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Can Third-party sellers on Amazon rely on the platform as their only source of income

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Abstract

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The objective of this thesis is to determine whether Amazon.com vendors can rely on the platform as their only and primary source of income. As technology develops, so does e-commerce, and the prospect of opening a store on such a large platform with a large consumer base at a low cost appears to be very appealing to many. Is it as simple and profitable to establish a business on Amazon as it appears? The thesis will examine the challenges that vendors face, how it affects merchants selling on the platform, and whether they are willing to continue producing profit in the long run. Explaining how sellers can expand their companies on the platform and how extraordinary success may cause the platform to compete with its sellers and even attempt to harm their store reputation. Furthermore, examining the efficiency of Amazon's logistical service on third-party sellers by assisting in growing their businesses. A questionnaire was administered to a real third-party seller from several countries around the world to investigate the difficulties encountered in three areas: intense competition, cost issues, and policy control. Finally, the author discovers that third-party sellers must examine a variety of additional factors to maximize their earnings, and they must be aware of a variety of important factors in order to expand their sales and continue selling in the future.

Keywords: Amazon.com, Third-party sellers, Challenges

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Glossary

FBA Fulfilment by Amazon. "A service that Amazon provides to assist its sellers store, sell and ship their products from Amazon warehouses."

GMV Gross merchandise value. "The total number of sales made by a company over a specific time period."

1 Introduction

In 2018, third-party sellers made up 58% of Amazon's total sales in the physical merchandise category (Eadicicco, 2019). This statistic is testament of third-party seller's importance to Amazon's business model. However, the online retail space has become more competitive than ever and starting an online business on Amazon is no longer as attractive as it once was. The Amazon marketplace is a crowded platform and retailers face many challenges some of which include low margins, high shipping costs, and the need to build an audience first.

One of the biggest challenges for retailers on Amazon is that the margin on items can be very low. This makes it difficult for retailers to make a profit, and many end up closing down their businesses after only a few years. Amazon also has high shipping costs which make starting an online business on the platform challenging. This makes it difficult for retailers to compete with those who can ship their products faster. Another challenge for retailers on Amazon is that they need to build an audience first before they can start making money. For example, if a retailer only sells products that they have created themselves, then they will not be able to make money from Amazon until their audience grows large enough to support it.

Despite these challenges, there are still a number of retailers who have been successful on Amazon. For such retailers, their success can be attributed to the fact that Amazon has a strong customer service infrastructure. Amazon's customer service team is available 24/7 and they are known for being responsive to customers' needs. This makes it easy for third-party sellers to sell their products on Amazon.com and receive support if needed. Amazon also has a large marketplace. The marketplaces that third-party sellers use to sell their products (e.g. eBay, Alibaba, and Etsy) are not as large as Amazon's marketplace. This gives Amazon an advantage when it comes to finding new customers for third-party sellers' products. Amazon also has a strong brand

name. Third-party sellers know that they can sell their products on Amazon.com and they trust the quality of the products that are sold on Amazon.com. This makes it easier for third-party sellers to build up their customer base.

While Amazon.com is the dominant player in the third-party selling industry, there are a few things that third-party sellers can do to be successful on Amazon.com. These include selling products that are relevant to Amazon's customer base. Third-party sellers should try to sell products that are similar to the products that are sold on Amazon.com. This way, customers will feel comfortable buying these products from a third-party seller instead of purchasing products from Amazon.com directly.

Third-party retailers should sell products that are of high quality. Third-party sellers need to make sure that the products they sell are of high quality and meet the standards that Amazon expects from its products. If a third-party seller does not meet these standards, their products could be removed from Amazon.com Marketplace, and they would lose potential customers as a result. It is important for third-party sellers to build up a strong customer base before selling their products on Amazon.com. This way, they will have a larger pool of potential customers from which to sell their products.

Third-party retailers face significant risks, considering that Amazon entirely controls the cash flow, category restrictions, and excessive competition. It will be apparent that when an individual starts a business plan on Amazon, he will face fierce competition with other retailers, especially if they have a broader experience and already have loyal customers. As a small seller, when you think about the competition, you think about old, experienced competitors; however, in this case, multiple types of research have shown that Amazon's third-party retailers are worried about if Amazon decides to provide a competing product. "Their view is that the platform owners essentially run the platform as a lab, letting people innovate and compete against one another, and then cherry-pick the best products for themselves and capture the value" (Zhu and Liu, 2015)

Considering the challenges, starting an online business on Amazon may not be as attractive as it looks due to the many challenges that face retailers on the platform. This research explores whether amazon.com is enough to be the only source of income for small and third-party sellers. This is achieved by providing information related to the topic challenges, explaining how the sellers are entirely at Amazon.com mercy. All the data provided in this report are from research articles, people with experiences selling on Amazon, and relevant statistics. This study is important because it could help business owners make better decisions when it comes to selling products online. The study is also important because it could help Amazon.com better understand the needs of their third- party sellers.

2 Amazon Platform

Amazon.com is a multinational technology corporation recognized for electronic commerce, digital streaming, cloud computing, and artificial intelligence services (AI). The firm was started in 1994 as a bookselling website by Jeff Bezos; it has since stretched into a diversified electronic-market platform. Currently, Amazon offers millions of items at rock-bottom prices. At the moment, the firm is focusing on becoming a creative force and exploring new ideas to expand into various new areas. Leadership is considered the fundamental pillar of the organization based on strong ideologies. In this context, these ideologies include corporate social responsibility, whereby the company makes short-term sacrifices for long-term benefits. Amazon consider developing an interest in themselves and the people around them by constantly improving. As of the 13th July, 2020, the company's stock had risen by nearly 70% from the 23rd March 2020. Furthermore, Amazon accounts for \$160.47 billion of the projected \$3.5 trillion worth of the top five tech companies. (J. Flamand, Wisher, and Riley, 2020).

Seattle, Washington, is home to the company's headquarters. Initially focused on book sales, the firm has grown to include various consumer items, digital

media, and its technological tools. When Jeff Bezos created Amazon.com, he intended it to be completely inventory-free. However, the firm started storing items in its warehouses in 1997 to control delivery schedules better. At the start of the 21st century, the company introduced a sales platform on Amazon.com. The platform enabled small firms and individuals to trade their wares. By 2006, it had launched the Fulfillment by Amazon service, which monitored the firms' stock. In 2012, it acquired Kiva Systems for \$775 million, a robotics startup whose technologies ease inventory fulfillment obligations. (Hall, 2020).

Users of Amazon may purchase things directly from the platform or through third-party vendors via the website. Orders from Amazon are delivered through regular courier services all around the globe. There are three methods to utilize Amazon. The first is online shopping, which includes purchases from Amazon and its third-party vendors. Customers are more likely to find what they are searching for on the platform since it provides a large selection of things. The second method to utilize Amazon is to sell products. Amazon enables third-party sellers to build their shop and sell items on their website. Amazon is a marketplace and a maker of cutting-edge digital equipment and services, which is the third method. (Amazon. com,2021)

2.1 Third-party sellers on Amazon

Third-party vendors sell on Amazon while maintaining control over their items. Amazon retains a share of the proceeds from each sale. The sellers' products are subjected to an approval process by Amazon, with various rules for each category label. (Janger and Twerski, 2020).

In 2019, third-party merchants accounted for around 50% of Amazon's total revenue. Competition is becoming challenging as the number of new sellers joining the marketplace grows yearly. As a seller, you need a competitive advantage to stand out and claim your piece of the pie.

