PROJECT REPORT

COMPARITIVE STUDY BETWEEN AMAZON AND FLIPKART INDIA

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Bachelor of business administration

ABSTRACT

TITLE: Comparative study Between Amazon and Flipkart India Amazon.com VS Flipkart.com

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-tailers and those are Flipkart and Amazon.

Comparison have been done considering e-commerce challenges, their business model, funding, revenue generation, growth, survival strategies, Shoppers' online shopping experience, value added differentiation, and product offerings. Both these big players made their own mark in India, but who is going to be ultimate winner or be the top one is going to be. A comparative study of Flipkart.com with one of the close competitors Amazon.com delivers the information about the different strategies to succeed in e-commerce market and different opportunities available in India.

Definition of E-commerce:

Electronic Commerce is process of doing business through computer networks. A person sitting on his chair in front of a computer can access all the facilities of the Internet to buy or sell the products. Unlike traditional commerce that is carried out physically with effort of a person to go & get products, ecommerce has made it easier for human to reduce physical work and to save time.

E-Commerce which was started in early 1990's has taken a great leap in the world of computers, but the fact that has hindered the growth of e-commerce is security. Security is the challenge facing e-commerce today & there is still a lot of advancement made in the field of security.

The main advantage of e-commerce over traditional commerce is the user can browse online shops, compare prices and order merchandise sitting at home on their PC.

For increasing the use of e-commerce in developing countries the B2B e-commerce is implemented for improving access to global markets for firms in developing countries. For a developing country advancement in the field of e-commerce is essential. The research strategy shows the importance of the e-commerce in developing countries for business applications.

Electronic commerce or ecommerce is a term for any type of business, or commercial transaction, that involves the transfer of information across the Internet. It covers a range of different types of businesses, from consumer-based retail sites, through auction or music sites, to business exchanges trading goods and services between corporations. It is currently one of the most important aspects of the Internet to emerge.

Created for: -

- ❖ Anyone who wants to study E-commerce giants in Indian Market.

- ❖ Entrepreneurs who want to start E-commerce based on these business model, this report will give them a clear insight of working of these two MNCs.

Topics included: -

- ❖ Literature Review & technology Framework
- ❖ E-Commerce in India
- ❖ Product or Services Alliances
- ❖ Logistic System of E-commerce
- ❖ Marketing Strategy
- ❖ Advertising & Promotions

INTRODUCTION TO THE STUDY

<u>OBJECTIVES OF THE STUDY: -</u>

- ❖ To understand the different marketing strategies used by these market giants

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

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

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

- ❖ To understand the work flow of Amazon and Flipkart 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.

Background of Amazon vs Flipcart

Amazon.com

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), and Amazon Lab126 (computer hardware R&D). Its other subsidiaries include Ring, Twitch, IMDb, 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.

Amazon.com's product lines available on its website include several media (books, DVDs, music CDs, videotapes and software), apparel, baby products, consumer electronics, beauty products, gourmet food, groceries, health and personal-care items, industrial & scientific supplies, kitchen items, jewelry, watches, lawn and garden items, musical instruments, sporting goods, tools, automotive items, and toys & games. In August 2019, Amazon applied to have a liquor store in San Francisco, CA as a means to ship beer and alcohol within the city. Amazon has separate retail websites for some countries and also offers international shipping of some of its products to certain other countries. In November 2020, the company started an online delivery service dedicated to prescription drugs. The service provides discounts up to 80% for generic drugs and up to 40% for branded drugs for Prime subscribe users. The products can be purchased on the company's website or at over 50,000 bricks-and-mortar pharmacies in the United States.

Amazon.com has a number of products and services available, including:

- Amazon Fresh
- Amazon Prime
- Alexa
- Appstore
- Amazon Drive
- Echo
- Kindle
- Fire tablets
- Fire TV
- Video
- Kindle Store
- Music
- Music Unlimited
- Amazon Digital Software & Video Games

Flipcart.com

Flipkart is an Indian e-commerce company, headquartered in Bangalore, and incorporated in Singapore as a private limited company. The company initially focused on online book sales before expanding into other product categories such as consumer electronics, fashion, home essentials, groceries, and lifestyle products.

The service competes primarily with Amazon's Indian subsidiary and domestic rival Snapdeal. As of March 2017, Flipkart held a 39.5% market share of India's e-commerce industry. Flipkart has a dominant position in the apparel segment, bolstered by its acquisition of Myntra, and was described as being "neck and neck" with Amazon in the sale of electronics and mobile phones. Flipkart also owns PhonePe, a mobile payments service based on the UPI.

In August 2018, U.S.-based retail chain Walmart acquired a 77% controlling stake in Flipkart for US $16 billion, valuing Flipkart at around $20 billion.

E-Commerce Background

E-commerce, which can also be termed as E-business or electronic business is a sales platform in which customers can buy goods and services online. Any website where one can trade items on the internet is known as an e-commerce website. E-commerce websites are in high usage nowadays and it is easy for people to order them from home at any time and location. Price seems to be the important part to buy any product, one can choose the same product from different websites with reasonable costs. This made customers to buy goods at their ease. In the beginning e-commerce was done through small means of communication like calls and emails, but when the technologies emerged along with internet, and they became an important part for these online websites. People were skeptical to believe these websites as they are prone to fraudulent activities and scams. But the developers are always coming up with better methods for the sake of safety and security for customers.

Amazon is an American e-commerce platform that was established in the year 1994 in Bellevue, Washington by Jeff Bezos. In the beginning, Amazon was a book seller but periodically expanded itself as the biggest e-commerce platform. Amazon owns it's products like Kindle and Fire TV. Amazon provides services to 4 types of customers. The 4 types of customers are Consumers, Sellers, Enterprises and Content creators.

Amazon enables its products to be sold by the company and by third party retailers across different product categories. Amazon has wide variety of products in areas of clothing, jewellery, mobile phones and accessories, toys and games, home improvement tools, electronics, groceries, computers and many more. Amazon is available in the form of web application.

Flipkart is an Indian e-commerce company that was established in the year 2007 in Bengaluru, India by Sachin Bansal and Binya Bansal. It is incorporated as a private limited company in Singapore. It started with a main goal on online book sales and soon expanded to lifestyle products, electronics, clothing and groceries. Flipkart is one of the biggest online Indian marketplaces competing with the world leading companies like Amazon. Flipkart is famous for its trust and safety in Indi a. Flipkart facilitates a huge category of products ranging from everyday appliances to high-end beauty products. This has made the shopping experience more convenient.

Because it is the interface that attracts the user for using the platform easily. When the user fails to clearly understand the homepage of the website, the user quits. When the information is hard to understand then the user quits. When the user gets lost inside the website then he quits.

There are different components to evaluate the satisfaction of a user interactive platform namely the usability component, the usability heuristics and the HCI design principles In this thesis, we are going to use the usability heuristics to measure the usability and compare between the e-commerce websites Amazon and Flipkart. Nielsen's usability heuristics are used

in this thesis to evaluate usability and to discover problems that can get the solution to redesign for a better experience. Nielsen's usability heuristics are perhaps the most highly used principles for building any interface nowadays. They are called heuristics because they are like the broad rules and can be used flexibly.

Jakob Nielsen's usability heuristics: User control and freedom: Users, while using the application without knowledge of using it, makes many mistakes and they need to undo the actions that they perform. If such an option is not clearly available, the user becomes stuck and frustrated, which leads to dislike the platform. To avoid this, a good and clear exit option should be provided, allowing the user to undo and redo his actions.

Error prevention: Before implementing an action, it is preferable to be aware of any errors that may occur on the platform. Users will make fewer mistakes by implementing error prevention. Recognition rather than recall: Make objects, actions, and choices visible to reduce the user's memory burden. The user should not have to recall information from one dialogue segment to the next. Instructions for using the system should be visible or easily accessible.

Visibility of system status: The platform should provide good visibility on the actions that are performed in the background or foreground so that the user is not confused of what is going on. Help users recognize, diagnose, and recover from errors: Error messages should be as straightforward as possible in terms of logic. The message should always be displayed so that any invalid action is acknowledged. Match between the system and the real world: The system should project all available options in a meaningful and familiar manner. Instead of system-oriented language, the words and phrases should be in a simple way that is seen and heard in everyday life. The use of symbols, images, and animations that is flexible for the user. Help and documentation: Even if the system is simple, it is helpful to have ready-to-use documentation. A help team cannot always provide suggestions for simple usage, it is better and easier to use documents. A help feature is also required because every time a new platform is developed, problems may arise that may be the result of a designer's error

Consistency and standards: The human brain got adapted in using websites, it is preferable that every option be in the same position. If you create a website in a different way, the user will have to learn something new, and it will be more difficult. As a result, users should not be concerned over whether it is the same thing

Flexibility and efficiency of use: The website should be flexible, and it should be easy to use. For example, when signing into some websites, using a previously saved password saves time. Keyboard shortcuts are extremely useful when working with editing applications. Aesthetics and minimalistic design: This principle focusses on preventing the irrelevant information which leads to clutter the website. More irrelevant and unimportant options clumsily clog the interface and make it difficult to use. Websites that provide the appropriate options receive a positive response. For example, on a shopping website, fields such as footwear, tops, pants, men's wear look good

Topics of Study

1. LITERATURE REVIEW & TECHNOLOGY FRAMEWORK

LITERATURE REVIEW

Sharma and Mittal (2009) in their study "prospects of e-commerce in India", mentions that India is showing tremendous growth in the e-commerce. Undoubtedly, with the middle class of 288 million people, online shopping shows unlimited potential in India. The real estate costs are touching the sky. Today e-commerce has become an integral part of our daily life. There are websites providing any number of goods and services.

The e-commerce portals provide goods and services in a variety of categories. To name a few: apparel and accessories for men and women, health and beauty products, books and magazines, computers and peripherals, vehicles, software, consumer electronics, household appliances, jewelry, audio, video, entertainment, goods, gift articles, real estate and services. Ashish Gupta, senior managing director of helion venture partners and one of the first backers of Flipkart as an angel investor: "Flipkart has been absorbing companies that have some potential (lets buy, Myntra). The company (Flipkart) is consciously taking bets that allow it to either grow or eliminate competition that reduces marketing spend and improves economics."

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

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

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

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

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

Vijay govindarajan is one of the world's leading experts on strategy and innovation. Govindarajan, coxe distinguished professor at dartmouth college's tuck school of business

and marvin bower fellow at harvard business school, is also a best-selling author. The biggest opportunity in India is e-commerce. Why?

Three important factors will drive this:
1) mobile phone penetration
2) a young demographic that is used to ordering things using the mobile platform
3) growth of consumerism with more Indians with higher disposable income.

We will see many new innovative business models in the e-commerce space in the next five years. No doubt we will see new innovative high-growth companies—Indian equivalents of Alibaba.

2. E-COMMERCE IN INDIA

India had an internet user base of about 354 million as of june 2015 and is expected to cross 500 million in 2016. Despite being the second-largest userbase in world, only behind china (650 million, 48% of population), the penetration of e-commerce is low compared to markets like   the united states (266 million, 84%), or France (54 m, 81%), but is growing at an unprecedented rate, adding around 6 million new entrants every month. The industry consensus is that growth is at an inflection point. In India, cash on delivery is the most preferred payment method, accumulating 75% of the e-retail activities. Demand for international consumer products (including long-tail items) is growing much faster than in-country supply from authorized distributors and e-commerce offerings. Largest e-commerce companies in India are Flipkart, Snapdeal, Amazon India, Paytm.

India has an Internet user base of about 636.77 million as of May 2020, about 40% of the population.[1] Despite being the second-largest user base in world, only behind China (650 million, 48% of population), the penetration of e-commerce is low compared to markets like the United States (266 million, 84%), or France (54M, 81%), but is growing, adding around 6 million new entrants every month. The industry consensus is that growth is at an inflection point.

 In India, cash on delivery is the most preferred payment method, accumulating 75% of the e-retail activities.[4] Demand for international consumer products (including long-tail items) is growing faster than in-country supply from authorized distributors and e-commerce offerings. Long tail business strategy allows companies to realize significant profits by selling low volumes of hard-to-find items to many customers, instead of only selling large volumes of a reduced number of popular items. The term was first coined in 2004 by Chris Anderson.

In 2017, the largest e-commerce companies in India were Flipkart, Snapdeal and Amazon. In 2018, Amazon beat Flipkart and was recorded the biggest ecommerce in India in terms of revenue. In 2020, Flipkart heavily outsold Amazon by almost two to one by sales during festive retail season.

Market size

India's e-commerce market was worth about $3.9 billion in 2009, it went up to $12.6 billion in 2013. In 2013, the e-retail segment was worth us$2.3 billion. About 70% of India's e-commerce market is travel related. According to google India, there were 35 million online shoppers in India in 2014 q1 and is expected to cross 100 million mark by end of year 2016. Cagr vis-à-vis a global growth rate of 8–10%. Electronics and apparel are the biggest categories in terms of sales. By 2020, India is expected to generate $100 billion online retail revenue out of which $35 billion will be through fashion e-commerce. Online apparel sales are set to grow four times in coming years.

Key drivers in Indian e-commerce are:

1. Large percentage of population subscribed to broadband internet, burgeoning 3g internet users, and a recent introduction of 4g across the country.
2. Explosive growth of smartphone users, soon to be world's second largest smartphone userbase.
3. Rising standards of living as result of fast decline in poverty rate.
4. Availability of much wider product range (including long tail and direct imports) compared to what is available at brick-and-mortar retailers.
5. Competitive prices compared to brick-and-mortar retail driven by disintermediation and reduced inventory and real estate costs.
6. Increased usage of online classified sites, with more consumer buying and selling second- hand goods

3. PRODUCT or SERVICES ALLIANCES

FLIPKART

Flipkart has launched its own product range under the name "digiflip", Flipkart also recently launched its own range of personal healthcare and home appliances under the brand "citron". During its initial years, Flipkart focused only on books, and soon as it expanded, it started offering other products like electronic goods, air conditioners, air coolers, stationery supplies and life style products and e-books. Legally, Flipkart is not an Indian company since it is registered in Singapore and majority of its shareholders are foreigners. Because foreign companies are not allowed to do multi-brand e-retailing in India, Flipkart sells goods in India through a company called ws retail. Other third-party sellers or companies can also sell goods through the Flipkart platform. Flipkart now employs more than 15000 people. Flipkart allows payment methods such as cash on delivery, credit or debit card transactions, net banking, e-gift voucher and card swipe on delivery. Flipkart is presently one of the largest online retailers in India, present across more than 14 product categories & with a reach in around 150 cities and delivering 5 million shipments per month.

EXCLUSIVE PRODUCTS

Motorola mobility, previously owned by google but then sold to Lenovo, in an exclusive tie up with Flipkart launched its budget smartphone moto g in India on 5 February 2014 more than 20,000 units were sold within hours of launch on Flipkart after this Flipkart was looking for a long term tie up with Motorola mobility. They also launched their android smartphone, the moto x, on 19 march 2014. Flipkart later sold the moto e, cheaper than moto g, from 13 may 2014. The sale of high-end smartphone xiaomi mi3 produced by xiaomi tech was launched in India on an exclusive tie-up with Flipkart. The first batch was sold out within 39 minutes on 22 July 2014, the second in 5 seconds on 29 July 2014. The sale was proceeded on pre-registration mode where more than 150,000 buyers booked for the 5 august 2014 sale. This got sold off in less than 2 seconds.

