



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

**MODULE CODE/ COD Y MODIWL: LCBB4002 COMMUNITY
ENGAGEMENT**

Student Name : Daniela Florentina Patru

Student Number: 1816240

Assignment Title: Amazon.com

Module Lecturer's Name: Christopher Mafuva

Content

1. Introduction

2. Discussion

3. SWOT analysis

4. Benefits

5. Conclusions

6. References

Introduction

Amazon.com is an American online trading company headquartered in Seattle, Washington with earnings for its first fiscal quarter of 2019, including \$ 59.7 billion in revenue, net income of \$ 3.6 billion and \$ 7.09 earnings per share (compared to \$ 51.0 billion, net income of \$ 1.6 billion, and earnings per share of \$ 3.27 in Q1 2018). Amazon.com was founded in 1994 and was launched online in 1995.

Amazon first started selling online books and continued with VHS, DVDs, CDs with music, computer software, electronics, clothing, furniture, toys, etc. Amazon has created separate websites in Canada, Great Britain, Germany, France, China and Japan. But to get the biggest electronic store in the world, it took a long time and a lot of money and effort. Three computers made billions of dollars. In 1994, one of the strongest companies in the online environment was set up that not only revolutionized electronic commerce, but survived even the dot-com crash. Moreover, Amazon.com has recorded spectacular sales growth each year, expanding its domains of activity, beginning to sell books, DVDs and CDs. But who was behind this business that was listed on the stock market just two years after launch? Jeff Bezos is the founder of Amazon and one of the most prominent figures in the IT world. It all started when Bezos created Amazon.com in two bedrooms rented in a suburb of Seattle.

The initial investment amounted to \$ 300,000, a garage turned into work space, and 300 customers testing the beta version of the site. During a speech, Jeff Bezos said his grandfather taught him that it's harder to be good than to be smart. Bezos was the first entrepreneur who dared to challenge traditional libraries and shops by buying huge deposits for his impressive book stocks, which he then sold directly through his site. The founder of Amazon.com understood and managed to convince investors that they had to have, first of all, a lot of patience and that the money would not come overnight. Its purpose? Building an immense community of users who, excited by the unlimited possibilities offered by their site and freedom of expression, continue to spend every second money on Amazon accounts, sums that bring nice business interests. Jeff Bezos has recently released the annual report on the long-term strategy of the Amazon. Bezos insists that the company will continue to operate in the same way that it was set up in 1995, meaning it will sacrifice immediate profits to make risky investments in areas it anticipates will soon become very successful.

Discussion

It is already known that there are several Amazon stores in London. The one I work in and which I will describe is called LCY2, is located in East London and is the largest Amazon warehouse in Europe in terms of stored products. We can say that it is one of the most technological, considering that it is among the few that work with KIVA robots. Process through which products pass from when they arrive in the warehouse until they reach the customer:

The first step and the first department to which the products reach is Receive. Here are multiple products of the same kind in one box. Boxes are opened and each product receives a barcode (if they do not already have one). After labelling they are placed in containers and sent (on an electric band) to my department: Stow. Nine containers are taken from the band, placed on trolleys and sent to the stowers to store them. This process will explain it in detail at the next sub-point. Once a command is registered, it is picked up by colleagues from the Pick Department. Each Picker works in a cage. They are intended to scan the product, they removed from the robot and then the container in which they put it. Containers with ordered products are sent to Department Pack. As the name says, the products are here packed and then handed over to a courier to complete the order.

In the department where I work, during the night shift, are working an average of 70 stowers daily (among them 6 downstockers, 4 problem solvers and 9 cart runners), 3 leaders and 1 or 2 managers. Since I mentioned a few internal terms I will briefly explain what they mean. Downstocker is the person who takes the containers from the electrical band and puts them on the trolley. Runner is the one who takes the trolley from the downstocker and takes it to the stower. Stower is the one who works at a station and calls robots using a computer to put the products in them. Problem solver is the one who replaces the bar codes of the products when appropriate or replaces the damaged products with others in good condition.

A working day for me in Amazon: The program starts at 19:00 pm but I have to get to work 5-10 minutes earlier to leave my phone and personal belongings in the locker room. It is forbidden to enter in the warehouse with jewelry, electronics or metal objects. There are, however, a few exceptions, so managers are allowed with a laptop and anyone is allowed with a watch if they are registered at security and have a confirmation sticker that they have been verified. At 7 pm the program begins with a brief meeting in which we are presented with the objectives of that day, the changes that have taken place in the last period but also the new

opportunities or benefits that the employees have. After the briefing, each stower is assigned to a station. The leader of each of the 3 floors has stickers with the number of stations that he offers to the stowers. After receiving the sticker I am ready to start the stowing of the items.

SWOT Analysis

“SWOT Analysis is a simple but powerful tool for sizing up an organization’s resource capabilities and deficiencies, its market opportunities, and the external threats to its future” (Thompson et al., 2007: 97). The acronym SWOT stands for ‘strengths’, ‘weakness’, ‘opportunities’ and ‘threats’. The SWOT Analysis, also referred to as ‘SWOT Matrix’, can also be formulated as ‘TOWS Analysis’ or ‘TOWS Matrix’. As in Turkish, considering the adaptation of the capital letters, the acronym can be indicated as ‘GZFT Analysis/Matrix’ or ‘FÜTZ Analysis/Matrix’. SWOT Analysis is a strategic planning framework used in evaluation of an organization, a plan, a project or a business activity. SWOT Analysis is therefore a significant tool for situation analysis that helps the managers to identify organizational and environmental factors. SWOT Analysis has two dimensions: Internal and external. Internal dimension includes organizational factors, also strengths and weaknesses, external dimension includes environmental factors, also opportunities and threats.

