

**“A STUDY ON THE FACTORS INFLUENCING THE
EFFECTIVENESS OF E-COMMERCE WITH REFERENCE TO
AMAZON”**

Submitted to the School of Maritime Management

*A dissertation submitted to the Indian Maritime University in partial fulfillment of
the requirement for the award of the degree of Master of Business Administration
in International Transportation and Logistics Management*

BY

NAVITHA SRINIVAS BALLA

(REG NO: 1905305023)

Under the supervision of

Dr Yogamala H.L



**SCHOOL OF MARITIME MANAGEMENT
INDIAN MARITIME UNIVERSITY, COCHIN
(A Central University, Government of India)**

29TH JUNE 2021

DECLARATION

I, Navitha Srinvas (1905305023) student of School of Maritime Management, Indian Maritime University- Kochi Campus hereby declares that this project report titled **A study on “The Factors Influencing the Effectiveness of E-commerce with reference to Amazon”** submitted in partial fulfillment of the requirement for the degree of **Master of Business Administration in International Transportation and Logistics Management** is my original work carried under the guidance of my project guide. It has not formed the basis for the award of any degree/diploma or associate ship of any University/Institution. The information submitted is true and original to the best of my knowledge.

Place: Kochi

NAVITHA SRINIVAS BALLA



(Signature):

(Date): 29TH June 2021

Supervised by: **Dr Yogamala H.L**

ACKNOWLEDGEMENT

It gives immense pleasure to express my thanks to all those who helped for the successful completion of this project. First & foremost, I thank the God Almighty for his gracious guidance throughout the project work.

I would like to sincerely thank **Dr. Jayan**, my respected HOD, SMM, my guide **Dr. Yogamala H.L**, Professor, SMM, Indian Maritime University, Kochi campus and other faculty of School of Maritime Management, Kochi campus who gave me moral support and able guidance and suggestions throughout the course of internship and completing of the report successfully.

My sincere gratitude is also due to my beloved parents and friends whose love and encouragement has helped us in the completion of this research project.

Finally, I take the opportunity to show my gratitude to everyone who has contributed in this effort in numerous ways & their invaluable guidance & assistance through the entire phase of this project.

EXECUTIVE SUMMARY

The study is conducted to understand the factors influencing the efficiency of e-commerce. It mainly focuses on factors affecting the e-commerce sector during this pandemic situation, the challenges faced by the industry and how they are handling the situations

Understanding the factors affecting the e-commerce sectors will help to introduce new strategies to cope up with the dynamic environment and improve the efficiency of e-commerce. This study was conducted to analyze the challenges faced by e-commerce in the current situation by collecting the responses from the customers and employees of the company. Few suggestions obtained from the study are company can improve their efficiency by reducing the number of shipments handled and increasing the number of working shifts for employees.

TABLE OF CONTENTS

NO.	CONTENTS	Page
1	INTRODUCTION	8
	1.1 INTRODUCTION	8
	1.2 ORIGIN OF E-COMMERCE	9
	1.3 HYPOTHESIS	12
	1.4 OBJECTIVES	14
	1.5 SCOPE OF STUDY	14
	1.6 PROBLEM IDENTIFICATION	15
	1.7 LITERATURE REVIEW	15
	1.8 REASEARCH METHODOLOGY	16
2	INDUSTRY PROFILE	22
	2.1 INDUSTRY PROFILE	22

3	COMPANY PROFILE	35
	3.1 COMPANY PROFILE	35
4	CONCEPT ANALYSIS AND INTERPRETATION	40
	4.1 WHAT IS E-COMMERCE?	40
	4.2 TYPES OF E-COMMERCE	40
	4.3 ADVANTAGES OF E-COMMERCE	43
	4.4 DISADVANTAGES OF E-COMMERCE	45
	4.5 CHALLENGES FACED BY E-COMMERCE	46
5	FINDINGS AND CONCLUSIONS	62
	5.1 FINDINGS	62
	5.2 SUGGESTIONS	62
	5.3 CONCLUSIONS	63
6	BIBLIOGRAPHY	64
7	ANNEXURE	66

LIST OF TABLES AND GRAPHS

No	CONTENT	Page
1	PREFERENCE IN ONLINE PURCHASE	51
2	TYPE OF PRODUCTS ORDERED BY CUSTOMERS	52
3	REASON WHY COSNUMERS DON'T PRFER PURCHASES THOUGH E-COMMERCE	53
4	PROBLEMS FACED BY CUSTOMERS DURING COVID WHILE PURCHASING PRODUCTS IN E-COMMERCE	54
5	E-COMMERCE WEBSITE CUSTOMERS PREFER MORE	55
6	TYPE OF DAMAGE INCURRED PRESENTLY	56
7	CAUSE FOR THE INCREASING NUMBER OF DAMAGES	57
8	HAS THE NUMBER OF EMPLOYEES REDUCED	58
9	MEETING THE STANDARD PRODUCTIVITY	59
10	EFFICIENCY OF THE OVERALL OPERATIONS OF THE COMPANY	60

CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

Electronic commerce, also known as e-commerce or eCommerce, is a business concept that allows companies and individuals to buy and sell goods through the internet. E-commerce, which can be done on computers, tablets, and smartphones, can be viewed of as a digital version of catalog shopping. E-commerce transactions allow you to buy almost any product or service you can think of, including books, music, plane tickets, and financial services like stock investing and online banking. As a result, it's seen as a game-changing technology.

Amazon.com Inc. is a company that specializes in online retail shopping. Consumers, merchants, businesses, and content providers are the four key customer groups it serves. In addition to internet advertising and co-branded credit card agreements, the company offers various marketing and promotional services. It caters to customers through its retail websites, focusing on selection, price, and ease of use.

1.2 ORIGIN OF E-COMMERCE

1960 – 1982: Invention and the Early Days

In the 1960s, the Electronic Data Interchange (EDI) standard was developed, paving the path for electronic commerce. By permitting a digital movement of data from one computer to another, EDI has eliminated traditional document mailing and faxing.

Trading partners could send orders, invoices, and other business documents using a data format that complied with ANSI ASC X12, the most widely used set of standards for inter-industry electronic communication in North America. After an order is sent, it is inspected by a VAN (Value-Added Network) before being forwarded to the recipient's order processing system. Without the need for human involvement, EDI allowed data to be sent effortlessly.

Michael Aldrich's invention involves wiring a television to their grocery and having them deliver the food, which was inspired by a talk with his wife about their weekly supermarket shopping journey. Aldrich created the term "teleshopping" (distance shopping), which can be considered as the forerunner of modern online shopping.

1982 – 1990: Early Ecommerce Platforms

From the beginning, it was clear that these early innovations would make B2B internet buying commercially viable. B2C would not take off until the mass use of PCs and the World Wide Web.

In 1982, France introduced Minitel, an online service that relied on a Videotex terminal computer that could be accessed over phone lines. The Minitel was a free service that connected millions of people to a computer network. Minitel terminals were installed in approximately 7 million homes by 1997. The Minitel system was popular for three years before falling out of favor due to the success of the internet.

Early 90's: The World Wide Web Arrives

Tim Berners-Lee and Robert Cailliau published a proposal in 1990 to create the "World Wide Web," a "Hypertext project." The Dynatex SGML reader, which has been licensed by CERN, served as motivation for this project. Berners-Lee constructed the first web server and wrote the first web browser in the same year. Shortly after, on August 6, 1991, he launched the web as a publicly accessible service on the Internet. Berners-Lee developed URL, HTML, and HTTP as a result of his decision to take on the challenge of marrying hypertext to the Internet.

The National Science Foundation removed prohibitions on commercial use of the Internet in 1991, resulting in a massive increase in online purchasing. The NSF started collecting a charge for domain name registration in September 1995. By 1993, there were two million domain names registered. The NSF's role in the Internet had come to an end by this point, and much of the oversight had transferred to the commercial sector.

The safety of internet buying has been a source of concern since its inception. Secure Socket Layers (SSL)—an encryption certificate introduced by Netscape in 1994—provided a safe way to send data over the internet. Web browsers could identify whether a site had an authenticated SSL certificate and, depending on that, whether or not it could be trusted. The SSL encryption protocol is now an important aspect of web security, and most web servers now use version 3.0.

Mid '90s to Present

The commercial use of the Internet advanced dramatically in the mid-to-late 1990s. Amazon, which began as an online bookshop in 1995 and has since grown to become the world's largest online retailer, was one of the earliest ecommerce sites. The number of titles available in traditional brick-and-mortar bookstores

was around 200,000. Amazon was able to provide significantly more products to the buyer because it was an online-only business with no physical restrictions.

Amazon's product line has grown over time to include music, video downloads, electronics, fashion, furniture, food, and toys, among other things. The retail behemoth was one of the first online retailers to include product reviews and a rating scale. Product reviews are now widely regarded as one of the most efficient methods for increasing sales and establishing consumer loyalty.

