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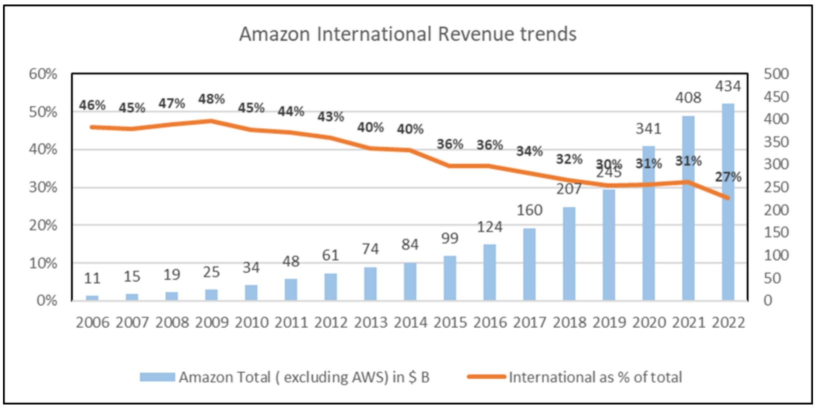
Amazon: Navigating New Horizons in China and India

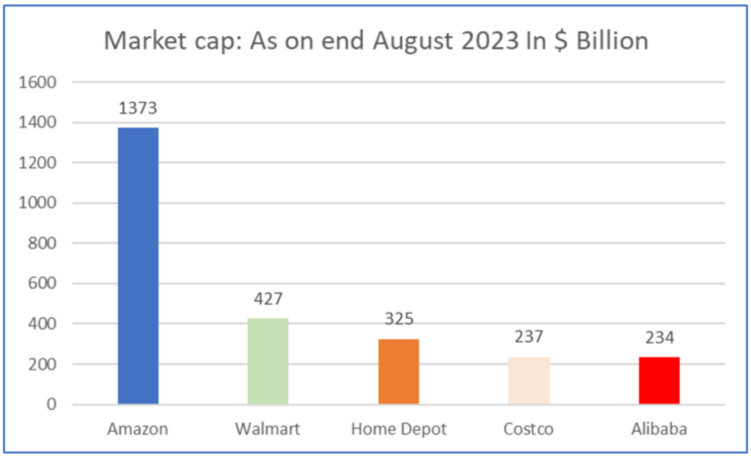
While we have a consumer business that's $434B in 2022, the vast majority of the total market segment share in global retail still resides in physical stores (roughly 80%). As these equations steadily flip—as we're already seeing happen—we believe our leading customer experiences, relentless invention, customer focus, and hard work will result in significant growth in the coming years.- Andy Jassy President and Chief Executive Officer Amazon.com,

In the era of digital disruption, Amazon's trajectory from its beginnings as an online bookstore to its current global e-commerce supremacy encapsulates the spirit of innovation and perseverance. Founded by Jeff Bezos in 1994 as an online bookstore, Amazon swiftly evolved into a global powerhouse, reshaping the retail landscape, redefining worldwide shopping and commerce norms, and pioneering innovations that transcend the confines of industries. Amazon reported a total revenue of $638 billion for the fiscal year 2024, marking an 11% increase from $574.8 billion in 2023 . This growth was driven by a 19% rise in Amazon Web Services (AWS) revenue, which reached $107.6 billion, and a 10% increase in North America sales, totaling $387.5 billion. International segment sales grew 9% to $142.9 billion .. Amazon International's revenue comprised approximately 22% of the total in 2024, marking a decline from the 46% reported in 2006, attributed to significant growth in the domestic US market and the company's departure from China in 2019.



With its headquarters in Seattle, Washington, Amazon's influence extends globally, offering a wide array of products, from books and electronics to groceries and cloud computing services.

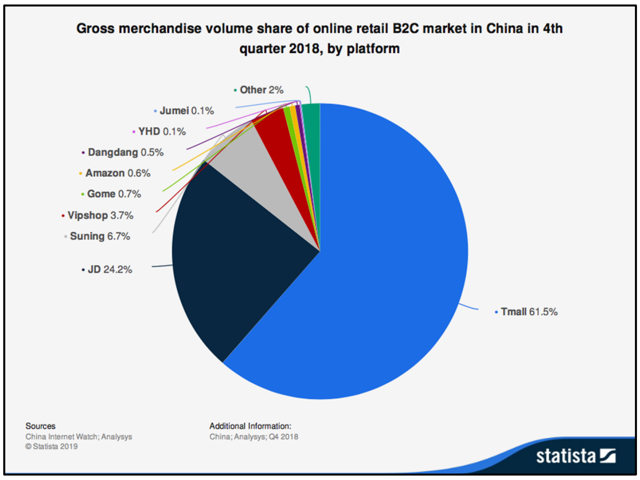
Founder Jeff Bezos famously envisioned Amazon as the "Earth's most customer-centric company," a vision that has not only come to fruition but has also propelled the company into uncharted territories. In a world where global expansion often intersects with cultural adaptation and operational complexities, the Amazon narrative provides both enlightening and contrasting insights. A detailed exploration of Amazon's forays into new markets such as China and India unfolds a narrative that uncovers not only the evolution of a company but also elucidates a blueprint for succeeding in international business.



This case study embarks on an investigative journey to reveal Amazon's strategic navigations in new horizons, tracing its trajectory from entering the intricate Chinese market to its eventual exit and substantial growth in the promising Indian landscape. By drawing parallels between the unique challenges and triumphs experienced in these markets, the study aims to unearth strategic insights and lessons that underpin Amazon's status as the world's largest retailer in terms of market capitalization (amounting to $1373 billion compared to Walmart's $427 billion as of August 30, 2023).

A) Amazon in China: Rise and Retreat

In 2019, Amazon.com Inc. made a significant announcement – the decision to shutter its operations in China. Faced with relentless competition from local giants Alibaba and JD.com, Amazon's market share had dwindled to less than 1%, a far cry from its 15% peak in 2008. This case study delves into the dynamics behind Amazon's ascent, struggles, and eventual exit from the Chinese market. Why has Amazon struggled in China? Why couldn't it replicate its highly successful US-based business model in the Chinese market?



E-commerce giants Alibaba Group and JD.com, proved to be formidable competitors that outmatched Amazon in China. The adeptness of Alibaba and JD.com at understanding local culture and preferences played a pivotal role. The question arises: why did Amazon struggle to compete with them?

Ultimately, this case study seeks to decode the factors that led to Amazon's strategic retreat from the world's biggest and fastest-growing online market. It offers an in-depth analysis of Amazon's strategic decisions, operational challenges, and the broader market dynamics that shaped its experience in China. It provides valuable insights for businesses embarking on international expansion, highlighting lessons learned from Amazon's experience and offering guidance for navigating the complexities of the Chinese market.

Rise of Amazon

Amazon entered the China market in 2004 through a $75 million acquisition of Joyo.com, an online book and media seller. Joyo.com was founded in early 2000 by Chinese entrepreneur Lei Jun in Beijing, China. The company primarily sold books and other media goods, shipping to customers nationwide. Joyo.com had been one of the largest online retailers before Amazon acquired the company and had grown rapidly after its launch. Sales revenues reached 56 million yuan in 2001 and 150 million yuan in 2003. In 2008, Joyo.com had been renamed "Amazon China," in 2011, it became "Amazon.cn."

