

**“A COMPARISON OF US E-COMMERCE AND INDIAN E-COMMERCE PRACTICES”**

*Dissertation report submitted to*



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*Submitted in partial fulfillment of Masters of Business Administration Degree*

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**APRIL 2015**

## **CERTIFICATE**

This is to certify that **Ms. Vineeta Dalmia**, a student of **University of Petroleum & Energy Studies, Dehradun**, Pursuing **MBA (Logistics & Supply chain management)**, has successfully completed her Dissertation.

As part of his curriculum, the project report entitled, “**A COMPARISON OF US E-COMMERCE AND INDIAN E-COMMERCE PRACTICES**”, and Submitted by the student to the undersigned is an authentic record of his original work, which he has carried out under my supervision and guidance.

I wish her all the best.

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## ACKNOWLEDGEMENT

I take this opportunity to express my profound gratitude and deep regards to my guide **Dr. Neeraj Anand** for his exemplary guidance, monitoring and constant encouragement throughout the course of this project. The blessing, help and guidance given by him time to time shall carry me a long way in the journey of life on which I am about to start.

I would also like to thank to my course coordinator **Mr. Aman Dua** to give me this opportunity. It was a learning and wonderful experience with you all.

Lastly, I thank almighty, my parents, brother, sisters and friends for their constant encouragement without which this assignment would not be possible.

Thank you.

## DECLARATION

I hereby declare that the project, entitled “**A COMPARISON OF US E-COMMERCE AND INDIAN E-COMMERCE PRACTICES**” in partial fulfillment of the requirements for the award of the Degree of MBA in Oil and Gas is a record of original research work done by me during the period of 2013-2015 under the supervision and guidance of **Dr. Neeraj Anand**, and it has not formed the basis for the award of any Degree / Diploma / Associate ship / Fellowship or other similar title to any candidate in any university.

**Place:**

**Date:**

**Signature of the Candidate**

## 1 Abstract

Web based e-banking is becoming a significant feature of worldwide commerce. The United Nations forecasts 17% of procurements by firms and persons will be steered online by 2006. The upcoming of Web-based e-banking in developed areas appears bright but consumers and merchants in emerging countries face in number of barricades to fruitful e-banking, including less dependable telecommunications infrastructure and power supplies, fewer access to online payment devices, and comparatively high costs for personal computers and Internet access. How should bosses in charge of e-banking prepare for global implementation? What can they do reach consumers in developing countries. What issues effect the adoption of consumer-oriented e-banking and e-commerce in various countries.

This report will give you the idea on the local conditions in India and USA, online businesses in India have performed tremendously well in the past, drawing huge funding from domestic as well as overseas investors. This fashion would continue in the future for all types, aided by the young demographic bonus of India and the increase in mobile-based Internet access. However, online firms of the country would have to tackle the challenges of deprived logistics infrastructure, low Internet penetration and regulatory sprints, during the process of mounting up. There needs to be concentrated efforts by the Government and the corporate world to improve the digital inclusion of India that would help the online firms increase their reach.

E commerce is rising at 12% annually in the U.S. It is predictable that in the few upcoming years the output gap of United states will close rapidly . Advancing the Internet revolution is more than ever a key public policy goal. The impact of e-commerce on developing countries could be even tougher than that on industrialized countries since the scope for reducing inadequacies and swelling productivity is much larger in the emerging countries.

This report hence will show the gap between the well established brand of Amazon in US along with the Startup like Flipkart in India which is expanding at a very high rate as it entered the market in the need of hour.

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## 2 Introduction

Every era of business harvests new strategies and new ways of undertaking business. With the dawn of radio and television originated the first mass-market publicity. Nowadays, the Internet has so fundamentally transformed business that the rules for business strategy that held for the last 10 decades have instigated to crush. Maximum businesses already exist in the bricks-and-mortar world of trade. Addition of a Web site is a way to improve their business. For Internet startups, the internet Website is the only place that they do business. In mandate to do business, you also need a method to take orders and route payment. In a merchandising store there are no orders, Consumers find the merchandise they want, get in a line at the register, and recompense the treasurer. In e-commerce, orders have to be placed and items are transported. orders are usually well-ordered through interactive, online forms. Cash is extra issue easily handled in outdated commerce. Consumers in a retail store pay by cheque, currencies, or credit or debit cards. Virtual customers cannot pay by cash or cheque, only through automated electronic means. Likewise, there are concerns of safety that mount online payment that do not come into play in the old-style bricks-and-mortar domain. E-commerce dealings have to take place through protected electronic networks and special merchant accounts for accommodating payment.

Interaction amid communication systems, DBMS systems and safety, which because of them exchange commercial information in relation to the sale merchandises or services, will be accessible, so the description, the main mechanisms of electronic commerce are: communication systems, data managing systems and safety.

In the late 1970s, the term e-commerce, denoted electronic data alteration for transfer business documents such as purchase orders and vocal sound electronically. Far ahead, with the growth of this business the term of e-commerce is used to business of goods and services via the web. When the first World Wide Web was announced in 1994 as a complete, many renowned scholars have been predicated this type of business “the internet business” will be fitted soon as an significant in the world economy, but it took 4 years that http centered protocols should be extensively accessible to customers.



The first e-commerce formed in USA and few in European countries in 1998. This kind of business is shaped with novice and unprofessional websites and it has been prolonged rapidly. E-commerce was spread quickly in utmost cities in America, Europe and East Asia in 2005.

### **Frameworks**

E-commerce framework is encompassed of three levels that this framework is needed to perform effective electronic commerce.

1. **Infrastructure:** The foremost part of the framework for e-commerce is counting hardware, software, databanks and communications. It is used in term of W W W on the Internet or other message swapping approaches on the Internet or additional telecommunication linkages.

2. **Services :** The second part of the framework comprise a extensive range of service area that deliver the aptitude to find and current of statistics and are including the search for trading partners, concession and agreements.

3. **Products and Structures :** This section of the electronic commerce frameworks consist forecasts and direct provision of goods, services and trade associated information to customers and business partners, cooperation and sharing of information within and outside the organization and organizing of environment of electronic marketplace and chain of supply and support

### 3 Literature Review

History of ecommerce is impossible without Amazon and E-bay which were among the paramount Internet corporations to permit electronic transactions. Thanks to their founders we now have a handsome ecommerce sector and enjoy the buying and selling advantages of the Internet. Currently there are 5 largest and most famous worldwide Internet retailers: Amazon, Dell, Staples, office Depot and Hewlett Packard. According to statistics, the most prevalent groupings of products sold in the World Wide Web are melody, books, PCs, office supplies and other end user electronics.

Amazon.com, Inc. is one of the most well-known ecommerce corporations and is located in Seattle, Washington DC . It was instituted in 1994 by Jeff Bezos and was one of the first American ecommerce corporations to retail products over the Internet. After the dot-com failure Amazon lost its place as a effective business model, though, in 2003 the company made its first yearly profit which was the first footstep to the further expansion.

Predictions have recommended that U.S. retail e-commerce will endure to propagate until 2018. The global growth of the internet together with the development and readiness of computer, mobile and tablets will no doubt donate to this development. The total time spent on U.S. retail websites was measured in July 2013 and July 2014 by the type of platform used. In July 2013, 43 %of online retail minutes were created via PC, however for the similar month a year later, this cut had fallen to 30 % of online retail minutes as the shares of smartphone and tablet augmented. outcomes for online spending device usage globally specify the preferences for every region. In contrast, the global averages for other devices showed that 44 % of respondents would shop through a mobile device and 31 % through a tablet. The share of online customers who would use a mobile device was uppermost in the Middle East and Africa with 55 % and lowest in North America with 27 % gateways to business products, brands and services of producers. A company that does not upkeep about its websites eventually will be bankrupt in business in long run. The websites that are not improved are like an old and faded showcase in a traditional business. Therefore, companies should have a strong background and exact planning in Internet search. For many handlers, the site of search is the entrance point to the Internet. Internet particularly websites can be suitable means to attain this objective. For example, internet can use up to outspread markets by enabling the performance and repartition of present products in to new business

centers. The internet can also be a workmanship that enables new products development, as companies with their existing customers well create thrilling, new or substitute contribution for them.

