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Comparitive Study   Between Flipkart and Amazon India

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ABSTRACT

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

INTRODUCTION

In recent years India has experienced a boom in internet and smartphone penetration. The number of internet connections in 2021 increased significantly to 830 million, driven by the 'Digital India' programme. Out of the total internet connections, ~55% of connections were in urban areas, of which 97% of connections were wireless. The smartphone base has also increased significantly and is expected to reach 1 billion by 2026. This has helped India's digital sector and it is expected to reach US$ 1 trillion by 2030. This rapid rise in internet users and smartphone penetration coupled with rising incomes has assisted the growth of India's e-commerce sector. India's e-commerce sector has transformed the way business is done in India and has opened up various segments of commerce ranging from business-to-business (B2B), direct-to-consumer (D2C), consumer-to-consumer (C2C) and consumer-to-business (C2B). Major segments such as D2C and B2B have experienced immense growth in recent years. India's D2C market is expected to reach US$ 60 billion by FY27. The overall e-commerce market is also expected to reach US$ 350 billion by 2030, and will experience 21.5% growth in 2022 and reach US$ 74.8 billion

OBJECTIVE OF STUDY

1. To understand and estimate the consumer perception and factors affecting their behaviour for choosing e-commerce sites.

 2. To understand tactics and methods that are used by e-commerce players to grab the customers in India.

3. To know how consumers are evaluating e-commerce sites for their purchases.

 4. To understand the work flow of Amazon and Flipkart which are leading in India.

 5. To study complexities and barriers those are there in between e-commerce sites and customers.

 6. To find out new opportunities and to succeed in those procedures.

SCOPE OF THE STUDY

Before we launch into the future and scope of e-Commerce in India, let us first understand what is e-commerce. To put it simply, electronic commerce refers to the purchase and sale of goods online or via the internet. Sellers make websites where they display images of their products with price and description. Shoppers who buy the products have multiple payment options like COD, e -wallet, net banking, credit card, and so on. Online sellers have the responsibility of shipping the product to the buyer and ensuring safe and timely delivery.

There are different models of E-Commerce:

• B2C – Business to consumer; this refers to the sale of goods to the end-user directly

• B2B – a business that sells to another business; for example, office equipment, wholesalers, construction equipment sellers.

• B2G – Businesses that sell or deal only with Government organizations. ● C2B – this is when a customer creates something that adds value to a business, and the business consumes it. The best example is positive customer reviews.

Today with the high penetration of the internet and mobile devices – currently there are about 776.45 million internet connections in India – it has also become very easy to buy and sell online.

RESEARCH METHODOLOGY OF THE STUDY:-

➢ To understand and estimate the consumer perception and factors affecting their behavior for choosing e-commerce sites.

➢ To understand tactics and methods that is used by e-commerce players to grab the customers in India.

➢ To know how consumers are evaluating e-commerce sites for their purchases.

➢ To understand the work flow of Amazon and Flipkart which are leading in India?

➢ To study complexities and barriers those are there in between e-commerce sites and customers.

➢ To find out new opportunities and to succeed in those procedures.

ACTION PLAN FOR DATA COLLECTION

The following two methods of data collection were used to acquire data for the current research study: • The Primary Method for Data Collection

• The Secondary Data Collection Method.

The Primary Data Collection

1. With the support of the industry guide, a structured questionnaire with precise and specific questions was created.

2. To gather data, I first looked up the companies' addresses and phone numbers on the internet and scheduled appointments.

Secondary Data Collection:

The secondary data was gathered from two different sources. These are the following:

1. Information gleaned from company manuals about sales and customer service procedures.

2. Go to the intranet website of the company. and other members of the marketing team to collect company feedback

Market size in India

The Indian online grocery market is estimated to reach US$ 26.93 billion in 2027 from US$ 3.95 billion in FY21, expanding at a CAGR of 33%. India's consumer digital economy is expected to become a US$ 1 trillion market by 2030, growing from US$ 537.5 billion in 2020, driven by the strong adoption of online services such as e-commerce and Ed-tech in the country.

