

A STUDY ON MARKETING STRATEGIES OF FLIPKART AND AMAZON INDIA

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Abstract

A firm grows by gaining customers through implementation of different Marketing Strategies through selling its products or services. Growth of a business is critical for every business success. Marketing considers the choice of policies aimed at improving the competitive position of the firm, taking into account challenges and opportunities in the competitive environment. Marketing strategies may differ depending on type of business. The present paper reveals about the various Marketing Strategies applied by online shopping companies Flipkart and Amazon India that aimed at increased registered customers and sales.

Keywords: Marketing Strategies, Online Marketing, Segmentation, Promotions, Flipkart, Amazon India

Introduction

Marketing strategy can be considered as the long-term and forward-looking approach. Marketing strategy is a business plan for reaching target people and converting them as customers to purchase the product or service provided.

"The marketing strategy lays out target markets and the value proposition that will be offered based on an analysis of the best market opportunities." (Philip Kotler & Kevin Keller)

Marketing strategy of online shopping companies aims at Market development, which is aimed at registering new customers and selling products to customers to build a new clientele base. Marketing strategy of an organization consists the organization's value proposition, information about the target customer, key marketing messages and other high-level elements etc. Companies are concerned with identifying the business opportunities that are likely to be successful.

In India many of the online shopping companies had faced government regulations issues like 26% FDI was allowed earlier that has been increased to 100% in budget of 2016-17. This change in the government regulations led to increased entry of online shopping companies like Amazon, Alibaba, Ebay, Snapdeal and various other start-ups in their expansion and further penetration in the current market.

Experts tracking e-commerce say, the overall online retail market is expected to expand during the festive season sale. The Gross sales or gross merchandise value across online retailers may reach billions during the festive period through various Marketing Strategies. Amazon and Flipkart spent crores of rupees on marketing and branding campaigns, as part of their broader strategies to attract new customers. Cost resulted in higher burn rates which in turn forced them, particularly Flipkart, to take a fresh look at their overall marketing strategy. The digital marketing by Flipkart and Amazon with the sale events like the *Big Billion Days and Great Indian Festival* has increased the sales significantly.

Marketing Strategies of Flipkart

Flipkart is one of the most visited and fastest growing E-commerce website in India it has more than 75 million registered users who increased the sales through online shopping.

The various Marketing strategies used by Flipkart are

- Behavioural & Psychographic segmentation strategy to segment the market to cater to the customers according to the changing needs & wants.
 - Undifferentiated targeting strategy as the people of all demography purchase items online available to everyone where ever the delivery is possible.
 - Distribution strategy i.e. owning distribution firm (Ekart) for the timely delivery of orders.
 - Using various social media promotions like twitter, facebook, TV commercials and promotion of mobile app etc.
 - Brand equity which is a Marketing strategy of Flipkart, which has garnered a market leader position through its innovative branding strategies.
1. *Big billion day*
 2. *No Kidding, No Worries*
 3. *Fair-Tale*
 4. *Shopping ka Naya Address*
 5. *Shop Anytime, Anywhere* etc are the successful campaigns that helped the company in creating top of the mind awareness.
- Maintaining the Content in its own Official Blog page that gives updates about company, industry, tech etc.
 - Maintaining the Customer -Relations through informing about every step via email/text when the order has been confirmed, order summary & shipment detail tracker information are provided.
 - Maintaining the straightforward Return and Exchange policies.

- Changing the product price tags, wherein the margin of the cost price and selling price is manipulated vigorously to change the outlook for the customer’s point of view.

Marketing Strategies of Amazon India

Amazon is known for being the biggest ecommerce store in the world. It has have more than 115 million registered users .They are praised for reliability and a great buying experience, always collaborating with the seller to deliver great quality with every buy.

The marketing strategies of the Amazon India are

- Amazon Marketing Services is proving to be a very powerful advertising platform.
- Amazon uses demographic and psychographic segmentation to segment the markets. Amazon’s micro-level segmentation targets each customer individually, allowing the company to convert visitors into long-term, high-value customers. Amazon targets the middle class & upper class people who have got hands on experience in the basic technology.
- One of the Marketing strategy of Amazon is having Competitive advantage in order to differentiate itself, company acquired many IT & e-commerce start-ups like pets.com, audible.com, Junglee.com, IMBD.com, Zappos.com, Woot etc. which helped them in providing high value to their.
- Amazon has more than 55 fulfilment centres to maintain its own Distribution strategy i.e. quick delivery of products the customer’s order.
- Amazon marketing strategy relies on the following six pillars:
 1. Offering the widest range of products
 2. Using a customer-friendly interface.
 3. Scaling easily from small to large.
 4. Exploiting affiliate products and resources.
 5. Using existing communication systems.
 6. Utilizing universal behaviours and mentalities.
- Amazon has a range of business model innovations focussed services: Kindle e-readers, Fire Tablet, Smartphone and TV, Echo (Alexa, which makes it simple for shoppers to make a purchase by speaking to their Echo speaker).
- Amazon Prime, an annual membership which includes unlimited free shipping and then involved diversification to a media service with access to unlimited instant streaming of thousands of movies and TV episodes.

