A close - up of a pen

Description automatically generated with medium confidenceIn July 1995, Amazon began service as an online bookstore. The first book sold on Amazon.com was Douglas Hofstadter's Fluid Concepts and Creative Analogies: Computer Models of the Fundamental Mechanisms of Thought. In the first two months of business, Amazon sold to all 50 states and over 45 countries. Within two months, Amazon's sales were up to $20,000/week. In October 1995, the company announced itself to the public. In 1996, it was reincorporated in Delaware. Amazon issued its initial public offering of stock on May 15, 1997, at $18 per share, trading under the NASDAQ stock exchange symbol AMZN.

A person using a computer

Description automatically generated with low confidencePublic key cryptography which made the payment on amazon very secure. Public-key cryptography, or asymmetric cryptography, is a cryptographic system which uses pairs of keys: public keys (which may be known to others), and private keys (which may never be known by any except the owner). The generation of such key pairs depends on cryptographic algorithms which are based on mathematical problems termed one-way functions. With public-key cryptography, robust authentication is also possible. A sender can combine a message with a private key to create a short digital signature on the message. Anyone with the sender's corresponding public key can combine that message with a claimed digital signature; if the signature matches the message, the origin of the message is verified.

Despite all these efforts, people were still not inclined towards ecommerce until amazon and eBay launched their IPO. It was massive success. That made people to trust anything with .com name as the best investment. During that time, a new segment of Wall Street was coming to picture in form of day-traders, converting professional money management to mere casino. It was all show business from there onwards. Small startups were spending lots of money in launch parties. Super Bowl ads were purchased for millions of dollars for just 30 seconds. Even venture capitalists are investing in those startups to get some profits out for a short period of time. By 1999, there were nearly 250 .com IPOs with billions of dollars’ worth. This was scary for some of the market experts as the inflation in prices was not based on the strong fundamentals. In fact, no one knew the substantial reason for this price hike.

In February 2000, with the Year 2000 problem no longer a worry, Alan Greenspan announced plans to aggressively raise interest rates, which led to significant stock market volatility as analysts disagreed as to whether technology companies would be affected by higher borrowing costs. On Friday, April 14, 2000, the Nasdaq Composite index fell 9%, ending a week in which, it fell 25%. Investors were forced to sell stocks ahead of Tax Day, the due date to pay taxes on gains realized in the previous year. On November 9, 2000, Pets.com, a much-hyped company that had backing from Amazon.com, went out of business only nine months after completing its IPO. By that time, most Internet stocks had declined in value by 75% from their highs, wiping out $1.755 trillion in value. The September 11 attacks accelerated the stock-market drop later that year. By the end of the stock market downturn of 2002, stocks had lost $5 trillion in market capitalization since the peak. At its trough on October 9, 2002, the NASDAQ-100 had dropped to 1,114, down 78% from its peak.

This was the tough time for internet world. Those who survived this bubble burst had one thing in common; they were all working to make human life easier & better rather than just pumping money from them.