

ALFRED NOBEL UNIVERSITY
DEPARTMENT OF THE GLOBAL ECONOMICS

MASTER THESIS

*Analysis and evaluation of e-Commerce market and its place in the
economy of U.S.*

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Specialty: International Economic Relations
Supervised by Assoc. Prof. Alisa Mahdich, PhD

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1. Theoretical foundation and the importance of E-commerce;
2. Types, pros and cons, and some historian base of e-commerce;
3. Analysis and Evaluation of the U.S. e-commerce Market (evaluation of U.S. e-commerce market volume in dynamics, analysis of E-commerce market by retailers and whole on web, analysis of E-commerce buying and selling behavior in relating to the U.S., analysis and evaluation of mobile commerce or virtual purchase in the U.S., analysis of the digital payments or online payment in the U.S.);
4. History regarding Amazon
5. Amazon Investment and Project;
6. Recommendations through the leader of e-commerce.

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7. Thesis schedule

no	Stages	The deadline for submission	
		Schedule date	Actual date
1	Chapter 1		
2	Chapter 2		
3	Chapter 3		
4	The whole paper		

Student

signature

last name, initials

Supervisor

signature

last name, initials

ABSTRACT

Corrah Musa. Analysis and evaluation of e-Commerce market and its place in the economy of U.S

The aim this master thesis is to look in to the different sectors of e-commerce in the global market, while also indicating why and how it works. The author has considered advantages and disadvantages of e-commerce as a method of trading. As an object of the research, the economy of the U.S, has selected since the United States is the biggest and powerful economy in the world and also because E-Commerce market started in there.

The first chapter of thesis is devoted to the theoretical questions related to e-commerce: history of its emergence, types, features, etc. Since e-commerce is comprised of retail and whole sales of goods and services, in chapter 2 of this thesis there will be given more detailed explanation of what e-commerce is, e.g., market behavior, market segment, market analysis and the internet payment system of U.S (Digital Payments). Chapter three will introduce Amazon company, the biggest E-Platform in the United States, and give some recommendations regarding its possible performance improvements and increase in gains.

Key words: *e-commerce, e-commerce market, e-commerce shopping behavior, Amazon.com*

АНОТАЦІЯ

Корра Муса. Аналіз та оцінка ринку електронної комерції та його місце в економіці США.

Метою даної магістерської роботи є вивчення різних секторів електронної комерції на світовому ринку, а також спроба виявити закони та механізми, за якими вона працює. Автор розглянув переваги та недоліки електронної комерції як методу торгівлі. Об'єктом дослідження стала економіка США, оскільки Сполучені Штати є найбільшою та потужною економікою у світі, а також тому, що саме з цієї країни починається ринок електронної комерції.

Перший розділ дипломної роботи присвячений теоретичним питанням, пов'язаним з електронною комерцією: історією її виникнення, видами, особливостями тощо. Оскільки електронна комерція складається з роздрібною торгівлі та оптової торгівлі товарами та послугами, другий розділ роботи надасть більш детальне пояснення того, що таке електронна комерція, наприклад, ринкова поведінка, сегмент ринку, аналіз ринку та система Інтернет-платежів США (Digital Payments). У третьому розділі буде представлена компанія Amazon, найбільша електронна платформа в США, та надані кілька рекомендацій щодо можливого покращення продуктивності та збільшення прибутків компанії.

Ключові слова: електронна комерція, ринок електронної комерції, поведінка покупців при електронній комерції, Amazon.com

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INTRODUCTION

E-Commerce also known as Electronic Commerce is a process of purchasing (buying) and Selling of various goods and services, whilst using a very powerful platform called the internet or it can be transaction or transmitting data or fund. Which can be between person to person, or between business to business, person to business, or business to person, e-business to e-business this transaction is done by the use of internet services.

Most of the past decade, companies, people and co-operation started using E-Commerce like Amazon and E-Bay has increased the growth of e-commerce substantially because in 2007 -2008 e-commerce was standing at 5.2% growth level.

E-Commerce was a no go area in the 80s, the revolution began when things like mobile, computers, telegrams etc. came into light. It made it one of the most productive sectors in the world, where you can find any good or services you need and most importantly all is done virtually with the help and facilitated by the internet connection. Payment are done via mobile banking or wire transfers, which is a rapid transaction, you do not need to even leave the comfort of your home with e-commerce, it's the best new thing that the whole globe is using on a daily basis. And e-commerce is used for online marketing and advertisement for most of the companies and employed business people.

The importance of taking up this topic, and for my thesis and the main reason is to determine its problems and have solution it:

7. Theoretical foundation and the importance of E-commerce;
8. Types, pros and cons, and some historical base of e-commerce;
9. Analysis and Evaluation of the U.S. e-commerce Market (evaluation of U.S. e-commerce market volume in dynamics, analysis of E-commerce market by retailers and whole on web, analysis of E-commerce buying and selling behavior in relating to the U.S., analysis and evaluation of

mobile commerce or virtual purchase in the U.S., analysis of the digital payments or online payment in the U.S.);

10. History regarding Amazon

11. Amazon Investment and Project;

12. Recommendations through the leader of e-commerce.

Sources that were utilized using the research for this master's thesis topic were as follow:

- Literature search of some established writers;
- Public records, historical records and present day facts;
- Some publication of international sources all around the world;
- Reports by search scholars;
- Some will detailed specialized journals;
- Relate Qualitative data was collected.

Outline of the thesis: This are the following steps followed by this document, firstly historian literature (chapter 1) I'll be discussing e-commerce with its types, pros and cons and a brief history. Chapter 2, will concentrate on the ways which the data was collected (U.S. figures and graphs). Then I'll relate it to (Amazon.com) its description in detail.

Chapter 3. Will be the project and investment analyses and I'll give some important recommendation to boost the profit and productive margin of Amazon Company

Objective of this master's thesis is to look in to the methods that work and the short coming of e-company like Amazon and give a well detail recommendation that can be utilized by Amazon to increase their profitable on the global

Finally, I'll give a summarized conclusions to my Master's thesis to be presented.

CHAPTER 1

THEORETICAL FRAMEWORK OF E-COMMERCE

1.1. Literature Of E-Commerce.

The internet and web technologies have grown exponentially by companies, cooperations do engage in the business online and offline, so that they will be able to increase their productive and profitability.

The modern communication and information technological development created a chance for organisations and businesses to engage a productive competitiveness for greater advantage for businesses. The e-commerce market is experiencing a great change and utilisation of present day digital media Platform. The nature in which the electronic commerce is moving at a high speed and growth.

E-commerce is a new technology and has taken over modern day businesses, it came into being no sooner than 1970s. That business encounter so many difficulties that require electronic support to increase economically development. Literature and trade magazines tend started to decline, because of the e-commerce and modern technology. The masses should not be surprised by this improvements. Because we knew that electronic commerce will grow and take over organisation and business in the process. The huge spread use of e-commerce started when computers, telecommunication, with the integration with internet connectivity it took it to another level. Where people can connect and browse, and also buy and sell in the process.

Speaking on it broadly, e-commerce encompasses any kind of economically activity. Because almost all its transactions take place via the e-connection. It uses a bandwidth of different electronic commerce spans and connections to again market hierarchies and in connection with other electronically supported business networks. The mechanism is characterised into different ranges of sectors namely, tourism, science and technology, finance, agriculture, insurance industries,

service industries, marketing industries. And also it help in distribution of consumer services and wants.

Below is the global e-commerce market statistics. That show the different countries how there economic growth on e-commerce is as of 2018.



People generally use the term as like m-mobile or e-commerce interchangeable, but are not the same, to put in a more simpler term. E-commerce is the buying and selling on the internet, while e-business can be refer to as the total sum of all E-commerce online. E-commerce can be look as a subset of e-

business. If you are planning to opening up a company on the internet company, you should try and get to know their differences.

For example, a company's online inventory pilot instruments are a component of e-business, but as internal procedures do not directly create revenue for the firm from outside businesses or users, like e-commerce does by definition. It is true, even so, that a firm's e-business infrastructure supplies support for online e-commerce exchanges; the identical infrastructure and ability sets are involved in e-business and e-commerce. E-commerce and e-business systems scramble together at the business company boundary, at the point where internal business systems connect with suppliers or clients (see Figure 1.1).

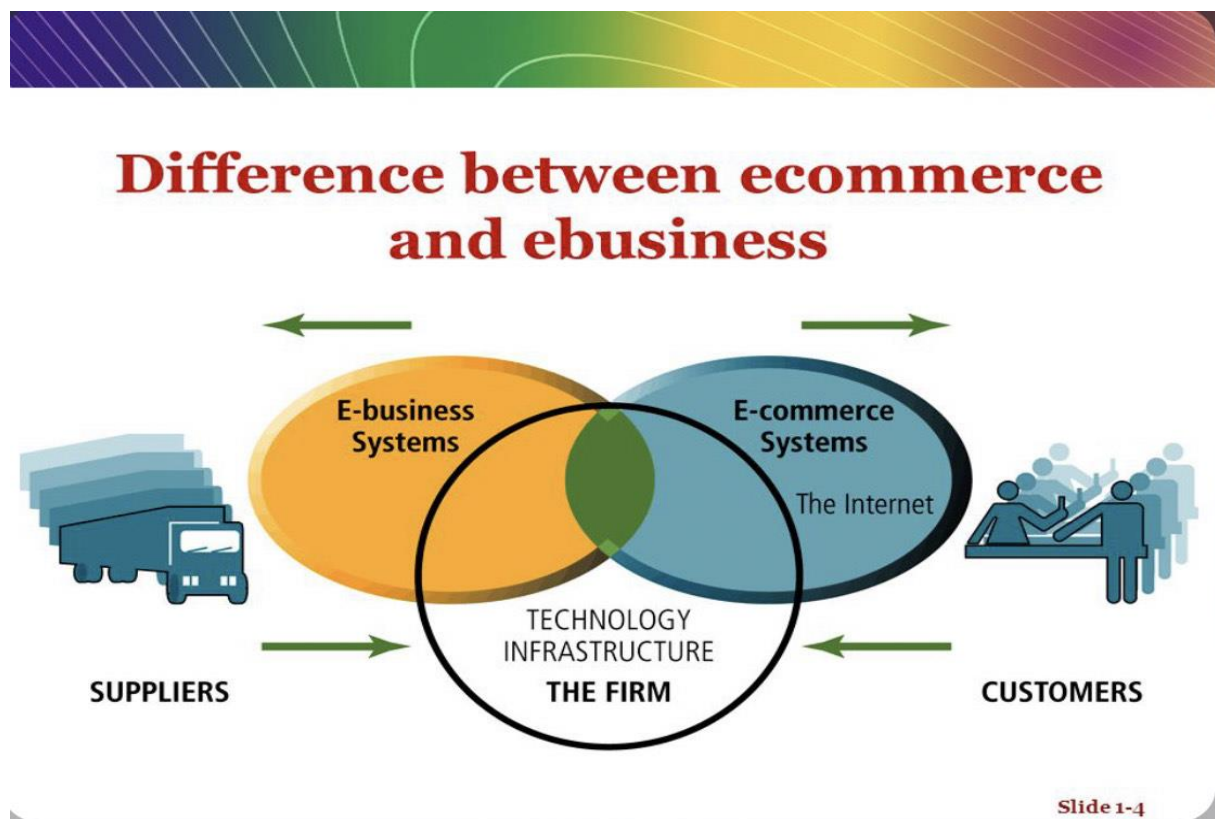


Figure1.1. Difference between e-commerce and e-business

These incomparable dimensions of e-commerce technologies propose varied new possibilities for marketing and selling a powerful series of interactive,



Fig 1.2. Eight unique features of e-commerce technology

Personalized, and rich messages are available for delivery to divided, targeted audiences. E-commerce technologies make it possible for sellers to know much more about users and to be qualified to use the information more efficiently than was ever true before. Online retailers can use this new information to amplify new information asymmetries, improve their ability to brand products, charge premium prices for high-quality service, and separate the market into an unlimited number of subgroups, each obtaining a different price. To complicate matters supplementary, these same technologies make it feasible for dealers to know more about other dealers than was ever true before. This offers the possibility that sellers might conspire on prices rather than rival and drive overall average prices up. This strategy works particularly well when there are just a few providers (Varian, 2000a).

Each of the dimensions of e-commerce technology exemplifies in Figure 1.2 merits a short exploration, as well as a comparison to both traditional commerce and other figures of technology-enabled commerce.

Ubiquity. In a more outdated market commerce, people access goods and service physically in order to do any form of transaction. Like, television and radio, newspaper and magazine. Ubiquity refer to the fact people can visit and consumer can have access to good and services and any place they are at with just a device being it computer or mobile phone. It is no longer necessary to waste time and money traveling to a market. At a wide level, the ubiquity of e-commerce way cheap in energy to market a transaction in a market space. The average cost of this form of e-commerce is relatively lower compared to the traditional method.

Ubiquity

(available just about everywhere at all time)

Technology Dimension	Business Significance
Internet Technology is available everywhere, at work, at home, and elsewhere via mobile device, anytime	<ul style="list-style-type: none"> •Marketplace is created or extended beyond traditional boundaries and removed from a geographic location. •Shopping can take place anywhere. •Reduced shopping costs. •Customer convenience enhanced

Er.Sartaj Singh Bajwa

Global reach. We are in a very critical stage in the context of business activities and strategies. Today companies and other multinational co-operation

shifting more into internet sales. With a global population over 8 billion people. Global reach is an initiative that business take to increase their customers with the utilization of the internet connection, traditional the some of the global reach out outlets where T.V and radio. More realistically, the Internet makes it much easier for start-up online traders within a single country to attain a national audience than was ever possible before. The global number of consumers or customers an e-commerce business can obtain is a measure of its reach, before the introduction of e-commerce or internet. As of 2013 estimated population that are using e-commerce is about 5 billion people worldwide. With a global e-sales of \$1.2 Trillion dollars will be shown of figure 1.3



Universal standards, is the standard that is shared generally by all nations around the world regarding e-commerce, the universal technological standard of e-commerce with the base on the availability of internet connection. E-commerce generally has quiet cheap capital entry, than the traditional business entry. The base benefits can be, it reduces cost for consumers, it's a becoming simpler, faster, with more accurate price discovery for consumers.). With the access to Internet connection, both businesses and individuals, also experience network externalities—benefits that occur because everyone uses the same technology. With e-commerce technologies, it is possible for the first time in history to easily find many of the suppliers, prices, and delivery terms of a specific product anywhere in the world, and to view them in a coherent, comparative environment. Yes not all countries are up to that standard regarding technological development, but they are slowly getting to the universal standard of e-commerce.

Universal Standards

(standards that are shared by all nations around the world)

Technology Dimension	Business Significance
There is one set of technology standard, namely Internet Standards	<ul style="list-style-type: none"> •Lower market entry costs, •Reduce product search cost and by creating a single , one world market place, where price discovery becomes simpler, faster and more accurate •Easily find all the suppliers, prices, and delivery terms of a specific product anywhere in the world

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Richness. Information richness alludes to the complexity and content of a message, (Evans and WURSTER, 1999). Traditional markets, national sales forces, and small retail stores have great richness: they are capable to furnish personal, face-to-face service using aural and visual cues when making a sale. The richness of traditional markets makes them a potent selling or commercial

environment. Prior to the development of the Web, there was a trade-off between richness and reach: the larger the audience reached, the less rich the message. The Internet has the capacity for offering considerably more information richness than traditional media such as printing presses, radio, and television because it is interactive and can adjust the message to individual users. Chatting with an online sales person, for example, comes very close to the customer experience in a small retail shop. The richness enabled by the Internet allows retail and service merchants to market and sell “complex” goods and services that heretofore required a face-to-face presentation by a sales force to a much larger audience.

Richness

(the complexity and content of a message)

Technology Dimension	Business Significance
Video, Audio and Text Messages are possible	<ul style="list-style-type: none"> •E-Commerce technologies have changed the traditional tradeoff between Richness and the Reach. •The Internet and web can deliver to an audience of millions rich marketing messages in a way not possible with traditional technologies like radio, TV and magazines.

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Interactivity. Unlike any of the commercial technologies of the twentieth century, telephone where the only possibilities on interact, e-commerce technologies made it uniquely possible for people living in different parts of the world to interact, meaning they enable two-way communication between merchant and consumer and among consumers. Traditional television, for example, cannot interrogate viewer’s questions or enter into conversations with them, or ask for that customer information be entered into a form. In contrast, all of these activities are possible on an e-commerce site and are now ordinary with

smartphones, social networks, and Twitter. Interactivity permits an online merchant to engage a user in ways almost identical to a face-to-face experience.

