Project Report (Major Project – EMBA–407)

On

Study on Leading Two E-Commerce Companies in India

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CERTIFICATE

This is to certify that **Ruchika Sareen**, EMBA student at Delhi School of Management, Delhi Technological University, and New Delhi has completed this project on "**Study on Leading Two E-Commerce Companies in India**", under my guidance. The research work has been checked for the plagiarism and it is acceptable.

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DECLARATION

I, Ruchika Sareen, student of EMBA 2017-2019 batch of Delhi School of Management, Delhi Technological University, New Delhi declare that report on "**Study on Leading Two E-Commerce Companies in India**" submitted for assessment of the EMBA program is the original work conducted by me.

The information and data given in the report is authentic to the best of my knowledge and that my debts (for words, data, arguments and ideas) have been appropriately acknowledged.

I would like to thank the survey respondents, who invested their time and insights to make this study possible.

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Introduction

1.1 Background

The Internet has become a more powerful and fundamental tool for the needs of every person and how people work. Several innovative companies have set up customer ordering systems, facilitating payment, customer service, marketing data collection & analytics, and online feedback respectively by integrating various online information management tools using the Internet. Collectively, these activities are known as e-commerce or Internet trade. Online shopping made simple way of buying things so easy for everyone. This study is an attempt to examine various corporate level strategies of two big e-commerce companies, that are, Flipkart and Amazon where e-commerce challenges, their business model, financing, revenue generation, growth, survival strategies, shopper's online shopping experience, value-added differentiation and product offerings have been compared. These two big players in India have made their presence, but who will win the race, we are yet to see.

1.2 Significance of the Study

Consumer demands for richer experiences and more convenience which means that retailers will have to rethink their strategy to make it more focused, targeted, effective and consumer-centric.

1. To understand the perception of consumers and factors that affect their behavior in selecting e-commerce sites.

2. To understand the strategies used to capture customer's attention in India by e-commerce players.

3. To know how consumers compare and evaluate e-commerce sites for making buying decisions.

4. To understand the structure and workflow of leading companies, Amazon & Flipkart, and how they differ from each other.

5. To study the factors that add to complexities and barriers between e-commerce sites and customers.

6. To search for new areas and opportunities in e-business and e-commerce.

1.3 Problem Definition

E-commerce in India has been evaluated as a giant with enormous opportunities and success rate. There are so many players on the market, big and small but will they sustain in the market for long. What are customer expectations from them and are they ready to meet their needs. The study is to understand the requirements and procedures of both parties.

1.4 Research Approach

Two research approaches have been followed as stated below.

1.4.1 Exploratory Research

Exploratory research is carried out for an issue that is not clearly defined. Exploratory!research assists in determining the best research design, method of collecting data, and subject selection. Only with extreme caution, it should draw definitive conclusions. Exploratory research is based on secondary research such as reviewing available literature and/or data, or qualitative approaches such as informal discussions with consumers, employees, management or competitors. More formal approaches are in-depth interviews, focus groups and projective methods.

1.4.2 Descriptive Research

The goal of descriptive research is to describe the characteristics of different aspects, such as the market potential of a product / company or the demographics and attitudes of consumers who buy the product. It is done with the help of collected primary data.

1.5 Data Collection

The goal of all data collection is to capture quality evidence that translates into rich data analysis and enables a convincing and credible answer to the questions posed.

1.5.1 Primary Data

Primary data was collected from different people and their opinions and information helped to conduct the analysis for the specific purposes of the study. Essentially, the questions asked have been tailored to generate the data that will assist the study. Through a questionnaire, the data was collected to

understand their experience and preferences towards these companies.

1.5.2   Secondary Data

Secondary data will help to make primary data collection more specific. It helps to make the problem better understood. Secondary data from various sources such as various business websites and published papers have been collected.

1.1   Limitations

- Non availability of confidential data of the companies.
- The survey was limited to a specific age group because respondents who are willing to fill in were college or official colleagues.
- Analysis was performed on the basis of individual respondent's personal opinions, not from any focus groups or experts.

Chapter -2
Literature Review and Theoretical Framework

2.1 Literature Review

Vijay Govindarajan is one of the leading strategic and innovation experts in the world and is also a best-selling author is at Dartmouth College's tuck business school and Marvin bower fellow at Harvard Business School. According to him E-commerce is India's biggest opportunity because it will be driven by three important factors:

  1) mobile phone penetration;

  2) a young demographic that uses the mobile platform to order things;

  3) consumerism growth with higher disposable income for more Indians.

Sharma and Mittal (2009) in their study "prospects of e-commerce in India", mentioned that India is showing tremendous growth in e-commerce. With millions of people in the middle class, online shopping clearly shows unlimited potential in India. E-commerce has become an integral part of our everyday life today. Websites offer a variety of goods & services. The e-commerce portals provide a variety of categories of goods and services. To name a few: men's and women's apparel and accessories, health and beauty products, books and magazines, computers and peripherals, vehicles, software, consumer electronics, home appliances, jewelry, audio, video, entertainment, goods, gift items, property & services.

Ashish Gupta, senior managing director of helion venture partners and one of Flipkart's first backers as an angel investor: "Flipkart absorbed some potential companies (letsbuy, myntra). Certain bets will go wrong in the process, for sure, but for the course, that's par. The company (Flipkart) is consciously making bets that will enable it to either grow or eliminate competition that will reduce marketing spending and improve the economy".

  Abhijit Mitra. (2013), "**e-commerce in India-a review**", international journal of marketing, financial services & management research concluded that e-commerce has broken the geographical limitations and is a revolutionary trade that will greatl improve in India over the next five years.

  D.K.Gangeshwar. (2013), "e-commerce or internet marketing: a business review from Indian context", international journal of u- and e- service, science and technology concluded that the e-commerce has a very bright future in India although security, privacy and dependency on technology are some of the

drawbacks of e-commerce but still there is a bright future to e-commerce.

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

2.2   E- Commerce in India

As of June 2017, India had an Internet user base of approximately 354 million and is expected to cross 570 million in 2018. Despite being the second largest user base in the world, only behind China (650 million, 48% of the population), e-commerce penetration is low compared to markets like the United States (266 million, 84%) or France (54 million, 81%), but it is growing at an unprecedented rate, adding around 6 million new entrants each month. The consensus of the industry is that growth is at a point of inflection. In India, the most preferred method of payment is cash on delivery, which accumulates 75% of e-retail activities. International consumer product demand (including long-tail items) is growing much faster than domestic supply from authorized distributors and e-commerce offers. Flipkart, Snapdeal, Amazon India, Paytm are the largest e-commerce companies in India.

Key drivers in Indian e-commerce are:

1. Large percentage of the population subscribed to broadband service of internet, burgeoning internet users with 3G, and a recent country-wide introduction of 4G.
2. Smartphone users are explosively growing, soon to be the second largest smartphone user base in the world.
3. Rising living standards as a result of rapid decline in the rate of poverty.
4. Availability of a much wider range of products (including long tail and direct imports) comp ared to brick and mortar retailers. competitive prices compared to retail brick and mortar dri ven by disintermediation and reduced cost ofIinventory and property.
5. Increased use of classified online sites, with increased consumer purchase and sale of second -hand goods.

Chapter -3
Product or Service Alliance

3.1 Flipkart

Flipkart focused exclusively on books during its initial years, and as soon as it expanded, it began offering other products such as electronic goods, air conditioners, air coolers, lifestyle supplies and e-books. Legally, Flipkart is not an Indian company since it is registered in Singapore, and most of its shareholders are foreigners.Through a company called WS retail, Flipkart sells goods in India because foreign companies are not allowed to do multi-brand e-retailing in India. Other third-party sellers or companies can also sell goods through the Flipkart platform. Flipkart now employs over 15,000 people. Flipkart enables payment methods such as cash on delivery, credit or debit card transactions ,net banking, e-gift voucher, and card swipe delivery. Flipkart is currently one of the largest online retailers in India, operating in over 14 product categories and reaching around 150 cities, delivering 5 million shipments a month.

3.1.1 Achievements in E-Commerce

In September 2015, with a net worth of $1.3 billion each, Sachin Bansal and Binny Bansal entered Forbes India's rich list debuting at 86th place. Flipkart's co-founder, Sachin Bansal, has been awarded the 2012-2013 year award from economic times, leading the daily Indian economy. At CNBC TV18's' India Business Leader Awards 2012' (IBLA), Flipkart.com was awarded the Year's Young Turk. Flipkart.com was nominated for leaders of tomorrow award in 2015.