1.3 HYPOTHESIS

- Electronics is currently the most popular product category on e-commerce sites. In 2018, it had a 48% market share.
- The ability of online businesses to send things to far-flung regions is expected to expand. This is due to a projected \$ 2 billion investment in logistics and warehousing by 2020.
- During the June 2020 quarter, United Parcel Service Inc. rode a pandemic-fueled spike in ecommerce to better earnings and a 13 percent increase in revenue. UPS witnessed a 65 percent rise in delivery to homes over the same quarter.

- This sector is being driven by a young demographic, increased internet and smartphone usage, and relatively stronger economic performance. India adds about 10 million new daily active internet users per month, the highest rate in the world; the number of smartphones per 100 people has increased from 5.4 in 2014 to 26.2 in 2018.
- E-commerce has been used in nearly all of India's pin codes. In India, tier two cities and smaller towns account for more than 60% of transactions and orders. During FY20, 97 percent of postal codes ordered at least one item. Even in tier-2 and tier-3 cities, the e-commerce trend is gaining traction, as they currently account for roughly half of all shoppers and three out of every five orders for leading e-retail platforms. In tier-2 and smaller towns, the average selling price (ASP) is only slightly lower than in tier-1/metro cities.
- The Indian e-commerce industry has been expanding at a rapid pace. In India, the online retail sector accounts for 25% of the overall organized retail market and is predicted to grow to 37% by 2030. It is expected to overtake the United States as the world's second largest e-commerce market by 2034.

1.4 OBJECTIVES

GENERAL OBJECTIVE

A study on the factors influencing the effectiveness of an e-commerce with reference to Amazon

SPECIFIC OBJECTIVES

- To analyze the operation process in e-commerce
- To examine the changes in the operations due to COVID 19
- To understand the factors influencing the warehouse operations of e-commerce during COVID 19.
- To identify the challenges faced in e-commerce and the changes in the purchase behavior of the customers during the pandemic situation.

1.5 SCOPE OF STUDY

This study is focused on the factors influencing the efficiency of the e-commerce.

This study helps to understand how the sector is carrying out their operations during this pandemic situation, challenges faced by them and measures taken to

overcome these challenges. This study also helps to understand the impact of COVID in customer demand and purchases.

1.6 PROBLEM IDENTIFICATION

The study is carried to understand the complete operation process of an ecommerce from first mile to last mile and the factors influencing it. With the help of efficient strategies, the company will be able to manage the operations and maintain a smooth flow in the process, which will result in reducing the damages caused to the products in the warehouse as well as during transit by human errors. An efficient operation strategy will also help to reduce time and eliminate unnecessary cost.

1.7 LITERATURE REVIEW

Raven et al. examined India's and China's approaches to e-business adoption. The study examined numerous factors impacting the growth of e-businesses in the two countries based on a literature review and secondary data. Government policy and focus, current technology infrastructure regulatory environment, experience and understanding of corporate operations, and culture are just a few of the aspects considered. In terms of infrastructure, China appears to be ahead of India, but India is ahead in terms of e-readiness, according to the report.

Furthermore, it adds that both countries are primed for substantial growth in e-business; yet, in order to fully benefit from e-business in both countries, poverty and disparities in connectivity between urban and rural areas must be addressed.

Malhotra and Singh investigated the factors that influence bank adoption of Internet banking in India. The CMIE (Centre for Monitoring Indian Economy) database was used to collect panel data from 88 Indian banks during the years 1997–1998 to 2004–2005. The dependent variable is categorical, with a value of 1 if a bank implemented Internet banking during the study period and 0 if it did not. Company size, firm age, bank deposits ratio, average wages, costs (fixed assets & premises), ROA (ratio of average net profits to average assets), market share, average number of branches, and proportion of banks using Internet banking are all independent factors in the study. The study's findings show that bank type (private), firm size, bank deposits ratio, firm age, market share, average number of branches, proportion of banks using Internet banking, and expenses all have a role in adoption. Wage and return on investment (ROI) are determined to be irrelevant. This research adds to the empirical literature on the spread of financial innovations, particularly Internet banking, in India. The majority of technology adoption research has focused on established markets such as the United States

and Europe; however, this study adds to the growing body of knowledge by addressing the issue of technology adoption in developing countries.

The elements that impact an organization's willingness to adopt E-Commerce were investigated by **Tarafdar and Vaidya (EC)**. The research presents a paradigm based on qualitative data obtained through a multiple case study design on four Indian financial firms. Primary data was collected through face-to-face interviews, while secondary data was collected through existing databases, company records, press stories, and websites. To explain the influence of organizational factors on the tendency to use EC technologies, the framework defines two main factors: leadership traits and organizational characteristics. The study discovered that EC adoption is influenced by both leadership and organizational characteristics. It is established that leadership traits influence EC technology acceptance in centralized organizations, while seven organizational features influence EC technology adoption in decentralized organizations. The study also discovered that the characteristics of Information Systems professionals and the structure of organizations had an impact on EC adoption.

1.8 REASEARCH METHODOLOGY

The technique of using a limited number of things or components of a larger population to draw conclusions about the entire population is referred to as sampling. The data is obtained through sampling of information collected solely from a representative part of the universe. The study of a sample shows the universe's properties.

SAMPLE SIZE

The Sample size considered for decision making from the total number of population to help the researcher to continue the study. In this research sample size is 30 customers and 15 employees.

SOURCES OF DATA COLLECTION

PRIMARY DATA

Primary data for this study was collected by observations and Formal interviews, discussions with professionals.

SECONDARY DATA

Secondary data for this study are collected from:

- Journals
- Different Company Records
- Books
- Different Company Publication
- Research Reports
- Websites. Etc.....

TOOLS FOR ANALYSIS

The various tools used for collection the data are as follows:

QUESTIONNAIRE

A questionnaire is a research instrument consisting of a series of questions and other prompts for the purpose of gathering information from respondents. Although they are often designed for statistical analysis of the responses, this is not always the case.

OBSERVATION

Observation is either an activity of a living being, such as human, consisting of receiving knowledge of the outside world through the senses, or the recording of

data using scientific instruments. The term may also refer to any data collected during this activity. An observation can also be the way you look at something.

INTERVIEWS

In interviews information is obtained through inquiry and recorded by enumerators. Structured interview are performed by using survey forms. The interview in one-to-one conversation collects detailed personal information from individual using oral questions.

LIMITATIONS

This study is based on secondary data, which is descriptive in nature. Due to the current situation of the economy, field research was not possible. However, interviews with the industry experts and telephonic discussions with the private participants have enabled to present vast inputs that have been built into analysis and interpretation.

CHAPTERISATION

CHAPTER 1: INTRODUCTION

CHAPTER 2: INDUSTRY PROFILE

CHAPTER 3: COMPANY PROFILE

CHAPTER 4: DATA ANALYSIS AND INTERPRETATION

CHAPTER 5: CONCLUSION

CHAPTER 5: BIBLIOGRAPHY

CHAPTER 2

INDUSTRY PROFILE

2.1 INDUSTRY PROFILE

Electronic commerce – the purchasing and selling of commodities through the transmission of data – was made possible with the development of the electronic data interchange in the 1960s, and the name e-commerce was coined to describe it. E-commerce has transformed the way society sells products and services in the last fifty years. E-commerce has become one of the most popular ways to make money online, as well as a lucrative investment possibility.

The terms 'e-commerce' and 'online shopping' are sometimes used interchangeably, but e-commerce is much more than that — it encapsulates a concept for conducting business online, encompassing a variety of services such as making online payments, booking flights, and so on.

Since its humble origins, e-commerce has grown rapidly, with sales expected to reach \$599.2 billion USD by 2024. As a result of the COVID-19 epidemic, e-commerce sales increased by 25% in March 2020. E-commerce's should

not be underestimated, as it continues to penetrate daily life and create substantial potential for small, medium, and large firms.

There are three basic e-commerce fulfillment models that determine the role of the merchant as well as how a product is stored and sent to the end-user. These models have a big impact on the business's operational characteristics and day-to-day operations, as well as the total operating margin. The following are the three main models:

1. Dropshipping Model

The e-commerce business does not take physical possession of the objects for sale in a dropshipping model. There is no inventory retained by the store owner, and no products are kept in stock. Orders are instead transmitted directly to the manufacturer, who is in charge of keeping and sending the items to the buyer. The merchant never sees or touches the products in this way, which provides some distinct advantages over a more typical order fulfillment process.

2. Traditional Order Fulfillment

Purchasing wholesale is perhaps the most similar to the conventional offline retail approach. In fact, the retailer buys goods at a discount from a

wholesaler, attaches a margin to each product, and decides to deliver straight to customers.

3. Outsourced Fulfillment Model

The retailer may want to sell products from a vendor who does not offer dropshipping. If the merchant wants to avoid end-to-end fulfillment, a hybrid strategy with a "fulfillment house" can be used. Companies like Shipwire are commissioned to handle the product side of the business on behalf of the retailer in this approach. They are in charge of receiving products from suppliers, storing them in distribution facilities, packaging them, and fulfilling orders for others (to the customer). This service comes at a price - minimum costs, return fees, and setup fees are all typical, and they should all be considered before proceeding.

