



BIJUPATNAIKINSTITUTE OF IT & MANAGEMENT STUDIES

MBA

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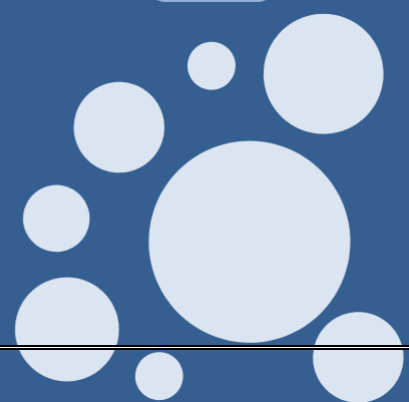
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(ASSOC. PROF. in OPERATION)





Biju Patnaik Institute of Information Technology & Management Studies

A
PROJECT REPORT
ON
“A STUDY ON IMPLEMENTATION OF INVENTORY & WAREHOUSE OPTIMIZATION IN
FLIPKART PVT. LTD.”



BY
MONALISHA BEHERA

UNDER THE GUIDANCE OF

MR. ANANTA PRASAD NANDA
(Associate Professor in Operations)

SUBMITTED TO
BIJU PATNAIK INSTITUTE OF IT & MANAGEMENT

YEAR 2020-2022



Biju Patnaik Institute of Information Technology & Management Studies

DECLARATION

I the undersigned solemnly declare that the report of the project work entitled “A STUDY ON THE INVENTORY AND WAREHOUSE OPTIMATIZATION IN FLIPKART Pvt Ltd”, is based my own work carried out during the course of my study under the guidance and supervision of Assoc Prof Ananta Prasad Nanda during Academic session of 2020-22 as a partial fulfillment of M.B.A from BIJU PATTNAIK UNIVERSITYOF TECHNOLOGY Bhubaneswar , Odisha .

I assert that the statements made and conclusions drawn are an outcome of the project work.I further declare that to the best of my best of my knowledge and belief that the project report does not contain any part of any work which has been submitted for the award of any other degree/diploma/certificate in this University or any other University .

PLACE: BHUBANESWAR

(Signature of the Candidate).

DATE:

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INTERNAL GUIDE

BIJUPATTNAIKINSTITUTE OF INFORMATION TECHNOLOGY AND MANAGEMENT PATIA, BHUNABESWAR

CERFITICATE

This to certify that the repot of the project submitted is the outcome of the project work entitled “**A STUDY ON THE INVENTORY AND WAREHOUSE OPTIMATIZATION IN FLIPKART Pvt Ltd**” carried out by **MISS MONALISHA BEHERA** bearing 2006258118 carried by under my guidance and supervision for the award of Degree in Master of Business Administration of **BIJU PATTNAIK INSTITUTION OF IT & MANAGEMENT STUDIES , BHUBANESWAR.**

To the best of my knowledge the report

- I. Embodies the work of the candidate herself,
- II. Has duly been completed,
- III. Fulfills the requirement of the ordinance relating to the MBA degree of the University and
- IV. Is up to the desired standard for the purpose of which is submitted.

PLACE :

MR. ANANTA PRASAD NANDA

DATE:

(Associate Professor in OPERATIONS)



Estd. 1999

Biju Patnaik Institute of Information Technology & Management Studies

CERTIFICATE OF FLIPKART



CERTIFICATE

of Internship Completion

This certificate is awarded to

Monalisha Behera

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

Zoya Saif
Director, Arcos

Aasish Kumar Topno
Director-HRBP, FC/MH

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Director-L&D, eKart

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*“It is not possible to prepare a project report without the assistance & encouragement of the other people .
This one is certainly no exception”*

I take this opportunity to express my sincere gratitude to the following personalities without whose help and guidance the successful completion of my project work would have been remained a dream.

I extend my heartfelt thanks to our Corporate Guide MS MONALISHA BEHERA for the constant and valuable guidance by him throughout my course.

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MONALISHA BEHERA

ABSTRACT

A key concern for global manufacturers today is reducing inventory and inventory driven costs across their supply and distribution networks [1]. Pressure to cut inventories continues to build for several reasons. Manufacturers no longer manage linear or stable supply chains. They juggle vast supply networks. Globalization of the supply network and supply base drive higher inventories and make cutting inventory more difficult. Globalization among consumers is putting pressure on product availability, prompting manufacturers, distributors and retailers to upgrade their stock keeping policies. Emerging market consumers are becoming as demanding as those in developed markets. These challenges are exacerbated by manufacturers' own product development decisions. The drive to innovate and increase the rate of new product introductions leads to high rates of new technology adoption for next generation products, putting enormous pressure on inventory management across extended supply chains

. In this context, manufacturers have difficulty reducing inventory with traditional or even advanced inventory management techniques. Today's global manufacturers have largely hit limitations in leveraging material requirements planning and management processes and systems to cut inventories. Even advanced inventory management techniques, such as sales and operations planning or developing demand-pull replenishment systems with suppliers using Kanbans, have been either embraced or found to deliver less impact on overall inventory reduction than anticipated.

In the last few years a new paradigm has emerged: where one finds operations teams and planning teams of the manufacturer applying the latest techniques and technologies to improve inventory visibility, control and management across the extended supply network

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CHAPTER - 1

INTRODUCTION

INVENTORY

Inventory is the accounting of items, component parts and raw materials that a company either uses in production or sells. As a business leader, you practice inventory management in order to ensure that you have enough stock on hand and to identify when there's a shortage.

The verb "inventory" refers to the act of counting or listing items. As an accounting term, inventory is a current asset and refers to all stock in the various production stages. By keeping stock, both retailers and manufacturers can continue to sell or build items. Inventory is a major asset on the balance sheet for most companies, however, too much inventory can become a practical liability.

INVENTORY MANAGEMENT

Inventory management refers to the process of ordering, storing, using, and selling a company's inventory. This includes the management of raw materials, components, and finished products, as well as warehousing and processing of such items

WAREHOUSE

A warehouse is a building for storing goods. Warehouses are used by manufacturers, importers, exporters, wholesalers, transport businesses, customs, etc. They are usually large plain buildings in industrial parks on the outskirts of cities, towns, or villages

WAREHOUSE MANAGEMENT

Warehouse management refers to the oversight of operations in a warehouse. This includes receiving, tracking, and storing inventory, as well as training staff, managing shipping, workload planning, and monitoring the movement of goods.

INVENTORY AND WAREHOUSE OPTIMIZATION

Warehouse and inventory management are often seen as interchangeable practices. ... Inventory management deals with physical stock keeping units, while warehouse management looks after entire storage systems within the warehouse structure.

SCOPE OF THE STUDY

This study examines the success of Flipkart.com in utilizing the inventory technique and 7P's of product and services to optimize the warehouse operations . It also focus on analyzing the competitor in e-commerce platform .

OBJECTIVE OF THE STUDY

- Device ways to optimize inventory control procedure.
- To get an overview of warehouse management.
- To understand the 7P's model of Flipkart

LIMITATION S

- The duration course of the study was low.
- The scope of the study is based on secondary research.
- Due to covid-19 situation there was less exposure to study about different department operations .

