

Amazon's Impact on the Development of E-Commerce

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ABSTRACT

A study of Amazon's European expansion in Sweden, the Netherlands and Poland revealed that the company did not perform as expected, with local competitors' knowledge and innovative solutions, as well as local market-specific offers and services, proving more effective than Amazon's global strategy. The lesson from the study is that Amazon should place more emphasis on local market specificities and consumer preferences. This includes taking into account local holidays, customs and the promotion of possible 'holiday' promotions, as well as further optimising delivery and returns processes. Competitors' responses, such as bol.com's commission cuts, and Allegro's investments in markets not yet served by Amazon, further increase Amazon's challenges in these markets. The study suggests that Amazon needs to adapt to local market dynamics and respond strategically to competitors' actions. In short, the Amazon brand name alone is not enough to succeed. The company must do more than simply underprice competitors: it must take into account local market characteristics, competitors, and consumer expectations to successfully increase its market share in these countries. Considering local regulations and government decisions is also an important factor in ensuring your company's success.

Keywords: Flexible crisis management, teleworking and home office, organisational culture, employee efficiency, work-life balance

INTRODUCTION

The internet revolution, which started in the 1990s, has created a whole new platform for doing business, revolutionising the world of commerce. One of the most prominent companies in e-commerce is Amazon, which now boasts a global presence and has an impact on the economies of many countries. Amazon has played a major role in shaping e-commerce and its strategies and innovative solutions are impressive to any market observer. My passion for e-commerce started very early. I was particularly interested in Amazon because the company's innovative solutions and growth have been incredibly inspiring to me. I hope that my research can contribute to the body of knowledge on e-commerce and Amazon's expansion in Europe. Recent empirical evidence from Central Europe shows that regional economic structures reacted very differently to external shocks, highlighting the importance of adaptive strategies when global actors enter heterogeneous local markets (Kálmán, 2024)

Problem Statement, Hypotheses

Amazon's entry into a new market often brings significant changes to the existing competitive landscape, while at the same time creating new opportunities and challenges for local players. The impact of Amazon on the e-commerce market cannot be ignored and its understanding is key to understanding market trends and the competitive situation. The problem statement focuses on the impact of the emergence of Amazon on the e-commerce market in a given country. Two main questions arise in this context: (1) How likely is Amazon to become the most dominant player in the market; (2) To what extent will Amazon change competition in the market? In this context, I will formulate two main hypotheses:

-Hypothesis 1: Amazon will be able to become dominant in new markets within 5 years. This means that the company will be able to gain a large share of the new market in a short period of time and eclipse its competitors.

-Hypothesis 2: The emergence of Amazon will significantly change the competitive environment in the market. This means that Amazon has the potential to influence both the competitive landscape and consumer behaviour through its presence.

In my research, I explore these hypotheses and try to support or refute them on the basis of data and analysis. Understanding the impact of Amazon can be useful not only for the professional community, but also for businesses that compete or collaborate with Amazon in the e-commerce market.

Research Objective

My research aims to provide a detailed analysis of Amazon's recent expansion in Europe, in particular its impact on local e-commerce markets. I have chosen the Netherlands, Poland and Sweden as the focus of my research because these countries are Amazon's newest targets in Europe, and I can therefore provide up-to-date and up-to-date data to support or refute my hypotheses. The emergence of Amazon in these countries could bring significant changes to local e-commerce markets. My main objective is to explore the changes brought about by Amazon and to understand how Amazon is reshaping market dynamics. Amazon's strategies, the company's growth rate and its impact on local players can be different in each country, and analysing these differences can also provide a deeper understanding of Amazon's global expansion strategy. Furthermore, I am also curious about what new opportunities and challenges the emergence of Amazon brings for local businesses. The emergence of Amazon often brings new innovations and competitive strategies to the market that can impact local businesses. Understanding this impact can help local businesses to successfully adapt to Amazon's competitive policies and create opportunities for growth and development in competition with Amazon.

MATERIALS AND METHODS

Research Methods

In my research, I use several methods to get a comprehensive picture of Amazon's expansion in Europe and its impact in the countries I study.

In the first step, I use analytical models to understand the issues under study. I use the Porter 5 Forces model to analyse market structure and competition. I use SWOT analysis to analyse Amazon's internal strengths and weaknesses and external opportunities and threats. To analyse the macro-environmental factors, I use the PESTEL analysis. Sustainable competitive advantage increasingly depends on efficiency-oriented resource allocation and productivity improvements rather than scale alone, especially in mature European markets (Kálmán, 2024).

In the second step, I will conduct an in-depth literature search. In the literature search, I will examine the history, strategies and previous expansions of Amazon, as well as the state and history of e-commerce in the countries concerned. In the literature search, I mainly use local sources to get a more authentic picture of local markets and Amazon's impact.

The third step is to collect and analyse the available statistical data. Analysing market share, growth rates and other key indicators will help us understand how quickly and with what impact Amazon has had on the markets of the countries under study. Although I endeavour to examine, evaluate and summarise the countries from the same point of view, this was not entirely feasible due to the different documentation.

In my analyses, I critically evaluate the data and information obtained and aim to present the impact of Amazon on the e-commerce market as objectively as possible. The aim of my research is to contribute to the understanding of the changes in the e-commerce field and the expansion strategies of global companies like Amazon.

RESULTS AND DEBATE

The History of E-Commerce

Retail is constantly evolving and the current environment does not signal the end of retail, but a major transformation of the industry. Advances in technology and increased access to consumer data are enabling retailers to optimise their retail channels, leading to changes in product and service sales strategies.

With the rise of the internet, e-commerce has become an increasingly preferred shopping channel. By definition, e-commerce is a set of activities related to the purchase of goods and services over the Internet, which provides convenience to users by allowing them to buy products at home. Consumers expect their favourite brands to be available online. An overview of the evolution of retailing shows the ever-changing nature of the industry, which has been radically transformed as e-commerce has revolutionised the shopping experience. Empirical studies from the V4 countries indicate that flexibility, trust and perceived service quality increasingly shape expectations not only in labour markets but also in consumer-facing digital environments (Kálmán, 2025).

In the history of trade, all periods are linked by money as the central element. In 1200 BC, for example, cowry shells were used to denote value, while around 300 AD marketplaces appeared and formed the basis of trade. These temporary markets allowed comparison of goods, which enhanced the shopping experience. By the end of the 19th century, the main street had become a commercial centre, where market stalls were transformed into shops, continuing door-to-door deliveries and the introduction of credit for goods.

The early 20th century saw another important change in retailing. Single-price stores, such as Frank Woolworth's, simplified the shopping process by offering identical prices. The emergence of central business districts and the creation of department stores such as Macy's allowed for a wider range of products. In the 1950s, shopping malls revolutionized the shopping experience, giving consumers the opportunity to shop in multiple stores at once.

The emergence of e-commerce in the 1990s was the most significant transformation in retailing. With the development of the internet and digital technologies, shoppers were able to shop from the comfort of their own homes, gaining global reach. Amazon, eBay and Alibaba became the most important players in e-commerce, steadily increasing their influence.

