

ANALYSIS OF THE GENERAL AND LOGISTICAL ENVIRONMENT AS A CONSEQUENCE OF THE PANDEMIC SITUATION (COVID19) IN AMAZON SPAIN

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Abstract

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<p>Abstract</p> <p>The author's work on management attempted to provide a response after performing several analyses both at the logistical level and at the level of the general environment on the Amazon company. The author has decided to do this work because Amazon is a company that even during the pandemic has continued to expand and has had a very favorable growth and it is important to try to know why this is due.</p> <p>The work was carried out on a basis, in which the author first made a theoretical part explaining the history of the company Amazon. The second part of the work the author carried out an analysis of both the general environment and the logistics of Amazon. The methods that the author used to carry out this work were the following: analysis and research to obtain the information.</p> <p>The author's conclusions were clear. First, the company is currently at a time of little uncertainty as to the social relationship of Spanish residents. Finally, the author was able to assure that the company Amazon is at a time of expansion in Spain as it continues to expand without having problems due to the current situation caused by the Covid19.</p>		
<p>Keywords</p> <p>Covid19, Swot, Logistic Structure, INE, SABI</p>		

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1. INTRODUCTION

This chapter allows the reader to read all the thesis that I have did it. Therefore, the reader can understand and get familiar with the objective of the thesis, its research questions, and the limitations that I have used to focus on my objective. The theories that I have used in this study are presented in the theoretical framework. Also, the research method and data collection methods are explained.

1.1 Research Background

Right now the world is suffering a global pandemic (Covid19) that has affected everyone in all areas, such as (the economy, people's health, people's lives), these factors that have been drastically affected we see that this last year is getting worse and with it, the population is in a moment of doubt where everything is being questioned.

At the same time that this pandemic is happening where people are going through a very bad time, becoming locked up at home for reasons of the governments themselves, there are a few companies that are trying to reinvent themselves or are simply knowing how to take advantage of their resources.

This is the case of Amazon, which, as it has been seen on the world scene and seems to have surprised many people, has positioned itself on the podium as the company with the most revenue. Being in this tough global pandemic the online sales company is getting worldwide recognition very important because day after day is getting more power.

Amazon operates in many countries of the world and most of them are positioned as the leading company of its market segment, this is very important for a company like Amazon as it competes against other multinationals with a lot of power.

As the author is a Spanish citizen find it interesting to study at what moment this Amazon Spain after the global pandemic that has suffered Spain, and many people have taken the time to allow the internet and others have taken to consolidate themselves on the internet.

This is why I believe that the thesis can be interesting both for people's knowledge and for the present and future of the company.

1.2 Thesis Objectives, Research Questions and Limitations

I am going to analyze different aspects related to the logistic and general environment of Amazon Spain and how it has affected the pandemic situation (Covid19) in this business. Also, we are going to analyze by SWOT and important factors of the environment the situation about the company and try to predict the company's future expectations.

It's a good moment to analyze a "multinational company" because they have a lot of money and now they need to adapt better as possible due to the pandemic situation (Covid19) since in some cases many companies are in a difficult moment and probably in a few months if the situation will continue as know they will have to close the business.

Amazon is one of the most important business in the world and now they have had to change some strategies, it's important can analyze those strategies and can compare in different moments, in this case before and after the pandemic situation (Covid19).

Doing a job like the one we are going to do trying to solve the main problem we have proposed as is "Analysis of the general and logistical environment as a consequence of the pandemic situation (Covid19) in Amazon Spain.", we will also have other issues that we can call sub-question, as they are important and will help us to resolve and give more information to solve the main issue of the thesis.

Sub-questions of the research are presented below:

- *What is the logistic structure of Amazon in all countries?*
- *Has Amazon the same structure logistic in each country?*
- *Are the Spanish people prepared to navigate on the social nets?*
- *Is Amazon Spain being competitive at a national level with the rest of the companies in the same sector?*

As for the delimitations, from the beginning, the thesis is trying to give all the necessary information to the reader so that he can know the answers to the questions that we have asked. All this information is going to be from reliable sources since we know that in a job of these characteristics has to have the information verified by professionals, to be able to carry out the analyses that we want to make.

Finally, another delimitation of the thesis is to try to be at all times obtaining information that is within the boundaries that the author has marked.

1.3 Theoretical Framework

The work in question is carried out to investigate the logistic structure and also the internal structure of the company, with this we will be able to see the strengths and weaknesses that Amazon has and how to take advantage of the opportunities and to face the threats. The author has to be able to analyze the factors about the company I will have some advantages to realize then the comparison among both countries and to understand new information that I will use to realize my logistic structure.

I am also going to investigate how Covid19 has affected the functioning of the company, that is, to focus research on the impact that the pandemic has caused on both structures (logistic and environment).

1.4 Research Methodology and Data Collection

This thesis will be made with a qualitative research method concretely will be a case study. It means that in this thesis there are no appear any formulas or any calculation. Also, as this thesis will be a case of study the report will be focused on a particular problem or situation from different points of view. The thesis will include some news, documents, notes, or interviews, these are the source of information for the report.

The author knows that is necessary before start have some information that will be useful during the report, some information that will be necessary to carry out the work:

- Logistic structure of Amazon

- Amazon's strengths and weaknesses
- Amazon's threats and opportunities
- Pandemic situation (Covid19)
- Amazon Spain situation

All this information will be analyzed both making comparisons during the different years of Amazon, in this case, it will be to see the difference of benefits and the workers that Amazon has in the company.

In general, the information obtained will be to get the benefit and obtain results and statistics that can give us answers to all the questions we ask ourselves.

1.5. Thesis Structure

First, the thesis starts with an introductory chapter, the purpose of which is to help the reader understand the importance of the examined topic. The introduction shows the background information, research objectives, question, and limitations. Also, the introduction shows the research methods implemented in this study, the data collection methods are presented. Lastly, the introduction describes the whole structure of the thesis in detail.

In chapter 2 I will continue to explain theoretically how the historical evolution of the company has been over the years and in which years it has undergone changes and improvements, both to be more competitive and to be able to adapt to the environment at the right time. I will also talk about the importance of sustainability within the company and the importance they give it so that each day they have an improvement and shortly they are the pioneer company in terms of sustainability.

Point 3 will continue with an analysis of the environment, where I can differentiate between the analysis of the external environment, which will involve the description and analysis of certain factors and the analysis of the specific environment where I will observe how different circumstances or situations affect the company, ending with a SWOT analysis to describe the situation of the company concerning 4 variables (threats, opportunities, weaknesses and strengths)

In point 4, let us start by talking about the company in question in terms of the logistics structure. First, I will analyze the overall logistics structure that Amazon uses in all countries. With this, I will see how it operates in Spain and will help us to understand the model that Amazon Spain has followed when expanding both before and during the global pandemic.

Point 5 deals with the conclusion of the work in question, giving explanations based on the analyses carried out and all the information given. This item will be the summary of the work.

Finally, in point number 6, I will see the references where I have found all the information that I have used during the work.

2 Theory

2.1 Company evolution and historical evolution about the company

Amazon's history began on July 5 of 1994 with a little Online Book shop operated by Jeff Bezos and his ex-wife. The store had a physical space in a garage and their initial capital was just over 10000\$. Jeff Bezos left a year earlier his job at a Wall Street company to bet on his future business whose name was inspired by the Amazon River. Just one month after launch, Amazon.com sold in all the states of the country and 45 other countries. A year later in 1996 the site already had about 2000 daily visitors. In 1997 Amazon appeared on the stock market with a value of about 18\$ a share, which at the time gave it a market value of 300\$ million. The company continues to grow and as demand increases. Amazon opened a second distribution centre in New Castle, Delaware, to be able to supply their East Coast customers. This would be the beginning of a whole network of facilities that in successive years would continue to be established around the USA. (Érika García 2021.)

In 1998 the company decided to expand their product and CDs and DVDs with their principal product. The music section was released with 125000 titles, much more than a physical store could have at the time. In addition, it allowed buyers to listen to songs and see recommendations before purchasing an album. 1999 was one of the most important years for Amazon as Jeff Bezos patented his product, this it's basically that customers could get into billing, shipping and payment information only once and then buy everything they wanted by simply clicking on their mouse button, without having to re-enter any data. Amazon has a direct rival, Barnes & Noble, for patent infringement, forcing other websites to license the technology until the patent expired in 2017. (Érika García 2021.)

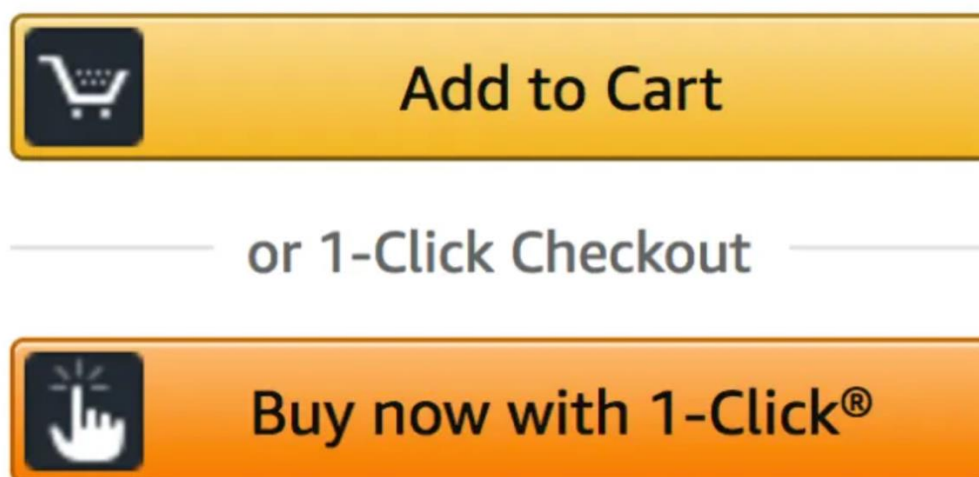


Figure 1. Buy everything in 1-click (Amazon 2021.)

At the end of 1999 Amazon shares peaked at nearly 106\$ per share, but few months after Amazon suffered a heavy fall. The blow was very important as the company had to lay off 15% of its workforce before the stock price was recovered. During this year Time magazines names Jeff Bezos the person of the year, calling him the “King of e-commerce”. In 2002 launched (some different types of clothes) with a different brand that Amazon is going to start to sell with their clothes. Officially the company is a bookstore and behind the clothes came electronic devices, toys, kitchen utensils... This causes the company to start generating additional revenue by licensing its platform to other e-commerce sites, such as Borders.com and Target.com. In 2008 Amazon had paid 300 million by Audible, a bookstore of Audio with 80000 programs available in the USA and Europe. Nowadays Audible has more than 40% of the audiobooks in the market. (Érika García 2021)

A few years later until 2010 and 2015 Amazon has new opportunities to grow. Firstly, during 2011 Amazon arrive in Spain with Amazon.es, between 2011 and 2016 increased its catalogue from 2.3 million products at launch to more than 157 million. In 2018 it reaches 400 million. In 2013 Jeff Bezos acquires one of the leading national newspapers in the USA for 250\$ million in addition to its affiliated publications. Jeff Bezos becomes the sole owner of the newspaper, acquiring a powerful tool of advertisement for his company. (Érika García 2021.)

To finalize the history of Amazon is very important to talk about the last year and the actual year because during these two years many things have happened that have positively affected both Amazon and Jeff Bezos. The pandemic situation (Covid19) hits the entire planet as I know and many companies have had to close, Amazon reported the greatest benefit in its history. Specifically, the giant shot up to its revenue in the second quarter of 2020 by 40%, reaching 88910 million dollars. A few weeks ago, Jeff Bezos has announced that from the third term of 2021 he will step down and take up a new role in the company as CEO “executive president”. (Érika García 2021.)

2.2 Importance of employees and sustainability

It is important to bear in mind that Amazon also work and generate many jobs, nowadays it is committed to many other external actions to its main work that make the company more recognized in the future allow it to have even more prestige than it has for years is improving its internal functioning. First of all, it is very important to say that Amazon is working since a few years ago on their sustainability. Amazon has announced nine new utility-scale wind and solar energy projects in North America and Europe, making it the largest corporate buyer of renewable energy in the world. (Team about Amazon 2021.)

