

MBA General Management, UWTSD

Module: Marketing Management (LCMB7001)

Assessment 1

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Introduction

Consumer value does not only work primarily to their function, but it is focused on the function to deliver what their customer want. It leads to form perspective related to an understanding about what customer need, and what are the factors leading them to buy a product for their perceived values (El-Adly & Eid, 2016) In other words, these elements lead the customers to look for their benefits developed to individuals leading towards forming customer opinion of the products to creative, positive customer perceived values. In general, companies are focused on developing their operational framework in a defined structure (Jiang, et al., 2016). It can be seen as following,



Perceived product values can be explained on three different levels – physical, logical, and emotional. It can further be understood with an example illustrated further (Hänninen & Karjaluoto, 2017). A customer buys a new/existing product suiting its need, such as warm clothes to stay warm in winters (physical needs), look for a new job to meet their living demands (logical needs), and help needy personal (emotional needs) (Marbach, et al., 2016; Eggert & Ulaga, 2002). The assignment has taken the case of Amazon Prime to support the research with real industry evidence. It aims to underpin different theoretical frameworks and model to support the research in setting a focus with the end goal to outline primary recommendations for the study to work further.

Introduction to Brand - Amazon Prime

Amazon Prime is a paid subscription service initiated by Amazon to give the user access to services, as they are paid. It is unavailable to all, or they have to pay an extra cost in comparison to other Amazon customers. The service includes free delivery for two days, and two hours deliver for a fee using Prime Now to use music and video. There were approximately 100 million subscribers of Amazon Prime across the world (Johnson, 2018; Winn, 2016). Since 2016, the company has been operating with eight different categories of services namely – Prime Music, Prime Video, Prime Reading, Prime Pantry, Prime Now, Amazon Key, Prime Air, and Prime day. All these categories are working on different services which help them attract new users. The strategic advantage of Amazon's services understands the customer expectations and demands which further lead them to plan their services (Head, 2017; Burzichelli, 2016).

Besides, to increase customer value, Amazon Prime launched an artificial holiday to offer discounts and deals to people who were only key members of Prime at that time. Amazon Prime is known for its similar strategies and promotional campaigns, these have resulted in an increase of business for Prime. In fact in 2018, Prime was unable to handle the volume of traffic, even the management had to set a fallback page to prevent a total crash (Garner, 2018; Johnson, 2018). Besides, they have reduced international traffic while installing temporary services to accommodate their shoppers, and restore their functionality completely. The reason behind Amazon's success in such a short time is because of their understanding of customer perceived values which have helped the organisation to plan their products and services meeting their customer demands across the world. The data available on the server of Amazon has helped its management to achieve their targets successfully (Soper, 2016; Winn, 2016).

Theoretical Frameworks and Models – Supporting Customer Journey

The key objective of firms these days is to enhance the factor of loyalty and trust among customers so that it can maintain the rise of its product and service purchase. However, it is important to understand the association between customers perceive value and the company's approach to achieve their targets (Yadav, et al., 2016; Hooley, et al., 2017). A key factor in this element is planning a successful relationship marketing approach to improve the interaction between a buyer and a seller. Even in the financial industry, companies are required to follow a defined structure in planning its internal processes and marketing approach to establish a strong and long-term bond with their customers (El-Adly & Eid, 2016). In general, customer perceived value is the point where the customer is able to outline customer satisfaction ration to achieve its outcomes during the purchase decision. This is focused on what brand want from the customer viewpoint while thinking about the brand total accumulation based on their experiences to build contact points based on customer perspective (Hapsari, et al., 2016). The defined structure to follow this scenario is as followed,

