

# Comparative Analysis of Consumer Preference Between Flipkart and Amazon

NAVNEET YADAV

DR.ALKA AGNIHOTRI

Researcher, Department of Management, School of Business Galgotias University Guide, Department of Management, School of Business, Galgotias University

## ABSTARCT

One of the new fads in today's economy is buying things online. Innovative businesses have set up systems to accept orders, make payments easier, provide customer service, gather marketing data, and collect feedback online by integrating different online information management technologies using the Internet. Electronic commerce, sometimes known as "online shopping," encompasses all of these pursuits.

In recent years, online purchasing has grown at a rapid pace. Here we take a look at two major online retailers, Flipkart and Amazon, and try to analyse their corporate and commercial methods. Considerations such as e-commerce difficulties, company models, financing, income generation, growth, survival tactics, online shoppers' experiences, value added distinction, and products offered have all been considered in the comparisons. You have to wonder who will come out on top in India, given that both of these major players have left their stamp there. One way to learn about the potential and tactics for success in the Indian e-commerce business is to compare Flipkart.com with Amazon.com, one of its close competitors.

**Keywords:** E-commerce, E-tailers, Online Shopping,

## 1.

### INTRODUCTION

### 1.1

#### OBJECTIVES

- To understand and estimate the consumer perception and factors affecting their behaviour for choosing e-commerce sites.
- To understand tactics and methods those are used by e-commerce players to grab the customers in India.
- To know how consumers are evaluating e-commerce sites for their purchases.
- To study the online marketing of Amazon and Flipkart in India.
- To study complexities and barriers those are there in between e-commerce sites and customers.

### 1.2

#### PROBLEM DEFINITION

Online shopping was considered a massive possibility in India. Many large and small firms compete in this market. How successful have they been so far, and do you think they can stay in business over the long haul? Find out what their customers want and see if they're prepared to meet their needs. The purpose of the research is to learn about the processes and needs of both sides.

### 1.3

#### DATA COLLECTION

The point of gathering any kind of data is to get high-quality evidence, which can be transformed into insightful data analysis and used to construct a solid case for answering the research questions.

**1.3.1****PRIMARY DATA**

The analysis was aided by primary data acquired from a variety of sources, including the opinions and information of individuals who were specifically targeted for the study. Essentially, the questions were designed to gather data that will be useful for the study. In order to learn about their experience and preferences with their faithful firm, data was gathered using questionnaires.

**1.3.2****SECONDARY DATA**

To make primary data collection more specific, secondary data will help to make it more useful. It helps to improve the understanding of the problem. Secondary data was collected from various sources such as different business websites and published papers.

**1.4****LIMITATIONS**

- There was so much confidential data of companies that are not exposed.
- Survey was restricted to age group because respondents willing to fill are college students.
- Analysis was done based upon opinion of respondents individually, not from any focus groups or experts.

**2.****LITERATURE REVIEW AND THEORITICAL FRAMEWORK**

There has been enormous growth in e-commerce in India, according to Sharma and Mittal's (2009) research on "prospects of e-commerce in India". Online shopping in India has limitless potential, thanks to the country's 288 million middle-class citizens. The prices of real estate are going through the roof. In today's world, online shopping is a staple of our everyday lives. Any number of products and services can be found on the internet. Many different types of goods and services are available through the online marketplaces. Some examples include: men's and women's clothing and accessories, health and beauty aids, literature and periodicals, hardware and software, cars, home appliances, jewellery, movies, real estate, and services. Flipkart has been acquiring firms with potential, like Myntra, according to Ashish Gupta, a senior managing director at hellion venture partners and an angel investor who was one of the company's early supporters. Undoubtedly, some of the wagers will be unsuccessful during that procedure. However, that is typical. Flipkart is making calculated wagers that will either increase its market share or drive away its competitors, which will lower its marketing budget and boost its bottom line.

