# Project Dissertation


# Analysing Customer Perception and Positioning of Two Leading E-Commerce Retailers among the Indian Youth


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**Jan -May 2015**

# CERTIFICATE

This is to certify that the Project Report titled ANALYSING CUSTOMER PERCEPTION AND POSITIONING OF TWO LEADING E-COMMERCE AMONG THE INDIAN YOUTH, is a bonafide work carried out by Mrs. Malabika Mishra of MBA 2014-16 and submitted to Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-42 in partial fulfilment of the requirement for the award of the Degree of Masters of Business Administration.

Signature of Guides                                     Signature of Head (DSM)

**Professor Pradeep Ku. Suri**                          Seal of Head

**Ms. Meenu Chopra**

Date:

Place: **Delhi**

# DECLARATION

I, Malabika Mishra, student of MBA 2012-14 of Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-42 declare that my Project Report on "ANALYSING CUSTOMER PERCEPTION AND POSITIONING OF TWO LEADING E-COMMERCE RETAILERS AMONG INDIAN YOUTH" submitted in partial fulfilment of Degree of Masters of Business Administration is the original work conducted by me.

The information and data given in the report is 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

**Malabika Mishra**

Place:

Date:

# ACKNOWLEDGEMENT

I would like to express a whole-hearted gratitude to all those who have helped with the report or have been associated with the report in any which way and made it a worth-while experience.

I am greatly indebted to our batch mates and our seniors for having shared their invaluable experience that went a long way in the successful completion of our report.

I am thankful to everyone who helped us to collect valuable information for the survey by sharing their rational and well-judged feedback about prospective insurance policy exclusively for students by considering the factors involved. Without their help and cooperation; this project would not have been successful.

And a special mention of Professor Pradeep Kumar Suri Sir and Ms. Meenu Ma'am who have given me the opportunity for working on such a project, for her incessant support, feedback & guidance leading it to successful completion.

Thank you.

# ABSTRACT

Electronic Commerce is process of working together through personal computer systems. A man sitting on his seat before a personal computer can get to every one of the facilities of the Internet to purchase or offer the items.

Unlike conventional business, which is completed physically with exertion of a man to go and get items, e-commerce has made it easier for people to lessen physical work and to spare time. E-Commerce which was begun in early 1990's has taken an extraordinary jump in the realm of PCs, yet the problem that has obstructed the development of e-commerce is security. Security is the grave test confronting e-business today and there is still a great deal of headway to be made in the field of security.

The fundamental point of preference of e-business over conventional trade is that the client can scan online shops, look at costs and request product sitting at home on their PC.

For expanding the utilization of e-trade in creating nations the B2B e-commerce is executed for enhancing access to worldwide markets for firms in developing nations. For a developing nation progression in the field of e-business is vital. The exploration methodology demonstrates the significance of the e-commerce in creating nations for business applications.

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# 1. <u>INTRODUCTION</u>

## 1.1 Introduction to the project

The e-commerce sector has seen remarkable development in 2014. The development was driven by fast innovation selection led by the expanding utilization of gadgets, for example, cell phones and tablets, and access to the web through broadband, 3G, and so forth, which prompted an expanded online buyer base. Besides, supported demographics and a developing web client base helped this development.

As far as highlights, the development appeared by home-grown players, for example, Flipkart and Snapdeal and the colossal investor enthusiasm around these organizations showed the massive capability of the business sector. With the entry of e-commerce behemoths, for example, Amazon and Alibaba, the competition is relied upon to further escalate.

Both these worldwide players possess deep pockets and the tolerance to drive the Indian e-commerce market. Likewise, their domain knowledge and best practices from their experience global give them an extra edge. Also, these organizations have been a part of business sectors where they have seen the e-commerce market develop and know about the difficulties and techniques to address issues thereof.

Indian organizations understand this, and are hence planning to proceed with their emphasis on increasing dealers and selection on their websites, developing on various client touch points, and giving consistent and quick dispatch services so as to rival the global entities. Competition is trusted to only proceed, with these e-commerce organizations trying different things with various approaches to pull in customers and expand online activities.

The Indian government's yearning Digital India venture and the modernisation of India Post will likewise influence the e-commerce segment.

The Digital India venture intends to offer a one-stop search for government services that will have the cellular telephone as the foundation of its delivery mechanism. The project will give a solid help to the e-commerce market as conveying the web and broadband to remote corners of the nation will offer rise to an expansion in exchange and effective warehousing and will likewise open the possibility of a huge market for merchandise to be sold.

For India Post, the government is interested to build up its distribution channels and other e-commerce related administrations as a major income model proceeding, particularly when India Post executed business worth 280 crore INR in the money down (Cash on Delivery) sector for firms like Flipkart, Snapdeal and Amazon. Both these undertakings will have noteworthy effects on expanding the compass of e-commerce players to, most importantly, the non-serviceable territories, hence boosting development.

Industry on an upturn

In 2013, Asia-Pacific rose as the most strongest business-to-consumer (B2C) e-commerce region in the planet with sales of around 567.3 billion USD, a development of 45% more than 2012, positioning itself ahead of Europe (482.3 billion USD) and North America (452.4 billion USD). The top three were trailed by Latin America, and the Middle East and North Africa (MENA) region, as per Ecommerce Europe1. All around the globe, B2C e-commerce deals expanded by 24% more than 2012. This mirrors the enormous undiscovered capability of e-commerce by retail organizations, both in their country of origin and across borders. E-commerce or electronic trade, manages the purchasing and offering of products and services, or the transmitting of funds or information, over an electronic interface, mostly the web. These business exchanges are classified into either business-to-business (B2B), business-to-customer (B2C), customer to-customer (C2C), customer to-business (C2B) or the as of late advanced business-to-business-to-customer (B2B2C). E-commerce procedures are carried out by utilizing applications, for example, email, fax, online catalogues, shopping baskets, electronic data interchange (EDI), file exchange protocol and web services and e-bulletins to subscribers. E-travel is the most prominent type of e-commerce, trailed by e-tail which basically implies offering of retail merchandise on the web directed by the B2C sector. As indicated by e-commerce Europe, nation-wise, the US, UK and China together record for 57% of the world's aggregate B2C e-commerce deals in 2013, with China having sales of 328.4 billion USD. As against this, India had sales of just 10.7 billion USD, 3.3% of that of China, in 2013 with fifth position in Asia Pacific. This is despite the fact that India exhibits high demographic dividends just like China. India's web infiltration with aggregate e-household units at 46 million against China's 207 million is one of the reason behind India's poor B2C deals development.

As indicated by Forrester Research, an independent innovation and statistical surveying firm, just 16% of India's aggregate populace was online in 2013 and of the web users just 14% or 28 million were online purchasers. India, subsequently, was still in a beginning or juvenile phase of advancement of

online retail spending. China was in climbing stage at half, while Japan (69%), Australia (57%) and South Korea (70%) were in experienced stage.
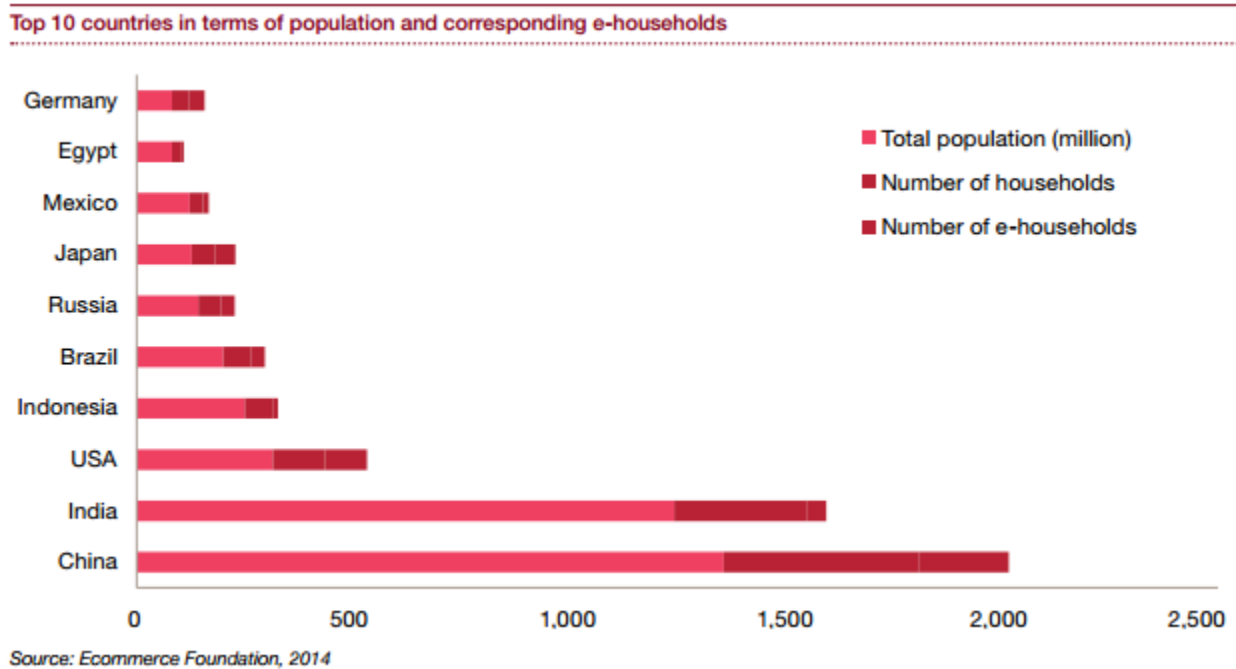


