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**STUDENT NAME- TRIDIESH
PRASAD SWAIN
BPUT REGD.NO. - 2006258239**

**FACULTY COORPORATE GUIDE-
PROF. MIHIR KUMAR NAYAK**



**PROJECT REPORT ON
INVENTORY MANAGEMENT IN RETURN CENTRE AT FLIPKART**

**BY
TRIDIESH PRASAD SWAIN**

**UNDER THE GUIDANCE OF
PROF. MIHIR KUMAR NAYAK**



PATIA, BHUBANESWAR – 751024, ODISHA

Phone no: 0743000111 , 9040003344 Email: info@biitm.ac.in,

biitmbbsr@yahoo.com

CERTIFICATE OF FLIPKART



CERTIFICATE

of Internship Completion

This certificate is awarded to
TRIDIBESH PRASAD SWAIN

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

A handwritten signature in blue ink.

Zoya Saif
Director, Arcos

A handwritten signature in blue ink.

Aasish Kumar Topno
Director-HRBP, FC/MH

A handwritten signature in blue ink.

Shahnawaz Khan
Director-L&D, eKart

INTERNAL GUIDE CERTIFICATE

This is to certify that the report entitled “**Project report on inventory management in return centre at flipkart**”. It has been prepared by Mr. Tridibesh Prasad Swain under my supervision and guidance Prof. Mihir Kumar Nayak, BIITM for the fulfillment of virtual summer internship program of Master in Business Administration. Her fieldwork is satisfactory.

(Signature guide)

Prof. Mihir Kumar Nayak

DECLARATION

I Tridibesh Prasad Swain bearing Registration Number-2006258239 do hereby declare that the project entitled “Project study on inventory management in return centre at Flipkart” is the original work done by me and submitted to **Biju Patnaik University of Technology, Odisha** in partial fulfillment of requirement for the award of **Master in Business Administration** is a record of original work done by me under the supervision of Prof. Mihir Kumar Nayak.

Date:

Tridibesh Prasad Swain

Place: Bhubaneswar

Regd No. :2006258239

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At last but not least gratitude goes to all of my friends who directly or indirectly helped me to complete this project report.

Any omission in this brief acknowledgement does not mean lack of gratitude.

Thanking You

Tridibesh

Prasad Swain

ABSTRACT

Apart from the regular duty, the present report is a replica of the work done by me at Flipkart, during the 45 days of training period. The project entitled, “PROJECT REPORT ON **INVENTORY MANAGEMENT IN RETERUN CENTRE AT FLIPKART**” makes an attempt to study about how flipkart a,” Big box” run behind the scene. The report is all about the process which is being carried out in the inventory management. And the different type of techniques and analysis that is done to carry out the further process. All the process which are being carried out in the warehouse was carried by their own customized software name as flolite.

Furthermore, the facility layout was studied and we introduced a production station within the warehouse, which resulted in better space optimization/utilization of the warehouse. The work is done with the help of both manually and by the system. The basic financial purpose of a firm is to maximize its value. An inventory management system should also contribute to realization of this basic aim. This project says, all the work apart from placing the order till receiving it involves lots of work that is done within the organization.

The project has been a great learning experience and at the same time it also provide a wide scope to explore in the corporate world like flipkart (Haringhata),Asia’s 2nd largest warehouse.

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Chapter-1

INTRODUCTION

TOPIC:” PROJECT REPORT ON INVENTORY MANAGEMENT IN RETERUN CENTRE AT FLIPKART”

Flipkart - Worlds top 10 most visited E-commerce website in India with regards to traffic. Multiple payment methods available for customers to make payment more easy. Fastest growing e- commerce website in India • It sells nearly 30 products per minute. Online Retail Industry . It is one of the leading e-commerce players in the country .

With over 11.5 million book titles listed, 11 different categories, more than 2 million registered users and sale of 30000 items a day. The idea of e-commerce is accepted terribly quickly by the Indian shopper. the largest drivers for on-line looking is that the shortage of your time, the handiness of a range of product at terribly competitive costs and retailers facing a challenge in accommodating a range of stock for the shoppers, therefore prompting them to resort to e-retailers.

In a densely populated country like India the spread, and consequent adoption of e-commerce, thus, solely appears logical. With many putative brick-and-mortar retailers additionally giving online services, it appears natural the trend of looking remotely can rescale well. As there's a competitive atmosphere during this sector, online retailers try and offer numerous services like versatile payment strategies, warranties for electronic merchandise and free home delivery with terribly competitive costs.

In any business or organization, all functions are interlinked and connected to each other and are often overlapping. Some key aspects like supply chain management, logistics and inventory form the backbone of the business delivery function. Therefore these functions are extremely important to marketing managers as well as finance controllers.

Inventory management is a very important function that determines the health of the supply chain as well as the impacts the financial health of the balance sheet. Every organization constantly strives to maintain optimum inventory to be able to meet its requirements and avoid over or under inventory that can impact the financial figures.

Inventory is always dynamic. Inventory management requires constant and careful evaluation of external and internal factors and control through planning and review. Most of the organizations have a separate department or job function called inventory planners who continuously monitor, control and review inventory and interface with production, procurement and finance departments.

Inventory is an idle stock of physical goods that contain economic value, and are held in various forms by an organization in its custody awaiting packing, processing, transformation, use or sale in a future point of time.

Any organization which is into production, trading, sale and service of a product will necessarily hold stock of various physical resources to aid in future consumption and sale. While inventory is a necessary evil of any such business, it may be noted that the organizations hold inventories for various reasons, which include speculative purposes, functional purposes, physical necessities etc.

From the above definition the following points stand out with reference to inventory:

- All organizations engaged in production or sale of products hold inventory in one form or other.
- Inventory can be in complete state or incomplete state.
- Inventory is held to facilitate future consumption, sale or further processing/value addition.
- All inventoried resources have economic value and can be considered as assets of the organization.

Inventory of materials occurs at various stages and departments of an organization. A manufacturing organization holds inventory of raw materials and consumables required for production. It also holds inventory of semi-finished goods at various stages in the plant with various departments. Finished goods inventory is held at plant, FG Stores, distribution centers etc. Further both raw materials and finished goods those that are in transit at various locations also form a part of inventory depending upon who owns the inventory at the particular juncture. Finished goods inventory is held by the organization at various stocking points or with dealers and stockiest until it reaches the market and end customers.

Besides Raw materials and finished goods, organizations also hold inventories of spare parts to service the products. Defective products, defective parts and scrap also forms a part of inventory as long as these items are inventoried in the books of the company and have economic value.

OBJECTIVES

- To study the inventory management of Return centre.
- To analyzed the work done in the receiving station.
- To study the ABC analysis of flipkart.

SCOPE

The technique adopted is that the study method. The corporate elite is Flipkart . which can facilitate the new businessperson to grasp the importance and development of economical offer chain management for booming business. The study additionally intends to spotlight however low inventory price results in a low budget value.

Inventory management helps to manage the stock of the company. it provides proper details of the products what kind of raw material, what are the sizes we require and etc. to the purchasing department.