"*We were very pleased to be entering the Chinese market with Joyo.com. In a relatively short time, Joyo.com had established itself as the leading online destination for books, music, and videos in China, and we were happy to be part of one of the world's most dynamic markets," said Jeff Bezos, founder, and CEO of Amazon.com.*

Through this "win-win" acquisition, Amazon.com had aimed to blend Joyo.com's expertise in serving the Chinese market with Amazon.com's experience as one of the world's leading online retailers. However, Amazon hadn't been the first mover in the e-commerce business in China. Alibaba and E-Commerce China Dangdang had been founded five years before Amazon's entry. Jingdong, which currently holds China's second-largest market share, was founded in the same year (2004). Amazon had planned to replicate its growth strategy in the United States by acquiring local online book retailers and expanding its product portfolio.

Year of Founding of E-commerce companies in China

	Year
Joyo	1999
Alibaba	1999
Dangdang	1999
Jingdong (JD.com)	2004
Amazan Joyo	2004

At that time, DangDang, an e-commerce website started in 1999, had been the B2C e-commerce market leader. JingDong or JD.com had been another key competitor, owning and running its own logistics network. China also had a growing C2C market dominated by the rising Internet giant Alibaba, which had raised $20 million from Softbank and other investors. Alibaba's Taobao, a primarily C2C platform for price-sensitive middle-class customers, had been a well-known destination for online shopping, challenging eBay's foray into the Chinese market. Alibaba had also run a B2B website, Alibaba.com.

Amazon faced fewer restrictions when it entered China than foreign internet companies face today. However, the company had struggled to compete as its competitors had been local firms with in-depth knowledge of the domestic market. Amazon had found it challenging to attract price-sensitive Chinese consumers and hadn't adapted well to the unique Chinese market, which had been price-sensitive for many goods and had favored near-instant delivery and a focus on authentic foreign products.

Initial Years: Slow Progress

Amazon had developed slowly in China. It had taken Amazon three years to transform Joyo.com into Joyo Amazon and another four years into Amazon.cn or Amazon China. In 2004, JD.com's retail platform had gone online. While local rivals had been catching the attention and wallets of Chinese consumers, Amazon had been moving forward in its traditional, gradual way, not adapting to the rapidly changing Chinese market.

"Amazon's ability to localize and compete is not so good."- Wang Jian, a professor from the University of International Business and Economics

- ***Transplanted US-based Business Model***

As Amazon ventured into the complex Chinese market through Joyo, it replicated the investment-intensive inventory model that had been successful in the US. Amazon had stocked products in its own warehouses, managing the movement and delivery of shipments. In contrast, Alibaba hadn't held any inventory; its platforms had been designed as pure marketplaces for third-party sellers and buyers to interact. While Amazon had invested in warehouses, Alibaba had focused on building software and trust to facilitate the exchange of goods and services.

Amazon spent billions opening 17 fulfillment centers in China and built its own domestic delivery infrastructure, while its fiercest competitor focused on helping smaller vendors fulfill high volumes of orders. Amazon China inherited Joyo's logistics system and initially handled deliveries to first-tier cities, including Beijing, Shanghai, and Guangzhou. Deliveries to second- and third-tier cities were outsourced to third parties. Amazon China invested heavily in building a national logistics network to benefit from economies of scale. This model puts an additional burden on the company in the form of operating expenses and working capital. The fulfillment expenses account for roughly 9% of Amazon's total operating cash expenses and 8% of its revenue.

In China, Amazon had transplanted its US model without considering potential cultural and consumer differences that might have necessitated a different approach. Amazon had ignored the fact that Chinese consumers had been accustomed to low or even free shipping on orders, and it had required consumers to reach minimum spending thresholds to qualify for shipping subsidies. This approach hadn't resonated well with Chinese consumers, who had turned to platforms like TMall and JD.com. Additionally, Amazon had initially controlled much of its inventory and had built its own delivery infrastructure, while Alibaba had operated on a zero-inventory model, leading to cost advantages.

- ***Faced Price Competition***

In 2008, Alibaba started the Singles' Day shopping festival, drawing Chinese consumers with huge discounts and flashy online and offline promotions. Amazon was forced to compete in endless price wars and failed to capitalize on the huge promotions around Singles Day on November 11, China's equivalent of Black Friday. Like all online platforms, Amazon also struggled to root out the growing number of fake goods being sold on its Chinese website, analysts said.' 16

Competition among sellers had been fierce, with value being offered to customers in terms of price, delivery, and quality. This competition resulted in low prices, attracting price-sensitive Chinese consumers. Alibaba had encouraged sellers to innovate and improve products and logistics. Amazon had struggled to compete on prices, requiring high investment and leading to the need for sustained losses in the Chinese market.

- ***Overcame Trust Issues***

The fledgling e-commerce industry in China had grappled with trust-related issues. Chinese customers had been hesitant to buy from unknown sellers far away. Alibaba had introduced solutions like "TrustPass" to verify the identity of businesses on its platform, building credibility online. Alibaba had also introduced Alipay, an online payment platform that created escrow accounts to hold payments until customers received goods. In contrast, Amazon had attempted to solve the issue with options like cash on delivery (COD). Alibaba's innovative solutions had helped build trust and overcome barriers. . Alibaba sites, meanwhile, gained a massive advantage due to the success of their own payment system, Alipay, while Amazon has yet to roll out its payment system in China.

Shifts in Strategies and Market Dynamics

Alibaba had expanded into B2C services, offering a platform for small businesses to reach a larger audience. It had focused on building customer trust by allowing product returns and real-time interaction between buyers and sellers. Amazon's approach had been more focused on enhancing customer experience, with investments in warehouses and fulfillment centers. JD.com (JD) had replicated Amazon's asset-heavy model and invested in its logistics capabilities. Alibaba and JD had matched or surpassed Amazon's logistics and delivery capabilities.

- **Changing Business Model to Marketplace**

Amazon China transformed its approach, departing from Joyo's focus on media products like books and DVDs. The company expanded its product categories from six in 2004 to thirty-three in 2017. In a pivotal shift, Amazon China transitioned its business model from being a vendor to establishing a marketplace. This change occurred in 2011, a decade after adopting a similar strategy in the United States.

Different from native Chinese e-commerce platforms, Amazon China adopted a commission-based structure. While local e-tailers levied both annual fees (ranging from $800 to $8,000) and commissions (0.5% to 30%, depending on the product category), Amazon China charged solely a commission, varying between 4% and 7% based on the category. In 2012, Amazon China adjusted its commission setup to 15% for select products.

Amazon's seller rating system resonated well with discerning customers, providing a dependable online shopping experience through qualified sellers. However, Amazon's sophisticated approach to dealing with sellers and suppliers inadvertently discouraged their participation. Consequently, despite significantly expanding its offerings, Amazon China fell notably behind Alibaba and JD in terms of product variety.

Many customers still perceived Amazon China primarily as a bookseller. The introduction of third-party sellers, who offered products at lower prices, posed challenges for Amazon. It led to a decline in Amazon China's own sales. To counter this competition, Amazon China took a more assertive stance with its suppliers, renegotiating prices to maintain competitiveness.

To leverage its extensive national logistics network and deliver an optimal shopping experience, Amazon China actively encouraged independent sellers to utilize its inventory and delivery system. However, third-party sellers could choose not to use Amazon's logistics network, exposing Amazon to the risk of its reputation being damaged by the poor service offered by some sellers.

- **Focused on technology not on marketing**

As an American high-tech firm, Amazon China's organizational culture focused on technology rather than marketing. Amazon China and its president Hanhua Wang kept a low profile in China for a long time. Unlike local rivals, who spent heavily on advertising, Amazon China didn't invest much in marketing. Amazon China established an automatic price-tracking system to track competitors' prices and lower its own as necessary. With this price tracking system, Amazon regarded advertising as unnecessary.

Amazon's diverse offerings beyond e-commerce also had little success. Its membership program, Prime, was ineffectual as customers believed Tmall and JD offered memberships with more value. For example, analysts noted that on JD and Alibaba, a customer who purchased goods worth $15 did not require a membership to qualify for free shipping.

