

Business Review on Amazons Digital Marketing

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I. INTRODUCTION

1.1 Industry Profile

E-commerce has transformed the way business is done in India. The Indian E-commerce market is expected to grow to US\$ 188 billion by 2025 from US\$ 46.2 billion as of 2020. By 2030, it is expected to reach US\$ 350 billion. In 2022, the Indian e-commerce market is predicted to increase by 21.5%, reaching US\$ 74.8 billion.

India's e-commerce market is expected to reach US\$ 111 billion by 2024 and US\$ 200 billion by 2026.

Much of the growth for the industry has been triggered by an increase in internet and smartphone penetration. The number of internet connections in 2021 increased significantly to 830 million, driven by the 'Digital India' programme. Out of the total internet connections, ~55% of connections were in urban areas, of which 97% connections were wireless.



1.2 Market Size

The Indian online grocery market is estimated to reach US\$ 26.93 billion in 2027 from US\$ 3.95 billion in FY21, expanding at a CAGR of 33%. India's consumer digital economy is expected to become a US\$ 1 trillion market by 2030, growing from US\$ 537.5 billion in 2020, driven by strong adoption of online services such as e-commerce and edtech in the country.

According to Grant Thornton, e-commerce in India is expected to be worth US\$ 188 billion by 2025.

With a turnover of \$50 billion in 2020, India became the eighth-largest market for e-commerce, trailing France and a position ahead of Canada.



Propelled by rising smartphone penetration, launch of 4G network and increasing consumer wealth, the Indian E-commerce market is expected to grow to US\$ 200 billion by 2026 from US\$ 38.5 billion in 2017. After China and the US, India had the third-largest online shopper base of 140 million in 2020. Indian consumers are increasingly adopting 5G smartphones even before roll out of the next-gen mobile broadband technology in the country. Smartphone shipments reached 169 million in 2021 with 5G shipments registered a growth of 555% year on year in 2021. Indian consumers are increasingly adopting 5G smartphones even before roll out of the next-gen mobile broadband technology in the country. Smartphone shipments reached 150 million units and 5G smartphone shipments crossed 4 million in 2020, driven by high consumer demand post-lockdown. According to a report published by IMAI and Kantar Research, India internet users are expected to reach 900 million by 2025 from ~622 million internet users in 2020, increasing at a CAGR of 45% until 2025. For the 2021 festive season, Indian e-commerce platforms generated sales worth US\$ 9.2 billion Gross Merchandise Value (GMV), a 23% increase from last year's US\$ 7.4 billion.

1.3 Investments

Some of the major developments in the Indian e-commerce sector are as follows:

- India's ecommerce sector received US\$ 15 billion of PE/VC investments in 2021 which is a 5.4 times increase year on year. This is the highest investment value received by any sector ever in India.
- In February 2022, Xpressbees became a unicorn with a US\$ 1.2 billion valuation after raising US\$ 300 million in its Series F funding.
- In February 2022, Amazon India launched One district One product (ODOP) bazaar on its platform to support MSMEs.
- In February 2022, Flipkart launched the "sell back program" to enable trade in smartphones.
- In January 2022, Walmart invites Indian sellers to join its US market place with an aim of exporting US\$ 10 billion from India each year by 2027.
- In January 2022, Flipkart has announced expansion in its grocery services and will offer services to 1,800 Indian cities.
- In November 2021, XPDEL US- based ecommerce announced expansion in India.
- In September 2021, CARS24, India's leading used car e-commerce platform, has raised US\$ 450 million in funding, comprising a US\$ 340 million Series F equity round and US\$ 110 million in debt from various financial institutions. In September 2021, Amazon launched Prime Video Channels in India. Prime Video Channels will give Prime members a seamless experience and access to a variety of popular video streaming services.
- In September 2021, Bikayi, a mobile commerce enabler, raised US\$ 10.8 million in a Series A funding round, led by Sequoia Capital India.
- Flipkart, India's e-commerce powerhouse, announced in July 2021 that it has raised US\$ 3.6 billion in new funding from various sources including sovereign funds, private equities and Walmart (parent company).
- In June 2021, Flipkart added a new fulfilment centre (FC) in Dankuni, West Bengal. The FC is spread over 2.2 lakh sq. ft. and has a potential to create ~3,500 direct jobs.

- In June 2021, Grofers, the grocery delivery start-up, reportedly entered the unicorn club, after raising US\$ 120 million from Zomato, the food delivery platform.
- In June 2021, Mastercard invested an undisclosed amount in Instamojo, a payments firm, to help digitise online stores and process their payments more seamlessly.
- In May 2021, Amazon introduced a video streaming service within its shopping app called MiniTV for users in India. MiniTV features web series, comedy shows and content on tech news, food, beauty and fashion.
- In May 2021, Flipkart strengthened its grocery infrastructure to cater to customer safety and demand across India. In this quarter, it is planning to further expand its fulfilment centre capacity for grocery by over 8 lakh square feet across Delhi, Kolkata, Chennai, Coimbatore and Hyderabad.
- In May 2021, Flipkart announced that it is in talks with sovereign funds, private equity majors and other investors to raise up to US\$ 2 billion at a valuation of US\$ 30 billion.
- In April 2021, Flipkart announced a commercial alliance with Adani Group to improve the company's logistics and data centre capabilities and create about 2,500 direct jobs.
- In April 2021, Flipkart announced to acquire Clear trip, an online travel technology firm. Flipkart announced to purchase 100% shareholding of Clear trip as the company expands its investments to broaden its digital commerce offerings for customers.
- In April 2021, Kirana commerce platform Elastic Run raised US\$ 75 million in a round led by existing investors—Avatar Venture Partners and Prosus Ventures.
- In March 2021, Amazon acquired Bengaluru-based retail tech start-up Perpule for Rs. 107.6 crore (US\$ 14.5 million).
- In March 2021, Purple, an online beauty store, raised US\$ 45 million from Sequoia Capital India, Verlinvest, Blume Ventures and JSW Ventures.
- In March 2021, Captain Fresh, a B2B marketplace for seafood, raised US\$ 3 million in seed capital led by Matrix Partners India and Ankur Capital.

1.4 Government Initiatives

Since 2014, the Government of India has announced various initiatives, namely Digital India, Make in India, Start-up India, Skill India and Innovation Fund. The timely and effective implementation of such programs will likely support growth of E-commerce in the country. Some of the major initiatives taken by the Government to promote E-commerce in India are as follows:

- As of February 15, 2022, the Government e-Marketplace (GeM) portal served 9.04 million orders worth Rs. 193,265 crore (US\$ 25.65 billion) to 58,058 buyers from 3.79 million registered sellers and service providers.
- As of November 2, 2021, the Government e-Marketplace (GeM) portal served 7.96 million orders worth Rs. 152,315 crore (US\$ 20.40 billion) to 55,433 buyers from 3.06 million registered sellers and service providers.
- As of October 11, 2021, the Government e-Marketplace (GeM) portal served 7.78 million orders worth Rs. 145,583 crore (US\$ 19.29 billion) to 54,962 buyers from 2.92 million registered sellers and service providers.
- In a bid to systematise the onboarding process of retailers on e-commerce platforms, the Department for Promotion of Industry and Internal Trade (DPIIT) is reportedly planning to utilise the Open Network for Digital Commerce (ONDC) to set protocols for cataloguing, vendor discovery and price discovery. The department aims to provide equal opportunities to all marketplace players to make optimum use of the e-commerce ecosystem in the larger interest of the country and its citizen.
- National Retail Policy: The government had identified five areas in its proposed national retail policy—ease of doing business, rationalisation of the licence process, digitisation of retail, focus on reforms and an open network for digital commerce—stating that offline retail and e-commerce need to be administered in an integral manner.
- The Consumer Protection (e-commerce) Rules 2020 notified by the Consumer Affairs Ministry in July directed e-commerce companies to display the country of origin alongside the product listings. In addition, the companies will also have to reveal parameters that go behind determining product listings on their platforms.

- Government e-Marketplace (GeM) signed a Memorandum of Understanding (MoU) with Union Bank of India to facilitate a cashless, paperless and transparent payment system for an array of services in October 2019.
- Under the Digital India movement, Government launched various initiatives like Umang, Start-up India Portal, Bharat Interface for Money (BHIM) etc. to boost digitisation.
- In October 2020, Minister of Commerce and Industry, Mr. Piyush Goyal invited start-ups to register at public procurement portal, GeM, and offer goods and services to government organisations and PSUs.
- In October 2020, amending the equalisation levy rules of 2016, the government mandated foreign companies operating e-commerce platforms in India to have permanent account numbers (PAN). It imposed a 2% tax in the FY21 budget on the sale of goods or delivery of services through a non-resident ecommerce operator.
- In order to increase the participation of foreign players in E-commerce, Indian Government hiked the limit of FDI in E-commerce marketplace model to up to 100% (in B2B models).
- Heavy investment made by the Government in rolling out fibre network for 5G will help boost E-commerce in India.

1.5 Future of E-Commerce

The E-commerce industry has been directly impacting micro, small & medium enterprises (MSME) in India by providing means of financing, technology and training and has a favourable cascading effect on other industries as well. Indian E-commerce industry has been on an upward growth trajectory and is expected to surpass the US to become the second largest E-commerce market in the world by 2034. Technology enabled innovations like digital payments, hyper-local logistics, analytics driven customer engagement and digital advertisements will likely support the growth in the sector. The growth in E-commerce sector will also boost employment, increase revenues from export, increase tax collection by exchequers, and provide better products and services to customers in the long-term. Rise in smartphone usage is expected to rise 84% to reach 859 million by 2022.

E-retail market is expected to continue its strong growth - it registered a CAGR of over 35% to reach Rs. 1.8 trillion (US\$ 25.75 billion) in FY20. Over the next five years, the Indian e-retail industry is projected to exceed ~300-350 million shoppers, propelling the online Gross Merchandise Value (GMV) to US\$ 100-120 billion by 2025.

According to Bain & Company report, India's social commerce gross merchandise value (GMV) stood at ~US\$ 2 billion in 2020. By 2025, it is expected to reach US\$ 20 billion, with a potentially monumental jump to US\$ 70 billion by 2030, owing to high mobile usage.

