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Amazon.com - A Comprehensive Case History

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Abstract and Figures

In many ways, Amazon.com is perhaps the company that is most closely tied with the E-Commerce phenomenon. The purpose of this case is to present a balanced and up-to-date business history of the company.



Amazon.com's Stock Price Path... provides Snapshot of Amazon's... Amazon.com is the leader: Top E... Growing E-tailer...

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CASE #1- AMAZON.COM- A BUSINESS HISTORY¹ **TO APPEAR IN-"E-COMMERCE MANAGEMENT: TEXT AND CASES" BY** **SANDEEP KRISHNAMURTHY(sandeep@u.washington.edu)** **(LAST UPDATED ON SEPTEMBER 27, 2002)**

Introduction



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diverse as Music CDs, Cookware, Toys and Games and Tools and Hardware. The company has also grown at a tremendous rate with revenues rising from about \$150 million in 1997 to \$3.1 billion in 2001. However, the rise in revenue has led to a commensurate increase in operating losses leaving the company with a large deficit. The company did make its first quarterly profit of \$5.8 million in the fourth quarter of 2001. But, this was dwarfed by large cumulative losses. Its share price, as shown in Figure 1, is perhaps the biggest symbol of the rise and fall of the dot-coms.

[Insert Figure 1 About Here.]

The purpose of this case is to present a balanced and up-to-date business history of the company.

Background

The story of the formation of Amazon.com is often repeated and is now an urban legend. The company was founded by Jeff Bezos, a computer science and electrical engineering graduate from Princeton University. Bezos had moved to Seattle after resigning as the senior vice-president at D.E.Shaw, a Wall Street investment bank. He did not know much about the Internet. But, he came across a statistic that the Internet was growing at 2300%, which convinced him that this was a large growth opportunity. Not knowing much more, he plunged into the world of E-Commerce with no prior retailing experience².

□
He chose to locate the company in Seattle because it had a large pool of technical talent and since it was close to one of the largest book wholesalers located in Roseburg, Oregon. Clearly, he was thinking of the company as a bookseller at the beginning. Moreover, the sales tax laws for online retailers state that one has to charge sales tax in the state in which one is incorporated. This means that for all transactions from that state the price would be increased by the sales tax rate leading to a competitive disadvantage. Therefore, it was logical to locate in a small state and be

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Quartermaster supplier's pricing problems in dual channel strategy of VMI & TPL mode

December 2017 · Procedia Computer Science

Wen Liu · Hai-Yan Wang · Long-gang Li



Under the background of civil-military integration, with the rapid development of electronic commerce, many military suppliers are trying to open a direct channel to change its traditional channel structure. The opening of electronic direct marketing channels has a vital role on preempting and expanding market share, and increasing military suppliers' bargaining power in the channel. Internet ... [\[Show full abstract\]](#)

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Article

Customer Perceptions of Services Brands: A Case Study of the Three Major Fast Food Retailers in the...

June 2002 · Management Research News

 Peter Jones · Peter Shears · David Hillier ·  Colin Clarke-Hill

Briefly covers the development of the "brand" concept in marketing before looking at the experience of the service brand. Outlines the development of the fast food sector in the UK and discusses the make up and growth of McDonalds, KFC and Burger King in turn. Gathers customer perception about each brand by the use of discussion groups. Concludes that the ideas of focus, consistency and value ... [\[Show full abstract\]](#)

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Article

Transaction - and Trust-Based Strategies in E-Commerce - a Conceptual Approach

July 2000 · Electronic Markets

 Torsten Tomczak · Ben Birkhofer ·  Marcus Schoegel

With the increasing importance of ecommerce (electronic commerce) for marketing and distributing consumer goods to end users, companies will have to face new challenges. Traditional retailers and manufacturers have to develop a corporate strategy to establish their presence on the Internet. Companies entering e-commerce have different prerequisites, assets and capabilities. Depending on their ... [\[Show full abstract\]](#)

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Chapter

Aggressive sales tactics on the internet and their impact on American consumers

January 2011

C. Rockefeller

In May 2009, Chairman Rockefeller launched an investigation into a set of controversial e-commerce business practices that have generated high volumes of consumer complaints. Since that time, Commerce Committee staff has been investigating three Connecticut-based direct marketing companies - Affinion, Vertrue, and Webloyalty - as well as the hundreds of online websites and retailers that partner ... [\[Show full abstract\]](#)

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