



STRATEGY AND BUSINESS MODELLING

Team 14

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Executive Summary

GLOBAL LEADER



Founded in 1994 by Jeff Bezos in Seattle, Washington.
Initially an online bookstore, Amazon is now one of the largest tech companies globally.

To be the most customer-centric company in the world, offering customers easy access to buy and discover anything they want online.

- **E-COMMERCE**

Sales across thousands of product categories
Third-party sellers via Amazon Marketplace

- **TECHNOLOGY AND CLOUD COMPUTING**

Amazon Web Services : global leader in cloud services

- **ENTERTAINMENT**

Amazon Prime Video: streaming content
Amazon Music, Twitch, and original productions



How can Amazon maintain its dominant position while addressing regulatory expectations ?

Amazon Overview



BUSINESS SEGMENT

- E-commerce
 - Online stores
 - Third-party seller services
- Amazon Web Services:
 - Cloud computing
- Subscription services:
 - Amazon Prime
 - Advertising
- Physical stores:
 - Whole Foods
 - Amazon Go



GLOBAL PRESENCE

- Operations in over **20 countries**
- Employee count:
 - Over **1.5 million** worldwide
- Number of Users:
 - Over **200 million Prime subscribers** worldwide
- Strong presence:
 - North America**
 - Europe**
 - Asia**
- Investments in emerging markets:
 - India**
 - Latin America**



REVENUE BREAKDOWN

- Online stores:
 - \$222.1 billion
- Third-party seller services:
 - \$137.4 billion
- AWS:
 - \$85.9 billion
- Subscription services:
 - \$38.2 billion
- Advertising:
 - \$41.9 billion
- Physical stores:
 - \$19.8 billion

