

CONSUMER BEHAVIOR TOWARDS DIGITAL MARKETING IN AMAZON

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CHAPTER – 1

INTRODUCTION

MEANING

Using a web browser to look for and buy products and services via the Internet is known as online shopping. Among the most appealing aspects of online shopping is the fact that consumers can search and buy what they need without ever having to leave their homes. It is estimated that online shopping generates billions of dollars in sales each year.

DEFINITION

The act of purchasing a service or commodity over the Internet is known as "online shopping." That is to say, a customer can shop from the convenience of his or her own home for things sold by an online retailer. Before the WWW, a home television was used to perform a real-time transaction demonstrating this notion. Videotext was exhibited in 1979 by M. Aldrick, a British engineer who created and installed systems.

Business executives and customers throughout the world are now using the terms "Electronic Commerce," "Internet marketing," and "on-line shopping" in reference to on-line business opportunities. Because of the enormous growth in e-commerce that has occurred as a result of the Internet's rapid expansion, it has become particularly appealing to e-retailers and e-businesses.

Search engines, such as Amazon's or Google's, allow consumers to identify products they're interested in by comparing prices and availability from a variety of online stores. Online shoppers can now use a variety to make purchases.

For personal use and not for sales or manufacturing, an individual is a consumer A consumer is a person who has the power to decide whether or not to buy an item at the store, and who is susceptible to marketing

and advertising. Every time a person visits a store and makes a purchase, they are acting in the capacity of a customer.

People who buy and use products and services are known as consumers. As a result, customers play an important part in a nation's economy. One of the primary drivers of production is the desire to sell to customers, which would be absent if there was no consumer demand. The chain of distribution also includes the customer.

E Reviews has released a new infographic highlighting some of the most interesting facts about e-rapid commerce's growth. The market's worth was perhaps the most surprising. As recently as 1995, the entire online purchasing sector was valued at just \$131 million, and the likes of Paypal had not even been developed. A record \$1.55 trillion is spent on e-commerce in 2015, when nearly all major merchants are now online and customers increasingly shop on their smartphones using a variety of payment choices.

China now has the world's largest e-commerce market with a value of \$562.66 billion. It was the largest IPO in history, raising \$25 billion for the Alibaba enterprise founded by Jack Ma. To put that in perspective, Malta's GDP in 2015 was twice that much!

In 2015, the US had a market of \$349.06 billion, an increase of more than 14 percent over 2014. Online retailer Amazon.com generated \$107.01 billion in net sales.

The United Kingdom comes in third place, however they are highly regarded. More than half of internet customers are looking for high-quality British products, according to new research. Compared to other countries' online shopping markets, the UK's market grew by the biggest proportion in 2010. As a result, 50% of their PayPal transactions are carried out on their mobile phones.

SWOT analysis 5.1

The company's financial health is one of its greatest assets. This year, profits for the three months ending in June were down 32 percent from the same period last year, to \$52 million (£29.9 million). Sales grew by 26% to \$1.75 billion during the quarter.. Until recently, Amazon was losing a lot of money because of the high costs of setting up the company. Promotions offering lower shipping charges to customers are to blame for the recent decline. Amazon's business approach is aided by CRM and IT (information technology). Customers' purchasing habits are meticulously tracked by the business. With this, they can target customers with specific products or bundles of products that reflect their tastes, as evidenced by purchases or items visited.

- Amazon's brand could be damaged if it expands into new markets. Amazon is the world's leading book retailer. Toy-R-Us is the world's largest toy and game retailer. If Toys "R" Us started selling books, what would happen? Consumers would be perplexed, and their brands would be put at risk. It's possible that shoppers may find several of the new categories, such as automobiles, overwhelming.

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There is a possibility that the corporation would have to rethink its policy of providing customers with free shipping. You may save money by going to your neighbourhood store instead, thus this is a reasonable idea. Shipping expenses, on the other hand, are expected to be as high as \$500 million, which would severely dent profitability.

By licencing its knowledge to major retail chains, the business is cashing in on its reputation as an internet retail pioneer. For example, Marks and Spencer, a British company, recently formed a partnership have also recently collaborated with the company. As a technological service provider in Europe, Amazon's new Luxembourg-based company seeks to deliver customised services to retailers. With the help of the government, Amazon may expand its business in the United States. In 2004, for example, the business formed a partnership with London's British Library.

