



# ANALYSIS OF AMAZON AS A SUCCESSFUL INTERNET GLOBAL COMPANY AND CONTRIBUTION TO INDIAN TRADE

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## INTRODUCTION

Amazon is a multinational technology company which target or focuses on digital streaming, artificial intelligence, e-commerce, cloud computing and digital streaming. Amazon is referred or known as one of the influential economic and cultural forces in the world and it comes under the world most valuable brands in the world. It comes under the Big five names in information technology companies in America competing with the big names like Apple, Microsoft, Alphabet and meta. These five companies are the leading in America in the technology sector.



## Product profile

“Amazon isn’t a retail company, it’s a service business” 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.

## Product Quality/Technology

A brand is created and maintained in market by winning customers of trust. It is not built in a day. It takes patience and consistency in quality to reach there. Yes, quality should be the top priority for any business - be it would be online or offline. That’s the key to keep bringing loyal customers and more sales to the organization

That’s why quality is important; to make a long-lasting impact on the customer’s mind. People may forget everything about your products, but they will not forget about your quality of product. This makes them back to buy more of your products. Buyers prefer quality above anything else, even price. Big brands can sell the same products at a higher price because they ensure quality. Poor quality products ruin the brand reputation and eventually make a non-profitable organization.

## Customer service

Amazon’s CEO, Jeff Bezos may be taken more than any business leader has taken the philosophy of truly caring for the customer and used it into the digital era for the betterment of the amazon. Bezos has built a company from the ground up purely based off of the never breakable philosophy of serving the customer across all departments. With a 164 million Amazon customers, few would argue Bezos as the key architect of building because he builds the amazon as a customer-centric company.

## PESTEL ANALYSIS

Amazon performance relates to the issues shown in this Pestel analysis of the business and its remote or macro-environment. It is a strategic management tool for identifying the external factors (political, economic, social/sociocultural, technological, ecological/environmental, and legal) that shape the conditions of the remote or macro-environment, which in this case is that of the e-commerce enterprise

Also, the company now has its own microchips used in its cloud infrastructure, thereby making Intel a potential competitor. Still, as shown in this analysis, the competitive landscape presents opportunities to continue growing Amazon’s operations, including those of subsidiaries like Whole Foods Market, in various market segments.

**Pestel analysis includes:**

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

**Financial Analysis of the company:**

The most common types of financial analysis are:

1. Vertical
2. Horizontal
3. Leverage
4. Growth
5. Profitability
6. Liquidity
7. Efficiency
8. Cash Flow
9. Rates of Return
10. Valuation
11. Scenario & Sensitivity
12. Variance

Return on investment of amazon is given below

**ROI:**

Date	Net income	Investment	Return on investment
2022-09-30	\$ 12.97B	\$ 196.41B	6.88%
2022-06-30	\$ 15.30B	\$ 189.46B	8.40%
2022-03-31	\$ 19.68B	\$181.56B	11.18%
2021-12-31	\$ 24.88B	\$186.99B	15.13%
2021-09-30	\$ 28.29B	\$170.62B	18.98%
2021-06-30	\$ 29.63B	\$165.08B	21.90%
2021-03-31	\$ 27.78B	\$135.19B	23.00%
2020-12-31	\$ 22.90B	\$125.22B	20.98%
2020-09-30	\$ 19.91B	\$115.70B	20.07%

**LEVERAGE:**

Amazon.com Inc., decomposition of ROE

	ROE	=	ROA *	Financial leverage
Dec 31, 2021	24.13%	=	7.93%	× 3.04
Dec 31, 2020	22.84%	=	6.64%	× 3.44
Dec 31, 2019	18.67%	=	5.14%	× 3.63
Dec 31, 2018	23.13%	=	6.19%	× 3.73
	Dec 31, 2017		10.95%	= 2.31% × 4.74

**RESEARCH METHODOLOGY:****Need of the study:**

A gap has been identified following a review of studies conducted by different experts identified.

The researchers looked at how internet shopping was introduced how it developed, how customers used it what they thought of it how successful it was, and any security or delivery related problems. However, there are small number of scholars had examined the problem in services.

Regarding the Amazon services and its impact globally this gap has been discovered and current study was handled by it.

**Objectives of the study:**

The purpose of the present study is to accomplish the forementioned goals.

1. To analyze consumer awareness of the Ecommerce Amazon services
2. To learn more about Amazon's online services globally
3. To understand the factors that influence whether or not consumers use the Amazon services
4. To the confidence of the customers of Amazon in using these services
5. To study the popularity of the services among the customers.

**Methodology:**

Through the use of questionnaire, the information that is required for the study is gathered from the clients. Utilizing the statistical tools available, as well as the data that was laid out in tables and charts, analysis and interpretation were carried out.

**RESEARCH DESIGN:**

Designing a research study for Amazon would depend on the specific research question or problem that needs to be addressed. Here is an example of a possible research design for Amazon:

Research Question:

What factors influence customers to make purchases on Amazon?

## **DATA COLLECTION METHOD:**

Both primary and secondary sources were used in the course of compiling the data for the study

### **PRIMARY DATA:**

Any research study that collects primary data uses procedures such as questionnaires, interviews, and observations, all of which have been used rather frequently. These approaches have been used quite frequently. The Questionnaire Technique was one of these ways that was employed for the goal of data collection. It was chosen because it is the most adaptable of all of these approaches and is able to interact with opinions and interventions.

The clients themselves are the primary data to be collected.

