9-716-402
REV: MAY 24, 2018

JOHN R. WELLS
GALEN DANSKIN
GABRIEL ELLSWORTH

Amazon.com, 2018

On February 1, 2018, Amazon.com (Amazon) announced 2017 operating profits of $4.1 billion on sales of $178 billion, and the markets responded enthusiastically. (See **Exhibits 1** and **2**.)[1] For years, founder and CEO Jeffrey Bezos had prioritized growth and investment in new business areas over profits. (See **Exhibit 3**.) In response, shareholders had driven the stock to new heights, making the company the second-most valuable in the world after Apple and ahead of Alphabet (Google).[2] In the process, Bezos became the richest man in the world.[3] However, not all were happy with Amazon's progress. Many traditional retailers in the United States were going bankrupt, while major competitors such as Walmart and Best Buy were forced to invest aggressively in online retailing to prevent their market share from eroding. President Donald Trump was lambasting the company for exploiting the U.S. Postal Service by paying low rates for parcel delivery.[4] In June 2017, Amazon's $13.7 billion purchase of natural-foods retailer Whole Foods Market triggered many questions in Congress and much speculation amongst observers about the company's intentions in grocery.[5] Amazon's January 2018 announcement that it was joint-venturing with JPMorgan Chase & Co. and Berkshire Hathaway to reduce healthcare costs sent shockwaves through the sector.[6] Meanwhile, the city of Seattle, where Amazon was headquartered, was set to impose a labor tax to help fund low-cost housing to help offset local rent rises.[7] For its part, Amazon was in discussions with 20 North American cities bidding to host "HQ2," the company's second headquarters.[8] Could anything stop the inexorable rise of Amazon?

History

Bezos began his career as a programmer for Wall Street trading firms and hedge funds. After working for hedge fund D. E. Shaw on investments in technology companies, Bezos began exploring the idea of founding an Internet retailer. He considered over 20 categories of products for his venture and ultimately chose to focus on books.

The Book Business

In the 1990s, the book retailing business was highly fragmented, complicated, and prone to inventory and return problems. The traditional book retail market was composed of national chains and independent booksellers. The two major chains were Barnes & Noble and Borders. These chains collectively had more than 2,000 stores across the United States and typically offered discounts of 10%

Professor John R. Wells and Research Associates Galen Danskin and Gabriel Ellsworth prepared this case. This case was developed from published sources. Funding for the development of this case was provided by Harvard Business School and not by the company. HBS cases are developed solely as the basis for class discussion. Cases are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.

Copyright © 2015, 2016, 2018 President and Fellows of Harvard College. To order copies or request permission to reproduce materials, call 1-800-545-7685, write Harvard Business School Publishing, Boston, MA 02163, or go to www.hbsp.harvard.edu. This publication may not be digitized, photocopied, or otherwise reproduced, posted, or transmitted, without the permission of Harvard Business School.

to 30% off popular books. There were also 5,500 independent booksellers in the United States operating 7,000 stores.[9] This number had been falling through the 1990s, partly as a result of price competition from chain stores. Mass merchants (e.g., Wal-Mart and Kmart), wholesale clubs (e.g., Sam's Club and Costco), grocery stores, and other non-bookstore outlets were another major source of competition, accounting for almost half of book sales.[10]

For an author's book to reach a retail store, the book typically had to go through four intermediaries: agents, publishers, distributors, and wholesalers. First, an agent would accept a book and market it to a publisher. Some of the major publishers in the 1990s were Penguin Books, Harper Collins, Random House, and Simon & Schuster. The top 20 publishers accounted for 88% of sales in North America. If a publisher accepted the book, it would manage publication, marketing, and sales. In order to distribute the book, the publisher would contract with a distributor. A distributor's primary responsibility was to act as a middleman between the wholesaler and the publisher. Distributors would ship and return books from the wholesaler to the publisher, and they would give smaller publishers the bargaining power to get their books stocked by a major wholesaler. Wholesalers were the key link between retailers and the publishing world. Ingram was the largest wholesaler and controlled 50% of the U.S. market. Wholesalers would distribute catalogues to bookstores and fulfill book orders placed by retailers. To ensure that they could meet retail demand, wholesalers would maintain inventories of publishers' books and ship them out to bookstores on demand. If a retailer misjudged the number of copies that would sell, a bookstore could return to the book to the wholesaler (who would then return it to the publisher) for a full refund (minus shipping costs). In this way, books were sold on consignment and had high return rates and high inventory costs to the publisher. Publishers typically received back over 30% of their initial book run.[11]

Barnes & Noble and Borders sourced much of their inventory directly from publishers, cutting out wholesalers and distributors, and stored their inventory in company-owned distribution centers. In 1996, 40% of Barnes & Noble's inventory was pushed directly from publishers, and the company expected this figure to increase to 50% by 1998. It took several weeks to source a book directly from the publisher, and Barnes & Noble and Borders could ship a book from their own distribution centers to a retail store in two to three days.[12]

Amazon's Entry

In 1994, Bezos quit his job at D. E. Shaw and drove across the country to Seattle, Washington. Bezos chose Seattle for three reasons: its technology cluster; its proximity to Ingram, the largest book wholesaler; and its lack of sales tax.[13] Wherever Bezos shipped a book in the United States, he would not have to levy sales tax, which put him at an immediate advantage over local bookstores. Sales tax varied from state to state but averaged about 6% of sales. Bezos began Amazon out of his garage. The company name reflected his ambitions for the firm: like the Amazon River, he intended to be the biggest in the world. After a year of software development with a team of 10 employees, Amazon's website was launched in July 1995.[14]

From the start, Amazon was focused on making e-commerce attractive, secure, and easy for first-time online buyers. Customers needed only an email address, a credit card, and a password to place an order. Amazon listed over 1 million titles in its database, and prices were often deeply discounted compared to physical retailers'.[15] In Amazon's first letter to shareholders, Bezos noted:

> From the beginning, our focus has been on offering our customers compelling value. . . . Therefore, we set out to offer customers something they simply could not get any other way, and began serving them with books. We brought them much more selection than

> was possible in a physical store . . . and presented it in a useful, easy-to-search, and easy-to-browse format in a store open 365 days a year, 24 hours a day.[16]

By September 1995, Amazon was generating weekly sales of $20,000.[17] For 1995, annual sales were $511,000.[18] To accommodate the rapidly increasing demand, the company moved out of Bezos' basement into headquarters in Seattle and built a 50,000-square-foot distribution center.[19]

In July 1996, the company launched Amazon Associates, which allowed individuals to embed links to Amazon within their own websites, write reviews or recommendations, and gain a 3% to 8% commission on books purchased through these links. There was no cost to join the program, and associates could enroll through Amazon and begin selling products through their site within hours. This network of sellers helped to drive traffic to the Amazon site. While the typical newly launched Internet company spent 119% of sales on advertising during the late 1990s, Amazon's marketing was 10% of sales.[20] In 1996, Amazon recorded sales of $15.7 million and an operating loss of $6.0 million.[21]

Going Public and Growth (1997–1999)

In May 1997, Amazon went public at $18 a share, raising $54 million and valuing the company at $438 million.[22] By December of 1997, Amazon's stock had risen to $59 per share. The company recorded sales of $148 million in 1997 and operating losses of $29 million.[23]

Amazon's IPO success was not unusual at the time. Starting in January 1997, Internet companies began achieving sky-high valuations. According to CNN, "Investors would buy almost anything even vaguely associated with the Internet, regardless of valuation . . . they were goaded by bullish reports from sell-side securities analysts and market forecasts from IT research firms."[24] In total, web companies raised $1 billion through 34 IPOs in 1997, $2 billion through 45 IPOs in 1998, and $24.1 billion through 292 IPOs in 1999.[25] In January 1999, Amazon took advantage of this continued optimism to issue $1.25 billion of bonds, which gave the company a substantial cash cushion.[26]

Amazon's rapid expansion in 1997 was partly fueled by several major Amazon Associates, including Yahoo, American Online, and Netscape. In 1998, Amazon launched Amazon.com Advantage, which focused on the sales of independent authors and publishers. The same year, Amazon released Amazon.com Kids, which marketed titles for younger children and teenagers.[27] Amazon also began to expand internationally, acquiring Bookpages (U.K.) and Telebook (Germany) in 1998.

In 1998, Amazon moved beyond the book category with the acquisition of IMDB (the Internet Movie Database), an online database of information and reviews about movies and television shows. Before year-end, Amazon became the leading online video retailer. The same was true of music CDs. Amazon made 125,000 titles available in 1998 and soon led the category.

In 1999, the company entered more categories, including toys and electronics (July), home improvement and tools (November), video games and software (November), and patio furniture and kitchenware (December).[28]

In addition to these category entries, Amazon also released a new online marketplace called zShops in 1999. On this site, Amazon rented space at a fixed rate ($9.99 per month) to smaller merchants who sold items and paid a sliding commission based on the final sale price, generally between 2.5% and 5%. Sellers managed stocking and shipping, while Amazon processed transactions through its 1-Click payment system, guaranteed refunds to protect buyers against fraud, and hosted reviews for the products.[29] Cassar, an analyst for the Dow Jones, noted, "Amazon is not the only site out there to host small businesses on their site. What makes them different is that Amazon attracts more shoppers than any other site on the Web . . . and provides a major thoroughfare that many shoppers will come through."[30]

During this time, Amazon also made significant investments in its distribution and warehouse infrastructure. By early 2000, Amazon operated 10 distribution centers (in Seattle, Delaware, Georgia, Kansas, Kentucky, Nevada, North Dakota, the United Kingdom, and Germany) totaling 4.5 million square feet of space, with capacity of $10 billion worth of sales—more than five times Amazon's 1999 revenues.[31] The company also operated six customer service centers across the United States, the United Kingdom, and Germany.

Amazon's distribution centers and customer service centers were tied together with a digital infrastructure that linked operations throughout the world.[32] In the December holiday season, more than 99% of orders were shipped on time. In Amazon's 1999 Annual Report, Bezos noted that Amazon's investments in digital and physical infrastructure had put the company at a "'tipping point' where this platform allows us to launch new e-commerce businesses faster, with a higher quality of customer experience, a lower incremental cost, a higher chance of success, and a clearer path to scale and profitability than perhaps any other company."[33]

In 1999, sales reached $1.6 billion with an operating loss of $606 million. Bezos was named *Time*'s "Person of the Year." However, investors were wary about Bezos's focus on market share and revenue growth over profitability. The article announcing Bezos's award described how "naysayers referred to it as 'Amazon.org.'"[34] (The *.org* domain was reserved for nonprofits.)

Dot.com Bust and the Route to Profitability (2000–2003)

In February 2000, Amazon signed a five-year agreement with Living.com that guaranteed the company as the exclusive supplier for the Amazon.com Home Living store. Through this agreement, Amazon acquired an 18% stake in Living.com for $10 million.[35] Amazon made similar deals with numerous other new, high-potential start-ups. The company partnered with Greenlight, an online car-buying service, to list Greenlight's products directly on Amazon and with Drugstore.com to list pharmaceutical products. The *Wall Street Journal* described Amazon as "the granddaddy of Internet shopping" and said that the company had "played patron to other electronic retailers, funneling hundreds of millions of dollars and throngs of its customers to the start-ups."[36]

In August 2000, Living.com filed for Chapter 7 bankruptcy and closed its website. Other e-retailers were also in trouble. Many renegotiated contracts with Amazon that had been signed only months before. Greenlight negotiated payments of $15.25 million over two years rather than $82.5 million over the next five, and Drugstore.com cut its payments to Amazon from $40 million to $15 million. Bezos noted, "What good partners do is when circumstances change, they try to help each other."[37] Since Amazon had also accepted equity in lieu of cash, the company's investment portfolio fell from $370 million in December 1999 to $300 million in June 2000. Tom Courtney, an analyst at Bank of America, noted, "We don't think they're going to end up with much of a return on those investments."[38] In June, Ravi Suria, a Lehman Brothers bond analyst, published a report that questioned Amazon's ability to survive, and Amazon's stock price fell by one-fifth.[39] By the end of 2000, the company's share price fell below $20, down from a high of over $100 at the beginning of the year. Bezos lost 80% of his net worth, but he remained optimistic about the future of the company. He noted, "It has been a great business year."[40] Bezos explained that Amazon would end 2000 with around $1 billion in cash and then turn profitable after the first quarter of 2001.[41]

Despite the challenges of the 2000 dotcom collapse, Amazon expanded its customer base from 13 million to 25 million and its operations into Japan and France.[42] In November 2000, Amazon launched Amazon Marketplace, which allowed sellers to sell new and used items next to Amazon's product selection rather than separately through zShops. Within a year, Marketplace accounted for 5% of total units sold.[43] Amazon also began offering free shipping for orders over $100.[44] In addition, the company strengthened the management team, hiring Joseph Galli from Black and Decker as president, Jarren Kesnon from Delta Air Lines as CEO, and Jeffrey Wilker from AlliedSignal as chief logistics officer.[45] Bezos remarked that prior to 2000, he had failed to create a more formal strategic planning process. He noted, "We have done a reasonable job in that area, but it's been by the seat of our pants. Not with finesse, but because we have tons of smart people who care, which is great, but [it] needs to be much more of a process."[46]

The new team began structuring operations. In early 2001, Amazon laid off 1,300 employees (around 15% of its workforce), closed a distribution facility, and initiated a policy of "Get the Crap Out." This was designed to cut unprofitable products.[47] The company found that "more than 10 percent of the products sold from the electronic, kitchen and tool departments lost money, while 5 percent of the book, music and video products were losers."[48] Bezos noted, "We'll ferociously manage the products we carry so that we sell only products that are profitable. . . . The thirty-pound box of nails isn't long for our world."[49] Amazon also focused on alternative ways of making product lines profitable—for example, selling items in packs to save on shipping, reducing inventory levels, pressing vendors for more discounts, or raising prices.[50]

In 2001, the company was re-organized into four operating segments:[51]

U.S. Books, Music, and DVD/Video In 2001, this segment generated sales of $1.69 billion, including commissions from products (new and used) sold through Amazon Marketplace or through the Syndicated Stores Program.

U.S. Electronics, Tools, and Kitchen This segment generated sales of $547 million and included sales of electronics, computers, camera and photo items, software, computer and video games, cell phones, tools and hardware, outdoor living items, kitchen and housewares, toys, and video games. This segment also included sales directly from Amazon as well as commissions through Amazon Marketplace and Merchant@amazon.com.

Services Segment This segment reported sales of $225 million in 2001. It consisted of commissions, fees, and other amounts earned from business-to-business partnerships, including Auctions, zShops, Payments, Merchant@amazon.com, and other agreements.

International International sales were $661 million in 2001. Amazon had four international websites focused on the United Kingdom, Germany, France, and Japan. These sites were each supported by their own customer service, fulfillment centers, and networks of third-party sellers.

The company reported financial information for these four segments for two years only. Beginning in 2003, it reported only for two segments: North America and International.

