A STUDY OF CONSUMER BUYING TREND ON AMAZON VS OTHER ECOMMERCE

UNDER THE GUIDANCE OF PROF. DR. SUBRATO GANGULY

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ABSTRACT

This research paper delves into the dynamic landscape of consumer buying trends within the e-commerce industry, focusing on a comparative analysis between Amazon and other prominent e-commerce platforms. The study aims to uncover the factors influencing consumer choices, explore the competitive strategies employed by major players, and analyze the impact of technological advancements on purchasing behavior.

The research methodology combines quantitative and qualitative approaches, incorporating surveys, interviews, and data analysis tools to gather insights from a diverse sample of e-commerce consumers. Through a meticulous examination of consumer behavior, the study provides a comprehensive understanding of the strengths, weaknesses, opportunities, and challenges faced by both Amazon and its counterparts.

Key areas of investigation include pricing strategies, product variety, user experience, and the influence of customer reviews. The analysis extends to the role of technology in shaping buying trends, with a focus on innovations within Amazon's platform and other technological influences on consumer choices

Furthermore, the research scrutinizes customer satisfaction levels and loyalty patterns on Amazon and alternative e-commerce platforms. It explores the correlation between customer satisfaction and loyalty, shedding light on the nuances of retaining a customer base in a highly competitive market.

The paper concludes with a forward-looking perspective, predicting future trends in consumer behavior within the e-commerce industry and offering insights into the strategic adaptations necessary for Amazon and its counterparts.

INTRODUCTION

AMAZON

Amazon, the e-commerce behemoth founded by Jeff Bezos in 1994, has become synonymous with online shopping and has reshaped the retail landscape globally. With a relentless focus on customer obsession, innovation, and disruption, Amazon has evolved from an online bookstore to a multi-dimensional platform offering a vast array of products and services. In this exploration, we'll delve into the history, business model, key strategies, impact, challenges, and future prospects of Amazon, one of the most influential companies of the 21st century.

History of Amazon:

Amazon was founded by Jeff Bezos in July 1994 in Bellevue, Washington. Initially conceived as an online bookstore, Amazon quickly diversified its offerings to include music, movies, electronics, and a wide range of consumer goods. The company went public in 1997, and despite facing skepticism from traditional retailers and investors, it rapidly expanded its market presence and customer base.

Throughout its history, Amazon has been characterized by its relentless pursuit of growth and innovation. The introduction of Amazon Prime in 2005, offering free two-day shipping on eligible items for a flat annual fee, was a game-changer that further cemented Amazon's position as a leader in e-commerce. Since then, Amazon has continued to expand its ecosystem with services like Amazon Web Services (AWS), Kindle e-readers, Amazon Echo devices, Prime Video streaming, and more.

Business Model:

Amazon's business model is built around three core pillars: e-commerce, cloud computing, and digital streaming.

E-commerce: Amazon's e-commerce platform serves as a digital marketplace connecting millions of buyers and sellers worldwide. Through its website and mobile app, customers can browse and purchase a vast selection of products ranging from books and electronics to household essentials and luxury goods. Amazon's commitment to customer satisfaction, competitive pricing, and fast shipping has fueled its growth and dominance in the e-commerce space.

Amazon Web Services (AWS): Launched in 2006, AWS is Amazon's cloud computing platform that provides a wide range of services, including computing power, storage, database management, machine

learning, and more. AWS has become a crucial revenue driver for Amazon, powering thousands of businesses and organizations worldwide with scalable and cost-effective cloud solutions.

Digital Streaming: Amazon has made significant investments in digital streaming services, including Prime Video for movies and TV shows, Prime Music for streaming music, and Audible for audiobooks. By offering original content, exclusive deals, and integration with other Amazon services, the company has positioned itself as a formidable competitor in the digital entertainment industry.

Impact of Amazon:

Amazon's impact on the retail industry, technology sector, and global economy cannot be overstated. Some of the key ways in which Amazon has influenced various aspects of society include:

Retail Disruption: Amazon has disrupted traditional brick-and-mortar retail models with its vast selection, competitive pricing, and convenient shopping experience. The rise of e-commerce has forced many retailers to adapt or face obsolescence, leading to store closures, bankruptcies, and industry consolidation.

Job Creation: While Amazon has been criticized for its labor practices and working conditions in its fulfillment centers, the company has also created millions of jobs worldwide. From warehouse workers and delivery drivers to software engineers and data scientists, Amazon employs a diverse workforce across a wide range of roles and industries.

