



A Comparative Study of Customer Loyalty: With Special Reference to Amazon and Flipkart

Harish Naidu¹, Sankaran²

1. Ph.D. Scholar, SRK University, Bhopal, Madhya Pradesh, India.
 2. Emirates Professor, SRK University, Bhopal, Madhya Pradesh, India.
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Abstract

As internet is the integral part of everyone's life. Most of our day is spent on the internet. As we just faced a pandemic time, it makes huge impact on almost every aspect of our life. But it makes a great impact on our buying behavior. By integrating a variety of Internet-based solutions for managing information, including, various E-Commerce companies have set up systems for taking customer orders, facilitate customers to make their payments, after providing customer support, providing a comparative analysis of the benefits of shopping on a certain portal when making a purchase, gathering marketing data, online reviews, and many more services offered to the customer. These strategies of companies will make huge impact on customers' decision to make him loyal towards the brand. They made online shopping so easy for everyone with their product variations and simple way of shopping.

A great effort has been made to look closely at different corporate and company level techniques that lead customers to become loyal to Flipkart and Amazon, two major online retailers. Comparison has been done considering e-commerce challenges, their business model, funding, revenue generation, growth, survival strategies, Shoppers' online shopping experience, value added differentiation, after sale services and product offerings assistance. Both the companies are big players in the market and made their own score in Indian market especially tech city like Pune, but who is going to be ultimate? There will be a winner or the best one. By comparing Flipkart with one of its main rivals, Amazon, one may learn about the various approaches to success in the e-commerce sector as well as the many opportunities that exist in India. Keywords: E-commerce, Online Shopping, Shopping Experiences, Business Model Strategies, Product Differentiation.

Objectives of the Study:

- To measure the relationship between the service quality dimensions and the online customers' overall satisfaction.
- To evaluate the consumers' perception and factors affecting their behavior for choosing E-commerce site.

Limitations of the Study

- A tonne of private company information was available but was kept hidden.
- Survey was restricted to particular age group because respondents willing to fill are college students, housewives and young Tech Professionals.
- Analysis was done based upon personal opinion of respondents individually, not any focus groups or expert.

Literature Review

Sharma and Mittal (2009) in their study “prospects of e-commerce in India”, states in their study that India is showing tremendous growth in the E-commerce. The online shopping portals provide goods and services in a range 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, electronics, household appliances, jewelry, gift articles, etc.

Ashish Gupta, Senior Managing Director of Helion Venture Partners and one of the as an angel investor: “ has been absorbing companies that have some potential (letsbuy, Myntra). In that process, some of the bets will go wrong, for sure. But that is par for the course. The company () 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 past experience was set up to affect the intention and behavior considerably and in a variety of ways. The results of this study imply that the technology acceptance model should be applied to E-commerce research with concern. In order to extend a successful and profitable online shopping portal, understanding customers' needs is indispensable. It has to be ensured that products are under the buying capacity of the consumers on online shopping portal as compare to purchase from traditional channels.

Abhijit Mitra. (2013), “E-commerce in India-a review”, 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”, 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.

Hypotheses:

H1: There is no significant relationship between importance's to different factors affecting which influence customer to select a shopping portal.

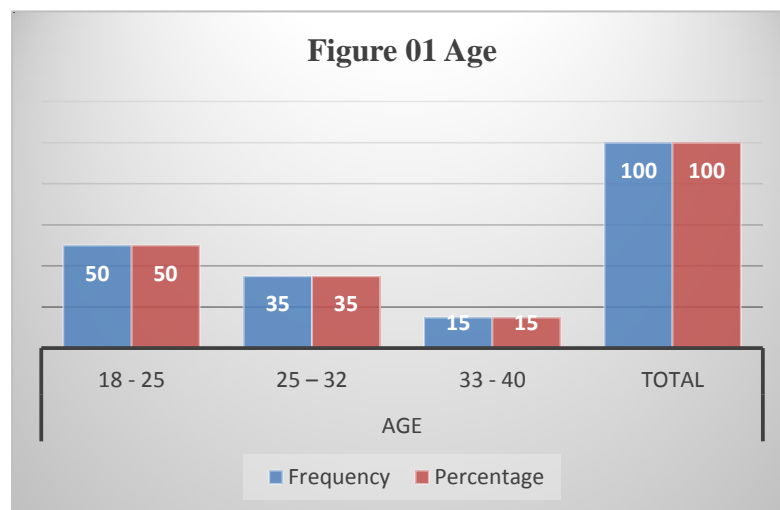
H2: Online buyers neither satisfied nor dissatisfied towards the different services provided by E-commerce platform