Retail therefore has a long and evolving history, reflecting social and technological change. In the 21st century, retailing continues to face new challenges, while technology continues to create new opportunities for shoppers and retailers. E-commerce includes not only the online sale of physical products, but also digital content, offering a broad spectrum of consumer choice and shaping the retail of the future.

There are many forms of e-commerce, each based on a different business model:

- B2C (Business-to-Consumer): this business model refers to transactions between businesses and end consumers. Amazon and eBay are examples of B2C e-commerce platforms.

- B2B (Business-to-Business): this business model involves transactions between companies. For example, Alibaba, where companies can buy from other companies.

- C2C (Consumer-to-Consumer): this model supports transactions between consumers. eBay and Craigslist are good examples of C2C platforms.

- C2B (Consumer-to-Business): in this business model, consumers offer products or services to businesses. Stock photo websites and crowdsourcing platforms such as 99designs are based on C2B models.

E-commerce technologies allow transactions to be carried out securely and efficiently. Such technologies include cryptography, which provides secure communication between seller and buyer, authentication, which identifies the parties involved in a transaction, and digital money, which enables electronic payments.

E-commerce is constantly evolving, with technological innovations such as artificial intelligence, augmented and virtual reality, and blockchain technology leading to further developments. Expected future trends include personalised shopping experiences, the growth of social commerce, subscription services, the rise of sustainable and ethical shopping practices, and the use of AR/VR technologies. The future of e-commerce is moving towards diversification of services, including the development of new delivery methods and payment methods. Amazon and Walmart will remain major players in e-commerce, but new players may also enter the market.

E-commerce brings many benefits to consumers, including convenience, expanded choice, potentially lower start-up costs, international sales, and simplified customer re-engagement. However, there are also disadvantages, such as limited customer service, lack of instant gratification, inability to touch products, reliance on technology, and higher competition. The advantages and disadvantages of e-commerce are balanced, and companies are constantly looking for ways to minimize the disadvantages while maximizing the advantages.

E-commerce is the branch of commerce that focuses on buying and selling over the Internet. The benefits of e-commerce include convenience for shoppers, expanded product choice, potentially lower start-up costs,

international sales opportunities and ease of customer re-engagement. Disadvantages include limited customer service, lack of instant gratification, inability to touch products, reliance on technology, and higher competition. E-commerce is constantly evolving and further innovations are expected to emerge in the future, including personalised shopping experiences, the growth of social commerce, subscription services, sustainable and ethical shopping practices, and the use of AR/VR technologies. The future of e-commerce is moving towards diversification of services, including the development of new delivery methods and payment methods.

The Amazon Story

Amazon is one of the best-known and most influential companies in the world, founded by Jeff Bezos in Bellevue, Washington, in 1994. The company is one of the best known and most influential companies in the world. Bezos started the internet boom with his idea based on the "regret minimization framework". Initially, he focused on online bookselling, choosing from 20 potential products. Finally, on 16 July 1995, he opened his online store, offering the largest selection of books in the world. The first book sold was "Fluid Concepts and Creative Analogies" by Douglas Hofstadter, with sales in the first month reaching \$20,000 a week. In 1997 Amazon went public on the NASDAQ at \$18. In 1999, Bezos was named Time magazine's Man of the Year, Amazon's stock rose to \$94, and the company made \$1 billion in profit in 2001. In 2007, Amazon launched Amazon Fresh, Amazon Music, and Kindle, and in 2009, Amazon acquired Zappos for \$850 million. In 2011, Amazon launched Amazon Video, which gave Amazon Prime members access to 5,000 movies and TV shows. In 2014, Amazon acquired Twitch for \$970 million and introduced Amazon Echo and Alexa. On 15 June 2017, Amazon acquired Whole Foods for \$13.7 billion and on 22 January 2018, Amazon launched its first cashierless store, Amazon Go. On November 13, 2019, Amazon announced new locations in New York City and Virginia, but ultimately cancelled the NYC opening. Construction of the headquarters, called PenPlace, is expected to be completed in June 2023. In 2020, Amazon successfully diversified its portfolio, including the \$9 billion acquisition of the MGM film studio. In 2021, Jeff Bezos announced his departure as CEO, replaced by Andy Jassy. In 2023, Amazon's share price was trading above \$3500, although its volatility has led to frequent large price movements.

PESTEL Analysis

In analysing the political factors at Amazon, it is important to note that the company is not immune from government interference, which can affect its operations and strategic decisions. Political factors may include government decisions related to foreign trade, taxation, or labor and environmental laws. As a global retailer, Amazon may find opportunities for expansion in politically stable Western countries with laws similar to those in the United States. However, Amazon faces strong competition in China, where the government tends to support local e-commerce companies. Furthermore, the company faces labour issues and union pressure, which are also part of the political factors. Amazon shareholders have put forward resolutions that address warehouse working conditions and the company's relationship with unions, and these received significant support at the AGM. In addition, the company could face a potential walkout by workers, which could affect the company's political standing and reputation. Institutional trust and the perceived quality of governance significantly influence market performance and consumer confidence, particularly in highly regulated digital and platform-based industries (Kálmán, 2025).

In summary, Amazon's political factors include government intervention and regulation, labour issues and union activities, and the political challenges of the company's global expansion. These factors all influence Amazon's business strategy and decisions.

When analysing the economic drivers of Amazon, there are several important areas to consider. Primary economic factors include changes in interest rates, unemployment rates, inflation rates, and the possibility of recession. These factors affect Amazon's business practices and strategy. Changes in interest rates may affect Amazon's investment plans, as high interest rates may increase the company's financing costs, while low interest rates may provide more favorable conditions for investment. The unemployment rate is an important economic indicator that can affect Amazon's sales performance. A low unemployment rate may indicate a healthy economy, which could lead to more consumer spending and potentially higher profits for Amazon. The inflation rate also affects Amazon's business, as high inflation can increase costs and reduce consumer purchasing power. Finally, the impact of a recession could directly affect Amazon if consumers have less disposable income to purchase non-essential products, so Amazon may have to change its pricing strategy or the range of products it sells. Amazon's economic performance in 2023 presents a positive picture. Net sales increased 9% in the first quarter compared to the first quarter of 2022. Operating income increased to \$4.8 billion in the first quarter, compared to operating income of \$3.7 billion in the first quarter of 2022. Net income was \$3.2 billion in the first quarter compared to a net loss of \$3.8 billion in the first quarter of 2022. Operating cash flow increased 38% in the period, compared to

\$39.3 billion in the base period ended March 31, 2022. Free cash flow also improved, with an outflow of \$3.3 billion in the period, compared to an outflow of \$18.6 billion in the base period ended 31 March 2022. Amazon's expansion plans are also significant. Amazon plans to launch its marketplace in 5 new countries early next year, namely, Chile, Colombia, Nigeria and South Africa. Amazon's expansion plans show that the company is looking for long-term growth opportunities, even if it is forced to retrench in parts of its US retail business. Despite slowing growth, Amazon continues to expand in several countries as the company needs to generate more demand. Expanding into new countries can be costly, but expanding into international markets can help Amazon's international sales rebound.

