

Amazon quarterly profit slips as shoppers seek bargains

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Amazon said its net income slipped even though sales rose in the recently-ended quarter, signalling shoppers were hunting bargains that result in less profit for the e-commerce colossus.

Amazon on Thursday said that its profit in the third quarter slipped more than 9 percent to \$2.9 billion, despite an uptick in sales helped by Prime

day bargains.

Sales at the e-commerce colossus increased 15 percent to \$127.1 billion in the third quarter, compared with \$110.8 billion in the same period a year earlier.

Customer response to big Amazon [sales](#) events in the past four months has been "quite positive" and "it's clear that particularly during these uncertain economic times, customers appreciate Amazon's continued focus on value and convenience," said Amazon chief executive Andy Jassy.

Amazon shares plunged 20 percent to \$88.80 in after-market trades that followed release of the earnings figures.

US tech giants that long seemed impervious to broad economic ills have seen their armor crack this year, with slowing growth and revenue eroding the faith of investors and their share prices.

While it has a lucrative AWS cloud computing unit and its Prime video offering, Amazon is a retailer at heart, noted independent tech analyst Rob Enderle of Enderle Group.

"When people are having a hard time making ends meet, retail tends to take a hit," Enderle said.

And while founder and former chief executive Jeff Bezos was savvy about retail, "he went off to play with rockets" at his Blue Origin enterprise leaving Amazon in the hands of Jassy, known for his cloud computing prowess, the analyst added.

"Amazon is not a cloud company, it is a retail company, and a cloud computing guy is in charge," Enderle contended.

Meta and Google parent Alphabet both saw share prices tank after disappointing [quarterly earnings](#), as global economic woes along with competition undermined the digital ad revenue powering their money-making engines.

Even business tech stalwart Microsoft saw [share](#) prices drop after it released earnings figures showing [economic conditions](#) were also tightening budgets when it comes to customers of its cloud, software and services offerings.

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