Product teardown

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Content Index

About

Amazon is one of the world's largest online retailers, offering a vast selection of products ranging from electronics and clothing to books and groceries. The company's hallmark is its user-friendly website and mobile app, which provide customers with easy navigation, personalized recommendations, and convenient shopping features like one-click ordering and fast delivery options such as Amazon Prime.

Competitors

Flipkart
Myntra
NYKAA
AJIO

Statistics

Market Capitalizsation: Fluctuates but often exceeds **$1 trillion USD**
Annual Revenue: Surpassed **$386 billion USD** in 2020
Active Customer Accounts: **310 million** worldwide

Business model

amazon

Key Partners

- Suppliers and vendors
- Third-party sellers
- Payment processing companies
- Delivery and logistics partners
- Content creators and publishers

Key Activities

- Managing the online marketplace and e-commerce platform
- Website & app development
- Procuring & stocking inventory
- Marketing and advertising to attract customers
- Providing customer service/ support
- Diversified product & service offerings

Key Resources

- Digital infrastructure (servers, databases, and cloud computing services)
- Inventory and warehouses
- Technology and software
- Brand reputation and customer trust
- Employee expertise and workforce

Value Proposition

- Convenience (Fast and reliable delivery)
- Competitive pricing and frequent discounts
- Selecting from millions of products
- Product recommendations
- Easy returns, responsive support, and reliable delivery services

Customer Relationships

- Targeted marketing communications
- Responsive customer support(email, chat, & phone)
- Loyalty programs such as Amazon Prime to incentivize repeat purchases
- User-generated reviews and ratings for product feedback

Channels

- Website & mobile app
- Digital marketing channels
- Physical retail stores(Amazon Go and Whole Foods Market)
- Partnerships with affiliates and influencers

Customer Segments

- Individual consumers purchasing a wide range of products
- Businesses procuring supplies and inventory through Amazon Business
- Content creators and developers
- Authors and publishers

Cost Structure

- Cost of goods sold (inventory procurement and storage)
- Technology and infrastructure expenses (servers, development, maintenance)
- Marketing and advertising expenses
- Employee salaries and benefits
- Fulfillment and shipping costs
- Customer service and support expenses

Revenue Streams

- Product sales revenue from online retail
- Subscription revenue from Amazon Prime memberships
- Digital content sales (e-books, music, movies, etc.)
- Third-party seller fees and commissions
- Advertising revenue from sponsored product listings and display ads
- Cloud computing revenue from AWS services

User persona

amazon

1. Sarah (Tech-Savvy Shopper)

Profile Description:

- **Name:** Sarah
- **Age:** 32
- **Occupation:** Software Engineer
- **Location:** Bangalore, India
- **Tech Proficiency:** Highly proficient; comfortable using various digital devices and platforms
- **Shopping Habits:** Regularly shop online for electronics, gadgets, and tech accessories

Goals:

- Find the latest tech gadgets and accessories quickly and easily
- Stay updated on the newest releases and trends in the tech world
- Enjoy a seamless and convenient shopping experience without any technical glitches
- Get personalized recommendations based on her previous purchases and browsing history

Motivation:

- Sarah is passionate about technology and loves exploring the latest gadgets and innovations. She enjoys the convenience of shopping online and appreciates platforms that offer a wide selection of products and reliable delivery services.

Frustrations:

- Difficulty in discovering new and innovative products amidst the vast selection available.
- Inconsistencies in product information and user reviews, making it challenging to make informed purchase decisions.
- Technical issues or slow loading times on the app that disrupt the shopping experience.

User persona

2. Raj (Busy parent)

Profile Description:
- **Name:** Raj
- **Age:** 40
- **Occupation:** Marketing Manager
- **Location:** Mumbai, India
- **Family:** Married with two young children
- **Shopping Habits:** Regularly purchases household essentials, groceries, and children's items online due to time constraints

