

How Amazon Is Changing The World Around Us

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Introduction

Amazon was founded in 1994 and began selling products online in 1995. The claim that it was still seeking to establish itself in India is outdated: Amazon.in launched on 5 June 2013. Jeff Bezos founded Amazon and now serves as Executive Chair, while Andy Jassy is President and Chief Executive Officer. Personal wealth rankings and statements about “current” shareholder pressure change over time and should not be treated as stable company facts. The remaining early-history details in this paragraph reflect the company’s development during the article’s source period.

Discussion

This section presents a source-period market-entry comparison for Amazon’s Fire tablet in India and the United Kingdom. India was not a new Amazon market at the time of the later company history: Amazon.in had already launched in June 2013. The population and income comparisons in the original paragraph are dated assumptions and should be refreshed for any present-day market analysis. The main reason behind Amazon’s huge success is that whenever they launched new products, they always focused on myriad issues such as timing, market research, market penetration, and planning, and that really helped them increase their probability of success. The market research identifies the product features needed to be launched along with the distribution channels and adequate pricing. And that’s why they are so successful. Market penetration is a process by which a company can increase its market share for products, and Amazon has really been focused on Market penetration. Targeting the marketing campaign would be vital for penetration in any new market.

To launch a new successful product in a new market, it should have the following phases:

Market Targeting is used to attract new buyers to buy the newly launched product. Market Segmentation is used to classify bases for segmenting the new target market. Product positioning is used to advance the positioning of each market for a specific market. Whenever Amazon launches a flagship product, the first thing it does is Market research, which is the key to any successful business idea. Market research provides important information and direction to target a specific market. It identifies product features with proper pricing that caters to market needs. Market research also gives

an idea of distribution channels that are used to sell the product. Other Aspect that Amazon is good at is “Timing”. The question you need to ask before penetrating a new market is that all elements of the marketing process should be coordinated so that the company can provide the product in a good time. Whenever a new product is launched timing should be taken into account for example launching a new line of sweaters in summers would be a bad idea. So, the company has to take timing into account and also has to know that they can manufacture and market their product at the right time.

The main thing to decide on when to penetrate a new market is the distribution of the newly launched product. Who’s going to sell the product? Amazon has a well-trained sales organization and distribution channels, and they can certainly use them in India and the UK, so they are well-trained about the new products and how to let customers know about them. Finally, Amazon is really good at Promotion as well, they have the promotional program needed to support their flagship fire tablet.

Market segmentation is the process of dividing the market into subgroups of people. An example would be individuals wanting watches but different types of watches, like analog or digital watches or even smartwatches. Two points should be considered when determining a market segmentation policy. First, on what basis will the market be segmented? Second, the method used for segmentation and the company has to focus on different behaviors of people. The general bases segmenting a new target market are unlimited. Three types of segmentation in which a company can segment the newly targeted market include:

Benefit Segmentation – This type of segmentation of users is based on the benefits the consumer hopes to have from using the newly launched product. In the case of Amazon Fire Tablet, one can easily realize that it’s expandable. It includes all the Amazon goodies. It’s more like a real Android tablet. It is priced very competently in both target Markets in India and the UK.

Usage Segmentation – This type of segmentation is generally based on the customer’s usage time for that specific product. Some people are considered heavy users of that product, or some might use it less often. Segmentation should be done on how to target heavy users. In the case of Amazon Fire Tablet, users in both India and the UK can easily use it in their leisure time.

Behavioral Segmentation- This type of segmentation is specially targeted to users based on their behavioral and social traits. In the case of Behavioral segmentation- We need to focus on the advantages that our customers want from a new product. In this case, Indians want a product for less money but with more features that would help them do many of their daily tasks with a single product, and Amazon Fire Tablet would help them achieve this by doing tasks of both PC and Smartphone while paying a small price. In the case of other target markets, UK people want products for their leisure time only, and the products they can safely give to their kids and Amazon Fire Tablet would suit them. Market segmentation is a very influential and well-built marketing tool catered to provide a general idea to the company about how to target a specific group of people based on their needs. Segmentation would eventually help make additional revenue by making marketing and distribution of the product easier.

While analyzing the product launch in new Markets in the UK and India, External driving forces are the Economy, Political Influence, and new competitors. This drive of external change occurred from outside of the company or organization. Now, we can discuss the external driving forces of a company. In the case of the UK and India, one of the major Competitors could be eBay and Flipkart. They are known for providing cheap stuff with relatively good quality. The economy of India is booming, but it is still not on par with developed countries like the UK and the US, and the buying power of people is less, so the profit margin for Amazon would be low when they launch the Amazon Fire Tablet in India. But in case of UK, people are rich and one can sell slightly expensive things and a result profit margin would be high. Political Influence plays a key role in deciding the growth of Amazon in India, as some people in India are religious fanatics, so one has to be cautious about certain marketing companions.

Conclusions

Successful product launches result from an integrated process that depends heavily on solving up-front issues and completing market research, and that's where Amazon has to put even more focus. Amazon is hoping to expand its reach even further to new markets that have not been explored earlier. Amazon wants to gradually increase its marketing expenses from 2% of net sales to 3%. This will give them more advertising and brand recognition. While Amazon has created its name in the business world in a huge way, there are still Challenges for Amazon, including tough competition from eBay and Walmart, a Large sales-tax debate between Amazon and many state legislators, and Worker conditions that aren't so good. They need to focus even more to solidify their position in the business world for the coming years.

End Notes

Cole, T. J., Freeman, J. V., and Preece, M. A. Body mass index reference curves for the U.K., 1990. *Archives of Disease in Childhood* vol. 73 (1995) pp. 25-29.

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