Threats

• Competition is a given for any successful Internet business. It may become increasingly difficult for Amazon to distinguish itself from its competitors since it sells products that are nearly identical to those offered by brick-and-mortar stores. Amazon has a name for itself. As for its product selection, it's enormous. Amazon's company could be harmed by price competition if it doesn't grow internationally. Amazon's domestic (US-based) rivals may move abroad and engage in international competition if they cannot compete with Amazon in the United States. Amazon's top spot in some markets could be threatened by joint ventures, strategic alliances, and mergers. • Amazon's products are frequently purchased as gifts, especially during the holiday season. As a result, the business is subject to fluctuations due on the time of year. It's possible that the seasonality won't last if you're dealing with markets in other countries with distinct customs.

THE METHODOLOGY OF RESEARCH

In order to answer specific research questions, test hypotheses, and assess results, researchers use a data collection method that involves acquiring and measuring relevant information on relevant variables in a methodical manner

An important part of research in all academic disciplines is collecting and analysing data. The data gathering efforts, the goal should be to gather evidence of high quality, which can then be analysed to produce responses that are both convincing and believable.

The determination of the necessary data is a major step in research design. Primary and secondary data were employed in this investigation.

There are two types of primary sources: those that require a person to do their own research and those that are freely available.

Surveys are the primary means of gathering primary data. The data is gathered from people who are both known and unknown all across Chennai.

Secondary data are the primary data sources from which primary data were culled. SECONDARY DATA: These are easy-to-access sources of information that don't require much effort to gather.

- Textbooks like marketing management, sales promotion, etc.
- Internet was used for the acquisition of the data.

By employing the % random sampling technique, 50 participants were selected for the study.

RESTRICTIONS: The results of this study are only partially accurate due of the study's unwilling participants.

There is a specific online website that the study is focused on.

In order to benefit from the study, the consumer must have a working grasp of technology.

- The study's findings are dependent on the sample used and the measurements applied. As a result, they cannot be applied to the entire population.
- Some consumers were unable to justify their questionnaires due to the hectic pace of daily life.

THE SECOND PART

REVIEW OF THE BOOKS

Kotler and Armstrong, 2007 said that When it comes to marketing, it is important for marketers to understand their customers and what drives them to buy a product, as they have little control on advertising and product quality. The perception and attributes of customers are therefore also influenced by the effect.

Consumer perceptions of internet-based e-commerce were investigated by Pooja Mordani (2008), who conducted an experiment in which participants went through the online purchasing process and shared their experiences. To conclude, the study found that customers' trust in a website is formed by their positive experience with the site, which in turn influences their perception of how easy it is to use and how enjoyable it is to do business with the 89 website, which in turn influences their intention to make a transaction with the website. Become the focus of attention and keep your customers. "

In the words of Wayne Feng (2008), online shoppers tend to be youthful, well-off, computer-savvy, and literate people who buy on impulse.

Consumer psychology, as defined by Jansson and Cathrine (2010), is the study of how and why people make purchases, as well as the factors that influence their decision to stick with a specific brand or media.

For some clients, the internet channel is more convenient, they believe it saves time and it is easier to locate an item in an online store, according to Demery (2010).

Variawa (2010) also looked at the impact of packaging on the purchasing decisions of Fast Moving Consumer Goods (FMCG) consumers. The study's goal was to examine how low-income shoppers' purchasing decisions are affected by packaging. The study objectives were satisfied through conducting a survey. Star Hyper in the city of Canterville performed a poll with the participation of 250 people.

When it comes to the psychology of consumers, Cherry, 2011 says that it's not just about the consumer's decision-making process, but also about the motivational and influential factors that influence them as well as where they purchase the product. All of this helps them make an informed purchase decision.

As stated by Jobber & Fahy in 2012, it's not a secret to talk about. With its worldwide accessibility, the internet has transformed the face of the world and made it more competitive and fast. Academics, researchers, scientists, and occasionally students were the only users of the internet when it was first introduced about 40 years ago. As a result, businesses around the world are now using the internet as part of their advertising campaigns, which allows them to promote their deals on purchases to a worldwide audience.

Customers' behaviour has been extensively studied by researchers and marketers for a long time, according to Kotler and Keller, 2012.

CHAPTER – 3

PROFILE OF THE COMPANY

It was founded by Jeff Bezos on July 5, 1994, and is an American electronic commerce and cloud computing company headquartered in Seattle, Washington. For revenue and market value, it is the largest Internet retailer worldwide, and second only to Alibaba Groups in terms of total sales. In the beginning, Amazon.com was an online bookstore, but it has since expanded to include video downloads, MP3 downloads and other forms of digital media. Additionally, the company manufactures – kindle e-readers, fire tablets, fire TV, and Echo – and is the world's largest service provider for cloud infrastructure. Amazon Basics is Amazon's in-house brand for low-end products.