When the inventory management provides proper information to management, they buy according to them which helps the company to store fewer products.

Inventory management helps to improve the productivity of the machines and manpower. Employees are aware of stocks and the quantity that require to produce.

Inventory management helps to improve the profits of the company. it helps to provide proper information about stocks, that saves the unnecessary expenses on stocks.

LIMITATIONS

- There is somehow a communication gap.
- Availability of resources
- Limited time to study as it was only of 45 days of internship.

Methodology

This includes the method used while conducting the research. Only secondary data is used for this project. All data are collected from secondary source. Secondary source are research articles from journals, magazines, newspapers, books and reports, internet.

Chapter-2

COMPANY PROFILE

Company Profile - Flipkart

Founded in October 2007, Flipkart is one of India's leading e-commerce marketplaces, with headquarters in Bengaluru. Flipkart was founded by Sachin Bansal and Binny Bansal and the company initially started as an online book store. Later, as the company's popularity grew, it also started selling other items such as music, movies and mobile phones. As the e-commerce revolution gained momentum in India, Flipkart grew at an accelerated pace and added several new product ranges in its portfolio. As of now, the company offers more than 80 million products spread across more than 80 categories such as mobile phones & accessories, computers and accessories, laptops, books and e-books, home appliances, electronic goods, clothes and accessories, sports and fitness, baby care, games and toys, jewelry, footwear, etc.

Flipkart has 100 million registered users and more than 100 thousand sellers on its e-commerce platform. The company has invested in 21 state-of-the-art warehouses to ensure prompt delivery to its customers. The Flipkart website attracts 10 million page hits every day and around 8 million shipments are processed every month. Flipkart has also introduced its mobile app, which has become quite popular, with more than 50 million app users. Flipkart is a billion dollar company and its valuation in 2016 was Rs 15,129 crore (US\$2.3 billion). It employs more than 33,000 people.

History: Flipkart started as an online bookstore in October 2007. The founders Sachin Bansal and Binny Bansal left their jobs at Amazon.com to launch their own company. It was a risky move, since the e-commerce sector in India was mostly non-existent at that time and there was no certainty about its future. However, the founders took the risk and now it has turned out to be a huge success. One of the major problems that Flipkart tackled during its initial years was online payments. At that time, people in India were averse to make online payments to a virtual store. Flipkart solved the problem by launching its 'Cash on Delivery' service, which helped build confidence among online buyers. Flipkart also made significant efforts to improve the supply chain system, which helped the company to ensure timely delivery to customers. In 2013, the company created a record by selling one lakh books on a single day. In 2016, Flipkart had crossed the 100 million mark in registered customers.

Funding: Flipkart has received more than \$ 4.5 billion in funds till date, with the biggest funding coming in July 2014 worth \$ 1 billion and in April 2017 worth \$ 1.4 billion. Some of the top investors in Flipkart include Naspers, Steadview Capital, Tiger Global Management, DST Global, Accel Partners, Dragoneer Investment Group, Baillie Gifford, GIC, Greenoaks Capital, ICONIQ Capital, Microsoft, Morgan Stanley, Qatar Investment Authority, and Sofina.

Acquisitions: With fierce competition in the e-commerce market, a slew of mergers and acquisitions have been witnessed in the e-commerce sector in recent years. Flipkart has acquired a range of businesses in recent years to boost its product and service offerings. Some of the key acquisitions made by Flipkart include Myntra, eBay India, PhonePe, Jabong, Letsbuy.com, WeRead, Mime360, chakpak.com, Appiterate, FX Mart, and ngpay. The most recent acquisition was Snapdeal that was a competitor to Flipkart. Snapdeal has been acquired at a cost of \$950 million.

Competition: With Snapdeal in its kitty, Flipkart now has only one major competitor Amazon India. However, having only one is enough since Amazon is betting big on India's e-commerce

revolution and has committed \$5 billion investments in Amazon India. The company has already received \$2 billion in funding and \$3 billion more are planned. Amazon India has been consistently expanding its customer base, which has resulted in tough competition for Flipkart.

About the Founders: Flipkart founders Sachin Bansal and Binny Bansal are both IIT graduates. Both come from Chandigarh, but they are not relatives, even though they share the same last name. It was Sachin Bansal that got Binny Bansal to join Amazon.com, but later they both quit and decided to launch Flipkart. Sachin Bansal is now the Executive Chairman of Flipkart whereas Binny Bansal has been promoted to the Chief Executive Officer (CEO).

Business Analysis

1. Flipkart Market Share

Existing India's leading e-commerce platform, Walmart-owned Flipkart has gone toe-to-toe with Amazon. Flipkart maintained a 31.9% market share- being the largest online retailer in India according to research done by Forrester by October 2020. In the meantime, Amazon India is considerably behind in second, with a 31.2% market share. But in this last year, Flipkart witnessed an almost 50% increase in new consumers after the pandemic lockdown last year.

The platform also experienced a 35% growth in onboard dealers during 2020, compared to the previous year, according to the notice of the company this all happens due to e-commerce bursts in the country, although the majority of sales are still done offline.

Now let's go through the product offering of Flipkart

2. Flipkart Products Offering

Next under the Business Model of Flipkart, we have its Product Offerings. Being India's prominent e-commerce marketplace with more than 80 million products across 80+ categories. Flipkart is one of the leading e-commerce sites which are online web portals in India. The company has created a huge amount of customer satisfaction and loyalty through its services to the customers such as cash on delivery options, faster delivery choices, excessive discounts, return policies, refund policies, etc. all these circumstances have directed to the success story of Flipkart and the business is performing well in the market at present.

Consumers are capable of obtaining any kind of product easily from one portal without many searching problems; this company offers numerous products into the categories making it convenient for the customer to obtain the product they want. Shop Flipkart for the products as electronic items like mobile phones, laptops, tablets, and all accessories. Modern furniture like sofa sets, wardrobe, dining tables, and appliances that make your life convenient like washing machine, mixer grinders, and all the items.

Flipkart gets them all covered, you just need to name it and shop. These components have been directed to enhance the working of the company and the company seems forward to better and more achievement in the market.

So now that we have understood about the company, let's now study further about Flipkart's business model and digital marketing strategies.

3. Flipkart Target Audience

Flipkart focuses on anyone who browses the internet and who does not have time for shopping. However, its target audience is spread over a variety of market sectors as customers from all family backgrounds can discover products and Flipkart has a target audience of 75% interest of its audience between the age group of 16 – 55. Individuals are looking for online shopping from home without getting outside.

So Flipkart expands its marketing strategies where the location does not matter at all and every location in the country deliveries are done. Flipkart originates higher through following smart marketing strategies to grab the interest of its audience who influence the purchasing power, to inspire that online shopping is beneficial than traditional shopping.

4. Flipkart Funding and Investors

Flipkart has raised a whole of \$12.6B in funding more than 25 rounds. Their recent funding of \$3.6 Billion was raised on July 12, 2021, from a Corporate Round round led by GIC, Canada Pension Plan Investment Board, SoftBank Vision Fund 2, Walmart, and other investors.