According to Miyazaki and Fernandez (2001), there are several ways in which one's past experiences can influence their present intentions and actions. Researchers conducting studies on internet commerce should exercise caution when applying the technological acceptance paradigm, according to this study's findings. Gaining a deep grasp of customer wants is crucial for building a prosperous online store. It is imperative that things sold online are just as inexpensive as those sold in more conventional stores. The research "prospects of e-commerce in India" by sharma and mittal (2009) states that online shopping in India is experiencing explosive growth.

Online shopping in India has limitless potential, thanks to the country's 288 million middle-class citizens. The prices of real estate are going through the roof. Online shopping has grown so commonplace now that it practically defines our lives. Any number of products and services can be found on the internet.

Many different types of goods and services are available through the online marketplaces. Everything from men's and women's clothing and accessories to health and beauty aids, books, periodicals, computers, software, consumer electronics, appliances, jewellery, movies, real estate and services is just a short list. Re-examining the connections between previous positive experiences, perceived risk level, and future purchase intention within the context of online purchasing, Samadi and Ali (2010) contrasted the perceived risk level of online and in-store shopping.

Published in the International Journal of Marketing, Financial Services, and Management Research (2013), "e-commerce in India—a review" is written by Abhijit Mitra. Online shopping has shattered barriers of distance and time, and it's a revolution that will see India's retail sector grow exponentially over the next five years.

E-commerce and internet marketing: a company review with an Indian focus, D.k. Gangeshwar (2013), International Journal of U-and E-Service Science and Technology. Although there are certain downsides to e-commerce, such as security concerns, privacy concerns, and a reliance on technology, the future of e-commerce remains bright in India.

Centre for Advanced Spatial Analysis, "finding the source of Amazon.com: examining the hype of the earth's biggest bookshop" (1999), Martin Dodge. We can say with confidence that Amazon.com is among the most promising online retailers, having developed swiftly thanks to its dedication to customer satisfaction.

In the field of strategy and innovation, Vijay Govindarajan ranks among the top specialists globally. In addition to being a Marvin Bower fellow at Harvard Business School and a Coxe distinguished professor at Dartmouth College's Tuck School of Business, Govindarajan has written books that have sold well. Online shopping is the most promising market in India. Why? There are three key elements that will propel this: There is a rise in consumerism in India due to three factors: 1) the prevalence of mobile phones; 2) the prevalence of young people who are accustomed to making mobile platform purchases; and 3) the expansion of the middle class. In the next five years, the e-commerce industry will witness a plethora of novel business models. We should expect to witness the emergence of new, innovative, fast-growing enterprises in India, similar to Alibaba.

### **3.**

#### **ABOUT COMPANY:**

### **3.1**

#### **FLIPKART**

"Digi flip" is the name of Flipkart's own product line. "citron" is the name of Flipkart's own line of personal healthcare and home appliances. As it grew, Flipkart branched out from its original concentration on books to sell electronics, air coolers, air conditioners, stationery, lifestyle items, and e-books. Because it is based in Singapore and the majority of its owners are not Indian nationals, Flipkart does not qualify as an Indian company under Indian law. Flipkart uses a subsidiary in India called we retail to sell items since foreign corporations are not permitted to engage in multi-brand e-retailing in the country. The Flipkart platform also allows other businesses and individuals to sell their wares. With over 15,000 employees, Flipkart is a thriving business. Cash on delivery, e-gift vouchers, net banking, credit/debit card transactions, and card swipe on delivery are all acceptable payment methods on Flipkart. With over 14 product categories, 150+ city coverage, and 5 million monthly shipments, Flipkart has quickly become one of India's leading online retailers.

### **3.1.1**

#### **ACHIEVEMENTS IN E- COMMERCE**

Binny Bansal and Sachin Bansal, who are both worth \$1.3 billion, made their debut on the Forbes India rich list in September 2015, debuting at position 86. The prominent Indian economic newspaper, Economic Times, named Flipkart co-founder Sachin Bansal entrepreneur of the year for 2012–2013. CNBC TV 18's "India business leader awards 2012" (bile) presented Flipkart.com with the young Turk of the year award. India Mart's 2011 Leaders of Tomorrow Awards were considered by Flipkart.com.

