**Amazon**

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# Introduction

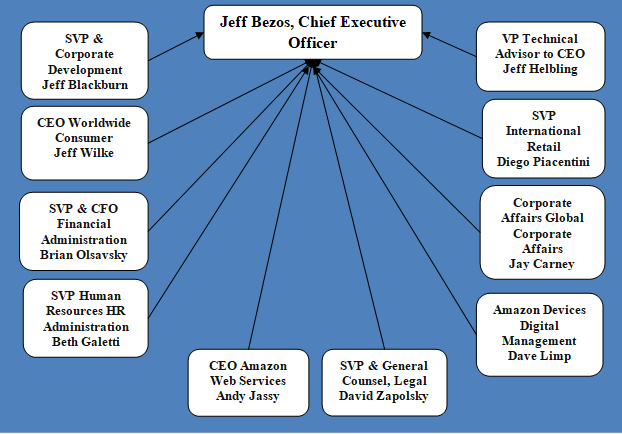
With the ramified economic changes and complex business structure, each and every organization needs to strengthen their value chain activities in effective manner. In the starting of this report, description of the company has been given. After that, Strength, weakness, opportunities and threat of the Amazon Company has been assessed. This report reflect the key strategies and organizational online work chain process of the company. It is analyzed that if company wants to sustain in market then it will have to undertake online and offline strategic program which will help in grasping more market share. With the changes in time, E-commerce and online business marketing has been gaining momentum throughout the time.

# Business Strategy of Amazon Company

## DESCRIPTION OF AMAZON –

Amazon is one of the biggest online retailers in the world. This company was started by Jeff Bezos in 1955. Earlier it was an online book company ad was involved in different types of consumer goods like apparel, electronic products, toys, watches, clothing, software, kitchen appliances and books. Now the scenario has been changed and amazon has started providing. Amazon has its six websites in Japan, China, France, UK, Germany and Canada. It also helps customers in international shipping in some countries. Its corporate headquarters are in Seattle, Washington, United States (Wu, & Gereffi, 2018).

Amazon has a hierarchical organization structure and it includes two CEOs, three Senior Vice Presidents and one Worldwide Controller. All of them are responsible to deliver some important business reporting to the company’s CEO Jeff Bezos. In Amazon, operations are divided into seven parts like technology, legal operations and human resource management and head of each segment has to report the CEO. Amazon is a big organization and due to that it has adopted a hierarchical structure. It has more than 560,000 employees all around the globe. Amazon is a corporation that is achieving really high targets and has a lot of customers(Bones, & Hammersley, 2015).

**Amazon Organizational Structure**

## MISSION STATEMENT OF AMAZON –

Amazon is a very consumer focused organization and its primary focus is customer satisfaction. When it was started, it had a very strong mission for customer satisfaction. Amazon mission statement clearly says that leadership decisions are always made according to customer satisfaction in the history of the organization. Its mission statement is “Focus on the customer” (Robles, 2015).

## E-COMMERCE STRATEGIC GOALS-

There is an expansion of internet and the high development in the world lowered all the entry barriers of Amazon to enter into the market in 1995(Sanghi, 2016). This was a very different time as firstly books were printed and then it was passed to the distributors and then shops sell it. Customers can just go to the shops and purchase the books. Amazon understands that it’s a good opportunity and with the help of internet, customers will get a lot of satisfaction. It started a very large online store that enable to buy customers all the books and eliminated the need of distributors (Jansen, 2017). It helped in building a big business opportunity. In order to create a high position in the market, Amazon had continued to make customers loyal, attract more customers and removal of threat from the competitors. For the fulfillment of this target, Amazon started focusing on its technology and started e- advertising and some other methods of making people know about the organization (van Tulder, Verbeke, & Pisc 2018). It pioneered e- books Kindle technology and maintained a vast selection of books. It also increased development of hardware that facilitated reading from the screen and development in software technology that helps customers to purchase as well as download e books by internet (Ross, 2016).

