RESEARCH PAPER | Management | Volume : 5 | Issue : 2 | Feb 2015 | ISSN - 2249-555X



E- Commerce Challenges: A Case Study of Flipkart. com Versus Amazon. in

KEYWORDS: E-tailing, E-Commerce, Online Shopping

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ABSTRACT *Information Technology [IT] has transformed the way people work. By integrating various online information management tools using Internet, various innovative companies have set up systems for taking customer orders, facilitate making of payments, customer service, collection of marketing data, and online feedback respectively. These activities have collectively known as e-commerce or Internet commerce. India has an Internet user base of about 250.2 Million as of June 2014. The penetration of e-commerce is low compared to markets like the United States. India's e-commerce market was worth about $3.8 Billion in 2009, it went up to $12.6 Billion in the year 2013. Flipkart & Amazon are the two big players of e-commerce in India.*

An attempt has been made to critically examine various corporate and business level strategies of two big e-tailers that is Flipkart and Amazon considering their e-commerce challenges, business model, funding and revenue generation, growth and survival strategies, Shoppers' online shopping experience, value added differentiation, and product offering made by them along with evaluation of the challenge which both of them had faced in October 2014.A big question arises, who will win this game at the end in India? Who will be the real winner? The unpretentiousand obvious answer should be of course, 'Indian Customer'.

Prologue:

As new wave of industrial revolution taking place, many economists, management experts, and organization theorists has contracted that the world has left the old industrial age, and has entered into a new third wave of an information age. As Professor Tom Canon has stated that 'The new industrial revolution that surrounds us requires profound change in the way we consider enterprise, develop our businesses, the way we manage and the structures within which we manage'. Information and Information Technology [IT] are key drivers of this age. Information and technology are critical to manage change and are distinguish features of the Information Age. Globalization of the marketplace and means of accessing through national and global superhighways have given a new dimension to the concept of information.

Origin and Growth of e-Commerce:

The new economic era witnessed a new technology known as digital economy. Information Technology has transformed the way people work. By integrating various online information management tools through the Internet, various innovative companies set up systems for taking customer orders, payments, customer service, collection of marketing data, and online feedback. These activities have collectively known as e-commerce or Internet commerce. By adoptinge-commerce practices, these companies have boosted their profits, net worth, and have permanently altered competitive dynamics.Electronic Commerce (e-commerce) has unleashed yet another revolution which has changed the way businesses buy and sell products and services over computer networks, e-commerce helps traditional commerce through new ways of transferring and processing information.

Major concentration of electronic commerce is to facilitate the generations to exploits the business opportunities coming on their way. Indeed, e-commerce has evolved from online billboards to a fully functional, personalized shopping experience over the past decade. While there were admittedly a few bumps along the road, the path from 1994 through the 2004 holiday shopping season is full of crucial milestones of Internet pioneers and technology innovators.

In the beginning, the Internet was characterized by slow dial-up connections and online billboards. Netscape came on the scene in the year 1994 with its point-and-click Web browser that opened the door to the billion-dollar revenues e-tailers enjoy today. India has an internet user base of about 250.2 Million as of June 2014. The penetration of e-commerce is low compared to markets like the United States and the United Kingdom but is growing at a much faster rate with a large number of new entrants. The industry consensus is that growth is at an inflection point. Unique to India and potentially to other developing countries, cash on delivery is a preferred payment method. India has a vibrant cash economy as a result of which 80 per cent of Indian e-commerce tends to be Cash on Delivery (COD).However, COD may harm e-commerce business in India in the long run, and there is a need to make a shift towards online payment mechanisms. Similarly, direct imports constitute a large component of online sales.

Demand for international consumer products including long-tailitemsis growing much faster than in-country supply

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from authorized distributors and e-commerce offerings.

Market Size and Growth of e-Commerce in India:
India's e-commerce market was worth about $3.8 Billion in the year 2009, it went up to $12.6 Billion in 2013. In the year 2013, the e-retail market was worth US$ 2.3 Billion. About 70 per cent of India's e-commerce market is travel-related. India has close to 10 Million online shoppers, and is growing at an estimated 30 per cent CAGR vis-à-vis a global growth rate of 8 to 10per cent.It also includes busy lifestyles, urban traffic congestion and lack of time for offline shopping; lower prices compared to brick and mortar retail driven by disintermediation and reduced inventory and real estate costs; increased usage of online classified sites, with more consumer buying and selling second-hand goods; evolution of the online marketplace model with websites like Jabong.com, Flipkart, Snap deal, and Infibeam respectively.