1.6 Company Profile



| | |
|-------------------|---|
| Trade name | Amazon |
| Formerly | Cadabra, Inc. (1994–1995) |
| Type | Public |
| Traded as | <ul style="list-style-type: none"> • Nasdaq: AMZN • Nasdaq-100 component • S&P 100 component • S&P 500 component |
| ISIN | US0231351067 |
| Industry | <ul style="list-style-type: none"> • E-commerce • Cloud Computing • Artificial intelligence • Consumer electronics • Entertainment • Digital distribution |

| | |
|-------------------------|---|
| | <ul style="list-style-type: none"> • Self-driving cars • Supermarket |
| Founded | July 5, 1994; 27 years ago Bellevue, Washington, U.S. |
| Founder | Jeff Bezos |
| Headquarters | Seattle, Washington and Arlington, Virginia, U.S. |
| Area served | Worldwide |
| Key people | Jeff Bezos (executive chairman) Andy Jassy (president and CEO) |
| Products | <ul style="list-style-type: none"> • Echo • Fire Tablet • Fire TV • Fire OS • Kindle |
| Services | <ul style="list-style-type: none"> • Amazon.com • Amazon Alexa • Amazon Appstore • Amazon Luna • Amazon Music • Amazon Prime • Amazon Prime Video • Twitch • Ring • Amazon Web Services |
| Revenue | ▲US\$469.822 billion (2021) ^{[1][2]} |
| Operating income | ▲US\$24.879 billion (2021) ^[1] |
| Net income | ▲US\$33.364 billion (2021) ^[1] |
| Total assets | ▲US\$420.549 billion (2021) ^[1] |
| Total equity | ▲US\$138.245 billion (2021) ^[1] |
| Website | amazon.com |

A. Introduction

Amazon.com, Inc. is an American multinational technology company which focuses on e-commerce, cloud computing, digital streaming, and artificial intelligence. It has been referred to as "one of the most influential economic and cultural forces in the world", and is one of the world's most valuable brands. It is one of the Big Five American information technology companies, alongside Alphabet, Apple, Meta, and Microsoft.

Amazon was founded by Jeff Bezos from his garage in Bellevue, Washington, on July 5, 1994. Initially an online marketplace for books, it has expanded into a multitude of product categories: a strategy that has earned it the moniker The Everything Store. It has multiple subsidiaries including Amazon Web Services (cloud computing), Zoox (autonomous vehicles), Kuiper Systems (satellite Internet), Amazon Lab126 (computer hardware R&D). Its other subsidiaries include Ring, Twitch, Freevee, and Whole Foods Market. Its acquisition of Whole Foods in August 2017 for US\$13.4 billion substantially increased its footprint as a physical retailer.

Amazon has earned a reputation as a disruptor of well-established industries through technological innovation and mass scale. As of 2021, it is the world's largest online retailer and marketplace, smart speaker provider, cloud computing service through AWS, live-streaming service through Twitch, and Internet company as measured by revenue and market share. In 2021, it surpassed Walmart as the world's largest retailer outside of China, driven in large part by its paid subscription plan, Amazon Prime, which has over 200 million subscribers worldwide. It is the second-largest private employer in the United States.

Amazon also distributes a variety of downloadable and streaming content through its Amazon Prime Video, Amazon Music, Twitch, and Audible units. It publishes books through its publishing arm, Amazon Publishing, film and television content through Amazon Studios, and has been the owner of film and television studio Metro-Goldwyn-Mayer since March 2022. It also produces consumer electronics—most notably, Kindle e-readers, Echo devices, Fire tablets, and Fire TVs.

B. Methodology

Findings in this report are based on Jungle Scout's ecommerce data collected over a three-year timeframe (March 2018 through February 2021) across 14 global marketplaces. It includes 3,500+ distinct brands and 560,000+ unique Amazon advertising campaigns across all key ad mediums.

It includes data and insights from Downstream, the leading Amazon advertising and analytics software and the newest addition to the Jungle Scout suite.

C. Using the Data

We invite you to explore Jungle Scout's 2021 Amazon Advertising Report, and to share, reference, and publish the findings with attribution to "Jungle Scout" and a link to this page. For more information, specific data requests or media assets, or to reach the report's authors, please contact us at press@junglescout.com. Jungle Scout is the leading all-in-one platform for selling on Amazon, with the mission of providing powerful data and insights to help entrepreneurs and brands grow successful Amazon businesses. Downstream by Jungle Scout is an enterprise-ready software solution that helps large brands and enterprises measure, manage, and optimize their ecommerce advertising campaigns. Downstream's machine learning algorithms provide unparalleled advertising analytics and automation, helping brands amplify their PPC performance, make best use of their advertising budgets, and win on Amazon. HP, Bic, and the world's biggest CPG brands, among many others, trust Downstream to manage massive advertising campaigns across their entire ecommerce product catalogs. To optimize and scale ad campaigns and increase your product visibility on Amazon, request a demo today. Get the automation, data analytics, and reporting you need to unlock your advertising potential on Amazon. M

D. Background

The story of the formation of Amazon.com is often repeated and is now an urban legend. The company was founded by Jeff Bezos, a computer science and electrical engineering graduate from Princeton University. Bezos had moved to Seattle after resigning as the senior vice-president at D. E. Shaw, a Wall Street investment bank. He did not know much about the Internet. But, he came across a statistic that the Internet was growing at 2300%. which convinced him that this was a large growth opportunity. Not knowing much more, he plunged into the world of E-Commerce with no prior retailing experience

He chose to locate the company in Seattle because it had a large pool of technical talent and since it was close to one of the largest book wholesalers located in Roseburg, Oregon. Clearly, he was thinking of the company as a bookseller at the beginning. Moreover, the sales tax laws for online retailer's state that one has to charge sales tax in the state in which one is incorporated. This means that for all transactions from that state the price would be increased by the sales tax rate leading to a competitive disadvantage. Therefore, it was logical to locate in a small state and be the story of the formation of Amazon.com is often repeated and is now an urban legend. The company was founded by Jeff Bezos, a computer science and electrical engineering graduate from Princeton University. Bezos had moved to Seattle after resigning as the senior vice-president at D.E.Shaw, a Wall Street investment bank. He did not know much about the Internet. But he came across a statistic that the Internet was growing at 2300%. which convinced him that this was a large growth opportunity. Not knowing much more, he plunged into the world of E-Commerce with no prior retailing experience

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tax rate leading to a competitive disadvantage. Therefore, it was logical to locate in a small state and be uncompetitive on a smaller number of transactions rather than in a big state such as California or New York.

The company went on-line in July 1995. The company went public in May 1997. As a symbol of the company's frugality, Jeff and the first team-built desks out of doors and four-by-fours. The company was started in a garage. Ironically, initial business meetings were conducted at a local Barnes and Noble store.

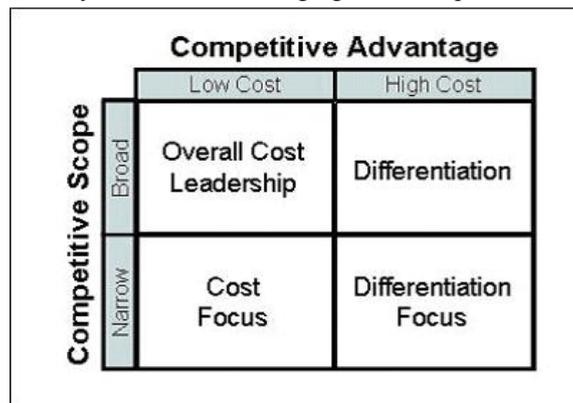
Bezos' first choice for the company name was Caldara. He quickly dropped this name when a lawyer he contacted mistook it for cadaver. He picked Amazon because it started with the letter A, signified something big and it was easy to spell.

For his contribution, Jeff Bezos was picked as the 1999 Time person of the year at the age of 35 making him the fourth-youngest person of the year. Describing why it choose Bezos, Time magazine said, "Bezos' vision of the online retailing universe was so complete, his Amazon.com site so elegant and appealing that it became from Day One the point of reference for anyone who had anything to sell online

E. Evaluation of Current Strategy

Amazon's generic corporate strategy can be described as **concentric diversification**. This strategy is based on leveraging technological capabilities for business success and following a cost leadership strategy aimed at offering the maximum value for its customers at the lowest price in addition to wrapping its business around the customers wherein they find Amazon to be the go-to portal for their online shopping needs.

Indeed, this strategy has paid off well as can be seen from the fact that it is the world's largest online retailer and has consistently been the leader in the market segments in which it operates. Having said that, it must also be noted that cost leadership can follow the law of diminishing returns wherein firms following this strategy find that they are unable to sustain growth or increase profitability once the "low-hanging fruit" are plucked.



Continuing the discussion, the generic business strategy followed by Amazon can be explained using The Ansoff matrix as represented pictorially in the figure above. Amazon is placed in the Overall Cost Leadership quadrant and its relentless focus on costs is the key to understanding its overall strategy.

The specific measures taken by Amazon in pursuit of this strategy include steep discounts for is regular members through the Amazon Prime program, ensuring timely and even express delivery and at times, waiving off the shipping charges, passing on the benefits of avoiding state taxes to the customers thereby lowering the price even further, and an overall strategy based on making the customer experience as seamless and as smooth as possible.

Apart from this, **Amazon's strategy is driven by its sources of competitive advantage** wherein it is focus on technology, actualizing the benefits of economies of scale, and leveraging the efficiencies from the synergies between its external drivers and internal resources have been the cornerstones of its business model. Further, Amazon uses Big Data Analytics as a tool to map consumer behaviour. Indeed, Big Data has been embraced to such an extent by the company that it is now in a position to market this as another service offering.

Anyone who has shopped on Amazon encounters a list of recommended products that are picked according to the browsing history and the mapping of their purchases with that of likely purchases in the future. This has meant that Amazon can sense and intuit what consumers want and tailor its strategies accordingly. As mentioned throughout this

article, Amazon uses technology to the fullest, which is not surprising considering it is after all an internet-based company.

However, Amazon’s overall cost leadership with little product differentiation means that its business model has been copied by “me-too” competitors in a cutthroat price war that has left everyone bruised. Further, its focus on cost reduction at the expense of product differentiation means that its products are available on other portals as well and there is no product line that is exclusive or unique to it.

Apart from this, Amazon does not stock products that appeal to the need for “instant gratification” wherein consumers make impulsive purchases and who are impatient and need quick fixes. For instance, except for its movies and other digital items, the other product lines are all not in the category of those that provide this gratification to the customers.

