

Flipkart 
wired 8.0
Campus case challenge

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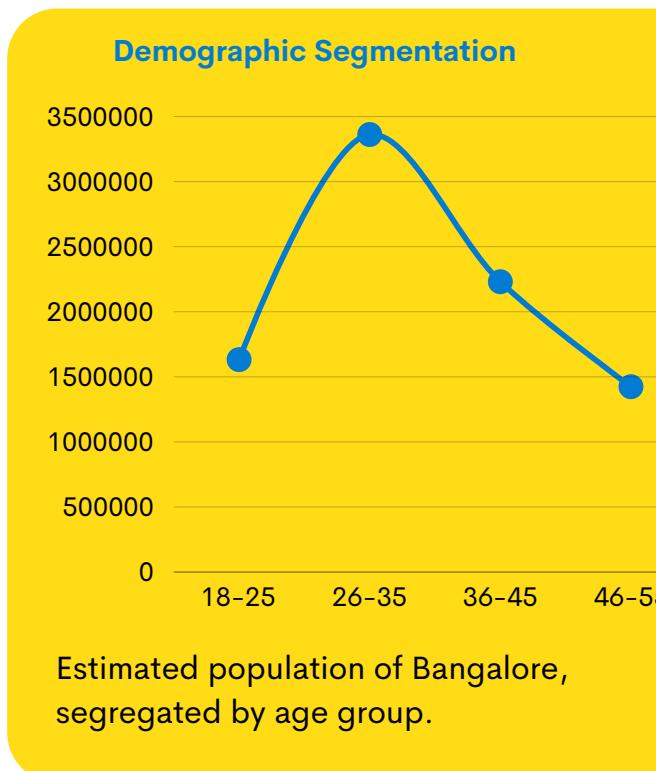
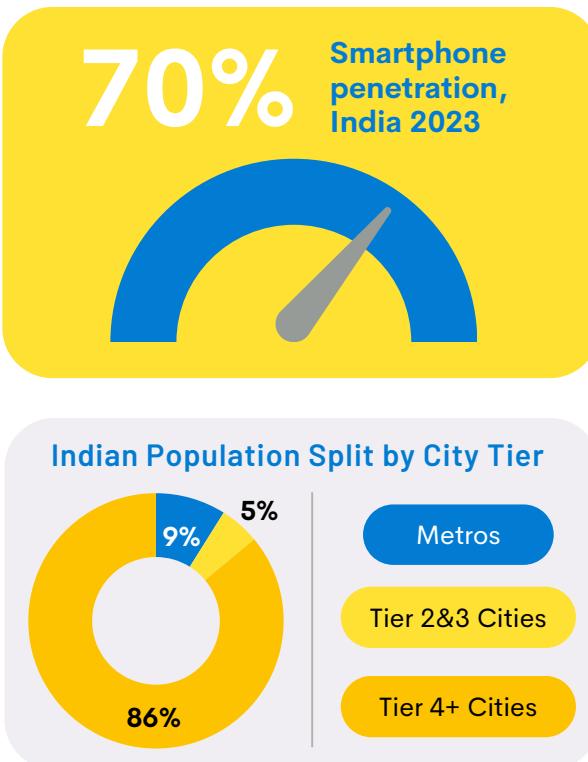
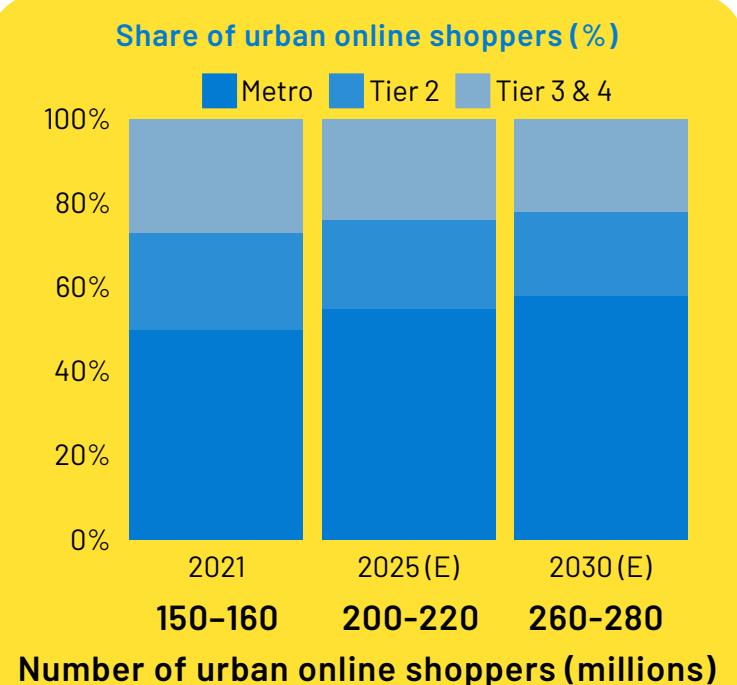
Anushka Jaiswal



Medhavi Dhawan

 **Ideas That
Empower
Dreams**

CUSTOMER SEGMENTATION (B2C)



TARGET USERS

College Students

Demographic: Ages 18-22, Low-Mid Income

Psychographics: Digital native, trend conscious, influenced by peers, price sensitive but will spend for convenience.

Behaviours: Infrequent, small purchases.

