PROJECT ON

DIGITAL MARKETING STRATAGIES OF FLIPKART.COM- ERA OF MARKETING COMMUNICATION

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INDUSTRY ANALYSIS :

India has an internet user base of about 250.2 million as of June 2014. The penetration of e-commerce is low compared to markets like the United States and the United Kingdom but is growing at a much faster rate with a large number of new entrants. The industry consensus is that growth is at an inflection point. Unique to India (and potentially to other developing countries), cash on delivery is a preferred payment method. India has a vibrant cash economy as a result of which 80% of Indian e-commerce tends to be Cash on Delivery.

However, COD may harm e-commerce business in India in the long run and there is a need to make a shift towards online payment mechanisms. Similarly, direct imports constitute a large component of online sales. Demand for international consumer products (including long-tail items) is growing much faster than in- country supply from authorised distributors and e-commerce offerings. Market Size and Growth India's e -commerce market was worth about $3.8 billion in 2009, it went up to $12.6 billion in 2013.

In 2013, the e-retail market was worth US$ 2.3 billion. About 70% of India's e-commerce market is travel related. India has close to 10 million online shoppers and is growing at an estimated 30% CAGR vis-à-vis a global growth rate of 8−10%. Electronics and Apparel are the biggest categories in terms of sales. Key drivers in Indian e-commerce are: • Increasing broadband Internet (growing at 20% MoM) and 3G penetration. • Rising standards of living and a burgeoning, upwardly mobile middle class with high disposable incomes

COMPANY ANALYSIS: FLIPKART.COM

Flipkart is World's top 10 most visited E-commerce website in India with regards to traffic. Multiple Payment method is available for it's customers to make Payment easier. Fastest growing e-commerce website in India. It sells 30 product per min.

 Flipkart is India's largest electronic commerce company, founded in 2007 by Sachin Bansal and Binny Bansal. It operates exclusively in India, where it is headquarter in Bangalore, Karnataka, though Flipkart is actually registered and based in Singapore. Flipkart has launched its own product range under the name "DigiFlip" with products such as tablets, USBs, and Laptop's bags.

Flipkart has also launched its own range of personal healthcare and home appliances under the brand "Citron". Legally, Flipkart is not an Indian company, since it is based in Singapore, and majority of its shareholders and investors are foreigners. In May 2014, Flipkart received $210 million from DST Global and in July it raised $1 billion led by existing investors Tiger Global and South Africa's media group Naspers.

Flipkart was founded in 2007 by Sachin Bansal and Binny Bansal, both alumni of the Indian Institute of Technology of Delhi. They had been working for Amazon previously. The business was formally incorporated as a company in October 2008 as Flipkart Online Services Pvt. Ltd.

During its initial years, Flipkart focused only on books, and soon as it expanded, it started offering other products like electronic goods, air conditioners, air coolers, stationery supplies and life style products and e -books. The first product sold by them was the book Leaving Microsoft to Change the World, bought by VVK Chandra from Andhra Pradesh. Flipkart now employs more than 15000 people. Flipkart allows payment methods such as cash on delivery, credit or debit card transactions, net banking, e-gift voucher and card swipe on delivery.

SWOT analysis of Flipkart::

Strengths in the SWOT analysis of Flipkart::

India's Largest E-commerce Retailer: Flipkart is the India's largest E-commerce company & had sold GMV (gross merchandising value) of $1 billion till now.

Experienced founders: The Founders of Flipkart, Sachin & Binny bansal are Ex-Amazon employees. Having prior experience in the E-commerce industry helped the founders to work strategically and differentiate their business in a highly competitive market.

Acquisition: With its series of acquisitions like Letsbuy.co,, chakpak.com, weread.com, Mine360 & the recent one Myntra in 2014 has helped the company to expand in the E-commerce space & used the capabilities and existing resources of acquired companies.

High Brand recall: Flipkart has established itself as a renowned E-commerce company in India through TV ads, online branding and through its presence on social media. Brand activities like the "Big billion day" have really increased the brand recall of the company.

Own Payment gateway & Logistic arm: Having its own Logistics arm E-kart & payment gateway Payzippy has helped the company to control its Expenses. Thereby passing the benefits to the end customers.

