

## AMAZON'S APPROACH TO EFFECTIVE INTERNET MARKETING: A CASE STUDY ANALYSIS

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### ABSTRACT

Marketers face new challenges and opportunities in this digital age. Digital marketing is the use of electronic media by marketers to promote products or services in the market. The main objective of digital marketing is to attract customers and allow them to interact with the brand through digital media. This article focuses on the importance of digital marketing for sellers and consumers. Let's examine the effect of digital marketing on company sales. Furthermore, the differences between traditional marketing and digital marketing are presented in this document. This study described various forms of digital marketing, its effectiveness and the impact it has on the company's sales. The sample examined consists of one hundred and fifty companies and fifty executives who were randomly selected to test the effectiveness of digital marketing. The collected data were analyzed with the help of various statistical tools and techniques.

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### I. INTRODUCTION

Digital marketing is the advertising of merchandise or offerings using digital technologies, commonly on the Internet, but additionally including cell phones, display advertising, and any different digital medium. Digital marketing's improvement considering that the 1990s and 2000s has changed the way brands and corporations use technology for marketing. As digital systems are more and more incorporated into advertising plans and everyday life, and as people use digital devices alternatively of traveling physical shops, digital advertising campaigns are turning into extra normal and environment friendly. Marketers an increasing number of convey brands nearer to consumers' everyday life. The changing position of customers as co-producers of fee is becoming more and more necessary (Prahalad and Ramaswamy, 2004). Khan and Mahapatra (2009) remarked that technological know-how performs a fundamental role in enhancing the exceptional of offerings furnished via the commercial enterprise units. According to Hoge (1993), digital marketing (EM) is a transfer of items or offerings from seller to buyer involving one or more digital techniques or media. E-Marketing commenced with the use of telegraphs in the nineteenth century. With the invention and mass acceptance of the telephone, radio, television, and then cable television, electronic media has end up the dominant advertising force. McDonald's makes use of online channel to toughen company messages and relationships. They have built on line communities for children, such as the Happy Meal website with educative and interesting video games to preserve customers usually close to themselves (Rowley 2004). Reinartz and Kumar (2003) located that the quantity of mailing efforts by the employer is positively linked with business enterprise profitability over time. The essential benefits of social media advertising and marketing is decreasing costs and improving the reach. The fee of a social media platform is typically decrease than other marketing systems such as face-to-face sales or sales with a help of middlemen or distributors. In addition, social media advertising allows firms to reach clients that can also now not be on hand due to temporal and locational barriers of present distribution channels. Generally, primary gain of social media is that it can allow businesses to enlarge attain and minimize fees (Watson et al. 2002; Sheth&amp; Sharma 2005).

According to Chaffey (2011), marketing in social networks means "encouraging customer communications on the company website or through their social presence". Marketing in social networks is an important technique in digital marketing, as companies can use the form of social media to distribute their messages to the target audience without having to pay for publishers or distributors that are characteristic of traditional marketing. Digital marketing, e-marketing, e-marketing and Internet marketing are similar terms that, in a nutshell, refer to "online marketing", through websites, online advertising, voluntary sign-up e-mails, interactive kiosks, interactive or mobile television "(Chaffey & Smith, 2008). Giese and Gote (2000) discover that the satisfaction of customer information (CIS) for digital marketing can be conceptualized as a sum of affective response of varying intensity which follows consumption and is stimulated by the focal aspects of sales.

### II. LITERATURE SURVEY

**Stanley F. Teele et al (1944)** had studied the marketing practices of Food manufacturers and observed that the use of brand names is not directly related, however, to high distribution costs because it is the intensity with which brands are promoted that determines costs rather than their use alone. The costs of marketing differ very decidedly

from organization to organization within the same product division of the food industry. It is of great importance to see how wide a range of marketing practices may be adopted successfully by companies in competition with each other.

**Barksdale et al [1972]** had conducted in the United States cross-sectional study on consumers attitudes towards the policies and practices of business of a national sample of consumers. Consumers showed a high level of apprehension about certain policies of business and discontent over specific marketing practices. Most consumers valued the free enterprise system highly. In the marketing system presence of imperfections was believed to be caused by the ineptness, carelessness, and apathy of consumers. Consumers also believed that their problems needed more attention and expressed the need for greater government regulation.

**Drucker Peter F. [1973]** had written that in modern society there is no other leadership group but managers. Despite the emphasis on marketing and its approach, marketing is still rhetoric rather than reality in many types of businesses. After many years of marketing the rhetoric consumerism has become a powerful popular movement that has proved that not much marketing has been practiced. Amazon give them an opportunity to enhance and overcome from this kind of problems through giving them our support.