Sales attained by Amazon and Flipkart in 2017 after different Marketing strategies

Experts say that E-Commerce Industry will be still growing 35%. Customers will not only buy phones and fashion items but also other products. In India Amazon has 65% of its sales from metropolitan cities and not only this Amazon is going for small cities to increase its sales. When compared to Amazon, presently Flipkart has Private Label Brands including electronic Accessories, Furniture, Large Appliances and Staples etc that could record a 15%-20% sales volume in upcoming years. According to survey by the CounterPoint Research, Flipkart and Amazon. in has covered 87% of Smartphone market share in 2017.An Analysis conducted by RedSeer in Bangalore has presented the following information about usage of various media for promotions like social media, News papers, Television, Friends, Offline channels etc. About the sale events like the Big Billion Days and Great Indian Festival conducted by Flipkart and Amazon during Festive seasons.

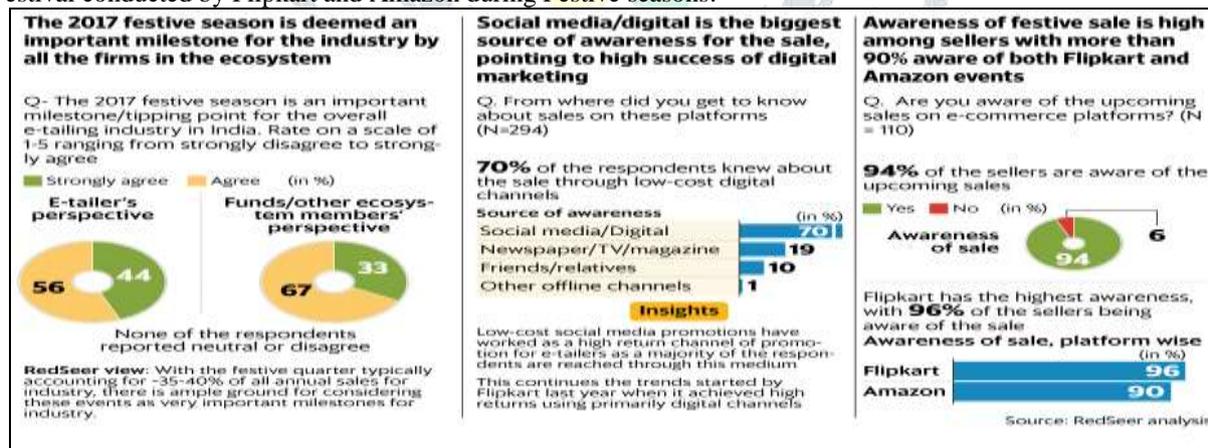


Fig Source: <https://www.livemint.com/Consumer/Flipkart-Amazon-digital-marketing-strategy-paying-off-Redseer-Analysis>

Amazon and Flipkart upcoming strategy is to plan for more focus on grocery online business in the upcoming period. Gross merchandise value of flipkart increased to 58% in 2017 when compared to 2016 it was only 45%.Amazon Gross merchandise value in 2017 was 64%. The Market shares of the Amazon was 29% where as Flipkart was 34% but along with Myntra it aroused to 38.5%.

Marketing Strategy of Amazon and Flipkart in 2018

Most of the consumers do “an even mixture of both” (online shopping & Physical store) when it comes to buying products in these categories like baby care, clothing, furniture, home décor, home electronics and personal care etc. The most of the grocery shopping is done in physical stores. But Flipkart and Amazon want to grow in the area of Grocery that could easily change the total market. Amazon India and Flipkart are going to adopt a new aggressive strategy to achieve its new target. The Strategy of

Amazon & Flipkart will work on its customer database from small cities & spread its premium offerings to increase the market share and Gross Merchandise Value.

Conclusion

Flipkart and Amazon are rapidly evolving and expanding its offerings and capabilities, including new promotion opportunities. The online festive season sale proves to be a test for all the ecommerce companies through high volumes of sale. 2017 has already witnessed a host of offers due to the introduction of GST before July 2017. Flipkart and Amazon are been engaged into a close race in the Indian ecommerce. While Flipkart is currently betting upon new age technologies such as AI and ML to improve its tech and payments; Amazon is continuously improving upon its logistics and developing AMA and Alexa. Amazon opened its 41st fulfillment centres in India. Further, Flipkart is also set to enter into Smartphone Recommerce.

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