Interactivity

(two way communication)

Technology Dimension	Business Significance
The technology that allows two way communication between merchant and consumer	<ul style="list-style-type: none"> •Consumers are engaged in a dialogue that dynamically adjusts the experience to the individual, and make the consumer a co-participant in the process of delivering goods to the market.(which is not possible in other mediums like TV , radio) •Similar to face-to-face experience but on a massive global scale

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Information density. Is the function of information to the internet and other web browsers sites be the total amount of all markets, which is the consumer quality float of information, at a timely fashion and accurate.so that consumer can have reliable information about the business site. Traditionally information was floating with the use of local telephone, television, radio and fax machines. With the introduction of e-commerce and global technological development. Information float is faster and easier with social media platform like Facebook, twitter, snapchat, Instagram and other e-business sites. With the introduction of e-commerce merchants can access information at any time and place, with use of their devices. A number of business consequences result from the increase in information density. In e-commerce markets, prices and costs become more transparent. Price transparency invokes to the ease with which users can discover

the variety of prices in a market; cost transparency refers to the capability of users to find out the actual costs merchants pay for products. The advantage of access to information, it bring transparency with the produce and consumer. It also help consumer to make decision on variants of goods and services available.

Information Density

(total amount & quality of information available to all market participants)

Technology Dimension	Business Significance
The technology reduces information cost and raises quality	<ul style="list-style-type: none"> •Information processing, storage and communication costs drop dramatically while accuracy and timeliness improve greatly. •Information becomes plentiful, cheap and accurate •Eg price discrimination in which a merchant can sell the same good to different targeted market with a different price

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Personalization/Customization. Are used by behemoths of online sales of Amazon and Walmart with other business investors, by making businesses functional. Customization can be define as the process where clients wants a certain made out of a goods relating to create a design, band or other forms of good. I'll some the e-commerce customization goods are Blackberry's customizable "scarf Bar" and Indochino's customizable jackets. Personalization is a collection of methods that are being utilize in the retail sector of e-commerce. Which e-commerce business to make a personalized things relating to its demographic and date or the history of the market segment. Location is really important in personalization. In personalization local news being it radio or

television is giving important, with digital editorials. Couple with names of clients and product name with addition dates are essential to it. With production recommendation from consumers. Making discounts for first time buyers.

Personalization

(targeting of marketing message to a specific individual by adjusting the message to a person`s name , interest & past purchases)

Technology Dimension	Business Significance
Technology allows personalized messages to be delivered to individuals as well as groups	<ul style="list-style-type: none"> •Personalization of marketing messages and customization of products and services are based on individual characteristics

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Social Technology, In contrast to other form of technology, the internet and e-commerce has evolved a lot over the years which allow user to be able to create and share with their families, friends and the wider world. Communities and countries connected, by either send a text. Video, music or photos. By using this form of communication, user are able to create their own social network and boost the exiting once. For example Amazon being amount the top e-commerce companies in the world. Amazon has done this by utilizing social media networks has made over 30 million likes on Facebook, 2 million followers on twitter. Directly making this site top marketing platforms for Amazon Company.



The e-commerce Business Models. You may have heard that the e-commerce business is growing significantly at the moment. The economical shift is eye catching to all potential investors in the e-commerce sector. Its factual analysis has shown that just within last year. There has being \$4.13 trillion dollars mobile commerce, that take over about 72% of e-commerce.

Once you know what models of e-business is available, its quiet easy to determine how you want your online store to work relative to what good or service you want rend. The best place to start from is look and study the different kind of e-commerce business models, so you can make an inform decision regarding your online business, below I'll be discussing different models of e-commerce in great detail.

Key elements of a business model. Its shows how a business or co-operation, creates, captures and delivers to his or her esteem customers. The model has to capture a essential part of the business, it supports to be easy not complex.

A business model is very important to ensure the business has a direction and its smooth running. Business is the main component to a business plan, its necessary that is will writing and research when looking for an investor or loan from the bank.

Table 1.1

KEY ELEMENTS OF A BUSINESS MODEL**1.2. Types of e-commerce**

There are various different types of e-commerce and many different methods to distinguish them. Table 1.2 lists the major types of e-commerce discussed. For the most part, we discern different types of e-commerce by the nature of the market relationship— who is selling to whom. Social, mobile, and local e-commerce can be looked at as subsets of these types of e-commerce.

Table 1.2

MAJOR TYPES OF E-COMMERCE

TYPE OF E COMMERCE	EXAMPLE
B2C Business – to – consumer	This comprise transaction between a person and business. Eg Amazon
B2B Business – to – Business	It's not like B2C it comprise wholesaler and the retailer or the produce and wholesaler.
C2C Consumer –to- Consumer	It's the earliest type of e-commerce commonly known as batter, or eBay to Amazon
C2B Consumer –to- Business	It one of the traditional e-commerce, which individual can make their good and services to business and other buyers
B2A Business – to - Administration	It a transaction that happen between businesses and administrations, it can legal or security wise
Social E- Commerce	It's an e-commerce that relate to social media and online media, with buying and selling online

B2C Business-to-consumer. Its and e-commerce which is the most used of all various forms of e-commerce, where businesses can take advantages online and connect to their consumers easily. B2C is made up of buy retail goods and online travel services. B2C came in to existence back in 1990s, and still it's the widely used type of e-commerce till date. B2C has different types of models or types

B2C model, a business website internet connects transactions together between producer and consumer directly (see figure 1.3)

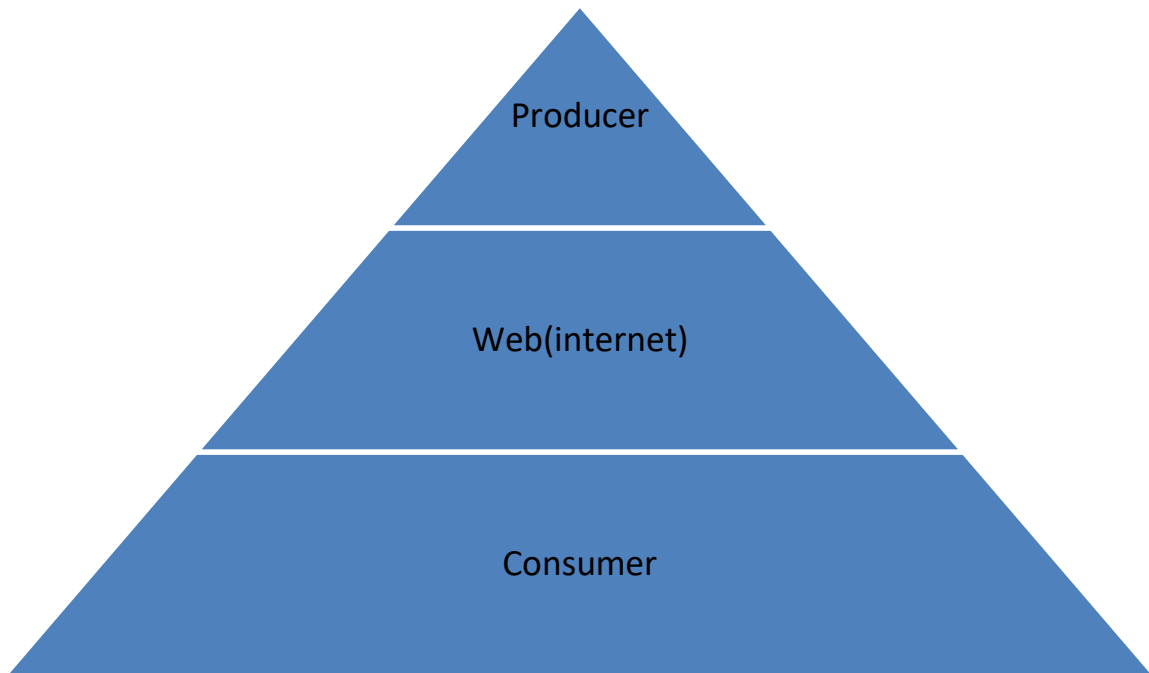


Fig 1.3. B2C business model

In this model everything pass thought the web (internet) to go the procures or the consumer vis-v-via

- You need to have the presents of advertisements,
- You need to invest on the internet presents
- You need call or support center services

Business -to- Business which is known as (B2B) e-commerce, where cooperation's and business to business can buy and sell services between them self which is the biggest form of e-commerce, with a net estimate valve at \$20.4 trillion dollars. This type of e-commerce can be operated online via web or offline. It has a big potential in the e-commerce market especially with the introduction of crypto currencies.

It's the type of model where both are producers but there in need of each other to function e.g. banks and cooperation's,

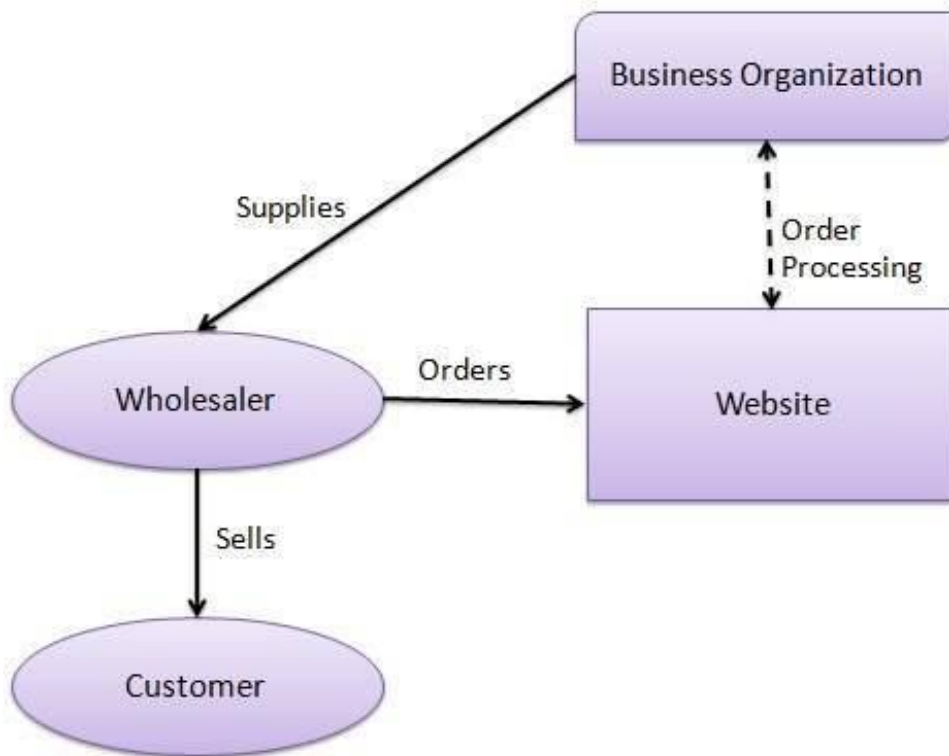


Fig 1.4. B2B business model

C2C Consumer-to-consumer. It's a form of e-commerce where Consumer-to-consumer meet or interact through and online services, there is no doubt it's one of the most used online e-commerce system with an estimated value of about 5 trillion dollars, this payment method can be thought of as online banking for example Uber, where a customer can order a ride online and pay using online methods.

Pros of C2C sites. The most outstanding thing about C2C is that the consumer and the producer can connect quickly and efficiently with a record time and business is done, at the comfort of both parties with just a click of a button.

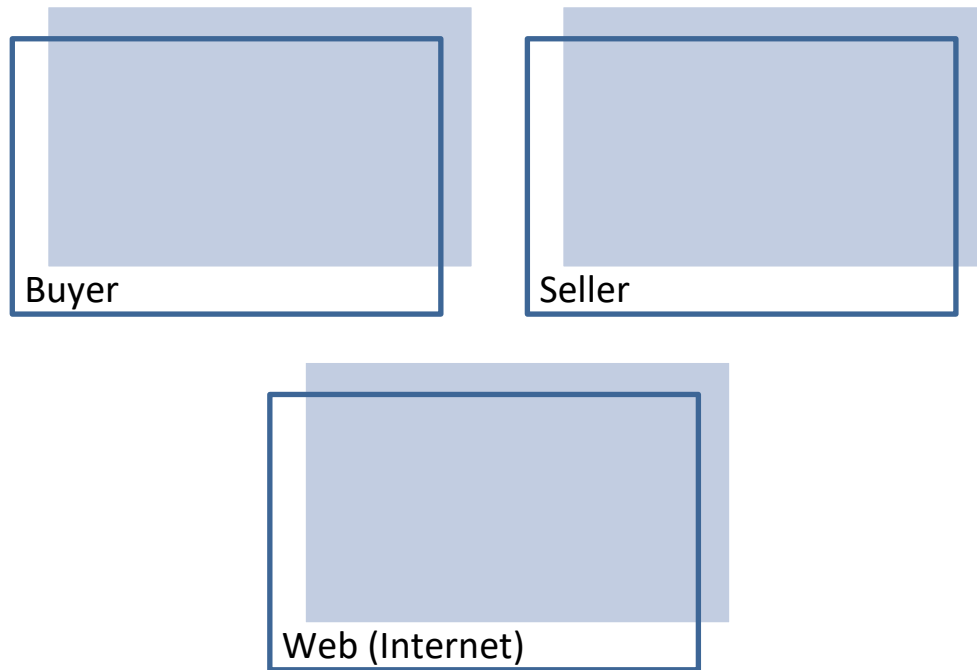


FIG 1.5 C2C business model

Cons of C2C sites. There are some fundamental cons on this method of e-commerce, because it is done by the use of web (internet) no one can make a guarantee that the services or monetary value will get to its destination or will be refunded in due time.

Also because it requires internet availability, without it you can't achieve your goal.

Finally, some of these sites on the internet are scam sites and it's difficult to police or make a lawsuit.

B2A Business – to - Administration. It's also known as business to government (B2G) it's where a business operates a service for a government which is generally done with the use of online web.

One of these ways can be by operating by taxes being paid online, which will help government to close major loopholes in their tax collection system. With the help of this model of e-commerce people can pay their taxes and have back

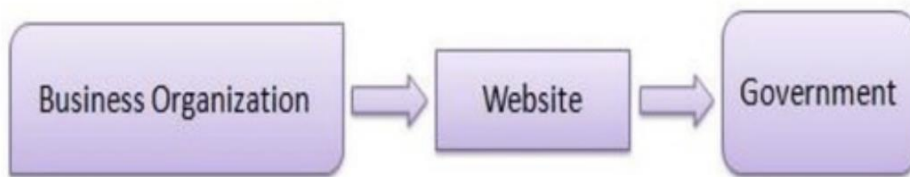
the taxes return with the click of a button, without stepping a foot at the taxes office. This method of e-commerce is being utilized by most of the developed countries and some developing once too. As of 2020 its net estimated stands at 6.1 trillion dollars.

Pros B2A Business – to – Administration

B2G helps government to place valve on time and also help business to have valve addition on efficient, it also help government contracting offices to get to the goal quitly and also help in a longtern relation between the government and its people

Cons B2A Business – to – Administration

Sometimes it takes more time and its very costly, which was stated by world Atlas, with about 45% of the global population democarcy index, that too place in 2015.



Social e-commerce, It's a type of electronic commerce which is subject to social media and online media, which supports its interaction. And also help users to buy and sell their goods and services with on restrictions.

This type e-commerce is facilitate by some of the following platform where you can buy and sell or advertise your produces and services. E.g. Instagram, twitter, Facebook which is the biggest platform where most of the companies and use to sell or advertise there since because its having the biggest following with about 6 billion active users.

But still Social e-commerce is at its early stage with just about a net value of 2 trillion dollars, with quarter of it is base from the United States.

Mobile e-commerce, or m-commerce. which is refer to as online transaction, on which people can interact throught the use of mobile devices or computers to buy and sale, goods and services. The following equipment are required wifi or cellular connections to access laptops, computers, iOS phones, Android, taplets via the internet, when connected transactions can take place, it can be on the financial market, online shopping, exchange rate, flight books, online banking and many more.

There several sectors that are affected with Mobile-Commerce

-Financial Sector, which is mobile banking (where customers can by goods and get services and also pay their outstanding bills with the use of mobile banking), with online banking customers can invest on the financial market by either buy stock, commodities or crypto currencies much easily.

-Telecommunications Sector, online banking facilitated the easy payment of phone and internet bills with just a click of a button.

-Service/retail Sector, clients are able to pay for theirs with the use of mobile banking.

Local e-commerce. Local e-commerce, which is also knows as offline to online transaction, which mean retailer with a physical stores can sell to their customers online. Local e-commerce is still be used with a estimated value in the United Stated up to \$5 billion dollars and still rising.

Pros of e-commerce

1. A large Market

E-Commerce gives you the out reach to Customers all over the globe and around the world at large. Customers can make big purchase at any part of the world with on restrictions with just their mobile.

2. Customer Insights throught tracking with a device.

It doesn't matter whether you're visiting or a native of that country, through the access of internet there is a way to track your goods, customers have access to this using their mobile or computer devices at anytime.

3. A Fast and quick Response to market and Consumer Demand.

The business Stream line and logistics, makes it easier to respond to the high demand of the market and our consumer, with e-commerce it's easier to get feedback from your esteemed Customer on a record timing.