Amazon also began offering "e-commerce solutions" to traditional retailers through three programs: Merchant@amazon.com, the Merchant Program, and the Syndicated Stores Program. In Merchant@amazon.com, a company's products were integrated into Amazon's website, and customers purchased products through Amazon's one-click process. The third party would pay Amazon a fixed fee and sales commission, and Amazon offered the option of delivering and storing products for the merchant. ToysRUs, Target, Circuit City, Gap, and Land's End were all part of this program. In the

Merchant Program, a third party used Amazon's software and technology, but the website was located under its own URL. Target migrated to this system in 2002. In the Syndicated Stores Program, a third-party seller's site would use Amazon's e-commerce services and offer Amazon's product selection, with Amazon controlling all fulfillment and payment. This program was an outgrowth of Amazon Associates, and bookseller Borders used it for its website.[52]

Amazon did not disclose revenue from these relationships, but analysts estimated that 14% of products sold in 2002 were by third parties. Jeetil Patel, a Deutsche Bank analyst, estimated that Amazon charged a commission of 10% to 15% on third-party products and that most of this commission was profit, resulting in an estimated gross margin of more than 70% for the third-party services segment.[53] In contrast, estimated margins for products that Amazon had to stock and ship were around 22%.[54]

When Amazon had come under pressure in 2000, the company had reduced its discounting on books. Prices were raised again in 2001, bringing growth to a halt. To revive sales, in April 2002 the company discounted all books over $15 by 30%. In June, it dropped its Free Shipping sales minimum to $49. Third-quarter 2002 sales for its book, music, and video unit were up 17%.[55] The Free Shipping minimum was dropped again in November to an order size of $25.[56]

In 2002, sales reached $3.9 billion, and Amazon posted its first yearly operating profit of $64 million and a net loss of $149 million. Amazon's shares rose 75% in 2002 while markets were generally falling.[57] In 2003, Amazon posted its first yearly net profit of $35.3 million and operating profits of $267 million on revenues of $5.2 billion. Amazon's shares rose to $55, up from $20 at the beginning of 2003. On the day of the profit announcement, the *Wall Street Journal* wrote, "Seattle-based Amazon, once the embodiment of the dot-com ethos of growth without heed for profit, has transformed itself into one of the most powerful survivors on the Internet."[58]

As it turned to profitability, Amazon entered a number of new categories including Apparel and Accessories (2002), Sports and Outdoor (2003), and Health and Personal Care (2003).[59]

Category Expansion

Having achieved break-even, Amazon continued to expand into new product categories and increase market share in its established categories. (See **Exhibits 3a** and **3b**.) For instance, in 2004, Amazon entered the fine jewelry market. Bezos noted, "The margins in typical jewelry retailers are so high you can save people a significant amount of money."[60] Amazon chose to control the inventory and shipping of the jewelry business rather than partnering with a retailer. The company announced plans to hire a staff of licensed gemologists and to make a secure storage facility for storing "millions of dollars" of jewelry.[61]

In 2006, Amazon built on its apparel business by acquiring online fashion retailer Shopbop. In 2007, it launched Endless, a shoe and handbag website. In 2008, it acquired Fabrics.com, a craft supplies retailer. In 2009 it purchased Zappos, an online footwear retailer, for $1.1 billion.[62] In 2011, the company launched MyHabit, selling heavily discounted designer fashions. The following year, Amazon considered buying leading U.K. online fashion retailer ASOS but decided against it.[63] Instead, it launched several of its own private-label lines while trying to woo leading brands, which were reluctant to sell on Amazon. Eventually, in 2016, Amazon closed MyHabit. In 2017, leading brand Nike finally agreed to sell apparel on Amazon.[64] That year, Amazon became the largest apparel retailer in the United States, according to investment bank Cowen.[65]

In 2006, Amazon opened the Grocery Store, marking its entry into the dry grocery business, competing with the likes of Kroger and Walmart. The following year, it launched AmazonFresh in Seattle, offering perishable as well as nonperishable food deliveries. AmazonFresh expanded to Los Angeles and San Francisco in 2013. As of 2018, AmazonFresh was available only to Prime members in certain markets, who paid $14.99 per month for same-day and early-morning delivery of fresh grocery items and over 500,000 other items (from toys through household goods). Amazon fulfilled part of the offering itself and partnered with local merchants to provide the rest.[66] In 2018, competitors included Instacart (a national grocery delivery service targeting 150 U.S. markets) and Peapod, a Stop & Shop-centered delivery service.

In 2010, Amazon acquired Diapers.com (Quidsi), an online baby supplies company, for $540 million, after a brutal price war in which Amazon cut its diaper prices by 30% and launched Amazon Mom, which offered free shipping on diapers and other baby supplies.[67]

In June 2017, Amazon acquired natural-foods retailer Whole Foods Market for $13.7 billion. Walmart's and Kroger's stock prices fell sharply on the news. Whole Foods operated 460 upmarket natural-food stores, many in wealthy neighborhoods. At the time of the purchase, Whole Foods worked with Instacart on home delivery.[68]

In 2017, Amazon launched two furniture brands: Rivet and Stone & Beam.[69]

Digital Content

In 2005, Amazon moved into digital content by releasing an online service that allowed users to browse chapters of books before publication. This service evolved into a preliminary e-book purchasing service, which allowed users to buy short stories and chapters of books.[70] In 2007, Amazon launched its Digital Text Platform.[71] Later renamed Kindle Direct Publishing, it provided authors with the ability to self-publish.[72] Authors received 70% of the royalties from the sale of these e-books, retained rights control, and could see their e-books available on Amazon's site within 24 to 48 hours of submission. Amazon also operated its own publishing arm, Amazon Publishing, started in 2009, with 14 imprints focusing on diverse genres. Major competitors in this sector included Random House, Pearson, Hachette, and Harper Collins. By 2011, Amazon was selling more digital books than physical books.[73] In 2017, Amazon accounted for 83% of the U.S. e-book market.[74]

In 2006, Amazon partnered with all of Hollywood's major film studios except Walt Disney and released a service called Amazon Unbox that sold movies for download for $7.99 to $14.99. This offering included new releases and popular television shows.[75] Amazon launched Prime Instant Video, a video streaming service free to Prime members, in 2011 with 5,000 titles.[76] The same year, Amazon completed the acquisition of Lovefilm, a U.K.-based DVD rental and online video company in which it had first invested in 2008.[77] In 2017, Amazon Prime's Instant Video was the second most popular video streaming service in the United States, behind Netflix and ahead of Hulu.[78]

In May 2007, Amazon purchased Brilliance Audio, the largest independent publisher of audiobooks in the United States.[79] Amazon also began negotiating copyright contracts and developing a digital-music store, which was launched in September 2007.[80] The Prime Music streaming service, free to Prime members, was launched in 2014.[81] In March 2018, Amazon Music was the seventh largest music streaming service in the United States with 12.7 million monthly users. The leaders were Apple Music with 49.5 million users and Spotify with 47.7 million.[82]

In 2010, Amazon launched Amazon Studios to begin producing its own content. In 2013, it released 14 original pilots of television shows.[83] The next year, it released *Transparent*, an original series that garnered Amazon Studios its first Golden Globe awards.[84] The 2016 Amazon Studios film *Manchester by the Sea* became the first movie from a streaming service to receive an Academy Award nomination for Best Picture.[85]

In 2011, Amazon launched the Amazon Appstore for Android with 3,800 apps. The Google Android Market offered 200,000 apps at the time.[86] By early 2018, Amazon's offering had expanded to 433,000 apps.[87] The Google Play store offered 3.6 million.[88] Apple offered 2.1 million.[89]

In 2014, Amazon acquired Twitch, the world's leading gameplay streaming site, for $970 million in cash.[90] The site allowed gamers to share videos of their more interesting game moments and even earn a living from doing so. Competitors included HitBox, Beam, Azubu, Bio Live, and YouTube Gaming.[91] Twitch was founded in 2011. Google's response, YouTube Gaming, was launched in 2015.[92] Twitch attracted 15 million daily users in 2017 to watch game clips.

Hardware

In November 2007, Amazon released the Kindle, a device that allowed users to download and read books, newspapers, and magazines. The Kindle was initially priced at $399, and the first run sold out within six hours.[93] Bezos explained Amazon's investment in hardware: "We had been selling electronic books for a long time, and you needed a microscope to find the sales. What customers need is a device that made it very, very frictionless to buy and read electronic books. We wanted to build a seamless, vertically integrated experience, and that required us to develop this whole new skill set."[94] By the end of 2008, Amazon had 125,000 digital books available,[95] and by 2009 this had risen to 290,000. Most were priced at or below $9.99, sometimes less than what Amazon paid publishers.[96]

In 2011, Amazon released the Kindle Fire, a tablet version of the Kindle that was intended to compete with Apple's iPad. The Fire was priced at $199, compared to the iPad's $499, and offered video, gaming, and Internet capabilities. In 2014, the Kindle Fire was upgraded to high definition and priced at $99.[97] In 2015, Amazon reduced the price of its standard Fire tablet to $49.99 and started selling it in six-packs for less than $250.[98] It quickly became the most popular item on Amazon.com.[99] A brand study from Consumer Intelligence Research Partners found that Amazon customers who owned a Kindle spent $443 more than customers without a Kindle product.[100] In Q4 2017, Kindle accounted for 15.6% of global tablet sales, behind Apple with 26.6%. For the year, Apple remained in the lead, but Samsung ranked second and Amazon third since its sales were more concentrated in the fourth quarter.[101]

In 2014, Amazon launched the Fire Phone, a low-priced smartphone. It was received poorly in the marketplace.[102] Apple and Samsung dominated the smartphone market at the time.[103]

Amazon Fire TV, a $99 digital-media player, did better. It allowed users to stream digital audio and video to a connected television. Users could also purchase video from a list of over 200,000 movie and TV episodes and play games developed by Amazon's in-house Game Studio. A basic version, the Fire TV Stick, was available for $39. Fire TV competed directly with Apple TV ($69), Roku ($79), and Google Chromecast ($35).[104]

Dave Limp, vice president for Kindle, noted, "We have a philosophy that we try to price our devices as close to break-even as we possibly can. If they put it in a drawer, we've not benefited at all. [Once the consumer has a Fire TV in his or her living room] somebody might buy à la carte content, movies, TV shows. Somebody might sign up for Prime . . . we want to be really aligned with the customer that we only make money when they use our products, not when they buy them."[105]

Amazon Dash Wand was released in April 2014 and was free for Prime Fresh users. The Dash scanner allowed customers to scan grocery items on their shelves and order them immediately through AmazonFresh.[106] Amazon Dash Button was released in March 2015. The Dash Button also was free for Prime Fresh users. It acted as a physical one-click ordering button that users could stick around their home (for example, next to their coffee maker). Buttons were branded according to the product; eligible items included toilet paper, cleaning products, juice, and dog food.[107]

On November 6, 2014, Amazon released Amazon Echo, a voice-command device that answered questions, played music, and acted as a personal assistant, Alexa. The Echo was priced at $99 for Amazon Prime members and $199 for non-Prime members. Apple offered its Siri service on the iPhone for free.[108] In 2017, Alexa-enabled devices were some of the best-selling items on Amazon, making the year a record for Amazon hardware sales. Third-party developers had created more than 30,000 skills for Alexa, and customers could control over 4,000 smart home devices using the system.[109]

Amazon Prime

In 2005, Amazon launched Amazon Prime, a two-day delivery service for 1 million eligible products for an annual flat fee of $79, with a one day delivery upgrade for $3.99.[110] Free video streaming was added to the Prime offering in 2011.[111] Prime membership grew rapidly, reaching "tens of millions" by 2013, by which time more than 20 million items were eligible.[112] The fee was raised to $99 in 2014, and free music streaming was added.[113] Prime members were also provided free access to the Kindle Owners' Lending Library. By 2015, 10 years after launch, over 30 million items sold on Amazon's website were eligible for Prime delivery, Sunday delivery had been added, and Free Same-Day Delivery was offered on hundreds of thousands of items in 35 cities worldwide.[114] Tom Szkutak, CFO, noted that "Prime members do purchase a lot more than non-Prime members."[115] Scot Wingo of consultants ChannelAdvisor estimated that Prime members spent four times the amount of non-Prime members and accounted for half of all spending at Amazon.[116]

In December 2014, Amazon launched Prime Now in Manhattan, New York, offering Prime members a range of 25,000 daily essentials for delivery in two hours for free or one hour for a charge of $7.99. It was rolled out rapidly to major cities around the world. By the end of 2015, it was offered in more than 30 cities.[117] Independent drivers made the deliveries using their own vehicles, summoned on a mobile app in much the same way as Uber offered taxi rides. This experiment was expanded to include non-Prime items in early 2016.[118]

After Amazon's acquisition of Whole Foods, Prime members were offered special discounts when shopping at the store, adding another benefit to the long list of benefits available.[119]

By the end of 2017, Prime members exceeded 100 million worldwide, and they acquired 5 billion items during the year. Over 100 million items were eligible for Prime delivery in the United States. Prime Free Same-Day and Prime Free One-Day delivery were available in 8,000 cities, and Prime Now in 50 cities.[120] In May 2018, the annual fee was raised again to $119.[121] This move triggered much debate on what the package of services was worth. Creditcards.com estimated the annual benefits at $1,166.[122]

Amazon Marketplace

Started for third-party sellers in 2000, Amazon Marketplace accounted for 5% of units sold on Amazon within a year, and it grew rapidly.[123] By the end of 2005, analysts estimated that Amazon listed products from more than 1 million third-party retailers.[124] In 2006, Amazon launched a service to stock and fulfill orders for Marketplace users called Fulfillment by Amazon (FBA), which proved popular. FBA products were usually eligible for Prime free two-day shipping. According to an Amazon survey, 71% of FBA members reported that unit sales increased by more than 20% after they joined FBA.[125] By 2009, there were 1.9 million active sellers on Amazon Marketplace, and they accounted for 30% of all units sold.[126] By 2014, this figure had risen to more than 40% of all units sold, over 2 billion during the year.[127] In 2015, Amazon began offering loans to help sellers grow.[128] In 2017, Marketplace units exceeded 50% of all unit sales on Amazon for the first time.[129]

According to some analysts, Amazon's profit margins on third-party sales were higher than on its own sales.[130] Upstream Commerce, a research company, claimed that Amazon monitored third-party sales and used the information to sell popular products and undercut sellers.[131]

Amazon Web Services

In 2006, the company launched Amazon Web Services. Amazon had first become interested in developer support in July 2002 when it released product data to its third-party affiliates, who responded very positively.[132] In 2003, Andy Jassy (MBA 1997) was tapped to begin developing a business plan for what would become Amazon Web Services (AWS). In March 2006, AWS was officially launched with one product, Simple Storage Service (S3). S3 allowed users to store and retrieve data for around $0.12 to $0.15 per gigabyte per month. In August, AWS released the Elastic Compute Cloud (EC2), a service that allowed developers to run on Amazon's computing environment. This allowed websites to use Amazon's server and computing space on an as-needed basis for a much lower price than was traditionally available. Jeffrey McManus, a 40-year-old San Francisco resident, noted, "The key thing about Amazon's storage service is that it's a pay-as-you-go service. We don't have to make this giant investment upfront."[133] Other parts of AWS included Simple DB (database storage), Simple Queue Service, Amazon Flexible Payment Service, Amazon Premium Support, and Amazon Elastic Block Store.[134]

AWS added hundreds of new service features every year and cut prices aggressively—51 times in the first 10 years of operation.[135] In recognition of its larger role in the portfolio, in 2015 Amazon started publishing separate financials for AWS. Revenues grew rapidly, reaching $17.5 billion in 2017 (9.8% of total sales, up from 7.4% in 2015).

