

Chapter 1

Amazon.com 101

In This Chapter

- ▶ Getting the basics of Amazon.com
 - ▶ Finding out about the products they sell
 - ▶ Discovering all the cool things you can do there besides shop
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No one (except maybe Amazon.com founder Jeff Bezos) ever imagined that one day there would be a way that you could buy everything from books to barbecues to baby blankets without ever leaving your house or speaking to another soul. And what seemed like an unlikely gamble more than eight years ago is now the world's most popular online shopping destination. But Amazon.com is more than just a great place to shop.

So what is it? You could say it's a shopping mall combined with a home improvement store, plus an outdoor bazaar and a travel agency. And don't forget the department store, the newsstand, and the car lot. It's a place to sell things and to buy things — to spend money and to make it. A place where you can get expert opinions and put your own two cents in. It's a community of other shoppers and sellers like you. And to get there, all you have to do is get online.

In this chapter, I give you a comprehensive overview of what Amazon.com is, what they sell, what they don't sell, and the myriad other ways you can interact with the site and the community outside of simply shopping. Soon enough you'll understand why Amazon has so many passionate devotees — you may even join their ranks.

But first, you have to get online and to get online, you need to have a computer with Internet access. After you've got that squared away, you're ready to go. If you're a true technological neophyte, you might consider reading *The Internet For Dummies*, 9th Edition, by John R. Levine, Carol Baroudi, and Margaret Levine Young (Wiley Publishing, Inc.). It'll give you the background you need to get yourself to Amazon.com comfortably. Otherwise, sit down at your computer, open the book, and prepare to start paddling!

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What Is Amazon.com and Why Is It Unlike Any Other Store?

Good question. The best way to really understand Amazon is to stop thinking of it in brick-and-mortar terms and to start thinking of it in Internet terms. Amazon *is not* a place, and it doesn't have any of the restrictions that a physical place has. Amazon *is* a digital venue, and because it's a digital venue it can make use of all the benefits of the digital world.

Here are four concrete examples of how using Amazon is different than brick-and-mortar shopping:

- ✔ **Amazon has limitless shelf space.** Because they're more of an online catalog than a retail store, Amazon doesn't have to stock the entire inventory they offer. The downside to this (and to all online shopping) is that you don't get to leave the store with your purchase in hand. In fact, depending on the availability of the item you order, you may have to wait a few weeks! (Though that's rare.) The upshot is that they can offer anything and everything — so you get an infinitely larger selection of goods.
- ✔ **Customers are an integral part of Amazon's sales force.** Because Amazon is web based, they automatically have a place to post extensive product information, including customer reviews. So when you're looking to buy, you get the benefit of reading the unbiased opinions of other users like you — the most honest product information you can come by. You also get to write your own reviews.
- ✔ **You can sell things at Amazon.** I think that says it all. Let's face it, if you walked into a department store tomorrow and tried to sell their customers the same products — just slightly used and cheaper — you might find yourself spending the afternoon in the slammer. But not at Amazon. Instead of calling the cops, they help you peddle your wares and then they take a cut.
- ✔ **Amazon really knows you.** Sad though it may be, I can safely say that Amazon knows me better than several of my ex-boyfriends. That's because every time I shop, Amazon remembers what I bought and stores that information. It also gathers and stores information on you and on its 37 million other customers every time any of you shop. Then it combines all that information and uses it to determine what we like, what we *might* like, and what we *don't* like, so our shopping experience is better. Now don't be alarmed. They don't use this information to invade your privacy in any way. In fact, Amazon has one of the best privacy policies in the online world. If you're concerned, you can find out more about it in Chapter 4.

What's in a name?

In May of 1994, Amazon.com was just an idea in Amazon.com founder Jeff Bezos' head. He wanted to use the Internet as a platform to sell products. Simple, but smart. The first thing he did, after writing a business plan, was come up with the name. "We'll call it 'Cadabra,'" he said to a friend. "Cadaver?" the friend replied. Maybe not. Choice number two had two bits of criteria to live up to: It had to communicate depth and breadth and it had to start with an "A" so it would show up first in search results. Jeff got out the dictionary and started looking. On page 20, just after "amaze" but before "ambassador," Amazon.com

was born. The name met both bits of criteria. It starts with an "A" and it metaphorically communicates both depth and breadth (the Amazon is the world's largest river in terms of water volume). In keeping with the spirit, Amazon's URLs are sprinkled with Portuguese — the language of Brazil, home to the watery Amazon. You may notice "obidos" in several of the URLs. That word refers to the part of the Amazon where the river's tributaries come together. Keep looking and you'll find others. It helps, of course, to speak Portuguese.

