

MM Assignment 2 Report Nicole Williams 1802680

by Nicole Williams

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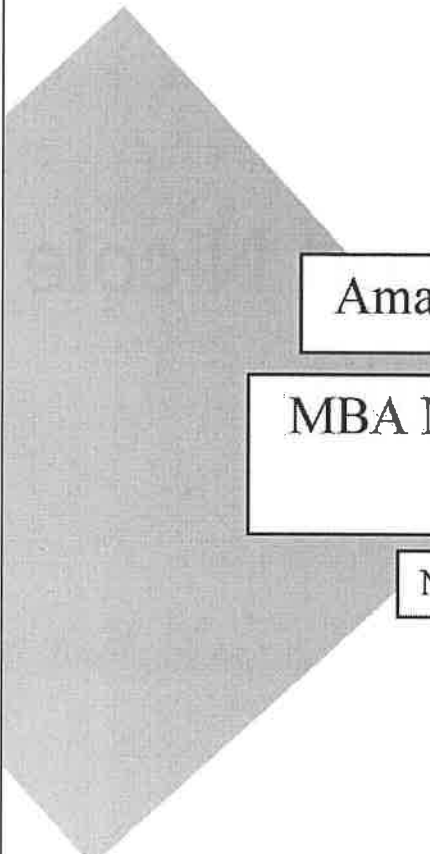
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Amazon.com, Inc (Alexa)

MBA Marketing Management
Assignment 2

Nicole Williams 1802680

Critically appraise key marketing activities and the contribution of the marketing department to the organisation by analysing and critically appraising marketing management with the view to adding value for sustainable competitive advantage.

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Use suitable
marketing plan
framework
eg. SOSTAC!

1.0: Executive Summary

This report continues forward from the presentation given on 7th November 2019, which involved analysis on the external environment as well as the customer journey for Amazon.com, Inc's Alexa virtual assistant.

The recommendations are as follows.

From the presentation:

- Concentrate efforts on partnership with Bing
- Extend the knowledge and capabilities of Alexa's AI Recognition
- Continue research and development into enhanced logistics programmes
- Coincide with Alexa's new range of features to retain competitor advantage

From the report:

- Marketing Planning Process as outlined by Fahy and Jobber (2015) to create an effective marketing plan the abovementioned partnership with Bing

2.0: Introduction

Amazon.com, Inc (for the sake of this report will from here on be referred to as Amazon) is an international ecommerce retailer. Created in 1995 by selling books online in the UK, has now grown into an international online retailer selling numerous ranges to various market segments. The success of the company has earned it the title of being within the top 3 best-performing companies in the world, based on market value (Ceoworld, 2019).

This report will appraise how Amazon's Alexa can create innovative strategies for marketing in order to raise awareness of the brand whilst managing and evaluating the customer journey. This will be achieved through a range of communication channels to ascertain current and future stakeholders' expectations are met.

*This isn't a report - see
assignment brief.*

The areas to be covered include the current marketing competencies of the organisation, recognition of strategies for marketing as well as tactics for achieving them and connecting with the target audience using methods useful to the organisation as well as the market.

The aims and objectives of this report are based upon the recognition of the above areas, with recommendations for the organisation for them to achieve their aims.

Theories and frameworks will be utilised in the context of the present organisational standpoint.

3.0: Main Research & Analysis

This segment will focus on the results of the research undertaken for the presentation (MM Assignment 1 Video, 2019) with their potential consequences. From this, establishment of a method in order to create marketing strategies and brand awareness; to gain an overview of the customer journey and how to manage it within Amazon. ✓

3.1: Information from Presentation

The presentation had analysed the external environment using a PESTLE analysis (Gupta, 2013); the internal environment using a SWOT analysis (Gürel, 2017), possible challenges in the future, customer journey, Amazons current marketing ability, as well as recommendations. ✓

The primary results indicated that Amazon holds a 13.7% market share within the ecommerce market (Clement, 2019), it currently operates within three general market segments including electronics, media, and other merchandise (Althafairi et al., 2019), that the organisation typically sells everything to everyone (Amazon, 2019), and their customers want technology and devices which are more suitable for use by minors. ✓

Amazon adopts a strong internal culture (Forbes, 2017) which is critical for agile and other such actions in services differentiation (Kotler, 2001). GDPR (General Data Protection Regulation) combined with the strategy named UKCIS (United Kingdom Council for Internet Safety) upon which ensures the safety of all generations using the internet, this arms Amazon with the opportunity to further satisfy customer needs within their existing market. ✓

3.2 How Can Amazon Create an Innovative Marketing Strategy?

Use SOSTAC framework!

