*Original Article*

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# A study on E-commerce Marketing Mix Strategy With Special Reference to Amazon.com, Inc

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**Abstract**

Today e-commerce is an emerging model refers to the use of an electronic medium to carry out commercial transactions. Electronic commerce has also led to the development of electric market places where suppliers and potential customers are brought together to conduct mutually beneficial trade. Amazon.com.in has been recognized as one of the most successful companies to exist in the field of E-commerce. When Amazon first launched as a website they only sold books. The Founder Jeff Bezos had a vision for the company's explosive and e-commerce domination. Without a strategic E-commerce marketing plans a business website will fall in among the thousands of other companies selling similar products for similar prices. This paper will evaluate Marketing strategy adopted by Amazons to stand apart from the competition. This study includes information from secondary data. So as to conclude that Amazon has so far perform based on their marketing mix strategy at every essential way and has they continue as that it will increase their territory of scale.

**Keywords:** E-Commerce; Marketing Mix Strategy; Amazon.com.in; Jeff Bezos; 7 P's.

## Introduction

Electronic commerce is an emerging model of new selling and merchandising tools in which buyers are able to participate in all phase of purchase decision, while stepping through the process electrically rather than in a physical store. Electronic commerce has also led to the development of electric market places where suppliers and potential customers are brought together to conduct mutually beneficial trade .Business can be conducted from a number of locations and traditional retail companies can now expand to online stores with updated content .Customers can access the latest products and information instantly, and can purchase the goods from the comfort of their homes. Some businesses are developed exclusively in san online setting, eliminating the traditional cost of a physical company, such as overhead costs and employee costs.

Amazon.com.inc was launched in 1995 with a primary aim by its CEO Jeff Bezos to build it up into a company that focuses on becoming "the earth most consumer centric company". It kicked off its sale by selling books online and later grew to becoming an online portal that sold from a pin to all that a human needs. The name Amazon was chosen based on two factors- They wanted the name to start with 'A' as it attracted people psychologically and secondly and manly as Amazon River is the largest in the world.

E-commerce websites to leave a distinctive signature among its customers they have to formulate strategies to universe their online presence, reduce web trafficking and thus providing options of quick pay along with encouraging them to carryout repeated purchases. It is a herculean task to decide on the marketing strategy that need to be adopted by E- commerce businesses as you are persuading your customer to buy something he/she sees as a picture. Marketing strategies are comprehensive plans that help in marketing the products and services of a company. An efficient marketing strategy can help company to efficiently utilize their scare but very valuable resources.

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**Statement Of Problem**

Aware of fact that customers would like to get their shopping through online medium. There is an increasing demand for e-commerce websites. There are many E-commerce websites that provide online shopping experience. In order to withstand this cut throat competition ecommerce website would have to introduce certain strategies that would give them an upper hand over their competitors. This paper will evaluate Marketing strategy adopted by Amazons to stand out from the competition.

**Objectives**

1. To know the marketing strategy adopted by Amazon com.inc.
2. To understand the effectiveness of the marketing min strategy adopted by Amazon. com.inc

**Research Methodology**

This study includes information from secondary data. Secondary data: The study undertaken consists of data collected from various journals, and relevant website.

**Findings And Results**

Amazon is one of the leading e-commerce websites, but other e-commerce websites impose a threat to can overtake Amazon, we all know the story of how Wal-Mart recently took over flip-kart to grab the first position in the e-commerce market. It such an event occurs Amazon would lose their market share as well as their market growth potential. The points explained below speak of the marketing strategies adopted by Amazon.

1. What are the most relevant 7 P's used by markets in the given situation
2. What are the ways in which Amazon could reach to its customers through its distribution channel
3. How Amazon segments the entire market, by targeting the market and placing the product in minds of customers.
4. What are the unique strategies adopted by the Amazon

***Marketing mix***

Marketing mix refers to decision taken by the markets in managing the 4 P's of marketing. Now days, the traditional marketing mix increasingly includes several other P's like People, Process, and Physical existence.