Having said that, it must be noted that **Amazon’s current strategy is also built around the convenience aspect** wherein customers need not go to a physical bookstore or even wait for their purchases to arrive after some time as it has introduced same day delivery in many countries and is even toying with the idea of using Drones for near instantaneous delivery. Apart from that, its focus on non-retail product lines such as cloud-based services means that it is addressing the issue of differentiation as well as its overreliance on cost leadership.

F. Amazon India’s Target Audience

Amazon India offers a wide range of products and services to its customers with the convenience of ordering from home through their mobile devices. So, to keep it short, Amazon targets every person in the country as its potential customer. Amazon also has around 40+ subsidiaries that specifically cater to a specific set of customers. Here’s a breakdown of the same.

As you can see from the table, how Amazon India targets its audience broadly with its eCommerce platforms as well as targeting the audience of specific groups and interests with its other group of companies.

Now that you have an idea of its offerings and audience demographics, let us understand the Digital marketing strategies and campaigns implemented by Amazon India to retain its existing customers and how they target new customers

| Amazon | Target Group/Audience |
|--------------------------|--|
| Amazon.com | General Public |
| Audible and Kindle | Book Readers |
| Twitch | Gaming Community |
| IMDb, Prime Video, Music | General Movies and Entertainment Audience |
| Amazon Web Services | Corporates and Businesses, Bloggers, Freelancers |

G. Amazon Marketing Strategy

“Relentlessly focus on customer experience by offering our customers low prices, convenience, and a wide selection of merchandise.”

The vision is still to consider how the core Amazon marketing strategy value proposition is communicated both on-site and through offline communications.

Of course, achieving customer loyalty and repeat purchases has been key to Amazon’s success. Many dot-coms failed because they succeeded in achieving awareness, but not loyalty. Amazon achieved both. In their SEC filing they stress how they seek to achieve this. They say:

"We work to earn repeat purchases by providing easy-to-use functionality, fast and reliable fulfilment, timely customer service, feature-rich content, and a trusted transaction environment.

Key features of Amazon include:

- Editorial and customer reviews;
- Manufacturer product information;
- Web pages tailored to individual preferences, such as recommendations and notifications; 1-click technology;

- Secure payment systems;
- Image uploads;
- Searching on our websites as well as the internet;
- Browsing; and the ability to view selected interior pages and citations, and search the entire contents of many of the books we offer with our “look inside the book” and “search inside the book” features.

The community of online customers also creates feature-rich content, including product reviews, online recommendation lists, wish lists, buying guides, and wedding and baby registries."

In practice, as is the practice for many online retailers, the lowest prices are for the most popular products, with less popular products commanding higher prices and a greater margin for Amazon.

Free shipping offers are used to encourage increase in basket size since customers have to spend over a certain amount to receive free shipping. The level at which free shipping is set is critical to profitability and Amazon has changed it as competition has changed and for promotional reasons.

Amazon communicates the fulfilment promise in several ways including the presentation of the latest inventory availability information, delivery date estimates, and options for expedited delivery, as well as delivery shipment notifications and update facilities.



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This focus on customer has translated to excellence in service with the 2004 American Customer Satisfaction Index giving Amazon.com a score of 88 which was at the time, the highest customer satisfaction score ever recorded in any service industry, online or offline

Round (2004) notes that Amazon focuses on customer satisfaction metrics. Each site is closely monitored with standard service availability monitoring (for example, using Keynote or Mercury Interactive) site availability and download speed. Interestingly it also monitors per minute site revenue upper/lower bounds – Round describes an alarm system rather like a power plant where if revenue on a site falls below \$10,000 per minute, alarms go off! There are also internal performance service-level-agreements for web services where T% of the time, different pages must return in X seconds.

Whilst it does not reveal much about the Amazon marketing strategy approach in its annual reports, but there seems to be a focus on online marketing channels. Amazon (2011) states “we direct customers to our websites primarily through a number of targeted online marketing channels, such as our Associates program, sponsored search, portal advertising, email marketing campaigns, and other initiatives”. These other initiatives may include outdoor and TV advertising, but they are not mentioned specifically. In this statement they also highlight the importance of customer loyalty tools. They say: “while costs associated with free shipping are not included in marketing expense, we view free shipping offers and Amazon Prime as effective worldwide marketing tools, and intend to continue offering them indefinitely”.

H. Amazon Marketing Strategy for Partnerships

As Amazon grew, its share price growth enabled partnership or acquisition with a range of companies in different sectors. Marcus (2004) describes how Amazon partnered with Drugstore.com (pharmacy), Living.com (furniture), Pets.com (pet supplies), Wineshopper.com (wines), HomeGrocer.com (groceries), Sothebys.com (auctions) and Kozmo.com (urban home delivery). In most cases, Amazon purchased an equity stake in these partners, so that it would

share in their prosperity. It also charged them fees for placements on the Amazon site to promote and drive traffic to their sites.

Similarly, Amazon marketing strategy was to charge publishers for prime-position to promote books on its site which caused an initial hue-and-cry, but this abated when it was realised that paying for prominent placements was widespread in traditional booksellers and supermarkets. Many of these new online companies failed in 1999 and 2000, but Amazon had covered the potential for growth and was not pulled down by these partners, even though for some such as Pets.com it had an investment of 50%.

Analysts sometimes refer to 'Amazonian a sector' meaning that one company becomes dominant in an online sector such as book retail such that it becomes very difficult for others to achieve market share. In addition to developing, communicating and delivering a very strong proposition, Amazon has been able to consolidate its strength in different sectors through its partnership arrangements and through using technology to facilitate product promotion and distribution via these partnerships. The Amazon retail platform enables other retailers to sell products online using the Amazon user interface and infrastructure through their 'Syndicated Stores' programme.

For example, in the UK, Waterstones (www.waterstones.co.uk) is one of the largest traditional bookstores. It found competition with online so expensive and challenging, that eventually it entered a partnership arrangement where Amazon markets and distributes its books online in return for a commission online. Similarly, in the US, Borders a large book retailer uses the Amazon merchant platform for distributing its products.

Toy retailer Toys R' Us have a similar arrangement. Such partnerships help Amazon extends its reach into the customer-base of other suppliers, and of course, customers who buy in one category such as books can be encouraged to purchase into other areas such as clothing or electronics.

Another form of partnership referred to above is the Amazon Marketplace which enables Amazon customers and other retailers to sell their new and used books and other goods alongside the regular retail listings. A similar partnership approach is the Amazon 'Merchants@' program which enables third party merchants (typically larger than those who sell via the Amazon Marketplace) to sell their products via Amazon. Amazon earn fees either through fixed fees or sales commissions per-unit. This arrangement can help customers who get a wider choice of products from a range of suppliers with the convenience of purchasing them through a single checkout process.

Finally, Amazon marketing strategy has also facilitated formation of partnerships with smaller companies through its affiliates programme. Internet legend records that Jeff Bezos, the creator of Amazon was chatting to someone at a cocktail party who wanted to sell books about divorce via her web site. Subsequently, Amazon.com launched its Associates Program in July 1996 and it is still going strong.

Googling <http://www.google.com/search?q=www.amazon.com+-site%3Awww.amazon.com> for sites that link to the US site, shows over 4 million pages, many of which will be affiliates. Amazon does not use an affiliate network which would take commissions from sale, but thanks to the strength of its brand has developed its own affiliate programme.

Here, the Amazon marketing strategy has created a tiered performance-based incentives to encourage affiliates to sell more Amazon products.

I. Amazon Marketing Strategy Communications

In their SEC filings Amazon state that the aims of their communications strategy are (unsurprisingly) to:

1. Increase customer traffic to our websites
2. Create awareness of our products and services
3. Promote repeat purchases
4. Develop incremental product and service revenue opportunities
5. Strengthen and broaden the Amazon.com brand name.

Amazon also believe that their most effective marketing communications are a consequence of their focus on continuously improving the customer experience. This then creates word-of-mouth promotion which is effective in acquiring new customers and may also encourage repeat customer visits.

As well as this Marcus (2004) describes how Amazon used the personalisation enabled through technology to reach out to a difficult to reach market which Bezos originally called 'the hard middle'. Bezos's view was that it was easy to reach 10 people (you called them on the phone) or the ten million people who bought the most popular products (you

placed a Superbowl ad), but more difficult to reach those in between. The search facilities in the search engine and on the Amazon site, together with its product recommendation features meant that Amazon could connect its products with the interests of these people.

Online advertising techniques include paid search marketing, interactive ads on portals, e-mail campaigns and search engine optimisation. These are automated as far as possible as described earlier in the case study. As previously mentioned, the affiliate programme is also important in driving visitors to Amazon and Amazon offers a wide range of methods of linking to its site to help improve conversion.

For example, affiliates can use straight text links leading direct to a product page and they also offer a range of dynamic banners which feature different content such as books about Internet marketing or search box.

Amazon also use cooperative advertising arrangements, better known as 'contra-deals' with some vendors and other third parties. For example, a print advertisement in 2005 for a particular product such as a wireless router with a free wireless laptop card promotion will feature a specific Amazon URL in the ad. In product fulfilment packs, Amazon may include a leaflet for a non-competing online company such as Figleaves.com (lingerie) or Expedia (travel). In return, Amazon leaflets may be included in customer communications from the partner brands.

Our Associates program directs customers to our websites by enabling independent websites to make millions of products available to their audiences with fulfilment performed by us or third parties. We pay commissions to hundreds of thousands of participants in our Associates program when their customer referrals result in product sales.

In addition, we offer everyday free shipping options worldwide and recently announced Amazon.com Prime in the U.S., our first membership program in which members receive free two-day shipping and discounted overnight shipping. Although marketing expenses do not include the costs of our free shipping or promotional offers, we view such offers as effective marketing tools.

