

# **BRAND LOYALTY AND CUSTOMER SATISFACTION IN ONLINE RETAILING: FLIPKART**

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## **Abstract**

In the present scenario it is clearly known that customers are very smart and also had various options from different sellers with varieties of options for whatever products or service there are a large number of options are there with the customers so for the above issue mostly companies or seller are targeting more on creating loyal customers by providing better quality product or service at a reasonable rate which means they are giving more emphasis on satisfying the customers instead of mass products for increasing profits which were earlier used in the traditional marketing concept but nowa-days the trend is totally different and they only try to satisfy the customers. The study was conducted on customer satisfaction in relation to brand loyalty towards online selling application – Amazon and Flipkart. The purpose of the study was to examine various factors influencing brand loyalty and also to study the impact & satisfaction level of customer on brand loyalty by taking sample size as 400 from Guwahati city. The researcher has design descriptive and analytical structure for the purpose of the study. After analysing the data, it is find that mostly customers are influence by quality of the product or service which give them more satisfaction in comparison to other factors and also in times of price increase majority of the respondents are of the opinion that they never switch to other brands.

## Introduction

The success of an online retailing company depends on the loyalty of customers towards a brand. So, to earn the reliability of the customers, a brand needs to stand on the expectations of their customers to achieve 100% customer satisfaction. The report deals with brand Loyalty and customer satisfaction of the online shopping giant, "Flipkart". In this, the researcher explains the aims and objectives of the study. Also, confer about the hypothesis method of customer satisfaction. There is obviously both the sides of a coin, i.e., there are some positive and some negative impact of social sites on the online buying behaviour of customers. Customer satisfaction estimate that how happy customers are with company's products, services and capabilities. Customer satisfaction is a term frequently used in marketing. Customer satisfaction, for years has been less of a concept and more of an event as a customer receive product or service for the they have paid and everyone was satisfied with the result. Today, marketers and business owners generally define customer satisfaction as a measurement of how well a product or service meets up to the customer's expectations. Earlier in marketing concept, only focus was given on mass productions of goods and services in order to minimise the cost of production, but in modern marketing concept, customer satisfaction is companies only priority. The impact that customer satisfaction has on a company's brand is crucial in a time when strong corporate branding is paramount, and a culture of brand loyalty is thriving- but there are also plenty of measurable benefits to a satisfied customer. Good customer service leads to repeat sales and loyal customers, but it also saves on the costs associated with trying to draw in new customers in the social media age, word of mouth is king. Good service and customer satisfaction are very significant for both small and large companies, but especially for small companies. There are various factors that influence customer satisfaction i.e. accessibility, navigation, page load speed for online purchase, language, information dispatched should be personalised, convenience, etc.

E-retailers give consumers the best way to save money and time through purchasing online within their range of budget. Flipkart offering some of the best prices and completely hassle- free shopping experience . Higher income groups and educated people are purchasing more via e-retailing websites. People have hesitations in doing online shopping due to security concerns .

Loyalty is extremely beneficial to businesses as it leads to repeat purchases by customers, higher avenues, and customer referrals. Brand loyalty is the tendency of consumers to continuously purchase one brand's products over another. Consumer behaviour patterns demonstrate that consumers will continue to buy products from a company that has fostered a trusting relationship. Having a loyal customer base can help a business push past its competitors and give it the competitive advantage it needs to succeed in the marketplace. Companies with strong brand loyalty will see its customers repeatedly buy its products or service, regardless of changes in price or convenience. Loyal customers have the potential to turn into open

## Objectives of The Research Work

- To record the respondents perception towards online shopping.
- To investigate the major factors that impact customer satisfaction towards online purchase.
- To Know the motivating factors to increase purchase.
- To know the factors that influences the customer, to switch.

• To know the customers are satisfied with service network or not advocates and brand ambassadors for a company. Satisfaction with a business will drive them to spread brand awareness and refer new customers, effectively providing a company with costless advertising.

Through this study an attempt has been made to highly different factors that have impact on customer satisfaction and brand loyalty towards Amazon and Flipkart. To be more specific the research is done to find out different satisfaction levels and to keep the loyal customer satisfied.

## Hypothesis

Based on the literature review, a few points regarding the hypothesis of this study can be extracted given as follows:

H0: E-Satisfaction of the customer directly control e- loyalty.

H1: E- Satisfaction of customer directly pressure e- Commitment. This is because to achieve 100% customer satisfaction. The online market should deliver the product as per their commitments.

H2: E-Trust directly pressures e-loyalty

## Review of Literature

For the above stated objectives a detailed review of literature has been done and the information collected and utilized for the research works have been presented below:

### **1. Subhankar Trivedi (2017), “Customeer satisfaction towards online shopping”**

Discussed that different options in internet encouraged people to search and eventually purchase online, because there are more than 100 million internet users in India. People those who are using internet from 5 to 7 hours a day were found to be adopter of online shopping. Price consciousness, convenience and variety, easy payment options ad challenges of online shopping are the factors found to be a significant in online shopping.

### **2. 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 internet shopping smarter. Their awareness about the internet also makes them better positioned to identify and take decision for products and services.

### **3. Ashish Pant (2014), “An online shopping change the traditional path of consumer purchasing”**

Concluded in his research article that a successful web store is not the just a good looking website with the dynamic technical features but is also emphasis on building the relationship with customers with making money. The success of any e-tailer company in india is depending upon its popularity, its branding image, its unique & fair policies, and its customer relations etc.

#### **4. Dhevika V.P.T, Latasri O.T.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.

#### **. Adrita Goswami (2013), studied “Customer Satisfaction towards online shopping with special reference to Teenage Group of Johrat Town”**

Study concludes that online customers are satisfied in the aspects such as Price, Quality of products, 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.

