Customer Satisfaction Towards Flipkart and Amazon : A Comparative Study

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Abstract

The present study is descriptive in nature where an effort is made to find out that with which elements of Flipkart and Amazon the respondents are satisfied. The study uses the primary data which was collected with the help of a structured questionnaire. A five-point Likert scale was used to collect the data. The sample size was 100 respondents of the age group betwee18-35. Only those respondents were questioned about their purchases from Amazon and Flipkart who make at-least two transactions in the last six months. The respondents were approached on the basis of convenience sampling.

Keywords: Online Retailing, Customer Satisfaction, Customer Expectations

Introduction and Literature Review

In the present digital era customers are more inclined towards the online retail stores rather than physical stores. After being attracted towards apparels, shoes and electronics categories, now consumers have accepted buying grocery fruits and vegetables online. Hence online retailing in India is rising with a rapid speed. Today consumers have a wide variety of options available online with respect to the number of product categories, number of products under one category, payment options, discounts, e-coupons and special sales deals etc. Customer satisfaction is defined as "the consumer's fulfillment response. It is a judgment that a product or service feature, or the product or service itself, provided a pleasurable level of consumption related fulfillment, including elements of under- or over fulfillment". Customer satisfaction is influenced by expectations, perceived service and perceived quality (Hu, Kandampully & Juwaheer, 2009). Expectations influence total satisfaction when the customer evaluates a product or service. Satisfaction is a customer's emotional response when evaluating the discrepancy between expectations regarding the service and the actual performance perception.

The customer first forms expectations based on needs, values, past experiences and extrinsic cues about the product. The perceived quality is based on those first expectations and the choice the customer made is then evaluated to determine satisfaction (Grounaris, Tzempelikos & Chatzipanagiotou, 2007). Perceived value is the customer's overall assessment of the quality of a product based on the perception of what is received versus what is provided (Yu, Wu, Chiao & Tai, 2005). Fisher (2001) believes that customer satisfaction accounts for only part of why people change product or service providers. Other studies have shown that customer satisfaction is a leading factor in determining loyalty (Anderson and Lehmann 1994). Anderson and Srinivasan (2003) found that both trust and perceived value, as developed by the company, significantly accentuate the impact of satisfaction on e-commerce services.

Guo et. al. (2011) proposed the following model in relation to the customer satisfaction in online shopping. The study was carried out in China with a sample size of 380. All the eight independent variables were found positively related to consumer satisfaction. All the proposed hypotheses were supported.
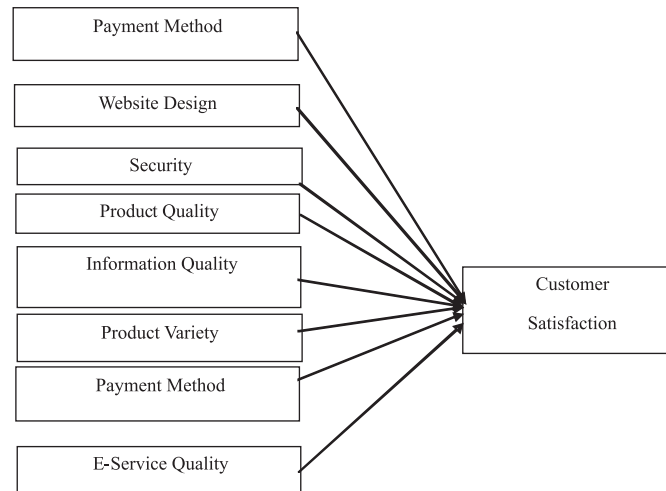

Figure 3.3 Factors Affecting Online Customers' Satisfaction

Faryabi et al. (2012) studied the effect of price discounts and store image on consumer's purchase intention in online shopping context as a case study of Nokia and HTC and the obtained results proved that price discount has a positive effect on perceived store image and store image in turn, positively influences consumers' purchase intention. Victoria & Ganesan (2014) found that schemes always attract more and more consumers towards particular brand. Simultaneously it gives an idea about the factors which consumers look most in the product before they make final decision. Price off and extra quantities are the two main offers schemes which consumers have came across at the time of purchase. The study was carried out in online sales promotions of grocery and other FMCG products in Chennai entity.

