

## BIJU PATNAIK INSTITUTE OF IT & MANAGEMENT STUDIES

# SUMMER INTERNSHIP REPORT-2021 ON Flipkart Supply Chain Management System

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**INTERNAL GUIDE** 

**EXTERNAL GUIDE** 

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#### A PROJECT REPORT ON

### A STUDY ON FLIPKART SUPPLY CHAIN MANAGEMENT AT FLIPKART KOLKATA WAREHOUSE



#### A FINAL SIP REPORT SUBMITTED TO BIJU PATNAIK UNIVERSITY OF TECHNOLOGY ODISHA

(For The Partial Fulfilment of the Requirement of the Degree of MBA 2020-22)

#### **SUBMITTED BY**

**BADAL KUMAR BISOYI** 

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BIJU PATNAIK INSTITUTE OF IT & MANAGEMENT STUDIES

BHUBANESWAR

#### **DECLARATION**

I do hereby declare that project work titled, "a study on Flipkart Supply Chain Management System at Flipkart Kolkata warehouse" submitted to Biju Patnaik Institute of Information Technology and Management Studies, affiliated to Biju Patnaik University(BPUT), is a record of research work done by me under the guidance of Dr. Kamesh Chivukula, Prof. MARKETING & Soft Skills, BIITM, in partial fulfillment of requirement for the award of Master in Business Administration. To best of my knowledge and belief no part of this report has been reproduced from any other report and the contents are based on live experiences that I faced during a period of 45 days from 2<sup>nd</sup> Sept 2021 to 17<sup>th</sup> Oct 2021.

Name - Badal Kumar Bisoyi

Regd. No. - 2006258066

**Signature** 

#### **ACKNOWLEDGMENT**

I am using this opportunity to express my gratitude to everyone who supported me throughout the course of this SIP project. I am thankful for their aspiring guidance, invaluably constructive criticism and friendly advice during the project work. We are sincerely grateful to them for sharing their truthful and illuminating views on a number of issues related to the project.

I express my warm thanks to Dr. Kamesh Chivukula, Professor of Marketing Department for his support and guidance at BIITM.

Name – Badal Kumar Bisoyi

Regd. No. – 2006258066

#### **INTERNAL GUIDE CERTIFICATE**

This is to certify that the project report titled" A study on Supply Chain Management System at Flipkart Kolkata Warehouse" has been prepared by Mr. Badal Kumar Bisoyi under my supervision and guidance for the fulfillments of the requirements for the award of the degree of Master of Business Administration.

His project work is satisfactory.

**Signature** 

Date:

**Dr. Kamesh Chivukula** 

Place: Bhubaneswar

Prof. Marketing & Soft Skills BIITM, BBSR







## CERTIFICATE

of Internship Completion

This certificate is awarded to

Badal Kumar Bisoyi

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

Zoya Saif Director, Arcos Aasish Kumar Topno Director-HRBP, FC/MH Shahnawaz Khan Director-L&D, eKart

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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 smaller towns and cities opt for the online route. Major retailers face 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 (FKL) 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 30-day return policy and flipkart bearing courier charges for returned products.

Flipkart when it started employed the consignment model of procurement as it was the most risk free way to operate but then they changed to

Inventory model to ensure superior delivery times. But with foreign direct investment (FDI) favoring the marketplace model in April 2013, Flipkart changed its business model to marketplace model.

WS Retail a pet project of 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 support team to ensure customer delight. This causes them to build a lot of slack into their existing systems causing higher costs at several points in the supply chain. How they address this challenge is what will determine their future success.

#### **INTRODUCTION:**

Internet is changing the way consumers shop and buy goods and services and has rapidly evolved into a global phenomenon. Many companies have started using the Internet with the aim of cutting marketing costs, thereby reducing the price of their products and services in order to stay ahead in highly competitive markets. Companies also use the Internet to convey, communicate and disseminate information, to sell the product, to take feedback and also to conduct satisfaction surveys with customers. Customers use the Internet not only to buy the product online, but also to compare prices, product features and after sale service facilities they will receive if they purchase the product from a particular store. Many experts are optimistic about the prospect of online business. In addition to the tremendous potential of the E-commerce market, the Internet provides a unique opportunity for companies to more efficiently reach existing and potential customers.

Through electronic marketing and internet communication business firms are coordinating different marketing activities such as market research, product development, inform customers about product features, promotion, customer services, customer feedback and so on.

Online shopping is used as a medium for communication and electronic commerce, it is to increase or improve in value, quality and attractiveness of delivering customer benefits and better satisfaction, that is why online shopping is more convenience and day by day increasing its popularity. Not only benefits but also risk is associated with online

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#### **E-COMMERCE PLATFORM FLIPKART:**

Flipkart was founded in October 2007 by <u>Sachin Bansal</u> and <u>Binny Bansal</u>, alumni of the <u>IIT, Delhi</u> and former <u>Amazon</u> 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 WeRead from Lulu.com.

