

Strategies for Achieving Competitive Advantage: The Case of Amazon

Verawati Onggowidjojo

managemaster.verawati.o.22@ukwms.ac.id

Faculty of Business

Widya Mandala Catholic University Surabaya, Indonesia

Lena Ellitan

lena@ukwms.ac.id

Faculty of Business

Widya Mandala Catholic University Surabaya, Indonesia

ABSTRACT

This article discusses the Amazon company's efforts to achieve competitive advantage, especially in the field of technology. The development of technology has been very rapid lately, and continues to emerge, which has made many companies concentrate on businesses related to technology. With technological advances, companies have to immediately learn to implement, develop, analyze and modify and continuously innovate technology so that they can learn from the success of the Amazon business which is experiencing phenomenal success both in the United States and throughout the world. Online business has experienced a scientific cycle of evolution that we all know. Online business itself was born because it was triggered by the birth of the internet. One company that can continue to maintain its competitive advantage in the field of technology and become a giant in its online business is Amazon. It is very difficult to compete with the business created by Jeff Bezos, because Amazon is always updating its marketplace with superior technology, one of which is using drone technology which can speed up package delivery compared to other marketplaces. So that more and more people are interested in using the Amazon marketplace because delivery is precise, fast, accurate and trustworthy so that it can maintain its competitive advantage compared to other marketplaces. This article also discusses various comprehensive marketing strategies, especially discussing the competitive advantages of Amazon's very well-known product, namely Amazon Prime Air. Jeff Bezos' very strategic leadership style makes the company increasingly leading, and achieves optimal competitive advantage.

Keywords: Competitive advantage, marketplace, Leadership, Marketing strategy.

INTRODUCTION

In the current era of the 4th industrial revolution, there are several countries that are heading towards the 5th industrial revolution. Almost all of them use technology to run their business, so they can reach levels of society in a region or country. Online business has experienced a scientific cycle of evolution that we have all felt recently. According to Shabazz, 2004; Coffman and Odlyzko, 2001) the resistance is gradual. Online business itself was born because it was triggered by the birth of the internet. One company that has continued to survive well during the growth, decline, and revival of online businesses is Amazon.com (Kha, 2000; Casey and Carroll, 2004).

Amazon is a world-famous marketplace giant and is very famous and is number one in the world because of its prowess in the field of e-commerce. However, first we have to look at the background of its success story before it became the marketplace giant it is today. The strategy used by Amazon is based on very strategic thinking that is able to create and bring competitive advantage to the company, will increase the value of the company itself and will increase the quality of competition in the industry it operates in (Porter, 1994).

From a strategic point of view to achieve competitive advantage, according to Porter and Villar (1985), competitive advantage as a company's ability to achieve economic profits above the profits that competitors in the same industrial market can achieve. Companies that have a competitive advantage always have the ability to understand changes in market structure and are able to choose effective marketing strategies (Porter, 1994). The marketing strategy is developed in several stages, namely: analyzing trends or tendencies based on patterns, environmental analysis (SWOT), making choices about the strategy to be chosen, choosing the strategy that is considered most appropriate, transforming the strategy into action (Pearce and Robinson, 2003). Salah One form of strategy to achieve competitive advantage is Value Chain Management (Porter, 1994), which is a collection of activities to design, manufacture, market and deliver products to consumers so that consumers can experience added value in addition to the products or services they purchase (Porter, 1994) . Strategy can provide sustainable competitive advantage so that companies can have an advantage in strategic resources. These strategic resources have the characteristics of value, rare, imperfectly imitable (difficult to imitate), and non-substitutable (irreplaceable) (Henry, 2008). And this is what Jeff Bezos implemented for his company called Amazon.

Jeff Bezos started Amazon for the first time on July 5, 1994 in his garage located in Bellevue, Washington DC, United States. The initial capital came from Jeff Bezos' own personal money, which was worth 10,000 US Dollars because he saw the potential opportunity from growing internet usage by 2,300% per year by opening a business selling goods online (Kotha, 1998; Mc Carthy, 1999). Jeff Bezos' initial goal in starting his own business was to create a small-scale bookstore, and his hope was that the bookstore he presented could be purchased by consumers throughout the world using an online system. The first book that was successfully sold through the Amazon site was a science book entitled Fluid Concepts and Creative Analogis by Doug Hofstadte, on April 3, 1995.

At the beginning of its founding, Amazon succeeded in receiving orders from consumers in the United States in 50 states and 45 countries throughout the world. In 2011 Amazon became one of the eleven most expensive brands in the world of information technology with a brand value of US\$ 18.6 BILLION (Interbrand in Business Insider, 2012). Amazon.com's growth was achieved through four strategic pillars, namely: (1) service, (2) customer connection, (3) supply chain management, and (4) diversification (Amazon Watch, 2012). Customer service involving all existing employees without exception. Consumer connection involves building websites in various languages. Supply Chain Management involves building many Amazon.com warehouses in metropolitan areas and diversifying Amazon.com by expanding the business beyond just selling books and online retail stores.

Amazon is starting to spread its wings to become an octopus company by employing 341,400 employees with revenues of \$136 billion dollars in 2016 with a profit margin of 1.74% (Pramisti, 2017). From initial capital worth 10,000 US dollars, Jeff Bezos has been very successful in developing Amazon into a company or organization with a capitalization value of 1,670 trillion US dollars in 2021.

