

Amazon: From A Book Retailer to the Most Customer-Centric Company

In April 1, 2015, Amazon unveiled its latest innovation Amazon dash button in US. The gadget has the logo of some of the favorite brands/products and can be stick to flat surface. If a customer have run out of that particular brand or product the customer need to just push the button, the refill will be dispatched to his or her home. The customers felt it was a prank by the company. Company officials assured that it's functional and it's not for fooling people. "Yes, it is real," an Amazon spoke person said of the dash button.

Amazon: Evolution and History

Amazon was founded by Jeff Bezos in 1995 at Seattle, US which can serve as online platform for buying books. He believed that Internet could offer the convenience of browsing more book titles at a time. Amazon fulfilled orders of customers from 50 states and 45 countries within one month of its operation. The company focused on technological innovation to make it more customer-centric so that it can offer more types of products conveniently at the lowest price. In 1997, Amazon was listed in NASDAQ started trading under the "AMZN". During 1998, Amazon diversified into music and movies. It acquired Internet Movie Data base (IMDb). The first international sites for Amazon UK and Germany – Amazon.co.uk and Amazon.de were launched in 1998. In 1999, the company diversified into consumer electronics, toys and game stores. It also launched its marketplace to



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The case writer(s) Jayakrishnan.S, Assistant Professor - Marketing, may be reached at jayakrishnan@sdmimd.ac.in Author(s) have prepared this case as the basis for class discussion rather than to illustrate either effective or ineffective handling of the situation. This case is fictionalized and any resemblance to actual person or entities is coincidental. This publication may not be digitized, photocopied, or otherwise reproduced, posted, or transmitted, without the permission of SDMRCMS, SDMIMD, Mysore. For Teaching Notes please contact sdmrcms@sdmimd.ac.in.

allow third party merchants to sell their products in Amazon website during the year 2000. Amazon started programs such as Selling on Amazon, Fulfillment by Amazon, Amazon Web store, Checkout by Amazon which can help these retailers to reach consumers of Amazon.

In 2001, Amazon made a revolutionary move by introducing the look inside the book [™] and in store pick up. Amazon launched Amazon Web services (AWS) which provides cloud computing services to other companies in 2006. AWS helps the businesses to take advantage of Amazon's expertise and economies of scale to access resources when companies need them and deliver faster results at low costs. Amazon prime was launched in 2005 with the intention of free two-day shipping for an annual subscription fee of \$79. According to the company it has reached 20 million memberships in 2014. In 2006, Amazon Unbox [™], was launched which is a Digital Video Download Service which allow customers to instantly see videos on their laptops and tablets which was discontinued recently.

In 2007, Amazon introduced Kindle which is a portable reader which could wirelessly download books, magazines and newspaper which is having a high resolution electronic ink display that looks and reads like real paper. Kindle paper white was the most advanced e-reader with 62% more pixels, 25% more contrast and priced comparatively lower than iPad and other competing tablets.

Amazon launched Kindle 2, Kindle application for iPhone and iPod touch in 2009. It acquired Zappos.com during this year. In 2011, Amazon sold more books through Kindle than print books. It also announced the global roll out of Amazon virtual private cloud (Amazon VPC) during this year. Amazon launched its own advertising network to effectively reach its customers. Kindle Owner's lending library was another initiative that Amazon launched in 2011.