Following this xiaomi tech sold 20,000 units in the next sale on 12 august 2014. On 2 September 2014 Flipkart held a flash sale of the xiaomi redmi 1s budget android smartphone which was launched in India in July 2014. 40, 000 units priced at Rs.5999 each were sold within seconds. A further 40,000 units were sold within 4.5 seconds on sept 9, 2014. The third redmi 1s sale on sept 16, 2014 sold 40,000 units in 3.4 seconds; in the 4th round of sale of redmi 1s, 60,000 units sold in 5.2 seconds on sept 23, 2014. On 30 September 2014 60,000 units sold in 13.9 seconds. Redmi note in India exclusively through Flipkart; 50,000 units sold in 6 seconds on 2 December 2014. In July 2014 Flipkart launched its own set of tablets, mobile phones & phablet. The first among these series of tablet phones was digiflip pro xt 712 tablet. In July 2014 Flipkart launched its first networking router, under its own brand name named digiflip wr001 300 mbit/s wireless n router. In September 2014 Flipkart launched its in-house home appliances and personal healthcare brand citron. The label includes a wide range of cooking utilities and grooming products.

ACHIEVEMENTS IN E- COMMERCE

In September 2015, sachin bansal and binny bansal entered forbes India rich list debuting at the 86th position with a net worth of $1.3 billion each. Co-founder of Flipkart, sachin bansal, got entrepreneur of the year award 2012-2013 from economic times, leading Indian economic daily. Flipkart.com was awarded young turk of the year at cnbc tv 18's 'India business leader awards 2012' (ibla). Flipkart.com- got nominated for India Mart leaders of tomorrow awards 2011.

FAILURE IN MUSIC INDUSTRY

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

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 chakpak's digital catalogue which includes 40,000 filmographies, 10,000 movies and close to 50,000 ratings. Flipkart has categorically said that it will not be involved with the original site and will not use the brand name.
- ❖ 2012: letsbuy.com, an Indian e-retailer in electronics. Flipkart has bought the company for an estimated us$25 million. Letsbuy.com was closed down and all traffic to lets buy has been diverted to Flipkart.
- ❖ 2014: acquired myntra.com in an estimated ₹ 20 billion (2,000 crore, about us$319 million) deal.
- ❖ 2015: Flipkart acquired a mobile marketing start-up appiterate as to strengthen its mobile platform.

AMAZON

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

Amazon has separate retail websites for united states, United Kingdom & Ireland, France, Canada, Germany, the Netherlands, Italy, Spain, Australia, Brazil, Japan, China, India and Mexico, with sites for Sri Lanka and south east Asian countries coming soon. Amazon also offers international shipping to certain other countries for some of its products. In the year 2011, it had professed an intention to launch its websites in Poland, and Sweden. Amazon had announced to invest $2 billion in India to expand business, after its largest Indian rival Flipkart too had announced to invest$1 billion.

EXCLUSIVE PRODUCTS

The Amazon kindle is a series of e-readers designed and marketed by Amazon.com. Amazon kindle devices enable users to browse, buy, download and read e-books, newspapers, magazines and other digital media via wireless networking to the kindle store. The hardware platform, developed by Amazon subsidiary lab126, began as a single device and now comprises a range of devices, including e-readers with e ink electronic paper displays, and android-based tablets with color lcd screens. All kindle devices integrate with the kindle store to acquire content and as of February 2016, the store has over 4.3 million e-books available in the us. The one plus one launched as an Amazon exclusive in India last year, but now the device is available for purchase on rival e-commerce store Flipkart. Moto g (gen 4) and moto g plus (gen 4) will be available exclusively on Amazon.

ACHIEVEMENTS IN E- COMMERCE

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

FAILURE

Amazon starts using India post and screws up its delivery system in India. At the time when the competition among online shopping portals in India is at its highest level possible and each player is pooling in millions from funding's and trying to beat each other with never-before discounts and amazing services, Amazon has taken the worst step ever possible. Amazon India has chosen India post as its primary delivery partner and all "Amazon fulfilled" orders are now being shipped through India post. Anyone who lives in India or has some experience with the postal system in

ACQUISITIONS

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

4. LOGISTICS SYSTEMS OF E-COMMERCE

Speed of delivery is as important as the product quality for a customer. It would not be wrong to say that logistics could be the defining factor for success of e-commerce companies in retaining their customers. Indian logistics market itself is estimated to grow at a cagr of 12.17 per cent by 2020. Innovations are very important in this sector, as the demand is always for more reach and faster shipping at lower costs. Yet, the companies will need to invest in automation, while utilizing existing resources well.

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

VEHICLE TRACKING CRUCIAL IN E-COMMERCE

Vehicle tracking plays a significant role in providing necessary control and effective route planning for faster delivery. Since the logistics market is highly unorganized in India, under-utilization of resources is not surprising. Increasing adoption of technology in operations is essential to keep up customer satisfaction. Amazon added that fast, reliable and resourceful internet connectivity across devices will help us use technology better for vehicle tracking.

Flipkart benefited by its investment in blackbuck in capturing data on vehicular movement and utilization, and utilizing the data for better planning. "the efficiency improvement on information gathering and orchestration is a primary focus area for us in the next year as well". Logistics solutions provider loginext–which caters to paytm, myntra and Amazon among others– even, provides 'heat maps' for giving information on those areas where maximum delays are happening. Loginext working with cold chain logistics service providers for delivering perishables. Our scheduler takes input from the system about the products being transported and accordingly schedules the deliveries. Also, the temperature and other settings required for a particular product could be set via their app used by delivery boys.

FLIPKART

- Delivery within two days: the first few e-commerce web sites broke the trust of many Indian customers by not delivering the order product on time. Flipkart realized this problem and in order to bring the customer back to on line shopping it came up with idea of delivering the product in 2 days and if there is a delay then the customer is paid interest on the value of product.
- Thirty days return policy: in order to satisfy the Indian customer after the product is delivered, Flipkart came up with idea of providing thirty day return policy. This is done to ensure that the product delivered to the customer is not faulty.
- Card swipe on delivery: Flipkart realized that most of Indian customers are not comfortable sharing their credit card details online, as there is always a risk of fraud. For solving this problem, it came up with the idea of card swipe on delivery. The delivery guy brings the card swipe machine so that all the transaction happens before customer.

LOGISTICS PARTNER

E-kart provides logistic solutions for Indian e-commerce giant Flipkart. Flipkart today is 3 companies: ws retail, which is the primary retailer on Flipkart.com, ekart logistics, the shipping partner for ws retail and others, and Flipkart itself, which builds, maintains and runs the marketplace. Flipkart tied up with partner stores that act as alternative delivery channels (such as ecom express, blue dart, gatti etc), so that customers can pick up their shipments at their convenience. "by bringing together core capabilities of iot, devices, data and automation, we have started implementing the automation technology to pick and move packages to designated picking station, among several other applications that make warehouse processes quicker and smoother.

PROCEDURE

Flipkart team will map their supply chain end to end and know exactly how many hours and minutes would it take for the item to reach from one step to next. E.g. How long would it take to pick an item in our fulfillment center (fc), how much time would it take to pack it and finally how soon can them handover to the logistics partners for transport? Then they proceeded to do a thorough analysis and optimization to achieve the best-possible timelines for each step. In logistics, they needed to know the exact transport connection timings with their transport time and reliability. They had to work closely with vendors/airlines to ensure reliable connection and delivery of in-a-day packages without any offloading. In fact, there were some airline partners which were piloting their express delivery capabilities along with their pilot for in-a- day. Airlines were even helping our partners grow. In the last mile logistics, they had to ensure that the delivery is attempted within the promised time without fail and had dedicated field executives to guarantee the delivery.

TECHNOLOGY USED

To promise in-a-day guarantee to the customers, Flipkart developed a new product called promise engine. This engine knew all about our fulfillment capabilities and thus exactly where the item would be shipped from (depending on seller's inventory location). Hence, it could calculate an accurate promise date for the customer. This engine also needed to be able to provide multiple delivery speed options to customers to choose from. Once an order is placed, the fulfillment system gave an exact hour and minute's deadline to fcs to process the item. This deadline also accounts for the transport connection between the source and the destination. The deadline feature helps us to ensure seamless processing of both in-a-day and regular orders. Flipkart claims that its algorithm on routing makes delivery and pick-up more accurate and faster than anyone else in this business. Flipkart's investment in mapmyIndia has helped the company too. Ekart spokesperson said: "the accurate address data for both sellers and buyers will allow us to better schedule deliveries and pickups."

AMAZON

Amazon India, the company received 65 per cent orders from tier ii and iii cities in 2015. To establish rural distribution centers in rural India, Amazon has been training teams in packaging, checking shipments, tracking deliveries through a mobile app, route planning to make deliveries on time etc. Many of these centers have witnessed a five-fold increase in the number of deliveries. Amazon has a 'service partner' programme too for last-mile delivery in remote areas. "Budding entrepreneurs in these areas act as Amazon. In's local distribution network providers and create the last-mile delivery footprint. This programme now covers more than 100 satellite towns and tier ii and iii towns and villages.

LOGISTIC PARTNER

Cloudtail India pvt. Ltd, a joint venture between Amazon.com inc. And n.r. Narayana Murthy's catamaran ventures, has become the biggest seller or merchant on Amazon India's platform, underlining how the world's largest online retailer has used loopholes in the law to deploy a mix of the marketplace and the direct-selling business model in India. Cloudtail is now the key growth driver for Amazon India, generating at least 40% of the company's sales in some months, three people familiar with the matter said. Cloudtail is particularly dominant in electronics and fashion sales, two of the three largest categories for Amazon India (promoted by Amazon seller services pvt. Ltd). Since it launched as a seller on Amazon in July 2014, cloud tail has expanded aggressively. Its capital was increased to rs.500 crore last month from just rs.500, 000 last July, according to documents available with the registrar of companies (roc). The equity capital has been pumped in jointly by Amazon Asia and catamaran through an entity called prione business services pvt. Ltd. Apart from the Rs.500 crore in equity capital, cloud tail has access to secured loans totaling rs.300 crore, roc documents show. Atsl will be one of the logistics partners for Amazon's Indian marketplace.

PROCEDURE

Amazon has set up a logistics company in India to deliver products directly to consumers, opening a new front in the battle for top honors in the country's fast-growing online retail industry. Amazon transportation services private limited, a subsidiary of us-based Amazon, will ship goods from sellers who transact on the company's online marketplace in India. Such a service is already on offer from Flipkart through logistics company ekart, and Snapdeal, which bought a stake in delivery firm gojavas last week. The logistics arm has been set up to aid in last- mile delivery as products can be shipped faster. Amazon currently operates nine fulfilment centers, ecommerce jargon for warehouses, in eight Indian states. It was the first online marketplace to offer two-day and one-day guaranteed delivery in India, a norm in the us market. Amazon India also recently launched easy ship, an assisted shipping platform for 12,000 out of its 20,000 sellers, a platform which the company has now taken global. With easy ship, our sellers can now choose their courier partners, and ship even on the same day. More than 60% of our customers are eligible for next-day shipping on products fulfilled by Amazon. Amazon has struggled with deliveries in cities where snarl-ups are frequent and road signs unreliable. In response, firms have set up logistics networks and use motorbikes instead of trucks. Another service introduced in India in may and considered for export to other markets, seller flex, allows sellers to have the flexibility to store goods and ship them to customers on their own, instead of routing them through Amazon. Amazon provides technology and training to ensure goods are packed, labelled and delivered as the company would. While Amazon in developed markets may not want to tweak its model for best selling goods, analysts said, it could consider the made-in- India seller solution to cut down on warehousing and delivery costs for thousands of "non-core" products which are offered, but infrequently bought. "Amazon is becoming a lot more flexible about how it services its customers.

TECHNOLOGY USED

Amazon.com inc said it has acquired Indian payments processor emvantage payments pvt ltd for an undisclosed sum. Emvantage's employees will join Amazon's India unit that will use the company's technology on its e-commerce website, Amazon said in a statement. Online retailer Amazon.com inc. Is localizing its technology operations in India by freeing up its engineers to launch new features and customize its smartphone app for shoppers. These changes have significantly improved both the company's user addition and retention rates. More shoppers installed Amazon India's smartphone app than any rival's app in the last three months of 2015, the online retailer said, citing data compiled by app annie, an analytics company. Downloads of Amazon India's shopping app tripled in the key shopping month of October compared with the year-ago period. These numbers are significant as a majority of online shopping in India is expected to happen on smartphones over the next five years. Already, Amazon and its rivals Flipkart ltd and Snapdeal (jasper infotech pvt. Ltd) get more than 70% of their traffic from smartphones. Amazon's tech expertise in consumer-facing products, predictive analytics, supply chain, among other areas is one of the reasons it is catching up fast with Flipkart and Snapdeal. Another change was the sign-up process for mobile customers. "The sign-up process was you enter the email, then password, then you verify it. Now, we pre-detect the mobile number and the new user only has to enter a password. You get an OTP (one time password), which is read and entered automatically. This is another feature we have opened up in other markets. Overall, the goal is to understand where there is friction for the customer and then eliminate that. Initially, however, Amazon adopted most of the features of its global app in India. Those features included things such as barcode scanning, which were of no use to Indian shoppers. Apart from irritating customers, the features also caused the app to become very heavy in terms of taking up space on smartphones. This was particularly problematic as a majority of Amazon's current and future customers will own low-end smartphones that offer limited storage space. Clunky apps also don't tend to work best on cheap smartphones.

5. Marketing Strategy

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 e- commerce 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 strategy- structure-culture mix.

Cons: potential threat of the original replacing the imitated.

It is important to reflect upon the fact that its founder members (the Bansal's) have had an early stint with Amazon and have successfully modeled Flipkart's business on Amazon strategy. So, it would be fair to say that Flipkart imitated Amazon's model to an extent. However, owing to governmental regulation and international trade barriers (read retail fdi restrictions), Amazon has

not yet been able to compete with Flipkart on an even keel. (Amazon operates as a marketplace rather than a retailer). Amazon has all the infrastructure, culture, and technology enablers in place that Flipkart has - and on a much larger scale. One other thing that they have is huge financial muscle power - much larger than what Flipkart has. And the moment when these restriction on fdi in retail are lifted, Amazon will be a major threat to Flipkart. And all these acquisitions that Flipkart has been making, is to bulk up and brace up for the competition it faces.

