



Case Analysis

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Problem Statement

Amazon, a global e-commerce leader, is renowned for its vast marketplace, innovative technology, and fast delivery. While expanding into cloud computing, streaming, and smart devices, it still faces challenges.

Competition: Faces pressure from Walmart, Alibaba, Target, and niche marketplaces offering specialized experiences.

Labor Practices: Criticized for warehouse conditions and union resistance, impacting reputation and employee satisfaction.

Environmental Impact: Logistics contribute to carbon emissions, requiring investment in renewable energy to meet regulations and achieve carbon neutrality.

Strengths Within the Company

Brand Leadership

Amazon's trusted reputation and wide product selection drive customer loyalty and market advantage.

Resources

Financial strength and tech infrastructure fuel investment in research, automation, and AI.

Innovation

Cutting-edge technologies improve delivery speed, logistics, and maintain market leadership.

Weaknesses Within The Company

Employee Turnover

Poor conditions and dissatisfaction increase turnover and costs.

Third-Party Seller Risks

Counterfeit goods harm trust and complicate compliance.

Labor Disputes

Ongoing issues affect morale, reputation, and talent retention.

Opportunities Within External Environment

E-Commerce Growth

Online shopping growth, especially in emerging markets, boosts global expansion and revenue.

Technological Advancements

AI, robotics, and vision-assisted package retrieval (VAPR) improve efficiency, while packaging reductions support sustainability.

Sustainability Initiatives

The Climate Pledge Fund and investments in eco-friendly startups enhance Amazon's green image.

Threats Within External Environment

Regulatory Scrutiny	Environmental Expectations	Operational Costs
Federal Trade Commission and European Union pressure may lead to fines, legal costs, and stricter limits on data-driven strategies.	Carbon neutrality by 2040 requires costly changes and balancing sustainability with profitability can be challenging.	Compliance with environmental and labor standards raises expenses, impacting short-term profits.

Corporate Level Strategy

Mission

Amazon aims to be the world's most customer-centric company, offering a wide selection, low prices, and fast delivery.

Goals

- Innovate customer experience
- Expand globally
- Optimize operations
- Achieve carbon neutrality by 2040
- Lead in AI and automation.

Corporate Strategy

Amazon focuses on customers, innovation and growth, investing in Prime and automation.

They excel in efficiency and global reach but must balance growth with labor and environmental concerns.

Implementation Analysis

Structure: Quick decisions, but inconsistent warehouse conditions affect satisfaction and draw criticism

Processes: Speed and automation boost efficiency but hurt well-being; balancing both is tough

Control Systems: focus on delivery speed; need to add metrics for happiness and sustainability. Performance metrics are used like on time delivery, but with that there is a growing need for metrics around employee satisfaction and sustainability

Organizational Change: Better culture and communication improve engagement

Employee Rewards: Good pay, but more work-life balance needed for retention



Analysis of Findings

Labor Relations

Pay and condition improvements help, but high turnover and workforce issues still hurt retention and Amazon's image.

Environmental Commitments

Carbon neutrality progress is slow, requiring more focused efforts to meet targets.

Competitive Strategy

Amazon leads, but rising competition and slower growth demand strategic adjustments.

Recommendation

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1. Enhance Employee Programs
2. Increase Transparency in Environmental Goals
3. Expand AI and Automation Initiatives

Enhance Employee Programs

Improve Working Conditions

- Invest in better safety measures, fairer scheduling, and wellness programs to address warehouse concerns.

Upskilling & Training

- Provide upskilling opportunities to empower employees, improve job satisfaction, and reduce turnover.

Benefits

- These initiatives will address public criticism, boost productivity, and foster a positive work environment.

#1

Increase Transparency in Environmental Goals

Set Clear Interim Targets

- Establish achievable environmental targets with regular progress updates and detailed reports.

Strengthen Consumer Trust

- Transparent communication of milestones that will demonstrate accountability and ensure compliance with regulations.

Position as a Sustainability Leader

- A proactive approach can enhance Amazon's reputation as a leader in corporate sustainability.

#2

Expand AI and Automation Initiatives

Invest in AI and Automation

- Enhance logistics efficiency and reduce reliance on manual labor.

Optimize Operations

- Address labor shortages and streamline supply chain processes.

Support Sustainability

- Minimize waste and reduce environmental impact through optimized resource use.

Maintain Competitive Edge

- Stay ahead of competitors by continuing technological advancements while supporting sustainability goals.

#3