

# After stunning growth streak, Amazon ambitions seem boundless

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Amazon CEO Jeff Bezos tours the facility at the grand opening of the Amazon Spheres rainforest-inspired offices in Seattle, Washington on January 29, 2018

Triumphant in online retail, cloud computing, organic groceries, and

streaming television, Amazon founder and chief disruptor Jeff Bezos is turning his seemingly limitless ambition to health care.

Amazon, launched as an internet bookseller nearly 24 years ago, has branched into offerings including voice-commanded speakers infused with Alexa artificial intelligence and original TV shows streamed online at its Prime subscription service.

Health care now appears ripe for Bezos, who has earned a reputation for attacking high costs and inefficiencies.

A possible step in that direction was taken last month, with Amazon announcing an alliance with billionaire Warren Buffett and JPMorgan Chase chief executive Jamie Dimon to provide a health care system for employees of the three companies.

According to the Wall Street Journal, Amazon would also like to become a supplier of medical equipment for hospitals.

"I think Bezos is methodical and thoughtful," eMarketer senior analyst Patricia Orsini told AFP.

"He has identified a market that is ready for disruption. The healthcare system in the US is ripe for reform."

Bezos faces the challenge of taming skyrocketing costs throughout US health care from insurance and medicine to supplies and therapy.

"Just as with every other industry Amazon has entered, Bezos is envisioning lower-priced alternatives with frictionless services that could, over time, make a lot of money for Amazon," Orsini said.

Barclays analysts said in a recent research note on Amazon's potential in

[health care](#), "We are never dismissive of anything disruptive that Amazon is involved in. Amazon arguable has the best technical abilities of any company we cover."



Amazon's global ambitions have led to expansion as far as Australia and India as well as France, with a French distribution center pictured here

Amazon has been on a stunning growth streak of late, expanding its international retail operations as far as India and Australia, while devouring the US organic supermarket Whole Foods group.

With increased scale, it has been ramping up profits in recent quarters, helping Amazon leapfrog in market value to one of the top companies in

the world and making Bezos the world's richest individual with a net worth well over \$100 billion.

## **Moving and shaking**

Amazon has repeatedly shaken up sectors with technology and efficiency.

With success has come leverage to pressure suppliers and manufacturers for better deals it can use to be the preferred venue for online shopping.

Standard & Poor's retail analyst Robert Shulz noted that Amazon has succeeded with a patient strategy of investing for the long term.

"Their approach is growing the business," Shulz said, even if some of the efforts don't yield a quick profit.

For years, Amazon invested heavily in distribution networks so it could get goods to buyers fast while controlling delivery costs.

A report surfaced this month that Amazon is preparing to test a delivery service that would compete directly with services like Fedex and UPS.

Amazon did not directly comment on the report but said, "We're always innovating and experimenting on behalf of customers and the businesses that sell and grow on Amazon to create faster lower-cost delivery choices."





Known for its logistical prowess, Amazon uses robotics technology and vision systems at a fulfillment center in Sacramento, California

Separately, Amazon this month unveiled plans to deliver groceries in a number of US cities for Prime subscribers using its recently acquired Whole Foods supermarket chain.

It is the first major effort to integrate Whole Foods—a chain of 460 stores—into Amazon's e-commerce effort.

## Ultimate disruptor

Bezos, whose personal investments have included buying the Washington

Post, has been referred to as the "ultimate disruptor" with a long-term view that only recently has begun to yield hefty profits.

Amazon recently reported its profits had more than doubled in the past quarter to \$1.9 billion as revenue grew 38 percent to \$60.5 billion.

But Amazon has been vilified for trampling on traditional practices at home and abroad. It also earned a reputation for high-pressure work conditions to minimize costs in warehouses, and a sometimes difficult corporate culture for executives.

Its search for a new "HQ2" or second headquarters meanwhile has set off an intense competition among cities desperate for the estimated \$5 billion investment, drawing comparisons to the dystopian "Hunger Games" story.

Amazon's pattern of success has caused fear to ripple through sectors it eyes.

When Amazon last year made the surprise buy of Whole Foods, shares sank of major retail chains Wal-Mart and Target.

S&P Global Ratings said in a research note that Amazon "has brought price transparency and convenience to many retail segments," while shifting consumer expectations, thus creating problems for rivals.

"Legacy retailers are in various stages of adapting to the new landscape and not all have been successful," the analysts said.

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