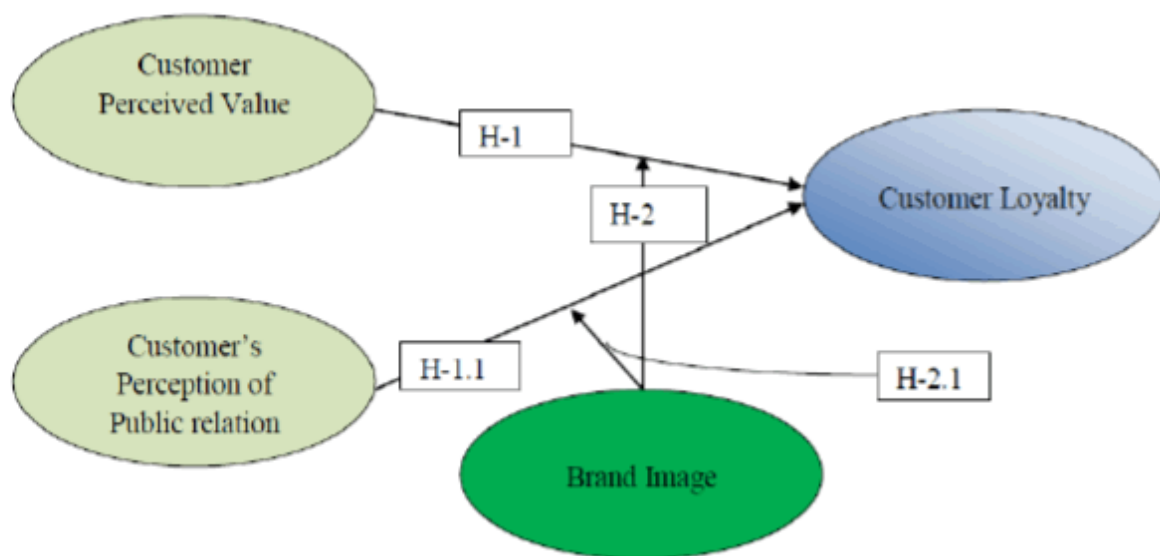


Figure 1: Customer Perceived Value (El-Adly & Eid, 2016)

As can be seen in the framework above, three elements work together in forming a brand image, thus leading to its development. They revolve around customer perceived value, customer's perspective of public relationship, and customer loyalty to form the brand image. Following the definition of Kotler and Keller, customer perceived value focused on the difference between customer evaluation of the given cost and benefits to offer perceived alternatives (Zameer, et al., 2015; KOTLER & KELLER, 2012). It can be said that customer perceived value does not only work customer value, but it involves various elements such as economic, functional, psychological benefits such as products, image value, and services. Customer value is a mix of customer perception and evaluation to work on the relationship with suppliers to increase work benefit (Burzichelli, 2016). It can be said that there are two types of benefits of core benefits to working on the customer-supplier relationship with add-on benefits to reflect in adding the value of customer relationship (Zauner, et al., 2015).

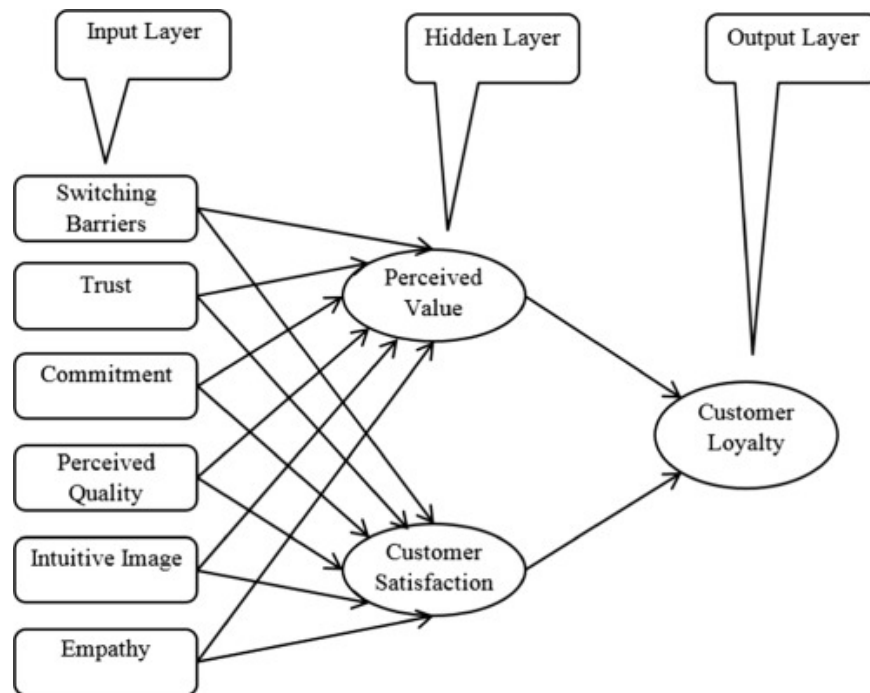


Figure 2: Customer Perceived Value – Framework (El-Adly & Eid, 2016)

