

HOW A **SINGLE COMPANY** GAINED A **STRANGLEHOLD** OVER ONLINE SHOPPING AND THE FUTURE OF RETAIL.



amazon.com which started as an online bookseller in 1995, is now one of the largest retailers on the planet. It sells nearly everything and operates across three continents: North America, Europe, and Asia. In the U.S., Amazon captures **one-third of online sales**. It's poised to control even more: Amazon's sales are **growing four times faster than e-commerce** overall. Amazon is doubling in size every 2-3 years, putting it on pace to be **bigger than Walmart by decade's end**.



Amazon's Grasp

Work your employees to the bone.

Recent news reports and lawsuits have brought to light the dangerous working conditions in Amazon's 69 warehouses. At one warehouse, Amazon has reportedly kept paramedics and an ambulance on hand for workers who collapse from exhaustion and heat.

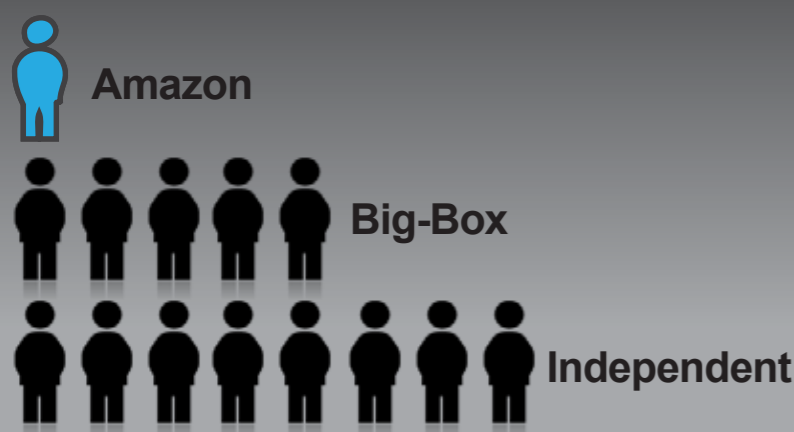
Free-ride on the services of brick-and-mortar stores.

Through its mobile shopping app, Amazon encourages shoppers to browse in local stores, ask questions, and then buy the product online by scanning its barcode with their phones. Last December, Amazon offered shoppers a \$5 rebate on items they scanned at brick-and-mortar stores.

Make sure consumers have no other choice.

Anyone who wants to read a Batman comic or any other e-book title from DC Comics has no choice but to acquire a Kindle and buy it from Amazon. By cutting exclusive deals, Amazon is amassing a growing library of print and digital books that readers cannot buy elsewhere.

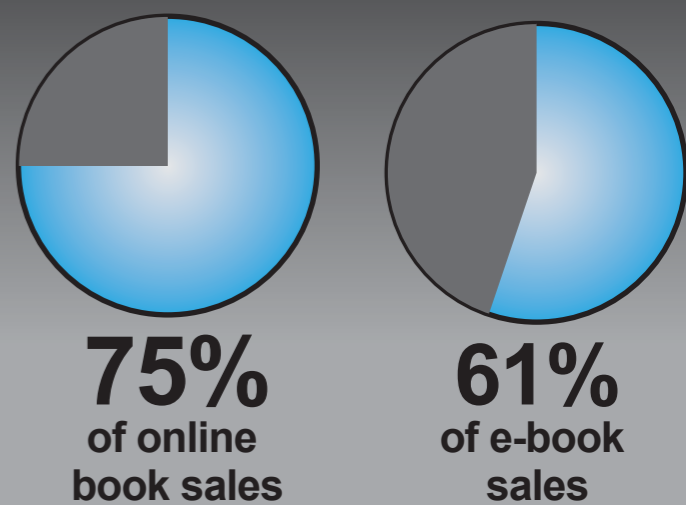
Jobs Per \$1 Million in Sales



Author Events Each Year



Amazon's Market Share



Amazon's Grab

Get a sweetheart deal from the government.

While its brick-and-mortar rivals are required to collect sales taxes, Amazon is exempt in most states. This amounts to a government-bestowed 4-10% price advantage.

Bully your suppliers.

Once a partner to publishers, Amazon is now a predator. When publishers resist its demands for deeper discounts, the online giant responds by removing the "buy button" from their titles, cutting off sales until they relent.

Sell your products at a loss.

Backed by Wall Street's deep pockets, Amazon spent nearly a decade pricing its goods below cost, an easy way to topple competitors and take their market share. During its first eight years, Amazon lost a staggering \$3 billion.

Compel competitors to use your platform.

Many shoppers now skip search engines and go straight to Amazon to find products. Afraid of missing out, thousands of retailers have become Amazon Marketplace sellers. Amazon takes a cut of each sale, learns about hot new products, and keeps all of the customer information for itself.

