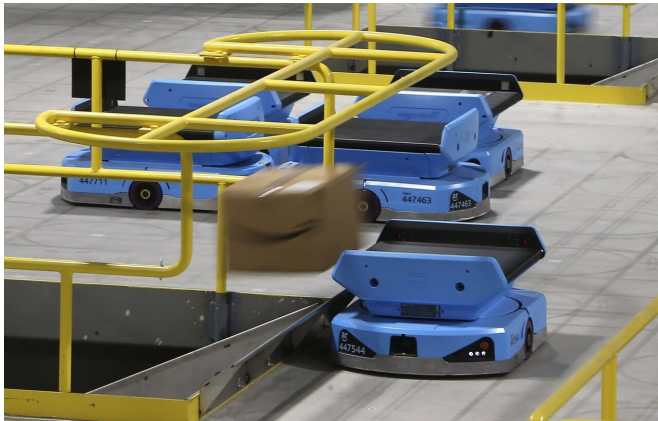


# Amazon's latest milestone: 150 million Prime members

31 January 2020, by Joseph Pisani



In this Dec. 17, 2019, file photo an Amazon robot sends a package down a chute, transporting packages from workers to chutes that are organized by zip code, at an Amazon warehouse facility in Goodyear, Ariz. Amazon.com reports financial results on Thursday, Jan. 30, 2020. (AP Photo/Ross D. Franklin, File)

Amazon had another prime holiday season.

The [online retailer](#) said Thursday it has more than 150 million Prime members worldwide who pay \$119 a year for faster shipping and other perks. That's up 50% from the last time Amazon disclosed the number in 2018. It also surpasses Netflix, which has 139 million members globally who pay to stream movies and TV shows.

"More people joined Prime this quarter than ever before," said Jeff Bezos, Amazon's CEO and founder.

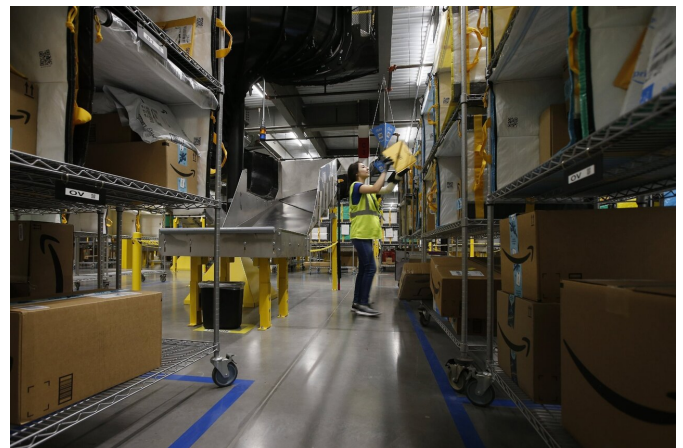
The Seattle-based [company](#) also reported [financial results](#) for the holiday season that were far better than analysts expected. Its shares soared 10% to \$2,055 in after-hours trading Thursday.

The staggering number of Prime members is sure to spook other retailers. Analysts have said Prime

subscribers typically spend more of their money at Amazon than other places.

There have already been signs that brick-and-mortar retailers had a rough holiday season. Target reported disappointing sales growth for November and December. And department stores Macy's, Kohl's and J.C. Penney all posted holiday sales declines. Walmart, the world's largest retailer, will release its results next month.

Amazon said part of the reason for the jump in Prime members is its promise to deliver more of its goods in one day instead of the two. That has been expensive to do, but Amazon said Thursday that its costs for the effort have started to ease and were slightly below the \$1.5 billion it expected to spend during the last three months of the year.



In this Dec. 17, 2019, file photo Jocelyn Nieto stows packages into special containers after Amazon robots deliver separated packages by zip code at an Amazon warehouse facility in Goodyear, Ariz. Amazon.com reports financial results on Thursday, Jan. 30, 2020. (AP Photo/Ross D. Franklin, File)

Overall, the company said its fourth-quarter profit

rose 8% to \$3.3 billion.

Earnings per share came to \$6.47, far beyond the \$4.04 per share analysts were expecting, according to research firm FactSet.

Revenue jumped 21% to \$87.4 billion, also beating expectations.

Amazon has been expanding way beyond online shopping, helping to fuel its growth.

Revenue at its cloud computing unit, which powers digital scrap-booking site Pinterest and many other companies, grew 34%, even though it has been facing increasing competition from other big tech companies.

Last fall, the U.S. government picked Microsoft over Amazon for a \$10 billion contract to provide cloud services to the U.S. military. Amazon is protesting the decision, saying that President Donald Trump influenced the [bidding process](#) by bad mouthing the company.

Amazon's advertising business, which lets companies buy ads to show up in Amazon.com's search results, also grew. Amazon doesn't say exactly how much its ad business makes, but lists it as part of its "other" revenue, which jumped 41% from the year before.

For all of 2019, Amazon said it brought in \$11.6 billion in profit and \$280 billion in revenue.

© 2020 The Associated Press. All rights reserved.

APA citation: Amazon's latest milestone: 150 million Prime members (2020, January 31) retrieved 28 November 2020 from <https://techxplore.com/news/2020-01-amazon-latest-milestone-million-prime.html>

*This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.*