

Amazon com report essay sample



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This paper discuss how Amazon. com, as a pure dot-com firm compete through the design of its marketing programs and customer interface. The discussion starts off with formulating the marketing strategy and target market, with the help of in-depth analysis of the challenges, in terms of advantages and disadvantages, which the firm faced in the context, followed by the design of market programs, which is assessed by critically evaluating each lever, product, pricing and communications by relating to different stages of customer relationship in the market space matrix. This is a primary review of how Amazon. com has successfully built up its marketing strategy to overcome the tough challenges they face in the e-market.

Introduction

Amazon decided to target the bookselling industry because customer needs were not fully met: consumers were wasting time searching for specific books. Moreover, Amazon did not have real competitors even though huge off-line competitors were present. The required resources were reachable and big financial reward could be expected.

Steps for framing the market opportunity

1. Seed an opportunity

The value system driven by Amazon is both a trapped and hybrid value system because it has been built to enable an ease of access to a widest range of books at low prices.

2. Uncover an opportunity nucleus

Amazon. com has managed to map out the customer decision process.

During the phase of need recognition, Amazon. com offers special occasion selections or new releases to stimulate needs. While searching for titles, consumers can turn to useful tools such as personalized recommendations and wish lists for help.

During the evaluation of alternatives, the consumer wants to get all the information available that is to say some advices. The decision is made easier by a shopping cart and a security system in the transaction.

Concerning the shipping conditions, Amazon has developed interesting offerings such as the super saver shipping. Consumers can also calculate the delivery time and the costs. For a gift, consumers can even add gift-wrap/note and send free e-cards.

To provide a post sale support, Amazon sends e-mails of confirmation and package's tracking. There is also a help department and books can be returned within 30 days.

3. Identify priority target segments

- Design value proposition

Amazon's value proposition is based on convenience, selection price and customer service.

- Decide on your segmentation variables and segment the market

At the beginning, Amazon was targeting those avid readers, now it selling books and a variety of other products to increase its customer base.

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4. Assess resource requirements to deliver the offering

The company must bring a set of resources to win the market. At this step, Amazon. com had to examine what experience and benefits the offering will provide and what capabilities and technology will be needed to deliver the benefits of the offering. Amazon. com's resource system can be defined by three classifications.

The customer-facing resource includes the brand name which was supposed to be Cadabra at the beginning but Bezos believed Amazon (starting with an A) signified something big and would also be easy to spell and to remember. The sales force was very limited when the company went online in July 1995 and it started in a garage. The channels of distribution were restricted to the Internet.

The Internal resources were also limited at the start, Amazon was mainly relying on its specific software which was going to organize and design the entire process. The first management team was composed of a crew of technical talented people. The core competence of Amazon. com remains its technology and its website.

The Upstream resource of Amazon. com was its relationships with books distributors and publishing houses.

Amazon. com's resource system was first of linked to its value proposition (convenience, selection, service, and price). Amazon. com proposes a broad assortment of books, new and rare (from independent publishers or not well-

known authors) books, at a cheap price (or with a discount), with a strong delivery service and easy to access and to navigate on.

To deliver these benefits, Amazon. com introduced the one-click shopping, the product review information, the purchase circles, the e-mail alerts, recommendations, a wish list, etc...It provides also an efficient customer service with multiple contact points. Its broad assortment of books was generated thanks to an efficient supply and delivery network (USPS, UPS, FedEx, DHL). Its inventory turnaround was much quicker than brick and mortar stores. The ease of access allowed a wide reach to customers.

Assessing the quality of the resource system:

-Uniqueness of the system: Does Amazon provide benefits that the customer might not be able to obtain otherwise? At the beginning, Amazon. com was the first-mover in the book market. It offered more than 3 million different titles available that each customer could browse sitting in its chair at home.

-Sustainable advantage: the resource system was quite new at the beginning but others start-ups or bricks and clicks have rapidly followed Amazon. com's example.