

# Stripe scores big with expanded Amazon partnership

Article

**The news:** Amazon and Stripe expanded their global agreement, making Stripe Amazon's strategic payments partner in the US, Canada, and Europe, per a press release.

Stripe will process the majority of Amazon's volume for services like Prime, Audible, Kindle, and Amazon Pay. It will also integrate more of Amazon Web Services' (AWS) infrastructure

into its system.

**Key context:** Stripe started working with Amazon in 2017 to help accelerate the retailer's expansion in Asia and Europe. It also helped Amazon process volume for key shopping events like Prime Day, Black Friday, and Cyber Monday.

The expanded agreement gives Stripe processing power over more of Amazon's business, which will benefit Stripe as it contends with economic headwinds:

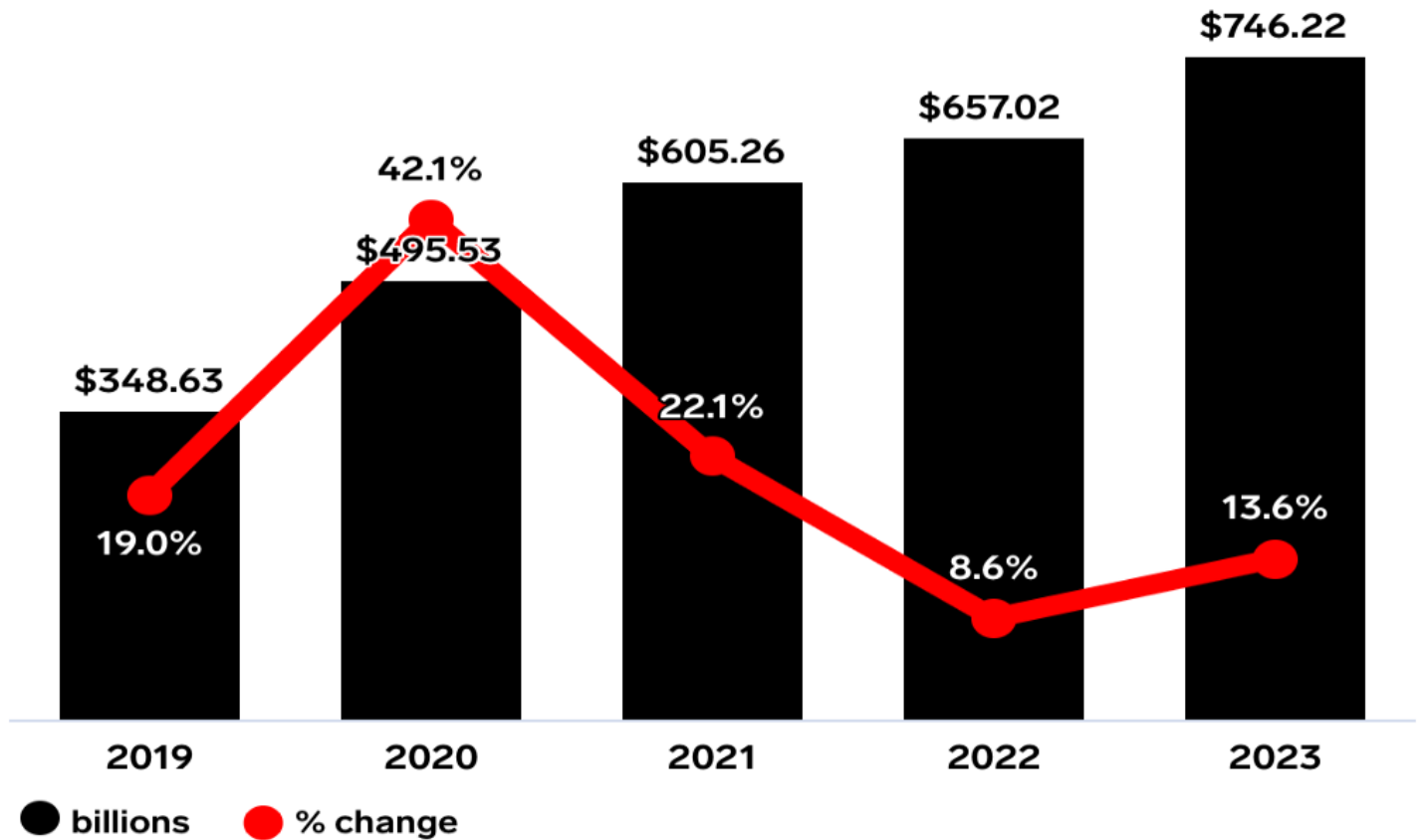
- Stripe lowered its internal valuation by another 11% earlier this month to \$63 billion, marking at least the third valuation cut since June, according to reporting by The Information.
- It also laid off about 14% of its staff in November. The firm's founders, Patrick and John Collison, cited challenging economic conditions—like “stubborn inflation, energy shocks, and higher interest rates”—and said they were too optimistic about digital growth in 2022 and 2023.

**The opportunity:** Working with Amazon can bolster Stripe's business, which relies heavily on digital spending.

- **Amazon's strong ecommerce business can boost Stripe's processing volume.** The firm's worldwide ecommerce retail sales are **expected to grow nearly 14% year over year (YoY)** in 2023 and reach \$746.22 billion, per Insider Intelligence forecasts. After **Affirm** partnered with Amazon, for example, its fiscal Q2 2022 volume surged 115% YoY.
- **And Amazon's push into payments can open new opportunities for Stripe.** Amazon may work with Stripe on innovations like its hand-scan payments tech **Amazon One** and **Just Walk Out**—the firm's cashierless checkout tech. Supporting these business units can help Stripe scale and strengthen its global presence. And as their partnership progresses, Amazon might also make Stripe its main processing partner in other global regions.

## Amazon Retail Ecommerce Sales

Worldwide, 2019-2023



Note: represents the gross value of products or services sold on Amazon.com (browser or app), regardless of the method of payment or fulfillment; includes direct and marketplace sales; excludes travel and event tickets, Amazon Web Services (AWS) sales, advertising services and credit card agreements

Source: eMarketer, November 2022

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