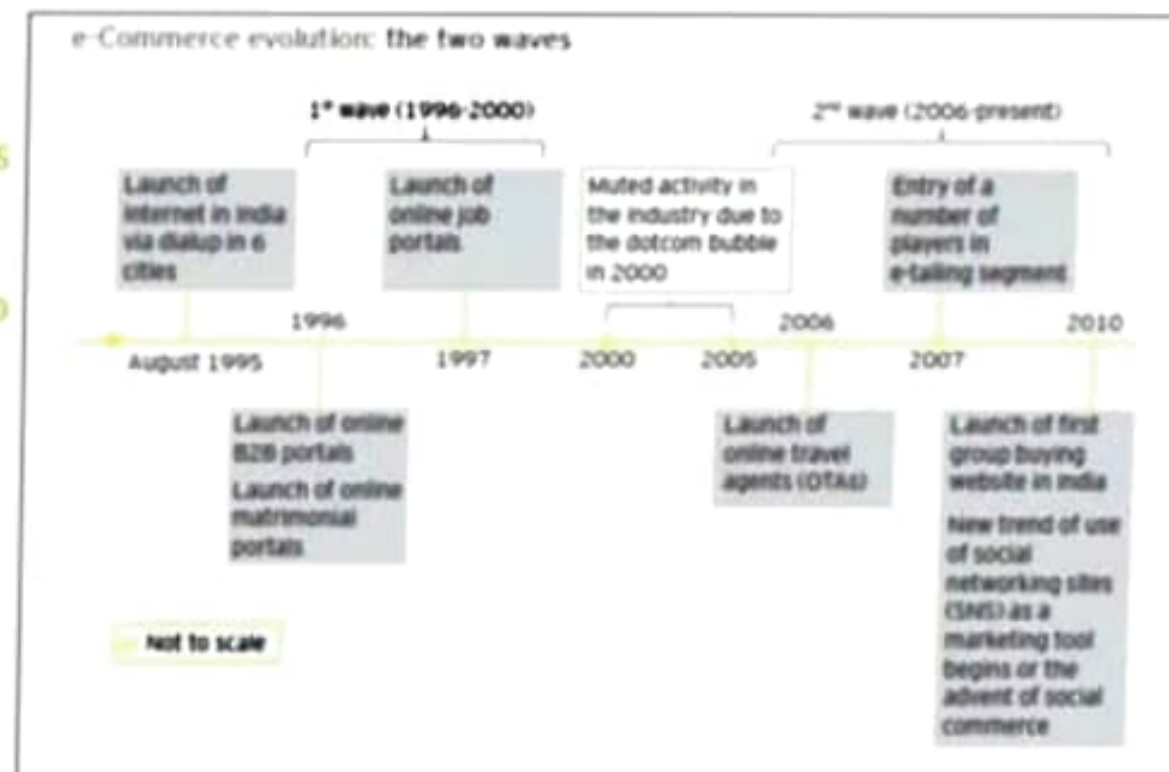# AMAZON

Ecommerce Industry
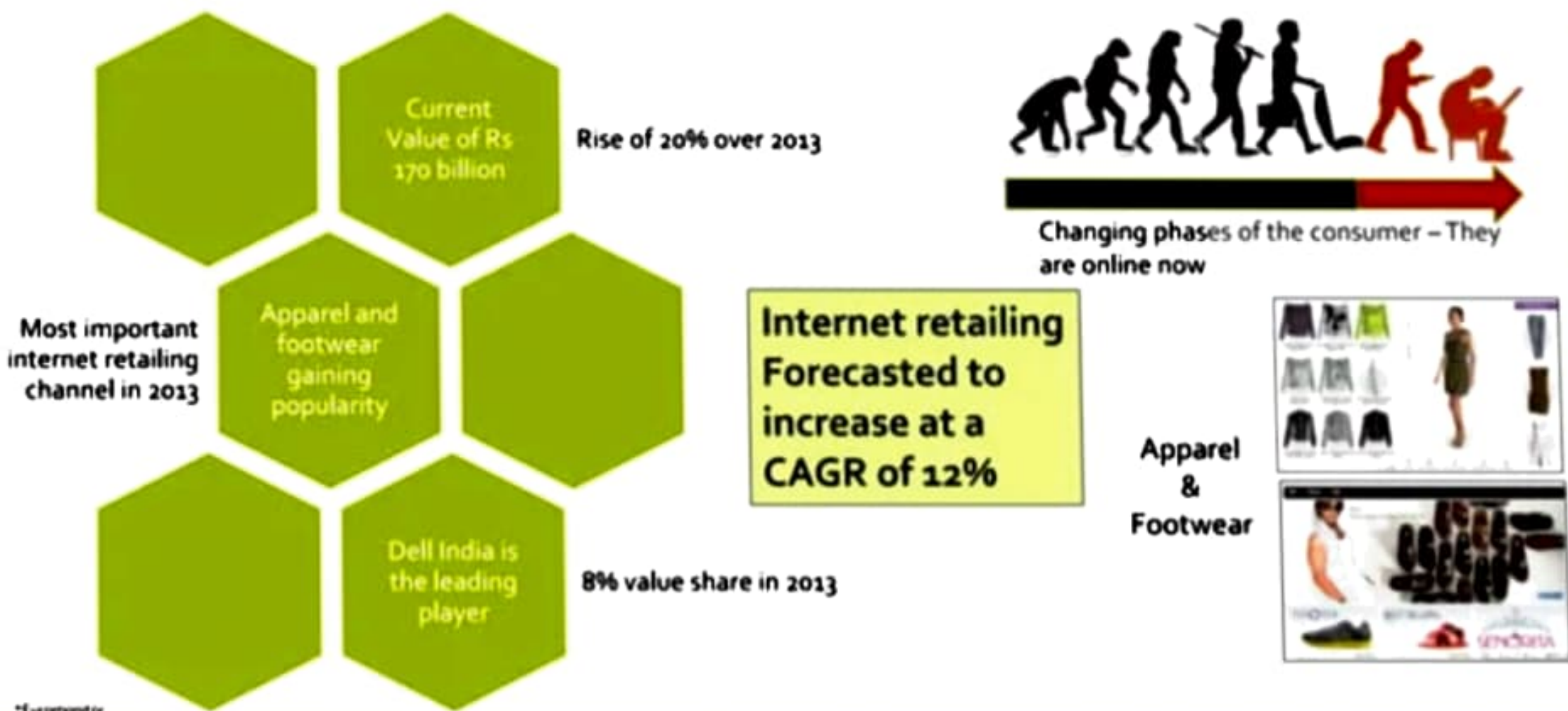
E-commerce: Market evolution

First wave: advent of online Naukri.com and Shaadi.com

- Introduction of internet in India in 1995
- Economic liberalization after the launch of reforms in 1991 attracted MNCs and brought about the growth of the IT industry.
- The implementation of liberalization policies led to the demise of the