Exclusive & broad range of products: From having Exclusive rights to launch some products like MotoG MotoX, Xiaomi Mi3 as well as personal designers segments in garments category, has helped the company to differentiate and localize its offerings.

Weaknesses in the SWOT analysis of Flipkart::

Limited Distribution channel reach: Although its logistics arm has kept cost's low, the reach has been affected which is a weakness for Flipkart. Due to use of outsourcing, Global giants like Amazon & eBay can deliver the product anywhere in the country. However, Flipkart is still struggling in this field.

Cost of Acquisition: Due to stiff competition in the market & low customer retention, the cost of Acquisition is high because Flipkart acquires a lot of customers through online advertising. As per Flipkart data, the company spends R.s 400/- on acquiring a new customer on an

average.

Power in the hand of buyers: Since this industry is flooded with many players, buyers have a lot of options to choose. Switching costs are also less for customers since they can easily switch a service from one online retail company to another. Same products will be displayed in several online retail websites. Product differentiation is almost absent and the fight then begins on the basis of price only.

Opportunities in the SWOT analysis of Flipkart::

Expansion of business: By targeting other emerging markets company can increase their revenues as well as it can have Economies of scale. Expanding their Product categories: This will increase their customer base & at the same time will reduce the cost of acquisition and customer switch.

Changing mentality of Indian customers: With increasing numbers of customers getting comfortable with online shopping & increase in numbers of Internet users in India, there is huge potential in this Industry.

Supply chain: By optimizing their supply chain they can compete with the other players & can manage the loosing sales on account of not making the product available due to delivery constraints.

Establishing in other developing economies: Like Amazon, Flipkart can slowly start expanding out of India and establish operations in other countries as well which will help improve revenues.

Threats in the SWOT analysis of Flipkart::

Competition: Stiff competition from the global players like Amazon, eBay as well as local player like Snapdeal, Tolexo and Shopclues who are continuously trying to eat each other's market share.

Government regulations on the issues related to FDI in multi branding retail has been a big hurdle in the success of the E-commerce industry in India.

Porter's five force analysis of Flipkart::

Supplier power: Here, suppliers are the manufacturers of finished products. For any product, there are many suppliers online, so they can't show power on online retail companies. For example, if you take computers category, there are many suppliers like Dell, Apple, Lenovo, and Toshiba everyone wants to sell their products through online retails like Flipkart. Selling online saves a lot of money for the manufacturers, and as many people nowadays prefer purchasing product through online stores, Companies cannot afford to lose this channel. So, in this industry the supplier power is low.

Buyer power: Buyers in this industry are customers who purchase products online. Since this industry is flooded with so many players, buyers are having lots of options to choose. With many competitors like Amazon.com, eBay, Snapdeal etc. Customers get a wide range of choices. Customer would prefer the one who would provide goods at reasonable price, deliver it fast and provide them with other benefits like Cash on Delivery, EMI facilities, other offers etc. Here Buyers have more power.

Competitive Rivalry: Competition is very high in this industry with so many players like Jabong, Snapdeal, Amazon, Homeshop18 etc. Many competitors means more choices for the customer to choose from. This also increases the cost incurred by the company to stay in the customer's mind i.e. on Promotions and Advertisements etc. Giving the customer better deals, making customer's experience delightful and continuous innovation can help a company to stay at top even with tons of competitors around. Overtaking Myntra was a very intelligent move by Flipkart done to overcome the competition given by Myntra. Some of the major challenges faced by online retailers are education, trust and customer loyalty. Many customers like Cash on Delivery option in place of credit/debit card payment.

Threat of New Entrants: Threat of new entrants is very high in this online retail industry because of following reasons: ¬ Indian government has allowed 51% FDI in multi-brand online retail and 100% FDI in single brand online retail. So, this means foreign companies can come and start their own online retail companies. ¬ There are very less barriers to entry like less capital required to start a business, less amount of infrastructure required to start business. All you need is to tie up with suppliers of products and you need to develop a website to display products so that customers can order products, and a tie up with online payment gateway provider like bill desk. ¬ Industry is also going to grow at a rapid rate. It

is going to touch 76 billion $ by 2021. Industry is going to experience an exponential growth rate. So, obviously no one wants to miss this big opportunity. With the new entrants like Jabong, Snapdeal etc. rapidly racing towards the top position, Flipkart needs to devise new strategies to avoid this threat from new entrants.

