

COMPARATIVE STUDY OF E-COMMERCE BUSINESS IN INDIA

Dr. N. R. Jadhav

Director,

Bharati Vidyapeeth Deemed to be University, Pune.
Yashwantrao Mohite Institute of Management, Karad
nirmohi_jadhavrediffmail.com

Dr. Vishal Deshmukh

Associate Professor,

Bharati Vidyapeeth Deemed to be University, Pune.
Yashwantrao Mohite Institute of Management, Karad.
vishal.deshmukh@bharatividyapeeth.edu

Abstract:

This research paper deals with the basic understanding of variations in Marketing Strategies of Flip kart, Lens kart, Quikr and Just Dial.

Flipkart is India's answer to Amazon. its marketing strategy is leaner and heavily based on digital, which has worked out well for them.Flipkart also invests heavily in star power and influencer marketing. India loves Bollywood and Flipkart uses this to sell and raise awareness about their products. Flipkart is present at every single touch point their customers are present at.Lenskart through its online and offline stores sells customized made to order spectacles, contact lenses and sunglasses. Lenskart, being an online brand, can be accessed everywhere and at a number of cities across the Indian subcontinent. Quikr is a leading classified advertisement showcasing platform having its own website and app. Quikr helps in connecting sellers and buyers who can share their product details.They have their presence in 1200 cities throughout India. Just Dial is a significant player in the local search engine market segment with an average of 150 million unique quarterly visitors across different platforms such as websites, apps, and telephone hotlines.Just Dial has a Pan-India presence.

Keywords: E-commerce, Marketing Strategies, Flipkart, Lenskart, QuikrJust Dial, Star power, classified advertisement, Search Engine market segment

Introduction:

Before proposing any marketing strategies, marketers of the businesses have to analyze the marketing mix for their businesses. Marketing Strategies and Marketing Mix are interdependent on each other to create a complete marketing plan. Marketing strategy is concerned with setting company or product line direction whereas, the marketing mix is tactical and is employed to carry out the overall marketing strategy. This includes the analysis of Product, Place, Price and Promotion.

- Flipkart is a B2C E-Commerce company based in Bangalore, India. The company competes primarily with Amazon's Indian subsidiary and domestic rival Snapdeal.
- Lenskart is an Optical eyewear retail chain and B2C E-Commerce based in Faridabad, India. The company manufactures sells eyewear and lenses.
- Just Dial is a B2C and B2B E-Commerce business based in Mumbai, India. The service provides local searches for different services over the phone, website and mobile apps across India.
- Quikr is a C2C and B2B E-Commerce business based in Bangalore, India. The service is an online marketplace and classified advertising platform for categories like consumer electronics, household goods, vehicles, real estate, jobs, services and education.

E-Commerce Rankings:

Name	Global Rank	Country Rank	Category Rank
Flipkart	136	12	2(E-Commerce, Marketplace)
Lenskart	17298	1013	21(E-Commerce, Marketplace)
Just Dial	1139	76	5(E-Commerce, Computer & Electronics)
Quikr	7721	422	2(E-Commerce, Classifieds)

Marketing Mix of the selected E-Commerce Businesses:**1. Flipkart:****• Product:**

For two years, they sold only books through its website. After its expansion, they focused on online sales of products categories such as Consumer electronics, Fashion, Home essentials, Groceries and Lifestyle products. These products have the same warranties of the brand if sold in a shop. They have special tie up with Motorola Mobility providing a platform for launching Motorola phones and accessories.

• Place:

Flipkart functions entirely in India. It is owned by a Singapore based company. According to India's foreign policy, a foreign company is not allowed e-retailing in India. Therefore, Flipkart sell the merchandises through an Indian company WS Retail. The first warehouse was opened in Bangalore. Later they were opened in

Delhi, Mumbai, Chennai, Hyderabad, Pune, Noida and Kolkata. Almost 80% of the orders placed are handled, controlled via warehouses.

- **Price:**

Flipkart's net worth is nearly 1 billion dollars. It earns revenue of 50% from selling books online. Its price policy is very flexible because of online transactions.

Amount to be charged is determined after looking at the innumerable expenses like transport expenses, supplier expenses, packaging costs, courier charges, shipping cost, office expenses, maintenance expenses, discount allowances, depreciation, taxes, advertisement expenses and many other expenses. Discounts up to 35% are allowed periodically to boost up the sales and maintain competitive prices.

