



BIJU PATNAIK INSTITUTE OF IT & MANAGEMENT STUDIES

Summer Internship Report 2021



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A PROJECT REPORT ON

“Supply Chain Management of Flip kart”

**A PROJECT REPORT
SUBMITTED TO**

BIJU PATNAIK OF TECHNOLOGY, ODISHA

In partial fulfilment of the requirement for the degree of MBA 2020-22

SUBMITTED BY

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UNDER THE GUIDANCE OF

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BIJU PATNAIK INSTITUTE OF IT & MANAGEMENT STUDIES

BHUBANESWAR

DECLARATION

I MADHUSMITA BEHERA, of batch 2020-22, BIJU PATNAIK INSTITUTE OF INFORMATION TECHNOLOGY & MANAGEMENT STUDIES, hereby declare that this project report titled “Study on warehouse receiving process of Flipkart” submitted by me to Biju Patnaik Institute of IT & Management Studies under the guidance of Mr. NEHA GUPTA, prof. Marketing Department, sincerely regret any unintended discrepancies in this report.

This summer Internship report has the requisite standard for the partial fulfilment of the MBA program at BIITM, BPUT. To best of my knowledge and belief no part of this report has been reproduced from any other report and the contents are based on live experiences that I faced during a period of 45 days from 1st Sept 2021 to 17th Oct 2021.

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I would like to express my sincere gratitude to my internal guide Dr. NEHA GUPTA prof. of Marketing Department for his continuous guide and support. Last but not the least I would like to thank Mr. K. Chandrasekhar, associate prof. GM cum Head Training & Placement department for bringing me into exposure to such a wonderful company.

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INTERNAL GUIDE CERTIFICATE

This is to certify that the project report entitled “*Supply Chain Management*” at **RDC, FLIPKART**, Haringhata has been prepared by Miss Madhusmita Behera under my supervision and guidelines, for the partial fulfilment for the degree of MBA. Her work has been satisfactory.

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EXECUTIVE SUMMARY

The purpose of the project is to get exposure in the concept of Supply Chain Management in an organization. It is a very important concept for any an industry as it ensures the availability of raw materials for the purpose of production in order to meet the customer demand. This process is one of the important processes to analyse the Supply Chain Management in a leading E-Commerce company (FLIPKART). This report shows the availability of right number of raw materials in the right place and at the right time.

INTRODUCTION

PROJECT OBJECTIVE

- To study the Warehouse Receiving Process of Flipkart.
- The scope of low inventory cost lead to low price.
- To know what is GTL (Goods Transfer List) process.
- To study of GRN (Goods Received Notes).

SCOPE:

- To study about the inbound process of supply chain management.

METHODOLOGY

Type of Data:

- *Primary Data:* The primary data was collected through 45 days Internship at Flipkart warehouse, Haringhata, Kolkata.
- *Secondary Data:* The secondary data was collected from company website,

COMPANY PROFILE

ABOUT THE COMPANY

Flipkart is something which has really opened up the Indian e-commerce market and that also in a big way. Flipkart was co-founded by SACHIN BANSAL and BINNY BANSAL in Oct 2007. Both are graduates from IIT-Delhi and have prior work experience in Amazon.com They both were solid coders and wanted to create a portal that compared different e-commerce websites, but there were hardly any such sites in India.

Thus, Flipkart was born in Oct 2007 with an initial investment of 4 lac (co-founders' savings), it was never going to be easy since India has had past experiences with e-commerce trading, it was not an easy segment to break into, people were very particular in paying money for something which they had not seen and received. The trust was missing in the Indian customers. So, what Flipkart had to do was to instill trust and faith in their customers. And they did exactly the same, will discuss more on how they did so later in the post.

Flipkart began with selling books, since books are easy to procure, target market which reads books is in abundance, books provide more margin, are easy to pack and deliver, do not get damaged in transit and most importantly books are not very expensive, so the amount of money a customer has to spend to try out one's service for one time is very minimal Flipkart sold only books for the first two years.

Flipkart started with the consignment model (procurement based on demand) i.e., they had ties with 2 distributors in Bangalore, whenever a customer ordered a book, they used to personally procure the book from the dealer, pack the book in their office and then courier the same. In the initial months the founder's personal cell numbers used to be the customer support numbers. So, in the start they tried their best to provide good service, focus on the website-easy to browse and order and hassle-free, and strove hard to resolve any customer issues. Since there were not any established players in the market, this allowed them a lot of space to grow, and they did in fact grow very rapidly.

Flipkart had a revenue of 4 crore in FY 2008-2009, 20 cr. in FY 2009 - 2010, 75 cr. in FY 2010-2011, and the revenue for FY 2011-2012 which ends on 31 Mar 2012 is expected to be 500 cr. This is indeed a massive growth. The company targets revenues of 5000 cr. by 2015.

The company started from 2 Employees and now has around 4500 Employees Flipkart started with consignment model in discussed above, since most of the customer issues like delivery delays et result from procurement model, the company started opening its own warehouses as it started getting more investments. The company of Flipkart use in Bangalore and later on opened warehouses in Delhi, Mumbai. Today the company works with more than 500 suppliers. As on date more than 80% orders of Flipkart are handled via warehouses which help in quick and efficient service.

A humble beginning from books, Flipkart now has a gamut of products ranging from: Cell phones, laptops, computers, cameras, games, music, audio players, TVs, healthcare products, washing machines etc. etc. Still, Flipkart derives around 50% of its revenue from selling books online.

VISION STATEMENT

The vision statement for Flipkart is its strategic plan for the future-It defines what and where Flipkart Company wants to be in the future. The vision statement for Flipkart is a document identifying the goals of Flipkart to facilitate its strategic, Managerial as well as general decision making processes

Flipkart's current vision is **“To become Amazon of India “**

MISSION STATEMENT

The mission statement for Flipkart is a public document that details the value and strategic aims of Flipkart. The mission statement of Flipkart also identifies the purpose of the organization existence, highlighting the services and the products it offers. Further, The Mission statement also identifies the organizations operational goals for Flipkart, the processes the company uses to achieve those, the target customer groups ,and the region where the company operates.

Flipkart current mission revolves round **“providing delightful customer experience”**

CORE VALUES

There are five cornerstone Flipkart Values — **Customer First, Ownership, Bias For Action, Audacity and Respect**. While all Flipsters possess these traits and demonstrate these qualities, a few stand out in the crowd because they live these values in exemplary ways in their work ethic and performance.

While we adapt, evolve, and continue to grow, the beliefs that are most important to us stay the same - **Audacity, Bias for Action, and Customer first** - our core values which are reflected in everything we do!

While these core values define our identity and form the basis of all our decisions and actions, integrity and inclusion underpins all our processes

Business model

Flipkart started on inventory-based model and currently operates on both inventory and market place model since 2013; Flipkart has been slowly shifting to a marketplace model, where it connects customers to thousands of third-party sellers rather than sell products only through WS Retail due to the new FDI rules in India.

“FDI is not be allowed in inventory-based models, where the company owns the goods that are being sold through its platform”

WS Retail – is the largest seller on its platform, and accounts close to 40% of the total sales of the company. As part of a complex arrangement, WS Retail sells goods from Flipkart India Pvt. Ltd, the B2B (business-to-business) arm of the main group holding company, and sells the same goods to customers on Flipkart's site. WS Retail also owned and ran Flipkart's key logistics business called e-kart that delivered products to customers.

Flipkart Logistics structure and Operations

Due to ban in FDI in online retail in India, Flipkart has a very complex interconnected with some independent firms. It transfers massive funds into these independent firms to build an interconnected e-commerce business.

Flipkart provides technology platform and logistics services to the manufacturers from whom it sources goods and then sells those goods to many of its third-party sellers. These sellers then offer goods to shoppers. Flipkart takes a commission on every sale through its website. It does not operate in a pure marketplace model. It has a complex set of nine firms. It owns stakes in most of these firms.

The major three firms, which are registered in Singapore as 100% subsidiaries of Flipkart are:

1. FPL: Flipkart Marketplace Pvt.Ltd
2. Flipkart Logistics Pvt.Ltd
3. Flipkart Payments Pvt.Ltd

These companies, in turn, hold stakes in five Indian firms.

1. Flipkart India Pvt.Ltd
2. Flipkart Internet Pvt.Ltd
3. The wholesale cash-and-carry firm
4. Digital Media Pvt.Ltd
5. Flipkart Payment Gateway Services Pvt.Ltd

The reason behind the complex structure is FDI is barred in direct online retail in India.

The ownership of FPL Singapore is shared between Tiger Global, Accel Partners, Naspers and the Bansals. Tiger Global, the US-based firm holds approximately 30% in the parent company with two seats on the board. Flipkart also owns Myntra, a clothing e-commerce company that was acquired by Flipkart in May 2013 for \$330 million.

