

Battle! Amazon: Not Sustainable vs. Sustainable!

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1 Introduction

Today battle is about amazon, we saw in previous lessons the strong growth that amazon had, it was taken as an example for venture financing. It helped also with the discussion over ethics and social innovation, how innovation is able to consider human aspect.

The two sides of this battle will be: one that consider the current job of amazon and the other considering his future.

Let's try to focus on the human aspect of amazon company.

2 Sustainable presentation

2.1 Introduction

Amazon was founded in 1994 and in a few years became the e-commerce leader. With one button you can order and get whatever you want.

2.2 User experience

Amazon made possible what was impossible, using an innovative approach for shopping online.

2.3 Working conditions

Amazon has been criticised for his working conditions but it's trying to handle the problems.

The warehouses have been opened to let people see working conditions.

Amazon had some problem addressing the issue of high orders seasons for example christmas, but addressed it with seasonal workers assumptions.

2.4 Environment responsibility

Amazon announced a commitment that have some goals to achieve, by 2030 they want to use just renovable energy and by 2040 they want to achieve a 0 fossil impact on world.

They are buying electric vehicles and started tree planting projects.

2.5 Ethical issues

2.5.1 Antitrust

The big companies during 1800 started to group (in trusts) to achieve the monopoly of the market, excluding competitors. So antitrust laws were made. Antitrust issues are common in IT society nowadays.

Amazon do not break this laws, the people complaining about antitrust issue in reality complain about the ethic of the company, which amazon is currently working on (for example with price limitations on the platform).

2.5.2 Fair pricing

Now you can sell anything you want at every price you want. Free competition (among sellers) is assured.

3 Not sustainable presentation

3.1 User experience

We all know how good is user experience with Amazon, but let's try to go a bit deeper.

3.2 Standard Oil Company

- The owner was the richest guy in the world
- Under investigation for unfair market policies
- It held almost 50 % of its market share

Is the same as Amazon today!

3.3 Unfair market policies

Amazon is under investigation with predatory pricing! Which is invade the market with underpriced goods, to get the monopoly of it. They sell below the cost to kill competition.

Amazon is also under investigation for alleged use of legal loopholes to pay less taxes.

Amazon had 49 % of his market share! How can it do this?

They are keeping selling products and reinvest the incomes to keep the prices so low. The ratio between the net sales and the net income on the sales is 1.2 % which is really low! They are trying to kill the competition without much incomes. We are going to pay it in the future and at a much higher price.

If they stopped standard oil doesnt mean they will be able to stop Amazon!

3.4 Alice and Bob story

Alice want to go to a party with a new hat. She knows Amazon prices and she goes on it and she buys it.

Bob is a normal guy, that works for Amazon. He was very happy for his new work. At his first day he received a tracking device. He had nothing to hide, it was not a problem. Next day Amazon manager called him and explained the new policy of being scanned every day when entering and exiting the warehouse (very long and without payment procedure). He was still fine with the new work.

Time passes and new problems arised, the noise of the machines, the back pain, and more. Bob kept working for Amazon.

But there are tons of workers with this story leaving Amazon.

4 Q & A

Legenda:

- Q2S : Question to Sustainable
- AoS : Answer of Sustainable
- Q2N : Question to Not Sustainable
- AoN : Answer of Not Sustainable

[Q2N]: Why workers don't go for another job if they are treated so badly?

[AoN]: A low skills worker in an era of IT don't have much opportunities, and try to stick with his job.

[Q2S]: Should a sustainable and good company rely on such attitude?

[AoS]: Working on it

[Q2S]: Even if someone get a new job don't heal form injuries of his last one.

The working conditions of Amazon brought serious injuries to workers, and is very hard to have a career. How do you think is sustainable?

[AoS]: Is partially true, but Amazon started some projects to skill his workers in order to not get injured. And have a career too!

[Q2S]: A low skill worker should not be forced to leave their work injured. They also put free painkillers for the bending machines.