Figure 1

As of now, e-travel contains 70% of the aggregate e-commerce market. E-tailing, which includes online retail and online marketplaces, has turned into the quickest developing segment in the bigger business sector having developed at a CAGR of around 56% more than 2009-2014. The measure of the e-tail business sector is pegged at 6 billion USD in 2015. Books, clothing and embellishments and gadgets are the largest offered items through e-tailing, constituting around 80% of product distribution. The expanding utilization of cell phones, tablets, web broadband and 3G has prompted building up a solid buyer base prone to only further expansion. This, joined with a bigger number of home-grown e-tail organizations with their imaginative plans of action, has prompted a powerful e-tail market to rise in India at fast rate.

An essentially low (19%) yet rapidly increasing web populace of 243 million in 2014 is a pointer of the sector's immense development potential in India.
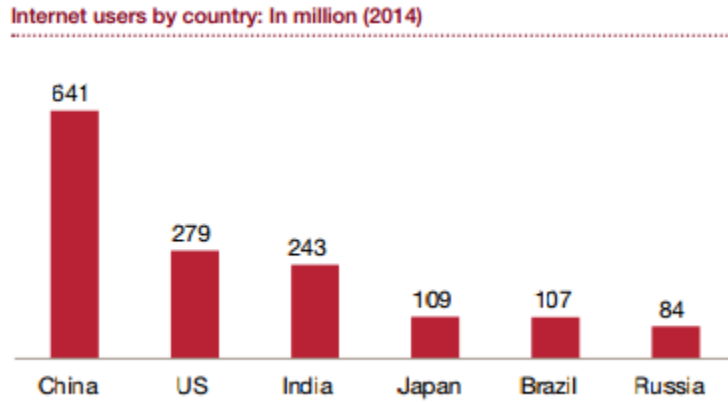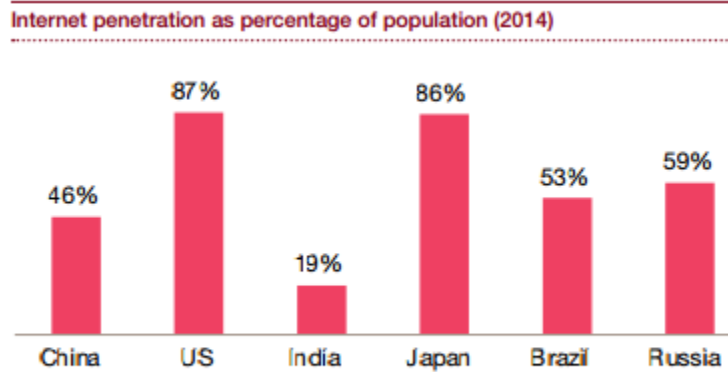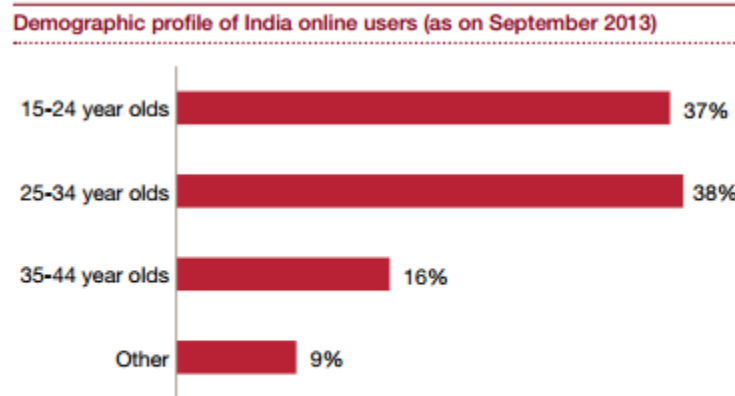
**Internet users by country: In million (2014)**



Figure 2

**Internet penetration as percentage of population (2014)**



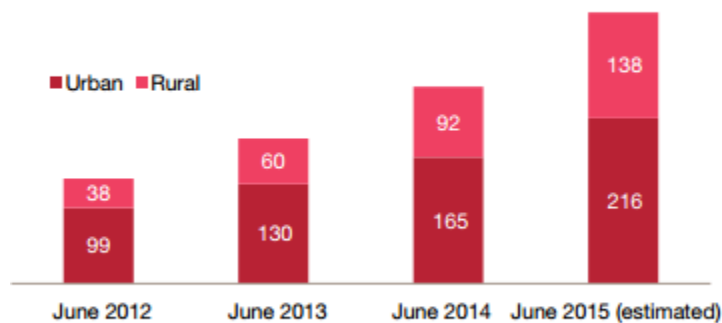Source: Internet Live Stats website accessed on 9 December 2014

Figure 3

It is clear that in outright terms India's web users are short by just 36 million as compared to 279 million in the US and higher than that in Japan, Brazil and Russia. In any case, in connection with its populace, just 19% Indians utilize the web. This shows the potential of internet use in India and as web infiltration builds, the capability of development for the e-commerce business will likewise increase.

**Demographic profile of India online users (as on September 2013)**

| Age Group | Percentage |
|-----------|-----------|
| 15-24 year olds | 37% |
| 25-34 year olds | 38% |
| 35-44 year olds | 16% |
| Other | 9% |

*Source: Statista website accessed on 9 Dec 2014*

**Geographical distribution of internet users in India (million)**

Figure 4



Urban ■ Rural

| Period | Rural | Urban |
|--------|-------|-------|
| June 2012 | 38 | 99 |
| June 2013 | 60 | 130 |
| June 2014 | 92 | 165 |
| June 2015 (estimated) | 138 | 216 |

*Source: IAMAI-IMRB*

Figure 5

An examination of the demographic profile of web users further affirms that e-trade will rise quickly in India in coming years. Around 75% of Indian web users are in the age group of 15 to 34 years. This group shops more than the remaining populace. Peer pressure, rising wants with career development, fashion and trends urge this group to shop more than any other class and India, hence, unmistakably enjoys a demographic dividends that supports the development of e-commerce. In coming years, as web presence increases in rural region, provincial India will yield more e-trade business.

## 1.2 Objectives

The computerized environment has changed the way buyers and organizations collaborate by providing new open doors to encourage access to data and diminishing of transaction costs. The

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advanced environment is additionally likely to have more extensive economic advantages on the basis of expanded development, innovativeness, learning, instant and boundless access to data sources and decreased ecological expenses associated with transactions. Notwithstanding all the upsides of advanced environment and e-business, the web has additionally given buyers less wanted access to unlawful substance and made their distribution simpler.

The principle aim of this project is to comprehend the attitude of buyers towards purchasing products and services over the web. Consumer web shopping behaviour relies on the impact of internet marketing environment, product qualities, familiarity and confidence and limited time offers. A reasonable comprehension of consumer web shopping behaviour can help marketing directors to anticipate the online rate and assess the future development of online trade and information in regards to what leads the purchasers to shop on the web, which would help e-sellers in figuring strategies, innovation, advertising choices and additionally website design. This study also gives understanding of the need of the legislature to assume a key part in expanding web use and giving more secure online transactions by detailing customer friendly laws.

