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KNOWLEDGE AND INFORMATION MANAGEMENT OF AMAZON.COM

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Knowledge and Information Management Skills for the Workplace (BMSW5106)

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Executive Summary

Amazon (Amazon.com) is a well-known and the world's largest online retailer. It has a variety of products to sell. This report describes the details of the history and activities of Amazon. Different knowledge management theories have been discussed to evaluate the knowledge and information management culture within Amazon. Though Amazon first introduced itself as an online bookseller, now it has a variety of products. Information system plays a significant role in the success of Amazon. During the coronavirus pandemic, when most of the company reduced their employees, Amazon hired new employees. The combination of information systems and knowledge management plays a vital role in creating, storing, and integrating relevant information. The data-Information-Decision pyramid helps an organization like Amazon to understand the connection between collecting data, making it information, and using this information to make decisions. Amazon can face some potential management challenges in future. It needs to take proper initiatives to overcome these challenges and makes them as opportunities.

Introduction

This report is about amazon's application of Knowledge Management techniques during the covid time. Amazon is a giant retailer operating over the whole world nowadays. It offers almost all types of convenience products to its customer online. When coronavirus emerged in the world most business has been started to confine their business and layoffs works. But only amazon.com goes against the normal flow of the situation. It has dramatically improved the length of its operation within the few days of covid-19 arrival. Amazon hires more employees to serve house arrest people all over the world. But only more are not the reason for success during the covid time. The thing that assists amazon most to satisfy its customer is providing the appropriate service at the proper place and suitable time. Amazon uses customer relationship management to maintain a good relationship with its consumer. It collects customer feedback like how they feel about the product, where they want to get the product, what price they think is appropriate etc. After taking feedback from the customer, they maintain a strong Knowledge Management technique which helps amazon.com to grow their business at the coronavirus pandemic period. This report will discuss the effectiveness of keeping a well-decorated knowledge about customers elaborately.

Organization Profile

Amazon (Amazon.com) is a popular and the largest online retailer in the world. It sells a variety of products worldwide. It operates its business activities in most of the countries in the world. Though it was established in 1994, it operates its activities from July 16, 1995 as an online bookseller (Crespo Lopez et. al 2021). Jeff Bezos first established the company Cadabra and after a few years, Bezos convert the name of it to Amazon. Now it operates as Amazon.com. Amazon opened its first physical store in 2015. Sometimes Amazon sells other company's products as a third party. It gives opportunities for their customers to review their products. The main function of Amazon is e-commerce, cloud service, web service, artificial intelligence and so on (Varia J. 2014). Amazon is considered as the world's most influential company in the economy. When the coronavirus pandemic adversely affects the world economy, most of the multinational companies try to reduce their employees to cut their costs. But Amazon increases their employees during that pandemic situation. Amazon makes employment opportunities for a huge number of people at that time.

Knowledge Management Theories

The idea of knowledge management was first developed by Peter Drucker in the early 1990s. knowledge management includes the capturing, recording, and sharing of information, and the idea of individuals to help the organization. KM helps the organization to get proper information regarding its customer, suppliers, and other related parties to the business. A few KM theories will discuss in this part (DeTienne, Jackson, 2001).

A well-known knowledge management theory is the data-information-knowledge pyramid. In this theory, we see that an organisation first collect data from the customer and then analyses the data to get information. Here, the data can be anything collected from the primary source and its size are generally larger. An organisation like Amazon analyse to obtain information. For example, amazon categorised customer feedback into good, normal, and bad categories. After finding the information about the customer or supplier an organization like amazon.com further analyses it to reach a decision (Hey, J., 2004).

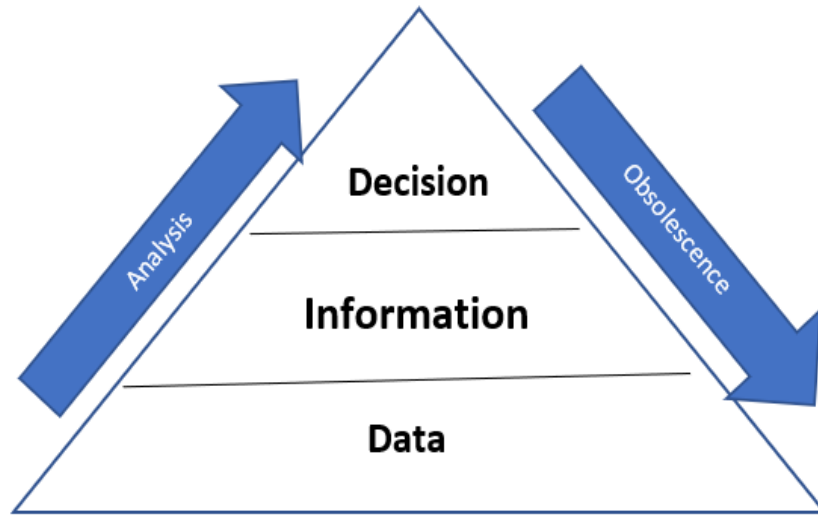


Figure: knowledge management theory

Source: author.

