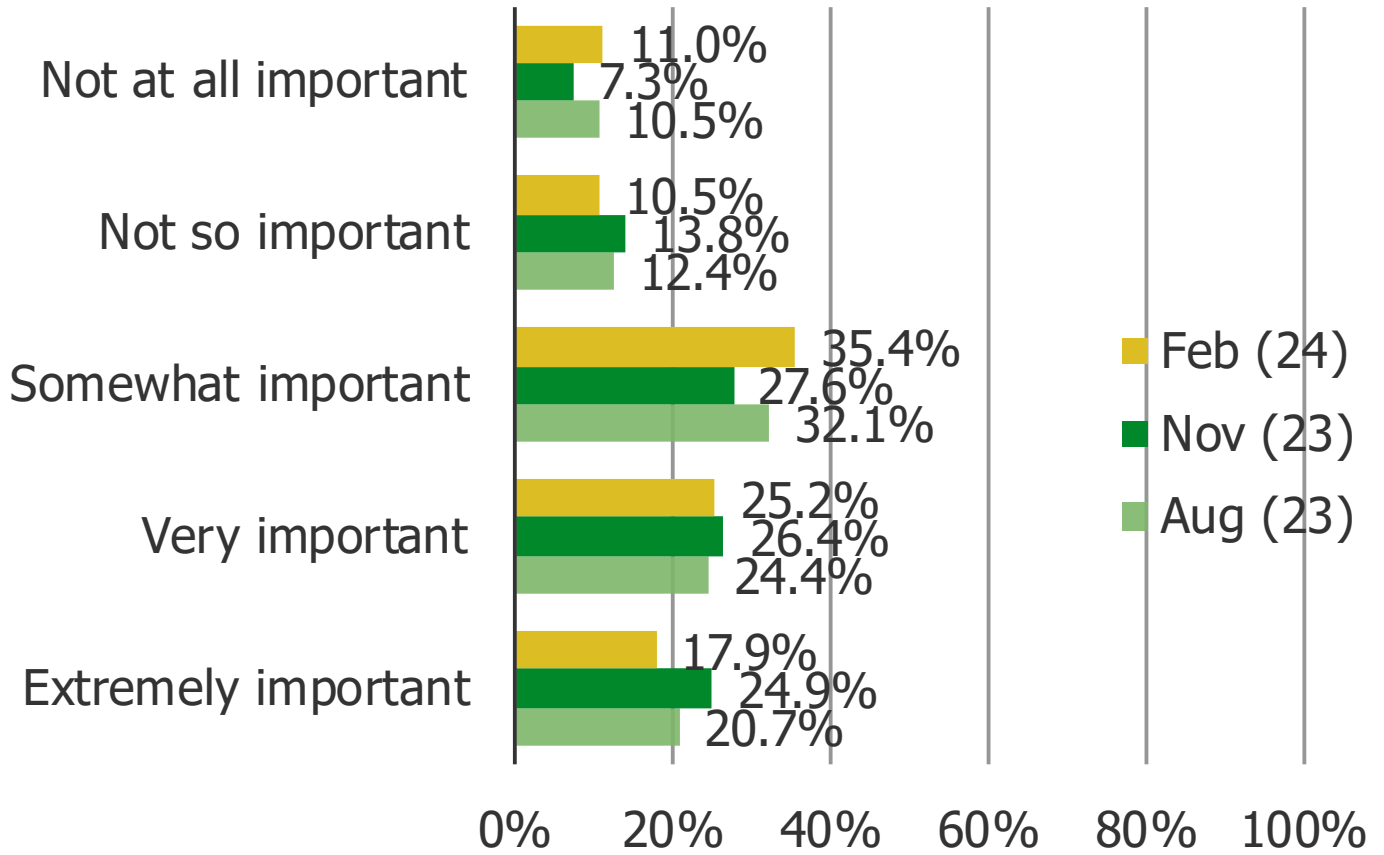
DO YOU FIND THAT COSTCO FUEL/GAS PRICING IS...

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



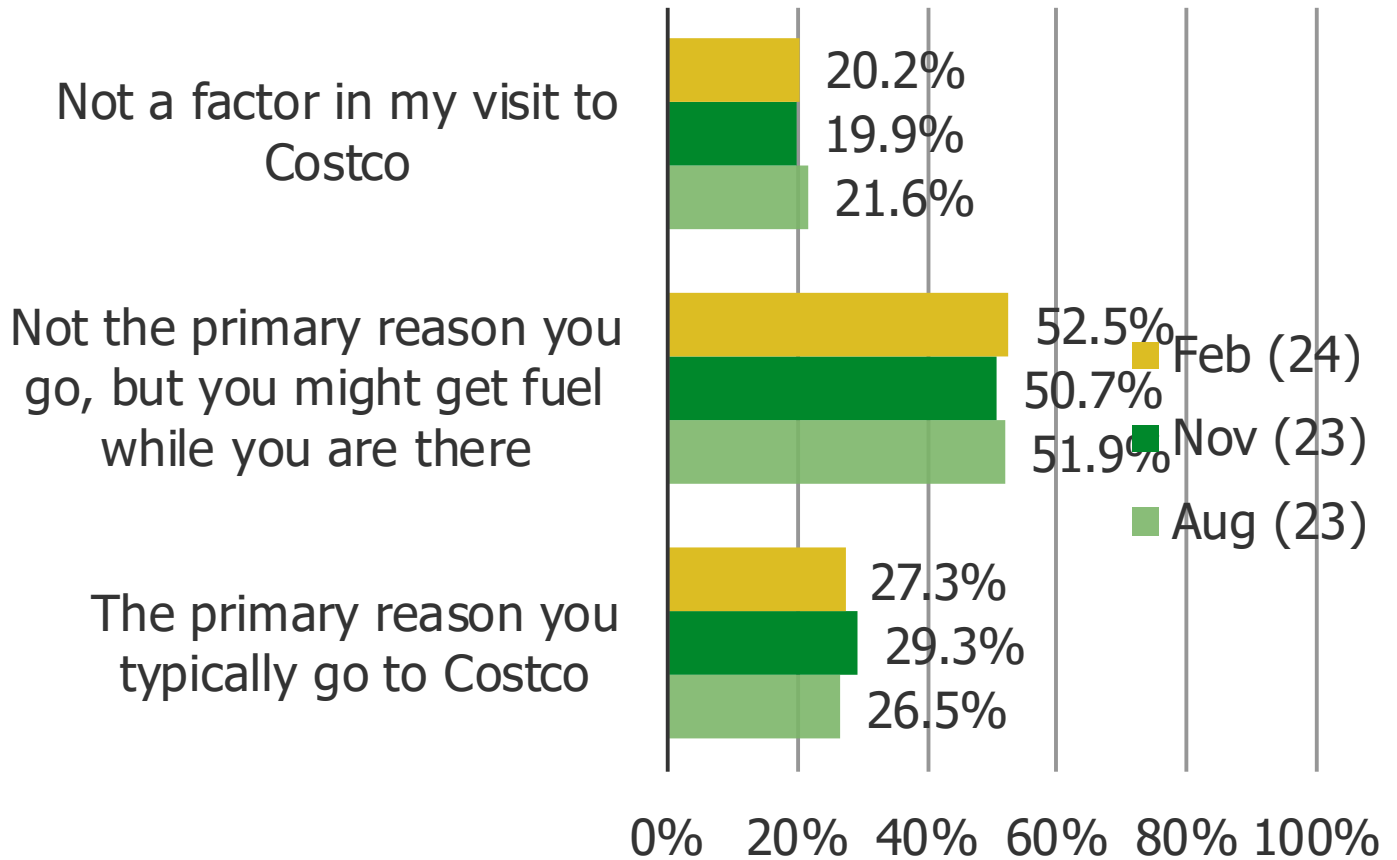
HOW IMPORTANT WAS SAVING MONEY ON FUEL TO YOU IN SIGNING UP FOR A COSTCO MEMBERSHIP TO BEGIN WITH?

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



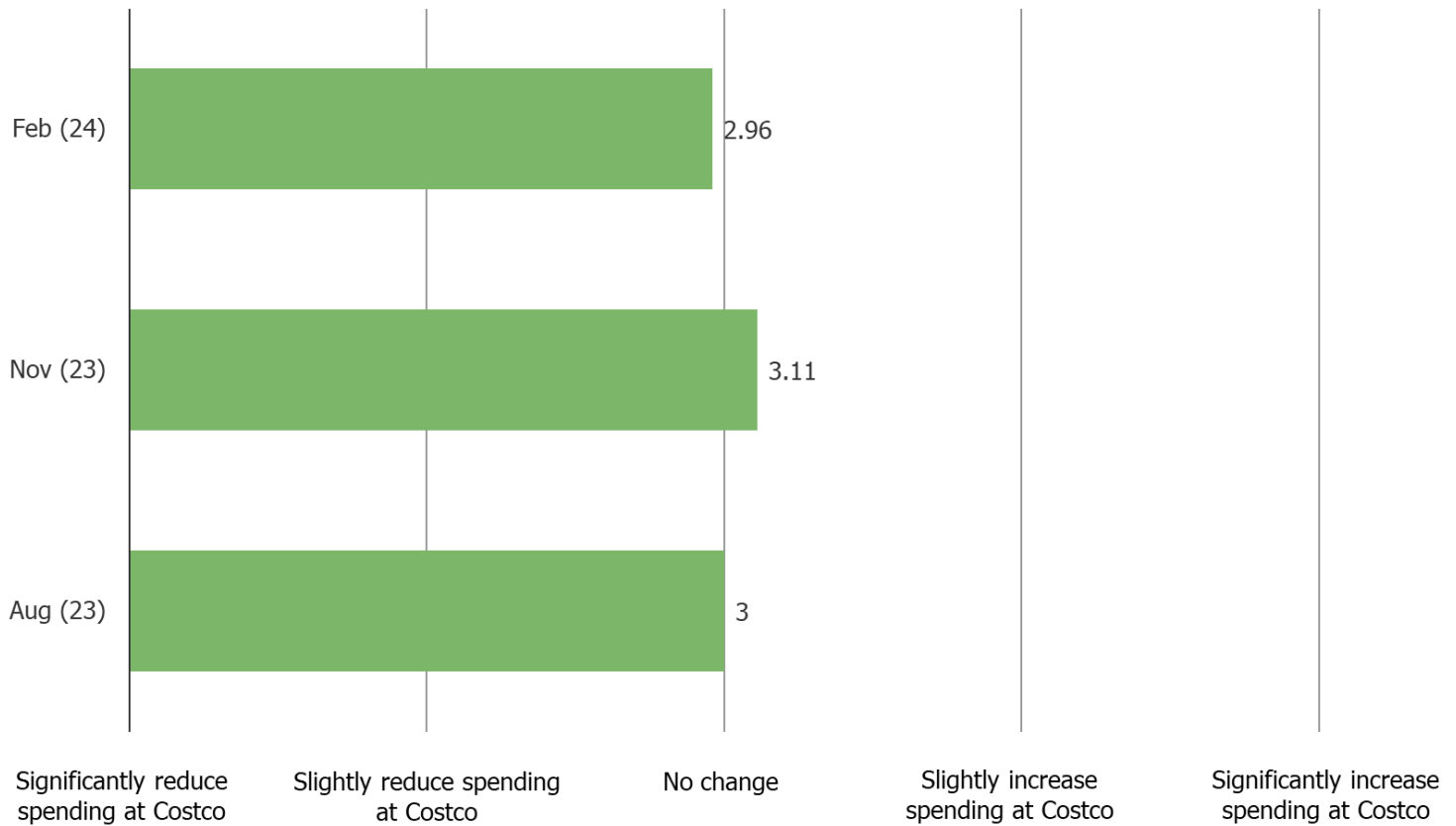
WHEN YOU GO TO COSTCO, IS GETTING LOWER COST FUEL...