What Do They Sell There?

Amazon offers an amazing selection of goods and services from books to airline tickets to hardware. You can buy almost anything *at* Amazon. But you're not always buying *from* Amazon. One of the ways that Amazon can offer such an extensive selection is by allowing other people — whether large companies like Target™ or individuals like you and me — to sell on its site.

Amazon's product offering is made up of several elements:

- ✔ **Stuff they sell.** Like books or CDs or DVDs. These are the items that Amazon brings to you straight from the companies that produce them. In other words, when you buy these items, you're not buying through a "middleman" partner, but from Amazon directly — the same way you buy from any retail store.
- ✔ **Stuff that large partners are selling.** You can buy clothes from The Gap™ or placemats from Target™ at Amazon, but you're actually buying from the partner with Amazon providing the buying venue (and in some cases, not even that!).
- ✔ **Services.** The bulk of the services that Amazon has to offer are free, so you're not so much buying them as you are using them. You'll find everything from e-mail notification services to free e-cards.
- ✔ **Stuff that small partners are selling.** A small partner (including you!) can sell something as small and simple as a single book or set up an entire mini store on Amazon's site.

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The stores

There are 19 different Amazon.com stores — not including certain partner stores, which I'll get to later. I'm defining a *store* here as a self-contained set of pages on Amazon's site, set up to sell a collection of like products — books, music, DVDs, and so on. I'm also excluding Auctions, zShops, and the Outlet (more on those later).

Those 19 stores are as follows: Apparel & Accessories, Sporting Goods, Books, Computers, DVD, Magazine Subscriptions, Music, Video, Toys & Games, Baby, Camera & Photo, Computer & Video Games, Electronics, Office Products, Software, Home & Garden, Kitchen & Housewares, Outdoor Living, and Tools & Hardware. That's today's list, but Amazon is always adding more stores.

Each one of these stores has its own home page, such as the one for music that you see in Figure 1-1. You could go to any one of these store home pages and find similar content options, features, and selection. They are “freestanding” in many ways (they have their own categories and subcategories, special features, and subnavigation options) though they often introduce merchandise from other stores when relevant.

Figure 1-1:
The music
home page
is “home
base” within
the music
store.

Amazon Exclusive!! Order a Segway now! It's only at Amazon.

amazon.com. VIEW CART | WISH LIST | YOUR ACCOUNT | HELP

WELCOME | MARA'S STORE | BOOKS | APPAREL & ACCESSORIES | ELECTRONICS | TOYS & GAMES | VIDEO | GAMES | MUSIC | SEE MORE STORES

SEARCH MUSIC | BROWSE STYLES | CLASSICAL | TOP SELLERS | NEW & FUTURE RELEASES | FREE DOWNLOADS | ESSENTIAL CDS | USED MUSIC

Hello, Mara Friedman. We have recommendations for you. (If you're not Mara Friedman, [click here.](#))

SEARCH MUSIC

Popular Music

Classical Power Search

Used Music Store

Music

Top sellers as low as \$12.99

Great Rock and Pop CDs for as low as \$11.99

Save on CDs from the White Stripes, Amie Lennox, Enya, Frank Sinatra, and more in our [Fall into Savings](#) event.

WEB SEARCH

Powered by Google

BROWSE

Your Favorites

- Alternative Rock
- Folk
- Imports
- Indie Music
- Pop
- Rock
- [More Favorites](#)

Special Savings on Artists of the Month

- Buddy Guy
- John Mayer
- Radiohead
- Sting
- Neil Young

Today's Top Sellers

As low as \$12.99

- The Wind, Warren Zevon
- Heavier Things

New in Music

Kings of Leon, *Youth & Young Manhood*

[Listen](#)

Already tagged with the unfortunate critical label of "southern-ified *Strokes*," the full-length debut by the brothers Followill (Nathan, Jared, Caleb) and cousin (Matthew... [Read more](#))

- Seal ~ Seal
- Totally Bubbe ~ Michael Buble
- The Who Dwells ~ Sinead O'Connor
- Blueprint ~ Natalie Macmaster

[More New in Music](#)

Partners

Amazon.com has three kinds of partners. Let's call the first kind "large partners." Large partners are companies like Target or Toys 'R' Us, who are selling their own merchandise in a buying and selling interface that Amazon provides. In other words, Amazon creates the actual pages on *their* site that allow you to make purchases from these other companies, but they don't determine the products that will be offered and they don't stock any of the inventory. You'll notice that when you go to these stores, they bear the partner's name along with (and even more prominently than) Amazon's name.

