



BIJU PATNAIK INSTITUTE OF IT & MANAGEMENT STUDIES

SUMMER INTERNSHIP REPORT 2022

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Flipkart



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SUMMER INTERNSHIP REPORT 2022

A

STUDY ON

STUDY OF SUPPLY CHAIN MANAGEMENT OF FLIPKART

BY

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INTERNAL GUIDE CERTIFICATE

This is to certify that the report entitled “**STUDY OF SUPPLY CHAIN MANAGEMENT OF FLIPKART**”. It has been prepared by Mr. Malaya sahuo under my supervision and guidance Er. Manoj Kumar Rout, Prof. in operation management, BIITM for the fulfillment of virtual summer internship program of master’s in business administration. His fieldwork is satisfactory.

(Signature guide)

Er. Manoj Kumar Rout

Asst.Prof.in Operation Management, BIITM

EXTERNAL GUIDE CERTIFICATE

This is to certify that this piece of work entitled “**STUDY OF SUPPLY CHAIN MANAGEMENT OF FLIPKART**” (WEST BENGAL, KOLKATA) submitted to partial fulfillment for the degree of MBA is a record of studies and project work carried out by student of MBA program 2020-2022 of **BIJU PATNAIK INSTITUTE OF IT & MANAGEMENT, BBSR.**

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DECLARTION

I do hereby declare that project work titled, “**STUDY OF SUPPLY CHAIN MANAGEMENT OF FLIPKART**” submitted to Biju Patnaik Institute management & Information Studies, affiliated to Biju Patnaik University (BPUT), is a record of research work done by me under the guidance of Er. Manoj Kumar Rout, Assistant Professor, BIITM, in partial fulfillment of requirement for the award of master’s in business administration.

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Executive Summary:

The concept of e-commerce is downloading at a fairly rapid pace in the psyche of the Indian consumer. In the metros, shortage of time is a big driver for online shopping on the other hand, accessibility to a variety of products makes audiences from towns and opt for the line route. Major retail ace challenges in stocking their stores adequately. Often, customers are unable to purchase items of their choice, thus prompting them to resort to e-retailers Flipkart has accorded a lot of importance in trust building exercise that is why it has a strong Customer Support Team which helps the customers with the website guidance and resolving issues.

Flipkart uses its in-house logistics (EKI) as well as third party logistics (3PL) services as the logistics is one of the most important for a success of any ecommerce venture. Along with the logistics, reverse logistics of Flipkart is also well developed with a 15-day return policy and flipkart bearing courier charges for returned products.

Flipkart now handles the inventory and warehouse management. Flipkart has continued to fare very well in terms of the delivery time because of their developed supply chain management and dedicated customer.

Putting is the second warehouse process and is the movement of goods from the receiving dock to the most optimal warehouse storage location. Failing to place goods in their most ideal location can impact the productivity of warehouse operation. When goods are putting properly, there are several benefits:

- Easy to picking.
- Travel time minimized.
- Safety of goods and employees is ensured.
- Warehouse space utilization is maximized.

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Chapter -1 Introduction

(Topic, Scope, Objectives, Methodology)

Chapter -1 Introduction

Topic

“STUDY OF SUPPLY CHAIN MANAGEMENT OF FLIPKART”.

INTRODUCTION

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, and they decided to give birth to their own e-commerce website www.flipkart.com.

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

The company started from 2 employees and now has around 4500 employees. Flipkart started with consignment model as discussed above, since most of the customer issues like delivery delays etc. result from procurement model, the company started opening its own warehouses as it started getting more investments. The company operates Flipkart 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.

Business model

Flipkart started on inventory-based model and currently operates on both inventory and marketplace 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 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 Bansal. 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 | Vendor Management | Procurement |
| Management | Sales Management | Warehouse |
| ERP System | Pricing Strategies | Logistics |
| | | Customer Support Product and Technology Team |

Table 2 – Flipkart company structure

(Source – <http://cmusecm.blogspot.co.at>)

Logistics

Flipkart ships more than 100000 items per day, which makes logistics a very important aspect of the whole operation and 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 labor availability. Delivery time depends upon the item and the location. If the item is imported, then it usually takes 3 weeks to delivered. 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 trans 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 favored 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 fulfill 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 fulfill both inventories 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.

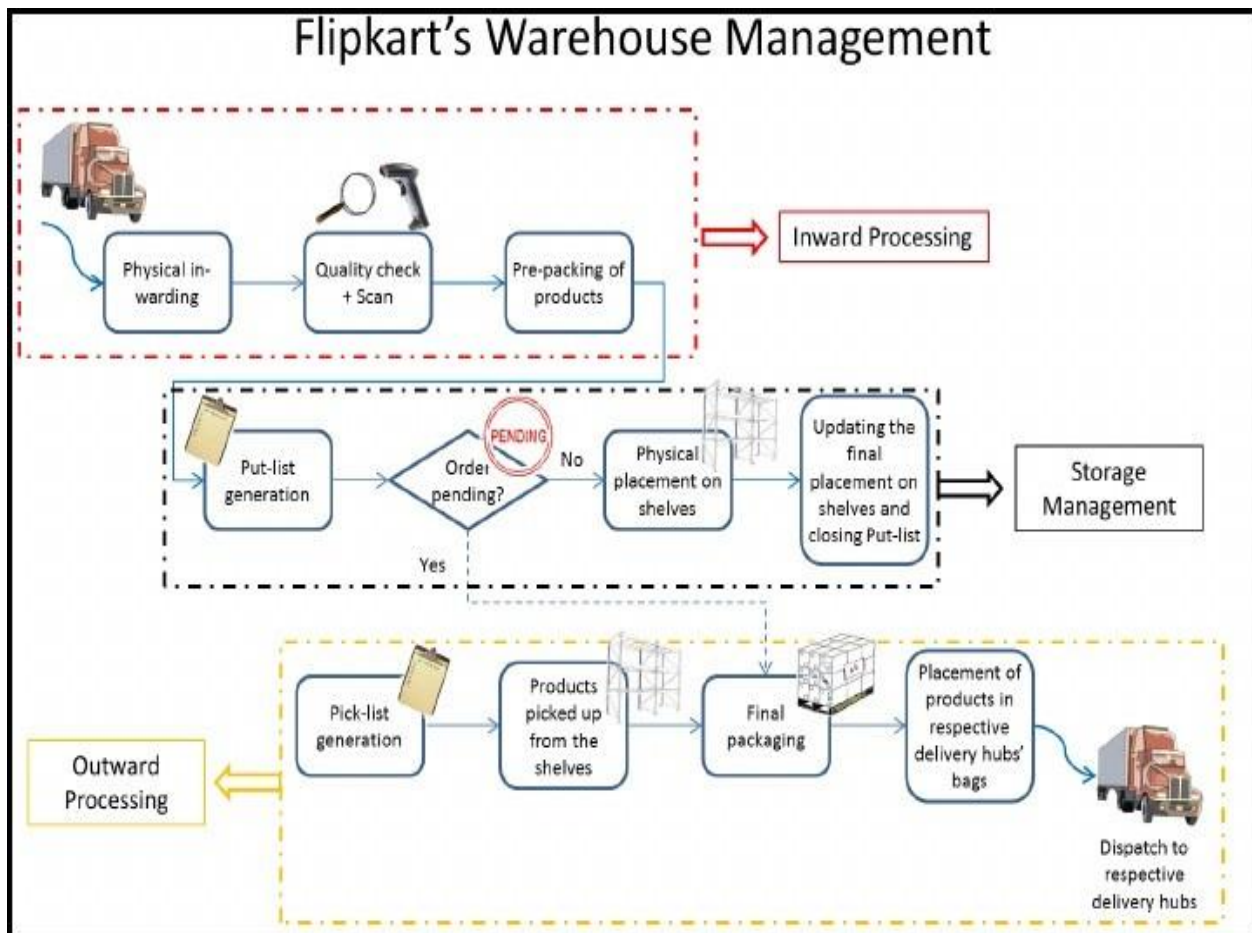
1. Mumbai
2. Kolkata
3. Delhi
4. Noida
5. Pune
6. Chennai
7. Bangalore

It has regional distribution center 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 warehouse management systems are shown in bellow **Figure**



Flipkart Warehouse Management Systems

(Source – <http://cmuscm.blogspot.co.at>)

Scope of study

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

Objectives of study

- To study the warehouse management system.
- To study the reverse logistics.
- To study the Electronic Data Interchange.
- To study the inward & outward process.

Methodology

I started the secondary research of the internet retail industry and news articles. The primary data collected through internship in Flipkart warehouse Haringhata KOLKATA. It is the biggest warehouse of Flipkart India. I have collected the data of inbound process outbound process (receiving, putting, picking, CMT) from Mr Apurva patro supervisor of putting department. Also asked some survey questions to the off-role employee of other department.

Chapter-2 Company Analysis

(Brief background, Marketing mix, SWOT analysis)

Chapter-2 Company Analysis

Brief background

Flipkart is an Indian e-commerce company, headquartered in Bangalore, Karnataka India, and incorporated in Singapore as a private limited company the company initially focused on online book sales before expanding into other product categories such as consumer electronics fashion, home essentials, groceries, and lifestyle products. The service competes primarily with Amazon's Indian subsidiary and domestic rival Snapdeal as of March 2017, Flipkart held a 39.5% market share of India's e-commerce industry. Flipkart has a dominant position in the apparel segment, bolstered by its acquisition of Myntra, and was described as being "neck and neck" with Amazon in the sale of electronics and mobile phones Flipkart also owns Phone Pe, a mobile payments service based on the UPI.

2018, U.S.-based retail chain Wal-Mart acquired a 77% controlling stake in Flipkart for US\$16 billion, valuing Flipkart at around \$20 billion.

In August 2018 Flipkart was founded in October 2007 by Sachin Bansal and Binny Bansal, alumni of the IIT, Delhi and former Amazon employees. The company initially focused on online book sales with country-wide shipping. Flipkart slowly grew in prominence and was receiving 100 orders per day by 2008. In 2010, Flipkart acquired the Bangalore-based social book discovery service We Read from Lulu.com

Marketing mix

The concept of “marketing mix” is a tool used by businesses to promote and market their product. It is centered around 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.



