prime student

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Executive Summary

Amazon Prime Student provides valuable offerings to its members, ranging from Prime Delivery, Prime Video, Prime Music to perks on Grubhub+ student, Calm, and more. The AMA Competitive Events team has completed primary and secondary research on Generation Z, including surveys, interviews, and focus group discussions to extract insights on the parameters defining an effective Prime Student marketing campaign.

The AMA Competitive Events team uncovered 3 key areas of potential growth to increase Prime Student's low penetration rates:
(1) Aligning values: Tailor Prime offerings to match students' needs and goals
(2) Redesign UI/UX: Update the Prime Student website so that students can better understand possible benefits to users
(3) Improve Customer Outreach: Target Gen Z's consumer behavior to increase awareness of brand and benefits

We propose a comprehensive marketing campaign centered on Prime Student Health, addressing 3 key health components: physical health, mental health, and community health. In conjunction with the overarching marketing plan, a centralized, personalized dashboard provides a streamlined user experience through which students will be directed to connected services in one simple click or tab whilea "College Alexa" virtual influencer attracts younger students and brings them into the Prime Student metaverse.

This marketing plan will begin in Fall 2022 at a cost of $5.8 million. The proposed strategy will yield additional net revenues of -$1.03 million in 2022; these revenues are projected to increase to $0.6 million by 2025. Further, the success of the plan will be measured through penetration rate, average benefits engagement, and core Prime transition rate. Over the plan's three-year lifespan, Prime Student's penetration rate is projected to grow to 75%, while average benefits engagement will increase to 4.00 and the core Prime transition rate will nearly double to 80%. By emphasizing members' health, Prime Student can create personal connections with its students, resulting in increased brand loyalty and earning Prime Student a significant customer base on the vast majority of college campuses.

Prime Student Overview

Amazon Prime Student was launched in 2017 to offer a more affordable Amazon Prime subscription specifically for college students, and includes Prime Delivery, Prime Video, Prime Music, Prime Reading, Amazon Warehouse, Prime Exclusives and Amazon Photos to perks on Grubhub+ student, StudentUniverse, Calm, Course Hero, and more. Students access these through Prime Student's website, which focuses on highlighting the discounts these offerings provide, since college students tend to focus on budgeting and saving money.

In addition, students receive perks catered to their college life, including deals on traveling, food delivery, mindfulness, and study resources. Prime Student focuses on providing the best value and exceptional shopping and entertainment experiences for members. The company is currently focused on empathizing with the Gen Z market via college student micro-influencers on 3 main channels: Instagram, TikTok, and Facebook.

SWOT Analysis

STRENGTHS	WEAKNESSES
➔ Strong brand presence and existing customer base ➔ Diversified benefits for students to choose from (Grubhub, Prime Video, etc.) ➔ Superior access to existing services and ability to partner with other companies ➔ Recent philanthropic association with Jeff Bezos, who has been the United States' top philanthropist in 2020 (Albrecht, 2021; Cook, 2021)	➔ Ineffective marketing techniques on Instagram, TikTok, and Facebook—the average Facebook post has just 7 likes ➔ Confusing website UI, with all interview participants finding that the current website design is difficult to understand and use ➔ Disconnect between services offered (fast delivery, entertainment, and partnerships) and students' needs (academics and health, especially for first-years moving to campus during a pandemic)
OPPORTUNITIES	THREATS
➔ Gen Z's emphasis on health (Vennare, 2020); 90% of surveyed students felt that their health was "important" or "very important" to them ➔ Gen Z's emphasis on ethical	➔ Substitutes for Prime Student services including Netflix and Spotify; customer surveys found that about 80% of the target market use these substitutes ➔ Increasing peer pressure for younger

consumption (Bewicke, 2021), with 55% of Gen Z willing to spend more on ethically sourced products (Banker, 2021)
➔ Gen Z's social media usage; the rise of online influencers and streaming platforms allows them to have greater influence over Gen Z's spending habits

customers to shop locally and avoid large online retailers, especially during the pandemic (McKinsey & Co., 2020)
➔ Negative press about Amazon's treatment of employees causes ethically focused Gen Z students to switch to alternatives (Kantor et al., 2021)

Consumer Analysis - Gen Z

Primary Research on Generation Z

Surveys

We collected information on consumer preferences, college student and Gen Z priorities, and the potential efficacy and appeal of various proposals. The 30 responses indicated that an interactive, gamified health platform would be the best way to draw in and retain college students on Prime Student.
The questions focused on three sections:
1. Demographic Information
2. Current Familiarity with Prime Student & Perks
3. Lifestyle Priorities

Main Results
1. Demographic information: All participants were US college students aged between 18 and 27. Of those who chose to provide gender information, a slight majority of participants were male (55% vs. 42% female), and most respondents (63%) attended public universities, with the remaining 37% attended private colleges.
2. Current familiarity with Prime Student and its perks: On the whole, students were very unfamiliar with Prime Student's services. On a scale from 1 ("I've never heard of this service") to 5 ("I'm an active user of this service"), students ranked their familiarity with all offerings at an average 2.67. This rating was especially dismal for Prime Photos and Prime Early Access, which had familiarity ratings of 1.31 and 1.78, respectively. These low ratings suggest that, while Prime Student offers excellent benefits to students, students are failing to take advantage of these offerings due to their unfamiliarity with the perks.