The company now has a total of 206 renewable energy project globally, including 71 utility-scale wind and solar projects and 135 solar rooftops on facilities and stores worldwide. With 8.5 gigawatts of electricity production capacity globally to date, Amazon is on a path to 100% renewable energy by 2025, five years ahead of the original target of 2030. (Team about Amazon 2021.)

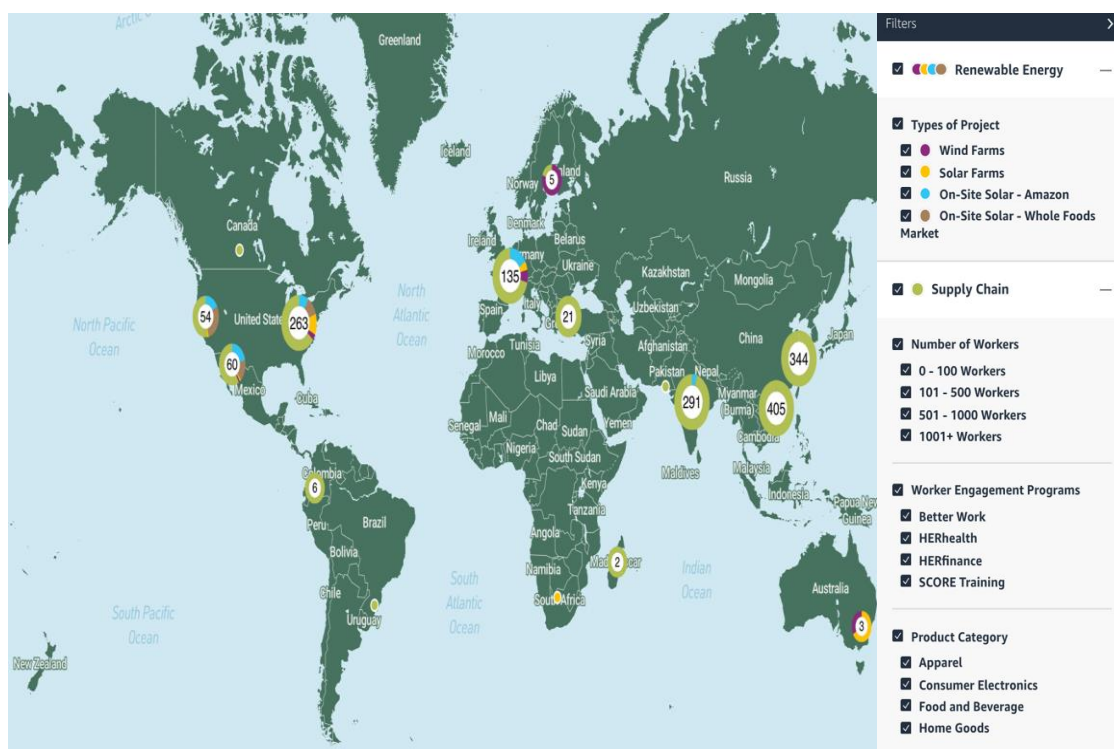


Figure 2. Amazon structures around the world (Amazon.com 2021.)

The latest utility-scale renewable energy projects are in the U.S, Canada, Spain, Sweden and the UK. These and Amazon's other projects supply renewable energy to Amazon corporate offices, fulfilment centres, whole Food Market stores, and Amazon Web services data centres, which power Amazon and millions of AWS customers globally. The renewable energy from these projects also helps Amazon meet its commitment to producing the clean energy equivalent of the electricity used by all consumers echo devices. (Team about Amazon 2021.)

Another important action that Amazon is doing is about Innovation and transformation are always happening at Amazon on behalf of our customers, employees, communities, and the planet. I am leading the way in sustainability through The climate pledge, a commitment by Amazon and more than 50 other signatories to become net-zero carbon across all of our organizations by 2040, 10 years ahead of the Paris Agreement. Amazon Web Services (AWS) is helping customers learn how our tools and services can improve their sustainability efforts. Taking the lead on those efforts is Adrian Cockcroft, who was re-

cently named Vice President of Sustainability Architecture at Amazon. The new role reports to Kara Hurst, Vice President of Worldwide Sustainability at Amazon. (Team about Amazon 2021.)



Figure 3. Amazon Wind Farm (Amazon.com 2021.)

Cockcroft, who joined AWS in 2016, will help AWS customers understand how to apply sustainability practices to their business. He will also build a team to coordinate and manage the many ways AWS's sustainability team interacts with the Amazon Worldwide Sustainability organization. To finalize this point is very important to say that Amazon is working on more different projects that are very beneficial to their images like are: diversity, equity and inclusion. Also, AWS Cloud technology is helping migrants to stay safe and they are helping their employees become software engineers in 9 months, it is very interesting that some different projects because I can see that Amazon always have in mind to be the best company in the world. (Team about Amazon 2021.)

3. ANALYSIS OF THE ENVIRONMENT

3.1 Analysis of the external environment

It is very important to be able to analyze the external environment in which the company operates, since depending on the characteristics of this environment and the factors in it, how it affects the company will be very significant in determining the framework of the company's general action, as well as the future expectations that can be had about the growth of the company.

As I know I have to know that our External analysis (is an objective assessment of the changes taking place at the global level that allows a better understanding of the environment in which the company operates) is very different to the other external analysis I did it. The pandemic situation (Covid19) has had an invaluable percussion on the workers and the communities around the world. I must let us keep in mind all this factor because Amazon have a lot of influence in the world and if they are doing some wrong that after I will mention during the SWOT (threats and weaknesses) things is important that news and TV say that things and Amazon change immediately their bad actions.

While people are safeguarded during confinement, demand for e-commerce and cloud computing increased considerably and with it, Amazon ever-growing company in our economy and society. The pandemic situation (Covid19) has had some different consequences for our economy and can accelerate in long-term trends that are concentrating power in the hand of a few big technology companies. The crisis further solidified the role of e-commerce closing the traditional shops and forecasted generally that at least part of the shift to online purchases will become permanent. (INE 2021.)

Amazon's success during the crisis meant that his founder, Jeff Bezos, who was already the richest on the planet, was greatly enriched more. During the period from 18 March to June 17, it is wealth increased from 113 thousand million dollars to 156.8 billion dollars and then a few months before to 182.6 billion when the Amazon actions reached their highest level in early July, making him the person richest in the world by an even greater margin than before. It is important to mention all this data since for me is easy to understand the growth of Amazon. (Érika García 2021.)

But Amazon hasn't done enough for the workers who allow the operation of Amazon. In the USA, Amazon has put in new technology and storage equipment for its security. In Europe, the workers of Spain, Italy and France have been forced to go to the governmental authorities or strike to declare against Amazon. (Team about Amazon 2021.)

All problems related to Amazon must come to light since Amazon is a company that is dominating international trade and this means it has a lot of power, so the authorities allow Amazon many things that can come to harm people who work there.

This analysis will consist of several factors:

- Political-legal factors.
- Economic factors
- Socio-cultural factors.
- Technological factors.

3.1.1. Political-legal factors

The political situation in Spain is currently unstable, as Spanish people come from an internal crisis of just over a year ago in Catalonia, a community that brings a lot of benefit to the nation since it is one of the most visited and motor community in the world. (INE 2021)

This crisis was a confrontation within Spain at the political level since I see that two sides were created where neither of them was trying to reach an agreement to lower the tension. In addition, at the State level, this uncertainty is also maintained, as there is distrust in the political teams. Numerous cases of corruption and the difficulties of the new political formation to regenerate the system added to the inability of the government to carry out public accounts by the lack of support from the different team's increases this uncertainty. (INE 2021.)

Both political situations have led to a lack of good image abroad us, as a result, a withdrawal of investment in companies in our country, which results in less capital flow and bad image for the rest of the world. (INE 2021.)

That economic situation in Spain didn't suppose anything to Amazon because it has entered Spain in 2014 and he knew the situation of Spain but didn't affect directly to Amazon.

3.1.2. Economic factors

As I can see in the graph in the last years the increase of the GDP is being negative because despite having positive value ($GDP > 0$), year after year I see that it is decreasing. This directly affects companies since the inhabitants of Spain have less money to use later. (Expansión 2021.)

Spain's GDP per capita in 2020 was 23.960€, 2.740€ lower than in 2019 when it was 26.430€. To see the evolution of GDP per capita it is interesting to look at a few years back and compare these data with those of 2010 when GDP per capita in Spain was 23.040€. (Expansión 2021.)

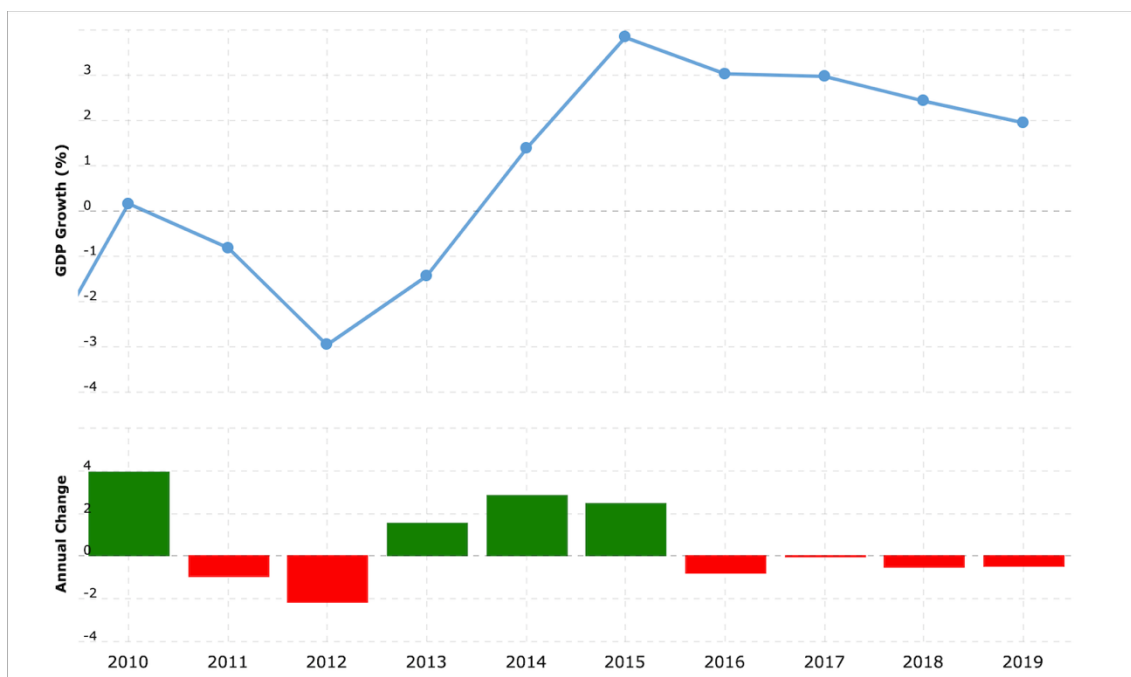


Figure 4. GDP growth (Eurostat 2019.)

The last data that I have is that GDP falls by 10.8% in Spain. The pandemic situation (Covid19) is doing a lot of damage to the GDP, a lot of people are losing their jobs and the pandemic situation (Covid19) started one year ago that means that a year ago many people are not working, every day the data is worse since many companies in the hospitality and leisure sector are forced to close. (Expansión 2021.)

The GDP per capita in Spain had a few years of very significant growth because Spain had an important increase of the national job and more people has the opportunity to work after the Crisis of the 80s. Now in the last few years, I have seen that it is decreasing almost reaching the level of 10 years ago, this shows that GDP per capita is stabilizing than the few last years. (Expansión 2021.)

