

In depth report: Amazon

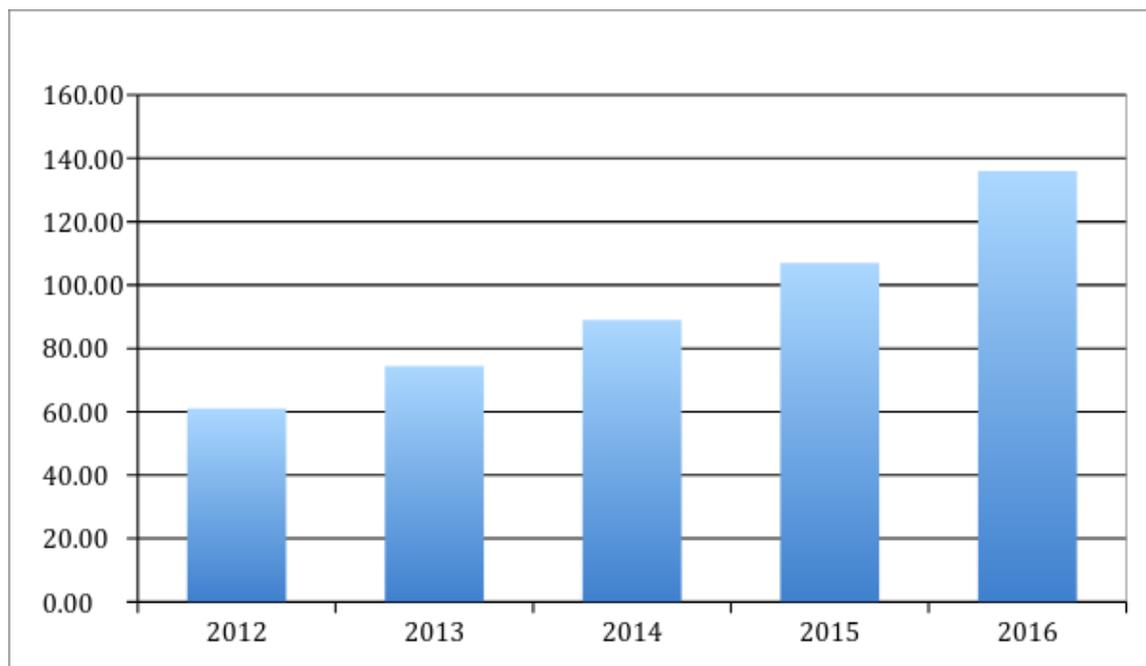
Is Amazon taking over the world? A review of Amazon's place in the retail sector

The wealth of data available about Amazon online is significant and with the following in depth report, we hope we will provide you with a summary of what Amazon is doing in the global retail market. Although a lot of what we've written is about the U.S market, we believe this data provides an invaluable insight into what is to come next in the U.K. Amazon trial things in the U.S market and then tend to roll things out very quickly if they work. Watch this space and be prepared to react quickly!

Here we explore a bit about the history of the Ecommerce giant, its growth, and more about its recent performance and the impact it's having on the retail sector, both positively and negatively.

It was recently announced that Amazon founder Jeff Bezos has become the 3- richest person in the world, showing that his net worth is \$65 billion.

If the founder is worth that much, then what is the company worth? The answer is approx. \$90 billion. Amazon has had rapid growth over the last few years, with sales over double what they were 5 years ago:



Source: Markerwatch.com

Reported sales in the second quarter of 2017 showed an increase by 22.6%. The company reported revenue of \$38 billion for the second quarter.

How has Amazon changed the retail sector?

Many would argue that Amazon has changed the face of retail for the better. For the consumer, it provides significant choice, competitive pricing, quick delivery turnarounds and an exceptionally good platform, which is accessible, and no fuss.

Others, probably retailers, would say it's changed the way we buy and not necessarily for the better. Customers lose the overall shopping experience, the visual merchandising is non-existent and the interaction is low, almost transactional. It has also meant squeezing prices, both for retailers and suppliers.

The increased pressure on other retailers to keep up with Amazon doesn't stop at product choice or price. Retailers are now competing to keep up with significant delivery day turnarounds, with the appeal of big-ticket items allowing customers to add on smaller purchases and additional suppliers coming on board.

It does give retailers and manufacturers a greater platform to sell from; getting to customers they probably wouldn't normally be able to reach and increased visibility of their brand.

Retailers know the benefits, according to the SLI Systems Q2 2017 Epic Report (which surveyed 213 online retailers from May to June 2017), (digitalcommerce360.com, 2017) of the 44% of the respondents who do sell on Amazon.com, said that they were on Amazon mainly to increase sales, the survey showed they were on Amazon because:

- 68% to increase sales
- 47% to acquire new customers
- 47% visibility from a high traffic channel
- 33% fulfilment by Amazon
- 31% ease of use for my customers
- 25% Amazon's infrastructure

However, more than two thirds of retailers who are on Amazon believe that Amazon is building up data on its sales and they are worried that Amazon will use that data to compete with them. They are right to be cautious, however it could be said that this is also prevalent in the retail sector, with supermarkets in particular trialling branded products and reviewing sales before launching own brand versions of similar products. Retailers themselves have realised buying own label products will bring them better margins and profits, as well as better brand awareness.

The full report can be found as part of the [Back to School Market research report at www.Brightdisposition.com](http://www.Brightdisposition.com)