*(a) Product Mix:* As the top player in the online retail industry to company offers a wide selection of products. Includes

5. Retail service
6. Retail goods
7. Amazon prime
8. Consumer electronics
9. Amazon Video
10. Amazon Video
11. Amazon Publishing
12. Amazon Fresh
13. Amazon Prime pantry.

*(b) Place/Distribution:* Amazon uses the following three methods to reach their ecommerce customers:-

14. E-commerce platform itself (online website)
15. Physical Amazon stores
16. Online book reading app known as kindle

*(c) Promotional Mix:* The following strategic and tactics are used in such promotional mix, arranged according to important in the company's e-commerce business.

17. Advertising
18. Sales promotions
19. Public relations
20. Direct marketing

*(d) Pricing strategies:* In order to have increasing customer database Amazon provides the products at discounts and attractive prices. Nonetheless, given the variety of the company's products, the following pricing strategies are used.

- Market oriented pricing strategy
- Price discrimination strategy
- Value-based pricing strategy

*(e) People:* The traditional 4 Ps of Marketing Mix has been enhanced into 7. The first one being People. People includes 2 aspects mainly- the customer as well as the deliverers. The customer is an essential part of any business as they consume the product but at the same time deliverers play a major role in promptly providing the products to the customer. Every business is successful only if their customers are satisfied and for this the product has to be at its best quality and the delivery of the product or service should be prompt, both going hand in hand

*(f) Physical existence:* Amazon being an online

website has grown to be a highly successful one over the years. But today they are aiming for a bigger fish, by way of launching Amazon stores in every nook and corner of the country and its CEO Jeff Bezos in a recent interview stated that he aims to deliver the product or service on the same day the order is placed.

*(g) Process:* You choose the cities where you'd like to deliver. Whether you have one van or a fleet, our volume and your business could be a great match. This is the motto by which Amazon runs as they outsource their business to businessmen to open up stores. All deliveries are within a specific service area and delivery services vary by location. Drivers load the parcels at a regional location. Amazon's routing technology helps drivers navigate efficiently. As far as a customer is concerned the process is all about delivering the product or service at the right time at the right place to the right person in the right specification

***Amazon Distribution Channels***

***Amazon segmentation, targeting and positioning***

In order for any product to be successful in the market marketing personnel's must do proper segmentation, targeting and positioning. The following table illustrates Amazon Segmentation targeting and positioning.

| Type of Segmentation | Segmentation criteria | Amazon target customer segment |
|---|---|---|
| Geographic | Region Density | More than 100 countries urban and rural |
| Demographic | Age | 18 and Older |
| | Gender | Males & Females |
| | Life cycle stage | Bachelor stage young, single people not living at home |
| | | Newly married couples young, no children |
| | | Full nest I youngest child under six or over |
| | | Full nest III older married couples with dependent children. |
| | | Empty Nest I Older Married couples, no children living with them |
| | | Solitary survivor I in labour force Solitary survivor II retired |
| | Occupation | Students, employees and professionals |

| | | |
|---|---|---|
| Behavioral | Degree of Loyalty | 'Hard core loyal', 'soft core loyal', 'switchers' |
| | Benefits sought | Widest range of products Convenience of online purchase competitive prices |
| | Personality | Easy going determined , and ambitious |
| | User status | Non users, potential users, first time users, regular users |
| Psychographic | Social class | All social classes: lower class Working class, middle class & Upper class |
| | Life style | Resigned, struggler, mainstreamer, Aspirer, succeeded, explorer |

### *Amazon's unique selling proposition*

Amazon business strategy can be described as cost leadership taken to the extreme. Amazon business strategy is guided by four principles: Customer obsession rather than competitor focus passion for invention, commitment to operational excellence and long term thinking.

