

## A STUDY OF E-COMMERCE PROS AND CONS WITH RESPECT TO FLIPKART.COM

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### ABSTRACT

In today's Information Technology (IT) era technology is moving very fast and comparatively mindset of users. They want various services at their doorstep by saving their time and money. For this e-commerce plays a very important role as a new way of helping business enterprises to compete in the market and thus contributing to economic success. There are many e-commerce websites in the market website which deals with selling and purchasing of goods and services through internet and computer networks. Research aims to prove flipkart.com as a successful e-commerce website by doing comparative study of different e-commerce websites available in the market with flipkart.com.

As a successful e-commerce website, flipkart.com increases business opportunities, competitiveness, better and profitable access to markets and saves users travel time and cost. This research paper also to analyze various aspects of flipkart.com on the basis of its security, quality of service, product availability, discounts, payment mode and many more parameters.

**KEYWORDS:** e-commerce, Internet, Network, Information Technology

### INTRODUCTION

e-commerce is currently one of the most important aspects of the Internet to and 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. Flipkart.com is the India's largest e-commerce brand for physical goods. Since from 2010, it has grown rapidly with the introduction of innovative features like Cash On Delivery (CoD), 30 days replacement guarantee and its own delivery network. Today, the portfolio of flipcart is spread across 12 categories and which is rapidly expanding its network of warehouses, distribution centers, procurement operations and 24/7 customer support teams.

### NEED & SIGNIFICANCE

In today's world, people don't have time to do tradition shopping. By using e-Commerce websites they can avail service 24 x 7 x 365 according to their convenience by saving cost, time period etc. This study mainly focuses on the awareness among the society about e-commerce websites with respect to flipkart.com and security for payment. There is also need to do analysis of flipkart.com on the basis on age group of users, maximum no. of products purchased, no. of internet users purchasing from flipkart.com, no. of days taken for delivering the product by different payment methods like credit card, net banking, debit card, code etc.

### SCOPE OF THE SYSTEM

Pune city as the main area for the research purpose and other cities like Ahmadabad and Jamnagar are also considered. The payment mode to order the items from the flipcart.com and the time taken to deliver the items are studied. Researcher has considered only those products which are currently available for sale at flipkart.com website.

## RESEARCH DESIGN & METHODOLOGY

A research design is the arrangement of conditions for collection and analysis 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 research is conducted; it constitutes the blue print for the collection, measurement and analysis of data.

### Objectives of the Research

- To study about user prior experience regarding flipkart.com and opinion regarding availability of product in different age groups.
- To analyze whether delivery days for both cash on delivery and prior payment are same or not?
- To measure the performance of filpcart.com and their impact on customer.
- To analyze the competition of flipkart.com.

### Research Hypothesis

**H1:** Young generation is more active for purchasing item from flipkart.com

**H2:** Flipkart.com is more popular e-commerce website than other sites.

**H3:** Customers are in favor of flipkart.com for mobile and accessories as compared to other Products.

## SAMPLING DESIGN

A sample design is a definite plan for obtaining a sample from a given population which refers the procedure to select items for the sample. Sample design may as well lay down the number of items to be included in the sample i.e.; the size of the sample.

**Sampling Method:** This research is restricted to very small sample size and due to time constraints the research is carried in only for selected cities. Our research area divided into major 2 states that are Maharashtra and Gujarat. From each state we are going to collect data from Pune, Ahmadabad, Jamnagar etc cities. Therefore for the overall research will be done with a sample size of min 204 respondents from different parts of city.

- **Area Covered:** Pune and Ahmadabad City.
- **Population of Interest:** e-commerce facility used by users in the various age groups.
- **Sampling Frame:** Student, Business, Employee & Others.
- **Sample Size:** 204 users.
- **Sampling Method:** Convenience sampling.

## DATA PRESENTATION, ANALYSIS AND INTERPRETATION

Main aim of this research is to understand online shopping process and the efficiency and effectiveness buying goods with respect to filpcart.com in comparison to other online shopping websites with respect to various factors such as quality, product availability, discount of goods and security etc. Data for this research has been collected through online questionnaire by using Google Docs and offline questionnaire from different cities like Pune, Ahmadabad etc. and for

study purpose various aspects are considered like type of respondent (Student, Business, Employee & Others), age, gender, flipcart references etc.

**Objective 1:** To study about user prior experience regarding flipkart.com and opinion regarding availability of product in different age groups

For this objective, we have considered different age groups and identified that whether they shop on online shopping websites or not, if no then why not and what is the age of the customer who frequently does online shopping. It also measures the impact of flipcart with respect to availability of product as per respondent's point of view. Following Table 1 shows the statistic of online shopping among the respondents and Table 2 shows the various reasons that why respondents are not prefer online shopping..