#### **6. Anthony D. Miyazaki, Ana Fernandez, First published: 3 March 2005 (Consumer Perceptions of Privacy and Security Risks for Online Shopping)**

Government and industry organizations have declared information privacy and security to be major obstacles in the development of consumer – related e-commerce. Risk perceptions regarding internet privacy and security have been identified as issues for both new and experienced users of internet technology. This paper explores risk perceptions among consumers of varying levels of internet experience and how these perceptions relate to online shopping activity. Findings provide evidence of hypothesized relationships among consumers’ levels of Internet experience, the use of alternate remote purchasing methods (such as telephone and mail-order shopping), the perceived risks of online shopping, and online purchasing activity. Implications for online commerce and consumer welfare are discussed.

#### **7. What makes consumers buy Internet? A longitudinal study of online shopping Published In: IEEE transactions on Systems, A Man, and Cybernetics – Part A: Systems and Humans (Volume: 30, Issue: 4 Jul 2000)**

The objective of this study is to investigate the factors affecting online shopping. A model explaining the impact of different factors on online shopping intentions and behavior is developed based on the theory of

planned behavior. The model is then tested empirically in a longitudinal study with two surveys. Data collected from 705 consumers indicate that subjective norms, attitude, and beliefs concerning the consequences of online shopping have significant effects on consumers' intentions to buy online. Behavioral control and intentions significantly influenced online shopping behavior.

## **Research Methodology**

### **Topic**

Customer perception towards online shopping

### **Sample size**

The sample size for the survey conducted was 100

### **Instrument**

Questionnaire

### **Type of study**

Descriptive study

### **Type of data collected**

There are two types of data used. They are primary and secondary data.

### **Primary Data**

Primary research involves the collection of original primary data by researchers. It is often undertaken after researchers have gained some insight into a issue by reviewing secondary research or by analyzing previously collected primary data. In this study questionnaire is being used as primary data collecting.

### **Secondary Data**

Secondary data refers to data that was collected by someone other than user. Common sources of secondary data for social science include censuses, information collected by government departments,

organizational records and data that was originally collected for other research purposes. For secondary data collection several websites were floated.

### **Techniques of data analysis**

Data analysis is a process of inspecting, cleansing, transforming and modeling data with the goal of discovering useful information, suggesting conclusions, and supporting decision making.

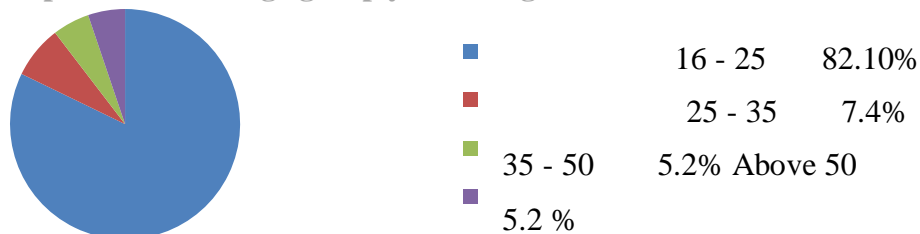
### **Statistical tools are used here**

Data is presented in both chart as well as in graphs for better understanding.

## **Data Analysis & Interpretation (Using various charts and graphs)**

### **1. Please tick the age group you belong to**

Count of please tick the age group you belong to



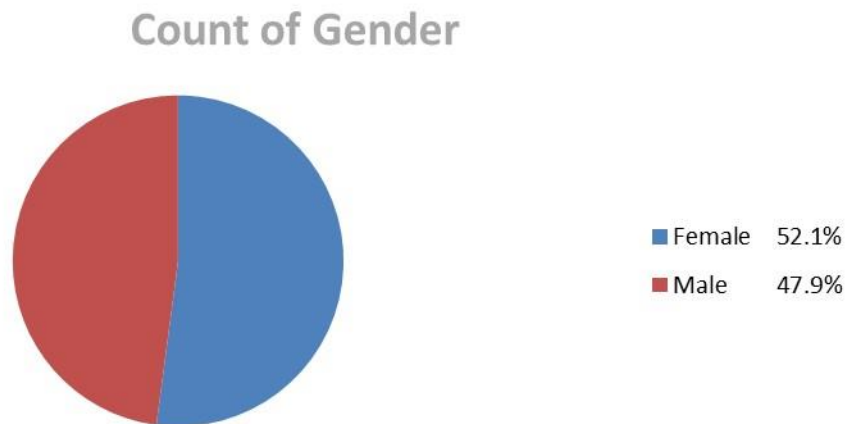
### **Interpretation**

From the above chart we find that there are large no. of people of younger age that is 82.1%.

But there is a sudden decline when we talk about age group of 25-35, 35-50 and above 50. 100 people answered this question out of 100.



## 2. Gender



### **Interpretation**

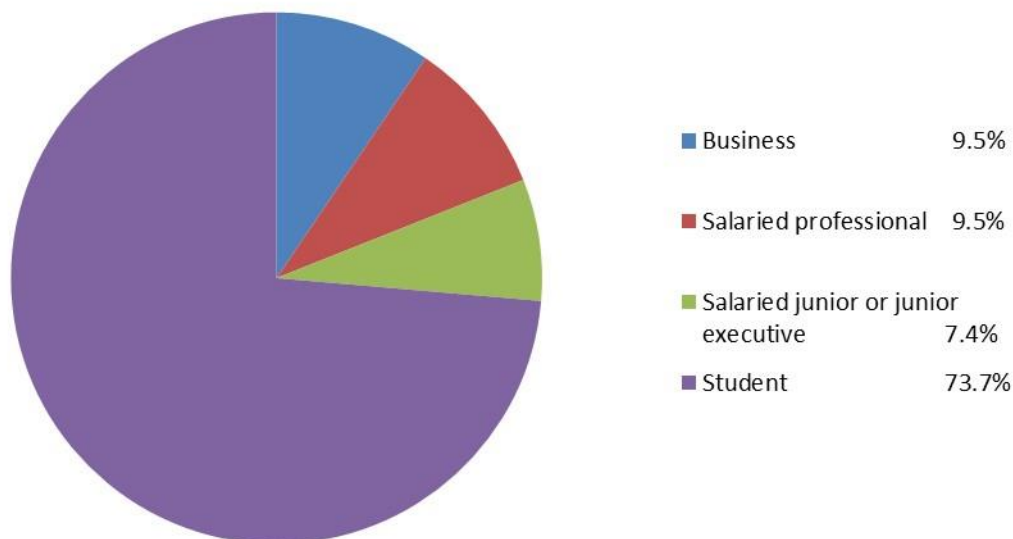
Female participants in the survey are higher in count as compared to male participants (i.e 51.1%) .