MARKETING MIX OF FLIPKART

Product in the marketing mix of Flipkart - Flipkart is an online retailing industry and started its operations with the sale of books. For two years, it sold only books through its website as the management and shipment of books was much easier. After its expansion, it started dealing with products like air coolers, washing machines, air conditioner, life style products, stationary supplies, cell phones, computers, calculators, microwave ovens, water purifiers, laptops, cameras, audio players, products relating to health care, dishwashers and e-books. Products sold on Flipkart have the same warranties of the brand if sold outside in a showroom. It has recently launched its personal product range called "digiflip". Under this brand, it offers products like computer accessories, camera bags, headphones and pen drives. In July, Flipkart introduced its own tablet phones and networking router under its personal range "digiflip". On February 5, 2014 in a special tie up with Motorola mobility, Flipkart has provided a platform for the launch of 'moto g'. Online shoppers went crazy

with the unveiling of this smart phone. This awe-inspiring response resulted in the sales of nearly 20,000 mobiles in a few hours. Continuing their association, 'moto x', an android smartphone, was introduced on march 19. On May 13, 'moto e'was launched at the same site triggering the same response. Continuing this success story Flipkart in a tie up with xiaomi Tec introduced 'xiaomi mi3' on its platform. In the first phase on22nd July all the phones were sold in just 39 minutes and in the 2nd phase on 29th July the sold out was strategy. So, it would be fair to say that Flipkart imitated Amazon's model to an extent. However, owing to governmental regulation and international trade barriers (read retail FDI restrictions),

Place in the marketing mix of Flipkart - Flipkart functions entirely in India and it has its headquarters in the garden city of Bangalore in Karnataka. It is owned by a Singapore based company and is registered over there. According to India's foreign policy, a foreign company is not allowed e- retailing over here. Therefore, in India, Flipkart sells the merchandises through an Indian company ws retail. Flipkart also provides its own platform to other companies who are interested in selling their goods. The website is very easy and hassle free. Browsing, keeping track of products, getting reviews, ordering goods and payment methods are very convenient for the individuals. At first Flipkart started its operations on the consignment model in which they personally bought the book and couriered it. Later they opened many warehouses where the goods were stored safely. The first warehouse was opened in Bangalore and later in Delhi, Mumbai, Chennai, Hyderabad, pune, Noida and Kolkata. As of today, more than five hundred suppliers are working for Flipkart. At least 80% of the orders placed are handled and controlled via warehouses. Shipping companies and courier companies are the real mediators in this setup.

The quick and well-organized service is the reason why the company has been able to put its mark on the Indian market. Their delivery network is spread over thirty-seven cities with delivery being possible in any nook and corner. Price in the marketing mix of Flipkart - though Flipkart started its venture with an investment of just INR 400,000, today its net worth is nearly 1billion dollars as its sales are increasing day by day.

It still earns revenue of 50% from selling books online. Electronic commerce has become a huge hit because of Flipkart. Its price policy is very flexible because of online transactions. Amount to be charged is determined after looking at the innumerable expenses like transport expenses, supplier expenses, packaging costs, courier charges, shipping cost, office expenses, maintenance expenses, discount allowances, depreciation, taxes, advertisement expenses and many other expenses. Discounts up to 35% are allowed periodically to boost up the sales and maintain competitive prices. For payments, Flipkart allows credit card transactions, cash payment after delivery, transaction through debit card, by swiping card on delivery, vouchers available as e-gift and net banking. Promotions in the marketing mix of Flipkart - Flipkart has changed the concept of multi brand retailing of products through internet in India. Its huge success has proved to be an inspiration for other companies. It operates mostly through mouth advertising. The satisfied customers have been their best promoters. To have a firm grip on the online world Flipkart has used the services of google ad-words and SEO.

These marketing tools have made them household names. Downloading the exclusive app of Flipkart helps in getting alerts about the current offers, order status, price drops, recent launches and various gift coupons. Flipkart has also taken the help of creative and interesting advertisements so that an awareness and trust is generated for their website amongst the people. Their first campaign was shown on tvc with the concept that books can be delivered with just a single click. Recently an ad has been launched to increase the social visibility where the tag line is "no kidding no worries". Trained individuals are hired to fulfill their responsibilities adequately. The systematic planning and level of effort undertaken to reach such heights is commendable.

AMAZON

SEGMENTATION

E-commerce giants like Amazon uses demographic & psychographics segmentation to segment the markets. Amazon's segmentation is based on actual purchase behavior: not what people might have expressed interest in, but what they actually did. Amazon's micro-level segmentation targets each customer individually, allowing the company to convert visitors into long-term, high-value customers. Customer segmentation often involves creating personas who will buy in a certain way & certain products. Similarly Amazon targets the middle class & upper class people who have got hands on experience in the basic technology but don't have time or prefer convenience over shopping from the physical outlets. Amazon has successfully positioned itself as a glocal (go global act local) e-commerce giant where one can buy anything & get it delivered at any remote locations. Using the catchphrase #aurdikhao in its most recent campaign in India, it has further helped them carve a distinct space in the consumer's mind.

MARKETING STRATEGY

In order to differentiate itself, company acquired many it & e-commerce start-ups like pets.com, audible.com, junglee.com, imbd.com, zappos.com, woot etc. Which helped them in providing high value to their customers using existing technology of the acquired partners at low cost? Amazon has also achieved economies of scale through extensive product offerings which include electronics, toys and games, apparels, DIY and many more. These offerings help Amazon to keep its prices low thereon passing on the benefits to the consumers.

Amazon's robust customer centric approach to analyses the customer buying behavior based upon preferences has helped them to have competitive edge over their competitors. More than 50% of the consumers are the repeat buyers at Amazon.com. Furthermore, Amazon is one of the longest players to be present in the online sector and has a solid hold

in European countries and us. This bottom line is helping the company to expand in new markets.

Brand equity in the marketing strategy of Amazon: from being merely an e-book provider to emerging as the 2ndlargest e-commerce company in the world**,** Amazon.com has steadily increased its spending on advertising and promotion to make its brand stronger and have a higher brand equity. By april 2015, the brand of Amazon.com was worth us$ 176 billion. "a brand for a company is like a reputation for a person. You earn reputation by trying to do hard things. With more than 55% repeat buyers, the numbers tell everything about the brand. It is among 13 world's most valuable brand" (Forbes list).

Competitive analysis in the marketing strategy of Amazon: short listing the competitors of Amazon depends on what business sector of Amazon is being considered. Apple would be the largest competitor when considering book or content related delivery such as books, movies, magazines, and audiobooks. The iTunes store will always be a threat to the Amazon store because of apples devices like the iPad, iPhone, and MacBook. When considering web services google would emerge as the largest competitor.

Walmart is the biggest threat to Amazon in us as reports roll in of various attempts to compete with the large online retailer. Reports of Walmart testing a locker system for consumers where shoppers can order and pay online and pickup at their convenience are surfacing. Walmart is also still testing same-day delivery in four cities and remains the fourth largest online retailer. Walmart rakes in about $9 billion in internet sales, which Amazon more than doubles in a quarter. However, Amazon does not have the physical structure base that Walmart has to start with.

In developing countries as well as in developed, there are many local portals which give tough competition to Amazon. For example – Snapdeal, Flipkart are some of the competitors of Amazon. Similarly, group on, first cry are specialized e-commerce portals which take away traffic from Amazon. Thus, these local competitors of each country also

react strongly to Amazon's presence. Market analysis in the marketing strategy of Amazon- the global e- commerce market is still in the evolving phase. With the adaptation of technology in the developing economies customers are now becoming more comfortable with online shopping. Fierce competition from biggies like Alibaba, eBay, start-ups & local ecommerce players like Flipkart, Snapdeal is more of resulting into overall growth of the industry which is good for the industry.

Customer analysis in the marketing strategy of Amazon- Amazon customers consist of upper- & middle-class social groups who have inclination towards using e-commerce portals and are comfortable with online shopping. Majority of the customers are professionals or businessmen who are busy with their business/job & find it convenient to purchase anything online rather than visiting the physical outlet in order to save time & money. Furthermore, the customers might also be the ones who are searching for deals. Due to this, the portal is known to have specific days where they give massive discounts to their buyers.

MARKETING MIX

Product in the marketing mix of Amazon

Amazon is an international ecommerce company, using connections to the internet from various gadgets such as phones and tablets, to allow its customers to browse and purchase products immediately. These products are then delivered to the customer, using delivery service companies. Amazon has built up a huge product base, and sells almost everything, including: kindle, books, DVDs, mobile phones/tablets, gaming consoles and games, clothes for men/women and children, jewellery, gardening equipment. Amazon initially started only with books and it is till date known as the highest book seller in the world. This is why, Amazon also introduced kindle. Kindly is an eBook reader from Amazon and it is the reason that the publishing market is having such a big revolution of converting hard paper to digital eBooks because ease of reading by kindle. Due to success of kindle,

Amazon also introduced kindly fire – its own tablet pc. Type in a search entry into a search engine for a specific product, and the chances are that Amazon will stock what you need, and will be on the search list. As they continue to grow, more and more products are added to their inventory. Once established into books, Amazon quickly expanded to other products to maintain its presence in the market. Where eBay is known for techie products, Amazon is known for knowledgeable products. Amazon continues to expand its product base, and in July 2014 it entered the smart phone market, releasing its very own *fire phone*. The phone followed the release a month earlier of Amazon's very own set top box system Amazon fire tv which allows streaming from various channels, as well as supporting speech commands when searching.

Place in the marketing mix of Amazon

In the recent past, sites such as India plaza and all school stuff were forced to close due to the lack of trust when buying goods online. However, the brand image of Amazon enables it to have a far and wide presence and the bottom line of the company is enough to enable massive R&D efforts to secure the website. Amazon has customer service bases in many of the countries where it has an online presence, with most bases being located in the different states of the USA. Amazon employees are friendly and relaxed.

Promotion in the marketing mix of Amazon

While Amazon has broadcast television commercials, these are mostly in the American market. Amazon uses mainly web based advertising, and they make some use of billboard and smaller methods of advertising. Amazon also uses advertising networks online so that whenever you check something on Amazon, you will see an ad for the same thing somewhere else on some other website. Search engine marketing and getting the company's name high up the search engine's results is also a smart promotional strategy by Amazon. The founder of Amazon had this in mind when creating the company, deciding that it should start with an 'a'.

In India, Amazon can be seen to rely on the best source of promotion there is – word of

mouth. People telling others about the site, or mentioning it in a positive way is a sure way to have a new future customer. However, there are several print media ads to make their presence felt to the people. However, much more is needed in the promotions department from Amazon in India because the traffic of Amazon is being taken over fast by Flipkart.

Price in the marketing mix of Amazon

Amazon is competitive with its prices, and has little ways of staying ahead of its market contemporaries. For example, if you are looking to buy a book, Amazon offers you a new copy, or a used copy as well, complete with pricing and condition. Another initiative is to pay to have a premium account, ensuring faster deliveries. Amazon can also keep their prices competitive due to their use of staff. Minimum numbers – but well trained – ensure that consumers benefit from the lack of overheads, and the result is shown in the prices online.

As more and more people can access broadband connections in India and get online, the competition for the likes of Amazon.com will toughen. Amazon's quiet entry into India has seen some growth so far due to its brand image, and it will be looking to keep its prices as low as possible to capture a slice of the growing market place. It faces tough competition from the likes of eBay, Flipkart and Snapdeal.

6. ADVERTISING AND PROMOTIONS

2015 ADVERTISING STATISTICS FOR E-COMMERCE FIRMS

2015 was the year when e-commerce companies opened up their war chest, built over years, and spent heavily on advertising on garnering market share and brand building. The advertising amount was spent across channels – tv, print and digital media – with tv ad spends getting the lion's share. It was an interesting year. Advertising budget for a startup had a direct correlation with the amount of funds raised by it. For E.g., Limeroad, grofers and Craftsvilla collectively raised close to Rs. 60 crores in 2015 of which Rs. 28.5 crores were spent in advertising.

Let's have a look at the highlights of the advertising spend done by various e-commerce companies in 2015.

1. With an estimated advertising budget of Rs. 350 crores, ask me group was the biggest advertiser among its peer. The group is backed by helion investments and Astro Malaysia.
2. 2. During the festive period (sep – nov), e-commerce firms in India spent Rs. 500 crores in advertising. The entire advertising spent of e-commerce players, during 2014, was Rs. 600 crores.
3. Jeff Bezos owned Amazon spent 224 crores on advertising during the 3 months of festive season whereas Flipkart spent almost 70 crores during the same period.
4. Flipkart owned fashion brand, Myntra, spent around 30 crores on advertising while used- goods marketplace, olx, spent over 55 crores during the peak season of sep-nov 2015.
5. According to tam media research pvt. Ltd., e-commerce firms have spent a total of Rs. 1,200 crores in the first 9 months of 2015 (till sep 30, 2015).
6. This was an increase of over 46 percent over the corresponding period in 2014. Close to 70 percent of the advertising budget was spent on prime-time spots

whereas over 40 percent of the spend was done on non-fiction channels. Why non-fiction? Companies targeting youth believed that these channels would give them better conversion and reach as compared to traditional entertainment channels.

E-COMMERCE ADVERTISING LANDSCAPE TILL 2015

Spending big –Flipkart's annual advertising budget is about rs. 75 cr, while Amazon's expected investment in advertising for 2014 is rs. 100-150 cr. In 2013, e-commerce companies spent rs 1,355 cr on advertising overall. In 2015, nearly rs. 221 cr have already been spent on advertising by the major players of the e-tailers in the first six months. This does not include players in the travel industry such as MakeMyTrip, yatra and clear trip. Travel contributes 70% to the e- commerce market in India. During recent festive season, Snapdeal is a clear winner with use of massive budget on advertising and literally flooding all tv shows and movie channels with Snapdeal advertisement. The exact figures are not available but rough estimates amount up to Rs 100cr being spent on festive season advertising budget.

Print vs. Radio vs. Television vs. Online: in 2014, until now, print has been the most widely used medium of advertising, with e-commerce companies spending Rs. 599 cr on it. In a country where 47.2% households have television sets, as compared to 11% of online users, television is the next medium of choice, where online players have spent Rs. 170 cr, finally followed by radio at rs. 13.9 cr.

Capturing the market eye-balls in travel

Travel e-commerce is valued at $8 bn in India, accounting for 70% of the overall market, and growing at a 32% cagr. Travel websites in India have so far preferred to wage fare wars, competing on the value of sales offered in tickets and hotel bookings rather than direct advertising. Those that have tie-ups with hotels and offer complete travel solutions

also compete on the types of package tours and their competitive pricing. Flash sales and fare wars have increased the overall travel spends by 20-25% in 2014.

How do e-commerce players manage to spend big amounts on advertising?

Almost all the e-commerce players are backed by global and local investors who are pouring millions of dollars in these companies. A large part of this investment is being used by e- commerce players to enhance their brand identity and corner a loin share of online shoppers. Of- course, the smaller companies who lack substantial investment are at a loss here. However, some of the smaller, niche e-commerce players are making targeted marketing efforts to channelize their advertising fund to maximize roi.