The following four points constitute the cornerstones of Amazon business s strategy:- 1.) Regularity entering into new niches and segments

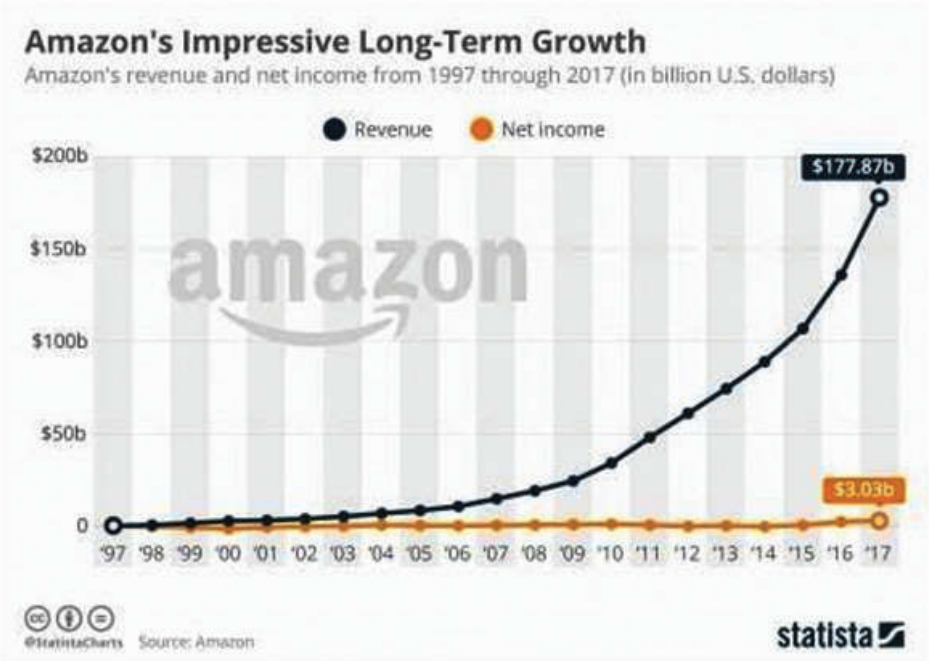
2. Strengthening Amazon eco system
3. Uncompromised focus towards customer service
4. Focusing on Amazon leadership values

The graph below shows that the revenue of Amazon has grown up 1997 to 2017 due to its impressive marketing mix strategy

### Major Findings

From the study conducted the marketing strategies consists of the following six pillars:

1. By offering wide variety of products to choose from and also by providing free shipment an increase has occurred in the basket size of Amazon
2. Amazon enables the customer to know the status of orders, by tracking them
3. Amazon features their current updated inventory position
4. Everything from a pin to an elephant is available
5. Using an user friendly interface that enabling customers to easily understand and provide variety of brands.
6. Integrating various online Medias such as Associate programme, sponsored search, social and online advertising.




Source: Amazon website

## Conclusion

Amazon.com, Inc had a very humble beginning as it started as a book store and has emerged to be one of the strongest leader in the E-Commerce industry. According to recent information Jeff Bezos has released the report that its shareholder base is more than 100 million. Amazon has earned its success through clear focus on its customer and its successful prediction of people wanting to shop online at click on button. This startup fought its way through the 21st century when a lot of E-companies where going down and it had to face many straggles to have emerged as a strong leader. Amazon start a selling from music CD's, going on to software, tolls, toys, and had brought in one of the biggest invention among comprehensive books leaders meant kindle e- book in November 2007

Amazon owes all its success to its innovative and impressive marketing mix strategy. They focused not only on traditional four P's of marketing but they widen the scope to physical existence, people, and process. As part of the physical existence they have implemented the idea of starting Amazon store all over the world. They focused on people not only extended to customers but also to each and every employee who even delivers the goods or services and the process they have adopted is very unique.

Amazons targeting of its customer is an exceptionally impressive technique as they have targeted a customer in every possible categories all around the world be it young or old, single, committed or married, couples with and without kids so on and so forth. In short they targeted and segmented the world as their market.

*Policy Implications*

From a sellers point of you Amazon do not give you a brand recognition as a unique one. Every brand in Amazon is just Amazon, this discourages many sellers to put forth their products to be sold in the website to overcome this drawback they could increase their seller base and integrity thus enhancing the promotional Mix.

From a customer point of view, the one reason that I took this topic was based on my personal experience as after purchasing the product it had a few complications which forced to give back the product but even though they have an effective cash back system I was not compensated for the same till date. So as an emerging leader if they are able to thoroughly clean up all its such issues rather than just implementing the system for the same, it would increase customer satisfaction.

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