Amazon is a multinational marketplace company based in Washington DC, United States which has become the largest in the world because of its competitive prices and only adds small profits but plays a large number of consumers. Currently, Amazon has turned into an e-commerce giant whose products do not only offer books but have turned into a marketplace that provides daily necessities products such as Vesta (which sells household robots), Amazonetube (online videos that want competing with YouTube), providing entertainment content such as technology-based video games, compact discs, computer software, Amazon Prime Air (a membership service that offers fast delivery), Amazon Fresh (a form of delivery service for fresh products that has been available in various countries such as: Tokyo, London, and Germany), Amazon Web Services / AWA cloud services (services in the field of renting server space to companies and other individuals such as cloud services), Alexa (a digital assistant like Bixby), Kindle Tablet (service which was originally for electronic book readers, which functions completely as a tablet and more functional media equipment), Amazon TV Streaming (a form of service that competes with equipment from Google Chromecast and Apple TV, Amazon entered the television set system market which provides streaming facilities others), Speaker Echo (a search engine assistant in the form of a speaker called Echo), and development of other service products. This is a business strategy implemented by Amazon to continue to spread its wings so that it continues to achieve sustainability and be famous in the world (Collins Willis et al., 2022; Nunes et al., 2020; Gereffi, Gary and Wu, 2018; Zhu & Liu, 2018; Li, 2018, Majed et al., 2018).

Amazon's main strategy is:

Product choice → price → convenience (Jeff Bazos' version of Three Big Needle Movers. Meanwhile, Amazon's business line in general can be divided into three forms, namely:

Online retail → Internet services → Kindle ecosystem

The strategies for various types of business in online retail are products sold by Amazon as a traditional retailer, which are products with low costs such as clothing, media, baby products, health goods, and many other variations. Another retail strategy is to become a platform for selling goods intended for other retailers and take a small profit, which is for Amazon's own income. Furthermore, Amazon has become a long tail retailer which provides a wide variety of goods by selling used goods through sellers from Amazon's own marketplace. Amazon's development certainly applies its main focus to market intelligence such as: customers, creating its own market, and mastering the competitive environment optimally.

Amazon's main vision is to become a customer centric company in the world. In this way, Amazon creates a site that is customer friendly and linked to the needs of each type or characteristic of customers. This is in accordance with one of the principles of market intelligence which focuses on customers with its main elements such as measuring customer satisfaction in real time, this is to avoid losing customer loyalty and make customers as customers a source of innovative creative ideas (co-creation). In order to fulfill the principle of controlling a competitive environment, Amazon continues to develop product differentiation strategies while still paying close attention to its competitors. One way is to see the potential of big data, such as studying consumer behavior well, because it can gather all the information from consumers regarding their needs, can provide a service that consumers really need, consumers can absorb products from Amazon and an integrated distribution system (using artificial intelligence or continuous technological updates) making it difficult for Amazon's competitors to beat it. In carrying out its mission, Amazon implements a dynamic pricing strategy. There are four types of dynamic pricing strategies for the marketplace, such as:

Time-based price purchasing strategy, dynamic marketing strategy, market segmentation strategy and limited supply, comprehensive use of the three types above. Dynamic pricing referred to in e-commerce can be defined as a dynamic modification of the price of a product which depends on the value given by customers to a product or service. This model can be achieved by combining data from customers and pre-programmed pricing with the aim that customers meet certain criteria (Cheng & Wang, 2009). This article reviews how Amazon achieves competitive advantage through marketing strategy, the leadership style of Amazon's founders, and success analysis.

Literature review

Competitive advantage

According to Porter and Armstrong (2014) competitive advantage is an advantage over competitors that is obtained by offering consumers more value. Competitive advantage strategy is the most important thing in marketing. According to (Pakpahan, 2016) it is an advantage over existing competition that cannot be achieved by competitors and can be applied over a long period of time. Meanwhile, according to Sudaryono (2016), competitive advantage is a benefit that exists when a company has and produces a product or service that can be seen by

its target market as better than its closest competitors. Meanwhile, according to Hill and Jones in Bunga Aditi and Sopi Pentana (2018) stated that competitive advantage is a company's specific strength which can enable the company to make products that are different from the products offered by competitors and have lower prices than competitors.

E-Commerce

The definition of E-commerce according to Harmayani et al., (2020) is the distribution, sale, marketing, purchase of goods or services using electronic means such as computer networks, television, websites and other internet networks. Meanwhile, according to Kotler and Armstrong (2014) E-commerce is an online channel that can be reached by someone via a computer, which is used by business people in carrying out their business activities and used by consumers to obtain information using the help of computers, the process begins with providing information services to consumers in determining choice. Meanwhile, according to Wong (2010), e-commerce is the process of buying and selling and marketing goods and services through electronic systems, such as radio, television and computer networks or the internet. Meanwhile, according to McLeod Pearson (2008) e-commerce is the use of communication networks and computers to carry out business processes. The popular view of e-commerce is the use of the internet and computers with Web browsers to buy and sell products.

Marketplace

According to Opiida (2014) E-marketplace is an internet-based online media where business activities and transactions between buyers and sellers are carried out. Buyers can search for as many suppliers as possible with the desired criteria, so as to obtain market prices. Meanwhile, as a seller, you can find out what buyers want.

E-marketplace can be interpreted as a place where sellers and buyers meet virtually, where they can carry out buying and selling transactions through the platform. In Indonesia, the marketplace is regulated in article 1 paragraph 4 of the Regulation of the Minister of Finance of the Republic of Indonesia number 210/PMK.010/2018 concerning Tax Treatment of electronic trading transactions. It can be explained that the marketplace is an electronic means of communication used for transactions aimed at buying and selling activities via electronic (Minister of Finance Regulation, 210/PMK.010/2018).