2023 Revenue = \$545 billion

ROCE (sept 2024) = 18,19%

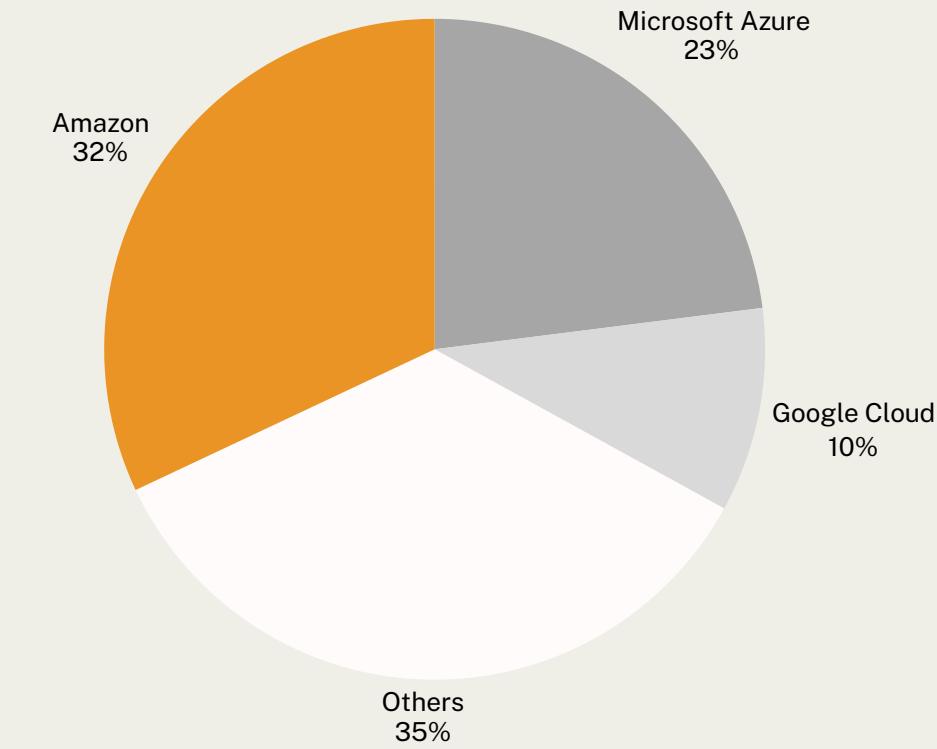


Competitive Landscape



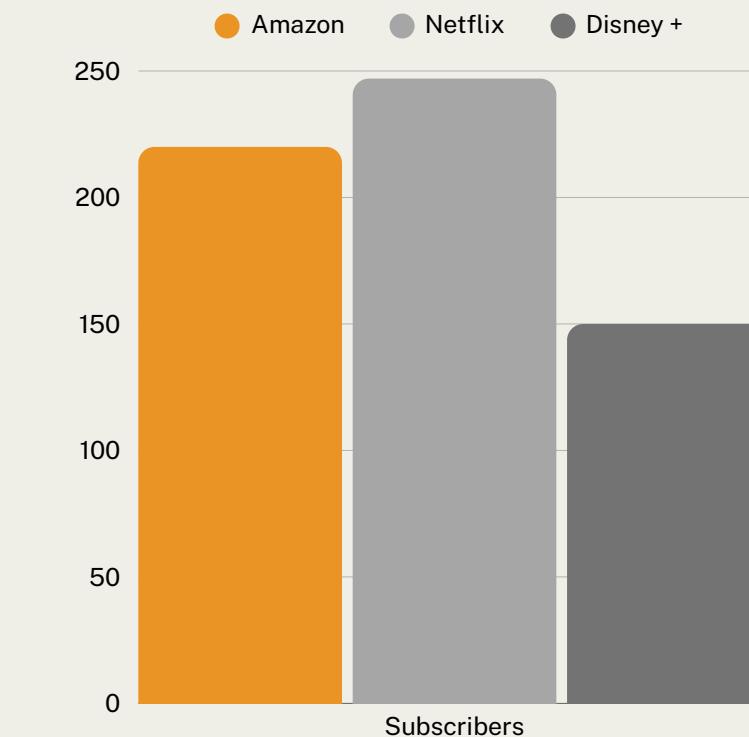
CLOUD COMPUTING

Market share



STREAMING SERVICES

Subscriptions



Strategic challenge : Regulatory Pressure and Anti-Trust Risk



Amazon faces increasing scrutiny from regulators worldwide, with investigations into anti-competitive practices



WHAT ARE THE REAL RISKS FOR AMAZON ?

- Being found guilty of abusing a dominant position.
- Significant financial penalties and restrictions on business practices.
- Major economic losses in the United States and Europe.