Amazon marketplaces have added 3.3 million new sellers since the 1st of January, 2017, averaging 3,718 new merchants each day! More than half of all new vendors come from the United States, the United Kingdom, and India. One million new vendors entered the US market, followed by 400,000 new dealers in India and around 300,000 new sellers in the United Kingdom. (Dunne, 2020)

To sell on Amazon, you must first register with Amazon Seller Center. Amazon offers two sales programs. The first is an individual, whereas the second is a professional. As a seller, you must first decide your selling technique. Regular plans cost \$0.99 per sale, while premium plans cost \$39.99 per month. Choosing the latter allows you to sell unlimited items for the same monthly fee. When choosing a strategy, keep in mind the following: Package No. 1: Choose this option if you sell less than 40 things per month or are unsure what to sell. And you are not planning to expand your store. Choose the professional strategy when you intend to sell over 40 items and have the desire to work hard on the store by promoting the items, qualifying for top placement in a specific category, and using specialized resources. (Voelker, 2015)

2.2 Amazon Logistics-FBA

For e-commerce to succeed, effective and efficient logistics must be in place. Consumers are more likely to make an online purchase if the transaction is enhanced by a well-designed logistics system that lowers processing, storage, and shipping costs. According to recent surveys, as many as 93% of purchasers feel that delivery alternatives have a substantial impact on their whole shopping experience (PitneyBowes 2015).

Last-mile delivery fleets and air cargo hubs have been a significant investment in Amazon's logistics infrastructure during the last several years. This investment has resulted in the expansion of same-day, one-hour, and Sunday delivery to more and more locations throughout the United States. It is not only shipping that matters when it comes to internet buying. Customers may either

use; Amazon's free return shipping labels to return items and get a rapid refund, or they can return the items to one of Amazon's local partner shops for a complete reimbursement. As a result of Amazon's rapid and hassle-free return procedures, online shoppers have a greater sense of trust in their purchases. The "Fulfillment by Amazon" (FBA) project enables third-party merchants to leverage Amazon's superior logistical infrastructure, despite this allowing third-party users to compete directly with the company. As part of Amazon's FBA program, third-party sellers may keep their items in Amazon fulfillment centers; when an order is placed, Amazon fulfills the purchase, provides customer service, and manages any returns (Cusack, 2016). Third-party sellers may gain significantly from Amazon's FBA program, which charges for storage and shipping and provides them with access to Amazon's better logistics system and huge distribution network. Nearly half of Amazon shoppers say they would not purchase from businesses that do not utilize Amazon Fulfillment (FBA). (Lai, Liu, and Xiao, 2018)

In other words, by enrolling in the FBA program, items "sold by third-party sellers" may compete with items "sold by Amazon " in terms of reverse logistics and delivery services. (Lai, Liu, and Xiao, 2018).

3 Challenges for Third-party & Small Sellers

3.1 Amazon competition

Third-party merchants face a slew of issues, including cash flow, Amazon's control, category limits, and overwhelming competition, to name a few. An individual's Amazon business strategy will encounter tough competition from other sellers, particularly if they have a broader client base and an established reputation.

Amazon regulates all goods sales done through the platform. When a consumer searches for a product on Amazon, the website displays a list of available items

and sellers in a specified order, making it easier for buyers to find the specific order they want. The display ensures that the buyer obtains a variety of related information; these search results have been carefully curated. However, not all vendors are treated equally, and the process is not always what it seems to be. Amazon is considering various approaches to influencing what customers see on its site. Sponsored items, Amazon Choice, Bestsellers, Amazon Prime, and keyword bids are just a few of the options. (Janger and Twerski, 2020).

Regardless of how things are advertised on the Amazon website, Amazon keeps track of, operates, and holds all of the inventory they sell. Customers may expect Amazon to have an active part in either fulfilling (selling) or ensuring that the sale of such items does not damage the Amazon brand. Amazon has rules for sellers who want to list their products there. Amazon permits third-party merchants to sell their items on the site, and allows them to maintain ownership of their goods. Amazon receives a percentage of every sale. Using a method where each category mark has different standards, Amazon ensures that all third-party products are certified. (Janger and Twerski, 2020).

As an unestablished third-party seller, you must realize that Amazon will always put the consumer first when selling on Amazon, and you must understand that. You must also agree to the company's evaluation of its sellers. Even if it looks unjust or illogical, it is their playground. Accepting their laws and adapting to them is preferable to leaving before you are pushed out or leaving before you are forced out (Winn, 2016). Furthermore, Amazon determines whether products can be marketed and sold directly to customers on the platform. However, this is highly disadvantageous to Amazon since it earns revenue from sellers and their customers' transactions. Amazon is also known for sacrificing earnings to achieve long-term development. The company allows for connections with third-party merchants rather than directly competing for their market, hence, risking competitors like eBay or Wal-Mart from acquiring them. (Nasdaq, 2014)

3.2 Cash Flow

Third-party merchants are paid twice a month by Amazon. However, the seller will have to invest in inventory before profiting from the sales. Many Chinese contracted manufacturers create inventory (especially private label brands) for suppliers. Before beginning manufacturing, these companies often demand a down payment of around 25% of the total cost of the items. There may be a delay of up to a month, depending on the manufacturer and requested amount. Vendors pay the remaining amount for inventory and shipping when the products are finished and delivered to them. Shipping might take place between a few days and many months, depending on the manner of transportation. If this holds for your purchases, you may have to wait many months to be paid as a merchant. With just one product, this could be challenging, but it becomes much more so with a wide range of items. Expanding your brand and launching new items is challenging when there is no cash flow from the new products. For many Amazon sellers, cash flow is one of the most pressing challenges they will ever have to deal with (this can apply to other eCommerce businesses as well). Maintaining financial reserves in case of an inventory buy is necessary, even when you seem to be making a lot of money on paper. Vendors should put aside more money to ensure that they have enough inventory to match increasing sales over the Christmas season and other seasonal peaks. Sellers must, of course, consider interest payments when using a line of credit. New sellers may also find it challenging to get a line of credit because of their inexperience. (Andre, 2020)

3.3 Category Restrictions

Amazon has been more selective in approving third-party suppliers to offer items in certain categories. This strategy is mainly for the benefit of consumers and to reduce the number of counterfeit goods being offered on the market. Getting clearance to sell in specific categories may be a real challenge for small businesses. A buyer may be required to purchase merchandise to receive the

necessary Amazon selling documents in some instances. In this context, if Amazon does not approve the seller, the seller will not sell his products since he will be required to pay for inventory. (Thomson and Hansen, 2017)

3.4 Completely at Amazon's Mercy

Amazon has complete control over third-party merchants. Amazon allows vendors to meet millions of buyers in a short amount of time, yet Amazon still has tremendous power over third-party retailers. Amazon has the power to suspend your seller account if they believe you have broken their rules. Of course, the vast majority of seller bans are justifiable and serve the interests of all parties involved (Amazon, customers, and legal third-party sellers). An honest error or complete ignorance of what they have done might result in a ban for a vendor. Your market will come to an end if Amazon suspends your account. (Andre, 2020).

In a recent Feedvisor research consisting of 1,200 third-party sellers, retailers are becoming more apprehensive about Amazon competing directly with them. According to the Amazon seller consulting business, this competition with the company had been a more serious discussion in the previous two years. According to Feedvisor, Amazon's competition was the third-most significant concern for sellers last year and has jumped to the top this year. Furthermore, merchants have expressed concerns to BuzzFeed News that Amazon may utilize its market platform to test sales of new products before offering equivalent or similar products at a price cheaper than that third-party merchants may provide. One merchant said his iPhone cable sales decreased once Amazon introduced its own Amazon Basics version. The items sold for a lesser price than his quoted price, and "Amazon's product," in contrast to his, received hundreds of complaints from buyers alleging that the cable overheated or caught fire. Nonetheless, it is the "#1 Best Seller" in the lightning cable category on the platform. "Even the word 'fire' would result in the suspension of my listing," stated the vendor, who sought anonymity. "I'm not sure how such a

large number of individuals are leaving these reviews without their getting detected." (Miranda, 2018)

In response to these allegations, the company told BuzzFeed News that it is the companies policy that safety concerns are taken seriously and that especially "own private brands are no exception, and Amazon Basics goods must adhere to the same safety standards as any products on our site." "As is the case with the majority of huge retailers, some of the items we supply are private label," the firm responded to BuzzFeed News. "While we strive to provide private-label items that are equivalent to or better than branded alternatives, we enable consumers to choose brands and products based on pricing, rating, and review information for all products in our shop." (Miranda, 2018)

