

CASE STUDY- SWAT ANALYSIS: AMAZON PRIME

INTRODUCTION

The consumer service chosen is a subscription-based service called Amazon Prime. Amazon Prime provides its subscription members with entertainment services like OTT streaming, unlimited reading, music streaming and free games along with exclusive shopping and discounts.

CONSUMER BEHAVIOR MODEL: AMAZON PRIME

The Consumer Behavior Model suggests that human buying behaviour is based on certain core concepts that drives them towards satisfying their behaviour. These concepts may be different types of stimuli, cues, reinforcements, and responses which determine a human's needs and wants.

Following are the cues and patterns that drives consumer buying behavior towards the subscription-based Amazon Prime service:

- **Need arousal:** The first step towards decision and purchase making of the service by the consumer is to either realize the *need* for the service or recognize the problem which may be solved by attaining the service.

The need for Amazon prime may be generated due to the following reasons:

- a. The increase in OTT streaming, which allows the consumers to choose and watch from millions of streams and genres at any time unlike Television.
- b. High quality and content rich streaming without ads interference.
- c. Availability of other entertainment services like games, music etc. in the Amazon Prime package.
- d. Need for free delivery services and discounts as provided by Amazon Prime on Amazon bought products.
- e. Exclusive shopping and other subscription member benefit.

Need arousal can be induced by the company 'Amazon' by marketing strategies:

- a. PR strategies of explaining the problem to the customers and how Amazon Prime as a service can solve it.
- b. Repetitive marketing via advertisements for need arousal.
- **Information Search:** After recognizing the need/want the consumer begin searching for information that provides the best possible solution for the problem.

There are two main ways of information search:

- a. Internal: In internal search, the consumer uses his/her own knowledge and memory to gather and analyze all the possible alternatives that may satisfy their need. Since the consumer primary uses their past memory and knowledge to analyze the option, he/she may remember the famous and/or highly promoted and advertised OTT providers.
- b. External: In external search consumer reaches out to external sources for the required information. This information may be via-
 - i. Friends and family's opinion and preference between different competitors of OTT/subscription-based service providers. For example, mother may prefer Amazon Prime over Netflix because apart from providing streaming services it also provides exclusive shopping offers. (Dual purpose)
 - ii. Web search and reading reviews of other consumers.

Good web presence and influence may help the company use external information search procedure for their benefit.

- **Evaluation of Alternatives:** Any customer would like to value from different options and have optimum utilization of resources after thorough analysis of each alternative. This can be done through SWOT analysis. (Strength Weakness Opportunities and Threats) of each service provider. It can also be evaluated by predicted attribute performance which uses search attributes, experience and credence attributes and calculated risks to evaluate the best possible outcome.

Amazon Prime SWOT Analysis

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| STRENGTH | Amazon Prime package provides multiple services. Dually dealing |
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| | with exclusive shopping and entertainment service provider. |
| WEAKNESS | OTT service-Amazon Prime Video contains in- app purchases for certain studio's streaming. |
| OPPORTUNITY | Scope for price control and inflation due to reasonable prices. |
| THREAT | Threat from competitors like Netflix and Hotstar. |

- Service Expectations:** When the consumer has chosen the best alternative that may satisfy their needs, he/she starts making presumptions of what the service may bring to the table. If the consumer has chosen Amazon Prime as one of its possible purchasable services providers, then he/she must have certain expectation from it.
 - Amazon Prime should be worth the price i.e., Rs 179 per month.
 - Quality content in terms of video, audio, genres, variety etc.
 - Personalized recommendations, proactive service, and customized interactions.
 - Excellent customer service, active customer support and fair treatment to all.
 - Premium products for subscribers.
 - Digitally innovative and updateable application.
 - Secured privacy and data protection system.
- Purchase Decision:** At this stage of the buyer purchasing decision process, the consumer will buy the product. After the expectations for what Amazon Prime should bring to the table has been set, consumer decides to purchase the service. The consumer may buy a 1 month pack to experience the service. After buying and using Amazon Prime, the consumer may evaluate the actual performance and compare it with the consumer's expectation. If it reaches or exceeds the expectations then the individual's need is said to be satisfied or delighted. This is very important for continuous purchase and adding to the goodwill of the company.

CONCLUSION

Consumer behaviour is the response of the consumer towards a particular service or product. It might be a single person or a group of individuals or society who decides these responses. consumer behaviour model is an important in respect of psychology and marketing. It helps in understanding human behaviour of what the problem is, and how to solve it while also analysing its effects on marketing decisions.