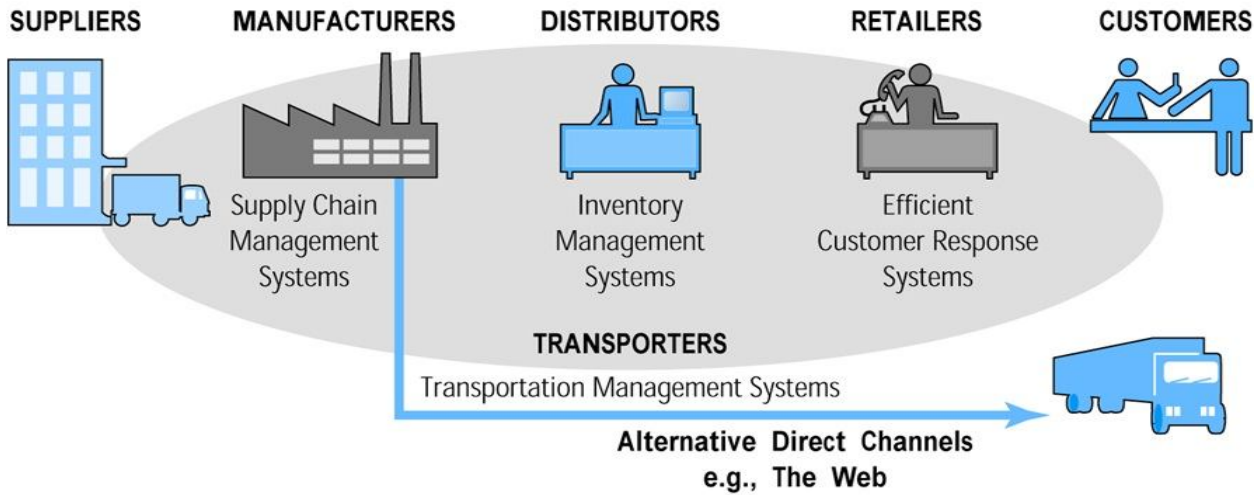


Figure 1 E-commerce value chain

Websites are Amazon.com was one of the major companies to vend goods over the web and has become a worldwide established name. Amazon.com is an American e-commerce company that is based in Washington. It was started by Jeff Bezos in 1994 and instigated as an online bookstore but due to its success, Amazon has expanded into other product lines and services such as groceries, electronics items and Merchant Program Amazon.com's stock price has varied in current years starting \$105 in 1999 to \$5 in 2001 Amazon.com has established distinct websites for Canada, United Kingdom, Germany, France, China & Japan. Amazon.com dream is to grow into "Earth's biggest major selection and to be Earth's most customer centric company.

Things are informal said than done! To understand our visions and that also in such a grand way is really a hard task. The creators of Flipkart have probably ruled their dreams with the astonishing achievement of Flipkart. Flipkart is to some degree which has really unlocked the Indian e-commerce marketplace and that also in a giant way. Flipkart was co-founded by Sachin Bansal & Binny Bansal in october 2007. Both are alumni from IIT-Delhi and have earlier work experience in Amazon.com They were solid coders and craved to open a portal that equated dissimilar e-commerce websites, but there were barely any such sites in India and they decided to give birth to their own e-commerce undertaking -

Flipkart.com . It was never going to be easy since India has had bad past experiences with e-commerce trading. It was not an easy section to break into, people were very specific in giving money for somewhat which they had not seen and received. The faith was missing in the Indian consumers. So what Flipkart had to do was to inculcate confidence and faith in their customers. And they did exactly the same.

Flipkart instigated with vending books, since books are easy to obtain, target market which reads books is in plenty, books provide more margin than any other product, and are easy to pack and transport and do not get spoiled in transit and most notably books are not very costly, so the quantity of money a buyer has to devote to try out one's service for one time is very negligible. Flipkart vended only books for the initial two years. Flipkart started with the consignment model (procurement based on demand) i.e. they had ties with 2 suppliers in Bangalore, whenever a buyer ordered a book, they used to individually acquire the book from the dealer, carton the book in their office and then courier the same. In the first months the creator's private cell numbers used to be the shopper support numbers. So, in the start they strained their best to deliver good service, attention on the website - easy to cruise and order and hassle-free, and struggled hard to resolve any customer concerns. Since there were not any recognized players in the market, this permitted them a lot of space to breed, and they did in fact grew very quickly.

Flipkart had a revenue of 4 crore in FY 2008 -9, 20 crore in FY 2009-10, 75 crore in FY 2010 -11, and the revenue for FY 2011-12 which ends on 31 Mar 2012 is probable to be 500 crore. This is certainly a enormous development. The company aims revenues of 5000 crore by 2015. Flipkart started with consignment model as discussed above, meanwhile most of the customer concerns like carriage delays etc. outcome from procurement model, the company started starting its own depositories as it started receiving more investments. The company inaugurated its first warehouse in Bangalore and later on opened warehouses in Delhi, Kolkata and Mumbai. At the moment the company works with more than 500 suppliers. As on date more than 80% orders of Flipkart are controlled via warehouses which help in rapid and well-organized service.

## 4 Research Methodology

### 4.1 Need of Study

The study has been done to know why US Ecommerce industry is more effective than Indian industry.

### 4.2 Objective

- To study the business model of both US and India ecommerce players
- To analyze the best practices of both the countries
- To identify the factors leading to inefficient supply chain and the limitations in E-commerce business.

### 4.3 Type of Research

The type of research chosen for completing this research is descriptive research in order to have a deep study which could directly related to In analytical research the data has been collected from various source comprising the news articles, Journals and research papers and reports published by various agencies. This whole research process would come up with important facts arising in the E-commerce business taking the US and Indian market scenarios.

### 4.4 Data Collection Methodology

#### Secondary Research

It comprises processing data that has previously been collected by another party or any agency. With this form, the fellow researcher will refer previous studies such as reports, news articles and previous market research projects & various search engines available in order to come to an inference. The relatively low expense in contrast to primary research is the main advantage of this research as no new research needs to be custom-made. However, its main disadvantage is that the data used in the investigation may be out-dated and therefore return inaccurate results hence few assumptions are taken to project the incomplete data. Furthermore, preceding studies may not have targeted the exact issue that the current research necessitates.

This report has been prepared with taking into consideration the various data that have been produced by various agencies and data available on various authentic publications and search engines .This report has been prepared on the basis of Descriptive and analytical research methods.

This report does not consist of any primary data from any source hence the report is strictly based on the secondary research data. In this report initially the growth of Ecommerce and the drivers of demand are taken into account and the current demand along with the projection .No constraints have been taken into account considering the market fluctuations. To compare the US and Indian E-commerce market Amazon and Flipkart have been considered and a detailed PESTEL and SWoT analysis of both the players have been done. on the basis of the analysis the comparison between the well established players is done which accomplishes the objective of this research.

#### **4.5 Limitation**

Though the data mentioned in collected from authentic source it is very difficult to verify the data of each and every country. The data's taken in account can be very old and may have been changed hence may not sync with the time and might have altered by the time of preparing the report. Another limitation is the country specific data is not available hence various assumptions are to be taken beforehand .The reports available do not meet the requirement of this present report and the data may be vague in some cases. The E-commerce industry is in incubation phase hence no company provides insights of the policy and the logistics operation that are the strength of any e-commerce company.

## 5 Data Analysis

### 5.1 USA e-commerce industry (Amazon)

History of ecommerce is unthinkable without Amazon and Ebay which were among the first Internet companies to allow electronic transactions. Thanks to their founders we now have a handsome ecommerce sector and enjoy the buying and selling advantages of the Internet. Currently there are 5 largest and most famous worldwide Internet retailers: Amazon, Dell, Staples, office Depot and Hewlett Packard. According to statistics, the most popular categories of products sold in the World Wide Web are music, books, computers, office supplies and other consumer electronics.

Amazon.com, Inc. is one of the most famous ecommerce companies and is located in Seattle, Washington (USA). It was founded in 1994 by Jeff Bezos and was one of the first American ecommerce companies to sell products over the Internet. After the dot-com collapse Amazon lost its position as a successful business model, however, in 2003 the company made its first annual profit which was the first step to the further development.

Forecasts have suggested that U.S. retail e-commerce will endure to grow until 2018. The worldwide expansion of the internet alongside the evolution and availability of computer, mobile and tablet devices will no doubt contribute to this growth. The time spent on U.S. retail sites was measured in July 2013 and July 2014 by the type of platform used. In July 2013, 43 percent of online retail minutes were generated via PC, however for the same month a year later, this share had plunged to 30 % of online retail minutes as the shares of smartphone and tablet increased. Results for online shopping device usage worldwide specify the preferences for each region. For the first quarter of 2014, the global average revealed that 80 percent of respondents who envisioned to shop or buy a merchandise online in the next six months said they would do so via a computer. In contrast, the global averages for other devices indicated that 44 percent of respondents would shop via a mobile device and 31 percent via a tablet. The share of online shoppers who would use a mobile device was maximum in the Middle East and Africa with 55% and lowest in North America with 27 %.

