

ENTERPRISE ANALYSIS AND DESK RESEARCH

E-COMMERCE SECTOR FLIPKART



GUIDED BY MS. POOJA
GAWANDE

PRESENTED BY
KRUNALI TAKALE

DIV 1

FOUNDER & PROMOTER OF FLIPKART



**Sachin
Bansal**



**Binny
Bansal**

- Flipkart was established in 2007 by Sachin Bansal and Binny Bansal,
- both alumni of the Indian Institute of Technology Delhi.
- They worked for Amazon.com before quitting and founding their own company.
- Initially they used word of mouth marketing to popularize their company

The image features a vibrant blue background filled with a collage of various electronic and educational items. These include stacks of books in yellow and orange, several laptops in shades of blue and orange, various mobile phones and smartphones, and several iPods. There are also several orange stars of different sizes scattered throughout the scene. The central focus is the Flipkart logo, which consists of a yellow shopping cart icon followed by the word 'flipkart' in a white, lowercase, sans-serif font. To the right of 'flipkart' is '.com' in a smaller, yellow, lowercase font. Below the logo, the text 'The Online Megastore' is written in a yellow, sans-serif font.

flipkart.com

The Online Megastore

MISSION & VISION

Flipkart's vision is to create a digital commerce ecosystem that is accessible and convenient for everyone, especially in India. The company aims to transform the way people shop and live through technology, making it easier and more convenient for people to access the products and services they need.

Flipkart's mission is to create a trusted, accessible, and convenient shopping experience for its customers by offering a wide selection of products at competitive prices, backed by reliable and fast delivery. The company is committed to using technology to solve complex problems and simplify processes for its customers, making shopping as easy and seamless as possible.

Overall, Flipkart's vision and mission reflect its commitment to using technology to transform the way people live and shop, and to contributing to the growth and development of India's digital economy

