

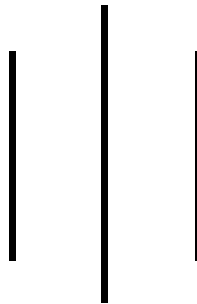


LA GRANDEE INTERNATIONAL COLLEGE

Simalchaur, Pokhara Nepal

Case Study Report on

“Amazon.com”



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Lecturer/Principal

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Date: March-24, 2023

Student's Declaration

A Case Study on “Amazon.com”

We, hereby, declare that this case study has been carried out as requirement for completion of the course E-Business of 7th semester of BCA program under the supervision of our Lecturer/Principal, Er. Kiran K.C. We further declare that we are the only author of this case study report and that no sources other than those listed in this report have been used in this study.

- | | | |
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Date: March-24, 2023

APPROVAL CERTIFICATE

This is to certify that Ms. Mahima Sharma and Ms. Sapna Baniya 7th semester students of BCA program at LA GRANDEE International College with PU registration number 2018-1-53-0113 and 2018-1-53-0129 respectively have successfully completed the case study on “ Amazon” as per the requirement prescribed under the course E-business.

The study has been found satisfactory and is thus approved.

.....
Er. Kiran K.C.
Lecturer/Principal

ACKNOWLEDGEMENT

We have presented this case study report focusing on the topic “Amazon”. We are heartily thankful to the faculty of IT, LA Grandee international college and our supervisor **Er. Kiran K.C.** for his valuable time, guidance, encouragement, support, and cooperation throughout our project. We obliged towards his constant guidance, supervision and feedbacks which enabled us to prepare a well-executed report.

Further, we express our gratitude to LA Grandee family, classmates, seniors and teachers who have directly and indirectly supported us during our report. This is a case study report on Amazon which is carried out for the degree of BCA, 7th semester.

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1. Introduction

Electronic business has changed the way the traditional businesses used to be where physical presence is vital for buyers' and sellers' interactions. E-business includes activities such as buying, selling, business deals, procurements, monetary transactions over the internet, customer relationship management. Thus, electronic business means the transactions of business activities that take place online with the help of the internet. An ecommerce business is a company that generates revenue from selling products or services online. For our case study, we choose Amazon ecommerce website.

Amazon.com, doing business as Amazon, is an American electronic commerce and cloud computing company based in Seattle, Washington. The tech giant is that the biggest Internet retailer within the globe as measured by revenue and capitalization, and second largest after Alibaba Group in terms of total sales. The amazon.com website started as an internet bookstore and later diversified to sell video downloads/streaming, MP3downloads/streaming, audio book downloads/streaming, software, video games, electronics, apparel, furniture, food toys, and jewelry. The company also produces consumer electronics, kindle e-readers, Fire tablets, fire TV, Echo and is that the world's largest provider of cloud infrastructure services (IaaS and PaaS). Amazon also sells certain low-end products under its in-house brand Amazon Basics.

1.1Team Members

The team members are:

- a) Sapna Baniya
- b) Mahima Sharma

1.2 Purpose of Case Study

- To study in-depth about a real E-commerce website
- To identify the Business of Amazon.com
- To identify the types of business models used by Amazon.com for expanding its E-business.
- To study the strategies deployed by the Amazon.com for intensive growth, generic strategies and user referred.
- To identify the supply chain management (SCM) strategies and how such strategies are implemented.
- To analyze and identify the impact of amazon on the field of E-business.
- To study the future plan of Amazon.com in the field of E-business.

1.3 E-Business Site Name

The site name of Amazon is Amazon.com.

1.4 Year of Establishment

Amazon was founded by Jeff Bezos from his garage in Bellevue, Washington on July 5, 1994. But it went public in May, 1997.

1.5 Owner/Developer

Amazon is owned by a series of entities, with the most influential being its executive chairperson, Jeff Bezos. Bezos is the company's largest shareholder, owning about 10% of its stock.

In addition to Bezos, several other stakeholders own Amazon. Vanguard Group is the largest shareholder in the company, owning 6.5% of Amazon's shares. BlackRock is the second-largest shareholder, owning 3.6%. SSgA Funds Management, Inc. comes in third with 3.23% of Amazon shares as of January 2, 2023. Other shareholders include Fidelity

Investments, T. Rowe Price, Geode Capital Management LLC, and Capital Research Global Investors.