Emphasising on the collaboration of Alexa with Bing as outlined in the presentation (MM Assignment 1 Video, 2019) would further strengthen an already accomplished service. Using this partnership to enhance the service which Alexa provides, would further satisfy customers needs thus allowing potential for increased consumer confidence, as well as greater brand loyalty. A Marketing Plan evaluates the position and execution of a strategy which is based upon correlative value and consumer comprehension (Fuchs and Diamantopoulos, 2010). ✓

In relation to Amazon, the Marketing Planning Process as outlined by Fahy and Jobber (2015) is a detailed planning process which allows for different marketing criteria to be integrated to form a cohesive plan of action. The first half of the plan focuses on marketing planning at the business level, whereas the second half focuses on marketing planning at the product/service level (please see Appendix 1 for illustration). ✓

You could have applied this framework!

The plan begins with the business mission; this is 'to be Earth's most customer-centric company, where customers can find and discover anything they might want to buy online, and endeavours to offer its customers the lowest possible prices' (Amazon Jobs, 2019). This mission statement has remained the same since the inception of the business in 1995, however remains very prevalent in today's markets. ✓

which you've already conducted.

The next step is a marketing audit, which includes the business objectives, market evaluation, target customers, SWOT analysis (Gürel, 2017), competitor analysis, and the marketing mix. Amazons objectives are to satisfy existing customers while attracting new customers, increase market share and growth of revenue, introduce innovations and develop new ideas.

develop international markets, and development of relations with partnering countries (Admin, 2013).

Market evaluation outlines that Amazon currently holds a year-on-year growth rate of 37.7% of the ecommerce market share for quarter 3 of 2019 (Clement, 2019). The main external factors which affect the market are Brexit; threatening access to EU markets, changing consumer behaviours; socially aware generation, convenience benchmarks; Alexa-enabled devices easy to use, business sustainability; pressure to use recyclable packaging, and the increased pressure from governments; different laws and regulations in each country of operation. The main markets of operation include electronics, media, and other offerings within the ecommerce industry. Each segment is a competitive environment with increasing competition; with the like of Netflix, Walmart and eBay offering similar products/services. ✓

The target customers have been labelled money savvy (Danziger, 2018), lazy customers who look for the easiest way to do things (Lafley and Martin, 2017), and millennials (Martin, 2019) in which use Amazon as a search engine for products. The wants and needs of these customers mainly comprise of the need for child-friendly devices, in which children can search for games and entertainment, with Alexa bringing characters to life. ✓

A SWOT analysis includes the strengths, weaknesses, opportunities, and threats to an organisation. The key strengths of Amazon's Alexa include the strong brand name and good reputation. Whereby the biggest weakness is Alexa's limited knowledge base (Statt, 2019). The biggest opportunity for Amazon is to form a partnership with the search engine Bing in order to expand Alexa's accessibility to information. Competitors stand as the biggest threat, with other businesses offering virtual assistants with more capabilities. ✓

Competitor analysis illustrates Google's Home Assistant to be the main competitors to Amazon's Alexa (Gokey, 2019), as Google Home offers a wider range of languages, as well as a plethora of accessible information through the biggest search engine in the world; Google. ✓

What about marketing objectives
for your proposed plan?

Within the Marketing Mix is the product, price, place, and promotion (Acutt, 2015). The product being the Alexa service, the price deemed relatively low in comparison to its competitors, place detailing Amazon.com being the main distributor of Alexa-enabled devices, and the promotion entailing a strong brand image, with Alexa challenging other like-for-like services.

✓ develop further.

With the marketing audit inclusive of the next two steps of the marketing planning process, the core strategy of Amazon is the subsequent measure. The core strategy consists of customer obsession, passion for invention, commitment to operational excellence, and long-term thinking (Gudat, 2019). Amazon uses these principles to guide the company through every action which is taken.

In terms of competitive advantage, Amazon's Alexa offers similar features to Google's Home as well as Apple's Siri. There have not been many differences outlined between competitors' products and Alexa, despite Google being widely known for a global search engine and Apple known for technological advances. Although, Amazon's Alexa is often deemed as the more affordable option for customers.

has it?

