

A STUDY ON CUSTOMER PREFERENCE TOWARDS E-RETAILING WITH REFERENCE TO FLIPKART.COM & AMAZON.COM IN RURAL AREAS OF COIMBATORE DISTRICT

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Abstract:

E-retailing is the sale of products and services through online. E-retailing is an emerging concept in the present world. Many individuals and startups are approaching the internet to create their own portals in order to portray their products for sale online. E-Retailing helps the traditional brick-and-mortar stores reach more consumers worldwide and increase sales. They can launch their products sitting in a single room and expand the business with a reduced cost. Flipkart and Amazon are one among the companies who are using e-retailing concept from the day one of inception of their venture. Many people living in cities have stopped visiting physical stores with the advent of e-retailing. They find their desired product from the online stores and make their shopping at ease. E-retailing concept has grown well in the urban areas. In this study the researcher has taken a keen interest to know the growth of e-retailing in rural areas with special reference to Flipkart and Amazon. The main focus of the study is to know the awareness, usage, satisfaction and the problem faced among the rural customer of Coimbatore pertaining to Flipkart and Amazon, the leading e-retailers of the country.

Key words: e-retailing, internet, startups, portals, shopping

I. INTRODUCTION

E-Retailing

- Electronic retailing is the sale of goods and services through the internet.
- Electronic retailing, or e-tailing, can include business-to-business (B2B) and business-to-consumer (B2C) sales of products and services, through subscriptions to website content, or through advertising.
- E-tailing requires businesses to tailor traditional business models to the rapidly changing face of the internet and its users.

E-retailing in India

- India is one of the markets which is witnessing growth in smart phone customers. In 2013, there

were 51 million smart phone users in India which is expected to reach 104 million by 2014. But this forms about 10 per cent of the total mobile users currently.

- The availability of cheap smart phone can enhance the growth rate in future. Access to 3G and 2G mobile data networks and availability of cheap smart phones can enhance the customer transaction using mobiles.
- Most of the online retailers are developing their mobile applications to enhance the shopping experience. Amazon came up with their own 3D smart phone- "Fire phone" to enhance the mobile shopping experience of their customers. If we compare the mobile internet users we can notice increasing trend with reverence to mobile internet users.

II. STATEMENT OF THE PROBLEM

E-retailing can be considered as a form of non-store retailing. Due to the entrance of MNCs into the Indian market, the existing market forced to improve and expand to retain the customers. In today's consumer market, there are various products and services are very much available along with different purchase mode. Now a day, even the rural area people started adopting e-retailing. So it is important to analyze and identify the factors which influence rural customers to shop online. Sometimes, the processes of e-tailing and online transactions are creating problems to the customers. In order to identify those problems, a specific study has been made on e-tailing with special reference to Flipkart.com and Amazon.com services in rural areas of Coimbatore.

III. OBJECTIVES OF THE STUDY

- To study the rural customers awareness towards Flipkart.com and Amazon.com
- To find out the usage level of E-retailing by rural customers towards Flipkart.com and Amazon.com
- To understand the factors influence the rural customers towards selected E-retailers.
- To study the satisfaction level of rural customers towards selected E-retailers.
- To analyze the problem faced by the rural customers towards selected E-retailers.
- To offer suggestion based on the study.

IV. RESEARCH METHODOLOGY

a) **Sources and Collection of the data:** Data for conducting this research was collected from both the primary and secondary.

- **Primary data:** In this study, primary data was collected through structured questionnaire.
- **Secondary data:** The secondary data was collected from early research, internet, books, magazine etc.

b) **Sampling techniques:** Convenience Sampling

c) **Sample size:** 200 respondents

d) **Area of study:** Coimbatore – Rural areas

e) **Statistical tools applied:** 1) Descriptive Analysis
2) Garret Ranking

LIMITATIONS OF THE STUDY

- The survey has been confined only to Coimbatore.
- The sample size was restricted to 200 which is comparatively very less as compared to the entire population of the city.
- Another problem that has affected the full realization of this study is time constraint.
- The findings of the study depend purely on the responses given by sample respondents and hence adequate care has been taken to collect the data and has been utilized for the study.

