CHAPTER II
LITERATURE REVIEW

2.1 Theoretical Foundation
2.1.1 Marketing Strategy

Marketing strategy is a fundamental concept guiding businesses in planning and implementing approaches that attract, satisfy, and retain customers. According to Farida and Setiawan (2022), an effective marketing strategy aligns company objectives with customer needs, creating a competitive advantage. In the e-commerce context, this strategy involves digital channels and data-driven techniques to ensure brands remain relevant and competitive.

One of the most widely adopted frameworks in the field of marketing is the 7P Marketing Mix, introduced by Kotler and Keller (2016). This model is an expansion of the traditional 4P (Product, Price, Place, Promotion) to include three additional elements—People, Process, and Physical Evidence—making it more suitable for service-based and digital industries. The 7P model serves as a comprehensive tool to guide businesses in developing strategies that align with customer expectations and market dynamics. The seven elements of the 7P Marketing Mix consist of:

1. Product, which refers to the tangible or intangible goods offered to satisfy consumer needs.
2. Price, representing the monetary value exchanged for the product or service, including discounting strategies.
3. Place, or distribution channels, which determine how products reach the customer.
4. Promotion, which encompasses communication tactics aimed at influencing buying decisions, such as advertising, campaigns, and price promotions.

5. People, referring to employees and service personnel who directly or indirectly interact with the customer.

6. Process, which involves the flow of activities and systems that deliver the product or service to the customer.

7. Physical Evidence, representing the tangible aspects that support service delivery, such as facilities, packaging, and digital interface design.

In the context of this study, two elements of the 7P framework are used as primary analytical lenses, namely Promotion and Process. The variable seasonal discount is categorized under the Promotion element. Seasonal discounts, such as Amazon's Lightning Deals or Prime Exclusive offers, are short-term promotional tactics designed to trigger immediate purchase decisions. These strategies are widely employed during peak periods like Black Friday and the holiday season to increase order volume and attract deal-seeking consumers. As such, this study investigates how seasonal discounts, as part of Amazon's promotional strategy, influence customer loyalty during peak season operations.

The second element, Process, is represented by the variable delivery speed. Process in the service marketing context includes order processing, fulfillment timelines, and delivery tracking. In e-commerce, delivery speed has become a key performance indicator that directly affects customer satisfaction. Amazon's investment in streamlined logistics operations, including its DTM8 fulfillment center, is a testament to the strategic importance of this process. This study explores how efficient delivery speed contributes to customer satisfaction during periods of high demand.

By focusing on these two elements—Promotion and Process—the research aligns its analysis with a theoretically grounded and practically relevant marketing framework. The 7P model provides a robust structure to understand how integrated strategies within a service organization like Amazon can enhance both customer experience and brand loyalty.

2.1.2 Customer Satisfaction

Customer satisfaction is a key determinant of long-term success in e-commerce. It reflects how well customer expectations are met or exceeded, influencing loyalty, repurchase intention, and brand advocacy (Kotler & Keller, 2019). In online settings, where switching costs are low and competition is intense, maintaining high satisfaction is essential for sustaining customer relationships.

The Expectation-Confirmation Theory (ECT), initially proposed by Oliver and updated by Hossain and Quaddus (2019), remains a foundational model in understanding satisfaction formation. According to ECT, customers form initial expectations prior to a transaction. After experiencing the product or service, they compare perceived performance to their expectations. If the outcome exceeds expectations (positive confirmation), satisfaction increases; if it falls short (negative disconfirmation), dissatisfaction occurs.

In e-commerce, delivery speed and promotional discounts are primary influencers of this confirmation process. Research by Tran, Nguyen, and Melewar (2020) confirms that fast, reliable delivery directly enhances positive disconfirmation, while effective promotions boost perceived value, leading to greater satisfaction.

To measure satisfaction outcomes, businesses commonly employ the Customer Satisfaction Score (CSAT) and the Net Promoter Score (NPS). CSAT gauges immediate post-purchase satisfaction, while NPS measures the likelihood of customers recommending the brand to others. Studies show that improvements in delivery reliability and value

perception through promotions significantly increase both CSAT and NPS metrics (Ryu & Han, 2021).

Thus, in the context of Amazon DTM8 Krefeld, integrating fast delivery with seasonal discounts is expected to positively influence customer satisfaction during peak shopping periods, reinforcing loyalty and competitive advantage.

2.1.3 Delivery Speed and Seasonal Discounts

In e-commerce, delivery speed and seasonal discounts are two critical factors that significantly influence customer satisfaction and purchasing behavior. Their effective implementation not only fulfills customer expectations but also enhances perceived value, leading to increased loyalty and repeat purchases.

Delivery speed refers to the efficiency and timeliness of the fulfillment process, from order placement to product arrival. According to Tran, Nguyen, and Melewar (2020), fast delivery in online retail strongly correlates with higher customer satisfaction, particularly during high-demand periods such as holiday seasons. Customers increasingly expect next-day or even same-day delivery services, considering speed as a fundamental aspect of service quality in online shopping.

