

# **Consumer Behavior**

aZillion Words

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## **Introduction**

Despite the considerable growth in businesses of e-commerce through the B2B and B2C model, several problems occur in terms of customer satisfaction and customer journey mapping in overall retail sales E-Commerce sites (Elia, 2021). Statistics have shown that the concentration of e-commerce business has a limited part in overall retail sales and the market is very high (Holter et al., 2020). This paper focuses on the evaluation of customer journey in two global retail giants of the same category namely Amazon and Alibaba. The paper focuses on the five key phases of the customer journey in e-commerce and evaluates the organizational approach towards e-business through customer journey mapping. The paper also goes on to compare and contrast the processes of retail e-business websites executed effectively. At the end of the report a new business proposal has been provided with best features identified through the evaluation and analysis of e-business concept of two retail business house. The new business has been proposed on the retail products related to children and their studies. The name of the e-commerce website is Schoolify.

## **Background of the E-commerce Giants and reasons behind the selection**

Amazon has been taken here as the leading E-Commerce giant providing worldwide retail services in almost all countries. Amazon has set one of the forefronts of innovation in the e-commerce business through logistics and operations. This company hosts several options designed to get the customer satisfied through doorstep delivery with minimal efforts on the customer's part. Amazon has also made buying or returning products and services effortless from its application. As an online retailer Amazon is competing with one of the biggest challenges of the e-commerce retail market in the actual delivery of items easily to the customers and its related shipping charges. On the other hand, Alibaba contrary to Amazon in 58 countries and have an online population of 1.2 billion, has achieved a 1 billion online population with a presence in only 15 countries. Alibaba is not as uniform as Amazon. While Amazon has a presence all over the world Alibaba owns very popular East Asian tobacco and laser the market (Holter et al., 2020). Alibaba has also invested heavily in Tokopedia which is one of the most popular online eCommerce marketplaces for the country Indonesia. These two companies have been evaluated based on their customer journey mapping.

## The 5 Key Steps: Customer Journey Mapping

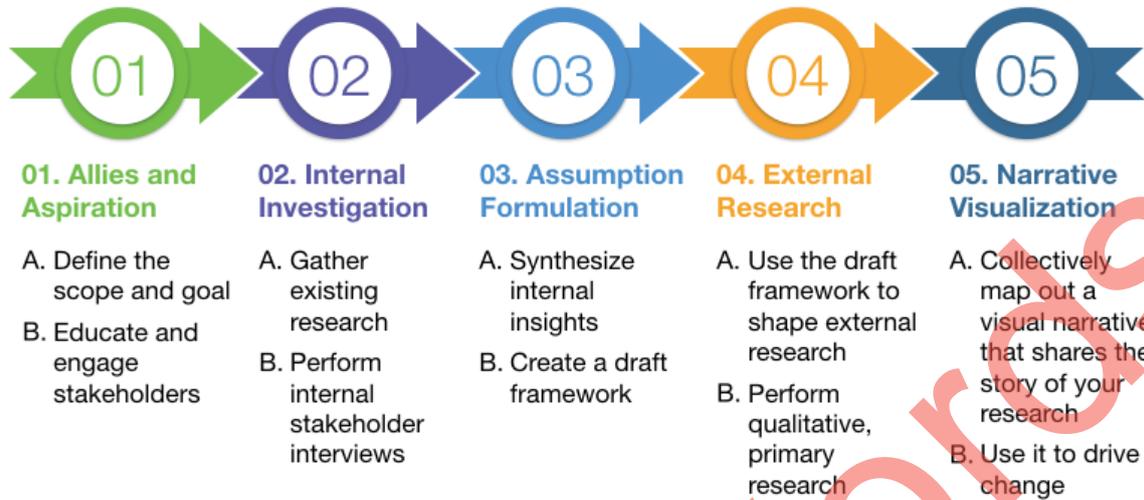


Fig: Customer Journey Mapping in E-commerce Retail Business

Source: (Elia, 2021)

## Main Findings

### Customer Journey Mapping – Amazon & Alibaba

There are a total of 5 phases in the customer mapping model in terms of the online e-commerce retail environment (Elia, 2021). In both companies also these five key phases are acting as the main driver of sales. Site landing is the first phase where internet searches are coming ruthlessly and they are unforgiving. Both provide scope for quick easy and sequential information on the top of their first page. The landing page is highly convertible as they provide audiences with their preferences on a golden platter. The minimal background, prominent lead capture button, bright accent colors, product specification, product usage details in the video, the discount offers, scarcity incentive such as great sales deal of the year, emphasis on sales order discount and pop-ups of different other products where an incomparable number of discounts and offers are provided (Holter et al., 2020). There are testimonial quotes on shopping experiences.