Triggers:

- Late night cravings and impromptu gatherings.
- Lack of transportation.
- Discounts and deals.



Young Urban Professionals

Demographic: Ages 22-27, Mid-High Income, Living with flatmates or friends.

Psychographics: Career oriented & ambitious, value efficiency, convenience, and time-saving.

Behaviours: Frequent, last minute purchases

Purchase groceries in a top up fashion.
Like to try new brands.



Triggers:

- Unplanned needs due to last minute plans,
- Time crunch due to long working hours.
- More varied choices available on QC apps.

Tech Savvy Homemakers & Households

Demographic: Ages 28-40, High Income, Living with families.

Psychographics: Prioritize family needs, enjoy exploring new products and recipes, seeks solutions to save time and effort.



Behaviours: Place larger orders weekly for groceries, with last minute orders for certain needs. High spending in categories such as diapers & pet food.

Triggers:

- Easy availability of healthier alternatives.
- Discounts on bulk orders.
- Last minute needs during festivals etc.

NON-USERS



Value & Quality Sensitive Customers

Key Demographic Traits: India 1/2

Behaviours: Use eCommerce, but with lower ticket sizes and for **particular product categories**. Highly **value sensitive**, will price shop across stores and online platforms.

Reasons for Not Using Quick Commerce:

1. Do not value convenience enough to justify delivery fee for smaller purchases.
2. Prefer to shop for staples offline, might have monthly account with local kirana store as a form of informal financing.
3. Might live outside of service area of Quick Commerce apps, do not trust quality of online platforms for groceries and prefer cash on delivery



Non-Tech Literate

Key Demographic Traits: Empty nesters aged 50+, house help shopping for groceries etc.

Behaviours: Limited smartphone usage, rely on children to help navigate technology, have higher trust in local businesses and stores.

Reasons for Not Using Quick Commerce:

1. Unable to navigate the app UXs independently.
2. Lack of trust (50+ cohort) / unavailability (household help) of digital payment methods.
3. Get their needs met with delivery through WhatsApp / phone calls from local stores.



Non-Consumers

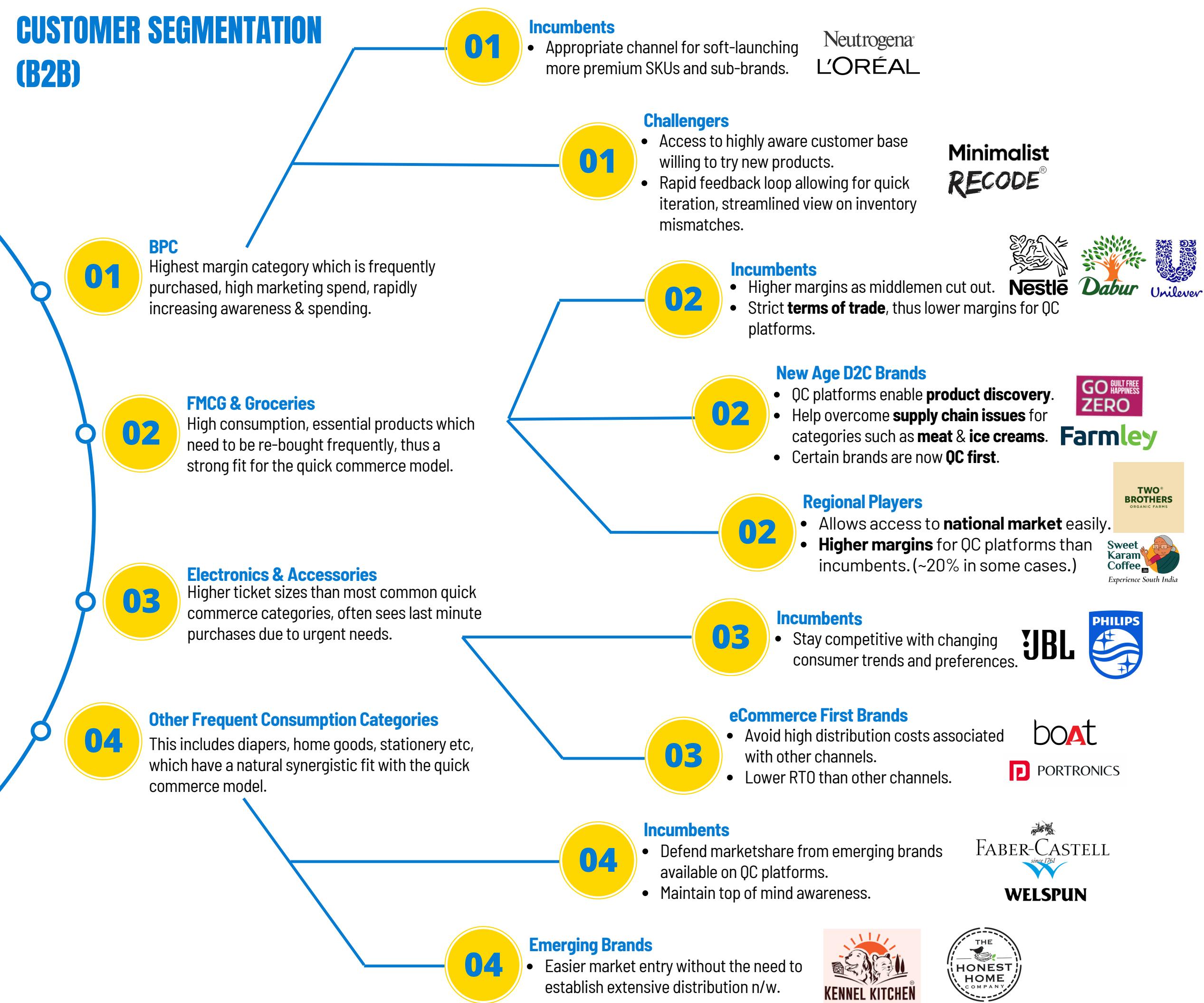
Demographic: India 2/3+

Behaviours: Have used eCommerce, but for lower ticket sizes and **particular product categories**.