And male participants are 47.9% .

98 people answered this question out of 100

### 3. Occupation

Count of please tick your occupation



### **Interpretation**

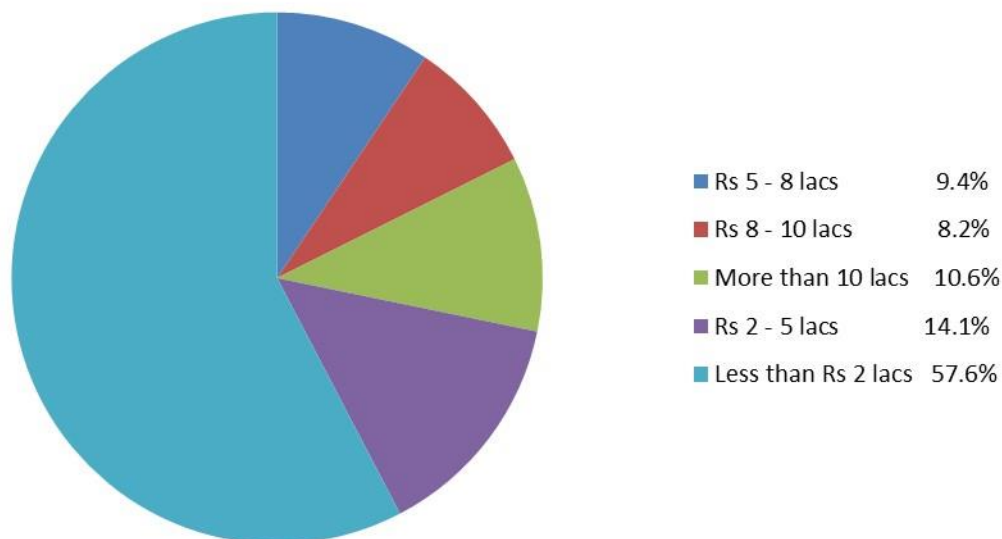
Maximum no. amongst them are students with the percent of 73.7% .

9.5% is the percentage of both Business and Salaried professionals .

Salaried junior or junior executive 7.4% .

#### **4. Income Range**

Count of please tick your income range



#### **Interpretation**

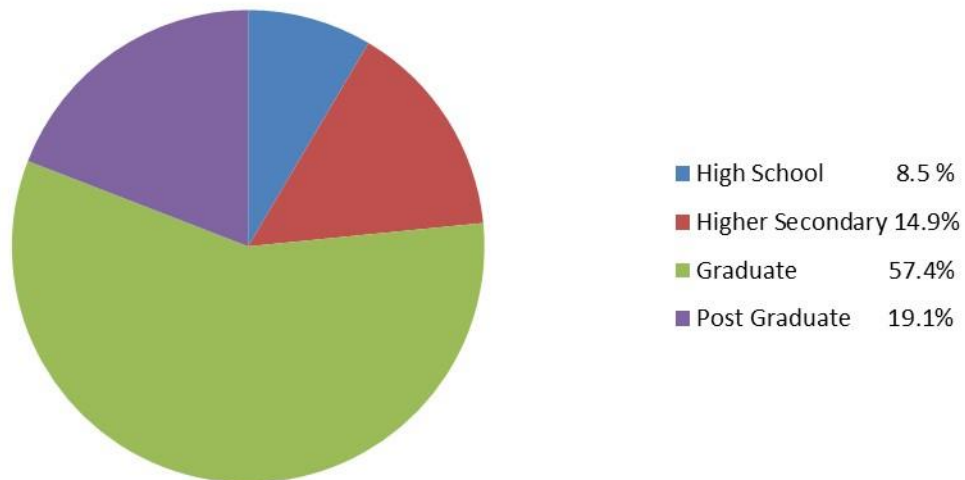
As the maximum number of respondents are student that's why 57.6% of people selected the group of less than 2 lacs.

90 people responded to this question out of 100.

And the second highest count of participants are from 2 to 5 lacs per annum group.