Company Structure

The entire organizational structure of Flipkart is organized in three broad teams as shown in below table.

Product and Technology	Business Development	Operations
Website Management ERP System	Vendor Management Sales Management Pricing Strategies	Procurement Warehouse Logistics Customer Support Product and Technology Team

Table 2 – Flipkart company structure

Logistics

Flipkart ships more than 100000 items per day, which makes logistics a very important aspect of the whole operation and also difficult to manage. To manage logistics Flipkart uses its own logistics arm known as eKart. The reason to have its own logistics arm is to save commission which usually around 2%, which it has to pay to courier firms. Around 60% of the total orders are delivered by eKart and rest is done by 3PL (Third-party Logistics). Flipkart has tie up with 15 courier companies such as Blue Dart etc. More than 90% orders are shipped on COD (Cash on Delivery). It uses Post India only in case when its own service as well as 3PL cannot deliver in the particular area. In eKart, the item is first delivered to the main hub and then to the local delivery hub from where last mile delivery is done by suitable means of transport such as two-wheeler, foot etc. In case of 3PL, the company allocated time slots to different courier firms to pick up the items to make it efficient. Delivery cost in India is relatively low due to cheap labour availability. Delivery time depends upon the item and the location. If the item is imported then it usually takes 3 weeks to deliver. For items available in local warehouse, it takes 3-4 to deliver. Mode of transport depends if the item is to be delivered from local warehouse, it done by two wheelers or by foot. For Tran's zone, air cargo service is used. In case of intercity, Rail or bus services are used.

Reverse logistics / returns processing

Flipkart has 30-day return policy, which helps, in building trust with the customers. Usually return is around 2.6% of the total delivered items. A detail return policy is available to customers at Flipkart website. This logistics comes into play when the customer request one of the following:

1. Replacement – When Flipkart returns the product to the supplier and delivers the replacement to the customer.
2. Refund– When customer is not satisfied with the product and wants it money refunded. It can be done either online transfer or through cash on delivery payment.

Procurement

Flipkart started its operation by inventory model, in which it stores items from the suppliers in its own warehouses and buy only when it is sold to customer. The new laws in India are highly favoured in marketplace model. Flipkart switched to it in April 2013. In this, it does not hold inventory from sellers rather than its seller directly sells to buyer and it only focus only on delivery. This model is similar to Amazon and many other e-commerce companies in India. The procurement is done for two reasons:

1. Inventory – On the basis of previous demand, these items are stored in the warehouses by the sellers. These are fast consuming items and low shelf life such as mobile phones, electronics goods etc.
2. Just in Time – These items are ordered to fulfil pending orders. These are highly unpredictable and depend on season. It is done on order-to-order basis. It is not very profitable because it for the expensive items with low sales and less discounts.

Currently, inventory-based order is around 75% and just in time 30% of the total sales.

Sourcing at Flipkart

- Regional - Region procurement team
- Centre - Central procurement team

Each team has a big network of suppliers to fulfil both inventory based as well just in time procurement. Central procurement team monitors supplies from all over the

country and it usually deals with bigger suppliers. It also monitors stock at regional level. It tasks it to avoid stock out which zero availability of product in the inventory.

Warehouse Management

Flipkart has 7 major warehouses in the country.

1. Mumbai
2. Kolkata
3. Delhi
4. Noida
5. Pune
6. Chennai
7. Bangalore

It has regional distribution centre around 500 locations in Tier 1 and Tier 2 cities.

Flipkart's Warehouse Management System (WMS) has three main parts:

1. Inward Processing
2. Storage Management
3. Outward Processing Discussed

Flipkart Supply Chain Management Systems



Marketing mix

The concept of “marketing mix” is a tool used by businesses to promote and market their product. It is centred on the elements- product, price, place, promotion, people, physical evidence and process. It thus holistically covers the major marketing strategies surrounding a business under the 7P's.

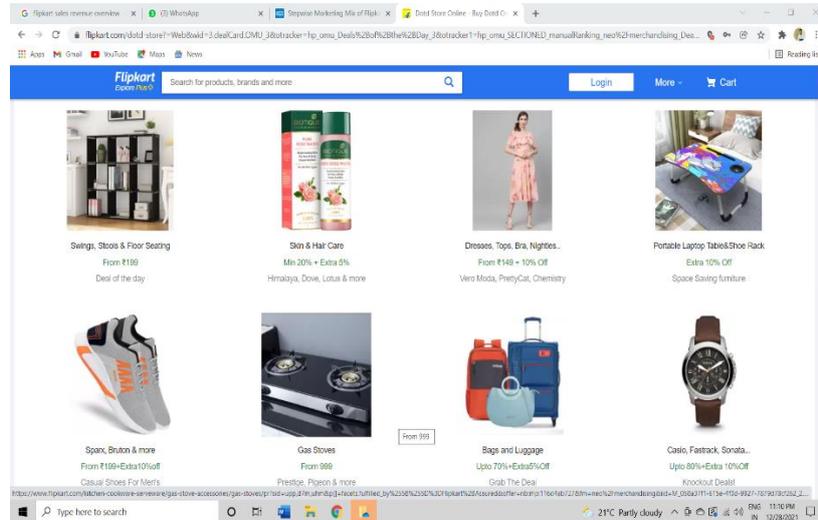
1. Product Strategy of Flipkart



- Initially, Flipkart had only one product line: books later, the company expanded itself into different product segments.
- Now it is selling more than 80 million products of many categories including electronic goods, Literatures & stationery, home appliances, fashion products (clothes, footwear, and accessories), home furnishing products, grocery, books, sports products, auto accessories and fitness products
- They also offer services of insurance, flight bookings & online payments
- After the Flipkart app, it has launched Flipkart lite. It opens with a splash screen & combines the rich features of a web app. It has fast and easy navigation. It works on 2G & in offline mode also
- Flipkart launched its product range called “Digi Flip”. Under this brand, it offers products like computer accessories, camera bags, headphones, pen drives, tablet phones and networking routers
- Flipkart has provided a platform for the launch of exclusive phones which are not available offline like Moto G and Xiaomi Mi3 models
- Flipkart’s #Smart Buy also introduced surgical masks and hand sanitizers to fight the shortage in April during the pandemic. The company also united forces with Meru Cabs and uber to deliver essential items to consumers in Mumbai, Delhi and Bengaluru

The company has a very diverse product portfolio because of which it has a large customer base.

2. Price Strategy of Flipkart



- Flipkart provides its products at less prices than other E-Commerce websites, it gives huge discounts to boost up sales and maintain competitive prices
- The company charges a nominal amount for its delivery service and also does not charge if the order costs above Rs 500
- If the product is directly shipped by the seller, then the shipping cost depends on the seller's shipping charges
- Flipkart also provides the facility of a one-day delivery where the product is delivered within a day by just paying a little more delivery charge
- Flipkart also runs mega sales during the festivals. In these sales, it offers huge discounts on products like Big billion days
- Other facilities for consumers include the availability of E-wallets, E-gifts & EMI for certain products
- Flipkart charges monthly warehouse, referral, and shipping charges from the seller. These charges depend upon the option chosen by the seller

3. Place and Distribution Strategy



- At first, Flipkart started its operations on the direct-to-consumer model in which they bought the book and couriered it, later the company opened many warehouses to store the goods safely
- The first warehouse was opened in Bangalore and later in Coimbatore, Delhi, Mumbai, Chennai, Hyderabad, Pune, Noida and Kolkata
- Around 80% of the orders placed are handled and controlled by warehouses
- Shipping and courier companies are the real mediators in this setup
- Flipkart delivers its products to customers pan India through an extensive delivery network. Their delivery service covers all tier-1, tier-2, tier-3 cities & major rural areas too.

4. Promotion Strategy of Flipkart



- Flipkart's promotional strategy focuses on aggressive marketing through TV ads, print ads, word of mouth, bulk mailing, push notifications in-app & social media marketing campaigns
- The company has partnerships with influencers and celebrities across the range to reach out to and engage with a diverse set of consumers as these people have a huge fan following
- Flipkart has partnerships with key brands in different categories ranging from male grooming to fashion, to draw the attention of consumers
- Flipkart has a partnership with Adani Group to strengthen its supply chain infrastructure and enhance its ability to serve its rapidly growing base of customers
- It has also launched a Flipkart Plus membership program that offers access to special privileges such as more points when you shop on Flipkart, faster delivery, extra discounts, early access to sales & superior customer support
- Flipkart invests in sustainability and CSR to establish a strong social image
- Flipkart introduced a daily trivia quiz. The quiz gives participants a chance to win discount coupons, gifts and Flipkart Super Coins

5. People

As of 2016, Flipkart employed 30,000 people. The company has continued to expand its business fast over recent years. The company calls its Employees Flipsters. The company focuses on managing its human capital in a manner that maximizes employee and customer satisfaction. Employees' happiness is the key to business growth. The company invests in its Employees' training and growth. Apart from that, it has created human resource policies that help maximize satisfaction for its workers and help them achieve a better balance between their career and personal lives. The CEO of Flipkart is Kalyan Krishnamurthy.