V. PROFILE OF THE E-RETAILERS

FLIPKART.COM

- Flipkart is an electronic commerce company headquartered in Bengaluru, India. It was found in the year October 2007 by Sachin Bansal and Binny Bansal (no relation).
- They worked for Amazon.com, and left to create their new company incorporated in October 2007 as Flipkart Online Services Pvt. Ltd. Flipkart initiated by selling books online and popularized the idea of buying books online in India.
- Flipkart introduced its own product choice under the name "DigiFlip" with products inclusive of tablets, USB flash drives, and laptop bags. As of April 2018, the company was valued at \$17.8 billion.
- Flipkart grew at an accelerated pace and added several new product ranges in its portfolio. Now, the company provides more than 80 million products spread across more than 80 categories such as mobile phones & accessories, computers and accessories, laptops, books and e-books, home appliances, electronic goods, clothes and accessories, sports and fitness, baby care, games and toys, jewelry, footwear, etc.

- In October and November 2011, Flipkart acquired the website Mime360.com and rights to digital catalogue of Chakpak.com. Later, in February 2012, the company introduced 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 wound up on 17 June 2013 as paid song downloads did not get popularity in India due to the dawn of free music streaming sites.
- In the year 2018, Walmart has wrapped up Flipkart acquisition for \$16 billion, a valuation of over \$20 billion, which makes it the world's biggest ecommerce deal. Walmart owns around 77 per cent of the Bengaluru-based company in what is also being seen as the largest takeover for the US firm. Sachin Bansal is completely exiting from the company.

AMAZON.COM

- On July 5, 1994, Bezos initially incorporated the company with the name Cadabra, Inc. Bezos changed the name to Amazon.com, Inc. a few months later, after a lawyer misheard its original name as "cadaver".
- In September 1994, Bezos purchased the URL Relentless.com and briefly considered naming his online store Relentless, but friends told him the name sounded a bit sinister. The domain is still owned by Bezos and still redirects to the retailer. The company went online as Amazon.com in 1995.
- Amazon India launched its operations in June 2013. Amazon India has acquired an eminent position in the Indian e-commerce space and has become a major shopping giant for millions of customers.
- Amit Agarwal leads and handles Amazon India; he is currently the Managing Director of the company, Amazon India.
- Amazon India is currently offering millions of products on its platform and has millions of registered users.

VI. ANALYSIS AND FINDINGS

a) **Descriptive Analysis:**

Table-1 Frequency distribution of the respondents on the basis of their personal profile:

Profile	Groups	No.	%
Gender	Male	167	83
	Female	33	17

Age	Less than 20 years	20	10
	20-30 years	83	42
	31-40 years	72	36
	Above 40 years	25	12
Marital Status	Single	103	51
	Married	97	49
Occupation	Business	43	22
	Private employee	29	15
	Government employee	42	21
	Agriculture	35	17
	Students	51	25
Family Monthly Income	Below ₹10,000	26	13
	₹10,000 - ₹25,000	55	27
	₹25001- ₹50,000	83	42
	More than ₹50,000	36	18

Majority of the respondents are male, under the age of 20-30 years, their marital status is single and are students whose family income is between ₹25001- ₹50,000.

Table 2 Showing awareness towards e-retailers

S.No	Aware	Flipkart		Amazon	
		No.	%	No.	%
1.	Yes	191	95	109	55
2.	No	9	5	91	45
	TOTAL	200	100	200	100

Majority (95%) of the respondents are aware of Flipkart.com. Majority (55%) of the respondents are aware of amazon.com.

Table 3 Showing the various factors

Factors	Groups	No.	%
Preference	Flipkart	124	62
	Amazon	76	38
Period of Purchase	Weekly	19	10
	Monthly	106	53
	Occasionally	75	37
Spend on single online purchase	Below ₹1000	11	5
	₹1000 - ₹5000	37	19
	₹5001- ₹10000	99	50
	₹10001- ₹15000	51	25
	Above ₹15000	2	1
Type of products purchase	Books and stationery	23	11
	Grocery	26	13
	Clothing and accessories	52	27

	Electronics	74	37
	Cosmetics	25	12
Deliver of the product	Within 4 days	58	29
	Within a week	99	50
	Within 1 month	43	21
Mode of payment	Cash on delivery	101	51
	EMI	22	11
	Debit/Credit card	36	18
	Net banking	30	15
	E-wallet	11	5
Problem in purchasing online	Yes	61	30
	No	139	70
Type of problem	Delayed delivery	5	8
	Quality issues with the product purchased	16	26
	Poor service	15	25
	Delivery of wrong product	25	41
Satisfaction towards the e-retailers	Highly satisfied	61	30
	Satisfied	79	40
	Neutral	36	18
	Dissatisfied	18	9
	Highly dissatisfied	6	3

- Majority (62%) of the respondents prefer Flipkart.com than Amazon.com (38%)
- Majority (53%) of the respondents purchase through online shopping once in a month.
- Majority (50%) of the respondents spends Rs.5,001-Rs.10,000 on a single online purchase.
- Most (35%) of the respondents purchase the electronic products through online.
- Majority (50%) of the respondents opined that the products will be delivered within a week.
- Majority (51%) of the respondents prefer cash on delivery as the mode of payment.
- Majority (70%) of the respondents didn't face any problems in purchasing online.
- Most (41%) of the respondents faced delivery of wrong product in purchasing online.
- Most (40%) of the respondents are satisfied with their E-retailers.

