

Research of amazon business

Business



In the emerging world, e-commerce has gained popularity among the world population. The dynamic world in technology meets the current needs of the customers (O'Brien 2004).

With competition covering all parts of the world, exceeding of customers' expectations provides the answer to business problems. The penetration of internet in most of the countries in the world earns the players dire advantage. Gradual assimilation of paperless transaction has also led to e-commerce. Growth in the recent past is pegged on the technological changes that a company emulates. Governments are enhancing the policy of paperless banking and transactions (Qin 2009). The advantages that come with the system are far beyond the limitations associated with them.

In this practice, Amazon. com Inc. became the first company to sell online. The company came into existence in the 1994. Its headquarters is based in Seattle, Washington.

Amazon sells directly to consumers and acts as a platform where other sellers can sell their products. It has a direct link with customers and, therefore, is defined as a retailer. The operations are based in United States, Germany, United Kingdom, Canada, Japan and France. Amazon was founded by Jeff Bezos in the year 1994. With a humble beginning in a garage, the company has grown to meet the global standards. Company's home and starting point was Bellevue in Washington.

The idea behind the business was to be in line with customers' needs of that time. At this point, the idea was noticed by Nick Hanauer, and he pumped in \$40, 000. The launch of Amazon was slow as the site was not pleasing the

customers who visited the site. Another businessman by name Tom Alburg also ploughed in \$100, 000 to put it to higher grounds from where it was. The company started by selling books online in 1997.

The same year, the company became the best, recording over a million of customers online. This was propelled by the option introduced on the site, which was writing of books reviews. The same year, Amazon recorded more than 15 million dollars in revenue. With time, the company added more products for sale like CDs, movies, electronics and clothing. Amazon has grown to be used as the platform by other retailers, to sell their products.

These players include Toys R Us, Target and Old Navy. Their presence became vivid after the company reported a loss of more than a billion dollars. This opened Bezos thought to improve ideas to propel the company to its feet again. Since then, Amazon has made a name in online retailing. Business Model for Amazon Inc Amazon used a model that fitted the times, in the past.

It changed as situations demanded. At the beginning, the e-commerce or online marketing in books was not saturated. This resulted in uncontrolled profits and a skyrocketing number of customers. With no loyalty program, the customers still purchased from Amazon. The first business model confined the sales to books. This contributed to the growth of Amazon from the humble beginning.

With continuous development of technology, the company diversified its products on the counters. In the first instance, Amazon does not manufacture any products. It is a retail outlet that is based online. The <https://assignbuster.com/research-of-amazon-business/>

products are displayed on their website and from here a customer picks them and purchases. The payment is based on cashless transactions. Therefore, the customers have the advantage of shopping at any time and anywhere (Hall).

After the company has incurred losses in 1999, a diversified products store was introduced in the market. Introduction of CDs, movies, music and other products in the stores led to the attainment of profits. Other companies that manufacture products have used Amazon as a platform to market their products. These companies include names like Toys R Us, Old Navy and Target. They made the first manufacturers utilize the Amazon. com platform. In the present day, on the online shelves of Amazon, all products are sold. They range from cars, software, electronics, houses, land, investments and computers. Books are still available on the site in various versions, either in print or electronic. The most current business model covers the service of data storage. Cloud computing has gained popularity in the current technology world.

Amazon, through its technicians, is offering services for storage of virtual data. Through the use of elastic cloud computing, the customer can rent space for a monthly charges starting from \$15 per month. The EC2 is based on the Xen hypervisor infrastructure with a total abandonment of the physical hardware. It gives the fourth generation companies an easier way of storing their data without purchasing server. This has led to attaining the objectives of the company of being the global market player. The introduction of the various business models for Amazon has extended its competitive edge.

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Through the use of these models, the customers are able to get a full package. The package will begin from products to storage services of their data. Profits have increased with the diversified products line. All the products that are sold at Amazon are not produced or manufactured by the company. The risks associated with doing business at Amazon are next to zero.

They are countered by the development of the platform and the current trends of online shopping followed by cashless transactions. The direction that the company is moving has future prospects. Therefore, the business model applied on its activities has room for change to fit the situation.

Amazon value chain Amazon relies on other companies and individuals for products to sell and display on their online shelves. Individuals selling a product can approach the company to market his or her product. The suppliers couple as partners in the business (Brent Sampson 2007).

Without the suppliers, the company cannot exist. The lead of products from manufacturers and publishers has developed the chain of business for the company. Coexistence between Amazon and suppliers is based on mutual benefits. Development of new ideas is also decided by the input given by the company and the suppliers. The suppliers develop their products depending on the reviews that are posted and feedback forwarded by the customers.

There is room for giving out a review of the product that one has purchased.

The relationship grows with time as they need each other for their success.

The suppliers have been the solo asset to the success associated with

Amazon. The contribution emanating from that angle defines the success or

failure of the company. Success of Amazon is pegged on the products of the suppliers. Security, Privacy and Business Ethics in Amazon Inc Internet security in the last decade received a lot of concern.

The threats that internet connection pose to the national and individuals depend on the past events. Immense criticisms follow companies that do not have a policy on internet security. Privacy measures are very important to customers. A customer will not do shopping in an outlet that does not value privacy. Therefore, in the current trends, companies have to include the area of security and privacy to business ethics (Hall 2008) (Levinson 1998). The issues of internet security affect Amazon directly.

This is because the company used the internet as a medium of marketing. Failure of the internet will lead to crushing of the business activities of Amazon Inc. In the past; the company has fared badly due to terrorism threats and laws that have been put up in different countries to cater for internet security. The business ethics of Amazon value the privacy of their clients and suppliers. This ensures that all the information that is given to Amazon remain there and cannot be used in daily chores of the company. The use of credit cards and online banks transfer has led to fraud.

Many people have lost money to cyber fraudsters. This is a point of concern for the company. The use of firewall has ensured that the information provided to the company remains in the hands of the company. The employees abide by a laid down code of ethics for the achievement of strict internet security. Therefore, Amazon has faced serious consequences for fraud due to hackers and internet security. Various codes and warnings are

posted, on their site, to ensure that none of customers falls in the hands of fraudsters.

The customers are also advised to check on the legislation in their mother country concerning the issue of internet usage. This ensures that the customer does not fall into problems that could have been avoided.

Organizational and management issues at Amazon Through different times, Amazon has grown from a mere back alley idea to a company whose shares are listed on the stock exchange. The organization has grown with time as customers' needs had been evolving. From the times of Bezos, the structure changed to accommodate an increased number of management staff and technical personnel.

It also gave way for the structure that accommodated other stakeholders, like suppliers and customers. The customers enjoy their place among the company's core values. Management has been undertaken by the shareholders and the founder. The issues of management at Amazon are kept at low public profile. The founder and the shareholders of Amazon have the final say, since this is a privately incorporated company. Technology is the backbone of all business activities that are undertaken by Amazon.

All transaction between suppliers, Amazon, and customers involve technologically approved transactions. The customer cannot buy without the availability of internet. Amazon has also developed products for corporate and individual clients in the data storage. These products are technology advancement conscious (Levinson 1998). A fully working data storage system involves the use of the most sophisticated and modern data storage

opportunities in the cloud computing. This shows that Amazon is conscious of the need for continuous innovation and creativity.

Exceeding of customers' expectations is the core objective of Amazon Inc (Qin 2009).