Date	Stage	Amount	Investors
July 12, 2021	Private Equity Fund	\$3.6 billion	Softbank Vision Fund, Canada Pension Plan
September 16, 2020	Corporate Round	\$62.8 million	Tencent
July 14, 2020	Corporate Round	\$1.2 billion	Walmart
December 3, 2019	Corporate Round	\$28.4 million	-
September 10, 2019	Corporate Round	\$217 million	Flipkart
September 4, 2019	Secondary Market	\$14.5 million	-
January 16, 2019	Corporate Equity	\$200.8 million	Flipkart
October 25, 2017	Corporate Round	-	eBay
September 18, 2017	Debt Financing	\$133.9 million	SoftBank Vision Fund
August 10, 2017	Secondary Market	\$1 billion	SoftBank Vision Fund

Flipkart commenced with an initial capital of \$6000 in the year 2007. Flipkart turns out to be a unicorn startup and South African Tec Major Naspers declared funding of \$150 million in the year 2012. Subsequently, Flipkart obtained Myntra in the year 2014, it was capable to bring up funding of \$210 million.

Marketing Mix of Flipkart

The concept of “marketing mix” is a tool used by businesses to promote and market their product. It is centred on the elements- product, price, place, and promotion. It thus holistically covers the major marketing strategies surrounding a business under the 4P’s.

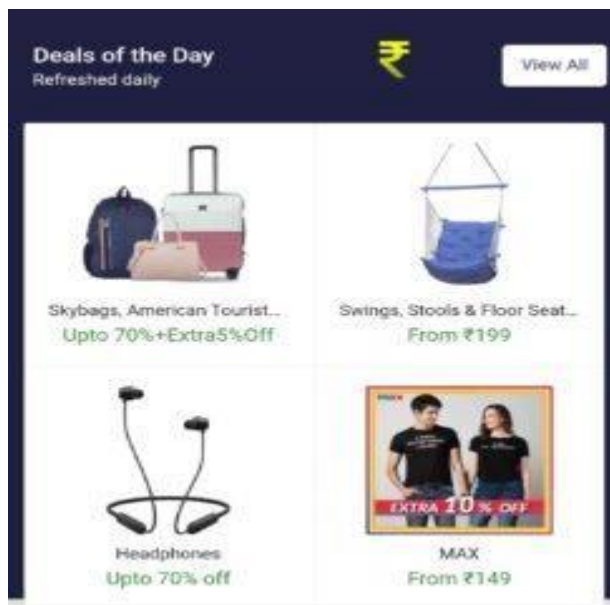
Product:



- Initially, Flipkart had only one product line: books. Later, the company expanded itself into different product segments.
- Now it is selling more than 80 million products of many categories including electronic goods, Literatures & stationery, home appliances, fashion products (clothes, footwear, and accessories), home furnishing products, grocery, books, sports products, auto accessories and fitness products.
- They also offer services of insurance, flight bookings & online payments.
- After the Flipkart app, it has launched Flipkart Lite. It opens with a splash screen & combines the rich features of a web app. It has fast and easy navigation. It works on 2G & in offline mode also.
- Flipkart launched its product range called “DigiFlip”. Under this brand, it offers products like computer accessories, camera bags, headphones, pen drives, tablet phones and networking routers.

- Flipkart has provided a platform for the launch of exclusive phones which are not available offline like MotoG and Xiaomi Mi3 models
- Flipkart's #SmartBuy also introduced surgical masks and hand sanitisers to fight the shortage in April during the pandemic. The company also united forces with Meru Cabs and uber to deliver essential items to consumers in Mumbai, Delhi and Bengaluru. The company has a very diverse product portfolio because of which it has a large customer base.

Price:



- Flipkart provides its products at less prices than other E-Commerce websites, it gives huge discounts to boost up sales and maintain competitive prices
- The company charges a nominal amount for its delivery service and also does not charge if the order costs above Rs 500
- If the product is directly shipped by the seller, then the shipping cost depends on the seller's shipping charges
- Flipkart also provides the facility of a one-day delivery where the product is delivered within a day by just paying a little more delivery charge

- Flipkart also runs mega sales during the festivals. In these sales, it offers huge discounts on products like Big billion days
- Other facilities for consumers include the availability of E-wallets, E-gifts & EMI for certain products
- Flipkart charges monthly warehouse, referral, and shipping charges from the seller. These charges depend upon the option chosen by the seller

Place:



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

Promotion:



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

Marketing Tactics of Flipkart-

- Flipkart brings up its advertising platform called Brand Story Ads, on its mobile app. The platform will showcase tales of different brands in an interesting manner with content pictures and product guidelines
- The company always appears with its unique & innovative ad campaigns. Their famous ad campaign was “No kidding no worries”. In this campaign, kids were acting in adult roles. The motive of the campaign was to address the fears people generally have with online shopping and to create the ever-important aspect of trust
- They apply several [digital marketing](#) strategies to grow their customer base through which it shows ads to its target customers on social media platforms & Uses its app to send pop-ups notifications of the latest offers to its customers
- Flipkart engages its consumers through contests. Contests come with additional perks for consumers during the sale session.

People:

As of 2016, Flipkart employed 30,000 people. The company has continued to expand its business fast over recent years. The company calls its employees Flipsters. The company focuses on managing its human capital in a manner that maximizes employee and customer satisfaction.

Employees’ happiness is the key to business growth. The company invests in its employees’ training and growth. Apart from that, it has created human resource policies that help maximize satisfaction for its workers and help them achieve a better balance between their career and personal lives. The CEO of Flipkart is Kalyan Krishnamurthy.

Processes:

The e-commerce industry is marked by heavy competition and companies have to manage business processes in a manner to ensure higher efficiency and productivity. Flipkart has acquired a lot of growth within the last few years. The company had managed to achieve a strong position in the Indian e-commerce market prior to its acquisition by Walmart. From its website to the warehouses and fulfillment centers, the company focuses on business process efficiency to achieve stronger results. The company generated a revenue of around \$6.1 billion in 2019 which was around 42% higher than the previous year. The company has been investing in technology and expansion of its physical infrastructure to achieve superior financial growth. Technology plays a key role in ensuring the operational efficiency of the company from its website to its warehouses. While Flipkart is continuously improving its website and apps to make them more shopper-friendly, it is also investing in making its warehouses technologically advanced and best in class so as to improve their capacity. It ensures that the customers have a superior shopping experience and products are delivered to the customers faster.

Physical Evidence:

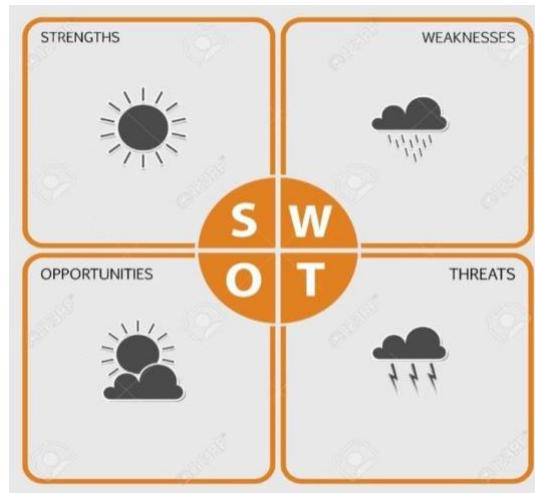
Physical evidence denotes the physical proof of the products and services of a company. If a company makes hardware or other products, the product itself can count as physical evidence. However, if the company offers services or creates software or something like streaming services then physical evidence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

there is a lot apart from the physical infrastructure and branding related material that still provides the physical evidence of business.

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

Industry Analysis:

SWOT Analysis of Flipkart:



Flipkart is a leading Indian E-commerce firm which has been delighting Indian consumers over the years. It started out as a small online bookstore and now is a billion-dollar firm. In this article, I will be running through the detailed SWOT analysis of Flipkart and provide in-depth insights about Flipkart.

Strength in the SWOT Analysis 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 E-commerce 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 Pay zippy. 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 localise 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 Programmers for its Employees:** High level personal skills can be acquired through training and development programmers. Flipkart is providing continuous training and development of its employees resulting in an enthusiastic and motivated team.

Weaknesses in the SWOT Analysis 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 in the SWOT Analysis 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 optimizing 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 Behavior:** The new trends in consumer behavior 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 in the SWOT Analysis 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.

PESTEL Analysis of Flipkart

Political

According to Chaudhary (2016), GOI (The Government of India) is currently trying to boost the economy of the rural areas by promoting online businesses in these regions. GOI's plan may see new regulations in the e-commerce industry, which will influence Flipkart's operations. However, given that India elects leaders every five years, considerable uncertainty on Flipkart's interaction with the GOI exists because, as Bazzi & Clemens (2013) note, some leaders may be unfriendly to investors, which will negatively impact the company's operations. Furthermore, in 2012, the GOI opened up the retail sector to the entry of multi-brand MNCs (Patibandla, 2014) to promote FDI (Financial-Direct-Investment), among other logistics that could improve India's e-commerce supply chain. However, allowing foreign retailers such as Amazon into the Indian markets has resulted in intense competition for Flipkart. Finally, Miahra (2017) affirms that Flipkart must abide by rules such as the new GST bill that limits Flipkart from getting pricing benefits from sellers that are situated in countries with lower tax rates (Garg, 2014).

Economic

Indians' rapidly growing economy assures investors such as Flipkart of continued markets. Furthermore, the liberalisation of the Indian economy to allow international investors in various industries including retail will contribute to economic growth. Furthermore, the government requires that foreign companies in India should sell or use specific percentage goods (for retailers) and resources (for manufacturers) respectively that are locally sourced (Patibandla, 2014). Such a strategy is useful to ensure sustainable economic growth. Furthermore, Kumar (2017) states that the number of online consumers is rising daily and there are expectations that approximately hundred million people will have gone digital by 2018; this will facilitate the growth of Flipkart.

Socio-Cultural

According to Rath & Samal (2015), most of the Indian population is rural, which stands at about sixty-nine percent and, while the urban population contributes to sixty percent of the total GDP. Rath & Samal (2015) expect that within the next 15 years, the urban population will contribute to almost seventy-five percent of the GDP. This trend demonstrates the importance of the urban population to organisations. However, with the current GOI interventions to develop rural areas, these rural populations will be important to businesses such as Flipkart in the future. Currently, Flipkart is struggling with its logistics, which, understandably, are concentrated in the urban areas. Nonetheless, as the importance of rural regions, which carry most of the India populations grow, Flipkart will need to expand its logistics.

Technological

According to Padhy & Sampat (2017), Flipkart has implemented data analytics systems for efficient business performance. Information systems in the company integrate the information about market opportunities and predict sales that the company is likely to make. This strategy enables the company to take advantage of technological advancements such as big data for competitive advantage. Furthermore, by 2019, approximately eight hundred million people will be using smart phones, and a larger percentage will be able to access e-payment platforms for an easier purchase of online products (Kumar, 2017).

Environmental

Despite the fact that Flipkart is an online retailer, its operations are subject to environmental factors. Rising concerns by both governments and consumers about sustainable business and low carbon emissions is a major issue (Marron & Toder, 2014). Governments promote sustainable business practices through rules and regulations. Some of the most popular rules pertain to carbon emissions and general environmental regulations (Marron & Toder, 2014). In some cases, these rules introduce fines or taxes, to organisations, which lower profitability margins for businesses.

Legal

Chaudhany (2016) asserts that there are legal factors that affect operations of Flipkart. In July 2015, Westland books accused Flipkart of selling "Scion of Ishvaku", yet Westlands alone was given the rights to sell the book by Amazon. This conflict demonstrates the need for Flipkart to be more aware of property rights such as licencing and trademarks. Furthermore, the recent Zomato breach resulted in the theft of consumer data, which raises concerns about the ability of online organisations to protect consumer data (Kumar, 2017). As online business continues to grow, governments and corporations alike develop regulations. Some of these rules may complicate business practices or raise operation costs, which can influence profitability margins.

Flipkart Porter Five Forces Analysis

Porter Five (5) Forces Model

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

These forces shape the competition within any industry. The overall industry competitiveness declines when these forces reduce profitability. Porter found SWOT analysis lacking in rigor. Many

new companies use the Porter Five (5) Forces Model to decide whether it is profitable to enter in a particular industry.

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

Flipkart com Porter Five (5) Forces Analysis

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

Threats of new entrants

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

Here are some factors that reduce the threat of new entrants for Flipkart com:

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

Flipkart com will be facing high new entrants threat if

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

How Flipkart com can tackle the Threat of New Entrants?

- Flipkart com can develop brand loyalty by working on customer relationship management. It will raise psychological switching costs.
- It can develop long-term contractual relationships with distributors to widen access to the target market.
- Flipkart com can also an investment in research and development activities, get valuable customer data and introduce innovative products/services to set strong differentiation basis.

Threat of Substitute Products or services

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

The Threat of Substitute Products or services increases when;

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

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

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

How Flipkart com can tackle the Threat of Substitute Products or services?

- Flipkart com can reduce the Threat of Substitute Products or services by clearly emphasising how its offered product/service is better than the available substitutes.
- It should provide convincing reasons to the customers by offering a better experience and high value for money.
- It can raise switching costs by working on loyalty.
- Lastly, it can improve the quality, maximise value for money and set strong differentiation basis to discourage customers from using the substitute product.

Rivalry among existing firms

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

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

- There are only a limited number of players in the market
- The industry is growing at a fast rate
- There is a clear market leader
- The products are highly differentiated, and each market player targets different sub-segments
- The economic/psychological switching costs for consumers are high.

- The exit barriers are low, which means firms can easily leave the industry without incurring huge losses.

Similarly, there are some factors that increase the Rivalry among existing firms for Flipkart com. For example, the company will face intense Rivalry among existing firms if market players are strategically diverse and target the same market. The rivalry will also be intense if customers are not loyal with existing brands and it is easier to attract others' customers due to low switching costs. Competitors with equal size and offering undifferentiated products with slow industry growth tend to adopt aggressive strategies against each other. These all factors make the Rivalry among existing firms a major strategic concern for Flipkart .