CHAPTER - 2

COMPANY PROFILE

Type	Private, subsidiary
Industry	E-commerce
Founded	2007; 14 years ago
Founder	Sachin Bansal Binny Bansal
Headquarters	Bangalore, Karnataka, India (operational HQ) Singapore (legal domicile)
Area served	India
Key people	Kalyan Krishnamurthy (CEO)
Services	Online shopping
Revenue	₹43,615 crore (US\$5.8 billion) (FY 2019)
Owner	Walmart (82.1%) Tencent (5.1%) Tiger Global (4.87%) Binny Bansal (3.25%) Microsoft (1.46%) QIA (1.43%) Accel (1.32%) Other (0.47%)
Number of employees	30,000 (2016)
Parent	Walmart
Subsidiaries	Myntra PhonePe Ekart Jeeves Cleartrip

Flipkart is an Indian e-commerce company headquartered in Bengaluru. It was acquired by Walmart, American retail titan, for \$16 billion in May 2018. In 2007, Sachin Bansal and Binny Bansal started Flipkart and since then, Flipkart has only seen highs, selling a wide variety of products online like Amazon.

In the initial years, Flipkart focused on selling books but today the catalog covers categories like electronics, fashion, home essentials, groceries, and lifestyle products. More than 1 billion people have shopped using Flipkart, making the e-commerce giant one of the most popular and trending e-retailers in India. Flipkart also has subsidiaries like Myntra, PhonPe, eBay, Ekart, Jeeves, and Jabong. Flipkart also launched Shopsy on July 2, 2021, which is designed to behave like an app that will encourage the nation's entrepreneurs to reap all the benefits of the digital ecommerce that comes their way without investments. The app will have 0% commission from the sellers and will extend to around 200-500 million budget-friendly customers.

Today, Flipkart has over 100 million registered users, 100 thousand sellers, and 21 state-of-the-art warehouses. It also boasts about 10 million daily page visits and over 8 million shipments/month. Flipkart is a subsidiary of Walmart

Earlier in 2018, Flipkart was acquired by Walmart for \$16 Billion, by acquiring a 77% stake in Flipkart, which was the largest online e-commerce acquisition in the world till the present. Now, Flipkart is all set to launch its Wholesale unit with presence in fashion and grocery categories.

At present, Flipkart Wholesale will be headed by Adarsh Menon (A veteran at Flipkart). In order to ensure smooth functioning and transition, Sameer Aggarwal (CEO, Walmart India) will remain with the company for a while.

With delivery of around 1 crore shipments in 5 days of Big Billion Day sale has created a lasting mark on ecommerce industry. Flipkart has seen 10X growth from the last festive Big Billion sale. Out of the 1 crore around 3.5 million deliveries were via Kirana Partners.

The platform had around 110 orders placed per second that varied across various products including electronics, fashion, books, furnishing etc.

MISSION

Ab har wish hogi poori!

VISION

To become Amazon of India

VALUES

- Customer First
- Ownership
- Bias For Action
- Audacity
- Respect

AWARD & RECOGNITION

- Sachin Bansal was awarded Entrepreneur of the Year, 2012–2013 from The Economic Times, a leading Indian economic daily newspaper.
- In September 2015, the two founders entered Forbes' India Rich List, debuting in the 86th position with a net worth of \$1.3 billion each.
- In April 2016, Sachin and Binny Bansal were named to Time magazine's annual list of The 100 Most Influential People in the World.

SUSTAINIBILITY

We are committed to a sustainable future. Our goal is to create and support thriving and resilient Flipkart communities, leave a net zero environmental footprint and promote sustainably sourced products and processes to improve the social, economic and environmental well being of the community.

- In July 22, 2021 Flipkart and Myntra Join Hands with Canopy to Advance Sustainability Efforts and Conserve Forests
- July 7, 2021 Flipkart achieves milestone of 100% single-use plastic elimination packaging throughout its own supply chain
- Feb 25, 2021 Flipkart to deploy more than 25,000 Electric Vehicles in its Supply Chain to achieve 100% transition to electric mobility by 2030 June 18, 2019
- In June 18, 2019 Flipkart introduces 'Industry-first Flex Benefits' for its diverse workforce.

The Big Billion Days 2021

As The Big Billion Days 2021 draws to a close, India has witnessed renewed growth for sellers, kiranas and MSMEs. The consumer response has demonstrated the growing adoption of e-commerce, driven by purchases of a wide range of products, increased convenience and user-friendly technology, and financial constructs. The 2021 edition of The Big Billion Days drove robust growth opportunities for sellers and MSMEs, and enabled better income and livelihoods for Flipkart's Wishmasters and supply chain partners, including Kiranas.

With 1.3 times the number of transacting sellers this year, consisting of MSMEs, artisans, weavers, and craftsmen, more than 10% of them witnessed a 3X growth in sales this year. There were more than 55% new sellers this TBBD, with 57% hailing from Tier-2, Tier-3, and smaller cities and towns such as Jaipur, Surat, Howrah, Tirupur and Panipat, among others.

There was a significant increase in customer satisfaction with same day deliveries across thousands of pincodes. In a significant effort to augment their income, Flipkart aims to make over 30 million deliveries through kirana delivery partners this festive season.

During the Big Billion Days 2020, top artisans and weaver partners from Flipkart Samarth witnessed a growth of 6X compared to TBBD 2020. The Samarth initiative, initiated in 2019, aims to uplift and embrace India's artisans, weavers and micro-enterprises into the e-commerce fold. The most popular Samarth products were from categories like Home Decor (showpieces), Natural Beauty products (shampoos, 15 Fulfillment15), and Women Ethnicwear (sarees).

- The most popular purchases over the course of the Big Billion Days so far, are across lifestyle, electronics, books and general merchandise, home and mobiles
- The number of premium smartphones sold during the Big Billion Days has doubled from TBBD 2020. From this, 41.78% of premium smartphones were purchased by customers in Tier 3 cities. Every 1 in 5 smartphones sold this TBBD was 5G-enabled.
- Customers purchased lifestyle products from over 44,000 unique brands this TBBD, reflecting a positive sentiment towards stepping out and upgrading fashion wardrobes
- While buying large appliances, about a fifth of all customers opted for an affordability payment construct
- In the consumer electronics segment, smart watches and Fitness bands saw a 100% jump from last year, marking a clear shift towards smart wearables
- The grocery and hyperlocal segments continued to address growing needs, as consumers from across the country shopped for their daily requirements online
- With gardening becoming one of the most-pursued hobbies, Home Improvement Tools, especially Gardening tools, have seen a sharp rise in interest. The Home Improvement category grew by about 80% year on year.

THE FLIPKART ADVANTAGES

1. Flipkart has a wide range of Blu-ray and 3D movies, flyte music downloads, games available.
2. It offers a good discount on many of the products available which you hardly and did on other websites.
3. Flipkart sells only good quality, branded, and nondamaged product only.
4. It has tie-ups with multiple courier ser-0=8743vices. It can deliver most of the products to most of the areas in time. The delivery service is also professional.
5. Flipkart launched clothing, sportswear, and cosmetics range which are of the best brand in the market.
6. Allows easy and quick access to information.
7. Downloading music quick and easy.
8. People can check, purchase products, talk to people, and much more online.
9. easy to track material.
10. Immediate online status of the purchase order.
11. They have a huge number of products in multiple categories. They have millions of book available even before launching with an option of pre-ordering.
12. Sometimes free delivery or no delivery charge.
13. A good discount is available for any type of products.
14. 24*7 availability.

MILESTONES

December 15, 2021 – Shopsy of Flipkart has forayed into the grocery segment. Launched in July 2021, this new wing of Flipkart will allegedly be a hub of over 6000 products across 230+ categories, which will be delivered in around 700 cities, spaning over 5,800 pin codes.

October 9, 2021 – Flipkart to focus more on its grocery segment, Shopsy to join the space in the next 3-4 months.