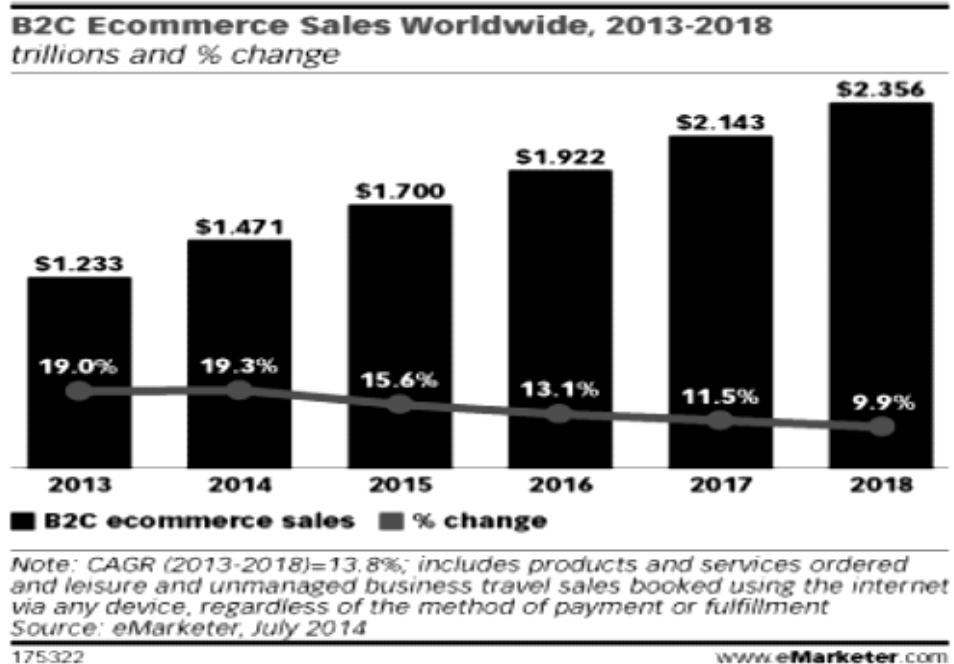
In 2012, up next a 3D mapping company was acquired by Amazon, so that they can compete with Apple and Google maps. It also opened portal for International mobile apps distribution in this year. Kindle Fire and Kindle Fire HD was updated Kindle reader which was launched

by Amazon in 2012. During this year its ad revenue generated from its network was around \$610 million. Amazon app shop was also launched in this year. One of the strategic moves made by Amazon was its entry into US whole sale and distribution market with Amazon supply which offered products from wholesalers and retailers.

Amazon launched Kindle Fire HD 8.9 version and new service Baby wish list during 2013. It also started Luggage shop and launched garden furniture under the name “strathwood” during this year. Amazon story builder was a new tool that was launched in this year which helps writers to build Movie and series outlines. In 2014, Amazon teamed with Samsung, Warner bros, Lions gate and others to pioneer 4K Ultra HD Experience for others. Amazon also launched Amazon Fire TV which made Netflix, Prime instant video(for Prime members) , Watch ESPN and others easy to watch in Big screen TV. Amazon coins were made available in US, UK and Germany for customers to buy, spend and earn on Android devices. It also introduced collective coins store in May 2014. Amazon Dash was introduced in April 2014, which made grocery shopping easy for consumers with Amazon Fresh in US. In June 2014, Amazon made another significant move by the launch of its smart phone Amazon Fire. The phone had unique features like 3D like images and fire fly button that could scan the environment for products and objects that are available for purchase in Amazon. Even though this smart phone could be the game changer for Amazon which is famed for its customer-centricity, but it could not create the desired impact among consumers. It also launched Prime now in December 2014 for its Prime members which ensured One hour Delivery for Daily essentials in US. In 2015, Amazon Dash button was launched for specific brands which made reordering process very easy by a simple press of the button.

E-commerce Industry: A Global Perspective

Business to Consumer (B2C) e-commerce sales is estimated at USD 1.471 Trillion and projected to grow at the rate of 15.6 % in 2015(emarketer,2014). But saturation of internet usage can slow down the growth over a period of time.



Globally, Western Europe, North America which includes US and Canada remains as leading region for ecommerce sales in 2014. If look at country wise US and China leading ecommerce markets with a combined sales of more than 55%. China is expected to emerge as one of the major ecommerce markets in 2018 with sales of USD 1 trillion accounting for more than 40% of global ecommerce. USA is expected to gain the second place with an ecommerce sale of USD 500 billion followed by UK with a quarter sales compared with US ecommerce sales. China and UK have a higher proportion of online to total retail sales compared with US which indicates higher e-commerce activities in these countries.