Reasons for Not Using Quick Commerce:

1. Do not have disposable income to spend on discretionary goods.
2. Small minority of this segment starting to be reached by value-focused eCommerce platforms such as Meesho & Shopsy.

CUSTOMER SEGMENTATION (B2B)



BRANDS WANT IN ON QUICK COMMERCE

ETPrime

Regional food brands embrace quick commerce for nationwide reach amid festive surge

HUL, ITC, Dabur ride the quick commerce boom for higher margins and rapid growth

The contribution of quick commerce platforms to the online grocery market is expected to rise from 10 percent now to approximately 45 percent in the coming years.

Shoes in 10-minutes: Footwear major Bata wants to join quick-commerce race

The quick-commerce space is becoming an attractive business opportunity, witnessing increased interest from investors. Big guns like Reliance and Walmart want to enter the sector too

Decathlon lands on Q-commerce platform Zepto in Bengaluru, set to expand pan-India

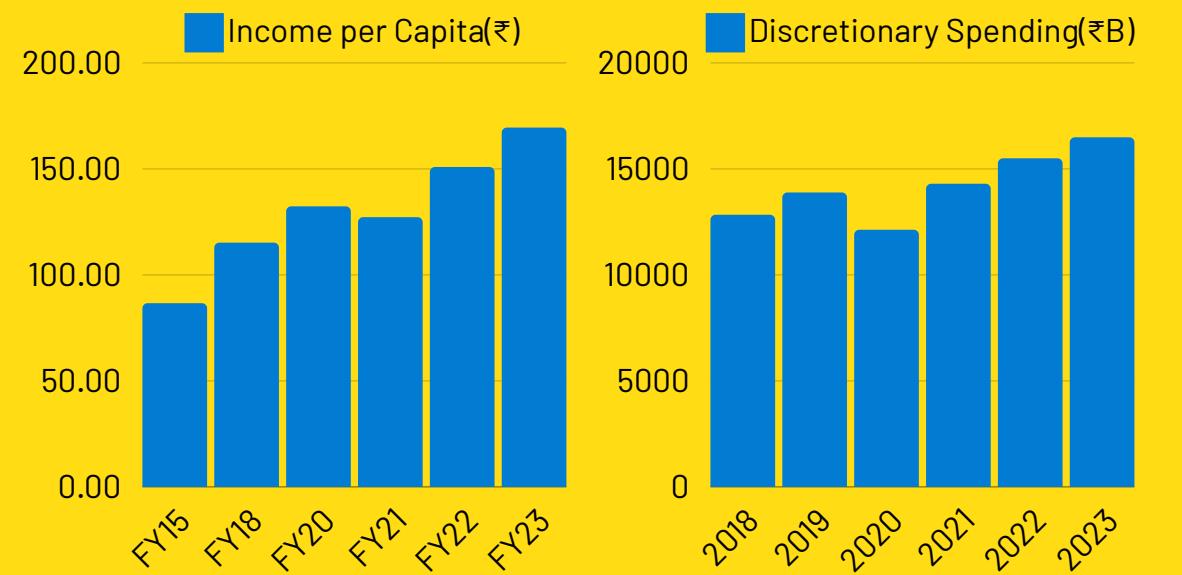
Swiggy Instamart and Park+ Collaborate For Speedy IndusInd FASTag Delivery

Get your Boat audio products in 10 min with Zepto

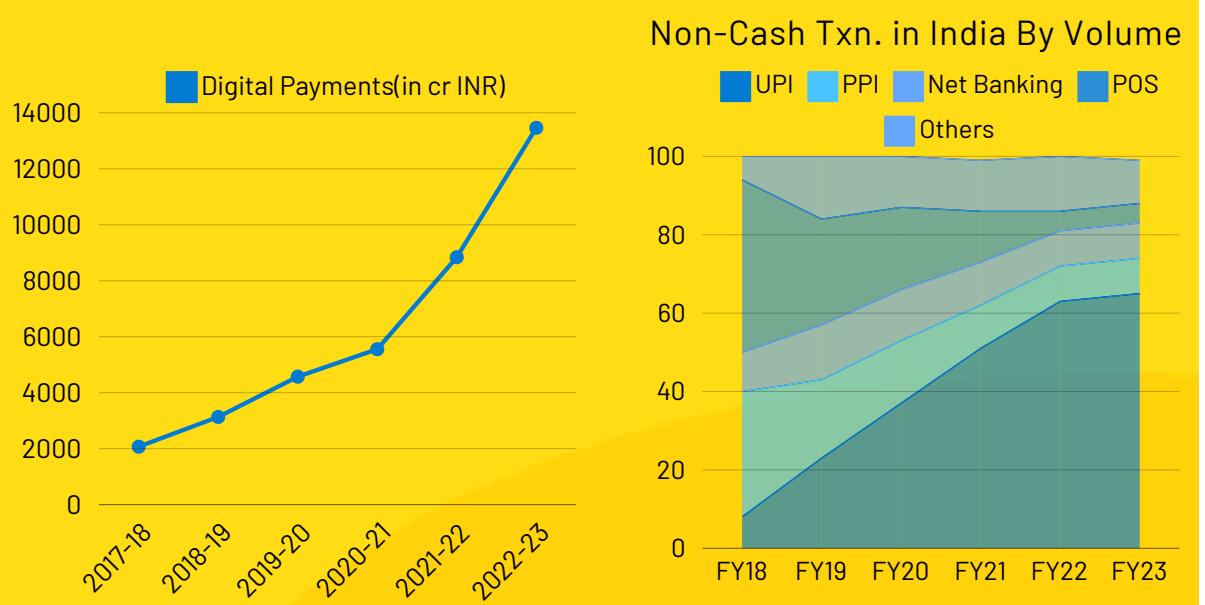
By Indiaretailing Bureau | July 18, 2024 | 200 | 0

