

GLOBAL MARKETING STRATEGIES OF AMAZON

Nilambari Nerkar¹, Prof. Nirupma Singh²

U.G. Student, School of Engineering , Ajeenkya DY Patil University, Pune, Maharashtra, India¹

Assistant Professor, School of Engineering , Ajeenkya DY Patil University, Pune, Maharashtra, Maharashtra, India²

ABSTRACT: Amazon is an American International E-commerce company. It was started in 1994 by Jeff Bezos. It was just a small bookstore, Amazon's global exposure made it a huge success in the E-commerce industry with everything just a click away through their website or other services provided by Amazon. This paper aims to present Amazon's marketing strategies and the growth of the company through these strategies. This paper also explores the global marketing strategies of Amazon and its different Services and reveals the success of said strategies used by Amazon exploring Customer centrism, FBA, and AWS, etc.

Keywords: Amazon, E-commerce, Customer centrism, Marketing strategies.

I. INTRODUCTION

Amazon was founded in 1994 by Jeff Bezos, the company began as an online bookstore. Amazon sells a wide variety of products including electronics, apparel, grocery, sports, toys, etc. Amazon specializes in books and music and now streaming services as well. Amazon has been ranked as the most trusted shopping site all over the world. Amazon has built an infrastructure with compelling customer service integrated with captivating innovations such as Artificial Intelligence, IoT(Internet of Things), voice-activated home devices. It has generated other profitable businesses such as Cloud Services and Storage. Amazon's marketing strategy is designed to strengthen and increase customer traffic and customer loyalty. Amazon serves mainly to four customer types such as enterprises, consumers, sellers, and content creators. Amazon Web Services offers technology Infrastructure that can be effectively utilized by enterprises and businesses. It has a well-designed retail website providing low prices, a wide selection for consumers. The Amazon website also hosts sellers, allowing them to reach a larger customer base. It allows independent publishers and authors to choose to sell their books in the Kindle Store through Kindle Direct Publishing.

II. LITERATURE REVIEW

Amazon is an E-commerce giant, hence faces a lot of competition in the online shopping sector and other services. It needs to come up with ideas for customer engagement, consumer satisfaction, and ease and access to all customers.

Amazon is a customer-centric company that means it involves asking customers what they want, and how it can be delivered.

1. Mirow et. al. (2005) Concludes that Amazon has managed beyond and secured the place of the market leader due to its successful marketing strategies. Amazon not only meets customer requirements but is also driving them through advanced technology. Amazon is shaping and leading the market rather than adapting it.
2. Nicoleta et. al. (2012) explains that the expansion of globalization has led the digital economy to emerge and new concepts such as E-Business and E-commerce have changed the traditional way to do trade or business. This paper explores the Pestel Analysis of Amazon.com and discusses that Amazon should heavily invest in India, China, etc.
3. Izogo et.al.(2015) concluded that E-commerce has explored everything including the retail sector. This paper shares a brief idea about the challenges faced by retail companies while developing a business strategy, identifying the key factors for the success of Amazon globally, and revealing the basic financial analysis, resource-based view (RBV), and SWOT diagnosis. Arguing through it is too soon to assume that Amazon will go down easy, discussing the company's vision for the future, strategies, product innovations, and an intriguing business model. The financial analysis of the company states that Amazon's liquidity ratios are good for now and the firm meets its short term financial obligations and explains that excessive debt financing might not be the best for the company as there is an increase in the operating costs and might be a threat to the company in coming years.
4. Jamnani et. al. (2018) explained how Global exposure of an online platform can be a key factor in determining a company's advancement. Amazon's business has been a successful model in the E-commerce industry. The Fulfillment by Amazon (FBA) is seen as a major factor by Amazon and has contributed towards the success of the company worldwide. FBA has proven successful for the seller count in countries with less-developed infrastructures,

- such as Mexico and India. Amazon has changed the process of global business by being an important part of the global economy.
5. Wadhva et. al. (2017) has emphasized that Amazon had no infrastructure in India, and now it dominates most of the Indian markets. This paper explores the challenges faced and overcome by Amazon to generate revenue across the Indian market. Evaluating the Business model of Amazon India and studying the strategies used along the way, reveals that success in India solely depends upon the growth of internet users in India. Amazon is known for its smart innovations and works in India on complex business challenges to create effective solutions in sectors such as Payments, Transportation, and Digital products.
 6. Nikita et. al. (2019) describes Amazon's retail strategy to be traditional, customer-centric in this paper, exploring how retail giants such as Amazon have been changing the way retail works with help of technology for the benefit of the consumer. Amazon's Marketplace helps small businesses to grow and get access to expand globally, every marketing strategy of Amazon is customer-centric. This paper also discusses Amazon's implementation of Customer Relationship Management (CRM), the Business Model of Amazon, and explores the Algorithms and risk factors for Amazon.
 7. Sadq et. al. (2018) explains that Amazon has become a house-hold name in the books and music industries way ahead of its small competitors. Amazon has successfully led itself to an expansion and is high in profit due to provisioning the best E-commerce and the longevity of the relationships with their customers. Due to these aspects, Amazon dominates the E-retail regardless of the heavy competition. This paper aims to discuss Amazon's success strategies.
 8. Vethirajan. C et. al. (2020) Argues that the current scenario about internet sharing a small marketplace compared to the larger share of the target is being still available offline, and How digital consumption and sales in India will go up in the coming years now that Indian businesses are investing heavily in digital marketing and consider it to be a serious subject. This paper explores Amazon with its innovative digital marketing and success of the same so far.