Threat of substitutes: ¬ Substitute for this industry as of now is physical stores. Their threat is very low for this industry because customers are going for online purchases instead of going to physical stores as it will save time, effort, and money. With the advent and penetration of internet and smart phones, future in retail belongs to online retail. ¬ When we compare relative quality, relative price of product a person buys online with physical store, both are almost same and in some cases, online retail store offers more discounts and this attracts the customer to purchase products online.

Flipkart's overall marketing strategy::

Let's talk about Flipkart's broad marketing strategy. On the face of it, their main principle seems to be focused on being present at every single touch point their customers are present at. Today this means using the majority of their budget on digital channels and marketing. Moreover, since India is a mobile-first country, this is most definitely paying off.

Flipkart also invests heavily in star power and influencer marketing. India loves Bollywood and Flipkart uses this to sell and raise awareness about their products. Ranbir Kapoor, Alia Bhatt, Amitabh Bachchan and Shraddha Kapoor have all been prominently featured in Flipkart TV ads and in their online campaigns. This shows that Flipkart not only has deep pockets, but also has an eye on the pulse of the market.

In recent years, Flipkart has increased its budget spend on digital marketing considerably. Earlier, they were spending crores in multichannel marketing campaigns that resulted in a large amount of cashburn. Since Kalyan Krishnamurthy took over Flipkart in 2017, there has been a large-scale revamp of its marketing strategy - it's become leaner and heavily based on digital, which has worked out well for them.

A study published in Livemint in 2017 outlines the very beginning of the transformation wherein potential customers showed a greater awareness of Flipkart's Big Billion Day sale as compared to other retailers.

In addition to marketing campaigns, Flipkart also uses its digital channels extensively to provide customers with the best experience possible with their platform. Customers voice concerns and complaints on Flipkart's social media channels and this is dealt with quickly and efficiently.

Of course, this investment in digital channels hasn't stopped Flipkart from working with celebrities and influencers extensively. Flipkart relies heavily on influencer marketing and influencers to spread the word

about their campaigns. The best part about this is that the message can be utilized both online and offline - making way for them to use it both for TV spots/billboards, as well as advertising online.

INTRODUCTION::

Flipkart is an E-commerce website, founded by Sachin Bansal and Binny Bansal in 2007. When Flipkart was launched, initially the aim was to sell books before expanding into other product categories such as consumer electronics, fashion, home essentials & groceries, and lifestyle products. In March 2017, Flipkart held a 39.5% market share of India's e-commerce industry. In August 2018, U.S.-based retail chain Walmart acquired an 81% controlling stake in Flipkart for US $ 16 billion, valuing it at $20 billion.

Flipkart is India's answer to Amazon. Flipkart is one of the most visited E-Commerce Websites and just like Amazon, the company has rapidly become one of India's original unicorns. The company is now owned by Walmart and is one of India's huge success stories.

LITERATURE REVIEW:

Philip Kotler, the marketing expert, says Theories about consumer behaviour have been used to develop an effective marketing strategy. Moreover, it is impossible to think marketing without the Internet in today's world.

Several researchers have carried out studies in their effort to examine consumers' online buying behaviour. For example, Bellman et al (1999) investigated various predictors for whether an individual will purchase online. These authors concluded that demographic variables, such as income, education and age, have a modest impact on the decision of whether to buy online, whereas the most important determinant of online shopping was previous behaviour, such as earlier online purchases.

Concerning the factors that influence or hinder online shopping, Ernst and Young (2000) reported that Internet users purchased online because of good product selection, competitive prices, and ease of use,but were concerned about shipping costs, lack of opportunity to prior examining the products, as well as, the confidentiality of credit card and personal information.

Know and Lee (2003) explored consumers' concerns about payment security and Its relationship to online shopping attitude and actual purchases. They observed a negative relationship between attitude towards online shopping and concerns about online payment security. Consumers with a positive attitude seem to be less concerned about payment security.