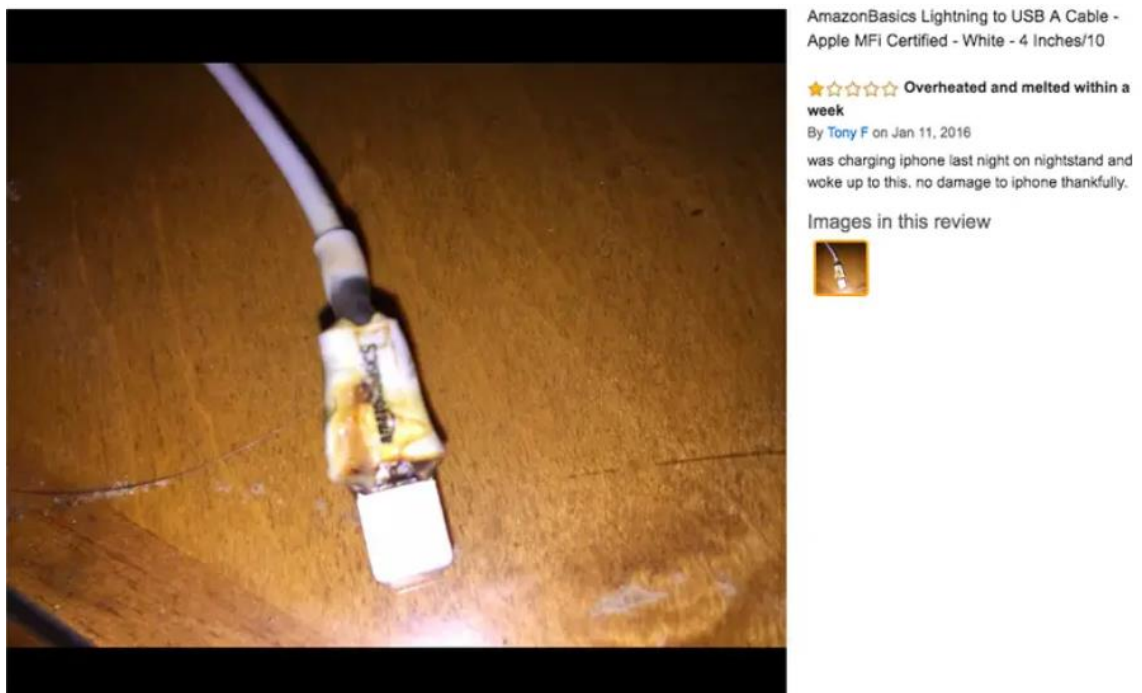


Figure 1. Customers reviews on Amazon bestseller (Amazon.com)

Customers may find a product they are interested in purchasing on Amazon by searching the site. The sequence in which Amazon delivers search results is consistent even when looking for a generic product. These search results are meticulously created so that the customer obtains a wide range of relevant

information at their disposal. However, not all vendors are treated similarly, and this information is not always what it seems (Janger and Twerski, 2020).

3.5 Products Sponsored

When it comes to attracting new consumers, sponsorship is the best way to gain their attention by purchasing product placement. Amazon does not advocate any of its items based on an opinion or research. "Sponsored" bids are displayed at the top of search results for a particular product category. An open bidding procedure determines the value of sponsorship and the price it fetches. If you are a seller, you are responsible for paying Amazon to display your products so that they are more appealing to buyers. Even though the product is marked as "sponsored," no explanation is provided to the customer as to what that product entails. The client will not realize that the sponsors pay Amazon to prioritize their goods until they undertake a large amount of research. (Clark, 2015)

Amazon Choice

Amazon has designated several products as "Amazon's Choice" Products. Those that have excelled across all of Amazon's competitive parameters have been awarded this seal of approval. When deciding "Amazon's Choice," the most important factors that are considered include the selling price, feedback score, and the number of units sold. The "Amazon's Choice" distinction is reserved for products that receive a high score in any of the following categories: When it comes to a business's customer service and return policies, Amazon exerts a significant amount of control on it (Janger and Twerski, 2020).

3.5.1 Amazon Best Seller

Amazon uses an algorithm to select which merchants get the "Best Seller" label by comparing a seller's number of units sold in a product category to several other factors. Sales are expected to rise as a consequence of Amazon's

sponsorship and Amazon's support for "Best Seller" status, on the other hand. (Johnson, 2019)

3.5.2 Amazon Shelf

Amazon Prime is a strategy for goods to receive more attention on the 'shelf' by being labeled "Amazon Prime." "Keyword bids" are also another technique for controlling "shelf space." Sellers compete for particular keywords, and then if they win, those phrases will show results for searches including their items. If, for example, a toothbrush maker gets the keywords "dental" or even "hygiene," searches for those phrases will return results with their product at the top of the result. By using this technique, Amazon may improve its income by preferring one seller over another. (Janger and Twerski, 2020).

4 Intelligent Assistants

Amazon Alexa, the company's cloud-based speech system, uses Evi's technology. Amazon purchased Evi, a voice assistant established in 2012 as a rival to Apple's Siri. Initially, it was the intention of the company to adapt Evi's technology to create a book reader that was AI-powered. However, Amazon adapted the technology to create the Alexa-enabled Amazon Echo Smart-speaker, released in late 2014. The Alexa Skills Kit (ASK), a collection of self-service APIs and tools that allow third-party developers to construct new Alexa skills, was launched by Amazon in the following year. Because of this open platform strategy, Alexa's skills increased from 5,000 in 2016 to over 25,000 in 2017, outpacing even its closest competitors. In 2018, only the Amazon Fire, HTC U11, and Essential phones had Alexa. It is featured in both IOS and Android apps. Alexa was also accessible in more than 80 countries and four languages. (B. Yoffie et al., 2018)

5 Amazon VS Different eCommerce Platforms

5.1 Amazon versus eBay

Amazon's biggest rival in the e-commerce market is eBay. As an e-commerce platform founded by Pierre Omidyar in 1995, eBay Inc. is located in San Jose, California. Business-to-business and business-to-consumer transactions are both made more accessible by the company's website. eBay's online marketplace has grown from modest origins into a household brand. In eBay's online marketplace, people and companies alike may buy and sell a wide variety of products. The website is free for buyers, but after a certain number of free listings, sellers must pay a fee for each item sold. Every day, eBay handles thousands of transactions. With a 6.1% profit share, eBay is the second-biggest e-commerce company in the US. (Farooq, 2019)

A record-breaking \$160 billion in merchandise was sold by third-party sellers on Amazon's marketplace in 2018, surpassing eBay's (NASDAQ: EBAY) \$95 billion in gross product sales. Amazon's gross sales volume via third parties has increased by around \$95 billion in the last four years. This increase is a surprising development.

Amazon has also added eBay to its business platform. As a result, the gross merchandise volume on eBay has been stagnant for the last several months. Over the last four years, Amazon's third-party sales have expanded at a compound annual growth rate of roughly 25%. eBay's online marketplace has been thwarted by Amazon, which has wholly monopolized third-party selling.

Amazon has invested a lot of time and money into making its online shopping experience the best it can be. Prime has been Amazon's key focus area since it provides two-day shipping on more than 100 million items from Amazon's marketplace for a yearly subscription of \$119. (There are several more advantages to becoming a member of Amazon's Prime program). Amazon's

Prime program has more than 100 million subscribers worldwide. Each of eBay's 179 million active customers spent an average of \$530 in 2018. A similar amount would be spent in the United States by non-Prime members. According to Consumer Intelligence Research Partners, non-members paid an average of \$600 per year in 2017. There is little doubt about the program's efficacy, given that US Prime members spend more than twice as much (\$1,400). Third-party firms may now profit from Amazon's Fulfillment by Amazon (FBA) program. Retailers in Amazon's marketplace may utilize the FBA program to store and distribute their products for a modest fee. The program benefits suppliers and provides consumers with a sense of security that their purchases will arrive on time and in good condition. Despite Amazon's massive warehouse and delivery infrastructure investments, the long-term outcomes are difficult to blame. Compared to eBay, which has struggled to recruit merchants, this is especially true. Instead of assisting merchants in selling more easily, eBay has raised the pressure on suppliers to fulfill order requirements more swiftly. While this is a low-capital strategy for eBay, it hasn't resulted in significant capital gains for stockholders (Levy, 2019).