In summary, Amazon's economic environment and the company's current economic performance show a positive outlook. The key elements of Amazon's economic strategy include implementing expansion plans, taking into account the economic environment, and adapting to economic factors such as changes in interest rates, unemployment rates, inflation rates, and the possibility of recession. Consumer behaviour is changing rapidly around the world. People are increasingly inclined to 'get things done quickly' and Amazon enables them to do just that. Easy and convenient home delivery has become a common practice, which has contributed greatly to Amazon's popularity. Amazon has opened up countless opportunities for people with technical skills and patience, and many have become financially well-off by trading on Amazon.

Social factors include a number of reasons why people like to shop with Amazon. Fast and free shipping is the most popular reason given by US online users, but a wide selection, Prime membership, and the best prices are also popular factors. Amazon is also active at the community level, responding to pressing needs such as reducing hunger and homelessness and investing in education for children and young adults. This shows that Amazon has a strong social responsibility strategy. However, it is worth noting that some analysts believe that Amazon is enabling many people to be lazy, which can have social and health consequences. Many are concerned about the impact of online shopping on society, reflecting a fundamental loss of human communication. Amazon has invested \$100 million in a flagship homelessness centre in Seattle and has established a \$2 billion housing equity fund to promote affordable housing. They are also working with schools and food banks to deliver 12 million meals. Education support is also an important part of Amazon's social policy. They have invested \$50 million to support STEM education in 2020 and have created the Amazon Future Engineer programme to help train people in poor communities. Amazon has also actively responded to the COVID-19 pandemic, investing \$4 billion in workplace and community programmes. In addition, they provided 1 million internal COVID tests and established a \$25 million relief fund for community stakeholders. The company actively promotes diversity in the workforce. In the US, Amazon actively seeks candidates from schools and universities serving ethnically diverse communities. These include historically black and Hispanic, Hispanic-serving institutions, and women's colleges. The company has a strong history of expanding employment opportunities for people with disabilities. Training is another important area of Amazon's social policy. In 2019, a total of \$700 million has been set aside for educational training for 100,000 employees. Amazon will reimburse up to 95% of tuition and fees for employees who want to acquire or expand their in-demand skills. In addition, more than 100 000 students worldwide have been offered free online training.

The technological factors in Amazon's PESTEL analysis cover many aspects that are central to the company's business model. Below, I describe the technology factors and trends that will be relevant in 2023.

Technological developments directly affect Amazon, given the central role of technology in the company's business. The impact of technology and related trends on the distant or macro environment is described in this aspect of the PESTEL analysis.

The company is facing the threat of rapid technological obsolescence, which puts pressure on the company to continuously improve its technological tools. At the same time, it also offers opportunities to optimise business operations. For example, a company's continued heavy investment in IT technology can increase its competitive advantage and protect it against new entrants in the e-commerce industry. There are further opportunities for Amazon to further improve performance based on the rapid growth in the efficiency of its IT resources. For example, new computing technologies can maximise online retail productivity and minimise operating costs. But businesses also face the constant threat of cyber-attacks. These external factors threaten the quality of the customer experience and the integrity of Amazon's business. Thus, a significant investment in appropriate technology measures is critical to the company's long-term survival, despite the industry challenges associated with technology. Amazon should emphasize continuous improvement of its technologies based on the PESTEL analysis. Amazon is working on a rapid delivery system called Amazon Prime Air, which aims to deliver packages of less than 2.5 kg in 30 minutes or less using unmanned aerial vehicles (small drones). This could significantly improve the safety and efficiency of Amazon's delivery system.

Some other technologies that could affect Amazon:

- Blockchain Technology: blockchain has the potential to impact Amazon in areas such as supply chain transparency and secure payment processing.

-Internet of Things (IoT): the growth of IoT creates opportunities for Amazon in areas such as smart home devices. Amazon's Echo devices and Alexa voice assistant are examples of Amazon's efforts in this area.

-Mobile Technology: the development and growth of mobile technology is influencing how consumers interact with Amazon. Developments in mobile connectivity (such as 5G) can provide a faster and smoother shopping experience for Amazon customers.

However, the impact of technology not only brings opportunities for Amazon, but also risks. Many people are concerned about the impact of technology on the social fabric, and many Amazon merchants and shoppers are concerned about the security of storing sensitive data, such as credit and debit card information, and identifiable personal information on Amazon's website. Therefore, Amazon must continually invest in technological improvements and security measures to protect its customers and its business from these risks.

The legal factors in Amazon's PESTEL analysis cover a number of areas. Amazon's activities are affected by a number of laws and regulations in the different countries where the company operates. E-commerce, tax and privacy policies vary significantly between regions and it is essential for Amazon to comply with these regulations. Legal issues have also arisen in relation to Amazon's business practices, potentially affecting the company's operations and performance. For example, the US Federal Trade Commission (FTC) is preparing for a potential antitrust lawsuit against Amazon for favouring its own products on its platform, to the detriment of external sellers. The FTC is also investigating Amazon's Prime subscription service's bundling practices and must also comply with European Union data protection laws, known as the General Data Protection Regulation (GDPR). The fine was imposed for the unlawful use of Amazon's advertising targeting system, which was not carried out without proper consent. Amazon is also facing labour law issues. US labor authorities allege Amazon has repeatedly violated federal labor laws by unilaterally changing its policies and firing union supporters at its only unionized warehouse. In addition, Amazon illegally restricted workers' ability to visit the union warehouse in New York City on their own time in an attempt to discourage labor activism.

As explained above, legal factors have a significant impact on Amazon's business. The company must constantly adapt to the changing legal environment and comply with the laws in many countries. Competition, data protection and labour law issues are additional challenges for Amazon, potentially affecting its operations, reputation and financial performance.

SWOT Analysis

Amazon has strengths in several key areas that contribute to its global success and dominance in e-commerce:

-Low cost structure, the largest product range and a large number of third-party sellers: Amazon operates primarily as an online retailer, which allows it to maintain a low cost structure. By avoiding the significant costs of operating physical retail stores, Amazon can sell more units without a commensurate increase in marginal costs. This, combined with continued investment in new and existing fulfillment centers, allows Amazon to reduce order fulfillment times and shipping costs. These time and cost savings are then passed on to consumers in the form of lower prices. Amazon has the largest product offering among online retailers, with more than 353 million products on the marketplace compared to Walmart's 75 million. This huge choice attracts a larger online customer base. Furthermore, Amazon's business model adapts to third-party sellers who offer their products on Amazon's sites. In 2021, these third-party sellers sold 55% of products through Amazon's online stores. The high traffic on Amazon's stores, facilitated by programs such as 'Completed by Amazon' and Prime, attracts these sellers.

-Synergies between Marketplace, Amazon Web Services (AWS), Prime and Subscription Services: Amazon operates four key businesses: the Amazon Marketplace, AWS, Amazon Prime and Subscription Services. These offerings support each other, creating benefits that would not be possible if the businesses operated independently. AWS, launched in 2006, leverages Amazon's large investment in the server infrastructure needed to run a high-traffic e-commerce site. AWS provides two critical elements: speed and capacity. Speed is vital for Amazon, as every 100 ms delay in loading a page can cost the company significantly in terms of lost customers. AWS helps speed up website load times, ensuring that Amazon serves all its customers as quickly as possible. This also benefits Amazon's subscription services as content, especially video content, is delivered quickly to subscribers, increasing their satisfaction. In addition, the huge capacity of AWS, which is not fully utilised during off-peak periods, is used during peak periods such as Cyber Monday and Black Friday to handle the sudden surge in website traffic.