The function of this electronic market is the same as traditional markets, namely a place where buyers' demand and sellers' supplies meet. The difference between the two is that electronic markets process buying and selling transactions using information technology devices online without face to face. According to Priorita, 2021, there are advantages or benefits compared to making payments in cash, including convenience and accessibility. And all information related to buying and selling transactions can be updated in real time between buyers and sellers, according to Yohanes Kurniawan and Wibowo Kosasi in their Relationship Commitment on E-Marketplace.

Leadership

Every organization of course requires cooperation between people and of course requires a leader. The most important component in an organization, whether small, medium or large, requires a very strategic leader, who can provide direction to his subordinates, so that the vision and mission of an organization can be achieved optimally.

According to Moejiono (2002) leadership is a one-way influence, because leaders can have certain qualities that differentiate themselves from their followers. Voluntary theorists (compliance induction theorists) tend to view leadership as coercion or exerting influence indirectly and as a means of forming a group in accordance with the wishes of the leader. Meanwhile, according to Wahjosumidjo (1999) states that a leader has intelligence, responsibility, is healthy and has characteristics including maturity, freedom of social relations, self-motivation, and a drive for achievement as well as an attitude towards humanitarian work relations. On the other hand, in modern social reality, charismatic leaders are also known, especially in social and political environments.

Marketing strategy

Strategy is a series of grand plans that can describe how a company must operate well to achieve the core of the company's goals. Meanwhile, marketing is a very effective tool for companies that distribute products, both goods and services, in order to gain profits in accordance with all the sacrifices they have made, and in turn consumers have received satisfaction from the products they buy or use. According to David (2013), strategy can be defined as a shared means with long-term goals to be achieved. Strategy is a potential action that requires top management decisions and large amounts of company resources. So it can be said that strategy is an action or activity carried out by a person or company to achieve the targets or goals that have been set at the beginning of its founding. Marketing strategy according to (Kotler and Armstrong, 2014) is a marketing logic where the company hopes to create value for customers and achieve profitable relationships with customers.

A marketing strategy is a plan that outlines a company's expectations of the impact of various marketing activities or programs on demand for its product or product line in a particular target market. Companies can use two or more marketing programs simultaneously, because each type of program such as advertising, sales promotion, sales personnel, customer service, or product development has a different influence on demand. Therefore, a mechanism is needed that can coordinate marketing programs so that the programs are in line and integrated synergistically. This mechanism is referred to as a marketing strategy. Generally, the best marketing opportunities are obtained from efforts to expand primary demand, while the best growth opportunities come from efforts to expand primary demand, while the best growth comes from efforts to expand selective demand (Kotler and Armstrong, 2014). Meanwhile, according to Assauri (2012), marketing strategy is a series of goals and objectives, policies and rules that provide direction to a company's marketing efforts from time to time, at each level and its references

and allocations, especially as a company's response to the environment and ever-changing competitive conditions.

Amazon: Lesson Learned

Many people both in Indonesia and around the world have heard and seen the information available so far, based on Companies Market Cap data, Amazon is ranked first in the list of e-commerce companies with the largest market capitalization value up to now, namely 2023. Everyone understands that the e-commerce industry is currently developing very quickly both in Indonesia and throughout the world. Every day, transactions that occur in the e-commerce sector continue to emerge, both those that have existed for a long time, and even those that have just been initiated. This was triggered by a surge in the number of consumers accessing online shopping via e-commerce.

As stated by a report from eMarketer entitled Global E-Commerce Forecase 2022, spending incurred on transactions using retail and retail e-commerce throughout the world is expected to continue to stabilize in 2022 after the previous two years due to the Covid-19 pandemic that hit the whole world. As a result, online business is very popular, due to regulations limiting face-to-face meetings to carry out transaction activities. According to an eMarketer report, e-commerce sales transactions worldwide will exceed US\$ 5 trillion for the first time in 2022. The growth of online businesses is caused by various factors, such as the increasing need for shopping, the popularity of social media (digital marketing), and the ever-expanding subscription services market.

According to the Companies Market Cap page, Amazon is ranked first in the world in the list based on its capitalization reaching US\$ 971.91 billion or equivalent to Rp. 14,905 trillion as of January 13 2023. Meanwhile, this multinational technology company based in the United States is one of the companies largest in the world and is one of the top five technology companies in the world, along with Alphabet (Google), Apple, Meta (Facebook), and Microsoft.

Amazon has become synonymous with online shopping. And continuously develops new products, acquisitions, and provides various service offerings that are different compared to others, so that this is useful for expanding its customers. Amazon has expanded its segmentation by reaching as many customers as possible. Amazon's popularity is undeniable, and the numbers can explain everything. The Amazon application is one of the most popular shopping applications in the United States, with 98.07 million users accessing it at least once a month (Statistics, 2021). Amazon app usage also outperformed targets by a mile. By shopping online it becomes very simple and free from the stress of shopping offline.

Customers trust Amazon and for good reason too. Based on a survey of over 2,000+ customers in the United States, approximately 87% of shoppers agree that they are more likely to purchase products from Amazon than from other e-commerce sites (Freedvisor, 2022). Many people cannot deny that Amazon is the center of e-commerce. The trust that Amazon builds with its customers is based on a consistent and transparent product experience. According to Forbes, Amazon earns trust by delivering products that customers want on time, intact, and accurately, thereby fostering maximum customer trust. Amazon's Prime

membership program continues to reach more and more online shoppers. There are 168 million Prime subscribers in the United States (CIRP Amazon, 2022).

