5. PROFILE OF E-CONSUMERS AND E-RETAILERS

5.1 An Overview: Profile of e-Consumers

The recent years have witnessed expeditious change and healthy profits in India’s online retail across various categories. This can aspired as an outcome of the changing attitude of Indian e-consumers and their astounding acceptance to online retail formats. Maharashtra state witness a shift in trend from traditional retailing to organized retailing to online retailing by the liberalizations on huge investments in online retail. Maharashtra state with large population size and growing disposable incomes, offers a profitable investment opportunity to the marketers across the world for investments. Today’s marketing is consumer-oriented and therefore the global e-marketers need to understand e-consumers if they want to successfully harness this opportunity. The changes in a country’s economic, social, legal, political and technological environments bring around significant changes in the psychographic profile of the e-consumers, further influencing their buying behaviors. Maharashtra state has seen rapid development in all these spheres during recent decades which has completely transformed the profile of e-consumers. From an e-consumer’s point of view, the task of understanding their preferences and buying behavior may seem easy but the e-retailers argue that the things would have been easier only if the e-consumers were static in their choices.

Today e-consumer is

a. Socially Connected: Recent researches found e-consumer is no longer living in isolation. He has majority being in social media and is increasingly networked.

b. Environmentally Aware: E-consumers are now better qualified and progressively aware about their surroundings. They are also well aware of the dangers of environmental decline. The lesson for e-retailers is to invest in environmental researches and offering as eco-friendly marketing mix to the e-consumers.

c. Style-Conscious: Researches conducted on consumer maturity reveals that a larger consumers of developed countries is maturing as compared to that of developing countries like India. The larger younger consumers exposed to global media and linked through social networking looks for style. From impulse buying of products
to high involvement products like TV, Laptops, Tablets and Mobiles, the purchases are largely motivated by style. E-marketers therefore need to amalgam utility with style.

d. **Low Brand Loyalty**: E-consumers today is exposed to big bunch of brands offering similar products. The rivalry among e-retailers brings greater discounts and better sales promotion offers for e-consumers. As an outcome, the e-consumers today are full of choices and this leads to low brand loyalty. After all the products are often common, the e-consumers want the best deal no matter which e-retailer offers it. So marketers must keep innovating to differentiate from their competitors.

e. **Informed Purchases**: E-consumer no more depends on information of e-retailers provide to him about the product. Today e-consumer explores all possible information sources in order to review, compare and contrast every product alternative available to him before making actual purchases. E-retailers therefore need to be crystal clear in their offerings and clearly provide as much product description and details as possible on their websites.

f. **Spends on Leisure**: Increase of nuclear families come along with increase in family incomes leave e-consumers with better incomes with their disposals. This can also be understood by e-retailers as the need for making e-consumers purchases as a complete shopping experience.

g. **Time Poor**: Though e-consumers have improved incomes at their end, they are short of time now due to increased work hours. Dual income families are quite common today. The e-consumers are more conscious about getting value for their time rather than value for their money. E-retailers therefore need to offer them speedy delivery with greater convenience.

**Age group wise e-consumer segments in India:**

Age group wise e-consumer segments consisted of segments from silent generation to generation Z. A detailed perspective of this important market segment and provides marketers with insights on their values, attitudes, and media habits.

Millennials (age 21-34) are a coveted demographic for marketers in just about any industry, and e-commerce is no exception. This age segment has grown up in the digital era, so this comes as no surprise. But while Millennials comprise more than half of respondents who
plan to make an online purchase across every product category in the study, older generations represent a sizeable 40% share, too. Reaching older age segments, however, is much more fragmented territory than with their younger counterparts. As expected, the older the age, the greater their decline in online shopping.

Globally, Generation X (age 35-49) respondents comprise about 28% of those willing to make a purchase online and Baby Boomers (age 50-64) make up about 10%. The Silent Generation (age 65+) contributes roughly 2%. The youngest age group, Generation Z (under age 20), represents about 7% of those who intend to purchase online.

Interestingly, the mix of age groups is consistent when you look at the purchase behavior for every category in the study. While overall purchase intention rates are higher and lower in one category or another, the generational mix is roughly the same regardless of the category. This suggests that once an online shopper, always an online shopper. For example, Millennials make up a higher-than-average percentage of respondents willing to buy groceries online, but Generation X still comprises 26% and Baby Boomers make up 9%, which is not far from the global averages for these age segments across all categories.

“While the generational mix of online shopper’s currently skew younger, attention to the needs of all segments should be considered when developing outreach plans,” said Burbank. “Tomorrow’s highest purchase-power consumers are ones who skew much higher for digital shopping. As the population ages, greater percentages of consumers will be connected and online prominence will continue to grow. Building trust at the onset is the foundation for sustaining lifetime loyalty among shoppers.”

5.1.1 Key e-consumer trends shaping segment profiles in India

The advent of digital media, particularly social, has given birth to not just another channel or modus-operandi but to humongous insights slithering to be adopted and tested. It’s not uncommon to witness horde of e-retailers designing strategies around the digital media. And, one market which has become a cauldron of e-retailers is India. From regional minnows to international heavyweights, the market has become a beehive buzzing with strategic decisions and tactical plans.

A large market size (1.2+ Billion Population), young and aspirational consumer base, ever increasing digital revolution, and adoption of new age technology are some of the factors adding to this line-up
In a recent research report titled “Retail in Emerging Market” by KPMG, the firm has uniquely identified the new age customer segments and their characteristics. Youth, undoubtedly is one of the key segment driving the growth of e-retailers. This segment has high aspirational values and is driven by word-of-mouth from influencers.

Factors driving experimentation in youth

- Youth consumption across various categories in India can be characterized as highly experimental.
- Youth is driving force behind the consumption of new products in several categories such as food service, media and personal care
- There are encouraging trends from Indian youths, and psychographic profiling reveals that there is a significant percentage of youth that has a liberal mindset, which is likely to encourage experimentation.

Next customer segment in line of sight is the aspirers at the “Bottom of Pyramid”. These Low Low Income Value Explorers, L.I.V.E, are driven by value for money in every purchase they
they make. All because of the media & technology penetration, this is one segment which is exposed to brands much more than they ever used to. A customized offering creating pull factor is the magic potion to reach out to this segment than adopting a push model.