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



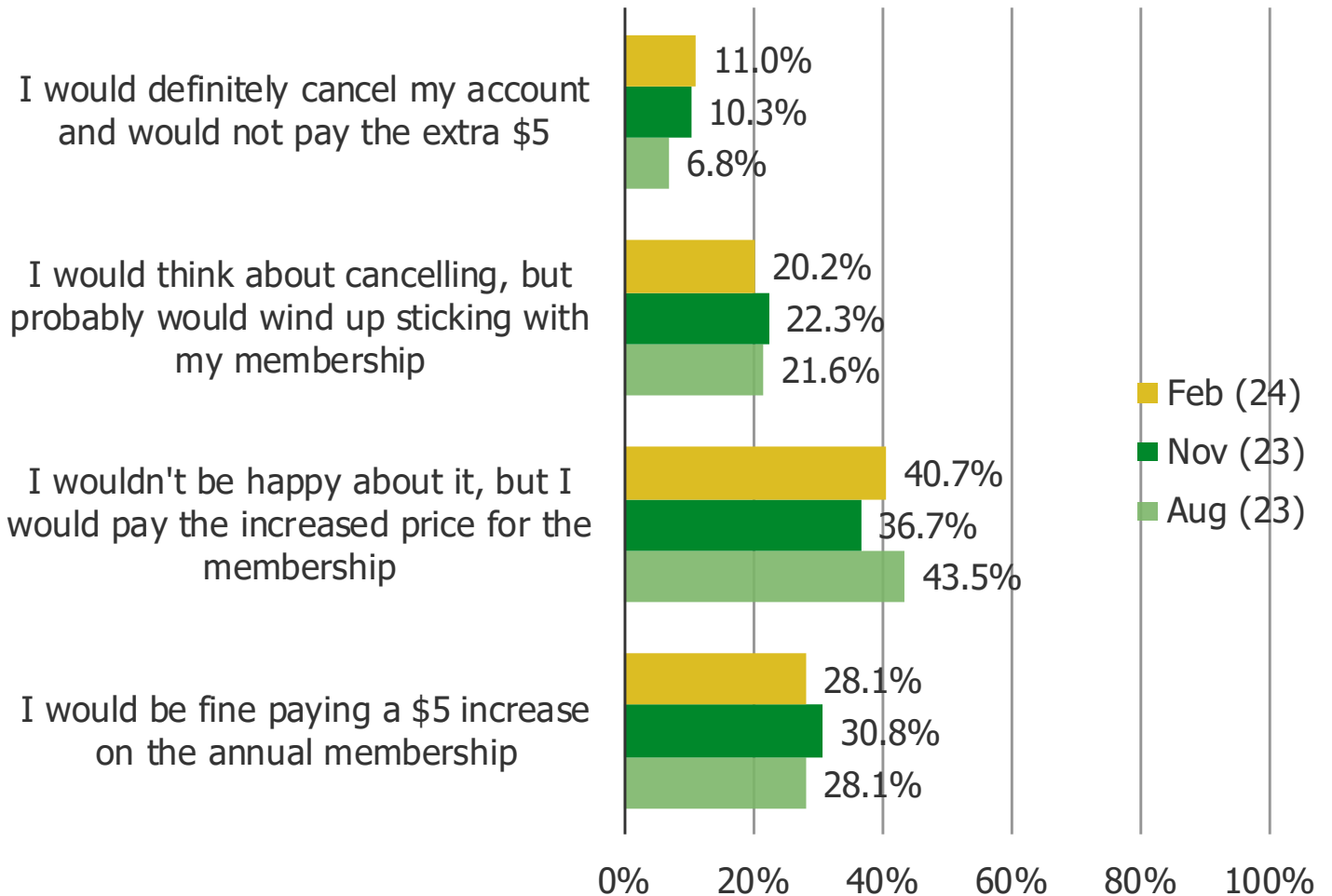
GOING FORWARD, DO YOU EXPECT TO...

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?

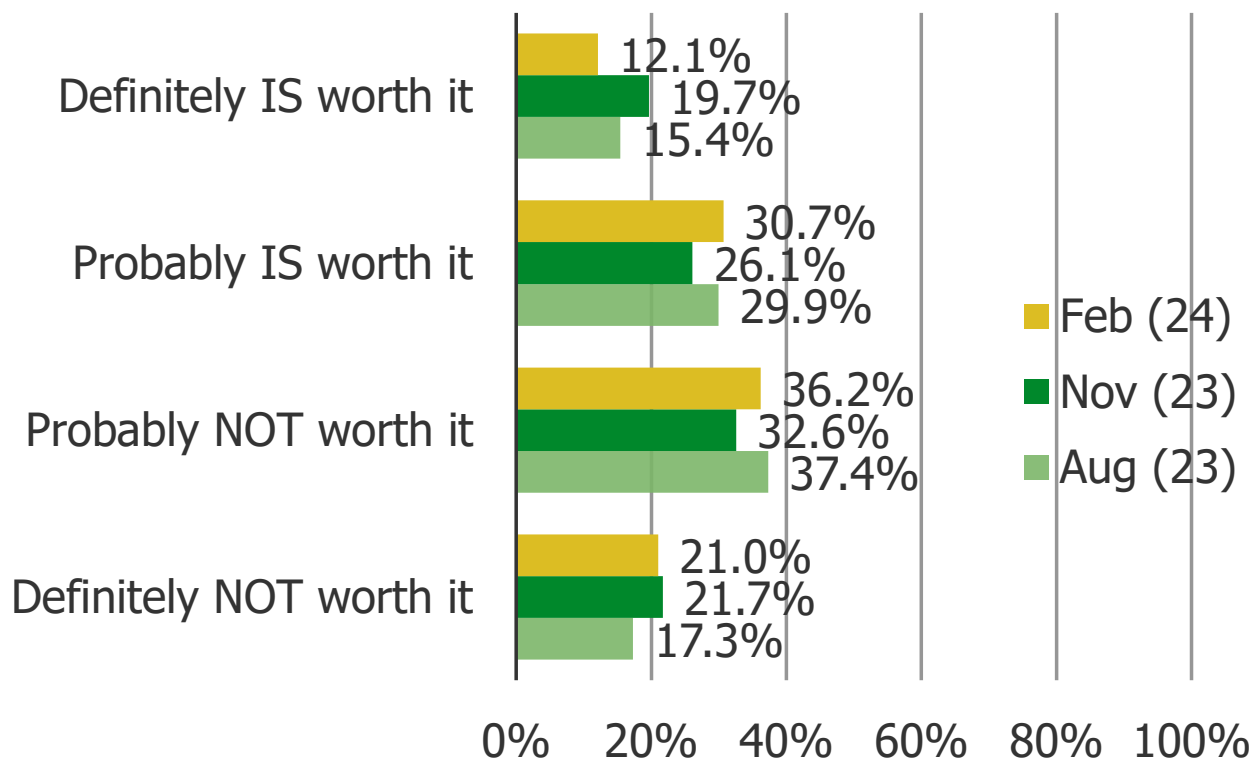
This question was posed to all consumers who have purchased anything from Costco within the past year.





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?

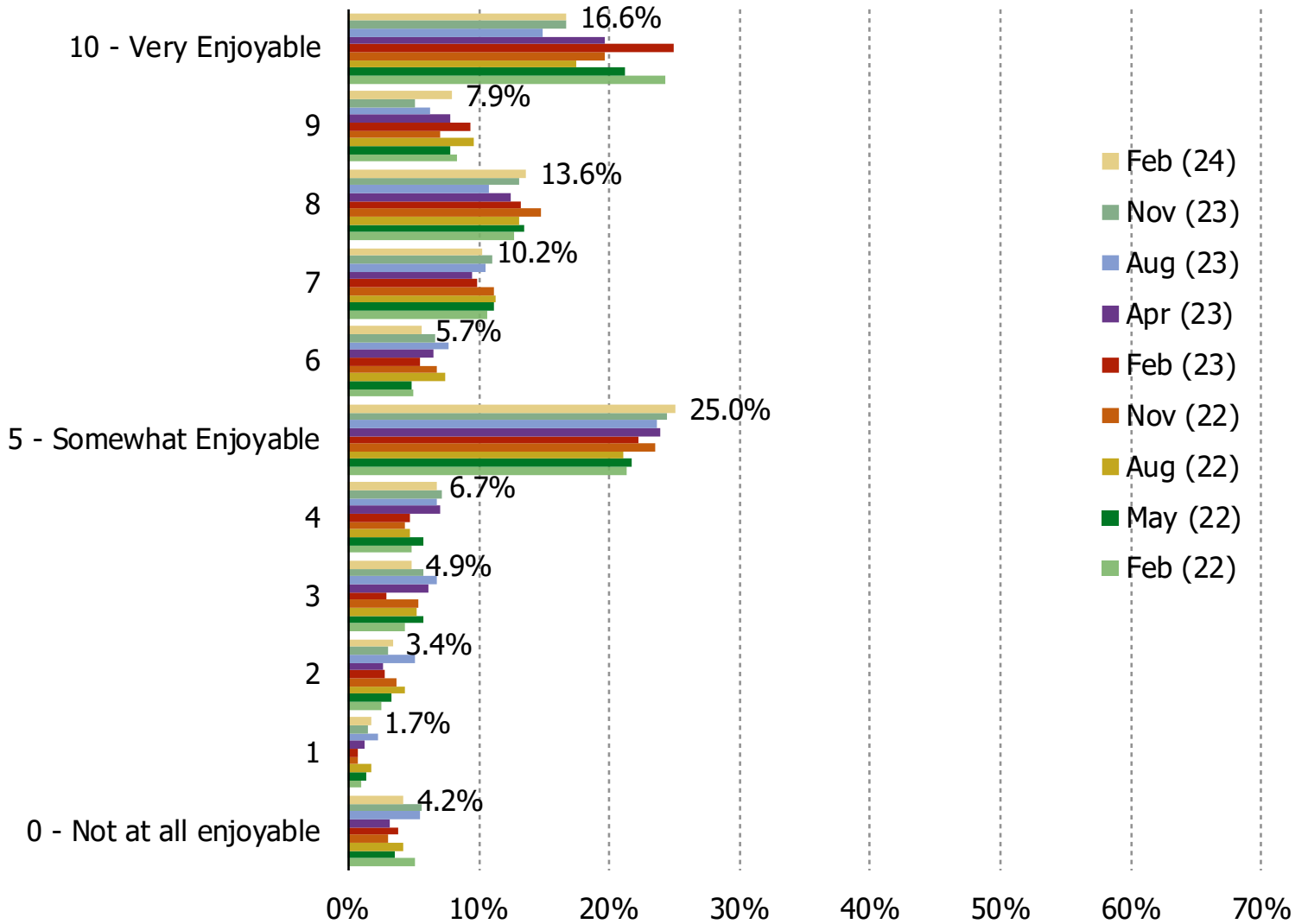
This question was posed to all consumers who have purchased anything from Costco within the past year.



## IN-STORE EXPERIENCE

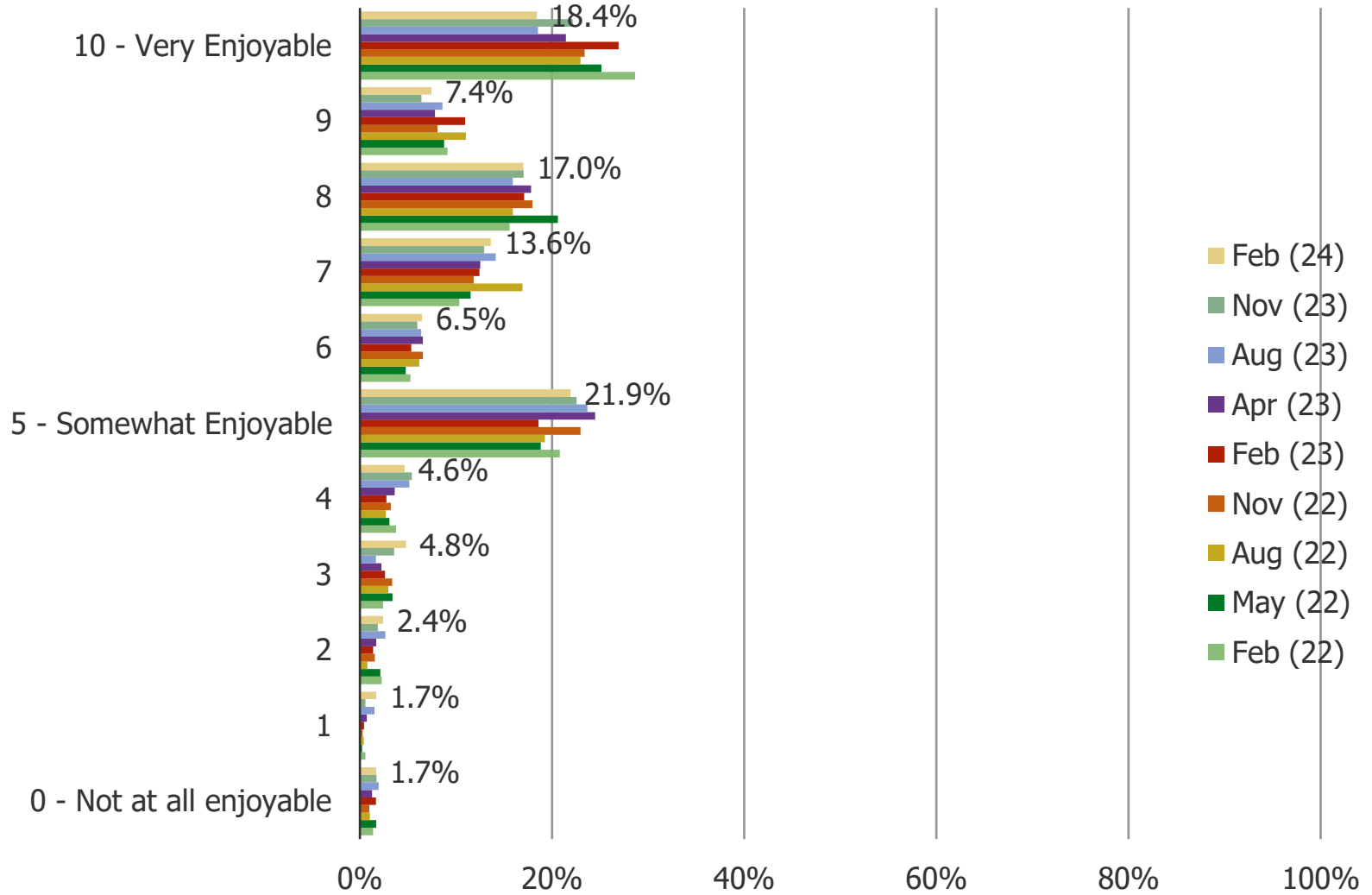
DO YOU FIND IT ENJOYABLE TO VISIT WAL-MART STORES?