Flipkart is an Indian e-commerce company, headquartered in <u>Bangalore</u>, <u>Karnataka</u>, India, and incorporated in <u>Singapore</u> as a <u>private limited company</u>. The company initially focused on online book sales before expanding into other product categories such as <u>consumer electronics</u>, fashion, home essentials, groceries, and lifestyle products.

The service competes primarily with <u>Amazon</u>'s Indian subsidiary and domestic rival <u>Snapdeal</u>. 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 <u>Myntra</u>, and was described as being "neck and neck" with Amazon in the sale of electronics and <u>mobile phones</u>. Flipkart also owns <u>PhonePe</u>, a <u>mobile payments</u> service based on the UPI.

In August 2018, U.S.-based retail chain <u>Walmart</u> acquired a 77% controlling stake in Flipkart for <u>US</u>\$16 billion, valuing Flipkart at around \$20 billion.

#### **Partnerships and Acquisitions**

**Acquisitions** 

In 2011, Flipkart acquired the <u>digital distribution</u> business Mime360.com and the digital content library of the <u>Bollywood</u> portal Chakpak. Following this acquisition, Flipkart launched their <u>DRM-free online music store</u> Flyte in 2012. Because of competition from free streaming sites, the site was unsuccessful and shut down in June 2013.

With its eyes on India's retail market, Flipkart acquired Letsbuy, an online electronics retailer, in 2012, and Myntra, an online fashion retailer, for \$280 million in May 2014.

Myntra continues to operate alongside Flipkart as a standalone subsidiary focusing on separate market segments. In April 2015, Flipkart acquired Appiterate, a <u>Delhi</u>-based <u>mobile marketing</u> automation firm. Flipkart stated that it would use Appiterate's technology to enhance its mobile services. In December 2015, Flipkart purchased a minority stake in the digital mapping provider <u>Mapmylndia</u>. In 2016, Flipkart acquired the online fashion retailer <u>Jabong.com</u> from <u>Rocket Internet</u> for \$70 million and the <u>UPI mobile payments</u> startup <u>PhonePe</u>. In January 2017, Flipkart made a \$2 million investment in <u>TinyStep</u>, a parenting information startup. Flipkart invested \$35 million in Arvind Fashions Limited's newly formed subsidiary Arvind Youth Brands for a 27% stake in the company. Arvind Youth Brands owns Flying Machine.

Flipkart Wholesale recently launched a digital platform for <u>kiranas</u> and <u>MSMEs</u>. In October 2020, Flipkart acquired a 7.8% stake in <u>Aditya Birla Fashion and Retail</u> for \$204 million.

#### **Partnerships**

In April 2017, eBay announced that it would sell its Indian subsidiary, eBay.in, to Flipkart and invest \$500 million in the company. While eBay suggested that the partnership would eventually allow Flipkart to access eBay's network of international vendors, these plans never actually came to fruition. In July offer 2017. **Flipkart** made an to acquire its main domestic competitor, Snapdeal, for \$700-800 million. It was rejected by Snapdeal, which was seeking at least \$1 billion.

In August 2019, Flipkart entered into a partnership with <u>Authentic Brands</u> to license and distribute <u>Nautica</u> in India. Flipkart invested \$4 million in the customer engagement and rewards platform EasyRewardz on 19 November 2019.

#### **Mobile retailing**

In February 2014, Flipkart partnered with Motorola Mobility to be the exclusive Indian retailer of its Moto G smartphone. Motorola also partnered with Flipkart on the Moto E, a phone targeted primarily towards emerging markets

such as India. High demand for the phone following its midnight launch on 14 May caused the Flipkart website to crash. Flipkart subsequently held exclusive Indian launches for other smartphones, including the Xiaomi Mi 3 in July 2014 (whose initial release of 10,000 devices sold out in around 5 seconds), the Redmi 1S and Redmi Note in late 2014, and Micromax's Yu Yunique 2 in 2017. Flipkart held a 51% share of all Indian smartphone shipments in 2017, overtaking Amazon India (33%).

On 6 October 2014, in honor of the company's anniversary and the <u>Diwali</u> season, Flipkart held a major sale that it promoted as "Big Billion Day". The event generated a surge of traffic, selling \$100 million worth of goods in 10 hours. The event received criticism via <u>social media</u> over technical issues the site experienced during the event and stock shortages.