In the next few years, I will see that GDP per capita will surely decrease because of the pandemic situation (Covid19) has meant for people the loss of their jobs and, with it, the rate of unemployment are increasing. The pandemic situation (Covid19) is assuming many losses for all countries, this problem that has not yet been solved will involve in the

following year's many adjustments and aid that countries will gradually have to cover. (Expansión 2021.)

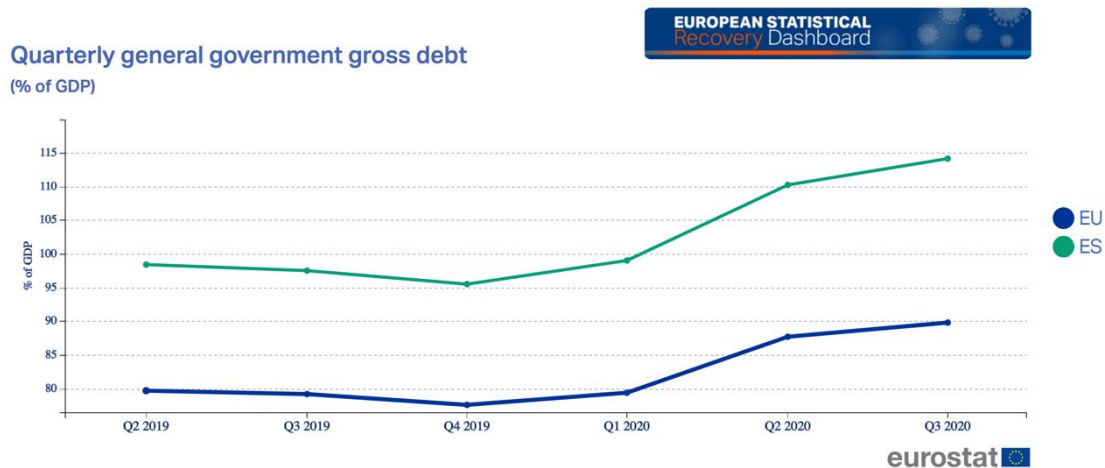


Figure 5. General government gross debt (Eurostat 2020.)

All the aid that the Spanish government is receiving, in the future, become a debt that has to return to Europe, as Europe is the one that sends the aid to the European countries. As I can see in the graph as 2020 advances the debt is increasing because of the pandemic situation (Covid19). Few months after in 2021 the debt has increased more since the pandemic situation (Covid19) is doing a lot of damage and the government does not have enough money to remedy all the possible damage. (Eurostat 2020.)

As I mentioned before companies that are involved in the technological and online sectors are not having many problems with the pandemic situation (Covid19), as a consequence the pandemic situation (Covid19), they have had an increase in customers and profits since people have invested more time and money in the online and technological sector. (Eurostat 2020.)

3.1.3. Socio-cultural factors

Over the years, Spanish society has also evolved, which is why it is especially important to be able to analyze the social values, behaviours and preferences of a society or its lifestyle.

One of the most important factors for people is that the unemployment rate in recent years has been falling, which means that more people have jobs and therefore the wealth of families increases (for the first time since 2013) and this fact lead to s greater spending on national consumptions. (Eurostat 2020.)

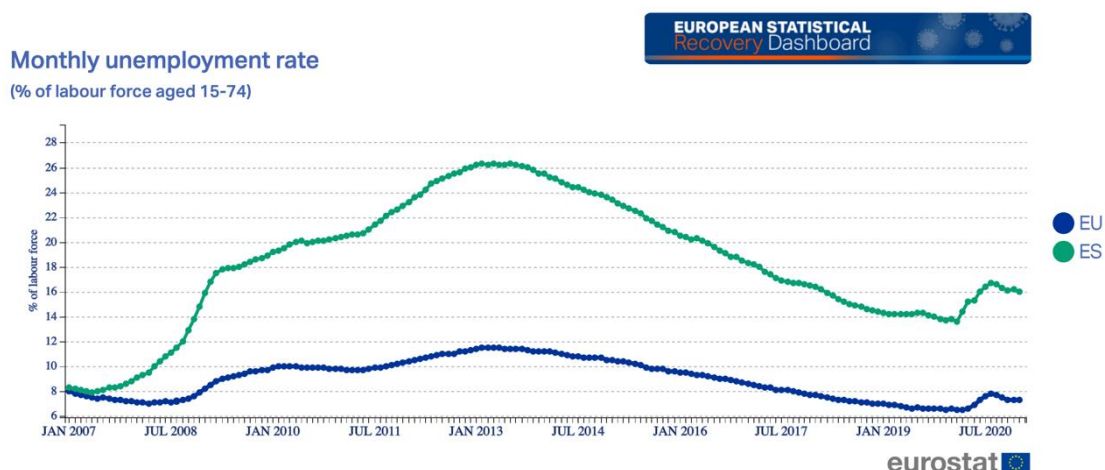
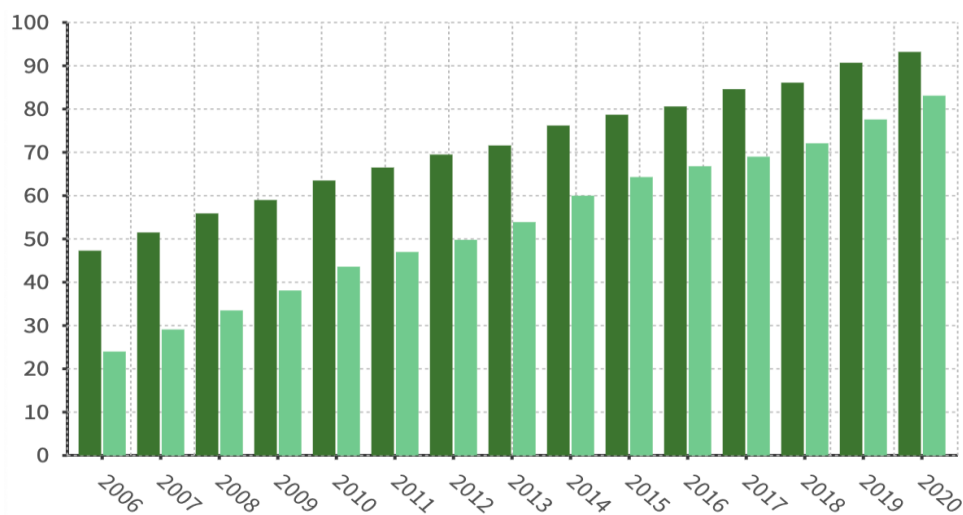


Figure 6. Unemployment rate (Eurostat 2020)

Now for the last year (at the beginning of 2020) caused by the pandemic situation (Covid19) I see that the unemployment rate has started to grow and day after day continues to grow. This tells us that families who used to have money to spend, now are probably in a rather difficult situation. (Eurostat 2020.)

It is also very important to mention the use that the Spanish population dedicates to search on the internet, since of first all I think that is a data that year after year is growing. (INE 2020.)

With this, data I could better understand why Amazon and Jeff Bezos have the leadership of profits worldwide, and day after day their benefits continue to increase despite the global pandemic situation (Covid19) that is affecting in a very harsh way many companies. Seeing the Fig7 I see that people in Spain year by year are more closed to the internet and the data, it is very important since Amazon, day by day are growing thanks to the population that is becoming more aware of the internet. (INE 2019.)



Dark green: People who have used the internet in the last 3 months

Light green: People who have used the internet daily (at least 5 days a week)

Figure 7. Evolution of internet users in Spain by frequency of use (INE 2019.)

As I can see in the graphic, remarkably, the Spanish population has been increasing daily the own use of the internet. Every year we observe that the growth is greater and very shocking if I compare from 2010 to 2020. Practically the number of people who use the internet daily has doubled. (INE 2019.)

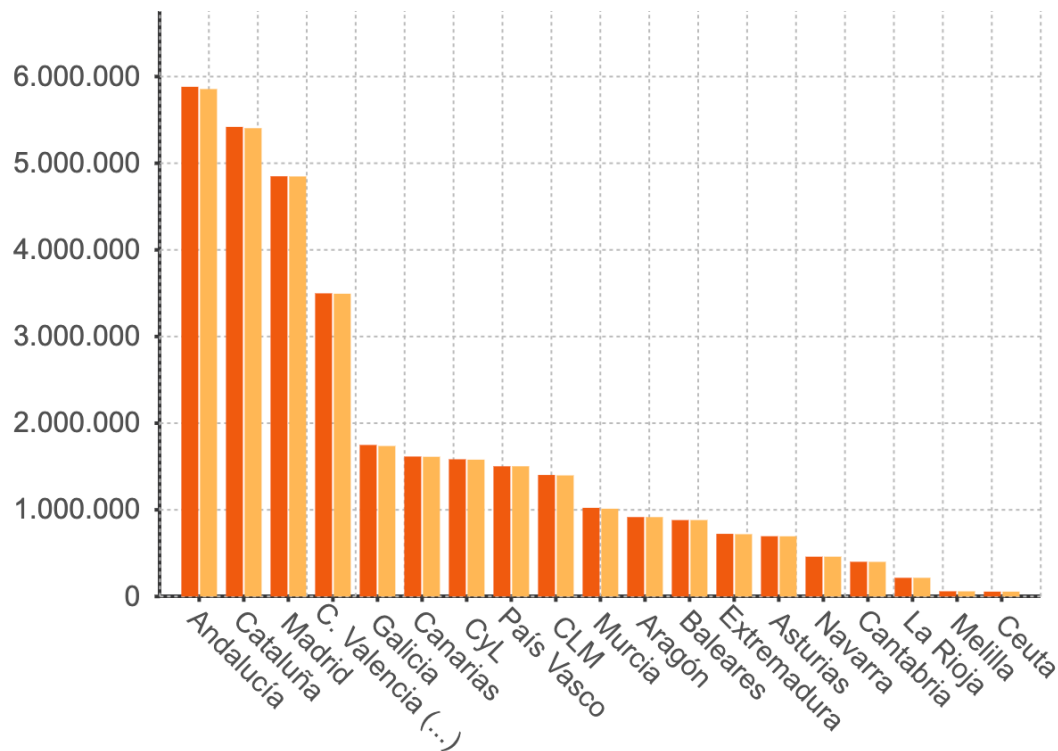
With this, I come to see that the digital world is in our lives in every gesture make since no matter how minimal action maybe I am making probably I am using technology.

3.1.4. Technological factors

Currently, talking about technological factor is talking about the most important factor in modern companies, since they provide new opportunities to create, sell and promote their products or services over the internet, facilitating buying or selling, being more flexible and more adaptable to potential customers.

It is, therefore, necessary to stress that a good use of information and communication technologies (ICT) causes a facility in the service provided to the customer, and not to take advantage of it by means a website, forums, social networks... leads to a loss of advantage in the face of competition. This means that a good use of technology makes you distance yourself from the competition and improve.

First of all is important to know in which part of Spain people use more internet because when the company wants to expand in another country their first build (logistic centre and warehouse) has to be near an important city where live a lot of people and knows what the company are doing and what want to sell.



Red: Internet users in the last 12 months

Orange: Internet users in the last 3 months

Figure 8. Internet users by Autonomous communities of Spain (INE 2019.)

In this case, I can see that Andalucía, Cataluña, Madrid, Comunidad Valenciana... are the most popular cities in Spain and for that reason, Amazon has some different warehouses in Spain like in Madrid, Malaga, Pontevedra, Paterna, Sevilla, Rubí-Barcelona. This connection is very important in Amazon since has different transportation routes which facilitate the delivery of other communities.

I can see that Amazon has not in all the cities their logistic centres warehouse but the most important thing Jeff Bezos ordered that during 2021 Amazon will expand in Alicante, Asturias, Barcelona, Cadiz, Murcia, Sevilla. Amazon knows well how important it's to be able to reach all customers in the country so the structures whose has built-in Spain are distributed

in such a way that they are close to the main urban centres Madrid, Valencia, Barcelona and Sevilla at first, and other areas of high population in recent years. (Team about amazon 2021)

To conclude this point, the author is going to see a table that shows some very important data and of great validity, since research has been done on the people who have made some Online purchases in the last three months. (INE 2019.)

