



A STUDY ON AMAZON'S GROWTH MODEL

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Introduction

An online retailer, Amazon sells a variety of products; it includes books, music, movies, electronics, and apparel etc. The reason behind its success is its customer focus, its innovation, and its willingness to take risks. It is always finding new ways to improve the customer experience, whether by developing new products or by improving its delivery and fulfillment processes. It witnessed success in developing its own proprietary technologies, such as the Amazon Kindle and Amazon Prime. Amazon is guided by four principles: customer obsession rather than competitor focus, passion for invention, commitment to operational excellence, and long-term thinking. Amazon strives to be earth's most customer-centric company. The author tries to find out how Amazon is dominating ecommerce, leaving competitors in the dust and how it achieve success through Technological Innovation and Customer Satisfaction.

Objective

1. To know the Techological Innovation and Customer Satisfaction.
2. To analyse its growth trend in the last four years

Journey

Amazon.com, Inc. (AMZN) is the world's biggest online retailer, dealing with over 30 product categories (books, video games, fashion, computers, accessories, beauty products, electronics, and more). Since its launch, Amazon has come a long way from its modest start as an online bookseller to a global ecommerce giant. Amazon was founded by Jeff Bezos from his garage in Bellevue, Washington, on July 5, 1994. Initially an online marketplace for books, it has expanded into a multitude of product categories. A strategy that earned the moniker **The Everything Store**. It has multiple subsidiaries including Amazon Web Services (cloud computing), Zoox (autonomous vehicles), Kuiper Systems (satellite Internet), Amazon Lab126 (computer hardware R&D). Its other subsidiaries include Ring, Twitch, IMDb, and Market. Due to technological innovation and the mass scale of Amazon, it has earned a reputation for disrupting well-established industries.

By revenue and market share, it is the world's leading online retailer and marketplace, smart speaker provider, cloud computing provider through AWS, live-streaming service provider through Twitch, and Internet Company. In 2021, it surpassed Walmart as the world's top retailer outside of China. A large part of this is due to Amazon Prime, which has over 200 million subscribers worldwide. It is the States. Amazon also distributes a variety of downloadable and streaming content through its Amazon Prime Video, Amazon Music, Twitch, and Audible units. It publishes books through its publishing arm, Amazon Publishing, film and television content through Amazon Studios, and has been the owner of film and television studio Metro-Goldwyn-Mayer since March 2022. It also produces consumer electronics—most notably, Kindle e-readers, Echo devices, Fire tablets, and Fire TVs.

A company that obsesses over their customers, Amazon.com launched in 1995 with the mission to "be Earth's most customer-centric company." Their actions, goals, projects, programs and inventions begin and end with the customer top of mind. In other words, they start with the customer and work