In October 2015, Flipkart reprised the Big Billion Day event as a multi-day event exclusive to the Flipkart app. Flipkart bolstered its supply chain and introduced more fulfillment centers to meet customer demand. Flipkart achieved a gross merchandise volume of \$300 million during the event, with the largest volumes coming from fashion sales and the largest value coming from mobiles. In 2017, Flipkart sold 1.3 million phones in 20 hours on 21 September in its Big Billion Days promotion, doubling the number sold on the first day of the same event in 2016.

In March 2015, Flipkart blocked access to its website on mobile devices and began requiring that users download the site's <u>mobile app</u> instead. The following month, <u>Myntra</u> went further and discontinued its website on all platforms, operating exclusively through its app. The "app-only" model, however, proved to be unsuccessful for Myntra, reducing its sales by 10%, and its main website was reinstated in February 2016. The experiment with Myntra led to rumors that

Flipkart itself would perform a similar move, but the company did not follow suit. In November 2015, Flipkart launched a new mobile website branded as "Flipkart Lite" that provides an experience inspired by Flipkart's app and runs in smartphone web browsers.

#### **Acquisition by Walmart**

On 4 May 2018, it was reported that the US retail chain <u>Walmart</u> had won a bidding war with Amazon to acquire a majority stake in Flipkart for \$15 billion. On 9 May 2018, Walmart officially announced its intent to acquire a 77% controlling stake in Flipkart for \$16 billion. Following the purchase, Flipkart co-founder Sachin Bansal left the company. The remaining management team now reports to <u>Marc Lore</u>, <u>CEO</u> of Walmart eCommerce US. Walmart president <u>Doug McMillon</u> cited the "attractiveness" of the market, explaining that their purchase "is an opportunity to partner with the company that is leading transformation of eCommerce in the market". Indian traders protested against the deal, considering the deal a threat to domestic business.

In a filing with the <u>U. S. Securities and Exchange Commission</u> on 11 May 2018, Walmart stated that a condition of the deal prescribed the possibility that Flipkart's current minority shareholders "may require Flipkart to effect an <u>initial public offering</u> following the fourth anniversary of the closing of the transactions at a valuation no less than that paid by Walmart".

Following the announcement of Walmart's deal, eBay announced that it would sell its stake in Flipkart back to the company for approximately \$1.1 billion and relaunch its own Indian operations. The company stated that "there is the huge growth potential for e-commerce in India and significant opportunity for multiple players to succeed in India's diverse, domestic market." Softbank Group also sold its entire 20% stake to Walmart without disclosing terms of the sale.

The acquisition was completed on 18 August 2018. Walmart also provided \$2 billion in equity funding to the company.

On 13 November 2018, Flipkart CEO <u>Binny Bansal</u> resigned after facing an allegation of "serious personal misconduct". Walmart stated that "while the

ass	investigation did not find evidence to corroborate the complainant's assertions against Binny, it did reveal other lapses in judgment, particularly a lack of transparency, related to how Binny responded to the situation."										

#### **NEED FOR THE STUDY**

Marketing is basically addressing the consumer's needs more effectively and efficiently with better product and services with better price, shopping access and deliver. A good marketer constantly adapts to change and to satisfying consumers need in better way. Sometimes opportunity to address the consumers in better way is designed by marketers himself and sometimes it is offered by the technology. Internet is changing the way consumers shop for goods and services and has rapidly evolved into a global event. People are getting busy with their own work. In their busy schedule they don't find time for shopping. Online shopping can save a lot of time for them. They can do this from their office or home by browsing on the net this paper is to analyze who the consumers are satisfied out of the online services.

#### **OBJECTIVES OF THE STUDY:**

- To know about supply chain of Flipkart.
- To identify the critical elements of operation
- To analyze the human resource management process.

#### **INDUSTRY ANALYSIS:**

The 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. India e-commerce sector is expected to reach US\$ 111.40 billion by 2025 from US\$ 46.20 billion in 2020, growing at a 19.24% CAGR, with grocery and fashion/apparel likely to be the key drivers of incremental growth. According to Forrester Research, Indian e-commerce sales rose by ~7-8% in 2020. 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%.

The India's e-commerce market is expected to reach US\$ 350 billion by 2030. By 2021, total e-commerce sales are expected to reach US\$ 67-84 billion from the US\$ 52.57 billion recorded in 2020.

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.

The Indian e-commerce sector is ranked 9th in cross-border growth in the world, according to Payoneer report. Indian e-commerce is projected to increase from 4% of the total food and grocery, apparel and consumer electronics retail trade in 2020 to 8% by 2025. India's e-commerce orders volume increased by 36% in the last quarter of 2020, with the personal care, beauty and wellness (PCB&W) segment being the largest beneficiary. E-commerce sales in India were estimated to increase by only 7-8% in 2020, compared with 20% in China and the US. The e-commerce market is expected to touch the US\$ 84-billion mark in 2021 on the back of healthy growth in the Indian organised retail sector.

