

Amazon

Group 3 T1

UWTSD

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amazon

The image features the Amazon logo, consisting of the word "amazon" in a bold, black, sans-serif font, with a thick orange curved arrow underneath it. The background is a stylized illustration of a city skyline at dusk or dawn, with various skyscrapers in shades of purple and blue. A bright yellow sun or moon is visible on the right side, and a white cloud is on the left. The sky transitions from light blue at the top to a darker purple near the horizon.

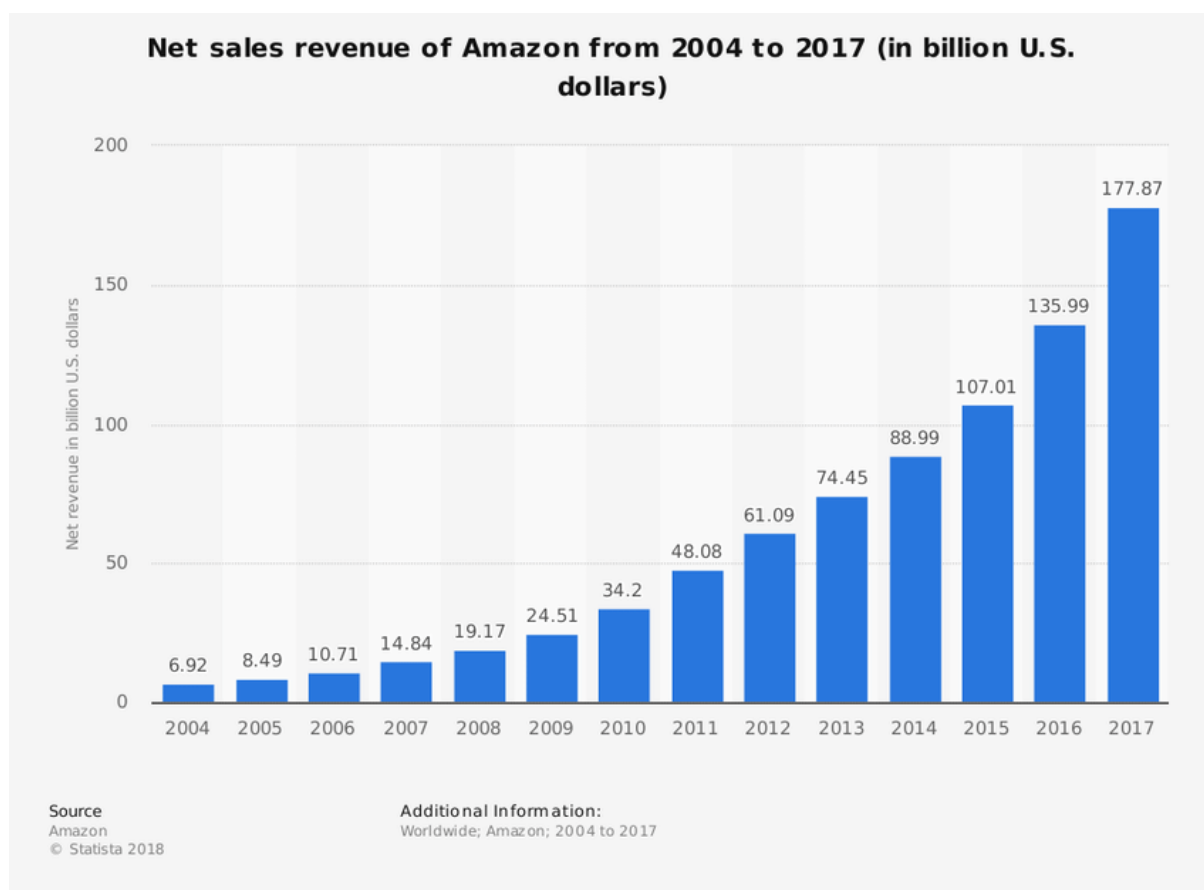
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Company background