Amazon Prime is a paid subscription service offered by Amazon. This program was launched in 2005 and is available internationally. The benefits provided to customers include free shipping for two days (or faster), music and video streaming, as well as exclusive access offers. Of all the product categories, home and kitchen are currently the most popular product categories for businesses selling on Amazon. Nearly a third (32%) of all small and medium businesses on Amazon list products in this category (Jungle Scout, 2022). The second most popular category is beauty and personal care. Products in this category are sold by 23% of small to medium-sized businesses (SMBs) on Amazon.

The threat from new competitors is very high in online titles. This can be seen from Amazon's efforts to capture the existing market in India with new players such as: Flipkart, Snapdeal, Paytm, and so on. This has resulted in Amazon Overseas operating on paid services and free service differentiation, but in India they are forced to follow a free model due to stiff competition. India, a growing market, has many online retail stores with various differentiations. The bargaining power of buyers is very high, because buyers/consumers will switch to other e-commerce if the prices and services offered do not match consumer expectations. With the presence of price comparison sites, consumers can be directly influenced by price factors. The growing number of coupon code sites could pose a real challenge for Amazon itself. Therefore, Amazon must also adapt by following, adopting according to current market trends.

Amazon also emphasizes the power of suppliers which is low until now in the online retail market, there has been a periodic growth in commission rates by the online retail market, but suppliers have little choice to choose which ones save more and can make a profit even if the profit is small. The threat for Amazon is that there are very high substitute products, buyers/consumers can easily switch to other online markets and even other local stores too. This was identified by Amazon and other online retail stores, and they began competing to start offering free delivery of goods/products and fast delivery in big cities within minutes or hours (Amazon Prime Air), as well as continuing to provide discount coupons. which is almost always on Amazon.

Amazon Prime Air customers or consumers can receive personalized promotions, and this can be captured by Amazon in increasing total consumer decision-making engagement as well. Amazon has created a strong customer base for the company and has led to Amazon's dominance of the e-commerce market, an online market for commercial transactions which can result in online purchasing decisions (Sheth, 2021; Welch, 2015; Jung, Sunghun & Kim Hyunsu, 2017; Rodrigue, 2020).

There are retailers and consumers who are still not too happy with waiting times (because the Amazon Prime Air service, which consists of a fleet of drones, is able to deliver small packages directly to consumers' doorsteps within half an hour after making a purchase on Amazon.com) and when they are looking for information and shopping though. Most retailers and consumers are slowly turning their attention to Prime Air by claiming the most efficient time possible for goods

or products to be brought to your table (tools related to shopping baskets) within 30 minutes of searching (Welch, 2015). Even though internet searches show that it is a global affair and there are more than 2 billion people online around the world, the use of Amazon Prime Air is very effective when compared to the use of internet searches and shopping. Consumers will be able to enjoy the ease and comfort of shopping in their own homes and very fast service from Amazon Prime Air. Amazon can also do this through various methods such as perceptual mapping, direct and indirect methods (Hawkins et al., 2013). This method can help in determining evaluative criteria. Perceptual mapping can enable consumers to first assess the similarity of alternative brands. This can give consumers the possibility to make decisions about the products they want to buy. While the evaluation method involves Amazon asking customers what criteria they used in a particular purchase and recording what consumers say about the product and its attributes.

With the launch of Amazon Prime Air it will be able to ensure delivery of packages to customers much faster and waiting time windows will be reduced more quickly. Because drones (unmanned aircraft) deliver packages to customers by flying to a predetermined delivery location, and descending to the consumer's yard by releasing the package in a safe way, then flying at a safe height that has been agreed upon by the United States Government and other parties. Amazon itself. Amazon Prime Air really cuts down on time. This delivery drone is only capable of carrying packages weighing up to 3 kg to customers in half an hour. This tool can fly as far as 24 km. Amazon is investing heavily in artificial intelligence (Artificial Intelligence) which helps drones navigate very safely to their destination and deliver packages comfortably and safely. With AI, it will be able to detect telephone cables, people, property and even small animals on land, thus preventing the risk of drones from colliding (Singireddy & Daim, 2018; Kim, 2020; Ramadan, Farah, & Kassab, 2019; Shavarani, Nejad, Rismanchian, & Izbirak, 2018; Martinez-Sanchez, Nicolas-Sans, & Bustos Diaz, 2021).

The segment most widely adopted by Amazon is destination buyers (Hawkins et al., 2013). These are individuals who are motivated or driven by the anticipated benefits of acquiring brand names and image-enhancing products and not through other factors involving socializing. This is the segment that can be most widely adopted by Amazon Prime Air since individuals using the service prioritize fast delivery and not necessarily other businesses such as entertainment services. Apart from that, the other segment that is most widely adopted by Amazon Prime Air is the basic segment of consumers or buyers. These are people who are motivated by what they want least, such as time, recreation, entertainment, or social services. And since the launch of Amazon Prime Air is in order to increase delivery in the shortest possible time, it will be more effective and efficient for customers (consumer behavior regarding purchase intention and willingness to pay which is studied by Amazon Prime Air). (G. Schiffman, 2015).

Drones from Amazon Prime Air can also serve the military, for surveillance (wildlife), to assist in search and rescue processes, and in filmmaking because they can take pictures from above (for example: using Amazon Prime Air drones) and sports (Singireddy & Daim, 2018).

The temporal perspective forms the main situational perspective that will influence customers purchasing from Amazon. This characteristic is of course related primarily to the effect of time on consumer behavior. This explains the time available for purchasing which has a significant influence in the decision-making process among consumers. Time is the main factor that Amazon Prime Air wants to solve to improve fast delivery compared to others. An innovation that can have a broad impact in the future, because it turns out that the use of drones can reduce the amount of gas emissions in the world, and consumer behavior will be a form of excellent service that can be provided by Amazon Prime Air (Shavarani, Nejad, Rismanchian, & Izbirak, 2018).

