

Amazon.com



**ASSIGN
BUSTER**

History and Success Amazon. com. com, Inc. is the world's largest retailer (Barney, 2011) conducting online business with its headquarters in Washington, USA. Amazon. com. com started its operations as an online bookstore in 1995 by Mr. Jeff Bezos (Gary, 2005). Later on the business was expanded by selling Digital Videos, Compact Disks, Media Player 3, computer software, games for kids and youth, house hold electronic devices, furniture and fixture, food related items and other marketable mix.

The basic motive behind the company was to offer wide variety of goods conveniently to the customers at low cost. The company got success and fame in its initial phase with an average sale of 20, 000 dollars per week in its first two months among the 45 countries (Josh, 2009). Amazon. com in 2003 had a record of business more than 5 billion dollars sales and 76 million active users in 200 different nations round the globe in 2008 with 17000 workers, working for the clients round the clock. 2. Amazon. com web analytics

Web analytics is a powerful tool to get knowledge about the popular trends, common likes and dislikes and priorities of the variety of customers. It helps in prospecting. Potential customers of a particular product and service can easily be traced and sellers can contact their potential buyers and even can sell multidimensional products to the same customer. Amazon. com is also using web analytics tools.

It helps in data management and also increases the security level. It can help in secured payments and meticulous delivery of products to their buyers and also focuses their trends and can forecast for the future purchases. . Use of digital channel Amazon. com. com uses a highly

developed digital channel in five ways in order to achieve invincible success. These channels are shortly described as: 1. Enhanced customer involvement Customer involvement is a strong marketing strategy followed by Amazon.com. Customers feel themselves as the part of the company which gives rise to a smooth relationship. Amazon.com following this strategy, gives full detail about the products shipped and updated the status accordingly.

It also gives the description of the new products for the clients and clients also has option to give their reviews and to rate a products in terms of value for money. 2. Increased customer satisfaction Customer satisfaction is basic theme of the Amazon.com. Amazon.com uses a customer satisfaction matrix for examining the customer's satisfaction towards a product or service. Customer satisfaction is increased by the continuous monitoring the number of web-pages explored by the users, number of transactions made by the clients and the speed of downloading.

Following its customer satisfaction techniques, Amazon.com got first place in American Customer Satisfaction Index. 3. Regular improvement of the website Users prefer a simple website with all the options they can use readily available without any complexities. Amazon.com spends multi million dollars to investigate the problems that customers face and to improve its website regularly, making it a user friendly website. As a online retailer, if all of its books and audio-visual products are listed, it is unnecessary and the user is also not very convenient to choose what needed.

Therefore, Amazon sets the search engines and navigation to facilitate the purchase of the users to act as essential technical measures. In addition, the

homepage of the Amazon to do very well, it provides a wide variety of all-round way to search, for example: title search, the subject search, keyword search and the search of the author. Meanwhile, it also provides a series of best-selling bibliographies, award-winning music, the highest grossing movie of navigation, search device and user-friendly search-election to guide the user and share each's ideas. This pre-sale service contributes to customer prefer when making a choice. 4.

Digital marketing approach Marketing approach or strategy is the core issue of an organization's success. A good and economic product if not marketed properly can lead to big shock. Hence companies keep their competitive edge secret. Some of the marketing techniques of Amazon. com that I searched include the emphasis on customer loyalty, email marketing, customer's options to rate their products, taking account the customer's feedback and effective advertising. 5. Feedback In case of Amazon. com, real time tests have been conducted to measure the effectiveness with view point of the customers and to get feedback from the experts.

Because the information of customer feedback will test whether the strategies of Amazon are effective or not. The feedbacks of customer will also contribute to company's future strategy decisions and change the mistakes. More importantly, the feedback from the customers has been highly valued in research and development process. 6. Technological advancement Amazon. com uses the distributed development and deployment approach. This approach is useful to modify the content on the webpage and its location without the help of an IT professional and within a very little span of time, making the system easier and quick to respond.

This system is automatic for accepting orders and payments and is free from human errors and can handle thousands of transactions simultaneously. 7. Affiliated marketing Amazon. com appreciates affiliated marketing, like web service and third party retailers. They place links of Amazon. com on their website and get paid for every click on Amazon. com from their site and if click leads to the purchase of an item, they are given commission. The strategy is very successful as more than 40 percent sale by Amazon. com is through this digital channel. 3. Effective delivery methods Amazon contributes to high performance goods delivery, aims at reducing the cost. When the customers confirm the order on the Amazon website, the information of order could immediately shows on the Amazon sales system (Including items whether in stock, select shipping methods, an estimated delivery date and delivery date). As Amazon category creates different distribution centers, so the order of different products will delivery from different distribution centers located in different locations in the United States to all the world.