Mohanapriya and Anusuya (2014) studied customer preferences and satisfaction for selected online websites. They included Flipkart, Amazon.com, E-bay, Snapdeal.com, Jabong.com and Myntra.com in the Coimbatore city for their study purpose. It is found that Flipkart has the maximum number of respondents followed by Amazon.com (almost half of the flipkart). The customers have assigned third rank to E-bay which is followed by Snapdeal, Myntra and Jabong respectively. Singh (2014) the data was collected from Lucknow city in India on Flipkart.com.

The major aspects focused in the case were relating to consumers' buying behavior towards online shopping in the context of Flipkart.com. It is observed that Flipkart is most preferred because of its attractive prices and popularity. Electronic is the third most preferred category on Flipkart after accessories and apparels.

Background of Flipkart

Flipkart is an e-commerce company founded in 2007 by Sachin Bansal and Binny Bansal. It is registered in Singapore and it operates in India whereas it's headquarter is in Bangalore, Karnataka. In May 2014 Flipkart received $210 million from DST global, in July 2014 it raised $1 billion led by existing investors' Tiger Global and South Africa's media group Naspers and May 2015 it raised $550 million from some of its existing investors. Flipkart's last fund raising round in May 2015 had pegged its valuation at $15 billion. Flipkart acquired the rights to Chakpak's digital catalogue which includes 40,000 filmographies, 10000 movies and close to 50k ratings. Flipkart has categorically said that it will not be involved with the original site and will not use the brand name. Over 15 million products: still counting. It includes 11.5 million book titles. The other products include Books, Movies, Music, Games, Mobiles, Cameras, Computers, Healthcare and personal products, Home

appliances and electronics, Stationary, Perfumes, Toys and many more. In July 2014 Flipkart launched its own set of tablet, mobile phones & tablet. The first among these series of tablet phones was Digflip pro xt 712 tablets. 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.

Background of Amazon

The company was founded in 1994, spurred by what Bezos called his "regret minimization framework," which described his efforts to fend off any regrets for not participating sooner in the internet business boom during that time. In 1994, Bezos left his employment as vice-president of D. E. Shaw & Co., a Wall Street firm, and moved to Seattle. He began to work on a business plan for what would eventually become Amazon.com. Jeff Bezos incorporated the company as "Cadabra" on July 5, 1994. Bezos changed the name to Amazon a year later after a lawyer misheard its original name as "Cadaver". The company went online as Amazon.com in 1995. Bezos selected the name Amazon by looking through the dictionary and Barnes & Noble sued Amazon on May 12, 1997, alleging that Amazon's claim to be "the world's largest bookstore" was false. Barnes and Noble asserted, "It is not a bookstore at all but it's a book broker." the suit was later settled out by court, and Amazon continued to make the same claim." Company offers Books, Music, movies, games, Digital download, Kindle, Computer and office, Electronics, Home and garden, Grocery, health, beauty, Toys, Kids, Clothing, and Sports. Amazon has separate retail websites for united states, united kingdom & Ireland, France, Canada, Germany, Italy, Spain, the Netherlands, Australia, Brazil, Japan, china, India and Mexico. Amazon also offers international shipping to certain other countries for some of its products.

Objectives of the study

➢ To assess the customer satisfaction level from Flipkart and Amazon.

➢ To compare the customer satisfaction from Flipkart and Amazon on the basis of elements of online shopping which affects the satisfaction.

Research Hypothesis

➢ **H01:** There is no significant difference in the opinion of customers regarding Amazon and Flipkart for various elements of online shopping which affects the satisfaction.

➢ **Ha1:** There is a significant difference in the opinion of customers regarding Amazon and Flipkart for various elements of online shopping which affects the satisfaction.

Data Base and Research Methodology

The present study is descriptive in nature where an attempt is made to know the opinion of customers regarding Amazon and Flipkart for various elements of online shopping which affects the satisfaction level. The study uses the primary data which was collected with the help of a structured questionnaire. A five-point Likert scale was used to collect the data and the sample size was 100 respondents of the age group between18-35. All the respondents were firstly questioned about their purchases from Amazon and Flipkart. Only those respondents were chosen for the study that at least had made two purchases from both Flipkart and Amazon in the last six months. The respondents were approached on the basis of convenience sampling method.