3.1.2 Failure in Music Industry

Flipkart acquired the websites mime360.com and chakpak.com in October and November 2011. Later , in February 2012, the company revealed its new Flyte digital music store.
Flyte, a legal music download service in the vein of itunes and Amazon.com, offered DRM -free mp3 downloads. But it was shut down on 17 June 2013 as paid song downloads did not get popular in India due to the advent of free music streaming sites.

3.1.3 Acquisitions

- **2010**: we read, a social book discovery tool.
- **2011**: mime360, a digital content platform company.
- **2011**: chakpak.com, a Bollywood news site that offers updates, news, photos and videos. Flipkart acquired the rights to champak's digital catalogue which includes 40,000 filmographies, 10,000 movies and close to 50,000 ratings. Flipkart has categorically said that it will not be involved with the original site and will not use the brand name.
- **2012**: Flipkart has bought the company, letsbuy.com, an Indian e-retailer in electronics for an estimated US$25 million. Letsbuy.com was closed down and all traffic to lets buy has been diverted to Flipkart.
- **2014**: acquired myntra.com in an estimated ₹ 20 billion (2,000 crore, about us$319 million) deal.
- **2016**: Flipkart acquired a mobile marketing start-up palpitate as to strengthen its mobile platform.
- **2018**: Walmart acquires Flipkart for $16 billion in world's largest ecommerce deal. Flipkart cofounder Sachin Bansal exits while the other cofounder Binny Bansal remains invested.

3.2 Amazon

Amazon is America's largest internet-based company. Amazon.com began as an online book store, soon diversified selling of DVDs, CDs, video and mp3 downloads/ streaming, software, video games, electronics, clothing, furniture, food, toys, and jewellery. The company also manufactures consumer electronics, including lighting, fire tablets, fire TV and telephone, and is a major provider of cloud computing services.

Amazon has separate retail sites for United States, United Kingdom,Ireland, France,Canada, Germany ,Netherlands, Italy, Spain, Australia, Brazil, Japan, China, India and Mexico, with sites coming soon for Sri Lanka and South East Asian countries. For its products, Amazon also offers international shipping to some other countries. Amazon launched its Amazon India marketplace at the beginning of June 2013without any marketing campaigns.Amazon had announced in July 2013that it would invest $2 billion (Rs12,000crores)in India to expand business after its largest Indian rival Flipkart had also announced that it will invest $1 billion.

3.2.1 Achievements

Amazon had the fastest growing download rate of apps in 2015 on the mobile app side. Download increased by 200 percent in October alone.Amazon's web traffic was the highest, 30 million visitors in October, according to Comscore data.Amazon's active customers have grown annually by 230%. The awards were presented at India's 2014 flagship conference & exhibition e-tailing, an event bringing together major stakeholders in the country's retail and e-commerce business. The award for "the year's path-breaking debut" went to Amazon.

3.2.2 Failures

Amazon starts using India post and is screwing up its Indian delivery system. At a time when online shopping portal competition in India is at its highest possible level and every player is pooling in millions from funding and trying to beat each other with never-before discounts and amazing services, Amazon took the worst step ever. Amazon India has selected India as its primary delivery partner and all "Amazon fulfilled" orders are now shipped via India post. Anyone living in India or having some experience with India's postal system need no introduction to India post.

3.2.3 Acquisitions

It's no secret that Amazon's e-commerce giant is big markets outside the U.S. The company not only invests in the region's capital, but also acquires startups to help expand its country presence. Amazon announced that it purchased Emvantage payments pvt from the Indian payment company Ltd. Although it did not disclose the amount of the acquisition. Like stripe or PayPal, Emvantage allows credit & debit cards to be accepted by online merchants. The company also enabled merchants to set up their own branded prepaid debit and mobile payments cards. Company acquired many start-ups such as pets.com, audible.com, junglee.com, imbd.com, zappos.com, woot etc. to differentiate itself.

Chapter - 4
Logistics

Delivery speed is as important as product quality. It would not be wrong to say that in retaining their customers, logistics could be the defining factor for success of e-commerce companies.

It is estimated that the Indian logistics market will grow at a rate of 12.17% by 2020. Innovations in this sector are very important, as demand for more reach and faster shipping at lower costs is there. However,businesses will need to invest in automation while making good use of existing resources.

COMPANY	MAJOR DEVELOPMENTS IN 2015	NEW PARTNERSHIP IN LOGISTICS	SERVICES LAUNCHED IN 2015
FLIPKART	✓ Ekart becomes independent ✓ WS retail re-acquired	✓ MapMyIndia ✓ Blackbuck ✓ Qikpod	✓ Nearby App for Grocery delivery
AMAZON	✓ Pickup now available in 50 cities	✓ Partnering with Ngo run by BASIX	✓ Kirana now-with 5 kirana stores in Bengaluru

4.1 Tracking of V ehicles : Crucial in E-Commerce

Tracking of vehicles plays an important role in providing the necessary control and efficient route planning for faster delivery. Because the logistics market in India is highly unorganized, it is not surprising to underuse resources. Increasing technology adoption in operations is critical to maintain customer satisfaction.Amazon added that fast, reliable & resourceful device-wide Internet connectivity will help us better use vehicle tracking technology. By investing in blackbuck, Flipkart has benefited

from capturing data on vehicle movement and using data for better planning.

"Improving the efficiency of information collection and orchestration is also a primary focus for us in the coming year."

Logistics solutions provider loginext–which includes paytm, myntra and Amazon–even provides' heat maps' to provide information about those areas where there are maximum delays. Loginext is working for the delivery of perishables with cold chain logistics service providers. Their scheduler takes input from the system that tracks transported products and schedules the deliveries accordingly. In addition, delivery boys could set the temperature and other settings required for a particular product via their app.

4.2 Flipkart

1. **Assured delivery within two days**: the first few e-commerce websites broke the confidence of many Indian customers by failing to deliver the order product on time. Flipkart realized this problem and to bring the customer back to online shopping it came up with the idea of delivering the product within 2 days and if there is a delay then interest is paid on the value of the product to the customer.

2. **Return within 30 days**: Flipkart came up with the idea of providing a return policy of thirty days to satisfy the Indian customer after the product was delivered. This is done to make sure the product delivered to the customer is not defective.

3. **Cash or Card swipe on delivery**: Flipkart realized that most Indian customers do not share their online credit card details comfortably, as there is always a risk of fraud. The idea of card swipe on delivery came up to solve this issue. The delivery man brings the card swipe machine so that the transaction takes place in front of the customer.

4.2.1 Logistics Partner

For Indian e-commerce giant Flipkart, E-kart provides logistical solutions. Today, Flipkart is 3 companies: WS retail, which is Flipkart.com's primary retailer, ekart logistics, WS retail shipping partner and others, and Flipkart itself, which builds, maintains and manages the marketplace. Flipkart is linked to partner stores that act as alternative delivery channels (e.g. ecom express, blue dart, gatti, etc.) so customers can pick up their shipments at their convenience. "By combining core capabilities of IOT devices, data and automation, we have begun implementing automation technology to pick and move packages to a designated picking station, including several other applications that make warehouse processes faster and smoother.

4.2.2 Procedure

Flipkart team tracks their supply chain and knows exactly how many hours and minutes it would take to reach the item from step to step and end to end. E.g. How long will it take for an item to be picked in our fulfillment center (fc), how long would it take to pack it, and finally how soon could it be handed over to transport logistics partners? Then a thorough analysis and optimization was carried out to achieve the best possible timelines for each step. In logistics, with their transport time and reliability, they needed to know the exact timing of the transport connection. They had to work closely with vendors / airlines without any offloading to ensure reliable connection and delivery of in - a-day packages. In fact, some airline partners piloted their express delivery capabilities for in-a-day along with their pilot. Even our partners were helping airlines to grow. They had to make sure that the delivery was attempted within the promised time without fail in the last mile logistics and had dedicated field managers to ensure delivery.

4.2.3 Technology Used

Flipkart developed a new product called Promise Engine to promise customers in - a-day warranty. This engine knew everything about our performance capabilities and therefore exactly where the item would be shipped from (depending on the inventory location of the seller). Therefore, an accurate promise date could be calculated for the customer. This engine also needed to enable customers to choose from multiple delivery speed options. Once an order has been placed, the fulfillment system has given fcs an exact time and minute to process the item. The transport connection between source and destination is also accounted for by this deadline. The deadline feature helps us ensure that both in-day and regular orders are processed seamlessly. Flipkart argues that its routing algorithm makes delivery and pick-up in this business more accurate and faster than anyone else. The investment of Flipkart in MapmyIndia has also helped the company. Ekart spokesman said: "For both sellers and buyers, accurate address data will allow us to better schedule deliveries and pickups."