Amazon China also experienced a culture clash with its website design. To attract shoppers, Chinese e-tailers plastered their homepages with colorful slideshow ads and photos of the items they were promoting. Amazon China's homepage was characterized by small photos, limited information, and lots of blank space. In 2013, Amazon China's local team suggested to the US head office that it redesign its homepage, but this idea was rejected due to concerns that placing too many items on the homepage would increase load time and negatively impact the shopping experience. It took several attempts before Amazon's head office agreed to adapt Amazon China's homepage to local preferences.[34]

Amazon Vs Local Competition

	Amazon	Local Competition: Alibaba, JD.com
Business Model	Owning Inventory and High cost Warehouse structure	Sellers driven, Zero Inventory
User Interface	Minimalist designs	Flashy and colorful
Shipping	Free only with minimum order size	Free shipping and overnight delivery
Product Selection	Narrower due to limited vendors. Less than 10000	Huge due to third party sellers also included flights, train, hotel bookings, financial products like insurance, tickets for tourist places. More than 10 million merchants selling.
Prices	Reactively following competition prices	Shopping festival, Single day events with deep discounts. Discounts of bulk purchases
Product information	Classical Product layout does not include much information	A detailed presentation and information about the products
Payment methods	Limited options: Credit/ Debit cards, Cash On delivery	Wide range of options: Alipay, We chat pay, Post office remittance, Scan QR code, Use credit to pay later
Online customer service	Does not offer any	Online customer service on every product page be it bot or human service. Connecting customers and sellers together
Delivery	Same day only for prime customer or extra fees	Free Same day
After sales service	None	Affordable prices for product installation like furniture, Home appliances, kitchen by technician also services like apartment cleaning, maintenance of products

Customers were not merely buying products; when they bought something from an online shopping platform for a better price than a physical retail store, they were also paying for a satisfying shopping experience. In China, this included services such as online assistants, quick delivery, convenient payment methods, after-sale maintenance, etc.

Amazon in China failed to grasp the market dynamics and consequently missed a significant opportunity. In 2015, Amazon opened a store on Alibaba's Tmall platform to increase its customer base by paying a fee to its rival. It seemed like an attempt to sustain its existing business in China.

Amazon's Retreat in 2019

The Chinese leapfrogged the developed world in mobile technology, and they are much more open to experiences through their phone than perhaps any population in the world."- Wern-Yuen Tan, CEO of Walmart China

In 2019, Alibaba had grown to be China's largest Internet business and one of the world's largest companies. It had expanded into areas like e-commerce, cloud computing, digital entertainment, and payments. JD emerged as the second-biggest player in China's online retail market by the value of goods sold, and Pinduoduo became China's fastest-growing e-commerce business.

By then, Alibaba with Tmall, Taobao, and JD.com controlled over 80% of the market. However, this wasn't due to government actions but because Amazon misunderstood the Chinese market. China's size allowed it to set its own rules. Unlike in Europe, where Amazon could rely on a standard website to build trust, in China, things were different.

Despite Amazon's efforts, it struggled to adapt to local conditions, changing technology, customer behavior, and competition. In 2019, Amazon announced the closure of its Amazon.cn marketplace, signaling its exit from the Chinese market, with market share dropping to under 1%. Amazon couldn't establish a strong presence after 15 years in China's e-commerce landscape, which Alibaba and others dominated.

Jack Ma's analogy – "eBay may be a shark in the ocean, but I am a crocodile in the Yangtze River" – underscored the significance of leveraging local advantages. Numerous global tech firms attempted to conquer the distinct Chinese market but faltered. Amazon's 2019 departure from China joined a list that included eBay, Google, Uber, LinkedIn, Yahoo, Airbnb, and ASOS – all prominent players that encountered challenges in China.

The overarching question is: Why did Amazon stumble in China despite its stature as the world's leading e-commerce company, backed by expertise, innovation, customer focus, and a global presence?

Why Amazon Failed in China

Amazon's struggle to succeed in the Chinese market resulted from a combination of interconnected factors that worked against its ability to compete with local competitors effectively. Although common explanations often center around factors like censorship, cultural disparities, and regulatory hurdles, a closer analysis uncovers a more nuanced story. While arrogance and a failure to comprehend the market are evident as primary causes, the roots of Amazon's systemic failure in China run even deeper. Amazon's strategy – which has been so successful virtually everywhere else in the world – got lost in translation in China.

"*No kidding. Amazon came into China with guns blazing, but it didn't try hard enough"It failed to adapt to the local market and the preferences of Chinese consumers. Who is going to buy from them?"- " a Chinese netizen wrote.*

Amazon in China is a classic case of how even a behemoth can falter when confronted with a unique blend of cultural, operational, and competitive challenges. Let us ponder over the critical reasons behind Amazon's exit from China:

1. Lack of Market Understanding and Adaptation

Amazon's initial foray into China showcased a lack of adaptation to the local market. One of the glaring examples of this was the company's website design. Unlike Amazon's clean and minimalistic approach, Chinese consumers preferred a more cluttered and visually busy design. This preference extended to other aspects like user interfaces and payment options. Chinese e-commerce giants like JD.com and Alibaba embraced vibrant designs and seamless interfaces, which resonated with the local audience.

2. Fierce Local Competition

Entering the Chinese market relatively late, Amazon faced formidable local competitors that had already established a strong foothold. Alibaba's Tmall and JD.com dominated the landscape with their extensive product offerings, quick delivery, and trusted supplier relationships. Amazon struggled to match their speed and variety, leading to diminished market share. Amazon's low prices were also threatened when Chinese rivals launched aggressive price wars and created shopping festivals including the famous Singles' Day.

3. Operational Challenges

It takes two days to receive items from Amazon. "It will be a disaster in China. And every customer will be unhappy. Customers expect to get their products within six hours; two days would be too long."- JD.com CEO Richard Liu

Amazon's logistics and inventory management approach didn't align with the dynamics of the Chinese market. JD.com, for instance, offered rapid delivery and built its own logistics network by collaborating with local delivery companies. On the other hand, Amazon invested in fulfillment centers and inventory control, a less effective strategy in the face of fierce competition and changing customer expectations.

4. Failure to Differentiate and Innovate

In China, local ecommerce competitors can offer overnight delivery plus free shipping. Amazon can offer the same thing, but only to people with minimum order requirements. This makes it logical for many shoppers to choose local competitors over Amazon. Also, Amazon never offered Amazon Pay in China, while Alibaba offered AliPay to its shoppers.

In a market where free shipping and quick delivery were the norm, Amazon's Prime membership model, while successful elsewhere, lost its competitive edge. Chinese competitors offered comparable services without imposing minimum order requirements. Also, Amazon didn't differentiate itself sufficiently in offering unique products or services.

5. Lack of Local leadership and Autonomy

"We react slow because the decision-making power falls in the hand of the American headquarters," said an insider who once worked at Amazon China.

Amazon's inability to establish a strong presence in China was attributed significantly to the lack of local leadership and autonomy. This centralized approach hindered the company's ability to respond swiftly to the ever-evolving Chinese market dynamics.

Upon entering China in the early 2000s, Amazon appointed foreign individuals to leadership roles, disregarding their lack of familiarity with the Chinese market. This led to the imposition of American and Western business practices that proved inferior compared to strategies adopted by Chinese competitors.

A pivotal factor in Amazon's downfall was its failure to place trust in the managerial skills of local employees. Amazon's reliance on foreign leadership, devoid of experience with China, created a stark mismatch with the market's demands.