September 22, 2021 – Flipkart launches ‘Flipkart Xtra,’ which will help the company onboard part-time gig workers and delivery partners and help them grab flexible earning opportunities.

July 2, 2021 – Flipkart launches Shopsy to empower over 25 mn entrepreneurs of the country, who can leverage all the benefits of eCommerce without any investment.

CSR ACTIVITIES BY FLIPKART

Flipkart Cares — Rallying Flipsters towards social change

In the past, Flipkart employees have mobilized time, effort and resources to raise relief funds for people in disaster-struck areas. In 2016, Flipkart assisted Goonj, an NGO, to aid the victims of severe flooding in Assam. Flipsters contributed generously with cash donations and a matching donation from Flipkart aided the relief efforts.

In 2015, when Chennai experienced heavy flooding, many Flipsters donated money from their payrolls while Flipkart donated over 6,500 units of essential items from its inventory. Flipkart's partner in the effort, Goonj, ensured that the supplies were delivered to the affected people in Chennai promptly.

Over 200 Flipsters have been working towards making a difference in the lives of children with disabilities. In 2016, their 'Secret Santa' program spread Christmas cheer among the children at Samarthanam Trust for the Disabled in Bengaluru. Donning Santa hats, Flipsters distributed toys and books, and played cricket with the children, and were rewarded with bright smiles.

Flipkart Cares –Donate to support Kerala Flood Relief

The flood situation in Kerala has reached alarming proportions. According to official sources, over 160 people have lost their lives and thousands rendered homeless as incessant rainfall, the highest in a hundred years, wreaks havoc on the southern state. With rivers in spate, bridges washed away, airport runways waterlogged, and railways and road networks crippled, the relief challenge is a daunting one. Over 2 lakh people are living in 1,500 relief camps across the state. Even as NDRF and volunteer relief teams battle rising waters and the threat of landslides to rescue and rehabilitate the affected people, they need all the support they can get, not only for immediate flood relief but for rebuilding and rehabilitation efforts.



SWOT ANALYSIS

SWOT analysis (or SWOT matrix) is a strategic planning technique used to help a person or organization identify strengths, weaknesses, opportunities, and threats related to business competition or project planning. It is designed for use in the preliminary stages of decision-making processes and can be used as a tool for evaluation of the strategic position of a city or organization. It is intended to specify the objectives of the business venture or project and identify the internal and external factors that are favorable and unfavorable to achieving those objectives. Users of a SWOT analysis often ask and answer questions to generate meaningful information for each category to make the tool useful and identify their competitive advantage. SWOT has been described as the tried-and-true tool of strategic analysis, but has also been criticized for its limitations

- Strengths: characteristics of the business or project that give it an advantage over others.
- Weaknesses: characteristics of the business that place the business or project at a disadvantage relative to others.
- Opportunities: elements in the environment that the business or project could exploit to its advantage
- Threats: elements in the environment that could cause trouble for the business or project

SWOT ANALYSIS OF FLIPKART



STRENGTH

- Top Indian ecommerce portal.
- Diversified into electric goods
- Two VC investment to build its own diversity system thereby reduce delivery time,
- Cash on delivery which is making 60% of its income.
- Industry condition : very high potential
- Services and warehousing
- Payment option

- Established brand

Weaknesses

- **Limited Distribution:** Flipkart has a limited distribution channel reach, despite the fact that its logistics arm has kept costs low. This is a weakness for the company, as it has limited reach. Because of the use of outsourcing, global giants such as Amazon and eBay are able to deliver their products to any location in the country. Flipkart, on the other hand, is still struggling in this area.
- **Cost of Acquisition:** Because Flipkart acquires a large number of customers through online advertising, the cost of acquisition is high due to stiff competition in the market and low customer retention. According to Flipkart data, the company spends R.s 400/- on average to acquire a new customer.
- **Buyers hold the power:** Because this industry is flooded with a large number of players, buyers have a large number of options from which to choose. Customers save money on switching costs because they can easily switch from one online retail company to another. The same products will be displayed across multiple online retail websites. Product differentiation is almost non-existent, so the battle is fought solely on the basis of price.

Opportunities

- Already working towards customer delight will obtain customer loyalty gradually
- Supplier database interface with flipkart website for JIT procurement.
- Mobile internet usage is increasing there by chances of increase of in sales through mobile shopping.
- Development of m-commerce in the e-market.
- Increasing internet penetration .
- Target social media to reach young population.
- High interest among VC/PE.

Threats

- There is fierce competition from global players such as Amazon and eBay, as well as local players such as Snapdeal, Tolexo, and Shopclues, who are constantly attempting to take market share away from one another.
- The government's regulations on issues such as foreign direct investment (FDI) in multi-brand retail have posed a significant barrier to the growth of the E-commerce industry in India.
- Capture of alternate market by competitors.

INDUSTRY ANALYSIS

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

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

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

Much of the growth for the industry has been triggered by an increase in internet and smartphone penetration.

As of July 2021, the number of internet connections in India significantly increased to 784.59 million, driven by the 'Digital India' programme. Out of the total internet connections, ~61% connections were in urban areas, of which 97% connections were wireless.

MARKET SIZE

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

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

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

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

Propelled by rising smartphone penetration, launch of 4G network and increasing consumer wealth, the Indian E-commerce market is expected to grow to US\$ 200 billion by 2026 from US\$ 38.5 billion in 2017. Online retail sales in India is expected to grow 31% to touch US\$ 32.70 billion in 2018, led by Flipkart, Amazon India and Paytm Mall.

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

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

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

Investments/ Developments

Some of the major developments in the Indian e-commerce sector are as follows:

- In September 2021, Amazon launched Prime Video Channels in India. Prime Video Channels will give Prime members a seamless experience and access to a variety of popular video streaming services.
- Flipkart, India's e-commerce powerhouse, announced in July 2021 that it has raised US\$ 3.6 billion in new funding from various sources including sovereign funds, private equities and Walmart (parent company).
- In June 2021, Flipkart added a new 22ulfillment centre (FC) in Dankuni, West Bengal. The FC is spread over 2.2 lakh sq. ft. and has a potential to create ~3,500 direct jobs.
- In June 2021, Grofers, the grocery delivery start-up, reportedly entered the unicorn club, after raising US\$ 120 million from Zomato, the food delivery platform.
- In June 2021, Mastercard invested an undisclosed amount in Instamojo, a payments firm, to help 22ulfillm online stores and process their payments more seamlessly.

- In May 2021, Amazon introduced a video streaming service within its shopping app called MiniTV for users in India. MiniTV features web series, comedy shows and content on tech news, food, beauty and fashion.
- In May 2021, Flipkart strengthened its grocery infrastructure to cater to customer safety and demand across India. In this quarter, it is planning to further expand its 23 Fulfillment centre capacity for grocery by over 8 lakh square feet across Delhi, Kolkata, Chennai, Coimbatore and Hyderabad.
- In May 2021, Flipkart announced that it is in talks with sovereign funds, private equity majors and other investors to raise up to US\$ 2 billion at a valuation of US\$ 30 billion.
- In April 2021, Flipkart announced a commercial alliance with Adani Group to improve the company's logistics and data centre capabilities and create about 2,500 direct jobs.
- In April 2021, Flipkart announced to acquire Cleartrip, an online travel technology firm. Flipkart announced to purchase 100% shareholding of Cleartrip as the company expands its investments to broaden its digital commerce offerings for customers.
- In April 2021, Kirana commerce platform ElasticRun raised US\$ 75 million in a round led by existing investors—Avataar Venture Partners and Prosus Venture
- In March 2021, Amazon acquired Bengaluru-based retail tech start-up Perpule for Rs. 107.6 crore (US\$ 14.5 million).
- In March 2021, Purplle, an online beauty store, raised US\$ 45 million from Sequoia Capital India, Verlinvest, Blume Ventures and JSW Ventures.

