

GLOBAL MARKETING DIGITAL BUSINESS



Introduction

- Amazon is a leading US e-commerce cloud giant
- The company has considered strategic innovation within their operations
- The company is currently offering digital contents like music, films and application
- Amazon is a major player while considering consuming gadgets including but are not limited to AI, TV packages and
- The company is also a Hollywood participant who has won 2 Golden Globe Awards in 2017
- The company is focused on providing long term customer satisfaction and retention through their products and services
- The aim of continuous expansion of the markets has enabled the company to consider different market strategies within their operation
- Presently, the company shows wide-range of global presence but still has some countries to expand its market.



Scope

- The assessment has given an idea about the creativity and innovation
- Keeping the recommendations and assessment in view, a suitable market entry method has been considered
- The digital marketing plan has been analyzed within the process keeping the target country in consideration
- The overall plan will assess the possibility of a newer market expansion into a country with better prospects considering the SOSTAC marketing plans
- The Republic of Cuba has been considered as the target country for a brand new market through joint venture mode of entry.



Market entry method

- The company will consider the joint venture method to enter the Cuban market
- Amazon shall enter into joint venture with leading Cuban companies like Habanos S.A. or Biocubafarma Business Group
- The local business giant shall help them enter the local market and become part of the open economy

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Rationale for choosing the method

- Joint venture is an efficient mode of market expansion since it opens up new grounds and helps the company exploit the potential of the target country, as well as minimise risks and investments and utilise the knowledge of the local business minds (Parameswar *et al.* 2018)
- Compared to other modes of market entry, this should be the least bothering with better returns since other ways like exporting seems to get much political interference, whereas licensing and franchising demand greater investment
- Piggybacking too makes companies dependent on foreign partners for reputation which is quite risky



SWOT

- The situation may not be ideal but indeed one to provide great scope for market expansion
- Amazon excels in good customer feedback and great response which shall help as its strength
- Brick-and-mortar presence shall be a weakness which can be overcome through joint venture support
- Cuba provides great opportunity as an underdeveloped country with backward amenities and supplies but equally bigger market
- The advantage is there are no competitors to provide digital marketing threat as such.



Rationale for choosing the country



- The Republic of Cuba is chosen as the target country
- Cuba is a developing country with not much digital marketing access
- Though it has high potential, the customs and political interventions do not allow foreign trades to enter the national market
- Though globalisation has made its impact, Amazon is still in negligible trade relations with Cuba



PESTLE

- Political factors are the main concerns since an outside company faces considerable backlash before their local government (Political factor)
- Foreign companies also get stuck in exchanges in customs, getting a blow on their economic backbone. (Economic factor)
- Social factors can be utilised to their advantage since local residents and workers often prove ideal in enhancing brick-and-mortar presence (Social factor)



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- Technical factors should not be an issue since joint venture bypasses overseas supervision concerns and local assistance shall be helpful in promoting the market (Technological factor)
- Cuba provide a great potential environment with not much competition (Environmental factor)
- Legal factors are often issues which are further a reason for local partnerships and mutual trade relations (Legal factor)



SOSTAC digital marketing plan

- The present situation is where Amazon is but a guest to an open economy but with high restrictions to prevent foreign entry (Situation)
- The objectives are clear as to designate a new target country for market expansion and digital footprint enhancement (Objective)
- Joint venture is the primary strategy to enter their business atmosphere before familiarising with the local information (Strategy)



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- The exact tactics require the mutual benefits of both companies. Amazon shall promote the brands of the local giants and they in turn shall provide the labour-force for their recognition (Tactics)
- The plan of action includes a joint venture agreement to bypass the authority hindrances and then setting up of a brick-and-mortar framework to better familiarise locals with the company (action)
- The mutual understandings and trade relations shall benefit the company regarding monitoring to ascertain success. This shall also be assisted by online monitoring. (Control)



Need of digital innovation and creativity

- The people of a developing country with a poor economy will not exhibit demand trends like other developing or developed countries.
- Digital innovation is the need of the hour, especially in a country like Cuba considering the fact Amazon's digital expansion is already thinning out.
- Brick-and-mortar presence is very important, especially in a poor country to build trust among locals and establish the face value of the company.