4.3 Amazon

The company receives 65% of orders from tier 2 and 3 cities. Amazon has trained teams in packaging, checking shipments, tracking deliveries through a mobile app, route planning to deliver on time, etc. to set up rural distribution centers in rural India. Many of these centers have seen the number of deliveries increase five-fold. Amazon also has a ' service partner ' program in remote areas for last-mile delivery. Budding entrepreneurs act as local distribution network providers for Amazon.in in these areas and create the last-mile delivery footprint. This program now covers over 100 satellite cities and towns and villages of tier 2 and 3.

4.3.1 Logistic Partner

Amazon entered into joint venture with Cloudtail. Cloudtail is now Amazon India's key growth driver, generating at least 40 percent of the company's sales in a few months. Cloudtail is dominant in electronics & fashion sales, two of Amazon India's three largest categories (promoted by Amazon's Pvt. Ltd seller services). Cloud tail has expanded aggressively since it was launched as a seller on Amazon in July 2014. According to documents available with the company registrar (roc), its capital increased last month to Rs.500 crore from just Rs.500,000 last July. Amazon Asia and catamaran have pumped the equity capital together through anentity called Prione Business Services Pvt. Ltd. Cloudtail has access to secured loans totaling upto Rs.300 cr, in addition to the Rs.500 crore in equity capital. ATSL will be one of the Amazon's logistics partners in Indian marketplace.

4.3.2 Procedure

Amazon has set up a logistics company in India to deliver products directly to consumers. Amazon's private limited transportation services, a subsidiary of US-based Amazon, will be shipping goods from sellers trading on India's online marketplace. Such a service is already available from Flipkart through the logistics company Ekart and Snapdeal, who last week purchased a stake in the delivery company Gojavas. The logistics arm has been set up to help with last-mile delivery as products can be shipped more quickly. Amazon currently runs nine fulfilment centers in eight Indian states, ecommerce jargon for warehouses. It was the first online market place to offer guaranteed delivery in India for two days and one day, a standard on the US market. Easyship, an assisted shipping platform for 12,000 out of its 20,000 sellers, has also recently been launched by Amazon India, a platform that the company has now adopted globally. Our sellers can now select their courier partners with Easyship, and ship even on the same day. More than 60% of our customers are eligible to ship next day on Amazon satisfied products. In cities where snarl-ups are frequent and road signs are unreliable, Amazon has struggled with deliveries. Companies have set up logistics networks in response and use motorcycles rather than trucks. A service launched in India in May and considered for export to other markets, enables sellers to have the flexibility to store goods and ship them to customers on their own, rather than routing them through Amazon.

Amazon provides technology and training to ensure the packing, labeling and delivery of goods as the company would.While Amazon may not want to tweak its model for best-selling goods in developed markets, analysts said, it may consider the made-in-India seller solution to reduce the cost of warehousing and delivery for thousands of "non-core" products that are offered but rarely purchased. "The way Amazon serves its customers is becoming much more flexible.

4.3.3 Technology Used

- Amazon acquired Emvantage Pvt Ltd., an Indian payment processor for an unrevealed sum. Employees of Emvantage joining the Indian unit of Amazon that will use the technology of the company on its website of e-commerce.

- Online Amazon.com Inc. retailer uses its engineers to launch new features and customize its smartphone app for shoppers, to localize its technology operations in India. These changes have greatly improved the added user and retention rates of the company. In the last three years, more shoppers installed the smartphone app from Amazon India than any rival app.

- Downloads of the shopping app from Amazon India tripled over the year-ago period in the key shopping month of October. These numbers are significant as most of online shopping in India is expected to take place over the next five years on smartphones. Amazon and its rivals Flipkart and Snapdeal are already receiving over 70 percent of their smartphone traffic. Amazon's technical expertise in consumer-facing products, predictive analytics, supply chain, among others, is one of the reasons why it is catching up with Flipkart and Snapdeal quickly.

- Anothe change was the mobile **customer sign-up process**. The process of signing up was that you entered the email, then password, then verified it, and so on — that was too much. Now mobile number and only a password has to be entered by the new user. You get an OTP that is automatically read and entered. Overall, the objective is to understand where the customer has friction and then eliminate it.

- However, Amazon initially adopted most of its global application features in India.The features included barcode scanning, which Indian shoppers did not find very useful. Besides irritating customers, the features also made the app very heavy to take up space on smartphones.This has been particularly problematic as most current and future customers of Amazon will own low-end smartphones offering & limited storage space. Also,on cheap smartphones, clunky apps don't tend to work best.

Chapter – 5
Marketing Strategy

5.1 Flipkart

The business model of Flipkart is much deeper and extensive. However, a few key points are –

- **Inbound logistics** - Rationalized supply chain
- **Operations** - Strategic warehousing and distribution capability
- **Outbound logistics** - Well aligned fulfilment process

All three processes are extremely well integrated-first, through a sound strategy that builds on the organizational structure. They have a strategy and a complementing enforce their strategy. Technology as an enabler is also third critical success factor for the company.

Strong information systems are at the heart of the organization. Driving visibility and end-to-end integration across their supply chain processes (inbound-operations-outbound) in an efficient way supports the same.

Flipkart's strength is that it is seen as a logistics company rather than a retail business. While it sells products to consumers and is therefore academically classified as a b2c business, the core of the business lies in its efficient logistics, allowing it to sell products at attractive prices.

Their competitive advantage, however, is not in their retail capacity. Infact, it is easy to imitate that aspect of e-commerce business and therefore not sustainable. Flipkart's sustainable competitive advantage lies in its logistics and operational infrastructure–which has a very high entry barrier: due to its extensive investment in capital and difficult to replicate strategy-structure-culture mix.

It is important to reflect on the fact that its founding members (the Bansal's) had an early stint with Amazon and successfully modeled the business of Flipkart on Amazon's strategy. So, it would be fair to say that to some extent Flipkart imitated the model of Amazon. However, Amazon has not yet been able to compete on an even keel with Flipkart due to government regulation and international trade barriers (read retail FDI restrictions). Amazon is not a retailer but a marketplace. Amazon has in place all of Flipkart's infrastructure, culture, and technology enablers-and on a much larger scale. Another thing they have is enormous financial muscle power-far greater than Flipkart has. The moment these FDI restrictions are lifted in retail, Amazon is going to be a major threat to Flipkart. All these acquisitions Flipkart made is to bulk up and prepare for the competition it faces.

5.1.1 Marketing Mix of Flipkart

Product

- Flipkart is an online retail industry that has started its business with book sales. It sold only books through its website for two years as it was much easier to manage and ship books.
- It began to deal with products such as air coolers, washing machines, air conditioners, life style products, stationary supplies, cell phones, computers, calculators, microwave ovens, water purifiers, laptops, cameras, audio players, health care products, dishwasher and e-books after its expansion. Products sold on Flipkart, if sold outside in a showroom, had the same brand warranties.
- It recently launched its personal "Digiflip" product range. It offers products such as computer accessories, camera bags, headphones and pen drives under this brand. In July, under its personal range "Digiflip," Flipkart introduced its own tablet phones and networking router.
- Flipkart has provided a platform for the launch of' moto g' in a special bond with Motorola mobility. Online shoppers became crazy with this smartphone being unveiled. This amazing response resulted in the sales in a few hours of nearly 20,000 mobiles. Continuing their moto x, android smartphone association. At the same site, Moto' e' was launched to trigger the same response.
- Continuing this success story, Flipkart has introduced' Xiaomi mi3' on its platform in a relationship with Xiaomi tech. All the phones were sold in just 39 minutes and the sold out in just 5 seconds in the second phase. The sale was finished in just 2 seconds on August 5. This amazing response and hyper mania has helped give a huge lift to Flipkart.

Place

- Flipkart works entirely in India and has its headquarters in Bangalore. It is owned and registered by a company based in Singapore. A foreign company is not permitted to retail here, according to India's foreign policy. Thus, through an Indian company WS retail, Flipkart sells the merchandise in India. Flipkart also provides other companies interested in selling their goods with its own platform. The website is very easy and free from trouble. It is very convenient for individuals to browse, keep track of products, get reviews, order goods and payment methods. At first, Flipkart began operations on the consignment model in which they purchased and couriered the book personally. They later opened a lot of warehouses where they safely stored the goods.
- In Bangalore, the first warehouse was opened and then in Delhi, Mumbai, Chennai, Hyderabad, Pune, Noida and Kolkata. More than 500 suppliers are working for Flipkart as of today. At least 80% of the orders placed are handled and controlled by warehouses. In this setup, shipping companies and courier firms are the real mediators. Due to fast and well-organized service, the company was able to

place its mark on the Indian market. Their delivery network is spread across thirty-seven cities where delivery in any nook and corner is possible.