5.2 Amazon versus Alibaba

In the mid-1990s, Amazon was the first, and Alibaba was the second to join the online retail giants club in 1999. It was just a matter of time until both Amazon and Alibaba seized control of the ecommerce market. There seems to be no difference between Amazon and Alibaba from a customer's perspective.

Marketplaces like this help retailers and sellers find new customers. There are slight differences between the various approaches in terms of how they go about it and where they focus their energies and resources. Through its Taobao platform, Alibaba operates more like eBay (EBAY), where buyers and sellers engage directly.

In contrast, Amazon sells directly to consumers. With the launch of Alipay and Amazon's Alexa device, both companies have branched out into new

businesses. Alibaba, meantime, has launched its financial services section. Amazon has a far higher market share than Alibaba. The \$1.5 trillion market value of Amazon dwarfs the \$640+ billion market capitalization of Alibaba. The disparity is more significant when revenue is included: Both Amazon and Alibaba announced quarterly revenues of \$126 billion and \$34 billion, respectively, in the most recent quarter (Financhill, 2021)

Compared to Alibaba's pricing, Amazon's are more expensive. Profits made in that quarter of \$4 billion will be reinvested to help alleviate the COVID-19 epidemic's challenges, as well as to ensure the safety of Amazon's customers and staff. Many businesses do not make that kind of a significant investment. A genuine desire to play the long game is rewarded by investors' faith and loyalty, which is eventually reflected in the company's share price. As a result, Amazon is becoming a more diverse and successful company. Again, this is a factor that might artificially inflate the stock's value above its true value. Alibaba's business model, on the other hand, maybe deemed more vulnerable than Amazon's. In contrast to Amazon, which relies on subscription sales to generate a large percentage of its revenue, Alibaba has yet to develop its approach or strategy. (Financhill, 2021)

5.3 Amazon versus Walmart

Compared to Walmart, Amazon is the industry leader of the e-commerce space. The company's market capitalization is more than twice that of Walmart, and it dominates the online retail space. In 2017, Amazon accounted for nearly half of all online retail sales in the United States (Thomas, 2018). Nevertheless Walmart is still a major player in the retail world. Walmart generated over \$500 billion in revenue in 2020 (Walmart Inc., 2021).

Despite its smaller size, Walmart has a number of advantages over Amazon. First, Walmart has a wider range of products than Amazon. Second, Walmart is better equipped to compete against online rivals such as Target and Costco.

Finally, Walmart offers lower prices on items than Amazon does. Overall, these two companies are very different. While Amazon is the overwhelmingly dominant player in the ecommerce space, Walmart is still a major player in the retail world.

There are a few keyways in which Amazon and Walmart differ in terms of their business. First, Amazon is a much larger company in terms of revenue. This is largely due to the fact that Amazon sells a wider range of products than Walmart, including digital products and services.

Furthermore, Amazon is known for its customer service excellence, while Walmart lags behind in this area. Amazon has been rated as the best company to work for by Forbes magazine multiple times, while Walmart has never been ranked in the top 10 companies for employee satisfaction by any statistic-based survey. (Walmart Inc., 2021). Overall, Amazon is a much more successful company than Walmart. It has a wider range of products, is more profitable, and is known for its excellent customer service.

5.4 Amazon versus Otto

Otto is one of the major e-commerce platforms in Europe. There are many ways in which Amazon is different from Otto. For example, Amazon is a public company, whereas Otto is a privately-owned company. Amazon also has a much larger market capitalization than Otto. Additionally, Amazon has a much broader product offering than Otto, and Amazon has a much larger international presence than Otto. Finally, Amazon is a much more mature company than Otto. Amazon was founded in 1994, while Otto was founded in 2009. As a result, Amazon has a much more developed business model and a much larger customer base. Overall, these differences make Amazon a much more formidable competitor to Otto than Otto is to Amazon.

Amazon competes with Otto by offering a wider range of products and services than Otto does (Donici et al., 2012). Amazon also offers a wider range of

payment options than Otto does, and it has a much larger customer base than Otto. Additionally, Amazon has more developed marketing capabilities than Otto does. As a result, Amazon is able to compete more effectively with Otto than Otto can compete with Amazon.

When it comes to prices, Amazon is the clear winner. This can be attributed to the cost leadership strategy that Amazon employs (Sharma, 2020). Otto, on the other hand, tends to have more expensive items than Amazon. However, their selection is much broader, and they often have exclusive deals that Amazon does not offer. When it comes to shipping, both companies are excellent. They will ship your order quickly and without any inconveniences.

5.5 Amazon versus Flipkart

Amazon is the leader in India's online retail space. The company has been operating in India since 2013 and has been growing at a fast pace. In contrast, Flipkart, which is the second largest online retailer in India, has been around for much longer, since 2007. However, Flipkart has been struggling in recent years to keep up with Amazon's growth (Camhi, 2017).

Some of the reasons for Amazon's success in India is its aggressive pricing and advertising strategy, customization and, innovation (Vidwans, 2022). The company has developed a strong reputation for offering low prices on a wide range of products. This strategy has allowed Amazon to build a considerably large market share in India.

On the other hand, Flipkart has been more focused on building its own brand. The company has made a strong effort to improve the customer experience by offering a wide range of exclusive products, including exclusive deals offered only on Flipkart.

Amazon offers a wider selection of products, including products that are not available on Flipkart. When it comes to delivery times, Amazon delivery orders

within two days in most cases, while Flipkart takes about five days to deliver orders. In terms of product selection, both Amazon and Flipkart have a wide range of products available. However, Amazon has a greater variety of high-quality products than Flipkart.

Amazon.com has several strengths that Flipkart.com should be aware of. First, Amazon.com has a very strong brand that is well-recognized and trusted by consumers (Davis, 2016). Second, Amazon.com has a large customer base that is highly engaged with the company. This engagement leads to high levels of loyalty and repeat business, which are important factors in a competitive market. Amazon.com also has a strong e-commerce platform that allows it to compete head-on with traditional retailers.

On the other hand, Flipkart.com has several weaknesses that Amazon.com can exploit. First, Flipkart.com does not have as strong a brand as Amazon.com does and is not as well-known among consumers. This may make it difficult for Flipkart.com to compete for market share. Second, Flipkart.com does not have as large a customer base as Amazon.com does, which limits its ability to generate high levels of loyalty and repeat business. Additionally, Flipkart.com does not have a strong e-commerce platform, so it is at a disadvantage when competing against companies that do have such platforms.

6 The future of third-party sellers on Amazon

It is no surprise that amazon.com is a major force in the world of ecommerce. Amazon is the world's biggest online retailer, with \$386.06 billion in sales in 2020, including \$104.41 billion in overseas revenue (eDesk, 2022). Figure 2 below shows the company's revenue growth since 2004.