1.6 Current Location of Operation/Office

The main Headquarter of Amazon Company is in 2111 7TH Ave, Seattle, Washington, United States.

There are 237 other location of Amazon company in different countries. Some of them are included below:

Country	City	Address
United States	Seattle	410 Terry Ave N
United States	Arlington	Crystal City
United States	Atlanta	3333 Piedmont Rd NE
United States	Austin	11501 Alterra Pkwy
United States	Baltimore	2010 Broening Hwy
United States	Bellevue	425 106th Ave NE

Amazon has separate retail websites for the United States, the United Kingdom and Ireland, France, Canada, Italy, Spain, Netherlands, Australia, Brazil, Japan, China, India, and Mexico. In 2016 Dutch, Polish, and Turkish language versions of the German Amazon website were also launched. Amazon also offers international shipping of some of its products to certain other countries.

In 2015, Amazon surpassed Walmart as the most valuable retailer in the United States by market Capitalization. Amazon is the fourth most valuable public company in the world, the largest Internet Company by revenue in the world, and the eighth largest employer in the United States. In 2017, Amazon acquired Whole Foods Market for \$13.4 billion, which vastly increased Amazon's presence as a brick-and-mortar retailer. The acquisition was interpreted by some as a direct attempt to challenge Walmart's traditional retail stores.

1.7 Business Models

1.7.1 Based on relationship transaction parties

Based on relationship transaction parties Amazon follows different models. Some of them are: Business to Business (B2B), Business to Consumer (B2C), and Business to Government (B2G). Where business is itself amazon all other organizations and shops associated with it and provides services to different consumers, business organizations and government too. Amazon also provides all its services all around the globe.

1.7.2 Based on the relationship of transaction types

Based on transactions types, again different models are implemented by Amazon. Some of them are:

Brokerage model: where amazon creates and provides platform for both buyers and sellers to interact with each other.

Community model: where different peoples are connected to form community and solve each other's problem.

Subscription model: where user have to subscribe to gain access for different services and information's.

Affiliate Model: They advertise products from Amazon.com on their sites by creating links. When customers click the links and buy products from Amazon, they earn referral fees.

Advertising Model:

1.7.3 Based on revenue model

Based on revenue model, Amazon implements:

Product sales model: where customers are directly charged for the product or services they buy.

Subscription model: when some amount of charge to customer for the uses of data, product or services.

Transaction Fee model: where customer are charged a service fee based on volume and value of the transaction offered.

1.7.4 Based on Distribution channel

On the basis of distribution channel, amazon follow Direct Marketing and pure play e-tailor model where amazon itself manufacture some products and provides services to its consumers and also provides platform for others business to place their product and acts as pure e-tailor.

1.8 Annual Turnover

The below diagram shows the net revenue of Amazon.com's e-commerce and service sales from 2004 to 2021, in billion US dollars. In the last recent years, the company's net revenue was almost 470 billion US dollars and up to 386.06 billion US dollar in 2020. (Annual Net Revenue of Amazon.com, 2018)