**Key purchase habits and influencers**

- Shifting purchase to branded products and planned purchases contribute only 43 percent of the basket (Source: Nielsen), indicating an experimental nature. This puts retailers in a strategic position of influencing the purchase of goods through key in-store levers.
- High media exposure- about 67 percent own color TVs or mobile phones (Source: Nielsen) coupled with growing aspirations can potentially shape future demand trends in this segment.
- Essentially value seekers- price is a key determinant of purchase, bulk purchase is another way of dealing with increasing prices. The definition of value now transcends the traditional price barrier and there are other means to drive purchase and trial.

Another customer segment which holds lots of promise and is capable of giving e-commerce companies a dream run is of emerging affluent consumers. This is a segment with digital DNA and adapt any new technology as soon as it gets launched.

**Key Consumer traits & implications for e-retailers**

Typically young upwardly mobile consumers with high exposure to the media and brands. As a result this segment is generally aware of and demands superior products and service delivery. E-consumer needs are different from those of the mass market and include the value convenience, better/preferential services and tailored solutions/products. Delivering on services parameters becomes important to ensure customer satisfaction. E-retailers require to target, communicate and deliver on these ‘class apart’ service aspects to successfully target this segment. Consists of several consumers who have entered new set ups through marriage, smaller families or moving out into larger cities for work. E-retailers can attract these new decision makers through targeted campaigns and solutions for products and services that fulfill their daily requirements.
5.1.2 Comprehending the E-Consumer

India’s online shoppers have rapidly evolved to adopt and adapt to e-tailing in their lives. Initially, e-retailers spent a fortune on marketing and customer acquisition costs in order to entice consumers to shop online. This has resulted in online shopping becoming a habit for an increasing number of consumers. It has thus become imperative to understand who is shopping online, why, and how to make them loyal consumers.

There are three key characteristics of Indian online consumers:

**Young Demographics**

India has one of the youngest online demographics globally with 75% of the Internet audience* falling in the age bracket of 15-34 years. About 60% of Internet users visit e-tailing websites. This age segment forms the core customer base for e-tailing in India as they are aspirational, well-connected, tech-savvy, and mobile and have high spending power. They are not only Internet-habituated but also comfortable with making online transactions. Such favorable young demographics will continue to drive the growth of e-tailing in India. However, the e-tailing market, as characterized by its young demographics, is also expected to reach a tipping point in 5-10 years when the currently young population would have crossed the age of 35 years but will continue to transact online.

![Figure 5.1.2 Demographic Profile of India’s Internet Audience, 2014](Source: ComScore, Technopak Analysis)
This expected demographic shift will make it important for e-retailers to maintain their relevance for the young generation as well as for the consumers who would have grown older shopping online. This approach will help in retaining these customers when they become a part of the next age group.

**Gender Balance**

In terms of gender, the Indian e-tailing consumer base has thus far been skewed towards the male population. India’s Internet user demographics are also similarly skewed, with the male population contributing ~60% of users. This has been due to higher male working population (thereby earlier exposure and access to technology) as compared to women. Also, the early days of e-tailing witnessed the penetration of categories such as electronics, books, music, etc. for which the male population typically displays a higher shopping propensity. In comparison, mature markets like the USA and UK exhibit a higher parity between male and female Internet users, with an almost 50:50 split. It is expected that the gender distribution in India will also even out in future. In fact this skew has reduced significantly in the last few years, from 20% female Internet users in 2009 to ~40% now.

![Figure 5.1.3 Gender Split of Internet Users (Source: ComScore)](image)

Entering the workforce and access to mobile internet provides women with higher access and exposure to technology, which makes them a key consumer segment in the e-tailing market, who are likely to drive categories like lifestyle, home, etc. in the coming years. E-
retailers will therefore have to ensure that their portals are as much relevant to women as to men.

**Market beyond the Metros**

Nearly two-thirds of the urban Indian Internet user base is in cities and towns beyond the top 8 cities. Interestingly, a significant share of online consumers also belong to towns and cities beyond the Metros. This is corroborated by the fact that several e-retailers derive nearly 50% of their sales from beyond the top 10 cities. While the time-constrained large city consumers seek value, easy access, and convenience offered by online shopping, consumers in smaller towns and cities have adopted this channel also for the access to aspirational brands, which have not been able to penetrate to these cities and towns.

Faced with various structural issues, majority of the B&M brands/retailers are still concentrated in the larger cities despite being present for several years. Thus, the market beyond the Metros becomes important for e-retailers both in terms of lower competition from B&M retailers and also as a growth driver for the future. E-retailers will, therefore, have to remain relevant to consumers from both larger and smaller cities and towns. The second point to understand is: Why are consumers shopping online? Although online consumers are evolving and this has influenced the factors driving them to shop online, price, convenience, and availability remain the most important factors. E-retailers are still trying to understand the sequence and interplay of these factors as they are different for different consumers.

Low prices continue to be an important factor for most online shoppers. This is true even globally. As per a study by National Retail Federation, over 70% of the online consumers surveyed in the USA stated ‘low price’ as the most important factor. However, there is little differentiation when it comes to price among several players operating across similar categories. It will be challenging for such ‘me too’ players to differentiate themselves from others in the minds of consumers and sustain this over the long term. Hence, increasingly, players are looking to differentiate beyond price. The competition has moved to technology, product range, and services. The challenge is to develop a unique positioning, which can be a function of multiple factors like product/service offerings, interface experience, order execution, fulfilment quality and consistency, price, discounts, trust, etc. While e-retailers are trying to build a substantial consumer base, with focus on new customer acquisition,
driving stickiness will become critical for upgradation of existing customers in terms of purchase frequency, transaction value and basket size. The role of advanced consumer analytics is important here to enable personalized offerings, promotions, cross-selling, and higher engagement.

Indian consumers are evolving as rapidly as the e-tailing ecosystem itself. Hence, as e-tailing in India matures, it is imperative for Indian e-retailers to understand the online shoppers’ demographics and psychographics, the changing drivers of their shopping habits, as well as the factors that will continue to drive customer stickiness towards online shopping.