Blinkit partners with Sony to deliver PlayStation 5 Slim in 10 minutes

MACRO DRIVERS FOR ADOPTION



As the Indian GDP increases, per capita income is also increasing, leading to an increase in discretionary spending.



UPI has made a lot more Indians comfortable transacting digitally & paying online.

PRIMARY DRIVERS OF CUSTOMER ADOPTION

Instant Gratification

Quick Commerce has the **fastest gratification loop** of any delivery service, making it a perfect fit for the increasingly fast paced lifestyles.

Discounting

QC apps offer significant discounts for key product categories, prompting value conscious buyers to adopt it for planned grocery purchases in addition to last minute top-up purchases.

Low Friction Channel

Quick Commerce provides a low friction channel for purchasing certain goods like condoms, cigarettes, and sanitary pads, which certain customers dislike buying in person.

Cultural Fit

Indian Kitchens have much higher SKU counts than western kitchens. Further, Indians make small, frequent purchases for groceries and staples vs buying in bulk.

Large Product Variety

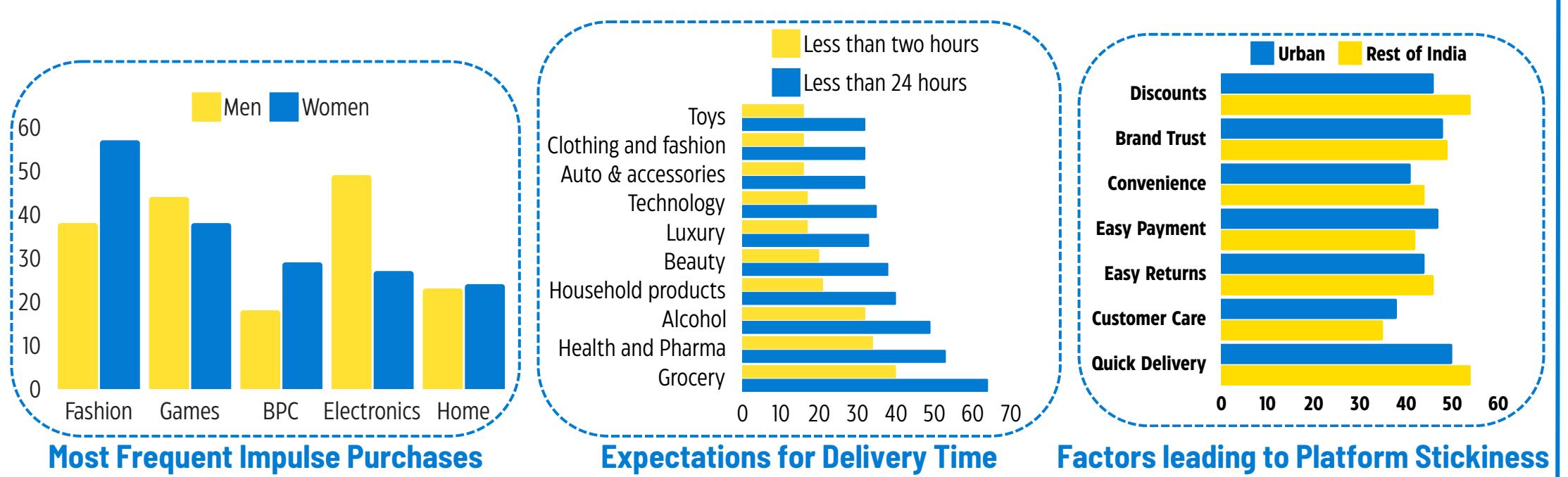
Quick Commerce apps have more SKUs and of a higher quality than neighbourhood kirana stores, offering consumers more options with high convenience.

Low Delivery Costs

Owing primarily to lower labour costs, as well as aggressive pricing initially, the delivery costs as proportion of goods purchased are quite low, making the convenience to cost trade-off worth it for a larger segment of consumers.

WHAT CUSTOMERS WANT

“Everything I want delivered in minutes.”



