

Amazon's strategy essay

[Business](#), [Strategy](#)



Amazon is not moving away from its core competency of being a leading online retailer. In fact only if Amazon keeps on with its original venture, which has become its identity can it flourish in other fields because this segment lends the company an impression of reliability that future customers of other ventures would associate it with and prove to be the agents of the company's success.

An organization can be termed healthy only if it keeps track of the changing times and incorporates changes in it. In today's hardcore competitive world there is no place of stagnancy and it is very important to incorporate the trends that everyone is embracing. Perhaps keeping this in mind Amazon is diversifying into other service categories and going through a transition from being just an online retailer to Internet Infrastructure utilities. The competitors in these new service ventures are Google™ and Microsoft®. The three giants are competing with each other in the area of cloud computing which is a platform of development, deployment as well as maintenance of various Internet services and applications. As a result Google™ has Google Apps, Microsoft® has Microsoft® Azure, while Amazon is challenging them with Amazon AWS. All the services are providing more or less the same features to the customers and packaging it under different names.

It would be wrong to think that Amazon has been following the footsteps of these giant companies. Rather Amazon is a major threat to these companies. This indication in itself is the proof that entering into competition has been a wise strategy for Amazon. When it has all the necessary acumen and experience to make a business flourish then it would be a foolish move to not sail in the flowing waters. Google™ and Microsoft® are not looking down

rather looking up to this company as their major competitor and taking tips from it for their business growth. This is evident from the headline of the web analysis report of Morad, which goes as follows: “ Microsoft jumps into cloud computing, competing with Amazon AWS and Google Apps” This statement makes it evident that it is not Amazon rather other companies that is entering the terrain of the competitive world where Amazon has set its foot with lots of foresightedness. Morad further observed “ This is getting interesting, but definitely might be a little late for Microsoft as it seems like the “ company” is just chasing its competitors tails of success. ” (para.

1) Google™ might have been the first one amongst the three companies to start working in the area of cloud computing but Amazon is certainly not the last one. As evident from the above-mentioned statements, Microsoft is following the footsteps of its successful competitors. When a business venture is considered successful in the market then how can the strategy of starting it be wrong? Amazon might have been new in this service area but is certainly not new in the business arena. If it has the potential to be the no. 1 in a particular market segment then it naturally has the ability to succeed in other segments also. But the method of success of one cannot be applied to all the other ventures that a company undertakes as the features of each service and product as well as the customer profile is different.

Amazon has played its entire card well. Perhaps this is why even the bigger business houses are following its footsteps. Entering into a new competition is a wise strategy of Amazon.