Asia pacific region is expected to surpass North American region by 2015-2016 period. Another important trend expected is the emergence of countries like India, Indonesia in enhancing the ecommerce sales in Asia pacific region. The shifting of larger population to online and

first time buyers is the major reason for growth of ecommerce in Asia-Pacific region. It's estimated that Asia Pacific region will have 47% of the digital buyers in 2014 even though they form 16.9% of the total population of that region. (E-marketer, 2014). Countries like Argentina, Mexico, Brazil, Russia, Italy and Canada are expected to contribute more to the growth of global ecommerce sales. The countries in Central and Eastern Europe, Latin America, Middle East and African regions where E-commerce penetration is very low compared with other regions.

B2C Ecommerce Sales Growth Worldwide, by Country, 2012-2017
% change

	2012	2013	2014	2015	2016	2017
China*	93.7%	78.5%	63.8%	43.3%	34.4%	29.4%
Indonesia	85.0%	71.3%	45.1%	37.2%	26.0%	22.0%
India**	35.9%	34.9%	31.5%	30.3%	24.5%	20.0%
Argentina	31.1%	6.3%	24.0%	18.0%	12.0%	10.0%
Mexico	55.8%	41.9%	20.0%	14.5%	10.0%	5.0%
Brazil	21.8%	16.5%	19.1%	8.5%	6.9%	6.0%
Russia	34.4%	19.4%	17.1%	10.8%	6.9%	5.2%
Italy	17.0%	16.8%	15.3%	13.5%	12.0%	10.6%
UK	14.5%	16.3%	14.2%	12.2%	9.2%	8.2%
Canada	15.0%	14.2%	14.0%	13.5%	12.5%	11.5%
Spain	10.0%	10.0%	13.8%	11.9%	10.0%	8.0%
Sweden	18.4%	16.2%	13.3%	10.3%	9.0%	8.4%
US***	14.2%	13.4%	11.8%	11.4%	10.9%	10.4%
Norway	14.9%	12.7%	11.0%	10.8%	8.1%	7.2%
Denmark	14.3%	12.4%	10.6%	8.9%	6.5%	5.9%
France	32.3%	10.3%	10.0%	9.8%	7.6%	7.1%
Netherlands	12.7%	11.4%	9.4%	8.4%	6.3%	5.3%
South Korea	12.7%	9.6%	7.4%	4.8%	4.3%	3.6%
Germany	25.6%	5.7%	7.4%	6.9%	6.5%	6.1%
Japan	12.3%	-10.2%	7.1%	6.7%	5.6%	5.0%
Australia	10.5%	6.0%	5.7%	5.1%	5.0%	4.2%
Finland	4.3%	4.4%	3.7%	3.2%	2.7%	2.5%
Worldwide	22.3%	18.3%	20.2%	17.7%	15.9%	14.8%

*Note: includes products and services ordered and leisure and unmanaged business travel sales booked using the internet via any device, regardless of the method of payment or fulfillment; *includes sales from businesses that occur over C2C platforms; excludes Hong Kong; **digital travel sales represent roughly 70% of B2C ecommerce sales; ***excludes event tickets*
Source: eMarketer, Jan 2014

Amazon and Global Ecommerce

Amazon continues to dominate the e-commerce sales globally with retail sales of USD 61 Billion in 2013. It emerged as the largest online retailer with its gross merchandise value (GMV) estimated at USD 140 billion of which USD 73.5 billion generated by third party sellers (Deloitte, 2015). It considered as a market disrupter whenever it enters a new category. Its expansion into online grocery under the name 'Amazon fresh' in Seattle has already changed dynamics of the online grocery industry in US. Amazon is one company which is leveraging technology to enhance customer experience. They already created convenient mobile experiences for the customers. Another area of focus area for Amazon is faster retailing with same day delivery in certain areas like US, Germany and Canada which is forcing other companies to follow it. They have introduced one day delivery in selected cities in India. They also started Prime Air service in which drones will deliver packages within 30 minutes in US. These interventions are going to change ecommerce industry in long run. Amazon is one of the companies who have invested in innovation labs to create technologies which can lead them to be more customer centric.