According to Phaal and Muller (2007) suggest that road maps and their derivatives have become one of the most widely used management techniques to support innovation and strategy, both at the company, sector and national levels. According to Rinne (2004) describes a roadmap as a tool for managing the future of technology, and Amazon Prime Air implements this. Amazon Prime Air can be described as a continuous innovation that falls into the dynamic category because it always follows technological developments on a regular basis, indicating that the technology used by Amazon Prime Air is contemporary technology/continuously updated. This is based on the type of innovation that requires moderate changes in consumer behavior that are significant or major changes in consumer behavior that are of low or moderate significance for the individual (Singireddy & Daim, 2018; Jung, Sunghun & Kim Hyunsu, 2017; Sheth, 2021; Welch, 2015).

Amazon's airbase was established to deliver packages safely to customers in 30 minutes rather than having to wait two hours as before (Welch, 2015). A number of customers are still getting deliveries, and Amazon Prime Air has brought a change in the time span between ordering and delivery to customers faster than other competitors (Sheth, 2021). Even though the world of technology is developing more rapidly, like it or not, many companies are required to quickly adapt optimally, so that their customers and consumers are not left behind. What happens with Amazon is that many online buyers still use desktop rather than mobile when they make purchases on Amazon. About 67% of Amazon shoppers prefer to shop using their desktop or laptop computer (CPC Strategy, 2018). Online buyers aged 35 years and under are clearly more likely to prefer mobile devices, while online buyers aged 55 years and over are more likely to prefer desktop or laptop devices.

There are many small and medium enterprises (SMEs) throughout the world, around millions of them, all collaborating with Amazon. On average, Small and Medium Enterprises (SMEs) located in the United States sell more than 4,000 types of items per unit (Amazon, 2019). It is interesting to note that more than half of the items sold on Amazon stores worldwide are sourced from Small and Medium Enterprises. This is one measure of success achieved by Small and Medium Enterprises that collaborate with Amazon. It can be said that Amazon has offered great opportunities for Small and Medium Enterprises to develop and collaborate with Amazon, so that they can create jobs which are not small, namely 1.6 million jobs throughout the world.

If we look at the marketing strategy carried out by Amazon so far, it still uses strategies in product selection, price and ease of use. Amazon greatly utilizes

technology as a source of competitive advantage in gaining profits. Utilizing Supply Chain Management well, namely establishing logistics bases near ports, making it easier to move goods, using drone strategies to send packages faster with technological advances owned by Amazon, the next strategy becomes a top priority on search engines, making it easier for consumers to accessing it, Amazon's strategy is based on increasing technological capabilities for business success and following a cost leadership strategy that aims to offer maximum value to its customers at the lowest prices, by making Amazon a place to get inspiration in making purchases. Recent Amazon statistics have shown that it's not just businesses that are turning to the popular online marketplace. However, according to the results of existing surveys, it shows that more than half (56%) of consumers start their purchasing journey on Amazon (Feedvisor, 2022). Understanding the customer journey map on Amazon's platform can help existing brands and online retailers develop their strategies. Amazon is the place most buyers go to. Nearly three weeks out of every week, shoppers choose to check customer reviews as a factor in shopping online.

As we all know, to date Amazon has become the largest online retailer in the world and has consistently been a leader in the market segment. Amazon's marketing business strategy focuses on costs. There are strategic steps such as providing discounts for all Amazon Prime members. Amazon Prime is a membership-based service that offers free two-day shipping when orders meet all requirements. After getting the free trial, the customer's credit card will automatically be charged around \$99 for membership for one year. Amazon's other marketing strategy does not focus solely on technology but rather actualizes the benefits of economies of scale by exploiting efficiencies between external and internal resources. The Amazon team also uses big data analysis as a tool to map consumer behavior. Amazon's next marketing strategy is to provide convenience where customers don't need to leave the house to buy the products they want. Simply by using or accessing e-commerce from Amazon, all existing needs will arrive at the customer's destination.

If we analyze Jeff Bezos' leadership style, this leadership style usually produces higher performance than transactional leadership (Bass and Avolio, 2000), and this has also been researched by (Garcia-Morales, Liorens-Montes, & Verdu-Jover, 2008) . The survival of an organization depends greatly on the effectiveness and efficiency of its leaders. Requiring business leaders to reassess their styles and tactics in line with the urgency (Jones, George, 2006; Kew & Stradwick, 2008). Because strategic leadership is recognized as one of the main research directions in mainstream strategic management (Malewska & Sajdak, 2014). And supported by internal organizational sources because it can encourage competitive advantage. Valuable, rare, inimitable and non-substitutable resources (Barney, 1991) enable a business to develop and maintain its competitive advantage, to utilize its resources and competitive advantages for superior performance (Collis and Montgomery, 1995; Grant, 1991 ; Wernerfelt, 1984). Amazon also continues to strive to make the company or organization a good learner, one form of which is by directly monitoring consumer needs, hopes and anxieties through a customer service program that all employees must follow without exception. Another program whose

aim is to understand consumer behavior, one of which is developing a multilingual website.

Because innovation is a key process that allows us to create, exploit, renew, and apply knowledge flows in new ways to create critical competencies for improving organizational performance (Barret and Sexton, 2006; Grant, 1996); Hurley and Hult, 1998; Nonaka and Takeuchi, 1995). A strategic leadership style can influence innovation and knowledge (Nonaka and Takeuchi, 1995; Senge et al., 1994). This is based on research from (Swanson, Kim, Lee, Yang, & Lee, 2020) that employees who perform well can achieve assets and leaders play an important role in influencing employee performance and organizational success in the future. And Amazon's organizational culture also really demands creativity, so that new ideas can be maintained that can bring gradual change to Jeff Bazos' company.