It's possible to shop on Amazon from anywhere in the world, thanks to the company's international retail sites in the United States as well as the United Kingdom and Ireland. The German Amazon website launched translations in the Netherlands, Poland, and Turkey in 2016. Some of Amazon's products can be shipped to other countries via international shipping.

According to market capitalization, Amazon has overtaken Walmart as the most valuable US retailer. As the world's largest internet retailer by revenue, Amazon is also the United States' eighth-largest publicly traded company. For \$13.4 billion, Amazon bought Whole Foods Market in 2017, making it one of the largest brick-and-mortar retailers in the world. [11] Some saw the acquisition as a direct challenge to Walmart's longstanding retail model.

Amazon also aims to make it simpler for customers to make purchases. Free two-day delivery and next day delivery are available as part of Amazon's \$99 a year Prime service. Owners of Echo devices can use Alexa to place product orders. Amazon has been on a building spree in order to expedite the delivery of goods to customers. The company built 26 new warehouses in the 2017 fiscal year. For a fee, customers in certain cities can receive their purchases the very next day through the company's express delivery service.

Additional products that are tightly integrated into the Amazon ecosystem include devices like Amazon's own Fire TV set-top box and other streaming media players as well as Kindle e-readers and Audible audiobooks. In addition to providing services to customers, they also provide Amazon with valuable data that it can use to improve and innovate its products.

Within the city of its birth, Seattle, Amazon has opened three bookstores, as well as an Amazon Fresh location. Customers don't have to go through a checkout line with Amazon Fresh. As they leave the store, their Amazon accounts are billed by scanning their barcodes. The acquisition of Whole Foods sparked the

company's expansion into brick-and-mortar locations. It was on the day Amazon completed its purchase of Whole Foods that the prices of many items dropped. To compete with other grocery chains, Amazon should have access to the operational know-how of some 460 grocery stores, which should help Whole Foods run more efficiently. Amazon's rapid expansion has been fueled by AWS, which has attracted new customers.

CHAPTER - 4

ANALYSIS AND INTERPRETATION

TABLE 4.1: Showing the gender of respondents

Options	No. of respondents	Percentage
Male	18	69
Female	32	31
Total	50	100

INTERPRETATION:

The table above shows the gender distribution of the selected respondents. It was found that majority of the respondents were female 32% and male with 18%.

CHART: 4.1 **Chart showing the gender of respondents of Amazon**

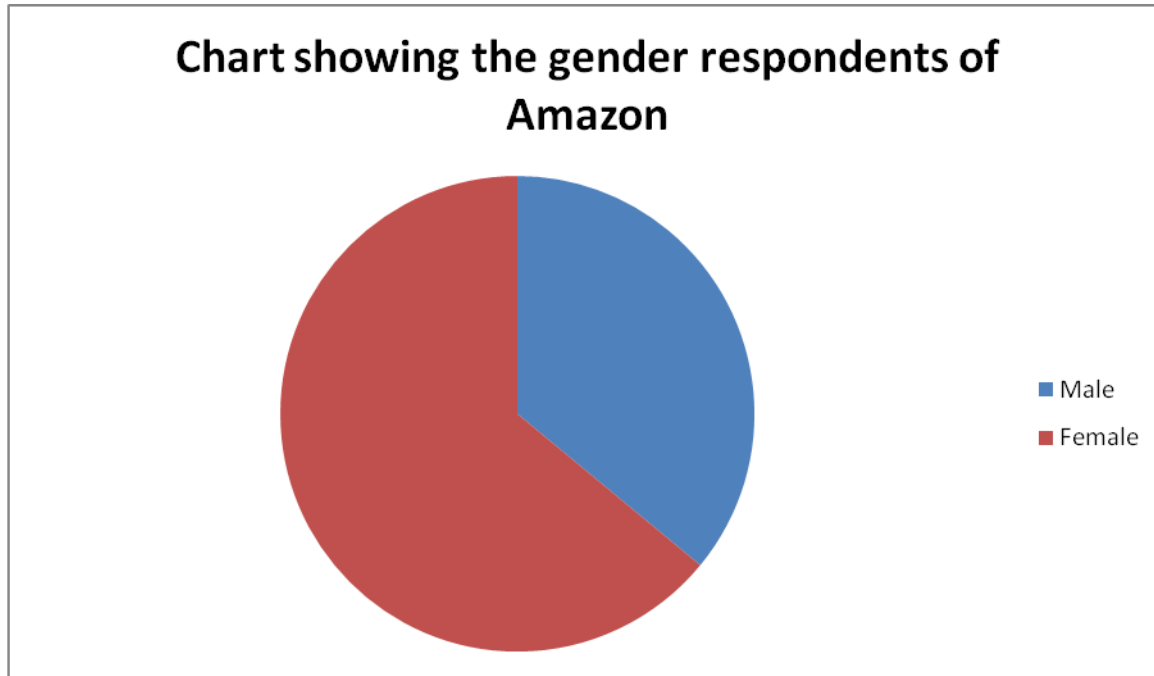


TABLE 4.2: Showing the marital status of respondents

Options	No. of respondents	Percentage
Married	22	17
Unmarried	28	83
Total	50	100

INTERPRETATION:

The above table shows the marital status of the selected respondents. It was found that majority of the respondents are unmarried with 28% and married with 22%.

CHART: 4.2**Chart showing the marital status of the respondents**

TABLE 4.3: Showing the age group of the respondents

Options	No. of respondents	Percentage
17-25	25	78
26-37	6	12
37-45	15	5
46 and above	4	4
Total	50	100

INTERFERENCE:

The above table shows the different age group under which respondents fall. It shows that maximum respondents falls under the category 17-25 with 25%, 26-37 with 6%, 37-45 with 15% and 46 and above with 4%.

CHART: 4.3 Chart showing the age group of the respondents

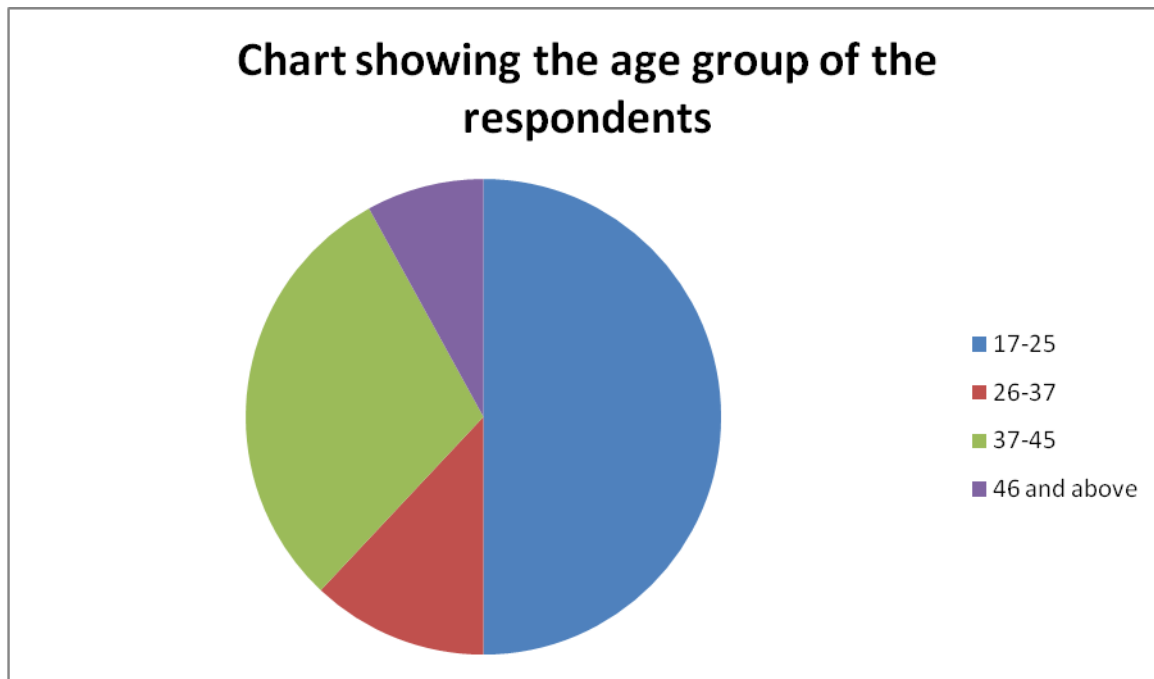


TABLE 4: Showing the income status of respondents

Options	No. of respondents	Percentage
Below 20,000	18	52
21,000-40,000	10	16
41,000-60,000	15	18
61,000-80,000	7	13
Total	50	100

INTERFERENCE:

The above table shows the income of the respondents with regard to their online shopping. It was found that majority of the respondents are below 20,000, followed by 18 respondents with 21,000-40,000, 15 respondents with 41,000-60,000 and 7 respondents with 61,000-80,000 with 7%.