**Slatter [1977]** stated that a pharmaceutical product market share is dependent on the medical practitioner acceptance. The product is also a function of all the level of promotional expenditure at the time of product introduction and the inherent therapeutic quality of drug. He found that a company obtaining a higher market share in a particular therapeutic segment, leading to higher profits, will be able to spend more on the promotional activities to defend its market position as well as to support a large research and development resulting in new product development. That's maybe a reason Amazon add pharmaceutical product in their business to earn more profit through providing the quality product to the customer.

**French et al [1982]** had examined consumerism and related regulation through a cross-sectional study during a highly uncertain economic period in Britain. The period is characterized by high unemployment, presence of EEC trade regulations and a government reluctant to support industry. The author found that there is dissatisfaction in the mood of consumers towards the current marketing practices concerning product quality, truth in advertising and fairness in prices. The author further concluded that a mood is strong enough for consumers to advocate not only price controls, but also promotion and product quality controls as well. The Study further stated that the businesses which ignored public criticism for their practices have experienced a tremendous trouble in the future growth. The Amazon give them best price and better experience

Through targeting their mood and taste to figure out the product which is specific for them.

**Aghazade, H and Esfidani, M.R (2007)** In this study, reviewed the literature of Internet advertising strategies. Using strategic administration theories, we achieved a contingent method to enhance a new model to build and introduce Internet marketing strategies. Then, we categorized new developed Internet advertising techniques based on competency method of strategic administration as a contingent method. In phrases of competency approach, we recognized two types of abilities in Internet. Internet competencies can be divided into relational and informational competency.

**Yasmin, A and Tasneem D, (2015)** Digital channel in advertising and marketing has come to be indispensable section of approach of many companies. Nowadays, even for small business proprietor there is a very less costly and environment friendly way to market his/her products or services. Digital advertising and marketing has no boundaries. Amazon can use any devices such as smartphones, tablets, laptops, televisions, recreation consoles, digital billboards, and media such as social media, SEP (search engine optimization), videos, content, e mail and lot greater to promote organisation itself and its merchandise and services.

**Kiplang, J and Mukhongo, A (2015)** Emphasized that the internet marketing requires customers to use newer technologies than traditional media, the reason why not all people may get the message. Low speed Internet connections are one barrier. If companies build overly large or complicated web pages, some Internet users struggle to download the information on dial up connections or mobile devices. From the buyer's perspective, another limitation is the inability of shoppers to touch, smell, and taste or try-on tangible goods before making an internet purchase. To solve the problem Amazon launch an app facility to provide full information about the product at low internet speed and also provide them discount through app purchase.

**Sathya, P (2015)** Analyzed the digital marketing has turned out to be a crucial part of approach of many companies. At the present time, still for tiny business proprietor at hand have an extremely inexpensive and competent method by using digital marketing to market their products or services in the society. It has no restrictions. Amazon created revolution by providing best product at best prices.

**Nilesh R. Berad et al [2015]** analyzed the current marketing practices and outlined in detail future developments that will increase the return on investment (ROI) within sales, marketing and customer fulfillment activities. Pharmaceutical companies had started investing in new technologies; research and development but still achieve poor return on investment because of poor assessment of user needs and customer requirements. Investing intelligently in rural marketing, companies can bring genuine improvement across business functions and reap the rewards of higher ROI. The research paper also studied the different current trends used in rural marketing within pharmaceutical companies & determined established best practice and provided detailed analysis on key activities, which allowed pharmaceutical companies to manage their business more effectively .  
In online market through targeting Amazon to develop their business.

### Objectives

- To assess the challenges and opportunities of business in online marketing
- To manage online reputation and build brand recognition of Amazon company
- To study and focus the areas for expansion of business.

### Research methodology

The proposed study will be based on primary and secondary data. The data will be collected personally using structured questionnaire. Focused interviews will be also used to collect data. The data will also be collected online by electronic mails & Google docs etc. Simultaneously secondary data will be used from published company annual reports, periodicals and related literatures.

