

A Report
of
Marketing Management (BM503H)
on
Analysis of the Marketing Strategy of AJIO

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Introduction:

We selected Reliance Industries Limited (RIL) as the conglomerate. It is a multinational conglomerate headquartered in Mumbai, India. It is the largest company in India by market capitalization and one of the largest companies in Asia.

As the Strategic Business Unit (SBU), we chose Reliance Retail. It is a subsidiary of RIL and is considered as one of the largest retailers in India. Reliance Retail operates a chain of supermarkets.

The specific product we chose was Ajio. It's an online fashion retailer owned by Reliance Retail which offers a wide range of clothing, footwear, accessories, and home products for men, women, and children.



Marketing myopia of Reliance and Reliance Retail

1. Which marketing management philosophy does your Conglomerate/SBU follow?

RIL/Reliance Retail follow the marketing management philosophy of "**Customer Centricity**". This means that they focus on understanding the needs and wants of their customers. Then, they develop products and services that meet those needs. They also focus on providing excellent customer service ensuring that their customers are satisfied.

2. Is your Conglomerate/SBU myopic in following the management philosophy?

No, it is not myopic in following the "**customer centric**" management philosophy. In fact, it is essential for businesses to focus on their customers in order to be successful. However, it's also important to note that customer centricity is not just about meeting the needs of current customers but also about anticipating the needs of future customers and creating products and services that they will love. By continuously gathering customer feedback, being proactive and innovative alongwith going the extra mile for customers, RIL/Reliance Retail avoids being the myopic.

3. Is your Conglomerate/SBU adaptable to the shifting paradigm?

Yes, Reliance is adoptable to shifting paradigm. It is a large and diversified conglomerate with a strong track record of innovation. It has been able to adapt to changing market conditions and has been able to emerge as a leader in different industries.

As RIL is constantly looking for new ways to grow its business and stay ahead of the competition, making it well-positioned to adapt to future changes in the market. Strong financial position, diversified business portfolio, innovative culture along with a strong leadership makes RIL an adaptable and successful conglomerate. RIL has adapted to shifting paradigms via product diversification, new product and SBU development which are explained as follows:

Product Diversification : RIL was a major player in the oil and gas industry. However, as the world began to transition to renewable energy, the company invested heavily in solar and wind power. Today, Reliance is one of the leading renewable energy companies in India.

New Product Development : RIL entered the telecom industry with the launch of Jio. Jio disrupted the telecom market by offering low-cost data plans and free voice calls. Jio has quickly become the largest telecom operator in India.



New SBU Development : RIL has launched a number of digital platforms, including JioMart, JioSaavn, and JioFiber. These platforms are helping Reliance to reach new customers and grow its business.

Analysis of the marketing environment to identify market opportunities and challenges.

SWOT Analysis



Strengths (Internal)

Strong financial backing from Reliance: Ajio benefits from being a part of the Reliance conglomerate, which provides it with substantial financial resources. This allows Ajio to invest in cutting-edge technology and robust infrastructure, ensuring efficient operations and customer satisfaction.

Diverse product offerings in fashion and lifestyle: Ajio offers a wide range of fashion and lifestyle products, catering to diverse consumer preferences. This diversity can attract a broader customer base and enhance customer loyalty.

Robust supply chain management: Ajio's effective supply chain management ensures timely deliveries, reducing lead times and operational costs. It also helps in maintaining a high level of customer satisfaction.



Weaknesses (Internal):

Strong competition in the online fashion market: Ajio faces intense competition from established players like Amazon and Flipkart in the highly competitive online fashion market. This competition can lead to price wars and reduced profit margins.

Dependence on digital infrastructure: As an online retailer, Ajio heavily depends on digital infrastructure. This makes it susceptible to cyber threats such as data breaches and cyberattacks, which can harm the brand's reputation and customer trust.

Opportunities (External):

Growing e-commerce market in India: The Indian e-commerce market is expanding rapidly, presenting significant growth opportunities. As more consumers turn to online shopping, Ajio can tap into this growing market to increase its customer base.

