

Customer Perception towards Online Buying Of Electronic Products from Flipkart and Amazon

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Abstract: *In the current era, shopping has become a trend. People do not just prefer retail shopping but also are switching to online shopping. Online shopping has become a key platform for purchasing the electronic items. As a large amount of variety in electronics are available at just a click away. It has become convenient for the customer to examine as per their criteria and has become competitive for e-commerce sites to sustain the loyalty of customers. With the fast growing pace of technology, new inventions to comfort customers are keeping coming in market. Customer perception towards these electronic products decides the future of the product. As market has turned virtual these days, a customer analyses his needs, desire to purchase latest updated products on these online sites. These online sites provide description, specification, price, picture and reviews of the customer who have already purchased it. In this research an attempt is made to understand the perception of the customer while choosing between Flipkart & Amazon shopping application giant. Comparison has been done based on the experience of the customer with these e-commerce giants in terms of their shopping experience; value added services, offers, customer satisfaction. Both these big players have created an impact in India with every update in technology, but who is the ultimate winner in satisfying customer in such a volatile environment. This comparative study of Flipkart & Amazon gives us the idea about their business strategy used in e-commerce market and influence customers perception to avail the opportunities. Further the research findings would also help us to understand the parameter which are important for the customer while purchasing the product.*

Key words: *Customer Perception, Amazon, Flipkart, E-Commerce, Electronic Purchase*

I. Introduction

The role of e-commerce has bought a revolution in recent times. The internet era largely contributes to the development of electronic commerce, as now a days thousands of companies are selling goods and services over the internet. Earlier people did shopping when there was a necessity, some function or when they were outing. But in recent times, online shopping has made place in the life of people. Shopping which was earlier need based is now mood based. Market experts predict that e-commerce is showing the growth pie of all the commerce pie and is also expected to increase in near future. As shopping is so handy that just an application away purchase of product is done. As things are turning so convenient, it becomes important to understand the perception of the customer while he is making a purchase online.

Customer perception and customer behavior helps us to understand the challenges faced by the marketers in comprehending the consumer mind. What exactly goes in the mind of the customer and what are the processes in the mind of consumer that influences him or her in buying different products or services. Different studies about the behavior of consumer does not distinguishes on a specific category. It aims to investigate factor that influence the intention of customers while buying electronics online and find out how they differ from Flipkart to Amazon. Along with the development of e-commerce, there is an extreme increase in the competition between different e-commerce sites to attract customers and become the market leader. In order to become the market leader, it is important Flipkart or Amazon to know how consumers make their choice decision and therefore, try to gather insights about the inner psychology and various factors that influence this process. This study helps these online giants to improve their marketing strategies by understanding various issues such as the following:

1. How consumers think, feel, reason and select among different alternatives?
2. How consumers are influenced by their environment?
3. How marketers can adapt and improve their marketing campaigns or strategies to quickly penetrate into the market.

It implies the attitude towards buying consumer electronics online, subjective norm, perceived behavioral control, attitude toward using online stores when buying electronics online, and cultural environment

of trust influence intention to buy electronics in an online store. It is believed that consumer perceives Flipkart and Amazon in their own way and take decisions based on their perception rather than objective reality. In today's cut throat competition, to differentiate one's brand, every marketer tries to create an image of his own in the minds of the Customer. These online giants communicate their key consumer benefits instead of highlighting few product features leading to fulfilling's of target segment of Customer.

II. Review of Literature

Weber, K. and Roehl, W. S. (1999), conducted a study on those who search for or purchase travel products through on-line with the age group of 26 to 55 years. Results on the basis of the study concerns about credit card security, evaluation of product quality, and privacy issues are the main problems faced while on-line purchase of travel products, were made.

Vellido et al. (2000), pointed out in his research, that there are nine factors associated with user's perception of online shopping. Among those factors the risk perception of users was demonstrated to be the main discriminator between people buying online and people not buying online. Other discriminating factors were control over, and convenience of, the shopping process, affordability of merchandise, customer service and ease of use of the shopping site.

Goldman Sachs (2001), found in his study price, quality of service and information, speed and reliability of delivery, ease of on-line ordering, and trust towards vendors are important factors for consumers considering online purchases that will increasingly determine their propensity to engage in ecommerce.

