EXECUTIVE MARKET INTELLIGENCE™ SERIES

VOLUME 01-A

Amazon

Country-Store Teardown

Read country by country, Amazon isn't one empire.
It's a set of very different fights.

$717B	21	310M+	$68.5B	1.65M
Global revenue (2025)	Country marketplaces	Customer accounts	Advertising engine	Active sellers

AT A GLANCE

Amazon runs like an infrastructure business that charges rent on every layer.

Amazon isn't really a retailer. It's an infrastructure business, and it collects rent at every layer of a transaction: marketplace commission, fulfilment, the advertising auction, and Prime dues. The storefront acquires the customer. The profit sits in ads and cloud.

$717B

Global revenue, 2025, up ~12% on 2024

60% / 23% / 17%

Revenue mix: North America, International, AWS

$68.5B

Advertising revenue, up ~22% year on year

185M

US Prime members, spending roughly 2x non-members

60%+

Share of units sold by third-party sellers

~1.65M

Active sellers, down from 2.4M in 2021

THE REVENUE ENGINE

Advertising and third-party services are now the real business.

$68.5B

Advertising

Up ~22% a year. The third-largest digital ad platform. Brands pay a visibility toll to be seen on the shelf they already sell on.

~$220B

3P Services

Commission, fulfilment, and storage on 60%+ of units. FBA sellers earn more, and Amazon earns three ways on each order.

~$57B

Prime

185M US members. The annual fee plus the shipping subsidy buys a lifetime of default behaviour.

~$125B

AWS

Cloud runs near 30% operating margin against low-single-digit retail. It's the profit engine that funds the growth machine.

Retail is the customer-acquisition layer. **The margin lives in advertising and AWS.**

North America is 60% of revenue and 100% of the obsession.

United States

35.7%
of US e-commerce

185M
Prime members

~$305B
third-party GMV

165K
new sellers in 2025, down 44%

Canada and Mexico

One unified North American account ties the US, Canada, and Mexico together.

Mexico is the gateway to Latin America, where Amazon runs directly at Mercado Libre. Canada holds the number-one position and Prime keeps deepening.

The read. The US seller base is shrinking and professionalising at once, from 2.4M sellers in 2021 to ~1.65M now, while third-party GMV kept climbing. Amazon and Shopify together hold 49.7% of US e-commerce.

In Europe, Amazon fights for every point it wins.

Ten marketplaces feed one $161.7B International segment (2025). Where Amazon has run longest, Germany and the UK, it sets the logistics bar. In newer markets a local champion is often still ahead, and EU regulation quietly shelters them.

Market	Amazon store	Local champion it fights
Germany · amazon.de	~$40.9B, the mature-store benchmark	Otto, Zalando
United Kingdom · .co.uk	~$37.7B, post-Brexit logistics	eBay, Tesco
France · amazon.fr	Fashion and electronics led	Cdiscount, Fnac
Italy · amazon.it	Fastest-growing EU store	ePRICE, Unieuro
CEE and Benelux	Pan-EU FBA expansion	Allegro, Bol

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The moat nobody planned. DMA gatekeeper rules, DSA proceedings, and new EU customs charges raise the compliance floor, and the regional champions absorb that overhead more nimbly.

In the Gulf, Amazon shares a duopoly with Noon.

2017
Acquired Souq.com for ~$580M

2019
Relaunched as Amazon.ae, UAE

2020
Relaunched as Amazon.sa, KSA

2021
Amazon.eg, Egypt, Prime plus same-day

2024-25
Payment services & home services

Amazon.ae

Market leader, roughly 46% of shoppers and ~24.9M monthly visits. English and Arabic, a gateway to Kuwait, Oman, Bahrain, Qatar, and Jordan.

Noon

Launched on $1B of capital from Mohamed Alabbar and Saudi Arabia's PIF. ~16.6M monthly visits across the UAE, Saudi Arabia, and Egypt, localising fast.

~$40B
GCC e-commerce, 2025

~$13.3B
Saudi Arabia alone

~20%
annual growth

2030
Vision 2030 tailwind

Why it matters. This is the one theatre where a sovereign-backed rival keeps it a genuine two-horse race. The duopoly is still forming, so the window to take share is now.

Asia Pacific is the region Amazon can't dominate and can't abandon.

$30.7B
Japan, the 3rd-largest market. Runs against Rakuten.

$26B+
India, committed. Runs against Flipkart, owned by Walmart.

2030
India projected as the 3rd-largest e-commerce market.

Why this is Amazon's hardest theatre

Super-apps own the surface
WeChat, Grab, Gojek, and Alipay fuse chat, payments, and shopping. People live inside apps, not on websites.

Local champions run deep
Rakuten, Flipkart, and Shopee carry a cultural fluency that a global playbook keeps missing.

Payments fragment by market
UPI in India, QR rails, and mobile wallets differ market by market. Amazon Pay stays thin outside the US and India.

Price sets the floor
Temu, Shopee, and Lazada compete on ultra-low pricing, where a premium position struggles.

REGION 05 · LATAM AND SWITZERLAND

The periphery still carries outsized strategic value.

Latin America

Brazil grows sellers ~31% a year (fastest), rival: Mercado Libre.

Mexico rides North American account as beachhead for region.

Switzerland

No amazon.ch. Swiss shoppers use .de, .fr, .it; customs duties erode price edge.

