

# ENTERPRISE ANALYSIS AND DESK RESEARCH

E-COMMERCE SECTOR FLIPKART

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DIV 2

# FOUNDER AND PROMOTER

- Sachin Bansal (born August 5, 1981) is an Indian entrepreneur. He is best known as the founder of Flipkart. During his over 11 year career at Flipkart, Bansal was CEO and chairman. In 2018, Bansal exited Flipkart following the Walmart deal.



# MISSION AND VISION

- Flipkart's current vision is 'To become Amazon of India'
- mission revolves round 'Providing delightful customer experience'.



# QUALITY POLICY OF AMAZON

- 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.
- Flipkart Assured is a badge of assurance for products listed on Flipkart. The badge ensures two things— high quality and fast delivery. Products under this tag go through strict quality checks, then packaged and delivered to customers.



# ORGANIZATIONAL STRUCTURE OF FLIPKART

- Organizational Structure of Flipkart, The best market in the today's world is the online shopping market, where the online website holder can get a huge crowd as the people from all over the world are connecting through the internet and want the products to be delivered at their home.
- Today I will discuss about the e-commerce giant and the most reputed online shopping website “Flipkart”. The structure of the website is being very much complex and needs to be understand in a simplified form. Now you can scroll down below n check more details for “Organizational Structure of Flipkart”

Startup Name	Flipkart
Headquarter	Bengaluru, India
Sector	E-Commerce – Online Shopping
Founders	Sachin Bansal, Binny Bansal
Founded	2007
CEO	Kalyan Krishnamurthy
Total Funding	\$12.6 bn (January 2022)
Revenue	\$5.83 bn (Rs 43,357 crore in FY21)
Valuation	\$37.6+ bn (January 2022)
Area Served	India
Net Worth	<a href="#">Flipkart Net Worth</a>
Parent Organization	Walmart
Website	flipkart.com

# BUSINESS MODEL OF FLIPKART

- Flipkart, which has redefined shopping in India, works on a B2C (business to consumer model). Flipkart started off with a direct-to-consumer model selling books and some other products, before turning to a marketplace model which connect sellers and buyers and expanding its catalogue. Today, it sells everything from smartphones to clothes to furniture refrigerators to FMCG goods — and yes, books too.
- Flipkart claims to have lakhs of sellers on board from across India who list their products in over 80 categories.
- The average consumer might not care who the seller is and has a relationship with Flipkart, whereas the seller who may not have reached the customer at all can now do so thanks to Flipkart's platform.
- To facilitate this transaction and fulfil the order, Flipkart charges a varying percentage as a commission fee from the seller.

# BUSINESS MODEL CANVAS *Flipkart*



## Key Partners



- Publishers & Authors
- Subsidiaries (Myntra, Jobong.com, PhonePe, eBay.in and EKart, LetsBuy)
- Walmart – (Owns 81.3% of Flipkart)
- Sellers, manufacturer, and distributors of products
- Payment partners

## Key Activities



- Design, develop and optimize
- Manage the supply chain network
- sellers' network
- partnership with distributors

## Key Resources



- Venture Capital Partners
- Huge traffic Flow
- Payment System
- Flipkart Smartbuy
- Flipkart technological Aspects

## Value Propositions



- Wide Selection
- Exclusive Product Launch:
- Unique Features
- Convenience
- Cheap Products & Highly Trusted

## Customer Relationships



- reliable platform
- customer support
- customer reviews
- best deals and offers

## Channels



- Flipkart Official Website products
- Seller Program
- Software Applications
- Social Media Channels

## Customer Segments



- Massive Urban Market
- Discount Lovers
- Book Lovers Market
- Customers who prefer convenience and accessibility
- Customer targeted by Product

## Cost Structure



- Technology & Infrastructure support cost
- Warehouse management and Delivery Cost
- Advertising & Business Promotional Expenses
- Workforce maintenance Cost

## Revenue Streams



- Commission Structures
- Shopping fees (Flipkart Assured Program)
- Own Shipping Services – Ekart



# 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. 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.



# SALES DURING COVID - 19

- FLIPKART announced the launch of Flipkart Wholesale, a digital marketplace that looks to transform the kirana retail ecosystem by leveraging technology. “During these challenging times we continued to execute the strategy of building strong local businesses powered by Walmart and announced additional investment in China and India,” said Brett Biggs, executive vice-president and CFO, Walmart.
- The company’s net sales and operating results were significantly affected by the global health crisis. However, increased demand for products in multiple categories led to a strong top line and gross margin results. Revenue was \$137.7 billion, an increase of \$7.4 billion, or 5.6 per cent. Excluding currency, revenue increased 7.5 per cent to reach \$140.2 billion. Operating income was \$6.1 billion. Walmart US comp sales increased 9.3 per cent, led by general merchandise and food. Walmart US e-commerce sales grew 97 per cent with strong results across all channels.