In terms of weaknesses, Amazon Worldwide faces a number of challenges that it needs to address:

-Growing long-term liabilities-to-assets ratio: Amazon's long-term liabilities-to-assets ratio has been steadily increasing over the past decade, reaching 68% in 2021. While it is not unusual for large companies to have significant long-term liabilities, Amazon's ratio is higher than many of its competitors. This could potentially limit the company's ability to invest in growth opportunities. High long-term liabilities can strain a company's liquidity position, limit its financial flexibility and make it more vulnerable to economic or business downturns.

-Low R&D capabilities: despite being recognised as an innovative company, Amazon's R&D capabilities are often criticised. The company's focus on operational efficiencies and cost reduction can sometimes lead to a lack of R&D, which is essential for technological advancement and maintaining competitiveness. The perception of a lack of innovation can affect a firm's ability to introduce new products and services, thereby affecting its market position and long-term growth prospects.

-Low physical location: although Amazon is a dominant player in the online retail space, it has comparatively few physical locations. This limits Amazon's ability to provide certain services that require a physical presence, such as personal returns, and prevents it from taking full advantage of the "showrooming" trend, where shoppers view products in-store before purchasing them online. The lack of a large physical footprint also limits Amazon's expansion potential in certain markets where bricks-and-mortar stores remain popular. The acquisition of Whole Foods in 2017 and the launch of Amazon Go stores were steps towards building a physical retail presence, but the company still lags behind other large retailers in this regard.

Possibilities

-Expansion into emerging markets: the potential expansion into emerging markets represents a significant opportunity for Amazon. Countries such as India, Brazil and parts of Africa are currently experiencing rapid growth in the e-commerce sector. With a well-established brand and strong delivery network, Amazon is well prepared for these emerging opportunities. The growth of middle-class consumers in these regions, who are increasingly engaging with online shopping, offers Amazon the opportunity to significantly expand its customer base.

-Growth in the online grocery sector: the online grocery market is expected to reach \$59.5 billion by 2023. This represents a significant opportunity for Amazon, especially considering the company's acquisition of Whole Foods in 2017. Amazon can leverage its vast logistics network and advanced technologies to disrupt the traditional grocery market and gain significant market share in this growing sector. The emergence of voice-activated technology and IoT: There is a growing demand for voice-activated virtual assistants in household appliances. Amazon, with its Alexa and Echo devices, is well prepared for this trend. Furthermore, the Internet of Things (IoT) market is expected to grow significantly over the next decade, providing Amazon with the opportunity to further integrate its services into consumers' lives.

-Amazon Prime subscriptions growth: according to the latest reports, Amazon Prime subscriptions continue to grow and have already exceeded 200 million members. This represents a critical opportunity for Amazon, as these members tend to spend more on Amazon's platform than non-members. The growth in Prime memberships not only increases Amazon's subscription revenue, but also generates additional sales across Amazon's entire business.

A major threat is the competitive environment, especially in e-commerce, where the market can change enormously from day to day. Amazon's long-time rival, Walmart, has seen its US e-commerce sales grow rapidly in recent years, signalling its growing presence in the online retail sector. In addition, Walmart has launched its own subscription service, Walmart+, as a direct competitor to Amazon Prime, posing a further threat to Amazon's subscription-based business model. Another critical threat is the growing concern about data security and privacy. As an online retailer with millions of customers worldwide, Amazon holds vast amounts of customer data. This makes Amazon a prime target for cyber-attacks that can lead to data leaks and loss of customer trust. The company has faced criticism and legal action over its data practices, which can damage its reputation and customer relationships.

The regulatory environment poses a further threat to Amazon. The company is facing increasing scrutiny from regulatory bodies around the world. In the United States, there is growing demand for stricter competition laws and greater enforcement, which could potentially limit Amazon's ability to expand its operations or lead to heavy fines. In addition, changes to tax laws and other business regulations in the countries where Amazon operates could also affect the company's business model and profitability. Finally, global events such as the COVID-19 pandemic and economic instability caused by geopolitical tensions could negatively impact Amazon's business. For example, changes in consumer behavior, supply chain disruptions, and currency fluctuations could pose significant challenges to the company's operations and financial performance.

While Amazon's strengths and capabilities certainly position it well for continued success, these threats highlight the need for the company to remain vigilant and adaptable in a changing market dynamic and regulatory environment.

RESULTS OF THE RESEARCH

E-commerce in Sweden

This part of my research looks at an ever-changing situation, given that Amazon in Sweden was established less than two years ago. The aim of my research is to examine how Swedish e-commerce players, whether long-established or new entrants, can adapt effectively to the e-commerce market in the light of Amazon's entry into Sweden and the increased international competition that this entails.

The research shows that Amazon is entering an established Swedish e-commerce market with well-established and experienced e-commerce players. At the same time, setting up in Sweden could also mean an acceleration in digitalisation and the growth in customer expectations driven by e-commerce. The customer experience will be driven by modern tools and technologies, where e-retailers strive to meet the needs of their customers. The focus will be on monitoring technological developments and exploiting emerging opportunities and solutions, including the use of their data to optimise their performance. The impact of the introduction of Amazon in Sweden will not be as profound as in the countries where Amazon was established earlier, where digitalisation and e-commerce were not as advanced. Amazon faces potential challenges in the logistics area and in customer awareness, where Swedish e-tailers are currently leading the Swedish e-commerce market. Swedish e-tailers will find it easier to survive price competition as they, like other e-tailers, use pricing algorithms to compete with their competitors' pricing. Amazon in Sweden, on the other hand, will compete mainly on the technological front, as they have significant resources at their disposal, which they invest in innovation. Amazon excels in the management of Big Data, where in the long term they may be able to increase customer awareness among Swedish consumers by monitoring and analysing consumer behaviour and personalising e-commerce based on this. Amazon's entry into Sweden is part of a long-term strategy, which also means that all the company's divisions are not yet fully up and running. Its impact on the Swedish e-commerce market and its players will therefore be gradual. Amazon made its debut in Sweden on 28 October 2020 - what are the implications for the Swedish e-commerce sector and its players? Amazon has had a profound impact on the development of e-commerce markets in countries where it is active and has achieved a globally dominant position. Through technological innovations, they have developed strategies and tools for the industry that are used by many e-commerce players around the world. The digital services infrastructure they have developed has enabled them to become a dominant and competitive company on a global scale. The technology enables, among other things, the development of pricing algorithms, the deployment of Amazon Web Services (AWS), One Click and simple payment solutions, etc. Whether Amazon can establish a dominant and competitive position in Sweden is still a question. Sweden already has a mature e-commerce market with experienced and well-established e-commerce players, which may pose a challenge to Amazon.