Price

- Although Flipkart began its venture with an investment of just INR 400,000, its net worth today is nearly $1 trillion as its sales are increasing day by day. It still earns 50% revenue from the online sale of books. Because of Flipkart, e-commerce has become a huge hit. Because of online transactions, its price policy is very flexible.
- The amount to be charged is determined after the countless expenses such as transportation costs, supplier expenses, packaging costs, courier charges, shipping costs, office expenses, maintenance expenses, discount allowances, depreciation, taxes, advertising expenses and many other expenses are considered.
- Discounts up to 35 percent are permitted to increase sales and maintain competitive prices on a regular basis.
- Flipkart allows credit card transactions for payments, cash payment after delivery, debit card transaction, swiping on delivery card, e-gift vouchers and net banking.

Promotions

- In India, Flipkart has changed the concept of multi-brand product retailing via the internet. Its enormous success has been an inspiration to other companies. It operates mainly by word of mouth advertising. The customers who were satisfied were their best promoters.
- Flipkart used the services of google ad-words and SEO to have a firm grip on the online world. These marketing tools made them names of households.
- Downloading Flipkart's exclusive app helps to get alerts about current offers, order status, price drops, recent launches and different gift coupons.
- Flipkart also used creative and interesting advertisements to create awareness and trust among the people for their website. Their first campaign was shown on TVC with the concept that with just one click books can be delivered.
- A series of eye catchy advertisements where kids playing different characters and promoting products have been an exclusive feature of Flipkart promotions.
- Recently an ad was launched to increase social visibility where "no kidding no worries" is the tag line. Trained people are hired to adequately fulfill their responsibilities. It is commendable to undertake systematic planning and level of effort to reach such heights.

5.2 Amazon

5.2.1 Segmentation

- E-commerce giants such as Amazon use segmentation of demographics & psychographics to segment markets. The segmentation of Amazon is based on actual buying behavior: not what people might be interested in, but what they actually did.

- The micro-level segmentation of Amazon targets each customer individually, enabling the company to convert visitors into high-value long-term customers. Segmentation of customers often involves creating people who are going to buy in some way & certain products.

- Similarly, Amazon targets middle-class and upper-class people who have hands on basic technology experience but do not have time or prefer convenience to physical outlets shopping.

- Amazon has successfully positioned itself as a glocal e-commerce giant (going global acting local) where you can buy anything and get it delivered at any remote location. Using the #aurdikhao catchphrase in India's latest campaign, it further helped them carve a distinct space in the mind of the consumer.

5.2.2 Marketing Strategy

Company acquired many start-ups such as pets.com, audible.com, junglee.com, imbd.com, zappos.com, woot etc. to differentiate itself. Which helped them to provide their customers with high value using the acquired partners ' existing technology at low cost? Amazon has also achieved economies of scale through a wide range of products, including electronics, toys and games, apparel, diy and many more. These offers help Amazon keep its prices low and pass the benefits on to consumers.

The robust customer-centric approach of Amazon to analyze customer buying behavior based on preferences has helped them gain competitive edge over their competitors. More than 50% of consumers are Amazon.com's repeat buyers. In addition, Amazon is one of the longest players in the online industry with a strong hold in European countries and us. This bottom line helps the business to expand into new markets.

Brand equity

From being merely an e-book provider to emerging as the world's 2nd largest e-commerce company, Amazon.com has steadily increased its advertising and promotion spending to strengthen its brand and increase its brand equity. By April 2015, Amazon.com's brand was worth 176 billion dollars. "The company's brand is like a person's reputation. By trying to do hard things, you gain reputation. With buyers repeating more than 55 percent, the numbers tell all about the brand. It is one of the 13 most valuable brands in the world "(Forbes list).

Competitive analysis

Shortlisting Amazon's competitors depends on what Amazon's business sector is considered to be. When considering book or content related delivery such as books, films, magazines, and audiobooks, Apple would be the largest competitor. Due to apple devices like ipad, iphone, and macbook, the itunes store will always be a threat to the Amazon store. Google would emerge as the biggest competitor when considering web services. Walmart is Amazon's biggest threat in us as reports roll in different attempts to compete with the big online retailer. Walmart reports testing a consumer locker system where customers can order and pay and pick up online at their convenience. Also in four cities, Walmart is still testing delivery on the same day and remains the fourth largest online retailer. Walmart rakes in internet sales of around $9 billion, more than doubling Amazon in a quarter. Amazon does not, however, have the physical structure base with which Walmart has begun.

There are many local portals in both developing and developed countries that give Amazon tough competition. For instance–Snapdeal, some of Amazon's competitors are Flipkart. Similarly, Groupon, First Cry are specialized e-commerce portals that take off Amazon's traffic. Thus, each country's local competitors also react strongly to the presence of Amazon.

Market analysis

The global e-commerce market continues to evolve. Customers are now becoming more comfortable with online shopping with the adaptation of technology in the developing economies. Fierce competition from biggies like Alibaba, ebay, start-ups and local ecommerce players like Flipkart, Snapdeal is more about leading to the industry's overall growth that is good for the industry.

Customer analysis

Amazon customers consist of social groups of the upper and middle class that are inclined to use e-commerce portals and are comfortable with online shopping. Most customers are professionals or businessmen who are busy with their business / job and find it convenient to buy anything online instead of visiting the physical outlet to save time and money. In addition, it may also be the customers who are looking for deals. Because of this, it is known that the portal has specific days where they give their buyers massive discounts.

5.2.3 Marketing Mix

Product

- Amazon is an international ecommerce company that uses internet connections from various gadgets such as phones and tablets to enable its customers to immediately browse and buy products. Then these products are delivered to the customer using service providers.

- Amazon has built up an enormous product base, selling almost everything including: kindle, books, DVDs, mobile phones / tablets, gaming consoles and games, men / women's and children's clothing, jewellery, gardening equipment.

- Initially, Amazon only started with books and is known to date as the world's highest book seller. Amazon also introduced kindle for this reason. Kindle is an Amazon ebook reader and that's why the publishing market is going through such a big revolution of converting hard paper to digital ebooks because it's easy to read by kindle.

- Amazon also introduced kindle fire–its own tablet pc–due to the success of the kindle. Specify a search entry for a specific product in a search engine and it is likely that Amazon will store what you need and will be on the search list.

- As they continue to grow, their inventory is being added to more and more products. After being established in books, Amazon expanded rapidly to other products in order to maintain its market presence. Amazon is known for knowledgeable products where ebay is known for techie products. To expand its product base, it entered the smartphone market, releasing its own fire phone.

- The phone followed the release of Amazon's very own set top box system –Amazon Fire TV –that allows streaming from different channels as well as supporting speech commands when searching.

Place

- Amazon's brand image allows it to have a wide and far-reaching presence and the company's bottom line is sufficient to allow massive R&D efforts to secure the website.

- Amazon has customer service bases in many of the countries where it has an online presence, most of which are located in the various states of the United States.

Promotion

- Amazon mainly uses web-based advertising, using billboards and smaller advertising methods. Amazon also uses online advertising networks so that you can see an ad for the same thing somewhere else on some other website whenever you check something on Amazon.

- Marketing the search engine and getting the name of the company high up the results of the search engine is also Amazon's smart promotional strategy. When creating the company, Amazon's founder had this in mind, deciding that it should start with an' a.'

- In India, it can be seen that Amazon relies on the best promotional source–word of mouth. People telling or mentioning the site positively to others is a sure way to have a new customer in the future. There are several print media ads, however, to make people feel their presence. However, much more is needed in Amazon's Indian promotions department because Flipkart takes over Amazon's traffic quickly.

Price

- Amazon is competitive with its prices and has few ways to stay ahead of its contemporary market. For instance, if you're looking to buy a book, Amazon will provide you with a new copy, or a used copy, complete with pricing and condition.

- Another initiative is to pay for a premium account to ensure faster deliveries. Because of their employee use, Amazon can also keep its prices competitive. Minimum numbers–but well-trained–ensure consumers benefit from the absence of overheads, and the result is shown in online prices.

- The competition for Amazon.com will toughen as more and more people can access broadband connections in India and get online. Because of its brand image, Amazon's quiet entry into India has so far seen some growth and will seek to keep its prices as low as possible to capture a slice of the growing market place. It is facing tough competition from ebay, flipkart and snapdeal likes.