3. Lifestyle: College students care deeply about their physical and mental health; 90% of participants indicated that their physical health was "important" or "very important" to them, and 89% of participants said the same for their mental health. This extends to their purchasing behavior—a significant 72% of students said that they would interact with a service that rewarded them for performing activities that improved their physical or mental health. Our surveys also sought to validate our secondary research, which had suggested gamification as a viable way to engage Gen Z audiences. 76% of the college students surveyed stated that not only would they interact with a points-based competitive health platform, but that they would focus more on their own health with such a platform.

Customer Interviews

The Competitive Events team met with 7 students attending US universities for approximately 30 minutes each regarding their use of Amazon Prime's Student Services. Of the 7 students interviewed, 5 students were subscribed to Amazon services; 3 out of the 5 students subscribed to Amazon services were subscribed to Prime Student, while the remaining 2 students were subscribed to regular Amazon Prime services.

The interviews conducted involved asking each student about their use or non-use of Amazon Prime and Amazon Prime Student services as well as their general thoughts regarding improvements of the services.

Of the 2 students who are unsubscribed to Amazon services, one was unaware Amazon Prime Student services were being offered and was discouraged from subscribing. The other student mentioned they were aware of the student services being offered but had difficulty in subscribing to the service. As a result, they subscribed to regular Amazon Prime services for a short period of time before later unsubscribing.

The 2 students who subscribed to Amazon Prime (but not Prime Student) were either unaware of the services being offered, or they had difficulty in signing up for the services. One student mentioned they were aware Amazon Prime Student services were cheaper but in attempting to subscribe to the student option, "the link kept looping [him] back to the same option."

Lastly, the 3 current Prime Student members mentioned that, overall, they found the service to be "convenient," "cool," and "reliable." However, only a few students mentioned they were aware Amazon Prime Student offered other services. Even those who were aware of services such as Prime Video and Prime Music did not feel inclined to use the benefits offered because they used other services such as Netflix and Spotify to meet their streaming and music needs.

Overall, students were overwhelmingly unaware of the services offered by Amazon Prime Student subscriptions.

Focus Group Interviews

The Competitive Events team also conducted discussions with small focus groups. Three focus groups were held: one for Prime Student members, another for non-members, and a merged solution group.

1. Prime Students Group

The first focus group consisted of 7 Prime Students. These students were asked questions that would provide insights into current Prime student users. We found that students created their prime student account after learning about the program from . Students also reported that they use Prime Student mainly for the purpose of using prime delivery, and were surprised when informed of some of the benefits that Prime Student came along with. They said that if they knew about some of these benefits before, they would have used them.

2. Non-Prime Students Group

The second group contained 8 Non-Prime Student participants. Five of these students use Prime Family, and three of these students do not have Prime. We asked questions to see what would convert students to Prime Student, and every person indicated that they did not know the full extent of benefits to being a prime student, yet the benefits of using Prime student didn't feel like it warranted getting a new and separate prime subscription. Four out of eight participants reported that they have never even heard of a Prime Student option, and all participants agreed that advertising for the program was close to non-existent. They stated that the benefits were definitely appealing, and the students without Prime Family said they would gladly sign up for a 6-month free trial.

3. Solution Group

The final combined group contained 15 students consisting of 7 Prime Students and 8 Non-Prime Students. In this session, students were asked questions to prove the need for the planned solution concept. When asked about how their health has been affected since coming to college, students universally stated that they started eating more unhealthily, and 12 of 15 students reported that they exercise less than they did in high school. When asked how their habits changed since coming to college, they said they had greater difficulty sticking to their habits. This poses a unique opportunity for Amazon's solution for these students.

Secondary Research on Generation Z

To supplement and to advise the primary research done through surveys, customer interviews, and focus groups, we also conducted secondary research. Our research team focused primarily on uncovering relevant Gen Z characteristics and pain points, while determining the implications of this research on our marketing strategy.

We began by identifying the general internal values and pain points of Gen Z. Through our research, we were able to recognize multiple trends across sources; for instance, the familiarity and proficiency of Gen Z with technology and social media was frequently emphasized (Edwards, 2017). This was confirmed by a pain point we discovered—that many Gen Z buyers feel that Amazon is largely transactional, with "42% of Gen Z feel[ing] remorse after Amazon Purchases"; Gen Z instead seeks "engaging retail experiences" (Loeb, 2019). Another general characteristic is Gen Z's concern for social consciousness, with "a third of [Gen Z]" claiming they "will pay more to companies that stand for issues they care about (versus just 18 percent of other generations)" (Accenture, 2020).

