

Swot analysis



Based on facts presented in the case, perform a SWOT/TOWS analysis on

Amazon. com SWOT Analysis: Strengths Amazon. com has the great advantage of being a market leader. It has a huge range of products. It has relatively low running costs because it does not maintain any shops.

Amazon. com has patented leading edge customer care technology.

Weaknesses . The huge range of activities brings a risk of the company being overstretched and losing focus. There are potential quality control problems with so many partnerships. Opportunities The market for new electronic and software products is still growing, with new products arriving all the time.

More people of all ages are becoming familiar with computers. New platforms like cell phones and tablet computers offer new linkup possibilities.

Threats. The company is sensitive to dips in the national and overseas market. There are now more and more competitors. Local, national and international changes in taxes and legislation are a risk TOWS Analysis:

Strengths/Opportunities Amazon. com is well placed to meet the growing online market. There is no limit to the number of products available, through partnerships with leading producers. The demographics are moving in the direction of more people, including older generations, now being able to use computer technology, which increases the market again. New hand held devices reinvigorate the youth market in particular, and Amazon. com has

tweaked its interface to meet this opportunity. Strengths/Threats The company has withstood dips in the online market, partly because of its ability to switch product lines quickly when necessary. It has a clear lead over all competitors, largely due to its patented technology. The past experience of dealing with legal and fiscal rules makes the company good at adjusting to changes. Weaknesses/Opportunities Amazon. com needs to

keep its wide range, because this marks it out from competitors. Insurance, guarantees and feedback cycles help to address quality control risks. International trade takes advantage of varying market conditions, which softens the impact of dips in one or two areas. Weaknesses/Threats Amazon.com can use its size and experience to help governments formulate global trading terms. Presence in so many countries encourages flexibility. Software to monitor and speed up communications, including review and information processes reduces quality control problems and encourages trust in the customers. Describe Amazon's apparent business (product/market) strategy. Give evidence of how its various functional strategies mutually complement and support that strategy. From the beginning Amazon's strategy has been one of growth at almost any cost. The plan was to dominate the online sales market in a few small areas, starting with books, cds and dvds at first but then gradually moving into tools, electronics, kitchenware, toys etc. At first growth was prioritized before profits, but the realities of the stock market meant that there was soon a very clear need to demonstrate good cash flow and year on year profits. The lack of shops, and the use of open source software were at the same time a benefit, because they reduced overheads, but also a weakness, because there was little capital invested in the firm at first. Once a profit situation started to show, the company embarked on a drive to develop its own software and customer service systems, and this created an edge for them, in being able to deal with customers more quickly and more efficiently than their competitors. The policy of adding new partnerships when new product lines are required supports the strategy of expansion. The development of one click software and various patents secures the company's intellectual capital. Thanks to this infrastructure, data

mining and tailored advertising right to the customer's email address were possible, which in turn increased sales. The company has also started to license out some of its technology, which creates a new revenue stream.

References Collins, Patrick; Mockler, Robert J. and Gartenfeld, Marc. Case 13: Amazon. com: An E-Commerce Retailer.