Five basic types of values drive from customer values; these are further discussed in other categories as well. These include,

- The functional values to understand perceived utility to perform based on different elements for example, functional, physical, and practice purpose.
- The values associated with the social element are perceived based on the advantage of image and symbolisation of provided products and services to customers.
- The values associated with emotions are focused on the ability to perceive emotions such as security, pleasure, fear, and others (Chen & Lin, 2015; Lapierre, 2000).
- The values associated with epistemic element work on the ability of the company in increasing the curiosity of individual to satisfy their desire to gain knowledge in the physical context.
 - o The conditional value is based on the perceived values based on different situations to meet the social and physical context.
- It is also focused on narrowing down the dimensions of customer value into different categories as followed,
 - o The social values to reflect social self-concept
 - o The emotional values to work on the utility of feeling generated from the products and services
 - o The functional values to reflect the advantages gained from the portfolio of the company's products, their quality, performance, and price value for customers.
- In terms of the four dimensions of customer value dimensions, it is important for research to work on the following perspective, these are,

- Functional and instrumental values to reflect the utilisation of products, its features, and functions being useful for customers
- The symbolic features work on the degree which reflects customer's values in psychological needs for example self-concept or worth.
- The experimental values reflect the products which evoke different emotions, feelings or customer experience
- The sacrifice values are based on the expenses to be associated with the buying and selling of products and services.

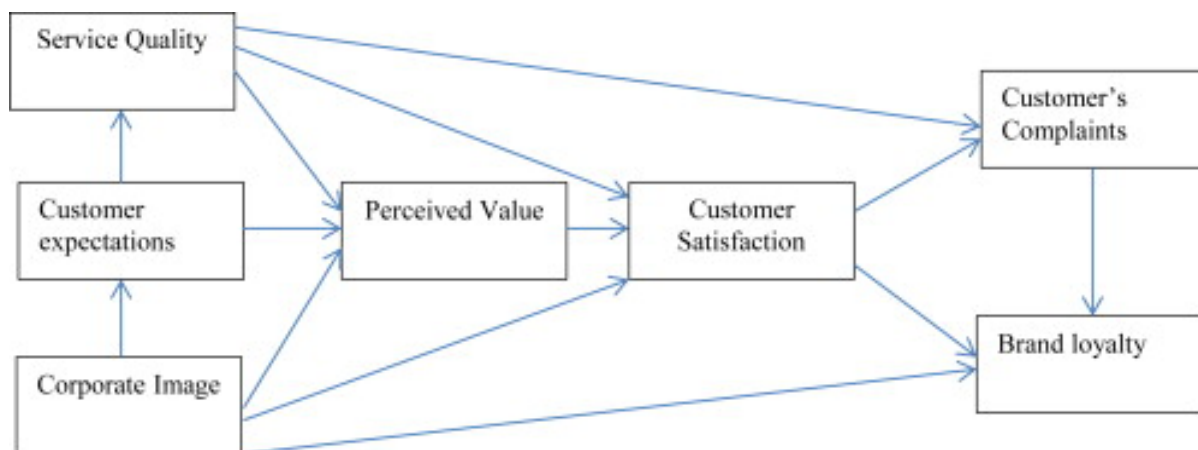


Figure 3: Customer Perceived Values – Framework (Hapsari, et al., 2016)

Following all the standards discussed above in the framework, it is important for organisations to work on enhancing customer values in different contexts based on elements – product quality, delivery, time, product price, processing cost, communication standards, the expertise of suppliers, and service support. Another theory determine five forms of values which can be supported by organisations in supporting individual development, these are,

- The net value to balance the sacrifice and benefits
- Derived values to work on user experience outcomes
- The market values to define product attributes on the customer perspective

- Works with sales value to define the evaluation of fairness in terms of benefits and sacrifice (Jhandir, 2012).

