Impact on Social Media Marketing in ECommerce Industry in Australia: A Case Study from Amazon

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**Introduction**

It is a well-known fact that eCommerce industry is making a significant impact on the entire world. The popularity and growth of the eCommerce industry have immensely impacted the retail industry. ECommerce allows customers to attain their desired product and services without any time or distance barrier. It is important to consider the fact that a major portion of consumers moved to eCommerce rather than traditional purchase. A critical examination of eCommerce strategy reveals that it is often cheaper and faster as compared to traditional purchasing (De Vries, Gensler, & Leeflang, 2017). In the considered case study of Amazon, it is important to mention the fact that 40 per cent of online spend is directed to Amazon. The arrival of Amazon in the Australian industry is problematic and threating towards local retail market. The retailers in Australia have an apprehensive attitude towards the entrance of Amazon. Effective social media strategy of Amazon has a huge impact on the eCommerce industry in Australia. The social media platform is one of the most favourable channels due to its effectiveness in the modern world. Here, the focus is to investigate the social media marketing strategy of Amazon and its impact on the eCommerce industry in Australia.

**Aims**

* To assess the influence of social media marketing strategy of Amazon on the eCommerce industry of Australia.

**Objectives**

* To assess the impact of the social media marketing strategy of Amazon in Australia.
* To study the market position of Amazon in the eCommerce industry in Australia.

**Research Question**

* What is the impact of social media marketing of Amazon on eCommerce industry in Australia?
* How free shipping strategy can be effective to attract more customers towards Amazon’ products and services?

**Literature Review**

A literature review is a critical part of a qualitative research study as it examines existing literature on a specific topic. A literature review examines scholarly journals, books, and articles of different reputable authors to establish a clear understanding of the specific topic. It helps to evaluate the liability of a research topic through existing literature on that topic. In the considered case study of Amazon, it is essential to examine existing literature to demonstrate the feasibility of social media marketing on the eCommerce industry of Australia.

One of the most effective strengths of Amazon is its ability to promote its products through social media platform (Ha, Kankanhalli, Kishan, & Huang, 2016). It is essential to consider the fact that Amazon is using various social media marketing strategies to excel in the newly entered market of Australia. The rise of Amazon in the eCommerce industry has drastically increased its profile in the business-to-consumer business sectors. The fast-evolving nature of Amazon can be tracked since the emergence of technology in the context of internet and smartphones. A major portion of individuals in the world have frequent access to smartphones. Increased reliance on the internet and smartphones have made it an effective opportunity for companies to advertise and market their products. According to Abed, Dwivedi, & Williams (2015), a significant increase in social media usage has been observed in Australia, which demonstrates the fact that retail companies can reach out to their customers through social media platform. Social media marketing is one of the effective strategies of Amazon. According to Shaltoni (2017), a company can utilize various social media platforms such as social networking websites, rating websites blogs, and forums to reach out to potential customers. Amazon is one of the largest online retail business in the entire world. In 2018, Amazon managed to generate a revenue of 136 billion American dollars (*Amazon.com.au*). It is important to mention the fact that a large portion of Australians is already familiar with Amazon. Before Amazon’s country specific launch, it was already popular among Australians. Amazon Australia has effectively using Facebook platform to attract potential customer. Facebook is one of the most effective and useful social media apps with almost 2 billion users around the globe.

Customer satisfaction is a highly necessary aspect for every organization and company in the world. A company can only prevail in a given market if its marketing strategies and services are in accordance with the satisfaction of customer (Wang, & Kim, 2016). Retail companies have more focus on customer’s satisfaction due to increased competition in this area. Companies are aware of the fact that quality products are highly necessary to satisfy a client (Ashley & Tuten, 2015). If they are unable to provide required services for customers, then there is an increased risk that customers might shift themselves towards other the products and services of other companies (Todor, 2016). In order to compete with the local retail stores in Australia, Amazon is advertising low price strategy and shipping benefits for customers. These strategies are appealing to customers, which can ultimately increase the revenue for Amazon in Australia. It is observed that customers enthusiastically anticipated Amazon’s arrival in Australia. Instead of making a massive launch at once, Amazon made a soft launch in Australia. Amazon is continuously using Facebook and Instagram marketing to deliver brand messages. Advertisement of a large number of products on social media such as electronics, books, clothes, music, shoes, and packaged groceries provide customers with a clear understanding about variety of products that Amazon is offering. Through its effective social media marketing strategy, Amazon has managed to become one of the most valued eCommerce industry in Australia.

