

**A COMPARATIVE STUDY BETWEEN FLIPKART AND AMAZON INDIA****K FRANCIS SUDHAKAR**Asst. Professor
School Of Management,
NIT Warangal**E-Mail:**kfsudhakar@gmail.com**HABEEB SYED**Research Scholar
School Of Management
NIT Warangal**E-Mail:**habeebayed.nitw@gmail.com**ABSTARCT**

Internet became more powerful and basic tool for every person's need and the way people work. By integrating various online information management tools using Internet, various innovative companies have set up systems for taking customer orders, facilitate making of payments, customer service, collection of marketing data, and online feedback respectively. These activities have collectively known as e-commerce or Internet commerce. Online shopping made so easy for everyone with their product variations and simple way to buy things. An attempt has been made to critically examine various corporate and business level strategies of two big e-tailers and those are Flipkart and Amazon. Comparison have been done considering e-commerce challenges, their business model, funding, revenue generation, growth, survival strategies, Shoppers' online shopping experience, value added differentiation, and product offerings. Both these big players made their own mark in India, but who is going to be ultimate winner or be the top one is going to be. A comparative study of Flipkart.com with one of the close competitor Amazon.com delivers the information about the different strategies to succeed in e-commerce market and different opportunities available in India.

Keywords: E-commerce, E-tailers, Online Shopping, Shopping Experiences, Strategies.

1. INTRODUCTION**1.1 OBJECTIVES**

- To understand and estimate the consumer perception and factors affecting their behavior 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 understand the work flow of Amazon and Flipkart in India.
- To study complexities and barriers those are there in between e-commerce sites and customers.
- To find out new opportunities and to succeed in those procedures.

1.2 PROBLEM DEFINITION

In India e-commerce evaluated like a giant with huge opportunity and success rate. There are so many big and small players in market. Are they really going to sustain in market for a long time and is there success rate for them. What are customers expecting from them and are they ready to fulfill their requirements. The study is to understand both parties' requirements and procedures.

1.3 DATA COLLECTION

The goal for all data collection is to capture quality evidence that then translates to rich data analysis and allows the building of a convincing and credible answer to questions that have been posed.

1.3.1 PRIMARY DATA

Primary data was collected from various people and their opinion and information for the specific purposes of study helped to run the analysis. In essence, the questions asked were tailored to elicit the data that will help for study. The data was collected through questionnaire to understand their experience and preference towards their loyal company.

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 particular age group because respondents willing to fill are college students.
- Analysis was done based upon personal opinion of respondents individually, not from any focus groups or experts.

2. LITERATURE REVIEW AND THEORITICAL FRAMEWORK

Sharma and mittal (2009) in their study “prospects of e-commerce in India”, mentions that India is showing tremendous growth in the e-commerce. Undoubtedly, with the middle class of 288 million people, online shopping shows unlimited potential in India. The real estate costs are touching the sky. Today e-commerce has become an integral part of our daily life. There are websites providing any number of goods and services. The e-commerce portals provide goods and services in a variety of categories. To name a few: apparel and accessories for men and women, health and beauty products, books and magazines, computers and peripherals, vehicles, software, consumer electronics, household appliances, jewelry, audio, video, entertainment, goods, gift articles, real estate and services. Ashish gupta, senior managing director of helion venture partners and one of the first backers of Flipkart as an angel investor: “Flipkart has been absorbing companies that have some potential (letsbuy, myntra). In that process, some of the bets will go wrong, for sure. But that is par for the course. The company (Flipkart) is consciously taking bets that allow it to either grow or eliminate competition that reduces marketing spend and improves economics.”

Miyazaki and fernandez (2001) substantiated that the prior experience was found to affect the intention and behavior significantly and in a variety of ways. The results of this study imply that the technology acceptance model should be applied to electronic commerce research with caution. In order to develop a successful and profitable web shop, understanding customers' needs is essential. It has to be ensured that products are as cheap in a web shop as purchased from traditional channels. According to sharma and mittal (2009) in their study “prospects of e-commerce in India”, mentions that India is showing tremendous growth in the e-commerce.

Undoubtedly, with the middle class of 288 million people, online shopping shows unlimited potential in India. The real estate costs are touching the sky. Today e-commerce has become an integral part of our daily life. There are websites providing any number of goods and services.