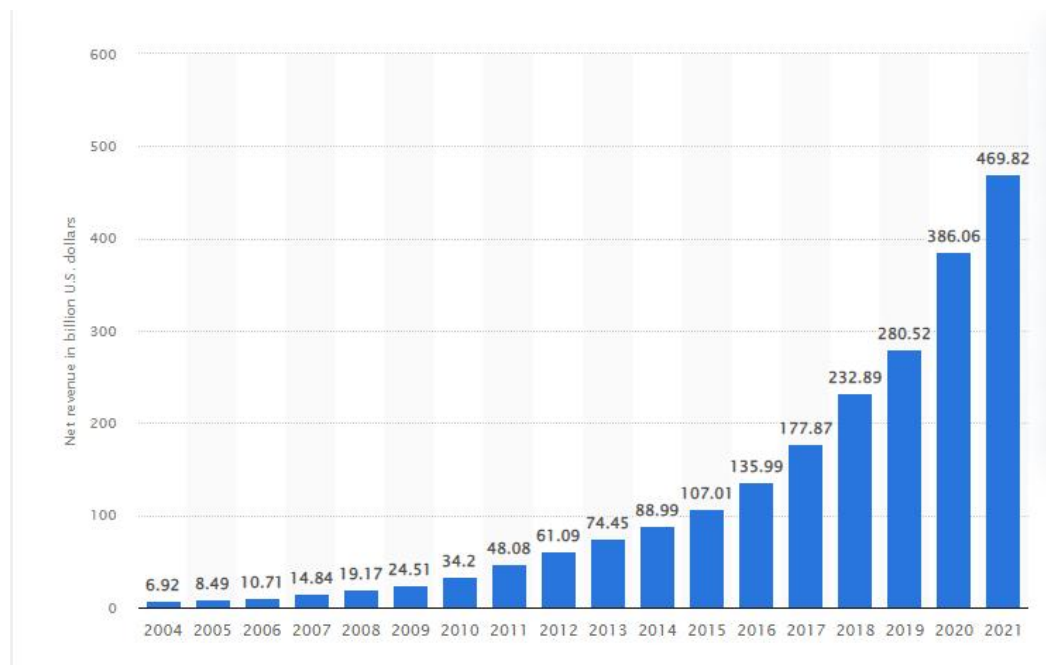


Figure 1 Net Sales Revenue of Amazon.com

Amazon.com, an American electronic commerce company originally founded in 1994, is the world's largest online retailer of books, clothing, electronics, music and many more

goods. As we can analyze from the above figure, from 2004 to 2010, the net revenue of the multinational company, Amazon.com was increasing at diminishing rate but after 2010, it gained its fame and increased its productivity and revenue at double rate.

Through amazon, consumers are able to purchase goods at discounted price/ both new and used goods are sold on the website. In the recent years, Amazon has also released smartphone, tablets and multimedia sticks under its Fire brand in order to increase digital media consumption via these devices. This strategy is connected to the digital Amazon ecosystem which features video and audio content as value-added services for Prime subscribers.

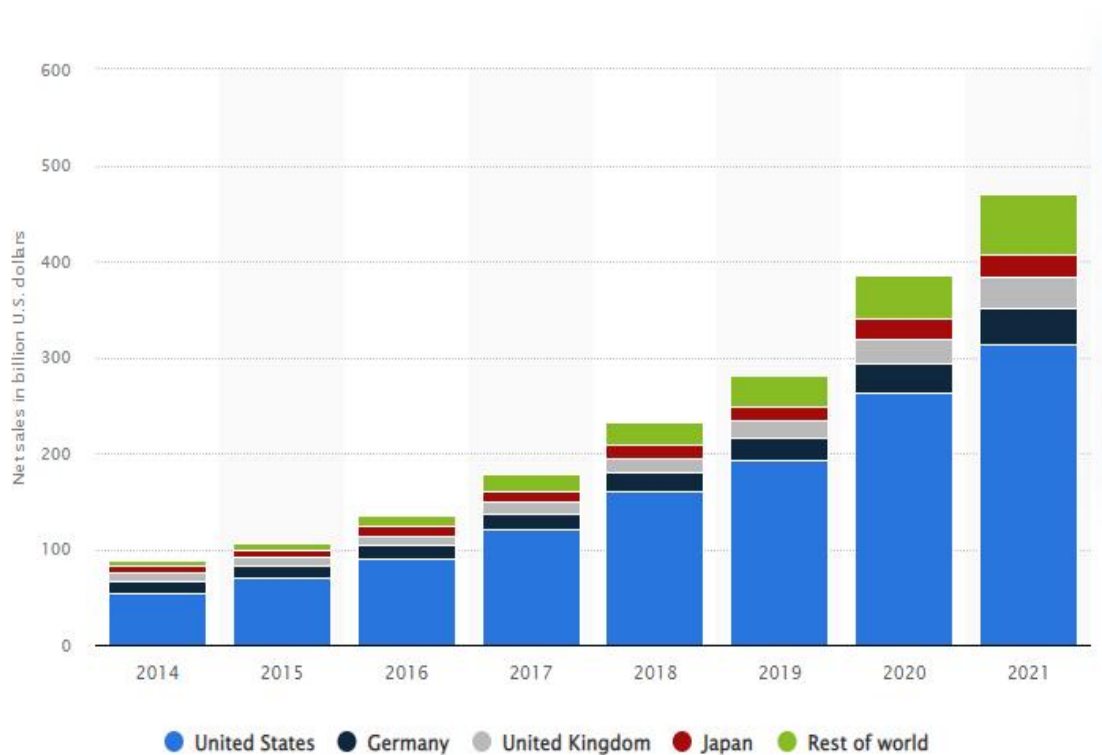


Figure 2 Net Sales of Amazon.com in Leading countries

Above figure (Coppola, 2022) shows the revenue generation and sales of Amazon in different country.