Table 4 showing respondents satisfaction towards the various factors influencing customer towards purchase of products online

Factors	Level	Number	%
Price	Highly satisfied	132	66
	Satisfied	59	29
	Neutral	9	5

	Dissatisfied	0	0
	Highly dissatisfied	0	0
Availability of product	Highly satisfied	54	27
	Satisfied	132	66
	Neutral	14	7
	Dissatisfied	0	0
	Highly dissatisfied	0	0
Time saving	Highly satisfied	65	32
	Satisfied	85	43
	Neutral	46	23
	Dissatisfied	4	2
	Highly dissatisfied	0	0
Replacement Policy	Highly satisfied	48	24
	Satisfied	105	53
	Neutral	47	23
	Dissatisfied	0	0
	Highly dissatisfied	0	0
Guarantee & warranty	Highly satisfied	66	33
	Satisfied	76	38
	Neutral	48	24
	Dissatisfied	10	5
	Highly dissatisfied	0	0
Easy to purchase	Highly satisfied	51	25
	Satisfied	103	52
	Neutral	40	20
	Dissatisfied	6	3
	Highly dissatisfied	0	0
User friendly	Highly satisfied	62	31
	Satisfied	82	41
	Neutral	51	25
	Dissatisfied	5	3
	Highly dissatisfied	0	0
Exchange	Highly satisfied	57	28
	Satisfied	86	44
	Neutral	42	21
	Dissatisfied	15	7
	Highly dissatisfied	0	0

- Majority (66%) of the respondents are highly satisfied towards price.
- Majority (66%) of the respondents are satisfied towards the availability of product.
- Most (43%) of the respondents are satisfied towards time saving.
- Majority (53%) of the respondents are satisfied towards replacement policy.
- Most (38%) of the respondents are satisfied towards guarantee & warranty.

- Majority (52%) of the respondents are satisfied towards easy to purchase.
- Most (41%) of the respondents are satisfied with user friendly.
- Most (44%) of the respondents are satisfied towards exchange.

b) Garrett Ranking:

Table showing Garrett Ranking for the factors influencing customer towards purchase of products online

Factors	1	2	3	4	5	6	7	8	Total Score	Rank
Value (x)	80	69	60	53	47	40	32	20		
Price	42	17	22	24	28	15	14	38	10249	5
Availability of product	21	27	36	34	28	19	70	15	12121	1
Time saving	17	22	32	32	31	23	21	22	9983	4
Replacement policy	14	27	15	28	38	24	33	21	8620	6
Guarantee & warranty	24	33	30	31	33	20	15	14	10751	2
Easy to purchase	28	26	38	19	20	40	15	14	10621	3
User friendly	23	33	10	19	14	28	49	24	8643	7
Exchange	28	13	14	13	13	30	34	55	8665	8

Majority of the respondents ranked Availability of product as first followed by Guarantee & warranty as second and Easy to purchase as third for the factors influencing customer towards purchase of products online.

VII. SUGGESTIONS:

- **Awareness:** E-retailers should make customer aware of their services through pamphlets, radio in rural areas
- **Price:** Some of the respondents feel price of the products are very high in online shopping. Hence it is suggested to give products at a nominal rate in order to attract the new customers and also to retain the existing customers. The customers should be given offers and discount frequently and it has to be notified to the customers.
- **Delay in delivery:** Most of them face delay in delivery in online shopping. This should be reduced in order to satisfy their customers.
- **Mode of payment:** Payments for all the products preferred by customers must be available through cash on delivery which is very convenient for them.

- **High shipping cost:** Customers feel that shipping cost is too high. Hence it is suggested that the shipping cost has to be reduced in order to encourage online shopping.

VIII. CONCLUSION

The study shows that online shopping is having very bright future in India, with the use of internet, customers can shop anywhere, anything and anytime with easy and safe payments options. Customers can do comparison shopping between products as well as, online stores. Online shopping even after gaining popularity completely eliminates traditional shopping. In order to encourage the online shopping habit among the rural customers, e-retailers have to sell the product at the nominal price, offers discount, etc. From the study it is concluded that the respondents from rural areas are satisfied with the e-retailers. The overall satisfaction about e-retailers is good.

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