Research gap::

Problem with the current approach is that Competitive pricing is the best way to get more order and increase your sales.

Also focusing more on the more customer safety , security and needs.

Implying to the exploitation of its affiliate products and resources.

Use of marketing communication with respect to sustaining of customers in the target market.

Project objectives::

-To understand the consumer buying journey in the digital era.

-To figure out on what basis the Indians are going to purchase a product.

-Comprehensive understanding of post puchase behaviour of Indians.

- To explore the marketing strategies of flipkart

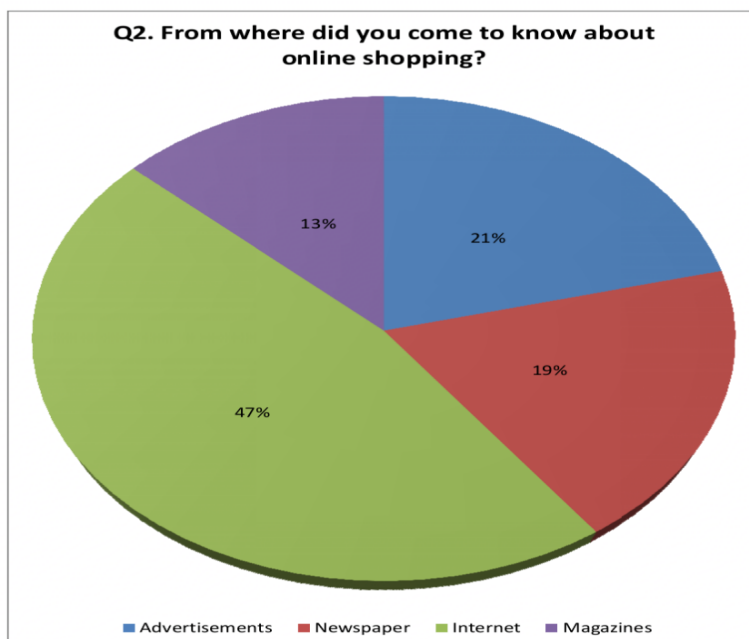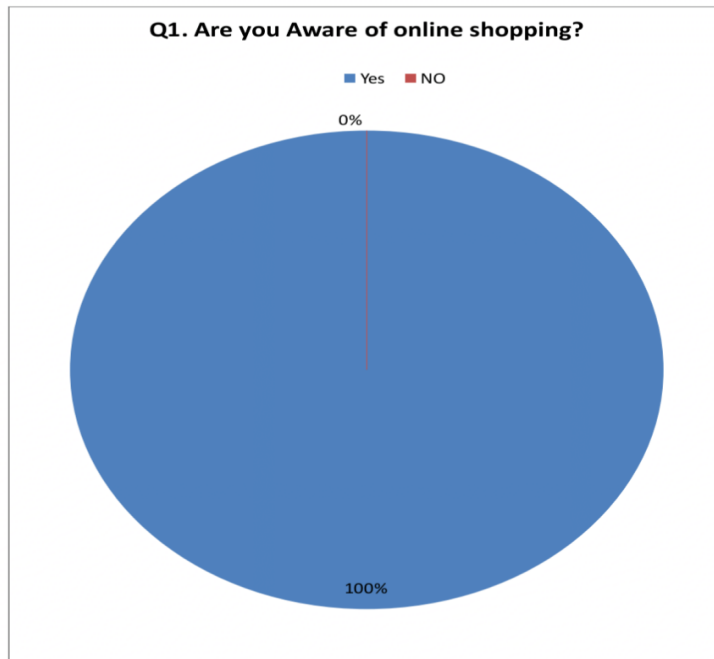-To explore and understand the services provided by flipkart

Project methodology::