Online Grocery Retailing and Amazon

Online grocery sales estimated USD 36 Billion in 2013 and projected to reach USD 100 billion by 2018 (BCG, 2013). Online grocery shopping is growing at 20 to 50 percent in developed markets and will increase in other markets. It forms 3.3 % of the total grocery market in US, 5 % total grocery market in UK, 3 percent in France and 4 percent in South Korea in 2013. According to recent reports the US market are expected to grow at a rate of 13 % and projected to reach 11 percent by 2023. Amazon Fresh is on the expansion path with launching their operations in two cities –San Francisco and Los Angeles in 2013. Its online sales is not limited to fresh grocery but also other items ranging from toys, electronics to house hold goods. Company is following a methodical approach with the goal of expanding into more cities over time.

According to recent consumer study by AT Kearney, groceries are emerging as one of the categories preferred by consumers for online purchase. The global average is 45 % for online grocery purchase with promising trends across different countries.

Being Customer Centric – The Amazon Way

The Customer centric approach is the key to success of any business. In a competitive business environment success is determined by your understanding about the customer needs and expectations. Company needs to understand how, when and where to provide utility to customers. Companies like Amazon, Apple, and Google are some of the companies that have strong customer orientation. With the introduction of Amazon Kindle, Amazon changed the book reading habits of people. Over a period of time, the prime focus of Amazon was to emerge as the most customer-centric company in the globe by leveraging technology.

Amazon Dash is one of the innovative introductions made by Amazon to enhance the convenience of customers shopping from Amazon Fresh. Dash is a front end device which can revolutionise the way online grocery purchase is done through Amazon Fresh. Imagine the scenario in which the woman holding her baby want to order items, she's fumbling to take her smart phone out, then to scan the QR code, tapping on the screen and in case the sensor on the camera did not read the code clearly. This frustrating experience is replaced by Dash. It's easier. Sometimes a little easier in life can make a big difference. It's a small wand which has voice control and built in bar code reader that makes your ordering a simple affair even you are at home. If you want to buy a pineapple just hold the voice button and say 'pineapple'. If you want a branded product, you need to scan the bar code; brand will be added to your basket on Amazon Fresh and delivered at your door steps. This shows how Amazon is orienting its efforts to become the most customer-centric company.

Amazon Dash button is recently launched by Amazon. It was launched in April 2015 which has made shopping much easier for Amazon Prime

customers. It has 248 products with Dash button. Dash Button is simple to set up. Use the Amazon app on your smartphone to easily connect to your home Wi-Fi network and select the product you want to reorder with Dash Button. Once connected, a single press automatically places your order. Amazon sends an order alert to your phone, so it's easy to cancel if you change your mind. Unless you elect otherwise, Dash Button responds only to your first press until your order is delivered. It comes with a reusable adhesive and a hook so you can hang, stick, or place it right where you need it. The Dash Button is handy in the kitchen, bath and laundry or anywhere you store your favourite products. When you're running out of stock, simply press Dash Button and Amazon quickly delivers household favourites so you can skip the last-minute trip to the store.

By Amazon dash button, company had made another step to be close with the customer and to enhance the customer convenience. This is clearly a smart move by Amazon and advantage for brands in long run. It means more regular, repeat purchase, more loyalty and brand affinity in long run. But some of the major questions arises is how many people are going to prefer this sort of convenience? Whether shopping in retail outlets and online platforms is turning to be hectic, inconvenient and boring for consumers? Finally it will also sometimes bring the worst in the people by encouraging them to push the button only which may or may not happen. The company need to think that whether being too much consumer centric is sustainable in long run and the possible impacts on its business environment.