According to Grant Thornton, e-commerce in India is expected to be worth US$ 188 billion by 2025.

With a turnover of $50 billion in 2020, India became the eighth-largest market for e-commerce, trailing France and a position ahead of Canada.

Indian E-commerce Market (US$ billion)
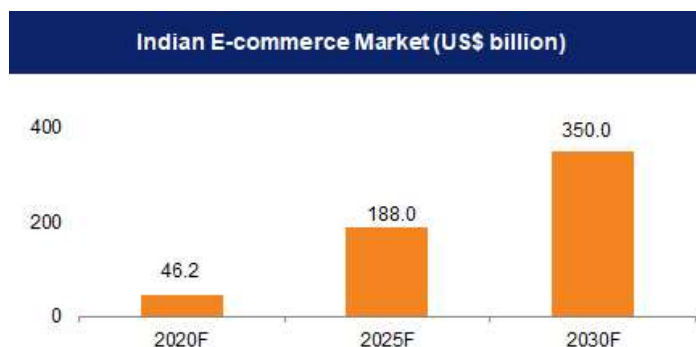
After China and the US, India had the third-largest online shopper base of 150 million in FY21 and is expected to be 350 million by FY26.

Indian consumers are increasingly adopting 5G smartphones even before the rollout of the next-gen mobile broadband technology in the country. Smartphone shipments reached 169 million in 2021 with 5G shipments registered a growth of 555% year on year 2021. Indian consumers are increasingly adopting 5G smartphones even before the rollout of the next-gen mobile broadband technology in the country. Smartphone shipments reached 150 million units and 5G smartphone shipments crossed 4 million in 2020, driven by high consumer demand post-lockdown. According to a report published by IAMAI and Kantar Research, India's internet users are expected to reach 900 million by 2025 from ~622 million internet users in 2020, increasing at a CAGR of 45% until 2025.

For the 2021 festive season, Indian e-commerce platforms generated sales with a Gross Merchandise Value (GMV) of US$ 9.2 billion, a 23% increase from last year's US$ 7.4 billion.

INTRODUCTION IN FLIPKART AND AMAZON

- **FLIPKART**

Flipkart Private Limited is an Indian e-commerce company established in 2007. It started with a primary focus on online book sales and soon, expanded to lifestyle products, electronics, home essentials and groceries. Today, Flipkart is the biggest online Indian marketplace competing with the world leader Amazon.

Since 2010, the company has made a number of acquisitions including Letsbuy, Myntra, Jabong, eBay India, etc. In addition to its main office in Bengaluru, Flipkart has branch offices at Delhi and Mumbai. Apart from India, the firm is registered in Singapore. In 2018, the US-based retail chain Walmart acquired majority stake in Flipkart. Recently,

Flipkart has opened its R&D centre at Israel. This is in line with its latest acquisition of Israeli start-up Upstream Commerce. The centre is run by talented engineers from across the world.

Headquarters - Bengaluru, Karnataka, India

Key People: - Kalyan Krishnamurthy – CEO

Sachin Bansal &Binny Bansal – Founders

Logo:- Flipkart uses a single alphabet 'f' in blue color on a yellow-colored shopping bag. The alphabet 'f' is accompanied by speed lines. It is meant to denote positive and quick service

Revenue: - US $ 7.7 billion (FY 2022)

Number of Employees: - 30,000

Official Website: -www.flipkartcareers.com

Achievements: -

In 2014, Flipkart became the first Indian online retailer to achieve $1.9 billion GMV (Gross Merchandise Value).

• Co-founder Sachin Bansal was named 'Entrepreneur of the Year 2012–2013' by The Economic Times.

