

# CHAPTER I

## INTRODUCTION

### 1.1 Background

In today's competitive digital economy, e-commerce performance during peak seasons directly impacts customer retention and market leadership. Amazon DTM8 in Krefeld, Germany, is a vital fulfillment center in Amazon's European network, handling massive order surges during global shopping events like Black Friday, Cyber Monday, and Christmas. As part of Amazon's regional infrastructure, DTM8 helps ensure delivery reliability and customer satisfaction across Western Europe.

In 2023, Amazon DTM8, a major distribution center in Krefeld, Germany, faced significant challenges in managing a surge in orders that reached 50% compared to previous months (Amazon Annual Report, 2023). To further illustrate the intensity of the demand spike during the peak season, the following figure compares the average number of daily orders between the low season and peak season in 2023.

**Table 1.1** Comparison of Average Daily Orders:  
Low Season vs Peak Season (2023)

Period	Average Daily Orders	Description
Low Season (Jan–Sep)	~1,000,000 orders/day	Routine operations and normal customer demand.
Peak Season (Nov–Dec)	~1,333,333 orders/day	Increased demand driven by events like Black Friday and Christmas holidays.

Source: Consulting Times (2023); GBTimes (2023)

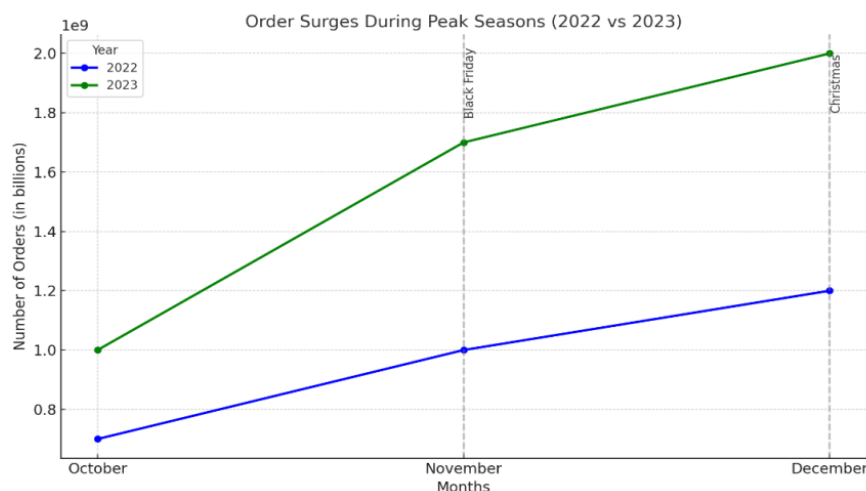
This comparison highlights a substantial 33% increase in average daily orders during the peak season. While operations during the low season can be handled with standard workforce and fulfillment capacity, the peak season requires more aggressive strategies to manage inventory, shipping, and customer experience. This contrast justifies the importance of analyzing how delivery speed and seasonal discounts affect customer satisfaction under high-pressure conditions. Failure to address these challenges with integrated strategies could undermine Amazon's reputation, reduce customer satisfaction, and lead to operational breakdowns—especially during the most financially critical quarter of the year.

In facing these challenges, Amazon DTM8 Krefeld continues to strengthen its position through various technological innovations and operational efficiency improvements. The peak season, which runs from October to December, is particularly important for the company, as major shopping events like Halloween, Black Friday, Cyber Monday, and the Christmas holiday contribute a significant proportion of Amazon's total annual revenue. The sharply increasing demand each year during this period drives Amazon to continually innovate, particularly in operational efficiency and logistics management, to meet evolving customer expectations.

In this context, delivery speed and seasonal discounts emerge as two of the most decisive factors in shaping customer satisfaction. According to PwC (2023), 73% of global consumers prioritize delivery speed in online purchasing, and 41% are willing to pay more for fast shipping. At the same time, more than 70% of consumers actively seek promotional deals during the peak season, which can boost e-commerce sales by up to 40% (RetailMeNot, 2022).