We then looked specifically into Gen Z advertising preferences. One preference that stood out was Gen Z's affinity for realistic stories over celebrity endorsements. According to the Cassandra Report, ads that included celebrities/athletes captured the attention of only 27% of Gen Z respondents. Additionally, in a separate survey, 67% of Gen Z respondents noted that they were "more interested in stories with a realistic ending and are 2x more likely to watch ads with real people rather than famous endorsers" (Full Contact, 2018).

To summarize, below is a chart highlighting the generational characteristics and pain points most relevant to our case, and the way this knowledge was incorporated into our strategy.

Characteristic/Pain Point	Incorporation into Strategy
Familiarity with and affinity for digital media, specifically social media	➔ **Development of website and app with personalized dashboard** ➔ **Gamification to incentivize Prime Student users to interface with multiple services**
Preference for realistic stories over famous endorsers	➔ **"College Alexa," an influencer college student that audience can relate to**
Amazon's lack of experience-driven shopping	➔ **Development of website and app with personalized dashboard** ➔ **Gamification**
An expectation of social consciousness from brands	➔ **Emphasis on building gamification around improvement of physical, mental, and community health**

Core Strategy: Prime Health for Prime Student

Amazon should launch *"Prime Student Health"* as an overarching marketing campaign for Prime Student, gamifying health through Amazon Halo View. Health-conscious Gen Z students are incentivized to earn separate points/discounts for various Prime Student services through "healthy activities" related to 3 areas: physical, mental, and community health.

Physical Health Solutions

Amazon should provide a 50% discount for Halo View devices for all Amazon Prime Student members who agree to participate in the Prime Student Health Game. Members who already own fitness trackers will obtain initial rewards points worth 50% of the Halo View discount. Additionally, the comprehensive marketing plan necessitates a link between Amazon Halo app and Amazon website through adding a tab for a centralized dashboard for Prime Student Health with the virtual influencer as a user interface.

Prime Student Health will reward points/discounts for various Prime services in relation to the exercise each student achieves each day. Specifically, Halo view tracks swimming, yoga, walking, running, cardio, etc. and rewards it with points/discounts. The chart below contains information pertaining to the reward system based on exercise time recommendations by the U.S. Department of Health and Human Services.

Workout types	Workout Intensity	Recommended time by U.S. Health Department	Point Earning Rate	Reward unit	Examples of rewards Received
Walking, Swimming, Running, Rowing, etc.	High	300/7 = 42.86 min/day	2pts / min	85.72 pts/day (max)	Amazon video cumulative discount coupon worth the pts earned.
	Medium	225/7 = 32.14 mind/day	1pts / min	32.14 pts/day (avg)	Free food-delivery fee with Grubhub

					using coupon worth pts earned.
	Low	150/7 = 21.43 min/day	.33pts / min	7 pts/day (min)	Discounts for StudentUniverse with points earned
Sedentary	NA	8hrs / day	NA	-1pt / hr after 8 hours	Discount for Coursehero using points earned

[Time-limited challenges]
Beyond the regular physical health gamification, Prime Student Health provides time-sensitive exercise missions ("Quick Goals") based on users' preferred exercises of prime student health users. A user interested in running, for instance, may receive a special 5-mile challenge on Saturday morning, and completing it would win said user extra points redeemable for a certain Prime service.

[Compete with friends mode]
As a way to engage users and increase retention rate, the "Compete with Friends" leaderboard feature encourages users to join public and private groups to compete in exercises. This feature is targeted specifically towards Gen Z consumers, who are among the most social (Bewicke, 2021). The feature only ranks performers, without providing rewards, and is expected to create greater opportunities for connecting with peers around the campus as well as the globe. Prime Student Members with Halo View would be able to create a group(s) through the smart band, Halo app, or Amazon website's Prime Student Health tab.

Mental Health Solutions

Additional points are granted for Prime Student members who subscribe to Amazon Calm, based on number of plays and time spent in Amazon Calm. Considering the short average time spent in the service, points are counted 2 times more than healthy physical activities. We propose a sample reward system:

Mental health types	Time Spent per day	Point Earning Rate	Reward unit	Examples of rewards Received
Sleep quality, reduce stress &	45 mins	2pts / min	90 pts/day (max)	Discounts on services and

anxiety, improve focus, self improvement, something else				offerings
	30 mins	2pts / min	60 pts/day (avg)	Discounts on services and offerings
	15 mins	2pts / min	30 pts/day (min)	Discounts on services and offerings

Community Health Solutions

[Community challenge mode]
Prime Student Health members could exercise to support causes in their college community. This common goal will unite the campus community, and Amazon may use its philanthropic budget to support causes that reach challenging goals. As a result, Amazon can further increase both its footprint in philanthropy and community support by filling the gap between ongoing institutional philanthropic actions and unfulfilled small-scale individual level charity projects. Ultimately, Amazon will be able to promote cohesion and community spirit around campuses, functioning as a catalyst for inclusion for all.

