

DOI: <https://doi.org/10.30525/978-9934-26-159-6-33>

**SUSTAINABILITY-RELATED PROJECTS AS PART
OF AMAZON'S DIGITAL BUSINESS STRATEGY**

Yulia Stukalina

Dr.sc.admin., Professor,

Transport and Telecommunication Institute

Riga, Latvia

Digital technologies are now changing business processes and procedures; this is closely related to boosting companies' productivity and stimulating innovation in all sectors of the global economy [1, p. 4; 2, p. 19]. Recently, the amount of digital business activities has grown, owing to the development of ICTs; digital business has become a prevailing economic sector [3, p. 29].

Digital transformation assists companies to co-create value with customers by generating unique value through digital ecosystems and platforms, and enables them to deal with burning sustainability issues [4, p. 15]. This makes entrepreneurs to reconsider their business models, which is crucial in the agenda of evolution to greener and more inclusive economies for reaching

the Sustainable Development Goals [5; p. 1]. In the context of digital transformation, entrepreneurs are using novel electronic communications technologies that offer many opportunities for innovative businesses; they are also developing innovative strategies in order to generate a competitive advantage and manage emerging risks [6, p. 4].

Amazon.com., an Internet-based enterprise and the largest online retailer, has developed into a real digital platform, and become a “technology” company, whose business operations are focused on simplifying online transactions for consumers. Over years, the company demonstrated a surge in global net revenue, the leading category being online stores (Table 1), which signifies that their “customer-centric” business strategy [7, p. 3] has been successful for years.

Table 1

Global net revenue of Amazon (2015–2020),
by product group (in billion U.S. \$)

Year	Online stores	Physical stores	Retail third-party seller services	Subscription services	AWS	Other
2016	91.43	-	22.99	6.39	12.22	2.95
2017	108.35	5.8	31.88	9.72	17.46	4.65
2018	122.99	17.22	42.75	14.17	25.66	10.11
2019	141.25	17.19	53.76	19.21	35.03	14.09
2020	197.35	16.23	80.46	25.21	45.37	21.45

Source: <https://www.statista.com/statistics/672747/amazons-consolidated-net-revenue-by-segment/>

For identifying the main drivers of Amazon’s success, a case study was conducted, the focus being made on the strategic initiatives (sustainability-related projects) that are implemented by the company in the frame of their digital business strategy. For collecting the case study evidence, the documents relevant to the case study topic were used; the documents were obtained from publicly available sources (Amazon’s family of websites). The findings of the case study are summarized below.

Amazon aligns their business strategy with Sustainable Development Goals, building sustainable business for the employees, customers, and communities in general [7, p. 7]. This stimulates their business growth, as sustainability can be considered as key drivers for both their consumers and investors in the context of achieving a competitive advantage. Amazon’s innovative approach to executing different sustainability-related strategic initiatives incorporates technology and organizational procedures for

developing and bringing new services to a broad range of consumers worldwide [8, p. 1].

A digital business strategy that can considerably contribute to the enterprise's performance requires the company to possess the following capabilities [3, pp. 30–31]:

1. Digital innovation capability (proper choice of physical/virtual goods based on a thorough market analysis with emphasis of customer needs).

2. Strategic and organizational capability (creating a dynamic e-environment focused on customer relationship and adapting to the modern global market).

3. Capability for networking and integrating (generating resources and time advantage through e-networking).

4. Ease of use (providing access to business interface, and increasing its efficiency with emphasis on customer needs).

Amazon is a company that owns unique capabilities, which give it a worldwide competitive advantage, especially regarding a) its ability to generate the best customer experience including a high-demand selection of products/services and an extraordinary big assortment; b) its exclusive “culture of innovation” as a response to business digital transformation. Organizational capabilities emerge from a number of activities – strategic initiatives aligned with strategic objectives. Amazon implements numerous strategic initiatives in the form of sustainability-related projects. In Table 2, these projects are described in more detail.

Table 2

Digital Strategy of Amazon.com: Main sustainability-based projects

Strategic objective	Associated sustainability-based projects
1	2
<ul style="list-style-type: none"> - To create new business models - To optimize processes and increase efficiency of business operations - To produce outstanding consumer experiences 	Amazon Web Services cloud-based solutions: analytics, storage, networking, databases, mobile applications, developer and management tools, security applications, Internet of Things, etc.
<ul style="list-style-type: none"> - To increase internal collaboration - To attract best talents in the field - To promote social inclusion 	<ul style="list-style-type: none"> - “Amazon Technical Academy” education program (\$12 million investment in 2020)

Continuation tables 1

1	2
	<ul style="list-style-type: none"> - “Amazon Future Engineer Program” (\$50 million investment in STEM education in 2021) - Amazon scholarships and internships for seniors in underrepresented groups (\$40,000 investment in 2021)
<ul style="list-style-type: none"> - To improve product and services in the agenda of greener and more inclusive economies - To generate outstanding customer experiences 	<ul style="list-style-type: none"> - “The Climate Pledge Initiative” (started from 2019) – converting the transportation network by utilizing ground-breaking technologies, alternative fuels and delivery schemes - The “largest corporate purchaser of renewable energy” initiative - Product certification initiative: “CarbonNeutral product”, “Carbon Neutral Certification” - Sustainable packaging initiative: smart packaging for e-commerce
<ul style="list-style-type: none"> - To enhance consumer base - To increase brand awareness - To increase external collaboration 	<ul style="list-style-type: none"> “Small and medium businesses support” initiative (investment \$30 billion the second-party sales in 2019–2020)

Source: <https://www.aboutamazon.com/facts>; <https://developer.amazon.com/>

Based on the interpretation of the data gathered during analysis, it can be concluded that an original digital business strategy, including sustainability-related projects as actionable steps aimed at achieving strategic objectives, can become key to the company’s competitive success in the era of digital transformation.

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