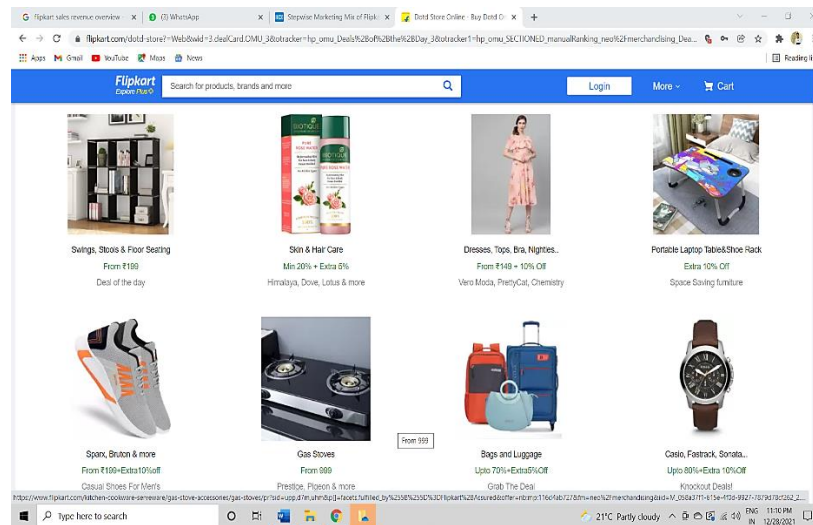
1. Product Strategy of Flipkart



- 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 Filisters. 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 Wal-Mart. 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:

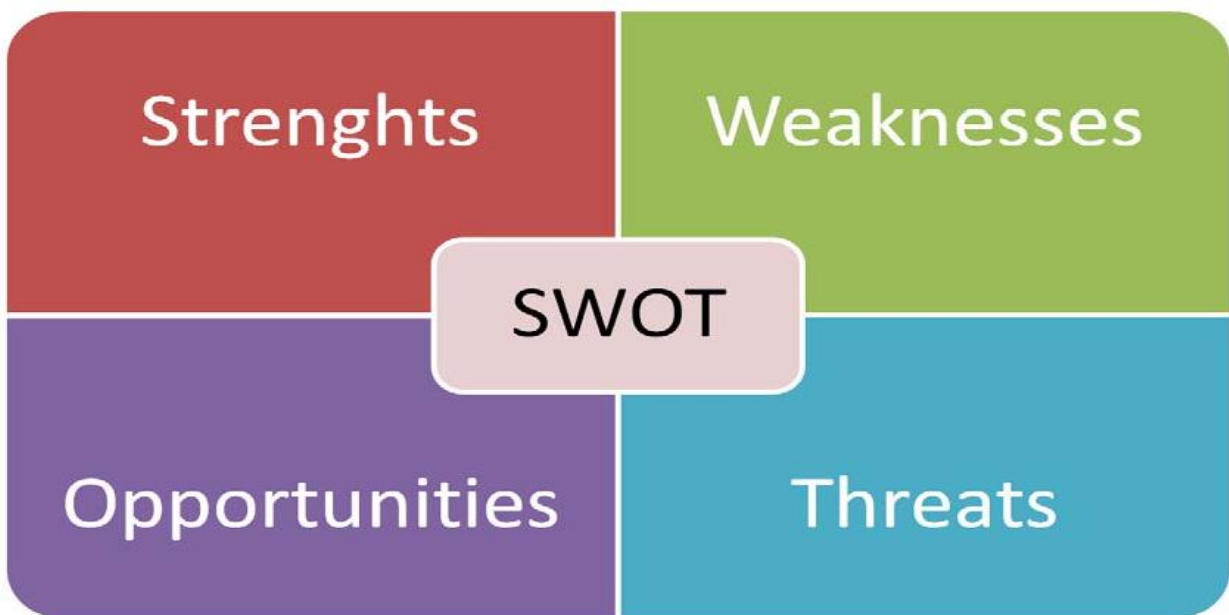
Physical evidence denotes the physical proof of the products and services of a company. If a company makes hardware or other products, the product itself can count as physical evidence. However, if the company offers services or creates software or something like streaming services then physical evidence 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 initialism 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

(Source – 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 favor of allowing 100% FDI in multi brand retail in future. This can give edge to Amazon who has pioneered inventory model in US.

Chapter-3 Industry Analysis

(Pestle Analysis, Porter's Five Force Analysis)

PESTLE ANALYSIS OF FLIPKART

PESTLE 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 bookstore 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 fulfill 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 Snapdeal 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 center 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 newborn 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

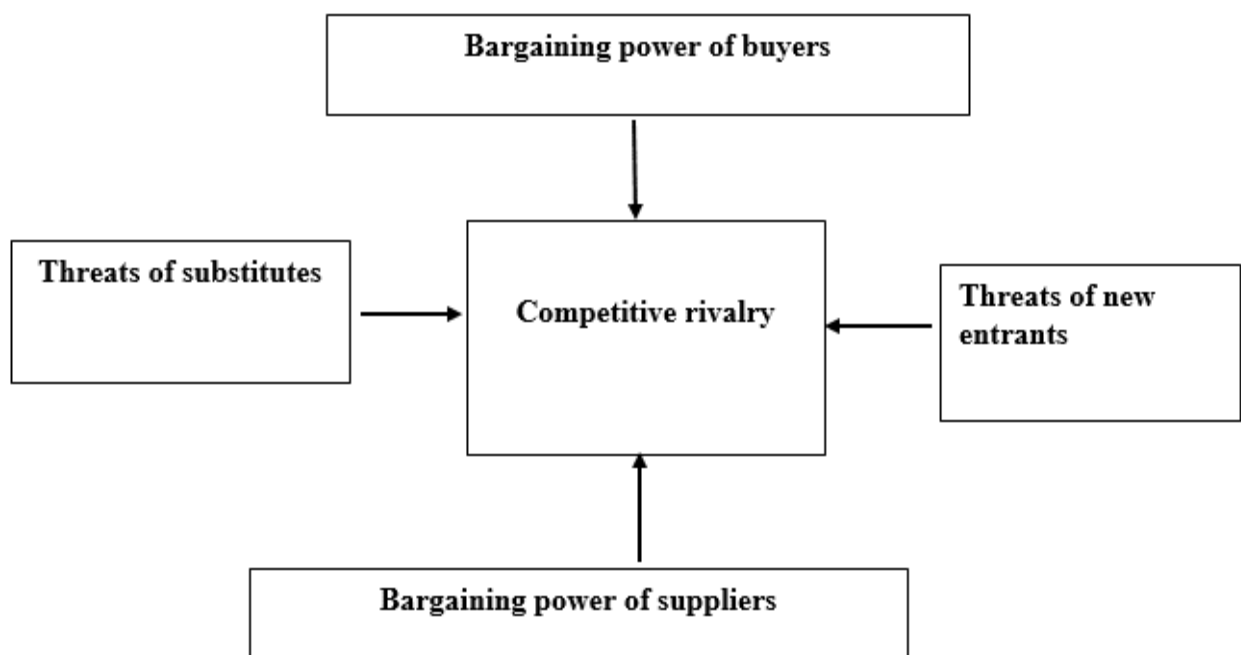
fulfill their daily quota for incentives and these are really hard to control and curtail for if you spot one taxi driver doing this, he will ask his friends next time to book the service for him.

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 fulfill 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 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 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 analyse 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.

Chapter-4 Competitor Analysis

(Marketing communications plan, Advertising plan, Creative plan, Competition analysis)

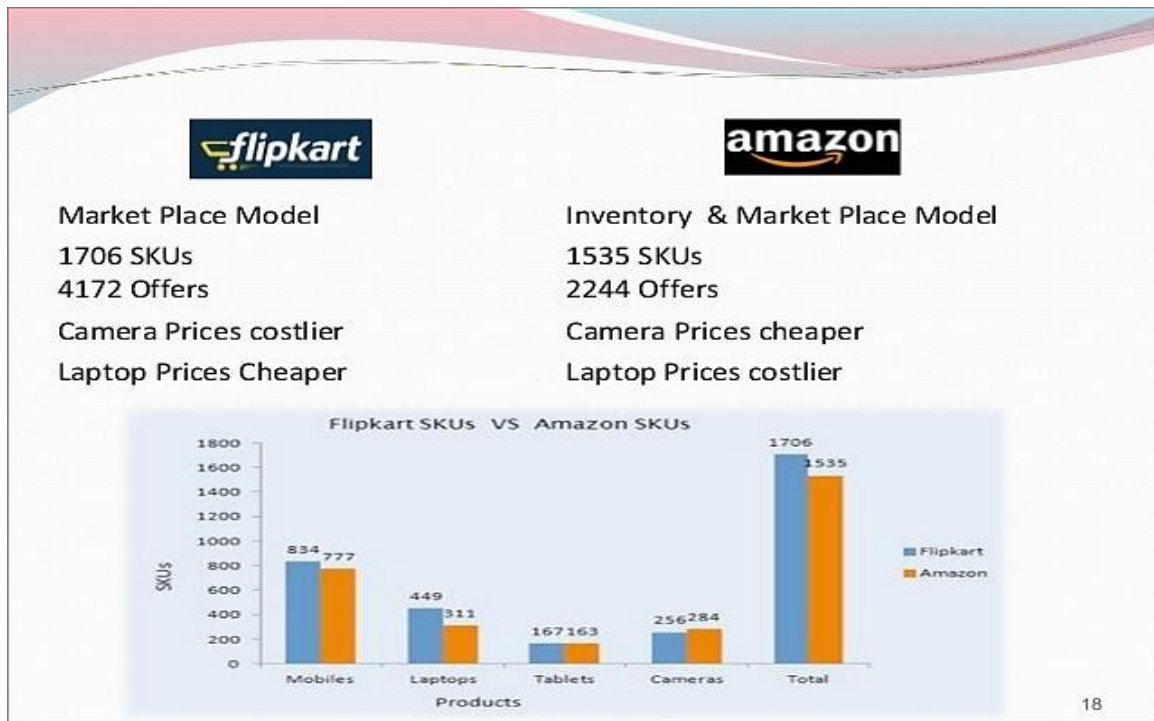
Chapter-4 Competitor Analysis



Cross analyses between Amazon and Flipkart

The some of the figures below compares Flipkart and Amazon in various parameters.