THE COMPETITION

- Incumbent quick commerce players have **limited supply chain capabilities** to **keep dark stores stocked**, with Blinkit having **5M sqft of warehouse space** vs eKart's **21M sqft**, synergy with **Flipkart Wholesale**.
- Limited historical data** on non-FMCG categories, with available **data being Tier 1 Metro focused**. Incumbents have to **figure out SKU mix by trial and error**.
- Incumbents lack **existing partnerships** with brands, **lower bargaining power vs Flipkart** because of **lower volumes**, only one channel.
- Established **brand credibility and awareness** for **higher ticket size categories**, ability to **cross-advertise** 8 minute delivery to users outside of Flipkart Minutes.

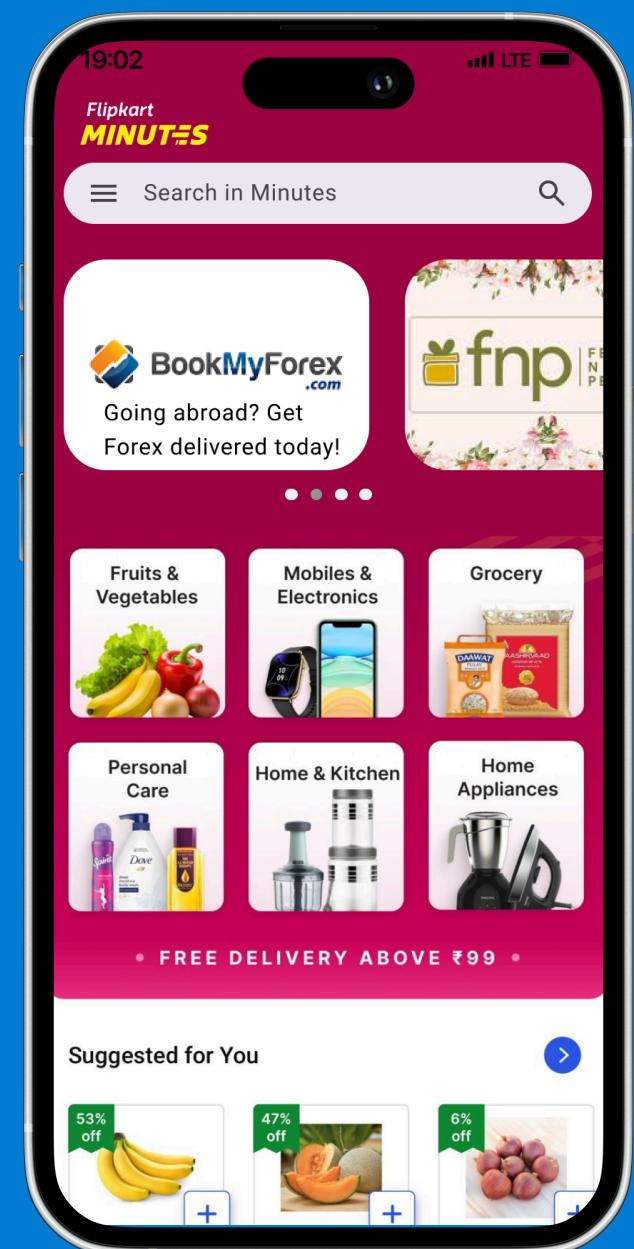
BEYOND GROCERIES

FASHION

- ~50% marketshare in fashion e-commerce.
- Access to over a **decade's worth of sales data**, providing the ability to stock **what** customers want, **when** they want it, and in which **pincodes**.
- Experience solving for **RTO reduction** & data on **problem customers**.
- Channel partnerships** with a wide variety of brands, as well as established **supply chains** and **logistics network**.

ELECTRONICS

- ~48% marketshare in mobile phones, the largest eCom. category in India.
- History of **exclusive partnerships** with brands such as Motorola, Google Pixel, Nothing, and IQOO, **channel partnerships** with numerous other brands.
- High margin private label brand** MarQ with products in almost **all categories commonly sold on eCommerce platforms**.
- Flipkart Pay Later** for expensive electronics items.



STRATEGIC PARTNERSHIPS

- Opportunity to leverage **Flipkart's massive 600M+ user-base** and provide **storefronts for on-demand services**, such as **mobile repair** by **Yaantra**, **Forex delivery** by **BookMyForex**, visa document pickup by **Atlys**, flowers from **F&P** etc.
- Leveraging Flipkart **Health+** capabilities for **on-demand medicine delivery**.
- Exclusive partnerships with brands such as **IKEA**, with **branded storefronts** within Flipkart Minutes.
- Omnichannel launches for highly anticipated, **often scalped** products like **gaming consoles & sneakers**.

