

Indian e-commerce Giant Flipkart Success Story

We are all familiar with the successful e-commerce giant Flipkart. But how did they founded Flipkart and rise to the top?

Flipkart's success is a unique story of innovation and sheer determination in the face of adversity. Many people can learn from their journey through struggles and perseverance as ultimately, Flipkart is one of the few companies that have been able to sustain themselves at the top tier of Indian e-commerce for such a long time.

Today, Flipkart stands among India's most acclaimed e-commerce companies. The company's success lies in its razor sharp focus on customer experience and innovation, which have enabled it to constantly surpass expectations and remain competitive against rivals such as Amazon.

In this article, we will discuss what led them to success and what can be done going forward for other industry players striving to reach similar heights.

About Flipkart Company

Flipkart is among India's dominant e-commerce platforms which were started in October 2007 with its headquarters in Bengaluru, India. Founded by two entrepreneurs, alumni of the IIT, Delhi and former Amazon employees Sachin Bansal and Binny Bansal.

The online venture had initially started as an online bookstore with country-wide shipping but as the firm's fame escalated, it grew and expanded its activities slowly grew in prominence and was receiving 100 orders per day by 2008.

The platform started selling a variety of other products like earphones, mobile phones, mobile accessories as well as movies. With e-commerce gradually revolutionizing the world of retail and garnering momentum in India, Flipkart expanded at its pace steadily supplementing various new item categories in its collection.

Today, the company facilitates over 80 million+ products across a range of over 80 categories from mobile phones & accessories, computers, laptops, books and e-books, home appliances, electronic goods, fashionable clothes and accessories, sports and fitness, baby care, games, and toys, jewellery, footwear, and so on.

Flipkart's Founders story

Sachin Bansal and Binny Bansal founded Flipkart as an e-commerce platform in October 2007. Both graduates from IIT Delhi were officially exposed to the retail sector while working with Amazon. The two met at Amazon and explored their mutual interest and thought to bring a change in the e-commerce industry of India.

This led to both quitting their jobs at Amazon in 2007, and beginning their journey to build a similar e-commerce company such as Amazon but focused specifically on the Indian consumers. The two wished to offer Indians an online store that was created in India which led to the making of Flipkart.

Flipkart – Business Model

Comprising more than 150 million products in 80 categories, Flipkart is one of the dominant e-commerce companies in the country. The platform adopts social media platforms like Twitter, YouTube and Instagram for marketing strategy.

Being a Business to Consumer model firm, it offers its

consumers the freedom to choose their sellers and items from an extensive assortment of options as well as help them by suggesting products.

One of the principal Unique Selling Propositions of this platform is its pricing. The platform is known for offering branded products at more or less economical costing. Aside from this factor, consumers are also offered with sales and discounts frequently.

And additional benefits include its cash on delivery (COD) options, its refund policy as well as its customer service. One unique trick which Flipkart uses is the column of the Flipkart Assured product where the items that have been allotted the Flipkart Assured product are assessed and double-checked to ensure better safety as well as quality.

In November 2020, as per Walmart, Flipkart registered a record number of monthly active consumers. In order to ascertain prompt delivery to its user base, the venture presently contracts over 1 million square feet of space in various areas which include Mumbai, Hyderabad, Bengaluru, Lucknow, Ahmedabad, etc across the country.

Recently the company has started a hyperlocal 90-minute delivery service termed Flipkart Quick in Bengaluru only across categories including grocery, mobiles, electronics, and home accessories with this launch, the venture is into items like fresh fruits and vegetables, as well as meats and milk on its platform.

Flipkart – Industry and Target Market Size

Flipkart uses an undifferentiated targeting strategy, since they have consumers of all demographics purchase items online which is available to everyone where delivery is possible in

the country. Flipkart has positioned itself as a trustworthy and customer-friendly ECommerce brand in India.

The online retail industry market is of a size of around \$60 billion. It is estimated to reach \$200 billion by the year 2026.

Flipkart – Parent Organization

In August 2018, U.S.-based retail chain Walmart acquired a 77% ruling stake in Flipkart for US\$16 billion, valuing the company at \$20 billion. These stakes were further expanded to 81.3% towards the end of the same year. Soon after the acquisition, one of the founders Sachin Bansal left the company.