6. Processes

The e-commerce industry is marked by heavy competition and companies have to manage business processes in a manner to ensure higher efficiency and productivity. Flipkart has acquired a lot of growth within the last few years. The company had managed to achieve a strong position in the Indian e-commerce market prior to its acquisition by Walmart. From its website to the warehouses and fulfillment centers, the company focuses on business process efficiency to achieve stronger results. The company generated a [revenue of around \\$6.1 billion](#) in 2019 which was around 42% higher than the previous year. The company has been investing in technology and expansion of its physical infrastructure to achieve superior financial growth. Technology plays a key role in ensuring the operational efficiency of the company from its website to its warehouses. While Flipkart is continuously improving its

website and apps to make them more shopper-friendly, it is also investing in making its warehouses technologically advanced and best in class so as to improve their capacity. It ensures that the customers have a superior shopping experience and products are delivered to the customers faster.

7.Physical Evidence:

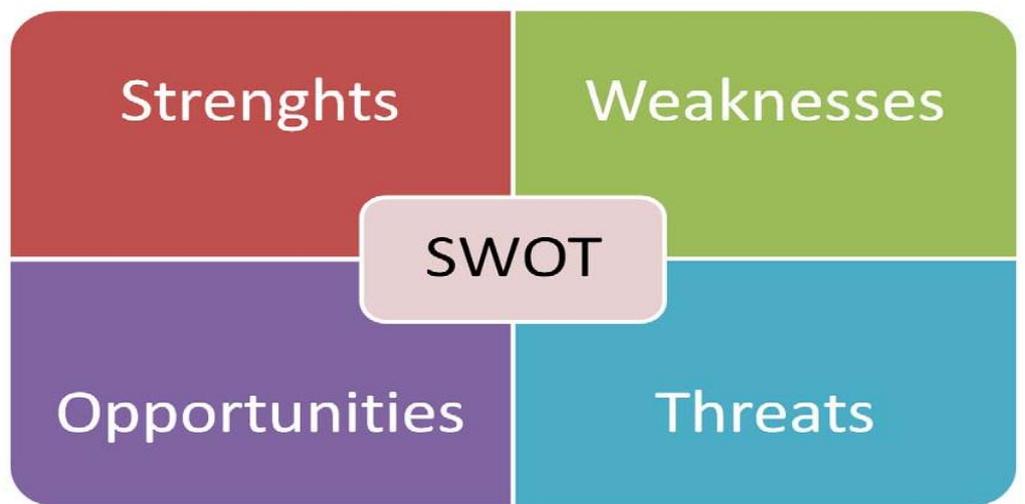
Physical evidence denotes the physical proof of the products and services of a company. If a company makes hardware or other products, the product itself can count as physical evidence. However, if the company offers services or creates software or something like streaming services then physical evidence may not be as readily available as in the case of the brands making physical products. So, while it may be easy to find physical evidence related to Apple, it may be difficult to find physical evidence related to Google because the other is largely a services company. However, there is a lot apart from the physical infrastructure and branding related material that still provides the physical evidence of business.

As in the case of an e-commerce business like Flipkart that sells products and services by other brands mainly, there is still a lot that counts as physical evidence. First of all, it is the packaging used by the company and the branding on it that is the physical evidence of the services provided by Flipkart. The packages used to wrap products to be delivered have the Flipkart logo on them. Apart from that, the physical infrastructure of the company including its offices, warehouses, and fulfillment centers also offers physical evidence of the business. In the digital era, there are a large number of services that will not present a lot of physical evidence but their branding material and physical infrastructure offer the physical evidence of their business operations. For example, Netflix is a brand offering streaming services. Its products/services are bought and consumed online using a physical screen that supports internet connectivity. In such a case, it would not be easy to obtain physical evidence as compared to a brand that makes hardware products like Samsung. In this way, from product brands like Samsung or LG to services brands like Flipkart and Amazon, the amount and extent of physical evidence vary depending on the volume of products made by the company

itself and extent of the company's own involvement in the provision of services. As in the case of Amazon that makes and sells a large range of products including Alexa enabled devices and Kindle Reader as well as a nice range of other products sold on its website, physical evidence is much easier to find compared to Flipkart

SWOT ANALYSIS

SWOT analysis (alternatively SWOT matrix) is initialising for strengths, weaknesses, opportunities, and threats—and is a structured planning method that evaluates those four elements of a project or business venture. A SWOT analysis can be carried out for a product, place, industry, or person



Internet-Marketing-Management.com

SWOT analysis of Flipkart

Strengths

1. Flipkart has earned customer's loyalty toward it by offering 24*7 excellent customer services. The satisfied customer shop again using it which helped them to grow their business multi fold.
2. Competitive pricing by offering huge discounts and better deals to customers especially on the highly popular products such as Mobiles phones.
3. Flipkart website has a better search optimization for searching products and offer buying via websites within 6 clicks to make online shopping convenient to buyers.
4. Promotion activities such advertisement is based according to the Indian market. It

helps them to connect to buyers in a better way. It offers gift vouchers and gifts to its customers as promotion timely to boost sales

5. Flipkart has one of the widest ranges of payment options available to customers. It first started “Cash on Payment” method by studying Indian market where online payment options are still not very common. It now accounts more than 50% of the total sales of it. All the other companies are now offering the same option after watching its success in Indian market. It also has EMI option facility available to customers for certain product to have such customer on board who cannot pay at one go.

Weaknesses

1. Even though Flipkart has its presence almost all over India but it still has less penetration at rural parts of the country.
1. Early “Out of Stock” on some high selling product is very common especially during peak seasons such festivals times.
2. Highly popular Cash on delivery payment option is not very economical for the company. Cases of customers rejecting to take delivery on this option is frequent. It cost them logistics charges. Cases of theft or snatching of items from deliveryman has also occurred in some part of the country.
3. Promotional schemes such “The Big Billion day” failure due to logistics incapability of the company to deliver such high number of products in a very short time.
4. Despite being the market leader in term of total sales and revenue, it is still under losses. Its high discount policy resulted in high losses.

Opportunities

1. Flipkart should further increase its product portfolio by adding more items to its websites regularly. It started selling automobile recently that was positively received by customers. Items such as furniture should be added which are much in demand.
2. Indian market is still not fully covered and there is still a lot of area in the country where online shopping is still a distant dream. Flipkart can cover those areas to boost its sales. It will also help in maintaining its market leader position.
3. Flipkart can start selling product under its brand like Amazon Kindle rather than acting only as platform for buyers and sellers. It will improve their profit margins but will also strengthen its brand image.

Threats

1. Other e-commerce players such Amazon is catching up fast in term of sales and total market share.
2. Failure of promotional schemes such as “The Big Billion day” can seriously affect company credibility in the long run.
3. Government of India is in favour of allowing 100% FDI in multi brand retail in future. This can give edge to Amazon who has pioneered inventory model in US.

INDUSTRY ANALYSIS

PESTEL ANALYSIS OF FLIPKART

PESTEL Analysis of Flipkart which elaborate the external factors impacting the company;

Political, Economical, Social, Technological, Environmental and Legal.

Introduction

Flipkart started its operations in 2007 as an online book store and the first book it sold was "Leaving Microsoft to change the world", since then it has progressed to become a \$7billion company and expanded into many other categories. The founders; Sachin and Binny are two Indians who first met at school but were not good friends back then. They became good friends when they both took admission in IIT and studied together. They both worked for Amazon and both shared the same dream of forming an e-commerce giant like Amazon so they quit their jobs and began competing with their ex-employer. They have acquired a number of e commerce companies including Myntra.com, letsbuy.com, weread.com, chakpak.com and mime360.com.

POLITICAL FACTORS

Flipkart is under a lot of highlights by rules and regulation authority when it announces billion-sale day, other retail sellers registered dissatisfaction over this action as they believed it would destroy the market for them. Then there was net neutrality issue in which Flipkart dismissed the purchase of Airtel Zero saying that it might go against the net neutrality as this telecom provider supports free internet app access to all. Free internet access defies net neutrality because it will allow ISPs to charge websites like YouTube because they use greater bandwidths although this would allow users to use apps freely but those apps would be limited as not everybody will register to this free app coup. Eventually websites will transfer these charges to end users and ISPS can also control the internet speed lanes for websites then all the websites cannot be accessed keeping the same time frame and additional charges would be imposed if wished to do so.

