

Project Dissertation Report on

**AN ANALYTICAL STUDY OF E-COMMERCE
IN INDIA WITH PARTICULAR REFERENCE
TO FLIPKART**

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2K17/MBA/067

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CERTIFICATE FROM THE INSTITUTE

This is to certify that the Project Report titled “AN ANALYTICAL STUDY OF E-COMMERCE IN INDIA WITH PARTICULAR REFERENCE TO FLIPKART” is a bonafide work carried out by Rahul Chauhan of MBA 2017-19 and submitted to Delhi School of Management, Delhi Technological University, Bawana Road, Delhi–110042 in partial fulfillment of the required for the award of the degree of Master of Business Administration.

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Declaration

I Rahul Chauhan, Student of MBA 2017-19 of Delhi School of Management, Delhi Technological University, Bawana Road , Delhi-110042 declare that Major Project Report on “AN ANALYTICAL STUDY OF E-COMMERCE IN INDIA WITH PARTICULAR REFERENCE TO FLIPKART” Submitted in fulfillment of Degree of Masters of Business Administration is the original work conducted by me.

The Information and data given in the report is the authentic to the best of my knowledge.

This report is not being submitted to any other university for award of any other Degree, Diploma and Fellowship.

Rahul Chauhan

Place:

Delhi

Date:

ACKNOWLEDGEMENT

I have prepared this project for the “**An Analytical Study of E-Commerce in India With Particular Reference to Flipkart**”. I have derived the contents and approach of this study paper through discussions with colleagues who are also the students of this course as well as with the help of various Books, Magazines and Newspapers etc.

I would like to give my sincere thanks to Assistant professor Yashdeep Singh and host of friends and the teachers who, through their guidance, enthusiasm and counselling helped me enormously. As I think there will always be a need of improvement. Apart from this, I hope this study paper would stimulate the need of thinking and discussion on the topics like this one.

Also I am very grateful to my entire faculty guide for his kind support & guidance for the accomplishment of this project work.

EXECUTIVE SUMMARY

The changing global trends have important implications for Indian retailers. The Indian consumer remains value conscious. The consumer in most cases is willing to spend money, but remains cost conscious, evaluating every rupee spent. It is therefore imperative for retailers to offer price advantage via sourcing and operational efficiency and a strong private label program to attract customers. Existing and new entrants need to achieve scale quickly for driving efficiencies in procurement, supply chain and marketing. Else they risk being marginalized by larger players. Real estate and human resources will be the critical drivers to build scale.

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 researches 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

Customer perception is defined as the way that customers usually view or feel about certain services and products. It can also be related to customer satisfaction which is the expectation of the customer towards the products.

When a customer purchases a service, the attitude of the customer is the function of Value, Quality and the satisfaction level of the customer. The value of the service is determined as the price or time he is going to spend for a particular service. Customer testifies the quality of a service, either by his own past experience or by the communication of the service provider. After the consumption of the service the customer measures the satisfaction level he gets from consuming the service.

Objective of the study

- 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 understand the customer awareness on Flipkart.com
- To determine the factors responsible for customer satisfaction

Methodology adopted

The research design will be used in this study is both 'Descriptive' and 'exploratory'. The data will be collected using both by primary data collection methods as well as secondary sources.

Primary Data: Most of the information will be gathered through primary sources. The methods that will be used to collect primary data are:

- Questionnaire

Secondary Data: The secondary data will be collected through:

- Journals
- Websites
- Research Reports

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CHAPTER -1

1. INTRODUCTION

Online shopping is the process whereby consumers directly buy goods, services etc. from a seller interactively in real-time without an intermediary service over the internet. Online shopping is the process of buying goods and services from merchants who sell on the Internet. Since the emergence of the World Wide Web, merchants have sought to sell their products to people who surf the Internet. Shoppers can visit web stores from the comfort of their homes and shop as they sit in front of the computer. Consumers buy a variety of items from online stores. In fact, people can purchase just about anything from companies that provide their products online. Books, clothing, household appliances, toys, hardware, software, and health insurance are just some of the hundreds of products consumers can buy from an online store. .

Despite the convenience of online shopping, not everyone chooses to purchase items and services online. Some people like the idea of physically going to a store and experiencing the shopping process. They like to touch the merchandise, try on clothing, and be around other people. Online shopping doesn't permit shoppers to touch products or have any social interaction. It also doesn't allow them to take the merchandise home the same day they buy it.

Online shopping allows browsing through endless possibilities, and even offers merchandise that's unavailable in stores. If someone is searching for a niche product that may not be distributed locally, they're sure to find what they're looking for on the internet. What's even more useful is the ability to compare items, similar or not, online. He can search through multiple stores at the same time, comparing material quality, sizes and pricing simultaneously.

Online shopping transactions occur instantly-saving the time to get your other errands done! Additionally, unlike a store, online shopping has friendly customer service representatives available 24 hours a day, 7 days a week to assist you with locating, purchasing and shipping your merchandise.

Factors influencing consumer to shop online: Though there are several factors that influence consumers to shop online, but there are mainly four factors which influence

consumer to shop online after reading literature in the field on consumer attitudes towards online shopping and these factors are discussed below in brief.

Convenience: Convenience factor refers that it is easy to browse or search the information through online is easier than the traditional retail shopping. Through online, consumers can easily search product catalogue but if the consumer look generally for the same product or item in a traditional store manually it is difficult to visit physically and time consuming also. Convenience has always been a prime factor for consumers to shop online. According to the Robinson, Riley, Rettie and Wilsonz (2007) the major motivation for online purchasing is convince in terms of shop at any time and having bundles of items delivered at door step.

Time saving: Time savings is one of most influencing factors of online shopping. Browse or search an online catalogue can save time and patience. People can save time and can reduce effort by shopping online. One possible explanation that online shopping saves time during the purchasing of goods and it can eliminate the traveling time required to go to the traditional store. On the other side, some respondent think that it is also time taken for delivery of goods or services over online shopping.

Unexpectedly time saving is not the motivating factor for the consumers to shop online (Corbett, 2001) because it takes time receiving goods or delivery.

Website design/features: Website design and online shopping activity is one of the vital influencing factors of online shopping. Website design, website reliability/fulfilment, website customer service and website security/privacy are the most attractive features which influence the perception of the consumer of online buying Shergill& Chen (2005). Kamariah and Salwani (2005) claims the higher website quality, the higher consumer intends to shop from internet. Web design quality has important impacts on consumer choice of electronic stores, stated by Liang and Lai (2000). Website design one of the important factor motivating consumers for online shopping.

Security:Security is another dominant factor which affects consumers to shop online. However many internet users avoid online shopping because of credit card fraud, privacy factors, non-delivery risk, post purchase service and so on. But transaction security on the online shopping has received attention. Safe and secured transaction of money and

credit card information increases trust and decreases transaction risk. In 1995, UK has introduced Fraud free electronic shopping and later on Europe and Singapore introduced secured electronic transaction (SET). According to Bhatnagar and Ghose (2004) Security is one of the attribute which limits buying on the web as they claim that there is a large segment of internet shoppers who don't like to buy online because of their thinking about the security of their sensitive information.

1.1 E-Commerce Industry

Electronic commerce, commonly known as ecommerce, is a type of industry where buying and selling of product or service is conducted over electronic systems such as the Internet and other computer networks. Electronic commerce draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection systems. Modern electronic commerce typically uses the World Wide Web at least at one point in the transaction's life-cycle, although it may encompass a wider range of technologies such as e-mail, mobile devices social media, and telephones as well.

Electronic commerce is generally considered to be the sales aspect of e-business. It also consists of the exchange of data to facilitate the financing and payment aspects of business transactions.

E-commerce can be divided into:

- E-tailing or "virtual storefronts" on websites with online catalogues, sometimes gathered into a "virtual mall"
- The gathering and use of demographic data through Web contacts and social media
- Electronic Data Interchange (EDI), the business-to-business exchange of data
- E-mail and fax and their use as media for reaching prospective and established customers (for example, with newsletters)
- Business-to-business/ Business-to-Customer buying and selling
- The security of business transactions etc.

E-COMMERCE: A MAJOR INDUSTRY TREND

Electronic commerce, or e-commerce, involves the sale of goods and services via electronic means—principally over the internet, although sales via television (terrestrial, cable, and satellite) are also included. E-commerce can be further divided into the following sectors: business-to-business (B2B), business-to-government (B2G), consumer-to-consumer (C2C), government-to-business (G2B), government-to-citizen (G2C), and business-to-consumer (B2C). Retailers that rely primarily on e-commerce to sell goods or services are often referred to as e-tailers.

The term "**Electronic commerce**" (or *e-Commerce*) refers to the use of an electronic medium to carry out commercial transactions. Most of the time, it refers to the sale of products via Internet, but the term *ecommerce* also covers purchasing mechanisms via Internet (for B-To-B).

A client who purchases on the Internet is called a **cyber- consumer**. E-commerce is not only limited to online sales, but also covers:

- Preparation of estimates online
- Consulting of users
- Provision of an electronic catalogue
- Access plan to point of sales
- Real-time management of product availability (stock)
- Online payment
- Delivery tracking
- After-sales service

In certain cases, electronic commerce makes it possible to highly customize products, in particular when the electronic commerce site is linked with the production system of the enterprise (e.g. business cards, customized items such as T-shirts, cups, caps, etc.)