Road Ahead

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

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

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

Poter's 5 forces

Bargain power of suppliers (low):

➤ The readers are reducing thus suppliers are in weak position Inventory turnover is lower, thus more inventory again flipkart is at the upper hand.

Bargain of Buyers (high):

- Not many buyers
- Best deals online
- Cash on delivery
- One stop solution
- Faster delivery with free shipping cost

Threat of New entries (high):

- Market potential for this industry is high
- Low entry barriers, but sustaining is tough

Threat of substitutes (Low):

- Diminishing brick and mortar model
- Increasing customer ease and customer satisfaction.

Industry rivals (Medium):

- Many small players (snapdeal, naaptol.)
- Entry of international players like Amazon into India

FLIPKART 7P's

PRODUCT

- Aims almost all segments except automobiles .
- Website is great ,easy to use ,easy to browse through the products , add product to wishlist or to a cart, get product reviews and opinions, pre-order products,make convenient payments using different methods and better Search Engine Optimization.
- Quality level of the products is absolutely fine E.g., if we take the quality of book available in Crossword and Landmark is same as the quality of boks ordered by Flipkart.com.



- Products are packed in such a way that they are Tamper proof, weather proof and breakage proof.
- Product line on Flipkart.com have warranties as promised by the brand of the product if applicable. E.g., Bajaj MX 21200 Watts Iron with 2 Years Bajaj India Warranty and extra paid warranty for the particular brands is available if applicable.
- 30-day replacement guarantee for faulty products
- Flipkart as a brand has already differentiated itself as a pioneer in book retailer, trustworthy in terms of swift services and secure payments, quality oriented products with lower price offerings than retail marketing, innovative product line, customer delightful service which has helped them to form its own distinct image better than few unheard competitors such as Tradus.in and Indiaplaza.com
- Some unique product features of Flipkart.com such as Wishlists, E-gift
- Flipkart launched a new Electronic Wallet feature that allow shoppers to purchase credit to their Flipkart account using creditor debit cards, and can subsequently be utilized to make purchases on the site, as and when required.

PRICE

- Price of the product taking account of various expenses such as Suppliers expenses, transportation expenses, packing expenses, shopping expenses, courier expenses, inventory maintenance expenses, office and stationary expenses sales and advertisement expenses, taxes, depreciation, discount allowances and many expenses.



- Roughly about 5-7% profit per book orders which indicates that generation of revenue is on volume basis.
- Differentiated themselves by giving best selections, best services at lowest best possible prices.
- Discounts up to 35% across all categories.
- Upper edge in competitive pricing.

- Special discount for loyal customers and regular buyers .

PLACE

- Channel type : Word of mouth which has been key driver for their growth.
- When an order is placed they either serve the order from inventory or procure the book on demand from various suppliers and then deliver to the customer .
- As on date more than 80% orders of flipkart are handled via warehouses which help in quick and efficient service.



- We deliver orders in 1 day in Tier-1 cities and 2-3 days in Tier-2 cities and 3-5 days in Tier-3 cities.
- Shipping and courier would act as intermediaries in this process.
- Delivery services through e-kart and postal services .
- Tie-ups with local vendors and courier firms.
- Company and warehouse in major cities near airport.
- If the courier can't deliver to the location the product is shipped through government post.
- Warehouse are located in the following cities, often near airports:
 - Bangalore
 - Chennai
 - Delhi
 - Hyderabad
 - Mumbai
 - Noida
 - Pune
 - Kolkata

PROMOTION

- Employees of divisions like Websites, Business Planning and Analytics, ERP ,Business Development,Product Management and Marketing,Supply-Chain Management and Customer Support are generating revenue from it.
- Adequate training as per their role and responsibilities is given to them accordingly and incentives.



- Unique tool of Sales Promotion is Affiliate to their website.
- As internet/web strategy use Google Ad-words, blogs, social networking sites such as twitter, facebook, used Google ad-words, e-mail campaigns.
- One latest promotions i.e., Flipkart Plus Zone.
- Having even tie-up with Skype for the same on the website for user delight.

PROCESS

Starting from ordering online in websites to the receiving of the product include no of process. they are

- Inward processing
- Order processing
- Outward processing

PEOPLE

- Investors
- Customer service centres for complaints and review
- Employee schemes



- Service people ,sales clerks ,delivery drivers, managers , complaints department,accounting,warranty people,technical people,all work for the customer ease,customer satisfaction ,customer delight.
- People working in back of the company

PHYSICAL EVIDENCE

- Website
- Delivery
- Company



PESTEL ANALYSIS

- Political
- Economical
- Social
- Technological
- Environmental
- Legal

POLITICAL FACTORS

Within PESTEL analysis, political factors exert a strong influence on the long-term sustainability and profitability of Flipkart com. The presence at international stage increases the company's sensitivity to changes in political environments of different countries. In a political context, the key to success in a dynamic international business environment is to diversify the systematic risks. The political environment of a country comprises multifaceted factors.

Bureaucracy and corruption

Net Neutrality issue —

Government of India to boost rural economy and promote digital India

ECONOMICAL FACTORS

It is important for Flipkart com. To understand economic factors such as foreign exchange/interest rate, labor market conditions, inflation and saving rates etc. as they determine the overall economic environment of the country. A detailed understanding of the economic environment can help Flipkart com. Estimate the growth trajectory of industry and organization

Less tax in online purchase

Busy life schedule result in increase in online market

Flipkart offer loan to seller in low interest rate

SOCIAL FACTORS

Organizational culture derives strong influence from the societal norms, values and trends. Understanding the demographic trends, power structures, consumers' spending patterns and shared beliefs can help Flipkart com. Design effective marketing messages and fulfil corporate objectives through informed PESTEL analysis. The marketing department of Flipkart com. Can use the information retrieved from social, environmental analysis to target the consumer groups and increase the appeal of offered products to potential buyers

Increase in computer literacy

Start up jobs may suffer a downfall

Empowering youth through employment

Flipkart provide better work-life balance to their employees

Rise in number of online consumers

TECHNOLOGICAL FACTOR

‘Technology’ is the fourth factor of PESTEL analysis. The rapid technological advancement and technological diffusion across the globe have increased the importance of understanding technological factors during the strategic decision making process. A detailed analysis of the technological environment can help Flipkart com. Capture the technological trends to achieve certain business advantages, such as- increasing profitability, boosting innovation process and enhancing the operational efficiency. Following technological factors can influence the business performance of Flipkart com.:

Best Search engine optimization

Increase in the use of internet

Mobile application for different platform

Integration of various payment gateway like paypal, bill desk, etc...

ENVIRONMENTAL FACTORS

The growing environmental consciousness and changing climatic conditions have made ‘environmental analysis’ an important part of the PESTEL analysis. The environmental standards, laws and regulations vary across different markets. The international presence of Flipkart com. Require the organization to consider these differences to avoid undesired circumstances carefully. Detailed environmental analysis is imperative before deciding to enter a new market or start a new product line. Some examples of environmental factors that Flipkart com. Need to consider are given below.

