

"Battle of the Giants: Assessing Flipkart and Amazon India in the Indian Online Retail Market"

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ABSTRACT

The internet has evolved into an indispensable tool for individuals and businesses alike, revolutionizing the way people engage with work and access information. Through the integration of diverse online management tools, companies have established systems for customer order processing, payment facilitation, customer service, marketing data collection, and online feedback, collectively termed as e-commerce or Internet commerce. Online shopping has become effortlessly accessible to all, offering a wide range of products and a streamlined purchasing process. This study critically examines the corporate and business strategies of two major e-commerce entities, Flipkart and Amazon, encompassing e-commerce challenges, business models, funding, revenue generation, growth, survival tactics, shoppers' online experiences, value-added differentiators, and product offerings. While both companies have made significant strides in India, the ultimate winner in this competitive landscape remains to be seen. A comparative analysis of Flipkart.com with its close competitor Amazon.com sheds light on diverse strategies for success in the e-commerce market and the array of opportunities present in India. Keywords: E-commerce, E-tailers, Online Shopping, Shopping Experiences, Strategies.

1. INTRODUCTION

1.1 OBJECTIVES

- To comprehend and assess consumer perceptions and factors influencing their choice of e-commerce platforms.
- To analyze the tactics and methodologies employed by e-commerce entities to attract customers in India.
- To evaluate how consumers assess e-commerce platforms for their purchases.
- To delineate the operational frameworks of Amazon and Flipkart in India.
- To scrutinize the complexities and impediments between e-commerce platforms and customers.
- To identify novel opportunities and strategies for success in this domain.

1.2 PROBLEM DEFINITION

In India, e-commerce is perceived as a burgeoning industry with vast potential and a high success rate. However, amidst numerous players, both large and small, the sustainability and longevity of these ventures are questioned. This study aims to ascertain the expectations of customers and the readiness of e-commerce platforms to meet these demands, bridging the understanding between both parties.

1.3 DATA COLLECTION

The objective of data collection is to gather quality evidence that facilitates comprehensive data analysis, enabling the formulation of compelling and credible insights.

1.3.1 PRIMARY DATA

Primary data was procured from diverse sources, capturing opinions and insights pertinent to the study objectives. Tailored questionnaires were utilized to elicit specific information, focusing on participants' experiences and preferences towards their favored e-commerce platform.

1.3.2 SECONDARY DATA

Supplementing primary data collection, secondary data enhances specificity and aids in a more nuanced understanding of the research problem. Drawing from various sources such as business websites and published papers, secondary data enriches the depth of analysis.

1.4 LIMITATIONS

- Confidential company data remained inaccessible, limiting comprehensive insights.
- Survey participation was confined to a specific age group, primarily college students, potentially skewing results.
- Analysis relied on individual respondent opinions rather than insights from focus groups or experts.

2. LITERATURE REVIEW AND THEORETICAL FRAMEWORK

Sharma and Mittal (2009) highlight India's exponential e-commerce growth potential, fueled by its burgeoning middle class of 288 million. With e-commerce permeating daily life, diverse portals offer an array of goods and services across numerous categories. Gupta, a senior managing director at Helion Venture Partners, underscores Flipkart's strategic absorption of potential competitors to bolster growth and market dominance.

Miyazaki and Fernandez (2001) emphasize the significant influence of prior experience on e-commerce intentions and behaviors, cautioning the application of technology acceptance models. Understanding customer needs is pivotal for successful web shops, ensuring competitive pricing and product accessibility. Samadi and Ali (2010) compare perceived risk levels between internet and store shopping, elucidating the interplay of past positive experiences, perceived risks, and future purchase intentions in the online shopping realm.

Mitra (2013) underscores e-commerce's transformative impact on India, breaking geographical barriers and promising substantial growth over the next five years. Gangeshwar (2013) echoes optimism for e-commerce in India despite security and privacy concerns, citing its bright future despite technological dependencies.

Martin dodge. (1999), "finding the source of Amazon.com: examining the hype of the earth's biggest book store", center for advanced spatial analysis. Concluded that Amazon.com has been one of the most promising e-commerce companies and has grown rapidly by providing quality service.

