

MARKETING STRATEGIES OF FLIPKART

Syed Zaid

Abstract

A firm grows by gaining customers through implementation of different Marketing Strategies through selling its products or services. Growth of a business is critical for every business success. Marketing considers the choice of policies aimed at improving the competitive position of the firm, taking into account challenges and opportunities in the competitive environment. Marketing strategies may differ depending on type of business. The present paper reveals about the various Marketing Strategies applied by online shopping companies Flipkart India that aimed at increased registered customers and sales.

INTRODUCTION

What is marketing strategy?

“Consumers do not buy what you sell. They buy what has value to them.” Marketing strategy has the fundamental goal of increasing sales and achieving a sustainable competitive advantage. Marketing strategy includes all basic, short-term, and long-term activities in the field of marketing that deal with the analysis of the strategic initial situation of a company and the formulation, evaluation and selection of market-oriented strategies and therefore contributes to the goals of the company and its marketing objectives.

Strategic marketing is a philosophy that leads to the process by which organizations, groups and individuals obtain what they need and want by identifying value, providing for it, communicating it and delivering it to others. The basic concept of marketing is customer’s needs, wants and values; products, exchange, communication and relationship. Marketing is strategically concerned with the direction and scope of long-term activities performed by the organization to obtain a competitive advantage. The organization applies its resources within a changing environment to satisfy customer needs while meeting stakeholder expectation.

Definition

1. “Marketing strategy is consistently located and coordinated set of marketing actions, aimed at meeting the long term marketing goal.” – **PRANULIS** (2008)
2. “A marketing strategy is a process or model to allow a company or organization to focus limited resources on the best opportunities to increase sales and thereby achieve a sustainable competitive advantage.”

Why does marketing strategy matter?

“Marketing strategy allows you to use pathways and footholds that apply your limited marketing budget more effectively.”

In marketing, there is strategy and there are tactics. A lot of marketing, in practice, is preoccupied with what I call tactical experimentation. This is the act of throwing all kinds of things out at the world or at broad demographic targets to see what works. As you do this you are spending money, potentially lots of it. The idea in this method is to do this until you find some marketing actions that work, and when you find them you can then do more of those.

This process often results in the classic Wanamaker dilemma—“Half the money I spend on advertising is wasted; the trouble is I don’t know which half.” He was speaking of advertising, but the principle applies.

Marketing strategy allows you to use pathways and footholds that apply your limited marketing budget more effectively (everyone’s marketing budget is limited). Marketing strategy facilitates your ability to apply marketing money to the correct half of the Wanamaker equation—the half you are not wasting on audiences who do not value your message.

To illustrate this principal with one of our own rather straightforward examples, when we looked at the South Bronx as a marketplace for the Bronx Museum, the situation we saw was reflected by the first competitive advantage diagram below; here, there is nothing in their offer, as understood by the consumer, that is of any perceived value. The strategy, therefore, could not be to simply support the institutional desire to communicate about all the great art that was on exhibit

Marketing strategy vs. marketing managements

The distinction between “strategic” and “managerial” marketing is commonly used to distinguish "two phases having different goals and based on different conceptual tools. Strategic marketing concerns the choice of policies aiming at improving the competitive position of the firm, taking account of challenges

COMPANY PROFILE

Flipkart is an electronic commerce company headquartered in Bangalore, Karnataka. It was founded in 2007 by Sachin Bansal and Binny Bansal (no relation). The company is registered in Singapore. Flipkart has launched its own product range under the name "DigiFlip" with products including tablets, USBs, and laptop bags. As of April 2017, the company was valued at \$11.6 billion. Flipkart is a private company founded by Binny Bansal and Sachin Bansal. Established in the year 2007, it deals with e-commerce. The company website is one of the most popular websites in India and has an employee count of more than ten thousand. Its slogan, ‘The Online Megastore’ is very apt and popular. As Indian’s are being accustomed to online purchases, they have contributed towards the success of this online website. Flipkart is no longer just a shopping website; it has become the heart and soul of the shopaholics.

People have started feeling that this online portal is giving more choices in products than others. In a recent development, the Indian Textile Ministry has signed with Flipkart a memorandum of understanding. Under this MOU, the handloom weavers will get an easy to use platform through Flipkart to display their products and conduct sales. Flipkart will also provide infrastructural support to the weavers. However, this move has been made for the growth of handloom industry but it will also benefit the website. To associate with any government project is in itself a testimony to their reputation.

History of the company

Flipkart was founded in 2007 by Sachin Bansal and Binny Bansal, both alumni of the Indian Institute of Technology Delhi. They worked for Amazon.com, and left to create their new company incorporated in October 2007 as Flipkart Online Services Pvt. Ltd. The first product they sold was the book Leaving Microsoft to Change the World to a customer from Hyderabad. Flipkart now employs more than 33,000 people.

In October and November 2011, Flipkart acquired the websites Mime360.com and Chakpak.com. Later, in February 2012, the company revealed its new Flyte Digital Music Store. Flyte, a legal music download service in the vein of iTunes and Amazon.com, offered DRM-free MP3 downloads. But it was shut down on 17 June 2013 as paid song downloads did not get popular in India due to the advent of free music streaming sites.

After the success of its 2014 Big Billion Sale, Flipkart carried out a second Big Billion Sale. Where it is reported that they saw a Business turnover of \$300 Million in gross merchandise volume.

In 2015, Flipkart bought a minority stake in navigation and route optimization startup MapmyIndia to help improve its delivery using Map my India assets.

As E-tailer Flipkart became one of the largest e-commerce companies in the nation, Sachin Bansal emerged as a face of the company, while a silent stakeholder in the billion dollar start-up largely stayed in the background. Until now.

With Binny Bansal taking over as the CEO of Flipkart and Sachin Bansal moving up to the position of executive chairman, the ex-COO and co-founder of the company is suddenly in the media spotlight.

Here are some lesser known facts about Binny Bansal.

- Just like Sachin, Binny Bansal is also from Chandigarh and both went to the same school, but they are not related in any way except for being an integral part of the Flipkart family.
- Although the two became close friends at IIT-Delhi, Sachin and Binny were not good friends as children despite being in the same school.
- Before joining Amazon just a year after Sachin Bansal, Binny was rejected twice by Google. However, he worked at Sarnoff Corporation, where he created a sensor for cars to warn if it changed lanes without giving a signal.

OBJECTIVE OF THE STUDY

OBJECTIVES:

- To understand and estimate the consumer perception and factors affecting their behavior forchoosing e-commerce sites.
- To understand tactics and methods those are used by flipkart to grab the customers inIndia.
- To know how consumers are evaluating e-commerce sites for their purchases.
- To understand the work flow of Flipkart in India.
- To study complexities and barriers those are there in between e-commerce sites and customers.
- To find out new opportunities and to succeed in those procedures.

DATA COLLECTION

The goal for all data collection is to capture quality evidence that then translates to rich data analysis andallows the building of a convincing and credible answer to questions that have been posed.

PRIMARY DATA

Primary data was collected from various people and their opinion and information for the specific purposesof study helped to run the analysis. The data was collected through questionnaire to understand their experience and preferencetowards their loyal company.

SECONDARY DATA:

Secondary data was collected from different sites, news papers etc.

Sample size: 100

RESEARCH METHODOLOGY

1. PRIMARY RESEARCH:-

A Primary Research was conducted:

The questionnaire was prepared for the companies and following areas covered

2. SECONDARY RESEARCH:-

- Data was collected from websites and catalogues to understand the product of the different players.
- Sources used for secondary data collection are company web site, E-tailer web site etc.

ANALYSIS OF DATA:

Questionnaire has been attached in annexure -I

- DEMOGRAPHICS: age group
- HOW OFTEN RESPONDENT SHOP ONLINE?
- PREFERRED ONLINE SITE BY RESPONDENT?
- RESPONDENT PAYMENT METHODO?
- RESPONDENT IS MOST IMPRESSED WITH WHICH E-COMMERCE SITE?
- RESPONDENT CHOOSING METHOD OF E-COMMERCE SITE?
- RESPONDENT IS MORE SATISFIED WITH WHICH SITE PRICING
- RESPONDENT WOULD LIKE TO SUGGEST TO OTHERS
- OCCASIONS PREFERRED BY RESPONDENT TO DO SHOPPING
- RESPONDENTS FACED PROBLEM WITH
- RESPONDENTS OPINION ON FLIPKART CUSTOMER CARE