- Identify the brand positioning of two prominent e-commerce applications in India
- Identify the attribute importance given by an Indian customer while picking an e-commerce application over another

## 2. <u>LITERATURE REVIEW</u>

James Christopher (2004) examined that all the best elements of ecommerce does not guarantee consumers will visit or remain loyal. But looking at what they want and their satisfaction levels of other well established e-tailors such as Amazon and eBay who have already invested significant resources to understand what consumer needs, wants and desires. Perhaps it would be useful to emulate these established pure players since they have been and continue to be highly successful as retain high marks for customer satisfaction. Additionally, it examined that there are main two factors for conducting successful e-commerce strategy which are -- security of the e-commerce system and user friendly web interface. Security means not only securing own system but also providing security assurance to users who are using the sites. A user friendly web interface gives consumer trust and is easy to navigate for customers. Beside these factors other factors are also essential to succeed which are top management support, IT infrastructure and customer acceptance. Top management support plays vital role as per James as they are the decision makers and their support and decision will direct the company to use the strategy. Further he also explained that without proper IT structure and skilled human resources, e-commerce strategy will fail. One of the factors he explained is customer acceptance; customer acceptance means the way customer accepts the web or online software of the company and it should have very rich contents and very easy to use these factors will decide whether business will get more customers.

Mauricio S. Featherman, Joseph S. Valacich & John D. Wells (2006) reported that as companies oracle to digitize physical based service processes repackaging them as online e-services, it becomes increasingly important to understand how consumers perceive the digitized e-service alternative. E-service replacements may seem unfamiliar artificial and non-authentic in comparison to traditional service processing methods. Consumers may believe that new internet based processing methods expose them to new potential risks the dangers of online fraud identity theft and phishing Swindles means schemes to steal confidential information using spoofed websites, have become common place and are likely to cause alarm and fear within consumers.

Law and Bai (2008) on their research paper mentioned there are two types of customers who use travel companies websites, those are buyers and borrowers. Buyers are those people who actually intend to buy the services whereas browsers are those who intend to surf and get information only. Those browsers can be converted to buyers by improving the website contents making it attractive, provided very rich in contents and very user friendly to use. As more and more travel companies are applying

these strategies, the increase in percentage of website buyers and browsers are also increasing day by day, this is due to adaption of e-commerce technology in travel and tourism industry.

It reported that e-commerce in travel and tourism industries are continuously increasing despite of tough economic problems. This industry is adopting application of B2B and B2C. This industry has changed the ways of do business for traditional ways to modern way i.e. e-commerce via web and other online transaction software. Web is changing the behavior of consumers are well as they are becoming less loyal, take less time for choosing and consuming the tourism products. As this industry is service oriented business industry, companies are implementing various new techniques to satisfy consumer needs and providing information to them through web and different value generating strategies like value extraction, value capture, value addition value creation. Travel and tourism is information based service oriented business and the product is termed as "confidence good" and prior comprehensive Assessment of quality is impossible however due to use of e-commerce feedbacks from consumers can be obtained in short span of time and this services can be enhanced accordingly.

Due to adoption of e-commerce in travel and tourism industry consumers are becoming more powerful players as they can choose their destination and sites in few minutes whereas travel agents, travel websites etc see diminishing power in sales however they are providing new market functionality using new technologies to attract more consumers. Many tour operator, travel agents online travel agents are using these strategy to attract more consumers however using more high-tech technologies needs huge investments need more high skill human resource etc.

Shweta Sharma, Sugandha Mittal - examined that a developing country can become industrialized and modernized if it can extensively apply IT to enhance productivity and International competitiveness, develop e-commerce and e-governance applications. An Information based society or knowledge based society is composed of it products, IT applications in society and economy as a whole. Many countries in Asia are taking advantage of e-commerce through opening of economies which is essential for promoting competition and diffusion of International technologies. Large enough to have a critical mass of 10 to 20 million users to be able to an impact on e-commerce and e-governance. In the next 3 to 5 years, India will have 30 to 70 million Internet users which will equal, if not surpass, many of the developed countries. Internet economy will then become more meaningful in India. The rapid expansion of internet, e-commerce, is set to play a very important role in the 21st century, the new opportunities that will be thrown open will be accessible to both large corporations and small companies. The role of government is to provide a legal framework for e-commerce so that while

domestic and International trade are allowed to expand their horizons, basic rights such as privacy, intellectual property, prevention of fraud, consumer protection and so on are all taken care of.

Mr. RAJIV RASTOGI - Reported that a developing country can be- come industrialized and modernized if it can extensively apply IT to enhance productivity and international competitiveness, develop e-commerce and e-governance applications. An information based society or knowledge based society is composed of IT products, IT applications in society and economy as a whole. Many countries in

Asia are taking advantage of e-commerce through opening of economies, which is essential for promoting competition and diffusion of Internet technologies.

The internet is boosting efficiency and enhancing market integration in developing countries. The developed world has had a long lead over the developing countries in the telecom infrastructure.

The world average of teledensity is 15 percent compared to the developed world average of 55 to 60 percent. Same is true of PCs, internet connections, and the number of internet hosts. All these traditional indicators for India as seen above are still small. But the total number of Internet connections are large in absolute numbers. Large enough to have a critical mass of 10 to 20 million users to be able to make an impact on e-commerce and e-governance. In the next 3 to 5 years India will have 30 to 70 million internet users which will equal, if not surpass, many of the developed countries. Internet economy will then become more meaningful in India. The number of e-transactions will be large enough to sustain the internet economy.

## 3. <u>METHODOLOGY</u>

### 3.1 Data Collection

Online survey was conducted among undergraduate and postgraduate students of colleges belonging to the age group of 18-28 from various colleges. The questions covered various aspects which gauged their preference of website applications and its attributes were floated and data collected.

Questionnaire for Survey:  Appendix 1

Response of the survey: Appendix 2

Questionnaires can be considered as a sort of written interview. They can be completed up close and personal, by phone or by post. Questionnaires generally give a cheap, fast and effective method for acquiring a lot of data from a vast specimen of individuals.

Information can be gathered relatively rapidly in light of the fact that the researcher need not be available when the surveys were completed. This is helpful in case of huge population when meetings would be illogical.

Nonetheless, an issue with questionnaire is that respondents may lie because of social desirability. The vast majority feel the need to introduce a positive picture of themselves and thus may lie or distort reality to look great, e.g. pupils would exaggerate revision time. Likewise the dialect of a questionnaire ought to be suitable to the vocabulary of the gathering of individuals being considered. For instance, the researcher must change the language of inquiries to match the social background of respondents' age/ education level/ social class/ ethnicity and so forth. Questionnaires can be a successful method for measuring the attitude, behaviour, inclinations, intentions and aims of relatively large crowd more inexpensively and quickly than other strategies. An essential distinction is between open-ended and closed inquiries. Regularly a questionnaire utilizes both open and closed questions to gather information. This is helpful as it means both quantitative and subjective information can be recorded. With a few questionnaire experiencing a reaction rate as low as 5% it is key that a survey is well designed. There are various essential components in questionnaire outline. The questionnaire that was utilized for the concerned overview had taking after attributes

- Aims: It was ensured that all questions solicited address the aims of exploration.

- Length: The more extended the questionnaire the more improbable that individuals will finish it. It was ensured that the questions were short, clear, and to the point; any superfluous inquiries were discarded.

- Type of questions: Questions were of closed type with the goal that response rate can be increased

- Pilot Study: A small scale pilot study was conducted to guarantee that individuals comprehend the questions better. Individuals were then ready to give point by point genuine input on the questionnaire design.

- Question order: Easy questions were first put advancing to more difficult questions.

- Terminology: There was a minimum of technical jargon/ specialized terms. Enquiries were simple, to the point and easy to understand.

- Presentation: It was ensured to look professional, clear and brief directions were incorporated.

The advantages of questionnaires

1. Practical
2. Large measures of data can be gathered from a large number of individuals in a short time frame and in a relatively inexpensive way
3. Can be executed by the researcher or by any number of individuals with limited affect to its legitimacy and unwavering quality.
4. The results of the questionnaires can more often than not be rapidly and effortlessly evaluated by either a specialist or using a software package.
5. Can be broken down all the more objectively and 'scientifically' than other types of research
6. When information has been evaluated, it can be utilized to look into other research and might be utilized to quantify change
7. Positivists trust that quantitative information can be utilized to make new speculations and/or test existing theories

The disadvantages of questionnaires

1. Is argued to be insufficient to understand some types of data - i.e. changes of feelings, behaviour, emotions and so on.
2. Scientists express that quantitative exploration is essentially a counterfeit creation by the researchers, as it is soliciting just a limited amount of information without clarification
3. Lacks legitimacy
4. There is no real way to tell how honest a respondent is being
5. There is no chance of knowing how much thought a respondent has put in
6. The respondent might be distracted or not considering within the complete context of the situation

7. People may interpret differently each question and hence answer in light of their of their own translation of the question - i.e. what is 'great' to someone may be 'bad' to someone else, and so there is a level of subjectivity that is not recognized
8. There is an amount of researcher imposition, implying that when designing the questionnaire, the researcher is settling on their own choices and suspicions on the matter as to what is and is not important...therefore they might miss out on something that is of significance

### 3.2 Market Research Analysis

We then performed Multidimensional Scaling to identify the e-commerce application positioning followed by Jaccard analysis on 2 leading e-commerce websites.