4. Lower Cost

There is much more advance in e-commerce platforms, which makes it easier and affordable to maintain and store can access the internet, which is more cheap than advertisement on billboards or tv ads.

5. More Opportunities to sell online.

Newspapers and billboards provides limited information about the ads of businesses. But with the coming of e-commerce sites can play ads with a more details explanation and it helps in the boosting up of its productive.

6. Increased Sales with Instant pay.

The business that are active on e-commerce allows a fast and speedy delivery of good and service on a timely manner, than other forms of sales. Which help in increasing their productivity level and profit margin.

7. Ability to scale up and Unlimited

Compare to conventional method like running a brick and mortar store, e-commerce gave us a unique access to the global market with a speedy off a click at your own convenience, within seconds. And also respond to growing demand of the global market.

Cons of e-commerce

1. Lack of Personal Touch

Some customers value personal contact or physical visit to the stores and negotiate with the sealer than buying online. Such customers are high end consumer that purchase in large quantities and are particular what they want.

2. Lack of Tactile real feel

It doesn't matter how many time you watch the ads video and how it's made. Consumers can't feel the originality of the brand or services that will be delivered, including sense of touch which is very important in buying things.

3. Comparing Price and product.

With e-commerce you can make an objective comparison but the originality of the goods or service can be in doubt, which can reduce their productive and profitability.

4. The need for internet access required.

Its quiet obvious, with e-commerce you can't access the web without internet connection, which is a problem for most of the developing countries to date. So it limits the outreach of e-commerce to the other parts of the world.

5. Card Fraud issues.

It's becoming a growing problem regarding e-commerce, credit card fraud which leads to loss of revenue for our consumer and dent to most of the online company's reputation.

6. Internet Security issues.

The more businesses come to light, the more scammers are up lifting there games where it goes to hacking of online companies, and Bank accounts and also value documents, which leads to loss of Customers trust regarding e-commerce.

7. Putting all your eggs in one basket.

E-Commerce as a business depends holdly on web (internet), when the web go down that is a loss of revenue to the company because there wouldn't be any form of buy or selling during that period.

History Of E-Commerce Relating to Amazon: How Did It All Begin and it's Evolution ?

History of ecommerce also known as electronic commerce began over 45 years ago, when technology like electronic data interchange came into light began its paves in 1970s to the modern day e-commerce sores online as of today.

The internet and ecommerce came into existence pretty much together according to the historian facts.

Online buying and selling came into during the internet era, because internet came into the mass in the 1990s. And Amazon became one of the first e-commerce sites in the United States, which enable them to selling goods and commodities online and late thousands of businesses follow sue.

The convenience and accessibility to online purchase and sells have increase exponentially since its beginning.

What is E-Commerce?

Electronic commerce or E-commerce its the process of buying and selling goods and services, using a unqui Platform with the access of internet connection.

Majority of the Americans, use e-commerce on a day to day base by paying bills and buying things online payment methods. There are many model of e-commerce now a days.

When Was Online Shopping Invented?

Michael Aldrich is an english investor, innovated in 1979 invented online in 1979, he was able to put together domestic television to a multi –user transaction, which was done via computer or telephone line communication. This system kick started in 1980 and gave business –to- business to buy and sell between them self in UK, Ireland and Spain.

When Was the First Online Transaction?

Early 1994 New York Times titled “Internet is Open” the sale between two friends of a sting CD. That was the first retail transaction on the internet cyberspace,

with the use of and encrypted software, which was designed to guarantee privacy online.

1960 – 1982: Invention and the Early Days

The early development of e-commerce data interchange (EDI) that took place in the 1960s made way to the e-commerce revolution. EDI took over the traditional sending and faxing of documents and mailing by using a digital transfer system of data from one computer device to another computer device.

Business partners can now receive invoices and other business-related transactions, using the model day software and computer coding such as ANSI ASC X12. This set of standards has started in North America.

1982 – 1990: Early E-Commerce Platforms

The early beginning of e-commerce and its advancements is business-to-business online buying and selling. The business-to-business wouldn't have been successful without the introduction of computers and the world wide web also known as internet connectivity. In 1983, France introduced the online service known as Videotex. Which connected computer networks to over 7 million households by 1997.

Early 90's: The World Wide Web Arrives

A project proposed by Tim Berners-Lee and Robert in 1990 built a project that introduced what we called now World Wide Web. In the same year, the first server and wrote the first web browser. Shortly after that invention, he went on to a debut in August that year 1991, which was available to everyone to access world wide.

Later that year, a protocol security was founded for security purposes, which is called secure socket layers (SSL) an encrypted certification in 1994.

Evolution of Online Payments Security

As many individuals globally start doing online business, so there was a need of secured communication and international transactions become more in used in 2004.

The payment card system and security was formed to make sure business achieve to the various requirements and development. And storage.

The Rise of Mobile Commerce

Mobile or M-commerce came into existence in 1997, where to mobile device-enabled Coca-Cola Finland vending installation. Mobile commerce growth in speed over the last two decades, With the introduction online banking format.

The mobile sales are Project to go up to 54 percent of all e-commerce sale by the end of 2021.

The Future of E-Commerce

Competing (And Thriving) In a Marketplace Economy

Amazon been one of the biggest and setting the standard at the market place that innovated other companies to following sue in the market space, which include brand and gaining loyalty and engaging our esteem Customers.

Evolution of E-commerce

1995-2000 INVENTION	2001-2006 CONSOLIDATION	2009- Present RE-INVENTION
Technology	Business	Mobile technology help in the online shopping by the used of mobile devices and internet.
Revenu Growth of businesses	Earning and profits gain	It shows the connection and network availability
Venture Capital and its Finance	Traditional financing	Early investment was done on contact. Now it's done will e-commerce platforms.
Governing	Stronger regulation with the help of various governments	With Exitance of governments control and regulation
Companies	Large traditional companies	Companies and their social behavior and local local enterprises

Disintermediation	Strengthening intermediaries businesses with e-commerce	By having intermediaries on e-commerce.
Perfect markets	Imperfect markets, brands system and network effects	Continuation of online market, by perfecting
Pure online methods and strategies	With the click of a button on the web or internet	With the improvement of clicking and online sales.
First movers advantages on the e-commerce	Strategic follower banding, strength, growth and decline.	First mover advantages return in e-commerce relating to traditional web trade.
Low complexity retail Product online	High-complexity retail products and services which can be done online with the help of e-commerce platforms	Retail, services and contents can be advertised online and boost the market capacity.

CHAPTER 2

ANALYSIS AND EVALUATION OF E-COMMERCE IN THE U.S.

2.1. Evaluation of U.S. market volume in dynamics

United States: Retail e-commerce sales from 2014 -2024, this statistical data will be shown on (Figure 2.1) the retail e-commerce sales in the hold United States as from 2017 to 2024 is estimate to be about 843.15 billion U.S dollars, as of presently its percentage has increased 6.1 percent for the previous years. A bit of decline due to the coronavirus break out, which hit the global economic seriously.

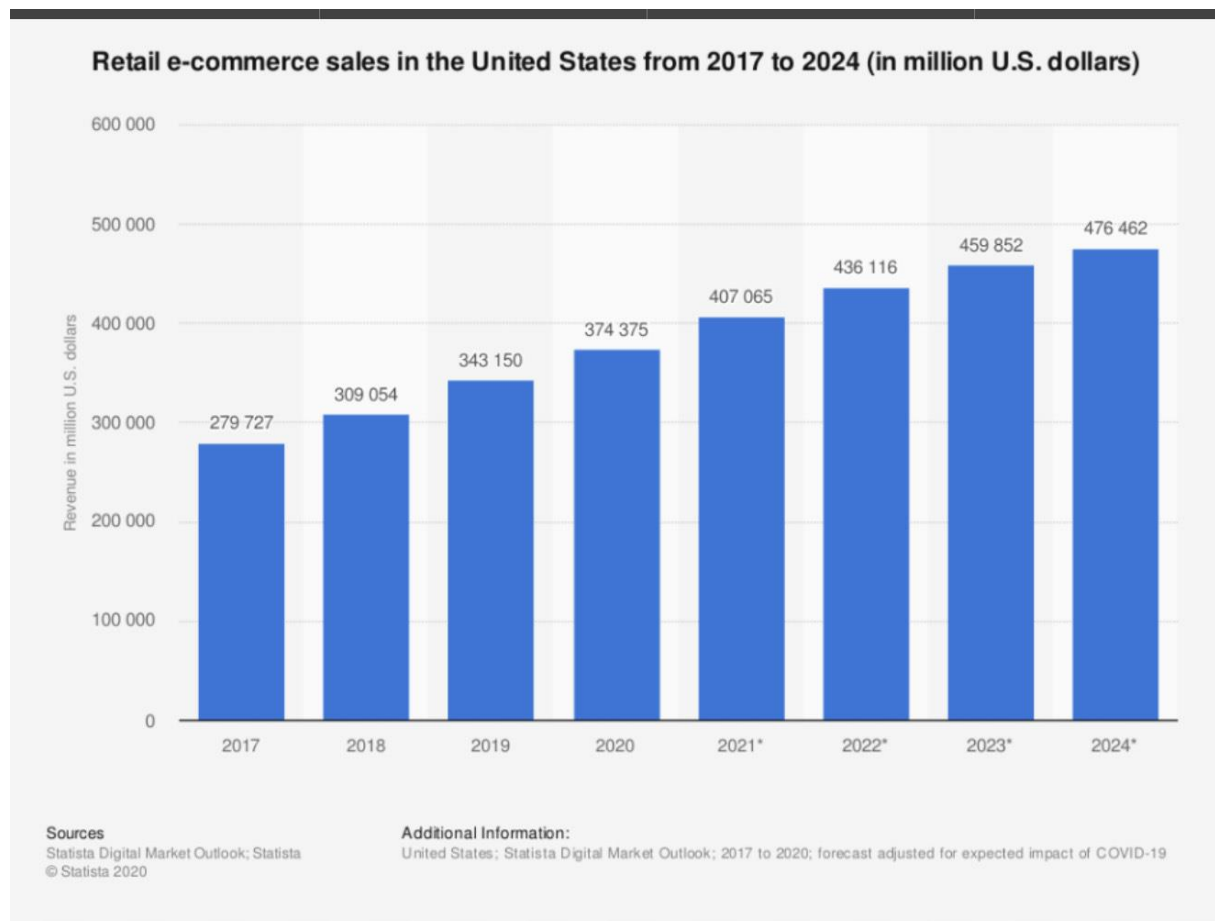
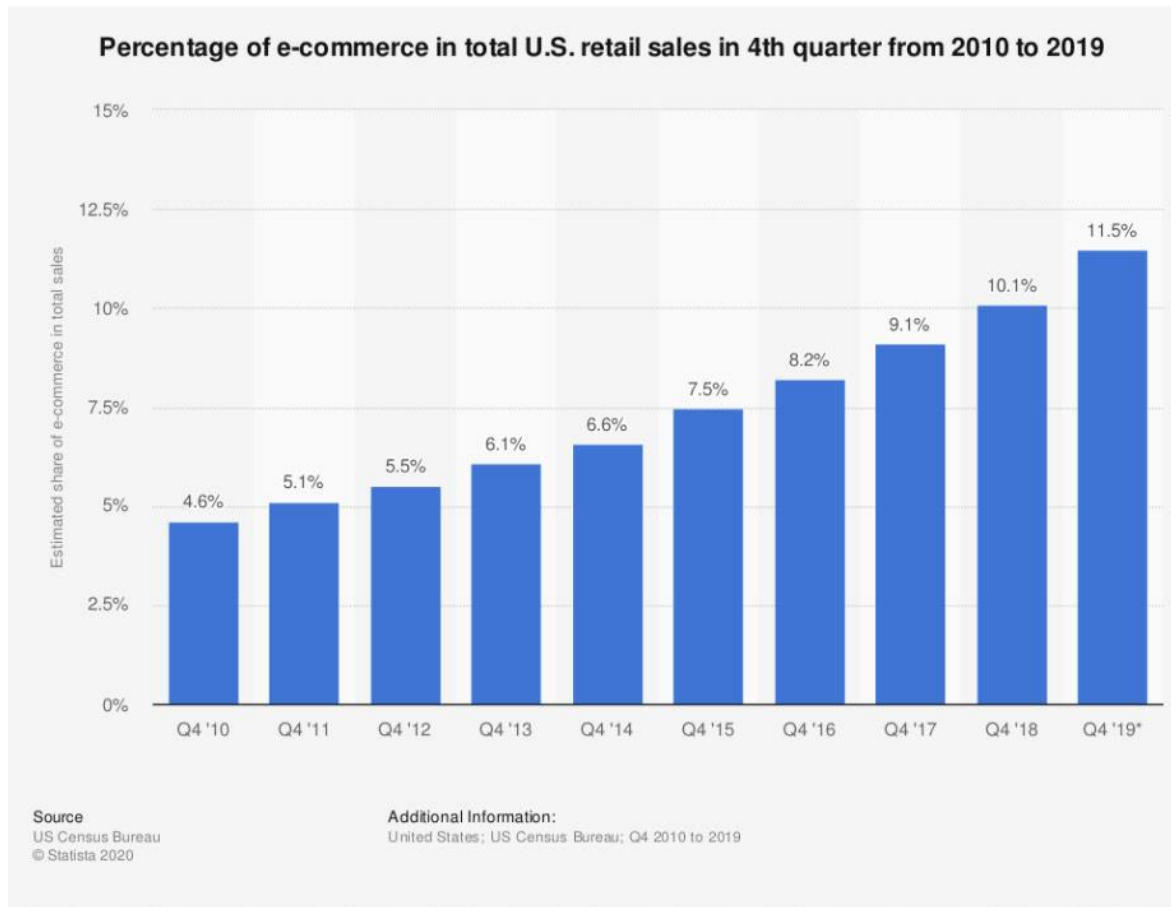


Fig2.1.Retail e-commerce sales relation to United States from 2016 to 2024 (in million U.S. dollars)

Quarterly U.S e-commerce retail sales in 2020. E-Commerce in the fourth quarter of 2020 has a gross account to 14.3 percent total net sales on the

estimated there was a total retail sales of \$199.9 billion dollars, with a 0.93 increase due the coronavirus. It will be shown on (Figure 2.2)



Quarterly U.S e-commerce retail sales in 2020. E-Commerce in the fourth quarter of 2020 (Figure 2.2)

The projection on retail sales e-commerce with a weekly or monthly trade estimate, which include online retail purchase and the actual revenue is expected to increase due to the coronavirus which give online sales a major revenue boost since November 2019 to date.

Companies like Amazon, Netflix, eBay, Alibaba, Ali Express. Has really increase their revenue and productivity level greatly and also other platforms like Facebook, twitter and so on.

United stated retail E-commerce sales 2017-2024. Which includes digital and mobile are expected to amount to 843.15 billion dollars as of 2024. With an increase of about 6 percent that same year. This statistic (figure 2.4) shows the sales figures for U.S. retail e-commerce from 2017 to 2024.