Consolidated Financial Statement

	Year Ended December 31,				
	2014	2013	2012	2011	2010
	(in millions, except per share data)				
Statements of Operations:					
Net sales	\$ 88,988	\$ 74,452	\$ 61,093	\$ 48,077	\$ 34,204
Income from operations	\$ 178	\$ 745	\$ 676	\$ 862	\$ 1,406
Net income (loss)	\$ (241)	\$ 274	\$ (39)	\$ 631	\$ 1,152
Basic earnings per share (1)	\$ (0.52)	\$ 0.60	\$ (0.09)	\$ 1.39	\$ 2.58
Diluted earnings per share (1)	\$ (0.52)	\$ 0.59	\$ (0.09)	\$ 1.37	\$ 2.53
Weighted average shares used in computation of earnings per share:					
Basic	462	457	453	453	447
Diluted	462	465	453	461	456
Statements of Cash Flows:					
Net cash provided by (used in) operating activities	\$ 6,842	\$ 5,475	\$ 4,180	\$ 3,905	\$ 3,495
Purchases of property and equipment, including internal-use software and website development	(4,895)	(3,444)	(3,785)	(1,811)	(979)
Free cash flow (2)	\$ 1,949	\$ 2,031	\$ 395	\$ 2,092	\$ 2,516
	December 31,				
	2014	2013	2012	2011	2010
	(in millions)				
Balance Sheets:					
Total assets	\$ 54,505	\$ 40,159	\$ 32,555	\$ 25,278	\$ 18,797
Total long-term obligations	\$ 15,675	\$ 7,433	\$ 5,361	\$ 2,625	\$ 1,561

Reference: www.Amazon.com –Annual report- 2014

AMAZON.COM, INC.
CONSOLIDATED BALANCE SHEETS
(in millions, except per share data)

		December 31,	
		2014	2013
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$	14,557	\$ 8,658
Marketable securities		2,859	3,789
Inventories		8,299	7,411
Accounts receivable, net and other		5,612	4,767
Total current assets		31,327	24,625
Property and equipment, net		16,967	10,949
Goodwill		3,319	2,655
Other assets		2,892	1,930
Total assets	\$	54,505	\$ 40,159
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>			
Current liabilities:			
Accounts payable	\$	16,459	\$ 15,133
Accrued expenses and other		9,807	6,688
Unearned revenue		1,823	1,159
Total current liabilities		28,089	22,980
Long-term debt		8,265	3,191
Other long-term liabilities		7,410	4,242
Commitments and contingencies (Note 8)			
Stockholders' equity:			
Preferred stock, \$0.01 par value:			
Authorized shares — 500			
Issued and outstanding shares — none		—	—
Common stock, \$0.01 par value:			
Authorized shares — 5,000			
Issued shares — 488 and 483			
Outstanding shares — 465 and 459		5	5
Treasury stock, at cost		(1,837)	(1,837)
Additional paid-in capital		11,135	9,573
Accumulated other comprehensive loss		(511)	(185)
Retained earnings		1,949	2,190
Total stockholders' equity		10,741	9,746
Total liabilities and stockholders' equity	\$	54,505	\$ 40,159

Reference: [www. Amazon .com](http://www.Amazon.com) –Annual report- 2014

AMAZON.COM, INC.
CONSOLIDATED BALANCE SHEETS
(in millions, except per share data)

