

15.567 Reading Guide

Session 8: Amazon.com

Amazon.com has long been a poster child of the information economy. Jeff Bezos's "get big fast" strategy led to thousands of me-too business plans: "*Our plan is to be the Amazon.com of the XYZ market...*". Today, Amazon survives, thrives, and, to the relief of investors, achieved profitability. Even so, it faces new challenges and opportunities such as cloud computing. What can other businesses learn from Amazon today?

Readings

Case: Amazon Enters the Cloud Computing Business Stanford University case 2008-353-1; May, 2008.

Marini, "Geeking Out at Amazon," *Technology Review*, Nov/Dec 2007
<http://www.technologyreview.com/article/19543/>

Optional:

Stone, Brad "Can Amazon Be the Wal-Mart of the Web?", *New York Times*, Sept 20, 2009. <http://www.nytimes.com/2009/09/20/business/20amazon.html>

URLs

- <http://www.amazon.com>
- <http://www.ebay.com>
- <http://www.walmart.com>

Study Questions

Please think about the following questions as you do the readings. Be prepared to defend your answers in class.

1. Is Amazon a technology company or a retailer? Should Amazon focus on making its platform and services available to other retailers? Is delivering Cloud Computing a good strategy for future growth?
2. How does the customer experience at eBay compare with Amazon's? How do the supply chain and logistics compare with Amazon's? How does the business model compare? What are the strengths and weaknesses of each?
3. Amazon started with a focus on books, based on Bezos's analysis of the industry and conclusion that it was well-suited for a web-based model. How far do you think Amazon can stretch its brand and infrastructure to other products and internationally? What are the benefits and risks?

4. What three things should Amazon do in the next 5 years to build on its early successes?

Required Assignment “One Pager” for Amazon Class

Please post a one page memo addressed to Jeff Wilke, Sr. VP of North American Retail at Amazon (max 300 words) analysis) by 9pm the day before Session 8. Please submit either a PDF or MS Word file, with your name, date and assignment title at the top.

Question: Based on the Amazon case you read and the other readings in class so far, what would advice would you give to Jeff Wilke and his team at Amazon?

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