According to Report by Avendus Capital, entitled "India Goes Digital", the Indian e-tailing industry is estimated to grow to Rs 53,000 Crores ($11.8 Billion) in the year 2015. On 7th March 2014, e-tailer Flipkart claimed that it has hit $1 Billion in sales, a feat it has managed to achieve before its own target (2015).

A report recently published by the Boston Consulting Group also stated that online retail in India could be an $84Billion industry by the year 2016 more than 10 times its worth of the year 2010.

Flipkart & Amazon are the two big players of e-commerce scenario:
It has mainly covered following.

History & Growth of Flipkart.com:
It is an e-Commerce companyfounded in the year 2007, by Mr. Sachin Bansal and Binny Bansalboth alumni of the Indian Institute of Technology, Delhi. They had been working for Amazon.com previously. It operates exclusively in India, where it is headquartered in Bangalore, Karnataka. It is registered in Singapore, and owned by a Singapore-based holding company. Flipkart has launched its own product range under the name "DigiFlip", Flipkart also recently launched its own range of personal healthcare and home appliances under the brand "Citron". During its initial years, Flipkart focused only on books, and soon as it expanded, it started offering other products like electronic goods, air conditioners, air coolers, stationery supplies and life style products and e-books.

Legally, Flipkart is not an Indian company since it is registered in Singapore and majority of its shareholders are foreigners. Because foreign companies are not allowed to do multi-brand e-retailing in India, Flipkart sells goods in India through a company called WS Retail. Other third-party sellers or companies can also sell goods through the Flipkart platform. Flipkart now employs more than 15000 people. Flipkart allows payment methods such as cash on delivery, credit or debit card transactions, net banking, e-gift voucher and card swipe on delivery.

Flipkart is presently one of the largest online retailers in India, present across more than 14 product categories & with a reach in around 150 cities. Flipkart is currently a 10,000 member strong team, with 3000 sellers on its platform and delivering 5 million shipments per month.

It made its presence felt in online retailing by offering path breaking services like Cash on Delivery (COD), 30 Day replacement Guarantee, EMI options, Flipkart mobile app, etc.

History & Growth of Amazon. In:
Amazon.com, founded by Jeff Bezos in 1994, is an American electronic commerce company with headquarters in Seattle, Washington. Jeff Bezos incorporated the company as "Cadabra" on July 5, 1994, and the site went online as Amazon.com in 1995. Bezos changed the name cadabra.com to amazon.com because it sounded too much like cadaver. Additionally, a name beginning with "A" was preferential due to the probability it would occur at the top of any list that was alphabetized. It is the largest Internet-based company in the United States. Amazon.com started as an online bookstore, but soon diversified, selling DVDs, VHSs, CDs, video and MP3Downloads/Streaming, Software, Video Games, Electronics, Apparel, Furniture, Food, Toys, and Jewellery. The company also produces consumer electronicsnotably, Kindle, Fire Tablets, Fire TV and Phone and is a major provider of cloud computing services.

Amazon has separate retail websites for United States, United Kingdom & Ireland, France, Canada, Germany, The Netherlands, Italy, Spain, Australia, Brazil, Japan, China, India and Mexico, with sites for Sri Lanka and South East Asian countries coming soon. Amazon also offers international shipping to certain other countries for some of its products. In the year 2011, it had professed an intention to launch its websites in Poland, and Sweden.

In early June 2013, Amazon.com had launched their Amazon India marketplace without any marketing campaigns. In July, 2013, Amazon had announced to invest $2 Billion (Rs 12,000 Crores) in India to expand business, after its largest Indian rival Flipkart too had announced to invest$1 Billion.

Business Model and Market Share, Financial and Revenue Generation: Flipkart.com&Amazon. In:
The business model used by this e-retailers are 'Inventory-Led Model' [FLIPKART]and 'Marketplace Model' [AMAZON] respectively.

Flipkart started its operation with inventory led model. Inventory-led model requires huge investment in warehouse and logistics, Now, Flipkart.com e-commerce websites are using mix of both the models. Flipkart started its operation with books, but soon it started adding more categories. Inventory Led Model as well as market place model. Flipkart, which had an inventory-led format, lately announced a shift to the marketplace model, which is about hosting many retailers on a single online platform. However, industry sources reason that Flipkart may still not have left the inventory-based format and, therefore, it requires significant investments. Major players like Amazon, eBay and Snap deal opted for the marketplace route in India as foreign investment is permitted in that format, unlike in the inventory-led model.

