IJCRT.ORG ISSN : 2320-2882

INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

Online Retail Service (ORS) – A Comparative Analysis between amazon.in and flipkart.com through Consumer Based Brand Equity (CBBE)

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Abstract: E-tailing is one of the fastest growing industries in India. Even the brick and mortar retailers are also showing keen interest in ensuring their presence in this online market space as a part of their omni-channel strategy to reach out to their customers. The COVID-19 pandemic induced restrictions on movement of people accelerate the pace of growth of the e-tailing in India. Given this scenario, there is an intense competition among the players to capture the patronization of a large chunk customers on consistent basis. Therefore, connecting with customers at emotional level is imperative to win over the good will and loyalty of the customers. This is the ultimate antidote against travails of intense rivalry that one witnesses in Indian e-tailing. ORS is once such construct through which an e-tailer can understand that to what extent and at what level it connects with customers emotionally. This insight will help an e-tailer to change their strategies to have a better relationship with its customers. The research explores the impact of ORS on CBBE of market leaders, amazon.in and flipkart.com as CBBE is positively connected with loyalty. It also shows that how these market leaders perform on ORS. At the end of this paper, the researcher gives many suggestions to e-tailers to improve their ORS.

Index Terms **- Consumer Based Brand Equity (CBBE) and Online Retail Service (ORS).**

I. INTRODUCTION

The Indian E-commerce industry is estimated to generate US$55 billion in sales during 2021 with the addition of 40 million new online shoppers. The number of online shoppers for 2021 is pegged at 190 million compared to 150 million in 2020. The Indian E-commerce will reach US$99 billion by 2024, growing at a 27% CAGR over 2019-24, with grocery and fashion/apparel likely to be the key drivers of incremental growth. (IBEF, 2021). According to Forrester Research, Indian E-commerce sales rose by 7-8% in 2020. On line penetration of retail is expected to reach 10.7% by 2024 from 4.7% in 2019. Online shoppers in India are expected to reach 220 million by 2025. The online retail market in India is estimated to be 25% of the total organized retail market and is expected to reach 37% by 2030. The Indian e-tail market generated Rs.1.8trillion (US$25.75billion) sales in 2020. Over the next 5 years, the Indian e-tail industry is projected to have 300-350 million shoppers, propelling the online Gross Merchandise Value (GMV) to US$100-120 billion by 2025. Driven by lower data rates and investments to enhance customer experience, the Indian e-tail witnessed a rapid increase in shopper penetration, as online platforms are innovating to on board the next billion of shoppers. There are many reasons for rapid growth of e-tailing in India. The first one is: E-tailers now cater to 15,000-20,000 pin codes out of about 100,000 pin codes in the country. With logistics and warehouses attracting an estimated investment of nearly US$2 billion in 2020, the reach of e-tailers to remote locations is set to increase. The second reason is: The age group of 15-34 years are the major consumers of e-tailers. The popularity of e-tailing among millenials is growing rapidly. The third reason is: The major chunk of sales for e-tailers comes for big Metropolitan cities like Bengaluru, Chennai, Mumbai and Delhi. However, as number of smart phone users in India is expected to reach 859 million by 2022, sales from Tier II and tier III cities will also rapidly increase. In due course of time, sales from these cities will surpass the sales from big Metropolitan cities.

There are many initiatives on the part of Indian government and a few private players that set the stage for rapid growth of Indian e-tailing. There are: In the Union Budget of 2020-21, the Government of India has allocated Rs. 8,000 crore (US$ 1.24 billion) to Bharat Net Project to provide broadband services to 150,000-gram panchayats. Under the Digital India movement, The Government of India launched various initiatives like Umang, Start-up India Portal, Bharat Interface for Money (BHIM) etc. to boost digitisation. The Government of India's Draft National e-Commerce Policy encourages FDI in the marketplace model of E-commerce. Udaan is a B2B online trade platform to connect small and medium size manufacturers and wholesalers with online retailers. It also provide them logistics, payments and technology support. The platform has sellers in over 80 cities of India and delivers to over 500 cities. According to Forrester Analytics, 2019, Flipkart (31.9% Market Share), Amazon (31.2%), Myntra (4.7%), Paytm mall (3.3%), Snapdeal (1.9%) and Big basket (1.8%) are the major players in the Indian e-tailing. The e-tailers like Urban Ladder (0.7% Market Share), Grofers (1.1%), Pepperfry (1.2%), ShopClues.com (1.6%) and Jabong.com (1.7%) are also other significant players in Indian e-tailing market.

II. RESEARCH PROBLEM

E-tailing is one of the rapidly growing markets in India. COVID-19 pandemic induced restriction on people movement has accelerated the growth and development of the Indian e-tailing faster than pre-pandemic growth levels. There is a hectic competition among the players operating in this market space. On boarding the customers and retaining them for a long period of time are major strategic thrust of these players. The player who has huge chunk of customers in its fold would eventually become a winner in retail space. Going by the market share, Flipkart (31.9% Market Share) and Amazon (31.2%) are emerged as the market leaders in Indian e-tailing. One of the important constructs that capture an e-tailer's ability to connect with customers at emotional level is Online Retail Service (ORS). It is a relational type of intangible asset that is co-created through the interaction between consumers and the e-tail brand. It is based on five dimensions: emotional connection, online experience, responsive service nature, trust and fulfilment. (Christodoulides et al, 2006). If an e-tailer is successful in winning over the hearts of the customer, there is a strong possibility that the customer relationship with the e-tailer is at the emotional level. This type of bonding with customers ensures sustainability and longevity of the e-tailer in the market. It is quite interesting to know how the market leaders like Flipkart and Amazon fare on ORS. Comparing ORS of Flipkart and Amazon will throw light on how these market leaders emotionally connect with customers. Comparison of ORS between two e-tailers is possible only by testing the relationship between ORS and Consumer Based Brand Equity (CBBE) of the e-tailers. According to Christodoulides and de Chernatony (2004), CBBE is defined as "a set of associations and behaviours on the part of brand's consumers, channel members and Parent Corporation that enables a brand to earn greater volume or greater margins that it could without the brand name and, in addition, provides a strong, sustainable and differential advantage". This research will enable other players in this market space to gain a deep insight that will help them to rejig their strategies to connect with their customers in a better possible way.

III. REVIEW OF LITERATURE

Christodoulides et al (2006) came up with an alternative model of retail brand equity for online shopping companies which they termed as" Online Retail Service (ORS)". They explained that the ORS model had the following dimensions: Emotional connection, online experience, responsive service nature, trust and fulfilment. They defined the ORS as" A relational type of intangible asset that is co-created through the interaction between consumers and the e-tail brand". Their main focus was to measure brand equity in an online context by taking into account the unique characteristics of the internet that made consumers as co-creators of brand value. They came up with 12-item brand equity scale that encompassed all dimensions of the ORS. Page.C. and Lepkowska – White.E (2002) did a conceptual study by adopting Keller's (1993) model of Consumer Based Brand Equity to study web equity. They identified four factors that decided the web equity. They were: Communications, site design, vendor characteristics and product & service characteristics. Kim.J, Sharma. S, Setzekorn.K (2002) also did a study in the context of online businesses by adopting Keller's (1993) model of Consumer Based Brand Equity (CBBE). Based on this study, they suggested ways and means to build online brand equity. Christodoulides.G, De Chernatony.L, Furrer.O, Shiu.E, and Abimbola.T (2006) developed a scale to measure the brand equity of Online Retail Services (ORS). They started their research, initially, with 59 items and subsequently these items were subjected to reliability and validity tests. Finally they came up with a 12-item online brand equity scale. They segregated these 12 items into five dimensions that encompassed the whole spectrum of ORS. They were: Emotional connection, online experience, responsive service nature, trust and fulfilment. Nonetheless of these studies, as these studies were purely conceptual in nature, testing these scales empirically are long overdue.

IV. CONCEPTUAL FRAME WORK

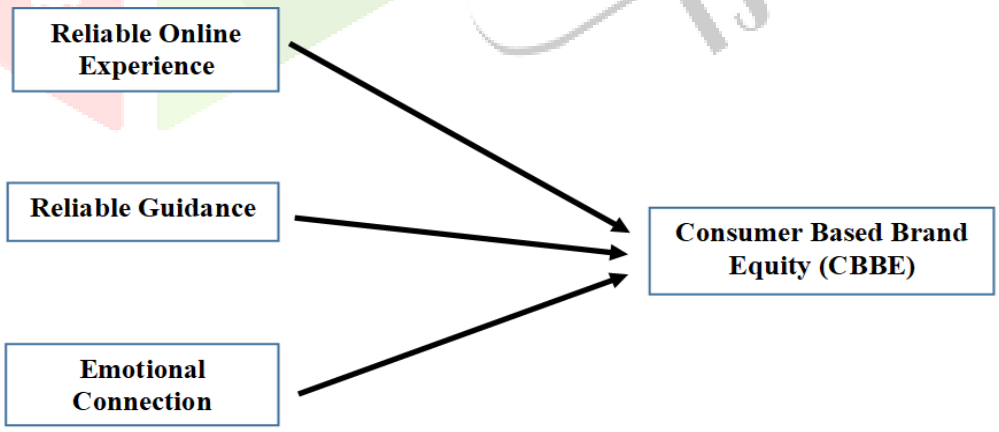

Figure: 1
Dimensions of ORS

V. STATEMENT OF OBJECTIVES

- To understand how various dimensions of ORS affect the CBBE of flipkart.com
- To know how various dimensions of ORS affect the CBBE of amazon.in
- To compare ORSs of flipkart.com and amazon.in to understand that in which dimension of ORS these market leaders perform well

VI. RESEARCH METHODOLOGY

Descriptive research design is adopted for this study**.** This study considered students pursuing their MBA at business schools in and around Coimbatore city which were affiliated to Bharathiar University, Coimbatore. According to details given in the website (www.b-u.ac.in) of Bharathiar University, Coimbatore, there are 16 aided colleges and 88 self-financing colleges affiliated to the university. Among them, there are 23 business schools which are located in and around Coimbatore city. In these business schools, there were 3600 students pursuing their MBA. Therefore, the size of the population for this study was: 3600. The data were collected, by using a standardized questionnaire, through google forms during January 2021. As the population size was known, the researcher had decided to fix a requisite sample size by using a formula provided by Mr. Taro Yamane. In his book "Statistics, An Introductory Analysis" (Yamane, Taro. 1967), he proposed the following formula to determine the sample size for a study when the population size was clearly known: n=N/(1+N(e)^2). In this formula n is the sample size, N is the population size, and e is the level of precision. By substituting the population size of 3600, @ a 96% confidence level, with value of e = 0.04, in the formula, the requisite sample size was arrived, which stood at 530. Therefore, the sample size for this study was: 530.

To collect samples, the researcher used multistage sampling method, one of the probability sampling techniques. Out of 530 respondents, 206 respondents chose flipkart.com, 162 respondents chose amazon.in as their most preferred e-tailer. Remaining respondents chose one of the other e-tailers enlisted in the questionnaire as their most preferred e-tailer. To measure ORS, standardised items were procured from the works of Christodoulides, G., de Chernatony, L., Furrer, O., Shiu, E. and Abimbola.T, T. (2006). The following are the 12 items used for measuring the ORS by using Likert's 5 point 'agreement' scaling technique: "I feel related to the type of people who are its customers", "I feel like it actually cares about me", " I feel as though it really understands me", " It's website provides easy-to-follow search paths", " I never feel lost when navigating through its website", " I was able to obtain the information i wanted without any delay", " It is willing and ready to respond to customer needs", "It's website gives visitors the opportunity to 'talk back' to it", "I trust it to keep my personal information safe", " I feel safe in my transactions with it", "I got what i ordered from its website" and "The product was delivered by the time promised by it". As the Kaiser-Meyer-Olkin Measure of Sampling Adequacy value is 0.842, which is more than 0.5, a factor analysis was carried out to reduce these 12 items into three dimensions. The three ORS dimensions identified out of 12 items were: 'Reliable Online Experience', 'Reliable Guidance' and 'Emotional Connection'.

VII. LIMITATIONS OF THE STUDY

The study is purely based on the respondents' opinion. The researcher felt that the respondents might have expressed a biased opinion due various personal and social factors that limits the validity of the study. The respondents were drawn from the group of students who pursue their MBA at business schools in Coimbatore city. Though this group represents the youth segment of Indian population, as it does not include other segments of online buyers, the results of this study can be generalized only to this group of the population.

VIII. MULTIPLE REGRESSION ANALYSIS – DIMENSIONS IN ONLINE RETAIL SERVICES (ORS) AND CONSUMER BASED BRAND EQUITY OF AMAZON. IN

Table No: 1
Descriptive Statistics

Brand Equity & Dimensions in ORS	Mean	Std. Deviation	N
Brand Equity	4.13	1.407	162
Reliable Online Experience	11.25	3.800	162
Reliable Guidance	8.19	2.632	162
Emotional Connection	6.30	2.003	162

Table No: 2
Model Summary

Model Summary[c]				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	0.706[b]	0.665	0.649	1.29842
b. Predictors: (Constant), Reliable Online Experience, Reliable Guidance and Emotional Connection				
c. Dependent Variable: Brand Equity				

The regression analysis was performed to predict Consumer based Brand Equity of Amazon.in based on 3 predictors or factors dimensions of its ORS. In the above table the R is the value of the multiple correlation coefficient between the predictors and the outcome. Here, for Amazon.in, the correlation between factors in its online retail services and the brand equity is 0.706. The R Square, which is a measure of how much of the variability in the outcome is accounted for by the predictors. In this model factors in online retail services account for 66.5 % of variation in its Brand Equity. The adjusted R Square helps one to predict how well a regression model generalizes. It is expected that adjusted R Square value is to be very close to R Square value. Here in the model also, the adjusted R square value is closer to R square value.

Table No: 3
ANOVA

ANOVA[c]						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	52.642	3	17.547	10.408	0.000[b]
	Residual	266.370	158	1.686		
	Total	319.012	161			
b. Predictors: (Constant), Reliable Online Experience, Reliable Guidance and Emotional Connection						
c. Dependent Variable: Brand Equity						

Here the above given ANOVA table can be used to test whether the regression model is significantly better at predicting the outcome. At F-Ratio 10.408, the model is significant ($p < 0.000$). It indicates that it is very unlikely, the model has happened purely by chance. Therefore, one could come to the conclusion that this model has significantly improved its ability to predict the outcome variable (Brand Equity), given the changes in the predictor variables (Factors or Dimensions in Online Retail Services).

Table No: 4
Coefficients

Coefficients[a]					
Model (1)	**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
	b	**Std.Error**	**Beta**		
(Constant)	2.275	0.402		5.664	0.000
Reliable Online Experience	1.136	0.034	0.368	3.975	0.000
Reliable Guidance	0.008	0.050	0.014	0.151	0.880
Emotional Connection	0.042	0.059	0.059	0.706	0.481
a. Dependent Variable: Brand Equity					

In the above table, t-tests measure whether the predictor is making a significant contribution to the model. Therefore, if the t-test associated with a b-value is significant (if the value in the column labelled sig. is less than 0.05) then the predictor is making a significant contribution to the model. The smaller the value of sig. (and the larger the value of t), the greater the contribution of that predictor. From the magnitude of the t-statistics being presented in the above table, among the 3 important factors or dimensions in online retail services, the factor 'Reliable Online Experience' is ($t = 3.975$, $p < 0.000$) significantly contributing to the brand equity of Amazon.in.

IX. MULTIPLE REGRESSION ANALYSIS - IMPORTANT DIMENSIONS IN ONLINE RETAIL SERVICES AND CONSUMER BASED BRAND EQUITY OF FLIPKART.COM

Table No: 5
Descriptive Statistics

Brand Equity & Factors In Online Retail Services	Mean	Std. Deviation	N
Brand Equity	4.32	1.553	206
Reliable Online Experience	11.10	3.059	206
Reliable Guidance	7.80	2.218	206
Emotional Connection	5.76	1.942	206

Table No: 6
Model Summary

Model Summary[c]				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	0.768[b]	0.672	0.658	1.50796
b. Predictors: (Constant), Reliable Online Experience, Reliable Guidance and Emotional Connection				
c. Dependent Variable: Brand Equity				

The regression analysis was performed to predict Consumer based Brand Equity of Flipkart.com based on 3 predictors or factors of its online retail services. In the above table the R is the value of the multiple correlation coefficient between the predictors and the outcome. Here, for Flipkart.com, the correlation between factors in its online retail services and the brand equity is 0.768. The R Square, which is a measure of how much of the variability in the outcome is accounted for by the predictors. In this model factors in online retail services account for 67.2 % of variation in its Brand Equity. The adjusted R Square helps one to predict how well a regression model generalizes. It is expected that adjusted R Square value is to be very close to R Square value. Here in the model also, the adjusted R square value is closer to R square value.

Table No: 7
ANOVA

ANOVA[c]						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	35.521	3	11.840	5.207	0.002[b]
	Residual	459.334	202	2.274		
	Total	494.854	205			
b. Predictors: (Constant), Reliable Online Experience, Reliable Guidance and Emotional Connection						
c. Dependent Variable: Brand Equity						

Here the above given ANOVA table can be used to test whether the regression model is significantly better at predicting the outcome. At F-Ratio 5.207, the model is significant ($p < 0.002$). It indicates that it is very unlikely, the model has happened purely by chance. Therefore, one could come to the conclusion that this model has significantly improved its ability to predict the outcome variable (Brand Equity), given the changes in the predictor variables (Factors in Online Retail Services).

Table No: 8
Coefficients

Coefficients[a]					
Model (1)	**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
	b	**Std.Error**	**Beta**		
(Constant)	2.658	0.462		5.755	0.000
Reliable Online Experience	0.029	0.041	0.057	0.710	0.478
Reliable Guidance	0.082	0.056	0.118	1.461	0.146
Emotional Connection	1.121	0.067	0.251	2.822	0.002
a. Dependent Variable: Brand Equity					

In the above table, t-tests measure whether the predictor is making a significant contribution to the model. Therefore, if the t-test associated with a b-value is significant (if the value in the column labelled sig. is less than 0.05) then the predictor is making a significant contribution to the model. The smaller the value of sig. (and the larger the value of t), the greater the contribution of that predictor. From the magnitude of the t-statistics being presented in the above table, among the 3 important factors in online retail services, the factor 'Emotional Connection ' is ($t = 2.822$, $p < 0.002$) significantly contributing to the brand equity of Flipkart.com.