Vijay govindarajan is one of the world's leading experts on strategy and innovation. Govindarajan, cox distinguished professor at dartmouth college's tuck school of business and marvin bower fellow at harvard business school, is also a best-selling author. The biggest opportunity in India is e-commerce. Why? Three important factors will drive this: 1) mobile phone penetration; 2) a young demographic that is used to ordering things using the mobile platform; 3) growth of consumerism with more Indians with higher disposable income. We will see many new innovative business models in the e-commerce space in the next five years. No doubt we will see new innovative high-growth companies—Indian equivalents of Alibaba.

1. ABOUT COMPANY:

1.1 FLIPKART

Flipkart has launched its own product range under the name "digiflip", Flipkart also recently launched its own range of personal healthcare and home appliances under the brand "citron". During its initial years, Flipkart focused only on books, and soon as it expanded, it started offering other products like electronic goods, air conditioners, air coolers, stationery supplies and life style products and e-books. Legally, Flipkart is not an Indian company since it is registered in Singapore and majority of its shareholders are foreigners. Because foreign companies are not allowed to do multi-brand e-retailing in India, Flipkart sells goods in India through a company called ws retail. Other third-party sellers or companies can also sell goods through the Flipkart platform. Flipkart now employs more than 15000 people. Flipkart allows payment methods such as cash on delivery, credit or debit card transactions, net banking, e-gift voucher and card swipe on delivery. Flipkart is

presently one of the largest online retailers in India, present across more than 14 product categories & with a reach in around 150 cities and delivering 5 million shipments per month.

3.1.1 ACHIEVEMENTS IN E-COMMERCE

In september 2015, sachin bansal and binny bansal entered forbes India rich list debuting at the 86th position with a net worth of \$1.3 billion each. Co-founder of Flipkart, sachin bansal, got entrepreneur of the year award 2012-2013 from economic times, leading Indian economic daily. Flipkart.com was awarded young turk of the year at cnbc tv 18's 'India business leader awards 2012' (ibla). Flipkart.com- got nominated for Indiamart leaders of tomorrow awards 2011.

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: weread, 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 chakpak'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 letsbuy has been diverted to Flipkart.

3.2 AMAZON

Amazon, the largest internet-based company in the United States, began as an online bookstore before diversifying into various product categories including DVDs, CDs, electronics, apparel, and consumer electronics such as Kindle devices and Fire tablets. It operates separate retail websites across several countries and offers international shipping to certain regions. Amazon entered the Indian market in 2013, announcing a \$2 billion investment to expand its operations, following its competitor Flipkart's investment of \$1 billion.

3.2.1 ACHIEVEMENTS IN E-COMMERCE

Amazon experienced rapid growth in mobile app downloads in 2015, with a 200% increase in October alone. It also garnered the highest web traffic in October and saw a 230% year-on-year increase in active customers. Amazon.in received the "path-breaking debut of the year" award at E-tailing India's flagship conference and exhibition in 2014.

3.2.2 FAILURE

Amazon faced criticism for its delivery system in India after partnering with India Post for shipping "Amazon fulfilled" orders. This move was seen as detrimental, especially amidst intense competition in India's online shopping sector.

3.2.3 ACQUISITIONS

Amazon has been actively investing in the Indian market, acquiring startups to bolster its presence. One notable acquisition is Indian payments company Emvantage Payments Pvt. Ltd., allowing merchants to accept online payments. Additionally, Amazon has acquired various IT and e-commerce startups such as pets.com, audible.com, jungle.com, IMDb.com, zappos.com, and woot.

4. METHOD OF DATA ANALYSIS

Data analysis was conducted using SPSS demo version, employing factor analysis to identify correlations between variables and regression analysis to determine the impact of identified factors on customer satisfaction. This approach aimed at reducing data complexity by representing correlated variables as major factors and examining their influence on customer satisfaction as the dependent variable.

