

Strategic marketing plan – amazon.com with swot and pest assignment

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Executive summary Because of the globalization of the marketplace, marketing is more and more important. It becomes a key which help companies or organizations open different markets in different countries or maintain their products as a leader. Before that, it has to make the marketing plan that is the soul of marketing. Therefore, this report will first indicate the definition of strategic marketing plans. Then it will look at how important the strategic marketing plan is and the role that it plays in a firm or in a strategic business unit (SUB).

After this, it will examine the process to make a strategic marketing plan that starts with mission statement. Finally, there will be an analysis of how to control the plan and implement it. The report uses the company Amazon . Com to develop the strategic marketing plan. Introduction Due to adapting to the changeable environment, companies and organizations will formulate their strategies that suit with their current competence and marketplace and maintain them. Therefore, to realize ‘ what strategic marketing planning is’ is necessary.

Generally, strategic marketing plan is a plan that informs company what they should do when facing the environment change or other factors. It is made for long term, between three and five years or more. Before starting to introduce the process, it is beneficial to comprehend how strategic marketing is essential for a company and an organization. The practical benefits of it are to increase ‘ revenue and profit’, reduce business ‘ costs’ and enhance ‘ return and investment. ‘ (McDonald, 2002).

Indeed, effective strategic marketing plans not only bring economic income or benefits but also give a definite direction to head in. Strategic marketing plan is concerned with adapting the organization to a changing environment more effectively than their competitors. Organization succeeds when they meet the needs of customers more effectively than their competitors” (Doyle 2002, p. 92). The market’s drivers for change (Cravens & Pierce, 2003), some of which are far beyond the organization’s sphere of control. Adaptability becomes an inextricable phenomenon in mainstream marketing environment.

The organization has to monitor key macro environmental variables (demographic, economic, technological, political, and socio-cultural) and micromanagement variables (customers, competitors, distributors, suppliers) that affect its ability to retain Strategic marketing plan – Amazon. Mom with SOOT and PEST By Parthian advantage, the organization executes a careful strategic planning, and using marketing strategies to achieve this aim. (Cravens & Pierce, 2003) underlines the fact that the strategy marketing plan demands a methodology to be followed and should begin with the company’s forecast and objectives.

Strategic planning and business development are intrinsically linked; the latter cannot be successfully accomplished without regard to the former. Insight to the company chosen-Amazon. Com: Amazon. Com is the largest online retailer. The company opened its virtual doors in July 1995 by Jeff Bozos in Seattle. Since then it has enjoyed rapid expansion in all aspects of its operations, including business turnover, and a spectacular rise in share

value since public floatation in 1997. Amazon. Com sells only on-line and is essentially an information broker. Amazon. Mom has constantly growing database of over 12 million customers in more than 160 countries. Amazon. Com is the place to find and discover anything customers want to buy online. They have earth's biggest selection of products, including millions of books, free electronic greeting cards, online auctions, videos, CDC, DVD's, toys, games, electronics, kitchenware, computers, and more. Amazon transformed itself from a specialty retailer into an online shopping portal, taking a cue from auctioneer eBay, which set itself up as a mediator between buyer and seller.

It started selling products from companies such as Toys " R" Us and Target on its Web site. It added merchandise from smaller retailers in its shops. And it competed directly with eBay through its Amazon Auctions. (wry. Luke. Com) Business mission: The first phase of planning strategic marketing plan is to define the business mission. As Jobber (2001) states ' Business mission is a broadly defined, enduring tenement of purpose that distinguishes a business from others of its type. Briefly, business mission is to give the direction, which presents the unique scope of business, its vision and specific competence & competitive advantages, and to tell employees, consumers, and shareholder what a company is and what kind a company employees are in. It is like a face of a company or an organization that represents all of it. In addition, business missions are based on four core concepts, namely purpose, strategy, standards and behaviors, and company values. Monika always communicate the concept that their products are connecting to people to cause technology is humanity's invention.

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Furthermore, business missions may be influenced by three factors. There are company's competence, environment change, and resource respectively (Cain, 2000). Amazon.com's mission is to leverage technology and expertise to provide the best buying experience on the Internet. To become the largest selection of select retail categories, the goal is for people to come to Amazon.com, find whatever they want, discover things they didn't know they wanted, and leave feeling like they have a new favorite place to shop. Amazon.com's ultimate goal is to be world's most customer-centric company.