An organization can store information in different ways, for example, written documents, social network tools, content management systems, document management systems, chatbots, groupware, training, and cross-training programs etc (Maier, Hadrich, 2011). Amazon also uses some of the systems mentioned above to record its data. Knowledge management theories are very effective for an organization such as it improves organisational efficiency, make appropriate solutions, concentrate on worker improvement, grow employee morale, and shares expertise (Alavi, Leidner, 1999). By maintaining knowledge management in the organization, a company can increase open communication, enhance the effectiveness of decision-making, and connect with others easily (Rebecca O. Barclay, et al. 1997).

Amazon.com use some other theories or practices, to sum up the value for their consumer like-

One portal, one interface use of the same portal for all types of products such as food, and electronics. Books and clothing. As a result, the customer gets similar experiences when they buy a different product. So, consumers don't feel hesitate as they are familiar with the portal. From the website, this company easily get the information of a consumer that it uses as information.

Consistent presentation refers that every product and service being displayed in the same manner to help customers find the product easily from the website.

Feedback every company use customer feedback as information to decide the future. A company like an amazon smoothly collect consumer feedback to identify their strength and weaknesses. If

the provided service is good enough that the expectation, then the consumer is delighted or if service quality does not meet the expectation, they are unsatisfied.

Insanely easy and consistent transactions for buying any kind of product a customer must provide the same kind of information that does not make them hesitate. If it is difficult ordering a product online, then the customer may leave. So, amazon uses an easy and consistent transaction process for every product and service.

There are some other practices that a company can follow for collecting feedback or information such as modular content, distributed upstream content creation, almost magical personalization, crowdsourcing, subscriptions, alerts, and reminders.

Importance of Information Systems for Amazon

Information system plays a vital role for the modern company. Today's market is not the same as it was a decade ago. Organizations need to understand the demand of their customers and need to fulfil their demands. Otherwise, organizations will fail to achieve their goals. Information systems are very crucial for an online-based company. Amazon needs to use information systems in an effective way to take competitive advantages. The effective use of information systems helps Amazon to become popular. Even during the coronavirus pandemic, Amazon hired a huge number of employees to meet customer demand (Samita Dhanasobhon, et al. 2007). Amazon collects feedback from their customers that helps to understand customer demands. Sometimes the customer review may be negative but it helps Amazon to solve the problem. For providing better customer service, Amazon store different information, share it and integrate this various information.

Information Systems helps Amazon by storing various data. Amazon can store its employee data like the number of employees, and the pay scale of different employees. Moreover, the information about its product line can be stored. This database helps the management of Amazon to take the right decision. The product catalogue of amazon helps customer to choose their necessary products at low cost and time (Mudambi, Schuff, 2010). It also helps Amazon to take decisions related to inventory management. Because this database helps the management to know the available quantity of their products. As information systems collect and store the data of different departments of Amazon it helps to make a wise decision. Information system helps amazon to take a decision in a short time as all information is available in their database.

The Information Systems Implemented by Amazon and the Input, Processing, and Output of Such a System

Amazon Web Service (AWS) and Simple Storage Service (SS) are the main information systems, within which the company operates its databases (Al Imran, 2014). AWS is a widely used cloud computing service provided by Amazon (Mukherjee, S. 2019). It gives access to its client in various ways. Amazon can store its valuable information through AWS. It can interact with different departments of the organization. As it stores information about its products, management can take decisions related to its inventory management. Customer feedback helps the organization to solve different problems. Moreover, the database helps Amazon to take an immediate decision as it connects different parties in the decision-making process. Simple



Figure: Functions of AWS

Source: David Taylor, 2022

Storage Service (SS) is another information system within which Amazon operates its database. Simple Storage Service is object-based storage (Subhashini, Nalla, 2016). It is easy to store a variety of information through Simple Storage Service. Through these two types of information systems Amazon stores information from customers, suppliers, internal departments and other parties. The company process its storage database to make a decision. This database helps to take a wise decision within a short time.