Finally, insofar as electronic services and products are concerned (mp3files, software programs, e-books, etc.), electronic commerce makes it possible to receive the purchase in a very short time, if not immediately.

Online stores: Most electronic commerce sites are online stores which have at least the following elements at the front-office level:

- An online electronic catalogue listing all products for sale, their price and sometimes their availability (product in stock or number of days before delivery);
- A search engine which makes it possible to easily locate a product via search criteria (brand, price range, key word, etc.).
- A virtual caddy system (sometimes called *virtual cart*): This is the heart of the e-commerce system. The virtual caddy makes it possible to trace the purchases of the client along the way and modify the quantities for each reference;
- Secure online payment (*accounting*) is often ensured by a trusted third party (a bank) via a secure transaction;
- An order tracking system, which allows tracking of order processing and sometimes provides information on pickup of the package by the shipper.

A back office system allows the online dealer to organize its offerings online, modify prices, add or remove product references as well as manage and handle client orders.

Retailing over the internet generally takes one of two forms:

- Cybermalls—the most famous cybermall is eBay, which offers access to products from a variety of independent retailers.
- Individual websites—most major retailers now have their own websites, which complement their traditional “bricks-and-mortar” outlets. Some retailers operate solely over the internet.

In terms of television sales, programs on dedicated shopping channels generally feature a presenter who demonstrates products on air. Viewers can buy these products by telephoning an order line with their credit card details, or, in the case of interactive television services, by using their remote control. Recent years have seen the development of a variety of selling techniques, including on-air auctions.

A number of start-up companies, such as Amazon and eBay, have exploited the power of the internet to emerge as retailing behemoths in their own right. However, e-commerce has largely been developed by established large retailers, which regard it as simply another sales channel. The gigantic grocery retailers that have expanded away from food and into a wide variety of other areas, such as clothing and electronic goods, have been particularly quick to appreciate its potential. The medium has also created opportunities for very small businesses. It is now possible to buy over the internet a wide range of

specialized products that are not available in shopping malls. Thus, the internet has provided a lifeline for many small producers, and has allowed entrepreneurs to enter the retailing sector without the need to invest heavily in physical retail outlets.

E-commerce today: Ecommerce today is a remarkable experience. It has transformed traditional shopping beyond recognition. It is so much better than any other way of shopping that it has already attracted a great many of ecommerce-lovers.

If some years ago ecommerce was a buzz word, now it has become the order of the day. People seem to shop literally everywhere – at their workplaces during lunch times, in rush hour when there is nothing else to do but switch on their laptops and start surfing.

Ecommerce today gained so much popularity because its underlying technologies are evolving at giant steps. We are even offered to “feel” the product with a 3D mouse to better understand its shape, size and texture. Why go somewhere out when all you have to do is make an order, choose the shipping method, put up your feet and wait till the order is delivered right to your door-step?

Ecommerce today offers so much luxury that even conventional stores have already signalled the alarm. Although, everyone agrees that it is a long way for an ecommerce to replace “brick-and-mortar” stores, it has every chance to happen in the future. Ecommerce which we are witnessing today brings in so much adventure into our lives that it is enjoyed by the whole online community.

Ecommerce today does have some drawbacks but they say “he that fears every bush must never go a birding”. A lot of consumers do put up with minuses since they trust the online world and want it to be a better place.

Future of E-commerce: Experts predict a promising and glorious future of ecommerce in the 21st century. In the foreseeable future ecommerce will further confirm itself a major tool of sale. Successful ecommerce will become a notion absolutely inseparable from the web, because e-shopping is becoming more and more popular and natural. At the same time severe rivalry in the sphere of ecommerce services will intensify their

development. Thus prevailing future trends of ecommerce will be the growth of Internet sales and evolution.

Each year number of ecommerce deals grows enormously. Sales volumes of on-line stores are more than comparable with those of “brick-and-mortar” ones. And the tendency will continue, because a lot of people are “imprisoned” by work and household duties, while Internet saves a lot of time and gives opportunity to choose goods at the best prices. Present-day Internet sales boom is the foundation for magnificent ecommerce future.

The “quantity to quality” tendency of ecommerce is also becoming more and more obvious, as the Internet has excluded geographical factor from the sale. So it doesn’t matter anymore whether your store is situated in New York or London or in a small town. To survive, merchants will have to adapt rapidly to the new conditions. To attract more customers e-store-owners will have not only to increase the number of available services, but to pay more attention to such elements like attractive design, user-friendliness, appealing goods presentation, they will have to opportunely employ modern technologies for their businesses to become parts of ecommerce future..

Leading online websites in India: Online shopping has become a popular trend in India now. People have been enjoying the convenience of having their order shipped right to their doorstep. But people often get confused in selection of reliable sites as there are a plethora of sites, and everyone claims to be reliable. But in actual only few are up to the mark. Thus to facilitate you, here is our pick of leading 10 online shopping sites.

eBay.in is one of India's leading online marketplace. It is an online marketplace where anyone can trade practically anything. It is a platform for the sale of goods and services by a diverse community of individuals and businesses. eBay users trade in more than 50,000 categories including collectibles, antiques, sports memorabilia, computers, IT and office, art, antiques, toys, dolls, stamps, comics, magazines, music, pottery, glass, photography, electronics, jewellery and gemstones, claims the company..

Flipkart.com is an online chopping site that lets users shop various items including books, mobile accessories, cameras, game consoles, MP3 players, home and kitchen appliances and much more, online at discounted prices. It offers multiple methods to

make payments for order: credit card, debit card, net Banking, e-gift voucher and cash on delivery. The order is generally delivered within 3-4 working days.

Futurebazaar.com is one of India's largest online retailers and is part of Future Group owner of brands like Big Bazaar, Pantaloons & Central. It offers a wide range in cameras, consumer durables, home decor, home entertainment, appliances and electronics, mobile.

Homeshop18 is a virtual retailer operating in a multimedia environment that includes television, web, catalogue and print to sell high quality products and services directly to consumers across the country. It deals in books, movies and music, gifts and flowers, mobiles and accessories, camera and camcoders, electronics, computers and peripherals, toys and games and much more.

Myntra.com is an online shopping destination for fashion and lifestyle products. It lets you shop online from the latest catalogue of original branded products in apparel, footwear and accessories for men, women and kids.

Snapdeal.com website claims to offer 50-90 per cent off daily discount deals in major cities of India. It is touted to be the one-stop-shop for availing discount coupons/vouchers for restaurants, spa, gyms, travel/holiday packages and other cool things in your city.

1.2 Company profile

FLIPKART.COM: Flipkart is an Indian e-commerce company headquartered in Bangalore, Karnataka. It was founded by Sachin Bansal and Binny Bansal in 2007. In its initial years, Flipkart focused on online sales of books, but it later expanded to electronic goods and a variety of other products. Flipkart offers multiple payment methods like credit card, debit card, net banking, e-gift voucher and Cash on Delivery.

Flipkart went live in 2007 with the objective of making books easily available to anyone who had internet access. They're present across various categories including movies, music, games, mobiles, cameras, computers, healthcare and personal products, home appliances and electronics – and still counting!.

Their success is largely due to their obsession with providing customers a memorable online shopping experience. Be it Cash on Delivery, a 30-day replacement policy, EMI options, free shipping - and of course the great prices that they offer. Then there's dedicated Flipkart delivery team that works round the clock to personally make sure packages reach on time. For now they're present in 27 lucky cities, but don't worry, plans are underway to spread many others.

History of Flipkart.com:

Flipkart was founded in 2007 by Sachin and Binny Bansal, both alumni of the Indian Institute of Technology, Delhi. They worked for Amazon.com before quitting and founding their own company. They both were solid coders and wanted to open a portal that compared different e-commerce websites, but there were hardly any such sites in India and they decided to give birth to their own e-commerce venture - Flipkart.com.

Thus was born Flipkart in Oct 2007 with an initial investment of 4 lac (co-founders savings). It was never going to be easy since India had a bad past experiences with e-commerce trading.

Initially they used word of mouth marketing to popularise their company. Flipkart began with selling books, since books are easy to procure, target market which reads books is in abundance, books provide more margin, are easy to pack and deliver, do not get damaged in transit and most importantly books are not very expensive, so the amount of money a customer has to spend to try out one's service for one time is very minimal. Flipkart sold only books for the first two years. A few months later, the company sold its first book on Flipkart.com—John Woods' Leaving Microsoft to Change the World.

Flipkart started with the consignment model (procurement based on demand) i.e. they had ties with 2 distributors in Bangalore, whenever a customer ordered a book, they used to personally procure the book from the dealer, pack the book in their office and then courier the same.

Flipkart Today:

Today, as per Alexa traffic rankings, Flipkart is amongst the top 20 Indian Web sites and has been credited with being India's largest online bookseller with over 11 million titles on offer. The store started with selling books and in 2010 branched out to selling CDs, DVDs, mobile phones and accessories, cameras, computers, computer accessories and

peripherals, and in 2011, pens & stationery, other electronic items such as home appliances, kitchen appliances, personal care gadgets, health care products etc. Further in 2012, Flipkart added A.C, air coolers, school supplies, office supplies, art supplies & life style products to its product portfolio. As of today, The Company started from 2 employees and now employs more than 4500 people.