ICT users by sex and age groups.

Percentages of population aged 16-74

TOTAL	Internet users in the last 3 months	Daily internet users	People who have purchased online in the last three months
	90,7	77,6	46,9
Gender			
Man	90,7	77,0	48,0
Woman	90,7	78,2	48,8
Age			
16 to 24 years	99,1	93,6	56,4
25 to 34 years	97,9	93,5	67,2
35 to 54 years	97,4	87,6	59,9
45 to 54 years	94,4	79,0	46,5
55 to 64 years	86,5	64,9	32,9
65 to 74 years	63,6	43,3	13,5

Table 1. ICT users by sex and age groups. Percentages of population aged 16-74 (INE 2019.)

Finally, it is important to mention that with the data in the table I conclude that 9 of 10 people aged 16 to 74 have used the internet in the last three months, also 78.2% of women and 77% of men use daily internet and 46.9% of people aged 16 to 74 have bought by the internet in the last three months. (INE 2019.)

3.2 Forces porter

To analyze the specific environment, it is more common for us to refer to direct competition, but the reality is that other factors may hinder an enterprise's ability to exploit a competitive advantage in the market, such as substitute product, customers and suppliers and potential competitors, which together form the Porter 5 forces.

New entrants

About new entrant, I can say that the online sale sector is very high since practically all companies worldwide have this service, the amazon problem that more than a problem is a benefit is that it competes against all sectors that sell online, that means for example that companies that sell clothes, books, electronic products, cleaning products and more are direct competitors with Amazon.

Amazon is focused to improve year by year and nowadays new entrants are not a problem for Amazon, he has the best service and low prices and probably if a new entrant appears, Amazon will adapt to be the best in the new objective. (Team about Amazon 2021.)

Rivalry between competitors

I can say that the rivalry between competitors is very high since Amazon main rival is AliExpress, it has the same working method as Amazon but the big difference that distinguishes them is that Amazon is characterized by having a fast and optimal service, and AliExpress is characterized by selling the product as cheaply as possible being the delivery time a less important factor, as there are many customers that time is not a key factor for them.

As a great rival that is AliExpress I can see that even though Amazon is an incredible multinational company in the world, AliExpress is measured face-to-face with Amazon and forces it to maintain a steady improvement within the company as it is gradually improving in some areas AliExpress has a competitive advantage over Amazon. This does not mean that Amazon loses power by not being a leader in the advantage, but it plays an important role since these advantages are key in many customers who are positioned from one place or another. (INE 2019.)



Figure 9. AliExpress slogan (AliExpress.)

In the SWOT Amazon has a lot of opportunities and Strengths that make the company very complete, but now is important to add some important advantages that AliExpress have because probably in the future many companies combine both advantages and these two Companies has more competitors.

Advantages of AliExpress:

- Very cheap prices
- No problems with the language
- The record is simple
- You can also benefit as an affiliate
- You can choose the country from which the product is shipped.

Disadvantages of AliExpress:

- Prices are too low to compete
- Quality of products to be assessed
- Returns may also take a while
- Delivery times can be very long (Elmercantil 2020.)

AliExpress does not have the same commitment to the customers as Amazon, so I can say that it is a very important difference and with it the difference between both companies since the customer wants the product to be reliable and not have problems when returning the product and process.

Substitute products

I can say that substitute product is meant to products that are not exactly like those offered by the company but can be an alternative to the purchase decision by the customer.

The threat of substitute products is more related to the preference of a part of the population to make physical purchases than digital, to live the experience that in the digital world is lost. I see that every time people are prioritizing comfort and cost reduction, so substitute products are not a big threat to Amazon.

It is important to say that by the pandemic situation (Covid19) probably this factor in the future will be less important since a lot of people will prefer to buy their purchases online and not in a physical store. (Team about Amazon 2020.)

Suppliers

To offer a wide selection of products, Amazon works with tens of thousands of suppliers, from large companies to very small family business. Effective supplier involvement and management are therefore crucial, especially considering the scale of Amazon's operations.

Amazon teams products managers are identifying opportunities to streamline business processes, optimize time and efficiency, and innovate new models to capture the attention of suppliers. Amazon developers and designers build large-scale distributed systems to open the way for the supplier management teams and develop platforms and interfaces for suppliers to run their business on Amazon store.

By streamlining and automating supplier processes, Amazon directly has more capacity to deliver products to their warehouses and customers. I can see the value of Amazon in the success of their supplier partners and they confide their customers have in finding what are looking for. (Team about Amazon 2020.)

Customers

Amazon customers are all the people who buy any product that is available in the Amazon cloud.

Amazon frequently experiments with it's to prove what customers prefer. They offer different pricing on similar items to measure customers reactions, collect data and read user feedback on the page.

To succeed in e-commerce, companies must ask themselves what the customer needs and where the users who need their product are. You see you for a product on Amazon through keywords that can be a title, description or company that sells it. Then factors such as price, availability, and sales history determinate which products appear in your search results.

Amazon prioritizes its search engine and own products and also those that have better reviews by consumers. (Team about Amazon 2020.)

3.3 SWOT analysis

The SWOT analysis is a strategic planning method to assess the weaknesses, threats, strengths and opportunities of a project. Consists of an analysis that differentiates between the internal factors (strengths and weaknesses) of a company and the external factors of the company (opportunities and threats). It is a question of trying to specify the internal and external objective both favourable and unfavourable of the company, to be able to fulfil it in the future

The Swot as well I'm doing throughout the work is going to be about Amazon.

Once the general environment and the specific environment have been analyzed, more specific conclusions can already be drawn from the field of action and the sector in which Amazon operates.

To learn more about the company I will carry out a SWOT analysis in which I will focus our attention on the external situation of the company (threats and opportunities) and the internal situation (strengths and weaknesses).

- External analysis:

Opportunities	Threats
<ul style="list-style-type: none"> - Growth capacity - Use if ITC to transform it into its digital model - Majority of the population between 16-74 years - New technologies as a new model of life for young people - Gaming boom - Advancement of new technologies - Increase in Internet purchases - Growth of e-commerce - Technological innovation (Alexa, drones...) - Opening offline shops - Own brand 	<ul style="list-style-type: none"> - Labour costs - Powerful competence - New competition in the coming years - Antitrust measures ç8EU) - Attacks of competition

Table 2. External analysis: Opportunities and threats. Source: Own elaboration

- Internal analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> - Size - Service - Speed - Interest in the customer - Economies of scale - Marks global recognition - Amazon prime (popular) 	<ul style="list-style-type: none"> - Limited number of markets - Simple business to reproduce - No presence offline - China and India do not dominate

<ul style="list-style-type: none">- Efficient and robotic logistics system- Technology leader	
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Table 3 Internal analysis: Strengths and weaknesses. Source: Own elaboration.

4 GENERAL LOGISTIC SYSTEM

The main objective of the logistic system of Amazon is to elaborate a method that is beneficial for both the company and the final customer since Amazon has as its main objective to have satisfied the final customer and that does not have any problem with their product.

Amazon has an incredible proposal for work and one of the important values that their workers try to apply is:

“We like to walk unexplored alleys and see what’s at the end. Times are alleys without output. Sometimes they open inboard avenues and we found something really exciting”, said Jeff Bezos. Knowing that the company follows thinking like this I can understand why Amazon always is improving and updating its projects. Amazon is one of the most powerful companies on the planet. This has been possible thanks to has an extremely efficient logistic structure, being able to meet the demands of any kind of buyers around the world. (Beetrak 2020, 7.)

As I mentioned, Amazon motivation for achieving this level of innovation in their processes logistics and the supply of their products and services is to be able to bring exciting experiences. However, it’s not just about thrilling the customers, but also to suppliers, sellers, investors, media and all the other players involved in the chain distribution of the company in the communication of the brand. (Beetrak 2020, 7.)

I can affirm that Amazon always tries to create exciting experiences. To achieve this, I will analyse ze 4 keys of logistic success of Amazon based on their logistic strategy as an important tool to expand:

- Customer-centric
- Employee centric
- Logistic centre
- Logistic distribution

Amazon work focuses on perfecting all the processes in these four “centres” where they perform different activities that complement each other and make all the work from start to finish is optimized. (Beetrak 2020, 7)

Customer-centric:

From the beginning, achieving customer satisfaction has been the most important goal in the management business of Amazon. Therefore, the company customer-centric approach deeply marked its organizational culture. So much so, that solving user problems is almost an obsession for Amazon. (Beetrack 2020, 8)

I can find on their 14 Amazon leadership Principles that one “customer obsession”:

1. Customer Obsession.

Leaders start with the customer and work backwards They work vigorously to earn and keep customer trust. Although leaders pay attention to competitors, they obsess over customers.

2. Ownership.

Leaders are owners. They think long term and don't sacrifice long-term value for short-term results. They act on behalf of the entire company, beyond just their team.

3. Invent and Simplify.

Leaders expect and require innovation and invention from their teams and always find ways to simplify. They are externally aware, look for new ideas from everywhere, and are not limited by "not invented here." As we do new things, we accept that we may be misunderstood for long periods.

Leaders are right a lot. They have strong judgment and good instincts. They seek diverse perspectives and work to disconfirm their beliefs.

5. Learn and Be Curious.

Leaders are never done learning and always seek to improve themselves. They are curious about new possibilities and act to explore them.

6. Hire and Develop the Best.

Leaders raise the performance bar with every hire and promotion. They recognize exceptional talent, and willing to move them throughout the organization. Leaders develop leaders and take seriously their role in coaching others. We work on behalf of our people to invent mechanisms for development like Career Choice.

7. Insist on the Highest Standards.

Leaders have relentlessly high standards; many people may think these standards are unreasonably high. Leaders are continually raising the bar and drive their teams to deliver

high-quality products, services, and processes. Leaders ensure that defects do not get sent down the line and that problems are fixed so they stay fixed.

8. Think Big.

Thinking small is a self-fulfilling prophecy. Leaders create and communicate a bold direction that inspires results. They think differently and look around corners for ways to serve customers.

9. Bias for Action.

Speed matters in business. Many decisions and actions are reversible and do not need extensive study. We value calculated risk-taking.

10. Risk-taking.

Accomplish more with less. Constraints breed resourcefulness, self-sufficiency, and invention. There are no extra points for growing headcount, budget size, or fixed expense.

11. Earn Trust.

Leaders listen attentively, speak candidly, and treat others respectfully. They are vocally self-critical, even when doing so is awkward or embarrassing. Leaders do not believe their or their team's body odour smells of perfume. They benchmark themselves and their teams against the best.

12. Dive Deep.

Leaders operate at all levels, stay connected to the details, audit frequently, and are sceptical when metrics and anecdote differ. No task is beneath them.

13. Have Backbone; Disagree and Commit.

Leaders are obligated to respectfully challenge decisions when they disagree, even when doing so is uncomfortable or exhausting. Leaders have conviction and are tenacious. They do not compromise for the sake of social cohesion. Once a decision is determined, they commit wholly.

14. Deliver Results.

Leaders focus on the key inputs for their business and deliver them with the right quality and in a timely fashion. Despite setbacks, they rise to the occasion and never settle. (Amazon jobs, 2021.)

It's very important for the customer for Amazon workers since all the actions, objectives, projects, programs and inventions start and finish taking into account the customer, as in a normal case all the customers want always better things. Amazon knows that if a company offers you that something better and better, you will be able to capture more customers willing to spend a lot of money on that brand. (Beetrack 2020, 8)

Amazon calls that "work backwards". A concept that refers to all projects begin with the approach of what they want and customers need, from there are defined the efforts that the company obtain a product that, once again, ends with the customer downtown. (Beetrack 2020, 9)



Figure 10. Amazon Mision (Amazon 2021)

To finalize this important point is important to say that Amazon focuses on observing three constant factors in customer behaviour:

- Want low prices
- Best possible selection
- Delivery convenient.

