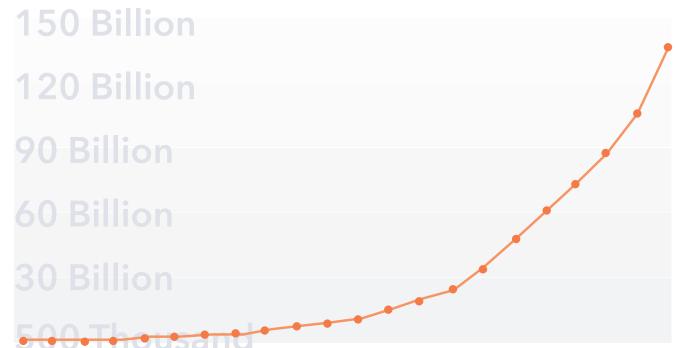
# **Timeline of Amazon's Expansion**



1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016\*

## 1995

Jeff Bezos headquarters Amazon in Seattle to avoid collecting sales tax in populous California.

## 1997

The temp agency Integrity Staffing Solutions lands the first of many contracts to staff Amazon's warehouses.

## 2000

Amazon opens its platform to third-party sellers, using the data their sales generate to master one industry after another and expand its own retail operations.

## 2002

Amazon launches AWS, which, by 2016, will control 1/3 of the world's cloud computing infrastructure, powering everyone from Netflix to Comcast.

## 2003

Amazon opens an office in the tiny tax haven of Luxembourg and, over the next dozen years, skirts paying at least \$1.5 billion in U.S. taxes, according to a claim by the IRS that covers just 2 of these years.

## 2005

Amazon launches Prime. By 2016, Prime members will represent about half of U.S. households.

# 2007

Amazon unveils Kindle and prices e-books at a loss, deterring competitors from entering the market. It amasses a 90% share of the e-book market.

# 2009

Amazon acquires Zappos in a shotgun-wedding after losing \$150 million selling shoes below cost in order to force the rival shoe retailer to the altar.

## 2010

Amazon embarks on a massive scaling up of its logistics infrastructure, nearly quintupling the total square footage of its fulfillment network by 2015.

## 2011

Amazon receives \$61 million in subsidies to open up a fulfillment center in South Carolina, one of dozens of such deals

## 2012

Amazon buys Kiva, a robotics company that supplies warehouses everywhere, and decides not to extend Kiva's other contracts, but to keep the technology for itself.

## 2013

Amazon wins a \$600 million contract to build a cloud system for the U.S.'s 17 intelligence agencies.

A temp worker is crushed to death at an Amazon warehouse and though OSHA issues fines and citations for unsafe practices, Amazon is shielded by layers of subcontractors and staffing agencies.

## 2014

Nearly 40 percent of people looking to buy something online are bypassing search engines and starting on Amazon.

Amazon's Tracy, Calif., facility—an example of its 8th generation fulfillment centers—is staffed by 3,000 robots, 2,500 temps, and 1,500 regular workers.

Retail vacancies triggered by Amazon result in a drop of \$420 million in property tax revenue for cities and counties, the research firm Civic Economics estimates.

## 2015

A survey finds fewer than 1 percent of Prime members visit competing retail sites when shopping on Amazon.

Amazon passes Walmart in market capitalization, despite earning only \$1 billion in profits over 5 years to Walmart's \$80 billion. Some speculate Wall Street sees an emerging monopoly.

Amazon launches Amazon Flex, a piece-rate, 'Uber' model in which anyone with a driver's license and a car can sign up to deliver packages to customers.

Amazon releases a video showing how its drones could deliver up to 86% of its items and predicts that seeing them will "be as normal as seeing mail trucks on the road."

Amazon opens its first brick-and-mortar bookstore. Reports later surface that it's planning 300-400 bookstores and as many as 2,000 grocery stores.

Amazon's growing market share has caused more than 135 million square feet of retail space to become vacant.

## 2016

Amazon is capturing nearly \$1 of every \$2 Americans spend shopping online.

In the last year, Amazon has doubled the number of facilities in its U.S. distribution network.

In 16 states, Amazon is still exempt from sales tax, a competitive advantage that an Ohio State study finds boosts its sales by nearly 10%.

Analysts from Credit Suisse project soaring layoffs in the retail sector as more brickand-mortar stores shutter.

Research finds that Amazon has begun selectively raising prices and that it often steers consumers to its own products or those of sellers who use its fulfillment services, even when another seller is offering a lower price.

Bezos passes Warren Buffett to become the planet's third-richest person, with an estimated net worth of \$65 billion.

<sup>\*</sup> Projected based on Amazon's 1st and 2nd quarter results.