Amazon Global Marketing Strategy and Expansion

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Company of my preference: AMAZON

Amazon Global Marketing Strategy

A global marketing strategy refers to a plan that encompasses nations from a variety of regions across the globe. The main objectives of these strategies are to coordinate the market efforts of the company in various countries. In Amazon, the global market strategy has been the primary key to sustainability that has aided its emergence to be one of the world's leading companies. Founded in the year 1994 by Jeff Bezos, Amazon has since expounded its operations form selling music and books to a variety of other commodities. Like any other e-commerce powerhouse companies today, Amazon is utilizing the global marketing strategy of psychographic and demographic [segmentation](http://www.marketing91.com/psychographic-segmentation/). Segmentation is a plan used in an effort to target a particular group of individuals in the community in various nations (Bhasin, 2020).

Demographic segmentation classifies customers based on their race, age, religion, family size, and even gender. Amazon is utilizing this type of segmentation to meet the requirements of various individuals accurately. One of the significant advantages of demographic segmentation market strategy is that it enables the organization to determine where and how to market a particular product. For instance, various brands of the product can be marketed to different groups based on their preferences. Psychographic segmentation, on the other hand, also takes the buying behavior of consumers into account. The behavioral aspects may include social standing and the consumers' lifestyles. Thorough lifestyle categorization, Amazon is able to determine the distinct customer habits and, therefore, market to them commodities of their choice (Bhasin, 2020).

Besides the two, Amazon included in its global marketing strategies the Fulfillment by Amazon (FBA) program that has been pivotal in the company's international success. FBA service provided the company with strong international growth, particularly for its sellers. Using this service, Amazon sellers could store their commodities in a variety of Amazon's fulfillment centers in different nations. Additionally, they could also park, sort, collect, render customer support services, and complete product returns. Amazon has also put in place a variety of other methods that have proven essential over the years bearing in mind how successful in the market it has been. These strategies include availability, convenience, information, price, personalized services, brand recognition, speed of delivery, and reliability. Further, the company focused on putting in place its distribution centers and warehouses across various countries to aid in the delivery process (Lai et al., 2018).

Amazon Environmental Analysis in the Global Arena

Environmental analysis refers to a process aimed at identifying all internal and external elements which can impact the performance of the organization. One of these elements is a nation's economic status. These economic factors include inflation rates, unemployment rates, cost of labor, and the consumers' purchasing power. These factors are essential in Amazon's global operations, and failure to account for them may lead to devastating losses. Secondly, trade as an element, greatly impacts amazon's operations in the worldwide arena (Greenspan, 2019). The company has to make agreements geared towards improving exports together with the economic growth of the company. Third, the cultural and social elements in various nations may impact Amazon's performance in a global arena. International business operation has to cut across various social-cultural factors, including beliefs and attitudes, and therefore the company has to consider social-cultural aspects. Last but not least is legal, political, and regulatory elements that involve a difference of laws in different nations that the company has to consider before expanding its operations (Greenspan, 2019).

General Strategy

The country of my preference where the company will expand to is South Africa, which is an African country. Various factors depict my rationale for selecting South Africa as my country of choice. First, the demographic nature of South Africa is relatively suitable for online retailing. The county's population is diverse which makes a ready market for a variety of Amazon's products. Furthermore, the country's different language speaking groups, religions, and culture are advantageous to Amazon's expansion to that country. Secondly, South Africa comprises of a mixed economy where there is a variety of privacy accorded to freedom in conducting businesses. Also, the country has a wide range of labor availability, which could be pivotal for Amazon's success if it expands to the country. Legally, the South African government has put in place various laws aimed at promoting e-commerce retailing. These laws could be an essential tool in facilitating Amazon's success (Kleitman & Hofmeyr, 2020).

Third, South Africa is regarded as one of the countries in Africa, which is significantly open to international trade. As informed by Banco Santander (2020), international trade in South Africa accounts for about 59.4% of the entire country's GDP. Therefore, based on this statistic, Amazon will be able to thrive, especially in its operations that involve importing items from oversees. Fourth, social factors such as buying habits and population density in South Africa can facilitate an improvement in trading activities. This could be essential for Amazon as they will be able to segment their commodities depending on a variety of social factors in south Africa, such as the buying habits of individuals. Culturally, the country comprises a diverse population with different cultures which is advantageous for Amazon's operations. Politically South Africa has a stable government with rare instances of political instability, thus creating an enabling environment for conducting business activities across the nation (Banco Santander, 2020).

Reference

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