- **Promotion:**

Flipkart operates mostly through mouth advertising which are the satisfied customers are best promoters. To stay up ahead of competition, Flipkart has used the services of Google Ad-words and SEO. Downloading the mobile application of Flipkart helps in getting alerts about the current offers, order status, price drops, recent launches and various gift coupons.

2. Lenskart:

- **Product:**

Lenskart uses the robotic machine techniques imported from Germany to ensure perfection by using an automated system for inspecting and loading lenses and determining its geometric center for delivering glasses accurate up to three decimal places. It offers nearly five thousand products for consumers of all age categories.

They offer products like Eyeglasses of brands like Vogue, Carrera, Fossil, Ray-Ban, Vincent Chase and Tag Huer, Fastrack, Tom Ford, etc. Also sunglasses varieties including nightwear, retro, polarized, power, premium and sports, etc.

- **Place:**

Lenskart has a Pan-India presence which first started in New Delhi. They adopted a hybrid business model of selling products via Retail stores and E-commerce website and mobile applications.

- **Price:**

Lenskart has grown at an outstanding rate and its gross merchandise value is estimated at INR 300 crores. They want to offer their products to the customers at an affordable rate. Hence, they set up the direct supply chain to cut production costs.

They offer products in three price segments – Luxury, Value and Premium. They have adopted value-based pricing policy and offer best possible products at reasonable rates.

- **Promotion:**

Lenskart adopted several product-related schemes as promotional plans. In December 2013, they introduced offering a check-up program from their websites and mobile applications. The customer can also make a choice of five frames from its online platforms and the company will send someone for free trial. They offer first frame free of cost and customer only has to pay price of glasses or lenses. They have launched e-mail campaign via online platforms and their ads are also displayed in newspapers, magazines, billboards and are shown on television.

3. Just Dial:

- **Product:**

The product is the physical product or service offered to the consumer. In the physical products, it also refers to any services or conveniences that are part of the offering.

Product decisions include aspects such as function, appearance, packaging, service, warranty, etc. Services offered through Just Dial include Entertainment, Institutes, Facilities, Travel Assistance, Consumer Durables, Workmen Assistance and also local businesses.

- **Place:**

Just Dial provides a path to connect the manufacturers/retailers/sellers/service providers to the potential consumers from anywhere in India.

Placement decisions are those associated with channels of distribution that serve as the means for getting the product to the target customers. The distribution system performs transactional, logistical and facilitating functions.

- **Price:**

Pricing includes not only the list price, but also discounts, financing and other options such as leasing. To generate revenue, they charge retailers/suppliers/companies a specific amount on a contractual basis for customer references.

- **Promotion:**

Break Even Analysis is considered while doing promotion at Just Dial. It is useful for them to know the value of customer in order to determine whether additional customers are worth the cost of acquiring them. Promotion decisions involve advertising, public relations, newspapers, radio, posters, social media platforms and other digital media platforms like Television, E-mails, etc.

4. Quikr

- **Product:**

Quikr has embedded most of the modules into one structure to increase consumer liability and interest. The service is actually a single-stop shop to meet all the diversified requirements to find and sell services and products across 12 categories and 140 sub-categories. They have a monthly amount of ten million visitors. They deal with used items related to consumer electronics, home essentials, lifestyle, matrimony, pet care, vehicles, jobs, services, real estate, etc. They endeavor towards perpetual improvisation to maintain user interest.

- **Place:**

Quikr has a Pan-India presence that has spread to every corner of the country in both sectors, urban and rural. By the end of 2013, they estimated a total of 12 million listings. These listings are handled out efficiently through their website and mobile application.

- **Price:**

In 2009, Quikr was able to raise funding of INR 20 crores and in 2014, INR 150 million. Quikr is a free website of classified ads catering to the needs of their users. They use AdSense which have ‘pay per click’ medium to generate revenue from advertisers listed on its page. The second way is lead generations. They list out

potential sellers in different categories and connect them with interested parties of the field.