Literature review

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

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

3. **“ANVESHANA’s international journal of research in regional studies, law, social sciences”** “Internet became more powerful and basic tool for every person’s need and the way people work. By integrating various online information management tools using Internet, various innovative companies have set up systems for taking customer orders, facilitate making of payments, customer service, collection of marketing data, and online feedback respectively. These activities have collectively known as e-commerce or Internet commerce. Online shopping made so easy for everyone with their product variations and simple way to buy things. An attempt has been made to critically examine various corporate and business level strategies of two big e-tailers and those are Flipkart and Amazon. Comparison have been done considering e-commerce

challenges, their business model, funding, revenue generation, growth, survival strategies, Shoppers’ online shopping experience, value added differentiation, and product offerings. Both these big players made their own mark in India, but who is going to be ultimate winner or be the top one is going to be. A comparative study of Flipkart.com with one of the close competitor Amazon.com delivers the information about the different strategies to succeed in e-commerce market and different opportunities available in India.”

DATA ANALYSIS

DATA ANALYSIS AND INTERPRETATION

DEMOGRAPHICS:

Respondent age group and gender

TABLE: .1

VARIABLES	MEASURING GROUP	FREQUENCY	PERCENTAGE
Age	Below 25	35	50.0
	Between 25-35	25	35.7
	Above 35	10	14.3
			100
Gender	Male	28	40
	Female	42	60
	Total	70	100

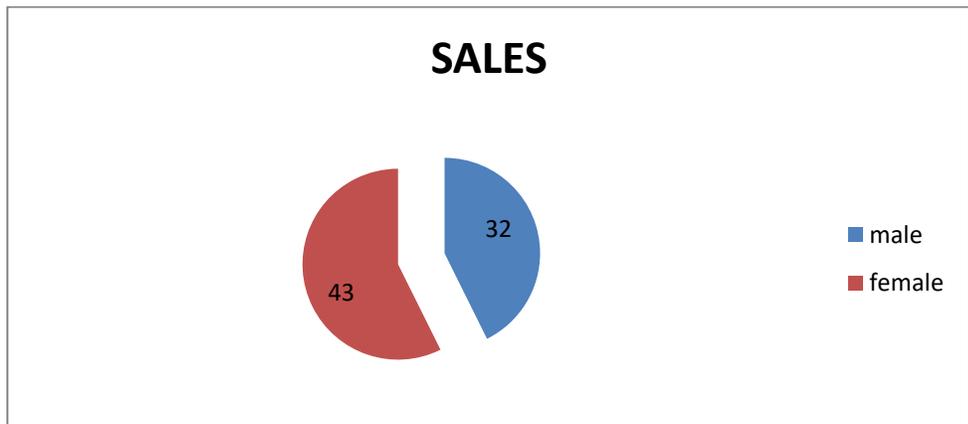
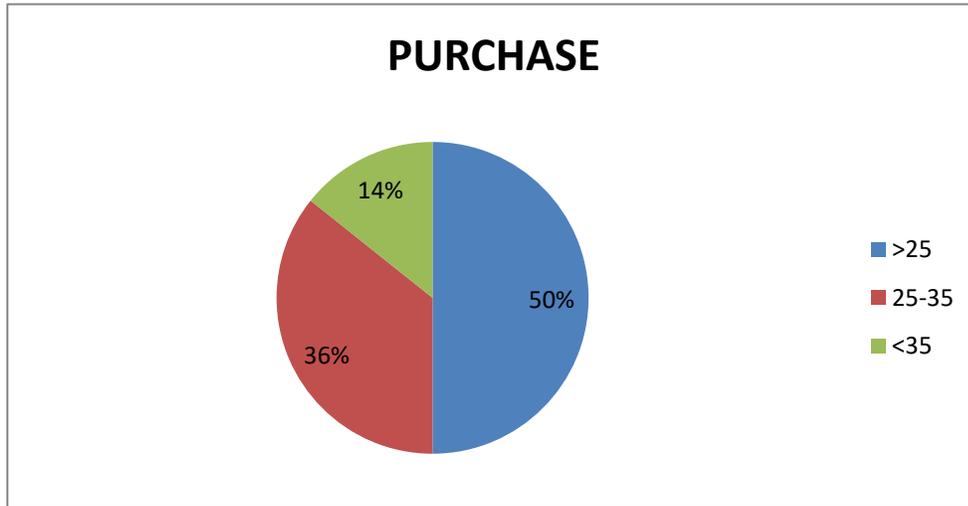
ANALYSIS:

The above chart provides the empirical findings gleaned from the collected data. It provides demographic information of the respondents and the statistical analysis of the information collected from them. This is followed by the interpretation and discussion about our findings. The above table shows that out of 70 respondents 50 % of people are in the age group of < 25 years, 35.7% of people are in the age group of 25-35 and 14.3% of people are in the group of >35.