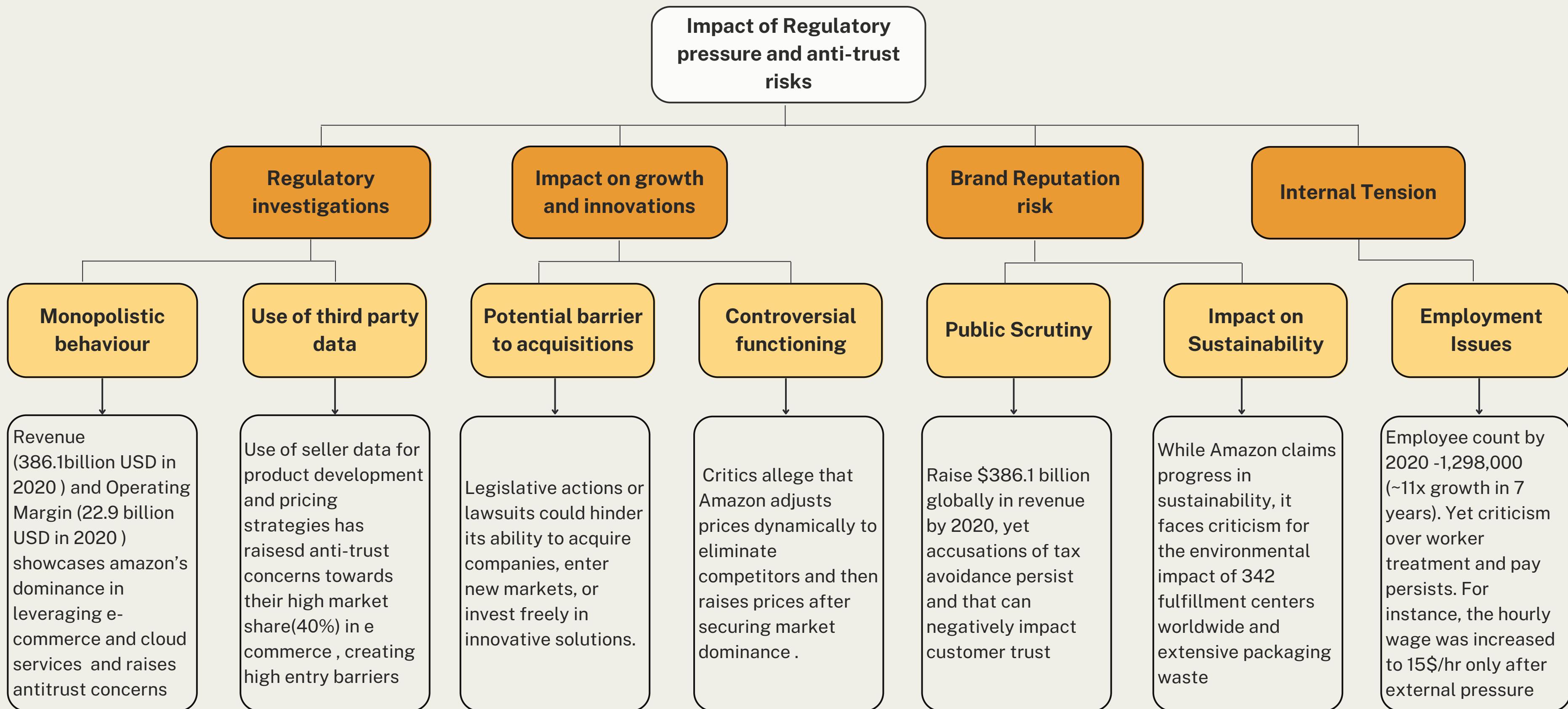
WHAT KIND OF ACTION HAS BEEN TAKEN AGAINST AMAZON ?

- In 2022, in EU, Amazon could have faced a fine of up to 10% of its global annual revenues, which for Amazon could have been as high as \$47 billion.
- In 2023, in USA, the FTC and 19 states and territories sued Amazon for violating federal and state antitrust laws.