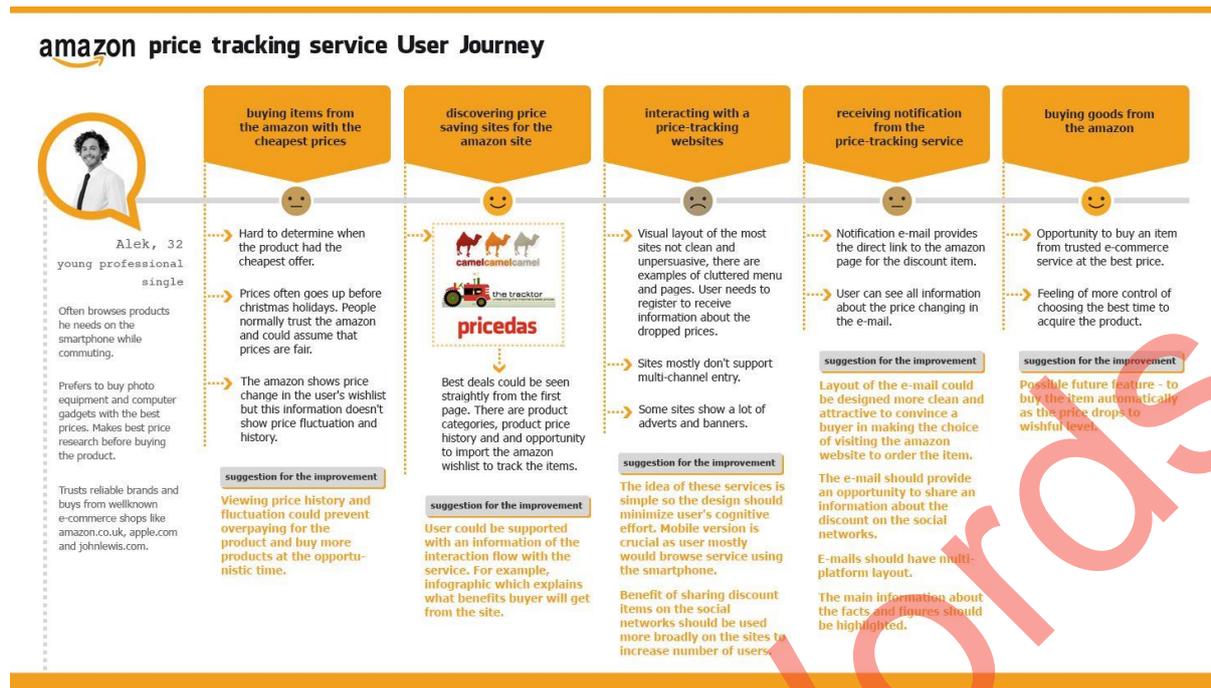


Fig: Amazon Price Tracking and Customer Journey

Source: (Amazon, 2021)

The SEO and URL strategy of Amazon and Alibaba is one of the best as it is oriented to user-specific requirements and creates pages accordingly. The product discovery is very easy as Amazon provides a search button on the top of the page where if you are searching for any product just with two or three types letters of the product a whole range of product and its variations comes in the dropdown button from where the customer can select and categorize accordingly (Amazon, 2021). These companies also provide the sorting and ordering offer from filter and sort according to relevance popularity price or rating options. The product reviews are available in terms of demonstrative videos and there are many recommendations where you can see whether customers have evaluated the product in terms of quality, price, and post-delivery service (Elia, 2021). Amazon provides a bird's eye view of all the products and their details to mobile app for online portal visitors (Amazon, 2021). Alibaba brings together specific feedback resolving procedures to understand the core customer journey policies and to develop the customer mapping process through modifications (Alibaba, 2021).