Customer Expectation/Perceived Services

Customers in this era are becoming very demanding, they do not only expect high-quality products, but they also expect quality customer services to work with their favourite organisation and improve high-quality customer services. These can be any type of product or service being offered to the company (El-Adly & Eid, 2016). In case of Amazon Prime, the management is found working across different regions offering their desired content, for example, in India, the creative designers are working towards setting Indian Media and Content to attract their locals (Soper, 2016). Meanwhile, if they are offering their services in the UAE, it will work to make the content suitable for the UAE content. It is the reason the Amazon Prime has been working to achieve customer perceived value by developing superior customer value, it is not the actual product, but it is the meeting of customer expectations and services to work on actual physical products to sustain their position in the competitive marketplace (Zauner, et al., 2015; Munusamy, et al., 2010).

Researchers determine that Amazon Prime work on service-based models such as SERVQUAL (service quality gap model) identify the gaps using service quality measurement to work on the tools to be used under product manager across the industries (Jiang, et al., 2016). It is a multi-item scale development to assess customer perception in service quality in services and retail businesses. The model was developed in the late eighties to scale decomposes of service quality notion based on different elements (Chen & Lin, 2015). The model is as followed,

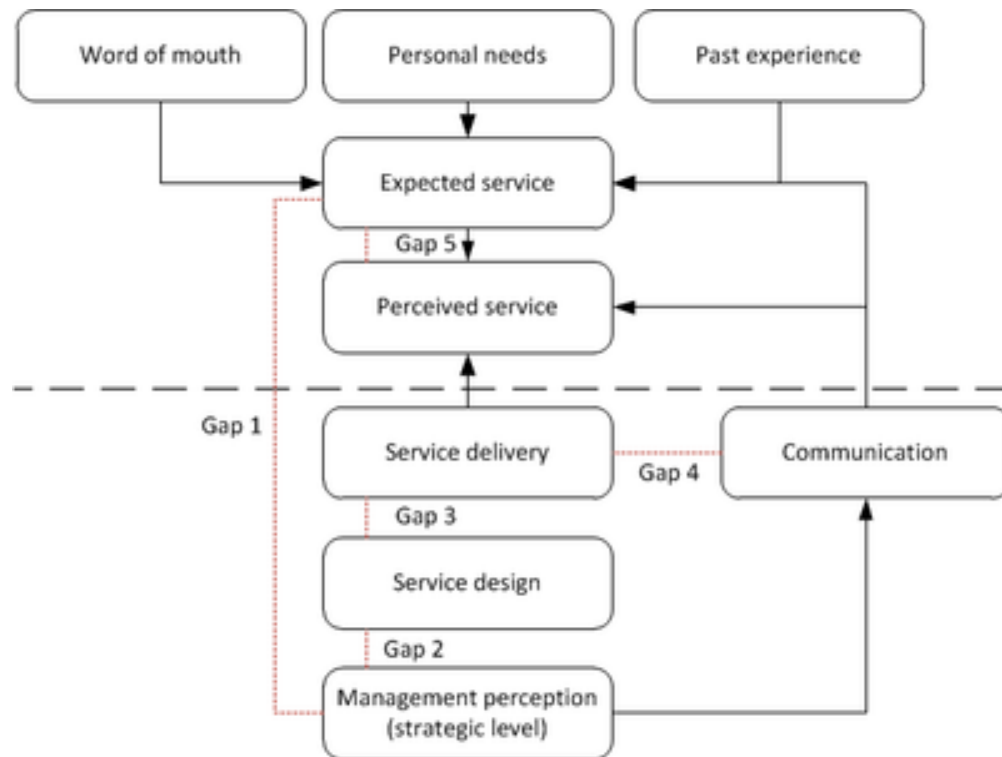


Figure 4: SERVQUAL Model (Chen & Lin, 2015)

The reason behind selecting the model to outline the case of Amazon Prime is the determination of three elements – Word of Mouth, Personal Needs, and Past experience to design the expected services given to the customers. However, in this scenario, any negligence or gap in strategic development can increase the gaps in service criteria of Amazon Prime (Hapsari, et al., 2016; Negi, 2009). It is the reason that Amazon is able to reduce the gap in their offered services. Meanwhile, it is the same reason that Amazon is able to expand its business to this scale in such a short time. The whole scenario works with perceived services before the delivery of services and design; this has been carried out with communication to work on management perception at the strategic level (Yadav, et al., 2016).