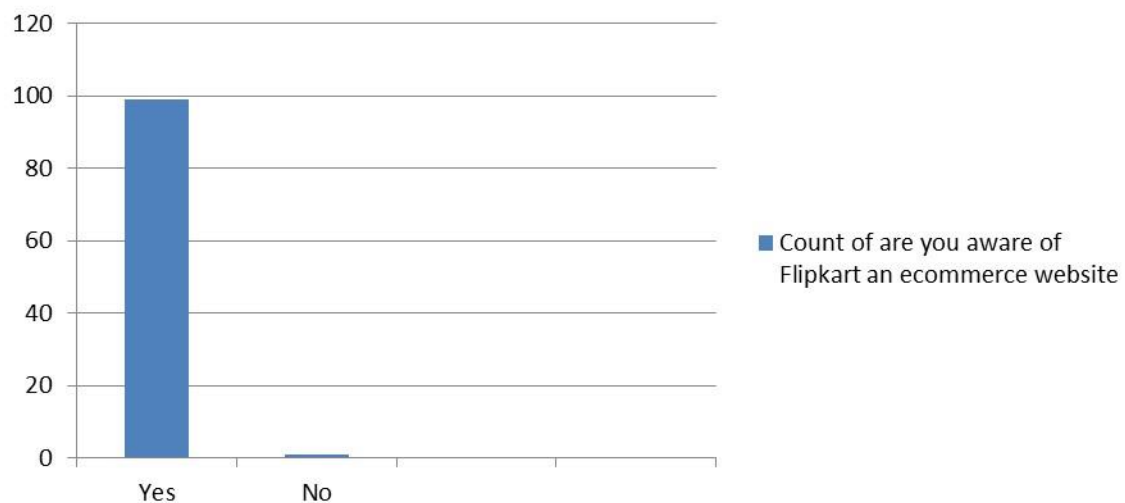
## 5. Qualification

Count of Please tick your education as relevant



## 6. Are you aware of ecommerce website

Count of are you aware of Flipkart an ecommerce website

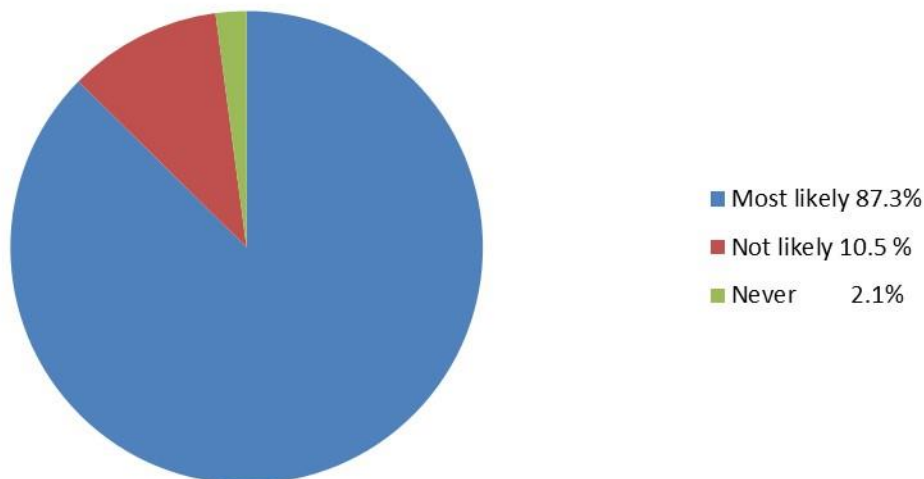


### Interpretation

Max. no. of people are aware of it only 1.1% doesn't.

### 7. How frequently do you shop through ecommerce website.

Count of How frequently do you shop through ecommerce website



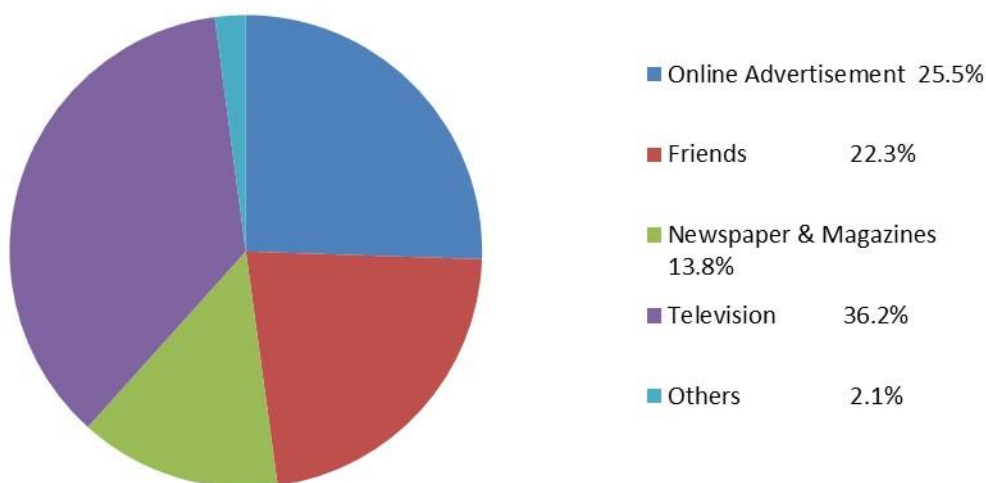
### Interpretation

Most of the people frequently do online shopping i.e 87.3% .

But we also have some of the people that didn't shop online ever till now.

#### 8. How did you come to about know online shopping

Count of How did you come to about know online shopping

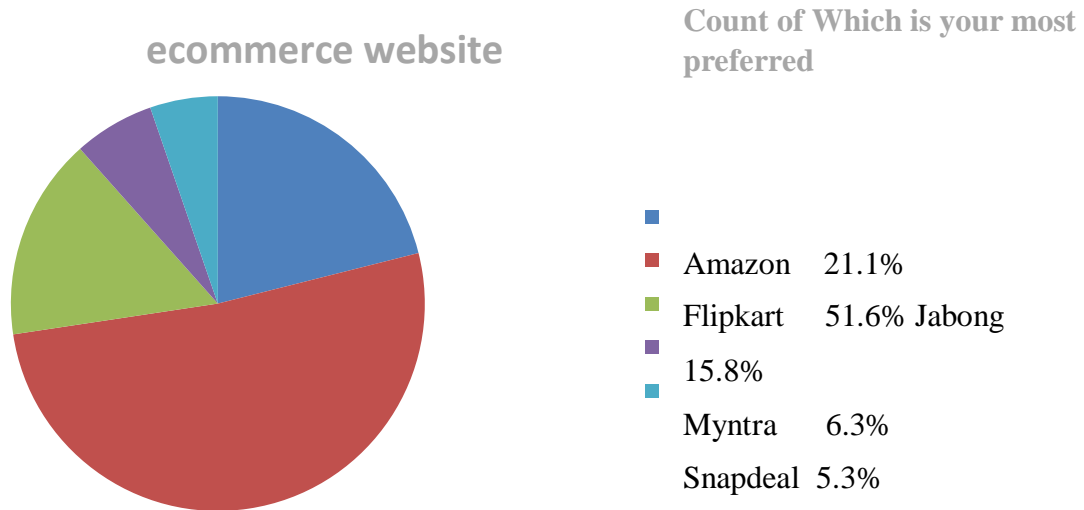


#### Interpretation

From the above chart we find that there are large no. of people who get aware from television advertisements.