The next criteria within the marketing plan is the marketing mix, which has been outlined in the marketing audit above. Therefore, organisation and implementation are the next factors to be defined. Implementation is the action of putting the marketing plan into action through integrating the partnership with Bing with Alexa devices. Both entities would complement one another, for Bing; the partnership would allow association with a strong brand, and for Amazon; it would allow heightened capabilities for the Alexa service.

Moving on to control, Amazon could monitor results through the increase in sales of Alexa-enabled devices with the association of the Bing search engine. Another measure could be increased traffic to the Bing search engine. Each would offer insight, albeit in different segments.

✓ You are describing the marketing planning process rather than developing the plan as per the brief.

Overall, Fahy and Jobbers (2015) Marketing Planning Process offers a systemic approach to the achievement of marketing goals. It allows for useful and relevant information to be used in order to create a successful marketing plan.

3.3: Managing & Evaluating the Customer Journey

As outlined by Richardson (2010) the customer journey should be seamless; this is the overall goal of the business. Marketeer Levitt (1960) suggested that any actions must pursue solid reasoning concerning the customer. Together, these bases are what the customer journey must be built upon. Within Amazon's Alexa, this can be identified through the initial contact when purchasing an Alexa-enabled product, right up to the aftercare for the customer, all should be unified, and customer focused. The Marketing Planning Process as outlined by Fahy and Jobber (2015) illustrates a process through business mission, marketing audit, SWOT analysis, marketing objectives, core strategy, competitive advantage, marketing mix, implementation, and control, which can be personalised for either a product or a service; therefore making it successful by building on understanding and satisfying customer needs.

Research has identified that touchpoints create the overall customer journey (Neher et al., 2016) however, if there is too much attention on one touchpoint, it can begin to take away from the overall journey for the customer. There is a link between the customer journey and the decision-making process for the consumer, meaning both are very important from start to finish. Consideration must be made pre, during, and post purchase, due to the interaction between the customer and the business through differing means; pre by use of online shopping, during through the utilisation of services, and post by means of receiving feedback, or repeat purchase, for example.

From initial purchase, a customer can be pleased with the service provided, however Neher et al., (2016) outline that customer satisfaction decreases 40% during the overall customer journey. This illustrates the importance of the end-to-end journey which a customer entails, not just the moment in which a purchase is made. Khanna et al., (2014) suggest that through

the creation of a satisfying, lasting and personalised customer journey, the organisation is empowered through competitive advantage. Therefore, the importance of touchpoints along the entire journey are essential in reinforcing the positive persona which the brand has created. The average customer journey for an Amazon Alexa customer will be measured in order to show how customer engagement is encouraged and that the consumer is happy during the process.

Touchpoints before a purchase are essential in the longevity of the process, due to the specific requirements of the customer (Mourali, 2005). This is the point in the process in which the customer is looking for help. This illustrates the need for Amazon to look appealing, both in brand and awareness, thus attracting the relevant people. Through their primary means of operations; online, this widens their reach to any customer which is online and leaves them in the public eye for maximum exposure. Although, some individuals can get overwhelmed by the amount of information which is available, resulting in the information being ignored (Tench et al., 2006). The impact an online presence has on customers is hard to measure, however Amazon could make use of Google Analytics in order to see how many times one of their products has been searched for on Google, or how many times people clicked through to the Amazon website from a certain point.

Within the process of purchase, it is assumed that the customer has already ruled out potential substitutes and competitors as not having met their needs, therefore have chosen Amazon's Alexa. Amazon's main priority at this point is to retain the attention of the consumer through the website; demonstrating direct contact with the service (Shostack, 1985). Amazon offer various Alexa-enabled devices, depending on the customer's needs. Each listing has information on the product and service both in the form of bullet points and paragraphs; thus, avoiding the loss of customers which can be overwhelmed by masses of information. Amazon offer next day delivery on their own-branded products; this service is to ensure that the customer does not have the time to change their mind or to overthink their purchase.

During the purchase period, Amazon offer delivery updates on the mobile application as well as their desktop site, this touchpoint encourages customers to feel excited about their

Although you have considered 7 the CJ in some detail, you might have summarised the touchpoints by producing a CJ Map. This might have then formed part of the marketing plan.

purchase and to look forward to it arriving at their chosen destination. Amazons choice of recyclable packaging will appeal to those customers which are environmentally conscious. There is a certain fulfilment in opening a technologically advanced piece of equipment and setting it up for the first time; (McKinsey, 2017) suggests it feels like new knowledge and offers satisfaction to customers. Each product comes equipped with a user manual so that those which are not so tech-savvy can set up the product with relative ease.

