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A STUDY ON THE E-COMMERCE OPPORTUNITIES AVAILABLE FOR INTERNATIONAL BUSINESS ACCESSIBILITY WITH SPECIAL REFERENCE TO AMAZON

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Abstract

Every e-commerce platform allows users to sell their goods and connect with customers around the world. This improved access to the global market. Small and medium-sized businesses can first do away with the original, strict space restrictions. Second, thanks to the practical and affordable network information service, small and medium-sized businesses can often communicate with potential clients both inside and outside their borders. Thirdly, small and medium-sized businesses can use e-commerce to swiftly and directly introduce their own goods, services, and corporate cultures to customers. Also, there are no time or location restrictions in the e-commerce industry. A study on the accessibility of e-commerce with the help of international trade benefits and SMEs have the opportunity to gain a foothold in the global market. E-commerce is a growing industry and with access to the internet and new technologies, it becomes more and more useful to make a foothold in the international market. The MSME businesses who are adopting and making their new places in the international market with the help of e-commerce platforms. It is very much easy for MSME businesses to enter in the international market and sell their products through e-commerce platforms.

Keywords:

E-commerce, Amazon, International trade, SMEs, India, logistics, Industry, Accessibility, Trade, Online, Retail, Opportunity, Business.

INTRODUCTION

International trade now has more opportunities because to the internet. The physical distance between the customer and seller has lessened in significance and altered how businesses and individuals trade and communicate. These changes have facilitated international trade. Businesses can now engage with customers in international markets in ways that were previously impossible because to the exponential growth of e-commerce, or trading in goods and services that is conducted electronically. Being unable to export goods to overseas markets in the past, small firms in particular have benefited from this. New chances for international

trade and business are made possible by the internet and e-commerce.

The study focuses on the new accessibility options for doing business internationally made possible by e-commerce. E-commerce makes business and trading really simple, and it has now been set up so that anyone may research new goods, services, and marketplaces for their goods. Small and medium-sized businesses (SMEs) have a lot of opportunities to do international business because to the advent of e-commerce. We live in the information age. E-commerce should be used by small and medium-sized businesses to do worldwide business and broaden their clientele. Globalization is the key element of contemporary international trade. The growth of a more integrated global economy, characterized in particular by open markets for trade and investment as well as access to cheaper foreign labor markets. The tendency towards globalization is due to the fact that various nations have varying advantages; some have resources, while others have technology. Various nations produce items to their strengths, which increases efficiency and conserves resources. There are numerous websites, such Amazon, Alibaba, eBay, and others, where we may find products created in other nations.

Every e-commerce platform allows users to sell their goods and connect with customers around the world. This improved access to the global market. Small and medium-sized businesses can first do away with the original, strict space restrictions. Second, thanks to the practical and affordable network information service, small and medium-sized businesses can often communicate with potential clients both inside and outside their borders. Thirdly, small and medium-sized businesses can use e-commerce to swiftly and directly introduce their own goods, services, and corporate cultures to customers. Also, there are no time or location restrictions in the e-commerce industry. It is common knowledge that all conventional commercial activities are confined by space and time.

Product profile

Amazon India started operations in June 2013. The company soon launched a website, Amazon.in, offering its customers a wide range of clothing, groceries, home goods, books, movies, TV shows, and everything in between. Bestselling product on Amazon. Among the best-selling products.

Amazon.com's product lines include multiple media (books, DVDs, music CDs, videocassettes, software), apparel, baby products, consumer electronics, beauty products, deli, groceries, health and personal care products, industrial products, and more, available on the website. Science supplies, kitchen supplies, jewelry, watches, lawn and garden supplies, musical instruments, sporting goods, tools, auto supplies, toys and games. Amazon.com offers a wide variety of products and services including Amazon Fresh, Amazon Prime, Alexa, Appstore, Amazon Drive, Echo, Kindle, Fire Tablet, Fire TV, Video, Kindle Store, Music, Music Unlimited, amazon Digital Software & Video Games. We provide services. , Amazon Studios, Amazon Wireless, Amazon Academy.

The various types of services which are provided by the Amazon are:

- Amazon Web Services.
- Fulfillment by Amazon.
- Amazon prime.
- Amazon Prime Video
- Amazon fresh.
- Amazon advertisement.
- Amazon pay.
- Amazon Music.
- Amazon prime Air.

