

# TEAM 5

## EXTENDED ER PROJECT

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# Introduction

- ▶ Started in 1994 as a bookstore, Amazon soon expanded and became the everything store. While the company core business model is based on its online store. Amazon launched its physical stores, which generated already over five billion dollars in revenues in 2017.
- ▶ Amazon Prime (a subscription service) also plays a crucial role in Amazon's overall business model, as it makes customers spend more and being more loyal to the platform. Besides, the company also has its cloud infrastructure called AWS, which is a world leader and a business with high margins.
- ▶ Amazon also has an advertising business worth a few billion dollars. Thus, the Amazon business model mix looks like many companies in one. Amazon measures its success via a customer experience obsession, lowering prices, stable tech infrastructure, and free cash flow generation.

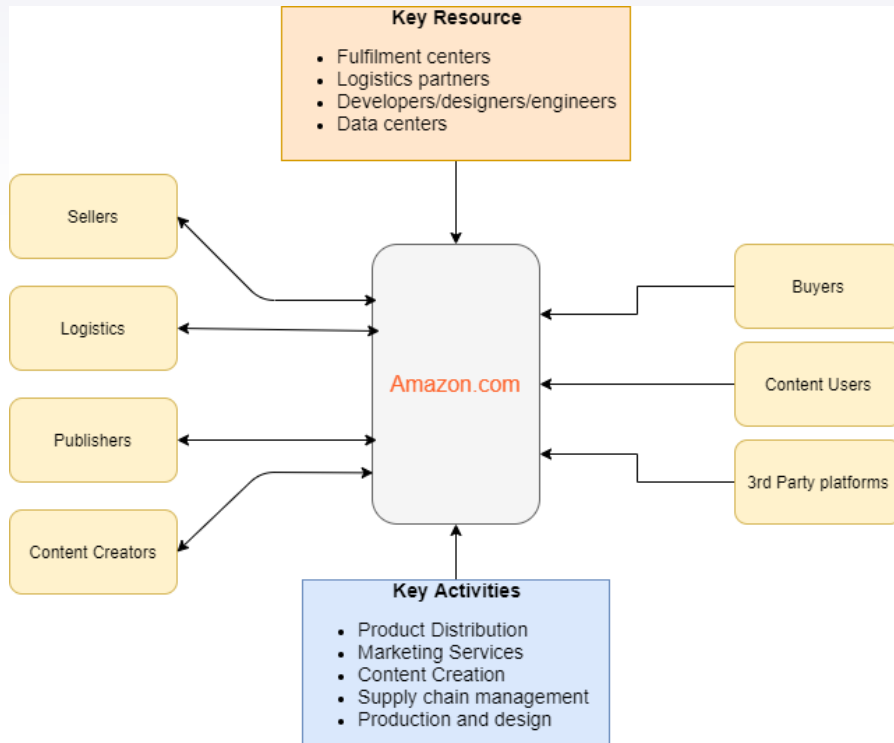


- ▶ Amazon.com sells lots and lots of stuff. The direct Amazon-to-buyer sales approach is no different from what happens at most other large, online retailers except for its range of products.
- ▶ You can find beauty supplies, clothing, jewelry, gourmet food, sporting goods, pet supplies, books, CDs, DVDs, computers, furniture, toys, garden supplies, bedding and almost anything else you might want to buy.
- ▶ What makes Amazon a giant is in the details. Besides its tremendous product range, Amazon makes every possible attempt to customize the buyer experience.
- ▶ When you arrive at the homepage, you'll find not only special offers and featured products, but if you've been to Amazon.com before, you'll also find some recommendations just for you.
- ▶ Amazon knows you by name and tries to be your personal shopper.