However, while both strategies are individually impactful, their combined effect remains underexplored, especially in high-demand periods. The ability of a distribution center like Amazon DTM8 to synchronize fast delivery with attractive discounts is not just a competitive advantage—it is a survival strategy. Poor execution can result in customer churn, reputational damage, and logistical failures that echo well beyond the holiday rush.

The relevance of this research lies in the increasing strategic importance of aligning logistics performance with personalized marketing in the e-commerce sector. As peak-season demand intensifies annually, companies must not only ensure operational efficiency but also deliver value-driven customer experiences. While delivery speed and promotional pricing have been individually studied, their combined execution remains underexplored—particularly in high-pressure fulfillment contexts such as Amazon DTM8. Understanding this synergy is critical for developing integrated models that enhance customer satisfaction, operational responsiveness, and brand competitiveness. Moreover, insights from this study are expected to offer practical guidance for other e-commerce firms navigating similar seasonal complexities.



**Figure 1.1** Order Surges During Peak Seasons (2022 vs 2023)

Delivery reliability remains a critical factor in customer satisfaction, particularly during high-demand periods. At Amazon DTM8 Krefeld, 97% of deliveries are completed on time—a result enabled by Amazon’s extensive logistics network, which includes over 200 fulfillment centers and a fleet of more than 120,000 delivery vehicles (Amazon Annual Report, 2023). As confirmed by PwC (2023), 73% of global consumers cite delivery speed as a key driver of purchase decisions, and 41% are willing to pay more for faster service.

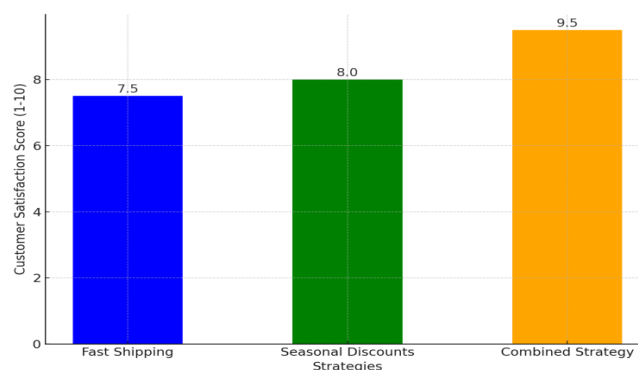
In parallel, seasonal discount strategies serve as an equally influential element in shaping customer behavior during peak shopping events. Over 70% of consumers actively seek promotional offers during such periods, with price incentives shown to increase online sales by up to 40% (RetailMeNot, 2022). Programs like Amazon Prime, which offer exclusive discounts and early access deals, have significantly increased purchase frequency and customer retention, as reflected in the rise of Prime Day sales from €930 million in 2015 to €12.3 billion in 2023.

These findings reinforce the importance of both delivery performance and promotional strategies as standalone contributors to customer satisfaction. However, their combined and coordinated implementation remains less explored—particularly in the context of peak season fulfillment.

Prime Exclusive Discounts*		Coupons
FBA and MFN sellers	Seller Requirements	FBA and MFN sellers
Only available to Prime members	Audience	Available to all Amazon shoppers
No fees associated on top of the discount	Fee Structure	\$0.60 redemption fee
% off, \$ off, or fixed price	Discount Type	% off or \$ off
10% or more off reference price	Minimum Discount	5% or more off reference price
Search results and product detail page. <i>Discounts of 20% or more feature a badge and placement within Amazon's Today's Deals page.</i>	Promotion Location	Search results and product detail page. <i>All discounts feature a "Clip Coupon" button.</i>

**Figure 1.2** Amazon Promotion Types 2023

Prior studies have consistently demonstrated that fast delivery and seasonal discounts each play a critical role in enhancing customer satisfaction and purchase behavior, particularly during peak shopping periods (Gupta & Kohli, 2021; Chopra & Meindl, 2019; Wang & Zhao, 2022). These factors are widely acknowledged as key drivers of customer loyalty in the e-commerce sector. However, existing research has largely examined these variables in isolation. There is limited empirical insight into how the integration of delivery speed and promotional strategies functions under the operational intensity of peak season fulfillment. This research seeks to address that gap by analyzing their combined implementation at Amazon DTM8—a high-volume, real-world case that offers strategic relevance for both academic inquiry and industry application.