Table Number: 01
Financial and Revenue Positions

Year	Source of Fund	Amount	Sales
2008	Founders contribution for making website to set up the business	₹4,000,000	-
2009	Funding from venture capital funds Acela India	US$1 Million	40 Million

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2010	Tiger Global	US$10 Million	200 Million
2011 June	Tiger Global	US$20 Million	-
August 2012	MIH (part of Naspers Group) and ICONIQ Capital	$150 Million	750 Million
10/7/13	Tiger Global, Naspers, Accel Partners and Iconic Capital	$200 Million	
2014	On average, Flipkart sells nearly 10 products per minute		10 Billion
2015	Aiming at generating a revenue		₹50 Billion

Source:www.econmictimes.com

Net sales of Amazon had increased by 22 percent to reach figure of $74.45 Billion, compared with figure of $61.09 Billion of the year 2012. Operating income had increased 10 percent to $745 Million, compared with $676 Million of the year 2012. Net income for the year was $274 Million, an improvement over the net loss of $39 Million of the year 2012.

Table Number: 02
War is on for Indian Market Share

Parameters of comparisons	Flipkart	Amazon
Sales	$4 Billion in 2015	Sales reached to figure of $1 Billion in 2014 [Oct-Dec] and expects to get 30 per cent market share
Sellers	Expects to increase seller base to 50 K in 12 months	It has grown merchant base to 8500.
Warehouses	6 warehouses, & it will grow this to 50 in the next three years	It will increase its warehouses count to 10 in the 2015 from 07.
Focus	The focus is now on Fashion and Lifestyle Business Base Model	The focus is on Electronics and Books
Exclusive Partnership	It had Sold 1 Million Motorola products in 5 months. It is now selling Xiaomi Phones	It has Launched a sales of a Samsung phone and Swipe's Slice tables in Nov,2014

Source:www.businessstandard.com

Promotional Techniques:
Promotional Techniquesof Flipkart.com:
Web stores advertise in traditional media newspapers and television media with prime time slot also. But, it largely advertises on Web with targeted and a personalized banner ads and other Web page and e-mail promotions with incentives like discounts to buy.

Promotional Techniques ofAmazon. In:
It is also doing one-to one marketing and relationship building to web shoppers with personalized e-mails and cross linked websites. Amazon. In is a customized Website where through personalized shopping service and alliance with thousands of other dealers with trusted brands and prices of millions of products from single store front. Amazon is also using targeted emails apart from networking with other popular websites for ads and tags promotions.

Comparison of Customers' Shopping Experience of Flipkart.comversus Amazon. In:
Risks and Backup:
Talk about who has more to lose in the battle of sales figures. Well, surely Flipkart. The reason why we are putting forward this argument is the fact that Flipkart does only one kind of business which is that of online retailer ship. Besides, just more experience, on the other hand, Amazon is backed up by more business streams which it has been successfully carrying out. Let us take the example of Amazon Web Services which is known to be generating a lot of revenue for the company. Even if, it loses its hand in the Indian market to its main rival Flipkart, it does not have too much to lose.

Amazon Drones And Other Innovations:
It is a recent buzz according to which Amazon is busy building or has probably built drones to increase its business. Sooner or later, drones will be acting as local delivery boy and will be delivering goods at customers' footsteps and giving online retailership just another level. So, customers' do not have to worry too much anymore whether the person delivering goods to your address is confused at how to find your address. Who knows? Maybe Amazon someday makes it possible. A customer wishing to get delivered a set of books merely has to locate his house on Google maps, and a flying machine comes with the stuff you ordered.
Books:

Both the companies have started their journeys and turned out popular but how did they start? Both the brands are known to have started their efforts with books. Books was what Amazon began with, and it was what Flipkart targeted to achieve first when they were nothing but a warehouse. However, talking about books, it is a popular opinion that Amazon is cheaper dealing with when it comes to books. Not only does it involve less shipping charges, it has more seller options usually.