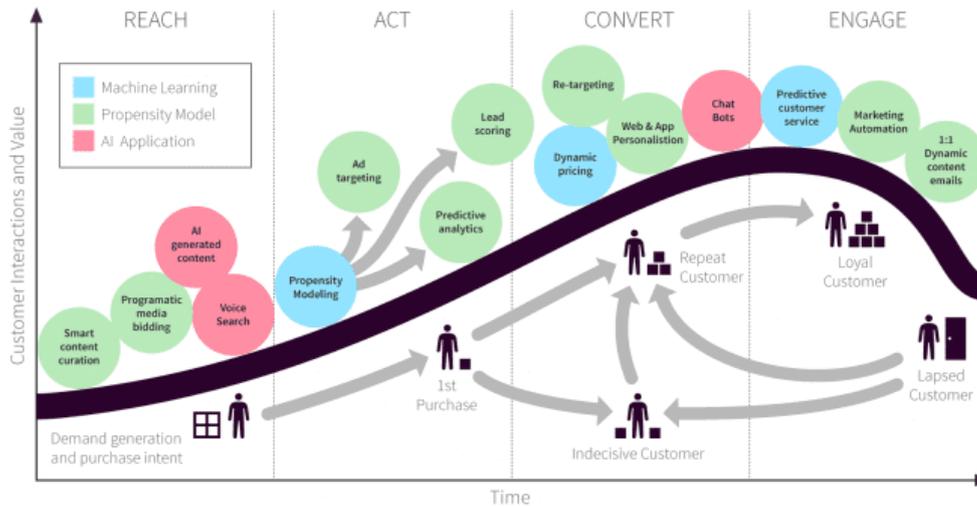
J. Amazon.com Technology Marketing Strategy

It follows that the Amazon technology infrastructure must readily support this culture of experimentation and this can be difficult to achieved with standardised content management. Amazon has achieved its competitive advantage through developing its technology internally and with a significant investment in this which may not be available to other organisations without the right focus on the online channels.

As Amazon explains in SEC (2005) 'using primarily our own proprietary technologies, as well as technology licensed from third parties, we have implemented numerous features and functionality that simplify and improve the customer shopping experience, enable third parties to sell on our platform, and facilitate our fulfilment and customer service operations. Our current strategy is to focus our development efforts on continuous innovation by creating and enhancing the specialized, proprietary software that is unique to our business, and to license or acquire commercially-developed technology for other applications where available and appropriate. We continually invest in several areas of technology, including our seller platform; A9.com, our wholly-owned subsidiary focused on search technology on www.A9.com and other Amazon sites; web services; and digital initiatives.'

Round (2004) describes the technology approach as 'distributed development and deployment'. Pages such as the home page have a number of contents 'pods' or 'slots' which call web services for features. This makes it relatively easy to change the content in these pods and even change the location of the pods on-screen. Amazon uses a flowable or fluid page design unlike many sites which enables it to make the most of real-estate on-screen.

Technology also supports more standard e-retail facilities. SEC (2005) states: 'We use a set of applications for accepting and validating customer orders, placing and tracking orders with suppliers, managing and assigning inventory to customer orders, and ensuring proper shipment of products to customers. Our transaction-processing systems handle millions of items, a number of different status inquiries, multiple shipping addresses, gift-wrapping requests, and multiple shipment methods. These systems allow the customer to choose whether to receive single or several shipments based on availability and to track the progress of each order. These applications also manage the process of accepting, authorizing, and charging customer credit cards.'



II. DIGITAL MARKETING

Digital marketing can be defined as the process of promoting of brands using digital distribution channels comprising internet, mobile and other interactive channels. The basic advantage in this form of advertising keeps it in low-cost model Digital Marketing can be classified into Pull and Push marketing. Pull digital marketing technologies involve the user having to seek out and directly grab (or pull) the content via searches. Web site blogs and streaming media (audio and video) are good examples of this. In each of these examples, users have a specific link (URL) to view the content Push digital marketing technologies involve both the marketer (creator of the message) as well as the recipients (the user), Email, SMS, RSS are examples of push digital marketing. In each of these examples, the marketer has to send (push the messages to the users (subscribers) in order for the message to be received. Web Site Designing

Value Prop through its tie up venture www.hamuinfo.com offers a complete package of affordable website design and e-commerce web development. From the initial process of taking inputs from clients, planning on the basis of such inputs to final implementation and testing all are done using latest web designing techniques and skills. Our services have the advantage of offering clarity in its design style, which is backed up with an easy and free flowing content and latest technical know-how. Not only we provide affordable web site design and commerce web development services but also search engine friendly designs. Our Service Includes

Website Design

Website Redesign

Shopping Cart Web Design Detailed and Advanced Page Layout

Custom Logo Design

- Banner Ads
- Custom Graphics Design using advanced design tools.

A p-pull-system in business describes the movement of a product or information between two subjects. On markets the consumers usually all the goods or information they demand for their needs, while the offender's or suppliers "pushes them toward the consumers. In logistic chains or supply chams the stages are operating normally both in push- and pall-manner. The interface between push-based stages and pull-based stages are called push-pull boundary or decoupling poim

Amazon.com Inc.'s Marketing Mix (4Ps) Analysis

Amazon.com Inc. uses its marketing mix as a powerful approach to attract consumers to its e-commerce website. A company's marketing mix or 4Ps (Product, Place, Promotion and Price) is the combination of strategies and tactics used



to implement a marketing plan. In this regard, Amazon reaches out to its target online market through its marketing mix, which focuses on the place and price components as major selling points. As the biggest e-commerce organization in the world, Amazon continually faces increasing competition, which can reduce the company's market share and global growth potential. To address this issue, the company must ensure that its marketing mix is up-to-date relative to market trends. Through a suitable marketing mix, the company enables organizational resilience while supporting innovation for long-term competitiveness of its online retail business.

Amazon's marketing mix (4Ps) is designed to take advantage of the online nature of the company's e-commerce operations. The components of this marketing mix enable competitiveness and international growth while Amazon.com Inc. innovates its services.

Amazon.com Inc.'s Products (Product Mix)

In this component of the marketing mix, Amazon's products or product mix is considered. As the top player in the online retail industry, the company offers a wide selection of products. Such a product mix supports Amazon.com Inc.'s mission statement and vision statement. Through continued expansion and diversification, the company's products now include not just online retail, but also a variety of other products that address market needs:

1. Retail service
2. Retail goods
3. Amazon Prime
4. Consumer electronics
5. Digital content distribution service
6. Amazon Video
7. Amazon Web Services (AWS)
8. Amazon Publishing
9. Amazon Fresh
10. Amazon Dash
11. Video Direct

Amazon is primarily an online retail business. As such, its main product is retail service. The company provides such service through its e-commerce website. Some of the retail goods available on the website are also the company's, such as those sold under the Amazon Basics brand. In addition, the firm offers Amazon Prime, which is a membership product that includes shipping service for purchases on Amazon's online retail website. The company has also expanded its product mix to include consumer electronics like the Amazon Kindle e-book reader and the Kindle Fire tablet. Such expansion led to an improvement of the effectiveness of the company's marketing mix in getting a bigger share of the e-commerce market. Further broadening of the firm's product mix involved the distribution of digital content, including music and e-books. Amazon Video is an on-demand video streaming service offered to customers in some locations in the United States, Europe and Japan. On the other hand, Amazon Web Services (AWS) is a set of online services, including cloud storage. Amazon Publishing offers book-publishing service using a number of imprints. Moreover, Amazon Fresh and Amazon Prime Pantry are the company's services for orders and delivery of grocery items. Furthermore, the company has integrated additional technology in the purchasing process. For example, Amazon Dash involves a device that enables customers to purchase household items by simply clicking a button that connects to the Internet. Video Direct enables sale or ad-supported free viewing of user-generated videos. These product lines indicate the company's efforts in continually broadening its product mix. Amazon.com Inc.'s marketing mix increases in effectiveness as more products are added to these e-commerce offerings.'

Place/Distribution in Amazon's Marketing Mix

The venues used to reach target customers are identified in this component of the marketing mix. Amazon.com Inc. is a mainly online business organization. Nonetheless, the company uses the following places to reach its e-commerce customers:

1. Official e-commerce websites
2. Amazon Books

3. Others

Amazon uses its official e-commerce websites as its primary places for transacting with customers. These websites include Amazon.com, Audible.com (a subsidiary), and a number of other sites with specific target markets. In addition, the company operates a physical bookstore named Amazon Books in Seattle. This location enables the company to reach out to customers who want to physically evaluate products before purchase. Moreover, the firm uses other venues to temporarily transact with customers. For example, the annual Amazon Web Services (AWS) Summit held in various locations enable the company to reach potential customers and persuade them to pay for its e-commerce services. In this regard, Amazon's marketing mix significantly relies on the strong online presence of the organization in reaching its target customers.

Amazon's Promotion (Promotional Mix)

This component of the marketing mix involves the strategies and tactics that a company uses to communicate with its target market. Amazon.com Inc. aims to persuade its customers to visit its websites and pay for its online services. The following strategies and tactics are used in such promotional mix, arranged according to importance in the company's e-commerce business:

1. Advertising (most important)
2. Sales promotions
3. Public relations
4. Direct marketing

Advertising functions as the primary means for Amazon to communicate with its target market. For example, the company has an affiliate program for website owners or online publishers to earn revenues by displaying advertisements and corresponding links to products sold on the Amazon.com website. This strategy widens the company's market reach. Also, Amazon.com Inc. applies sales promotion as a secondary strategy to attract customers and persuade them to purchase goods and services on the website. For example, the company occasionally uses discounts and special offers to generate more sales. On the other hand, the firm strengthens its brand image through public relations programs, such as Amazon Smile, which donates a percentage of sales to charitable organizations. These programs enhance consumer perception about the corporation [Read: Amazon's Stakeholders & Corporate Social Responsibility Strategy]. Moreover, in using direct marketing, the company directly communicates with businesses to offer its online services, such as publishing and digital content distribution. In this component of Amazon.com Inc.'s marketing mix, advertising is the main determinant of the organization's marketing communication effectiveness.

Amazon's Prices and Pricing Strategies

This component of the marketing mix focuses on the price levels and pricing strategies a firm uses in selling its products. Amazon.com Inc. uses low prices as a way of attracting customers to its e-commerce website and product offerings. Nonetheless, given the variety of the company's products, the following pricing strategies are used:

1. Market-oriented pricing strategy
2. Price discrimination strategy
3. Value-based pricing strategy

Amazon uses market-oriented pricing as its primary pricing strategy. For example, the company evaluates competitors' prices as basis for pricing Amazon Basics products. The advantage of this pricing strategy is that it makes selling prices more competitive, affordable and attractive to target consumers. On the other hand, the price discrimination strategy involves setting different prices for the same product. Amazon applies this pricing strategy through its different websites. For instance, the company's prices for the same products are different between the United States and the United Kingdom, which has its own Amazon website (amazon.co.uk). This strategy is advantageous because it enables the company to adjust its prices based on national market conditions, perceived value of products, and consumer preferences and expectations. In relation, Amazon.com Inc. uses the value-based pricing strategy, which involves price levels based on product value, considering consumers' perception of value. Thus, the company's marketing mix reflects flexibility in adjusting to current market prices.

