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## Amazon Echo Customers Spend Much More

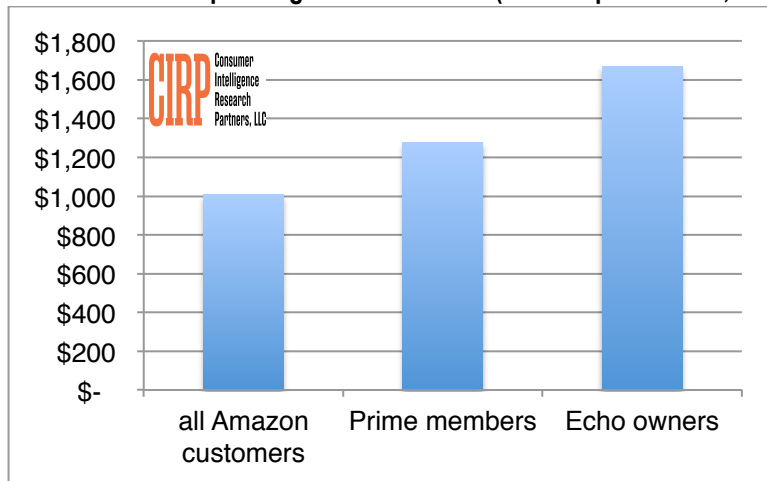
### Early Data Suggest Echo Customers Exceed Prime Members in Annual Spending

CHICAGO, IL – Wednesday, January 3, 2018 - Consumer Intelligence Research Partners, LLC (CIRP) today released analysis of buyer shopping patterns for Amazon, Inc. (NASDAQ:AMZN) for the third quarter of 2017.

CIRP analyzed the shopping baskets of Amazon customers, including all customers, customers that have an Amazon Prime membership, and customers that own at least one Amazon Echo device. CIRP finds that Amazon Prime members spend 27% more than average, and Amazon Echo owners spend 66% more than average.

As of September 30, 2017, CIRP estimates that in the US, the average annual spending at Amazon.com for Amazon Prime members is approximately \$1,300, and the average annual spending for Amazon Echo owners is approximately \$1,700 (Chart 1). Overall, all US Amazon customers spend approximately \$1,000 annually.

**Chart 1: Annual Spending at Amazon.com (as of September 30, 2017)**



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“We’ve long thought that Amazon is keenly focused on building increasingly loyal and frequent shopping customers, and Echo seems to promote that goal,” said Josh Lowitz, Partner and Co-Founder of CIRP. “Our data from the past five years has shown that Prime members spend more at Amazon. Now, we can see that Echo owners spend even more than customers with just a Prime membership. Based on the spending patterns of Echo owners, Amazon can certainly subsidize sales its Echo devices.”

“Of course, it’s early in the game, for the smart speaker market and therefore for this analysis,” said Mike Levin, Partner and Co-Founder of CIRP. “Still, we base this analysis on the past 12 months of solid customer survey data, and an unmistakable trend has started to emerge, that Amazon creates products and services that seek to promote retail shopping and deeper affiliation at Amazon.com. Amazon probably wants the Echo device family to stand on its own as a consumer electronics line, while supporting the greater mission of succeeding as an online retailer.”

CIRP bases its findings on surveys of 2,000 US subjects who made a purchase at Amazon.com in the period from October 2016-September 2017. For additional information, please contact Mike Levin ([mike@cirpllc.com](mailto:mike@cirpllc.com)) or Josh Lowitz ([josh@cirpllc.com](mailto: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](http://www.cirpllc.com).

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