

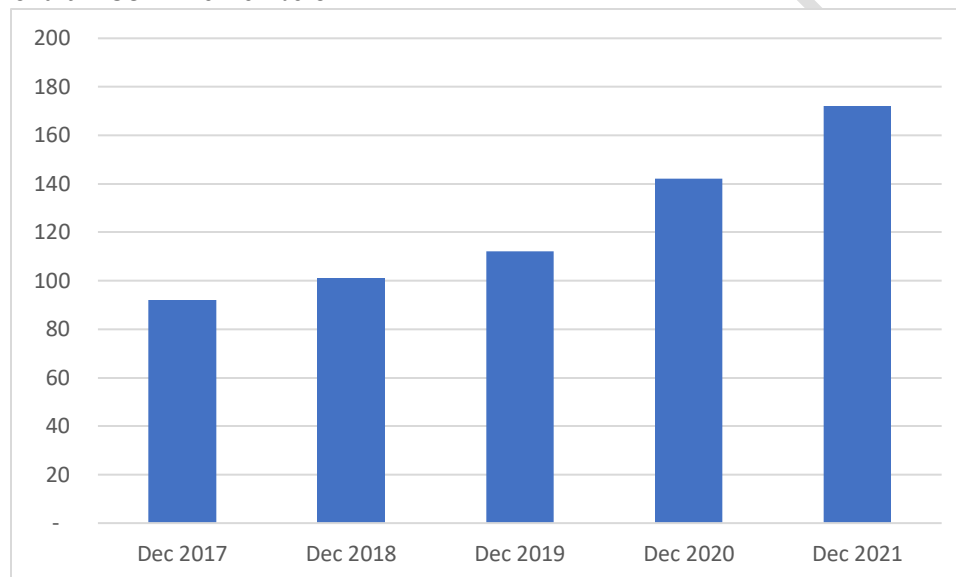
Amazon, Inc.

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).

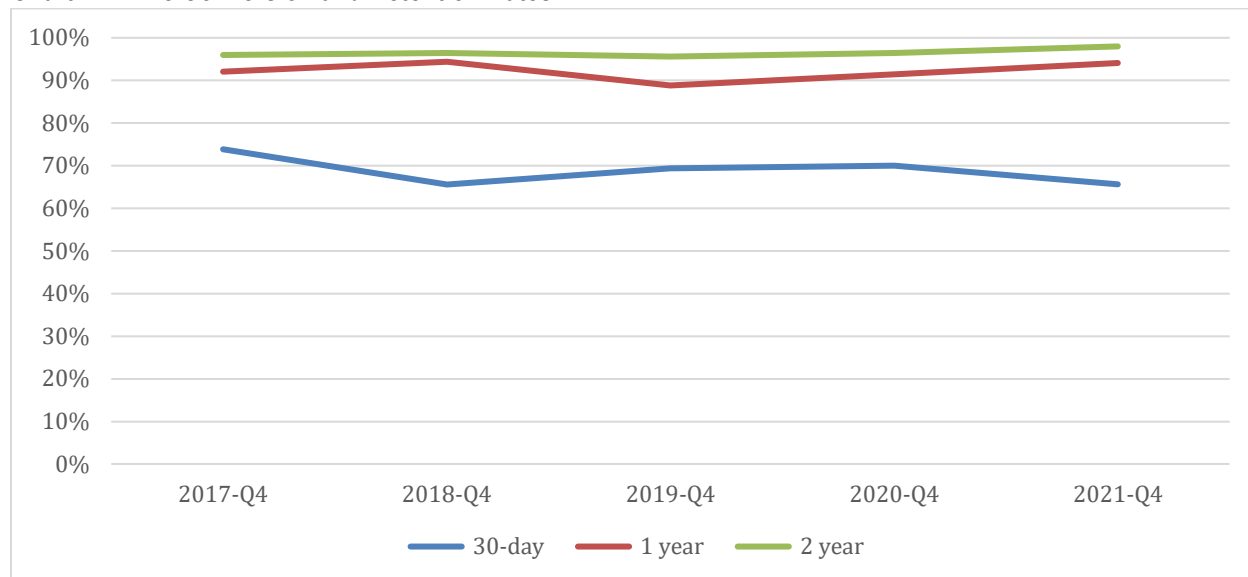
Chart 1: US Prime Members



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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