Flipkart.com started off from selling books in 2007, based in Bangalore, and entered then consumer electronics category with the launch of mobile phones, in September 2010. Since then it kept on adding more new products categories including books, mobiles, computers, cameras, home & electronic gadgets& appliances, In addition to these very Recently, Flipkart.com has also widened its foray by entering into the emerging digital content market with the recent launch of Flyte, the digital music store & is still continuing to enlarge its product portfolio. It is now one of the leading e-commerce players in India, currently ranks at the top 20websites in India, spread in 37 cities, with 11.5 million plus book titles, 14 different categories, 3 million plus registered users and sale of 30000 items a day. It provides online-shoppers a memorable online-shopping experience because of its innovative services like:

- Cash on Delivery,
- 30-day replacement policy,
- Easy Monthly Instalment options (EMI),
- Free shipping
- Discounted prices & deals

A humble beginning from books, Flipkart now has a gamut of products ranging from: Cell phones, laptops, computers, cameras, games, music, audio players, TV's, healthcare products, washing machines etc. etc. Still, Flipkart derives around 50% of its revenue from selling books online. Flipkart is the Indian market leader in selling books both offline and online, it enjoys an online share of around 80%. The electronic items have a large number of players like Naaptol, Letsbuy, Indiaplaza, Tradus, Infibeam, Yebhi etc. The electronic market share is distributed among them in different unknown proportions. India has around 13.5 crore internet users today where as the number of homes with Cable and Satellite (C&S) television is 10.5 crore. The expected internet users will reach a figure of 30 crore by 2014 and C&S homes are expected to be 14 crore by 2014. Thus India has a tremendous internet growth and with the customers getting accustomed to e-

commerce, the future of e-commerce sector is definitely rosy. An approximated 25 lac people have transacted online this year, the number is all set to increase with time.

Also to mention most of the Flipkart customers use internet from PC's/Laptops to order goods. The use of mobile internet is very less at the moment, but with the advent of smart phones the use of mobile internet for e-commerce transactions will soar with time. India has 8 crore mobile net users at the moment, the number is expected to swell to 22.5 crore by 2014.

Flipkart had a revenue of 4cr in FY 2008 - 2009, 20 crore in FY 2009 - 2010, 75 crore in FY 2010 - 2011, and the revenue for FY 2011 - 2012 which ends on 31 Mar 2012 had 500 crore. This is indeed a massive growth. The company targets revenues of 5000 crore by 2015.

Evolution of Logos



Funding

- Initially funded by the Bansals themselves with 4 Lakhs (INR).
- Flipkart has since then raised two rounds of funding from venture capital funds Accel India (in 2009) and Tiger Global Management (up to the tune of US\$10 million) (in 2010).

- Private equity firms Carlyle and General Atlantic are in talks to jointly invest about \$150 million to \$200 million in Flipkart, according to sources.

Teams at Flipkart

Category Management: All this requires an extremely efficient supply chain and this is where Category Management comes in. The folks at Category Management are responsible for vendor relations and supply management – without which online shopping wouldn't be what it is at Flipkart.

- * Developing Vendor Network across Country
- * P&L Responsibility for various Product Categories
- * Building Relations with Leading Brands and Manufacturers
- * Market Research
- * Managing Supply Chain for efficient sourcing
- * Using Technology to Solve Problems

Catalogue: These guys build the look of every catalogue that is launched on the website. From defining product specifications to ensuring all product related content appears correctly on the site – the team is constantly working to ensure the customer can make an informed purchase from us at all times.

Warehouse & Fulfillment Center: Procurement in Flipkart is all about obtaining products that are the best in “Quality”, from the right “Source” and in the shortest possible “Time” to ensure “Customer Delight”. Warehousing in Flipkart, on the other hand, is where these products are inspected with a fine tooth-comb. After all, we have a promise to keep - original products with original warranty. And this is all done with the highest level of automation because for us, technology is everything.

Logistics: Flipkart ship 30,000 items every day. That's 20 items a minute, to nearly every single pin code in this country. At least 80% of these orders are shipped by our very own, one-and-a-half year old delivery team, Flipkart Logistics.

Today Flipkart is in 30 cities and soon we intend to expand all over the country. A huge (and growing) team of delivery executives with a 'customer first' approach – this is what FKL is all about.

Customer Support: 'Customer delight' is one of the USP of Flipkart. Flipkart want their customer to have the best ever online shopping experience when they are with them – and will do everything in our power to ensure it. Though every employee at Flipkart is responsible for giving the customer a great experience at all touch points, it is our 24X 7 customer support team that has succeeded in setting unbeatable standards in the service industry.

Finance: Flipkart is a company that has gone from being a start-up to the largest online retailer in the country – clocking revenues of Rs 2.5 cores per day and well on its way to achieve a target of \$1 billion in revenue by 2014. So can there be any doubt that Finance plays a really important role in their development.

Talent Acquisition: Growing by leaps and bounds is not an exaggeration when it comes to Flipkart. What was started by two people in 2007 has today become a 4500 strong company – and counting! In the last year alone we have added 4000 people to the team. With the demand for high quality talent across departments showing no signs of slowing down, the Talent Acquisition Group, or TAG as Flipkart like to call them, have their hands full.

Human Resource: Flipkart as an organization has grown from strength to strength to emerge as a leader today in the Indian e-commerce space. The pace which we have maintained has been possible because of a high caliber, energetic and agile workforce. Today Flipkart attracts highly talented professionals from across the industry and campuses alike - the opportunity to innovate and exposure to a high-growth business environment being our main attraction.

Being a de-centralized function, the team constantly interacts with various business departments at all times in order to better understand and cater to their HR needs. The team also builds strategic relationships with the corporate functions to drive pan-organization initiatives.

The Human Resources team is responsible for the end to end HR life cycle of an employee once they come on board. It is the HR team that ensures that employees across departments and from various backgrounds get to know and understand the Flipkart

culture. Creating a high level of employee engagement and helping them develop as professionals is what keeps the HR team at Flipkart busy.

Payment through Wallet in Flipkart: Flipkart has added a new 'Wallet' feature to enable customers store money in their Flipkart account and redeem it on future purchases. Flipkart Wallet works on a prepaid credit system: customer can top up your wallet with any desirable amount up to Rs 10,000 by using any one of its regular payment modes like credit card, debit card, and net-banking..

As said earlier, there are other players in the country like Mobi Kwik and PayTM* which offer online wallet services called 'Mobi Kwik Balance' and 'Paytm Cash' respectively, indicating the impact of unreliable payment gateways on online transactions in India. While Mobi Kwik Balance allows customers to add money into their account to allow multiple purchases like online recharge for prepaid mobile phones, DTH and data cards, PayTM Cash allows you to store money in a wallet for future transactions on its portal. The company had recently claimed to ship around 20 units every minute, with 65% of the purchases being made through Cash on Delivery (COD). The company had also hoped to grow its sales by more than tenfold this financial year.

Interesting facts & figures about the portal:

- Flipkart employs 4500+ people
- 2 million sales unit and 4 million visitors/month
- 11.5 million titles, Flipkart is India's the largest online book retailer.
- Registered user base of 4 million customers
- Ships out as many as 45,000 items a day, clocking daily sales of approxRs 2.5 cr.
- Flipkart is now investing in expanding its network of distribution centres, warehouses, procurement operations which is now in only 8 cities in country, so as to reach more & more Indian cities.
- The company is even setting up its own delivery network which is now in 37 cities, by which company can save up cost associated to the outsourced shipping & logistic function and is set to expand this even further by next year.

Future Road Map

- They aim at 10 times growth and eyes at \$ 1Billion sales by 2015.
- They will look at bigger investments in their supply chain and technology.
- Investment will be made in large warehouses and increased automation of their process, so that the product is not delayed.

- They intend to enter in to various new categories and expand their current categories as well.
- Everything except for groceries and automobiles will be available on Flipkart in future.
- To go further in the value chain, Flipkart is looking at associations with a larger number of suppliers and partners, both nationally and internationally.

Threats in future: There are no major foreseeable threats in the future. The company has built a great brand name, they just have to maintain and enhance the same. Need to keep introducing more products, adapting to the changing needs of the customer with time. The entry of Amazon.com in 2012 in the Indian e-commerce space has been cited as a big challenge to Flipkart. However Flipkart is a respected Brand name in India and should be able to compete with Amazon. Amazon being a very big company can bring in serious competition to Flipkart, since Amazon can bear more losses in the beginning to gain customer base. But again Indian market is growing at a rapid pace as access to internet increases and people become more aware of e-commerce sites and start trusting the same; hence Indian market is sufficiently big at-least for these two giants to co-exist beneficially.