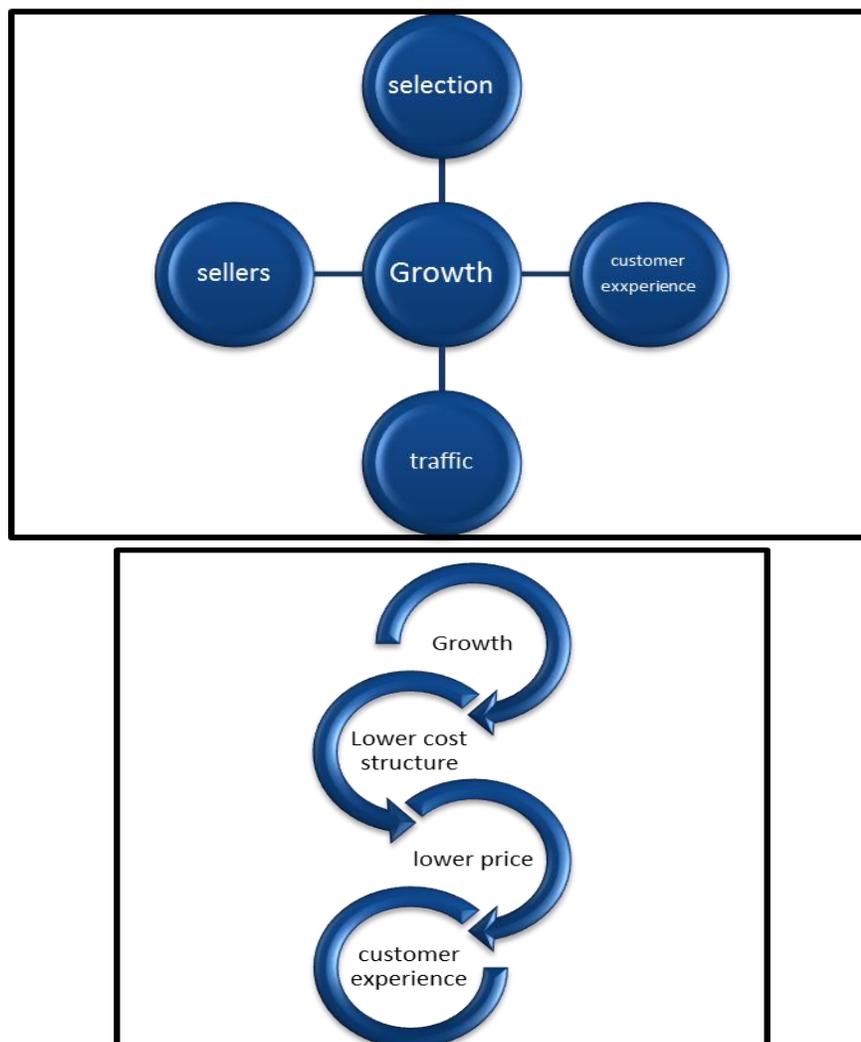


backwards. When they hit on something that is really working for customers, they double-down on it with hopes to turn it into an even more significant success. However, it's not always that simple. Inventing is messy, and over time, it's certain that they'll fail at some big bets too.

We also hear them say that at Amazon, it's always "Day 1". It's just that their approach remains the same as it was on Amazon's very first day — to make smart, fast decisions, stay nimble, innovate and invent, and focus on delighting customers.

Jeff once told “We continue to aspire to be Earth’s most customer-centric company, and we recognize this to be no small or easy challenge. We know there is much we can do better, and we find tremendous energy in the many challenges and opportunities that lie ahead.” That is kind of truth as they have grown so much over the years. They reached every household with their services and products.

Amazon is built on the concept of a virtuous cycle focused on the customer. The idea was constructed on a napkin by CEO Jeff Bezos, and still remains a living, breathing part of Amazon.





Story Behind its success

During 1994 Jeff Bezos established Amazon.com in his garage in Seattle, Washington. The company grew rapidly it become the largest online retailer in the world. Since its inception the company focused on putting the customer first. Amazon’s founder and CEO, Jeff Bezos, stated that “If we focus on the customer, the money will follow.” Amazon has continued to focus on the customer over the years, and it has paid off. Amazon is now the world’s **largest online retailer**, and it has a customer base of over 310 million people. It is selling a wide variety of products in its website. An eCommerce platform is **Amazon Marketplace**. Third-party sellers will sell their products on Amazon.com. Sellers can list products on Amazon.com, and then Amazon.com will handle the sales and fulfillment process. Amazon Marketplace is available in the United States, the United Kingdom, Germany, France, Italy, Spain, and Japan. It keeps introducing technology to assist the consumers. **One Patch a multi-channel eCommerce software** helps to manage Amazon market place. It is easy to keep listings upto date and provides powerful tools for managing inventory and order

Research Analysis

Growth and Revenue

Amazon –Year wise Revenue and Growth

Year	Revenue	Growth
2020	\$386.064B	37.62%
2021	\$469.822B	21.7%
2022	\$513.983B	9.4%
2023	\$524.897B	9.87%

Source: <https://www.macrotrends.net/stocks/charts/AMZN/amazon/revenue>

For the Twelve months ending March31st 2023 it was 9.87%.

It is now a publicly traded company with a market capitalization of over \$500 billion. Amazon.com’s success lies in its innovative business model, which allows customers to buy anything from books to furniture to electronics online. It expands beyond its core retail business into other areas, such as cloud computing and streaming media.

Though Bigbasket leads the pole for grocery. Customers depend on amazon throughout their shopping experience from choosing a product to buying it. Amazon is at the zenith of success now due to providing each customer with a personalized shopping experience. The ecommerce leader uses a customized approach to address the needs of the customers, making them feel special and giving such focused attention. They also have customer-focused approach. In every step of the buyer’s journey, no time is wasted: customers are given what they want right away.

