

Comparative study of Flipkart.com, Snapdeal, E-bay: India's Leading E-business Portals

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Abstract— Ecommerce portals are now trending in India. It is growing in every place and customers are showing interest in using these portals effectively. There are so many portals which are unique in their features and the design of website. After analyzing the whole model of E-commerce I found basically three business Models have evolved over a period of time in this space and each has its own Pros & cons. Rest all business models are mix and match of any of following 3 models.

Keywords— *Snapdeal model, E-bay model, Flipkart model*

Introduction

E-Commerce in India is one of the fastest growing & emerging economies of the world, having a very huge consumer base & a big mass connected to Internet (approx. 100 million). The E-business trend have been catching up in the country with the increasing rates of local & domestic firms using the E-business model to do business which is very different from the traditional way of doing business in India, it has lead to a interesting trend in the market for the online shopping starting right from ordering food, grocery, vegetables, fruits, taxis, electronics & so on .GC) total enrolment in Science, Medicine, Agriculture and Engineering crossed 6.5 million in 2010. Charu Sudan Kasturi reported in the Hindustan Times (New Delhi, January 10, 2011) that the number of women choosing engineering has more than doubled since 2001. We propose an Approach to Evaluate Subjective Questions for Online Examination System.

Interesting facts & figures about the portal

I have selected three main e-commerce portals for my Study, i.e. "Flipkart.com, e-bay, snap deal". Now I would try to analyse which portal is the Emerging Indian online mega store. I would be studying the strategies that the portal have used to attract Indian masses, so as to give them the total online shopping experience, the portal offers an unique strategy to masses to make payment

modes like Cash & Card on delivery, which invariably helps the masses to avoid the hassle of making online payments, as the credit card penetration in India is very low, & people are reluctant to make online payments more to do with the Indians psyche .Since portals are giving a customized offering to the masses i.e. rite from the wider product portfolio to payment options, its making very convenient for the users to have a online shopping experience hassle free. Lets study & evaluate 3 core business model can survive in future or will be successful & why.

2.1 Snapeal Model

- It is one of the first and largest online marketplaces in India. It has recently launched its best mobile app for IOS. In this model the E-commerce player does not sell any goods/services on its own but offers discount coupons which can be used by buyers to avail discount at the time of buying or availing service from merchant.
- Snapdeal is an e-commerce company based in India. It is a daily deals website that features discount offers across lifestyle segments such as dining, health & beauty, entertainment and travel. It also offers discounts on products like electronics, perfumes, watches, bags, sunglasses, coaching classes, apparels and mobile phones.
- Headquartered in Delhi, Snapdeal.com was launched in February 2010. The company was founded by Kunal Bahl, a Wharton graduate and Rohit Bansal, alumnus of IIT Delhi who were friends since school.

- Snapdeal.com serves as an advertising platform for merchants and a discount platform for customers. For the merchants who partner with Snapdeal, it is a cost-effective channel for acquiring new customers. It also works as a risk-free alternate marketing channel. From the merchant's standpoint, they are passing on the customer acquisition cost in the form of a discount offer.
- Snapdeal (SD) gets the best offer possible from the merchants from around 65 cities across India and then deducts a small amount of commission. SD aims at showing at least 40-90% off in the deals from what actually one has to pay. Depending upon how good the offer is, SD deducts their commission starting from Rs. 99 going up to Rs. 299.
- For products, SD has a particular set of commission. The most ideal amount of commission SD charges with selling a product is 23%. More than 50-60 thousand products are available online for customers to choose from.
- In June 2010, Snapdeal.com acquired Bangalore-based group buying site, Grabbon.com for an undisclosed amount. Snapdeal has been rated the #1 e-commerce site in India, in terms of traction by Dataquest/Sapient E-commerce Survey 2011.
- Snapdeal in tricity shoots out about 4 lakh promotional text messages and about 4-5 lakh emails, including news letters within a month. Headmasters, Tress Lounge, Manor, Lemon, J.W. Marriot, and Rajdhani are some of the top clients for Snapdeal in the tricity with the most repetitive orders [6].

Pros	Cons
Ecommerce Portal	Not for mid-large business
Cost of operation is very low	Ultra low margin business
Very easy to setup business operations	Unknown brands
Lot of upcoming Brands	Discount is available Marketing cost to generate traffic on website is high
Excellent Product range	Managing coupon logistics is difficult
User friendly website	Profitable business only if huge volume can be committed to merchants
	Paid modules
	It won't auto load after a point of time

Fig-1: Critical Analysis of Snapdeal

2.2 e-BAY Model

In this model of E-commerce player is to bring buyers and suppliers on single trading platform i.e. to create a mall or common market place.