Introduction

Amazon is in the e-commerce industry, but it is also slowly expanding in the retail industry. Originally, Amazon was a book company, but today it has become one of the largest online retailers, offering millions of different products and various services. Amazon's vision is to be "the most customer-focused company on Earth, to build a place where people can find and discover anything they want to buy online." Once a company focused exclusively on books, Amazon became the benchmark website for American citizens to meet their needs. Amazon accumulated more than \$ 100 billion in annual sales, making it the fastest company to accomplish that feat. Amazon employed more than 230,000 part-time and full-time employees by 2015, using temporary workers and independent contractors to reduce the company's costs. Amazon had earnings of more than \$ 2 billion according to Market Watch, rapidly increasing from its net loss of \$ 241 million in 2014. Amazon has always had low earnings, CEO Jeff Bezos believed that the best way to grow the company was to invest in again Amazon invested in many different facilities in the United States to reduce product delivery time and create a happier customer, preparing the company for future success. Amazon routinely sacrificed profits in the past to grow its business, as seen in Figure 1. The company is beginning to dominate the industry, with successful infrastructure in the future.



There's a good chance that most Americans have used the Amazon website or used one of its services, as Amazon tries to meet the needs of anything a customer might want. Amazon has taken the word "anything" seriously, and have created their own Prime services and products that cover a multitude of categories. Amazon not only sells almost any type of product, but can also deliver it with extreme speed. Amazon has multiple services and products that cover almost any desire. If someone wants food, they can order food from the Amazon website, order food from a local restaurant with immediate delivery with Amazon's Prime Restaurant service, or visit the newest Amazon grocery store. Amazon also offers Prime Video and Music to its members, offering another cable cut option to compete with companies like Netflix and Hulu.

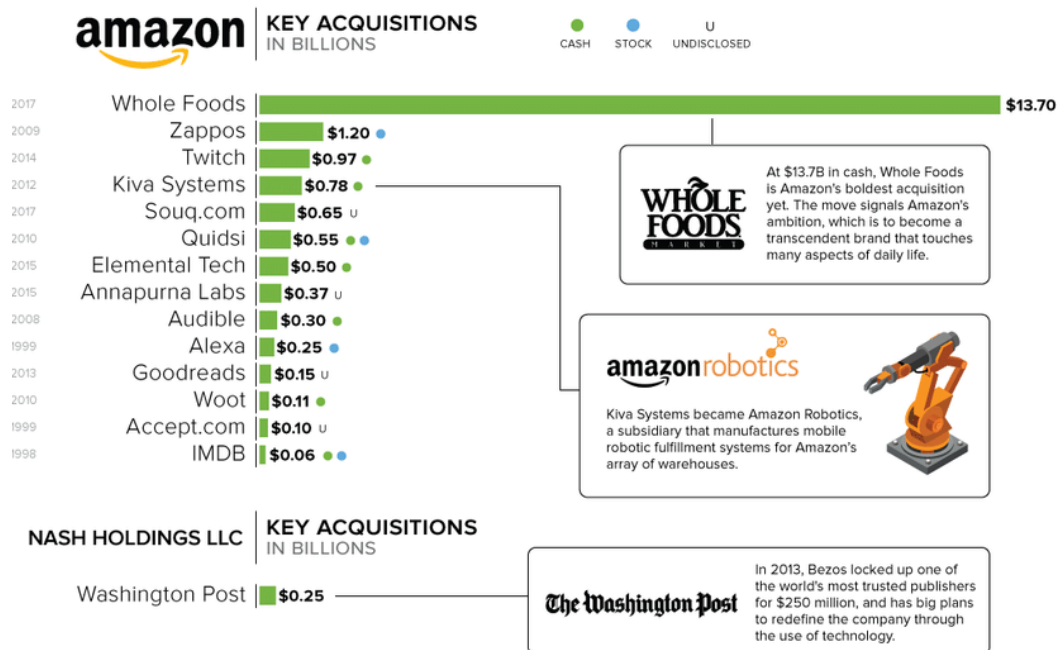
SWOT Analysis

Strengths

Amazon has become one of the world's most dominant companies, ranking 18th on the Fortune 500 list. The company uses strengths such as diverse product selection, innovation, excellent customer service, and excellent membership benefits. that allow Amazon to dominate the market.

