



Price Optimization of Amazon Prime in India

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Overview

Amazon is an American multinational technology company focusing on e-commerce, cloud computing, online advertising, digital streaming, and artificial intelligence. It is considered one of the Big Five American technology companies. Amazon Prime is a subscription membership to Amazon that offers customers premium services for a yearly or monthly fee. Amazon Prime provides discounts on shipping, a free membership to Prime Video, Twitch Prime, Amazon Drive and thirty minutes early access to Lightning Deals for a yearly subscription fee.

Value Propositions

1. **Bundle Package (Prime video, Prime Shopping, Prime Music, E-book)**
2. **Free and Fast Shipping**
3. **Deals and Discounts**
4. **Prime Wardrobe**
5. **Early Access to Prime Day**



Competitors



Comparative analysis of competitor pricing and benefits **INSURJO 24**

	Prime	Prime Lite
All Prime Video content (movies, TV shows, live sports)	✓	✓
Watch on devices	Mobile, Laptop, TV	Mobile, TV
Number of devices you can watch on	5	1
Ad-free movies and shows (except sports)	✓	✗
Maximum video quality	4K UHD (2160p)	HD (720p)
Unlimited FREE deliveries on Amazon purchases	✓	✓
Unlimited Same-Day and One-Day deliveries on Amazon purchases	✓	✓
Exclusive Prime deals and early access on Amazon	✓	✓
Unlimited 5% reward points for purchases on Amazon with Amazon Pay ICICI credit card	✓	✓
Ad-free music with Amazon Music for Prime members	✓	✗



Competitors	Area	Plan	Pricing
Disney + Hotstar	Streaming	Mobile	149/3 Months; 499/Year; Devices : Mobile, TV, Laptop; No of Devices : 1
		Super	899/yearly; Devices : TV, Laptop, Moblle; No of Devices : 2
		Premium	299/Month; 1499/year; Devices : TV, Laptop, Mobile; No of Devices : 4
Netflix	Streaming	Premium	649/Month; Devices : TV, Laptop, Mobile, Tablet; No of Devices : 6
		Standard	499/Month; Devices : TV, Laptop, Mobile, Tablet; No of Devices : 2
		Basic	199/Month; Devices : TV, Laptop, Mobile, Tablet; No of Devices : 1
		Mobile	149/Month; Devices : Mobile, Tablet; No of Devices : 1



Competitors	Area	Plan	Pricing
Spotify	Music	Mini (Day)	7 for 1 day
		Student	59 for 2 months, then 59 per month after
		Duo	149 for 2 months, then 149 per month after.
		Family	179 for 2 months, then 179 per month after
		Individual	119 for 2 months, then 119 per month after
Myntra	E-commerce	Select	Shop for 4k to Enroll
		elite	Shop for 4k + 10k to Upgrade
		icon	Shop for 4k + 25k to Upgrade



BENEFITS

Netflix offers a vivid library across genres, Ads free Streaming, Feasible price only for Mobile users.

Amazon Prime Video offers a content library across different languages Amazon Prime benefits are free deliveries, access to Prime Videos, Prime Music, special discounts, and more.

Disney+ Hotstar also has a vivid library that offers television content . The free model allows users to watch selected movies and TV shows with ads. The paid model provides access to all content, including ad-free movies, TV shows, specials, and live sports.





She is a young professional working in software development. She has a busy job schedule. She enjoys watching movies or television shows in her spare time.

ARPITA

Occupation: SAP Developer

Age: 25

Goals:

- Watch good new content
- Watch sports

Pain points:

- Charging inside OTT platform for rental & exclusive offers
- No new content available
- No affordable subscriptions available only for watching amazon prime video



Recommendations for different pricing tiers and benefit structures

Basic :

- **Price:** ₹199/month or ₹999/year
- **Benefits:** Access to Prime Video, Prime Music, Prime Reading, and free one-day delivery on eligible items.
- **Number of devices you can be logged in :** 2(Mobile, Laptop, TV, Tablet)
- **1080 px**

Premium :

- **Price:** ₹249/month or ₹1,499/year
- **Benefits:** Access to Prime Gaming, exclusive deals on Amazon products, Prime Video, Prime Music, Prime Reading and free one-day delivery on eligible items.
- **Number of devices you can be logged in :** 4(Mobile, Laptop, TV, Tablet)



- **4K UHD (2160 px)**

Student :

- **Price:** ₹99/month or ₹449/year
- **Benefits:** Access to Prime video, Prime music, Prime Reading with a valid .edu email address.
- **Number of devices you can be logged in :** 1 (Mobile/ Laptop)
- **720 px**

Mobile :

- **Price:** ₹149/month
- **Benefits:** Access to Prime Video.
- **Number of devices you can be logged in :** 1 (Mobile)
- **480 px**



Premium Lite :

- **Price:** ₹799/year
- **Benefits:** Access to Prime Gaming, exclusive deals on Amazon products, Prime Video, Prime Music, Prime Reading and free one-day delivery on eligible items.
- **Number of devices you can be logged in :** 1(Mobile,TV)
- 720 px



Hypothesis: Amazon Prime now offers two membership types; if we add three more, they will be user-friendly and cost-effective, attracting more subscribers and increasing revenue. By testing each tier with multiple pricing points, we can determine the most optimal price that will generate revenue.

Design:

- We will create multiple versions of the Amazon Prime sign-up page and sign-in page, each with a different pricing tier and price points for different segments of users based on demographics (age).

Hypothesis 1: Basic - ₹199/month or ₹999/year

Hypothesis 2: Premium - ₹249/month or ₹1,499/year



Hypothesis 3: Student - ₹99/month or ₹449/year

Hypothesis 4: Mobile - ₹149/month

Hypothesis 5: Premium Lite - ₹799/year

Implementation: We will direct new users or existing users whose subscriptions are about to expire to the Amazon Prime sign-up or login pages for one of the five editions.

We will keep track of how many visitors join up for each pricing tier and price point, as well as how much revenue each tier and price point generates.



Analysis : After a month, we will evaluate the data to see which pricing tier and price point drew the most subscribers and earned the highest revenue.

We will also evaluate the data to see if there are any major variances in subscriber retention rates across pricing tiers and price points.

Conclusion: Based on the results of the A/B test, we will provide recommendations for the most optimal pricing tiers and price points for Amazon Prime in India.



Thankyou!