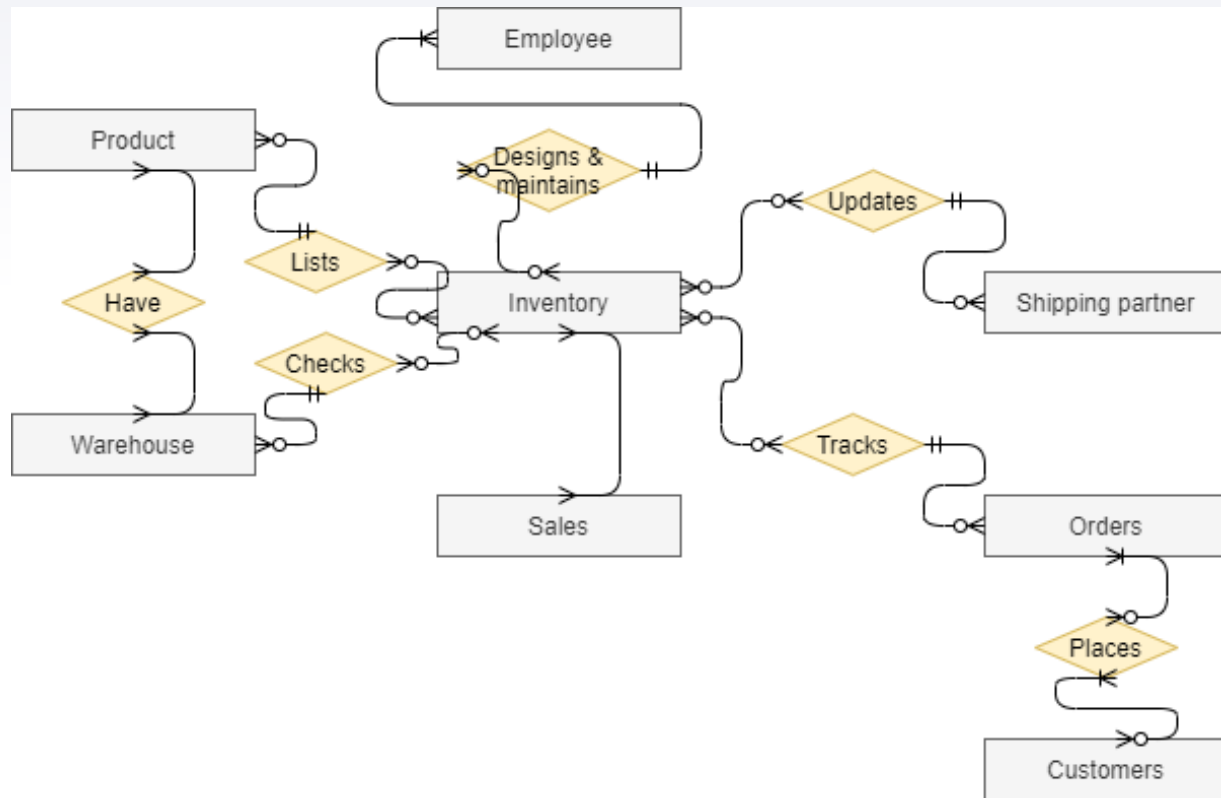
# ► Advantages of amazon's Business model

- ▶ When you sell as Amazon private label, you're purchasing items in bulk from a vendor or manufacturer and putting your own brand on it. Hence, you can imprint your own decisions and style on the product and brand. You get to decide how much to order or produce instead of being beholden to a company's decisions.
- ▶ On Amazon, it is easy to source products for as long as the manufacturer makes them. You get the benefit of selling established brands, so you don't have to focus as much on driving awareness to the product or building a customer base. You'll also have an easy time restocking inventory if the product is selling well.
- ▶ Since you don't need an inventory of products, you won't have to worry about inventory listings and selling/fulfilment fees. You don't need to pay any startup costs because the vendor has already done so.
- ▶ What you charge and how much profit you make often comes down to the bargains you're willing to source and how well you can spiff them up, so there's a lot of control in your hands.