Multidimensional Scaling Analysis

Multidimensional scaling (MDS) is a means of visualizing the level of similarity of individual cases of a dataset. It refers to a set of related ordination techniques used in information visualization, in particular to display the information contained in a distance matrix. An MDS algorithm aims to place each object in N-dimensional space such that the between-object distances are preserved as well as possible. Each object is then assigned coordinates in each of the N dimensions.

Steps to be followed in the analysis:
- To know the preference of 8 e-commerce application as per consumer perceptions. Also we want to do a market gap analysis.
- 12 respondents were made to participate in the research. They were divided into equal parts - 3 boys and 3 girls.
- Step 1: One group of respondents were asked to indicate the distances between the websites on each card as per their perceptions on a scale of 0 to 10, with the higher numbers indicating greater distances (dissimilarity). The data thus obtained was averaged out and converted into a matrix
- The e-commerce websites considered were:
    - Snapdeal
    - Flipkart
    - Jabong
    - Amazon
    - Trendin
    - Yepme
    - Abof

o Myntra

- For step 2 of the research: Here, the other matched group of respondents were asked to evaluate the same 8 e-commerce websites on the major drivers of buyer preferences. They will rate the website in the scale of 1 to 8 with 1=low & 8=high. Here respondents rate the sites on identified attributes:

  o Quality of Products

  o Design of User Interface

  o Delivery

  o Discounts

  o Size of Inventory

  o Value for Money


Category Driver Analysis (Jaccard Analysis)

For Jaccard Analysis, two leading e-commerce retailers were considered

- Flipkart
- Snapdeal

The **Jaccard index**, also known as the **Jaccard similarity coefficient** is a statistic used for comparing the similarity and diversity of sample sets. It is originally coined *coefficient de* communauté by Paul Jaccard, The Jaccard coefficient measures similarity between finite sample sets.

Jaccard's coefficient measure similarity and Jaccard's distance measure dissimilarity are measurement of the asymmetric information on binary variables.

$$J(A,B) = \frac{|A \cap B|}{|A \cup B|} = \frac{|A \cap B|}{|A| + |B| - |A \cap B|}.$$

The Jaccard distance, which measures dissimilarity between sample sets, is integral to the Jaccard coefficient and is gotten by subtracting the Jaccard coefficient from 1, or, equivalently, by dividing the difference of the sizes of the union and the intersection of two sets by the size of the union.

The significance an attribute has on influencing attitude or behavior can be measured in two ways; it can be asked specifically (Stated Importance) or it can be determined through statistical analysis (Derived Importance). While respondents might be asked how vital something is to their choice, what individuals say impacts their choice is more often than not different from what really impacts their choice. Expressed metrics frequently downplay the "less attractive" reasons behind behavior, (for

example, price, picture, or popularity). Consequently, category driver analysis can regularly better measure drivers of inclination, loyalty, contentment, and an assortment of other states of mind inside a given category

Steps to be followed in the analysis:

- We wanted to know how men and women differ in choosing an e-commerce website to purchase from. It aims to understand the attributes considered important while choosing an e-commerce website between two leading e-commerce websites that is, Flipkart and Snapdeal. These attributes are the primary drivers to choose a website.

- First, we conducted a research among consumers (youth 18-28 yrs) to understand which factors are considered while choosing an e-commerce website between Flipkart and Snapdeal. We provided a list of attributes to consumers and asked them to give their preference. The result provided the attributes considered more proficiently than others.

- The attributes are
    - Quality of Products
    - Design of User Interface
    - Grievance Reddressal
    - Security
    - Size of Inventory
    - Variety of Products
    - Delivery
    - Price
    - Discounts
    - Value for Money

## 4. DATA ANALYSIS

**Multidimensional Scaling Analysis of popular e-commerce retailers in India**

E-commerce retailers

FLIPKART

Flipkart is an e-commerce organization established in 2007 by Sachin Bansal and Binny Bansal. The organization is enlisted in Singapore, however has its central headquarter in Bangalore, Karnataka, India. Flipkart has launched its own product line under the name "DigiFlip" with items including tablets, USBs, and portable workstation sacks

AMAZON

Amazon.com, regularly referred to as just Amazon, is an American electronic business and cloud computing organization with headquarters in Seattle, Washington. It is the biggest Internet-based retailer in the United States. Amazon.com began as an online book shop, later expanding to offer DVDs, Blu-beams, CDs, video downloads/streaming, audiobook downloads/streaming, MP3 downloads/streaming, programming, computer games, gadgets, clothing, furniture, food, toys and adornments. The organization also produces consumer electronics—strikingly, Amazon Kindle digital book readers, Fire tablets, and Fire TV — and is the world's biggest supplier of cloud framework services (IaaS). Amazon likewise offers certain low-end items like USB cables under its in-house brand AmazonBasics.

Amazon has different retail sites for United States, United Kingdom and Ireland, France, Canada, Germany, Italy, Spain, Netherlands, Australia, Brazil, Japan, China, India and Mexico.

SNAPDEAL

Snapdeal is an online marketplace, situated in New Delhi, India. The organization was founded by Kunal Bahl, a Wharton graduate as a part of the dual degree M&T Engineering and Business program at Penn, and Rohit Bansal, a former student of IIT Delhi, in February 2010. Snapdeal as of now has 275,000 merchants, 30 million or more items and a reach of 6,000 towns and urban communities the nation over

MYNTRA

Myntra is an Indian e-business marketplace of fashion and casual lifestyle items, headquartered in Bangalore, Karnataka, India. The organization was established in 2007 by Indian Institute of Technology graduates with an emphasis on personalisation of gift things. By 2010, Myntra moved its positioning to the web retailing of branded wear.

In May 2014, Myntra.com converged with Flipkart to go up against Amazon which entered the Indian business sector in June 2013 and other set up brick-and-mortar retailers like Future Group, Aditya Birla Group and Reliance Retail.

JABONG

Jabong.com is an Indian fashion and lifestyle e-retail entry, offering clothing, footwear, beauty products, designer accessories, aromas, home decors and other fashion and lifestyle items. The organization is headquartered in Gurgaon, NCR.

TRENDIN

Trendin.com is the online arm of Madura Fashion and Lifestyle (MFL), a subsidiary of Aditya Birla Nuvo. The site offers online attire and accessories collection for men, ladies and kids from brands distributed by MFL.

It dispatches clothing to more than 13,600 pin codes inside India. Brands offered include Louis Philippe, Allen Solly, Van Heusen, People, Peter England and Pantaloons. Trendin.com likewise offers personalization choices with Van Heusen's 'My Fit' for ladies and men.

YEPME

Yepme is an internet shopping company headquartered in Gurgaon, Haryana, India. It was set up in April 2011. The organization specializes in the internet retailing of branded wear and accessories for men and women. In August 2011, the organization positioned itself as a fully-fledged private label style and fashion brand.