**Table 1: Online Shopping Statistic**

Does Online Shopping	No. of Respondents
Yes	142(69.60)
No	62(30.40)
<b>Total</b>	<b>204(100)</b>

**Figures in bracket indicates Percentages**

Table 1 shows the information about the online shopping respondents. It's clear that 142 respondents that is approx. 70 percent respondents are doing online shopping and 62 respondents that is approx 30 percent respondents do not do the online shopping. Means ratio for online shopping is 70:30 percent among the respondents.

**Table 2: No. of Reason of Offline Shopping**

Reason	No. of Respondents
Don't have trust for online shop	23(37.10)
Don't know how to shop	21(33.90)
Don't want to wait for delivery	7(11.30)
Other Reason	11(17.70)
<b>Total</b>	<b>62(100)</b>

**Figures in bracket indicates Percentages**

Table 2 shows the reasons of offline shopping. Study reveals that approx. 37 percent respondents don't have trust for online shopping and maximum 33 percent respondents stated that they don't know how to shop online. And in other reason respondent stated that they don't want to wait for delivering item after purchasing and some respondents stated they have to give more time for online shopping compare to flipkart.com.

Further Table 3 shows the age wise statistic of respondents with respect to flipcart.com

**Table 3: Shopping with Flipcart.Com**

Age	Flipkart.Com Selected Status	
	Yes	No
15-30	108(93.91)	24(88.88)
31-45	7(6.07)	2(7.31)
46 and above	0(0.00)	1(3.71)
<b>Total</b>	<b>115(100)</b>	<b>27(100)</b>

**Figures in bracket indicates Percentages**

By analyzing the table, it is proved that are 94 percent young generations from age group 15 -30 years are in favor of flipcart.com as compared to other age group. Hence it proves that young generation is more active in online shopping and have more experience of online shopping compare to other age groups.

Following Table 4 shows the status of availability of the product with flipcart. From this table 4, we concluded that 53 respondents are saying that availability of product on flipcart is very high. Thus we can prove that maximum no. of respondents are purchasing from flipkart.com for their availability of products.

**Table 4: Product Availability**

Factor	Very Good	Good	Average	Bad	Very Bad
Product Availability	53(46.09)	39(33.91)	19(16.52)	3(02.61)	1(00.87)

**Figures in bracket indicates Percentages**

**Objective 2: To Analyze Whether Delivery Days for Both Cash on Delivery and Prior Payment are Same or Not?**

For this objective, various payment modes and delivery period has been considered. It helps to analyze the delivery days for both cash on delivery and prior payment are same or not. Following Table 5 shows the payment modes and delivery days.

**Table 5: Payment Method and Delivery Days**

Payment Method	Delivery Days					Total
	1 to 3	4 to 6	7 to 9	10 to 12	13 to 15	
Cash On Delivery	22(26.19)	43(51.19)	13(15.48)	6(7.14)	0(0)	<b>84(100)</b>
Net Banking	6(40.00)	7(46.67)	2(13.33)	0(0)	0(0)	<b>15(100)</b>
Debit Card	2(20)	3(30)	2(20)	3(30)	0(0)	<b>10(100)</b>
Credit Card	6(100)	0(0)	0(0)	0(0)	0(0)	<b>6(100)</b>
<b>Total</b>						<b>115(100)</b>

**Figures in bracket indicates Percentages**

From the above table, we have concluded that 26 percent of respondents paying their orders through COD mode and get their items in 1 to 3 days and 51 percent get their items in 4 to 6 days. 40 percent of respondents paying their orders through net banking get their items in 1 to 3 days and 47 percent gets their items in 4 to 6 days. 20 percent of respondents paying their orders through debit card get their items in 1 to 3 days and 30 percent gets their items in 4 to 6 days. 100 percent of respondents paying their orders through credit card get their items in 1 to 3 days. It conclude that prior payment delivery is fast compare to COD payment and in prior payment itself, if customer purchase product by Credit Card then delivery days is very much lesser compare to all other prior payment method.

**Objective 3: To Measure the Performance of Filpcart.Com and their Impact on Customer**

For this objective, we have considered the various factors like quality, product delivery, discounts, user interface and overall satisfaction with flipcart. We collect data into 5-scale form, average value and category wise rank value has been calculated. Following Table 6 shows the rating of filpcart Performance and their impact on customer with various factors and their impact on user.