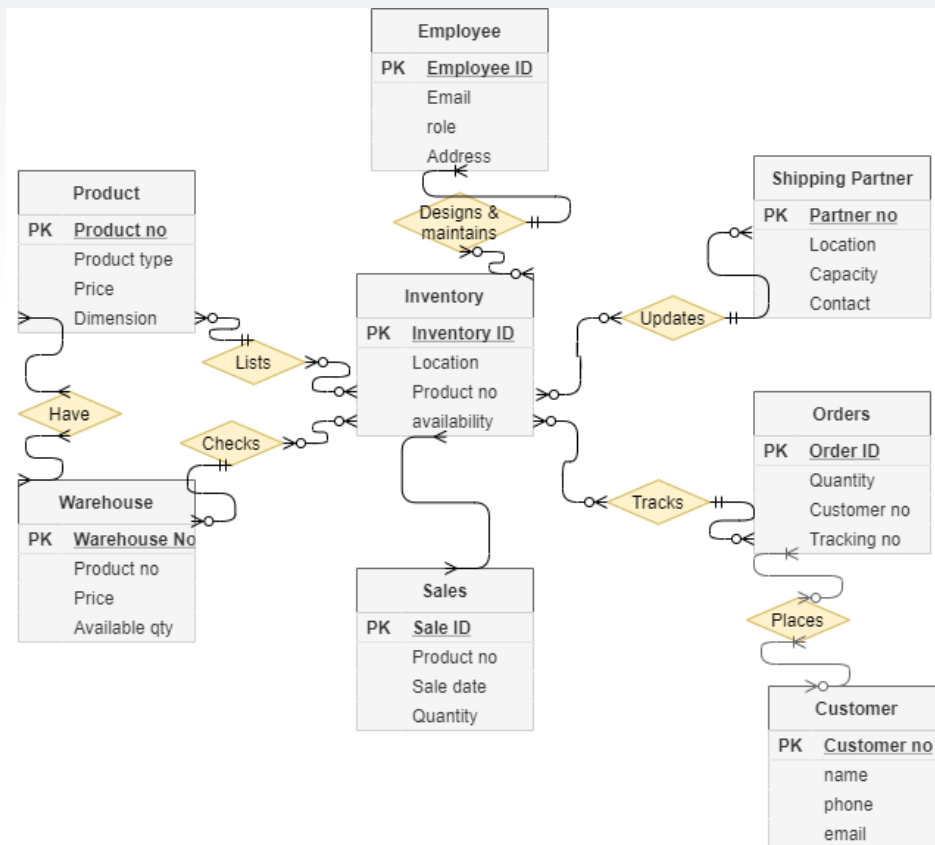
# Business Model



# High Level ER Diagram



# Entity Attribute





# BUSINESS RULES

## Payment

- A valid credit/debit card must be available for web order confirmation
- Payment for a web order is not processed until the order has been shipped.

## Customers

- Customers privacy shall be maintained.
- Detailed invoice shall be sent to customers for each buying **session**.
- Know and reward your customers



# CONTRACT FOR CUSTOMER TO PLACE ORDER

## Invariant

- Customer enters the website
- Customer searches for the product on the site.

## Pre-Condition

- Customer adds product to cart.
- Customer enters customer details and shipping address.
- Customer enters mode of payment, makes payment.