Evaluation of Amazon's Activities during the Covid-19 Time

Amazon is the world's largest retail company located in America operating in 50 countries. During the lockdown because of the coronavirus, online businesses became the only market for people. As a result, people buy their daily essentials through online. Amazon as a giant product delivery company offers every type of product like- food, medicine, clothes, electrical and convenience etc. It increments delivery men and warehouse during the first quarter of the pandemic. Whether every company start to lay off their employee, amazon hires more than 36,400 employees in the first quarter of the pandemic (Zixuan Qin, et al. 2022). It focused on fast product delivery before the given time, consequently people get more satisfied on amazon. The most effective step that

supports amazon to increase sales quantity is providing appropriate products at the appropriate time and location. In this regard, amazon took help from the knowledge management system. Knowledge management aids amazon to identify the customer's tendencies like what they want when they want it, and how faster and easily. These activities favour amazon.com to connect zillions of people this the same product and services.

Identification and Evaluation of Alternative Academic Theories of the Amazon to Check the Effectiveness of the Existing Culture.

Amazon uses the data-information-decision pyramid as a knowledge management theory mainly. This theory helps amazon to properly include every piece of information pertaining to the customer. As a result, this company can be able to serve the right product to the right customer which enhances its economic profit and helps to grow the business (Hey, J., 2004).

This organization can also use some other alternative theories like one portal, one interface, feedback method, consistent representation etc. All these knowledge management theories are effective for an organization. For example, **one portal, one interface** practice collects data only similar types of customers who bought the product. On the other hand, the **feedback method** refers to the customer's view of the product after using the product. This theory is very much effective for knowing customer demands and wants (Mårtensson, M., 2000).

So, it can say that identified alternative theories are good but not strong enough for creating intellectual knowledge into knowledge assets and maintaining effective customer relationship management.

Potential Knowledge Management Challenges of Amazon

Basically, knowledge management is about making the raw data into useful information (Sultan, N. 2013). Organisations can use this information for further decision-making. Good knowledge management helps an organization to use its available information in a better way. Amazon faces different knowledge management



Figure: Knowledge Management Challenges

Source: Vartika Kashyap

challenges that can hamper its regular activities. Some knowledge management challenges faced by Amazon are described here.

Getting and Keeping People Motivated: All people are not equally interested to work or share information. Different people think differently. As a result, sometimes it can be difficult for a manager to get information from all employees. This scenario can be present in Amazon. The company can face difficulties to create and storing information from different parties (João Ferreira, et al. 2018). Management of Amazon may also face difficulties in involving all their employees in the same effort. Management needs to motivate them to do so.

Adapt to Technological Changes: Today's market is very competitive. Consumers are very knowledgeable about their desired products. As a result, Amazon needs to provide better customer service to take competitive advantages. To take competitive advantages, Amazon needs to emerge with new technology (Alshmrani, H. M. 2021). If the company fails to adopt new technology, then it will be a challenge for Amazon to provide better service to their customers.

Interpreting Data Effectively: The information provided by one party should be meaningful to others. Otherwise, it will add no value to the regular activities. Making the information more informative and meaningful to others is necessary for decision-making.

Ensuring Relevancy: The information should be relevant for good knowledge management. If the collected information is not relevant to the subject matter, then it will be unproductive information for Amazon (Mas-Machuca, M. 2014). Ensuring the relevance of collected and stored data can be a challenging task for Amazon.

Security: Security is very important for knowledge management in all companies. Valuable information can be revealed. As a result, Amazon needs to secure its all information from competitive parties. Ensuring the security of its information is crucial for its success.

Making information easy to find: The usefulness of information is significant for knowledge management. Information needs to be easy to access for all of its users. Otherwise, it will make complexity. To make information easy to find, Amazon needs to take initiative.

Shared Leadership: Multiple leaders create complexity in decision-making. Different leaders think differently and want to take different decisions. As a result, managing shared leadership is considered as a potential knowledge management challenge for Amazon (Hislop, D. 2016).

Recommendations to Strengthen the Knowledge Management Practices of Amazon

Amazon needs to overcome the above challenges in order to ensure effective knowledge management for the company. Because good knowledge management is considered as an asset for a company (Xiangnan He, et al. 2015). The proper use of information about customers, suppliers, employees, and other parties related to the decision is significant. Amazon needs to take some initiatives for good knowledge management. Some of these initiatives are mentioned here through which amazon can overcome these challenges.

Embrace the desire to socialize: communication among employees and managers helps Amazon to share valuable information with each other. It will help them to know the strength and weaknesses of each other (Kai Mertins, et al. 2013). As it encourages employees to share their valuable information with managers, it helps to make better decisions.

Centralized information: Centralized information will help Amazon to collect information from all of their employees, customers, and suppliers. Employees and managers can access the information at any time to make decisions. It reduces decision-making time and complexity.

New ideas: Generating new ideas is important for knowledge management. Creative thinking and generating new ideas will help amazon to serve its customer in a better way. It will also help in problem-solving (Mehrdad Madhoushi, et al. 2011). When customer reviews their purchased product, then amazon needs the solve the problem to serve the customer according to their demands.