5.1.3 E-consumer classifications:
Little things can make a big difference. When it comes to growing an online shopper base for electronic products, knowing what drives e-consumer behavior is vital to increased engagement. And, of course, not all e-consumers want the same things. While some e-consumers treasure convenience and are less risk averse, others need research and reassurance before making a purchase. Still others are bargain hunters, always on the hunt for a good deal. And then there are the skeptics. For these cynical shoppers, overcoming negative online perceptions can be the difference between a doubter and a devotee. Regardless of shopper classification, when it comes to shopping online for electronic products, the experience must be convenient, cost-effective and safe. Companies that address these critical components will be best-positioned for online success. E-consumer’s classification as:

**Shopaholics**: Online shopping for these global respondents is convenient and fun. They like getting email notifications from retailers, and they manage their grocery lists using a mobile app or via an online tool. As these shoppers represent active online participants, marketers should leverage a full suite of online strategies to keep them engaged. Offering tools that remember past purchases, and providing flexible return policies and pick-up options will help keep these shoppers coming back for more.

**Researchers**
Knowledge is king for these global online shoppers who like to read online reviews prior to
purchasing a product. They spend a considerable amount of time researching products before buying. Social media is a helpful tool in reaching these consumers who often connect with friends, family and strangers to help make purchase decisions. To satisfy their need for knowledge, offer detailed product descriptions and product images. Posting review forums and product reviews will help to build trust.

**Savers**
Savvy savers are always on the hunt to find the lowest prices. These global shoppers believe they get the best prices online, and they find deals that are better than those offered in the store. They subscribe to product and store emails to stay informed and to save money, and they use price-saving apps or websites when planning a shopping trip and when in the store. When reaching these consumers, consider pricing and promotion strategies that are competitive with or better than in-store offerings. Offer online coupons and free shipping delivery options to help keep costs low for these shoppers.

**Skeptics**
Privacy and security are worries for these global respondents who are wary of giving their credit card information online. To help alleviate concerns, assure shoppers that their information will be kept confidential by including security notifications at checkout. Shipping costs and confusing websites are other barriers for these skeptical shoppers. Free shipping is important here, too, as is clarity of presentation.
To increase digital engagement, then, retailers must deliver on multiple shopper needs for lower prices, quality choices and peace of mind. Easy-to-navigate websites that offer a wide selection of well-described, unique products with plenty of images and have proper security protocols are a must.

**5.1.4 Buying behavior of emerging e-consumer segments**
While e-retail is growing at healthy pace, some consumer segments clearly standout and are fast gaining traction. A mix of economic factors and changing consumer preferences has led to emergence of some key consumer segments in e-retail. Tapping them successfully could hold the key to sustainable growth for e-retailers.
**First time users:** High aspirational value and significant input from influencers drive first time consumers purchasing decisions. Successful e-retailers have used influencers and reduced purchase related risks effectively to engage first time shoppers. “Two other key factors that are driving first time shoppers to e-retail are word of mouth and publicity and strong urge to explore and discover new products” –Nielsen Insights, 2013. Lower SEC’s contribute considerably towards this segment which is reflective of growing aspirations. This drives the trial of new retail formats. High Share of impulse purchases in the segment is again reflective of high demand and aspirations. Youth consumption across various categories can be characterized as highly experimentative. Youth is the driving force behind the consumption of new products in several categories such as electronics, personal care and clothing. There are encouraging trends from the Indian youth, and psychographic profiling reveals that has a liberal mindset, which is likely to encourage experimentation. Keeping the aspirational value alive and generating word-of-mouth publicity could be the key to maintaining high attractiveness quotient. Satisfactorily addressing the requirements and desires of new shoppers can drive footfalls.

**Bottom of pyramid:** “At the end of the day it can’t be just about consumption. The business has to be generative, should create wealth for the community, generate employment, create livelihood and consumer surplus, and save time”- Stuart Hard, co-other, The Fortune at the Bottom of the Pyramid (Mint, November 2013). Increasing media penetration and brand exposure have led to a noticeable change in the Bottom of the Pyramid segment’s buying behavior. Local influencers determine the purchasing habits of the Bottom of Pyramid (BoP) segment in small cities. Successful business models for BoP consumers are typically build around low cost delivery systems coupled with high degree of product customization and scalability. The BoP segment in India continues to move the consumption ladder. This movement is also marked by drastic changes in their consumption habits. The growth in income however, is modest as compared to other segments which implies that value consciousness would continue to significantly influence their purchasing decisions. While the urban BoP segment enjoys significant media exposure and is well placed in the existing distribution networks of e-retailers. Value consciousness and growing aspirations are some common trends. E-retailers may need to introduce customized offerings to match the growing needs of the BoP segment. There is likely to be shift from the e-retailers product push strategy to the pull strategy based on specific requirements of the segment.
**Time starved:** Rapid urbanization and lifestyle changes have increased time starved consumers exponentially; they drive value from the quality of service. Catering the specific requirements of time served consumers requires a different level of service delivery and supply scalability. Typically small families residing in urban areas, where both members earn, are tech-savvy and being to the top percentage income group. Some ways in which the growing importance of convenience has impacted the e-retail are offering consumers options of on trials, returns and customized delivery time. E-retailers significantly overhauling web layout and improve navigation and selection of products by segregating them in various categories. The time-starved consumers are ready to pay premium for better services and value convenience.

**Emerging affluent:** Emerging affluent consumers can be characterized by a need to be treated differently than the masses. Successful business models are increasingly relying on technology to access untapped segments of emerging affluent in small cities. Typically young, upwardly mobile consumers with high exposure to the media and brands. As a result this segment is generally aware and demands superior products and service delivery. The needs are different from those of the mass market and include and value convenience, better/preferential services and tailored solutions. Delivering on service parameters becomes important to ensure customer satisfaction. E-retailers require to target, communicate and deliver on these class apart service aspects to successfully target this segment. Consists of several consumers who have entered new set ups through marriage, smaller families or moving out into larger cities for work. E-retailers can attract these new decision makers through targeted campaigns and solutions for products and services that fulfill their daily requirements. High quality, variety and brand consciousness differentiate this segment from others. The need to stand out and be serviced differently are important factors that this segment continues to value.