### **3.1.2**

#### **FAILURE IN MUSIC INDUSTRY**

In October and November 2011, Flipkart acquired the websites mime360.com and chakpak.com. Later, in February 2012, the company revealed its new flyte digital music store. Flyte, a legal music download service in the vein of iTunes and Amazon.com, offered drm-free mp3 downloads. But it was shut down on 17 June 2013 as paid song downloads did not get popular in India due to the advent of free music streaming sites.

### **3.1.3**

#### **ACQUISITIONS**

- 2010: we read, a social book discovery tool.
- 2011: mime360, a digital content platform company.
- 2011: chakpak.com, a Bollywood news site that offers updates, news, photos and videos. Flipkart acquired the rights to champak's digital catalogue which includes 40,000 filmographies, 10,000 movies and close to 50,000 ratings. Flipkart has categorically said that it will not be involved with the original site and will not use the brand name.
- 2012: letsbuy.com, an Indian e-retailer in electronics. Flipkart has bought the company for an estimated

us\$25 million. Letsbuy.com was closed down and all traffic to lets buy has been diverted to Flipkart.

- 2014: acquired myntra.com in an estimated ₹ 20 billion (2,000 crore, about us\$319 million) deal.
- 2015: Flipkart acquired a mobile marketing start-up appiterate as to strengthen its mobile platform.

### **3.2**

### **AMAZON**

When it comes to American internet businesses, Amazon is by far the biggest. Amazon.com expanded from its original focus as an online bookshop to provide a wide variety of products, including books, music, movies, software, games, home decor, cuisine, jewellery, and more. In addition to being a leading provider of cloud computing services, the firm manufactures consumer gadgets such as the Kindle, Fire tablets, Fire TV, and phone. You can shop on Amazon.com from any of these countries: USA, UK&I, France, Canada, Germany, the Netherlands, Italy, Spain, Australia, Brazil, Japan, China, India, and Mexico. Sri Lanka and other southeast Asian nations will soon have their own Amazon.com websites. Some of Amazon's products can also be shipped internationally to specific countries. It had indicated in 2011 that it planned to launch its websites in Sweden and Poland. The Amazon India marketplace was established by Amazon.com in early June 2013 without any advertising activities. Following in the footsteps of its biggest Indian competitor Flipkart's announcement of a \$1 billion investment in July 2013, Amazon announced a \$2 billion (Rs 12,000 crores) investment in India to develop its company.

#### **3.2.1**

#### **ACHIEVEMENTS IN E- COMMERCE**

When it came to mobile app downloads in 2015, Amazon was by far the leader. Just in October, there was a 200 percent spike in downloads. Among all websites, 30 million people visited Amazon in October, according to comScore data. The number of people using Amazon has increased by 231 percent over the previous year. The awards ceremony took place at the 2014 e-tailing India flagship conference and exhibition, which drew together influential figures in the country's retail and e-commerce industries. Presented to Amazon.in was the "path-breaking debut of the year" accolade.

#### **FAILURE**

Amazon starts using India post and screws up its delivery system in India. At the time when the competition among online shopping portals in India is at its highest level possible and each player is pooling in millions from funding's and trying to beat each other with never-before discounts and amazing services, Amazon has taken the worst step ever possible. Amazon India has chosen India post as its primary delivery partner and

all "Amazon fulfilled" orders are now being shipped through India post. Anyone who lives in India or has some experience with the postal system in India needs no introduction about India post.

#### **3.2.2**

#### **ACQUISITIONS**

Online retail behemoth Amazon has long targeted India as a potential non-American growth area. Not only is the firm pouring money into the area, but it is also buying up companies to strengthen its foothold there. Amazon revealed on Tuesday that it has bought advantage payments Pvt Ltd., a payments firm based in India. Amazon chose not to reveal how much it paid for the deal. The ability to accept credit and debit cards online is a major perk of using advantage, just like with Stripe or PayPal. Merchants could also build up prepaid debit cards with their own branding and accept mobile payments through the company. A number of technology and e-commerce start-ups, such as pets.com, audible.com, jungle.com, imdb.com, zappos.com, woot, etc., were bought by the corporation in an effort to distinguish itself.