As most Indians have started shopping online rather than stepping outside their houses, the Indian e-commerce sector witnessed an increase. India's e-commerce festive sale season from October 15 to November 15 in

2020 recorded Rs. 58,000 crore (US\$ 8.3 billion) worth of gross sales for brands and sellers, up 65% from Rs. 35,000 crore (US\$ 5 billion) last year.

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. India's e-commerce order volume increased by 36% in the last quarter of 2020, with the personal care, beauty & wellness (PCB&W) segment being the largest beneficiary.

Driven by beauty and personal care (BPC), India's live commerce market is expected to reach a gross merchandise value (GMV) of US\$ 4-5 billion by 2025.

For the 2021 festive season, Indian e-commerce platforms are anticipated to generate over US\$ 9 billion gross GMV (Gross Merchandise Value), a 23% increase from last year's US\$ 7.4 billion.

Huge investments from global players—such as Facebook, which is investing in Reliance Jio—are being recorded in the e-commerce market. Google also reported its first investment worth US\$ 4.5 billion in Jio Platforms. This deal was followed by the purchase of Future Group by Reliance Retail, expanding the presence of the Ambani Group in the e-commerce space.

Much of the growth in the industry has been triggered by increasing 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. Online penetration of retail is expected to reach 10.7% by 2024 compared with 4.7% in 2019. Moreover, online shoppers in India are expected to reach 220 million by 2025. According to a report published by IAMAI 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. Smartphone shipments in India increased by ~23% YoY to reach 38 million units in the first quarter of 2021, driven by new product launches and delayed demand from 2020. Xiaomi led the Indian smartphone market with 26% shipping, followed by Samsung (20%).

By 2025, India will be home to 650 million users who consume short-form videos.

The Government of India's policies and regulatory frameworks such as 100% Foreign Direct Investment (FDI) in B2B E-commerce and 100% FDI under automatic route under the marketplace model of B2C E-commerce are expected to further propel growth in the sector.

As per the new FDI policy, online entities through foreign investment cannot offer the products which are sold by retailers in which they hold equity stake.

As of October 11, 2021, the Government e-Marketplace (GeM) portal served 7.78 million orders worth Rs. 145,583 crore (US\$ 19.29 billion) to 54,962 buyers from 2.92 million registered sellers and service providers.

Through its Digital India campaign, the Government of India is aiming to create a trillion-dollar online economy by 2025. It has formed a new steering committee that will look after the development of a government-based ecommerce platform. The new committee, set up by the Commerce Ministry, will provide oversight on the policy for the Open Network for Digital Commerce (ONDC), which is an e-commerce platform that the government is backing for the development. The ONDC will serve as the infrastructure for setting up the final storefront, which will be similar to Flipkart and Amazon.

#### **COMPANY ANALYSIS:**

The initial development budget of Flipkart was INR ₹400,000 (US\$5,300). It later raised funding from venture capital firms Accel India (receiving US\$1 million in funding in 2009) and Tiger Global (US\$10 million in 2010 and US\$20 million in June 2011). On 24 August 2012, Flipkart announced the completion of its 4th round of funding, netting a total of US\$150 million from MIH (part of the Naspers Group) and ICONIQ Capital. The company announced on 10 July 2013 that it had raised an additional US\$200 million from existing investors, including Tiger Global, Naspers, Accel Partners and Iconiq Capital.

Flipkart's reported sales were ₹40 million (US\$530,000) in the <u>FY</u> 2008–2009, ₹200 million (US\$2.7 million) in the FY 2009–2010<sup>[87]</sup> and ₹750 million (US\$10 million) in the FY 2010–2011.

Flipkart reported a loss of ₹2.81 billion (US\$37 million) for the FY 2012-13. In July 2013, Flipkart raised \$160 million from private equity investors.

In October 2013, it was reported that Flipkart had raised an additional US\$160 million from new investors <u>Dragoneer Investment Group</u>, <u>Morgan Stanley Wealth Management</u>, <u>Sofina SA</u>, and <u>Vulcan Inc.</u>, with a share of the funding coming from existing investor Tiger Global.

On 26 May 2014, Flipkart announced that it had raised US\$210 million from <u>Yuri Milner's DST Global</u> and its existing investors Tiger Global, Naspers, and Iconiq Capital.

On 29 July 2014, Flipkart announced that it raised US\$1 billion from Tiger Global, Accel Partners, Morgan Stanley Investment Management, and a new investor, Singaporean sovereign-wealth fund <u>GIC</u>.

