

Analyzing strengths and weaknesses of amazon

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Strengths Amazon has proven to be a successful and profitable organization in terms of growth, with a current net income in 2008 of 663 million dollars. The company uses Customer Relationship Management (CRM) and Information Technology to record customer buying habits, investing a lot of time and money researching customer trends. Doing this they are able to locate and prepare for sales estimated from previous years.

A high percentage of their customers buy during the holiday season; knowing this enables Amazon to offer different promotions and selling strategies tailored to meet the customers demand and needs. Amazon has a huge global brand and is listed as 130 on the Fortune 500 list. Amazon was one of the first companies in e-commerce; which has allowed them to hold a huge percentage of the market share. Amazon recently bought JOYO, Chin's largest online retailer, creating an even bigger market share in China, but still left with room to grow.

Amazon's Inventory turnover rate is phenomenal, even in the current economy. They have been able to maintain a 34 day inventory to turn over, which equals out to over 10 times a year. This is beneficial, because it allows Amazon to adjust to seasonal products and different product trends, without large amounts of excess inventory. Adding to that; Amazon's total debt has been decreasing year over to a low of \$. 67 in 2008. This means that for every \$1 Amazon has \$. 7 in debt. This has been declining signaling company growth. Weaknesses Amazon has continually added new products and services to customers; and is known for their great customer service and quality products. Something for them to consider is, when adding new products or categories of products, they could damage its brand. In order to

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be competitive with other companies Amazon has to broaden the range of products, but cannot become a swap meet either.