Reprogramming Amazon

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Overview

Amazon.com online shopping website
Sells broad range of products: books, music, consumer electronics, clothes, household products
Prior to 2004, high-volume, low margin business

CrunchBase.com, 1/24/2009
Key Points in History

- 1994 - Company first incorporated
- July 1995 - Online store opens
- May 1997 - Initial Public Offering
- 2004 - First year profitable in all 4 quarters

Amazon.com

2004 Success

- First year that every quarter was profitable
Business Strategy

- Develop new technology
- Improve customer experience
  - Search
  - Customer specific suggestions

Web Services
- EC2 - Elastic Compute Cloud - pay as used
- SimpleDB - database function without maintenance
- Simple Storage Service (S3) - inexpensive data storage
- CloudFront - Routes requests to nearest location
- Simple Queue Service (SQS) - Queue for messages moving between computers

Objective

- Develop web-based technology to further commerce and online retail
Strategic Stance

- Bold strategy
  - Huge benefit potential
  - Significant risk
- Jeff Bezos committed to new technology development

Key Technologies

- Patents
  - Customer-centric search engine
  - Credit Card Security
  - Data Gathering
- Warehouse operations
  - Software improvements
    - Increased volume handled, lowered costs, and decreased order mistakes
Technology Challenges

- Compatibility
  - Windows
  - Mac
  - Unix/Linux
- Consumers
  - Anticipating changing needs

Challenges in 2004

- Improving Web Services
- Improving Search functions
Development Decisions

- Resource Allocation
  - Budget
  - Personnel
  - Time Table
- Forecast future needs and consumer trends
- Maintain competitive edge

Questions?