CHAPTER 4

TOP E-RETAILERS OF INDIA: BUSINESS MODEL AND COMPONENTS

Abstract

Thoughtful insights on business model components of top e-retailers based in India have been achieved through content analysis of reliable books, reports, journals and web. Six major e-retailers are compared on the basis of monthly traffic data obtained from similarweb.com. It’s observed that online retail is meager 0.5% of overall retail in India and future potential is huge. Due to FDI restrictions all top e-retailers under this study except HS18 prefer marketplace model in pure/hybrid form and earn revenue through transaction fee. Their marketing strategy essentially includes social media and internet. They operate with lean manpower and functional departmentalization except Flipkart which employs massive 10000 plus employees and prefers to recruit generalists. National capital region and Bangalore are preferred locations for establishment of their headquarters. The information under this chapter will be useful to businesses and researchers interested in developing/benchmarking successful e-retail business model to win and sustain competition.

Keywords E-retail, Business model, India

4.1 Introduction

It is estimated that Indian online retail will grow to 84 billion USD till 2016 (The Boston Consulting Group, 2012). With internet population of 243,198,922 and penetration of just 19.1% (Internetlivestats.com, 2014). Electronic retail is about to sky rocket in the coming future. Entry costs and barriers are low in online marketplace there are thousands of aspiring e-retailers who dream to make it big in the market. Since entry is easy there is stiff competition between existing and upcoming players and survival depends on how they differentiate themselves from other business and create a profitable niche for themselves, which focuses on segmenting, targeting and positioning. Apart from focused strategy keeping expenses low, selection broad and inventory control are few more areas that an e-retailer need to tweak for success (Laudon & Traver, 2009). A business model is a conceptual
framework based on which value is delivered to the customer, and customers are lured to pay for that value, so that the enterprise get paid and make profit. Big technological achievements may become commercially unsuccessful if business model is poorly designed (Teece, 2010).

4.1.1 Business Model

Be it a new or established player, a business model is of utmost importance to every organization. Business modeling is managerial function which is similar to scientific method, which starts with hypothesis testing and its fine tuning. It outlines, as system, how fragments of business process fit together to make profit in the marketplace. Although strategy is used interchangeably with business model but it differs because strategy details about ‘How to have winning edge over competitors’ (Magretta, 2002). A good business model formulates the structure for product, service and information flows, and activities of people involved in business, their benefits and revenue sources. Interestingly, electronic commerce is rendered with new set of opportunities to business due to supplementation by power of World Wide Web and internet (Timmers, 1998). Along with opportunities, e-business leads to rigid competition in borderless arena of space and time. In this rapidly changing complex competitive environment firms with flexible managerial paradigms can only survive (Dominici, 2012). Because of digitalization of product and service offerings in e-business environment, whole new set of transactional conditions are created that vary from those characterized by physical products (Dominici, 2009). Constantinides (2006) suggested that managers should focus on building market-oriented, flexible and inventive organizations which can constantly innovate and adapt to fast-changing market conditions and deliver customer value.

4.1.2 Key components of business model

A thriving Business Model consists of eight key components i.e. value proposition, market opportunity, revenue model, competitive environment, competitive advantage, market strategy, organizational development, and management team (Ghosh, 1998). Value proposition specify how product and service are put together and extended to fulfill customer needs by company (Kambil et al., 1996). Personalization, customization, convenience, and reduction of product search and price delivery costs are part of a productive e-commerce value propositions (Bakos, 1998; Kambil, 1997).
Revenue model defines how a firm aims to generate higher return on investment and profits. Important e-commerce revenue models include advertising, subscription, transaction fee, sales, and affiliate revenue models (Laudon & Traver, 2009). Market opportunity gives description of possible revenue a company is likely to generate from its proposed marketspace. Competitive environment pertains to rival companies operating in same marketspace, potential new entrants in the market, product substitutes available in the market and bargaining power of customers and suppliers over your business (Porter, 1979). Competitive advantage is infused by elements that distinguish the company from its competition, they can be superior product, lower price, global/national/regional presence, access to factors of production, favorable terms with supplier, shipper or source of labour, more experienced/ knowledgeable/loyal employees, patent on product, investment capital, knowledge/ information/ power, brand name or leveraging huge customer database and years of e-commerce knowhow. Market strategy is the program company designs to outline how it will get into the market and draw in customers (Laudon & Traver, 2009). Organizational development strikes a balance between all the functions and skills necessary to carry out each job in a company, which require timely recruitment of suitable candidates. Management team comprises employees at the highest level of company who determine growth and expansion.