Chapter – 6
Advertising and Promotion

6.1 Advertising Statistics for E-Commerce Firms

E-commerce firms have recently opened their chest of war, built over the years, and spent heavily on advertising for market share and brand building. The amount of advertising was spent on channels–television, print and digital media–spending on television advertising getting the share of the lion. It's been an interesting year. There was a direct correlation between the advertising budget for a startup and the amount of funds it raised.

1. Askme group was the largest advertiser among its peer with an estimated advertising budget of Rs. 350 crores. Helion investments and astro malaysia support the group.

2. E-commerce companies in India spent Rs. 500 crore in advertising during the festive period (sep–nov). Throughout the year 2018, all advertising spent on commerce players was Rs. 600 crores.

3. In the 3 months of the festive season, Jeff Bezos owned Amazon spent 224 crore on advertising, while Flipkart spent nearly 70 crores during the same period.

4. Myntra, a fashion brand owned by Flipkart, spent about 30 crores on advertising while OLX, the used-goods marketplace, spent more than 55 crores during the Sep-Nov 2016 peak season.

5. This was an increase over the corresponding period in 2018 of more than 46 percent. Nearly 70% of the advertising budget was spent on prime-time spots, while more than 40% was spent on non-fiction channels.

6. Companies targeting young people believed these channels would give them better conversion and reach compared to traditional channels of entertainment.
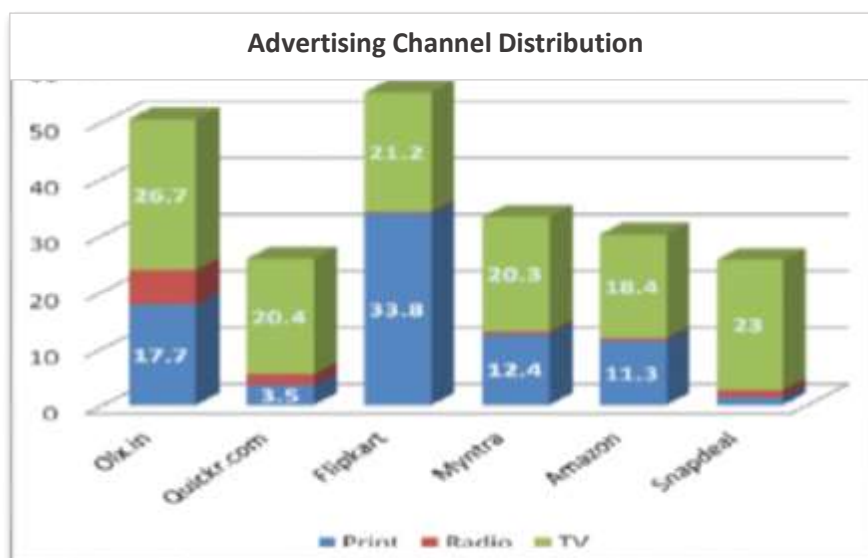
How do e-commerce players manage to spend big amounts on advertising?

Nearly all e-commerce players are backed by global and local investors who in these companies pour millions of dollars. E-commerce players use a large part of this investment to enhance their brand identity and corner a far-reaching share of online shoppers. Of course, there's a loss here for the smaller companies that lack substantial investment. Some of the smaller e-commerce players in the niche, however, are making targeted marketing efforts to channel their advertising fund to maximize ROI.

Outlook for spend on advertising in 2018

According to a Zenithoptimedia report, ad spending in major Asian economies will continue to grow in 2018, although at a lower rate of 8.4 percent compared to 2017 growth of 8.9 percent. The slowdown is mainly due to sluggish ad spending in China, which currently accounts for 74% of total Asian ad spending. In addition to India and China, Indonesia, Malaysia, Pakistan, the Philippines, Taiwan, and Vietnam are the major Asian economies.

6.2 Flipkart Advertising

- Happy creative services, which has been the creative agency of the brand since 2010. Myntra, the fashion e-commerce major acquired by Flipkart in May 2014, will be handled by lowe lintas, which is already the creative agency of the brand since March 2014. Flipkart and Myntra are still operating as separate entities, and Myntra founder Mukesh Bansal is Flipkart's head of fashion business and joins the Flipkart board.

- Flipkart's first e-retailer tv commercial,' fairy tale,' was a 100-second, elaborate effort. The story of an old woman, a voracious reader, who lives in a cottage and orders her daily reading by clicking on a live mouse, was created in the old English style of fairytales.

- Due to the unique approach of using child actors to communicate the ease of shopping on Flipkart, the rest of the ads including 'no kidding', 'shopping ka naya address' and the latest one, 'Flipkart it' have been etched into the minds of tv viewers.

- In 2013, the e-commerce portal announced its entry into the realm of fashion and lifestyle with a new tvc campaign entitled' fashion has a new address'-an extension of its previous punchline,' shopping has a new address.'

6.3 Amazon Advertising

- Orchard advertising India is the advertising agency for Amazon India. Orchard advertising India highlights the advantages of shopping with #weIndians on Amazon.com.
- The one – minute video, conceived and executed by orchard India and directed by Anurag Kashyap, shows Amazon as a reliable place to shop with original products, easy return policies and timely delivery. The video comes with Amitabh Bhattacharya's lyrics song and Amit Trivedi's music.
- #aurdhikhao to #trytohkar, #apnidukaan and now #weIndians are the famous advertising taglines used by Amazon India.
- The company has successfully managed to capture Indian emotions and sentiments and established a sense of reliability among buyers.

Chapter – 7
SWOT Analysis

7.1 Flipkart

Strengths

1. **Largest e-commerce retailer**: Flipkart is India's largest e-commerce business and had sold $1 billion in GMV (gross merchandising value) so far.

2. **Experienced founders**: ex-Amazon employees are the founders of Flipkart, Sachin & Binny Bansal. Having previous experience in the e-commerce industry has helped the founders work strategically and in a highly competitive market differentiate their business.

3. **Series of acquisitions**: With its series of acquisitions such as letsbuy.co, chakpak.com, weread.com, mine360 & the recently Myntra, the company has helped expand in the e-commerce space and used the capabilities and existing resources of acquired companies.

4. **High brand recall**: through TV ads, online branding and social media presence, Flipkart has established itself as a renowned e-commerce company in India. Brand activities such as the "big billion day" really increased the company's brand recall.

5. **Payment gateway & logistics** : having its own logistics arm e-kart & payment gateway pay zippyhelped control the company's expenses. The benefits are passed on to the end customers.

6. **Wide & Exclusive product range**: from having exclusive rights to launch certain products such as Moto g Motox, Xiaomi mi3 as well as segments of personal designers in the category of clothing, the company has helped to differentiate and localize its offerings.

Weaknesses :

1. **Limited channel of distribution reach**: although its logistics arm has kept the cost low, Flipkart's weakness has been affected. Global giants such as Amazon & ebay can deliver the product anywhere in the country due to the use of outsourcing. However, in this field, Flipkart is still struggling.

2. **Acquisition cost**: the acquisition cost is high because Flipkart acquires a lot of customers through online advertising due to stiff market competition and low customer retention. The company spends Rs 400/-on an average acquiring a new customer as per Flipkart data.

3. **Power in buyer's hands:** as this industry is flooded with a lot of players, buyers have a lot to choose from. Customers also have lower switching costs as they can easily switch a service from one online retail to another. Several online retail websites will display the same products. Differentiation of the product is almost absent and then the fight starts only on the basis of the price.

Opportunities:

1. **Business expansion:** targeting other emerging markets enables businesses to increase their revenues as well as economies of scale.
2. **Expand their product categories:** this will increase their customer base and reduce the cost of acquisition and customer switching at the same time.
3. **Changing Indian customer mentality:** with increasing numbers of customers becoming comfortable with online shopping and increasing numbers of internet users in India, this industry has enormous potential.
4. **Supply chain:** they can compete with the other players by optimizing their supply chain and can manage the loosing sales because the product is not made available due to delivery constraints.
5. **Establishing in other developing economies:** like Amazon, Flipkart can start expanding slowly from India and also set up operations in other countries that will help to improve revenue.

Threats:

1. **Competition**: rigid competition from global players such as Amazon, ebay, and local players such as Snapdeal, Tolexo, and Shopclues who are constantly trying to eat the market share of each other.
2. **Government regulations** : on FDI issues in multi-branding retail have been a major hurdle in India's e-commerce industry's success.