Amazon's current strategy is one of expansion through acquisitions and although they have enjoyed some success with this approach it has yet to positively affect the bottom line. Strategic objective: Strategic objectives emphasize the situations of each product. It depends on product life cycle that comprises four stages. The four stages are introduction, growth, maturity, and decline respectively. In addition, different stages have different objectives. When products in the introduction stage, the strategic objectives should enhance the awareness of products, concentrate on the new customers and acquire ordinance first.

As the product life cycle presents growth, it has to strengthen the competitive advantages to maintain a company's existing buyers and attract the potential consumers, because at the same time some new competitors will enter continually. Therefore, it is beneficial for a company or an organization to cut price or extend their distribution. Furthermore, in the mature stage, due to the decline of profit, the strategic objective should

focus on boost of revenue and defense the market share. The final one is decline stage. It indicates that products will tend to anis, because they do not match the needs of customers or market.

Generally, for this time being, business should milk the profit from products with developing a new product or support new one to exploit a completely new market (Best, 2000). There are 4 important objectives of Amazon. Com as below: a) Improve customer relationships Amazon. Com will continue to invest heavily in building relationships with new customers. Customer obsession is the key focus at Amazon. There will be nothing to worry about if the competitors stay focused on Amazon and Amazon stays focused on the customer. There are three main factors that matter most to customers: selection, ease of entry and price.

Amazon. Com will make sure it continues to be the best in those three areas. Product and service expansion is important because it will also encourage repeat customer, as the company becomes increasingly well known to a wider customer base. As long as people keep coming back to purchase new types of merchandise, Amazon. Com will make money. C) Expand partnerships Amazon. Coma's partnership ventures have been successful in the past so the company hopes to continue that success. These partnerships like drugstore. Mom, gear. Com, and Gifford. Com, provide a large selection and great customer service, just like Amazon.

Effective partnerships have been proven to greatly enhance a business. D) Profitability in every Amazon. Com business Sustainable profitability is the main motive for every company. Currently, Amazon generates revenue that

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is reinvested into the company. The goal is to continue to reinvest and make a profit in all business sectors. It is now time to cut its fixed costs and generally improve on company spending. They have to look at delivery costs, quality of merchandise, and the service provided. After evaluating all three factors, Amazon can determine the highest value, lowest cost supplier.

[Http://announcement. Ms. Com](http://announcement.ms.com)) Internal business environment: The internal analysis is concerned both with the past and the future. On the one hand, it looks at how the company has performed in the past and what its strengths and weaknesses are. On the other hand, the analysis takes the company's vision and its assigned tasks and begins to work out how exactly these are going to be achieved. Very important here is the identification of key success factors, which define what needs to happen in order to achieve the team's objectives (Doyle, 2002) One of Amazon's greatest strengths is its management team.

Amazon set out from the very beginning to hire the best professionals they could find, luring executives from other successful companies such as Wall-Mart, Microsoft, Barnes & Noble, and Symantec. These executives bring with them expertise in fields including marketing, software development, financing and distribution. Amazon has a very strong brand name, which according to a report from a British is due in large part to the fact that Amazon is recognized by over 52% of adults in the United States and Europe. Amazon is known for its selection of products as well as its pricing policy which discounts many items ([www. Allyson-network. Com](http://www.allyson-network.com)). In an effort to maintain its low prices, Amazon has consistently decreased its marketing expenses (as a percentage of net sales) since 2000. By passing these

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savings directly onto consumers Amazon has managed to increase sales while lowering marketing costs. This is a double-edged sword, because although it allows them to keep prices lower it lessens their ability to aggressively market their products. Amazon's current financial position will restrict it from further rapid expansion and require it to continue to look for ways to eliminate costs from its current structure.

Although its technology and size provide a definite competitive advantage, they do not come without cost ([http://announcement. Ms. Com](http://announcement.ms.com)) External business environment: The external analysis aims to examine macro-environment, the market and the competition. Macro-environment comprises the conditions of economy, society, technology, policy, ecology and demography. Next, the market analysis comprises of the market characteristics such as size or development, attitude of target consumers and distributions of different brands. External analysis also comprises of competitor analysis.

It is beneficial for a company or an organization to comprehend as to who the company's chief competitor is, what are strengths and weakness of the business and its market shares. But these items are uncontrolled by a company or any organization (Doyle, 2002). COMPETITION AND THE INDUSTRY: Three of Amazons greatest competitors are Wall-mart, E-bay, and Barnes & Noble is quickly advancing into Amazons territory with comparable products. Wall-mart and Barnes & Noble are already strongly established at the top of their respective markets in the retail industry.