Both the sites build higher and faster customer conversion rates by minimizing the negative experiences. It also improves the customer retention policy through an appropriate understanding of specific stages in the procurement cycle and ensures the correct information

as well as is in the delivery process to the entire range of buyers (Alibaba, 2021). Amazon and Alibaba also allow following a single customer journey through a specific path. In this manner, it tries to understand the matrix of customers' needs and specifications and the fallout rate. It helps the sights to provide opportunities to bring customers again and again on the website and mobile app. Both also allow all the businesses and stakeholders to prioritize their actions according to customer satisfaction strategy. Amazon also evaluates the gaps between departments and channels and set the major target actions in terms of inquiries, orders, and purchase (Amazon, 2021). The products are described uniquely with images and videos in Amazon whereas in Alibaba the customer doesn't get the option of video and audio demonstration. In Amazon, there are reviews and recommendations from all the customers who have already purchased it which makes the product configuration reliable for another prospective customer. On the other hand, in Alibaba, one can only review the product in a particular geographical location.

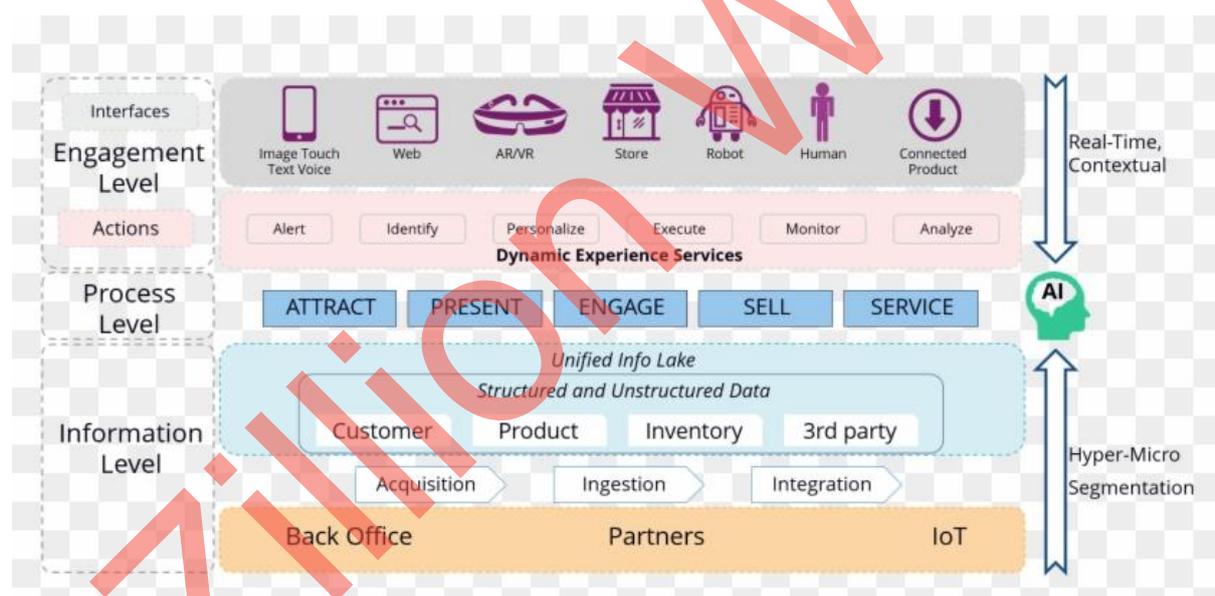


Fig: Alibaba Customer Mapping Journey

Source: (Alibaba, 2021)

In amazon, the purchased product's photos, video, and images can be uploaded by customers as feedback after delivery and new customers who are coming to buy these products can see the feedback and customer ratings directly (Martin et al., 2021). On the other hand, in Alibaba customers can only comment on experiences. Payment gateway management is also very easy as the card gives you the option for multiple addition or subtraction and it also shows expected

delivery time. The products on the wish list are easily accessible as both provide notification to their users regarding any product getting unavailable or out of stock (Opresnik, 2021). There are many recommendations given by the app where a customer gets to know what to buy and what not to buy. While checking out any customer who has not yet registered for the application can also do a guest checkout and place the order with options such as payment through credit card debit card net banking Google pay Paytm, UPI, BHIM, Phonepe, Amazon pay and also cash on delivery option.