Motivation:
- As a busy professional and parent, Raj values convenience and efficiency in his daily tasks. He relies on online shopping to streamline his household responsibilities and prioritize spending quality time with his family.
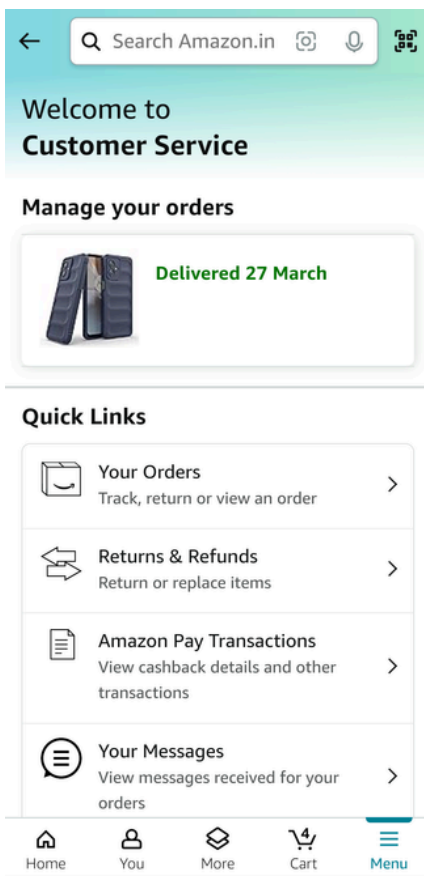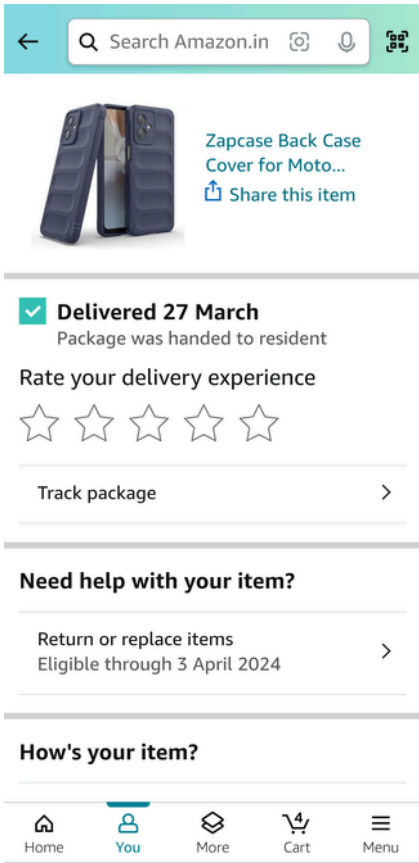
Goals:
- Quickly replenish household essentials and groceries without having to visit multiple stores.
- Save time and effort by utilizing the convenience of online shopping.
- Ensure timely delivery of items, especially when running low on essential products.
- Simplify the shopping process and manage expenses effectively within the family budget.
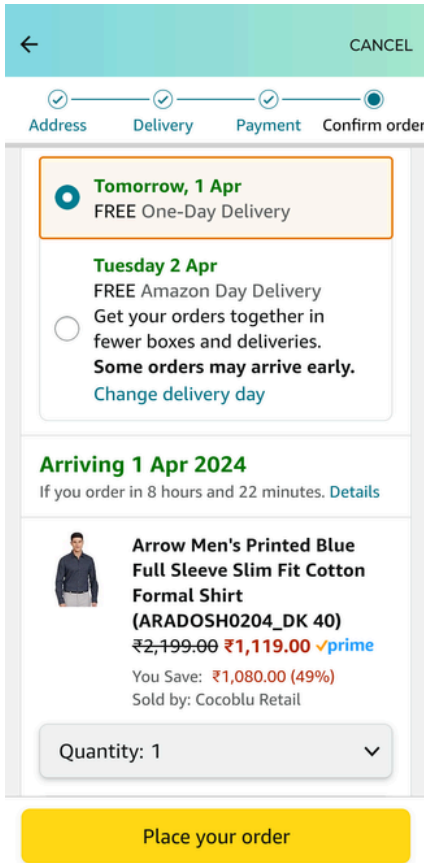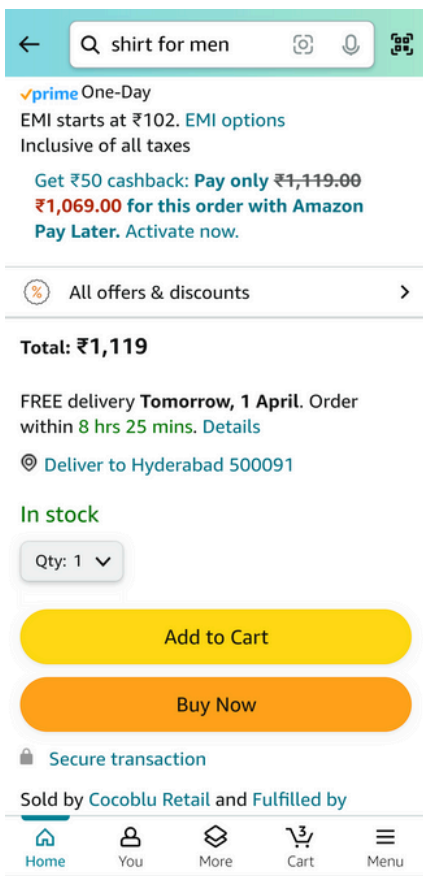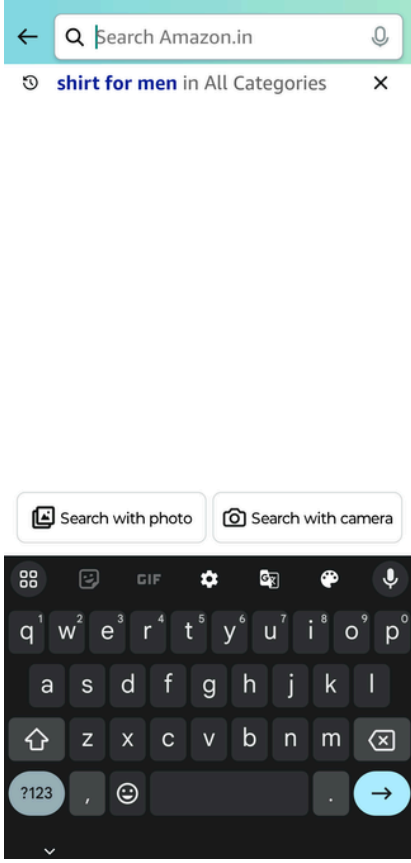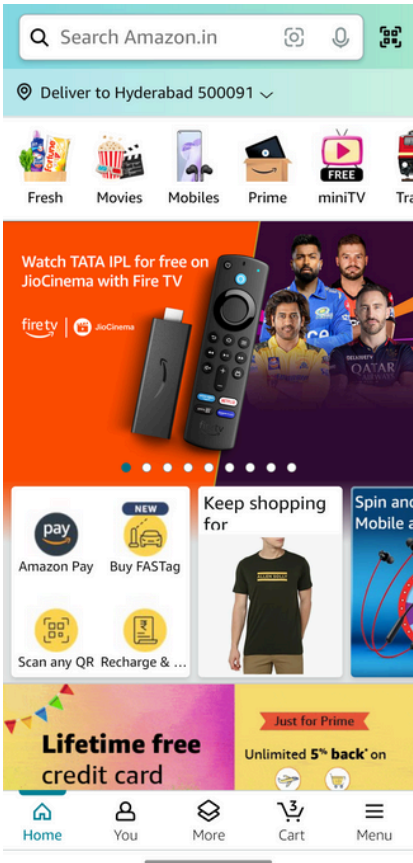
Frustrations:
- Limited availability of certain products or brands.
- Uncertainty regarding the freshness and quality of perishable items.
- Delays or missed deliveries.