ECONOMIC FACTORS

Economically viable business of Flipkart runs into difficulties when they offered big discounts on their Billion sale day. The sellers' listings were removed from website by the company because it was unable to fulfil their orders and also the company was unable to efficiently manage logistics which causing problem to both buyers and sellers. Last year the company faced some other problems when amidst sale their website crashed and so many products went out of stock even before the sale starts. They were also blamed for artificially playing with prices by increasing the original price so that the discount would look bigger. Flipkart has offered loans to its sellers in order to hook them with the company, these loans are collateral free and charge very low interest rates, and this is done through collaboration with banks. The company has realized the importance of having team of sellers to its side.

SOCIAL FACTORS

Government has plans to take e commerce businesses like Flipkart and Snap deal to rural areas in order to help these areas grow through entrepreneurship. Government will also help in setting up

logistics and necessary funding. Two three ecommerce sites can come up to form a common service centre which means shared costs and skills which will bring economies of scale. Besides this Flipkart has also taken initiative to provide better work-life balance to its Employees by contributing its day care expenses of parents working for them, maternity leaves have also been revisited and changed for better. The average age of Flipkart's Employees is 29 years which means most of them would be recently married with new born children to take care of and with the company releasing them of most important responsibility means higher employee loyalty.

TECHNOLOGICAL FACTORS

India's biggest ecommerce website Flipkart will go all mobile in future. Former CEO and co-founder Sachin Bansal say that in this new era of mobile revolution the company cannot progress unless its Employees also keep pace with the changing trends. Flipkart's new acquisition Myntra also moved to all app on mobile for online sales. With the increasing number of smart phone sales and decreasing number of laptop and desktop sales in India it is rational for Myntra to think all mobile App allows users to engage better with the help of customization and easier payment methods as a result of which the company has reported increase in number of visitors since it last made the changes.

ENVIRONMENTAL FACTORS

The firm isn't doing much environmental harm because it does not manufacture anything on its own; it displays goods from different vendors. But it is encouraging consumption through mega sale events that it hosts which means more goods being produced and more Carbon dioxide emission. Other than this another potential environment threat that they are posing is that of price war in which all the brands have to roll up sleeves and dive in mud in order to survive. Price competition heats up the profit margins, kicks out small players, only big players with deep pockets can survive and they do so at the cost of profits. This hurts the industry in the long run.

LAW FACTORS

There are many legal and moral issues that Flipkart faces each day when it comes to handling sellers like checking for counterfeit products which put the reputation of the company at risk also the buyers can sue the company for the fake products, they have bought thinking of them as original. Secondly some sellers buy their own products in order to show the demand for their products and hence increase the prices, some start charging unreasonably high prices. Flipkart uses algorithms to detect unusual activities. Then, there are incidents of dishonesty from cab drivers of services like Uber, the drivers were found to have two handsets so that they can get orders from two different services in order to fulfil their daily quota for incentives and these are really hard to control and curtail for if you spot one taxi driver doing this, he will ask his friends next time to book the service for him.

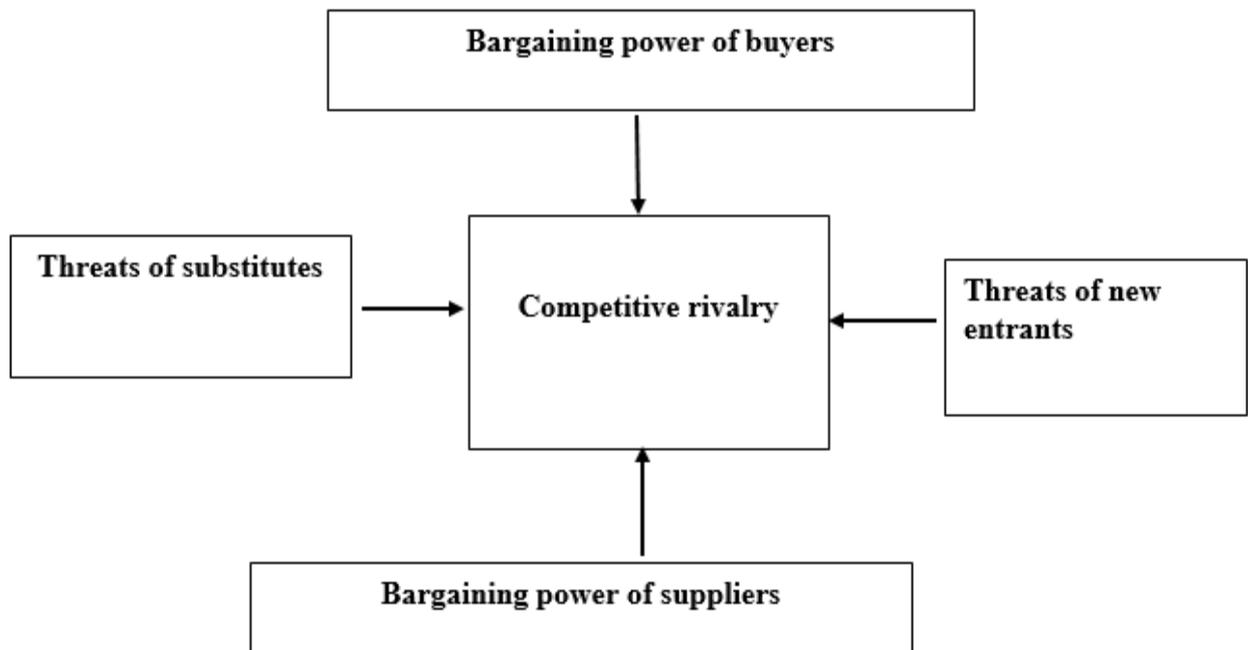
Porter's Five Force Analysis

Porter Five (5) Forces Model was proposed by Michael E. Porter in 1979. The purpose was to assess and evaluate the competitive positioning and strengths of business organizations. The model has three horizontal competitive forces (Threat of Substitute Products or services, the threat of new entrants and rivalry among existing firms) and two vertical forces (Bargaining power of buyers and bargaining power of suppliers).

These forces shape the competition within any industry. The overall industry competitiveness declines

when these forces reduce profitability. Porter found SWOT analysis lacking in rigor. Many new companies use the Porter Five (5) Forces Model to decide whether it is profitable to enter in a particular industry.

Here is the pictorial presentation of the Porter Five (5) Forces Model:



Flipkart com Porter Five (5) Forces Analysis

Application of this model can help Flipkart com to determine the industry attractiveness and understand its competitive positioning in the market. The analysis can also be used to make some strategically wise decisions that could improve the performance of Flipkart com and ensure long-term survival.

Threats 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.

Here are some 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.

Bargaining Power of Suppliers

Bargaining power of suppliers in the Porter 5 force model reflects the pressure exerted by suppliers on business organizations 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 organizations). 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 organization.
- 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.

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. Competitors with equal size and offering undifferentiated products with slow industry growth tend to adopt aggressive strategies against each other. These all factors make the Rivalry among existing firms a major strategic concern for Flipkart com.

Bargaining Power of Buyers

Bargaining power of buyers indicates the pressure that customers exert on the business organizations 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 increases 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 organizations) 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 standardized products in large volumes also increase the buyers' bargaining power.

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.

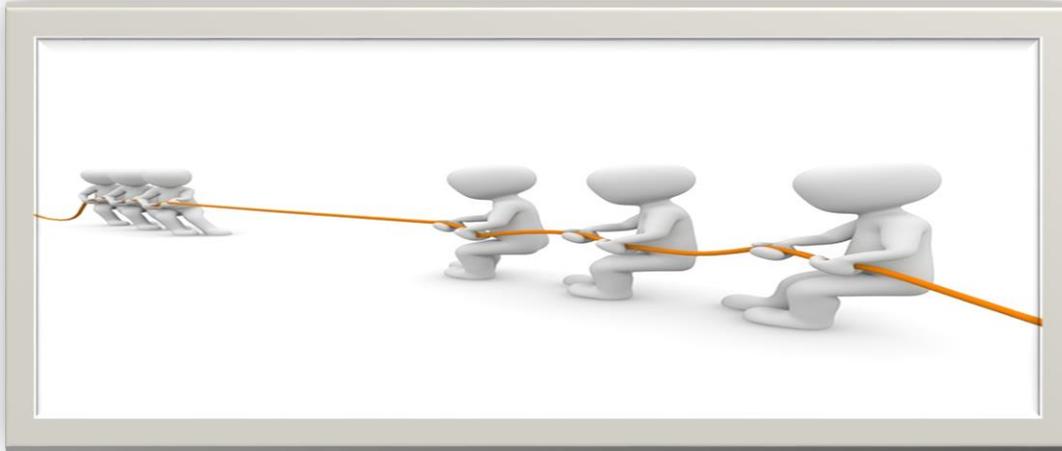
However, this threat is substantially low for Flipkart com when;

- 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.

