

What is the most important problem facing amazon.com?

[Business](#), [Company](#)



With the emergence of the information technology, particularly the internet, it is said that more and more industries are existing in the virtual world, like Amazon. Amazon is known to be the largest online bookstore in the World Wide Web. The industry has been able to provide online services in over 150 nations and their main website provides various products and services.

Base on the given case, the problem and challenges faced by Amazon is how to sustain their good relation with their shareholder by ensuring that all of their service provision for online shoppers adhere to the quality and standards expected by the shareholders or their investors (Amazon Statement, 2008). The company is facing a problem in sustaining good relation because of the issues relevant to their online system and operation system which affects trust and reliance of the shareholders to the company. The issue is also being triggered with the idea of which aspect to be prioritized: shareholder or other community. 2.

What recommendation(s) would you make to Amazon. com, and in what order of priorities? The company can be considered to have highs and lows just like any other industries. In this regard, the company must be able to ensure that all their activities adheres to make solutions to the issues and problems faced to sustain their competitive advantage and good relations to all their stakeholders (Daft, 2003). The company has also used some strategies but the business approaches that they must choose should be set based on highest priorities. As mentioned, the company is facing a problem in maintaining good relations with their shareholders.

In order to solve this problem, it is recommended that the management of Amazon should clearly illustrate integrity and sincerity in all their operations and business activities (Lowson, 2002). The company should have a strong commitment in promoting the values. Furthermore, the management of Amazon should be able to understand their priorities of the business and establish decision-making process which is in accordance with strategic direction by giving consideration to the effect on all aspects of the business, specifically their shareholders.

3. How do you balance between your commitment to shareholders and your commitment to the community? Part of strategic management approach of any industry is their strong commitment with their shareholders and the community. In order to balance the commitment to shareholders and community, Amazon management should consider sustainable focus on their core organizational values which ensures that their mission and objectives are achieved.

Moreover, to balance the commitment the management should see to it that their online shop adheres to the standards of the shareholders which in return lead to their adherence of the needs of the community. In this regard, the company should maximize their use of effective information system which can build the gap between shareholders and the community. To balance the commitment with the shareholders, the management should establish decision making process in which shareholders are considered and also by adhering to corporateresponsibilityof protecting the community

identities. Such approach can be helpful in ensuring that the company gives value to the shareholders and customers.

Reference Amazon Annual Statement, (2008)/ Online available at http://media.corporate-ir.net/media_files/irol/97/97664/2007letter.pdf. retrieve October 10, 2008 Daft, R. (2003). Management. 6th Ed. Cincinnati, Ohio: Thomson South-Western. Lawson, R. 2002, Strategic Operations Management: The New Competitive Advantage. New York: Routledge. Amazon Investor relations (2008). Online available at <http://phx.corporate-ir.net/phoenix.zhtml?c=97664&p=irol-irhome>. retrieve October 10, 2008