

Information technology at amazon

Business



The platform used by Amazon falls within the technology based achievement. Gradual development of the internet from the early 90s has led to the development of e-commerce. With information technology, Amazon relied on secure cashless transactions. The use of information technology in sales and marketing has grown to levels that motivates information technology specialist to be innovative. The need for internet or the web for marketing and sales play a vital role in the success of Amazon core business activities. The World Wide Web is used for market research.

The customer gets information from the internet on the products, which he or she needs. Also, prevailing market prices information is available for the customer. From this information, the customer can make a decision about his purchase and place an order online. After placement of an order, the customer is invoiced, and then the payment is facilitated online. From this point, the products are shipped to the destination of the customer's choice.

This indicates the necessity of the web or internet for the existence of Amazon Inc. All the activities of the company are done in the virtual offices. Therefore, the accesses of internet for those, who have a relationship with Amazon, is vital, since the company and its clients have to be connected. Since its inception in the last 18 years, Amazon.com has not faced any aggressive competition.

The company started with a business that it commanded, with total monopoly. With time, more companies made entry into the business of online stores. Rivalry has been one of the major threats and challenges as far as the existence of Amazon is concerned. The survival of the company

depends on the creativity of its personnel in the upcoming markets. Wal-Mart Stores entered online marketing and sales after Amazon.

The other player that has entered the market aggressively is Costco Wholesale. These have given Amazon.com a chase for its profit. The challenge of competition is the major one, and it resulted in the reduction in the profits recorded. The other challenge facing Amazon.com is the transportation and shipping networks. Most of the channels, which are used, suffer lack of efficiency. They lead to the delay of shipment and logistics. The customers lose faith in purchasing online and opt for physical purchase. It goes beyond the control of the Amazon.com, to eliminate the problem of logistics. Therefore, the company makes efforts to minimize chances of errors during shipment to customer's destination. Cyber crimes have affected online marketing in the recent past. The cases of cyber crimes are on the rise. This has discouraged the increase on the number of customers using online shopping. The fight against these crimes has been intensified by the developers of software facilitating online transactions.

Heavy investment is needed to ensure that online security is maintained (O'Brien 2004). This is wearing off the profits resulting from the decrease in sales that are made at Amazon.com. The social responsibility of Amazon will affect the future business activities. Also, the changing political and social factors will influence the direction that the trade takes.

The legislation of different countries, involving taxes, will be of negative influence for the acceptance of online marketing business. The developing countries can not emulate their developed counterparts as the level of

penetration of the internet is very low. The future of Amazon lies in the development of information technology. Achievements attained by specialists in information technology determine the level of development in activities of the company mentioned. Changes that take place in IT should be inclusive in the strategies taken by online stores. From the time, when Amazon. com was started in 1994, taking care of risks has borne fruits. The first investor who propelled the idea of Bezos risked his money. This led to an achievement of bundling of millions within a short duration of time. It followed the rush to invest in online marketing for maximum benefits. The most current risk diminution is the introduction of the cloud computing technology in the line of products that the company sells (Chan Kim and Renee 2005).

It is a risk worth taking into account, since it may provide a solution to increase competitive edge of Amazon. com. Another need is in taking a closer look advancement of technological achievements, which may also decrease a risk of adapting to the changing business environment.

Therefore, it goes without saying that, with technology advancements, changes in the company are inevitable. The overall recommendation is an online control of the highest percentage for the marketing activities. E-commerce is also taking shape with the improving connectivity to the internet.

This means that the future of sales and marketing is on the verge of change (Hall 2008). Development of web based marketing involves all the scopes of economics. Outsourcing has become a cheaper option compared to other

means of production. Therefore, the entry of Amazon. com in the provision of outsourced services will add up to higher profits.

Listing the company in different stock markets will improve its global coverage. It will determine the level of trust and loyalty that the customers gain. Publicity and advertisement will enhance the name of Amazon in the market place. In future, Amazon. com should follow the changing nature of technology, to make sure to keep in pace with time.

Changing along with time will give the company a competitive edge over other players and competitors in the market.