The Economy of Amazon

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Amazon, as you have known for years, is a multinational technology company which is focused on mainly three sectors - e-commerce, cloud computing, and artificial intelligence. Amazon is listed among the “Four Horsemen” - Google, Facebook, Apple, and Amazon. Amazon Inc. has been given this position due to its market capitalization value, brand equity, creative disruption technique and is hyper-competitive in terms of technological innovations. Its main protagonist, Jeff Bezos, is the founder, Chairman, and CEO of Amazon Inc. Amazon began its business by selling books in its initial stages and being the largest online retailer, have been selling a wide range of product and services to the customers.

**Initial Phase of Amazon**

In the year 1994, Jeff Bezos incorporated Amazon in Washington and initiated the business of online store for selling books in the year 1995. The company saw its expansion in diversified business sectors and various operations throughout the 1990s and 2000s. Amazon started including a vast range of product and services for its huge customer base in the US and other countries. The company extended its scope to European countries in 1998, Japan in 2000 and China in 2011.

**Amazon Inc and its impact on US economy**

Amazon has always been on the toes to deliver the best to its customers and this efficient way of working has helped Amazon to exceed the market cap value of Walmart and it will be doing the same in the years to come. Within the time period of five years, one-fifth of the US’s economy ($3.6 trillion approx.) has shifted to online retail shopping. Amazon as always analyzed the situation and is already making plans to capture the two-thirds of that share. By the end of the year 2017, Amazon was holding a portfolio of $22.28 billion in various cash equivalents and also in marketable debt securities. The company also has equity investments worth $737 million in public and private sector companies.

**Amazon’s Future Plans and Investments**

According to the survey and study in 2017, it has been reported that Amazon has already captured 4% of US retail sales and 44% of US e-commerce sales. It was also reported that the biggest product sales in 2017 were due to consumer electronics that almost estimated about $8.5 billion in sales. Currently, the company is hunting for a city that would pool in significant tax breaks and bring in tech talent with the estimated investment of $5 billion.

**Conclusion**

Aamzon Inc. has been maturing and keep on improvising the quality of its product and services to impart a better buying experience to the new and retaining customers, helping them to cut down the costs of commuting and increasing the level of customer convenience. Amazon has pulled itself out of the competitive zone and proved to be the largest selling online store by launching Amazon Prime. No other online or retail store has managed to cope-up with the innovative speed of Amazon and has suffered by not adapting to advanced technological changes. Amazon is a potential competitor for other online retails stores which in turn will prove beneficial for customer’s wallets and will have a great impact on the US economy.