Price Competition

Promotion of Green Environment

Weather and climatic conditions

Renewable technologies

LEGAL FACTORS

“Legal” is the sixth factor of PESTEL analysis. Flipkart com. Cannot enter a new market without studying in detail the legal environment and regulatory structure of the new consumer market. A careful evaluation of legal aspects is required to avoid getting into some serious trouble. Ignorance in this regard can cause undesired circumstances for Flipkart com., such as- hurting competitive advantage as a result of intellectual property rights violation and harmed organizational image due to violation of consumer/employee/environment protection standards. Flipkart com. Should consider the following legal factors when exploring a new market

Infringement of Intellectual Property in July 2015

_Regulatory changes for protection of online shopper

Employee protection laws

CHAPTER - 3

COMPETITOR ANALYSIS

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;

SL No	COMPANY NAME	COMPANY MANAGEMENT	COMPANY DESCRIPTION
1	Snapdeal Gurugram (Gurgaon), Haryana http://www.snapdeal.com	Kunal Bahl Co-Founder & CEO	India's leading value e-commerce platform that has helped Indian e-commerce grow beyond just brands & urban users.. Snapdeal hosts a wide selection of good quality, value-priced merchandise across fashion, home, beauty & personal care, general merchandise, and other categories
2	Amazon Seattle, Washington,U.S amazon.com	Andrew R. Jassy CEO	American multinational technology company which focuses on e-commerce, cloud computing, digital streaming, and artificial intelligence. It is one of the Big Five companies in the U.S. information technology industry, along with Google (Alphabet), Apple, Meta (Facebook), and Microsoft. The company has been referred to as "one of the most influential economic and cultural forces in the world", as well as the world's most valuable brand
3	JioMart NaviMumbai, Maharashtra, India jiomart.com	Damodar Mall CEO	JioMart is an Indian e-commerce company, headquartered in Navi Mumbai, Maharashtra, India, that started as a joint venture between Reliance Retail and Jio Platforms. The company initially focused on online groceries sales before expanding into other product categories such as fashion, home essentials, and lifestyle products.
4	Alibaba No. 969 West Wen Yi Road ^[2] , Yuhang District, Hangzhou, Zhejiang alibabagroup.com	Daniel Yong Zhang Chairman & CEO	Alibaba, is a Chinese multinational technology company specializing in e-commerce, retail, Internet, and technology. Founded on 28 June 1999 ^[1] in Hangzhou, Zhejiang, the company provides consumer-to-consumer (C2C), business-to-consumer (B2C), and business-to-business (B2B) sales services via web portals, as well as electronic payment services, shopping

			search engines and cloud computing services.
5	Ebay San Jose, California, U.S www.ebay.com	Jamie Iannone President & CEO	an American multinational e-commerce corporation based in San Jose, California, that facilitates consumer-to-consumer and business-to-consumer sales through its website. eBay was founded by Pierre Omidyar in 1995, and became a notable success story of the dot-com bubble. eBay is a multibillion-dollar business with operations in about 32 countries, as of 2019. ^{[1][2]} The company manages the eBay website, an online auction and shopping website in which people and businesses buy and sell a wide variety of goods and services worldwide.
6	Etsy etsy.com	Josh Silverman CEO	Etsy, Inc. is an American e-commerce company focused on handmade or vintage items and craft supplies. These items fall under a wide range of categories, including jewelry, bags, clothing, home décor and furniture, toys, art, as well as craft supplies and tools. All vintage items must be at least 20 years

CHAPTER - 4

CUSTOMER ANALYSIS

The process of defining and subdividing a large homogenous market into clearly identifiable segments having similar needs, wants, or demand characteristics. Its objective is to design a marketing mix that precisely matches the expectations of customers in the targeted segment. Few companies are big enough to supply the needs of an entire market; most must breakdown the total demand into segments and choose those that the company is best equipped to handle.

The four basic market segmentation-strategies are based on

GEOGRAPHIC SEGMENTATION –

- CATERS TO TIER 1, TIER 2 AND TIER 3 CITIES

DEMOGRAPHIC SEGMENTATION –

- 75% of online users between the age group of 15-34 years
- Flipkart targets mainly the youth of the country

BEHAVIOURAL SEGMENTATION –

- Web friendly people.

PSYCHOGRAPHIC SEGMENTATION –

- Flipkart concentrates on more Psychographic, which helps in deciding where to display ads online
- They target online shoppers and people who don't online shop (thus TVC to encourage them)

The **AIDA model**, tracing the customer journey through Awareness, Interest, Desire and Action, is perhaps the best-known marketing model amongst all the classic marketing models. Many marketers find AIDA useful since we apply this model daily, whether consciously or subconsciously, when we're planning our marketing communications strategy.

What is the AIDA model?

The AIDA Model identifies cognitive stages an individual goes through during the buying process for a product or service. It's a purchasing funnel where buyers go to and fro at each stage, to support them in making the final purchase.

It's no longer a relationship purely between the buyer and the company since social media has extended it to achieving the different goals of AIDA via information added by other customers via social networks and communities.

What does AIDA stand for?

Awareness: creating brand awareness or affiliation with your product or service.

- **Interest:** generating interest in the benefits of your product or service, and sufficient interest to encourage the buyer to start to research further.

- **Desire:** for your product or service through an 'emotional connection', showing your brand personality. Move the consumer from 'liking' it to 'wanting it'.
- **Action: CTA** - Move the buyer to interact with your company and taking the next step ie. downloading a brochure, making the phone call, joining your newsletter, or engaging in live chat, etc.
- **Retention:** We all know that this is key to upsell, cross-sell, referrals, Advocacy and the list goes on.. as companies are also focussing on LTV.

How to use the AIDA model

It could be referred to as a communications model rather than a decision-making model, as it's identifying to companies, how and when to communicate during each of the stages as consumers will be using different platforms, engaging at different touchpoints and requiring different information throughout the stages from various sources.

So using this to help plan your tailored and targeted communication campaign may be a start.

Ask yourself some key questions throughout the stages:

- **Awareness:** How do we make buyers aware of our products or services? What is our outreach strategy? What is our brand awareness campaign? Which tools or platforms do we use? What should the messages be?
- **Interest:** How will we gain their interest? What is our content strategy? Social proof available to back up our reputation? How do we make this information available and where ? ie. on website, via videos, customer ratings,
- **Desire:** What makes our product or service desirable? How do we interact personally to make an emotional connection? Online chat? Immediate response to Twitter feed? Share tips and advice?
- **Action:** What are the call to actions and where do we place them? Is it easy for consumers to connect and where would they expect to find it? Think about which marketing channel/platform you are using and how to engage ie. across emails, website, landing pages, inbound phone calls etc.
- **Retention:** What is the proposition to retain loyalty? At what stage do we encourage this on-line and off-line, and how?