But all the marketing techniques work for these online sellers.

## 9. Which is your most preferred ecommerce website.

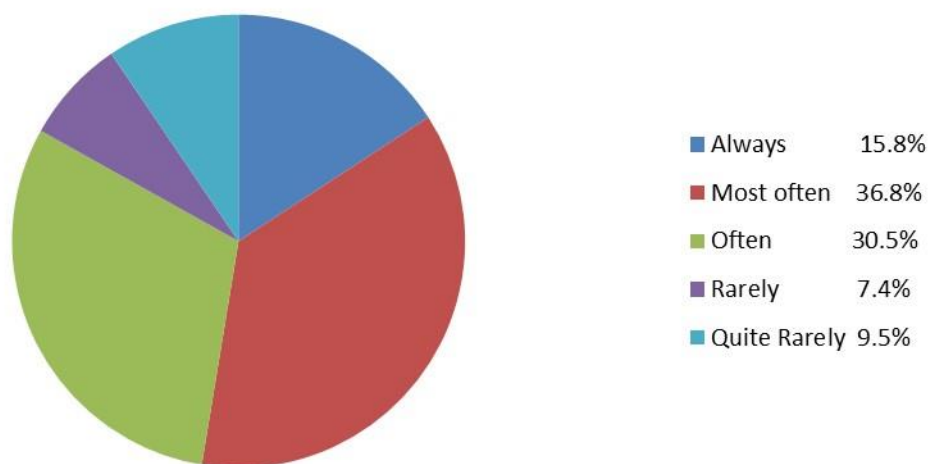


## Interpretation

According to this survey, Flipkart is used by maximum no. of people then Amazon arises with 51.6% and 21.1% respectively .

### 10. How frequently have you used the ecommerce website for getting information before shopping at a physical store

Count of How frequently have you used the ecommerce website for getting information before shopping at a physical store



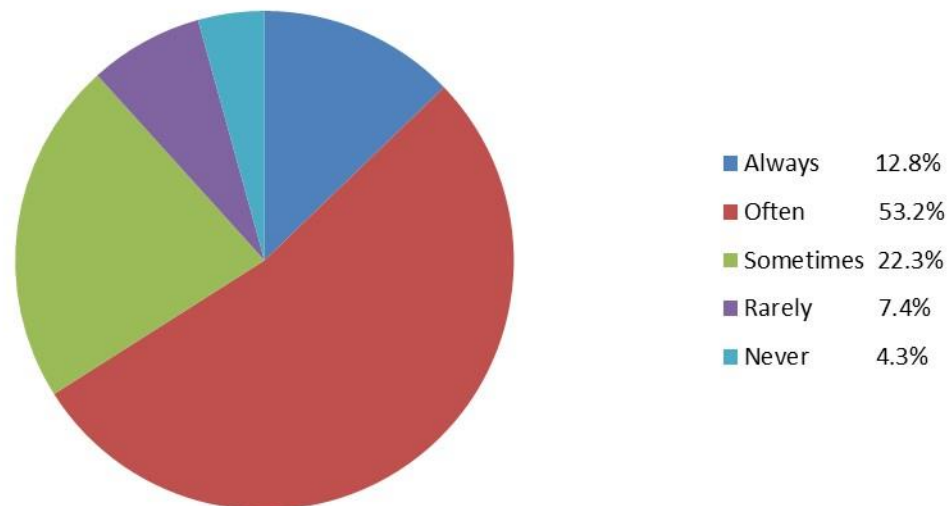
### Interpretation

Maximum no. of people uses ecommerce websites to get some kind of information.



### 11. How does the promotional scheme on websites influence you to visit their site

Count of How does the promotional scheme on websites influence you to visit their site



#### Interpretation

More than 50% of the people usually get influenced by the schemes shown on its website.

12.8% of the people always got influenced by the schemes shown.

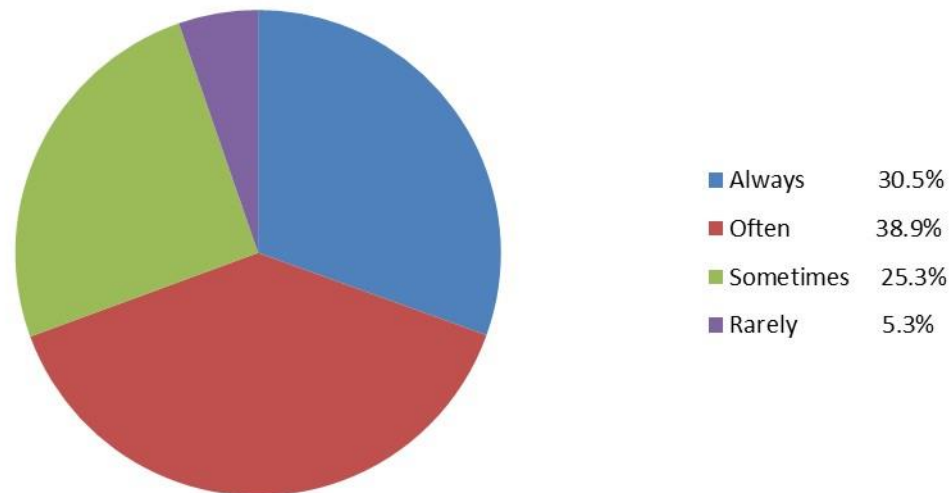
But there is some % of people who rarely or never get influenced.