Outlook for spend on advertising in 2016

According to a report by zenithoptimedia, the ad spend in major Asian economies will continue to grow in 2016, albeit at a lower rate of 8.4 percent when compared with 8.9 percent growth of 2015. The slowdown will primarily due to sluggish ad spending in China which currently accounts for 74% of the total Asian advertising spend. Besides, India and China, the major Asian economies include Indonesia, Malaysia, Pakistan, Philippines, Taiwan and Vietnam.

<u>FLIPKART ADVERTISING AGENCY</u>

Happy creative services, which has been the brand's creative agency since 2010. Myntra, the fashion e-commerce major which Flipkart had acquired in May 2014, will be handled by Lowe Lintas, which had already been the brand's creative agency since march 2014. Flipkart and Myntra continue to operate as separate entities and Myntra founder Mukesh bansal is the head the fashion business for Flipkart and join the Flipkart board.

Flipkart's first tv commercial for the e-retailer, 'fairytale', was an elaborate 100-second effort. Created in the old English style of fairytales, it was the story of an old woman, a

voracious reader, who lives in a cottage and orders her daily read by clicking on a live mouse. The rest of the ads including 'no kidding', 'shopping ka naya address' and the most recent one, 'Flipkart it', have been etched in tv viewers' minds owing to the unique approach of using child actors to communicate the ease of shopping on Flipkart. In 2013, the e-commerce portal announced its entry into the realm of fashion and lifestyle with a new tvc campaign titled 'fashion has a new address' - an extension of its previous punchline, 'shopping has a new address'.

<u>AMAZON</u> ADVERTISING AGENCY

Orchard advertising India is Amazon India's advertising agency. Orchard advertising India highlights the benefits of shopping on Amazon.com with # we Indians. Conceptualized and executed by orchard India and directed by Anurag Kashyap, the one minute video shows Amazon as a reliable place to shop from with original products, easy return policies and on-time delivery.

The video comes along with a song with lyrics by Amitabh Bhattacharya and music by Amit Trivedi. #Aurdhikhao to #trytohkar, #apni dukaan and now #weIndians are the famous taglines used for Amazon India advertising.

7. SWOT ANALYSIS

FLIPKART: SWOT analysis of Flipkart

THE SWOT ANALYSIS

A key tool for developing your business strategy

Internal factors — Strengths — Opportunities — External factors

SWOT

Weaknesses — Threats

Business 50MINUTES.com
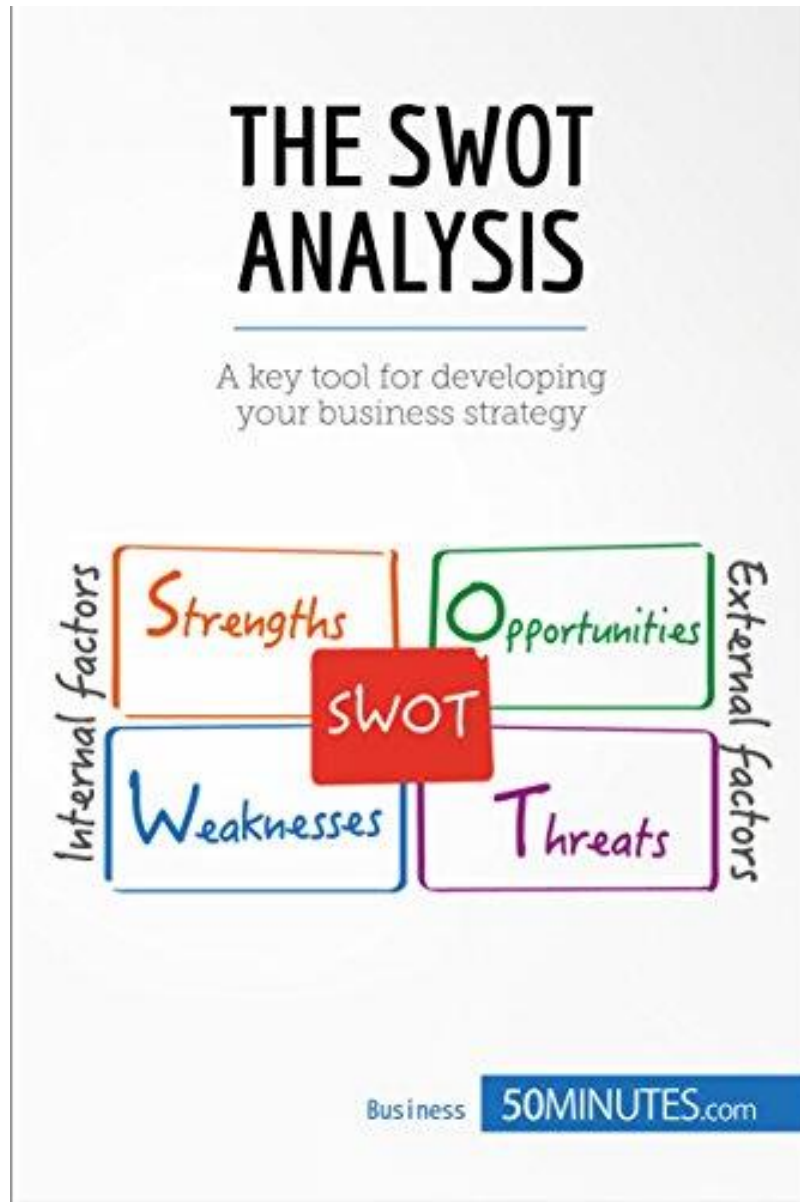
❖ **Strengths:**

1) **India's largest e-commerce retailer:** Flipkart is the India's largest e-commerce company & had sold gmv (gross merchandising value) of $1 billion till now.

2) **Experienced founders:** the founders of Flipkart, sachin & binny bansal are ex-Amazon employees. Having prior experience in the e-commerce industry helped the founders to work strategically and differentiate their business in a highly competitive market.

3) **Acquisition:** with its series of acquisitions like letsbuy.co, chakpak.com, weread.com, mine360 & the recent one Myntra in 2014 has helped the company to expand in the e- commerce space & used the capabilities and existing resources of acquired companies.

4) **High brand recall:** Flipkart has established itself as a renowned e-commerce company in India through tv ads, online branding and through its presence on social media. Brand activities like the "big billion day" have really increased the brand recall of the company.

5) **Own payment gateway & logistic arm:** having its own logistics arm e-kart & payment gateway pay zippy has helped the company to control its expenses. Thereby passing the benefits to the end customers.

6) **Exclusive & broad range of products:** from having exclusive rights to launch some products like motog motox, xiaomi mi3 as well as personal designers' segments in garments category, has helped the company to differentiate and localize its offerings.

❖ **Weaknesses:**

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

2) **Cost of acquisition:** due to stiff competition in the market & low customer retention, the cost of acquisition is high because Flipkart acquires a lot of

customers through online advertising. As per Flipkart data, the company spends r.s 400/- on acquiring a new customer on an average.

3) **Power in the hand of buyers:** since this industry is flooded with many players, buyers have a lot of options to choose. Switching costs are also less for customers since they can easily switch a service from one online retail company to another. Same products will be displayed in several online retail websites. Product differentiation is almost absent and the fight then begins on the basis of price only.

❖ **Opportunities:**

1) **Expansion of business:** by targeting other emerging markets company can increase their revenues as well as it can have economies of scale.

2) **Expanding their product categories:** this will increase their customer base & at the same time will reduce the cost of acquisition and customer switch.

3) **Changing mentality of Indian customers:** with increasing numbers of customers getting comfortable with online shopping & increase in numbers of internet users in India, there is huge potential in this industry.

4) **Supply chain:** by optimizing their supply chain they can compete with the other players & can manage the loosing sales on account of not making the product available due to delivery constraints.

5) **Establishing in other developing economies:** like Amazon, Flipkart can slowly start expanding out of India and establish operations in other countries as well which will help improve revenues.

❖ **Threats:**

1) **Competition:** stiff competition from the global players like Amazon, eBay as well as local player like Snapdeal, tolexo and shop clues who are continuously trying to eat each other's market share.

2) **Government regulations** on the issues related to FDI in multi branding retail has been a big hurdle in the success of the e-commerce industry in India.

AMAZON: SWOT analysis of Amazon.com

❖ **Strengths:**

1. **Strong background and deep pockets –** built on its early successes with books, Amazon now has product categories that include electronics, toys, games, home and kitchen, white goods, brown goods and much more. Amazon has evolved as a global e- commerce giant in the last 2 decades.

2. **Customer centric:** company's robust crm has created customer centric processes in order to carefully record data on customer's buying behavior. This enables them to offer individual items, related items or bundle them as an offer, based upon preferences demonstrated through purchases or items visited. Also, the company claims that 55% of their customers are repeat buyers resulting in low cost of acquisition of new buyers.

3. **Cost leadership:** in order to differentiate itself, company has created several strategic alliances with other companies to offer superior customer service. The most important strategic tie ups are with logistics provides who control costs. Because of playing on economies of scale, Amazon is able to lower the inventory replenishment time.

4. **Efficient delivery network:** with its strategic partners & due to its Amazon fulfilment centers, Amazon has created a deep & structured network in order to make the product available even at remote locations. It also has free of cost delivery charges in certain geographies.

5. **Glocal strategy:** by using the strategy of "go global & act local", Amazon is able to fight with domestic e-commerce companies through absorbing & by forming / partnering with supply chain companies. The branding too is done as per local taste. For example- in India, Amazon is currently using the "aur dikhao" campaign to encourage users to browse more of their products.

6. **Acquisitions:** acquiring companies like zappos.com, junglee.com, imbd.com,

woot.com etc. Has proven to be a successful and revenue generating step for the e commerce giant.

❖ **Weakness:**

1) **Shrinking margins:** due to extensive delivery network & price wars Amazons margins are shrinking, which is resulting in even losses. In India, Amazon had a loss of $359 crs in the year 2013-14.

2) **Tax avoidance issue:** Amazon has attracted negative publicity on account of tax avoidance in countries like u.s & uk. Most of its revenue is generated from these well established markets.

3) **High debt:** in many developing nations Amazon is still struggling to make the business profitable thereby affecting the overall profitability of the group resulting into high debt.

4) **Product flops:** Amazon launched the fire phone in the us which was a big flop. At the same time, kindle fire did not pick up as strongly as kindle did. Thus, there were several product flops which caused a dent in Amazon's deep pockets.

❖ **Opportunities:**

1) **Backward integration:** Amazon can come up with its in-house brands in different product categories. They can also differentiate their offering. This will help them make profits in highly competitive e-commerce market.

2) **Global expansion:** expansion mainly in asian & developing economies will help Amazon because those are the markets with low competition in e-commerce industries & are not saturated like developed economies.

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

4) **Opening physical stores outside U.S.:** by doing this Amazon can help the customers to engage with the brand, resulting in increase in repeat purchases & increase in loyal customer base.

❖ **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.

8. PESTLE ANALYSIS

Flipkart: **PESTLE analysis of Flipkart**
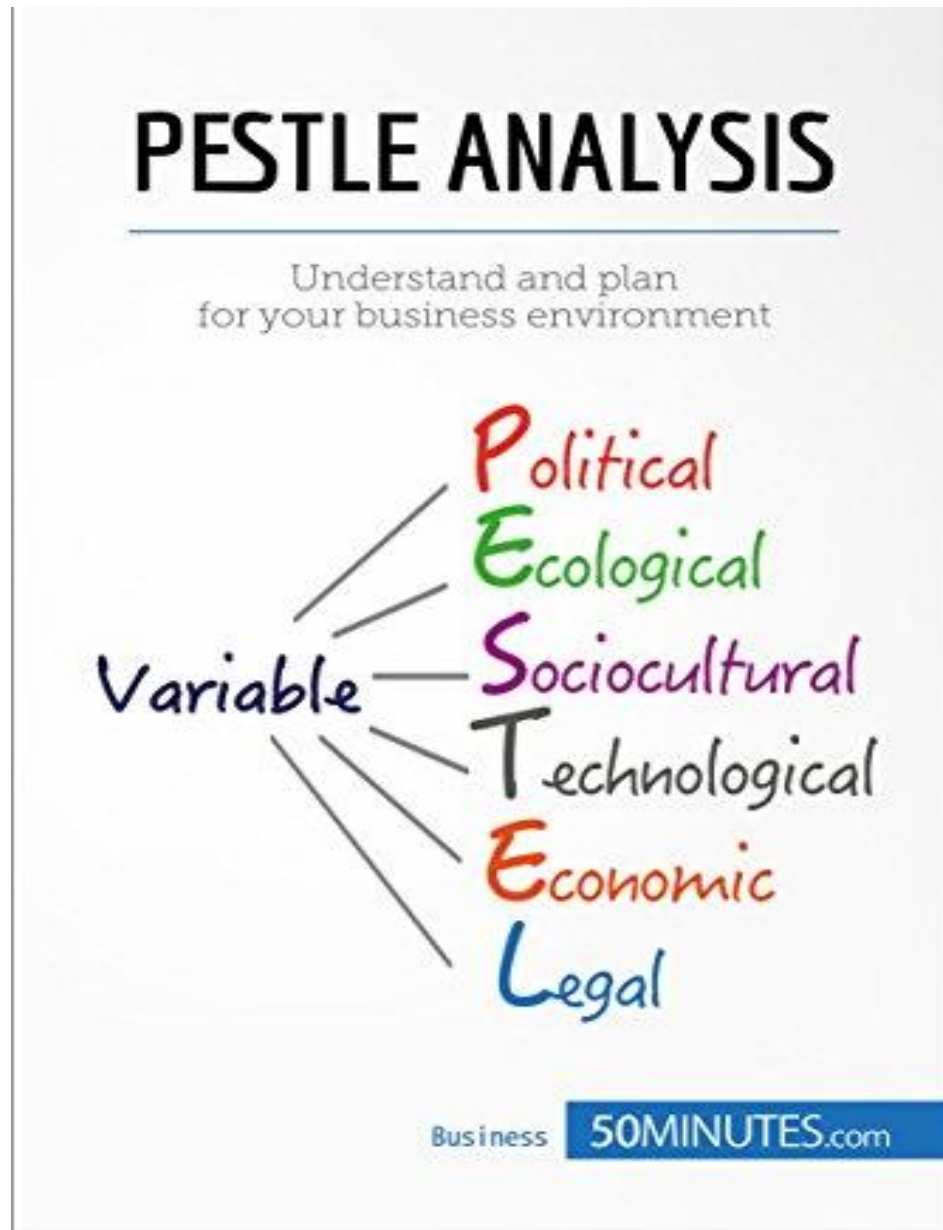
Political

According to Chaudhany (2016), GOI (The Government of India) is currently trying to boost the economy of the rural areas by promoting online businesses in these regions. GOI's plan may see new regulations in the e-commerce industry, which will influence Flipkart's operations. However, given that India elects leaders every five years, considerable uncertainty on Flipkart's interaction with the GOI exists because, as Bazzi & Clemens (2013) note, some leaders may be unfriendly to investors, which will negatively impact the company's operations.