Another demographic factor we considered is gender. Female respondents are higher than the male respondents that who prefer online shopping.

GRAPH: 1

Respondent age group and gender who buys frequently



INTERPRETATION

We are having highest respondents who do online shopping are less than 25 years and almost all those belongs to student category. At the same time 35.7% of age group 25-35 is utilizing online shopping well. All those people are attracted to e-commerce sites which are offering wide range of products to everywhere and also with their services. We can interpret that based upon their preferences that they are getting different and unavailable international products online, which made easy and time efficient.

HOW OFTEN RESPONDENT SHOP ONLINE

TABLE: 2

Duration	purchase
frequently	17
Once in two months	11
Once in one month	21
Very rare	21

ANALYSIS:

From above table we can see that how often respondents are doing shopping online. It became habit of choosing online shopping instead of brick and mortar shopping. Here 21 out of 70 respondents are so regular that they do shop online at least once in month. Here also we can see that people who like frequently is less than people shop once in a month and some people are those who shop only in rare case.

LIMITATION

According to us there were so many limitations during project which were great hurdle in the competition of report-

- Time allowed for the study was not sufficient.
- A sample survey was selected.
- The data provided by the respondent may not be correct or accurate.
- Some of the samples selected for the study did not respond properly to the questionnaire. However proper care had taken to make the analysis and interpretations more meaningful.
- Questionnaires are impersonal, this means that it may be difficult to understand answers and thus to act on them. Also, there is a chance that the question may be misinterpreted, rendering the answer useless.
- Questionnaires also invite people to lie and answer the questions very vaguely which they would not do in an interview.
- Open questions can take a lot of time to collect and analyses.
- People are not always willing to fill questionnaires in so they may just throw them always.
- Sometimes questions used are too standardized (closed) so some peoples preferred answers may not be included, and this also does not allow for much detail.
- Peer pressure of embarrassment may cause people to not want to answer certain questions, or they may want to impress the researcher and fabricate the truth by filling in untrue answers, making questionnaires unreliable and sometimes invalid.

FINDINGS

- Female respondents are showing more interest to do online shopping than male respondents.
- Customers are preferring quality product from e-commerce sites, even it is bit expensive.
- Flipkart is trying very hard to reach the top position but Amazon India is giving very tough competition.
- Amazon is leading in every aspect of survey such as price, preferred and also suggesting to friends.
- Undoubtedly Flipkart and Amazon made their impact on customers very strongly and captured loyal customers. And they are ready suggesting their online shopping site to rest of their friends.
- Both Flipkart and Amazon India advertisements were very innovative and attractive. Both companies are expending so much money on advertising and promotions.
- Every age group people are interested in offers, if they are in need or not they want to purchase.

CONCLUSION:-

The study consisted with all the work flows of and strategies of E-commerce player, Flipkart. How Flipkart is performing and how they are running perfectly in the competitive world has been explained. The innovative thinking of them to reach more and more consumers is appreciable. They increased their network as much as possible with ultimate aim of reaching more and more customers. They made consumers work more easy and comfortable. In this competitive market one has to be lead and rest will follow. Based upon consumer's survey we got our clear winner and it is Amazon. Even though it is an international company it understood Indians very well and made its roots stronger in India. Flipkart is also giving very tough competition to Amazon even though it is new company when compared to Amazon. Maybe it takes some time to overcome, but definitely they are doing very well in Indian e-commerce market. Flipkart is using more offers like Flipkart big billion day etc. Flipkart is also using Pay per click and so Amazon is doing. Flipkart is also

acquiring more companies who can add value to it. Recently Flipkart acquires E-bay India to give a tough competition to Amazon.

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