



Amazon

Amazon (Nasdaq: AMZN) sells products online and in stores at low prices with fast shipping, lets outside sellers use the same site and warehouses for fees, sells ads and Prime memberships on top, and rents out cloud computing through AWS. FY2025 (year ended Dec 31, 2025) net sales were \$716.9B (+12%), operating income \$80.0B and net income \$77.7B, which includes a \$15.2B investment gain mostly from Anthropic. AWS was 18% of FY25 sales (\$128.7B, +20%) but \$45.6B of the \$80.0B operating income. Operating cash flow was \$139.5B, but capital spending of \$128.3B left FY25 free cash flow at \$11.2B. H1 2026 net sales were \$382.1B (+18%, AWS +33%) with operating income of \$51.3B; H1 net income of \$92.9B was lifted by \$69.4B of non-operating income, mainly Anthropic stake markups.

BUSINESS MODEL CANVAS

Amazon

Research date: Oct 11, 2026

Evidence-backed · sources in companion brief

KEY PARTNERS

- **Third-party sellers** — list in Amazon's stores and use its services; Amazon earns fixed fees, a percentage of sales, per-unit fees or interest (FACT).
- **Vendors, publishers, studios** — supply goods and content Amazon buys or licenses; most suppliers have no long-term guarantee of supply (FACT).
- **Carriers and logistics partners** — supplement Amazon's own networks; shipping costs were \$102.7B in 2025 (FACT).
- **Chip suppliers** — a limited group provides semiconductors for AI infrastructure (FACT).
- **AI labs** — Anthropic and OpenAI have multi-year AWS commitments; Amazon also invested in Anthropic (FACT).
- **Co-branded card programs** — a named partner arrangement that would hurt results if renewed on worse terms (FACT).

KEY ACTIVITIES

- Operate online and physical stores with hundreds of millions of products (FACT).
- Fulfill and deliver orders for Amazon and for sellers (FBA) through its own and co-sourced networks (FACT).
- Sell ads inside shopping and video (sponsored ads, display, video) (FACT).
- **Build and run AWS** — compute, storage, database, analytics, AI and machine learning (FACT).
- **Invent devices and content** — Kindle, Fire tablet, Fire TV, Echo, Ring, Blink, eero and original video (FACT).
- **Fund new bets** — satellite broadband and autonomous vehicles for ride-hailing are named investments (FACT).

KEY RESOURCES

- Fulfillment, sortation and delivery networks, plus stores (FACT).
- AWS data centers and chips; capex \$128.3B in 2025 (FACT).
- About 1,576,000 employees at Dec 31, 2025 (FACT).
- Cash and securities of \$123.0B at Dec 31, 2025 (FACT).
- **AWS-led backlog** — ~\$244B Dec 2025, ~\$496B Jun 2026 (FACT).
- Prime program, brands, patents, customer and seller base (FACT).

VALUE PROPOSITIONS

- **Shoppers** — selection, price and convenience, with fast shipping offers (FACT).
- **Prime members** — fast free shipping, video, live sports and other benefits for one fee (FACT).
- **Sellers** — a place to sell and fulfillment services, with Amazon not the seller of record (FACT).
- **Advertisers** — sponsored, display and video ads in and around shopping (FACT).
- **Developers and enterprises** — on-demand compute, storage, database, analytics and AI through AWS (FACT).

CUSTOMER RELATIONSHIPS

- **Prime membership** — subscription fees recognized over the membership period; a single bundle of benefits (FACT).
- Self-service shopping on web, mobile, Alexa and devices (FACT).
- Customer service centers worldwide, supplemented by co-sourced arrangements (FACT).
- Seller programs with fixed, percentage and per-unit fees (FACT).
- **AWS multi-year commitments** — contracts with a weighted-average remaining life of 6.4 years at Jun 30, 2026 (FACT).

CHANNELS

- **Amazon websites and mobile apps** — the main store front door (FACT).
- Alexa and devices such as Echo, Fire TV, Kindle and Ring (FACT).
- Streaming and live sports through Prime (FACT).
- **Physical stores** — \$22.6B of FY25 sales (FACT).
- **AWS** — sales commissions are booked in sales and marketing expense (FACT).
- **Paid traffic** — sponsored search, referrals, social, online and TV ads (FACT).

CUSTOMER SEGMENTS

- Consumers and Prime members worldwide (FACT).
- Third-party sellers, including many China-based sellers (FACT, risk-factor language).
- **Advertisers** — sellers, vendors, publishers and authors (FACT).
- Developers and enterprises, including start-ups, government agencies and academic institutions (FACT).
- **Content creators** — authors, publishers, musicians, filmmakers, Twitch streamers and app developers (FACT).
- United States was \$489.7B of FY25 net sales (FACT).

COST STRUCTURE

- Cost of sales \$356.4B (+9%), 49.7% of sales; includes shipping costs of \$102.7B (FACT).
- Fulfillment \$109.1B (+11%); technology and infrastructure \$108.5B (+23%) (FACT).
- Sales and marketing \$47.1B (+7%); G&A \$11.2B (-2%) (FACT).
- Other operating expense \$4.6B, including a \$2.5B FTC settlement and severance (FACT).
- Net capital spending \$128.3B vs \$77.7B in 2024; Amazon expects it to rise in 2026 (FACT).
- Income taxes \$19.1B in FY25; cash taxes were cut by the 2025 tax act (FACT).

REVENUE STREAMS

- **Online and physical stores** — \$291.8B in FY25, about 41% of sales (FACT / INFERENCE for %).
- **Third-party seller services** — \$172.2B, +10% (FACT).
- **AWS** — \$128.7B, +20%; \$79.8B in H1 2026, +33% (FACT).
- **Advertising** — \$68.6B, +22% (FACT).
- **Subscriptions (Prime and digital)** — \$49.6B, +12% (FACT).
- **FY25 profit** — operating income \$80.0B; net income \$77.7B including a \$15.2B investment gain (FACT).