

Flipkart

Transparency and Honesty is the key. If you value these traits as an organization, Social Media will help amplify it.

-Sachin Bansal

Flipkart.com aims mostly at people who would like to buy books online in India. What the company calls the “steroids” for its website are low prices, free shipping and an intuitive interface that makes it very convenient to search for books. The site has a young and trendy look and feel. Flipkart.com was launched by a passionate group of professionals who aimed at giving Indians a good online shopping experience and excellent customer service. Technological initiatives were focused on making the search for books faster and more convenient.

Flipkart is like the story of “Stay Hungry and Stay Foolish” – Rashmi Bansal; featured by student’s left lucrative job to follow the rough road of entrepreneurship. Sachin Bansal and Binny Bansal (Alumni of IIT, Delhi) are also like them those who left their jobs from one of the renowned company Amazon.com to set up their own company – Flipkart, established in 2007 with the small investment of ₹ 4, 00,000 and later on they raised their capital through multiple VC firms especially from two common VCs’ firms Tiger Global and Accel Partners. In a very small period of time they have registered sale were ₹4 Crore in 2008-2009 and ₹ 20 Crore in 2009-2010 and ₹ 75 Crore in 2010-2011 and now moving ahead with objective of ₹ 5000 Crore by 2015. There is no surprise to know that Flipkart sells nearly 20 products per minute.

Acquisitions:

For adding more revenue year-by-year they have acquired WeRead in 2010 with aim of getting social recommendation platform for buyer (Buzz Marketing/Word of Mouth). Mine360 and Chakpak.com in 2011 to enter into e-music store and to update their customer about Bollywood gossiping this site includes 40,000 filmographies, 10,000 movies and close to 50,000 rating. And it acquired Letsbuy in 2012, which is second largest e-retailer in electronics in India.

Marketing Concepts:

It is more about cutting waste than about cutting cost. No-cost marketing that most successful start-ups employ is one mantra to reduce wastage even as they reach the target, says Paul, CEO of Paul Writer Strategic Advisory that she floated in late 2009 for start-ups. Now everyone is taking about this concept to prompt their product from Market to Bollywood to Tollywood (Popular noodles and sauces brand Ching to Ra.One to Kolaveri di).

Initially 'Flipkart' used word of mouth marketing to popularize their company. A few months later, the company sold its first book on flipkart.com - John Woods' Leaving Microsoft to Change the World. Today, as per Alexa traffic rankings, Flipkart is among the top 30 Indian web sites and has been credited with being India's largest online bookseller with over 11 million titles on offer.

Expansion plan

Speaking on their expansion plans for 2012 and in the next couple of years, Bansal said, "As far as the future is concerned,

we will look at bigger investments in our supply chain and technology because if we lack in this area we can't fulfill our clients' expectations. We don't want any delay in delivery of product and this should result in larger warehouses and increased automation of our processes."

"We intend to enter into various new categories and expand on our current categories as well. Everything, except for groceries and automobiles, is fair game for Flipkart," said Bansal.

While seeking to be a one-stop shop, Bansal referred to cash/card on delivery, 30-day replacement policy, equated monthly installment and 24X7 customer support as Flipkart's path-breaking services that make this firm different from the other players in this space.

To go up further in the value chain, it is looking at associations with a larger number of suppliers and partners - both nationally and internationally. "Currently, we work with 1,500 suppliers across the country and a significant number of major international ones."

Questions:

- There has always been a cribbing about Indian eCommerce not working, then what strategies did flipkart made to make it working profitably?
- Which characteristic of flipkart have been most important in building its record of success and growth?
- If you are made the CEO of flipkart, what would be first change that you will bring? Explain your strategy and justify how it is better than the existing ones?
- Comment on their tagline. How do you think it helped them?