

***“Literature review on Customer perception about Online shopping with reference to Amazon in India.”***

Authors:

**Dr Milind A Marathe,**

Professor,

Sinhgad Institute of Management and Computer Application, Narhe Pune

Email: - [milindmarathe22@gmail.com](mailto:milindmarathe22@gmail.com)

Mobile: - 9822885236

**Mr. Gaurav Gawade**

Research Scholar

Sinhgad Institute of Management and Computer Application, Narhe Pune

Email: - [prof.gaurav.gawade@gmail.com](mailto:prof.gaurav.gawade@gmail.com)

Mobile: - 8087685998

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Dr Milind A Marathe,  
Professor

Mr Gaurav Gawade  
Research Scholar

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**Abstract:**

The number of internet users is increasing every day and this increased growth has created opportunities for global and regional e-commerce. This number is expected to reach 445 million users in 2020. Amazon (Amazon.com) is the world’s largest online retailer. The company was originally a book seller but has expanded to sell a good sort of commodity and digital media also as its own electronic devices; Jeff Bezos incorporated the corporate as Cadabra in 1994 but changed the name to Amazon for the web site launch in 1995. Amazon is headquartered in Seattle, Washington. Amazon operates in India as Amazon India subsidiary.

The purpose of this study is to understand the consumer’s perception towards online shopping. For this study detailed literature survey was conducted. The existing literature available on e-commerce, online shopping and various studies on consumer perception were referred. Consumer perception regarding online shopping is directly dependent on a number of factors, price of the products, and security of the products. Guarantees and Warranties, followed by delivery time and reputation of the company, privacy of the information and convenience.

Amazon offers best prices, good products, and completely hassle-free shopping experience for its customers. Barriers for online shopping are inability to touch and try product, fear of faulty products, inability to bargain, risk of breach of financial details

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**Keywords: E-Commerce, Amazon, Online Platform, Consumers Perception, Online Shopping.**

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## **Introduction**

The number of internet users is increasing every day and the number is expected to reach 445 million users in 2020. This increased growth has created opportunities for global and regional e-commerce.

Amazon is the world's largest online retailer. The company was originally a book seller but has expanded to sell a good sort of commodity and digital media also as its own electronic devices; Jeff Bezos incorporated the corporate as Cadabra in 1994 but changed the name to Amazon for the web site launch in 1995. Amazon is headquartered in Seattle, Washington. Amazon operates in India as Amazon India subsidiary. The purpose of this study is to understand the consumer's perception towards online shopping towards Amazon. For this study detailed literature survey was conducted. The existing literature available on e-commerce, online shopping, and various studies on consumer perception on Amazon were referred

## **Research Question:**

“Which factors motivate a buyer to purchase as well as restrain to purchase Online from Amazon”?

## **Objectives:**

Objective 1: What are the factors influencing online shopping in India?

Objective 2: Understand the factors that influence online shopping in case of Amazon

Objective 3: Study the problems faced by customers while shopping Online with Amazon

## **Literature review:**

As per the report by India brand Equity Foundation, December 2019. India's e-commerce market is poised to grow four folds to US\$ 150 billion by 2022 coupled by rising incomes and surge in internet users

Vellido et al. (2000), pointed out in his research, that nine factors associated with user's perception was demonstrated to be the main discriminator between people buying online and other people not buying online. Other discriminating factors like convenience of, the shopping process, affordability of merchandise, customer service and ease of use of the shopping site.

Goldman Sachs (2001), found in the study price, quality of service and knowledge, speed and reliability of delivery, simple on-line ordering, and trust towards vendors are important factors for consumers.

Dhevika VPT, Latasri OTV, Karmugil S(2014) indicated that factors Affecting Online Customers Shopping are security, followed by reliable shopping and design and features internet site the least important factor, the negotiation of purchases isn't a big combination of security and style features / website response and general online shopping behaviour

Nikita Arora (2018), Customer perception and customer behaviour helps us to understand the challenges faced by the marketers in comprehending the consumer mind. What exactly goes in the mind of the customer and what are the processes in the mind of consumer that influences him or her in buying different products or services.

Kanwan Gurleen (2012) in the study on online purchase found out that the reasons are price consciousness, variety, ease of payment, no rush. Sensitivity to price, convenience, variety, easy payment solutions and the challenges of online shopping while the challenges in online purchase are trustworthiness of few websites.

K.S. Silpa, PU Rajasree and Dr. P. Balsubramanyam (2016) In the study on perception towards online shopping indicated that cash on delivery is preferred option for payment and online shopping will be in more demand. According to the authors, the fear for online shopping is about the quality of goods, fear of sharing credit card details.

Dholkiya and U u Sitalo (2002) conducted a study to find relationship between age and internet shopping. In the study, they observed that younger consumers search more products online, and online shopping is more convenient to young consumers.

K. Rammohan Rao and Chandrasekhar Patro (2016) In a study of factors influencing perception toward online shopping found out that convenience, website design, delivery, price, advantage, reliability are few important factors.

Benedict et al (2001) study revealed that perceptions toward online shopping and intention to buy online aren't only suffering from simple use, usefulness, and delight , but also by parameters namely consumer characteristics, situational factors, product features, past online shopping experiences, and trust in online shopping.

Neha Sharma (2018), conducted a study on Consumers' perception on online shopping, as per the study, Marketers strive to influence consumer attitudes, and understanding the prevailing attitude is the first step to changing it if needed. Thus, consumer attitude is taken into very vital importance so on know the changes required within the products regarding the consumers.

As per the article by Retail Drive ,Author Rimma Kats has quoted that Amazon has done well in terms of the satisfaction index ,consistent with ForeSee's annual Holiday E-Retailer Satisfaction Index, within the year 2012 was Amazon's biggest season ever with quite 26.5 million items ordered worldwide,”

As per the conceptual model by Nebojša Vasić Milorad Kilibarda Tanja Kaurin (2019) the various variables are as below

Table 2: Conceptual model variables and items

Variables	Items
Security	Hesitation about providing information
	Risk of the loss of privacy
	Risk of identity theft
Information availability	Identical information
	Accurate information
	Timely information
Shipping	Free shipping
	Product delivery
	Delivery of the mistaken product
	Delivery of appropriate size of the product (clothing)
	Quality and freshness of the delivered product
	Product delivery at weekends
Quality	Same quality product
	Same purchase conditions
	Rare product inconsistency
Pricing	Money saving
	Cheaper purchase
	Lower expense per transaction
Time	Time saving
	24/7 purchase
	Smart time spending
Customer satisfaction	Satisfaction with online shopping
	Attractiveness for usage
	Recommendation to others
	Pleasure of usage
	Excellence of usage

(Reference: -Nebojša Vasić Milorad Kilibarda Tanja Kaurin, Journal of Theoretical and Applied Electronic Commerce Research VOL 14 / ISSUE 2 / MAY 2019 / 70-89)

### Analysis

Table highlights the contribution by various Researchers on the subject area

SNO	RESERACHERS	YEAR	SUBJECT	REGION	FINDINGS
1	Dr. C. E. Franco U.A. Shika Nancy	2018	A study based on customer satisfaction towards Amazon online purchase in Tirunelveli	Tirunelveli District	1) Significant number. of respondents are in age group of 20 to 40 2) 5% respondents

			district		are purchasing goods from Amazon for less than one yr. 3) Respondents have preferred cash on delivery option 4) Problem faced is delay in delivery product, damage, and cheap quality.
2	Lakshmanan	2016	Customer satisfaction towards online shopping amazon.com Items purchased books garments Net banking, cad age group 26-35 yrs. male	Udamapel Taluka, Tamilnadu	1.Frequency of purchase occasionally 2.Purchasing goods for 1 yr., 3. Factors influencing the purchase are: - quality variety, no need to travel, no hidden cost
3	Dr. c. Vijay Vishnu Kumar R. Gopinath	2019	Customer satisfaction towards amazon	Chennai South	Frequency is Monthly/ occasionally Prefer- COD, Debit card Fast delivery easy payment, quality time saving Speed delivery

4	Rudresha C.E. H.R. Manjunatha Chandra Shekarappa	2018	Consumer perception towards online shopping	Karnataka (Shivmogga)	Items – mobile, tickets footwear, books Factors - saves time, save money, more efficient, home delivery quick shopping Factors – offers, quality, discount simple payment, guarantee, unavailability in local region COD
5	Khushboo Makwana, Khushboo Dattani, Himashu Badlani	2014	Customer perception towards online shopping	Indore	Positive about online shopping Convenient
6	Dr. Yogesh D. Mahajan	2017	Factors and perception of Indian millennials for online Retailers	Pune	Website design Response Data security Service provided by retailer
7	Dr. R. Shanthi Dr.Desti Kannaiah	2015	Consumers perception on online shopping		Books, electronics, cloths Factors- delivery time, reputation, privacy

					of information, security, prices, guarantees warrantees Price, security, and guarantee warrantee
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Table1: -Summary Analysis of Research studies by multiple authors on the subject area

**SWOT Analysis of Amazon**

**1. Strength: -**

Strong leadership.

