

Amazon Strategy Case Study

Name:

Institution:

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Amazon is the biggest internet-market in the world and its core competency is online sales digital and physical products. The strategy of Amazon can be described as customer-oriented since the main task of the company is a satisfaction of customer needs in the most convenient way for them. This strategy is reflected in a developed technological system that makes online shopping quick, convenient and cheap by introduction one-click technology, preview viewing of books and goods, free delivering of large orders, and this is the main advantage of the Amazon which makes it profitable.

Amazon faced some challenges during its exciting: the 2000 dotcom collapse, reducing of profit under pressure in 2000, problems of storage and delivery of goods, but the problems were solved by financial instruments (Wells, Danskin, & Ellsworth, 2018). Today, the main challenges for Amazon are the insufficiently fast delivery of goods to customers' homes because of a large number of orders, the charge of exaggerated demands on workers, and insufficient payment of taxes. These problems are solving by companies managers, and it can be noticed that these challenges do not have a significant effect on the company's profit which is only increasing.

The implementation plan is expressed in the diversification of products, expand the sales network territorially, and constant introduction of innovations such as delivery by drones, Just Walk Out shopping, and one-click technology of purchases.

The value chain of Amazon include primary and support activities which are required for selling products. Primary activities chain express in following line: internal logistics - operations

- external logistics - marketing and trading - service. Support activities include following chain: structure and linking path inside company - HR - improving of technology segment - supply. All these actions are necessary for the effective realization of the product.

Therefore, it can be concluded that the strategy and structure of the Amazon are successful and it is evidenced by its high profits throughout its activities.

References

Wells, J., Danskin, G., & Ellsworth, G. (2018). Amazon.com. *Harvard Business School*.

Retrieved May 24, 2018.