



Digital Disruption in The US Retail Sector: The Case of Amazon and Evidence From Business Innovation Theory

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ABSTRACT

Purpose of the study: Digital disruption has recently been a widely discussed business phenomenon, as the rise and adoption of ICT by organisations enables new entrants to challenge and often replace established market leaders. The purpose of this research project is to analyse the potential extent of digital disruption in the US retail sector, as well as to identify the market strategies that future disruptors could use. This is achieved through the application of relevant business model innovation theories, as well as an analysis of the case of Amazon - the US' leading e-tailer.

Research Design & Methodology: A single case study research design has been used, supported by mixed methods of data collection and analysis. Primary patent data related to the US retail sector have been gathered and analysed using descriptive and inferential statistics. Other sources of data included relevant academic studies, books, as well as trade magazines and publications on Amazon's business activities. These secondary data have been processed using thematic analysis methods.

Findings: The quantitative analysis of patent data suggests that there is currently a favourable market environment for introducing radical digital innovations in the US retail sector. Therefore, digital business models have the opportunity to disrupt the industry to a significant extent. The thematic analysis related to Amazon's business practices has revealed that the timely identification of new technological and business opportunities, appropriate reconfiguration of value chain activities and an open approach to collaboration with stakeholders have enabled the company to establish a leading market position.

Value & Originality: This research project is an exploratory study of digital disruption in the retail sector within an advanced economy. The narrow focus makes the study unique by filling a gap in the existing literature on the topic. Moreover, the research outcomes could help organisations assess available opportunities for disruption and guide their decision making.

Keywords: digital disruption; disruptive innovation; business model innovation; digital business models; Amazon; digital disruption in retail.