license regime, and high taxes and import restrictions, as well as facilitated the growth of SMEs.
- The IT industry and SMEs were the early adopters of internet. This led to the emergence of B2B, job searches and matrimonial portals.
- B2B directory : 1996
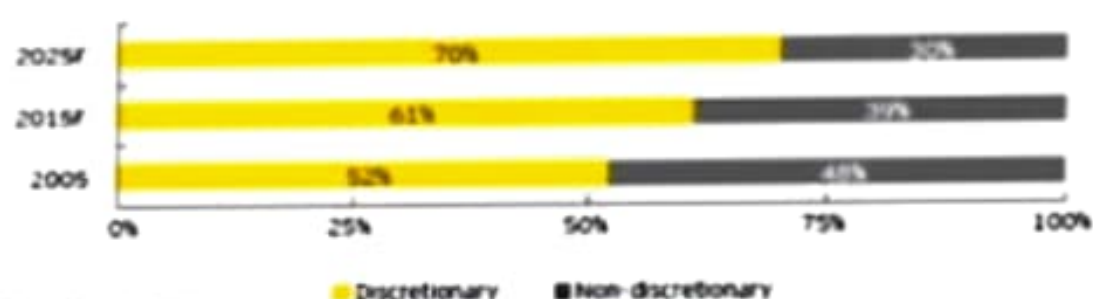- Online matrimonial : 1996
- Online recruitment : 1997

e-Commerce evolution: the two waves

1st wave (1996-2000)   2nd wave (2006-present)