Furthermore, in 2012, the GOI opened up the retail sector to the entry of multi-brand MNCs (Patibandla, 2014) to promote FDI (Financial-Direct-Investment), among other logistics that could improve India's e-commerce supply chain. However, allowing foreign retailers such as Amazon into the Indian markets has resulted in intense competition for Flipkart.

Finally, Miahra (2017) affirms that Flipkart must abide by rules such as the new GST bill that limits Flipkart from getting pricing benefits from sellers that are situated in countries with lower tax rates (Garg, 2014).

Economic

Indians' rapidly growing economy assures investors such as Flipkart of continued markets. Furthermore, the liberalisation of the Indian economy to allow international investors in various industries including retail will contribute to economic growth.

Furthermore, the government requires that foreign companies in India should sell or use specific percentage goods (for retailers) and resources (for manufacturers) respectively that are locally sourced (Patibandla, 2014). Such a strategy is useful to ensure sustainable economic growth. Furthermore, Kumar (2017) states that the number of online consumers is rising daily and there are expectations that approximately hundred million people will have gone digital by 2018; this will facilitate the growth of Flipkart.

Socio-Cultural

According to Rath & Samal (2015), most of the Indian population is rural, which stands at about sixty-nine percent and, while the urban population contributes to sixty percent of the total GDP. Rath & Samal (2015) expect that within the next 15 years, the urban population will contribute to almost seventy-five percent of the GDP. This trend demonstrates the importance of the urban population to organizations.

However, with the current GOI interventions to develop rural areas, these rural populations will be important to businesses such Flipkart in the future. Currently, Flipkart is struggling with its logistics, which, understandably, are concentrated in the urban areas. Nonetheless, as the importance of rural regions, which carry most of the India populations grow, Flipkart will need to expand its logistics.

Technological

According to Padhy & Sampat (2017), Flipkart has implemented data analytics systems for efficient business performance. Information systems in the company integrate the information about market opportunities and predict sales that the company is likely to make. This strategy enables the company to take advantage of technological advancements such as big data for competitive advantage. Furthermore, by 2019, approximately eight hundred million people will be using smartphones, and a larger percentage will be able to access e-payment platforms for an easier purchase of online products (Kumar, 2017).

Environmental

Despite the fact that Flipkart is an online retailer, its operations are subject to environmental factors. Rising concerns by both governments and consumers about sustainable business and low carbon emissions is a major issue (Marron & Toder, 2014). Governments promote sustainable business practices through rules and regulations. Some of the most popular rules pertain to carbon emissions and general environmental regulations (Marron & Toder, 2014). In some cases, these rules introduce fines or taxes, to organisations, which lower profitability margins for businesses.

Legal

Chaudhany (2016) asserts that there are legal factors that affect operations of Flipkart. In July 2015, Westland books accused Flipkart of selling "Scion of Ishvaku", yet Westlands alone was given the rights to sell the book by Amazon. This conflict demonstrates the need for Flipkart to be more aware of property rights such as licensing and trademarks.

Furthermore, the recent Zomato breach resulted in the theft of consumer data, which raises concerns about the ability of online organizations to protect consumer data (Kumar, 2017). As online business continues to grow, governments and corporations alike develop regulations. Some of these rules may complicate business practices or raise operation costs, which can influence profitability margins.

<u>Amazon:</u> PESTEL analysis of amazon

PESTEL - Synthesis

The PESTEL Analysis allows to analyze and anticipate the opportunities and threats of a company's macro-environment (all external variables with an impact on the business). It distinguishes six categories of macro-environmental influences. We followed 3 steps:

- Brainstorming & information searches in the media
- Grouping factors to define trends
- Define whether these factors groups are opportunities or threats
-

Political

Amazon's activities and development could be impacted by more or less aggressive protectionist policies. The United States is not a symbol of trade openness, other economic states follow suit and show their determination and claim their rank of great economic countries. The meetings of Donald Trump (President of the USA) with Xi Jinping (General Secretary of the Chinese Communist Party) and Vladimir Poutine (President of the Russian Federation) as well as the concerns of NATO indicate that the game of global alliances could change the balance through

economic pressures and influence the rights and duties of large international groups like Amazon.

It is especially true as substitutions to Amazon remain easily conceivable with finally few constraints (as long as the hypermarkets and malls still exist). Sometimes politic community can indirectly push towards e-commerce. For example, France has a specific government plan named "plan très haut débit" in which the French government wants to accelerate the 4G and optical fiber network deployment. This kind of political decision facilitates the access to the Internet, so to all services based on the Internet (e-business included).

Economical

Since the economic crisis of the beginning of the 1980-90s (stock market crash of October 1987), the world population consumes less and is back to an almost systematic search for the best deal. People want more comfort, always for the lowest price.

The competition game pulls prices down (appearance of the "low cost" concept), and unsurprisingly, after the decrease of computers and Internet accesses prices emerged systems of optimized supply chain sales such as Amazon (overpressure of intermediaries, removal of physical stores in the city). This movement is still ongoing (e.g., the recent democratization of smartphones and 4G packages) and is maintained by the disappearance of the middle class.

Jeff Bezos is in some ways an "Edward Leclerc" (founder of the first French cooperative society and hypermarket chain) at worldwide network level. So, we can think that Amazon has in front of it a very favorable economy to continue to grow up.

Social

As previously pointed out, the Internet brings in more and more users because:

- ❖ Subscriptions are becoming more affordable
- ❖ People (assisted by governments and competition between Internet Service Providers) have a better network coverage

- ❖ The development of the goods and people movements at a global level means that we need global networks to monitor them all the time and everywhere. All the countries around the world are opening up to the world, making large, formerly emerging countries new economic powers whose population is eager for new technologies, information and new services (e.g., China, India).

Our modern societies (and our governments) tend to restore gender equality. With an ever-increasing life cost, couples see that both people have to work. Therefore, both man and woman are less and less at home. This society evolution means that household chores such as errands become a waste of time that one would rather spend on leisure if possible.

The e-commerce and the "drive-in solutions" are a response to this time optimization need. Beyond the search for "low cost", e-business has changed our societies and is now becoming unavoidable and inseparable from our modern consumption patterns. The consumer changes his habits according to the constraints he experiences in his environment, meaning that the consumer interest in e-commerce is not foolproof.

The consumer behavior will evolve further in the coming years depending on the opportunities (e.g., technological developments, new services) that will minimize the impact of his daily constraints. One can also imagine that if the concept of a universal salary were to come into being (tests are ongoing in Finland) and became global to the world, the constraints currently applied to the consumer would be turned upside-down and that he could then get some time again to hang out in physical stores and would turn away from e-commerce.

Technology

"All modern societies are characterized by a shortage of time: the more modern a society is, the less time it has. It is not the oil that we will miss one day, but rather the time" says the German sociologist and philosopher Hartmut Rosa.

The more we innovate to do the things quicker (the more we save time), the less we have time per task (so the less we enjoy life, so the less we live).

According to Harmut ROSA, "acceleration is not the fault of the technique. One can imagine a world where, thanks to technical progress, it would be possible to release a surplus of time if the rate of growth were not so strong. Technical progress broadens our horizon and our possibilities. It changes the perception of opportunities and obstacles and also changes social expectations, both what we expect from others than what they expect from us. Technology allows the acceleration of the life beat, but does not impose it. It gives us the means to dispose of it freely". But it has yet to be implemented.

Hundreds of innovations grew in the recent decades and even more will in the upcoming years. Innovations fuel innovation and today the devices to browse the Internet are diverse: computers, tablets, hybrid computers, mobile phones, watches, etc. Channels are also more plentiful: ADSL, CPL, optical fiber, 3G, 4G, etc. Overall, all these tools are more efficient and more effective. As a result, more data can be processed and potentially more users can be attracted. In addition, artificial intelligence (e.g., Alexa) and "AWS machine learning services" (making predictions more reliable) make it easier and more commonplace to buy.

"The dream of modernity is that technology allows us to acquire temporal wealth. The idea behind it is that technical acceleration allows us to do more things per unit of time" wrote Hartmut Rosa. Around 1900, an average house had 400 different objects.

Today, it has about 10,000. This quantitative increase leads to have less time to take care of each object. We go faster with our computers, but we spend less time on it because we go from a mean to another all the time (due to the diversity of solutions): computers, tablets, connected watches, connected home, etc. Transportation is the same: switching from the "2CV" to the "DS7" allowed us to double our speed. But at the same time, we quadrupled distances when it comes to work, leisure and getting objects always further from home. This technological springboard has still bright years in front of him because multiple leaps are already announced (cf. https://buzzly.fr) as for example:

1. Unlimited data storage for all
2. The development of all kinds of sensors and connected clothes
3. The connected reading glasses

4. The generalization of the digital identity
5. Phones that will be more powerful than a microcomputer
6. Mobile phones implanted in the body
7. The trivialization of 3D printing for basic objects but also cars fully produced in 3D printing
8. The generalization of the means of sharing for transport.

And we can't imagine or anticipate the impact of nanotechnologies on innovations, business and the society. It's easy to see how these advances will continue to support Amazon's frenetic growth, unless our environmental concerns and the absolute need to preserve our planet (for our children's future) disrupt our consumption habits.

Environmental

This technical innovation acceleration, accompanied by an ever more targeted marketing favoring social competition, boosts the purchases. There is a real frenzy pushing to renew faster and faster our favorite products. Product lifetimes are shorter (sometimes voluntarily; see recent (in 2017) legal proceedings against Apple and Epson) and the products are often no longer "economically repairable" (the repair cost is often higher than the OEM production cost). This unbridled consumption draws on the resources of our planet and weakens its balance. It generates, despite the efforts of the politicians, a lot of pollution during the manufacture, the distribution and the waste treatment.

This pollution is at the origin of global warming that we know today and causes more and more natural disasters. CSR initiatives are becoming more and more frequent because, fortunately, more and more people and companies feel concerned and responsible for the future of our children. Even if all countries (e.g., the USA during the G7) do not deploy the same energy, globally, governments vote laws encouraging companies to reduce their ecological impact.

These measures have a high cost and non-compliance with these laws potentially has a high power of nuisance on the corporate image of the offending company. American and international groups like Amazon have every interest in accelerating and anticipating their ecological expectations

because their image is global and then we can only be convinced that US laws are bound to strengthen on the subject someday.

The consumer also wants to participate in this mission. For example, brands of plastic garments such as Patagonia are growing, despite higher prices than the competition. Emails also sport more and more the "Please consider the environment before printing" mention at their bottom. It is perhaps also for this reason that the consumer is moving more and more towards digital solutions such as e-commerce, considering that it is probably more environmentally friendly to use a carrier that will deliver several products to several people rather than having everyone to take his own vehicle to buy his object at the nearest mall.

Legal

Laws evolve to try to preserve our planet in the long term but they are also evolve to deal with globalization. Since the 19th century with the corporate tax ceiling put in place by the state of New Jersey (USA), the major international groups are looking for the best organization of their "holding" allowing the best possible tax optimization (this is called aggressive optimization). Noting the millions (and sometimes the billions) of taxes that elude governments, they adapt regularly through lawsuits and new laws of tax laws more binding for companies.

At a minimum, international groups must provision in the event that they are the subject of legal proceedings. They cannot ignore that social protection (even if it is not perfect) has made much progress (as for example in the USA) this last century.

Even without mentioning universal arrangements (in terms of wages and social protection) as early as 2019, we can assume that states will have to be very imaginative to finance its social strategy in the upcoming decades. The companies' tax rates could then be revised upwards with a decrease of the net income after tax.

MAJOR PLAYERS IN E-COMMERCE INDUSTRY

Top 7 E-commerce Websites in India

GoodWorkLabs
Technology Superstars

E-COMMERCE PLANET: THE TOP E-COMMERCE STARTUPS AROUND THE GLOBE
A Map of E-Commerce Companies with $100M+ in Funding as of 4/11/2017

RESEARCH METHODOLOGY

PROBLEM DEFINITION

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

Research

Business research can be described as a systematic and Organized effort to investigate a specific problem that needs a solution. More specifically, it is a process of planning, acquiring and analyzing relevant data and information. We can define business research as an Organized systematic, data-based, critical, objective, scientific problem undertaken with the purpose of finding answers to it.

In fact, research provides the needed information that guides managers to make decisions. They can deal, successfully, with problems.

Research comprises defining and redefining problems, formulating hypothesis or suggested solutions, collecting, Organising, and evaluating data, making deductions and reaching conclusion.

Research methodology

Research is an art of scientific investigation. It refers to a search for knowledge. The advance Learner's Dictionary English lays down the meaning of research as, "A careful investigation or inquiry especially through search for new facts in any branch of knowledge."

Research Methodology is a way to systematically solve the research problem. The research begins its formation when the problem or objective of the research is identified for which a research report is conducted.

Types of research: -

1. **Descriptive:** Descriptive research includes surveys and fact-findings enquiries of different kind. The major purpose of descriptive research is description of the state of affairs as it exists at present. The main characteristics of this method is that the researcher has no control over the variables; he can only report what has happened or what is happening.

2. **Analytical:** In Analytical research, the researcher has to use facts or information already available, and analyze these to make a critical evaluation of material.

3. **Applied:** It aims at findings a solution for an immediate problem facing a society or an organization/business organization.

4. **Fundamental:** Fundamental research is mainly concerned with generalizations and with the formulation of a theory. Research studies concerning human behavior carried on with a view to make generalizations about human behavior is an example of fundamental research.

5. **Qualitative:** It is concerned with qualitative phenomenon, i.e., phenomena relating to or involving quality or kind. For instance, when we are interested in investigating the reasons for human behavior (i.e., why people think or do certain things), we quite often talk of 'Motivation Research', an important type of qualitative research.

6. **Conceptual:** Conceptual research is that related to some abstract idea(s) or theory. It is generally used by philosophers and thinkers tp develop new concepts or to reinterpret existing ones.

7. **Empirical:** Empirical research relies on experience or observation alone, often without due regard for system and theory. It is data-based research, coming up with conclusions which are capable of being verified by observation or experiment.

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.

Different types of Research Design are as follows: -

1. Research design in case of exploratory research studies.
2. Research design in case of descriptive studies.
3. Research design in case of diagnostic research design.
4. Research design in case of hypothesis-testing research design.

In this study Descriptive research studies is used because descriptive research studies are those studies which are concerned with describing the characteristics of a particular individual, or a group and situation etc.

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 most of the research design it becomes almost impossible to examine the entire universe. So, the only alternative is to report to sampling. This is true for the present study as well. Basic principles to be followed in sampling are that the sample chosen must be representative of entire universe to be studied.

Universe and Survey Population:

Universe is the set of objectives to be studied. It can be finite and infinite. And survey population is a part of universe that represents the whole universe.

In this present study universe is 120 and survey population is 50 peoples.

Sample Size:

In this present study I 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 through various methods like:

- Magazines
- Newspapers
- Websites
- Books

In the Present Study Secondary Data is collected through:

- Different Websites
- Company Journals
- Books

Data processing

Editing, classification, coding and tabulation are the important stages in research. It is at this stage the mass of data collected during the survey is processed with a view to reducing them to manageable proportions. In other words, the data processing which encompasses, editing, coding,

classification, and tabulation, is an intermediary stage between the collection of data and their analysis and interpretation. Thus, these are the three crucial stages in the processing of social survey data.