1.3 Objectives and scope of the project

- 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 understand the customer awareness on Flipkart.com
- To determine the factors responsible for customer satisfaction

Scope of the project

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 analyze 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 behavior of online customers

CHAPTER 2

2. LITERATURE REVIEW

Several researchers have carried out studies in their effort to examine consumers' online buying behavior. For example, Bellman et al (1999) investigated various predictors for whether an individual will purchase online. These authors concluded that demographic variables, such as income, education and age, have a modest impact on the decision of whether to buy online, whereas the most important determinant of online shopping was previous behavior, such as earlier online purchases. This is consistent with Forrester Research which proved that demographic factors do not have such a high influence on technology as the consumers' attitudes do (Modahl, 2000). Steinfield and Whitten (1999) suggested that the combination of the Internet, plus physical presence, provides more opportunities to capture business than the online-only presence, because they can provide better pre-purchase and post-sales services to lower consumer transaction cost and build trust in online stores. However, it is worth mentioning that beliefs and attitudes that are found in the stage prior to the adoption of e-commerce are different to those in the "post-adoption" stage (Gefen et al, 2003; Venkatesh and Brown, 2001; Yu et al, 2005).

Concerning the factors that influence or hinder online shopping, Ernst and Young (2000) reported that Internet users purchased online because of good product selection, competitive prices, and ease of use, but were concerned about shipping costs, lack of opportunity to prior examining the products, as well as, the confidentiality of credit card and personal information. Know and Lee (2003) explored consumers' concerns about payment security and its relationship to online shopping attitude and actual purchases. They observed a negative relationship between attitude towards online shopping and concerns about online payment security. Consumers with a positive attitude seem to be less concerned about payment security. Similarly, popular literature cited ease of shopping comparison, low prices, timely delivery, convenience, time saving, low shipping costs, improved customer service, tax exempt status and speedy e-mail response, as key reasons for the increase in online shopping (Lorek, 2003; Magee, 2003; Maloy, 2003; Retail Merchandiser, 2003)..

It's a great way to save on interest, particularly if you aren't keen on paying the high rate for revolving credit with your existing card. However, be warned that such a teaser deal

is typically temporary. If you don't pay the outstanding amount within the offer period, you will be penalised with a higher interest rate, possibly more than the one on your old credit card.

Straight cash discount instead of value-added promotion

The trouble with most value-added offers is that they come with caveats. It could be for a limited period, or you may land discount vouchers/coupons that don't appeal to you. What's not to like about saving hard cash? The only drawback is that you are unlikely to find such bargains at shopping malls. Hit standalone, smaller shops instead.

A gadget bought at a discount of 80% on a little-known website

It really should not come as a surprise that you are being ripped off. Online shopping promises discounts, but if just one player offers rebates far more than its competitors, it should be a red flag. For instance, the MRP on the HP Pavilion G6-2232TX laptop is nearly Rs 41,000, while Flipkart is offering it at Rs 38,342 and Laptop wale at Rs 38,100. So how can an unknown player offer it at just Rs 8,200? Other warning signs are an absence of credible contact information for the company. If the website is legitimate, chances are you are being peddled a counterfeit item.

Registering on private sale websites

To begin with, registration is free, so even if you never get lucky, all you are wasting is time. The likes of Jetsetter.com and Sniqueaway.com hold short-term flash sales on unsold inventory at luxury hotels and cruises, where you could land discounts of 40-70%.

Buying gold because the jeweller insists it's a good investment

Given the high making charges and issues with determining purity, make sure that you buy jewellery solely for the love of bling. If investment is the agenda, you would be better off buying gold bars/coins or gold funds. The jeweller who promises you the moon will be quick to list out caveats while buying it back.

Renting a car at the airport at a 10% discount

It may be the handiest option for travellers, but the airport is also the most expensive place to rent a car, especially at foreign destinations. Typically, you will shell out 12-15% more than the rental charges at any off-site location, including at or near your hotel. Try to wrangle a complimentary airport pick-up service from the hotel you've booked and then check with the concierge for rental rates, or book a car online.

Accessories, perfumes and cosmetics from duty-free shops

These items, including designer watches and sunglasses, can be had much cheaper online. For instance, perfumes costing \$53-55 (around Rs 3,000) at duty-free shops can be bought for around \$50 (Rs 2,750) on Amazon.com, including shipping charges. Often, mall/high street sales too offer a better deal. However, duty-free shopping continues to be attractive when it comes to alcohol and cigarettes.

Analysis of consumer behaviour

Author: DejanPetrovic

Published: 2007

The report outlines about the most relevant behavioral characteristics of online consumers and examine the ways they find, compare and evaluate product information. Comparison of the newly collected survey data with the existing consumer behavior theory resulted in detection of a number of issues related to a specific consumer group. The purpose of this report is to translate these findings into a set of implementation activities on strategic and technological level. Execution of these recommendations will result in better conversion of visitors into customers and encourage customer loyalty and referrals.

The focus group of this study will be young adults aged between eighteen and thirty-four interested in buying a mobile phone or a related product.

Research by Shun &Yunjie (2006) showed that there are product types, which are more likely to be sold online such as software, books, electronics and music. Reason for this is that when purchasing these types of products, one does not require personal inspection and most, if not all features, can be outlined in the product description and images. Most products in the mobile phone family belong to this category.

According to the recent research on consumer behaviour on the Internet users (Cotte, Chowdhury, Ratenswar& Ricci, 2006), there are four distinct consumer groups with different intentions and motivations:

- Exploration
- Entertainment
- Shopping
- Information

Majority of young adults interviewed for purpose of this research tend to be active information seekers. A high level of technological confidence within this group tends to be an encouraging factor when it comes to product information research online.

The following analysis presents both, focus group results and behavioural theory in a parallel fashion divided into two main research topics:

- Information Retrieval and Search Patterns
- Perception of Product Information Online

These two areas are mutually dependent and particularly important in a market where consumers have the power to choose the right product from a number of competing suppliers. Well-structured product information that cannot be found easily online is as much of a problem as is having easily accessible information that does not meet the consumer's expectations.

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Anders Hasslinger; Selma Hodzic; Claudio Opazo (2008-02-01) in their study they showed that developed into a new distribution channel and online transactions are rapidly increasing. This has created a need to understand how the consumer perceives online purchases. The purpose of this dissertation was to examine if there are any particular factors that influence the online consumer. Primary data was collected through a survey that was conducted on students at the University of Kristianstad. Price, Trust and Convenience were identified as important factors. Price was considered to be the most important factor for a majority of the students. Furthermore, three segments were identified, High Spenders, Price Easers and Bargain Seekers. Through these segments we found a variation of the different factors importance and established implications for online book stores..

Introduction to the E-Commerce & Internet Business: The global Internet audience continues to grow rapidly, with the worldwide base of Internet users in the 2 billion range as 2012 began, including a large base of mobile broadband users. This vast base of

Internet users encourages businesses to innovate and to offer an ever-evolving array of online services. Sectors that are growing very rapidly online include the sale of entertainment, event tickets, travel, apparel and consumer electronics. The most powerful trends on the Internet include access via wireless devices, migration of entertainment to the web and cloud-based software as a service.

Today, as a result of the recent recession, consumers are more focused than ever on finding the best prices. Consequently, e-commerce firms like Amazon that are known for their high value at low prices are well positioned to prosper. The standout winner in e-commerce continues to be Amazon, where sales have soared thanks to aggressive discount pricing, free shipping for its “Prime” members and an ever-growing variety of merchandise categories. Books, movies, music and other media now account for only 35% of Amazon’s sales, while electronics and general merchandise bring in the largest share by far. Amazon’s sales outside of North America are booming, and now account for 44% of total revenues. Clearly, there is growing adoption of online consumer purchases throughout the world’s major economies.

Convergence: The Internet is about saving time (and therefore saving money), and the potential of the Internet has barely been tapped. New methods of taking advantage of efficiencies are becoming widely accepted, as access to high-speed broadband Internet connections becomes commonplace. Users of the Internet (both business and consumer) are multiplying around the globe, and many companies are earning terrific profits in the process of serving those users. The long-awaited phenomenon of “convergence” of entertainment, computing and communications arrived around 2004 and has been moving forward at high speed ever since. Now, the latest televisions come equipped with built-in Internet connections. This is going to create radical changes in the way TV viewers obtain their movies and TV programming over the near term. For example, subscribers to Netflix are able to stream downloaded movies directly to their Internet-connected TV sets.

Online Shopping in India: Online shopping is quite common these days in the developed world than it was about 5 years ago but it is not the same in India for its own set of reasons. In developed economies consumers find the worldwide web a great place for bargain-hunting, with most goods available at lower prices than in a bricks-and-

mortar store. But convenience appears to be an even bigger attraction as revealed in surveys because most online shoppers find the crowded high street too stressful.

Though online shopping has witnessed growth in India but it is still not pervasive like the west and the growth is also limited to certain areas like online travel booking and perhaps stock trading (which actually is not pure e-commerce). The main reason why shoppers in India are not willing to shop online is that they don't get any real value or incentive. Also they are wary about fraud, delivery and customer service and their fears are not imaginary.

Online shopping India sites offer a wide variety of products to choose according to your tastes and budget. Shopping online in India always offer benefit of price as online stores do not have to spend on building and maintaining showrooms. In addition heavy discounts are offered on various popular products to attract worldwide customers to one site. Some online shopping India sites also offer online coupons, gift certificates and promotional codes as special offers through which the products prices are reduced to a great extent. Online shopping in India is easy and quick as wide variety of products are categorized in a very convenient manner, so that it will be easy for you to find the exact product you want.