Model of Working:
Comparing Flipkart and Amazon, one can dig out the old pages and the new and can infer that both the companies had started with their own warehouse. But, today, both follow the common similar marketplace model. However, talking about the same, Flipkart and Amazon India are known to be sharing a difference which is again about Books. While Flipkart enjoys putting its warehouses into good use when it comes to stocking books, Amazon likes to continue working in the trend it enjoys that is with the marketplace model.
Presentation:

Now, do we really need to put up our own opinion about the presentation and looks of both the brands? While the website of Flipkart is presented with the use of bright colors and beautiful buttons, Amazon lags much behind in the name of presentation and colors, if not in anything else.

Amazon Kindle:
Now, Amazon has an extra advantage, the advantage of Technology, Invention and Innovation. We all know about the Amazon Kindle which is an e-book reader specially designed by Amazon for enabling its customers buy eBooks from Amazon and read on the Kindle.

Kindle is blessed with charged ink technology and does not use the normal LED/LCD displays. Hence, reducing the strain on the eye to an extent, it almost pushes customers to buy the e-Book instantly for his or her Kindle. And anyway, e-Books come at much lower price than the hard

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copies of books. Not only do they save paper, it seems they are the future of reading. On the other hand, Flipkart does not seem to be doing that awesomely when it comes to the sale of e-books. Definitely, Flipkart has not been of much use when it comes to invention. They do not have something like the Kindle of their own and it doesn't seem likely to be in near future either.

Amazon's Google App. Store:
Now, this is just brains, not too much technology, not another 'Invention'. Besides, trying its hands on all other kinds of business, Amazon has its own collection of Google App Store products which customer can purchase and download. Flipkart does not have a business of this kind.

Ease-of-Use and Convenience:
When it comes to ease of use and convenience, we do not hesitate to vote up the brand from the nation. Flipkart does have a very appreciable and convenient way for the typical customer. Log on to the Amazon India website, and all you find is a confusing set of links. Customer do not understand where to click and where to not. Besides, if a user wants to order something at Amazon India, let us say a book, s/he cannot do it just like that. One needs to have a user account at Amazon, separately registered by the user. This kind of rudeness is something which the Flipkart people have not shown. If you have a Facebook or Google account, all you need to do is use your credentials, feed in the details and place your order. There is no need to create a special Flipkart account, registering separately for the same even though you could, if you really want to.

Amazon has a lot of stuff like Prime Membership, and a lot of more confusing booty traps which Flipkart chooses to avoid. Even the search facility on Flipkart was something we greatly admired.
Same Day Delivery:

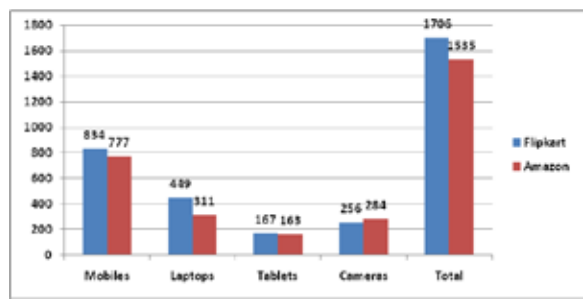
Newly, after its entry into the Indian retail sphere, Amazon India has come out with something called 'Same Day Delivery'. According to this plan, if you are a customer and are so desperate to get the products you ordered that you want them delivered on the same day, you can enjoy this facility. All you have to do is pay an extra fee of Rs. 99. But recently, even Flipkart too has launched the same feature. However, the better bet here is because you have to shell out Rs. 9 less. You need to place your order before 6 P.M., and the order will be delivered to you within the same day. If however you place your order (on Flipkart) after 6 P.M. Your product(s) will be delivered only the next day. So, when comparing Amazon and Flipkart on same day delivery services, both offer pretty much good services.

Delivery Manners:
There is a subtle change in the manner both the companies. Let us say you order two things, a book, and a movie DVD. It may be possible that you receive your book the next day by Amazon, and the DVD may arrive a few days later if the seller takes more time to ship it.

However, the same is not usually true with Flipkart. What Flipkart will do this, it will ship the two products together, in the same package, and will most likely make you wait. While some favour Filpkart's shipping habits, the others believe Amazon India does it better? Some may like the responsibility Amazon takes by shipping the product as soon as it can reach the customers; some believe Flipkart understands how a person expects his products to come all together, keeping things simple. While some states that Flipkart does this to save its expense on shipping the package, some have opined that Amazon too saves its expense by avoiding any midway intervention in the delivery process.

Selling Your Product:
A mere look at Amazon India's top left area will let you to the 'Sell' page. It elaborates the user as to how s/he can actually sell his or her product on Amazon India without going through an elaborate process to get his business listed in the website.