2. Target Customer

E-business website like Amazon.com target each customers individually, allowing the corporate to convert visitors into long-term, high-value customers. Amazon target the central class & upper class people that have gotten hands-on experience with in the basic technology but don't have time or prefer convenience over shopping from physical outlets. Amazon targeting a demographic that doesn't have to struggle with a mortgage or household bills, and are among the most digitally savvy customers: American Teenagers.

The primary consumers or the target market of Amazon are the middle and upper-class people. Different genders belonging to these two categories equally contribute to the Amazon Target Market. These people use their smart devices or home computers to purchase products from Amazon. Most of them are aged between 18 and 44. Another interesting piece of data about the Amazon target market is more than 60% of primary consumers are from the United States. Amazon mainly directs its focus on the people who have access to the internet and frequently use it. (Who is the Target Market of Amazon, 2022)

Most people who buy from Amazon have basic knowledge about using smartphones. Additionally, they will know how to navigate the internet. Amazon has designed its online shopping portal which is apt for people who have a tight schedule in a day and don't have enough time to purchase products by visiting a store in person. By this, we can assume that most Amazon shoppers are leading a busy lifestyle. These people want to spend most of their time on work or other activities rather than visiting a nearby retail store.

3. Business Objective

This company is the largest online retailer in the US, it's a definite leader of web commerce trade category. The major focus of Amazon's business strategy is 'customers' satisfaction. People may find and order virtually anything they search for. (Business Objective of Amazon, 2013)

The major business objectives are:

- Satisfaction of the existing customers and attract the new customers. The customers are divided into three groups: consumers, sellers and enterprises. The strategic advantage of the company for customer are: selection, price and convenience.
- The increasing of the market share and growth of the revenue by: improving and diversification of Amazon services; introducing other marketing and promotional services, such as online advertising, and cobranded credit card agreements; developing Amazon web Services (access to technology infrastructure that developers can use to enable virtually various type of business). Current sales of Amazon consist of 55.4%, that are made in the North America and 44.6% of sales is made by the international market.
- Amazon is to increase its current market share 1.1% on sales of food and beverages by 2018, so it reaches or even overtakes the current Walmart market share of 17.3%.
- Others business objectives of Amazon.com are:
 - Introducing innovations and developing new acquisitions.
 - Developing the international markets.
 - Development of the relations with partnering companies.

4. Product and Services

Amazon.com provide large number of products and services at its website include several media(books, DVD's, music CD's, videotapes and software),baby product, electronics, beauty products, gourmet food, health and personal care item, industrial and scientific supplies, kitchen items, musical instruments, watches, jewelry e.t.c.

Amazon is now gearing up in India and other biggest countries to play a role in the grocery retail sector aimed at delivering customer's needs.

Amazon has a number of products and services available, including following:

- Retail goods
- Amazon games
- Amazon Art
- Amazon video
- Amazon Drive
- Consumer electronics
- Amazon studios, inspire, Books.
- Handmade by Amazons
- Amazon Dash
- Amazon Books
- Amazon home services
- Amazon web services
- New book content production
- Donations
- Amazon Tickets and many more.

5. Payment Modes

Customers can purchase from Amazon with a credit card, checking account, and debit card featuring a credit card logo or an Amazon.com gift card code. Amazon.com accepts a variety of payment options, including credit and debit cards.

Furthermore, different payment modes accepted by amazon.com are as follows:

■ Credit Cards

Amazon accepts Visa, MasterCard, American Express, Diners Club -- U.S. billing addresses only, and the Discover card. The online outlet also accepts JCB, NYCE, Euro Card and Visa, MasterCard debit cards as well as prepaid credit cards. If using a prepaid credit card, you cannot use the card to sign up for Amazon Prime membership.

■ Amazon Store Cards

Amazon accepts its own credit card and line of credit as method of payment, including the Amazon.com Platinum Visa Card and the Amazon.com Corporate Credit Line for businesses using a purchase order.