2.2 ECOMMERCE IN INDIA

It's no wonder that India's e-commerce business grew at a comparable rate as the internet and online infrastructure grew at an exponential rate. The robust basis that ecommerce requires was provided by rising internet usage and a growing share of the organized retail sector inside retail markets. The government's policies had further bolstered the market. Government laws that allow 100

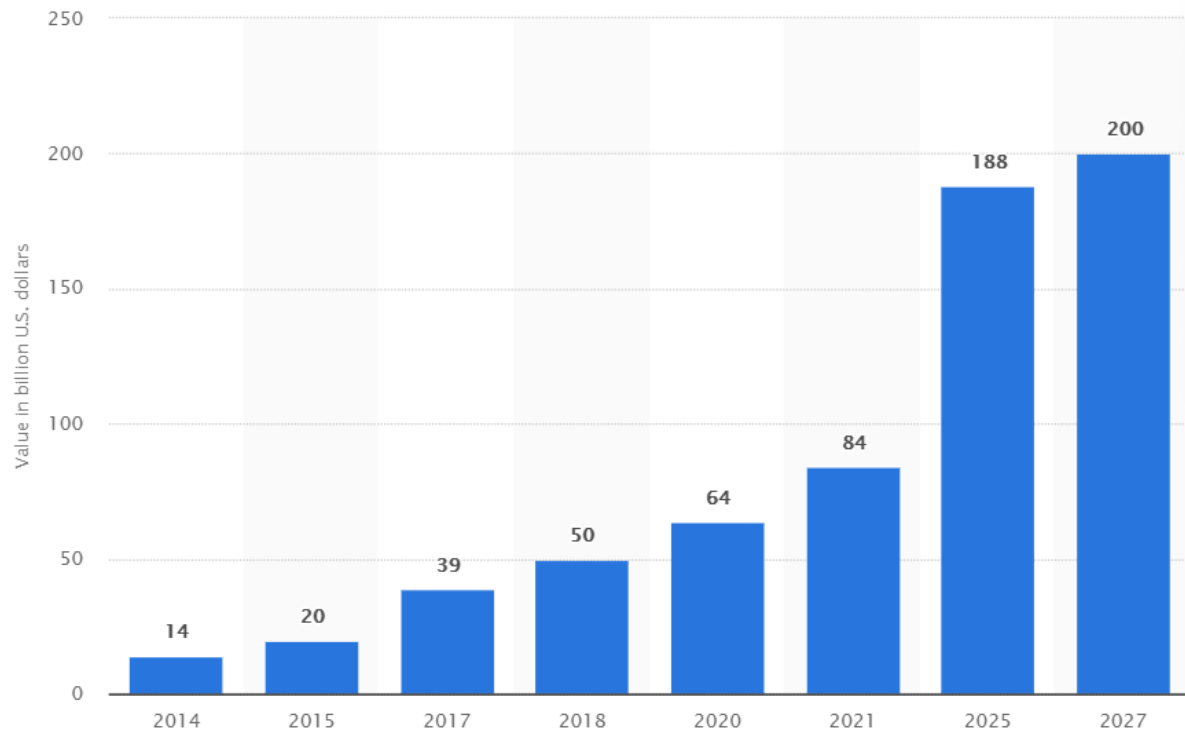
percent foreign direct investment in B2B e-commerce fueled this trend. The frameworks for 2019 anticipate FDIs in the marketplace model for e-commerce and ensure a level playing field for all businesses.

A continuous stream of private equity and venture financing poured into a variety of e-commerce firms. This allowed for customized innovation to satisfy local needs. In recent years, certain internet firms have readily established themselves into household brands and verbs in specialized sectors of necessity. Food delivery services such as Swiggy and Zomato, Grofers and Big Basket for online grocery shopping, BookMyShow for movie tickets, and Oyo and MakeMyTrip for travel and hospitality are examples of these accomplishments.

In the last ten years, online retail has exploded. Despite accounting for only 3% of total retail sales in 2017, the digital commerce industry is expected to grow to 330 million purchasers by 2020. Smartphone use aided the shift to mobile shopping, with one-third of Indians reportedly shopping online using a smartphone. Amazon and Flipkart were the two biggest participants in this market, competing for lavish sales every festive season. During the discounted times of Dusshera and Deepavali in 2019, this market generated around three billion dollars in gross merchandise value.

The government's Digital India project enabled electronic and online infrastructure across the country, digitization has advanced dramatically. In November 2016, the overnight demonetization of certain currency notes had a significant contribution in broadening the reach of digital payments in particular. Although the latter created tremendous economic disruption and chaos in the weeks following the announcement, the shortage of currency made digital use, particularly for payments, explode. Due to home confinement measures, the economic effects of the coronavirus (COVID-19) lockdown from late March enhanced the adoption of online payments in 2020.

Even in the face of minor setbacks, the country's e-commerce business seems to mold itself into available vessels, tenacious and gaining speed. The government's goal of creating a trillion-dollar digital economy by 2025 may, after all, become a reality.



India's e-commerce market value, 2014-2027

2.3 ECOMMERCE TIMELINE

1969: CompuServe is founded.

Early CompuServe technology was constructed using a dial-up connection and was founded by electrical engineering students Dr. John R. Goltz and Jeffrey Wilkins.

CompuServe dominated the ecommerce environment through the mid-1990s, introducing some of the first kinds of email and internet connectivity to the public in the 1980s.

1979: Michael Aldrich invents electronic shopping

Michael Aldrich, an English inventor, pioneered electronic shopping by linking a customized television to a transaction-processing computer through a telephone line.

Closed information systems could be opened and shared by third parties for secure data transmission, and the technology became the foundation for modern ecommerce.

1982: Boston Computer Exchange launches

Boston Computer Exchange was the world's first ecommerce enterprise when it first opened its doors.

Its main purpose was to act as an online marketplace for customers looking to sell their old laptops.

1992: Book Stacks Unlimited launches as first online book marketplace

Book Stacks Unlimited was founded by Charles M. Stack as an internet bookstore. The company originally employed a dial-up bulletin board format. The site, however, transitioned to the internet in 1994 and began operating under the Books.com name.

1994: Netscape Navigator launches as a web browser

Netscape Navigator was co-created by Marc Andreessen and Jim Clark as an online browsing tool. Before the rise of modern giants like Google, Netscape Navigator became the primary web browser on the Windows platform in the 1990s.

1995: Amazon launch

Amazon was founded by Jeff Bezos as a book-selling e-commerce platform.

1998: PayPal launches as an ecommerce payment system

PayPal made its debut on the ecommerce arena as a money transfer mechanism, originally offered as Confinity by founders Max Levchin, Peter Thiel, Luke Nosek, and Ken Howery.

By the year 2000, it had merged with Elon Musk's online banking company and was on its way to being well-known.

1999: Alibaba launches

Alibaba Online began as an online marketplace with a capital of more than \$25 million. By 2001, the corporation had turned a profit. It grew into a large B2B, C2C, and B2C platform that is still in use today.

2000: Google introduces Google AdWords as an online advertising tool

Google Adwords was created to allow ecommerce firms to advertise to people who search on Google.

Online retailers began employing the technology in a pay-per-click (PPC) setting with the help of short-text ad copy and display URLs. Search engine optimization and pay-per-click advertising are two different things (SEO).

2004: Shopify launches

Tobias Lütke and Scott Lake launched Shopify after failing to build an online snowboarding equipment store. It's a point-of-sale system and an ecommerce platform for online retailers.

2005: Amazon introduces Amazon Prime membership

Amazon launched Amazon Prime as a method for users to enjoy free two-day shipping for a one-time purchase.

Other benefits of membership include cheap one-day shipping, access to streaming services such as Amazon Video, and members-only events such as "Prime Day." This strategy increased client loyalty and encouraged repeat purchases. The most popular requests from internet customers today are for free shipping and quick delivery.

2005: Etsy launches

Etsy was found in order to allow craftspeople and small businesses to sell their wares (including digital ones) through an online marketplace. This took the makers community online, allowing them to contact a global audience of buyers 24 hours a day, seven days a week.

2009: BigCommerce launches

BigCommerce was developed by Eddie Machaalani and Mitchell Harper as a completely self-funded ecommerce platform.

The platform has processed over \$25 billion in merchant purchases since 2009, and it now has offices in Austin, San Francisco, and Sydney.

2011: Google Wallet introduced as a digital payment method

Google Wallet was launched as a peer-to-peer payment service that allowed users to send and receive money using a mobile device or a computer.

Users can pay for products or services using their digital wallets by linking them to a debit card or bank account.

Google Wallet and Android Pay have merged to form Google Pay today.

2011: Facebook rolls out sponsored stories as a form of early advertising

Sponsored stories were one of Facebook's first advertising options for Business Pages. Ecommerce enterprises could reach specific audiences and appear in the news feeds of distinct target audiences with these paid ads.

2011: Stripe launches

Stripe is a payment processing firm that was created for developers. John and Patrick Collison created the company.

2014: Apple Pay introduced as a mobile payment method

Apple created Apple Pay, which allowed consumers to pay for products or services using an Apple device, as internet buyers began to utilize their mobile devices more regularly.

