

the high cost of low prices

"There are two types of retailers," says Amazon.com® CEO Jeff Bezos, "those who work hard to raise prices and those who work hard to lower prices." Since early 2001, Amazon.com has pursued the latter business model—and it has strengthened the company's position as the world 's premier online retailer.

Getting there hasn't always been easy. Low prices are great for the customer, but they can severely test a company's bottom line. The key to Amazon.com's new business plan success was finding new ways to reduce operating costs—without affecting the positive customer experience associated with running the Internet's most user-friendly site.

Linux gets a look

Deploying a Linux®-based operating environment across Amazon.com's entire global enterprise offered obvious benefits, including cost-saving flexibility, scalability and ease-of-use. But switching over an organization the size of Amazon.com required a bold vision—and some major help. Amazon.com needed a partner with a proven track record delivering Linux®-based solutions, as well as a reputation for customer service that rivaled its own.

hp helps turn more Linux into less cost

HP got the call and worked closely with Amazon.com to design and deploy a strategy that would effectively migrate the company's servers to a Linux® platform. The switch has paid off. Amazon.com 's new Linux®-based platform provides the company with one of the world 's most flexible, stable and economical networks. How economical? In one year alone, Amazon.com reduced its technology and content costs by 20%.

a happy ending for Amazon.com—and its customers

The ripple effect of these newfound operational savings has been tremendous. By passing them on to the customer in the form of lower prices, Amazon.com has increased its customer base, which in turn has bolstered the company's already impressive sales. Last quarter, Amazon.com boosted sales by 21%—thanks in large part to the price-cutting measures made possible by its HP-powered Linux® platform.

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