[Community Giving Feature]
Prime Student Health members can also earn philanthropy points by supporting a community cause or Secret Santa within his or her community. Popular communication apps around the globe such as Whatsapp, WeChat, Kakaotalk, and Line have already demonstrated a rising demand in gift-giving features over the years. Corroborating this increase in market demand, our primary research indicated that potential customers would be excited to interact with their peers and their community by giving gifts through Amazon's platform, and our secondary research posits that Gen Z consumers are characterized by their philanthropic nature as well. Therefore, community giving features will enable Gen Z consumers to both support community causes and personal interactions.

Supplemental Strategy: UI/UX

Centralized / Personalized Dashboard

Amazon Prime Student should provide a dedicated webpage and app to centralize Prime Student information and streamline the Prime Student experience. We propose an opening dashboard where students can see helpful statistics for their physical, mental and community health. The College Alexa virtual influencer (see below) will also be interactive whenever using the app/website to make the experience more personable. A personalized dashboard would not only make the app more user friendly by having an easy user experience, but it would also drive traffic to different Amazon sites through point allocation integrated in the user interface (UI).

Based on primary research surveys and interviews, students overwhelmingly feel that the current Prime Student website is confusing and difficult to navigate. During customer interviews, it took the average customer roughly 30 seconds to identify their favorite Prime Student benefit from the benefits grid. The fractured website translates into tangible negative impacts on Prime Student's finances: as indicated by the surveys, most students were hardly familiar with Prime Student's benefits and, as a result, rarely interacted with benefits other than Prime Delivery.

A redesigned website featuring a home page with a centralized dashboard would greatly improve the Prime Student experience. By streamlining the user interface and integrating other features, students can clearly see relevant health statistics gathered from their Halo device. For example, a student can login to see their relative progress on physical, mental, and community health goals along with a few select statistics. Our current design also emphasizes simplicity and functionality for easy day-to-day use. While the interviewed students were not completely familiar with dashboards, they were enthusiastic about our proposed Prime Student home page.

Metrics to highlight on the dashboard include:
- **Physical Health**

- ○ Amount of steps/distance covered
- ○ Physical activity challenges (see above)
- ○ Calories tracked
- **Mental Health**
  - ○ Time spent on Calm
  - ○ Time spent relaxing by listening to music on Prime Music
  - ○ Information recommendations based on their health statistics
- **Community Health**
  - ○ Current ranking among friends
  - ○ How many points they can use to support community cause OR on "give" features
  - ○ Add/Remove/Replace the causes they support
  - ○ Check their impact so far on their community
- **Points Earned:**
  - ○ Organized point system that shows how much more points they need for a certain goal
  - ○ Quick Goals they can complete now for points
  - ○ Locked/Unlocked prizes that students can redeem to keep incentivizing participation (Prime Video, Grubhub+, Course Hero)

Supplemental Strategy: Advertising

To raise awareness of Prime Health and bring students into the Prime Student ecosystem, Prime Student should launch an advertising campaign centered around a virtual influencer: Alexa in College. "College Alexa" would be an animated character and would serve as a figurehead through which students may engage with the Prime Student brand. By taking advantage of other brands' successes with virtual influencers, Prime Student could regain its relevance among an increasingly digital target audience.

Success of Virtual Influencers

The concept of a virtual influencer is not necessarily revolutionary—IKEA and Kentucky Fried Chicken have created their own with widespread success (Entis, 2019). The success of these virtual influencers as figureheads of companies has drawn attention from both companies and consumers (Hawley, 2021). Aside from being successful as marketing tactics, virtual influencers provide logistical benefits—powered by animation, they are always able to make the most of a trend while human influencers may not. A 2020 social consumption study found that "Millennials and Gen Z are the most attractive target audience for virtual influencers" (Moustakas et al., 2020). Additionally, Scott Guthrie's book Influencer Marketing argues that successful virtual influencers take on the feel of a fictional character, yet are able to provide each viewer with a personalized experience unattainable by a human influencer (Guthrie, 2020).

Alexa in College

College Alexa would be a fun and witty yet anxious animated character who connects with Gen Z students and their needs. Entering (a virtual) college in Fall 2022 as a first-year, she builds on the success of the Alexa name and adds personality to Prime Student. College Alexa will appear on all Prime Student social media accounts, including those on Facebook, Instagram, and TikTok.

College Alexa can connect with students, especially incoming first-years, much more effectively than Prime Student's current advertising strategies. Primary and secondary research found that the two largest issues with Prime Student's marketing strategy are a mismatch between marketing tactics and Gen Z's characteristics, and low engagement across all channels. We summarize the issues encountered and our proposal in the table below.

