# Free essay on amazon online store

Business, Company



#### Introduction

According to the Web Technology Surveys (2014) Amazon is the leading global online store with its headquarters in Washington USA. Even though it started as an online bookshop store, it now retails a variety of items, for example, electronics, mp3s, movies, apparels, jewelry and even food stuffs. This Company has gone a step further into the production of consumer electronics such as the e-book reader, the Amazon Kindle, tablets and Cloud Computing. This Company, founded by Jeff Bezos, came to be known as the Amazon in the year 1995 when it changed from its original name, Cadabra that was launched a year earlier. Currently, it has developed into the leading online store at the global stage.

## How people and information technology help Amazon remain competitive

The ability to remain relevant as well as being competitive enough in the market in order to keep on making profits is the major aim of each and every company. It is, therefore, for this reason that Amazon online store exploit fully, the knowledge and skills of its employees, information and information technology in order to remain competitive in the market. The Amazon Company offers, free gifts to its customers, for example, clients who buy the AutoRip CD are sent home with a free MP3 version of the Auto Rips. This is a successful strategy in winning and retaining more clients for the Company in question. In order to ensure a continuous presence in the market in a competitive manner, the innovative minds in the Company have developed new technologies which are aimed at winning more clients to Amazon. According to Curtis (2013) the invention of Kindle e-reader has won more

clients to the Amazon as well as placing the Company as a major force to reckon with in the market. The introduction of new technologies by Amazon in the market is key to its relevance in the market. The management as well as all the employees of Amazon engages in activities that promote the performance of this Company.

#### The supply chain management systems of Amazon

Amazon effectively uses its supply chain system in such a manner that ensures a close relationship with the clients. The preference of clients is given the priority. At Amazon, the supply chain system starts with the customer and moves backwards since they spend a lot of money on investments on items that are of interest to customers (Piva, 2014). On top of that, the Amazon online store as a Company is very innovative in their supply network, whereby they bring in new technologies into the Company. The management is, therefore, client oriented in their priority. In their supply chain, they stock their inventory with items that are of greater interest to the clients first before considering anything else. In addition to this, they look for various means through which they are able to make these items available to their clients at the cheapest price possible, and one that is also friendly for their businesses.

They make doorstep delivery of the items requested by their clients. This Company also engages in confidential delivery of items to clients. For example, in the USA, when a client places an order online, the item is then placed in the closest center among the most popular for distribution. The items are transported and they have been allocated bar codes, by which both the buyer and the individual who is delivering it will use to identify it on arrival (ibid). The resources of the enterprise are, therefore, carefully managed in order to ensure accuracy, accountability and reliability.

# How Amazon uses Porter's Five Forces Model in relation to competition

As stated by the Chartered Global Management Account (2014), the attractiveness as well as the intensity of competition in a market is determined by five forces. Through the application of the Porter's five forces of the model, the Amazon has been able to identify where the power of success in the online business lies. With regards to this, the Amazon online store identified that success in an online business relies on how well you treat and serve the customers. Therefore, the Amazon has placed as top priority, their service to customers before anything else. This has enabled them to remain ahead of their competitors within this particular industry.

# How Database Management and Data Warehouse is used in Amazon

Data base management systems are used to manage database in the Amazon Online store (Whitehorn, 2013). There are various data base of transactions that are taking place in the Amazon, for example, sales, purchase and financial data base. All these database need to be managed effectively in order to ensure accuracy within this organization. The entire process of managing these databases is done using database management systems. On the other hand, data warehouse is used in Amazon to provide information that is related to the progress or performance of the Company. Examples of information provided by data warehouse in Amazon include the percentage increase in sales, profits and clients.

#### How agent-based technologies are used on Amazon

Agent Link Technologies, in the article titled Agent Technology Roadmap, describe an agent based technology as the autonomous computational entity that is capable of solving a problem. Technological agents are placed in an environment whereby they can interact with both the human beings and software. In the Amazon online stores, the five agent based technologies are used to perform several functions. One of the uses is to perform autonomous tasks like responding to the needs of the customers. These include providing responses to the queries that the clients do have online, for example, the frequently asked questions (FAQs).

#### The business models used on Amazon

Abdollahi and Leimstoll (2011) describe the e-commerce business models as the various business activities which takes place over the electronic media. There are several e-commerce business models that can be used by the Amazon online stores, namely; the brokerage model whereby Amazon as the main supplier offers different services to different parties who pay them for these services. Other models include, advertising, model, infomediary model, merchant model, affiliate model, manufacturer, model, community business model, subscription and utility model. The Amazon online stores use the advertising business model. Here, the Company offers the services of advertising the goods and services that are available, making them available for customers who can place an order. It is from this point that delivery of the product is organized and made successful. In order to create more value within this organization, the company can combine both the advertising business model and the merchant business model whereby the merchant will take the responsibility of the products. The combination of the two methods will see an increase in revenue within this Company.

## Benefits using the systems development life cycle (SDLC) in the Amazon

Amazon as an online solution store is surrounded with a lot of business risks that cannot be eliminated completely. This is because this Company is affected by both internal and external business environments (Rause, 2009). In order to ensure security of the of Amazon's assets, the Company should incorporate the systems development life cycle (SDLC) in its major projects. This is because through the SDLC, the Amazon will be able to develop an information system that is secure. This is done in several steps, for example, the designing, developing, testing and proper maintenance of a project. The inclusion of the above process increases the chances of carrying out successful projects in a business enterprise such as Amazon.