Sr.no	Category	Percentage
1	Home & Kitchen	32%
2	Beauty & Personal Care	23%
3	Toys & Games	20%
4	Clothing, Shoes & Jewelry	18%
5	Health, Household & Baby Care	17%
6	Sports & Outdoors	16%
7	Arts, Crafts & Sewing	15%
8	Books	15%
9	Kitchen & Dining	14%
10	Baby	14%

[<https://www.junglescout.com/blog/amazon-product-categories/>]

Distribution channel in the industry

One-level channel

Retailers buy products from manufacturers and resell them to final buyers.

Two-level channel

Wholesalers often buy in bulk, buy from the manufacturer, and break up the goods into smaller packages to resell to retailers. The retailer then sells the goods to the final buyer.

Three-level channel

A three-level channel is similar to a two-level channel, except that goods flow from the manufacturer to the dealer and then to the wholesaler. Dealers help to sell goods and bring them to market quickly.

Product Quality/Technology

Since we have access to e-commerce in international business, there are different websites and apps for service provider platforms. With the help of e-commerce, products are sent by small and medium business owners to provide quality products to customers who need to care about product quality and delivery system. Retailers and manufacturers gain the trust of their customers here and also convey their integrity through them. Customers benefit from good quality and service, and have the opportunity to be loyal to the brand. In cross-border trade, the products we send are genuine and the quality of the product must be very good because it is exported to foreign countries.

Current trends in the industry

In the age of the Internet, trends change every few days. The e-commerce industry has different trends according to festivals, special days, certain company events, limited time and some special offers. More and more e-commerce companies are going global to outpace growth. The companies provide an open marketplace for all sellers to position themselves in the global market. To maintain the market, companies change their strategies according to the trend.

Company-specific marketing strategies

Every business has different marketing strategies, and they may vary depending on the geographical area. If talking about Amazon's marketing strategy based on the following four pillars.

1. Offer the widest range of products.
2. Use a user-friendly interface.
3. Scale easily from small to large.
4. Use a variety of products and resources. Amazon's segmentation, targeting, and positioning practices are linked to targeting the broadest segment of customers. The company pays special attention to the advertising elements in the press and media and the sales promotion of the marketing communication channels.

PESTEL Analysis:

The e-commerce industry has seen tremendous growth in recent years and apart from some volatility, the situation remains favorable for the growth of the industry. China and the United States are the largest electronics markets. However, the growth rate is expected to be even higher. The US online retail market is one of the largest in the world. Besides Amazon, Ebay, Alibaba, there are also some big players in the market such as Walmart, Coles and Best Buy. Technological factors have also supported the growth of the e-commerce industry. The growth in the use of mobile devices has also pushed e-commerce sales higher. Many people are now shopping with their mobile phones.

Operating globally can be a problem for e-commerce businesses as governments around the world have set different rules regarding the operation of the e-commerce industry. Economic factor

The world is heading towards a global recession. If a recession occurs, people's living standards will decrease. As a result, people's consumption power will decrease. This will cause sales of e-commerce businesses to decline and will suffer losses.

Pestel analysis includes the following:

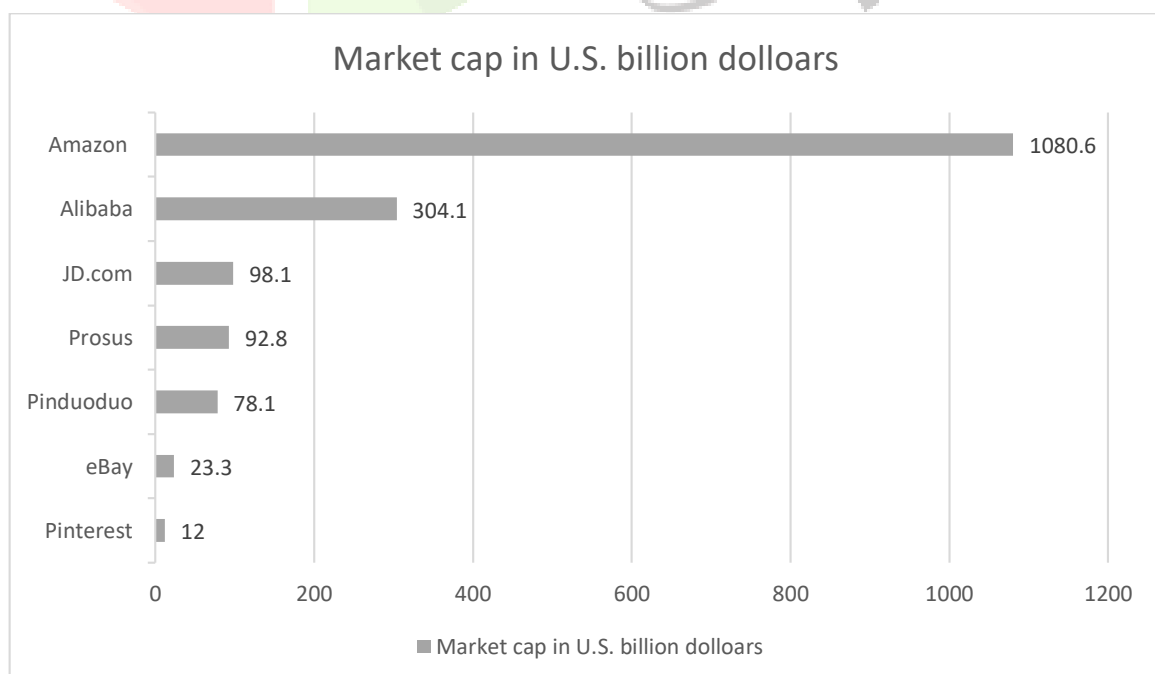
1. Political factors.
2. Economic factor.
3. Social factor.
4. Technological factors.
5. Environmental factors.
6. Legal factor.

Financial analysis of the e-commerce industry:

There are many e-commerce platforms that operate from various countries and carry out their business and merchandising. E-commerce platforms are easy to use but also pose a capital risk as online platforms can be affected by hackers, bugs, bugs and more. In India, the online industry is growing and occupies a prominent place. And every day a new player dares to jump into the market. Despite these significant contributions, growth is driven by the e-commerce industry. Yet many people do not understand this. The complexities of being in the e-commerce industry. Several e-commerce portals allow almost any category of goods and services under one customer-oriented roof. All kinds of products and services. What India e-commerce portal offers for men, women, health and beauty clothing and miscellaneous products, books and magazines, computers and peripherals, vehicles, collectibles games, software, consumer electronics, electronics, jewelry, audio/video entertainment, gifts, real estate and services, jobs, tickets, weddings, and more. India's growing e-commerce volume is also attracting attention from global players. More importantly, e-commerce offers many opportunities for businesses and also opens up educational and academic opportunities. This seems to have great potential for the future of e-commerce in India. Previously they didn't have any kind of physical store but now we have a store for that as well.

Amazon.com is an international e-commerce company that provides online retail, IT services, consumer electronics, digital content, and local services such as groceries and daily specials. . Amazon is the largest US online retailer with net sales of nearly \$470 billion in 2021. The majority of the company's revenue comes from the online retailing of electronics and other products, followed by is third-party revenue, subscriptions, and AWS cloud services. With its global reach and reach, Amazon is considered one of the world's most valuable brands.

Amazon and Alibaba are two of the biggest players in the global e-commerce market. Amazon ranks number one among the largest e-commerce companies in the world, with a staggering market capitalization of \$1.7 trillion. Meanwhile, China's Alibaba Group operates the world's two largest e-commerce platforms.



[<https://www.statista.com/statistics/245340/leading-large-cap-e-commerce-companies-market-cap/>]

Organizational structure and functional department:

North America and International Retail	Seller Services	Finance and Administration
Digital	Legal	Human Resources
Amazon Web Services	Worldwide Operations and Customer Service	E Commerce Platform

[Amazon.com's organizational chart Source: Amazon.com, Inc.]

Analytical data:

As amazon organized their operations into three segments: North America, International, and AWS. They allocate to segment results the operating expenses “Fulfillment,” “Technology and content,” “Marketing,” and “General and administrative” based on usage, which is generally reflected in the segment in which the costs are incurred. The majority of technology infrastructure costs are allocated to the AWS segment based on usage. The majority of the remaining non-infrastructure technology costs are incurred in the U.S. and are allocated to our North America segment. There are no internal revenue transactions between our reportable segments. These segments reflect the way our chief operating decision maker evaluates the Company's business performance and manages its operations.

North America:

The North America segment primarily consists of amounts earned from retail sales of consumer products (including from sellers) and subscriptions through North America-focused online and physical stores. This segment includes export sales from these online stores.