	December 31,	
	2012	2011
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 8,084	\$ 5,269
Marketable securities	3,364	4,307
Inventories	6,031	4,992
Accounts receivable, net and other	3,364	2,571
Deferred tax assets	453	351
Total current assets	21,296	17,490
Property and equipment, net	7,060	4,417
Deferred tax assets	123	28
Goodwill	2,552	1,955
Other assets	1,524	1,388
Total assets	<u>\$32,555</u>	<u>\$25,278</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current liabilities:		
Accounts payable	\$13,318	\$11,145
Accrued expenses and other	5,684	3,751
Total current liabilities	19,002	14,896
Long-term debt	3,084	255
Other long-term liabilities	2,277	2,370
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.01 par value:		
Authorized shares — 500		
Issued and outstanding shares — none	—	—
Common stock, \$0.01 par value:		
Authorized shares — 5,000		
Issued shares — 478 and 473		
Outstanding shares — 454 and 455	5	5
Treasury stock, at cost	(1,837)	(877)
Additional paid-in capital	8,347	6,990
Accumulated other comprehensive loss	(239)	(316)
Retained earnings	1,916	1,955
Total stockholders' equity	<u>8,192</u>	<u>7,757</u>
Total liabilities and stockholders' equity	<u>\$32,555</u>	<u>\$25,278</u>

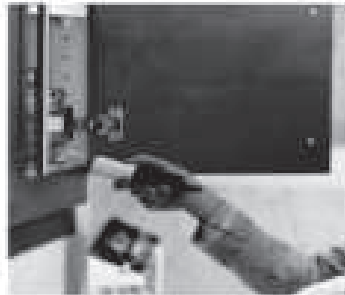
Reference: www.Amazon.com –Annual report- 2012

Amazon Debuts 'Dash' Stick for Scanning, Adding Groceries to AmazonFresh

BY DAVID MURPHY APRIL 3, 2014 01:07PM EST COMMENTS

For the 95% of you who can't benefit from Amazon's grocery delivery service, the company's new digital shopping assistant is a wee bit exciting.

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SMART



Making grocery lists isn't that difficult. Sometimes. For some — this writer included — it can be a bit of an agonizing experience that involves rooting through the pantry, crudely typing in a general sense of what one needs into a smartphone app, dragging one's phone out at the store and checking off items one-handed while trying to balance them in a basket, et cetera.

Amazon is looking to mix up the experience a bit with the unveiling of its new digital "magic wand," as it's been described. The tool, dubbed the

Amazon Dash, fits comfortably in one's normal-sized hand and comes with two little features that are designed to enhance the "buying stuff" experience — buying stuff on Amazon, that is.

A built-in barcode scanner and microphone allow one to quickly add items to an AmazonFresh shopping list, the company's delivery service currently in trial mode for shoppers in San Francisco, Los Angeles, and Seattle. Just to describe how that works — in case it's not quite apparent — two little buttons on the device engage its barcode-scanning and voice-recognition capabilities. The device itself connects up to one's home Wi-Fi network to enable the voice search and its put-items-on-list capabilities: You just have to talk, or point, your way to a brand-new shopping list.

"If you never had to type again on a phone that would be great," said Amazon's director of mobile shopping, Paul Cousineau, in an interview with Recode. "We want you to go from 'I want that' to 'I bought that' in 30 seconds or 10 seconds...a very short period of time."

Unfortunately, since the device currently only works in conjunction with an AmazonFresh list, that does limit its usefulness a bit. And, naturally, its test audience — those looking to get their hands on a Dash have to be current AmazonFresh members themselves, and Amazon is controlling the beta audience. If you don't have an exclusive invite code from the company, you don't get a chance to play around with the free (for now) Dash scanner/chatter.

It's a wee bit of a bummer, as we'd gladly pony up a small fee to have a more open device that could work in conjunction with the many, many list-tracking applications out there today. We wouldn't even mind if Amazon worked as the middleman — sending all scanned items to an interstitial webpage of sorts where one could elect to buy the goods of AmazonFresh or, for non-AmazonFresh shoppers, dump them out to a third-party list service.

Reference: <http://www.pcmag.com/article 2/0, 2817, PC Mag.com>
(April, 2014)

Mary Naborniak, USA TODAY 1:55 p.m. EDT April 2, 2015



(Photo: Amazon)

Amazon Dash doesn't make us lazy. It makes us smarter.