7.2 Amazon

Strengths:

1. **Deep pockets–**built on its early book successes, Amazon now has categories of products that include electronics, toys, games, home and kitchen, white goods, brown goods, and more. Over the past two decades, Amazon has evolved as a global e-commerce giant.
2. **Customer-centered:** the robust CRM of the company created customer-centered processes to carefully record data on the buying behavior of the customer. This allows them to offer individual items, related items or bundle them as an offer based on preferences shown by purchases or visited items. The company also claims that 55% of its customers are repeated buyers, resulting in low acquisition costs for new buyers.
3. **Cost leadership:** the company has created several strategic alliances with other companies to provide superior customer service in order to differentiate itself. Logistics provides who controls costs are the most important strategic links. Amazon is able to reduce the inventory replenishment time due to playing on economies of scale.
4. **Efficient delivery network:** Amazon has created a deep and structured network with its strategic partners and its Amazon fulfillment centers to make the product available even in remote locations. It also has cost-free delivery charges in some geographies.
5. **Glocal strategy:** Amazon can fight with domestic e-commerce companies by absorbing & forming / partnering with supply chain companies by using the "go global & act local" strategy. The branding is also performed

according to local taste. Amazon is currently using the "aur dikhao" campaign in India, for example, to encourage users to browse more of their products.

6. **Acquisitions:** acquisitions of companies such as zappos.com, junglee.com, imbd.com, woot.com and so on. Has proven to be a successful step for the e-commerce giant to generate revenue.

Weaknesses:

1. **Shrinking margins and Price wars**: Amazon's margins are shrinking due to extensive delivery network & price wars, resulting in even losses. In India, in 2013-14, Amazon had a loss of $359 crs.

2. **Tax avoidance issue**: Amazon attracted negative advertising in countries like the U.S. & UK due to tax avoidance. These well-established markets generate most of its revenue.

3. **High debts**: Amazon still struggles to make the business profitable in many developing nations, thus affecting the group's overall profitability resulting in high debt.

4. **Flop Products**: Amazon launched a big flop-like fire phone in us. Simultaneously, the kindle fire didn't pick up as hard as the kindle did. There were therefore several product flops that caused a dent in the deep pockets of Amazon.

Opportunities

1. **Backward integration**: Amazon can come up in various product categories with its in-house brands. They can also distinguish their offering. In a highly competitive e-commerce market, this will help them make profits.

2. **Global expansion**: expansion in Asian & developing economies will help Amazon as these are the low-competitive markets in e-commerce industries and are not saturated like developed economies.

3. **Acquisitions**: it can decrease the level of competition by acquiring e-commerce companies and can also use the other company's specialized capacity.

4. **Opening physical stores outside of US:** by doing so, Amazon can help customers engage with the brand, leading to increased repeat purchases & loyal customer base growth.

Threats:

1. **Low entry barriers of the industry**: low entry barriers affect the current player's business as more & more company means tough competition, price wars, shrinking margins & losses resulting into questioning the sustainability of the players.

2. **Government regulations**: not having clarity on the issues related to FDI in multi brand retail, has been a big hurdle in the success of the e-commerce players in many developing nations.

3. **Local competition** – India has Snapdeal and Flipkart who are local e commerce retailers and are taking away majority of the market. Similarly, there are many local players who take bites from the market share thereby making it hard for a big player like Amazon to make profits.

Chapter – 8
Data Analysis & Interpretation

8.1 Method of Data Analysis

Ms-Excel & SPSS is used for the purpose of analysis. Factor analysis was performed to determineJthe correlation between the variables and highly correlated variables are combined and represented by a factor. This is to ensure data reduction, instead of several variables they are represented by few major factors. Regression analysis, to identify the impact of the factors identified in factor analysis (independent variables) on customer satisfaction (dependent variable).

8.2 Demographics

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

Table 8.1 demographics of the respondents

The chapter presents the empirical findings from the data gathered. It provides the respondent's demographic information and statistical analysis of the information that has been collected from them. This is followed by our findings and conclusions being interpreted and discussed. The table above shows that outIof 70 respondents, 50 percent of people are in the <25-year age group, 35.7 percent are in the 25-35 age group, and 14.3 percent are in the > 35 age group.

- The highest respondents who do online shopping are <25-year age group.
- At the same time, online shopping is well used by 35.7 percent of the age group 25-35.
- All these people are attracted to e-commerce sites that offer a wide range of products with their services and everywhere.
- Gender is another demographic factor that we considered.
- Female respondents, who prefer online shopping, are higher than male respondents.
- We can interpret that they get different and unavailable international products online based on their preferences, which makes them easy and time-efficient.

8.3 Frequency of Shopping Online

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

Table 8.2   how often respondent shop online

Interpretation: From the table above, we can interpret how often online shopping is done by respondents.

- It became common practice to choose online shopping instead of shopping for brick and mortar.
- Thirty percent of respondents here are so regular that they shop online at least once a month.
- This opens up more ways to market success for e-commerce people.

8.4 Online Site Preference

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

Table 8.3 respondent online site preference

Interpretation: From the table above,

- 82.9 percent of people choose Amazon and Flipkart equally.
- Rest of e-commerce players like snapdeal(8.6 percent) and paytm(4.3 percent) are too low to reach both Amazon & Flipkart's goal in the competition. Despite the fact that paytm offers huge discounts compared to its competitors.

8.5 Payment Methods

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

Table 8.4 respondent payment method

Interpretation: E-commerce players must gain trust in providing customer-sensitive data with security. When respondents are questioned using payment methods that they will use while shopping online,

- Most respondents choose cash on delivery method that is, 62.9 percent.
- We can analyze the simple and perfect way for the customer to proceed with cash on delivery. Even delivery boys carry swipe machines and make it easier.

8.6 Impressed with which E-Commerce Site

		Frequency	Percent	Valid percent	Cumulative percent
Valid	Flipkart	28	40.0	40.0	40.0
	Amazon	33	47.1	47.1	87.1
	Others	9	12.9	12.9	100.0
	Total	70	100.0	100.0	

Table 8.5 respondent's positive towards

Interpretation :

- Amazon is the e-commerce site that customers appreciate most.
- Amazon leads 47 percent compared to Flipkart, which holds 40 percent of the interest of the respondents.
- The rest of Flipkart and Amazon's e-commerce sites are not even within reach. It clearly shows that Flipkart and Amazon are India's leading market for e-commerce.

8.7 Site Selection process

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

Table 8.6 respondent's selection process

Interpretation: Which way to reach the customers is perfect? Or on what basis the customer chooses to shop online? E-commerce sites are selected according to the above table respondents:

- Based on the suggestions of their friend – 40 percent
- Also equal percentage of respondents believe in online reviews – 40 percent

8.8 Pricing Satisfaction

		Frequency	Percent	Valid percent	Cumulative percent
Valid	Flipkart	24	34.3	34.3	34.3
	Amazon	25	35.7	35.7	70.0
	Snapdeal	7	10.0	10.0	80.0
	Paytm	12	17.1	17.1	97.1
	Others	2	2.9	2.9	100.0
	Total	70	100.0	100.0	

Table 8.7 respondent's satisfied with pricing

Interpretation: While shopping, price is the most important factor. If the site can offer what is needed within reasonable price, then that site will be chosen above any other site . From above table, it is inferred:

- People are mostly impressed with Amazon and Flipkart with slight change
- Even though paytm is offering all the products at very low rates, people are interested in top ones

8.9 Recommendation to Other Customers

		Frequency	Percent	Valid percent	Cumulative percent
Valid	Flipkart	20	28.6	28.6	28.6
	Amazon	26	37.1	37.1	65.7
	Snapdeal	10	14.3	14.3	80.0
	Paytm	9	12.9	12.9	92.9
	Others	5	7.1	7.1	100.0
	Total	70	100.0	100.0	

Table 8.8 respondent will suggest to others

Interpretation: From one of our previous questions, we understood that when buying online or selecting an e-commerce site, the suggestions of friends are so important. From the table above we got our view clear based on the view of the respondentIwhichIe-commerceIsiteIisIleadingIinIsuggestionsIofIfriends.

- 37 percent of respondents are prepared to suggest Amazon to their friends and family.
- Flipkart is the leader after Amazon with 28.6 percent

8.10 Occasions preferred for shopping

		Frequency	Percent	Valid percent	Cumulative percent
Valid	Festivals	7	10.0	10.0	10.0
	To gift	6	8.6	8.6	18.6
	Offers	38	54.3	54.3	72.9
	Weddings	5	7.1	7.1	80.0
	Others	14	20.0	20.0	100.0
	Total	70	100.0	100.0	

Table 8.9 respondent is interested in buying particularly

Interpretation: E-commerce sites know when to capture customers and how to do so. The timing of e-commerce sites offers is just perfect. Even though people don't need them, they are going to buy because of tempting deals in a row.