Sharing knowledge has been recognized as an important social asset for organizations that can improve organizational performance and success (Masa'deh et al., 2016; Razmerita, Kirchner, & Nielsen, 2016). This is evident from the leadership style of Jeff Bezos, who often shares his creative ideas with interested parties. According to Wang and Ahmad (2003) suggest several ideal contexts regarding knowledge in which individual knowledge creation and sharing can encourage the characteristics of trust, and that is very helpful for organizational culture change. According to research (Babalola, 2016) more complex and sophisticated places require educated leadership to face global competitiveness, and be able to compete with similar industries, in maintaining business continuity. According to Robins (2005), the relationship between superiors and subordinates is very important, because the benefits return to the organization, organizational effectiveness, career development and employee welfare.

Amazon collaborates with millions of Small and Medium Enterprises (SMEs) by holding various events to educate sellers (Amazon, 2021), this includes events such as Amazon Academy throughout Europe, a special Boost Conference for businesses that use FBA services, and selling partners New Summits in all states of the United States. Selling Partner Summits is a series of six conferences designed to help sellers grow their businesses on Amazon's platform. This can be said to be an example of the implementation of a strategic leadership style. Amazon is actively and dynamically working to attract more sellers to join its platform. And this really proves that a strategic leadership style can make more than 3,000 seller courses available for Small and Medium Enterprises who collaborate with Amazon to take.

Conclusion

Amazon is an online marketplace (e-commerce) company with a very large capitalization, number one in the world, and this is based on Companies Market Cap data. Amazon has been the originator of e-commerce (online shopping. From a financial perspective, Amazon shows that the company has succeeded in generating revenue with sales of \$ 125.6 billion (Amazon, 2021), and continues to grow rapidly every year. Almost all of the product categories on Amazon are the most popular. Because there is so much product diversification, customers can surf to choose the products offered so that customers feel at home and stay loyal to using e-commerce from Amazon. Existing survey results show that price is the most

important factor in customers or consumers deciding to purchase on Amazon, with around 82% of Amazon buyers listing it as an important shopping consideration (Statista, 2019). This is also balanced by low shipping costs and positive product reviews, so it is considered to be the main trigger for purchases on Amazon. Many customers also really enjoy the flexibility offered so far in terms of product returns and the fast shopping times offered by Amazon. Nearly half of Amazon shoppers say this is a very crucial factor to think about when shopping on Amazon. The suitability of the prime air offered by Amazon is also a key factor for customers or consumers to consider when using Amazon's services.

Analytical data referring to the latest Amazon statistical data shows that it is not only businesses that are turning to more popular online markets. Existing survey results show that more than half (around 56%) of consumers start their purchasing journey on Amazon (Freedvisor, 2022). By using Amazon e-commerce, customers and consumers can understand the customer journey map to help brands and online retailers know that most people look for inspiration online when customers or consumers have not yet thought about a particular product to buy, and they can potentially influence other buyers based on the results of previous consumer reviews. Amazon remains a very popular first point of contact for online shoppers who are not thinking about the product they are planning to purchase. Amazon is the most targeted top ranking compared to Google, the world's largest search engine, stating that around 72% of online buyers always check product reviews on Amazon. With customer review ratings being one of the main reasons people shop online, Amazon is great at attracting potential buyers. This paper can be used as a reference for other research that has the same object regarding the Amazon. The competitive advantage of the business developed by Jeff Bazos is very inspiring for business people engaged in e-commerce which is related to technology. However, business developments related to technology are developing very rapidly and we are expected to quickly adapt to technological developments as well, so as not to be left behind. This research can also provide an example in terms of leadership, in order to bring progress to a business (strategic leadership).

References

- Aditi, Bunga dan Sopi Pentana. (2018). Analisis Pengaruh Pengembangan UMKM, Trust dan Keunggulan Bersaing terhadap Perkembangan Ekonomi Kreatif. *Jurnal Ilman*, Vol. 6, No. 2. p-ISSN 2355-1488, e- ISSN 2615-2932.
- Aarker, David., 2013. *Manajemen Pemasaran Strategis*. Edisi 8. Jakarta: Salemba Empat
- Assauri, Sofjan. 2012. *Manajemen Pemasaran*. Jakarta: Rajawali-Gramedia Pustaka Utama.
- Babalola, S. S. (2016). The effect of leadership style, job satisfaction and employee-supervisor relationship on job performance and organizational commitment. *Journal of Applied Business Research*, 32(3), 935–946. <https://doi.org/10.19030/jabr.v32i3.9667>
- Collins Willis, A. O., Kinyua PhD, G., & Muchemi PhD, A. (2022). Strategic Leadership as an Antecedent of Competitive Advantage: A Review of