Overall market opportunity in context of Indian online retail market and competitive environment in terms of monthly traffic generated by six online retailers under this chapter is discussed before comparative review of complete business model of each e-retailer.

4.2 Competitive environment

Six electronic retailers based in India are examined on the basis of monthly traffic they generate. For comparison similarweb (Similarweb.com, 2014) has been used to find out the numbers. Results are discussed below (Prabhudesai, 2014):

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1 Statistics taken for April 2014
4.2.1 Estimated monthly traffic - Top position was held by Flipkart with over 62 million visits/month, followed by Myntra coming bit lower at 59.5 million. Since Flipkart has taken over Myntra, together they generate more traffic than rest of the 4 players combined together. Jabong grabbed third spot with 42.5 million visitors, beating Snapdeal (31.4 million) and Amazon (27.6 million) (Figure 4.1).

4.2.2 Time spent per visit (in minutes) - Again Flipkart is leading the pack with high levels of engagements of 8.35 minutes per visit by each visitor, followed by Snapdeal...
which averages at 7:49 mins. Myntra and Jabong had very poor scores of time spent by visitor at an average of 3.04 mins and 3.34 mins respectively (Figure 4.2).

**Figure 4.3 Page view per visit**

![Page View Per Visit](chart)

*Source: Prabhudesai (2014)*

**4.2.3 Page view per visit** - As Flipkart has highest time spent by visitors, therefore it has maximum page views per visitors at 8.53. Snapdeal (6.74), Amazon (6.65) and Homeshop18 (6.26) lineup close. Myntra (3.96) and Jabong (4.16) aren’t very effective in holding visitors glued to their webpages (Figure 4.3).

**Figure 4.4 Source of traffic**

![Source of Traffic (Percentage)](chart)

*Source: Prabhudesai (2014)*
4.2.4 Source of traffic - Source of traffic can reveal insightful facts about from where and how electronic commerce websites generate traffic. A website with higher direct traffic and lower search traffic indicates that consumer can identify that website as brand and directly enters the url, whereas a website with higher search traffic and lower direct traffic signals that visitor is unaware about the website. Myntra, Flipkart and Jabong have better brand recall therefore they have lower search traffic and higher direct traffic. Contrary to that Homeshop18 has high search traffic and low direct traffic. Myntra and Jabong have high referral traffic, thorough coupon sites, affiliate partners etc. Myntra, and Jabong have nearly 6% traffic coming from paid advertisements (Figure 4.4).

4.3 Business model and components of top e-retailers based in India

The basic business model and components of six top e-retailers of India (Table 3) are discussed below -

4.3.1 Basic business model

Myntra is a virtual merchant i.e. it’s an online retail store only. Being aggregator of many brands Myntra procures latest seasonal merchandise from different brands and makes them available on its portal and in respective retail brand outlets (Wikipedia, 2014).

Flipkart is a virtual merchant which started with selling books online in 2007, and later in 2008 it added electronics and other products. Flipkart owned the goods it sold till 2012, but it adopted marketplace model in 2012 (Shinde, 2013; Sivakumar, 2013). This move was taken to combat restrictions on foreign direct investment (Dalal, 2014) in online retail by Indian laws. In this hybrid model, out of 3000 third party sellers on the website, WS Retail (sister concern of Flipkart) acts as one of the seller. Flipkart has set its target of adding 12,000 merchants on the marketplace by 2015 (Press Trust of India, 2014). Beyond ecommerce Flipkart also runs its own logistic service, ekart in 2013 which covers 150 cities and an online payment solution known as PayZippy (Nair, 2014).