## SWOT Analysis

Strengths:

Amazon is a very profitable organization after huge losses and it reduces the cost of delivery for customers. In past years, it made very good profits. Business strategies of Amazon are always get supported by the management of customer relationship as well as information technology as they have overall data of buyer’s behavior. It helps Amazon to suggest things for customers. Amazon is a very big brand and everyone knows it because it has 30 million customers and Amazon was among the first e- commerce players. It is really a very good on- line retailer. Its business is growing as it offers some additional products that attract more customers. Online selling of customer items helps customer loyalty(Aversa, Haefliger, & Reza, 2017).

Weaknesses:

There are so many add-ons in the Amazon’s website as it was earlier just a book retailer so sometimes it confuses customers. Amazon cannot provide free shipping at every place so it increases the cost of the products and buyer prefer to but from a local seller. The dependency of delivery services sometimes creates big problems as well as cost(Xuan, & Chen, 2017).

Opportunities:

Amazon has started more cashing on the identification on an online retail pioneer by selling the know-how to key store groups. There is an Amazon’s new Luxembourg-based unit that offers much type of customized services to vendors in Europe as a technology service provider. There are many new areas in which Amazon can easily enter and attract more customers. Amazon is a very big player and it can grow in many different fields as well. It has created very strong relationship with the good publisher so that it can have exclusive book collection. It helps in getting new customers and enhances growth(Armstrong, 2016). It has increased customer satisfaction at a very big level due to its return and exchange services. Consumer knows that they can get the best product from this place. There is a facility of membership that has been created in order to facilitate customers in seasonal times and it creates advantage for members. It increases customer service in seasonal times and results in good trade(Pt Joseph, 2015).

Threats:

Online business is at very peak as well as profitable concept so it attracts more competitors. Amazon provides a high variety of products, else it can affect by competition in price. It is losing the position that it has acquired because of international competitors entered in the market. There is no difference in the price of retailer as well as amazon so customer finds it disappointing sometimes (Viswanadham, 2018). Amazon is not able to provide competition to some high street brands for resembling service and price of the product. There is a very little explicit differential to the competition as the sale of customer will change. There is a high transportation cost that is paid by the Amazon for the third party and it impacts negatively. Amazon is a treat of universal economic circumstances that basically low down the trade prices and consumer potential in order to create promotional agreement for all the products. There are many competitors that are exactly providing the same services as Amazon is providing so it becomes really difficult when customer starts switching to other service providers(Hsu, Trappey, & Trappey,2015).

## COMPETITIVE ANALYSIS

Amazon has different competitors that are providing very high quality services to its customers.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Name of competitor | Products/service | Link to their website | Strength | Weakness |
| Flipkart | All type of consumer goods, electronics, fashion, health and lifestyle. | www.flipkart.com | It provides products at high discount and amazing offers. | Its website is slow and variety of products is less. |
| Snap deal | All type of consumer goods, electronics, fashion, health and lifestyle(Burns, 2016). | www.snapdeal.com | It provides products at high discount. | It provides duplicate as well as low quality products. |
| Alibaba | All type of consumer goods, electronics, fashion, health and lifestyle. | www.alibaba.com | It has a wide range of products for customers. | It charges high shipping cost that basically increases the cost of the product. |

## COMPETITIVE ADVANTAGE

Amazon is the largest company in the field of E- commerce and earning high revenues and customer satisfaction as per 2019 survey. Amazon has a good website that is easy to access. People can get different variety of products in reasonable prices. Amazon provides quality assurance to its customers and there is a free exchange and return policy. Amazon has started its media segment that basically provides amazing entertainment sources. It has given a good competition to other big players in the market like Netflix and Google play store(Turban, et al. 2018).

# Finance/Accounting

Amazon accepts different payment systems like debit card, credit card, net banking, cash on delivery and UPI payments. It gives a high flexibility to its customers for making payment on the website and it has a very secure payment gateway. There are certain websites like Paytm and Freecharge that has been used by people now days on a frequent basis. Amazon can also tie up with these to make its payment easier (Gershon, 2016).

Link for Paytm is [www.paytm.com](http://www.paytm.com)

Link for Freecharge is [www.freecharge.com](http://www.freecharge.com)

## CREATE AN E-LOYALTY PROGRAM

Amazon can start a new E- loyalty program that can provide points to the customers on every purchase and then after a certain limit, customers can redeem that points in attractive gift vouchers. It will not increase a high cost to company and will result in increase in sales.