Porter 5 force model implications

The application of Porter five (5) forces model in real-world context allows organizations to make wise strategic decisions. Impact and importance of each of the five forces is context dependent. By using Five Force analysis, Flipkart com can determine the industry attractiveness, make effective entry/exit decisions and assess the influence of these forces on their own business and competitors. Moreover, the dynamic analysis of this model can reveal important information. For example, Flipkart com can combine the Porter 5 force model with PESTEL framework to determine the industry's potential future attractiveness. In some cases, companies do not have the required information to analyses five forces. In such a scenario, the analysis can be conducted with the help of assumptions. Mostly, consultants consider this model as a starting point, and other frameworks (like PESTEL and Value Chain) are used in conjunction for a better understanding of the external environment.

COMPETITOR ANALYSIS



Competitor

A person, product, company, etc .That is trying to **compete** others, for example, by trying to make bigger sales in a particular market. Where one company competes to other to get more revenue

Competitor analysis

Competitive analysis in marketing and strategic management is an assessment of the strengths and weakness of current and potential competitors’ .This analysis provides both an offensive and defensive strategic context to identify opportunities and threats.

Focusing online store

There are many stores which are directly focused on a single strategy, which are direct Flipkart competitors. Some of them include the likes of industry buying (industrial market) or home shop 18(home appliance).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 business around, both local and regional are embracing online store 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.

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;

Major competitor of Flipkart

1. Amazon



Amazon is a one of the world's largest online shopping store. It played crucial role where large number of customer committed to buy a product in this company. 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 sale 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.

Strengths

- Amazon has a strong position and successful brand image in the market
- Large number of Third party seller
- Amazon cater large number of customers for everyday needs at inexpensive price
- Large number of Acquisition

Weakness

- Easily imitable business model
- Losing margins in few areas
- Declining consumer safety
- Unfair use of Third party data

2. Snap deal



Snap deal 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 business such as Grabbon.com, esportsbuy.com and Doozton.com, Which has made it, is possible to expand and become a solid competitor in the e-retailing sector, especially in India. Recently snap deal has dropped much in its brand equity and its online sales have dropped drastically. However, due to its legacy, it is still one of the Top Flipkart competitors.

Strengths

- Constant innovations and good branding.
- Vast network of Retailers across nation
- Excellent service through convenient processes.
- Wide range of deals and transactions to choose from

Weakness

- Services not available in all cities.
- Dependence on Internet only
- Technology led model might collapse if the logistics network is not trained constantly
- small time entrants entering into market share end up as competition

3. Alibaba



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

As a leading e-retailer in Asia and also penetration other parts of the world Alibaba has employed over 51000 Employees to help in fascinating various processes involved in buying & 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

Strengths

- strong recognition in china
- Leading e-commerce player
- The company revenue growing too fast
- It focus on research and innovation

Weakness

- The company has very limited presence outside the country.
- Over dependent of core business and Chinese business.
- There is a lack of trust from consumers due to the large amount of fraud committed through its Market place
- Alibaba is very new to the Market.

4. Myntra



Myntra is a part of Flipkart but is a competitor of the online portal where fashion is concerned .Myntra is an Indian based online marketplace for a wide range of fashion items. It was founded in 2007 with the primary aim of customizing different types of gift items, especially that are related to Fashion. Later on it about three years Myntra close to shift focus and started to sell branded apparels .Amazon entered in the Indian market in Mid -2013 ,and it provided shift competition to local online retailers .

This move forced Myntra to merge with Flipkart in 2014 as a means of countering the competition that Amazon and other relatively popular offline vendors brought on board. It has since grown to become one of the fiercest competitors in the online fashion sector in India where it has already established a significant market share

Strength

- Merger with Flipkart has increased its strength and capacity
- Retention of its independence even after merger
- Offering More than 1.5 Lakhs products with over 1000 brands
- Efficient supply chain and delivery capability helps it to cater to 90000+ locations

Weakness

- Intense competition means limited market share growth
- The online retailer field where Myntra is doing business having a huge competition which is affect to the company s market share growth
- By merging with Flipkart, who is one of the leaders in case of market share growth, Myntra is trying to overcome the problem.
- Dealing with lifestyles and fashion products

5. Jabong



Jabong too was purchased by Flipkart and is an online competitor to the fashion segment of Flipkart. Jabong is also an India 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, & women thus making It is 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.

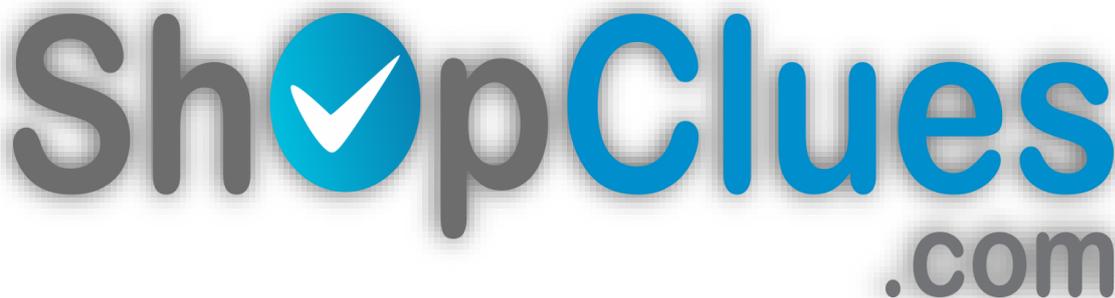
Strengths

- The geographic presence in different region can act as one of the major strength of the organization.
- Strong online presence on different social net working sites and efficient social media management.
- Strong financial position and health can allow the firm to make further investment.
- Workplace diversity can also act an as a business strength

Weakness

- The company may lose efficiency due to poor inventory management practices.
- The organization can draw the criticism from the environmentalists for its poor waste management.
- Lack of organizational commitment and high employee turnover can increase recruitment costs and reduce organizational productivity.
- High job stress and consequent low workers morale makes the workforce less productivity'

6. Shopclues



Shop clues is an online platform that offers consumers with the opportunity to shop and make payments for different types of products' was founded in 2011, but it has improved its service and RnD visibility to become among the highly regarded online market places in India. It deals with home appliances, Kitchen wares, Electronics and Fashion products that are owned by local and regional brands.

It surpassed the half a million mark in regards to merchants on the platform in 2016, which is apparently seen as one of its most significant milestones since it was established. Shopclues employs more than 11000 workers, and it is projected that the number will rise in the coming years due to the improvements made in its online marketplace and an increasing number of sellers and buyers.

Strengths

- Quick & fast delivery system.
- Provide 24 /7 service to the customer.
- Strong Distribution Network
- Goods return on capital expenditure.

Weakness

- Low number of outlets
- Varieties of franchise related issues
- Operational difficulties
- Need of high technology

Indian online market place head to head comparison

Basic comparison

	Flipkart	Amazon India	eBay India	Snapdeal	ShopClues
Launched In	April 2013	June 2013	2005	2010	2011
No. of Sellers/ Merchants	30,000+	16,000+	30,000+	100,000+	100,000+
No. of Listed Products	20 Million+	19 Million+	1.5 Million+	1 Million+	16 Million+
Product Categories Offered	70 (Structured)	13 Departments (Structured)	30+ (Structured)	500 (Unstructured)	5000 (Unstructured)
Most Popular Categories	Apparel & footwear, Home decor, Mobile accessories	Books, Consumer electronics, Baby products	Collectibles and Apparels	Lifestyle and Electronics	Home & kitchen, Apparel, Small electronics

Price

	Flipkart	Amazon Indian	eBay India	Snapdeal	ShopClues
Subscription Fee	Free	INR 499/month	INR 499/month (For basic store)	Free	Free
Listing Fee	Free	INR 10/Sale	Free for the first 100 products	Free	Free
Payment Gateway Fee	None	None	4.5% PaisaPay Fee + 12.36% Service Tax	None	None
Commission (Depends upon product category)	4 - 20%	5 - 15%	1 - 7%	4 - 20%	4 - 20%
Payout Period	Dispatch Date + 7 business days for tier 1 sellers	7 days	Upon customer confirmation	Dispatch Date + 3 weeks	Every Wednesday for all orders completed before Monday

Logistics

	Flipkart	Amazon India	eBay India	Snapdeal	ShopClues
Allows Self-Shipping?	No	Yes	Yes	No	No
Provides Shipping Assistance?	Yes, eKart	Yes, Fulfillment by Amazon	Yes, Powership	Yes	Yes
Cost of Shipping (approx.)	INR 35/500g	INR 40 - 45/500g + 1% of item value	INR 40 - 49/500g	INR 40 - 45/500g	INR 40 - 45/500g
Provides Packaging?	No	Only for FBA	Only for Powership	Yes	Yes
Cost of Packaging	NA	NA	NA	INR 3/Order	INR 3 - 9/Order