Amazon is the world's largest retail company, according to the Forbes Global 2000 list. The list includes the world's largest publicly traded companies, ranked by a composite score based on revenue, profit, assets and market value. A year later, in September 2020, Amazon's European market share had grown to 9.8 percent. Amazon has therefore built a strong position in the global e-commerce market and is on track to achieve a competitive position in the countries where it is launched. Amazon is showing strong growth in its core markets - the US, Canada and Europe - while expanding into other countries. This is reflected in Amazon's strong capital strength and financial flexibility, which allows them to enter new markets and expand their operations. Since Amazon's launch in Germany, growth has been gradual. In 2019, Amazon's market share grew to 48 percent of total e-commerce sales, according to the German Retail Federation (Handelsverband Deutschland). The launch in Germany was at an early stage, when Amazon was almost involved in the development of the German e-commerce market, which probably contributed greatly to its significant market share. Some of Amazon's most recent European launches have been in Sweden and the Netherlands (although it will be officially launched in Belgium in October 2022, but not yet in time to draw conclusions), and in Spain in 2011, where Amazon is now the largest player in the Spanish e-commerce market. This could be the long-term outcome for the Swedish e-commerce market. However, the introduction of Amazon in Spain happened ten years ago, not at such an early stage as in Germany. However, e-commerce has developed significantly in recent years and has increasingly contributed to the transformation of the commercial structure, where physical commerce is being replaced by digital e-commerce. Sweden's e-commerce market has developed and matured without Amazon, unlike Germany and Spain, and it may be a challenge for them to achieve similar results in the Swedish e-commerce market. For example, in Australia, Amazon was established in late 2017, where, like Sweden, there is a mature e-commerce market and where the establishment has led to a less aggressive market share in the e-commerce market.

The Swedish retail sector has undergone structural changes, with e-commerce proving to be a major source of growth. The growth in e-commerce was initially driven mainly by new consumers shopping online, but in recent years existing consumers have also been spending more and more. In comparison, the share of e-commerce in 2010 was only 4.6%.

Traditional shops are facing profitability problems as a result of growing e-commerce. As a result, consolidation processes are being initiated and shops are closing. In addition, the growth of e-commerce is increasing international competition, with the result that a significant proportion of today's sales come from foreign e-commerce operators. The number of European companies registered in Sweden that sell to Swedish consumers online increased from 12 in 2009 to 489 in 2016. Structural changes in trade, digitalisation and increasing international competition contribute to a smaller but larger number of players in Sweden.

Amazon is one of the e-commerce companies that have built and developed an e-commerce marketplace, a digital platform where many e-commerce companies meet and interact with consumers. This further reduces the search costs for consumers by helping them to organise and present what is on the market, so they do not need to know all the brands on the internet. For example, if a consumer wants to buy a coffee machine, they do not need to know which brands or shops sell coffee machines as they only need to search for the product, which reduces search costs. This search functionality is not only available on Amazon's website, but also on other e-commerce players. The difference, however, lies in Amazon's offering. In Sweden, they already offer 150 million products on their website, which means that Amazon is the largest player in the Swedish e-commerce market in terms of offerings. For example, in electronics, Amazon offers around 1,000 laptops, compared to a Swedish player offering only around 150. Some argue that consumer search costs are higher in e-commerce than in physical retailing. This is explained by the limited rationality of man, which makes it difficult for consumers to know all the brands available online. As the information and brands available to consumers increases, so does the opportunity for actors to acquire consumers if the information available reduces consumer search costs. Additional search costs may arise in international business-to-business trade, primarily due to language differences, but the way consumers search for information also plays a role. After the launch of Amazon.se, the company received criticism from consumers about a language error related to the translation of products. Examples of translation errors include "rape flower" and "armoured abuse". Language mistakes can increase consumer search costs as consumers have to spend more time searching for more information on products and services because they have received an incorrect translation. Amazon's product safety has been questioned by both experts and customers. When a customer creates an account and accepts Amazon's terms and conditions, Amazon waives its legal liability for third-party products, which also applies to other e-commerce companies. Amazon is therefore not liable for the sale of a dangerous product if it was sold by a third party, even though the company earns a commission. With the introduction of Amazon, the Electrical Safety Authority (Elsäkerhetsverket) has carried out several tests on Amazon products. All products tested showed problems. For example, one cooker did not have overheating protection and earthing, and one mixer had the knives in the wrong place.

According to Amazon, they have developed a so-called "quick way" to return orders, which allows you to send the product back via their website. Making the customer's life easier and making it easy and seamless to return products results in good customer service ratings. Several studies have shown that differences in the quality of service explain why there is such a wide variation in prices. Customers are not only looking at the product they buy, but also at the quality of the service. Some operators can offer faster delivery than others, a simpler ordering process and a greater willingness to accept returns. Consumers are willing to pay a higher price or premium for these services. Operators can also use brands to signal to customers that they offer high quality goods.

The fact that Amazon manages the logistics and transactions for products sold through their platform and removes sellers who do not meet customer expectations increases customer confidence. Several surveys have shown that two thirds of the Swedish population believe that sustainability and social responsibility are important, but these issues are overlooked when it comes to real customer choices. When people behave in ways that contradict their attitudes, this is called cognitive dissonance. The idea is that individuals need to be consistent with their attitudes and behaviours. This can also be explained by people finding rational reasons for acting despite it being contrary to their core or emotional beliefs, and the mindset that if everyone else is doing it, I can do it too. This is further linked to the human drive to be a rational individual, which results in them forming their own theories about why they behave in certain ways.

The data collected shows that the introduction of Amazon in Sweden presents both challenges and opportunities for Swedish e-commerce players. Due to Amazon's size, the company's mobility in the e-commerce market may be limited compared to small companies, as they have to adapt to a larger customer base. Although the larger players are slower to move, they have significant financial resources which indicate that they are in a stronger position to act. The importance of large financial resources can be felt where players such as Amazon and Google need to buy visibility.

If a company wants to take advantage of its size, it may mean that some players will drop out of the market or merge/melt down. While the introduction of Amazon may mean a larger market with fewer players - where small players fall out of the market rather than merge - it does not necessarily mean that professional innovation will be reduced. Knowledge-sharing between small and large e-commerce players can benefit the whole e-commerce market when shopping. In addition, small e-commerce players have the possibility to reach the international market

through Amazon, which creates opportunities for them. As smaller players are more flexible, they often perform better on Amazon than larger players, as they can adapt more easily and do not have a prestige issue.

In terms of size, small players can take several paths to avoid being excluded from the market. First, they can use Amazon as an additional distribution channel to sell their products. On the other hand, they can also benefit from their size, as they can specialise in a particular area and thus develop a stronger customer base and closer customer relationships. This is a way for small players to outperform Amazon and for their specific niche segment to reach customers at a level that Amazon cannot reach because of its size. It is important to note, however, that Amazon as a company is not an expert in all areas, and their size means that they are merely a generalist player. This further reinforces the assumption that specialised players can have a strong competitive advantage over Amazon.