Stages in data processing: -

1) Editing
2) Classification
3) Tabulation
4) Coding
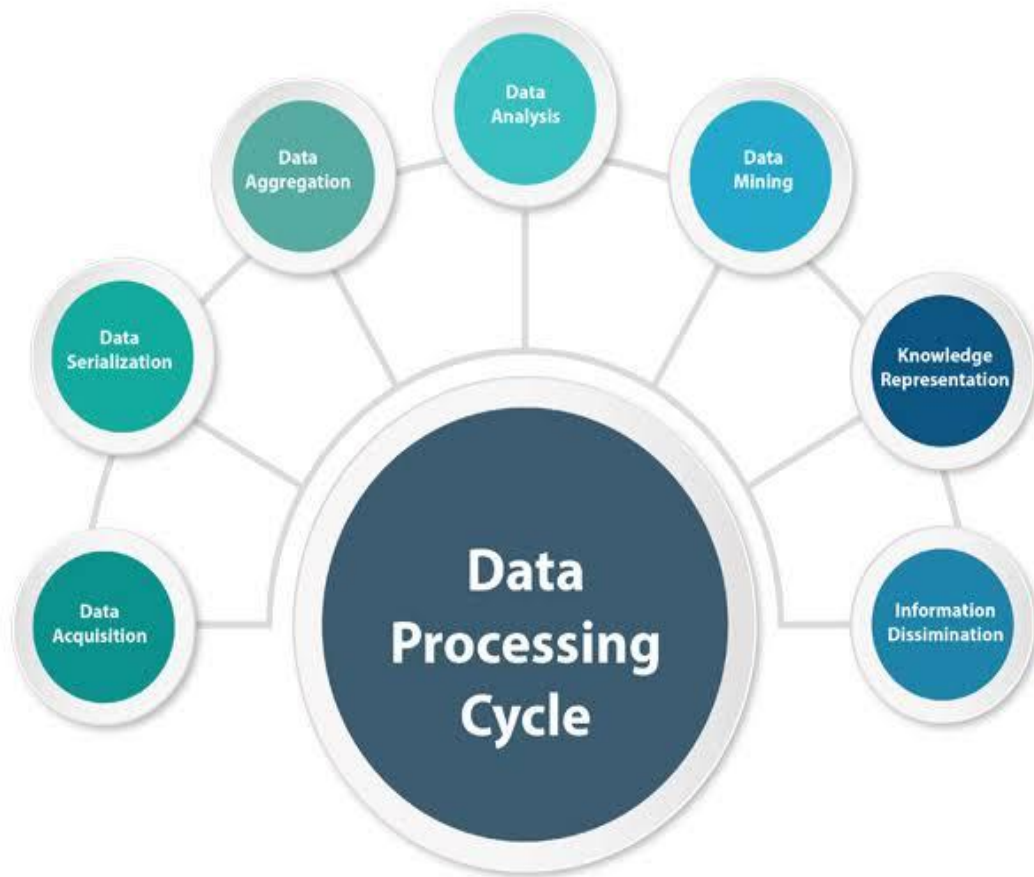
Questionnaire designing

A questionnaire is a form prepared and distributed to secure responses to certain questions. It is a device for securing answers to questions by using a form which the respondent fills by himself. It is a systematic compilation of questions that are submitted to a sampling of population from which information is desired.

Purpose of questionnaire are two-fold:

- To collect information from the respondents who are scattered in a vast area.
- To achieve success in collecting reliable and dependable data. The questionnaire procedures normally come into use where one cannot readily see personally all of the people from whom he desires response of where there is no particular reason to see them personally.

Questionnaire design process:

- Type of information needed
- Method of interview
- Contents of individual question
- Question structure
- Question wording
- Arranging questions in order

RESEARCH DESIGN	Descriptive
COLLECTION OF DATA	Primary data, secondary data
SAMPLE SIZE	50 respondents
SAMPLING UNIT	Individual
SAMPLING TYPE	Convenient sampling
AREA OF STUDY	Study area is limited to Aurangabad, Maharashtra
ANALYSIS PATTERN	Pie charts
METHOD OF DATA COLLECTION	Questionnaire method

DATA ANALYSIS & INTERPRETATION

❖ **Questionnaire questions**

Q1. Have you ever done online shopping?

OPTIONS	RESPONDENTS	%AGE
Yes	41	82%
No	9	18%
Total	**50**	**100%**
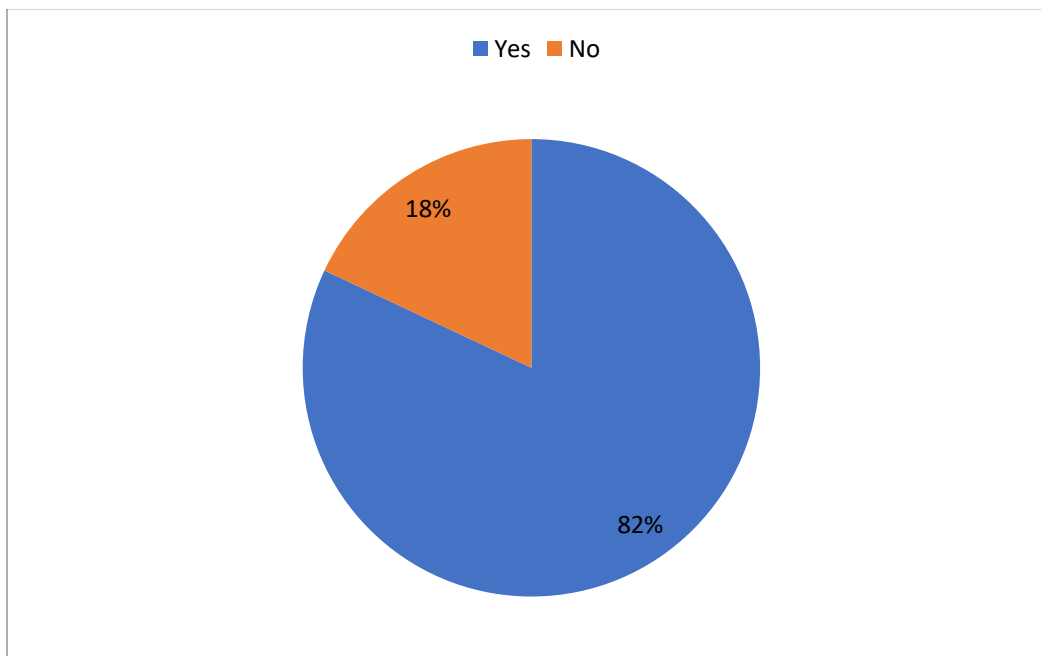
INTERPRETATION:

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

Q2. How often do you shop online?

OPTIONS	RESPONDENTS	%AGE
Once in month	32	64%
Once In two month	5	10%
More frequently	3	6%
More often	10	20%
Total	**50**	**100%**
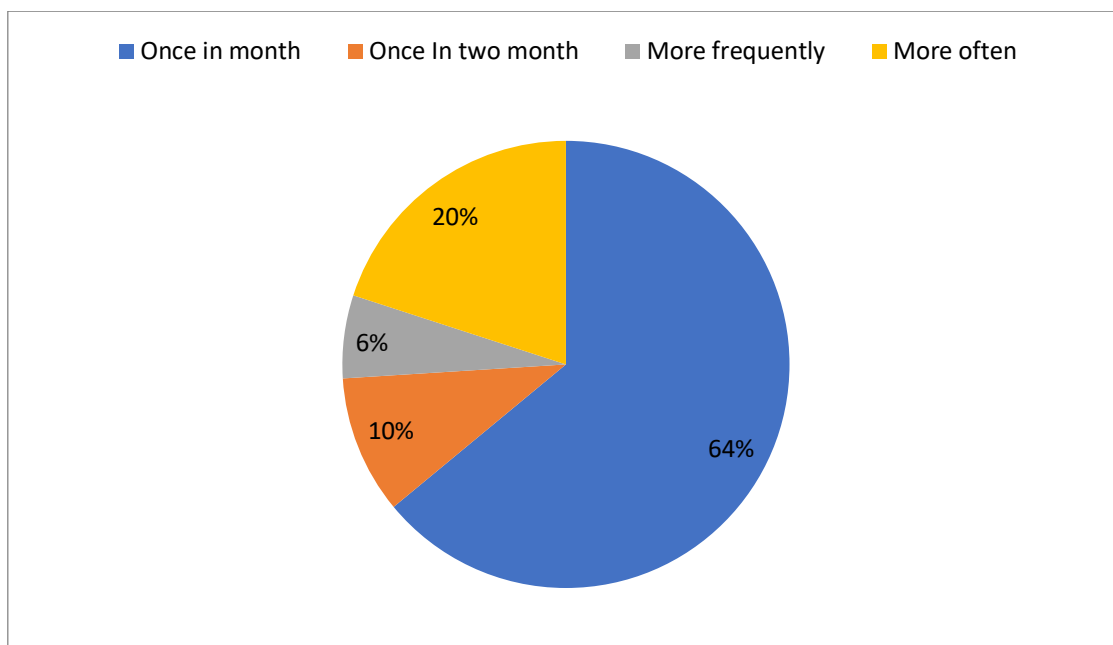
INTERPRETATION:

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.

Q3. Which online site do you prefer most?

OPTIONS	RESPONDENTS	%AGE
Flipkart	29	58%
Amazon	6	12%
Snapdeal	5	10%
Paytm mall	7	14%
Others	3	6%
Total	**50**	**100%**
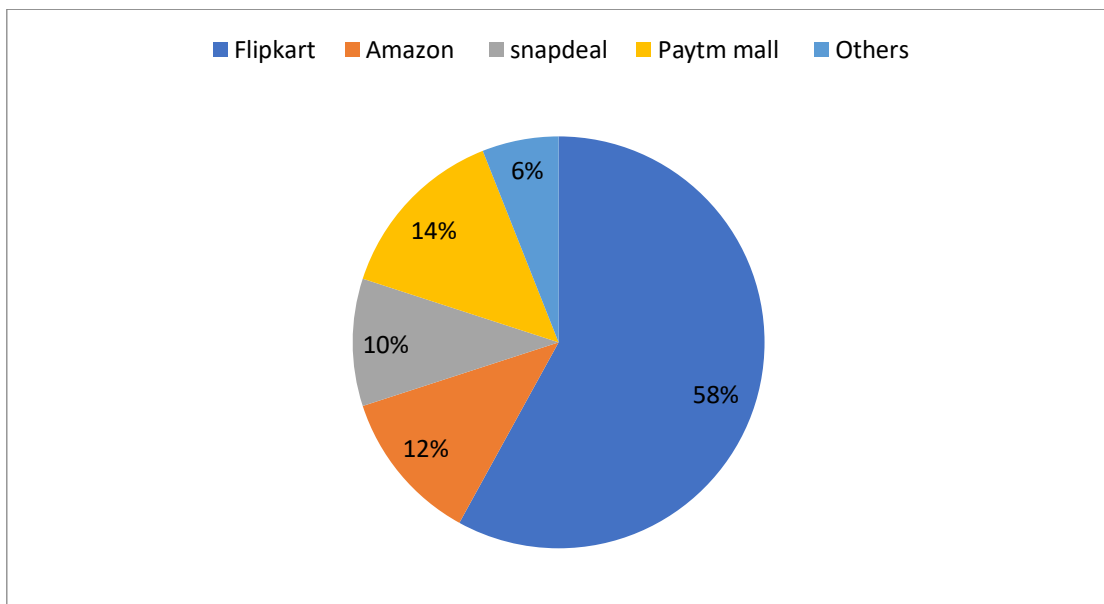
INTERPRETATION:

58% of peoples prefer Flipkart online site while making shopping online, 12% people use amazon, 10% of Snapdeal, 14% of peoples uses Paytm mall, and 6% of peoples using others websites.

Q4. How do you make payments when shopping online?

| OPTIONS	RESPONDENTS	%AGE
Debit card	29	58%
Cash on delivery	10	20%
Credit card	5	10%
Third-party-app(Paytm wal PayPal etc.)	6	12%
Total	**50**	**100%**
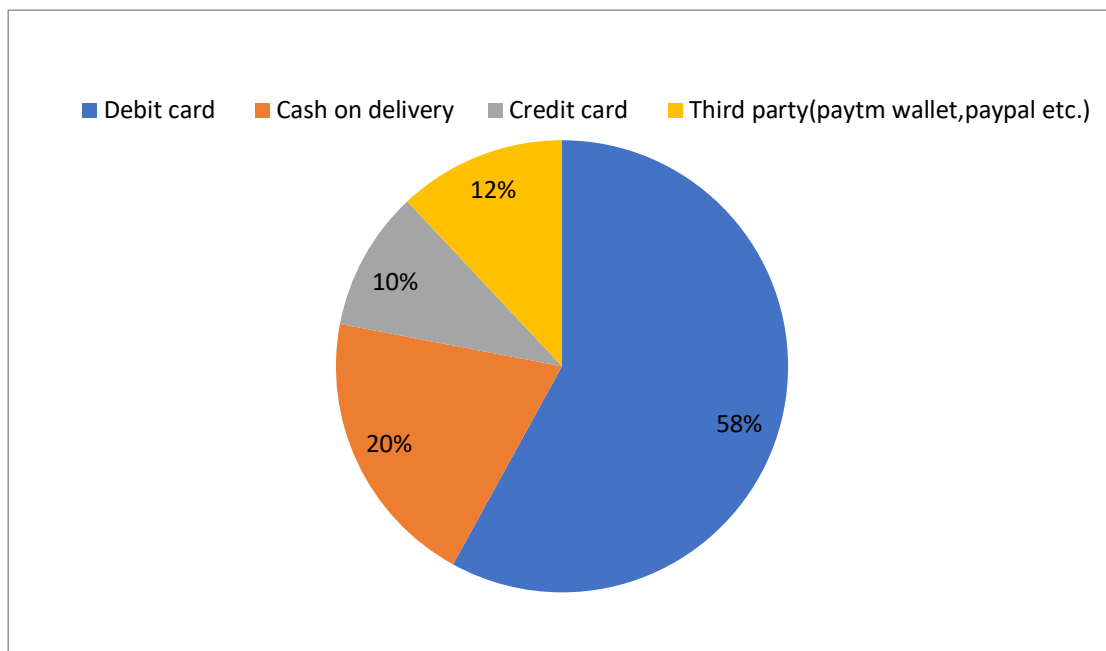
INTERPRETATION:

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 uses other payment methods

Q5. Which online service is more satisfied in terms of products, customer care and delivery?

| OPTIONS	RESPONDENTS	%AGE
Flipkart	20	40%
Amazon	25	50%
Snapdeal	3	6%
Others	2	4%
Total	**50**	**100%**
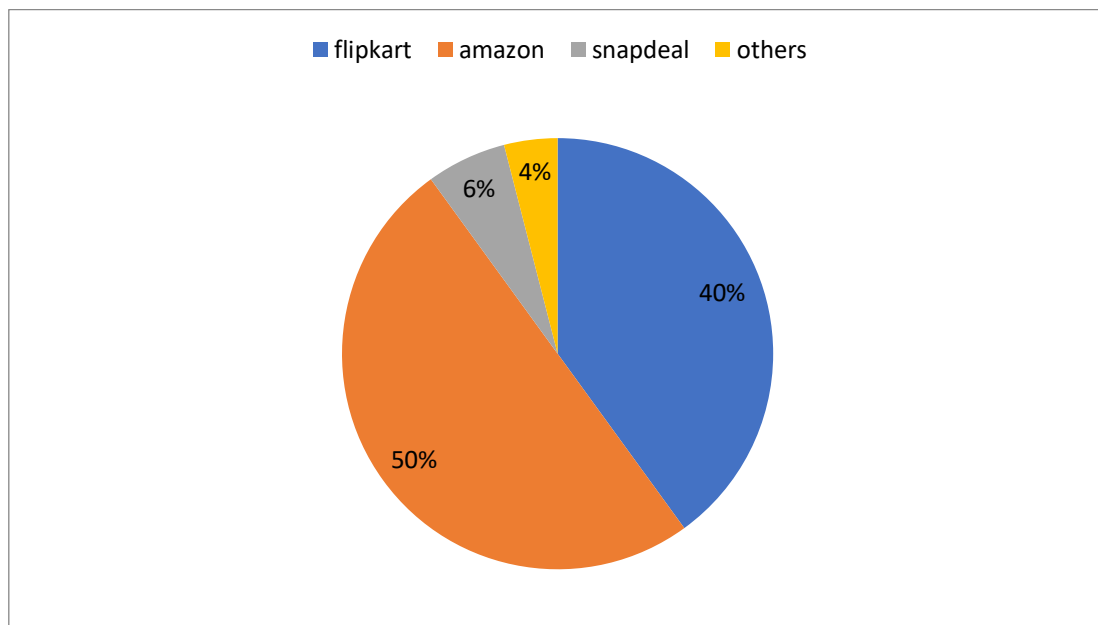
INTERPRETATION:

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.