X. SUGGESTIONS AND CONCLUSION

Among the three important factors discovered in ORS, the factor or the dimension 'Reliable Online Experience' is significantly contributing to the brand equity of Amazon.in. The factor 'Emotional Connection 'is significantly contributing to the brand equity of Flipkart.com. ORS is all about providing service to customers as per expectations of customers. These customer oriented services will go a long way in strengthening the kind of trust the customer repose on the online shopping company, winning loyalty of customers and ultimately consolidating the CBBE. 'Reliable online experience', 'Reliable guidance' and 'Emotional connection' are discovered as not only important factors in Online Retail Services (ORS) but also the factors that significantly exert positive impact on the CBBE. The following are the suggestions for e-tailers to strengthen various dimensions of ORS. Online companies should always proactive enough to re-engineer their websites, then and there, as the technology evolves to improve user friendliness and customer data security. The website should be expansive enough to accommodate certain specialized features to provide a few customer centric services. Judicious deployment of Artificial Intelligence (AI) and Virtual Reality (VR) will improve the quality of customer interface with the website. These technologies enable the online shopping companies to show their products to customers in three dimensional ways and suggest suitable products to customers based on their demographic, psychographic and behavioural profiles. Accessibility of the website through any mode, namely, desktop, mobile internet and mobile app will improve the functionality of the site. Innovation should be a buzzword for an online shopping company, as it makes them keeping tab on emerging technologies and grapping them at the first opportunity. Big data as well as meta data based Artificial Intelligence with 3D printing technologies will going to radically change the way in which online shopping transactions

are done. The websites of online shopping companies should immediately imbibe these technologies, once they become a practical possibility. This proactiveness will improve website functionality of online shopping companies manifold. Effectiveness of fulfillment is the resultant effect of the presence of robust logistics system and effective supply chain management practices. As these things ensure efficient last-mile delivery, from the perspective of an online shopping company, these things go a long way in giving world class customer experience at the least possible cost. Drastic reduction in timeline being involved in Order-to-Payment (OTP) cycle, which increases satisfaction of customers, can be achieved by making the logistics system more agile and the supply chain sensitive to the varying and unpredictable nature of customers' demand. As mismatch between product description and the product that actually delivered leads to customer dissatisfaction, symbiosis between efficient logistics and supply chain system will ensure perfect match between product description and actual delivery of the product. Ensuring accessibility of the website through any mode, namely, desktop, mobile internet and mobile app, will help the company to interact with customers on real time basis like sending order confirmation through an e-mail or an SMS at once whenever an order is made, etc. It makes sense for online shopping companies to implement content-led marketing extensively as a part of their Customer Service & Support initiatives. Customers today are not just seeking basic product related information like price and features, but also expecting deeper information about the product. For instance, a customer is more likely to buy products of a fashion site that gives him/her detailed information and guidance about what to wear for a party, including sample looks and a wide-ranging catalogue of garments, footwear and other accessories.

Predictive algorithms is another one cutting edge tool that will come handy for the companies to offer customized services to customers. Recommender engines are based on this algorithm. It customizes recommendations for each customer based on his/her digital footprint. However, it requires extensive data about customers, the well established players, with their huge customer data base, can make a difference in this respect. By invoking one of the human psychological concepts, 'Sunk Cost Fallacy', the online shopping companies can not only create captive bunch of customers, but also it can give customer specific service and support. According to this fallacy, when a customer has spent money on something, there is every possibility, he/she will want to ensure that money is not going to be wasted and will have a greater inclination to spend. By aligning this concept, online shopping companies can offer annual subscription options for a nominal fee wherein customers can avail benefits like free shipping and other free customized value added services. As a part of customer service and support, apart from basic services like responding to queries of customers quickly, offering alternative customer supports like toll free numbers, interaction through e-mail, etc., online shopping companies should put in place a sound reverse logistics system to take back product returns. It is the most important grey area in customer support and service, addressing this with well-placed reverse logistics system will enhance the image of the company's customer service and support manifold. By the same token, online shopping companies should ensure that there is no glitches in their payment gateways due to the failure of technology. Normally snags in this aspect will alienate even a loyal customer from the company. All in all, responding to customer queries and grievances and addressing them swiftly is the most important aspect of the customer service and support. These suggestions will go a long way in strengthening ORS of e-tailers as well as their CBBE.

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