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Strategic Management and Competitiveness

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Impact of Globalization and Technology on Amazon.com

In the modern era of technology, businesses replace human labor with machines. As a result, companies experience a cut in their payroll and wastage expenses which translate to an increased profit margin. Although it is expensive to purchase, install, and maintain machines at the workplace, the benefits associated with their use in businesses outweighs the cost (Mennen, 2010). Amazon.com has embraced this technology by introducing Amazon Robotics such as Kiva robots and intelligent forklifts which perform functions such as counting stock on the shelves. As a result, Amazon.com has escaped various setbacks brought about by human resource such as spoilage of stock items due to poor handling as well as theft by the employees. On the same note, the company has reduced its workforce since a machine is fast and can perform duties of a group of staff members efficiently within minimum time (Mennen, 2010).

Consumers make efforts to keep their expenses down due to the high cost of living experienced across the globe. On the same note, joblessness continues to affect people from all over the world. Some goods such as books are expensive to buy and store, and consumers have turned into more cost-effective means of securing publications such as reading online (Lorange, 2009). Amazon.com has responded to this need by introducing Kindle which enables clients to access a book online at an affordable fee instead of buying (Mennen, 2010). As a result, most companies that specialize in the sale of books have suffered the blow of Amazon's Kindle app since clients are reluctant to purchase a book while they can access it online at a reduced fee.

In the technological world, consumers have turned away from traditional methods of purchase such as picking items from a supermarket shelf and lining up to settle the payment. Clients want to place orders from the comfort of their homes without making physical visits to

the manufacturer or sellers (Lorange, 2009). On the same note, consumers have become used to the ease of using technology and are thus reluctant to try apps that demand too much of their time and effort. In response to this need, Amazon.com introduced 1-Click Shopping in 1997 (Mennen, 2010). The application allows shoppers to pay without re-entering payment information in every purchase. Through one click, a buyer can log in, make a selection, and pay for it.

Every business wishes to develop to an international entity, and Amazon.com has made efforts to establish its presence in most parts of the globe. However, most of these efforts have yielded negatively on the company, for example, some geographies where the company has established a presence lack some of the firm's newer services and features. In some locations, Amazon.com lacks the necessary infrastructures such as distribution and fulfillment centers (Mennen, 2010).

Amazon.com partners such as retailers may not have a presence in some regions which thus makes it impossible for the business to avail its products and services. Previously, Amazon.com wooed clients with its low prices and massive online selection. However, after globalization, the company risks losing customers in areas where it cannot maintain the same services available in the U.S. The unavailability of products and services will push consumers to the competitor (Lorange, 2009).

Applying Industrial Organization Model (I/O) and the Resource-based Model

The resource-based model holds that a business can depend on its unique internal resources and abilities to earn above average returns. Amazon.com has shortened its delivery span over the years. Today, clients can receive their orders the same day unlike previously when

they would wait for some days. The company can thus optimize this technique to win more customers since other competitors are yet to achieve the delivery speed of Amazon.com.

The industrial organization (I/O) model emphasizes that the external factors of an organization can impact its strategic performance. Amazon.com can apply this approach to achieve high average returns by carrying out an extensive study of its surrounding to discover which strategy would give it a competitive advantage. After that, Amazon.com should invest in the identified technique, for instance, training its staff members on improving customer care which their competitors lack. In the long run, the firm will attract many clients since consumers want appreciation besides quality goods and services.

Influence of Amazon's Vision and Mission Statements to its Success

The vision statement of Amazon.com reads, 'To be Earth's most customer-centric company, where customers can find and discover anything they might want to buy online.' The impression that the vision communicates to the public is that Amazon.com wishes to expand across the globe. Therefore the enterprise appeals to people from all over the world, even in areas where it is yet to establish. As a result, it brings awareness of its products and services to a wide range of consumers who believe the firm has something to offer to everyone regardless of their geographical location.

Secondly, the vision statement hints about the spirit of customer prioritization at Amazon.com. Besides quality goods and services, clients crave for appreciation, and the vision thus convinces them of experiencing the three components under one roof. Thirdly, the statement promises consumers of a variety of products at Amazon.com. It is convenient for clients to do all their shopping under one roof, for example, it saves the time of moving from one store to another

and increases the shopper's chance of receiving bulk-purchase discounts. Therefore, the vision attracts the public by promising to continue expanding its range of products and services.

The company's mission is 'We strive to offer our customers the lowest possible prices, the best available selection, and the utmost convenience.' The three promises that the mission delivers to the target market is offering the lowest prices, providing the best selection, and offering maximum comfort. Most clients are price-sensitive, and will thus buy from the seller offering the lowest prices. The vision thus appeals to most price-sensitive customers who are likely to overlook other factors such as quality when making purchase decisions.

The statement further promises the target market of getting the best selection from the store which is convenient as shoppers can access all their goods and services without moving from one store to another. Online shopping appeals to most consumers because of its convenience in delivering the product or service to one's doorstep (Lorange, 2009). The mission guarantees the public of timely delivery from Amazon.com, one of the features that consumers want to experience when shopping online.

Impact of Amazon's Stakeholder's on its Success

Amazon.com has various stakeholders such as customers who provide a market for the company's goods and services. As a result, the business generates revenue to meet its expenses such as paying salaries and expanding to other areas. Further, customers offer ideas to Amazon.com on how to improve its products and services, thus maintaining its competitive advantage (Mennen, 2010). Employees are also a valued stakeholder at Amazon.com since they determine organizational performance by developing and suggesting new ideas besides adhering to the laid out policies of the enterprise that improve performance.

Communities play a vital role at Amazon.com of influencing consumer's perception of the firm and its goods and services. The suppliers enhance business continuity by providing the company with raw materials for production. The creditors, such as banks give financial support through loans while the shareholders provide capital, which in turn generates profits to gear the organization forward (Mennen, 2010). The government also plays a significant role in ensuring the growth of the company through introducing reasonable regulations such as shipping taxes.

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References

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