

Amazon ramps up profit with cloud, new services

WASHINGTON - Online giant Amazon said on Thursday profit in the second quarter surged ninefold as cloud computing and other services helped produce a fifth consecutive profit.



Picture: AFP

Net profit soared to \$857 million from \$92 million a year earlier.

Revenues jumped 31 percent to \$30.4 billion, Amazon said in stronger-than-expected results.

While Amazon developed a reputation for delivering little or no profit in its retail operations, its earnings have been growing over the past year as it expands into video and new delivery services and boosts its cloud computing unit, Amazon Web Services (AWS).

The strong profit came a year after earnings of \$92 million, which began a string of improvements for Amazon.

Amazon shares rose two percent in after-hours trade on the results.

The company has also been building loyalty with its Amazon Prime subscription service, which provides access to its online video and music as well as fast delivery for most items.

Amazon has also been expanding globally, notably to India, where it is producing original content.

"The team in India is inventing at a torrid pace, and we're very grateful to our Indian customers for their welcoming response," Amazon founder and chief executive Jeff Bezos in a statement.

Amazon has offered few details on its Prime subscriber base or the number of its Fire brand devices sold.

But analysts at Consumer Intelligence Research Partners estimated Amazon Prime now has 63 million US members, spending on average about \$1,200 per year, compared to about \$500 per year for non-members.

In its statement, Amazon said its second annual "Prime Day" was the biggest day ever for the company, and was also a record day for Amazon devices globally.

It said worldwide orders grew by more than 60 percent.

Amazon has been bringing in customers to Prime by touting its streaming video, which competes with the likes of Netflix and Hulu.

Its Amazon Studios received 16 Emmy nominations for its original programs.

Amazon has also been ramping up its delivery of groceries and fresh items in several markets, as it has been testing drones.

On Monday, it unveiled plans to test delivery drone technology in Britain, after US authorities announced rules that would preclude most robo-deliveries.

The rise in Amazon shares have boosted the personal fortune of Bezos, who according to Forbes magazine this week became the world's third richest person with a net worth of over \$65 billion, topping Warren Buffett.

Aside from his Amazon investment, Bezos also heads the private space exploration Blue Origin and owns the Washington Post newspaper.

Source: AFP

For more, visit: <https://www.bizcommunity.com>