With this acquisition, Walmart claimed that the omni-channel retail sector has a huge potential for future growth on a global level.

Flipkart Revenue Model

Flipkart makes its revenue through commissions and other services, Flipkart India's revenue mainly comes from selling goods to sellers and sales through its B2B ecommerce marketplace to stores across the country.

They also earn revenue by collecting transaction and logistics fees from vendors who place orders through Flipkart's B2B ecommerce marketplace. Flipkart India purchased goods worth around Rs 53,878 crore in FY22 compared to Rs 47,629 crore in FY21.

Flipkart posted a 33% rise in operating revenue in FY22 to Rs 10,476 crore. The Walmart-owned Flipkart, saw revenue jump 34.5% to Rs 50,992 crore in financial year 2021-22 (FY22), regulatory filing sourced via business intelligence platform Tofler showed.

Flipkart – Acquisition

- The platform initiated its acquisition in 2014 when it purchased Myntra for an amount of \$400 million.
- In 2016, the platform purchased the fashion website Jabong for \$70 million.
- In 2017, the company purchased the payment website PhonePe
- In 2017 e-commerce corporation eBay .
- The platform also consolidated all of its Bangalore offices to develop a single big campus across 8.3 lakh square ft.
- In 2011, Flipkart set up an office in Singapore.
- 21 acquisitions and 23 investments have been undertaken by the company and around \$395 million has been spent by the corporation on acquisitions.

Flipkart's Funding

In 2020, Flipkart stands at a valuation of \$24.9 billion USD. It has raised \$560.45 million from Walmart as part of the \$1.2 billion round it announced in July 2020. The company's primary investment had been infused by the founders which was a total of 5,600 USD. Post this followed the investment from Tiger Global who is a key investor of the company.

A few of the key investors of the Flipkart include eBay, Axis Bank, Manhattan Venture Partners, Naspers, and Softbank Vision Fund. The biggest funding for the platform was when it was acquired by Walmart for \$16 billion, with Walmart acquiring a 77% stake in the company.

As reported by NDTV Gadgets 360, Flipkart's most recent funding was the \$1.2 billion (roughly Rs. 9,048 crores) it raised in a recent equity round which was headed by Walmart.

Flipkart – Partnership

Flipkart has a wide range of partnerships throughout the years it has been started. Some of the major of its partnerships are:

- Authentic Brands to license and distribute Nautica in India in August 2019.
- Announced a strategic and commercial partnership with the Adani Group on April 12, 2021, to increase its supply chain and logistics infrastructure.
- On September 8, 2021 with Urbanic to target young consumers across India.
- A collaborating with the leading Indian kids' fashion brand, Hopscotch to strengthen its kids' fashion segment.
- A major collaboration was with the Indian Institute of Management, Sambalpur, with an aim to support and promote small businesses.

The Challenges faced by Flipkart

In order to process the products from thousands of sellers, maintain inventory and ensure timely delivery, a good supply chain and logistics network is the biggest challenge and reverse logistics is still a major issue for the company as more than 15% of shipments are returned by customers for a variety of reasons which bring huge losses to the company.

Cash On Delivery Issues creates a burden on e-commerce firms such as Flipkart. Many customers return the product without paying the amount and the company ends up losing all the money spent on procuring, storing and shipping the product.

Managing a massive number of sellers on a platform is the biggest task for the company.

Flipkart – Competitors

Flipkart India competes primarily with Amazon's Indian subsidiary

Here are some of Flipkart's competitors in the industry:

- Etsy
- Amazon
- eBay
- Alibaba
- Myntra
- Paytm
- Snapdeal

Summary

In this article, we have mentioned the success story of e-commerce giant Flipkart, which was recited by young enthusiastic entrepreneurs for many upcoming years.

Flipkart is an Indian e-commerce firm based in India which is owned by Indian software engineers, Sachin and Binny Bansal who witnessed the changing dynamics of technology and saw the value of E-commerce ventures in the country.

FAQ's on Flipkart:

Must read articles:

- [Zoho Business Model – How The Startup Is Successful In 2022/2023](#)
- [IndiaMart Business Model In Hindi – India's Largest Marketplace](#)
- [Marketing Campaign On Instagram For Business](#)