One of the projects that will highly benefit from the incorporation of the systems development life cycle is security. Security of sensitive information of the Amazon online store is critical for its survival. Due to this, there should be the use of SDLC in the very early stages of making security decisions in the Amazon Company. Since Amazon is under incessant attacks by cyber criminals, the inclusion of SDLC in ensuring security projects will provide the Company with the following benefits.

Firstly, the Company will benefit from a strengthened form of security as well as reduced vulnerabilities to risks of criminal activities (ibid). Secondly, the incorporation of security into the SDLC at an early stage will ensure seamless and a reduced cost of security. This is much simpler and less costly as compared to the process of introducing new security measures into an already existing system. Thirdly, the inclusion of security project issues at an early stage is required both for the process of accreditation and certification.

#### Phases of business continuity in Amazon

According to Bourget (2011), there are five phases of business continuity planning. Amazon as an online business store put into consideration the five phases in order to ensure success of their transactions. Firstly, Amazon assessed and identified a number of risks involved in online business, for example, cybercrime activities and loss of clients due to lack of a timely delivery of items. Secondly, it analyzes the risks in order to realize their impact. The risk of cyber criminal activity may expose Amazon to huge financial losses, while lack of timely delivery leads to loss of clients. Thirdly, Amazon protects itself from cyber criminals by ensure high level of security for their information databases. Sensitive information is also mot made available to everybody including the employees. The Company also ensure a timely delivery of items to its clients in order to retain them. Fourthly, the company has to develop a plan to ensure these risks are dealt with. Therefore, at Amazon, information and data is well protected using strong passwords that are only given to authorized users. Distribution centers are also placed in various cities in order to deliver items to clients in a timely manner.

#### The use emerging trends such as Bluetooth, Wi-Fi, cell phones, and RFID to remain competitive in the future

The tremendous advancements in technology have come a long with the web version 3. 0 (Almeida, Santos & Monteiro, 2013). This new version of the https://assignbuster.com/free-essay-on-amazon-online-store/

web has had enormous positive effects on business enterprises, for example, it has to a great extent revolutionized how businesses manage and share information as well as how enterprises do business. In the context of Amazon. com, the emergence of new technological trends such as Bluetooth, Wi-Fi and mobile phones which embraces the new Web 3. 0 version has enhanced the operational performance of this online store. There are various methods and ways through which Amazon. com can take advantage of the aforementioned technologies in order to maximize their sales. The aforementioned technologies (Mobile, Bluetooth and Wi-Fi) are the key factors behind success in mobile e-commerce. The Amazon Company can make use of new mobile technologies, for example the android and other Smartphone in reaching more customers. These new technologies are incorporated with internet, and, therefore, are able to connect to all corners of the world as long as there is internet. Therefore, the Amazon. com can be able to prepare and carry out advertisements via mobile phones. This will enable them to reach a wide client base that possesses these handheld gadgets. Today, mobile phones are playing a major role in the creation and dissemination of information all over the world. It has, therefore, proved to be a key platform where online business transactions can be run. The Amazon. com should, therefore, venture into and embrace the use of mobile phones which are internet enabled to transact their business. The incorporation of Wi-Fi in Amazon Company will provide the clients with a wider access to their Amazon website (VonNagy, 2013). It will also enable

more people to get connected over the internet, which is the major platform where business transactions regarding Amazon Company are carried out. Therefore, this Company should ensure that there is reliable Wi-Fi connectivity in major cities at the global stage whereby they can keep in touch with their clients. Amazon. com can exploit the potential of guest Wi-Fi in order to enable more interaction between them and the customers. This technology is also very effective because it provides clients with internet access where they are able to search for items. In addition to the RFID which they will use to track inventory in their online stores, these technologies will, to a great extent result in more sales for this Company (Plunkett Research LTD, 2014).

### How Amazon ensures its information is protected and free of security vulnerabilities.

Mega online e-solution centers are vulnerable to cybercriminal activities and Amazon is not an exception, hence, the safety and security of confidential information regarding the transaction of this Company are mandatory (Canada Anti-Spam Legislation, 2014). The reliance ion technology has exposed Companies, not only to hackers, but also from their own employees. These individuals can be able to break into the database of sensitive information and steal information that is related to payments, secrets of the trade and both the employee and customer related information. Criminals will always want to corrupt information on Amazon as well as breach the trust that exists between the clients and the Amazon Company. Amazon. com should, therefore, ensure unending security of their information to security vulnerabilities the Amazon Company should invest in anti-spam software, anti-virus as well as firewall protection (Canada Anti-Spam Legislation, 2014). The inclusion of a hardware firewall will help the Amazon Company to have the protection of both the incoming and outgoing data. On the other hand, the anti-virus will help protect the main database of the Amazon Company from any form of software that is malicious in nature. The anti-spam will additionally protect the email system of the Amazon from

mail spams.

In order to increase the security, safety standards of information, there should be use of strong passwords in order to protect confidential information from being accessed by unauthorized individuals (ibid). Passwords should be constantly changing in order to beat the tactics of hackers. Employees of Amazon should not be allowed to save critical information regarding a business transaction in their personal computers or mobile devices because this increases the chances of them falling into the wrong hands. This is because the loss of these personal technological devices means the loss of this critical information. In addition to that, no one knows to which hands they are going to fall into. Therefore, the access to this information should be restricted and managed with a lot of care.

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