Amazon Case Study

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**Abstract.** Amazon business as a website portal for goods and chattels growth in the past two decades to reach one of the best ICT organization. The curve of Amazon revenues increased sharply and most of the largest companies start to build its software using Amazon help after releasing Amazon Web Services (AWS). An explanation in this case study about the adaptive cycle that Amazon went through and the new stage of Amazon business.

**Keywords.** Amazon Web Services, Adaptive cycle, Virtual organization

**Introduction**

Achieving one of the highest revenue business is quite impossible with these great companies in the market. Amazon has fascinated the world with the struggle to list its name in the best companies in the world. Amazon has been founded in July 1994[1] as a small company in United States, this small company has changed the view of market within short period. A brief of Amazon story of success and its development cycle which allows it to have the greatest growth in the market are descritped in this case study.

1. **Amazon Strategy**

Amazon strategy depend on creating new portals and become the pioneer of the market. The market always follow the pioneer and most of the companies that deny to change disappear, as a consequence of not providing the customer needs. According to the History and Timeline of Amazon [2] Amazon influenced the market view. In 1997, Amazon introduced the 1-click shopping. After that, Amazon start to change the focus of its local market local to international one by lunching the first international sites in United Kingdom and Germany. In 2000, Introduced First Free Super Saver Shipping Offer. Furthermore, Launching Amazon Web Services in 2002 has one of the most impact to the company.
2. Amazon Adaptive cycle

After a quick review of the history of Amazon and its assumed strategy, going deep to the adaptive cycle is required to produce a clear picture. Combining the pre-activity and compare it to other companies react in each period, Amazon used to have a good study to the available market and figure out the need of
the customers. Also, the curiosity of what can be implement in the future provides a decent reason to resist.

The adaptive cycle is divided to four quadrant: Equilibrium, Crisis, New Combinations and Business. These stages form a continuous cycle process. Switching from each state to another in this closed cycle perform as: Release, Reorganization, Exploration and Conservation. These movement doesn’t necessary change the entire process but in fact it’s only looking at the process from different angle and adapt with it. Some issues can be solve by taking an abstract view and change the priority of the process to guarantee the resistance of the organization. [3]

![Figure 2. Adaptive cycle illustration. [3]](image)

2.1. Equilibrium

The state of the organization in the equilibrium phase is stable so short term prediction is needed. The focus business of Amazon before 2002 was e-commerce portal, providing some goods for its customers like books, music and cloths. Amazon in that period didn’t provide the service only to the customers in the United States but it started to spread and become international. Amazon established some branches in the United States, United Kingdom, Germany, Japan and France [2]. Also, the prediction of the direction of the market was clear to Amazon. In addition, ICT has influenced the process of selling product. The website gateway, Amazon.com, was one of the famous online shopping website in the United States.

2.2. Crisis

The fear of uncertain future starts when there is no additional value can be provide. Amazon reached one of the best organizations in its field. Also, there were so many strong competitors like e-bay. Reaching the peak is dangerous in business because if the best didn’t move ahead, it’s a clear sign to the dropping curve to occur. The situation was critical and there was a possibility to merge with another company or death. Amazon was looking for a new market on the way to get out of the crisis. The solution had to be a new product life cycle to insure the survival for the organization.
2.3. New Combinations

Amazon fetch a solution to cover the gap which the crisis created and to guarantee the resistance of the organization. In new combination, the approach which has been taken by amazon consisted three objectives: finding new market, lower the price and keep the crawling to another countries market. The crisis inspired Amazon leaders to these combination and the problem was not reaching the peak but to stop the spreading and the creativity. Changing the view of Amazon from a standard gateway to an IT service provider was the largest combination. Furthermore, Amazon web services were the new approach to return the company to life. A new market with more competitors was the solution. Google, Yahoo, Microsoft and other leaders of the business were the new competitors to Amazon. Designing and providing web services was a huge project but Amazon had a clear view of which service should be delivered first. To add, web services can execute by stages and give more ability to resist. Finally, many unsuitable combination has been dropped in this phase due to the adaptive cycle theory.

2.4. Entrepreneurship

In the entrepreneurship phase Amazon has continue spreading by launching a new branch in Canada and reduce the price for its shipment. In addition, a long term program has started to cover the web services which Amazon provide according to the vision that were developed during the crisis and the new combinations phases. The project was accumulated that means deliver new service to the bunch of Amazon web services to meet the market demand. According to the adaptive cycle, the Conservation, transition from entrepreneurship to equilibrium, toke a place as soon as the new service is tested and ready to distribute to the end user. In another word, the web service is a continued project which assure to keep a novel services to the customer and survival to Amazon market.

![Figure 3](https://via.placeholder.com/150)

**Figure 3.** The revenue of Amazon Inc. from 1996 till 2014. [5]
3. Conclusion

Amazon Web Services is a set of services which divided to categorize, the list is provided in Amazon website under AWS Documentation: Compute & Networking, Storage & Content Delivery, Database, Analytics, Applications, Deployment & Management, App Services, Mobile Services, tools for Amazon Web Services and Additional Software & Services [6]. To add, many companies rely on AWS nowadays, a sample of Amazon customers: NASA/JPL, Netflix, Coursera, HTC, IMDB, SAP, Shazam, Siemens, Recovery.org, Lambohgrini and many other great organization.

A brief description about Amazon and a step by step adaptive cycle which the company went through is discussed. In Conclusion, Figure-3 is showing the huge impact for amazon and the revenues when it was only simple shopping portal to one of the largest companies.

References