

# Unconventional marketing strategies of E-Retailers in India

Deepika Jindoliya

**Abstract:** The past decade has seen emergence of many e-retailing companies in India. The phenomenal success of e-retailers like Amazon.in and Flipkart.com has redefined and restructured the scene of Indian retail market. On-line retailers are making their presence felt by capturing a big segment of market. The full potential of Indian retail market is still untapped so there is scope for new entrant. Every day new companies are entering in the field of e-retailing. In such stiff competition it is of great significance to adopt the apt marketing strategies in order to attract new customers and retain the existing ones. There is a requirement of some radical thinking in formulating marketing strategies and implementing them according to the conditions. Many e-retailing companies are now adopting unconventional marketing practices using all kind of marketing tools available. Adopting these marketing strategies can be lucrative but it is of utmost importance to study and analyse the effectiveness of such marketing tools. They should be customized according to requirements of e-retailers. As e-retailing is worth millions of dollar business, It is of great importance for the e-retailing companies to know the degree of impact their new marketing strategy or campaign would have on potential and existing customers and devise an optimal mix of marketing strategies accordingly. This paper delineates the status and prospects of electronic retail in India. It describes and analyzes various marketing strategies adopted by e-retailers. It emphasize on the importance of devising the optimal mix of marketing strategies in order to maximize the marketing efforts. It would help them in channelizing more money and effort towards the strategy which has maximum impact on consumer psyche.

**Key words:** E-retailer, Indian retail environment, Indian market, marketing tools, optimum mix, Social media marketing, unconventional marketing strategies

## Introduction

The previous few years have seen an unprecedented growth in the number of online business players. *The past decade can be called an era of emergence of many e-retailing companies. These companies are posing challenge not only to each other but also to regular brick and mortar business firms.* New e-retailers are entering in market every day.

*This ever increasing competition has called for adoption of new marketing strategies, new media and "out of box thinking" to influence the customer to visit the site and make purchases.*

It is of utmost importance for the companies to determine the degree of impact these

unconventional marketing practices have on decision making process of consumers.

E-retailing is a subset of e-commerce, which encapsulates all "commerce" conducted via the Internet. It refers to that part of e-commerce which entails the sale of product merchandise and does not include sale of services viz. railway tickets, airlines tickets, job portals, etc.

India had an internet user base of about 354 million as of June 2015 and is expected to cross 500 million in 2016. Despite being the second-largest user-base in world, only behind China (650 million, 48% of population), the penetration of e-commerce is low compared to markets like the United States (266 million, 84%), or France (54 M, 81%), but is growing at an unprecedented rate, adding around 6 million new entrants every month. The industry consensus is that growth is at an inflection point.

According to a study conducted by the Internet and Mobile Association of India, the e-

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commerce sector is estimated to reach Rs. 211,005 crore by December 2016. India's *retail market* is estimated at \$470 billion in 2011 and is expected to grow to \$675 Billion by 2016 and \$850 billion by 2020. India has got its own version of Cyber Monday known as Great Online Shopping Festival which started in December 2012.

In India, e-tailing has the potential to grow more than hundredfold to reach a value of USD 76 billion by 2021. *The country's growing Internet-habituated consumer base, which will comprise about 180 million broadband users by 2020, along with a burgeoning class of mobile Internet users, will drive the e-tailing story.*

Key drivers in Indian e-commerce are:

- Large percentage of population subscribed to broadband Internet, burgeoning 3G internet users, and a recent introduction of 4G across the country.
- Explosive growth of Smartphone users, soon to be world's second largest smart phone user-base.
- Rising standards of living.
- Availability of much wider product range (including long tail and Direct Imports) compared to what is available at brick and mortar retailers.
- Competitive prices compared to brick and mortar retail driven by disintermediation and reduced inventory and real estate costs.
- Increased usage of online classified sites, with more consumer buying and selling second-hand goods
- Evolution of Million-Dollar startups like Jabong.com, Saavn, Makemytrip, Bookmy show, Zomato, Voonik etc.

The proposed paper strives to understand the effect of various marketing strategies of e-retailers with a special focus on use of social media as a marketing tool. As e retailing is worth millions of dollars it is of utmost importance for the companies to know the impact of their new

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marketing campaign would have on potential customers. It would help them in channelizing more money and effort towards the strategy which has maximum impact on customers.