In order to understand customer perceived values, Amazon Prime has carried out a customer survey and understand their expectations. In this way, the management is able to identify the gaps in their services with the pinpoint specification. It also helps the organisation to

understand the competition while trying to measure the emotional aspects of their performance. Another method to assess the performance of Amazon Prime is to measure the Loyalty of customers with a series of satisfaction measurement (Zameer, et al., 2015). To determine customer perceived value, Amazon Prime has worked on determining the measures in which each attribute of business can be evaluations to reach customer satisfaction level in order to improve their operations and design their required content to attract customers (Burzichelli, 2016).

Consumer Adoption Process – Service Performance

Consumer Adoption Process is focused on the series of stages to determine if the consumer wants to adopt a new product or services following their needs and demands. In the competitive industry, organisations are required to work on understanding the needs and expectations of consumers having a number of choices (Chen & Lin, 2015). Case in point, Amazon Prime is focused on developing a variety of content suitable to meet the taste of the audience across the world. There are five steps in the consumer adoption process – awareness, interest, evaluation, trial, and adoption (Head, 2017). The five major steps in the process are,

- Carrying research to understand the market trend
- Completing the research from rivals, and others
- Receiving a referral
- Completing the paperwork and placement method
- Parenting the project in the right direction to achieve successful targets.

In order to understand the process, a graphical presentation is very important; it is as followed,

Stages in the Adoption Process	
1	Awareness
2	Interest
3	Evaluation
4	Trial
5	Adoption

As it can be seen in the figure above, Amazon Prime has worked on creating awareness of its products and services to set a focus, they have carried out market research across the world to design an extensive range of content suitable for the audience of all type as it is explained above. The reason behind Amazon Prime's success is being popular among teenager and adults because the creative directions have target topics suitable for the target audience (Yadav, et al., 2016). The second stage is focused on developing product interest where the company plan promotional campaigns to guide the consumers on interest level; this is achieved by providing accessible information for their products. The method is utilised by companies to work on the current business landscape by providing the content based information of the website using tactics such as product information, blog posts, tutorial, instructional videos, and others (Burzichelli, 2016; Zameer, et al., 2015).

The third stage is based on product evaluation where Amazon Prime has worked on examine, compare, and evaluate the product or services by understanding the needs of the customers to create or upgrade the product or services. For example, by evaluating the content of Amazon

Prime from the day it started working till today, an individual can easily see as the revolution of improvised data which is attractable enough to encourage the audience across the world (Johnson, 2018). The behaviour shown by Amazon Prime has helped the organisation to increase the intensity and need with more expensive, sophisticated, complex, and critical content. Furthermore, stage 4 is based on the product trial to understand the triggering factors for customers to buy the services offered by Amazon Prime (Zauner, et al., 2015; Sureshchandar, et al., 2001).

Amazon has offered various discount packages and offers to attract the customers across the world to buy more subscription of its channel. The last stage is based on product adoption where the consumer enters the adoption phase to buy the products and services (Chen & Lin, 2015). It is a very critical stage where the firm is able to increase its business which is what the management of Amazon Prime has adopted to make simple yet efficient decisions, for example, making the payment process simple and painless for consumers to join the channel easily without going through any hassle (Johnson, 2018; Laukkanen, 2006).

Customer Learning and Experience

It is important for organizations to work on the customer-centric approach to work on core strategic focus to work on increasing its sales. In case of Amazon Prime, it is found that the management has worked on developing understanding to support their sales, work on customer experience, and develop brand awareness while representing opportunities for their customers to connect with the firm (Marbach, et al., 2016). Advanced innovation can be an incredibly empowering influence. It has made a keen student who gets to friend and master knowledge on the web and on-request. It has additionally made a brilliant customer who is associated, well-

educated and brand-keen. Contenders are a single tick away, as are peer audits and data about items and services (Zauner, et al., 2015).