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



DO YOU FIND IT ENJOYABLE TO VISIT TARGET STORES?

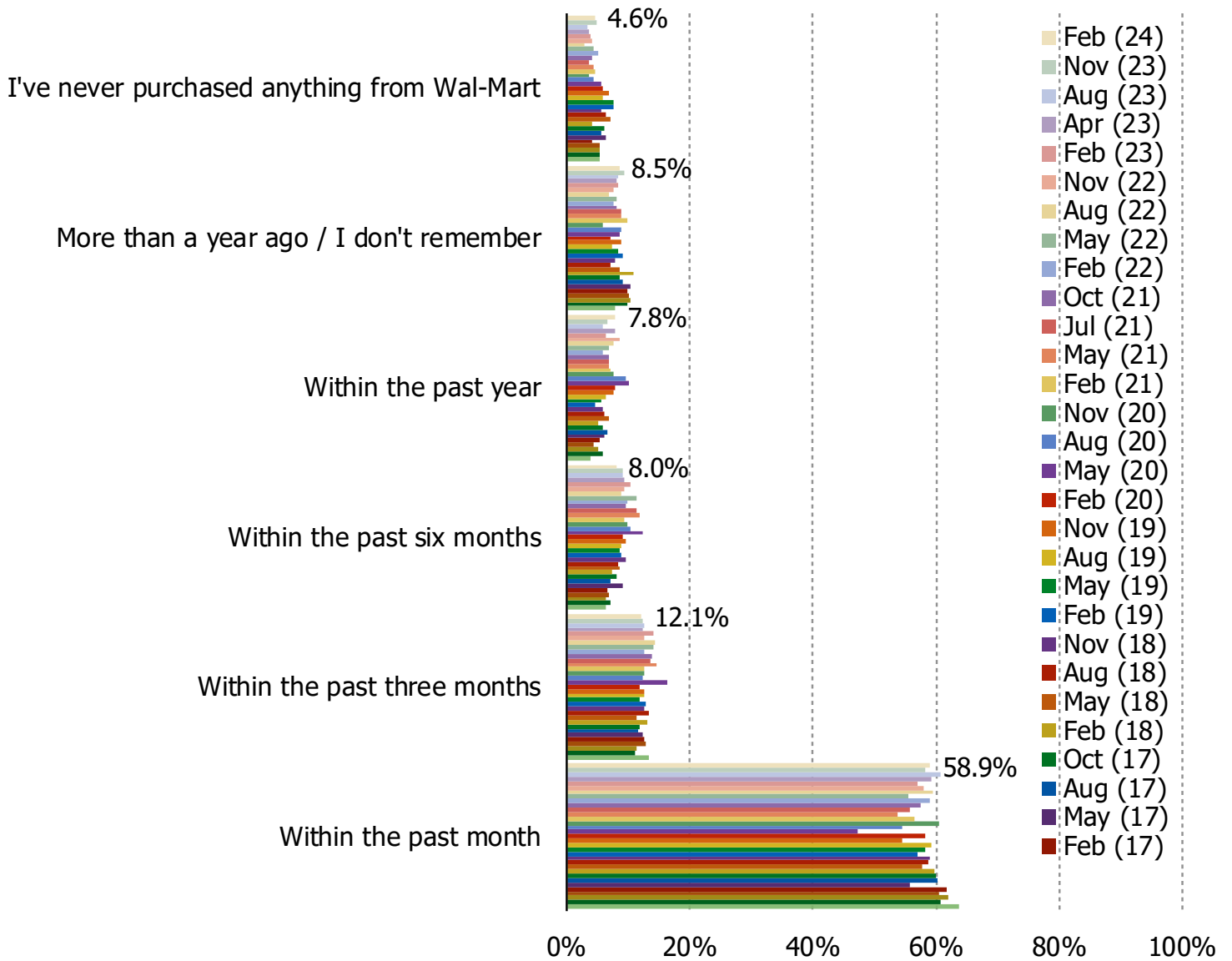
This question was posed to all consumers who visit Target stores.



## WAL-MART DEEP DIVE

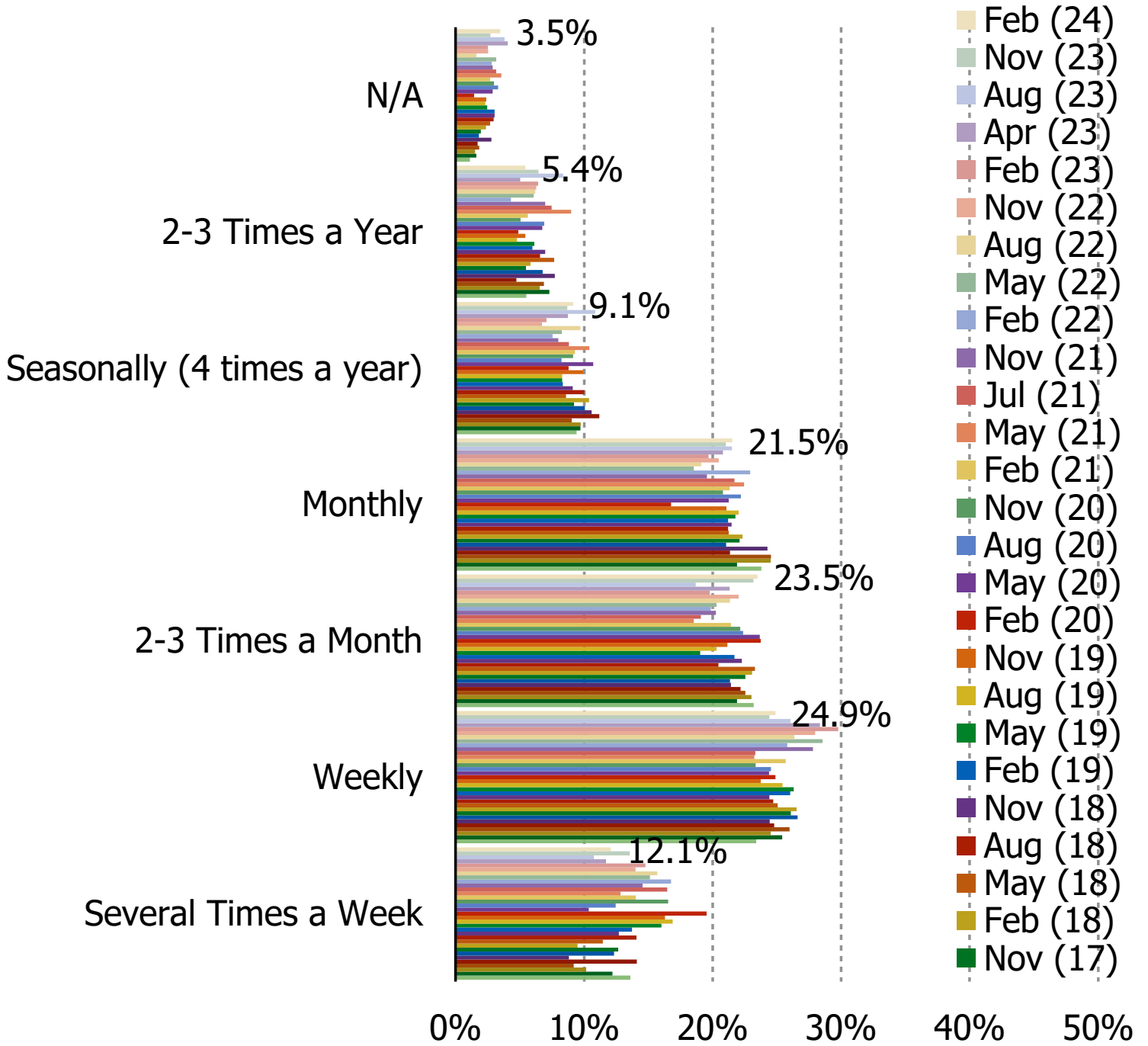
ALL CONSUMERS: LAST TIME PURCHASING FROM WAL-MART

This question was posed to all consumers.