Major competitors in this sector were Microsoft, Google, IBM, HP, VMware, and Rackspace.[136]

Logistics

To reach customers more quickly, Amazon continued to invest in fulfillment centers and other facilities around the world. By early 2018, it operated 265 fulfillment centers in 17 countries and was planning 49 more. It also operated 471 other facilities, including 276 delivery stations and 73 sorting centers. One of its biggest commitments was India, where it operated 42 fulfillment centers, 25 sorting centers, and 150 delivery stations.[137] Here, Amazon competed with local leader Flipkart. In May 2018, Walmart acquired 77% of Flipkart for $16 billion. Flipkart was founded in 2007 by two former Amazon employees.[138]

As it expanded in the United States, Amazon lost its advantage of not being required to levy sales tax on customer purchases. Starting April 1, 2017, it collected taxes in all U.S. states that had a sales tax. This change did not affect third-party sellers on Marketplace.[139]

To improve the productivity of its warehouse operations, Amazon acquired robot maker Kiva Systems in 2012.

In late 2015, the *Wall Street Journal* reported that Amazon was in discussions to lease aircraft to supply its own air freight.[140] This news triggered rumors that Amazon intended to build its own logistics network in competition with the likes of UPS, FedEx, and the U.S. Postal Service, who counted Amazon among their biggest customers.[141] In August 2016, Amazon revealed its first aircraft, branded Prime Air, and announced that it would lease a total of 40.[142] In February 2017, Amazon announced it was to build an air cargo hub in Kentucky for $1.5 billion.[143] In March 2017, Amazon demonstrated the feasibility of its 30-minute drone delivery system in California with special permission of the FAA. Development of the service depended on the introduction of appropriate air traffic control systems.[144]

Physical Stores

In an unexpected twist, Amazon started opening physical bookstores in 2015, with the first in Seattle. The stores displayed a limited amount of books along with Amazon hardware. The seventh physical store was opened in New York in May 2017.[145] The company added a number of "bookless" bookstores on college campuses where students could order textbooks and items for furnishing dorm rooms to be picked up later in the store. Students received a 50% discount on Prime membership.[146]

The purchase of Whole Foods in mid-2017 marked a significant increase in Amazon's commitment to physical stores, adding 460 locations to its portfolio.

In January 2018, the company opened to the public an Amazon Go convenience store with no cash registers. This store introduced the concept of Just Walk Out (JWO) shopping. Customers simply removed products from the shelves and walked out; sensors were used to charge them automatically for their purchases.[147]

Physical store sales were $4.5 billion in the final quarter of 2017 (12.8% of online store sales, up from 4.8% the previous quarter).[148]

Employees

To support the buildout of its logistics infrastructure, Amazon hired nearly 130,000 people in 2017, bringing the total workforce up to 566,000 full-time and part-time employees. Amazon had a number of programs in place to attract high-quality employees. The company pre-paid 95% of tuition for employees to take courses in in-demand fields in order to help employees find long-term, fulfilling career paths. The company also adopted a policy called Pay to Quit, which offered employees between $2,000 and $5,000 (depending on length of employment) to quit. The program was meant to encourage dissatisfied employees to leave. Amazon also began pioneering a concept called the Virtual Contact Center, which would allow employees to work from home.[149]

In August 2015, the *New York Times* published an exposé on Amazon, suggesting that the company was "conducting a little-known experiment in how far it can push white-collar workers."[150] Employees were held to standards that Amazon itself described as "unreasonably high," and the internal phone directory showed employees how to send confidential feedback to each other's bosses. One exemployee recalled, “Nearly every person I worked with, I saw cry at their desk.” Amazon recruiter Susan Harker remarked, “This is a company that strives to do really big, innovative, groundbreaking things, and those things aren’t easy. When you’re shooting for the moon, the nature of the work is really challenging. For some people it doesn’t work.” Bezos refuted the story and said Amazon would not tolerate the “shockingly callous management practices” it portrayed.[151]

Finance

Having delivered net profits for the first time in 2003, Amazon invested heavily in hardware, digital content, software services, and infrastructure, and profits were meagre. By mid-2006 investors were growing impatient with the cost of Amazon’s technology and development investments. The stock price fell to $26 in July 2006, triggering the company to drop the rate of its technology spending growth.[152] Amazon’s revenue continued to grow by double digits, and the stock price recovered to $50.10 by 2007.[153]

Through the recession of 2008–2009, Amazon’s sales continued to grow from $19.2 billion in 2008 to $24.5 billion in 2009 and $34.2 billion in 2010.[154]

In 2014, Amazon recorded sales of $89 billion and operating profits of $178 million. The company incurred losses in the second and third quarters, and the share price fell from just short of $400 to $309 at year-end. During this time, the S&P gained nearly 20%.

In 2015, profits rose significantly. The first three quarters of the year were all profitable, the first time the company had achieved this in three years. Moreover, third-quarter profits were a record, but shareholders were unimpressed; on the announcement, the shares fell 15% in after-hours trading. The years 2016 and 2017 saw much higher levels of profitability, and the shares reached record levels. The first quarter of 2018 also proved strong, driving the share price to new heights and making the company the second most valuable company globally after Apple, with a market capitalization of more than $750 billion. As a result, Bezos became the richest man in the world.

The Path Ahead

While Amazon’s shareholders were delighted with the results, the company was drawing criticism at the highest level in the United States: the White House. On March 29, 2018, President Trump attacked Amazon by tweeting that the company did not pay enough taxes and implied that he might use the power of the presidency to intervene in the company’s success. He also accused Amazon of driving retailers out of business and using its bargaining power to pay the U.S. Postal Service less than cost for delivering parcels. This was not the first attack from President Trump, who had been signaling his displeasure with the company since 2015. Some suggested that Trump was motivated by Bezos’s ownership of the *Washington Post*, which had publicly criticized the President.[155] The March attack triggered a 6% fall in the share price.[156]

Whatever President Trump felt about Amazon, his arguments were not without merit. Amazon was not collecting sales taxes from Marketplace suppliers, even those using Fulfillment by Amazon, putting them at an advantage to both Amazon itself and all other retailers; retailers were going bankrupt around the world in the face of Amazon’s onslaught; and some Wall Street analysts estimated that Amazon paid the U.S. Postal Service 50% of what they would have to pay to UPS to deliver the same parcel.[157] However, it was not clear what the President could do about this, since antitrust actions would need to come from the non-partisan Federal Trade Commission or Justice Department.[158]

Whatever the President's views, the market view was clear; Amazon posted record results for the first quarter, and the share price rose to record levels.

The City of Seattle was also taking exception to Amazon's success because of the rapid rise in local rents to accommodate its burgeoning employee base. It proposed a $500 per employee tax on all large employers to fund affordable housing.[159] Meanwhile, Amazon had received bids from 240 North American cities vying to become host for the company's second headquarters (HQ2), and it was in discussions with 20 finalists to understand what incentives they would offer.[160]

It seemed that nothing would stop the inexorable rise of Amazon. (See **Exhibits 4**, **5**, **6**, and **7**.)

Exhibit 1a Amazon Financials, 1996–2006 (in millions of dollars)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Total Revenue	16	148	610	1,640	2,762	3,122	3,933	5,264	6,921	8,490	10,711
Cost Of Goods Sold	(12)	(119)	(476)	(1,349)	(2,106)	(2,324)	(2,940)	(4,007)	(5,319)	(6,451)	(8,255)
Gross Profit	3	29	134	291	656	799	993	1,257	1,602	2,039	2,456
Selling General & Admin Exp.	(7)	(46)	(149)	(488)	(700)	(604)	(630)	(726)	(887)	(1,109)	(1,395)
Operating Income	-6	-29	-62	-598	-664	-231	106	271	431	472	389
Net Income	-6	-28	-125	-720	-1,411	-567	-149	35	588	359	190
Gross Profit (% of Revenue)	22.0%	19.5%	21.9%	17.7%	23.7%	25.6%	25.2%	23.9%	23.1%	24.0%	22.9%
SG&A (% of Revenue)	45.2%	30.8%	24.4%	29.8%	25.3%	19.4%	16.0%	13.8%	12.8%	13.1%	13.0%
Operating Income (% of Revenue)	-38.1%	-19.8%	-10.1%	-36.4%	-24.0%	-7.4%	2.7%	5.1%	6.2%	5.6%	3.6%
Total Cash & ST Investments	6	125	373	706	1,101	997	1,301	1,395	1,779	2,000	2,019
Inventory	1	9	30	221	175	144	202	294	480	566	877
Total Current Assets	7	137	424	1,012	1,361	1,208	1,616	1,821	2,539	2,929	3,373
Total Assets	8	149	648	2,472	2,135	1,638	1,990	2,162	3,249	3,696	4,363
Total Current Liabilities	5	44	162	739	975	921	1,066	1,253	1,620	1,929	2,532
Long-Term Debt	-	77	348	1,445	2,114	2,096	2,233	1,924	1,847	1,511	1,247
Total Liabilities	5	121	510	2,205	3,102	3,078	3,343	3,198	3,476	3,450	3,932
Working Capital	2	94	263	273	386	287	550	568	919	1,000	841
Total Equity	3	28	139	266	-967	-1,440	-1,353	-1,036	-227	246	431
Cash from Ops.	-2	4	31	-91	-130	-120	174	392	567	733	702
Capital Expenditure	(1)	(7)	(28)	(287)	(135)	(50)	(39)	(46)	(89)	(204)	(216)
Cash Acquisitions	-	-	(19)	(370)	-	-	-	-	(71)	(24)	(32)
Cash from Investing	(1)	(23)	(262)	(922)	164	(253)	(122)	237	(318)	(778)	(333)
Issuance of Common Stock	0.2	50	14	64	45	116	122	163	60	66	35
Net Debt Issued	-	75	248	1,075	665	-10	-15	-495	-157	-259	-285
Net Change in Cash	5	104	24	91	689	-282	198	364	200	-290	9
Full-Time Employees	151	614	2,100	7,600	9,000	7,800	7,500	7,800	9,000	12,000	13,900
Revenue per Employee ($000s)	104	241	290	216	307	400	524	675	769	708	771

Source: Casewriter, based on Amazon financials, Capital IQ, Inc., a division of Standard & Poor's.

Notes: Amazon's fiscal years ended on December 31. Amazon raised $50 million in an IPO in 1997; all other issuances were for employees.

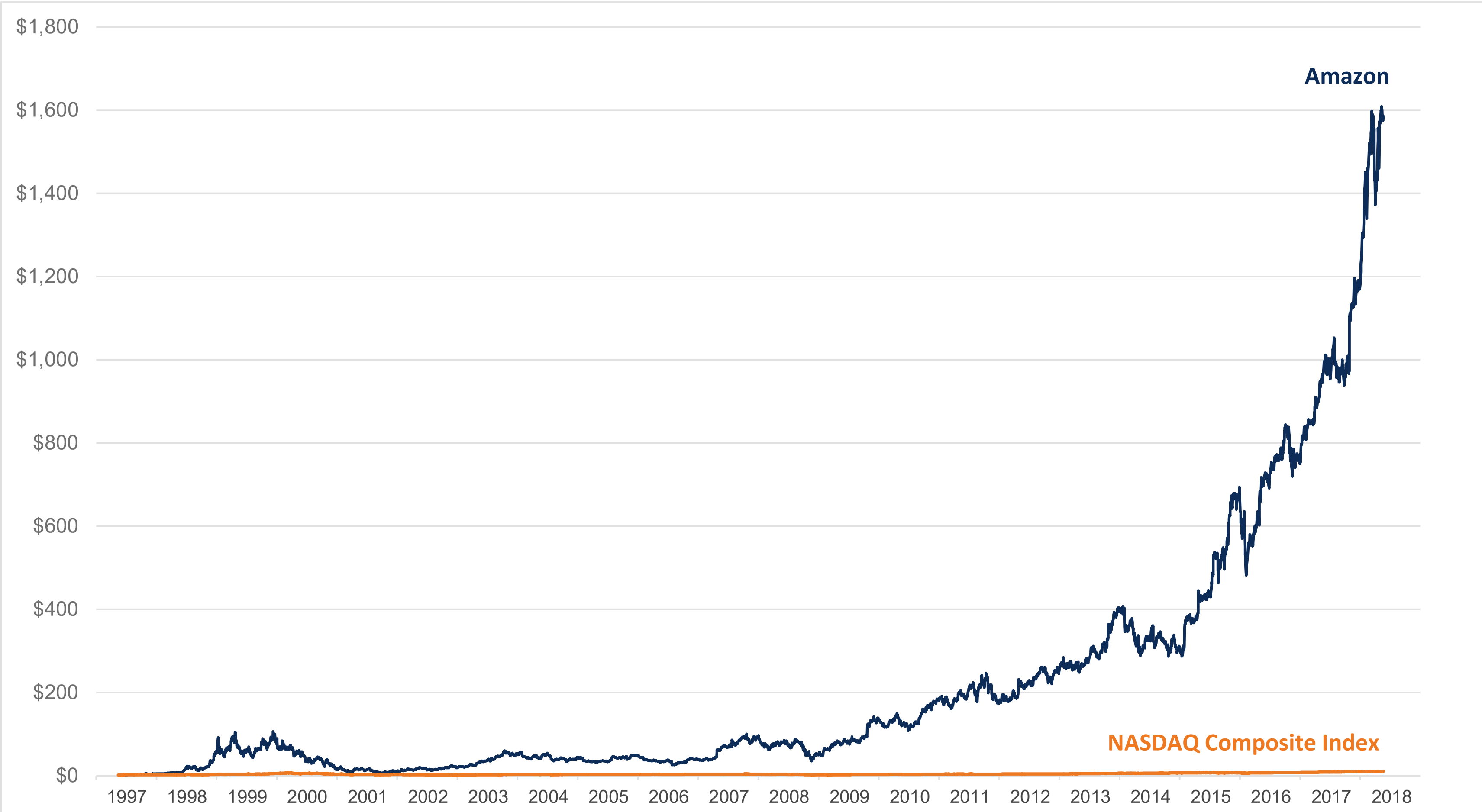
Exhibit 1b Amazon Financials, 2007–2017 (in millions of dollars)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total Revenue	14,835	19,166	24,509	34,204	48,077	61,093	74,452	88,988	107,006	135,987	177,866
Cost Of Goods Sold	(11,482)	(14,896)	(18,978)	(26,561)	(37,288)	(45,971)	(54,181)	(62,752)	(71,651)	(88,265)	(111,934)
Gross Profit	3,353	4,270	5,531	7,643	10,789	15,122	20,271	26,236	35,355	47,722	65,932
Selling General & Admin Exp.	(1,871)	(2,419)	(3,060)	(4,397)	(6,864)	(9,723)	(12,847)	(16,650)	(20,411)	(27,284)	(38,992)
Operating Income	655	789	1,180	1,406	862	676	745	178	2,233	4,186	4,106
Net Income	476	645	902	1,152	631	-39	274	-241	596	2,371	3,033
Gross Profit (% of Revenue)	22.6%	22.3%	22.6%	22.3%	22.4%	24.8%	27.2%	29.5%	33.0%	35.1%	37.1%
SG&A (% of Revenue)	12.6%	12.6%	12.5%	12.9%	14.3%	15.9%	17.3%	18.7%	19.1%	20.1%	21.9%
Operating Income (% of Revenue)	4.4%	4.1%	4.8%	4.1%	1.8%	1.1%	1.0%	0.2%	2.1%	3.1%	2.3%
Total Cash & ST Investments	3,112	3,727	6,366	8,762	9,576	11,448	12,447	17,416	19,808	25,981	30,986
Inventory	1,200	1,399	2,171	3,202	4,992	6,031	7,411	8,299	10,243	11,461	16,047
Total Current Assets	5,164	6,157	9,797	13,747	17,490	21,296	24,625	31,327	36,474	45,781	60,197
Total Assets	6,485	8,314	13,813	18,797	25,278	32,555	40,159	54,505	65,444	83,402	131,310
Total Current Liabilities	3,714	4,746	7,364	10,372	14,896	19,002	22,980	28,089	33,899	43,816	57,883
Long-Term Debt	1,282	409	109	184	255	3,084	3,191	8,265	8,235	7,694	24,743
Total Liabilities	5,288	5,642	8,556	11,933	17,521	24,363	30,413	43,764	52,060	64,117	103,601
Working Capital	1,450	1,411	2,433	3,375	2,594	2,294	1,645	3,238	2,575	1,965	2,314
Total Equity	1,197	2,672	5,257	6,864	7,757	8,192	9,746	10,741	13,384	19,285	27,709
Cash from Ops.	1,405	1,697	3,293	3,495	3,903	4,180	5,475	6,842	11,920	16,443	18,434
Capital Expenditure	(224)	(333)	(373)	(979)	(1,811)	(3,785)	(3,444)	(4,893)	(4,589)	(6,737)	(11,955)
Cash Acquisitions	(75)	(494)	(40)	(352)	(705)	(745)	(312)	(979)	(795)	(116)	(13,972)
Cash from Investing	42	(1,199)	(2,337)	(3,360)	(1,930)	(3,595)	(4,276)	(5,065)	(6,450)	(9,876)	(27,819)
Issuance of Common Stock	91	11	-	-	-	-	-	-	-	-	-
Net Debt Issued	-50	-268	-385	-78	-267	2,790	-617	4,426	-3,882	-3,740	9,860
Net Change in Cash	1,517	230	675	333	1,492	2,815	574	5,899	1,333	3,444	1,188
Full-Time Employees	17,000	20,700	24,300	33,700	56,200	88,400	117,300	154,100	230,800	341,400	566,000
Revenue per Employee ($000s)	873	926	1,009	1,015	855	691	635	577	464	398	314

Source: Casewriter, based on Amazon financials, Capital IQ, Inc., a division of Standard & Poor's.