Alibaba provides offers from different Bank services with collaboration and provides an offer to its customer for a particular amount of purchase a discount of 5%,10%, or 15% from any particular Bank credit card or debit card (Martin et al., 2021). The order tracking is also available and Amazon also sends order tracking information in the mobile number associated with the order or email id. The customers are also provided with the feedback option after the purchased item has been delivered and customers may also get a call from a customer care executive regarding the experience of shopping on Amazon.

## **Analysis**

### **Comparison and Contrast Between both the Customer Journeys in Amazon and Alibaba**

In the e-commerce market, the two largest E-Commerce retailers Alibaba and Amazon have tremendous competition in engaging the Global crowd. In the customer journey experiences, the reality is far more complex as they are quite different in engaging their customers (Opresnik, 2021). While Alibaba has almost 80% of online purchases in China Amazon has most of the customer purchases from 58 countries in the world. Alibaba's business model is compared with the eBay business model where Alibaba acts as a middle man and facilitates a transaction between the customer and the seller (Martin et al., 2021).

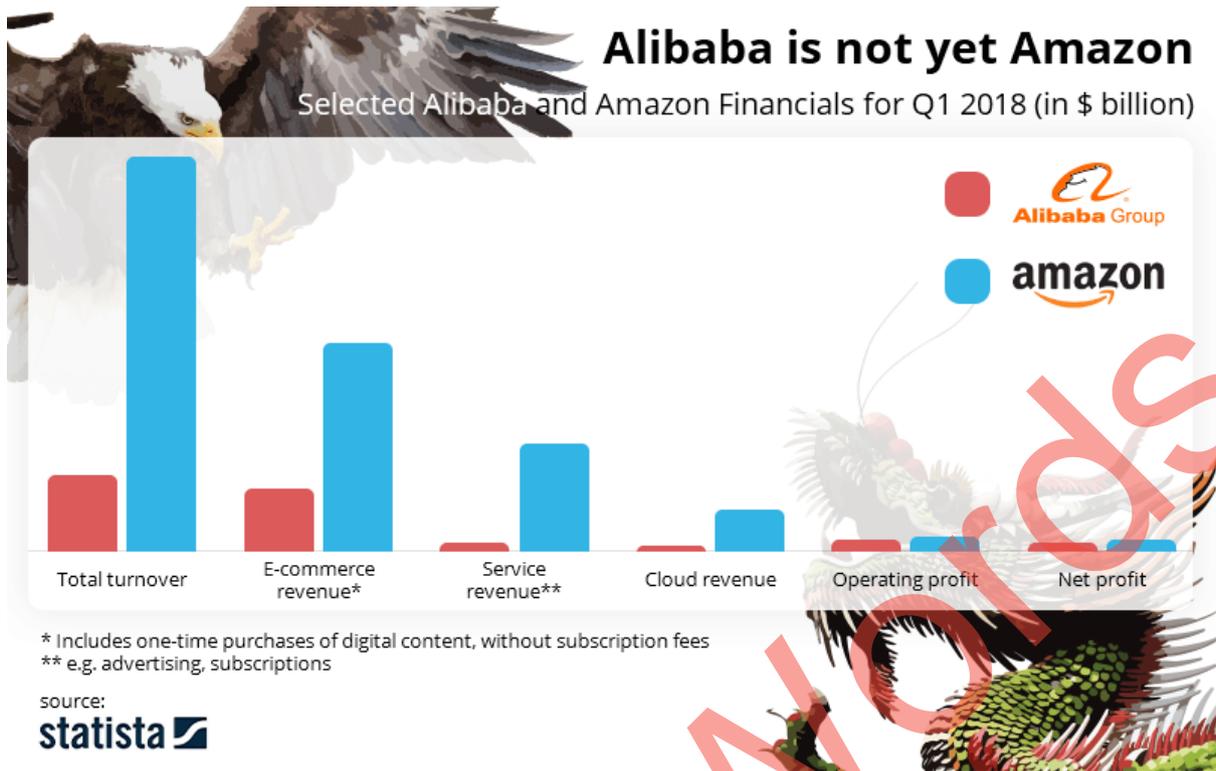


Fig: Alibaba Amazon Financial Reach Comparison 2018 quarter 1

Source: (Statista,2018)