MATRIX OF DISSIMILARITY

| Websites | Snapdeal | Flipkart | Jabong | Amazon | Trendin | Yepme | Abof | Myntra |
|----------|----------|----------|--------|--------|---------|-------|------|--------|
| Snapdeal | 0 | 8 | 7 | 5 | 7 | 6 | 6 | 5 |
| Flipkart | 4 | 0 | 7 | 7 | 4 | 5 | 6 | 6 |
| Jabong | 3 | 4 | 0 | 5 | 7 | 6 | 7 | 5 |
| Amazon | 8 | 6 | 7 | 0 | 5 | 4 | 4 | 3 |
| Trendin | 3 | 4 | 4 | 5 | 0 | 7 | 6 | 8 |
| Yepme | 5 | 7 | 6 | 7 | 5 | 0 | 4 | 3 |
| Abof | 6 | 6 | 5 | 4 | 7 | 7 | 0 | 4 |
| Myntra | 5 | 6 | 6 | 7 | 5 | 7 | 8 | 0 |

## MULTIDIMENSIONAL SCALING OUTPUT

| Stimulus Number | Stimulus Name | Dimension-1 | Dimension-2 | Dimension-3 |
|---|---|---|---|---|
| 1 | Snapdeal (SD) | 1.1738 | 0.6827 | 0.0842 |
| 2 | Flipkart (FK) | 0.1526 | 0.5072 | -1.2843 |
| 3 | Jabong (JG) | 0.4441 | 1.1386 | -0.2844 |
| 4 | Amazon (AM) | -1.9866 | -0.9639 | -0.0564 |
| 5 | Trendin (TN) | 0.5896 | -0.6032 | 0.0919 |
| 6 | Yepme (YP) | 0.3911 | -0.0584 | 2.08 |
| 7 | Abof (AF) | -1.858 | 0.9169 | 0.0393 |
| 8 | Myntra (MY) | 1.0933 | -1.6199 | -0.6702 |

From the SPSS output of the data the following inferences were made:

- On mapping the highest and lowest brands onto the attribute rank table, we identified
    - Value for Money as dimension 1
    - Quality of Products as dimension 2
    - Discounts as dimension 3

| Attribute | 1-Low | 2 | 3 | 4 | 5 | 6 | 7 | 8-High | |
|---|---|---|---|---|---|---|---|---|---|
| Quality of products | MY | AM | YP | TN | JG | AF | FK | SD | Dimension-2 |
| Design of user interface | FK | SD | YP | AM | TN | MY | AF | JG | |
| Delivery | FK | TN | YP | AM | AF | MY | SD | JG | |
| Discounts | FK | TN | AM | AF | MY | SD | JG | YP | Dimension-3 |
| Size of Inventory | FK | TN | YP | AF | AM | MY | SD | JG | |
| Value for Money | AM | JG | AF | MY | TN | YP | FK | SD | Dimension-1 |

PERCEPTUAL MAPPING

We went ahead to map the brands as per the dimensions which gave us the following plots
Pair wise distances of the platform alternatives indicated how close or far apart the websites are in the minds of the customers

## Perceptual Mapping For attributes "Value for Money" Vs "Quality of Products"
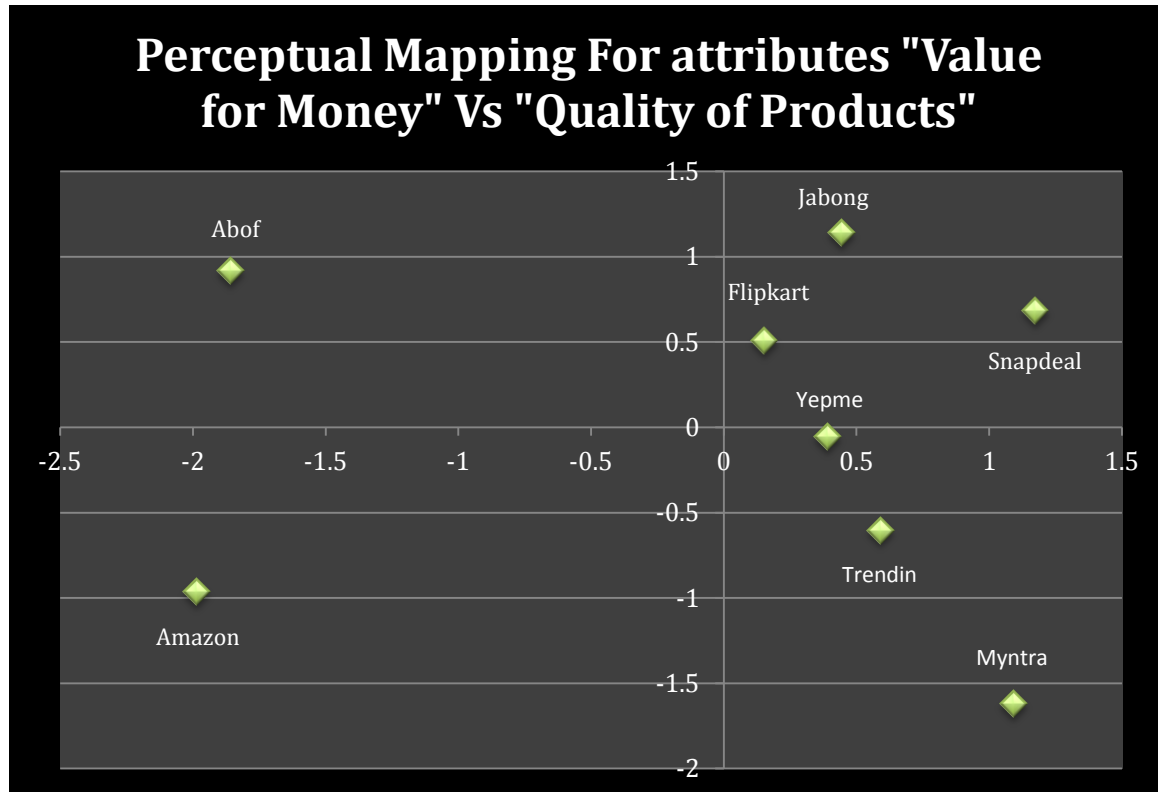
The X axis shows the Value for Money and the Y axis shows the Quality of Products
We notice here that Jabong, Snapdeal, Yepme and Flipkart are positively indentified for the attributes.

**Perceptual Mapping For attributes "Quality of Products " Vs "Discounts"**
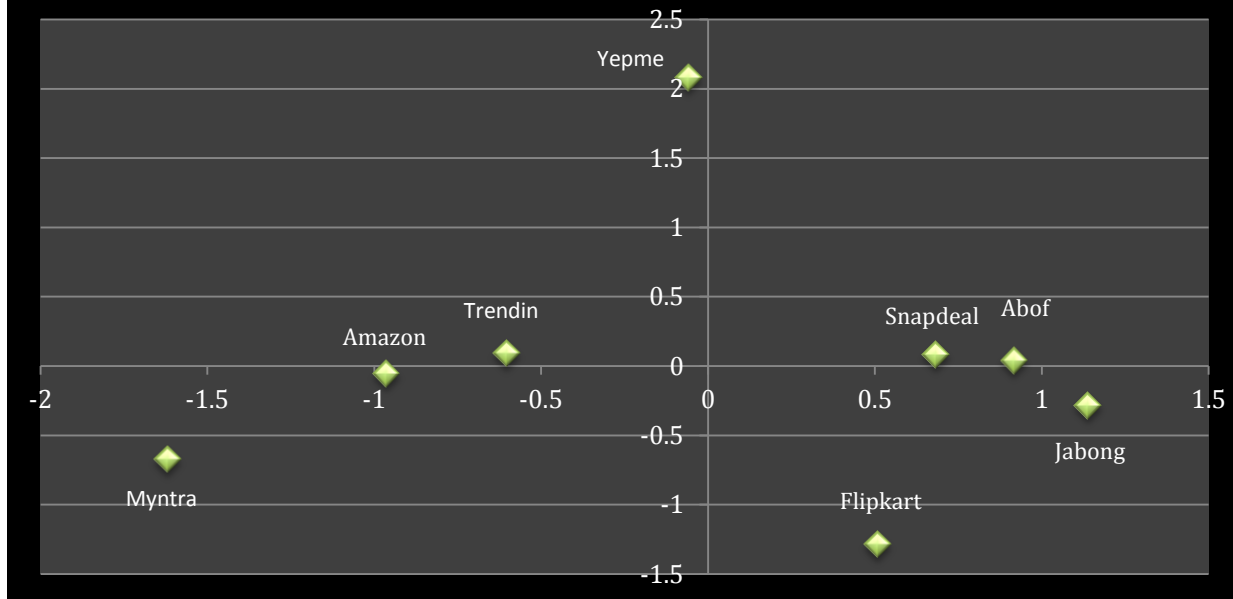
The X axis shows the Quality of Products and the Y axis shows the Discounts.

We notice here that Snapdeal and Abof are positively indentified for the attributes.