Notes: Amazon's fiscal years ended on December 31. Amazon raised $50 million in an IPO in 1997; all other issuances were for employees.

Exhibit 2 Amazon Stock Price



Source: Casewriter, based on data from Capital IQ, Inc., a division of Standard & Poor's.

Notes: Values are shown from May 15, 1997, through May 22, 2018. NASDAQ figures are indexed to Amazon's split-adjusted stock price at its IPO (May 15, 1997 = $1.96).

Exhibit 3a Amazon Corporate Timeline

Year	Event
1995	**July—**Amazon officially launched on July 16, 1995. **July—**Amazon.com sells first book: *Fluid Concepts and Creative Analogies: Computer Models of the Fundamental Mechanisms of Thought*, by Douglas Hofstadter.
1996	**July—**Amazon.com launches Associate Program, which allows users to link to the Amazon site and earn a commission on the sales generated.
1997	**May—**Amazon announces IPO. Amazon starts trading on the NASDAQ stock exchange under the symbol AMZN at a price of $18 per share. **September—**Amazon introduces 1-Click Shopping, which allows customers to make a purchase with one click.
1998	**February—**Amazon launches Advantage Program. **October—**First International Sites are launched: Amazon.co.uk (U.K.) and Amazon.de (Germany). **November—**Opens DVD/Video Store.
1999	**March—**Amazon.com Auctions is launched. **October—**Launches Camera & Photo Store. **September—**Amazon.com launches zShops. **December—**Jeff Bezos named *Time Magazine* "Person Of The Year."
2000	**May—**Opens Kitchen Store. **August—**Amazon announces Toys "R" Us Alliance, which begins Amazon's Toy Store. **November—**Amazon Marketplace is launched. Amazon.com introduces First Free Super Saver Shipping Offer (Orders Over $100).
2001	**April—**Amazon announces Borders Group Alliance, where Amazons fulfills orders placed through Borders.com. **August—**Amazon.com introduces In-Store Pick Up (for Toys "R" Us, Borders, and other alliance members). **September—**Amazon.com Travel store is opened. **September—**Amazon announces Target Stores Alliance.
2002	**June—**Amazon.ca is launched. **July—**Amazon Web Services is launched. **August—**Lowers Free Super Saver Shipping Threshold to $25. **November—**Opens Apparel & Accessories Store.
2003	**September—**Opens Sports & Outdoor Store. **December—**Opens Health & Personal Care Store.
2004	**April—**Opens Jewelry Store. **September—**Amazon acquires Joyo.com Limited as first entry into China.
2005	**February—**Amazon introduces Amazon Prime (unlimited express shipping for $79 a year). **May—**Amazon introduces Amazon Wedding.

Year	Event
2006	**February—**Amazon acquires Shopbop.com. **March—**Launches Amazon Simple Storage Service (S3). **July—**Amazon.com launches Grocery Store. **September—**Amazon Unbox service is available, a digital video download service with DVD-quality picture. Amazon.com launches Fulfillment by Amazon for small and medium-sized businesses.
2007	**January—**Amazon launches Endless.com, a shoe and handbag website that offers over 15,000 styles and free overnight shipping on all products. **September—**Public Beta of Amazon MP3 is launched. **November—**Amazon introduces the first Kindle.
2008	**January—**Amazon buys Audible.com for $300 million.
2009	**July—**Amazon acquires Zappos.com for $1.2 billion, introduces AmazonWireless, and launches Outdoor Recreation Store. **October—**Amazon launches Local Express Delivery. **November—**Announces expansion of Amazon Web Services into Asia. Amazon publishing
2010	**November—**Launches Amazon Studios and introduces Price Check by Amazon. **December—**Amazon invests $175 million in local deal site LivingSocial.
2011	**January—**Amazon.com acquires LoveFilm International Limited. **February—**Amazon.com announces Prime Instant Videos, a new benefit for Prime Members. **March—**Introduces Amazon Cloud Drive, Amazon Cloud Player for Web, and Amazon Cloud Player for Android. Amazon Appstore for Android becomes available. **April—**Announces Amazon Deals App. **May—**Amazon.com now selling more Kindle books than print books. **June—**Launches AmazonLocal. **September—**Amazon launches Kindle Fire, Kindle Touch, and Kindle Touch 3G. Amazon introduces Amazon Silk, a web browser developed for Kindle Fire. **November—**Amazon introduces The Kindle Owners' Lending Library.
2012	**March—**Amazon.com agrees to acquire Kiva for a reported $775 million. **June—**Amazon Publishing acquires Avalon Books.
2013	**August—**Launches Amazon Art.
2014	**June—**Launches Amazon Fire Phone and Prime Music. **August—**Acquires Twitch, a video-game streaming service. **September—**Launches first television series, *Transparent*. **October—**Releases Amazon Fire TV Stick, a streaming media stick. **December—**Launches Prime Now: one-hour delivery of certain daily essentials.
2015	**January—**Announces partnership to build wind farm to power Amazon Web Services. Launches Amazon WorkMail, a cloud-based business email and calendar service. **March—**Announces Amazon Dash Buttons for one-touch replenishment of household products. **April—**Launches Amazon Business, an online marketplace tailored for business customers.

Year	Event
	December—Amazon Studios releases its first Original Movie, *Chi-Raq*, in theaters.
2016	**October—**Prime launches in China. **December—**Prime Air makes its first delivery to a customer by drone in Cambridgeshire, England.
2017	**June—**Announces acquisition of Whole Foods Market. **September—**Announces plans for HQ2 (second headquarters), requesting proposals from cities. **November—**Adds private-label furniture brands Rivet and Stone & Beam. Announces Alexa for Business.
2018	**January—**Announces partnership with Berkshire Hathaway and JPMorgan Chase to improve health care for employees. Amazon Go, a grocery store with no cashiers, opens to the public in Seattle.

Source: Casewriter chart modified from "History & Timeline," Amazon Press Room, http://phx.corporate-ir.net/phoenix.zhtml?p=irol-corporateTimeline&c=176060, accessed June 2015; and other published sources.

Exhibit 3b Amazon Market Share in Select Categories

Category	Geography	Year	Amazon Share
E-Books	United States	2017	83.3%
Digital Assistants (i.e., Alexa)	World	2017	62%
Internet Retailing	United States	2017	45.8%
Streaming Video	United States	2016	40.5%
Apparel and Footwear through Internet Retailing	United States	2017	35.3%
Cloud Computing	World	2016	8.2%
Retailing	United States	2017	5.9%
Supermarkets	United States	2017	3.0%
Consumer Electronics	United States	2017	4.3%
Retailing	World	2017	2.4%

Source: Compiled from Amazon.com Inc Company Shares, Euromonitor International, accessed May 2018; eMarketer, "Share of Amazon Prime Instant Video users among over-the-top (OTT) video services users in the United States from 2015 to 2020," via Statista, accessed May 2018; AuthorEarnings, "Distribution of e-book unit sales in the United States as of February 2017, by retailer," via Statista, accessed May 2018; IHS, "Worldwide intelligent/digital assistant market share in 2017 and 2020, by product," via Statista, accessed May 2018; ITCandor, "Distribution of cloud computing market revenues worldwide in 2015 and 2016, by vendor," via Statista, accessed May 2018.

Exhibit 4a Sizes of the U.S. Retail Market and Its Primary Channels, 2003–2017 (in billions of dollars)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Retailing	1,992	2,102	2,212	2,315	2,384	2,412	2,359	2,433	2,540	2,642	2,719	2,817	2,932	3,031	3,110
Store-based Retailing	1,818	1,910	2,002	2,086	2,135	2,157	2,104	2,154	2,230	2,302	2,352	2,420	2,489	2,535	2,555
Non-Store Retailing	175	192	211	229	249	255	256	279	309	340	367	398	443	496	554
Non-Store Breakdown															
Internet Retailing	43	54	68	85	102	110	116	134	158	182	212	240	275	315	366
Homeshopping	100	105	109	110	113	112	110	116	121	129	125	126	136	149	157
Direct Selling	27	27	28	29	27	26	25	25	24	25	25	26	27	27	26
Vending	5	6	6	6	6	6	5	5	5	6	6	5	6	6	6
Selected Internet Channels															
Internet Pure Play Retailers	-	-	-	-	-	50	56	68	84	100	121	144	171	208	247
Mobile Internet Retailing	-	-	-	-	-	-	-	-	15	20	25	32	48	67	91

Source: Retailing Market Sizes, Euromonitor International, accessed May 2018.

Exhibit 4b Market Shares of Overall Retailing in the United States, 2008–2017 (%)

2017 Rank	Company Name	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1	Walmart Inc	12.0	12.5	12.1	11.9	11.9	11.8	11.7	11.6	11.6	11.6
2	Amazon.com Inc	0.4	0.6	0.8	1.2	1.6	2.1	2.6	3.3	4.3	5.9
3	CVS Health Corp	2.7	3.1	3.0	3.1	3.3	3.3	3.5	3.6	3.9	3.8
4	Kroger Co	2.7	2.8	2.8	2.9	2.8	2.9	3.1	3.3	3.3	3.2
5	Walgreens Boots Alliance Inc	2.4	2.7	2.8	2.8	2.6	2.7	2.7	2.7	2.7	2.9
6	Costco Wholesale Corp	1.7	1.8	1.8	1.9	2.0	2.0	2.1	2.2	2.2	2.2
6	Target Corp	2.6	2.7	2.7	2.7	2.7	2.6	2.6	2.5	2.3	2.2
8	Home Depot Inc, The	1.7	1.6	1.6	1.5	1.5	1.6	1.6	1.7	1.8	1.8
8	Albertsons Cos Inc	0.2	0.2	0.2	0.1	0.1	0.8	0.9	1.9	1.9	1.8
10	Express Scripts Holding Co	1.2	1.3	1.6	1.6	1.5	1.4	1.4	1.4	1.4	1.5
11	Lowe’s Cos Inc	1.4	1.4	1.4	1.4	1.3	1.3	1.3	1.3	1.4	1.4
11	Ahold Delhaize	1.7	1.8	1.6	1.6	1.6	1.6	1.5	1.5	1.4	1.4
13	Best Buy Co Inc	1.4	1.5	1.4	1.4	1.3	1.2	1.2	1.2	1.1	1.1
13	Publix Super Markets Inc	1.0	1.0	1.0	1.1	1.0	1.1	1.1	1.1	1.1	1.1
15	Apple Inc	0.4	0.4	0.5	0.7	0.8	0.8	0.9	0.9	0.9	0.9
15	eBay Inc	0.4	0.4	0.5	0.5	0.6	0.7	0.8	0.8	0.9	0.9
15	TJX Cos Inc, The	0.6	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.9
18	Rite Aid Corp	1.0	1.1	1.0	1.0	1.0	1.0	1.0	0.9	0.9	0.8
18	Macys Inc	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.9	0.8	0.8
18	Dollar General Corp	0.4	0.5	0.5	0.6	0.6	0.6	0.7	0.7	0.7	0.8

Source: Casewriter, based on Retailing Company Shares, Euromonitor International, accessed May 2018.

Note: This table includes all companies that were in the top 20 in 2017.

Exhibit 4c Market Shares of Non-Store Retailing in the United States, 2008–2017 (%)

2017 Rank	Company Name	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1	Amazon.com Inc	4.0	5.4	7.3	10.1	12.6	15.4	18.5	22.1	26.0	30.3
2	CVS Health Corp	5.9	6.6	6.1	6.1	6.8	6.8	7.9	8.6	8.7	8.4
3	Express Scripts Holding Co	11.5	12.1	13.6	13.3	11.3	10.2	9.7	9.2	8.8	8.2
4	eBay Inc	3.5	3.8	4.0	4.2	4.6	5.3	5.8	5.6	5.2	4.9
5	Walmart Inc	0.9	1.0	1.2	1.3	1.6	1.8	1.9	2.0	2.1	2.9
6	Apple Inc	1.2	1.4	1.6	1.9	2.4	2.8	2.8	2.8	2.5	2.6
7	Liberty Interactive Corp	1.9	2.0	1.8	1.7	1.6	1.5	1.5	1.7	1.5	1.9
8	Walgreens Boots Alliance Inc	0.8	0.8	0.8	0.9	0.9	0.8	0.8	0.7	0.6	1.4
9	Macys Inc	0.3	0.4	0.4	0.5	0.7	0.9	1.2	1.3	1.3	1.3
10	Best Buy Co Inc	0.6	0.7	0.7	0.8	0.8	0.8	0.9	0.9	1.0	1.1
11	Home Depot Inc, The	0.3	0.3	0.3	0.3	0.4	0.6	0.7	0.8	0.9	1.0
12	Wayfair LLC	0.1	0.1	0.1	0.1	0.1	0.2	0.3	0.4	0.6	0.7
12	Nordstrom Inc	0.2	0.2	0.3	0.4	0.4	0.5	0.6	0.6	0.6	0.7
12	Costco Wholesale Corp	0.8	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.7
15	Target Corp	0.3	0.3	0.3	0.4	0.4	0.4	0.5	0.6	0.6	0.6
15	Kohl's Corp	0.1	0.2	0.3	0.3	0.4	0.5	0.5	0.6	0.6	0.6
17	Wish	-	-	-	-	-	0.0	0.1	0.2	0.4	0.5
17	Williams-Sonoma Inc	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.5	0.5	0.5
19	Lowe's Cos Inc	0.0	0.1	0.1	0.1	0.2	0.2	0.3	0.3	0.4	0.4
19	Gap Inc, The	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.4	0.4
19	Newegg.com Inc	0.8	0.8	0.8	0.7	0.6	0.6	0.6	0.5	0.4	0.4
19	Sears Holdings Corp	0.5	0.5	0.6	0.6	0.7	0.7	0.7	0.7	0.5	0.4
19	PetSmart Inc	-	-	-	-	-	0.0	0.1	0.1	0.2	0.4

Source: Casewriter, based on Non-Store Retailing Company Shares, Euromonitor International, accessed May 2018.