As per a survey by BUSINESS STANDARD the top E-retailers of 2014 is Amazon.in followed by Flipkart. Amazon.in beat indigenous e-retailer Flipkart to become the best e-commerce website in India this year, according to People's Choice Survey conducted by cash back and coupons. Snapdeal ranked third in the list, followed by Myntra, Jabong and Shopclues, according to the survey that covered 2000 online shoppers

The People's Choice Survey is an annual report by CashKaro.com, which identifies key trends in online shopping in India. The pan-India survey got responses from metros as well as Tier-I, -II and III cities. As many as 65 per cent respondents in the survey were male, in the age group of 18 to 30 years.

According to Swati Bhargava, co-founder of CashKaro.com, the industry was abuzz with fresh funding of close to \$3.9 billion among top-e-retailers this year. The Flipkart-Myntra merger and mega sale days like GOSF, Flipkart's Big Billion Day being the main catalysts in attracting the customers. Amazon.in wore the crown of the most popular website. Cash back and deals were the favored factor to shop online among consumers.

Among the slew of discounts that were offered across e-commerce websites, Google's three-day Great Online Shopping Festival emerged as the winner in terms of deals and offers with 42 per cent of the respondents voting for it.

Despite the technical glitches and the wrath it attracted from consumers over social media, Flipkart's much-talked-about Big Billion Day (a daylong event) was a close second with 40 per cent respondents voting for it.

Online shoppers favoured one website over another on the basis of the category that they were

looking to make purchases in. While Flipkart emerged as the best platform to buy mobile phones and accessories, Amazon.in was the favourite for buying laptops and electronics. For fashion and accessories, buyers took to Myntra and Jabong, the survey showed. In the baby care segment, Firstcry was the choice of a majority of buyers, and for home decor it was FabFurnish.

According to Google India, there were 35 million online shoppers in India in 2014 Q1 and is expected to cross 100 million mark by end of year 2016. Electronics and Apparel are the biggest categories in terms of sales

By 2020, India is expected to generate \$100 billion online retail revenue out of which \$35 billion will

be through fashion e-commerce. Online apparel sales are set to grow four times in coming years.

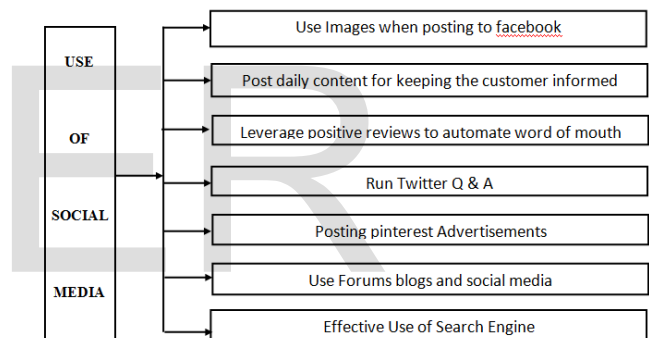
According to various surveys and previous performance the top players in e-retail market are:

- Amazon.in
- Flipkart.com
- E-bay.com
- Snapdeal.com
- Myntra.com
- Fashion&you.com
- Homeshop18.com
- Jabong.com
- Firstcry.com

The increasing competition and challenges of changing business scenario have prompted the e-retailers to adopt some radical marketing practices in order to attract the customers. As there are several players in the field consumer has many options so it is of great significance to make him visit the website. The unconventional marketing practices followed by e-retailing companies in past few years are mentioned in image-I.



The most effective tool which is being used extensively by all e-retailing companies is social media. As social media has become a part of everyday life and it is connecting millions of people across the world it becomes the most powerful tool for marketing. The correct use of Social media can result in attracting numerous new customers. The most popularly used social media is Facebook which provides an opportunity to connect with a big list of people at one go. Different tools of social media marketing are illustrated in image II.



**Suggestions for devising an Optimal Mix of marketing strategies:**

- It is most important to study and analyse demographic and psychographic profile of target customers
- Identify a pool of marketing strategies to be used by e-retailers.
- Conduct a proper market survey to assess the impact of different marketing strategies on target customers.
- Analyse the marketing practices of competitors
- Selecting best suitable marketing strategy out of mix.

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- Use of best social media tools like Hootsuite, tweetdeck, buffer etc.

### Conclusion:

E-retailing has seen an unprecedented growth in last few years and there is still a vast scope for expansion. The exponential growth in internet savvy population in India is contributing to this scope. This paper discussed the current status of e-retailing in India. If the e-retailing companies strive to drive massive growth to their web based business then a unique blend of innovative and unconventional marketing strategies can be a key to success. The paper attempted to identify the determining factors to deduce this optimal blend.

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