1. Product offering



(Product Offering Comparison between Flipkart and Amazon)

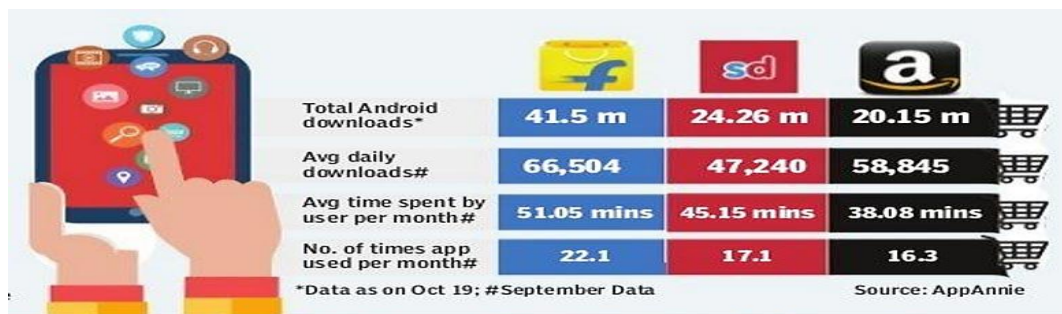
The above figure shows, Flipkart has more sales in mobile section. The gap is bigger in laptop section. Tablet and cameras section is very close.

2. IT and social medial popularity

Top 20 e-commerce companies

| Brand Name | Facebook | | Twitter | | Buzz | SSI Score |
|------------------------|------------|---------------------|----------|--------------------|--------|-----------|
| | Total Fans | No. of fans engaged | Follower | Mentions (30 days) | | |
| 1 Flipkart | 4,393,436 | 55,270 | 247,752 | 15,636 | 58,417 | 90.6 |
| 2 Snapdeal | 3,001,805 | 33,572 | 103,510 | 46,396 | 62,927 | 89.6 |
| 3 eBay India | 3,378,976 | 86,788 | 71,751 | 17,369 | 17,895 | 86.7 |
| 4 Myntra | 2,704,772 | 7,538 | 80,589 | 24,751 | 30,311 | 85.3 |
| 5 Jabong | 3,531,997 | 44,336 | 87,974 | 10,318 | 10,669 | 85.1 |
| 6 OLX India | 5,486,785 | 11,641 | 26,753 | 13,771 | 13,857 | 84.4 |
| 7 BookMyShowIn | 3,978,677 | 69,625 | 60,515 | 8,266 | 10,634 | 83.4 |
| 8 Amazon India | 4,543,419 | 34,266 | 71,033 | 8,644 | 10,347 | 83.2 |
| 9 Homeshop18 | 1,567,185 | 14,105 | 50,985 | 26,130 | 26,912 | 82.9 |
| 10 Jungleee.com | 5,642,469 | 6,410 | 12,847 | 5,428 | 7,128 | 77.2 |
| 11 Shopclues | 2,322,675 | 60,194 | 10,114 | 5,717 | 10,218 | 76.2 |
| 12 Goibibo | 1,502,569 | 2,374 | 10,945 | 1,480 | 2,790 | 67.7 |
| 13 FashionandYou | 1,382,680 | 2,789 | 13,533 | 723 | 952 | 65.3 |
| 14 Infibeam | 1,036,886 | 1,638 | 11,798 | 1,307 | 2,305 | 64.6 |
| 15 YepmeShopping | 5,908,797 | 853,849 | 3,496 | 363 | 452 | 64.4 |
| 16 Zovi | 845,376 | 5,293 | 3,796 | 2,776 | 4,878 | 62.4 |
| 17 Cleartrip | 963,187 | 1,384 | 10,038 | 641 | 681 | 59.3 |
| 18 Yatra.com | 1,110,349 | 9,184 | 13,846 | 321 | 322 | 58.0 |
| 19 Indiatimes Shopping | 839,941 | 10,137 | 14,297 | 142 | 378 | 54.9 |
| 20 Expedia | 4,969,448 | 93,697 | 4,252 | 203 | 208 | 54.6 |

Social Medial Popularity
(Sources - <http://trak.in>)



Mobile download and daily usage
(Source – App Annie)

The above figure show, Flipkart is way ahead of Amazon in terms of social medial popularity. Flipkart entered the Indian market early, which can be a reason behind more popularity. Even with the late entry, Amazon with its efficient delivery system and shopping experience is catching up fast.

3. Promotional Techniques:

Promotional techniques of Flipkart

Flipkart advertise through print and electronic media which include newspaper, television etc. It mainly focuses on the web base advertisement such as e-mail promotions with discounts offers.

Promotional techniques of Amazon

Amazon also do marketing through print and electronic media. It also uses web base advertisement using emails for promotional information with discount offers, networking but also promotes other popular websites for ads and tags promotions.

4. Model of working

Comparing Flipkart and Amazon, one can dig out the old pages and the new and can infer that both the companies had started with their own warehouse but today, both follow the common similar marketplace model. However, talking about the same, Flipkart and Amazon India are known to be sharing a difference which is again about books. While Flipkart enjoys putting its warehouses into good use when it comes to stocking books, Amazon likes to continue working in the trend it enjoys – that is, with the marketplace model.

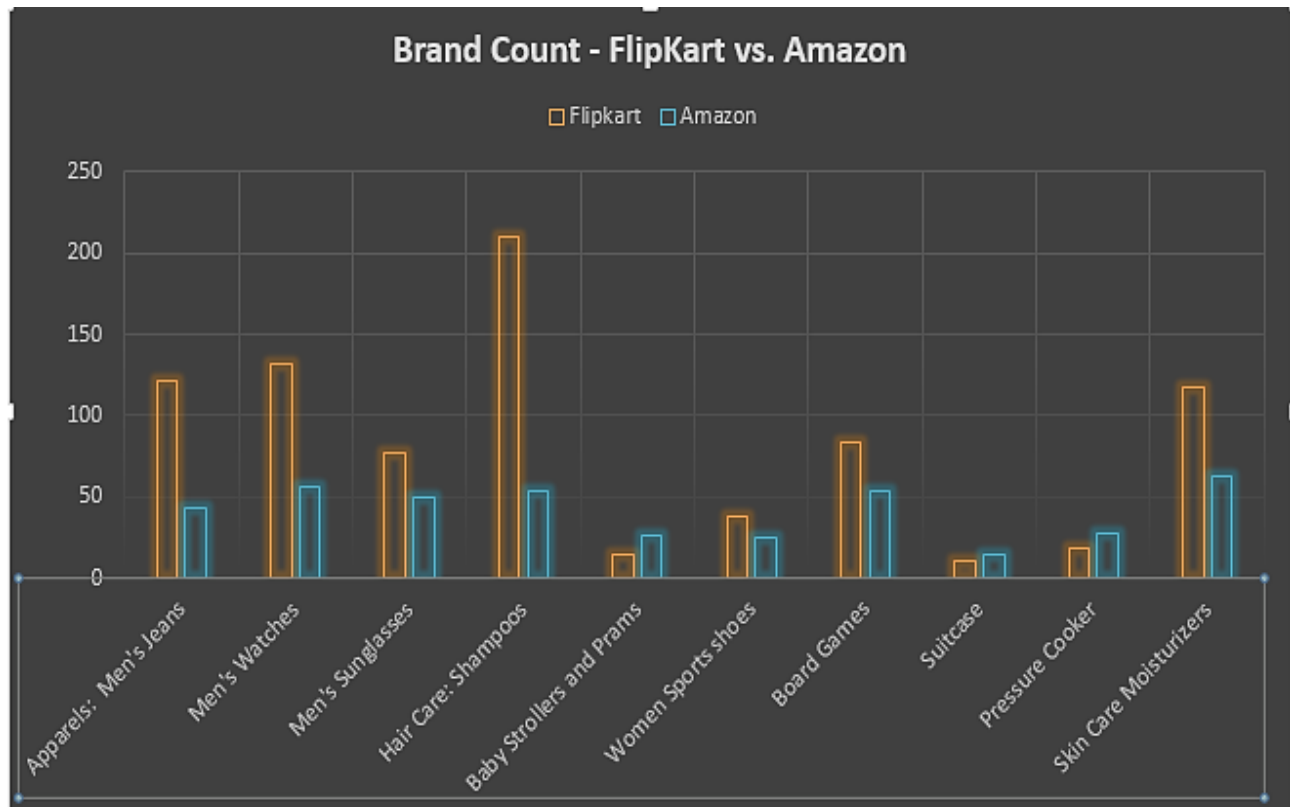
5. Delivery Manners:

There's a subtle change in the manner both the companies. Let's say you order two things – a book and a movie DVD. It may be possible that you receive your book the next day by Amazon and the DVD may arrive a few days later if the seller takes more time to ship it. However, the same is not usually true with Flipkart. What Flipkart will do is – it will ship the two products together, in the same package and will most likely make you wait. While some favour Flipkart's shipping habits, the others believe Amazon India does it better. Some may like the responsibility Amazon takes by shipping the product as soon as it can reach the customers, some believe Flipkart understands how a person expects his products to come all together, keeping things simple. While some say that Flipkart does this to save its expense on shipping the package, some opine that Amazon too saves its expense by avoiding any midway intervention in the delivery process.

6. same Day Delivery

Recently after its entry into the Indian retail sphere, Amazon India came out with something called 'same day delivery'. According to this plan, if you are a customer and are so desperate to get the products you ordered that you want them delivered on the same day, you can enjoy this facility. All you have to do is pay an extra fee of Rs. 99. But recently, even Flipkart launched the same feature; however, the better bet here is because you have to shell out Rs. 9 less. You need to place your order before 6 pm and the order will be delivered to you within the same day. If, however you place your order (on Flipkart) after 6 pm, your product(s) will be delivered only the next day. So, when comparing Amazon and Flipkart on same day delivery services, both offer pretty much good services.

7. Brand count



Flipkart seems to be leading in fashion categories, this might have come from the [Myntra acquisition](#)

8. SWOT ANALYSIS OF AMAZON

Strengths

- Amazon is among the world first online retailers and currently is the biggest among all globally. It derives its strength mainly from
 - Cost leadership
 - Distinct business model
 - Customer satisfaction

This strategy has helped the company to gain lot of loyal customers and shareholder earning profit from the company.

