

Summer Internship Report
on
A STUDY ON INBOUND AT FLIPKART

Flipkart



BY

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Under the guidance of

INTERNAL GUIDE

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**Biju Patnaik Institute of Information
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CERTIFICATE

This is to certify that Ekta Gajjar bearing 2006258091, is a student of Master of Business Administration course of the Institute 2020-2022, affiliated to BIJU PATNAIK UNIVERSITY OF TECHNOLOGY. Internship report on “A STUDY ON NON CUSTOMER INBOUND AT FLIPKART” is prepared by her under the guidance of Prof. Vivek Mishra, Professor (MBA) in partial fulfilment of requirements for the award of the degree of Master of Business Administration of Biju Patnaik Institute of Information Technology & Management Studies, Bhubaneswar, Odisha .



Signature of Internal Guide

DECLARATION

I, Ekta Gajjar, hereby declare that the Internship report entitled “A STUDY ON NON CUSTOMER INBOUND AT FLIPKART” with reference to “FLIPKART, Haringhata RDC” prepared by me under the guidance of Prof. Vivek Mishra, Professor M.B.A Department, Biju Patnaik Institute of Information Technology and Management Studies and external assistance by Ms. Momun Dhar, Supervisor, Inbound, FLIPKART.

I also declare that this Internship work is towards the partial fulfillment of the university regulations for the award of the degree of Master of Business Administration by BPUT, Rourkela, Odisha.

I have undergone an industry internship for a period of 45 days. I further declare that this report is based on the original study undertaken by me and has not been submitted for the award of a degree/diploma from any other University / Institution.

Ekta Gajjar

Signature of Student

Place: Bhubaneswar

Date: 29 January 2022

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Name of the Student

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EXECUTIVE SUMMARY

The Indian e-commerce sector is ranked 9th in cross-border growth in the world, according to Payoneer report. Indian e-commerce is projected to increase from 4% of the total food and grocery, apparel and consumer electronics retail trade in 2020 to 8% by 2025. India's e-commerce orders volume increased by 36% in the last quarter of 2020, with the personal care, beauty and wellness (PCB&W) segment being the largest beneficiary. As most Indians have started shopping online rather than stepping outside their houses, the Indian e-commerce sector witnessed an increase.

In today's global marketplace, effective supply chain management is seen as a significant competitive advantage for a business. The enterprise that conducts robust supply chain planning activities, delivers increased efficiencies. Supply chain managers plan, schedule, and control that flow of goods to help the company stay competitive and control costs. They build the bridges between suppliers, companies, and consumers. FLIPKART one of the leading domestic organization in India has been contributing to the economy by providing quality consumer product in a comparatively reasonable price. If the winning factor for FLIPKART has been investigated, the result would be its outstanding supply chain procedure. The report tries to highlight how the supply chain activities of FLIPKART help the company to be more efficient and competitive in the market. The supply chain of FLIPKART has been described in this paper with the light of this concept. Increasingly, supply chain management is being recognized as the management of key business processes that comprise the supply chain. Optimized supply chain management can decrease total system cost, inventory and cycle times while significantly increasing stock availability and inventory turns. If these issues can be solved then, it will provide greater profits, improved customer service and competitive advantage to the company. FLIPKART has been continually being benefitted by its outstanding supply chain management. It offers invincible professionalism and expertise in the entire commercial activities of FLIPKART as well as gaining comparative advantage over its competition and gaining more customer trust and share.

India has an Internet user base of about 696.77million as of May 2020, about 40% of the population. Despite being the second-largest user base in world, only behind China (650 million, 48% of population), the penetration of e-commerce is low compared to markets like the United States (266 million, 84%), or France (54 M, 81%), but is growing, adding around 6 million new entrants every month. The industry consensus is that growth is at an inflection point.

In India, cash on delivery is the most preferred payment method, accumulating 75% of the e-retail activities.^[4] Demand for international consumer products (including long-tail items) is growing faster than in-country supply from authorised distributors and e-commerce offerings. Long tail business strategy allows companies to realize significant profits by selling low volumes of hard-to-find items to many customers, instead of only selling large volumes of a reduced number of popular items. The term was first coined in 2004 by Chris Anderson.

On 13 September 2014, a Flipkart deliveryman allegedly molested a housemaid in Hyderabad. The housemaid's employer sued Flipkart for this incident, citing the need for regulations to make offline delivery services safer.

In 2014, competitors such as Future Group (owner of retail chain Big Bazaar at that time) filed complaints with India's Ministry of Commerce and Industry, alleging that Flipkart's Big Billion Days discounts undercut prices in a manner predatory to other retailers. The ministry stated that it would look into the complaints.

In April 2015, Flipkart faced criticism for being a launch partner in the Airtel Zero program. Critics alleged that the zero-rating scheme violated the principles of net neutrality. Flipkart later pulled out of the project.

In 2015, around 400 delivery executives working with eKart, the logistics arm of Flipkart, went on strike to protest poor working conditions. Complaints included seven-day workweeks, extended hours, and a lack of clean toilets and medical assistance for bike riders involved in accidents. In 2016, delivery executive Nanjunda Swamy was murdered by a customer who did not have enough money to pay for a product. In response, Flipkart launched a safety initiative - 'Project Nanjunda', named after the deceased executive. This included an SOS button in the mobile app (called the Nanjunda button) that could be used by field executives in case of emergencies.

Vendors on Flipkart have faced several challenges while doing business on the company's marketplace, to the extent that some of them have quit the portal. Some of these challenges include Flipkart's alleged unfair policies towards sellers, the lack of a competent logistics service, and customer returns that are a result of consumer fraud.

OBJECTIVE OF STUDY

- Engaged in Inbound & Outbound Operations on the floor.
- Clocking of Hourly productivity & sanity.
- Responsible for Performance & productivity of all operational tasks assigned
- Adhere and advocate strong process alignment.
- Engage and ensure process and product & package movement is within TAT.
- Adhere to 5S and process compliance
- Engage and responsible for issue resolution & escalation matrices
- Coordination with Internal Functions
- Plan and drive process change

SCOPE OF STUDY

This report contains data about study of supply chain management of Flipkart and its current implications.

Research Methodology

As this research was exploratory in nature, the report has been written based on both the primary as well as the secondary form of information. The details of these sources are highlighted below:

Primary Sources: Primary data were the collected data directly from the officials. I have discussed the aspect of the relative supply chain activities to the related executive official and used their responses as primary data. Also I was having an internship in that organization for 45 Days long period of time in the Inbound Department. This department control all the IN-bounding supply chain activities. My working experience I also a source of my primary data in this report. Secondary Sources: The secondary data were, company's yearly business review report, marketing report, annual budget, in-house training material, company manual, internal meeting minute, text book, information from internet and news articles etc. I also started the secondary research of the internet retail industry and news articles. The primary data collected through internship in Pathways Retail Pvt ltd. It is the third-party Flipkart India Private Limited. This company processes the orders of Flipkart. Also I took interview of Mr. Vikash Sharma assistant manager and in charge of SCM, Mr. Sandip Gupta Inward supervisor and Mr. Rupesh Pawar Outward supervisor. With their input on the purchase, Logistics, Order Processing, Supplier Management and Customer Support.

LITERATURE REVIEW

Abhijit Mitra. (2013), “e-commerce in India-a review”, international journal of marketing, financial services & management research. Concluded that the e-commerce has broken the geographical limitations and it is a revolution-commerce will improve tremendously in next five years in India.

D.k.Gangeshwar. (2013),” e-commerce or internet marketing: a business review from Indian context”, international journal of u- and e- service, science and technology. Concluded that the e-commerce has a very bright future in India although security, privacy and dependency on technology are some of the drawbacks of e-commerce but still there is a bright future to e-commerce.

Martin dodge. (1999),” finding the source of Amazon.com: examining the hype of the earth’s biggest book store”, centre for advanced spatial analysis. Concluded that Amazon.com has been one of the most promising e-commerce companies and has grown rapidly by providing quality service.