- **Promotion:**

Quikr has gained immense popularity in India and it is because of its numerous ATL and BTL marketing campaigns. It has launched informative ad campaigns along with missed call advertisements have helped the business gaining maximum brand awareness. Advertisements have been displayed via digital and print media like television, newspapers and magazines. Also, they use social media platforms like Facebook, Twitter and YouTube for promotion. They have also made Bollywood actor Ranveer Singh as their brand ambassador and to act in their commercials.

Marketing Strategies adapted by selected E-Commerce Businesses :

1. Flipkart:

- **Segmentation, Targeting strategy:**

Flipkart uses Behavioral & Psychographic segmentation strategies to segment the market to cater to the customers changing needs & wants.

Flipkart uses targeting strategy to make people of all demography purchase items online where the delivery is possible.

- **Distribution strategy:**

Flipkart owns its distribution firm (Ekart) and payment gateway Payzippy. This helped the company in controlling its expenses and passing the benefits to the customers.

- **Brand equity strategy:**

Flipkart has gained a market leading position through its innovative branding strategies. The “Big Billion Days”, “No Kidding, No Worries”, “Fair Tale”, “Shopping ka Naya Address” are the successful sale campaigns that helped the company in creating the brand awareness.

- **Customer analysis strategy:**

Flipkart customers are middle class groups who are comfortable shopping online as per their convenience. Majority of them are professionals who are busy and find it

convenient to make purchases online rather than physical outlets in order to save time and money.

2. Lenskart:

- **Customer Engagement strategy:**

Lenskart tend to change people's mindset and get them to engage shopping online for purchasing and in order to do that they tend to increase customer engagement and gain their trust and confidence. They first targeted those people who had subscribed with the website but hadn't transacted. These subscribers had shown interest in the product but lacked trust in the brand to make a purchase.

- **Establishing Communication strategy:**

Lenskart adopted an innovative approach to take customers to make conversations with Lenskart via emails and Customer care throughout the buying cycle.

They adopted full duplex model base where customers were able to share their views, express their thoughts in the process and be engaged virtually as giving importance to customer experiences and engaging in open communication helps the brand become more human and builds trust

3. Just Dial:

- **Company's brand strengthening strategy:**

Just Dial tends to increase awareness of Company's brand and services through offline (such as television and outdoor ads) and online via digital, social media marketing and by bringing high quality ads on popular national television channels in India. They signed up Mr. Amitabh Bachchan, a Bollywood celebrity, as Company's brand ambassador

- **Selective Licensing Expansion strategy:**

Just Dial believes that Company's multi-platform local search services model, which enables commerce by connecting small enterprises with consumers, which will be profitable and helpful for the company and the customers outside India.

They plan to expand their operations to other markets as opportunities arise, primarily by licensing and offering services to other parties to conduct these operations with the USA and Canada.

4. Quikr:**• Products and Services strategy:**

Quikr has a free posts setup which allows the consumers/SMEs to post products freely which in turn will help to increase their consumer and their productivity.

Premium posts are also the setup they provide which helps to increase the visibility of one's product or service and also it separates the posting from the clutter and shows it as a priority to others which in turn gives assurance to the product/service and increase consumer approach.

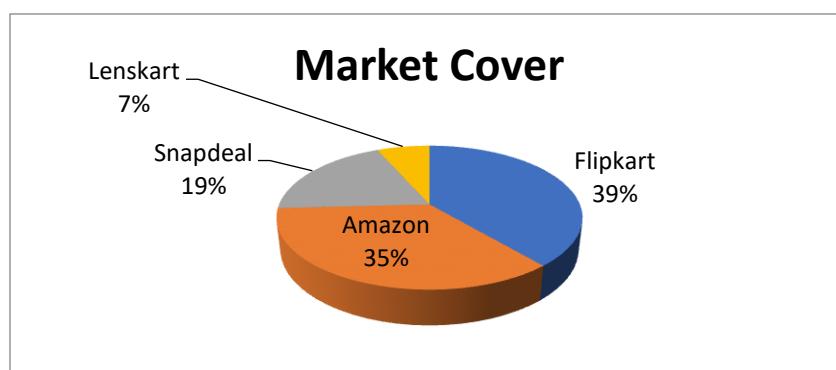
• Pricing strategy:

Quikr don't charge anything for posting free ads and number of free posts for a user is unlimited. The premium ads which are the paid ones are seen at the top of the page and they do get priority on the basis of urgency. Quikr follows promotional pricing strategy on their premium Ads and provide up to 80% discount.

