

  
Reliance

amazon



# **Business Case Study of Reliance vs Amazon in India (2021)**

By  
Oishik Biswas

# Amazon vs Reliance

- Amazon → 60+ warehouses in 15 states, 8 years of customer data.

Best customers support + Experience in the world

- Reliance → 12000 micro warehouses in 7000 cities.
- Amazon provide 1 day delivery, Reliance provide 2 hour delivery.
- Amazon E-commerce marketplace → loss of 5849 crores.
- Reliance Retail Store → profit of 9842 crores, 640 million footfall.

# Reason of Amazon E-commerce Loss in India

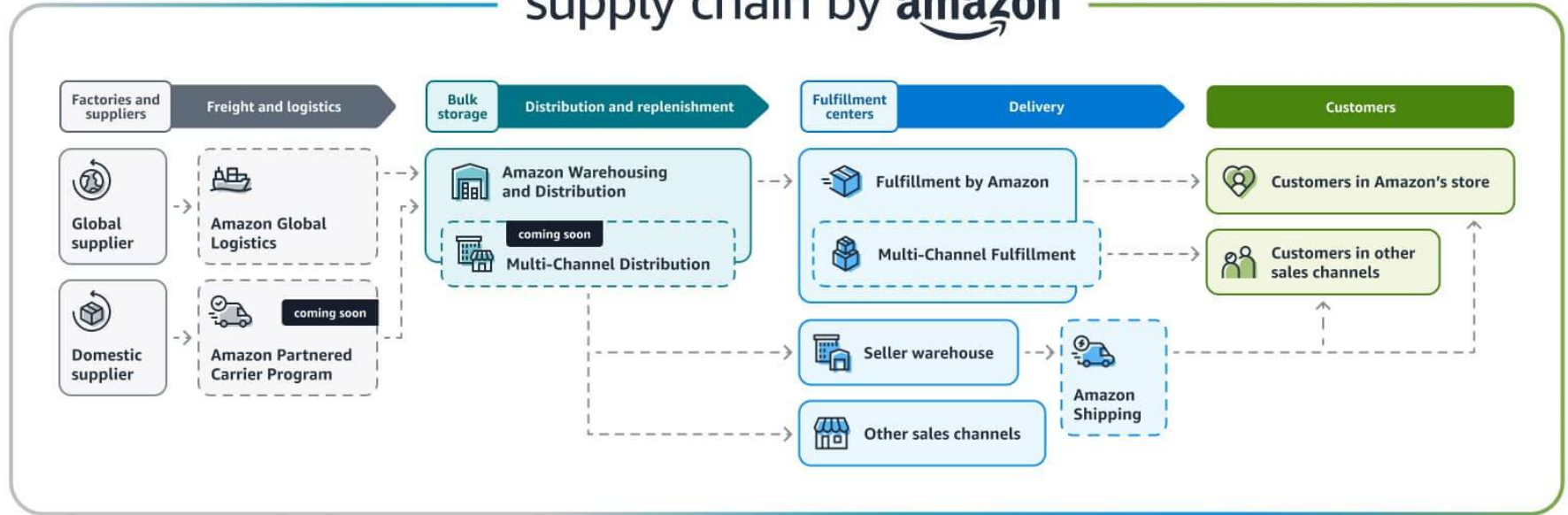
- >70% customers look for the return policy.
- Sellers have to pay for return shipment
- 100 billion worth of returns Amazon America alone.

# Amazon vs Reliance

- Amazon have more cost of transportation, labour and packaging due to supply chain system.
- Reliance have less cost of packaging material, packaging cost and labour.
- Reliance policy → Returned products at refurbished sections to make available at cheap price.
- Profit = Throw Away Price – Pricing for Clearance – Loss Leader

# Amazon Supply Chain

## supply chain by amazon



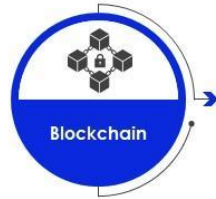
# Reliance Supply Chain



# Reliance Global Market Opportunities

## Global market opportunities for reliance retail industry

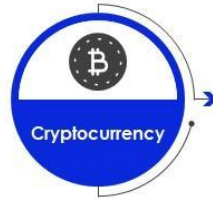
Following slide showcases growing market opportunities that promote growth and a sustainable future for the retail industry. It includes pointers such as blockchain cryptocurrency, supply chain management, predictive maintenance etc.