III. MARKETING STRATEGIES AND BENEFITS

A Marketing strategy is defined as an overall plan to reach the potential consumers and turning them into regular customers for the products or services a business provides. A Marketing strategy is a long term approach for the success of a particular business. Strategies involve analysis, evaluation of the current competitors, and selection of the marketplace. Marketing Strategies help discover the areas an organization needs to improve to meet customer needs. It helps an organization understand its consumers better.

Amazon has cleverly disguised some of the most effective marketing strategies by introducing them as major Services, giving the audience new and intriguing platforms. Amazon has a keen eye for innovation, and that itself can be identified as an efficient marketing strategy that has kept Amazon at the lead of its business.

Amazon has come up with various marketing strategies over the years of its run which are proven to be successful, discussing a few of them below:

1. Customer-centric Approach:
Amazon was built on the concept of customer satisfaction and exceptional service provided to them. This shows by the amount of positive feedback on various Amazon forums. Many factors contribute to an incredible customer experience, one-click access to services, and always available customer support are just a few of them Amazon handles exceptionally. Although Amazon has received a lot of criticism for its customer-centrism, its customer count has risen well over the years. Launching Prime in 2005, providing free one-day shipping and delivery was a game-changer idea in busy lives nowadays. According to an article, 75% of US households own Prime memberships. Reviews on Amazon.com help the customers understand the product they are wishing to buy and decide accordingly, having an option to do so impresses the customer to keep visiting and buying from the site. Customers' satisfaction is how amazon keeps them engaged and coming back for more.
2. Distribution Efficiency:
Amazon's initial goal was to eliminate the middle-man in the chain of supply, regards to the distribution. This was fairly accomplished by negotiating directly with the traders, building large warehouses, and gaining expertise from the hired staff. Introducing Amazon for sellers helped Amazon boost the business and make more profit, the plan here was to have a business model that works on the relationship between profit and sales. The profit made from the lesser percentage of sales tends to make higher profits for the retailer. Amazon customers can shop any time of the day, without needing to worry about the product being stock because of its centers located over the globe.
3. Fulfillment by Amazon(FBA):
Amazon's fulfillment by Amazon as a service has influenced its success in foreign marketplaces. This case is especially true in places with much less infrastructure, such as India and Mexico. In India Amazon is competing against shopping platforms like, Flipkart and Snapdeal who also embark on services and warehouses just like Amazon. FBA has opened up services for sellers such as storage of products in Amazon's warehouses and fulfillment centers, They can also use services such as packing, sorting, collection, and delivery as well as customer support and

product return making it easier and accessible to sellers. FBA also helps the seller to display their particular product onto the Amazon platforms, this is one of the very unique services offered by FBA.

4. Amazon Entertainment:

Amazon launched itself into the Entertainment business with Amazon Prime Video, a video-on-demand service that includes TV shows, Movies belonging to different genres and languages over the world including regional languages such as Tami, Marathi, Punjabi, etc in India. Prime Video also produces and launches its shows and movies in particular countries, It is one of the most prominent OTT platforms over the globe. It also has a mobile application available to all Android and iOS users. In India, Prime video is complimentary if one subscribes to Amazon Prime services. Amazon also has Amazon Prime music which offers music streaming services which all the new and old music collection online.

5. Amazon Web Services:

Amazon began offering IT infrastructure and services in the form of Cloud and Web Services back in 2006. Amazon provides on-demand cloud computing services and APIs to companies, businesses, government, and individuals on a metered basis. AWS provides an extremely reliable, low-cost, scalable infrastructure offered platform in over 150 countries with its data center located in the US, Brazil, Japan, Australia, Singapur, etc. Amazon has made its Global presence strong enough with these expansions. Amazon took a step forward in innovations like IoT, Big data, etc. Amazon also came up with its own personal assistance Amazon Alexa which can be said to be a form of Artificial Intelligence.

6. Amazon Pay:

Launched in 2007 an online payment processing service Amazon Pay is also one of the brilliant strategies Amazon has come up with to include in their global expansion. Amazon Pay offers services like paying bills, Online bank transactions, Travel Bookings, Food orders, Insurance, and EMI options of various commodities one might buy using Amazon Pay.

IV. CHALLENGES

Amazon has faced many challenges along its way to success. Amazon faced its first and foremost challenge while growing its online consumer market in India, as there were some restrictions on foreign companies using E-commerce as a mode of selling their products directly to the consumers. However, The Indian government plans to lift these restrictions. There was also less use of online transactions and plastic cards in India hence, Amazon had to come up with a “Cash on Delivery” model. Then there was limited infrastructure available in countries like Mexico and India to the goods and services which caused the company more shipping charges. There was an issue of the unfamiliarity with E-commerce in Mexico which they are likely to come over in the coming years. Amazon has also introduced money back and real-time product tracking for the issues faced by the trust factor with E-commerce and made their payment gateways secured when a problem occurred with that.