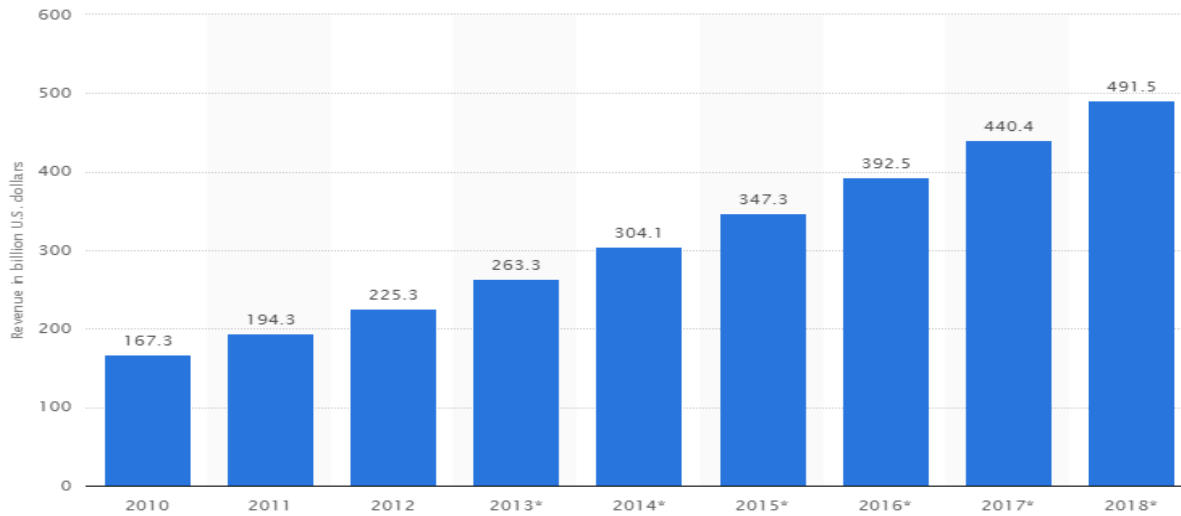


Figure 2 US Retail sales 2010-2018

When it comes to the year-on-year progress of e-commerce sales in the U.S. by platforms used as of the second quarter in 2014, tablet devices dominated with a 75 percent sales growth compared to the previous year. In comparison e-commerce sales on the traditional desktop only grew by 10%.

As of May 2013, 56 % of American grown-ups had a smartphone, and most of them used it for the purpose of accessing the Internet. 1/3 of smartphone users report that their smart phone is the prime way they go online. Just as the Internet transformed retailing in the late 1990s, many claim that the changeover to mobile, sometimes referred to as “Web 3.0,” will have a likewise troublesome effect.

Conferring to the latest data existing, pc’s and consumer electronics lead for 22% of all online U.S. transactions. Apparel and accessories follow which account for 18% of total sales capacity. Books, music and video sales account for 9% of entire online sales. Food and liquid refreshment sales sit at the other end of the band accounting for just 2% of all online retail sales and demonstrating the fact that, despite the continued efforts of many traditional grocers to build their e-commerce platforms, these have still not been extensively accepted by consumers. In the meantime, though auto and parts account for 8% of all online sales, this has had little influence on brick and mortar storefront or car dealerships.



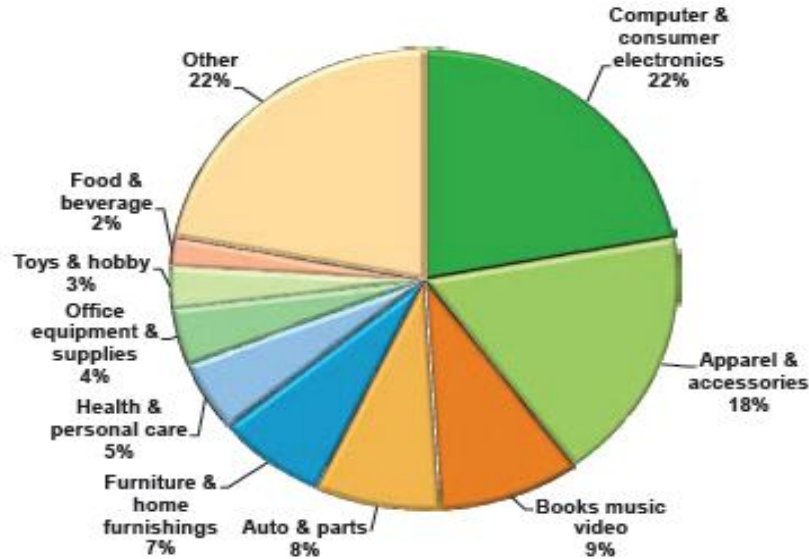


Figure 3 US online retail sales

The contradictory is true in the case of workplace supplies however they only account for 4% of all online sales this segment has been meaningfully impacted by e-commerce. Staples remain the section frontrunner here, somewhat due to their e-commerce penetration but online sales are progressively taking focus stage for all of the retailers in this category. Meanwhile, all of the major players here are beholding to shrink their bodily existence as they grow online. This also holds factual of the previous number two and three players, office Depot and officeMax who recently merged. This change should strengthen the new company as they face down staples and their first order of commerce will be to lift their online existence while concluding disappointing stores and shrinking their current store format of 15,000 to 25,000 sq ft. to 10,000 sq. ft. or less.

### 5.1.1 The use of mobile:

A mobile buying is one where the customer pressed the buy or bid switch in the mobile application. online retail shopping has become a wild, stress-free and contented procuring practice. Today, e-commerce offers different sub-channels from pc's to mobile phones (m-commerce) to tablets and Television (t-commerce). In the U.S., mobile-commerce is expected to play a superior role in the upcoming. Conferring to eMarketer, mobile-commerce in the U.S. amounted to \$25 billion in 2012 and is prediction to rise to \$92 billion in 2016 with 175 million mobile customers.

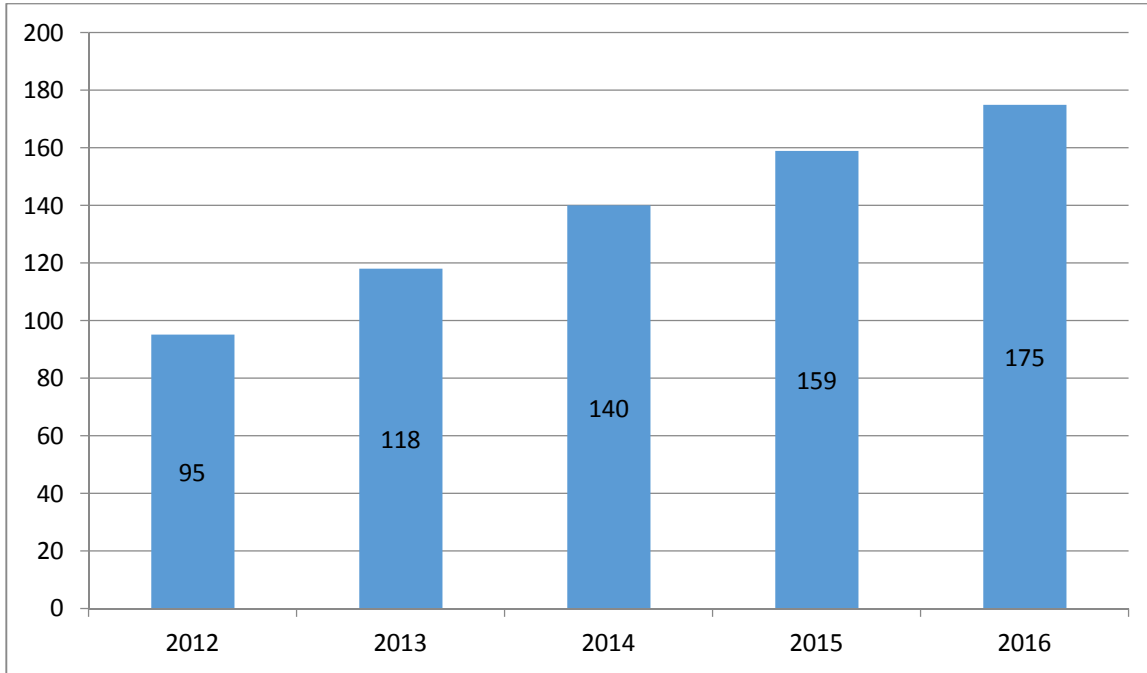


Figure 4 Mobile Shoppers in US (In Millions)

In accumulation to smartphones and other handheld devices for the most part, the early mobile adopters already were extremely vigorous on eBay relative to other users, the eBay activity of nonmobile users who subsequently adopted mobile in the subsequent quarter versus users who continued nonadopters for at least one more quarter. The amount of eBay activity is (nonmobile) acquisition counts for the preceding 12 months. People are spending additional time online, thanks to rising Internet and broadband diffusion and usage of continually refining smart mobile devices. More than 50 % of U.S. consumers already hinge on dissimilar screens for everyday content ingesting, rendering to Forrester Research. Based on a current Stats study, more than half a billion customers worldwide are predictable to shop with mobile devices by 2016. Notwithstanding the snowballing significance of mobile technologies and applications, only 41 % of U.S. retail businesses made consistent mobile-commerce investments in 2011

The mobile adopters are, on regular, heavier users than the nonadopters, with the change being most marked for the earliest mobile adopters. Fascinatingly, the states with the uppermost GMV share of mobile are in the south: Mississippi (22 %); Louisiana (20 %); Oklahoma (17 %); and Texas (16 %). The

difference across states partially reproduces difference in the smartphones and wireless arrangement, or in the quality of broadband networks. Indeed, once regularized by the number of cell phone users who are contributed to a data plan in each state as of the end of 2011 the North-South mobile use configuration is not as sharp.

