

Amazon Company Overview As of August 2025

Compiled for informational purposes

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Contents

1	Introduction	2
2	Company History	2
2.1	Founding and Early Years (1994–2000)	2
2.2	Growth and Profitability (2000–2010)	2
2.3	Global Expansion and Diversification (2010–2020)	3
2.4	Recent Developments (2021–2025)	3
3	Key Services and Business Segments	3
3.1	E-Commerce	4
3.2	Amazon Web Services (AWS)	4
3.3	Amazon Prime and Media	4
4	Strategic Principles and Innovations	4
5	Impact and Controversies	5
6	Future Outlook	5
7	Conclusion	5
8	References	6

1 Introduction

Amazon.com, Inc. is a global technology and e-commerce giant headquartered in **Seattle, Washington**. Founded in **1994** by **Jeff Bezos**, Amazon has evolved from an online bookstore into one of the worlds most influential companies, with a market capitalization of **\$2.39 trillion** as of August 2025. Known for its customer-centric approach, Amazon operates in e-commerce, cloud computing, artificial intelligence, and media, striving to be “Earth’s most customer-centric company.” This document provides an overview of Amazons history, key services, strategic milestones, and-impact, based on information available up to August 2025.

Source: Britannica, 2025 [2]

2 Company History

2.1 Founding and Early Years (1994–2000)

Amazon was founded on **July 5, 1994**, initially named **Cadabra**, by Jeff Bezos in his garage in **Bellevue, Washington**. Bezos chose books as the starting point due to their standardized nature and the growing potential of the internet. The name was changed to **Amazon** to avoid confusion with “cadaver” and to reflect the companys ambition to be expansive, like the Amazon River. Launched in **1995**, Amazons website offered books to customers across all 50 U.S. states and 45 countries, quickly gaining traction.

- **1996–1997:** Amazon saw rapid growth, with revenues rising from **\$4.2 million** to **\$8.5 million** between Q3 and Q4 1996, despite initial losses. The company went public in **1997** at **\$18 per share**, raising capital to fuel expansion.
- **1998:** Amazon expanded beyond books, adding music and computer games, marking the start of its diversification into a broader e-commerce platform.

Source: Michigan Journal of Economics, 2023 [3]

2.2 Growth and Profitability (2000–2010)

Amazons early strategy focused on scale over profit, reinvesting revenue into technology and infrastructure. This led to consistent losses until **2003**, when Amazon recorded its first full-year profit of **\$35 million**, up from a **\$149 million loss** in 2002.

- **2000:** Introduced third-party seller services, allowing independent retailers to sell on Amazons platform, giving birth to **Fulfillment by Amazon (FBA)**.
- **2002:** Launched **Amazon Web Services (AWS)**, initially offering data on internet traffic, which evolved into a full cloud computing suite by **2006** with services like **Elastic Compute Cloud (EC2)** and **Simple Storage Service (S3)**.
- **2005:** Introduced **Amazon Prime**, a subscription service offering free two-day shipping for **\$79/year**, which became a cornerstone of customer loyalty.
- **2007:** Released the **Kindle e-reader**, revolutionizing digital publishing and cementing Amazons role in the book industry.

Source: Britannica, 2025 [2], Harvard Business Publishing, 2015 [4]

2.3 Global Expansion and Diversification (2010–2020)

Amazons growth accelerated as it entered new markets and industries, disrupting traditional retail and technology sectors.

- **2011:** Launched the **Kindle Fire**, a budget tablet competing with Apples iPad.
- **2013:** Announced **Prime Air**, a drone delivery initiative, signaling Amazons focus on innovative logistics.
- **2014:** Introduced the **Amazon Echo**, powered by **Alexa**, marking its entry into smart home devices and AI.
- **2017:** Acquired **Whole Foods** for **\$13.7 billion**, expanding into physical grocery retail and integrating it with **Amazon Fresh**.
- **2020:** Reported operating profits of **\$22.9 billion** on sales of **\$386 billion**, a significant leap from **\$2.2 billion** on **\$107 billion** in 2015, driven by e-commerce growth during the COVID-19 pandemic.

Source: Amazon Annual Report, 2021 [1]

2.4 Recent Developments (2021–2025)

By **2025**, Amazon continues to dominate multiple sectors, with **AWS** contributing nearly **50% of operating income** despite accounting for only **15–18% of sales**. The company has expanded into healthcare, autonomous delivery, and media production.

