

A Study on Customer Satisfaction with Reference to AI on Amazon and Flip kart

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ABSTRACT

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Now a days the customer is stay found to be busy, out of the busy schedule he /she was not able to satisfy their needs immediately, that have given a scope to identify the different ways to do shopping through the retail markets like Amazon and Flipkart who is promoting the goods worldwide and making the availability in reasonable time as per customer requirement, there is a wider scope to extend the services on a large scale. E-commerce is the platform for the online exchange of goods and services, attracting the consumers and offering a new trading opportunity by promoting or advertising through AI on online platforms. Consumers don't have to browse about particular aspects but everything is made available with AI, giving an easy access and understanding of the machine learning process, browse offerings, add items to their shopping cart, check out and pay using various methods. This study compares customer satisfaction levels of Flipkart and Amazon, two prominent online retailers in India.

Keywords: Customer Satisfaction, Promotion, AI, E-commerce, Offers, Consumers, Advertising and Promoting Services.

Introduction

The study mainly focuses on customer satisfaction in the e-commerce industry, analysing responses and feedback from customers. Factors such as product variety, availability, price, payment method, delivery time, and exchange process impact satisfaction. E-commerce is evaluating customer satisfaction with AI in product recommendations, personalized experiences and overall shopping experience. Comparing satisfaction levels between Amazon and Flipkart can provide insights into strengths and weaknesses, helping companies identify areas for improvement. Methods for comprehensive analysis include surveys, interviews, user testing, sentiment analysis and data analytics. This research is a systematic method used to gather information, analyse the responses and interpret customers feedback to know the satisfaction with the product or service of a company and overall experience on E-commerce business. The internet provides a new way to promote business and websites, gathering customers, and competitors in one platform. E-commerce is growing at a rapid speed among the E-commerce companies functioning in India, Amazon and Flipkart are the most preferred. Both Flipkart and Amazon have made their mark in India, evaluating customer satisfaction to achieve e-trade markets. The use of AI algorithms in product recommendations, personalized experiences, and customer service is crucial for assessing customer satisfaction. The shopping experience is also analysed, considering factors like website usability, search relevance, product availability, checkout process efficiency, and delivery speed. Feedback and improvement are also crucial for evaluating AI systems. Exponential growth of smartphones and internet usage has paved the way for e-commerce operators to expand their business bounds and leaps.

The e commerce giants started the devising various strategies to satisfy the customers with their offerings. Online stores are open round the clock a day and are accessible from any location with an Internet connection. Huge discounts and offers, availability of products at low prices when compared to offline stores has increased the business of e-commerce providers to a great extent. Several studies were conducted to understand what factors will influence the satisfaction levels of customers. E-commerce giants like Amazon, Flipkart, Snapdeal, Paytm mall started offering innovative services to attract customers and provide quality goods at affordable prices. A study conducted by **BALASUBRAMANIAN & ISSWARYA'S** (2017) in their work titled "customer satisfaction level between Flipkart and Amazon among the customers in an educational

institution” found that when compared to Amazon, Flipkart is able to provide an efficient delivery system, user-friendly website and exact tracking facility. The research work by V Karumuri et al (2022) on “A study on e-commerce services influencing purchasing decision: An Evidence from Visakhapatnam city” found that services like cart convenience and comfort ability, wide variety of credit services, assurance from e commerce provider, Wish list option for future purchases, wallet service offered influence purchasing decision of Gen Z customers towards e commerce providers.

The Internet has become an extra effective and fundamental device for each person’s wants and the manner of human being’s work. By integrating numerous on-line facts control equipment the use of Internet, numerous modern agencies have installation structures for taking patron orders, facilitating making of payments, patron service, series of advertising and marketing data, and online comments respectively. These sports are together called e-trade or Internet trade. Online buying made it so smooth for all of us with their product versions and easy manner to shop for things. An effort has been made to seriously take a look at the evaluation of patron delight of large e-tailers and people are Flip kart and Amazon Chaudhary, K., & Kumar, S.; 2016). Both those large gamers made their very own mark in India. A comparative examine of Customer delight among Amazon and Flipkart gives you the facts approximately the elements that influences patron delight to achieve e-trade market. Artificial Intelligence (AI) and machine learning make it possible for the customer to have automated, personalized shopping experiences. AI is continuously collecting data on how a customer shops, when they buy purchases and what they're looking for in a product or a service. It's a piece of technology that really can't be replicated in-store. Ron Smith, Editor in Chief, The Digital Outdoor, emphasizes how the complexity of AI and the ability to make it more human is also increasingly important: People want to know that brands care about them, and AI to be programmed accordingly.

We have currently seen the opposite behavior on social media, where AIs learn from humans more negative remarks, but it's highly likely that consumers will crave the impact. If bots can learn how to form sentences to convey an emotion, companies can soon teach them to offer comfort and products based on customers' moods.”

Need for the study

1. Customer satisfaction is the best indicator of how likely a customer will make a purchase in the future.
2. Asking customers to rate their satisfaction on a scale of 1-10 is a good way to see if they will become repeat customers.
3. A customer need is a motive that promotes a customer to buy a product or service. The need is to buy the product or service.

Review of literature

- **AHUJA’S 2018** study explores customer perception of electronic goods purchases on Amazon and Flipkart, focusing on gender, satisfaction levels, income, and income. Results show males are more interested in online purchases, but exposure to offers is crucial.
- **BALASUBRAMANIAN & ISSWARYA’S** research paper examines customer satisfaction between Flipkart and Amazon among postgraduate students in an educational institution. The study reveals that Flipkart wins due to its efficient delivery system, user-friendly website, and precise tracking facility.
- **DAHIYA RICHA’S 2012** study explores demographic factors' impact on online shopping behaviour, highlighting India's growing e-business potential and significant growth since its introduction.
- **KIM and PARK’S** survey on customer satisfaction in online shopping found that positive attitudes and willingness to search for pre-purchase information increase the likelihood of buying online. However, those uncomfortable with computer skills prefer traditional, modern, or discount stores.
- **NIKITA ARORA’S** research compares the customer satisfaction rates of Amazon and Flipkart. According to the study, which used a structured questionnaire to gather data from 70 samples, Amazon consumers are happier than Flipkart customers. The goal of the study is to comprehend the variables that affect consumer satisfaction in the e-commerce sector and how these variables may affect consumer satisfaction

Research gap

The previous studies have examined customer perception, satisfaction, online shopping behavior, and demographic influences in the e-commerce sector, several important gaps remain. Most of the studies focus either on customer satisfaction between Amazon and Flip kart or on the influence of demographic factors on online shopping behavior. However, limited research provides a comprehensive comparative analysis of both platforms by considering multiple dimensions such as pricing, product quality, delivery services, customer support, return policies, payment options, and overall shopping experience simultaneously.

Furthermore, many of the existing studies were conducted with small sample sizes or were limited to specific groups, such as postgraduate students, which restricts the generalizability of their findings. Several studies, particularly earlier ones such as Dahiya (2012), were conducted during the initial stages of India's e-commerce industry and therefore do not reflect the rapid technological advancements, increased internet penetration, digital payment adoption, and changing consumer preferences witnessed in recent years.

India's e-business sector has experienced remarkable growth due to the expansion of smart phones, affordable internet access, government initiatives such as Digital India, and increasing consumer trust in online shopping. Despite this significant transformation, there is a need for updated empirical research that compares leading e-commerce platforms like Amazon and Flipkart under the current market environment.

Therefore, the present study attempts to bridge this gap by conducting a comparative analysis of customer satisfaction with Amazon and Flipkart in the context of India's rapidly growing e-business ecosystem, providing recent insights into the factors influencing consumer preferences and satisfaction.

Objectives of the study

1. To understand the satisfactory level of the customer.
2. To understand the customer preferences on Amazon and Flip kart.

Hypotheses of the study

H₀: There is no significant difference between online platforms in the level of customer preferences and satisfaction.

H₁: There is a significant difference between online platforms in the level of customer preferences and satisfaction

Scope of the study

1. The study mainly concentrates on the development of fashion products through online websites.
2. Customer's satisfaction towards offers, discounts, interest and trust will be the main study of the project.
3. Customer satisfaction information including surveys and ratings can help a company determine how to be the best and improve or change its products and services.

Research methodology:

Sources of Data Collection: The data for the study is collected from primary and secondary sources. Primary data is collected using a formal questionnaire which is designed to understand the satisfaction levels of the customers preferences towards Amazon and Flipkart. Secondary data is collected from the reports, books, journals, periodicals, dailies, magazines and websites from the purpose of building a strong conceptual background of study.

