

This file photo shows a portion of the UnitedHealth Group Inc's campus in Minnetonka, Minn. UnitedHealth Group reports financial results on Jan 15. (AP)



### another strong UnitedHealth quarter, 2019 profit at \$13.84b

UnitedHealth's fourth-quarter net income surged 16%, and investors shrugged off a rare revenue miss to make the nation's largest health insurer higher one of the biggest gainers in Wednesday trading.

Growing Medicare Advantage coverage and fat profits from UnitedHealth's Optum business, which strays beyond the company's health insurance core, contributed to better-than-expected earnings in the quarter.

Revenue grew 4% to \$60.9 billion, just shy of analyst projections for \$60.96 billion,

according to FactSet.

The insurer, a component of the Dow Jones Industrial Average, normally tops Wall Street expectations for earnings and revenue every quarter.

UnitedHealth brought in more than \$47 billion in insurance premiums during the quarter, but its product sales tumbled 11% to \$7.62 billion.

Product sales include the company's pharmacy benefit management operation, which took a hit when it lost business from Cigna after the rival insurer bought its own PBM.

UnitedHealth earned \$3.54 billion in the final quarter of 2019, with adjusted per share profits of \$3.90 per share. That's 12 cents better than expected, according to a survey of analysts polled by FactSet.

Optum pulled in \$3 billion in operating earnings, compared to \$2.1 billion from the insurance side. Optum's operating margin topped 10%, which was more than twice as big as the insurance business.

For the full year, UnitedHealth Group Inc earned \$13.84 billion on more than \$242 billion in revenue. (AP)

# Business Plus



**'It's sort of necessary to have a presence there for legitimacy'**

## Want to sell on Amazon? Businesses must weigh pros, cons



In this file photo, Marian Nixon paints at her home in Chicago. Nixon finds it easier for her prints, clothes and sketch books to be seen on Amazon rather than on her own website. But selling online presents challenges that can be hard, even impossible to overcome. She gets good reviews for her designs, but she's had bad reviews when something has gone wrong with shipping, which is out of her control. (AP)

**By Joyce M. Rosenberg**

While many small manufacturers and retailers believe Amazon is the place to be, Lyris Autran is forgoing the opportunity.

Autran wants to keep the prices on her leashes, bowls and other products for dogs competitive. It costs money to sell on Amazon.com – a 15% fee on each sale and additional charges for shipping – and that would force her to raise prices. So she sells solely on her website, Dylan & Rainey.

"Our margins are smaller, which makes selling on Amazon cost prohibitive," says Autran, whose company is based in Gastonia, North Carolina. She also includes dog treats and hand-written notes in her shipments, a personal touch not available on packages Amazon handles.

Small business owners selling online must weigh the pros and cons of listing their products on Amazon. For many, there's no question – the company provides small businesses instant access to hundreds of

millions of consumers worldwide. Companies without shipping departments can turn over packing and mailing to Amazon. And selling on Amazon can help a company place high in Google and other online search results. But the costs can be hard for small companies to absorb. Another downside for some business owners is they don't have direct access with customers who buy through Amazon.

The research firm eMarketer estimates Amazon's share of the online US retail market at nearly 38%, a statistic that influenced Paul Cunningham's decision to become an Amazon seller.

"It's sort of necessary to have a presence there for legitimacy," says Cunningham, owner of Leather Head Sports, a Glen Rock, New Jersey-based manufacturer of custom-made baseballs, footballs and other balls. "It is where people first look when they want to shop."

But Cunningham has learned that listing a product doesn't automatically generate strong sales – he

needs to advertise on Amazon to help his products be more visible.

While many companies want Amazon to help them get established, older businesses want to increase sales. Lisa Levin, who sells soap, shampoo and other products found in hotel bathrooms, began selling them on Amazon a year ago because her company, Pharmacopia, didn't have facilities to ship directly to consumers.

"We felt it would be the fastest way to get our products out," says Levin, whose company is based in Mill Valley, California.

Levin sees another plus. She's able to determine from Amazon's data collection and analysis that her customers come to Amazon specifically for her products. She also is pleased with the rating system that helps drive more sales.

But Amazon isn't always the best way for businesses to reach customers, particularly if they sell very specific merchandise. They may find a greater number of customers on online marketplaces that

focus on just one retail category – for example, Reverb for guitars and other musical instruments and accessories, or Newegg for electronics and components. Similarly, Etsy attracts buyers looking for crafts, vintage items, clothing and home furnishings.

Lucy Kelly sells handmade jewelry on Etsy and Amazon under the label Bel Monili and her own website. Kelly, who lives in Pittsburgh, says Etsy and Amazon are well-established marketplaces that consumers trust, a benefit to a seller. But she finds that Amazon, which places a premium on fast delivery, may not be the best place for some of her work.

"Many Amazon buyers do not understand the nature of handmade businesses and longer turnaround times on handmade items," she says.

Amazon may not be the right sales channel for many small businesses, says Will Haire, CEO of BellaVix, a consulting firm that helps companies develop online selling strategies. First, Amazon may not accept the

products being sold. And if they're very low priced items, a small business isn't likely to make much money.

"Your margins should be 50% to 100% compared to your price," Haire says. Companies should be prepared to advertise on Amazon to help themselves stand out, he says.

Companies must also be ready to comply with the rules on any marketplace, not just Amazon. For example, not contacting customers to advertise or market a seller's merchandise. That can be frustrating for sellers who want to follow up on a sale in hopes of getting repeat business. When business owners make sales on their own website, they have buyers' email addresses – not so with online marketplaces that want their cut of a transaction.