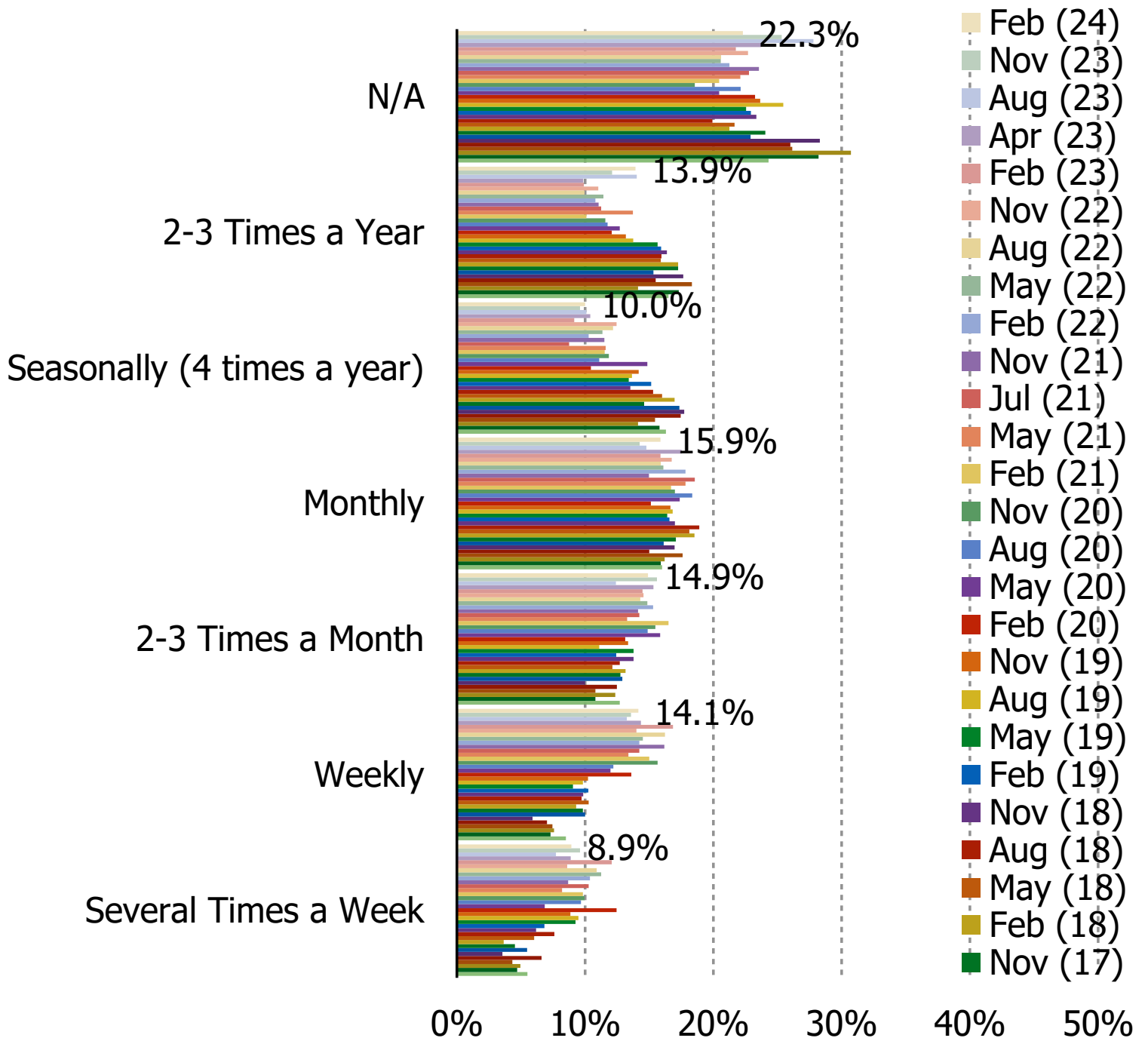
WAL-MART CUSTOMERS: SHOPPING FREQUENCY IN-STORES AT WAL-MART

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



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

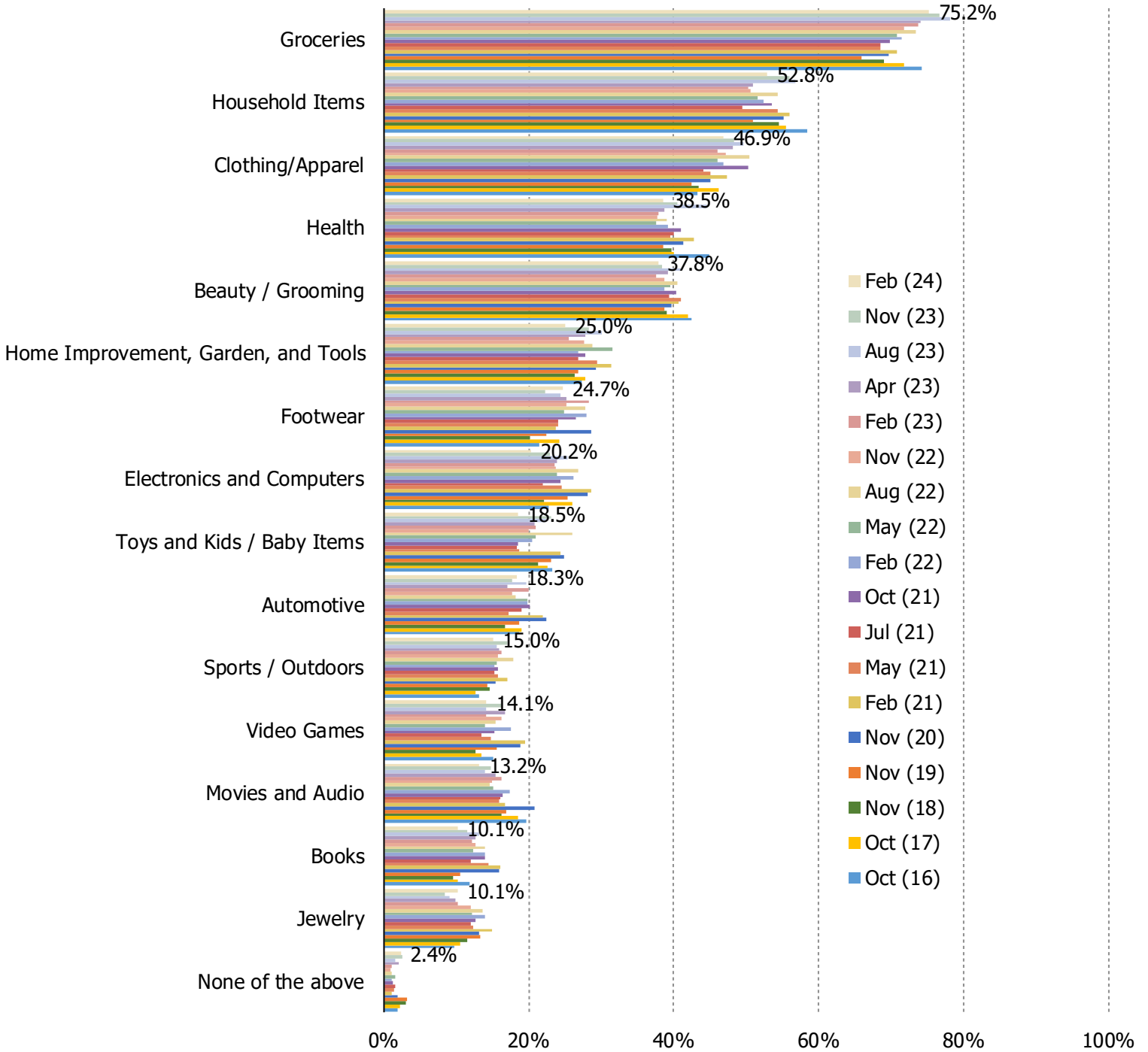
Posed to respondents who have purchased from Wal-Mart in the past 12 months.





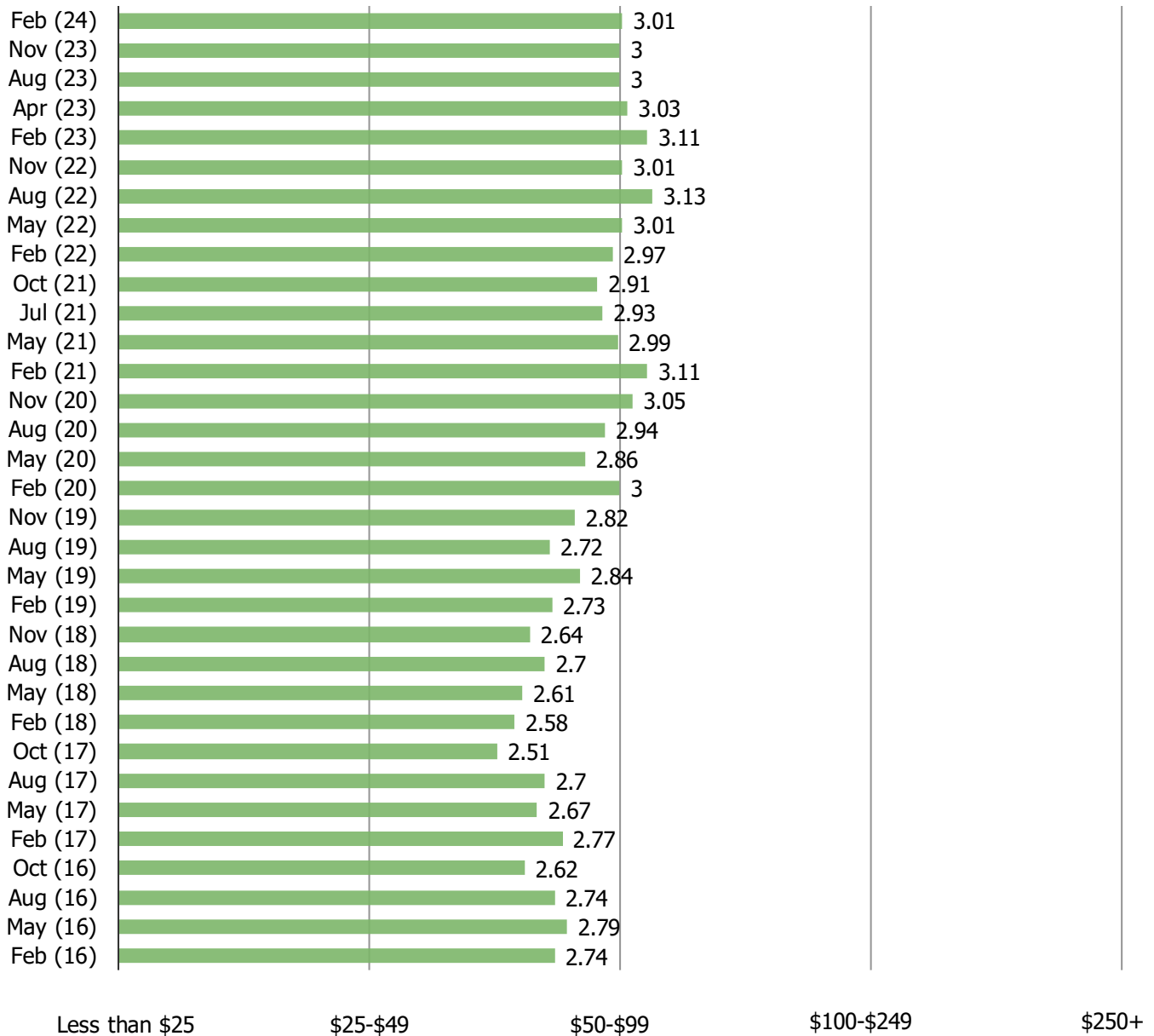
WAL-MART CUSTOMERS: WHAT THEY TYPICALLY BUY FROM WAL-MART (Q/Q TREND)

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



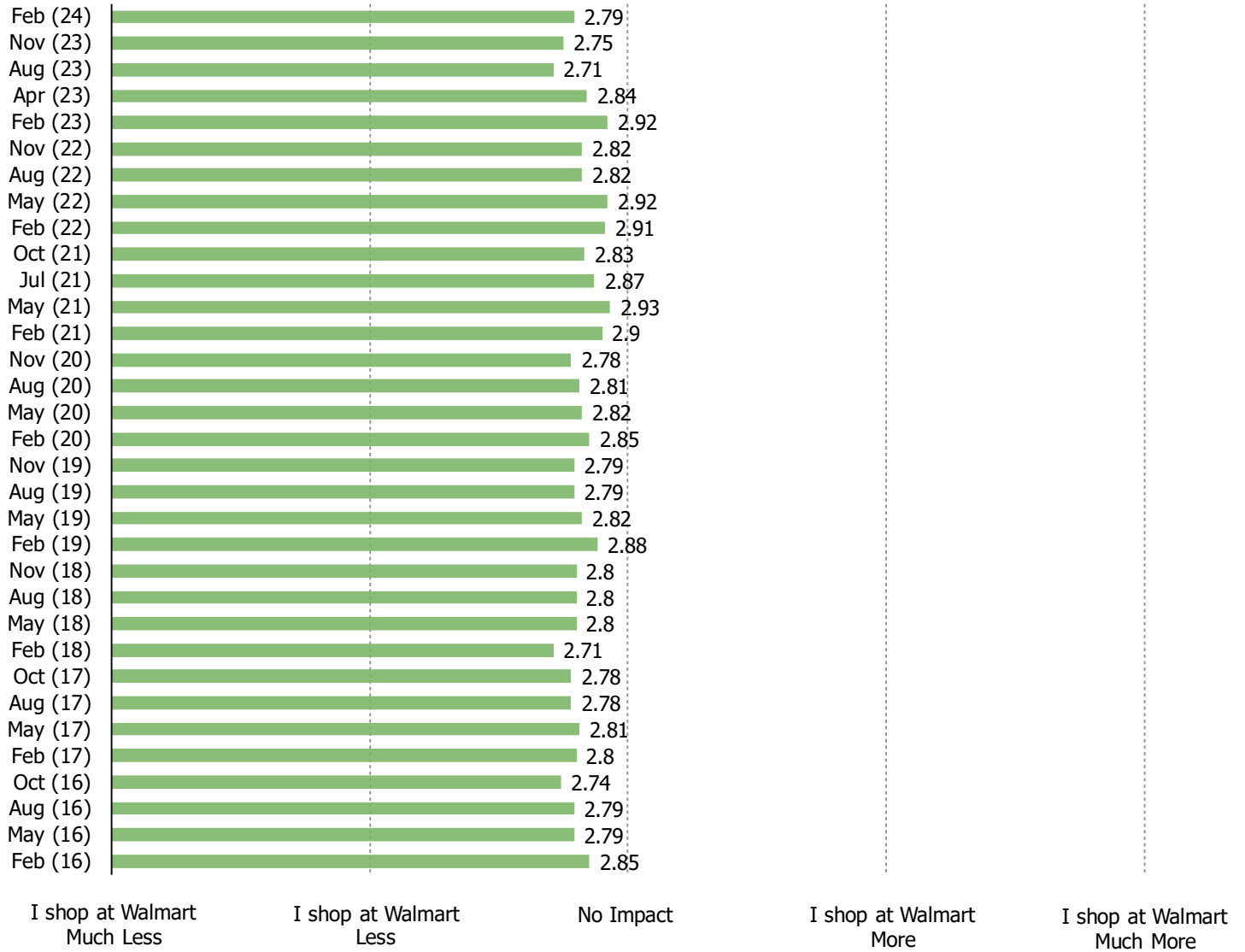
WAL-MART CUSTOMERS: AVERAGE SPEND PER VISIT

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



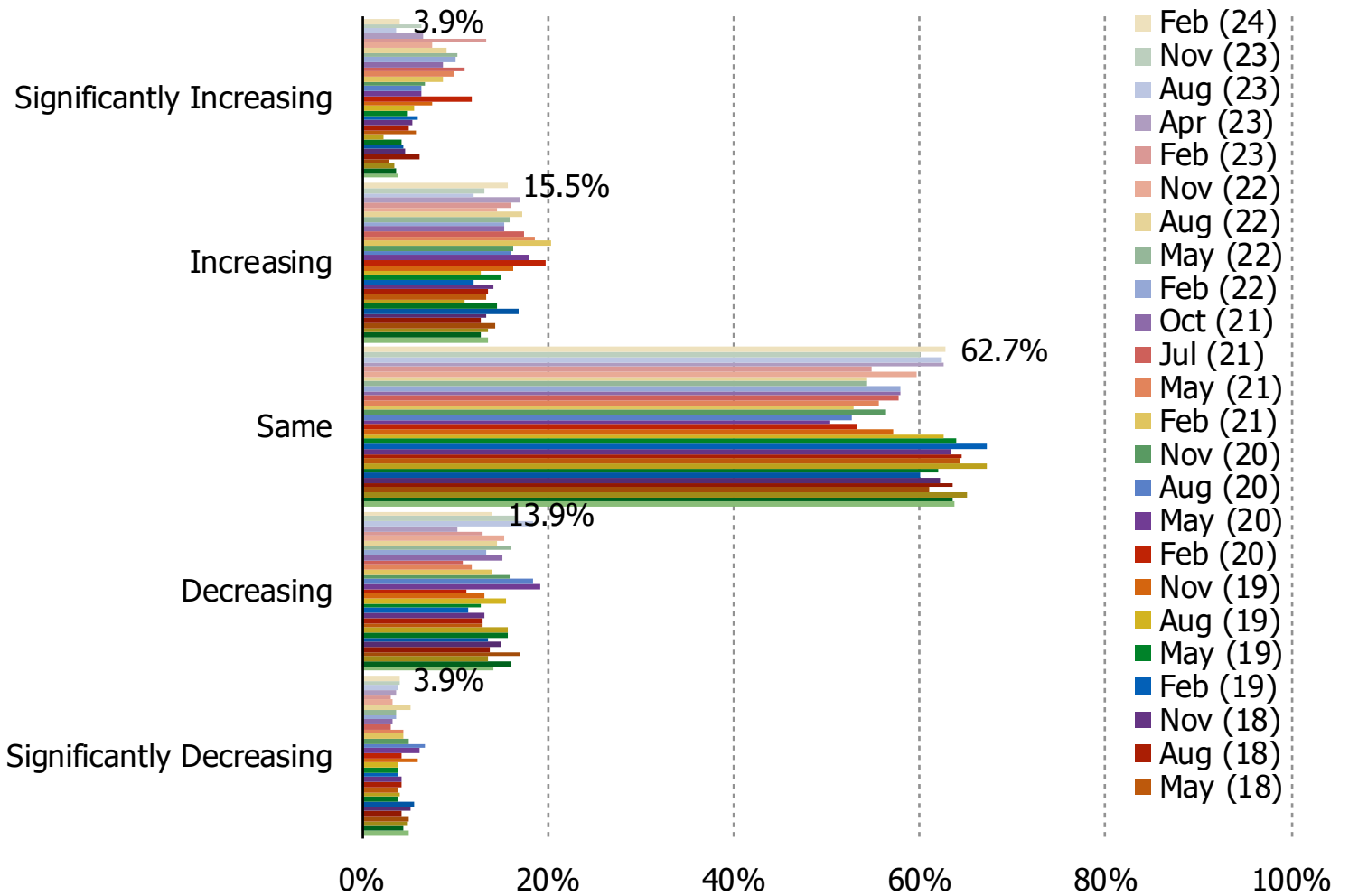
WAL-MART CUSTOMERS: IS AMAZON IMPACTING YOUR SHOPPING AT WAL-MART?