Issue	College Alexa
Primary research found that students care deeply about their health and are inclined to form parasocial relationships with online personalities.	College Alexa serves as an online personality with whom students can connect. By highlighting Prime Student Health, College Alexa demonstrates that she understands Gen Z students' needs and offers a solution. Combined with the fact that College Alexa is herself a student sharing many of the burdens of moving to college, students are likely to connect with her and thus connect with the Prime Student platform.
There is low engagement across Prime's social media platforms. For example, the average Facebook post has 7 likes.	Virtual influencers have been shown to be engaging, especially with the recent success of Samsung's Sam (Rasmussen, 2021; Saw, 2021). However, brands have been slow to adopt virtual influencers. As a result, Prime Student has the opportunity to not only engage with its target audience, but to differentiate itself while doing so by launching a virtual influencer.

Implementation and Assessment

Implementation Timeline

Date	Start	Market research, pricing, advertisement plan. Target area
August 1st, 2022-	Software Development	• Data compilation from existing Amazon services, aggregate market data to guide dashboard construction • Prototype webpage, app

December 15th 2022		○ Beta-testing for existing Prime Student users ● Integrate other services to synthesize point system, unify across platforms ● Connect to social media platforms and design copy ○ E.g. post templates, captions, posts ● Differentiate regions, communities, affiliations with academic institutions
-	Health research	Compiling "healthy" vs. "not-healthy" standards, target metrics, etc.
-	Supply chain construction	● Coordinate services to be integrated ● Fitness tracker inventory ● Server allocation ● Connecting with pioneering universities ○ University administration
-	Advertisement development	● Storyboard using virtual influencer ● UI development
December 15th 2022- January 15th, 2023	Finalization	Launch ad sequence Ensure compliance with federal and university regulations Incentivize signups by distributing equipment (fitness trackers) Assemble support infrastructure for services Software, customer service
January 15th, 2023- May 31st, 2023	Launch	Full launch of services Short-term program to incentivize social media promotion among users - Cute templates and other share-able tokens/designs Data collection on usage, social media activity, reception of advertisements
June 1st 2023 - December 31st, 2023	Updates	Update cost structures, program UI/UX, incentives Include in summer intern packaging and promote during internship Continue to run advertisements, optimize operations Bonus benefits during Prime Day to push for signups Consider assimilating more services to expand reach and integration of Prime Student

Measures of Success

To track the success of the marketing strategy, Amazon should keep track of four key metrics: penetration rate, first-year conversion rate, average benefit engagement, and core membership transition rate. The table below summarizes these metrics and outlines target projections for the next three years.

Metric	Description	Curr.	Projected Target		
		2021	2022	2023	2024
Penetration rate	The percent of all college students who are active subscribers to Prime Student. 23% of surveyed students said that they used Prime Student.	23%	30%	37%	44%
First-year conversion rate	The percent of first-year college students who purchase Prime Student or use the 6-month free trial. 23% of surveyed students said that they used Prime Student; half of those students were first-years.	12%	19%	27%	32%
Avg. benefit engagement	The average number of Prime Student services with which members engage each month. Through our surveys, we estimate a user engages with an average of 2.3 services regularly	2.30	3.50	3.90	4.00
Core membership transition rate	The percent of active Prime Student users who purchase a full Amazon Prime membership after graduation.	40%	48%	56%	64%

Additionally, Prime Student will benefit from increased brand awareness and reputation. As more students begin to perceive Prime Student to be beneficial to their own health and engage with the brand through the virtual influencer, Prime Student will increase its market penetration rate on college campuses.

Marcom Strategy

Prime Student should communicate its marketing strategy and benefits with the target market in two key ways:

1. The College Alexa virtual influencer will bring mass awareness of Prime Student Health and its gamification to Gen Z consumers. By reaching college students in a

way that resonates with them, the virtual influencer will raise awareness of the launch of Prime Student Health and demonstrate its benefits for college students. For example, College Alexa could publicize Prime Student Health by showing how students might use it in their daily lives. Simultaneously serving as a guide for existing students and bringing new students onto the platform, the virtual influencer will support the marketing strategy by communicating it with students.

2. The centralized dashboard will effectively allow students to understand the benefits of Prime Student. While students found the current website difficult to navigate, the dashboard will be personalized to students' needs. As a result, students can clearly see which Prime Student benefits are most relevant to them, thereby not only understanding the benefits available, but also being encouraged to interact with them.

Distribution and Pricing

Keeping the prices of all other services the same, Amazon should provide discounts and rewards points to incentivize students to interact with its platform. Additionally, Prime Student should give members a 50% discount on Amazon's Halo View fitness tracker. This 50% discount would be a significant incentive to participate in Prime Student Health. Primary research showed that 90% of Gen Z students would be more likely to subscribe to Prime Student and use Prime Student Health if given a significant discount on a fitness tracker. This result is unsurprising—after the discount, Amazon Halo View costs just $24.99, which is 65% less expensive than the comparable $69.95 Fitbit Inspire 2. Gen Z students are highly cost-conscious (Barton, 2020); they will recognize that purchasing the Halo View at the discounted price and having access to all of Prime Student's services represents a more valuable proposition than purchasing a competing fitness tracker without access to Prime Student's ecosystem.