Graph No: 1
Product Offering Comparison between Flipkart.com and Amazon. In



Source: www.econmictimes.com

In Mobiles category Flipkart has about 7 percent more SKUs than Amazon

For Laptops category, the gap is wider with Flipkart having a 45percent bigger catalogue size.

Tablets category is a close fight.

In Cameras Category, Amazon leads the race with 284 SKUs against Flipkart's 256 SKUs.

Amazon, though public listed, does not share India-specific numbers but its founder and chief Jeff Bezos has stated that at the current scale and growth rates, India is on track to be its fastest country ever to reach $1 Billion Dollars in gross sales. It is estimated that it took it years to cross the revenue benchmark even in China, where it has been present since 2004, and another market dominated by local giants.

Logistical Support:
The rapid growth of e-commerce in India is only possible with the help of logistical activities as supporting functions. The e-commerce offering enormous varieties of products to vast geographical area cannot possible without sound logistical chain network and delivery model as a value chain to e-commerce. The success of e-commerce largely depends on key infrastructural support in the area of logistical network to ensure safe and secure time bound delivery of ordered products to every corner of the area in India. Supply chain capacity is also an important influential factor to push inventory and products with effective carriage capacity to consumer. And, in India it is still considered as a barrier due to poor transport networks, unavailability of warehouses and low internet penetration in small cities and far geographical areas.

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Supply Factor Comparison: X-Factor-Vendor Network &Value Management:

Flipkart.com:
One crucial thing in the e-commerce war could be the key vendor on the sites. In the case of Flipkart it is WS Retail (Warehouse), which used to be the in-house and sole seller through the platform before it turned a marketplace early last year. This firm is owned by an angel investor and employees of Flipkart, to comply with FDI norms. However, this is a key player for Flipkart. Although, the breakup of sales from WS Retail and other vendors is not in the public domain, it is estimated that the bulk of its sales are through this vendor (it also happens to be the partner for Flipkart's run away hits like Motorola Moto series of handsets). WS Retail also happens to be a key spoke in its Flipkart First offering, at least for now.

Amazon. In:
It is still dependent on its third-party vendor base to sell in India. However, it has reportedly sealed an unconventional deal with Catamaran Ventures, the private investment arm of Infosys co-founder N R Narayana Murthy. Catamaran is holding a majority stake in a venture which is supposed to work at the back-end of operations for Amazon in India. However, this is seen as the first step for preparing groundwork for Amazon to start selling in India on its own as and when (as anticipated soon) multi-brand online retail is brought on par with offline retail in terms of FDI norms. This could really pump up the activity for Amazon and take the competition right to the door steps of Flipkart.

Challenges Faced in October 2014:
Flipkart.com:
Flipkart launched 'Big Billion Day', after the successive rise in turnover-tailer Flipkart launched Big Billion Day with intention to increase the popularity by targeting Billion sales, a day long shopping event on 6-10-2014 & promised greatest sale ever in India. This even though helped Flipkart to achieve the target led to public outcry, and widespread criticism across Customers, Competitors and Partners heavily damaging its reputation. Flipkart hosted what it claimed to be its biggest sale with discounts and offers across 70 categories. The online marketplace had called it 'The Big Billion Day' and stated that it has dedicated 10,000 field staff to fulfill orders.

As part of the sale, the company was offering multiple items at price of Re 1, up to 30 percent off on Smartphones, Laptops starting Rs 15,000, Fashion and Perfumes at 50percent off and Toys at 50percent off, among others. It was also hosting exchange offers on Televisions and Phones.

The sale started at 8 A.M. with some limited time, limited stock and partner offers. Many users could not place the order because the servers were not capable enough to take the load and was giving random errors to users which led to frustration among customers. Many users who placed orders received e-mail informing them that the order stand as cancelled. Most of the products were sold for price less than cost price and Flipkart was accused of killing the competition. Major competitors filed complaints against Flipkart to Commerce Ministry claiming that selling products for less than cost price is against the commerce policy of India. Ministry announced that it will form new trade rules for e-retail after this incident. The site crumbled due to increased load throwing random errors. Andlarge number of customers failed to receive order confirmation after making payments, and some were unable to find items they added to their shopping cart. They too shared their grievances on social networking website, Twitter.