■ Gift Cards

Customers can also pay for purchases from Amazon using an Amazon.com gift card available in a variety of denominations directly from Amazon as well as any store or outlet that sells Amazon gift cards.

6. Detailed Function and Operation

a) Process of Buying Goods and services on Amazon

For buying goods and services on amazon the following steps are followed:

- Visit the product detail page for an item we wish to buy.
- Tap Add to cart.
- When we have finish adding items to our cart, tap the shopping cart icon.
- If we need to edit the items in our cart, tap save for later or Delete next to the item in the cart.
- Tap proceed to checkout and follow the on-screen instructions.
- Review our order information and tap place our order to complete the purchase.

b) 6.2 Process of selling Goods and services:

1. Process before Register:

- Decide what you want to sell
- Choosing a selling plan
- Register and start selling

2. Process after Register:

- Listing the product
 - listing the products already on Amazon.com
 - Listing the new product on Amazon
- Selling the product
- Shipping the product to the buyer
- Get the payment from Amazon.com

7. Comparison with other similar websites

Amazon is a true market place websites where anyone can buy virtually sell anything. There is a listed price where buyers can purchase the product and read consumer reviews.

Generally, the items sold here are new in comparison. Online retailers are constantly faced with decisions that can impact their business. One of the major ones being where they should be selling. Here we have compared Amazon with five other similar ecommerce websites.

1. EBay:

Like Amazon, eBay is one of those sites where we find just about anything, we're after. In eBay sellers are responsible for shipping, and there are some fulfillment options available but Amazon Offers Fulfilled by Amazon (FBA) for third-party sellers, which provides fast and reliable shipping, as well as Amazon Prime. EBay only focus on unique product but Amazon offeres its own branded products.

2. AliExpress:

Amazon has a global presence, with localized websites in multiple countries, while Alibaba primarily operates in China. Amazon is a well-known and trusted brand, with a reputation for providing quality products and reliable customer service. Alibaba is less known outside of China.

3. MiniIn The Box:

Amazon has strict policies and seller performance metrics, including product reviews and seller ratings, to ensure a safe and reliable shopping experience. MiniInTheBox may not have the same level of trust and safety measures in place. Amazon offers Fulfilled by Amazon (FBA), which provides fast and reliable shipping, as well as Amazon Prime, which offers free and fast shipping for customers. MiniInTheBox, on the other hand, relies on third-party logistics providers and does not offer the same level of fulfillment options.

8. Learning from Case Study

Amazon is a multinational technology that has grown to become the largest e-commerce retailer in the world, with a diverse range of products and services.

The case study of Amazon.com provides valuable lessons. Here are some key takeaways:

- **Customer Focus:** Amazon.com's success is built on its relentless focus on customer needs and wants. The company has always prioritized customer satisfaction and convenience, and has invested heavily in technologies that make shopping easier and more enjoyable for customers.
- **Innovation:** Amazon.com is known for its innovative business practices and willingness to experiment with new technologies and business models. The company has successfully launched several new products and services, such as Amazon Prime and Amazon Web Services, which have helped to diversify its revenue streams and increase customer loyalty.
- **Data Analytics:** Amazon.com uses data analytics extensively to understand customer behavior and to optimize its operations. The company collects vast amounts of data on customer preferences, buying patterns, and browsing history, which it uses to personalize recommendations and improve the customer experience.
- **Continuous Improvement:** Amazon.com has a culture of continuous improvement, and is always looking for ways to improve its operations and customer experience. The company is not afraid to experiment with new ideas and is quick to adapt to changing market conditions.

Overall, the case study of Amazon.com highlights the importance of focusing on customers, embracing innovation, investing in supply chain management and data analytics, and maintaining a culture of continuous improvement. These lessons can be applied to businesses of all sizes and industries to help them succeed in today's competitive market.