Amazon Digital Marketing Strategies For Sellers

Here are six Amazon marketing strategies that an Amazon seller can use to gain an advantage over other sellers. You can implement them yourself or get a **digital marketing specialist** to do the job for you.

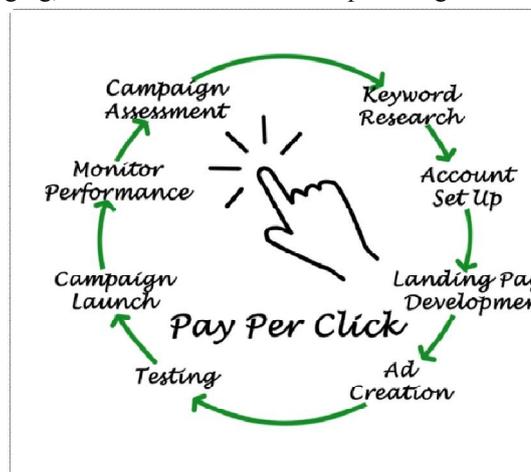
1. Amazon PPC Advertising

Amazon advertising is arguably the most effective way to increase your sales. A **recent report** claims most brands advertising on Amazon see an ROI of 400%, which is incredible.

Amazon ads are similar to Google search ads. They appear when a user searches on Amazon using the specific keywords that the advertiser is targeting. The ads also appear on product pages and at the bottom of the pages. You are charged each time a user clicks on your ad, just like **Google Ads**.

Here are a few tips to get you started with Amazon PPC advertising:

- You'll need a Seller or Vendor account on Amazon before you can advertise. You are considered a third-party seller when you're selling through Amazon Seller Central. Start with a product that has been selling well or that you think will be snapped up rather quickly
- Remember that Amazon Self-Serve Ads work like Google Search Ads while Amazon Premium Ads function like Google Display Ads. As a beginner, you should start with Self-Serve ads.
- Structure your campaigns by product category. Create Amazon ad groups for each specific category and -- like Google Ads -- and select 15-30 keywords per ad group.
- Write relevant and compelling ad copy. Make sure your text relates to your product.
- Add creativity and appropriate humour to make your ads stand out.
- Amazon ads come in three formats—Amazon Sponsored Product Ads, Headline Search Ads, and Display Ads. Experiment with all three types of ads and select the format that delivers the best results for your products
- Include all product specifications that customers are likely to be interested in; for example, size, material, quantity, weight, packaging, and more. Here's an example of a great ad copy:



2. SEO as an Amazon Digital Marketing Strategy

Most product searches now **start on Amazon**. It's crucial to optimize your product listing so that people looking to buy products like yours can find your products. Buyers search for products using different attributes, including size, type, and material. Or they may type the name of a specific product, such as 'waterproof hiking backpack'. In both situations, a comprehensive product description helps you.

- Your product title is the most important ranking factor for Amazon SEO. Put the most relevant keywords in the product title. Therefore, the title should include the following: your brand name; a clear description of what the product does; a specific ingredient or essential element; colour; size; and quantity, if applicable.
- Avoid keyword stuffing in the title. The title should read naturally. Stuffed titles look spammy and can negatively impact your CTR (click through rate).

- Including the seller's name in the product title can give your brand some free exposure and make it famous on Amazon.



- Pay attention to **Amazon Backend Keywords**. These are hidden keywords that are only used on the backend section of your Amazon Seller account. Amazon provides you with 5 keyword lines and a limit of 250 characters to write your backend keywords.
- Be persuasive and very detailed in your product description and bullet points. Work on the copy to make it readable, convincing, and natural from a sales point of view.
- Include high-quality large images of your product. Amazon Seller Central **Product Image Guidelines** require your images to be 1,000 pixels or more in either height or width.

3. Instagram Digital Marketing for Amazon Sellers

After optimizing your Amazon listing, build your brand by expanding your presence on digital channels outside of Amazon. And the first channel of choice for physical product sellers is none other than Instagram. Believe or not, the Facebook-owned image and video-based social media platform will help you showcase your products and create brand awareness. Here's how to get started.

- Set up a dedicated Instagram page for your Amazon brand. If you already have an Instagram profile, you can always create a new page simply by connecting it to another email address.
- Insert a link to your website, your Amazon Storefront, or product page in the header of your Instagram profile
- Include a description and up to 30 hashtags with each image you share. Look for popular hashtags related to your products and use them to make your photos visible to more users.
- Include your contact number and a link to your Amazon product page with each image you share.
- Share high-quality photos of your product—get a professional photographer or a DSLR camera for doing it yourself. The best image sizes for Instagram are 1080x1080 pixels for square, 1080x1350 pixels for portrait, and 1080x608 pixels for landscape.
- Follow other people, influencers, and brands. The norm on Instagram is that once you follow someone, they tend to follow you back. The person you follow gets a notification that you're following them and may check out your profile out of curiosity.

4. Amazon Digital Marketing on Facebook

If you have a page and followers on Facebook, you can also leverage the world's biggest social media network and drive customers to your Amazon product pages. Digital marketing on Facebook allows you to share photos and videos of your Amazon products, share information about your products and business, collect customer reviews, and interact with your existing and potential customers. You can also solve customer problems and provide customer support via Facebook Messenger. Here's how you can start marketing your Amazon products on Facebook.

- Set up a Facebook page for your Amazon brand if you don't have one already. Complete all sections of your profile and invite your friends and business associates to like your page.

- Use your brand's logo as your profile image and product photos as your cover image. Get creative and try to stand out from other similar pages.
- Customize the CTA button on your Facebook page. As an Amazon seller, you're primarily looking to sell more products; display a "Shop Now" button and link it to your Amazon storefront. **Customize the tabs** on your Facebook page to display your important products and information upfront.
- Link your brand's Facebook page to its Instagram page. You can do it by going to Settings > Instagram and clicking on "Connect Account".
- As with any other social media network, use high quality images and videos of your products. Share updates regularly. Amazon sellers should post at least daily on Facebook.
- Reply to comments and messages to create more engagement with your followers and customers
- Join the relevant Facebook groups as a page and participate in discussions that are relevant to your products and business
- Use Facebook advertising to promote selected products and posts

5. Amazon Digital Marketing through Influencers

Influencers are digital media personalities who command significant influence within a certain market. For example, Kylie Jenner is a top influencer for fashion and Ariana Grande is a celebrity influencer for music. Top influencers have a following of several hundred million each and you can't possibly afford to engage them, but smaller influencers with a following of a few thousand can do a tremendous job for selling your Amazon products.

- Influencers include bloggers, social media figures, celebrities, industry experts, lifestyle brands, and thought leaders.
- Many free and paid tools are available to help find influencers in your niche. Some of them include Captiv8, Helix, Idea, Clear, Upfluence, and Aspirin.
- Establish the goals of your influencer marketing campaign before you start reaching out to influencers. Determine the best channels for reaching your audience and prefer influencers that have followers on those channels.
- Is your audience the same as the audience of the influencer you're looking at? If not, contact another influencer.
- The sweet spot for Facebook, Instagram and Twitter influencers is 5,000 to 10,000 followers. These micro influencers are likely to be easy to work with and get the word out about your products.
- It can be time-consuming to find and negotiate with influencers. You can use our **influencer marketing services** to find promoters and influencers without getting a headache.

6. Start Blogging to Create Awareness of Your Amazon Brand

Setting up a blog centred on your Amazon brand and products is a great way to convey information to your customers. For example, you can start blogging about the benefits of your product or create a review site for Amazon products in your category. This can give you the opportunity to feature your products. And, if you have an affiliate agreement with that seller, you can earn affiliate revenues when a user buys that seller's products.

- Have a purpose or goal for your blog. Do you want to attract new followers, engage with existing customers, or just sell more products?
- Use a low-cost but strong platform such as WordPress, Wix, Shopify, or Weebly, to create and host your blog.
- Do what works best for you. If you're a good writer, you should make text articles as the main content type of your blog. But if you're good in front of the camera or just like to talk, maybe you should make videos and share podcasts,
- Generate leads by displaying opt-in boxes or pages on your blog. Subsequently, nurture the leads through email marketing to keep your brand constantly in the mind of your customers.
- Share content regularly to keep your audience engaged. The more content you have on the blog, the greater your reach.



Digital Marketing Strategy of Amazon

As we all know, Amazon is an internet eCommerce company, this alone makes its business capable of utilizing all the tools of digital marketing to its full potential and it has been doing well on these aspects' way better than its competitors.

We will understand Amazon India's marketing strategy one by one in the coming sections. Let's start by knowing how it implements its social media marketing strategies.

Amazon's Social Media Marketing Strategy

Amazon promotes its products on social media, successfully tapping into the social networks' audience and linking them back to their product pages for the sale.

In today's times, everyone is on social media. To engage with its audience better it has partnered with several micro and macro-influencers of the country as well.

Let's see how Amazon uses various social media platforms, suffice it to say, they leverage all available channels. It's on Facebook, Instagram, Twitter, YouTube, and Pinterest as well.