Sharma and Mittal (2009) in their study “prospects of e-commerce in India”, mentions that India is showing tremendous growth in the e-commerce. Undoubtedly, with the middle class of 288 million people, online shopping shows unlimited potential in India. The real estate costs are touching the sky. Today e-commerce has become an integral part of our daily life. There are websites providing any number of goods and services. The e-commerce portals provide goods and services in a variety of categories. To name a few: apparel and accessories for men and women, health and beauty products, books and magazines, computers and peripherals, vehicles, software, consumer electronics, household appliances, jewellery, audio, video, entertainment, goods, gift articles, real estate and services. Ashish Gupta, senior managing director of Helion venture partners and one of the first backers of Flipkart as an angel investor: “Flipkart has been absorbing companies that have some potential (letsbuy, myntra). In that process, some of the bets will go wrong, for sure. But that is par for the course. The company (Flipkart) is consciously taking bets that allow it to either grow or eliminate competition that reduces marketing spend and improves economics.”

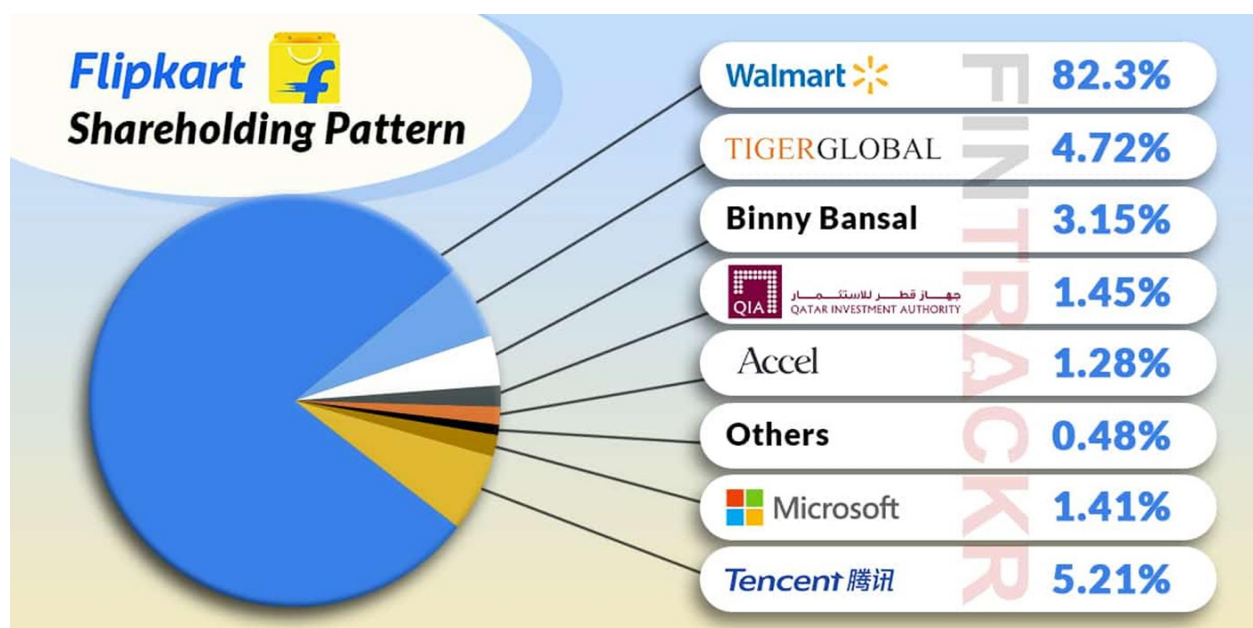
ABOUT FLIPKART

Flipkart was founded in October 2007 by Sachin Bansal and Binny Bansal. It is one of India's leading E-commerce marketplaces and is headquartered in Bengaluru. The company initially started as an online bookstore. Later, it also started selling other items such as movies and mobile phones. Now the company offers more than 80 million products spread across more than 80 categories. It has the capacity to delivery eight million shipments per month.

- India's leading e-commerce marketplace.
- 100 million registered users.
- 21 state-of-the-art warehouses
- 10 million daily page visits.
- Turnover of Rs 30,931 crore (US\$ 4.43 billion) in FY19.

Flipkart Group raised an additional US\$ 1.2 billion from Walmart-led investor group in July 2020. Its valuation has reached US\$ 24.9 billion post equity round. Flipkart has pledged to completely transition to electric vehicles (EVs) by 2030 across its E-commerce value chain by partnering with Climate Group's global electric mobility initiative, EV100.

On 4 May 2018, it was reported that the US retail chain Walmart had won a bidding war with Amazon to acquire a majority stake in Flipkart for \$15 billion. On 9 May 2018, Walmart officially announced its intent to acquire a 77% controlling stake in Flipkart for \$16 billion.



Partnerships and acquisitions

On October 23, 2020, Flipkart acquired a 7.8% stake in Aditya Birla Fashion and Retail, a subsidiary of the Aditya Birla Group, for Rs. 1,500 crore (US\$ 203.8 million). On July 09, 2020, Flipkart Group bought a minority stake in Arvind Youth Brands, a subsidiary of Arvind Fashions Ltd (AFL), for Rs. 260 crore (US\$ 36.88 million). Crossed 100 million registered customers. acquire Unified Payment Interface (UPI) based startup PhonePe. It also Launched PhonePe, India's first UPI based app. In 2014 Acquired fashion e-seller Myntra.



HISTORY AND EVOLUTION OF THE COMPANY

In 2007, Sachin and Binny first thought of creating a comparison search engine. At that time, they saw a huge gap in the e-commerce sector in India and quit their job at Amazon Web Services to establish their e-commerce site, Flipkart. Initially, they set up their venture with an investment of Rs 400,000 and Flipkart started its journey by selling books. Because at that time it was not easy to find vendors of electronics, fashion, or household items in India. Even book vendors could not completely put their trust in an Internet-based service like Flipkart in

the beginning. At that time Sachin Bansal took charge as the CEO of the company. In 2008, the company started operating with an office in a two-room apartment in Bangalore and gained popularity among book readers. Flipkart's popularity began to catch the eye of investors and in 2009, the company was able to secure a capital of \$1 million capital investment from an investment firm, Accel Partners. At that time, the company had a staff of over 150, and a total of three offices across India. At the end of that year, they were able to sell books worth a total of Rs 40 million.

Although Indian consumers at that time did not feel comfortable shopping online, Flipkart was able to gain the trust of customers by providing 24/7 customer support. In 2010, Tiger Global invested \$10 million in Flipkart, and the company acquired the Bangalore-based social book discovery service "[WeRead](#)". After the popularity of book sales picked up, Flipkart started selling mobiles under the electronics category. As the company did not achieve the desired success in it, they implemented cash on the delivery system for the first time in India. As a result, the company was able to gain the trust of consumers and Flipkart's sales growth continued to grow. At the beginning of Fiscal Year 2011, their revenue stood at Rs 750 million, and in the same year, they acquired a digital content platform, [Mime360](#). Flipkart, in the same year, officially registered their company since at that time the regulations did not allow 100% Foreign Direct Investment (FDI) to an online retail company providing multi-brand goods and services.

In 2012, Flipkart launched its own music streaming service, Flyte, with the intention of expanding their business in online music streaming services. But the service was discontinued the following year as it could not attract many customers at that time. In the same year, the company acquired online electronics retailer Letsbuy for around Rs 12.5 billion, which further boosted their business. That year, Flipkart occupied first position in the list of Top 20 E-retailers in India. According to the company's website, they were able to sell 100,000 books in one day in 2013. In the same year, e-commerce giant Amazon entered the Indian market alongside the existing local competitor Snapdeal. The same year the company launched a payment gateway system called PayZippy, but shut it down the following year.

In 2014, Flipkart was able to raise a total of \$2 billion through Tiger Global and Accel Partners as well as various investors. That same year, Flipkart acquired Indian e-commerce company Myntra for \$330 million to add it to the Fashion & Lifestyle category in their portfolio. At the end of the year, the company's revenue stood at Rs 28.4 billion. The next year, in 2015, it increased by about 80% to a little over Rs 95 billion. In the same year, Flipkart acquired Delhi-based mobile marketing firm "Appiterate" and bought a minor stake in MapmyIndia to further improve their delivery operations. According to a report by The Economic Times, Flipkart was able to sell products worth a total of Rs 20 billion in five days of the festive sale season last year. The same year, according to a report by firstpost, during Flipkart's 'Big Billion Sale' the company sold 200 million mobile phones. In 2016, Flipkart acquired Jabong, another Indian fashion & lifestyle-based e-commerce business, for \$60 million. Following the acquisition, Jabong began operating under Myntra and Flipkart's market share in India's to a report by The Economic Times in October 2016, that year in its 'festive sale season', Flipkart was able to sell products worth a total of Rs 14 billion in one day. At the end of the year, the company's revenue stood at Rs 132 billion. In April 2017, Tencent, eBay and Microsoft invested \$1.4 billion in Flipkart, and the company's valuation stood at \$11.6 billion. That same year, Flipkart acquired India's UPI-based payment start-

up PhonePe for an undisclosed amount. Also in August, Japanese giant SoftBank invested \$2.5 billion of their Vision in the company and at the end of the year, the company's revenue stood at about Rs 156 billion.