Amazon didn't have trust in its China team. The Chinese market changes quickly. Without mass delegation of authority, it's going to be a problem,"- JD.com CEO Richard Liu

Amazon's centralized decision-making structure compounded its challenges. The company's reluctance to delegate authority to its China unit and the absence of autonomy in its governance structure hindered its agility and adaptability. Moreover, the local management team lacked the skillset to effectively compete with nimble Chinese entrepreneurs, perpetuating an ill-suited operational US based business model for the Chinese market.

In a new market like China, a company needs to make many decisions, change products often, and sometimes even change their whole approach. This is especially true when strong local companies with innovative leaders are competing. The core issue here lies not with individual product managers but with the overarching organizational structure. Assigning decision-making authority for China's market to managers in the US seems counterproductive. A more effective approach would involve empowering local managers with resources to effect change and holding them accountable for decisions.

Amazon's struggle in China happened because they didn't trust local leaders and didn't let the China team make critical decisions. Their centralized way of making choices didn't work well in a fast-changing market like China.

These five factors collectively led to Amazon's inability to gain a significant foothold in the Chinese e-commerce market, ultimately resulting in its withdrawal. Amazon's admission of defeat in China — where it once had a 15% share — erodes the future growth potential as China has become the biggest online market in the world.

Conclusion

Amazon's departure from the Chinese market illustrates the complexities foreign firms encounter when entering new territories. It offers valuable insights for foreign companies expanding globally. It underscores the critical importance of understanding the nuances of local markets, encompassing consumer behavior, cultural intricacies, and evolving regulations. Adaptability emerges as a key factor, with the ability to tailor strategies to align with local preferences proving pivotal.

One glaring challenge Amazon faced in China was relentless competition. Local giants like Alibaba and JD.com wielded home-field advantages, posing formidable obstacles for Amazon. A slow approach and the fierce local rivalry ultimately hindered Amazon's growth in the Chinese market. Moreover, Amazon's inability to foresee the rapid evolution of e-commerce and mobile usage in China proved challenging. This underscores the importance of staying ahead of industry trends and technological shifts. A long-term commitment and willingness to invest resources, even amid initial losses, are crucial for building a sustainable presence.

Furthermore, the role of local leadership and the balance between local autonomy and centralized management from headquarters played a crucial role in Amazon's challenges. A more decentralized approach that empowers local leadership to make agile decisions and adapt to local conditions is essential.

Amazon's journey demonstrates that emerging markets demand a careful balance of resilience, adaptation, and local understanding. A slow-paced approach can present formidable challenges, but foreign firms can navigate these hurdles and thrive with the right strategy.

B) Amazon in India: Breaking barriers and Unleashing potential

According to Bernstein's report, Amazon India's performance is decidedly mixed nearly a decade later. India is often the dream-prized market of many global internet companies; yet, it's in the Indian subcontinent that Amazon encountered a challenge like no other—a battle for supremacy that would test its mettle and reshape the landscape of online retail. In the fiercely competitive arena of India's e-commerce sector, Amazon finds itself at a critical juncture. It faces formidable competition from the likes of Reliance, Walmart, and Tata in what is arguably the world's fastest-growing e-commerce market.

Amazon India continues to solidify its position as the country’s largest e-commerce and fulfillment network, investing over ₹2,000 crore ($233 million) in 2025 to expand operations infrastructure, develop new technologies, and enhance delivery capabilities. The company plans to open 30 new delivery stations, aiming to accelerate fulfillment speed ahead of key events like its flagship Prime Day. India is unique globally, offering three tiers of Amazon Prime—Shopping Edition, Prime Lite, and the full Prime plan—a strategy born from local customer behavior that has since influenced global offerings. Amazon’s focus on tier-2 and tier-3 cities is reflected in sales, with 65–70 percent of Prime member transactions coming from non-metro regions, and in the expansion of quick commerce services like Amazon Now, offering four-hour and same-day deliveries for high-demand products ranging from electronics to fresh groceries. By tailoring offerings to local preferences and innovating rapidly, Amazon has reinforced its leadership in India’s complex and diverse e-commerce ecosystem.

This case study delves into Amazon's remarkable journey in India, exploring the strategic decisions and significant hurdles it faced along the way. What lessons can foreign firms learn from Amazon's experience in India, starting from scratch, fighting local competition, adopting local situations, and complying with stringent regulations while striving to establish a dominant position in India's dynamic e-commerce landscape?

Situation at the Time of Amazon's Entry and Competition

In 2013, when Amazon made its ambitious foray into the Indian e-commerce market, it encountered an online landscape that was still in its infancy but brimming with growth potential. Several domestic players were already in operation, and while e-commerce was gaining momentum, the market was far from being saturated. Here's an overview of the online market and the competitive landscape in India at the time of Amazon's entry:

1. **Flipkart**: Flipkart stood tall as one of the dominant players in the Indian e-commerce arena when Amazon entered the scene. Established in 2007, Flipkart had firmly cemented its position as a leading online retailer, initially focusing on books and electronics. By 2013, it had expanded its product categories and amassed a substantial and loyal customer base.
2. **Snapdeal**: Another formidable contender in the Indian e-commerce landscape was Snapdeal, founded in 2010. Snapdeal was renowned for offering an extensive array of products across diverse categories and had garnered significant popularity among Indian consumers.
3. **eBay India**: While eBay operated as a global platform, it had also been a presence in the Indian e-commerce market for some time, operating as an online marketplace. Competing with local players, eBay brought a unique dimension to the online shopping experience.
4. **Local Players**: In addition to the major players mentioned above, there was a proliferation of smaller, local e-commerce entities that often specialized in niche markets or specific product categories. These local players collectively contributed to the burgeoning e-commerce ecosystem in India.

The e-commerce market, on the whole, was experiencing remarkable growth, driven by factors such as increasing internet penetration, a burgeoning middle class, and shifting consumer preferences. However, online shopping was still a relatively novel concept for many Indians, and the market was evolving and transforming rapidly.

Upon its entry, Amazon faced tough competition in India, going head-to-head with established local players like Flipkart and Snapdeal. These Indian giants had already built trust with consumers. To compete effectively, Amazon had to strategize and differentiate itself.
This competition led to innovation, better customer service, and a more comprehensive range of products in India's e-commerce sector. The intense rivalry between Amazon and local players drove rapid growth and improved the online shopping experience for consumers.

Initial Challenges

Amazon faced several challenges when entering the Indian market in 2013. These challenges were a combination of regulatory, logistical, and competitive factors that required the company to adapt its strategies and operations to successfully establish itself in the country. Some of the key challenges included:

1. **Foreign Direct Investment (FDI) Regulations:** India's regulations on FDI in the e-commerce sector posed a significant challenge for Amazon. At the time, FDI restrictions prohibited foreign companies from operating as direct retailers, hindering Amazon's ability to sell its own inventory directly to customers. For instance, foreign companies like it aren't allowed to own inventory, and no single seller on its platform can have more than 25% of the market share. This is proving to be a disadvantage for the firm. Amazon can only collect fees from vendors selling products on their marketplace. Globally, about 58% of Amazon sales of physical goods in 2018 came

from third-party merchants; the rest come from direct sales to consumers. The ability to sell straight to people in the United States and elsewhere packs big benefits. It meant Amazon can deal directly with manufacturers, giving it greater control over its product range.

Business practice	Regulation
Inventory vs marketplace model	India's FDI (foreign direct investment) rules do not allow 100% foreign investment in multi-brand retail. However, 100% FDI is allowed in online marketplace models. Both Amazon and Walmart (Flipkart) operate through a marketplace model with affiliate sellers (with equity stake) and third-party sellers.
Equity interest in sellers	The policy states that no single seller can have more than 25% share on a foreign-owned online marketplace. Both Amazon and Flipkart have reduced their stakes in affiliate sellers from 49% to 24%.
Exclusive deals, deep discounts	The government has made it clear that no e-commerce marketplace platform can mandate a seller to sell exclusively on the platform. It has also clamped down on deep discounts e-commerce platforms.
Data localization/ KYC (know your customer)	The data localization regulations require payment apps to require storing all payments data only in India. The KYC regulation have changed to stop Aadhar based e-KYC and pivot to in person physical KYC

2. **Competition from Established Players:** Indian e-commerce was already gaining traction, with companies like Flipkart and Snapdeal having a head start in the market and were well funded. Amazon had to compete with these established players that had built brand recognition and customer trust.