Jabong is a virtual merchant which follows both inventory model and a managed marketplace model. In the inventory model, Jabong procures products from different brands and store them as inventory at their warehouse. In managed marketplace
Table 4.1 Business model of top e-retailers based in India

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<th>Basic Business Model</th>
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<td>Myntra</td>
<td>Virtual merchant (aggregator of many brands)</td>
<td>Giving consumers the power and ease of purchasing lifestyle and fashion products online</td>
<td>Sales revenue and transaction fee model</td>
<td>Cost leadership, product differentiation and customization. Global service across 40 countries.</td>
<td>Focused on establishing itself as a brand and now it focuses on overcoming barriers in consumer mind. Positions itself as new age fashion brand</td>
<td>Small organization with 250 employees. Offers best in class salary to attract and retain talent. Employs better qualified people as compared to its competition. Top management employees included people with IIT/IIM background. Work structure is not bounded in terms of hierarchy and cubicles.</td>
<td>Established by Mukesh Bansal, Ashutosh Lawania and Vineet Saxena in February 2007. Headquartered in Bangalore with regional offices in New Delhi, Mumbai and Chennai</td>
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<td>2</td>
<td>Flipkart</td>
<td>Virtual merchant (marketplace model/hybrid model)</td>
<td>Completely hassle free online shopping experience with best prices in India</td>
<td>Sales revenue and transaction fee model</td>
<td>First Mover in the Indian electronic retail Industry. Became India's largest online bookseller Boasts 100% growth every quarter since founded. Introduce Cash On Delivery payment system in India. 22 Million Registered Users. Funded by owners Bansals, VCs Accel India and Tiger global.</td>
<td>Marketed through word of mouth advertising. Effectively uses SEO (Search Engine Optimization) and Google Ad-words In electronic media Flipkart launched advertisements themed &quot;No Kidding No worries&quot;</td>
<td>Massive team of 10,000 employees. Keep the hiring process transparent to attract and retain right kind of talent. Prefer to hire a generalist. Every employee has high sense of ownership on individual and collective level.</td>
<td>Founded by Sachin and Binny Bansal in 2007. Headquartered in Bangalore.</td>
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<tr>
<td>3</td>
<td>Jabong</td>
<td>Virtual merchant (inventory model and managed marketplace model)</td>
<td>To achieve the highest level of &quot;Customer Satisfaction&quot; catering to the fashion needs of men, women and kids.</td>
<td>Sales revenue and transaction fee model</td>
<td>Backed by German based Rocket Group. Offers latest styles, new fashion, customization and Innovations. Wide variety of products; 750+ brands and more than 50,000 products. Superfast delivery. Third-most visited online shopping website after Myntra and Flipkart in India</td>
<td>Position itself as online fashion destination Internet is company's main source of promotion. Also focuses on television, and launched its first TV campaign in March 2012. Follow VALS (Values, Attitudes and Lifestyles) model of marketing Launched digital fitness campaign with Bollywood celebrities Partnered with designer like Rohit Bal and Lakme Fashion Week.</td>
<td>Team of 1000 employees closely monitored by the four co-founders and Managing Directors. Have a common and well identified goals and all departments work as team. Team members are chosen as per job analysis and cohesive functioning requirements Immediate responsibility lies with the co-founders Keep organizing knowledge and fun meetings with their employees.</td>
<td>Founded by Manu Kumar Jain, Praveen Sinha and Arun Chandra Mohan in October 2011. Headquartered in Gurgaon, NCR.</td>
<td></td>
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Virtual merchant (direct-to-customer model)
Customer centric offers, enriched with quality, value, and convenience.