One of the biggest advantages of online stores is that they provide complete and specific information like, product description, specification, model, size, colours, prices, customer reviews and various other details about each and every product offered by them. The best part is that they are available 24*7; therefore, you can shop at your own convenience.

Today more and more people prefer to buy products from online stores in India, as you can find wide categories of products right from gadgets, clothes, footwear, furniture, jewellery, books, music, and gifts to many more. So, whichever product you wish to buy, you simply need few clicks and the product will be delivered to your doorstep.

CHAPTER -3

3. RESEARCH 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 is 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. 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 this topic. Secondary data helps the author to comprehend the perception of Indian consumers on online shopping.

Thus the study carried out has analyzed 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

SECONDARY DATA: Journals, Internet, newspaper etc.

Sample design

Online customers of Delhi 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 primary data.

Hypothesis

H0(Null Hypothesis): There is significance difference in the services of Flipkart on customer satisfaction.

H1(Alternative Hypothesis): There is no significance difference in the services of Flipkart on customer satisfaction.

CHAPTER -4

4. DATACOLLECTION AND ANALYSIS

This chapter aims obtain the objective of the study by critically analysing the qualitative data through thoroughly examining the interviewee's responses and beliefs. This has been achieved through evaluating the most relevant responses by the participants. The data has been analysed and discussed by comparing the comments made by the respondents with the literature review keeping in mind the research objective of the study. Thus, the rationale of this analysis is based on the personal answers provided by the respondents.

An appropriately designed questionnaire was used to collect the primary data for the study. The data for 100 respondents was organized systematically in tables and graphs and then was subjected to analysis using appropriate statistical tools. The results of the analysis are presented in the following section in order to assess the customer perception towards online shopping on Flipkart.com in India.

Here for analysing, we are considering two factors. That is:

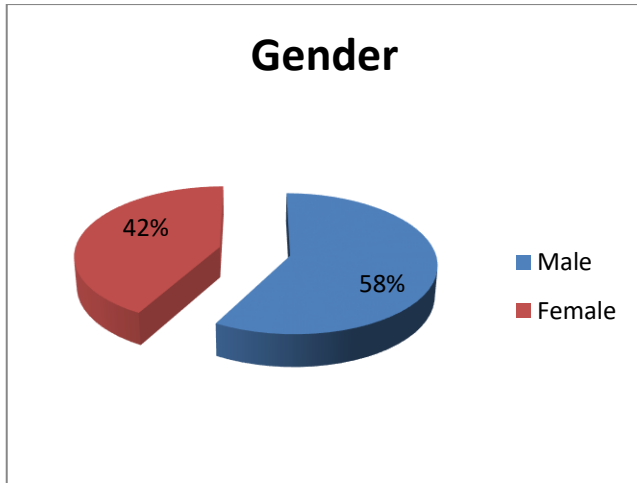
- Demographical factors
- Behavioural factors

4.1 Demography factors:

1. Gender of Respondents:

Table4.1: Gender wise respondents

	Male	Female	Total
Responses	58	42	100
Percentage	58	42	100

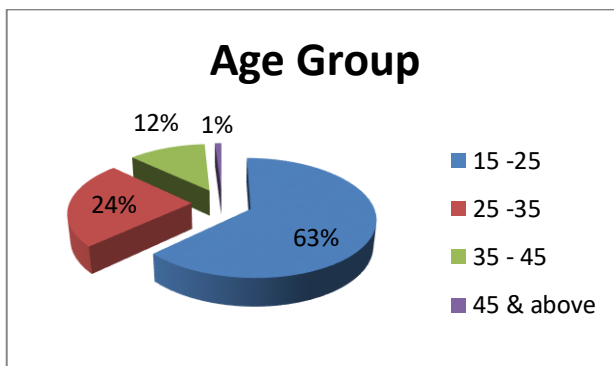


Graph 4.1: Gender wise respondents

.2. Age Group:

Table 4.2: Age wise respondents

	15 -25	25 -35	35 - 45	45 & above	Total
No of respondents	63	24	12	1	100
Percentage	63	24	12	1	100



Graph 6.2: Age wise respondents

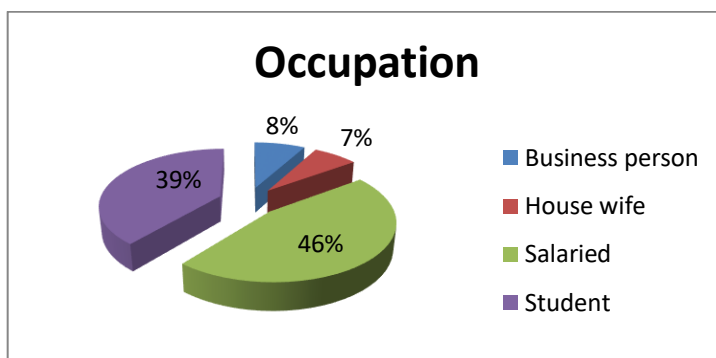
Analysis and Interpretation:

Below figure shows that 63% respondents are between 15-25 years old, 24% respondents are between 25-35 years old, 12% respondents between 35-45 years old, and 1% respondents are between 45&above. Overall result shows that between all of them the respondents who has age limit between 15 to 35 years (63%+24%= 87%) people are more familiar to shop online on my target population.

3. Occupation:

Table 4.3: Occupation wise respondents

	Business person	House wife	Salaried	Student	Total
No. of respondents	8	7	46	39	100
Percentage	8	7	46	39	100



Graph 4.3: Occupation wise respondents

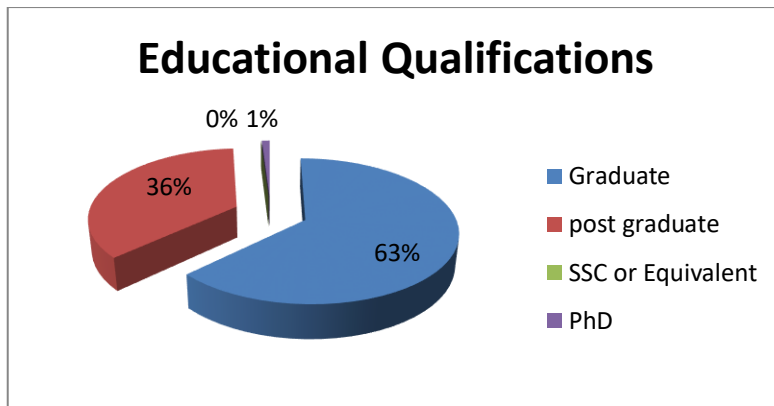
Analysis and Interpretation:

In this survey, 46% of the respondents are salaried and 39% are students. So they both together made majority of respondent's percentage (85%). 8% are business persons and 7% are House wife. Salaried persons and students will always look for new technologies and new services which make them more comfort.

4. Educational Qualification:

Table 4.4: Educational wise respondents

	Graduate	post graduate	SSC Equivalent	or	Others (PhD)
Number of respondents	63	36	0		1
Percentage	63	36	0		1



Graph 4.4: Educational wise respondents

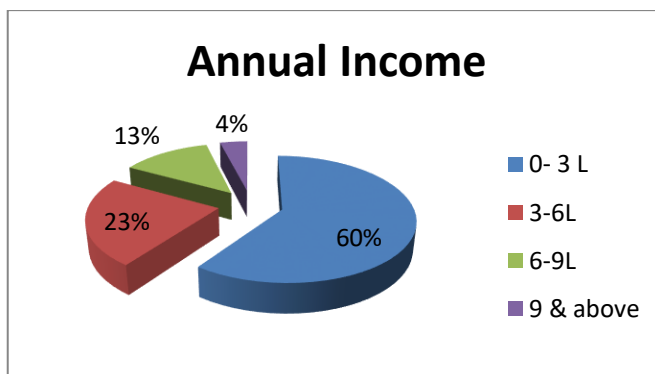
Analysis and Interpretation:

All of them in this survey are graduate and above qualified peoples only. Among these 63% are graduates, 36% are post graduates and one person is PhD.

5. Annual Income:

Table 5.5: Income wise respondents

	0- 3 L	3-6L	6-9L	9 & above
Number of respondents	60	23	13	4
Percentage	60	23	13	4



Graph 5.5: Income wise respondents

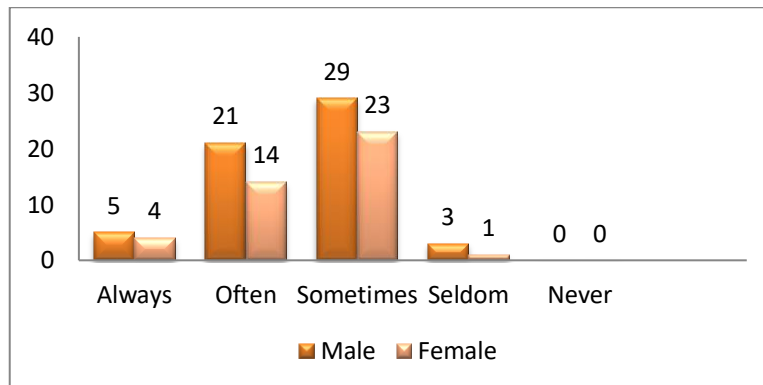
Analysis and Interpretation:

Since 39% of this survey is students most of them are of 0-3L income range, ie 60%. 23% of them are in 3-6L income range, 13% in 6-9L and 4% is 9 & above.