In a time, span of just one and a half years, Amazon managed to attract 31 per cent of consumers to buy from the site (*Amazon.com.au*). Video marketing is also an effective social media marketing strategy for Amazon. Video marketing through YouTube, Facebook, and Reddit managed to attract the attention of customers (Kang & Kim, 2017). Video marketing of Amazon is usually done through YouTube. Nearly 66 per cent customers are getting to know about various products and services of Amazon through YouTube (*Amazon.com.au*). Amazon has made it easy for people to order online through easy steps, without any barrier regarding time and distance. The importance of shipping fees has been highlighted due to the growth of the eCommerce sector. Customer acquisition and customer retention are highly dependent on the effectiveness of shipping fees (Lewis, 2016). It has been observed that large shipping fees are less likely to retain existing customers. Shipping fees are an element of price. Shipping fees are often added at the end of a transaction, instead of associating it with merchandise (Lewis, 2016). Due to this particular aspect, it is somehow possible that customers might overlook the shipping fee (Duffett, 2017). The response of customers towards shipping fees is moderate as it is added at the end of a transaction. However, the awareness of the shipping fees can be increased among customers if an online retail company mention shipping fess in the online environment. Shipping policy is given preferences by customers as well as sellers as it can create a real difference in terms of money (Lewis, 2016). Amazon is utilizing that technique and advertising its ‘free-shipping’ feature for valued customers of Australia. Free shipping is an effective strategy by Amazon to increase the salience of the free shipping fee to costumers. Retail companies are majorly focusing on the acquisition and retention of customers. Advertisement of effective free shipping feature is helping Amazon regarding customer’s acquisition and retention.

The growing idea of free shipping is closely related to the aspects of customer acquisition and retention. It is vital to determine how the approach of free shipping can be effective for the business organization to attain and sustain suitable forms of customers’ loyalty and acquisition. The idea of free shipping can influence business in diverse forms. When it comes to the prospect of online retailing business then free shipping is recognized as one competitive approach for the corporate entities (Lewis, 2016). The business organization of Amazon is recognized as the first corporate who successfully established the approach of free shipping to get better domains of customers’ acquisition and customers’ retention. This specific strategy plays a critical role to meet the growing expectations of potential customers. It is defined as one common perception that loyal customers love the approach of free shipping adopted by business organizations. It is observed that consumers are greatly interested to receive emails of free shipping and adopt this particular approach for their convenience (Lewis, 2016). It is also critical to mention that there is need for further research work to define the actual association between the facets of free shipping and customers’ retention. It is interesting to examine how the practical strategy of free shipping can be helpful for business organizations to attain and sustain their potential customers in the form of customers’ loyalty.

The broad prospect of social media marketing strategies closely linked with the phenomenon of e-commerce. It is essential for business organizations to adopt significant and on-point social media marketing strategies to attain a better position in the form of e-commerce. The basic aspect relevant to this prospect is that it is essential for the business corporation to never lose their current customers, and adopt different social media marketing strategies according to their preferences and product expectation.

**Methodology**

In order to find the correlation among the social media marketing strategy of Amazon, its free shipping feature, and customers’ acquisition and retention, secondary data will be collected through phenomenological qualitative research method. A focus group will be interviewed to explore their experience and perception of Amazon’s social media marketing. This focus group will be used to collect data regarding their perception and understanding of the free shipping feature of Amazon. The response from this focus group will then be examined by utilizing the approach of phenomenological research. In this particular research approach, the response of focus group will be converted to make a specific trend, that can explain the effectiveness of social media marketing strategy of Amazon along with its free shipping feature. The acquired trend from the focus group will be correlated with the existing literature to evaluate the feasibility of acquired results. This specific approach will be beneficial to generate a specific response of customers towards the social media strategies and services of Amazon.

**Gantt Chart**

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| --- | --- | --- | --- |
| **Tasks** | **Starting Date** | **Ending Date** | **Total Duration (Days)** |
| Project Proposal | 5 September, 2019 | 18 September 2019 | 17 |
| Review of Existing Literature | 19 September 2019 | 12 October 2019 | 24 |
| Data Collection | 13 October 2019 | 23 October 2019 | 11 |
| Critical Analysis of Data | 24 October 2019 | 7 November 2019 | 15 |
| Rough Draft | 8 November 2019 | 13 November 2019 | 6 |
| Complete Research Paper | 14 November 2019 | 20 December 2019 | 7 |
| Proofreading and Editing | 21 December 2019 | 24 December 2019 | 4 |
| Final Report | 26 December 2019 | 08 January 2020 | 14 |

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