Analysis and Discussion:

Demographic factors that affect internet shopping behavior by consumers: The following table summarizes the respondents' comprehensive demographic characteristics:

Demographic information of Respondents (online shoppers)

Variable	Responding age group	Frequency	Percentage
<u>Age</u>	18 - 25	50	50.00
	25 - 32	35	35.00
	33 - 40	15	15.00
	<u>Total</u>	<u>100</u>	<u>100.00</u>



The above chart showcases the observed findings extracted from the collected data. It provides demographics in order of the respondents and the statistical study of the data collected from them. This is followed by the interpretation and discussion about our result. The above table shows that out of 70 respondents 50 % of people are in the age group of 18-25, 35.63% of people are in the age group of 25-32 and 14.37%

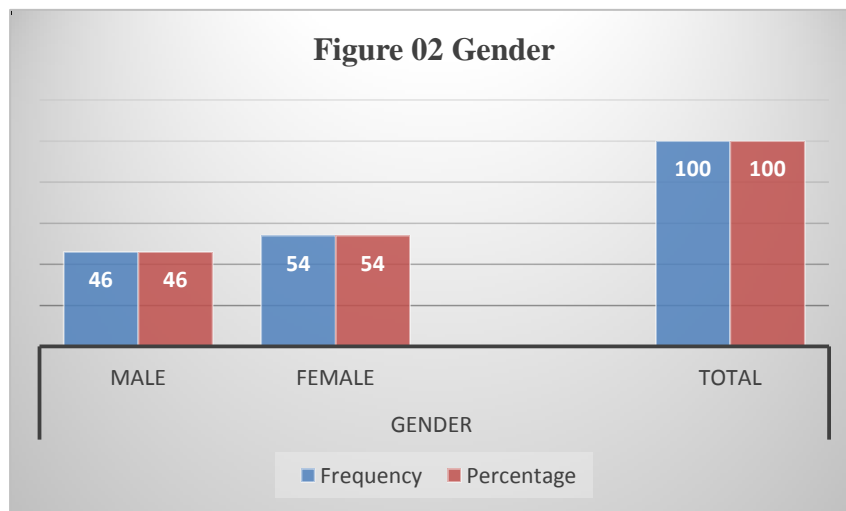
of people are in the group of 35-40. We are having highest respondents who do online shopping are less than 25 years and almost all those belongs to student and new Tech Professionals category. At the same time 35.7% of age group 25-32 is utilizing online shopping well and having a specific choice about online shopping portal. All those people are constantly visited to E-commerce sites which are offering wide

range of products to everywhere and also with their services. Most of the respondents from age group between 18-

25 are most interested in discount offers serve by various portals thus their choice of portal is also frequently changing.

Demographic information of Respondents (online shoppers)

Variable	Responding age group	Frequency	Percentage
Gender	Male	46	46
	Female	54	54
	<u>Total</u>	100.00	<u>100.00</u>

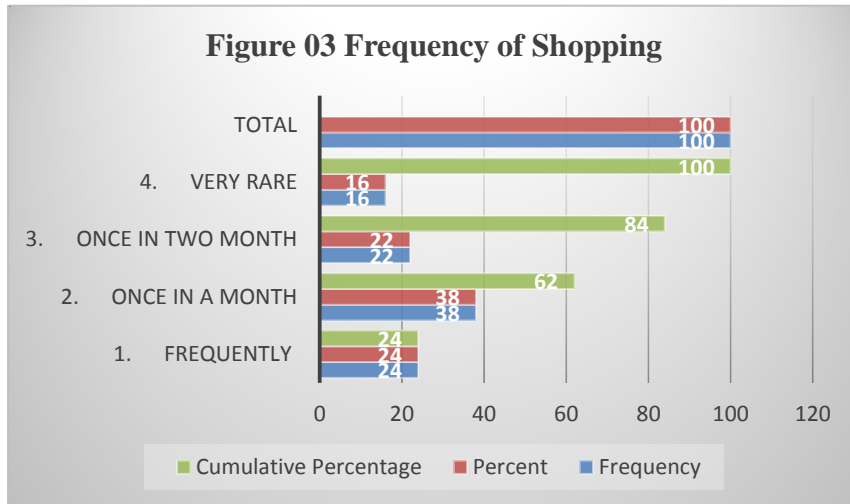


Another demographic factor we considered is gender. The number of female respondents is higher than the male respondents that who like better online shopping. We can interpret that based upon their preferences that they are getting different shopping experience and unavailable international products online,

which made easy and time efficient. But as we seen the difference in percentage between male and female is not having major difference thus we can say that the preference is now changed both male and female are giving preference to online buying.