2014: Jet.com launches

Marc Lore (who sold his previous company, Diapers.com, to Amazon.com) co-founded Jet.com with Mike Hanrahan and Nate Faust.

The company competes with Costco and Sam's Club, catering to people who want the best deal for lengthier shipping times and big orders.

2017: Shoppable Instagram is introduced

Instagram Shopping was created in collaboration with BigCommerce, an ecommerce platform. Since then, the service has spread to other ecommerce platforms, allowing Instagram users to click on an item and quickly link to the item's product page for purchase.

2017: Cyber Monday sales exceed \$6.5B

On Cyber Monday, ecommerce sales surpassed \$6.5 billion, a 17 percent increase over the year before.

2020: COVID-19 Drives Ecommerce Growth

COVID- Consumers went online in unprecedented numbers as a result of 19 outbreaks around the world. Ecommerce transactions totaled \$82.5 billion in May

2020, up 77 percent from the previous year. Using regular year-over-year gains, it would have taken four to six years to reach that level.

Consumers are turning to the internet to make purchases that they would regularly make in stores, such as food and household items, clothing, and entertainment. Many customers said they'll keep shopping online until a COVID-19 vaccination becomes available.

CHAPTER 3

COMPANY PROFILE

3.1 COMPANY PROFILE

Amazon.com, Inc. is a company that offers online retail purchasing. It caters to four distinct customer groups: consumers, sellers, businesses, and content providers. Other marketing and promotional services offered by the corporation include web advertising and co-branded credit card agreements. Its retail websites cater to customers with a focus on selection, pricing, and convenience. It creates websites to allow the corporation and third parties to sell its items across dozens of product categories. It also makes and sells the Kindle e-reader and attempts to provide customers with the best value possible by offering everyday low prices and free shipping incentives, including through Amazon Prime membership. The company provides programs that allow merchants to sell their items on its and their own branded websites while receiving set fees, revenue sharing fees, or per-unit activity fees. Amazon Web Services, which gives access to technology infrastructure that enables nearly any form of organization, also supports developers and businesses of all sizes. North America and International are the two main segments in which the corporation operates. Retail sales of

consumer products and subscriptions through North American-focused websites such as www.amazon.com and www.amazon.ca make up the North America division. Retail sales of consumer products and subscriptions through international-focused locations make up the International segment. Export sales from these globally located locations, including export sales to customers in the United States and Canada, are included in this segment. Jeffrey P. Bezos launched the company in July 1994, and it is based in Seattle, Washington.

Amazon.com History

Bezos' "regret minimization framework," which defined his efforts to avoid any regrets for not engaging sooner in the Internet business growth at the time, prompted the company's founding in 1994. Bezos moved to Seattle from his job as vice-president of Wall Street firm D. E. Shaw & Co. in 1994. He started developing a business plan for what would become Amazon.com.

Bezos produced a list of 20 things that may be sold online after reading a forecast on the future of the Internet that predicted yearly Web commerce growth of 2,300 percent. He reduced the list down to the five most promising products: compact discs, computer hardware, computer software, films, and books, among others. Due to the great global demand for literature, low book prices, and the

large number of titles available in print, Bezos finally decided that his new company would sell books online. In Bezos' garage in Bellevue, Washington, Amazon was started.

The company started off as an online bookstore, thanks to a conversation between John Ingram of Ingram Book (now known as Ingram Content Group) and Keyur Patel, who still owns a stake in Amazon. Amazon sold to all 50 states and over 45 countries in its first two months of operation. Within two months, Amazon's weekly sales had risen to \$20,000. While the greatest brick-and-mortar bookstores and mail-order catalogs may provide 200,000 titles, an online bookstore could "carry" many more since they had access to an almost limitless virtual (not physical) warehouse: those of the actual product makers and suppliers.

Bezos desired a company name that began with the letter "A" so that it would appear first in alphabetical order. He started browsing through the dictionary and decided on "Amazon" because it was an "exotic and different" region, exactly like he wanted his store to be, and he thought it was the world's largest river, and he wanted to make his store the world's largest.

Bezos told a reporter, referring to his head start in developing a brand “There's nothing about our concept that can't be imitated over time, McDonald's, on the other hand, has been duplicated. Despite this, it grew into a multibillion-dollar corporation. A lot of it boils down to the name of the company. On the internet, brand names are more essential than they are in the real world.”

Since 2000, Amazon's logo has included a curving arrow leading from A to Z, symbolizing that the company carries every product from A to Z, with the arrow shaped like a smile.

Amazon was founded in the state of Washington in 1994. The company commenced operating in July 1995, and its first book was sold on Amazon.com: *Douglas Hofstadter's Fluid Concepts and Creative Analogies: Computer Models of the Fundamental Mechanisms of Thought.*

The firm had its public debut in October of 1995. It was reincorporated in Delaware in 1996. Amazon announced its first public offering of stock on May 15, 1997, at a price of US\$18.00 per share (\$1.50 after three stock splits in the late 1990s), trading under the NASDAQ stock exchange code AMZN.

Amazon's first business plan was unusual in that it didn't expect to break even for another four to five years. Stockholders complained that the company was not

profitable quickly enough to warrant investing in, or even to survive in the long run, due to its "slow" growth. When the dot-com bubble burst at the beginning of the twenty-first century, destroying many e-businesses in the process, Amazon persevered and expanded to become a major player in online sales. It ultimately made a profit in the fourth quarter of 2001, with revenues of more than \$1 billion and a profit of \$5 million (i.e., 1 per share). Even though the profit margin was small, it demonstrated to naysayers that Bezos' unusual business approach could thrive. Bezos was voted Person of the Year by Time magazine in 1999, acknowledging the company's accomplishment in popularizing online purchasing.

CHAPTER 4

CONCEPT ANALYSIS AND INTERPRETATION

4.1 WHAT IS E-COMMERCE?

Ecommerce, often known as electronic commerce or online commerce, is the purchasing and selling of goods and services through the internet, as well as the financial and data transfers required to complete these transactions. Ecommerce is frequently used to refer to the online sale of real goods, but it can also refer to any type of economic transaction that is made possible by the internet. Some of the e-commerce sites are Amazon, Flipkart, Shopify, Myntra, Ebay, Quikr, and Olx.

4.2 TYPES OF E-COMMERCE

Generally businesses can be classified into six major ecommerce models:

1. B2C
2. B2B
3. C2C
4. C2B
5. B2A
6. C2A

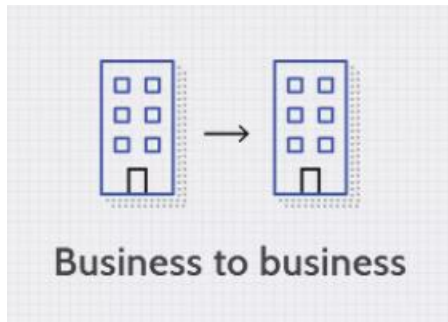
1. Business-to-Consumer (B2C)

The most prevalent type of e-commerce is business-to-consumer (B2C). A sale between a business and a consumer is referred to as "business to consumer."



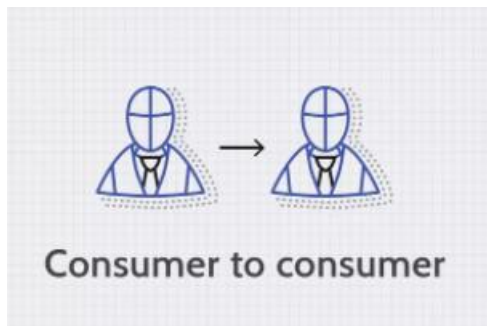
2. Business-to-Business (B2B)

A business selling a good or service to another business, such as a manufacturer and wholesaler, or a wholesaler and a retailer, is known as B2B e-commerce. Business to business e-commerce isn't aimed at consumers, and it frequently involves things such as raw materials, software, or combination products. B2B ecommerce allows manufacturers to sell directly to merchants.



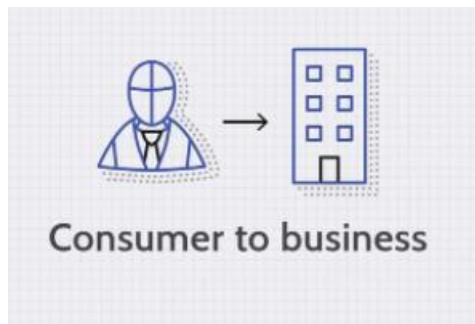
3. Consumer-to-Consumer (C2C)

The sale of a good or service to another consumer is referred to as C2C e-commerce. Platforms such as eBay, Etsy, Fivver, and others facilitate consumer-to-consumer transactions.



4. Consumer-to-Business (C2B)

When an individual sells their services or products to a business entity, this is known as consumer to business. C2B includes influencers that provide visibility, as well as photographers, consultants, and freelance writers.



5. Business-to-Administration (B2A)

B2A refers to transactions between online enterprises and government agencies. Products and services relating to legal documents, social security, and the like are an example.

6. Consumer-to-Administration (C2A)

Consumers sell online items or services to an administration in C2A, which is analogous to B2A. Online education consultation, online tax preparation, and other forms of C2A could be included.