CHART: 4.4 Chart showing the income status of the respondents

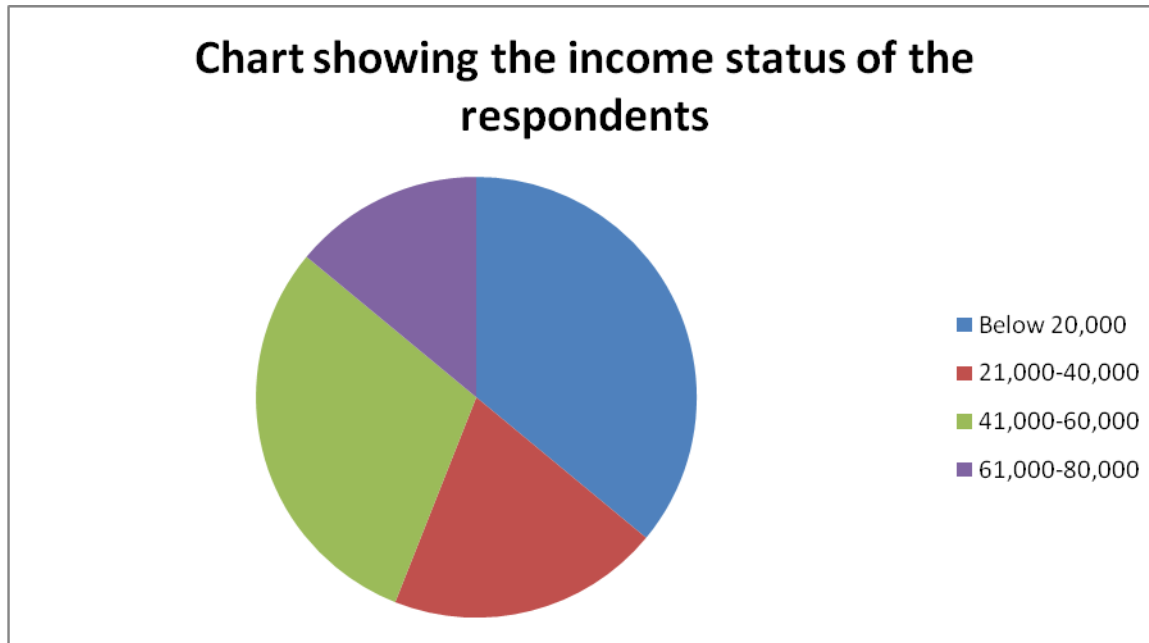


TABLE 4.5: Showing the occupation of the respondents

Options	No. of respondents	Percentage
Government sector	6	4
Private Sector	14	20
Self-employed	12	7
Student	28	69
Total	50	100

INFERENCE:

The above table shows the occupation of different respondents. It was found that majority of 28% of respondents were student followed by private sector with 14%, self-employed with 12% and government sector with 6%.