In 2018, Flipkart was in the leading position with 31.9 % market share as an online retailer in India, while Amazon had a market share of 31.2%. Besides, the combined sales from Myntra and Jabong increased Flipkart's market share to 38.3%. In August of that year, American retail giant Walmart bought a 77% stake in Flipkart for \$16 billion, bringing the company's valuation to more than \$20 billion. During the acquisition, Flipkart co-founder Sachin Bansal, along with Softbank, eBay and Naspers, sold their entire stake to Walmart. After the acquisition, the company's top management started reporting to Walmart eCommerce US CEO, Marc Lore. At the end of the year, the company's revenue stood at Rs 217 billion.

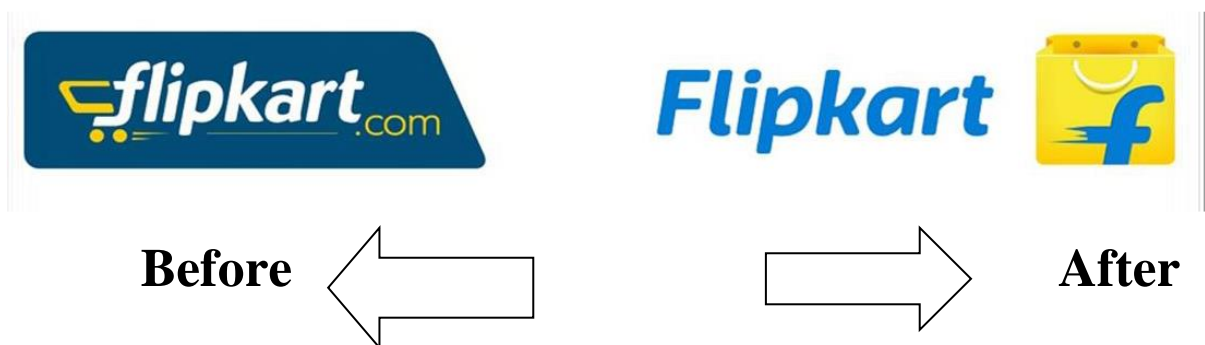
In 2019, Flipkart released the in-app streaming service "Flipkart Video" to compete with Amazon's premium video streaming service Amazon Prime. The service's first original show, Back Benchers, was released on October 19 of that year. At the end of the year, the company's revenue exceeded Rs 436.15 billion, but according to an article in Business Today, the company's net loss for the year was \$38.35 billion.



COMPANY STRUCTURE

Product & Technology	Business Development	Operations
<ul style="list-style-type: none">▪ Website Management (AI)▪ ERP	<ul style="list-style-type: none">▪ Vendor Management▪ Sales Management▪ Pricing Strategy	<ul style="list-style-type: none">➤ Procurement➤ Warehouse➤ Logistics➤ Customer Supports

LOGO



Product and Technology Team

The product and technology team is the core strength of the company. The team is responsible for the management of the website as well as the ERP system. It has developed a state of art system in-house using open source software. Website is a backbone of any online retail shop and Flipkart's website is also managed by this team only. The team manage the entire process right from listing of item to search engine optimization.

Business Development Team

Business development team is responsible for all the activities related to sales including vendor management to pricing and discount strategy.

Operations Team

Operations team deals with all the supply chain aspects of the company right from procurement and warehouse management till customer support. The team support the customers both online via telephone as well as offline via email.

Customer Support team

Flipkart has a strong focus on customer service with customer delight as the top most priority. And to fulfil it the company guarantees a 24/7 full customer support and to cater this facility it has a dedicated customer support team which offers both inbound and outbound support. There are two prime responsibilities of support team:

- **Website Guidance:** The team basically provide guidance to new users of the website on how to navigate through it. It also handles order processing functions like order verification calls, payment related queries etc.
- **Resolution of Issues:** This includes intimation to customer about issues such as any delay in delivery as well as resolution of complaints both pre-purchase and post purchase.

Logistics

Logistics is one of the most important facets of any successful ecommerce venture. Flipkart ships more than 30000 items a day which makes management of the logistics a cumbersome task for the company. Furthermore, the cost of the delivery is born by the company itself making logistics a financially complex issue also. Hence in order to

successfully manage logistics Flipkart uses its in-house logistics (FKL) as well as third party logistics (3PL) services. While more than 90% of the Cash on delivery (COD) shipments and about 60-70% of the overall shipments are delivered by the FKL the rest of shipments are catered by 3PL service providers. Moreover, if there are more than 100 deliveries for a particular destination the company uses FKL. In case of FKL, the shipment is first transported to Mother hub and then to delivery hub and subsequently from delivery hub the last mile delivery is done using suitable mode of transport such as two-wheelers, bicycles, or on foot. The company has tie-ups with more than 15 courier companies like Blue Dart, First Flight etc. to deliver their products and Indian post for areas where courier do not reach. And to manage the 3PL providers efficiently the company allocates time slots to different logistics partners and they can pick up deliveries on specified time slots only.

SWOT ANALYSIS OF FLIPKART

STRENGTHS

- **Exceptional Brand Recall**

Flipkart enjoys an extensive degree of brand recall through online branding, social media and its quirky TV advertisements. Be it those kids acting like adults in those TV ads or the frenzy around 'Big Billion Day' Over the years, Flipkart managed to rope in icons like Alia Bhatt, Ranbir Kapoor, Virat Kohli etc to connect with its user segments. Tag lines like 'Ab Har Wish Hogi Poori' and "India ka Fashion Capital" are trending amongst Indian consumers.

- **Experienced Foundation**

The online retail industry in India was taking its baby steps back in 2007-08. And at that time, Flipkart's founders (Bansal brothers) who had just worked at Amazon were leading the firm. Their technical expertise in online retail industry eased Flipkart's growth and prominence. Even after Amazon's entry, the competition is still cut throat owing to the great foundations laid by them.

- **Strategic Acquisitions & Partnerships**

Flipkart has consistently been able to establish tie-ups with likes of Myntra, Jabong, Walmart because it wanted to solidify its position. Having a separate brand pertaining to fashion and one for digital payments (PhonePe) contributes greatly to brand equity. Further, Flipkart has entered many strategic partnerships like Ekart, Chakpak, Letsbuy, Walmart etc. This enables Flipkart to bolster their logistics, payment gateways and digital content creation.

- **High Volume & Range of Products**

Flipkart has a plethora of quality product options to choose from in every category they sell. Exclusive tie-ups with popular brands like Lifestyle, Apple, Motorola, and Xiaomi in the past as well as encouraging in-house brands like Citron, Digiflip&MarQ etc have helped with their large catalogue of products.

WEAKNESS

Excessive Advertisement Expenses

Flipkart spends as much as 30% of its annual revenues on marketing and advertising, much higher than HUL. Flipkart relies on heavy discounts, spending crores to attract and retain customers because it wants higher visibility across mediums. And, Flipkart reported a loss of Rs 1950 crores in FY2020 even though revenue grew by 32%. Therefore, 'Big Billion Day' has become a trademark yearly sale event for online shoppers. But excessive spends on ads is not sustainable in the long run.

Lack of Technological Innovation

Flipkart distribution channels and outreach are limited and nowhere comparable to its top competitors. The supply chain and logistics for the products delivered to users needs massive upliftment. The Just-in-Time inventory philosophy needs to be followed as shipping times and lead times to completing order is too high for Flipkart. Further, Flipkart has lacked on the R&D aspect of technology - routing users from various mediums to their website exactly what Alexa does for Amazon.

Rapid Acquisition Spree

Flipkart has been lately looking to up the game by focusing on improving user experience. It has acquired a host of start-ups like Mech Mocha (social gaming) and AR start-up Scapic. Given that the company is reportedly posting losses, and competition is heating up, so siphoning funds on improving user engagement on their platform isn't exactly first priority. This rapid acquisition spree might turn out to be damaging for the finances.

OPPURTUNITIES

Post-Pandemic Sentiments

Just like COVID has wreaked havoc globally, it also provides great impetus for embracing 'digital'. As more and more consumers are being aware and switching to online consumption of services. You might be ordering your daily essentials through these E-commerce websites. It is a golden opportunity for Flipkart to grab on. They should extend its range of offerings focusing on consumer sentiments and insights.

Market Development

Owing to the thrust towards digital economy and retail, Flipkart should indulge in new market development and extend its services. Flipkart has to move across borders of India and serve customers from neighbouring geographies like South-East Asian countries. Because these countries have a high demand for online retail.

Delivery Excellence

Order returns, refunds, cancellations, redressal of delivery issues, and fake product deliveries etc are issues Flipkart should enhance in their ranks. Flipkart should try to reduce the delivery times and increase its operational efficiency for tier 2 & 3 cities because rural dwellers are now surging to online shopping.

Secure and Streamline Payments

Better online secure payments can instill more confidence in people to shop online. India has one of the highest no of smartphone users in the world. Flipkart can look to streamline payments for their orders through an in-house payment service like AmazonPay to include new product lines.

THREATS

Threat of Intense Rivalry

There is no dearth of competitors in the online retail space. Be it international players like Amazon, eBay, and Alibaba or local ones like Shopclues, Snapdeal, and Paytm etc. Presence of so many rivals selling similar products immensely reduces revenues. Two top firms in Amazon & Flipkart are locked in a battle of burning cash, offering festive sales.

Buyer Power & Switching

The online retail market is saturated with Snapdeal, Paytm, Ebay, Myntra Reliance Digital, and Nykaetc. Customers visibly have lower switching costs; they instantly switch from one online shopping website to another. The products are mostly the same apart from a few brands. Hence, 'standing out' is tough to say the least.

Stringent Government Regulations

It is hard to sustain losses and keep doing business if the government regulations keep hindering the business.

INDUSTRY ANALYSIS

E-commerce has transformed the way business is done in India. The Indian E-commerce market is expected to grow to US\$ 111.40 billion by 2025 from US\$ 46.2 billion as of 2020. By 2030, it is expected to reach US\$ 350 billion.

By 2021, total e-commerce sales are expected to reach US\$ 67-84 billion from the US\$ 52.57 billion recorded in 2020.

India's e-commerce market is expected to reach US\$ 111 billion by 2024 and US\$ 200 billion by 2026.

Much of the growth for the industry has been triggered by an increase in internet and smartphone penetration. As of July 2021, the number of internet connections in India significantly increased to 784.59 million, driven by the 'Digital India' programme. Out of the total internet connections, ~61% connections were in urban areas, of which 97% connections were wireless.

The working model entails that customer ordering the goods for delivering in India. First, the customer has to log into the portal, where the desired products are listed by the seller, the customers' peruses through the products. Incredibly appealing discounts are given on the products, the customer shops for the desired products, makes the required payment option. The seller/Flipkart then ships the product directly to the customer. The customer accepts the product, if not then it is returned back. The seller on Flipkart.com gets his agreed price of the product; however, the commission charged by Flipkart for the facilitation is subtracted from the sum. The model is "X% (as decided between the parties) commission on the total sale value given to the seller." Sales can be done through the channels listed below: ☐ direct by web application (an application program stored on a remote server and accessed over the Internet through a browser interface ☐ direct through website ☐ direct through mobile application (Android, iOS, Tizen, etc.) ☐ direct via tele sales (customer calling and placing order) ☐ through affiliate networks (selling through a third-party platform, for example, review websites, bloggers, coupon websites, etc.) ☐ social buy (allowing consumer to buy directly from a social media affiliated website). The percentage commission varies on the type of product and the type of sale that Flipkart makes. It ranges from 5% to 20% of the sale value with taxes and discounts not included.

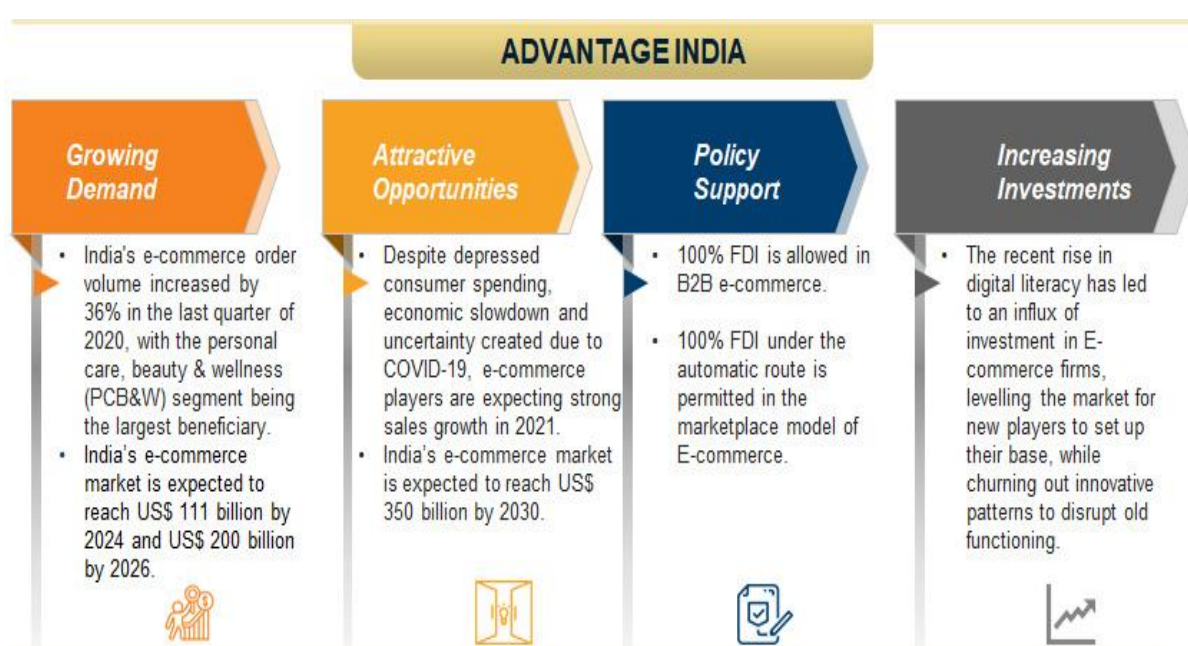
Government initiatives

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 growth of E-commerce in the country. Some of the major initiatives taken by the Government to promote E-commerce in India are as follows:

- As of November 2, 2021, the Government e-Marketplace (GeM) portal served 7.96 million orders worth Rs. 152,315 crore (US\$ 20.40 billion) to 55,433 buyers from 3.06 million registered sellers and service providers.
- As of October 11, 2021, the Government e-Marketplace (GeM) portal served 7.78 million orders worth Rs. 145,583 crore (US\$ 19.29 billion) to 54,962 buyers from 2.92 million registered sellers and service providers.
- In a bid to systematise the onboarding process of retailers on e-commerce platforms, the Department for Promotion of Industry and Internal Trade (DPIIT) is reportedly planning to utilise the Open Network for Digital Commerce (ONDC) to set protocols for cataloguing, vendor discovery and price discovery. The department aims to provide equal opportunities to all marketplace players to make optimum use of the e-commerce ecosystem in the larger interest of the country and its citizen.
- National Retail Policy: The government had identified five areas in its proposed national retail policy—ease of doing business, rationalisation of the licence process, digitisation of retail, focus on reforms and an open network for digital commerce—stating that offline retail and e-commerce need to be administered in an integral manner.
- The Consumer Protection (e-commerce) Rules 2020 notified by the Consumer Affairs Ministry in July directed e-commerce companies to display the country of origin alongside the product listings. In addition, the companies will also have to reveal parameters that go behind determining product listings on their platforms.
- 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.
- Under the Digital India movement, Government launched various initiatives like Umang, Start-up India Portal, Bharat Interface for Money (BHIM) etc. to boost digitisation.
- In October 2020, Minister of Commerce and Industry, Mr. Piyush Goyal invited start-ups to register at public procurement portal, GeM, and offer goods and services to government organisations and PSUs.
- In October 2020, amending the equalisation levy rules of 2016, the government mandated foreign companies operating e-commerce platforms in India to have

permanent account numbers (PAN). It imposed a 2% tax in the FY21 budget on the sale of goods or delivery of services through a non-resident ecommerce operator.

- In order to increase the participation of foreign players in E-commerce, Indian Government hiked the limit of FDI in E-commerce marketplace model to up to 100% (in B2B models).
- Heavy investment made by the Government in rolling out fiber network for 5G will help boost E-commerce in India.



The Indian online market is estimated to reach US\$ 18.2 billion in 2024 from US \$1.9 billion in 2019, expanding at a CAGR of 57%. India's e-commerce orders volume increased by 36% in the last quarter of 2020, with the personal care, beauty and wellness (PCB&W) segment being the largest beneficiary. India's consumer digital economy is expected to become a US\$ 800 billion market by 2030, growing from US\$ 537.5 billion in 2020, driven by strong adoption of online services such as e-commerce and edtech in the country.

According to Grant Thornton, e-commerce in India is expected to be worth US\$ 188 billion by 2025.

With a turnover of \$50 billion in 2020, India became the eighth-largest market for e-commerce, trailing France and a position ahead of Canada.

According to NASSCOM, despite COVID-19 challenges/disruptions, India's e-commerce market continues to grow at 5%, with expected sales of US\$ 56.6 billion in 2021.

Propelled by rising smartphone penetration, launch of 4G network 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 is expected to grow 31% to touch US\$ 32.70 billion in 2018, led by Flipkart, Amazon India and Paytm Mall.

After China and the US, India had the third-largest online shopper base of 140 million in 2020.

Indian consumers are increasingly adopting 5G smartphones even before roll out of the next-gen mobile broadband technology in the country. Smartphone shipments reached 150 million units and 5G smartphone shipments crossed 4 million in 2020, driven by high consumer demand post-lockdown. According to a report published by IMAI and Kantar Research, India internet users are expected to reach 900 million by 2025 from ~622 million internet users in 2020, increasing at a CAGR of 45% until 2025.

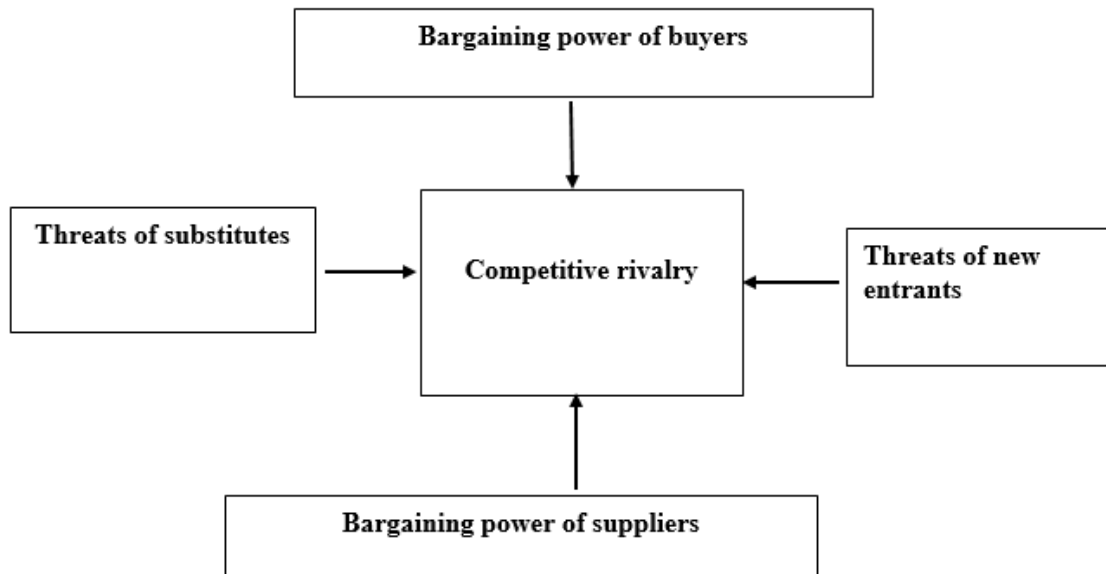
In October 2021, the e-commerce sales reached US\$ 4.6 billion, supported by the festival season in India.

The E-commerce industry has been directly impacting micro, small & medium enterprises (MSME) in India by providing means of financing, technology and training and has a favourable cascading effect on other industries as well. Indian E-commerce industry has been on an upward growth trajectory and is expected to surpass the US to become the second largest E-commerce market in the world by 2034. Technology enabled innovations like digital payments, hyper-local logistics, analytics driven customer engagement and digital advertisements will likely support the growth in the sector. The growth in E-commerce sector will also boost employment, increase revenues from export, increase tax collection by exchequers, and provide better products and services to customers in the long-term. Rise in smartphone usage is expected to rise 84% to reach 859 million by 2022.

E-retail market is expected to continue its strong growth - it registered a CAGR of over 35% to reach Rs. 1.8 trillion (US\$ 25.75 billion) in FY20. Over the next five years, the Indian e-retail industry is projected to exceed ~300-350 million shoppers, propelling the online Gross Merchandise Value (GMV) to US\$ 100-120 billion by 2025.

According to Bain & Company report, India's social commerce gross merchandise value (GMV) stood at ~US\$ 2 billion in 2020. By 2025, it is expected to reach US\$ 20 billion, with a potentially monumental jump to US\$ 70 billion by 2030, owing to high mobile usage.

PORTER'S 5 FORCES ANALYSIS OF FLIPKART



Threat of New Entrants

Threat of new entrants reflects how new market players impose threats to the existing market players. If the industry will be profitable and barriers to enter the industry will be low, it will attract more players and hence, the threat of new entrants. will be high.

Factors that reduce the threat of new entrants for Flipkart com:

- Entry in the industry requires substantial capital and resource investment. This force also loses the strength if product differentiation is high and customers place high importance to the unique experience.
- Flipkart com will face the low threat of new entrants if existing regulatory framework imposes certain challenges to the new firms interested to enter in the market. In this case, new players will be required to fulfil strict, time-consuming regulatory requirements, which may discourage some players from entering the market.
- The threat will be low if psychological switching cost for consumers is high and existing brands have established a loyal customer base.
- New entrants will be discouraged if access to the distribution channels is restricted.

Flipkart com will be facing high new entrants threat if

- Existing regulations support the entry of new players.

- Consumers can easily switch the brands due to weak/no brand loyalty.
- Initial capital investment is high.
- Building a distribution network is easy for new players.
- Retaliation from the existing market players is not a discouraging factor.

Threat of Substitute Products or services

The availability of substitute products or services makes the competitive environment challenging for Flipkart com and other existing players. High substitute threat shows that customers can use alternative products/services from other industries to meet their needs. Various factors determine the intensity of this threat for Flipkart com

The Threat of Substitute Products or services increases when;

- A cheaper substitute product/service is available from another industry
- The psychological switching costs of moving from industry to substitute products are low.
- Substitute product offers the same or even superior quality and performance as offered by Flipkart com's product.

However, this threat is substantially low for Flipkart com when;

- The switching cost of using the substitute product is high (due to high psychological costs or higher economic costs)
- Customers cannot derive the same utility (in terms of quality and performance) from substitute product as they derive from the Flipkart com's product.

Rivalry among existing firms

The Rivalry among existing firms shows the number of competitors that give tough competition to the Flipkart com High rivalry shows Flipkart com can face strong pressure from the rival firms, which can limit each other's growth potential. Profitability in such industries is low as firms adopt aggressive targeting and pricing strategies against each other.

The Rivalry among existing firms will be low for Flipkart com if;

- There are only a limited number of players in the market
- The industry is growing at a fast rate
- There is a clear market leader

- The products are highly differentiated, and each market player targets different sub-segments
- The economic/psychological switching costs for consumers are high.
- The exit barriers are low, which means firms can easily leave the industry without incurring huge losses.
- Similarly, there are some factors that increase the Rivalry among existing firms for Flipkart com For example, the company will face intense Rivalry among existing firms if market players are strategically diverse and target the same market. The rivalry will also be intense if customers are not loyal with existing brands and it is easier to attract others' customers due to low switching costs.

Bargaining Power of Suppliers

Bargaining power of suppliers in the Porter 5 force model reflects the pressure exerted by suppliers on business organisations by adopting different tactics like reducing the product availability, reducing the quality or increasing the prices. When suppliers have strong bargaining power, it costs the buyers- (business organisations). Moreover, high supplier bargaining power can increase the competition in the industry and lower the profit and growth potential for Flipkart com Similarly, weak supplier power can make the industry more attractive due to high profitability and growth potential.

Bargaining power of suppliers will be high for Flipkart com if:

- Suppliers have concentrated into a specific region, and their concentration is higher than their buyers.
- This force is particularly strong when the cost to switch from one supplier to other is high for buyers (for example, due to contractual relationships).
- When suppliers are few and demand for their offered product is high, it strengthens the suppliers' position against Flipkart com
- Suppliers' forward integration weakens the Flipkart com's position as they also become the competitors in that area.
- If Flipkart com is not well educated, does not have adequate market knowledge and lacks the price sensitivity, it automatically strengthens the suppliers' position against the organisation.

- Other factors that increase the suppliers' bargaining power include-high product differentiation offered by suppliers, Flipkart com making only a small proportion of suppliers' overall sales and unavailability of the substitute products.

Contrarily, the bargaining power of suppliers will be low for Flipkart com if:

- Suppliers are not concentrated
- Switching costs are low
- Product lacks differentiation
- Substitute products are available
- Flipkart com is highly price sensitive and has adequate market knowledge
- There is no threat of forward integration by suppliers.

Bargaining Power of Buyers

Bargaining power of buyers indicates the pressure that customers exert on the business organisations to get high quality products at affordable prices with excellent customer service. This force directly influences the Flipkart com's ability to accomplish the business objectives. Strong bargaining power lowers profitability and makes the industry more competitive. Whereas, when buyer power is weak, it makes the industry less competitive and increase the profitability and growth opportunities for Flipkart com

There are some factors that increase the bargaining power of buyers:

- A more concentrated customer base increases their bargaining power against Flipkart com
- Buyer power will also be high if there are few in number whereas a number of sellers (business organisations) are too many.
- Low switching costs (economic and psychological) also increase the buyers' bargaining power.
- In case of corporate customers, their ability to do backward integration strengthen their position in the market. Backward integration shows the buyers' ability to produce the products themselves instead of purchasing them from Flipkart com
- Consumers' price sensitivity, high market knowledge and purchasing standardised products in large volumes also increase the buyers' bargaining power.

Some factors that decrease the bargaining power of buyers include lower customer concentration (means the customer base is geographically dispersed), customers' inability to integrate backwards, low price sensitivity, lower market knowledge, high switching costs and purchasing customised products in small volumes.

COMPETITOR ANALYSIS

Launched in 2007 and acquired by Walmart in 2018, Flipkart hit many milestones during the early months of the pandemic-induced lockdowns. To begin with, it saw a nearly 50% jump in the number of new users right after the initial pandemic lockdowns last year and a 35% rise in the number of onboarded sellers during 2020. The company maintained its growth momentum in 2021 and also saw the maximum number of downloads.

5 Top Flipkart Competitors

Digitalization of several entities has made it possible for consumers to shop and make their purchases online easily. Quite a good number of business entities have established their online platforms to enable consumers of different commodities to buy from such platforms. They also provide the clients with an array of options hence making it easy to acquire the ideal goods.

However, it is the competition that is in this industry that we want to talk about. Flipkart is one of the online stores that offer a wide range of Products for its customers. It was established in 2007 its headquarters are located in Bangalore, India. It initially started as an online portal for retailing books but later transformed to electronics and later on fashion. It is the largest e-commerce portal in India and carries out approximately 20 sales per minute. Some of the **top Flipkart competitors** in the industry include the following;

AMAZON

Amazon is arguably the world's largest online shopping store. It offers a wide array of services including online retail, consumer electronics, multimedia content and computing services among others. It is ranked as the leading online retailer in the US generating an estimated net sales of close to \$140 billion in 2016.

A considerable part of its revenue is generated from the online sale of electronics and other related goods. It is also one of the most valuable brands in the world with approximately 400 million customers with active accounts globally. Amazon also offers its services through mobile App and digital products like music and videos. It currently has over 370,000 employees worldwide. Amazon is the topmost Flipkart competitor due to its increasing Market share.

SNAPDEAL

Snapdeal is another Indian based e-commerce company that offers online retail services. It was founded in 2010 but has risen to become one of the biggest e-retailers in India. It serves a significant number of sellers and consumers of different products from different location all over the country. It has a broader assortment of products estimated to be over 35 million obtained from more than 125,000 retailers and brands, both local and international

Over the period of its existence, it has been able to acquire some businesses such as Grabbon.com, esportsbuy.com, and Doozton.com, which has made it possible to expand and become a solid competitor in the e-retailing sector, especially in India. Recently, Snapdeal has dropped much in its brand equity and its online sales has dropped drastically. However, due to its legacy, it is still one of the top Flipkart Competitors.

PAYTM

Paytm is an Indian-based online payment and e-commerce Company that offers allows the users to make payments upon purchase of a wide range of products including fashion items, electronics, home appliances and digital products among many more. Paytm is an abbreviation for Payment through mobile has over 13,000 employees working in different divisions hence making the user experience fast, secure and efficient.

It was founded in 2010 but operates as a subsidiary of One97 Communications. Paytm is increasingly becoming a strong competitor in this industry particularly in India, where it has over 3 million merchants in different parts that operate offline. Because of complete backing by Alibaba, Paytm is the strongest upcoming Flipkart Competitors.

ALIBABA

Alibaba is another giant company that offers online commerce services. It was founded in 1999 as a simple B2B online shopping portal but later grew to become the biggest e-commerce portal in Asia offering B2B, C2C, and B2C online services. The total revenue that this company generated in 2017 financial is estimated to be around 158.3 bn RMB, an equivalent of over \$24 billion.

As a leading e-retailer in Asia and also penetrating other parts of the world. Alibaba has employed over 51,000 employees to help in facilitating various processes involved in buying and selling of different products on the platform. Astonishingly, Alibaba has been able to receive a total number of record an average of approximately 812 million orders per day in the entire 2017.

JABONG






Jabong too was purchased by Flipkart and is an online competitor to the fashion segment of Flipkart. Jabong is also an Indian-based company that provides e-retailing services. It specializes in selling fashion items including footwear, trousers, shirts, dresses and a many more. Jabong provides fashion products for children, men, and women thus making it easy for shoppers to do family shopping all at once.

It is a subsidiary of Flipkart, which acquired it in mid-2016. Jabong has since established itself as one of the dominant brands in the sector since it is ranked among the leading e-retailers in India. The orders it processes in a day has increased immensely in the last four years making it a worthy competitor in this industry that cannot be disregarded.


FOCUSED ONLINE STORE

There are many stores which are focused on a single strategy which are direct Flipkart competitors. Some of them include the likes of Industrybuying (industrial material) or homeshop18 (home appliances). Such focused online stores take away the market share of such products from the massive online portals like Flipkart. Although they are small in size, the focused approach helps in turnover for these portals.

Currently, many of the business units around, both local and regional are embracing online stores as the ideal approach to shopping and making payments. Several online stores are beginning to come up with measures that would ensure they offer intense competition to the relatively renowned e-retailers as a way of acquiring a market share for the services they provide. Online stores such as Lifestyle, Zara and others are coming up with their own platforms that form the basis for online shopping. It, therefore, follows that consumers will have the preference buying from these online stores rather than buying from an e-commerce portal.