How Flipkart com can tackle the Rivalry among existing firms?

Flipkart com should focus on the implicit needs and expectations of its customers to strengthen the differentiation basis. It should raise switching costs by developing long-term customer relationships. The organisation should also invest in research and development activities to identify new customer segments. In some cases, collaborating with competitors can be mutually beneficial. The organisation can look for this option as well.

Bargaining Power of Suppliers

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

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

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

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

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

How Flipkart com can tackle the Bargaining Power of Suppliers?

Flipkart com can strengthen its position against suppliers by decreasing the dependency on one or a few suppliers. It will increase its price sensitivity. Developing the long-term contractual relationships with suppliers from different regions not only lowers their bargaining power but also

allows Flipkart com to improve its supply chain efficiency. Finally, Flipkart com can find the alternate ways of producing the product if product demand is high enough and the firm has required competencies and expertise. However, it requires detailed cost-benefit analysis to determine its feasibility. Product redesign and diversification of the product lines can also help the organisation reduce the suppliers' power in the market.

Bargaining Power of Buyers

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

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

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

Some factors that decrease the bargaining power of buyers include lower customer concentration (means the customer base is geographically dispersed), customers' inability to integrate backwards,

low price sensitivity, lower market knowledge, high switching costs and purchasing customised products in small volumes.

How Flipkart com can tackle the Bargaining Power of Buyers?

Flipkart com can manage the bargaining power of buyers by increasing and diversifying their customer base. It can be done by introducing new products, targeting new market segments and adopting the product diversification strategies. Marketing and promotional strategies can also be helpful in this regard. Building loyalty by embedding innovation and offering excellent customer experience can raise the switching costs, which will ultimately reduce their bargaining power. Flipkart com can adopt these strategies to strengthen its competitive positioning in the market.

Porter 5 force model implications

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

Chapter-3

COMPETITORS ANALYSIS

Competitors Analysis of flipkart

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;

1) Amazon



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

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

2) Snapdeal



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

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

3 Alibaba



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

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

4) Paytm



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

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

5) Myntra



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

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

6) Jabong



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

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

7) Shopclues

SHOPCLUES.COM
where real India shops

Shopclues is an online platform that offers consumers with the opportunity to shop and make payments for different types of products. It was founded in 2011, but it has improved its services and brand visibility to become among the highly regarded online marketplaces in India. It deals explicitly with home appliances, kitchen wares, electronics and fashion products that are owned by local and regional brands.

It surpassed the half a million mark in regards to merchants in the platform in 2016, which is apparently seen as one of its most significant milestones since it was established. Shopclues employs more than 11,000 workers, and it's projected that the number will rise in the coming years going by the improvements made in this online marketplace and increasing number of both sellers and buyers.

8) Focused online stores

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

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

Chapter-4

CUSTOMER ANALYSIS

Customer Analysis

Consumer Buying Behavior refers to the actions taken (both on and offline) by consumers before buying a product or service. This process may include consulting search engines, engaging with social media posts, or a variety of other actions. It is valuable for businesses to understand this process because it helps businesses better tailor their marketing initiatives to the marketing efforts that have successfully influenced consumers to buy in the past.

We have all experienced the moment when we walk into a store and see something that we *just have to have*. Retailers spend billions of dollars every year trying to generate that feeling in their customers. Web campaigns, video and print ads, social media campaigns, and branding seem to converge as the consumer finally feels a connection to a product and makes a purchase. So what drives that behavior? And how do you capture and then replicate that lightning-in-a-bottle moment when a potential customer turns into a buyer?

Why is consumer behavior important?

Studying consumer behavior is important because it helps marketers understand what influences consumers' buying decisions.

By understanding how consumers decide on a product, they can fill in the gap in the market and identify the products that are needed and the products that are obsolete.

Studying consumer behavior also helps marketers decide how to present their products in a way that generates a maximum impact on consumers. Understanding consumer buying behavior is the key secret to reaching and engaging your clients, and converting them to purchase from you.

A consumer behavior analysis should reveal:

- What consumers think and how they feel about various alternatives (brands, products, etc.);
- What influences consumers to choose between various options;
- Consumers' behavior while researching and shopping;
- How consumers' environment (friends, family, media, etc.) influences their behavior.

Consumer behavior is often influenced by different factors. Marketers should study consumer purchase patterns and figure out buyer trends.

In most cases, brands influence consumer behavior only with the things they can control; think about how IKEA seems to compel you to spend more than what you intended to every time you walk into the store.

What are the major factors that influence consumer buyer behavior?

A variety of factors go into the consumer buyer behavior process, but here we offer just a few. Taken separately, they may not result in a purchase. When put together in any number of combinations, the likelihood increases that someone will connect with a brand and make a purchase. Four factors influencing consumer buying behavior are:

- Cultural Factors - Culture is not always defined by a person's nationality. It can also be defined by their associations, their religious beliefs or even their location.
- Social Factors - Elements in a person's environment that impact the way they see products.
- Personal Factors - These may include someone's age, marital status, budget, personal beliefs, values, and morals.
- Psychological Factors - A person's state of mind when they are approached with a product will often determine how they feel not only about the item itself but the brand as a whole.

What are the four types of buyers?

1. The Analytical Buyer - Motivated by logic and information, this buyer will look at all the data on competing brands and products before making an informed decision.
2. The Amiable Buyer - Warm and friendly, this buyer just wants everyone to be happy. That is why they are often paralyzed by big decisions when there is the perception of a win/lose outcome.
3. The Driver Buyer - Drivers are most concerned with how others view them and whether they follow. The trendsetters, Drivers are most concerned with their appearance rather than the relationships that are formed during a transaction.
4. The Expressive Buyer - Relationships are key to the Expressive Buyer. They cannot stand feeling isolated or ignored during a transaction. Instead, they want to feel like your most important asset.

It's hard to distill something as complex as consumer buying behavior into four neat and tidy categories. Most people will find they are a combination of these types of consumer buying behavior.

Segmentation of customer of flipkart

Behavioral & Psychographic are the segmentation strategies used by Flipkart to segment the market to cater to the customers changing needs & wants. With the rise in per capita income and change in buying patterns, customers are getting more acquainted and are comfortable in buying online.