- Amazon has maintained its competitive advantage by implementing IT (Information technology). It easy to ramp up platform ensures that it is always ahead of its competitors.
- The goodwill earned by Amazon due to its satisfied customers in US has given it customers globally. It has helped it to enter new markets, which were a big challenge for other e-commerce companies.
- Amazon superior logistics and distribution system has helped it to satisfy its customers and it has resulted in competitive advantage over its rivals.

Weaknesses

- In last couple of years, Amazon has diversified its product portfolio, which has shifted its focus from its core competence of retailing books online. It is good to diversity product portfolio, but it is losing its strategic advantage, which has stabilized them in the market.
- Due to its free shipping policy on many products, it is in danger of losing its already thin margins. It will be difficult for them to optimize cost in future due to this strategy.
- Amazon is only an online retailer; the focus on retailing can become hindrance in its expansion plans especially in the emerging markets.
- One of the biggest weaknesses of Amazon is strategy of operating on waver thin margins. Company has huge volume and revenue, but it has not translated into profitability for the company.

- Inventory management still needs to be improved to reduce delayed order and time.
- During peak season such as New Year or festive time, due to huge volume, Amazon delivery system has huge bottlenecks. It tarnishes company reputation and reduces customer satisfaction.

Opportunities

- Amazon has the opportunity to reduce the customers concern regarding security and privacy, which is among the top customer concern by launching its own payment system. Additionally, it will improve company margins by reducing cost involved in using third party payment gateway.
- Currently, Amazon is selling a tablet name Kindle in the market that is produced by it. It has become successful despite strong competition by its rival product. By launching more products under its brand, it can open a new channel of revenue instead of being an online portal for third party products.
- Amazon can still increase its product portfolio. Its rival such as Flipkart has started selling automobiles such as car on their websites by collaborating with automobile companies. Increase portfolio will directly translate into higher revenues.
- Amazon is still only operating in 10 countries. It should expand globally and specially in the emerging market. It will certainly give them edge of being first mover in the competitive online retailing.
- Amazon in US is testing delivery via drones. If this delivery system becomes successful, it can be a game changer in the e-commerce industries.

Threats

- One of the major threats to Amazon's success is the increasing customers concern over identity theft and hacking. It exposes customer's private data. Amazon has to quickly address this concern by installing latest safety system to provide customer's safe and secure online shopping.
- Amazon has aggressive pricing strategy by rolling out discount for the product. It has led to company to face lawsuits from publisher and retail industry because it is selling products in losses to have increase customers numbers. It is under loss ever since it entered the Indian market. Implementing cost leadership strategy sometimes becomes a source of trouble for the company.
- It faces stiff competition from its local rival in India, who entered the market before them such as Flipkart. Applying its global strategy instead of local strategy based on local market condition can lose them market share

9. Conclusion:

Which is ecommerce service being better - Amazon or Flipkart

Any business starts and advances because of many virtues. One of them is public goodwill. Over the years, Flipkart has earned a lot of that in India but then Amazon cannot be overlooked just because it's new in India. It cannot be ignored that they know how this system works. They understand this business as they are the trendsetters. While Flipkart seems to be giving Amazon a tough go in India, Amazon is trying its bets. Flipkart offers you simplicity, beauty and ease of convenience, Amazon offers you a promise which comes to it through the expertise. Amazon has readymade advantages like Amazon Kindle, other revenue sources and easily approachable system, it seems as though it is trying to play rude with people who want to buy products from its market by compelling to open up their own accounts in Amazon even when almost everyone has a Facebook account and can easily use the same to place the order. Flipkart seems to understand that a user comes to it to buy products and not to buy its tantrums.

It would be too early to decide which of the two is going to dominate the Indian markets, but one thing is sure: Flipkart is going to have a tough time if it does not keep up.

REVIEW OF ONLINE MARKETPLACE

| Review of Online Marketplaces | | | | | | | |
|-------------------------------|---|---|--|---|----------------------------------|---|---|
| Marketplace | | Amazon | eBay | ShopClues | Tradus | SnapDeal | FlipKart |
| Pricing | Subscription Fee | INR 499/ Month | INR 499/ Month (For Basic Store) | Free | Free | Free | Free |
| | Listing Fee | INR 10/ Sale (Closing Fee) | Free for first 100 products | Free | Free | Free | Free |
| | Payment Gateway Fee | None | 4.5% Paisa Pay Fee + 12.36% ST | None | None | None | None |
| | Comission (Depends on Product Category) | 5%-15% | 1%-7% | 4%-20% | 4%-20% | 4%-20% | 4%-20% |
| Shipping | Self Shipping | ✓ | ✓ | ✗ | ✗ | ✗ | ✗ |
| | Shipping Provided | ✓ Use Fulfillment by Amazon (FBA) | ✓ Powership | ✓ | ✓ | ✓ | ✓ Use eKart |
| | Cost of Shipping | Rs 40 to Rs 45/ 500 gms + 1% of Item Value | Rs. 40 - 49/ 500 gms | INR 45/ 500 gms for SCVB | Not Disclosed | INR 40/ 500 gms (approx.) | INR 35/ 500 gms (approx.) |
| Packaging | Packaging Provided? | ✗ Only for FBA; Handled by Amazon | ✗ Only for PowerShip customers | ✓ Provided for SVB | ✓ | ✓ | ✗ |
| | Cost of Packaging | NA | NA | INR 3 - 9/ Order | Rs 230 for 100 Tradus polybags | INR 3/ Order | NA |
| Payout Period | | Shipment Confirmation from customer + 7 Days | On Shipment Confirmation from customer | Every Friday for all orders Completed the previous week | Product Delivery + 7 Days | Dispatch Date + 3 Weeks | Tier-1 Seller: Dispatch Date + 7 business days |
| Size of the Marketplace | | 2,500 Sellers 7 Million Unique Visitors / Month 450,000 Products Listed | 30,000 Sellers 2.1 Million Active Users 1.5 Million Product Listings | 12,000 Sellers 42 Million Visitors / Year 200,000 Products Listed | 700,000 Page Views/ Day | 20,000 Sellers 20 Million Registered Users 4 Million+ Products Listed | 1,000 Sellers \$1 Billion Sales 2012-13 20 Products Sold / Minute |

Chapter -5 Customer Analysis Customer Needs

Chapter -5 Customer Analysis

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 behaviour. This is at the core of every successful business. Once you understand your customer's behaviour, 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.

Consumers Online Shopping Behaviour with Reference to The Flipkart

Introduction

The online shopping in India has changed the way of shopping goods and services. The consumer who wanted to purchase products after touching and feeling the product has started shopping goods by seeing its picture on website. It is just because online shopping has been creating trust and gaining acceptance in India. The Flipkart which was started in October 2007 has done a lot in making trust about online shopping. The Flipkart is a leading online shopping website which offers 80 million products across 80+ categories, having around 100 million registered users, 100 thousand sellers, 21 state of the art warehouse, 10 million daily page visits, and 8 million shipment per month (Flipkart website). In 2016 it has become the first Indian online shopping App to cross 50 million users. It offers certain product categories, such as books & stationary. music CDs & movies, home & furniture, electrical and electronic goods, sports equipment, lifestyle fashion, toys and automotive. Flipkart provides 24X7 customer support, it also provides products at minimum possible price, and consumer gets offers and discounts on purchasing products online. It provides 30 days replacement policy for faulty transactions. Many researchers have conducted investigations for understanding consumer's online shopping behaviour, what drive consumers to buy online? (Tonita Prepay Monsuwé Benedict G.C. Dellaert Ko de Ruyter, 2004), What Makes Consumers Buy from Internet? (Limayem, Khalifa, and Frini, 2000), Barriers to Online Shopping in Switzerland (Rudolph, Rosenbloom, and Wagner, 2004).

Frequency distribution of demographic variables

Able 1 was drawn to understand the socioeconomic background of the respondents and it was found that out of the total sample (n=100) 69% consisted of male and 31% of female. Further we have divided the age group in four categories, and we found that more than half (65%) of respondents were below 20 years of age, while (22%) belonged to the age group of 20 to 25, (11%) respondents belonged to the age group of 25 to 30 years of age. And (2%) respondents belonged to the age group of 30 to 35 years of age We have categorized marital status in two categories i.e., un-married and married and it was observed that more than half (81%) of respondents were un-married and (19%) of them were married. We have categorized family monthly income in four categories, It was observed around (58%) of respondents were having income group ₹20000 - ₹30000, (22%) were in income group ₹30000 - ₹40000, (12%) were in income group ₹40000 - ₹50000 and (8%) were in income group ₹50000 - ₹60000 We have categorized occupation in four categories i.e. Service, self-service and student, it was observed that more

than half (78%) of respondents were students, (19%) of respondents were doing service and (3%) of them were having self-service. We have also categorized the frequency of shopping online of respondents in same four categories i.e., daily, weekly, monthly and annually. It was observed that (36%) of respondents were having monthly, (46%) of respondents were having weekly, (8%) of them were having annually and (10%) of them were having daily online shopping.