To analyze the environment that influences the development of Amazon.com Inc. I used the SWOT analysis method, which takes into account, for internal factors, strengths and weaknesses, and for external factors- opportunities and threats. Following the SWOT analysis I observed the following strengths and weaknesses of the internal environment of the company:

The main strenghts of LCY2 are: tri-directional strategy based on price management, differentiation and concentration, use of the latest information technologies, use of the e-commerce platform that allows the quantification and easy scaling of data regarding customer preferences, easy recognition by customers of the Amazon.com brand, due to the diversification of products in the online market and use of efficient systems of logistics and distribution in order to obtain the highest level of customer satisfaction.

The weaknesses are: spreading too quickly and on a too wide scale the services of the company that causes the company to deviate from its main purpose and to venture to other areas of interest, free shipping of goods endangers price optimization, focusing only on online commerce can become an impediment to Amazon's plans for expansion into emerging markets

and operation in business models with almost zero margin that seriously distorts business profitability.

In Amazon are a lot of opportunities. I can mention: launching its own payment system that gives the customer a sense of security, launching the products under Amazon.com's own brand, which replaces third party merchandise from the company's partners, growth the range of own offers where more products will be stored than at present, which would lead to increased revenues and opening more sites for emerging markets (for example amazon.de, amazon.pl)

The threats are: increasing concern for online shopping due to identity theft and hacking buyers are exposed to, aggressive pricing strategy that disadvantages Amazon vis-à-vis its main competitors (for example Alibaba, e-bay) and the confrontation of interests with the significant local online commerce competitors (e-bay), which are more agile in terms of sales and profit, compared to the Amazon's strategy of continuous growth.

Benefits in LCY2

Health

The Amazon medical plan allows associates to choose from several options the one who suit their needs. These include a Health Savings Account (with contributions from employee and employer) and several network providers. Medical coverage also includes dental and vision plans, as well as a flexible expense account for health and dependent care.

Mental health

The physical and mental well-being of associates is essential. Amazon provide comprehensive medical care starting on day one so employees have access to the care when they need it most, 24-hour a day free and confidential counseling services, and various leave and medical accommodation options covering both mental and physical health concerns.

Cycle to work

Cycle to Work allows you to rent bicycles and / or safety equipment from your employer, with no National Insurance Taxes (NI), and salary sacrifices. The bicycle should be used primarily for commuting or for commuting to work. You can choose from a wide range of bicycles, including mountain and road bikes, saving between 25% and 39% of the total cost.

Additionally, with Cycle to Work, you can avoid costly advanced costs by spreading repayments over 12 months.

Income protection

Being unable to work for long periods of time due to illness or injury can be incredibly difficult. Income protection helps you cope financially, so you can focus on improving, and you don't have to worry about finding the money to pay the bills. If you are out of work for 26 weeks or more because of a illness or injury, you may receive a percentage of your payment each month. In order to apply, you must adhere to the rules of the policy and the insurer must evaluate and approve your claim (as the benefit is provided by an insurance policy). Amazon offers income protection for free.

Conclusions

Amazon.com has the task of eliminating from its aggressive strategies and this SWOT analysis can provide a guide and road map that the company can implement in advance. The key information used by SWOT analysis is that Amazon.com should focus on profitability, not sales volumes in particular, if the goal is competitive and cost-effective in the future, if volumes and preference on the market are not only those that add value to the business and its products.

The success of Amazon is determined by the quality of the superior services and the features provided in the website, such as the powerful search engine, with the function of DWIN and the integration of the technology called "1 click in the website". Amazon is trying to get customers to actively participate in the virtual community when they visit Amazon.com. Because of this, Amazon offers customized web pages and customization recommendations for each customer. In addition, customers have their own "wish list" so they can save the items they are interested in. Customers are also encouraged to have social interactions with other clients, contact staff and writers by simply entering online chat rooms.

Finally, Amazon.com makes sure that the user never forgets about the site, by sending a reminder if the customer does not visit Amazon for a certain period of time. Recently, virtualization has become a widely accepted way to reduce operating costs and increase the reliability of IT systems. Amazon.com Web Services are some of the most widely used web services at the moment. They cover a wide range of users' needs and offer them unique solutions to the problems posed.

References

- www.amazon.com Financial and Strategic SWOT Analysis Review, Published: March 2018
- <https://search.proquest.com/docview/1624888589?accountid=130472>
- <https://search.proquest.com/docview/1117076519?accountid=130472>
- Johnson, G. and Scholes, K. (2001) Exploring Corporate Strategy, 6th edn. FT Prentice Hall, Harlow.
- Porter, M. (1979) How competitive forces shape strategy. Harvard Business Review, March/April.
- Steiner, G. (1979) Strategic Planning. Free Press, New York. Health
- <https://idp.amazon.work/idp/profile/SAML2/Redirect/SSO?SAMLRequest=hZFPT4QwFMS%2FCreeSrtl%2F7ANkBD3sskaE1APXkwpJTRCi32tGj%2B9sMa4e9HjJL%2BZzJuXgRiHiZfB96ZSr0GBj0oA5by25sYaCKNytXJvWqqH6pSj3vsJOCF9aGlxik9r4nfrXsiSQ4QEFB3mDG3EEvCL63a6wmdNJmc7PShSl7cnRirVaqekJ3V9h6LjIUfPG7qiomsoFi1r8XrX7bGQW4aTTdoluzRJ0m0zowBBHQ14YXyOGF3tMU0xZfeMcUb5ev%2BEokfl4NyHxRRFH%2BNggC%2BNcxSc4VaABm7EqIB7yZc%2Bfa5%2BBni0jL97ZmP8lbaARXZQvNzO1f8N1tGLulvdf2W4gs%3D&RelayState=https%3A%2F%2Fhub.amazon.work%2F>