



A portrait of Jeff Bezos, CEO of Amazon, with his hands clasped in a thoughtful pose. The background is a plain, light color.

“You could build a store online that simply could not exist in any other way.”

Jeff Bezos, CEO [amazon.com](https://www.amazon.com) - 1994



1999



2007



2009



2011



2012



2016



2017

2018



1999



2007

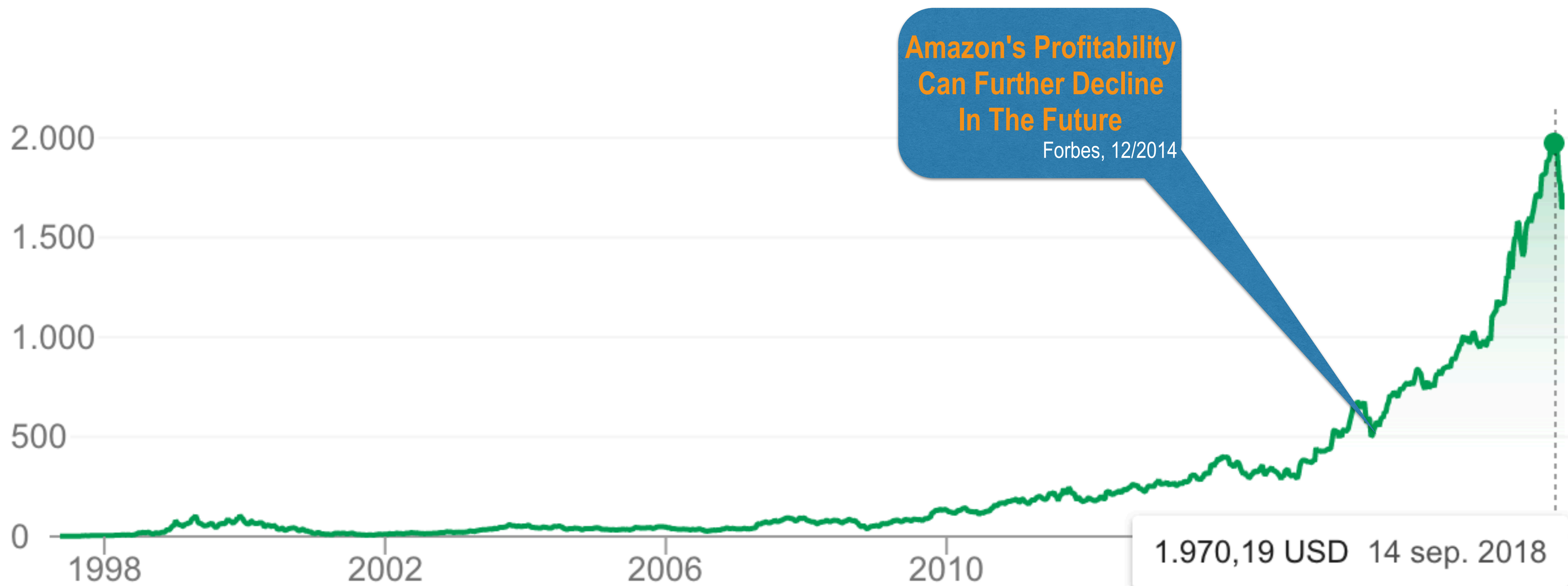


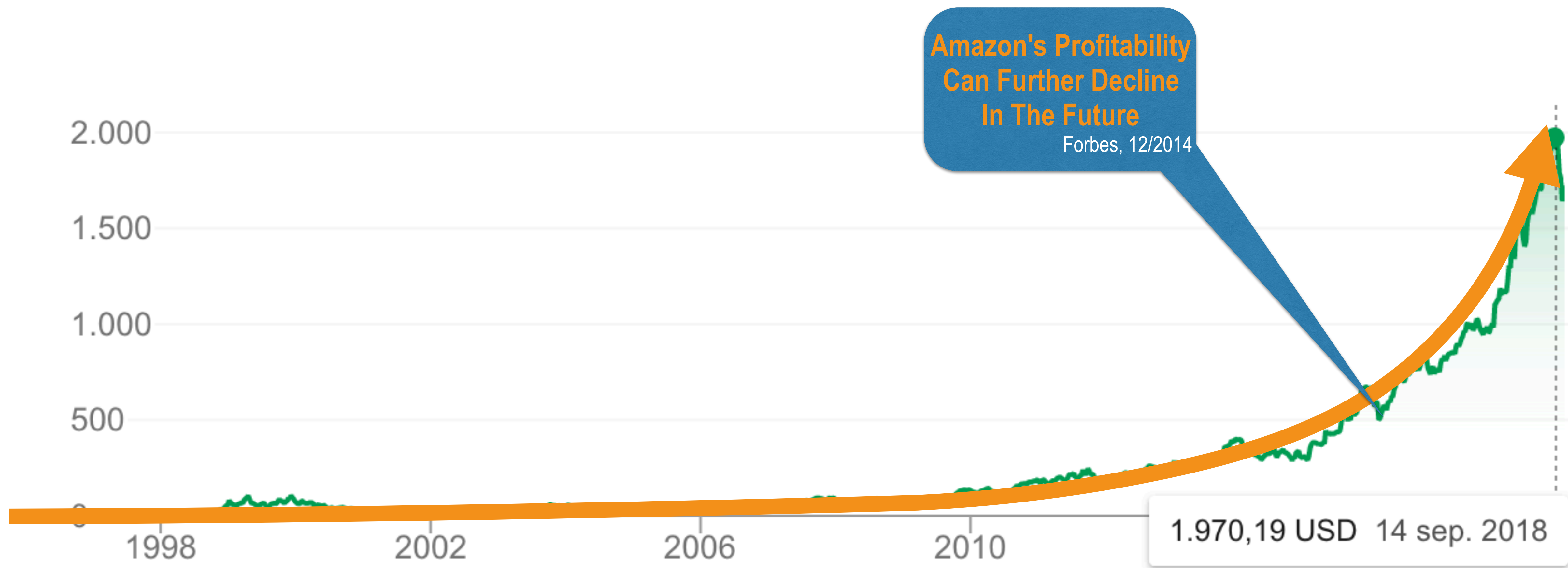
2016

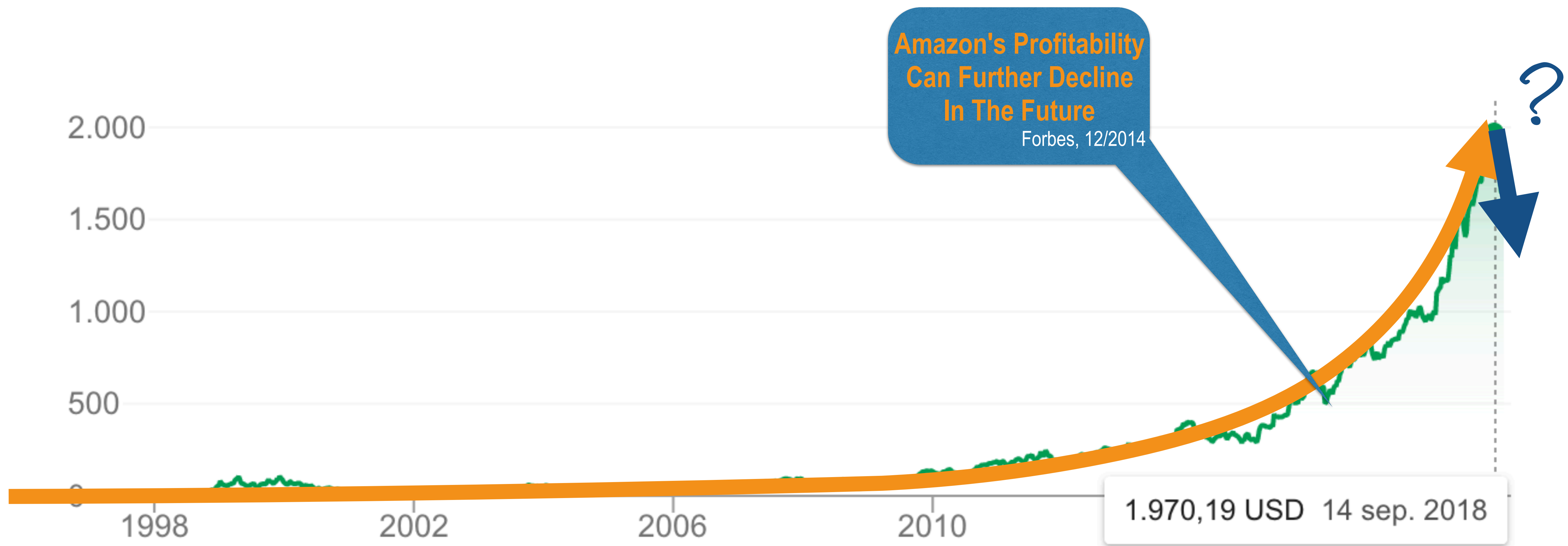


2017









March 2017

\$405B market capitalization

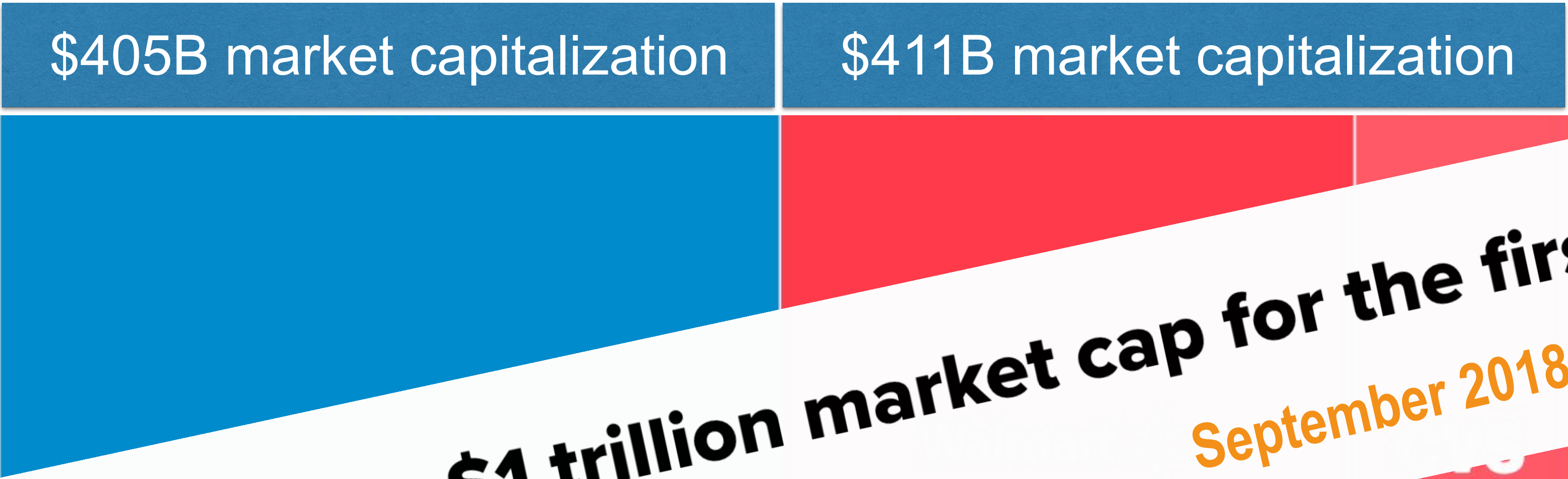
amazon.com

March 2017



Source: Yahoo Finance

March 2017



TECH

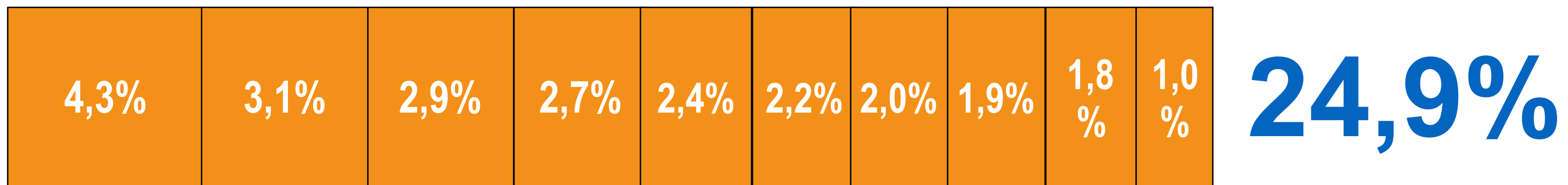
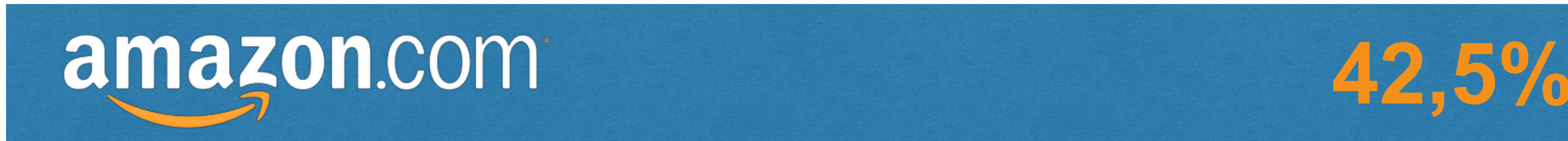
Amazon reaches \$1 trillion market cap for the first time

September 2018

PUBLISHED TUE, SEP 4 2018 • 11:39 AM EDT | UPDATED WED, SEP 5 2018 • 8:16 AM EDT



Share of online sales in the US - nov./dec. 2014



★ macy's

KOHL'S

Walmart

Target

GROUPON

Etsy

Europe TOP10 Internet Retailer - 2015 / Websales - 2014

amazon.com[®]

€ 21,1b

€ 6,5b

otto group

€ 4,0b

TESCO

€ 3,4b

STAPLES[®]

€ 2,8b



€ 2,6b

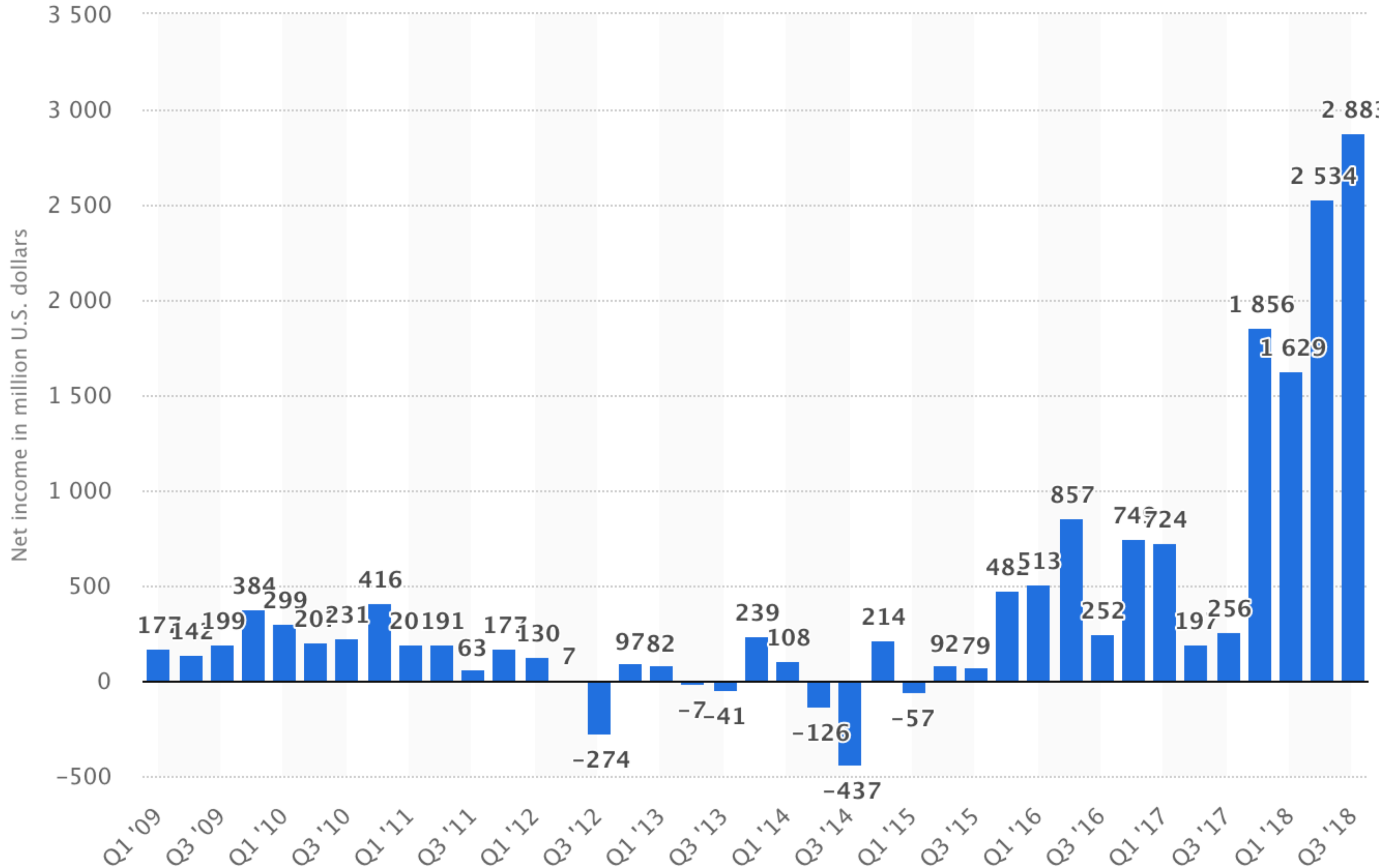


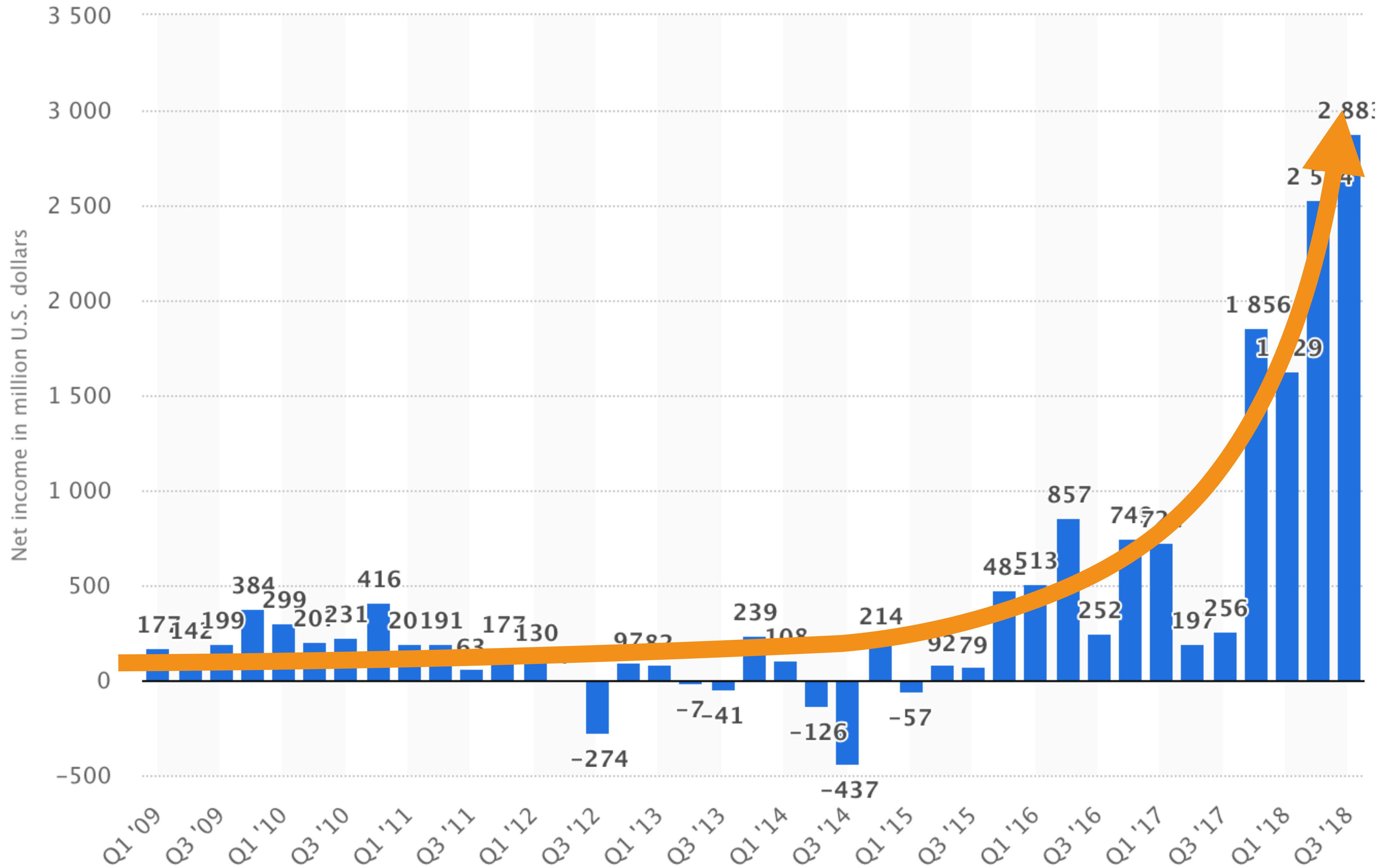
€ 2,3b

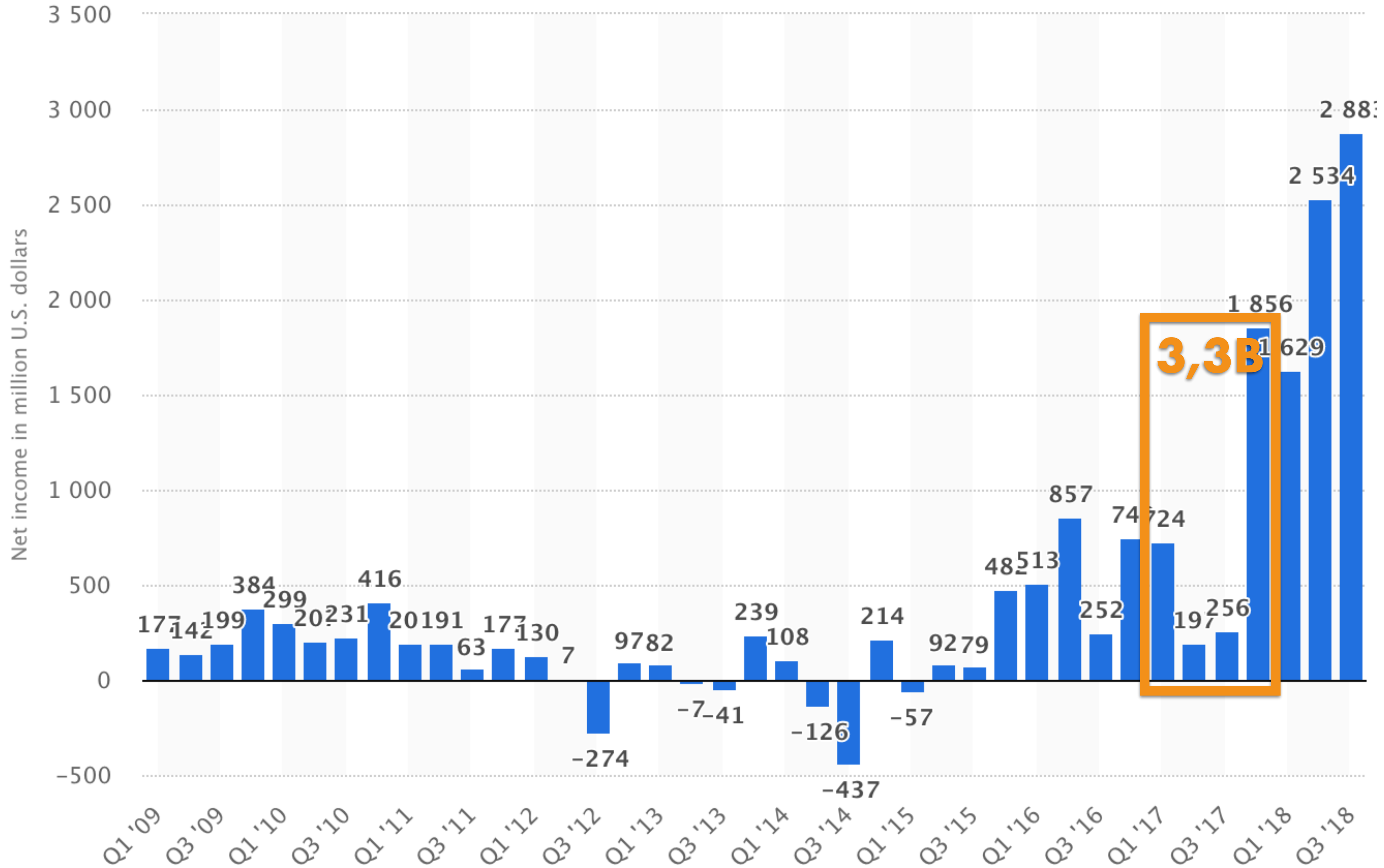
Cnova

€ 2,2b

zalando







Amazon's Impressive Long-Term Growth

Amazon's revenue and net income from 1997 through 2017 (in billion U.S. dollars)