Further, the 50% pricing model mitigates much of the risk posed to Amazon by offering discounts on its products. If Amazon discounted Halo View even more for Prime Student members (for example, by offering a free Halo View tracker for all Prime Student members), it would run the risk of students taking advantage of the discount without engaging with Prime Student services. However, with a partial 50% discount, students who decide to purchase Halo View remain highly likely to engage with multiple Prime Student services, thereby allowing Amazon to recoup any lost profits associated with the discount. By sharing half the cost burden with consumers, Amazon maintains its cost efficiency while achieving the best balance between consumer engagement and bringing more consumers in.

Financials

The overall cost of the plan is $0.58 million in 2022, with net profits expected to be -$1.03 million in 2022, but growing to $0.61 million in 2025. A detailed summary of the assumptions made and key results are presented in the table below.

The costs of the marketing plan are primarily driven by Amazon providing Prime Student members with a 50% discount on Halo View. Assuming that the per-unit production cost for Amazon Halo View is $20, the marketing plan requires an initial outlay of $0.58 million in 2022.

However, net profits from the marketing plan are expected to reach $0.61 million by 2025. As Prime Student members engage with multiple Prime services, Amazon will recoup its investment. Assuming that each Prime Student member spends a net $60 on Prime services annually, the marketing plan will begin to yield net profits to Amazon from 2024 onwards.

The key assumptions made in assessing the financial impact of this plan are summarized in the table below.

Metric	Assumption	Validation
Prime Student share of all Prime members	18%	Based on surveyed students and financial reports (Amazon, 2021) about 18% of all Prime members are Prime Student members. This figure was assumed to be static throughout the marketing plan's lifespan.
Net annual consumer spend on Prime Student	$60	Students who participated in surveys and customer interviews indicated that they spend about $55 on Prime Student services, excluding the cost of the subscription itself; with Prime Student Health, a 10% increase in engagement will result in net annual spend of $60 per member. This is a conservative estimate—engagement is likely to increase by more than 10%, and this also does not account for Amazon's revenues from Prime Student.
Prime Student Health participation rate	34%	Conservative estimates suggest that 34% of Prime Student members will participate in Prime Student Health initially. While a significantly greater proportion of students surveyed said that they would be willing to participate, it is expected that a minimum 34% of them would actually participate.

Year	2021	2022	2023	2024	2025
Number of Prime Student members (millions)	27	28	29	30	30
Prime Student contribution to revenue (thousands)	-	$582	$597	$610	$622
Short-term investment in Prime Student (thousands)	-	$16	$16	$16	$15
Long-term investment in Prime Student (thousands)	-	$567	$582	$594	$606
Net profit change (millions)	-	**-$1.03**	**-$0.42**	**$0.09**	**$0.61**

At a total cost of $2.4 million across all years, much of which is offset by the revenue gains, the proposed marketing strategy falls well under the $20 million annual budget.