CHART: 4.5 Chart showing the occupation of the respondents

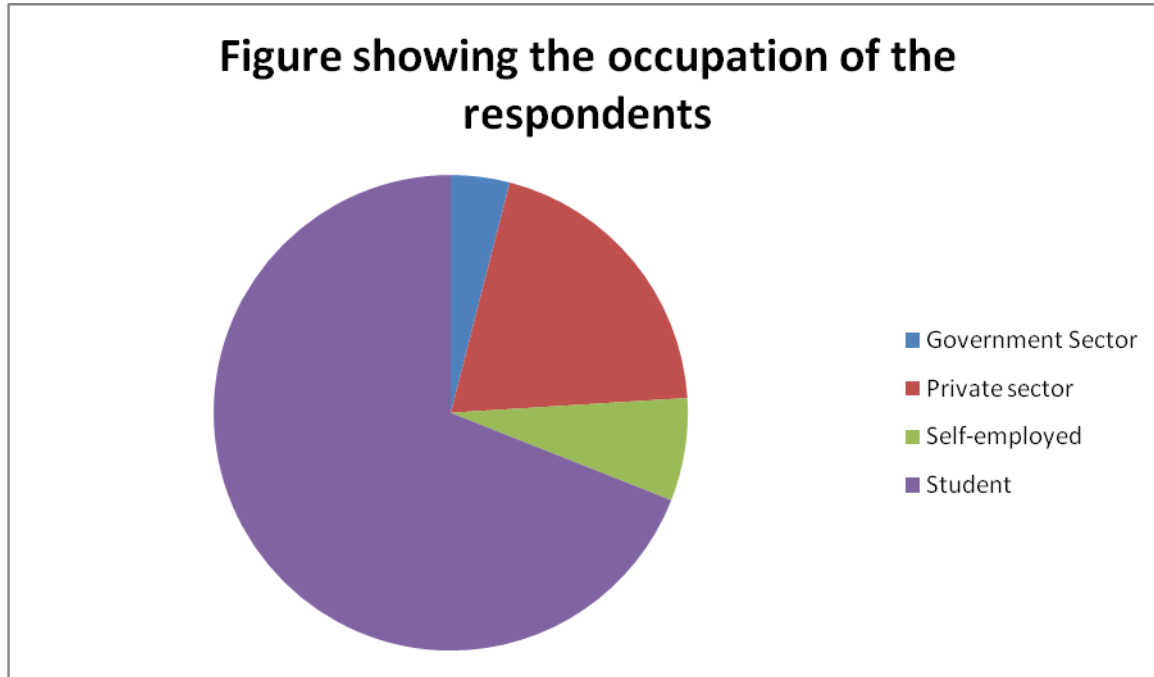


TABLE 4.6: Showing the frequency of shopping by respondents

Options	No. of respondents	Percentage
Once in a week	20	2
Once in a month	11	23
Frequently	17	21
Rarely	2	54
Total	50	100

INFERENCE:

The above table shows the frequency of shopping by different respondents. It shows that maximum level of consumers buy once in a week with 20%, frequently with 17%, once in a month with 11% and rarely with 2%.

CHART: 4.6 **Chart showing the frequency of shopping by the respondents**

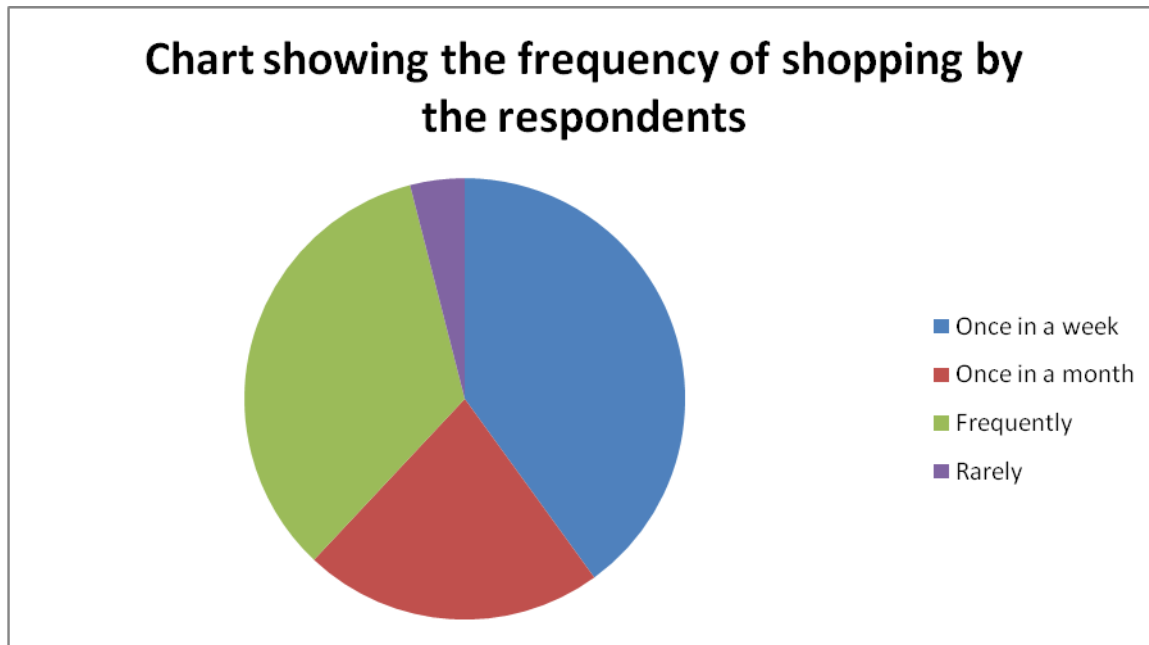


TABLE 4.7: Showing the desire to choose Amazon

Options	No. of respondents	Percentage
Reliability	4	18
Quality	12	29
Service	10	10
Availablity of a required brand at required time	24	43
Total	50	100

INFERENCE:

The above table shows the desire to purchase in Amazon for different respondents. It shows that maximum customers choose for “availability of a particular brand at the particular time” with 24%, Service with 10%, Quality with 12% and reliability with 4%.