CHAPTER - 5

ACTUAL WORK DONE

During my Flipkart internship , I worked in two department of flipkart warehouse . But what I got to learn is that,we as a customer order a product with no second by a single click on “**Buy Now**” ,but the actual work that happens in the backside of the application was the overall work in the warehouse of how efficient & effective way the product should be received from vendor ,monitoring all the process & finally delivering the product on or before the day

Before going to the work of RI department ,let us understand what is RI. RI is the Receiving Inbound Department .This the very first and important department upon which all the further process & department depend on . Because this is the place where the product is first received for verification with the help of ERP software i.e., Flolite

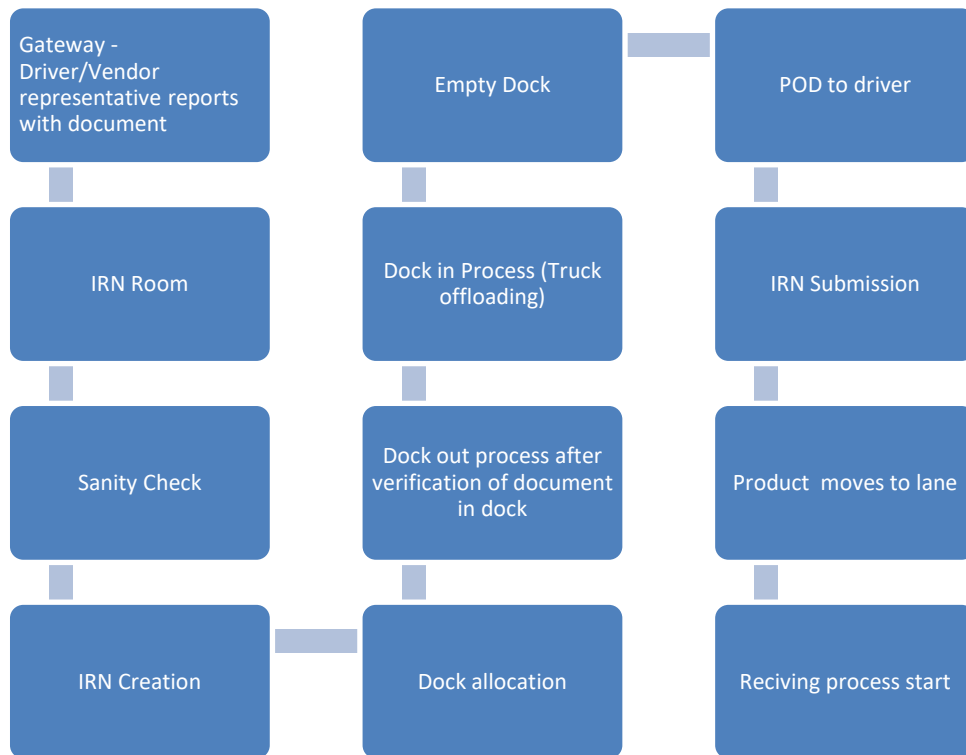
The top management i.e., Centra Procurement Team (CPT)/ Business Developer(BD) are the one who place order in block or give consignment to different vendor to supply the product in warehouse.

PROCESS STARTING FROM PLACING ORDER TO RECEIVING THE CONSIGNMENT IN DOCK

STEP – 1



STEP – 2



STEP – 3



CONSIGNMENT – Placing order in block to the supplier or vendor

TYPES OF CONSIGNMENT

- FKI – FLIPKART INDIA
- FA – FLIPKART ADVANTAGE
- IWIT – INTER WAREHOUSE INVENTORY TRANSFER
- 2-GUD – REFURNISHED PRODUCT

4 TYPE OF TOTE ATTACHMENT

- INWARD BUCKET - Inward (Tote) are such totes , which can directly put into inventory
- QC REJECT BUCKET –In this tote, the product which are expired or the product which fails in legal check or damaged product then further issue is solved by IRT team
- LBH BUCKET – The product which are received for the first time in the warehouse is called as LBH (LENGTH , BREADTH , HEIGHT).
- QC REJECT BUCKET – This include QC fail & LBH product.

RC DEPARTMENT

This is the department where the real work starts once the the returned or canceled product is received back

In RC department , two types of product are received ,they are

- RTO – RETURN TO ORIGIN PRODUCT
- RPV - REVERSE PRODUCT VERIFICATION

All the product are received in PV (Product Vertical) area where the receiving process is carried out by BT Printer . The product are verified by following the below chart and if it qualifies all the condition then the product is kept in pass tote.

MISCAT

M–MRP

I- IMAGE

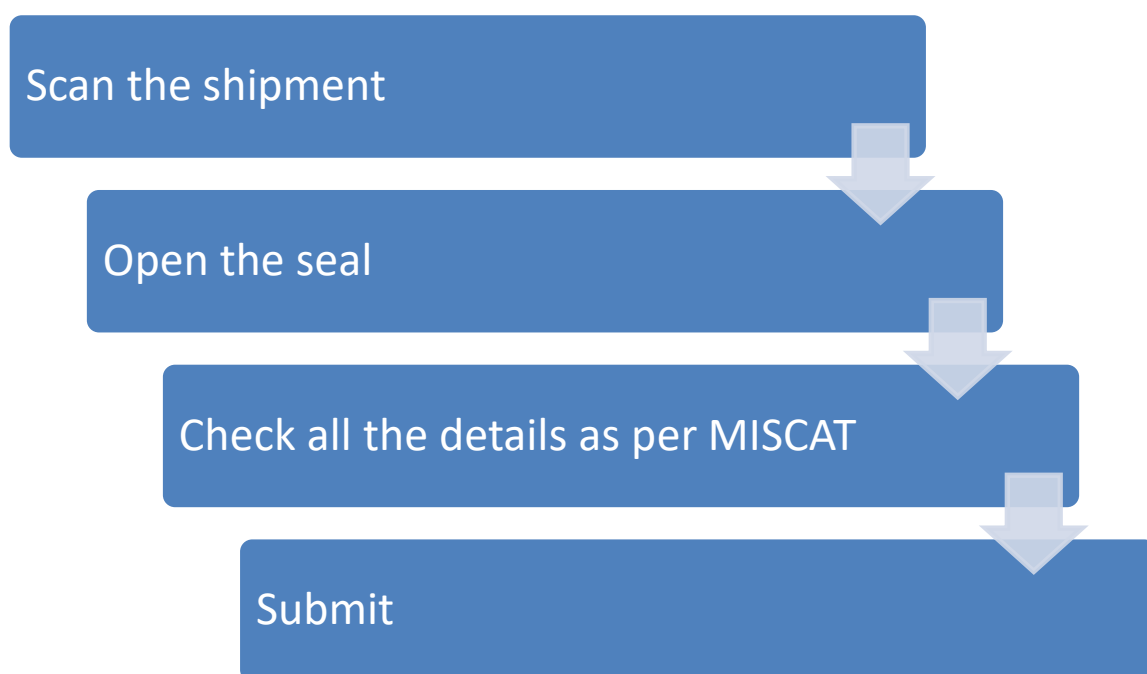
S–SIZE

C– COLOUR

A – ARTICLE NO.

T – TITLE

PROCESS OF RECEIVING



Then the product which are passed are placed in PASS tote , product have issues are placed in FAIL tote and the product which are sealed from company sides the placed in X-RAY tote

The passed product will move to FC Inventory and the product which are fail will move to RC Inventory.

In RC Inventory , there are 14 vertices where all the fail product are stored based on their vertices they are allotted

SL NO.	VERTICES NAME
1	DISPOSAL STORAGE ZONE
2	EXTERNAL LIQUIDATION DAMAGED STORAGE ZONE
3	EXTERNAL LIQUIDATION NON DAMAGED STORAGE ZONE
4	EXTERNAL INSPECTION STORAGE ZONE
4	FRAUD STORAGE ZONE
5	GRADED AREA
6	RETURN SUPPLIER RETURN STORAGE ZONE
7	SELLER UNIDENTIFIED STORAGE ZONE
8	REFERBISHMENT AREA
9	SELLER RETURN AREA
10	PRODUCT EXCHANGE AREA
11	REFINISHMENT AREA

Along with that GTL(GOOD TRANSFER LIST) ,TTL(TASK TRANSFER LIST) & Bin Audit is also done to create space and to transfer product to non stock area.