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- The local companies shall be instrumental in setting up of the brick-and-mortar framework
- The local workers or residents themselves shall be utilised for the work providing them a means of earning too
- This shall work both ways in providing them with capital power to invest on marketing online as well as benefiting the company to indirectly gain customers and increase returns.



Amazon and innovation

- Creating cultural alignment for respecting ideas gathered from all levels and implementing them as a sense of urgency.
- Amazon uses its home country to test the market to gather customers' insight and feedbacks (Robert Tucker (2018)).



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- Amazon believes in “data-driven, customer-led innovation”(Robert Tucker (2018)
- Third part partnership or investment within the host country (Peter Daniel, 2020)
- Supporting local talents to reform the joint venture market entry within Cuba.



Implementing innovation

- Expanding the corporation design to supports the increase in customers demands (SCM Globe, 2014)
- Amazon developing brick-and-mortar model of business (Amankwah-Amoah, 2018)



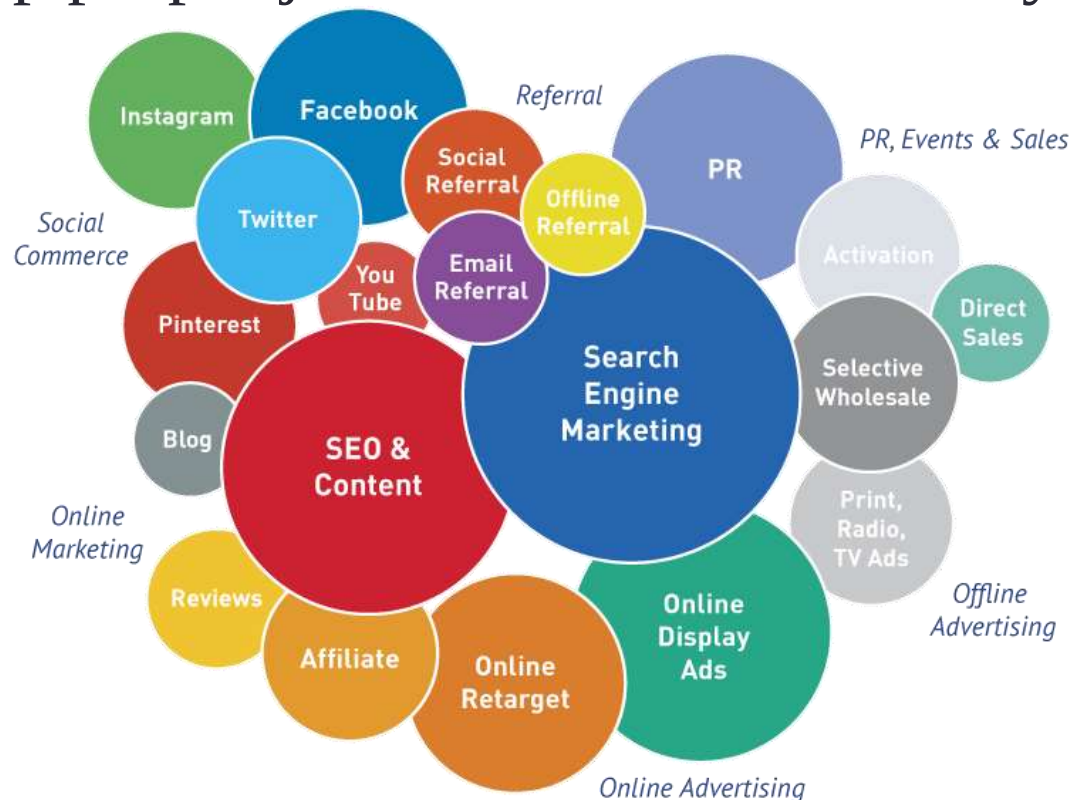
Action plan

- Selecting the marketing goal for Amazon regarding joint venture
- Identifying the target customers within Cuba
- Developing the creative concept of marketing related to joint venture
- Determining offers for the customers