Athiyaman (2002), also highlighted the importance of such word of mouth recommendations, finding that social influences have been found to be important determinant of internet users' intention to purchase air travel online, second only to the attitude towards online purchasing.

Corbitt, Thanasankit, and Yi (2003), argue that information to make the purchase and to be able to make comparisons with alternative offers, plays an important role in the absence of sales staff and the inability to see and try the product. The cost of accessing the Internet is also a decisive factor for engaging in Internet activities. While low prices do not guarantee high penetration, they are an important factor for more widespread development of the Internet and consequently, of electronic commerce.

Lillian Clark and Peter Wright (2004), in their study reviewed the research into the various issues that may differentiate online consumer behaviour and whether they are able to produce the understanding needed to construct behavioral models that can help realize the full potential of ecommerce. The study concluded that a more comprehensive approach to modeling online consumer behaviour is needed in order to coherently describe the online consumer experience.

Nik Kamariah Nik Mat (2005), studied that the higher website trust will create higher intention for online shopping. The study provides the consumers do not trust the website during online shopping. Maybe another factors are very important than trust like types of products. This result however is in contradiction with the result depicted in other research which shows trust level may affect consumers' willingness to purchase and propensity to return to the site.

Venkoba Rao (2006), carried out in his study consumers' attitude towards online shopping is a prominent factor affecting actual buying behavior. The results of study of perceptions of 200 online purchasers in Hyderabad reveal trust, security, Internet speed, and responsiveness significantly affect online purchasers' behavior. In addition, on examination of demographic variables like gender, age and education are used; the study reveals that might help organizations develop effective strategies eventually leading to customer satisfaction.

Erden Tulin (2007), in his research report helped the business owners again, by posting some comprehensive status about online consumer behaviour. For this purpose, the study has broken out the industry, into particular field. The study revealed that 80% of internet users go online to find health related information, 85% of Google users have made an online purchase in the past six months, approximately 20 million people are browsing new home listing each month and more than 70% of Google users have shown some interest in a financial service product.

Venkatesh (2008), in his article analyzed the new trends in marketing and observed that several developments in technology have completely transformed the world and made life easier for people on the transactions of business and work. Notable among these is called "Internet and Online Marketing". In essence, this activity enables buyers and sellers of goods and services to get their task accomplished without the necessity to travel. In internet marketing, the users access the products of their choice but it is not possible to trace and test all aspects of the marketing campaign.

Chih-Chien Wang (2009), analyzed that knowledge is one important factor influencing the level of trust. The results revealed that knowledge is positively associated with trust and online shopping activities. In other words, people who know more about online shopping will trust and go shopping more online. Online

retailing practice should make the public knowledgeable about online transaction security mechanisms to build users' trust in online shopping.

A study has conducted by Feng Zhu (2010), indicates that how product and consumer characteristics moderate the influence of online consumer reviews on product sales using data from the video game industry. The findings reveal that online reviews are more influential for less popular games and games whose players have greater Internet experience.

Jusoh and Ling (2012) specifically emphasize on such benefits as reduction in time for buyer's considerations, better buying decisions, smaller amount of time spent on invoice and order discrepancies, larger range of alternatives as well as a possibility to shop independent from time and location.

Park and Kim (2003) discuss online store attributes that are critical for consumer to make a purchase: merchandise, customer service and promotion, navigation and convenience, and security.

Consumer electronics are defined as "electronic products that are bought by people for their own use" (Cambridge Dictionary 2016).

3. Research Objective

1. To analyze the possible factors that affect the buying of electronics online from Flipkart or amazon
2. To compare the customer satisfaction level from the online shopping provided by Flipkart and Amazon.

III. Research Methodology

The research design of the said research study is descriptive and analytical research. Descriptive research is a fact-finding investigation. Descriptive research helps in describing the characteristics of individual, situation, group describing the state of affairs, as it exist at present. In this research, the researcher tries to understand the perception of customer towards online shopping of electronic items from Flipkart or Amazon. For the research sample size is 100. Selection was made based on convenience sampling, but a selection of sample was based on random basis. Primary data is the information about the results of an experiment. A questionnaire is a set of questions framed in order to obtain information from the respondents.