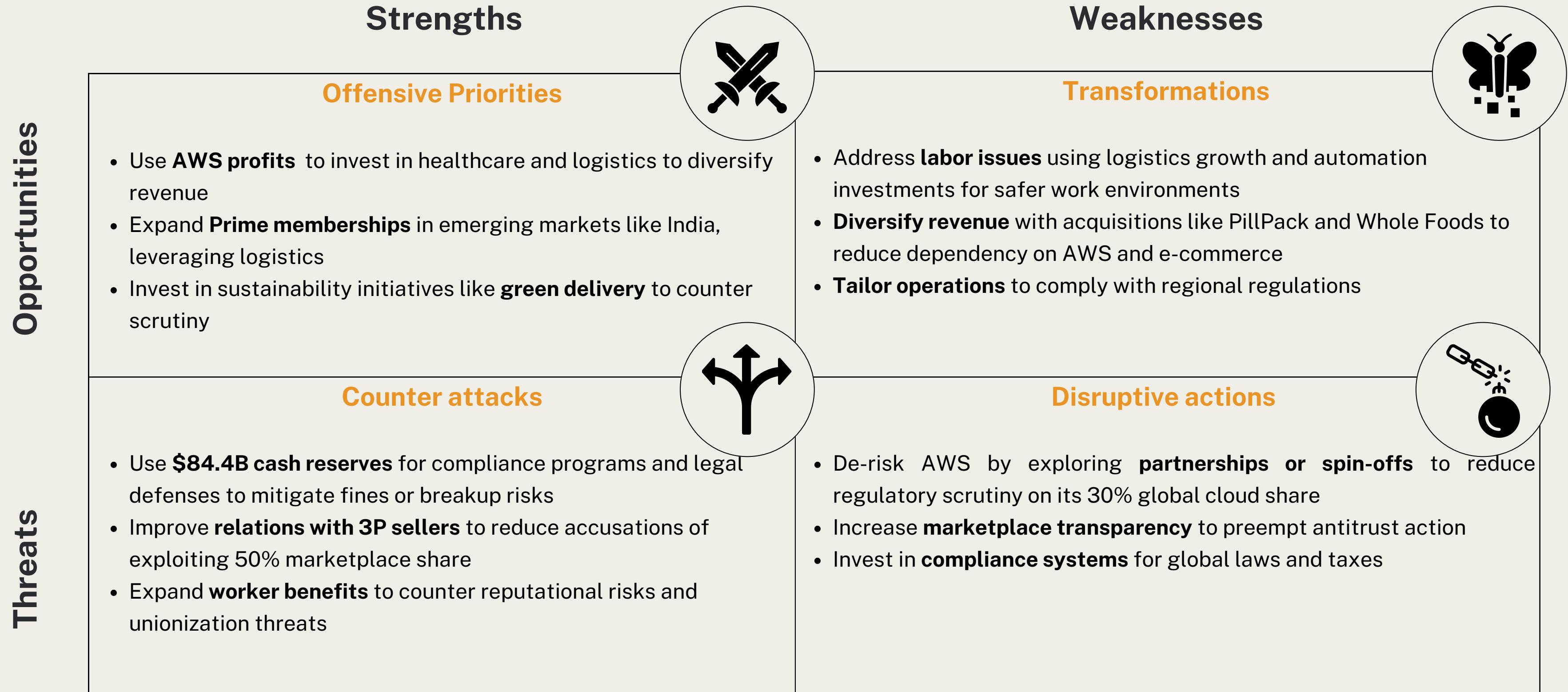
2019 Rank	Company	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
1	Amazon.com Inc	17.0	23.4	25.9	26.8	25.0	26.0	29.2	32.4	33.9	35.6
2	eBay Inc	8.4	8.3	8.6	9.1	9.3	8.7	7.8	7.3	6.6	5.5
3	Walmart Inc	2.5	2.5	2.9	3.0	3.1	3.0	3.1	3.9	4.5	5.2
4	Apple Inc	3.3	3.7	4.5	4.8	4.6	4.4	3.7	3.6	3.5	4.0
5	Macys Inc	0.9	1.0	1.3	1.6	1.9	2.1	2.0	1.9	1.8	1.8
6	Best Buy Co Inc	1.5	1.5	1.4	1.4	1.4	1.4	1.5	1.6	1.5	1.5
7	Wayfair LLC	-	0.2	0.2	0.3	0.4	0.7	0.9	1.0	1.3	1.5
8	Target Corp	0.7	0.7	0.7	0.7	0.8	0.9	0.9	1.0	1.2	1.4
9	Quarate Retail Inc	-	-	-	-	-	-	-	-	1.5	1.3
10	Home Depot Inc, The	0.6	0.6	0.7	1.0	1.1	1.2	1.3	1.3	1.4	1.3
11	Costco Wholesale Corp	1.4	1.2	1.1	1.0	1.0	0.9	0.9	0.9	1.0	1.1
12	Kroger Co	-	-	-	-	0.1	0.4	0.5	0.8	0.9	1.1
13	Nordstrom Inc	0.5	0.7	0.8	0.9	1.0	1.0	1.1	1.1	1.0	1.1
14	Kohl's Corp	0.5	0.6	0.8	0.8	0.8	0.9	0.9	0.9	0.9	0.9
15	PetSmart Inc	-	-	-	-	-	-	-	0.5	0.8	0.9
16	Wish	-	-	-	-	0.1	0.4	0.7	0.8	0.9	0.9
17	Gap Inc, The	0.9	0.9	0.9	0.9	0.8	0.7	0.7	0.6	0.6	0.6
18	L Brands Inc	-	-	-	0.8	0.7	0.7	0.6	0.6	0.6	0.5
19	Williams-Sonoma Inc	0.9	0.9	0.9	0.9	0.9	0.8	0.7	0.7	0.6	0.5
20	JC Penney Co Inc	1.1	1.0	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5

Market Share of E-Commerce in the United States, 2010-2019 (%)