All these three factors combined with technology. (Beetrack 2020, 10)

Employee centric:

Satisfying customers is only possible if the company's staff works productively and generates good quality results. This is why employees are the most important factor in the value

chain of all organization. Amazon has this concept quite clear. That's customer-centric approach is supported by employee-centric. While the company is more focused on increasing productivity and employee satisfaction, they are more focused on increasing customer satisfaction. Amazon uses Kaizen, an interesting work program that seeks to optimize processes and reduce errors. To achieve this on Amazon listen daily to workers, encourage them to innovate and prove solutions. Employees work in small teams, identifying areas to improve and making proposals to simplify tasks. (Beetrack 2020, 11)

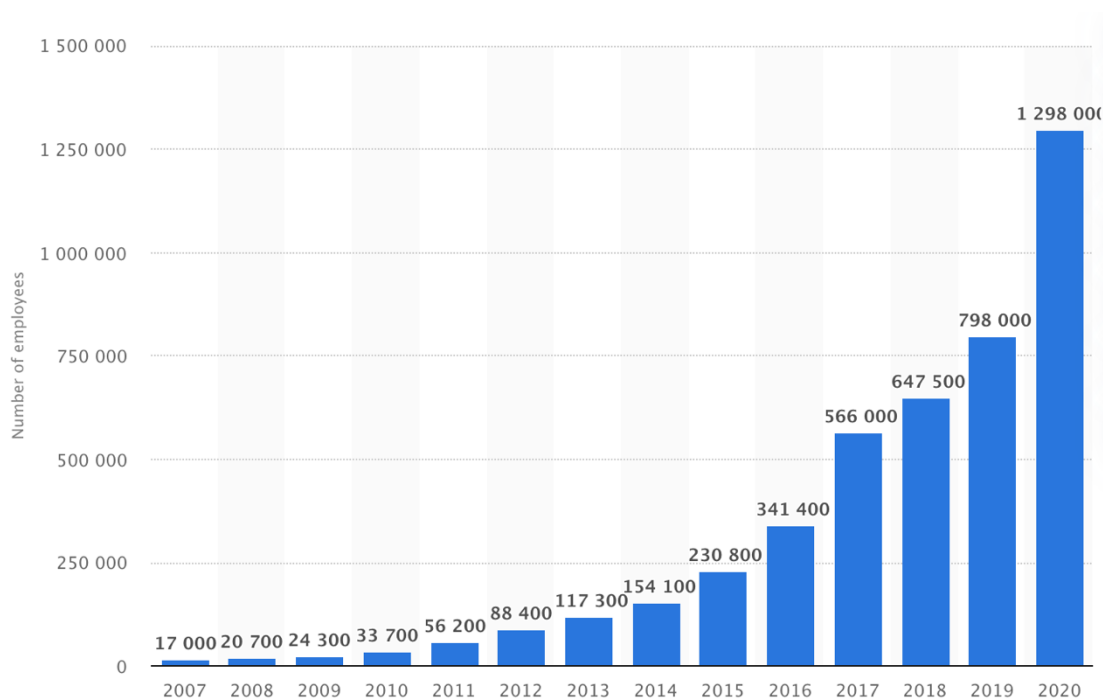


Figure 11. Employees of Amazon around the world (Statistica 2020.)

Doing correctly all of these processes, the company manages to make:

- Shipments faster
- Reduce costs
- Low prices

Also, the employees as I said before are including and doing different projects like "Career choice and Career skills". Two training programs seeking to increase the hard and soft skills of in-house staff. (Beetrack 2020, 12.)

Logistic centre

Amazon has created one of the most advanced logistics networks in the world that your company can now benefit from. With Amazon Logistics, you store your products at Amazon logistics centres, and centres of receiving, packaging, shipping, offering customer service in different languages and managing returns of these products. Best of all, Amazon Logistics can help scale your business and reach more customers. (Beetrack 2020, 13.)

Warehouses for Amazon is all, as they use that term for all. As I said before Amazon has the intention to add more and more in all the countries that they operate, and all these warehouses have their different functions. This is where I get to the key point of Amazon. After all, it is here where it differs from all its competitors and has positioned itself in the first place because thanks to the good work it is getting benefits that are increasing year after year. Having that logistic centre Amazon has changed the concept of the warehouse. (Beetrack 2020, 13.)

The logistic centres are designed and equipped to perform all kinds of functions, from storage to the preparation, packaging and shipping of millions of products. Products that cover almost all categories: food, video games, pans, shoes, books and stop counting. To successfully meet the various logistics functions applied to this huge amount of products, Amazon has a state-of-the-art stock management system based on an organizational methodology very different from that of other companies. (Beetrack 2020, 13.)

Instead of organizing products by categories, as other logistic centres, the location of these is not done randomly. In this way is created a Disorder strategy, which allows reducing to the maximum posting of employees to search and assemble different products from the same order. That disorder is only a name because all the employees know perfectly where are located all the products. (Beetrack 2020, 13.)

At the moment Amazon has 175 logistic centres located in the USA and Europe. (Team about Amazon, 2020.)

The goal of having all these centres to be able to be closer and closer to customers. In his way, no matter from which part of the world a person makes a purchase, the order will be managed at the logistics centre closest to the location of the buyer so you can reach this fastest possible (Beetrack 2020, 13.)

To understand the functioning of this logistic network, it is necessary to understand that each centre works as a node connected to a large network. This is possible because, when performing an order, the powerful Amazon system connects automatically to the stock of all the centres and immediately assigns the order to the centre more nearby. (Beetrack 2020, 14.)

This innovative logistics structure makes it possible to achieve the greatest goal that all trading companies have: satisfy millions of customers with very fast deliveries and thus improve your shopping experiences. (Beetrack 2020, 14)

Amazon centres are divided into several types:

- Classifiable
- Not classifiable
- Classification centres
- Reception centres
- Specialization
- Delivery stations

Each one fulfils specific functions and allows to meet very specific needs of customers.

For example, there are centres dedicated to service from Amazon Pantry, while there are others focused on the Prime Now service for ultra-fast deliveries. (Beetrack 2020, 14.)



Figure 12 New technology of Amazon. Amazon Prime Air (Amazon.com 2020.)

This strategic ubication of the logistic centres allows:

- Reduce delivery times
- Decrease transport costs
- Increase the range of actions

A single Amazon centre can send more than half a million units per day. (Team about Amazon 2020.)

Logistic distribution

Amazon is known by all the people because always is innovating, I can see that he has had two important steps:

Firstly, Amazon innovated in its trade model implemented. Amazon was one of the first engines at a global level to boost the digital transformation of business and retail sales. Recently Amazon saw that all the companies were adapted to the digital market, he has broken the rules and they tried to combine digital with physical. By doing thew innovation Amazon managed to stay as close to consumers as possible and make their lives much easier. For this reason, when the company has not found a suitable distribution for their buyers, they simply invent it. (Beetrack 2020, 15.)

That is why Amazon has developed channels and distribution methods that adapt to all kinds of shopping habits, both physical and digital. (Beetrack 2020, 15.)

I can find different examples where Amazon has created:

- Amazon goes: Physical shop. The shops are managed by robots and are not necessary for y employees to work.
- Amazon lockers: are lockers to which buyers may choose as a shipping address for Amazon deposit your products there.
- Amazon fresh pickup: service where customers can choose the ubication where they are going to collect their order.
- Amazon 4-star: are physical shops where Amazon has products that are valued with 4 or more points on the marketplace online.
- Whole foods market: are a chain of natural and organic food supermarket. (Beetrack 2020, 16.)

Also, Amazon is doing important research about the transport media. In the last two years, Amazon has created new Drone and robotic vehicles doing that important advances Amazon aims to reduce to the maximum costs associated with carriers, fuel and other conventional transports resources. It also manages to increase its capacity to deliver reducing the impact of environmental aspects of the transport used. (Beetrack 2020, 17.)

The last thing that Amazon has bought was 20000 new Vans of Mercedes Bens for small businesses. (Beetrack 2020, 17.)

4.1 Logistic system in Spain before the pandemic situation (Covid19)

To proceed with the Final Work of my Career I have had to make use of the economic data of the company Amazon Spain.

These economic data have been found in a web tool called SABÍ (Iberian Balance Sheet Analysis System) which allows me to obtain information from the annual accounts of Spanish and Portuguese companies.

It is important to note that this Web tool is a reliable and secure source of economic and financial data because all companies have to show year after year all the accounts of their company. In this way, as I am doing research and analysis work, I can be sure that all the data are reliable and, as a result, the final work of the master enjoys to information certainly the reader.

As I mentioned earlier, Amazon Spain is a private company based in Madrid.

Note that by making use of the SABÍ tool I can obtain results from that company up to date 32/12/19.

Having made a general analysis of the logistics structure of Amazon worldwide, I can say that Amazon uses the same strategy in all the countries in which it operates. In this way, looking at different data I can observe how Amazon is operating in Spain since a priori I would think that it has very large profitability but without seeing the data and contrasting them I can not ensure anything, because they operate in so many countries it might be possible for Amazon's revenue in Spain to be lower than the expenses it generates.

Also, I will see the strategic plan that Amazon used to expand in Spain and how it used its business strategies to reach all Spanish customers living anywhere in Spain.

First let's start by analyzing the strategic plan that Amazon followed when building its logistics centres considered as warehouses. As I have seen before, Amazon distinguishes several types of structures at the time of construction and, it is important to highlight it since surely each type of structure will be located in a strategic location where it gets the maximum profitability. (Team about Amazon 2020.)

First, we will see a chart where I will observe all the warehouses that Amazon has throughout Spain until before the arrival of the pandemic situation (Covid19), speaking

and making a comment on several of them. (Consultant international MWPVL international 2021.)

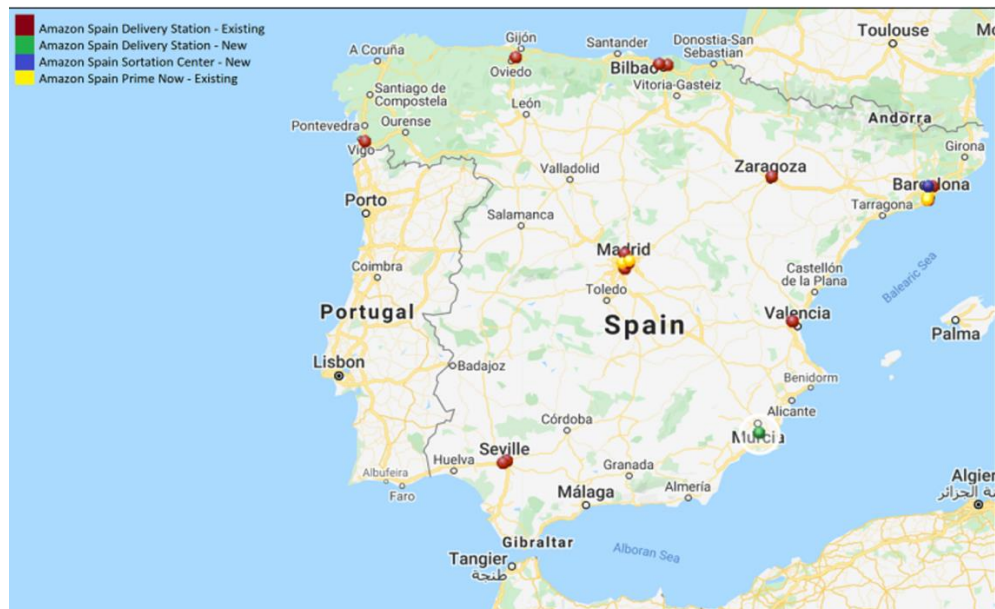


Figure13. Amazon sortation centres, delivery stations and prime now hubs in Spain (Consultant international MWPVL international 2021.)

