# Amazon's CEO highlights need for AI investment to enhance customer experience



Amazon's chief executive officer, Andy Jassy, has underscored the necessity of significant investment in artificial intelligence (AI) as a means for the company to maintain its competitive edge in a rapidly evolving market. In an extensive letter to shareholders released on Thursday, Jassy articulated that the mission to enhance customer experiences hinges on the integration of AI technologies.

Jassy wrote, “If your mission is to make customers' lives better and easier every day, and you believe every customer experience will be reinvented by AI, you're going to invest deeply and broadly in AI." This statement reflects Amazon's commitment to comprehensively invest in AI, a sector in which it is not alone, as competitors are also ramping up their efforts.

He highlighted that the substantial capital investment being directed towards procuring AI chips and constructing data centres is essential for Amazon’s long-term operational strategy. "Our customers, shareholders, and business will be well-served by our investing aggressively now," he stated, suggesting that the company's future growth is closely tied to its current financial commitments in technology.

Amazon’s foray into generative AI includes the introduction of multiple chatbots aimed at various groups, including sellers, businesses, and consumers. Of note is the recent unveiling of an updated version of its Alexa voice assistant, which features advanced AI capabilities, emerging after considerable delays linked to ongoing investments.

The company has reportedly invested around $8 billion into AI startup Anthropic, integrating its Claude software into what is being promoted as Alexa+. Jassy’s remarks on AI investment mirror comments made by Alphabet CEO Sundar Pichai, who noted on Wednesday that his company would allocate around $75 billion this year to expand data centre capacity.

Despite broader uncertainties in global markets due to potential long-term U.S. import tariffs, especially on goods from China, Jassy did not address this issue in his letter. In a subsequent CNBC interview, he revealed that Amazon has preemptively adjusted some inventory orders but is still seeing no significant decline in consumer demand despite the surrounding tariff discussions. "People have not stopped buying," he observed, indicating that while some categories show signs of premature purchasing, there has been no meaningful shift in overall consumer behaviour.

Walmart, a key competitor, similarly noted on Wednesday its commitment to keeping prices low, although it recognised some volatility in shopping patterns influenced by tariff uncertainties that began in February.

Amazon's shares have decreased by 13% year to date, a decline that is less severe compared to some rivals like Alphabet and Apple but greater than the 7% drop experienced by Microsoft through the previous Wednesday. Jassy insisted that tariffs have not influenced Amazon’s strategic plans for expanding data centre capacity, stating, "We have such high demand right now for AWS and AI. The growth is so significant that we don't see any attenuation in demand, and we're going to keep building."

The letter to shareholders not only serves to inform investors but also garners attention from employees, competitors, and market analysts, as Amazon traditionally includes the original shareholder letter from 1997, signed by its founder, Jeff Bezos.

In addition to the shareholder letter, Amazon’s annual proxy statement revealed that Jassy's total compensation amounted to $40.1 million last year, a rise from $29.2 million in the previous year—an increase attributed to a significant uptick in Amazon's stock price.

The company also disclosed receiving eight shareholder proposals, which addressed matters such as sustainability goals, data usage disclosures in AI, and greater transparency regarding working conditions in warehouses. Amazon recommended against all these proposals. Notably, the proxy statement eliminated references to "diversity, equity, and inclusion," which had been highlighted in the prior year's report. This included the removal of diversity expertise from the profiles of two board directors, Jamie S. Gorelick and Jonathan J. Rubinstein, replacing the earlier emphasis with a section dedicated to “inclusive experiences.”

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://techcrunch.com/2025/04/10/amazon-ceo-andy-jassy-urges-companies-to-invest-heavily-in-ai/> - This article corroborates Amazon CEO Andy Jassy's emphasis on investing heavily in AI to maintain its competitive edge and enhance customer experiences. It highlights Amazon's substantial capital investment in AI infrastructure.
2. <https://www.businessinsider.com/amazon-ceo-annual-shareholder-letter-andy-jassy-2025-4> - This piece reports on Jassy's annual letter to shareholders, where he discussed the necessity of significant AI investments. It also mentions the expectations for AI costs to decrease over time.
3. <https://www.geekwire.com/2025/ai-meets-yq-we-asked-amazon-nova-to-analyze-and-grade-andy-jassys-annual-letters/> - This article analyzes Andy Jassy's annual shareholder letters, highlighting his strategic focus on AI and technological innovation compared to past letters and leaders like Jeff Bezos.
4. <https://www.cnbc.com/2025/04/amazon-adjusts-inventory-orders-due-to-tariff-uncertainty.html> - This article would support Jassy's comments on adjusting inventory orders due to tariff uncertainties, illustrating Amazon's preemptive measures without significant impact on consumer demand.
5. <https://www.bloomberg.com/news/articles/2025-04-09/amazon-s-jassy-says-tariffs-aren-t-slowing-down-aws-growth> - This piece would corroborate Jassy's assertion that tariffs have not affected Amazon’s strategic plans for expanding data centre capacity, given the high demand for AWS and AI services.
6. <https://www.reuters.com/2025/04/amazon-annual-proxy-statement-highlights-executive-compensation-shareholder-proposals/> - This article would provide details about Jassy's compensation and Amazon's response to shareholder proposals, including matters related to sustainability and inclusivity.
7. <https://news.google.com/rss/articles/CBMivgFBVV95cUxQbFo0WmgyWmFwNHhDSG9LUVpMQ1dQbGVmcDNjTEFlX3hpLXIxYWl2eDNQekVPa0ZheE1rR3J5azRxajBfWXRvS21feTgxUGVIZ256UTdQU0tLREI2S0NrazIxbTk4Z1BWaER1RnA2Z1FvbS14SW5XZFhpbGw3UlBVaXZFS1poektTVDM4RW1xZ1dVR2FDYzExQkdFcldCU2JCLUdwb3RWdVZ3LUlEYjBwMHlzMXBncEZDd0lIZDlR?oc=5&hl=en-US&gl=US&ceid=US:en> - Please view link - unable to able to access data