

1. Porter's Five Forces Model and other framework analysis:
 - a. Suppliers - Amazon works with a number of suppliers, making it less likely to have more impact of one of them on Amazon. Nonetheless, a contract between Amazon and Suppliers can be more beneficial in order to reduce the risk of dealing with suppliers.
 - b. New Entrants - As Amazon has already been focusing on building a trusted brand for customers for their long-term business, it is less likely for any other new entrant to take the place of Amazon soon. Also, Amazon can acquire more start-ups or partner with new entrants to have a stable place in the market even if new entrants arrive.
 - c. Substitute, Products and Services - Amazon sells the products which are available on other e-commerce sites such as Flipkart in India, Walmart and Target in the US. So, there are a couple of other substitutes for Amazon already up in the Market, but faster delivery options, quality of products and customer satisfaction can make Amazon stand ahead of all of them.
 - d. Traditional Rivals - Rivalry could be dealt with by making Amazon's online shopping experience easier and hassle-free, with suggestions, a variety of products, easy payment methods.
 - e. Customers - Apart from profit and shares, Amazon focused on creating a customer base and expanding it for a long-term business, with the help of memberships and offers. Customer loyalty has been and would, always favour Amazon for growth and profit.
 - f. Core competencies – Amazon invested in intellectual property by hiring people for strengthening the management team.
 - g. Focused on a policy called "Cut the crap out".
2. Amazon focused on the below things early in their arrival:
 - a. Focus on reducing shipping charges by moving in proximity to Ingram which was a wholesaler of books in the US.
 - b. It also moved close to a technology cluster in Seattle for better adaption to technology as well as lack of sales tax due to state rules.
 - c. Amazon's e-commerce focus was more on making it attractive, secure and easy to use for first time users with minimal information like email address, credit card and password to place an order and do the shopping.
 - d. It tried to offer more selection through the catalogue, made it easy to search the book which is required and browse – thus making it more user friendly.
 - e. The launch of Amazon Associates allowed users to link to Amazon and earn a commission.
 - f. Expanding database with books of all varieties by creating Advantage program, Amazon.com Kids, acquiring international market such as UK and Germany through Bookpages (UK) and Telebook (Germany).

3. Amazon Marketplace Analysis:

- a. Amazon marketplace was beneficial in terms of a no-need for more warehouses or infrastructure as it was listing products from third-party retailers.
- b. After launching FBA, sales increased helping Amazon grow and expand its horizon, venturing into offering loans to sellers.
- c. This not only gained Amazon a profit but also access to information about popular products and their sellers.
- d. The pitfalls could be relationship maintenance with third-party retailers and sellers, provided no tight contract is present between these.
- e. Risk of losing sellers due to competitors present in the market for offering easy to use platform, less value or more quality in a product.

4. Business decisions behind the below services by Amazon:

- a. Amazon Prime - This membership grew rapidly and helped Amazon reach millions of customers in no time, as it offers services like two-day/one-day delivery, free-shipping. Amazon tied customers to them with the help of this membership. It also offered free streaming of videos.

The demerit could be an inability to fulfil the services offered due to unavoidable circumstances and losing customer trust.

- b. Kindle Fire - This device was launched to serve the purpose of downloading and reading books, magazines, etc. at first, making it an e-book reader. They upgraded it to a tablet for offering video, gaming and internet capabilities, marking its global presence in the market and increasing profits.

The demerit could be always upgrading the hardware and software of the device and constant need of R&D for the same.

- c. Digital Content - Moving into digital content helped amazon sell more digital books than physical, amazon music increased the base of customers making it reach 55 million users, Prime's Instant video was the 2nd most popular service making Amazon established in it. In this way, Amazon tried to expand it in every possible field.

The demerit could be constantly upgrading and competing with the competitors in order to stay afloat and survive. Offer new and variety of content, seamless streaming, better quality and thus investing in more competent and skilled persons.

- d. Amazon Web Services - AWS offered cheap storage and cloud services making Amazon generate more revenue and conquer 1/3rd world's cloud business. AWS also contributed to half of Amazon's operating profit.

The demerit could be susceptibility to security attacks, data breaches, hacking or phishing due to the online presence of data over the internet, so more investment in cybersecurity.

5. Expansion of Physical Stores:

- a. I would not recommend Amazon for opening a normal physical store of books as it would not only cost infrastructure but also limit inventory. Instead, Amazon can come up with Book cafes and offer books along with surfing, browsing the internet or working from a cafe, with some benefits for Prime members.
- b. Physical stores for groceries are recommended as many people are still not adapted to online shopping and feel more convenient in checking products offline and then buying. One store in each prominent area is what I would recommend with first investing in a smaller number of products or stocking up less, and then as per the customer interaction, increase in the same.
- c. Amazon can also invest in physical stores for apparel and electronics as it would make a purchase with trials and return without hassle more convenient and easier. Also, Amazon should offer a similar price as it offers online, to attract more customers in physical stores.