Measures: Reliability and validity assessment

The Cronbach's Alpha statistic was used to check reliability of the scale developed for evaluations statements used in the questionnaire. The alpha coefficient for the 24 statement of questionnaire is .774 suggesting that the items have relatively consistency see table 2. Exploratory Factor Analysis KMO and Bartlett test of sphericity sign posted that the data was suitable for exploratory factor analysis. As the KMO measures the sampling adequacy that should be greater than 0.5 and it was 0.805 indicating that the sample was adequate to consider the data suitable for factor analysis.

| Table1: Demographic Profile of respondents | | | |
|---|-------------|-----------|---------|
| Respondent | | Frequency | Percent |
| Gender | Male | 69 | 69.0 |
| | Female | 31 | 31.0 |
| Age | 15 - 20 yrs | 65 | 65.0 |
| | 20 - 25 yrs | 22 | 22.0 |
| | 25 - 30 yrs | 11 | 11.0 |

Available on SSRN-Elsevier

Electronic copy available at: <https://ssrn.com/abstract=3323837>

Consumer's Online Shopping Behavior with Reference to The Flipkart

| | | | |
|-----------------------|---------------|-----|------|
| Occupation | 30 - 45 yrs | 2 | 2.0 |
| | Techer | 11 | 11.0 |
| | Service | 8 | 8.0 |
| | Self service | 3 | 3.0 |
| | Student | 78 | 78.0 |
| Monthly Income | 20000 - 30000 | 58 | 58.0 |
| | 30000 - 40000 | 22 | 22.0 |
| | 40000 - 50000 | 12 | 12.0 |
| | 50000 - 60000 | 8 | 8.0 |
| Marital Status | Married | 19 | 19.0 |
| | Unmarried | 81 | 81.0 |
| Frequency of Shopping | Daily | 10 | 10 |
| | Weekly | 46 | 46 |
| | Monthly | 36 | 36 |
| | Yearly | 8 | 8 |
| | Total | 100 | 100 |

Table-2: Reliability Statistics

| | | |
|------------------|--|------------|
| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
| .781 | .774 | 24 |

Table 3: KMO and Bartlett's Test

| | | |
|---|--------------------|---------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy | | .805 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 423.750 |
| | df | 55 |
| | Sig. | .000 |

From the table 3, it can be observed that Bartlett's test of sphericity was 423.750 significant at 0.000 level of significance. It indicates that the correlation matrix was not an identity matrix. The above facts show that the data collected on different attributes of online shopping from respondents were suitable for factor analysis.

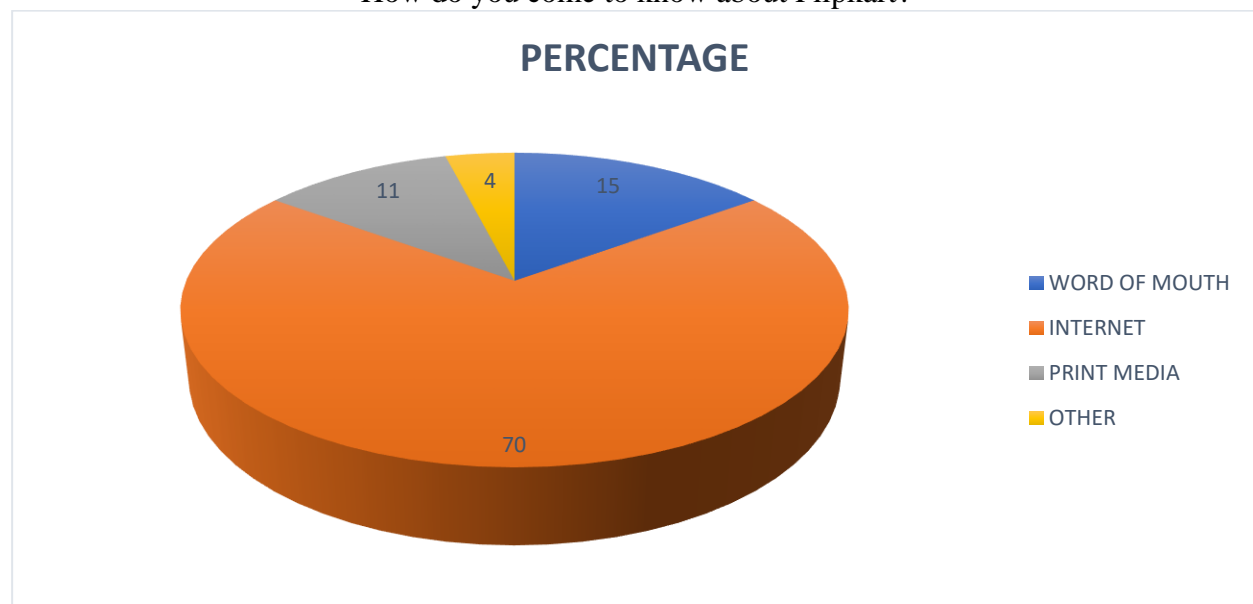
Descriptive Analysis

How the consumers come to know about Flipkart?

| | TYPES | PERCENTAGE |
|--|---------------|------------|
| | WORD OF MOUTH | 15 |
| | INTERNET | 70 |
| | PRINT MEDIA | 11 |
| | OTHER | 4 |
| | TOTAL | 100 |

Consumer's Online Shopping Behaviour with Reference to The Flipkart

How do you come to know about Flipkart?



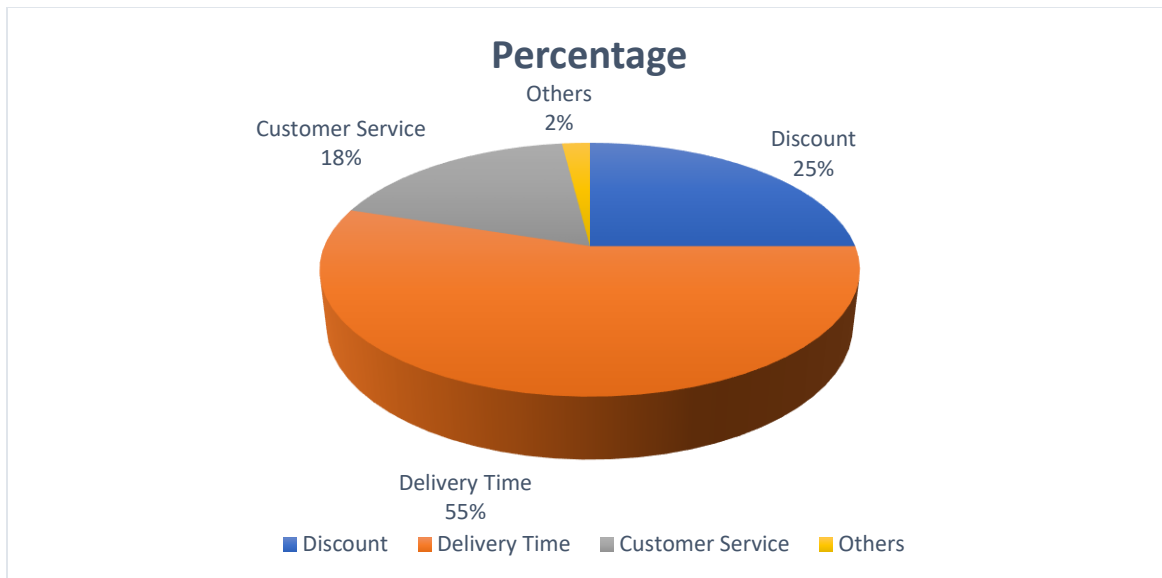
My No: According to survey, 15% respondents come to know about Flipkart through word of Mouth, 70% through Internet, 11% through Print Media and 4% through other means.

Which feature consumer like about Flipkart?

which of the following feature you like about Flipkart?

| Features Liked | Frequency | Percent |
|------------------|-----------|---------|
| Discount | 25 | 25% |
| Delivery Time | 55 | 55% |
| Customer Service | 18 | 18% |
| Others | 2 | 2% |
| Total | 100 | 100% |

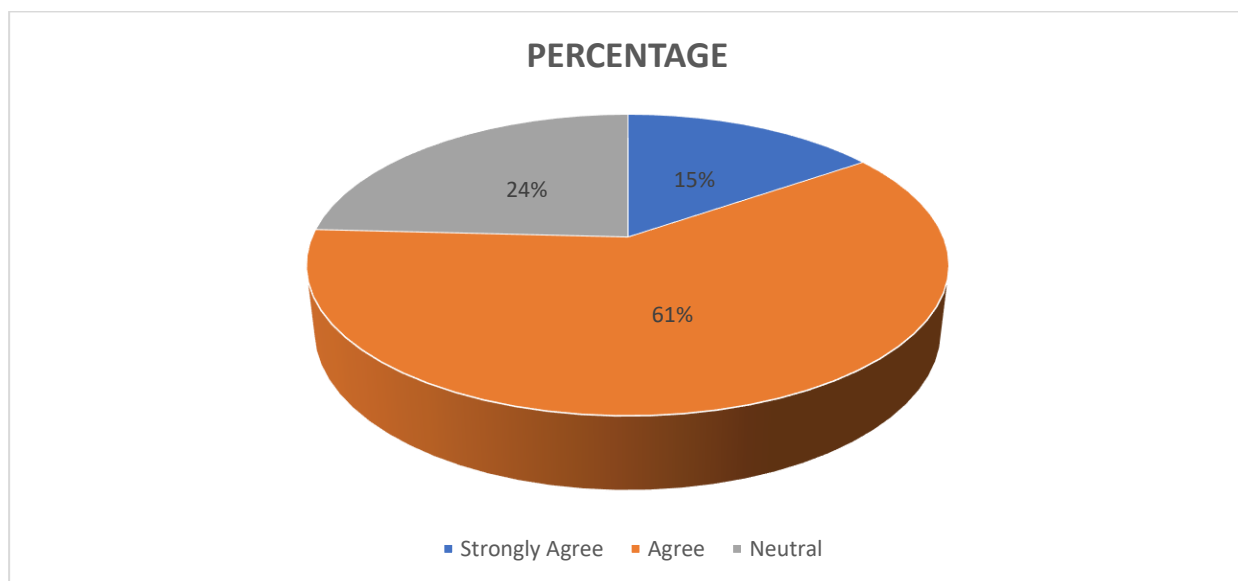
Which of the following feature consumer not like about Flipkart?



According to survey, 25% respondents like discounts offered by Flipkart, 55% like Delivery Time, 18% like customer Service, and 2% like other features.

Which mode of payment consumer prefer to pay?