Flipkart thereafter promised that it would resolve these issues and try to offer a better experience. Some customers had also complained that Flipkart cancelled orders even after assigning a delivery time slot and charging their cards. Kulbhushan Rakheja, a New Delhi resident, placed an order for a Philips LED TV, only to be informed three hours later that the order had been cancelled "due to high demand for the item, and in order to provide all customers an equal opportunity." He had stated that he hasplanned to lodge a police complaint against the website. The correspondent also faced certain issues while placing an order and receiving a confirmation. The Flipkart website failed to display past and new orders for customers.

A day after its Big Billion Day sale, e-commerce giant Flipkart had sent a letter to its customers apologizing for the glitches that the website encountered as it struggled to keep up with the heavy traffic. Flipkart issued a statement attributed to founders Sachin Bansal and Binny Bansal, informing that the Flipkart website had received a Billion hits and achieved its 24 hour sales target of $100 Million in GMV (Gross Merchandise Value) in just 10 hours. The statement did not talked aboutproblems faced by customers and the Flipkart has not responded to allegations of price discrepancies and arbitrary order cancelations. It only mentioned that the Flipkart technology team was dedicated towards addressing errors and providing constant support to accommodate traffic and customer visits.

Meanwhile, Filpkart's competitors, Amazon and Snap deal also had started offering discounts on a large number of products to counter the sale. Snap deal published a full-page newspaper ad with a message that cheekily said, "For others it's a big day. For us, today is no different."

Amazon. In:
After big day sale of Flipkart, Amazon went to run a massive flash sale from October 10, 2014 till October 16, 2014. The sale was comprised of Amazon's traditional Lightning Deals, but with better prices and more products than usual. The deals run from 7 A.M. to 6 P.M. During the sale period. Apple's latest iPhone 6 and iPhone 6 Plus were available for pre-orders in India.

This was probably the first time a number of online stores were taking pre-orders for the iPhone. There were a number of ways you can save a little money while pre-ordering the new iPhones. Amazon's Diwali sale had the House of Marley Earphones, Headphones, and Portable Speakers at a massive discount exclusive to Amazon. 50 percent off on Samsung Smart Cameras. Amazon has slashed prices on Samsung's Smart Cameras for this week.

Amazon India was careful not to make too big a splash as it kicked off the October 10-16 Diwali Dhamaka Sales. Under pressure from big consumer electronics brands such as Samsung, Sony and LG, the online marketplace steered clear of deep price cuts on the first day, except on products meant solely for sale on Amazon or end-of-life items. Such goods were available at discounts of more than 50 percent.

With Amazon India seemingly toeing the line, Sony and

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Samsung have promised to work closely with it, a person with direct knowledge of the development said. Hewlett-Packard India joined other manufacturers in advising vendors not to sell online on Friday. LG, HTC and Sony had previously issued similar trade advisories.

Amazon India Diwali Dhamaka Sale Flops as Website Crashes and Poor Discounts on Offer www.india.com October 10, 2014 4:06 P.M.

Amazon India's much awaited Diwali Dhamaka Week-long sale turned out to be a flop show. The sudden crash of Amazon.in website was a repeat of what happened Flipkart on Billion Day Sale. The Amazon India website too crashed as the sale opened at 7 A.M. on Friday and the visitors expecting a better deal, were treated to poor deals and discounts. In short, another bad experience for the customers. There were reports of Amazon.in website crashing and Diwali Dhamaka deals not accessible for initial few minutes. The users who did manage to get through, too were not impressed with the discounts and offers.

Amazon had announced that it will offer its customers more lucrative deals than its competitors- Flipkart and Snap deal. There are few user-friendly features added on the website such as creating a wish list and making multiple lists within itself. The biggest test for Amazon India will be its inventory strength during this week long sale.

Unlike the Flipkart Billion Day Sale, Amazon had decided to offer deals for the next six days. The format of the deal was pretty similar to Flipkart with hourly deals from 7 A.M. to 6 P.M. Flipkart had failed to anticipate the heavy demand, and was butt of jokes as deals vanished as soon as they appeared. Snap deal too joined in and announced its own discounted sales the same day. Friday was no different as Snap deal ran a full page ad in leading newspapers.

Earlier, Amazon indulged in dirty trick on Monday when Flipkart launched its sale, and bought the domain identified as "www.bigbillionday.com" named after Flipkart's mega day offer. As a result the visitors landed on Amazon site looking for Flipkart sale.

Amazon had retouched their inventory and had made it look more appealing but the question remained whether they could learn from their mistakes and it will be answered only after the first day of the sale when people tried the discounts depending upon quality products being made available on the other e-commerce websites unlike Flipkart.