IV. Data Analysis

4.1 Customer Profiling

Variable	Category	Frequency
Age	<25	45
	26-35	45
	36-45	6
	45<	4
Gender	Male	66
	Female	34
Income Level	<20000	34
	20001-30000	28
	30001-40000	16
	40001-50000	7
	50001<	15
Occupation	Student	24
	Working	58
	Self Employed	7
	Retired	11
Education	High School	1
	Under Graduate	5
	Graduate	31
	Post Graduate	61
Frequency of Electronics purchase online	Once in a month	17
	Once in 3 months	31
	Once in 6 months	27
	Once in a year	25
Payment Mode	Debit Card	43
	Credit Card	18
	Cash on Delivery	33
	EMI	6
Occasion	Festival	35
	To Gift	23
	Offers	43
	Wedding	15
	Others	19

Source: Primary Data

5.2 .1 Hypothesis 1: Gender and Satisfaction level towards Amazon.

Ho: There is no relationship between Gender and satisfaction level towards Amazon.

Ha: There is a relationship between Gender and satisfaction level towards Amazon.

Correlations

		Gender	Overall_satisfacti on_Amazon	
Spearman's rho	Gender	Correlation Coefficient	1.000	
		Sig. (2-tailed)	.	
		N	100	
	Overall_satisfaction_Amazon	Correlation Coefficient	-.320**	1.000
		Sig. (2-tailed)	.001	.
		N	100	100

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Primary Data

Interpretation

Since the P-value (0.001) is less than the significance level (0.05). Thus, we conclude that there is a relationship between gender and satisfaction level towards Amazon. The relationship is moderate in strength and negative in direction.

5.2.2 Hypothesis 2: Gender and Satisfaction level towards Flipkart

Ho: There is no relationship between Gender and satisfaction level towards Flipkart.

Ha: There is a relationship between Gender and satisfaction level towards Flipkart.

Correlations

		Gender	Overall_satisfacti on_Flipkart	
Spearman's rho	Gender	Correlation Coefficient	1.000	
		Sig. (2-tailed)	.	
		N	100	
	Overall_satisfaction_Flipkart	Correlation Coefficient	-.190	1.000
		Sig. (2-tailed)	.059	.
		N	100	100

Source: Primary Data

Interpretation

Since the P-value (0.059) is more than the significance level (0.05), so we accept the null hypothesis at 95% confidence level. Thus, we conclude that there is no relationship between gender and satisfaction level towards Flipkart.

5.2.3 Hypothesis 3: Income and Satisfaction level towards Amazon

Ho: There is no relationship between Gender and satisfaction level towards Amazon.

Ha: There is a relationship between Gender and satisfaction level towards Amazon.

Correlations

		Income level	Overall_satisfacti on_Amazon
Income level	Pearson Correlation	1	.034
	Sig. (2-tailed)		.734
	N	100	100
Overall_satisfaction_Amazon	Pearson Correlation	.034	1
	Sig. (2-tailed)	.734	
	N	100	100

Source: Primary Data

Interpretation

Since the P-value (0.734) is more than the significance level (0.05), we accept the null hypothesis at 95% confidence level. Thus, we conclude that there is no relationship between gender and satisfaction level towards Flipkart.

5.2.4 Hypothesis 4: Income and Satisfaction level towards Flipkart

Ho: There is no relationship between Gender and satisfaction level towards Flipkart.

Ho: There is a relationship between Gender and satisfaction level towards Flipkart.