3. **Logistics and Infrastructure:** India's vast and geographically diverse landscape posed logistical challenges for timely deliveries. Building a robust and efficient delivery infrastructure across the country was essential for ensuring customer satisfaction.

4. **Cultural and Language Differences:** Understanding and catering to the cultural diversity of India, along with the challenge of offering customer support in multiple languages, required Amazon to adapt its platform and services to suit local preferences.

5. **Payment Methods:** Online payment methods were not as widely adopted in India at the time. Amazon had to address this challenge by offering various payment options that were convenient and accessible for Indian customers.

6. **Internet Penetration:** While internet penetration was growing, it was not uniform across the country. Amazon needed to find ways to reach customers in areas with limited connectivity.

7. **Consumer Behavior:** Understanding the unique buying behavior of Indian consumers, who often prefer to touch and feel products before purchasing, was important for Amazon to tailor its offerings and strategies accordingly.

8. **Building Trust:** Establishing trust among Indian consumers was crucial, as many were new to online shopping and were cautious about sharing personal and financial information online.

Three years ago, if anyone had told us that this is where we are going to be, we would have been very, very surprised in the sense that we have been able to get *customer adoption and traction much faster than we imagined. We knew it was a big market and we have a long-term outlook, but we didn't imagine we would get so big so quickly- Amit Agarwal, Head- Amazon, India*

Despite these challenges, Amazon recognized the immense growth potential of the Indian market and was committed to overcoming these hurdles. The company's strategic decisions, investment in infrastructure, and focus on local adaptation played a pivotal role in addressing these challenges and positioning Amazon as a significant player in the Indian e-commerce ecosystem.

Strategic Entry with Different Approach

Amazon was struggling in China and had to look for an alternative country. It took Amazon four years to get ready.

"We didn't want to just dabble with India. We wanted to make sure we were absolutely ready with our game plan and investments" – Piacentini, Head of international Business- Amazon

In 2013, Amazon recognized India's vast e-commerce potential and adopted a strategic approach different from its traditional inventory-led model to navigate the unique regulatory landscape and local competition. Jeff Bezos, Amazon's CEO, emphasized the need for a distinct strategy to succeed in India following the company's exit from China and the importance of international sales, which accounted for 30% of Amazon's revenues. According to Morgan Stanley, India showed promise as a growth market with e-commerce sales reaching approximately $11 billion in 2013 and the potential to grow to $137 billion by 2020. Jeff Bezos, therefore, implemented an accelerated investment and localization strategy to secure Amazon's success in India.

In these three key things—in-stock selection, low prices and fast delivery—we were able to do India-specific things because we started with what the customer wants and then worked backwards to achieve that. We didn't take an Amazon model and impose it on India." – Amit Agarwal, Head-Amazon, India

Who can forget Jeff Bezos' 2014 visit standing on top of a colorful lorry announcing a $2 billion investment? India was one of Amazon's biggest overseas markets and fastest-growing, with a best-in-class customer experience and a large Prime customer base. Amazon's rise in India has been fuelled by an extraordinary splurge of cash.

Amazon doubled its authorized capital to ₹ 16,000 crore, exceeding its massive capital commitment of $2 billion made in July 2014 and indicating the company's intent to splash whatever cash is needed to become the country's largest e-commerce firm.

Amazon's initial strategy in India encompassed several key elements:

- **Acquisitions:** As part of its strategy to accelerate growth and gain a competitive edge, Amazon acquired local online retailer Junglee in 1998. While not a direct entry strategy, this acquisition gave Amazon insights into the Indian market and its dynamics.

- **Marketplace Model:** Amazon chose to operate under a marketplace model to comply with India's foreign direct investment (FDI) restrictions in the e-commerce sector. This approach allowed third-party sellers to list their products on Amazon's platform and sell directly to customers. By acting as an intermediary rather than a direct seller, Amazon could enter the market while adhering to the regulatory guidelines. Amazon worked assiduously with local businesses, suppliers, and retailers in India, learning the cultural landscape while helping business owners take their stores online.

EXHIBIT 31: **India E-Commerce - Inventory vs Marketplace model**

Key metrics	Inventory led Model	Marketplace led Model
Target markets	Mainly metros and T1; medium to high income users	Driven by T2+ cities; low to medium income users
Average Order Value	~$20 & higher	Between $5-10
Assortment Mix	Largely branded, electronics big share of GMV	Mostly unbranded, fashion & general merchandise majority share of GMV
Business Model	Convenience over affordability, commission led monetization	Affordability over convenience, monetization led by VAS and ads
Inventory Management	Warehousing, rotation, liquidation, returns management	No resource allocation for inventory management
Logistics	Asset heavy in-house logistics, reliant on capacity utilization	Asset light and 3PL led, economies of scale
Seller profile	Conducive for big vendors, captive arms, high operational costs	Truly inclusive, size-agnostic seller base, low-cost channels
Regulations	1P model by foreign owned entities restricted by Indian regulations	Fully compliant - Pure marketplace model

Source: Company reports, Bernstein estimate & analysis

- **Customer Experience:** Amazon focused on delivering a seamless and customer-centric shopping experience. This included reliable delivery services, competitive pricing, a user-friendly website, and secure payment options. Amazon's reputation for customer service played a crucial role in gaining the trust of Indian consumers.

- **Expansion of Categories:** Amazon gradually expanded its product categories beyond books and electronics, which were its initial focus. The company diversified its offerings to include a wide range of products, catering to diverse customer preferences. In terms of categories, the company was seeing remarkable momentum across Grocery, smartphones and consumer Electronics, Fashion & Beauty, and more. It had more than 440,000 products, in addition to 12 million books and two million e-books.

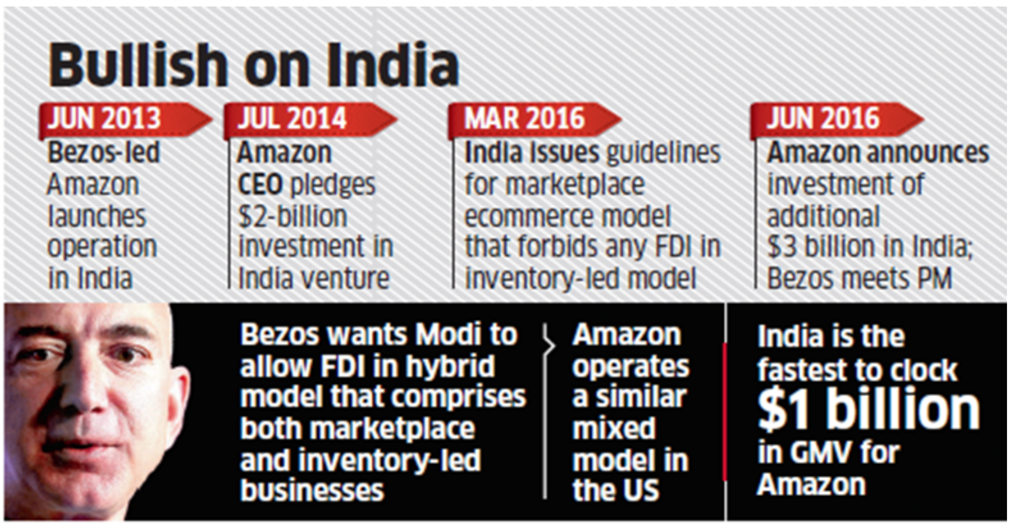
"The goal is to constantly expand the depth of the selection in existing categories and add new categories." Amit Agarwal, Head- Amazon, India

- **Fulfillment Centers:** Amazon invested in building a robust network of fulfillment centers and delivery infrastructure to ensure timely and efficient order processing and delivery across the country. This was crucial for catering to India's vast and geographically diverse population. Agarwal knew that if Amazon had to deliver fast to customers, it needed control over logistics, and it needed warehouses. By the time it launched, it had already built a 150,000 square-foot (roughly 3.5-acre) 'fulfilment centre' on the outskirts of Mumbai, in Bhiwandi. The idea was to let sellers stock goods in the warehouse, and manage packaging and delivery for them for a fee. Such delivery, called 'Fulfilment by Amazon', and accounts for three out of every four deliveries by Amazon in India. A second 150,000 sq ft warehouse would be operational from February in Bangalore, for buyers in southern India.

