

COMPARATIVE ANALYSIS AND EVALUATION OF BUSINESS AND FINANCIAL PERFORMANCE OF AMAZON.COM: A THREE-YEAR PERIOD CRITICAL REVIEW OF EXCEPTIONAL SUCCESS

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ABSTRACT

This paper analyzed the business and financial performance of Amazon.com for a three-year period from 2019 to 2021, which were notably the period when the COVID-19 pandemic lockdowns were enforced. The aim was to identify the critical success factors of the firm. To establish Amazon's financial performance, another performing brand's (Walmart Inc.) financial reports during the period, were used for a comparative analysis. The researchers first identified the key business factors responsible for Amazon's excellent performance, using the SWOT and PEST models. Furthermore, a basic financial analysis of Amazon.com's three-year audited financial statements for the period ending 2019 to 2021 was done using ratio analysis. The results of the ratio analysis of Amazon were then compared to Walmart's financial performance within the same period to ensure a meaningful analysis. This comparison showed that in spite of the Covid-19 pandemic which took a toll on the performance of most businesses during that period, Amazon's profitability, liquidity, solvency, and efficiency ratios are excellent when compared to Walmart Inc. Particularly, the results of the PEST and SWOT analysis were used to explain the result of the financial analysis. The researchers argue that given the strengths that Amazon.com has displayed in the areas of its customer-centric and resilient business model, continuous innovation, strides in cloud computing, and strong brand name, it is positioned for continuous excellence in the future having sustained such excellent performance in the face of the Covid-19 pandemic. However, it needs to cater to the complaints of its employees, evaluate its international business segment and keep an eye on the competition to remain the industry leader of the future.

Keywords: *Amazon.com, Walmart Inc., Business Performance, Financial Performance, PEST Analysis, SWOT Analysis.*