Flipkart uses undifferentiated targeting strategy, since people of all demography purchase items online which is available to everyone where the delivery is possible. National & Multinational E-

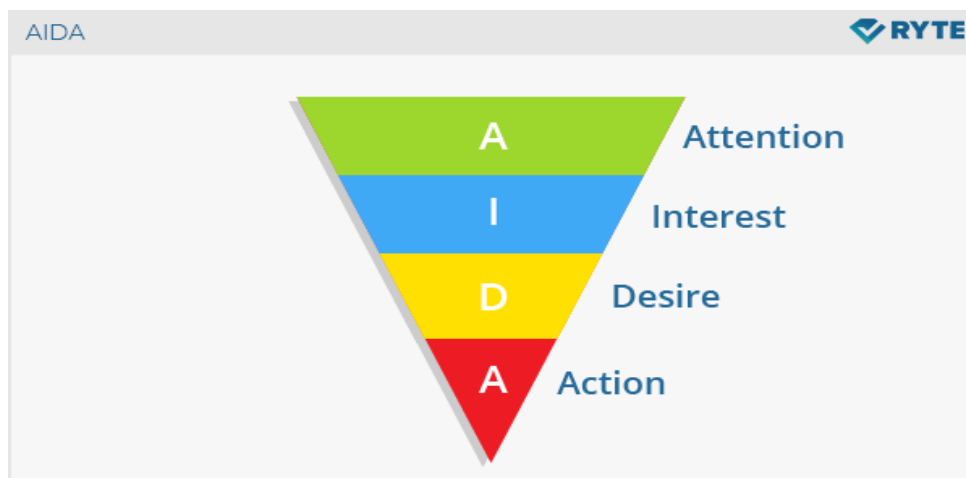
commerce companies are giving neck to neck competition to each other, due to which their positioning is very important. Flipkart has positioned itself as a trust worthy and customer friendly E-commerce brand.

The ADIA Model

The AIDA model is an acronym - it stands for attention, interest, desire and action. It is a model used in marketing that describes the steps a customer goes through in the process of purchasing a product. The AIDA model has been in use since the late 19th century.

What Is the AIDA Model?

It is a model used in marketing that describes the steps a customer goes through in the process of purchasing a product. The AIDA model has been in use since the late 19th century. It has been reviewed and modified multiple times over the years, both in marketing and public relations.



What is the AIDA approach?

The AIDA model is based on four individual stages that attract interested parties who are deciding on a product or service.

1. Attract attention: The product must attract the consumer's attention. This is done via the advertising materials. It is a type of “eye catcher.”

Examples: a window designed in a striking way, a sensational YouTube clip, or a themed newsletter, or a graphic on a landing page.

2. Maintain interest: In the first phase, the attention of the potential customer is piqued; their interest in the product or service should be aroused.

Example: detailed information on the product is presented, for example, the product description on a website, a product brochure or flyer, photos, or video clip of the product.

3. Create desire: If interest in the product is aroused, it is the seller's task to persuade the customer that they want to own this product. In the best-case scenario, the advertisement or the product itself creates the desire to purchase.

Example: the seller provides clear examples of the advantages of the product or service, taking into account the daily lives of the target group. In the online shop, a bullet point list can generate the desire to buy. This desire to buy can also be awakened by an advertising medium that specifically addresses the emotions of the customer.

4. Take action: As soon as the desire to buy is aroused, this must be transferred into an action, that is, the purchase.

Example: In the case of online shops, this would ultimately be the shopping cart process, in which a customer is lead to a conversion. The customer can be encouraged to buy the product with a call-to-action.

Nowadays, the AIDA formula is frequently supplemented with an "S" for "satisfaction", because the product has to ultimately satisfy the consumer. Customer satisfaction does not lie solely with the advertising but rather with the product itself. Therefore, the basic constellation of the four phases is only the prerequisite for the sale.

With the insertion of the "confidence" (trust) factor, a sixth element can also be added. Many marketers also work with the AIDCAS model to optimize sales processes and advertising.

How is AIDA used?

The AIDA model has shaped the views on marketing and sales strategies for over 100 years. The formula can still be found in current standard marketing textbooks. Beyond that, AIDA is also used in PR to plan and analyze the effectiveness of PR campaigns, and still provides valuable information for the analysis of advertising messages. The benefit of this simple formula can be found in its simplicity and flexible application possibilities in areas other than store-based or stationary sales. In e-commerce for example, the effectiveness of the product presentation in an online shop could be analyzed using the four aspects of the AIDA formula.

How AIDA model is used in flipkart ?

1. **ATTENTION** – Initial point where your brand and/or business is recognized and acknowledged. As compared to other E – commerce business flipkart has a wide base in India. People prefer more to this online plat form. Because of offering product in a minimal rate it grabs the attention of the customer base, by proving seasonal sale , offers and discounts.
2. **INTEREST** – Generating thoughts and discussion about your brand. It has acquired interest of all age groups and have all the product from the daily used product to the high value products.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.

3. **DESIRE** – Communicate your message through the use of social media and email marketing. Because having a large customer segmentation the desire of purchasing will also be high. The big billion day is the perfect example to make a desire to buy in the customers mind.
4. **ACTION** – The stage where the conversion is complete and back to the ‘Interest’ stage to retain them. After the implementation of the social marketing strategy, it comes back to the normal selling criteria and establish new offers to attract customer base like the end of seasonal sales etc.