- o Adoption of blockchain by retail companies provides an opportunity to improve security concerns among customers
- o Add text here



- o Technology keeps automated watch on supply chain processes to manage worker shortages, inventory management and lack of order visibility
- o Add text here



- o Using a cryptocurrency wallet offer safer options for security, data privacy, identification, and authentication.
- o Many retailing solutions offer to accept cryptocurrencies such as bitcoin, or Ethereum

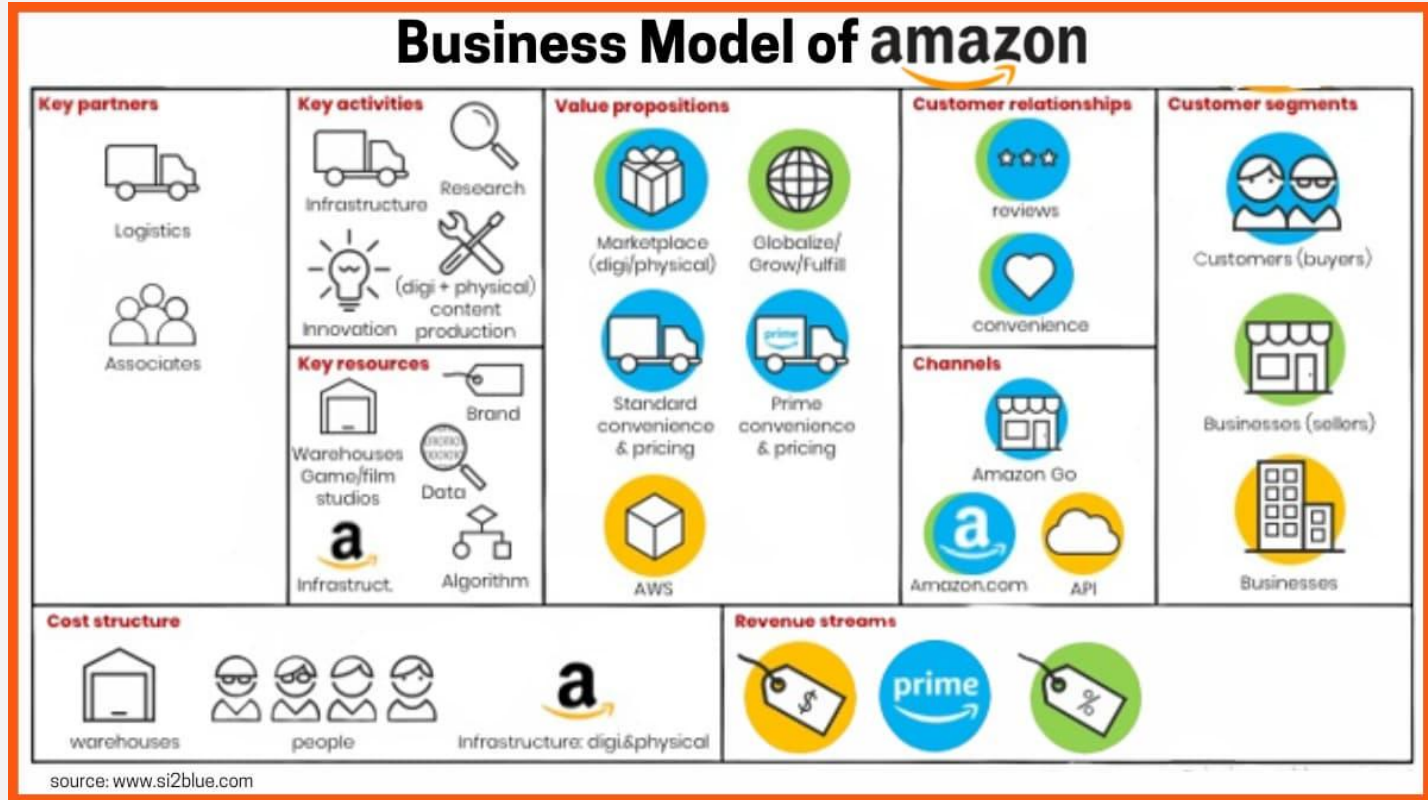