1. Amazon on Facebook

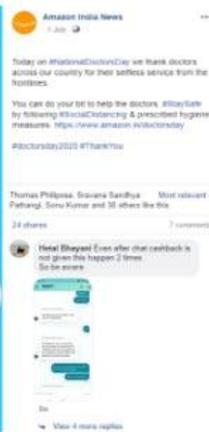
There are 10 million fans who follow Amazon India on Facebook. It uses Facebook mainly for posting company updates and promotions. It uses aggressive promotion strategies to promote its Sale Days. It also stays relevant by putting out topic-based posts. Let's now understand its Facebook marketing campaigns in detail.

i. Sale Day Promotions

Amazon announces various sales such as Freedom Sale around Independence Day and various other sales during a particular year. This year it introduced Book Bazaar Sale, ApniDukaan Sale, Wardrobe Refresh Sale, and many more. Exciting Offers and discounts are used as key USPs to promote Sale Days Amazon's Freedom Sale and Amazon's Wardrobe Refresh Sale promotions were held this year.

ii. Topical Promotions

Amazon also celebrates festivals and other memorable days such as Doctors Day, Mother's Day, Father's Day, Raksha Bandhan, Holi, Diwali, and many more



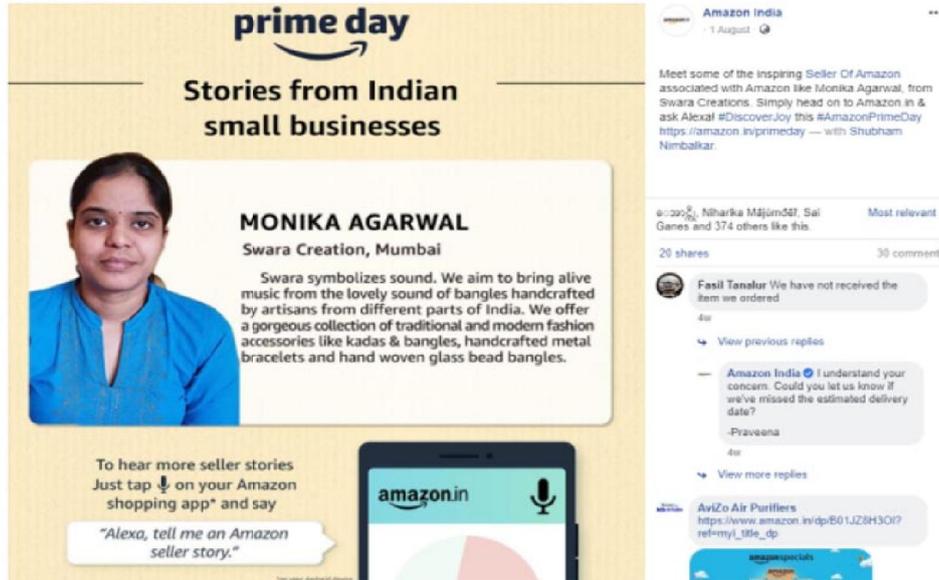
These minimal creatives with simple messages also help consumers engage with the brands. Here Amazon is also not promoting any of its products or services. It just presents a simple message.



Highlights of Amazon’s Stories

Amazon motivates and supports those with small businesses who become the most inspiring entrepreneurs and sellers. In the below image, Monika Agarwal is one of the inspiring sellers of Amazon who tells her story- she owns Swara Creations, in Mumbai, which offers traditional and modern fashion accessories.

This also encourages many small businesses and retailers to sell their products on this platform and thus resulting in Amazon on boarding more sellers who offer customers everything they need.



Amazon on Instagram

Amazon’s marketing strategy on Instagram has mainly been used for interviews with various artists from different backgrounds and primary promotions. It has about 2.8 million followers on Instagram.

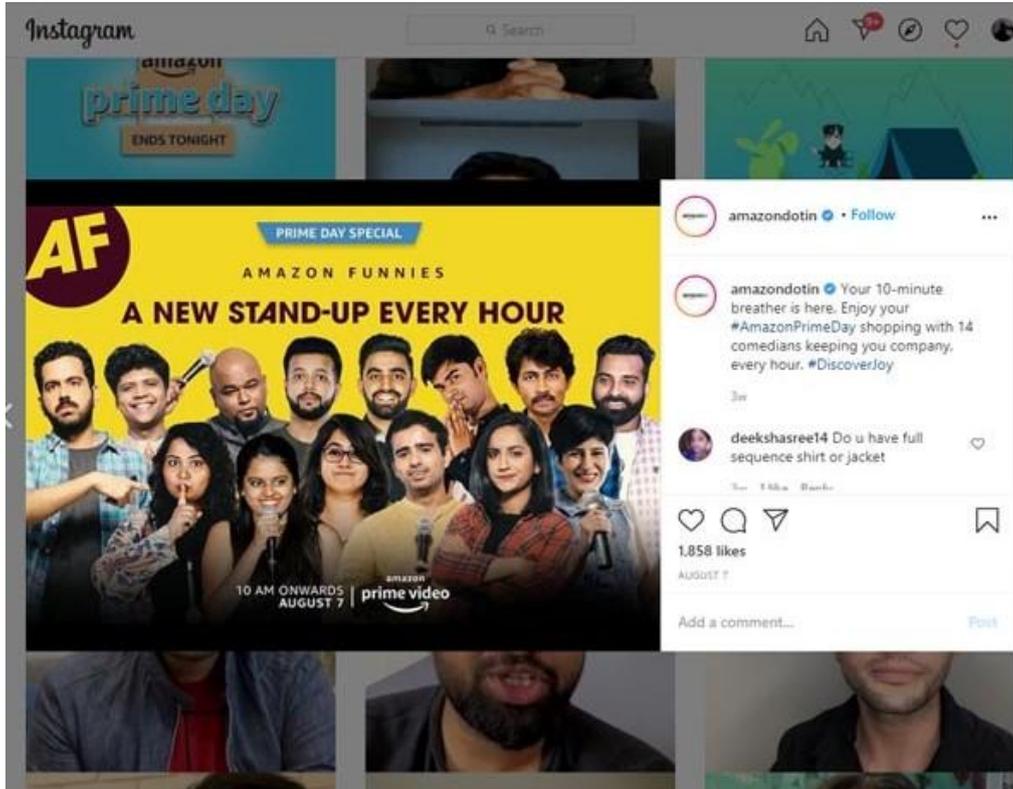
Its strategy on Instagram is very similar to how it uses Facebook, except for company news updates, the posts are almost the same both on Instagram & Facebook.

Here are few notable promotions are done by Amazon to create spread laughs and inspiration.





Prime Day Promotion



On Amazon’s recent Amazon Prime Day, it partnered with 14 very popular stand-up comedians in India to promote their Sale Day.

The caption put up was, “Your 10-minute breather is here. Enjoy your #AmazonPrimeDay shopping with 14 comedians keeping your company, every hour. #DiscoverJoy”, this seemed to be interesting and that attracted many customers to shop.

Amazon Handmade



Recently, Amazon celebrated women-owned businesses on @AmazonHandmade Instagram profile. The women with small businesses are the ones who are inspiring to other women out there.



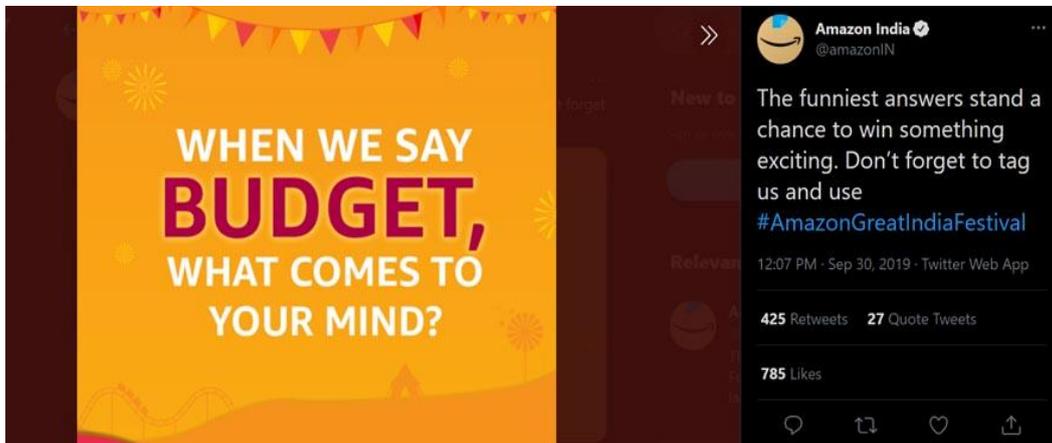
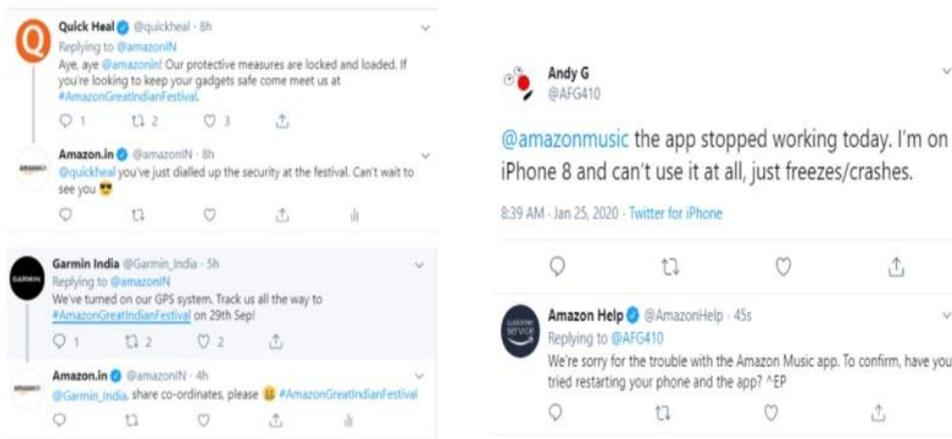
They have turned their passion and creativity into handcrafted products for customers around the world with the hashtag #BossBabe. This move encouraged women from all over the globe to start their business and use Amazon as its distribution channel.

Amazon on Twitter

Amazon India uses a very different approach to acquire new customers on Twitter. It keeps its followers engaged, uses a wide variety of content, creates customer-acquiring contests, uses multiple accounts, and participates in trends.

It has a fan base of 2 million on Twitter, which is one the best followers count in the industry.

It uses a conversational tone on Twitter that presents content in such a way that seems to us like personal recommendations than an advertisement. This has made Amazon seem to sell nearly everything and they also have content for nearly everything. Here are some of the highlights from Amazon India’s Twitter handle.



Amazon on YouTube

The best thing about Amazon’s YouTube advertisements is that they Hook people immediately. Amazon always tries to keep its ads meaningful and engaging usually by trying to connect with the customer using an emotional message.