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



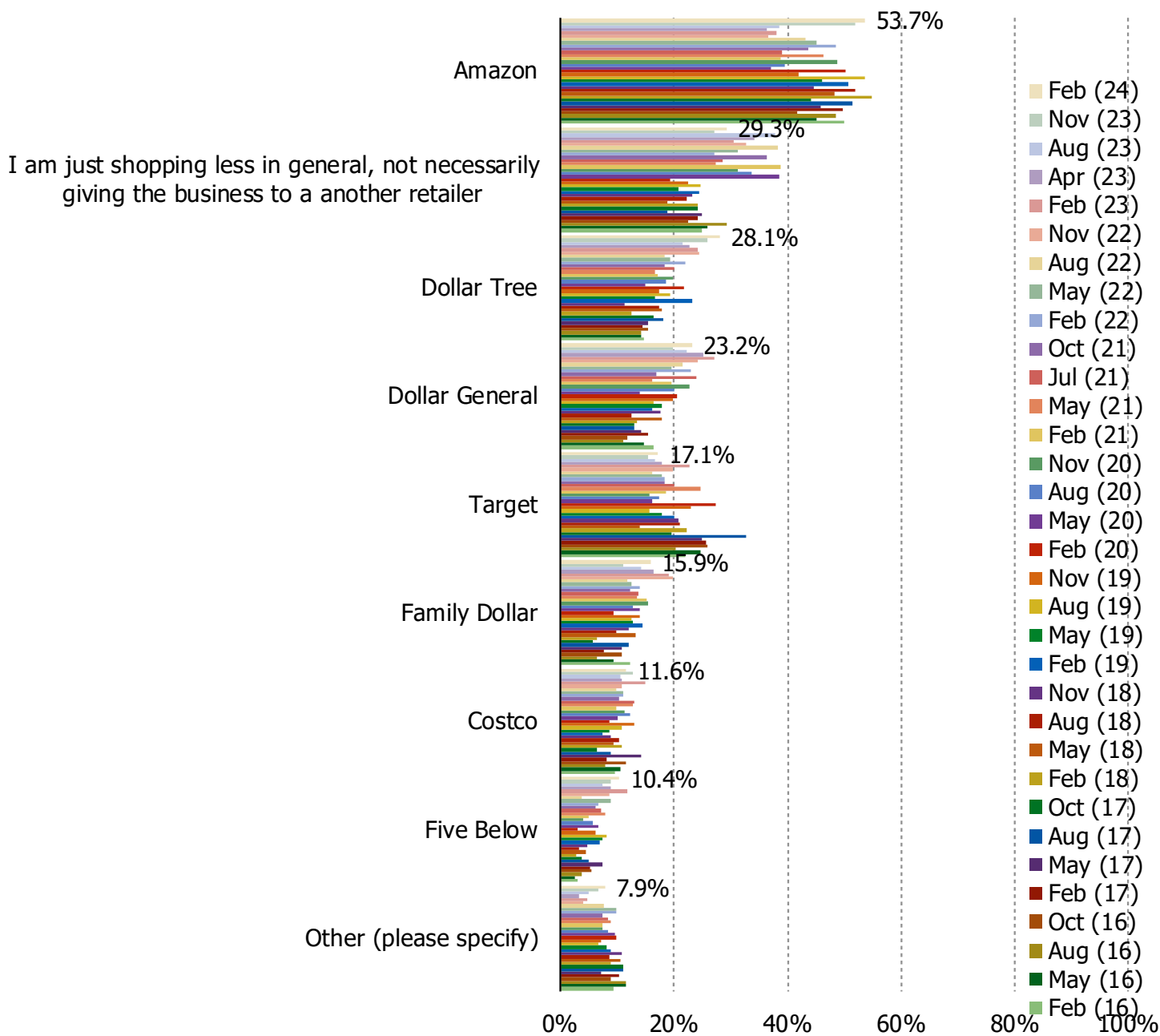
WAL-MART CUSTOMERS: CHANGES IN RECENT SHOPPING FREQUENCY

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?

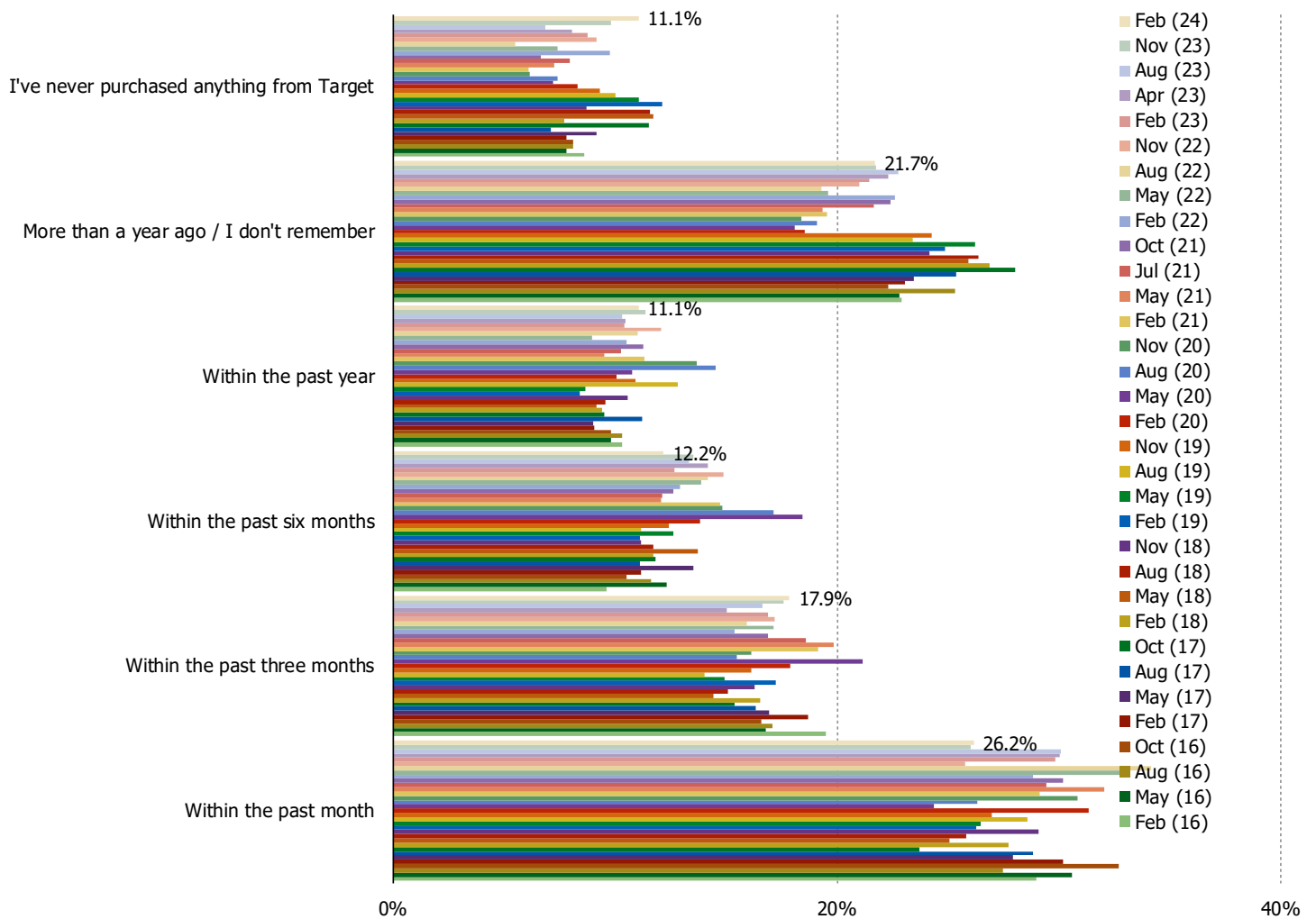
Posed to respondents who have purchased from Wal-Mart in the past 12 months AND said they have been shopping Wal-Mart less recently.



## TARGET DEEP DIVE

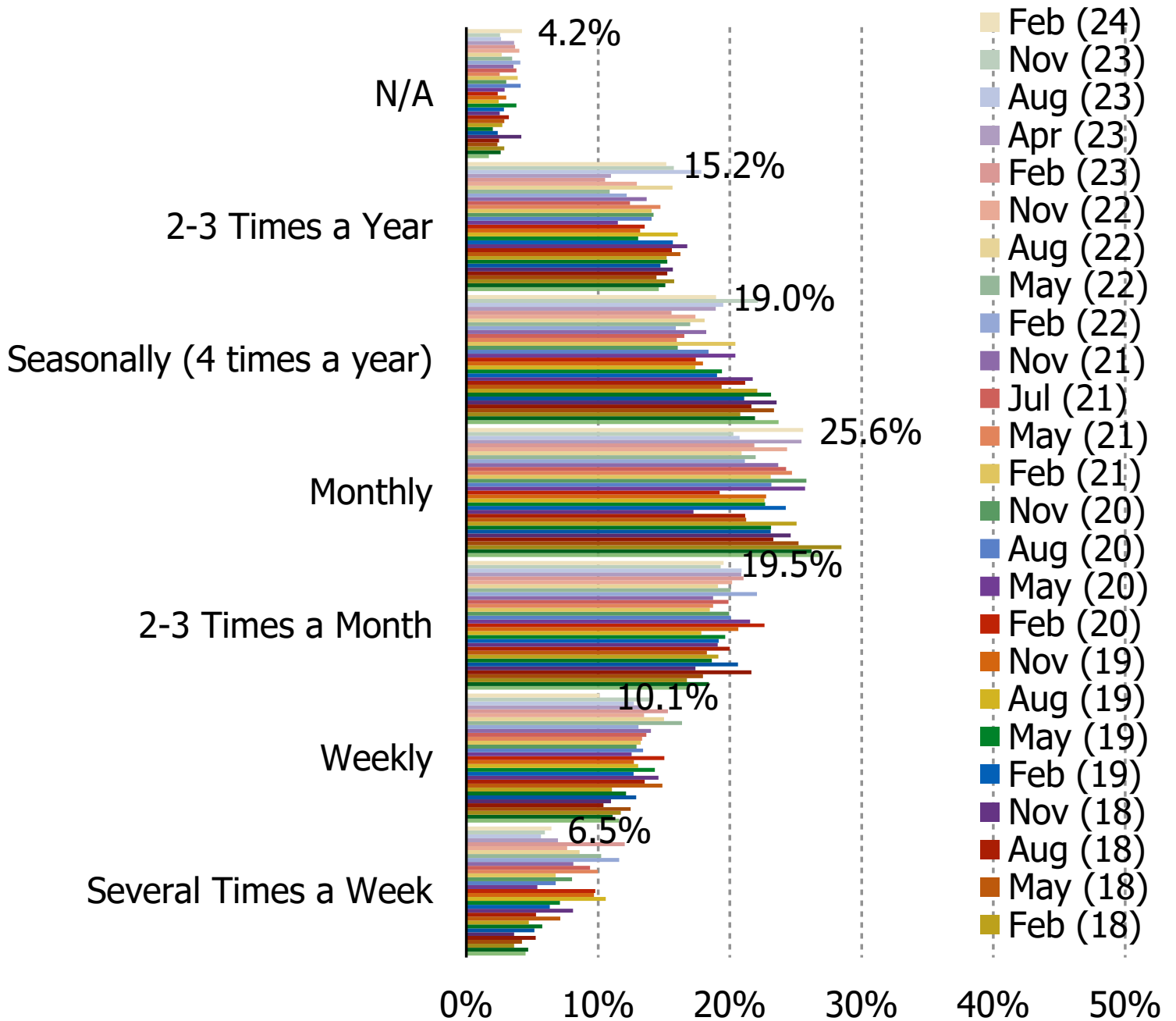
ALL CONSUMERS: LAST TIME PURCHASING FROM TARGET

This question was posed to all consumers.



