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Title of the Paper:

Social Media and e-Commerce: Comparative Study of Flipkart and Amazon India

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Abstract:

The Internet has affected the habits of the Indian consumers, be they news consumption habits or shopping habits. Though the penetration of the internet in India in 2014 was only 19% (<http://www.internetlivestats.com/internet-users/india/>) the number is marked for a massive jump with the entry of smart phones and low cost data packages. India is the one of the fastest growing markets in the world. The e-commerce market in India is expected to quadruple, and reach \$ 60-70 billion over the next five years, driven more by faster growth in goods than growth in services. (Retail 2020: Retrospect, Reinvent, Rewrite, 2015) Online shopping plays a major role in India's e-commerce. The major advantage that India enjoys is its young population. The average age of an Indian will be 29 years in 2020. (Basu, 2007) Youngsters are involved in online shopping. Consumers indicate that they are likely to shop online more frequently in forthcoming years, said a CBRE India Consumer Survey 2015. Social media and e-commerce are inseparable these days. Flipkart and Amazon are the two big players as far as online shopping is concerned. This research paper is an attempt to examine the online shopping habits of urban young consumers in India and the use of social media by Flipkart and Amazon.

Key Words: Online Shopping, Flipkart, Amazon, Shopping Habits, E-Commerce.

Introduction:

To understand the growth of e-commerce in India and the use of social media following three points are necessary to focus.

One, India is one of the fastest growing economies in the world. And another advantage India has is its youth. It is expected that, in 2020, the average age of an Indian will be 29 years, compared to 37 for China and 48 for Japan; and, by 2030, India's dependency ratio should be just over 0.4. (Basu, 2007).

Second, the growth of internet and smart phones in India is exponential. The young India is very much technology driven. India has one of the largest and fastest growing populations of internet users in the world. According to Internet and Mobile Association's report India is the world's third largest internet population (190million) after China (620 million) and US (275million) in 2014. In addition, India already has 100 million active Facebook users today, the second largest number after US and Canada with 152million. It is estimated that India will be world's second largest internet using population with 500 million by the end of 2018. (India@Digital.Bharat, 2015) In addition to this, a study done by Cisco, a networking solution giant there will be 650 million smart phone users in India in next four years.

And third, to cater the young and technology driven consumers business will also use this new technology heavily. The new technology is changing the way all type and scale businesses operate in India. E-commerce contributes hugely in Indian economy. The e-commerce sector in India is projected to cross \$80 billion by 2020 and \$300billion by 2030 (KPMG-Snapdeal, 2015). Not only big corporate houses but also small and medium businesses are using new technology and social media. 27% of small and medium enterprises who are online today use e-commerce in India.

With above reasons and figures it is very clear that India is growing market where young consumers are using technology to fulfill their demands and needs hence business enterprises are using social media to market themselves. The cost effectiveness, direct impact on the consumers, and interactivity with stakeholders these are the other reasons why business enterprises are using social media.

Research Problems:

Online shopping is popular and contributes significantly in India's e-commerce. Amazon India and Flipkart are two biggest players in online retailing. This is the study of online shopping habits of urban youth of India. The study is an effort to find out the answers of following research problems:

Which online retailer is preferred by urban youth and what do they buy online?

Do they use mobile app of their favourite online retailer?

Do they visit social networking sites of their favourite online retailer?

How social media platforms are being used by Flipkart and Amazon India?

Review of Literature:

According to the findings of the research paper 'a Study of Online Shopping Habits of Consumers in India' (Mathur, 2014), although online shoppers use internet at their work place, online shopping has no connection with the occupation of the respondent. Cash on delivery is the preferred way of payment in case of online shopping

The study shows whose, why and through which social networking site online consumption is changing. Though there is no significant impact of social media on consumer behavior in the age group of below 20, the age group of 21-40 is mostly influenced by it. Reviews from friends and the facility of 'Cash on Delivery' are the major factors influencing the online shopping decisions of the respondents. Facebook has more impact in case of online shopping decisions than any other social networking site. (Chaturvedi, 2014)

Convenience and home delivery are the reasons for online shopping. 47% of the respondents who buy online products are between 25-29 years and have accounts on social networking sites. Electronic products followed by clothing are the products most purchased online by the respondents. With these conclusions the study shows that the social media have an impact on consumer buying decisions. (Ioanăs, 2014)

The study done by Ethel Lee shows that the social media not only enable users/consumers to obtain independent, reliable, detailed, and a great range of information about the products and

services, but also empower them to control their information in their own interest. Hence social media are the preferred platform as compared to mass media. (Lee, 2013)