Today, almost every product a customer could want can be found on the Amazon website. Amazon joins its various services by creating its own, including Amazon Web Services, Amazon Echo line, Prime Music, Prime Video, Prime Restaurant, Dash Buttons and much more. Amazon does a great job of creating quality products, while opening new doors for the future. They are currently establishing an Amazon supermarket where customers do not have to pay at a checkout station, but instead the store detects which items are removed from the shelves and charges the customer's Amazon account. Amazon is also experimenting with drone delivery, 1-hour delivery, and a self-service store that could sell liquor. Amazon stays ahead of its competition with its innovations, boosting the company's revenue and market share.

Experiencing problems with a product you've received can be frustrating, Amazon is there to make sure your customers are satisfied. Amazon goes further when it meets the needs of a disgruntled customer. Customer complaints are resolved quickly and with little hassle, to keep the customer satisfied. Amazon realizes that word of mouth can make or break their reputation as a company, so they strive for excellent customer service.



Weaknesses

Even a company as successful as Amazon has weaknesses. These are points in your business where they could improve, to increase efficiency and profitability. The top four weaknesses for Amazon are shipping and handling, company culture, low profit margins, and poor product investments. Addressing these problems is key for Amazon to remain competitive in the market.

The first major weakness for Amazon is the cost of shipping and handling of its products. Also, the cost to Amazon of reducing your shipping costs will be a costly investment. Historically, Amazon has had low profit margins because it has been reinvesting in the company by expanding. Amazon has some of the best prices on the market and offers some of the cheapest shipping. Amazon can offer such low prices because they have low profit margins. Amazon's profit margins generally vary from one to two, which can make it difficult for a company to stay in business.

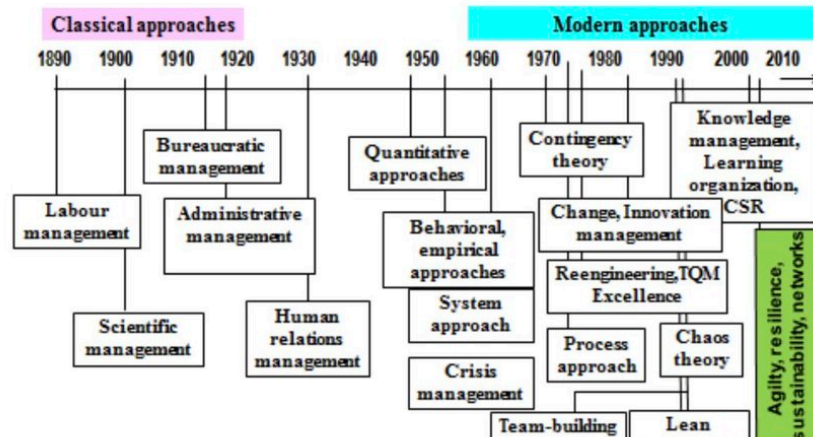
Opportunities

Amazon has already captured the buying hearts of many with its constant innovation and established e-commerce, there are opportunities for them to take advantage of more.

These opportunities include an increase in the number of physical locations, advertising for other packaging companies, virtual reality as a purchasing tool, and becoming an Internet and cable provider.

For starters, Amazon is already a well-established e-commerce company, but they are and can be much more than just an online retailer. Amazon has already recognized that physical stores can play an important role in your business. In an article published by Business Insider, Amazon wants to be a more serious player in the grocery business, and believes that it cannot rely solely on e-commerce to achieve that goal.