INVENTORY OPTIMIZATION

Inventory optimization is the process of maintaining the right amount of inventory required to meet demand, keep logistics costs low, and avoid common inventory issues such as stockouts, overstocking, and backorders.

Inventory optimization is an ecommerce best practice and strategy that ensures stock control is managed efficiently by implementing tools, technology, processes, and techniques to track inventory in real time, better forecast demand, and optimize storage.

THE MAIN ELEMENTS OF INVENTORY OPTIMIZATION

To always have the right amount of product ready to be fulfilled, you need to take into consideration storage capabilities, current inventory levels, supplier lead times and schedules, seasonal trends, and future campaigns. Here is an overview of what's involved in the inventory optimization process.

DEMAND FORECASTING

Accurate demand forecasting is an important element of supply chain inventory optimization. Demand and Supply chain forecasting can be done in several ways depending on the kind of products or services involved, the product life cycle, and the industry being catered to. Using last year's or last period's demand numbers and also using specific request forecasts from the sales teams could be one technique. Manufacturers need to have complete knowledge about the specific product lifecycle to accurately forecast demand and to find out where in the lifecycle are those SKUs. They also need to keep a track of the seasonality trends and new product introductions which can impact demand forecast numbers.

INVENTORY STRATEGY

A good understanding of which products need to be stocked, in what quantities and across what time intervals, is also important. Using ABC analysis to stock SKU quantities is a good method as it divides the SKUs based on their annual consumption value. It also helps understand the safety stock calculations to address sudden fluctuations in demand, supplier variations, or other unforeseen disruptions. Finally, you also need to consider the number of warehouses you have to optimize your inventory to be distributed over your locations in the right quantities at the right time and place.

STOCK REPLENISHMENT

This step is important to understand which quantities are needed to be reordered at what points in time and then actually place the order for them. Manufacturers need to keep in mind the supplier reliability for this as each supplier has his/her own lead time and production cycles. Also, manufacturers need to keep a track of the goods which are in transit and not just those which are in stock at the warehouse. While this may be obvious, most ERP systems do not capture this information easily. .

INVENTORY STORAGE

Optimizing inventory storage is a necessary part of running any business that sells physical goods. A cost-effective inventory storage system helps you manage your inventory to meet customer expectations, while allowing room for your business to grow.

Keep in mind that storage needs will vary from business to business, based on sales volume, product attributes, and locations shipped to and from. Finding ways to get strategic on storage is a major component of inventory optimization

INVENTORY OPTIMIZATION IMPORTANT FOR FLIPKART

The rising popularity multichannel retailing coupled with the unpredictability caused by natural disasters, raw material shortages, manufacturing closures, and other factors can make it challenge to optimize your supply chain.

Fortunately, with the right tools, technology, and resources in place, you can better plan for the unexpected while still meeting demand and keeping logistics costs low.

Here are five reasons why inventory optimization is important for future supply chain planning and growth.

1.REDUCE OPERATIONAL COSTS

Costs associated with storage, warehousing, and general inventory management are all expenses that are associated with how well you optimize inventory.

If your business has poor inventory flow and high carrying costs, inventory optimization can help to identify which items are slow-moving or fast-selling, as well as which warehouse locations makes the most sense to store certain items based on demand to reduce the time they sit on shelves.

2BOOST CUSTOMER SATISFACTION

It's most direct-to-consumer (DTC) brand's deepest desire to keep customers satisfied. By optimizing inventory, you can make sure that orders can be fulfilled right away.

It's tempting to want to overstock inventory just to be on the safe side. But by finding ways to optimize inventory, you can get smart about how much to have of each item and where to store your products geographically. This way, you can consistently meet demand, avoid inventory issues, and minimize storage costs.

3GAIN FASTER DELIVERY OPTIONS

Optimizing inventory can help you track SKU performance across your distribution network. This allows you to strategically allocate inventory to warehouse locations where there is the most demand, so you can ensure that a bulk of your orders can be shipped quickly and at a lower costs.

Since inventory levels constantly fluctuate, it's important to consider technology and automation to track inventory, especially if you store inventory in several locations. A solid inventory allocation strategy that's tech-enabled and offers valuable insights can make a big impact on your shipping strategy.

4. BALANCE INVENTORY LEVELS

Knowing exactly which SKUs are available at your warehouse or distribution center at any point in time helps with inventory accounting, profitability, and the ability to meet customer demand. By optimizing inventory, the goal is to balance inventory levels, so you don't stock up on too much or not enough.

Balancing inventory levels can help improve cash flow, optimize warehousing capacity, and enable you to consistently meet customer demand.

5. PREVENT OVERSTOCKING

Without the resources to make better inventory decisions often results in overstocking on inventory to be safe. However, overstocking can lead to not only higher carrying costs but also deadstock, which is caused by items that go unsellable due to seasonality, being past its expiration date, or a decrease in demand over time (e.g., the slowdown of face masks in the US now that millions of people are fully vaccinated)

INVENTORY OPTIMIZATION TECHNIQUES

Since optimizing inventory is one of the most important components in operating an ecommerce supply chain, there are several techniques and best practices that businesses of any size can implement.

USE DEMAND FORECASTING

Having the right tools and technology in place to forecast demand can help you make better-informed supply decisions that estimate the total sales and revenue for a future period of time.

To forecast demand, the most important data to have access to is historical order data, which provides insights on sales trends. With this type of data, you make better business decisions that improve supply chain efficiencies, save money, and deliver a better customer experience.

Inventory forecasting can also help in making decisions on when to run a flash sale, hire more staff, or rent more storage space (or outsource fulfillment).

LEVERAGE JUST-IN-TIME (JIT) PRINCIPLES

Over the past two decades, several retailers and manufacturers have restructured their inventory processes according to JIT principles to address growing consumer demand for newer and customized products. These manufacturers achieve JIT & **supply chain efficiency** in inventory optimization by streamlining their inventory purchasing and delivery operations. This also helps them eliminate waste in the inventory process by practicing a number of **Just In Time manufacturing**, purchasing and delivery strategies, and remove **bottleneck operations** that constrain inventory flow through factory operations.

STANDARD INVENTORY REVIEWING SYSTEMS

Using the right inventory reviewing system can add a lot of value to help in inventory optimization efforts:

Continuous Review System: In this type of review system, the same quantities of items are ordered in each cycle. Manufacturers must ensure they monitor inventory levels continuously and replenish stocks whenever the quantity of an item drops below a set level.

Periodic Review: This system is adopted when manufacturers order products at the same time each period. At the end of each period, the items needed are ordered based on quality levels at that point in time. This system does not include any fixed reorder levels.

WELL PLANNED INVENTORY BUDGET

Many manufacturers use an annual inventory budget which is usually prepared well in advance before the inventory is procured. The inventory budget should include the total cost of ownership to keep inventory on hand during that year's account period. The budget incorporates materials cost, fixed operational costs, transportation and logistics costs, redistribution costs, and any additional miscellaneous costs that impact the total cost of ownership.

CONSIGNMENT:

When practicing consignment inventory management, your business won't pay its supplier until a given product is sold. That supplier also retains ownership of the inventory until your company sells it.

FIFO and LIFO:

First in, first out (FIFO) means you move the oldest stock first. Last in, first out (LIFO) considers that prices always rise, so the most recently-purchased inventory is the most expensive and thus sold first

WAREHOUSE MANAGEMENT:

Flipkart has & major warehouse spread across the Metros like Mumbai, Delhi, Kolkata and Chennai and in the cities of Pune, Bangalore and Noida. They further have smaller regional distribution centers at over 500 locations. Company has tie-ups with more than 15 courier companies like Blue Dart, First Flight etc. to deliver their products and Indian post for areas where courier do not reach.