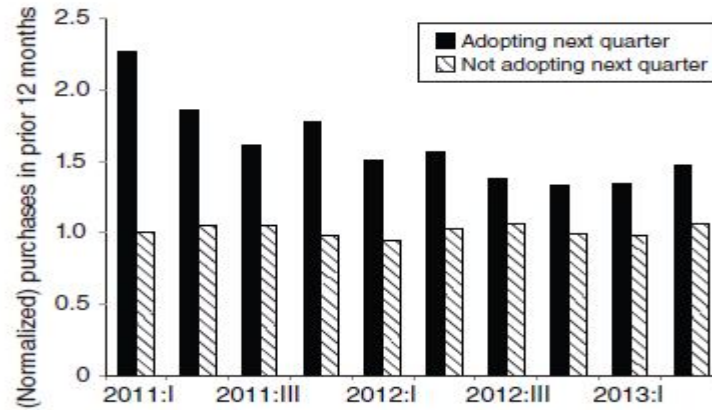


Figure 5 Mobile Adopters versus Nonadopters

The clear opinion from the data is that, contrasting some initial forecasts that mobile use will be different as it allows users to access the Internet in times when they would then find it difficult to get Internet access, the time signature of mobile activity seems quite alike to that of the nonmobile one. over the past few years, an average of half a billion fresh smartphone users yearly have come online worldwide. E-commerce had been to be around gains of 10% annually all over much of the past 10 years, but these statistics have risen steeply in current years.

As the economy began to surface from the slump in 2010, the leaning became clear. While general retail sales augmented by about 5.6% in 2010, online sales growth augmented by 15.3%. The subsequent year, 2011, saw entire retail sales growth of just 2.0%. Temporarily, online sales augmented by 15.1%. Last year, 2012, we saw overall retail sales growth of 5.1%. But online sales raised by 16.3%. While an refining economy has been part of this movement, the real dynamic force behind the inequality in e-commerce and overall retail sales growth has been the implementation of new technologies—the influence of smartphones and tablets on online sales driving furthestmost of this outpouring.

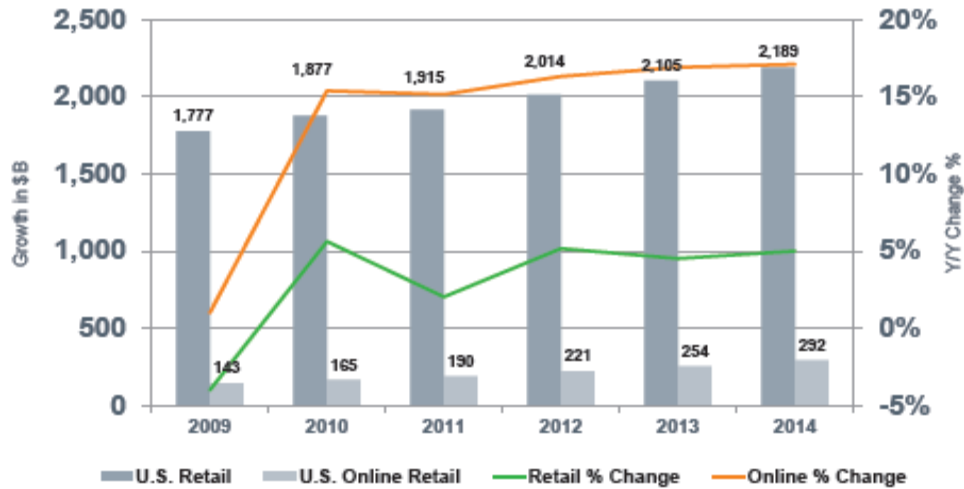


Figure 6 USA Online vs. traditional annual sales

Yearly online retail sales advance has topped the 15% mark for three consecutive years, tripling or more the rate of overall retail sales growth in the United States. This style will only endure and strengthen going forward. Rendering to the most fresh data from the commerce department, overall e-commerce sales in the United States in Q4 2012 accounted for \$59.5 billion and paralleled to 5.4% of all retail sales.

### 5.1.2 The Ups & Down in US retail marketplace

Retail expansion in the United States is currently being driven by two factors; the continued downgrade of the middle class consumer to discount shopper and the impact of e-commerce. Luxury and discount retailers are back in growth mode, as are food and service related concepts that compete little with the internet. The most active segment, in terms of planned units, is by far the restaurant sector. The restaurant chains that we are tracking currently have plans to add as many as 15,439 new units throughout the United States over the next year. This accounts for nearly 43% of all planned retailer growth over the next year.

It also reflects an increase of 17% over planned growth totals posted last year (12,814 units). In past years, this sector typically accounted for no more than one third of all planned unit growth but this dynamic has increasingly shifted in the face of e-commerce.



Figure 7 Best Seller product categories in US Retail

Home related retail growth plans have also increased substantially—a reflection we believe on the improving residential real estate market to which this sector’s fortunes are closely tied. Pet and Farm growth totals are up by 14% over last year—with most of the 382 potential new units over the next year likely to come from the still strong pet supplies sector. Sporting goods planned growth is up 17%--we are now tracking 348 potential new units. And, lastly, the Supermarket, Hypermarket and Category Killer sector is also seeing increased growth. We are currently tracking as many as 1,120 planned new units for this category—an increase of 9% over the planned growth totals we tracked one year ago.

In terms of the biggest losers, the greatest annual decline in planned new units came from the Apparel sector. We are now tracking 4,427 potential new units over the next year, a decline of 10% over totals we tracked a year ago. The Books/Cards/Gifts sector also saw a sharp decline of 34%--we are now tracking just 371 in potential new storefronts from this category. The Cellular category is finally slowing, with many markets finally nearing saturation and most of the planned growth that we are tracking coming either from Best Buy Mobile or smaller franchise operators. We are now tracking planned unit growth of 921 units for the next 12 months—a figure that has fallen 30% from last year.

- ↓ Bookstores
- ↓ Video Stores
- ↓ Do-It-Yourself Home Stores
- ↓ Mid-priced apparel
- ↓ Mid-priced grocery (particularly unionized)
- ↓ Office Supplies
- ↓ Stationary/Gift Shops
- ↓ Shipping/Postal Stores
- ↓ And Casual Dining (Older, Struggling Concepts Shrinking)



Figure 8 declining product category of US retail

Consumer Electronics planned growth has fallen by 40% over the past year; we are now tracking just 229 units that may come online over the next year. Surprisingly, planned drug store growth fell by 50% over the past year—to a current planned store count of 220 units. However, we see this as more of a reflection that two of the big three players in this arena are waiting to see what happens with Rite Aid and their debt issues. Though Rite Aid does have financing to make it for at least a few more years, they are in consolidation mode and have been selling off real estate.

Lastly, the office supply sector also saw declining numbers. We are now tracking planned growth of just 155 new units, down 33% from last year. However, that does not mean they won't be active. Look for plenty of relocation/downsize deals from this sector as nearly every major player in this category seeks to move away from 15,000 to 25,000 square foot footprints down to the 5,000 to 10,000 square foot range

### 5.1.3 Amazon USA business

The company was established in 1994; The Company began as an online bookstore. In the initial two months of business, Amazon sold to all 50 states and over 45 countries. Within two months, Amazon's sales were up to \$20,000/week. While the principal brick and mortar bookstores and mail order catalogs

might present 200,000 titles, an online bookstore could "carry" numerous times more, because it would have an almost boundless virtual (not actual) stockroom: those of the actual produce makers/suppliers.

#### **5.1.3.1 Delivery Modes & Physical Infrastructure**

Amazon will use more physical locations to transport merchandise to consumers more rapidly, including its lockers plan (currently active) and lift up points (something it has tested in the history and a scheme used by other retailers, especially in the grocery category). Adding up, we think the company could open stores to showcase its long-drawn-out hardware lineup. The future of Amazon.com includes physical locations – at a minimum, places where consumers can pick up merchandise beyond their home and office; at the maximum, at Amazon.com's own retail stores.