CHART: 4.7 Chart showing the desire to purchase in Amazon

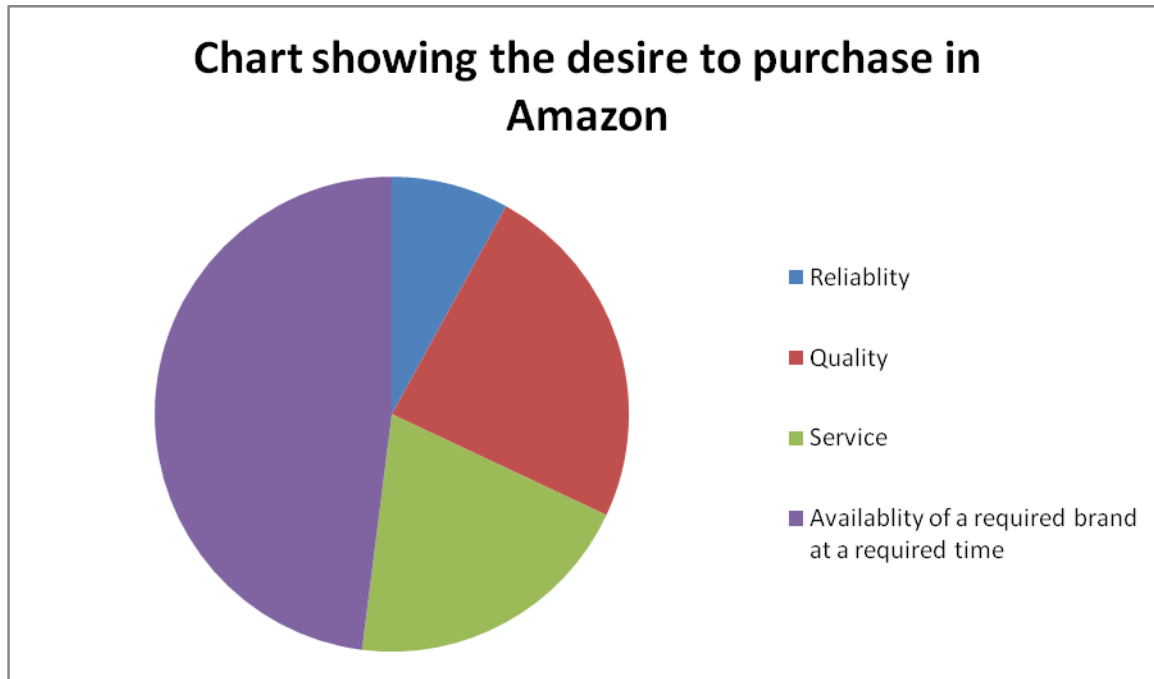


TABLE 4.8: Showing the mode of awareness about the website to customers

Options	No. of respondents	Percentage
Television ad	17	20
Website	10	43
Newspaper ad	13	5
Friends or Family	10	32
Total	50	100

INFERENCE:

The above table shows the mode of awareness about the website for different respondents. It shows that maximum respondents falls under television ad with 17%, website with 10% , newspaper ad with 13% and friends or family with 10%.