 <p>Snapdeal</p> <p>Snapdeal is a company that operates an online shopping portal.</p>	 <p>Paytm</p> <p>Paytm is a company operating a mobile payment and commerce platform.</p>	 <p>eBay</p> <p>eBay is a company developing an online auction and e-commerce platform that enables people and businesses to buy and sell goods and services.</p>	 <p>Amazon</p> <p>Amazon is a company operating a marketplace for consumers, sellers, and content creators.</p>	 <p>Flipkart</p> <p>Flipkart is an online marketplace for electronics, books, music and movies.</p>
2010	2010	1995	1994	2007
Private	Subsidiary	Public	Public	Subsidiary
Retail consumer goods distribution ecommerce marketplace	Financial Services Technology ecommerce payments platform	Retail Technology auction consumer products & services ecommerce marketplace platform	Retail Technology cloud consumer electronics consumer goods ecommerce marketplace platform	Retail Technology consumer electronics consumer goods consumer products & services ecommerce marketplace platform

Locations	New Delhi, IN HQ	Noida, IN HQ New Delhi, IN	San Jose, US HQ Sydney, AU Brussel, BE Toronto, CA Toronto, CA Shanghai, CN Shanghai, CN see more	Seattle, US HQ Brisbane City, AU Melbourne, AU Sydney, AU Brussels, BE São Paulo, BR Calgary, CA see more	Bengaluru, IN HQ
Employees	3,682	11,942~2% increase	12,700~5% decrease	1,468,000~10% increase	41,633~1% increase
Valuation (\$)	7 b	N/A	43.4 b	1.7 t	N/A
Twitter followers	905 k	1.2 m	751.7 k	4.1 m	2.8 m
Number of tweets (last 30 days)	152	96	174	424	100
Average likes per tweet (last 30 days)	9.6	760.8	5.6	14.5	64.2
Percentage of tweets with engagement (last 30 days)	98.03%	100%	65.52%	60.61%	100%
Alexa Website Rank	2520	2917	82728	9	117

Financial					
Revenue (est.)	\$193.5m (Y, 2015)	N/A	\$10.3b (FY, 2020)	\$386.1b (FY, 2020)	₹309.3b (FY, 2019)
Cost of goods	N/A	N/A	\$2.5b (FY, 2020)	\$233.3b (FY, 2020)	N/A
Gross profit	N/A	N/A	\$7.8b (FY, 2020)	\$152.8b (FY, 2020)	N/A
Net income	(\$137.5m) (Y, 2015)	N/A	\$5.7b (FY, 2020)	\$21.3b (FY, 2020)	(₹38.4b) (FY, 2019)
Operating 					
Active Customers	N/A	N/A	187 m (Q1, 2021)	250 m (Jun, 2019)	N/A
Active Sellers	N/A	N/A	20 m (Q1, 2021)	N/A	100 k (Apr, 2019)
Gross Merchandise Volume	N/A	N/A	\$27.5b (Q1, 2021)	N/A	\$6.2b (FY, 2018)
Merchants	N/A	15 m (Nov, 2019)	N/A	6 m (Dec, 2018)	N/A
Registered Users	N/A	230 m (Aug, 2018)	N/A	N/A	150 m (Jul, 2018)

Customer Analysis

Flipkart, the poster child of Indian e-commerce, was an early entrant in the nascent Indian e-commerce market and quickly established itself as the leading company in this space. Flipkart has grown into an online retail giant, valued at over USD15.2 billion as of 2015. Flipkart has been selling over 30 million products from more than 50,000 sellers in 70+ categories as well as has 30 exclusive brand associations with in-a-day guarantee in 50 cities and same-day guarantee in 13 cities. Flipkart was 33,000 people strong and had over 50 million registered users with over 10 million daily visits and 8 million shipments per month. Flipkart has been putting in much effort and emphasis on the use of Analytics in every aspect of decision making. Headed by Ravi Vijayaraghavan, the analytics team had over 100 data scientists in 2015. Customer churn is a major concern for Flipkart since it has direct impact on Customer Lifetime Value (CLV). CLV is an important measure to differentiate customers, which can further help the organization to manage them effectively. The main challenge in calculating the lifetime value of customers of e-commerce companies such as Flipkart is that the exact life of the customer is unknown owing to data truncation, that is, the actual point in time of customer churn, which may not be identified in e-commerce, since there would be no prior communication from the customer about the churn. Hence, traditional models of CLV calculation may not be appropriate for e-commerce companies such as Flipkart.

Flipkart targets anybody who surfs the internet and who does not have time for shopping. Though its target audience is scattered over various market segments as consumers from all demographic backgrounds can find products that appeal to their interest, 75% of its audience is between the age group of 16 – 55.

It lays focus on people seeking variety and who prefer to experience a hassle-free shopping approach from home. It tries to expand its services to every location in the country where

deliveries are possible. It comes up with smart marketing strategies to seize the attention of its audience who hold the purchasing power, to influence that online shopping is better than traditional shopping.

Flipkart has 100 million registered users, making it the first online marketplace in India to reach this milestone. A press statement from the company said Flipkart has become the first company to reach this milestone in a single country outside the US and China. With 100 million users, Flipkart's registered customer base stands at around 63 per cent of the entire wireless and wireline broadband connections in India. The figures released by TRAI in September 2016 put the number of broadband connections in the country at under 160 million.

"Since the time we sold the first book to our first customer in 2007 till today, our journey has always been about providing a superior shopping experience to our customers while continuously raising the quality of service and selection," Binny Bansal, CEO & Co-Founder of Flipkart, said. The Indian e-commerce market is among the fastest growing in the world and the Bank of America Merrill Lynch Report released in September 2016 confirmed Flipkart as the market leader with over 43 per cent market share. The report also added that by 2019, Flipkart would continue to lead with a 44 per cent share of the e-commerce market.

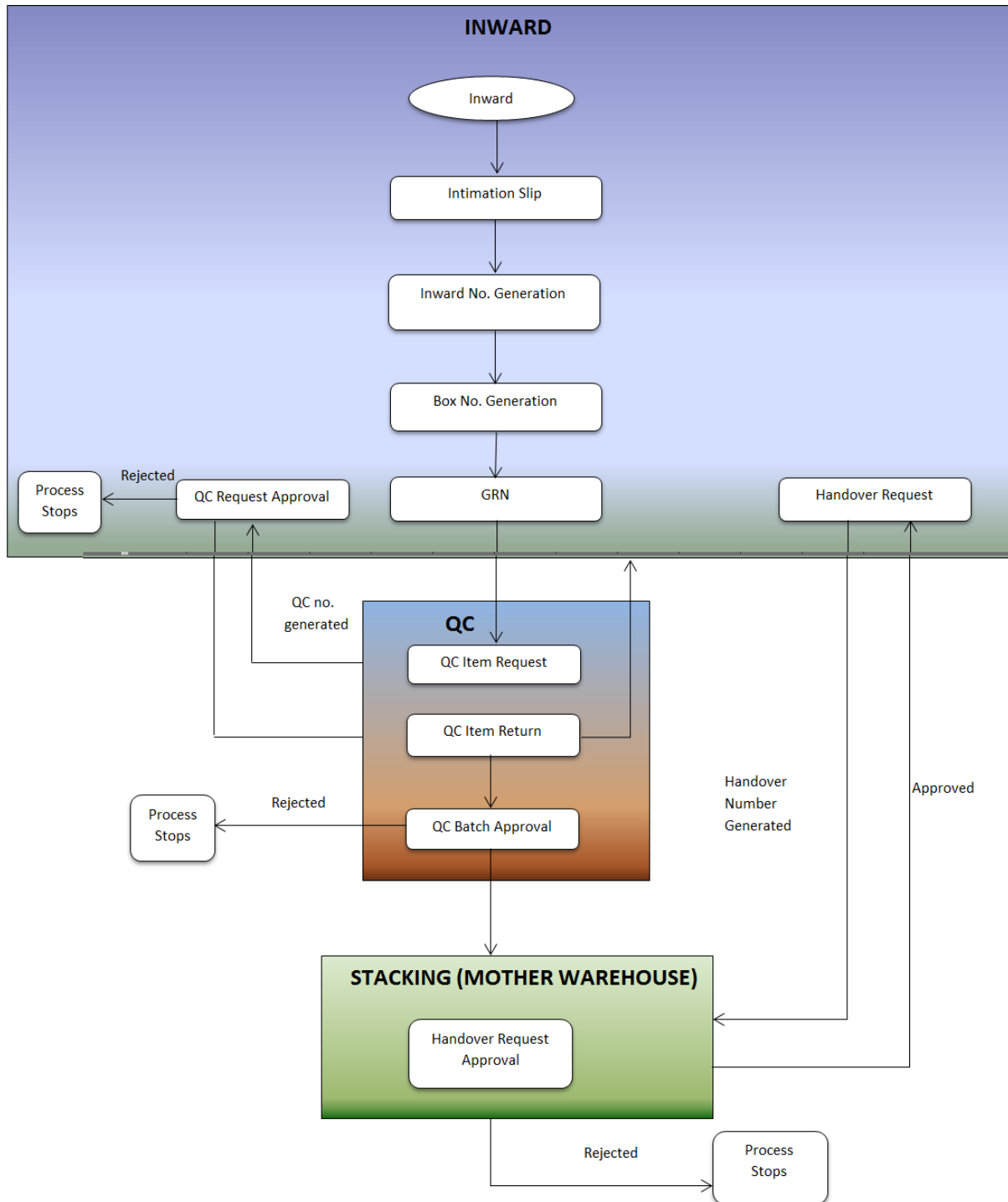
CORONA IMPACT

PM Narendra Modi announced a 21-day nationwide lockdown on Wednesday (25/03/2020) to stop the COVID-19 from entering the third stage (community spreading) in India. This move was in succession to the Janta Curfew implemented by the country on Sunday. Amidst all the chaos and a fight to stop virus from spreading any further, e-commerce giant **Flipkart**, owned by US-based big box retailer **Walmart** Inc., announced the temporary suspension of its operations in India.