#### **Lockers**

According to LJM Consultants, FedEx and UPS essentially run a duopoly in the US and consistently heave prices 4%-5% per annum. However, the rate of annual increase is uneven –higher for deliveries to residential addresses and lower for those to commercial ones. Enter Amazon.com's lockers initiative, which we expect to be a successful driver of e-commerce transactions and offer superior management of shipping expenses for various reasons, including the capability to convert a variety of residential to a single commercial delivery.

For example, by converting a residential delivery to a commercial one, Amazon.com could bank \$3.00 per package, so if is able to merge three deliveries, it could save \$9.00. Transport to commercial addresses rather than residential offers various opportunities for cost Savings. Amazon.com's lockers initiative could also be helpful at college campuses, office complexes, and retailers, where there was a natural balance in product offerings. Amazon launched Amazon Lockers in September 2011. there were numerous locations exterior of conventional retailers, such as convenience stores, gas stations, and parking garages. Many of these nontraditional trader locations had the added advantage of 24-hour accessibility, which recommended us that the company is concentrating on high-traffic spots. Amazon's efforts have resulted in conjecture that it would consider buying a retailer with a huge base of small stores to progress its efforts, such as Radio

State	Locations
California	315
New jersey	6
New york	180
Oregon	66
Virginia	78
<b>Total</b>	<b>645</b>

Table 1 Amazon Locker location 2013

Lockers offer consumers a third location to have merchandise shipped, beyond their home and office. This can be convenient for consumers ordering products online which they do not want shipped to their apartments because, for example, they do not have a doorman, as noted by LaserShip. Consumers can also shop at the location where they pick up merchandise. LaserShip mentioned the advantages of lockers to carriers, such as economies of scale from delivering 10 packages to one location in place of 10 different ones. Transporting to condominiums and residence buildings with doormen also halts situations where there are lofty challenge rates, which annoy consumers and delivery companies, equally, and negatively impact its limits.

### Pickup points

Following its Lockers attempt, we trust Amazon.com's next step toward using physical locations to get product to consumers quicker is pickup points (lift up stations for physical merchandise). We believe



this could be a new means for its sales as it offers yet an extra way for consumers to suitably obtain products from Amazon.com.



**Figure 9 Amazon pick up point**

This is not an innovative perception for Amazon.com, as it experienced pickup points in 2007 as part of its early labors with Amazon Fresh (as depicted in the picture above). It discontinued the effort in 2008 as it focused on home delivery. Today, Amazon offers clients pickup points in the UK, leveraging an effort by a third party.

### **Store within a Store**

Amazon uncertainly already has a presence in stores, with portions of specific retailers' locations Showcasing and selling its Kindle and Kindle Fire e-readers and tablets and. The company could also follow Apple, Microsoft, and Samsung's lead by opening stores within finest purchase locations.

### **Kiosks/Pop-Up Stores**

In many areas it had been found examples of Amazon kiosks selling its hardware. For example, in Brazil, retailer Superfine has established Amazon kiosks in malls to advertize its Kindle line. Adding up, we believe Amazon could reflect Microsoft, Samsung, and others by opening pop-up supplies in malls to sell its hardware. Forrester echoed our attitude on this opportunity for Amazon.com's retail stores, noting that the company nearly wishes to have stores, though not necessarily conventional ones, where it could reveal its hardware, such as an airport pop-up.

### **Two-Day Shipping**

This is the fundamental service offered by Amazon.com as part of its Amazon Prime membership program and duplicated by ShopRunner, another shipping membership program. We consider the company's ability to get commodities to consumers in two days provides it a noteworthy competitive benefit, and Amazon.com has skilled consumers to anticipate commodities this rapidly from others. It can take a elongated time for a consumer to accept a produce from an e-commerce company (as much as 7-10 business days) vs. picking up commodities at a local store. The identical could be said for profits. Though, when a consumer is now able to order a product on Monday and attain it on Tuesday or Wednesday that is a momentous enhancement and competitive enabler.

### **Next-Day Shipping**

This is the next stage of finest shipping for consumers concerned in receiving packages quicker but reluctant to pay a best for same-day delivery. Amazon.com charges Amazon Prime members \$3.99 to collect purchases on a next-day basis. LaserShip well-known that one means Amazon.com could get added ahead of the competition would be to transfer its two-day shipping to next-day for its Amazon Prime membership program. The company noted that it expected same-day delivery to carry on increasing, but the largest piece of the puzzle will be next-day delivery, as LaserShip, onTrac, and local carriers offer e-commerce companies the prospect to get them the product late in the day, or early in the morning while still delivering to the purchaser that day, as they present much superior flexibility to companies like Amazon.com vs. the national company, FedEx and UPS.

### **Same-Day Shipping**

Same-day delivery is one of the budding trends in e-commerce, but there is still a lot of hesitation surrounding the scheme that needs to be addressed, including shopper demand, expeditors' business models, and the pluses and minuses of dissimilar logistical methods to propose the service. Because same-day delivery is fetching more of a factor in e-commerce, we will persist to closely observe developments, including Amazon.com's efforts to roll out same-day shipping to further locations across the US and the appearance of competition, such as eBay now. We stay focused that same-day shipping

could put additional pressure on limits for e-business companies, especially Amazon.com. same-day transport will be hard in terms of charge and logistics and will mostly rely on volume. He noted that FedEx and UPS may not have adequate free ability and that their logistics systems may get blocked in chief urban areas. Adding up, bottlenecks can arise, such as consumers not being house at the time of delivery. To offer same-day shipping at scale the e-commerce company needs to sell a product that can be curved around rapidly – it has to be easy to sort so it can move during allocation center conveyors quickly (so it will be complicated to present same-day shipping on bulky items, at scale). The products require to those selling in great volumes, such as Kindles and iPads; products where e-commerce companies are able to battle with a computer going to a physical store to select it up, such as mobile phone chargers. on the contrary, slower turning stock items, such as TVs, that need preparation of a delivery will probably be shipped in the same method as today.

#### 5.1.4 Porters Five Forces of Amazon

Porter's Five Forces study is used to assess the charisma of different industries, and Therefore, it can assist in illustrating the sources of competition in a specific industry. Here we are applying porters five forces for Amazon E-retailing.

##### **Power of suppliers**

- a) **Low** For standardized products that are simply accessible dealer power will be low
- b) **Low** as Global shipping has increased the amount of suppliers available
- c) **High** for Specialized products and brands raise switching expenses for buyers so the Suppliers have superior power. With Amazon products such as the Harry Potter books are Special from publisher)
- d) **High** for online shops making it easier for publishers/ brands to vend straightforwardly to consumers with no a third party (e.g. Blackwell's), suppliers may not require Amazon
- e) **High for** If there is a concentration of suppliers for definite goods in the industry rather than fragmented.

##### **Power of buyer (high)**

- a) There is a huge diversity of online shops and comparison websites to compare best prices. Now the preference of buying from Amazon depends on the value of the product on Amazon and further opponent e-retailers.

### **Threat of new entrants**

- a) **Low** as For online set up retailers a strong brand image generates consumer faith
- b) **Low** due to Economies of scale – Merchant/retailer that have advanced technology and processes and are able to purchase in huge quantity can present the lowest prices. This is a chief competitive benefit as there is much alternative online.
- c) **Low** as Tough experience in the online retail industry provides e-retailers reward in terms of cost and client loyalty.
- d) **High** due to Capital requirement entry is a little for online businesses' as price of rent premises is minimum

### **Threat of Substitutes**

- a) **High** due to Physical stores and touch, feel, hear reasons
- b) **High** because renting products online in its place of buying them is increasing in popularity. This is a major concern for Amazon in their book sales as online retailers such as Textbookflix.com and BookRenter.com are providing much cheaper options than buying
- c) **High** as the internet is a “Global Market”, customers can substitute any item by purchasing from companies abroad where products are inexpensive, but of good class
- d) **Low** as Catalogue/mail order though not as prevalent still a substitute to online purchasing

### **Competitive Rivalry**

- a) **High as** search engines are becoming the primary choice for shoppers when shopping on-line e.g. Google. This upturns the chances for additional retailers
- b) **High** because there is a growing amount of dotcom companies due to the slight principal required to start up. Reduced niche associate online stores when united generate even more antagonism.

### 5.1.5 SWOT analysis of Amazon

#### STRENGTH

- a) **Global brand-** A sturdy brand image offers competitive benefit in the online trade industry and aids draw customers. Amazon's ranking in topmost 100 global brands position has improved from No. 68 (2005) to No. 65 (2006).
- b) **Focus on research and development-**During 2006, the company capitalized about \$662 million in R&D. The company's emphasis in R&D helps development of new goods and improvements to prevailing products, which aids to sustain a stout market ranking.
- c) **Strategic location-** Based in Seattle, Washington, due to the hefty pool of methodological talent and close proximity to one of the leading wholesalers situated in Rosen burg, oregon, through which Amazon.com remains to conduct 60% of its business.
- d) **Customer-centric vision-**Engrossed on giving the clients what they want, innovating to give the customers what they don't know they want, and providing a personalized service for each individual customer.
- e) **Diverse products-** Amazon.com sell a large variety of products Recently, Amazon.com restored its delivery in order to ship 35% maximum products without additional workers.