Schemes are working.

Yet there is a scope of improvement.

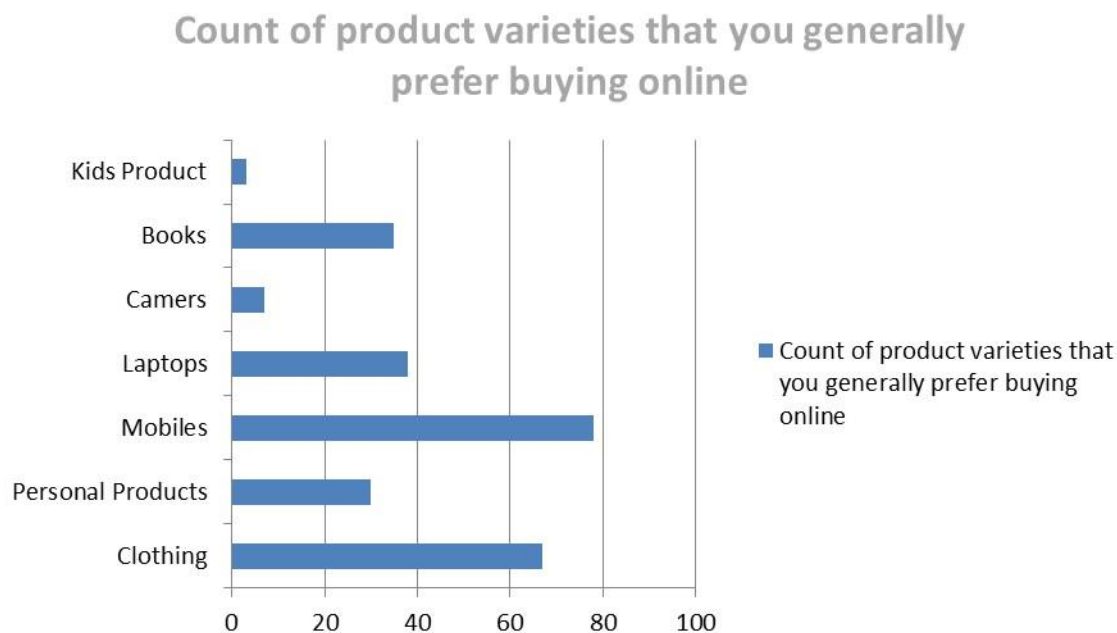
## 12. How often does the product review influence your decision

Count of How often does the product review influence your decision



### Interpretation

Many participants often go through the product review before making their decision to purchase more than those who occasionally read the product review before taking their purchase decision. Product review is a kind of word of mouth strategy where product users leave their review on their experiences.

