**Case Study 2:** Amazon.com and Souq.com

*Fall 2020*

100 points

On March 28, 2017, Amazon.com bought Souq.com in Dubai, for at least $ 650 million.

I don’t expect you to do any research on Souq.com. Just do a quick general search on its background. However, do look at its current websites (souq.com and amazon.ae), and ask yourself how likely it is that they use the same systems as the Amazon.com website. There is an English language option.

You should, however, read this article:

<https://hbr.org/2017/09/souq-coms-ceo-on-building-an-e-commerce-powerhouse-in-the-middle-east>

Also look at this:

https://en.wikipedia.org/wiki/Amazon.ae

As you answer the questions you may have to make some assumptions about Souq.com. If so, clearly state them.

Wherever possible/appropriate, use concepts and models from either or both books.

Create a document using MS Word. Copy over the questions and write your answers underneath them. Check your spelling and grammar. I expect you to write in full sentences. Writing more will not necessarily get you more points. Some of the best case analyses I have seen were very brief.

Please do *not* include your name in the filename or inside the document. I prefer to grade the cases without knowing who wrote them.

1 (10 points). Why would Amazon buy a complete business, and not directly compete with Souq.com by opening its own operations in Dubai or elsewhere in the gulf region?

2 (25 points). What kinds of local knowledge could Souq have that Amazon needed?

3. (30 points). How much should Amazon integrate its systems and business processes with those of Souq? Why? If not all business processes/systems, which ones should Amazon leave alone? Think not just of the clearly visible systems (e.g. the website), but all the back-end, internal systems as well. E.g., should their HR system be integrated?

4. (25 points) What are the systems integration problems that Amazon will have run into for the processes and systems that it integrated?

5. (10 points) Who would you have put in charge of the systems integration projects? Souq employees or Amazon employees? Why?