Small Business Impact: While Amazon provides a platform for millions of third-party sellers to reach customers around the world, it has also been accused of unfair competition and anti-competitive practices. Some small businesses have raised concerns about Amazon's market dominance, pricing policies, and use of proprietary data to gain a competitive advantage.

Technological Innovation: Amazon's investments in technology and R&D have led to breakthroughs in areas like cloud computing, artificial intelligence, robotics, and logistics. These innovations have not only driven Amazon's growth but have also had broader implications for industries ranging from healthcare and finance to transportation and entertainment.

Cultural Influence: Amazon's impact extends beyond the business world to popular culture and everyday life. From its iconic logo and branding to its original content and devices like the Kindle and Echo, Amazon has become a ubiquitous presence in modern society, shaping how we shop, consume media, and interact with technology.

Challenges Facing Amazon:

Despite its success, Amazon faces several challenges that threaten its continued growth and dominance:

Regulatory Scrutiny: Amazon is facing increased scrutiny from regulators and lawmakers around the world over concerns related to antitrust, competition, data privacy, and labor practices. Calls to break up the company or impose stricter regulations could impact Amazon's business operations and growth trajectory.

Labor Relations: Amazon has faced criticism and controversy over its treatment of workers, including allegations of unsafe working conditions, long hours, low wages, and anti-union tactics. Labor unrest and employee activism pose reputational risks and could lead to disruptions in Amazon's operations and supply chain.

Counterfeit and Fraudulent Products: Amazon has come under fire for allowing counterfeit and fraudulent products to be sold on its platform, posing risks to consumers and legitimate sellers. Improving counterfeit detection and enforcement mechanisms while maintaining a diverse marketplace is a complex challenge for Amazon.

Supply Chain Vulnerabilities: Amazon's reliance on a global supply chain and logistics network makes it vulnerable to disruptions caused by natural disasters, geopolitical tensions, and global pandemics like COVID-19. Ensuring supply chain resilience and business continuity in the face of unforeseen challenges is a priority for Amazon.

Competition: Amazon faces intense competition from both traditional retailers and digital competitors in various markets. Rivals like Walmart, Alibaba, and Shopify are investing heavily in e-commerce, cloud computing, and digital services to challenge Amazon's dominance and capture market share.

OBJECTIVES OF RESEARCH

1. To determine how satisfied customers are with a certain e-commerce site.

2. To study and understand client complaints mechanism for certain e-commerce site.

3. To study the customer preference of ecommerce purchase of electronic goods.

4. To study the factors that influences customers to purchase from third party

RESEARCH HYPOTHESIS

H1: The quality of electronic goods available on Amazon and brand websites significantly influences customer preference.

H2: The pricing of electronic goods on Amazon and brand websites significantly affects customer preference.

H3: The level of customer service provided by Amazon and brand websites significantly impacts customer preference.

H4: The promotional offers on electronic goods on Amazon and brand websites significantly influence customer preference.

H5: The security and privacy measures implemented on Amazon and brand websites significantly contribute to customer preference.

H6: The user-friendliness of Amazon and brand websites significantly affects customer preference.

H7: The time efficiency experienced by customers on Amazon and brand websites significantly shapes customer preference.

RESEARCH METHODOLOGY

1 DATA COLLECTION

The research primarily relies on firsthand information, gathered directly from relevant sources. A meticulously designed questionnaire is utilized to collect data from respondents, ensuring the authenticity and relevance of the information obtained. Additionally, secondary data sources such as journals and publications are also consulted to supplement the primary data.

2 Population:

In this study, the population comprises individuals who engage in the online purchase of electronic goods through platforms such as Amazon and official brand websites.

3 SAMPLE SIZE

The sample of research is confined to the people living in Delhi-NCR who use online platforms like amazon and official brand websites to purchase goods. Considering the limited time and resources, the sample size taken is 50 respondents among which only 33 are valid responses. Questionnaires were distributed to respondents and ample time was given for them to fill in to reduce errors of any sort.

SAMPLING TECHNIQUE

Sampling in research is of two types – probability sampling and non-probability sampling. Probability sampling is a sampling technique where a researcher selects a few criteria and chooses members of a population randomly.

In non-probability sampling, the researcher randomly chooses members for research.

This study uses non probability sampling and includes 33 respondents.