**13. Tick all the product varieties that you generally prefer buying online****Interpretation**

Clothing – 70.5%

Personal Products – 31.6%

Mobiles – 82.1%

Laptops – 29.5%

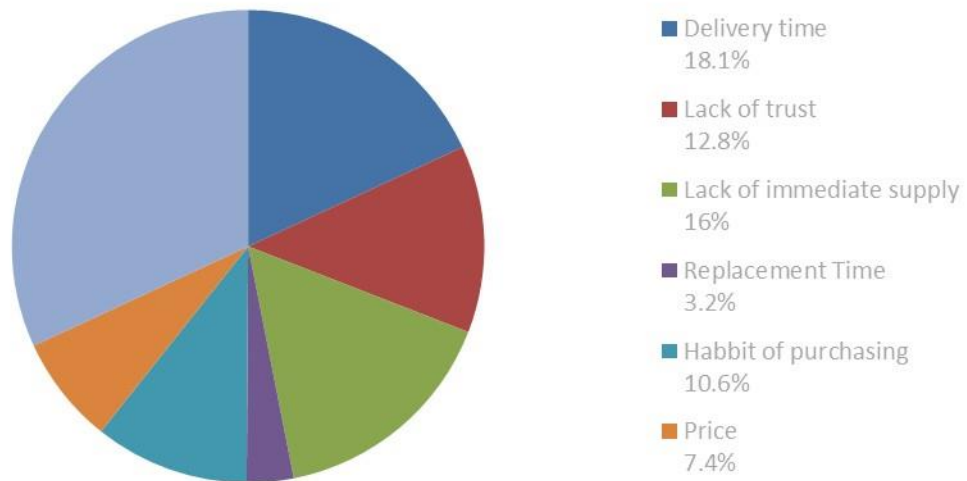
Cameras – 7.4%

Books – 36.8%

Kids Products – 3.2%

#### 14. I sometimes don't purchase a certain of products because of

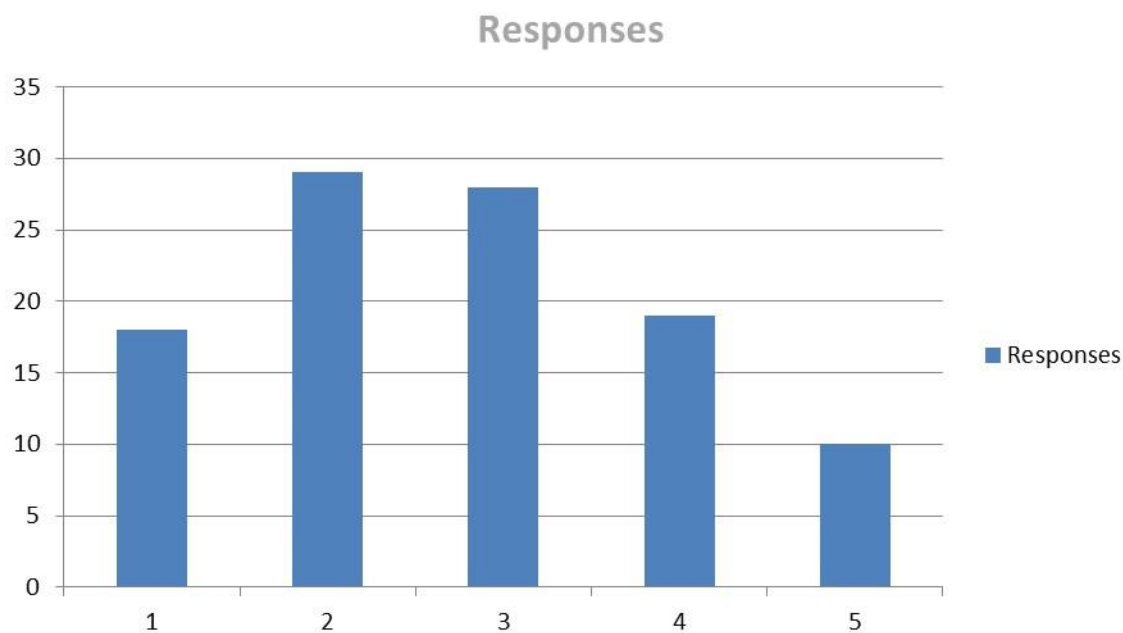
Count of I sometimes don't purchase a certain of products because of



#### Interpretation

Delivery time, inability to touch and experience the product online and lack of trust are the reasons for not going towards online shopping .

And habit of purchasing from open market is also one of the major reason .

**15. Please rate the user friendliness of website's for product comparison (1-5 excellent to very poor)****Interpretation**

If we analyze in term of positive and negative then it will be

49.4% positive response i.e. good for product comparison.

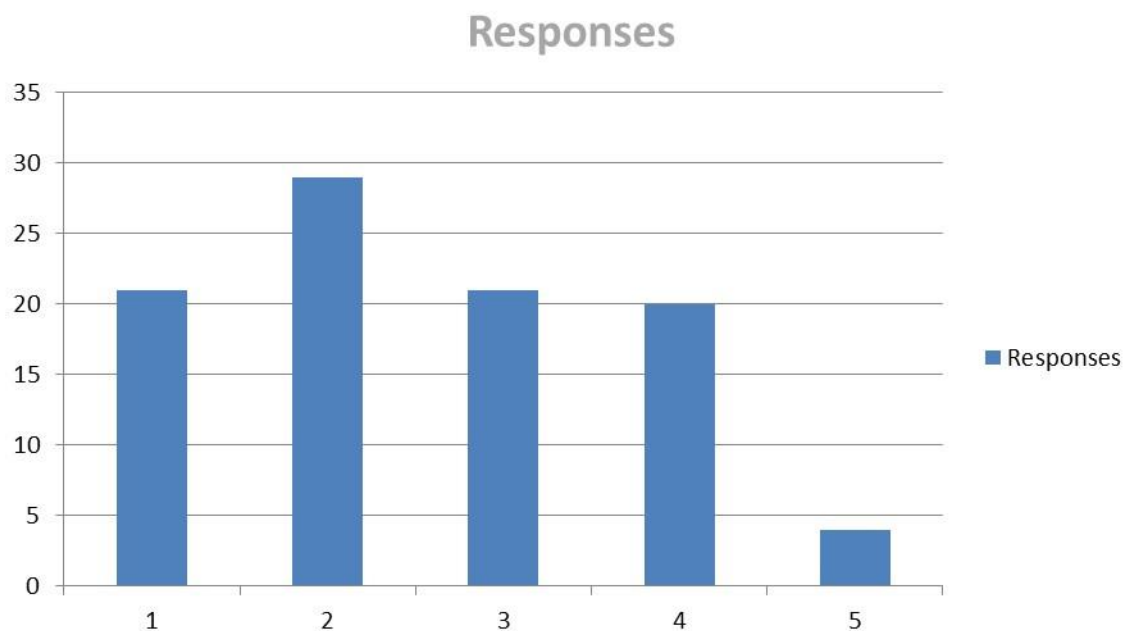
29.5% neutral or moderate.

21.1% negative response from 21 people out of 95.

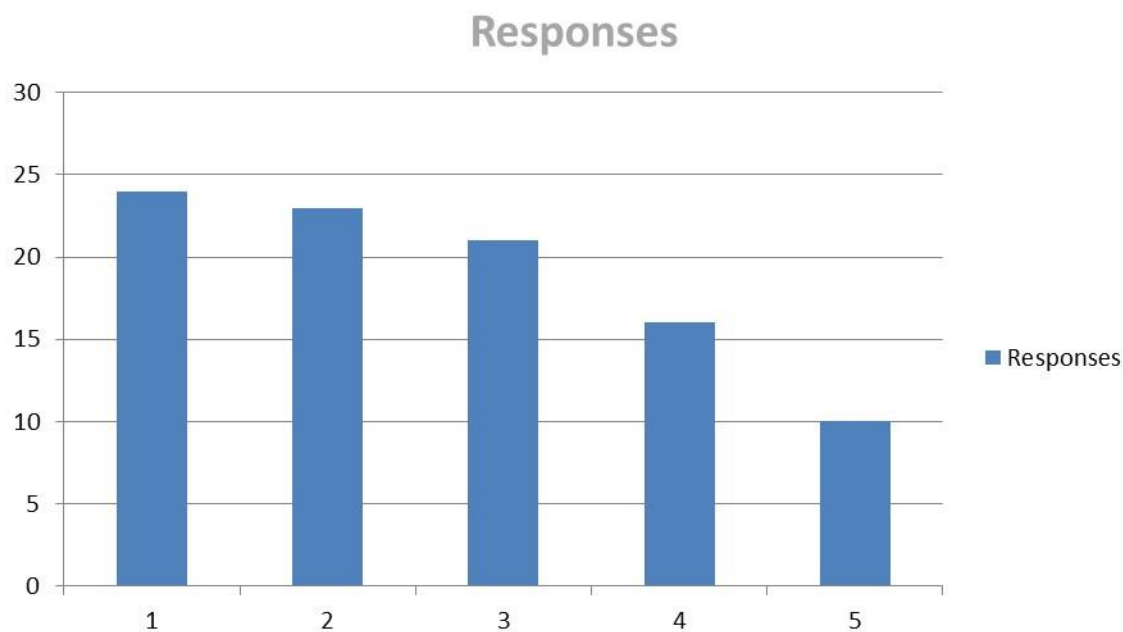
16. Rate from 1 which represents excellent to 5 which represents very poor for