Frequency of Shopping

	Frequency	Percent	Cumulative Percentage
1. Frequently	24	24	24
2. Once in a month	38	38	62
3. Once in two month	22	22	84
4. Very rare	16	16	100
<u>TOTAL</u>	100	100	

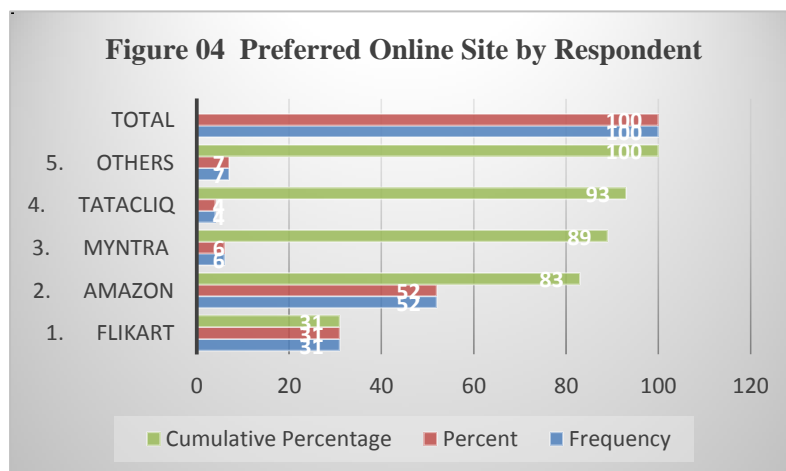


From above table we can interpret that how often respondents are doing shopping online. It became habit of choosing online shopping instead of brick and mortar shopping. Here 62 online at least once in month. That opens more ways to E-

commerce shopping portal get to succeed in% of respondents are so regular in online shopping; among all such respondents 38% are those who are shop market.

Preferred Online Site by Respondents

	Frequency	Percent	Cumulative Percentage
1. Flikart	31	31	31
2. Amazon	52	52	83
3. Myntra	06	06	89
4. Tatacliq	04	04	93
5. Others	07	07	100
Total	100	100	



From above table we can interpret that

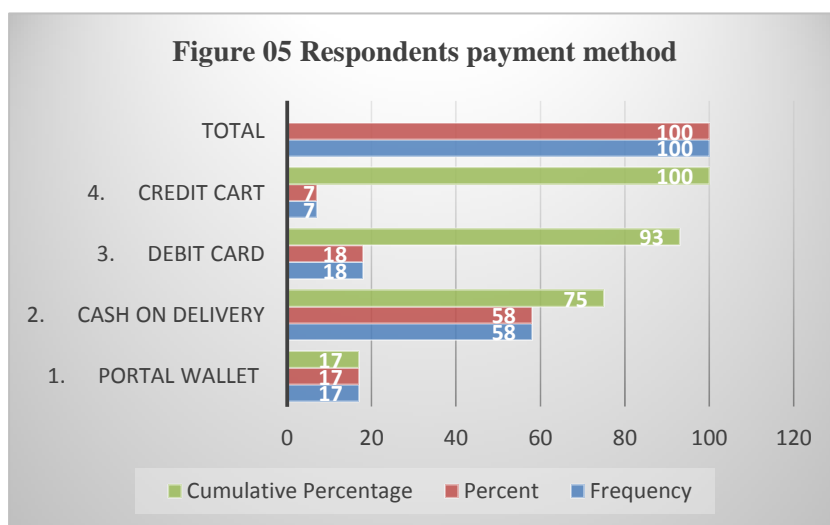
both Amazon and were chosen by 83%

people. In the same Amazon is the leader in all the E-commerce portal. And rest of the E-commerce players such as Myntra, Tatacliq and others (i.e. Snapdeal, Nykaa etc.) are not the major portal in the preference list and having very low

participants in the competition. Even though Nykaa & Myntra are offering huge discounts and Tatacliq is offering best quality product in market; when compared to its competitors.