## Post-Condition

- Order is Confirmed

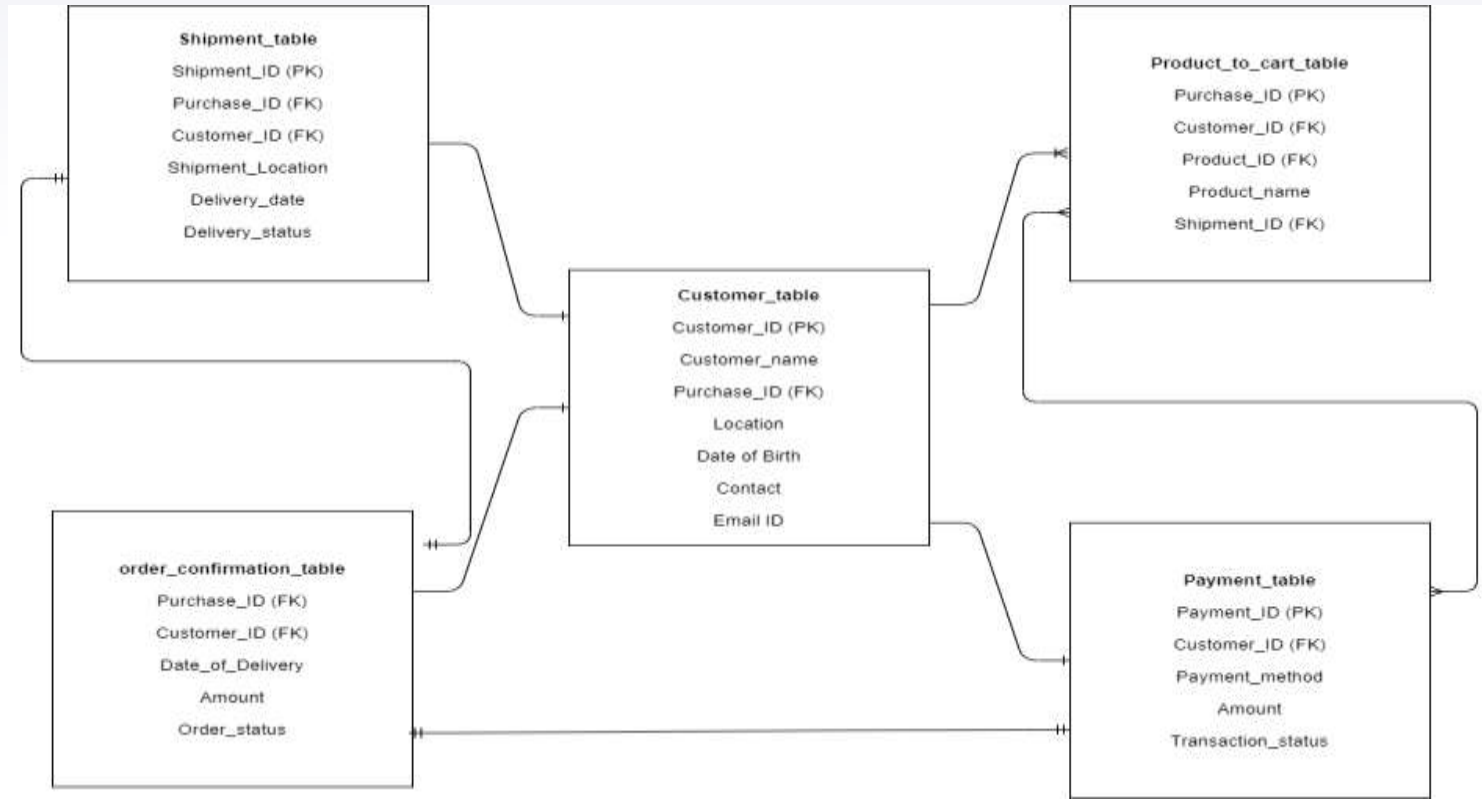
## Trigger

- Product is available

# CUSTOMER



# ENTITY ATTRIBUTE TABLE FOR CUSTOMER



# CONTRACT FOR SHIPPING THE PRODUCT

## Invariant

- Amazon forwards the request to the respective supplier
- Supplier acknowledges the request

## Pre-Condition

- Order id ,date, product id, price of product is verified
- Product is retrieved from warehouse
- Product is packed and shipped to the customer