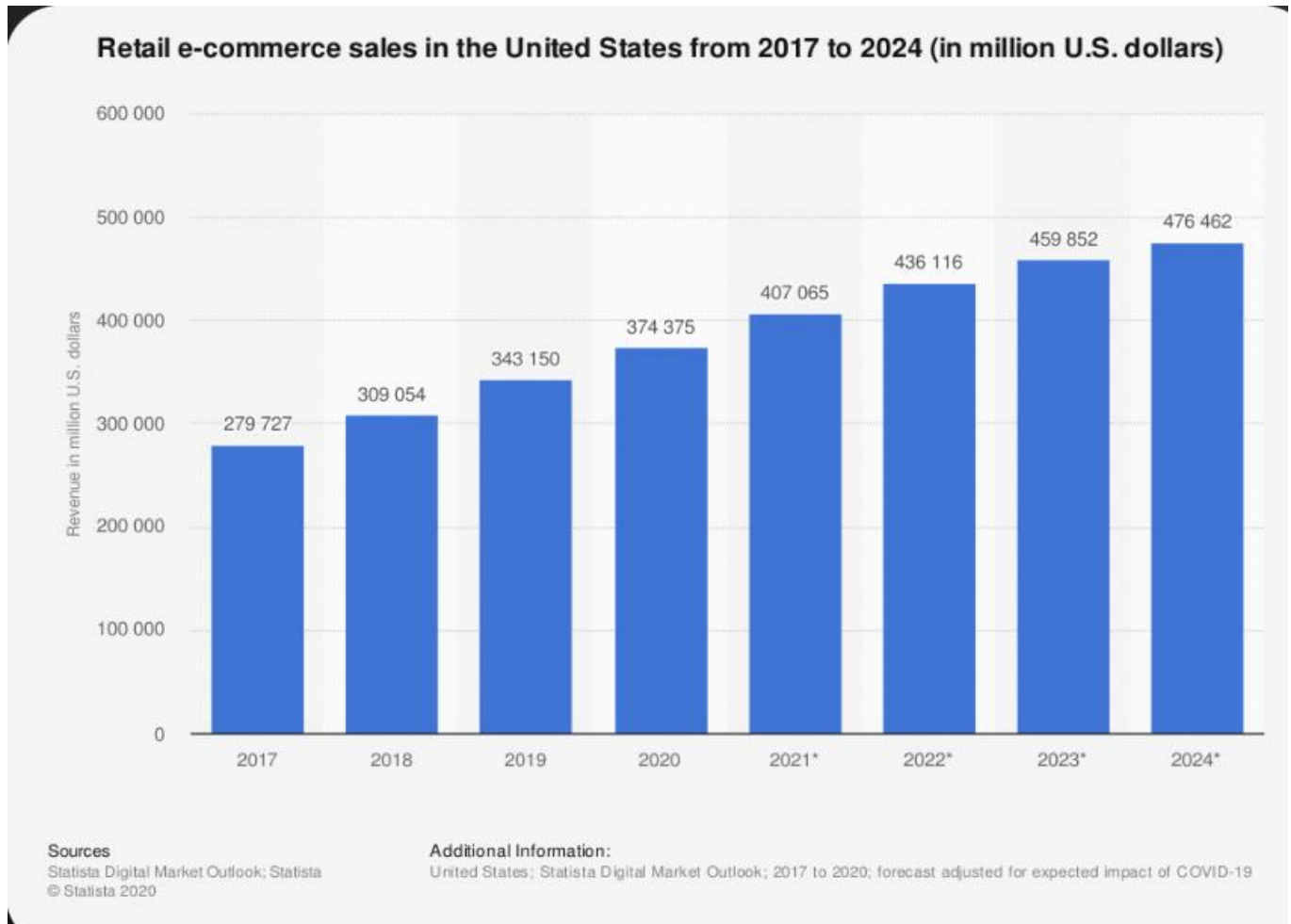


Fig2.4.Desktop retail e-commerce sales in the United States from 2002 to 2016 (in billion U.S. dollars)

United States quarterly desktop retail e-commerce 2010-2019. This shown the statistic which will be indicated in (figure2.5) of the United States retail e-commerce from home and work, which has now amounted up to 108.2 billion dollars as of November 2019.

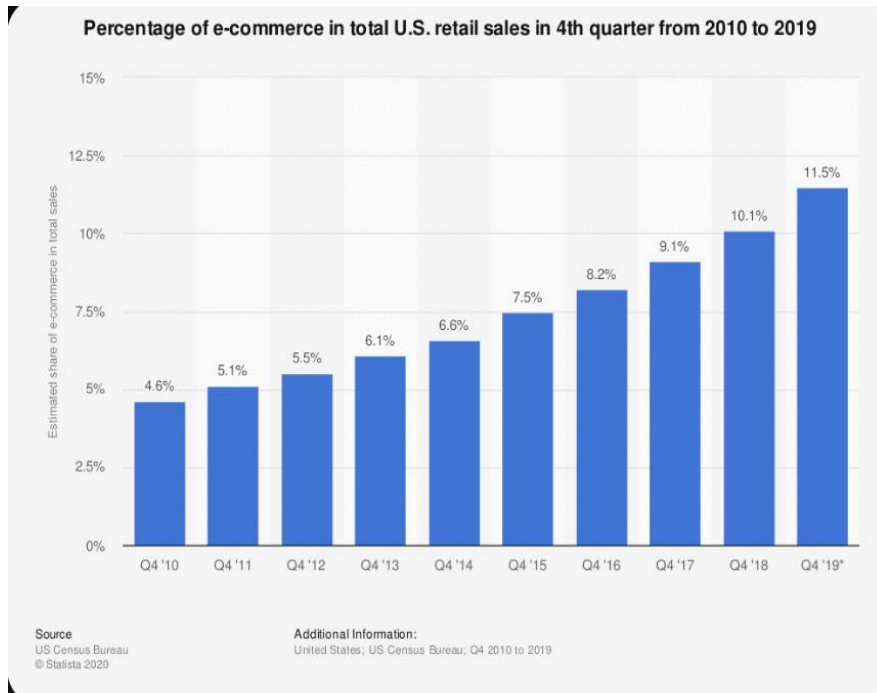


Fig. 2.5. Desktop retail e-commerce spending in the United States from 1st quarter 2010 to 3rd quarter 2019 (in billion U.S. dollars)

Share of U.S. mobile e-commerce spending 2016-2021. This is indicated in (figure 2.7) from 2016 to 2021 the e-commerce spending has gone significantly up, now just the retail spending on the mobile phone is 48 billion dollars as of today in the United States.



Fig 2.7. M-commerce share of total digital commerce spending in the United States from 2016 to 2021.

United State E-Retail sales growth. This will be indicated (figure 2.8) the united e-retail sales has growth significantly through the years from 2017 to 2023 is estimate from \$449.15 billion dollars to \$996.70 billion dollars in 2023 according to the statistics presented.

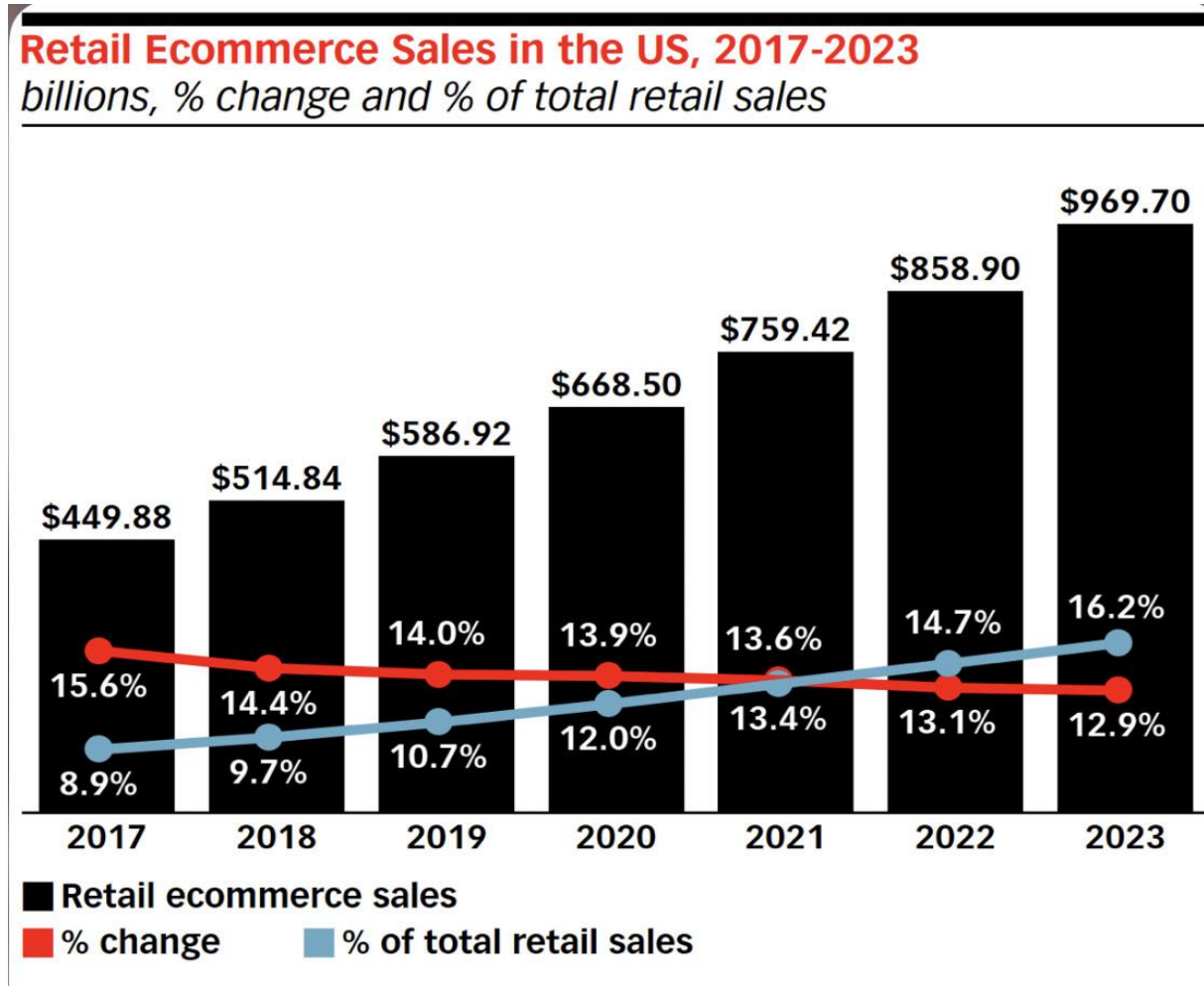


Fig 2.8. Year-on-year revenue growth of leading e-retail categories in the United States from 2017 to 2023

2.2. Analysis of E-commerce market by retailers and websites in the U.S.

United States customer satisfaction with mobile retail in 2020. This will be shown (figure 2.9) during the research it show consumer satisfaction with company like Amazon stands at 82% with the use of mobile phones as at 2019.

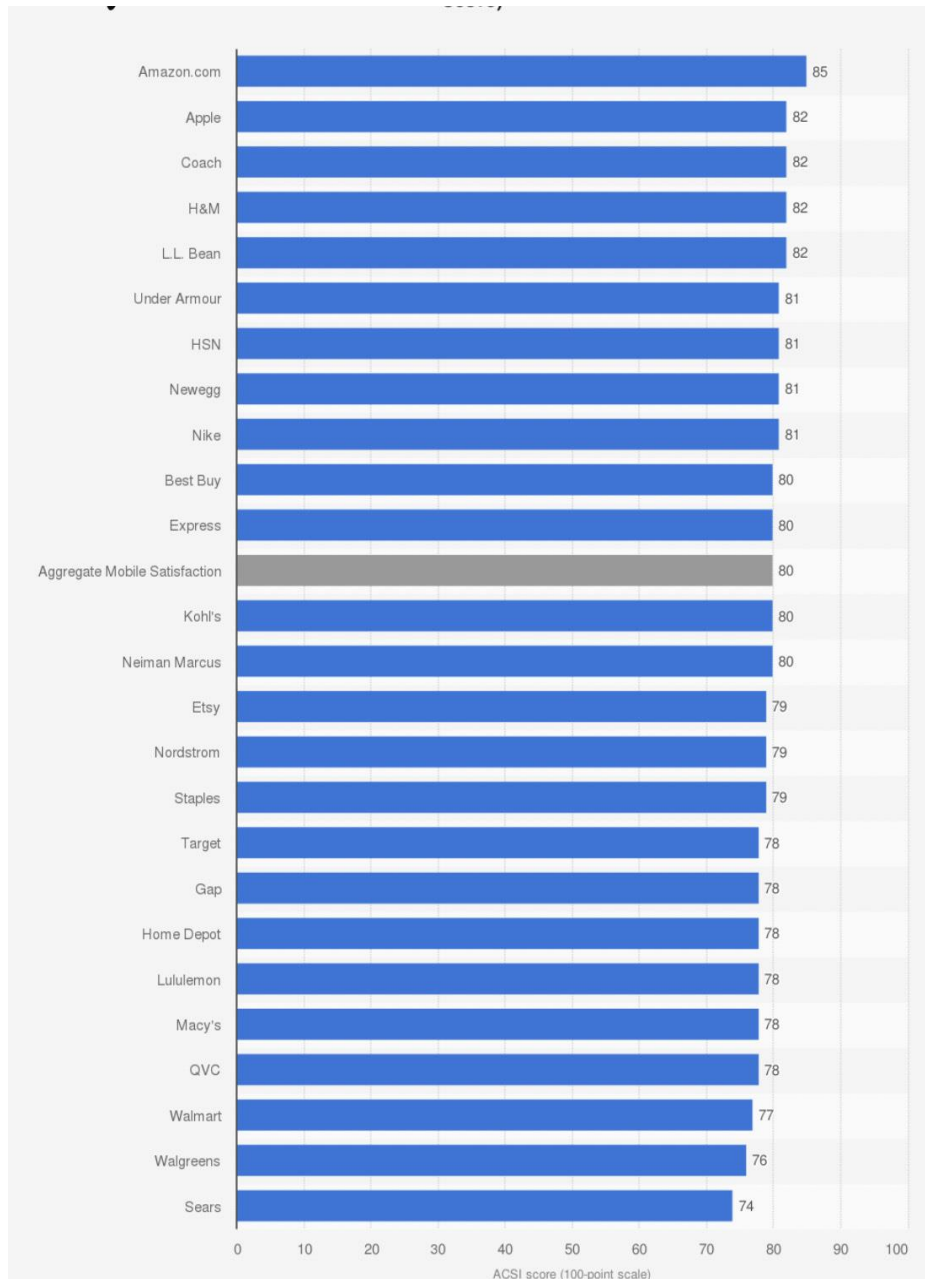


Fig 2.9. U.S. customer satisfaction with selected mobile retailers as of December 2016 (index score).

Monthly unique visitors to U.S. retail websites 2017. This can be indicate in (figure 2.10) Amazon which is by far the biggest e-commerce platform in the United States, with an average unique visitor that stood at 200 million per month as of 2020.

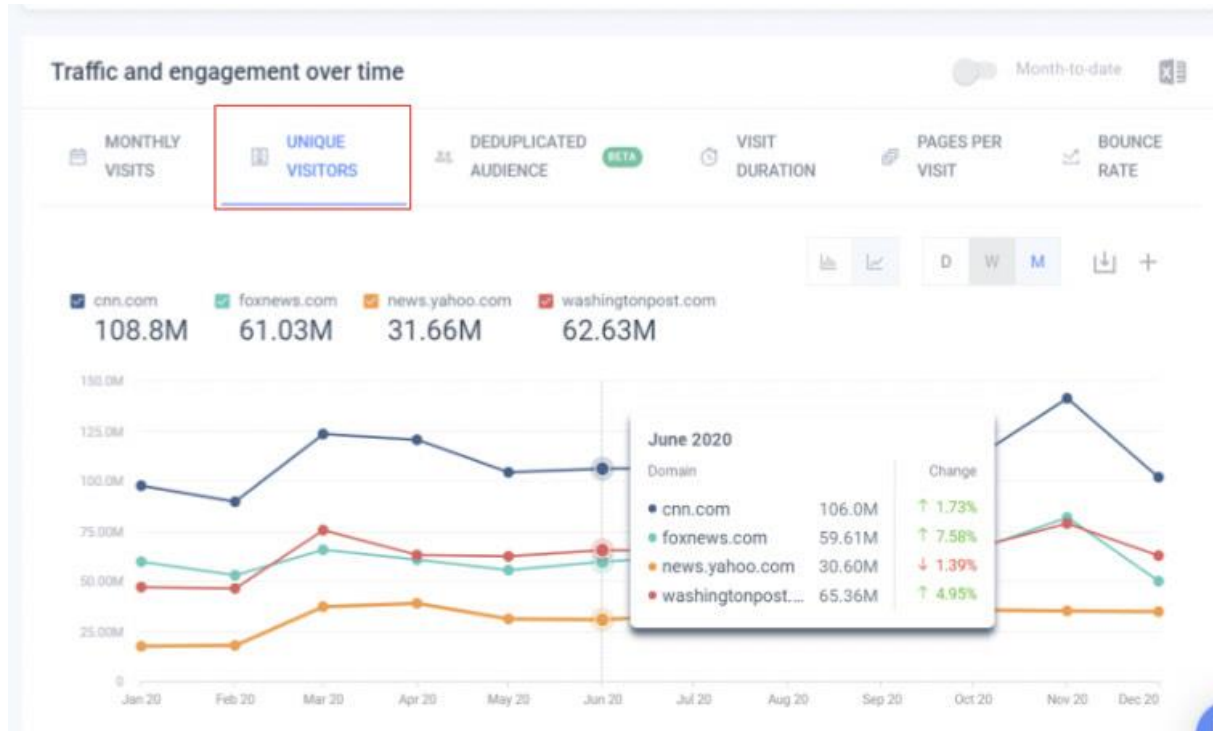


Fig 2.10. Most popular retail websites in the United States as of September 2020, ranked by visitors.

Online retail in the United States is a multi-billion dollar sector of business-to-customer transactions where goods are sold via the Internet. There are various online retail website types: some retailer websites are based on brick-and-mortar stores whereas others are designated online retailing firms. There are also auction sites such as eBay, which permit third party or private sellers to market their goods.

Most online retail sites insisted on-site registration where utilizers supply their payment and shipping details. Online retail sites allow consumers to browse a spectrum of products before placing them into an electronic shopping cart.