# SITUATION AND GROWTH AFTER COVID – 19

## [FLIPKART]

- Walmart-owned Flipkart has bounced back after a nation-wide lockdown brought business activity to a standstill, with 90 per cent of its sellers resuming activity now. Ever since the e-com giant resumed full services, there has been around 125 per cent increase in new seller registrations, compared to the current sellers during the April-June period, the company said.
- E-commerce companies had resume services across most parts of the country from May 18 after over a month of suspension due to the nation-wide lockdown. In the early phase of the lockdown, the e-tailers including Flipkart, Amazon, Snapdeal, among others were only permitted to sell essential items.



# SERVICE PROVIDED TO EMPLOYEE DURING PANDAMIC

- During the COVID-19 pandemic, Flipkart took several measures to support its employees and ensure their safety and well-being. Some of the key initiatives taken by the company include:
- **Work from Home:** To minimize the risk of infection, Flipkart encouraged its employees to work from home, where possible. The company provided the necessary resources and technology to support remote work and ensured that employees had the tools and equipment they needed to be productive.
- **Health and Safety:** Flipkart took several measures to ensure the health and safety of its employees, such as providing personal protective equipment, implementing temperature checks and hygiene protocols, and encouraging regular hand washing.
- **Mental Health Support:** Recognizing the mental health challenges posed by the pandemic, Flipkart provided resources and support for employees to manage stress and anxiety, including online counseling services and workshops on stress management and mindfulness.
- **Financial Assistance:** To help employees who were facing financial difficulties as a result of the pandemic, Flipkart provided financial assistance to those in need and also extended support through its Employee Assistance Program.



- Communication and Transparency: Flipkart maintained open and regular communication with its employees, updating them on the latest developments related to the pandemic and the measures being taken to keep them safe. In conclusion,
- during the COVID-19 pandemic, Flipkart took several measures to support its employees and ensure their safety and well-being. These initiatives helped to foster a sense of community and support among employees, even as they worked remotely, and enabled the company to continue operating effectively during a challenging time.

# GOVERNMENT POLICY

- The Indian government has implemented several policies to support the growth of the e-commerce sector in the country. Some of the key policies include:
- Foreign Direct Investment (FDI) policy: In 2016, the Indian government relaxed the FDI policy for the e-commerce sector, allowing 100% FDI in business-to-business (B2B) e-commerce, but with some restrictions on marketplace models.
- Goods and Services Tax (GST): The Indian government has implemented a uniform GST system to simplify the tax structure and encourage the growth of the e-commerce sector. The GST system has helped to reduce the cost of goods and services for consumers, making it easier for e-commerce companies to operate and expand.
- Digital India initiative: The Indian government's Digital India initiative aims to promote the growth of the digital economy and increase access to technology for citizens. This includes the development of digital infrastructure, the promotion of digital literacy, and the creation of a conducive environment for the growth of the e-commerce sector.
- Infrastructure Development: The Indian government has been investing in the development of infrastructure, such as roads, ports, and airports, to support the growth of the e-commerce sector and improve the ease of doing business in the country.
- Data protection and privacy laws: The Indian government is in the process of finalizing a data protection and privacy law, which will provide a legal framework for the protection of personal data and ensure the privacy of citizens in the digital economy.

# CONCLUSION

- In conclusion, the Indian government has implemented several policies to support the growth of the e-commerce sector, including foreign investment policies, tax reforms, digital initiatives, infrastructure development, and data protection and privacy laws. These policies are aimed at creating a supportive environment for the growth of the e-commerce sector and ensuring the safety and security of consumers in the digital economy.

A close-up photograph of a person's hand holding a small, white rectangular card. The hand has bright pink nail polish. The card is held in the center of the frame and has the words "Thank You!" written on it in a black, cursive script. The background is a soft, out-of-focus grey and white fabric, possibly a sweater. The lighting is warm and natural, highlighting the texture of the skin and the fabric.

Thank You!