- **2021:** Jeff Bezos stepped down as CEO, becoming Executive Chairman, with **Andy Jassy**, former AWS head, taking over as CEO.
- **2022:** Amazon acquired **MGM Studios** for **\$8.5 billion**, bolstering **Prime Video** with franchises like *Rocky* and *Legally Blonde*.
- **2023:** Expanded **Prime Air** drone delivery trials in Lockeford, California, and introduced **Amazon Scout**, an autonomous electric delivery system.
- **2025:** Amazons market cap reached **\$2.39 trillion**, with annual revenue of **\$670.04 billion** and earnings per share of **\$6.56**.

Source: Britannica, 2025 [2], PYMNTS, 2023 [5]

3 Key Services and Business Segments

Amazon operates across three primary segments: **e-commerce**, **cloud computing**, and **media and subscriptions**.

3.1 E-Commerce

- **Marketplace:** Amazons core platform hosts **350 million products** and **700,000 unique brands**, with **60% of sales** from third-party sellers as of 2023. Features like **1-Click shopping** and customer reviews enhance the user experience.
- **Fulfillment by Amazon (FBA):** Sellers send inventory to Amazons warehouses, which handle storage, shipping, and returns for fees (e.g., ~**\$2.50/unit** for small items).
- **Amazon Fresh and Whole Foods:** Offers grocery delivery and in-store shopping, with Prime members receiving exclusive discounts.

Source: Britannica, 2025 [2]

3.2 Amazon Web Services (AWS)

- **Overview:** AWS is the worlds leading cloud computing platform, holding **33% of the global market** in 2023, ahead of Microsoft Azure (23%) and Google Cloud (11%).
- **Services:** Over **200 services**, including EC2 (compute), S3 (storage), and **Bedrock** (generative AI). AWS is Amazons most profitable segment, yielding **50% of operating income**.
- **Pricing Models:** Pay-as-You-Go, Savings Plans, Reserved Instances, Spot Instances, and Free Tier options cater to diverse needs.

Source: Britannica, 2025 [2]

3.3 Amazon Prime and Media

- **Prime Membership:** Offers free shipping, Prime Video, Amazon Music, and more for **\$139/year** or **\$14.99/month** in the U.S. (2025). Over **200 million members** across 19 countries as of 2023, with Prime members spending **\$1,400/year** on average vs. \$600 for non-members.
- **Prime Video:** Competes in the streaming wars with original content and live sports, enhanced by the MGM acquisition.
- **Other Subscriptions:** Includes Amazon Music Unlimited, One Medical, and a free Grubhub+ membership for Prime users.

Source: Michigan Journal of Economics, 2023 [3]

4 Strategic Principles and Innovations

Amazon is guided by four principles: **customer obsession**, **passion for invention**, **operational excellence**, and **long-term thinking**. Key innovations include:

- **Logistics:** Over **11 miles of conveyor belts** in some fulfillment centers (e.g., Sutton Coldfield, UK, 2023).

- **Technology:** Investments in AI (e.g., Alexa, Bedrock) and autonomous delivery (Prime Air, Scout).
- **Disruption:** Amazons low prices, vast selection, and fast delivery have disrupted retail, forcing competitors like Walmart and Best Buy to bolster online operations.

Source: About Amazon, 2025 [6]

5 Impact and Controversies

Amazons scale has made it a global economic force, but it faces scrutiny:

- **Market Dominance:** Critics argue Amazons size threatens competition, with calls for antitrust action in the U.S. and EU investigations ongoing as of 2021.
- **Labor Practices:** Allegations of exploiting visa programs to replace U.S. workers surfaced in 2025, raising concerns about workforce policies.
- **Community Resistance:** In 2025, a Tucson community blocked an Amazon data center due to water usage concerns, highlighting environmental tensions.
- **Employee Ownership:** Amazon ties compensation to stock ownership, fostering an “owner” mindset but also sparking debates over workplace culture.

Source: Harvard Business Publishing, 2015 [4], Posts on X, August 2025 [7]

6 Future Outlook

Amazon continues to pursue growth through:

- **Delivery Innovation:** Expanding Prime Air and Scout to reduce delivery times.
- **Healthcare:** Leveraging One Medical and partnerships like Grubhub to enter new markets.
- **Media:** Producing content based on MGM franchises to compete with Netflix and Disney+.
- **Global Expansion:** Targeting emerging markets with tailored pricing (e.g., Prime at 1499/year in India).

Source: PYMNTS, 2023 [5]

7 Conclusion

Amazons journey from a garage-based bookstore to a \$2.39 trillion juggernaut reflects its relentless focus on innovation and customer experience. While its dominance in e-commerce, cloud computing, and media has reshaped industries, Amazon faces challenges in balancing growth with regulatory and societal concerns. As Andy Jassy leads the company into 2025 and beyond, Amazons ability to innovate while addressing criticism will shape its legacy.

8 References

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