Sales revenue
Venture of Network18 Group
Presence across TV, Web, Catalogue, Newspaper and mobile.
More than Over 450 brands and 1,00,000 SKUs.
Strong distribution network across 3,000 cities
Dual advantage of on air as well as online presence.
Launched India's first 24 hour Home Shopping TV channel
HomeShop18 joined hands with social media platforms and top online companies.
Continuously upgrade their technology to support and develop its e-commerce business.
Dedicated Call Centre
Team of over 3500 people in 30 bureau locations (3 are overseas).
Horizontal/ traditional organizational structure, transforms into bureaucratic structure when hierarchy levels increase.
Formal organization helps proper distribution of work and responsibility.
Every department has supervisors and subordinates based on specializations
Launched on 18 January 2011.
Founded by Sundeep Malhotra.
Headquartered at Noida and has another office at Bangalore.

Snapdeal
Virtual merchant (pure-play marketplace model)
Offering customers favorite products at best prices and save the one thing that matters most to buyer i.e. "Money".
Transaction fee model
Constant innovation and good branding.
Convenient and accessible processes/services.
Wide range of deals and transactions
Extensive network of retailers.
Awarded as best ecommerce startup
Believe in doing things the big way and creating the buzz through innovative ways
Celebrity endorsement.
OOH Promotion.
Corporate Social Responsibility initiatives to boost image.
Team of 1000+ employees.
One third of the manpower is employed in sales team
Other important related inhouse functions like content, online marketing, customer support and core functional teams like human resource, administration, finance, accounts and 10-15% in engineering role
Headquartered in New Delhi.
Started by Kunal Bahl and Rohit Bansal in 2010.

Amazon.in
Virtual merchant (pure-play marketplace model)
To be Earth's most customer centric company; to build a place where people can come to find and discover virtually anything they want to buy online.
Transaction fee model
Seasoned online retailer with experience of almost a decade
Extremely wide assortment of 1.5 crore products
Gain from economies of scale and operate at minimum profit.
Get advantage out of their good business relationships with leading electronic companies.
Big advertising Budget.
Use almost every type of marketing medium.
Primarily they use television to highlight about their selling propositions (USPs).
Promotional offers like special weekend discounts advertised in print medium.
Product specific online ads.
About 3000 employees.
Organizational structure has Business line function comprising Retail, International Retail, Seller Services, Web Services and Digital Media; and in Support Functions it has Communication, Legal and E-Commerce Platform
Launched in June 2013 in India
Registered office at Bangalore with fulfillment centers at Mumbai and Bangalore
Amit Agarwal is vice president and country manager
model Jabong only takes care of customer service and returns and do not store any inventory. Apart from ecommerce Jabong had its logistic operations, JaVAS which served other ecommerce firms and covered 50-55 cities. But in 2013 Jabong sold JaVAS to QuickDel, a Gurgaon based logistic company (SN, 2014; Atul Soni & Mohta, 2014).

Homeshop18 is a leading virtual merchant having presence across TV, Internet and mobile. They follow direct-to-customer model i.e. they workout certain margins directly with the brands, so that the pass on the price benefit to the final customer. Although these margin vary across different product categories but customer always gets value for money. Homeshop18 is revolutionizing the ecommerce industry with a concept of ‘personalized recommendations’ in which Homeshop18 recommends products/option that best suit consumer’s needs (India Infoline News Service, n.d.).

Snapdeal is a virtual online retailer which made a shift to pure-play marketplace model in 2011 i.e. it does not stock and sell any product itself but it has more than 20,000 sellers registered on its website. By end of 2014 Snapdeal has targeted to achieve upto 50,000 merchants on its portal. Since Snapdeal is focused on its marketplace model, all of its technological solutions are directed towards its sellers or buyers. To connect buyers and sellers it has created an automated tech platform. It also has its own payment solution known as Klickpay (Nair, 2014).