The battle had only begun. What Flipkart did in six years, Amazon did in seven months Amazon's initial strategy in India revolved around adapting to the local context, complying with regulations, and building trust and a solid customer base. Over time, Amazon adapted and evolved its strategy in India, focusing on innovation, localized offerings, and partnerships to solidify its position as a significant player in the Indian e-commerce market.

Spectacular Growth to become #2

In its early days, Amazon India faced stiff competition from local e-commerce players like Walmart-owned Flipkart and Snapdeal. Amazon's response was both swift and substantial, with investments of approximately $6.5 billion in infrastructure, technology, and customer service. These investments paid off handsomely as Amazon rapidly gained a dominant position, with over 100 million registered customers and a market share exceeding 30 percent with reach extended to 350 cities across India.



- **Local Customization and Market Adaptation**

"*When we launched Amazon.in, we aimed to create the same destination in India, offering customers what they want - a wide selection, competitive prices, and fast, reliable delivery," noted Greg Greeley, Vice President of International Expansion.*

Amazon's entrance into the Indian market in 2013 was marked by critical lessons learned from previous experiences, particularly its exit from China. The company embraced a strategy of local customization to cater to the unique demands of the Indian market. Since its entry, Amazon has continually expanded its presence in India, innovating and adapting to the specific challenges and opportunities presented by the market. This includes catering to regional language preferences, offering specialized services for Indian customers, and making substantial investments in last-mile delivery infrastructure, even reaching remote areas.

"One of the top-level lessons is that we have done much more local market customisation in India than we did in China," Jeff Bezos

Amazon's journey in India has been marked by relentless innovation and market adaptation. Amazon introduced a wide array of innovations, ranging from an extensive product selection and competitive pricing to efficient delivery services.

- ***Customised to suit customer habits***

From its launch, Amazon has customized its offerings to suit the tastes and habits of Indian customers: offering cash-on-delivery, the preferred mode of payment in India; cutting the size of its mobile app to suit cheap smartphones that have low storage and little computing power; redesigning its daily deals offering; tying up with local partners such as India Post to reach far-off areas in the hinterland; investing in a large logistics network of its own to get products fast to customers.

- ***Amazon Chai cart***

It was imperative to grow and support the third-party merchants on its platform. "Our focus has been to 'empower the smallest of sellers to bring selection on our marketplace.- Amit Agarwal, Head- Amazon, India

In contrast to its approach in other markets, Amazon initiated advertising early in India. The "Amazon Chai Cart" program involved mobile tea carts traversing city streets to interact with local businesses, educating them about e-commerce. This initiative covered more than 9,400 miles across 31 cities and engaged with over 10,000 sellers. Additionally, Amazon launched "Amazon Tatkal," a mobile studio-on-wheels offering services like registration, imaging, cataloging, and sales training for small businesses.

- ***Enabling and equipping sellers***

On the sellers' side, too, Amazon worked hard to educate wary local businessmen about online selling and equip them with the skills and technology tools to improve their product quality and service levels. Amazon launched successful initiatives such as Easy Ship, which provides logistics services to sellers; Seller Flex, under which Amazon helps sellers bring their warehousing practices to the levels acceptable to Amazon; and a bunch of seller awareness and training programs.

To support sellers, Amazon introduced programs such as "Easy Ship" and "Seller Flex" to enhance warehousing practices and logistics. Easy Ship was another program aimed at addressing the logistical obstacles sellers face in delivering goods from their warehouses to different locations in the country. At first, it promised to help deliver goods to 2,000 different Postal Index Numbers (PIN codes) in the country. Later it expanded to cover all PIN codes across India.

- ***Introduced pay later***

We are humbled to serve millions of customers on Amazon Pay Later and offer a virtual line of credit to customers shopping on Amazon which empowers our customers to better manage their monthly spends. 2 Million sign-ups are a testimony of customers' adoption and trust to choose Amazon Pay," - Vikas Bansal, Director - Amazon Pay India.' [24]

Amazon's "Pay Later" feature garnered significant user adoption, with two million customers signing up with 10 million transactions and an impressive payment success rate of 99.9%. It offered an instant credit line to customers, enabling them to shop now and pay later, either the following month or through EMIs. Amazon Pay Later was a payment method where banks and financial institutions offered an instant credit line to Amazon customers with an easy digital sign-up process, and customers could shop now and pay either next month or in EMI installments. According to Amazon, this new credit feature was designed to help customers extend their budgets for high-priced product purchases like home appliances, electronic gadgets, everyday essentials, groceries, and even pay their monthly bills, be it electricity, mobile recharges, DTH, etc. Customers can repay by next month at no additional cost, or in EMIs up to 12 months at nominal interest rates through their bank accounts.

- ***Launched Amazon prime***

In 2016, Amazon launched its Prime subscription service in India, attracting millions of subscribers. This demonstrated that Indian customers were willing to pay for the convenience and benefits offered by Amazon Prime.. Amazon priced the Prime subscription in India at Rs. 999 ($14) per year. Millions of Indian customers subscribed to Prime in the subsequent months.

I am excited about the adoption of Prime in India—it continues to bring new customers to Amazon for shopping and entertainment. From my perspective, the three important levers for our long-term success are more customers, more Prime sign-ups, and more sellers. The good news—we are excelling on all these counts," - Manish Tiwary, Country Manager, India Consumer Business, Amazon India.

Furthermore, the introduction of Jio's high-speed 4G network in 2016 revolutionized Internet access across India, making online shopping more accessible and affordable for millions. By 2018, Amazon had invested a total of $5.5 billion in India, solidifying its position as a household name with 150 million users.

Mobile technology is next. "We are looking forward to facilitating mobile internet shopping, as it is an important factor for technology investments for us."- Piacentini, Head of international Business- Amazon

The Indian market represented a significant bet for Amazon, and the company continued to adapt and innovate to meet the evolving needs of Indian consumers. Amazon's ability to adapt, customize, and innovate has been instrumental in its success in the Indian market, transforming how Indians shop and bringing online retail into the mainstream.

Amazon's New Hurdles and Quest for Profitability

"*Are there obstacles? There are always obstacles. Anywhere you go, every country has its own regulations and rules.”*

Ten years, and more than $6.5 billion of additional investments later, Amazon appeared to be facing more obstacles than ever in India, the second-largest internet market with more than 600 million users. Despite its extraordinary growth, Amazon's journey in India was not without its share of hurdles. The costs associated with rapid expansion, intense competition, and regulatory complexities have thus far kept profitability at bay. The formidable task of penetrating smaller towns and villages, recognized as critical drivers of India's e-commerce growth, remains an ongoing challenge.