Sample Size: The Estimated sample size is of 100 respondents from twin cities of Telangana i.e Secunderabad & Hyderabad

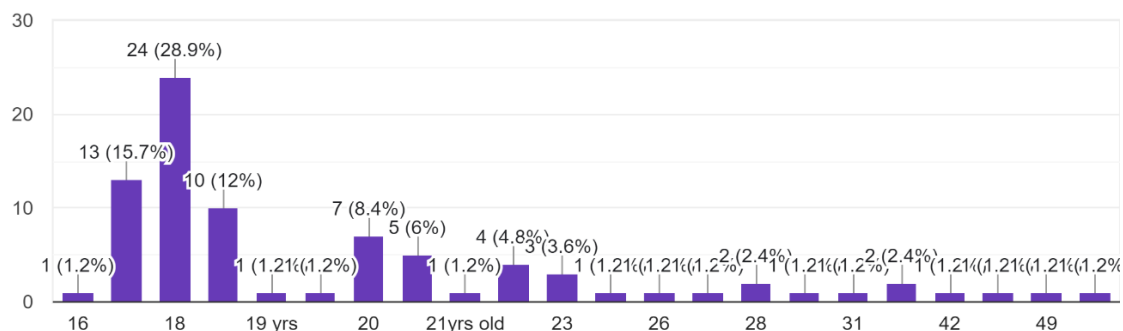
Tools and Techniques of Data

To analyze the data the statistical methods such as , **Chi-square test** (for categorical data) or **t-test/Mann–Whitney U test applied.**

The Demographic data is collected from different age groups to understand the AI and its impact on customer which is influencing the target of higher purchases.

Age Group:	15-25	25-35	35-55	55& above	Total
% of response	35%	33%	21%	11%	100%
No .of responses	35	33	21	11	100

responses



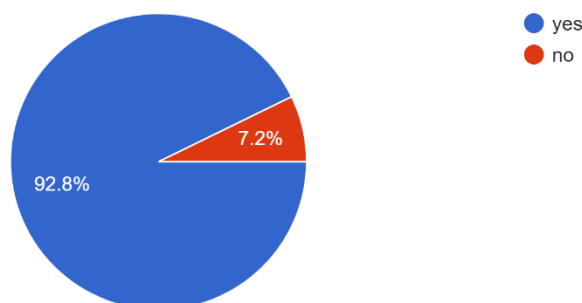
Interpretation

The highest ratio of e - shoppers are between 17 to 18 years of age group which is 28.9%

And the age group of 24-50 prefer buying less on online sites!! Which is between 3.6% to 1.2%?

The data is collected and to analyze the percentage of the customers prefer to do online shopping or offline shopping

Customer preferences	online shopping	Offline shopping
% of response	92.8%	7.2%
No. of responses	92	8

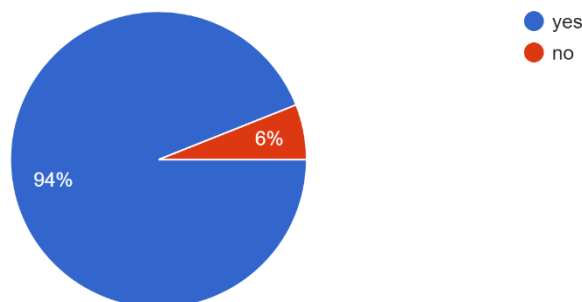


INTERPRETATION:

On a scale of 100 percent ,92.8 % of users enjoy shopping online and the rest 7.2% prefer offline shopping.

The data helps us to know the product purchase level of customers from the websites of AI generated applications of Amazon and Flip kart in creating an ease in selecting the product

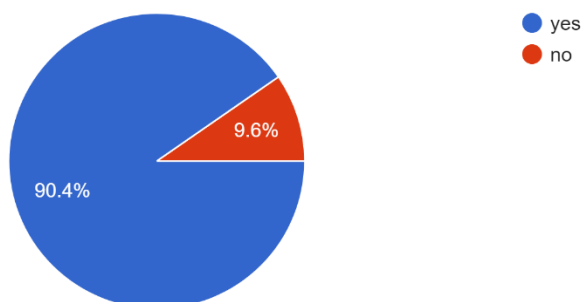
Websites	% of products bought by customer online	Others (not)	Total
% of response	94%	6%	100%
No. of responses	94	6	100

**Interpretation:**

On a scale of 100 percent, 94% users feel it is easy to choose products online and the rest 6% find it difficult to choose the products on websites.