9. Screenshots

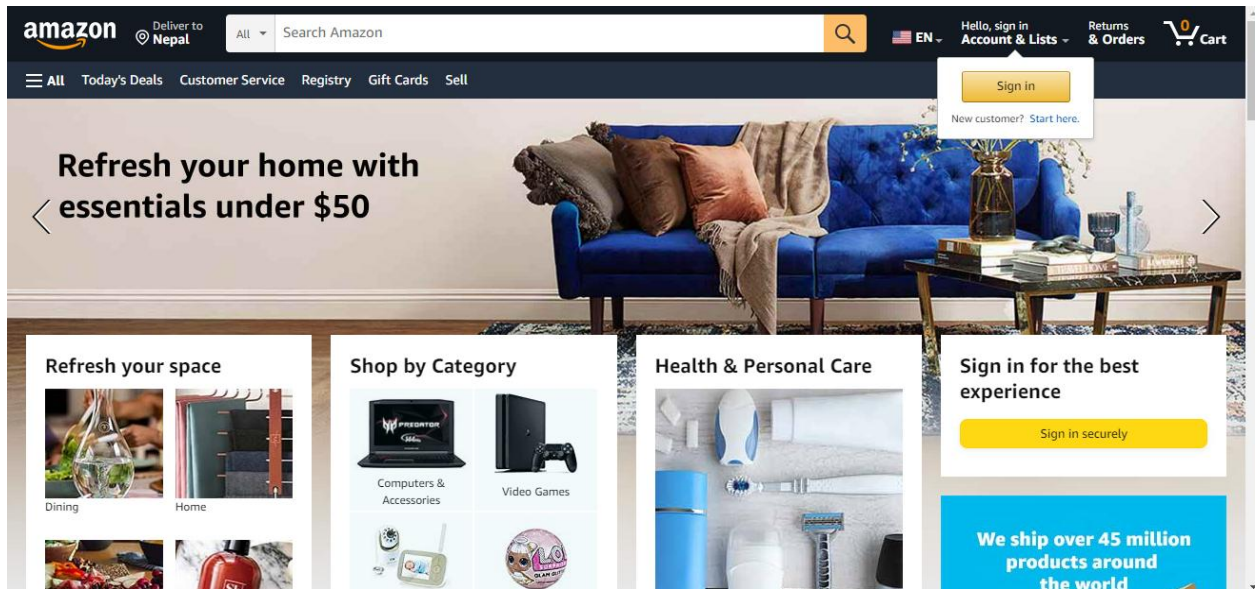


Figure 3 Home Page



Sign in

Email or mobile phone number

Continue

By continuing, you agree to Amazon's [Conditions of Use](#) and [Privacy Notice](#).

[Need help?](#)

New to Amazon?