@StatistaCharts Source: Amazon



Amazon's Impressive Long-Term Growth

Amazon's revenue and net income from 1997 through 2017 (in billion U.S. dollars)



High revenue doesn't equal high net income

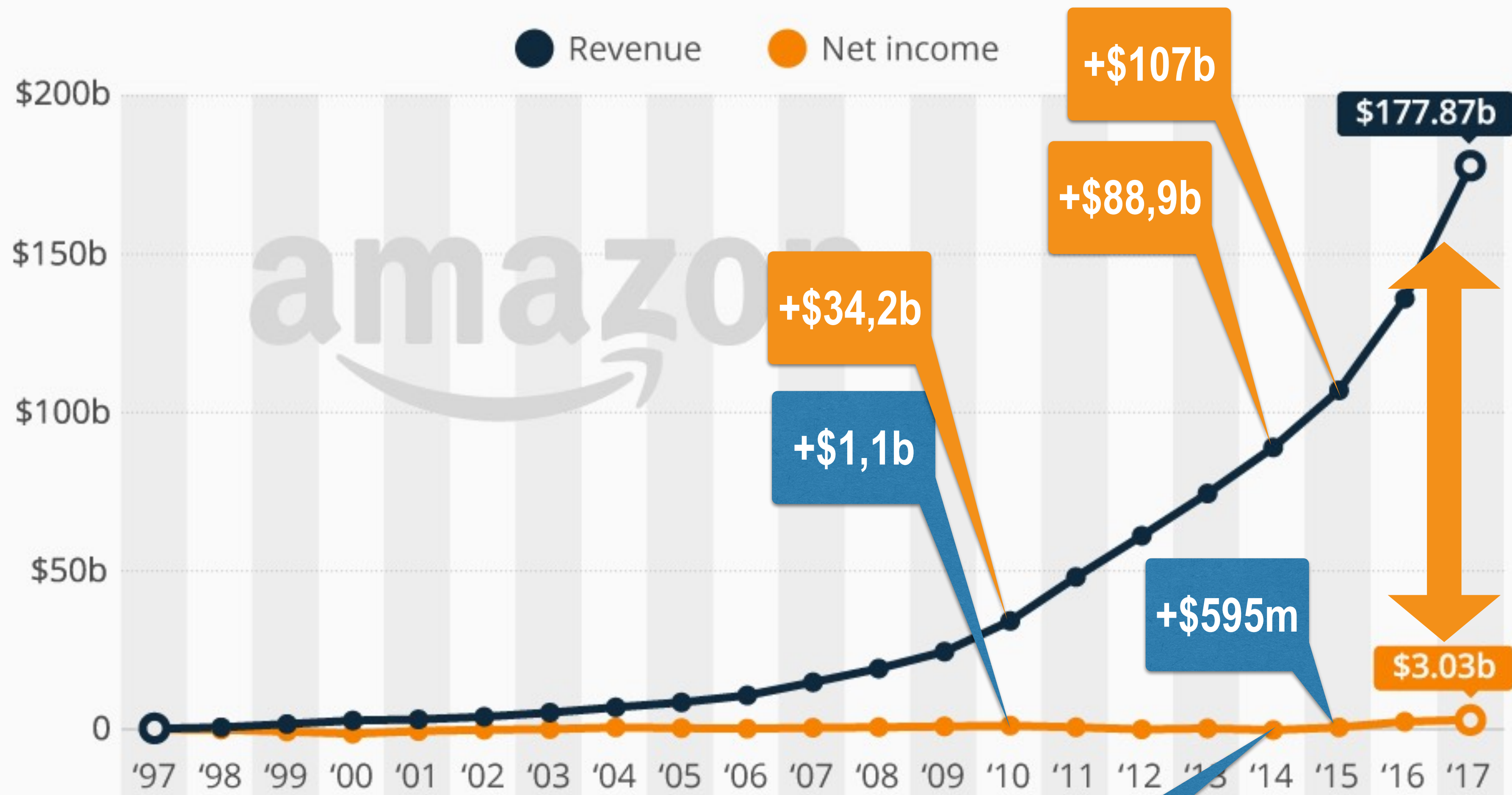


@StatistaCharts Source: Amazon



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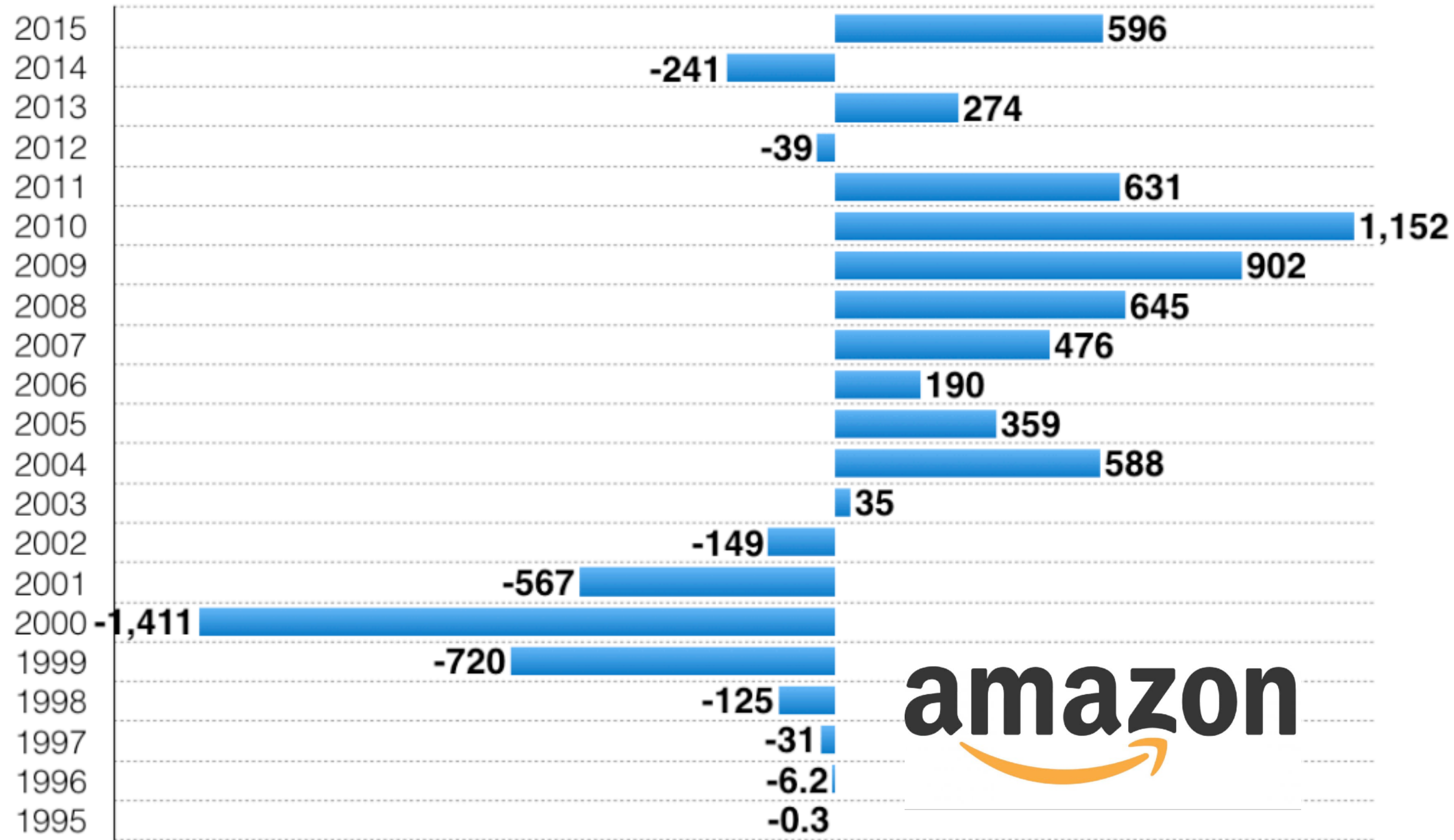


@StatistaCharts Source: Amazon

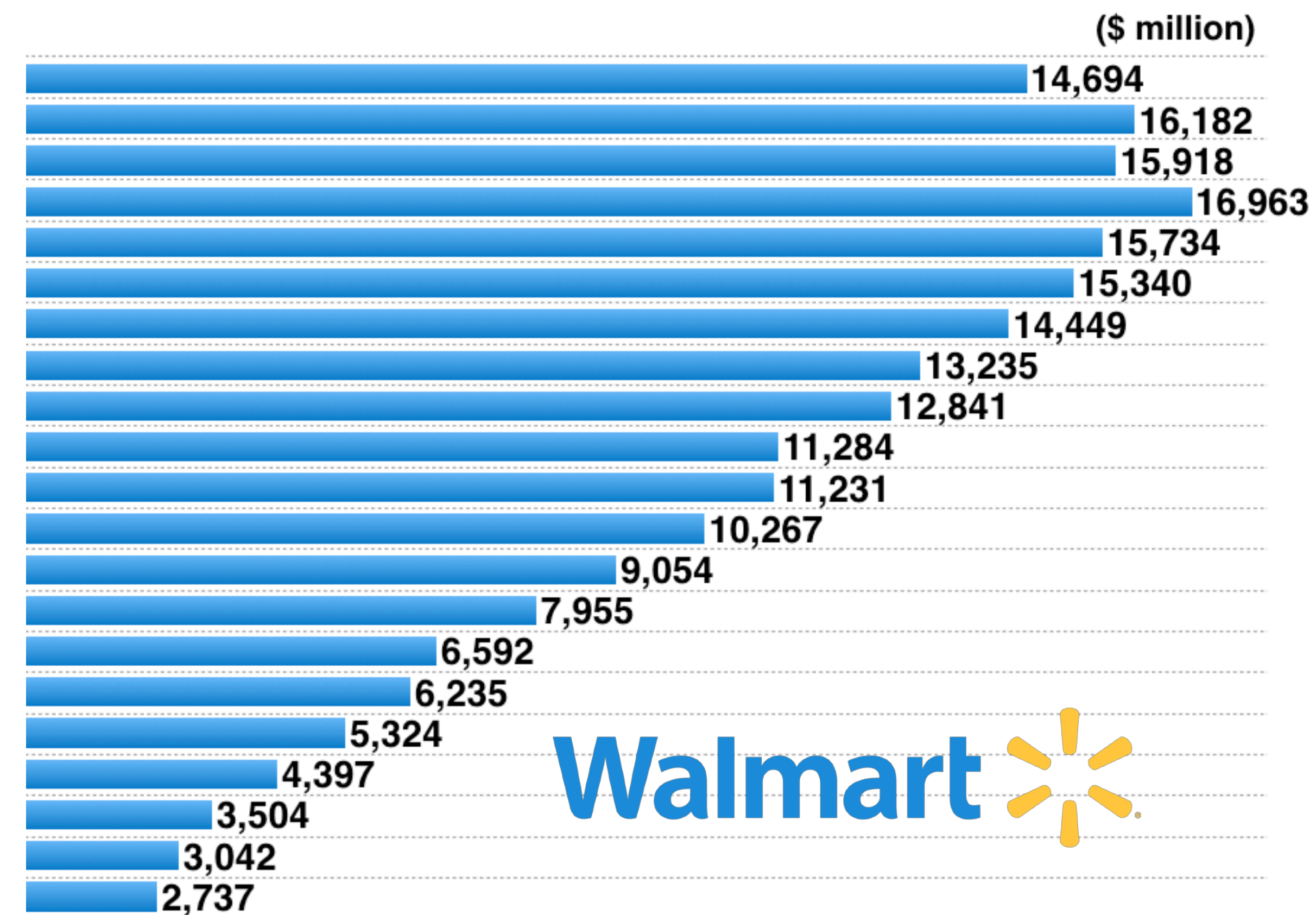
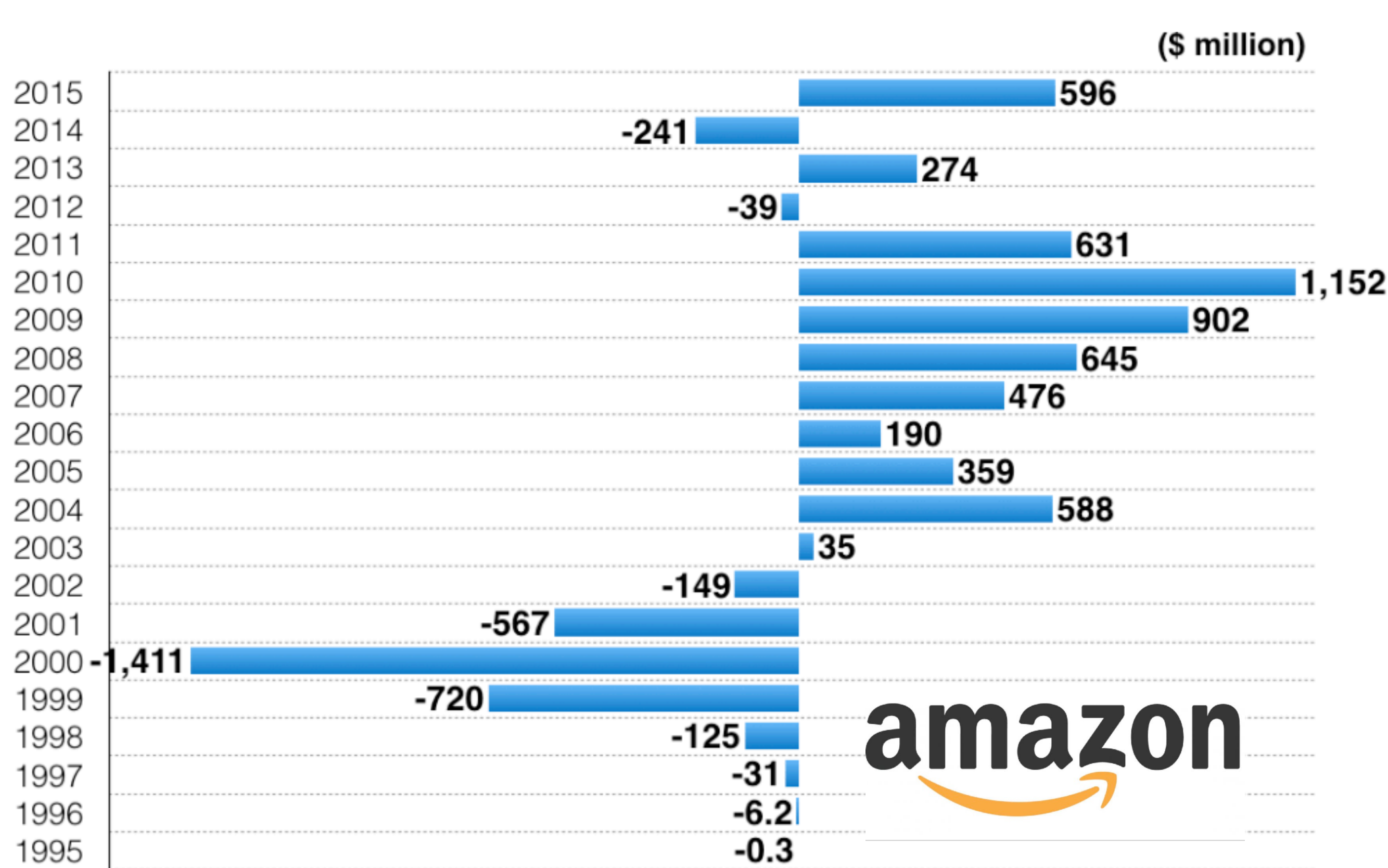


Evolution of net income

(\$ million)

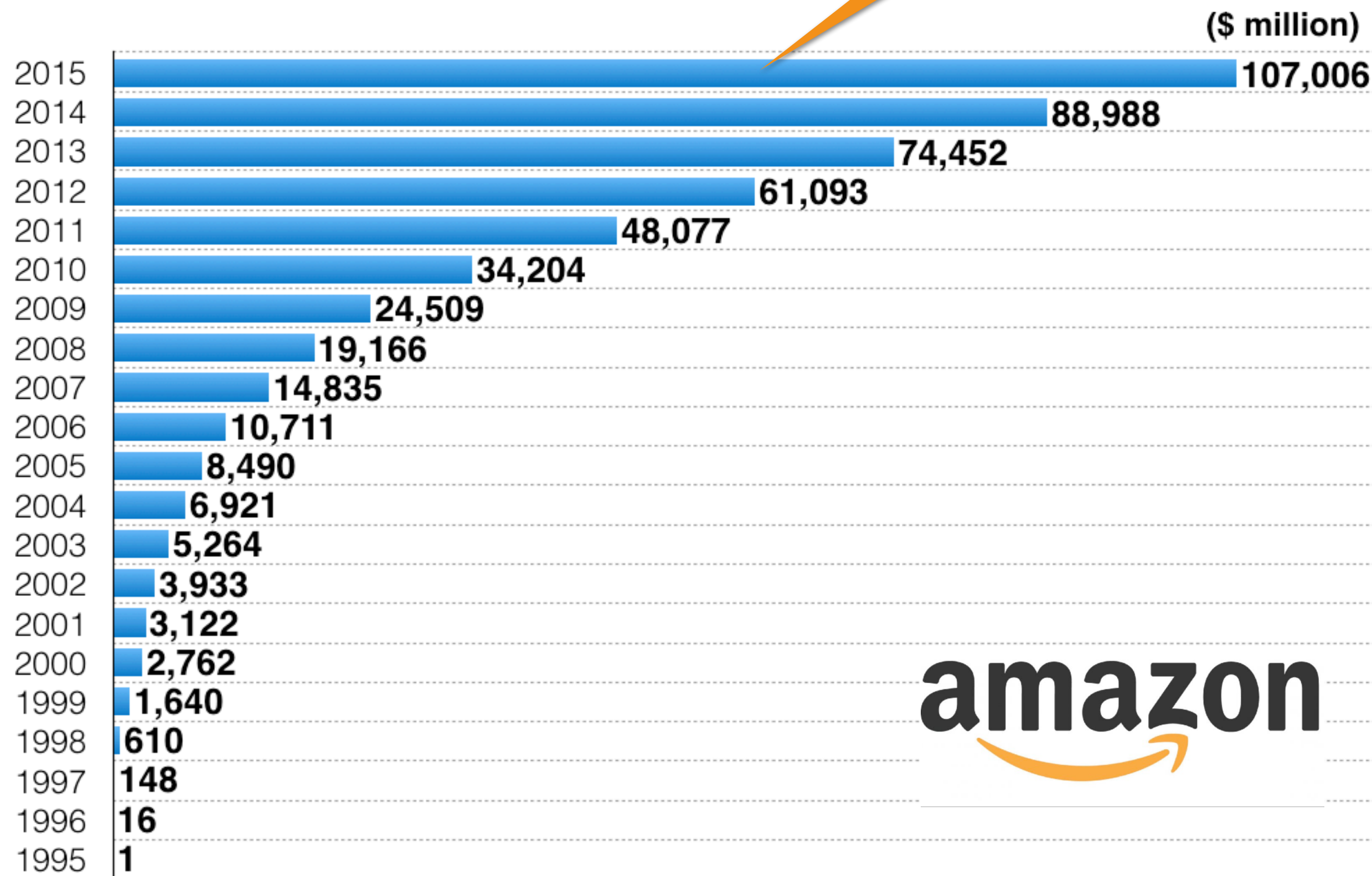


Evolution of net income

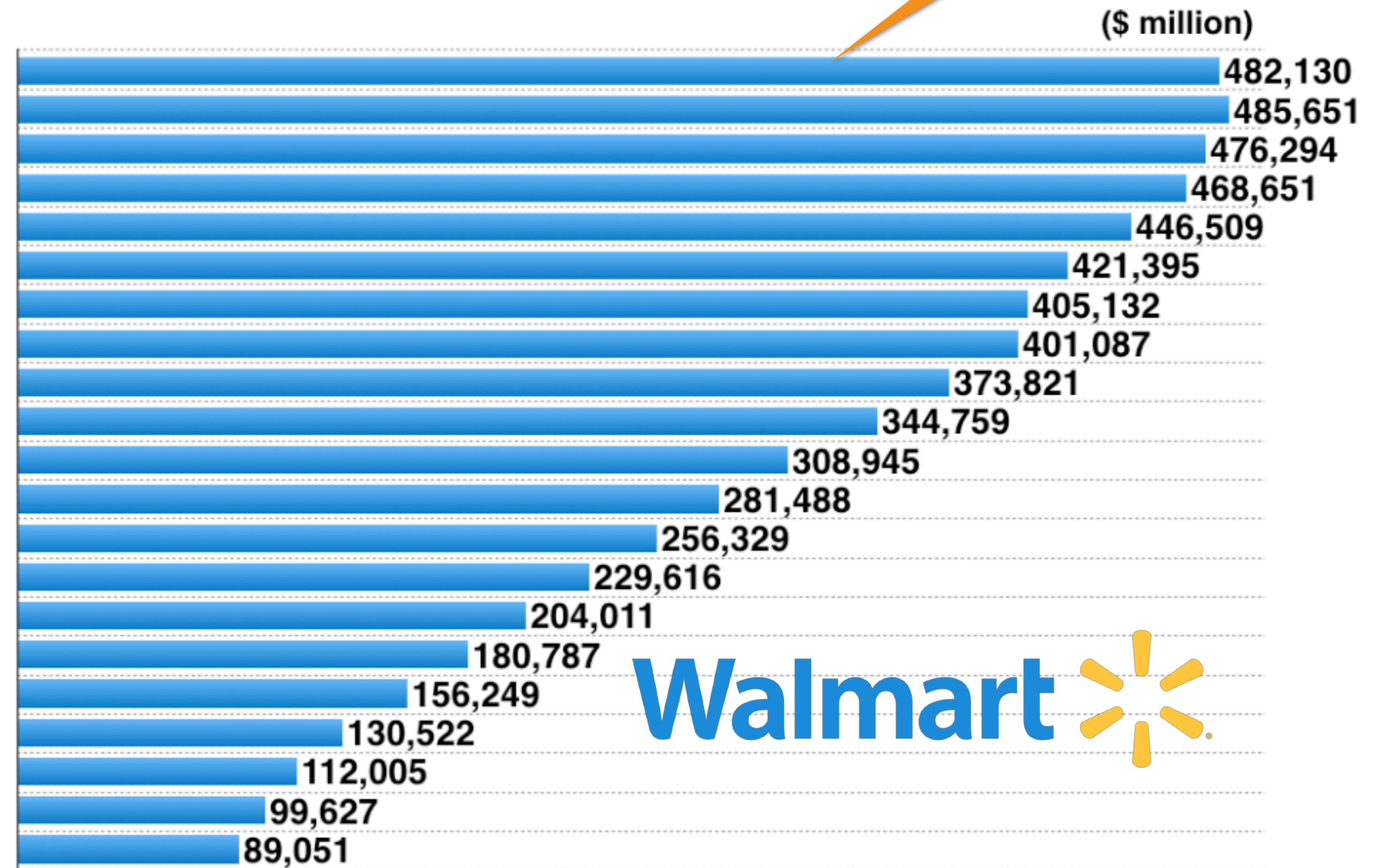


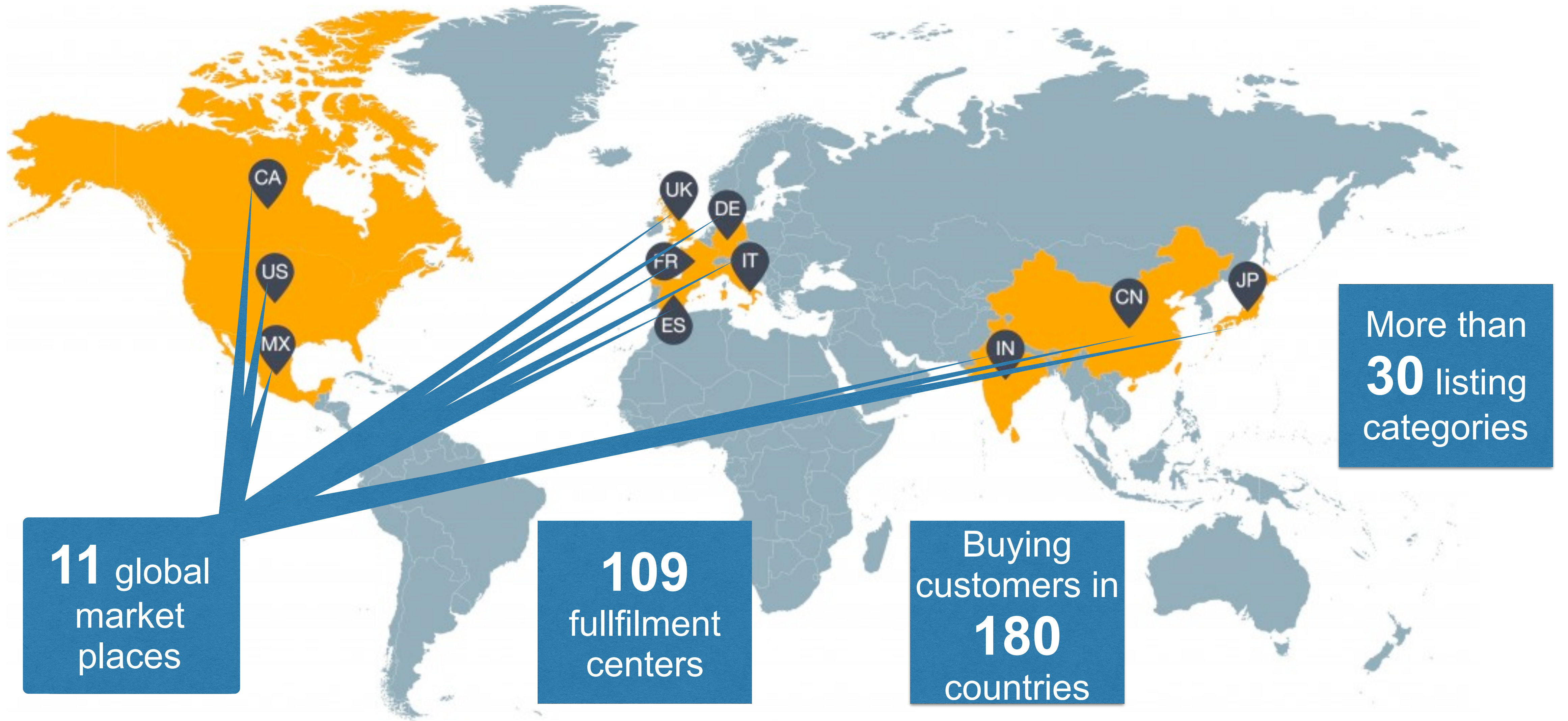
Evolution of revenue

+\$107b



+\$482b





11 global market places

109 fulfillment centers

Buying customers in **180** countries

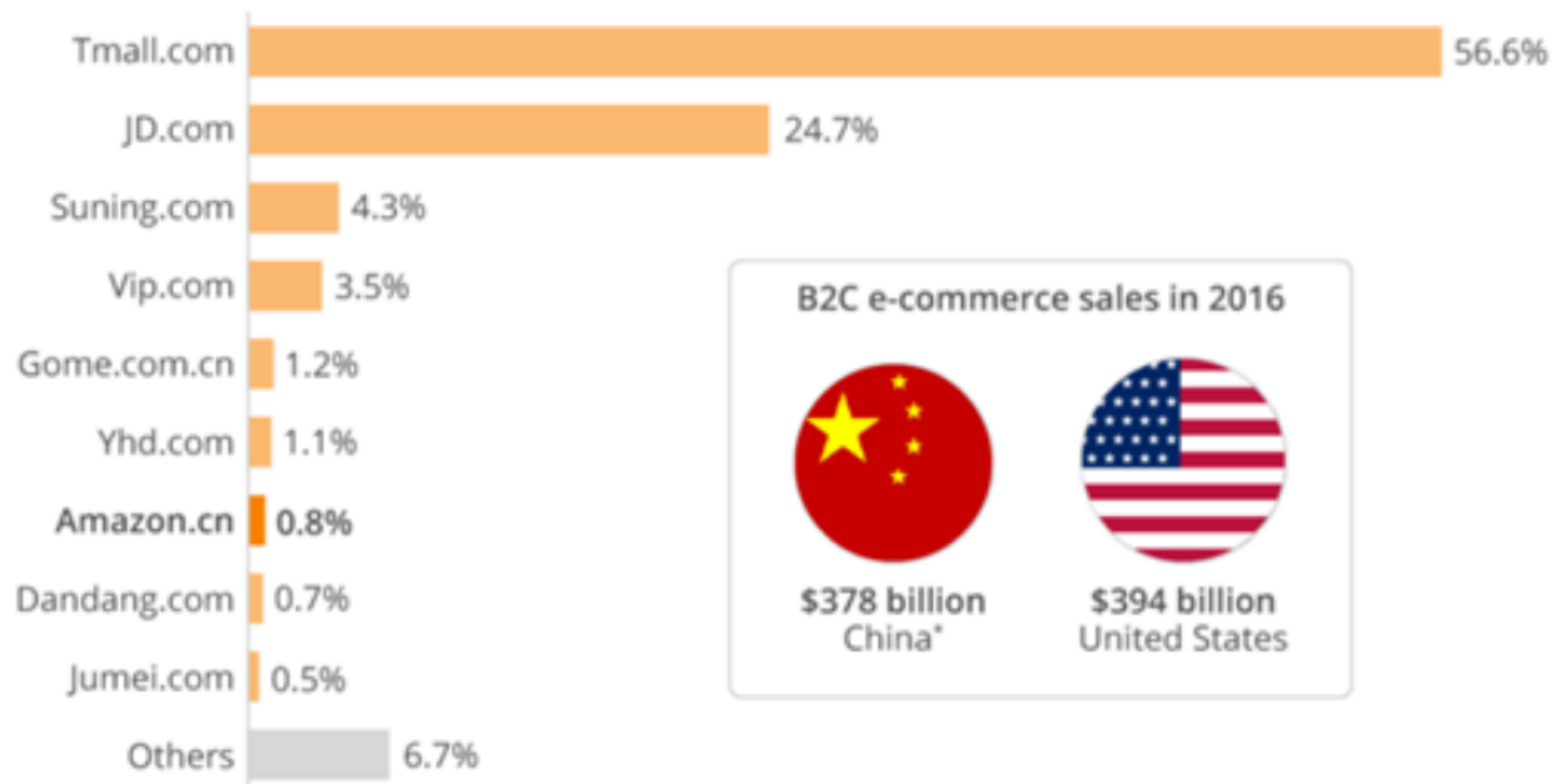
More than **30** listing categories

amazon worldmap

*As of March 2015
Source: Amazon Investor Relations

Amazon Has Yet to Crack the Chinese Market

Market share of e-commerce websites in China in 2016 (% of B2C sales)

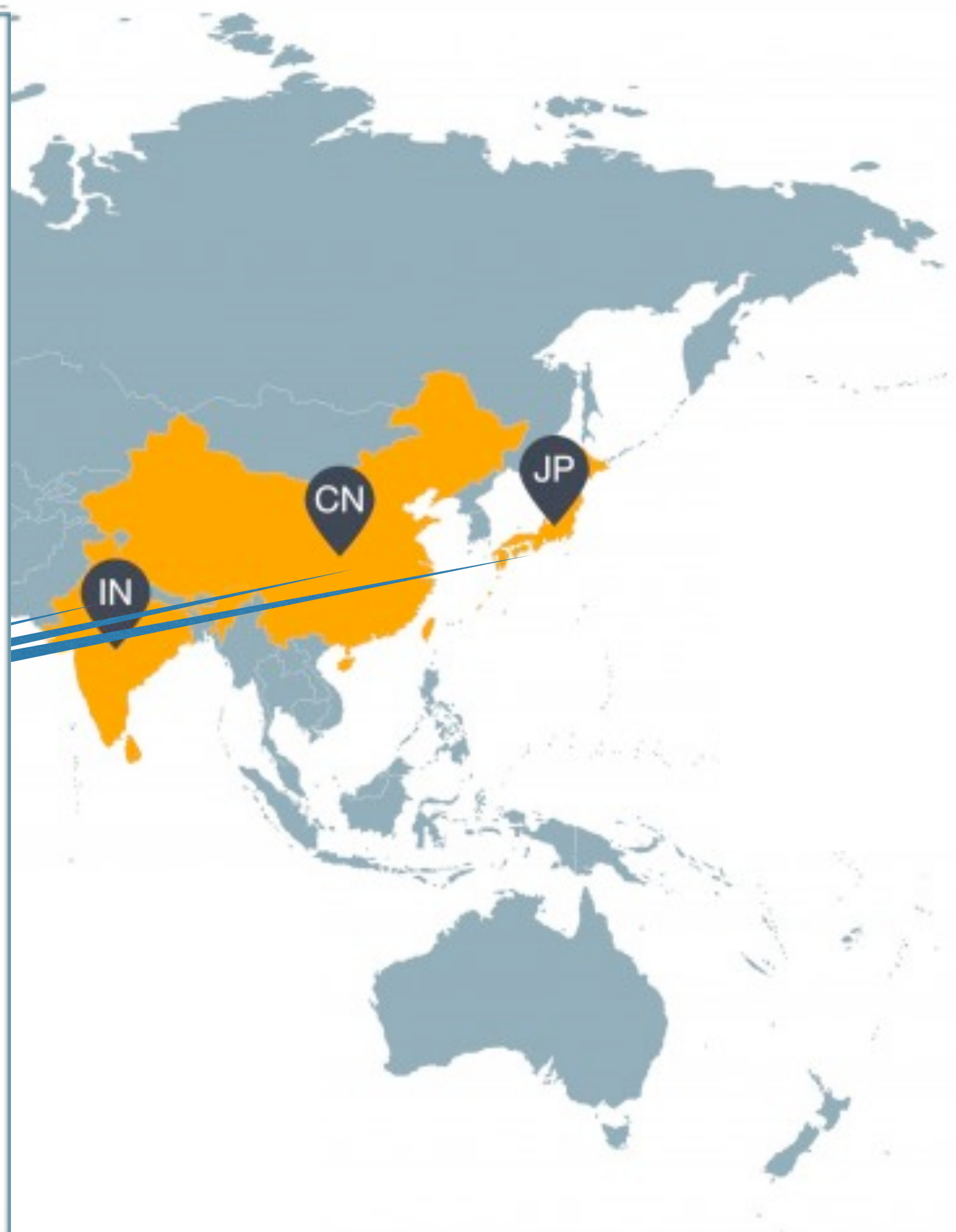


* converted from Chinese yuan to U.S. dollars at the following rate: 1 CNY = 0.145386 USD

BUSINESS INSIDER

Sources: iResearch China, U.S. Department of Commerce

 **statista**



*As of March 2015
Source: Amazon Investor Relations

Jeff Bezos carefully assessed the true advantages the internet would give him, and **push them to their boundaries.**



Jeff Bezos carefully assessed the true advantages the internet would give him, and **push them to their boundaries.**

- 1 Limitless inventory**
- 2 Customer care**
- 3 High margin, low prices**

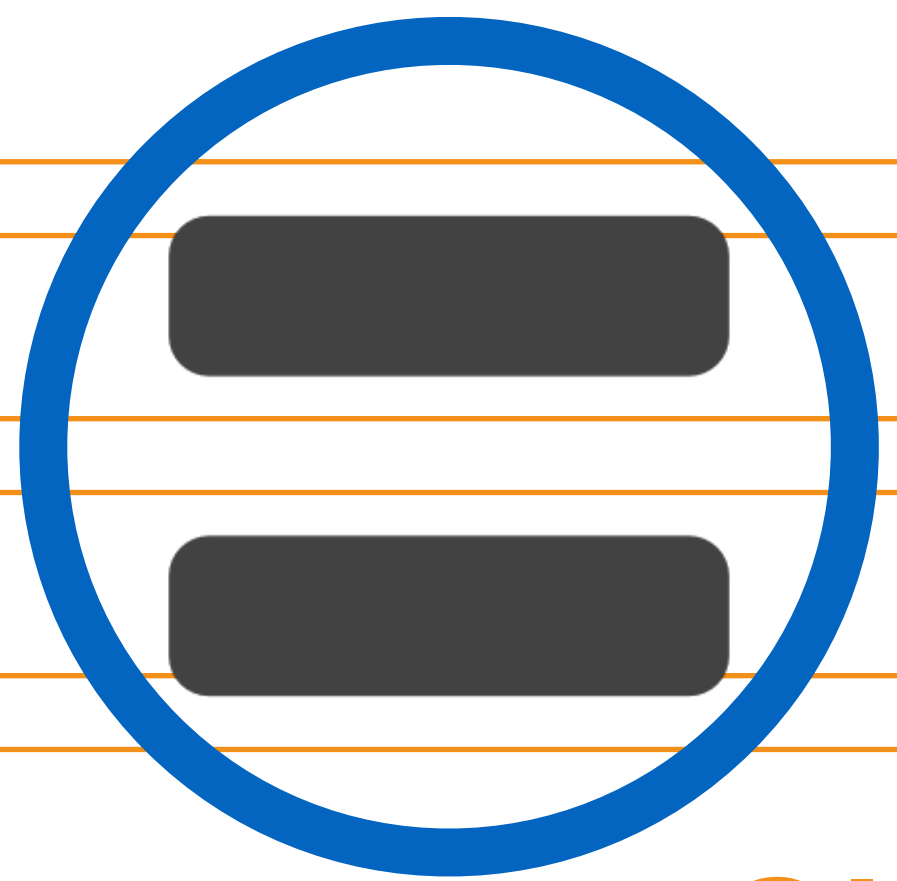


Jeff Bezos carefully assessed the true advantages the internet would give him, and **push them to their boundaries.**

1 Limitless inventory

2 Customer care

3 High margin, low prices



large selection

customer experience

low prices

Old school business model

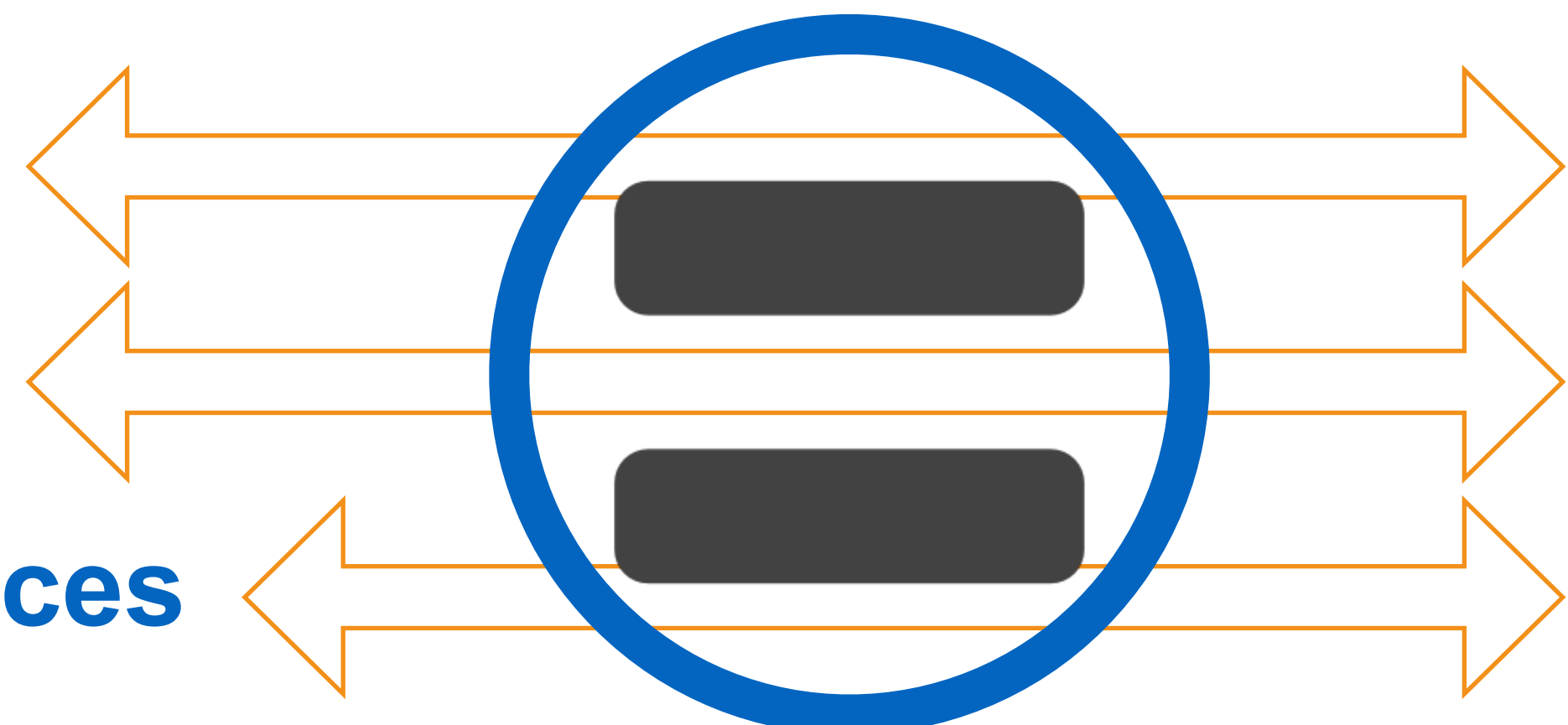
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1 Limitless inventory

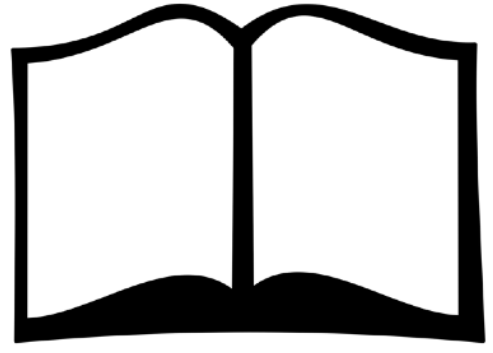
2 Customer care

3 High margin, low prices

Old school business model on steroids



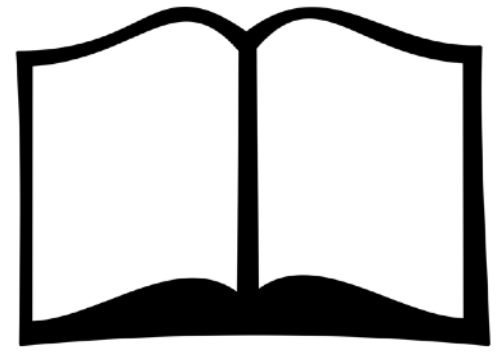
large selection
customer experience
low prices



Amazon starts with 1 product categorie,
books.

1995



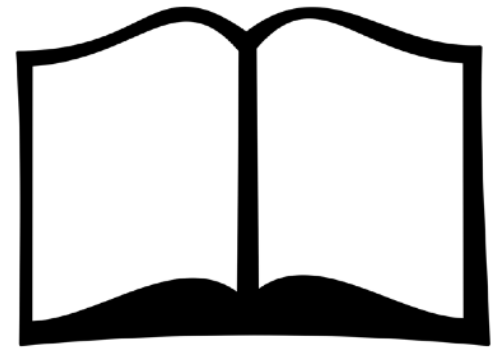


Amazon has 3 product categories,
books, music and films.

1999



large selection
over 130k collection with 280 subgenres



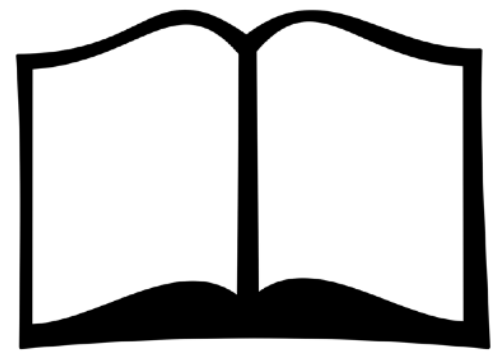
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convenience
most efficient search engine (NYT)



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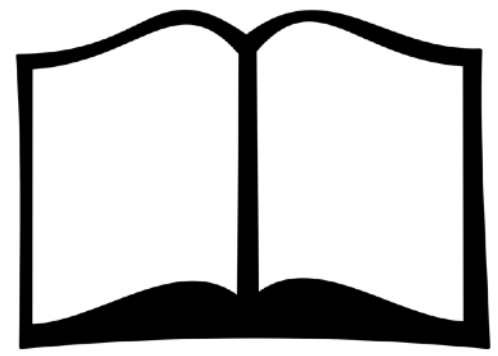
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low prices

up to 30% discount on some albums



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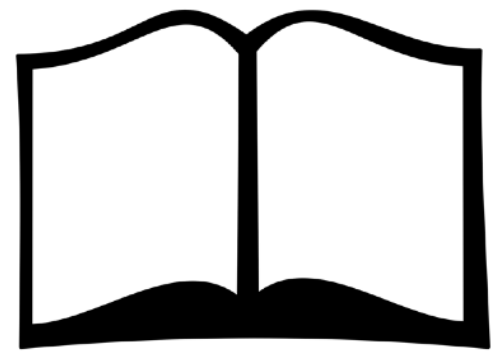


120 days
to become
the largest
online seller

large selection
over 130k collection with 280 subgenres

convenience
most efficient search engine (NYT)

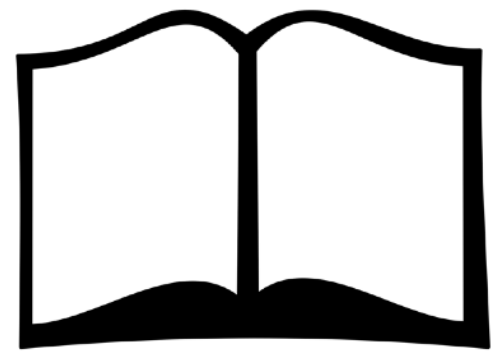
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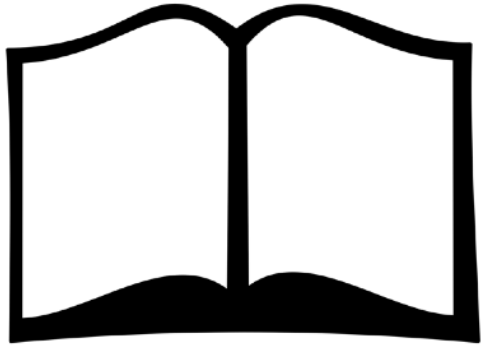
1999





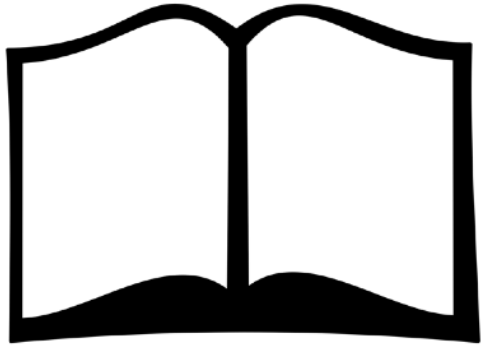
each year Amazon introduces 2 new categories





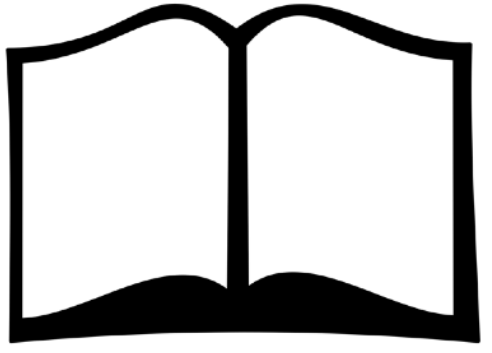
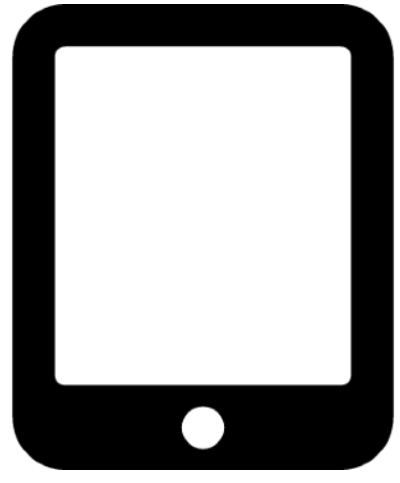
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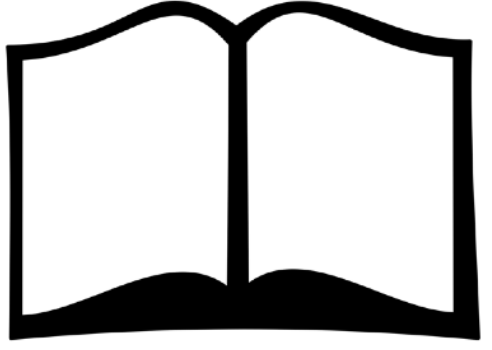
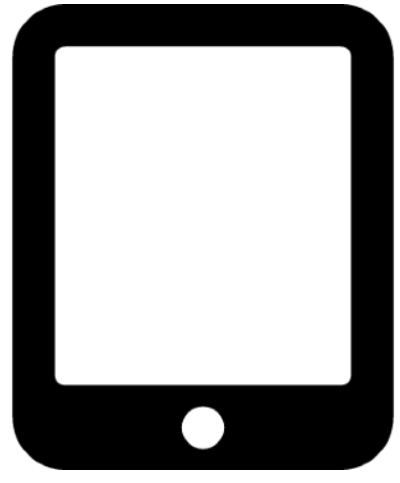
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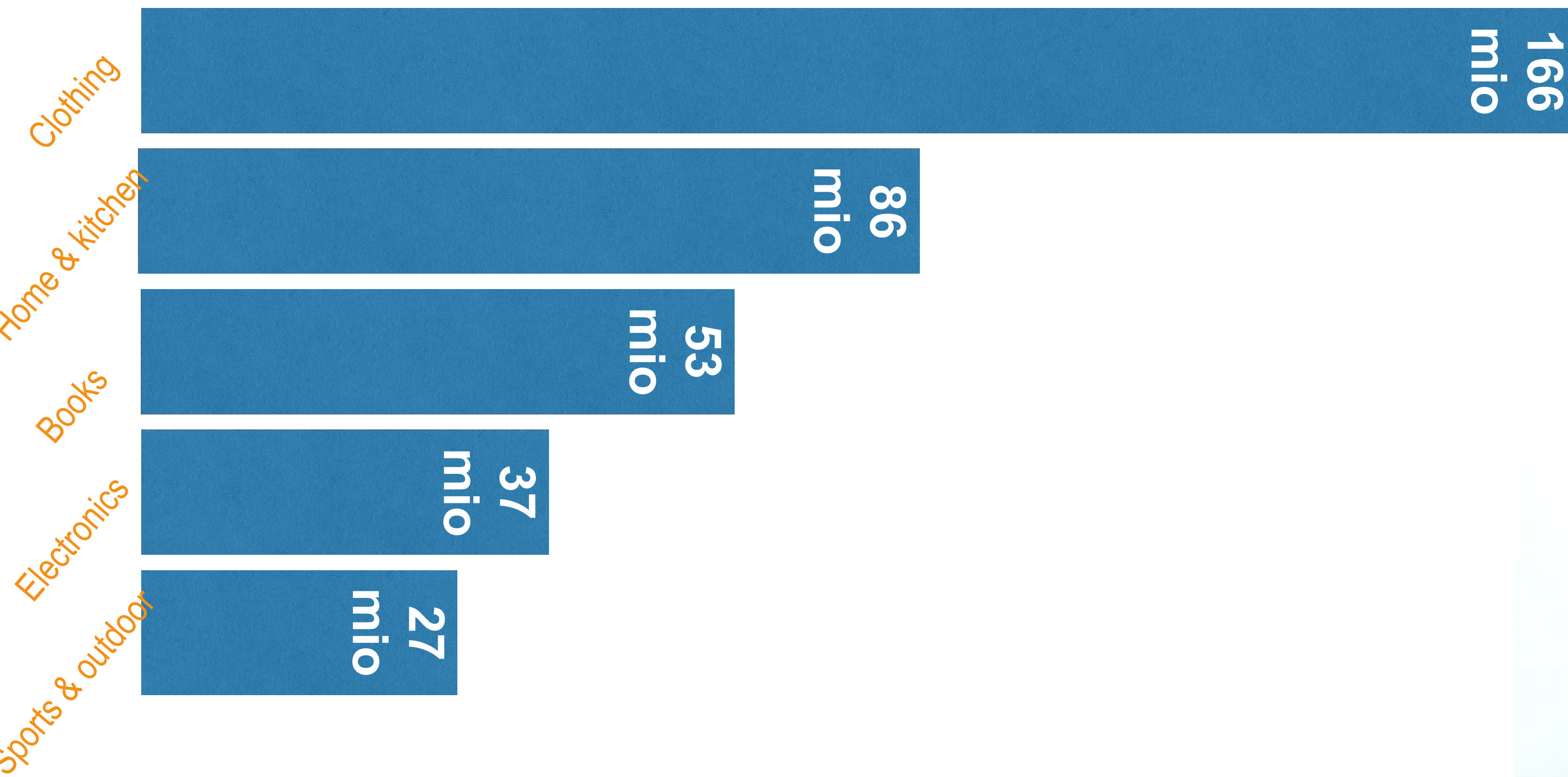




Today, Amazon has 30 listed product categories

2018



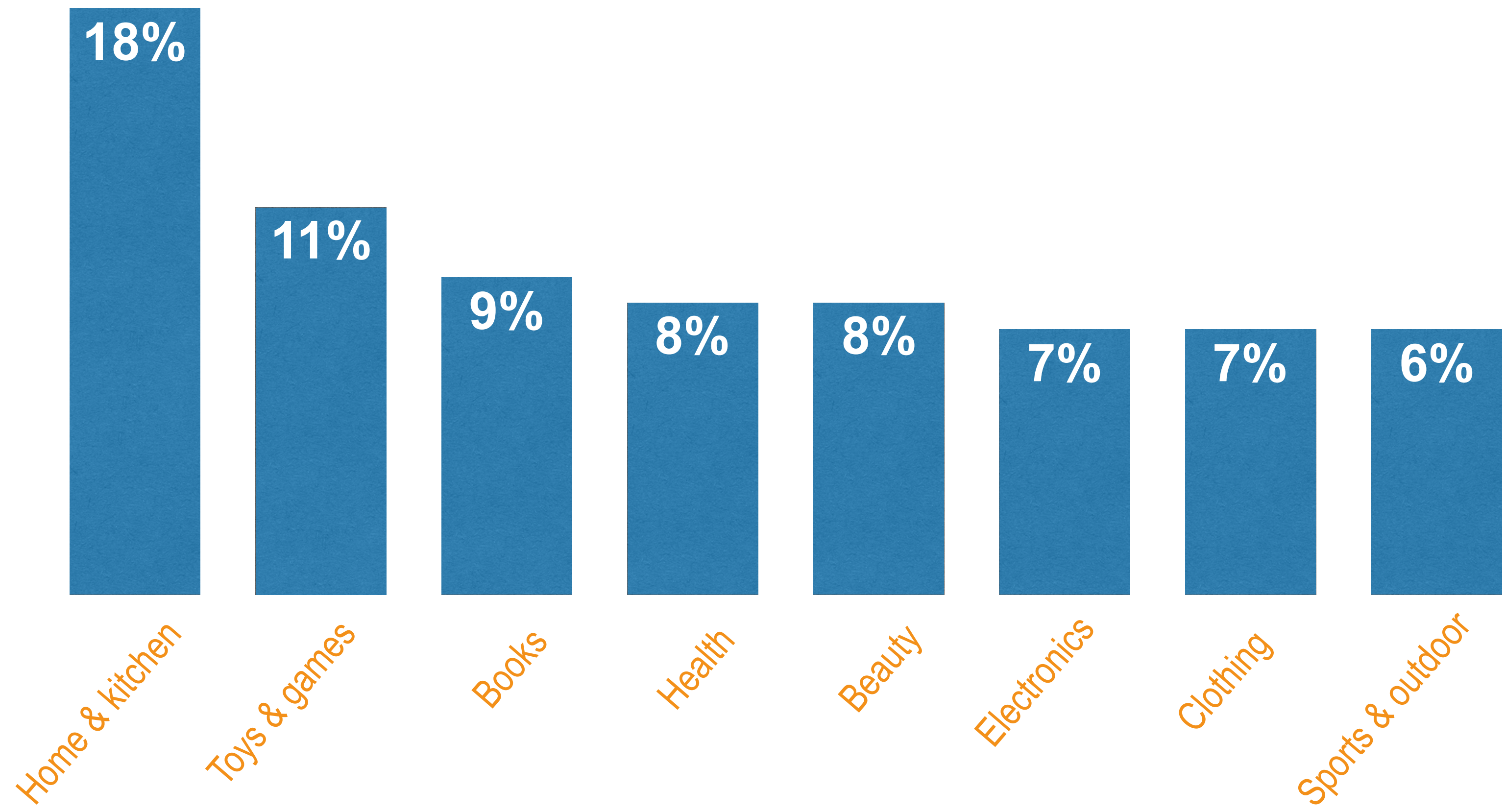


More than 562 mio products for sale

Amazon seller study 2016

2018





Primary product category

Amazon seller study 2016

2018



“Commerce is the simple find it, buy it,
ship it action.

E-commerce is much more about
online customer behavior”

1998



“Be afraid of our customers, because those are the folks who have the money. Our competitors are never gonna send us money.”



“Be afraid of our customers, because those are the folks who have the money. Our competitors are never gonna send us money.”

“If you do build a great experience, customers tell each other about that.
Word of mouth is very powerful.”



FINDING LIFE'S PURPOSE...

amazon

WE WORKED 80-HOUR DAYS FOR THREE YEARS.

WE HAD NO VACATIONS AND LITTLE SLEEP.

CO-WORKERS WITH KIDS OR POOR HEALTH WERE CULLED FROM THE HERD.

BUT IT WAS ALL WORTH IT!

BECAUSE WE DELIVERED A ROLL OF DUCT TAPE TO A CUSTOMER IN 26.8 MINUTES!



Los Angeles Times

HORSEY
©2015
LOS ANGELES TIMES

Customer centric innovations



Customer reviews

Customer Reviews
Panasonic KX-TG1032S Dect 6.0 Expandable Digital Cordless Phone System with 2 Handsets

167 Reviews

| | |
|---------|------|
| 5 star: | (94) |
| 4 star: | (44) |
| 3 star: | (11) |
| 2 star: | (9) |
| 1 star: | (9) |

Average Customer Review
★★★★☆ (167 customer reviews)

Share your thoughts with other customers
[Create your own review](#)

Search Customer Reviews

Only search this product's reviews

The most helpful favorable review
114 of 121 people found the following review helpful:
★★★★★ **Best DECT6.0; renders 5.8GHz obsolete!**
We'd looked long and hard at the latest 5.8GHz Unidens (TRU9300 and TRU9400) and Panasonic (6000 series) and hadn't been exactly overwhelmed by the range and voice quality. Battery life was a joke.

The we heard about the new Panasonic DECT 6.0 phones. In a word: WOW! Dramatically better range, sound quality, and rated talk time than any of the 5.8ghz...
[Read the full review >](#)
Published 12 months ago by silphium

> See more [5 star](#), [4 star](#) reviews

The most helpful critical review
33 of 38 people found the following review helpful:
★☆☆☆☆ **Bad QC, technical support even worse**
Less than a month after the purchase, the base-unit button for retrieving the message stops working. Manufacturer's technical/customer support is practically non-existent. The limited 1 yr warranty provides only a replacement with a refurbished (NOT NEW!) product, and only if the customer mails the phone to their TX center, at own expense. Panasonic, shame on you!!!
Published 7 months ago by Damir Vidovic

> See more [3 star](#), [2 star](#), [1 star](#) reviews

Vs.



Selection proces

Customer centric innovations

1995

Recommendations & bundles

[Read more](#)

Have one to sell? [Sell on Amazon](#)

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|--|---|---|--|--|---|--|

Product Details

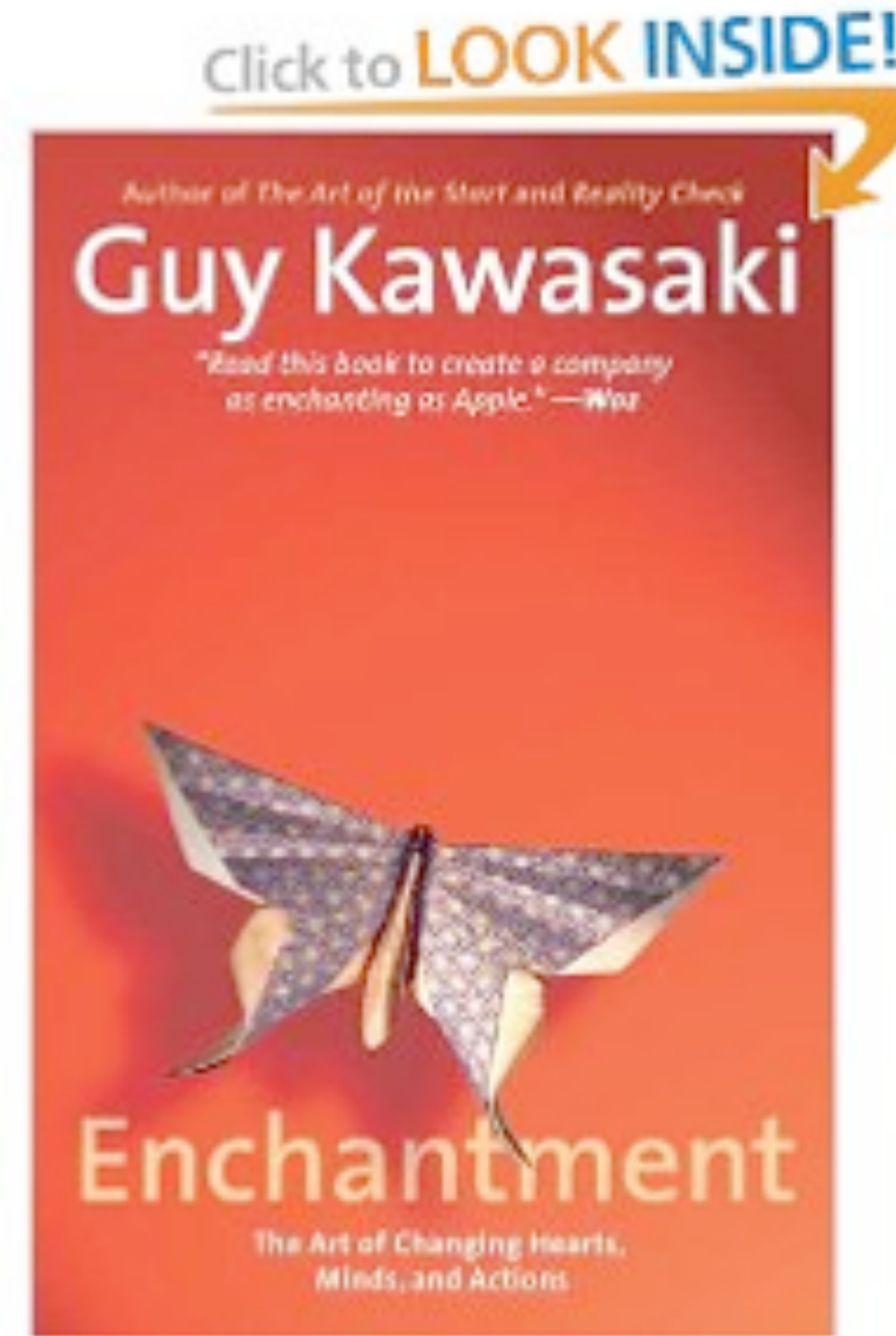
Selection proces

Customer centric innovations

1997



Look inside the book



Selection proces

Customer centric innovations

2001



Search inside the book

Click to **LOOK INSIDE!**

The Outlaw De
Kim Harrison (Autho)
★★★★★ (174 cust)

from t

Search Inside This Book: **GO** \$4.69

Formats

- Kindle Edition
- +** Hardcover
- Paperback, Import
- +** Mass Market Pape

KIM HARRISON
NEW YORK TIMES BESTSELLING AUTHOR OF
FOR A FEW DEMONS MORE

Selection proces

Customer centric innovations

2003



1-click ordering

Quantity: 1 ▾

 Add to Shopping Cart

or

 Buy now with 1-Click®

Ship to:

▾

Add gift-wrap/note

Order proces

Customer centric innovations

1997



Where's my stuff?

