

CONSUMER BEHAVIOR TOWARDS DIGITAL MARKETING IN FLIPKART

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ABSTRACT

• The first section of this chapter discusses the literature review done for this study followed by the research design of this study in detail in the second section. A literature review is a body of text that aims to review the critical points of current knowledge including substantive findings as well as theoretical and methodological contributions to a particular topic. Literature reviews are secondary sources, and as such, do not report any new or original experimental work. Also, a literature review can be interpreted as a review of an abstract accomplishment. Methodology is the answer to the why and how the research was carried out in the first place. This increases the possibility of receiving appropriate answers to the research questions and derives valuable insights into the topic at hand. The main focus of the methodology here is driven by primary research, thus undertaking research that is novel in nature. Alongside this it highlights the methods that would be put to use to explore this study. The choice of research approach is the first topic discussed in this chapter, followed by data collection, sample selection and data analysis.

INTRODUCTION

• The Internet, as a mean for both firms and an individual to conduct business, is now a days one of the most widely used non-store formats. With popular trends and demands the concept of the Internet as the way forward to increase profit margins, companies new and old are creating websites here and there. The significance for retailers to having a web site is that a web site is informational and transactional in nature, as the web site can be used for advertising and direct marketing; sales; customer support and public relations. It has been more than a decade since business-to-consumer E-commerce first evolved. Scholars and practitioners of electronic commerce constantly strive to gain an improved insight into consumer behaviour in cyberspace. Internet is changing the way consumers shop and buy goods and services, and has rapidly evolved into a global phenomenon. Many companies have started using the Internet with the aim of cutting marketing costs, the by reducing the price of their products and services in order to stay ahead in highly competitive markets. Companies also use the Internet to convey, communicate and disseminate information, to sell the product, to take feedback and also to conduct satisfaction surveys with customers. Customers use the Internet not only to buy the product online, but also to compare prices, product features and after sale service facilities they will receive if they purchase the product from a particular store. Many experts are optimistic about the prospect of online business. A brand is the idea or image of a specific product or service that consumers connect with, by identifying the name, logo, slogan, or design of the company who owns the idea or image.

• Branding is when that idea or image is marketed so that it is recognizable by more and more people, and identified with a certain service or product when there are many other companies offering the same service or product. Advertising professionals work on branding not only to build brand recognition, but also to build good reputations and a set of standards to which the company should strive to maintain or surpass. Branding is an important part of Internet commerce, as branding allows companies to build their reputations as well as expand beyond the original product and service, and add to the revenue generated by the original brand. Initially, Branding was adopted to differentiate one person's cattle from another's by means of a distinctive symbol burned into the animal's skin with a hot iron stamp, and was subsequently used in business, marketing and advertising.

• Growth and progression of E-commerce in India

• The e-commerce market in India has grown by 34% in the last seven years, was about USD 600 million in 2011-12 and is expected to touch USD 9 billion by 2016 and USD 70 billion by 2020. According to Forrester,

the Indian ecommerce market is expected to grow at a CAGR of over 57% between 2012 and 2016, which is the fastest within Asia-Pacific region. The key factors that are driving this growth are the rise of Internet usage (growing at 20%) & 3G penetration, and increasing smartphone users with availability of Internet on mobile phones. It is estimated that currently there are 27 million mobile Internet users in India out of which 4% are buying products on mobile. This figure is expected to increase to 20% mobile shoppers in the next four years.

- These factors accompanied by busy lifestyles, traffic congestion, lack of offline shopping time, great deals and discounts offered online, and use of innovative ecommerce models such as group buying and second-hand sales have led to more and more consumers switch to online shopping. With the rising middle-class incomes, global exposure and changing demographics (close to 50% of the population is less than 25 years of age), this trend also holds true for the Tier II & III cities.