Primary Data Method of data collection was done by the way of survey. Primary data was collected through field survey with the help of structured questionnaire. The questionnaire was filled by the consumers to know the satisfaction level of Flipkart and attained by using also took through the questionnaire. Based upon which pie charts and graphs will be depicted.
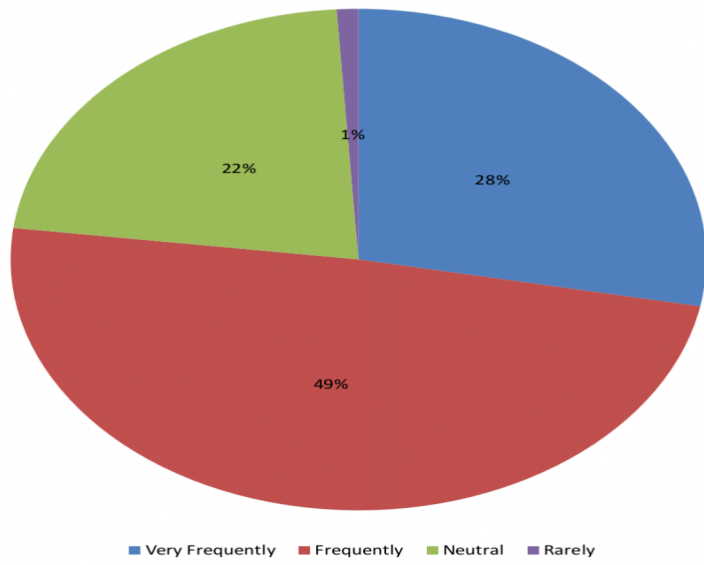
Secondary Data Secondary data is the data which has already been collected by someone else for the same, similar or for different purpose. The secondary data was also collected through various researches and websites. The secondary data was used for the purpose of preparing questionnaires, industry & company profiles.
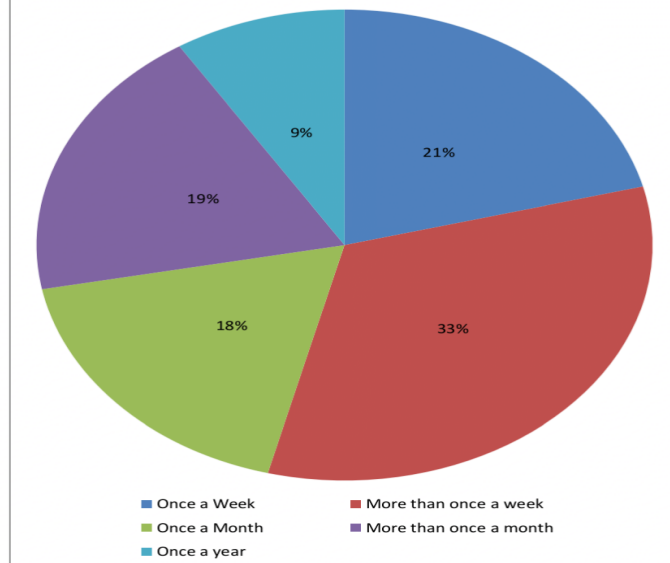
Data analysis and discussions::

Q1. Are you Aware of online shopping?

- Yes
- NO

0%

100%

Q2. From where did you come to know about online shopping?

13%
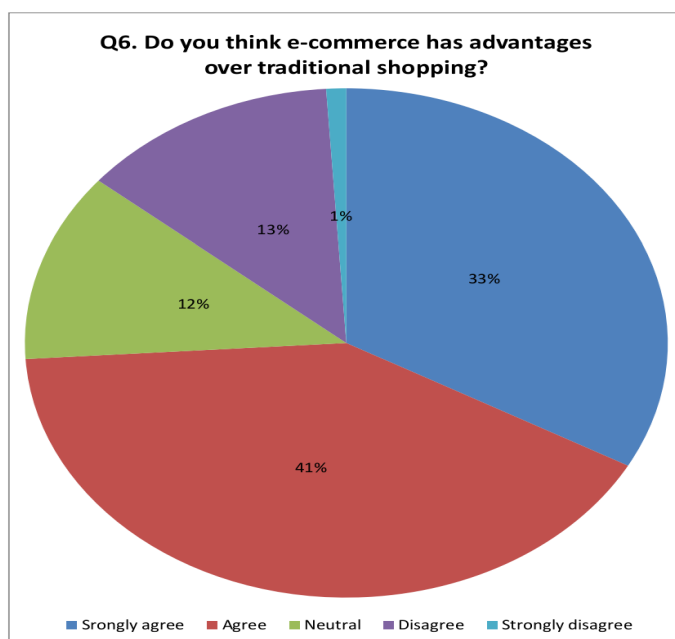
21%

19%

47%

- Advertisements
- Newspaper
- Internet
- Magazines

Q3. Have your ever did online shopping?