The post purchase period is very important for Amazon, as Alexa-enabled devices offer a range of services to customers with the aim of making day-to-day tasks easier for the user. Alexa was produced to ease the process of playing music, for example. The user does not need to physically look for a song or click anything, they need only state 'Alexa, play *example* song', and Alexa will begin to play it. This process works with movies, opening applications on the devices, or the consumer can ask Alexa what the weather will be like or to set reminders. Such services quickly become the norm for users, therefore any faltering in the delivery could ultimately lead to customer dissatisfaction (McKinsey, 2017).

A useful way of benchmarking the customer journey is through the utilisation of surveys, assuming the respondent answers truthfully. Although, Schultz (1997) emphasizes that it is not only the understanding of the data which supports innovation, but the understanding of the human psychology, in order to merge both elements. In doing so, Alexa stands a good chance of consistent development and improvement. Other informal verbal feedback illustrates that customers of Amazon are generally happy with the customer journey and feel their expectations of the products/services have been satisfied. A good reference is word of mouth, whereby reiterates customer satisfaction for future generations of customers.

4.0: Conclusion

Due to Amazon being an online retailer, they are constantly monitoring the external environment and making sure that internal operations work accordingly. Since their inception, they have held a strong footing in the ecommerce market, with their reach expanding into different markets in order to present different offerings to customers. The agile position held means the organisation can action the necessary strategy to satisfy the objectives of the business.

The aim of this report is achievable through Amazon implementing a marketing planning process, which should include a business mission, marketing audit, SWOT analysis, marketing objectives, core strategy, competitive advantage, marketing mix, implementation, and control measures. Abovementioned strategy would be both decided and implemented by the Board of Directors.

5.0: Recommendations

The following recommendations are made partially factored on the outcome of the presentation, but also on the outcome of this report. It is understood that all recommendations made are SMART and will ensure the longevity of Amazons Alexa, both by reputation as well as internally.

From the presentation:

- Concentrate efforts on partnership with Bing
- Extend the knowledge and capabilities of Alexa's AI Recognition
- Continue research and development into enhanced logistics programmes
- Coincide with Alexa's new range of features to retain competitor advantage

From the report:

- Marketing Planning Process as outlined by Fahy and Jobber (2015) to create an effective marketing plan the abovementioned partnership with Bing

which you should have put forward.

Basis of your marketing plan.
How will these objectives be achieved?
What tactics/actions?

6.0: Appendices

Appendix 1



7.0: Bibliography

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Nicole Williams - AMAZON = 50%

STUDENT FEEDBACK FORM : REPORT (75%)

This section details the *extent* to which the assessment criteria are demonstrated by you, which in turn determines your mark. The marks available for each category of skill are shown. Lecturers will use the space provided to comment on the achievement of the task(s), including those areas in which you have performed well and areas that would benefit from development/improvement.

Generic Assessment Criteria	Marks available	Marks awarded
1. Engagement with Literature Skills	20	
Throughout you've provided evidence of research of a range of sources.		13
2. Knowledge and Understanding Skills	20	
Although you've demonstrated knowledge + understanding of some of the key concepts/principles associated with Marketing unfortunately you haven't demonstrated a clear understanding of the marketing planning process. Rather than applying a suitable framework you have merely described the process. As a result you haven't addressed all parts of the brief.		10

3. Cognitive and Intellectual Skills	20	
Evidence of analysis + critical evaluation, particularly re: the customer journey, unfortunately this section might have been more effectively utilised within a marketing plan.		9
4. Practical Application Skills	20	
Clear evidence of application of relevant techniques in parts but what about application of key elements of the marketing mix & other suitable frameworks.		9
5. Presentation— professional skills	20	
This piece of work is coherent but has not been structured + organised as a marketing plan. It is well-written + therefore demonstrates some skills required for future employment.		9
		= 50%

Second marker: Mark agreed. There is evidence that key marketing

Assessment Mark (Assessment marks are subject to ratification at the Exam Board. These comments and marks are to give feedback on module work and are for guidance only until they are confirmed.)	Late Submission Penalties (tick if appropriate)		%
	Up to 1 week late (40% Max)		

homeworks and models have been understood, but to a large extent they have not been applied. Some parts, e.g. objectives are in the wrong place and the way this has been structured makes answering the project brief difficult, and it has not been fully addressed.