TARGET CUSTOMERS: SHOPPING FREQUENCY IN-STORES AT TARGET

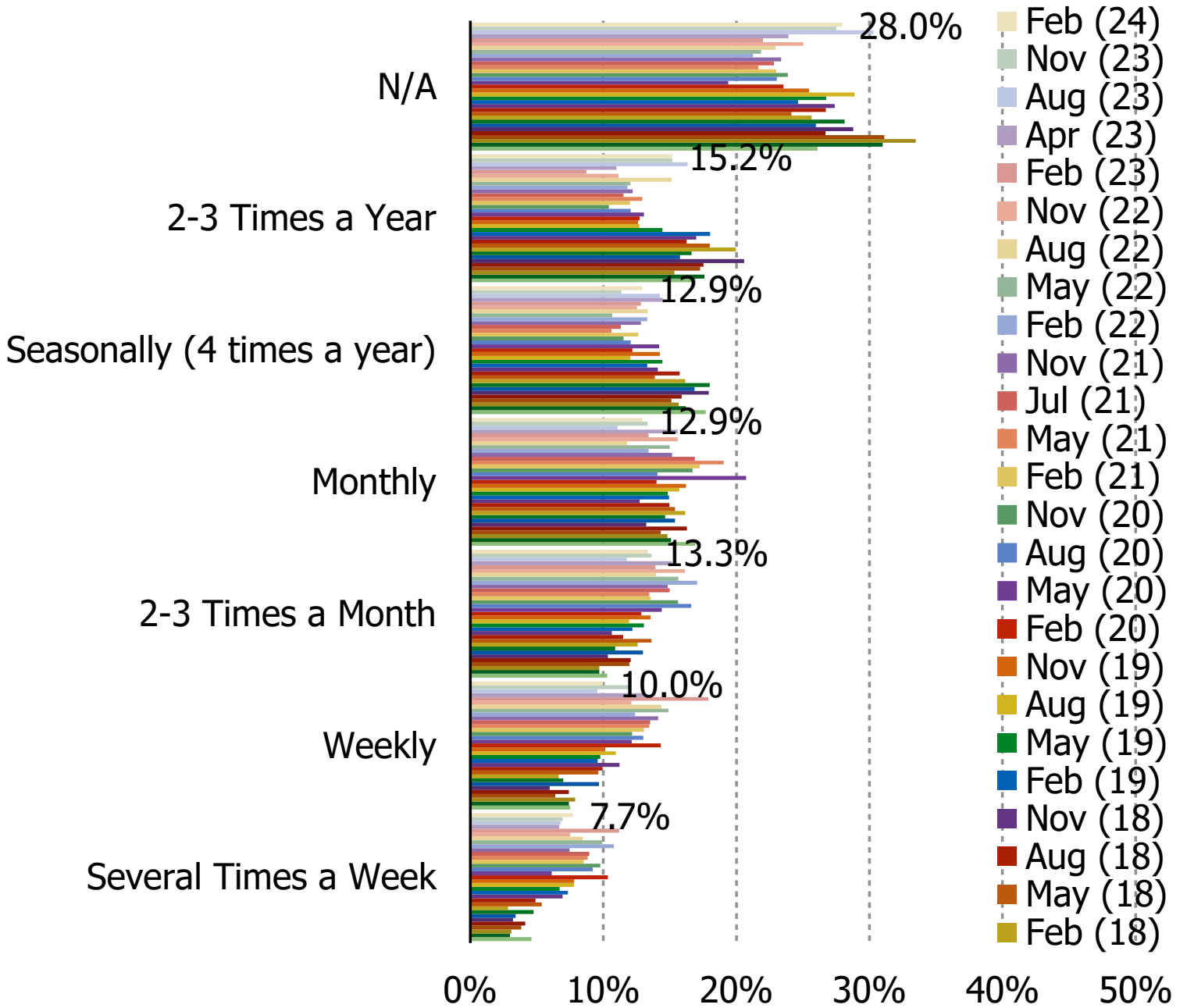
Posed to respondents who have purchased from Target in the past 12 months.





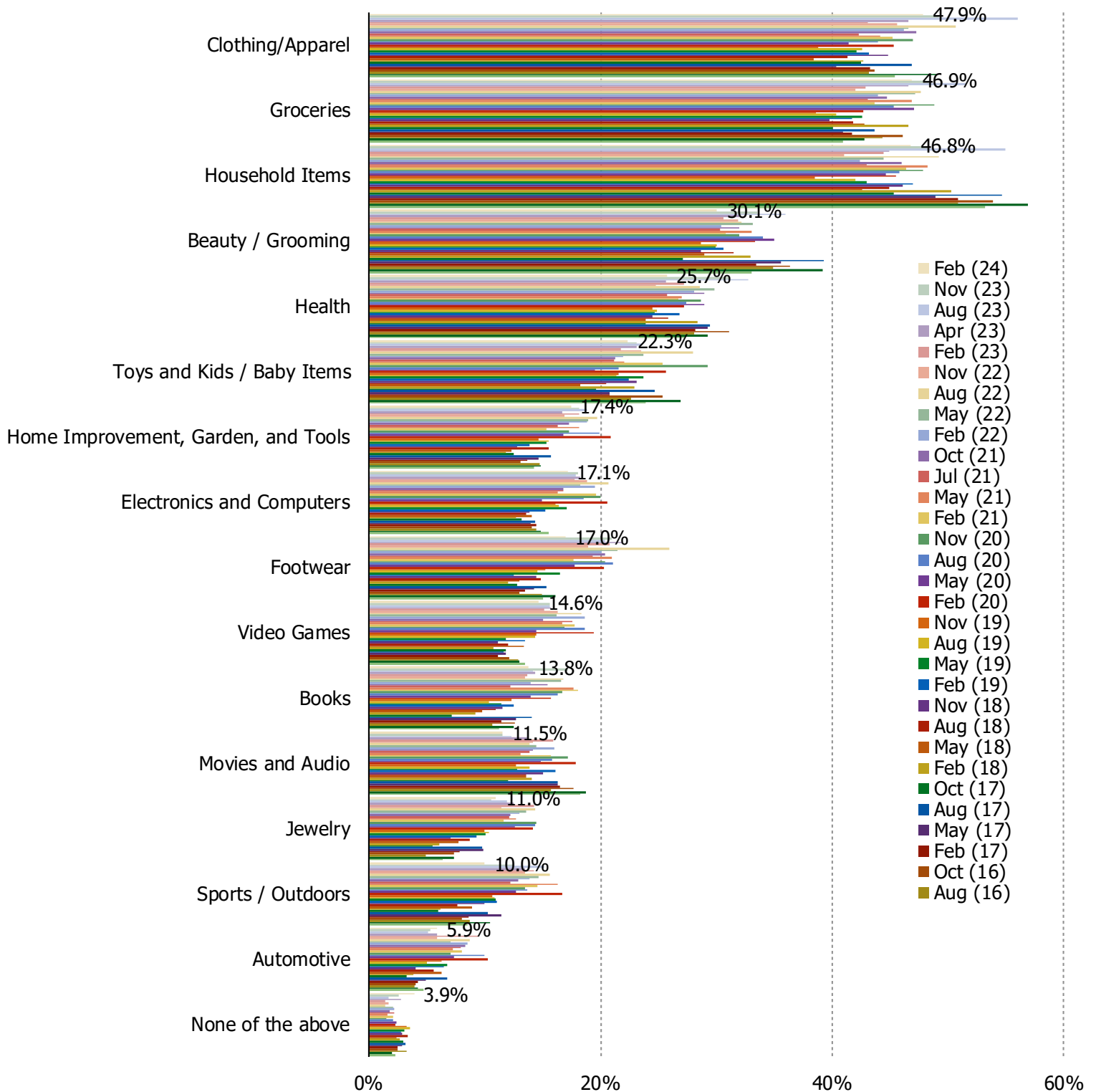
TARGET CUSTOMERS: SHOPPING FREQUENCY ONLINE AT TARGET

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



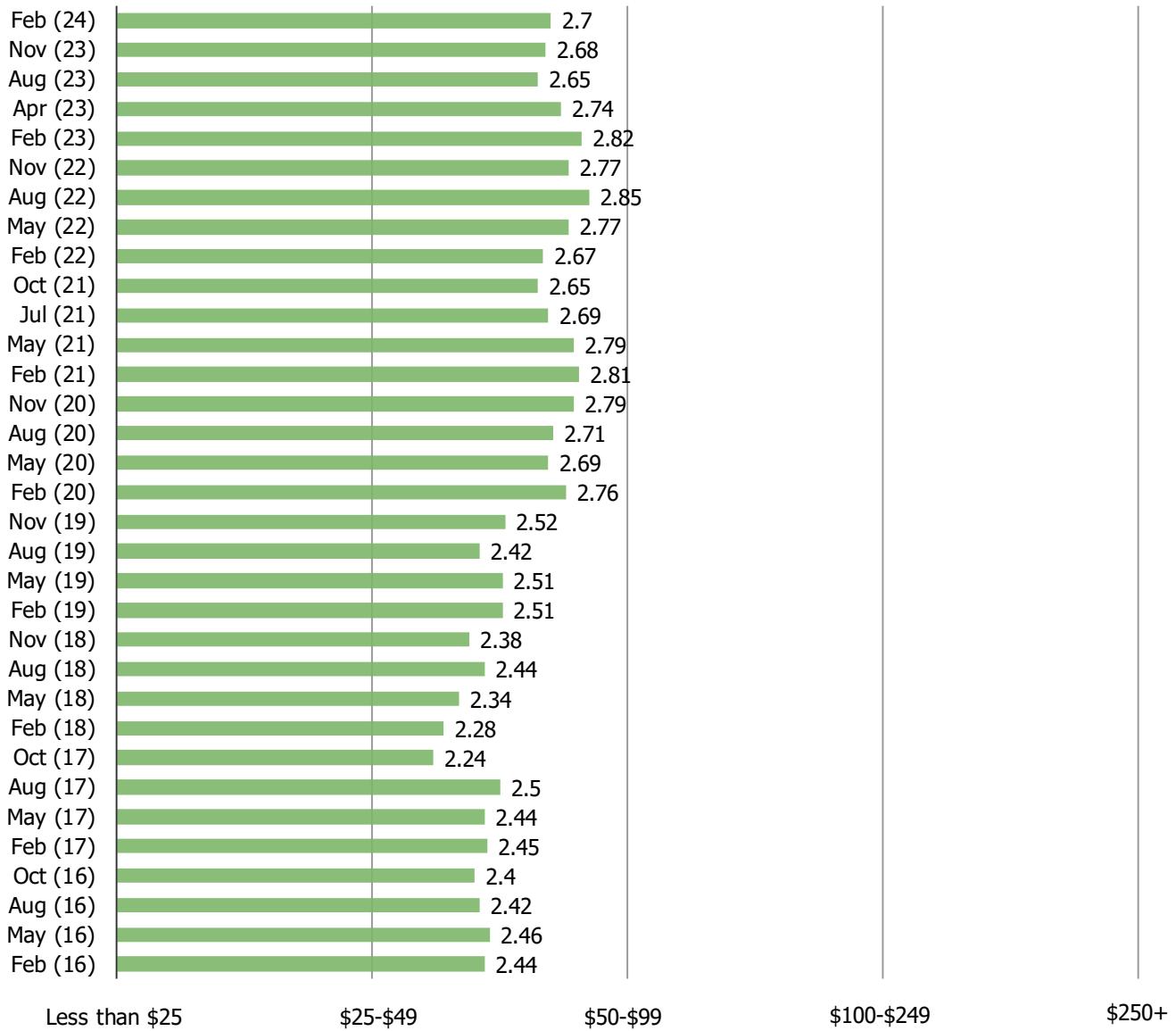
WHAT CUSTOMERS TYPICALLY BUY FROM TARGET (Q/Q TRACKING)

