A LOOK AT AMAZON.COM

Amazon.com has a mission statement that says their mission is to use the Internet to transform book buying into the fastest, easiest, and most enjoyable shopping experience possible.1 based on the quality and size of Amazon.com, it would be correct to say that their strategic direction would be to provide the same quality shopping experience and customer service for multiple goods and services beyond books to ensure continued growth. And in doing so, Amazon.com still maintains their founding commitment to customer service and the delivery of an educational and inspiring shopping experience.1

    Amazon.com has many qualities that keep them at the top of the e-retailing business. The first of their core competencies is being the leader in e-retailing. They are able to obtain this status by having superior knowledge of e-retailing. Low cost structure, a real time ordering system and being more global round out Amazon.com's core competencies that make them the number one choice among online customers.

    Amazon.com did not obtain their status solely by having a quality inventory and excellent customer service. Technology plays a major part of their success. In order for their website to be appealing, organized, and easy to use, Amazon.com has to rely on technology. One company, O'Reilly & Associates helps Amazon.com accomplish this. O'Reilly & Associates provides Amazon.com with web development tools such as Linux, Apache, Perl, scripting, digital media4, and online data capturing. Electronic payment web security, real time technology3, and many other forms of technology are relied upon to ensure customer satisfaction, confidence, and enjoyment of their business.

    Amazon.com's web page supports their mission statement. Navigating, selecting and purchasing products are very fast and easy. Having a well organized and user-friendly site is very enjoyable. Having a worry-free, uncomplicated shopping experience while visiting Amazon.com clearly makes their mission statement one that they can confidently stand by.

    Technology plays a big part of the e-retailing industry. It has many positive qualities that impact the industry. Technology simplifies the purchasing process. Since the industry is web based, it helps eliminate the nuisance of not having products when wanted by having the capabilities of placing orders 24/7 at any computer with web access. Technology will also standardize the purchasing process thus reducing processing costs associated with traditional processing.

    Capturing and maintaining customer data by Amazon.com will help increase productivity by being able to have fast data through put. This practice also helps to "get to know" customers by keeping a personal history of each customers' purchasing behavior, lifestyle, and demographics. Being able to know this information will give Amazon.com the edge to cater to customers and ensure loyalty by being able to reward customer with special incentives. This in turn will optimize customer relationships and increase Amazon.com's profitability.

    Based on a business analysis using the SWOT format, a course of action to respond to Amazon.com's weaknesses, such as high advertisement costs and high delivery costs was developed. A simple way to eliminate these costs would be to stop all advertisement. Because the company already has an impressive clientele, word of mouth would work just as well as long as their level of quality continues. Having distribution centers or traditional buildings where some inventory can be stored and retrieved by consumers could reduce delivery costs. Threats, such as strong traditional competitors and traditional companies going online can be addressed as well. A natural response to the threat of strong traditional competitors would be to offer what they offer. Offer Amazon.com products through a printed catalog. That way, they would be able to target those who don't have access to the web and those who don't like to participate in the traditional form of shopping. As long as Amazon.com continues their current

business practices, they should always come out on top of the new companies emerging online.

Amazon.com has many obvious strengths that they can take advantage of. By maintaining first class service, their huge database of customers will remain loyal to them, which in turn, will keep them as the leader in e-commerce. Another advantage is their one-click purchase. Being the ones that invented this technique has made Amazon.com a favorite. Because of Amazon.com's many strengths, they have the leverage to take advantage of the increase in usage of the Internet for e-retailing.

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