The e-commerce portals provide goods and services in a variety of categories. To name a few: apparel and accessories for men and women, health and beauty products, books and magazines, computers and peripherals, vehicles, software, consumer electronics, household appliances, jewelry, audio, video, entertainment, goods, gift articles, real estate and services. Samadi and ali (2010) compared the perceived risk level between internet and store shopping, and revisit the relationships among past positive experience, perceived risk level, and future purchase intention within the internet shopping environment.

Abhijit mitra. (2013), “e-commerce in India-a review”, international journal of marketing, financial services & management research. Concluded that the e-commerce has broken the geographical limitations and it is a revolution-commerce will improve tremendously in next five years in India.

D.k.gangeshwar. (2013),” e-commerce or internet marketing: a business review from Indian context”, international journal of u- and e- service, science and technology. Concluded that the e-commerce has a very bright future in India although security, privacy and dependency on technology are some of the drawbacks of e-commerce but still there is a bright future to e-commerce.

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.

3. ABOUT COMPANY:

3.1 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.

- 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

Amazon is the largest internet based company in the united states. Amazon.com started as an online bookstore, but soon diversified, selling dvds, vhs, cds, video and mp3downloads/streaming, software, video games, electronics, apparel, furniture, food, toys, and jewellery. The company also produces consumer electronics notably, kindle, fire tablets, fire tv and phone and is a major provider of cloud computing services.

Amazon has separate retail websites for united states, united kingdom & ireland, france, canada, germany, the netherlands, italy, spain, australia, brazil, japan, china, India and mexico, with sites for sri lanka and south east asian countries coming soon. Amazon also offers international shipping to certain other countries for some of its products. In the year 2011, it had professed an intention to launch its websites in poland, and sweden. In early june 2013, Amazon.com had launched their Amazon India marketplace without any marketing campaigns. In july, 2013, Amazon had announced to invest \$2 billion (rs 12,000 crores) in India to expand business, after its largest Indian rival Flipkart too had announced to invest\$1 billion.

3.2.1 ACHIEVEMENTS IN E- COMMERCE

On the mobile app side, Amazon had the fastest growing app download rate in 2015. In October alone, downloads increased 200 per cent. Amazon web traffic was the highest in October as per comscore data, at 30 million visitors. Amazon active customers have gone up 230 per cent year on year. The awards were conferred at e-tailing India's flagship conference and exhibition 2014, an event that brought together major stakeholders in the retail and e-commerce business in the country. The "path-breaking debut of the year" award went to Amazon.in.

3.2.2 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.

3.2.3 ACQUISITIONS

It's no secret that e-commerce giant Amazon has been betting on India as one of its next big markets outside the u.s. The company is not only investing capital in the region, but also acquiring startups to help expand its presence in the country. On tuesday, Amazon announced it had acquired Indian payments company emvantage payments pvt. Ltd. Amazon did not disclose the acquisition amount. Similar to stripe or paypal, emvantage allows online merchants to accept credit and debit cards. The company also allowed merchants to set up their own branded pre-paid debit cards and mobile payments. In order to differentiate itself, company acquired many it & e-commerce start-ups like pets.com, audible.com, junglee.com, imdb.com, zappos.com, woot etc.

4. METHOD OF DATA ANALYSIS

For the analysis purpose spss 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	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.

4.2 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.

4.3 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.

4.4 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.

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 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.

4.6 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.

4.7 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.

4.8 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.

4.9 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.

4.10 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.

4.11 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 nor disagree	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.

4.12 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 nor disagree	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 packing grabbed customer's attention and made people loyal to it.

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 performing ok but not good enough. There are so many cases where people felt that packing might have been better than this. Either it may be big or small / expensive or not product has to be treated with care. Some of the products mostly apparel's are turning out with original cover of supplier, which shows negligence of them. In this issue Amazon made a mark among us, because whatever the product is their packing will obviously safe and secure.

7. CONCLUSION

The study consisted with all the work flows of major e-commerce players in India, Flipkart and Amazon. How they are performing and how they are running perfectly in the competitive world has been explained.



The innovative thinking of them to reach more and more consumers is appreciable. They increased their network as much as possible with ultimate aim of reaching more and more customers. They made consumers work more easy and comfortable. In this competitive market one has to be lead and rest will follow. Based upon consumer's survey we got our clear winner and it is Amazon. Even though it is an international company it understood Indians very well and made its roots stronger in India. Flipkart is also giving very tough competition to Amazon even though it is new company when compared to Amazon. May be it takes some time to overcome, but definitely they are doing very well in Indian e-commerce market

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 book store", by Martin Dodge. (1999)

Text books

- Marketing management by philip kotler, kevin lane keller, abraham koshy and mithileshwar jha.