To gain access to Indian market, where foreign investment is prohibited, Amazon started with the launch of Junglee.com in February 2012. Amazon entered Indian ecommerce market in June 2013 as virtual merchant, operating as pure-play marketplace player, enabling third-party sellers to get hold of customers. Biggest advantage of being marketplace operator is that the company does not have to comply with the foreign direct investment (FDI) restriction, as no inventory is required. Amazon operates with marketplace model in 10 countries including China, US, Canada, Japan and UK (BS Reporter, 2013).

4.3.2 Value proposition

Giving consumers the power and ease of purchasing lifestyle and fashion products online is Myntra’s value proposition. They offer largest in-season product catalogue, COD (cash on delivery), EMI option, 30-day return policy and 100% authentic
products. Myntra has dedicated 24x7 customer care team to help the customers with their queries (Myntra.com, 2014).

When Flipkart started their business in 2007 their objective was to make books available to the reading enthusiast with access to internet. Now Flipkart makes available wide variety of products like electronics, mobiles, home appliances, cameras and a long list. Flipkart is highly customer centric and all of their actions are synergistically targeted to give consumer a delightful online shopping experience. They offer products at exceptionally great price supplemented with ground breaking services like COD, free and prompt shipping, EMI facility, a 30-day replacement policy and much more (Flipkart.com, 2014).

Being young and vibrant company Jabong aims to serve for the fashion needs of men, women and kids across categories like footwear, apparel, jewellery and accessories. Jabong emphasizes achieving highest level of customer satisfaction through its advance e-commerce platform, seasoned buying team, nimble warehouse systems and dedicated customer care which render excellent buying experience, vast selection of products, timely delivery and fast resolution to any concern (Jabong.com, 2014).

Homeshop18 works around the concept of what "you" like. This core value is reflected in quality, value, and convenience they put in their website, catalogue, payment options or special offers. Homeshop18 has comprehensive presence offering more than 1000 Indian and international brands, having 3000 plus delivery locations, secure payment transactions, round the clock customer care, convenient payment options and highly interactive product demonstrations (Homeshop18.com, 2014b).

Being India’s largest electronic commerce marketplace, Snapdeal has widest range of national and international products from different brands, and its product category is quite extensive covering laptops, cameras, mobiles, home appliances, apparel for men and women, home, kitchen, health, automotive, watches etc. Snapdeal has over 20 million members i.e. 1 out of every 6 internet users in India. With a network of 50,000 merchants Snapdeal serve to shopping requirements of customer throughout 4000 plus cities and towns. Snapdeal aims to give customer best price offer and a money saving deal along with benefits like safe and secure payments, Trustpay (7 days return policy & 100% money back) COD and discount coupons (Snapdeal.com, 2014a, 2014b).
With customer centric approach Amazon, positions itself as a place where customer can search and buy virtually anything. For customer Amazon strives to surpass customer expectations by offering them vast selection of products at amazingly low price and superfast delivery, for sellers they offer world-class e-commerce platform (BS Reporter, 2013).

4.3.3 Revenue model

Myntra, Flipkart and Jabong have sales revenue and transaction fee model; Homeshop18 has sales revenue model and snapdeal and Amazon.in have transaction fee model.

4.3.4 Competitive advantage

Myntra derive competitive advantage through cost leadership, product differentiation and customization. They offer huge range of products which can be sorted based on different criteria like price, gender, brand etc. Its customer centric in approach and offers complete anonymity to its customer, ease of making payment through multiple modes like, credit card, debit card, net banking and cash on delivery and global service across 40 countries. Besides core ecommerce Myntra has tie-ups with social media for customer support and customer database expansion (Jain, 2012; Tecomboose.wikispaces.com, 2014)

A consistent repeat purchase rate of 70% reflects that Flipkart provides consumer an excellent shopping experience. Anyone with an internet access can shop online on Flipkarts intuitive interface and that not just all, consumer get host of facilities like cash on delivery, 30 day replacement policy and EMI options, and a product at great price (Yourstory.com, 2011).

