

Amazon seeks to build on soaring growth as Bezos hands over

February 3 2021, by Rob Lever



Amazon is expected to keep growing its e-commerce and cloud computing operations amid a transition at the top with Jeff Bezos handing over the job of CEO to longtime executive Andy Jassy

Amazon is changing at the top but stressing continuity after founder Jeff

Bezos announced he was handing over the role of chief executive to trusted lieutenant Andy Jassy, capping a spectacular expansion for the 27-year-old technology colossus.

Here are some key questions and answers following Tuesday's surprise announcement of a change in top management at Amazon.

What is the significance of the Amazon CEO change?

While Bezos has been the visionary behind Amazon, the shift is likely to have minimal impact for the moment. Bezos will transition to a role of "executive chairman" which will enable him to be involved in [strategic decisions](#) for the [e-commerce](#) and tech giant, while new CEO Andy Jassy manages day-to-day-operations.

Shares in Amazon showed little reaction to the CEO news which came as part of a strong fourth quarter earnings report.

"Andy Jassy is going to continue Bezos' gameplan," tweeted analyst Gene Munster of Loup Ventures. "Undoubtedly, Bezos will have a heavy hand in the company's direction as chairman. Overall, a CEO change is a non event."

The change gives Bezos more room to focus on his other ventures including the Blue Origin space group and the Washington Post, along with his philanthropic activities.

Why Andy Jassy?

Jassy, 53, has been at Amazon since 1997 and led the creation of Amazon Web Services, the cloud computing arm which has become a key driver of revenue and profits for the company. He holds bachelor's

and master's degrees from Harvard University.



Jeff Bezos will remain involved in strategic decisions for Amazon as he gives up his role of chief executive to become executive chairman

According to his company profile, Jassy "has delivered more than 90 cloud infrastructure and application services that are used by millions of startup, enterprise, and government customers around the world."

Analysts say the choice of Jassy underscores Amazon's commitment to maintaining leadership in the internet cloud, where competition is heating up from the likes of Microsoft, Google and others.

Amazon held about 32 percent of the cloud infrastructure market in the past quarter as Microsoft's share rose to 20 percent, according to Synergy Research.

"We view this as a major step up in the [clouds](#) arms race with crosstown rival Microsoft," said Dan Ives at Wedbush Securities.

"Jassy is a undisputed cloud titan and has been a key force in getting AWS to the top of the cloud mountaintop over the past decade... Jassy taking over Amazon shows that the cloud stalwart is doubling down on AWS focus which is a smart strategic move given the transformational cloud opportunity on the horizon."

What are the challenges ahead for Amazon?

Amazon has been on a scorching growth streak which has accelerated during the pandemic but also faces a tougher competitive environment and heightened scrutiny from antitrust enforcers around the world.



Amazon has moved into new segments including artificial intelligence and robotics, and has acquired the autonomous driving technology firm Zoox

The e-commerce operations have been surging during the pandemic and "can thrive off the back of its superior logistics network," said analyst Neil Saunders of GlobalData.

But Amazon "will also need to work hard against rivals which can use their store fleets to satisfy the immediacy and convenience that customers often crave," the analyst added.

"As Amazon has demonstrated, markets are not static: with determination and effort, new entrants can grow and thrive and take on incumbent players. Others can do the same to Amazon, which is why Bezos' efforts are still much needed."

Daniel Newman at Futurum Research said Jassy has huge shoes to fill as Amazon expands into new geographies and sectors.

"Andy Jassy is a very hands-on leader who reviews [press releases](#) and keeps a watchful eye over products, events, messaging, and more," Newman said in a research note.

"Jassy will be monitored similarly to (Apple CEO) Tim Cook. An operator with a great track record, but is he the visionary that can take Amazon's trajectory to the next level? Based upon what he has done at AWS, there are certainly reasons to believe he has the wherewithal to make this happen."

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