It's easy to mistake simplicity for laziness. The Wi-Fi-enabled Dash strips ([/story/tech/2015/03/31/amazon-dash-ordering-button/70747342/](http://story/tech/2015/03/31/amazon-dash-ordering-button/70747342/)) are about the size of a pack of gum and feature a brand logo, a single button and an adhesive strip to stick it where you'll use it. Plenty of people thought it was an April Fools' joke, but the more I think about it, the more I love it. We're getting closer and closer to the Jetsons' home, but this is a product that makes a lot of practical sense, instead of, say, a fridge that can tweet.

Parents, imagine changing a dirty diaper at 2 a.m. and realizing you're dangerously low on diapers. You may already use Amazon services to get a pallet (yep, buy enough of them, and they come in pallets) of diapers at regular intervals. But if you don't already subscribe, or you're going through them faster than you planned, all you have to do is hit the Dash button on the changing table when you notice there are only a few left, and they'll be on your doorstep in two days. No further thought or energy required.

Sure, it's not that hard to pull out your phone, open the Amazon app, search for the item, add it to your cart and check out — but that's already four more steps than simply pushing a single, physical button. And that's assuming you're already an Amazon member with your credit card information and address saved — if not, add "hunting down your wallet" to the list of steps. If you're not already an Amazon customer or ordering from another online service, you're headed for the store, a trip you might not have otherwise been making.

This is the beauty of simplicity, and automating more (mindless) daily tasks: It frees us up to spend our time and energy on other things that matter more. Like those kids who are responsible for the dirty diapers. Or, hey, take some time to simply stare out the window. How often do we really do that? It's good for us. Promise.

The cycle of buying, using, running out of, and re-buying can take a fair amount of energy. I have a running shopping list in Evernote that I share with my husband, and a mental inventory of how much we have of various things around the house at any given time. If I'm scooping the dog's food and notice we're going to need more soon, I have to remember to add that to the list the next time I'm looking at my phone or computer. Then, I may need to change the mental date that I have planned to go to the pet store, depending on how much food is left and how hungry my dog looks. That means I may be reorganizing my evenings or my weekend plans to fit an extra errand in, or asking my husband to do the same. More often than not, I'm staring at the shopping list, thinking, "I know I need to add something to this. What was it?"

Would I be happy to give up that brain space to something else? Absolutely — as long as it's to a service I trust. I already use Amazon to save me errand-running time after work and on weekends, when I want to be enjoying my life more, not burning through gas, fighting for parking and waiting in line at a big-box store.

This all beautifully illustrates the concept of "psychological barrier to entry." None of the tasks of ordering or buying diapers or dog food are particularly difficult, taken alone. But added together, they can make something feel so difficult that it simply doesn't get done. That's why good design follows the adage of "don't make me think (<http://www.amazon.com/Dont-Make-Think-Revisited-Usability/dp/0321965515>). " You could interpret that as lazy, or you could understand that we have a finite amount of brain power, and we're wired to do things that seem simpler.

With a Dash dog food button, the process changes to two steps: the thought, "we need more dog food," and pressing the button as I scoop it out. That's it! I'm back to throwing the ball for my dog.

There are 248 products on Amazon's Dash Button Products page (http://www.amazon.com/s/ref=sr_pg_1?srs=11267118011&rh=%3Aspecialty-aps&ie=UTF8&qid=1427847947), including dog food and diapers, as well as toilet paper, cleaning wipes, granola bars, sodas and moisturizers. Many of these products are ones we have particular brand affinities for and would be happy to not have to think about constantly assessing and acquiring, and they all tend to be things we really don't want to run out of. (We go through Lara bars in my house like they're going out of style. I would love to just have them, all the time, and never have to think about it again.)

The Dash button is clearly smart for Amazon and for the brands. It means more repeat, regular business that surely pays for the hardware many times over. It may mean more loyalty and brand affinity in the long run. I suspect it will also mean happier customers, who now have more brain space to do the things that matter. Like staring out the window.