- f) **Applied advanced technology**– Amazon.com offers a feature-rich content, a protected and reliable transaction environment and easy-to-use functionality for clients. Amazon.com is able to engrave web pages to discrete customer favorites, including product commendations. This technology encourages repeat purchases. 70% of Amazon.com’s customers are repeat purchasers.
- g) **Amazon.com’s Merchant Programme**– Amazon.com was the first internet retailer to start a merchant Programme that permitted owners of other websites to raise customers to Amazon.com in interchange for a referral fee.
- h) **Strong logistics**– Ability to cumulate orders assures for specific locations. Close proximity to motorways.

### Weaknesses

- a. **No physical presence**– E-marketer Online (2008) foresees the evolution in popularity of “buy online, pick-up in store” amenities to evade shipping fees.
- b. **Low profit margins**- The gross income margin which measures the association between revenue to cost of sales has declined by 1.1 %. Shrinking margins indicate growing cost pressures and sustained fall in margins would affect the profit ability of the company.
- c. **Low cash flows**- The cash from operations had deteriorated from \$733 million in 2005 to \$702 million in 2006
- d. **Weak performance in China**- Amazon.com moved in China through the acquisition of Joyo.com in 2004. This acquisition led to rigid war between Joyo.com and the prominent domestic player dangdang.com. Joyo.com has a feeble market share of 12% against 18% of dangdang.com.

## Opportunities

- a) **Growth in movie downloads**– E-marketer online (2008) forecasts that US consumer spending on movie downloads will more than double from 2007 to 2008, from \$114 million to \$245 million.
- b) **Social networking**–E-marketer online (2008) forecast that social networking will endure a 66 key online activity, with 44% of US consumer's using social networking at minimum once a month in 2008.
- c) **Expansion through acquisitions**-The Company has freshly attained dpreview.com, the web's greatest comprehensive site for digital camera info and analyses. Amazon.com also newly attained Brilliance audio, the leading sovereign publisher of audio books in the US
- d) **Growing e-commerce sales**– Investing of US citizens on goods and services from online stores is probable to grow to \$144 billion in 2010 (Market line Business Information Center, 2007).
- e) **Progression in digital media**– In 2007, the number of online music track downloads touched 1.7 billion, a jump of 53% on 2006

## Threats

1. **Dependent on vendors**– Amazon.com depends on a diversity of sellers for the sourcing of merchandise. Amazon.com does not have long term contracts with these sellers and so the inability to recommence these agreements at sensible terms may badly affect the processes of the company (Marketline Business Information Center, 2007).
2. **Competition**–Amazon.com runs in an extremely competitive industry. Marketline Business Information Center (2007) classify that Amazon.com faces struggle from physical world sellers, publishers, vendors, distributors, manufacturers and producers of the goods sold by the company;

other online e-commerce sites; companies that bid e-commerce services, including website development; third-party accomplishment and customer-service; and companies that offer organization web services or other information storage or computing facilities or products.

- 3. Patent infringement**– In the past few years, Amazon.com has been tangled in numerous legal protests. In 2005, Register Systems filed a patent violation case and more lately IBM has file two patent violation lawsuits against the company. opposed results in lawsuits would unfavorably affect the name and profit capability of the company (Marketline Business Information Center, 2007).

## 5.2 India Ecommerce

In 1998 India had only 1.4 million internet users demonstrating a mere 0.1% of the entire population. over the last 15 years this figure has grown speedily due to advance in the IT and Telecom sectors. Today India has over 137 million internet users representing about 11% of its population, and it statuses third in the world after only China and USA. It is also amongst the three wildest budding markets for internet usage worldwide, according to a study accompanied by the Associated Chambers of Commerce and Industry of India (ASSoCHAM) and Comscore in october 2012.

The overall size of India's shopper retail market was roughly \$470 billion in 2011 and is projected to breed to \$675 billion by 2016 and to \$850 billion by 2020, with a cumulative-annual-growth rate (CAGR) of 7%. In contrast, India's whole e-commerce market was worth about \$2.5 billion in 2009 and grew to \$6.3 billion in 2011 and further doubled to \$14 billion in 2012. The proportion of internet operators shopping online is less than 10% at approx. 10 million operators. But this figure is budding at a rate of 30% per annum vs. the global average progress rate of 8-10%.

### 5.2.1 Indian e-commerce Segments

E-commerce in India can be largely parted into the Business-to-Business (B2B) and the Business-to-consumer (B2C) sections. In this post we will be focused on the trends, opportunities and challenges in the B2C segment. According to Forrester, the Business to Consumer (B2C) e-commerce market in India



is set to breed at the fastest rate inside the Asia-Pacific region at a CAGR of 57% between 2012-16. So far around 75-80% of all e-commerce connections in India are travel linked, containing mostly of online reservation of airline tickets, railway tickets and hotel bookings. The major players in the travel group are MakeMytrip.com, Yatra.com and the Indian Railways' IRCTC website for railway bookings.

Non-travel allied online commerce comprises 20-25% of the B2C e-commerce market and includes:

- E-tailing or online sales of sturdy things
- Economic services such as insurance and online bill payment
- online categorized, matrimonial, dating and job websites as well as marketplaces
- Digital downloads including music, e-books and paid content subscriptions
- 

of these e-tailing is the major and wildest budding sector. The most popular groups here are alike to those in other markets and comprise consumer electronics, computer hardware, mobile phones, books and apparel. This list is swiftly intensifying to include new categories such as appliances, furniture, pet care, organic foods, health care, cosmetics and beauty products. In many ways, India's e-commerce market is at the identical phase of growth as the US was at in the late nineties and China was at about 6 to 7 years ago.

### **5.2.2 Online and offline retailing chain**

The spirit of e-retailing is in its ability to surpass physical boundaries and grasp customers in a way different from the outdated brick-and-mortar stores, to their very doorway. Nevertheless, the base of the e-retailing model is technology and logistical clarifications that aids the shopper attainment and the final 'reach' method. E-commerce further fetches to the table vagaries in customer guidelines conveyed with problematic situations such as free delivery, order postponement, annulment, returns and cash-on-delivery.

The business model of the traditional retailers and e-commerce offers differ pointedly. The conventional infrastructure model relies on increasing depth and breadth of coverage through numerous inventory nodes, warehouses and stocking points linked based on numerous other aspects extending from manufacture cycles, nature and diversity of the SKUs to even local tax system laws. The conventional

order point arises at retail stores and stationary customer fronts situated at the end of the chain, and inventory necessities are forecast empirically based on numerous months or years of past data. In fact, competing sales channels may also replicate infrastructure, an indication of the typical sub-ordination of the logistics function within the complete sales and circulation process.

Conventional retail model



E-tail model

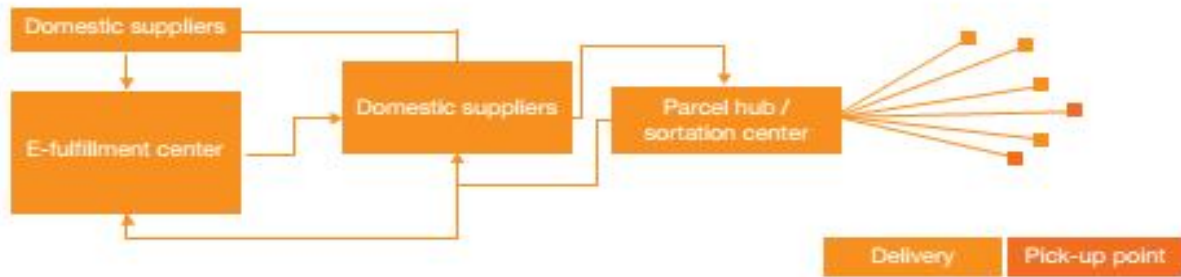


Figure 10 Conventional & E-Tail model

Since the eCommerce industry is fast rising, changes can be seen over a year. The sector in India has grown by 34% (CAGR) since 2009 to touch 16.4 billion USD in 2014. The sector is expected to be in the range of 22 billion USD in 2015. Currently, eTravel comprises 70% of the total eCommerce market. eTailing, which comprises of online retail and online marketplaces, has become the fastest-growing segment in the larger market having grown at a CAGR of around 56% over 2009-2014. The size of the eTail market is pegged at 6 billion USD in 2015. Books, apparel and accessories and electronics are the largest selling products through eTailing, constituting around 80% of product distribution. The increasing use of smartphones, tablets and internet broadband and 3G has led to developing a strong consumer base likely to increase further. This, combined with a larger number of homegrown eTail

companies with their innovative business models has led to a robust eTail market in India rearing to expand at high speed.

