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Case-Study: Amazon Inc.

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Amazon is an US American multinational electronic commerce company that was established in 1994 by Jeff Bezos in Seattle. The website Amazon.com was launched in 1995. The company has developed in recent years to the world's most important online retailer. Measured in the number of users Amazon is one of the most popular online-shops. Worldwide more than 282 million audiences visited Amazon in 2011. According to an survey of Millward Brown Optimor Amazon has a brand value of 34,07 billion US\$.

The company started as an online bookstore, but soon diversified its product range and further activities. At present they offer in addition to media products a vast number of electronics and other general merchandise. Amazon is also a major provider of cloud computing services and producer of consumer electronics, especially the Amazon Kindle e-book reader. The company gradually expanded into further countries and operates separate retail websites for each country. The business strategy is supported by Customer Relationship Management and Information Management. The Amazon sales rank is a "best seller list" of the products stocked by Amazon and provides an indication of the popularity of a product. It is updated hourly. The lower the ranking-number, the greater the popularity of a product in comparison to other products listed in this category. Products that appear in these lists achieve a higher level of attention on the Amazon website. In connection with positive recommendations this may influence the buying decision and lead to an increase in sales.

The company follows a multi level e-commerce strategy. It started by focusing on Business-to-Consumer relationships between itself and its customers and Business-to-Business relationships between itself and its suppliers. In the last years it incorporates Customer-to-Business transactions, as it realized the value of customer reviews as part of the product descriptions. With the introduction of the Amazon marketplace it also acts as an intermediary to facilitate Customer-to-Customer transactions.

Competition

The company is already operating in a highly competitive market. The impact of online retailer will become more important in the future. The price competition in trade will increase. Online retailers might profit of their more competitive cost structure, because they do not have to pay expensive stores. Changes in customer behavior can already be observed. Customers for instance research offline and purchase



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