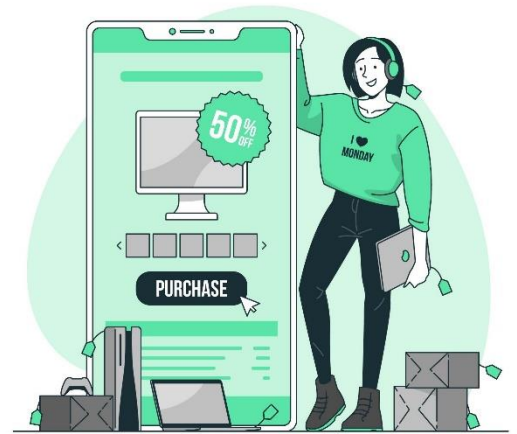


Business Study: Amazon



Warm up:

- Do you use Amazon? What do you think of the experience as a customer?
- What was the last thing you bought online?
- Are you worried about Amazon and companies like Amazon becoming too powerful?
- Why do you think Amazon has been so successful? What are some of the keys to their success?
- Do you know anyone who still never shops online? Why don't they?
- Are there any products you would never buy online? Why?



1. With a partner see if you can guess the answers to the questions, then find out how many you got right by reading the article on the next page.

- | | |
|--|--|
| 1. Amazon originally started as an online: | 2. Amazon's revenue in 2024 was: |
| a) Casino. | a) \$52 billion. |
| b) Gardening goods store. | b) \$638 billion. |
| c) Bookstore. | c) \$3 trillion. |
| 3. The hidden meaning of Amazon's logo is that: | 4. Because he thought it sounded magical, Jeff Bezos originally wanted to call Amazon: |
| a) They sell everything from A to Z. | a) Cadabra. |
| b) They will get around obstacles to deliver your package. | b) Jungle. |
| c) They will deliver all around the world. | c) Sparkle Senders. |
| 5. Amazon's market cap (as of 2025) is: | 6. For 20 years Amazon had a patent for: |
| a) 800 million dollars. | a) The one-click checkout system. |
| b) 1.1 trillion dollars. | b) Re-usable delivery boxes. |
| c) 2.2 trillion dollars. | c) The idea of using dogs to deliver packages. |



2. Now read the article and fill the gaps with words from the box.

acquire	subsidiary	profit	accused
market cap	retail	despite	manual labour

Amazon has become a dominant force in the global economy, with a *market cap* of more than 2.2 trillion dollars, making it one of the most valuable companies in the world. What began as a modest online bookstore has evolved into a tech-driven empire, generating \$638 billion in annual revenue across e-commerce, cloud computing, logistics, and digital services.

Originally Jeff Bezos wanted to call Amazon “Cadabra” because it sounded similar to the common magical phrase “abracadabra.” However, he changed his mind when multiple people pointed out it sounded a lot like the word “cadaver” (meaning a dead body). Thankfully he decided on “Amazon” instead, and ever since it has grown quickly.

As it expanded out of books and into being an online *retail* store for pretty much everything, Amazon introduced their logo, which at first just seems to be a friendly smile beneath their name, but on closer inspection is an arrow pointing from A to Z, signifying that Amazon sells everything from A to Z.

To expand its reach, Amazon has purchased many companies, each becoming a *subsidiary* that strengthens its position in different markets. It has bought companies such as Whole Foods and MGM, and shows no signs of slowing down as it continues to *acquire* businesses across a wide array of industries.

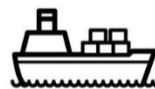
While Amazon reports strong *profit* margins, particularly from its cloud division, the company also faces criticism for its treatment of warehouse workers. Much of Amazon’s success still relies on *manual labour*—from packaging to delivery—and the working conditions for its employees are often less than ideal.

Amazon has also been criticized for overly aggressive business practices, and has been *accused* of creating a monopoly. In 1997 the US patent office granted Amazon a patent for their “1-Click” shopping technology. This patent expired in 2017, but for the time it was active no other e-commerce site within the USA was allowed to let users purchase something with just one click. This obviously gave Amazon an enormous competitive edge. However, Amazon is now facing increased competition in many areas.