Myntra has a negative brand image among these two attributes

# Perceptiual Mapping For attributes "Value for Money" Vs "Discounts"
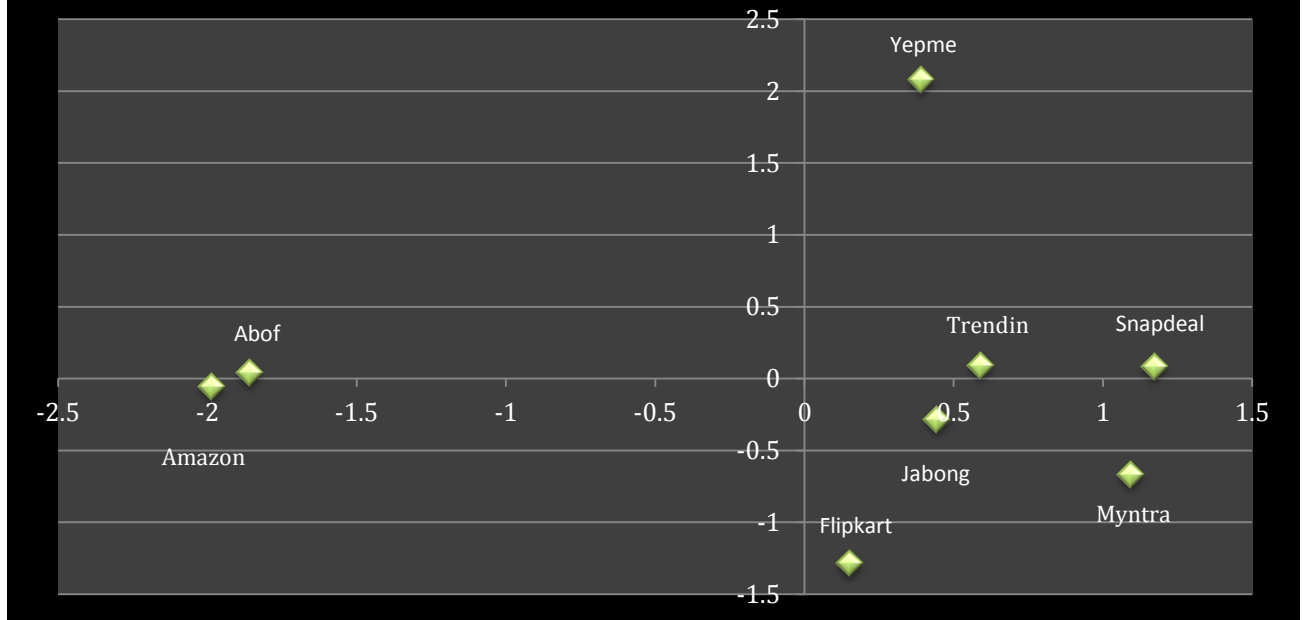


The X axis shows the Value for Money and the Y axis shows the Discounts.

We notice here that Yepme, Trendin and Snapdeal are positively indentified for the attributes.

**Jaccard Analysis of attributes of Flipkart and Snapdeal with respect to gender of the consumer**

For this analysis two leading e-commerce retailers were chosen

- Flipkart
- Snapdeal

FLIPKART

History

In 2007, when Flipkart was established, Indian e-retail industry was taking its learner steps. The organization is registered in Singapore, yet headquarter is in the city of Bangalore, India.

Founders

Sachin Bansal and Binny Bansal, who were working for Amazon.com, had an idea to start an e-business organization in India. Both of them belong to graduated class of IIT, Delhi and are local of Chandigarh, India. They put down their papers at Amazon to begin business of their own interest. One can, without much of a stretch, call that a dangerous move. In a nation where people have varying tastes and inclinations, an ecommerce start-up will dependably have tremendous difficulties. In India, people more often than not want to shop in person and purchase products they can look and feel. Today, on account of Flipkart, e-business has gotten to be one of the quickest developing segments in India.

How it began

Flipkart started offering books at first. It soon extended and started offering a wide assortment of products. Exhibiting creativity right from the beginning, Flipkart has been home to few of the striking features of Indian e-business.

Funding History

In the initial couple of years of its presence, Flipkart raised capital through venture capital funding. As the organization developed in stature, all the more investments arrived. Flipkart reimbursed the investors' confidence with fabulous dividends year after year. In the budgetary year 2008-09, Flipkart had made sales close to 40 million Indian rupees. This soon expanded to 200 million Indian rupees the next year. Their last round of fundraising had expanded their worth to $ 15 billion, however, as of February 2016, as per Morgan Stanley, their assessed esteem remains at $11 billion.

Advancement

Back when Flipkart was launched, any e-retail organization confronted two noteworthy challenges. One was the issue of online payment portals. Not many people favoured online payment and the gateways are difficult to set up. Flipkart handled this issue by presenting cash-on-delivery and payment via card on delivery along with other measures. Flipkart was the first to actualize the well-known 'Cash on delivery' system, which each internet shopping site in India offers as a choice today. The second issue was the inventory network framework or the supply chain system. Conveying merchandise on time is a standout amongst the most essential variable that decides the accomplishment of an ecommerce application. Flipkart tended to this issue by dispatching their own supply chain management to deliver their orders on time. Today the way things are, Sachin Bansal is the Chairman of the organization and Binny Bansal is the CEO of Flipkart.

Acquisitions

Flipkart additionally obtained few organizations like Myntra.com, LetsBuy.com and so on, to better their presence in the business sector. With the launching of Amazon.com in India, the opposition between the organizations has seen numerous takeovers. Flipkart's excursion from a little book e-retailer to India's biggest e-trade platform rouses an era of new companies. In a nation where standardizations are regular, Flipkart figured out how to break the standard and change the ecommerce business in India for ever. Flipkart's story demonstrates that when on the off chance you have an incredible idea, and you are a doer and not a dreamer, achievement is not far-fetched.


SNAPDEAL

Founders of Snapdeal

Snapdeal set a specialty for itself in the circle of e-retail in India. In 2010, when Kunal Bahl and Rohit Bansal needed to begin their own particular business, they picked an offline couponing business and named it MoneySaver. 15000 coupons were sold in three months and the time had come to take the business to the following level.

Introductory Investment

It was after they met fund investor Vani Kola that the endeavour truly took off. The initial meeting did not go well but rather after another round of discourse, Vani Kola's funding firm chose to put resources into Snapdeal. At first starting as an offline business, Sneapdeal went online in 2010. It was a rough ride in the initial couple of months. Mistakes were made, yet lessons were learnt. It is this sort of diligent work and tireless endeavour to offer the best to the users that gave Snapdeal its underlying achievement. In any case, the greatest option for the founders came in November 2011. Propelled by

the achievement of Alibaba, Rohit and Kunal needed to make something on comparative lines. The deals business was closed down and an online commercial marketplace was opened. It was a moment of truth choice. Snapdeal had a big share of the overall industry in the deals business around then and beginning something new was exceptionally risky and the move astounded the speculators as well. By then of time, eBay was the main commercial marketplace operating in India.

Success of Snapdeal

It was a choice that was not for the short term. At the point when Rohit Bahl managed to get the approval of the board, the present form of Snapdeal came to fruition. The very actuality that Snapdeal is esteemed at a billion dollars today is a confirmation to the vision of its founders. At present, more than 50,000 venders offer around 5 million items on Snapdeal. The organization's marvelous development in a short duration of time has been an amazing excursion. The organization started to focus on building scale and enhancing speed. At the point when eBay put resources into Snapdeal, they brought in tremendous experience to the table. Snapdeal has raised an extra $627 million from SoftBank

Snapdeal Profile

Snapdeal is one of the quickest developing e-business organizations in India today with the biggest online marketplace. In only two years, the organization went from scrapping their coupon gathering business and beginning an online commercial marketplace to wind up a billion dollar organization. Its year on year development is nearly about 600%.The normal age of the workforce at Snapdeal is 25. Their qualities – creativity, adaptability, openness, honesty and ownership drive them to press for more and bigger achievements. The organization's development has been marvellous yet it is their effort to deliver the best to the business sector and their enthusiasm to succeed as the best B2C (Business to client) commercial marketplace that separates them. Awesome ideas may be vital for a business, however it is the sure execution of those thoughts and the right exertion which are more vital. It is the doing and not just dreaming that gives results.