- More than 50% of people go shopping online when those e-commerce sites offer so many exciting deals and offers.
- E-commerce sites are competitively moving their pawns to each other, leading customers to confusion.

8.11 Problems Faced

		Frequency	Percent	Valid percent	Cumulative percent
Valid	Delay in delivery	15	21.4	21.4	21.4
	Product damage	10	14.3	14.3	35.7
	Cheap quality of a product	29	41.4	41.4	77.1
	Non delivery	7	10.0	10.0	87.1
	Other	9	12.9	12.9	100.0
	Total	70	100.0	100.0	

Interpretation: It is the responsibility of your company to fulfill customer requirements, from product order to delivery. Customers expect what they are paying for. If something happens they'll hesitate to buy again. From the table above,

- Most of the respondents (41.4 percent) have problems with the quality of the product
- They also have problems with the delay in the delivery of the product (21.4 percent)

8.12 Opinion on Flipkart Customer Care

		Frequency	Percent	Valid percent	Cumulative percent
Valid	Strongly agree	12	17.1	17.1	17.1
	Agree	33	47.1	47.1	64.3
	Neither agree nor disagree	10	14.3	14.3	78.6
	Disagree	9	12.9	12.9	91.4
	Strongly disagree	6	8.6	8.6	100.0
	Total	70	100.0	100.0	

Table 8.11 respondent opinion on Flipkart customer care

Interpretation: Respondents will select e-commerce sites only when they are completely satisfied with their services. Also after purchase, the company must take responsibility for the customer's requirement.

- Flipkart made its mark in the heart of the customer. Respondents (47.1 percent) are happy with Flipkart customer support.
- This is actually a better result for Flipkart because people (64.3 percent) either agree or strongly agree to good customer care services provided by Flipkart.

8.13 Opinion on Amazon Customer Care

		Frequency	Percent	Valid percent	Cumulative percent
Valid	Strongly agree	21	30.0	30.0	30.0
	Agree	25	35.7	35.7	65.7
	Neither agree nor disagree	14	20.0	20.0	85.7
	Disagree	6	8.6	8.6	94.3
	Strongly disagree	4	5.7	5.7	100.0
	Total	70	100.0	100.0	

Table 8.12 respondent opinion on Amazon customer care

Interpretation: Amazon proved once again that it will always be one step ahead of the other players on the market.

- From previous tables we understood customers are afraid of product damage and product quality are major issues to be considered.
- Most Amazon customers (30 percent) are very happy and strongly agree with Amazon's customer support, which made Amazon an unbeatable winner ahead
- Because of its brand collaborations and its amazing packing, these barriers were not there in Amazon, they captured the customer's attention and made people loyal to it.

8.14 Frequency of Shopping based on Gender

		How often respondent shop online				
		Once in month	Once in two month	More frequently	Very rare	Total
Gender of respondent	Male	11	3	9	5	28
	Female	10	8	8	16	42
Total		21	11	17	21	70

Table 8.13 crosstabulation of gender and how often they shop online

Interpretation: From the table above, we can interpret that out of 70

- Female respondents are more interested in online shopping when compared to males because of the wide range of e-commerce varieties.
- Females also lead in different categories than male respondents.
- Males are frequent buyers but female respondents do online shopping and lead at least once than males. Even though female respondents are high, they are very rare online shoppers.
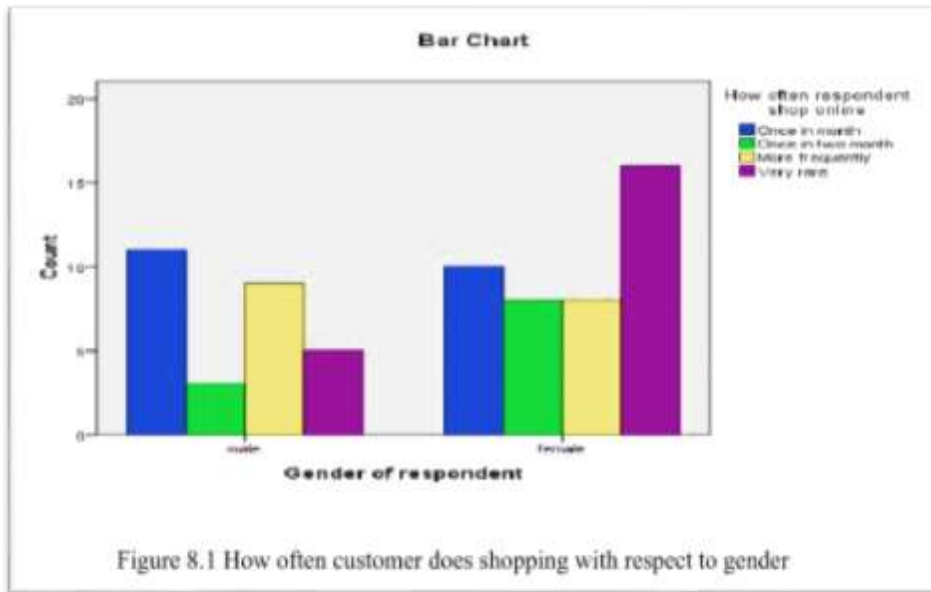
Figure 8.1 How often customer does shopping with respect to gender

8.15 Choice of Payment depending on Age

		Respondent payment method			
		Debit card	Credit card	Cash on delivery	Total
Age of respondent	<25	9	2	24	35
	25-35	5	3	17	25
	>35	5	2	3	10
Total		19	7	44	70

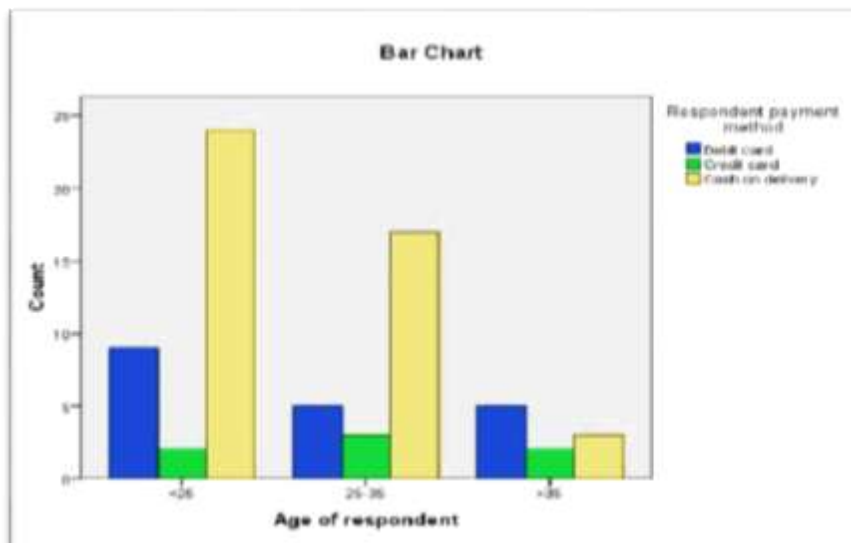Table 8.14 crosstabulation of age and payment method

Figure 8.2 Payment method of customers with respect to age

Interpretation: From above table and graph we can interpret that:

- The mindset of respondents are different when it comes to currency and its security. Most of the young people which are less than 25 years are going for cash on delivery. And after that age group of 25-35 respondents are also going for cash on delivery.
- E-commerce sites also make payment methods easier by providing boys with swiping machines. Swiping machines made it easy for customers and for delivery boys to work. Because some payments are not going to be exactly round figures.
- When customers have to pay this kind of amount, it will be difficult for the delivery boy to give change back a few times. We can avoid all these interrupts by using swipe machines.