The below analysis will help us to understand the need and requirement from the customer point view, and which website is creating high frequency to meet their expectations

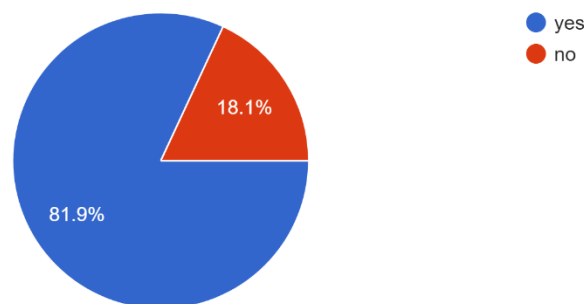
Requirement of customer	% of websites	Others (not)	Total
% of response	90.4%	9.6%	100%
No. of responses	90	10	100

**Interpretation:**

Here on the scale of 100 percent, 90.4% users say that the product meet their personal requirements and 9.6% people doesn't feel that the product meet their personal requirements.

Customers are using the same websites to purchase the products from various updated features of companies.

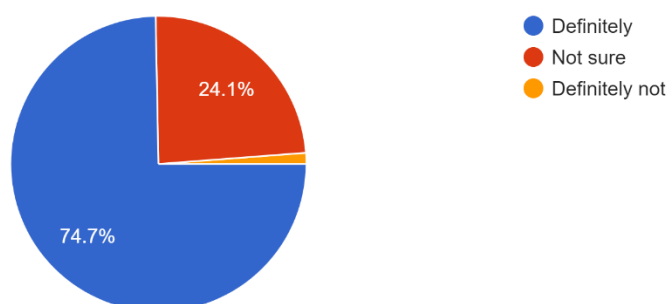
Websites	% of products bought	Others (not)	Total
% of response	81%	19%	100%
No. of responses	81	19	100

**Interpretation:**

Here out of 100 percent, 81.9% users have ordered again from the same site and 18.1% users didn't order .

The data is sourced to understand the satisfactory level of customers towards the websites

Customer satisfactory level	% of customers satisfied	Not satisfied	Total
% of response	74.7%	24.1%	100%
No. of responses	75	25	100

**Interpretation:**

Here out of 100 percent , 74.7% users are satisfied with product and services and 24.1% users are not satisfied and 1.2%are highly not satisfied by the products and services .

Hypotheses

- **H₀:** There is **no significant difference** between Amazon and Flipkart in the level of customer preferences and satisfaction.
- **H₁:** There **is a significant difference** between Amazon and Flipkart in the level of customer preferences and satisfaction.

Observed Frequencies (O)

Platform	Not Satisfied	Neutral	Satisfied	Very Satisfied	Total
Amazon	2	15	32	9	58
Flipkart	2	12	22	7	43
Total	4	27	54	16	100

Test Results

Statistic	Value
Chi-square (χ^2)	0.213

Statistic	Value
Degrees of Freedom	3
Critical Value (5%)	7.815
p-value	0.975

Decision

Since

- $\chi^2 = 0.213$
- $p = 0.975 > 0.05$

Fail to reject H_0 .

Interpretation

There is **no statistically significant difference** in customer satisfaction and preferences between Amazon and Flipkart. Customers show similar satisfaction levels for both platforms.

2. Mann–Whitney U Test (Recommended for Likert Scale Data)

Because satisfaction is measured on a four-point Likert scale, many journals recommend using the **Mann–Whitney U Test** instead of a t-test.

Coding the Likert Scale

Response	Score
Not Satisfied	1
Neutral	2
Satisfied	3
Very Satisfied	4

Conclusion

The Chi-square test of independence revealed **no significant association** between the online shopping platform (Amazon and Flipkart) and customer satisfaction level ($\chi^2 = 0.213$, $df = 3$, $p = 0.975$). Since the p-value exceeds the 0.05 significance level, the null hypothesis is not rejected. This indicates that customer preferences and satisfaction do not differ significantly between Amazon and Flipkart. Both platforms provide a comparable level of customer satisfaction based on the surveyed respondents.

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