Chapter-5

ACTUAL WORK DONE

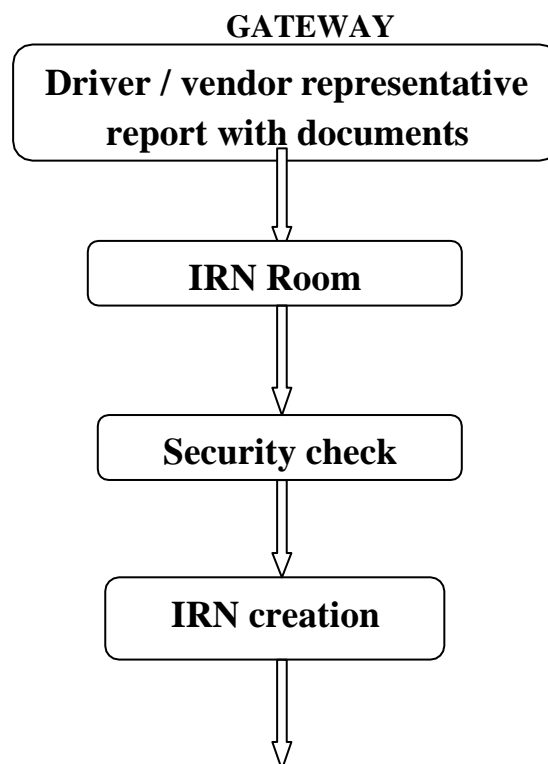
ACTUAL WORK DONE

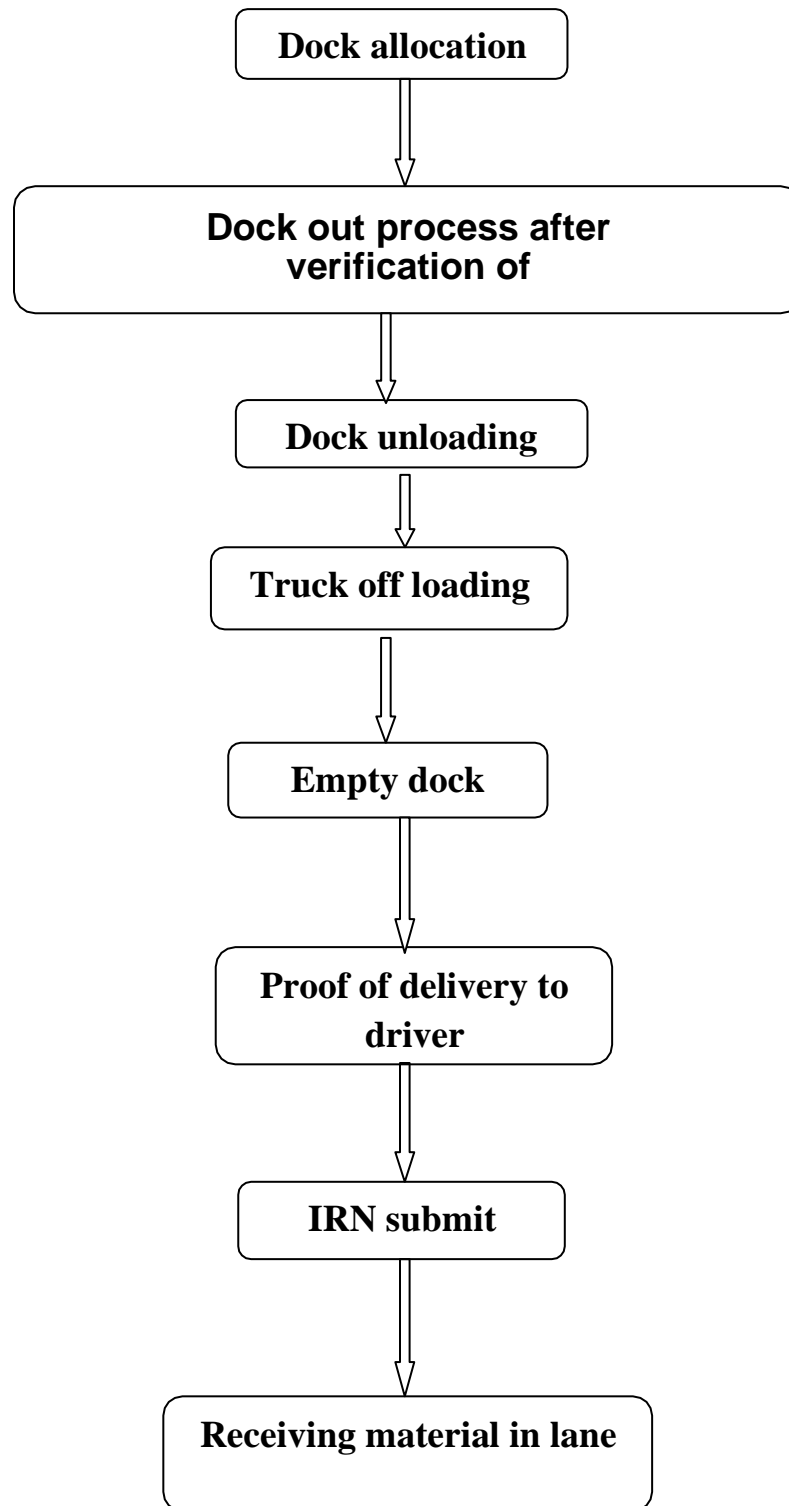
During my FLIPKART internship, I worked in two different department one is the return center and the other was the receiving center. The whole flipkart warehouse is divided into two parts , Inbound and outbound. But before going deep into it the one thing I analyzed and learn there is that , when we(customers) place a order we get a very systematic format and a easy way to purchase our desired product in a single go , but we don't have any idea about the actual work which is done in the back stage. Believe me , it has a vast process from receiving a product till the delivery of the final product to the customer.

Let us now understand the whole warehouse process. Before going to the process firstly there are some terms which we have to understand. Starting with the Receiving department, “what Receiving departments inbound actually is?” Receiving is the first department upon all the rest process. Here the product are being first received for the verification and it is done with the help of flipkart's ERP software i.e. FLOLITE.

This is done with the help of the top management i.e. central procurement team who place the order to vendor , and the vendor then given the schedule to supply the product to the warehouse in a given period of time.

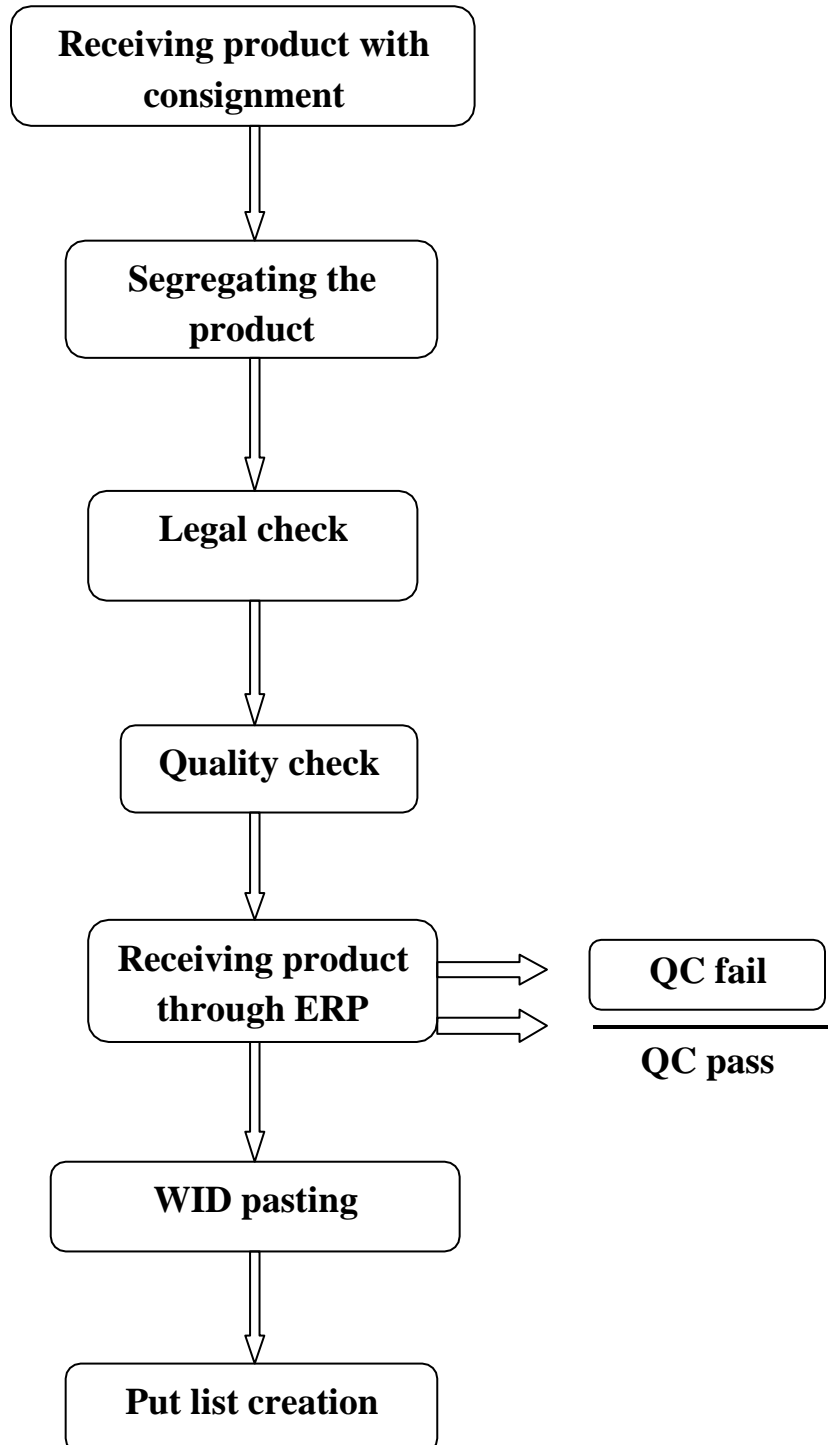
Receiving process





This is the step of receiving the product in the warehouse which is termed as in-warding off product in the dock. There are many dock present in the warehouse and accordingly the products are being segregated in the dock.