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|------------------|-----------|---------|---------------|--------------------|
| Cash on Delivery | 56 | 56% | 56% | 56% |
| Card Payment | 36 | 36% | 36% | 92% |
| Internet Banking | 8 | 8% | 8% | 100% |
| Total | 100 | 100% | 100% | |

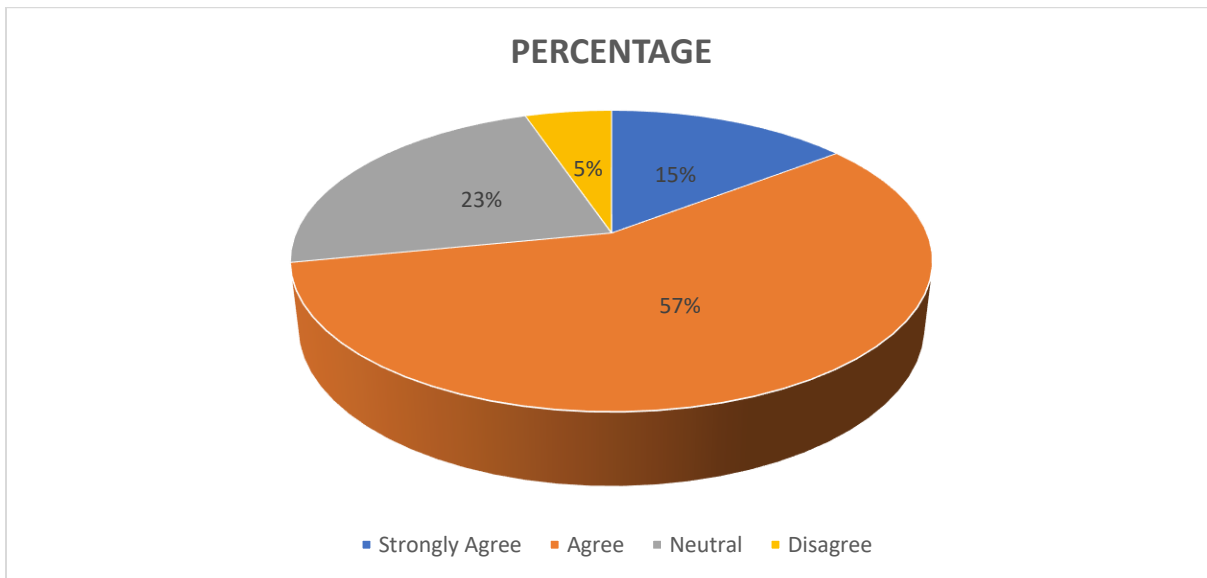


According to survey 27 respondents make payment through Credit cards, 10 Debit cards, 8 Online Bank transfer and 55 payment Cash on delivery

What consumer prefer buying from Flipkart

| | Frequency | Percent | Valid Percent | cumulative Percent |
|-------------------|-----------|---------|---------------|--------------------|
| Electronics | 39 | 39% | 39% | 39% |
| Clothes & Shoes | 46 | 46% | 46% | 85% |
| Beauty Healthcare | 11 | 11% | 11% | 96% |
| Others | 4 | 4% | 4% | 100% |
| Total | 100 | 100% | 100% | |

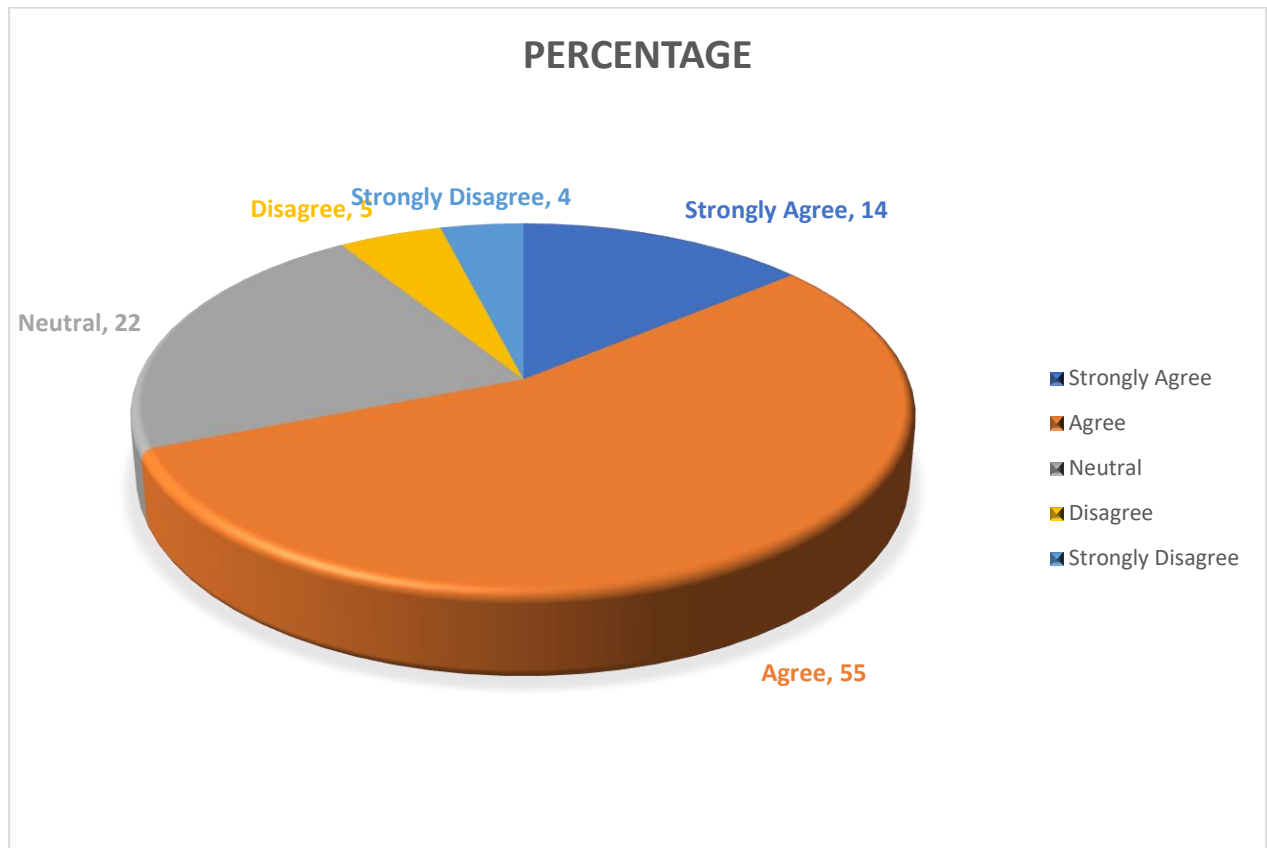
What consumer prefer buying from Flipkart



According to survey 80% respondent have purchased ticket while 8% preferred clothing. Other like Books 10%, Video games 25%, electronic equipment 18%, Computer & software 12% and music 20%

Consumer Fully Satisfied with Flipkart or not?

| | Frequency | Percent | Valid Percent | cumulative Percent |
|-------------------|-----------|---------|---------------|--------------------|
| Strongly Agree | 14 | 14% | 14% | 14% |
| Agree | 55 | 55% | 55% | 69% |
| Neutral | 22 | 22% | 22% | 91% |
| Disagree | 5 | 5% | 5% | 96% |
| Strongly Disagree | 4 | 4% | 4% | 100% |
| Total | 100 | 100% | 100% | |



Discussion and Conclusions

In this study we found that there are two factors that affect consumer's online shopping buying behaviour. These factors are perceived ease of use and perceived risk

CUSTOMER RELATIONSHIP MANAGEMENT of Flipkart



A CUSTOMER CENTRIC APPROACH TO MANAGEMENT

- Flipkart can be said to be the pioneer in initiating the sceptical Indian shopper into online retailer.
- Flipkart has built itself on the core foundations of reliability, quickness, credibility, variety and quality. It uses Customer Relationship Management as its differentiating factor.
- Providing good customer service enables Flipkart to enjoy high levels of customer satisfaction, generate repeat business and ensure positive word-of-mouth.
- The customer is informed at every step through e-mail/text when the order has been confirmed- order summary & shipment details + tracker→ informing customer if order has been delayed.
- Easy to reach out to the customer service team through their social media channels as well as a customer care number.
- Customer complaints are quickly addressed as there are transparent return and exchange policies.

STRATEGIC CRM

Customer-management orientation

- The company philosophy echoes in their tagline “making better our service promise “The founders believe that huge discounts alone cannot sustain a successful business, customer satisfaction and preferences need to be addressed to keep the flame going.
- Flipkart has built itself on the core foundations of reliability, quickness, credibility, variety and quality.
- Providing good customer service enables Flipkart to enjoy high levels of customer satisfaction, generate repeat business and ensure positive word-of-mouth.
- Senior management believes that as the retail sector evolves, customer satisfaction will be a key driver of success for most brands and organization.

TECHNOLOGICAL SUPPORT AT THE OPERATIONAL LEVEL TO FACILITATE CRM: SALES FORCE AUTOMATION

- SFA is the application of technology to support regular sales functions and includes tools that are employed by users to perform administrative and other repetitive tasks.
- SFA transforms repetitive and routine manual processes to automated processes, which helps sales reps operate in a more efficient manner.
- For example, applications such as quarterly automated sales reports and calendaring tools are key elements of sales technology. The domain for SFA applications includes the attainment and storage of information. SFA tools assist sales reps in formulating a professional sales encounter.
- Sales reps can remain in contact with distant customers via e-mails and cell phones, thus reducing travel hours. They can also receive and manage orders from customers in an easy, timely fashion.
- Additionally, applications like calendaring and routing tables help sales reps reduce downtime and increase their own production during regular work hours.

CUSTOMER KNOWLEDGE DISCOVERY

Flipkart has an amazing recommendation system in place to make product discovery faster and seamless. The recommendation system used by Flipkart predicts user's intent and helps connect them with products they need or perhaps be interested in an automated manner. They help users in following ways:

- Help find similar products. Ex: recommendations to buy an Apple phone when surfing Nokia phones.
- Help decide. Ex: people who viewed this ended up buying.
- Complete the purchase experience Ex: cases for phones, laptop bags etc.
- Excite or wow

Customer Demographic Analysis and Customer Behaviour Modelling

Flipkart's customers "fall into the categories of youth, avid book readers, technology enthusiasts and online shoppers. Therefore, it has carefully demarcated and segmented each of the demographic categories and modelled the customer behaviour to understand their needs and preferences. It creates data models from the following sources:

- Bought history
- Browse history
- Compare history
- Bought items
- Wish list items
- Rated products
- Cart additions

Customer Value Assessment

Value assessment at Flipkart is done through various metrics such as:

- Click-through-rates
- Relevance/ quality
- Visibility
- Click-to-order

Straightforward Return and Exchange Policies

- Flipkart allow its users to return products if unsatisfied within 30-day period with full refund of money or exchange for another product.
- This allows customers to shop online without worrying about the risks involved.
- It uses the Wallet feature to debit the refund money that can be used to make a purchase from the website.