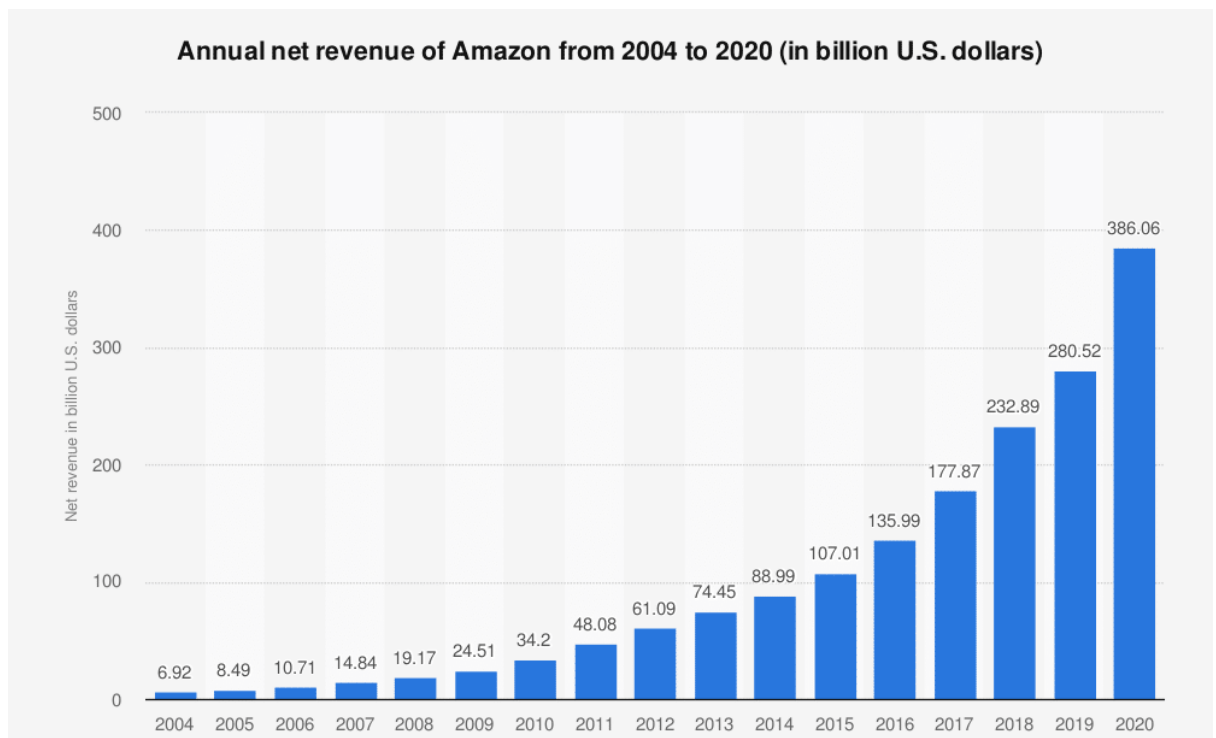


Figure 2. Amazon's yearly net revenues 2004-2020 (Statista, 2021)

Third-party retailers on Amazon face severe competition. There are critical Amazon third-party seller data that provide light on their future prospects in the business. In 2021, independent firms selling on Amazon increased their sales by more than 50% over the previous year. In 2021, small and medium scale enterprises in the United States sold approximately one billion goods via Amazon's marketplace (Danziger, 2021). In addition, 62% of Amazon's gross merchandise value is generated by third-party vendors (GMV). Over half of Amazon's gross revenues are generated by third-party vendors. Analysts have calculated that Amazon's GMV is around \$490 billion in total, with approximately \$300 billion coming from third-party vendors (Danziger, 2021). According to

research, selling fees account for 15% of the \$300 billion, or \$45 billion. Another 10% comes from Amazon fulfilment, and another 15% comes from advertising (Danziger, 2021).

Between January 2017 and 2019, 3.3 million new vendors had joined Amazon platform globally. This data indicates that since 2017, Amazon had added 3,718 new vendors each day. Over a million new merchants entered the United States marketplace, followed by India, which added 400,000 new sellers, and the United Kingdom, which added roughly 300,000 new sellers (Kaziukėnas, 2019).



Figure 3. New Amazon Third Party sellers 2017-2019 (Kaziukėnas, 2019)

By 2021, Amazon's marketplace had 6.3 million vendors globally. Only 1.5 million of the 6.3 million vendors were active (Kaziukėnas, 2019). The remainder no longer have items available for purchase. The majority of sellers enter Amazon with the hope of quick success but lack the tenacity necessary to continue developing their companies.

In 2017, over 140,000 third-party merchants earned more than \$100,000 in yearly revenue. Amazon Handmade grew, now giving consumers over one million handmade goods in all 50 United States and over 60 countries (eDesk, 2022). Home and Kitchen is the most popular Amazon category, accounting for 40% of sales, trailed by Sports and outdoors at 21% (Connolly, 2021). Toys, gaming, cosmetics, and personal care products each account for 19 percent of sales. Profit margins average between 17% and 26% for the majority of

Amazon merchants, depending on the specific category (Connolly, 2021). Profit margins vary significantly based on the costs associated with obtaining a product and the price at which it may be sold.

Computers are the most lucrative product at 28%, followed by computer games and handcrafted goods at 26% apiece. Books are also profitable on Amazon, with a 25% profit margin (Connolly, 2021). Other categories include games and apps, CDs and vinyl at 24% each, pet supplies, home and kitchen, cosmetics and personal care, and kitchen and eating each at 23% (Connolly, 2021). Luggage and traveling gear are the most lucrative goods on Amazon, accounting for 22% of total income.

In an effort to remain competitive, Amazon has been making changes to its selling platform, which has resulted in third-party sellers losing traffic and sales. The future of third-party sellers on Amazon is becoming increasingly uncertain as Amazon continues to expand its own product offerings (Palmer, 2021). Third-party sellers account for about half of Amazon's sales, but that percentage is likely to decline as Amazon ramps up its own sales efforts (Danziger, 2021).

Third-party sellers have already been affected by Amazon's expanding product offerings. Amazon began offering its own branded items in the past few years, ranging from Amazon Basics and Essentials to apparel labels such as Goodthreads. Amazon owns all data on vendors, sales prices, items, and suppliers and has been accused of taking information from third-party sellers in order to compete more effectively on their own marketplace (Moumjian, 2020). Amazon also offers its own shipping and logistics services, which are likely to reduce the amount of money that third-party sellers make from shipping goods. In addition, Amazon is increasingly making it difficult for third-party sellers to operate on its platform. For example, Amazon has increased the minimum order size for third-party sellers and is introducing new fees for selling on its platform. All of these factors are likely to lead to a decline in the number of third-party sellers on Amazon.

Third-party sellers on Amazon are facing several challenges in the current market. In order to remain visible to shoppers, sellers are required to have a high product ranking, which is determined by Amazon's algorithm. However, due to Amazon's recent changes, it is becoming more difficult for third-party sellers to maintain a high ranking as the company places more emphasis on new product introductions and sales volume.

Despite these challenges, there are still opportunities for third-party sellers on Amazon. For example, they can focus on selling products that are not available through Amazon itself. Additionally, they can develop partnerships with other retailers and promote their products through those channels. Despite these opportunities, it is unclear whether or not third-party sellers will be able to maintain their presence on Amazon in the future.

While the future of third-party sellers on Amazon is uncertain, there are still opportunities for those who are willing to adapt and compete. However, it will likely be difficult for them to compete against larger companies like Amazon. Overall, the future of online shopping remains positive, but smaller businesses may face some challenges as technology continues to evolve.

7 Secondary Data

Amazon.com is the primary source of revenue in this research to see whether it is sufficient for third-party vendors. In the end, this research measured Amazon third-party sellers' revenue, costs, and regulations or policies and analysed their consequences using a questionnaire. Consequently, this study's research questions were generated by the researcher. Reliability, descriptive, correlational, and regression analyses are all possible using IBM SPSS statistics software. Data collecting methods, data analysis plans, and research ethics are all covered in this part. The demographic, sample size, and data gathering sources are all discussed in this section.

7.1 Research Setting and Design

The research participants must adhere to the following mandates to become valid participants. These include the following: must agree to participate in the study and provide consent; must be a third-party seller; must have a functioning computer with internet access; and submit their unbiased responses electronically (through the link). The researcher recruited respondents via an anonymous link, and the survey gathered demographic data and information on the income, cost, and policy factors affecting Amazon third-party sellers. To find the answers to the research questions, data were collected from an unknown population of third-party sellers. The researcher distributed a link to the survey to all eligible participants. The researcher initially solicited responses to five biographical questions. The researcher also posed 23 questions about income, costs, and regulations. This questionnaire will assist in determining whether or not Amazon.com is sufficient to serve as the sole source of revenue for third-party sellers.

7.1.1 Research Questions

By analysing the literature and finding the research gap, the researcher has developed the relevant research questions to conduct this study. Is Amazon.com enough to be the only source of income for third-party sellers or not?

7.1.2 Research Hypotheses

H1: The rule and policies have a positive effect on the income of Amazon third-party sellers.

H2: The cost associated with selling has a positive effect on the third-party sellers of Amazon.

