Amazon Inc.

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Amazon.com has become an iconic example of e-commerce primarily operating as an online bookseller. Now the company deals in books, movies, electronics, toys, housewares and other goods directly and also plays the role of a middle man between its customers and thousands of retailers. The company is headquartered in Seattle, Washington and is an online retailer, Web services provider and also the manufacturer of electronic book readers. The company also provides a web-service also referred to as a cloud computing service. The online presence of the company is considerable; almost 1 percent of internet traffic travels through Amazon data centers. It is also the leading manufacturer of Kindle e-book readers and it brought a significant upsurge in e-book publishing. In this way, Amazon became the disruptive force in the book-publishing industry. Amazon is the market leader that has outpaced the e-commerce industry resulting from its effective strategic planning, stellar financial performance and incomparable leadership, however, numerous scandals and ethical challenges hinder its ability to stay at the top in terms of reputation and ethics.

Amazon is absolutely more innovative when it comes to developing and expanding new commercial markets for consumer products. Consider the success of Fresh, Kindle and Prime. Amazon is the company that exploits technology at its best and sells everything utilizing its e-commerce presence. They are also innovative in logistics design and material infrastructure, such as their design, deployment, and use of their warehouses and "lockers". The company uses big data technology that exceeds the processing capacity of its database systems. In 2017, the company won the title of the World’s most innovative company. An article by Greg Satell reflects on how it is not just one practice but the entire culture at the company is tangled with the business practices that upsurge innovation (Satell, n.d.). The precision in taking, tracking and managing orders, and drone deliveries are reflective of Amazon’s utilization of the state of the art technologies to bring novelty in the ways it provides services to attain customer satisfaction. The new automatic fulfillment centers also allow for more product storage. The new drone technologies by Amazon including Amazon Prime Air, Amazon Fire Phone, and Amazon Dash Button are key to the success of this e-commerce giant (Thierry & Lescop, 2009).

Amazon is a great company that has continued to achieve impressive growth figures in this competitive business scenario through its viable and innovative business model. Amazon competes with online retailers as well as brick and mortar retailers. The top competitors of the company are Alibaba, Walmart and eBay, etc. Concerning the digital operations of the company, it competes with the top digital players such as Google, Microsoft, Oracle, and Salesforce.com, etc. Its competitors differ in various segments since the company operates in three major segments electronics, media and other merchandise. However, in terms of revenue, it is ranked first amid its competitors. In the online retail industry, the company is not only ranked first in the United States but also globally as it runs multiple online stores. As of 2018, the global net sale of Amazon was $77 billion. In September 2018, the company reached the market capitalization of $1 trillion. Thus, speaking of financial performance, Amazon.com has outpaced all of its competitors.

Amazon is the titan of online retailing and it dabbles in so many industries. The immense portfolio creates a special place for the company in people’s hearts. Survey reports numerous respondents claiming that they cannot think of life without Amazon. It is also a boss in logistics, payments hardware, and media and data storage, competing with some major players in the markets. This demonstrates Amazon’s ability to design goods and services based on an extensive understanding of consuming minds and the market segments it targets. About two-thirds of American households rely on Amazon for almost all kinds of purchases. In addition, the company aims to sell goods at a very low price. Amazon’s services are designed with the philosophy of customer first alongside offering exceptional business services. The company is also able to attain its dual ambitions of conquering the modern commercial world and customer obsession. The company has been able to achieve success owing to its ability to create goods and services according to customer needs.

A number of issues exposed to press releases, employee reviews, and numerous scandals raise the question of Amazon’s reputation as an ethical organization. The company dropped from the list of Top 10 ethical companies owing to the numerous complains about its CEO and sale of fake products on its website. It is still ranked second in terms of the corporation but due to the growth, financial performance and products and services. The ranking in terms of ethical business practices, corporate citizenship, and character is low, as reported by the Axios Harris Poll 100 (“Just how big is Amazon’s ethics challenge?” n.d.). The same survey ranks Amazon.com as one of the most innovative companies offering a diversity of products and services, and for many customers, it is impossible to survive without this shopping giant. A number of issues have been reported not limited to controversies, counterfeiting, labor issues, privacy attacking technologies and monopolistic behaviors. It has also been accused of tax-avoidance practices in the US and UK. It is also presumed by many that Amazon's reputation will hinder its massive growth in the next decade. However, it is worth mentioning that it is not listed amid the unethical companies.

Amazon aims at selling quality products to its customers. For this purpose, it keeps a quality check on the sellers. The company has set a number of rules and regulations on the website and guides sellers to keep a check with those requirements to avoid any product block. Amazon imposes restrictions on different products and brands and at the same time take actions on poor product quality that may range from canceling the product to freezing or limiting publishing permissions. However, by the time Amazon marketplace is occupied by a large number of suppliers and the company is not able to keep up with the standards of quality it claims of maintaining. A huge number of complaints, customer surveys and reviews reveal that suppliers listed on the website are involved in selling counterfeit products. Although, there is always a way for customers to make a complaint and report any sale of phony products.

