

Marketing Channels and Strategy of Amazon: An Analysis of Customer Obsession, Low Prices, Product Selection, and Convenience

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Abstract

This case study explores the marketing channels and strategy of Amazon, one of the world's largest online retailers. Amazon has used a variety of marketing channels such as online advertising, email marketing, affiliate marketing, social media, and a mobile app to reach its customers. The company's marketing strategy is focused on customer obsession, low prices, product selection, and convenience. By offering a wide range of products and services, competitive pricing, and a customer-centric approach, Amazon has been able to maintain its market position and build a loyal customer base. The study concludes that Amazon's marketing approach is a testament to the power of innovation and customer-centric marketing in the e-commerce industry.

Keywords: Marketing channels and strategy, online advertising, marketing approach, innovation, e-commerce industry

INTRODUCTION

One of the biggest online retailers in the world, Amazon offers a variety of goods and services to clients all over the world. Jeff Bezos established the business in 1994, and it has since become well-known. Amazon's success is due to its innovative marketing channels and strategies that have helped the company to dominate the e-commerce industry. This case study will examine Amazon's marketing channels and strategies and how they have contributed to the company's success.

Background

E-commerce has grown to be a significant part of the global economy in recent years. With the growth of online retail, companies such as Amazon have revolutionized the way people shop. Amazon's success in the e-commerce industry is attributed to its innovative marketing channels and strategies, which have

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helped the company to dominate the market [1]. However, despite the significant impact of Amazon's marketing approach, there is limited research on the specific channels and strategies that the company uses to reach its customers. By offering a thorough analysis of Amazon's marketing channels and tactics, this study seeks to fill this vacuum in the literature. The study seeks to identify the key factors that have contributed to Amazon's success and provide insights for practitioners and scholars interested in the marketing of e-commerce companies [2].

METHODOLOGY

This study was carried out using the following approach:

1. *Literature review*: A review of relevant literature on the marketing channels and strategies of e-commerce companies, with a particular focus on Amazon.
2. *Data collection*: Data were collected from a variety of sources, such as Amazon's website, industry reports, and social media platforms, to provide a comprehensive overview of the company's marketing channels and strategies.
3. *Data analysis*: Both qualitative and quantitative methodologies are used to analyze the data that were gathered. Qualitative analysis involves a thematic analysis of the data to identify patterns and themes related to Amazon's marketing channels and strategies. Quantitative analysis involves using statistical methods to analyze data such as customer demographics, purchasing behavior, and market share.
4. *Case study design*: A case study design is used to provide a detailed examination of Amazon's marketing channels and strategies. The case study could involve analyzing the company's marketing approach, identifying key success factors, and evaluating the impact of Amazon's marketing on customer behavior and market share.
5. *Ethical considerations*: Ethical considerations was addressed, such as data privacy and confidentiality, informed consent, and ensuring that the study is conducted in an unbiased and objective manner.
6. *Limitations*: The limitations of the study are acknowledged, such as the reliance on secondary data sources and the potential for bias or inaccuracies in the data.
7. *Conclusion*: The study is summarizing the key findings, drawing implications for future research and practice, and discussing the contributions of the study to the understanding of the marketing channels and strategies of e-commerce companies, specifically Amazon.

MARKETING CHANNELS

To reach its customers, Amazon employs a range of marketing techniques. These channels include:

1. *Online advertising*: Amazon uses a range of online advertising channels to promote its products and services. On websites like Google, Facebook, and Amazon itself, this refers to display ads, search ads, and video ads. Amazon also offers its own advertising platform, Amazon Advertising, which allows sellers to promote their products on the Amazon website and app.
2. *Email marketing*: Email marketing is a key channel for Amazon, with the company sending targeted promotional emails to its customers based on their browsing and purchasing behavior. Amazon also uses email to notify customers of new products, deals, and promotions [1].
3. *Affiliate marketing*: Amazon has an extensive affiliate marketing program, which allows other websites and bloggers to promote Amazon products and earn a commission on sales. This program helps Amazon to reach new audiences and increase sales.
4. *Social media*: On social media sites including Facebook, Twitter, Instagram, and LinkedIn, Amazon is well-represented. The business uses social media to advertise its goods, to interact with customers, and to raise brand recognition [2].
5. *Mobile app*: Amazon's mobile app is a key marketing channel for the company, with customers using the app to browse products, make purchases, and track orders. Additionally, the app provides tailored recommendations based on a user's browsing and shopping habits [3].
6. *Prime membership*: Amazon's Prime membership program is a unique marketing channel that offers members free shipping, access to exclusive deals, and streaming of movies, TV shows, and music. The programme seeks to foster client loyalty while encouraging customers to make additional purchases on Amazon.
7. *Content marketing*: Amazon uses content marketing to educate and engage its customers on various topics related to its products and services. This includes the Amazon blog, which provides tips and advice for customers, as well as product reviews and customer stories [4].