Interpretation of Data

The data analysis and interpretation has been divided in to three parts. The first part presents demographic profile of the respondents, second part discusses the general information about the online shopping and third section deals with the level of satisfaction from Flipkart and Amazon with respect to the various parameters of satisfaction as an online retailer.

{Part 1} Demographic Profile of the Respondents

As per table 1 the study have mixed demographic characteristics and shows that there are 79% male and 21% female respondents. It is evident that most of the respondents (48%) are from the age group of 25-40 followed by the age group of above 40 and below 25 almost equally with 28% and 24% respectively. In the category of income, the maximum is the 20,000-40,000, i.e. 52% which is followed by Above 40,000 with 33% and Below 20,000 with 15% only. Most of the respondents (58%) are educationally rich which is followed by graduates with 30% and below graduation with 12%. In the category of occupation, majority respondents are belongs to service and salaried class (42%), which is followed by business class with 32% and very less proportion of students with 26%.

Table 1 Demographic Profile of Respondents

Variables	No of Respondents (%)
Demographic Profile – Gender	
Males	79
Females	21
Total	100
Demographic Profiles – Age	
Below 25	24
25-40	48
Above 40	28
Total	100
Demographic Profiles – Monthly Income	
Below 20000	15
20000-40000	52
Above 40000	33
Total	100
Demographic Profile – Education	
Below Graduation	12
Graduation	30
Post-Graduation or Above	58
Total	100
Demographic Profile – Occupation	
Business class	32
Service class	42
Student	26
Total	100

{Part 2} General Information Regarding Online Shopping

As per (table 2) 16% people buy online on weekly basis, however a large number of consumer buy weekly to fortnightly i.e. 46%, almost one third of the customer buy (36%) from fortnightly to monthly and only 2% buy monthly to yearly.

Table 2 Frequency of Buying Online

Options	No of Respondents (%)
Daily to weekly	16
Weekly to Fortnightly	46
Fortnightly to Monthly	36
Monthly to Yearly	2

The product category of electronic appliances (Table 3) is bought at the highest being 3.43 followed by the gift items with a mean value of 3.26 and Mobile, Laptops and Accessories with a mean value of 2.95. Beauty, cosmetics and Personal Care has got a mean value of 2.9 which is also quite promising.

Table 3 Frequency of Major Retail Category Wherein Purchase is made by the Consumers

Various Categories of Items	Very Frequently	Frequently Comments	No quently	Less fre Frequently	Very Less Value	Mean
Food and Grocery	27	21	-	28	24	2.51
Apparels - Men/Women	15	29	-	23	33	2.26
Electronic Appliances	58	31	-	7	4	3.43
Mobile, Laptop and Accessories	45	21	-	18	16	2.95
Baby Products	17	26	-	37	20	2.4
Furniture	23	20	-	39	18	2.48
Home Décor – Curtains, Show pieces	17	27	-	36	20	2.41
Books	24	22	-	26	28	2.42
Gift Items	55	22	-	17	6	3.26
Health related – Exercise Machines, Health supplements etc.	22	27	-	38	13	2.58
Kitchen Products – Utensils	18	24	-	26	32	2.28
Vehicle Accessories	16	14	-	48	22	2.24
Beauty, cosmetics and Personal Care	42	26	-	12	20	2.9

{Part 3} Satisfaction Level of Respondents with Elements in Online Shopping

This section checks the level of satisfaction for Flipkart and Amazon with respect to the various parameters of satisfaction as an online retailer. These parameters have been listed in the table 4.

