

Amazon caps blockbuster Big Tech earnings reports

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Big Tech firms are showing blockbuster profits as pandemic-hit consumers around the world look for new gadgets and turn to the internet for goods and services

A week of blockbuster earnings reports from Big Tech culminated

Thursday with Amazon crushing forecasts of how much money it would rake in from pandemic-revved online shopping and growing reliance on internet-hosted services.

The e-commerce colossus is among the internet giants whose businesses thrived as precautions against COVID-19 led people around the world to go online for work, school, shopping and socializing.

Amazon reported that its profit in the recently ended quarter tripled as online sales boomed.

Revenue soared to \$108.5 billion, an increase of 44 percent from the same period a year earlier, as the pandemic fueled a trend of shopping online instead of in real-world stores.

Profit in the quarter was \$8.1 billion, compared with \$2.5 billion in the first three months of last year.

The Amazon Web Services unit that hosts services and data in the internet cloud saw revenue in the quarter climb to \$13.5 billion.

People and businesses turning to the internet has boosted the cloud computing market where Amazon competes with Microsoft and Google.

Apple and Facebook this week reported soaring quarterly profits that essentially doubled over the previous year at \$23.6 billion and \$9.5 billion respectively.

Apple was lifted by strong gains in sales of iPhones and assorted products and services, while Facebook saw robust increases in digital advertising, reflecting people's rising internet usage during the ongoing pandemic.



Amazon says it will increase wages for some 500,000 US workers after it staved off a unionization drive at one warehouse

The results followed what one analyst called a "monster" quarter for Google and its parent firm Alphabet, which along with Facebook dominates online advertising. They also come after a robust report from Microsoft, a powerhouse in cloud computing and video games.

The latest round of results are likely to prompt more scrutiny over the growing dominance of Big Tech, particularly with their services seemingly ready-made for locked-down consumers.

"The large tech companies are in the right place at the right time," said

Darrell West, a fellow at the Brookings Institution's Center for Technology Innovation.

"COVID has accelerated digital transformation in education, health care, remote work and e-commerce, and that has boosted the profitability of those firms."

The surging influence of Big Tech has led to calls for increased regulation, higher taxes and stronger antitrust enforcement to foster more competition and counter economic inequality.

COVID 'shock'

Robert Atkinson, president of the Information Technology & Innovation Foundation, a think tank that often reflects views of the sector, said the tech giants are benefitting from the massive digital shift that has accelerated during COVID-19.

He maintained that corporations have long reaped such profits, it is just that now they are internet titans.

"I've hardly been to the grocery store and I haven't been on a plane in a long time," he said. "But I'm using more social media and streaming services. When you have a big shock to the system, it leads to some sectors doing poorly and others doing well."



Apple and Facebook both said profits essentially doubled over the past quarter

Countering 'techlash'

Still, the massive firms are facing a growing "techlash" in Congress and elsewhere as their power and influence grows.

Apple this week said it would boost its US investment plan to \$430 billion over the next five years, aiming to create some 20,000 new jobs. Amazon said it would increase wages for some 500,000 US workers after it staved off a unionization drive at one warehouse.

"The companies are making more money but putting at least some of that back into the US economy, which could mitigate the negative impact," Atkinson said.

Facebook reported its user ranks increased despite persistent criticism over its efforts to protect user privacy and stem misinformation.

The number of people using the leading social network monthly climbed 10 percent to 2.85 billion, according to the Silicon Valley giant. And monthly usage of the "family" of Facebook apps including Instagram, WhatsApp and Messenger was pegged at 3.45 billion.

On Tuesday, Alphabet said profit in the first quarter leapt to \$17.9 billion from \$6.8 billion in the same period a year ago, led by gains in advertising and cloud computing services.

"Google had an absolute monster quarter," said Patrick Moorhead at

Moor Insights & Strategies.

Apple, meanwhile, said Wednesday that revenue was the best ever for its fiscal second quarter, up 54 percent to \$89.6 billion.

Apple reported gains in sales of iPhones, iPads, Mac computers, wearables and accessories, as well as its array of services from digital payments to music.

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