Jabong is backed by German based Rocket group, which is a strong investor. Consumers recognize Jabong as an aspirational online retailing brand which offers latest styles, new fashion, customization and innovations. Jabong offers wide variety of products; 750 plus brands and more than 50,000 products, superfast delivery (same day delivery in Delhi & NCR, 48 Hrs in top 10 cities and 1-3 days in other cities), quality customer service and flexible payment options. Within few months of its launch Jabong derived highest amount of traffic on its website. Google Zeitgeist India trends ranked it 10th most searched term in 2012 in India. That’s not just all it ranked
44 in Alexa traffic ranking in India and within 20 months of its launch it became third-most visited online shopping website after Myntra and Flipkart in India (Saxena, 2013).

HomeShop18 is online & on-air retail marketing and distribution venture of Network18 group having presence across TV, web, catalogue, newspaper and mobile. Homeshop18 has a customer base of 2 million and they add a new customer every 6 seconds. Homeshop18 have more than 450 brands and 1,00,000 SKUs. They have a strong distribution network across 3,000 cities and products are delivered at doorstep with an average timeframe of 7 days from order. Homeshop18 offers Armchair Shopping, with all kind of payment options, 15 days money back guarantee and free home delivery (The Telegraph, 2011).

Snapdeal believes in constant innovation and good branding. They keep their processes and services convenient and accessible. They offer wide range of deals and transactions which are delivered to the final customer through their extensive network of retailers through India. Their quality and initiative has earned them various awards and recognitions including best ecommerce startup (Mbaskool.com, 2014).

Amazon is a seasoned online retailer with experience of almost a decade and super strong customer base across the world. They have extremely wide assortment of 1.5 crore products, covering almost everything. They gain from economies of scale and operate at minimum profit. They also get advantage out of their good business relationships with leading electronic companies and publishing houses (Amazon.in, 2014).

4.3.5 Market strategy

Earlier Myntra focused on establishing itself as a brand and now it focuses on overcoming barriers in consumer mind by highlighting positives of online shopping like ease of use, approachability etc. (In Feb 2012 Myntra did OOH-out of home campaigns for brand building and promoting online shopping among masses). Myntra positions itself as new age fashion brand and uses digital platform like Facebook and electronic media to target youth and expand its customer base. It also uses viral marketing, occasional and referral discounts to gain popularity. In cut throat competition where most of the players offer COD, 30 days’ money back policy, free
home delivery etc., Myntra is trying to stay one step ahead as it refunds money to customer in case of any product or service failure, instead of exchange of product. They aired two television commercials centering on theme ‘Real life mein aisa hota hai kya’. In next few months they are launching Virtual trial room application, through which customer can view themselves in the desired apparel with the help of web cam to have idea of size and fit (Choudhary et al., 2013; Khullar, 2012).

Flipkart knows that a satisfied customer is their best marketing medium, and therefore website has been recommended and marketed through word of mouth advertising. Social networking is another useful medium and official Facebook page of Flipkart has close to 9 lac 'likes'. To reach masses Flipkart effectively uses SEO (Search engine optimization) and Google ad-words as the marketing tools. In electronic media Flipkart launched advertisements themed "No Kidding No worries", to convey a message to the audience that – if a kid can shop online, so can you (Tripathi & Tripathi, 2014).

Internet is company’s main source of promotion as mentioned earlier about its strong internet traffic rankings. Apart from internet company also focuses on television, and launched its first TV campaign in March 2012. Jabong in association with Puma, launched “Gear up buddy”, a digital fitness campaign which featured Bollywood actor Chitrangada Singh and recently it launched its new theme titled “Be You” and endorsing it with 360-degree multimedia campaign. Leading marketing consultants conceive that Jabong is abiding by VALS (Values, Attitudes and Lifestyles) model of marketing, which is a proprietary research methodology used for psychographic market segmentation. It guides the company to customize and orient its products and services, that charm most likely customer (Sen, 2014). Since Jabong strives to position itself a online fashion destination it has partnered with designer Rohit Bal (for an exclusive collection) and Lakme fashion week for next four seasons (Fashionunited.in, 2014).