Innovation

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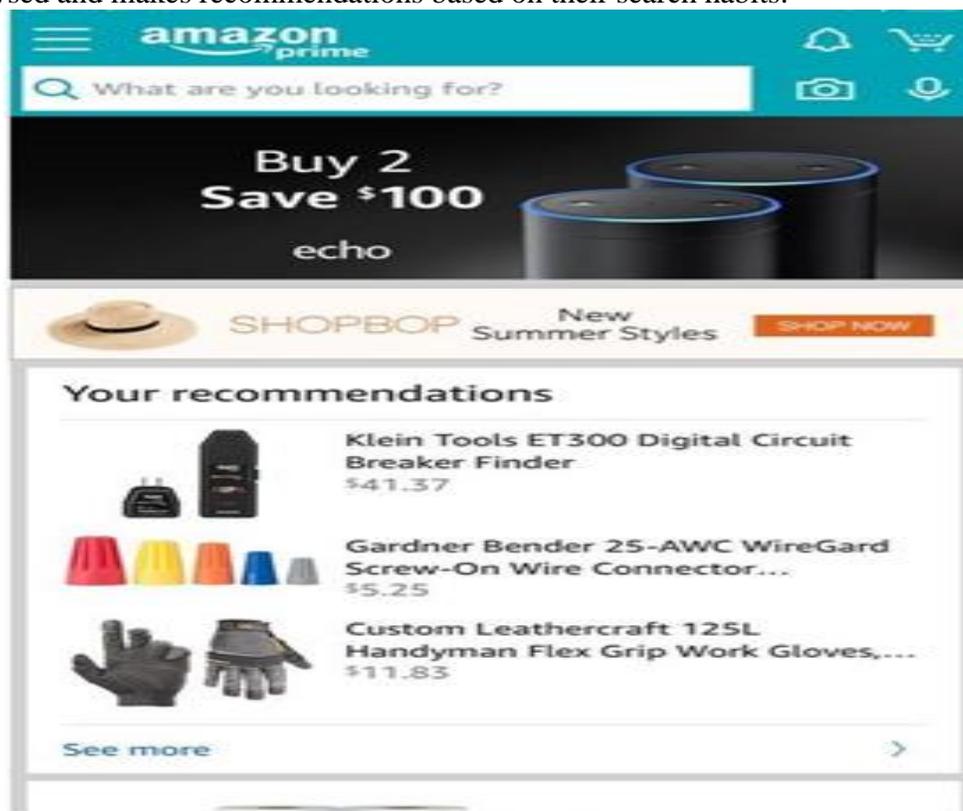


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Amazon's customer service

"It used to be that if you made a customer happy, they would tell five friends. Now, with the megaphone of the internet, whether online customer reviews or social media, they can tell 5,000 friends." - Jeff Bezos .

Amazon is constantly learning about its customers. For example, as customers search and add products to their cart, behavioral data shows trends that identify product preferences and buying behaviors. Amazon takes this information and shows customers, products related to items they've recently browsed and makes recommendations based on their search habits:



At the bottom of the homepage, customers can also see more recommendations based on recent purchases and a history of products they've recently viewed. All of this information serves to personalize customers' shopping experiences and guides them to buy more.

Amazon takes personalization further by confirming whether or not a selected product ships to the location entered in the customer profile. This is incredibly helpful because it avoids customers adding items to their cart only to find out at checkout that they can't receive it.



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Amazon also gives its customer styling ideas for the product they are viewing. For example if we are viewing a dress, it gives you pictures of different accessories that go well with the dress.

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STYLING IDEAS



Do you like this outfit?

Amazon also gives it more choices for product with different prices and different colors and patterns from different dealers.



Conclusion

The company was one of the first on the market to introduce a review system on its website in 1995. Since that time, they have improved and added new features to the review system. Amazon's review strategy is that they use solicit reviews for each product separately. It is a leader in the ecommerce industry in providing excellent customer services, social networking is a powerful tool that Amazon adopted to engage with customers and enhance the quality of its customer service.

Amazon introduced Amazon Prime in 2005. It offers multiple advantages such as special discounts, quicker delivery, and cloud storage, reduced or free shipping rates. Amazon provides its loyalty members with a whole reward ecosystem. The loyalty program does a great job of attracting visitors to the ecommerce store and encouraging them to buy something. Innovation is keystone of amazon. Its innovation strategy is customer-oriented. The services provided by the company have been significantly upgraded in recent years by implementing advanced technologies. Consider Amazon's innovative technologies – like the Echo, an impressive voice-controlled tech.

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