

# [Amazom college essay](https://assignbuster.com/amazom-college-essay/)

Amazom. com has proven itself to be a pioneer in the World Wide Web. Just from the little that I have read about them astonishes me.

They not only have their own website “ Amazon. com”, but they also deal business in buying other websites to further establish themselves in retail online. They also operate out of international websites so that they can do business throughout North America, Europe, and Asla (Amazon. com, 2011).

“ The company recorded revenues of $34, 204 million during the financial year ended December 2010 (Pi2010), an increase of 39. 6% over FY2009. The perating profit of the company was $1 , 406 million In FY2010, an Increase of 24. 5% over FY2009.

The net profit was $1 , 152 million in FY2010, an Increase of 27. 7% over FY2009. ” (Amazon. com, 2011).

The following statistics are Just a small part of Amazons success In the past few years. Just In the fiscal year of 2010 Amazon made over $25 million more In revenue then eBay did. Amazon has a wide variety of products to choose from such as appliances, clothing, furnishing, books, and almost anything else that you might need. This Is one of the reasons why they have been so uccessful, because they offer more than one type of product.

Amazon has found a way to meet everyone’s needs and also predict what you might need. They have a program on their website that allows them to use your recent searches and purchases to predict what you might also be interested in. Also, because of there huge success financially they are able to continue to expand their online store and provide consumers with more products. Another reason tor Amazon’s success is the “ Kindlet The Kindle is an electronic reading device that allows you to purchase books nline and have them directly uploaded to your Kindle (Amazon. m, 2011). It has made book stores almost completely obsolete and the pleasures of reading that much better Now you can have all the books you want and take up minimal space.

What makes the Kindle even more enticing Is that you can download newspapers, blogs, or magazines as well (Amazon. com, 201 1 And you can all or most of them for a fixed price of $9. 99. Amazon has come out with several different versions of the Kindle such as; “ Kindle Touch, Kindle Touch 36, Kindle Keyboard, Kindle Keyboard 36, or the Kindle Fire.

(Amazon. com, 2011). Amazon’s management approach to being successful in Internet sales was to treat consumers as a person that is consulted for advice on products and service, rather than using the consumers as a tool to increase revenue or ignoring them, In particular they use the “ Human Relations Management” technique, this technique “ sees people not Just as extensions of machines but as valuable organizational resources In their own right” (Williams, 2010). I think by using this management method Amazon was able to adapt to any changing part of their environment. This Is a very important skill to have because the work environment Is always changing whether It Is In the workplace or not.

There will always be a period of frustration, instability and disorganization followed by a longer period of organization and stability. It is obvious that Amazon has been able to fully adapt to any changes in the economy or environment in order to still provide quality products and service. In 1971 the first “ Borders” was opened in Ann Arbor by two brothers, Louis and Tom Borders (Austen, 2011). They were able to confgure a system that would track sales nd inventory of a huge number of titles by different categories in different stores. The program was also able to evaluate sales data to help evaluate and predict demand in different communities. There are several different reasons as to why Borders was not successful, and oddly enough none of them have to do with people not wanting to buy or read real books anymore.

For starters Borders was very slow to technologically advance themselves. Borders did not start venturing online until about 1998; this was three years after Amazon and Barnes ; Noble (Austen, 2011). And even after launching a website they continually lost money adding up to millions. In 2001, Borders made a deal with Amazon to run the website or a partnership, to help with the sales and so that Borders could focus more on the physical stores and sales (Austen, 2011).

I believe this was not a good move for Borders, it showed that they were not interested in advancing technologically in the world and the world is not stopping for Borders. It took another 7 years for Borders to finally break the deal with Amazon and start their own website that they would personally oversee. This was a big step for them! Another very important reason for the downfall of Borders was that they insisted on investing tons of money into cd’s and DVD’s Just as everything was going viral and landing on the internet. You could find anything you wanted on the internet in 2006, download free music, movies, etc.

.. They continued to expand their stores to bigger locations and stock them with products that people could get off the internet for cheaper and it was more convenient. They even purchased a stationary company at a time when handwritten letters is almost obsolete completely (Austen, 2011)! Apparently they also had an e- eader Just like the Kindle, called the Kobo. I have never heard of it.

.. Probably one of the biggest problems Borders had was purchasing or leasing properties that had the minimal sales potential needed in order to turn a profit. They often leased out properties that were “ B” properties and thought that they could make them into “ A” properties (Austen, 2011). This was not that case at all and they could obviously not do it. It was difficult for Borders to buy out of these lease agreements because they were not making enough money in that location.

Then they were stuck there, constantly loosing money. As you can see Borders was making one horrible decision after another. It doesn’t say much about their management, did they even have management? They seemed to make the opposite of every decision they should have made. It is very sad to see the hard work of the brothers go to waste and vanish after revolutionizing the book retail business.

They seemed to had lost the reasoning behind why they were successful in the first place, their founders DNA. Comparing the two companies and how they handled changing environments, Amazon is obviously the more successful. For one they are still in business! But also they were ble to adapt and really took the time to please the customers and visualize their needs. Borders did the exact opposite. They were behind the times; stocking their stores with products that were outdated, leasing properties that were doomed from the beginning, not keeping up with the changing environment (economically or society).

A company should always stay flexible to adapt to the changing environment. Environmental change is “ the rate at which a company’s general and specific environment change. ” (Williams, 2010). Three ways in which a company should stay flexible are economically, in management, and resources.

You should always be prepared economically for any change in the environment; you never know when you might need the extra cash flow or a repair in the business. A lot of businesses fail because they are unprepared economically and can not handle a change in their environment. You have to be able to adapt to any time of instability, because it will happen. Also you management should be flexible and be able to make those quick decisions, because every decision the management makes affects the business.

They are in charge of the entire operation and should be the person/ people you can turn to with all of your questions. Last you should be flexible with your resources because you external environment is always changing and you never know when the resources will run out.