On the other hand, Amazon as a tech company has come up as one of the largest E-Commerce retailers overcoming Walmart, and most of the subscribers of Amazon are American (Rahmalia and Tricahyono, 2020). Amazon has a scheme for customers which provides impressive membership offers and opportunities. The biggest difference is Amazon manages different programs called Amazon Seller Central and Amazon Vendor Central with the seller Central becoming seller either to a first-party or third-party partner (Amazon, 2021). On the other hand, Alibaba simply acts as a middleman. Amazon has its inventory which has been advertised and sold directly from the E-Commerce platform and Amazon also purchases merchandise from wholesale retailers in the market and sets a price higher than the market price before selling it to the customer with a discount (Statista, 2021).

## China's Amazon Is Not Quite Amazon Yet

Key financial results of the Alibaba Group and Amazon in the first quarter of 2018



Fig: Alibaba Amazon Financial Reach Comparison

Source: (Statista,2018)

In the case of the Amazon seller Central program, the seller is the full responsibility of inventory and Amazon only acts as a channel between buyer and seller. Amazon is forced to operate warehouses to keep the products where is Alibaba does not have any warehouses (British Insider, 2021). The subscription-based business model for American has been very successful called Amazon prime and it provides Amazon the opportunity to gain customer loyalty through providing various flexibilities to the seller and discounts to the buyer American (Rahmalia and Tricahyono, 2020).

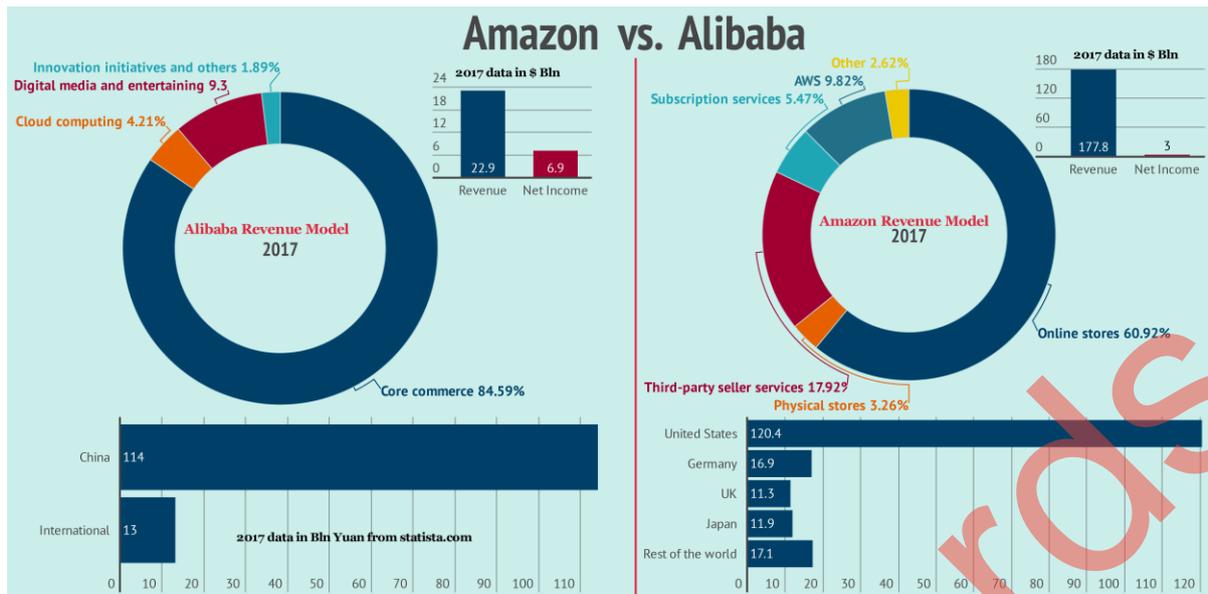


Fig: Revenue comparison Alibaba vs Amazon

Source: (Statista, 2021)