CHART: 4.8 Chart showing the mode of awareness about the Website to customers

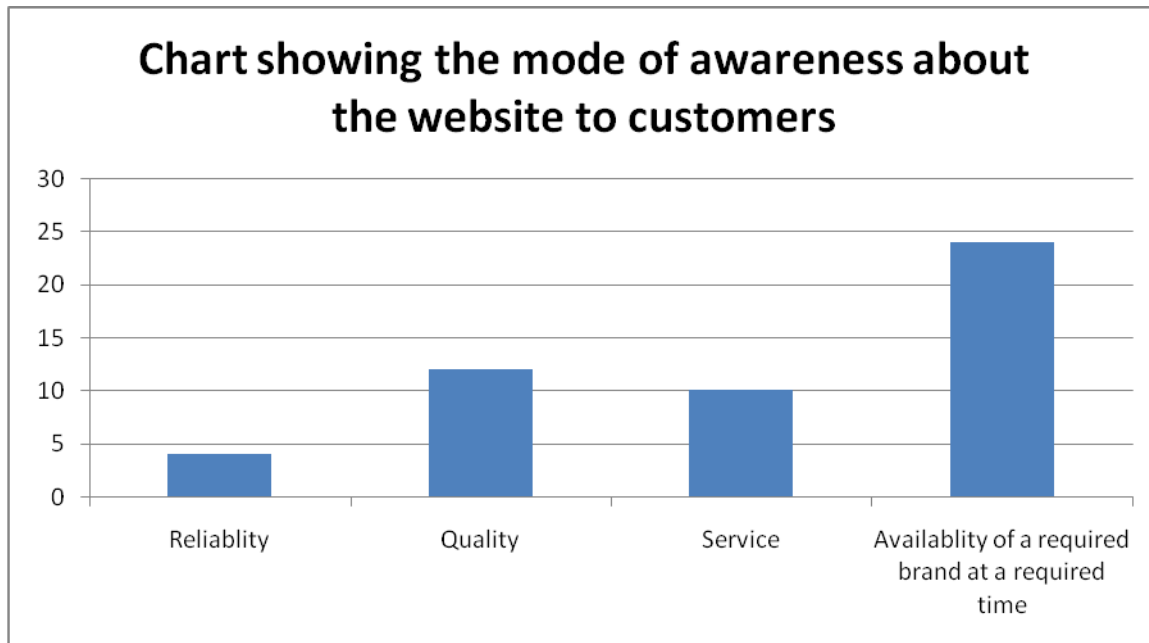


TABLE 4.9: Showing the drawback of online shopping with reference to Amazon

Options	No. of respondents	Percentage
Products are not the same	13	29
Delay in service	10	22
Online payment	11	11
Process in return of products	16	38
Total	50	100

INFERENCE:

The above table shows the drawbacks or difficulties faced by the respondents. It shows that maximum respondent face their issue in the products are not the same with 13%, delay in service with 10%, online payment with 11% and return process with 16%.

FINDINGS

- ☐ Gender wise majority of 69 percent of female are more user of online shopping with Amazon.com
- ☐ Majority of 77 percent of Amazon.com users are in the age group between 17 – 25.
- ☐ Majority of 52 percent of Amazon users fall under the income level below 20,000.
- ☐ Majority of Amazon users were private sector who will have more knowledge about current market trending.
- ☐ Majority of respondents fall under the category rarely according to the survey collected for frequency of shopping.
- ☐ Majority of the respondents 42 percent purchase in Amazon in order to satisfy the required brand at the required time.
- ☐ Under the study it was found that majority of 43 percent the respondents were aware about Amazon through website.
- ☐ Majority of the respondents of 38 percent felt drawback process in return of products.
- ☐ Majority of the respondents of 39 percent felt difficult or adverse effect in the return process.
- ☐ Majority of the respondents of 51 percent purchase during the period of offers and discounts.
- ☐ Majority of the respondents of 39 percent purchase in Amazon depends upon their desire.
- ☐ Majority of the respondents of 28 percent of Amazon users purchase accessories.
- ☐ Majority of the respondents of 80 percent felt secured payment for online purchase as Cash on delivery (COD) (COD).
- ☐ Majority of the respondents of 67 percent are satisfied with the quality of the product supplied by Amazon.com.

SUGGESTIONS

- Amazon.com can reduce the procedure for online payment because majority of the respondents felt that is the major drawback to pay in online.
- As India is a developing country with huge number of population it is possible to attract customers in large scale by awareness through means of advertisement in television, social media etc.
- The more people in rural areas have access to the internet, the more potential customers there are for online shopping sites.

Even customers in remote areas can be reached thanks to quick service, a wide selection, and easy access.

- Adding a phone option to make and exchange orders, as well as a free expedited delivery service, could help Amazon outperform its rivals even further. The cash-on-delivery (COD) service will encourage many traditional customers to shop. In addition, customers' concerns about online shopping must be allayed so that existing online retailers can leverage growth strategies to expand their markets.

CONCLUSION:

In India, online shopping is on the rise because of the country's fast-paced lifestyle. The rapid growth of the online consumer base has been fueled by the development of the internet, the increasing adoption of devices such as smart phones, tablets, and laptops, and the shift in consumer purchasing habits. Increased online shopping has become a popular method of shopping on the internet for consumers. Research shows that online shopping is becoming more popular due to factors such as cash on delivery, discounts, schemes, and the quality of the products available. Customers' purchasing decisions have been influenced by a rise in the standard of living, an increase in employment, the influence of friends, and attractive offers on the internet. India's youth make up a larger percentage of the global internet user population than any other country's youth. In the 18-35 age range, the 'Y' generation was most interested in online shopping for electronic goods via smart phones. As India's leading e-tailer, Amazon revolutionised online shopping like never before, with Snapdeal and Flipkart following in second and third place respectively. In order to keep its top spot, Amazon must provide better deals and offers with higher-quality products and services. Increased spending from existing customers rather than first-time online purchasers is expected to drive e-growth commerce's in the future. Cash on Delivery is the preferred method of payment for the majority of online shoppers, who cite lower prices as their primary motivation for making such purchases. Price, advertisements on TV, newspapers, and magazines, free samples, quality of products, and brand image all play a major role in e-consumers' willingness to buy online, according to this study. All in all, most e-consumers reported having a positive experience with e-retailer quality and service. Therefore, the study recommends that e-retailers focus on these important aspects in order to draw more customers to online shopping.

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