Amazon's presence can accelerate digitalisation and differentiate itself from other players, as all their profits are reinvested in research and technological development. This can be an advantage as part of the infrastructure of commerce and accelerate trends such as the shift from physical to digital commerce. The tools that have enabled e-commerce to evolve towards a more relationship-based commerce are customer reviews, customer service and livestreaming. It is likely that these tools will continue to evolve and become a significant part of the personalised customer experience. In addition to building customer relationships, these tools will facilitate and reduce the search costs for consumers in e-commerce. However, the need for consumers to physically try and touch a product remains a major challenge for e-commerce. This can be addressed by solutions such as customer reviews, moving images and testimonials, which can partially replace touch. The trend shows that consumer demand to squeeze, touch and try products will decrease. This is because the tools currently used by operators will continue to evolve to further reduce consumers' search costs. The need for these different factors will offset the fact that e-commerce is cheaper and more flexible. However, there is the possibility to return the product if it does not meet the consumer's expectations. By combining sensory information, consumers' perception of the product grows, which over time can almost replace the sense of touch. In a technology-driven market, it is possible to develop additional solutions to emerging challenges that can improve e-commerce in general. Swedish e-commerce players are facing increasing challenges as a result of digitalisation. The emergence of Amazon could accelerate and bring changes in Swedish e-commerce consumer behaviour. For example, Swedish consumers are used to shopping online through specialised websites or brands. Amazon's platform can therefore accelerate the spread of new ways of shopping and navigating, which in the long run could contribute to the emergence of a platform-based consumption model in Sweden. Amazon's presence in Sweden is positive for Swedish e-commerce players, as it gives them additional opportunities to learn from and forces them to develop, and the competition generated by Amazon may contribute to a richer Swedish e-commerce market. Most people recognise Amazon as a technology company rather than a retailer. However, in my opinion, it is important for a company to see itself as a technology company because it reflects the business model it chooses. Swedish e-tailers should focus on the application of technology to better understand their customers. Collecting consumer data can help companies to understand what consumers' expectations are and to respond to them by improving their technological tools. Higher consumer expectations lead to higher expectations of retailers in terms of technology tools, which indirectly leads to greater technological challenges. Amazon may have a further impact on this because, as I mentioned, e-commerce companies will face new challenges and will have to adopt new technology(s). Several Swedish e-commerce players are not developing their own technology, as there are already well established and experienced players who are responsible for the technology. This can help an e-commerce player to remain competitive in the market. The use of new technology in different sectors increases customer expectations and changes their needs. This means that companies need to keep up to date with developments so as not to be at a disadvantage vis-à-vis their competitors. With this in mind, there is good reason why several Swedish e-commerce players are working with other technology providers. Taking into account technological developments, it may be a good strategy for operators not to ignore the customer and his needs in the shadow of advanced and sophisticated technology. I believe it is important to know the customer and e-commerce operators should focus on this as it can create loyalty with customers. However, customer knowledge is the most difficult factor to compete with Amazon, given Amazon's extensive database and knowledge. According to Konkurrensverket (2017), large players such as Amazon have access to vast amounts of data, which can increase the risk of platforms, for example, abusing their position and strengthening their market power. Effective use of Big Data is essential to manage the growing international competition, but there are challenges in managing Big Data: creating value in a cost-effective way. Swedish e-commerce players therefore need to acquire the knowledge on how to use

E-commerce in the Netherlands

With the start of the new millennium, several Dutch companies have entered the e-commerce market. For example bol.com, which was founded in 1999 and is now one of the largest e-commerce platforms in the

Netherlands. Originally selling books and electronic products, they later expanded their range to include other products and services, becoming the 'Dutch Amazon'. The 2010s saw a new explosion of e-commerce in the Netherlands, thanks to the proliferation of smartphones and the development of mobile applications. People increasingly shopped on their mobile phones, triggering a new wave of e-commerce innovation. During this period, a number of new businesses and start-ups entered the marketplace, taking advantage of the opportunities offered by mobile technologies. During this period, the Netherlands made significant progress in e-commerce, not only at the consumer level but also at the enterprise level. B2B e-commerce, i.e. business-to-business e-commerce, grew rapidly and gave a new boost to the country's digital economy. In addition to technological developments, the Dutch government has also played an important role in the growth of e-commerce. A number of laws and regulations have been put in place to protect consumers, personal data and to establish a legal framework for e-commerce. In doing so, they have contributed to increasing consumer confidence and have facilitated the further development of e-commerce in the country.

Amazon in the Netherlands

In 2014, Amazon decided not to bring its entire online store to the Netherlands, but only its bookselling division. Dutch customers were already able to order from Amazon, but there was one detour: as the network was already fully established in Germany, products were delivered by truck from the warehouse, which is located on the border with Germany, to different parts of the Netherlands.

This solution was not widely known, and most customers still found it more convenient to order from Bol.com or Coolblue online stores. Amazon's decision to go fully 'Dutch' was difficult for other marketplaces and e-commerce businesses to digest. In the long term, this is bound to have an impact, but for now the company is underperforming. For marketplaces, however, the consequences could be huge if they do not act in time. Redefining their business proposition is necessary and will determine whether they can survive the 2020s unscathed. With the arrival of Amazon, Bol.com can kiss goodbye to its monopoly on the Dutch market, and it will be very difficult for Coolblue to maintain its unique market position, as Amazon can offer lower prices, which means that other online stores will have to look at their prices and possibly reduce them. Also, the question has to be asked, how much should they charge for a food processor if Amazon sells it cheaper?

Amazon's impact is so great that they have even created an index: the Death by Amazon index, which includes 54 of the world's largest retailers, potentially knocked out of business by Amazon. Seeing this, companies should rethink their tactics in time and prepare for Amazon as best they can.

The Google Trends search tool shows what Dutch people search for most often. Google does not give absolute numbers, so you can only compare search terms against each other. The graph below shows how often bol.com and Amazon have been searched for in the Netherlands over the last five years. This clearly shows the difference before and after the launch of Amazon.nl. The figures show the search interest in relation to the highest point on the graph in the region and period. A value of 100 indicates the highest popularity of the term; a value of 50 indicates that the term is half as popular. A value of 0 indicates that there is not enough data available for the term.

Before March 2020, Dutch consumers could only visit Amazon sites in other countries such as Germany, the UK and the US. After the launch of Amazon.nl, the number of searches for Amazon is structurally higher. In the month of its launch, Amazon is even ahead of bol.com, but the overall picture is clear: Amazon is still barely able to compete.

Similarweb is a service where you can compare websites with each other. The company has no direct access to data; they cannot see into the systems of bol.com and Amazon. The company provides traffic estimates based on the data it collects. It is not 100% accurate, but it gives a useful picture of how the market is working. According to Similarweb, the number of monthly visitors to bol.com is almost four times that of Amazon.nl. In addition, these people stay longer on average and view slightly more pages per visit. Furthermore, it can be observed that Amazon in the Netherlands is not succeeding in effectively applying its usual strategy of trying to drive users to the phone interface. It can be seen that only 35.3% of visitors in the period under review (Feb 2023-Apr 2023) visited the US giant from a mobile device. In contrast, bol.com is visited in roughly equal proportions.