1.1 DEMOGRAPHICS:

Variables	Measuringgroup	Frequency	Percentage
Age	<25	35	50.0
	25-35	25	35.7
	>35	10	14.3
	Total	70	100
Gender	Male	28	40
	Female	42	60
	Total	70	100

Table 8.1 demographics of the respondents

The above chart provides the empirical findings gleaned from the collected data. It provides demographic information of the respondents and the statistical analysis of the information collected from them. This is followed by the interpretation and discussion about our findings. The above table shows that out of 70 respondents 50 % of people are in the age group of < 25 years, 35.7% of people are in the age group of 25-35 and 14.3% of people are in the group of >35. We are having highest respondents who do online shopping are less than 25 years and almost all those belongs to student category. At the same time 35.7% of age group 25-35 are utilizing online shopping well. All those people are attracted to e-commerce sites which are offering wide range of products to everywhere and also with their services. Another demographic factor we considered is gender. Female respondents are higher than the male respondents that who prefer online shopping. We can interpret that based upon their preferences that they are getting different and unavailable international products online, which made easy and time efficient.

1.2 HOW OFTEN RESPONDENT SHOP ONLINE

	Frequency	Percent	Valid percent	Cumulative percent
Valid Once in month	21	30.0	30.0	30.0
Once in two month	11	15.7	15.7	45.7
More frequently	17	24.3	24.3	70.0
Very rare	21	30.0	30.0	100.0
Total	70	100.0	100.0	

Table 8.2 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.

1.2 PREFERRED ONLINE SITE BY RESPONDENT

	Frequency	Percent	Valid percent	Cumulative percent
Valid Flipkart	29	41.4	41.4	41.4
Amazon	29	41.4	41.4	82.9
Snapdeal	6	8.6	8.6	91.4
Paytm	3	4.3	4.3	95.7
Others	3	4.3	4.3	100.0
Total	70	100.0	100.0	

Table 8.3 respondent online site preference

Interpretation: From above table we can interpret that both Amazon and Flipkart were chosen by 82.9% people equally. And rest of the e-commerce players such as snapdeal (8.6%) and paytm (4.3%) are too low in the competition to reach the target of both Amazon and Flipkart. Even though paytm is offering huge discounts when compared to its competitors.

1.3 RESPONDENT PAYMENT METHOD

	Frequency	Percent	Valid percent	Cumulative percent
Valid Debit card	19	27.1	27.1	27.1
Credit card	7	10.0	10.0	37.1
Cash on delivery	44	62.9	62.9	100.0
Total	70	100.0	100.0	

Table 8.4 respondent payment method

Interpretation: E-commerce players have to 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.

1.4 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 8.5 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.

1.5 RESPONDENT CHOOSING METHOD OF E-COMMERCE SITE

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

Table 8.6 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.

1.6 RESPONDENT IS MORE SATISFIED WITH WHICH SITE PRICING

	Frequency	Percent	Valid percent	Cumulative percent
Flipkart	24	34.3	34.3	34.3
Amazon	25	35.7	35.7	70
Snapdeal	7	10	10	80
Paytm	12	17.1	17.1	97.1
Others	2	2.9	2.9	100
Total	70	100	100	

Table 8.7 respondent's satisfied with pricing

Interpretation: Price, the most important aspect while purchasing. When an e-commerce site can offer what we needed with reasonable price, then everyone will go after that site only. From above table people are mostly impressed with Amazon and Flipkart with slight change. Even though paytm is offering all the products at very low rates, people are interested in top ones.

1.7 RESPONDENT WOULD LIKE TO SUGGEST TO OTHERS

	Frequency	Percent	Valid percent	Cumulative percent
Valid Flipkart	20	28.6	28.6	28.6
Amazon	26	37.1	37.1	65.7
Snapdeal	10	14.3	14.3	80
Paytm	9	12.9	12.9	92.9
Others	5	7.1	7.1	100
Total	70	100	100	

Table 8.8 respondent will suggest to others

Interpretation: From one of our previous question we understood it that friend suggestion is so important while purchasing online or while selecting an e-commerce site. From above table we got our view clear based upon the respondent's view which e-commerce site is leading in friends suggestions. 37.1% of respondents are ready to suggest Amazon to their friends and family. And after Amazon, Flipkart is leading in respondent's suggestion box with 28.6%. And rests of them are having very minimum importance and occupation in respondent's opinion.