Expansion of Ajio's private label brands: Developing and expanding private label brands can provide Ajio with higher profit margins and more control over its product offerings. This strategy allows the company to differentiate itself from competitors.

Increasing digital adoption and e-payment systems: With the increasing adoption of digital technologies and e-payment systems in India, Ajio can offer convenient and secure payment options to customers, enhancing the overall shopping experience.

Threats (External):

Intense competition from established e-commerce giants: Amazon and Flipkart, along with other established players, pose a significant threat to Ajio. They have the resources and market presence to aggressively compete in terms of pricing, product variety, and customer experience.

Fluctuations in consumer preferences: Consumer preferences in the fashion industry can change rapidly. Staying updated with these trends and adapting to them is crucial to remain relevant and meet customer demands effectively.

Regulatory changes in the e-commerce sector: Changes in government regulations, tax policies, and e-commerce rules can impact Ajio's operations and



profitability. Staying compliant with evolving regulations is essential to avoid legal and financial issues.

PESTEL Analysis



Political:

Government policies and regulations affecting e-commerce: Changes in regulations can impact e-commerce operations, taxation, and foreign investment, potentially affecting Ajio's business model.

Taxation policies: Taxation policies can influence pricing, profit margins, and overall financial health.

Economic:



Economic conditions affecting consumer spending: Economic downturns can lead to reduced consumer spending on non-essential items like fashion and lifestyle products, impacting Ajio's sales.

Exchange rates impacting import costs: Fluctuations in exchange rates can affect the cost of importing goods, which can impact pricing and profit margins.

Sociocultural:

Evolving consumer trends and preferences: Understanding and adapting to changing consumer preferences is vital for Ajio to offer products that resonate with its target audience.

Cultural factors influencing fashion choices: Cultural diversity in India can influence fashion choices and trends, which Ajio should consider in its product offerings.

Technological:

Advancements in e-commerce technology: Keeping up with technological advancements is essential for providing a seamless and modern online shopping experience.

Potential for AI-driven personalization: Utilising AI for personalised recommendations can enhance customer satisfaction and increase sales.

Environmental:

Sustainability concerns impacting fashion choices: Growing environmental awareness may lead to a demand for eco-friendly and sustainable fashion products. Ajio should consider incorporating such products into its offerings.

Pressure for eco-friendly packaging and logistics: Reducing the environmental footprint of packaging and logistics can align with sustainability trends.

Legal:

Compliance with data privacy laws: Ensuring the protection of customer data and complying with data privacy regulations is crucial for maintaining trust and avoiding legal issues.

Intellectual property and trademark issues: Avoiding copyright and trademark violations is essential when dealing with fashion and lifestyle products.



5C Analysis:

Company:

Reliance's strong presence and financial backing provide Ajio with resources and support for growth and innovation.

Customers:

Ajio targets a diverse customer base interested in fashion and lifestyle products. Understanding their needs and preferences is crucial for customer retention and growth.

Collaborators:

Collaborations with brands and logistics partners are essential for sourcing products and ensuring timely deliveries. Strong relationships with collaborators can lead to a competitive advantage.

Competitors:

Established competitors like Amazon and Flipkart present challenges in terms of pricing, market share, and customer loyalty. Ajio must continually assess and adapt its strategies to compete effectively.

Context:

Operating in the dynamic Indian e-commerce market with changing consumer behaviours requires Ajio to stay agile and responsive to market shifts and trends. Adapting to the evolving landscape is critical for long-term success.



Customer Feedback Mechanisms



Triggers of purchase



Product Quality and Variety:

After Surveying Customers we found that they frequently choose Ajio because of the wide variety of goods and brands it offers. A big purchasing trigger can be the perceived quality and variety of clothing, accessories, and shoes. When customers come across unusual or high-quality goods, it motivates them to buy.



Discounts and Promotions:

After Surveying we analyse that, Sales, discounts, and promotions have a significant impact on consumer behaviour. Customers may be persuaded to purchase items they may have had their eyes on or discover new products they hadn't previously thought about via special offers, seasonal reductions, or exclusive deals.

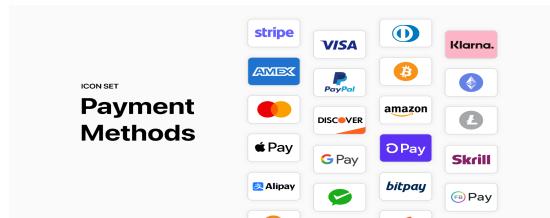


Return and Exchange Policies:

As I found in a survey that mostly customers believe in "Pehle istemal karo fir Vishwas Karo" policy, Customers' confidence to buy boosted by knowing that returns and exchanges are



simple and hassle-free, especially when buying clothing and shoes online where fit can be an issue.



Payment Options:

In the survey we found variety of customers payment are different, many people believe in COD(Cash on Delivery) many people believe in online payment, So Ajio gives ability to pay in a variety of ways, such as using credit/debit cards, digital wallets, and cash on delivery, can make it simpler for customers to make purchases, particularly in areas where there are a range of acceptable payment methods.



Shipping and Delivery Time:

In the survey I found that Ajio is doing tremendous work in Delivery products on time, maximum products are delivered during 2-3 working days, but there's a little bit late product delivery in tier-3 and Village areas, but AJIO is working hard to overcome from this because in Indian market Customers buy from those E-commerce website whose Delivery times are appropriate and fast it have a significant impact on consumers' purchasing decisions also. Customers frequently value prompt delivery, especially when making time-sensitive transactions.

Stages in the purchase processes

The purchase process for AJIO, from the consumer's perspective, typically involves several stages. These stages may vary slightly depending on the individual and the specific product they are interested in, but here's a general overview of the purchase process:

- 1. Recognition of Need or Desire:** When a customer discerns a need or desire for a specific product, the process starts. A change in season, a special occasion, or just the desire to update one's outfit could all cause this need.
- 2. Information Gathering:** After need or desire is recognized, buyers frequently begin learning more about the product they are most interested in. This could look through the AJIO website or app, perusing fashion publications, YouTube Videos or asking friends and relatives for advice.



3. **Evaluation and Comparison:** Consumers frequently contrast various products based on attributes such as cost, brand, style, colour, size, and customer feedback. Multiple products may be placed in the cart for later consideration.
4. **Adding to Cart:** Consumers decide on specific products, evaluate them, and then add them to their shopping basket. They can also check the cart at this time to review the chosen items and quantity.
5. **Payment Selection:** Customers select their desired payment option, which may be cash on delivery, digital wallets, or credit/debit cards. Along with the payment information, they enter the billing and shipping addresses.
6. **Order Confirmation:** Consumers confirm the purchase after seeing the order information. They get a message or email from Ajio confirming their transaction, outlining the contents of the purchase and the anticipated delivery date.
7. **Shipping and Delivery:** Consumers track the status of their order as it is processed and shipped. They may receive notifications regarding the shipment's progress and expected delivery time. Upon receiving the order, consumers inspect the products to ensure they match their expectations in terms of quality, size, and condition.
8. **Returns and Exchanges (if necessary):** If any issues are identified with the received items, consumers initiate returns or exchanges following Ajio's return policy.
9. **Post-Purchase Experience:** After the purchase, consumers are provided feedback and reviews on the products they bought, contributing to the Ajio community and helping other shoppers make informed decisions.
10. **Repeat Purchase and Loyalty:** Satisfied consumers who have a positive experience with Ajio are becoming loyal customers and make repeat purchases in the future, potentially becoming brand advocates.

Inputs sought at each stages

At each stage of the purchase process for Ajio from a consumer perspective, different inputs and information are sought to facilitate the decision-making and transaction process.

1. Recognition of Need or Desire:

Input: Self-awareness of a need or desire for a specific product or type of clothing/accessory.

2. Information Gathering:

Input: Information about the latest fashion trends, style inspiration, or recommendations from friends and family.

3. Product Search:

Input: Keywords, product categories, or specific details related to the desired product.



4. Evaluation and Comparison:

Input: Criteria for evaluation, such as brand preferences, size requirements, colour choices, and customer reviews and ratings.

5. Adding to Cart:

Input: Selection of specific items and quantities to be added to the shopping cart for potential purchase.

6. Payment Selection:

Input: Selection of payment method (e.g., credit/debit card, digital wallet), entry of payment details, billing address, and shipping address.

7. Order Confirmation:

Input: Review and confirmation of the order details as presented on the order summary page.

8. Shipping and Delivery:

Input: Tracking information and updates on the order's shipping status and expected delivery date.

9. Returns and Exchanges (if necessary):

Input: Request for returns or exchanges, providing reasons for the return and selecting preferred resolution options.

10. Post-Purchase Experience:

Input: Submission of product reviews and feedback, including ratings and comments about the purchased items and the overall shopping experience.

11. Repeat Purchase and Loyalty:

Input: Consumer preferences, shopping history, and loyalty program participation, which can be used to offer personalised recommendations and promotions for future purchases.

Roles played by Ajio and Consumer

Acknowledgement of Need or Desire:

Consumer: Recognizes a need or desire for a particular product.

External influences (Any Celebrity): encourage the identification of the desire or need.

Getting Information:

Consumer: Actively seeks out information from sources including the AJIO website, fashion magazines, YouTube videos, and personal recommendations.

AJIO : As an online store, AJIO offers product details, illustrations, and descriptions to aid consumers in making decisions.

Content Creators(such as YouTubers and fashion bloggers): Provide product suggestions and fashion ideas.



Exploration and Browsing

Consumers: Visit the product listings, reviews, and information pages on the AJIO platform as a consumer.

AJIO : As an E-COMMERCE, AJIO offers a user-friendly interface for looking through and learning about products.

Evaluation and Comparison

Consumers: evaluates personal preferences, reads user feedback, and compares products based on many characteristics

Other Customers (through reviews and ratings): Contribute opinions and experiences that aid in evaluation.

Adding to Cart:

Consumer: Selects specific items and quantities to add to the shopping cart.

Payment Selection:

Consumer: Chooses a preferred payment method (e.g., credit/debit card, digital wallet) and enters payment and shipping information.

Payment Processors (e.g., banks, payment gateways): Handle payment transactions securely.

Order Confirmation:

Consumer: Reviews and confirms the order details before finalising the purchase.

AJIO (as an online retailer): Generates and presents the order summary for confirmation.

Shipping and Delivery:

Consumer: Tracks the order's shipping status and expects delivery on the specified date.

AJIO (as an online retailer): Manages the logistics of processing and delivering orders

Returns and Exchanges (if necessary):

Consumer: Initiates returns or exchanges if there are issues with the received items, following Ajio's return policy.

AJIO (as an online retailer): Processes return and exchange requests and provides solutions according to their policies.

Post-Purchase Experience:

Consumer: Shares feedback, ratings, and reviews on purchased items and the overall shopping experience.

AJIO (as an online retailer): Collects and displays customer feedback to build trust and improve services.

Repeat Purchase and Loyalty:

Consumer: Based on satisfaction and preferences, may become a loyal customer and make repeat purchases.

AJIO (as an online retailer): Uses customer data and purchase history to offer personalised recommendations and loyalty program benefits.

Time Taken in each stage



After conducting a survey we found that the amount of time taken in each stage of the purchase process can vary significantly depending on various factors, including the complexity of the purchase, individual preferences, and the efficiency of the online shopping platform like AJIO. Here's a general approximation of the time taken in each stage:

Recognition of Need or Desire: This stage can vary greatly in duration, from a few seconds to several days, depending on when the consumer recognizes the need or desire for a specific product.

Information Gathering: Consumers may spend anywhere from a few minutes to several hours researching and gathering information about the product, depending on their thoroughness and the complexity of the purchase.