**Value conscious:** Typically less brand conscious, purchase in bulk and actively look for deals, which demonstrate their high promotion sensitivity, which may impact brand loyalty. Successful business models targeting value conscious consumers to maintain balanced revenues with tight costs through front end and back end innovation. The impact of slowdown and reduced purchasing power have impacted a large segment of consumers which has responded by postponing major purchase decisions. This includes decisions related to buying or upgrading products, especially in the urban context. There is also an
increasing shift towards the purchase of unbranded products which indicates reduced brand consciousness. Reduced brand consciousness presents an opportunity for new products to increase the share of e-consumers wallet. Target marketing, promotions and sales can play an important role in tapping this segment.

**Online consumer:** The online consumers increasingly comes from newer regions, and factors other than price are emerging as key differentiators for retailers. Retailers are focusing on satisfaction on key service parameters and loyalty, which can be driven by strengthening front end operations. Youth contributes a considerable proportion of the online users with India’s youth comprising a significantly larger share than global internet users. Convenience is a key determinant of online shopping which is evident from the dominant share of mobile phones across consumer segments. The gender split of users is skewed towards men, as women constitute only 39 percent of the internet user base in India. Through high-end segments such as consumer electronics and apparels the segment is gaining popularity. Increasing openness to purchase new categories presents an opportunity for e-retailers to increase their consumer base, provided they succeed in achieving the right value proposition.

**Rurban consumers:** Rurban consumption is characterized by high brand consciousness and strong local tastes and preferences. Leveraging traditional setups and networks is the key to access Rurban consumers; technology is likely to be an important enabler. Rurban markets refers to locations apart from top tier cities that are vastly untapped and are home to majority of Indian market. While awareness on various products and services is creasing due to growing media and internet penetration, trust continues to be a key factor driving purchase in the reurban context. Consumption is increasingly shifting to more ‘urbane’ categories, driven by high aspirational values. Value growth is primarily pull-driven rather than distribution-led, indicating significant growth potential. Consumers are increasingly taking to online modes to meet aspirations in the absence of brand outlets. E-retailers are increasingly reaching out to the Rurban consumer with the help of local partners acting as key influencers. Common themes running across business models: Leveraging technology is expected to become key to enhance reach and convenience. Supply chain innovation is key to optimize costs without compromising on service delivery. Emergence of hybrid models leveraging online and offline presence to target consumers in Tier 2 and Tier 3 towns.
5.2 An overview: Profile of e-Retailers

India is on route to becoming the world’s fastest growing online shopping market, if current projections are anything to go by. This growth story is being driven by robust investment activity in the sector and the rapid increase in internet users. Internet users in India have gone up from 50 million in 2007 to 300 million in 2014. Online shopping has become a popular trend in India now. People have been enjoying the convenience of having their order shipped right to their doorstep.

![Market Share Chart](image1)

*Figure 5.2.1 India's Online Retail Market Share (Source Morgan Stanley)*

![Category Breakdown Chart](image2)

*Figure 5.2.2 India's Online Retail category wise breakup (Source Morgan Stanley)*
Table 5.2.1 Top e-Retailers of electronic products in Maharashtra State

<table>
<thead>
<tr>
<th>e-Retailer</th>
<th>Founded</th>
<th>Website</th>
<th>Services Offered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flipkart</td>
<td>2007</td>
<td><a href="http://www.flipkart.com">www.flipkart.com</a></td>
<td>It is a mega online store which offers wide range of products including clothes, books and electronics.</td>
</tr>
<tr>
<td>Snapdeal</td>
<td>2010</td>
<td><a href="http://www.snapdeal.com">www.snapdeal.com</a></td>
<td>It is online marketing and shopping company which has existence in more than 400 cities in India.</td>
</tr>
<tr>
<td>Amazon</td>
<td>2012</td>
<td><a href="http://www.amazon.in">www.amazon.in</a></td>
<td>It is a global e-retailer provide sellers a world-class online shopping platform</td>
</tr>
<tr>
<td>Homeshop18</td>
<td>2008</td>
<td><a href="http://www.homeshop18.com">www.homeshop18.com</a></td>
<td>It is an online shopping website and retail distribution network company.</td>
</tr>
<tr>
<td>Croma</td>
<td>2011</td>
<td><a href="http://www.cromaretail.com">www.cromaretail.com</a></td>
<td>Croma strives to provide better service with a nation-wide network.</td>
</tr>
<tr>
<td>Ezone</td>
<td>2010</td>
<td><a href="http://www.ezoneonline.in">www.ezoneonline.in</a></td>
<td>It is the online extension of its brick n mortar stores present across India in Malls, High Streets and within other group format stores</td>
</tr>
<tr>
<td>Ebay</td>
<td>2004</td>
<td><a href="http://www.eBay.in">www.eBay.in</a></td>
<td>It has unique business concept where a seller can sell the product directly to buyer.</td>
</tr>
<tr>
<td>Indiatimes Shopping</td>
<td>2000</td>
<td><a href="http://www.shopping.indiatimes.com">www.shopping.indiatimes.com</a></td>
<td>It is a part of Times of India Group, is one of the largest horizontal online shopping platforms in India.</td>
</tr>
</tbody>
</table>
5.2.1 Flipkart

Website: (www.flipkart.com)

Flipkart is an Indian e-commerce company headquartered in Bangalore, Karnataka. Flipkart was founded by Sachin Bansal and Binny Bansal in 2007, both are alumni of the IIT Delhi. They had been working for Amazon.com previously. The business was formally incorporated as a company in October 2007 as Flipkart Online Services Pvt. Ltd. The first product sold by them was the book Leaving Microsoft to Change the World, bought by VVK Chandra from Andhra Pradesh. Flipkart now employs more than 16000 people. In its initial years, Flipkart concentrated on online sales of books, but it later on expanded to electronic goods and a diversity of other products. Flipkart has launched its own product range under the name "DigiFlip" with products including tablets, USBs, and laptop bags. Flipkart offers multiple payment methods like credit card, debit card, net banking, e-gift voucher, and the major of all Cash on Delivery. The cash-on-delivery model adopted by Flipkart has proven to be of great significance since credit card and net banking penetration is very low in India.