Flipkart's warehouse management has 3 major steps:

- Inward Processing
- Storage Management
- Outward Processing

Warehouse Optimization

Warehouse optimization means integrating your overall processes to help determine the best way to execute and ship orders. To optimize your warehouse processes from start to finish, you must consider the most cost-effective ways to receive orders, pick the necessary items, and ship them, while also providing optimal customer service.

From the supply side of the equation, efficient handling times, inventory management, product flow, and transportation and delivery are all equally important to keeping the warehouse efficient. From the customer's side of the equation, the warehouse must meet all delivery deadlines and handle any changes or issues that come up along the way. Once you've considered all of these factors, you can begin working on a warehouse optimization plan that works for your business.

The Importance of Warehouse Optimization

The warehouse acts as the sole link between the supply and demand in your business. An inefficiently managed warehouse can impact every other part of the business, from sales to customer service and even daily operations. Not only does an optimized environment help your team meet your shipping deadlines, but it also creates a safer work environment for employees who work in your warehouse. Employees can face a risk of injury in a disorganized environment with items piled up in random spaces.

Design a floor plan that meets your needs now and also allows for growth.

“Warehouse optimization starts with an efficient layout. Where is your picking operation located with respect to shipping and product storage? Is your floor space cluttered and aisle ways clogged? Are parts located far from your assembly operation? These indicators signal the need to develop a floor plan that combines complementary operations.

Reduce travel time by storing the most frequently picked items in accessible locations.

“The overall amount of time it takes for raw materials or parts to make their way through your warehouse and onto store shelves is another key metric in determining your success as a warehouse supervisor. Similar to velocity, proactive managers can reduce travel time by stocking important or frequently used parts in the most accessible areas. Products with tight shipping deadlines or time constraints should also be stacked in this manner, thereby streamlining movement and overall travel time even more.” Along with storage that meets needs now and provides room for growth.

Setup your quality control area as close as possible to the packaging area.

“The QC process is the last and most important phase of the order preparation process. It is imperative that items remain free from contamination or unnecessary handling before they are packaged. When the QC station is right next to the packaging area, the likelihood of contamination is greatly reduced.”

Reclaim your floor space using the 5S method: sort, set in order, shine, standardize and systematize.

“If your warehouse has been in operation for many years, ‘stuff’ has a way of accumulating in places that should be used for valuable inventory and stock.

Strive for 85% occupancy to avoid congestion. “A distribution center is technically out of space when it hits about 85% of its occupancy. That’s not just in the storage area; it holds true for receiving, shipping and all other process areas.

Optimize aisle width. “Floor space in a warehouse is almost always defined by the aisles that house the stock. If your aisles aren’t properly optimized, this could be costly to your operation. It’s simple: removing wasted space from the equation allows you to increase the number of aisles and therefore the number of pallet racks, which means you can house more overall stock. Depending on the size of the racks and products you stock, reducing the aisle width from 12 to 6 feet could increase your storage space by up to 50 percent.

Keep safety in mind. “While it is true that you need to maximize the efficiency of your warehouse without having any extra costs, the fact remains that workers’ safety is the most important aspect of the layout. Let it be your number one priority by respecting security standards and preventing possible injuries. Leave enough room between pallet places for both your employees and forklifts. Be careful with dock edges, slots, and bins because they are all critical points where most incidents occur.”

Train your staff on how to handle different materials, tools and equipment. “It is important for the entire warehouse staff to have a good understanding of how to handle different materials, goods and equipment like conveyors in material handling. Display tips for handling material safely in different locations around the warehouse, which the workers can refer to in case of queries. Arrange training sessions where the workers can learn how to use the right tools for various material handling jobs and the right ways of handling different types of goods.”

Make note of unused space for later use. “If some of the storage racks in your warehouse are going unused or underfilled, make a note of that space, and what items are near it in your planogram (floor/rack schematics). Using these notations of your used and unused space, you can plan around the arrival of new products in your warehouse—rearranging your storage so that new products can be slotted in with ease.

Know which inventory items are fast-, medium- and slow-movers. “The primary objectives of a warehouse are to use space discriminately, allow for the most efficient material handling, relatively provide the most economical means of storage in respect to costs of equipment, use of space, damage to material, handling labor and operational safety as well as provide greater flexibility in order to tolerate changing storage and handling requirements. Which brings us to the Pareto principle that states that 80% of the activity in a warehouse comes from 20% of the items, and these items are the fast-movers within the warehouse.

“The next 15% of the activity comes from 30% of the items, which are medium-movers. Finally, 5% of warehouse activity comes from 50% of the items, which are slow-movers. Understanding this principle gives the warehouse manager insight into managing inventories and utilizing space even when problems such as booming business and obsolete inventory which causes congestion arises.”

Implement the first-in, first out (FIFO) inventory control method. “If you haven’t already, it is absolutely critical that you implement ‘first-in, first-out’ as a standardized practice in your fulfillment and inventory management operations. This refers to ensuring that your oldest stock is always shipped first, not the newest stock. Obviously, this is most important when we are talking about perishable products or any product with an expiration date.

“First-in, first-out is also important for non-perishable products as well. Over time, unsold items will have wear and tear from being jostled around in

storage. The packaging and design can fade or change over time. You don't want to end up with products that have been sitting in the back of storage for so long that they are unsellable.

Automate the receiving process with warehouse management software to reduce errors.

By automating this process with a warehouse management software, you'll reduce errors and save time and money. Using automation software, by simply scanning product barcodes you will upload all the information to your server."

FINDINGS

- There focus was on preventing loss by implementing camera in every pathways.
- Training were given to all workers in inventory management best practices .
- Inventory was tract on real time basis.
- Barcode scanning are used to eliminate manual data entry errors.

CHAPTER - 6

SUGGESTION & CONCLUSION

SUGGESTION

- Flipkart has successfully placed itself into the prospects mind making it the India's largest online store with huge range of products. But it still needs to work on their core competencies that is books and stationary items.
- Delivery services can be improved mainly in rural areas by selecting appropriate courier service which has services in customer area for dispatching an items.
- Can include more coupon codes and gifts vouchers for increasing the traffic of the customers.
- Out of stock items can made available as soon as possible & intimate the needed customers..
- Should look for International / Overseas markets or Neighbouring Countries.
- Critical mass of Internet users – Internet users in India is increasing at increasing rate so Flipkart can target more & more cities i.e., not only tier 1&2 but also 3 & 4 cities ,which will help generate stronger customer base & more revenue.
- Should clearing focus on the Growing Online Apparel business & it can diversify into apparel category either organically or inorganically by acquiring other portals .
- Logistics & supply Chain : can continuously aim to reduce the delivery time cycle.
- Should comprehensively invest into E-CRM & online reputation management .
- Price will still be a factor as amazon being a huge company will use its economies of scale to remove their competitors from market ;therefore they need to be more competitive on that aspects .

CONCLUSION

In Flipkart ,optimal inventory control is one of the significant tasks in supply chain management. The optimal inventory control methodologies intend to reduce the supply chain cost by controlling the inventory in an effective manner, such that, the SC members will not be affected by surplus as well as shortage of inventory. In this paper, we propose an efficient approach that effectively utilizes the techniques for optimal inventory control. This paper reports a method based on genetic algorithm to optimise inventory in supply chain management . We focus specifically on determining the most probable excess stock level and shortage level required for inventory optimization in the supply chain so that the total supply chain cost is minimized .

CHAPTER - 7

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