7.1.3 Population and Sample

The study uses a population that includes third-party sellers working on Amazon. Therefore all 100 participants of the potential study were associated with Amazon. All 100 participants received the invitation to participate. Of the 100 participants, 30 third-party sellers completed the survey. It is unknown why the additional participants were unsuccessful at completing the survey. Of the 100 surveys, 30 were completed and deemed suitable for statistical analysis. Therefore, the study's sample size was 30, which is good enough to conduct reliable and valid research ($n = 30$).

7.1.4 The Study's Nature

A study's goal might be descriptive, exploratory, or explanatory. The goal of this study was to evaluate the relationship between the costs, restrictions, and Income of Amazon third-party merchants. As a result, the current research is descriptive.

7.1.5 Time Horizon

The data is obtained just once from the third-party sellers on Amazon to answer the research questions; hence the time horizon for this study is cross-sectional.

7.1.6 Analytical Unit

The subject unit of analysis refers to the subject from which data has been collected. (Saunders et al., 2007). In research, the unit of analysis can be individuals, groups, companies, or countries. In this study, the researcher collected data from individuals. Therefore, the unit of analysis is at an individual level.

7.1.7 Variables and Description

Variables	Description
INCOME	Income generated by sellers is enough
COST	Cost borne by sellers does not affect their income
RULES	Rules and policies do not affect their income

Table 1. Variables and their descriptions

7.1.8 Software and analysis

Data were analysed in IBM SPSS statistical software. All 100 participants received an invitation to participate in the survey, and the sample included all of the respondents who completed the survey. A total of 30 respondents provides a complete survey. Descriptive, reliability, correlation, and regression analysis were conducted, and findings were obtained.

7.1.9 Reliability Analysis

An assessment tool's reliability is measured by how consistently and persistently it generates the same results over time. Cronbach's Alpha (α) measure in SPSS tests the validity of the survey instrument's components after data collection. The acceptable and fair alpha value is equal to or better than 0.60, with a range of 0 to 1. The survey instrument's reliability metrics are shown in the following table.

Construct	No. of Items	Cronbach's Alpha (α)	N
OVERALL	23	.660	30

Table 2. Reliability of the Scale Items

The Amazon survey comprised a total of 23 questions (items) that showed good reliability. The value of Cronbach's alpha is 0.660, greater than 0.60. All of the variables included in the survey have good reliability. The overall reliability of the survey is also excellent. The table shows that the total number of responses for each variable was 30. The instrument is suitable for study because all of the variables included in the survey have good reliability, and the overall reliability of the survey is also reliable and valid.

8 Data Analysis

8.1 Descriptive analysis

Descriptive analysis of the study is conducted to find out the different characteristics of the respondents and variables of the study. Data are mean and standard for numerical variables. There was a total of 30 participants.

3. Descriptive Statistics

		INCOME	RULES	COST
N	Valid	30	30	30
	Missing	0	0	0
Mean		2.8900	3.0133	3.0905
Median		2.8000	2.6000	3.0000
Mode		2.80	2.60	3.00
Std. Deviation		.31001	.73331	.48552
Skewness		-.279	.015	-.707
Std. Error of Skewness		.427	.427	.427

Table 3. Descriptive statistics for income, rules, and cost

Income has a standard deviation and mean of (.31, 2.8). The cost's standard deviation and mean are (.48, 3.9). The standard deviation and mean of the value of rules are (.73, 3.0).

		4. Statistics				
		AGE	GENDER	EDUCATION	INCOME LEVEL IN \$	Experience in years with Amazon
N	Valid	30	30	30	30	30
	Missing	0	0	0	0	0
Mean		1.10	1.27	2.07	1.90	1.57
Median		1.00	1.00	2.00	1.00	1.00
Mode		1	1	2	1	1
Std. Deviation		.305	.450	.691	1.583	.679
Skewness		2.809	1.112	-.087	1.851	.805
Std. Error of Skewness		.427	.427	.427	.427	.427

Table 4. Descriptive statistics for all the categorical variables

The table given above shows descriptive statistics for all the categorical variables. Data includes the mean and standard deviation for all the categorical variables, including age category, gender, education level, income level, and experience in years.

		5. INCOME LEVEL IN \$			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 20,000	20	66.7	66.7	66.7
	20,000–40,000	2	6.7	6.7	73.3
	40,000–60,0000	5	16.7	16.7	90.0
	ABOVE 100,000	3	10.0	10.0	100.0
	Total	30	100.0	100.0	

Table 5. Income Level in dollars for third-party sellers

The table shows descriptive statistics for the income level of the participants. The table shows that a maximum number of participants has an income level of below \$20,000 per year

Only two Amazon third-party sellers have an income level of \$20,000-40.000 per year. Five Amazon third-party sellers fall in the category of the income level of \$40,000-60.000 per year. 3 Amazon third-party sellers fall in the category of the income level of above \$100,000 per year.

6. Relying on the platform as your primary source of income

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	YES	14	46.7	46.7	46.7
	NO	16	53.3	53.3	100.0
	Total	30	100.0	100.0	

Table 6. Percentage of participants rely mainly on the platform

The descriptive statistics confirmed that about 46% of Amazon third-party sellers rely on Amazon only as a primary source of income. About 53% of Amazon third-party sellers do not rely on Amazon only as a primary source of income.

8.2 Correlation Analysis

Using correlation analysis, it can determine which variables in the data have a strong connection to the others. Values from +1 to -1 are shown in the correlation matrix by the correlation coefficient, which runs from zero to one. To be statistically significant, variables must have a significance level of 0.05 or less.

Income with Cost and Rules: The correlation between income and rules is .258,

7. Correlations between income, rules, and cost

	INCOME	RULES	COST
INCOME	1	.258	.042
RULES	.258	1	.771**
COST	.042	.771**	1

Table 7. Correlation between income, rules, and cost

which is insignificant and positive at a 5 or 1 % level of significance. The correlation between income and cost is .042, which is insignificant and positive at a 5 or 1 % level of significance.

Rules and Cost: The correlation between rules and cost is .771**, which is significant and positive at or 1 % level of significance. The correlation between income and rules is insignificant and positive at a 5 or a level of significance of 1%. However, the correlation between rules and cost is significant at a level of significance of 1%. Cost and rules have a relationship, while the income of third-party sellers has no relationship with the rules and costs borne by the sellers.

8. Correlation between the working experience with Amazon and income level

		Experience in years with Amazon	INCOME LEVEL IN \$
Experience in years with Amazon	Pearson Correlation	1	.504**
	Sig. (2-tailed)		.005
	N	30	30
INCOME LEVEL	Pearson Correlation	.504**	1
	Sig. (2-tailed)	.005	
	N	30	30

Table 8. Correlation between working experience and income level

Table 8 represents the Pearson's correlation coefficient for the number of years working with Amazon.com and the income level. The correlation calculated between the two variables is equal to 0.504, indicating a medium positive correlation. This means the more experience in years a vendor works in Amazon.com the third-party seller has could affect the income level.

9. Correlation between education level and income level

		EDUCATION	INCOME LEVEL IN \$
EDUCATION	Pearson Correlation	1	.006
	Sig. (2-tailed)		.974
	N	30	30
INCOME LEVEL	Pearson Correlation	.006	1
	Sig. (2-tailed)	.974	
	N	30	30

Table 9. Correlation between education level and income level

Table 9 represents the Pearson's correlation coefficient for the level of education and the income level. The correlation calculated between the two variables is equal to 0.006, indicating a very weak positive correlation.

10. Correlation having a long-term plan to continue working in Amazon.com and Income level.

		Long term plans to work on Amazon.com	INCOME LEVEL
Long term plans to work on Amazon.com	Pearson Correlation	1	-.201
	Sig. (2-tailed)		.286
	N	30	30
INCOME LEVEL	Pearson Correlation	-.201	1
	Sig. (2-tailed)	.286	
	N	30	30

Table 10. Correlation between future plans in Amazon and Income level

Table 10 represents the Pearson's correlation coefficient for having a long-term plan to continue working in Amazon.com and the income level. The correlation calculated between the two variables is equal to -0.201, which indicates a very weak negative correlation.