Launch of internet in India via dialup in 6 cities

Launch of online job portals.

Muted activity in the industry due to the dotcom bubble in 2000

Entry of a number of players in e-tailing segment

August 1995   1996   1997   2000   2005   2006   2007   2010

Launch of online B2B portals
Launch of online matrimonial portals

Launch of online travel agents (OTAs)

Launch of first group buying website in india

New trend of use of social networking sites (SNS) as a marketing tool begins or the advent of social commerce

Not to scale

Headlines – Ecommerce Industry

Current Value of Rs 170 billion

Rise of 20% over 2013

Most important internet retailing channel in 2013

Apparel and footwear gaining popularity

Dell India is the leading player

8% value share in 2013

Changing phases of the consumer – They are online now

Internet retailing Forecasted to increase at a CAGR of 12%

Apparel & Footwear

*Euromonitor

Prospects

Annual disposable income per household is expected to increase at a CAGR of 5.1% from 2005 to 2025.[1]

Discretionary vs non discretionary spend (%)
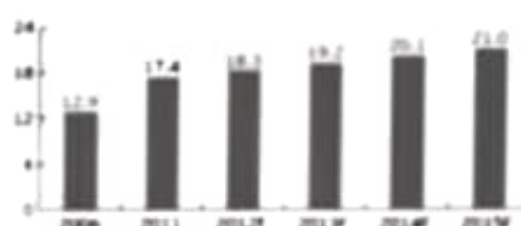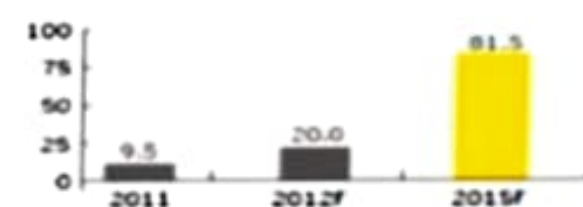
Average time spent online per person per month (hours)

Smartphone sales in India[11] (million)

NTP-2011: objectives

Deliver seamless voice, data, multimedia and broadcasting services on converged networks for enhanced service delivery to provide superior experience to users.

2014	2017	2020
High speed and high quality broadband availability to all village panchayats through optical fibre	Target of 175 million broadband connections	Target of 600 million broadband connections Target of minimum 2 Mbps download speed Plans to make 100 Mbps connections on demand.

BUSINESS MODEL EVOLUTION

- 1995 • **Online book** retailing
- 1999 • **Auctions and** zshops
- 2000 • Marketplace
- 2001 • **Partnership & logistic services**
- 2002 • **Ecommerce** platform **/ web services**
- 2007 • Ebooks/kindle
- 2009 • **Amazon** Publishing

Business model Innovation

Eliminate

- Found a new channel to the customer
- 1 click check out

Raise

- Next generation platform & infrastrucutre

Create

- Amazon web services

Reduce

- Short term Profitabililty

Analysis of business model

Online retail	Internet services	Kindle eco system
• Earth's biggest selection • Lowest cost , small profit • Serves as a channel for other retailers • Long tail retailer • Seller market place	• Deeply intertwined • Amazon Prime - free two-day shipping on retail purchases, on-demand video streaming, free access to the Kindle library • Amazon Web Services (AWS)	• Manufacture & Distribute • Originally an electronic book reader , now a fully functional tablet. • Library of e books , online games and videos.