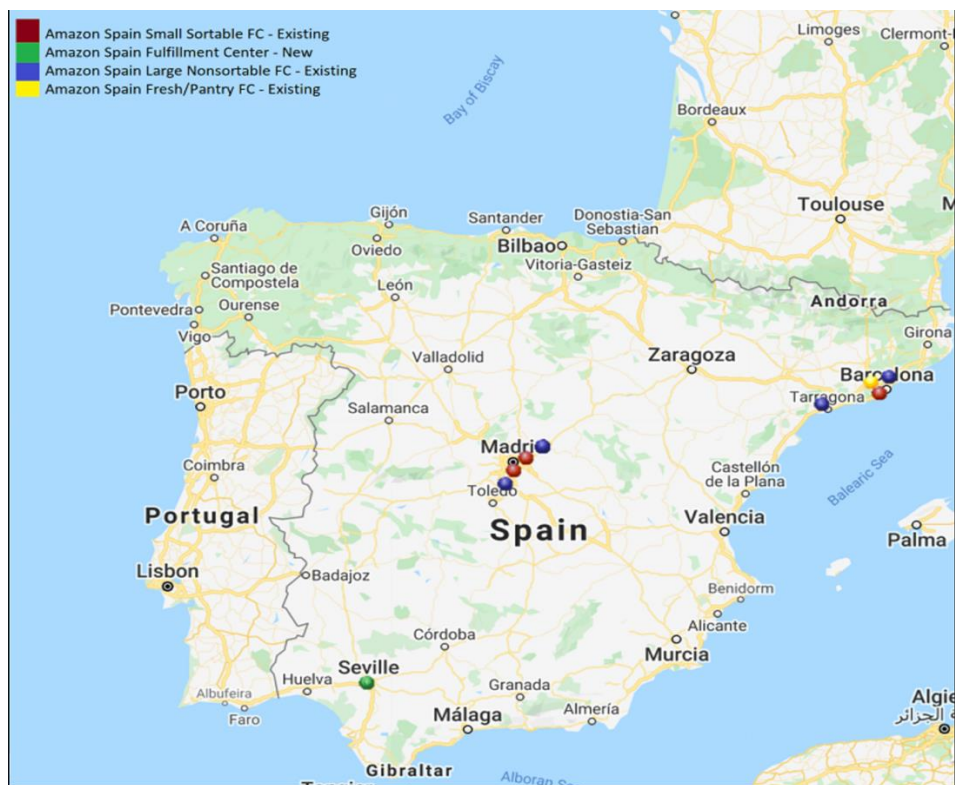


Figure 14. Amazon Fulfillment Centers in Spain

Consultant international MWPVL iinternational2021.)

In these two graphs, I can see that Amazon already had plans for the future regarding the opening of new logistics warehouses in different parts of the Spanish state. Of these new warehouses that Amazon wanted to dispose I will talk later as they have to do with the beginning of the pandemic situation (Covid19).

Analyzed these graphs I can see that the logistics stores of Amazon are distributed throughout Spain so that they cover the needs of all Spanish citizens wherever they are. In addition, I can see that they are all near the main important Spanish cities such as Barcelona, Madrid, Bilbao, Seville and Valencia. Amazon knows that being able to cover all these cities in terms of availability is very important since the cities named above are the most populated and as a consequence of this the cities from which Amazon would get more income.

Looking at the graphics and, once I know where the logistics centres and warehouses of Amazon are located geographically, I can rebuild as Amazon has been growing year after year in Spain.

Amazon began its journey in Spain in 2012 where it saw an opportunity to access the Spanish market and start selling its product in Spain. With this situation, they took advantage of this market opportunity and decided to put it into operation in that year in San Fernando de Henares its first logistic centre. It is important to note that Amazon decides to build its first logistics centre there because it is close to Madrid and, in addition to this, it is located in the centre of Spain and has more ease to make its trips than in any other Spanish site. (Team about Amazon 2020.)

unconsolidated accounts	31/12/2012
	EUR
	12 months
	Approved
	Normal PGC 2007
Operating income	64.266.105
Result. Ordinary before taxes	-31.189.319
Profit for the financial year	-23.614.539
Total assets	15.453.435
Equity	2.479.771
Economic profitability (%)	-201,83
Financial profitability (%)	-1.257,75
General liquidity	2,78
Indebtedness (%)	83,95
Number employed	127

Figure 15. Annual accounts of Amazon Spain 2012 (SABI 2021)

I can see that already throughout 2012 Amazon obtains a lot of benefit in Spain and the number of employees has begun to be remarkable since in a logistics centre that had already had 127 workers. (SABI 2021.)

The following years for Amazon were not easy because all the profit it made in 2012 was not going to be the same in the following years. Amazon did not decide to expand throughout the Spanish geography until 2014. In 2014, Amazon decided to expand to Guadalajara and expand its logistics centre and storage centre in Guadalajara, Alovera. Again, this location is located very close to the capital of Spain, Madrid. This implies the construction of the second logistics centre and the increase of both the capacity to retain the stock and the increase of distribution and customer service. (Team about Amazon 2020.)

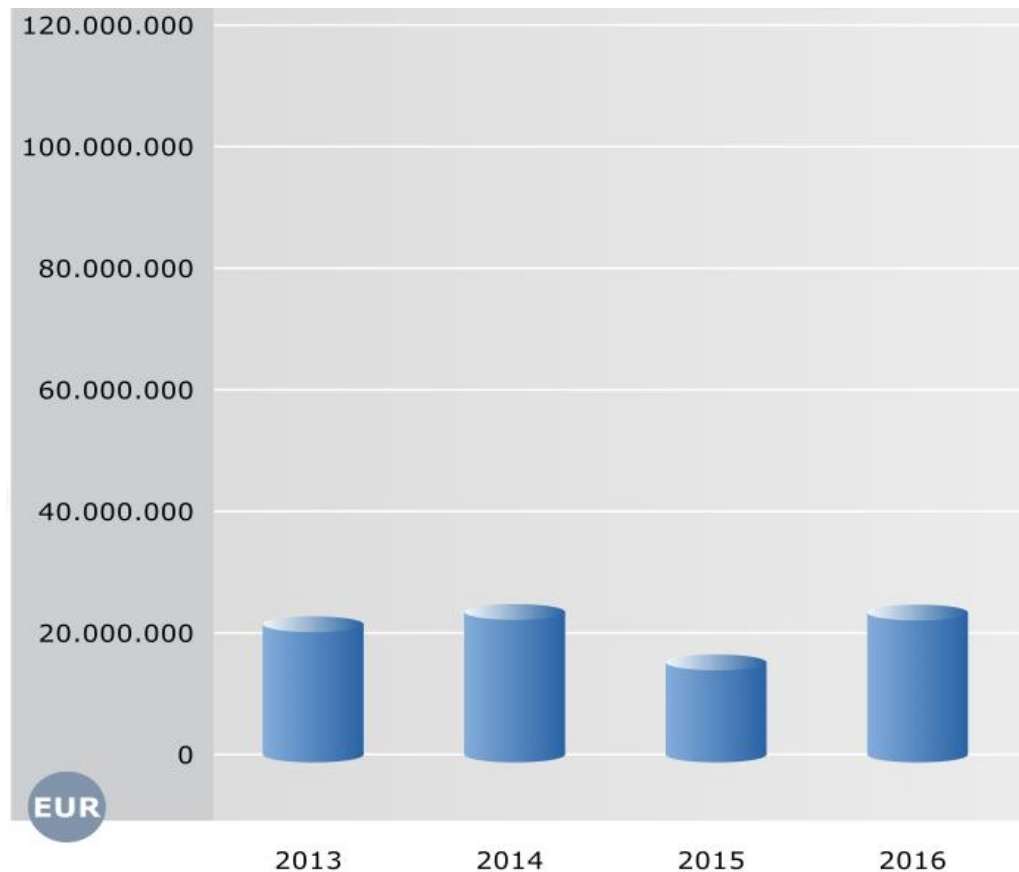


Figure 16. Amazon incomes between 2013-2016 (SABI)

As a result of figure 16, I see that Amazon in 2012 had positive benefits despite being the first year. Amazon thought it would continue with rising growth but saw that in the following years it would not have the same amount of revenue and would reduce its profits by more than half. It should be noted that even with fewer benefits, Amazon did not stop insisting and continued trying to expand. In 2016 it expanded again and made a very wise decision in which it not only made an extension as in 2014, but it was going to make several extensions in different important geographical locations. (SABI 2021.)

In 2016 Amazon decided to expand in Tarragona, Castellbisbal, Barcelona with new logistics centres and, in addition, decided to build in Madrid its first Prime Now Hub, which has been the first fast shipping warehouse in Spain designed by Amazon. Starting in 2016 I see that Amazon begins to see its revenue increase due to the new incorporation of logistics centres and warehouses throughout Spain. (Team about Amazon 2020.)

In 2017 and 2018 Amazon sees how in Spain it is starting to be a trend and that's when it decides to expand its warehouses and logistics centres in virtually all major cities. It is important to note the importance that Amazon Spain sees in the Spanish market since in 2017 it decided to build the first robotic warehouse in Castellbisbal, a town belonging to the Metropolitan Area of Barcelona. (Team about Amazon 2020.)

It should also be noted that during these two years Amazon expands its stores in major cities such as:

- Alcobendas 2017, where they build a logistics station with an area of more than 150000 m2.
- Barcelona 2017 builds an urban warehouse to respond quickly to orders.
- El Prat del Llobregat. Build another logistics centre that is in a privileged location by being close to Barcelona airport, having a surface of 60,000 m2 and has the latest robotics technologies.
- Getafe, in 2017 decides to build another logistics station with an area of 55000 m2.
- Seville is the fourth city in Spain in population. It has a station to distribute goods in the community. The centre, measuring 10,000 square metres, came into operation in September 2017 at the Seville Freight Transport CTM and is intended for the capillary distribution of consumer goods to the metropolitan area.
- Martorelles October 2017 decides to build another logistics centre to services the main brand and the products of external vendors operating the Amazon Marketplace. It has an area of 30,000 square meters and a total of 122 employees.
- Paterna 2018. The metropolitan region of Valencia is the third in importance and a Mediterranean merchandise entry. The logistics station, which became operational throughout 2018, aims to service the area to reduce delivery times. The inauguration of this new logistics station, with an approximate area of 15,200 square meters, meant the creation of 80 direct jobs in Spain. (Consultora Internacional MWPVL Internacional 2021.)

Looking at all the enlargements that Amazon made during these years, the consequence that triggered these enlargements were how they shot up both income and job creation in the Spanish country.

unconsolidated accounts	31/12/2018	31/12/2017
	EUR	EUR
	12 months	12 months
	Approved	Approved
	Normal PGC 2007	Normal PGC 2007
Operating income	76.551.193	49.957.391
Result. Ordinary before taxes	-3.158.620	-1.399.935
Profit for the financial year	-4.082.115	-868.445
Total assets	59.897.939	41.672.258
Equity	15.259.257	11.974.452
<hr/>		
Economic profitability (%)	-5,27	-3,36
Financial profitability (%)	-20,70	-11,69
General liquidity	1,37	2,65
Indebtedness (%)	74,52	71,27
<hr/>		
Number employed	649	440

Figure 17. Amazon incomes in 2017 and 2018 (SABI)

Looking at the image of Amazon accounts in Spain I see the growth it had during 2017 and 2018. It is very important to highlight again both the data on the number of employees and the number of operating income. I can see that in both years it suffered a very remarkable growth, doubling the income from one year to the next. (SABI 2021.)

This growth was due to the good work of Amazon that knew where to locate geographically its new infrastructures and how to raise the relationship city-type of warehouse needed for each city. Obtaining such an increase now I can see the growth that Amazon has obtained in Spain from 2013 to 2019, 2020 I include it in the year of the pandemic situation (Covid19). (SABI 2021.)