In addition, Amazon's distribution centers keep only a small amount of stocks. Thus, after receiving customer orders, Amazon will queries the inventory of the order distribution center. If distribution center is not in stock, Amazon will immediately order from suppliers. In order to save the customer waiting time, Amazon suggest customer put all items in one order when ordering different goods. Thus Amazon will not only shorten the waiting time after the customer orders, but also expanded the bulk of transport, improve transport efficiency and reduce transportation costs. 4.

Information management and organization of Amazon. com In order to conduct a successful business and to maintain a competitive edge in the market, information management and organization systems are of prime importance. Information system helps in enhancing the profits and the volume of the business and at the same time increases customer loyalty (Jack, 2011). Amazon. com is a business tycoon and ranks first as an online retailer in the global market. The effective use of digital marketing channels and information management by Amazon. com has increased its efficiency as well as its profitability.

Following is a snapshot of the Amazon. com's information management and organization of Amazon. com: 1. CRM (Customer Relation Management System) The main responsibility of CRM is to facilitate the business growth by sales integration, effective communication with the customers and to ensure the high quality of service (Jenkinson, 2005). Amazon. com's CRM system helps in repeated sales to the customers through effective and targeted advertising. CRM is also involved in customer retention, customer extension. 2. ERP (Enterprise Resource Planning System)

ERP system is triggered by a purchase order and remains active till the delivery of purchased item to its new owner (Wailgum, 2008). Amazon. com's ERP system is based on Oracle and it analyses all the data pertaining to the customers, keeps the history of the purchases of all the customers, conveys the orders of the customers to the warehouse and ensures the stipulated distribution. This system enables error free delivery to the customers. 3. SCM (Supply Chain Management) SCM system maintains

shipping activities, transportation of the goods and plans inventory and helps in reducing logistic and operational costs (Gabe, 2010).

Improvements in SCM have enabled Amazon. com customers to buy directly from the retailers of the goods by forwarding orders directly to the retailers. It helped in reducing shipping and storage costs and consequently, an increase in revenue over every order. 5. Mergers and acquisitions (M; A) M; A are a very important decision in the business. Merger is the business in which two firms of the same size decide to do a business together which they cannot commence alone. Whereas, acquisition is the takeover of a company by some other company by purchasing its 100 percent or near 100 percent shares.

The main reasons for mergers and acquisitions may include entry in a new market, introduction of new products, to increase market share, to lower operational or production cost or to enhance profitability. Amazon. com is quite a big guy in the market, so no merger is possible. However, Amazon. com has acquisitioned in above 70 different business companies. Recently, Amazon. com announced to acquire Goodreads and the founder of Goodbooks, Otis Chandler claimed that the platform of Amazon. com will help Goodbooks to find new customers and also the old customers were also willing to an e-reader.

Amazon. com has a long list of acquisition of books recommendation site like Shelfari, Book pages and Tele book etc. The acquisitions improve Amazon's strategy varieties, and make company stronger when face different competitive market environment. The figure below shows the acquisitions of Amazon. com during different years and price of acquisitions. [pic] 6. Future

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of Amazon. com Amazon. com reached a height of success just in less than 20 years and became the greatest online retailer all over the world, leader in digital content and a model of extending extreme services to the customers.

With a prosperous past history and dedicated services to its customers, in person opinion, the future of Amazon. com also seems bright because according to the contemporary theory of management, Amazon keep its steps on changing to adopt or forecast the future's market demands, and Amazon has already built a excellent brand value and customer loyalty. When customer want to buy books, video, music or relevant items online, Amazon always make people think firstly. So, basic on presentation above, Amazon. com has ability to change and improve with the changing demands of the business and that of customers. 7.

Summary and concluding remarks Amazon. com is an exemplary and iconic business organization in the world of ecommerce. It gained a gigantic achievement in less than 20 years by the utilization of its digital channels including web analytics, customer's involvement and satisfaction, regular improvements in the website and excellent digital marketing strategies, customer care and affiliated marketing mechanism. Coping with its motive of providing a wide range of products with convenience and at a considerable price and particularly following the best use of digital channel as described above, Amazon. com got a tremendous success.

The myth behind this success as far I understood from the research is solely the digital channel by the help of which, company is dealing with millions of customers, a huge database, an extremely large number of transactions, timely delivery of goods, excellent logistics and world's best warehousing in

the changing environment was not possible in the absence of its digital channel. The digital channel enabled Amazon. com to cope with the changing needs and demands of the clients while offering diversified products.