Your Account > Your Orders > Order Summary > Delivery Tracking

Delivery Tracking

Out for Delivery

Your parcel is out for delivery (Updated 24 minute(s) ago)

Expected delivery: **Friday, 8 November 2013**



Receiving proces

Customer centric innovations

2001



Free super saver shipping

FREE Super Saver Shipping

ON ORDERS OVER \$25.00

amazon.com
Prime

Receiving proces

Customer centric innovations

2002





amazon
chooses the cheapest origin in real-time.



Amazon warehouses

fast moving are stored in all FC
hard to find in small quantities in 1 or 2 FC



Amazon warehouses

easy movable are stored in highly automated FC

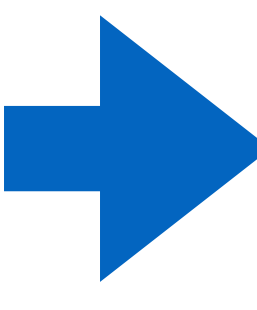


Third party sellers

Drop shipping. If applicable Amazon asks supplier to ship



Logistics are Amazon's secret weapon

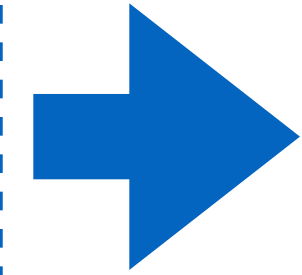


amazon
 chooses the cheapest origin in real-time.



Amazon warehouses

fast moving are stored in all FC
 hard to find in small quantities in 1 or 2 FC



Amazon warehouses

easy movable are stored in highly automated FC



Third party sellers

Drop shipping. If applicable Amazon asks supplier to ship

Logistics are Amazon's secret weapon

Interconnected supply chain





Logistics are Amazon's secret weapon



Logistics are Amazon's secret weapon



amazon

WSJ

Amazon Prime members enjoy:



FREE Two-Day
Shipping

+



Instant streaming of
movies & TV shows

+

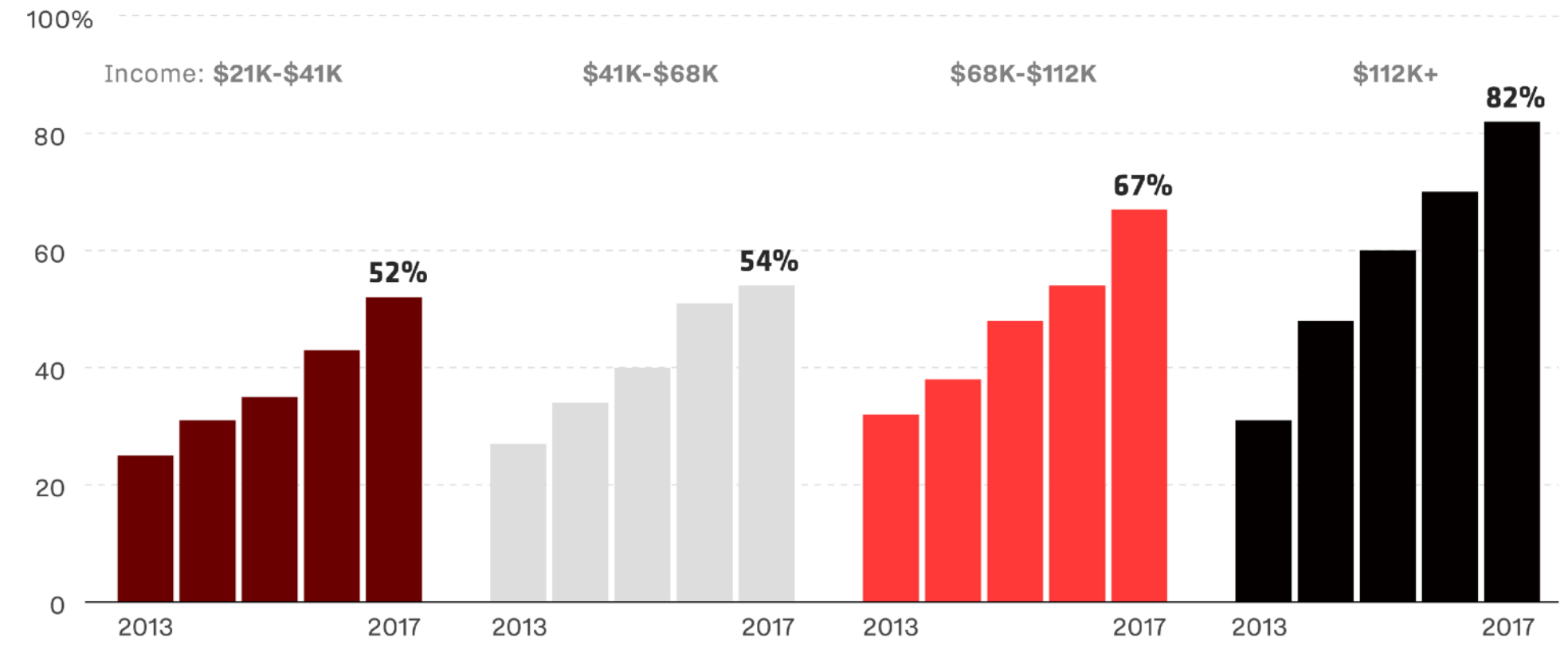


Instant access to
thousands of Kindle Books

amazon.com
Prime

is a paid service (\$99 per year, plus a free 30-day trial or \$10.99 per month) that gives Amazon shoppers a few distinct advantages. Members of Amazon Prime are eligible for free one- or two-day shipping on most items, among several other perks.

Amazon Prime U.S. household penetration by income level

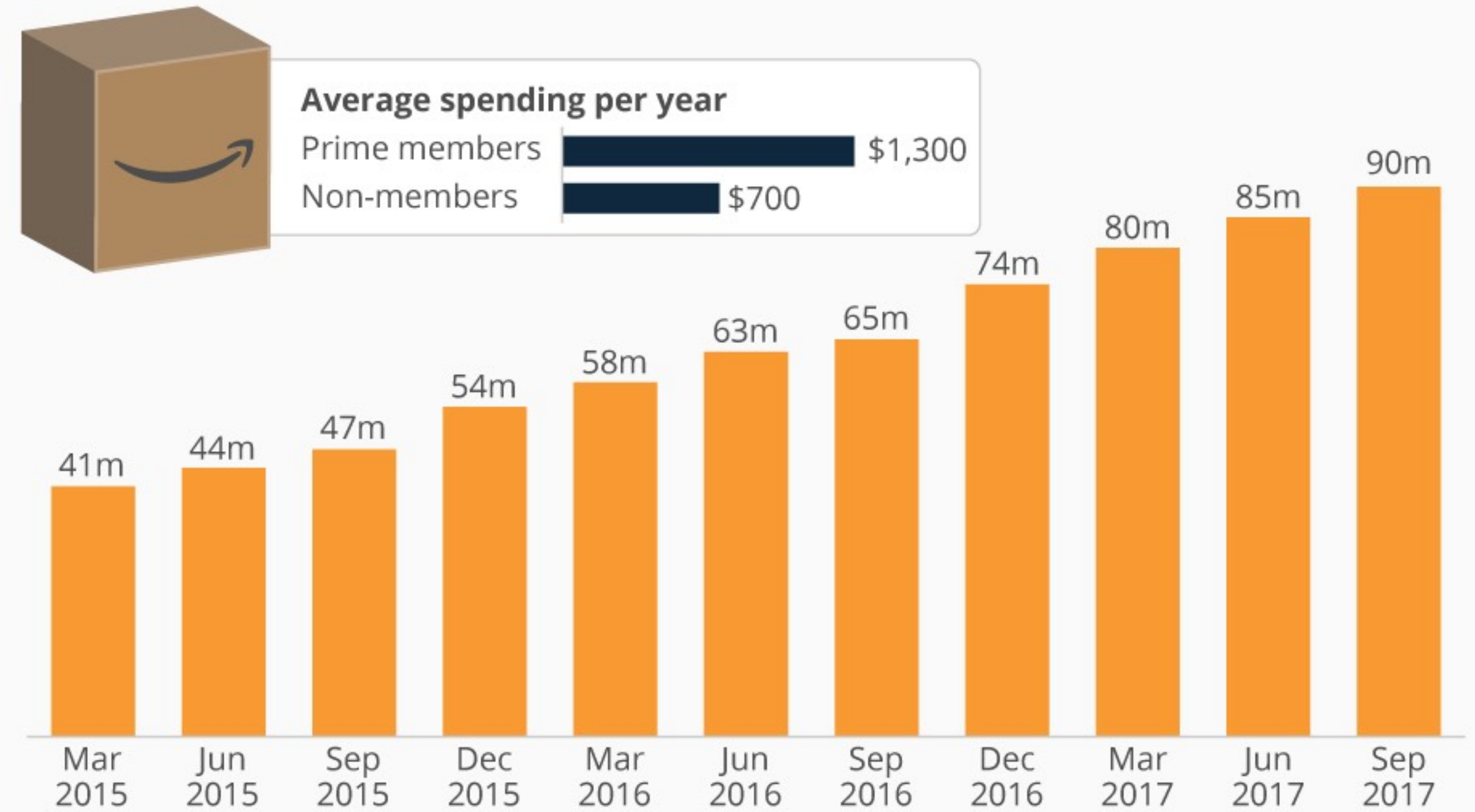


Source: Piper Jaffray | The data points are from Q1 surveys each year.

recode

Amazon Nearly Doubles U.S. Prime Members in Two Years

Estimated number of Amazon Prime members in the United States



CC BY ND
@StatistaCharts

Source: Consumer Intelligence Research Partners

statista

amazon.com
Prime

>50% of Amazon shoppers are Prime members.

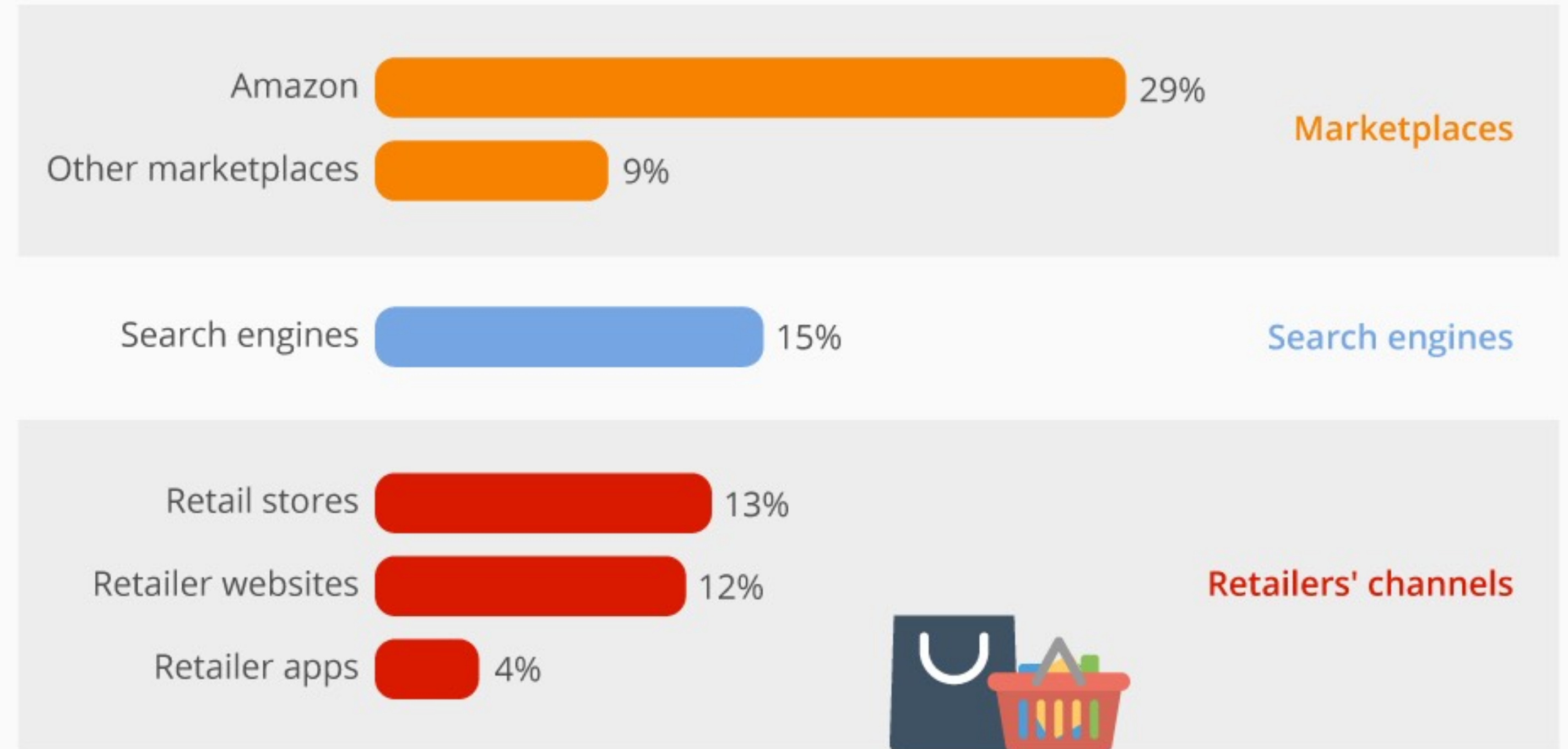
87% of buyers

compares your company with Amazon service levels.



First Stop: Amazon

Where U.S. online shoppers begin searching for products



Based on a survey of 5,189 U.S. online shoppers conducted in Q1 2017

Sources: UPS, comScore



Exhibit 5: Approx. 40% of AMZN Prime members spend over \$1,000 annually on AMZN vs. only 8% of non-Prime shoppers

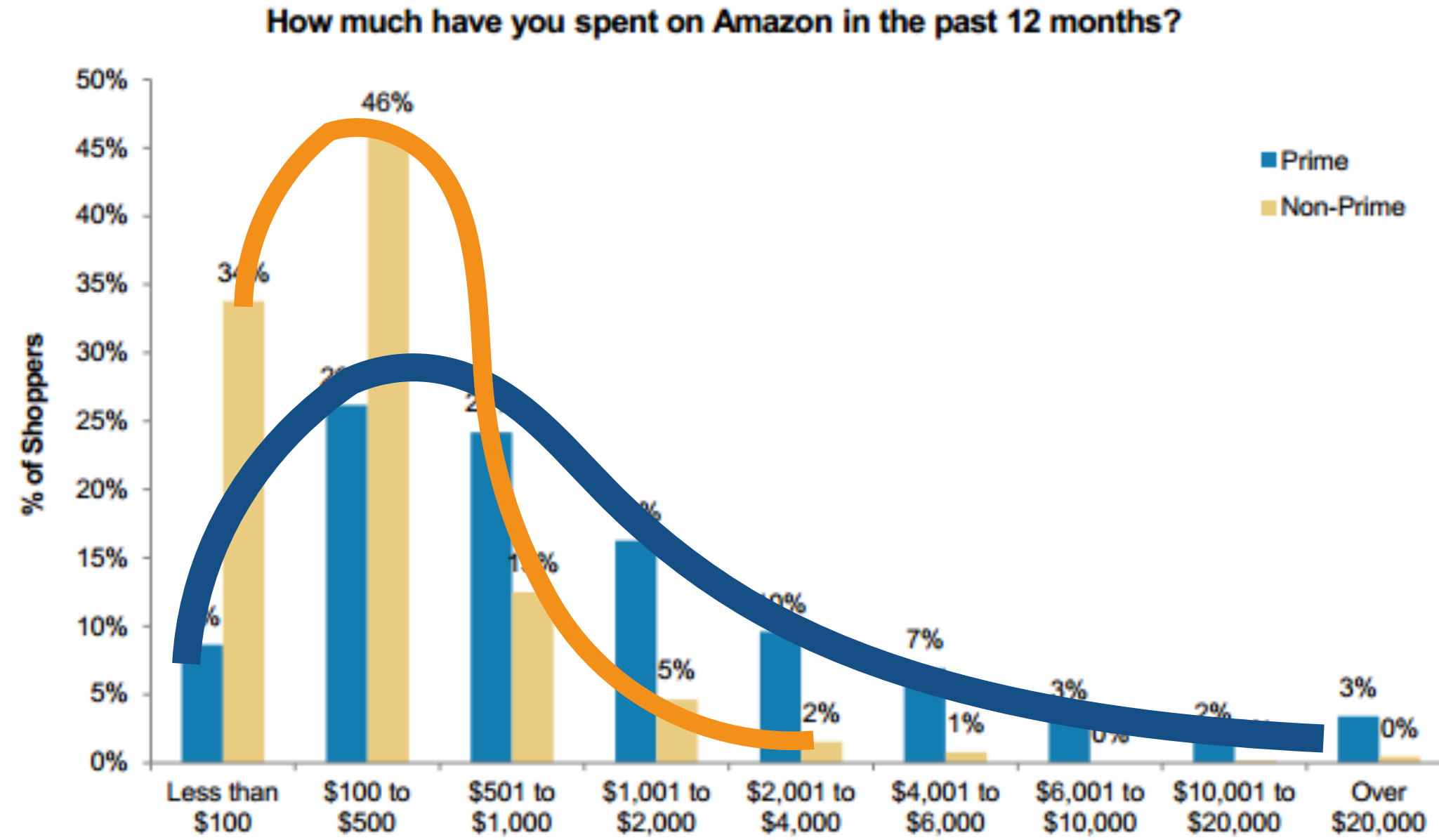
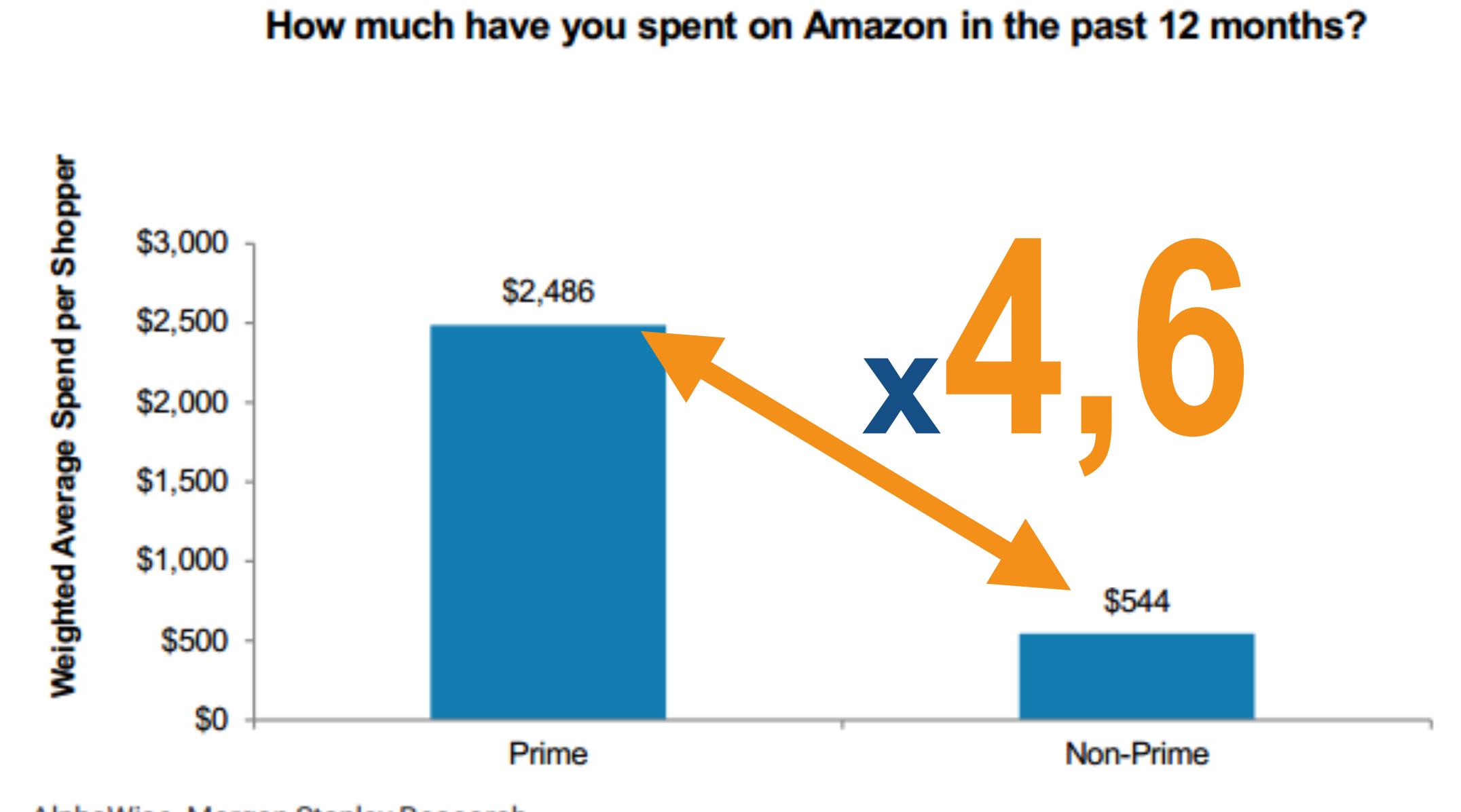


