

Innovative Marketing Strategies for Select E-Commerce Companies in India - A Review

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Amit Kumar Bhanja*, P. C. Tripathy**

Abstract

Innovation is the key to opportunities and growth in today's competitive and dynamic business environment. It not only nurtures but also provides companies with unique dimensions for constant reinvention of the existing way of performance which enables and facilitates them to reach out to their prospective customers more effectively. It has been estimated by Morgan Stanley that India would have 480 million shoppers buying products online by the year 2026, a drastic increase from 60 million online shoppers in the year 2016. E-commerce companies are aggressively implementing innovative methods of marketing their product offerings using tools like digital marketing, internet of things (IoT) and artificial intelligence to name a few. This paper focuses on outlining the innovative ways of marketing that the E-Commerce sector implements in orders to increase their customer base and aims at determining the future scope of this area. A conceptual comparative study of Amazon and Flipkart helps to determine which marketing strategies are more appealing and beneficial for both the customers and companies point of view.

Keywords : *Innovation, E-commerce, Digital Marketing, Internet of Things (IoT), Artificial Intelligence, Amazon and Flipkart.*

Introduction

Innovation is the change maker in the process of metamorphosing the organization into a profitable one (Khan and Mohapatra, 2009). Through the penetration of internet and the dependency on technology and research and development increasing drastically in today's business world; it is customary that companies change their strategies and condition them with the pulse of the business. Data which is the backbone of the marketing through internet framework to enable organizations to use this platform for electronic advertising demand for product assessment and providing other customer benefits to the customer. It enables companies to reduce price and pass on

the benefits to the customers by empowering them with more product choices and reducing the operations cost drastically and directing requests and interfacing with a wide set of people who are associated in the process of distribution (Rajiv Rastogi). It is furthermore opined that the area of internet marketing is an indispensable segment which companies chance to invest in order to ensure that they tap into the segment to reap rich benefits (Rowley 2001). It is observed that the field of internet development has huge potential and its impact is deep enough not only for organization but also on clients as it decreases the overall cost and bridges up the geographical barriers that exists and confines buyers and sellers traditionally.

*Assistant Professor, Department of Management, School of Management Sciences, Varanasi, Uttar Pradesh, Email: amitkumarbhanja@smsvaranasi.com

**Associate Professor, Department of Business Administration, Sambalpur University, Sambalpur, Odisha, Email: pc_tripathy@hotmail.com

Literature Review:

Internet Marketing

Melody and Robert (2001) opined that through Internet companies can get data about clients, their behavioral patterns which enable them to trace and track for clearer visibility, correspondence and accessibility 24 hours per day, 7 days seven days [Lane, 1996]. Through online advertising better decisions and adaptability can be achieved [Lamoureux, 1997] and, in the meanwhile, dispense with tremendous inventories, stockpiling costs, utilities, space rental, and so forth., [Avery, 1997]. There is a general trend that people have a tendency to link Internet showcasing by facilitating the fact that organizations taking an interest in web based advertising typically abbreviated the store network [Edwards, et al., 1998] and diminished commission and working expenses. The capacity to fill in as both an exchange medium and a physical circulation medium for specific products is a one of a kind element of Internet showcasing. Such focal points can be best acknowledged by organizations that give computerized items/administrations, for example, programming, music, news, counseling administrations, internet ticketing and reservations, telemedicine, protection, saving money, stock financier, impose, and other monetary administration businesses. Utilizing the Internet as the circulation channel can decrease the conveyance cost considerably, as well as guarantees moment conveyance of items/administrations. According to (Harring. P 2009) it was noteworthy to see that SMEs (Small and medium Sized Enterprises) are adopting simple ways of eCRM to improve customer communication and improve management capabilities thereby creating a competitive advantage for themselves.

The Advantages of Internet Marketing

In addition, Ruckman (2012) proposed that

Internet inquire about turns into an inexorably critical apparatus amid the acquiring procedure; more advertisers are seeing the favorable circumstances as well. It's a win-win circumstance. The internet facilitates more connectivity and helps buyers and sellers communicate in a more effective and efficient manner enabling service/information providers to explore information. The World Wide Web stands apart in having differentiated characteristics that demarcates it in many ways from conventional communication environments. (Hoffman & Novak, 2006) stated that this platform is completely different from conventional media, and so the marketing activities are changing as they cannot be implemented in the current form.