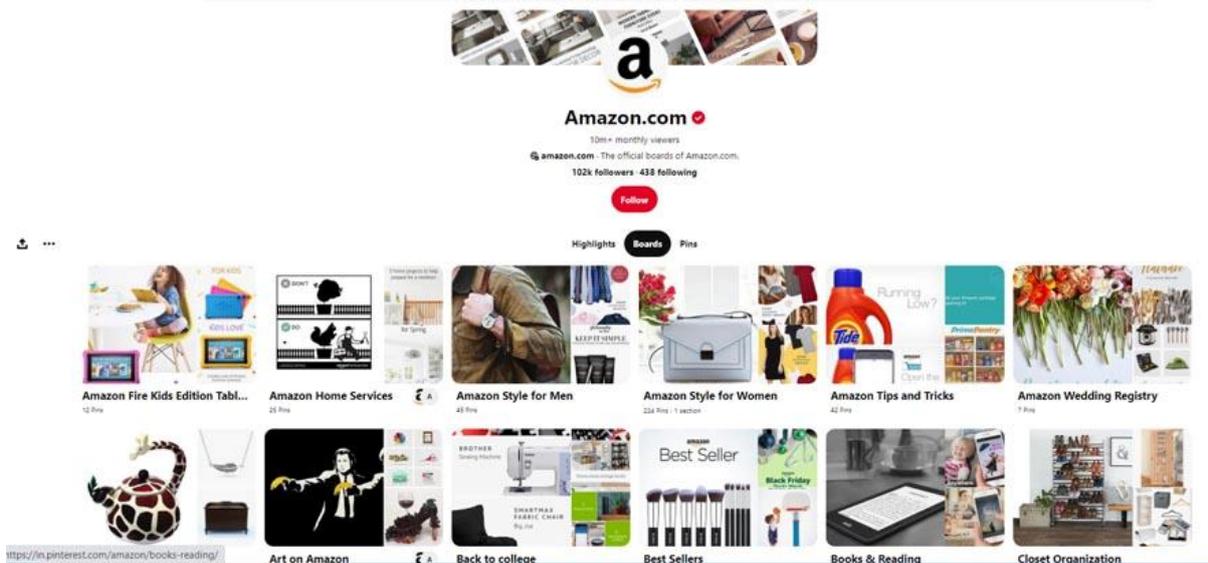
In today’s world, where people are worried that the growth of technology is drawing them apart, Amazon Echo’s new campaign aims to bring Indian families together with their smart speaker technology.

Another very popular campaign released by Amazon with the hashtag – #MomBeAGirlAgain, revolves around a mother-son relationship, where the son gifts his mother, a Camera using Amazon’s services.

YouTube offers brands with various field formats to showcase its advertisement, like skippable in-stream ads, non-skippable ads, etc. Amazon uses all these formats from time to time, depending on the purpose.



Amazon on Pinterest



Amazon’s account on Pinterest has over 1 lakh followers. They utilize their presence on Pinterest by promoting their products based on various themes.

Amazon makes a collage of its most popular products in several thematic lifestyle buckets such as for wedding planning, for home, office, kitchen, etc to lure a wide range of consumer groups back to the products on its E-commerce website.

Amazon’s Website Analysis

In simple terms, SEO means the process of improving your website to increase its visibility for relevant searches. The better visibility your pages have in search results, the more likely you are to garner attention and attract prospective and existing customers to your business.

On analysing Amazon’s website using the Uber suggest tool. This is how Amazon.in fares on its SEO audit.

Traffic Overview: amazon.in



Here are the key metrics that you should consider from the following.

- It has about 7.6 Crore organic keywords which are just insane.
- It gets about 36 Crore organic monthly traffic. This shows that well Amazon has worked upon its service offerings to give out a better overall better experience to its customers.

Talking about Backlinks, to be honest, we all are big fans of those product lists promoted by popular bloggers, YouTubers promoting products and when you click on the links of one such product it mostly redirects you to Amazon.in. This process is known as backlinking.

This is why Amazon has about 11 crores of backlinks associated with its site. This helps them bring more and more customers to its website from various other popular websites and social media platforms.

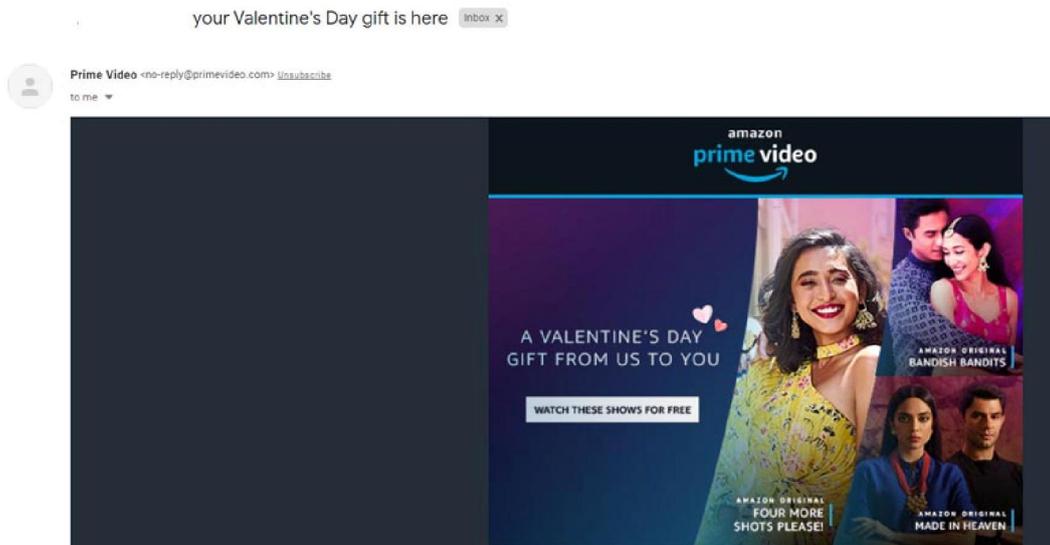
Amazon’s Email Marketing Strategy

Whenever we purchase from Amazon, we receive emails thanking us for our purchase, asking for a product review, and even offering a discount on our email. This is called Email Marketing.

Amazon’s email marketing strategy is simple, it sends its customers personalized product recommendation emails, based on various aspects like – purchase history, past order value, location, age, gender, and on-site browsing.



Here's an example of one such personalized email.



It also sends very personalized coupons to its customers via its emails which also makes its customers check every personalized E-mail which Amazon sends.

With this, our case study on Amazon India's Digital Marketing strategies has come to an end. So, let's conclude that case study in the most fitting words possible.

Amazon's Organizational Structure

It is a vertical and hierarchical top-down approach. Such a top-down model seems to be rigid that cannot be changed easily. But Amazon has handled that effectively. The top-level executives take the main decisions making it look more like a bureaucratic structure. Amazon was started as a simple lean structure but then turned into the hierarchical one.

1. At the top lies Jeffrey Preston Bezos (Jeff Bezos), the President, Chairman, and CEO of Amazon.
2. Then there is a group of following senior employees:
 - **Brian Olshansky.** He is the Senior Vice President (SVP), Chief Financial Officer (CFO).
 - **Andrew R. Jassy** is a part of the Amazon Web Services. He works as the Chief Executive Officer (CEO) and the President there.
 - **David H. Clark** works as the CEO of the worldwide consumer business of Amazon.
 - **David A. Sapolsky,** the Secretary, SVP, and General Counsel (GC) of Amazon.
 - **Beth Galette.** He is the Senior Vice President of Amazon's Human Resources.
 - **Shelley L. Reynolds.** She is the worldwide controller and the Vice President of Amazon.
 - **Adam N. Selipsky** is the CEO of Amazon Web Services.
 - **Christine Beauchamp.** She is the President of Amazon Fashion.
 - **Jay Carney.** The chief of the Public Policy and Communications of Amazon.
 - **Greg Pearson.** Vice President, of Worldwide Commercial Sales at the Amazon Web Services (AWS).
 - **Carla Stratfold.** Vice President, Amazon Web Services Global & Strategic Accounts.
1. This little team of top executives is directly answerable to Jeff Bezos. Along with Jeff, this team sets the goals for the company, solves the problems, and shapes the future of the company.
2. These members are the heads of their respective departments and they properly understand the processes related to the same.
3. These highly experienced executives are not replaced regularly. They mostly continue to be in the same position even for decades.
4. In this way, 'diversification' has played a vital role in enlarging the business.
5. The international headquarters are provided with independence to a certain extent to follow a local approach according to the audience. Divisions are clearly defined for international operations.

6. Still, the size of a team has to be limited.

Here comes the 'Two Pizza Rule.'

The Two Pizza Rule

- The size of the teams working on the projects should be limited enough that the team can be fed only with two pizzas. The size of the team is limited to up to 8 or 9 people.
- This strategy is said to be the secret of Amazon's success that makes the meetings more effective.

Advantages Of The Two Pizza Rule

- The team members get more engaged and feel free to express their ideas. The members have to interact with a few people allowing the decisions to be taken faster.
- No two teams will be working on the same domain. This will save time.
- The team members get more innovative as ideas are shared freely in a small team. Thus, no team member will feel suppressed or lost.

Disadvantages Of The Two Pizza Rule

- Much independence may break the data flow amongst the various teams.
- The team members working on a certain project should have complementary skills.
- If transparency is still not maintained, and good communication tools are not used, they may face a challenge.
- Feedbacks have to be given regularly by every member. So, every member has to be active.

The Three Primary Components of Amazon's Organizational Structure

Geographic Divisions And Subdivisions

- The only two geographical divisions considered here are International, and North America whereas, the company is popular globally.
- The company's business goals and physical geographic locations are considered here.
- Amazon's e-commerce section can be managed by the details and the challenges of these locations.
- Thus, the issues of various geographic regions can be handled individually with efficiency.

Global Hierarchy

- This approach has become popular as many organizations use this.
- Consider the scenario where Jeff Bezos is at the topmost position and a team of particular members work directly under him. They are answerable to him.
- These important team members further affect the flow of the business.
- This approach provides managerial control to Amazon.

Global Groups On The Basis Of Function

- This is considered a powerful part of the organizational structure of Amazon.
- The main objective here is to efficiently enhance the management of the e-commerce operations of the company.
- Every major business consists of a senior manager such as the CEO or SVP and a committed team working under the senior manager.
- This may also help the company to set up its operations effectively in new markets.

In Amazon's Organizational Structure, Following Are Some Main Function-Based Groups:

- Accounting. This comes under VP Shelley Reynolds.
- Business Development. This comes under the SVP Jeff Blackburn.
- Legal and Secretariat. This is managed by the SVP David Zapolsky.