Speculation History

In January 2011, Snapdeal got a financing of $12 million from Nexus Venture Partners and Indo-US Venture Partners. In July 2011, the organization raised a further $45 million from Bessemer Venture Partners, alongside existing investors Nexus Venture Partners and Indo-US Venture Partners. Snapdeal then raised a third round of subsidizing worth $50 million from eBay and got interest from existing speculators – i.e. Bessemer Venture Partners, Nexus Venture and IndoUS Venture Partners. Snapdeal got its fourth round of financing of $133 million on Feb-2014. The fourth round of financing was

driven by eBay with all the current institutional investors, including Kalaari Capital, Nexus Venture Partners, Bessemer Venture Partners, Intel Capital and Saama Capital all taking an interest. Snapdeal got its fifth round of financing of $105 million in May-2014. The fifth round included investments by Blackrock, Temasek Holdings, PremjiInvest and others. The round valued Snapdeal at $1,000,000,000. Snapdeal got its sixth round of financing in Oct-2014 from Softbank with investments worth $647 million in crisp capital. This makes SoftBank the biggest investor in Snapdeal. Snapdeal got its seventh round of financing in Aug-2015 from Alibaba Group, Foxconn and SoftBank with ventures worth $500 million in fresh capital.

Acquisitions

- o In June 2011 - Snapdeal acquired Grabbon.com
- o In April 2012 - Snapdeal acquired esportsbuy.com, an online sports goods retailer
- o In May 2013 - Snapdeal acquired Shopo.in, an online marketplace for Indian handicraft products
- o In April 2014 - Snapdeal acquired Doozton.com
- o In December 2014 - Snapdeal acquired Wishpicker.com
- o In January 2015 - Snapdeal acquired a stake in product comparison website Smartprix.com
- o In February 2015 - Snapdeal acquired luxury fashion products discovery site, Exclusively.in
- o In 2015 March - Sambhav Setia had join Snapdeal as a Co-Owner
- o In March 2015 - Snapdeal acquired 20% stake in Gojavas.com
- o In March 2015 - Snapdeal acquired ecommerce management software and fulfilment solution provider, Unicommerce.com
- o In March 2015 - Snapdeal entered into the financial services marketplace by acquiring a majority stake of RupeePower which provides a digital platform for financial products to customers. Mr. Tejasvi Mohanram, the founder of RupeePower would continue to be the MD&CEO of the company
- o In April 2015 - Snapdeal acquired mobile-payments company FreeCharge.com. In September 2015, Snapdeal acquired Reduce Data, a programmatic display advertising platfo

JACCARD ANALYSIS

| QY | DN | GR | SY | IN | VY | DY | PP | DS | VM |
|---|---|---|---|---|---|---|---|---|---|
| Quality | Design | Grievance Reddressal | Security | Inventory | Variety | Delivery | Price | Discounts | Value for Money |

Table 1

|  |  | QY | DN | GR | SY | IN | VY | DY | PP | DS | VM |
|---|---|---|---|---|---|---|---|---|---|---|---|
| M-Flipkart | YY | 5 | 3 | 5 | 3 | 3 | 4 | 7 | 7 | 6 | 6 |
|  | YN | 3 | 5 | 3 | 5 | 5 | 4 | 1 | 1 | 2 | 2 |
|  | NY | 5 | 4 | 2 | 5 | 3 | 5 | 8 | 5 | 5 | 10 |
|  | JC | 0.38 | 0.25 | 0.50 | 0.23 | 0.27 | 0.31 | 0.44 | 0.54 | 0.46 | 0.33 |
| F-Flipkart | YY | 9 | 9 | 5 | 3 | 8 | 7 | 7 | 9 | 8 | 8 |
|  | YN | 1 | 1 | 5 | 7 | 2 | 3 | 3 | 1 | 2 | 2 |
|  | NY | 3 | 3 | 3 | 5 | 3 | 3 | 7 | 6 | 5 | 6 |
|  | JC | 0.69 | 0.69 | 0.38 | 0.20 | 0.62 | 0.54 | 0.41 | 0.56 | 0.53 | 0.50 |
| M-Snapdeal | YY | 13 | 12 | 9 | 11 | 14 | 10 | 14 | 10 | 17 | 10 |
|  | YN | 4 | 5 | 8 | 6 | 3 | 7 | 3 | 7 | 0 | 7 |
|  | NY | 0 | 1 | 1 | 2 | 3 | 4 | 3 | 3 | 3 | 0 |
|  | JC | 0.76 | 0.67 | 0.50 | 0.58 | 0.70 | 0.48 | 0.70 | 0.50 | 0.85 | 0.59 |
| F-Snapdeal | YY | 9 | 6 | 5 | 6 | 9 | 8 | 6 | 6 | 8 | 7 |
|  | YN | 1 | 4 | 5 | 4 | 1 | 2 | 4 | 4 | 2 | 3 |
|  | NY | 5 | 3 | 2 | 3 | 6 | 6 | 6 | 5 | 4 | 2 |
|  | JC | 0.60 | 0.46 | 0.42 | 0.46 | 0.56 | 0.50 | 0.38 | 0.40 | 0.57 | 0.58 |

Table 2

| | |
|---|---|
| | Highest coefficient |
| | Lowest coefficient |

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## 5. <u>**INTERPRETATION**</u>

By analysing the data provided by the respondents we found out the attributes that are the deciding factors for the two websites across genders. Highest coefficient means greater influencer for the buying from that e-commerce website and subsequently so. We saw that the Price of Products is the deciding factor for males to purchase from Flipkart and Quality of Products for females. Discounts is the deciding factor for males to purchase from Snapdeal and Quality of Products is for females.

As a result, both Flipkart and Snapdeal will increase the probability to profit more by concentrating on Quality of Products for items available for women. Similarly, Flipkart will increase footfalls in website by pricing the products right and fair in male category and Snapdeal will bring in more footfalls by providing tempting discounts on male category items.

Here, a general observation about gender is that women are ready to pay a premium price to avail superior quality in products and services while men can be considered as coupon collectors who scour the internet in search of discounts and sale being offered in different websites. Men might tend to be more allured by cheaper prices and discounts as compared to women.

## 6. <u>LIMITATIONS</u>

1. The analysis was confined to only to two website application for comparison
2. The analysis was confined to only a limited set of attributes to be considered for a concerned web application.

## 7. <u>**CONCLUSION**</u>

The analysis was done for the two leading e-commerce retailers Flipkart and Snapdeal. By Multi-dimensional scaling we found out that Snapdeal is closely competing with Flipkart on value for money and quality of products. Then by jaccard analysis we have also found that quality of products is a deciding factor for purchasing from these websites. Discounts is a huge deciding factor for purchasing from Snapdeal as found by Jaccard analysis as well as MDS.

So, is has been concluded that Snapdeal is better than Flipkart on discounts whereas quality of products is at par.

## 8. <u>REFERENCE</u>

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## 9. <u>APPENDIX</u>

1. New Microsoft Excel Worksheet.xlsx

2. Questionnaire -
https://docs.google.com/forms/d/1vZu2Nhqlc0Cf8HebGjghzFKcDEQgpKARXuQhM3mUdpA/edit?usp=sharing

# 10. <u>ANNEXURE</u>

## 9.1 Questionnaire

1. Gender?
   o   Male
   o   Female

2. Overall I prefer the e-commerce website Flipkart?
   o   Yes
   o   No

3. I associate the e-commerce website Flipkart with the following attributes

   o   Quality of products
       Yes     No
   o   Design of user interface
       Yes     No
   o   Grievance services
       Yes     No
   o   Security
       Yes     No
   o   Size of inventory
       Yes     No
   o   Variety of products
       Yes     No
   o   Delivery
       Yes     No
   o   Price of products
       Yes     No
   o   Discounts
       Yes     No
   o   Value for money
       Yes     No

4. Overall I prefer the e-commerce website Snapdeal?
   o   Yes
   o   No

5. I associate the e-commerce website Snapdeal with the following attributes

   o   Quality of products
       Yes     No

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- Design of user interface
  Yes     No
- Grievance services
  Yes     No
- Security
  Yes     No
- Size of inventory
  Yes     No
- Variety of products
  Yes     No
- Delivery
  Yes     No
- Price of products
  Yes     No
- Discounts
  Yes     No
- Value for money
  Yes     No

## 9.2 Responses

Gender (80 responses)