Q6. How do you choose online shopping site?

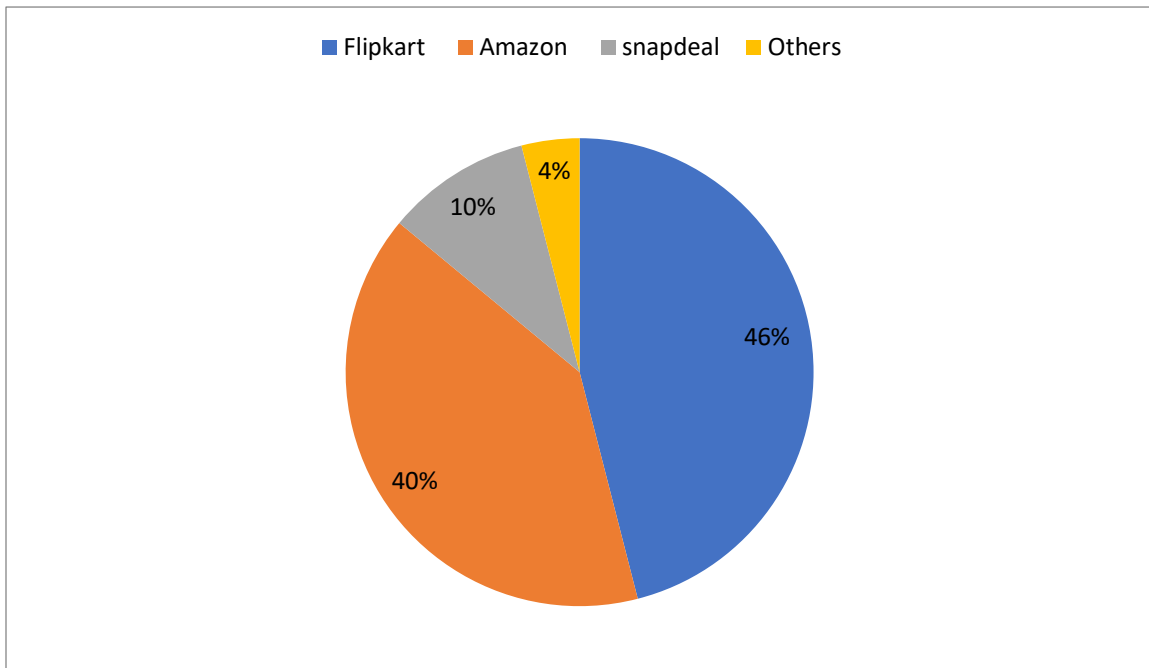| OPTIONS	RESPONDENTS	%AGE
Referred by friends	24	48%
Advertisements	15	30%
Online interviews	11	22%
Total	**50**	**100%**
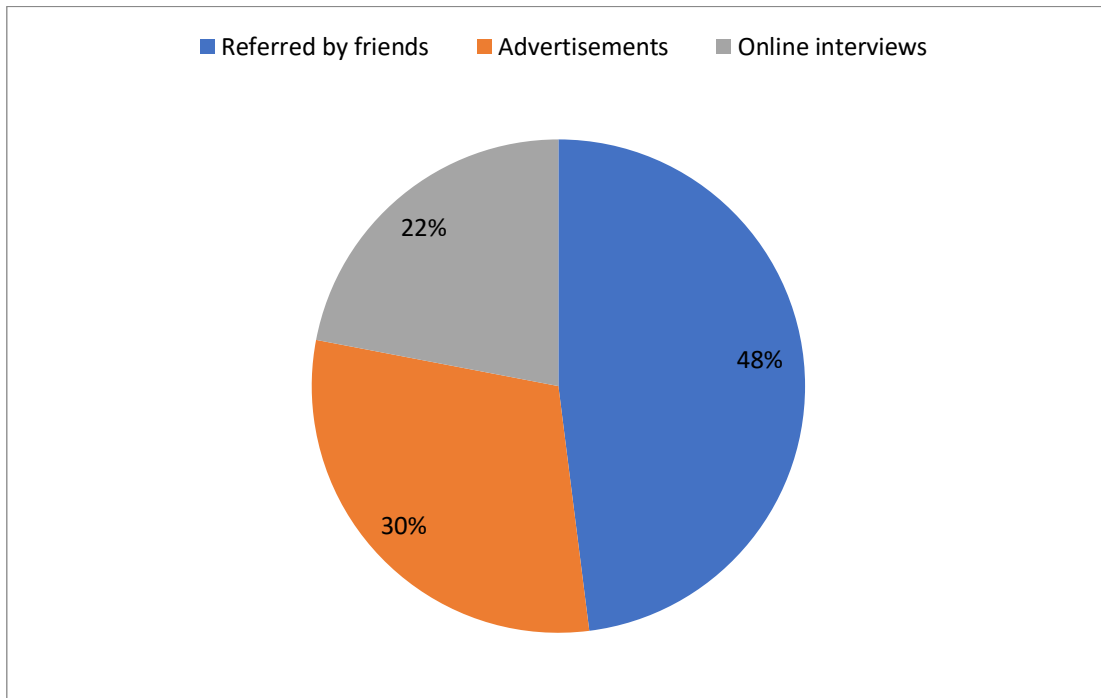
INTERPRETATION:

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

Q7. Have your encountered any problems with online shopping site? if yes, by which one

| OPTIONS	RESPONDENTS	%AGE
Flipkart	23	46%
Amazon	20	40%
snapdeal	5	10%
Others	2	4%
Total	**50**	**100%**

INTERPRETATION:

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

Q8. In terms of pricing, with which online shopping site you are satisfied?

| OPTIONS	RESPONDENTS	%AGE
Flipkart	16	32%
Amazon	19	38%
Snapdeal	7	14%
Paytm	5	10%
Others	3	6%
Total	**50**	**100%**
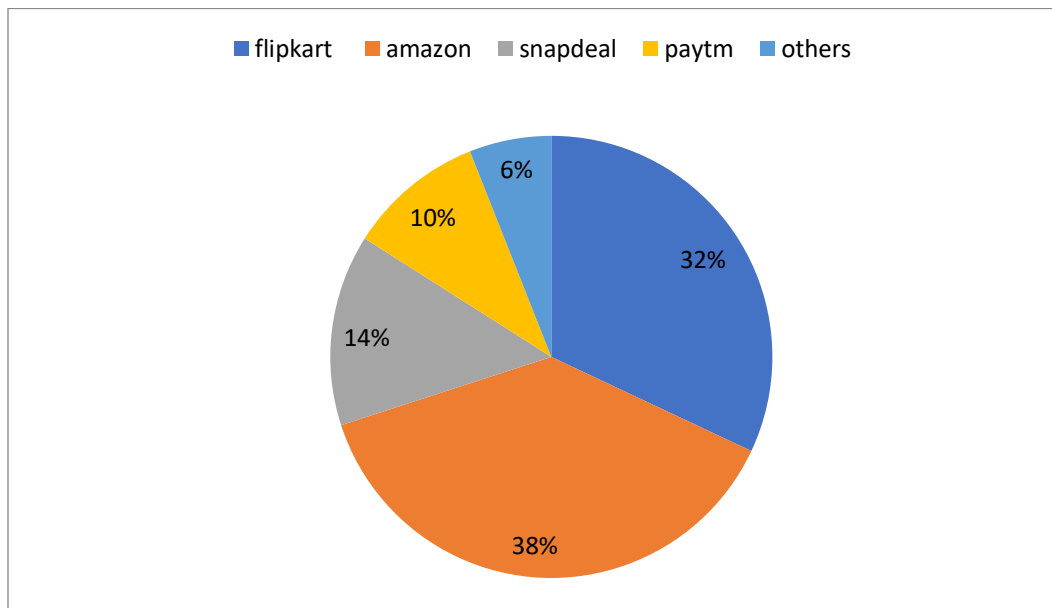
INTERPRETATION:

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.

Q9. Which online shopping site will you suggest to your family and friends?

| OPTIONS	RESPONDENTS	%AGE
Flipkart	20	40%
Amazon	16	32%
Snapdeal	9	18%
Paytm	2	4%
Others	3	6%
Total	**50**	**100%**
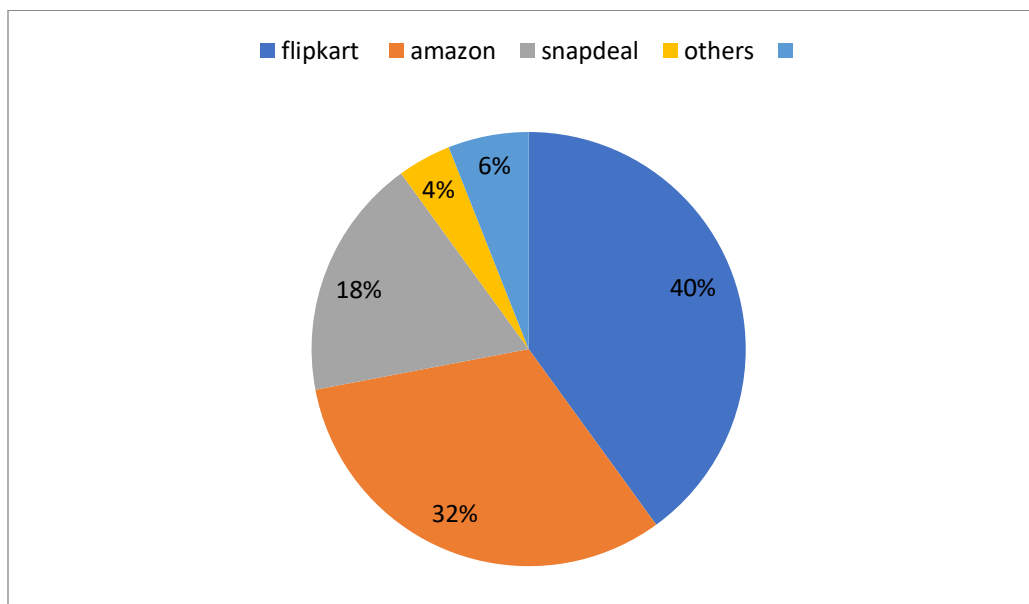
INTERPRETATION:

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.

Q10. On which occasions do you want to make purchase?

| OPTIONS	RESPONDENTS	%AGE
Festivals	21	42%
Gifts	12	24%
Offers	8	16%
Weddings	5	10%
Others	4	8%
Total	**50**	**100%**
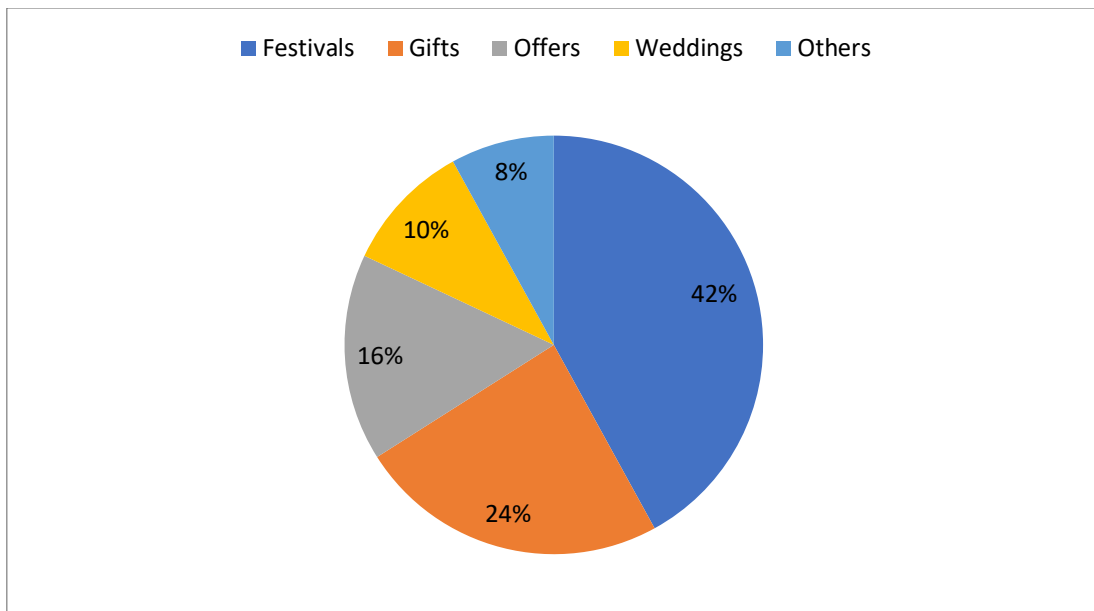
INTERPRETATION:

42% of peoples wants 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.

