

Will Amazon continue to be successful against "click-and-mortar" competitors, such as Barnes & Noble

How would you contrast Amazon's business design with that of Barnes & Noble before Barnes & Noble went online?

What is Barnes & Noble?

- Biggest book retailer in the United States
- Established in 1873 by Charles Barnes
- Large upscale retail outlets - 100 stores
- Magazines, newspapers, DVDs, games and music
- Famous for the Mooc (similar to the Kindle)



Amazon's Business Design

- Monopolistic company
- No physical contact with customers
- Easy to replicate
- Empires world-wide
- Low Inventory



Barnes & Noble Business Design

- Economy of scale vertical integration
- Fair to the consumer with customers
- Not easy to start, need to large amount of capital
- Customers have direct access to products
- Focus on high inventory



Comparing Amazon and B&N Before B&N went Online

- Amazon was a monopolistic vertically integrated organization. B&N was a competitor of scale and price.
- Amazon has no physical contact with customers. B&N has physical presence with customers.
- Amazon has a high level of capital.
- Amazon has a high level of capital.
- Amazon has a high level of capital.

Thank you for listening.

Amazon Harvard Case Solution & Analysis



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What is Click-and-Mortar?

A type of business which includes both online and offline operations, which typically include a website and a physical store.

How Amazon Competes with Click-and-Mortar Companies

- Superior customer service
- Personalized recommendations
- 1-Click
- Amazon's business design
- Amazon's business design
- Amazon's business design

How Amazon is Disrupting the Click-and-Mortar Companies

- Amazon's business design
- Amazon's business design
- Amazon's business design
- Amazon's business design
- Amazon's business design



Presenters:

- Jordan Lysy
- Boki Leonard
- Michelle Chen
- Vanessa Sin
- Leona Shum

What is Amazon.com?

- Began operating in 1995
- Jeffrey Bezos- founder
- Intention: establish a strong brand name and leverage into other products
- Books are cyber-space products
- Today, Amazon sells music, software and toys



Is Amazon.com a model for the future of retailing?



The Present Model of Retailing



Superior Customer Service

- Friendly website - easy to understand and use
- Amazon integrates customers in many ways:
 - Discussion Board
 - Wish List
- Personalized recommendations
- 1-Click - keeps track of personal information
- Email - updates customers with books they may be interested in

Key Factor for Amazon-Reason for Success

- High focus on customers and their needs
 - Amazon has always obsessed over customers
- "You have been doing this from the very beginning, and we've always put customers first. What gives you the chance of observing your competitors as obsessing over customers, we always obsess over customers." - Jeffrey Bezos*

Invention 'Inventing on behalf of customers'

- Kindle: an e-reader, specializing on 'what customers need'
- Can be carried anywhere
- Low priced novels
- Holds up to 5,190 books
- Battery life- 2 months



Book Shops vs Amazon.com

- Unibooks and Encyclopaedia Britannica compared to Amazon.com
- Same assistance - guidance can be achieved
- Amazon.com is hard to get answers to questions
- Buying for Unibooks get product immediately
- Amazon.com take 2-5 weeks shipping



Model for the Future?

- To summarize, Amazon.com is NOT a model for the future of retailing
- Reasons:
 - Online shopping will not be a substitute for physical shopping
 - Shopping is a social activity
 - Online shopping will affect employment and other economic issues

Questions?

From a customer's perspective, what are the advantages and disadvantages of each design?



amazon.com

- | Advantages | Disadvantages |
|--|--|
| <ul style="list-style-type: none"> • User friendly customer focused • Get customers involved • Customers spend less time • Requirements based on customer's preferences • High sales • Security store personal details • Quick loading pages • Amazonian recording | <ul style="list-style-type: none"> • Generation confidence in the internet or computer • No history of purchases if email address change • Kindle books don't get digital condition • Selling online digital products off market for you • Low pricing products as often • Harder to physically connect with customers |

BARNES & NOBLE

- | Advantages | Disadvantages |
|--|--|
| <ul style="list-style-type: none"> • Physical store that can connect with customers • Well established business set, 1873 • History of brand loyalty • Well known franchise • Amazonian • More stores in process | <ul style="list-style-type: none"> • Lack of customer focused • Customer • Harder to connect to digital condition • Can't get the products as often • Customer connect with any other |

Amazon Harvard Case Solution & Analysis

amazon.com[®]

The Amazon logo, a curved orange arrow pointing from the letter 'a' to the letter 'm', is positioned below the text 'amazon.com'.

TheCaseSolutions.com

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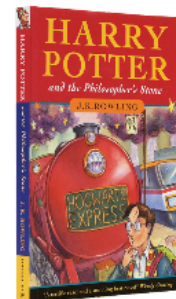
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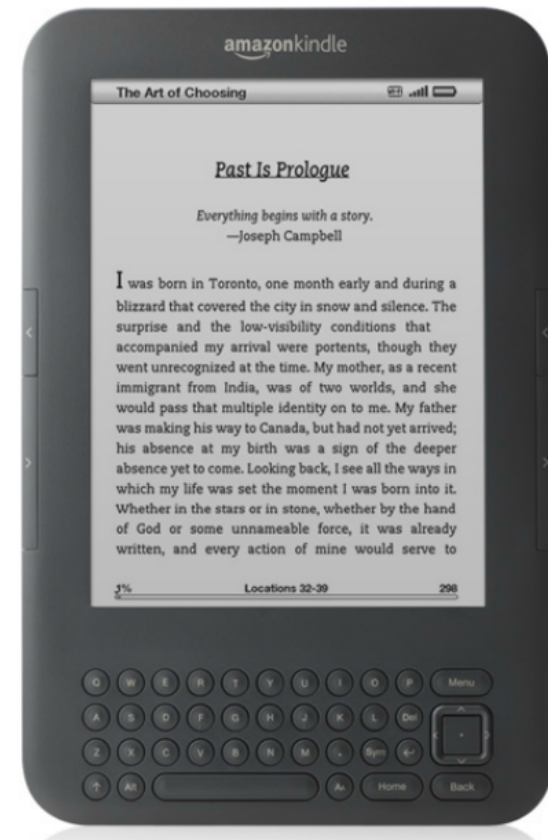
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