Respondents Pment Method

	Frequency	Percent	Cumulative Percentage
1. Portal wallet	17	17	17
2. Cash on Delivery	58	58	75
3. Debit Card	18	18	93
4. Credit Cart	07	07	100
Total	100	100	

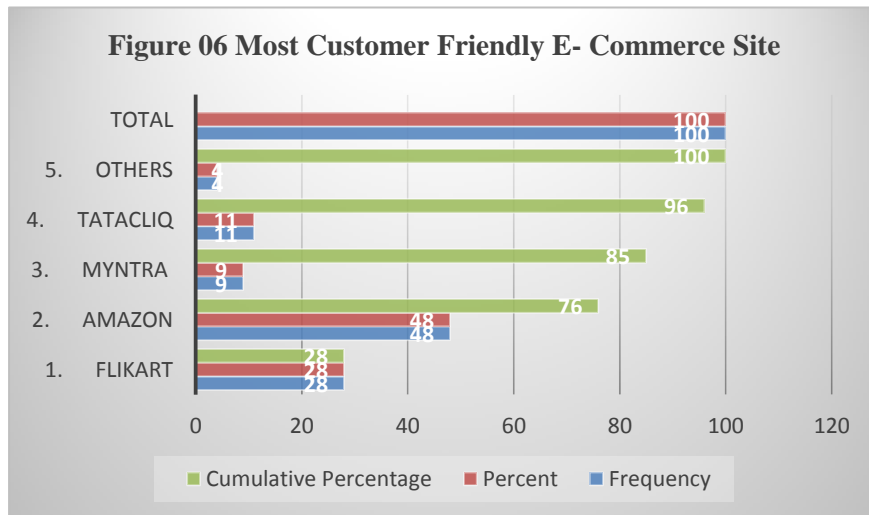


E-commerce shopping portals have to gain confidence in terms of providing security to customer's sensitive data. When respondent is questioned with payment method they will use while doing online shopping, most of the respondents choose cash on delivery method which is of 58. We can analyze that COD is safest way to customer to proceed for payment. Even

delivery boys are carrying swipe machines and made more convenient to use Debit & Credit card. Now a day's almost all E-commerce portals are providing their E-wallet for payment which is also most adopted method of payment with 17% of respondents and with that companies also provide attractive offers.

Most Customer Friendly E-commerce Site

	Frequency	Percent	Cumulative Percentage
1. Flikart	28	28	28
2. Amazon	48	48	76
3. Myntra	09	09	85
4. Tatacliq	11	11	96
5. Others	04	04	100
Total	100	100	

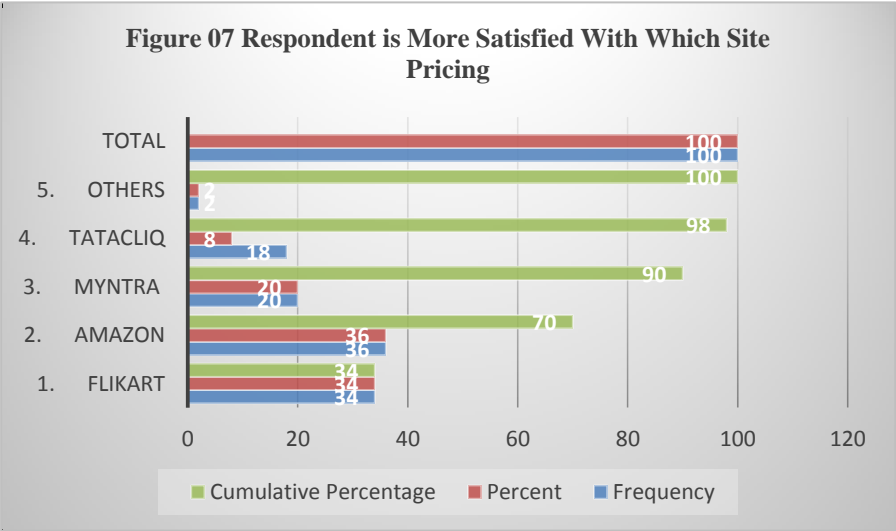


E-commerce shopping portal that is most appreciated and user-friendly website chooses by customers is Amazon. Amazon is market leader with 48% in comparison

with, which is preferred by 28% of respondents. And other E-commerce sites are not even able to reach more than 10 to 11%. It clearly indicates that Amazon and Flikart are leading e-commerce market in India in respect to customers friendly website.