6) Frequency of purchase from online:

Table 4.6: online shopping usage

	Always	Often	Sometimes	Seldom	Never	Total
Male	5	21	29	3	0	58
Female	4	14	23	1	0	42
Total	9	35	52	4	0	100



Graph 4.6: online shopping usage

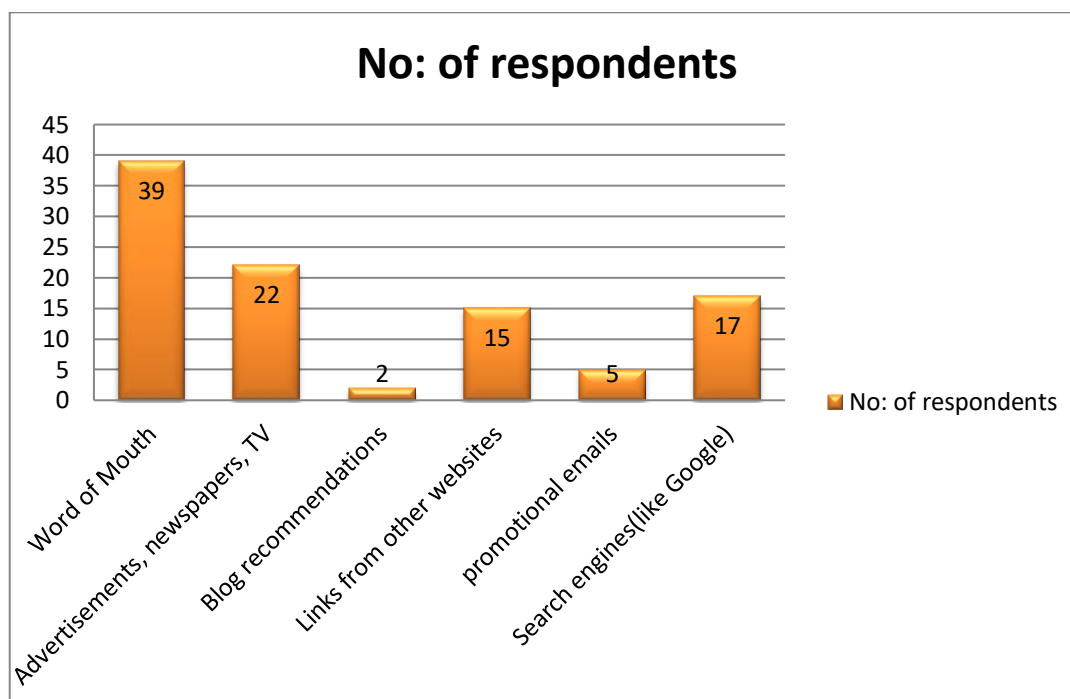
Analysis and Interpretation:

More than half of them use online shopping sometimes, ie 52%. People who always and mostly shop through online shopping are also good in number, 9 and 35, together 44%. And who use online shopping rarely is very less in number 4%. Since only 44% are mostly using this, there is a wide space to fill and to make online shopping a great success. And there is not much gender difference in online shopping, which means both males and females enjoying online shopping and its benefits.

7) Mode of awareness about Flipkart.com:

Table 4.7: Modes of awareness about Flipkart

	Word of Mouth	Advertisements, newspapers, TV	Blog recommendations	Links from other websites	Promotional emails	Search engines (like Google)	Total
No: of respondents	39	22	2	15	5	17	100
Percentage	39	22	2	15	5	17	100



Graph 4.7: Modes of awareness about Flipkart

Analysis and Interpretation:

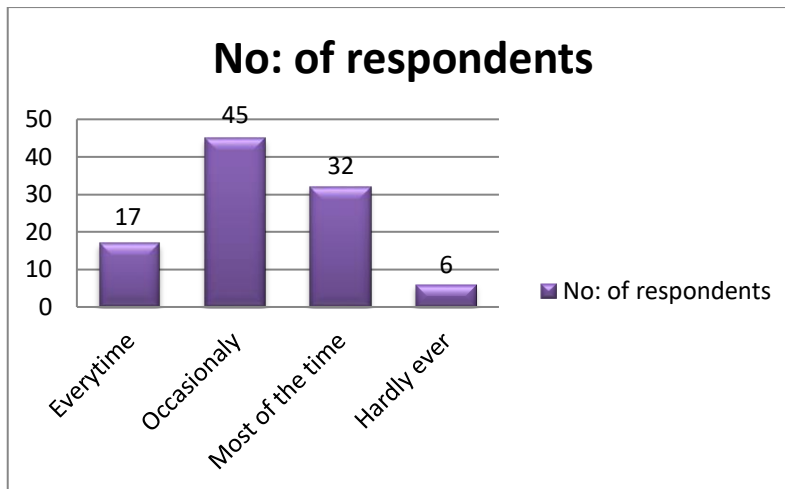
Most of them are aware about Flipkart through word of mouth (39%) followed by television and online advertisements (22%). Customers got aware through blog recommendations (2%) and promotional e-mails (5%) are very less in number.

This means a good communication about Flipkart is going on through friends and families, which proves that word of mouth strategy by them is the most successful means of making people aware about their products. Success can only be gained through delighted customers who act as advocates for their products and there is a wide scope of other digital advertisement techniques like search engine marketing, email-marketing, providing links and blog recommendations in order to make more customers.

8) Frequency of using Flipkart.com while online purchasing:

Graph 4.8: Frequency of using Flipkart

	Every time	Occasionally	Most of the time	Hardly ever	Total
No: of respondents	17	45	32	6	100
Percentage	17	45	32	6	100



Graph 4.8: Frequency of using Flipkart

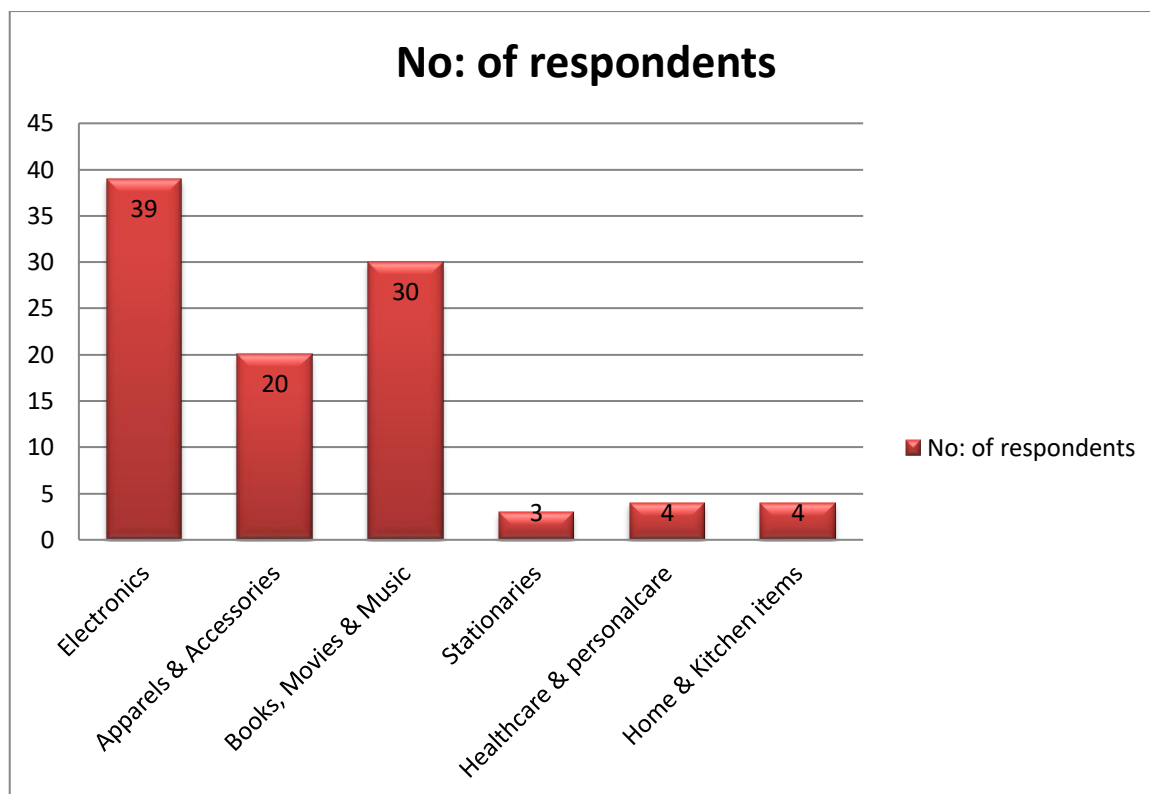
Analysis and Interpretation:

Here on this survey 17% are always choosing Flipkart for online shopping, while 45% are using it occasionally. Hardly ever using members are very less, and 32% are using it most of the time. Since more than half of them prefer Flipkart while thinking of online shopping, it means branding had done successfully by them either through advertisements, services or providing good experience to customers.