Let's refer to the second kind of partner as a "small partner." That's not necessarily a reflection of the size of the company, but rather their presence on Amazon's site. Small partners are companies that offer *some* of their products in existing Amazon stores. (In other words, they are not stores unto themselves.) Those products appear side by side with products from other similar partners and even products from Amazon itself. Small partners include companies like Circuit City in Electronics or The Gap in Apparel & Accessories.

Amazon calls the third partner type "trusted partners." Trusted partners are companies that offer products and/or services that Amazon doesn't — products like cars or medications and services like booking travel and photo development, and so on. Amazon checks these partners out, makes sure they're good to do business with, and then includes what are essentially links to these partners on their site. But when you interact with a trusted partner, you are typically using *the trusted partner* Web site, not Amazon.com. There will be a link to Amazon at the top of the page, but you're no longer actually there. And if you were to go to, say, Hotwire directly (by typing in the URL as opposed to clicking there from Amazon), there'd be no Amazon logo at the top of the page. Amazon's other trusted partners include: audible.com, CarsDirect.com, Ofoto.com, and The Vacation Store.



There is a significant difference between buying from partners and buying from Amazon itself. When you buy from a partner — whether it's large, small, or trusted — you are dealing with that company, even if you're doing it through Amazon's site. So make sure you're familiar with their rules and policies — especially returns policies.

Services

On their Web site, Amazon identifies the following long list of items as "services:" Amazon.com Visa Card, Associates Program, Cars, Chat, Corporate Accounts, Friends & Favorites, Movie Showtimes, Restaurants, Travel, Web

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Services, Your Recommendations, and Your Store. It's true that everything on that list might serve you in some way as you use the site, but for the purposes of this book (and for the purposes of using the site effectively) I'm going to define "services" as something helpful, free, and voluntary. With that as the definition, I'd edit Amazon's list and add a few items.

Of the 12 items Amazon lists, only chat, corporate accounts, movie show-times, and restaurants are truly services by my definition. The others are cool personalization features (and we'll talk about those in Chapter 11), Amazon partnership opportunities, or stuff to buy. To our new list of four, I'd add special occasion reminders, e-mail notifications, and free e-cards. Figure 1-2 is the e-cards home page. E-cards is set up like its own little store and it's especially dear to me as I wrote a lot of them (only the good ones, of course).

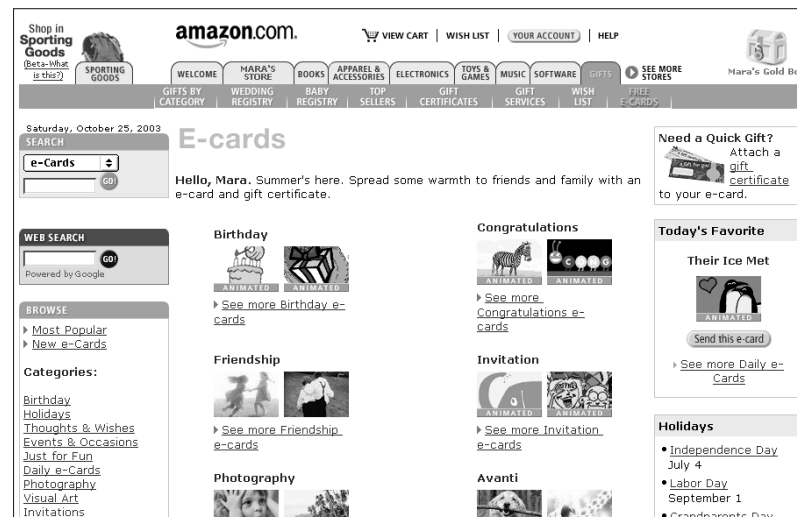


Figure 1-2:
E-cards are
free *and* fun.

Table 1-1 has a quick overview of Amazon's free services:

Table 1-1 Amazon.com's Free Services	
Service	Description
Chat	Your basic chat room. You can use this to get the scoop on products from other Amazon shoppers in real time.
Corporate accounts	This is for big, corporate buyers. You can set up a line of credit, authorize employees to use it, and track your spending.

<i>Service</i>	<i>Description</i>
Movie Showtimes	You can get showtimes for your area by entering your zip code.
Restaurants	You can view menus online, read and write restaurant reviews, and even upload a menu to the site. The bad news is that it only covers Chicago, Seattle, New York, Boston, Washington D.C., and San Francisco.
e-cards	You'll find free e-cards for any and every occasion. You can add music and/or attach gift certificates to any e-card.
Special occasion reminders	This free service ensures that you will never miss your mother's birthday again! Just enter in important dates and Amazon will send you a reminder e-mail. Technically, this is an e-mail notification, but I'm giving it its own props because I think it's the handiest of the bunch.
E-mail notifications	Amazon offers seven different e-mail notifications that you can subscribe to for free. Most of them inform you of products you might want — things like new releases, CDs from your favorite artists, and so on.