Browsing and Exploration: The time spent browsing and exploring products on Ajio can range from a few minutes for a quick look to several hours for more extensive browsing.

Evaluation and Comparison: Consumers may take several minutes to hours comparing products, depending on the number of options and the level of scrutiny applied.

Adding to Cart: Adding items to the cart is usually a quick process and may take just a few minutes.

Payment Selection: Selecting the payment method and entering payment details usually takes a few minutes.

Order Confirmation: Reviewing and confirming the order details can be a quick process, often taking just a minute or two.

Shipping and Delivery: The time for shipping and delivery depends on the chosen shipping option and can range from a few days to a couple of weeks.

Returns and Exchanges (if necessary): Initiating returns or exchanges may take a few minutes to fill out the necessary forms and follow the process.

Post-Purchase Experience: Leaving feedback and reviews typically takes a few minutes.

Repeat Purchase and Loyalty: This stage spans over a longer period, with customers making repeat purchases over months or years if they become loyal to the brand.

RE-ASSESSMENT OF STRATEGY

Segmentation:

Main idea is to create various customer segments based on specific criteria and traits that you choose. Ajio has segmented customers on the basis of :



For AJIO,

Age segmentation: We can audience based on age as they have different clothing sections for Infants, Kids, Teens and Adults.

Gender segmentation: We can divide male and female customers.

Psychographic segmentation: We can divide the audience based on: Lifestyle, hobbies, activities, opinions, etc...

Targeting:

Ideal segment is one that is actively growing, has high profitability, and has a low cost of acquisition which must be targeted to maximise revenue, sales and profit.

For AJIO,

We can target,

Fast fashion : Those who believe in keeping themselves updated with the latest trend in the market and love to explore different styles. This group generally includes the age group of teenagers and those in their early twenties.

Quality product: Those who believe in the quality of the product more than the trend and styles. This group generally includes working class people.

Positioning:

It means to stand out from other competitors to identify a niche. We found out three positioning factors that can help gain a AJIO a competitive edge:

Symbolic positioning: To enhance the self-image, belongingness of customers.

Functional positioning: To solve customer's problems and provide them with genuine benefits.

Experiential positioning: To focus on the emotional connection that customers have with the product, service, or brand.



Brief of the product mix/line analysis of AJIO

1. Apparel



- Ajio offers a wide range of clothing for men, women, and children. This comprehensive selection caters to a diverse customer base.



- The product line includes various categories such as ethnic wear, western wear, and activewear. This segmentation allows Ajio to target different fashion preferences and occasions.
- Ethnic wear appeals to those seeking traditional attire, while western wear and activewear cater to contemporary fashion and active lifestyle needs.

2. Footwear



- Ajio's footwear collection provides customers with choices for different occasions and styles.
- This includes shoes, sandals, and sneakers, demonstrating versatility in product offerings.
- Offering a variety of footwear options ensures that Ajio can capture a broader share of the fashion market.

3. Accessories



- The accessories segment complements the clothing and footwear lines by offering items like bags, jewellery, sunglasses, and belts.
- Accessories allow customers to enhance and personalise their outfits, making it a valuable addition to the product line.
- Offering a diverse range of accessories also enables Ajio to cater to various fashion tastes.

4. Beauty and Personal Care



- Ajio's expansion into the beauty segment is a strategic move to diversify its product line.
- The beauty and personal care category includes skincare, makeup, and grooming products.
- This expansion caters to consumers looking for beauty and grooming solutions, capitalising on the growing demand for these products.

5. Electronics





- Venturing into the electronics category represents a significant diversification for Ajio, beyond traditional fashion offerings.
- The electronics category features gadgets and accessories, broadening the brand's product range.
- This move allows Ajio to tap into the consumer electronics market, offering tech-savvy customers additional options.

Ajio product life cycle is in growth stage

Reason why Ajio's product line is in the growth stage of the product life cycle:

1. Successfully navigated the market introduction stage:

- In the market introduction stage, a product is initially launched, and the focus is on building awareness and establishing its presence.
- Ajio has successfully moved beyond this stage, indicating that it has already introduced its product line to the market.
- The company has likely invested in marketing, product development, and distribution to make its presence known to consumers.