Consumers can usually select one of several digital payment options before completing the transaction and having the items shipped to them. Online retail sites are not linked to a physical location or regulations such as store opening times, and as such, have proven themselves hugely convenient for customers. Brick-and-mortar retailers have been making money from this, as many have started offering click-and-collect services where consumers buy a product online at any time and then take it up in store. Some of the most popular e-commerce classes of customers in the United States include apparel & accessories, computers & consumer electronics, and auto & parts.

In the United States, Amazon.com is the by far most famous and folk online retail site. The market leader averages more than 183 million unique visitors per month and is also leading in terms of revenue and reach. The site's broad assortment of goods as well as various value-added services such as Amazon Prime or third party selling make go-to platform for many online shoppers.

United States: top 10 online stores 2016, by e-commerce net revenues.

The e-commerce market is evolve every single day, in the past two and half decades. According to researches show that the e-commerce in the United States will reach over 5 trillion dollars by the year ending 2023. But currently we have some of the leading e-commerce companies like Amazon at 62,850.1 billion, Walmart at 14,667.5 billion dollars, Apple Company at 9,943.7 billion dollars and home depot at 7,858.5 billion dollars as of 2018.

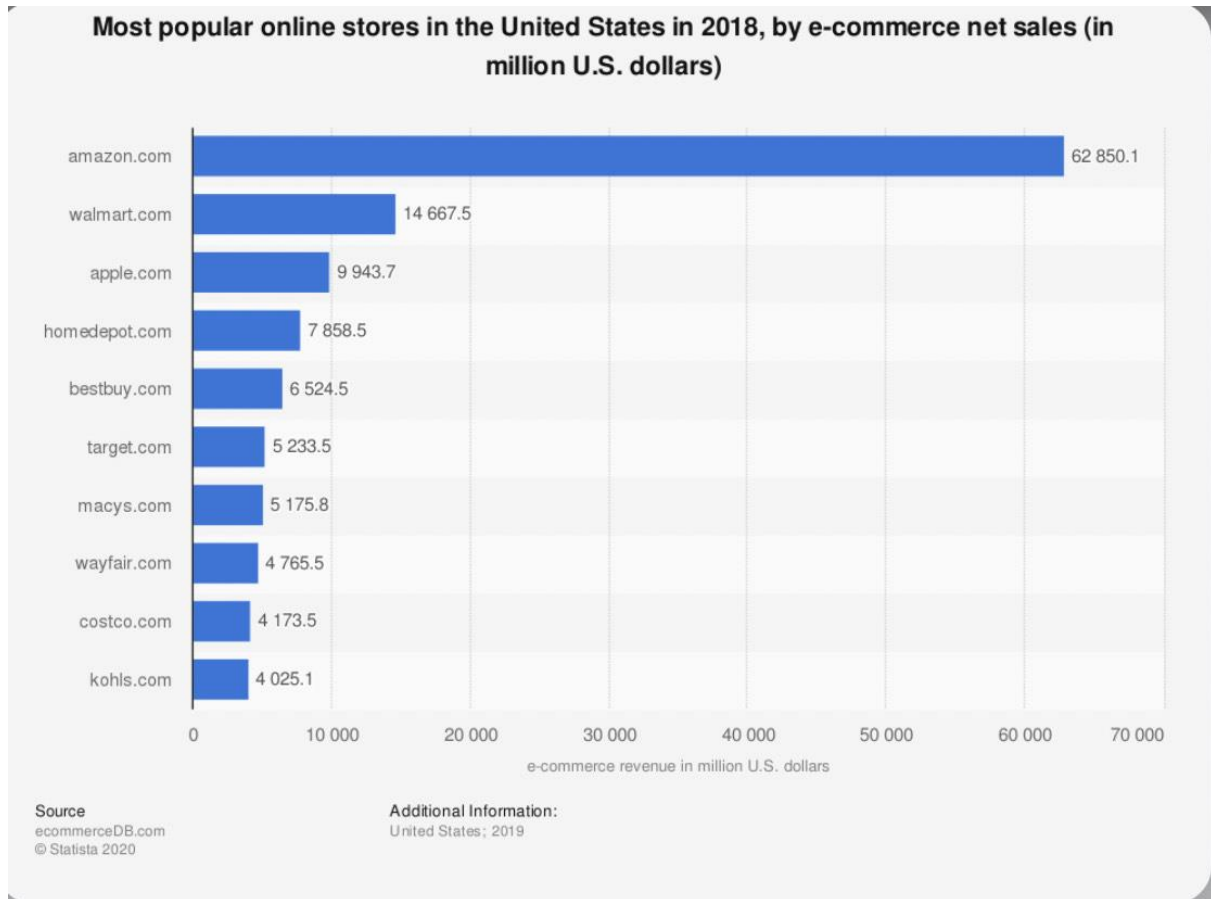


Fig 2.12. Most popular online stores in the electronics and media segment in the United States in 2018,

Analysis of E-commerce shopping behavior in the U.S.

U.S. digital buyer penetration 2013-2019, by age. This statistic (table 2.1) presents data on the digital purchaser penetration in the United States between 2013 and 2019, sorted by age group. In 2015, 73.2 percent of U.S. Internet utilizers aged 18 to 24 years had made a buying online, 71.6 percent aged 25-34, and 73.4 percent aged 35-44. In 2019, this share is projected to increase to 77.9 percent.

Table 2.1

Digital buyer penetration in the United States from 2013 to 2019, by age group

	14-17	18-24	25-34	35-44	45-54	55-64	65+
2013	53.4%	68.7%	68.2%	69.7%	66.3%	62.9%	34.8%

2014	55.8%	71%	69.8%	71.6%	68.6%	64.4%	38.8%
2015	57.2%	73.2%	71.6%	73.4%	70.8%	66.2%	42.7%
2016	58.7%	75.3%	73.3%	75.3%	72.9%	68.6%	45.9%
2017	59.8%	76.6%	75.1%	76.6%	75.4%	70.6%	48.9%
2018	60.8%	77.3%	76.6%	77.5%	77.6%	72.6%	50.3%
2019	61.5%	77.9%	77.7%	78%	79.5%	73.9%	50.47%

U.S. online retailer purchase rate 2019, by age group. This will be indicated in (figure 2.13) shoppers in the united states during the second quarter of 2019 almost 3% of the e-commerce website viewer where converted into buyer at real time, which when down during the next quarter of the same year.

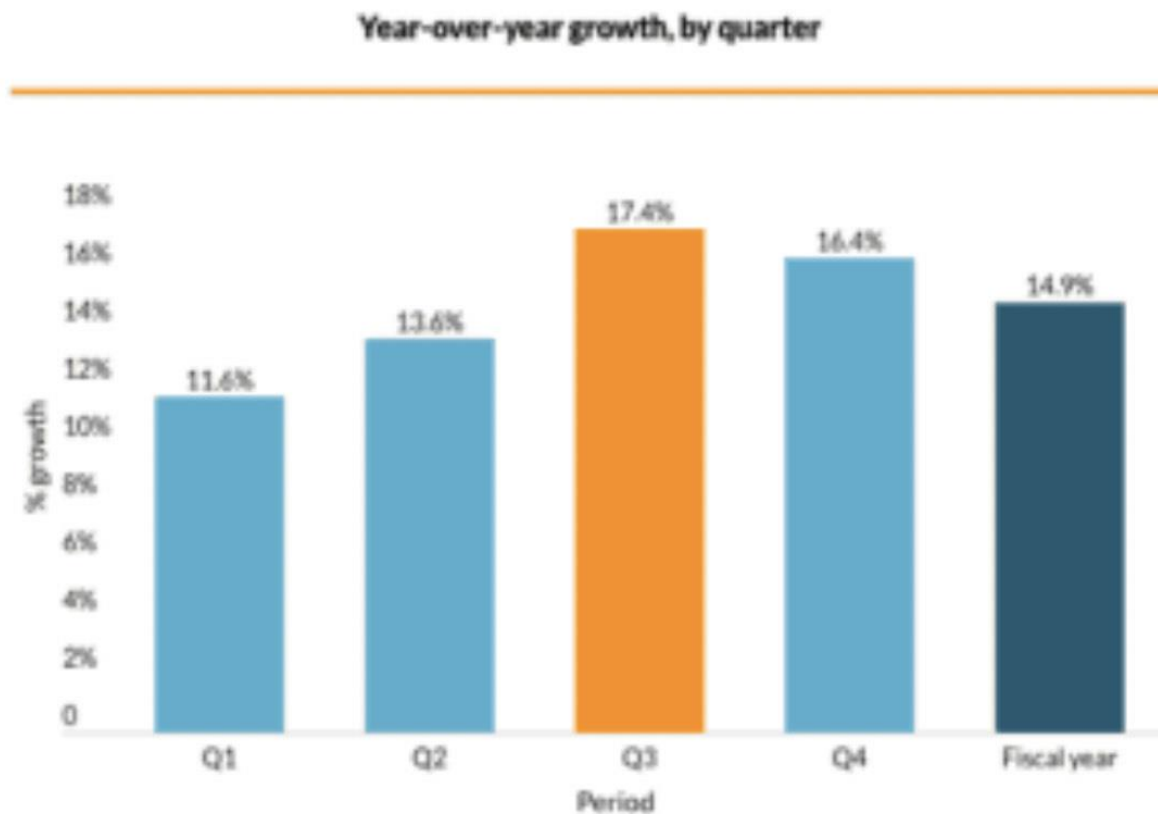


Fig 2.13. Share of online users in the United States who have purchased from online merchants within the past 12 months in 2019,

United States leading shopping 2019. This can be indicate in (figure 2.15) according to statistic in the United States shopper unitizer the growing and the significant rise in e-commerce. During the year 2019 e-commerce rose about 35 percent have buy things like cloths and apparel.

	Brand website	Retail website	Third-party marketplace
Books	11%	8%	42%
Clothing and apparel	24%	35%	33%
Consumer packaged goods	5%	10%	18%
Food/grocery	5%	9%	14%
Furniture	6%	11%	13%
Household goods	5%	15%	21%
Luxury goods	10%	9%	13%
Office supplies	6%	11%	21%
Pet supplies	7%	10%	19%
Sporting goods	10%	10%	16%
Tools and home improvement	6%	10%	16%
Health and beauty	12%	16%	25%

Fig. 2.15. Channels used to purchase products according to Internet users in the United States as of February 2020.

U.S. average online shopping order value 2017, by device. This statistic (figure 2.16) provides information on the average order value of U.S. online

shopping orders in the second quarter of 2017, differentiated by the category of device from which the order was made. Throughout that quarter, online orders, which were placed from a tablet, had an average value of 99.35 U.S. dollars.

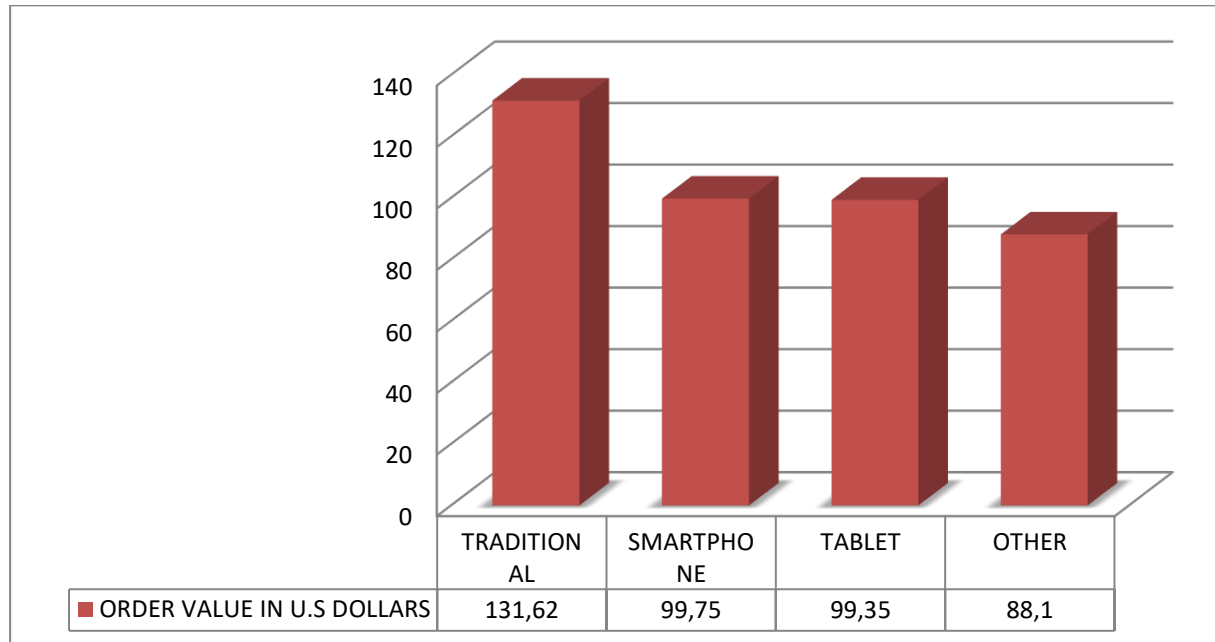


Fig 2.16. Average value of online shopping orders in the United States as of 2nd quarter 2017, by device (in U.S. dollars)

U.S. online shopping frequency 2014-2019. This statistic (figure 2.17) presents the online shopping rate of Internet utilizers in the United States as of March 2017. During the most recent investigation period, 29 percent of respondents stated they bought goods online at least once a week.

2.3. Analysis and evaluation of mobile commerce in the U.S

U.S. mobile retail commerce sales share 2013-2019. This will be indicate in (figure 2.23) going by the statistic the United States gives the mobile retail commerce has growth widely in the united states, from 2013 to 2019. It has growth about 53.9 percent of all e-commerce is expected to be done by the year ending 2021.

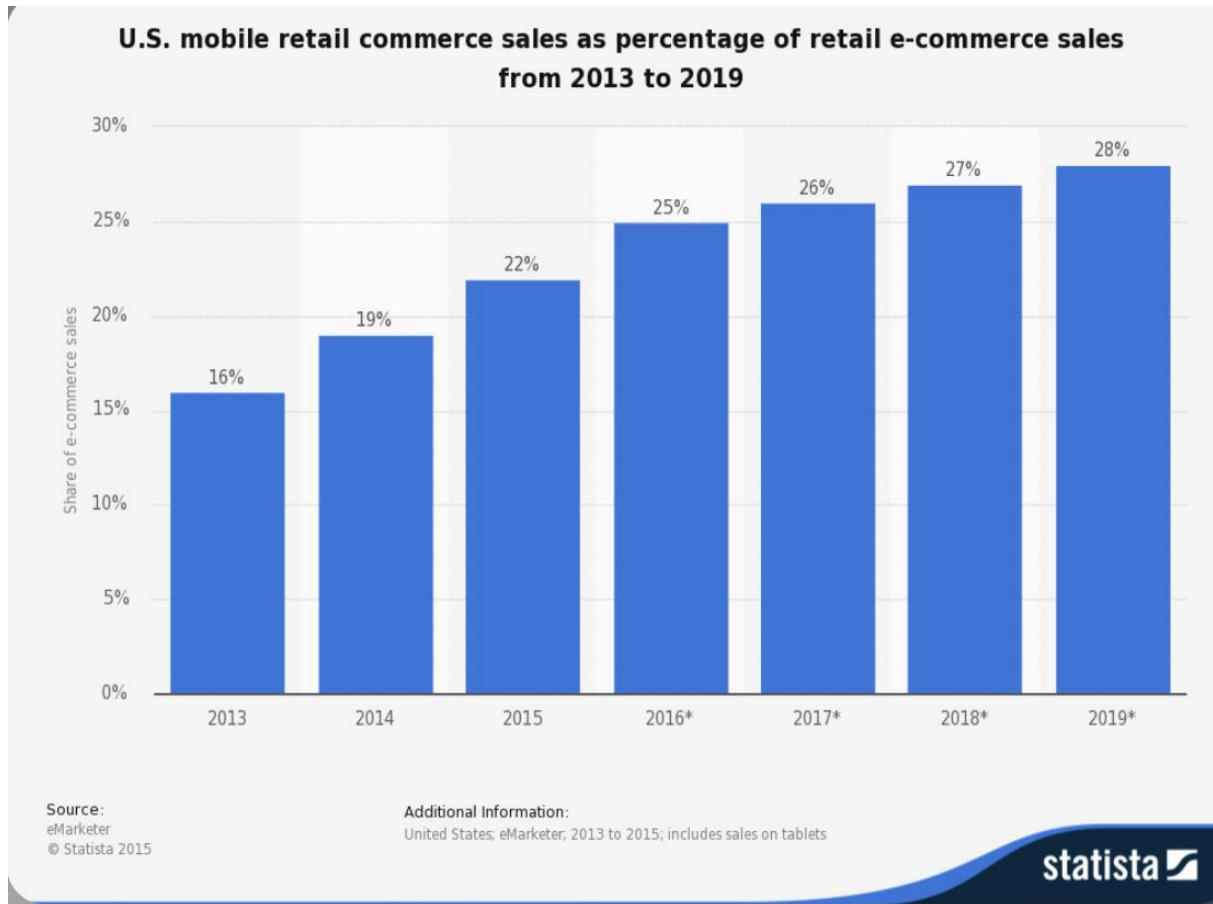


Fig 2.23. U.S. mobile retail commerce sales as percentage of retail e-commerce sales from 2013 to 2019

Amount of mobile buyers in the United States from 2020-2024. Over 187.5 million United States users made at least purchase via internet or other devices, will has increase from the previous account 167.77 million united stated mobile buyers in 2020. Currently there is more than 60.9 million buyers out of the United States population.