In December 2014, after it received \$700 million from another round of funding, Flipkart had a market cap of \$11 billion.

On 20 December 2014, Flipkart announced its filing application with Singapore-based company regulator ACRA to become a public company. This announcement came after the company received \$700 million in long-term strategic investments from more than 50 Indian investors. The \$700 million in funding raised by Flipkart added new investors to the company's board, including Baillie Gifford, Greenoaks Capital, Steadview Capital, T. Rowe Price

Associates, and Qatar Investment Authority. Its existing investors DST Global, GIC, ICONIQ Capital and Tiger Global also participated in this financing round.

As of May 2015, Flipkart had raised \$550 million in additional funding from its existing investors in a deal that raised its total valuation to \$15 billion.

By August 2015, after raising another US\$700 million, Flipkart had raised a total of \$3 billion over 12 rounds of funding from 16 major investors. In April 2017, Flipkart underwent another round of funding, receiving \$1.4 billion in funding from investors including <u>eBay</u>, <u>Microsoft</u>, and <u>Tencent</u>. On 10 August 2017, <u>SoftBank Vision Fund</u> invested another US\$2.5 billion in Flipkart.

On 19 September 2018, Flipkart Marketplace Singapore infused ₹3,463 crore into Flipkart Internet. The transaction was done in two tranches, according to regulatory filings.

#### **COMPETITORS ANALYSIS:**

Flipkart competitors include Alibaba Group Holding Limited, Amazon, Etsy, eBay and Snapdeal. Flipkart ranks 1st in Gender Score on Comparably vs its competitors. See below how Flipkart compares to its competitors with CEO Rankings, Product & Services, NPS, Pricing, Customer Services, Overall Culture Score, eNPS, Gender and Diversity Scores.

#### **Product Quality Score Comparison:**

#### Flipkart Ranks 2nd in Product Quality Score

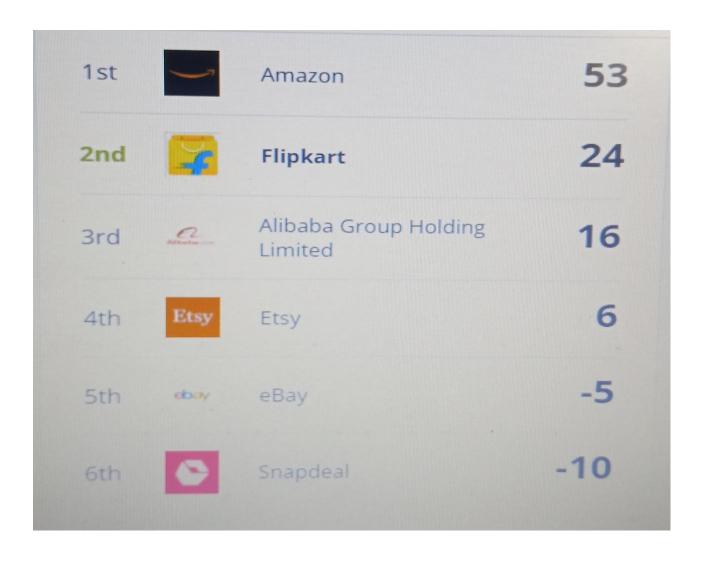
283 customers rate Flipkart's Product Quality Score a 3.9/5, which ranks it 2<sup>nd</sup> against its competitors, below Amazon.



#### **NPS Cpmparison:**

#### Flipkart Ranks 2nd in Net Promoter Score

287 Customers rate Flipkart's Net Promoter Score a 24, which ranks it 2nd against its competitors, below Amazon. Net Promoter score tracks customers' overall score to this question - "On a scale from 0-10, how likely are you to recommend Flipkart to a friend?".



#### **Pricing Score Comparison:**

#### Flipkart Ranks 3rd in Pricing Score

258 Customers rate Flipkart's Pricing Score a 3.7/5, which ranks it 3rd against its competitors, below Alibaba Group Holding Limited.