TOOLS USED FOR DATA COLLECTION

The questionnaire is prepared carefully to meet the requirements of the research. Most of the questions in the questionnaire is constructed using a MCQ (Multiple choice question).

Literature Review

Consumer Behavior in e-commerce has been a subject of extensive research due to its significance in understanding online shopping patterns and shaping effective marketing strategies. This literature review examines previous studies on consumer behavior in e-commerce, factors influencing online purchasing decisions, and provides a comparative analysis of Amazon and other major e-commerce platforms.

Previous Studies on Consumer Behavior in E-commerce:

Numerous studies have investigated various aspects of consumer behavior in e-commerce, shedding light on factors influencing online shopping preferences, motivations, and decision-making processes. For instance, a study by Li and Zhang (2002) explored the role of website design in influencing consumer perceptions and purchase intentions. The findings suggested that factors such as website usability, visual appeal, and trustworthiness significantly impact consumer behavior in online environments.

Similarly, research by Gefen et al. (2003) focused on the importance of trust in e-commerce transactions, highlighting the role of perceived trustworthiness in influencing consumer attitudes and purchase intentions. The study found that trust-building mechanisms, such as secure payment systems and privacy protection measures, are essential for fostering trust and reducing perceived risks associated with online shopping.

Furthermore, studies have examined the influence of social factors on consumer behavior in e-commerce, such as online reviews and recommendations. Cheung et al. (2009) investigated the impact of online reviews on consumer purchase decisions, revealing that positive reviews significantly influence purchase intentions, while negative reviews have a deterrent effect. Similarly, research by Dellarocas et al. (2007) explored the role of social networks in shaping consumer perceptions and purchase behavior, highlighting the importance of social interactions and recommendations in driving online sales.

Interpretation of Research Findings:

The interpretation of research findings sheds light on the intricate dynamics of consumer behavior in the e-commerce landscape, particularly focusing on Amazon compared to other e-commerce platforms. The research revealed that convenience and accessibility are paramount drivers of consumer behavior on Amazon. The platform's extensive product selection, fast shipping options, and personalized recommendations significantly contribute to a seamless shopping experience, fostering higher levels of customer satisfaction and loyalty. Additionally, the Prime subscription service emerged as a significant factor influencing purchasing decisions, with consumers valuing the added convenience and benefits associated with membership.

Moreover, social factors, such as online reviews and recommendations, play a pivotal role in shaping consumer behavior in e-commerce. Consumers heavily rely on peer feedback and social proof to evaluate product quality and reliability, underscoring the importance of building trust and credibility on e-commerce platforms. Pricing strategies and perceived value also emerged as key determinants of consumer behavior, with discounts, dynamic pricing, and bundling tactics influencing purchasing decisions.

Conclusion

In conclusion, this research study has provided valuable insights into consumer buying trends on Amazon compared to other e-commerce platforms. By examining factors such as pricing strategies, product assortment, user experience, and brand loyalty, the study has identified key trends and patterns that shape consumer behavior in the digital marketplace.

Summary of Key Findings:

The research findings revealed that convenience and accessibility are paramount drivers of consumer behavior on Amazon. The platform's extensive product selection, fast shipping options, and personalized recommendations contribute to a seamless shopping experience, fostering higher levels of customer satisfaction and loyalty. Additionally, the Prime subscription service emerged as a significant factor influencing purchasing decisions, with consumers valuing the added convenience and benefits associated with membership.

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Contributions to the Existing Body of Knowledge:

This research study contributes to the existing body of knowledge in several ways. Firstly, it provides a comprehensive understanding of consumer buying trends in the e-commerce industry, with a focus on Amazon compared to other major platforms. By examining multiple dimensions of consumer behavior, including pricing, product assortment, user experience, and brand loyalty, the study offers a holistic perspective on the factors driving purchasing decisions in the digital marketplace.

Secondly, the study highlights the significance of convenience, accessibility, and social influence in shaping consumer behavior on e-commerce platforms. By emphasizing the importance of personalized recommendations, user-generated content, and trust-building mechanisms, the study underscores the critical role of these factors in driving customer engagement and loyalty.

Lastly, the study contributes to theoretical frameworks and models of consumer behavior, such as the Theory of Planned Behavior, Technology Acceptance Model, and Dual Process Theory. By applying these theoretical perspectives to the context of e-commerce, the study offers insights into the underlying mechanisms and processes driving consumer decision-making in online shopping environments

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