Forecast: US M-Commerce Volume

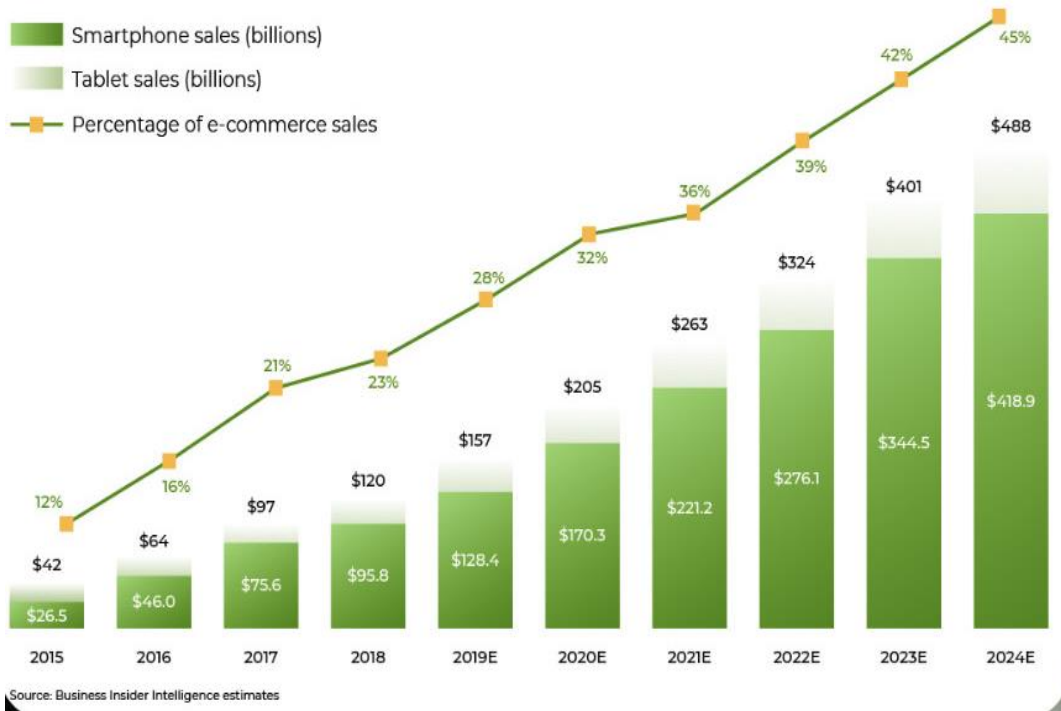


Fig 2.24. Number of mobile buyers in the United States from 2014 to 2020 (in millions)

Retail app usage of Smartphone in U.S. As of the year beginning 2018, this statistic (figures 2.25) illustrates the retail app usage in the United States and how smartphone shopping was taking place on a monthly bases.

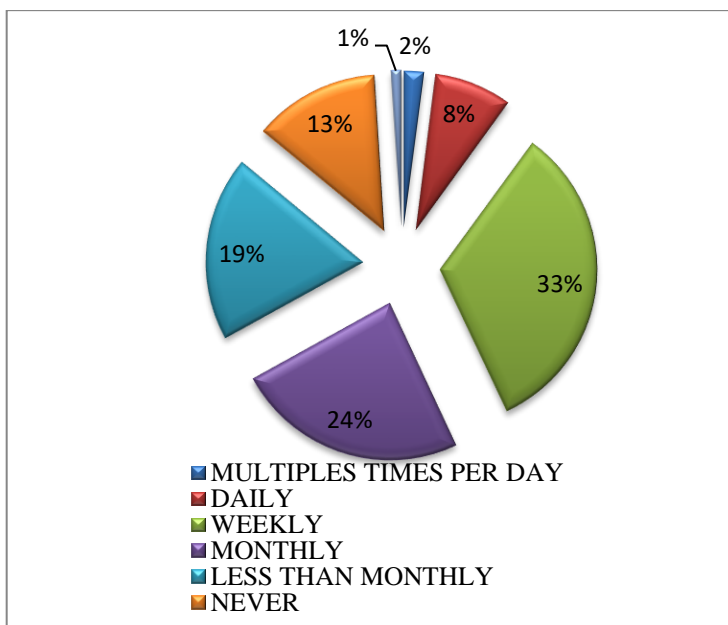


Fig. 2.25. Frequency of mobile retail app usage according to smartphone shoppers in the United States as of July 2015

U.S. online shoppers on Mobile activities. The statistic that done, shown total mobile devices that carry out online shopping the united states via app and iOS in the past month of December 2019. Has indicate that 46% percent the replies are used by retail mobile searching for information or looking for goods and services to be sized. This statistic will be shown (figure 2.26) illustrates the most popular mobile activities of online shoppers in the United States as of September 2019.

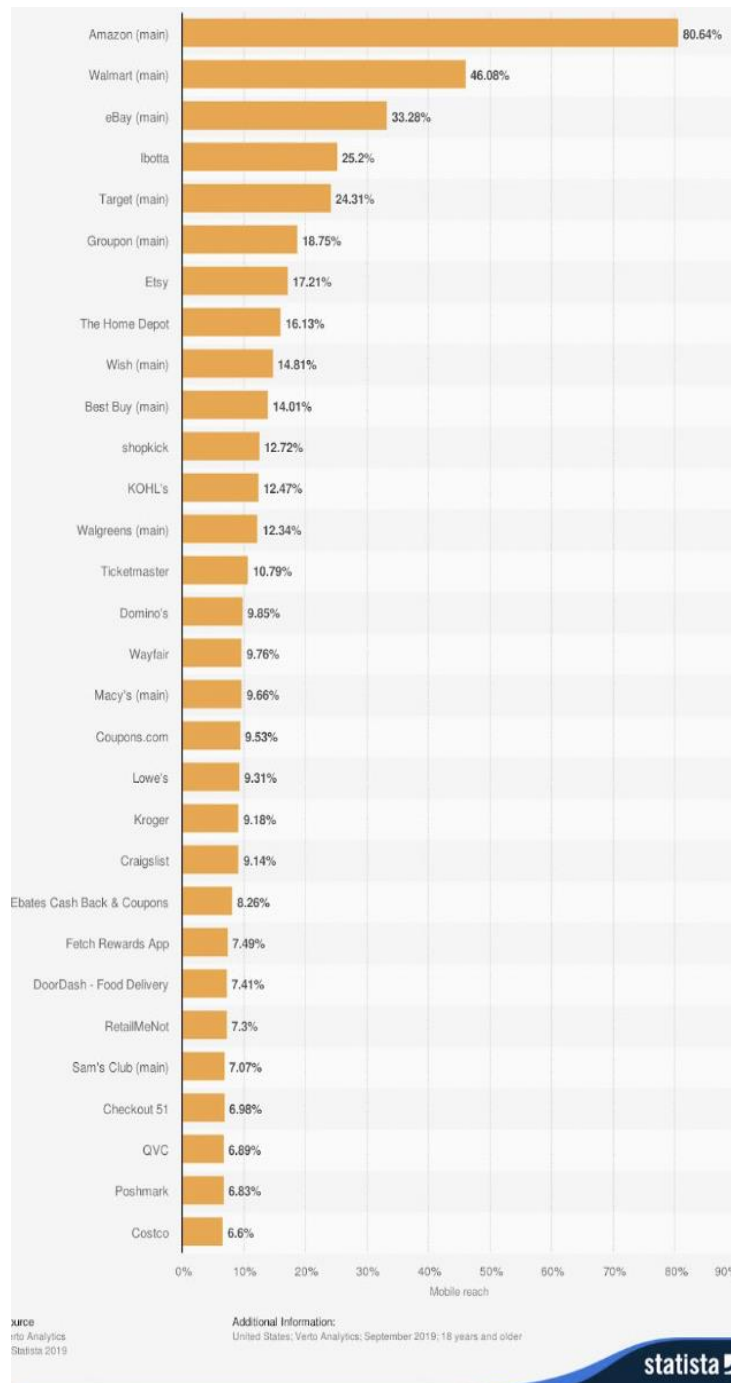


Fig2.26. Mobile activities of online shoppers in the United States as of February 2017

U.S. smartphone retail app usage frequency 2018. As of 2018 about three percent of the United States population started the used of retail mobile app, while shopping online during the time they visit stores and shops. Which has increase significantly to present day, this statistic will be illustrated on (figure 2.30)

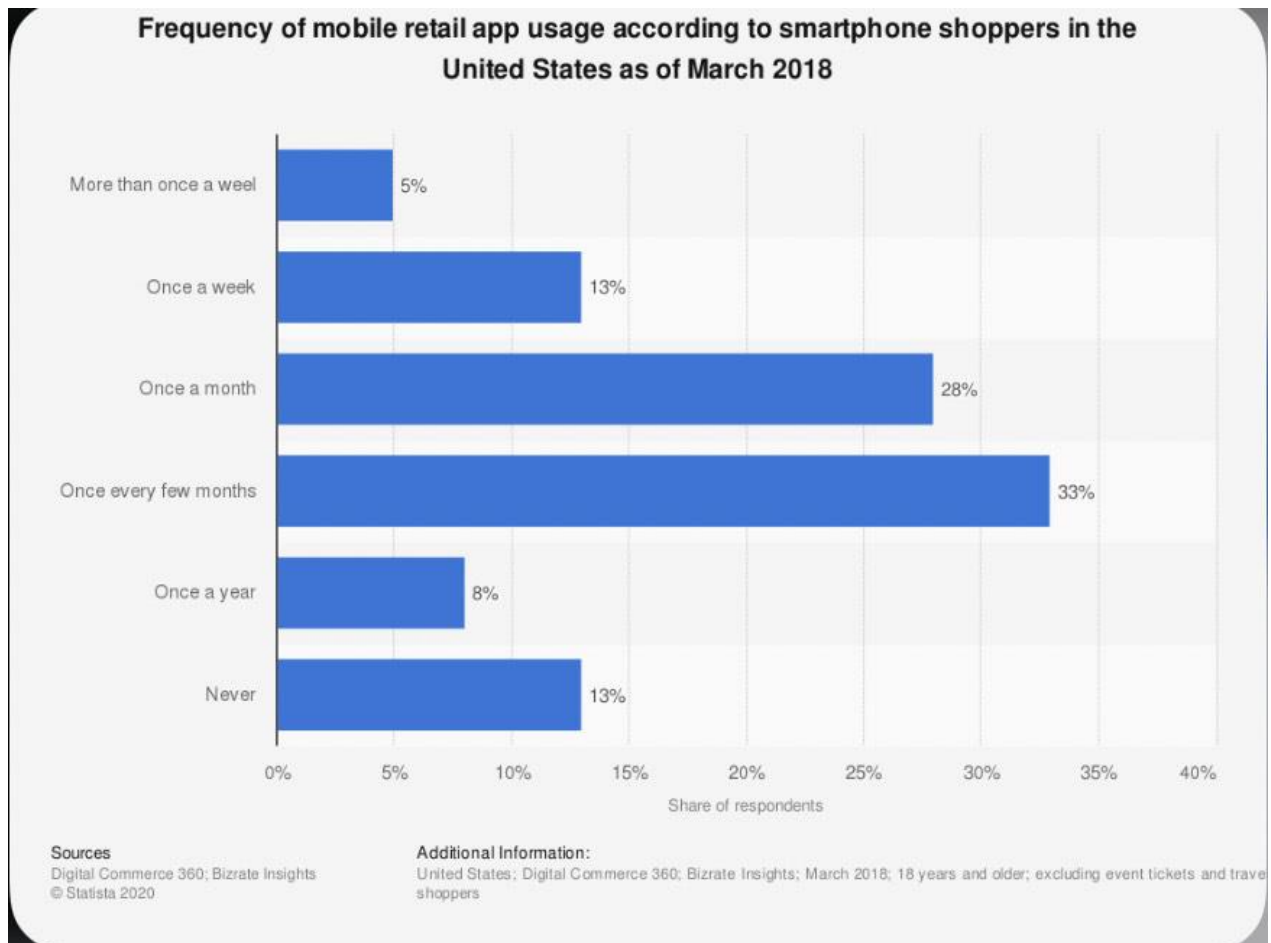


Fig 2.27. Frequency of mobile retail app usage according to smartphone shoppers in the United States as of July 2015

2.4. Analysis of the digital payments and mobile in the U.S.

Statistic on Mobile payment User in United States. has growth significantly with over 290 million users in the united states as of 2018. The statistical studies shown as it will growth over 1 billion user globally by the end of 2021. The internet digital payment and mobile shopping will be over saturate. This statistic (figure2.28) gives information on the number of proximity mobile payment transaction users in the United States as of 2018 to 2022

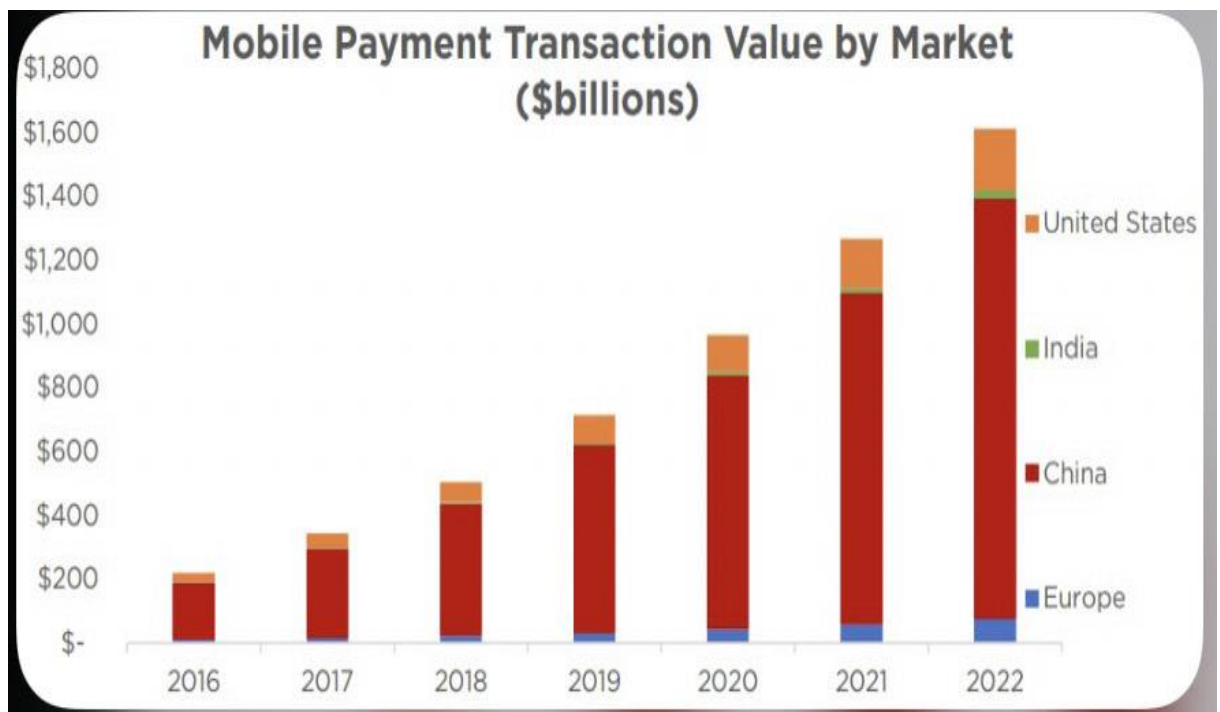


Fig 2.28. Number of proximity mobile payment transaction users in the United States from 2014 to 2020 (in millions)

Mobile payment transaction in United State Estimate value at 2019.

The United States mobile payment market increase greatly from 41% percent, which was \$69.8 billion dollars as of 2018. And now the current valve stands at woping \$98.8 billion dollars, which reported by emarketer.

The net growth was really significant with about \$12.8 billion dollars as of 2012, because buyers have become more and more comfortable with modern day technological advancement, in the area of buying selling and also online payment system, which the final stage of e-commerce.

This statistic (figure2.29) gives information on mobile payment method.