They are entering the online industry already backed by consumer confidence which makes them formidable competitors. E-bay is growing in popularity by the minute and continuously broadening their range of products and functionality of their site. The threat these three companies pose along with the threat posed by the countless number of online startups due to low entry barriers is why competition makes up more than a third in weight of Amazon's external factors ([http://finance. Yahoo. Com](http://finance.yahoo.com)).

TECHNOLOGY: Technology is Amazon's number one asset. Because of this, growing e-commerce and opportunities.

Increased speed is especially important because technology takes up space. The more bells and whistles added to a site, the slower it will run and the less likely a consumer will be to browse or return. Many large organizations have invested heavily in hardware, software and telecommunications in order to trade on-line. Except the traditional advertising channel Internet can provide new channel for advertising and the Penetration of IT in the household sector and business sector **ECONOMIC:** The yen raising against the dollar this causes profits in yen to be higher once converted to the dollar.

It also strengthens the Australian businesses in that it costs Australian consumers more to import goods from other countries. This is why the rising yen presents an opportunity for Amazon. Customers are becoming more prices conscious, they can search more information through the Internet which would increase Amazon's traffic. **DEMOGRAPHIC:** For example, in the US, Latino and Hispanic Americans are the fastest growing online ethnic

group prone to buying home theatre equipment. Another study states that the Average Australian Internet user is well educated and affluent.

This information revises a unique target marketing opportunity for Amazon (wry. Luke. Com). GOVERNMENT: The lack of internet taxes is an opportunity online retailers have vs... Traditional retailers. A consumer can save a lot on major purchases by not paying taxes. The fact that the government continues to support the Internet tax exemptions provides an opportunity for all online companies because it lowers the buyer's costs and makes buying online more attractive to consumers. SOCIAL: Internet users continue to grow, which is good news for any internet company. More users equal more potential customers.

There is increased use of the Internet. People depend more on Internet daily whether searching for information or looking for entertainment Those customers are becoming better educated in regards to secure internet transactions, which mean they are no longer as skeptical about making credit card purchases online. These factors combined account for 14% of the external factors and provide the opportunity of increased sales. Critical success factors: Amazon. Com has a very powerful position in the media industry The site is very effectively designed, and makes it easier for the customers to check out.

In fact, many companies benchmarks the Amazon. Coma's tab design. Due to this technological advantage, Amazon. Com had attracted huge shopping audiences, form 1 million 1997 to 50 million 2005. Nevertheless, the thing that Amazon. Com considered the most imperative was their customers,

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which was the main cause of high revenue. In addition, the revenue from the domestic market accounted for 71% of total sales in 2004 from 23% in 1999. SOOT Analysts: Strengths Amazon is a profitable organization. In 2005 profits for the three months to June dipped 32% to \$mom from \$mom in the same period in 2004.

Sales Jumped 26% to \$1. Ban. Until recent years Amazon was experiencing large losses, due to its huge initial set up costs. The recent dip is due to promotions that have offered reduced delivery costs to consumers. Customer Relationship Management (CRM) and Information Technology (IT) support Amazon's business strategy. The company carefully records data on customer buyer behavior. This enables them to offer to individual specific items, or bundles of items, based upon preferences demonstrated through purchases or items visited.

Amazon is a huge global brand. It is recognizable for two main reasons. It was one of the original dotcom, and over the last decade it has developed a customer base of around 30 million people. It was an early exploiter of online technologies for e-commerce, which made it one of the first online retailers. It has built on nits early successes with books, and now has product categories that include electronics, toys and games, DID and more. Weaknesses As Amazon adds new categories to its business, it risks damaging its brand.

Amazon is the number one retailer for books. Toy-R-U's is the number one retailers for toys and games. Imagine if Toys-R-U's began to sell books. This would confuse its for example automotive, may prove to be too confusing for

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customers. The company may at some point need to reconsider its strategy of offering free shipping to customers. It is a fair strategy since one could visit a more local retailer, and pay no costs. However, it is rumored that shipping costs could be up to \$mom, and such a high figure would undoubtedly erode profits.