#### **Customer Service Comparison:**

#### Flipkart Ranks 2nd in Customer Service

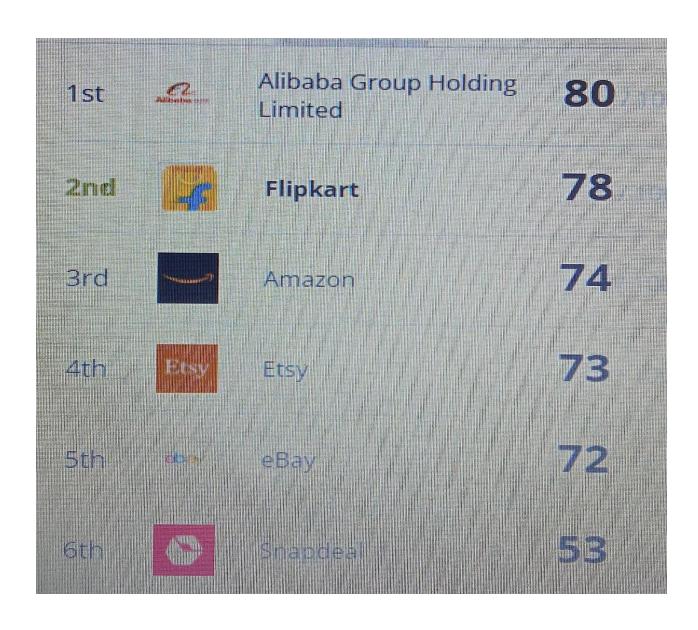
244 Customers rate Flipkart's Customer Service a 3.9/5, which ranks it 2nd against its competitors, below Amazon.



#### **Overall Culture Score Comparison:**

#### Flipkart Ranks 2nd in Overall Culture Score

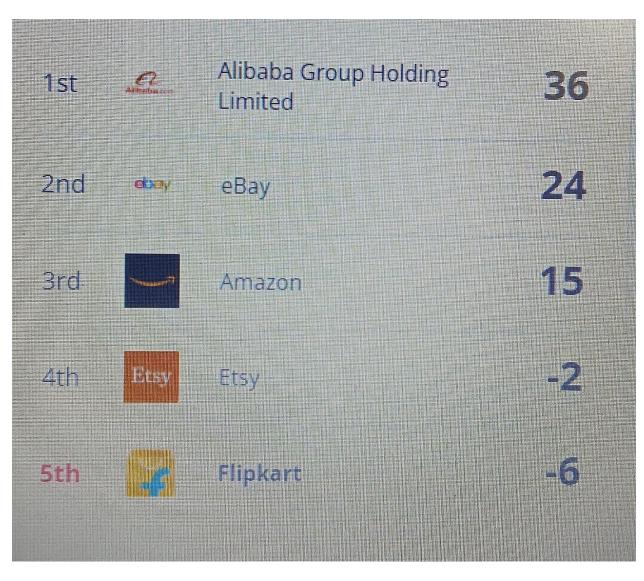
215 Employees rate Flipkart's Overall Culture a 78/100, which ranks it 2nd against its competitors, below Alibaba Group Holding Limited. Overall Culture scores are aggregated from all of the questions employees at a company answer on Comparably.



#### **eNPS Comparison:**

#### Flipkart Ranks 5th in Employee Net Promoter Score

158 Employees rate Flipkart's Employee Net Promoter Score a -6, which ranks it 5th against its competitors, below Etsy. Employee Net Promoter score tracks employees' overall score to this question - "On a scale from 0-10, how likely are you to recommend working at Flipkart to a friend?".



#### **Gender Score Comparison:**

#### Flipkart Ranks 1st in Gender Score

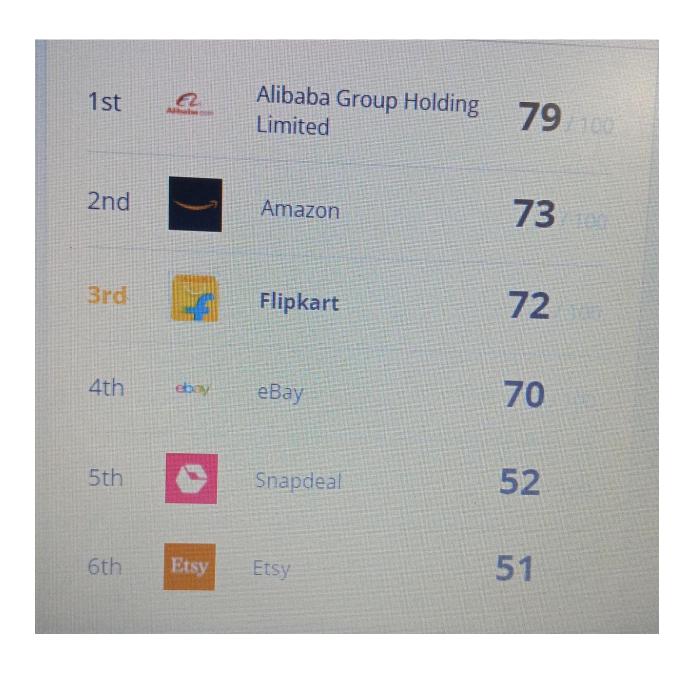
6 Employees rate Flipkart's Gender Score a 80/100, which ranks it 1st against its competitors. The Gender Score tracks how positively women rate their experience at Flipkart.