Initially, Flipkart had spent ₹ 400,000 only for making website to set up the business. Flipkart has later raised funding from venture capital funds Accel India (US$1 million in 2009) and Tiger Global (US$10 million in 2010 and US$20 million in June 2011). On 24 August 2012, Flipkart announced the completion of its 4th round of $150 million funding from MIH (part of Naspers Group) and ICONIQ Capital. The company announced, on 10 July 2013, that it has raised an additional $200 million from existing investors including Tiger Global, Naspers, Accel Partners and Iconiq Capital.

Flipkart's reported sales were ₹ 40 million in FY 2008–2009, ₹ 200 million in FY 2009–2010 and ₹ 750 million for FY 2010–2011. In FY 2011–2012, Flipkart is set to cross the ₹ 5 billion (US$100 million) mark as Internet usage in the country increases and people get accustomed to making purchases online. Flipkart projects its sales to reach ₹ 10 billion by
year 2014. On average, Flipkart sells nearly 10 products per minute and is aiming at generating a revenue of ₹ 50 billion (US$0.81 billion) by 2015.

On November 2012, Flipkart became one of the companies being probed for alleged violations of FDI regulations of the Foreign Exchange Management Act, 1999. Flipkart reported a loss of ₹ 281 crore for the FY 2012-13. In July 2013, Flipkart raised USD 160 million from private equity investors. In October 2013, it was reported that Flipkart had raised an additional $160 million from new investors Dragoneer Investment Group, Morgan Stanley Wealth Management, Sofina SA and Vulcan Inc. with participation from existing investor Tiger Global.

On 26 May 2014, Flipkart announced that it has raised $210 million from Yuri Milner’s DST Global and its existing investors Tiger Global, Naspers and Iconiq Capital. In early July 2014, it was also highly speculated that Flipkart was in negotiations to raise at least $500 million, for a likely listing in the US for 2016. On 29 July 2014, Flipkart announced that it raised $1 billion from Tiger Global Management LLC, Accel Partners, and Morgan Stanley Investment Management and a new investor Singapore sovereign-wealth fund GIC.

On 6 October 2014, Flipkart sold products worth INR 650 Crore in 10 hours in a special one-day event - "The Big Billion Day", claiming they had created e-commerce history, but their hard-won reputation for good customer service suffered because of technical problems, and angry reactions on social media from buyers disappointed with the pricing and availability of products. It claimed to sell a whopping 5 lakh mobile handsets, five-lakh clothes and shoes and 25,000 television sets within hours of opening its discounted sale at 8 AM. In December 2014, after it received $700 million from another funding, Flipkart had a market cap of $11 billion or Rs.66000 crore.

On 20 December 2014, Flipkart announced filing application with Singapore based companies' regulator ACRA to become a public company after raising USD 700 million for long term strategic investments in India following which its number of investors exceeded 50. The USD 700 million fund raised by Flipkart added new investors - Baillie Gifford, Greenoaks Capital, Steadview Capital, T. Rowe Price Associates and Qatar Investment Authority - on company's board. Its existing investors DST Global, GIC, ICONIQ Capital and Tiger Global also participated in this latest financing round.
Motorola Mobility, previously owned by Google but then sold to Lenovo, in an exclusive tie up with Flipkart launched its budget smartphone Moto G in India on 5 February 2014. This triggered an overwhelming response from online shoppers and more than 20,000 units were sold within hours of launch on Flipkart. After the Moto G successful debut launch, Flipkart was looking for a long term tie up with Motorola Mobility. The Moto G success story, led to another exclusive tie up between Flipkart & Motorola Mobility, who launched their flagship Android smartphone, the Moto X on 19 March 2014. After Moto G and Moto X, Flipkart invited the Moto E, the newest member of Moto family which is even cheaper than Moto G on 13 May 2014. The sale of high-end smartphone Xiaomi Mi3 produced by Xiaomi Tech was launched in India on an exclusive tie-up with Flipkart. The first batch was sold out within 39 minutes on 22 July 2014, the second in 5 seconds on 29 July 2014. The sale was proceeded on pre-registration mode where more than 150,000 buyers booked for the 5 August 2014 sale. This got sold off in less than 2 seconds. Following this Xiaomi Tech decided to sell 20,000 pieces in the next sale for 12 August 2014. On 2 September 2014 Flipkart held a flash sale of the budget Android smartphone the Xiaomi Redmi 1S which was launched in India in July 2014. 40,000 units priced at Rs 5999 each were sold within seconds. In the second round of Xiaomi Redmi 1S sale held on Sept 9, 2014, 40,000 units were sold within a span of 4.5 seconds, slightly longer than the first sale, which lasted just 4.3 seconds. Third round of Redmi 1S sale held on Sept 16, 2014 with again 40,000 units sold in fastest of all 3.4 seconds. In the 4th round of sale of Redmi 1S held on Sept 23, 2014, Flipkart put more units this time, 60,000 units go out of stock in 5.2 seconds. In the latest Flash sale held on Sept 30, 2014, once again 60,000 units go out of stock in 13.9 seconds. Redmi Note in India exclusively through Flipkart. The first flash sale of 50,000 Redmi Note devices held on 2 December 2014 and all the devices sold out in mere 6 seconds, just like all the earlier flash sales of Xiaomi held at Flipkart.
LAUNCHED IN OCTOBER 2007
flipkart.com is India’s leading e-commerce marketplace with over 20 million products across 70+ categories.

STARTED BY A TEAM OF 2
today Flipkart is a large company with

RANKED AMONGST THE TOP 10 WEBSITES IN INDIA*
*as per Alexa rankings
Flipkart is known for innovation that has revolutionised online shopping like never before...

Technology that enables
5 million shipments/month

26 million registered users

20,000 employees

8 million daily page visits

13 state-of-the-art warehouses

...and a continued commitment to customer satisfaction has helped make Flipkart THE FIRST BILLION DOLLAR COMPANY in Indian e-commerce.