Opportunities The company is now increasingly cashing in on its credentials as an online retail pioneer by selling its expertise to major store groups. For example, British retailer Marks and Spencer announced a joint venture with Amazon to sell its products and service online. Other recent collaborations have been with Target, Toys-R-Us and the NAB. Amazon's new Luxembourg-based division aims to provide tailored services to retailers as a technology service provider in Europe. There are also opportunities for Amazon to build collaborations with the public sector.

For example the company announced a deal with the British Library, London, in 2004. The benefit is that customers can search for rare or antique books. The library's catalogue of published works is now on the Amazon website, meaning it has details of more than 2. Mm books on the site. In 2004 Amazon moved into the Chinese market, by buying china's biggest online retailer, Joy. Com . The deal was reported to be worth around \$mom (Meme). Joy. Com has many similarities to its new owner, in that it retails books, movies, toys, and music at discounted prices. (www. Amazon. Mom) Threats All successful Internet businesses attract competition. Since Amazon sells the same or similar products as high street retailers and other online businesses, it may become more and more difficult to differentiate the brand

from its competitors. Amazon does have its brand. It also has a huge range of products. Otherwise, price competition could damage the business.

International competitors may also intrude upon Amazon as it expands.

Those domestic (US-based) rivals unable to compete with Amazon in the US may entrench overseas and compete with them on foreign fronts.

Joint ventures, strategic alliances and mergers could see Amazon losing its top position in some markets. The products that Amazon sells tend to be bought as gifts, especially at Christmas. This means that there is an element of seasonality to the business. However, by enduring. Basis for Strategic thrust: The basis for strategic thrust comprises of four conceivable situations between markets and products that are listed as follows Existing products in existing markets (market penetration or expansion).

New/ related products for existing markets (product development) Existing products in new/related markets (market development) New/ related products in the existing markets (entry into new markets) (McDonald, 2002)

The basis for strategic thrust for Amazon should definitely be market penetration or expansion. Internet use is rapidly increasing and when it comes to added value, the answer is simple for Amazon. Com; create more partnerships through Joint alliances and penetrate other market segments. Developing medium term strategic options: life cycle.

When products are in the introduction stage, the strategic objectives should enhance the awareness of products. As the product life cycle presents growth, it has to strengthen the competitive advantages to maintain a company's existing buyers and attractive the potential consumers, because

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at the same time some new competitors will entry continually. Furthermore, in the mature stage, due o the decline of profit, the strategic objective should focus on boost of revenue and defense the market share; this could be done by entering new segments of the market or by introducing new products. The final one is decline stage.

It indicates that products will tend to vanish, because they do not match the needs of customers or market. Generally, for this time being, business should milk the profit from products with developing a new product or support new one to exploit a completely new market (Kettle, 2000) Amazon is in the initial phase of the maturity stage in its life cycle; hence it is rodent for Amazon to defend its market share by enhancing its services. Whether strategic thrust or strategic objective, they both present the future aim of a company and show the direction where their products tend to be in the future.

Improve distribution management 1 . Provide new services: Help customers search for products and services online by implementing new search criteria. Automatically inform interested customers of books and products through e-mail. Increase customer support staff and respond quickly to customers. Encourage customers to recommend Amazon. Com to friends and relatives through discounts. . Research new technology and innovations: Expand databases to include new information about customers and products. Increase customer safety by requiring proof of identification.

Establish system stability and efficiency to prevent damage while increasing traffic and sales volume. Outsource IT Jobs to companies abroad to reduce

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costs of training and maintain high quality service. 3. Cooperate with strategic partners: Coordinate direct online marketing with partner sites to expand the Internet market. Expand market share by forming new international business relationships. Establish services and fulfillment centers outside the USA. 4. Reduce the improper investments in e-commerce: Invest money in products and services with good net income and low handling costs to prevent losses.

Strategic marketing mix: Product: Amazon. Coma's goal is to become the largest online retailer, and needs to continue to expand the product lines even further to include auto parts and travel items. To do this they will need to merge and/or acquire several other companies, as well as develop key partnerships with suppliers to provide a greater number of choices to their customers. The first area of expansion should be into the auto parts industry. Develop a partnership with key auto manufacturers including GM, Honda, Toyota and Ford that will allow Amazon. Com to track the inventory of their parts. Amazon. Com can then develop a page where consumers can search for available auto parts by manufacturer, model and year built. Customers will then be able to purchase factory parts for any car through Amazon. Coma's web site. Customers will be able to locate hard to find parts using Amazon. Coma's extensive database of parts, and have the parts shipped directly to their home without having to drive all over town in search of them. Distribution: