



**TEAM KARTKINGS 718219-U4B71JQ7** 



1 Billion **Customer Visits** 

200 Million **Registered Users** 

27%

25%

24%

22%

20%

18%

**17%** 

**17**%

15%

12%

35 Million App Downloads during TBBD'22

4 Million **First-Time Customers** in 2022 TBBD

1.6 Million per Second Concurrent users on the app

60% Traffic Contributed from Tier 2 and Tier 3

Source: BS Flipkart Stories Walmart

**Active Internet Users:** 759 Mn (in 2022) 52% of Total Population **56%** of new internet users in India will be from Rural by **2025** 

The huge disparity in digital payments from Rural Area only 36%.



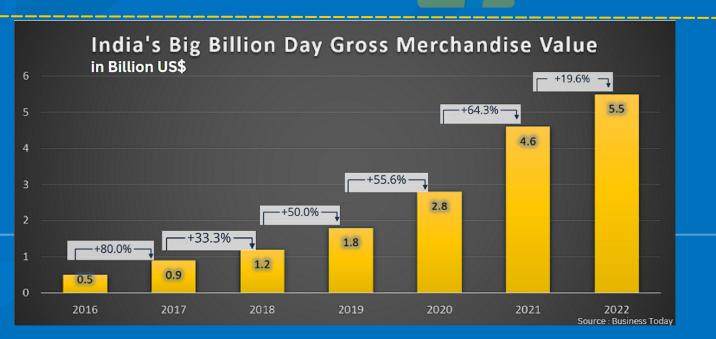
**57%** of new internet users are Female in 2022.

Reasons to how Internet is a barrier to E Commerce





- Do not own an Internet connection at my home
- Not aware of the benefits of the internet
- Not interested in accessing the Internet
- Too difficult to understand and use
- Cannot afford Internet Connection
- The Internet is very confusing to me
- Not allowed to access the Internet
- Do not own devices at home
- Too time-consuming/ Don't have enough time
- Nothing interesting for me is available on the internet



• It's a surprising fact that rural India has 20% more active internet users than urban India.

 The rural population in India presents a \$50 billion opportunity - driven by their aspirations to improve their lives but constrained by limited information, mobility, digital literacy, and lack of trust.

**User Engagement** with Net Commerce >Rural 38% >Urban 67%

Choice of the device with Internet access is diversifying from 8-13% in 2022.

19% Increase in online shopping in terms of user size compared to 2021



An increase of 51% in one year through **Social Commerce** 

# **Problems in Rural Setup:**



1. Access: 95%+ of village consumers travel 5-10km spending up to 2 hours to withdraw cash from an ATM.



2. Choice: The village Kirana store accounts for < 5% of the spend in the village, as consumers look for a wider range of choices at Taluk/District-level stores



3. Convenience: 80% of village consumers travel 2-5km, spending over 1 hour, to pay their electricity bills.



Source: IndiaTimes Source: 1Bridge



## Customer Pain Points

- Lack of trust and fear of receiving damaged products decreased consumer confidence.
- Late Delivery and low-quality products lead to the cancellation of orders.



Word Cloud based on Tweets mentioning TBBD

- Allegations of Price Hike and false discounts on products made people cite Flipkart as unreliable.
- Out-of-stock products are a common complaint by customers



Based on the primary and secondary research, User segments which can be the most extensive customer base of Flipkart for coming BBD

**NEW Users from Tier** ToFu 3 and Tier 4 (Age **Group 16-26)** 

**NEW/ Dormant Users of Upper Age group (50+** Years of Age)

> **NEW/Dormant Users** from Tier 1 / Tier 2 cities

### **Hyper Segmentation**

can be divided into 3 subgroups.

MoFu

BoFu

**Potential:** Segment with Digital Literacy and a high level of internet and smartphone penetration.

\*Acronymns:

Tofu - Top of the Funnel

MoFu - Middle of the Funnel

**BoFu - Bottom of the Funnel** 

Communication Message: Showcasing the value through affordable deals to increase app downloads and successful checkouts.