[Q2S]: We saw articles from journalists which applied and worked for Amazon in order to see working conditions, and those issues were certified.

[AoN]: A lot of warehouses have those bending machines.

[Q2S]: Do you think is a good thing to have painkillers to work?

[Q2N]: What happens if Amazon solve this problem and automatize the work?

[Q2S]: Amazon do not address problems until they come out.

[AoS]: Amazon have hundred thousands of employees for sure someone will complain about different stuffs.

[Q2S]: Is it sustainable to fire people that doesn't work hard enough? Is it sustainable to use robots and AI (to track people work)?

[AoS]: It's arguable.

[Q2S]: Imagine people that can't have breaks for the fear to be fired.

[Q2S]: Do you know that Amazon algorithms uses registrations of their users to learn? What do you think? What do you think sustainability with customers?

[AoS]: If you don't want a product, just don't buy it.

[AoN]: If we want the benefits of the product, but not being spied?

]: Amazon make a differentiation between skilled and low skilled workers. If you have higher skills you get payed more.

[AoS]: We are focusing on a part of Amazon, but there others parts, less physical and more related to software.

[Q2S]: We discussed about the structure of the companies, what is the structure of Amazon?

[AoS]: Out of topic

[A2N]: Amazon is closing some shops that don't bring any value, because they have no more sense to exist on the market.

[Q2N]: I can see the point on talking about antitrust, but i didn't understand it so much.

[AoN]: We choose standard oil to talk about it, because one of the first monopoly. An the Sherman act (state) was not able to stop it.

(arguing on data's availability during time, and history...)

[Q2S]: Last year Amazon lost 2 billions of dollars.

[AoS]: Probably it was to not pay taxes.

[Q2S]: How is sustainable if you go on loss every year?

[AoS]: Because if you invest a lot of money probably you will be on loss for a few years.

[Q2S]: Are you sure that Amazon is trying to diverge in their services because they fear investors will take over the company?

[Q2N]: Do you think that Oil company was a good example one century later? Now we have China and others competitors.

(Break)

[Q2N]: I want to make clear that Amazon is not selling products, people sell through Amazon. Regard to profit, their income are just a small percentage. You can use the company from which buy stuff.

[AoN]: Amazon selling are 60 % of their productions.

[Q2S]: The US justice department condemned Amazon for their issues with companies that used it.

[Q2N]: I was checking references for working conditions, all references are about US working conditions, but what happens in Europe?

[Q2N]: They said Amazon give the least wages

[AoN]: We never said that

[Q2S]: You said working conditions are not so bad, how can you be sure that in the future, when Amazon will get the 90 % of the market will the things will be the same?

[AoS]: That's impossible for antitrust. Anyway you can book a travel to warehouses to see working conditions. They are trying to be completely transparent due to the problems they had.

[AoS]: You can see the other side of the question, as Amazon is growing it offers new things and better job conditions/opportunities.

[Q2Both]: Is the treatment of Amazon different form the competitors?

[AoS]: Amazon have many competitors, that's accentuated outside US.

[Q2S]: What Amazon is doing to improve working conditions?

[AoS]: They are opening warehouses to check

[Q2S]:Do you know something the pilot project in UK?

[AoS]: They are using more robots

[Q2Both]: About environmental issues, they want to reach 0 carbon impact in 2030. Is it related to all the chain of just the factories of amazon?

[AoS]: All the chain.

[AoN]: As we said Amazon address problems just when they came out, so we'll need to wait.

5 Conclusions

5.1 Not Sustainable

Remember: Faster and cheaper delivery, but low salary to employees. What you think will happens on future? They are making other companies close to get the monopoly.

5.2 Sustainable

Amazon has did some bad things but the most important thing is that they are addressing the issues. Amazon will be for a long time a successful company, i will let you decide.

5.3 And the winner is....

Not Sustainable!

Sustainable: Unknown

Not Sustainable: Unknown