- Amazon Web Services (AWS). This is handled by the CEO Andy Jassy.
- Consumer Business, headed by David H. Clark.
- CEO office. This directly comes under Jeff Bezos.
- Finance. This comes under Brian Olsavsky, the SVP, and the CFO of Amazon.
- Corporate Affairs. This is managed by Jay Carney.

Advantages Of The Organizational Structure Of Amazon

- The organizational structure is stable as it has boosted the development of the company worldwide.
- Managerial directives can be implemented faster.
- The economic and e-commerce issues in various geographical regions can be handled separately.
- The stakeholders, the executives, and the managers can be addressed quickly.
- The primary focus is on the results instead of the process.

Disadvantages Of The Organizational Structure Of Amazon

- There are limitations when it comes to responsiveness and flexibility in the structure.
- The dominance of the top-level members has to be reduced. Otherwise, it becomes difficult to respond to various new issues emerging in the e-commerce section. This can be termed the bureaucratic approach.
- The regional offices can be provided with more power to solve this issue.

Amazon Business Revenue Model

Client Segments

Amazon claims to a mass market. Instead of focusing on a particular socioeconomics, Amazon's openness and sheer assortment of physical and advanced items imply that for all intents and purposes anybody with a web association is a potential client. Regardless of whether it's physical merchandise or advanced media they are after, Amazon has something to offer generally purchasers.

Amazon additionally has a faithful centre client section, apparently including a huge number of individuals all around, as its Amazon Prime endorsers, who pay a yearly membership expense with the expectation of complimentary express postage and different advantages.

Amazon business revenue model its Value Proposition

Comfort, aggressive evaluating, mark acknowledgment, and the sheer scope of products loaded are for the most part vital to Amazon's esteem.

The simplicity with which shoppers can purchase an extensive variety of merchandise on Amazon is a critical factor in Amazon's prosperity. Customers realize that Amazon is an all-around supplied, intensely estimated, protected, dependable and proficient stage for shopping, so they continue returning. This is delineated by one review which found that 44% of American buyers said that, when shopping, they would go straight to Amazon to scan for what they need without taking a gander at different sites. No other online retail stage can gloat very this level of omnipresence, and this is a basic piece of Amazon's esteem.

Originator Jeff Bezos accentuates that the Amazon mark has been vital to the organization's prosperity. Taking note of that "there's nothing about our model that can't be recreated", he guarantees that the brand name "Amazon", implying thoughts of something fascinating, differing and colossal, has itself been vital to the organization's prosperity. Amazon has numerous online business rivals; however, few appreciate anyplace close to a similar level of worldwide brand acknowledgment. Everybody has known about Amazon, thus for some, it is the primary spot they look when they need to purchase something.

As Amazon formed and spread out into computerized media spilling and the offer of eBooks, restrictiveness has turned into an inexorably noteworthy incentive. Nowadays AmazonStudios even makes unique TV shows and motion pictures which shape an unobtrusive, yet developing piece of Amazon's aggregate esteem.

Amazon business revenue model its Channels

Amazon's biggest channel is its site amazon.com. It likewise keeps up fourteen distinct renditions of its site for clients from different nations crosswise over five landmasses. Items are additionally bought through the Amazon advanced cell application, which works as an undeniably critical deals channel.

Some outsider gadgets stores stock Amazon's Kindle scope of buyer hardware, giving an extra channel.

Client Relationships

Making internet shopping and the buy of computerized content simpler for customers has for some time been a concentration of Amazon. Along these lines, Amazon appreciates long haul associations with a huge number of customers overall who continue coming back to Amazon consistently to purchase more items. They appreciate an especially cosy association with their Amazon Prime supporters, who, having paid their yearly membership charge, are probably going to reliably utilize Amazon as their first port of call for web-based shopping.

Amazon.com offers a high level of client intuitiveness. Customers may survey buys and put remarks on about each page. Along these lines, Amazon is in some cases alluded to as the world's biggest retailer, as well as the biggest online group.

Amazon puts vigorously in client benefit. To guarantee more elevated amounts of consumer loyalty, they offer 24-hour client benefit by means of email, telephone or web-visit, and also giving help discussions where clients may look for exhortation from the group.

Key Activities

Promoting – of physical and advanced merchandise, is unmistakably a key action, however in the most recent decade, Amazon has put generously underway of computerized content through Amazon Studios, and customer gadgets under the Kindle mark.

Amazon business revenue model its Key Resources

Amazon possesses various physical assets, for example, distribution centres and film studios, yet Amazon's mechanical foundation is additionally a key asset. Notwithstanding owning numerous computerized content gushing stages, they are likewise the world's biggest supplier of cloud framework administrations by means of their auxiliary, Amazon Web Services.

Amazon's refined mechanical framework is a significant key asset that is fundamental for the everyday working of its business. For instance, Amazon works a portion of the biggest databases on the planet, which they use to, in addition to other things, keep records on clients' utilization propensities with a specific end goal to participate in more effective marketing. In the period of "huge information", this is not a resource for be thought little of.

Amazon business revenue model its Key Partners

Makers, outsider dealers, distributors and advanced substance makers are for the most part enter accomplices in Amazon's operations.

Producers of the physical merchandise that are loaded in Amazon's stockrooms are the conspicuous key accomplices. Notwithstanding, not every single physical great sold on Amazon are put away in their own distribution centres, and a generous level of income originates from outsider venders who Amazon permits to work on their online stage.

The general population who claims the protected innovation that Amazon offers by means of the Kindle biological system and gushing stages are additionally key accomplices.

Amazon business revenue model its Cost Structure

Amazon's primary online retail exercises are taken a toll driven, implying that they work on a model whereby economy of scale is imperative. Warehousing and circulation contain Amazon's most noteworthy cost drivers as the organization works countless distribution centres internationally. Amazon is chipping away at driving these expenses around computerizing stockroom preparing and conveyance where conceivable. Other critical cost drivers incorporate the running of various programming advancement focuses and client benefit bases on the world.

Another key cost driver is the underlying expense of acquiring the merchandise they offer, nonetheless they can remain aggressive in this field by economies of scale.

Amazon's protected innovation resources are esteem driven, with the encourage environment and Amazon's different gushing administrations working on the standard of making esteem as opposed to limiting expenses.

Amazon business revenue model

Online retail remains Amazon's biggest income stream. Amazon stocks a tremendous scope of physical items, the online offer of which still records for the greater part of their income. Advance income is made by taking commission from outsider retailers who utilize the Amazon stage.

Offer of E-books and gushing of advanced substance has been a developing wellspring of income for Amazon in the course of the most recent decade.

Other, littler income streams incorporate the Amazon Prime supporters' charge, and the offer of Amazon's own Kindle scope of hardware.

III. SWOT ANALYSIS

Strengths

- Being the world's leading online retailer, Amazon derives its strengths primarily from a three-pronged strategic thrust on cost leadership, differentiation, and focus. This strategy has resulted in the company reaping the gains from this course of action and has helped its shareholders derive value from the company.
- Amazon primarily derives its competitive advantage from leveraging IT (Information Technology) and its use of e-Commerce as a scalable and an easy to ramp up platform that ensures that the company is well ahead of its competitors.
- One of the key strengths of Amazon is that it enjoys top of the mind recall from consumers globally and this recognition has helped it enter new markets, which were hitherto out of bounds for many e-Commerce companies.
- Using superior logistics and distribution systems, the company has been able to actualize better customer fulfilment and this has resulted in Amazon deriving competitive advantage over its rivals.

Weaknesses

- In recent years, Amazon as part of its diversification strategy has been "spreading itself too thin" meaning that it has allowed its focus to waver from its core competence of retailing books online and allowed itself to venture into newer focus areas. While this might be a good strategy from the risk diversification perspective, Amazon has to be cognizant of losing its strategic advantage as it moves away from its core competence.
- As Amazon offers free shipping to its customers, it is in the danger of losing its margins and hence, might not be able to optimize on costs because of this strategy.
- Considering the fact that Amazon is an online only retailer, the single-minded focus on online retailing might "come in the way" of its expansion plans particularly in emerging markets.
- One of the biggest weaknesses and something that has been oft commented upon by analysts and industry experts is that Amazon operates in near zero margin business models that have severely dented its profitability and even though the company has high volumes and huge revenues, this has not translated into meaningful profits for the company.

Opportunities

- By rolling out its online payment system, Amazon has the opportunity to scale up considerably considering the fact that concerns over online shopping as far as security and privacy are concerned are among the topmost issues on the minds of consumers. Further, this would improve the company's margins as it lets it reap the advantages of using its own payment gateway.

- Another opportunity, which Amazon can capitalize on, relates to it rolling out more products under its own brand instead of being a forwarding site for third party products. In other words, it can increase the number of products under its own brand instead of merely selling and stocking products made by its partners.
- Amazon can increase the portfolio of its offerings wherein it stocks more products than the norm currently which places it in a position of strength and comfort as this can translate into higher revenues.
- The fourth opportunity, which Amazon has, is in terms of expanding its global footprint and open more sites in the emerging markets, which would certainly give it an edge in the uber-competitive online retailing market.

Threats

- One of the biggest threats to Amazon's success is the increasing concern over online shopping because of identity theft and hacking which leaves its consumer data exposed. Therefore, Amazon has to move quickly to allay consumer concerns over its site and ensure that online privacy and security are guaranteed.
- Because of its aggressive pricing strategies, the company has had to face lawsuits from publishers and rivals in the retailing industry. The obsessive focus on cost leadership that Amazon follows has become a source of trouble for the company because of the competitors being upset with Amazon taking away the business from them.
- Finally, Amazon faces significant competition from local online retailers who are more agile and nimble when compared to its behemoth type of strategy. This means that the company cannot lose sight of its local market conditions in the pursuit of its global strategy.

IV. CONCLUSION

- The primary objective of having a particular organizational structure for Amazon is to boost the performance of every employee in turn boosting the efficiency of the projects.
- However, Amazon follows a vertical hierarchical approach.
- These efficient projects will lead to an increase in sales and profit across the globe.
- The top-level executives are chosen according to their dedication in the respective field, their experience, their knowledge, and much more.
- Customer satisfaction also plays the principal role in taking the company ahead.
- Company's Organizational structure complements its objectives. Thus, the company can face its competitors and various online and offline processes.

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