Pertinence of the strategic challenge: Issue Tree



Strategic Analysis: TOWS



Restructuration : Recommendations

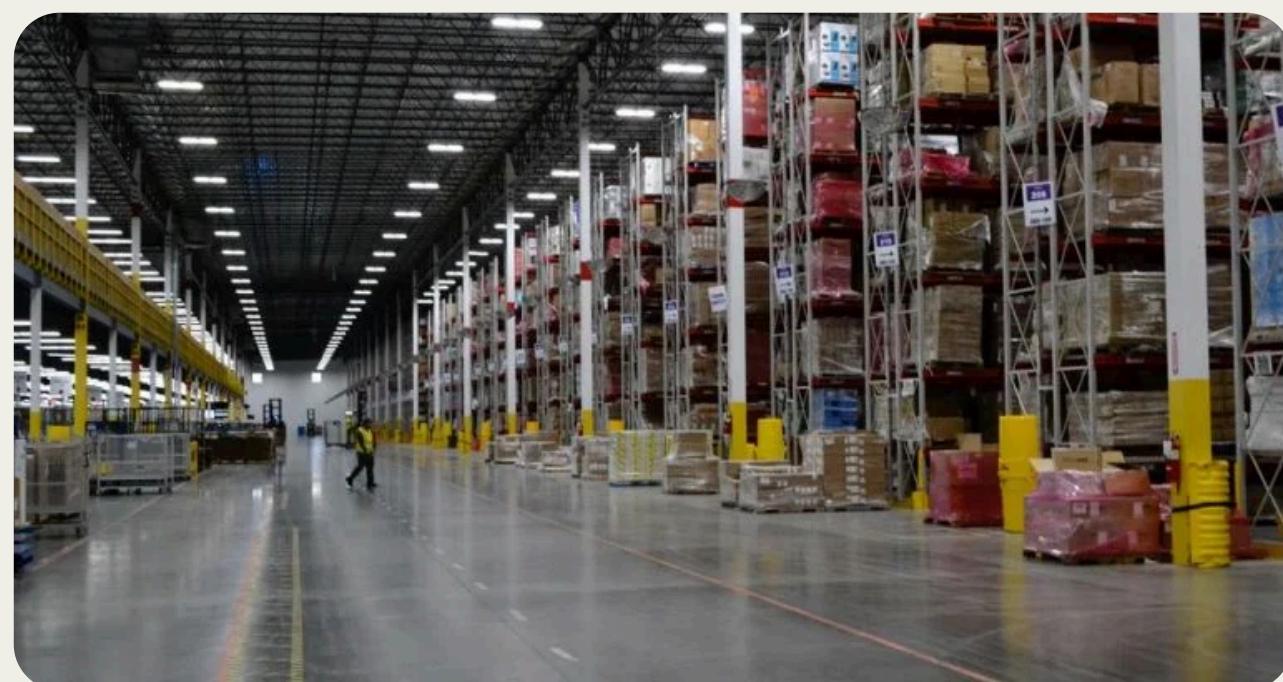
SHORT-TERM 1-2 YEARS

1. Improve employee satisfaction:

- Expand upskilling programs and improve workplace conditions.
- Introduce transparent feedback mechanisms.

2. Enhance customer trust:

- Strengthen policies for third-party sellers to address counterfeit concerns.



MEDIUM-TERM 3-5 YEARS

1. Diversify growth areas:

- Invest further in healthcare (e.g., expand Amazon Pharmacy).
- Scale autonomous driving tech to optimize last-mile delivery.

2. Sustain AWS leadership:

- Introduce tailored solutions for SMEs and emerging markets.

LONG-TERM >5 YEARS

1. Mitigate regulatory risks:

- Proactively engage with policymakers.
- Consider breaking into semi-autonomous entities to pre-empt forced breakups.



Conclusion

Amazon's leadership in e-commerce and cloud computing brings great opportunities but also regulatory challenges.

Our analysis highlights the need for a dual strategy:



Improve compliance



Stengthen employee relations



Diversify its business model



Mitigate regulations risks

SHORT TERM ACTIONS

LONG TERM INITIATIVES

By improving trust with regulators, employees, and customers, these actions will address current risks while ensuring Amazon's competitiveness, innovation, and long-term success in a dynamic market.





THANK YOU

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