4.3 ADVANTAGES OF E-COMMERCE

- E-commerce allows vendors to reach a worldwide audience. They dismantle the geographical barrier (geography). Sellers and buyers can now meet in the virtual world without having to travel.

- The transaction cost of electronic commerce will be significantly reduced. It eliminates a lot of the fixed expenditures of running a physical store. As a result, the profit margins for the corporations are substantially bigger.
- It ensures that things are delivered quickly and with little effort on the side of the customer. Customer issues are also immediately addressed. It also saves both customers and businesses time, energy, and effort.
- Another significant benefit is the ease with which it may be implemented. Customers get access to the store 24/7. The website is available at all times; unlike a store, it does not have set hours.
- Electronic commerce also allows customers and businesses to communicate directly with one another without the use of intermediaries. This facilitates communication and transactions. It also adds a touch of personalization.

4.4 DISADVANTAGES OF E-COMMERCE

- The e-commerce portal's start-up costs are quite high. The expense of setting up the gear and software, employee training, and ongoing maintenance and upkeep are all significant.
 - The e-commerce industry, while it may appear to be a sure thing, has a significant potential of failure. Many businesses that tried to cash in on the dot-com boom of the 1990s failed spectacularly. Even now, there is a high possibility of failure.
 - E-commerce might feel impersonal at times. As a result, it lacks the warmth of a human connection, which is critical for many businesses and goods. For many sorts of services and products, such as interior design or jewelry, the lack of a human touch might be a disadvantage.
 - Another source of concern is security. We've recently seen a number of security incidents in which client information has been stolen. Customers are concerned about credit card theft, identity theft, and other issues.

- There are also issues with fulfillment. Shipping, delivery, mix-ups, and other issues might arise even after an order has been placed.

Customers are disgruntled and disappointed as a result of this.

4.5 CHALLENGES FACED BY E-COMMERCE

1. Finding the right products to sell

Many hurdles to entry have been removed with shopping cart platforms like Shopify. In a matter of days, anyone can open an internet store and begin selling a variety of goods. With their vast online product catalog, Amazon is sweeping the eCommerce industry. Their marketplace and fulfillment services have made it possible for vendors from all over the world to reach out to paying customers with ease. All of this has made it extremely difficult for retailers to find unique products unless they decide to produce them themselves.

2. Attracting the perfect customers

Online shoppers do not shop in the same way they did in the past. They look for things on Amazon (not just Google). On social media, they solicit for recommendations. They use their smartphones to browse product

reviews and pay for purchases using a variety of payment methods while in stores. The way they consume content and communicate online has changed dramatically. With technology and social media, they are easily sidetracked. Retailers must determine where their target customer is and how to effectively attract them without blowing their marketing budget.

3. Generating targeted traffic

The avenues for digital marketing are changing. To increase visitors to their online store, retailers can no longer rely on just one sort of channel. To assist attract quality traffic to their online store, they must properly use SEO, PPC, email, social, display ads, retargeting, mobile, shopping engines, and affiliates. They must be visible in areas where their audience is focused.

4. Capturing quality leads

Online retailers invest a large amount of money in increasing traffic to their websites. They must invest a lot of effort into producing leads in order to get the most out of their marketing efforts, with conversion rates ranging from 1% to 3%. The funds are on the list. Long-term success hinges on the development of an email subscriber base. It will not only assist you in

communicating your message, but it will also enable you to prospect more effectively using tools like Facebook Custom Audiences. Leads aren't all made equal. In order to convert leads into consumers, retailers must design the correct message for the right demographic.

5. Nurturing the ideal prospects

Online retailers place a lot of emphasis on explaining product offerings and incentives, but customers require more. Value and fun go a long way, but it takes more effort to achieve.

6. Converting shoppers into paying customers

If you want to close a transaction, you need to drive quality traffic and nurture prospects. To pay for your marketing activities, you'll eventually need to convert those leads. Retailers must continuously improve their efforts to turn email leads and website visitors into consumers. The process of improving conversion rates is ongoing.

7. Retaining customers

It costs more to acquire new consumers than it does to keep the ones you already have. Retailers must employ strategies to help them maximize the value of their client base and boost customer lifetime value.

8. Achieving profitable long-term growth

Increased sales are one method to build a firm, but profitability is what matters most in the end. Online merchants must always look for ways to reduce inventory costs, increase marketing efficiency, lower overhead, lower delivery costs, and reduce order returns.

9. Choosing the right technology and partners

Some online merchants may suffer growth issues as a result of technology limitations or hiring the wrong partners/agencies to assist them with project management. Retailers who want to expand must have a solid technological base. They must select the appropriate shopping cart, inventory management software, email software, CRM systems, analytics, and other tools. Hiring the wrong partners or companies to assist you implement projects or manage marketing campaigns might potentially stifle

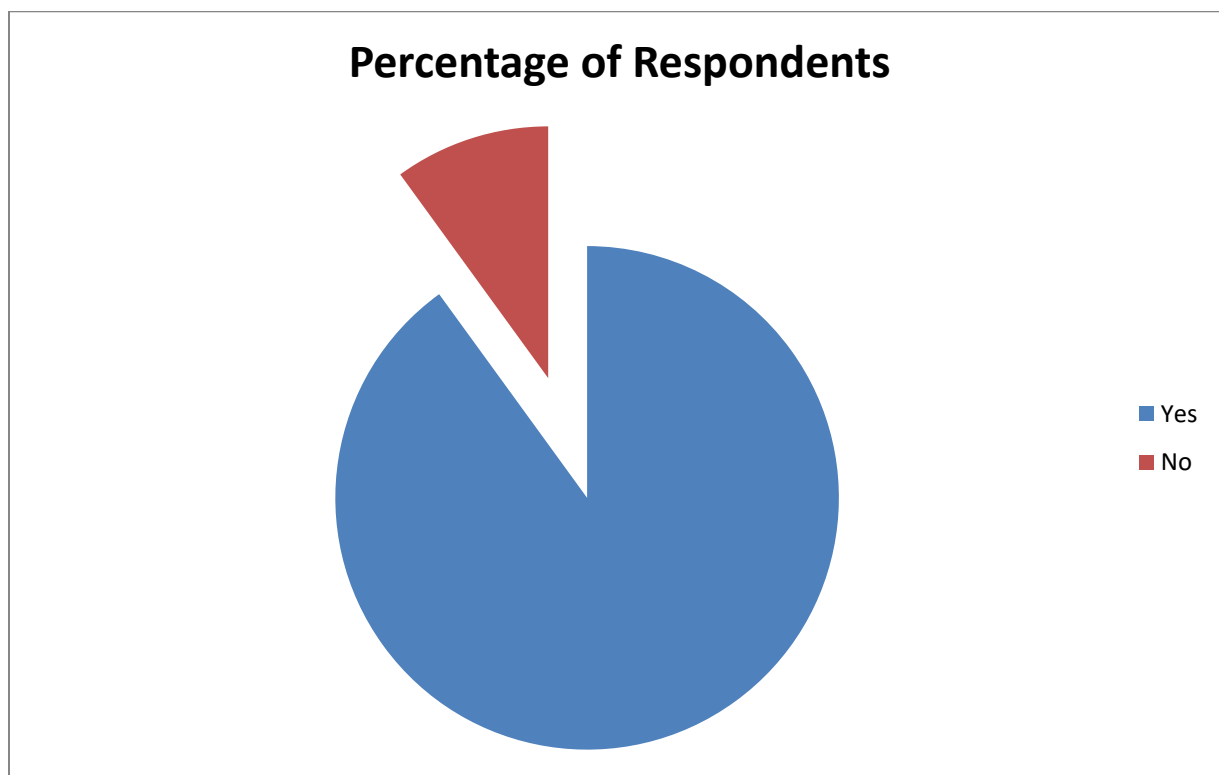
your expansion. When it comes to working with online shops, they must be very selective.

10. Attracting and hiring the right people to make it all happen

In order to accomplish desired online growth, it is critical to attract the proper people. Furthermore, having the appropriate leader is even more important. Attending e-commerce conferences, presenting at events, and networking are all good ways for retailers to get their brand out there in the online world. Employees want to work for organizations that are concerned about their well-being and future prospects. It is critical to have a feeling of purpose.