8.3 Regression Analysis

A basic linear regression analysis looks at the linear relationship between two or more independent variables to estimate the value of the dependent variable given the value of one of the independent variables. You can; (a) use it to determine whether a linear regression between two variables is statistically significant; (b) assess how much variation in the dependent variable is influenced by the independent variable; (c) understand the direction and magnitude of any relationship; and (d) predict dependent variable values based on different independent variable values. It is used to track the impact of fees and restrictions on Amazon.com revenue from third-party sellers.

11. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.357 ^a	.128	.063	.30006

a. Predictors: (Constant), COST, RULES

Table 11. Model summary

The value of R square shows that change in cost and rules brings a 12.8 % change in outcome variable income of the third-party sellers of Amazon. The value of R square confirms that independent variables (Cost and Rules associated with Amazon for selling) can explain the change of only 12.8 % in the dependent variable, income of the third-party sellers.

12. ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.356	2	.178	1.978	.040 ^b
	Residual	2.431	27	.090		
	Total	2.787	29			

a. Dependent Variable: INCOME

b. Predictors: (Constant), COST, RULES

Table 12. ANOVA

Using an ANOVA table, it can determine whether or not the model is valid and suitable for its purpose. To determine whether or not a model is a fit, the ANOVA table uses the value of F. The significance value is 0.040, less than 0.05. The F stats value is 10.9, indicating that the model is well-fitting and statistically significant at the 5% level of significance.

13. Coefficients

Model		Unstandardized B	Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	2.945	.366		8.054	.000
	RULES	.236	.119	.558	1.975	.049
	COST	-.248	.180	-.388	-1.374	.181

a. Dependent Variable: INCOME

Table 13. Coefficients

The linear regression results show that the model is significant at a level of significance of 5% in the case of rules, as the value of significance is less than 0.005. As a result, there is a positive link between the regulations and the revenue of Amazon's third-party merchants. Results of linear regression show

that one unit change in rules can change the income of third-party sellers by only 0.236 times.

The linear regression results show that the model is insignificant at a 5% level of significance in the case of cost, as the value of significance is 0.181 greater than 0.005. Therefore, there is a negative relationship between the cost and income of the third-party sellers of Amazon. Results of linear regression show that one unit change in cost can change the income of third-party sellers by only -0.248 times.

8.4 Findings & Limitation

Regression analysis confirmed that hypothesis 1 is accepted; regression analysis results show that regulations and the income of the third-party sellers of Amazon are positively associated and significant. Hypothesis 2 is not accepted; regression analysis results show that cost and Income of Amazon's third-party sellers are negatively associated and insignificant.

Correlation analysis also confirmed that the rules imposed on Amazon's third-party sellers are positively associated and significantly associated with their income. At the same time, the cost and Income of Amazon's third-party sellers are negatively associated and insignificant.

The examination of the correlation between multiple variables and income level indicates that having more experience in years working on Amazon.com could lead to a higher level of income,

There was no significant relationship between the level of education and the income level, which means that individuals can start working as a seller with a high school degree and still generate a higher income level compared to those with a high-income level but not necessarily.

Sellers who have a long-term plan to continue working with Amazon.com have a weak negative correlation to Income level. This indicates that the higher income level does not necessarily mean having a long-term plan for counties working in the platform. Results of the descriptive statistic confirmed that the majority, about 53% of Amazon third-party sellers, do not rely on Amazon only as a primary source of income.

There are several limitations acknowledged in this study. While the researcher has made every attempt to offer the best findings possible, some limitations to this study include.

- The sample size was not large. Only 30 responses were obtained due to inadequate capital and restriction of time.
- Data availability is a significant limitation. Consider that those individual Amazon sellers are used in the research rather than using data from vendor organizations or Amazon divisions.
- Due to time constraints, the results are based on a few estimated variables (Income, rules, and policies). It is not a genuine representation of reality but rather the closest representation available.
- The sample size is very small; therefore, they cannot be generalized to other settings.

8.5 Future Recommendations

- Rather than merely concentrating on Amazon's third-party merchants, future studies should consider a more extensive range of respondents
- Amazon sellers' intentions are influenced by a wide range of factors, including but not limited to the ones included in this research. There

is a slew of other factors influencing the concern about sellers' earnings. As a result, more aspects could be taken into account

- Filling out surveys is a major drawback to the study since it relies on questionnaires. To get an accurate answer, this strategy relies on people filling out a questionnaire without fully comprehending what they are participating in or why they are being asked to participate. In other words, interviewing techniques, although not perfect, may help alleviate this issue
- Researchers may gather data from several cities around the world and analyse the findings to come up with more accurate recommendations. The findings will be more reliable as a consequence.

9 Conclusion

Amazon's third-party sellers have a bright future, but it is complicated and uncertain. As a result of fierce price competition, profit margins are constantly squeezed. As a result of the fact that Amazon only pays merchants twice a month, cash flow is a continual concern. While some of the world's most well-known brands are putting a lot of money into Amazon advertising, others have said they would no longer use the online marketplace. Third-party vendors face enormous opportunities and brand-new legal challenges in 2020. Even though Amazon has been around for 20 years, the company's legal environment is constantly changing (McKnight, 2020).

Using propensity-score matching to compare products damaged and undamaged by Amazon's entry, the author discover that entry improves product demand and lowers delivery costs. In contrast, affected third-party sellers are discouraged from expanding their operations on the platform. A strategic third-party vendor may still find selling on Amazon a feasible option. In the first place, Amazon's competition is challenging to foresee. However, even though Amazon

is more likely to seek interesting items, the company is not sure to join since it cannot offer all of the appealing things by itself. Second, a third-party vendor may be permitted to join, provided the profits generated by their product sales before Amazon's entrance are sufficient to cover their entry costs, which might be relatively low circumstances. Amazon's entry diminishes (most probably, dramatically), but does not eradicate the future revenues of prospective third-party sellers.

Amazon.com is a great platform for third-party sellers to start an online business as long as the vendor store is unattractive to the platform's owner. When the company starts to notice a store that generates high profits and has a competitive advantage, the platform could start competing with its sellers to a point where it could ruin the reputation of its products. Amazon is not an excellent business the long term for third-party sellers.

The goal of this study was to determine if Amazon was a sufficient source of income for third-party sellers, or if they relied on other sources of income as well. This study measured the factors of income, cost, and rules or policies of third-party Amazon sellers and checked their effects with the help of a survey. The research also utilized data analysed to determine the correlation between income and other variables. The descriptive analysis, correlation analysis, and regression analysis were performed using the IBM statistics SPSS program to answer the research question.

Research findings suggest a positive and significant relationship exists between Amazon third-party seller regulations and revenue. The costs and revenues of Amazon third-party vendors were also negatively related. According to the study, the restrictions imposed on Amazon's third-party vendors had a positive and significant impact on their revenues.

Besides, Amazon's third-party vendors' costs and profits were negatively correlated. The study also revealed that longer years working at Amazon.com could lead to more money. Since there was an insignificant relationship

between education and success on Amazon, people with just a high school diploma could also start working as sellers and earn more than those with a college diploma, although not always.

The research established a weak relation between income levels and having long-term plans. Having a long-term strategy when working on the platform does not necessarily lead to increased income. The descriptive data revealed that a majority (about 53%) of Amazon third-party merchants, do not depend only on Amazon for revenue.

After performing all statistical analyses, the research showed a majority of the third-party resellers of Amazon do not rely on Amazon only as an only source of income. This means that they have another source of income other than Amazon. Amazon third-party resellers have issues regarding the cost and regulations of the Amazon platform.

The research showed that Amazon third-party resellers have issues regarding the cost of inventory, shipping, and other fees. However, Amazon is still a major player in the market and has a large customer base. Therefore, Amazon third-party resellers can still make a living through their business on Amazon. However, they will need to be aware of the competition and find ways to improve their business in order to stay ahead of the curve. Overall, this research shows that Amazon is not the only source of income for third-party sellers on Amazon. There are other options available for these entrepreneurs. They just need to be aware of them and take advantage of them. As long as they are able to meet the requirements set by Amazon (such as high-quality products and a good customer service), they should be fine.

Third-party sellers need to consider a number of other factors to optimise their earnings, such as the fees that are charged by Amazon.com and the amount of traffic that they generate. In addition, it is important for them to remember that Amazon.com is a marketplace, which means that it does not have the same control over the products that are sold there as brick-and-mortar stores do.