- Literature. *International Journal of Managerial Studies and Research*, 10(1), 18–33. <https://doi.org/10.20431/2349-0349.1001003>
- García-Morales, V. J., Lloréns-Montes, F. J., & Verdú-Jover, A. J. (2008). The effects of transformational leadership on organizational performance through knowledge and innovation. *British Journal of Management*, 19(4), 299–319. <https://doi.org/10.1111/j.1467-8551.2007.00547.x>
- Gereffi, Gary and Wu, X. (2018). Amazon and Alibaba: Internationalization Strategies International Business in the Information and Digital Age. *International Business Research, Volume 13, 327–356, 13, 327–356*.
- G. Schiffman, L. W. (2015). *Consumer Behavior Consumer behavior* (Vol. 27, Issue 23).
- feedvisor.com/resources/amazon-marketing-advertising-strategies/brands-amazon-and-changing-landscape-of-emarketplaces/. Diakses Tanggal 15 Juni 2023.
- Hawkins, DI, Mothersbaugh, DL, & Terbaik, RJ (2013). *Perilaku Konsumen: Bangunan Strategi Pemasaran*. McGraw-Hill Irwin.
- H. Harmayani, D. Marpaung, A. Hamzah, N. Mulyani, and J. Hutahaean, *E-Commerce: Suatu Pengantar Bisnis Digital*. Medan: Yayasan Kita Menulis, 2020.
- Ivy Panda. (2021, 20 Juli). Strategi Kompetitif Amazon.com. <https://ivypanda.com/essays/amazon-com-competitive-strategies-report/>
- Jung, Sunghun, & kim hyunsu. (2017). Analysis of Amazon Prime Air UAV Delivery Service. *Journal of Knowledge Information Technology and Systems*, 12(2), 253–266. <https://doi.org/10.34163/jkits.2017.12.2.005>
- Kim, S. H. (2020). Choice model-based analysis of consumer preference for drone delivery service. *Journal of Air Transport Management*, 84(September 2019), 101785. <https://doi.org/10.1016/j.jairtraman.2020.101785>
- Laporan, T. (n.d.). 2 0 2 1.
- Li, E. Y. (2018). Amazon Go concept. *Journal of Business and Management*, 24(1), 79–92.
- Martínez-Sánchez, M. E., Nicolas-Sans, R., & Bustos Díaz, J. (2021). Analysis of the social media strategy of audio-visual OTTs in Spain: The case study of Netflix, HBO, and Amazon Prime during the implementation of Disney +. *Technological Forecasting and Social Change*, 173(September). <https://doi.org/10.1016/j.techfore.2021.121178>
- Majed, S., Nuraddin, S., & Hama, S. (2018). Analyzing the Amazon success strategies. *Journal of Process Management. New Technologies*, 6(4), 65–69. <https://doi.org/10.5937/jouproman6-19264>
- McLeod Pearson. 2008. *Sistem Informasi Manajemen*. Salemba. Jakarta.
- Moejiono. 2002. *Kepemimpinan dan Keorganisasian*. Yogyakarta: UII Press
- Nunes, S., Gastauer, M., Cavalcante, R. B. L., Ramos, S. J., Caldeira, C. F., Silva, D., Rodrigues, R. R., Salomão, R., Oliveira, M., Souza-Filho, P. W. M., & Siqueira, J. O. (2020). Challenges and opportunities for large-scale reforestation in the Eastern Amazon using native species. *Forest Ecology and Management*, 466(December 2019), 118120. <https://doi.org/10.1016/j.foreco.2020.118120>

- Opiida, I. (2014, April 18). Pengertian E-Marketplace. From tokokhalista: <https://tokokhalista.wordpress.com/2014/04/18/pengertian-emarketplace/>
- Pakpahan, Manuntun. 2016. Manajemen Pemasaran. Medan: CV. Rural Development Service.
- Peraturan Menteri Keuangan (PMK) RI, “210/PMK.010/2018, tentang Perlakuan Perpajakan atas Transaksi Perdagangan melalui Elektronik (E-Commerce) Pasal 1 Ayat 4,” (01 April 2019).
- Phaal, R., & Muller, G. (2007). Menuju Strategi Visual: Kerangka Kerja arsitektural untuk pemetaan jalan. PICMET’07- Konferensi Internasional Portland 2007 tentang Manajemen Rekayasa & Teknologi. N. hal. Web.
- Porter, M. E., 1994. Keunggulan bersaing: menciptakan dan mempertahankan kinerja unggul. Alih bahasa tim binarupa aksara, binarupa aksara.
- Kotler, Philip & Gerry Armstrong, (2014): Principle Of Marketing, 15th edition. New Jersey: Pearson Pretice Hall.
- Priorita Damalies Aurora, “Tinjauan Yuridis Hubungan Hukum para Pihak dalam Transaksi Digital Sistem Marketplace,” (Skripsi Universitas Muhammadiyah Surakarta, 2021): 4
- Ramadan, Z. B., Farah, M. F., & Kassab, D. (2019). Amazon’s approach to consumers’ usage of the Dash button and its effect on purchase decision involvement in the U.S. market. *Journal of Retailing and Consumer Services*, 47(November 2018), 133–139. <https://doi.org/10.1016/j.jretconser.2018.11.018>
- Rinne, M. (2004). Peta jalan teknologi: Infrastruktur untuk inovasi. *Peramalan Teknologi dan Perubahan Sosial*, 71 (1-2), 67-80.
- Rodrigue, J. P. (2020). The distribution network of Amazon and the footprint of freight digitalization. *Journal of Transport Geography*, 88(August), 102825. <https://doi.org/10.1016/j.jtrangeo.2020.102825>
- Shavarani, S. M., Nejad, M. G., Rismanchian, F., & Izbirak, G. (2018). Application of hierarchical facility location problem for optimizing a drone delivery system: a case study of Amazon prime air in San Francisco. *International Journal of Advanced Manufacturing Technology*, 95(9–12), 3141–3153. <https://doi.org/10.1007/s00170-017-1363-1>
- Sheth, J. (2021). New areas of research in marketing strategy, consumer behavior, and marketing analytics: the future is bright. *Journal of Marketing Theory and Practice*, 29(1), 3–12. <https://doi.org/10.1080/10696679.2020.1860679>
- Singireddy, S. R. R., & Daim, T. U. (2018). Technology Roadmap: Drone Delivery – Amazon Prime Air. *Innovation, Technology and Knowledge Management*, 387–412. https://doi.org/10.1007/978-3-319-68987-6_13
- Sudaryono. 2016. Manajemen Pemasaran Teori dan Implementasi. Yogyakarta: C.V Andi Offset.
- Swanson, E., Kim, S., Lee, S. M., Yang, J. J., & Lee, Y. K. (2020). The effect of leader competencies on knowledge sharing and job performance: Social

