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# MARKETING MIX OF INDIAN E-COMMERCE WEBSITES

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**ABSTRACT:** E-Commerce consists of buying and selling goods and services at an electronic system such as the internet and other computer networks. In E-commerce B2C is the direct trade between the company and consumers. It provides direct selling through online getting buyers to visit, buy and keep buying is essence of marketing for E-commerce. The present survey is based on customer's opinions on three popular E-commerce sites in India (Amazon, Flipkart, and Paytm). One of the most important issues to be addressed in E-commerce is the marketing mix 7p's. The primary objective of this study is to examine and uncover the impact of 7p's on the success of E-commerce site.

**Keywords:** E-commerce, Services 7P's, Customer service, Marketing Strategies.

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**1. INTRODUCTION:** The e-commerce has transformed the way business is done in India. The Indian e-commerce market is expected to grow to US\$ 200 billion by 2026 from US\$ 38.5 billion as of 2017. Much growth of the industry has been triggered by increasing internet and smart phone penetration. The ongoing digital transformation in the country is expected to increase India's total internet user base to 829 million by 2021 from 636.73 million in FY19. India's internet economy is expected to double from US\$ 125 billion as of April 2017 to US\$ 250 billion by 2020, majorly backed by ecommerce. India's E-commerce revenue is expected to jump from US\$ 39 billion in 2017 to US\$ 120 billion in 2020, growing at an annual rate of 51 per cent, the highest in the world.

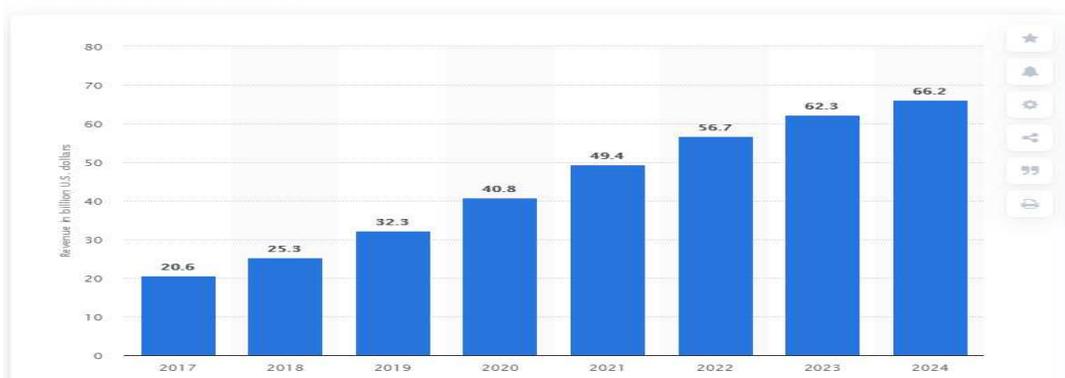
**1.1 Market Size:** Propelled by rising smart phone penetration, the launch of 4G networks and increasing consumer wealth, the Indian e-commerce market is expected to grow to US\$ 200 billion by 2026 from US\$ 38.5 billion in 2017 Online retail sales in India are expected to grow by 31 per cent to touch US\$ 32.70 billion in 2018, led by Flipkart, Amazon India and Paytm Mall. During April-June quarter 2019, smart phone shipment in India grew 9.9 per cent year-on-year to 36.9 million shipments. It is expected to reach 160 million in 2019. During 2018, electronics is currently the biggest contributor to online retail sales in India with a share of 48 per cent, followed closely by apparel at 29 per cent.

**1.2 Government initiatives:** Since 2014, the Government of India has announced various initiatives namely, Digital India, Make in India, Start-up India, Skill India and Innovation Fund. The timely and effective implementation of such programs will likely support the e-commerce growth in the country. Some of the major initiatives taken by the government to promote the e-commerce sector in India are as follows:

- Government e-Marketplace (GeM) signed a Memorandum of Understanding (MoU) with Union Bank of India to facilitate a cashless, paperless and transparent payment system for an array of services in October 2019.
- In February 2019, the Government of India released the Draft National e-Commerce Policy which encourages FDI in the marketplace model of e-commerce

- In order to increase the participation of foreign players in the e-commerce field, the Indian Government hiked the limit of foreign direct investment (FDI) in the E-commerce marketplace model for up to 100 per cent (in B2B models).
- The heavy investment of Government of India in rolling out the fiber network for 5G will help boost e-commerce in India
- In the Union Budget of 2018-19, government has allocated Rs 8,000 crore (US\$ 1.24 billion) to Bharat Net Project, to provide broadband services to 150,000 gram panchayats

### India: retail e-commerce revenue forecast from 2017 to 2024 (in billion U.S. dollars)



### 1.3 Concept of E-commerce in India

**Multi product E-commerce:** Some e-commerce portals provide almost all categories of goods and services under one roof, targeting customers of every possible products and services. Indian e-commerce portals provide products like apparel and accessories for men and women, health and beauty products, books and magazines, computers and peripherals, vehicles, collectibles, software, consumer electronics, household appliances, jewellery, audio/video entertainment goods, gift articles, real estate and services, business and opportunities, employment, travel tickets, matrimony etc.

**Single Product E-commerce:** Automobiles sector portals providing selling and buying of vehicles including two wheelers, comes under this. Stocks and share market sites, also offers their services through these types of portals, with options for comparisons and research. Other major industries offering their products and services are real estate and travel and tourism. Besides these, matrimony and employment websites are a big hit across India.

**1.4 Background of Flipkart:** Flipkart is an e-commerce company founded in 2007 by Sachin Bansal and Binny Bansal. It is registered in Singapore and it operates in India whereas it's headquarter is in Bangalore, Karnataka. In May 2014 Flipkart received \$210 million from DST global, in July 2014 it raised \$1 billion led by existing investors' Tiger Global and South Africa's media group Naspers and May 2015 it raised \$550 million from some of its existing investors. Flipkart's last fund raising round in May 2015 had pegged its valuation at \$15 billion. Flipkart acquired the rights to Chakpak's digital catalogue which includes 40,000 filmographies, 10000 movies and close to 50k ratings. Flipkart has categorically said that it will not be involved with the original site and will not use the brand name. Over 15 million products: still counting. It includes 11.5 million book titles. The other products include Books, Movies, Music, Games, Mobiles, Cameras, Computers, Healthcare and personal products, Home appliances and electronics, Stationary, Perfumes, Toys and many more. In July 2014 Flipkart launched its own set of tablet, mobile phones & tablet. The first among these series of tablet phones was Digflip pro xt 712 tablets. In September 2014 Flipkart launched its in-house home appliances and personal healthcare brand citron. The label includes a wide range of cooking utilities and grooming products.

**1.5 Background of Amazon.in:** The company was founded in 1994, spurred by what Bezos called his "regret minimization framework," which described his efforts to fend off any regrets for not participating sooner in the internet business boom during that time. In 1994, Bezos left his employment as vice-

president of D. E. Shaw & Co., a Wall Street firm, and moved to Seattle. He began to work on a business plan for what would eventually become Amazon.com. Jeff Bezos incorporated the company as “Cadabra” on July 5, 1994. Bezos changed the name to Amazon a year later after a lawyer misheard its original name as “Cadaver”. The company went online as Amazon.com in 1995. Bezos selected the name Amazon by looking through the dictionary and Barnes & Noble sued Amazon on May 12, 1997, alleging that Amazon’s claim to be “the world’s largest bookstore” was false. Barnes and Noble asserted, “It is not a bookstore at all but it’s a book broker.” the suit was later settled out by court, and Amazon continued to make the same claim.” Company offers Books, Music, movies, games, Digital download, Kindle, Computer and office, Electronics, Home and garden, Grocery, health, beauty, Toys, Kids, Clothing, and Sports. Amazon has separate retail websites for united states, united kingdom & Ireland, France, Canada, Germany, Italy, Spain, the Netherlands, Australia, Brazil, Japan, china, India and Mexico. Amazon also offers international shipping to certain other countries for some of its products.

**1.6 Background of Paytm:** The prodigy of India’s leading **ecommerce website development company** One97 communication, Paytm was launched in August 2010 by **Vijay Shekhar Sharma**. Started as an online mobile recharge and bill payment platform, Paytm now enables its users to make almost every kind of transaction on a click of a button. In just a span of 8 years, Paytm has over 250 million registered users and counting. Major investors in Paytm include Alipay, Alibaba groups, SAIF partners, Silicon Valley Bank, and Sapphire venture. Numerous revenue sources of Paytm include interest from the Escrow account maintained in a nationalized bank, advertisements on the website, commission from utility bill payments and other recharges, and commission on fund transfers from e-wallets to bank accounts.

### 1.7 Concept of Service Mix:

Bernard Booms and Mary Bitner built a model consisting of seven P’s (Booms, B. and Bitner, M. 1981). They added “People” to the list of existing variables, in order to recognize the importance of the human element in all aspects of marketing. They added “process” to reflect the fact that services, unlike physical products, are experienced as a process at the time that they are purchased.



## 2. OBJECTIVES OF THE STUDY

- To identify the respondent’s perception towards Amazon, Flipkart and Paytm service mix.
- To investigate the major factors that impact customer satisfaction towards Amazon, Flipkart and Paytm service mix.
- To compare the customer satisfaction level of Amazon, Flipkart and Paytm service mix aspects of online shopping provider.

## 3. REVIEW OF LITERATURE

1. Dhevika V.P.T, Latastri O.T.V, S Karmugil (2014), in their paper “Factors Affecting Online shopping of Customers” revealed that the most important factor influencing online shopping is- security,

- followed by – trust worthy shopping and – website design/features and the least important factor influencing is – bargaining shopping, there is no significant association between security and website design/features of the respondents and their overall online buying behaviour.
2. Ashish Pant (2014), “An Online Shopping Change the Traditional Path of Consumer Purchasing” concluded in his research article that a successful web store is not the just a good looking website with the dynamic technical features but is also emphasis on building the relationship with customers with making money. The success of any e-tailer company in India is depending upon its popularity, its branding image, its unique & fair policies, and its customer relations etc.
  3. Saravanan S and Brindha Devi K (2015), “A Study on Online Buying behavior with special reference to Coimbatore city” focused on online shoppers’ preferences and problems on various online shopping marketers. Higher computer literacy makes internet shopping smarter. Their awareness about the internet also makes them better positioned to identify and take decision for products and services.
  4. Mohana Priya S and Anusuya D (2014), “A Study on Customer Preferences and Satisfaction towards selected online websites with special reference to Coimbatore city” stated that online shopping has grown in popularity over the years mainly because people find it convenient from the comfort of their home or office. Most of the customers are satisfied by online shopping, but the only hinder is that they are not fully secured. Government has to improve security laws related to online websites so that the online customers feel secured in case of debit card, credit card or online payments.

#### RESEARCH METHODOLOGY DATA COLLECTION

- **PRIMARY DATA:** Primary data was gathered from various individuals and their inclination and data for the particular reasons for think about ran the examination. Fundamentally, the inquiries requested that were custom-made inspire the data that will help for consider. The data was gathered through survey to comprehend their experience and inclination towards their immovable association.
- **SECONDARY DATA:** To make primary data accumulation more particular, secondary data will make it more helpful. It enhances the comprehension of the issue. Secondary data was gathered from various sources, for instance, unique business and distributed papers.

**SAMPLE SIZE:** 200 Respondents

**SAMPLE AREA:** WEST GODAVARI REGION (Andhra Pradesh)

#### Comparative Analysis of Customer Satisfaction with help of 7p’s of Amazon, Flipkart and Paytm.

S.No	CUSTOMER OPINIONS	AMAZON	FLIPKART	PAYTM
<b>PRODUCT</b>				
1	Which E-Commerce company has most product diversity	100	85	15
2	Which E-Commerce company is offering more Innovative products	105	83	12
3	Which E-Commerce company has more brand value in user perceptive	98	77	25
<b>Total Percentage</b>		<b>50.5</b>	<b>40.83</b>	<b>8.67</b>
<b>PRICE</b>				
4	Which E-commerce company is offering more competitive pricing	89	99	12
5	Which E-commerce company is offering more premium products	101	79	20
<b>Total Percentage</b>		<b>47.5</b>	<b>44.5</b>	<b>8</b>
<b>PLACE</b>				
6	Which E-commerce company is delivering orders in more number of locations	112	60	28
7	Which E-commerce company has best logistic services	82	89	29
<b>Total Percentage</b>		<b>48.5</b>	<b>37.25</b>	<b>14.25</b>

<b>PROMOTION</b>				
8	Which company is giving more discounts/offers	99	82	19
9	What is your favorite company in terms of their advertising	96	97	7
10	What Company do you think have the best WOM practices?	100	85	15
<b>Total Percentage</b>		<b>49.16</b>	<b>44</b>	<b>6.84</b>
<b>PHYSICAL EVIDENCE</b>				
11	Which company have better user interface and good showcasing of products	95	92	13
12	Which company have better quality of packaging	80	80	40
13	Which is your favorite E-commerce mobile Application	82	90	28
<b>Total Percentage</b>		<b>42.83</b>	<b>43.67</b>	<b>13.5</b>
<b>PEOPLE</b>				
14	Which company provide best customer support	79	80	41
15	Which company representatives have strong product knowledge	81	79	40
16	Which company is best in terms of customer query addressing	86	80	34
<b>Total Percentage</b>		<b>41</b>	<b>39.835</b>	<b>19.165</b>
<b>PROCESS</b>				
17	Which company do you think have simple product purchasing process	83	92	25
18	Which company delivers products according mentioned date and time	85	85	30
19	which company is best in terms of Refund and replacement of products	90	90	20
<b>Total Percentage</b>		<b>43</b>	<b>44.5</b>	<b>12.5</b>
<b>OVERALL</b>		<b>46.07</b>	<b>42.08</b>	<b>11.85</b>

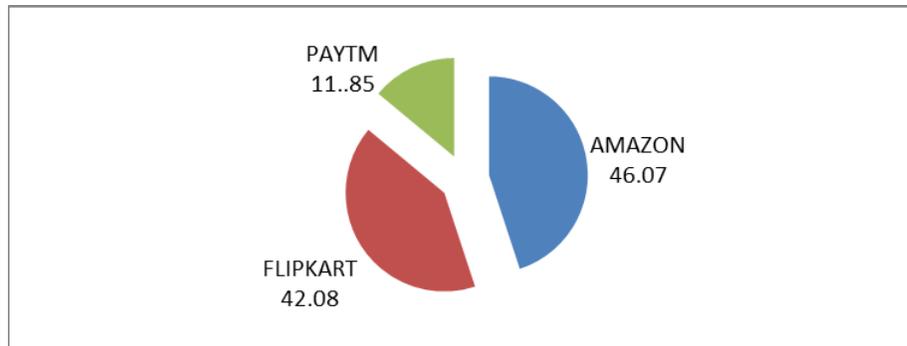


Fig: Comparative Analysis

**6.1 DISCUSSION AND IMPLICATIONS:** From the above table and diagram it can be inferred that, all the variables contribute towards customer satisfaction of Amazon.in, Flipkart and Paytm. However Amazon.in 7ps is slightly better than Flipkart. Amazon.in has better product category place, promotion and people than Flipkart. Flipkart's physical Evidence and Process are slightly better than Amazon. Paytm 7ps are far lower than Amazon.in and Flipkart. The Customers are highly satisfied with the 7ps of Amazon.in when compared than Flipkart and there is no comparison between Amazon.in and Paytm 7ps.

**7. CONCLUSION:** Online Shopping is new technology that has been created along with the development of the Internet. The study consisted with the aspects of 7ps in which customers of Amazon.in, Flipkart and Paytm are satisfied and there is a comparison between the customer satisfactions of these websites. The innovative thinking of these sites to reach more and more consumers is applicable. They increased their network as much as possible with ultimate aim of reaching more and

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more customers. In this competitive market one has to lead and others have to follow. Based upon the above survey there is tough competition between Amazon.in and Flipkart in the aspect of 7ps. Both are doing very well in the area of marketing mix 7ps in Indian E-commerce market.

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