Another opportunity for Amazon is one that involves opportunities for other companies, as well as Amazon. Amazon is known for its e-commerce, which is based on good logistics. It is difficult to improve logistics when you already offer same day delivery. However, what Amazon could start doing for a multitude of companies selling their products on Amazon, is to advertise those companies on their packaging. If Amazon could advertise multiple companies on their packaging, then they could create a new source of revenue without having to invest a large sum of resources in the company before seeing results.

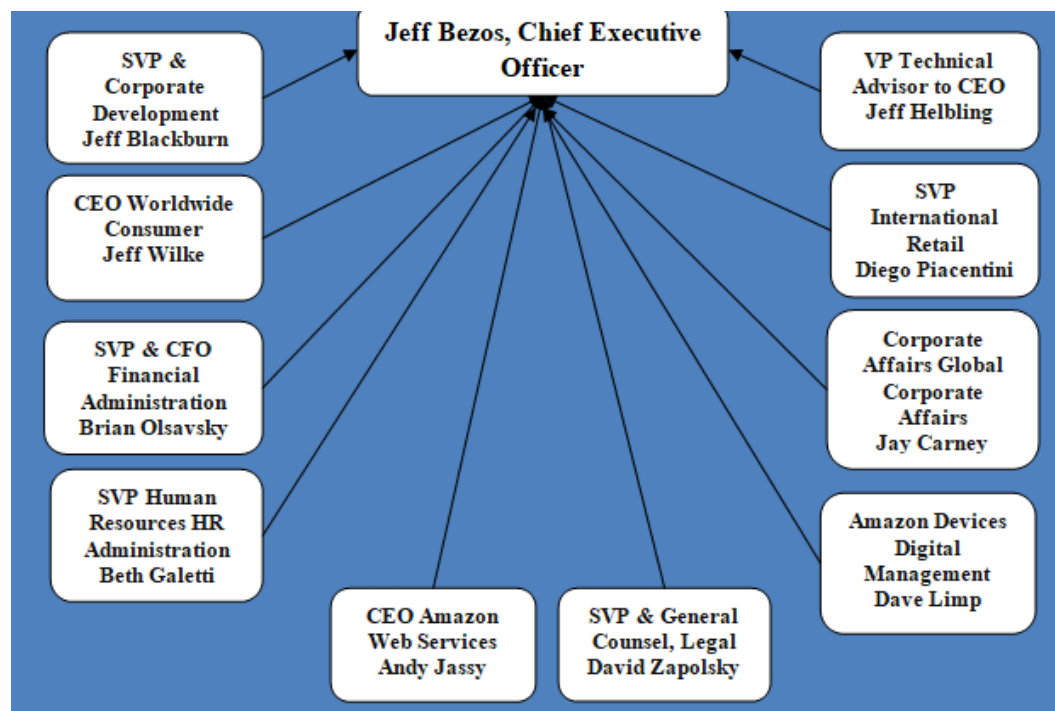


Heading

Amazon offers numerous services and products that cover all different types of categories. As Amazon continues to expand, new threats continually emerge. Some of the biggest threats to Amazon products are Google, Netflix, Alibaba, and Amazon's frequency of acquiring existing companies. One of Amazon's best-selling products is its Amazon Echo line, which are speakers that incorporate artificial intelligence called Alexa. The customer can talk to their Alexa device and perform specific operations. The Amazon Echo line was one of the first home speakers that included artificial intelligence, but other companies also began to dabble in the industry. Amazon has Prime Video, which is a streaming service for movies and TV shows online. Amazon's biggest threat to its streaming service will be Netflix and Hulu, but Amazon is trying to create itself as another option on the market. Netflix is outperforming Amazon, but new streaming services like Sling TV and PlayStation Vue are threats to Amazon's service. Amazon must focus on expanding its business to compete against its competitors.