- However, the e-commerce industry today faces certain challenges. Firstly, there is a very low penetration of credit/debit cards in India, which restricts the online purchasing power. Even though strategies such as cash on delivery have been introduced, they have their own nuances and pose high working capital issues to the companies. Secondly, high volume items such as refrigerators require high freight & shipping costs and because the e-commerce model in India is based on free shipping concept, sale of such items online could suffer a setback. Finally, the distribution & logistics in India is not very well organized and prone to fraud. Hence, buying of high value items such as jewellery, electronic goods (LCDs), which require travel insurance adding up to the total costs may not be one of the bestsellers in the digital space

- The key to success in this segment is delivering high quality user experience which includes differentiated and detailed product catalogue, order fulfilment, website performance, different modes of transaction (credit cards, payment gateways, cash on delivery etc.), and simple and sensible checkout. Furthermore, with the increase in competition in this segment, the ecommerce players need to invest in research and development of differentiated product catalogues, innovative service and customer engagement concepts, and cost-effective supply chain and logistics models.

FINDINGS

- There is not much difference in gender for using online shopping.

- Students and salaried persons are most frequent users of Flipkart.

- Frequency of purchase for electronics, books and music, apparels and accessories are more in Flipkart.

- Word of mouth was more influential in promotion as many people were made aware by their friends and family when customers recommend this website to them.

- Highly discounted products got out of stock quickly, since customers purchased it as soon as they could when they see high discount on good featured product.

- The services provided by Flipkart are good and even more scope of development is there for increasing the customer strength.

- Digital marketing techniques like search engine marketing, links providing other website and advertisement also functioned well for promotion of this website.
- Fast delivery is one of best service Flipkart is providing.
- Different payment options available in Flipkart made customers more satisfied and comfort for paying while purchasing product.
- Customers feeling more secured when purchasing through Flipkart because of different policies and services they have.
- In comparison with competitors, Flipkart is charging free shipping for the purchase of 300 plus rupees, while others free ship the service without any barrier.
- Out of stock is the main issue faced by Flipkart.
- Most of customers have good experience with Flipkart while purchasing products.
- Most of them are satisfied with the services of Flipkart and so that they succeed in retaining the customers.
- Advertising is an important way to have the brand and products familiar to consumers.
- Convenience and time saving are two important factors that customer looking for while purchasing through online.

LITERATURE REVIEW

• This chapter discusses the literature review done for this study followed by the research design of this study in detail in the second section. A **literature review** is a body of text that aims to review the critical points of current knowledge including substantive findings as well as theoretical and methodological contributions to a particular topic. Literature reviews are secondary sources, and as such, do not report any new or original experimental work. Also, a literature review can be interpreted as a review of an abstract accomplishment. Methodology is the answer to the why and how the research was carried out in the first place. This increases the possibility of receiving appropriate answers to the research questions and derives valuable insights into the topic at hand. The main focus of the methodology here is driven by primary research, thus undertaking research that is novel in nature. Alongside this it highlights the methods that would be put to use to explore this study. The choice of research approach is the first topic discussed in this chapter, followed by data collection, sample selection and data analysis.

RESEARCH OBJECTIVE

- Analysis of Customer Perception towards online shopping on Flipkart.com. Basically, it is important to investigate the motivation behind consumer purchase but it is equally important to find out how the consumers form perception and behaviours towards online buying because consumer perception towards purchasing online is a conspicuous factor affecting actual buying behaviour. One of the types of research is to work on factors that influence customers to buy online from Flipkart.com, and have decided to study four factors such as convenience, time saving, Website features, and security. And along with this the study for out of stock on highly discounted items also will be done.
- However, customer's willingness to purchase online could be affected by one's individual needs and these needs can be 'Need for cognition'. Taking these aspects into account, a survey is conducted to know the perception towards online shopping on Flipkart.com.
- To find the factors that leads a website user to return to or recommend the website Flipkart.com
- To discover the key factors that influence online buying behaviour of consumers in India
- To identify who are the online shoppers in terms of demography
- To understand the customer awareness on Flipkart.com
- To determine the factors responsible for customer satisfaction

•SCOPE OF THE STUDY

- Scope of study is a general outline of what the study (e.g. class or seminar) will cover. "Scope" defines the parameters of this can be an object, or a theory process, activity, describing either future, current or past knowledge or statements of descriptive activity, experience etc. The topic chosen for this particular study is to analyse the customer perception towards online shopping on Flipkart.com. The sample size chosen was according to the convenience and the objectives of the study. To know about various aspects of Flipkart in

market, the improvements needed in case of features and process, and the effect of factors on the buying behaviour of online customers. The geographical area that this study covers is Noida (India).