Now, we will see the process of receiving the goods in the receiving station:



This was the full process of receiving the product in the station, then the products are taken through many other process till it is being delivered.

The word consignment means placing the order in the particular box to the supplier or vendor. For example:

There are different types of consignment:

- PKL
- FA
- IWTY
- 23GUD etc.

When the putlist is created it is done in 4 basis or option

- Inward bucket
- Qc reject
- LBH(length, breath , height)
- Qc reject LBH

If there is any defect in a particular product or if the physical product do not match with the look product details the this 4 option are being used.

The second department in which I worked in is Return Center (RC). It is the last department in the whole warehouse. It is the place where actual work is being performed. The product when got canceled or returned by the customer it comes to the RC.

In RC two type of product is being received:

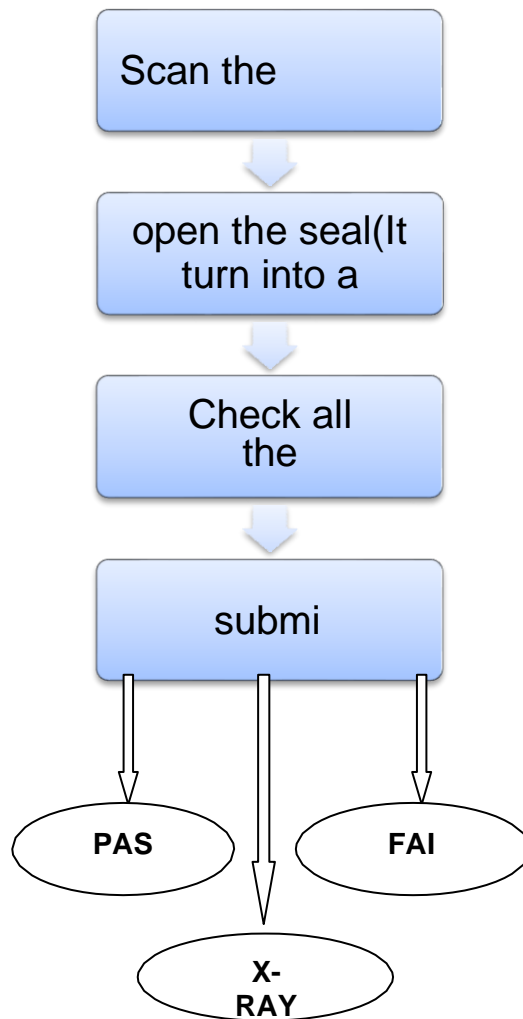
- RTO(Return to origin)
- RPV(Reverse Product Verification)

Let's understand these two terms:

- RTO: - The product which are canceled in between the delivery time or the product which is not received by the customer and comes back to this department is called RTO.
- RPV:- when the product are received the customer, and with any reason they return it back it comes to return center and the product are being verified there.

All these product are received in the product verification (PV) department and necessary process is carried out by the BT printer.

Process of verification:



The products which are being passed they will directly go to FC inventory, but the product which is being failed will go to RC inventory. And once it reaches to the RC inventory the fail product are again segregated according to 14 vertices in inventory, by absorbing the condition of the product it is sent to the suitable vertices. In the same way as the in- warding process the product are send for putting in the RC inventory.

ABC Analysis of FLIPKART

ABC analysis is an inventory management technique that determines the value of inventory items based on their importance to the business. ABC ranks items on demand, cost and risk data, and inventory mangers group items into classes based on those criteria. This helps business leaders

understand which products or services are most critical to the financial success of their organization.

The most important stock keeping units (SKUs), based on either sales volume or profitability, are “Class A” items, the next-most important are Class B and the least important are Class C. Some companies may choose a classification system that breaks products into more than just those three groups (A-F, for example).

ABC analysis in cost accounting, or activity-based costing, is loosely related but different from ABC analysis for inventory management. Accountants use activity-based costing in manufacturing to assign indirect or overhead costs like utilities or salaries to products and services.

How ABC Analysis Relates to the Pareto Principle?

The Pareto Principle says that most results come from only 20% of efforts or causes in any system. Based on Pareto’s 80/20 rule, ABC analysis identifies the 20% of goods that deliver about 80% of the value. Therefore, most businesses have a small number of “A” items, a slightly larger group of B products and a big group of C goods, a category that defines the majority of items.

Classes in ABC of FLIPKART

TYPE	IMPORTANCE	PERCENTAGE OF TOTAL INVENTORY	ANNUAL CONSUMPTION VALUE	CONTROLS	RECORDS
Class A	High dollar value	10% – 20%	70% – 80%	Tight	High Accuracy
Class B	Medium dollar value	30%	15% – 20%	Medium	Good
Class C	Low dollar value	50%	5%	Basic	Minimal

- All the high value products comes under category “A” category for example Furniture segmentation , electronics iteams like phone ,laptops, headphones, airpod etc comes under the high value product.
- Then comes the middle value products comes under “B” category for example apparels , footwear , artificial jewelry , beauty products , branded toys for kids, hardware kit etc
- The third one is the low value product comes under “c” category for example all FMCG products comes under this.

Findings

- There is a diversification of work culture to efficiently and effectively manage the inventory system.
- Major selling product categories of Flipkart are clothing, footwear and electronics and It acquires major inventory vertices.

Chapter-6

SUGGESTION &

CONCLUSION

Suggestion

- Flipkart should focus on conveying the message to fellow employees or the medium through they communicate should be updated to avoid communication gap.
- Flipkart has good service quality but should work on lowering its product cost to be more competitive.
- Flipkart should focus on increasing the variety for all social & demographic groups.

CONCLUSION

Flipkart in this market is already quite advanced already. However, if Flipkart wants to adapt to the new trend, they would need to ensure change management and also have to address the customer relation well. They also need to adapt new strategies in order to maintain their position as well as their role.

Flipkart's competitors have made it develop a lot of in-house innovations and inculcate best practices which have now become their standards. Flipkart states that they control more than 100,000 transactions in a day whose volumes lay the foundation of a profitable business. They also aim in making their product economically suitable for each and every customer.

It was a great experience to learn about handling and running the inventory and to study the supply chain management in different departments.

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