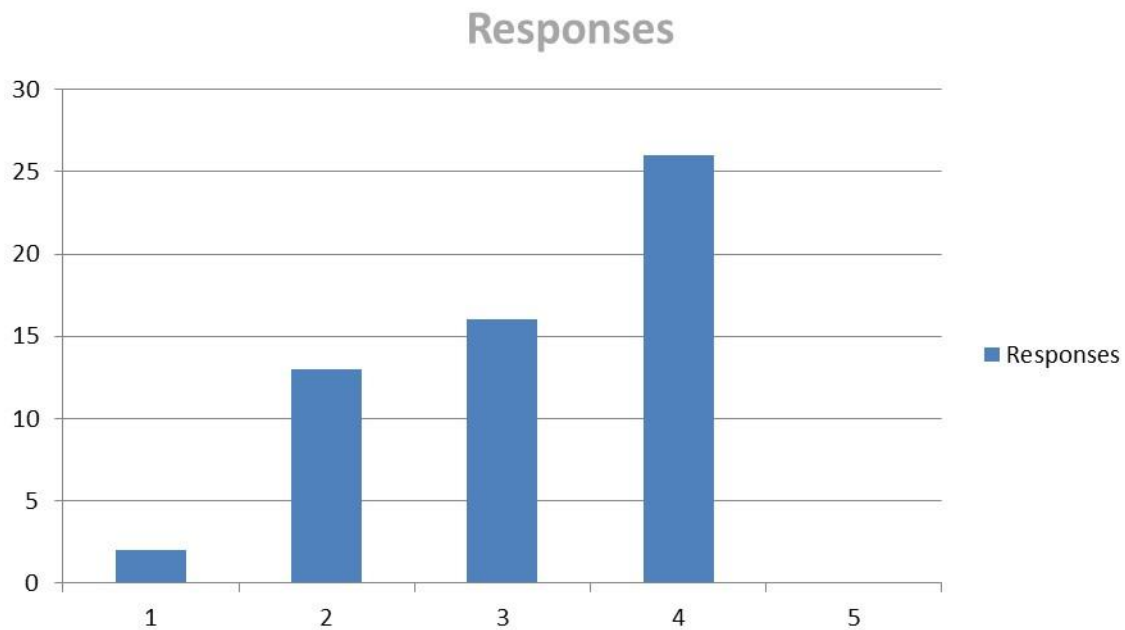
17. Please rate the user friendliness of website's for price comparison (1-5 excellent to very poor)



**18. Please rate from 1 which represents excellent to 5 which represents very poor regarding the speed or response time.**



**19. Please rate your expectations in a shopping model (in a scale of 1 – 5, Least preferred to Most preferred)**



## **Findings**

**The following are the findings of the present study:**

- From analysis, it was found that most of the respondents were aware of online shopping application i.e., Amazon and Flipkart.
- After analysing the data about different brands most of the respondents are aware of the different brand offered by Amazon, Flipkart and many more.
- Most commonly quality of brands affects the customer for choosing a particular brand followed by price of the brand.



- From convenient point of view, it was found that both Amazon and Flipkart are convenient for online shopping but if we compare Flipkart is more convenient.
- From analysis, it was found that Flipkart has more ratings in comparison to Amazon.
- In times of price fluctuation or price rise, most of the respondents are of opinion that they are attach to specific brand rather than shifting and very few are of opinion that if price rises, they will switch to different brand.
- The most affecting factors is safety of payment followed by low price and very least affecting factor can be the free shipment provisions provided by the Online shopping application.

## **Conclusion**

Online shopping is a new technology that has been created along with the development of the internet facility. The study covered all the customers who are using online shopping site which includes all age groups and genders. The innovative thinking of these online websites with the motive of reaching to more and more customers is just recommendable. They increased their network as much as possible with ultimate aim of reaching more customers and to cover a wider market area irrespective of time and place. They make consumer feel more easy and comfortable for shopping in the online market with their own convenience. Based upon the market survey, respondents are more aware of Amazon since it provides more satisfying products and are more likely to be recommended by respondents to their families and friends. Flipkart also have given tough competition to Amazon in term of products, price, customers satisfactions but both are lacking in some areas to which improvement is needed. Today's market is more customers oriented in the sense that all the business operations revolve around satisfying the customers by meeting their needs through effective service. In modern times, it is very hard to sell the products so it is very relevant for the marketers to find out the needs of the customers and try to satisfy them. Customer's attitude is closely linked with the quality of the products. As a result, both online selling stores should focus more on satisfying the needs of the consumers which will ultimately increase their sales by creating brand loyalty.

## **Suggestions**

There are a few practices that, when followed can improve customer satisfaction regardless of industries.

- Flipkart need to improve the availability of their product, customers may find it unsatisfying in the product they want to buy is out of stock and should try to restock it as soon as possible.
- Companies need to gain positive reviews for their products, people often buy product that has more positive reviews.
- The online seller must improve the after sale service like easy return policy to uplift customer satisfaction.

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