

# Analysis of strategies to attract customers in e-commerce industry

[Business](#), [Management](#)



During a digital era as at present people can save much time by using electronic devices in order to carry their purposes. A typical example is shopping online (called “ haitao” in China) which is becoming more and more popular because of a numerous of benefits it brings for customers such as: saving time and money, convenient, diversified goods. Immediately understand this trend of shopping, some firms of e-commerce were established to meet the needs of large customers (Amazon, Gmarket, Alibaba, ...). Three potential markets are China, India, The USA, but the most prominent is still China because of population, the stable and strong growth economy, high intellectual standard of civils (China has GDP growth rate of around 7 percent from 2013 that makes the purchase power of Chinese consumers increased). Moreover, China’s government also supported and created conditions for both local and foreign e-commerce companies because of a large number of benefits they bring. However, more companies entered the market also means that they have to compete with each other to gain more profit. Let’s analyze two big e-commerce industry are Amazon and Gmarket to identify strategies, service innovations they use to attract customers.

First of all, the comparative case analysis in the journal article point out some factors that lead to success. The first factor in haitao business is “ trust”. The most important reason makes Chinese consumers buy internal products is trust, domestic goods do not satisfy them, even influence their health (i. e. milk powder scandal in 2008). Realized that belief is the main success factor for haitao both Amazon and Gmarket ensure it throughout the whole value process by improving customer services and operating customer

service centers. The second, both companies take advantages of their developed system very well. Amazon was the first shopping website over the world, and Gmarket was known as a giant from Korea.

Therefore, technology and marketing are indispensable in haitao business. The last one is co-operation, Amazon created a joint venture with local partner Joyo. com when they started to expand their business to China and both companies are still settled in Tmall (affiliate with Alibaba) in order to take full advantages of customers. Second, competences and strategies of two company are majorly different. The first strength, Amazon have their own cross-border logistics system which is called Amazon's logistics+ service; this system not only improves the delivery quality of the product but also offers great services to many other cross-border e-commerce companies. With new system, Amazon. cn began a "Flash Sale service" from August of 2015 to shorten the delivery time from 1-3 days.

In addition, Amazon has the widest global network which gives it unparalleled economy of scale and scope. On the other hand, Gmarket has location close to China. They use EMS logistics system but the time of delivery to Chinese customers just 3-10 days that is much shorter than Amazon. cn. Next, Amazon has also built 15 satisfied centers in China, and aggressively invested in the infrastructure. Completely different with Amazon, Gmarket has not built their own system and focus on other strengths to compete directly with Amazon or Alibaba. Other difference is the product categories, Amazon deals with almost product category with the number is more than 20 million items, whereas Gmarket chooses depth

rather than width; they focus on Hallyu items including fashion and cosmetics, thus the quantity of goods in two categories is much more than Amazon. cn.

Furthermore, about marketing and sales promotion, the design of Gmarket is more friendly and flexible than Amazon, because Amazon brand is a global platform, it cannot create a special design that satisfy everyone; however, Gmarket just mainly creates for women in younger generations so it has more fancy design and promotions. The last thing, Amazon and Gmarket have opposite strategic positions in global e-commerce industry. Amazon cannot make alliances with global rivals like Alibaba, but Gmarket absolutely can. Therefore, Gmarket can use the Alipay payment system that is very convenient for Chinese consumers.