QUALITY POLICY OF FLIPKART



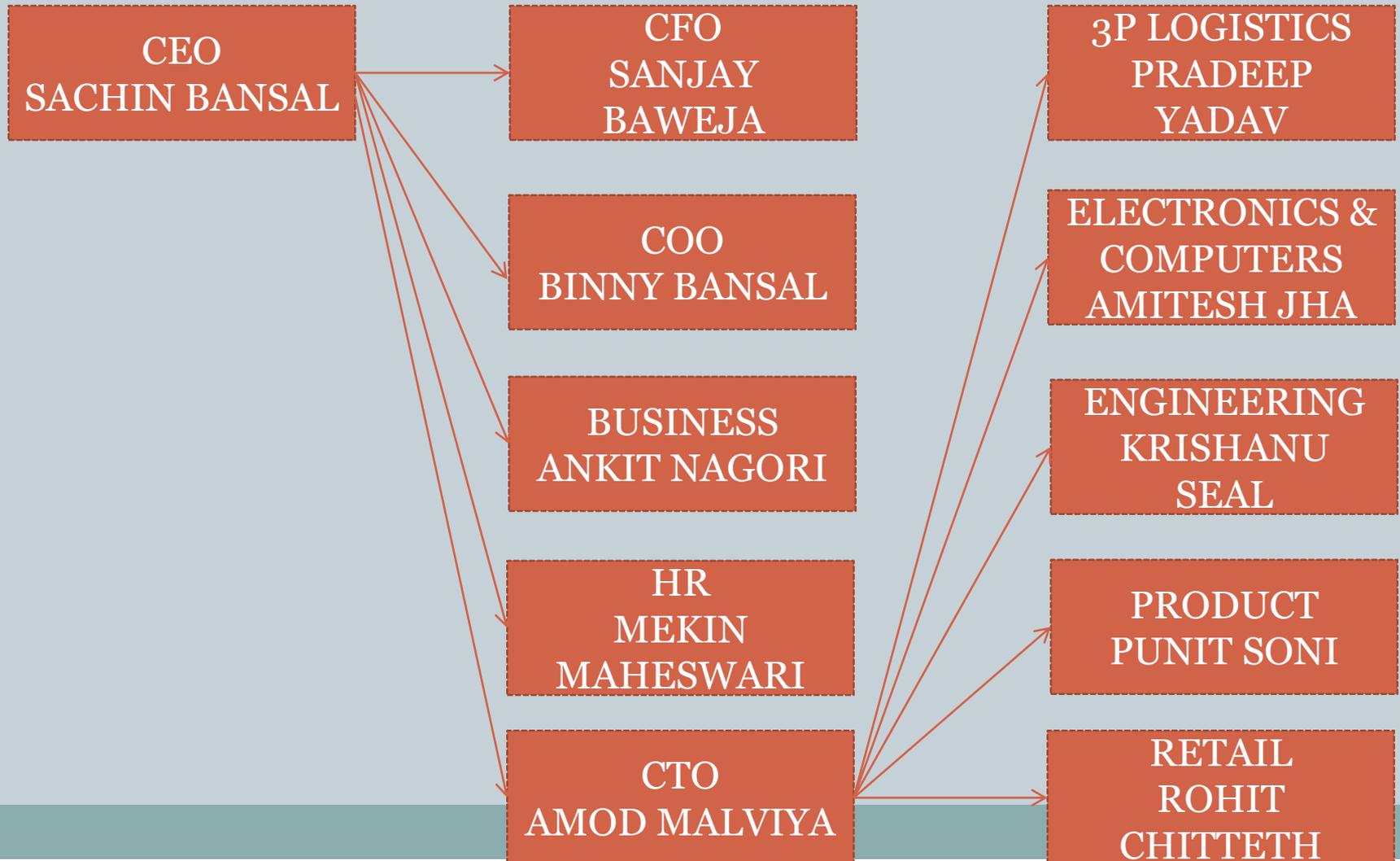
- Quality checks on product
- All products under the Flipkart Assured tag go through 6 strict quality checks between storage to packaging. These product checks are based on their MRP vs catalogue price, their colour and size, physical damages, and 100% data check on returns threshold, rating threshold, and seller cancellation.
- Quality packaging
- To ensure customers get their orders in mint condition, each delivery is packed in accordance with Flipkart's quality shipping guidelines. Flipkart precisely chooses packaging substances according to the product type and packages them well to ensure zero damage to the product inside the package even after a tough transit. In order to achieve this, secure packaging items are used, like bubble wrap, air bags, paper, cardboard, and styrofoam.

MANAGEMENT STRUCTURE



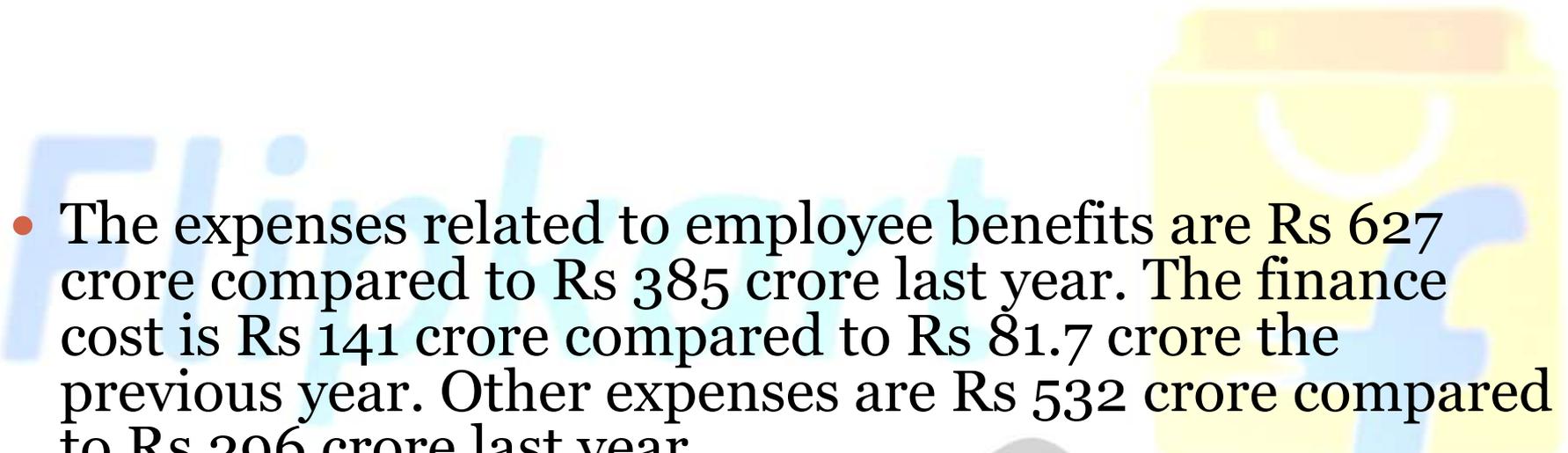
- As a result of its rapid growth, Flipkart had consistently revised its organizational structure from a flat hierarchy-less to a matrix archetype. The case highlights a dilemma about Flipkart's futuristic organizational structure that ensures optimal performance in ever changing competitive landscape.

