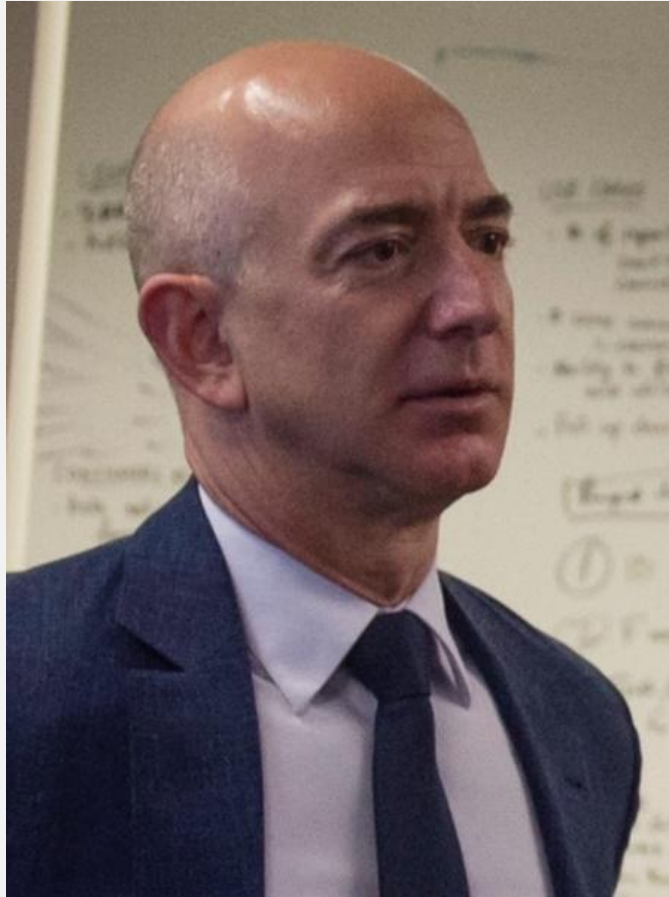


# SUCCESS STORY OF AMAZON

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# BEGINNING



Amazon founder Jeff Bezos

The company was founded as a result of what Jeff Bezos called his "regret minimization framework," which described his efforts to fend off any regrets for not participating sooner in the Internet business boom during that time. In 1994, Bezos left his employment as vice-president of D. E. Shaw & Co., a Wall Street firm, and moved to Seattle, Washington, where he began to work on a business plan for what would become Amazon.com.

On July 5, 1994, Bezos initially incorporated the company in Washington State with the name Cadabra, Inc. He later changed the name to Amazon.com, Inc. a few months later, after a lawyer misheard its original name as "cadaver". In September 1994, Bezos purchased the URL Relentless.com and briefly considered naming his online store Relentless, but friends told him the name sounded a bit sinister. The domain is still owned by Bezos and still redirects to the retailer.

# CHOOSING A NAME



Amazon's first office building.

Bezos selected the name Amazon by looking through the dictionary; he settled on "Amazon" because it was a place that was "exotic and different", just as he had envisioned for his Internet enterprise. The Amazon River, he noted, was the biggest river in the world, and he planned to make his store the biggest bookstore in the world. Additionally, a name that began with "A" was preferential due to the probability it would occur at the top of an alphabetized list. Bezos placed a premium on his head start in building a brand and told a reporter, "There's nothing about our model that can't be copied over time. But you know, McDonald's got copied. And it's still built a huge, multibillion-dollar company. A lot of it comes down to the brand name. Brand names are more important online than they are in the physical world."

# ONLINE BOOKSTORE AND IPO

After reading a report about the future of the Internet that projected annual web commerce growth at 2,300%, Bezos created a list of 20 products that could be marketed online. He narrowed the list to what he felt were the five most promising products, which included: compact discs, computer hardware, computer software, videos, and books. Bezos finally decided that his new business would sell books online, due to the large worldwide demand for literature, the low price points for books, along with the huge number of titles available in print. Amazon was founded in the garage of Bezos' rented home in Bellevue, Washington. Bezos' parents invested almost \$250,000 in the start-up.

In July 1995, the company began service as an online bookstore. In the first two months of business, Amazon sold to all 50 states and over 45 countries. Within two months, Amazon's sales were up to \$20,000/week. In October 1995, the company announced itself to the public.



First Amazon Books  
logotype, 1997

## CLAIMS ON BEHALF OF LARGE CORPORATIONS AND IPO

Barnes & Noble sued Amazon on May 12, 1997, alleging that Amazon's claim to be "the world's largest bookstore" was false because it "...isn't a bookstore at all. It's a book broker." The suit was later settled out of court and Amazon continued to make the same claim. Walmart sued Amazon on October 16, 1998, alleging that Amazon had stolen Walmart's trade secrets by hiring former Walmart executives. Although this suit was also settled out of court, it caused Amazon to implement internal restrictions and the reassignment of the former Walmart executives.

In 1999, Amazon first attempted to enter the publishing business by buying a defunct imprint, "Weathervane", and publishing some books "selected with no apparent thought", according to *The New Yorker*. The imprint quickly vanished again, and as of 2014 Amazon representatives said that they had never heard of it. Also in 1999, *Time* magazine named Bezos the Person of the Year when it recognized the company's success in popularizing online shopping.



The Time magazine featured Jeff Bezos as Time's Person of the Year in 1999.

2000S



Modern Amazon logotype.

Since June 19, 2000, Amazon's logotype has featured a curved arrow leading from A to Z, representing that the company carries every product from A to Z, with the arrow shaped like a smile.

According to sources, Amazon did not expect to make a profit for four to five years. This comparatively slow growth caused stockholders to complain that the company was not reaching profitability fast enough to justify their investment or even survive in the long-term. The dot-com bubble burst at the start of the 21st century and destroyed many e-companies in the process, but Amazon survived and moved forward beyond the tech crash to become a huge player in online sales. The company finally turned its first profit in the fourth quarter of 2001: \$5 million, on revenues of more than \$1 billion. This profit margin, though extremely modest, proved to skeptics that Bezos' unconventional business model could succeed.

## 2010 TO PRESENT



Day 1 Building, the headquarters of Amazon

In 2011, Amazon had 30,000 full-time employees in the USA, and by the end of 2016, it had 180,000 employees.

In September 2017, Amazon announced plans to locate a second headquarters in a metropolitan area with at least a million people. Cities needed to submit their presentations by October 19, 2017 for the project called HQ2. The \$5 billion second headquarters, starting with 500,000 square feet and eventually expanding to as much as 8 million square feet, may have as many as 50,000 employees. In 2017, Amazon announced it would build a new downtown Seattle building with space for Mary's Place, a local charity in 2020.

In November 2018, Amazon announced it would open its highly sought-after new headquarters (HQ2) in Crystal City, Virginia and New York City. Few of the public subsidies being offered to Amazon have been disclosed. Maryland has offered an incentive package worth an estimated \$8.5 billion. The Newark, New Jersey subsidies are estimated at \$7 billion. Despite mixed reception, HQ2 is expected to expand the job ecosystem on Long Island.

To make data transfers from space cheaper and easier Amazon added 12 antennas for the satellite data in November 2018.

**THANK YOU!**