



# Comparison of E-commerce Company (Amazon Vs Flipkart): Respect to International Marketing

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BBA.LLB(H.)

March, 2023

## Abstract

The way we shop today has been completely transformed by e-commerce, which is now a worldwide phenomenon. Two of the most well-known international e-commerce enterprises are Amazon and Flipkart. This investigation compares the global marketing approaches of Amazon and Flipkart.

The largest online retailer in the world, founded in 1994, Amazon is present in more than 15 nations. The largest e-commerce company in India and one that only does business there is Flipkart, launched in 2007. The marketing mix, market segmentation, target market, and branding strategies of both organizations will be examined in the study.

A mixed-method approach will be used to perform the study, gathering both quantitative and qualitative information. Online surveys will be used to gather primary data, while secondary data will be gathered in other ways.

## **INTRODUCTION**

### Amazon:

Amazon is a global technology company with headquarters in Seattle, Washington. Jeff Bezos started it as an online bookstore in 1994, but it has since diversified into e-commerce, cloud computing, digital streaming, artificial intelligence, and other industries.

In terms of both market capitalization and revenue, Amazon ranks among the biggest businesses in the world. It employs more than 1.3 million people worldwide and conducts business in more than 190 nations as of 2021. Amazon.com, Amazon Prime, Amazon Web Services (AWS), Amazon Music, and Amazon Kindle are just a few of the company's well-known goods and services.

### Flipkart:

Bangalore, India serves as the home base for the Indian e-commerce firm Flipkart. It was started as an online bookstore in 2007 by Sachin Bansal and Binny Bansal (who are not related), but it has since grown to offer a wide variety of products in a number of categories, including electronics, fashion, home appliances, groceries, and more.

Walmart purchased Flipkart in 2018, which was the largest acquisition in the Indian e-commerce market. One of the top e-commerce companies in India, Flipkart is renowned for its creative business strategies like cash on delivery, no-cost EMI, and simple returns.

Flipkart has expanded beyond its core e-commerce business into a number of other industries, including digital payments, logistics, and advertising. a few of its well-known department.

### **Comparison of Amazon and Flipkart in international market**

Amazon and Flipkart are two of the largest e-commerce companies in the world. Both companies operate in the highly competitive online retail market and have a strong international presence. Let's take a closer look at the comparison of Amazon and Flipkart in international marketing:

#### Market Reach:

Amazon is a global e-commerce giant with a presence in over 17 countries. On the other hand, Flipkart operates mainly in India, but has expanded its operations to other countries like Sri Lanka, Nepal, and Bangladesh.

#### Brand Recognition:

Amazon is a well-known brand worldwide and is often synonymous with online shopping. Flipkart, on the other hand, is a more localized brand and is primarily known in India.

#### Product Portfolio:

Both Amazon and Flipkart offer a wide range of products, including electronics, fashion, home goods, and more. However, Amazon has a more diverse range of products available due to its global reach and larger customer base.

#### Pricing Strategy:

Both companies offer competitive pricing strategies to attract customers. However, Flipkart tends to offer more discounts and promotional offers, especially during festivals and events, to gain a larger market share in India.

#### Customer Service:

Amazon is known for its customer-centric approach and has a reputation for excellent customer service worldwide. Flipkart also offers good customer service, but it may not be at par with Amazon's high standards.

#### Advertising and Promotion:

Amazon invests heavily in advertising and promotion globally to maintain its dominant position in the online retail market. Flipkart also spends a significant amount on advertising and promotional activities, but its focus is mainly on the Indian market.

**Payment and Delivery Options:** Both companies offer multiple payment and delivery options to cater to their customers' diverse needs. However, Amazon's global presence and logistics network give it an edge over Flipkart in terms of delivery speed and reliability.

### **Statistics of Amazon and Flipkart in International Market**

Amazon.com is an international e-commerce company that offers online retail, computing services, consumer electronics, digital content, and other local services such as daily deals and groceries. Headquartered in the United States, Amazon hit nearly 514 billion U.S. dollars in net sales revenue worldwide in 2022. Most of the company's revenue is generated through e-retail sales of different categories of products, followed by third-party seller revenues, retail and media subscriptions, and AWS cloud services. Due to its global scope and reach, Amazon is considered one of the most valuable brands worldwide.

#### More flexible selling strategies

Amazon serves as a global platform for first- and third-party sellers (3P). The former are vendors that sell goods directly to Amazon, who later re-sells them to final customers. The latter are independent sellers using Amazon as an e-commerce site to offer their products. 3P sales account for roughly 60 percent of total paid units on Amazon's marketplace, and around the same share of 3P orders are completed via Amazon's fulfillment services. However, exclusive use of third-party selling seems to be shrinking in the United States, with an increasing percentage of sellers opting for a hybrid first-part and third-part business scheme.

#### Prime services lure users to Amazon

Amazon also offers Amazon Prime, an annually paid membership giving free one-day delivery in the United States as well as discounted one-day shipping rates, which current users reckon is one of the key advantages of buying on the marketplace. Due to these exclusive services, satisfaction towards Amazon's delivery conditions and discounted prices are generally much higher among Prime users, a global survey showed. Prime perks contributed to the increasing sales registered during the Prime Day sale event worldwide. Additionally, Amazon Prime has expanded to offer instant streaming of selected movies and television shows through Amazon Prime Video and Music.

## Retail giant in times of recession

Like other e-commerce players, Amazon is being affected by the economic recession and general downturn of online consumer demand after the COVID-19 pandemic surge. Since the first quarter of 2022, Amazon has downsized its headcount, while and in early 2023, CEO Andy Jessy announced further workforce reductions. Latest financial data indicated that online retail sales were the only Amazon's business segment generating lower sales in 2022. In the same year, the company reported the biggest net loss in years, while in Germany and the United Kingdom – two of its biggest cross-border markets – showed declining net sales.

## ..Flipkart -

### 2014–2021 revenue for the online retailer Flipkart

In the fiscal year 2021, Flipkart Private Limited reported revenues of about 433 billion Indian rupees. Additionally, compared to the previous year, the e-commerce player's revenue increased by 25%.

## Indian internet marketplaces

In India, the number of digital buyers increased linearly along with the country's increasing internet penetration rate. Online marketplace growth coexists with the rise of e-commerce in the nation. Direct-to-consumer shipments continued to increase in percentage of e-commerce shipments even though marketplace shipping remained the most common shipping option.

## Flipkart as an adversary of Amazon

In terms of net e-commerce sales, Amazon, a major player globally, comes in first, followed closely by Flipkart. Walmart, a 16 billion dollar acquisition that year, increased its stake to 77 percent of the domestic retailer. With a wide range of products, Flipkart stands out in the online clothing market, where more than 75% of customers buy clothing from the Bengaluru-based company. Due to its ongoing growth, plans have been made to conduct an initial public offering (IPO) in the US by the end of 2021.

## **Suggestions for Amazon and flipkart in international marketing**

Understand the demand for your products in the target country by conducting market research prior to beginning to sell on Amazon or Flipkart. To determine what sells well, consider the competition, pricing, and customer testimonials.

Recognize local laws: Each nation has its own set of laws governing the importation of goods. To avoid any legal problems, be sure to comprehend and abide by the target nation's laws.

Pick the right platform: Popular e-commerce sites like Amazon and Flipkart may not be the best choice for your company. Choose the platform that best suits your business objectives among others like eBay, Alibaba, or JD.com.

**Improve your listings:** You must improve your Amazon or Flipkart listings in order to draw customers and boost sales. This entails creating succinct, clear product descriptions, using top-notch images, and adding keywords that clients are probably going to use in searches.

**Offer competitive pricing:** Pricing is an important aspect of e-commerce, and it's important to do so in order to beat out the competition. Prior to setting your prices, be sure to account for all costs, including shipping, taxes, and tariffs.

The success of any e-commerce business depends on providing excellent customer service. Customers should receive prompt responses to their questions and concerns, as well as any necessary refunds or returns.

Finally, you need to develop a strong brand in order to stand out in a crowded market. This entails developing a distinctive brand identity, providing premium goods, and offering top-notch customer support.

## **Conclusion**

Two of the biggest companies in the Indian e-commerce market are both Amazon and Flipkart. The international market, however, is where Amazon clearly outperforms Flipkart.

Several nations around the world, including the United States, the United Kingdom, Canada, and a number of European and Asian nations, have a sizable Amazon presence. Additionally, Amazon has made sizable investments in growing its business in developing nations like Mexico, Brazil, and India.

Flipkart, on the other hand, has mainly concentrated on the Indian market and has not significantly penetrated the global market. Flipkart has made some efforts to grow internationally, but its efforts have not been as successful as Amazon's.

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