Organizational structure



FINANCIAL STRUCTURE

- Flipkart India, the business-to-business arm of Walmart-owned e-commerce firm Flipkart, reported its revenues for the financial year 2021-22 as Rs 51,176 crore, an 18 per cent jump since the last financial year. The company further reported a net loss of Rs 3,404 crore during the same fiscal. This is a 39 per cent increase from the last financial year, according to regulatory documents sourced from the business intelligence platform Tofler.
- The company's total expenses for the fiscal were reported as Rs 54,580 crore compared to Rs 45,794 crore or about 19 per cent higher than the previous year. Expenses related to employee benefits, inventory costs, finance costs, and depreciation increased in FY22.

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- The expenses related to employee benefits are Rs 627 crore compared to Rs 385 crore last year. The finance cost is Rs 141 crore compared to Rs 81.7 crore the previous year. Other expenses are Rs 532 crore compared to Rs 296 crore last year
 - Flipkart Internet recently, posted a 31 per cent year-on-year jump in its revenue to Rs 10,659 crore for the financial year 2021-22 (FY22), even as its net loss widened 51 per cent to Rs 4,362 crore in this period. The company's total expenses for FY22 stood at Rs 15,020 crore, about 36 per cent higher than the previous year, mainly due to expenses related to order deliveries, advertisements and promotions, and employee benefits.

SERVICE CHALLENGES AT THE TIME OF COVID



- High Customer Acquisition Cost
- High Churn/Low Loyalty
- Cash On Delivery
- High Cash Burn Rate
- Inventory Planning / Poor Supply Chains
- Service Delivery Control and Discipline in Online Marketplaces
- Maintaining Price Velocity and Handling Customer Disconnect
- Unexpected Stock Fluctuation & Consumer Demand
- The Peak Website Traffic
- Compliance with Health and Safety Regulations
- Employee & customer safety

PRODUCT PORTFOLIO



- Books
- Movies
- Music
- Games
- Mobiles
- Cameras
- Computers
- Healthcare and Personal Products
- Home appliances and Electronics
- Stationary
- Perfumes
- Toys and many more.....

MARKETING STRATERGIES

- **MARKETING STRATERGIES**
- Attractive advertisement
- Easy and user personalize UI
- Reliable delivery
- One day delivery
- E-wallet
- Product recommendation