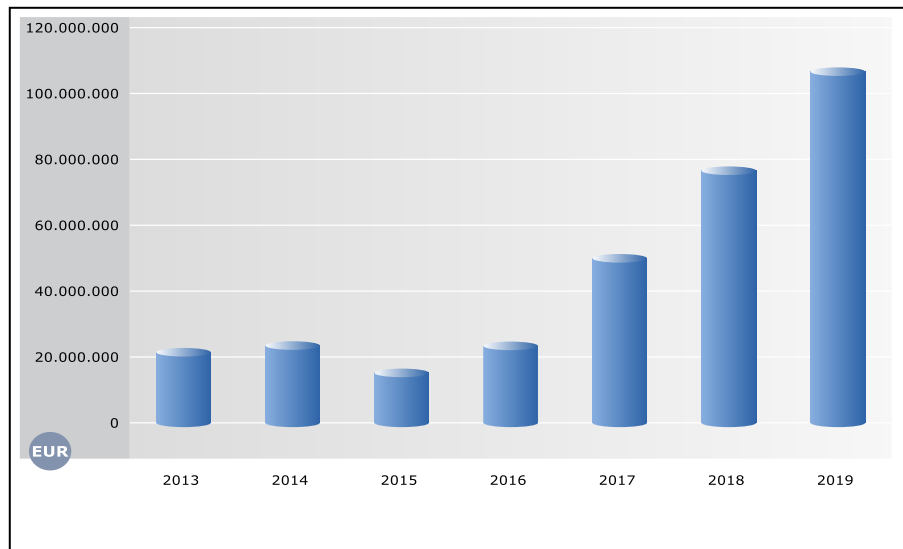


Figure 18. Amazon incomes between 2013-2019 (SABI 2021)

Focusing on 2019 and knowing the impact that Amazon has in Spain, they decided to continue expanding and building new logistics centres. In this case, many are of support for those that had already been built in the major Spanish cities. Here I can see that in 2019 Amazon leads the number of sales in Spain 2019, which is why Amazon has established itself as the undisputed leader of e-commerce in Spain, sweeping all its rivals and already billing more than its ten immediate competitors together. The US platform leads the market, along with the Chinese Aliexpress, both in billing and in several orders and visits. Jeff Bezos' company reached 2019 a turnover in Spain of 7,567 million euros, which is not only 70% more than the previous year but also triple the sales achieved by Aliexpress, which ranks second on the list with revenues of 2.129 million (SABI 2021.)



Figure 19. Sales during 2019 (Statistica.)

On the one hand, Amazon's leadership is given because it does not have a limit when it comes to expanding its logistics centres and warehouses throughout Spain since in 2019 the number continues to increase and is located in cities such as:

- Illescas - Logistic Center
- Malaga - Logistics station
- Pontevedra - logistics station
- Trapagaran - Logistics station

Seeing how Amazon had fared in previous years with the increase of warehouses and logistics centres in 2019 it was not going to be different and obtained a very satisfactory increase since making a comparison with the year 2017 had some numbers that were more than double that in 2017. (SABI 2021.)

unconsolidated accounts	31/12/2019 EUR
	12 months Approved Normal PGC 2007
Operating income	106.626.387
Result. Ordinary before taxes	-5.797.969
Profit for the financial year	-5.746.647
Total assets	61.310.625
Equity	43.192.734
Economic profitability (%)	-9,46
Financial profitability (%)	-13,42
General liquidity	1,28
Indebtedness (%)	29,55
Number employed	1.048

Figure 20: Incomes of Amazon Spain in 2019 (SABI 2021.)

4.2 Amazon Spain during the pandemic situation (Covid19)

As the author knows, the pandemic situation (Covid-19) has had an incalculable impact on workers and communities around the world. As people sheltered during confinement, the demand for e-commerce and cloud computing increased considerably, and with it, Amazon's growing influence in our economy and society.

The pandemic situation (Covid-19) has already had devastating consequences for much of our economy and can accelerate the long-term trends that are concentrating power in the hands of a few large technology companies. The crisis further consolidated the role of e-commerce by closing traditional stores and it is generally predicted that at least part of the shift towards online shopping will become permanent, altering the urban landscape of the world's cities and towns.

Amazon's success during the crisis has been of incalculable value as Amazon Spain led by Mariangela Marseglia, Vice-President and CEO of Amazon Spain brought to light the revenue that Amazon Spain earned throughout 2020 including and highlighting that during that year they suffered the global pandemic situation (Covid19). The CEO assured that Amazon Spain achieved in 2020:

-In terms of total gross revenue from Amazon's activities in Spain was 5.4 billion euros.

- The total tax contribution in Spain was more than 261 million euros. This is divided into:

- The payment of our total direct taxes amounted to more than 140 m
Taxe as an employer represented the largest proportion.
- The indirect taxes we collected amounted to more than 121 million euros as a result of our activity in Spain. (Mariangela Marseglia 2021.)

In addition, the Director-General made available other data which are of very high importance, such as:

- 82,000 indirect jobs: Created by Amazon and Spanish companies that sell their products through Amazon Marketplace, most of them SMEs (Small and medium-sized enterprises)
- Amazon Spain employs 12,000 employees: It has created 5,000 permanent jobs in 2020 from software engineers to logistics professionals.
- More than 9000 Spanish SMEs sell in Amazon exporting more than 450 million euros (Mariangela Marseglia 2021)

After communicating such relevant data obtained by Amazon Spain in 2020, I conclude by saying:

"We have invested heavily in the Spanish economy and its people, more than 6.8 billion euros in ten years, and we currently employ more than 12,000 people across the country, who receive a competitive salary and extensive benefits from day one. I am especially proud of our growing team and our customer-friendly investments as well as how we support thousands of small businesses that will contribute to Spain's early recovery from the pandemic situation (Covid-19), creating thousands of additional jobs and creating new opportunities for many others in your environment."

Mariangela Marseglia, Vice President and CEO of Amazon Spain

Spain Seeing the results that I show the president I will analyze a table where I can ensure were come out such revenue and why Amazon Spain ranks in the Top 1.

The table gives us a study of the percentage growth of the online traffic of the Marketplace in Spain during (January 2019 - September 2020).

The analysis of SEMrush reveals that, in the category of the marketplace, Amazon Spain has positioned itself as the brand that has generated the most traffic to its Spanish commercial page, with an average increase of 252.41% between January 2019 and September 2020. (SEMrush 2020.)

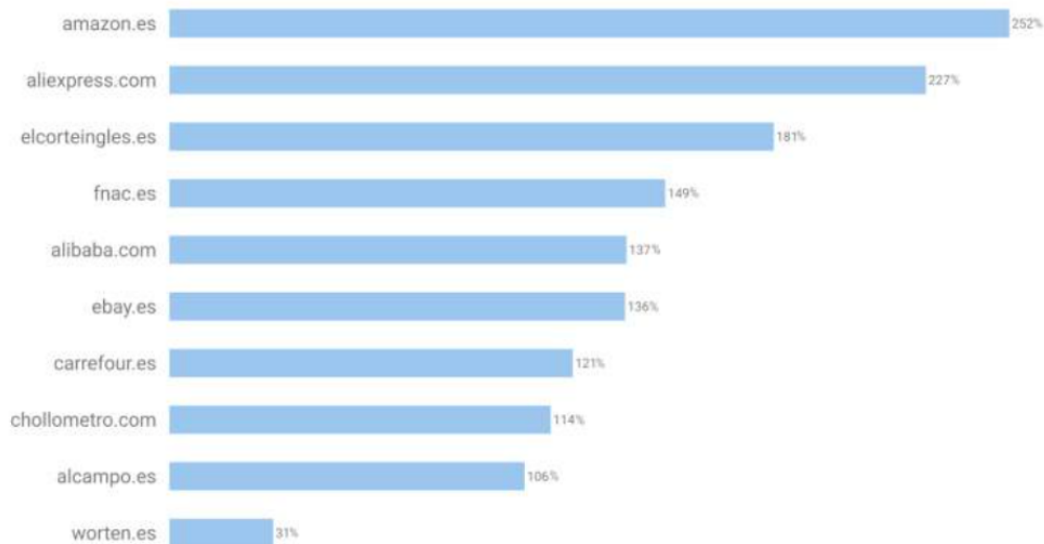


Figure 21: Sales in Spain (SEMrush 2020.)

I can also increase the reliability of the data of The General Director of Amazon Spain with another survey carried out online to adults between (18-64 years) resident in Spain between the dates (20.07.2020 and 10.08.2020) where more than 12000 people responded.

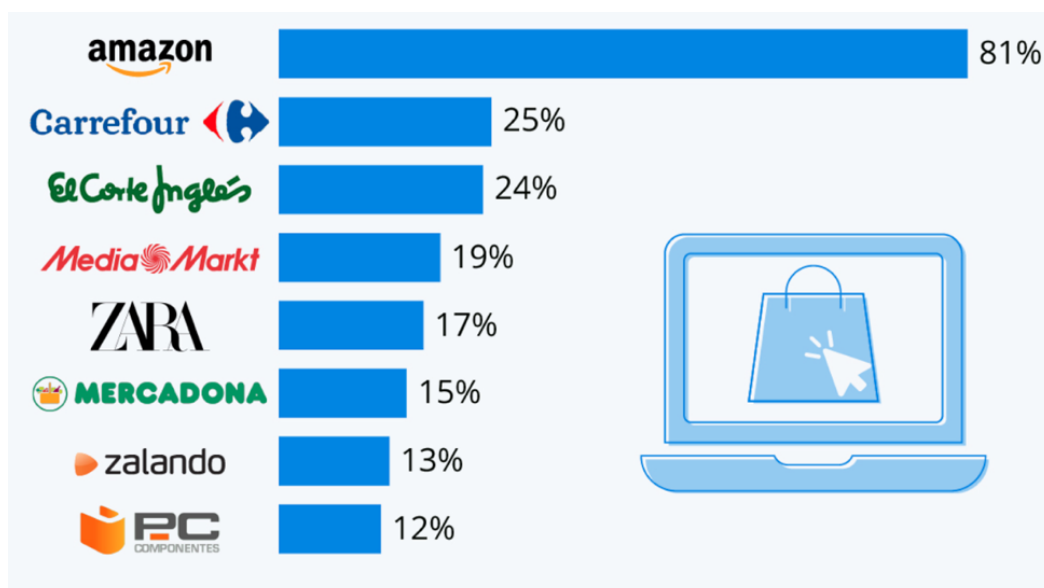









Figure 22: People preferences in Spain (Statistica global consumer survey 2020.)

All this increase in online commerce in Spain apart is due to the restrictions that the Spanish Government has maintained to date. Since the Spanish inhabitants have had to respect a state of alarm that lasted more than 5 months where only companies that were of vital importance could work, It is here where Amazon Spain gained a large number of customers since it was very comfortable at all times to buy essential products online and that you get home without leaving the same, in a very small space of time. (Statistica global consumer survey 2020.)

I am experiencing unprecedented economic and social change due to the pandemic situation (Covid19). So, the behaviour of consumers has changed and they have seen the possibilities offered by e-commerce: according to data from the Annual Study of e-Commerce of IAB Spain, in Spain, in 2020 there have been 2.2 million new online buyers. Regarding the main topic of work and more important as logistics knowing the growth that Amazon Spain has suffered during 2020, It was not going to be less that it continued expanding and expanding its logistics centres and warehouses where the number is increasing. (Statistica global consumer survey 2020.)

In the following graphics I will see in a very clear way all the places where Amazon Spain is located, it should be noted that all these data are verified and I can ensure that all places are listed inactive. It is important to pay attention in Figure 23 and Figure 24 since all the analysis that I did it, are reflected in all the warehouses that Amazon Spain has around the country.

Country	Code	Location	Square Feet	Year Opened	Description of Operation
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	Spain	DAS1	Carretera N-634 Granda, 6, Siero, Asturias, Oviedo, Asturias Spain, 33199	32,300	Q3 2019	Delivery Station for Asturias
	Spain	DSJ1	Pol. Ind. la Polvorista, Calle F, 6, , Corvera, Murcia Spain, 30500	182,900	September 2020	Delivery Station for Cartegna Area
	Spain		Poligono de Son Morro, Palma, Mallorca, Spain, 07007	20,000	Q1 2021	Delivery Station for Palma, Majorca. Not yet confirmed. Sq Ft is an estimate.
	Spain		Área de transporte, Pol. Ind. Florida (APD/21) Manzana, 03114 Alicante, Spain, Mercalicante, Poligono Llano del Espartal, Alicante, Spain, 03114	86,100	Q2 2021	Delivery Station for Alicante.
	Spain		Intehorce Estate, Malaga, Malaga, Spain, 29196	538,000	2022	Delivery Station for Malaga. Not yet confirmed. Role of Facility TBD.
	Spain	UES1	Calle Hierro 21, District of Arganzuela, Madrid Spain, 28045	-	July 2016	Prime Now Hub for Madrid
	Spain	UES2	Carrer del Rosello 89, Eixample, Barcelona, Catalonia, Spain, 08029	-	October 2016	Prime Now Hub for Barcelona
	Spain	UES3	Av. de la Industria, 18, Coslada, Madrid, Spain, 28823	-	2017	Prime Now Hub for Barcelona
	Spain	UES4	2 Avinguda Número 5, Barcelona, Catalonia Spain, 08040	25,000	October 2017	Prime Now Hub for Barcelona. Sq Ft is an Estimate.