Miscellaneous

	Flipkart	Amazon	eBay	Snapdeal	ShopClues
m-Commerce Reach	70% of total traffic through mobile	Not Revealed	Not Revealed	65% of total traffic through mobile	40% of total traffic through mobile
Social Media Presence	4,500,000+ Facebook Likes 2,60,000+ Twitter followers	4,600,000+ Facebook Likes 3000+ Twitter followers	8,00,000+ Facebook Likes 75,000+ Twitter followers	3,000,000+ Facebook Likes 1,10,000+ Twitter followers	2,400,000+ Facebook Likes 10,000+ Twitter followers

Comparison of Top competitor of Flipkart (Amazon)



Amazon vs Flipkart

Comparison Table

Characteristic	Amazon	Flipkart
Founders	Founded by Jeff Bezos	Founded by Binny Bansal and Sachin Bansal
Date founded	Founded in 1994 in Seattle, Washington	Founded in 2007 in India
Company Type	Is a public listed company	Is a private listed company
Headquarters	Headquarters is in Seattle, Washington	headquarters in Bangalore, India
Revenue	Revenue for Amazon was estimated at US\$177.866 billion as at 2017	Revenue for Flipkart was estimated at US\$2.8 billion as at 2017
Products and services	Offers services and products including electronics, video games, apparel, food, furniture, toys, software as well as jewelry	Offers products and services such as electronics, lifestyle and fashion products
Subsidiaries	Has several subsidiaries including Amazon Air, body labs, goodreads, zappos, graphiq, Amazon game studios, and Abe books	Has subsidiaries including PhonePe, which is a mobile payments service, Myntra, Ekart, Jeeves and Jabong.com

Summary of Flipkart vs Amazon

Here this two branded E-commerce company create good image towards the large number of customer. It's affecting customer expectation what actually they want in the particular field & also depends on customer's perception ,their thinking style, Qualities of product, service quality, Delivering time, Attractiveness ,Packing style, and Technological factor also included .This all keeping on mind customer will decide which industry better for them after they will order product that company.

CUSTOMER ANALYSIS

Customer

A customer is a god is an every organization without them nothing is possible .so customer is an individual or business that purchases another company's goods or services .customer are important because they drive revenues without them, business cannot continue to exist. Customers are company's most important resource .A strong and loyal customer base means increased sales and better output. Building customer relationship is very important to business growth.

In case of Flipkart all normal people are individual customer, they have individual expectations. Who are buy the product in Flipkart they are individual customer of Flipkart.

Importance Things about customer

Customers are a company's most important resource. A strong and loyal customer base means increased sales and better output. Building customer relationships is very important for business growth. For this, you need to know and understand your customer's needs and buying behavior. This is at the core of every successful business. Once you understand your customer's behavior, you can use it to attract potential customers, engage the existing customers and sell your products more effectively. Here are five important, yet little known facts about online shoppers.

- **They shop during lunch hours**

People are most likely to shop online during their lunch hour. According to Infinite Analytics, an analytics company, 11 a.m. to 2 p.m. is the time when e-commerce websites witness the most traffic. The research also revealed that after 2 p.m., as evening approaches, the traffic starts to peter out. The least traffic is during the morning hours. For sellers, this is good insight into customers' shopping behavior. If you are listing new products or employing product ads to promote your products: plan in advance to ensure that your products gain maximum visibility. This is also a strong indicator as to when to roll out the discount offers. Most e-commerce platforms trigger their discount sales to coincide with these timings. So, it is a good idea for sellers to participate in these campaigns to increase sales.

- **COD still holds sway**

According to Ernst & Young, Cash on Delivery (COD), is one of the key growth drivers of e-commerce and accounts for 50% to 80% of online transactions in India. COD is a risk-free transaction for a customer who is still testing online shopping. Many shy away from sharing their credit card or debit card information online. Also, slow Internet connectivity and complex online transaction processes can make the buying experience quite a task. COD makes people more comfortable about shopping in online stores. Payments are made only after the product has been delivered at the doorstep, thereby mitigating any risks of losing money.

- **It's all about discounts**

Everyone loves a good deal. Discounts are one of the major factors that attract people to shop online. In fact, a recent study conducted by Your Story in collaboration with Kalaari Capital, revealed that 32% of Indian shoppers viewed a product catalogue online at least once a day. The study also indicated that there is a pattern where customers are making many impulsive and unplanned purchases based on what they like while browsing. The same study found that 74% of shoppers preferred shopping online because of discounts!

Types of Customer

A Customer Type is a group of visitors to your site that can be defined by you. It is useful in providing unique content to a group of visitors defined as a Customer Type. Some of the areas where Customer Types are commonly used are: Pricing: To define pricing levels of different types of customer types.

- **Impulsive Instagram Shopper**

The rise of visual platforms hands considerable power to ecommerce store owners. Not every online shopper is the same, and therefore, great writing doesn't wow all site visitors. Some people are more enticed by powerful imagery. From the widgets and graphics, to video tutorials and professional photos, you can use visuals to add a lot of weight to your value proposition. Studies indicate that people remember about 50% of visual content, compared to just 10% of text-based pages. Don't stop at words. Make sure you use great images to make your brand more memorable on social media and on your ecommerce store.

- **The Last-Minute Shopper**

The fear of missing out (FOMO) can play on the minds of online shoppers, especially millennial. As they are constantly using their mobile devices, it's easy for them to browse through online stores when they are on the go. Making a purchase is only a few buttons away, with minimal touch points involved. This is especially true when they have the app for an online store. Companies can leverage FOMO by first nurturing a relationship with these customers, then by reaching out on special occasions such as their birthday. Clever wordplay that highlights scarcity can drive conversions. For example, telling your customers that your new line of limited edition sports trainers are "Selling out Fast" can install that fear in them.

Target focused on earning more from last-minute shoppers before Christmas by offering free shipping, right up to the big day.

- **Researcher / Browser**

This is one of the most common buyer personas in any industry. The researcher will dig deep before making any purchase, considering all the information and angles, including:

- Product description and features
- FAQ sections for the product

- Customer reviews and ratings
- Images and video content

Writing powerful product descriptions is essential, as you need to provide prospects with all the information they need to make a decision. Furthermore, don't underestimate the value of having reviews and feedback from previous customers. More than 80% of people seek the opinions of friends and family before making major purchases. Social proof matters, which means there is a lot to be gained if your company can learn how to leverage it.

Factors Influencing Consumer Behaviour in Buying Process

The consumer decision process explains the internal process as well as individual behaviour for making decisions about buying of product or service.

1. Cultural Factors
2. Social Factors
3. Personal Factors
4. Psychological Factors
5. Economic Factors

✓ **Cultural Factors**

Culture: The set of basic values, perceptions, wants, and behaviors learned by a member of society from family and other important institutions.

Consumers live in a complex social and cultural environment. The types of products and services they buy can be influenced by the overall cultural context in which they grow up to become individuals.

Below are some of the important cultural factors given ;

- Culture
- Subculture
- Social Class

✓ **Social Factors**

Social factors, in turn, reflect a constant and dynamic influx through which individuals learn different consumption meanings. Below are some of the important social factors given:

- Family
- Reference Groups
- Roles and status

✓ **Personal Factor;**

A person's consumption behavior is shaped by his personal characteristics. Below are some of the important personal Factors given?

- Age
- Income
- Personality
- Self-concept
- Occupation
- Lifestyle
- Gender

✓ **Psychological Factor**

Psychological factors also influenced consumers. Internal psychological factors also direct the decision-making process. These factors influence the reason or ‘why’ of buying. Below are some of the important psychological factors given:

- Motivation
- Learning
- Attitudes and Beliefs
- Perception

✓ **Economic Factor**

Economic factor also has a significant influence on buying decision of consumer behavior. Below are some of the important economic factors given:

- Personal and Family Income
- Income Expectations
- Consumer Credit
- Liquid Assets

Customer Buying Product From E commerce (B2C/B2B) :

E-commerce refers to the process of buying or selling products or services over the Internet. Online shopping is becoming increasingly popular because of speed and ease of use for customers.

B2C in E-Commerce sector

Business to customer involves sale of goods online directly to the consumer

Ex. Amazon, Google, Face book



B2B In E-commerce sector

Business to business involves Sale of goods online by business to business

Ex. LinkedIn, Buffer, Snap cap, Skype

Factor Influencing Consumer behaviour in buying decision

Customers research products. They compare prices and services offered by competitors. Of course, the product quality and seller's reputation matters a lot. When the product matches the consumer's requirements, what influences consumer buying behavior?