- eBay has a history of constantly looking outside their US base, with 61% of global revenue coming from non-US countries. It

has a focus on all BRIC (Brazil, Russia, India, and China) countries, not just India as stated in many of their annual filings and official communication. They have a target of 25% of total active users and 12% of global sales revenue to come from BRIC countries by 2015

- eBay has been steadily increasing its shareholding in Snapdeal. Led a \$50 million Series C investment, followed by another \$134 million on its own. It was believed that Amazon was vying for a share of Snapdeal too.
- This made perfect sense – eBay was the global pioneer in marketplaces and Snapdeal’s origins aligned with this fact. Further, eBay. In floundered with 5 million users while Snapdeal had 20 million users. They have steadily increased their shareholding in the \$400 million Snapdeal to take it to the next level.
- Cash Reserves: \$9 billion, Annual Revenue: \$16 billion.
- EBay Russia generated \$400 million revenue in 2012 and is one of the fastest growing markets in Europe currently. The official line is that among the BRIC countries, Russia is the number one priority currently, while the groundwork is prepared in other countries[5]

Pros	Cons
Very Large market Place	Low Margins
Easy of management	Success of this model is dependent on external partners
Competitive Rates	High risk in terms of charge backs & Disputes by buyers
Less Capital intensive	Many Seller might sell products without

Fig-2:Critical Analysis of EBay model:

2.3 Flipkart Model

In this model, E-commerce player control end to end value chain i.e. right from procurement to delivery is controlled by service provider.

- Flipkart employs 4500+ people, 2 million sales unit and 4 million visitors/month.11.5 million titles, Flip kart is India’s the largest online book retailer. Registered user base of 4 million customers • Ships out as many as 45,000 items a day, clocking daily sales of approx Rs 2.5 cr. Flip kart is now investing in expanding its network of distribution centers, warehouses, procurement operations which is now in only 8 cities in country, so as to reach more & more Indian cities. The company is even setting up its own delivery network which is now in 37 cities, by which company can save up cost associated to the outsourced shipping & logistic function and is set to expand this even further by next year.[3]
- Study of the Consumer behavior In India there is hesitancy in using an online portal for purchase of goods because of various

reasons. The most prominent of which is that an online payment gateway is not user friendly. However, Flipkart.com's most outstanding feature is its COD or Cash on Delivery pricing strategy, which gives the user the experience of online shopping and the security of physical shopping. Also, Flipkart.com has a 30-day replacement guarantee and an original product warranty, which dispels all doubts from an online shopper's mind.

- Flipkart Success Factors the site is very easy to navigate, which helps users to easily search for the contents or products online, it even allows users to search by using various filters like by price range, search by brands, by age group, by hot-selling etc. If a certain product is not available or is out of stock it even ask users to input its details & then when the products is available the desired users are informed, this really helps one connected to the products they are seeking & leads to repeat & frequent purchases. The Flipkart site is fast & powerful, i.e. if you Search any products in the Flipkart search bar and you'll find exactly what you looking in likes no time & it's very quick to process the payments & transactions by a every efficient & flexible

Payment mechanisms of the portals. Approximately 60% of orders are placed in cash on delivery system. So there is high possibility scams & frauds, so users

have to have their email account linked & with verified details & receives a confirmation code message on their cell phones or email, after which the users confirms the unique code& the transaction is processed & usually get delivered in 2-3 business days on the confirmed mailing address. Flipkart manages to deliver the item in 2-3 business days. If the order placed is not delivered in the specified time, immediate enquiry goes to nearest supplier and the item becomes available. It will then be delivered within 24 hour depending on the cause of delay. Flipkart is continuously aiming to bring down the delivery time of regular orders, in doing so its investing in its own delivery system & network, As the time to delivery is one of the important aspects of selling products online as users want a fast turn around time, its An excellent marketing strategy by Flipkart marketing team to increase the sales revenues & to optimize the user shopping experience & increasing loyalty by repeat purchases. The portals offers a good pricing offers & deals to its users by the means of cash rewards, loyalty points, discounts, coupons, Frequent buyer rewards points. It even offers goods relatively cheaper pricing points than it is available in the physical market which in total helps users save money & at the same time get benefited by the means of rewards points [3].

Pros	Cons
Ecommerce Portal	You cannot feel the product nor see the product
It Provide Very Good service	When the website is slow it will takes long time to load
Delivery on time	No overnight delivery
Good product quality prod	Storage facility is low compared to other sites
Fair rate compared to market rate	The Transaction speed is slow
User Friendly Website	
It offers wider range of products	

Fig-3. Critical Analysis of Flipkart

Conclusion

The Research provides information about an overall analysis of a leading ecommerce platform in India and thereby examines their strategies with respect to E-business and marketing.

The Overall Brand Value of Flipkart is good, but it is facing some tough competition from its global competitors like EBay and Amazon. But according to this research paper analysis if talking about domestic market i.e. India, Flipkart is the most superior E-business portal which is aggressively expanding & planting its roots deep into the Indian

market & at the same time shifting the mindset of the people i.e. from going & shopping from physical store to online stores, which is magnificent.

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