Accept the changes: Organizations have to cope up with changing technology and information system t take competitive advantages. Customer demand is changing day by day. Customers are more informed about their desired products (Morten T. Hansen, et al. 2013). As a result, they can compare any product with various competitors. To take competitive advantages, Amazon has to accept the new changes.

Opportunities to share information: When an organization gives opportunities to its employees, customers, and suppliers to share their valuable ideas, it will generate huge information. Different ideas of different people help to make the best decision for the company (Xi Zhang, et al. 2015). It also motivates employees.

Conclusion

Amazon as a retail company operated their activities more effectively and efficiently during the pandemic time. It took the help of information systems to continue its function during the lockdown. The main reason for its success in the time of economic downturn is maintaining proper knowledge regarding its customer. It uses a knowledge management system that provides customer behaviour, appetite, and feelings. At the beginning period of the pandemic, it observes customers' movements on their websites like what products they buy most and how frequently they buy and their feedback. This process favours amazon to understand current market demand and trends. As a result, Amazon easily occupied the whole market with low effort. Though amazon conducted its business very effectively during the pandemic time after that, in some cases it could improve its services like it could arrange consciousness programs to protect against coronavirus and promoting foods that assist to increase the immune system. In future, amazon should keep awareness-generating programs so that general people's lives become easier and more comfortable (Greg Linden, et al. 2003). It can offer more customised products for making loyal and satisfied customers. After all, Amazon conducted their online business more proficiently and day by day it just overcoming its competitors like Walmart and other retailers. At last, it can be said that amazon's dramatic success during the covid pandemic was possible because of customised service to its ultimate user and in this regard, amazon takes benefits from information technology and knowledge management.

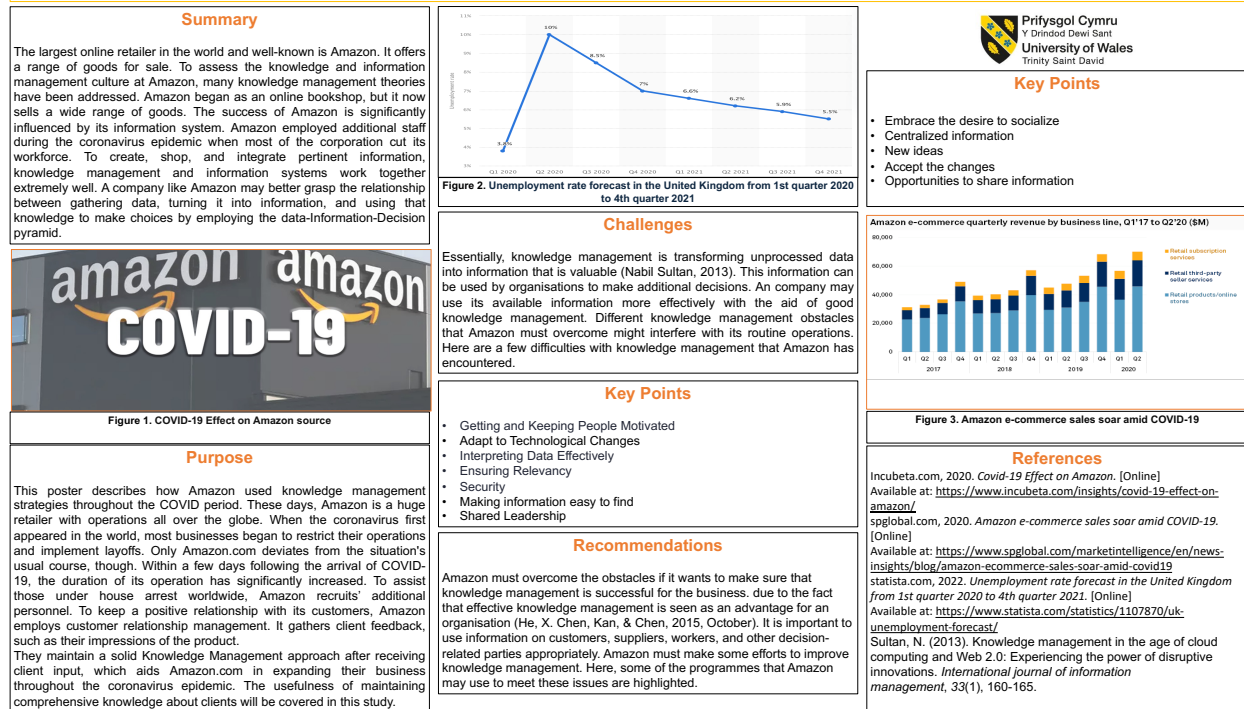
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Poster Evaluation of Proposed Knowledge Management Framework

Evaluation of Proposed Knowledge Management Framework



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