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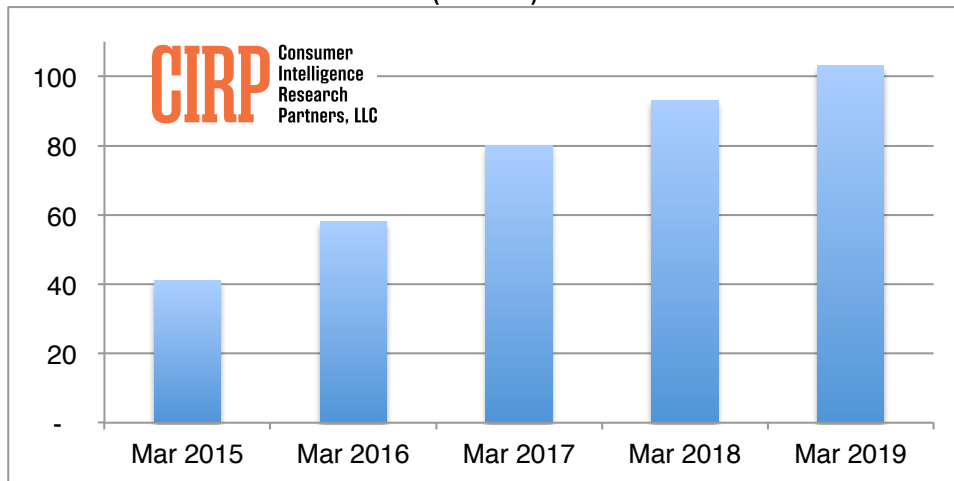
US Amazon Prime Membership Growth Slows

Amazon Challenged to Retain Newest Members

CHICAGO, IL – Wednesday, April 17, 2019 - Consumer Intelligence Research Partners, LLC (CIRP) today released analysis of buyer shopping patterns for Amazon, Inc. (NASDAQ:AMZN) for the first quarter of 2019.

As of March 31, 2019, CIRP estimates that in the US, Amazon Prime has 103 million members (Chart 1). These shoppers continue to spend on average about \$1,400 per year, compared to about \$600 per year for non-Prime member customers.

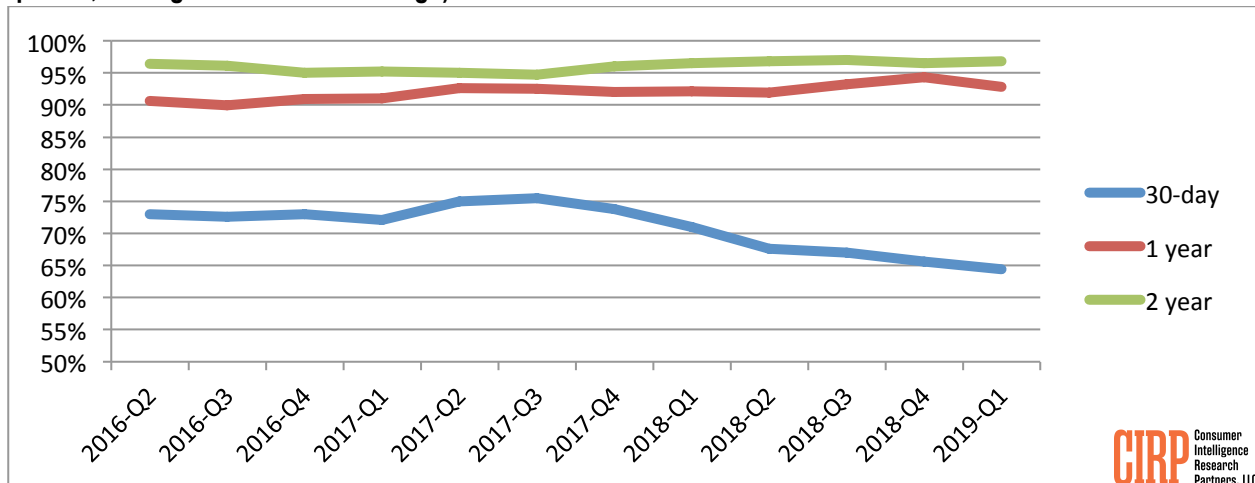
Chart 1: US Amazon Prime Members (millions)



“Amazon Prime has showed signs of slowing growth in the US, and this quarter confirms this,” said Josh Lowitz, Partner and Co-Founder of CIRP. “In particular, year-over-year growth has flattened. After the holidays, the March quarter is typically slow, and this one was worse than past ones. Amazon Prime grew 2% over the December 2018 quarter, similar to the first quarter increase last year, but year-over-year growth was 11%, down from 16% from March 2017 to March 2018.”

As of March 2019, 64% of Prime members converted a trial membership to a paid (annual or monthly) membership, while 93% continued with a membership after one year, and 98% continued with a membership after two years (Chart 2).

Chart 2: Amazon Prime retention rate (percent of members ending each membership term in indicated quarter, trailing twelve month average)



“Conversion and retention rates help explain why US Prime membership growth has flattened”, added Mike Levin, Partner and Co-Founder of CIRP. “Retention after a year has always been high, and at over 95% after two years has been the envy of any company that sells memberships of any sort. But, conversion from a 30-day free trial membership has declined, from over 75% at its height to under 65% today. With the Prime members who get the most out of their membership already signed up, new trial members are less likely to convert to paid membership. Further, the option to pay for Prime membership on a monthly basis makes it even easier to let a trial membership lapse.”

CIRP bases its findings on surveys of 500 US subjects who made a purchase at Amazon.com in the period from January-March 2019. For additional information, please contact Mike Levin (mike@cirpllc.com) or Josh Lowitz (josh@cirpllc.com) at 312.344.3664. Further information on CIRP, which provides securities research to the investment community using advanced consumer market research strategies, methods, and techniques, is at www.cirpllc.com.

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