Reference: [www. USAtoday.com](http://www.USAtoday.com) –April 2015

Retail Ecommerce Sales in Total Retail Sales in Selected Countries

Retail Ecommerce Sales as a Percent of Total Retail Sales in Select Countries, 2013-2018

	2013	2014	2015	2016	2017	2018
UK*	11.6%	13.0%	14.4%	15.6%	16.9%	18.0%
China**	8.3%	10.1%	12.0%	13.8%	15.5%	16.6%
Finland	9.2%	9.8%	10.4%	10.8%	11.2%	11.5%
Norway	8.8%	9.7%	10.7%	11.5%	12.1%	12.7%
South Korea	8.1%	9.0%	9.8%	10.5%	11.3%	12.0%
Denmark	7.7%	8.6%	9.3%	9.9%	10.4%	10.8%
Germany	6.1%	7.3%	8.4%	9.4%	10.4%	11.2%
US*	5.8%	6.5%	7.1%	7.7%	8.3%	8.9%
Canada	4.5%	5.2%	5.9%	6.6%	7.4%	8.2%
Japan	4.4%	4.9%	5.4%	5.8%	6.2%	6.7%
France	4.2%	4.6%	5.1%	5.4%	5.8%	6.2%
Netherlands	3.8%	4.3%	4.6%	4.9%	5.1%	5.3%
Australia	3.6%	4.1%	4.5%	4.9%	5.3%	5.6%
Spain	3.6%	4.1%	4.8%	5.4%	6.0%	6.5%
Brazil	3.4%	3.8%	4.1%	4.4%	4.6%	4.8%
Sweden	3.2%	3.5%	3.8%	4.1%	4.4%	4.6%
Russia	2.0%	2.2%	2.4%	2.6%	2.8%	3.0%
Italy	1.5%	1.7%	1.9%	2.1%	2.2%	2.3%
Argentina	1.3%	1.4%	1.6%	1.9%	2.2%	2.5%
Mexico	1.0%	1.2%	1.5%	1.9%	2.2%	2.6%
India	0.6%	0.7%	0.9%	1.1%	1.3%	1.4%
Indonesia	0.5%	0.6%	0.8%	1.0%	1.2%	1.4%

*Note: includes products or services ordered using the internet via any device, regardless of the method of payment or fulfillment; excludes travel and event tickets; *forecast from Sep 2014; **excludes Hong Kong*
Source: eMarketer, Dec 2014

AT Kearney Consumer Survey – Online Retail and Category Preference

Electronic goods, apparel, and books are among the most popular online categories

% respondents who say they have bought online in the past three months

	Global average	United States	United Kingdom	Germany	Japan	India	Brazil	Russia	China	South Africa	Nigeria
Electronics	77%	83%	84%	90%	53%	79%	86%	71%	96%	60%	65%
Home appliances	59%	46%	65%	58%	41%	67%	70%	62%	83%	41%	52%
Home furnishings	53%	56%	65%	66%	53%	59%	48%	43%	65%	34%	30%
Fashion and apparel	76%	87%	85%	88%	66%	84%	75%	64%	97%	47%	65%
Sports and outdoor	52%	56%	53%	66%	36%	52%	49%	51%	78%	35%	35%
Beauty products	57%	50%	56%	62%	48%	68%	59%	53%	85%	41%	45%
Household items	45%	36%	48%	40%	41%	60%	35%	36%	84%	31%	35%
Groceries	45%	26%	60%	36%	68%	52%	29%	31%	90%	31%	30%
Toys, kids, and babies	49%	48%	53%	49%	32%	61%	47%	44%	75%	38%	34%
Tickets	64%	74%	69%	63%	43%	79%	65%	51%	71%	69%	47%
Music and games	62%	74%	75%	66%	46%	65%	62%	43%	69%	64%	57%
Books	73%	82%	82%	80%	65%	70%	75%	52%	89%	64%	71%
Services	76%	80%	76%	77%	63%	82%	70%	63%	87%	79%	80%

>75% have bought the category online
 50%-75% have bought the category online
 <50% have bought the category online

Source: A.T. Kearney Connected Consumer Study

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