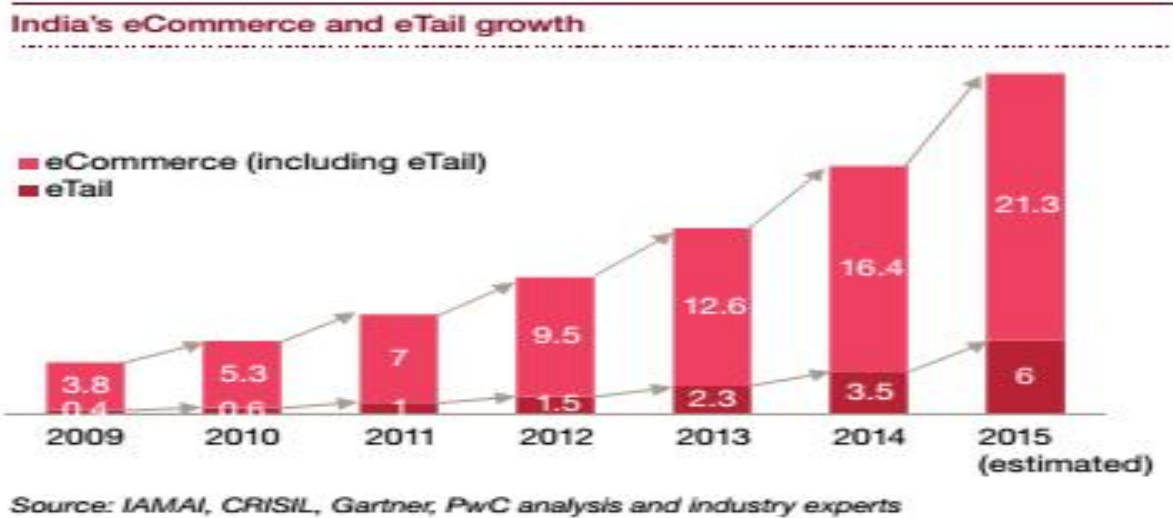


Figure 11 India eCommerce & e-tail growth

An analysis of the demographic profile of internet users further testifies that eCommerce will rise rapidly in India in coming years. Around 75% of Indian internet users are in the age group of 15 to 34 years. This category shops more than the remaining population. Peer pressure, rising aspirations with career growth, fashion and trends encourage this segment to shop more than any other category and India, therefore, clearly enjoys a demographic dividend that favours the growth of eCommerce. In coming years, as internet presence increases in rural areas, rural India will yield more eCommerce business

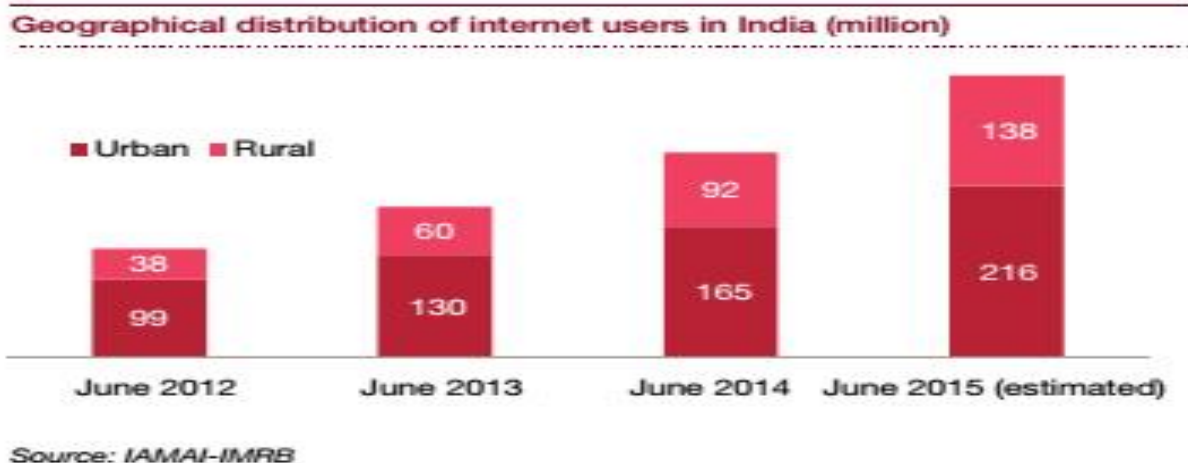


Figure 12 Indian geographical internet user base

### 5.2.3 The Use of Mobile in India

As the Internet population continues to grow from 60 million in 2009 to 190 million in 2014, it is estimated that the potential growth will be over 550 million users by 2018, the face of the Internet user will change. The number of internet users in rural areas will touch 210 million by 2018, aiding India's internet user base to cross 500 million by 2018. According to eMarketer, 47% of India's 1.2 billion were smartphone users in 2014, and over half of the country is going to be on a smartphone in 2015. The growth of India smartphone usage is expected to remain at around 7% annualized through 2018. Of those users, eMarketer believes 34.1% access the mobile internet at least once a month.

With more mobile phone usage, the e-commerce market is expected to swell to \$7.7 billion this year, a 45% rise from 2014. That number excludes travel spending, which historically has grown faster than other pockets of mobile web-driven e-commerce growth.

The Internet class of 2018 will be more rural, older, more gender-equal, more mobile, and more vernacular than their counterparts of today. Those aged at least 25 will account for 54 percent of the total number of netizens in urban India by 2018, up from 40 percent in 2013. Rural users, as a percentage of the Internet population, will rise from 29 percent in 2013 to between 40 and 50 percent in

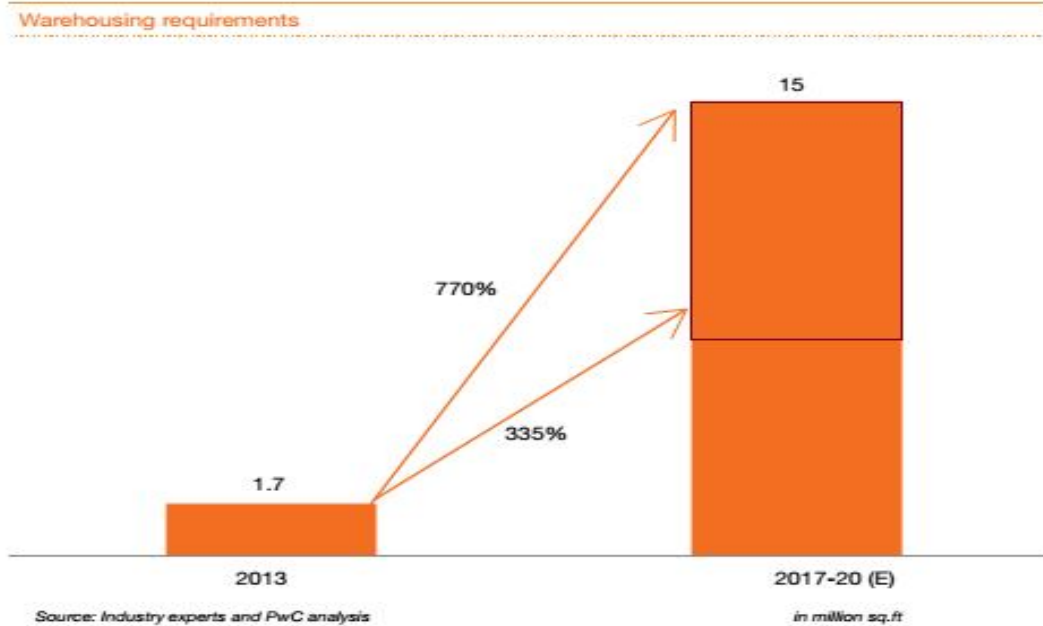
2018. This sector will open up significant growth opportunities for manufacturers and service providers alike, which can leverage the wider, targeted and more cost-optimal online channels effectively to cater to an increasingly Internet savvy customer base in the villages.

The sector of mobile commerce in India is currently largely restricted to payment systems and is in very nascent stage. With the release of guidelines from the RBI about the usage of mobile for banking, banks like SBI have started rolling out apps like SBI-Freedom and State Bank Anywhere. The Indian ecommerce player Flipkart has made a mandatory download of its app for shopping through phones. This points to the fact that buying is now easy through mobile phones. In India, the mobile internet traffic now outweighs personal computer traffic. With increasing penetration of smartphones, India is all set to be a massive market for m-commerce.

#### **5.2.4 Challenges Ahead for India Market**

##### **a) Penetration and Infrastructure Issues**

Internet penetration in India will grow further to the level of about 28% but rural penetration will remain constrained due to infrastructural issues like lack of continuous supply of electricity, dearth of Internet servers, bandwidth and connectivity limitation. Source: Forbes Rural India is a big consumption market and lack of penetration in the rural belt will act as a major stumbling block for online companies to reach critical mass. This will entail participation from both Government and the corporate world.



