A STUDY ON COMPARATIVE ANALYSIS TOWARDS FILPKART AND AMAZON IN TIRUPUR CITY

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Abstract

Online shopping is basically a process of selling and buying of goods and services on World Wide Web. Internet shopping has become the fastest growing use of the Internet; most online consumers, however, use information gathered online to make purchases off-line. Even though the traditional form of purchasing and selling of goods and services is preferred today; yet the modern form of it i.e. the electronic form of purchasing and selling of goods and services is grasping the society in a rapid pace. This electronic form of commerce is popularly known as ecommerce. Though there are many players in the e-commerce sector of India, yet Flipkart and Amazon India seem to play the dominant role.

Key Words: Online shopping, World Wide Web, grasping, ecommerce.

Introduction

E-Commerce: The number of internet users worldwide has grown steadily and this growth has created opportunities for global and regional e-commerce. This number is expected to reach 445 million users in 2020. Internet penetration is increasing and e-commerce is becoming increasingly secure. The impact of electronic commerce is already evident in all areas. Many implicit and explicit definitions of e-commerce are based on past experiences rather than possible future ones. There are different ways to define e-commerce between different people, different books.

Sachin Bansal and Binny Bansal, both alumni of the Indian Institute of Technology, Delhi founded Flipkart in the year 2007 with a mere capital of Rs. 4 Lakhs. Prior to that, they were employees of amazon.com. Flipkart is headquartered in Bangalore, Karnataka and it operates exclusively in India. However, the company is registered in Singapore and is **Samrat Bharadwaj** owned by a Singapore based holding company. The two partners started Flipkart from a small room at Koramangala in Bangalore and registered it as 'Flipkart Online Services Pvt. Ltd' in the Registrar of Companies. The website initially dealt only in bookselling the business

and later expanded its product lines to different merchandise. In May 2018, the US giant Walmart negotiated a deal to acquire Flipkart and finally closed the deal on August 18th, 2018 by taking over 77% of Flipkart's share at a price of US $16 Billion.

On the other hand, Amazon.com was founded by Jeff Bezos in the year 1994. It is an American e-commerce company. It is headquartered in Seattle, Washington. Initially, the company was incorporated with the name "Cadabra" on July 5, 1994. It went online as Amazon.com in the year 1995. Amazon.com too started its business as an online bookstore. Over the years, it expanded by selling other merchandise. Amazon.com entered India with the name 'Amazon India' in June 2013.As in July 2013, Amazon's Indian rival Flipkart announced to invest $ 1 Billion to increase its business; Amazon quickly countered by announcing to invest $2 Billion (Rs 12,000 Crores) in India to expand business. With the passage of time, Amazon received an excellent response in India and has turned itself to be one of the most trustworthy ecommerce websites.

Need of the study

Online shopping saves the people the drudgery of shopping from one shop to another so buy the items they require however, with so many online retailers selling a large variety of product; it becomes impossible for even online shoppers to decide what to buy and from where. There is an urgent need of one-step shopping information centers from where you can receive products and service available. There are some sites online that offer reports on various products and services these reports are based on information received from online purchasers.

Scope of the study

Attitude towards online shopping and goal to shop online are not only affected by case of payment, case of product display, case of comparison, usefulness and employment but also by other factors like consumer individuality, situational factors, product distinctiveness previous online shopping understanding and faith in online shopping. Therefore, understanding who are the once consuming and why they choose to use or keep away from the Internal as a distribution channel, is a critical matter for both e-commerce and retail store owners. The scope of the study is confined only the Tirupur with special reference to the customer those who are purchasing goods through online.

Objectives

1. To understand and estimate the consumer perception and factors affecting their behavior for choosing e-commerce sites.

2. To understand tactics and methods that are used by e-commerce players to grab the customers in India.

3. To know how consumers are evaluating e-commerce sites for their purchases.

4. To understand the work flow of Amazon and Flipkart which are leading in India.

5. To study complexities and barriers those are there in between e-commerce sites and customers.

Limitations

Analysis was done based upon personal opinion of respondents individually, not from any focus groups or experts. For this project the respondents are selected based on their online purchase from both Flipkart and Amazon. The respondent's opinions are based on their personal experience from Flipkart and Amazon.

Researchers Views

Kanwal Gurleen (2012), "focused on the understanding of demographic profiles of adopters and non-adopters of online shopping. The following four factors were found to be significant Price consciousness, Convenience and Variety, Easy payment options and Challenges of Online Shopping. Most of the consumers prefer to buy some selected products online because they will get heavy discounts in comparison to store purchases. Also, the consumer feels that there are good websites available which can be trusted for purchase. The only worry of consumers is regarding the trustworthiness for some websites, since they to give their credit card details to shop online.