V. RESULTS AND IMPROVEMENTS

A Swot Analysis of Amazon is as follows:

Internal Strategic Factors:

1. Amazon’s Strengths: The brand name and a global successful position it holds in the E-commerce business, It customer-oriented attitude helps in stay in the business, wide range of products, and Low and reasonable prices, Use of Great technologies, and an innovative approach towards new practices differentiate them from other companies
2. Amazon’s Weaknesses: Poor customer profiling and an Easy imitable Business Model, Low-profit Margins, and Financial debt, Poor warehouse working conditions, and Online Security Threats.

INTERNAL	STRENGTHS: The brand success Customer centric Wide range of products Low prices innovation driven	WEAKNESS: Poor customer profiling Easily Imitable Business Model Low profit margins Financial debt Poor working conditions.
EXTERNAL	OPPORTUNITIES: Physical Stores Growing markets Exploring lot Improving profit margins	THREATS: Government Regulations Cybercrimes Heavy competition Fake product sales

External Strategic Factors:

3. Amazon's Opportunities: Expansion of physical stores and Growing Markets, Exploring IoT and big data, Improving profit margins by production on in-house brands.
4. Amazon's Threats: Government regulations and Cybercrimes, Aggressive and upcoming competition, Imitation, and Fake product sales.

VI. CONCLUSION

Amazon has become a house-hold name in E-commerce due to its successful strategies and has expanded itself into different sectors providing various services. Amazon leads retail regardless of the competition and threats, one can only hope amazon will undoubtedly get on top in other sectors as well. However, even though Amazon generates great revenue on an annual basis, the profits are low, exploring new markets and flourishing in the existing ones with capabilities such as AWS and Entertainment place Amazon ahead of its competitors. The Marketing Strategies Amazon used in the past, have worked well according to the time they were used. However, Amazon needs to come up with strategies that make more profits and raise the margins.

VII. REFERENCES

References APA:

1. Mirow, M. (2005). Seminar Paper on Strategies to Achieve Market Leadership: The Example of Amazon.
2. DONICI, A. N., MAHA, A., IGNAT, I., & MAHA, L. G. (2012). E-Commerce across United States of America: Amazon. com. *Economy Transdisciplinarity Cognition*, 15(1).
3. Izogo, E. E., & Ozo, J. U. (2015). Critical evaluation of how well placed Amazon is to sustain its historical online retailing. *British Journal of Marketing Studies*, 3(6), 31-42.
4. Jamnani, A. (2018). Amazons Global Market Strategy-Key Sustainability Tool. *International Journal of Research in Management, Economics and Commerce*, 8(1), 47-51.
5. Wadhwa, B., Vashisht, A., & Phutela, N. (2020). Business model of amazon India-A case study. *South Asian Journal of Marketing & Management Research*, 10(1), 32-40.
6. Grover, N. (2019). Enabling shift in retail using data: Case of Amazon.
7. Majed, S. Z., Nuraddin, S. H., & Hama, S. V. S. (2018). Analyzing the amazon success strategies. *Journal of process management. New Technologies*, 6(4), 65-69.
8. CHANDRASEKAR, S., & Vethirajan, C. D. (2020). A STUDY ON DIGITAL MARKETING-A CASE STUDY WITH SPECIAL REFERENCE TO AMAZON. COM. *Studies in Indian Place Names*, 40(12), 594-606.

References Harvard:

1. Mirow, M., 2005. Seminar Paper on Strategies to Achieve Market Leadership: The Example of Amazon.
2. DONICI, A.N., MAHA, A., IGNAT, I. and MAHA, L.G., 2012. E-Commerce across United States of America: Amazon. com. *Economy Transdisciplinarity Cognition*, 15(1).
3. Izogo, E.E. and Ozo, J.U., 2015. Critical evaluation of how well placed Amazon is to sustain its historical online retailing. *British Journal of Marketing Studies*, 3(6), pp.31-42.
4. Jamnani, A., 2018. Amazons Global Market Strategy-Key Sustainability Tool. *International Journal of Research in Management, Economics and Commerce*, 8(1), pp.47-51.
5. Wadhwa, B., Vashisht, A. and Phutela, N., 2020. Business model of amazon India-A case study. *South Asian Journal of Marketing & Management Research*, 10(1), pp.32-40.
6. Grover, N., 2019. Enabling shift in retail using data: Case of Amazon.
7. Majed, S.Z., Nuraddin, S.H. and Hama, S.V.S., 2018. Analyzing the amazon success strategies. *Journal of process management. New Technologies*, 6(4), pp.65-69.
8. CHANDRASEKAR, S. and Vethirajan, C.D., 2020. A STUDY ON DIGITAL MARKETING-A CASE STUDY WITH SPECIAL REFERENCE TO AMAZON. COM. *Studies in Indian Place Names*, 40(12), pp.594-606.