Research design and methodology

- **Research Design**

- “Research means different things to different people” and the intention behind it are to investigate innumerable data, theories, experiences, concepts and law. “The procedural framework within which the research is conducted” is the definition of research methodology. The two broad and distinct approaches to social research cover the Quantitative and Qualitative methods of enquiry.

- The quantitative paradigm on the other hand intends to gain a deeper understanding, knowledge and insight into a particular situation or phenomenon, by providing answers to questions of ‘How?’ rather than ‘what?’. Unlike qualitative research which occurs in natural settings, quantitative research is where hypotheses are established.

- **Data collection**

- The data required for understanding will be collected from various online customers. In order to conduct the study digital survey was conducted through Facebook and e-mail. And those responses are collected in a spreadsheet and further analysis was done.

- The data collection method in this particular research comprises of two forms: namely primary and secondary data.

- One needs to be careful while using secondary data as maybe the collected data may be biased as the collector of that original data might have highlighted only a partial picture or another aspect may be that data may be quite old and also the data quality could be unknown.

- Primary data “Data collected specifically for the research project undertaken” is the definition of primary research as provided by Saunders et.al (2003: pp. 486). Primary data is generally originated by any researcher to address any specific problem or issue at hand, where the only drawback is that it can be expensive and time-consuming. The various ways of gathering primary data are through surveys, focus group and observations. In this study, the primary data is collected through well-formed questionnaire with the help of a digital survey. The questionnaire consists of quantitative and qualitative multiple-choice questions and the respondents are asked to choose the one choice which suits them the best amongst the multiple choices.

- Secondary Data
- Prerequisite to the collection of primary data is a careful scrutiny of the existing secondary data (Malhotra, 2005). The Data that is collected from existing journals, reports and statistics from private and public institutions are called Secondary data. For this specific study the collection of secondary data was done primarily from marketing journals already available on 9 this topic. Secondary data helps the author to comprehend the perception of Indian consumers on online shopping. Thus, the study carried out has analysed the primary data with the rationale and validation of the present secondary data.
- Sample technique Choosing a study sample is an important step in any research project since it is rarely efficient, practical, or ethical to study whole populations. In this study the sampling strategy used is convenient sampling. The sample size is 100. A small part of something intended as representative of the whole, or a subset of a population. In this research simple random sampling is being used.
- Data collection
- The data collection would be:
 - PRIMARY DATA: Questionnaire, Observation Method
 - SECONDARY DATA: Journals, Internet, newspaper etc. • Sample design
- Online customers of Noida city are included under this research and tell their satisfaction level.
- Data source
- Both Primary and Secondary source of data would be used. The major type of information is used from Secondary data.

LIMITATIONS

- No research is complete without admitting the limitations that was faced while conducting a study which will contribute to present learning. This study too like the others have certain constrains which has been discussed below.
- The study was restricted to Noida city only
- The study is mainly concentrated on Flipkart.com
- The sample of the size will be limited to time and resources
- The information will be collected valid until there is no any technical change or any innovation
- The result is assuming that respondents have given accurate information

CONCLUSION

- The thorough study is based on the consumer behaviour analysis which serves a great idea regarding consumer perception when they go for online shopping. In order to satisfy themselves consumer perceive many things before buying products and they will be satisfied if the company meet their expectation.
- The Overall Brand Value of Flipkart is good, but it is facing some tough competition from its global competitors like E bay and Amazon. Talking about domestic market i.e. India, it is the most superior E-business portal which is aggressively expanding & planting its roots deep into the Indian market & at the same time shifting the mind-set of the people from going & shopping from physical store to online stores, which is magnificent!
- Be very focused on consumers and build amazing experiences for the customers.

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