

Analysis of the amazon.com case study

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Threat of Substitutes The threat of substitutes is high. Amazon.com is in the Internet Services and Retailing Industry. With the exception of its patented technology (such as 1-click Ordering), there are quite a lot of alternatives to Amazon's products and services. It is important to note that most companies, in addition to brick and mortar stores, have an online store. Both the physical store and online store act as a substitute for Amazon.com because brick and mortar companies do not compete in the same industry as Amazon.

Amazon and its direct competitors. Amazon.com's products can be purchased all over the internet; they are just spread out among different web sites.

Some substitutes for Amazon.com could be Walmart.com, Kohl's.

Walmart.com, Target.com and Stubbys.com. Books can be purchased at brick-and-mortar bookstores such as Barnes and Noble Books, Books-A-Million, and Half Price Books. Books are additionally sold at newsstands, drugstores, and discount stores like Walmart and Smart.

Books can also be borrowed for free at a community or university library. The music selection Amazon.com offers can be purchased at music and entertainment retailers like Trans World Entertainment or Virgin Megastars as well as consumer electronics retailers like Best Buy. Music can also be purchased at discount retailers; Target's music department has a wide variety of products with competitive prices.

People could also listen to and/or record local radio stations music. DVD's and videos can be bought at large consumer electronic/media retailers like For Your Entertainment (f. Y. E.) or Best Buy.

DVD's and videos are sold at discount retailers and there also is the option that videos and DVD's could be borrowed from the community library.

Electronics (cameras, camcorders, cell phones, computers, and software) can be purchased at brick and mortar stores like Best Buy, Circuit City, Dellor Walter. There are also small businesses in local communities that might sell these type of electronics. Tools could be acquired at a Home Depot or a Low's physical store location. They could also be purchased at discount stores such as Walter or Smart and at small local businesses. The kitchen products Amazon.

M offers could be obtained by going to specialty furniture stores like ' KEA, department stores like Sears or J. C. Penny, and discount retailers like Christmas Tree Shops. There are a lot of substitutes for purchasing apparel from Amazon. Com, as there are many brick and mortar apparel retailer locations.

Department stores (Macy's, Nordstrom), specialty apparel retailers (Gap Inc, H&M, Men's Warehouse), discount department stores Narwhal's, KOHL's), and small independent clothing retailers (for example; Azans in Amherst, MA) all offer clothing with different price ranges across the country.

There are also thrift stores and the option of sewing your own clothes. Toy stores such as KGB rosy, Tossup's, and Trend Times Toy Stores offer a

extensive line of products. In addition, there are other specialty brick and mortar toy stores such as Build Northrop and Game Stop that focus on certain types of toys/products. Substitutes for Amazon's web services (or use of its selling platform) are somewhat minimal.

Genuineness have the option of creating their own web site platform using their own computer programming employees or they have the option of hiring outside web regaining/ web design firms.

Overall, there appear to be many substitutes to Amazon. Coma's product offerings. Although Amazon's products can be substituted fairly easy, the physical stores and web sites themselves may not offer the same laity of customer service and convenience to its customers as Amazon. Com has done. Threat of New Entrants Threat of new entrants is low.

It would be virtually impossible for a new company to reach the magnitude of inventory and status that Amazon. Com maintains. When ' sitting Amazon. Com, the number of products and services it offers is mind-blowing.

Amazon.

Mom has been in the internet marketplace for about thirteen years now; it Mould be extremely difficult for a start-up company in the industry to raise enough capital to even compete with Amazon. Com on a lower level.

Amazon. Com has sufficient product and service differentiation to keep customers loyal; the American Customer Satisfaction Index survey conducted for the fourth quarter of 2007, Amazon. Com attained a score of

88, which continues to be the highest score for the entire E-commerce sector (SACS, 2008).