Respondents is More Satisfied With Which Site Pricing

	Frequency	Percent	Cumulative Percentage
1. Flikart	34	34	34
2. Amazon	36	36	70
3. Myntra	20	20	90
4. Tatacliq	18	08	98
5. Others	02	02	100
Total	100	100	

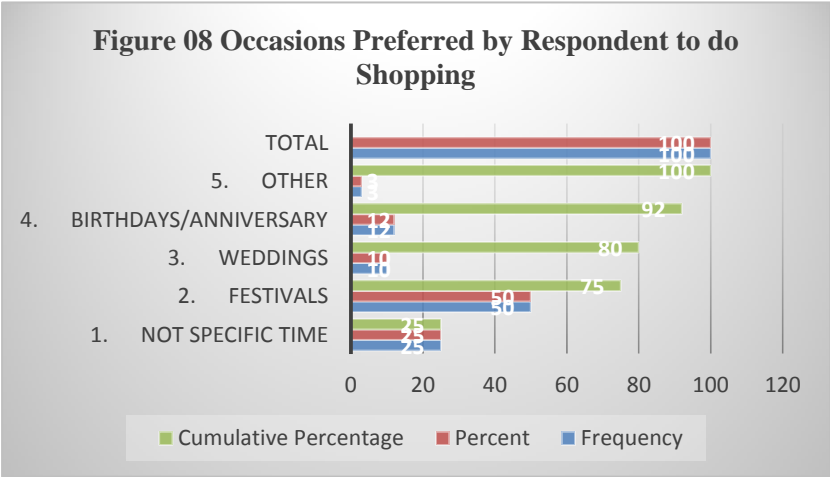


Price, the most important aspect while making any purchases decision. When an E-commerce site can offer what we needed with reasonable price, then everyone will go after that site only. From above chart 07 people are mostly impressed with Amazon

and Flipkart both as both are having competitive rates. But here people are most likely to use Amazon to shop because it also provides comparison with other brands side by side.

Occasions Preferred by Respondents to do Shopping

	Frequency	Percent	Cumulative Percentage
1. Not Specific Time	25	25	25
2. Festivals	50	50	75
3. Weddings	10	10	80
4. Birthdays/Anniversary	12	12	92
5. Other	03	03	100
Total	100	100	

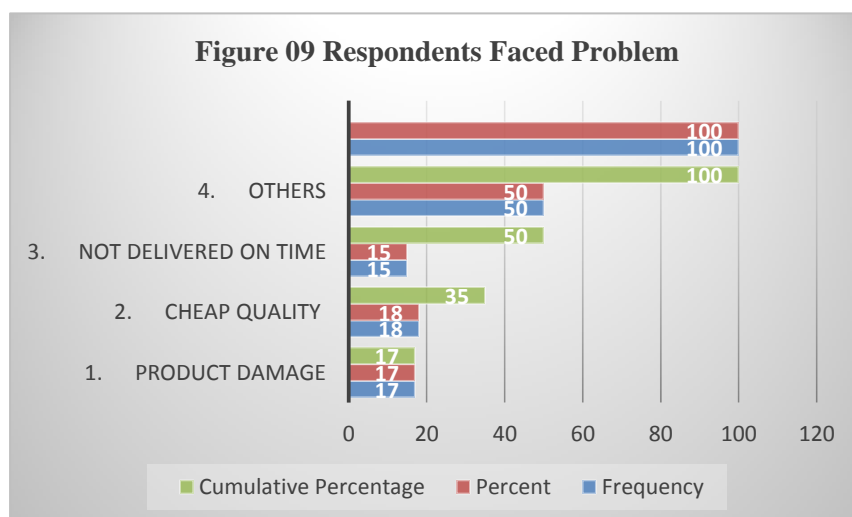


The timing of offers in E-commerce shopping portals is just perfect. Even though people don't call for them they will purchase because of tempting offers in a row. Actually, they know the nerve of customers. More than 50% of people are doing online shopping at festive seasons, when those E-commerce shopping websites are offering so many exciting deals and offers and cherry on icing is they

offer exactly the same thing which is requisites of particular festival. All the E-commerce websites are moving their pawns competitive to each other, which lead customers in confusion. But indeed, some peoples are not actually fell down on their mouthwatering deals and offers thus about 25 percent people are making wise decision while making buying decision and they shop when they actually need it.