#### **Diversity Score Comparison:**

#### Flipkart Ranks 3rd in Diversity Score

26 Employees rate Flipkart's Diversity Score a 72/100, which ranks it 3rd against its competitors, below Amazon. The Diversity Score tracks how positively diverse employees rate their experience at Flipkart.



#### **CUSTOMER PROFILE ANALYSIS:**

Flipkart is considered to be one of the best platforms for online shopping. Either we talk about some gadgets or apparel, Flipkart has always shown up their best quality service. Flipkart has mainly grown its business through digital marketing strategy. Let's discuss, What strategy do they follow? How do they convert their one time customers to loyal customers? How does Flipkart manage to increase the number of its customers?

#### Target audience

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

It lays focus on people seeking variety and who prefer to experience a hassle-free shopping approach from home. It tries to expand its services to every location in the country where deliveries are possible. It comes up with smart marketing strategies to seize the attention of its audience who hold the purchasing power, to influence that online shopping is better than traditional shopping.

#### Search Engine Optimization

Flipkart being the largest online retailer in India has worked immensely on optimizing its platform to rank on the search engine. Every time someone

searches for a product, Flipkart appears among the top 2 results, and it is all possible because Flipkart has put a lot of effort into SEO.

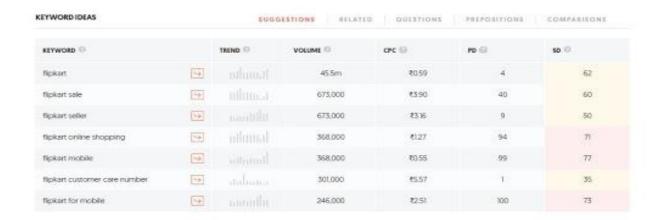
As per <u>Ubersuggest</u>, a keyword tool by Neil Patel, Flipkart has a search volume of 45,500,000 while 22.5M people click on SEO results in India.

The average web page that ranks in the top 10 has 560 backlinks and a domain score of 93. These stats are really amazing.

The graph below shows the monthly search volume of Flipkart. As per the latest results in the month of July, Flipkart had a total of 55.6 million searches, out of which 11.3 million were mobile searches while 44.3 million desktop searches.



Ubersuggest gives an idea of keywords for which Flipkart is being searched over the internet. The graph below shows different keywords and their search volume.

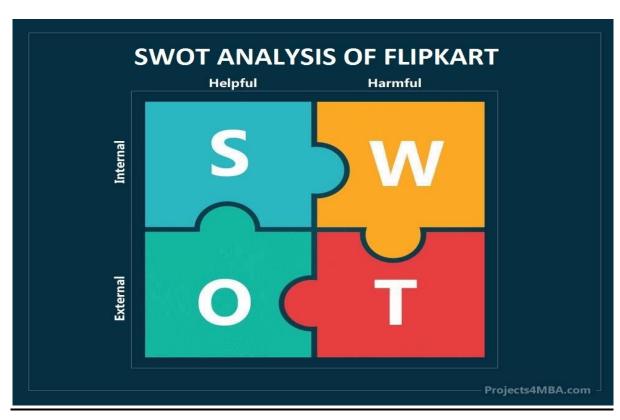


As you can see, Flipkart has a search volume of 45.5m which is followed by the Flipkart sale which has a volume of 673000. These are the top keywords that people search on the internet.

#### **SWOT ANALYSIS OF FLIPKART:**

SWOT Analysis of Flipkart focuses on Strengths, weaknesses, opportunities, and threats. Strength and Weaknesses are internal factors and Opportunities and Threats are the external factors that influence the SWOT Analysis of Flipkart.

On any list of the best Indian online businesses, Flipkart would undoubtedly be at the top of the list. Flipkart is one of the few Indian companies with a market capitalization greater than 2 billion dollars, and the company is currently valued at more than 11 billion dollars. The company was founded in 2007 by the Bansal brothers, Sachin and Binny, who took it to dizzying heights during their tenure. Walmart, a U.S.-based retailing giant, acquired a 77 percent controlling stake in Flipkart for US\$16 billion, valuing the company at approximately \$20 billion at the time of acquisition.