The report produced by Euromonitor International on economic trends and consumer lifestyle talks about the changing lifestyle of Indian consumers. It gives detailed information on the expenditure of Indians on eating-drinking, shopping, travelling, commuting and so on. The report says that most Indians search for online travelling offers and shopping sites. The time Indians spend on internet has increased and urban shoppers now order groceries online.(Consumer Lifestyles in India, 2015)

About Flipkart and Amazon:

These two are leading online retailers in India. Flipkart is an Indian company in 2007 by Sachin Bansal and Binny Bansal, while American company Amazon started as an electronic commerce and cloud computing company in 1994. Later Amazon.com started as retailer for products like books, apparel, food, furniture, electronics and jewelry. Flipkart is registered in Singapore, and has its headquarters in Bangalore, Karnataka, while Amazon as its headquarters in Seattle, Washington. Flipkart now employs more than 33,000. Amazon stated its India's service in 2013. It was said that one the first day Amazon India received almost 10,000 orders.

Research Method:

Following methods were used to collect the data.

Primary: email survey of the alumnus and present students of journalism

Secondary: the information which is available on social networking sites about Flipkart and Amazon.

The questioner was sent to more than 108 urban youth. Out of that 75 replied and with answers of all the questions. The respondents consist of 42 girls and 33 boys.

Characteristics of the respondents:

All the respondents are in the age group of 22-26. All of them are living in big cities like Delhi, Gurgaon, Dehradun, Shimla, Patana, Kolkata, Mumbai, Pune, Amravati, Aurangabad and Nagpur. All of them use internet on a daily basis. They use internet on their mobile phones as well as at work place. All of them have journalism background. Some are students and some are working. Most of them are living away from their homes.

Data Analysis:

a) Use of Social Media:

Flipkart and Amazon have a very strong presence on digital map. They have highly active accounts on Facebook, Twitter, Instagram and Youtube.

@flipkart and @amazonIN these are official Twitter handles of Flipkart and Amazon respectively. Amazon India has shared more videos and photos than Flipkart but Flipkart has more followers than Amazon India. Amazon runs #ApniDukan and Flipkart runs #EveryneOnFlipkart. They have shared tweets, pictures and experiences of their consumer's. Amazon has involved lots of film stars whereas Flipkart has tried to involve consumers through quiz. In case of Facebook, both these online retailers are on the same page. There is marginal difference in the total likes. Flipkart has more likes than Amazon India. Both the players have used YouTube to upload their advertisements, celebrations, special events and many more videos other than ads. In case of YouTube, Flipkart has more views. But Amazon India joined YouTube in 2013 whereas Flipkart was there since 2010. Amazon has more than 14000 subscribers Flipkart has not given that number on their account. but started three years after Flipkart on YouTube. Amazon is the clear winner in case of Instagram posts. It has posted double than Flipkart on Instagram, still Flipkart enjoys more followers than Amazon.

Table No. 1

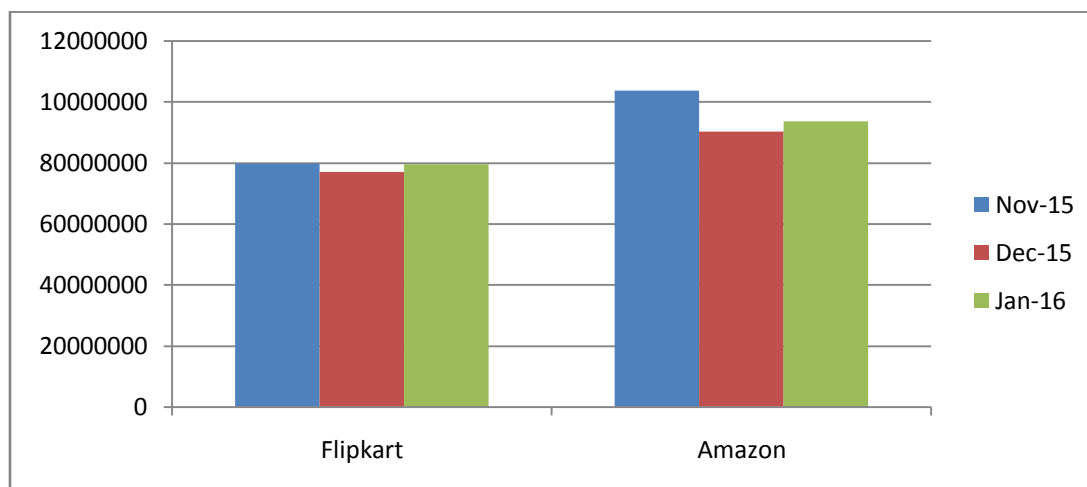
Social Media	Twitter				Facebook	YouTube	Instagram
	tweets	followers	Likes	Photos & videos	Likes	views	
Flipkart	23 K	562K	1011	1236	5,353,553	48,823,400 Joined Mar 23, 2010	327 posts 72.5k followers 2 following
Amazon	19.9 K	238 K	2451	9913	5,114,934	14,141 subscribers 25,927,680 Joined Mar 18, 2013	699 posts 20.4k followers 73 following