• Flipkart's app became the first Indian mobile app to cross 50 million users in 2016

. • In 2016, the founders, Sachin Bansal and Binny Bansal were named "Asian of the Year" by Straits Times of Singapore.

- **AMAZON**

Amazon.com, Inc. is an American multinational technology company which focuses on e-commerce, cloud computing, digital streaming, and artificial intelligence. It has been referred to as "one of the most influential economic and cultural forces in the world", and is one of the world's most valuable brands. It is one of the Big Five American information technology companies, alongside Alphabet, Apple, Meta, and Microsoft.

Amazon was founded by Jeff Bezos from his garage in Bellevue, Washington on July 5, 1994. Initially an online marketplace for books, it has expanded into a multitude of product categories: a strategy that has earned it the moniker The Everything Store, It has multiple subsidiaries including Amazon Web Services (cloud computing), Zoox (autonomous vehicles), Kuiper Systems (satellite Internet), Amazon Lab126 (computer hardware R&D). Its other subsidiaries include Ring, Twitch, Freevee, and Whole Foods Market. Its acquisition of Whole Foods in August 2017 for US$13.4 billion substantially increased its footprint as a physical retailer.

Amazon has earned a reputation as a disruptor of well-established industries through technological innovation and mass scale. As of 2021, it is the world's largest online retailer and marketplace, smart speaker provider, cloud computing service through AWS, live-streaming service through Twitch, and Internet company as measured by revenue and market share.In 2021, it surpassed Walmart as the world's largest retailer outside of China, driven in large part by its paid subscription plan, Amazon Prime, which has over 200 million subscribers worldwide. It is the second-largest private employer in the United States.

Amazon also distributes a variety of downloadable and streaming content through its Amazon Prime Video, Amazon Music, Twitch, and Audible units. It publishes books through its publishing arm, Amazon Publishing, film and television content through Amazon Studios, and has been the owner of film and television studio Metro-Goldwyn-Mayer since March 2022. It also produces consumer electronics—most notably, Kindle e-readers, Echo devices, Fire tablets, and Fire TVs. Amazon has been criticized for customer data collection practices,a toxic work culture, tax avoidance, and anti-competitive behavior

Achievements –

March 2018: Amazon Prime Music is launched in India.

September 2018: Amazon and private equity firm Samara Capital jointly acquire Aditya Birla Group's grocery retail chain More for Rs 4,050 crore. They invested a further Rs 275 crore in the venture in September 2020.

August 2019: Amazon enters into an agreement to acquire 49% stake in Future Coupons, a promoter entity of Future Retail, in August 2019 for around Rs 1,500 crore.

January 2020: Jeff Bezos says Amazon will invest $1 billion in digitising Small and Medium Businesses (SMBs) in India. Amazon India also makes a commitment to induct 10,000 electric vehicles into its delivery fleet by 2025.

MARKETING STRATGY

> **FLIPKART**

Flipkart's business model is much deeper and much expansive that could possibly elaborate here. However, a few key points –

• Rationalized supply chain - inbound logistics

• Strategic warehousing and distribution capability - operations

• Well aligned fulfillment process - outbound logistics

All the three processes are extremely well integrated - first by a sound strategy, around which the organizational structure is built. So they have a strategy, and a complementing structure to support their strategy. The third critical success factor for Flipkart is the technology as an enabler. A strong information system is at the core of the organization, which drives visibility and end-to-end integration across their supply chain processes (inbound - operations - outbound) resulting in a well lubricated efficient machine.

Flipkart must be seen as a logistics company rather than a retail business. Although it sells products to consumers, and hence is academically classified as a b2c business, the core of the business lies in its efficient logistics, which allows it to sell products at attractive prices.

However, its competitive advantage is not in its retailing capabilities. Infact that aspect of the ecommerce business is easily imitable and hence not sustainable. The sustainable competitive advantage of Flipkart lies in its logistics and operations infrastructure - which has a very high barrier to entry: owing to its extensive capital investment and difficult to replicate strategystructure-culture mix.