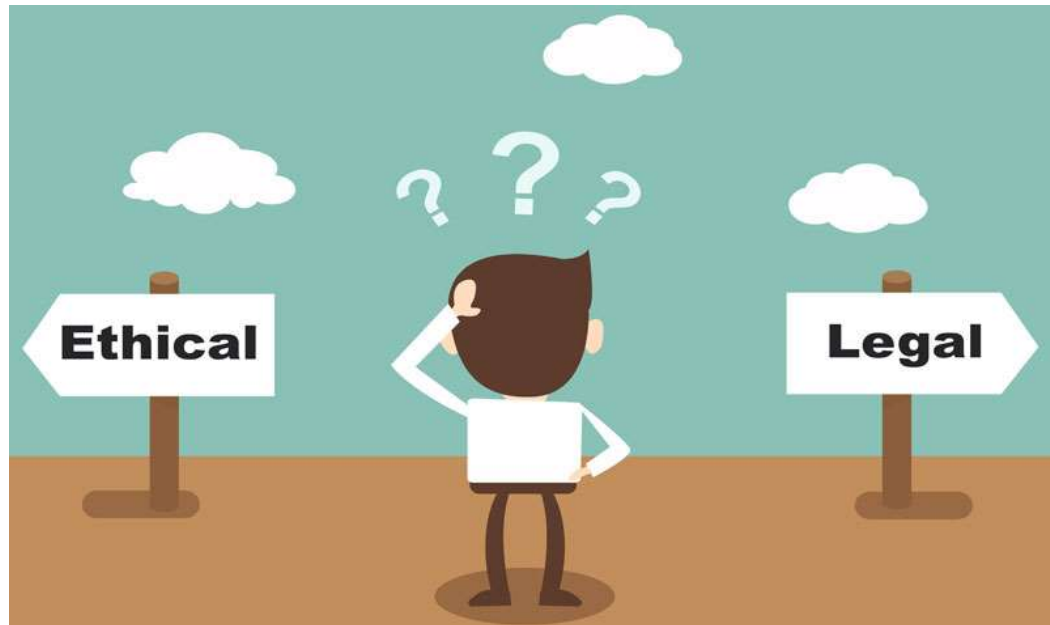
Budget

- Around 500 million CUC will be required as a budget to develop proper joint venture market entry



Ethical considerations

- Complex legal challenges present within international markets(Kosgei, 2017)
- The difference in perception due to cultural differences



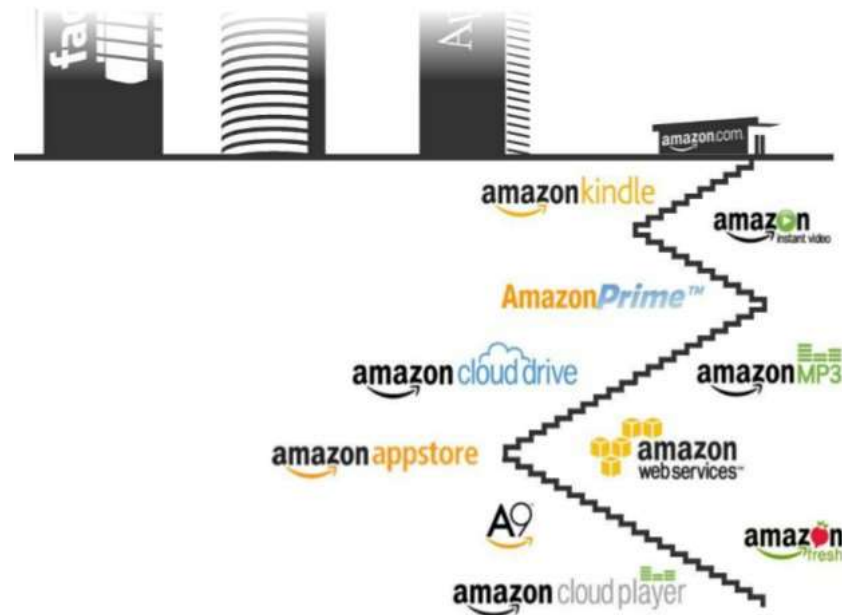
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- Crowdsourcing will be preferred by Amazon to make a strong brand image in the target market.



Recommendations

- Continue diversification within the target market for further improvement.
- Should develop new partnerships with third parties to penetrate new markets



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- Offering free shipping for a certain amount of purchase
- Amazon should expand its business in developing countries to enter new markets.



Conclusion

- Amazon has to change its policy into developing effective quality products over volume to increase competitive advantages
- The strong customer support provided by Amazon helps the brand to have the huge customer base
- By partnering with the third party and the new partnership will help the company to enter the new market.



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