How satisfied are customers after their purchase? To find out, I looked at the reviews on Bol.com and Amazon.nl on the two biggest Dutch price comparison sites Kieskeurig and Tweakers. The picture is clear: Bol.com is more popular with Dutch consumers than Amazon. On Tweakers, the overall rating of Bol.com is outstanding (4.5 out of 5 stars), while Amazon has only 3 stars from Dutch customers. At Kieskeurig, the average rating differs significantly, with bol.com receiving a high score of 8.7, while Amazon receives a solid medium (3). Customers are mainly dissatisfied with the poor communication on Amazon.nl, as revealed by the reviews they have written. Deliveries are often delayed without any justification from Amazon or the seller, and sometimes the order is even cancelled by the seller, of course without any prior consultation. This is probably the root of the

problem: many third parties sell on Amazon, including dropshippers. These are intermediaries who do not have stock but order from China (e.g. Alibaba) or from any wholesaler who supports this type of selling, and often the products come from other countries (e.g. BigBuy - Spain) and are sent directly to the buyer's address. Dropshippers are also active on bol.com, although this is not officially allowed on the platform. It is possible that bol.com is more active against this practice than Amazon. This may explain the difference in customer ratings. In any case, bol.com still seems to have a firm grip on the Dutch market. Amazon may have low prices, but customer experience is just as important. You can also see how close bol.com is to its customers by the promotions it offers, for example around Santa Claus (Sinterklaas). This is a holiday that is very common in Flanders and the Netherlands. An international player like Amazon has much less of a connection, as it is a folk tradition and requires knowledge that is "felt" by the people in question, which is how a good campaign can be built. Amazon has a huge difficulty in the market because of the loyalty of Flemish and Dutch customers to bol.com, so it cannot achieve a strong position. Americans do their primary research on the products they want to buy on Amazon, whereas the Flemish and Dutch use bol.com. It's like the 'Google of products'. Anyone who wants to buy something in the Netherlands and Flanders uses bol.com as their primary search engine to find more information about that product. Amazon is looking for the answer to these challenges in price training. On the other hand, it should not be forgotten that behind it there is a commercial powerhouse with a huge innovative capacity. It is no accident that Amazon has revolutionised the way we shop online. It will continue to use this advantage to marginalise its competitors and dominate the market. So far, however, it seems to have failed. However, in response to the emergence of Amazon, bol.com has reduced the commission on its sales: the final value of products between €10 and €20 will be reduced by 40 cents. For products below 10 euros, the final price will be 20 cents.

E-commerce in Poland

The beginnings of e-commerce in Poland are fairly easy to identify. Most people point to 1997 as the beginning. This was the year when the first Polish online shop was set up by a company called Terent. Following the same chronology, 1999 saw the launch of Empik and Merlin, and the same year saw the creation of Allegro, which is today the largest Polish online transaction platform.

The Polish e-commerce market is constantly evolving. In just one year, online sales have increased by 35%, according to the PwC report "Strategies for Winning. Perspektywy liderów e-commerce na rozwój handlu cyfrowego". One of the reasons for the growing interest in online shopping is the COVID-19 pandemic and the temporary closure imposed by the government due to the cyclical increase in the number of cases of the coronavirus. Poles are increasingly buying home and garden products online. Sales of such products have increased significantly. Consumers are spending more on products in the "Electronics and media" and "Clothing and footwear" categories. It is forecast that the value of products sold on the internet market will increase by 12% over the next five years. As the value of online sales grows, so will the number of online shops. In recent years, the number of domains in the Polish e-commerce sector that operate under the e-commerce model in Poland has increased by almost 60%. The share of online sales in total retail sales in Poland is also increasing. This represents a huge increase compared to the share of online purchases in total retail sales. This growth is similar year on year in different segments compared to the same period last year.

InPost has the largest number of parcel machines and dominates the Polish delivery market with its automatic parcel machines. Poczta Polska is the market leader in parcel points. E-commerce is the fastest growing market. Despite the presence/absence of the pandemic and global shutdowns, established online stores are often unable to keep up with order fulfilment, while traditional stores, which have posted significant losses, have seen declining sales. Shopping patterns and consumer behaviour have changed and the online shopping "boom" is still ongoing. According to the Gemius report "E-commerce w Polsce 2020", 73% of users were shopping online in mid-2020, an increase of 11 percentage points. Compared to previous years, 62% of internet users surveyed shopped online in 2019, 56% in 2018 and 54% in 2017. The total value of Poland's e-commerce market could reach PLN 162 billion by 2026, confirming PwC's forecast of an average annual growth rate of 12%. According to PwC's analysis, the Polish e-commerce market will be worth PLN 100 billion in 2020, of which services will generate around PLN 1.7 billion.

Sales of food, children's goods and toys grew fastest. Sales of health and beauty products, clothing and footwear, and automotive products are expected to grow at the projected average level of market growth. Research conducted by PwC in January 2021 confirms that 85% of Poles surveyed plan to maintain their level of online purchases after the pandemic.

Research by Retailx confirms that Poles use Allegro most often and that Allegro has the largest share of the Polish e-commerce market, with almost 35%. By going public, the company has become the largest Polish listed company. On the first day of trading, the share price rose by 62.8% and Allegro's market value exceeded PLN 70 billion. The number of users registered on the Allegro platform is almost 18 million. In just six months (from

December 2019 to June 2020), the number of sellers on allegro.pl grew by 14% to more than 117,000 and the number of products offered on the service increased by 21% to 164 million. In the first days of March 2021, the Polish version of Amazon made its debut on the Polish market - clearly Allegro's biggest global competitor (its share of the Polish e-commerce market in 2020 is less than 5%). It is expected that for many shops, the Polish version of Amazon will become an additional sales and customer acquisition channel on the Polish and global market. This will allow Polish businesses to reach a larger number of customers. Will the entry of the global giant into the Polish market threaten the position of the Polish leader, allegro.pl? The structure of the e-commerce market may change, but pricing policy can have a big impact, as sales conditions are very important for sellers and are carefully analysed (e.g. amount of sales commissions, refund periods, delivery charges, etc.). It should be taken into account that Amazon, like Apple, will easily gain loyalty on the Polish market and represents a new opportunity for e-commerce businesses to increase sales. On the other hand, Allegro has a well established position and a long history on the Polish market. This will certainly allow them to remain the leader of the Polish market in the years to come. In 2020, the global e-commerce market will experience a huge growth. This is mainly due to the global pandemic and the shutdown of many economic sectors. E-commerce has attracted many new customers and has so far included many industries that have resisted digital transformation. The stock market valuation of the largest selling platforms has increased significantly, exceeding the valuation of the largest, stable financial institutions by several times. Global online sales have been growing dynamically for years, with more and more consumers shopping online via smartphones. The share of online purchases in total retail sales is also growing. In 2019, global online sales amounted to \$3.5 trillion, representing on average 14.1% of total retail sales. This year, e-commerce is expected to account for more than 16.5% of global retail sales, reaching \$4.2 trillion, an increase of \$700 billion from the previous year and a record high.

According to the study "Chmura w e-commerce w Polsce 2021: wyzwania, trendy, dobre praktyki", the value of the Polish e-commerce market in 2020, a pandemic year, exceeded PLN 100 billion, and was PLN 40 billion higher than estimated.

Amazon is systematically moving forward. First it set up logistics centres, then R&D teams - not just in Poland, but also in countries such as the Czech Republic. Why here? Poland occupies an important place on the world map for logistics and trade. It is the centre of Central and Eastern Europe and the place where products enter the EU. Amazon can't afford to give way to AliExpress, which Poles have grown very fond of in recent years and which ships products from China for free. At the moment, parcels can be picked up at InPost's parcel machines. Google

Amazon sees logistics as a competitive advantage, so it will be interesting to see what level of service they enter the market with. For example, will they introduce 24-hour order pick-up and same day delivery? Knowing Amazon's focus on customer experience, this is certainly something that will set them apart from their competitors in the market. Amazon certainly did not enter Poland to be second behind Allegro. It has everything to gain a leading position not only in Poland, but also in the Baltic-Black Sea region, taking advantage of its geopolitical position.