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



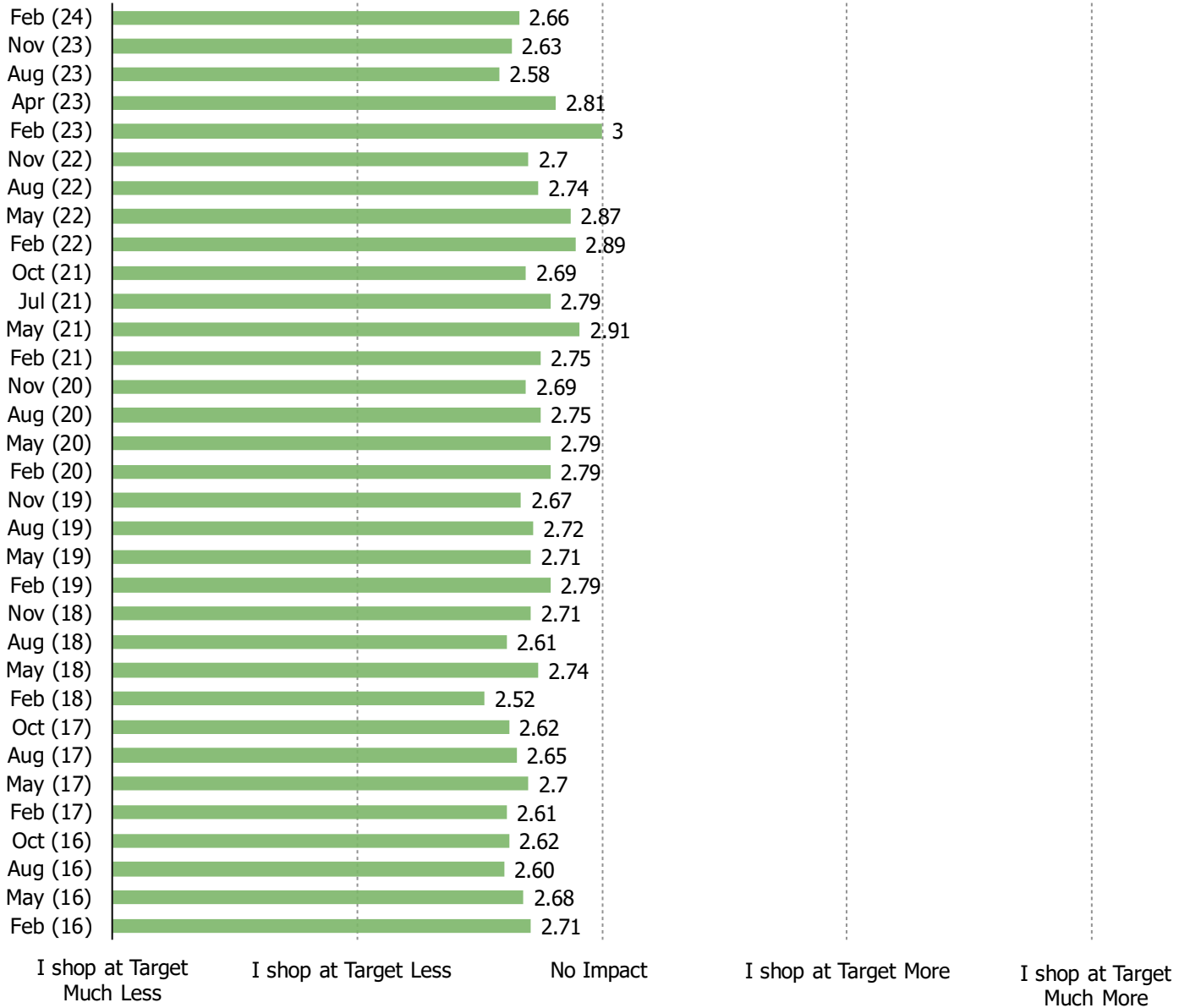
TARGET CUSTOMERS: AVERAGE SPEND PER VISIT

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



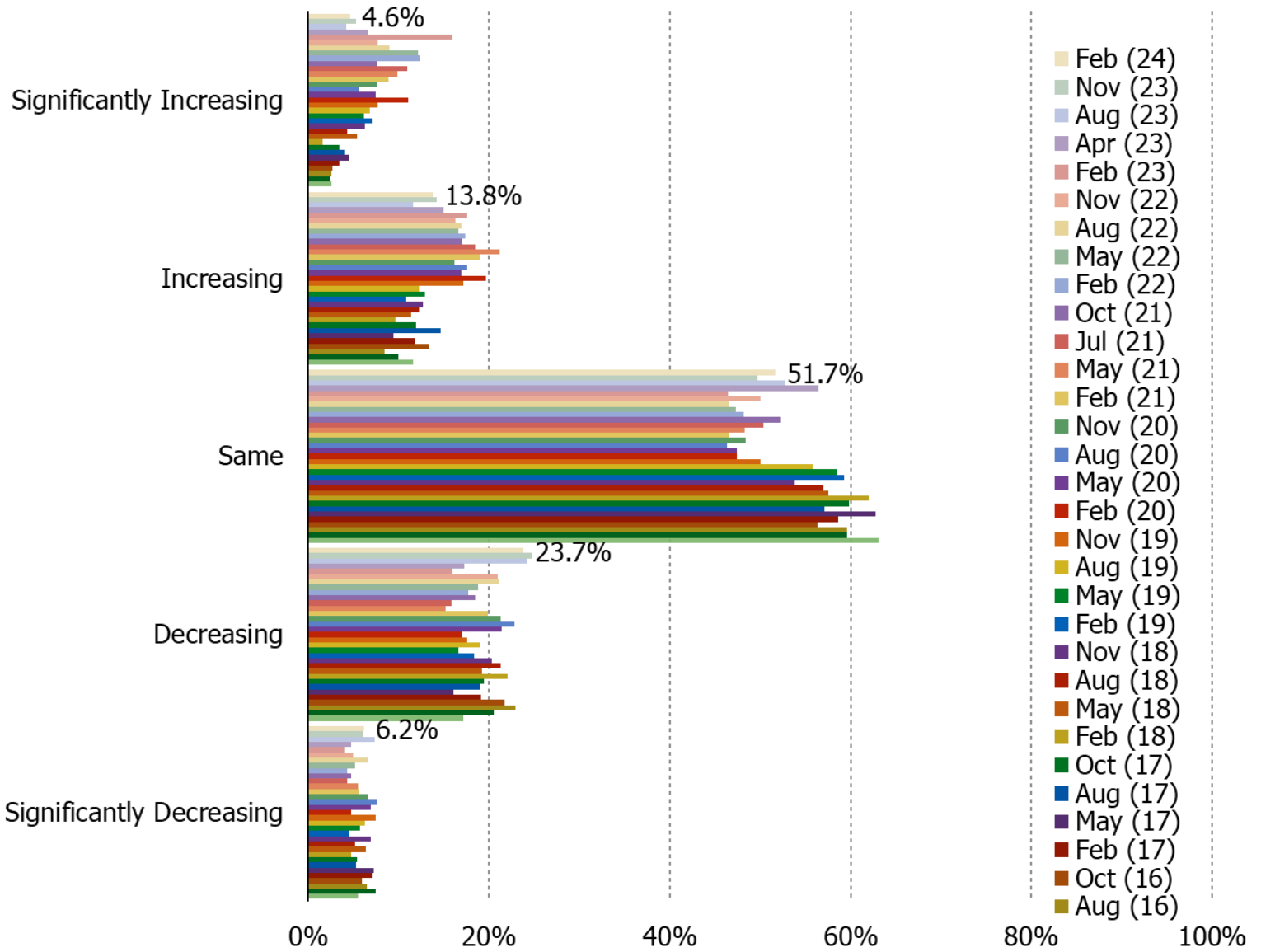
TARGET CUSTOMERS: IS AMAZON IMPACTING YOUR SHOPPING AT TARGET?

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



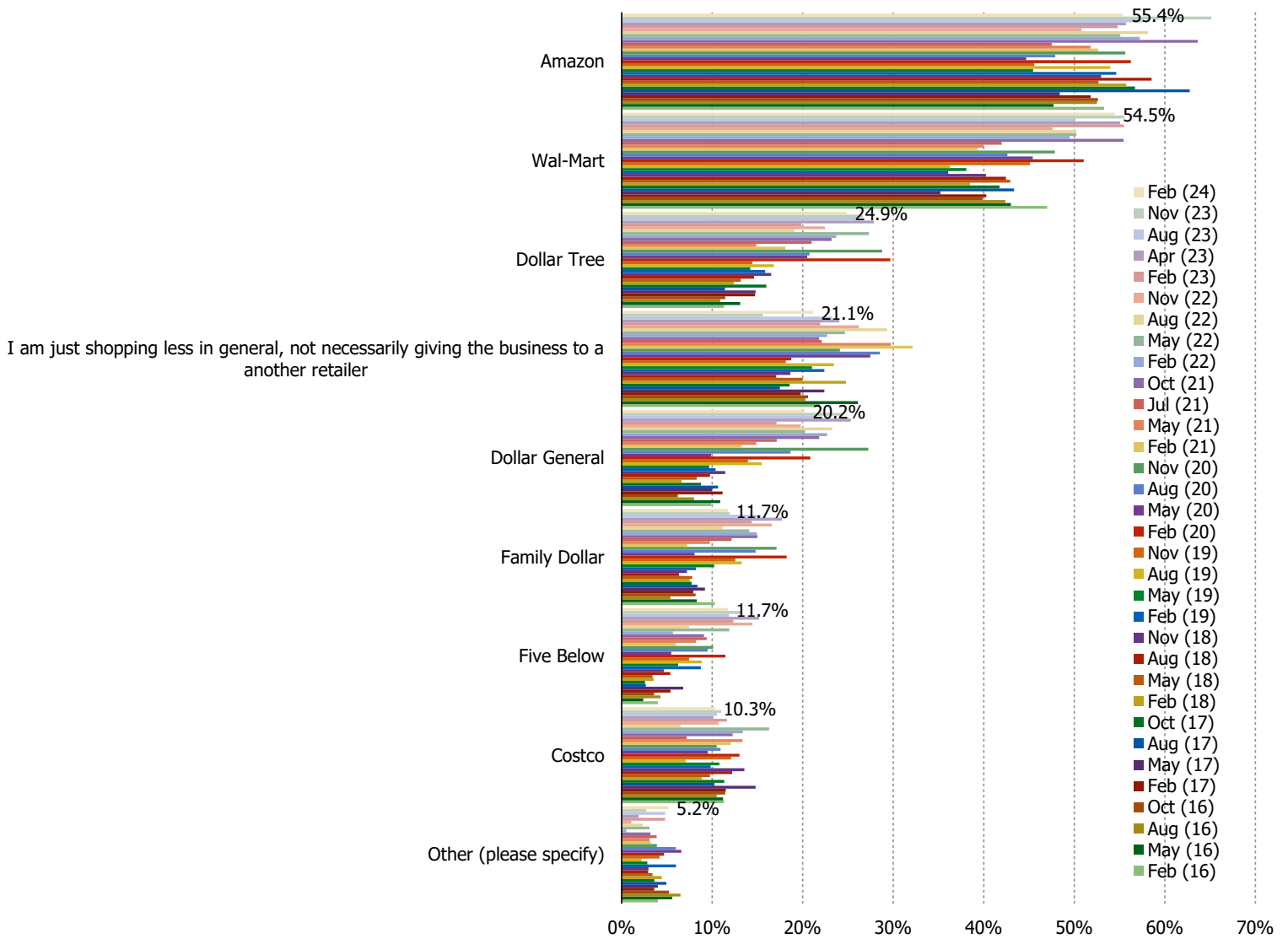
TARGET CUSTOMERS: CHANGES IN RECENT SHOPPING FREQUENCY

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



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

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



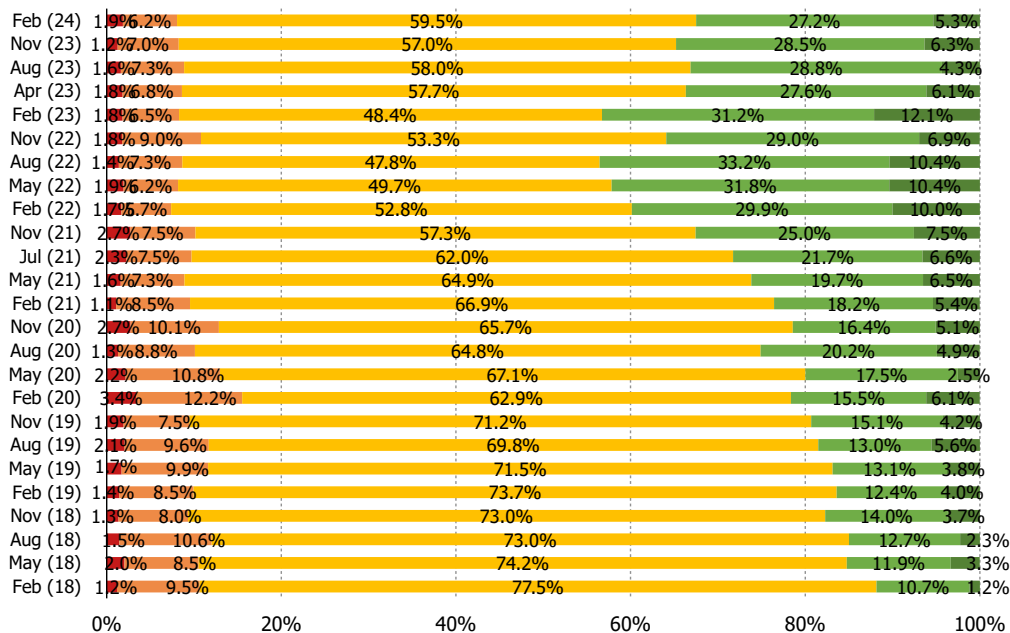
## SENTIMENT TOWARD PRICING

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.