28% — Very Frequently
49% — Frequently
22% — Neutral
1% — Rarely

Legend: ■ Very Frequently ■ Frequently ■ Neutral ■ Rarely

Q4. How often you do online shopping?

21% — Once a Week
33% — More than once a week
18% — Once a Month
19% — More than once a month
9% — Once a year

Legend: ■ Once a Week ■ More than once a week ■ Once a Month ■ More than once a month ■ Once a year

Q5. Which online shopping site you prefer?

18%

16%

37%

29%

■ Ebay ■ Amazon ■ FilpKArt ■ Snapdeal

Q6. Do you think e-commerce has advantages over traditional shopping?

1%

33%

13%

12%

41%

■ Srongly agree ■ Agree ■ Neutral ■ Disagree ■ Strongly disagree

Q7. What kind of products you buy online?

23%

18%

28%

15%

16%

■ Mobile and Tablet ■ Apparel ■ Accessories ■ Jewellery ■ Books

Q8. Are you able to get all relevant information about the product when you shop online?

2%

17%

27%

34%

20%

■ Never ■ Rarely ■ Sometimes ■ Often ■ Always

Q9. Have you ever come across with FlipKart advertisements?

- Less than once: 7%
- 1 or 2 times: 27%
- 3 or 4 times: 38%
- More than 4 times: 28%

Q10. Does Flipkart advertisement provide you the relevant information about the product

- Never: 1%
- Rarely: 2%
- Sometime: 15%
- Often: 20%
- Always: 62%

Q11. Have you ever done shopping on Flipkart?

Bar chart showing percentages: Less than once 9%, 1 or 2 times 25%, 3 or 4 times 37%, More than 4 times 27%.

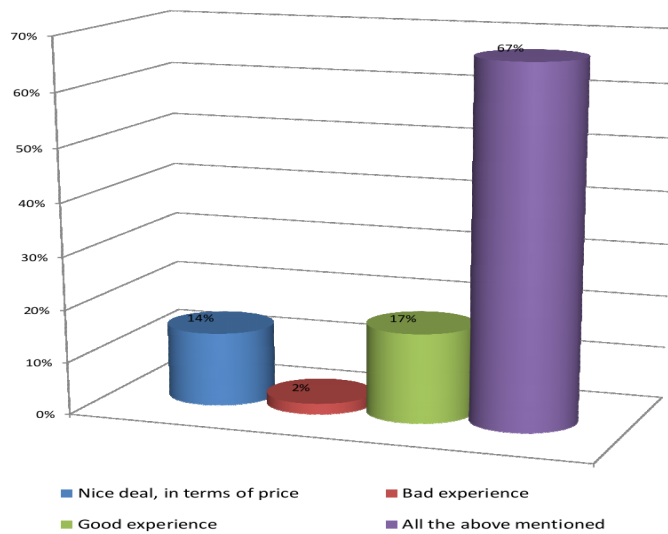Legend: ■ Less than once ■ 1 or 2 times ■ 3 or 4 times ■ More than 4 times

Q12. Were you able to find all relevant information about the product on the FlipKart site conveniently?
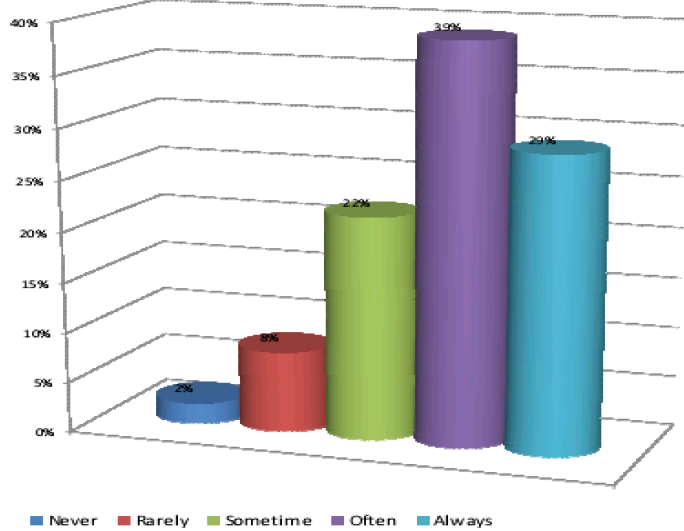
Bar chart showing percentages: Never 2%, Rarely 8%, Sometime 22%, Often 39%, Always 29%.