capital theory. *Journal of Hospitality and Tourism Management*, 42(September 2019), 88–96. <https://doi.org/10.1016/j.jhtm.2019.11.004>

Wahjosumidjo. 1999. *Kepemimpinan Kepala Sekolah*. Jakarta: Raja Grafindo Persada.

Welch, A. (2015). A cost-benefit analysis of Amazon Prime Air A Cost-Benefit Analysis of Amazon Prime Air Project Director: Bruce Hutchinson. *University of Tennessee Theses*, 57.

Wong, Jony. (2010). *Internet Marketing for Beginners*. Didapat dari <https://www.kajianpustaka.com/2013/04/perdagangan-elektronik-e-commerce.html>

Yohannes Kurniawan dan Wibowo Kosasih, dkk., *Relation Commitment pada E-Marketplace*, 45.

Zhu, F., & Liu, Q. (2018). Competing with complementors: An empirical look at Amazon.com. In *Strategic Management Journal* (Vol. 39, Issue 10). <https://doi.org/10.1002/smj.2932>

<https://aws.amazon.com/id/personalize/customers/>. Diakses Tanggal 11 Juni' 2023.
<https://aws.amazon.com/id/machine-learning/ml-use-cases/>. Diakses Tanggal 11 Juni' 2023.

<https://bbs.binus.ac.id/gbm/2021/01/21/amazon-sebagai-toko-ritel-online-terbesar-di-dunia-bagaimana-bisa-yuk-belajar-dari-amazon/>. Diakses Tanggal 11 Juni' 2023.

<https://www.theverge-com.translate.goog/2023/5/18/23728528/amazon-prime-air-drone-delivery-jeff-bezos? x tr sl=en& x tr tl=id& x tr hl=id& x tr pto=tc& x tr hist=t rue>. Diakses Tanggal 11 Juni' 2023.

<https://indianexpress-com.translate.goog/article/technology/amazon-prime-air-cargo-india-launch-8400830/? x tr sl=en& x tr tl=id& x tr hl=id& x tr pto=tc>. Diakses Tanggal 11 Juni' 2023.

<https://simpleflying-com.translate.goog/rise-of-amazon-air/? x tr sl=en& x tr tl=id& x tr hl=id& x tr pto=tc>. Diakses Tanggal 23 Juni' 2023.

<https://www-aviationtoday-com.translate.goog/2022/06/16/amazon-prime-air-drone-deliveries-2022/? x tr sl=en& x tr tl=id& x tr hl=id& x tr pto=tc>. Diakses Tanggal 11 Juni' 2023.

<https://www.inilah.com/amazon-mulai-gunakan-drone-untuk-antar-paket-di-texas-dan-california>. Diakses Tanggal 11 Juni' 2023.

<https://emka.web.id/2022/06/pengiriman-drone-amazon-prime-air-mengambil-penerbangan-akhir-tahun-ini.html>. Diakses Tanggal 11 Juni' 2023.

<https://www.cnbcindonesia.com/tech/20190606115031-37-76942/pangkas-waktu-amazon-resmi-kirim-paket-pakai-drone>. Diakses Tanggal 11 Juni' 2023.

<https://dataindonesia.id/ekonomi-digital/detail/8-ecommerce-dengan-kapitalisasi-pasar-terbesar-amazon-juaranya>. Diakses Tanggal 11 Juni'2023.

<https://www.cnnindonesia.com/teknologi/20161230172714-185-183183/ide-gila-amazon-bangun-gudang-terbang-raksasa>. Diakses Tanggal 11 Juni'2023.

<https://www.finansialku.com/10-fakta-amazon-yang-belum-pernah-anda-ketahui-sebelumnya/>. Diakses Tanggal 11 Juni'2023.

<https://side.id/dn/anti-mainstream-amazon-gunakan-drone-untuk-mengirim-paket-ke-konsumen>. Diakses Tanggal 11 Juni'2023.

<https://amp.kompas.com/tekno/read/2021/05/05/20210037/sejarah-amazon-toko-buku-online-yang-berubah-jadi-raksasa-marketplace>. Diakses Tanggal 15 Juni'2023.

<https://id.investing.com/equities/amazon-com-inc-income-statement>. Diakses Tanggal 15 Juni'2023.

<https://www.macroaxis.com/financials/AMZN/Amazon-Inc>. Diakses Tanggal 15 Juni'2023.

<https://corporatefinanceinstitute.com/resources/accounting/financial-statements-example-amazon-case-study/>. Diakses Tanggal 15 Juni'2023.

<https://goodstats.id/article/daftar-5-e-commerce-terbesar-di-dunia-2023-china-mendominasi-pasar-cWkZX>. Diakses Tanggal 15 Juni'2023.

<https://www.dictio.id/t/bagaimana-strategi-amazon-dapat-bertahan-di-tengah-persaingan-bisnis-ecommerce-saat-ini/15556/3>. Diakses Tanggal 16 September'2023.