**Table 6: Filpcart Performance and their Impact on User**

Factors	Very Good	Good	Average	Bad	Very Bad	Average	Rank
Quality	58(50.43)	47(40.87)	7(6.09)	1(0.87)	2(1.74)	4.37	1
Satisfaction	52(45.22)	51(44.35)	10(8.70)	0(00.00)	2(01.74)	4.31	2
User Interface	45(39.13)	54(49.96)	15(13.04)	0(00.00)	1(00.87)	4.23	3
Product Availability	53(46.09)	39(33.91)	19(16.52)	3(02.61)	1(00.87)	4.21	4
Delivery of Product	46(40.00)	50(43.48)	17(14.78)	1(00.87)	1(00.87)	4.21	4
Discount	26(22.61)	37(32.17)	37(32.17)	9(07.83)	6(5.22)	3.59	5

**Figures in bracket indicates Percentages**

Study reveals that each performance factor have average value more than 4 except discount. Among all the factors as per table Quality got the first rank, Satisfaction got the second rank, 3<sup>rd</sup> rank goes to the user Interface, Product Availability & Delivery of product has 4<sup>th</sup> rank and Discount got the 5<sup>th</sup> rank. Means customers are satisfied with performance of flipcart and it has high impact on them for online shopping.

#### Objective 4: To do the Comparative Study of Flipkart with Other e-Commerce Website

For this objective, we compared flipcart with other e-commerce website like Tradus, Homeshop18, Myntra, Yebhi etc as per customer's point of view. Details of the same has shown in following Table 7

**Table 7: Online Shopping Website Comparisons**

Website	Yes	NO	Total
Flipkart.com	115(81.00)	27(19.00)	142(100)
Tradus.com	42(29.60)	100(70.40)	142(100)
Homesho18.com	51(35.90)	91(64.10)	142(100)
Myntra.com	28(19.70)	114(80.30)	142(100)
Yebhi.com	27(19.00)	115(81.00)	142(100)

Figures in bracket indicates Percentages

From above table, it clears that flipcart have highest customers as compared to the other e-commerce websites.

#### TESTING OF HYPOTHESIS

Various statistical tools used to test the hypotheses. If the replies of a majority of the respondents support a hypothesis then that hypothesis will be considered as confirmed. Otherwise it will be considered as rejected. The data connected with the hypothesis and obtained from respondents has been used for this purpose.

##### Hypothesis 1

The first hypothesis of the study is "Young generation is more active for purchasing item from flipkart.com"

**H<sub>0</sub>**: Online shopping does not depend on age of customer with respect to flipkart.com

**H<sub>1</sub>**: Young generation is more active for purchasing flipkart.com

Hypothesis has been tested by considering various age groups from 15 to 30 years, 31 to 45 years and above 46 years. As the sample sizes are  $\geq 30$  therefore normal approximation is satisfied. In this case Z-test and as one proportion is involved.

As alternative hypothesis is in terms "if less than" hence rejection area is towards only one side hence it is one tail test (Z-test).

**Table 8: Z-Test Statistics**

Variables	P Value (Sig.)	95% Confidence Interval of the Difference	
		Lower	Upper
Age group	0.00	1.06	1.16
Flipkart.com Selected	0.00	0.74	0.92

As shown in the table 8, the value of **P = 0.00** is  $< 0.05$ , hence reject **H<sub>0</sub>** (Null hypothesis) that is "Online shopping does not depend on age of customer with respect to flipkart.com." and **H<sub>1</sub>** is **accepted**. That is "Young generation is more active for purchasing item from flipkart.com."

**Hypothesis 2:** The second hypothesis of the study is “**Flipkart.com is more popular other than e-commerce site**”

**H<sub>0</sub>:** Every e-commerce website is equally popular

**H<sub>1</sub>:** Flipkart.com is more popular other than e-commerce site

Hypothesis has been tested by considering various users who does online shopping with flipcart. By considering shopping user, we collect 142 online shopping user out of that 81 percent user is using flipkart.com for shopping.