#### 4.

#### METHOD OF DATA ANALYSIS

For the analysis purpose **spas** demo version was used. Factor analysis was performed to determine the correlation between the variables and highly correlated variables are combined and represented by a factor.

This is to ensure data reduction, instead of several variables they are represented by few major factors.

Regression analysis, to identify the impact of the factors identified in factor analysis (independent variables) on customer satisfaction (dependent variable).

#### 4.1

#### DEMOGRAPHICS:

Variables	Measuring group	Frequency
Age	<25	35
	25-35	
	>35	25
	Total	10
Gender	Male	70
	Female	61
	Total	39
		100

Table 1 demographics of the respondents

The data was used to draw empirical conclusions, which are shown in the chart above. In it, you can find the survey's statistical analysis as well as the respondents' demographic information. After that, we'll talk about and explain our findings. The data in the table above reveals that, out of 70 participants, 50% are under the age of 25, 35.7% are between the ages of 25 and 35, and 14.3% are above the age of 35. Nearly all of the responders who purchase online are students, and the majority of them are under the age of 25. While doing so, 35.7% of the total

2535 people are good at buying things online. Online marketplaces, with their vast product selections and convenient shipping options, draw all these customers. Gender is another demographic element that was taken into account. The percentage of people who prefer to purchase online is higher among women than men. Based on their tastes, we may deduce that consumers are purchasing unique and hard-to-find international products online, saving them time and effort.

#### 4.2

#### HOW OFTEN RESPONDENT SHOP ONLINE

Response	No of Customer
More Than Once in Month	30
Once in 1-2 in Month	30
Once in 2-3 in Month	30
Once in 7-8 in Month	10
total	100

Table 2 How often respondent shop online

**Interpretation:** From above table we can interpret that how often respondents are doing shopping online. It became habit of choosing online shopping instead of brick-and-mortar shopping. Here 30% of respondents are so regular that they do shop online at least once in month. That opens more ways to e-commerce people to succeed in market.

#### 4.3

#### PREFERRED ONLINE SITE BY RESPONDENT

		Frequency	Percent	Valid percent	Cumulative percent
Valid	Flipkart	29	41.4	41.4	41.4
	Amazon				
	Others	29	41.4	41.4	82.9
	Total				
		3	4.3	4.3	
			4.3		100.0
		3		4.3	
			100.0		
		70		100.0	

Table 3 respondent online site preference

**Interpretation:** From above table we can interpret that both Amazon and Flipkart were chosen by 82.9% people equally and others also.

#### 4.4

#### RESPONDENT PAYMENT METHOD

	Debit Card	Credi Card	Cash on Delivery	Others	Total
The most Respondent Preferable Consumers depend on Which payment mode	33	8	57	2	100

Table 4 respondent payment method

**Interpretation:** E-commerce players must gain confidence in terms of providing security to customer's sensitive data. When respondent is questioned with payment method they will use while doing online shopping, most of the respondents choose cash on delivery method which is of 62.9%. We can analyze that cash on delivery is simple and perfect way to customer to proceed. Even delivery boys are carrying swipe machines and made more convenient.

#### 4.5

#### RESPONDENT IS MOST IMPRESSED WITH WHICH E-COMMERCE SITE

		Frequency	Percent	Valid percent	Cumulative percent
Valid	Flipkart	28	40.0	40.0	40.0
	Amazon	33	47.1	47.1	87.1
	Others	9	12.9	12.9	100.0
	Total	70	100.0	100.0	

Table 5 respondent's positive towards

**Interpretation:** E-commerce site that is most appreciated by customers is Amazon. Amazon is leading with 47.1% when compared to Flipkart, which is having 40% of respondent's interest. And rest of e-commerce sites are not even in the reach of Flipkart and Amazon. It clearly proves that Flipkart and Amazon are leading e-commerce market in India.