**Figure 1.3** Customer Satisfaction Impact by Strategy

These initiatives directly impact customer satisfaction by increasing convenience and maintaining affordability—two critical factors in online shopping, especially during high-demand periods like the holiday season. Integrating this data provides context for Amazon DTM8’s strategic efforts in fast shipping and seasonal discounts, aligning with Amazon’s broader approach to enhancing customer loyalty through selection, competitive pricing, and unmatched delivery speed.

The focus of the research is on how the management of this distribution center integrates delivery speed and seasonal discounts to provide an optimal shopping experience for customers, as well as to offer strategic recommendations for other e-commerce companies. Given that research on how these two strategies can be optimally integrated during peak season is still rare, focusing on delivery speed and seasonal discounts allows for a more in-depth examination of these critical variables, which are not only highly actionable for operational and marketing strategy improvements but are also strongly correlated with peak season purchasing behavior.

With this context, the present study aims to “explore the strategies implemented by Amazon DTM8 Krefeld to enhance customer satisfaction during peak seasons”. Understanding these strategies within the framework of a major company like Amazon is crucial for providing valuable insights and strategic recommendations applicable to other e-commerce businesses.

## **1.2 Problem Statement**

1. How do the delivery speed strategies implemented by Amazon DTM8 Krefeld affect customer satisfaction during the peak season?
2. How does the implementation of seasonal discounts by Amazon DTM8 Krefeld influence customer satisfaction during the peak season?
3. How does the integration of delivery speed and seasonal discounts contribute to enhancing the customer satisfaction at Amazon DTM8 Krefeld during the peak season, and is this combination of strategies more effective than implementing either strategy individually?

## **1.3 Research Objectives**

1. To analyze the impact of delivery speed implemented by Amazon DTM8 Krefeld on customer satisfaction during the peak season.
2. To identify the role of seasonal discounts in influencing customer satisfaction during the peak season at Amazon DTM8 Krefeld.
3. To explore how the interaction between delivery speed and seasonal discounts influences customer satisfaction by creating an optimal shopping experience at Amazon DTM8 Krefeld during the peak season.
4. To provide strategic recommendations for Amazon DTM8 Krefeld and other e-commerce companies to address operational and marketing challenges during the peak season, with a focus on improving customer satisfaction and overall experience.

## **1.4 Research Benefits**

### **1.4.1 Theoretical Benefits**

- a. **Scientific Contribution:** This research enriches the literature in marketing management by examining the relationship between delivery speed, seasonal discounts, and customer satisfaction, as well as how these two elements interact to form an optimal shopping experience. The findings are expected to provide important references for further studies in the field of e-commerce, particularly in the context of developing theoretical models that explain the synergistic effects between operational strategies and customer satisfaction.
- b. **New Theoretical Model:** The results of this research are expected to generate a new model that explains how logistics strategies affect marketing and customer satisfaction, providing a new framework for academics and practitioners.

### **1.4.2 Practical Benefits**

- a. **Guidance for Amazon DTM8 Managers:** provide practical insights for companies looking to optimize operations during peak seasons. The findings could inform strategies that better integrate delivery speed with seasonal promotions, thereby improving customer satisfaction.
- b. **Recommendations for E-commerce Companies:** This research offers practical tips for e-commerce companies dealing with high demand, especially during peak seasons. The suggestions can help them better coordinate fast delivery and discounts, boosting customer satisfaction in a competitive market.
- c. **Enhancement of Customer Experience:** By implementing the research results, companies can create a more satisfying shopping experience, which will enhance customer satisfaction and strengthen long-term relationships.