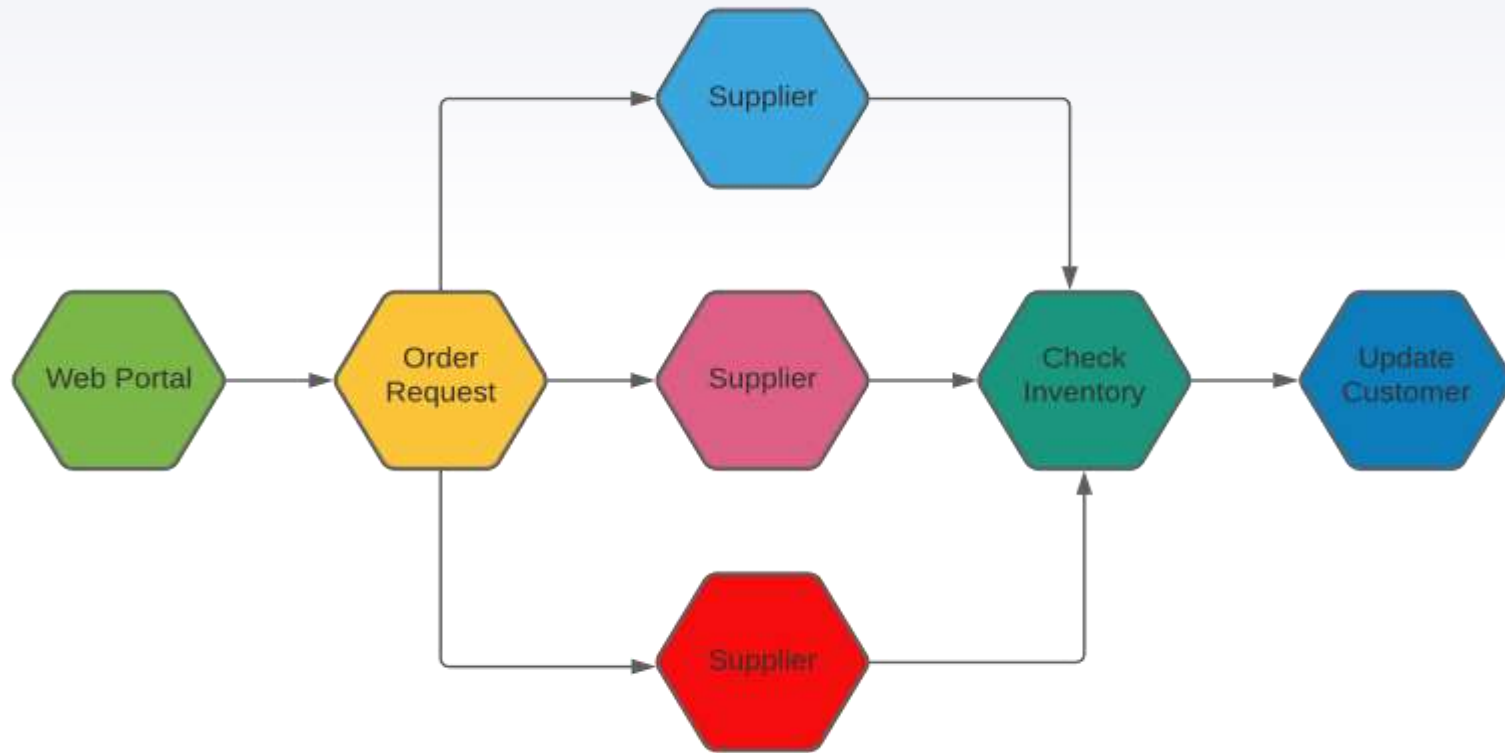
## Post-Condition

- Shipping id is forwarded to customer

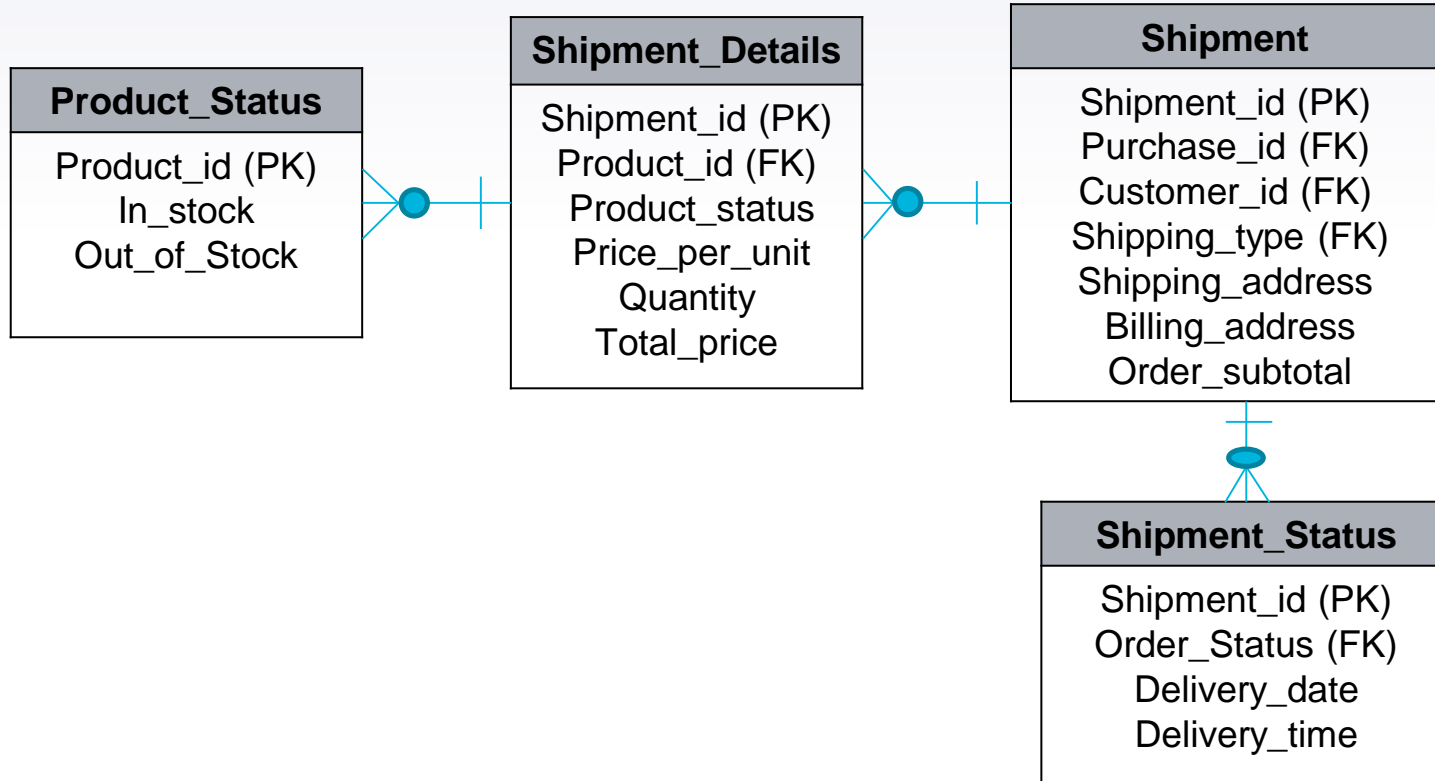
## Trigger

- Product is available in stock at the inventory/warehouse in good condition

# SHIPMENT



# ENTITY ATTRIBUTE TABLE FOR SHIPMENT



# CONTRACT FOR RECEIVING THE PRODUCT

## Invariant

- Customer makes payment for the product successfully.

## Pre-Condition

- E-commerce, supplier tracks shipment.
- Delivery person delivers the product at the right address.

## Post-Condition

- Customer receives the product.

## Trigger

- Address of the customer is valid



# RECEIVING



# Conclusion

- ▶ The most innovative approaches that Jeff Bezos has taken at Amazon have created unique and significant business model that has allowed the company to grow in e-commerce. The company controls all and shipping whereas sellers just present their products and services.
- ▶ From Amazon's e-business ER model, we can conclude that global marketplace gives Amazon an access to millions of products, which don't need any investments in order to display.
- ▶ Overall, innovation, proper use of technologies, management, global leadership, low cost, high margin, limitless inventory and excellent customer services have projected Amazon to be the most successful and affluent e-retailer.

# Conclusion

- ▶ The introduction of e-commerce has significantly influenced retailer's business model's as well as strengthened consumerism.
- ▶ The online shopping is reshaping the retail business, replacing traditional way of marketing and in-store customer service with an efficient way of shopping experience.
- ▶ e-commerce has been the most efficient transformation in retail business.
- ▶ The ER model of Amazon business depicts the complete structure of e-commerce.

# THANKS!

## Any questions?