International:

The International segment primarily consists of amounts earned from retail sales of consumer products (including from sellers) and subscriptions through internationally-focused online stores. This segment includes export sales from these internationally-focused online stores (including export sales from these online stores to customers in the U.S., Mexico, and Canada), but excludes export from our North America-focused online stores.

AWS:

The AWS segment consists of amounts earned from global sales of compute, storage, database, and other services for start-ups, enterprises, government agencies, and academic institutions.

Below table depicts the following:

Net sales increased 9% to \$514.0 billion in 2022, compared with \$469.8 billion in 2021. Excluding the \$15.5 billion unfavorable impact from year-over-year changes in foreign exchange rates throughout the year, net sales increased 13% compared with 2021.

- North America segment sales increased 13% year-over-year to \$315.9 billion.
- International segment sales decreased 8% year-over-year to \$118.0 billion, or increased 4% excluding changes in foreign exchange rates.
- AWS segment sales increased 29% year-over-year to \$80.1 billion.

AMAZON.COM, INC.
Supplemental Financial Information and Business Metrics
(in millions, except employee data)
(unaudited)

	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Y/Y % Change
Net Sales							
Online stores (1)	\$ 49,942	\$ 66,075	\$ 51,129	\$ 50,855	\$ 53,489	\$ 64,531	(2)%
Online stores -- Y/Y growth (decline), excluding F/X	3 %	1 %	(1)%	0 %	13 %	2 %	N/A
Physical stores (2)	\$ 4,269	\$ 4,688	\$ 4,591	\$ 4,721	\$ 4,694	\$ 4,957	6 %
Physical stores -- Y/Y growth, excluding F/X	12 %	16 %	16 %	13 %	10 %	6 %	N/A
Third-party seller services (3)	\$ 24,252	\$ 30,320	\$ 25,335	\$ 27,376	\$ 28,666	\$ 36,339	20 %
Third-party seller services -- Y/Y growth, excluding F/X	18 %	12 %	9 %	13 %	23 %	24 %	N/A
Subscription services (4)	\$ 8,148	\$ 8,123	\$ 8,410	\$ 8,716	\$ 8,903	\$ 9,189	13 %
Subscription services -- Y/Y growth, excluding F/X	23 %	16 %	13 %	14 %	14 %	17 %	N/A
Advertising services (5)	\$ 7,612	\$ 9,716	\$ 7,877	\$ 8,757	\$ 9,548	\$ 11,557	19 %
Advertising services -- Y/Y growth, excluding F/X	52 %	33 %	25 %	21 %	30 %	23 %	N/A
AWS	\$ 16,110	\$ 17,780	\$ 18,441	\$ 19,739	\$ 20,538	\$ 21,378	20 %
AWS -- Y/Y growth, excluding F/X	39 %	40 %	37 %	33 %	28 %	20 %	N/A
Other (6)	\$ 479	\$ 710	\$ 661	\$ 1,070	\$ 1,263	\$ 1,253	77 %
Other -- Y/Y growth, excluding F/X	15 %	19 %	28 %	135 %	168 %	80 %	N/A
Stock-based Compensation Expense							
Cost of sales	\$ 126	\$ 179	\$ 146	\$ 213	\$ 190	\$ 208	16 %
Fulfillment	\$ 473	\$ 565	\$ 498	\$ 763	\$ 727	\$ 757	34 %
Technology and content	\$ 1,627	\$ 1,903	\$ 1,645	\$ 2,814	\$ 3,036	\$ 3,126	64 %
Sales and marketing	\$ 657	\$ 726	\$ 665	\$ 990	\$ 1,128	\$ 1,092	51 %
General and administrative	\$ 297	\$ 307	\$ 296	\$ 429	\$ 475	\$ 423	38 %
Total stock-based compensation expense	\$ 3,180	\$ 3,680	\$ 3,250	\$ 5,209	\$ 5,556	\$ 5,606	52 %
Other							
WW shipping costs	\$ 18,108	\$ 23,656	\$ 19,560	\$ 19,304	\$ 19,942	\$ 24,714	4 %
WW shipping costs -- Y/Y growth	20 %	10 %	14 %	9 %	10 %	4 %	N/A
WW paid units -- Y/Y growth (7)	8 %	3 %	0 %	1 %	11 %	8 %	N/A
WW seller unit mix -- % of WW paid units (7)	56 %	56 %	55 %	57 %	58 %	59 %	N/A
Employees (full-time and part-time; excludes contractors & temporary personnel)	1,468,000	1,608,000	1,622,000	1,523,000	1,544,000	1,541,000	(4)%
Employees (full-time and part-time; excludes contractors & temporary personnel) -- Y/Y growth (decline)	30 %	24 %	28 %	14 %	5 %	(4)%	N/A

[Source: Amazon.com, Inc Q4 2022]

RESEARCH METHODOLOGY

Objectives of the Study

1. To study trends and opportunity of e-commerce platforms.
2. To study how local business go global through e-commerce in India.
3. To identify MSME business start their international trade through amazon.
4. To identify various constraint in exporting products from India to other countries.

