External analysis:

This analysis is made to find the opportunities and threats of Amazon and then we develop the EFE matrix, after we have performed an external Assessment we identified the most opportunities and threats that face the company. According to the external Forces which are beyond the control of Amazon and affects it:

1. Economic:

Opportunities:

* State of the economy is improving.
* Customer spending increased.
* Increasing product categories which means more things can be

easily sold online.

Threat:

* Currency fluctuation.
* High interest rate

B. Technological:

Opportunities:

* Online sales predicted to increase
* Online payment
* Expand the technology service market
* Growth cloud computing
* viruses.

Social and Demographic:

Opportunities :

* Increased number of Internet users worldwide.

Threat :

1. Marketing :

Threat :

* Easy to imitate
* Ease of entry into market.
* Increase shipping cost.
* Dependence on vendor

D. Government, political and legal:

Opportunities:

•Global expansion.

Threat:

* Taxes imposed for EU customers.
* Government regulations.
* Low entry barriers of the industry.

F. Competitive:

Threat:

* High level of completion eBay, Barnes & Nobles, OLX and
* Book-A-Million.

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| FUNCTIONAL AREAS | STRENGTHS | WEAKNESSES |
| Management | Strategic alliances | Third party reliance |
| Marketing | High Brand name,  Channels distribution,  Focus on customer,  Strong customer service support, Patents |  |
| Finance/accounting | Cost leadership, High inventory turnover | Interest payments on debt issued. |
| Production/operations | Wide breadth of products, Economic of scale |  |
| Research/development | Up to date technology and software |  |
| MIS |  | Security |