Exhibit 6: AMZN Prime members spend 4.6X more money on AMZN annually than non-Prime members, on average



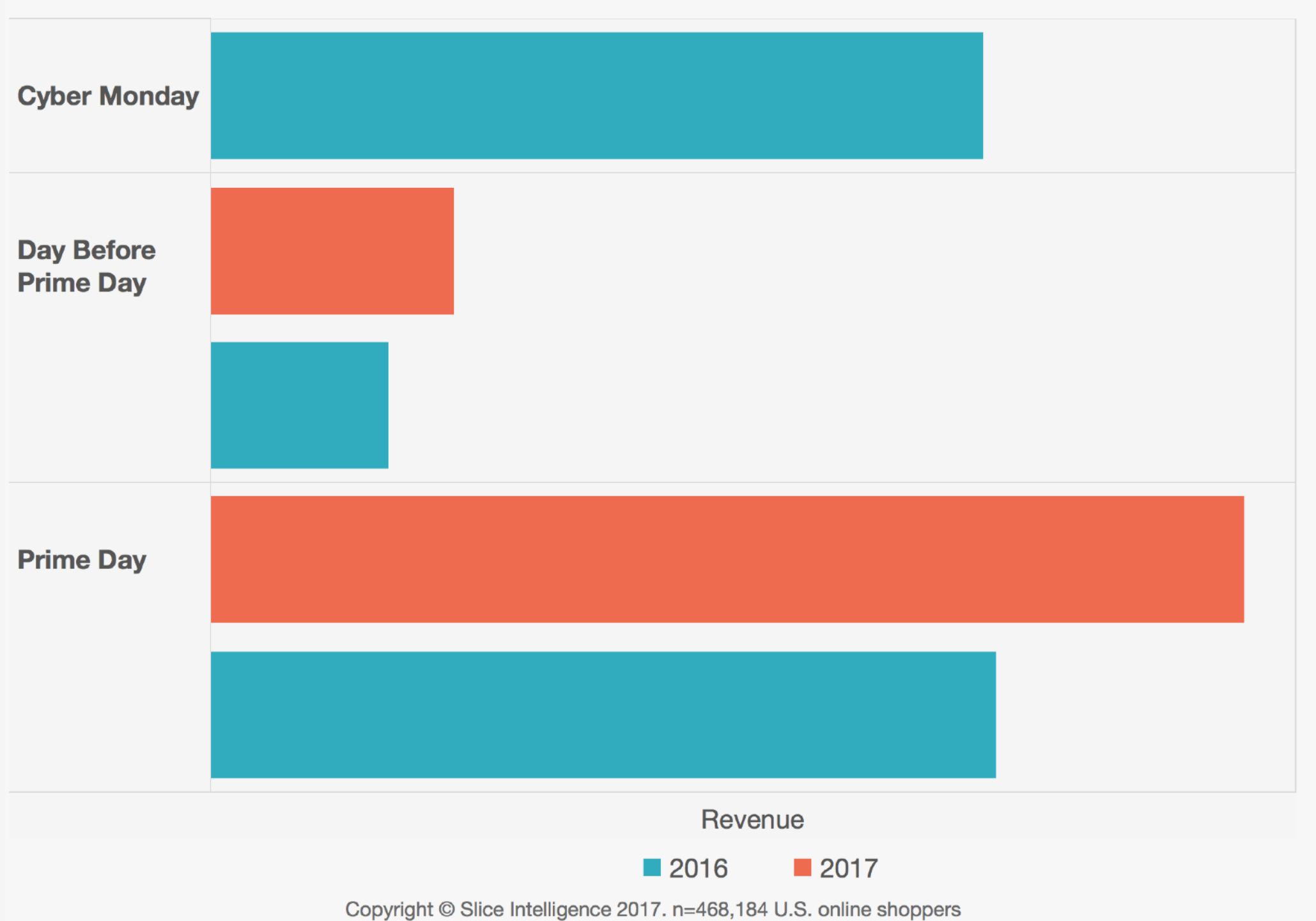
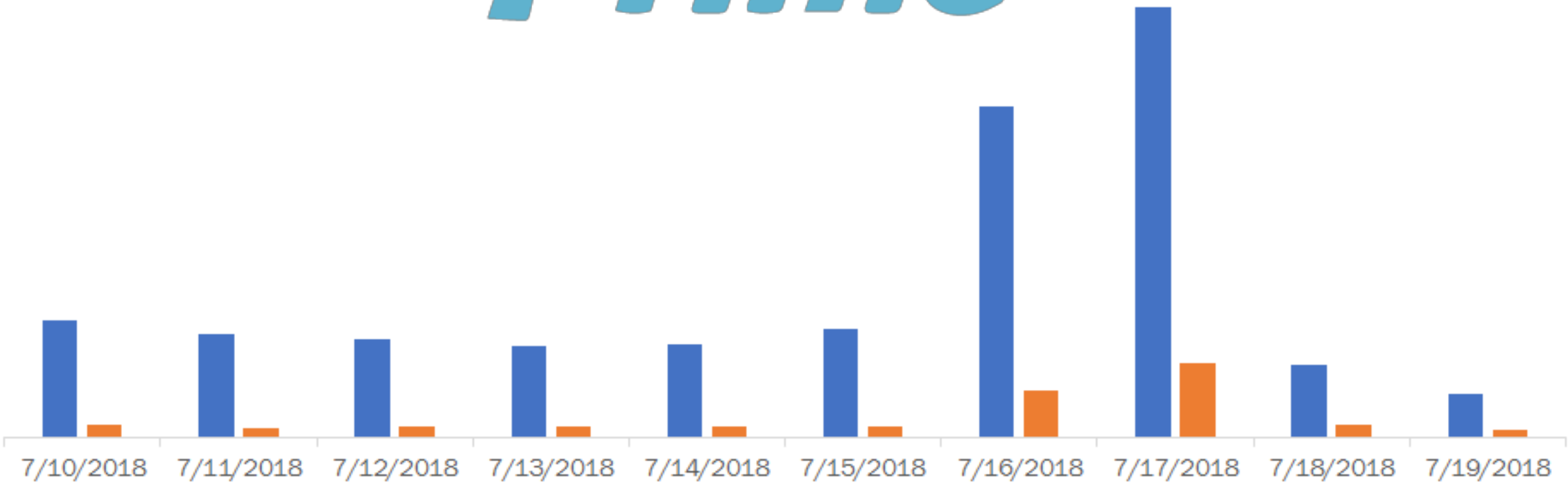
AlphaWise, Morgan Stanley Research

Morgan Stanley Research



Creating loyal customers and getting them to spend a lot of money.

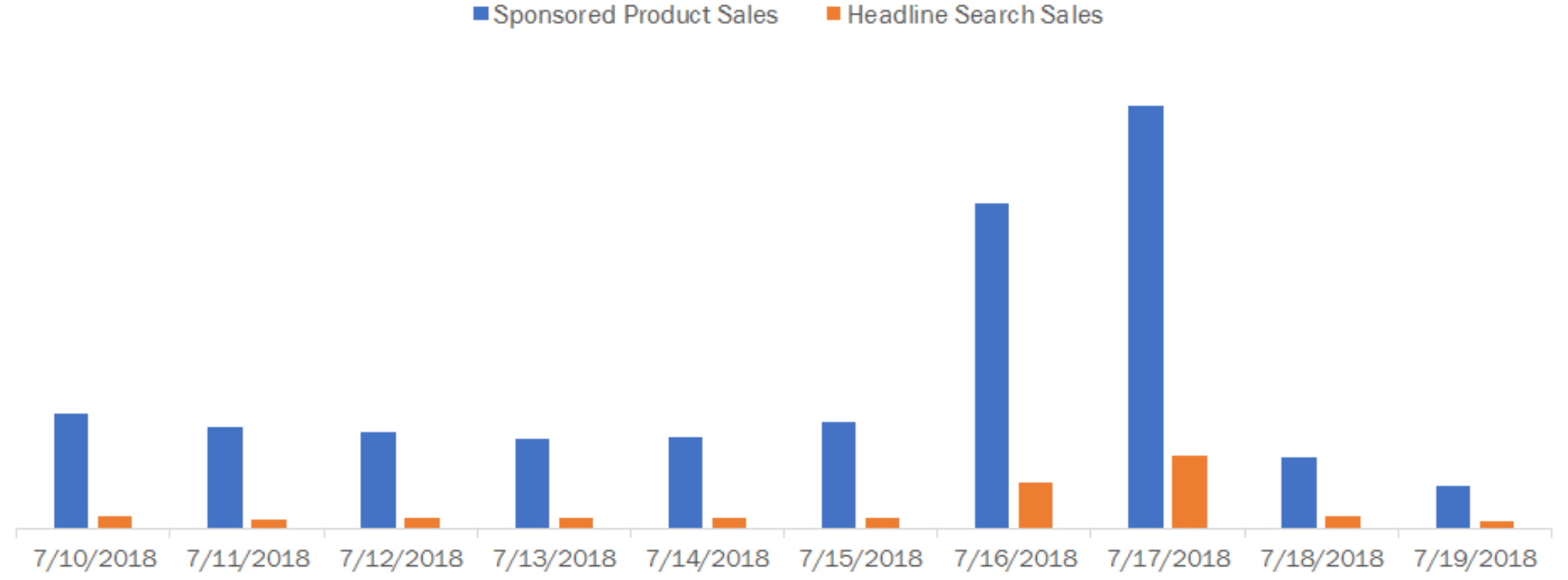
Over 100.000 exclusive deals for Amazon Prime members on **Prime day**.



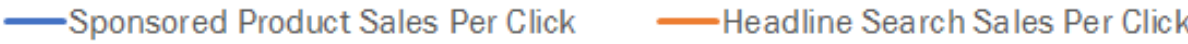
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Amazon Sponsored Products vs. Headline Search Ads Sales Volume



Amazon Sponsored Products vs. Headline Search Ads Sales Per Click

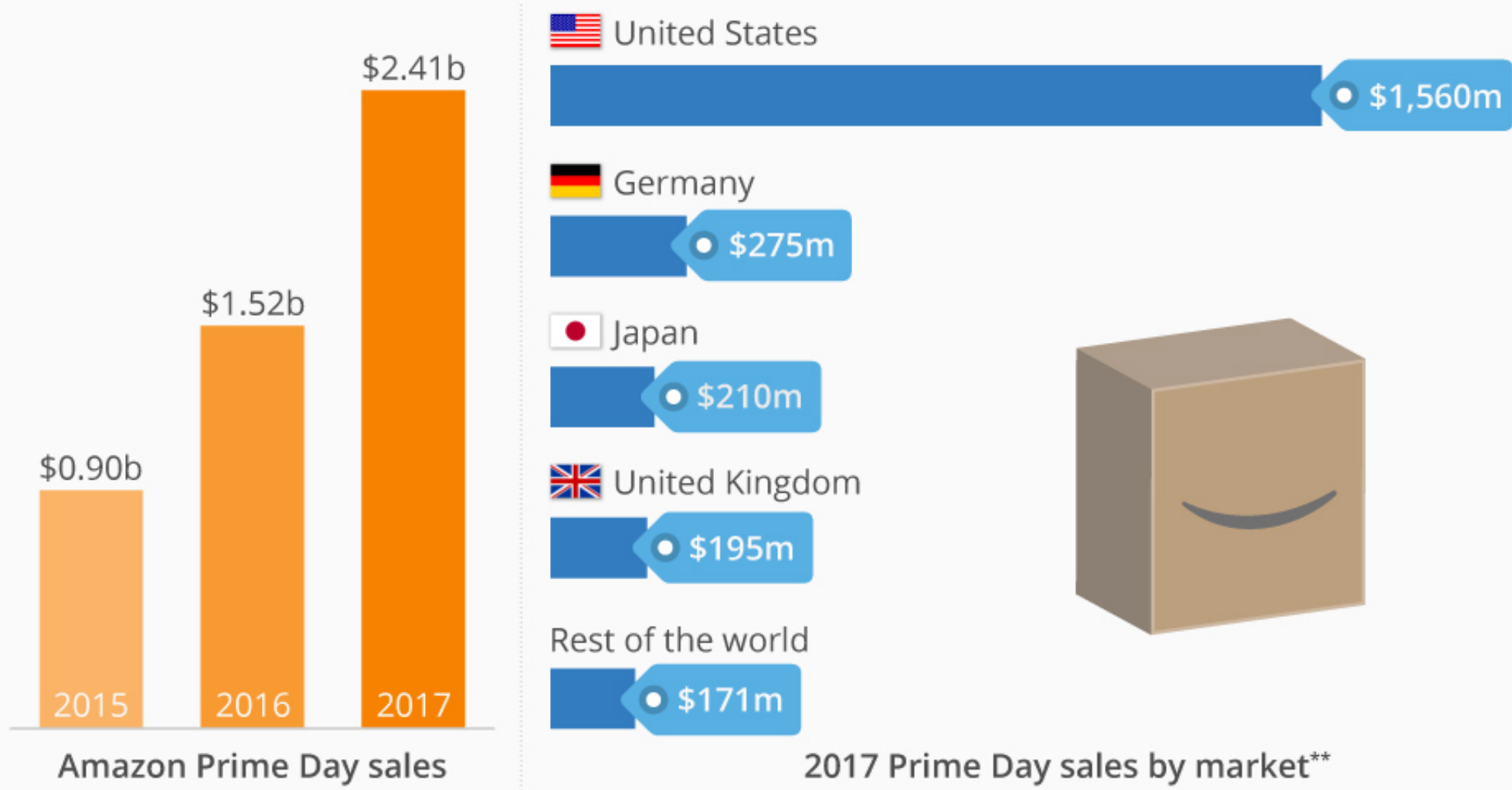


Over 100.000 exclusive deals for Amazon Prime members on **Prime day**.



Prime Day Is a Big Win for Amazon

Amazon's estimated worldwide sales on Prime Day*



* including Marketplace sales
** estimates based on international revenue data disclosed in Amazon's annual reports
@StatistaCharts Source: Internet Retailer **statista**



Online
O2O
Off-line



Treasure Truck



Amazon Locker

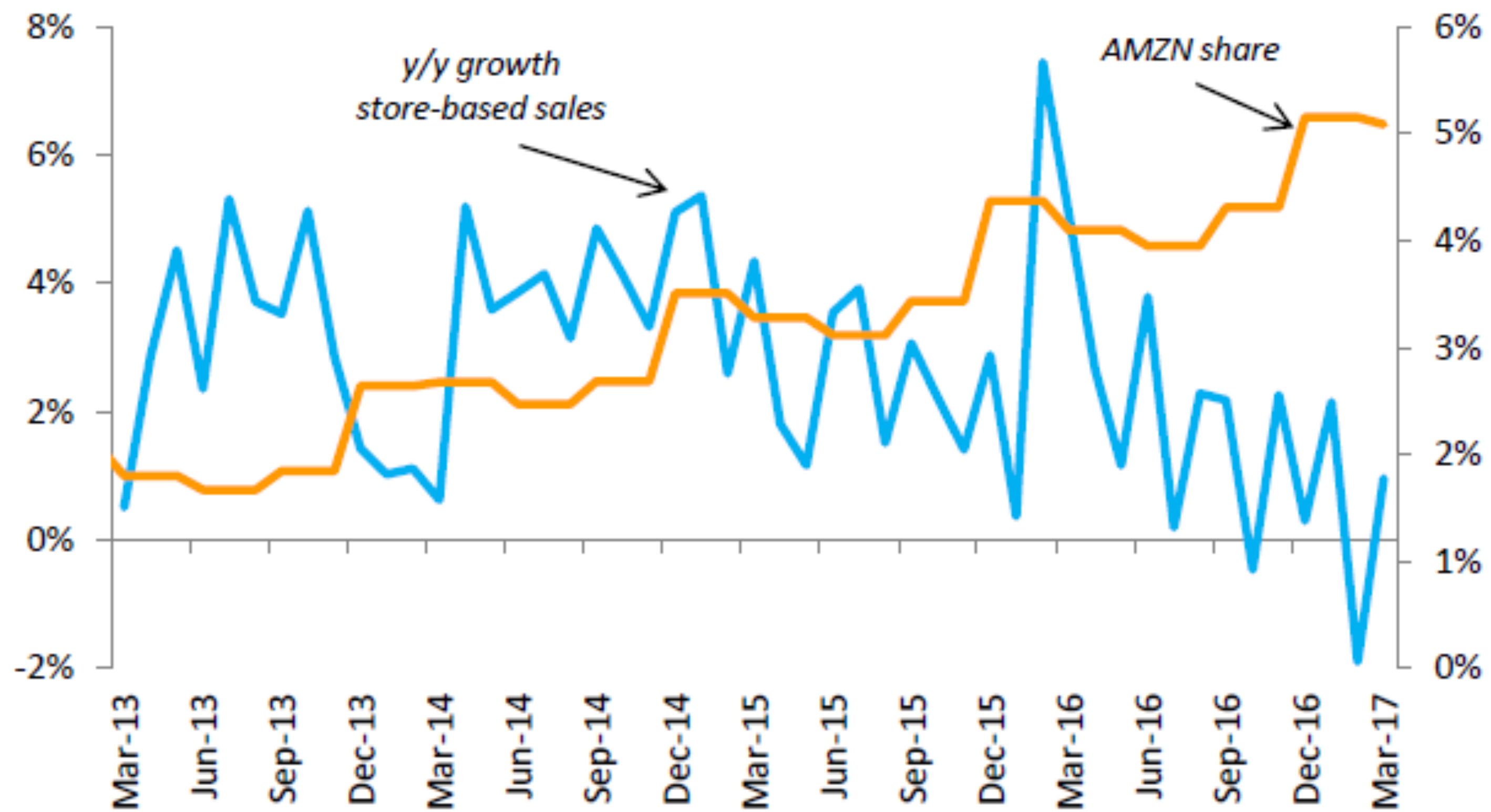


Amazon Dash



Growth in Store-based Sales vs. Amazon.com Share

(Amazon retail categories served, excluding food stores)



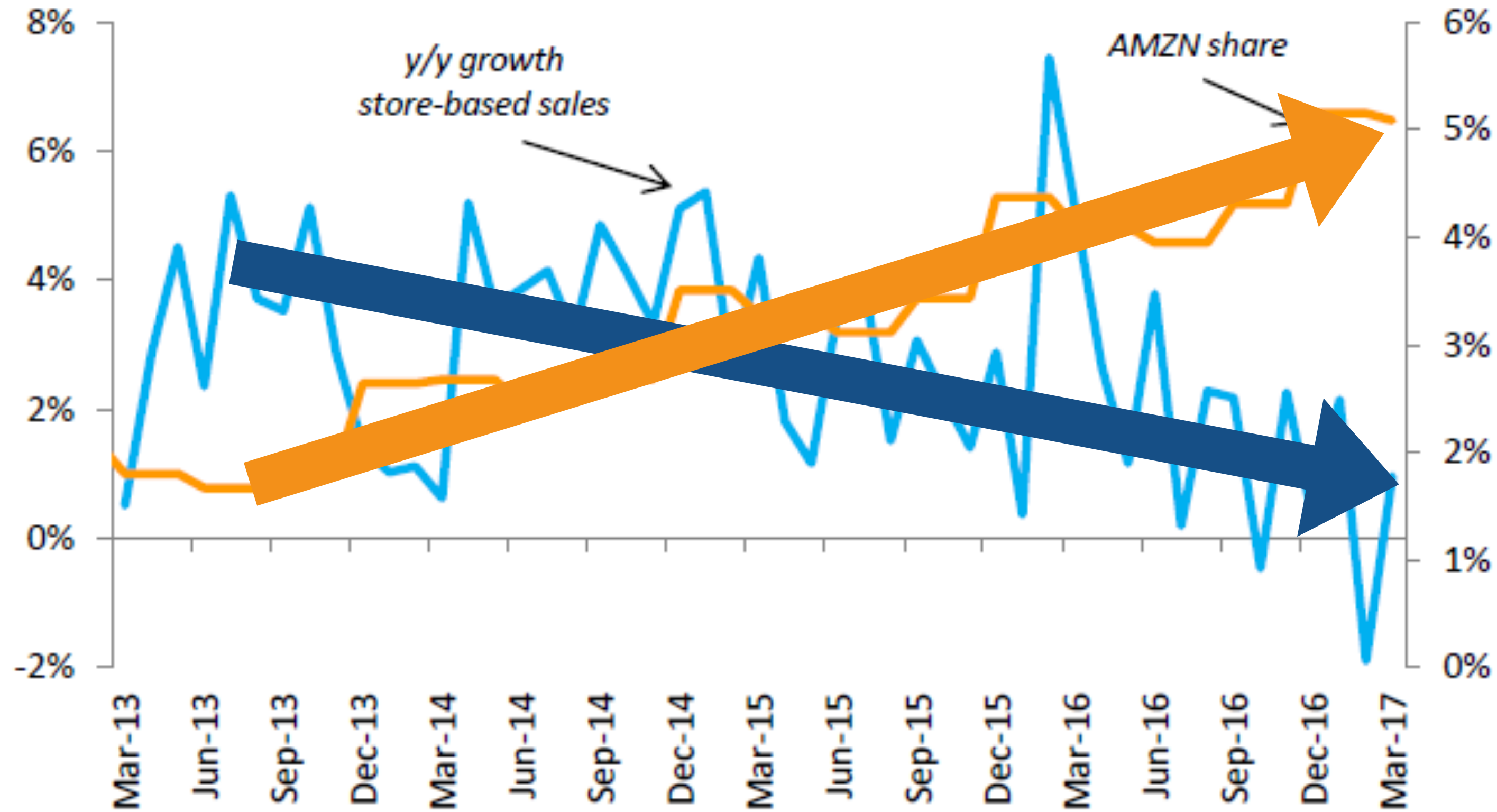
Left axis = y/y growth for store-based sales

Right axis = Amazon share of categories served

Source: U.S. Census, company reports, MKM estimates

Growth in Store-based Sales vs. Amazon.com Share

(Amazon retail categories served, excluding food stores)



Amazon is **shutting down** store based sales!