High Spend & Competition: Digitec Galaxus (~$2.94B) & Zalando hold home ground; high per-capita spend makes it a multilingual testbed/benchmark.

The read. Brazil and Mexico are beachhead investments in logistics and sellers. Switzerland gets no store without a positive return. Amazon expands on infrastructure economics, and consumer affluence alone won't pull it in.

Measured on the model, Amazon is near-perfect, and the gaps are local.

5 /5

Marketplace & assortment

600M+ SKUs across the marketplaces. A 1P and 3P hybrid that covers every category and price point.

5 /5

Logistics & fulfilment

Global FC network, same-day in major metros, drone pilots. The benchmark every rival chases.

3 /5

Payments & financial

Broad card, wallet, and BNPL acceptance plus Amazon Pay in 18 countries. No owned wallet or lending at scale.

5 /5

AI & personalisation

Rufus, the recommendation engine driving ~35% of sales, and retail-media targeting on first-party data.

5 /5

Ecosystem lock-in

Prime, Alexa, AWS, Kindle, and Fire TV. Each service lifts switching costs. The most defensible moat.

Composite 23 / 25 (4.6). Industry-leading maturity, and the score drops market by market on payments and Gulf logistics.

THE COMPETITIVE THREAT

What competitors should fear most about Amazon.

1

The advertising moat deepens

$68.5B and rising ~22% a year. Being seen costs more every cycle.

2

3P hardens into an oligopoly

Fewer sellers, higher GMV. A marketplace of professional operators.

3

Prime is a lifestyle lock-in

185M US households, spending ~2x. The subscription is the moat.

4

Cross-border fulfilment

A global delivery network that can undercut local cost in a few years.

5

Rufus owns discovery

If shoppers ask an agent what to buy, Amazon controls the answer.

THE CREDIBLE DISRUPTORS

Temu factory-direct pricing, ~$140B projected GMV by 2027, already at Amazon-parity in cross-border. **TikTok Shop** creator-led discovery. **Regulation** DMA and DSA structural separation is the existential risk. **Shopify plus social** the route that bypasses Amazon entirely.

Three scenarios decide how much rent Amazon gets to extract.

60% PROBABILITY

SCENARIO BASE

- Growth of 8-10% a year
- Holds 35%+ of US e-commerce
- Advertising reaches ~$100B by 2028
- Regulatory fines absorbed as a cost

Steady-state dominance. Rivals differentiate on speed, service, or niche.

25% PROBABILITY

SCENARIO BULL

- Agentic commerce lands via Rufus
- Growth of 15%+
- Advertising past $120B by 2028
- Amazon owns the full funnel

Amazon becomes the default commerce layer. Antitrust risk spikes.

15% PROBABILITY

SCENARIO BEAR

- Regulation forces structural separation
- Temu and TikTok take 10%+ cross-border
- Growth slows to 3-5%
- Marketplace splits from logistics and ads

Amazon fragments. Valuation compresses. Openings for competitors.

Decision signal. Watch Q3 2026 advertising growth and EU DMA enforcement. They're the earliest tells of which scenario runs.

STRATEGIC IMPERATIVE

What digital leaders must do now.

IF YOU SELL ON AMAZON

Diversify channels
Build Shopify D2C and TikTok Shop. Cap Amazon at ~60% of revenue.

Own your data
Stand up a first-party customer database. Amazon owns the relationship otherwise.

Control ad spend
Set ROAS thresholds. Ad costs climb 15-20% a year.

Act. Launch an owned channel within 6 months. Budget ~15% of Amazon GMV for the D2C build.

IF YOU COMPETE WITH AMAZON

Make speed the weapon
Same-day is the new baseline. Invest in the delivery network.

Build subscription loyalty
A Prime-equivalent membership locks in repeat behaviour.

Target the weak categories
Luxury, bespoke, local fresh, ultra-fast fashion.

Act. Partner with local micro-fulfilment. Launch a membership programme in Q4 2026.

IF YOU INVEST IN AMAZON

Model advertising apart
$68.5B, ~30% margins, ~22% growth. The highest-quality segment.

Treat AWS as the anchor
~30% operating margin and enterprise stickiness.

Watch regulatory risk
EU DMA enforcement is the near-term threat to the valuation.

Act. Value the parts: AWS, advertising, and retail carry very different multiples.

Urgency. A 12 to 18 month window before AI shopping agents lock in consumer behaviour. Move in H2 2026.

Where the numbers disagreed, I resolved to the primary source.

Figure	The divergence	How I resolved it
US e-commerce share	35.7% (marketplace share) vs 42% (a 2023 carrier report, broader scope)	Use 35.7% for consistency with Volume 01
Gulf market size	~$40B (B2C retail) vs $585B or $2.3T in some trackers	Use ~$40B. The large figures blend B2B and total transaction value
FY2025 financials	$717B total, from Q1 to Q3 actuals plus the Q4 run-rate	Advertising $68.5B and Prime 185M are the confirmed anchors
Country net sales	Amazon reports one $161.7B International segment	Figures beyond Germany and the UK are directional

Method. Sources were reconciled against verified primary filings rather than averaged. Player financials refresh against the latest annual report at the point of each teardown.

Pairs with Zero to Scale, Episode 22: Amazon is a business model decision, not just another channel.

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THE BOTTOM LINE

Amazon doesn't sell products.

It sells access to customers.

Every marketplace, every warehouse, every ad impression is a toll booth. The question is no longer whether Amazon wins. It's how much rent the market will let it extract.