

# [Amazon kindle marketing strategy assignment](https://assignbuster.com/amazon-kindle-marketing-strategy-assignment/)

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Kindle DX Marketing Strategy Analysis Launching any product requires a lot of planning and forethought. Without a proper plan, it becomes difficult to design the most appropriate marketing strategy than can lead the way towards success. The 4 P’s We must analyze the 4 P’s i. e. the product, price, place and promotion. In the case of Kindle DX launch, the type of product is relatively new in the market. For this unique kind of product, which seems to be an advanced version of book, it might take time before the target market can realize the importance of the product to them.

To cross this stage, promotion of the product is necessary. The product is an enhancement over its predecessors in terms of its screen size which changes it target market more towards college students, who can interpret this device as ebook reader. Promotion The company is using the below the line marketing strategy. One aspect of this strategy is the word-of-mouth method, which involves the promotion undertaken by the buyers of product themselves. The company firmly believes that this method can bring more success than other methods.

However, relying to the large extent on just one method exposes the company to risks of negative publicity because unsatisfied buyers can spread negative information about the product. The company virtually has no control over this method of marketing unless they supplement it with above the line advertising such as internet advertising and through select print media, especially those which are more often viewed by the target market. Price The price of the product seems to be high for the chosen target market.

The lighter backpack is one advantage paid off from the high price but the device does not fully addresses the requirements of a college student. A college student with a cheaper mini or a laptop has far more options than the one having just the E-book reader. The device lacks a browser, color display and also the advantage of viewing a video. Learning today is becoming more integrated; a college student today may often view videos related to studies such as lectures and documentaries. Thus a college student with a laptop or mini may find it heavier to carry an additional device (Vaknin).

Here we can also make it clear that the company should have looked upon the requirements of the target market before deciding whether they should launch the product in the first place. One can argue that the free access to wireless internet and highly discounted prices of electronic textbooks can justify the high price, however, the manufacturer has failed to take account of the second hand books market where a printed textbook can be purchased for half the price and this could be cheaper than an electronic book or just as expensive as a electronic book offered by Amazon.

But still, the device cannot display the colors in the book which might not be liked by the readers. Another justification to high price is the larger screen which is capable for reading newspapers coupled with an agreement with the major US newspapers to provide newspapers to Kindle DX. This advantage led to speculations that the device is destined for newspaper readers, but it was made clear that this device is designed for the college students. Place The company has decided to distribute the device in a large pilot project. Reid, 5) Under that, the company will supply the device to about five universities instead of the books it usually supplies. This mode of distribution has several advantages. It is one of the ways to somehow make the product ubiquitous and assert that the device is as essential to a college student as textbook have been till date. If the pilot project succeeds as planned, then the device would be voluntarily be bought by the students. Amazon defends the position that the pilot project is designed to lead students to later make voluntary purchases.

They say that the device is already popular and present the evidence that kindle version of electronic textbooks ordered on their website are one third of all purchases, although they do not produce further information as to what number of the previous version of the device has been sold. The distribution is designed to make sure that the product reaches the target market and there are greater chances of the product being associated with the target market. To make sure that people link the device to the target market, the company makes claims that the predecessor device is being purchased mostly by readers than gadget lovers.

Any potential buyer has to visit the Amazon. com in order to acquire the device. Limiting the source of supply is important because the website itself can be used as promotional tool and the message can be effectively controlled. With the control over distribution, the company has control over the sales if any buyback has to be issued for any reason. For instance if after a month or so, a defect has been detected for a certain batch of the device, the device can be called off much easily because the website stores information about the buyer who can be contacted for a buyback or replacement.

With their own distribution, the company has the advantage of knowing whether its products are being bought by its intended target market. Value Propositions The device USP i. e. unique selling proposition is a large screen e-book reader that is lighter than a typical textbook and can replace many of students’ textbooks in the backpacks. This is the USP that the company is projecting into the minds of their target market. To further describe the USP, the device is pioneered to be a perfect replacement of a typical text book.