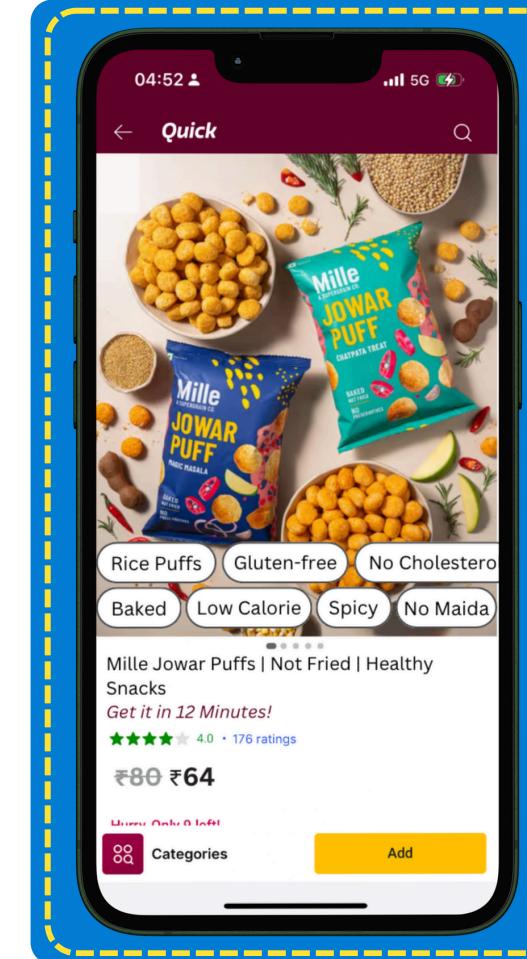
WHAT CUSTOMERS WANT

"An interface that is easy to navigate and features that make my life easier."

"I want to feel valued for my business and be rewarded with things I actually want."

THE COMPETITION

1. **"Dumb" speech to text voice search** on Instamart & Blinkit, completely missing on Zepto.
2. **Limited filters** make finding **specific products harder**, missing QoL features such as lists.
3. Unappealing, dry Beauty product listings with **limited product descriptions**.
4. **Interfaces harder to navigate** for non-digital natives, vernacular language support spotty.



OUR VALUE PROPOSITION

- Existing, vernacular language friendly (in 11 languages) **Grocery Voice Assistant**, and monthly **Grocery List** feature.
- AI Powered multi-modal **Flipkart Immerse** search can be extended to Minutes.
- **Virtual try-on** built for **Myntra Beauty** provides a much better **BPC shopping experience** than incumbents.
- Opportunity to build a shared **household wallet** feature, for young people **living with flatmates** and couples splitting expenses.
- Simplified **Minutes Saral** app with restricted SKUs. Help can create carts & send to the main account for approval.
- More **descriptive product specs** owing to large no. of existing detailed listings on Flipkart, easing the online shopping experience

1. Market leader Blinkit **has no membership**, Swiggy One & Zepto Pass have limited benefits.
2. No loyalty benefit for **repeat purchases**, prompting customers to **price-shop across apps**.
3. Cashback only if user has co-branded **credit card**.
4. **Coupons** and **scratch-cards** as rewards which hold **lower perceived value** for interviewed users.



- **Flipkart VIP** a great bundle, with greater cashback, **benefits on ClearTrip**, dedicated **support** in addition to just **free delivery**. Can later **restrict doorstep returns** to VIP.
- Even **non-members** can earn & redeem SuperCoins across Flipkart, Myntra, ClearTrip, & now Minutes.
- Can enhance **early access benefit** by providing **8 minute delivery during sales**, extending **Plus Hours** discounts to Minutes.
- New Flipkart VIP members can have **welcome kits delivered in 8 minutes**, with **reusable delivery bags**.
- Opportunity to provide **exclusive discounts** to VIP members for **on-demand service storefronts**.

WHAT CUSTOMERS WANT

"To scale my brand and get our products in front of the right customers."

THE COMPETITION

1. Months long, **opaque onboarding processes**, sometimes requiring personal connections.
2. Pressure to **discount products**, give up margins, and **spend heavily on ads**.
3. **Seller dashboards lacking features**, limited visibility on **what is selling** and in **what geographies**.

"To lower my CAC, maximise the ROI on my ad-spend, and understand what's working."

OUR VALUE PROPOSITION



- **Flipkart CATAPULT** program providing non-dilutive capital to D2C brands, alongside creative support, with a unique opportunity to build **Minutes exclusive QC-first** brands.
- **Robust seller tools**, providing features such as **automated pricing assistance** and **granular sales data** with geographic & demographics data.
- Newly launched **Flipkart IRIS platform**, allowing D2C brands to grow with **long term insights, trend identification**, and **strategic recommendations** to help them compete, can be **extended to Minutes**.

1. **Limited visibility** on ad performance, **advertiser dashboards** lacking features.
2. Targeting the right customers is difficult due to **limited customer data focused on an upscale segment**.
3. **Limited advertising assets**, lack of compatibility with external analytics tools.



- **Reporting Dashboard** on Flipkart's Ad platform providing **detailed insights** on campaign performance, **better visibility** on ad performance than incumbents.
- Existing ad experiences such as **look-books** can be integrated with **Minutes** to drive engagement, **8 Minute Delivery tag** can be **monetised**, allowing brands to bid across channels dynamically.
- **Demand Side Platform** with segments based on 400+ million Flipkart customers, including a wealth of data on **Tier-2 cities** and **customer segments**, allowing for **better targeting** and higher ROI on ads.

WHAT CUSTOMERS WANT

"I want to fend off new age challengers and make the most of the quick commerce wave."

THE COMPETITION

1. Established brands still **figuring out quick commerce** as a channel, **have limited support.**
2. Brands without strong technology and performance marketing functions struggle, with **existing tools not integrating quick commerce.**
3. **High retail advertising costs** driving brands to build out **their own storefronts.**

"I want to bring my offerings online and not get left behind."

1. Niche independent stores are popular locally, but **struggle to compete online** due to their **largely local audiences.**
2. Existing solutions like Swiggy's Mini, as well as platforms like Shopify, Dukaan, Instamojo etc. **don't solve for eCommerce within the city.**
3. Extremely **difficult to get listed** on quick commerce platforms for new players.
4. Some stores use **phone orders** and **Porter or Borzo** as a workaround.