Notes: This table includes all companies that were in the top 20 in 2017. Euromonitor's "Non-Store Retailing" category comprised vending, direct selling, home shopping, and Internet retailing.

Exhibit 4d Market Shares of Internet Retailing in the United States, 2008–2017 (%)

2017 Rank	Company Name	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1	Amazon.com Inc	9.2	12.0	15.3	19.7	23.6	26.7	30.7	35.6	41.0	45.8
2	eBay Inc	8.1	8.4	8.4	8.3	8.7	9.1	9.5	9.0	8.2	7.4
3	Walmart Inc	2.0	2.3	2.5	2.5	2.9	3.0	3.1	3.1	3.3	4.3
4	Apple Inc	2.7	3.1	3.3	3.7	4.5	4.8	4.7	4.6	3.9	3.9
5	Macys Inc	0.7	0.8	0.9	1.0	1.3	1.5	1.9	2.1	2.1	2.0
6	Liberty Interactive Corp	1.1	1.2	1.3	1.2	1.2	1.1	1.1	1.6	1.4	1.8
7	Best Buy Co Inc	1.3	1.5	1.5	1.5	1.4	1.4	1.5	1.5	1.5	1.7
8	Home Depot Inc, The	0.6	0.6	0.6	0.6	0.7	1.0	1.2	1.3	1.4	1.4
9	Wayfair LLC	0.2	0.2	0.3	0.2	0.2	0.3	0.4	0.7	0.9	1.0
9	Nordstrom Inc	0.5	0.5	0.5	0.7	0.8	0.9	1.0	1.0	1.0	1.0
9	Costco Wholesale Corp	1.8	1.5	1.4	1.2	1.1	1.0	1.0	1.0	1.0	1.0
9	Target Corp	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.9	1.0	1.0
13	Kohl's Corp	0.3	0.4	0.5	0.6	0.8	0.8	0.9	0.9	0.9	0.9
14	Wish	-	-	-	-	-	0.0	0.1	0.4	0.7	0.8
15	Williams-Sonoma Inc	0.9	0.8	0.9	0.9	0.9	0.9	0.9	0.8	0.8	0.7
16	Lowe's Cos Inc	0.1	0.1	0.2	0.2	0.3	0.4	0.5	0.5	0.6	0.6
16	Gap Inc, The	1.0	0.9	0.9	0.9	0.9	0.9	0.9	0.8	0.7	0.6
16	Newegg.com Inc	1.8	1.8	1.7	1.3	1.2	1.0	0.9	0.8	0.7	0.6
16	Sears Holdings Corp	1.0	1.1	1.2	1.2	1.2	1.2	1.2	1.0	0.8	0.6
20	PetSmart Inc	-	-	-	-	-	0.1	0.1	0.2	0.3	0.5
20	Overstock.com Inc	0.7	0.8	0.8	0.7	0.6	0.6	0.6	0.6	0.6	0.5
20	L Brands Inc	1.2	1.0	1.1	1.0	0.9	0.8	0.7	0.7	0.6	0.5
20	JC Penney Co Inc	1.3	1.3	1.1	1.0	0.6	0.5	0.5	0.5	0.5	0.5
20	Dell Inc	3.2	2.6	2.1	1.7	1.2	0.9	0.7	0.7	0.6	0.5

Source: Casewriter, based on Internet Retailing Company Shares, Euromonitor International, accessed May 2018.

Note: This table includes all companies that were in the top 20 in 2017.

Exhibit 4e Brand Shares of Portable Players in the United States, 2008–2017 (%)

Brand Name	Company Name	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Amazon	Amazon.com Inc	-	-	-	-	-	-	0.1	7.3	12.6	19.1
Kindle	Amazon.com Inc	0.7	3.9	13.7	23.7	17.4	18.7	20.0	17.5	12.6	9.9
iPod	Apple Inc	42.0	41.6	37.6	30.4	32.8	25.9	17.9	13.5	9.0	6.6
JBL	Samsung Corp	-	-	-	-	-	1.7	3.6	5.0	6.4	6.4
Google Home	Alphabet Inc	-	-	-	-	-	-	-	-	0.7	5.3
Bose	Bose Corp	-	-	-	-	-	1.3	2.9	3.8	4.8	4.6
Ultimate Ears	Logitech International SA	-	-	-	-	-	1.2	2.7	3.5	4.3	4.2
Sony	Sony Corp	5.5	4.8	5.9	5.8	6.4	7.1	6.6	5.4	4.4	3.7
Kobo	Rakuten Inc	-	-	-	1.3	2.4	4.2	4.2	3.5	2.5	1.9
SanDisk	Western Digital Corp	7.5	7.2	6.0	5.1	4.7	4.8	4.5	2.9	1.9	1.4
Beats	Apple Inc	-	-	-	-	-	0.4	0.6	0.8	0.9	0.9
Samsung	Samsung Corp	4.2	2.5	2.7	3.0	4.3	3.4	3.0	1.8	1.1	0.8
Sonos	Sonos Inc	-	-	-	-	-	0.3	0.5	0.6	0.7	0.6
Nook	Barnes & Noble Inc	-	0.5	3.2	3.7	4.7	3.5	2.0	0.9	0.5	0.3
Philips	Koninklijke Philips NV	2.8	2.5	1.2	0.8	0.8	0.7	0.6	0.4	0.3	0.2

Source: Casewriter, based on Portable Players Brand Shares, Euromonitor International, accessed May 2018.

Note: Euromonitor's "Portable Players" category comprised e-readers and portable media players.

Exhibit 5a Amazon Competitors: Financials (in millions of dollars)

Company	Revenue	Gross Merch. Volume	Op. Profit	Op. Margin	Net Income	Market Capital-ization	Services
Amazon	177,866	257,217	4,106	2.3%	3,033	767,338	Amazon was primarily an online retailer and marketplace for third-party retailers. It also manufactured and retailed hardware, published books and other media, offered computing and data services, provided advertising and payment services, and hosted streaming content.
Walmart	500,343	502,343 (~½ grocery)	20,437	4.1%	9,862	246,148	Walmart was a mass-market discount retailer that also offered fuel and financial services. In 2016, it acquired e-commerce site Jet.com. Walmart operated 11,718 stores in 28 countries and e-commerce websites in 11 countries and regions.
Apple	229,234	NA	61,344	26.8%	48,351	919,917	Apple designed, manufactured, marketed, and retailed devices including mobile phones, tablets, computers, and digital media players. It also sold software, services incl. cloud storage and mobile payment, accessories, and digital content.
Microsoft	89,950	NA	22,326	24.8%	21,204	749,112	Microsoft developed, licensed, and marketed software, services, and hardware. Offerings included phones, the Windows Store for apps, advertising, and retail stores. It licensed server products and operating systems and provided cloud svcs.
Alphabet (Google)	110,855	NA	26,146	23.6%	12,662	744,908	Most of Alphabet's revenue came from Google, which provided advertising to companies targeting Internet searchers. It managed the Android mobile operating system and offered video through YouTube, payment processing, Google Apps, and hardware including computers.
Best Buy	42,151	NA	1,843	4.4%	1,000	21,275	Best Buy retailed consumer electronics and appliances through 1,500 stores in North America as well as through its website. It also provided services.
JD.com	55,686	199,000	-128	-0.2%	-23	51,894	JD.com was a Chinese online retailer and third-party marketplace, with services incl. advertising, transaction processing, financing, and fulfillment for third parties.
Facebook	40,653	NA	20,203	49.7%	15,934	532,033	Facebook operated its eponymous social-media site as well as Instagram and WhatsApp. It also developed virtual-reality technology through Oculus.
Alibaba	39,894	768,000	11,128	27.9%	10,217	503,284	Alibaba operated several online marketplaces. It also provided B2B services, including marketing, advertising, data mgmt, cloud computing, and payments.
eBay	9,567	88,000	2,265	23.7%	-1,016	37,543	eBay operated e-commerce platforms, including the third-party marketplace eBay.com. It owned PayPal until 2015.
Netflix	11,693	NA	839	7.2%	559	144,153	Netflix delivered TV shows and movies to subscribers via the Internet and the mail.

Source: Casewriter, based on business descriptions and financials, Capital IQ, Inc., a division of Standard & Poor's; and published sources (gross merchandise volume).

Notes: Market capitalization data are as of May 22, 2018. Financial information is for the fiscal year closest to calendar 2017, except for Microsoft (FYE June 30, 2017).

Exhibit 5b Amazon Competitors: Sectors of Competition

Company	Online Retailer	Third-Party Marketplace	Music Downloads	Video Streaming/Downloads	Hardware Design/Manufacturing	Payment Processing
Amazon	Yes	Amazon Marketplace	Amazon Music	Amazon Prime offered free video streaming for members, paid streaming for new releases, and paid downloads	E-readers, tablets, digital media players, voice-command devices, and mobile phones	Amazon Payments
Walmart	Yes	Walmart Marketplace	Discontin-ued in 2011	Walmart in 2010 purchased Vudu, which enabled direct-to-TV streaming	VUDU Spark Streaming Media Player	Walmart Pay
Apple	Yes	No	iTunes (Apple Music for streaming)	iTunes offered TV shows and movies for download or rent	Mobile phones, tablets, computers, digital media players, watches, accessories	Apple Pay
Microsoft	Yes	No	No	No	Video-game consoles, mobile phones, computers, tablets	PayPal Here
Alphabet (Google)	Yes	Google Shopping allowed consumers to compare prices and click through directly to other retailers' websites	Google Play	Chromecast	Mobile phones, digital media players, computers	Google Wallet
Best Buy	Yes	Best Buy Marketplace closed in 2016	No	Best Buy sold off CinemaNow in 2014	Some private-label products	No (accepted Apple Pay and Android Pay)
JD.com	Yes	Yes	No	No	No	Yes
Facebook	No	Facebook Marketplace was shut down in 2014 and relaunched in 2016	No	No	No	Users could send mobile payments through Facebook Messenger
Alibaba	No	Yes	Xiami	Tmall Box Office launched in 2015	No	Alipay
eBay	No	Yes	No	No	No	eBay and PayPal separated in 2015, but eBay still accepted PayPal
Netflix	No	No	No	Yes	No	No

Source: Casewriter, based on business descriptions, Capital IQ, Inc., a division of Standard & Poor's; and public sources.

Exhibit 6 Amazon Item Count and Third-Party Sales Data

Total SKUs, April 2016	525,946,546
Items Eligible for Prime Shipping	36,615,488

Gross Merchandise Volume in 2015 (billions)	
First-Party	$93.8
Third-Party	$131.8

Units for Sale on Amazon.com: Breakdown by Category, Q1 2016		**Percentage of Items Sold by Third-Party Sellers[a]**	
Cell Phones and Accessories	18%	Overall	83%
Home and Kitchen	15%	Computers, Electronics, and Software	99%
Books	13%	Patio, Lawn, and Garden	90%
MP3 Music	11%	Appliances	89%
Clothing and Accessories	7%	Tools and Home Improvement	87%
Sports and Outdoors	6%	Automotive	86%
Electronics (incl. Computers)	5%	Musical Instruments	81%
Industrial and Scientific	5%	Pet Supplies	79%
Collectibles	4%	Gift Cards	63%
Automotive	4%		
Tools and Home Improvement	2%		
Music	2%		
Office Products	2%		
Toys and Games	1%		
Health and Personal Care	1%		
Kindle Store	1%		
Patio, Lawn, and Garden	1%		
Other	3%		

Top 10 Categories by Number of Products, January 2018	
Clothing, Shoes, and Jewelry	166,280,000
Home and Kitchen	86,090,000
Books	53,380,000
Electronics	37,780,000
Sports and Outdoors	27,290,000
Automotive Parts and Accessories	24,750,000
Cell Phones and Accessories	23,030,000
Industrial and Scientific	20,080,000
Tools and Home Improvement	16,150,000
Collectibles and Fine Art	16,020,000

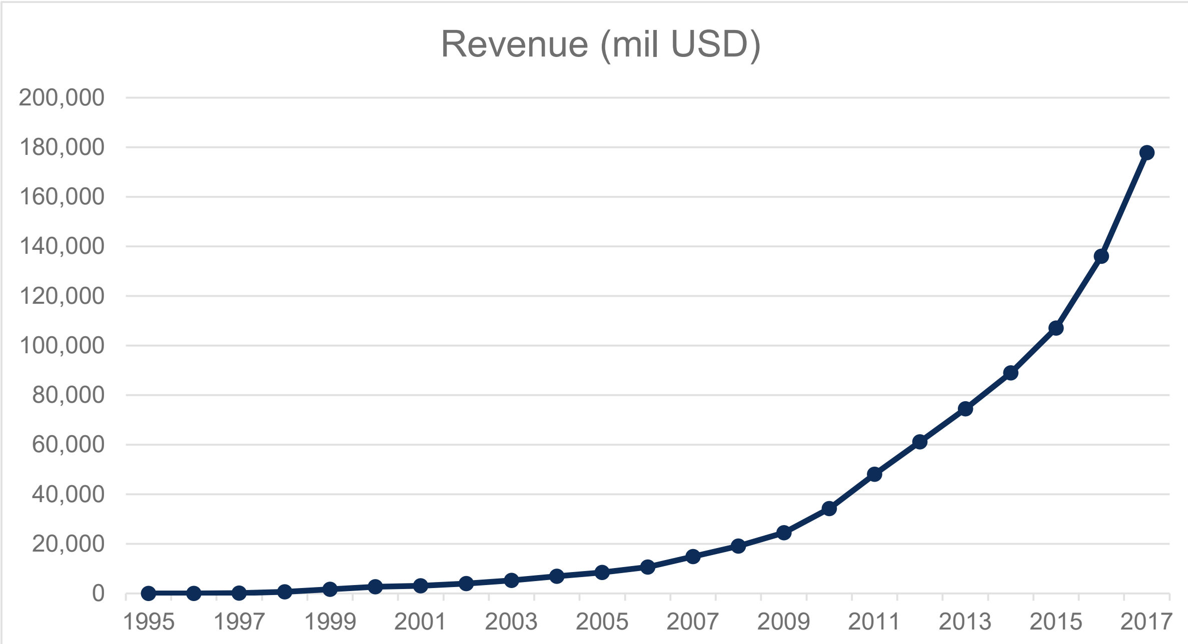
Total Number of Products, January 2018	562,382,292

Source: Compiled from "Amazon.com Statistics April 2016," Scrapehero, April 8, 2016, https://learn.scrapehero.com/amazon-com-statistics-april-2016/, accessed April 2016; Scot Wingo, "Deep Dive into Amazon'sQ4Results for Sellers," ChannelAdvisor, February 1, 2016, http://www.channeladvisor.com/blog/?pn=scot/deep-dive-into-amazons-q4-results-for-sellers-whats-cool-100b-and-200b, accessed April 2016; R. W. Baird data as reported in Ina Steiner, "Amazon Accelerates Product Selection in Key Categories," EcommerceBytes, April 15, 2016, http://www.ecommercebytes.com/cab/abn/y16/m04/i15/s02, accessed April 2016; and R. W. Baird data as reported in Ina Steiner, "Third Party Merchants Drive Amazon Growth," EcommerceBytes, October 15, 2015, http://www.ecommercebytes.com/cab/abn/y15/m10/i15/s02, accessed May 2016; and Bloomberg, "Percentage of Amazon.com products sold by Amazon as opposed to third-party marketplace sellers as of May 2015," http://www.statista.com.ezp-prod1.hul.harvard.edu/statistics/537435/direct-us-amazoncom-sales-share-category/, accessed May 2016; Scrapehero, "How Many Products Does Amazon Sell? – January 2018," https://www.scrapehero.com/many-products-amazon-sell-january-2018, accessed May 2018.