Risks and Mitigations

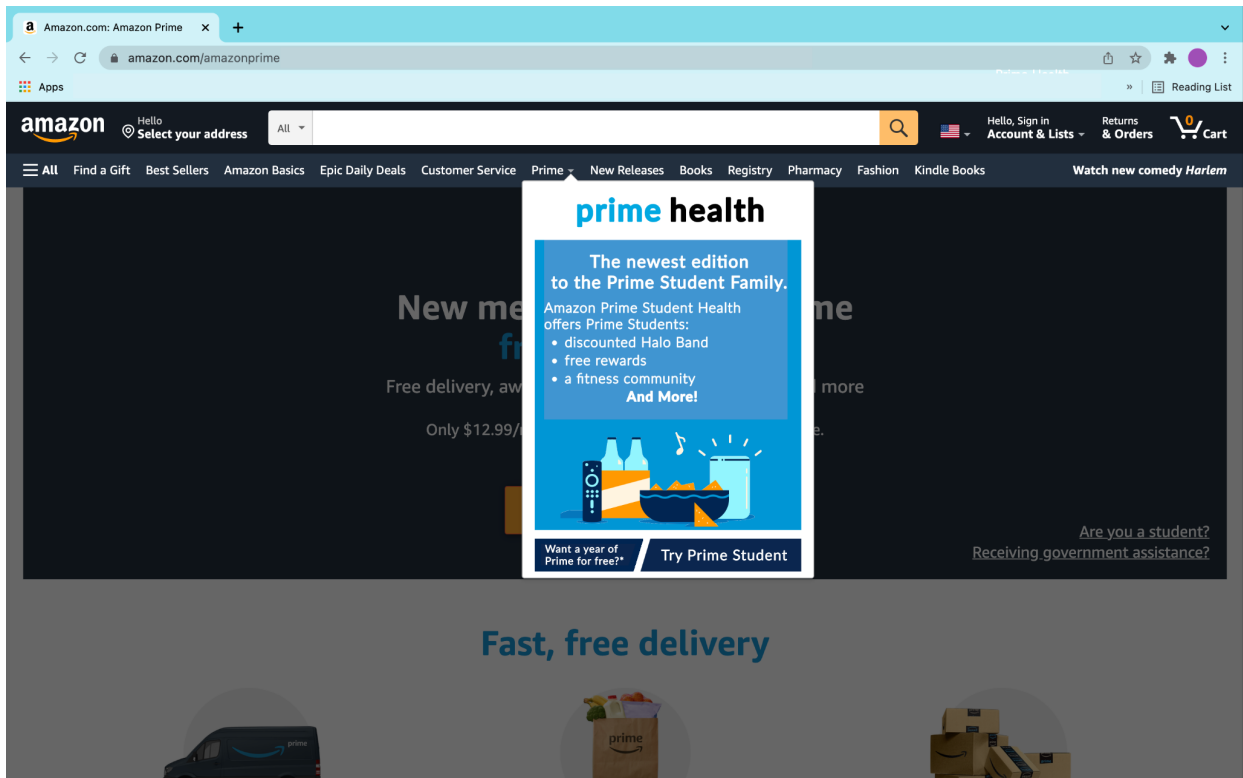| Risk	Description	Likelihood	Impact
Halo View Risk/Reward	Offering students a 50% discount on Halo View is a significant investment for Amazon Prime Student. The chance that students will purchase the fitness tracker at the discounted price and fail to engage with Prime Student's benefits poses a large financial risk to Amazon.	LOW	HIGH
Dashboard Use	Despite designing a new website and app interface for Prime Student members, users may opt to not use the new dashboard interface. Since the new interface links students' interests to personalized Prime benefits, this would translate to low usership of Prime Student offerings.	LOW	MED.
Virtual	Virtual influencers have not been universally	MED.	MED.

Influencer Acceptance	adopted by all brands; as a result, Amazon risks low acceptance of the virtual influencer among the target audience.		

Mitigations

- **Halo View:** Given the integrations that Amazon Halo View will have with Prime Student, students will be incentivized to use Halo View in conjunction with Prime Student to gain additional rewards through the point program. While offering a steep discount on Halo View may be costly initially, our financial analyses (see appendix) show that the Prime Student Health will get breakeven point in 2024 and positive profit from then. Considering 76% of the college students surveyed stated that not only would they interact with a points-based competitive health platform, we predict that there exists a significant demand and interest for Prime Student Health.
- **Dashboard Use:** It is possible that students will rarely use the Prime Student dashboard. However, as the dashboard provides a centralized location where students can see personalized information and rewards, students are highly likely to use it because the dashboard represents a significant improvement in user experience over the current webpage. Moreover, the dashboard's fitness summaries provide updated relevant information so students are incentivized to check it frequently.
- **Virtual Influencer Acceptance:** While virtual influencers have not been universally adopted, College Alexa is built on the successes of past virtual influencer marketing campaigns. For example, IKEA's virtual influencer, Imma, helped to bring the brand closer to younger consumers. More recently, the launch of Samsung's Sam virtual influencer mid-2021 gained widespread attention, especially among Millennials and Gen Z in the US. Consumer interviews with US college students showed that, while many students were unfamiliar with the idea of a virtual influencer, they were "interested" in the idea (see "Primary Research"). One student believed the virtual influencer would make Amazon more personable to students; these beliefs are likely to increase audience engagement with Prime Student.
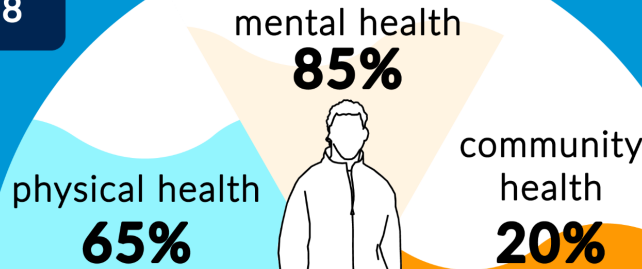
Mockups of Website UX/UI

prime health   Quick Goals   Weekly Goals   Community Goals   Leaderboard   Redeem Points

Hey Alex! You're looking great today.

Alexa

Weekly Goals

Hours slept:
7.7 hrs

Today's Steps:
8,168

Leaderboard Ranking:
2nd

mental health
85%

physical health
65%

community health
20%

prime health   Quick Goals   Weekly Goals   Community Goals   Leaderboard   Redeem Points

Love the work Alex! Your next
Quick Goal expires in: 50 minutes.