LATEST TECHNOLOGY & STRATEGY IN CRM

Customer Experience Management

- Today, however, a shift is occurring towards thinking about customer relationship management more in terms of the customer experience. Thus, customer relationship management is becoming customer experience management. This transition is in large part being driven by the previously discussed impact of social media.
- Consider for example that it was very impressive when Microsoft got to 600 million outlook users and dominated the email market in what was thought of at the time as „just a short“ 15 years. However, Facebook now exceeds 800 million users and reached that milestone in half the time it took Microsoft to dominate the email market

CHAPTER -6

FC Overview and putting process

(Actual work done and findings analysis)

FC Overview and putting process

WAREHOUSE OVERVIEW

Warehouse Structure

Warehouse structure of Flipkart -Kirby's Structure

Kirby's Structure

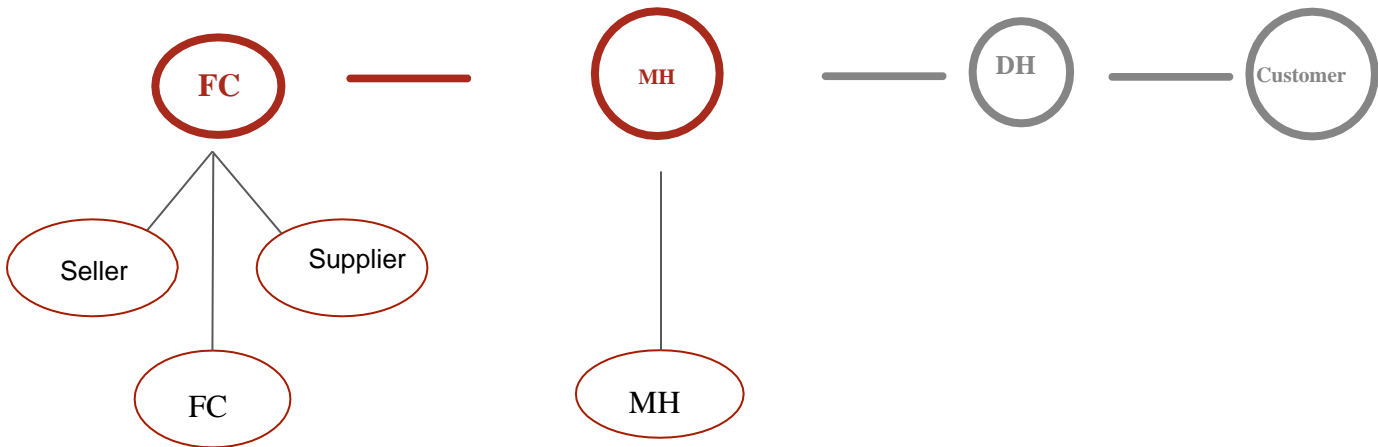
Kirby's structural steel products are custom-designed, and workshop fabricated, hot rolled and welded steel structures for applications such as heavy industries, power plants, oil & gas, petrochemical industry, high-rise/commercial buildings, airports and other specialized structures.



Kirby's Structure

- WMS Used -FLO&FLO Lite
- Space Captured Flipkart Warehouse Haringhata-10lakhs sqft
- Bin type - Medium Tier Racks, Reserved Pallet Rack, Mini Load System (ASRS)
(A box, frame or enclosed place use for storage)
- Barcode type - Code 39 for Bin label & Tote label
- Storage level - G, G+1, G+2, G+3, G+4, G+5
- THIS TO IP ADDRESS USE IN WAREHOUSE PROCESS
 - URL - FLO: 10.24.1.53
 - FLO Lite: 10.24.1.208

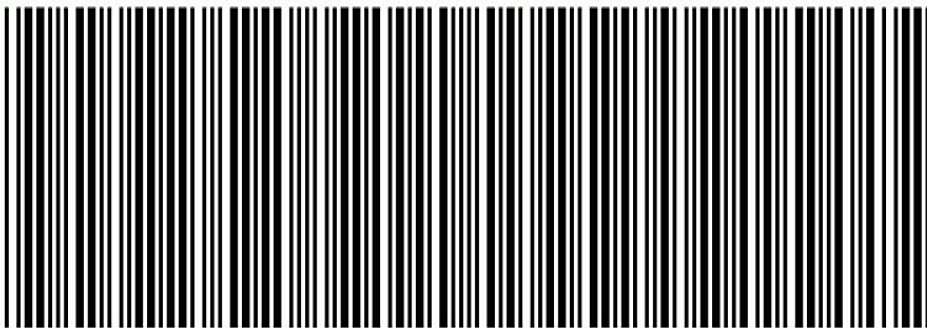
PRODUCT FLOW



This is the overall product flow of warehouse to end Customer.

Departments in FC

- Inbound
- Putting
- Inventory Management Team (IMT)
- Picking
- Packing
- Return Centre (RC)
- Noncustomer outbound (NCOB)



0-P03-A54-01-D02a

(This above Barcode show that location of bin)

Bin Nomenclature

The above Barcode shows that to find location of Bin.

Here

0-floor number (ground floor)

P03-Pathway number

A54-Aisle number

01-Rack

D-Tier

02-Position

a-Child bin



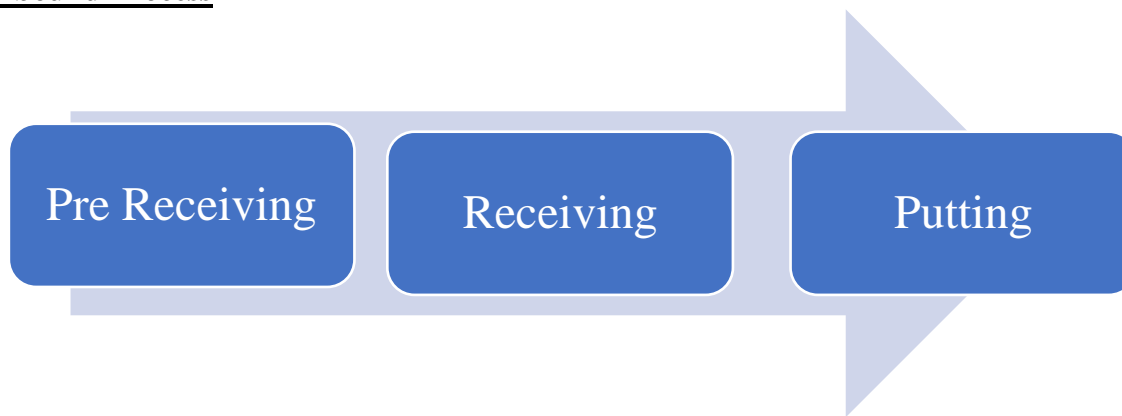
(Picture of storage location, Bin)

Product Categories

- Camera, Computer & Communication (CCC)
- Health & Beauty
- Books & Media
- Footwear
- Home décor
- Baby Care
- Foods & Nutrition
- Apparel
- Leisure & Travel Application
- Home Appliances

These categories of product are available in flipkart warehouse.

Inbound Process



Actual Work done

I am working under inbound (Putting Department).my first 10 day to learn the overview of warehouse

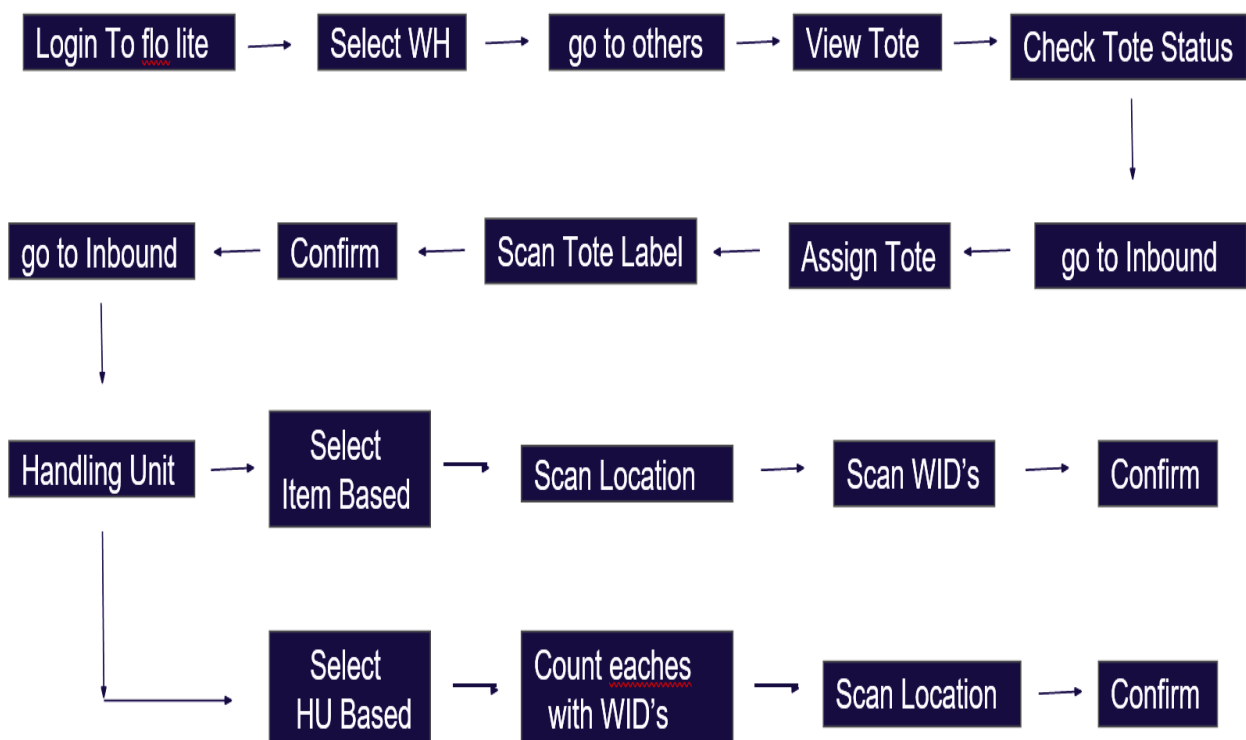
what is the actual work done in the warehouse, collect some data about warehouse i.e., Warehouse structure, shape and volume, categories of product, how to find the storage zone, Bin location, segregate the product using HHD (handheld device) using FLO Lite application.