**Table 9: ANOVA for Popularity of e-Commerce Website**

		Sum of Squares	Degree of Freedom	Mean Square	Sig.
					P Value
Flipkart Selected	Between Groups	0.661	1	0.661	0.04
	Within Groups	21.206	140	0.151	
	<b>Total</b>	<b>21.866</b>	<b>141</b>		
Tradus Selected	Between Groups	0.088	1	0.088	0.52
	Within Groups	29.489	140	0.211	
	<b>Total</b>	<b>29.577</b>	<b>141</b>		
Homeshop18 Selected	Between Groups	0.13	1	0.130	0.46
	Within Groups	32.553	140	0.233	
	<b>Total</b>	<b>32.683</b>	<b>141</b>		
Myntra Selected	Between Groups	0.039	1	0.039	0.62
	Within Groups	22.44	140	0.160	
	<b>Total</b>	<b>22.479</b>	<b>141</b>		
Yebhi Selected	Between Groups	0.036	1	0.036	0.63
	Within Groups	21.83	140	0.156	
	<b>Total</b>	<b>21.866</b>	<b>141</b>		

It could be noted that the result in above table P value for the hypothesis is **0.04** which is **less than  $\alpha=0.05$** , the 5% level of significance. Therefore, it is enough evidence to reject the Null hypothesis and accept alternative hypothesis that “**Flipkart.com is more popular other than e-commerce site**”

**Hypothesis 2:** The third hypothesis of the study is “**Users are in favor of flipkart.com for mobile and accessories as compared to other products.**” For testing of this hypothesis, various categories of products are considered and also user’s response regarding same has been used. Details of the same has shown in following Table 10

**Table 10: Product Purchase Strategy**

Products	No. of Respondents
Books	28(24.56)
Computers & accessories	14(12.28)
Camera	12(10.53)
Mobile & accessories	42 (36.84)
Music, Movies & Posters	11 (9.65)
Watches	8(6.14)
<b>Total</b>	<b>115(100)</b>

**Figures in bracket indicates Percentages**

It has identifies that most of the customers purchase mobile accessories through flipcart as compared to other products. For testing the hypothesis Pearson Co-relation has been applied.

**Table 11: Co-Relation for Mobile and Accessories Selected with Flipcart**

Sample Size (N)	Co-Relation Technique	Mobile and Accessories Selected
204	Pearson Correlation	0.27
	Sig. (2-tailed)	0.00

Value of Pearson Co-relation of flipkart.com with mobile and accessories is **0.27** which lies between -1 to +1. Therefore **hypothesis** of the study is **accepted**.

## **FINDINGS, CONCLUSIONS & SUGGESTIONS**

It is observed during the course of the published research material on the subject of the study was strictly limited and a number of areas and aspects required wider and in-depth research in future.

### **Findings**

- As per the study usage of flipkart.com is quite high in young generation.
- It is seen that 99.5 percent respondents are using internet. Out of these internet users 70 percent have done shopping from e-commerce websites and 30 percent are non-shopping users. Out of 30 percent non-shopping users, 34 percent of them don't know how to shop online.
- 81 percent users are using flipkart.com for online shopping.
- It is found that nearly 87 percent user voted flipkart.com is secure for shopping online
- In flipkart.com, 62 percent are purchasing mobile and accessories.
- For purchasing item on flipkart.com payment mode, 'Cash on Delivery' is used by 72 percent users.
- Online shopping products are much cheaper than traditional shopping transactions.
- Flipcart.com is much more accessible, affordable, efficient, simple and time-saving as compared to going to the shop for purchasing a product.

### **CONCLUSIONS**

The research showed that the popularity of e-commerce facilities has gradually increased over the years and popularity of flipkart.com is popular in young generation. In today's fast moving life people want to purchase all the products as per their convenience, at cheap rate and high quality which is provided by flipkart.com and this is one of the reasons for growing popularity of flipkart.com.

Still a large proportions of people today refrain themselves from using these e-commerce websites due to security reasons or their familiarity with retail shops, wholesalers, etc. The research shows that a few of them have encountered mishaps while using e-commerce websites. Compare to other online shopping websites, flipkart.com is way ahead in competition for its products availability, quality, discount rate, user interface, etc.

From the research the researchers can also conclude that the Cash on delivery facility provided by the flipkart.com is the most popular among all the payment method for the products. This shows that the future scenario of the cash on delivery is bright and will slowly and steadily replace a large proportion of people using prior payment facilities. The following are the recommendations for increasing the use and popularity of flipkart.com facilities:

- Upload step by step guideline manual about online shopping for customers on flipkart.com.
- Create a trust in mind of customers towards security of their transaction.
- Provide user friendly user interface in different Indian languages.

## SUGGESTIONS

The respondents have put forward certain suggestions which have been summarized into a more organized form by the researcher:

- Flipkart.com should improve their delivery time in CoD.
- In watches latest products are not updated quickly.
- Flipkart.com has to increase number of cities for delivering a product.
- Schemes should be introduced for housewives and middle – class to motivate them to use these facilities.
- Flipkart.com has to increase languages option.
- Sometime discount rate in some products is low compared to other online shopping websites.
- Flipkart.com has introduced EMI but not advertised properly

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