

Case 3A

Type: Growth



Problem Statement:

Your client is Flipkart, and it is the year 2017-18, and they have asked you to develop their strategy for the next 3-5 years.

SCRIPT KEY	
Interviewee/Candidate	
Interviewer	

Your Client is Flipkart, and it is the year 2017-18, and they have asked you to develop their strategy for the next 3-5 years

What are the current features that are available with Flipkart?

Consider that it has a basic application where users can order the product and get it delivered

What is their primary goal for their strategy? Where are they currently operating?

They want to increase profitability and increase the customer base as well. Their current growth rate is 20%. They operate in Top 4 Indian cities only

There are two types of growth feasible: 1. Organic, 2. Inorganic. So do you want me to concentrate on any particular type?

Let's start with Inorganic Growth

As the company is at the beginning phase for inorganic growth, the better option would be to go into a partnership rather than a merger or set up alone. I would begin by evaluating the customer journey and the feasible option for inorganic growth at each point. Broadly the customer journey involves four significant buckets: 1.Searching for relevant products, 2.Checkout, 3. The transaction, 4.Delivery & Pickups.
For searching, the company can explore the option of vernacular startups, Voice-based search options, For checkout to increase the basket size, Flipkart can look at partnering with sub-products forex: insurance for laptop, etc., For Transactions, Flipkart can evaluate the option of Credit service startups which can help them underwriting the customers and give out the risk.

For Delivery & pickup services, the company can evaluate integrating with any of the logistics startups to strengthen and increase their reach.

Ok. Can you deep dive into the organic branch now?

For the organic structure, we can divide it into three major buckets, namely: 1. New Products, 2. Improving Existing Product Sales, 3. Geographic Expansion. For the New Products category, Flipkart can look at diversifying its business from the traditional eCommerce platforms. This can involve: 1.Customer Engagement Platforms like gaming & Live feed, 2. Video Platform. 3. Can diversify the range of the products available on the website.

Seems good. Let's move into the next bucket.

For improving the revenue from existing products, there are two ways: 1. Increase the frequency of buying, 2.Increase the basket size. For increasing the frequency of buying, Flipkart needs to concentrate on building a strong customer loyalty program and partnering with banks to increase the number of offers. To increase the bucket size, Flipkart needs to build a strong recommendation system to constantly nudge the users.

Good points. Let's discuss your final bucket.

For expanding into new geographies, Flipkart needs to first increase its reach in all Tier-1 cities in the next 1-2 years and then concentrate on reaching out to Tier-2 cities. For the Tier-1 customers, the primary requirement would be a hassle-free experience with minimal involvement, so Flipkart can explore reducing the customer clicks via Voice checkouts, offering more payment methods, and hassle-free experience in delivery

Thank You. We can close the case here.

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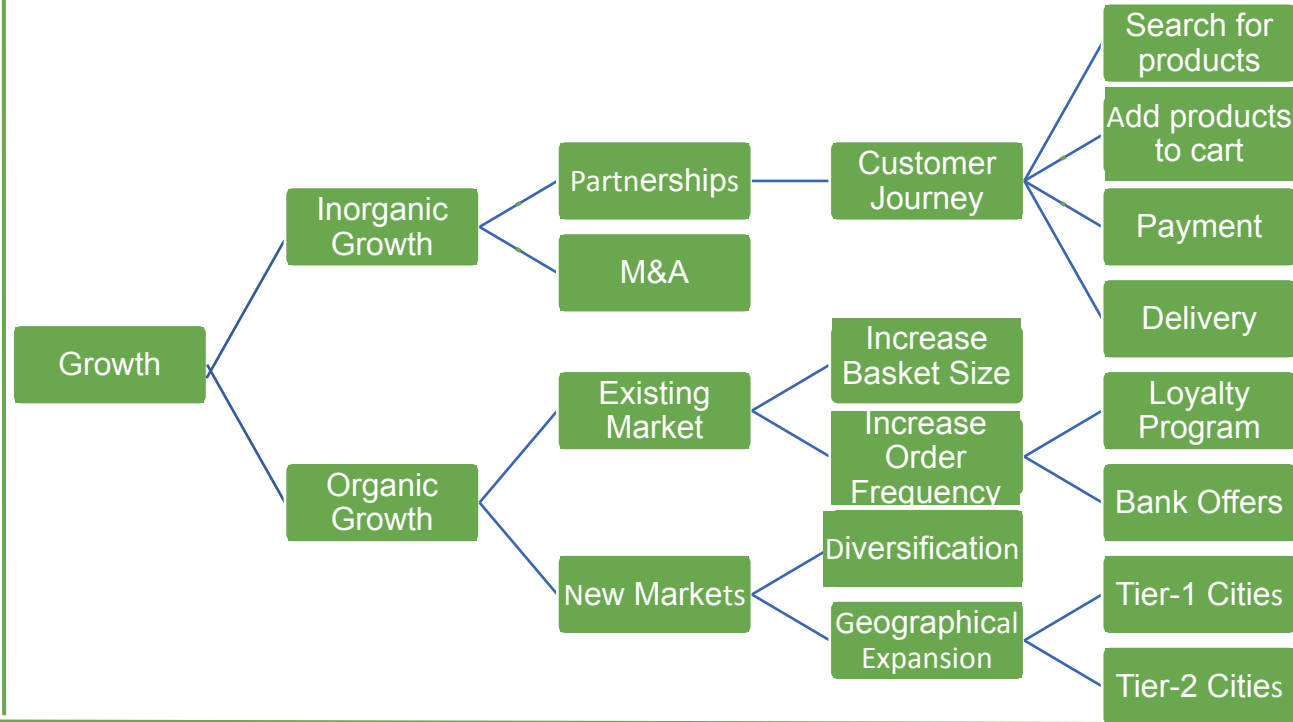
QUALITATIVE INFORMATION

Case background:

An Indian e-commerce company is looking to develop their strategy for the next 3-5 years.

Case facts:

- Basic app for users to order products and get them delivered at home.
- Operates in the top 4 Indian cities only.
- In the beginning phase of the organic growth.
- Current growth rate: 20%
- Goal: Want to increase profitability and customer base.



PROBLEMS

External issue: Needs to increase the profitability and customer base with the use of new strategies.

RECOMMENDATIONS

Since the company wants to expand its working, it can be done in 2 ways:

1. Expand current business.
2. Exploring new business.

RECOMMENDATIONS

Organic Growth	Inorganic Growth
<p>1. Existing Revenue Sources: They can be only achieved if the quantity of the products sold is increased. However, this won't work in Flipkart since there are many competitors.</p> <ul style="list-style-type: none">>Improve the app experience of customers of top 4 cities.>Personalized feedback after delivery to build rapport with customers.->Implement customer loyalty programs by giving discount codes to regular consumers.->Give some incentive to every new member shop from Flipkart in the form of cashback from Paytm etc.>Enhance the customer experience in metropolitan cities in terms of fast deliveries and payment options.> Use Simpl (buy now pay later) to reduce competition	<p>1. Ideally, Flipkart's potential can be maximised by the use of organic growth. Since the company is just beginning its inorganic growth idea, it is a safe bet to be in a partnership that will complement organic growth strategies.</p>
<p>2. New Revenue Sources: Flipkart should tie up with brands that are not available in India as well as items that are in trend. This will make Flipkart one of the top Indian brands to sell international products.</p>	<p>2. Mapping out the customer journey becomes extremely crucial. In the customer loyalty program as a part of organic growth, partnering with delivery agencies as well as banks will help out in reaching the desired results.</p>