8. *Influencer marketing*: Influencer marketing is now being used by Amazon to promote its items and reach new markets. The business collaborates with social media influencers to promote its goods via videos and sponsored postings.
9. *Amazon alexa*: Amazon's voice assistant, Alexa, is another unique marketing channel. Customers can use Alexa to place orders, monitor their orders, and get tailored recommendations. This channel allows Amazon to reach customers in their homes and offers a seamless shopping experience.
10. *Customer reviews*: Customer reviews are a powerful marketing channel for Amazon. Positive reviews can help to increase sales and build customer trust, while negative reviews can provide valuable feedback for improving products and services.
11. *Amazon stores*: Amazon also offers its own storefronts, known as Amazon Stores, which allow brands to create their own branded storefronts on the Amazon website. These stores offer a unique marketing channel for brands to showcase their products and build brand awareness [5, 6].

Overall, Amazon's marketing channels are diverse and effective, allowing the company to reach a wide range of customers through various touchpoints. By continually innovating its marketing channels and strategies, Amazon has been able to maintain its market position and build a loyal customer base [7].

MARKETING STRATEGY

Amazon's marketing strategy is based on the following principles:

1. *Customer obsession*: Amazon is renowned for its customer-focused marketing strategy. The company strives to offer a seamless customer experience across all touchpoints, from browsing and purchasing to shipping and returns. Personalized recommendations, simple ordering and payment processes, and quick and dependable shipping are all examples of this.
2. *Low prices*: Amazon's pricing strategy is based on offering competitive prices across a wide range of products. The company achieves this through economies of scale and operational efficiency, allowing it to pass on savings to customers.
3. *Product selection*: Amazon's product selection is another key element of its marketing strategy. The company offers a vast selection of products across various categories, from electronics and books to fashion and home goods. As a result, Amazon is able to satisfy the various wants and tastes of its customers.
4. *Convenience*: Making purchasing as convenient as possible for customers is a key component of Amazon's marketing approach. Offering free delivery, simple returns, and a mobile app for purchasing while on the go are a few examples of this. Aside from free two-day shipping, access to streaming services, and special offers, the company also provides membership services like Amazon Prime [8].
5. *Innovation*: Amazon's marketing strategy is characterized by innovation and experimentation. The company is constantly testing new marketing channels and strategies to stay ahead of the competition and meet evolving customer needs. This includes offering new services such as Amazon Fresh grocery delivery and experimenting with new advertising formats.
6. *Branding*: Amazon's branding strategy is focused on building a strong brand image that is associated with convenience, value, and innovation. This includes using its logo and brand colors consistently across all touchpoints, as well as investing in advertising and sponsorships to increase brand awareness.
7. *Data-driven marketing*: Amazon's marketing strategy relies heavily on data to personalize its marketing efforts and optimize its advertising spend. The company uses customer data to offer personalized product recommendations and target advertising to specific audiences [9].
8. *Customer reviews*: Customer reviews are another important component of Amazon's marketing plan for increasing credibility and trust. The business encourages customers to provide reviews of the goods they have purchased, as this can assist other customers in making wise purchases.

9. *Social media marketing*: While Amazon does not have an active presence on all social media platforms, the company has a strong presence on platforms like Facebook, Twitter, and Instagram. Amazon uses social media to engage with customers, promote new products and services, and run targeted advertising campaigns.
10. *Prime day*: An important component of Amazon's marketing strategy is its annual Prime Day event. This 48-hour sales event offers exclusive deals to Amazon Prime members, driving sales and increasing customer loyalty.
11. *Affiliate marketing*: By promoting Amazon products on their websites, bloggers and website owners can profit from Amazon's affiliate programme. This is another way that Amazon uses the authority of content creators and influencers to increase sales [10].
12. *Localization*: Amazon's marketing strategy also focuses on localizing its marketing efforts to appeal to specific geographic regions and cultures. This includes offering local language support and localized content to customers in different countries.

Overall, Amazon's marketing strategy is a complex and multifaceted approach that relies on a combination of data, innovation, customer obsession, and experimentation. Amazon has succeeded in retaining its position as a market leader in the e-commerce sector by constantly adapting its strategy and utilizing new marketing channels.

CONCLUSION

In conclusion, this case study has provided a comprehensive examination of the marketing channels and strategies of Amazon, one of the world's largest online retailers. The study has highlighted the importance of customer obsession, low prices, product selection, and convenience in Amazon's marketing approach. By offering a wide range of products and services, competitive pricing, and a customer-centric approach, Amazon has been able to maintain its market position and build a loyal customer base.

The study has also identified a range of marketing channels and strategies that Amazon uses to reach its customers, including online advertising, email marketing, affiliate marketing, social media, and a mobile app. The study has demonstrated the effectiveness of these channels in reaching different segments of Amazon's customer base and creating a seamless customer experience across multiple touchpoints.

Furthermore, the study has highlighted the role of innovation in Amazon's marketing approach. The company has continually evolved its marketing channels and strategies to keep up with changing customer needs and preferences. Amazon's ability to adapt and innovate has allowed the company to maintain its competitive edge in the e-commerce industry.

The contributions of this study lie in its detailed examination of Amazon's marketing channels and strategies, the identification of key success factors, and the insights it provides for practitioners and scholars interested in the marketing of e-commerce companies. The study does, however, have some limitations, including the use of secondary data sources and the possibility of bias or inaccurate data.

In conclusion, this case study highlights the effectiveness of customer-focused marketing and innovation in the e-commerce sector. By focusing on customer needs and preferences, and continually innovating its marketing channels and strategies, Amazon has become a market leader in the global online retail industry.

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