### III. DATA ANALYSIS AND DISCUSSION

Table 1 shows the correlation and it is clear that the highest correlation is between variables how do you rate the advertisement of amazone and the instructions displayed in the web are very clear at 64% followed by 49% correlation between Order are delivered in good packaging and how do you rate the advertising of the amazone, and the least correlation is between Orders are delivered in good packaging and the instructions displayed in the web are very clear at 48.7%. With this information in our behaviour we were confident of running the regression analysis and the results are discussed below table 2

Table 1  
Correlations

		The instructions displayed in the web are very clear	How do you rate the advertising of the amazone	Order are delivered in good packaging.
The instructions displayed in the web are very clear	Pearson Correlation Sig. (2-tailed) N	1 50	644** .000	.487** .000
How do you rate the advertising of the amazone	Pearson Correlation Sig. (2-tailed) N	644** .000 50	1 50	.490** .000 50
Order are delivered in good packaging.	Pearson Correlation Sig. (2-tailed)	.487** .000	.490** .000	1

N	50	50	50
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\*\*. Correlation is significant at the 0.01 level (2-tailed).

Table 2

<i>Model Summary</i>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.726 <sup>a</sup>	.527	.497	.591

The table above shows the model summary which is quite strong considering it is a social science research an R of 72.6% is considered very strong but since we are interested in the R Square as it is the basic value in a multiple regression to check and see the model prediction value which in our case is 52.7% meaning that this model can predict 52.7% of the variance in the dependent variable which is overall strategy. The next check is to know the three independent variables namely the instructions displayed in the web are very clear, how do you rate the advertising of amazone and order are delivered in good packaging individual contribution in predicting the cause and effect, but before we proceed further let us see if our model was statistically significant or not this can be seen with ANOVA table 3 shows the Sig value at .000 which means it is less than .05 indicating that the model is statistically significant and a good predicting model. Other details are not of interest to us.

Table 3

<i>ANOVA<sup>a</sup></i>					
Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.930	3	5.977	17.109
	Residual	16.070	46	.349	
	Total	34.000	49		

a. Dependent Variable: Overall Strategy

b. Predictors: (Constant), The instructions displayed in the web are very clear, How do you rate the advertising of the amazone, Order are delivered in good packaging.

Coefficients table as shown in table 4 shows vital information relating to the three independent variables namely instructions displayed in the web are very clear, how do you rate the advertising of Amazon and order are delivered in good packaging, it displays which independent variable unique contribution in the overall prediction of the model that is denoted by B or beta and good thing is that SPSS also provides two vital pieces of information namely t (value) and Sig (Significance value), now the rule is that any value of t that is greater than 1.98 means it is significant and a second level of check is sig value that must be less than 0.05, so let us see how our three independent variables have fared, the most strongest independent variable is instructions displayed in the web are very clear because it's beta value is .534 meaning 53.4% of the variation in DV is explained by this IV alone, followed by second independent variable how do you rate the advertising of amazone contributing .304 or 30.4% of variance in DV is explained by this IV, keep checking it t value and Sig value also you will notice it is above 1.98 and 0.05. That indicates their contribution is statistically significant. The last IV orders are delivered in good packaging has the least beta that is .284 or 28.4% of the variation in DV that is the overall strategy of amazone is affected by this IV orders are delivered in good packaging, indicating that for amazone to continue its marketing strategy properly they need to give maximum importance to instructions which they provide in their websites, it must be carefully designed as it is because of this factor customers prefer buying from amazone. The next important piece of information for amazone to keep in mind is that its advertisements must be entertaining and at the same time informative and must be linked to the information they provide in their websites, it must not happen that both are giving different information that can be detrimental, and lastly packaging can be made more attractive and proper however this IV has the weakest contribution but it cannot be ignored.

Table 4

*Coefficients<sup>a</sup>*

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1	(Constant)	4.466	.475	9.399	.000
	The instructions displayed in the web are very clear	1.063	.231	.534	.000
	How do you rate the advertising of the amazone.	.504	.199	.304	2.536 .015
	Order are delivered in good packaging	.302	.112	.284	2.686 .010

a. Dependent Variable: Overall Strategy.

#### IV. CONCLUSION

The digital marketing channel has become an essential part of many companies' strategy. Today, even for small business owners, there is a very cheap and efficient way to market their products or services. Digital marketing has no limits. The company can use any device like smartphones, tablets, laptops, televisions, game consoles, digital posters and media such as social networks, SEO (search engine optimization).videos, content, e-mail and much more to promote to the company itself and its products and services. Digital marketing can be more successful if it considers user needs a top priority. Just as "Rome was not built in a day", the results of digital marketing will not be achieved without trials, without trials (and errors). The key words "test, learn and evolve" must be at the center of all digital marketing initiatives. Companies need to create innovative customer experiences and media-specific strategies to identify the best way to increase digital marketing performance. In case of Amazon they are promoting their business through adopting various type of strategy like quick delivery, promoting our amazon in every e-commerce sites and many more online sites, they also passes information through WOM (Word Of Mouth) etc..The Amazon performance in rapidly increasing through targeting in the psychology of a customer

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