Legend: ■ Never ■ Rarely ■ Sometime ■ Often ■ Always

Q13. Were you comfortable with the process that you have to follow to order the product?

Not at all: 11%
Slightly: 8%
Moderately: 25%
Very much: 29%
Completely: 27%

Legend: ■ Not at all ■ Slightly ■ Moderately ■ Very much ■ Completely

Q14. After purchase, what type of experience will you share with others?

Nice deal, in terms of price: 14%
Bad experience: 2%
Good experience: 17%
All the above mentioned: 67%

Legend: ■ Nice deal, in terms of price ■ Bad experience ■ Good experience ■ All the above mentioned
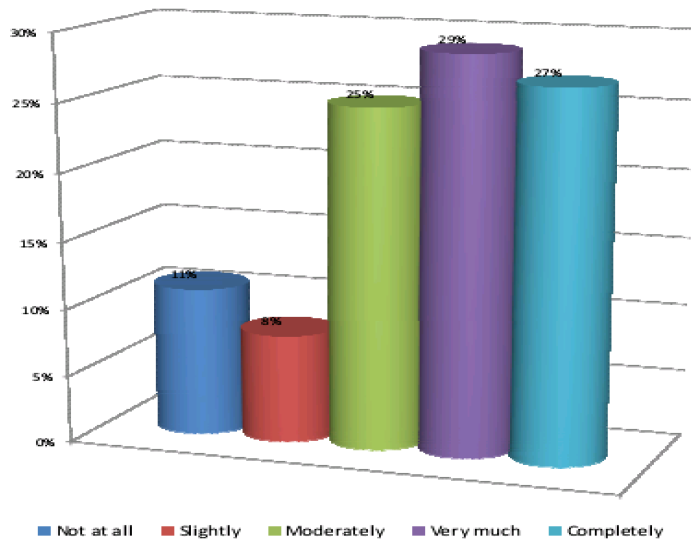
Q15. How will you share your experience with others?

- Face to face talk — 14%
- On company website — 2%
- Write a blog — 17%
- Messaging — 67%
- Social networking sites — 32%
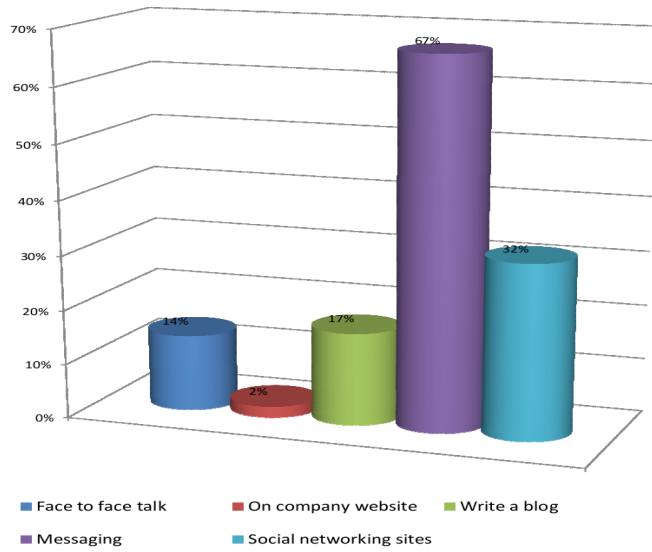
Findings;

Most of the respondent were not satisfied with the after sales services of Flipkart.

- 100% of the respondents were aware of the flipkart shopping site.