Below are the top 7 factors which influence consumer's purchase decisions, take a look: online reviews

According to a study by Marketing Land, about 90% of people read online reviews before buying a product. The online reviews, whether positive or negative, are the most source of finding out about the products of the company.

Free Shipping

With a contribution of 49%, free shipping is the second most significant factor that influences the consumer decision making process. Free shipping usually attracts customers who purchase very often from online stores and websites. Free shipping helps to keep the customers hooked for a longer period of time.

Product and Information Quality

One of the most important factors that influence the consumer's buying behavior is product quality and product information. Promoting and selling good quality products at the right time and the right platform are vital to a business's success.

Easy Returns

Undeniably, a lack of personal touch is something which an E-Commerce business suffers from. But, it can overcome this challenge by putting an easy return policy in place. Defined and easy return policies are really very helpful if they are in favor of consumers. In a business where size or color of the product can mismatch, easy return policy helps you get the consumer's trust.

Great Navigation

A Great Navigation in the E-Commerce website helps in getting positive user experience. It will help the consumers in getting the idea where they are and where to move on. Good navigation includes everything from well-defined categories to site maps. It gives a simple sneak-peek into the list of products that the company offers.

Easy Checkout

The process of checkout must be really simple. If the checkout process is complicated, there are chances that the customer might lose interest in purchasing the product. Ensure a great CX for the consumer buying process.

New Product

Customers often look out for new products. Try to add new launches to the product catalog. Consumers always look for something that is new and innovative. Moreover, new products attract more traffic too.

Customer Expectation

- Flipkart was among the few E-commerce sites and people expected it to be selling the E-books and PDF of books too.
- India consumers expected the payment mode to be Debit/credit and not on cash delivery.
- Initially Flipkart did not have 30 days Guarantee which customers expected in case of electronics.
- Lack of communication between courier Delivery Company (Employees) and Flipkart managers .

AIDA MODEL



What is AIDA?

Aida is a marketing model, and Elias St.Elmo Lewis developed it in 1898. It stands for Awareness, Interest, Design, and Action.

The agenda behind developing this model was to understand the process of how customers engage with an advertisement. Lets understand these specific terms in detail.

A-Awareness

The first step in which the customer takes notice of your product/service. A business using various marketing channels, like articles, paid Advertisements, podcast, and so on to aware of their brand.

I-Interest

Through your blogs or webinars or email campaign that you send out, the customer starts taking interest in your product.

D-Design

The customer moves into the stages of 'Must Have 'the product stage. So, They check out your site or e-book or brochure.

A-Action

The last step when the customer buys the product.

How AIDA model helpful in E-Commerce business

Awareness

As an E-commerce brand, you have competition and you don't have aware people about things you sell, you will be at a loss. If you nail this stage, you increase the profitability of selling the product by 30%.The steps are:-

- Research your Target Audience
- You need tons of Visual and text content as e-commerce sites need that appeal to the masses to buy a product.
- Don't let any grievance go unread of.
- Make sure your websites loading time is perfect.

Interest

After customer aware about your online store the next step is make them interested in your products. Interest equals sales. You ensure that customer stay on your page.

- Describe each product
- Write history of the company so that the audience is aware of it.
- Target to the customer individually according to their required about product.
- Listen to their problems and solve them with in time.

Desire

Now, you need to turn their interest into desire. It is the difference between scouting the item and putting it into the cart.

- Include tons of videos and images that show how the product is working. If they see that, they will put it in the cart. It's all about motivating to the customer.
- Add customer feedback and reviews as people love to check feedback from real people, and not the brand.

Action

The last stage is the action stage, meaning the buying stage. This is the most important stage as a lot of buyers' leaves after putting the things in the cart.

You don't want that, you want them to put in a cart, and buy it. Or directly go to the buying.

- The best thing to do is to have a clear and prominent call- to -action button.

ABOUT CRM

Customer relationship management is a technology for managing all your companies' relationships and interactions with customers and potential customers'. The main goal is to Aim proves business relationships. A CRM system helps companies stay connected to customers, Steam line processes, and improves profitability.

Customer relationship management is the cornerstone of the Flipkart business model .In a market with several sellers selling generic products. The business has to be extremely differentiated. As a E-commerce sector very much required good relationship to the consumer where the company get good revenue. Here the customer is the god .Always required to customer quality of product, service as well as support where the company increase their sales and get more revenue.



CRM by Flipkart

- Gathering and pooling of customer orders, sales information, Delivery and shipping details, web traffic and analytics in real time through internal and external channel.
- Allowing repetitive processes to reiterate on its own instead of manual handling of data.
- Decreases labour cost of additional man power resources to complete transactions.
- Useful information can be derived and charted such as customer churn rate, Repeat customers, Frequency of purchase etc.
- Flipkart reaches through several channels such as email, customer care, chat support etc.

ACTUAL WORK DONE

These processes of warehouse are:

1. **Inbound (IB):** The process like receiving and putting comes under the inbound process.
2. **Out Bound (OB):** The process like picking and packing falls under the outbound process.
3. **Return Centre (RC):** It mainly deals with the Return to Origin (RTO) and Reverse Pickup (RVP).
4. **Non Customer Outbound (NCOB):** All the Inter Warehouse Inventory Transfer (IWIT), Liquidation products, Products to be refurbished are taken care by this department.

Warehouse receiving is the first step of the ecommerce fulfilment process and refers to the process of delivering, unloading, and storing ecommerce inventory in a warehouse or fulfilment centre. A well-established warehouse receiving process can help make inventory management and fulfilment easier, cost-effective, and more efficient.

The standard warehouse receiving process:

Warehouse receiving is not simply a matter of purchasing inventory and having it delivered to your warehouse; rather, it involves several key steps that must be done right to ensure the right items and quantity are being delivered and stored correctly. Here is an overview of a standard warehouse receiving process:

1. Create proper documentation and then send your inventory

Before inventory is ordered and delivered, a business owner must complete pre-receiving tasks before sending inventory to a warehouse.

During this stage, the business owner decides how much of each item will be shipped in how many containers, as well as determine packaging requirements for each items (e.g., labelling criteria, the number of packages loaded per pallet, and acceptable package sizes and weights).

If you partner with a third-party company (3PL), you will want to check their pre-receiving requirements as most of them have their own process for how to send inventory to their warehouse(s) and often steps you must complete before you send them your inventory.

In most cases, you will need to fill out a Warehouse Receiving Order (WRO) label and attach it to each shipment with the barcode visible. This makes it easy to scan the shipment using a warehouse management system (WMS) to pull up data on the order and make sure the receiving inventory is accurate and stored in the right place.

2. Receive and unload stock

If you manage a warehouse, the next step is to have warehouse receiving staff meet the shipper at a loading dock and unload the necessary cargo. Receiving staff should be standing by to discuss questions or concerns regarding the shipment with the delivery driver.

Ideally, truck beds should be packed back-to-front in the reverse order of the delivery schedule so that warehouse workers can unload their inventory immediately without having to move another other cargo in the way.

Depending on the size and volume of the cargo, unloading sometimes requires heavy lifting equipment such as forklifts and pallet jacks.

3. Count and confirm inventory

As the cargo is being unloaded, the warehouse staff checks the contents of each delivery, including the quantity, the integrity of seals, the product codes/SKUs, and the overall condition of the cargo to ensure that what's in the boxes matches what is listed on the WRO and is expected to arrive.

Stock counting and inspection can be time-consuming. To avoid hours at the loading dock, some merchants require warehouse staff to count boxes or pallets, rather than individual items, or choose to perform periodic random inspections. Or, you can use an inventory scanner system to automate this process, or leave it up to a 3PL to take care of.

4. Store and file product

Once all inventories is unloaded and inspected, the final step in the warehouse receiving process is organizing and storing new inventory in the warehouse.

This step looks different for each business, depending on the type of warehouse, the quantity and size of their items, and whether a business relies on a 3PL partner for inventory storage. Depending on the size and quantity of products, inventory can be stored either on a palette, a shelf, or a bin. If you partner with a 3PL, it's up to their fulfilment staff to store your inventory in the most efficient and cost-effective way to save you on carrying costs.

If you own or lease a warehouse, businesses are in charge of handling storage based on their fulfilment process. Your logistics staff will need to take charge of completing all documentation and verification, as well as inputting the receive inventory's information into the WMS or manually track it.

What happens when you optimize your warehouse receiving?

Optimizing your warehouse receiving process is an investment that will set your fulfilment logistics strategy up for success. Since it's the first step in the fulfilment process, a structured warehouse receiving process will help you properly manage inventory and make sure the right items and quantity of those items are available to be fulfilled.

Here are just a few of the benefits you can expect when you optimize the warehouse receiving process.