Methodology

1. Research Design:

In the Study of this topic secondary data is used. The study is based on A STUDY ON THE E-COMMERCE OPPORTUNITIES AVAILABLE FOR INTERNATIONAL BUSINESS ACCESSIBILITY WITH SPECIAL REFERENCETO AMAZON. The time series of data collected is from after 2019 to 2022.

2. Sources of data:

The study is based on secondary data. Data regarding e-commerce platforms and Amazon was collected from various authorized websites, various publications of government of India, magazines, journals and articles. Some of the sources of data are as below.

- Amazon.com Inc.'s E-commerce Website.
- Amazon.com, Inc. Form 10-K.
- GOVERNMENT OF INDIA Ministry of Commerce
- IBEF (Indian Brand Equity Foundation)
- Department of e-commerce

3. Data Collection Method:

The data was collected from various published articles of government of India. The data regarding e-commerce platforms and Amazon were collected from the government websites such as IBEF, Amazon.in, Ministry of e-commerce. The data was also collected from articles, magazines and various journals, research papers.

LIMITATIONS OF THE STUDY:

1. The study does not cover all the SMEs businesses but most of the businesses try to adopt this technology to go global which may affect the local market.
2. Some of the people try to reach the international market with the help of these e-commerce platforms and make their presence in the global market. So, they can do business through their home country. But there are some restrictions regarding various terms and laws.

Scope for the future:

- Small- and large-scale enterprises are expanding internationally and finding a place in the global market as a result of the e-commerce sector's explosive growth. Between 2021 and 2025, the e-commerce sector is projected to expand by over \$11 trillion.
- In India, Amazon raised its pledge to now enable \$20 billion in cumulative exports by 2025. Since launching in 2015, Amazon's Global Selling program has grown to more than 100,000 exporters that are showcasing millions of Made in India products to customers worldwide through Amazon's store. Indian exporters are on track to surpass \$5 billion in cumulative exports. In Italy, Amazon announced a new pledge to help the more than 18,000 small and medium-sized businesses selling on Amazon reach €1.2 billion in annual export sales by 2025. This pledge will support the objectives of the Italian government's National Recovery and Resilience Plan while ensuring a wider availability of original Italian products to customers worldwide.
- In India, Amazon launched Smart Commerce, a new initiative to further digitize local retail stores by enabling them to create customized online storefronts and provide an enhanced in-store shopping experience. Stores of any size will now take advantage of Amazon's shopping innovations, logistics, and digital payments to provide a reliable and trustworthy experience for customers in store, directly through their dedicated online storefronts or on Amazon.in. There are more than 150,000 local stores already selling on Amazon.in, and Amazon is committed to digitizing 10 million small businesses, including local stores, by 2025.

- The rapid growth of e-commerce industry making small- and large-scale businesses to go global and make their place in the world market. The e-commerce industry is expected to grow by almost \$11 trillion between 2021 and 2025.
- Amazon's history with capital purchases and other heavy investment actions resonates within the company as a rationale for lean operations. They are driven by a culture of expansion and growth, alongside constant innovation and lean management of the capital they purchase. Amazon's presence in the marketplace is a powerful motivator felt by many companies in many industries.
- There are many ways where multi-channel shopping is on the works. For instance, people can research a product online and then buy in-store, or buy products online and pick up in-store. The more channels your shoppers use, the more likelihood of an increased average order value.

Conclusion

A study on the accessibility of e-commerce with the help of international trade benefits and SMEs have the opportunity to gain a foothold in the global market. E-commerce is a growing industry and with access to the internet and new technologies, it becomes more and more useful to make a foothold in the international market. The MSME businesses who are adopting and making their new places in the international market with the help of e-commerce platforms. It is very much easy for MSME businesses to enter in the international market and sell their products through e-commerce platforms.

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