Training and Development

Jeff Bezos had been successful on such a massive scale by being an achievement-oriented leader. The characteristics of an achievement-oriented leader include setting challenging goals, having high expectations, and empowering employees by showing confidence in their job-related abilities. Achievement-oriented leaders set goals for their employees that compel them to perform to their full potential. Jeff Bezos is a brilliant example of this, and he has needed it for the e-commerce giant to successfully branch out into new markets over the years. It is easy to infer from this testimony that Jeff Bezos sets challenging goals that require his employees to test their limits. It is also clear that at the end of a demanding job project, employees have a sense of satisfaction. Setting challenging goals is a key part of the achievement oriented leadership style, however high expectations are a crucial aspect as well. Jeff Bezos has extremely high expectations for himself and his employees. In the early stages of the company, Amazon held its employees to high expectations. One example is how Amazon dealt with answering emails; each employee was expected to reply to 12 emails a minute, if they fell below 7 emails per minute, there was a good chance that they would be fired. Some may find this over burdensome, as well as unhealthy. In Amazon's case, it has led them to being extremely successful. Constant innovation requires constant pressure and that is exactly what Jeff Bezos has applied to his employees.



The pressure Jeff Bezos puts on his employees to meet expectations would be of no use if he didn't trust them to achieve a particular goal. To be effective in challenging employees to go beyond their comfort zones to complete tasks, Bezos has shown confidence in his employees. Bezos once challenged 20 workers to complete a job of 300 people, proving the fact that he believes his employees can handle heavy workloads and demanding tasks. High demands are what have led Amazon to successful innovation and, in turn, success. In terms of trust, it is clear that Bezos is not constantly on the shoulders of his employees, micromanaging them. He believes that by allowing employees to work together and challenge each other's ideas, they will accomplish the task at hand.

Skills and knowledge

The leader of an organization is crucial to the company, but knowledge is also one of the most important aspects of a company to attract and retain quality talent. The company's outstanding skills, such as Google, will attract the highest quality talent and will likely retain those employees in the long term. The company's toxic knowledge leads to high turnover rates and low employee satisfaction. A company's knowledge is created through organizational stories, organizational heroes, and the organizational founder. Amazon has been unsuccessful in any of those areas, creating a toxic work environment. Several factors create the toxic work environment, including overworked employees, undercompensation, and the use of a classification and removal system.

Arguably, Amazon is one of the best companies in the world, but its work environment does not correspond to the success of the company.

Amazon employees struggle to strike a balance between work and personal life due to the number of hours they are expected to work. One of the most important parts of a healthy lifestyle is being able to rest and relax, at Amazon, those are foreign words. Amazon is well aware of the high turnover rate of their company and they agree with that. Some employees feel compelled to stay with the company, as Amazon makes employees pay a portion of their signing bonus if they leave within a year, and have to pay their relocation fees if they leave within two years. Amazon starts off on the wrong foot with new employees because of the way they structure employee contracts.

Conclusion

Eliminating the current system will allow employees the freedom to relax and be more creative with their ideas, leading to improvements in future innovation. If the system is removed, the company can still use its feedback tool at any time to monitor any issues between specific employees. Amazon has been primarily an e-commerce business that started with books and moved into what is today the sale of almost any product you could want. They have been very successful with their current model, but Amazon has room to grow with physical locations. Amazon has a chance to become dominant in physical locations like e-commerce. Currently, American shoppers make 49% of their purchases at a physical store, greatly reducing the potential revenue Amazon could have. By moving to locations, you will allow Amazon to target 49% of shoppers who like to shop at a physical location. Shoppers like a physical location because it allows them to view and manage products before buying. If Amazon can establish well-managed physical locations while maintaining its e-commerce excellence, it will establish your business for even greater success. Each store can allow online purchases with a store pickup to increase customer satisfaction. Amazon can also increase delivery speed by implementing a delivery controller from their physical locations to deliver items directly to customers' homes. This delivery system will increase profits while serving customers who do not have time to go to a physical location but need the product as soon as possible. Serving a broader audience allows Amazon to acquire more customers over time. If your delivery system works well, it could spread quickly because the public is already familiar with other aspects of the Amazon brand.

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