> **AMAZON**

Amazon marketing strategy relies on the following four pillars:

1. Offering the widest range of products. The largest internet retailer in the world by revenue offers hundreds of millions of products. The wide range of product it offers has earned the online retailer the moniker The Everything Store.

2. Using customer-friendly interface. The tech giant has an advanced interface that integrates personalized recommendations and recent browsing history, among others. Ever-improving user interface is the result of the company's focus to become Earth's most customer-centric company.

3. Scaling easily from small to large. The e-commerce and cloud computing company has experience and competence in scaling from small to large. This factor plays in instrumental role exploring new business segments. Scaling from small to large has allowed the online retail behemoth do disrupt increasing ranges of industries such as retail, transportation, entertainment and now industrial distribution.

4. Exploiting affiliate products and resources. Up to date, the tech giant has taken a full advantage of affiliate programs, products and resources to contribute to the bottom line of the business.

Research Design:-

A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. In fact, the research design is the conceptual structure within which research is conducted; it constitutes the blueprint for the collection, measurement and analysis of data.

The design in such studies must focus attention on the following or process in descriptive research design is as follows:-

a) Formulating the objective of the study.

b) Designing the methods of data collection.

c) Selecting the sample

d) Collecting the data.

e) Processing and analyzing the data.

f) Reporting the findings

Sources of Data:-

The task of data collection begins after a research problem has been defined and research design plan chalked out. Basically two types of data are available to the research namely:-

- **Primary Data:-**We collect primary data during the course of doing experiments research but in case we do research of the descriptive type and performs surveys, whether sample survey or census surveys, then we can obtain primary data either through observation or through direct communication with respondents in one form or another or through personal interviews.

- **Secondary Data:-**Secondary data means data that are already available i.e., they refer to the data which have already been collected and analyzed by someone else.

In the present study, primary as well as secondary data has been used.

Sample Design: - In this present study universe is 120 and survey population is 50 peoples.

Sample Size: - In this present study we have taken the sample size of **50** peoples to get their views regarding online shopping.

Sampling Method: - In the present study, convenience sampling method has been used.

Data Collection Method:-

In dealing with any real life problem it is often found that data at hand are inadequate, and hence, it becomes necessary to collect data that are appropriate. There are several ways of collecting data which differ considerably in context of a survey, data can be other resources at the disposal of the researcher.

Primary Data can be collected through various methods like:-

- Questionnaire method

- Observation Method

- Through Schedules

- Interview method

In the present study Primary data is collected through:-

- Questionnaire**.**

Secondary data can be collected though various methods like:-

- Magazines

- Newspapers

- Websites

- Books

In the Present Study Secondary Data is collected through:-

- Different Websites

- Company Journals

- Books

ANALYSIS OF INTERPRETATION

➢ 82% of peoples show interest in online shopping, on the other hand, 18% of peoples does not want to shop online.

➢ 64% of peoples shop online once In month, 10% of peoples once in two months, 6% of peoples more frequently, and 20% of peoples shop online more often.

➢ 58% of peoples prefer Flipkart online site while making shopping online, 12% people uses Amazon , 10% of snapdeal, 14% of peoples uses paytm mall, and 6% of peoples using others websites.

➢ 58% of peoples make payment through debit card, 20% of peoples choose the cash on delivery, 10% of peoples using credit card services, 12% of peoples use other payment methods

➢ 40% of peoples is more satisfied in terms of products, customer care & delivery services from Flipkart, 50% of peoples with Amazon, 6% of peoples with snapdeal, and 4% of peoples with others.

➢ 48% of peoples choose online shopping site from referred by friends, 30% of peoples from advertisements, 22% of peoples from online interviews.