Note: Category breakdown data are for Amazon.com only and do not cover Amazon's websites for other countries.

[a] Figures are for Q3 2015, except for gift cards and computers, electronics, and software figures, which are for May 2015.

Exhibit 7a Amazon Revenue and Operating Profit



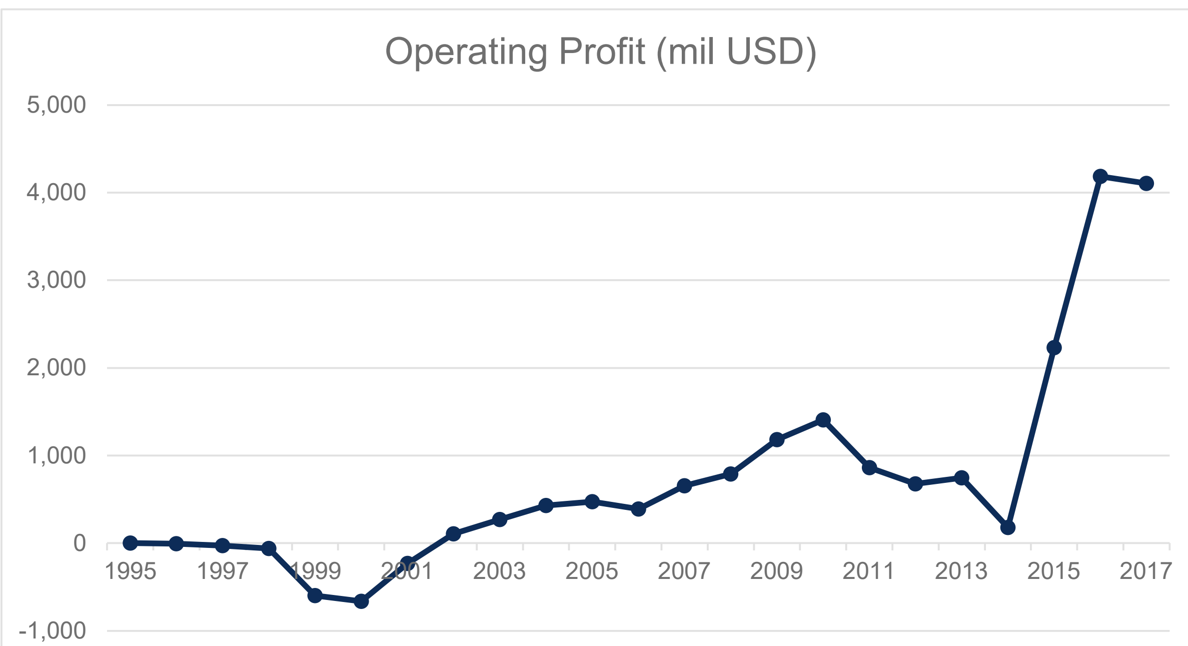
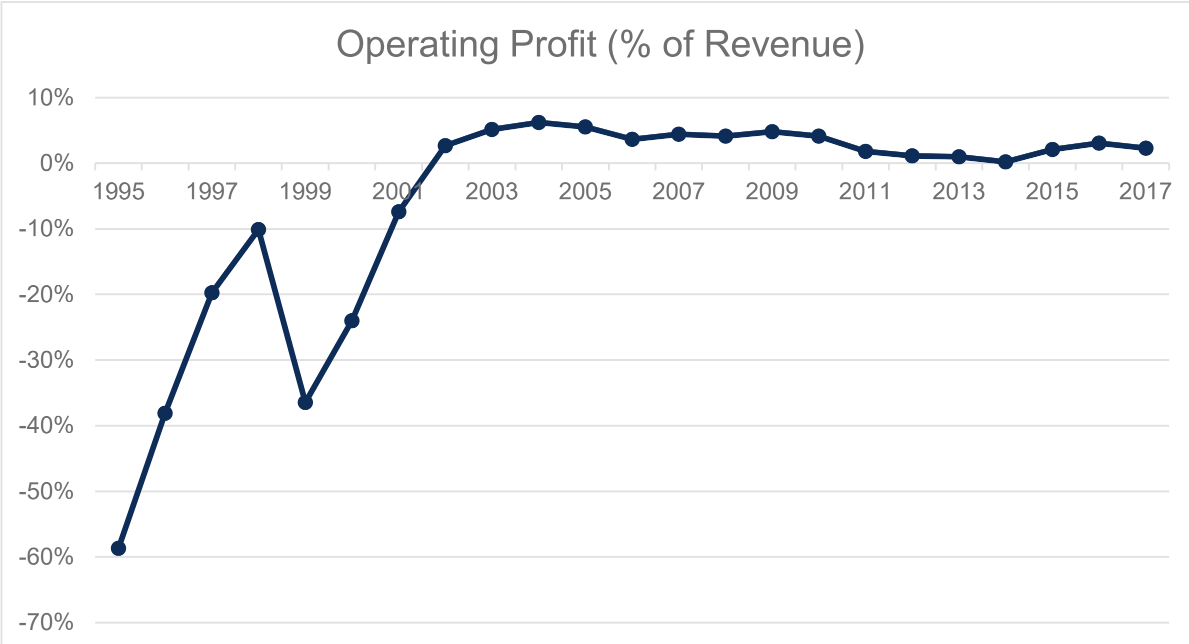


Exhibit 7b Amazon Operating Margin and Operating Profit (% of Capital Employed)



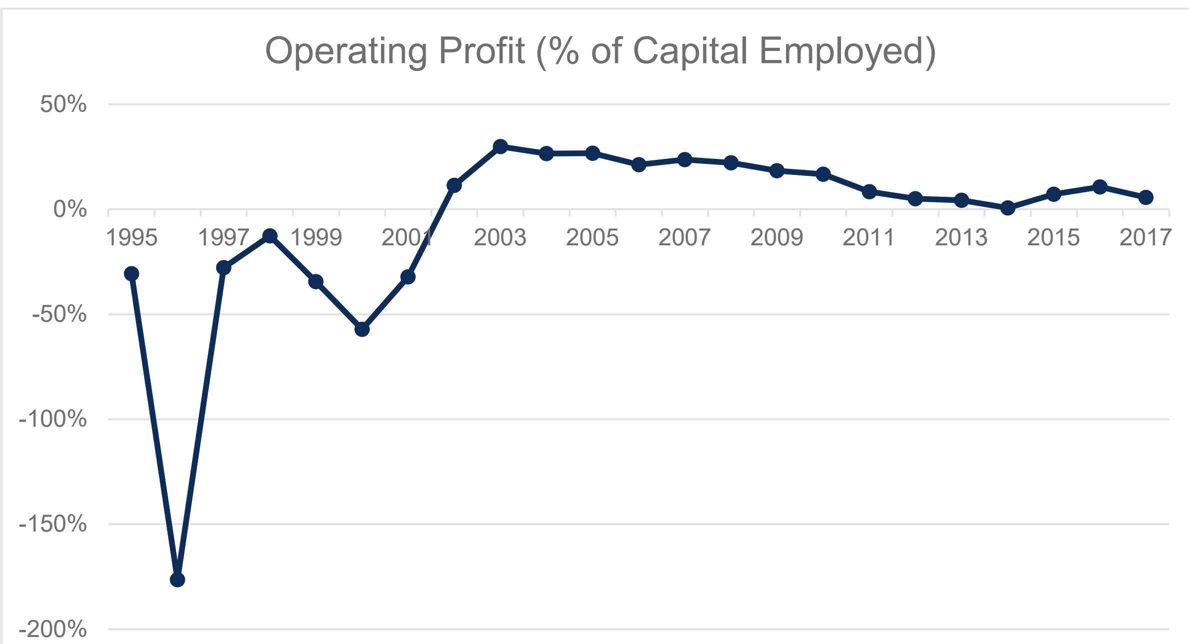
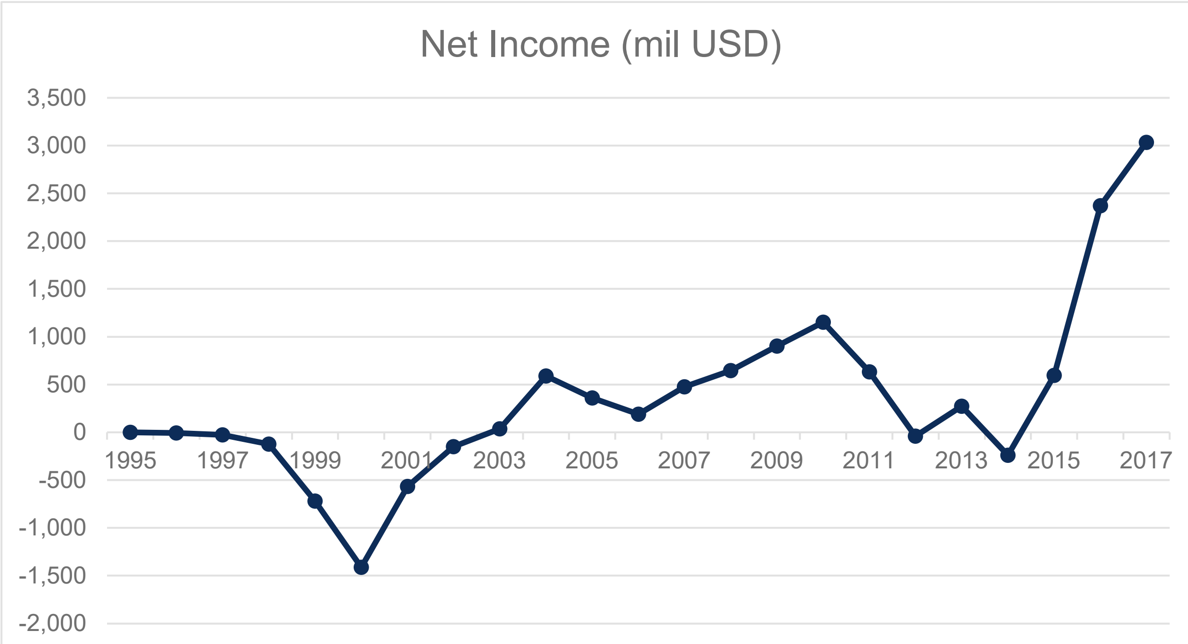


Exhibit 7c Amazon Net Income and Net Income (% of Equity)



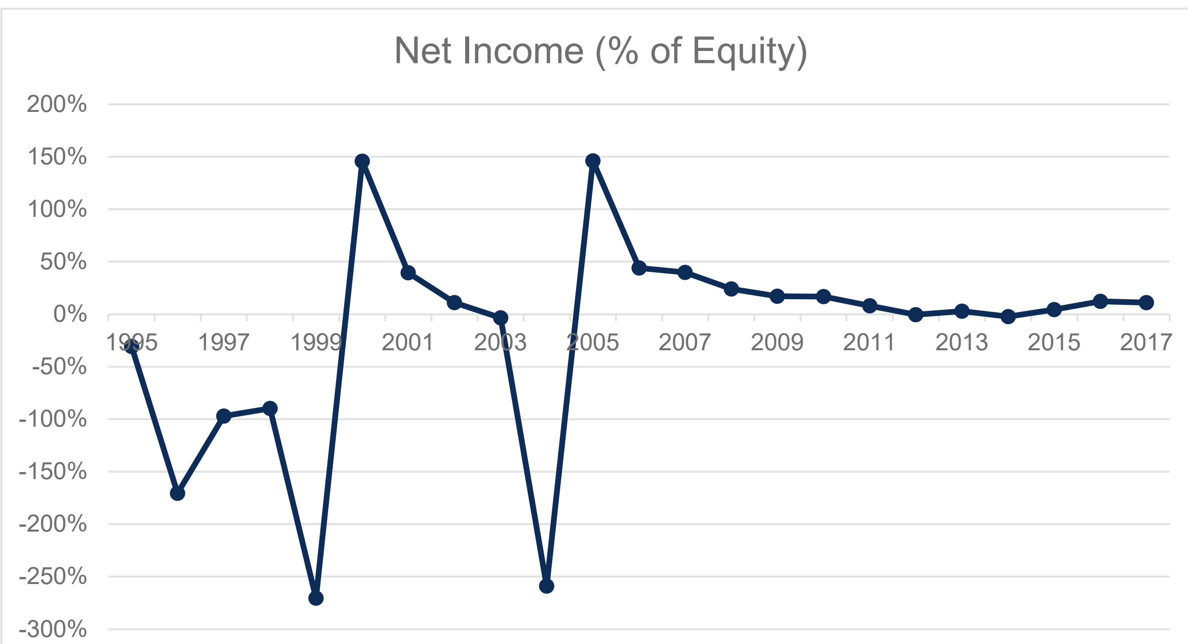
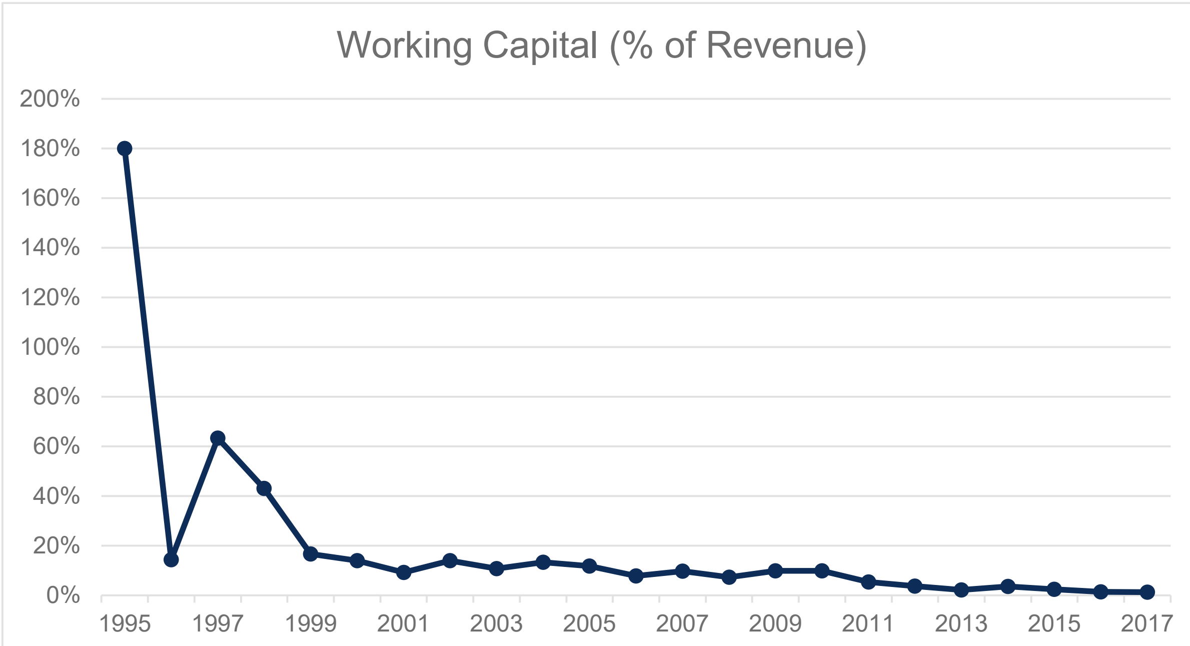
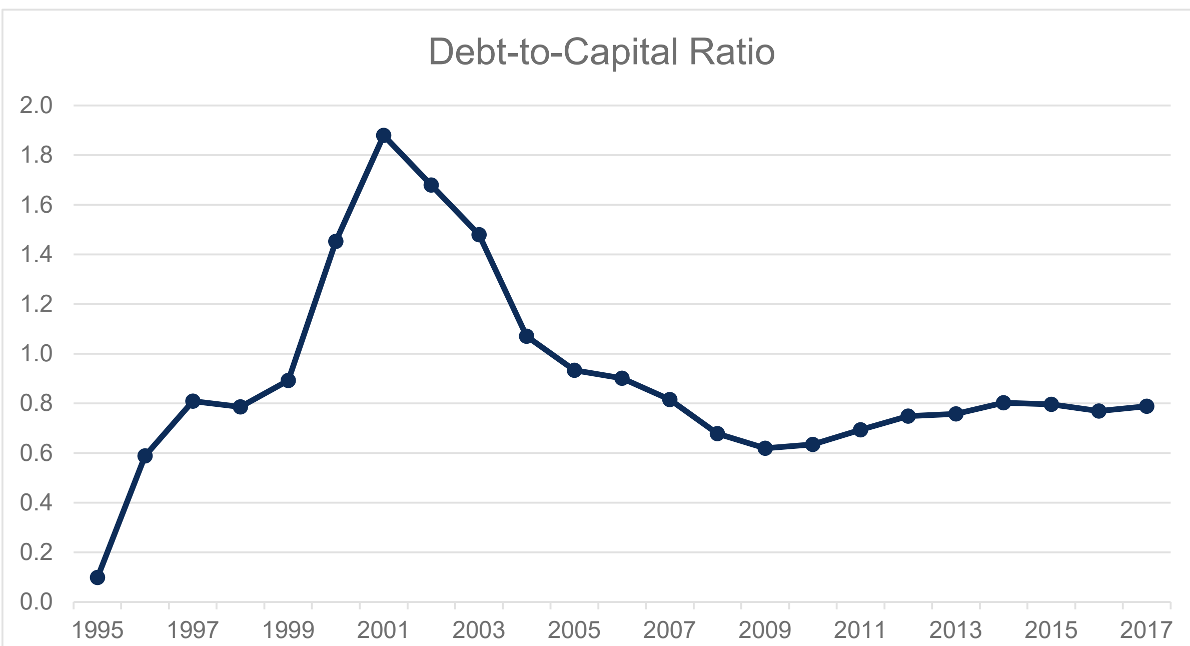