9) Category that mostly prefer to buy from Flipkart.com:

Table 4.9: Category mostly prefer to buy from Flipkart

	Electronics	Apparels & Accessories	Books, Movies & Music	Stationaries	Healthcare & personal care	Home & Kitchen items	Total
No: of respondents	39	20	30	3	4	4	100
Percentage	39	20	30	3	4	4	100



Graph 4.9: Category mostly prefer to buy from Flipkart

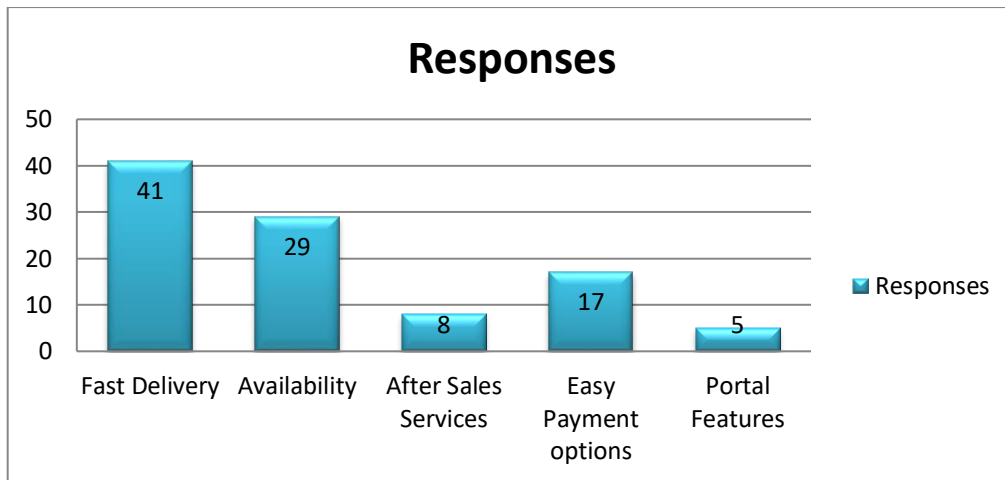
Analysis and Interpretation:

Electronic items, Books and Stationery, Apparels& Accessories, cameras, watches and others (bags, belts, etc.) are purchased more. 39% of respondents are preferred to buy Electronics items followed by Books and Stationery (30%) and Apparels and Accessories (20%). Books & stationery and electronics items are more famous among the students and that may be the reason for large purchase of those items from Flipkart.com.

10) Reason for customer's preference on Flipkart.com than others:

Table 4.10: Customers expecting feature of Flipkart

	Fast Deliver y	Availabilit y	After Sales Services	Easy Payment options	Portal Features	Total
Responses	41	29	8	17	5	100
Percentage	41	29	8	17	5	100



Graph 4.10: Customers expecting feature of Flipkart

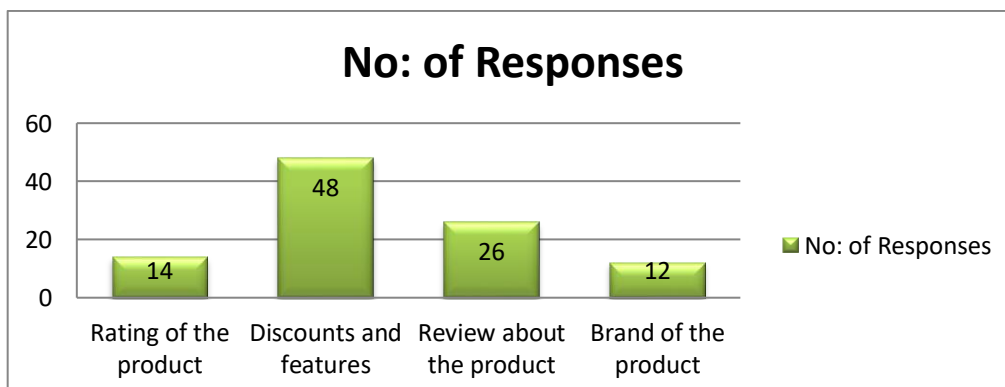
Analysis and Interpretation:

One of the most efficient features in Flipkart is fast delivery when compared to other online shopping websites. So, most of the customers prefer this website for shopping with the perception of quick delivery (41%) and availability of product (29%), followed by easy payment options (17%). And there is a scope of increasing after sales services and portal features when comparing with other features.

11) Product selection from the categories given by Flipkart.com:

Table 4.11: On the basis where product is chosen

	Rating of the product	Discounts and features	Review about the product	Brand of the product	Total
No: of Responses	14	48	26	12	100
Percentage	14	48	26	12	100



Graph 4.11: On the basis where product is chosen

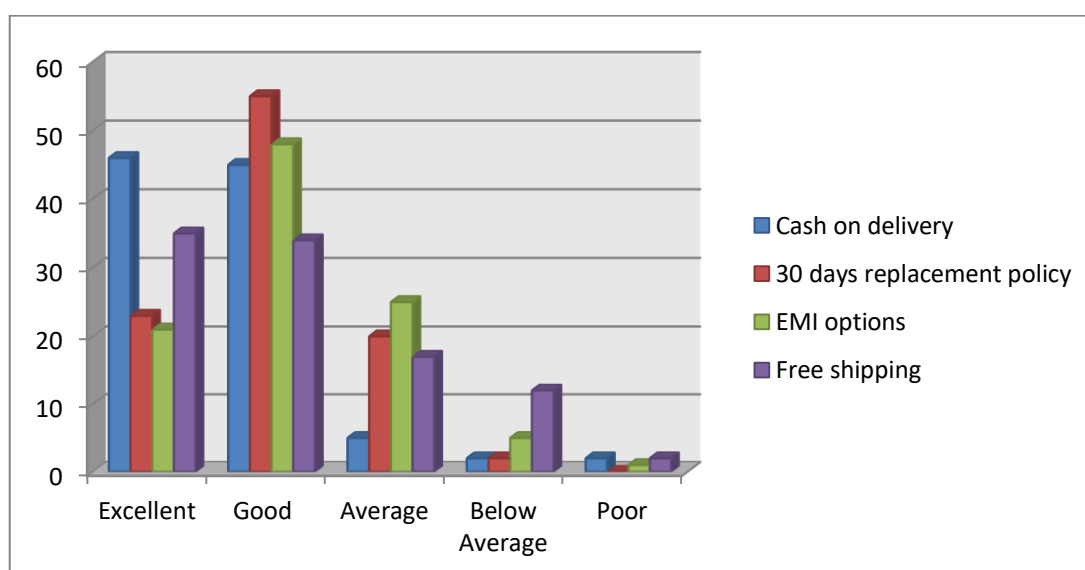
Analysis and Interpretation:

Customer perception varies while using Flipkart; it is one of the online shopping sites which give high discounts and offers. Most of them in this survey (48%) are looking for good featured product with high discounts while purchasing products from Flipkart. And also customers more often go through the product review (26%) before making their decision to purchase. Product review is a kind of word of mouth strategy where product users leave their review on their experiences with Flipkart. Customers are giving priority to these two features while brand of product (12%) and rating of product (14%) also taken care by some other customers.

12) Rating of services on Flipkart.com (in a scale of Excellent, Good, Average, below average, Poor)

Table 4.12: Rating of Flipkart services

	Excellent	Good	Average	Below Average	Poor
Cash on delivery	46	45	5	2	2
30 days replacement policy	23	55	20	2	0
EMI options	21	48	25	5	1
Free shipping	35	34	17	12	2



Graph 4.12: Rating of Flipkart services

Analysis and Interpretation:

46% of respondents are rated excellent for cash on delivery service, while for 30 days replacement policy 55% rated good and 23% rated excellent. For EMI options 48% rated good and 21% rated excellent, and for free shipping 35% rated excellent.

While analysing the data, customers have more interest in two services of Flipkart: That 30 days replacement policy and EMI options.

Since Flipkart is providing 30 days replacement policy for all the products in the platform. And this combined mix service increased the customer trust.

In case of EMI options, Flipkart is the only site which accepts all credit cards and thus it provides a better payment options to the customers.

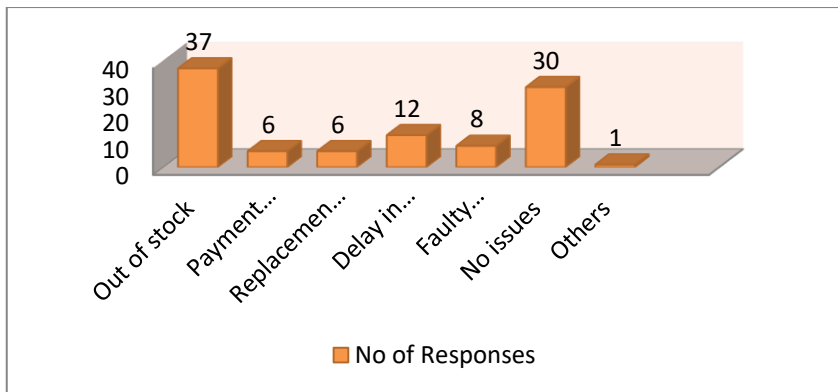
Cash on delivery is a compactable service that provided to the customers and they are much satisfied on that service also. Even some rated less for this service, may be because of less customised experience on cash on delivery.