Purchasing throughout the most recent two decades has turned into an increasingly open procedure on the web, and the double relationship of customer and merchant is meeting all the while. The arrangement of the computerized, social and portable circles associating customers, workers and accomplices in better approaches to associations and one another (Chen & Lin, 2015). Progressively, web-based learning and learning advances are being utilized as an approach to give better customer service and increment steadfastness. In a yearly investigation of how top performing associations are utilizing figuring out how to improve business execution, approximately forty-two per cent companies are utilising learning advancements to help and teach the customer (Soper, 2016; Siddiqui & Sharma, 2010). Approximately seventy-seven per cent of research determines the improvement of customer satisfaction as a driver for the venture. Meanwhile, only thirty-three per cent of companies is accomplishing a quantifiable outcome (Burzichelli, 2016).

In any case, twenty per cent improvement is expected by the firms. In order to build customer-driven learning, technique merits the venture for strong business reasons (El-Adly & Eid, 2016). As associations open up their systems and open up their learning - security and other hazard factors separated - a common vision crosswise over inward (workers) and outside (customers) turns out to be progressively significant. The connection between image, representative capacity, commitment, and customer service turns out to be significantly clearer and progressively significant (Johnson, 2018; Poolthong & Mandhachitara, 2009). Learning advances have a task to carry out. In order to outline strategies for companies to determine if the customer is not new, yet it is a huge esteem include and speaks to a rising pattern. Product and

service planning can help individuals settle on reasonable acquiring decisions and advance their utilisation of an item or service (Head, 2017).

At the point when structured well, and open in the correct media, this kind of data increases the value of the customer which like this advances faithfulness. Part showcasing, part preparing, part service: learning has a task to carry out all over is an undiscovered open door for learning experts to help to advertise to improve the customer experience (El-Adly & Eid, 2016). It enables the association to offer adequately it is probably going to enable the customer to purchase. Learning cannot just prepare your very own groups to give superior customer service yet, in addition, help your customers settle on the correct decisions (Head, 2017).

Purchasing Expectations v. Performance

Approximately 100 million or more customers who pay \$119 annual to avail Amazon Prime services which are any sign, a smooth and practical conveyance and satisfaction process is significant to online business achievement. The expectation of customers is increasing so is the business of the firm. According to an ongoing study of 3,000 online customers from Canada, the UK, US., youngsters are especially basic, with not exactly 50% of respondents between the ages of 18 and 34 saying that they get their requests on schedule and in immaculate condition (Soper, 2016). These discoveries are distributed in another report from Radial, "The Everyday Essentials of Successful E-Commerce Fulfillment. As the outline underneath shows, young individuals are more uncertain than their more established partners to report satisfaction with the conveyance and satisfaction process. Another intriguing finding followed by the United States based customers will be fulfilled than U.K. customers, who thus are more fulfilled than customers in Canada (El-Adly & Eid, 2016).

This equivalent pattern applies to the level of respondents who report "at any rate infrequent difficulties getting their online requests," with 35% of U.S.- based respondents, 40% of U.K.- based respondents and 43% of Canada-based respondents referring to such difficulties. 33% of the U.S. respondents between the ages of 18 and 24 state that their greatest dissatisfaction is to what extent it takes to get online requests. Less respondents named cost or theft as top concerns. The review demonstrated some generational distinction in the level of worry over earth inviting bundling: more youthful recent college grads and Baby Boomers are bound to organise this issue, while moderately aged respondents watch out for simply need their requests to touch base on schedule and flawless. With respect to topographical contrasts, respondents from the U.K. what's more, Canada were more probable than U.S. respondents to arrange from retailers that utilisation earth inviting bundling (Burzichelli, 2016).

Conclusion

To conclude, it can be said that consumer perceived values and perception work on developing an understanding of how companies can achieve their targets and produce suitable data to meet consumer demands and expectations successfully. The assignment has worked on different models and frameworks associated with customer perception to understanding how an organisation can improve its content. The case of Amazon Prime determines that the decision taken by the management of the company is by evolving their content suitable to meet the demands of the customers. The models took into consideration by Amazon Prime assist the organisation in setting their focus towards improving their content with every single day; it will help the firm to make sure that they have designed the right models and frameworks to improve their approach and set the firm in the right direction.

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