After Flipkart's Billion Day sale, it was then Amazon India that had to face the ire of customers as its Pre-Diwali sale started on the wrong footing. Amazon had publicized its Diwali Dhamaka sale that went live an hour ago but many customers failed to access the website while others were unable to see any deals. Update: Amazon India had issued a statement, addressing buyer's complaints.

Contrary to a media report, the Amazon.in website has been up and running all through. They accepted to have a latency issue for a few minutes, limited to the Deals page, at about 7A.M. when they kicked off the deals. They fixed the issue immediately and their systems were scaled to manage the load. Many customers were also complaining the lack of any deals on the website. In addition to the site not being able to keep up with the rush, Amazon was not offering many deals either. What is more, Amazon's promotional price was also more than Snap deal.

Future Prospects: Flipkart.com &Amazon. In
Flipkart.com:
With the entry of Amazon in the Indian market, Flipkart needs to renovate & expand its business in order to sustain or increase its present market share. Flipkart's plans for the future mainly include scaling up the size of its business. It plans to have 10 to 12000 sellers on its platform within the next few years. Also, on acquisition of Myntra, Flipkart, currently owns about 50 percent of the organized lifestyle market in India. It plans to increase this figure to 70 percent. It has more than 1,000 sellers now, & it wants to scale up this number to 10,000 to 15,000 in a year's time, & to a few lakhs in 4 to 5 years. Around 40 percent of Flipkart's online traffic now comes from Mobiles. It thus wants to add more features to its mobile shopping app to increase customers' satisfaction& loyalty.

Flipkart is also trying to develop its IT infrastructure, as online shopping is heavily dependent on technology. It wants to customize its IT framework to perform 2 functionalities. One, its ability to recommend its buyers to what other purchases can be bought to complement a product that has been already purchased from Flipkart like recommending a Stereo Headset for a Mobile Phone, and second one is to simultaneously conduct a live survey by siphoning a small portion of this data to analyze customers' purchase patterns & preferences respectively.

Flipkart is also considering having their own logistics so as to reduce dependability on the third party companies to provide it. Flipkart has also freshly launched its own Digital Accessories brand Digiflip, & its apparel brand Flippd, is yet to see how it is likely to perform in the market.

Also, part of its agenda is to be present in more number of Cities, & for that it is contemplating on having larger number of warehouses. It has also increased automation in its supply chain system. Flipkart also wants to include more categories of products in its domain, & plug the gaps in its existing categories.

Amazon. In
As part of its expansion plan in India, Amazon has been pushing its Kindle tablet, especially the Kindle Fire range which can automatically act as a catalyst for promoting its merchandise sales. As customers are majorly shifting from Computers to Mobile Handsets, they will be majorly benefited from reading e- books & streaming live Music & Videos through the Kindle devices. Amazon is mostly interested in its cash flow per share valuation rather than percentage margins. Thus, they are likely to offer even larger discounts to push sales. The company is also in talks with leading retail chains of India like Future Group, Spencer's Retail, Woodlands, Shoppers Stop & Crosswords to act as a selling platform for their products. Amazon is also planning to introduce its very own mobile handset in the future through which it hopes customers will have more access to its online store & its contents.

But, perhaps the most interesting & path-breaking service that Amazon is about to offer yet is using Drones, or unmanned aerial vehicles to deliver packages to customers. According to Media Reports, Amazon came up with this concept in the year 2013& will supposedly be launching it first in India in late 2014.The drone, known as Amazon's Prime Air is an octocopter, that is fitted with 8 Rotors, weighing less than 25 kilogram (kg), and travelling at over

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80 kmph. The drone is supposed to be carrying a payload of up to 2.26 kg, which covers 86 percent of products sold on Amazon. Using this, Amazon believes, top-selling products like Mobiles & Books within 90 minutes to 3 hours for select customers.

Flipkart's 'Big Billion Day' sale helped the company to achieve record single day sales of Rs. 600 Crores on Monday, and its competitor Snap deal too increased its daily average sale with company claiming to have reached sales of Rs. 1 Crores per minute, adding up to Rs 600 Crores for it too. But, both these companies, particularly Flipkart, were also flooded with complaints on the social media of products disappearing after being shown on the screen and website crashing frequently preventing sale from being completed. Complaints ranged from technical errors, to comments on pricing scams, to lack of product variety, prompting the company to send out a public apology. The episode also sparked a backlash from traditional retailers who had complained about what they said was predatory pricing, persuading the Government to announce that it would look into the matter. Big brands too who were highly unhappy about online price cut also came out in open support of traditional retail channels.