Homeshop18 is backed by Network18, which is only media company in the world which has partnered with three of the world’s largest media conglomerates. Homeshop18 has dual advantage, because it’s having on air as well as online presence. It launched India’s first 24-hour home shopping TV channel on April 9, 2008. As a part of its marketing strategy HomeShop18 joined hands with social media
platforms and top online companies like Google, Yahoo, Bing, Facebook, LinkedIn, You Tube and various other online shopping sites. Homeshp18 continuously upgrade their technology to support and develop its e-commerce business, growing product range and steadfast website traffic. In addition it’s also reinforcing its call centre by putting huge investments into it (The Telegraph, 2011).

Snapdeal believe in doing things in big way and exposing it to the wide audience. Buzz and hit the right spot describes their first marketing strategy. Snapdeal used celebrity endorsement and created lot of excitement on last Valentine’s Day with an innovative ‘Date with Me’- Gul Panag campaign. Snapdeal’s next big thing is to hit the outdoors. Recently they put a massive Snapdeal banner on a building at Gurgaon’s - DLF cyber city. Under corporate social responsibility initiative Snapdeal.com supported a village, by enabling easy access to portable drinking water and the villagers expressed their gratitude by naming the village - Snapdeal.com Nagar. In short, Snapdeal’s dynamic marketing approach includes doing things the big way and creating the buzz through innovative ways (Snapdeal Team, 2011).

Amazon is using almost every type of marketing medium to mark their presence in India, but primarily they use television to highlight about their selling propositions (USPs) like wide range of products and one-day delivery. Various promotional offers like special weekend discounts are advertised in print medium and to increase traction on the website product specific online ads are used. A huge Amazon delivery box is framed at key locations of business hubs and various cities. It’s only a year since Amazon has started its operation in India, but this fiscal year (2014-15) it has planned to spend Rs 100-150 crore on advertising (Dasgupta, 2014).

4.3.6 Organizational development

Myntra is a small organization comprising about 250 employees. Myntra offers best in class salary to attract and retain talent. Myntra employs better qualified people as compared to its competition. Most of the top management employees included people with IIT/IIM background, who have quit their high profile jobs to be part of this company. Work structure at Myntra is not bounded in terms of hierarchy and cubicles. There are various departments like firm infrastructure, human resource management, technology, procurement, outbound logistics and marketing and sales. to maintain
excitement and zest in atmosphere at workplace, they hire spirited people (Kumar, 2012; Alok Soni, 2012).

Flipkart has a massive team of 10,000 employees (Press Trust of India, 2014). Flipkart knows that right kind of human resource is key factor for the success of a startup. Therefore, they keep the hiring process transparent to attract and retain right kind of talent. They prefer to hire a generalist, who is adaptable and has a learning attitude in a fast pace environment, instead of specialist (Das, 2012). Every employee has an high sense of ownership on individual and collective level (Das, 2012).

Jabong has a qualified and growing team of 1000 employees, which work in various departments headed and closely monitored by the four co-founders and managing directors of Jabong.com. Mukul Bafana, Manu Kumar Jain, Arun Chandra Mohan and Praveen Sinha. They have a common and well identified goals and all departments work as team. Team members are chosen as per job analysis and cohesive functioning requirements of the company. Immediate responsibility lies with the co-founders and they keep organizing knowledge and fun meetings with their employees, to keep them motivated and zestful (Nair & Julka, 2013; Saxena, 2013).