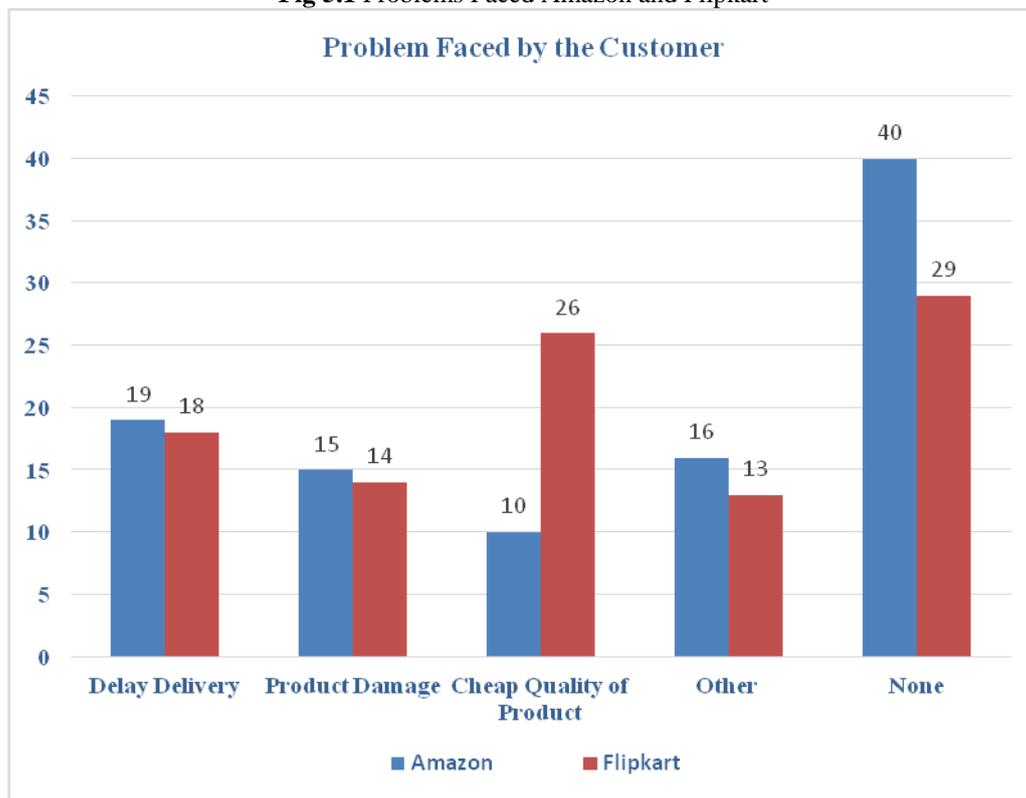
5.2.3 : Correlation

		Income level	Overall_satisfac tion_Flipkart
Income level	Pearson Correlation	1	.064
	Sig. (2-tailed)		.526
	N	100	100
Overall_satisfaction_Flipkart	Pearson Correlation	.064	1
	Sig. (2-tailed)	.526	
	N	100	100

Source: Primary Data

Since the P-value (0.526) is more than the significance level (0.05), we accept the null hypothesis at 95% confidence level. Thus, we conclude that there is no relationship between gender and satisfaction level towards Flipkart.