It's a trade-off. Erica Swallow gets customers who search on Amazon for her Entrepreneur Kids book series but, "we have no idea who our customers/readers are, because they are Amazon's customers."

The hope for many owners is that consumers shopping on Amazon will do a broader online search and find sellers' own websites. Selling books on Amazon makes Swallow's merchandise easier to find elsewhere.

"These listings push us higher in Google search result rankings and introduce us to new customers," says Swallow, who's located in Springfield, Massachusetts.

While many owners understandably want sales from their own website, where they're not paying fees, they're not losing sales to Amazon, Haire says. Many shoppers, especially younger ones, prefer sites like Amazon.

"They're less likely to go to somebody's website and more likely to go to the marketplace," he says.

Artist Marian Nixon of Chicago finds it easier for her prints, clothes and sketch books to be seen on Amazon rather than on her own website. But selling online presents challenges that can be hard, even impossible to overcome. She gets good reviews for her designs, but she's had bad reviews when something has gone wrong with shipping, which is out of her control.

"Customers don't care who packaged your product – they blame you if it arrives damaged or late," says Nixon.

Nixon finds that counterfeiters are quick to find designs and sell them as their own creations – a problem throughout the retail business, and not just with luxury brands. She's had designs stolen on Amazon and Etsy.

On one occasion, she listed T-shirts that had a unique design.

"The next day, a copy was up – with almost the same font," she says. (AP)

**'We have no idea who our customers/readers are, because they are Amazon's customers'**

**'We want to make sure we give people choices. When it comes to children, people are more sensitive'**

### Startups now volunteer info about how they're securing your data

## Privacy, once hidden topic, gets attention at CES

LAS VEGAS, Jan 16, (AP): Once a hidden and under-the-radar topic, privacy got more attention at the CES gadget show in Las Vegas last week. Startups now volunteer information about how they're securing your data and protecting your privacy when you use their heart rate monitor or cuddly robot.

Roybi, an alien-looking robot that teaches kids languages and other skills, has a camera with facial recognition that can remember children and guess whether the kid was excited or sad after a lesson. Roybi says it uses that information to make changes to its lessons.

But the \$199 robot also comes with a sticker, so parents can block the camera if they want.

"We want to make sure we give people choices," said CEO and founder El-naz Sarraf, who said parents questioned the lens. "When it comes to children, people are more sensitive."

Caregiver Smart Solutions, which makes products for caregivers to track the elderly remotely, decided to do away with cameras, declaring them too intrusive. The company opted instead for small sensors that monitor when doors are opened and closed.

After two years of tech companies facing the reckoning of rising privacy concerns, the message seems to be setting in: The way you use customers' information can no longer be ignored. Friday was the final day of the annual



This file photo shows Samsung Serio TVs on display at the Samsung booth during the CES tech show in Las Vegas. The TVs can rotate to play vertically or horizontally. (AP)

CES technology conference in Las Vegas, a forum for companies to unveil their products and services for the coming year.

Among other highlights this week:

**A Screen**

That's All About You Airport screens are a jumble of flight numbers, times and gates. Delta wants to change that.

The airline will soon start testing an airport screen that will show personal-

ized flight information only to you. The twist: nearly 100 people will be able to look at the same screen simultaneously and see just their own information. No special glasses needed, just the naked eye.

It's a technology that could change the way people get from airport security to their planes. The hope is that similar screens will fill the halls of airports, pointing people to where they need to walk or where they can stop to get a bite to eat. Delta is teaming with startup Misap-

plied Sciences for the technology. Misapplied CEO Albert Ng said normal TVs send the same colored light in all directions. His company's screens control which colors are emitted to different people. Cameras above figure out where each person is standing and send the right combination of lights in that direction.

Delta will test the screen later this year at Detroit's airport. The company said the screens won't be used for targeted advertising.

Frank Gillett, a technology analyst at Forrester, said the technology may be too expensive right now to expand to every airport. But he said Delta's plans to make the airport experience easier for travelers could hook more customers to the airline.

**Humanoid Chatbot** Meet your new artificial friend, called Neon.

For weeks leading up to CES, Samsung has teased Neon as the next big thing in artificial intelligence. What is being shown is essentially a humanoid chatbot with AI. Neon is an independent company backed by Samsung's advanced research lab.

Ask the Neon a question, and it will respond. It won't know all the answers, the way the Google Assistant or Amazon's Alexa is supposed to. In that sense, it's intended to be more like a human – with some knowledge and an ability to learn.

The vision is a future where Neons are so human-like that humans start interacting with them just like any other person.

Neon CEO Pranav Mistry says that it will let humans have real human connections with the machines, instead of just yelling orders like "stop" and "open."

But that's some time away. Neon is still in an early stage of development.

**Ooops**

Things don't always go as planned. Samsung's new Serio TV can pivot between horizontal and vertical orientations, but just getting it to work onstage was a challenge at the company's CES event earlier in the week.

Product training manager Scott Cohen was unable to connect his smartphone to the TV set and eventually chose to carry on the stage demonstration regardless.

"Since we cannot get it to work, I will explain all the things we can do," he said. "We're not sure if the Wi-Fi in here with everyone on is doing it."

Samsung later blamed unreliable Wi-Fi that prevented the smartphone from connecting.

The Serio – which means "vertical" in Korean – is intended to let viewers watch social media, YouTube and personal videos in their true orientation, without black bars at the side. When viewing vertical video, for instance, the TV physically rotates to that position.