



Assignment Cover Page

Student Id : csit170834

Student Name : Reshma Poudel

Email : Reshmapoudel815@gmail.com

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Instructor/Examiner/Lecturer : Gokul Ghimirey

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Amazon

Amazon, is a largest e-commerce sites and cloud computing company and the largest Internet- based retailer in the world by total sales and market capitalization which has been serving worldwide from last two decades. Amazon became a platform for the retailer and individuals in 2000. Amazon offers their services towards four types of customers, consumers, sellers, enterprises and content creators.

Background

Amazon totally rely on the customer and customer satisfaction is its primary goal. Amazon grows partly by developing new products over time. Amazon is an American electronic commerce and cloud computing company. Founded on July 5, 1994 by Jeff Bezos and based in Seattle, Washington. n. Amazon started as an online bookstore, later diversifying to sell DVD's, Blu-rays, CD's, video downloads/streaming, MP3 downloads/streaming, etc. amazon is the world's largest provider of cloud infrastructure services (IaaS).

Review of company

Amazon.com is perhaps the company that is most closely tied with the ECommerce phenomenon. The company has also grown at a tremendous rate with revenues rising from about \$150 million in 1997 to \$3.1 billion in 2001. Jeff Bezos was one of the few people to understand the special nature of Internet Retailing and E-Commerce. This is how he compares E-Tailing to traditional retailing.

There were really two elements to his vision

1. He wanted to build the world's most customer-centric company.
2. He wanted to establish a place where customers could buy anything.

When it first launched, Amazon's had a clear and ambitious mission. Earth's biggest selection and to be Earth's most customer-centric company. Today, with business users of its Amazon Web Service representing a new type of customer, Amazon says: This goal continues today, but Amazon's customers are worldwide now and have grown to include millions of Consumers, Sellers, Content Creators, Developers, and Enterprises. Each of these groups has different needs, and we always work to meet those needs, by innovating new solutions to make things easier, faster, better, and more cost-effective.

OBJECTIVES

- Identify the Line of Business of Amazon.
- Identifying the types of Business models used by Amazon for expanding its E-Commerce Business.
- Identifying the list of E-commerce strategies developed by the company regarding its intensive growth, generic strategies and user referenced.
- Identifying Supply Chain Management strategies.
- Identifying what are the more steps to be taken by the company in coming future

Amazon's E-Commerce Strategies:

1.Intensive Growth Strategies:

- A. Market development.
- B. market penetration
- C. product development
- D. Diversification
- E. Customer relation management strategy
- F. associative program

2: User reference strategy

- a. Personalize the shopping experiences
- b. Make searching a breeze
- c. Onsite product review
- d. Free or minimum shipping charge
- e. Onlick purchase
- f. Secure credit/debit card payments
- g. Customer services

3: Supply Chain Management Strategies

- a. Enterprise resource management
- b. Customer relation management

Data analysis

Amazon is known as the largest retailer in the world.

LINES OF BUSINESS

The company itself defines its lines of business in terms of products sales, service sales, AWS, fulfilment, publishing, digital content subscriptions, advertising and co-branded credit cards.

Amazon's lines of businesses can be defined as:

1. Online retail
2. Internet services
3. Kindle ecosystem

BUSINESS MODELS:

Amazon has three distinct businesses, plus a slew of nascent enterprises and developing opportunities:

a) Amazon Retail Starting in books and then expanding into electrical and other goods, Amazon built an online retail business around three aims:

1. Best Prices
2. Unrivalled selection
3. Convenience

b) Amazon Marketplace Amazon also offers a third-party selling platform, Amazon marketplace, that allows merchants to offer goods and services through an online shopping mall. Amazon charges a commission based on a formula involving the sale price of the item, a shipping credit, a referral fee of 6-25% of the sale price, a variable closing fee and a Rs.70 fixed closing fee. This has now been augmented or replaced by four comparable services:

- Sell on Amazon: Merchants pay Rs 2810 per month, plus a commission varying above and generally between 15% and Rs 93 per item.
- Amazon Webstore: More complete service. Merchants pay Rs. 1685 per month plus 2% of sales.
- Fulfilment by Amazon: Allows merchants to use Amazon's advanced fulfilment technology. The services are being expanded from USA, Canada, UK and Germany to other countries. Amazon does not release information on these businesses, either revenues or usage levels.

c) Amazon Web Services: Amazon leveraged the technology it developed in retails to offer an increasing number of web services:

1. Computer Related
2. Content Delivery
3. Database
4. Deployment & Management
5. E-Commerce
6. Messaging

7. Monitoring
8. Networking
9. Payment & Billing
10. Storage
11. Support
12. Workforce

DISCUSSION

After doing the sort of analysis, we tend to find that Amazon totally uses the business to customer model. Amazon totally rely on the customer and customer satisfaction is its primary goal. Amazon handles its better relationship with customers by using CRM such as collecting information of the customer like all personal information of customers their credit card record, transaction record, purchase history etc. Using CRM, Amazon provides sort of advantages to the customer like as Personalization, User ratings and reviews, 1 click purchase etc. Not only this Amazon carries out some of Associate programs to boost the customer traffic and rate of sale Amazon with customers and small business man. Developing and offering new products to gain higher revenues is the goal of this intensive growth strategy. Amazon grows partly by developing new products over time.

RECOMMENDATIONS

Amazon is the ultimate online retailer around the world. Its nearest but not even close competitors are e-bay and best buy. But the competition is growing day by day.

a. Competing in the market;

Like past, Amazon in future will have to come up with something special. The global market is changing day by day. Business competitors are investing large to take Amazon down. There is no room for relaxation. It is very challenging and has to be consistent in the market to be number one retailer shop.

b. innovation of new product;

It is essential for Amazon to think out of the box and bring new products to satisfy and retain customers to be loyal to them. Amazon always offered its customer better quality and better service. But in future it may not be the same because of increasing competition. Now, Amazon has to play smart by understanding the customer's need before even customers know about it.

c. Integration of New Technology;

Technology is making process like the speed of light. Company like Amazon needs to be adaptive and technology friendly to retain its domination in the market. Amazon's new technology of drone delivery is the proof that it is planning and investing significant amount of money in technology for near future.

d. Customer Loyalty;

For any business to grow customer loyalty is important. Amazon's most of the buyers are its repeat customers who are loyal to the company. But growing competition can be a risk, they'll have to be very focused upon their customer retention policies.

e. Global Expansion;

Amazon is now expanding its business around the world. But this may cause significant strain in number of sectors like management, inventory, supply system and more over to Amazon's market place. International market is very challenging because of political and economical conditions. Upgrading e-CRM and investing more towards customer information for better understanding the customer's need and behaviour is essential.

CONCLUSION

On the part of conclusion, I conclude that Amazon uses business according to customer models for its better growth. Amazon mainly focuses on customer satisfaction by providing various ways to ensure that like as personalization, user ratings and reviews etc. which act as the key ingredients for the success of the company. But still Amazon have to do some changes on their systems to keep up with the ever-changing dynamic e-business world.