- ***Walmart acquired Flipkart***

In 2018, Amazon faced a pivotal moment when Walmart acquired a majority stake in Flipkart for $16 B, its primary rival in India. The acquisition reignited Walmart's rivalry with Amazon in the highly competitive and fast-growing Indian market. The acquisition was a big boost for Flipkart, as the influx of cash would strengthen its position and help it become an even more formidable player.

- ***Emerging Competition: JioMart's Entry***

At the turn of the new decade, Amazon confronted a formidable new competitor: JioMart, launched by Reliance Industries. Leveraging its vast offline retail presence and a subscriber base of 365 million through Jio, Reliance positioned JioMart as a "new commerce" venture. It began with a promise of aggressive pricing, heavy discounts, and express delivery, posing a direct challenge to Amazon's efforts to digitize India's commerce landscape. JioMart's aggressive pricing through heavy discounts and an 'express delivery with no minimum order' promise made it clear that JioMart was set to challenge Amazon in the race to digitize Bharat. Labeled as "a hybrid, online-to-offline new commerce platform," the company would integrate the inventory of grocery products from hundreds of neighborhood kiranas or local convenience stores onto a single online marketplace, planning a consumption basket that included staples such as food, beverages, soaps, shampoos, and other household items.

In a surprising move in April 2020, Facebook acquired a 9.9% stake in Jio for $5.7 billion. This partnership aimed to empower small kirana shops by enabling digital transactions through WhatsApp, which was already popular among individuals and businesses. Integrating JioMart with WhatsApp was seen as Facebook's initial foray into this new market.

- ***The Profitability Challenge Persists***

It is not profitable, but it can be monetised with value-added services. "It is a thoughtful business decision to build something that would make a significant free cash flow in the long run."- Amit Agarwal, Head- Amazon, India

Despite substantial collections from its marketplace business, Amazon India has not turned a profit even after a decade in the country. Amazon Seller Services revenue grew 14 percent to ₹25,406 crore in FY24, while net losses narrowed by 29 percent to ₹3,470 crore, reflecting improved operational efficiency. Amazon Web Services India also contributed strongly, with operating revenue rising 13 percent to ₹14,446 crore and net profit surging 87 percent to ₹115 crore. The platform’s approach empowers small and medium enterprises, enabling sellers to reach millions without costly offline infrastructure, particularly leveraging Prime Day as a growth and product-testing opportunity. Rising demand for premium products, including smartphones, appliances, and even two-wheelers, highlights the evolution of Indian consumer behavior and Amazon’s ability to capture it. With ongoing investment in logistics, technology, and market-specific solutions, Amazon India is strategically positioned to scale further while maintaining a customer-centric edge in the world's fastest-growing e-commerce market.

The journey has been costly, with rapid expansion, intense competition, and regulatory hurdles preventing profitability.

Amazon facing setbacks in the Face of Emerging Challenges

Amazon, a stalwart in India's e-commerce landscape, has recently faced a series of setbacks, with significant consequences for its operations and competitive positioning.

- **Losing Ground to Reliance:** In recent developments, Amazon found itself on the losing side of crucial battles, particularly in its rivalry with Reliance, concerning acquisition of Future Retail and Metro Cash & Carry.

- **Strategic retreat:** Amazon discontinued two of its ventures: food delivery and edtech. While these businesses' closures might be deemed minor setbacks in isolation, they indicate a broader strategic realignment within the company.

- **Critical Exit from Wholesale E-commerce:** The most consequential move in Amazon's recent history is its exit from the B2B wholesale distribution space. This decision has far-reaching implications as it signifies Amazon's decision to relinquish the competitive battle with Flipkart Wholesale and Reliance's JioMart. Amazon's withdrawal from the wholesale e-commerce and distribution sector is particularly significant. This segment catered to kiranas (local neighborhood stores) and small retailers, and market insights suggest that it could grow into a $90 billion to $100 billion opportunity by 2030, according to Redseer data.

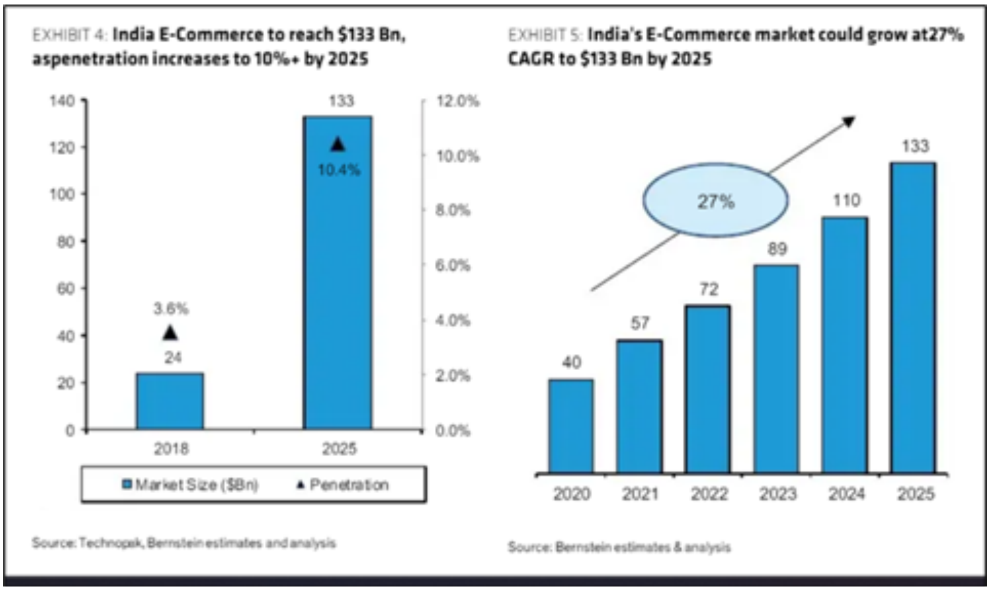
  Amazon's retreat from wholesale e-commerce sends a clear signal about the formidable challenges it faces in maintaining a competitive edge in the Indian market. This strategic shift underscores the dynamic nature of the e-commerce landscape, where adaptability and market positioning are critical.

Despite these challenges, Amazon remains committed to its long-term vision for India. Amazon's leaders express the conviction that, over extended periods, they can generate substantial free cash flow for shareholders.

We want to build India operations so that, when we look back 20 years from now, it will be bigger than the US."- Piacentini.

The Future Outlook: The Battle of Supremacy

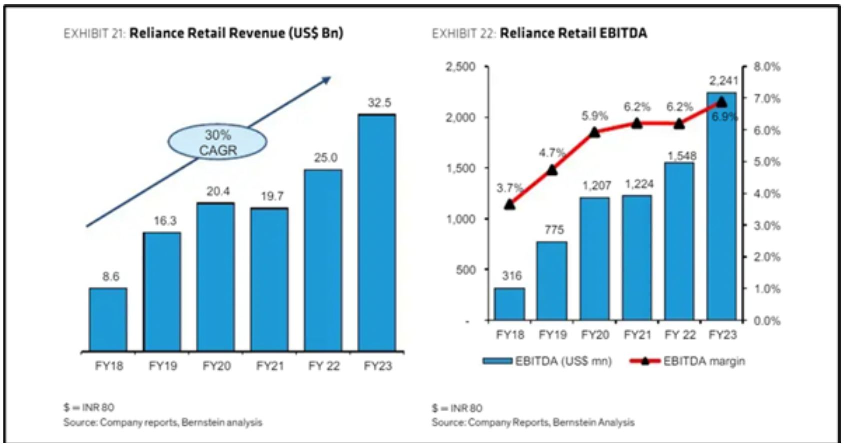
India's e-commerce scene is evolving rapidly, marked by intense competition and substantial growth. Reliance Digital and Tata are challenging the traditional dominance of Amazon and Flipkart, setting the stage for a fierce four-way battle for e-commerce supremacy. With strategic acquisitions and the Tata Neu super app, the formidable Tata Group is poised to reshape the e-commerce sector, adding to the competition faced by Amazon and Flipkart. These industry giants control more than 80% of India's online retail market, projected to reach $133 billion by 2025, driven by a doubling of online users.