Male    50 (62.5%)
Female  30 (37.5%)
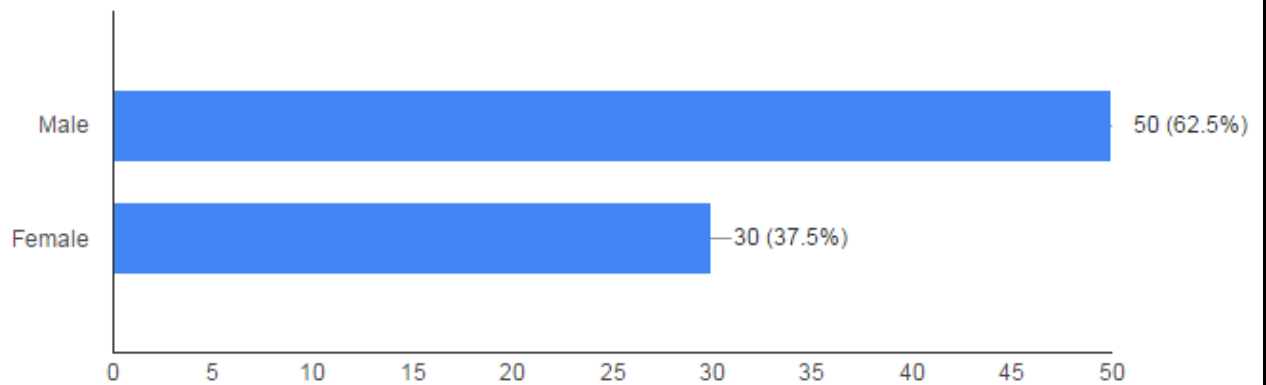
## Overall I prefer the e-commerce website Flipkart (50 responses)



Legend:
- Yes (blue)
- No (red)

74% Yes, 26% No
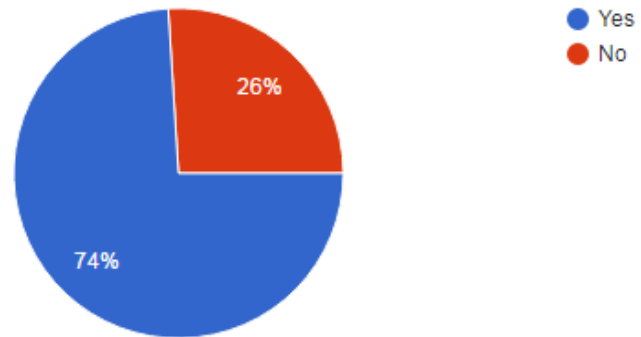
## I associate the e-commerce website Flipkart with the below mentioned attributes



Legend: Yes (blue), No (red)

Attributes: Quality of Products, Design of User Interface, Grievance Services, Security, Size of Inventory, Variety of Products, Delivery, Price of Products
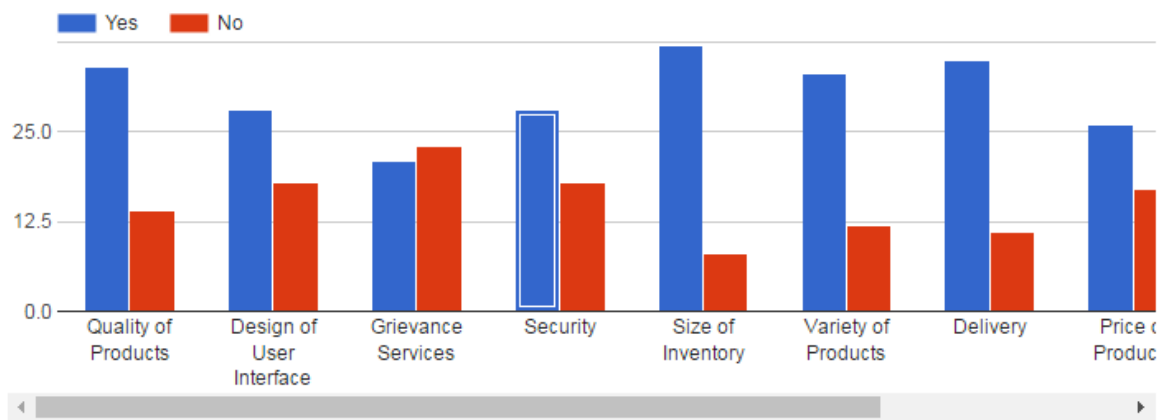
## Overall, I prefer the e-commerce website Snapdeal (49 responses)



Legend:
- Yes (blue)
- No (red)

59.2% No, 40.8% Yes
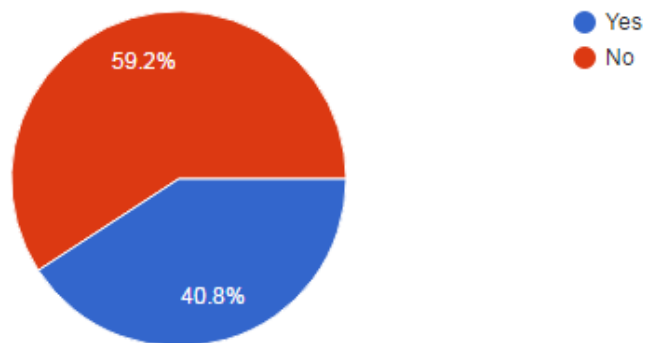
I associate the e-commerce website Snapdeal with the below mentioned attributes
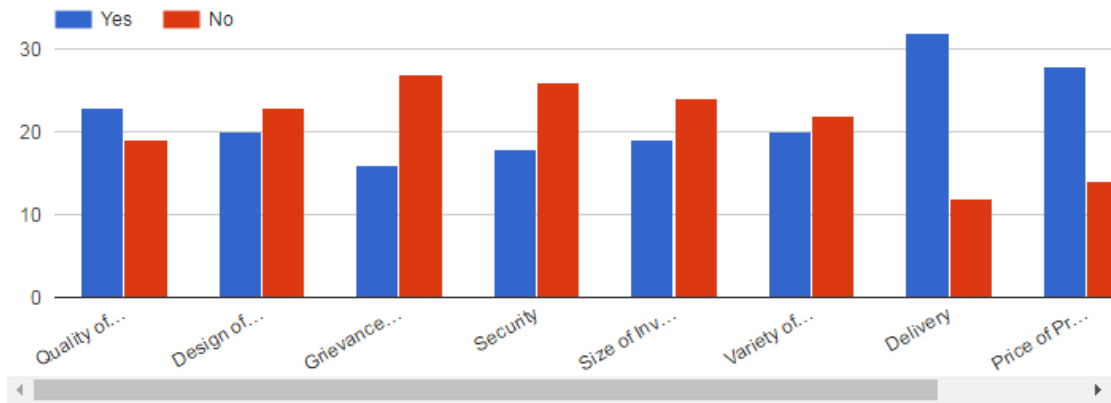
### 9.3 Survey

1. Indicate the score between the e-commerce retailers on a scale of 0 to 8 (greater the score means greater the dissimilarity)

   0 – Most Similar                                    8 – Least Similar

| Websites | Snapdeal | Flipkart | Jabong | Amazon | Trendin | Yepme | Abof | Myntra |
|----------|----------|----------|--------|--------|---------|-------|------|--------|
| Snapdeal | 0 to 8 | 0 to 8 | 0 to 8 | 0 to 8 | 0 to 8 | 0 to 8 | 0 to 8 | 0 to 8 |
| Flipkart | 0 to 8 | 0 to 8 | 0 to 8 | 0 to 8 | 0 to 8 | 0 to 8 | 0 to 8 | 0 to 8 |
| Jabong | 0 to 8 | 0 to 8 | 0 to 8 | 0 to 8 | 0 to 8 | 0 to 8 | 0 to 8 | 0 to 8 |
| Amazon | 0 to 8 | 0 to 8 | 0 to 8 | 0 to 8 | 0 to 8 | 0 to 8 | 0 to 8 | 0 to 8 |
| Trendin | 0 to 8 | 0 to 8 | 0 to 8 | 0 to 8 | 0 to 8 | 0 to 8 | 0 to 8 | 0 to 8 |
| Yepme | 0 to 8 | 0 to 8 | 0 to 8 | 0 to 8 | 0 to 8 | 0 to 8 | 0 to 8 | 0 to 8 |
| Abof | 0 to 8 | 0 to 8 | 0 to 8 | 0 to 8 | 0 to 8 | 0 to 8 | 0 to 8 | 0 to 8 |
| Myntra | 0 to 8 | 0 to 8 | 0 to 8 | 0 to 8 | 0 to 8 | 0 to 8 | 0 to 8 | 0 to 8 |

2. Rate the e-commerce retailers on a scale of 0 – Low to 8 – High for the attributes below

| Attributes | 1-Low | 2 | 3 | 4 | 5 | 6 | 7 | 8-High |
|---|---|---|---|---|---|---|---|---|
| Quality of products | ✓ | | | | | | | |
| Design of user interface | Snapdeal Flipkart Myntra | | | | | | | |
| Delivery | | | | | | | | |
| Discounts | | | | | | | | |
| Size of Inventory | | | | | | | | |
| Value for Money | | | | | | | | |