Amazon also provides an opportunity to the customers to enjoy other services like free streaming of music and movies as well as same-day shipping and many more through the subscription of Amazon prime (Saleh et al., 2019). Alibaba does not have any scheme like that. Amazon also founded Alexa for a virtual assistant experience of customers which keeps the customer engaged with conversation as a portable bot. Alibaba in its Global shopping festival has achieved a record number of earning during the 24-hour marathon sale reaching the 1-billion-dollar mark in 1 minute 25 seconds (Alibaba, 2021). According to digital commerce 360, in customer mapping policy Amazon does not communicate well with gross sales. It has only been reported over 175 million products were sold in the discount offers going through today's extravagant shopping experiences held in July (Amazon, 2021). On the other hand, the Alibaba 11.11-win contest has made 2.5-time bigger money than Amazon. Amazon has subsequently failed in China because of the domination of Alibaba and jd.com. Amazon's Prime subscription model provided the option of fast delivery and discounts but did not provide any different equation between local competitors (Wagner et al., 2020).

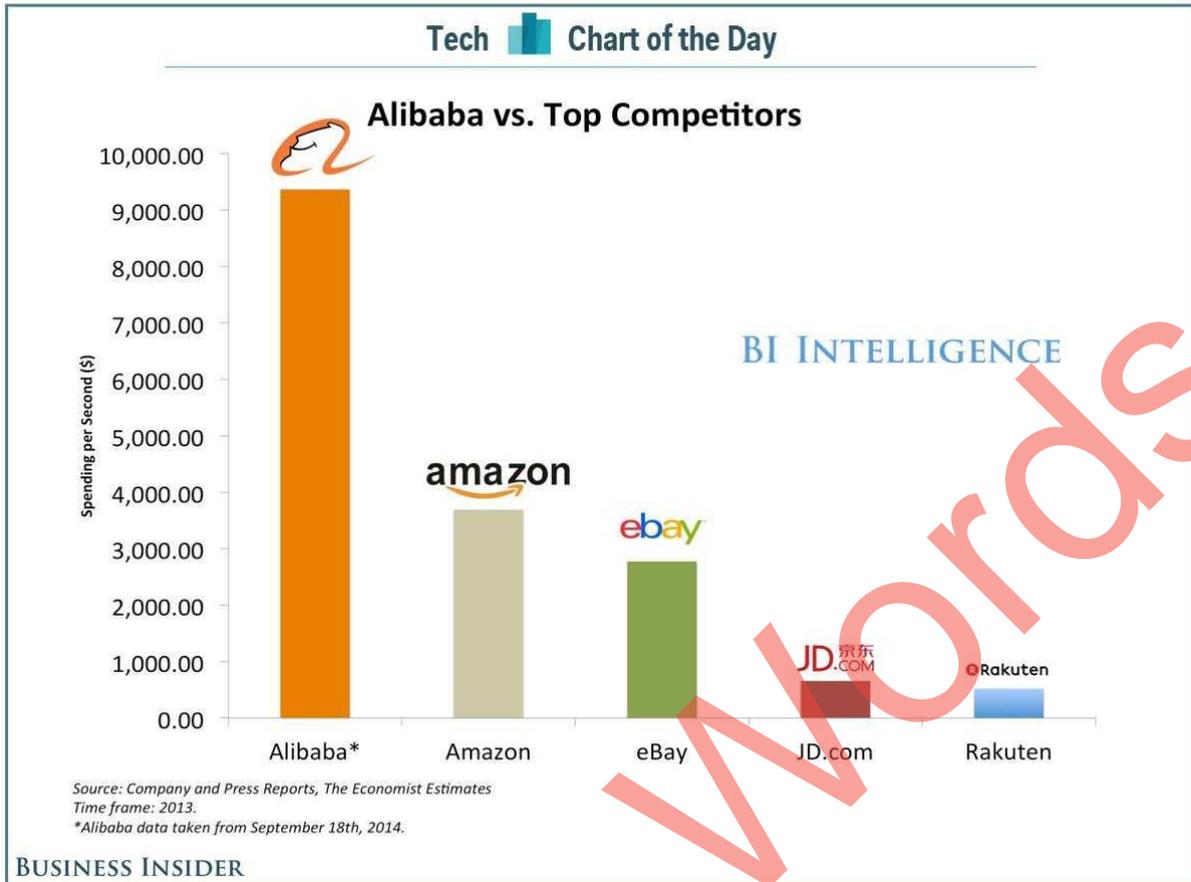


Fig: Alibaba vs Top Competitors

Source: (Business Insider, 2021)

Alibaba as a Chinese company offered free shipping irrespective of whether the item was prime or normal. Business Insider magazine has also mentioned that the mobile application of Amazon has design flaws and is lagging behind the Chinese competitors like Alibaba. Amazon could only achieve 66% of e-commerce purchases through the online model from mobile phones in the year 2019 with an amount of 450 billion dollars (Statista, 2021). However overall amazons' application is not at par with competitors' applications being more festive and colorful (Salin, 2021). Amazon also provides a brand loyalty option by giving its customer the option of getting tagged with a particular bank for getting the Amazon to pay credit card. This credit card helps the customers to purchase from the Amazon platform for up to 40000 dollars in a year. Alibaba does not have any facilities like that (Vakulenko et al., 2019).

## **Conclusion**

As discussed above both the companies Amazon and Alibaba has certain strengths and weaknesses and while Alibaba enjoys a joint image in China with a deep understanding of the Asia-pacific market Amazon has a different story in the American market. Amazon has made its existence very strong in a global market where is Alibaba still needs to solidify its image. However, the win-win concept by e-commerce retailers does not provide the option to the younger generation for socially and health-conscious consumers.