A message issued by the e-retailer on their website read *"Hello fellow Indians, We are temporarily suspending operations. Your needs have always been our priority and our promise is that we will be back to serve you, as soon as possible."*

Due to the struggles faced to carry out business in the last few days as restrictions on movement of people and goods were enforced across different states, **Flipkart** suspended its operations across India.

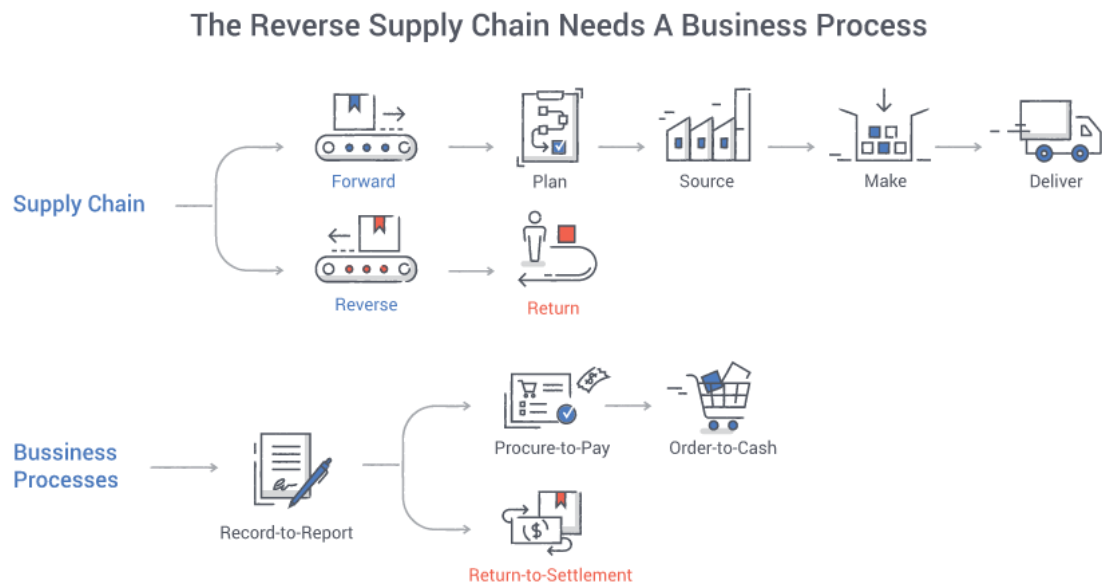
PROCESS FOR INBOUND



For doing the inward process in the warehouse e various process which are shown below.

- Intimation Slip: This Process is created by the Sakshem SCM (Supply Chain Management User) before the Good are arrived at warehouse. This document is created one or two day before the goods are arrived at warehouse. This document used just for intimation purpose. So it is optional.(no Stock has been Affected in any Area)
- Inward Document: this Document is generated when good (Material) are unloading from the Truck. In which user enter the How many quantity user Received from the user. Affect the stock of landing area. This document is Generated by the inward user.
- Box Generation Process: Now the Inward user Perform marking on the boxes. system print the label. That contain the box number, weight etc. that is going to stick on each boxes.
- GRN Document: this document is generated by the Inward user. And move the Stock from Landing location to Inward location
- QC Item Request Document: After Inward QC Request the Item For Sampling(perform the Quality check of material). Document Generated by QC Users
- QC Requested Item Approval: this Approval Given by the Inward User. And it will affect the stock from Inward location to QC Location.
- QC Item Approval: This Document is generated by QC Users to Return the Item from QC Location to Inward Location. After the QC process has been completed. Qc user can also set some item into rejection. Or short item in any Boxes.
- QC Batch Approval: After the QC process. QC users give approval on the Complete item lot which received on the Basis of GRN. Is going to be Stacked or is going to be rejected.
- Control Sample Transfer : While Receiving any material from any vendor. If vendor provide some Sample quantity then QC Users Stacked to those Qty into A Separate area(Control Sample Area)
- Hand over Request: this Document is generated by the Inward user that now item is ready to move in Main stacking location or (MWH) for storing purpose.
- Handover Approval: This Document is Generated by MWH User. This document transfers the Stock from Inward to MWH location.

Return Management Process



For e-commerce businesses and large appliances with home delivery options, these are the stages the product will go through:

1. Customer receives product, is unhappy, and requests a return or refund

The returns process starts when a customer decides they aren't happy with the product. Maybe the product was damaged, or in the case of apparel, it might just be the wrong size or color.

The customer requests a return, refund, or exchange from the company that delivered the product using the proper channels.

2. The company picks up the product from the delivery address

Companies that handle returns internally often struggle to optimize the routes of both deliveries and pickups as last-minute orders are difficult to adapt to.

Companies that rely on third-party logistics (3PL) providers will typically use digital prepaid shipping return labels if they cover product returns.

3. Company approves or disapproves the return, exchange, or refund

Your service staff or dedicated gatekeepers will decide whether or not the customer is eligible according to your company's returns policy.

4. The product is delivered back at the sorting facility or warehouse and inspected

A delivery driver returns the product to a dedicated sorting facility or major warehouse. The product is sorted, organized, and inspected for quality

Why did the customer return the product? Was it damaged during the delivery and return process? Is this product good enough to restock?

After the products are sorted, an auditor will inspect all the returned products and try to answer those questions.

5. The product is restocked and put back in inventory

If the product is in a suitable condition, it will be restocked on the warehouse shelves, added to the inventory count, and can now be sold to a future customer.

Returns Management vs. Reverse Logistics



Reverse logistics is the process of retrieving returned products, rental products after term, or reusable packaging from customers, and sorting and delivering it to appropriate locations.

Having a tried and tested reverse logistics process is a great way to optimize how quickly returns are picked up and processed, and minimize the gas and time expenses that are used in picking up a return. Another option is to hire a reverse logistics company to take care of the process for you.

Logistics is, of course, a key part of returns management, but managing returns also involves preventative measures, software integrations, and other things not typically considered when using the term reverse logistics.

The following table shows the typical return rates (as a percent of demand) for consumer e-commerce categories.

Category	Return Rate
Hard-Goods, Gifts	1% - 5%
Home Décor	5% - 9%
Shoes	10% - 25%
Casual Apparel	10% - 20%
High-Tech Products	15% - 20%
Fitted Apparel	20% - 30%
High Fashion	25% - 40%

Identify return costs

Returns cost more than orders to process. Identify these operational costs:

- **Processing** - to unload returns; process the return through all customer service and merchandise disposition steps; merchandise put away for future picking.
- **Refurbishing** – products such as apparel items require processing to prepare them for resale. You'll have to rebag and rebox the product, too.
- **Processing new customer shipment** - for exchanges, which can be as much as 30% of the returns received; labor, materials and shipping costs.

- **Merchandise expense** – if the item is damaged during the fulfillment.
- **Lost gross margin on a sale** – if not an exchange.
- **Customer confidence** – potential loss of customer and lifetime value caused by poor return handling, damaged or poor product quality.

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CERTIFICATE of Internship Completion

This certificate is awarded to

Ekta Gajjar

for successful completion of the 45 days Launchpad Internship Program
at Flipkart's Supply Chain Facility during **Sep - Oct 2021**.

Zoya Saif
Director, Arcos

Aasish Kumar Topno
Director-HRBP, FC/MH

Shahnawaz Khan
Director-L&D, eKart

Activat
to Se