OUR VALUE PROPOSITION



- Can build out **eKart Quick Commerce as a Service**, providing storefronts using **Flipshop** the ability to offer **8 minute delivery** from **Flipkart minutes darkstores**, enabling **Multi Channel Fulfillment** with Quick Commerce.
- **Flipkart Commerce Cloud's** offerings for brands can be extended to solve for quick commerce woes, with the **Dynamic Pricing Engine** and **Assortment Intelligence** expanded to work on **Quick Commerce** platforms as well.



- **Online Storefront builder** for small stores, with on-demand delivery using **Flipkart Minutes** delivery personnel.
- **One-click checkout** powered by **Flipshop's** existing **Instant Checkout** functionality, with online payment methods reducing the **need to use UPI**.

ROAD TO 30% MARKETSHARE

01



Convert Flipkart Users into Minutes Users

Convert Flipkart's 600M+ existing customer base with aggressive **in-app advertising**, **Delivered in Minutes tag** on searches made on Flipkart, **extending VIP & Plus benefits** to Minutes.

Attract Customers from Rivals

Use wider product range & doorstep returns, loyalty program, Flipkart Pay Later, and accessible UX to convert customers from rivals.



02

03

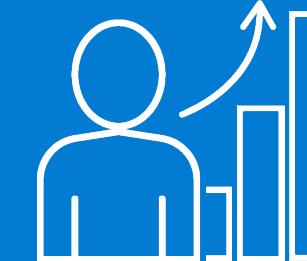


Increase Revenue

Use **structural advantages** such as well **established supply chains**, **private label brands**, existing **brand partnerships** to push **high-ticket items** like Apparel & Electronics, **increasing AoVs** and thus increasing revenue.

Increase Penetration

Convert **non-users** into **users** with features supporting **monthly rather than top-up purchases**, enter Tier 2/3 cities with targeted SKUs, increase **value proposition for sellers** vs other quick commerce platforms, offer **Quick Commerce as a Service**.



04

05



Fend Off Challengers

Build a **moat** by leveraging **strong brand recall** in Tier 2+ cities, **decades of consumer behaviour & purchase data** to expand to **cities competitors can't serve sustainably**.

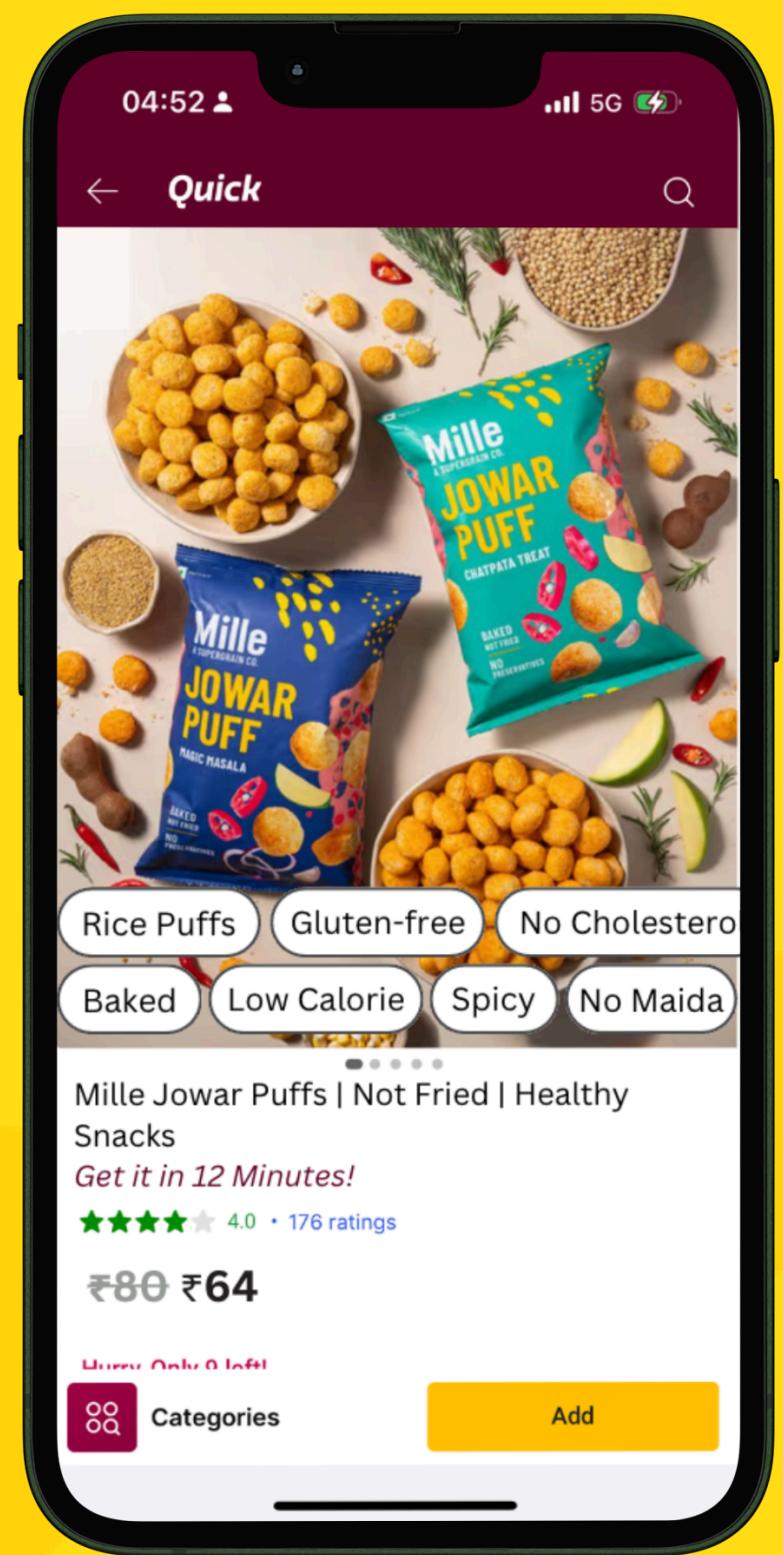
THANK YOU!