Figure 5.2.3 The Flipkart Story
Snapdeal is a leading online marketplace, headquartered in New Delhi, India. The Company was started by Kunal Bahl, a Wharton graduate and Rohit Bansal, an alumnus of IIT Delhi, February 2010. Snapdeal daily deals with platform inspired by Groupon.com but expanded in September 2011 to become an online marketplace. Snapdeal has grown to become one of the largest online marketplace in India offering an assortment of 4 million+ products across diverse categories from over 50,000 sellers, shipping to 4,000 towns and cities in India. In March 2015, Snapdeal brought Amir Khan for the promotion of its website in India. Snapdeal features products across categories like mobiles, electronics, fashion accessories, apparel, footwear, kids, home and kitchen, sports, books; and services like restaurants, spas & entertainment amongst others. Snapdeal also provides discounted deals connecting with local merchants. Snapdeal's vision is to create India's most impactful digital commerce ecosystem that creates life-changing experiences for buyers and sellers. With its acquisition of Freecharge in 2015, a leading mobile transactions platform, Snapdeal has become the largest m-commerce company in the country.

In its journey till now, Snapdeal has partnered with several global marquee investors and individuals such as SoftBank, BlackRock, Temasek, eBay Inc., Premji Invest, Intel Capital, Bessemer Venture Partners, Mr. Ratan Tata, among others.

Snapdeal invested around Rs 1,200 crore to beef up its logistics network and will acquire five to six companies in mobile technology, big data and supply chain space. The Jasper Infotech-owned online marketplace will also launch a four-hour delivery service (against one-day at present) in 10 cities shortly to go one-up on its rivals. Interestingly, unlike its competitors, Snapdeal does not have in-house logistics and works with several third-party logistics service providers including GoJavas and Blue Dart to fulfil its shipping needs. The GoJavas deal is expected to help the company lock in a long-term logistics partner. To bolster its supply chain model, Snapdeal is planning to increase the number of its warehouses from 50 in 20 cities to 75 in 30 cities in the next few months. With big-ticket investments from the likes of Softbank, eBay, Temasek, Blackrock and Premji Invest among others, the company has set a target of getting 10 lakh sellers on its platform in the next
three years. At present, with 1 lakh sellers on board, it has also set up a merchant-training academy in the capital to train sellers for online trade.

*Figure 5.2.4 The Snapdeal Journey*
5.2.3 Amazon
Website: (www.amazon.in)

In Feb 2012, Amazon Seller Services made its foray into the Indian market with the launch of Junglee.com, enabling retailers in India to advertise their products for free to millions of Indian shoppers and drive targeted traffic to their stores. With the introduction of the Amazon.in marketplace and launch of two new programmes ‘Sell on Amazon’ and ‘Fulfilment by Amazon’ – sellers across India now have access to unlimited and free ‘virtual shelf space’ and a scalable, pay-as-you-go fulfilment and customer service offerings. Both programmes have successfully been used by more than two million sellers globally to sell to over 200 million customers worldwide and boost their sales. We will continue to strive to become a trusted and meaningful sales and logistics channel for retailers of all sizes across India by doing the heavy lifting, enabling them to focus on their core business functions and efficiently grow their business online.

Amazon’s vision is 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. With Amazon.in, it endeavor to build that same destination in India by giving customers more of what they want – vast selection, low prices, fast and reliable delivery, and a trusted and convenient online shopping experience – and provide sellers a world-class e-commerce platform. We are committed to ensure 100% Purchase Protection for your shopping done on Amazon.in so that you can benefit from a safe and secure online ordering experience, convenient payment options such as cash on delivery, easy returns and enjoy a completely hassle free online shopping experience.

Amazon launched with Books and Movies & TV shows and have expanded our offerings to include the Kindle family of E-Readers, the Amazon Fashion Store and various products under different categories. Customers can now buy products from popular brands across categories such as Samsung mobiles, Dell laptops, Canon cameras, Fastrack watches and many more at Amazon.in. Don’t forget to check out the Amazon Exclusives Store and also, shop for Today's Deals on Amazon and save big every day. On Amazon, shopping is not only about buying, it's also about gifting and through Gift a Smile you can give products online to charity through Verified NGOs.
Customers can also shop our full selection of products using the Amazon App for Android, iOS and Windows which offers customers a convenient, fast and secure way to search, browse, compare offers, and shop online quickly and easily, at anytime from anywhere. It is still “Day 1” and we continue to relentlessly focus on using our investments in technology and innovation to transform the lives of our customers and all our partners. We strive to transform the way India shops and the way India sells.

The company also launched two new initiatives for sellers: the ‘Self Service Registration (SSR)’ and ‘Amazon Easy Ship’ for sellers in India. While Amazon SSR enables sellers irrespective of their size, location and size of catalogue, to self-register on the Amazon marketplace and start selling within a day without any third party intervention, with Amazon Easy Ship, the seller has to pack the shipment and confirm to Amazon that they are ready to ship. Amazon Logistics collects the shipment and ensures that the product is delivered to customers in two to four working days.

![Amazon’s Battle Plan](image)

*Figure 5.2.5 Amazon’s Battle Plan*
5.2.4 Homeshop18

Website: (www.homeshop18.com)

Homeshop18 is the online and on-air retail and distribution venture of Network 18 Group, headquartered in Noida, India. G S Home Shopping of Korea, the third largest home shopping company in the world, has a 15% stake in the company. Network 18 has the controlling stake of 51%. Homeshop18 was launched on 9 April, 2008 as India's first 24-hour Home Shopping TV channel, where anchors performed live demonstration of products on sale. The television channel established Homeshop18's foothold in Indian retail because of high television penetration. Later, as the internet reach grew all over the country, Homeshop18 launched www.homeshop18.com which was ranked as the No. 5 most trafficked Ecommerce portal in India by ComScore in July 2013.

Homeshop18 has partnered with major brand owners such as Reebok, Nokia, LG, Motorola, Phillips, Kaya and Godrej. Homeshop18 acquired CoinJoos.com, an online books, movies and music retailer in August 2011 for an undisclosed amount. The acquisition is the main contributor to Homeshop18.com's Books catalogue.

Homeshop18 offers over 1500 of the best Indian and international brands with an impressive mix of renowned regional brands too. A Homeshop18 customer provides the large delivery network. Whether a customer resides in a metro or a town, if customer shopped with it, then your order will reach the customer's doorstep within the promised time, its delivery network covers Daman in the west to Dibrugarh in the east and Kanyakumari in the south to Udhampur in the north along with most of the locations in between.