**Potential:** Value-seeking segment, having some disposable income/savings.

**Communication Message:** Communicating improved customer experience to enhance engagement

Potential: Segment looking for comfort and ready to move from branded to unbranded shopping. **Communication Message:** Personalized communication complemented with strategies like referrals

Other than these 3 cohorts, some others are:

- 1. New Users from Tier 3 and Tier 4 (Age Group 35+) Potential customers with the lowest experience of ecommerce and least confident about digital payments but using smartphones and social media (Social Commerce)
- 2. High-Income Dormant Users (Tier 1) Potential customers with low CAC and high LTV, apt with financial literacy.

### **Potential Customer Segmentation**

**Potential Addressable Market** 759 millions

> **Total Available Market** 659 million

> > Serviceable Available Market 606.28 million

> > > **Serviceable Obtainable** Market 454.71 million

Potential Addressable Market - Overall Internet Users in India **Total Available Market -** Active Smartphone Users in India **Serviceable Available Market -** Users who are willing to do online shopping

SAM = TAM \* (0.92)

Serviceable Obtainable Market - Users who are ready to use Flipkart for online shopping

SOM = SAM \* (0.75)

Source - Primary and Secondary Research, *The Hindu*, *Inc42* 

### Flipkart through Customer Lens: Competitive Perception

Based on our primary research these are the factors that affect people to shop online vs offline



These reasons, along with advances in technology and changing consumer behaviors, have contributed to the growth of online shopping as a popular retail channel.



Atul - 34, Working Professional

**Motivation**: EMI options and cashbacks on internet banking. **Needs:** Rewarding the **Customer Loyalty based on the** purchases made



Usha - 52, Home Maker

**Motivation: Simple UI and** product images. Needs: Easy checkout options

or buying via local Flipkart stores

User

Personas



Netra - 21, Student

**Motivation:** Clarity in reviews and good product descriptions Needs: Good video and image of the product, Tech-YT people review the product



Yogesh - 28, Businessman

**Motivation: COD and faster** Needs: Implementing quicker

door step delivery once item has reached the hub in tier 3 cities

- Substantial product range
- Proactive Partnerships
- **Open-box deliveries**
- Own delivery platform and **Payment Gateway**



- Limited rural reach
- Dependence on discounts
- Reliance on third-party sellers
- Cancellations of orders

**Expansion into new** 

Technological advancements

Rapidly growing e-commerce

categories

market

Rural penetration

**PPORTUNITES** 



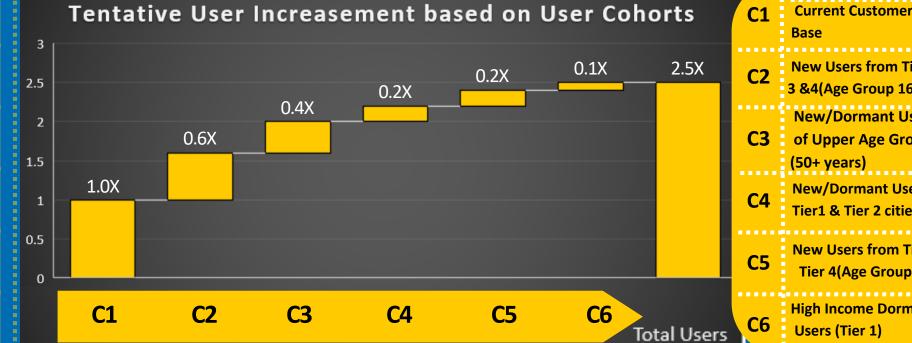
HREATS

- **Counterfeit Products**
- Extreme competition
- High commission fees
- **Changing consumer behavior**

**Product recalls** 

**LEGEND** 

SOLUTION IMPLEMENTED BY COMPETITIORS **CHALLENGES FOR FLIPKART Post Purchase Engagement Amazon - OTT Mini TV** Ajio, Nykaa - Certificate of Product Authenticity **Lack of trust on product originality** Limited reach of products in Tier 3/4 **Meesho - Targeting the local retailers Amazon - Best Seller List Category wise best selling products** Fear of buying the wrong product Myntra - Use of try and buy for fashion products



**New Users from Tier** 3 &4(Age Group 16 -26) New/Dormant Users of Upper Age Group (50+ years) **New/Dormant Users from** Tier1 & Tier 2 cities **New Users from Tier 3 8** Tier 4(Age Group 35+) **High Income Dormant** Users (Tier 1)



# Thank you