Q11. Do promotional activities impact your purchasing decision?

| OPTIONS	RESPONDENTS	%AGE
Strongly agree	19	38%
Agree	14	28%
Neither agree nor disagree	11	22%
Disagree	4	8%
Strongly disagree	2	4%
Total	**50**	**100%**
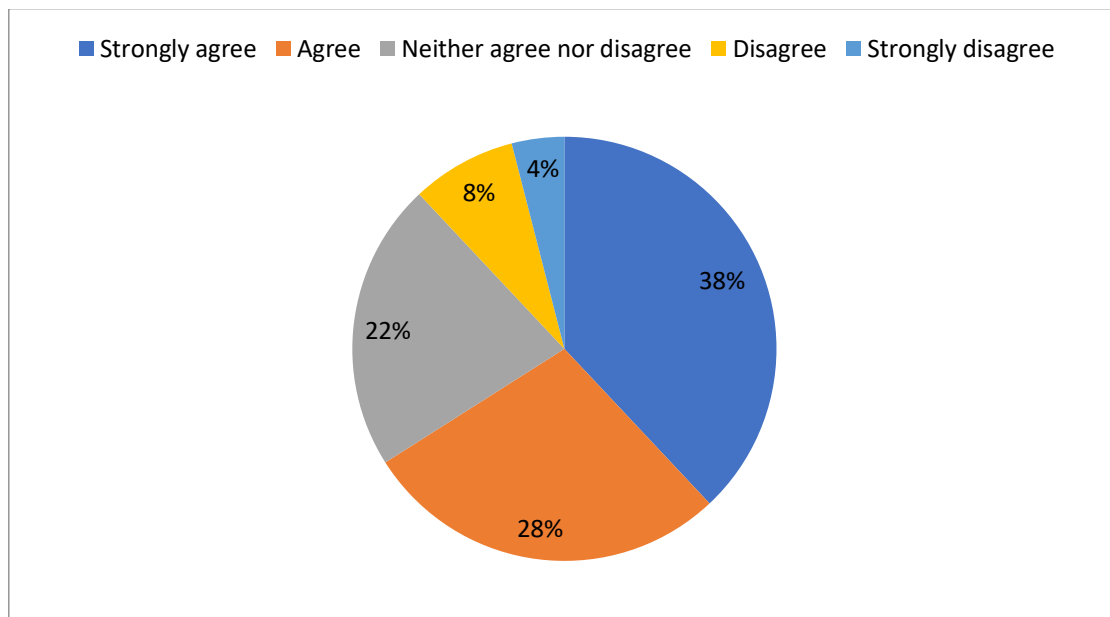
INTERPRETATION:

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.

Q12. How confident are you that your personal information is kept confidential when buying products online?

| OPTIONS	RESPONDENTS	%AGE
Extremely confident	17	34%
Quite confident	13	26%
Moderately confident	8	16%
Slightly confident	2	4%
Not at all confident	10	20%
Total	**50**	**100%**
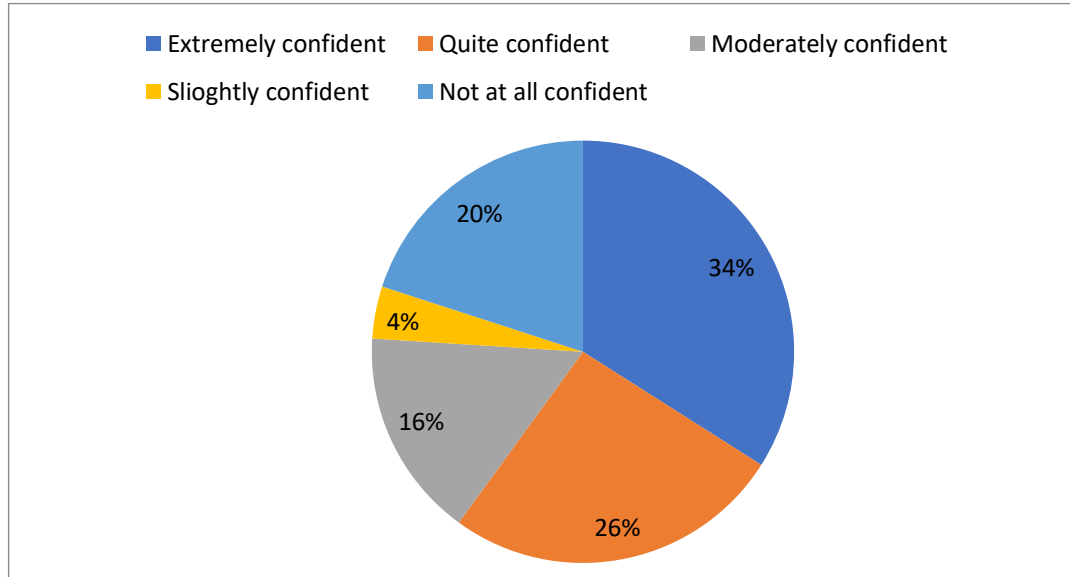
INTERPRETATION:

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.

Q13. What kind of problem did you faced most while doing online shopping?

| OPTIONS	RESPONDENTS	%AGE
Delay in delivery	21	42%
Product range	9	18%
Cheap quality of a product	17	34%
Non delivery	3	6%
Total	**50**	**100%**
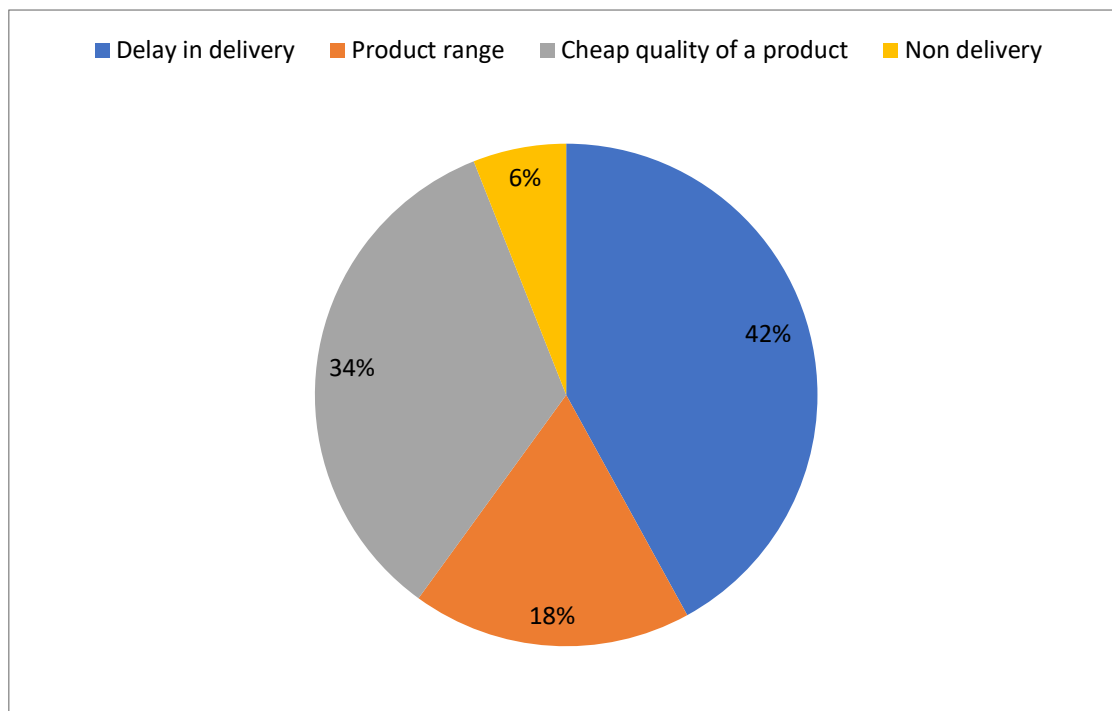
INTERPRETATION:

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

Q14. Of which company are you satisfied most for receiving after sales assistance? if any

OPTIONS	RESPONDENTS	%AGE
Flipkart	12	24%
Amazon	18	36%
Snapdeal	10	20%
Others	10	20%
Total	**50**	**100%**
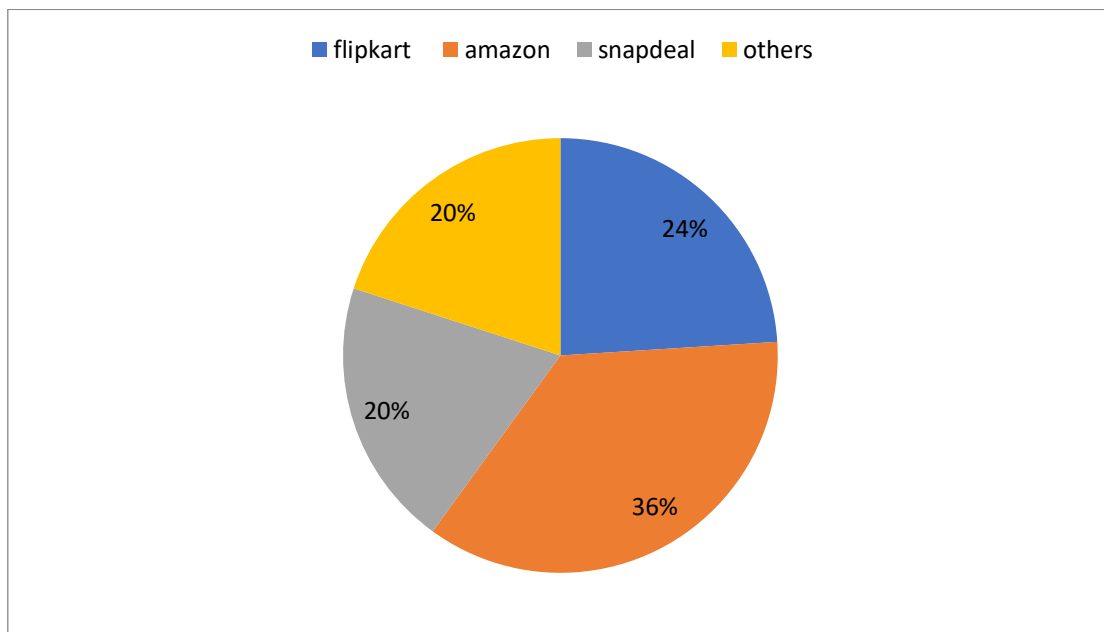
INTERPRETATION:

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.

MACRO ANALYSIS

❖ FINDINGS

1) 82% of peoples shows interest in online shopping, on the other hand, 18% of peoples does not want to shop online.

2) 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.

3) 58% of peoples prefer flipkart online site while making shopping online, 12% people use amazon, 10% of Snapdeal, 14% of peoples uses Paytm mall, and 6% of peoples using others websites.

4) 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 uses other payment methods

5) 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.

6) 48% of peoples choose online shopping site from referred by friends, 30% of peoples from advertisements, 22% of peoples from online interviews.

7) 46% of peoples have problems with flipkart, and 40% of peoples with amazon, 10% of peoples with Snapdeal, and 4% with online shopping sites**.**

8) 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.

9) 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.

10) 42% of peoples wants 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.

11) 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.

12) 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.

13) 42% of peoples faced problem with delay in delivery, 18% of peoples faced problem of product range, 34% of people's cheap quality of a product, and 6% of peoples faced non delivery of products.

14) 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.

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 easier and more 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. The most unique feature is the Flipkart's marketing strategy which is a very solid and robust one - of course it also doesn't hurt that brand like Flipkart have deep pockets and can make their marketing efforts come to life. The best thing about Flipkart is that they're great with transmitting coherent messages across platforms. But Amazon clearly offers a superior shopping experience in India when compared with Flipcart even though their efforts are just impeccable. Maybe it will take some time to overcome, but definitely they are doing very well in Indian e-commerce market.

Finally, we can conclude that Amzon India is the clear Winner in this comparison study.

Recommendation

Flipcart is trusted the most and Amazon provides a better experience, says the user according to research survey. Therefore, Flipkart is performing ok but not good enough as the Amazon in terms of user experience, then, let it be the UI or the product packaging or the tracking of any order. There are so many cases where people felt that packing might have been better while using flipkart. 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. The returns in Amazon are more flexible as compared to flipkart, so it is strongly suggested that flipcart should work on their return policies to ensure more market share capturing by boosting the user experience which ultimately will lead to brand loyalty.

User Interface

While both sites have essentially almost identical front-end user interfaces, the user experience on Flipkart when ordering, checking out, and making a payment is far simpler than on Amazon. But Amazon is more clear, practical, and user friendly, and because it lacks the gimmicks that Flipkart has, the site is quicker and lighter.

Amazon's graphical user interface is clutter-free and welcoming, which improves the customer experience. Therefore, it can fit more results on a single page because each result is smaller, which isn't the case with Flipkart.

Delivery & shipping

Both Amazon and Flipkart have their courier services for goods delivery. Flipkart uses Ekart as its delivery service, while Amazon utilizes ATS (Amazon Transportation Services). The courier service used by these e-commerce businesses is practically identical in terms of quality and reliability. Therefore, no strong recommendations can be made for logistical part of both these companies.

Customer care

When it comes to offering superior customer service, Amazon has a leg up on Flipkart. Customer care representatives at Amazon respond immediately to your calls and make every effort to resolve your issues as quickly as possible. On the other hand, Flipkart receives several complaints regarding its customer support representatives, who frequently attempt to avoid resolving your difficulties.

Flipcart needs to improve its customer care services if they want to get and maintain an upper hand over the amazon, otherwise the furious competition in E-commerce sector will soon make flipcart to lose its market share in India.

Payment Methods

Both Amazon and Flipkart accept payments via a variety of options, including Internet Banking, Gift Cards, Cash on Delivery, and Wallet. Both platforms also support credit/debit card payments via Visa, MasterCard, Maestro, and American Express.

Flipkart offers a credit borrowing option called Flipkart Pay Later, enabling selected customers to get credit and check out items without submitting payment information. Amazon, too, has a comparable payment option called Amazon Pay EMI, which gives easy access to credit for online shopping.

Since the payments are regulated by government policies therefore both companies can only make the user experience more flexible and better by introducing a much more enhanced user payment interface with ease of option selection categorial menu which will make the payment process faster and efficient.

Product Collection & Cost

Cost-wise flipcart has an upper hand over the amazon, which is very crucial point when it comes to closing purchase percentage in a first surf over any E-commerce portal. Product collection on amazon beats the flipcart making the brand exclusive in nature itself which certainly reflects on the per capita brand value and market share of these both giants.

Overall Flipcart needs more improvements in its product collection factor when compared to Amazon India.

Value Added Services

Certain products on Amazon are offered as Gifts, which means Amazon will package the product as a gift along with a gift note written by you to the recipient. This feature, however, is not available on Flipkart. Which needs to be integrated in flipcart to maintain such neck-to-neck competition in India with Amazon.

Online subscriptions such as Amazon Prime and Flipkart Plus have exploded in popularity as the internet's reach grows at a breakneck pace. Both Flipkart and Amazon now offer their customers subscription models, charging a yearly fee for the option of accessing additional services and advantages. But Amzon Prime also gives full yearly access to its Prime video and Prime music too which is not in case of Flipcart Plus it only gives E-commerce platform benefits this feature of amazon is the most powerful selling point and its USP for its premium subscriptions and therefore we can observe in our survey results that most of the customers goes for Amazon Prime over Flipcart Plus.

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