Table 4.1: Preference in online purchase

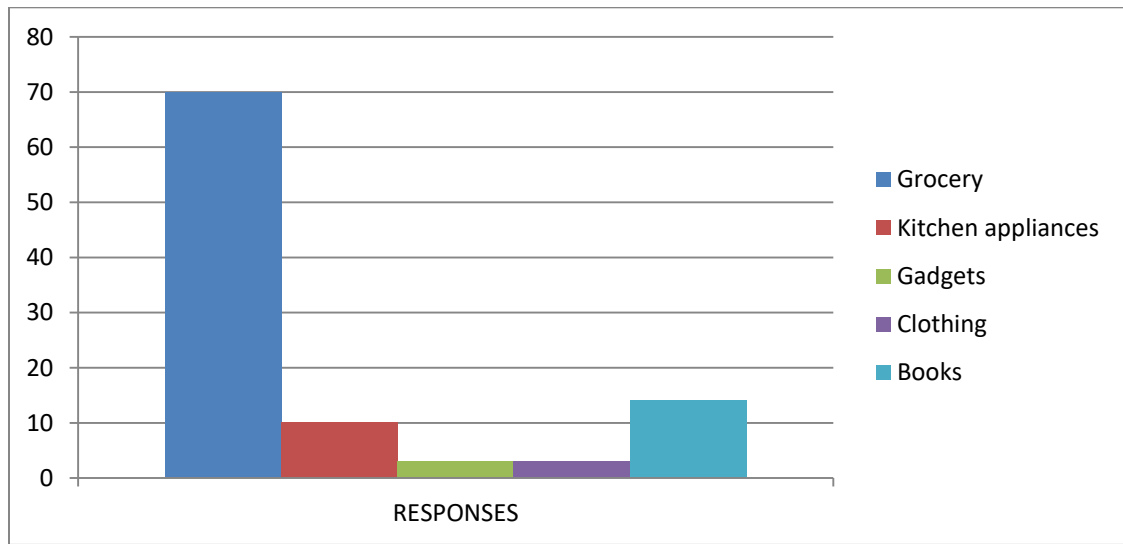
Response	Number of Respondents	Percentage of Respondents
Yes	30	91
No	3	9
Total	33	100



From the above research 91% of people responded that they prefer purchasing products from online while 9% of people don't prefer it.

Table 4.2: Type of products ordered by customers

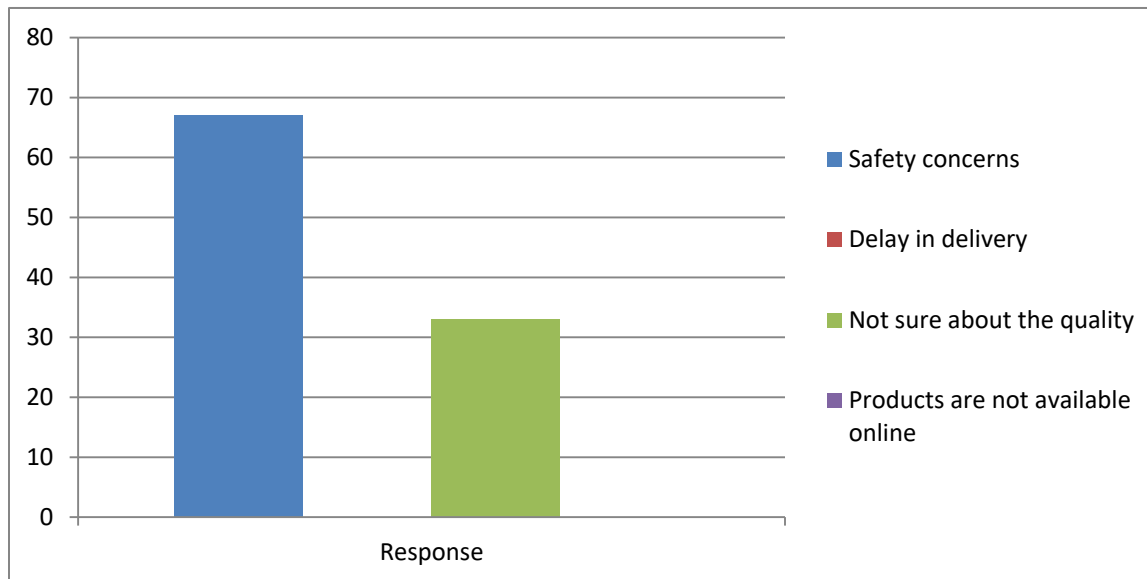
Response	Number of Respondents	Percentage of Respondents
Grocery	21	70
Kitchen appliances	3	10
Gadgets	1	3
Clothing	1	3
Books	4	14
Total	30	100



The above research states that 70% order grocery items through e-commerce platform, 14% order books, kitchen appliances are ordered by 14% of respondents and only 3% order gadget and clothing items.

Table 4.3: Reason why consumers don't prefer purchases through e-commerce

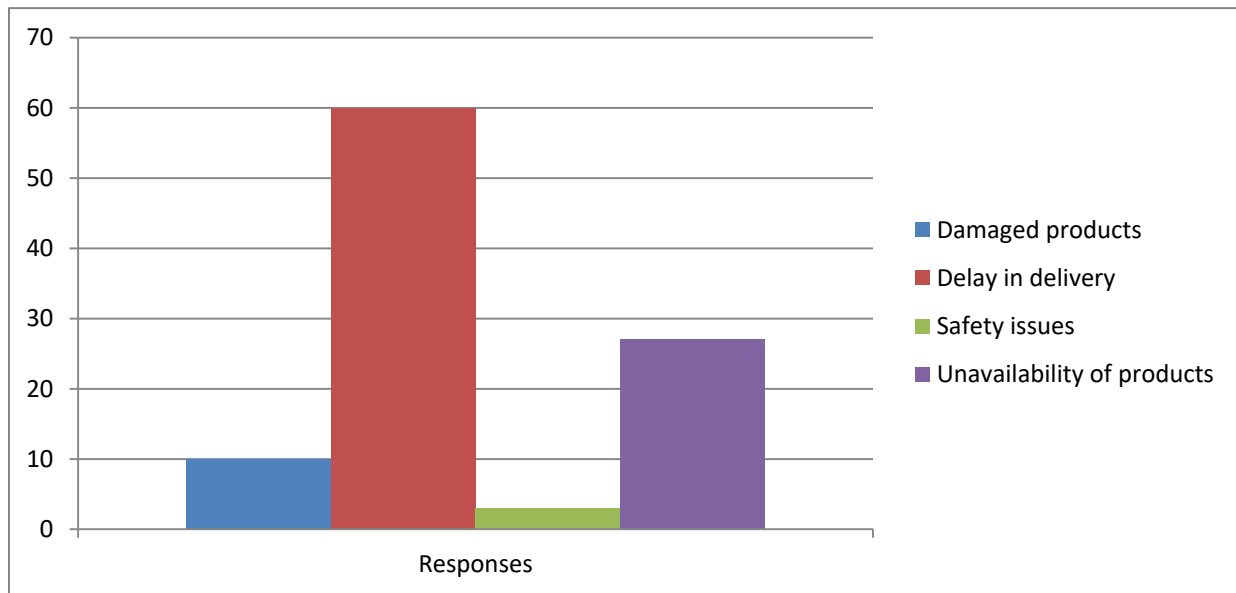
Response	Number of Respondents	Percentage of Respondents
Safety concerns	2	67
Delay in delivery	0	0
Not sure about the quality	1	33
Products are not available online	0	0
Total	3	100



According to the respondents who don't prefer online purchases, 67% of people don't prefer t because of safety concern and 33% because they are not sure about the quality.

Table 4.4: Problems faced by customers during COVID 19 while purchasing products in e-commerce

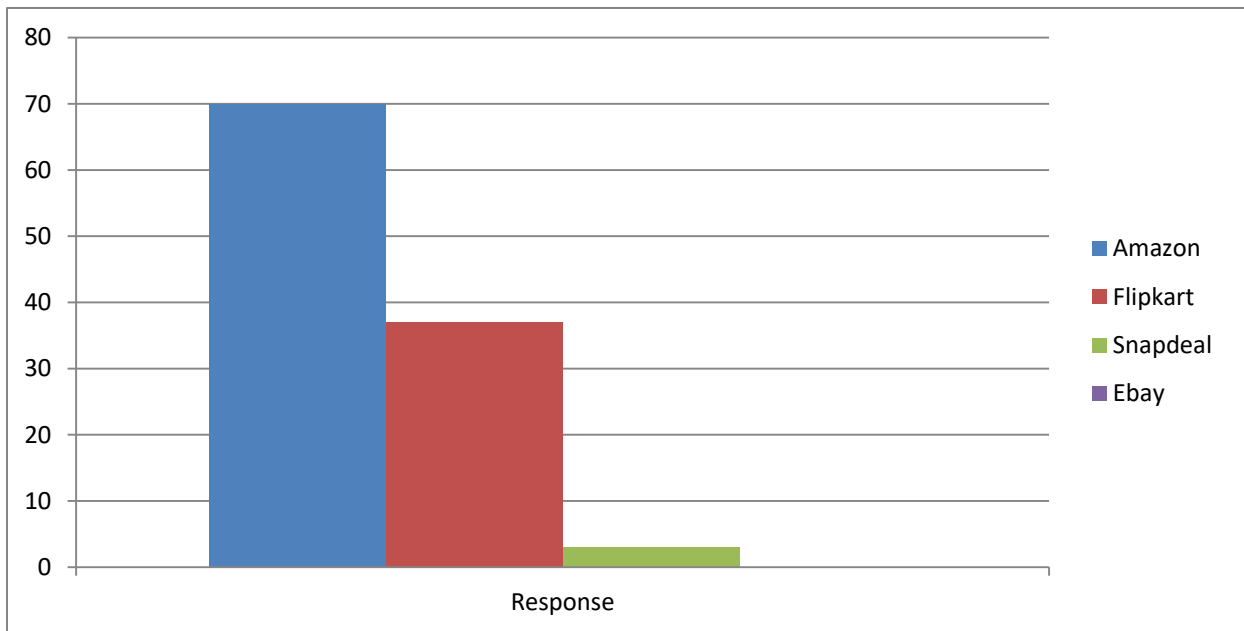
Response	Number of Respondents	Percentage of Respondents
Damaged products	3	10
Delay in delivery	18	60
Safety issues	1	3
Unavailability of products	8	27
Total	30	100



They study shows that the complaints raised by customer are 60% said the deliveries of shipments were delayed, 27% stated that products were not available in the sites, 10% responded that they received damaged items and 3% were concerned about the safety.