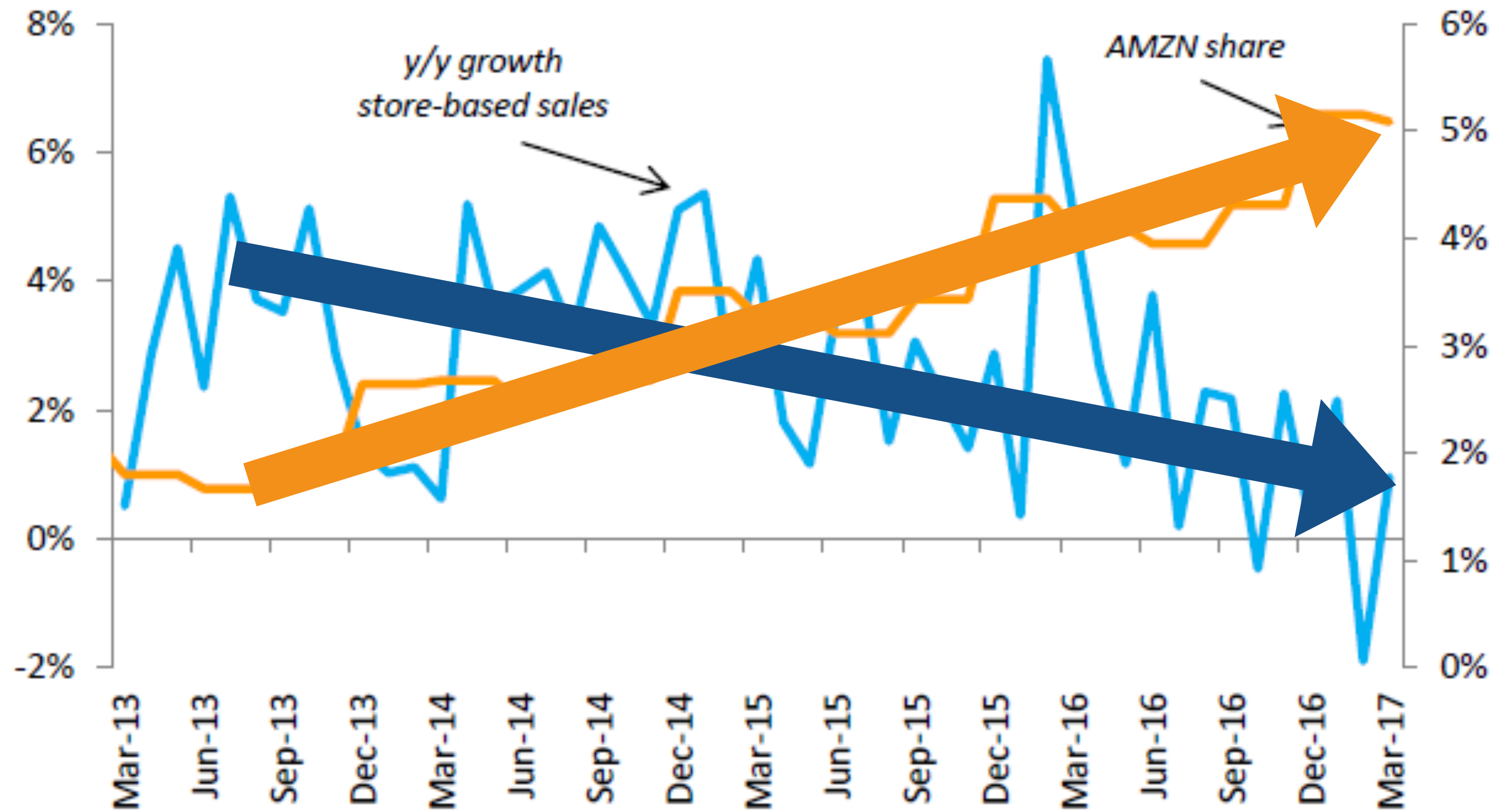
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Right axis = Amazon share of categories served

Source: U.S. Census, company reports, MKM estimates

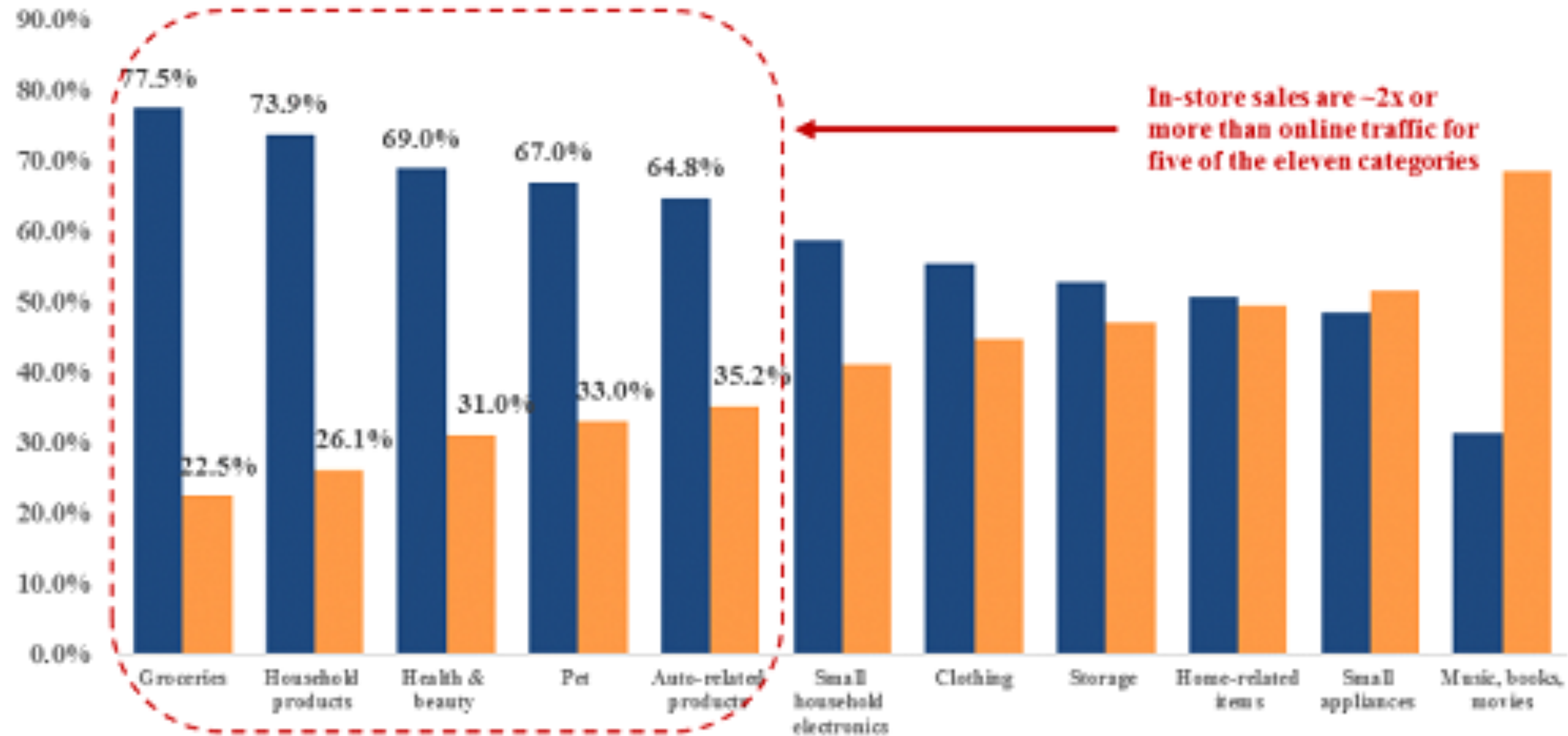
Amazon is **shutting down** store based sales!

Death By Amazon Has Underperformed Amazon Survivors



Death by Amazon (dba)-index

Figure 2: In-Store vs. Online Shopping By Retail Category



In-store sales are ~2x or more than online traffic for five of the eleven categories

Source: GHRA

Despite Amazon's dominance in online traffic, the majority of purchases in **several sub-categories still occurs in store.**



Amazon opens brick & mortar

2015



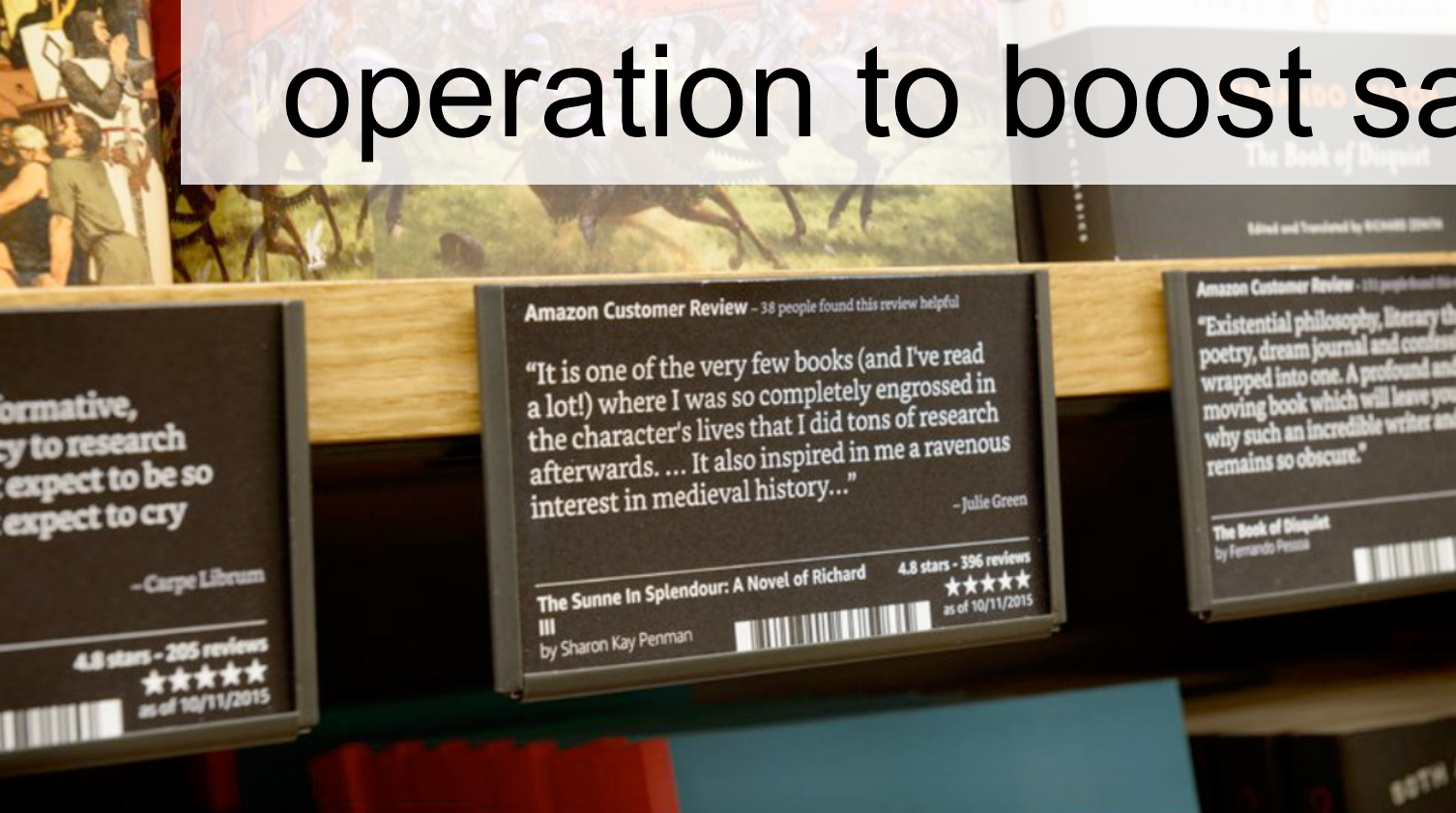


Amazon opens brick & mortar

2015



Amazon's goal is to learn about how it can use data from its online e-commerce operation to boost sales at a retail store.



Amazon opens brick & mortar

2015



WALK WITH US
IN STORE

JUST WALK OUT

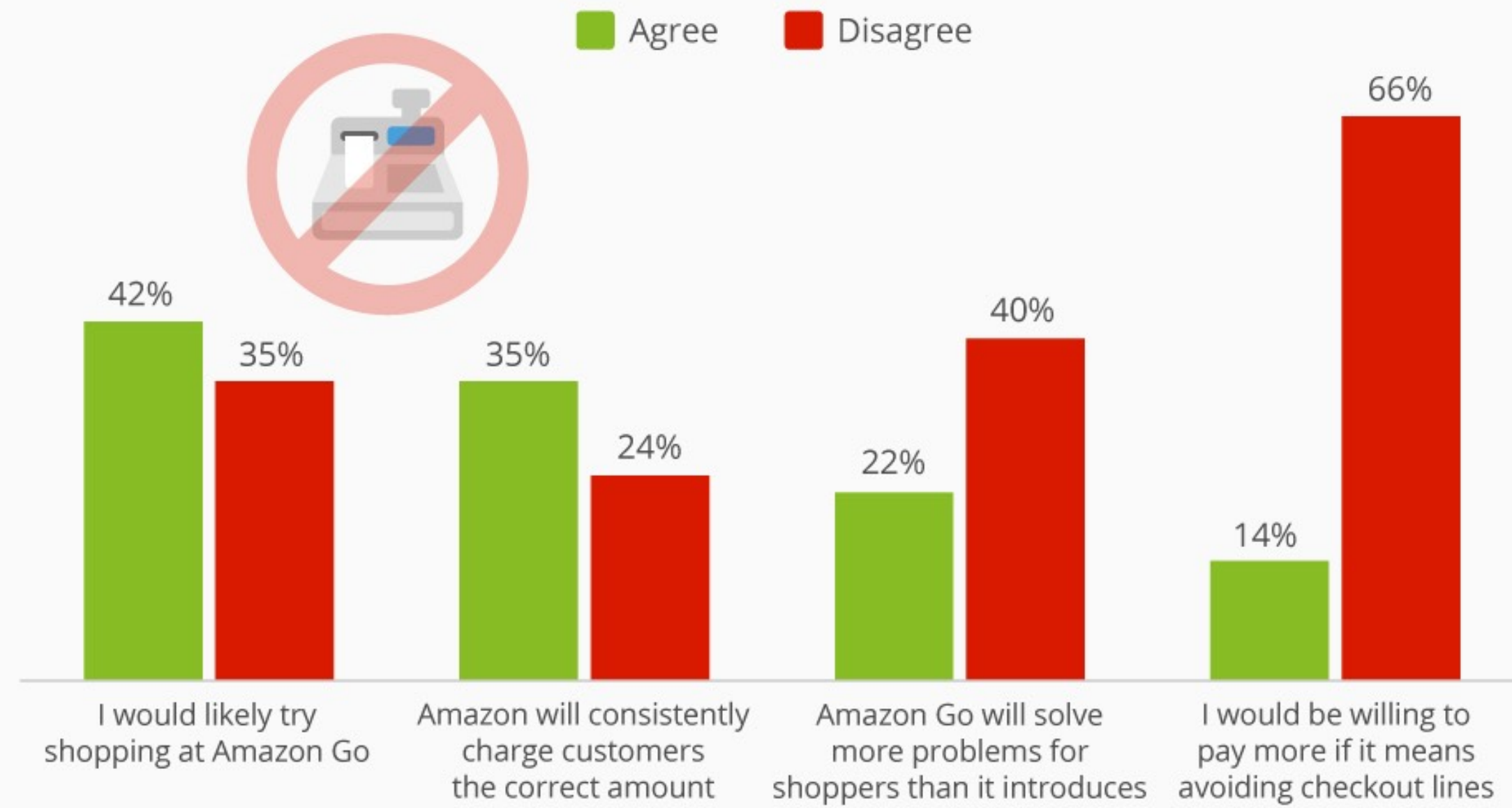
SHOPPING

AMAZON



What Consumers Think About Amazon Go

% of U.S. adults agreeing/disagreeing with the following statements on Amazon Go



Based on a survey of 1,039 U.S. adults in December 2016
Source: YouGov

statista

Amazon Go

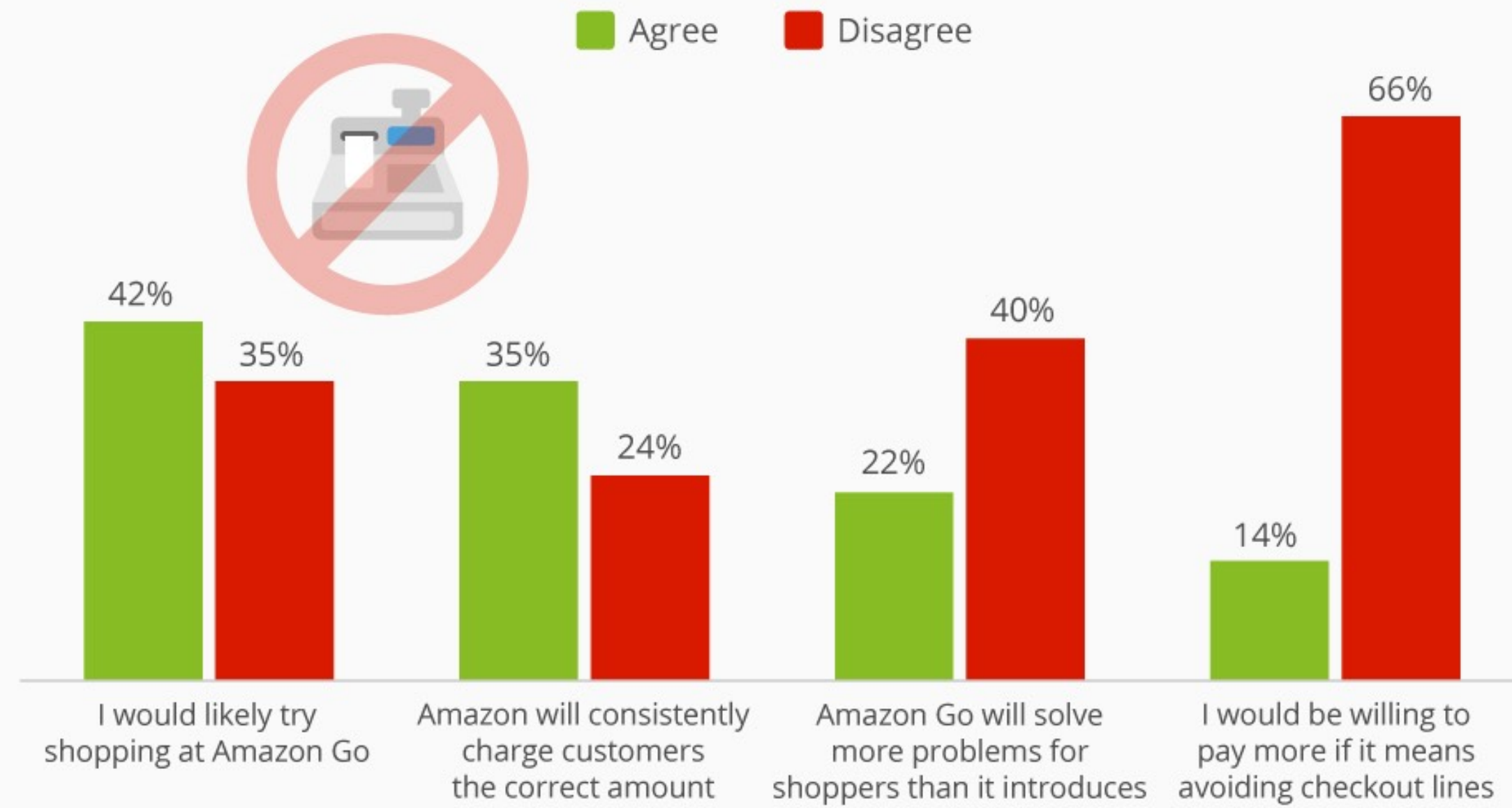
2016

What makes Amazon Go interesting is **not** the concept of a grab-n-go grocery. It's the weaving together of digital technology with the offline shopping experience to **solve consumers' biggest problems.**



What Consumers Think About Amazon Go

% of U.S. adults agreeing/disagreeing with the following statements on Amazon Go



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statista

Amazon Go

2018

What makes Amazon Go interesting is **not** the concept of a grab-n-go grocery. It's the weaving together of digital technology with the offline shopping experience to **solve consumers' biggest problems.**