Appendix-A

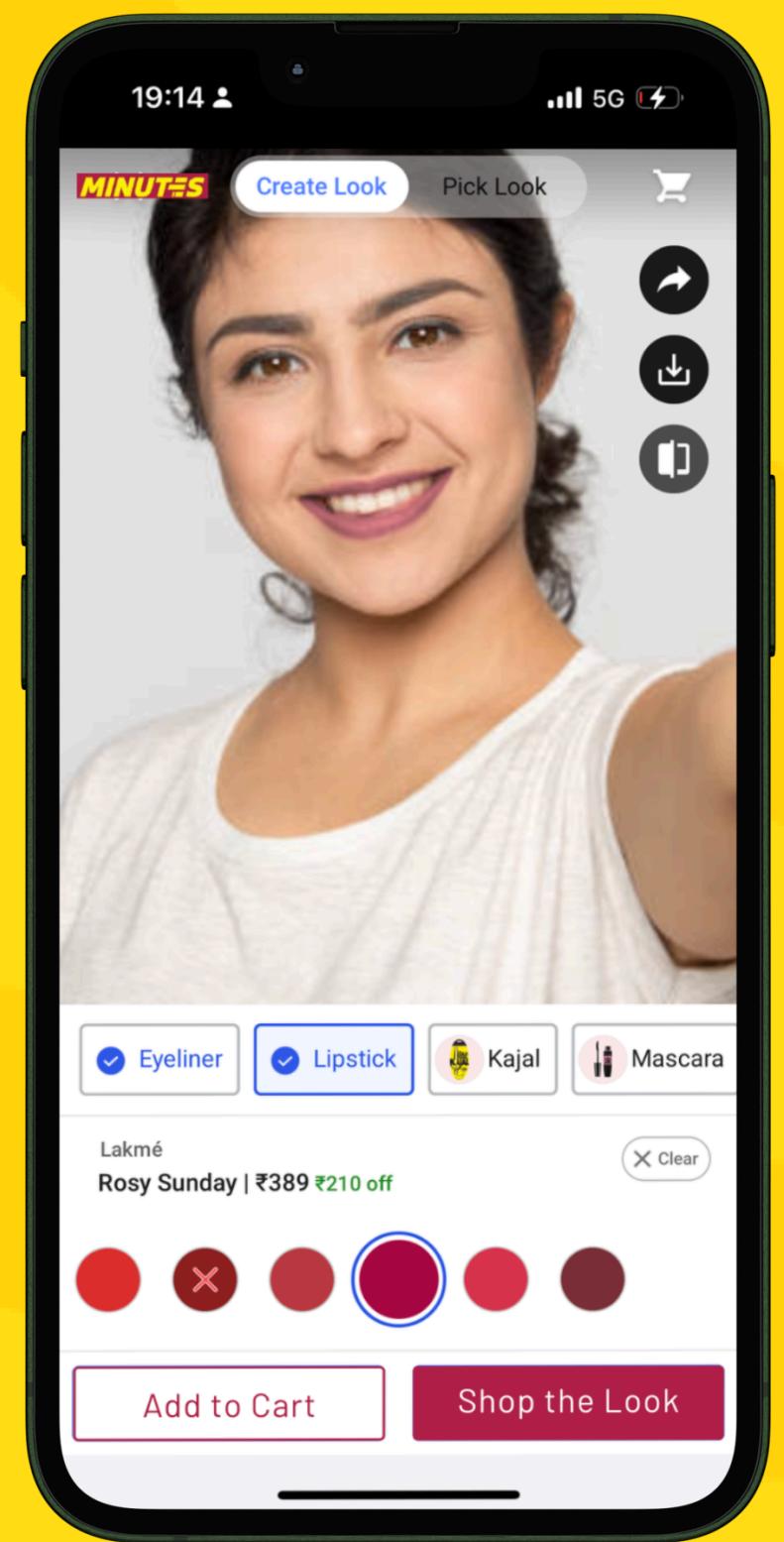
Flipkart Minutes introducing on-demand services such as currency delivery via BookMyForex and partnership with Ferns and Petals to meet all gifting needs



Flipkart Minutes showing in-depth product specifications and customer reviews to ease online shopping experience along with delivery time for each product



AI Powered Virtual Try-on feature for BPC products on Minutes



Appendix-B (REFERENCES)

Slide 1:

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Slide 2:

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Slide 3:

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Slide 4:

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Slide 6:

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