

FOR IMMEDIATE RELEASE

Prime Gains Members, Retention in Pandemic

Amazon Prime at 172 million US members

CHICAGO, IL – Wednesday, January 19, 2022: Consumer Intelligence Research Partners, LLC (CIRP) today released analysis of Amazon, Inc. (NASDAQ:AMZN) as of the fourth quarter of 2021. Please see the attached report, “Amazon, Inc. - Prime Gains Membership, Retention in Pandemic.”

CIRP finds Amazon Prime membership in the US increased in 2021, matching the pace of the first year of the COVID-19 pandemic. Conversion and retention rates diverged, with conversion from 30-day trials decreasing somewhat, and retention after one and two years of membership increasing.

“We saw healthy and somewhat unexpected increases in US Amazon Prime membership in the almost two years since the COVID-19 pandemic began,” said Josh Lowitz, CIRP Partner and Co-Founder. “Amazon Prime membership growth in the US had slowed for a few years. Yet, Amazon added about 30 million members in each of the last two years, as a substantial number of shoppers became more dedicated online shoppers as they avoided in-person shopping.”

“We saw Prime membership conversion and renewal behavior diverge in the past two years,” said Mike Levin, CIRP Partner and Co-Founder. “Conversion, meaning the rate at which customers move from a 30-day trial to a paid membership, drifted down, with the percentage dropping from the mid-70s to the mid-60s. We started to see this once Amazon offered monthly payment plans, which allows customers to stop and restart a Prime membership. And, we also see more competitors. At the same time, membership renewal rates continued to improve. The renewal rate after one year hit 94%, while the rate after two years is an impressive 98%, which any other retailer or membership-driven business would envy.”

CIRP bases its findings on surveys of four quarters US subjects, with 500 subjects per survey, who made a purchase at Amazon.com in the period ending September 2021. 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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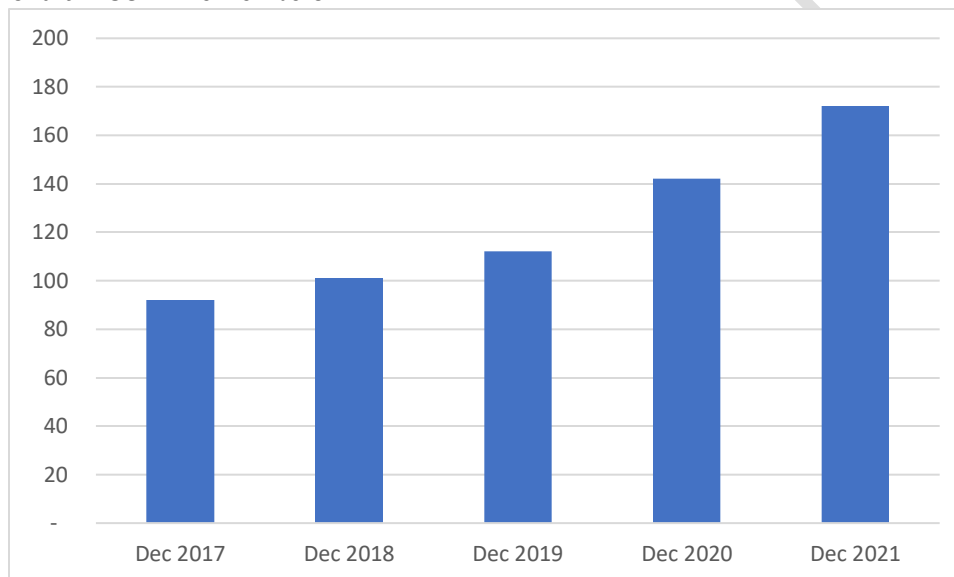
Amazon, Inc.

Prime Gains Membership, Retention in Pandemic

US Amazon Prime membership continued to increase in 2021, continuing both a long-term trend and more significantly, the sharper increase in 2020, when the COVID-19 pandemic started. The pandemic also appears to have reinforced high Amazon Prime renewal rates.

US Amazon Prime membership increased in 2020 and 2021, at a slightly greater rate than in previous years (Chart 1).

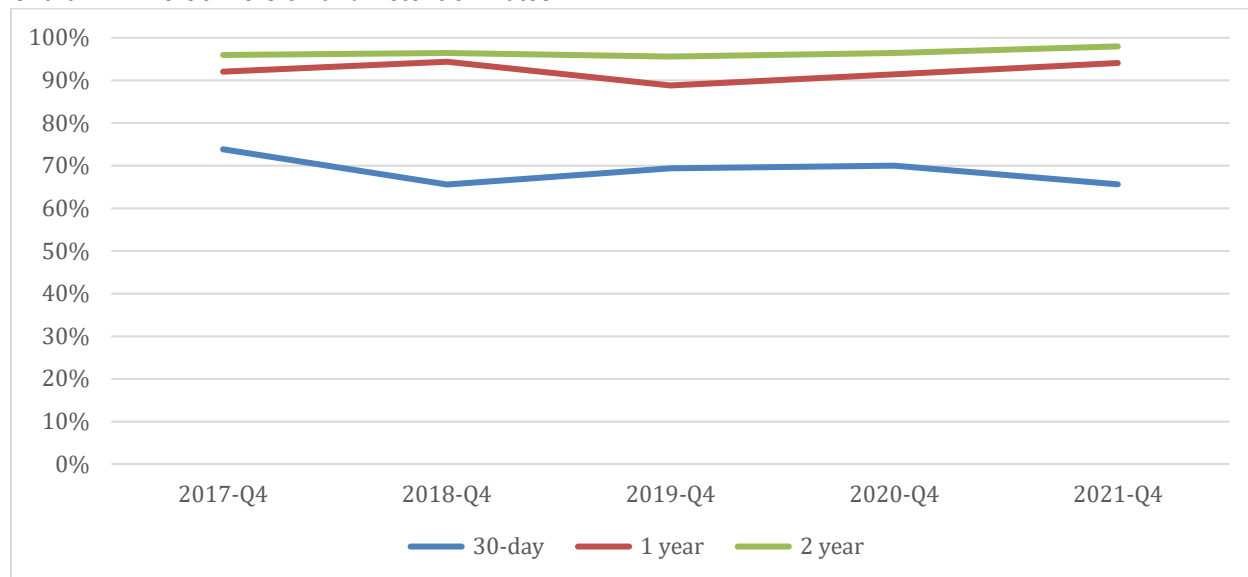
Chart 1: US Prime Members



As of December 2021, Amazon had 172 million US members. In each of 2020 and 2021, Amazon Prime added about 30 million members in the US. We attribute much of this increase to significantly greater online shopping during the COVID-19 pandemic. This served to accelerate Prime membership growth from slower rates in the previous few years.

Prime membership conversion and retention rates diverged slightly, with conversion of 30-day trials decreasing somewhat over time, and retention after one and two years increasing (Chart 2).

Chart 2: Prime Conversion and Retention Rates



The 30-day conversion rate trended down in the past five years, from 74% in 2017 to 66% in 2021. The increasing popularity of the monthly payment plan contributed to this decrease, by allowing customers to cancel and then re-start Prime membership when convenient.

The one- and two-year renewal rates remained very high and increased over the last five years. The one-year renewal rate increased in the past three years, from 89% in 2019 to 94% in 2021. The two-year renewal rate increased slightly in 2021, to an all-time high of 98%.

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Consumer Intelligence Research Partners, LLC

111 West Washington Street, Suite 900

Chicago, IL 60602

(312) 344-3664

info@cirpllc.com

www.cirpllc.com