June 16th

2017

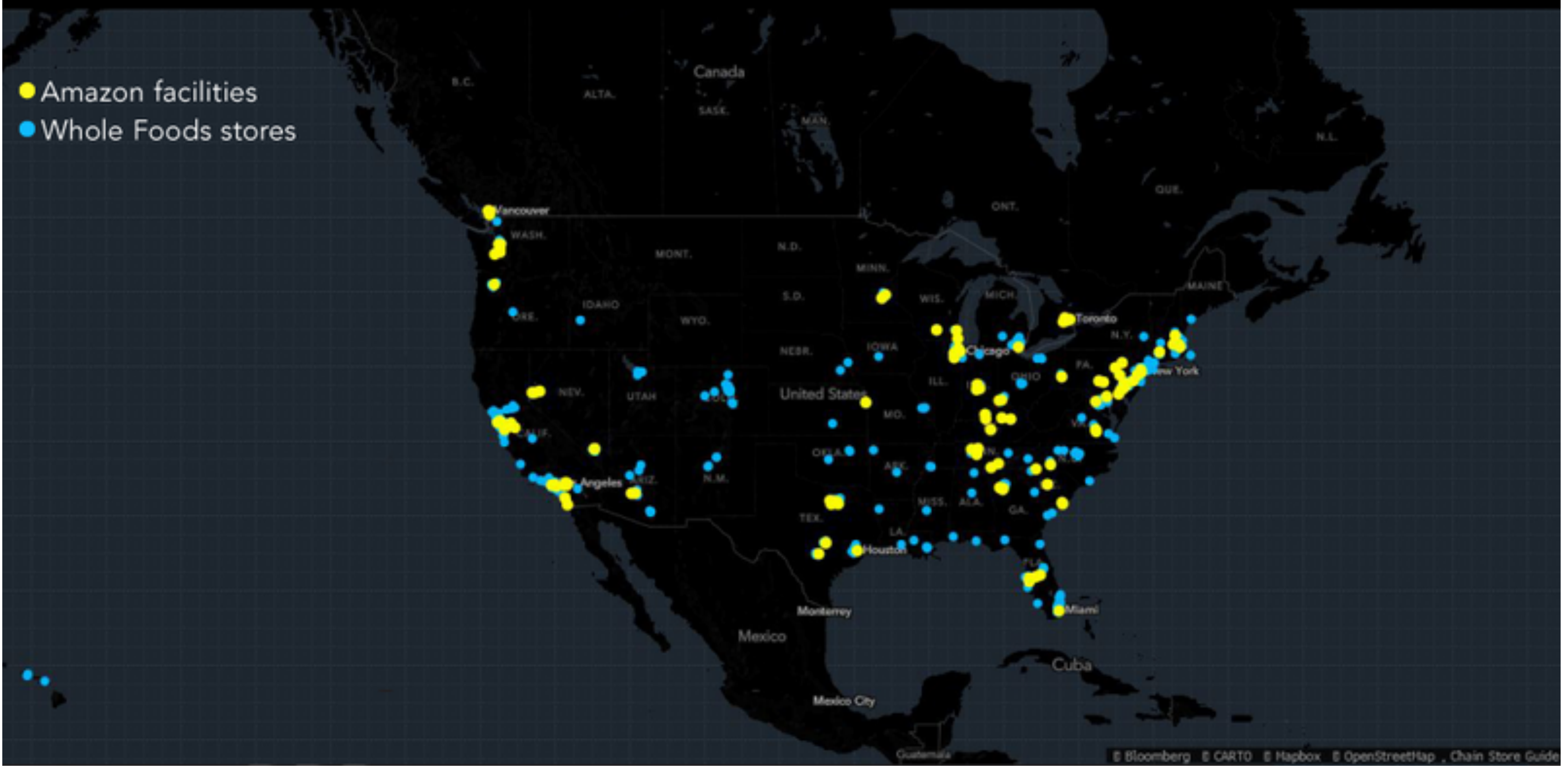
amazon

June 16th

2017

WHOLE
FOODS
MARKET

Amazon's New Footprint



2017

AMZN 1123.17 X

YAHOO!
FINANCE

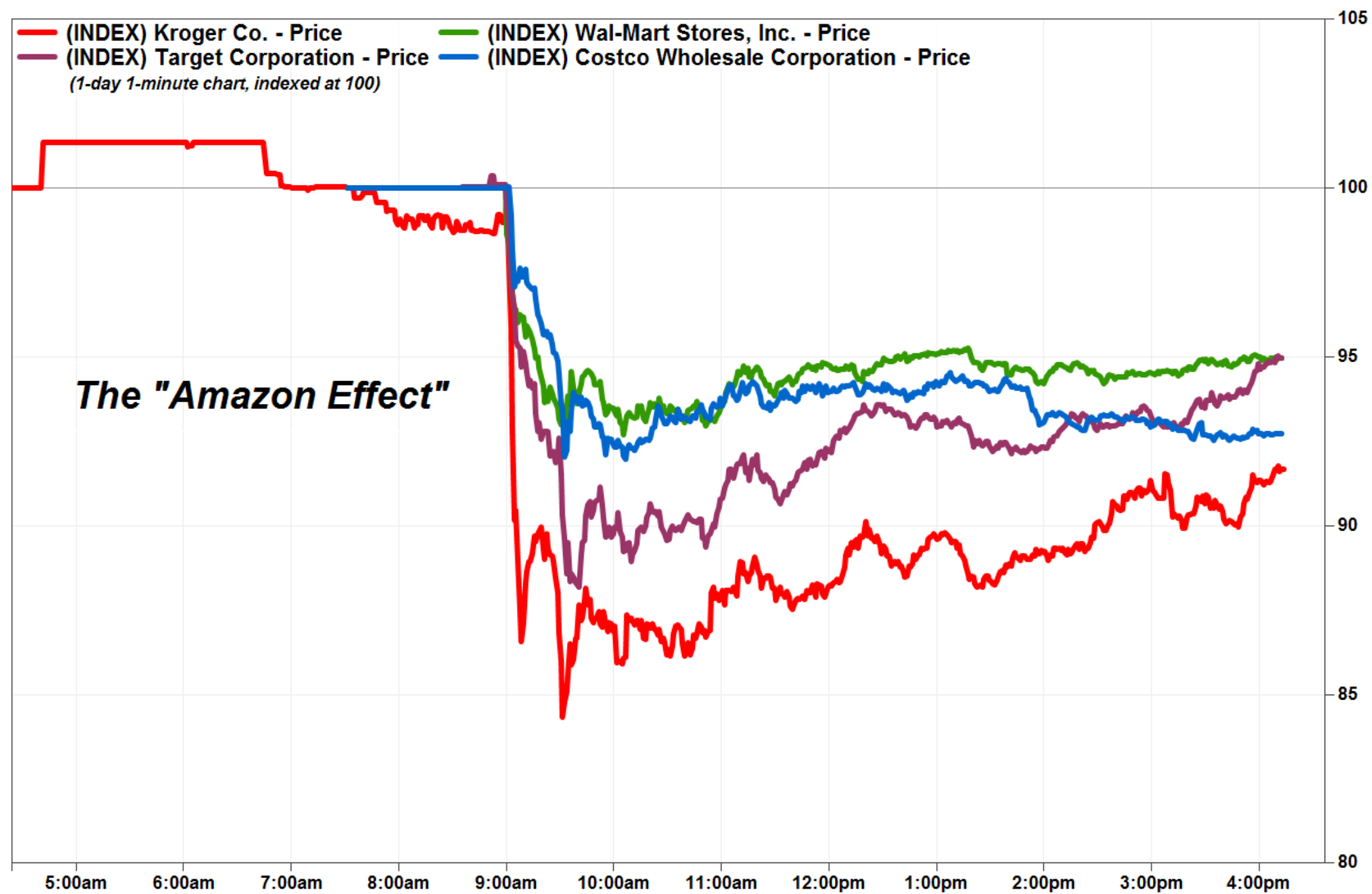
Amazon buys Whole Foods
16/6/2017

Amazon officials owns Whole Food's
28/8/2017

1,166.88

- | +





Market reaction

Stock market reaction to Amazon's purchase of Whole Foods Markets Inc.



Source: Google Finance. Data as of markets close, 1 p.m. PDT

@latimesgraphics

2017



On the first day of operations Amazon lowered prices with 30% on average!

WHOLE FOODS MARKET
 Columbus Circle CIR
 10 Columbus Circle
 New York City, NY 10023
 212-823-9600

| | |
|-----------------------|----------|
| OG HASS AVOCADO BAG | \$6.99 F |
| 365 CRNCHY ALMD BTR | \$6.99 F |
| 365 UNSLTD BUTTER OG | \$4.49 F |
| OG WTG BANANA | |
| 1.57 lb @ \$0.69 / lb | \$1.08 F |
| Tare Weight 0.011b | |
| OVF OG LG EGGS | \$4.49 F |
| Subtotal: | \$28.02 |
| Net Sales: | \$28.02 |
| Tax/Fee: | \$0.00 |
| Total: | \$28.02 |
| Sold Items: | 5 |
| Paid: | |
| VISA | \$28.02 |

08/24/2017 16:31:51
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 231809

CREDIT CARD PURCHASE

WHOLE FOODS MARKET
 Columbus Circle CIR
 10 Columbus Circle
 New York City, NY 10023
 212-823-9600

| | |
|-----------------------|----------|
| OG HASS AVOCADO BAG | \$6.99 F |
| 365 CRNCHY ALMD BTR | \$6.99 F |
| 365 UNSLTD BUTTER OG | \$4.49 F |
| OG WTG BANANA | |
| 1.57 lb @ \$0.69 / lb | \$1.08 F |
| Tare Weight 0.011b | |
| OVF OG LG EGGS | \$4.49 F |
| Subtotal: | \$24.04 |
| Net Sales: | \$24.04 |
| Tax/Fee: | \$0.00 |
| Total: | \$24.04 |
| Sold Items: | 5 |
| Paid: | |
| VISA | \$24.04 |

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 220912

CREDIT CARD PURCHASE

2017



2017

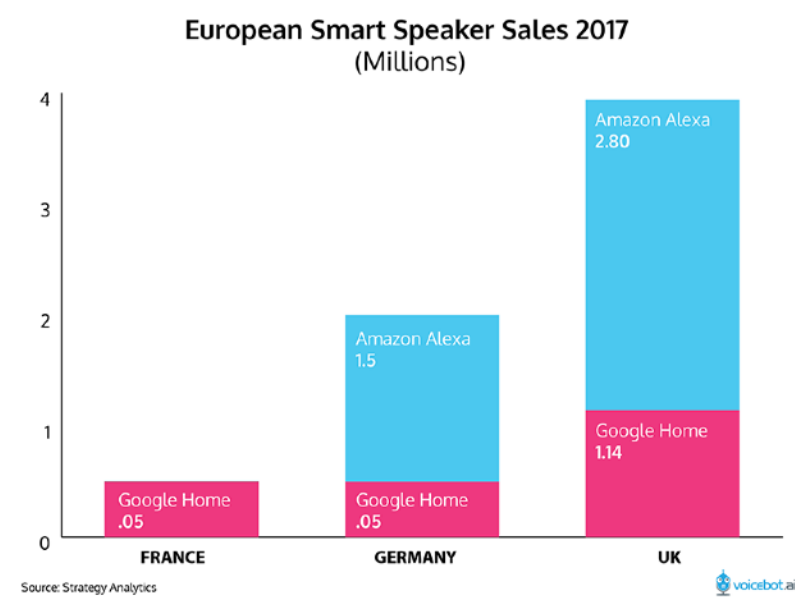
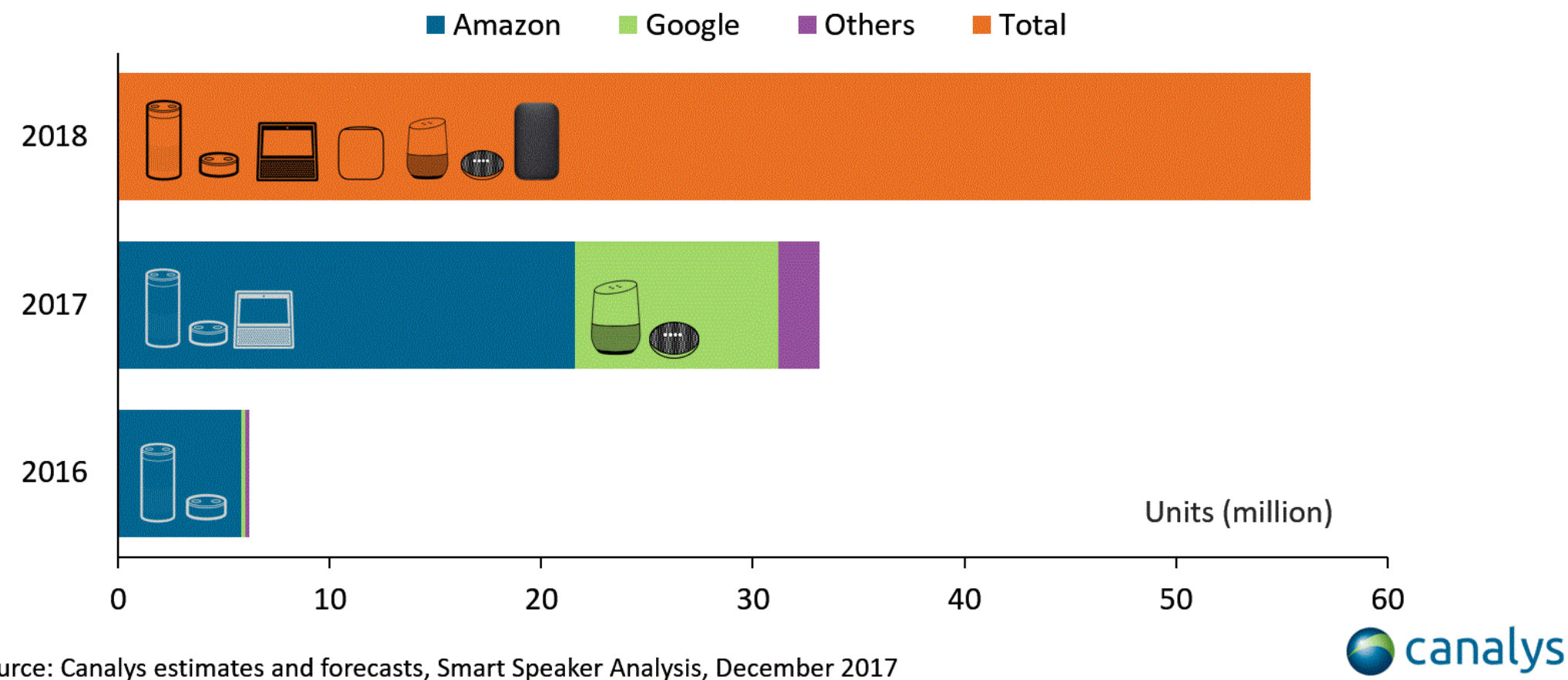


2017

Meet Amazon's new secret weapon: Alexa

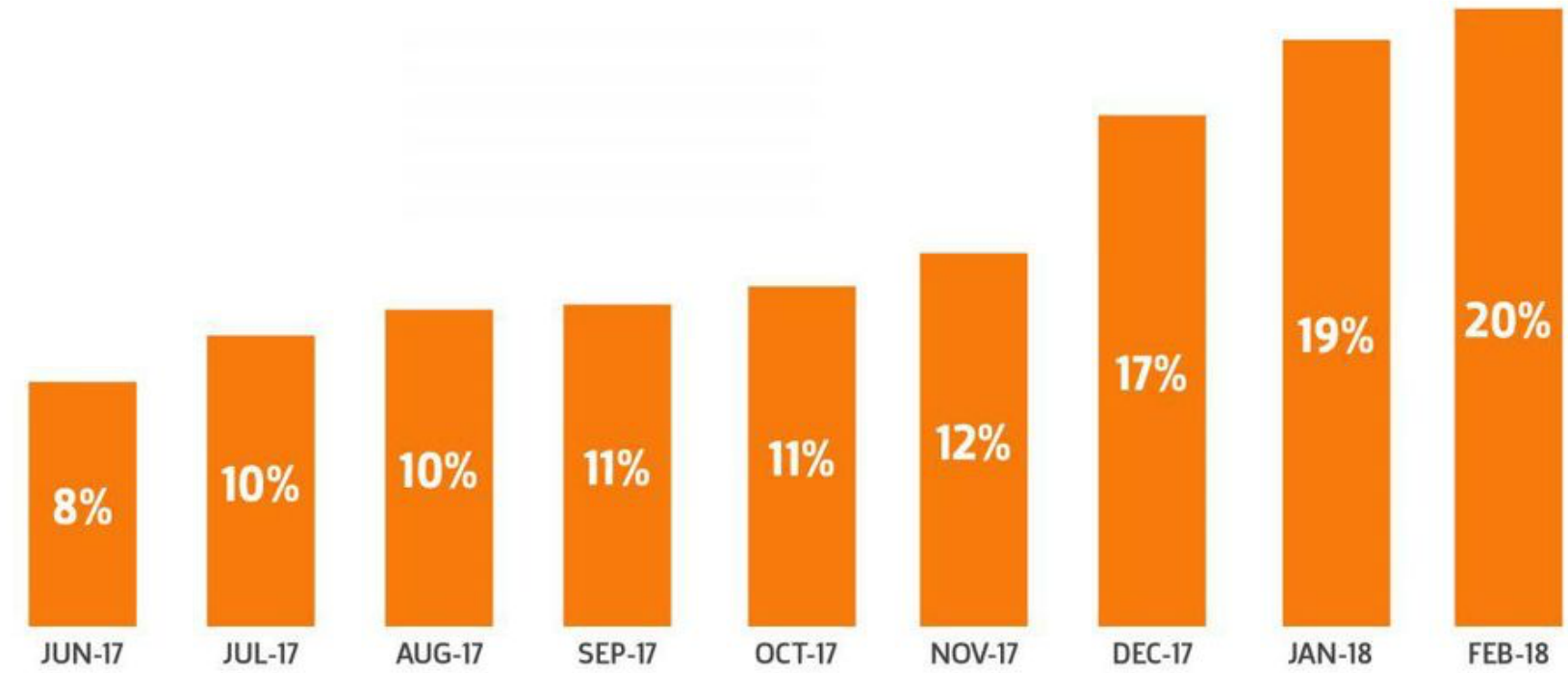
56.3 million smart speakers to ship in 2018

Worldwide smart speaker estimates and forecasts by vendor, 2016 - 2018



Meet Amazon's new secret weapon: Alexa

Percent of Smart Speaker Penetration Among U.S. Wi-Fi Households (Households with Active Devices)



comSCORE

SOURCE: comScore Connected Home via the comScore Total Home Panel



Meet Amazon's new secret weapon: Alexa

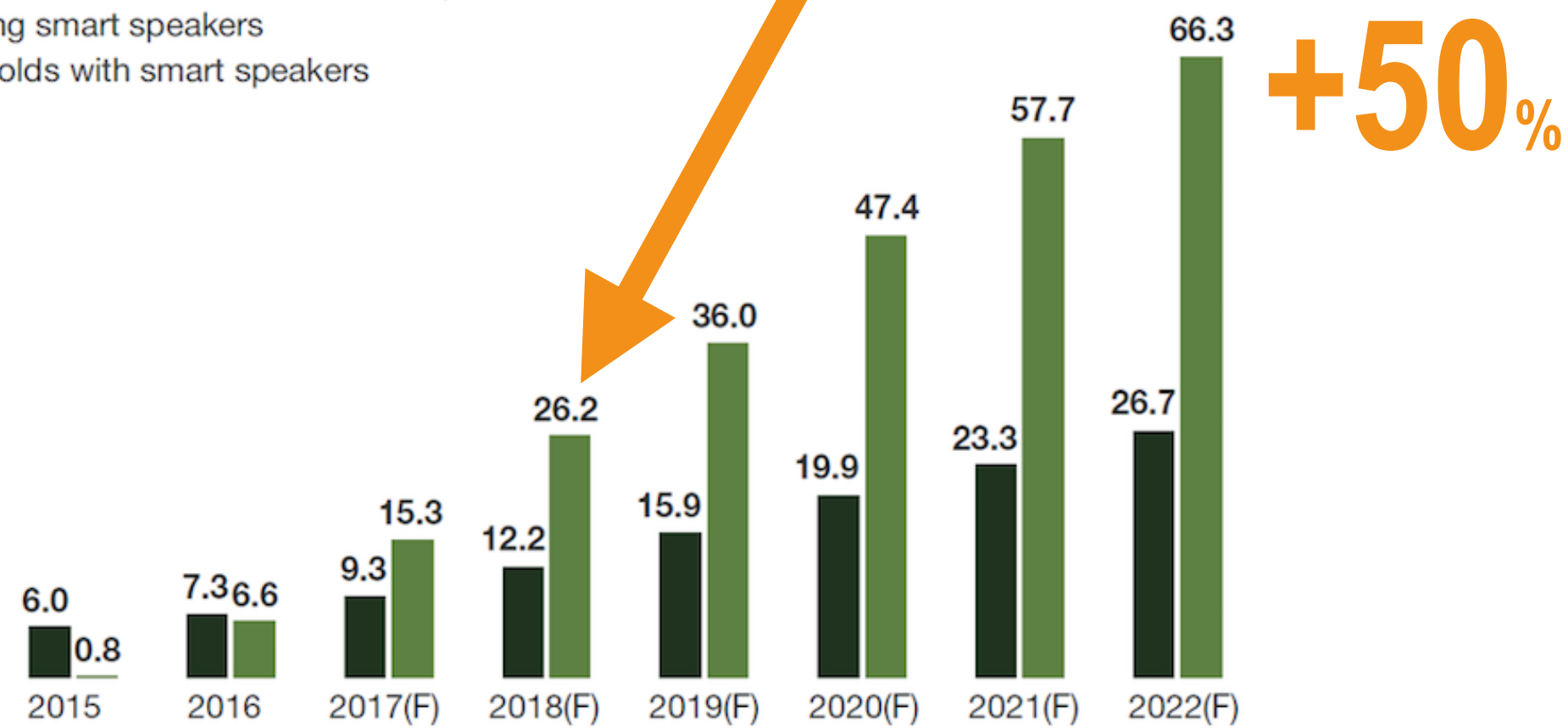
Percent of Smart Speaker Penetration Among U.S. Wi-Fi Households
(Households with Active Devices)



FORRESTER®

Households with smart home devices
(Millions)

- Households with smart home devices, excluding smart speakers
- Households with smart speakers



F = Forecast

Source: Forrester Data: Smart Home Devices Forecast, 2017 To 2022 (US)



Meet Amazon's new secret weapon: Alexa



Meet Amazon's new secret
weapon: Alexa