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# Proposal



<https://www.futureschool.com/resources/homeschooling-statistics/>

Fig: Mozlow's Hierarchy of SEO Needs

Source: (Statista, 2021)

***This Business website is proposed to be called Schoolify E-shop.*** The new website is the new model of e-commerce retail business that will be based on children's specific products and services.

This website will keep in mind the main focus on primarily school-based products, books, e-books, kindle, school bags, shoes, socks, different uniform options, soft toys, technically advanced electronic toys, technical learning materials, pencil boxes, pens, pencils, sharpener, colors, drawing books, Playschool materials, sports items, hygiene items, etc. The website will provide options for or home-school to children with 15 to 30% advanced performance level than the local or regional institutes on standard examination. The website will also offer home-schooling for parent or educator if he or she is certified, teacher. This website will be able to educate around 5 million children in a home-based educational set up initially. Later this number can be further increased. To overcome the problems faced by Amazon and Alibaba there is a new Website model for best customer mapping proposed is through Mozlow's Hierarchy of SEO Needs.

There will be a strategic positioning model to have search engine optimization to enhance the business. The customer mapping will be well defined through organizational planning maximum growth opportunities. Cycling for customers will be very exciting as they find various options and a smooth implementation as well as careful planning of their expectations. This company will receive the order, process the order, pickup, pack, manage the inventory, and proceed with the shipment. Experiences there will be a model of feedback forms regarding logistics delivery within 24 hours (Salin, 2021). The system will be available 7 days a week. The parcel will be delivered after equality checks from centers before getting sent to the customer. An Integrated Technology for a flawless delivery system will be provided. For domestic customers, the shipping charges will be minimum or negligible. For marketing promotional strategies, they will understand the buyer's journey by monitoring the trend of buyers' purchases from start to end (Vakulenko et al., 2019). 24 into 7 customer service assistants will be available to clarify any of the products or services. The company will also go for social media marketing through network advertisement and branding to boost up the traffic on its website. Demo classes will be provided for 7 days and if the customer doesn't like the product there will be an option for return with a 100% cash back guarantee.

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