- o Technology can be used to log machinery outages, software outages and monitor the due dates of perishable products
- o Add text here





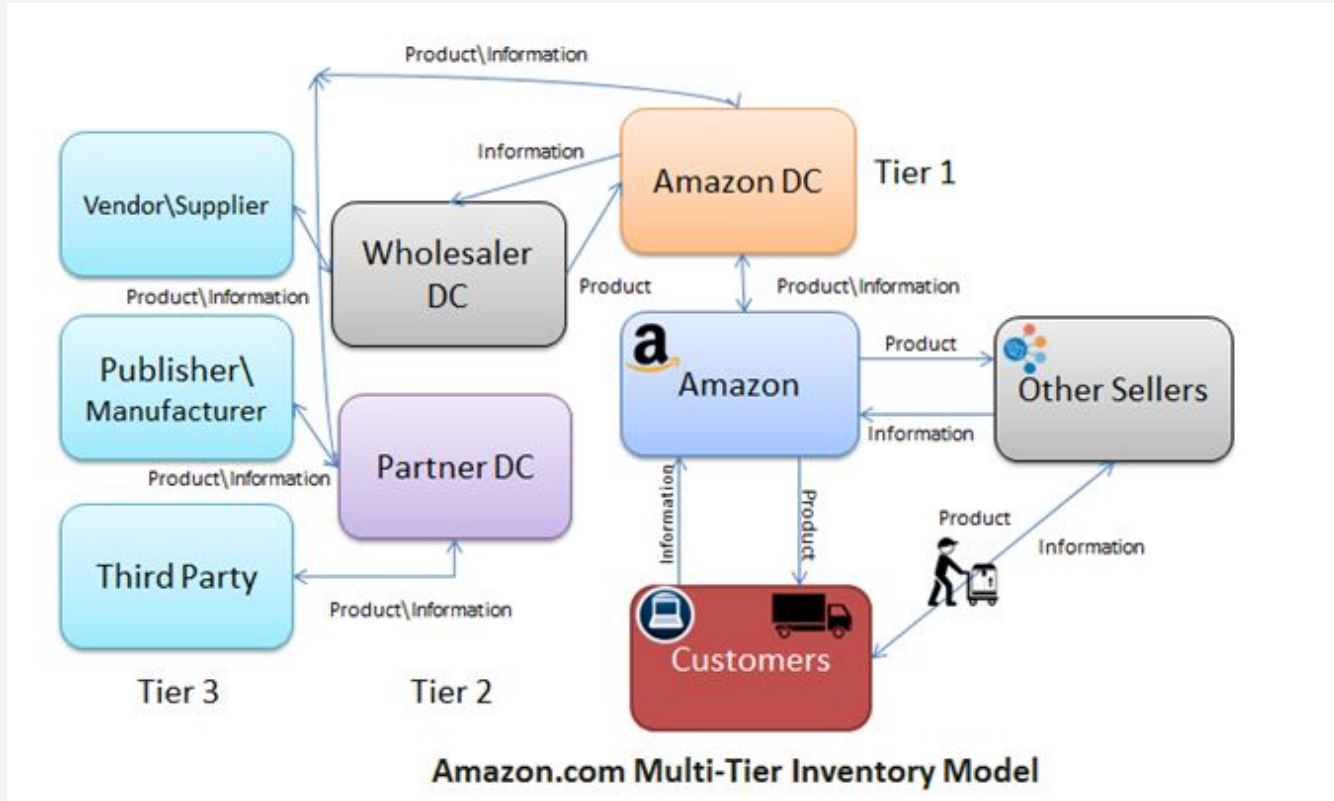
# Business Model of Amazon



# Marketplace Model of Amazon

- Amazon works as a platform between independent buyers and independent sellers.
- Less profitable as less commissions.
- Packaging costs and transportation costs reduce the profit margin.
- Inventory model offers more profitability as transportation costs get reduced.

