

NAME : UNNATI LALIT JAIN

**SUBJECT : ENTERPRISE ANALYSIS & DESK
RESEARCH**

PRESENTED TO : PUJA GAVANDE MA'AM

COMPANY NAME : AMAZON



FOUNDER OF AMAZON

JEFF BEZOS



VISION & MISSION

amazon

Mission: We strive to offer our customers the lowest possible prices, the best available selection, and the utmost convenience.

Vision: To be Earth's most customer-centric company, where customers can find and discover anything they might want to buy online.

QUALITY POLICY

Amazon measures Order Defect Rate (ODR): the percentage of a seller's orders on which under 1% customers reported a problem with the product. Amazon sellers must keep their ODR below 1%. If a seller cannot maintain an ODR of less than 1%, Amazon may remove listings, limit the ability to list and sell, remove or dispose of inventory, and withhold payments.

Amazon places additional restrictions on certain products. These items may either be prohibited from being sold on Amazon, or be subject to specific requirements around labeling, condition or quality.

Restricted products that are not prohibited require approval. Amazon asks sellers to provide documentation proving that the product is safe, authentic and meets any requirements set by Amazon or by law.

MANAGEMENT STRUCTURE



FINANCIAL STRUCTURE

	Year Ended December 31,		
	2018	2019	2020
North America			
Net sales	\$ 141,366	\$ 170,773	\$ 236,282
Operating expenses	134,099	163,740	227,631
Operating income	<u>\$ 7,267</u>	<u>\$ 7,033</u>	<u>\$ 8,651</u>
International			
Net sales	\$ 65,866	\$ 74,723	\$ 104,412
Operating expenses	68,008	76,416	103,695
Operating income (loss)	<u>\$ (2,142)</u>	<u>\$ (1,693)</u>	<u>\$ 717</u>
AWS			
Net sales	\$ 25,655	\$ 35,026	\$ 45,370
Operating expenses	18,359	25,825	31,839
Operating income	<u>\$ 7,296</u>	<u>\$ 9,201</u>	<u>\$ 13,531</u>
Consolidated			
Net sales	\$ 232,887	\$ 280,522	\$ 386,064
Operating expenses	220,466	265,981	363,165
Operating income	12,421	14,541	22,899
Total non-operating income (expense)	(1,160)	(565)	1,279
Provision for income taxes	(1,197)	(2,374)	(2,863)
Equity-method investment activity, net of tax	9	(14)	16
Net income	<u>\$ 10,073</u>	<u>\$ 11,588</u>	<u>\$ 21,331</u>

CHALLENGES FACED DURING COVID 19

- Online retailers operating in India were forced to suspend operations hours after a 21-day nationwide stay-at-home order was announced March 24 due to a lack of clear guidelines and a mass exodus of employees in anticipation of lockdowns. Most of Amazon's more than 60 fulfillment centers across the country were reportedly shut for the first few days. In some states, delivery workers were not provided passes to make deliveries and some reportedly were even beaten by the local police for flouting the lockdown.
- By the time the confusion eased toward the end of March, e-commerce companies were staring at a huge backlog of deliveries, particularly for the essential items most sought after by consumers during the present crisis.

- Amazon called on the government to expand the list of essential items to include electronic goods, saying that the continuous shutdown of online sales could hurt consumers and small businesses operating on the platform.
- There were fewer than 1,000 active sellers left on Amazon India as of March 26 out of nearly 600,000 marketplace sellers on the platform after the company halted orders for nonessential items, according to e-commerce intelligence service Marketplace Pulse.
- Amazon-backed Cloudtail India, one of the largest sellers on Amazon's India marketplace, reportedly has delayed payments to brands and suppliers.
- "It's difficult to fulfill the loss in smartphones and fashion ... and too early talk about pent-up demand with the impact from job losses,"

SALES FORECASTING AT THE TIME OF COVID

- Amazon said its operating profit in the fourth quarter will be in the range of \$1 billion \$4.5 billion
- .
- Even by Amazon's standards, that's a wide gap and leaves a lot for investors to consider.
- The stock, which is up 74% this year, dipped in extended trading even though Amazon beat expectations for revenue and earnings.

SALES OF AMAZON DURING COVID

- With the pandemic shifting sales online and consumers flush with stimulus checks, Amazon on Thursday reported \$108.5 billion in sales in the first three months of the year, up 44 percent from a year earlier. It also posted \$8.1 billion in profit, an increase of 220 percent from the same period last year.
- The first-quarter results surpassed Wall Street's expectations. Shares were up as much as 5 percent in aftermarket trading.
- The most profitable parts of Amazon's retail business boomed. Revenue from merchants listing items on its website and using its warehouses was up 64 percent, to \$23.7 billion. Its "other" business segment, which is largely its lucrative advertising business, increased 77 percent, to almost \$7 billion.
- Amazon previously disclosed that 200 million people pay for Prime memberships, and subscription revenue for that service and others reached almost \$7.6 billion in the quarter. In addition to paying Amazon \$119 a year or \$12.99 a month for free shipping and other perks, households with Prime memberships typically spend \$3,000 a year on Amazon, more than twice what households without the membership spend, according to Morgan Stanley.

HOW AMAZON HELPED EMPLOYEES AT THE TIME OF COVID.

- Amazon provided more than \$2.5 billion in bonuses and incentives for our teams globally in 2020. Full details.
- Amazon established a \$25 million relief fund for partners, such as delivery drivers, and seasonal associates facing financial hardship or quarantine.
- Amazon has hosted more than 1,800 on-site vaccination events for front-line employees since March
- Amazon team creates a new face mask—donates their winning prize to research

THANK YOU.