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Flipkart



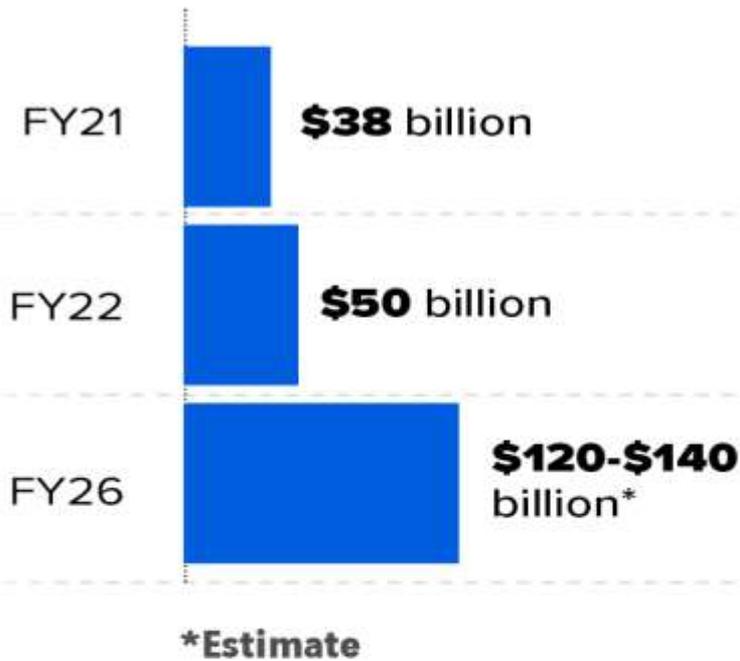
COMPETITORS

- **AMAZON.in**
- **Snapdeal.com**
- **Jabong.com**
- **Mytra.com**
- **infibean**