Respondents Faced Problem With

	Frequency	Percent	Cumulative Percentage
1. Product damage	17	17	17
2. Cheap quality	18	18	35
3. Not delivered on Time	15	15	50
4. Others	50	50	100
	100	100	



From product order to delivery of the product its company's accountability to fulfill customer's supplies. Actually, Customer is always rational he expects what they paid for, if something happens

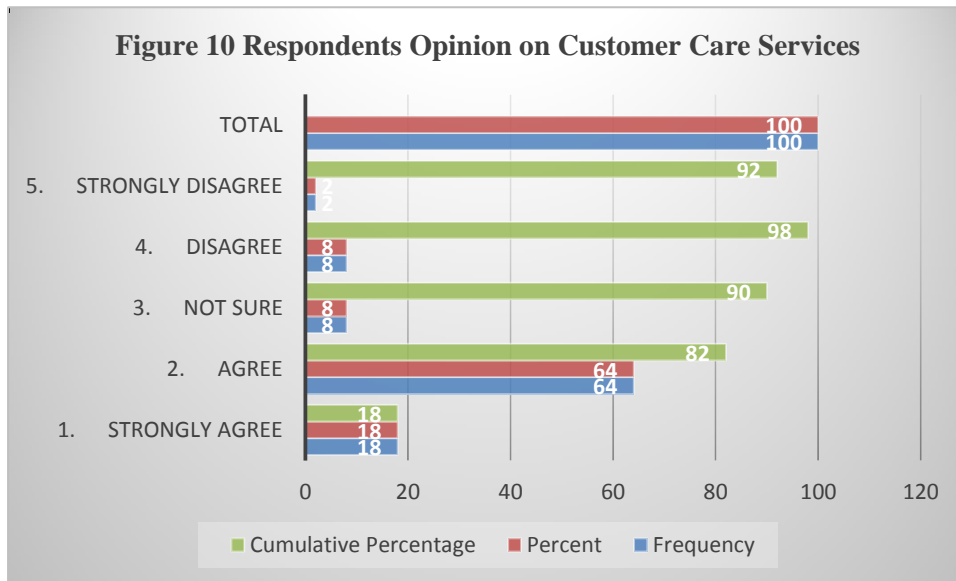
they will hesitate to purchase again. From above chart most of the respondents (50%) are having problem with the variety of other problems. About 18% customers are complaining about cheap quality and 15%

are having problem that product is not delivered on time. Product damage is also

a problem with some items such as electronics

Respondents Opinion on Customer Care Services

	Frequency	Percent	Cumulative Percentage
1. Strongly Agree	18	18	18
2. Agree	64	64	82
3. Not sure	08	08	90
4. Disagree	08	08	98
5. Strongly Disagree	02	02	92
Total	100	100	



Respondents will choose E-commerce websites when they are completely fulfilled their requirements and satisfied with their services. After purchase also, company have to take responsible for customer's requirement. About 64 percent respondents are happy and satisfied with the customer support of leading two companies. This is actually a better result to, because people are positive towards it. And also, it helps to make a preference regarding online shopping portal. Amazon proved once again, that it will be always one step ahead from the rest of the players

in the market. Most of Amazon customers about 55% are very happy and strongly agree with customer support of Amazon, which made Amazon Market leader. From previous tables we understood customers are scared of damage of the product and quality of products is major issues to be well thought-out and considered as major point as customer invest their money. These barriers were not there in Amazon because of its brand collaborations and its astounding packing grabbed customer's attention and made people loyal to it

Findings and Conclusion

Under the umbrella the above study we have following findings:

- Female, students and Tech professional are showing more interest to make online shopping than other respondents.
- Almost all customers prefer to buy quality product form E-commerce websites, even if they get it bit expensive.
- We also find the both companies are spending huge amount on advertisements but customers are rational and they know the market gimmicks thus they always make wise decision while buying.
- Customer compares prices and quality of good with other portals and then makes their shopping decisions.
- Both the companies are trying hard to become market leader but undoubtedly Amazon make a great impression on customers mind with their quality products, on time delivery, 24*7 customers care services and of course variety of payment getaways. Above the all the E-wallet discount offers and fast delivery services.
- Almost every age group respondent is having interest in offers, served by shopping websites, if they are in need or not they want to purchase.

- Flipkart's products are low in prices whereas Amazon servings quality products. Amazon also insure on time delivery by their local collaboration. Thus, customers are ready to pay more for such a fine service.

Finally, we can conclude the both the companies performing good. But a customer become loyal towards only such company which offer and assurance of value buying. Actually customer is rational and wants satisfaction and value of money from the products. Shopping experience is also important for the customers which make one satisfied customer. Undoubtedly Amazon gives best shopping experience, good quality product, on time delivery, good quality packaging, customer support and above all hazel free shopping experiences to their customers.

The innovative thinking of them to reach more and more customers is appreciable. They increased their network as much as possible with ultimate aim of reaching more and more customers. Both the companies giving tough competition to each other but Amazon even though become market leader with their customer friendly services.

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