One of the major strengths of Amazon is its marketing strategy. The company uses various platforms to promote its products and services and it successfully leverages the strength of different social media platforms to promote its products. Its marketing strategy utilizes a number of marketing channels such as social media and online advertising, associates programs, television advertising, sponsored search and many other initiatives. The marketing strategy relies on six pillars, a diverse and huge portfolio of products and services, exploiting various affiliate resources and products, using a customer-friendly interface, easy scaling from small to large, utilizing existing communication systems, and universal mentalities and behaviors to attain the desired results. The marketing strategy is based on all these pillars and the global marketing expenses of Amazon have shown a great rise from 2015. The increasing advertising and other promotional costs result in the higher number of sales recorded on the first day of sale on Amazon Prime. The success can be attributed to the extensive marketing and sales operations of the company.

Amazon.com has faced severe criticism over the quality of treatment to its workers especially the workers at the warehouses. Former employees of Amazon have utilized the power of social media to unveil the working environment and employee treatment. A group named The FACE (Former and Current Employees) of Amazon is dedicated to this purpose. In addition, employees’ reviews and surveys unearth unfair conduct that makes Amazon a notoriously difficult place to work. Employees have also made complaints about poor-work life balance. The employee ranking system hurts underachieving employees gravely and the feedback tools create room for co-workers to critique each other openly. For this reason, the attrition rate of the company is higher than its competing Tech companies. In 2018, an article exposed the poor treatment towards the driver workers at Amazon deliberating on favoritism, intimidation, missing wages, alleged abuses, and strict time constraints making them vulnerable to road accidents. There are also records of numerous suicides and hunger strikes against the inhumane policies of the company.

Amazon claims to offer numerous benefits to its employees in the form of highly competitive pay, disability insurance, health insurance, and retirement savings plans, etc. the company also claims to offer 20 weeks of paid leave and flexibility to new parents to cope up with the responsibilities of growing families. Amazon program “Pay to Quit” offers financial benefits to inspire employees to leave to rethink what they want to do that is a great initiative to allow employees for better career planning. In addition, according to the Vice President of Human Resources at Amazon, these benefits and perks are the same for the employees at fulfillment centers and customer service employees (Keblis & Chen, 2006). However, Amazon workers planned various strikes claiming they are not considered as humans, but robots at the fulfillment centers and warehouses. Employees are dealing with poor work-life balance and at the same time, they deal with inequality in terms of wages. Employees fail to deal work with efficiency and they have to go another way to avail of their rights. According to employees, Amazon has become a symbol of inequality and workers seek government assistance for their basic needs. The company has also faced criticism for the inhumane treatment that causes employees to quit.

Jeff’s secret to success is that some decades ago, he had a better idea of how the business will inevitably be done in the future. It would’ve happened anyway, but he happened to be the one to do it first in a big way. He persevered. He had access to funds and was charismatic enough to convince others to invest even when his company was unprofitable. His reputation as a successful entrepreneur is tied with an enthusiastic persona. He has been able to build this business empire grounded on his abilities to take risks, experiment and innovate. Jeff is amid the most renowned entrepreneurial leaders and his approach to doing business is an excellent example for aspiring business leaders. He has been able to create a customer-centric culture at Amazon through 14 principles of leadership which every organizational member must learn and apply in their daily activities. To name some of them, Invent and Simplify, Bias for Action, Frugality, Customer Obsession, Learn and Be Curious, Earn Trust, Dive Deep, and deliver results. These fourteen leadership principles play a huge role in the success of the company. The company also expects the candidates to exhibit some or most of these candidates seeking jobs at Amazon.

Amazon does not make it the top when it comes to investments in community and CSR practices. According to the Axios Harris Poll 100, 19% of the consumer thinks that Amazon will respond to social issues. Resulting from the arising complains and interrogations on company reputation, in 2014, the company appointed a social responsibility director to respond to the criticisms. In addition, a number of initiatives emerged to enhance the working conditions such as the Amazon Frustration-Free Packaging initiative. Other programs aimed at community development include Girls Who Code, Amazon Career Choice Program, Amazon Literary Partnership, Amazon Device Donation Program, Texas Wind Farms and use of Solar Power. Moreover, in 2016, Amazon launched the initiative with Feeding America to donate extra food to starving. Employees are also encouraged to contribute to participate in various volunteer programs. Work from home opportunity is provided to customer care employees through its Amazon Virtual Contact Centre. The company aims to host solar energy systems by the year 2020 in most of its fulfillment centers. Various charitable programs are also part of CSR initiatives.

In a nutshell, there is no doubt that Amazon is the market leader in terms of its excellent financial performance and ability to keep up with the ever-changing business demands. Nonetheless, it can be analyzed that company fails in many areas; customers love to buy from Amazon but are offended by the ethical reputation of the company. Exceptional customer service, a huge portfolio of goods and ease in the form of one-day delivery, same-day delivery and handling complaints has made Amazon retain a huge consumer base. However, the company not only fails to keep its people happy but also at dealing with criticism arising from many business practices. Amazon can be the market leader, but not an all-rounder.

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