Table 4 Satisfaction Level of Respondents with Elements in Online Shopping

Elements in Online Shopping	Flipkart Mean Value	Amazon Mean Value
Shopping Time	3.83	3.60
Ease of Browsing the Website	3.04	3.11
Number of Offering	2.51	2.34
Variety of Offering	2.48	2.38
Quality of Information	3.86	4.39
Less Searching Cost	3.84	4.00
Overall website design	2.49	2.44
Fast Presentation	4.54	4.51
Customized content	4.37	4.76
Updated Information	3.65	3.97

Privacy of personal information shared	4.43	4.43
Financial Security	2.52	2.50
Complaints Handling	3.88	3.97
Customer Support	2.54	2.50
Packing of the Product	2.54	2.50
Timely Delivery	3.06	3.74
Post Purchase Service	4.79	4.86
Return Policy	3.95	3.91
Confirmation Email	3.54	3.94
Competitive Price	4.51	4.50
Overall Mean	**3.52**	**3.62**

As per the table 4 the mean values can be observed and some differences can be found in the Flipkart and Amazon. The mean value is better for Flipkart with respect to the shopping time, number of offerings, and variety of offering, fast presentation, return policy and competitive price. However, the mean value for rest of the variables is better for Amazon. In the opinion of respondents Amazon is better in case of Ease of Browsing the website, Quality of information, less searching cost, customized content, updated information, complaint handling, Post purchase services and confirmation email. To check the significance of the same independent sample t-test was applied.

Table 5 T-Test for Checking the Significance of Difference Between Flipkart and Amazon for Satisfaction Level of Respondents with Elements in Online Shopping

Elements in Online Shopping	T	Df	Sig. (2-tailed)	Results
Shopping Time	1.027	198	.305	No Significant Difference
Ease of Browsing the Website	-.705	198	.482	No Significant Difference
Number of Offering	1.192	198	.235	No Significant Difference
Variety of Offering	.692	198	.490	No Significant Difference
Quality of Information	-6.601	198	.000	*Amazon is Significantly better than Flipkart*
Less Searching Cost	-2.602	198	.010	*Amazon is Significantly better than Flipkart*
Overall website design	.333	198	.740	No Significant Difference
Fast Presentation	.322	198	.748	No Significant Difference
Customized content	-5.013	198	.000	*Amazon is Significantly better than Flipkart*
Updated Information	-3.815	198	.000	*Amazon is Significantly better than Flipkart*
Privacy of personal information shared	.000	198	1.000	No Significant Difference
Financial Security	.129	198	.897	No Significant Difference
Complaints Handling	-1.300	198	.195	No Significant Difference

Customer Support	.254	198	.800	No Significant Difference
Packing of the Product	.254	198	.800	No Significant Difference
Timely Delivery	*-6.007*	*198*	*.000*	***Amazon is Significantly better than Flipkart***
Post Purchase Service	-1.863	198	.064	No Significant Difference
Return Policy	.569	198	.570	No Significant Difference
Confirmation Email	*-4.011*	*198*	*.000*	***Amazon is Significantly better than Flipkart***
Competitive Price	.106	198	.916	No Significant Difference

Table 5 presents that t-test for checking the significance of difference between Flipkart and Amazon for satisfaction level of respondents with elements in online shopping. It has been found that out of 20 elements there are 14 elements where the significance two tailed value is above .05. Hence it may be concluded that for these elements the customers are eq]ually satisfied with both the online retailers i.e. Flipkart and Amazon. However for rest of the 6 variables namely - quality of information, less searching cost, customized content, updated information, timely delivery and confirmation e-mail there is a significant difference in the level of satisfaction of respondents and in-fact in all these cases Amazon is better than Flipkart.

Findings and Conclusion of the Study

Present study was carried out to find the difference between Amazon and Flipkart with respect to the various features of online retailing. It was found that invariably Amazon is better than Flipkart. There were 20 parameters on the basis of which Amazon and Flipkart were compared. However Flipkart also leads in some of the elements but that lead or difference is not significant. Amazon, however is significantly better in case of 6 elements namely quality of information, less searching cost, customized content, updated information, timely delivery and confirmation e-mail there is a significant difference and in all these cases Amazon is better than Flipkart.

Flipkart has a larger variety of products in the opinion of customers hence there is a possibility that it is not able to provide customized content swiftly or updated information. Further, wide variety of products also increases the searching time. However there are some limitations of the study as well. The sample size is comparatively smaller than of the other studies

carried out on online retailing. Further the study covers the area of Delhi and NCR only rather than the other areas of the country.

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