

Amazon says it has more than 100 million Prime members

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Amazon Chief Executive Jeff Bezos said the company has more than 100 million paid subscribers worldwide to its Prime Membership service, disclosing for the first time a figure that the company long held as a trade secret.

The announcement came Wednesday in Bezos's letter to shareholders, the Amazon founder's closely watched annual treatise that is part update on the company's progress, part [business](#) school guide to his and Amazon's thinking.

Prime, which costs \$99 a year in the U.S., offers free two-day shipping on many items, as well as access to Amazon's trove of on-demand video and music streaming. Members are thought to spend more on Amazon purchases than non-members, making the trajectory of loyal payers a key metric for the health of the company's core retail business. Analysts for years have used surveys and educated guesswork to come up with an approximate figure for total paid membership.

John Blackledge, who tracks Amazon for investment bank Cowen & Co., said in a note to clients on Wednesday that Prime was "the most critical driver" of Amazon's online retail business in the long term.

Amazon, famously tight lipped about its business metrics, has in recent years disclosed a bit more about the health of important lines of business.

In 2015, the company for the first time revealed the amount of revenue pulled in by its fast-growing Amazon Web Services cloud-computing arm. The unit, which rents software and computing infrastructure to businesses, was more profitable than analysts had expected, helping to kick off a rally in Amazon shares that has, with a few interruptions, continued since.

The number of Prime members has figured prominently in Amazon's correspondence with regulators. The Securities and Exchange Commission's investor disclosure watchdogs have repeatedly pushed Amazon to reveal more about the health of the service.

It's unclear how many of Amazon's 100 million Prime members are in the U.S., which, according to the Census Bureau, has about 126 million households.

Based on survey data, Cowen earlier this year estimated that 60 million U.S. households were Prime members. Amazon also offers the service in other countries, including Canada, Mexico, Japan, Singapore and much of Western Europe.

Wednesday's shareholders letter, Bezos's twentieth, includes his customary reprint of the version that he penned in 1998. That document stressed Amazon's ambition to create shareholder value over the long term, eschewing quarter-to-quarter window dressing for long-term profitability.

Investors in recent years have agreed to that trade off, exhibiting extraordinary patience as the Seattle company grew revenue but plowed most of it back into the company and posted only slim, if any, profit.

That formula has made Bezos the world's wealthiest human. It also made Amazon, briefly, the No. 2 [company](#) in the world by market value, and recently the fourth-largest.

Investors seemed to like what they saw in the latest letter. Amazon shares, which closed up 1.6 percent at \$1,527.84 on Wednesday, extended those gains after the letter was released, climbing another 1.8 percent to \$1,556 in after-hours trading.

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