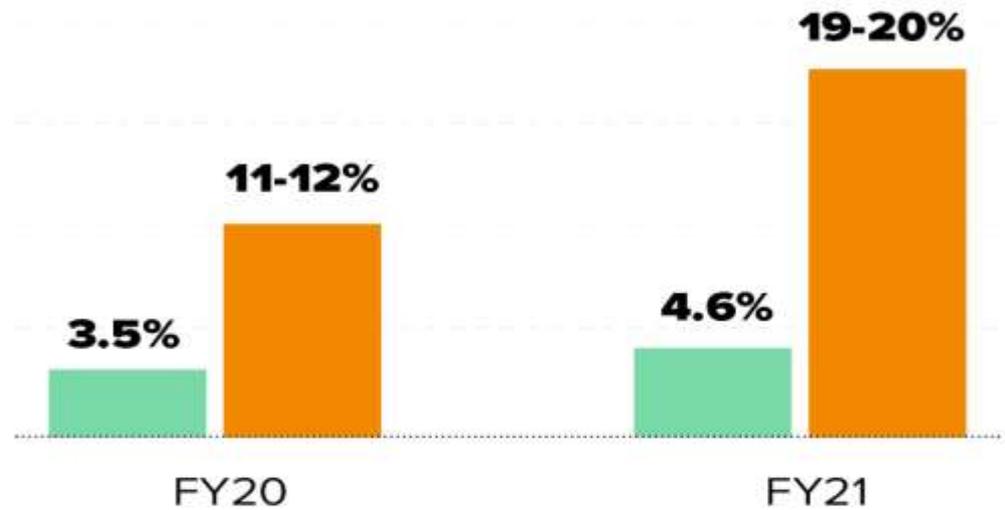
SALES FORECASTING AT THE TIME OF COVID

Market size

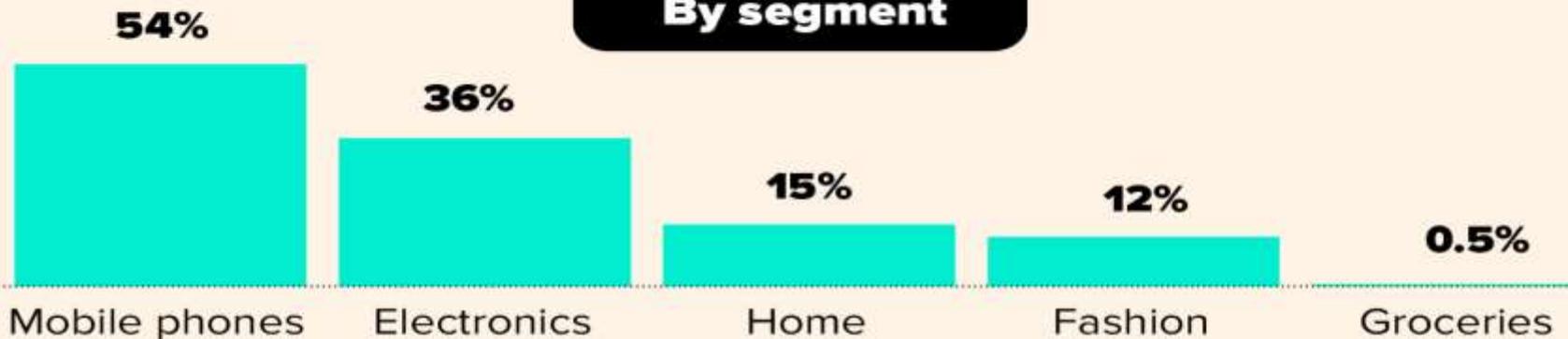


Market penetration

Including groceries | Excluding groceries



By segment



Sales of Flipkart after Covid-19



- In India, Flipkart re-opened in mid-May, after which we saw GMV exceeding pre-Covid-19 levels,” said Doug McMillon, CEO, Walmart. In its July 10 edition, TOI reported saying both Amazon India and Flipkart are seeing accelerated growth of 120-140% in online sales accelerated by the pandemic. Flipkart Internet, the Walmart-backed e-commerce company's marketplace arm, reported a 32% jump in revenues for the financial year 2020-21 on the back of Covid-19 related push. Flipkart Internet clocked operational revenues of Rs 7,840 crore during the period, while Flipkart's wholesale arm - Flipkart India - reported a 25% growth in revenues to Rs 42,941 crore.

