

# Amazon Care scores its first customer—and it certainly won't be its last

Article

Amazon's virtual primary care business **Amazon Care** [landed](#) a deal to provide its app-based care services to fitness equipment manufacturer **Precor**—its first employer customer. This deal comes shortly after Amazon announced it'd [expand](#) Amazon Care beyond its own employee base to employers across all 50 states, and marks a breakthrough after a previous

deal with potential customer [Zillow](#) fell through. For context, Precor is no small firm—it was acquired by [Peloton](#) for [\\$420 million](#) in December and has nearly 1,000 [employees](#).

**Amazon Care has the potential to shake up the entire employer-catered telehealth market.**

- **Employers are desperate to curb their shares of [rising](#) healthcare costs, and many are [betting on](#) virtual care to get the job done.** 80% of employers think virtual care will play a bigger role in their health benefits in the future, [per](#) Mercer's 2020 National Survey of Employer-Sponsored Health Plans.
- **Amazon Care's pay-by-usage business [model](#) could help it snap up large employer customers because it comes with less risk and upfront cost commitments.** Rather than charging fixed costs based on the size of a company's employee base and the number of services offered, Amazon Care charges employers based on how many employees use its service each month. This should be an appealing proposition for large employers since they wouldn't have to pay a large upfront fee based on the size of their workforce, and are only charged when the service is actually used.
- **Amazon's mindshare could make employers feel even more confident their workers will use an Amazon-branded virtual care service —the ecommerce giant already comes baked with a ton of consumer loyalty.** To give an idea of Amazon's footprint, Amazon Prime users make up over 57% of the US population in 2021—and that's expected to grow to over 60% by 2025, [according to](#) Insider Intelligence's forecast.

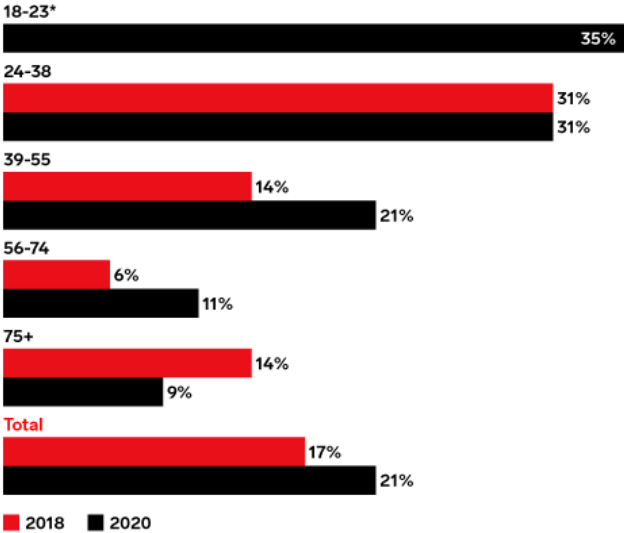
**In less than two years, Amazon Care has burgeoned into a nationwide operation—and since Amazon is casting a wide net across the healthcare industry, Amazon Care could converge with its other healthcare moves in the next few years.**

- **Amazon Care [started out](#) as a pilot program aiming to cut the high costs of insuring Amazon employees.** The virtual offering was first offered to a segment of Seattle-based Amazon employees and their families starting in 2019. It included app-based telehealth visits, secure messaging with providers, and at-home visits. After a successful pilot, the program [expanded](#) to all Amazon employees in Washington state in September 2020. Most recently, in March, Amazon Care [announced](#) it would be offered to all Amazon employees and employers in the US a la the Precor deal.
- **Amazon's other healthcare ventures could all synergize with Amazon Care and could further fuel the service's growth.** For example, Amazon could create a whole ecosystem to provide seamless care: **Amazon Pharmacy** could complement the medical care consumers

receive from Amazon Care services, Amazon's HIPAA-compliant **Alexa** could be used to make appointments or monitor health, and **Amazon HealthLake** could be leveraged to optimize in-person care when needed.

**US Adults Who Had a Virtual Health Care Visit, by Age, 2018 & 2020**

% of respondents in each group



Note: during the last 12 months; \*data relating to ages 18-23 was not analyzed in the 2018 survey because the sample size was too small  
Source: Deloitte Center for Health Solutions, "2020 Survey of US Health Care Consumers," Aug 13, 2020