Despite these challenges, Amazon’s scale and innovation keep it at the forefront of global commerce. Amazon’s motto has always been growth at all costs, and has often even sacrificed profitability in exchange for fast growth. This strategy has been enormously successful, and as a result Amazon is the global force we know today. Many are critical of Amazon’s size and power, but none can deny it is a well-run company with extremely disciplined management.



? What did you find surprising about the article? How many answers from the quiz did you get right?



3. Look at the table of financial information of some of the biggest companies in the world and ask and answer the questions below with a partner.

	Amazon	Nestle	Apple	Nvidia	Broadcom
<u>Market Cap</u>	\$2.25 T	\$267 B	\$2.9 T	\$3.4 T	\$1.1 T
<u>Revenue</u>	\$638 B	\$95 B	\$400 B	\$148 B	\$51 B
<u>Profit</u>	\$60 B	\$11 B	\$186 B	\$61 B	\$6 B
<u>Debt</u>	\$133 B	\$70 B	\$98 B	\$15 B	\$66 B
<u>Revenue per employee</u>	\$426,000	\$358,000	\$2.3 M	\$2.1 M	\$1.39 M

*All figures are from 2024

- Is there any information here that you find particularly surprising?
- Why do you think Nestle and Amazon have much lower revenue per employee than the others?
- If you had to choose one of these companies to invest in based on these figures, which would you choose and why?
- Have you ever heard of Broadcom or Nvidia before? What do you know about them?
- Is there any company here that looks like it has dangerous levels of debt?
- Why do you think Broadcom's market cap is so high relative to its revenue and profit?
- Are there any other figures that are particularly important when analysing a business? Which figures are important to your business?



4. You are going to watch a video about Amazon which contains the vocabulary in the box. Use the vocabulary to complete the sentences.

creepy	on the verge of	annually	the big picture
skyrocket	equivalent	content	final nail in the coffin

- a) I think in the next few years the price of oil is going to *skyrocket*.
- b) They make 50 million in profit *annually*, which is very impressive.
- c) The company was *on the verge of* bankruptcy for years, and finally they closed down in 2007.
- d) They weren't *content* with just being a successful company, they wanted to be the market leader.
- e) The data breach was the *final nail in the coffin* for the company, customers lost all confidence after that.
- f) The street looked normal during the day, but at night it always felt a bit *creepy*.
- g) One glass of beer is *equivalent* to a shot of vodka in terms of alcohol content.
- h) Let's not get held up by details, we need to focus on *the big picture*.



5. Watch the video¹ and answer the questions.

- a) What inspired Jeff Bezos to start Amazon? *He read a report that said the internet was growing at a rate of 2300% annually*
- b) Why did Bezos choose to sell books? *Because they are cheap and there is a wide variety available*
- c) When did Amazon almost go bankrupt? *During the dot com crash.*
- d) What subsidiary of Amazon created Alexa? *Lab 126*

*Questions continue on next page

¹ <https://www.youtube.com/watch?v=3fsRATPzSV0>

e) Why did Amazon buy the supermarket chain Wholefoods? *Because Bezos saw the health food craze coming.*

f) How do Amazon's cashierless stores work? *Cameras detect what you put in your cart, and your account is automatically charged*

g) What is Amazon's most profitable subsidiary, and what industry do they operate in? *Amazon Web Services, cloud services*

h) What is Amazon's unusual way of literally moving data? *in trucks*

i) What did the video compare Jeff Bezos spending 2 million dollars with? What do you think of a person having this kind of wealth? *The average American spending one dollar is the equivalent of Jeff Bezos spending 2 million.*



6. Optional task/homework: Choose any publicly traded company and make a presentation about it. Your presentation should include their history, performance, market position, and financial information such as revenue and market cap. Present what you found in the next lesson.