Good customer retention strategy.

Use of IT services as a strong differentiator.

Good economies of scale.

Strong image as a global player

Logistics is the main strength.

**Weakness: -**

Lack of right diversification strategy.

Free shipping is negating the cost advantage.

Not able to read competition correctly.

Operating with narrow Margins.

**Opportunities**

Online payment offers better opportunities for business growth.

Opportunity of launching own brand.

May have global expansion strategy.

### **Threats**

Security concerns in online shopping.

Aggressive pricing may not be always a win-win proposition.

Has strong competition from Flipkart, Snapdeal and other brands in India.

### **Findings**

As per the study large number of Amazon customers are happy with customer service offered and packaging offered, similarly certain percent of respondent are purchasing the goods from Amazon for less than one year.

The commonly purchased items from Amazon are dresses, mobiles, tickets, footwear, books  
It observed that population between the age group of 15-30 are main buyers in terms of buying products online, younger consumers search more products online, and online shopping is more convenient to young consumers.

Price of the products has the most influencing factor on the purchase of products online. The second most influencing factor is the security of the products. The third most influencing factor on online purchase is Guarantees and Warranties, followed by delivery time followed by reputation of the company, privacy of the information and nice description of goods. Major draw card of online shopping is the ease and discounts available for different kind of products

Amazon created an impact, by offering quality product with good packaging so as that the merchandise reaches safely to customer without damages.

### **Problems faced in online shopping:**

1. Damage to the product,
2. Barriers are inability to touch and try product, fear of faulty products, inability to bargain, risk of breach of financial details
3. The trustworthiness of online shopping.
4. The fears expressed by some of the consumers about quality of goods, fear of sharing credit card information.

5. Some of the major problem faced by consumers in online shopping is delay in delivery

### **Suggestions**

Company should assure their consumers by offering personal information privacy protection policy and guarantee for transaction security by improving their technological systems.

Amazon offers best prices, good products, and completely hassle-free shopping experience for its customers. Company should ensure high quality standards and focus on speedy delivery

Amazon should focus on delivery times and delivery charges and product return policies. It should be easier, quicker, and reliable, so that consumers can enjoy the online shopping experience.

For the customers migrating from traditional to online shopping mode, Brand should ensure that the entire shopping experience should be a memorable one.

With increased competition from other players like Flipkart; Snapdeal, company should work on customer satisfaction and building customer loyalty. Ccompany should focus on better and safe packaging for the products.

The online stores can increase their reputation by effective marketing strategies like physical demonstration videos for goods, on time delivery together stop buying consumers.

### **Conclusion**

The technological innovation along with digital revolution, has forced the enterprises and companies globally to restructure their business strategies to grab the opportunities.

Looking at the today's scenario of hyper-competitive economy, the reaction time of consumers has changed to microseconds; the biggest challenge is handling stability and security. Due to internet, the consumers' fundamentals have changed with respect to expectations in information regarding product and service along with price and speed. Therefore, vendors now have a new approach for creating value for customers and also building relationships with them.

The basic motive of this paper is that it should contribute to the better understanding of the areas that affect consumers' perception, which in turn will guide consumers to experience

hassle free online purchasing. Secondly, this paper should also provide guidelines to online stores like Amazon for betterment on their operations and their marketing strategies.

### **SCOPE FOR FUTURE STUDIES:**

Due to impact of corona virus and the effect of lockdown, more and more customers are migrating to online mode. Since online shopping site have started offering contactless delivery there is a better opportunity for brand like -commerce, powered by technology, has played a key role and has been the lifeblood for cities under shutdown to fight Covid-19, There is a scope for conducting a study to find out he impact of covid19 on brands like Amazon. Further Amazon has launched a service named Amazon Prime in India the response is very good. A further study can be conducted to find out the perception about Amazon Prime service in particular.

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