SALES OF FILPKART ON COVID 19

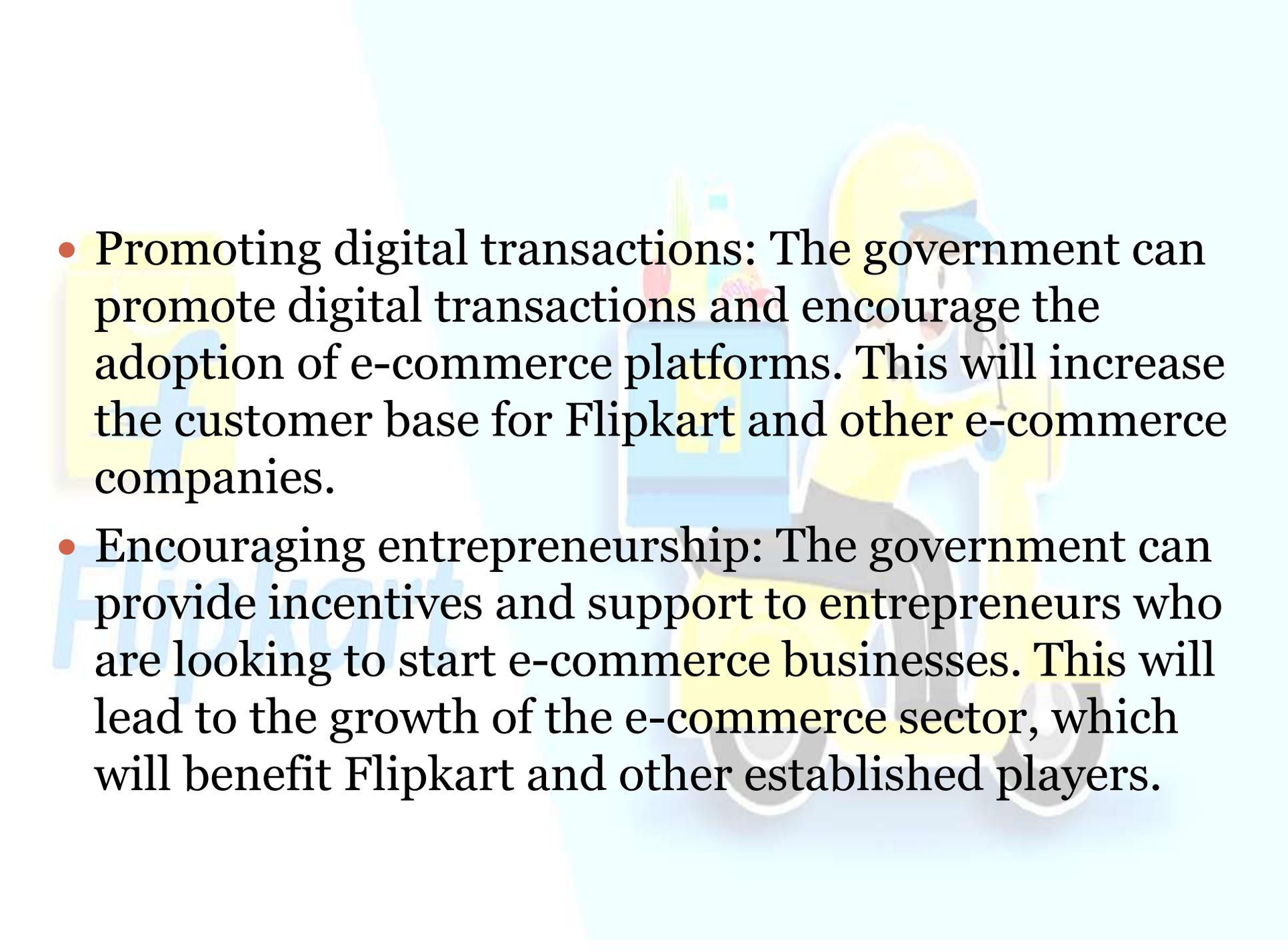


- Flipkart, like many other e-commerce companies, experienced a surge in sales during the COVID-19 pandemic as more people turned to online shopping due to lockdowns and social distancing measures. The pandemic led to a significant shift in consumer behavior, with people relying more heavily on e-commerce platforms for their shopping needs.
- In the early days of the pandemic, Flipkart saw a surge in demand for essential goods such as groceries and household items, as people stockpiled supplies in preparation for lockdowns. Later, as the pandemic continued and people spent more time at home, there was a significant increase in demand for electronics and home goods, as well as a growing interest in online education and entertainment.

- As the pandemic has continued, and with the advent of various vaccine programs, the demand for e-commerce services has remained strong. Flipkart has reported strong sales in categories such as electronics, fashion, and home goods, as well as continued growth in its grocery and essentials business.
- It's worth noting that the e-commerce sector as a whole has been one of the biggest beneficiaries of the pandemic, and companies like Flipkart are well-positioned to continue to capture a growing share of the online shopping market in the post-pandemic world. However, as the economy reopens and more people return to work, it remains to be seen how consumer behavior will evolve, and how this will impact the sales of e-commerce companies like Flipkart.

few ways the government can support Flipkart:

- few ways the government can support Flipkart:
- Favorable regulations: The government can provide a conducive business environment by formulating favorable regulations for e-commerce companies. For example, simplifying the tax structure and reducing barriers to entry can help e-commerce companies like Flipkart to operate more efficiently.
- Infrastructure support: The government can invest in the development of the necessary infrastructure to support e-commerce, such as improving internet connectivity and transportation facilities.

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- Promoting digital transactions: The government can promote digital transactions and encourage the adoption of e-commerce platforms. This will increase the customer base for Flipkart and other e-commerce companies.
 - Encouraging entrepreneurship: The government can provide incentives and support to entrepreneurs who are looking to start e-commerce businesses. This will lead to the growth of the e-commerce sector, which will benefit Flipkart and other established players.



Flipkart



THANK YOU