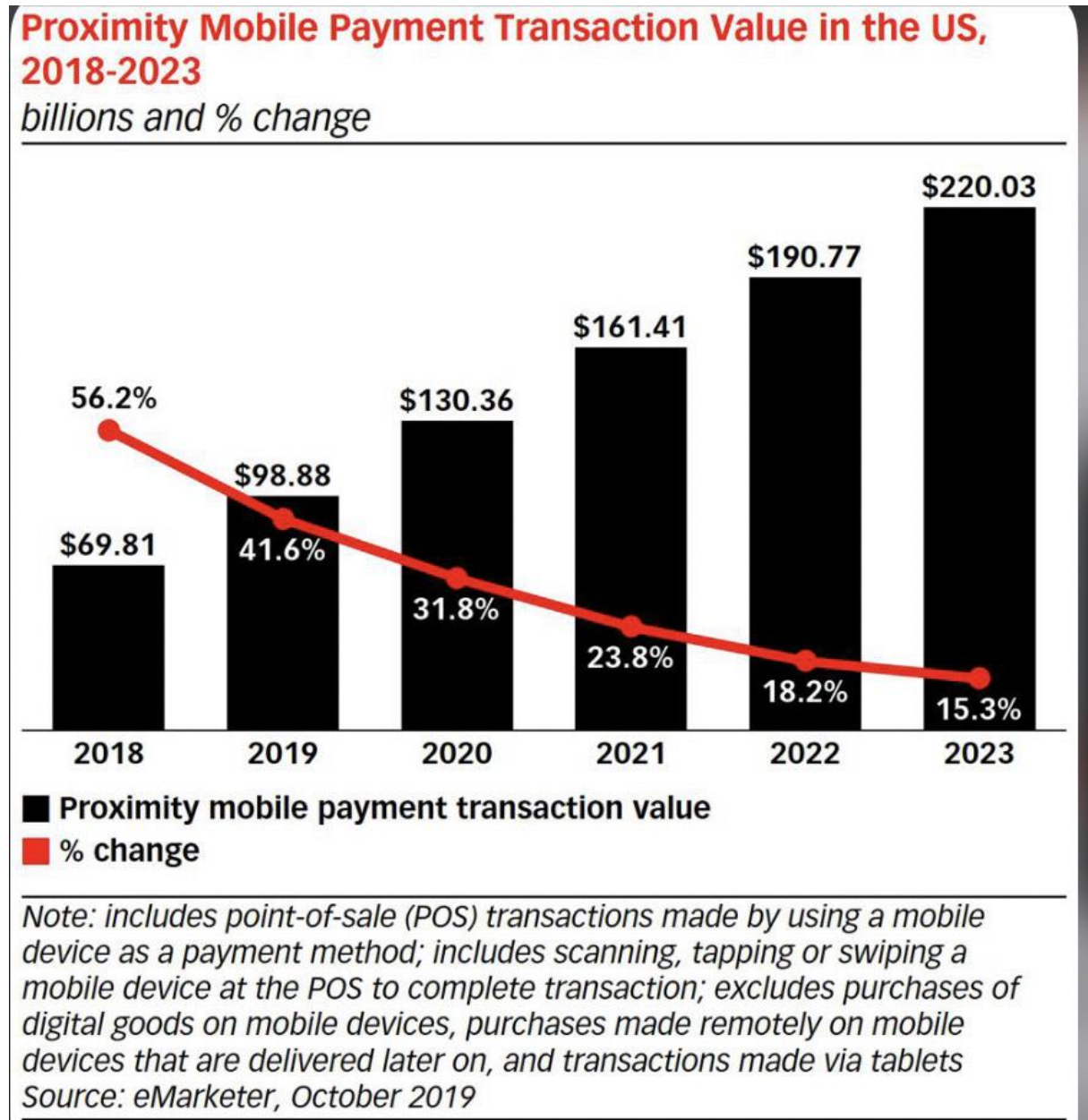


Fig2.29. Proximity mobile payment transaction value in the United States from 2015 to 2021 (in billion U.S. dollars)

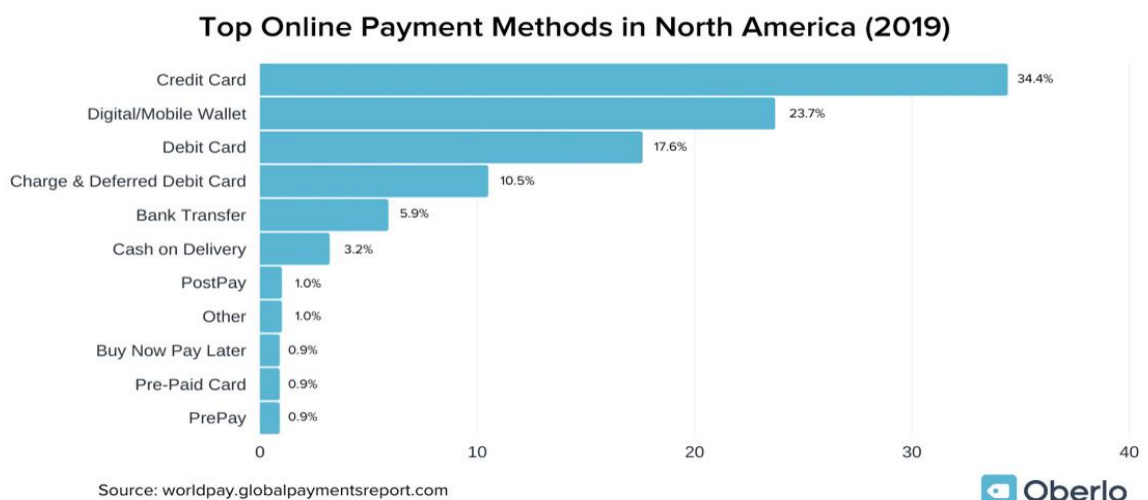
The United States Online payment Method. In 2019 over 42% percent of the gross total e-commerce transaction globally used the meant of digital or mobile banking, which made it the most used digital payment system till date.

According to statistics by 2023, more 80% percent of the e-commerce trade will be done by digital or mobile banking payment method.

Next most important payment method is credit cards and Debit card payment system which stands at 24.5% and 10.6% percent respectively on the global e-commerce transaction, according to statistics their combined net percentage will drop from 34% percent to 27.6% percent before 2023.

By the year ending 2023, digital and mobile banking will out preform all other means of payment on e-commerce system. Because it's the fastest of all.

Fig 2.30. Top online payment methods in percentage of total online purchases



CHAPTER 3

RECOMMENDATIONS TO INCREASE THE U.S. E-COMMERCE

3.1. Evolution of Amazon Company in united States

Important Dates for Amazon.

1994: Amazon Company was founded by Beso.

1995: In July of that year Amazon its first book and computer model.

1997: Amazon became a publicly traded company its share price was \$18 dollars.

1998: Amazon diversified its trading to Europe.

2003: That year Amazon reported its profitability margin which stood at \$35 million.

2015: This same year Amazon open its first and one of a kind physical store in the United Kingdom.

2016: This same year Amazon its first delivery by drone in the United Kingdom which was memorable.

Brief history about Amazon Company

As big as Amazon is now a days, Amazon as a company has being thought some difficult times.

Jeff Bezos being the CEO of Amazon company was the employee to pack book and make delivery, as important to start even when the business has multiple warehouses he continue, which shown and ultimately motivated other employees. That makes the business to mass a lot of revenue and assets over the years.

Amazon recognized the open and the coming of technology, which amazon too advantage of faster than any other e-commerce business in the globe. Technology gave them the unique chance to connect to their market segment and base quicker than any. With the invention of web browser and social media

platforms. And I will state some evolution of Amazon as a company within its 25 years of existence.

Birth of Amazon 1994. CEO Jeff Bezos and his wife Mackenzie took the foresight and open an online bookstore, which was located in Seattle. Because the state is well known as a place where tech genius are based and are people who love to read and research. Back in that time the company was financed from their own pocket with an estimate of \$10,000 dollars. He and his employees that were working on a small desk.

Amazon becoming a publicly traded company in 1997: Amazon became public and its share price was at \$18 dollars per share. At that time the net worth of Amazon Company was at \$300 million dollars. Because of the wealth of investment they made on technology and media marketing. At that time they were running on loss but preparing for the foreseeing profitability in the future. People need to note that the closing price of Amazon stock on that day stood at \$1.9 dollars, whilst they were projecting \$18 dollars per share.

In June 1998, Amazon diversified into Music: Amazon diversified into the sales of CDs and DVDs audio and video player, where they released over 125 thousand titles. Which more than any music store outlet can have in store. Which gave customer to listen to their music's on song clips and song wave at their own comfort.

In September 1999: Amazon Company bought what they call the mouse click, which also took their stock value at \$65 dollars a share. This unique technology gave them a huge boost that allowed their clients to purchase goods and allows the company to collect real time data, in relating to their market segment. As of today that market license is expired and not in operation again. In that same year the CEO of Amazon was named Times person of the year, due to this e-commerce insight and knowledge.

In 2000 Amazon diversified into selling clothes: Amazon went into a unique partnership with one of the leading clothing companies in the world, such as

Nike, Adidas, Puma, toys, kitchenware and other companies, which also increase the stock value of Amazon company generally.

In 2002 Amazon open its own Amazon Web Services: This service or application gave Amazon Company an extra uplifting, where customers can directly go the website and purchase whatever they need. Which became the largest e-commerce platform in globe.

In 2004 Amazon entered the Chinses Market: Amazon then rename its breach there as Amazon Chine with lots of competition with only 0.7% of chine online sales, because companies Alibaba 58%, Ali Express at 26%. And also Amazon was paying \$75 Million dollars to Joyo. Which is one of the biggest online book selling company. The china market was really difficult for Amazon to penetrate.

In 2007 Amazon announces its new headquarters In Seattle: This really change the real estate market in Seattle stat. Amazon builded a 1.6 million square feet industrial building in downtown of Seattle state. The company company's new building is accommodating over 40,000 employees of Amazon company, with an 8 million feet plus.

In 2012 CEO of Amazon Announce His intention to buy the Washington post: According to the CEO of Amazon he is planning to pay up to \$250 million to buy the newspaper company, which would have help the come to advertise and have feedback from the customers and readers, which would have boost the productive and profitability of the company, but the former president of united states decided otherwise.

The same year Amazon started delivery on Sundays. Amazon was one of those companies that do not operate on Sundays, later with the introduction of the USPS. They started delivery all over the world, which really up the profit margin of Amazon Company.

In 2014 Amazon Entered The Smartphone Market: Amazon has back fall in the smartphone market, which force Amazon company to take a write-down

which was estimate to be around \$170 million dollars, so that they will be able to recover and increase production. But Amazon share where at \$334 evening with the fall on the smartphone they introduce called fire phone.

In 2015 Amazon Open its first Physical store : Its has always been said Amazon should open there own independent store where Customer can go and buy and delivery there services. The wait was over when Amazon open the first physical bookstore in seattle where everything began. Now they have ove 20 bookstore all over the United states. With there stock growing to \$628.35 per Share.

In 2018 Amazon become on of the first company to reach 1 trillion dollar market cap ; followed by the rapid development in the e-commerce, Amazon has netted a significant profit margin within the years, Amazon reached the trillion dollar, whilst Apple have reached it earlier that same year. Analysis has projected Amazon will reach the \$2 trillion dollars in no time. Because of there exploding ways on the e-commerce. Amazon stock rose to \$2039.15 per Share.

As of 2019 Amazon has employee over 650,000 and also occupied over 290 million square feet of real estate. Amazon operate almost half of the hold United states online retail and being the biggest e-Platform in the United state. And also we need note that Amazon as a company was come under some civil right attack over the years and also some taxation issues. Throught all this Amazon as a company is growing signifiant on real time. At the moment as of 2020 to 2021 the coronavirus gave them the unique chance to delivery goods and services to the rest of the world during this lock down, Amazon has netted woping 120billion dollars during the covid-19 period, With their stock price rising to \$3120 dollars per Share.

Statistic of Amazon Company

Net Annual revenue of Amazon 2004-2019. It will be shown on (figure 3.1) The net revenue of Amazon e-commerce as of 2014 to 2019 as of year ended stands at \$280.5 billion dollars and has growth from \$177.86 billion dollars in 2017.

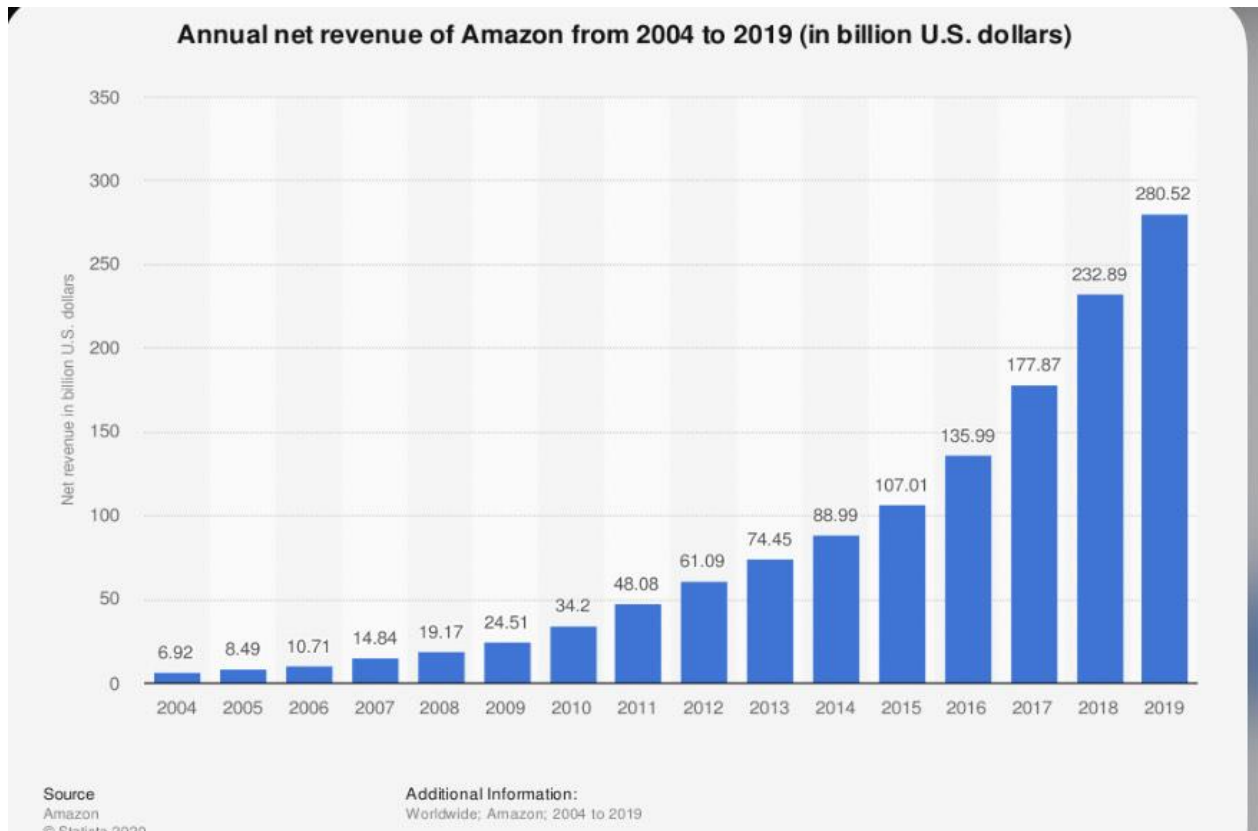


Fig 3.1. Amazon.com net revenue in billion dollars from 2004-2019

U.S. consumer perception on Amazon as a company. Will be presented on (figure 3.2) this graph show the perception of consumer on the Amazon this helps Amazon company to make better service delivery to its esteem clients.