Adrita Goswami et.al (2013), studied "Customer Satisfaction towards Online Shopping with Special Reference to Teenage Group of Jorhat Town" study concludes that online customers are satisfied in the aspects such as Price, Quality of products, and Ease of use in mobile platform and Timely Delivery at remote areas. This research explicitly indicates that online marketer should give more importance on price factor and after sale factor.

Dhevika V.P.T, Latasri O.T.V, S Karmugil (2014), in their paper "Factors Affecting Online shopping of Customers" revealed that the most important factor influencing online shopping is- security, followed by – trust worthy shopping and – website design/features and the least important factor influencing is – bargaining

shopping, there is no significant association between security and website design/features of the respondents and their overall online buying behavior.

Saravanan S and Brindha Devi K (2015), "A Study on Online Buying behavior with special reference to Coimbatore city" focused on online shoppers' preferences and problems on various online shopping marketers. Higher computer literacy makes internet shopping smarter. Their awareness about the internet also makes them better positioned to identify and take decision for products and services.

K. Rama Mohana Reo and Chandra Sekhar Patro (2016), " the finding of the study established the fact that consumer perception on e-shopping depends upon different factors which can be broadly identified as convenience, website design, delivery, price advantages, reliability, and responsiveness. According to the study, most of the respondents are satisfied with the current conditions. But there still have several indicators that are needed to be improved.

Data and Research Methodology

In this study **DESCRIPTIVE** type of research has been adopted. The main purpose of descriptive research is description of the state of affairs is exists at present. The study has used primary data which has been collected directly from the respondents from Tirupur city.

A sample design is the framework, or road map, that serves as the basis for the selection of a survey sample and affects many other important aspects of a survey as well. One must define a sampling frame that represents the population of interest, from which a sample is to be drawn. The area selected for the study is Tirupur in Tamilnadu which is well known for knitting and textile manufacturing.

Judgemental Sampling is used for study on comparative analysis towards Flipkart and Amazon.

The sample size is a term used in the market research for defining the number of subjects included in the sample size. By sample size, we can understand a group of subjects that are selected from the general population and are considered a representative of the real population for the specific study.

A sample of 300 respondents has been taken for the study.

Analysis and Results

1.0. Demographic factors using Percentage Analysis

S NO	VARIABLES	CLASSES	PERCENTAGE
1.	Age	18-25 YEARS 26-40 YEARS 41-55 YEARS ABOVE 55 YEARS	68 27 04 01
2	Gender	Female Male	59 41
3	Frequency of online shopping	Less than one month 2 to 6 months 7 to 12 months More than	27 44 18 11
4	Preference of online site by the respondent	Flipkart Amazon Others	55 40 05
5	Payment method by the respondent	Debit Card Cash on delivery Credit card Third party	14 74 06 06
6	Frequency of online shopping	Once in Month Once in two months More frequently	23 51 26
7	Method of Choosing the E-commerce site	Referred by friends Advertisements Online reviews	27 45 28
8	Maximum reference given by the respondents	Flipkart Amazon Both Others	43 33 22 02
9	Problems faced by the respondent	Delay in delivery Cheap quality Product damage Non delivery	25 32 22 21

Source: Primary data

2.0 CHI - SQUARE TEST

2.1 Relationship between age and preference of online site

Null Hypothiesis (Ho): There is no relationship between age and preference of online site.
Alternative Hypothiesis (Ha): There is relationship between age and preference of the online site.

OBSERVED	FLIPKART	AMAZON	OTHER	Grand Total
18-25	35	32	4	71
26-40	16	8	-	24
41-55	2	2	-	4
ABOVE 55	1	-	-	1
Grand Total	54	42	4	100

EXPECTED	FLIPKART	AMAZON	OTHER	Grand Total
18-25	38.34	29.82	2.84	71
26-40	12.96	10.08	0.96	24
41-55	2.16	1.68	0.16	4
ABOVE 55	0.54	0.42	0.04	1
Grand Total	54	42	4	100

CHI	0.864524
DF	6

The calculated value is greater than the table value; hence the null hypothesis is rejected and alternative hypothesis is accepted. Hence there is relationship between age and preference of online site.

Suggestions

1) Flipkart is performing fine. There are so many cases where people felt that packing might have been better.

2) Either the product may be big or small / expensive or not, the entire product has to be treated with care. Some of the products mostly apparel's are turning out with original cover of supplier, which shows negligence of them.

3) In this issue Amazon made a mark among us, because whatever the product is their packing will obviously safe and secure.