#### 4.6

#### RESPONDENT CHOOSING METHOD OF E-COMMERCE SITE

Valid		Frequency	Percent	Valid percent	Cumulative percent
Referred by friends Advertisements Online reviews Total		28	40.0	40.0	40.0
		14	20.0	20.0	60.0
		28	40.0	40.0	100.0
		70	100.0	100.0	

Table 6 respondent's selection process

**Interpretation:** Which is the perfect way to reach the customers? Or by what basis client is choosing online site for shopping. According to above table respondents are choosing as per online reviews and also equal percentage of respondents are choosing e-commerce sites based upon their friend's suggestions.

#### 4.9 RESPONDENTS FACED PROBLEM WITH

		Frequency	Percent	Valid percent	Cumulative percent
	Delay in delivery	15	21.4	21.4	21.4
	Product damage	10	14.3	14.3	35.7



Valid	Cheap quality of a product	29	41.4	41.4	77.1
	Non delivery	7	10	10	87.1
	Other	9	12.9	12.9	100
	Total	70	100	100	

Table 7 respondent troubled issue **Interpretation:**

From product order to delivery of the product its company's responsibility to fulfil customer's requirements. Customers expect what they paid for, if something happens, they will hesitate to purchase again. From above table most of the respondents (41.4%) are having problem with the product quality and after that they are having problem with delay of product delivery

## 5. FINDINGS

- Female respondents are showing more interest to do online shopping than male respondents.
- Customers are preferring quality product from e-commerce sites, even it is bit expensive.
- Flipkart is trying very hard to reach the top position, but Amazon India is giving very tough competition.
- Amazon is leading in every aspect of survey such as price, preferred and also suggesting to friends.
- Undoubtedly Flipkart and Amazon made their impact on customers very strongly and captured loyal customers. And they are ready suggesting their online shopping site to rest of their friends.
- Both Flipkart and Amazon India advertisings were very innovative and attractive. Both companies are expending so much money on advertising and promotions.
- Every age group people are interested in offers, if they are in need or not, they want to purchase.

## 6. SUGGESTIONS

Flipkart is doing alright, but it's not cutting it. Many individuals have thought that packing would have been a better option in these situations. Care must be exercised while handling any product, regardless of its size, cost, or otherwise. The fact that several of the products, primarily clothing, are still in their original packaging demonstrates the supplier's lack of care. Regardless of the product, Amazon's packaging is always secure, therefore they built a name for themselves in this regard.

## 7. CONCLUSION

Flipkart and Amazon, two of India's largest online marketplaces, had their whole workflows analysed. It has been described how they are doing and how they are operating flawlessly in the competitive globe. It is commendable that they are thinking outside the box to attract an increasing number of customers. In an effort to attract an ever-increasing clientele, they expanded its network to its maximum extent. Customers reported less strain and better comfort while using them. To succeed in today's cutthroat business environment, you have to take the lead. We had our winner, Amazon, based on the consumer survey. Despite being a multinational corporation, it has a deep understanding of the Indian market and has strengthened its ties to the country. While Amazon has been around for a long time, Flipkart is still a relatively young startup that is challenging Amazon for market share. They may need some time to get over this, but the Indian e-commerce business is booming for them.

## REFERENCES

### Journals and papers

- "E-commerce challenges: a case study of Flipkart.com versus Amazon. in by Dr Priti Nigam
- "Prospects of e-commerce in India" by Sharma and Mittal (2009)
- "E-Commerce in India-A Review", International Journal of Marketing, Financial Services & Management Research by Abhijit Mitra. (2013).
- "E-Commerce or Internet Marketing: A Business Review from Indian Context", International Journal of u- and e-Service, Science and Technology by D.K. Gangeshwar (2013)
- "Finding the source of Amazon.com: examining the hype of the earth's biggest bookstore", by Martin Dodge. (1999)

### Textbooks

- Marketing management by Philip Kotler, Kevin Lane Keller, Abraham Koshy and Mithilesh warJha.