Table 4.5: E-commerce website customers prefer more

Response	Number of Respondents	Percentage of Respondents
Amazon	18	70
Flipkart	11	37
Snapdeal	1	3
Ebay	0	0
Total	30	100



Studies show that 70% of customers prefer Amazon over others companies, 37% prefer flipkart and 3% prefer snapdeal.

Table 4.6: Type of damage incurred presently

Response	Number of Respondents	Percentage of Respondents
Inbound Damage	10	67
In-facility Damage	5	33
Total	15	100

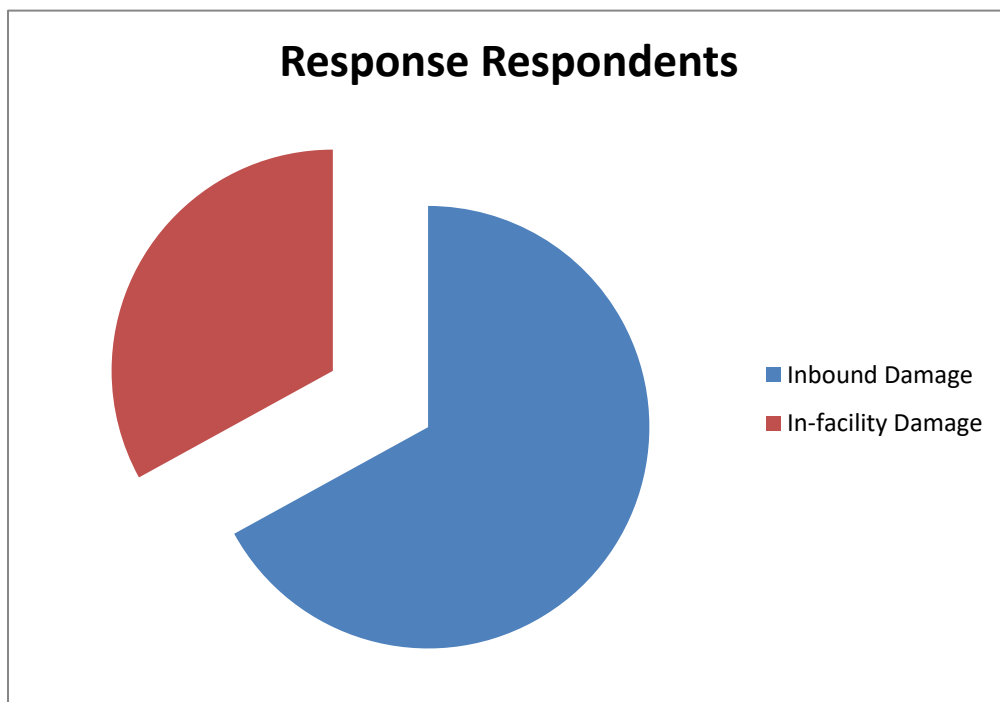
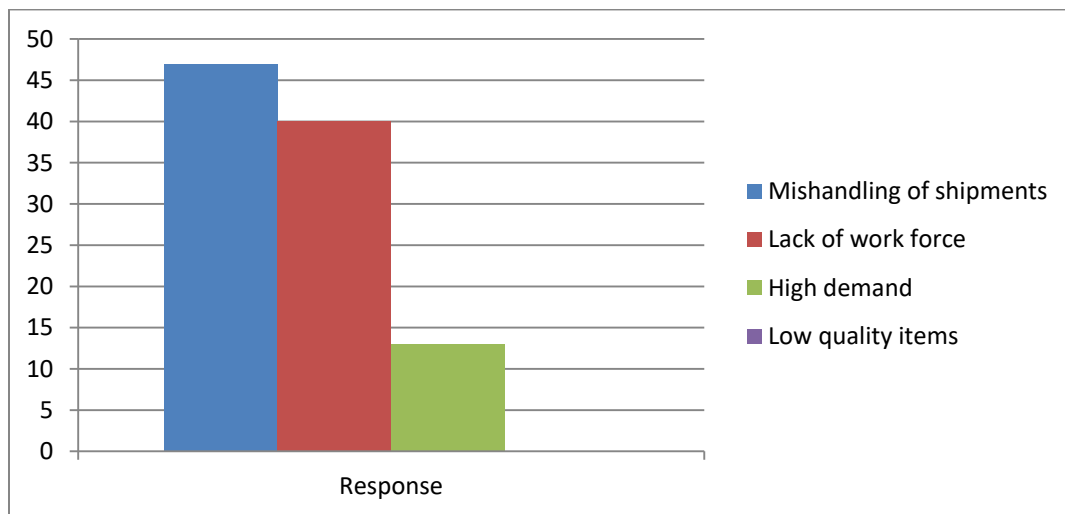


Diagram shows the damages incurred. 67% is inbound damages and 33% is infacility damages.

Table 4.7: Cause for the increasing number of damages

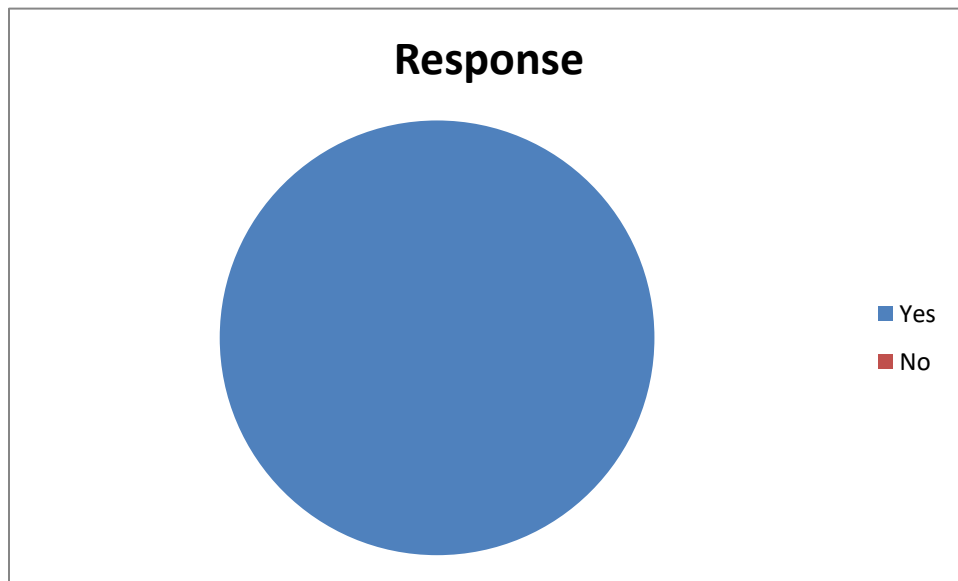
Response	Number of Respondents	Percentage of Respondents
Mishandling of shipments	7	47
Lack of work force	6	40
High demand	2	13
Low quality items	0	0
Total	15	100



47% of employees say that damages are caused due to mishandling of shipments, 40% of employees responded the damages are caused due to lack of work force and remaining 13% said damages are due to high demand.

Table 4.8: Has the number of employees reduced

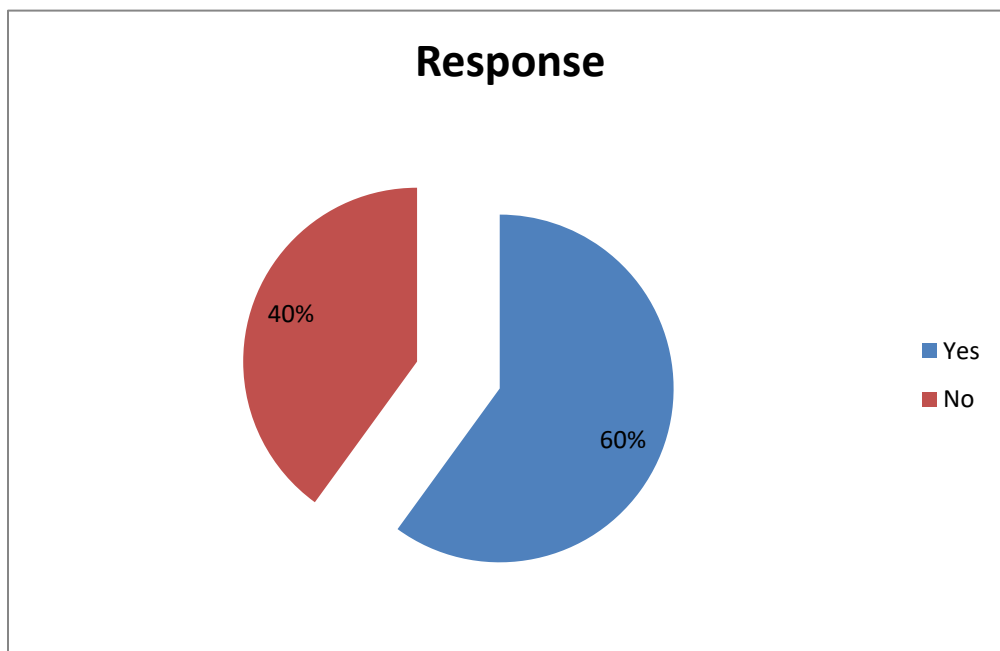
Response	Number of Respondents	Percentage of Respondents
Yes	15	100
No	0	0
Total	15	100