Exhibit 7d Working Capital (% of Revenue) and Debt-to-Capital Ratio





Source: Casewriter, based on Amazon financials, Capital IQ, Inc., a division of Standard & Poor's.

Endnotes

[1] "Amazon.com Announces Fourth Quarter Sales Up 38% to $60.5 Billion," press release, February 1, 2018, on Amazon website, http://phx.corporate-ir.net/phoenix.zhtml?c=97664&p=irol-reportsother, accessed May 2018.

[2] Ari Levy, "Amazon just passed Alphabet to become the world's second most valuable company," CNBC, March 20, 2018, https://www.cnbc.com/2018/03/20/amazon-just-passed-alphabet-to-become-the-worlds-second-most-valuable-company.html, accessed May 2018.

[3] N'dea Yancey-Bragg, "Jeff Bezos unseats Bill Gates on Forbes 2018 richest billionaires list," CNBC, March 7, 2018, https://www.cnbc.com/2018/03/07/jeff-bezos-unseats-bill-gates-on-forbes-2018-richest-billionaires-list.html, accessed May 2018.

[4] Cara Lombardo and Paul Ziobro, "Trump to Amazon: Pay Post Office More," *Wall Street Journal*, December 30, 2017, p. B3.

[5] "Amazon to Acquire Whole Foods Market," press release, June 16, 2017, on Amazon website, http://phx.corporate-ir.net/phoenix.zhtml?c=176060&p=irol-newsArticle&ID=2281414, accessed May 2018; Heather Haddon, "Whole Foods Extends Sales Slide," *Wall Street Journal*, July 27, 2017, p. B6.

[6] Anna Wilde Mathews, Emily Glazer, and Laura Stevens, "Health Venture Rattles Insurers," *Wall Street Journal*, January 31, 2018, p. A1.

[7] Gregory Scruggs, "Seattle Unanimously Passes an 'Amazon Tax' to Fund Affordable Housing," CityLab, May 15, 2018, https://www.citylab.com/equity/2018/05/seattle-unanimously-passes-its-amazon-tax/560411, accessed May 2018.

[8] Amazon, "Amazon announces candidate cities for HQ2," https://www.amazon.com/b?ie=UTF8&node=17044620011, accessed May 2018.

[9] Karen Kawaguchi, "Feminist Feast and Famine." *Publishers Weekly,* July 24, 2000.

[10] Penny Singer, "Independent Bookstores Harvest Their Zeal." *The New York Times,* January 17, 1999.

[11] Lynda M. Applegate, "Amazon.com: 1994-2000," HBS No. 801-194 (Boston: Harvard Business School Publishing, 2002), p. 8.

[12] Lynda M. Applegate, "Amazon.com: 1994-2000," HBS No. 801-194 (Boston: Harvard Business School Publishing, 2002), p. 8.

[13] Lynda M. Applegate, "Amazon.com: 1994-2000," HBS No. 801-194 (Boston: Harvard Business School Publishing, 2002), p. 3.

[14] Lynda M. Applegate, "Amazon.com: 1994-2000," HBS No. 801-194 (Boston: Harvard Business School Publishing, 2002), p. 3.

[15] "Breakaway (A Special Report): 20th-Century Legacy --- Jeff Bezos: The Online Mall." *The Wall Street Journal*, November 29, 1999.

[16] Amazon.com, 1997 Letter to Shareholders, http://www.sec.gov/Archives/edgar/data/1018724/000119312514137753/d702518dex991.htm, accessed June 2015.

[17] Frank T. Rothaermel, Seth Taylor, and Marne L. Arthaud-Day, "Amazon.com (in 2013): Will Amazon Kindle Another Fire?" (McGraw Hill Education, No 0077645064, 2015), p. 2.

[18] Amazon.com, Form S-1 (filed March 24, 1997), https://www.sec.gov/Archives/edgar/data/1018724/0000891618-97-001309.txt, accessed April 2016.

[19] Lynda M. Applegate, "Amazon.com: 1994-2000," HBS No. 801-194 (Boston: Harvard Business School Publishing, 2002), p. 4.

[20] Lynda M. Applegate, "Amazon.com: 1994-2000," HBS No. 801-194 (Boston: Harvard Business School Publishing, 2002), p. 7.

[21] Amazon.com, Form S-1 (filed March 24, 1997), https://www.sec.gov/Archives/edgar/data/1018724/0000891618-97-001309.txt, accessed April 2016.

[22] Suzanne Galante, "Amazon.com IPO." *CNET,* May 15, 1997.

[23] Jennifer Westhoven, "YearEnd- January effect may rescue IPOs temporarily." *Reuters News*, December 31, 1997; Amazon.com, December 31, 1997 Form 10-K (filed March 30, 1998), https://www.sec.gov/Archives/edgar/data/1018724/0000891020-98-000448.txt, accessed April 2016.

[24] "The $1.7 trillion dot.com lesson." *CNN Money,* November 9, 2000.

[25] "The $1.7 trillion dot.com lesson." *CNN Money,* November 9, 2000.

[26] Dan Mitchell, "Amazon raises big money with debt offering." *CNET News,* January 28, 1999.

[27] Passage, Robert Alan, Christina M. Stansell, and Ed Dinger. "Amazon.com, Inc." International Directory of Company Histories. Ed. Tina Grant. Vol. 113. Detroit: St. James Press, 2010. 10-14. Gale Virtual Reference Library. Web. 27 May 2014.

[28] Lynda M. Applegate, "Amazon.com: 1994-2000," HBS No. 801-194 (Boston: Harvard Business School Publishing, 2002), p. 4.

[29] "Amazon.com to let Anyone sell their pdts on its website." *Dow Jones News Service,* September 29, 1999.

[30] "Amazon.com to let Anyone sell their pdts on its website." *Dow Jones News Service,* September 29, 1999.

[31] Amazon.com, December 31, 1999 10-K (filed March 29, 2000), https://www.sec.gov/Archives/edgar/data/1018724/000089102000000622/0000891020-00-000622.txt, accessed April 2016.

[32] Rowen, M. Prudential Securities. "Amazon.com." September 23, 1999.

[33] Amazon.com, 1999 Annual Report.

[34] Joshua Quittner, "Person of the Year—Eye on the Future." *Time Asia,* December 27, 1999.

[35] "Amazon.com Broadens Offerings Under Pact with Home-Furnishings Site." *Dow Jones Business News,* February 1, 2000.

[36] Nick Wingfield, "Amazon Restructures Its Deals with E-Tailers." *The Wall Street Journal,* August 24, 2000.

[37] Nick Wingfield, "Amazon Restructures Its Deals with E-Tailers." *The Wall Street Journal,* August 24, 2000.

[38] Nick Wingfield, "Amazon Restructures Its Deals with E-Tailers." *The Wall Street Journal,* August 24, 2000.

[39] "The man of last year, revisited." *Financial Times,* December 21, 2000.

[40] "The man of last year, revisited." *Financial Times,* December 21, 2000.

[41] "The man of last year, revisited." *Financial Times,* December 21, 2000.

[42] "The man of last year, revisited." *Financial Times,* December 21, 2000.

[43] Amazon.com, 2014 Annual Report, p. 2.

[44] Amazon Genius, "Timeline History Amazon.com," http://amazongenius.com/timeline-history-amazon-com/, accessed June 2015.

[45] Kara Swisher, "Boom Town: Why Is Jeff Bezos Still Smiling? --- Amazon's Stock Has Plunged, But He Thinks It's Poised To Profit From a Shakeout." *The Wall Street Journal*, April 24, 2000.

[46] Kara Swisher, "Boom Town: Why Is Jeff Bezos Still Smiling? --- Amazon's Stock Has Plunged, But He Thinks It's Poised To Profit From a Shakeout." *The Wall Street Journal*, April 24, 2000.

[47] Saul Hansell, "A front-row seat as Amazon gets serious." *The New York Times,* May 20, 2001.

[48] Saul Hansell, "A front-row seat as Amazon gets serious." *The New York Times,* May 20, 2001.

[49] Nick Wingfield, "Amazon Plans to Drop Unprofitable Products --- Bezos Pledges to Boost Core Book Business." *The Wall Street Journal*, February 5, 2001.

[50] Saul Hansell, "A front-row seat as Amazon gets serious." *The New York Times,* May 20, 2001.

[51] Amazon.com, December 31, 2001 Form 10-K (filed January 24, 2002), p. 4.

[52] Amazon.com, December 31, 2001 Form 10-K (filed January 24, 2002), p. 4.

[53] Nick Wingfield, "An Online Retail Giant Targets Further Growth Through 'Mall' Strategy --- Amazon.com Courts Diverse Partners For Site, but Some Companies Balk --- 'Kind of Like the United Nations,'" *The Wall Street Journal*, September 25, 2003.

[54] Nick Wingfield, "An Online Retail Giant Targets Further Growth Through 'Mall' Strategy --- Amazon.com Courts Diverse Partners For Site, but Some Companies Balk --- 'Kind of Like the United Nations,'" *The Wall Street Journal*, September 25, 2003.

[55] Nick Wingfield, "Survival Strategy: Amazon Takes Page from Wal-Mart To Prosper on Web." *The Wall Street Journal,* November 22, 2002.

[56] "Amazon.com Inc: Free Shipping Minimum Order is Lowered to $49 from $99." *The Wall Street Journal,* June 19, 2002.

[57] Ken Brown, "Year End Review of Markets & Finance." *The Asian Wall Street Journal,* January 2, 2003.

[58] Nick Wingfield, "Amazon Reports Annual Net Profit for the First Time." *The Wall Street Journal,* January 28, 2004.

[59] Amazon, "History and Timeline," http://phx.corporate-ir.net/phoenix.zhtml?p=irol-corporateTimeline&c=176060, accessed May 2018.

[60] Nick Wingfield, "Amazon Aims To Undercut Jewelry Sellers." *The Wall Street Journal*, April 23, 2004.

[61] Nick Wingfield, "Amazon Aims To Undercut Jewelry Sellers." *The Wall Street Journal*, April 23, 2004.

[62] Amazon.com, Inc., December 31, 2009 Form 10-K, pp. 54–55.

[63] Katherine Rushton, "Amazon linked to Asos bid," *Sunday Telegraph*, October 21, 2012, p. 2.

[64] Sara Germano and Laura Stevens, "Nike to Sell Some Items Directly to Amazon," *Wall Street Journal Online*, June 21, 2017.

[65] John Blackledge, Nick Yako, William Kerr, and James Kopelman, "Amazon: Private Label, Apparel and Advertising Thoughts," Cowen, February 27, 2018, p. 1.

[66] Amazon, "About AmazonFresh," https://www.amazon.com/gp/help/customer/display.html?nodeId=202052140, accessed May 2018.

[67] Will Oremus, "The time Jeff Bezos went Thermonuclear on Diapers.com." *Slate,* October 10, 2013.

[68] Nick Turner, Selina Wang, and Spencer Soper, "Amazon to Acquire Whole Foods for $13.7 Billion," Bloomberg, June 16, 2017, https://www.bloomberg.com/news/articles/2017-06-16/amazon-to-acquire-whole-foods-in-13-7-billion-bet-on-groceries, accessed May 2018.

[69] "Amazon.com Announces Fourth Quarter Sales up 38% to $60.5 Billion," press release, February 1, 2018, Business Wire, https://www.businesswire.com/news/home/20180201006454/en/Amazon.com-Announces-Fourth-Quarter-Sales-38-60.5, accessed May 2018.

[70] Mylene Mangalindan, "Amazon's Mp3 store Takes Aim at Apple." *The Wall Street Journal,* September 26, 2007.

[71] "Introducing Amazon Kindle," press release, November 19, 2007, Business Wire.

[72] "Amazon's Kindle Digital Text Platform Extends 70 Percent Royalty Option to Books Sold to Canadian Customers," press release, January 21, 2011, Business Wire.

[73] "Amazon says Kindle e-book sales surpass hardcover plus paperback sales," Associated Press Newswires, May 19, 2011.

[74] PublishDrive, "Amazon Ebook Market Share 2017 – is it big enough?" October 25, 2017, https://publishdrive.com/amazon-ebook-market-share, accessed May 2018.

[75] Nick Wingfield, "Apple, Amazon to Unveil Movie Downloads." *The Wall Street Journal,* September 6, 2006. Jessica E. Vascellaro, "Amazon Debuts Download Service For Films, Shows." *The Wall Street Journal,* September 8, 2006.