User flow

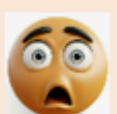|							
Doing	User opens the Amazon app	User navigates through product categories or uses the search bar to find desired items	User selects products and adds them to the shopping cart	User proceeds to checkout, selects delivery options, and makes payment	User receives confirmation of the order and delivery details	Product/items are delivered at the address provided by the user	Product is not delivered to the users address but it is marked as Delivered	User reaches out to Customer support for the missing delivery the missing delivery
Thinking	Homepage is loaded with various products/categories	I am unable to find the desired product or my favorite brand	I liked this product, let's add it to the cart	Too many steps to place the order	Great! my order is confirmed in less time	Finally, my order is delivered	How is this possible? I didn't even receive a call from the delivery agent	This is an unnecessary burden for me
Feeling	😊	🤔	😌	🥺	🙂	🤩	😨	😔
Pain point	Confused in which category to enter	Difficulty in finding specific products or brands		Complex checkout process with multiple stages		In case of grocery items, users have concerns about product quality and freshness	Inconvenient delivery experiences (order not received)	Following up with customer support for the resolution (waste of time)

Key user pain points & Recommendations

amazon

User Pain Points

1. Users are finding it challenging to locate specific products or brands amidst the vast selection available on Amazon
2. Users have concerns about the quality and freshness of certain products, especially perishable items like groceries, fruits, vegetables, and dairy products.
3. Users encounter inconveniences or challenges during the delivery process, such as delays, missed deliveries, or difficulty in tracking their packages.
4. Users are experienceing frustration due to a complex or cumbersome checkout process, characterized by multiple steps, required account information, and confusing navigation

Recommendations

1. Improve search functionality and product categorization for easier navigation
2. Implement quality assurance measures for perishable items, such as partnerships with trusted local suppliers
3. Enhance delivery tracking and communication to provide users with real-time updates
4. Simplify the checkout process with one-click ordering and saved payment options

Key metrics

North Star Metric

- **Monthly Active Users (MAU) -** Measure the number of unique users actively engaging with the Amazon app each month