Marketplace, Auctions, and zShops

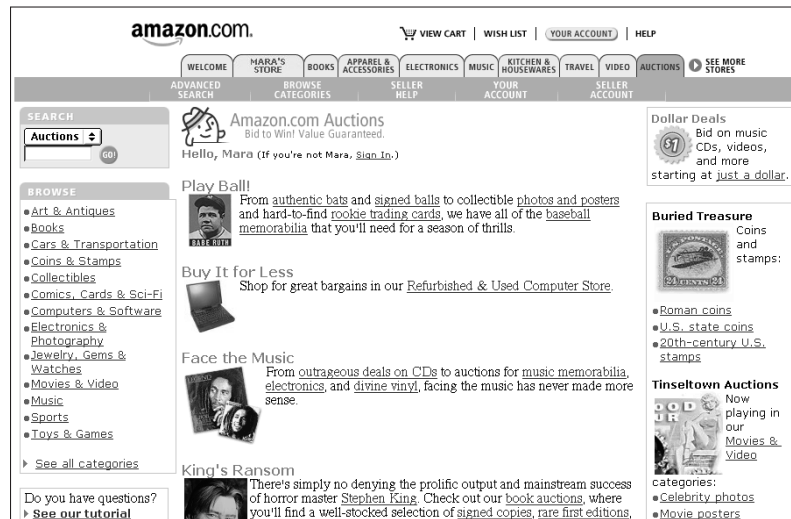
Marketplace, Auctions, and zShops feature items being sold by other Amazon users — anything from a used copy of the book you're looking for to an antique lunch box. Marketplace, Auctions, and zShops are not one and the same. Here's a quick overview of each:

- ✓ **Marketplace.** This is the program that Amazon has developed to allow users like you and me to sell used versions of the items they already have for sale on the site. You can buy or sell items in the following categories: books, music, DVDs, videos, video games, PC games, camera and photo, electronics, kitchen tools, and hardware and outdoor living. But only items that are already in Amazon's catalog are eligible for Marketplace.
- ✓ **Auctions.** Amazon.com Auctions are like a mini eBay. People list their items and they go to the highest bidder. It's a good place to get rare or unusual finds. Figure 1-3 shows the Auctions home page.
- ✓ **zShops.** Think of these as Web boutiques. Most zShops are small retailers who want to have a Web presence and want to make use of Amazon's huge customer base. Sometimes zShops will offer the same items that

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you can find in the Amazon catalog, but more often than not, they offer specialty merchandise.

Figure 1-3:
You can buy and sell strange and wonderful things at Amazon.com Auctions.



When you buy something from one of these three venues, you're not actually buying from Amazon, you're buying from a person like you through the Amazon Web site. That's not to say that it's a selling free-for-all. In fact, Amazon has very clear and defined rules about how sellers can sell and protection for buyers as well. It just means you may need to put in a little bit of due diligence before you buy.

What Don't They Sell There?

There are actually lots and lots of things that Amazon doesn't sell. (Though it doesn't often seem like it when you're trying to wade through search results.) The list is long and ever changing, and I won't bore you with it. Instead, I'll give you the basic what-they-won't-sell guidelines:

- ✓ No live animals.
- ✓ No firearms.
- ✓ Nothing immediately perishable. (You can buy a frozen T-bone or subscribe to a fruit-of-the-month club, but you can't exactly buy groceries.)
- ✓ No hard-core pornography.

That's about it. That's not to say that you can find anything else at Amazon. Just that it's a possibility.

What Can (and Can't) You Sell?

You can sell anything from a used dictionary to you grandmother's flowered tablecloth on Amazon.com. Among Marketplace, Auctions, and zShops, you'll find a venue for just about any item.

What's more important is what you *can't* sell at Amazon. Start with their list of no-nos — live animals, hard core porn, perishables and firearms — and add: offensive material, illegal items, stolen goods, items that infringe upon an individual's privacy, promotional media, copied video games, copied software, copies of movies or television programs, recopied or bootlegged music, devices that would allow unauthorized transmission of a satellite signal, replicas of trademarked items, items that use celebrity images or names to sell without the permission of said celebrities, domain names, advertisements, products that have been recalled by the Consumer Product Safety Commission (CPSC), real estate, and wine (or other alcoholic beverages).