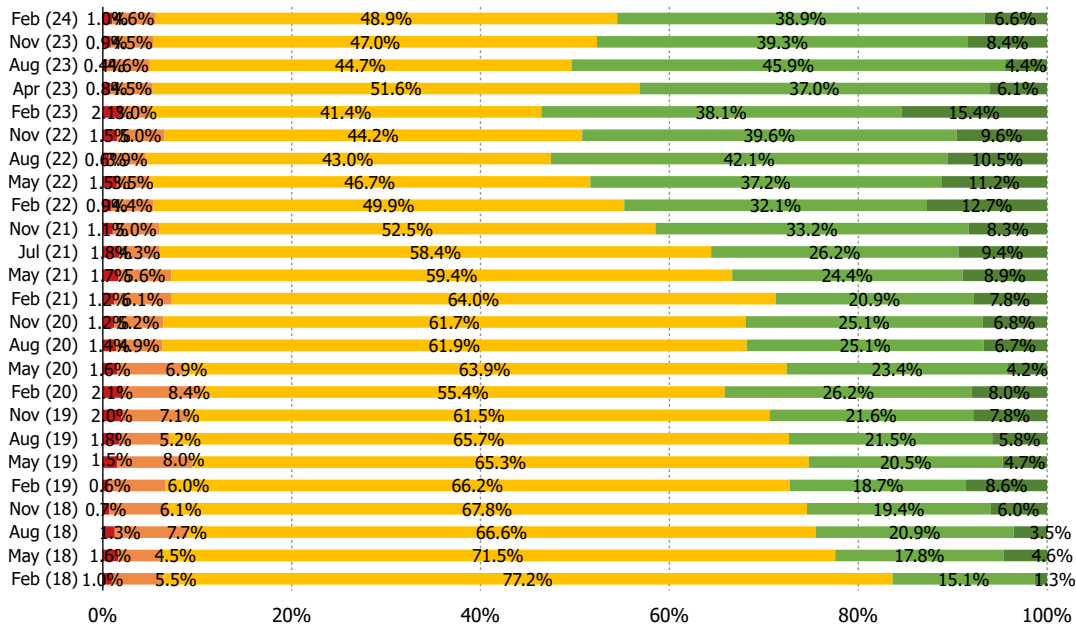
■ Much Lower ■ Lower ■ Same ■ Higher ■ Much Higher

WALMART



■ Much Lower ■ Lower ■ Same ■ Higher ■ Much Higher

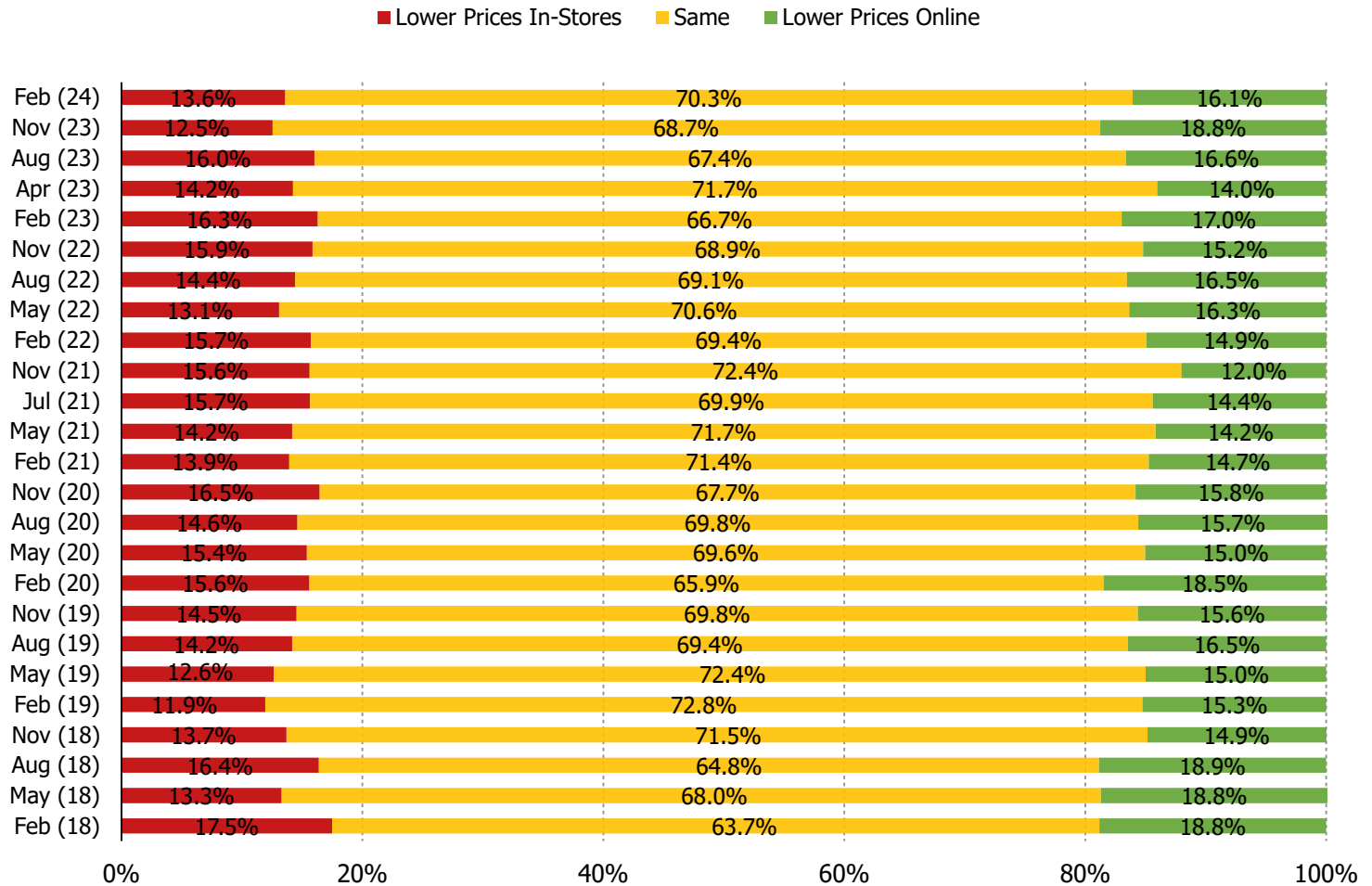
TARGET





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

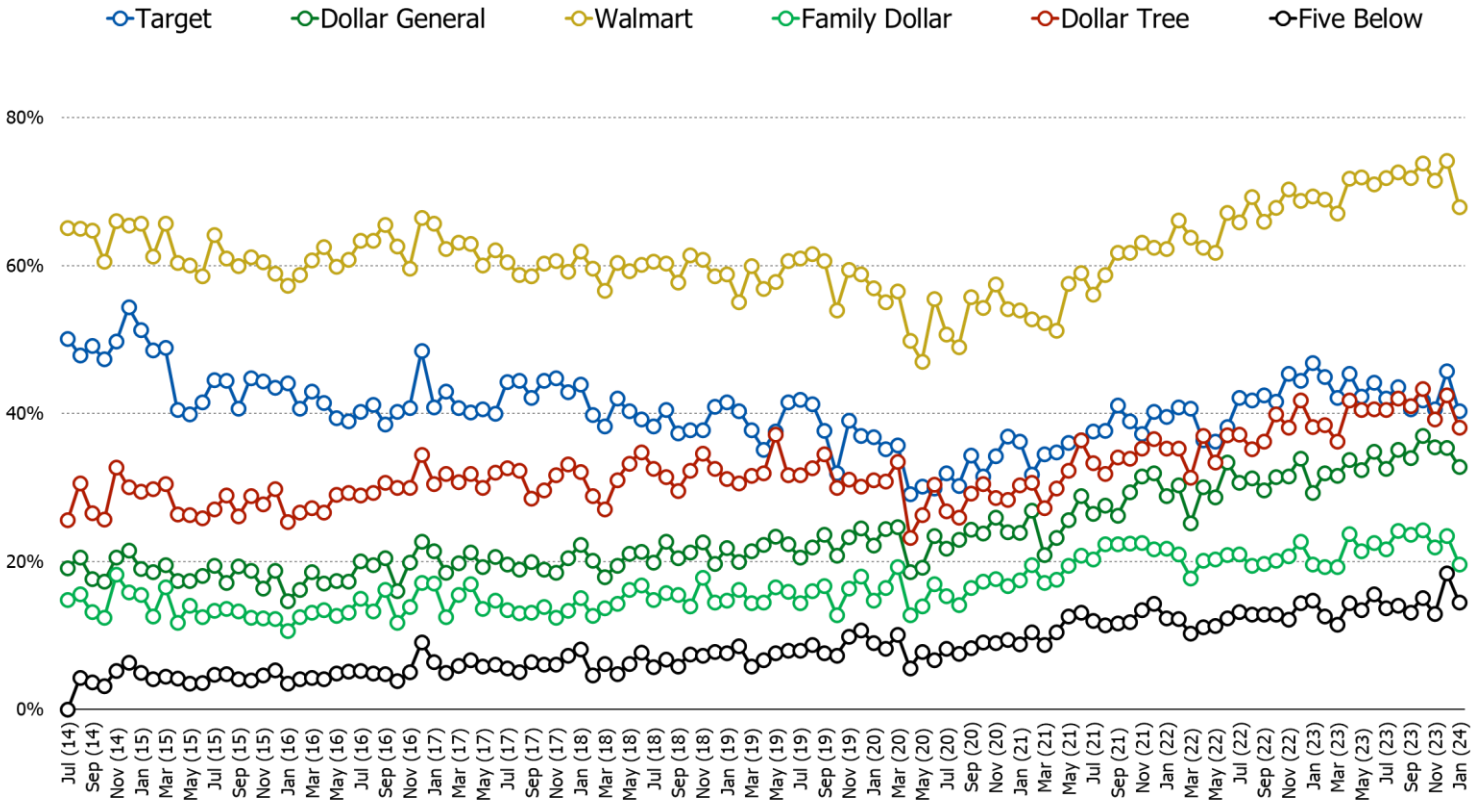
This question was posed to consumers who have shopped Wal-Mart online AND in-stores monthly or more frequently.



## MONTHLY TRACKERS

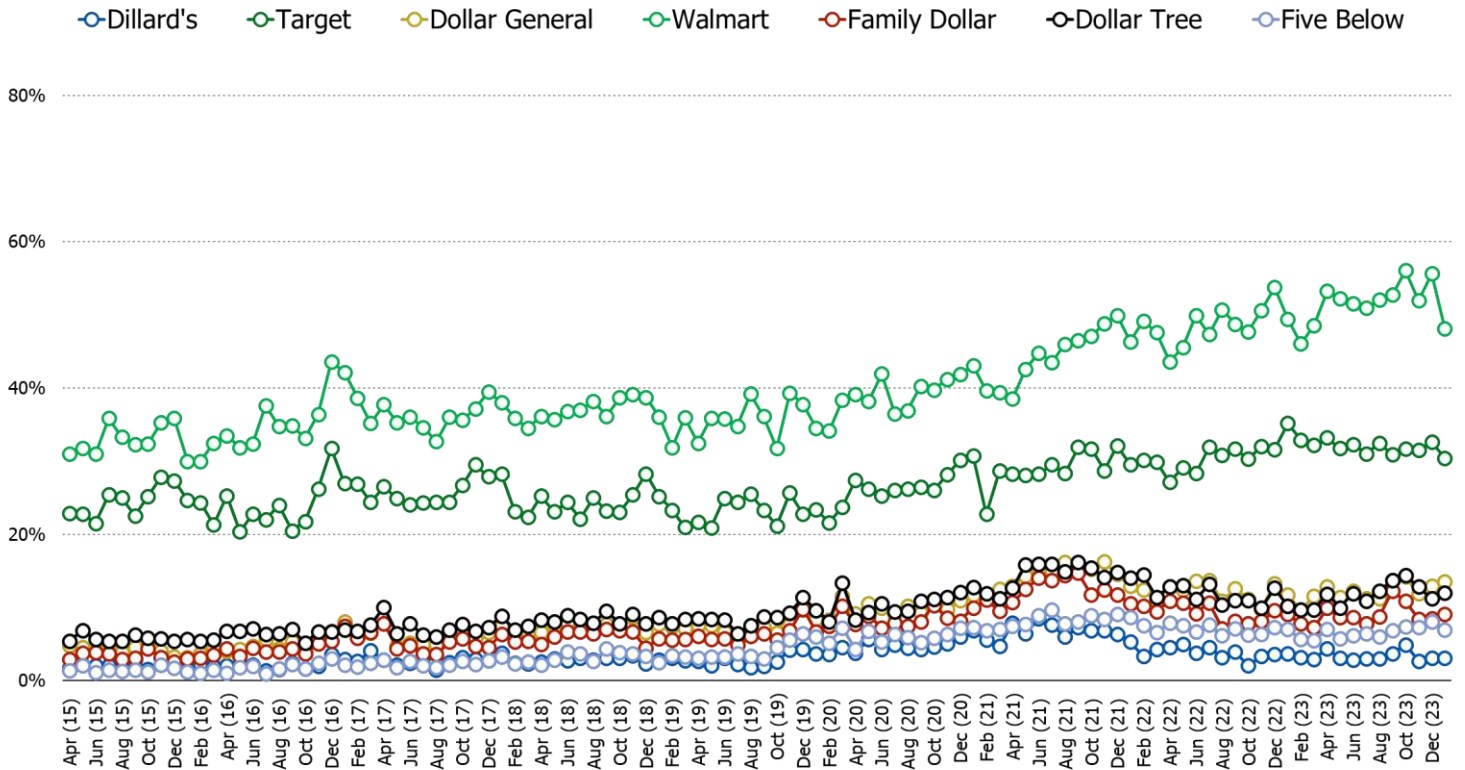
HAVE YOU VISITED ANY OF THE FOLLOWING COMPANY STORES IN THE PAST MONTH?

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.