After completing my 10 days then I learnt about putting process (how to put a product in a proper store zone)

PROCESS OF PUTTING

DIFFERENT TYPES OF PUTTING

Inward/IWIT Bulk Putting

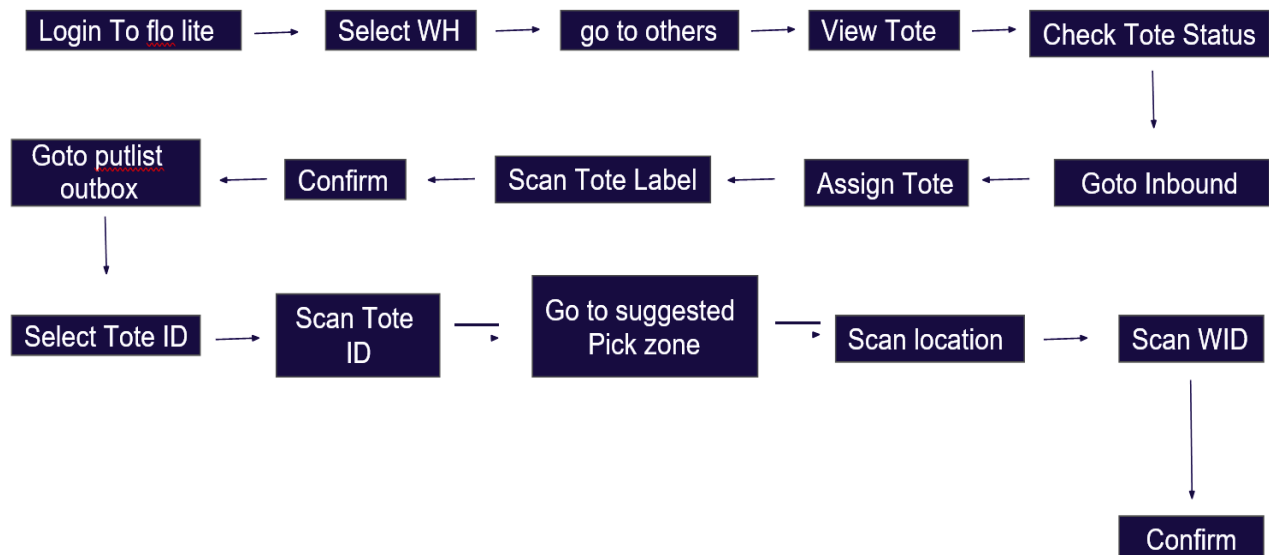


Notes:

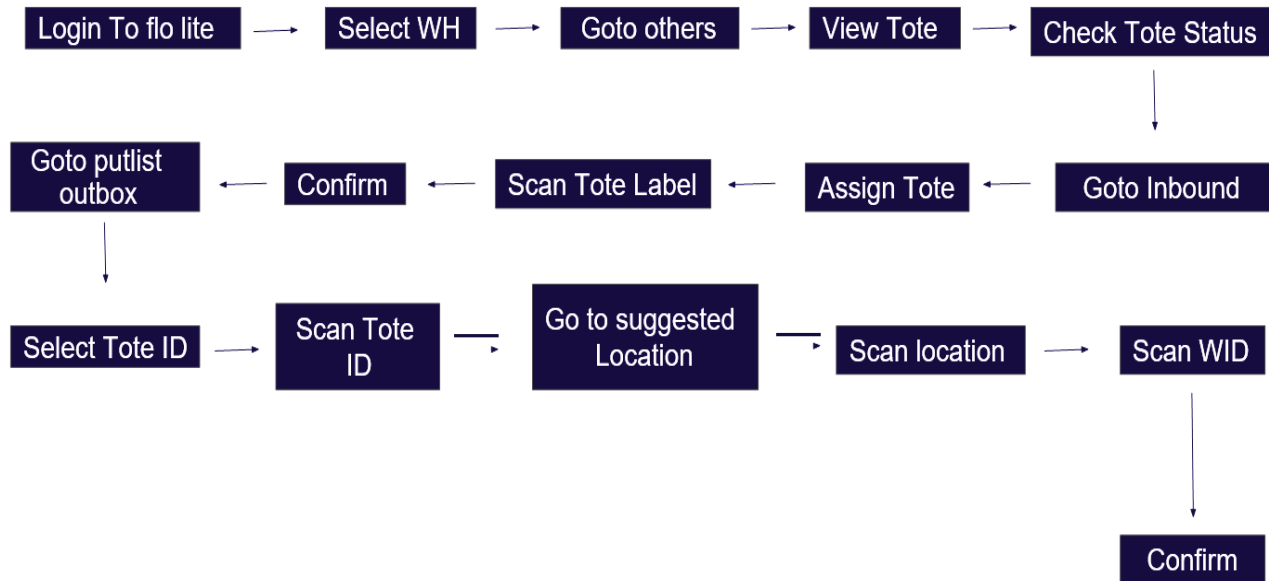
- Product quantity with WID in tote should be counted & matched with the system quantity before scanning the location in HU based putting.
- Each product's WID should be scanned before keeping it into the location and the scanned quantity should be monitored by checking the completion bar.
- If the location space is full and no space is available for leftover products, then click on the "Change location" tab to change the location and scan the new location then WID.



RC QC Pass/Return Reprocessed Bulk Putting

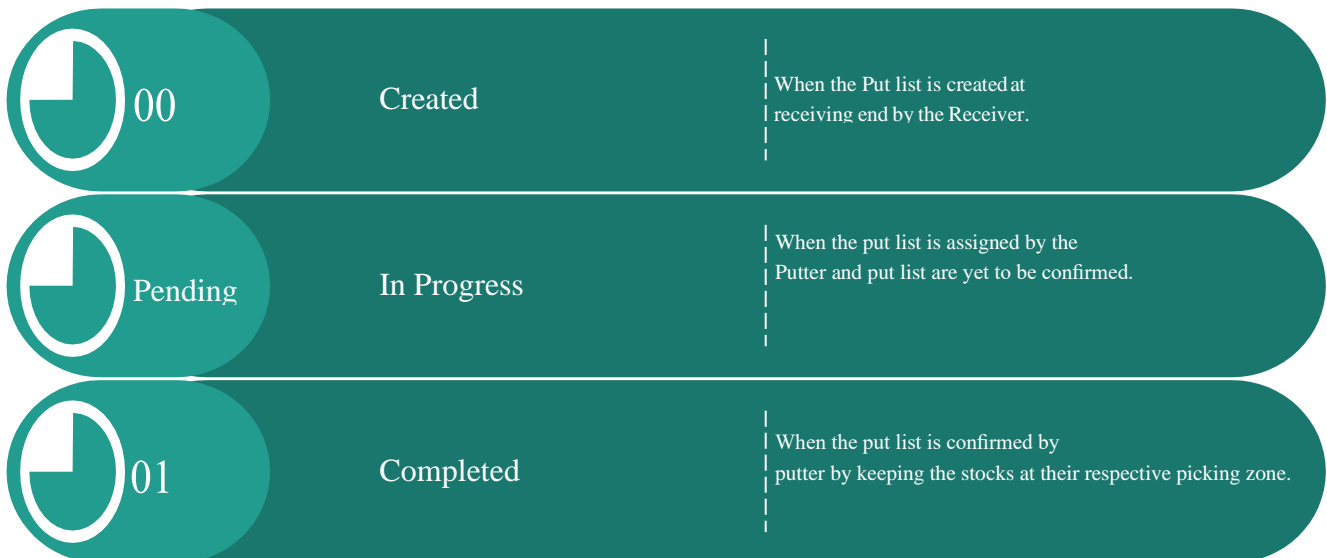


Packing Cancellation



- This is the 3 types of putting process using HHD device.

Task Status



Putting IPP

IPP (Item per person)

- How many items can put by a person in the Bin per hour.
- According to different types of putting it should vary & also depend upon the item size.

| | | |
|----|---|----------------|
| 01 | Inward Bulk | 437 per person |
| 02 | IWIT_Bulk | 278 per person |
| 03 | Packaging Cancellation Bulk | 60 per person |
| 04 | Return Centre QC Pass Bulk & Return Reprocessing Bulk | 120 per person |

- After learnt the putting process in 15 days. Putting department supervisor give me an opportunity to supervising the floor.
- Last 20 days I was supervising 20 workers everyday any problem occurs in putting I was also helping them to solve the problem.
- The end of the shift I was checking IPP of the 20 workers.
- If anyone not complete their target. I was giving the report to putting department supervisor
- This was my overall internship 45days learning.

CHAPTER 7

(SUGGESTION, CONCLUSION)

Suggestion

- As Flipkart is one of the growing E-commerce companies, so improper delivery of products to the customer will hamper the brand image.
- As putting is the one of the measure parts in the In Bound process it has to be done properly, so the products availability should be proper. If the receiver should not segregate the products. it's difficult to putting.
- As such the transferring of products is concern, the VRC was not available at all the time. So, the secondary medium for the transfer of products to the picking, packing department should be introduced.
- More number of IRTs should be introduced as the discrepancies will be more at the time of festival and end season sale.
- Proper training should be provided to the interns as they are the fresh graduates.

CONCLUSION

India e-commerce market is growing at a rapid pace. With economy growing around 7.5% each year, it is one of the fastest growing economies in the world currently. The online shopping is here to stay and will be used extensively in coming years.

The biggest companies Flipkart is finding out ways to retain profit in long term with improved logistics and customer satisfaction.

The study consisted with all the workflows of major E-commerce sectors in India. How the company performing and how they are running perfectly in the world has been explained. The innovative thinking of to reach more & more consumers are appreciable that the reason it should be required a good network between the company and customer. where the customer more appreciates about product and always required better service to the customer where they can feel comfortable. in this competitive market Flipkart is also giving very tough competition to Amazon even though it is a new company when compared to Amazon. Maybe it will take time, but they are doing well in Indian E-commerce market.

Only thing is required in E-commerce sector

- Better customer service.
- Better utilization of resource
- On time delivery
- The product should be good attractiveness

To sustain in the market these things very much required where the company will get more revenue.

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