1. More accurate stock counts

Accurate stock counts are essential to a brand's ability to manage their inventory, avoid stock outs, forecast demand, reduce inventory shrinkage rate, and maintain a healthy profit margin. By taking the time to develop a comprehensive checklist for your staff to follow will help with inventory control — especially if you use automated technology to make the process easier, such as using an inventory scanner when receiving new inventory, so stock levels can be updated in real-time, and to ensure what's included in the delivery matches what was ordered.

2. Fewer stock outs and dead stock

Stock outs (not having enough items in stock to fulfil order) can cause customers to look elsewhere and can also lead to negative reviews that can impact your online brand's reputation. On the other hand, overstocking (known as dead stock) leaves business owners with a surplus of inventory that will not deliver a return on investment, let alone a profit.

An optimized warehouse receiving process will help prevent both issues as an issue with inventory receiving can be caught early on — such as the supplier not delivering the quantity ordered.

3. Efficient inventory storage

Optimizing your warehouse receiving process can also impact your inventory storage system by making sure inventory is being stored in the most efficient, cost-effective way possible. Using a WMS, once the inventory is scanned when received, staff can retrieve instructions on how to unpack and store the inventory, as well as how to pick, pack, and ship items once sold.

How to optimize your warehouse receiving

There are several ways to optimize the warehouse receiving procedure. To help you get started, here are some best practices that you can implement – whether you manage your own warehouse or partner with a 3PL like Flipkart.

Deploy inventory management systems

Inventory management systems help ecommerce businesses optimize their entire supply chain by automating the process. By implementing an inventory management system, you're given insights into real-time inventory counts and more accurate numbers for inventory accounting purposes. Once your existing inventory is loaded into an inventory management system, you'll be able to view real-time stock levels and see your inventory numbers change immediately after the warehouse receiving process. This type of software also makes it easy to set automatic reorder points to remind you it's time to order more product based on inventory forecasting predictions for each SKU.

Track your inventory metrics

A proper warehouse receiving process will make tracking inventory and logistics costs much easier — especially if you store inventory in multiple warehouses or fulfilment centres. By using technology to manage all inventories, you're able to monitor important distribution metrics all from one central dashboard.

For instance, with Flipkart's built-in analytics reporting tool, you can keep track of:

- ✓ Average storage cost per unit
- ✓ Total number of bins/shelves/pallets currently in use
- ✓ How much inventory is stored at each location
- ✓ And more
- ✓ By monitoring these metrics and translating them into meaningful change, business owners can transform their data into a competitive advantage.

Run inspections

A few minutes of caution upfront prevents the hassle and expense of sending back damaged, missing, or incorrect inventory after it's too late. Periodic inventory audits such as physical counts and cut off analyses also catch inventory imbalances before they get out of hand, and will inform your next round of warehouse receiving.

Flipkart's built-in inventory management tool can help you conduct inventory audits as needed, and gives you real-time updates on stock levels and specific SKUs to make tracking inventory quicker and easier.

Double-check documents

No one likes paperwork, but you will save the trouble of correcting mistakes by double-checking that receiving inventory matches your purchasing order.

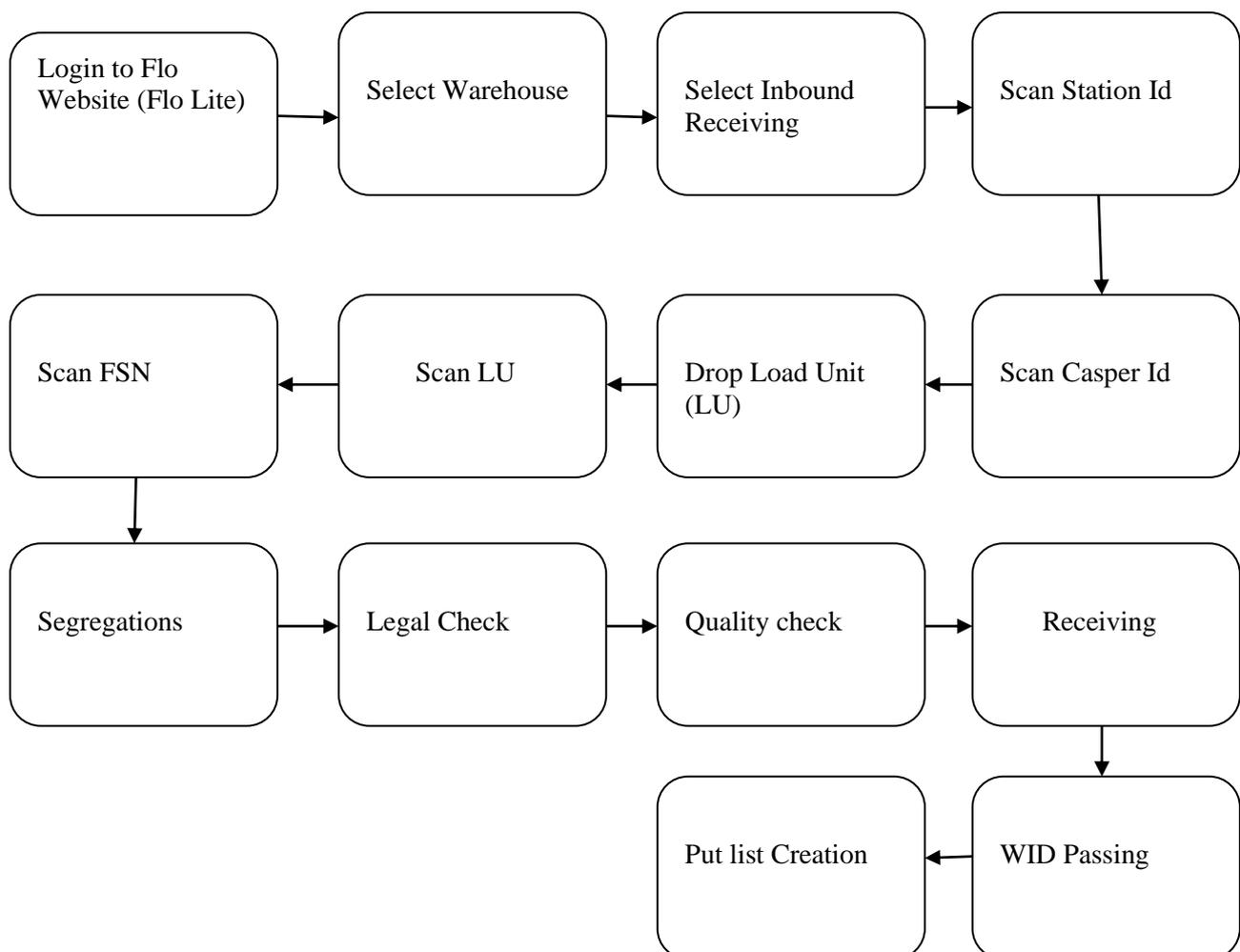
Implementing a system for all receiving and shipping documents, in which each type of document has a numbering system and different forms are labelled in sequential order, also makes it easier for staff to check paperwork thoroughly and identify missing inventory.

For instance, Flipkart's WRO system is designed to make sure you have the information you need to send us your inventory, so everything is accounted for and stowed away properly.

From the dashboard, you easily create a WRO with information on where you're sending inventory to, quantity of each SKU being sent, how it will be shipped to us (e.g., parcel, palletized container, or floor loaded container), and create a box label for each shipment.

With this information, we're able to make sure what is sent to our fulfilment centres is accurate, so we can store and update inventory levels accordingly.

Steps of Receiving Process:



FINDINGS

- ✓ During the Internship, it is observed that there are lot of communication gaps between the Interns and the supervisor.
- ✓ Sometimes because of server issue there is a disruption in the continuation of the work.
- ✓ Here the work progress is very fast because of which the Interns who are new to the warehouse get confused and commit mistakes
- ✓ People management is very poor, as Interns have to lift the heavy cartoons and drag them to their respective work stations.
- ✓ As the entire organization depends upon the human resources and the resources are not taken proper care of.

SUGGESTIONS

- ✓ There should be a proper communication between the supervisor and the interns so that the work can be done smoothly.
- ✓ There are equipment which can be transfer the consignment to the exact station where the interns have to receive but still interns are doing it manually which is very time consuming. The vehicles should be present at very moment so that the consignment can reach the interns without any delay and the work will not be hampered.
- ✓ As the work process is too fast, here the interns' needs to be trained first about the actual work they have to do in the warehouse.
- ✓ Disparity between Interns and supervisors.

CONCLUSIONS

- ✓ This report contains proper observation of warehouse receiving in the company.
- ✓ A better warehouse receiving process can solve all the problems occur in inventory as receiving is the very first step.
- ✓ This will reduce the discrepancies in the process of supply chain management.
- ✓ An efficient warehouse management system can make the company to grow more and if in inefficient way it will ruin the company business.

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