

THE SWOT ANALYSIS OF amazon



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Being the world's leading online retailer
Three-pronged strategic thrust on cost leadership, differentiation, and focus
Enjoys top of the mind recall from consumers globally and this recognition has helped it enter new markets, which were hitherto out of bounds for many e-commerce companies
Using superior logistics and distribution systems, the company has been able to actualize better customer fulfillment



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In recent years, Amazon as part of its diversification strategy has been "spreading itself too thin" meaning that it has allowed its focus to waver from its core competence of retailing books online and allowed itself to venture into newer focus areas
As Amazon offers free shipping to its customers, it is in the danger of losing its margins and hence, might not be able to optimize on costs because of this strategy
Considering the fact that Amazon is an online only retailer, the single-minded focus on online retailing might "come in the way" of its expansion plans particularly in emerging market



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Opportunity to scale up considerably considering the fact that concerns over online shopping as far as security and privacy are concerned are among the topmost issues on the minds of consumers. Further, this would improve the company's margins as it lets it reap the advantages of using its own payment gateway
Amazon can capitalize on, relates to it rolling out more products under its own brand instead of being a forwarding site for third party products. In other words, it can increase the number of products under its own brand instead of merely selling and stocking products made by its partner



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Increasing concern over online shopping because of identity theft and hacking which leaves its consumer data exposed. Therefore, Amazon has to move quickly to allay consumer concerns over its site and ensure that online privacy and security are guaranteed
Because of its aggressive pricing strategies, the company has had to face lawsuits from publishers and rivals in the retailing industry. The obsessive focus on cost leadership that Amazon follows has become a source of trouble for the company because of the competitors being upset with Amazon taking away the business from them