- As 47% of the respondents were made aware of this online shopping site, whereas 19% were through newspaper ,13% through advertisement, 21% through magzines.

- Most them 49% responded on shopping online frequently ,22% were neutral, 1% rarely
.

- 33% used to shop online more than once a week ,18% once a month ,9% once a year and 19% more than once a month.

- Research implications state that 47% preferred flipkart site to shop.

- Most of them shopped for more then 3-4 times nearly 37% implying happy customers

- 39% of them found relevant information about the product on flipkart

- 29% were very much comfortable with the ordering process of flipkart and 27% were completely comfortable

- Nearly 67% responded to sharing good as well as bad experience about shopping on flipkart

- 37% prefered sharing through social media and 67% through messeging about the experience on flipkart.

CONCLUSION:

The research implies that the future of marketing is in the hands of digital. Digital marketing is not only concerned with placing ads in portals it consists of integrated services and channels. In this digital era marketers use marketing communication that is the marketer is not only custodian for a brand , people who are connected across the digital platforms are the custodian.

Brands like flipkart, Amazon ,Myntra etc. Want to build their presence over digital platforms by implying various marketing strategies in order to capture the Market . As customers have high affinity towards the digital media than other media's.

This research focused on the consumer buying behaviour of the Indian consumers are highly information seeker and they will do research about a product before going to any retail shop.

So be it billboards, tv commercials or digital ads, Flipkart has always been on the front seat in developing marketing strategies around existing trends. Its smartly yet emotionally woven ad campaigns leave a strong impression in the hearts of Indian audience. Flipkart's business might be threatened by equally giant competitors but it will definitely continue to rule the E-commerce industry for decades to come with its brilliant marketing strategies.

MANAGERIAL IMPICATIONS :

The aim of my research is to help company to establish and manage Flipkart's leading marketing strategy focuses on every single touchpoint their customers are present at.

It uses the majority of its budget on various digital channels involving both paid and organic marketing. ... Flipkart also invests intensely in celebrity endorsement and influencer marketing.

Since digital marketing is nearly rising in this era , for which flipkart is geared up for the same. Flipkart will soon start offering digital content like movies and songs online, as in the customer's can pay and steam online the digital content.

Flipkart will also provide with e- books very soon !

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ANNEXURE::

Questionaire for consumer buying behaviour of flipkart.com

Q1) Are you aware of online shopping ?

- Yes
- No

Q2) How and from where did you know about flipkart.com?

- Advertisements
- Newspapers
- Magzines
- Other

Q3) Have you ever done online shopping?

- Very frequently
- Frequently
- Neutral
- Rarely

Q4) How often have you done online shopping ?

- Once a week

- More than once a week

- Once a month

- More than once a month

- Once a year

Q5)which online shopping site you prefer?

- eBay

- Amazon

- Flipkart

- Snapdeal

Q6) Do you think ecommerce has advantages over traditional shopping?

- Strongly agree

- Agree

- Neutral

- Disagree

- Strongly disagree

Q7) what kinds of products do you buy online?

- Mobile and tablets

- Apparel

- Accessories

- Jewellery

- Books

- Other

Q8) Are you able to get all relevant information about the product when you shop online?

- Never

- Rarely

- Sometimes

- Often

- Always

Q9) Have you ever come accross with flipkart advertisements?

- Less than once

- 1 or 2 times

- 3 or 4 times

- More than 4 times

Q10) Does flipkart advertisement provide you the relevant information about the product?

- Never

- Rarely

- Sometimes

- Often

- Always

Q11) Have you ever done shopping on flipkart ?

- Less than once

- 1 or 2 times

- 3 or 4 times

- More than 4 times

Q12) Were you able to find all relevant information about the product on flipkart site conveniently?

- Never

- Rarely

- Sometimes

- Often

- Always

Q13) Were you comfortable with the process that you have to follow to order the product?

- Not at all

- Slightly

- Moderately

- Very much

- Completely

Q14) Q14) After purchase what type of experience will you share with others ?

- Nice deal in terms of price

- Bad experience

- Good experience

- All the above mentioned

Q15) How will share your experience with others?

- Face to face talk

- Messeging

- On Company website

- Write a blog

- Social networking site