#### Strength of Flipkart:

- Large Company: Flipkart is India's largest e-commerce company, with a GMV (gross merchandise value) of \$1 billion.
- Market Share: Flipkart has a market share of 39.5%.
- Financials: Flipkart has annual revenue of 6.1 billion US Dollars.
- Financial Support from Wal-Mart: Flipkart has 77% stake in Wal-Mart a global retail giant. Whose Prior experience in the E-commerce industry aided the founders in strategizing and differentiating their business in a highly competitive market.
- Acquisitions: The Company's series of acquisitions, including chakpak.com, weread.com, Letsbuy.co, Mine360, and Myntra, has assisted the company in its expansion into the E-commerce space by leveraging the capabilities and existing resources of acquired companies.
- High brand recall: Flipkart has established itself as a renowned Ecommerce company in India through television advertisements, online
  branding, and its presence on social media platforms. Brand activities such
  as the "Big billion day" have significantly increased the company's brand
  recall.
- Own Payment Gateway & Logistics Arm: Having its own Logistics arm is advantageous. The company has been able to control its expenses through E-kart and the payment gateway Payzippy. As a result, the benefits are passed on to the end users.
- Exclusive and broad product range: Having exclusive rights to launch some products, such as Motorola Mobiles, Xiaomi Mobiles, Oppo, Vivo, and personal designers segments in the garments category, has helped the company differentiate and localize its offerings.
- Brand Portfolio: Flipkart has built a strong portfolio of brands. The SWOT analysis of Flipkart clearly confirms this element. This organization's

brand portfolio can be extremely useful for them if they want to enter new product lines.

- Launch New Products: Highly regarded when it comes to launching the new products.
- Good ROI: Flipkart is relatively successful at the execution of new projects and it generates good profits through its existing business. Company is generating good Return on its investments.
- Good Promotional Income: Flipkart charge extra for promoting products of its seller. This model always is beneficial for the company.
- Large Employee Base: Flipkart has an employee base of 30,000+ employees.
- Good Training and Development Programmes for its Employees: High level personal skills can be acquired through training and development programmes. Flipkart is providing continuous training and development of its employees resulting in an enthusiastic and motivated team.

#### Weakness of Flipkart:

- 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 of Flipkart:

- **Business expansion:** By focusing on other emerging markets, a company can increase its revenues while also benefiting from economies of scale.
- **Expanding product categories:** This will increase their customer base while decreasing the cost of acquisition and customer switch.
- The changing mentality of Indian customers: As an increasing number of customers become more comfortable with online shopping, as well as an increase in the number of Internet users in India, there is tremendous opportunity in this industry.
- **Supply chain:** By optimising their supply chain, they can compete with the other players and manage the sales that are lost as a result of not being able to make the product available due to delivery constraints.
- Establishing operations in other developing economies: Similar to Amazon, Flipkart can gradually begin to expand its operations outside of India and establish operations in other countries as well, which will aid in the growth of its revenues.
- Consumer Behaviour: The new trends in consumer behaviour will open up new opportunities for Flipkart. This has given a great opportunity

for the organization to expand revenue streams and to diversify into new product categories.

#### **Threats of Flipkart:**

- Intense Competition: 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.
- Government Regulations: 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.

# **PLANT LAYOUT**





### **FINDINGS**

- ➤ As the warehouse is very big and a lot of items are being stored, each and every employee in the warehouse is working very hard for the continuous flow of products to the customers.
- Sometimes because of server issue there is a disruption in the continuation of the work.
- ➤ Here the work process is very fast because of which the employees who are new to the warehouse got confused and mistakes are happened.
- > People management needs more improvement.
- > As the entire organization depends upon the human resources which are not taken proper care of.
- > Disparity between employees and supervisor.

#### **SUGGESTIONS**

- There should be a proper communication between the supervisor and the employees so that the work can be done smoothly.
- There are equipments which can transfer the consignment to the exact station where the employees have to receive but still employees are doing it by themselves which is very time consuming. The transfer vehicles should be present at very moment so that the consignment can reach to the employees without any delay and the work should be in a continuous process.
- As the work process is too fast, here the employees needs to be trained first about the actual work they have to do in the warehouse.

#### **CONCLUSIONS**

Flipkart began operations on the consignment model; goods were procured from suppliers on demand, based on the orders received through the website. Later, the books-to-electronics e-shop adopted the warehouse model. The company had its own warehouses, and maintained its own inventory. However, in July 2013, Flipkart launched its model of marketplace just one month after Amazon launched its marketplace in India.

It introduced payments brand PayZippy for online merchants and customers seeking fast, hassle- free and safe payment options. Some 70 per cent of its shipments are done by its own logistics company and about half of deliveries are on a cash-on-delivery basis.

Flipkart has recently introduced the next day guarantee delivery service and shopping from its own mobile application. Given the critical mass of transactions Flipkart controls - about 100,000 a day - the company is betting that it has the volumes to lay the foundation of what will be a profitable business.

Last but not the least; Flipkart has very clearly prioritized customer delight as its chief avenue for customer acquisition and retention. This causes them to build a lot of slack into their existing systems causing higher costs at

	he supply chain. r future success.	ddress this cl	nallenge is wh	nat

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# THANKYOU!