➢ 46% of peoples have problems with Flipkart, and 40% of peoples with amazon, 10% of peoples with snapdeal, and 4% with online shopping sites**.**

➢ 32% of peoples are satisfied with the pricing strategies of Flipkart, 38% of peoples with Amazon, 14% with snapdeal, 10% with paytm, 6% of peoples are satisfied with pricing of others.

➢ 40% of peoples suggests Flipkart to their family and friends, 32% of peoples suggest Amazon, 18% of peoples snapdeal, 4% of peoples paytm, and 6% of peoples suggest others.

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➢ 42% of peoples want to make purchase on festivals, 24% of peoples purchase for receiving gifts, 16% of peoples for offers, 10% on weddings, 8% of peoples on others.

➢ 38% of peoples are strongly agree with they make purchasing decisions due to promotional activities, 28% of peoples are agree, 22% of peoples are neither agree nor disagree, 8% of peoples are disagree, and 4% of peoples are strongly disagree.

➢ 34% of peoples are extremely confident with their personal information is kept confidential when purchasing online, 26% of peoples quite confident , 16% of peoples are moderately confident , 4% of peoples are slightly confident, 20% of peoples not at all confident.

➢ 42% of peoples faced problem with delay in delivery, 18% of peoples faced problem of product range, 34% of peoples cheap quality of a product , and 6% of peoples faced non delivery of products.

➢ 24% of peoples are satisfied with Flipkart, 36% of peoples with Amazon, 20% with snapdeal, and 20% of peoples with others are satisfied most for receiving after sales assistance.

FINDINGS

➢ 82% of peoples show interest in online shopping, on the other hand, 18% of peoples does not want to shop online.

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LIMITATIONS

- There was such a lot of private information of organizations that are not uncovered.

- Overview was limited to specific age bunch since respondents willing to fill are understudies.

- Examination was done dependent on sincere belief of respondents exclusively, not from any center gatherings or specialists

SUGGESTIONS

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

CONCLUSION

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

ANNEXURES

A.   **Bibliography**

B.   **Questionnaire**

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QUESTIONNAIRE ON ONLINE SHOPPIN

Dear mam,

I'am student of MBA 2rd Year of **Noida Institute of engineering and technology**. I am conducting this

study as part of my curriculum. You are requested to take out few minutes and help me

getting the survey/study done.

Thanking you .   **Vijay Laxmi**

Personal Details:

Name   ---------------------------

Mobile No   --- -----------------------

E-mail Id   ----------------------------

Age   -----------------------------

1) Have you ever done online shopping?

a) Yes

b) No

2) How often do you shop online?

a) Once in month

b) Once in two month

c) More frequently

d) More often

3) Which online site will you prefer most?

a) Flipkart

b) Amazon

c) Snapdeal

d) Paytm mall

e) Others

4) 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)

5) Which online service is more satisfied in terms of products, customer care and delivery? services?

a) Flipkart

b) Amazon

C) others

6) How do you choose online shopping site?

a) Referred by friends

b) Advertisements.

c) Online reviews

7) Have your encountered any problems with online shopping site? if yes, by which one

a) Flipkart

b) Amazon

c) Others

8) In terms of pricing, with which online shopping site you are satisfied?

a) Flipkart

b) Amazon

c) Snapdeal

d) Paytm

e) Others

9) Which online shopping site will you suggest to your family and friends?

a) Flipkart

b) Amazon

c) Snapdeal

d) Paytm

e) Others

10) On which occasions do you make purchase?

a) Festivals

b) Gifts

c) Offers

d) Weddings

e) Others

11) Does promotional activities impact your purchasing decision?

a) Strongly agree

b) Agree

c) Neither Agree nor Disagree

d) Disagree

e)Strongly Disagre

12) 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

13) What kind of problem did you faced while doing online shopping?

a) Delay in delivery

c) Cheap quality of a product

b) Product damage

d) Non delivery

14) Of which company are satisfied most for receiving after sales assistance? if any

a) Amazon

b) Flipkart

c) Others