	Spain	BCN8	Poligon Can Rabella, Parcel 1a, 1, Barberà del Vallès, Catalonia Spain, 08210	301,300	Q4 2020	Sortation Center
	Spain	DMA1	4-10 Calle de la Confianza, Getafe, Madrid Spain, 28096	55,200	August 2017	Delivery Station for Madrid
	Spain	DMA2	11 Calle de Siete Picos , Alcobendas, Madrid Spain, 28108	161,400	September 2017	Delivery Station for Madrid
	Spain	DMA3	Calle Pirotecnia, 32, Vicálvaro, Madrid Spain, 28052	-	2018	Delivery Station for Madrid
	Spain	DMA4	Industrial park of the M-50, Leganés, Madrid Spain,	266,500	2021	Delivery Station for Southwest Madrid Region
	Spain	DCT1	1 Carrer Gorg, Martorelles, Barcelona, Catalonia Spain, 08107	-	October 2017	Delivery Station for Martorelles Co-located in BCN2 Fulfillment Center
	Spain	DCT2	Carrer Número 5, 2 Zona Franca, Barcelona, Catalonia Spain, 08040	100,100	October 2017	Zona Franca Delivery Station/Prime Now Hub for Barcelona
	Spain	DTC4	Av. de Can Rosés, 9Rubi, Barcelona, Catalonia Spain, 08191	274,800	2021	Delivery Station for Rubí, Sant Steve and Castellbisbal
	Spain	DQV1	Carrer dels Bombers, 3, Paterna, Valencia Spain, 46988	163,600	July 2017	Delivery Station for Valencia / Paterna
	Spain	DQA2	Calle Ciro Alegria, 22, Los Prados, Málaga Spain, 29004	27,900	May 2019	Delivery Station (Tent site) for Los Prados
	Spain	DQA4	Calle Esclusa, 4 (Puerto de Sevilla), Sevilla, Andalusia Spain, 41011	96,800	Q2 2020	Delivery Station for Sevilla
	Spain	DQB1	Poligono Ind. La Cruz., parcela P2-10, Lezama, Bizkaia Spain, 48196	14,300	August 2019	Delivery Station for Bilbao, Cantabria, Duranguesado and Gipuzkoa regions
	Spain	DQB2	Poligono Industrial Trapaga-Ugarte, Carretera, BI-3746, Valle de Trápaga-Trapagaran, Bilbao Spain, 48510	96,600	June 2019	Delivery Station for Trapaga
	Spain	DZG1	Av. Miguel Servet, 42, Utebo, Zaragoza Spain, 50180	32,300	2018	Delivery Station for Zaragoza
	Spain	DGA2	Casal Budino, Porriño, Pontevedra Spain, 36400	43,000	Q3 2019	Delivery Station for O Porriño, Vigo, Pontevedra Area

Figure 23: Amazon Inbound Sortation Center, Outbound Sortation Center, Delivery Station, Air Hub and Prime Now Hub Network in Spain (Consultora Internacional MWPVL Internacional 2021.)










	Country	Code	Location	Square Feet	Year Opened	Description of Operation
	Spain	MAD4	Calle de los Marqueteros, San Fernando de Henares, Madrid, Spain, 28830	827,700	July 2012	Large and Small Non-Sortable Facility. Expanded to 807,000 sq ft in Q1 2016
	Spain	MAD6	Avenida Logística, 13,, Illescas, Toledo, Spain, 45200	1,076,000	April 2019	Stocks swimming pools and televisions to diapers.
	Spain	MAD8	Calle Rachel Carson, 1, Getafe, Madrid, Spain, 28096	624,500	Fall 2017	Large and Small Non-Sortable Facility.
	Spain	MAD9	Alcalá de Henares, Alcalá de Henares, Madrid, Spain,	-	2020	Sortable Fulfillment Center. 500 associates
	Spain	XESA	Avenida Rio Henares, 16, Alovera, Guadalajara, Spain, 19208	355,200	June 2016	Non-Sortable Fulfillment Center run by XPO Logistics
	Spain	XESB	66, Av. Del Río Henares, 14, Alovera, Guadalajara, Spain, 19208	341,400	2014	Non-Sortable Fulfillment Center run by XPO Logistics
	Spain	XESC	Av. de las Puntas, 10, Constantí, Tarragona, Spain, 43120	454,600	June 2016	Non-Sortable Fulfillment Center run by Kuehne + Nagel
	Spain	BCN1	Avigunda De les Garrigues 6 - 8, Mas Blau Industrial Estate, El Prat de Llobregat, Barcelona, Catalonia, Spain, 08820	677,900	October 2017	Sortable Fulfillment Center 1,500 associates
	Spain	BCN2	Carrer De La Vernada, 22, Martorelles, Barcelona, Catalonia, Spain, 08107	322,800	August 2017	Inbound Crossdock (IXD) and Mixed Sortable/Non-Sortable. Martorelles Delivery Station. 650 Associates
	Spain	BCN3	Carrer Ferro, 12, Polígono Industrial Can Pelegrí, Castellbisbal, Barcelona, Catalonia, Spain, 08755	301,300	October 2016	Pantry Fulfillment Center servicing Spain and Southern France
	Spain	BCN8	Poligon Can Rabella, Parcel 1a, 1, Barberà del Vallès, Catalonia, Spain, 08210	301,300	Q4 2020	Sortation Center
	Spain	SVQ1	Poligono Sen, 22, Dos Hermanas (Sevilla), Andalusia, Spain, 41703	511,100	August 2020	Sortable Fulfillment Center. Sq Ft is an Estimate.

Figure 24: The Amazon Fulfillment Network in Spain (Consultora Internacional MWPVL Internacional 2021.)

As seen in figure 24, I observe that in terms of the logistic work of Amazon Spain has remained in operation as well as developing new robotic centres, has continued to expand in Spain to energize work and be more competitive in terms of delivery time. I see that during 2020 and even in 2021 it has continued to open new stores. I see that the last open shops are focused on delivery station and specifically have opened in Alicante, Madrid, Seville, Barcelona and Madrid. These data confirm even more the power that Amazon Spain has in the country since during a pandemic situation. (Consultora internacional MWPVL internacional 2021)

It should be noted that the last centre that Amazon Spain has opened is echoing throughout Spain as many people are still impacted by the power that Amazon has worldwide, these centres have very important characteristics since, as I shall see, they will generate many jobs for Spanish society and will generate a very important wealth in these towns. (Team about Amazon 2020)

- Located in Illescas (Toledo), the future logistics centre will create 1,200 new permanent jobs in three years, will have more than 180,000 square meters and will support the Spanish and European network of operations of Amazon. It will be used to store and manage smaller products such as smartphones, toys or books.
- Amazon will create more than 1,200 permanent posts in three years at its new robotic logistics centre in Corvera, Murcia, the company said today. With this centre, which will start operating next fall, the company seeks to increase capacity and provide greater support to small independent vendors. (Team about amazon 2021)

With this new robotic logistics centre, Amazon Spain already has four. Announcing these new logistics centres Amazon confirms that the workforce reached 12000 people nationwide. (Amazon Jobs 2021)

To conclude, I am going to see the last graphic that shows all the centres that Amazon Spain has around Spain.


		Facility Type	Currently Active Facilities	Future Facilities	Active Square Feet	Future Square Feet
	Spain	Fulfillment Centers	10	0	5,191,256	-
		Pantry/Fresh Food DCs	1	0	301,280	-
		Prime Now Hubs	4	0	25,000	-
		Sortation Centers	1	0	301,280	-
		Delivery Stations	14	5	1,006,362	1,185,383

Figure 25: Amazon structure (Consultora internacional MWPVL internacional 2021)

5 Conclusion

At this point, it is important to remember that during the work I have analyzed the environment of the company, both its general environment and its specific environment, in addition to carrying out the situation of the entity through the analysis of the SWOT.

Also with the general logistic analysis of Amazon, I have been able to observe the strategy that Amazon has followed and why it has worked so well in all the countries in which it has expanded

I have seen the evolution of Amazon Spain that has had in the 12 years that it has been operating in the country, as a result of this I have been able to see the strategic plan that has followed at the time of the construction of its warehouses and logistics centres. Also, in the wake of the pandemic (Covid19), I have seen the difference between Amazon Spain before and during the pandemic (Covid19) and whether it has suffered any mishap or has been able to continue improving.

Concerning the logistics strategy, it can be observed that it has had a clear growth and that it has been able to take advantage of the situation at all times knowing how to expand in the right city and building the right type of storage. In addition, seeing the strategy that has followed during 2021 to expand in the most important cities of Spain.

Finally, it is important to highlight the commitment that Amazon Spain and all the other countries where Amazon have to know the importance of sustainability in the world and for a few years the attitude that has shown to achieve shortening the deadlines in which has to submit such changes to comply with the new rules.

Regarding the conclusion, interpreting both the analysis and the evolution that I have seen of Amazon Spain, I can say that the company in terms of economic solvency presents a good situation because year after year revenue has increased in a very clear way and due to the pandemic (Covid19) the number of online consumers has increased in Spain and as a result of this a large majority buy directly from Amazon Spain.

So, I can say that after the previous comments and noting that in the last year Amazon Spain won 5400 million euros, is in a favourable situation and expectations for the future are positive because of the trend that has continued even after having to overcome a global pandemic that has affected many companies.

6 Summary

As for the summary of the work done, I can say that after having done the introduction, seeing both the research background, objectives, delimitations and research questions. I have set ourselves the objective of being able to analyze the situation of Amazon Spain both before and during the global pandemic (Covid19). It has been very important to have limitations because it has been very useful to us when it comes to using information to know that it was going to serve us as important information or to know how to differentiate what I did not need to carry out the analysis.

Then I started with the theoretical part of the company to analyze, where I first investigated the historical evolution that the company has had since its inception to the present day, making importance in the moments where the company has had important moments in different years, which have served to improve and expand. I have also seen that the company works day after day to improve the situation of its workers and be up to date on everything related to the issue of sustainability. That is why I have made a small point and have named different actions that the company has carried out in recent years.

In point 3 I have already gone on to carry out the analysis I had set ourselves as a target. First, I have analyzed the general environment, this analysis has been of vital importance to us both to see how this company at the moment at world level, both concerning its competitors, as she since due to the pandemic have been many changes and many companies have not been able to adapt, is not the case of Amazon since if it has managed to adapt in a very correct way.

During the analysis of the general environment of Amazon I have carried out an external analysis of the company (PEST) that has served us to study four factors that I must always take into account when studying a company, these four factors are Political-legal factors, Economic factors, socio-cultural factors and Technological factors. Finally, having already carried out the external analysis of the environment, I have carried out a SWOT analysis, which has been of great importance for us to see both the strengths and weaknesses of the company and the opportunities and threats.

In chapter 4, I have first done a logistic analysis of Amazon in general areas, since Amazon operates in the same way in all countries, seeing the structure and the procedure that Amazon follows when expanding its logistics centres and warehouses.

To conclude the analysis I have analyzed both Amazon Spain during the global pandemic (Covid19) and the state of Amazon Spain before the global pandemic occurred (Covid19). Doing both analyses I have been able to see how Amazon Spain is currently and the growth it has had since its inception, seeing the increase of workers and the income they have obtained year after year.

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