**Figure 13 Indian Infrastructure requirement**

**b) Usage by limited businesses**

Internet is still not used by all types of businesses in India owing to low digital literacy. Internet driven sales has not yet significantly expanded to long-tail offerings and to categories like grocery, food and beverages, healthcare, etc. Long tail products are niche offerings that have low unit sales, but generate considerable volume when aggregated. Long tail is slowly becoming the driving force in developed countries, and it will take center stage in India when market matures. Efforts are being taken by e-tailers in this area to generate increased activity in offbeat categories.

**c) Regulatory Hurdles**

FDI is currently allowed only in the marketplace model of e-commerce and not in inventory led model. However, if FDI norms are relaxed, global e-commerce giants are expected to enter and invest in the B2C online market leading to creation of new jobs, improvement of infrastructure,

logistics network and increased operational efficiencies and competition in the sector. Currently e-commerce also faces challenges in terms of duplication in warehousing centers and logistics chain because of complex inter-state taxation rules. The introduction of Goods and Services Tax (GST) in the near future is expected to eliminate such issues. Companies will need to address issues around sub-optimal warehouse tax planning; imbalance between FDI norms vis-à-vis adequate entity controls; inefficient holding, IPR or entity structures; and international tax inefficiencies. Future challenges include the new Companies Act, policy on related-party transaction pricing, and the uncertainty around GST roadmap.

**d) Logistics infrastructure**

The weakest link in the Indian e-commerce story Logistics in developing economies such as India may act as the biggest barrier to the growth of the e-commerce industry. Till date, logistics models developed in India target the metropolitan and the Tier-1 cities where there is a mix of affluent and middle classes and the internet penetration is adequate. In India, about 90% of the goods being ordered online are moved by air, which increases the delivery costs for the e-retailers. Most e-retailers were initially dependent on third party delivery firms. However as the market evolves and customer expectations increase, city or geography centric service levels are becoming the need of the hour. Moreover, issues specific to e-retailing such as the problems associated with fake addresses, cash-on-delivery and higher expected return rates have made e-retailers consider setting up their captive capital intensive logistic businesses. For instance, Flipkart has set up numerous regional warehouses and is constantly increasing the supplier base across the country to achieve low transportation cost by ensuring delivery from the nearest supplier or regional warehouse. Flipkart is growing its logistics arm E-Kart whereas Amazon India is building capacities with its logistic arm Amazon Logistics.

**e) Risk, fraud and cyber security**

From a risk perspective, eCommerce companies could face issues around brand risk, insider threats and website uptime. Issues around employee-vendor nexus, bribery and corruption make

companies vulnerable to fines. Cyber security also heaves some concerns around website exploitation by external entities

### **5.2.5 Porters five forces for Flipkart**

#### **Bargain power of suppliers (Low)**

- a) The readers are reducing and e-books have overpowered hard books thus suppliers are in weak position
- b) The Inventory turnover is lower, thus more inventory again flipkart is at the upper hand.

#### **Bargain of buyers (High)**

- a) Better deals are available on web and various players have roped in
- b) Faster delivery with free shipping cost leads to customer satisfaction.
- c) Cash on delivery gives customers a better way of buying on door step
- d) Assortment of goods at one single digital marketplace gives the buyers a one stop solution

#### **Threat of New entries (High)**

- a) Market prospective for this industry is high
- b) Low entry barriers, but supporting is tough
- c) Innovative Business model lead to zero inventory business

#### **Threat of substitutes (Low)**

- a) Diminishing brick and mortar model
- b) Increasing customer ease and customer satisfaction

#### **Industry rivals (High)**



- a) Many players (snap deal, naaptol, myntra eBay )
- b) Entry of international players like Amazon into India

### **5.2.6 SWOT analysis of Flipkart**

#### **Strength**

- a) Top Indian ecommerce portal
- b) Diversified into electronic goods
- c) Two VC investment to build its own delivery system thereby reduce delivery time
- d) Cash on delivery which is making 60% of its income

#### **Weakness**

- a) Synchronization with suppliers and courier was tough
- b) Price biasing to maintain the margins (eg. Low price for the best seller book and more
- c) price for the least wanted)
- d) 24/7 customer care, thus even mid night is to delivered within 24 hours

#### **Opportunities**

- a) Already working towards customer delight will obtain customer loyalty gradually
- b) Supplier database interface with flipkart website for JIT procurement
- c) Mobile internet usage is increasing there by chances of increase in sales through mobile shopping.

#### **Threats**

- a) Small players and emerging competitor
- b) Major players like Amazon
- c) In capabilities to manage certain costs like delivery cost, bank charges

## 6 Conclusion

legal disagreements of e-commerce in India are generally ignored by e-commerce websites. This may adjust in the nearby future as foreign companies and e-commerce portals would be compulsory to record in India and justify with Indian laws. E-Commerce websites allocating with nutraceuticals, Bitcoin, Ayurvedic products, online pharmacies, online expense, online poker etc. are disrespectful acts of India.

Application executive (ED) of India has already began legal activities against companies production with Bitcoins in India. Tax charge of foreign companies like Google, Facebook, etc. is also under attention in India. Similarly, banned online sales of approved drugs by unlawful online pharmacies of India are also under study of regulatory specialists of India.

Myntra, Flipkart and many more e-commerce websites are below supervisory scanner of ED of India for disrespectful Indian laws and policies. US-based transport application provider Uber Inc has also been asked by the provision tax department of India. In January, 2015, the Kerala Commercial Taxes Department forced a fine of INR 54crore on Flipkart, Jabong, Vector e-commerce, and Robemall Apparels, for doing criminal business in the state.

The Federation of Publishers' and Booksellers' Associations in India (FPBAI) has also questioned the predatory pricing tactics adopted by various e-commerce websites in India. The Confederation of All India Traders (CAIT) has also decided to approach the Competition Commission of India to oppose the predatory pricing tactics of Indian e-commerce websites.

Demands for introducing suitable provisions to regulate taxation, anti competitive practices and predatory pricing of Indian and foreign e-commerce websites have also been raised.

In the United States, some electronic commerce activities are regulated by the Federal Trade Commission (FTC). These activities include the use of commercial e-mails, online advertising and consumer privacy. The CAN-SPAM Act of 2003 establishes national standards for direct marketing over e-mail. The Federal Trade Commission Act regulates all forms of advertising, including online advertising, and states that advertising must be truthful and non-deceptive. Using its authority under Section 5 of the FTC Act, which prohibits unfair or deceptive practices, the FTC has brought a number of cases to enforce the promises in corporate privacy statements, including promises about the security of consumers' personal information. As result, any corporate privacy policy related to e-commerce activity may be subject to enforcement by the FTC.

The Ryan Haight online Pharmacy Consumer Protection Act of 2008, which came into law in 2008, amends the Controlled Substances Act to address pharmacies. There is also collaboration between Google and US federal authorities to block illegal online pharmacies from appearing in Google search results. Recently FedEx Corporation pleaded not guilty to charges made against it regarding dealing with illegal online pharmacies.

Conflict of laws in cyberspace is a major hurdle for harmonization of legal framework for e-commerce around the world. In order to give uniformity to e-commerce law around the world, many countries adopted the UNCITRAL Model Law on Electronic Commerce (1996)

Internationally there is the International Consumer Protection and Enforcement Network (ICPEN), which was formed in 1991 from an informal network of government customer fair trade organisations. The purpose was stated as being to find ways of co-operating on tackling consumer problems connected with cross-border transactions in both goods and services, and to help ensure exchanges of information among the participants for mutual benefit and understanding. From this came Econsumer.gov, an ICPEN initiative since April 2001. It is a portal to report complaints about online and related transactions with foreign companies.

There is also Asia Pacific Economic Cooperation (APEC) was established in 1989 with the vision of achieving stability, security and prosperity for the region through free and open trade and investment. APEC has an Electronic Commerce Steering Group as well as working on common privacy regulations throughout the APEC region.

In **India**, the Information Technology Act 2000 governs the basic applicability of e-commerce. It is based upon UNCITRAL Model but is not a comprehensive legislation to deal with e-commerce related activities in India. Further, e-commerce laws and regulations in India are also supplemented by different laws of India as applicable to the field of e-commerce. For instance, e-commerce relating to pharmaceuticals, healthcare, traveling, etc. are governed by different laws though the information technology act, 2000 prescribes some common requirements for all these fields. The competition commission of India (CCI) regulates anti competition and anti trade practices in e-commerce fields in India. Some stakeholders have decided to approach courts and CCI against e-commerce websites to file complaint about unfair trade practices and predatory pricing by such e-commerce websites.

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