Homeshop18 offers interactive product demos along with the high resolution images in multiple angles you also get an additional point of view through detailed video demos for most of our featured products. For consumers to be feel confident while shopping it employ the most secure payment options through VeriSign Secured Seal Program. Through VeriSign all your personal information is encrypted by Secure Sockets Layer (SSL) software every time it is transmitted over the internet. Homeshop18 provides 24 x 7 Customer
Support irrespective of the time of the day, you can reach our round-the-clock customer care team for all your payment and order related doubts, queries and assistance. HomeShop18 offers multiple convenient payment options like Credit Card, EMIs, Debit Card, Net Banking, Airtel Money, Cash on Delivery and Gift Coupon.

Entrepreneurial Spirit, Customer Centricity and Team Synergy are the three cornerstones of Homeshop18’s pursuit of excellence at HomeShop18. HomeShop18, understand that the only sustainable competitive advantage is our team. It strives to create an engaging & an inspiring work environment which supports career progression and help create a repository of happy faces. Homeshop18 believes that excellence is not a destination, but a journey of continuous improvement. Impact is a platform which promotes creative thinking and innovation to improve methodologies, processes, abilities, customer satisfaction and TAT. It believes, as citizens, it is our duty to engage and contribute towards the upliftment of our society, corporate social responsibility (CSR) programs are aimed to support in building a better community and a cleaner environment. Their two CSR programs are: "Arpan" is an initiative which encourages employees to contribute by donating to support the underprivileged. "Prayaas" is an initiative which provides opportunities to employees to engage through volunteer service to make a difference. Employees are encouraged to volunteer service to the NGOs over weekends and after work for teaching underprivileged children, organizing events for the NGOs, conducting health awareness campaigns, raising funds etc.
5.2.5 Croma

Website: (www.cromaretail.com)

Croma, the largest Electronics Megastore in India stands by its tagline “we help you buy” by providing its customers with a wide variety of consumer electronics and durables to choose from. Croma strives to provide better service with a nationwide network of several Croma and Croma Zip stores, along with its latest online vertical - Croma.com. Croma has been launched by Infiniti Retail Limited, a 100% subsidiary of Tata Sons. It efficiently and successfully runs Croma's retail operations in India. In addition, one of the world's leading retailers. With over 6000 products across varied categories including Phones, Cameras, Computers, LCD/LED’s, Home Appliances and more, in a world-class ambience and its offerings are growing every day it helps in selecting electronic devices from multiple brands as per the personalized requirements of a consumer. Great products from some of the best brands ensure you an exciting shopping experience. Croma’s own label Croma Life Accessories, comprising of a diverse range of merchandise from various categories like tablets, android phones, air-conditioners, kitchen appliances and much more, presents the consumers with an option to buy products featuring the latest technologies at reasonable prices. From the wide range of Croma branded products, you are bound to find something great that will match up to your budget as well as personal requirements.

Shopping at Croma.com or Croma stores will be a fulfilling experience giving you access to a wide range of products with exciting deals. Making a shopping experience delightful post purchase is the foundation for investing in a robust customer service support at Croma. All this comes with a great after sale service provided by an authorized 24 x 7 customer care center. The Authorized Croma Care Centre provides after sales support for all Croma branded products. Online retail is a Croma’s latest venture to achieve yet another important goal, which is to bring customers the best shopping experience on the go & reach every doorstep in the nation. With www.croma.com customers can now explore, browse and purchase from the finest and the most varied range of electronic products from the comfort of your home. Well-structured product information, great deals and swift home delivery service are our priority for customer’s satisfying shopping experience.
Croma’s website (www.croma.com) is divided into various sections like ‘What’s new’ which features its latest offerings, ‘Hard to Find’ which showcases nifty gadgets and ‘Recently sold’ which as the name suggests, features the latest additions on the online portal. The navigation bar has a popup menu, which allows users to hover over any product category like phones, cameras and computers to browse through any sub-category like mobile phones, television, digital cameras, and DVD players or browse through any specific brand of their preference like Apple, Sony, Samsung, LG, Nokia and many more. Interestingly, Croma seems to have integrated its self-branded electronic merchandise along with other merchandise, rather than providing a dedicated section for its self-branded products, although it is listed as one among the brands in the popup menu. Apart from these, there is a keyword-based search box which allows users to search for their favorite product. After choosing their preferred sub-category, users can refine the results based on various features, brands, price range and other product specific attributes. Users can also sort the results by relevance, latest items, or in the alphabetical order. There is also a comparison engine which allows users to compare the products on various criteria. Besides this, Croma also offers buying guides and tips across various product categories, allowing users to browse through general information about any specific product category like the basic features one could expect, top brands or products in that category, key differences between them and so on. There is also a dedicated ‘Croma Zone‘ which at the time of writing this article, directed users to download an installer for Croma Apps, a co-branded app store by the retailer and Intel App Up. We wonder why Croma hasn’t featured its self-branded products here which would’ve helped in better discovery, rather than mixing it with other products. As an interesting aside, Croma Retail seems to be the only third party online portal offering Intel and Lava’s new smartphone XOLO 900, and with the company being an authorized reseller of Apple products, one could expect this online store to become an unofficial online channel for the upcoming new iPad and other Apple products in India. Croma offers payment modes include credit cards, debit cards and net banking. There is also a 3, 6, 9 and 12 month EMI option for HDFC and ICICI bank credit cards on orders of Rs 2,000 or higher. Shipping is currently free and Croma claims to deliver goods to all delivery locations in India within 7 days. However, it did ask our pin code to verify if the company delivers in that specific area and noted that the price might vary depending on the user’s location.
5.2.6 Ezone
Website: (www.ezoneonline.in)

Ezoneonline.in is the exclusive electronics online shopping portal from Future Group launched in 2010 by Kishor Biyani. It is the online extension of its brick and mortar stores present across India in Malls, High Streets, and within other group format stores like Home Town, Central and Pantaloons. Ezone helps you live smarter with the latest in Technology, helps you entertain your family with latest & the best in Audio, Video & Gaming, makes your home cool & clean with a wide range of Home Appliances and makes your life easier with smart & stylish Kitchen & Cooking Appliances. One can choose from a wide range of brands both National & International across a whole lot of categories like Mobile Phones, Computers & Laptops, Tablets, Digital Cameras, LCD LED Televisions, Refrigerators, Air Conditioners, Washing Machines, Air Coolers, Fans and a whole lot of Kitchen Appliances comprising of Electric Cookers, Induction Cookers, Food Processors, Juicer Mixer Grinders, Microwave Ovens, OTG, Hand Blenders, Coffee Tea Makers, Fryers, etc. Ezoneonline.in offers multiple convenient payment options including Cash on Delivery and free home delivery/shipping.