# Inventory Model of Amazon



# Indian Govt. Policy

- International companies are not allowed to own more than 51% of the local brick and mortar supermarket chains.
- Capped online marketplace sales from a single seller at 25% of total sales.
- India has not allowed FDI in inventory driven models of E-commerce.

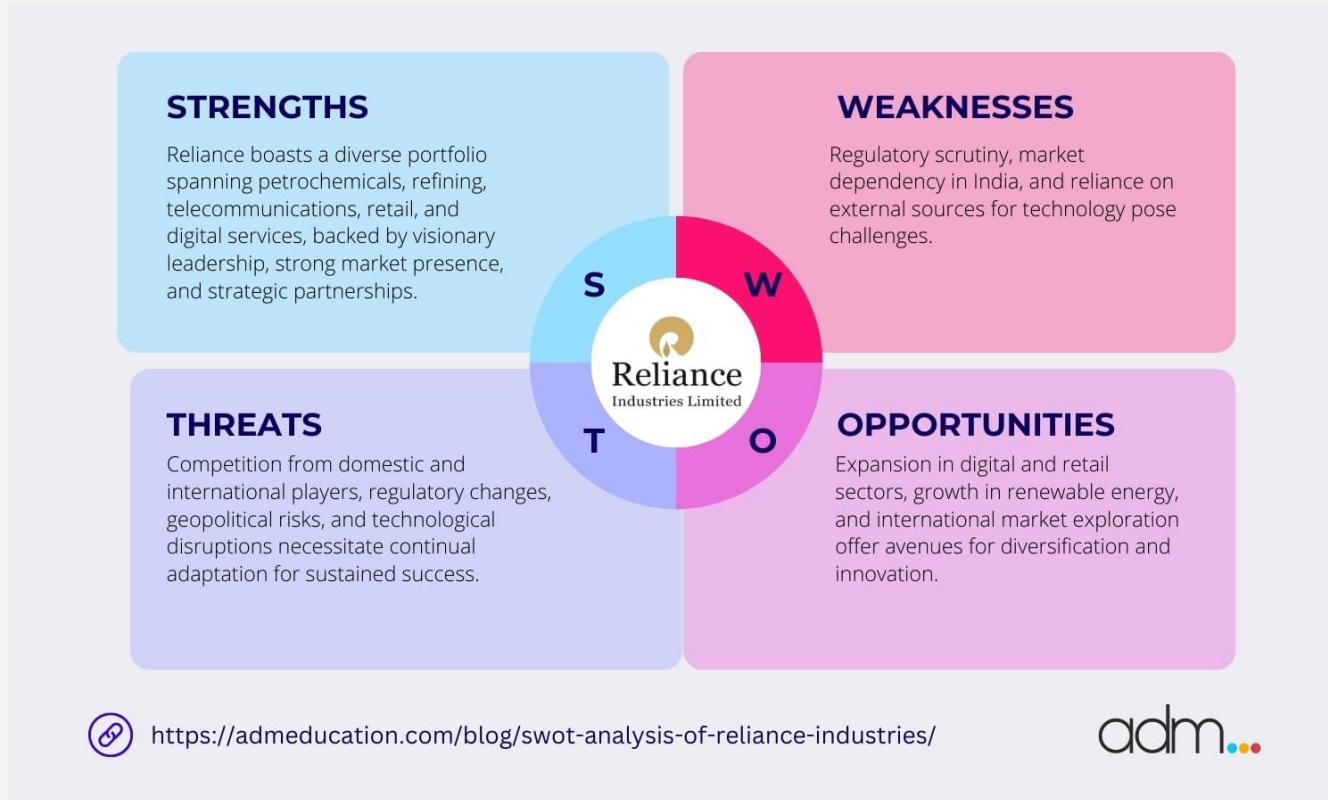
# Indian Govt. Policy vs Amazon

- Not easy for Amazon to expand supply chain as easy as Reliance.
- Amazon made a partnership with CloudTail and Appario, but had to reduce percentage of share of these two.