In case of free shipping, Flipkart provide this service for total purchase of rupees 300 and above only. So it may affect some of the customers who purchase less price products frequently.

13) Issues faced by customers while shopping in Flipkart.com?

Table4.13: Issues faced when purchased from Flipkart

	Out of stock	Payment issues	Replacement issues	Delay in Delivery	Faulty product	No issues	Others	Total
No of Responses	37	6	6	12	8	30	1	100
Percentage	37	6	6	12	8	30	1	100



Graph 4.13: Issues faced when purchased from Flipkart

Analysis and Interpretation:

In this survey, 30% of customers didn't face any of those problems that mentioned, while 37% of customers faced out of stock issue. This is one of serious issue faced by most of customers. Since discounts and features are the one feature that most of the customers looking for and when a good product with high discount is displayed in Flipkart platform, customers brought it as soon as they could. Thus the products will be out of stocked.

Flipkart started notifying the customers about the product when the stock got available. Payment issues and replacement issues are less in number (total 12%) since different payment options like EMI options, card payments, Cash on delivery, Wallet payments etc... are provided by Flipkart and customers are satisfied with those.

In case of replacement also only less issues are happened, thus shows most of them are satisfied with that service.

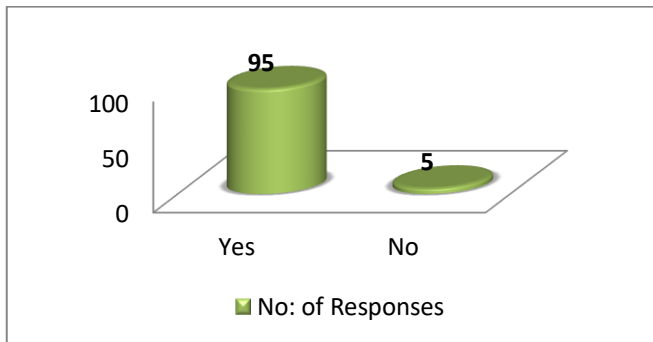
Delay in delivery happens because of shipping and courier service issues. It is a problem with supply chain. Mostly it happens in the end part of the supply and in rural areas where courier services are less active.

Faulty product issue also happened to 8% of the customers and one of the policies to overcome this issue is 30 days replacement policy of Flipkart.

14) Recommending this website to others:

Table4.14: Recommending Flipkart to others

	Yes	No	Total
No: of Responses	95	5	100
Percentage	95	5	100



Graph 4.14: Recommending Flipkart to others

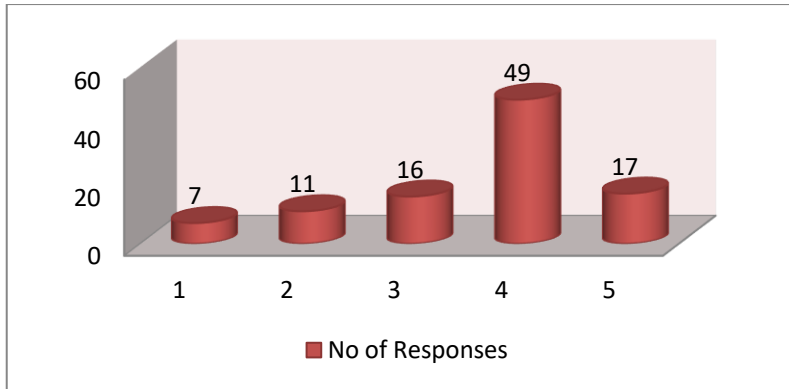
Analysis and Interpretation:

In this survey, most of them (95%) are happy to recommend Flipkart to others like friends and family. And this shows word of mouth publicity is successfully running and this is one of the great advantages for Flipkart.

15) Customer's rating about services on Flipkart.com: (in a scale of 5, 5 as highest and 1 as least)

Table4.15: Rating the experience from Flipkart

	1	2	3	4	5	Total
No of Responses	7	11	16	49	17	100
Percentage	7	11	16	49	17	100



Graph 4.15: Rating the experience from Flipkart

Analysis and Interpretation:

While analysing the rating of experiences, Flipkart provides a good and excellent experiences to most of the customers.

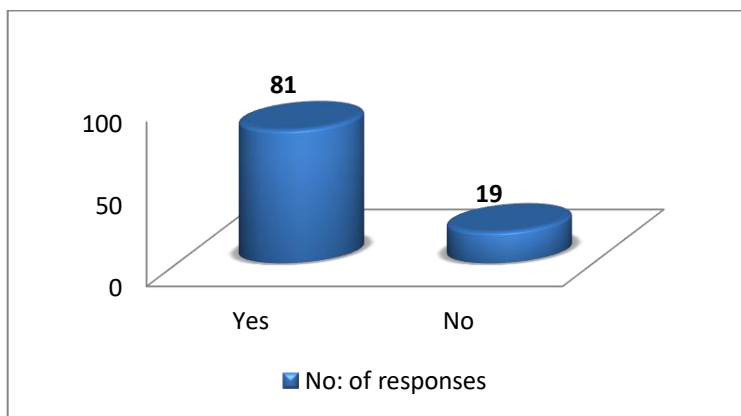
Mode of given data: 4 & Median of given data: 4

49% of customers rated 4 as the experience and more than half of the population (66%) rated 4 & 5 as experience.

16) Satisfaction of customers while Flipkart services are used:

Table4.16: Satisfaction on services of Flipkart

	Yes	No	Total
No: of responses	81	19	100
Percentage	81	19	100



Graph 4.16: Satisfaction on services of Flipkart

Analysis and Interpretation:

81% of the population is satisfied with the service of Flipkart. This helps Flipkart to retain the customers and also shows that the branding and marketing techniques of Flipkart also got succeed.

4.2 Data Analysis

Hypothesis Analysis

H0 (Null Hypothesis): There is significance difference in the services of Flipkart on customer satisfaction.

H1 (Alternative Hypothesis): There is no significance difference in the services of Flipkart on customer satisfaction.

Responses	Fast Delivery	Availability	After Sales Services	Easy Payment options	Portal Features	Total
YES	34	24	6	14	3	81
NO	7	5	2	3	2	19
Total	41	29	8	17	5	100

Table4.17: Chi-square test table 1

So in Chi-square test table-1 cell are there which have less than 5 values, the table should be modified by merging last three columns together. So the modified table for test is as follows:

Table 4.18: Modified table for Chi-square test

Responses	Fast Delivery	Availability	After sales services/ Easy payment options/ portal features	Total
YES	34	24	23	81
NO	7	5	7	19
Total	41	29	30	100

Degree of freedom= (row-1) (column-1) = (2-1) (3-1) = 2

Level of significance = 0.05

Step 2: Formula and explanation

$$x^2 = \frac{\sum (F_o - F_e)^2}{F_e}$$

Where x^2 = Chi-Square value

F_o = Observed Frequency

F_e = Estimated Frequency

Step 3: Calculation of Chi-square Value

Row	Column	Observed frequency (Fo)	Expected frequency (Fe)	(Fo - Fe)	(Fo - Fe) ²	(Fo - Fe) ² / Fe
1	1	34	33.21	0.79	0.6241	0.01879
1	2	24	23.49	0.51	0.2601	0.011072
1	3	23	24.3	-1.3	1.69	0.0695
2	1	7	7.79	-0.79	0.6241	0.08011
2	2	5	5.51	-0.51	0.2601	0.0472
2	3	7	5.7	1.3	1.69	0.296
Total						0.522672

Table 4.19: Calculation of Chi-square value

$$F_e = \frac{\text{Row Total} * \text{Column Total}}{\text{Grand Total}}$$

x^2 test value = 0.522672

services from provider then, they will be satisfied. So it can be concluded that, as the customers are satisfied with the services of Flipkart, they are using it.

4.3 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.

4.4 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 Ebay and Amazon. Talking about domestic market.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.

4.5 Suggestions

- Flipkart has successfully placed itself into the prospects mind making it the India's largest online store with huge range of products. But it still needs to work on their core competence that is books and stationery items.
- Delivery services can be improved mainly in rural areas by selecting appropriate courier service which has services in customer area for dispatching an item.
- Can make free delivery to all priced products.
- Can include more coupon codes and gift vouchers for increasing the traffic of the customers.
- Out of stock items can made available as soon as possible and intimate the needed customers.
- Should look for International/ Overseas markets or Neighbouring Countries.

- Critical mass of Internet users – Internet users in India is increasing at increasing rate, so Flipkart can target more & more cities i.e not only tier 1 & 2 but also tier 3 & 4 cities, which will help generate stronger customer base & more revenues.
- Should clearing focus on the Growing Online Apparel business & it can diversify into apparel category either organically or inorganically by acquiring other portals.
- User Experience: Portal should continuously aim to work to improve the user experience by adding more & more innovative features in the website like virtually shopping basket, virtual trial rooms. In this competitive world to differentiate via user experience, the ultimate winner will be the Indian online consumer.
- Should comprehensively invest into E-CRM & online reputation management.
- Logistics & Supply Chain: can continuously aim to reduce the delivery time cycle.

Price will still be a factor as amazon being a huge company will use its economies of scale to remove their competitors from the market; therefore they need to be more competitive on that aspect

4.6 Limitation of the study

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 Bangalore 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

CHAPTER 5

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