b) Website Analysis

This is the analysis of the websites of the two big online players. The most frequently used tool among consumers is the website. Amazon (287, 488, 311) has more visits than Flipkart (236, 005, 555) during the period of November 2015 to January 2016. **(See Chart No. 1)** Amazon India is the 6th and Flipkart is 7th most visited websites in India. The average time spent on Amazon India (8.04minutes) is more than Flipkart (7.25minutes). These figures show that Amazon attracts more visitors than Flipkart. Out of all the visitors more than 2% traffic comes through social media. Though the number is small, but that will increase in future. Facebook is the major contributor among all social media tools. Visitors give direct search to reach the respective website. Major traffic comes from direct search it is 47.17% for Amazon India and 36.01% for Flipkart. This shows the importance of attractive, user-friendly and effective website.

Chart No. 1

Monthly visits to the Website



C) Survey:

As per the survey, Amazon India is more popular than Flipkart. More than half of the respondents do visit website once in a week on their mobile phones and they use mobile application of their favourite shopping website. This shows the involvement of the respondents into online shopping which helps to ecommerce. Marginally less than half of the respondents do visit social networking sites particularly Facebook of their favourite online retailer.

Conclusion:

This study concludes with the increasing use of social media helps in ecommerce. There is rise in online shopping in India particularly among youngsters. The websites of Amazon India and Flipkart are user friendly, attractive and useful hence they are on 6th and 7th position as per the visits. On an average more than thirty thousand consumers visit each of these shopping sites every day. This shows how important online shopping is in e-commerce. Though urban youth still visit the website directly, mobile apps and social networking sites are the future tools. The mobile applications are being used for shopping. Along with the direct search young urban India search Facebook and occasionally Twitter pages of their favourite online retailer. This shows the involvement of youth with social media for online shopping. Taking this fact into consideration the online retailers also heavily use social media to hit the target audience. They are involving more and more visitors through various quizzes, attractive offers and special discounts. According to nextbigwhat.com, Amazon recorded a growing Indian 'Web Traffic' surpassing Flipkart, while Flipkart remains India's leader in e-commerce desktop traffic, Amazon's mobile web traffic surpassed Flipkart's in April 2015. Hence the conclusion is the use of social media will boost e-commerce even more in India.

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c) Survey:

This is an analysis of the data collected through survey.

1. Which site do you prefer for online shopping? Flipkart or Amazon?

Amazon is more popular as 52% respondents prefer Amazon to Flipkart. 40% like Flipkart. The rest of the respondents select website as per their need and the offer of the site.

2. How frequently do you visit shopping websites?

52% of the respondents visit shopping sites once in a week. This shows the inclination towards online shopping and how popular shopping sites are among urban youth.

3. How frequently do you do online shopping?

Most of the respondents (42.66%) do online shopping thrice a year.

4. How do you visit the shopping website?

1) Direct search 2) From Facebook 3) Through mobile app 4) Others: Please specify

Marginally over half of the respondents (50.66%) visit the shopping sites through direct search. 32% respondents use mobile app for their shopping. 6.66% of them visit through Facebook page and 10.66% of them see ads on various other websites and then through those ads they land up on the shopping website.

5. What do you like to buy online?

Books and apparels are the most frequently bought things online. 48% of the respondents buy apparels online and 37.33% like to buy books.

6. What is the best thing about online shopping as per your experience?

It saves time, convenience of shop, offers cheap products, lots of variety and many things on one platform, these are the main reasons why youth like online shopping.

7. Do you use mobile app of your favourite shopping site?

As the use of smart phones is increasing the use of mobile apps is increasing too. The mobile apps became popular within no time. 52% of the respondents use mobile apps of their favourite shopping website.

8. Can you compare your online shopping of 2015 with the year 2014?

1) Increased in 2015 2) Decreased in 2015 3) No change

Many reports have shown that there is a rise in online shopping in India. The research endorses the reports. 92% of the respondents said that there is rise in their online shopping as compared to the year 2014.

9. Do you visit their social networking site pages? (e.g. Facebook, Twitter etc)

Though the social media are popular, they are not the choice of the urban young buyers. Almost 50.6% of the respondents do not visit social networking pages of Flipkart/Amazon, whereas the rest of them do visit the social networking sites. Those who visit social networking site prefer visiting Facebook to Twitter.

10. Have you recommended online shopping to anyone in the family or among friends?

79% respondents have recommended online shopping to others. Some respondents have mentioned to their family and less number of them have recommended to their friends. But exact percentage cannot be calculated because most of them have mentioned only 'yes' and not to whom.