L2 Metrics

- **Average Search Time -** Average time users spend searching for specific products or brands on the platform
- **Customer Satisfaction Score (CSAT) -** Measure the overall satisfaction of customers with the quality and freshness of products received
- **On-Time Delivery Rate -** Measure the percentage of orders delivered within the promised timeframe
- **Checkout Completion Rate -** Measure the percentage of users who successfully complete the checkout process after initiating it

L1 metrics

- **Number of Searches with No Results:** Count of searches where users do not find relevant products or brands
- **Customer Complaint Rate:** Percentage of orders receiving complaints related to product quality or freshness
- **Missed Delivery Rate:** Percentage of orders that are not deliverred within the expected timeframe
- **Cart Abandonment Rate:** Percentage of users who add items to their cart but do not proceed to checkout
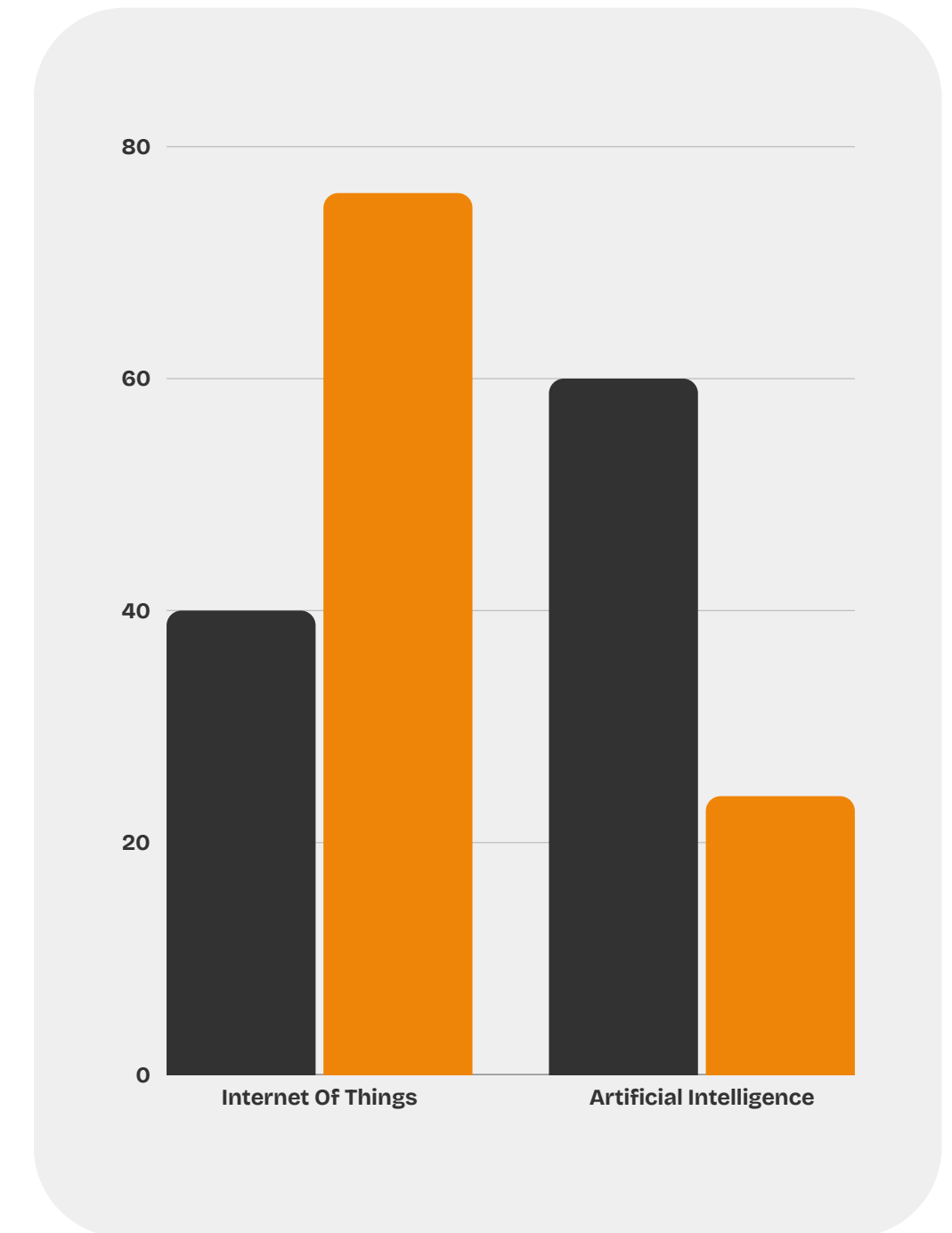
Thank You

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