2. Entered the Growth Stage:

- The growth stage of the product life cycle is characterised by increasing sales, expanding market share, and growing consumer demand.
- Ajio's product line is experiencing these characteristics, suggesting that it has moved beyond the introductory phase and is gaining momentum in the market.

3. Growing Demand:

- One of the key indicators of the growth stage is the rising demand for the product.
- Ajio's product line is witnessing growing demand, which implies that consumers are showing interest in and purchasing the company's offerings across various categories such as apparel, footwear, accessories, beauty, and electronics.

4. Widely Available:

- As a product progresses through the life cycle, it becomes more widely available to consumers.
- Ajio's products are becoming more accessible, which indicates that the company is expanding its distribution channels and making its offerings available to a larger audience, both through physical stores and online platforms.

5. Positive Outlook for the Future:

- In the growth stage, companies typically have a positive outlook for the product's future.
- Ajio's decision to diversify into different product categories, including beauty and electronics, demonstrates confidence in its product line's ability to continue growing and evolving to meet changing consumer preferences.



Overall, Ajio's product line's transition from the market introduction stage to the growth stage suggests that it is experiencing increasing success and momentum in the market. The company's strategic efforts in marketing, expansion, and diversification are contributing to its position in the growth phase of the product life cycle.

Detailed action plan to revive Ajio

Reviving a product involves a comprehensive action plan that addresses various aspects of the business. Here's a detailed action plan to revive this product:

1. Conduct Market Research:

- Start by thoroughly researching the market to gain insights into current trends, consumer preferences, and competitors.
- Analyse sales data, online traffic, and customer feedback to identify areas that need improvement.
- Understand the pain points and needs of the target audience to tailor the product and marketing strategies accordingly.

2. Specialise and Niche Down:

- Consider specialising in a specific niche within industry. This allows Ajio to become an expert in that particular market.
- Niche specialisation can help the product stand out in a crowded market and attract a dedicated customer base.
- Research and identify underserved or overlooked niches where the product can excel.

3. Leverage Social Media:

- In the age of social media, establish a strong online presence across platforms relevant to the target audience.
- Create engaging content that showcases the product's unique features and benefits.
- Interact with the audience, respond to inquiries, and address concerns promptly to build trust and credibility.

4. Collaborate with Influencers:

- Identify influencers in your niche who have a genuine following that aligns with the target audience.
- Reach out to these influencers and propose collaboration opportunities.
- Offer influencers the product in exchange for reviews, endorsements, or sponsored posts to increase product visibility.

5. Partner with Other Businesses:

- Explore partnerships with complementary businesses that share a similar target audience but do not directly compete with the product.
- Jointly create marketing campaigns or bundle products/services to offer added value to customers.
- Cross-promotion with other businesses can expand the reach and customer base.



6. Offer Special Promotions and Discounts:

- Attract new customers and re-engage existing ones by offering limited-time promotions, discounts, or loyalty programs.
- Highlight the unique selling points of the product during these promotional periods.
- Use targeted marketing campaigns to reach out to both existing and potential customers.

7. Continuous Improvement:

- Continuously gather customer feedback and use it to improve the product.
- Stay adaptable and open to making necessary changes based on market dynamics and consumer preferences.
- Invest in research and development to introduce product enhancements or new features that meet evolving needs.

8. Monitor and Measure Results:

- Implement key performance indicators (KPIs) to measure the success of the product revival efforts.
- Regularly analyse data to track the effectiveness of marketing strategies, sales growth, and customer satisfaction.
- Be prepared to adjust our action plan based on the results to ensure ongoing improvement.

In conclusion, reviving a product requires a strategic and multi-faceted approach. By conducting market research, specialising, leveraging social media, collaborating with influencers and other businesses, offering promotions, continuously improving your product, and monitoring results, we can breathe new life into AJIO and reinvigorate it as a brand.