1.8 OCCASIONS PREFERRED BY RESPONDENT TO DO SHOPPING

		Frequency	Percent	Valid percent	Cumulative percent
Valid	Festivals	7	10	10	10
	To gift	6	8.6	8.6	18.6
	Offers	38	54.3	54.3	72.9
	Weddings	5	7.1	7.1	80
	Others	14	20	20	100
	Total	70	100	100	

Table 8.9 respondent is interested in buying particularly

Interpretation: E-commerce sites know when to and how to capture customers. The timing of offers in e-commerce sites is just perfect. Even though people don't need them they will purchase because of tempting deals in a row. More than 50% of people are doing online shopping, when those e-commerce sites are offering so many exciting deals and offers. All the e-commerce sites are moving their pawns competitive to each other, which lead customers in confusion.

1.9 RESPONDENTS FACED PROBLEM WITH

			Frequency	Percent	Valid percent	Cumulative percent
Valid		Delay in delivery	15	21.4	21.4	21.4
		Product damage	10	14.3	14.3	35.7
		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 8.10 respondent troubled in particular issue

Interpretation: From product order to delivery of the product its company's responsibility to fulfill 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.

1.10 RESPONDENTS OPINION ON FLIPKART CUSTOMER CARE

	Frequency	Percent	Valid percent	Cumulative percent
Valid Strongly agree	12	17.1	17.1	17.1
Agree	33	47.1	47.1	64.3
Neither agree nordisagree	10	14.3	14.3	78.6
Disagree	9	12.9	12.9	91.4
Strongly disagree	6	8.6	8.6	100.0
Total	70	100.0	100.0	

Table 8.11 respondent opinion on Flipkart customer care

Interpretation: Respondents will choose e-commerce sites when they are fully satisfied with their complete services. After purchase also, company have to take responsible for customer's requirement. Flipkart made its mark in customer's heart. Respondents (47.1%) of them are happy with the Flipkart customer support. This is actually a better result to Flipkart, because people are positive towards it.

1.11 RESPONDENTS OPINION ON FLIPKART CUSTOMER CARE

	Frequency	Percent	Valid percent	Cumulative percent
Valid Strongly agree	21	30.0	30.0	30.0
Agree	25	35.7	35.7	65.7
Neither agree nordisagree	14	20.0	20.0	85.7
Disagree	6	8.6	8.6	94.3
Strongly disagree	4	5.7	5.7	100.0
Total	70	100.0	100.0	

Table 8.12 respondent opinion on Amazon customer care

Interpretation: Amazon proved once again, that it will be always one step ahead from the rest of the players in the market. Most of Amazon customers (30%) are very happy and strongly agree with customer support of Amazon, which made Amazon unbeatable winner ahead. From previous tables we understood customers are scared of damage of the product and quality of products are major issues to be considered. These barriers were not there in Amazon because of its brand collaborations and its amazing packinggrabbed customer's attention and made people loyal to it.

2. FINDINGS

- Female respondents exhibit more interest in online shopping compared to male respondents.
- Customers prioritize quality products from e-commerce sites, even if they come at a slightly higher price.
- Flipkart is striving to attain the top position, but faces stiff competition from Amazon India.

- Amazon leads across various survey aspects including pricing and customer recommendations.
- Both Flipkart and Amazon have established strong impacts on customers, garnering loyal patrons who recommend their platforms to others.
- Both companies invest significantly in innovative and attractive advertising and promotions.
- Consumers of all age groups are attracted to offers, regardless of their immediate need for the products.

3. SUGGESTIONS

While Flipkart performs adequately, there are instances where better packaging could enhance customer satisfaction. Regardless of product size or value, all items should be handled with care during packaging and delivery. Flipkart could learn from Amazon's exemplary packaging standards, which prioritize safety and security, evident even in the packaging of apparel.

4. CONCLUSION

The study comprehensively analyzed the operations of major e-commerce players in India, namely Flipkart and Amazon, shedding light on their performance and competitiveness in the market. Both companies have demonstrated innovative approaches to expand their consumer base, making online shopping easier and more convenient for customers. Amazon emerges as the clear winner based on consumer surveys, having effectively penetrated the Indian market with a deep understanding of consumer preferences. While Flipkart presents stiff competition, it may take time to surpass Amazon's dominance. Nevertheless, both companies excel in the Indian e-commerce landscape.

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