Home Haven Expansion

Our Client Amazon India is growing in the home furnishing industry and they want to grow faster.

CASE TYPE	COMPANY NAME	DIFFICULTY LEVEL
Growth	**Redseer Consulting**	★★☆

Home Haven Expansion

Amazon's Race to the Top Home Décor

Case Type	Company Name	Round	Difficulty Level
Growth	Redseer Consulting	Partner	▰▰▱▱▱

Problem Statement

Our Client Amazon India is growing in the home furnishing industry and they want to grow faster.

What exactly do we mean by growth? Because growth can be in two terms, that is in terms of revenue and in terms of market share.

We want to maximize both things.

Alright. Who are the major competitors?

Amazon's major competitors in this segment can be Myntra, Flipkart and all such big names in this segment.

What do we mean by home furnishing items?

We can consider all those items which can be used in homes for decoration.

For this, we can consider two aspects of growth, i.e. organic and inorganic growth. Organic growth is a growth of revenue side. Inorganic growth is growing revenue using methods that are not directly concerned with your business.

We can primarily focus on organic growth.

In organic growth, we have two segments, the number of customers and the revenue per customer. For the revenue per customer, we can use the technique of upselling and cross-selling. For the number of customers, I'll take two further segments, i.e. new markets and existing markets.

What do we mean by new markets and existing markets?

Existing markets mean that what are the channels that Amazon is currently using.

Since we are talking about an online space, who is the target audience right now?

Home decoration items that go online are generally purchased by rich people because these are expensive items. So that is our existing market.

What can they do for that?

We can also focus on the areas where Amazon is mostly sold. So it's mostly

the metropolitan cities where Amazon is present. Rural areas are something where Amazon does not have a major presence. So we can have some outlets of Amazon in rural areas, and some delivery boys in rural areas too. This way, people in rural areas can also place orders conveniently. This is what we can do for new markets.

Alright. Now you can explain revenue per customer segment.

Talking about revenue per customer there are generally two techniques, upselling and cross-selling.

What do you mean by upselling and cross-selling?

Upselling means selling more to the original customer, let's say a person is buying 10 chocolates, and we offer 2 more chocolates along with it. So the same product line but more quantity, that is Upselling. And cross-selling means selling along with something else, Example: You buy one particular product, and you get another product for free. So that is called cross-selling.

Alright, Any other strategy to expand our sales?

Yes, we can focus on inorganic growth, So there are two major things in inorganic growth. First is the mergers, So as we know, Amazon lists the products. Can we partner with some popular delivery partners? Like Ola, and Uber. So that we can have a merger with them. Amazon is doing well in its online space. Ola and Uber are doing well in their transportation space. We can have a merger between them and ensure that proper timely delivery is done to our customers. Then we have acquisitions and takeovers. There are small spaces and online companies which are very small. I am not talking about Flipkart and Myntra which are big companies. But there are small online brands. We can probably acquire them So that their customers could also become our customers. So that is the main focus of inorganic growth.

This is it. We can end the case here.

HERE'S A TIP!

Drive growth by optimizing revenue per customer through upselling and cross-selling. For new markets, offer tailored promotions and expand reach into untapped regions. Consider strategic partnerships or acquisitions for accelerated expansion

CASE FACTS

1 The target audience for online home decoration items is currently focused on the **affluent class** due to the perceived expense of such products.

2 Amazon has a strong presence in metropolitan cities, but its market penetration is limited in rural areas.

Growth

Organic

Inorganic

No of Customers

Revenue per Cost

Mergers

Aquisitions

New Markets

Existing Markets

Cross Selling

Upselling

Cross-selling involves offering customers additional products or services that complement or enhance their initial purchase.

Upselling is the strategy of encouraging customers to purchase a higher-end or upgraded version of the product they originally intended to buy, often with enhanced features or capabilities.

Merger of Amazon with companies like Ola and Uber for efficient and timely deliveries. Amazon's online prowess combined with Ola and Uber's transportation expertise will streamline our services.

Consider acquiring small online brands to integrate their customer base with ours, expanding the overall reach and customer pool.