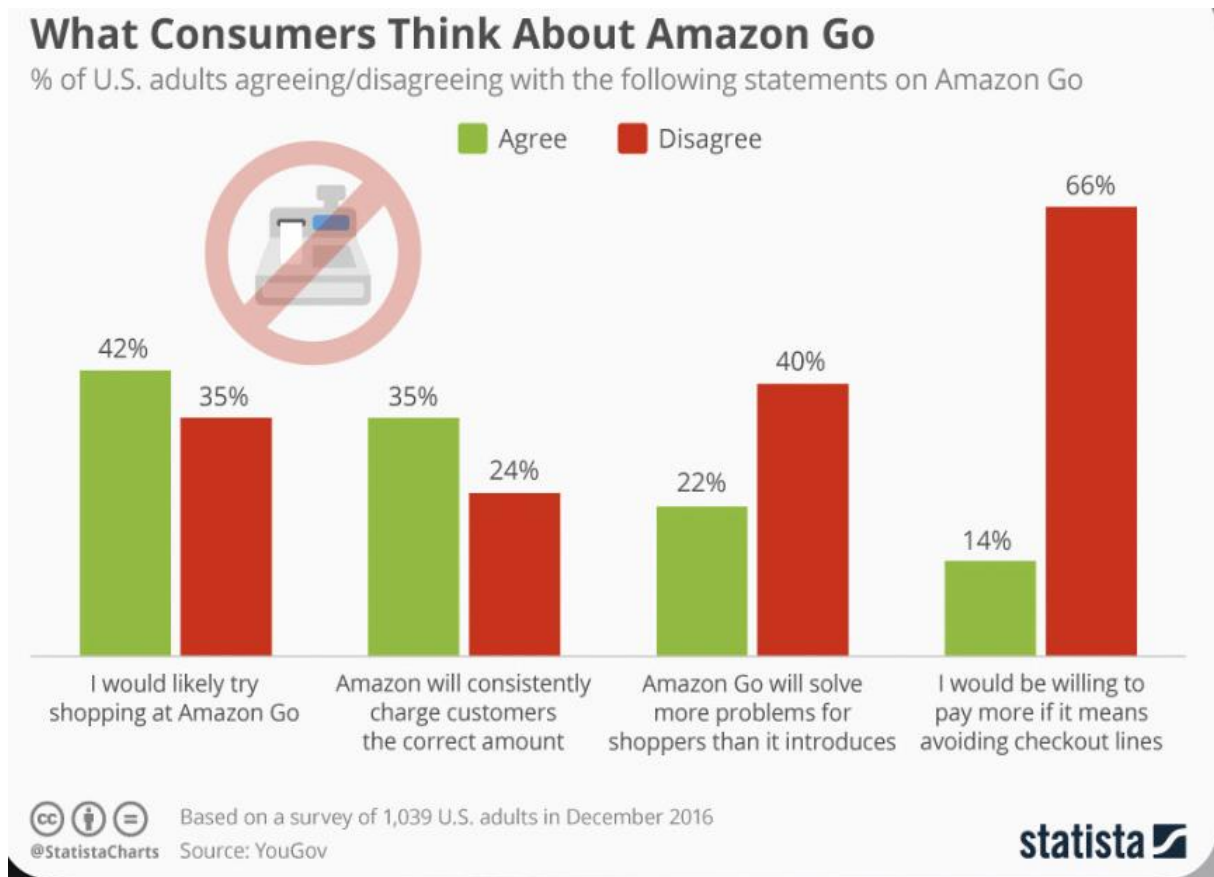


figure 3.2. U.S. consumer opinion on Amazon

Amazon Customer statistics in the United States in 2017. This graph (figure 3.3) shows the Amazon Customer statistics, Amazon membership has reach a record high of 95 million in the United States alone. This has up from the year 2017, what at 85 million.

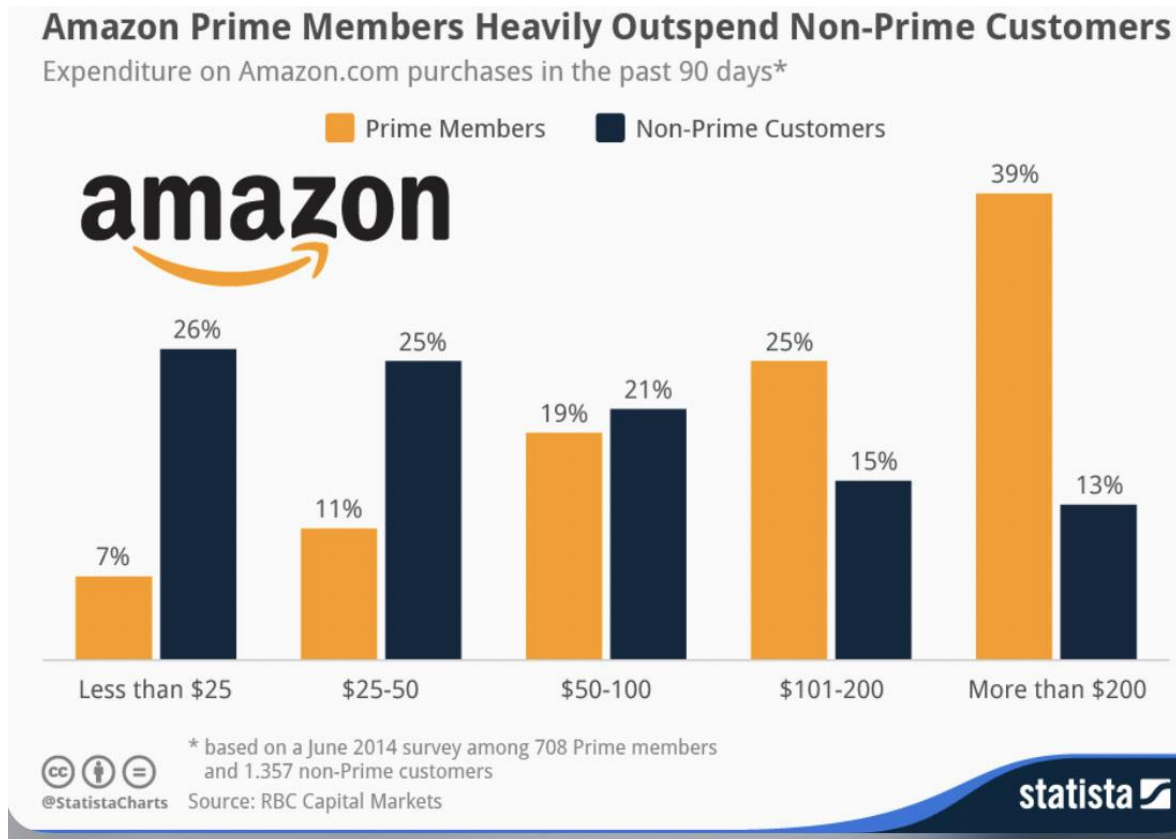


Fig 3.3. U.S. customer satisfaction with Amazon

3.2. Recommendations on how to improve Amazon e-commerce

With the evolution of the e-commerce and internet development has become a new thing that everyone is trying to figure out. Because there are more and more research and studies being done on how to boosted the e-commerce sector by control and regulation. And also business and co-operation are trying to find their market Share in e-commerce. Which is a good thing in economics and business. Which works for Customer by competition and decision making process. Yes Amazon has gain its place on the e-commerce retail sell. But their are other companies that are Lightning there way up. So its important that recommendations are made and improvement take place. Help in holding client base.

As of today Amazon is one of the best e-commerce retail selling Platform in the world, but as we all know its not the biggest. Because Alibaba a chinsse retial e-commerce Platform It the leading company on e-commerce. With over 500 million buyers in 2018. Alibaba being the biggest of There are Something they're doing right, which Amazon is not. Most of Alibaba sells are coming from subsidiaires, but also they are not Just active in developed countries. But also developing countries which are emerging market. Which Amazon should also diversify into.

To be able to improve E-commerce of Amazon, I'll be discussion the following key things,

1. Competing in the market :

In the future Amazon company needs come up with some signifiant to compete in the interaction e-commerce. Because other businesses are investing heavily on re-banding expacting There reach. Amazon need to be consistance in the competing global e-commerce market.

2. Integration new Technology.

Technology is the new best thing that is taking over the world like a speed of like. Amazon company need to adapt and move with advancement of e-commerce Technology to take over the leading company Alibaba Company. With delivering better and timely services to its esteem Customer, Amazon need introduce unique technonogical service on e-commerce to control the market space.

3. Loyal Customer Globally.

For a better and value add revenue up lifting, Amazon company need to building on its loyal Customer. Because repeat buyer are the best Customer segment any company needs. Because growing competition could be risk for Amazon, because consumer needs and wants can change. The solution that is to diversify into different sectors.

Innovation of new Product.

It very important to out the box and create new Product for your consumer and give them preference and choices. Amazon is use to offer great service to its Customer but need to improve more on It, by introducing new thing and ideas. Amazon need to adopt to peoples need and wants quickly and efficently than any other e-commerce company to again more ground on the market space, which is becoming more and more competitive than ever.

4. Making unique business model.

Which include doing more of business to business and business to Consumer e-commerce system. Which really help in the make strategies of Alibaba. With this model with will boost the productivity and profitability of Amazon and connect them to the wide world not United States.

By co-operating with other small business and enterprises. Which will make it possible for Amazon to reach their offline customers. Which can boost their profit margin up to 400 million dollars.

5. Unconventional Profit Model.

Amazon Company needs to upgrade their services in the global market and technical support, rather than just admission of new base of consumers.

By Lessing there middle fees and other permitting chargers place on its customers by Amazon and also encouraging online payment method more than traditional method.

6. By introducing mothed processing Credit and Debit Model.

By diversifying not only united states credit and debit card. Because with the developing of e-commerce all online payment are done by credit and debit cards.

7. Global Expansion

Yes, Amazon is expanding its business all around the world, but it's not as quick as other e-commerce companies like Alibaba that has already taking control of the Africa, Asia and Middle East, that has a total estimate population of about 5 billion people. So in that case Amazon needs to work faster to catchup with is

company on the global. By introducing more of their presents on this parts of the world.

8. By creating Customer Support Services.

It's always important to create an active customer support service online and offline that cater for the needs of its esteem client 24/7. Without any form of delay. Amazon company need to be more proactive in its engagement with its customers and optimize its clients' needs and want on real time.

Amazon need to introduce its own communication site for its consumers, for a move timely buying and selling exchanging that is taking place, and also by helping in reimbursement of products that are up to stand, and reduce the reimbursement time from seven days down to three days. Which will be more appreciative by its esteem customers.

Amazon also needs to create a special technological method that will help will track of all its store on the platform. That will help more in facilitating better coordination between its existing stores all around the globe.

It's really important to lead the united states e-commerce market and emerge on more online customer service, but Amazon company need to fact the other parts of the world, Asia will is the most densely populated continent with a market capacity of over 4 billion people, and Africa with a market capacity estimate to be around 600 million people, and middle east with about a 1 billion people market capacity. Amazon being able tap into this area heavily with their present will not just increase its profitability, but also its control of the e-commerce market in the world.

Amazon need to more responsive to its esteem customers need and try and factor it heavily in their decision making process. Because listen is always the key to greatness. Store keeper and online seller on Amazon platforms need to be more attentive to the need and wants of its clients. By give out questioner to is client to rate them offline and online, regarding their service delivery. With also providing

the company unique recommendation to boost their productive and profit margin significantly.

9. Integrated Ecosystem.

Amazon should fight for excellent service quality by introducing easier ways of doing business for sellers, and by expanding a positive buying experience for the purchasers.

In order to attend this goal in terms of positioning, Amazon should expand its core business to many different domains, such as advertising services, logistic network, financial services, and mobile terminal services. Let's see what ALIBABA is using:

Video and Mobile Terminal Integration. In April 2014, Taobao bought 16.5% shares of China's largest video site, leveraging on the strength of videos on the desktop computer and mobile devices, to enable customer interaction with advertisements. When customers watch video advertisements, Taobao sends related information to their mobiles in various forms, including games and coupons to attract clicks from the audience.

Finally Amazon Company need to put all this recommendation into context to booster their place and position in e-commerce global market. Because the e-commerce market is not waiting for any business, its evolve faster than ever, with the introduction of new form of technology, bossiness and individuals are taking great advantage of it, by increase their productive and their profit margin to a record high, with fastest of time. Amazon Company need to adopt to the global demand and trend. In other to take their place as the leading e-commerce platform in the world from Alibaba.

3.3. Amazon Company Project and Risk Appraisal.

Amazon Company gives e-commerce retail services, its service are giving consumers, sellers, enterprises and digital content providers.

Project Appraisal is the structured process of assessing the viability of a project. In this case is about Amazon investment project. It will involve the calculation of the feasibility of the project before committing resource and time to it. It's a tool that companies and co-operation use to assess the best project to venture into. And help setting out the goal and objective of Amazon Company regarding this project.

Second apart of it is, Project risk. Amazon project risk can be fronted by so many fact, which can be the following increase in equipment price, advancement in technology, and also the most importantly is corporate tax of different countries Amazon is operating in.

We need to ascertain and put all factors in the project appraisal, so that I'll be able to forecast the risks factor of the project.

Table 3.1

**CF FORECAST BY TRADITIONAL METHOD OF PROJECT
APPRAISAL OF AMAZON COMPANY.**

Year	0	2021	2022	2023	2024	2025	2026
Turnover	1,000	930	1,640	2,030	2,500	3,540	5,347
Expenses			-180	-1,400	-1,700	-2,100	-2,700
Operating profit		760	1,260	410	550	1,190	2,397
Coperate Tax		228,00	378,00	123,00	165,00	357,00	719,1
Net Profit		532,00	882,00	287,00	385,00	420,00	487,00
Depreciation		170,00	200,00	220,00	250,00	250,00	250,00
Liquidating Valve of Equipments							25,00
Free Surplus Of Turnover							19,00
Net Cash Flow		702,00	1,082,00	507,00	635,00	670,00	781,00

With an projected initial cash-flow of \$1, 000,000, with a loan from the bank at \$500,000. Cost of equity at 7%, with a debt at 14%. With a Co-operate at 30%

Table 3.2

Discounted Cash Flows

YEARS	0	2021	2022	2023	2024	2025	2026
NCF	500,000	702,000	1, 082,000	507,000	635,000	670,000	781,000
DCF	500,000	610,434	818,147	333,360.73	363,063	333,108	337,647
ADCF	500,000	1, 110,435	1, 928,582	2, 261,943	2,958, 115	2, 958,115	3, 295,763
NVP	3, 295,763						
DPB	1.04Yrs						
IRR	50%						

WACC	\$1, 000,000	\$500,000	\$500,000
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WD	0.5 (loan/capital)
WE	0.5 (Capital – Loan/Capital)
CD	0.14 (Cost Of debt)
CE	0.2 (Cost of Equity)

WACC	=0.14 (wd*cd*(1-0.31) +we*ce)
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DCF (Discounted Cash Flows) = (CF/ (1+r) ^n)

Sum of DCF = (CF/(1+r)^1) + (CF/(1+r)^2) + ... + (CF/(1+r)^n)

Where:

CF = Cash Flow in the Period

i = the interest rate or discount rate

n = the period number

NPV (Net Present Value). Net Present Value (NPV) is a formula used to determine the present value of an investment by the discounted sum of all cash flows received from the project.

NPV: -Initial Investment + Sum of DCF

NPV: 3,295,763

NPV is positive, which indicate the project is viable and will be profitable and the project have a positive cash flow.

IRR (Internal Rate of Return). Internal rate of return (IRR) is a metric used in capital budgeting measuring the profitability of potential investments. It indicate the project is acceptable. And the project will start seeing positive cash flow from the 2nd year of production and marketing.

The formula for IRR is:

$$0 = P_0 + P_1/(1+IRR) + P_2/(1+IRR)^2 + P_3/(1+IRR)^3 + \dots + P_n/(1+IRR)^n$$

IRR: 1.04%

In conclusion Amazon project appraisal, it indicate that investment will be profitable in the short and long that, will a minimum risks factor which will not affect hugely the net profit margin. The project forecast show that starting from the second year of operational, Amazon Company will that seeing significant profit margin.

Amazon as a company has evolve from being a company that was started from Seattle with only \$10,000 to a fortune 500 company with a stock share price at \$3212.

CONCLUSION

The aim of this thesis was to look in the companies in e-commerce and its evolution over the years. I was able to do this by looking into one of the biggest e-commerce company in the world Amazon Company. To conclude this research, I'll be giving a brief summery all what I have start above on my thesis. E-Commerce or Electronic Commerce its name has speak for its self. It's the fastest going business sector in the world. Studies and researches all over have come to the conclusion that e-commerce is the future economic drive. On my research of United States e-commerce evaluation, its shows the United States shopper and companies are moving more in the direction of e-commerce.

The world is evolving on a daily bases. People have move from the tradition way of buying and selling with a physical contact, technological advancement gave us a unique chance to reach each other on a record time. With the growing population in the world, access to internet and e-commerce platform has increase significantly, and also there has been a huge decline partial cost of computer, laptops and smartpone, due to there has been an over production and innovation.

The global economic indicate there has been a huge growth in e-commerce, especially mobile-commerce has change the sector. Digital payment is the order of the day. The internet gave businesses a unique chance to sell and buy and also adversities there goods and services. Because almost have of the total population the world are using either social media platform or bowering online. Where they can shop with just a mobile phone easy and fast.

In an overall view of e-commerce from its start to the present day. Technological advancement has played a huge role in it. The people and business, co-operation are flight to control its market space, because internet has a limit control or regulation, where any and every one can buy or sell what every they need or want.

Governments like the United States and China are planning to put checks and plans on the usage of the internet web space, which could affect the productivity of the sector in the long run.

The future looks really bright for the e-commerce business sector, because there will be more technological development and productivity. In areas like the creation of more devices, computers, phones. Faster internet connectivity and above all much better digital payment systems.

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