Alexa

x2 pts

30 minutes left

Meditate for 50 minutes
10%

mental

8 hours left
Run 2 miles
56%

physical

x3 pts

2 hours left

Complete 1 community goal
32%

community

5.5 hours left

Walk 5 miles
92%

physical
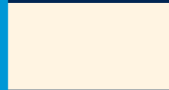
Quick Goals completed this week:

3

You have a ways to go to complete your goals. But you got this!

Alexa

weekly **running (min):** 34/300

600 pts + 100 bonus!

weekly **calm breaths (min):** 25/105
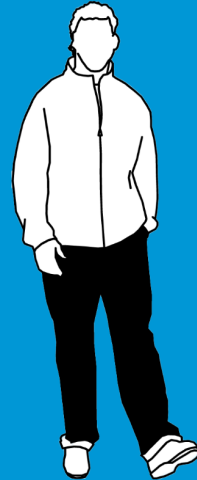
210 pts + 50 bonus!

weekly **community goal (steps):** 13,021/70,000

500 pts + 250 bonus!
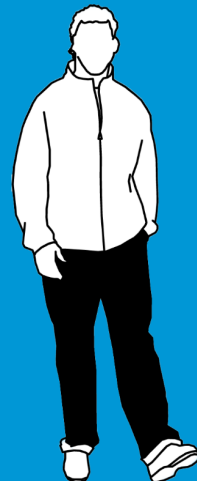
Your community is working hard! Keep pushing Alex!

You're in the top 40%!

Alexa

Overall Weeky Point Goal:
2.9 mil / 20 mil

Special Goal: Steps!
15.7 mil / 70 mil

prime health   Quick Goals   Weekly Goals   Community Goals   **Leaderboard**   Redeem Points

Alexa

Wow, you're in 2nd Place Alex!
Your work is definitely paying off.

Name	Weekly Points
Adam	1,020 points
Me	930 points
Baker	710 points
Clark	400 points

prime health   Quick Goals   Weekly Goals   Community Goals   Leaderboard   Redeem Points
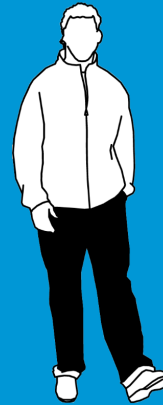
Alexa

Alex, you have a lot of points!
Why not treat yourself to a free gift?

18,952 points

Prize #1 1,000 pts	**Prize #2** 2,000 pts	**Prize #3** 2,500 pts	**Prize #4** 5,000 pts
Reedem	Reedem	Reedem	Reedem

Prize #5 7,500 pts	**Prize #6** 10,000 pts	**Prize #7** 15,000 pts	**Prize #8** 20,000 pts
Reedem	Reedem	Reedem	Reedem

Financial Projections

Revenues, Expenses, Operating Income Projection

		Actual/BGT		
	2017	2018	2019	2020
Operating Revenue (Actual)	$177,866	$232,887	$280,522	$386,064
Growth Rate		30.93%	20.45%	37.62%
Additional Revenue Effect from Prime Student Health	-	-	-	-
Growth Rate	-	-	-	-
TOTAL REVENUE	$177,866	$232,887	$280,522	$386,064
Growth Rate		30.93%	20.45%	37.62%
Operating Expense	$173,760	$220,466	$265,981	$363,165
Growth Rate		26.88%	20.64%	36.54%
Additional Operating Expense from Prime Student Hea	-	-	-	-
Growth Rate	-	-	-	-
Total Operating Expense	$173,760.00	$220,466.00	$265,981.00	$363,165.00
Operating Income	$4,106	$12,421	$14,541	$22,899
Growth Rate	-	202.51%	17.07%	57.48%
OI %	2.31%	5.33%	5.18%	5.93%

Revenues, Expenses, Operating Income Projection

	Projections				
	2021	2022	2023	2024	2025
Operating Revenue (Actual)	$437,392	$504,615	$571,838	$639,061	$706,284
Growth Rate	13.30%	24.67%	24.67%	24.67%	24.67%
Additional Revenue Effect from Prime Student Health	-	$0.58	$0.60	$0.61	$0.62
Growth Rate			2.73%	2.04%	2.00%
TOTAL REVENUE	$437,392	$504,615	$571,838	$639,061	$706,284
Growth Rate	13.30%	15.37%	13.32%	11.76%	10.52%
Operating Expense	$409,276	$470,649	$532,022	$593,395	$654,768
Growth Rate	12.70%	15.00%	13.04%	11.54%	10.34%
Additional Operating Expense from Prime Student Hea	-	$0.58	$0.60	$0.61	$0.62
Growth Rate					
Total Operating Expense	$409,275.50	$470,649.08	$532,022.10	$593,395.11	$654,768.12
Operating Income	$28,117	$33,966	$39,816	$45,666	$51,516
Growth Rate	22.78%	20.81%	17.22%	14.69%	12.81%
OI %	6.43%	6.73%	6.96%	7.15%	7.29%

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