The silent winner on the sale day appeared to be Amazon which strengthened its pool of offerings after leaning from the mistakes of others but there were no sales figures released by Amazon.

To Conclude,

There is an old saying, "Physician, heal thyself." The meaning of the phrase suggests that because doctors are always busy healing others, they often fail to pay attention to their own health. Every once in a while, physicians need to turn their expertise inward to make sure they are in good shape so they can be ready to kelp others. The concept is applicable to e-commerce business companies also as they are very busy industry to focus on delivery of consumer service and solutions provider in merchandising with effective technology and expertise. So, every time they require to update their Internal Structure Systems and Innovative Management System with sound database to provide end-to-end connectivity across all the different processes to reach out its suppliers, partners and customers effectively.

Promising future-commerce in India, which is now a minuscule portion of the $500 Billion Indian retail market, is set to be the fastest growing channel in the sector.

According to authors of this case study, there are four key performance standards need to be followed by e-tailers like Flipkart.com and Amazon.in in e-commerce segment to become strong market leader listed out as follows.

1. Marketing Promotions and Customer Acquisition
2. Customer Retentions and Loyalty
3. Customer Experience and Satisfaction
4. Customer Assets Growth and Value Creation

Flipkart.com has been following quality and efficiency of customer service and distribution with decreased cost and agile work flow through retailers and other supplier's network integrally. Flipkart.com is using its inventory led model focusing on standardization of product delivery with long-run retention of customers by winning their confidence in e-business and commerce marketplace. One criticism leveled against Flipkart is that it is using up funds too quickly, especially as nobody else in the industry has raised as much money as it has.

With the entry of Amazon.in, e-commerce has changed the shape of competition, the speed of action, and the streamlining of interactions, products and payments from customers to companies, and from companies to suppliers.

E-commerce is more than just buying and selling products online. Instead, it encompasses the entire online process of developing, marketing selling, delivering, servicing and paying for products and services transacted on internet of worldwide network of business partners.

As authors are of the view that ultimately, customers and public perceptions plays pivotal role to create unique and favourable brand.

Authors' Anticipation and Analysis: Public Perceptions About Flipkart.com:

Any business starts and advances because of many virtues. One of them is public goodwill. Over the years, Flipkart has earned a lot of that in India but then Amazon cannot be overlooked just because it's new in India. It cannot be ignored that they know how this system works. They understand this business as they are the trendsetters. . Flipkart offers you simplicity, beauty and ease of convenience.

Authors' Anticipation and Analysis: Public Perceptions About Amazon.in:

While Flipkart seems to be giving Amazon a tough go in India, Amazon is trying its bets. Amazon.in offers you a promise which comes to it through the expertise. Amazon. in has readymade advantages like Amazon Kindle, other revenue sources, and easily approachable system, it seems as though it is trying to play rude with people who want to buy products from its market by compelling to open up their own accounts in Amazon even when almost everyone has a Facebook account and can easily use the same to place the order.

Teaching Note:

The festive season would be lot different from others as e-tailers have stolen the limelight with aggressive promotion and advertising campaigns?

(Q.1)Now, the question is whether experience enough can beat the intellect and intelligence of two engineering minds from the best technology institute of India?

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(Q.2) Flipkart.com, which is now being valued at over $1.5 Billion, manages to use the hundreds of Millions, it has raised the right way and emerge as India's Amazon? Or, is it on just a high-burn track with no focus on profitability?

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(Q.3) Which Website Flipkart.com or Amazon.in would you choose for shopping for your Micro Max Brand Smart-

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phone Nitro A310? Why?

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(Q.4) Do you think Flipkart.com can continue to be successful with coming days of competition to come from amazon.in? Explain your answer.

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(Q.5) Is Amazon India going to enter our markets and defeat the most popular online retail company of India because of its age long experience or will Flipkart be able to defend its goodwill in the market, stand the competition in a dominative manner and will tell the world no breaching our gates?

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(Q.6) Flipkart has faced an issue on 6thOctober.2014, due to its shortsightedness but Amazon also followed the same kind of strategy for a big sale. Do you think competitor should follow blindly without thinking of issues generated out of competitors 'decision? How Flipkart can regain its customers' trust back?

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