The decision to establish a presence in Poland is certainly linked to the fact that the countries of Central and Eastern Europe are developing much more dynamically than the Western countries. The Polish market was not in sight until the whole region was taken into account. However, with Ukraine and the countries of the Three Seas Initiative, the region accounts for almost 30% of the European Union! Another advantage Amazon will certainly have is its Prime offer, which is much wider than Allegro Smart. I am personally looking forward to Amazon's advertising offer, whose share of the Seattle giant's revenues, although still small, is growing very dynamically. The Polish Alibaba/Aliexpress shopper is different from the Polish Amazon shopper. Initially, the key competition will surely be to get as many sellers as possible, and this will be the key to the project's success. This will certainly raise high hopes among customers. Competition will stimulate the development of e-commerce in the market. I hope that it will not go in the direction of the German market, where the majority of retailers depend on online sales and their presence on the Amazon platform.

In my opinion, the key fight will be to gain Allegro's dominance. Smaller players, specialised stores or marketplaces, will suffer greatly and will probably be forced to seek a niche or significant specialisation and thus fight to maintain their market position.

This will not happen immediately, but it is expected that the base of shoppers and stores on Amazon's platform will grow much faster than the market and the 20% annual growth rate set by Allegro. Competition is of course very good for the Polish market. Allegro has a dominant position, but when it sets prices and commissions, it has to take into account strong competition. Amazon is the world's largest e-commerce platform. Allegro (group), which has nearly 200 million monthly visitors, is more than 20 times smaller than Amazon's more than 4.5 billion visitors. Amazon's financial resources are huge. Allegro also has a secure financial base, with the operator announcing an investment of \$1 billion in 2021. This is a clear signal that the race is on. Can Allegro maintain its competitive edge? Customers will certainly benefit and the competition promises to be very exciting.

CONCLUSION

Amazon's impact on the Swedish, Dutch and Polish e-commerce markets

To gain a deeper understanding of the global e-commerce landscape, my research focused on Amazon's expansion in Sweden, the Netherlands and Poland. During the analysis, I was confronted with significant challenges that affected Amazon's performance in local markets and resulted in varying degrees of success.

In the Netherlands, where Amazon has been present since 2014, the initially limited product range - the company only sold books - and geographical restrictions - all other products could only be ordered from amazon.de - have significantly hindered Amazon's take-up. Delivery from warehouses near the border and the cumbersome return process further detracted from the customer experience. In contrast, the domestic bol.com took advantage of its local knowledge and customer relationships to successfully offer promotions in line with local culture and communicate more effectively with Dutch customers.

In Poland, Amazon faced Allegro, the dominant player in the market, when it launched in 2021. Allegro managed to gain an advantage by offering innovative solutions relevant to local customers and more favourable terms for Polish sellers. Amazon, by taking advantage of Poland's position in Central Europe, sees an opportunity to sell in more countries where Allegro does not provide services, thereby expanding its market share.

In Sweden, where Amazon launched in October 2020, Amazon has technological and wholesale advantages that could lead to a dominant position in the Swedish market. However, early glitches such as translation issues and product quality issues, as well as the already established Swedish e-commerce infrastructure, are significant obstacles to Amazon's rapid take-up.

All this leads me to conclude that Amazon's pricing strategy of undercutting local competitors with low prices has not been as successful as expected. Customer loyalty to reliable local suppliers and the extra services they provide (e.g. same-day delivery) have a significant impact on Amazon's market performance. In light of this, further changes to Amazon's local market strategy are needed to increase its efficiency and compete successfully with established local players. I believe that it will take Amazon at least another 10 years to achieve, or at least approach, market leadership if it adopts the current strategy.

Lessons learned from Amazon's expansion and future strategies

An analysis of Amazon's expansion in Europe in Sweden, the Netherlands and Poland has shown the competitive and complex nature of e-commerce and that global strategies often cannot be successfully applied at local level without taking into account market specifications and consumer preferences. As in all areas, brand name recognition and prestige play an important role, but are not in themselves sufficient for success. This is particularly true in the case of Amazon. Despite being globally known and respected, the strength of the brand name has not been enough to compete successfully with local players when entering the market in individual countries. The rapid and effective response of local competitors has added to Amazon's challenges. The Dutch bol.com, for example, reduced its commissions to make itself more attractive to merchants and to counter Amazon's competition. In Poland, Allegro has responded in a similar way, with a strategy to increase its investment and innovation in countries where Amazon was not yet present, thereby gaining an advantage over potential competition. In Sweden, Amazon's entry has affected smaller players the most, who now need to rethink their strategies and specialise in certain areas to survive. Amazon's global strategy of trying to undercut local competitors with low prices has not been as successful as expected. This highlights the fact that competition in e-commerce goes beyond price to include customer relationships, local knowledge and consumer loyalty. Moreover, as in all markets, local regulations and government decisions affect Amazon's position in each country. These factors, including local tax rules, consumer protection laws and privacy regulations, can have a significant impact on Amazon's performance and strategy.

In the future, Amazon should take these conclusions into account and refine its strategy when entering local markets. A detailed market analysis and an understanding of local consumer preferences could be essential for success. Amazon should focus on building consumer loyalty, understanding local culture and market characteristics, and integrating effectively into the regulatory environment to successfully increase its presence and market share in these countries.

Suggestions for Amazon to be more effective in local markets

E-commerce giant Amazon is working to become a global market leader. Although the company is globally known and successful, my research shows that it is not achieving the expected market performance in all countries. In particular, it faces difficulties in countries with well-established e-commerce infrastructures. Therefore, it is important that the company considers some changes in its strategy in order to be more effective in local markets.

Firstly, Amazon needs to develop a more thoughtful pricing policy. At present, a central element of Amazon's strategy is to undercut competitors' prices, but this approach is not sustainable in the long term. If the company is forced to raise prices in order to be sustainable, it is likely to lose customers, which contribute to Amazon's relatively low market share in these countries. I would suggest that Amazon should instead adopt a long-term value-based pricing strategy, with a focus not only on low prices but also on quality service and customer experience. This would not only increase customer loyalty but also contribute to Amazon's long-term sustainability. Secondly, Amazon should pay more attention to local cultures and customs. As my research has shown, Amazon often does not take into account local holidays and the specific needs of customers in the countries studied. In contrast, Amazon should strive to build closer relationships with local communities and invest more in understanding local markets. For example, highlighting special promotions or products related to local holidays could help to increase Amazon's local relevance and visibility. Finally, Amazon should invest more in developing local content and services. Communicating in local languages, highlighting local content and offering local delivery and payment options are all factors that increase customer satisfaction and loyalty and contribute to Amazon's success in local markets. Furthermore, it is worthwhile for Amazon to assess pan-European shopping habits, because, as the example above shows, what may make someone a market leader in North America does not necessarily mean that it is the key to success in the rest of the world.

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