Therefore, it is important for third-party sellers to make sure that they are familiar with all of the fees and rules that apply to selling on Amazon.com in order to maximise their income. Overall, this research provides evidence that Amazon.com is not the only source of income for third-party sellers and that they need to be familiar with all of the relevant fees and rules in order to make the most money from their sales on the site.

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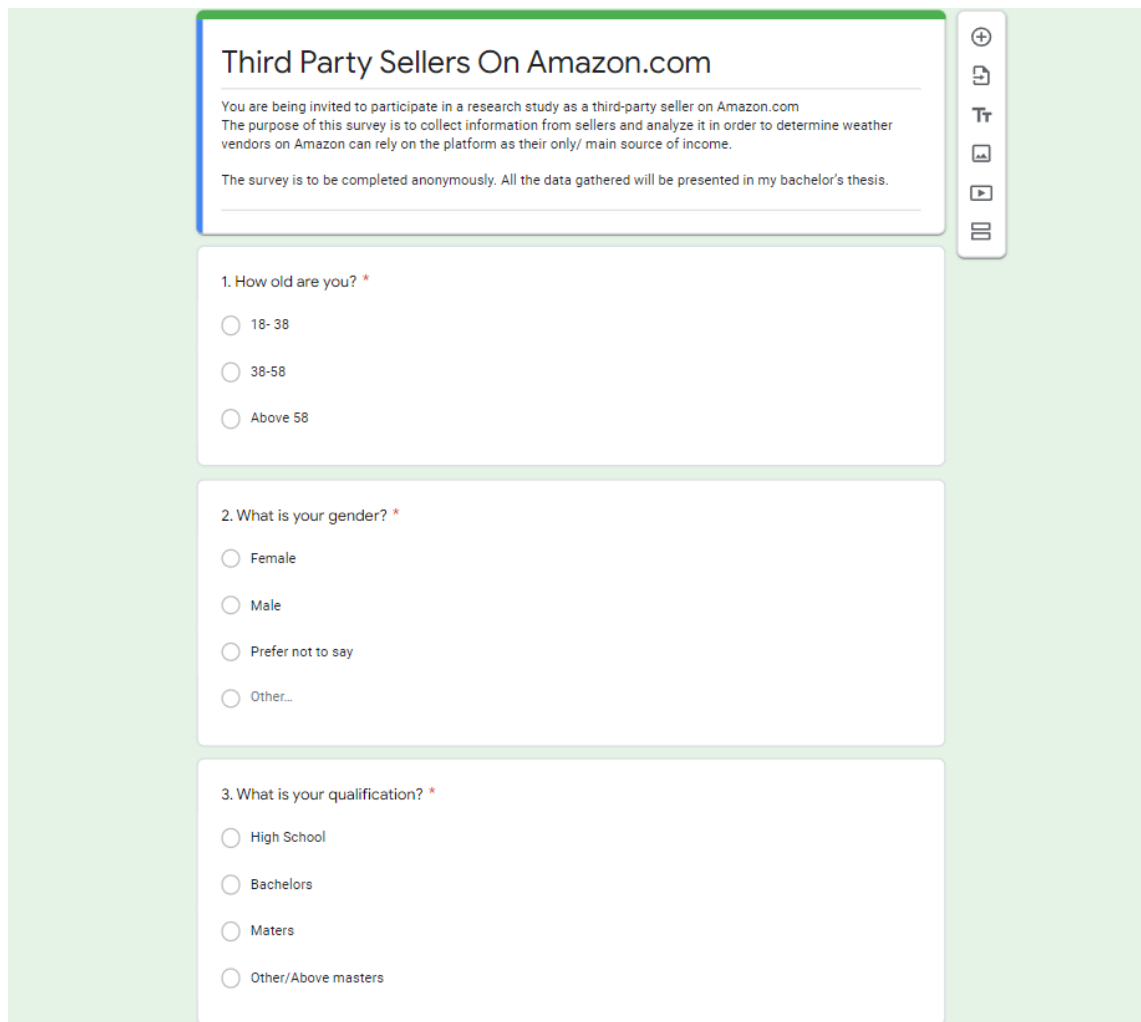
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Appendix 1

Questionnaire for Third party sellers on Amazon platform



Third Party Sellers On Amazon.com

You are being invited to participate in a research study as a third-party seller on Amazon.com. The purpose of this survey is to collect information from sellers and analyze it in order to determine whether vendors on Amazon can rely on the platform as their only/ main source of income.

The survey is to be completed anonymously. All the data gathered will be presented in my bachelor's thesis.

1. How old are you? *

- 18-38
- 38-58
- Above 58

2. What is your gender? *

- Female
- Male
- Prefer not to say
- Other...

3. What is your qualification? *

- High School
- Bachelors
- Masters
- Other/Above masters

4. Experience with Amazon in years *

More than 1 year

More than 3 years

More than 5 years

More than 10 years

Other...

5. Total work experience in years?

Short answer text

6. What is your income Level per month? In dollar *

Below 20,000

20,000-40,000

40,000-60,000

60,000-80,000

80,000-100,000

Above 100,000

7. You are not concerned about increased competition driving prices down. *

1 2 3 4 5

Strongly agree Strongly disagree

...

8. Other suppliers selling their similar products at lower costs does not bother you. *

1 2 3 4 5

Strongly agree Strongly disagree

9. You are satisfied about being squeezed out as the "middle man" between suppliers and consumers. *

1 2 3 4 5

Strongly agree Strongly disagree

10. You are not worried about increasing ad costs on Amazon. *

1 2 3 4 5

Strongly agree Strongly disagree

11. You are concerned about continuing to need more capital to sell effectively on Amazon. *


1 2 3 4 5

Strongly agree Strongly disagree

12. You appreciate Amazon changing search results to favor paid results over organic results *

1 2 3 4 5

Strongly agree Strongly disagree



13. You are concerned about that Amazon sells its own products that directly compete with the seller's *

	1	2	3	4	5	
Strongly agree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly disagree

14. Have you experienced poor seller support from Amazon? *

	1	2	3	4	5	
Strongly agree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly disagree

15. Are you concerned about Amazon limiting or shutting down their account and/or listings seemingly abruptly or without reason *

	1	2	3	4	5	
Strongly agree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly disagree

16. I am considering to switch to a high paying Job. *

	1	2	3	4	5	
Strongly agree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly disagree

17. You are not concerned about Amazon's policy and Terms of Service changes *

	1	2	3	4	5	
Strongly agree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly disagree



18. You felt worried when accounts have been suspended by Amazon at some point due to some irregularities. *

Strongly agree 1 2 3 4 5 Strongly disagree

19. You feel worried when accounts have been suspended by Amazon at some point due to some irregularities. *

Strongly agree 1 2 3 4 5 Strongly disagree

20. Amazon sets a good example in terms of ethical behaviour. *

Strongly agree 1 2 3 4 5 Strongly disagree

21. Amazon sets a good example in terms of ethical behaviour. *

Strongly agree 1 2 3 4 5 Strongly disagree

22. I am motivated to make money on Amazon only *

Strongly agree 1 2 3 4 5 Strongly disagree



23. Amazon works as a game changer for my economic life. *

	1	2	3	4	5	
Strongly agree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly disagree

24. Less time is required to takes profit on Amazon. *

	1	2	3	4	5	
Strongly agree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly disagree

25. I don't rely on Amazon.com as my only source of income *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree
- Strongly Agree

26. Overall, Amazon meet your needs. *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree
- Strongly Agree

27. You have long term plans to work on amazon. *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree
- Strongly Agree

28. Chinese/ big suppliers selling their similar products at lower costs effect your income . *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree
- Strongly Agree

29. Increasing ad costs on Amazon effect your income. *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree
- Strongly Agree

30. You recommend working on Amazon to others as well to improve their economic conditions. *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree
- Strongly Agree

31. Do you rely on the platform as your main source of income? *

- Yes
- No
- Prefer not to say

32. Please explain your personal challenges faced by you on the platform?

Long answer text