- **Reliance's Path to the Top**

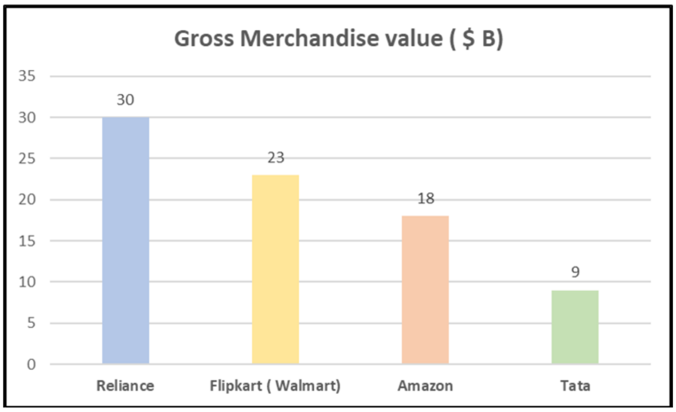
Reliance Retail, leveraging its extensive network of physical stores alongside Flipkart and Amazon, continues to lead India's e-commerce market—Reliance's comprehensive digital ecosystem and 'home field advantage' position it favorably for long-term dominance.

Reliance Industries has built a robust digital ecosystem in India, with Jio amassing 430 million mobile subscribers. The retail arm operates over 18,000 stores across India, and its digital presence continues to expand. Reliance's integrated offering makes it the only Indian player capable of competing head-to-head with global tech giants like Amazon and Walmart in e-commerce. Reliance has strategically acquired significant retail assets, including Metro Cash and Carry, and formed powerful partnerships, such as a substantial $5.7 billion investment from Meta into Jio Platforms Limited in 2020.'[29]



"Reliance is the only profitable business at 6-7% Ebitda while both Amazon & Flipkart are negative Ebitda. "Reliance Retail is deep in tier 2/3 markets with around 70% stores in those markets. That makes them ahead to dominate the market in future." [28]

E-commerce companies in India are currently focusing on acquiring scale, building loyalty offerings, expanding their total addressable market by going deeper into tier 2 and tier 3 markets, and increasing niche offerings in premium categories like beauty and personal care. According to Bernstein's report, Reliance seems to have an edge in the new frontiers of smaller towns and cities.



Reliance Retail currently leads in the total retail sector (offline plus online) with a Gross merchandise value (GMV) of $30 B largely due to its 18000 physical stores presence, Flipkart with $23 B GMV and Amazon's $18 B GMV. Reliance is currently number three, with an estimated $5.7 billion in e-commerce sales driven by attractive categories of fashion (Ajio) and JioMart (e-grocery). Reliance Industries is building the largest digital ecosystem in India. It's a disruptive playbook—integrating offline, online, and Prime makes it the strongest competitor to Amazon or Walmart. The below table shows the Amazon comparison with Flipkart and Reliance.

Metric	Flipkart/ Walmart	Amazon India	Reliance Retail / JioMart
Gross merchandise value (Sales/GMV)	~$23 Bn GMV	~$18-20 Bn GMV	~ $5.5 Bn Sales; ~32% of Reliance core retail sales
Number of products	150Mn+ products across 80+ categories	~170Mn products across 100+ categories	Not available for JioMart
Business model	3P marketplace (seller driven)	3P marketplace (seller driven)	1P (inventory led), 3P (kirana store end marketplace)
Sellers on the platform	~450,000	~700,000	~3 Mn merchant partner network for Digital commerce
Category mix	~35% mix is apparel/lifestyle	~55% mix is consumer electronics / smart phones	~80% is Grocery
O2O Platform	~8% stake in Aditya Birla Fashion	49% stake in More (Grocery)	Mix of kirana stores and Reliance smart; ~3-4k own stores
	~27% stake in Arvind Youth Brands	5% stake in Shoppers Stop; In talks to acquire Ecom express	
Private labels	MarQ, Perfect Homes,Smart Buy	Solimo, Amazon Basics, Symbol, Vedaka, Presto	Best Farms, GoodLife, Masti Oye, Kaffe, Enzo, Mopz, Expelz and Home One
Payments	PhonePe	Amazon Pay	JioPay, WhatsApp pay
Logistics	Inhouse (~80%)	Inhouse (~80%)	Reliance Logistics / Grab / Dunzo
	Ekart Logistics	Amazon transport services	
	~80 fulfillment centers	~60 fulfillment centers	

Source: Press reports, Company reports, Bernstein analysis

"The advantages of its retail network, mobile network, digital ecosystem and 'home field advantage' in a famously complex regulatory and operating environment means in the long term, it will likely claim the lion's share of the $133-billion-plus ecommerce marketplace," the report said.

Experts assert Reliance Retail-Jio is the best-positioned player in the rapidly growing e-commerce market. It boasts advantages such as a strong retail network, mobile network, digital ecosystem, and a deep understanding of the Indian regulatory environment. This positions it well to capture a significant share of the $133 billion e-commerce marketplace.

- **Entry of new niche players**

As India's e-commerce market transforms rapidly, new entrants like Nykaa, Meesho, Udaan, and DealShare alongside conglomerates like JioMart and Tata Digital, are leveling the playing field. Even the state-backed ONDC is entering the market, contributing to innovation and growth. The market is set to reach a remarkable $350 billion by 2030.

- **Amazon's repositioning Strategy**

To tackle heightened competition, Amazon India is repositioning itself as a one-stop shop for everyday needs. Amazon has launched a campaign, "Aaj Kya Khareeda?" to promote awareness of the full breadth of products available at the e-commerce giant. Running across TV, digital, OOH and social media, the campaign aims to position Amazon as an everyday shopping destination where consumers can buy everything they need. Amid growing competition from local platforms, Amazon aims to enhance its presence and maintain its position as the second-largest player in the rapidly evolving market.' [37]

"We want to simplify our customers life and be the shopping partner that helps you buy products from a wide selection spread numerous categories, get reliable delivery and customer care, thus leading to a delightful shopping experience." [37]

Conclusion

From April 2024, Amazon has decided to hike the sellers fees across product categories ranging from 10-30%. Such fees, charged from sellers for every item sold on the platform, are an important source of revenue for the ecommerce major.'[38]

As the battle for supremacy in India's e-commerce sector intensifies, the pivotal question that looms over Amazon is whether it can emerge as the dominant force in this challenging landscape, marked by regulatory hurdles and aggressive competitors, or if it will encounter the same fate as it did in China, where local players reign supreme. Only time will tell.

Can Amazon differentiate itself from the competition? Will it seize the opportunity presented by the growth of smaller towns, where it has yet to establish a significant presence? Amazon's journey in India serves as an inspiring example for businesses worldwide. It exemplifies adaptability, resilience, and the ability to innovate in the face of complex challenges. Whether Amazon can emerge victorious in this battle of giants is a question that holds significant implications for the broader e-commerce landscape in India, making this journey a story of enduring relevance and possibilities.

Emerging countries sometimes lack some of the infrastructure and services that our business relies on (e.g. payment methods, transportation services, and internet/ telecom infrastructure). Ultimately, we believe that this investment in serving a broader geographical footprint will allow us to help more customers across the world, as well as build a larger free cash flow-generating consumer business.- Andy Jassy President and Chief Executive Officer Amazon.com

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