Seasonal discounts, on the other hand, are temporary price reductions offered during specific peak periods, such as Black Friday, Cyber Monday, and Christmas. Ryu and Han (2021) highlight that well-designed promotions not only stimulate immediate purchases but also strengthen the emotional engagement customers feel toward a brand, especially when promotions are perceived as exclusive or time-limited.

The integration of fast delivery with seasonal discounts can create a synergistic effect. According to Ailawadi, Neslin, and Gedenk (2021), customers who experience both fast service and high perceived value from discounts are more likely to exhibit positive disconfirmation of expectations, thereby increasing satisfaction and loyalty levels. This

is particularly relevant in peak seasons when competition among online retailers intensifies, and customer expectations are elevated.

Behaviorally, this combination taps into psychological principles such as urgency and loss aversion. Limited-time offers paired with guaranteed rapid delivery enhance the customer's perception of a smart and valuable purchase decision (Ailawadi et al., 2021), reducing post-purchase regret and strengthening brand attachment.

In the context of Amazon DTM8 Krefeld, the operational excellence in ensuring fast delivery, combined with targeted seasonal discount strategies, is expected to optimize customer satisfaction outcomes during peak shopping periods.

Discounts Impact   Fast Shipping Impact

| Order Placed |——| Order Processed |——| Product Shipped |——| Product Delivered || Customer Feedback Received |

Figure 2.1 Customer Journey During Peak Season

2.2 Previous Research

In order to provide a strong theoretical basis for this study, several previous research papers have been reviewed that focus on the relationship between delivery logistics, seasonal promotions, and customer satisfaction within the e-commerce industry. These studies not only offer insights into customer behavior and operational strategies but also serve as secondary data to support the triangulation of findings. The selected studies were published in reputable academic sources and provide contextual relevance to the setting of Amazon DTM8.

Table 2.1 Previous Research

No.	Researcher (Year)	Title	Research Method	Research Findings
1.	Sharma, K., Kajla, V., & Shukla, M. (2025)	Factors Influencing Purchase Decisions on Amazon: Analyzing the Role of Delivery, Information Quality, Reviews, and Recommendations	Secondary data analysis from Amazon customer reviews	Efficient and timely delivery improves customer trust and satisfaction, reducing hesitation in completing purchases.
3.	Yang, J., Li, Y., & Jobson, D. (2022)	Personalized Promotion Decision Making Based on Direct and Enduring Effect Predictions	Predictive modeling using randomized control trial (RCT) data from Mercari	Personalized promotions based on long- and short-term effect prediction significantly boost customer loyalty and retention.
3.	Zhang, C., Wang, X., Zhao, C., et al. (2022)	PromotionLens: Inspecting Promotion Strategies of Online E-commerce via Visual Analytics	Visual analytics and case study on promotional data	Interactive visual tools assist e-commerce platforms in refining promotional strategy effectiveness.

4.	Shaikh, I. N., Gupta, A. K., & Srivastava, M. K. (2024)	Towards Achieving Customer Satisfaction in Last Mile Delivery for E-commerce Sector: A MCDM Approach	Multi-criteria decision-making (MCDM) using TOPSIS and AHP	Speed and security of last-mile delivery are major factors contributing to customer satisfaction.
5.	Pandey, R., Purohit, H., Castillo, C., & Shalin, V. L. (2022)	The Impact of Order Fulfillment on Consumer Experience: Text Mining Consumer Reviews from Amazon US	Text mining and content analysis of Amazon customer reviews	Fulfillment performance strongly influences positive customer experience and review sentiment.

The studies summarized in Table 2.1 highlight key patterns that have been observed across different e-commerce contexts. Consistent findings regarding the impact of delivery speed, promotional effectiveness, and customer expectations validate the practical relevance of this research. These previous studies are not only referenced for theoretical grounding but are also used as secondary data to strengthen the analysis and conceptual framework. By comparing field findings from Amazon DTM8 with insights from previous literature, this study ensures stronger analytical depth, theoretical relevance, and academic rigor.

2.3 Conceptual Framework

This study adopts a qualitative descriptive approach, structured around the Input–Process–Output (IPO) model. The IPO framework describes how strategic elements such as marketing strategies (seasonal discounts) and operational strategies (delivery speed) are integrated to support decision-making and operational execution during peak seasons. Inputs represent the foundational strategies, while the process stage reflects the real-time application of these initiatives.

The output stage captures the resulting customer satisfaction, emphasizing how effective synergy between marketing and operational efforts can enhance customer experience and loyalty. By applying the IPO model, this study establishes a clear link between strategy development, implementation, and outcomes, offering a coherent framework for exploratory research.
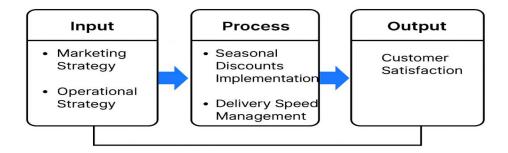

Figure 2.2 Conceptual Framework