# Restrictions for Amazon in India

- Can't have as many brick and mortar store as Reliance.
- Can't use the inventory model fully.
- Can't keep selling its products as much as they planned.

# Reliance SWOT Analysis



# Amazon SWOT Analysis

## SWOT ANALYSIS OF amazon

S



### Strength

- Strong brand recognition and reputation
- Diverse product offerings
- Well-established distribution network
- Cutting-edge technology
- Strong financial performance
- Large customer base

W



### Weakness

- Dependence on third-party sellers
- Data security concerns
- A business model that is easy to copy
- Regulatory issues
- Limited customer loyalty
- Limited product control

O



### Opportunities

- Expansion into emerging markets
- Expanding physical stores
- Investment in new ventures
- Planned Entry into Crypto
- More acquisitions

T



### Threats

- Intense competition
- Regulatory issues
- Cybersecurity threats
- Economic recessions
- Natural disasters

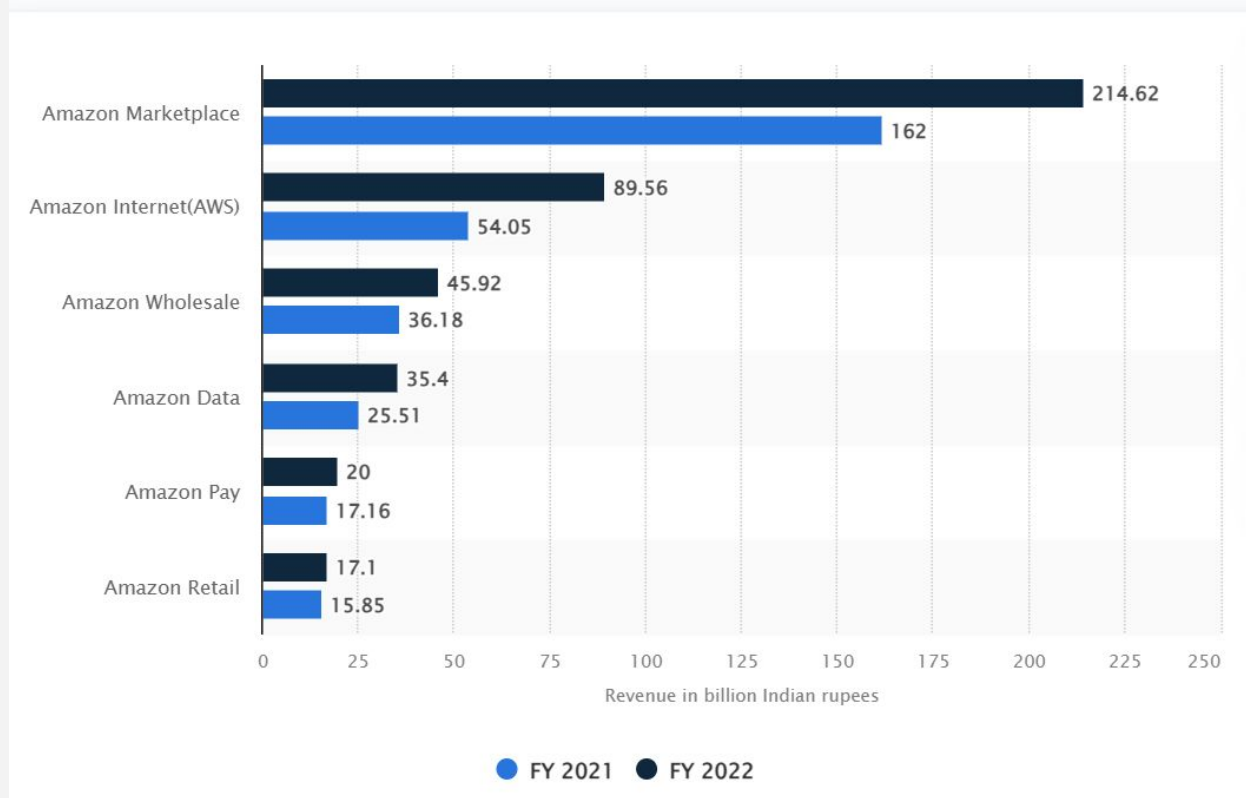


THE BUSINESS  
MODEL ANALYST

[businessmodelanalyst.com](https://businessmodelanalyst.com)



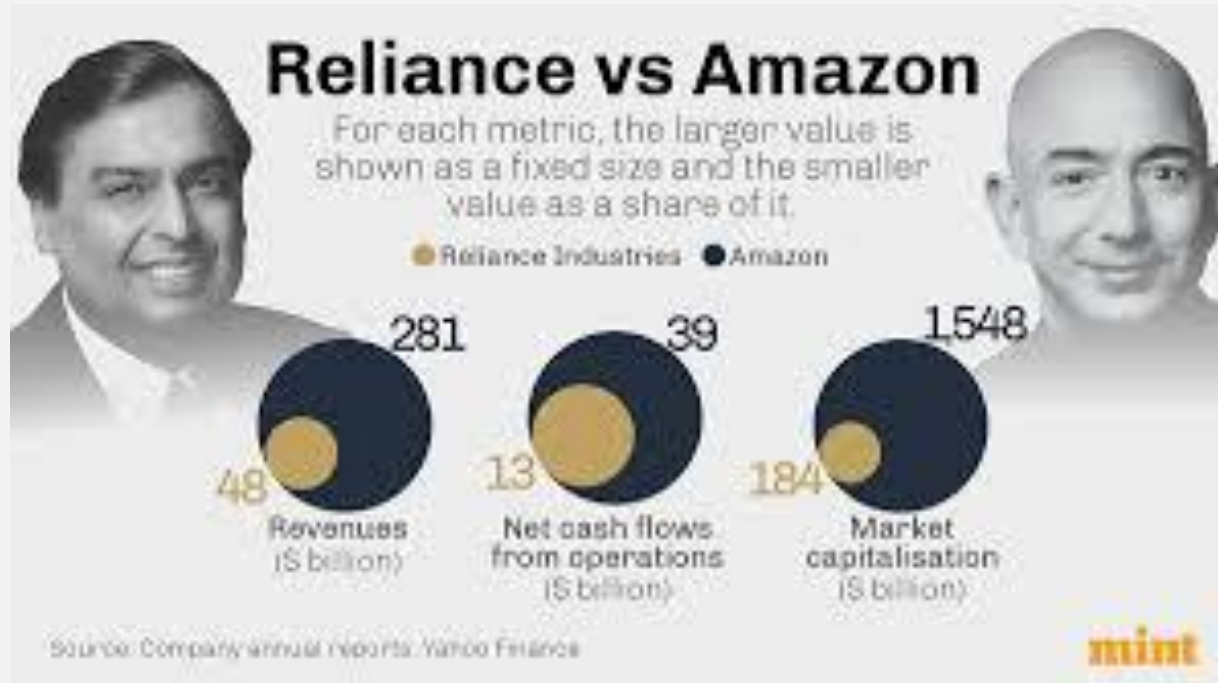
# Amazon India Revenue



# Reliance Revenue



# Reliance vs Amazon Revenue



# Business Lessons

- Seven major variables to determine the success or the failure of E-commerce company.
- Consumer → cost, delivery time, variety.
- Business → customer retention, supply chain, profits.
- Defining factors → Govt. policies.
- Indian companies like Reliance have great advantages.