Create your Amazon account

Figure 4 Sign In Page

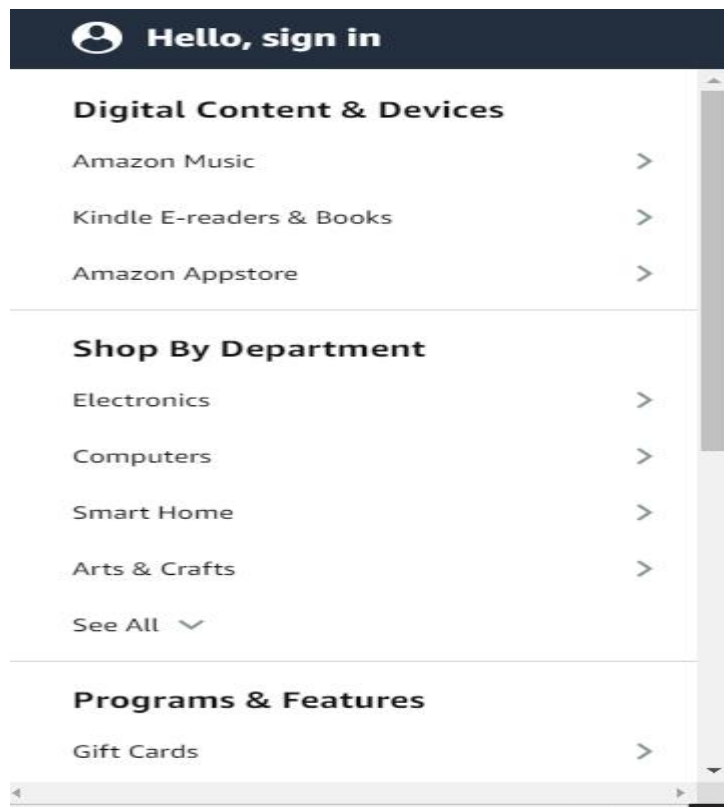


Figure 5 Category List

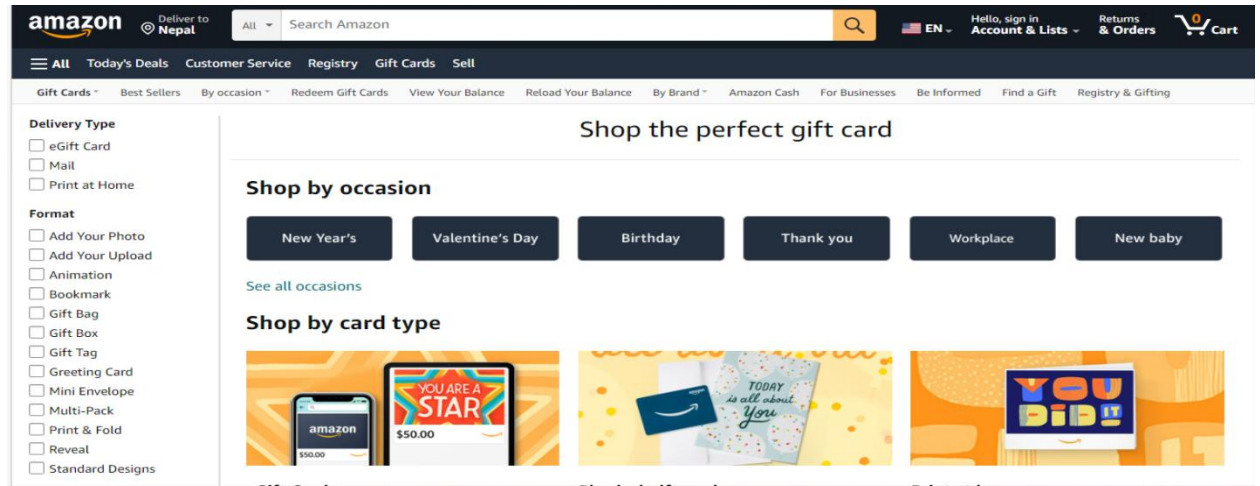


Figure 6 Amazon Gift cards

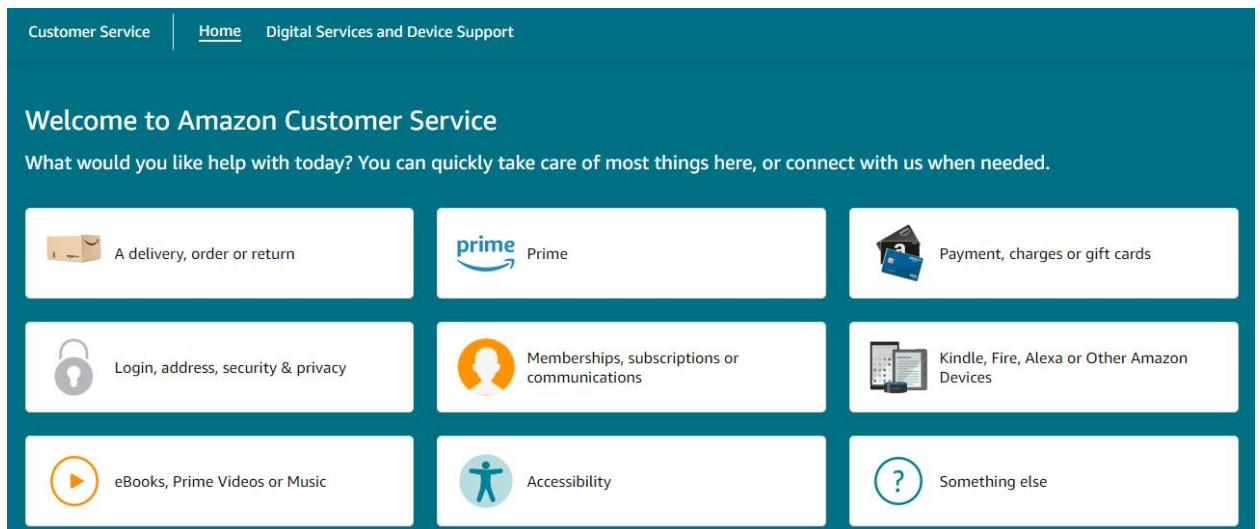


Figure 7 Amazon Services

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