Additional features such as the ability to display newspapers has been downplayed by the projected proposition in an attempt to keep the focus on the target market. This proposition can be projected into the minds of the target market through advertisements because an advertisement is a constant reminder that leads to the creation of an appropriate image in the minds of consumers. The product can be position largely through this method. However, in order to frame the image in the consumer’s mind, it would not be a good idea to use the way iPod is positioned because the target market of the e-book reader is narrower than that of iPod.

It is in fact a even smaller segment of the iPod target market itself. What the company seems to have failed is to counter the perception that iPhone and other such gadgets can replace the need for having a electronic textbook reader. They have little to respond to such a question as to what additional features they have over the iPhone which can also act as a e-book reader although with a smaller display and low battery life. What more it has failed is to counter the cheaper mini-laptops which can provide more features than the Kindle DX. Target Market

By limiting the target market to just college students, the company is compromising on its other potential markets such as daily newspaper readers especially those working in professions such as executives and entrepreneurs. They are also losing other markets. However the company has considered the most heavy users of book i. e. college students as having the requirement of books either in paper or electronic form, to benefit from lighter backpacks. They have decided to pursue this target market due to its large size, which can atleast provide a sustainable market.

The company has missed out the requirements of their intended target market and may also have made assumptions without having evidence. It would have been better if they could have conducted an extensive market survey in all potential markets before assessing which one would respond better. Announcing the launch to see negative comments and then being defensive is not a viable solution. It creates more negative publicity. Rather the company should have properly addressed the comments Pricing Because the device is expensive to develop, it is highly priced. Fowler and Ovide, B12) Technology products are usually expensive in the beginning and become inexpensive as successive versions are launched. The wireless option does not seem to be very vital for such a device because users can download from their personal computers and simply transfer the files to the device. This will reduce the price. Following a subscription option will make the device cheaper but it will be expensive to the users in the long run if they read a lot of books. It would be better if the company issues two packages, one with subscription option.

Those readers who have a few books to read will take the cheaper option where they can buy the electronic books to read. Availability Because the product is new, it is best if the distribution is done directly by the company. This will provide the company with more control over the promotion of the same because they can easily control the message. Having the product for sale on the website can also help the company resolve issues of negative publicity, which can be quite common in the case of new products. (Mahajan, Muller and Kerin , 1390) Forscasting of Future Sales

It would be the best strategy to conduct a market survey where the target market is asked disguised questions as to what would influence them to buy the product. For the survey, the secondary data analysis can be done to find the probable variables or factors affecting the purchase decision. Then a seasonal regression analysis, semester by semester can be used to forecast from the change in the variables with account to their intensities of influence on purchase decisions. Competitors For now, Kindle seems to be stronger that its competitors in terms of features. Taylor, 21) To face competition, the company should let the competitors respond to its new product. This can provide them with information that can be helpful for developing better versions. They can change their market strategy in the future. They can widen their distribution to other online shopping websites and retail outlets in an attempt to reach more of their target market. Agreements with several universities can provide protection for the short term and the company should take advantage of these periods to continuously improve their products. As with many other technology products, it will have to reduce its price. Mohr, Sengupta and Slater, 13) Conclusion Launching a new product is a difficult task. It requires a lot of forethought. But what is more difficult is to make is successful and prolong its life. This can involve continuous improvement in the product, its distribution and its marketing strategy. Works Cited Fowler, Geoffrey A. Ovide, Shira. Amazon Hopes Its Bigger Kindle Ignites Demand, Wall Street Journal, New York City, 2009 Page B12 Mohr, Jakki J. Sengupta, Sanjit. Slater, Stanley F. Marketing of high-technology products and innovations Edition: 2, illustrated. Missoula. Jakki Mohr, 2004 450 pages Mahajan, Vijay.

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