

Amazon to raise Prime fees in Europe, cites rising costs

July 26 2022, by Associated Press



In this Oct. 1, 2020 file photo, an Amazon Prime logo appears on the side of a delivery van as it departs an Amazon Warehouse location in Dedham, Mass. Amazon is raising its Prime fees in Europe, the company told customers on Tuesday, July 26, 2022 days ahead of its second quarter earnings report. Credit: AP Photo/Steven Senne, FILE

Amazon is raising its Prime fees in Europe, the company told customers on Tuesday, days ahead of its second-quarter earnings report.

Among other places, the price of a monthly Prime membership will tick up in the United Kingdom from 7.99 to 8.99 pounds, while the annual cost will increase from 79 to 95 pounds (\$114.26), the company said in the notice sent to customers.

In Spain, the monthly price will tick up one euro to 4.99 and the annual cost will go up nearly 14 euros to 49.90 (\$50.54).

The new charges will take effect on September 15 for those who sign-up for Prime or renew their membership.

In Germany and France, annual prices will go up 30% and 42.6%, respectively, to nearly 90 and 70 euros. In Italy, it will tick up about 38% to 49.90 euros.

The changes come as the company aims to [bolster its profits](#) amid a slowdown in demand. Consumers who were once homebound during the COVID-19 pandemic have pulled back from online shopping, and the retail sector's online sales growth has slowed. The Seattle-based e-commerce giant is also facing increasing costs due to inflation, which is at its highest in 40 years.

In the notice sent to customers in Spain, the company pointed to inflation as one reason for the change. An Amazon spokesperson said the increasing cost of shipping is another factor.

Pressure from inflation has also hit Amazon sellers. In April, the company added a 5% "fuel and inflation surcharge" to fees it charges third-party merchants to offset rising costs.

Earlier this year, Amazon raised the price of a Prime membership in the U.S. from to \$139 a year from \$119 a year.

Besides free two-day shipping, Prime members get other perks, like access to Amazon's Prime Video and music streaming services. In the notice to customers, the company said it has also increased the number of products it offers to members, including adding more content to stream on Prime Video. This month, Disney used similar reasoning to back up a price hike on its ESPN+ streaming service, which will take effect next month.

Amazon is slated to release its earnings for the most recent quarter on Thursday.

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Citation: Amazon to raise Prime fees in Europe, cites rising costs (2022, July 26) retrieved 4 May 2024 from <https://techxplore.com/news/2022-07-amazon-prime-fees-europe-cites.html>

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