Fig 5.1 Problems Faced Amazon and Flipkart

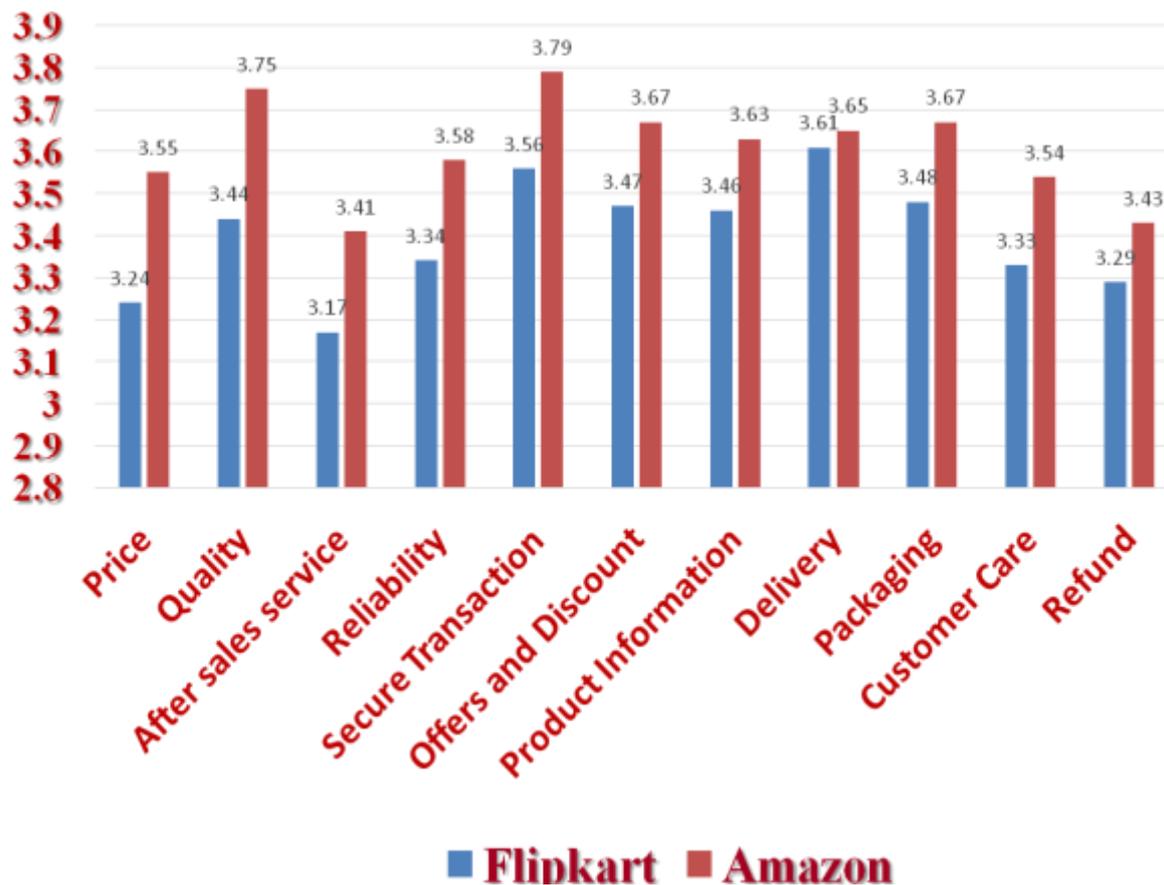


Source: Primary Data

Interpretation

From the above graph, it could be understood that Cheap quality of product is one of the major problem faced by customer while dealing with Flipkart with the difference 10 - 26. When analyzed the problem faced by customer it was with Amazon that was in picture in any case like Delay delivery it is 19 – 18 and Product damage it is 15 – 14. In only the column of none Amazon is ranked highest in the graph.

Fig 5.2 Satisfaction level by the customer



Source: Primary Data

Interpretation

From the above graph, it can be analyzed that amazon is leading in every dimension of satisfaction that is provided to customer online for electronics. Except for delivery, where Flipkart is marginally ahead with the difference 3.61 – 3.65. In every segments Flipkart needs to work but specially in some segments with high difference like Price with 3.24 – 3.55, Quality with 3.44 – 3.75, After sales service with 3.17 – 3.41, and they also need to bring in some new strategy to give competition to Amazon.

V. Findings

- ◆ Male respondents are showing more interest to do electronic product online shopping than female respondents.
- ◆ Customers prefer electronics products with good quality and modified features with reasonable price.
- ◆ Flipkart is trying very hard to reach the top position but Amazon India is giving very tough competition.
- ◆ Amazon is leading in every aspect of survey such as price, price, quality, customer care, secure transaction and so on.
- ◆ Undoubtedly Flipkart and Amazon made their impact on customers very strongly and captured loyal customers.
- ◆ Both Flipkart and Amazon India advertising were very innovative and attractive.
- ◆ Both companies are expending so much money on advertising and promotions.
- ◆ Every age group people are interested in offers, if they are in need or not they want to purchase.

VI. Conclusion

The study consisted with all the aspects of major e-commerce players in India, Flipkart and Amazon. How they are performing and how they are influencing the behavior of customer in the competitive world has been explained. The innovative thinking, offers and advertisement of them are helping to reach more and more consumers is appreciable. They increased their network to understand the perception of customers and make strategies accordingly. They made consumers work more easy and comfortable. But like every consumer market,

in the cut throat competition, there would be one leader on the market. Based upon consumer's survey, it was found that Amazon is the market leader in electronics too. Being an international company it understood Indians behavior and made its roots stronger in India. Flipkart being comparatively new in the market it is still giving competition to Amazon.

VII. Recommendation

Flipkart is performing good and has also increased in graph but not good enough. There are so many cases where people felt that packing, product quality could have been better. Either it may be a small order or a big expensive gadget customer must be treated with care. In this issue Amazon created an impact, by providing quality product with good packaging so that the product reaches safely to customer without damages.

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