

Ecommerce based Subscription Model – Flipkart

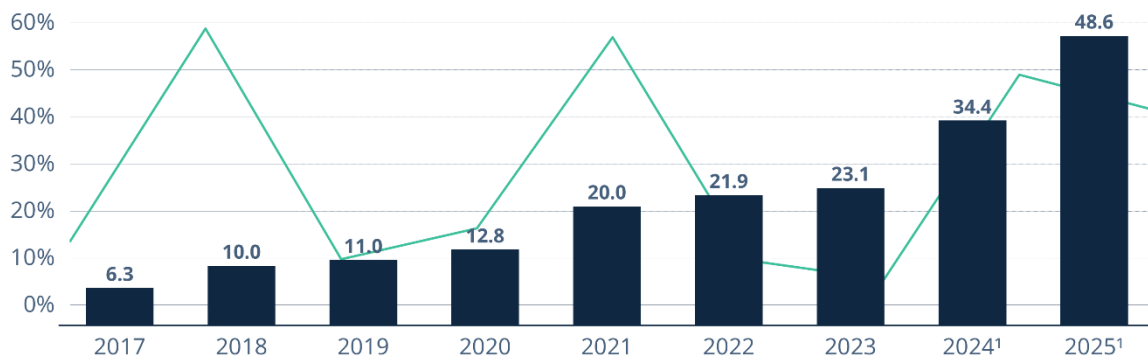


INTRODUCTION Flipkart an e-Commerce company founded in the year 2007, by Mr. Sachin Bansal and Binny Bansal both alumni of the Indian Institute of Technology, Delhi. They had been working for Amazon.com previously. It operates exclusively in India, where it is headquartered in Bangalore, Karnataka. It is registered in Singapore, and owned by a Singapore based holding company. Started with an initial capital of four lakhs it now aims for annual turnover of around Rs.4500 crores.

Flipkart has launched its own product range under the name “DigiFlip”, Flipkart also recently launched its own range of personal healthcare and home appliances under the brand “Citron”. 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.

GROSS MERCHANDISE VOLUME (GMV) DEVELOPMENT OF FLIPKART, 2017-2025

in billion US\$



Marketing strategies of Flipkart

Product:

1. The company generally offers its customers with wide range of products. It deals in almost all segments except for automobiles. Flipkart has recently started a grocery store to increase its market share.
2. The major reason Flipkart for being the most used app for online shopping is that the app is user-friendly which gives the user a phenomenal experience while browsing.



Pricing:

The company provides several filters for the products as per the price range selected by the customer, and easy payment options. Flipkart was the first company to provide cash on delivery option to its users in the year 2010. The products are delivered on time and are of good quality since they are packed with utmost care to avoid any sort of damage. The 15-day exchange policy of the company gains consumers' confidence in buying products



Promotion:

Flipkart can target every age group of audience irrespective of what product they are looking for online. The smart marketing strategy of Flipkart grabs the attention of its viewers who hold the power to buy and are aware that online shopping is better than offline shopping since it provides them with much better options to explore than any retailer would ever give them.



Challenges and Solutions by Flipkart: -

- Catering to diverse customer preferences across a vast and varied Indian population.

Solution:

Flipkart enhances engagement and sales by 20% through recommendation engines that analyze customer behavior, while personalized marketing campaigns based on data-driven customer segmentation boost conversion rates by 15%.

- Balancing profitability with competitive pricing in a dynamic market.

Solution:

Flipkart utilizes real-time data on sales trends, competitor pricing, and inventory levels to implement dynamic pricing strategies, optimizing margins and market share. This approach enhances profitability, boosts competitiveness, and ensures price sensitivity for customers.

- Navigating vast distances, limited infrastructure, and ensuring timely deliveries across India.

Solution:

Data-driven algorithms optimize delivery routes, reducing delivery times and fuel costs, while predictive maintenance uses sensor data to prevent vehicle breakdowns. These strategies lead to faster deliveries, improved customer satisfaction, and lower logistics costs.

Future Plans of Flipkart: -

- Flipkart Chief Executive Officer (CEO) Kalyan Krishnamurthy said groceries is a less penetrated area for ecommerce
- We think we can deliver value (in grocery) and selection along with speed while being operationally effective: Flipkart CEO
- Last year, Flipkart announced the expansion of its grocery services to 1,800 cities across India

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