## Public Policy

Amazon has a privacy policy that they will not leak the personal details of the customers like their phone numbers, addresses and bank details. This is very confidential information.

## Security Plan

There are different security issues that we face like sometimes amount has been deducted from the account but transaction got failed. It is a panic situation for the customers. There are some more issues when there is a product that is out of stock but it still shows on the website and customer orders the same. I have an antivirus to safeguard from such issues and I use my credit card very less on E0 commerce websites (Rahman, & Casanovas, 2017).

# Operations

There is a proper inventory management plan and perfect shipping and delivery partners that make sure proper and safe delivery of the product without any hassle. Amazon provides an expected delivery time to its customers and tries the best to provide within delivery slot. It always packs their products on an excellent basis to avoid any kind of damage. There is a very good customer support in Amazon in which there is customer service analyst available for twenty four hours (Qasim, Mohammed, & Liñán, 2018). They help each and every kind of customer issues and help customers in exchange, return and payment related issues. There is a very good return policy on Amazon and customers can easily return their products by providing a genuine reason. The E- Commerce business plan of Amazon Company is to develop core competency in its product differentiation strategy. This will be the base for the developed E-commerce business plan of the company. This will not only attract more clients in market but also strengthen the competitive advantage of company in market. Nonetheless, the online business plan of the Amazon is supported by the cyber computing enterprises resources planning system which will not set up automation in the business process but also increase the client’s satisfaction in online buying experience (Turban, et al. 2015).

# Marketing

## MARKETING STRATEGY

Target audience- Amazon provides its services in more than 100 countries and operates in urban as well as rural areas. Target audience is the people of more than of 18 years of age. It includes males as well as females. Its customer segment has newly married couples, bachelors and retired people (Trappey, Trappey, & Hsu, 2016).

## 4 P’S OF YOUR Amazon

Product- Amazon is a big E- commerce company and people are getting a high level of convenience through internet. It enables customers to just browse and buy product immediately (Adaji, & Vassileva, 2016). These products have been delivered with the help of delivery partners. The product it sells are-

1. Kindle
2. Mobile phones
3. Clothes
4. Gardening Equipment’s
5. Electronics

Amazon started with books and was a very big book seller in the world. Amazon has introduced Kindle and it provides service of reading book with the help of internet. Amazon tries to cover the whole market products so that it can attract more customers and provide a high level of satisfaction (Oliveira, & Toaldo, 2015).

**Place-**

There is different websites like India plaza and allshcoolstuff that were closed because of trust issues while buying goods online. So, Amazon’s brand image is very strong and its software has been produced by considering proper R&D efforts. Its services are customer focused and available in many countries. Amazon provides a very easy work environment to its customers and they feel relax while working in Amazon (Chaffey, 2015)

**Promotion-**

Amazon has created many different television advertisements that are mostly displayed in the market of US. Amazon uses website advertising most of the time and have created different billboards. Amazon has its advertising networks as well that enables the organization in successful running of the advertising campaign. Its search engine is also flexible (Yablonsky, 2016).

**Price-**

Amazon has made all the prices very competitive. It always takes care about its employees while setting the prices of the products. Amazon has come up with different attracting offers that can attract the customers. It never charges high amount from the customers. If we compare its prices with local retailers or other e – retailers then we will never feel being cheated. It provides the best pricing for its target market (Laudon, & Traver, 2016). Many times, Amazon offers heavy discounts on its most popular commodities in order to increase the sale and don't change price in case of less popular products. Amazon also provides some bank related offers that provides handsome cashback and discount. Even after providing good discounts to the customers, it is making high profits and it shows the effective pricing policies and strategies to implement the same.

# ****Conclusion****

After assessing all the details and marketing condition, it could be inferred that if Amazon wants to sustain its business in market then it needs to adapt with the new technologies and adva6nce methods in its inbound and outbound activities. Amazon Company is fast growing business and in order to gain competitive advantage in market, it will have to set automated in advancement in technologies and system process. This newly developed n E-Commerce Plan is developed to attract more clients in market and strengthen the market share in determined approach. The online business reveals high profitability due to the extensive use by the clients in market. This business would be more profitable for the Amazon if proper E-business plan and strategic approach is used by company.