Being a venture of Network18 Group which is India’s fastest growing media and entertainment group, Homeshop18 is supported by a team of over 3500 people spread across 30 bureau locations out of which 3 are overseas. It has fully integrated broadcast & other infrastructure, including state-of-the-art hubs in Mumbai and Delhi, spread in about 220,000 sq. ft. area (Mehta, 2014). The organizational structure is quite simple and composed of marketing, operations, finance and planning & broadcasting departments for a effortless functioning of the organization. Homeshop18 has got horizontal organizational structure, popularly known as traditional structure but at times it transforms into bureaucratic structure when number of levels in the hierarchy increase. This formal organization helps proper distribution of work and responsibility. Every department has supervisors and subordinates based on specializations and expert area.

Snapdeal has a team of 1000 plus employees. Out of many teams at Snapdeal, one third of the manpower is employed in sales team, who negotiate with vendors selling product and services through website. Apart from sales team which work with thousands of merchants to bring them onboard, there are other important related in-
house functions like content, online marketing, customer support and core functional teams like human resource, administration, finance, accounts and 10-15% in engineering role (Snapdeal.com, 2014a; Team YS, 2012a, 2012b).

Hyderabad, Chennai, and Bangalore hosts three development centers of Amazon, where about 3000 employees work. Organizational structure at Amazon has business line function comprising retail, international retail, seller services, web services and digital media; and in support functions it has communication, legal and e-commerce platform.

4.3.7 Management team

Myntra was established by Mukesh Bansal, Ashutosh Lawania and Vineet Saxena in February 2007. All three are IIT alumni and have been associated with several start-ups. Myntra is headquartered in Bangalore with regional offices in New Delhi, Mumbai and Chennai (Kumar, 2012).

Sachin and Binny Bansal (Both alumni of the Indian Institute of Technology, Delhi) founded Flipkart in 2007 (Choudhury, 2012; Sachitanand, 2013). Flipkart is headquartered in Bangalore, Karnataka. All the departments like marketing, operations, engineering, categories, digital business, entrepreneurship and operations are headed by alumnus of IIT, IIM, Delhi University, University of Arizona, Wharton School, University of Pennsylvania and other prestigious universities across world (Das, 2012).

Jabong went live on October 2011. Jabong.com is founded by Manu Kumar Jain, Praveen Sinha and Arun Chandra Mohan, sharing the same designation - Co-founder and managing director. The company is headquartered in Gurgaon, NCR. Since foreign investment in multi-brand retail is not allowed in India, Rocket internet has legally structured way to support Gurgaon-based Xerion Retail Pvt Ltd which owns Jabong (Gulati, 2012).

HomeShop18.com was launched on 18 January 2011 i.e. almost 3 years after the launch of HomeShop18 television channel in 9 April 2008. It’s headquartered at Noida and has another office at Bangalore (Homeshop18.com, 2014a). Founder Sundeep Malhotra, is Chief executive officer of HomeShop18, India’s first 24-hour home shopping channel and virtual retail enterprise from the Network18 Group. He
has made home shopping TV channel and e-commerce business a household name (Exchange4media.com, n.d.). To capture mobile commerce, in beginning of 2013 mobile version of HomeShop18.com was officially launched on android and iOS.

Based in New Delhi, Snapdeal.com is an online marketplace started by Kunal Bahl, a Wharton graduate, and Rohit Bansal, an alumnus of IIT Delhi in February 2010. Snapdeal has originated from Jasper Infotech Private Limited, which was founded in 2007 by Kunal Bahl (Thomas, 2014).

Amazon which is having its registered office at Bangalore, made entry into Indian market through establishment of Junglee.com in February 2012. Subsequently in June 2013 Amazon was launched, operating through marketplace model, enabling third-party sellers to get customers. Vice president and country manager of Amazon India is Amit Agarwal. Amazon takes care of packing, shipping and delivery of the sellers’ products through its unique service called “fulfillment by Amazon”. Products from different categories are stocked at fulfillment centers, which are located at Mumbai and Bangalore, measuring 150,000 square feet each (Wharton University of Pennsylvania, 2014).