

Amazon

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## Executive Summary

Amazon is an e-commerce marketplace where sellers display their products for the customers to purchase and compare the prices of different products. The company started operating in 1994 under its founder Jeff Benzo. Amazon Incorporation operates under the domain amazon.com. The main objective of the company is to offer goods and services around the world. This objective has made the company rise above its competition to become the world largest pure online merchant. The success of the company is attributed to their success factors (Gilbert, 2013). First, they act as cost leaders offering their products at relatively low prices compared to other businesses. Secondly, they have their focus on the customers, therefore offering their products at a higher convenience compared to their competitors.

The company has shown tremendous improvements from its initiation period to date. It has registered a positive trend in terms of the revenue generated every year. At first, the company started as an online bookseller, but later advanced to selling other copyrighted materials and goods and services. The improvement experienced by Amazon across the years is primarily attributed to their adoption of the dynamic technology, for example, the organization previously sold hard copy books. The books are currently sold as electronic books.

To maintain their position in the market, the company has developed strategies that ensure customer loyalty. Amazon has established switching costs, making it difficult for customers to shift to their competitor's products (Gilbert, 2013). The company has, for example, partnered with other highly reputable firms like Netflix, Apple, and Samsung. Partnering with these firms enables the company to not only gain customer loyalty but also to provide a wide

range of products. However, the company is still facing competition from Wal Mart alongside other organizations.

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## References

Gilbert, S. (2013). *The story of amazon.com*. Place of publication not identified: Jaico Publishing House.

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