[76] Tim Stevens, "Amazon launches Prime Instant Video, unlimited streaming for Prime subscribers," Engadget, February 22, 2011, https://www.engadget.com/2011/02/22/amazon-launches-prime-instant-videos-unlimited-streaming-for-pr, accessed May 2018.

[77] Josh Halliday, "Amazon takes full control of Lovefilm." *The Guardian,* January 20, 2011.

[78] Conor Cawley, "10 Most Popular Streaming Services in the US," TechCo, November 14, 2017, https://tech.co/10-popular-streaming-services-us-2017-11, accessed May 2018.

[79] "Amazon.com Acquires Brilliance Audio." *Create Space,* https://www.createspace.com/Special/AboutUs/PR/20070523_Brilliance.jsp, accessed June 2015.

[80] Mylene Mangalindan, "Amazon's Mp3 store Takes Aim at Apple." *The Wall Street Journal,* September 26, 2007.

[81] "Introducing Prime Music," press release, June 12, 2014, Business Wire.

[82] Verto Analytics, "Most popular music streaming services in the United States as of March 2018, by monthly users (in millions)," via Statista, accessed May 2018.

[83] Robert Mitchell, "Amazon Studios Releases Pilots Online," *Daily Variety*, April 19, 2013.

[84] Brian Porreca, "Golden Globes: Wins by Network, Program, Film, Studio," *Hollywood Reporter*, January 12, 2015.

[85] Natalie Jarvey, "Oscars: Amazon Nabs Streaming's First Best Picture Nomination With 'Manchester by the Sea,'" *Hollywood Reporter*, January 24, 2017.

[86] Dylan Tweney, "Amazon Launches Its Own Android App Store," Wired, March 22, 2011, https://www.wired.com/2011/03/amazon-android-app-store-2/, accessed May 2018.

[87] Appfigures, "Number of available apps in the Amazon Appstore from 2nd quarter 2015 to 1st quarter 2018," via Statista, accessed May 2018.

[88] AppBrain, "Number of available applications in the Google Play Store from December 2009 to March 2018," via Statista, accessed May 2018.

[89] Sam Costello, "How Many Apps Are in the App Store?" Lifewire, April 7, 2018, https://www.lifewire.com/how-many-apps-in-app-store-2000252, accessed May 2018.

[90] Jeff Grubb, "Amazon Acquires Twitch." *Venture Beat,* August 25, 2014; Quora, "What are the top gaming streaming sites in the world?" https://www.quora.com/What-are-the-top-gaming-streaming-sites-in-the-world, accessed May 2018.

[91] Liza Brown, "Top 9 Live game streaming platform you should know," Wondershare, November 27, 2017, https://filmora.wondershare.com/live-streaming/top-9-live-game-streaming-platform.html, accessed May 2018.

[92] Emma Boyle, "Twitch vs YouTube Gaming vs Microsoft Mixer: which streaming service is for you?" TechRadar, February 19, 2018, https://www.techradar.com/news/twitch-vs-youtube-gaming-vs-microsoft-beam-which-streaming-service-is-for-you, accessed May 2018.

[93] Passage, Robert Alan, Christina M. Stansell, and Ed Dinger. "Amazon.com, Inc." International Directory of Company Histories. Ed. Tina Grant. Vol. 113. Detroit: St. James Press, 2010. 10-14. Gale Virtual Reference Library. Web. 27 May 2014.

[94] Walter S. Mossberg, "Technology (A Special Report): All Things Digital --- The Way We Read: Amazon.com's Jeffrey Bezos on why books are like horses." *The Wall Street Journal*, June 9, 2008.

[95] Walter S. Mossberg, "Technology (A Special Report): All Things Digital --- The Way We Read: Amazon.com's Jeffrey Bezos on why books are like horses." *The Wall Street Journal*, June 9, 2008.

[96] Martin Peers, "Kindle is a Page Turner for Amazon Investors." *The Wall Street Journal,* May 30, 2009.

[97] Geoffrey A. Fowler, "Finally, a $100 Tablet Worth Buying." *Wall Street Journal,* October 8, 2014.

[98] Roberto Baldwin, "Amazon's selling its $50 Fire tablet in six packs," *Engadget*, September 17, 2015, http://www.engadget.com/2015/09/17/amazon-50-fire-tablet/, accessed February 2016.

[99] "Amazon.com Announces Fourth Quarter Sales up 22% to $35.7 Billion," press release, January 28, 2016, on Amazon website, http://phx.corporate-ir.net/phoenix.zhtml?c=97664&p=irol-newsArticle&ID=2133281, accessed February 2016.

[100] Tero Kuittinen, "This is why Amazon will soar in the speaker market." *BGR,* December 17, 2013.

[101] IDC, "Tablet shipments market share by vendor worldwide from 2nd quarter 2011 to 1st quarter 2018," via Statista, accessed May 2018.

[102] Samuel Gibbs, "Amazon 'undeterred' by Fire Phone failure." *The Guardian,* November 5, 2014.

[103] Statista, "Global market share held by leading smartphone vendors from 4th quarter 2009 to 4th quarter 2015," http://www.statista.com/statistics/271496/global-market-share-held-by-smartphone-vendors-since-4th-quarter-2009/, accessed February 2016.

[104] David Katzmaier, "Roku vs Apple TV." *CNET,* June 2, 2015.

[105] David Pierce, "The Playbook: Why Amazon's Fire TV is a guaranteed hit." *The Verge,* April 2, 2014.

[106] Ben Miller, "Amazon introduces Dash for grocery delivery service." *Biz Journal,* April 7, 2014.

[107] Darrell Etherington, "Amazon's New Dash Button Hardware Offers Instant Orders for Staple Products." *Tech Crunch,* March 31, 2015.

[108] Todd Bishop, "Amazon's Elusive Echo." *GeekWire,* December 2, 2014.

[109] Amazon.com, 2017 Annual Report, p. 5.

[110] Amazon.com, 2008 Annual Report, p. 4.

[111] Christina Warren, "HANDS ON: Amazon's Prime Instant Video," Mashable, February 22, 2011, https://mashable.com/2011/02/22/amazon-prime-instant-video, accessed May 2018.

[112] Amazon.com, 2013 Annual Report, p. 2.

[113] Valentina Palladino, "Amazon will raise the price of Prime by $20 in a few weeks," Ars Technica, April 27, 2018, https://arstechnica.com/information-technology/2018/04/amazon-to-raise-annual-membership-price-of-prime-to-119, accessed May 2018.

[114] Amazon.com, 2015 Annual Report, p. 3.

[115] Jason Del Rey, "Amazon Crushes Q4 Earnings on Back of Huge Prime Membership Growth." *Recode,* January 29, 2015.

[116] "Relentless.com," *The Economist,* June 21, 2014.

[117] Amazon.com, 2015 Annual Report, p. 3.

[118] Brooke Sutherland, "FedEx, UPS Holders Shrug at a Big Shadow," Bloomberg Gadfly, February 9, 2016, http://www.bloomberg.com/gadfly/articles/2016-02-09/ups-fedex-amazon-should-worry-shareholders#footnote-1455035182338-ref, accessed February 2016.

[119] Dennis Green, "Whole Foods' new discounts for Amazon Prime members are more evidence of the death of the middle class," *Business Insider*, May 17, 2018, http://uk.businessinsider.com/whole-foods-amazon-prime-discounts-show-middle-class-shrinking-2018-5, accessed May 2018.

[120] Amazon.com, 2017 Annual Report, p. 4; Emily Bary, "Amazon's Growth Comes Down to These Prime Numbers," *Barron's*, October 9, 2017, https://www.barrons.com/articles/amazons-growth-comes-down-to-these-prime-numbers-1507578510, accessed May 2018.

[121] Valentina Palladino, "Amazon will raise the price of Prime by $20 in a few weeks," Ars Technica, April 27, 2018, https://arstechnica.com/information-technology/2018/04/amazon-to-raise-annual-membership-price-of-prime-to-119, accessed May 2018.

[122] Robin Ratcliff, "Is Amazon Prime worth it?" CreditCards.com, May 11, 2018, https://www.creditcards.com/credit-card-news/is-amazon-prime-worth-it.php, accessed May 2018.

[123] Amazon.com, 2014 Annual Report, p. 2.

[124] Mylene Mangalindan, "Game Over: How Amazon's Dream Alliance With Toys 'R' Us Went So Sour --- Online, Retail Powerhouses Clash in Court Over Tie-Up; Selection Vs. Exclusivity --- Talks at Bezos's Mom's Place." *The Wall Street Journal*, January 23, 2006.

[125] Amazon.com, 2008 Annual Report, p. 4; Amazon.com, 2014 Annual Report, p. 4.

[126] Amazon.com, 2009 Annual Report, p. 2.

[127] Amazon.com, 2014 Annual Report, p. 2.

[128] Amazon.com, 2015 Annual Report, p. 4.

[129] Amazon.com, 2017 Annual Report, p. 4.

[130] "Amazon's Third-Party Merchants are a Growing Piece of the Sales Pie." *Wall Street Journal,* January 5, 2015.

[131] George Anderson, "Is Amazon Undercutting Their Third Party Sellers Using Their Own Data." *Forbes,* October 30, 2014.

[132] Robert S. Huckman, Gary P. Pisano, Liz Kind, "Amazon Web Services," HBS No. 609-048, February 3, 2012, p. 1.

133 Mylene Mangalindan, "Technology Journal: Small firms tap power of Amazon's infrastructure --- Web Services unit gains fans by leasing its storage capacity." *The Wall Street Journal*, January 17, 2008.

134 Robert S. Huckman, Gary P. Pisano, Liz Kind, "Amazon Web Services," HBS No. 609-048, February 3, 2012, pp. 6, 7.

135 Amazon.com, 2015 Annual Report, p. 5.

136 Archana Venkatraman, "AWS feels the pressure of cloud competition." *Computer Weekly,* July 25, 2014.

137 MWPVL International, "Amazon Global Fulfillment Center Network," http://www.mwpvl.com/html/amazon_com.html, accessed May 2018.

138 Rishi Iyengar and Sherisse Pham, "Walmart is buying India's Flipkart," CNN Money, May 9, 2018, http://money.cnn.com/2018/05/09/investing/walmart-flipkart-india-softbank/index.html, accessed May 2018.

139 Jennifer Dunn, "Amazon.com Now Collects Sales Tax in Every State (and what that means for FBA Sellers)," TaxJar, March 27, 2017, https://blog.taxjar.com/states-where-amazon-com-collects-sales-tax/ accessed May 2018.

140 Greg Bensinger and Doug Cameron, "Amazon Has Eyes On Cargo Planes," *Wall Street Journal*, December 19, 2015, p. B3.

141 Brooke Sutherland, "FedEx, UPS Holders Shrug at a Big Shadow," Bloomberg Gadfly, February 9, 2016, http://www.bloomberg.com/gadfly/articles/2016-02-09/ups-fedex-amazon-should-worry-shareholders#footnote-1455035182338-ref, accessed February 2016.

142 Alex Fitzpatrick, "See Amazon's Massive New 'Prime Air' Cargo Jet Plane," *Time*, August 5, 2016, http://time.com/4440542/amazon-one-airplane-fedex-ups, accessed May 2018.

143 Laura Stevens, "Amazon.com Plans First Air Cargo Hub," *Wall Street Journal Online*, February 1, 2017.

144 James Vincent, "Watch Amazon's Prime Air drone make its first demo delivery in the US," The Verge, March 24, 2017, https://www.theverge.com/2017/3/24/15047424/amazon-prime-air-drone-delivery-public-us-test-mars, accessed May 2018.

145 Eli Blumenthal, "While Barnes & Nobles close, Amazon is opening real live bookstores," *USA Today*, May 24, 2017, https://www.usatoday.com/story/tech/news/2017/05/24/amazon-brings-its-physical-bookstore-new-york/102071054/, accessed May 2018.

146 Anick Jesdanun, "5 reasons Amazon is experimenting with physical stores," Associated Press Newswires, April 27, 2017.

147 Elizabeth Weise, "Amazon opens its grocery store without a checkout line to the public," *USA Today*, January 21, 2018, https://www.usatoday.com/story/tech/news/2018/01/21/amazon-set-open-its-grocery-store-without-checkout-line-public/1048492001/, accessed May 2018.

148 "Amazon.com Announces Fourth Quarter Sales up 38% to $60.5 Billion," press release, February 1, 2018, Business Wire, https://www.businesswire.com/news/home/20180201006454/en/Amazon.com-Announces-Fourth-Quarter-Sales-38-60.5, accessed May 2018.

149 Amazon.com, December 31, 2014 Form 10-K (filed January 30, 2015).

150 Jodi Kantor and David Streitfeld, "Inside Amazon: Wrestling Big Ideas in a Bruising Workplace," *New York Times*, August 15, 2015, http://www.nytimes.com/2015/08/16/technology/inside-amazon-wrestling-big-ideas-in-a-bruising-workplace.html?_r=0, accessed February 2016.

151 David Streitfeld and Jodi Kantor, "Jeff Bezos and Amazon Employees Join Debate Over Its Culture," *New York Times*, August 17, 2015, http://www.nytimes.com/2015/08/18/technology/amazon-bezos-workplace-management-practices.html, accessed February 2016.

152 Vauhini Vara, "Retail: Amazon Net Falls Despite Revenue Jump." *The Wall Street Journal,* February 2, 2007.

153 Pui-Wing Tam, "Amazon Finds Happy Balance of Revenue, Spending Growth." *The Wall Street Journal,* April 25, 2007.

154 Passage, Robert Alan, Christina M. Stansell, and Ed Dinger. "Amazon.com, Inc." International Directory of Company Histories. Ed. Tina Grant. Vol. 113. Detroit: St. James Press, 2010. 10-14. Gale Virtual Reference Library. Web. 27 May 2014.

155 Michael D. Shear, Nick Wingfield, and Cecilia Kang, "In President's Tirade on Amazon, The Rage Might Be for the C.E.O.," *New York Times*, March 30, 2018, p. 1.

[156] Supantha Mukherjee, "Amazon shares fall 6 percent as Trump renews attack," Reuters, April 2, 2018, https://www.reuters.com/article/us-amazon-com-trump/amazon-shares-fall-6-percent-as-trump-renews-attack-idUSKCN1H9185, accessed May 2018.

[157] Supantha Mukherjee, "Amazon shares fall 6 percent as Trump renews attack," Reuters, April 2, 2018, https://www.reuters.com/article/us-amazon-com-trump/amazon-shares-fall-6-percent-as-trump-renews-attack-idUSKCN1H9185, accessed May 2018.

[158] Michael D. Shear, Nick Wingfield, and Cecilia Kang, "In President's Tirade on Amazon, The Rage Might Be for the C.E.O.," *New York Times*, March 30, 2018, p. 1.

[159] Levi Pulkkinen, "Opposition to Seattle's 'Amazon tax' unites labor and big tech," *Guardian*, May 13, 2018, https://www.theguardian.com/us-news/2018/may/13/opposition-to-seattle-tax-proposal-unites-labor-and-amazon, accessed May 2018.

[160] Libby Kane, "Amazon offers these perks to workers — and they reveal why cities are fighting over who gets to host HQ2," *Business Insider*, January 18, 2018, http://uk.businessinsider.com/amazon-hq2-employee-perks-2018-1?r=US&IR=T, accessed May 2018.