• Promotion and Advertising strategy:

Quikr promotions mostly show some urban working-class person or student selling their used products easily online.

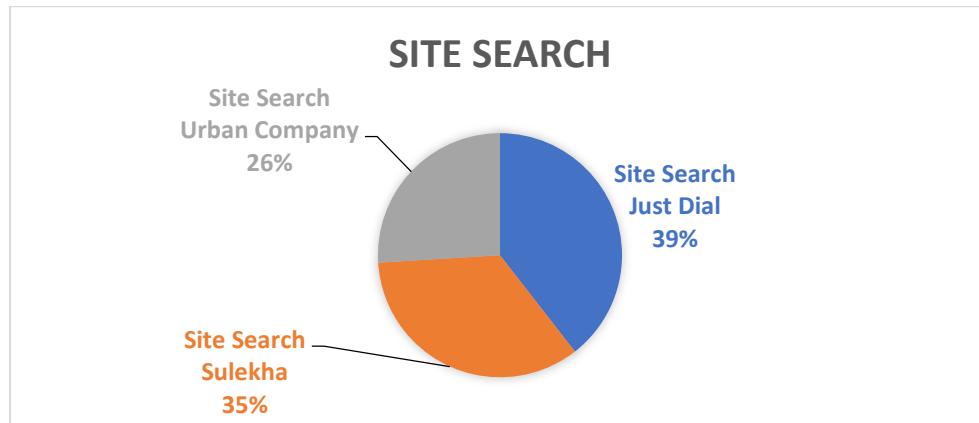
They mostly try to convey the message that everything sells really fast on Quikr.

Observations and Findings:**Flipkart and Lenskart Market cover in India**

It is observed from above chart that, since their foundation there has been 39% market growth for Flipkart and 7% market growth for Lenskart in E-Commerce businesses.

Sales analysis of Quikr in India

It is observed from above chart that, since their foundation there has been 46 % increase of market sales for Quikr followed by 37% market sales for ClickIndia in E-Commerce businesses.

Just Dial Search analysis in India

It is observed from above chart that, since their foundation there has been increase in site search for Just dial up to 39% followed by Sulekha with 35%.

Conclusion:

We see variations in Marketing strategies of E-Commerce businesses as each of them serve a different purpose in the society. These variations are completely based on What, Where, Whom and How they sell?

All the E-Commerce business have 3 Marketing strategies revolving around these common factors. i.e., First, to create brand awareness or simply reach out to the consumers via digital modes/social media. Secondly, to increase the consumer engagement in their business and satisfy more consumer needs and generate profits out of it and third, to provide products/services with

enough authenticity or sophistication to establish as a Trustworthy or an Assured Brand in the Market, but Rather than these there are many other factors due to which marketing strategies of E-Commerce businesses variates.

Flipkart is an E-Commerce or simply, an online retail shop which sells a vast category of Products and Services. Therefore, they have a huge market to cover not only for individual categories but a company as whole in a market with giant competitors. So, their marketing strategies will vary according to the categories, products, competitors and technology.

Not all the Flipkart marketing strategies will be applicable to Lenskart business model because, unlike Flipkart, Lenskart is not just an E-Commerce site but also a chain of retail stores which only sell optical eyewear utilities. Even though they have a limited amount of category of products to sell they still have a large market to cover. Their marketing strategies will evolve around selling optical eyewear utilities and accessories.

Just Dial tends to connect Business to Consumers & Business to Business. They don't intend to sell anything but to provide a pathway to satisfy its business model. Their marketing strategies will be only focused on reach out/search, brand awareness, advertising for new consumers/businesses, and engaging more businesses/consumers to invest in Just Dial.

Quikr is an online platform connecting Consumers to other Consumer for buying and selling old (second hand) products or provide various services just like Just Dial. But, unlike Just Dial, Quikr's pathway will Consumers to Consumers connection methodologies which is their main business motto and their marketing strategies are based around their search.

Although, all these businesses fall under E-Commerce, still they differ in their E-Commerce types.

Finally, it is observed that by adopting appropriate marketing strategies by each of these businesses has established them in the market and adapting to various changes and evolving their marketing strategies accordingly, we see a growth of these companies in the market.

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