Strategic Business Plan

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**Executive Summary**

Amazon is a leading online retailer and a manufacturer of many electronic book readers. Apart from that, it is a key supplier of web services. The headquarters of the organization is in Seattle, Washington. Thor organization either sells its goods directly or through many middlemen who work in its portfolio. Amazon serves millions of customers across the globe. Its web service business includes renting of computing resources such as virtual machines and renting cloud resources (Aeker and Adler, 2001). Amazon is one of the most widely acknowledged company that offers web based services across the globe. In 2012, research pointed out that approximately one percent of all the internet traffic that was experienced in North America traveled in and out of Amazon.com data centers that have been erected strategically across the globe.

The organization manufactures kindle e-book readers. Amazon as an organization has been involved actively in the promotion this brand and as a result, it has grown into a huge disruptive force in the book-publishing market. Jeff Bezos, the CEO of the organization is considered a stern leader who does not compromise on any aspect of his organization. He chose the name Amazon since it is associated with one of the biggest rivers in the world and it begins with the first letter of the alphabet. After conducting an in-depth research, Jeff Bezos concluded that books would be the most suitable commodity to trade online (Aeker and Adler, 2001). However, by the time the organization has set up and had started its operations, there were other organizations that were already running similar enterprises. However, Amazon was keen on providing books to prospective customers across the globe.

Amazon’s business strategy has faced a lot of skepticism from business analysists. Many people were optimistic that it was just a matter of time before amazon lost its place as a top retailer to other companies (Amazon, 2015). This did not demoralize the CEO who is considered a very visionary man. He argued that for any company to succeed as an online retailer, it has to grow big fast. The organization expanded rapidly to other areas across the world. It looked for private investors who gave it the financial strength to grow even more. Amazon won over many customers not only because it offered many different commodities but because it provided customer satisfaction for the many people it served. Apart from that, Amazon did not stop at retailing, instead, it became a major technology company.

**Market analysis**

Amazon can be considered an incredible platform when considering many aspects. The organization has a massive reach across the globe and it is a major outlet to showcase products. Apart from that, it is a key company when considering build branch awareness. As at July 2020, Amazon reported 43.4% in sales in North America and a corresponding increase in other nations of the world as well. Many consumers went online to purchase foodstuff following the pandemic. This resulted to the online sales that were reported by the organization to triple.

Amazon is focused in customer experience. They are focused on consistently outperforming their competitors in the market. Research has shown that the organization has outdone many of its competitors in the ACSI customer satisfaction ration as well. Amazon’s total revenue was $281 billion in 2019. Experts have predicted that it is likely to grow even further. Amazon is one of the best performers in the market. Amazon uses dig data to boost its market performance. Data that is collected from customers is Amazon’s greatest asset (Turk, 2012). Amazon aims at learning as much about its consumers as possible. Learning habits of consumers enable the organization to understand its customers accordingly and therefore meet their needs. Consumer data allows the organization to understand which commodities in its portfolio are most popular and those that are purchased the most by its customers. Amazon uses data to boot performance in three main ways. One of the most common procedures is use of data to adjust prices and increase their margin by using high-runner strategy. Amazon also utilizes customer data to propel its advertising business. Amazon makes a significant amount from advertising.

Amazon also utilizes consumer data to design and develop its own products. In 2019, the organization launched AmazonBasics, a line of products that consumers utilize in a daily basis such as items used to cook and batteries. Amazon has been working on constructing many different commodities to address different markets.

**SWOT Analysis**

Amazon is one of the leading online retailers across the world that offers different commodities. The organization is always looking for ways to stay at the top of the diverse market. The organization is keen on introducing new retail model in new countries to sustain its revenue objectives and sustain growth. Increase in communication between organizations has led to an increase in its revenue collection and growth.

**Strengths**

Strengths are internal traits that amazon can use to achieve its goals. According to recent studies, Amazon is the largest online retailer in the world. This means that it has captured the largest percentage of market share when compared to its competitors in that market. Amazon has expanded many of its services to new countries in the recent past. Amazon’s cloud computing service; Amazon Web Services (AWS) continuous to grow every year and the net income of the organization is constantly going up as well. Apart from that, the organization is constantly doing research and it is looking for ways to improve in it service delivery to customers.

**Weaknesses**

Heavy spending and new investments reduced Amazon’s profits in 2017. Recent studies have revealed that Amazon’s shares have been sinking constantly. This has been as a result of excessive overseas investments and instability in the world market.

**Opportunities**

Amazon has made aggressive expansion into South East Asia by channeling a lot of investments in that direction. As a result, the organization has an opportunity to increase the amount of sales that it makes and market share in Asia; one of the most densely populated areas across the world. The current government has struck deals with the Britons. This means that Amazon can increase the geographical area in which it can trade.

**Threats**

Amazon as an organization faces stiff competition from many other established companies across the world. These companies limit the market for Amazon. Companies such as Alibaba have already established dominance in the Asia region. Although amazon continuous to grow internationally, it may grow in areas that do not have advanced infrastructure and this may limit its ability to make profit.

**Financial Statements**

Financial statements can be considered a record of the financial position of a company over a certain financial period (Aeker and Adler, 2001). Financial statements reveals the strengths and weaknesses of a company and its overall financial performance. The three common financial statements used by Amazon are the Balance sheet, cash flow statement and the income statement.

**Relevance of Porter’s Five Factors**

Michael Porter’s five factors give a business ways to analyze and outdo their competitors in the market. Porter’s five factors allow an organization to know its competitors and understand the environment in which it operates. Porter’s Five Forces can be considered a tool that can be used for macro business-analytics. It allows an organization to adjust its strategy in such a way that it can thrive in its competitive environment. It generally enables an organization to increase its productivity.

**Conclusion**

Amazon is one of the most successful organizations in the world since it is built on customer experience. The organization makes its customers feel that they are paying as low as possible for the quality goods and services that they obtain. This helps the organization to continue thriving and grow at a very high rate.

References

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