### **SECONDARY DATA:**

The secondary data for this study came from the following sources:

Through the collection of data from the clients. Through the observation and analysis of the earlier research studies. Through the reading of books, periodicals, and websites, as well as through the use of the internet.

The sample size for the client is fifty customers, and responses have been received from all of them.

In order to complete the analysis, Tables, pie chart, and histograms are used.

## **LIMITATIONS OF THE STUDY**

1. The study does not cover all the customers. Some of the replies of the respondents may be biased.
2. Some of the respondents were not responding for some of the questions. So, there is a possibility of some extent for not getting the real information what the respondent really feels.

## **FINDINGS:**

- We find that the no. of experience consumers in Indian market are high.
- We find that the amazon is mostly use in international market for distribution of goods.
- We find that the company achieves more than profit through online shopping.
- We find that the digitalization is more convenient in international logistics.
- We find that the precaution during handling and storage of goods in logistic is sufficient.  
We find that the reason behind delay in delivery is fault of transportation.
- We find that the personal selling is most effective for amazon.
- We find that the social media is more affecting media for advertising.
- We find that digitalization is convenient in international market.
- We find that the international trade impacted the economy.
- We find that the intellectual property risk is common risk in international risk.
- We find that sometime help receive from government for international trade.

We find that 52 percent of respondents agree that transportation impacted the international trade, 18 percent of the respondents are agreed that transportation not impacted and 30 percent of the respondents agree that sometimes its impacted.

## **CONCLUSION:**

Overall, this analysis could be beneficial in understanding the factors that have contributed to Amazon's success as a global internet company, as well as the ways in which Amazon has disrupted traditional retail models and impacted local businesses in India. The analysis could also highlight the potential benefits and drawbacks of Amazon's impact on the Indian economy and local businesses, and could provide valuable insights into the strategies and approaches that Amazon has employed to overcome challenges in different markets.

To ensure the analysis is robust, it is important to use a variety of data sources and methods of analysis. This might include both quantitative and qualitative data, such as financial data, market research, and interviews with stakeholders. Additionally, it would be important to critically evaluate the findings and consider alternative explanations and limitations of the analysis.



Amazon is a company that has grown exponentially from their bookstore beginnings. The internet boom certainly contributed to the success of Amazon. However, the company has found ways to stay innovative and relevant; Amazon has used their internet marketplace to help consumers and third-party retailers buy and sell goods conveniently from the comfort of home. The company has a goal of same day delivery, that way buying something on Amazon will haven drawbacks. They have already accomplished two day and same day delivery to urban areas with their subscription-based services.

## **Literature review**

Analysis the amazon success strategies

Zana Majed Sadq, Hawre Nuraddin Sabir, Vian Sulaiman Hama Saeed

This paper aims to present the Amazon success strategies. Since the objective of the Company is to become the best place to buy, find and discover any product or service available online. Amazon. com will continue to enhance and broaden its brand, customer base and electronic commerce expertise with the goal of creating customers preferred online shopping destination, in the United States and around the world

Competing on the Internet: The case of Amazon. com

Suresh Kotha

Rapid technological change and the growth of the Internet have enabled firms to rewrite the rules of the competition in many sectors of the US economy. Although many academics recognize the importance of the Internet, research highlighting successful business models that some firms have developed to compete via the Internet have been slow in coming. Using an in-depth case study on Amazon, this paper highlights how this exemplar firm is exploiting this emerging technology-driven media to rewrite the rules of competition in the book retailing industry.

Amazon and Alibaba: Internet governance, business models, and internationalization strategies

Xinyi Wu, Gary Gereffi

In the digital economy, what are the strategies of multinationals from developed countries and emerging markets? How do regulations in the home country affect their growth? Recent digital multinationals in diverse national and institutional contexts raise questions that require new approaches in international business (IB) studies. This chapter examines two leading firms in the global e-commerce industry: Amazon and Alibaba. We compare their digital capabilities and physical

asset-building strategies over the past two decades and we connect the Internet governance environment in the United States and China with their business models and internationalization patterns.

Ju, K. (2022). The Influence of Electronic Commerce on International Trade and Development Strategy. In this paper identified that the quick development of e-commerce and its application in the field of international trade have greatly impacted the original basic structure of international trade. E-commerce is having their own advantages and disadvantages. In today's era of internet, it is easy to get reach people on the finger tips, E-commerce is having huge scope to establish market in international business.

Parate, D. P. CURRENT TRENDS IN E COMMERCE AND E BUSINESS. In this paper identified how businesses are selling their products with the help of e-commerce sites and they without going outside at the situation like covid19 pandemic. With the help of e-commerce, the local people can buy and sell their products without going outside of their house. The information is also easily available for all to know the products. This also includes that e-commerce can include special components designed specifically for separate target market segments, with the search data, preference, likes and dislikes.

Ahmedov, I. (2020). The impact of digital economy on international trade. In this paper identified that the role of digitalization and related technologies in today's international trade. The impact of digitalization on international trade, the change in structure and form of international trade. With the help of e-commerce, it strengthens the global competition. There are also the rapid growth of digital commerce helps in giving the international trade the easy accessibility.

Chang Yanan. (2016). In this paper identified that the most important characteristic of today's international trade is globalization. China is the largest e-commerce markets in the world, they talked about the trend of the globalization some countries have resources and some countries have the technology. With the help of globalization every country is getting benefits of connecting people and getting new thing. The small and medium size enterprises should use the e-commerce to get the equal opportunity to do the international trade and expand their markets. In this they also mentioned about the has special policy for the small and medium enterprise in China.

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