8.16 Price Satisfaction based on Gender

		Respondent is satisfied with pricing of					
		Flipkart	Amazon	Snapdeal	Paytm	Others	Total
Gender	Male	11	8	2	7	0	28
	Female	13	17	5	5	2	42
Total		24	25	7	12	2	70

Table 8.15 crosstabulation of gender and satisfied pricing online site

Figure 8.3 respondent satisfied company with respect to gender
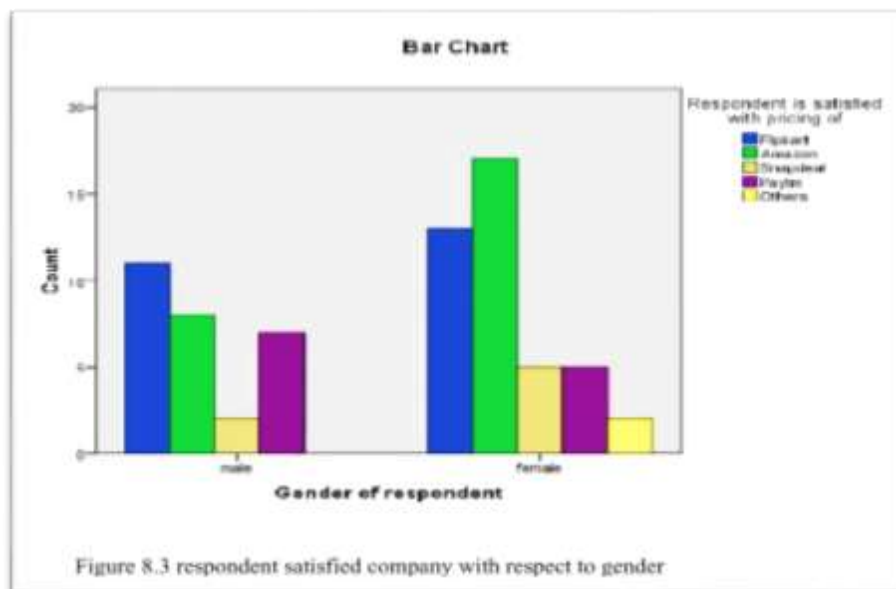
Interpretation: A big difference about the opinions of the respondent towards it was shown from the above table and graph opinion on pricing.

- Male respondent has an almost equal opinion on all e-commerce sites except snapdeal.
- Flipkart is the leader in the survey of the male respondent and after that there is almost the same percentage of Amazon and Paytm.
- Because of its coupons and its huge discounts, Paytm made a huge impact on male gender.

8.17 Occasion of Shopping based on Age

		Respondent is intrested in buying particularly					
		Festivals	To gift	Offers	Weddings	Others	Total
Age respondent	of <25	1	5	19	3	7	35
	25-35	6	1	13	2	3	25
	>35	0	0	6	0	4	10
Total		7	6	38	5	14	70

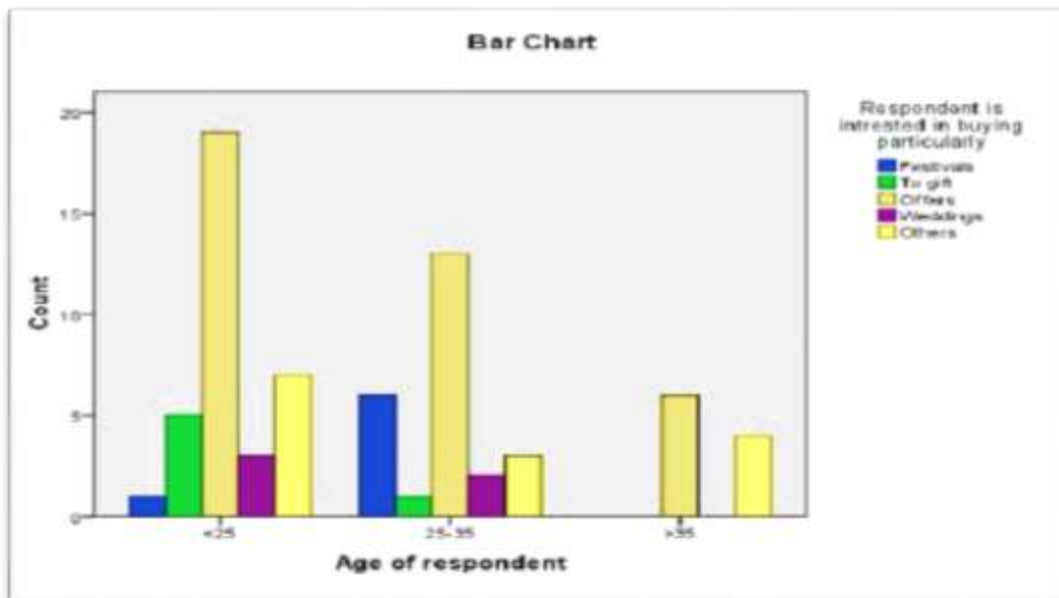Table 8.16 crosstabulation of age and occasion

Figure 8.3   Occasion Preference with respect to gender

Interpretation: The table and graph shows that

- E-commerce sites are playing their cards very well because neither gender nor age will stand as a barrier when lots of offers are available on e-commerce sites.
- Where respondents of < 25 are interested in buying while there are online offers apart from other occasions such as festivals, weddings, etc.
- The respondents aged 25-35 (probably employees) are also interested in offering themselves and making them used. These age groups were also leading at festivals.

Chapter – 9
Findings, Suggestions & Conclusion

9.1 Findings

1. Female respondents show more interest than male respondents in doing online shopping.
2. Customers prefer quality product from e-commerce sites, even though it is somewhat expensive.
3. Flipkart is struggling to reach the top position, but Amazon India is competing very hard.
4. In every aspect of the survey, such as price, Amazon is leading, preferred and also suggesting to friends.
5. Because of its cheap product quality and less variety of products, Paytm has to take care of its products and customer service making it loose customers.
6. Flipkart and Amazon undoubtedly made a very strong impact on customers and captured loyal customers. And they're ready to suggest to the rest of their friends their online shopping site.
7. Both advertisements from Flipkart and Amazon India were highly innovative and attractive. Both companies spend so much on advertising and promotions.
8. People are interested in offers for every age group, whether they are in need or not they want to buy.

9.2 Suggestions

Flipkart does well, but it's not good enough. There are so many cases in which people feel packing could have been better than this. Either the product may be large or small / costly or it may not have to be treated carefully. Some of the mostly apparel products turn out with the supplier's original cover, which shows negligence. Amazon made a mark among us in this issue because their packing will obviously be safe and secure whatever the product is.

9.3 Conclusion

The study consisted of all the workflows of Flipkart and Amazon. It has been explained how they perform and run perfectly in the competitive world. Their innovative thinking of reaching more and more consumers is appreciable, and for that they increased their network as much as possible. They made it easier for consumers to work. We got our clear winner based on the consumer survey and it's Amazon. Although it is an international company, it has very well understood Indian emotions & sentiments and has strengthened its roots in India. Flipkart also gives Amazon a very tough competition, although compared to Amazon it is a new company. It may take some time to overcome, but in the Indian e-commerce market they are certainly doing very well.

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Appendix

Questionnaire

1. Age

    a. < 25   b. 25- 35   c. >35

2. Gender

    a. Male   b. Female

3. Have you ever done online shopping?

    a.Yes   b. No

4. How often do you shop online?

    a. Once in month   b. Once in two month

    c. More frequently   d. More often

5. Which online site will you prefer?

    a. Flipkart   b. Amazon   c. Snapdeal

    d. Paytm   e. Others

6. How do you make payments when shopping online?

    a. Debit card   b. Credit card

    c. Cash on delivery   d. Third party (Paytm wallet, Paypal etc)

7. Which online service is more satisfied in terms of products, customer care and   delivery services

    a. Flipkart   b. Amazon   c. others

8. How do you choose online shopping site?

    a. Referred by friends   b. Advertisements   c. Online reviews

9. Have your encountered any problems with online shopping site?

If yes, by which one?

    a. Flipkart   b. Amazon   c. Others

10. In terms of pricing, with which online shopping site you are satisfied ?

      a. Flipkart   b. Amazon   c. Snapdeal   d. Paytm   e. Others

11. Which online shopping site will you suggest to your family and friends?

      a. Flipkart   b. Amazon   c. Snapdeal   d. Paytm   e. Others

12. On which occasions do you make purchase?

      a. festivals   b. gifts   c. offers   d. weddings   e. others

13. Does promotional activities impact your purchasing decision?

      a. Strongly agree   b. Agree   c. Neither Agree nor Dis Agree

      d. Disagree   e. Strongly Disagree

14. How confident are you that your personal information is kept confidential when buying products online?

      a. Extremely confident   b. Quite confident   c. Moderately confident

      d. Slightly confident   e. Not at all confident

15. What kind of problem did you faced while doing online shopping ?

      a. Delay in delivery   b. Product damage

      c. Cheap quality of a product   d. Non delivery

16. Customer assistance after purchase from Flipkart is good

      a. Strongly agree   b. Agree   c. Neither Agree nor Disagree

      d. Disagree   e. Strongly Disagree

17. Customer assistance after purchase from Amazon is good

      a. Strongly agree   b. Agree   c. Neither Agree nor Dis Agree

      d. Disagree   e. Strongly Disagree