

Amazon and eBay: Management Strategies

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Current Position in the Market

The two competing companies selected for the study are Amazon and eBay. Recently, eBay has experienced a noticeable decline in its market share. Ten years ago, the company enjoyed more than 10% of the market size, which reduced to less than 5% due to massive competition in the e-commerce industry (Klepek & Kvíčala, 2022). These results fit the definition of a niche market position (McKeown & Durkin, 2016). eBay still has the authority but cannot boast of having its former audience. Therefore, it is possible to claim that eBay is currently occupying a niche position.

Meanwhile, Amazon is enjoying the top position in the e-commerce industry. The company occupies more than 40% of the market share as the leading online retailer in the United States and the world (McGurl, 2021). The emergence of Amazon's incorporation as the top e-commerce business has been supported by the company's initiative to venture into new markets. These are distinctive features of the prime position (McKeown & Durkin, 2016). Overall, Amazon belongs to a small number of the dominant e-commerce companies.

The two companies do business in the same domain and utilize similar strategies for customer identification. The new customers are recognized through the so-called 'attention' strategy that relies on optimization and search engines (McKeown and Durkin, 2016). Amazon incorporation uses paid advertisements to link with prospective buyers, and eBay's customer identification strategy is similar. However, the results of the latter are lower due to the smaller market presence.

Identification of Customers

Both Amazon and eBay identify their customers in the market using sophisticated technological algorithms. In alignment with the type of products one searches on the website, the company's IT system decides what the customer intends to purchase (Masyhuri, 2022). That way, the website outlines all suggested products, which is useful for attracting a higher customer volume. According to McKeown and Durkin (2016), a high customer volume may indicate severe competition. In the context of the e-commerce industry, one can state that Amazon and eBay have to identify their customers in conditions of high market volume.

Nevertheless, such a technological framework reveals the competency and capacity of both Amazon and eBay. This technological prowess reflects their ability to predict digital opportunities and boost their overall performance in the market (McKeown & Durkin, 2016). The customer identification is performed by professional personnel such as insight analysts, marketing technologists, and CX engineers (McKeown & Durkin, 2016). Overall, both companies deploy digital and traditional modes of customer identification in an attempt to boost their profits and enlarge their customer volume.

References

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