The graph shows that all the employees stated that the number employees are reduced in the company

Table 4.9: Meeting the standard productivity

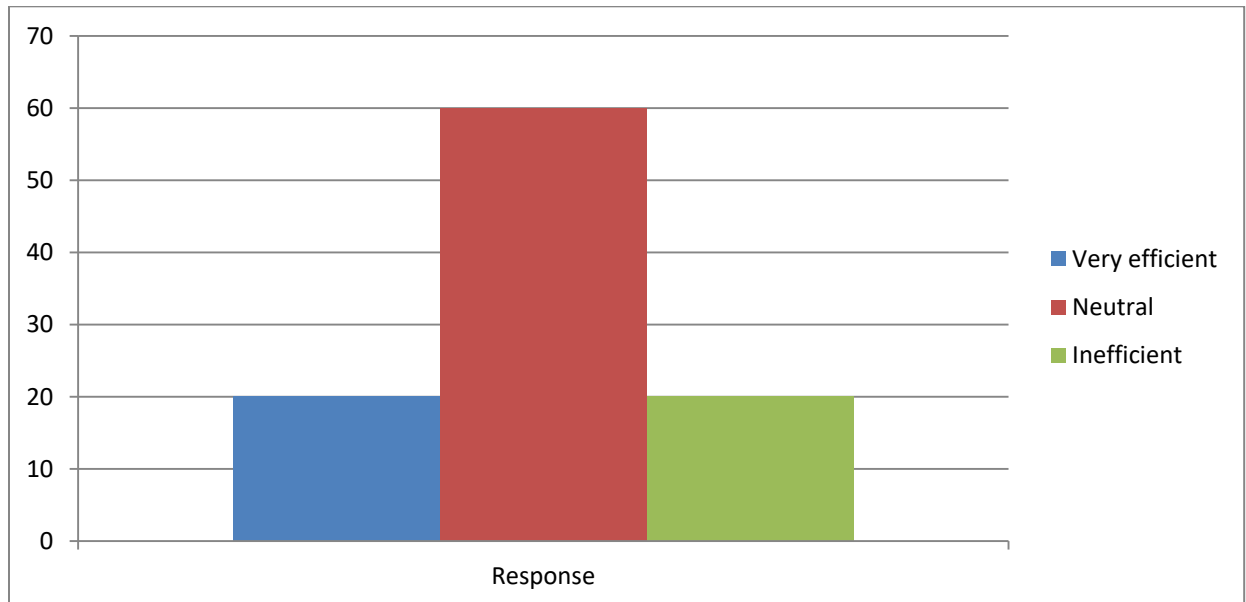
Response	Number of Respondents	Percentage of Respondents
Yes	9	60
No	6	40
Total	15	100



This research shows that 60% employees have responded that the standard productivity is met by the employees and 40% says no.

Table 4.10: Efficiency of the overall operations of the company

Response	Number of Respondents	Percentage of Respondents
Very efficient	3	20
Neutral	9	60
Inefficient	3	20
Total	15	100



During the research study, 60% of employees said the operations of the company are working neutrally, 20% said the operations are carried out efficiently and 20% said inefficient.

CHAPTER 5

FINDINGS AND CONCLUSION

5.1 FINDINGS

- E-commerce is the fastest growing sector in the world.
- India is the e-commerce sector's fastest-growing market.
- Consumers benefit from ecommerce since they may access it at any time and from any location with internet connectivity.
- Beside from increased smartphone adoption and internet availability, the introduction of cash on delivery at a time when Indians were still adjusting to digital payments aided the rise of e-commerce.
- More people have started purchasing products through e-commerce sites after than pandemic.
- Customers' preferences have changed during the last one year. They prefer consumer goods than durable goods.
- According to online researches, even though amazon has confined their sales to essential goods, people still search others products like kitchen appliances, gadgets etc.

- Company had to reduce the number employees due to covid protocols, which caused heavy workload for employees.
- Due to heavy workload in warehouses, shipments are damaged because of improper handling of shipments.
- Inbound damages and in-facility have drastically increased during the pandemic.
- Customers state that delivery of shipment takes much time than before.
- Sometimes customers don't receive their shipments, it is returned either due to damage or due to lack of delivery employees.
- Customers are not receiving accurate tracking information about the shipments.
- Amazon is implementing better strategies to improve their efficiency.

5.2 SUGGESTIONS

- Implementing more material handling equipment can reduce the workload and increase the efficiency of the employees.
- Company can increase their sales if they start their sales of other products.
- More work shifts will help to employ more employees
- AI of the company should be given more focus

5.3 CONCLUSION

Amazon is the leading e-commerce in the world as well as in India. According to a statistics, amazon ships 1.6 billion packages a day around the global. In order to improve their efficiency and maintain their standards, they have implemented many strategies and matrixes, which has to be followed by both their won fulfillment centers as well their third party. Amazon is one of the e-commerce companies that carry out their operations efficiently and effectively.

This study is focused on the factors influencing the efficiency of e-commerce. This was conducted to analyze the current scenario of the e-commerce sector and the purchase behavior of the customers during this pandemic.

CHAPTER 6

BIBLIOGRAPHY

<https://www.investopedia.com/terms/e/ecommerce.asp>

<https://www.miva.com/blog/the-history-of-ecommerce-how-did-it-all-begin/>

<https://searchcio.techtarget.com/definition/e-commerce>

<https://www.shiprocket.in/blog/what-is-ecommerce-how-it-operates/>

<https://www.grantthornton.in/insights/articles/e-commerce-market-in-india/>

<https://www.businessnewsdaily.com/6028-small-ecommerce->

[challenges.html#:~:text=As%20the%20e-](https://www.businessnewsdaily.com/6028-small-ecommerce-challenges.html#:~:text=As%20the%20e-)

[commerce%20industry%20grows%2C%20these%20are%20the,there%2](https://www.businessnewsdaily.com/6028-small-ecommerce-challenges.html#:~:text=As%20the%20e-commerce%20industry%20grows%2C%20these%20are%20the,there%2)

[7s%20more%20fierce%20competition%20now%20than%20ever%20bef](https://www.businessnewsdaily.com/6028-small-ecommerce-challenges.html#:~:text=As%20the%20e-commerce%20industry%20grows%2C%20these%20are%20the,there%27s%20more%20fierce%20competition%20now%20than%20ever%20bef)

[ore.](https://www.businessnewsdaily.com/6028-small-ecommerce-challenges.html#:~:text=As%20the%20e-commerce%20industry%20grows%2C%20these%20are%20the,there%27s%20more%20fierce%20competition%20now%20than%20ever%20before.)

<https://ecommercetrainingacademy.com/ecommerce-business->

[challeges/](https://ecommercetrainingacademy.com/ecommerce-business-challeges/)

<https://www.companieshistory.com/amazon-com/>

<https://taxguru.in/corporate-law/market-study-e-commerce-india-key-findings.html#:~:text=Online%20commerce%2C%20as%20the%20study,of%20alternatives%20to%20choose%20from.>

CHAPTER 7

ANNEXURE (QUESTIONNAIRE)

QUESTIONNAIRE FOR CUSTOMERS

1. Do you prefer online purchase during pandemic?
 - a. Yes
 - b. No
2. If not, why don't you prefer online purchase?
 - a. Safety concerns
 - b. Delay in delivery
 - c. Not sure about the quality
 - d. Products are not available online
3. What type of products did you purchase during pandemic situation?
 - a. Grocery
 - b. Kitchen appliances
 - c. Gadgets
 - d. Clothing
 - e. Books
4. Do you receive your products on time?
 - a. Yes
 - b. No
5. Which e-commerce site do you prefer?

- a. Amazon
- b. Flipkart
- c. Snapdeal
- d. Ebay

QUESTIONNAIRE FOR EMPLOYEES

1. What type of damage is more now?
 - a. Inbound
 - b. In-facility damage
2. What is the main reason for the increasing number of damages?
 - a. Mishandling of products
 - b. Lack of work force
 - c. High demand
 - d. Low quality items
3. Has the number of employees reduced?
 - a. Yes
 - b. No
4. Are the employees able to meet the standard productivity?
 - a. Yes
 - b. No
5. How will you rate the overall operation of the company in the current situation?
 - a. Very efficient
 - b. Neutral
 - c. Inefficient