4) Consumers of Amazon and Flipkart should be provided with the additional feature of comparing the product prices with other sites.

5) Online stores should try to give more variety of products with low price.

6) As online shopping is considered more convenient for consumer, the higher delivery charge has to be reduced. Both the company should concentrate more on pricing of product because, sometimes low quality products are priced higher than the retail outlets.

7) Discounts and offers, free gifts can be made during festival season to attract more rational and new consumers.

8) The online E-commerce sites made consumers work with more easy and comfortable.

9) In this competitive market one has to be lead and rest will follow. Based upon consumer's survey we got our clear winner and it is flipkart.

10) The main task of the consumer perception is to identify the factors influencing the consumer's needs, wants, values and personal experience. The online stores could increase their reputation by effective marketing strategies like giving physical demonstration videos for goods, on time delivery and providing variety of products with lower cost as one stop shopping for consumers to widen their base in future.

11) The innovative thinking of both online shopping sites to reach more and more consumers is appreciable. They increased their network as much as possible with ultimate aim of reaching more and more customers.

12) From this research, it can be inferred that, all the four factors (Website Usage, Products, Delivery Order, Payments) contribute towards Customer Satisfaction of Amazon and Flipkart sites. Hence the E-commerce service providers should enhance their ability and capacity on the factors namely Website Usage, Products, Delivery Order and Payments.

13) Customers are preferring quality product from e-commerce sites, even it is bit expensive. Hence Quality has to be improved for all the products in Amazon and Flipkart sites.

14) Female respondents are showing more interest to do online shopping than male respondents. Hence, the potentiality of these Female customers should be enhanced and extra preference should be given to them by giving more discounts, offers and benefits.

15) The main task of the consumer perception is to identify the factors influencing the consumers needs, wants, values and personal experience. So the consumer perception will be affected by their actions and buying activities. The online stores can increase their reputation by effective marketing strategies like giving physical demonstration videos for goods, on time delivery and providing variety of products with lower cost as one stop shopping for consumers to widen their base in future. The study consisted with the aspects in which customers of Flipkart and Amazon are satisfied and the comparison between the Customer satisfactions of both the sites. The innovative thinking of both online shopping sites to reach more and more consumers is appreciable. They increased their network

as much as possible with ultimate aim of reaching more and more customers. Based upon the Survey we came to know that both Flipkart and Amazon is more or less equal in satisfying the Consumers. It's appreciable that they are doing well in E-Commerce market.

16) There are so many reasons behind the E-Com. E-Com is performed in India but very slow there is not a single factor responsible for it so many factors are responsible for it. And if we can remove these factors we can change the performance of the ecommerce in Indian market these are some below: When we talk about the E-Com then we say that only those people can use the ecommerce those are literate. The main reason of the little growth of E-Com is the internet. Here people don't know about the E-Com they don't have the availability of internet. Normally we found that in small or backward city's internet facilities is not there. As soon as internet access will increase the size of E-Com will increase. There are so many fraud cases with online customer that's why they don't want to again use E-Com and one more thing some time they confused what we should do and where we should do they complain. Security of the funds also of the main reason of the behind the E-Com .Sometimes, online customer faces the problem of the refund of the funds. So government as well as facilitators of the E-Com should make the clear guideline regarding this. The increase in internet penetration with the advent of 4G technology, extensive and vast use of Smartphone's and lower and lower data rates, how India shops has completely changed the scenario. The increasing demographics and the growth in the internet user base aid to the further growth of E-tail in India. From the customers and prospective investors viewpoint, Flipkart and Amazon have done a considerably good job to gain attention and loyalty. The potential of these companies to become profitable is extremely big. However, the suitable sustainable business model has to be put in place for future growth.

Conclusion

The study consisted with all the work flows of major e-commerce players in India, Flipkart and Amazon. How they are performing and how they are running perfectly in the competitive world has been explained. The innovative thinking of them to reach more and more consumers is appreciable. They increased their network as much as possible with ultimate aim of reaching more and more customers. Online shopping is a new technology that has been created along with the development of the Internet. The study consisted with the aspects in which customers of Flipkart and Amazon are satisfied and the comparison between the Customer satisfactions of both the sites. In this competitive market one has to be lead and rest will follow. Based upon

consumer's survey, Flipkart satisfies the customer in terms of website usage, delivery and order tracking. However, Amazon gives tough competition to Flipkart which satisfies the customer in the aspect of quality of products. Even though it is an international company it understood Indians very well and made its roots stronger in India. It may take some time to overcome, but definitely both are doing very well in Indian e-commerce market.

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