Now retailers, in India and elsewhere, look to make some headway in the online space. Ezone online has to follow the rules of the online industry to survive. Online is a new market in India and while ezone may have to play the pricing game now, but long-term plans are different and we want to eventually merge it with our brick and mortar stores so that we can sell and distribute a product anywhere. Ezone online targets to close this fiscal with Rs 60-crore sales and raise it to Rs 150-200 crore next fiscal. Ezone will invest in ezoneonline.in even as it expands its existing network of 62 bricks-and-mortar stores. Ezone stores to pave way for e-retail, which will be a new platform integrating digital and brick-and-mortar sales. The connected e-retail platform may be explored for fashion as well in the future. Future group will reduce the size of ezone stores and position it as a convergence platform for physical and online shoppers.
5.2.7 Ebay

Website: (www.eBay.in)

Founded in September 1995, eBay is The World's Online Marketplace for the sale of goods and services by a diverse community of individuals and small businesses. Today, the eBay community includes more than a hundred million registered members from around the world. People spend more time on eBay than any other online site, making it the most popular shopping destination on the Internet. People from all over the world buy and sell on eBay. Currently, eBay has local sites that serve Australia, Austria, Belgium, Canada, China, France, Germany, Hong Kong, India, Ireland, Italy, Malaysia, the Netherlands, New Zealand, the Philippines, Singapore, South Korea, Spain, Sweden, Switzerland, Taiwan, the United Kingdom, and the United States. In addition, eBay has a presence in Latin America through its investment MercadoLibre.com.

EBay forayed into India in 2004 when it acquired the online auction site Baazee.com for $50 million. At the time, the market for online retail in India was in a nascent stage, what with only 3.9 million Internet users. Initially, eBay India followed Baazee's business model where customers could buy and sell products among themselves. India's leading online marketplace, is India's biggest online trading community where anyone can sell or buy almost anything. EBay India is a trading platform offering auctions, quick buy and classifieds modes of person-to-person trading. There are a wide range of products listed on eBay India in an array of categories including Art & Antiques, Apparel, Bollywood, Books & Magazines, Cars & Bikes, Computers, Home and Personal Loans, Electronics, Cameras & Optics, Movies, Music, Health & Beauty, Gifts, Home, Jewelry, Mobile Phones, Real Estate, Toys & Baby Products, Travel etc. eBay India is a 100% subsidiary of eBay.com, The World's Online Marketplace. No other web site offers Indian traders a proven local service with an international reach. Indian users can use their single eBay India ID to trade internationally. Indian sellers can sell their product by listing them on any of the 32 eBay market sites. Indian buyers can also choose to buy products from any of the eBay local sites. EBay brings the joy of discovery to online shopping through Feed, a new and personal way to curate your own shopping experience and discover items perfect for each individual customer. The eBay Feed provides consumers with unique, inspiring & personalized
content, reflective of their interests drawn from the over 1.1 million live product listings on eBay India across Technology, Lifestyle & Media Categories.

EBay Check is a Chrome Extension to enable consumers to shop smarter. EBay Check allows consumers to compare prices of products while browsing any website through automatic drop down displays of the same product listings on eBay India. EBay Check also doubles up as a shopping search engine. Just click on the eBay Check icon on your Google Chrome bar and directly search for the best deals on any products on the eBay India site. Download the eBay Check extension from the Google Chrome web store. PaisaPay is a secure online payment gateway on eBay India. It lets buyers make payments online to eBay merchants, in a secure, convenient and cost-effective manner. PaisaPay support payments via credit cards, debit cards, net banking, EMI, mobile payments & cash cards. With PaisaPay, buyers can make instant payment for their online purchases and the money is released to the seller when the buyer confirms successful item receipt. Over 90% of all eBay India transactions are paid for via PaisaPay. PowerShip is a logistics management service for eBay merchants which significantly enhance the efficiency of managing multiple item shipments and delivery of items to eBay India buyers in partnership with reputed logistic service providers for this initiative. The service includes product pickups from eBay Merchant’s doorstep, automated tracking of shipments, and faster item deliveries by Logistic Service Providers and coverage for the shipment from eBay India.
5.2.8 Indiatimes Shopping

Website: (www.shopping.indiatimes.com)

Indiatimes Shopping initiated its operation in the year 2000, being one of the earliest e-commerce companies in India. Indiatimes Shopping is the e-retail division of The Times Group, India's largest media conglomerate. It is one of the pioneers’ electronic commerce in India and services its customers through various channels including online, selling over the phone and also selling in bulk through the B2B channel. It also provides platform services for brands to go online and sell their wares in partnership through its White-label product. Some of the major categories sold through Indiatimes Shopping include Mobile phones and other. Consumer electronics, Books, Apparels & Accessories, Jewelry, Music, Movies, Games and Baby Products etc.

Today Indiatimes Shopping sells a range of products online, including footwear, apparel, mobile phones, consumer electronics, computers & accessories, flowers & gifts, home décor items, books and a lot more. Customers have the option of paying through credit card, debit card, net banking and cash on delivery. With its White Label business, Indiatimes Shopping gives access of 8 million+ products, sourced from 5000+ vendors and delivers to 2600+ cities across India. Indiatimes Shopping has also pioneered in the field of print business with the name of “The Times of India Reader’s Offer”, which is associated with the print arm of available in different cities in India, this deal includes products from electronics, kitchen appliances, mobile phones and accessories, fashion accessories, health and beauty products, computers, laptops, tablets, TVs and music players from private labels and famous brands.

5.3 Chapter Summary

This chapter covers the main topics like an overview Profile of e-Consumers, Key e-consumer trends shaping segment profiles in India, Comprehending the E-Consumer, E-consumer classifications and an overview Profile of e-Retailers in Maharashtra state. Chapter 6 illustrates Statistical analysis of data.