Many of the things on the list inspire either a "huh?" or a "duh!" and we'll cover this list in more detail in Chapters 15 and 16. Suffice to say, though, that the main guideline you should rely on when selling is common sense. And remember, no decent person wants to buy a human heart or a hot car stereo online.

Partnership Opportunities

There are three other ways to use Amazon.com to make money outside of actually selling things. I like to call them "partnership opportunities" and Amazon calls them: Amazon Honor System, Associates Program, and Amazon.com Advantage.

Here's a brief overview of each:

- ✔ **Amazon Honor System.** The Honor System allows users who have their own Web sites to request voluntary donations from their visitors with payment running through Amazon.com. You can also use the Honor system to charge visitors to view or use the content on your site (a la online subscriptions). Amazon provides the graphics and software. You set it up.
- ✔ **Associates Program.** The Associates program is essentially an online referral arrangement. You put a link to Amazon on your site, and every time someone uses it and then buys something at Amazon, you get a referral fee. Again, they provide the materials; you provide the labor.

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- ✓ **Amazon.com Advantage.** The Advantage program is part partnership opportunity and part selling opportunity. In a nutshell, it allows independent publishers, music labels, and movie studios to sell their work on Amazon.com. With the Advantage program, Amazon does more than just provide graphics. They help with marketing, inventory, distribution, and so on.

Ooh La La: International Stores

You may not know this, but Amazon is very international. No, I'm not talking about the global community and how the Web brings us all together. I'm talking actual international stores. Five of them to be exact: Amazon Canada, Amazon France, Amazon UK, Amazon Japan, and Amazon Germany.

Now you might ask, "Why does Amazon need international stores when anyone, anywhere can get online and buy stuff from Amazon?" And I would say, "That's true. But . . ." And then I'd explain that Amazon opened international stores for the following good reasons:

- ✓ **The Mother-Tongue Issue.** Despite the fact that every time I go to another country people automatically speak English to me even before I open my mouth (and, no, I'm not wearing a fanny pack and a Bears sweatshirt), not everyone on earth speaks English. So Amazon decided to create native-language stores in other countries that have high Internet penetration.
- ✓ **The Shipping Issue.** It's true that anyone anywhere can get online and buy from Amazon, even though it's an American company. But if they do, they're also paying shipping prices from America, even if they live halfway around the world. That'll put a kink in the whole good pricing thing. But when international shoppers buy from an international Amazon, their items are shipped from that country. Shipping problem solved!
- ✓ **The Currency Issue.** Remember, Amazon is all about convenience. I'm not that good at math, so if I were British, for example, I'd much rather buy items priced in pounds than try to figure out the whole conversion thing.
- ✓ **The Local Product Issue.** Local products are more readily available to . . . locals. So if you're looking for the newest PD James novel, check out Amazon.co.uk first; if you're looking for "Harry Potter et l'Ordre du Phénix," check out Amazon.fr.
- ✓ **The National Pride Issue.** Some people, though they may speak English (for example, Canadians, British folks, and bilingual Frenchmen), just want to buy from a local company. And local companies usually understand their own people better. So when Amazon opens these international stores, they work with a local team to make the store authentic and hip to all the appropriate cultural subtleties. (Well, okay, as an American, I don't know what those are, but I know they're very appropriate and very subtle.)



Though you can buy tons of foreign language titles at Amazon.com, you are often buying them as imports. That means they take much longer to arrive. That said, Amazon has a large selection of Spanish-language books and they are not all imports. Good news for the Spanish speakers out there as there are not yet any international Spanish-speaking Amazons.

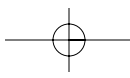
What Amazon Knows about You That No One Else Knows

Amazon knows what you like. Okay, maybe there are other people who know what you like — your spouse, your mom, your best friend — but do they also know what you *will* like before you know it yourself? And do they know how often you spend money on what you like? And do they know what other things you should get to go with the stuff you like? And do they have your credit-card number?

One of the key things that makes Amazon different from any other “store” is its ability to collect and use information. They call it *aggregate customer data* — and they use it very wisely. Every time you shop at Amazon, the site remembers not only what you bought, but also the other items you looked at. Then the folks at Amazon use that information to find other things you *might* like.

They also consider all their customer data cumulatively. So if you liked *Star Wars* (and who didn’t?) they’ll find other people who liked it too and then look at the other items those people liked and see if the same items appeal to you. Smart.

Now don’t get antsy. They’re not going to sell your information to evil telemarketers. (Remember, Amazon is profitable these days.) They just want you to have a better shopping experience. But if you need reassurance, read Chapter 4 where I cover their privacy policy as well as credit-card safety issues.



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