- The Internet can be used as a promotional tool which will aid in value creation of a product.
- Information technology is beneficial as it helps in facilitating greater reach and penetration in the existing and potential market place and promotes better and interactive communication, thereby, eliminating time and place as a barrier.
- Cost-benefit Ratios is highly efficient in comparison to other channels.
- It is a platform that facilitates price negotiations and applies dynamic pricing to provide more value enrichment to the customers.
- It enables the customers to match their specifications and customize their needs to the highest degree of satisfaction
- It helps in creating awareness about the digital content which is the key to convincing customers to acquire the product offerings.
- This medium because of its versatile attribute enables and facilitates users to provide valuable feedback which serves as a beacon of light for the retailer to continuously improve and keep a tab on the expectations and the actual performance, so as to provide the customer with a more holistic approach of providing complete value for money.
- It is extremely dynamic, cost-effective, fast,

greater in reach and interactive as a medium.

The Demerits of Internet Marketing

There is certain limitation which exists in Internet Marketing. Firstly, unlike traditional marketing there is absolutely no face to face communication between the buyer and the seller. So it's extremely challenging to observe the cues and clues and mind map the priorities of the customers and synchronize marketing activities in a more oriented manner. It's a challenge to convince and build relationship in marketing of product and service using this medium. However, technology can come to the rescue by providing human based touch and feel interface via the online medium. Secondly, via internet marketing a prospective customer cannot touch, smell or taste or even try on a new product to actually feel the product. However, a study revealed that internet marketing can be used to kindle interest in a consumer so that they visit a store to try on a product or enquire more about the product or service which excites them [Martin et al (2003)]. There are other limiting factors like dependency on technology, issues relating to the security and privacy of the data been provided by customer, high cost of up gradation due to changing dynamics of the business environment, pressure on reducing the price and the impact of globalization on current business scenario.

Digital Marketing Optimization:

Digital Marketing Optimization refers to the systematic channelization of all the online marketing activities and analytical techniques through a more strategic and an intense method thereby enabling effective and efficient allocation of funds in order to retain and acquire existing and potential customers. Effort should also lie in providing the customers with more value addition in comparison to the existing competitors. It can be implemented in the following ways:

- Organizations need to track how the consumers are interacting on the online.
- Organizations need to focus primarily on the acquiring the customer's interest, ensure that they customize and interact in order to find out more about the customers' needs and then kindle the desire in them by providing a value for money deal.
- Data is the key to success in the online world. By keeping and tracking the buying pattern the companies enable them to serve their customers in a very personalized and customized way.
- Ensuring that the companies websites works diligently on displaying the correct content information they can help navigate the customer's psyche positively towards acquiring the product.
- Shifting towards using automation in advertising and promotion of the product offerings is possible using this medium.
- Companies need to work on personalization and customization while reaching out to the customers in order to ensure that their efforts are more accepted and the customer responds

Artificial Intelligence (AI):

Artificial Intelligence (AI), some of the time called machine knowledge, is insight shown by machines, as opposed to the characteristic insight shown by people and different creatures. In software engineering, AI inquire about is characterized as the investigation of "astute operators": any gadget that sees its condition and takes activities that amplify its risk of effectively accomplishing its objectives. It is noteworthy to observe that the term "artificial", means something that is imbibed by humans. What is more interesting to see that these artificially emancipated elements not only serve the profound purpose but also gives the customer a more personalized wholesome experiences which make them feel more involved. Man-made intelligence enables feasibility for internet based

business of retail in which a huge amount of cooperation is required to pass on the benefits to the clients – something that every organization aspires to provide its valued customers. Data plays a detrimental role in providing deals in group. Through the use of Artificial Intelligence target customers can be identified. They can customize the business spin through AI-driven deals in groups, that enabling organizations redefine marketing strategies by proving the customised advertising to convince prospective customers successfully.

However, there are counter arguments on the repercussions of the use of AI by some organizations because of their nature of difficulty of work that they are associated with. As a marketing guru, Seth Godin opined that: "Computerized reasoning completes a vocation we weren't really wild about doing at any rate, it does it discreetly, and well, and after that we underestimate it". Artificial intelligence is an area that is ever growing and evolving and is surely going to become a field which proves to be indispensable in further times to come. Discovering new and unique ways in which the customers can be served with customization and thereby provide more value is the key differentiator in the future. It will completely metamorphose the dynamics of search based buying and discovering of new product offering in the online market. Simulated intelligence is the buzz word and that day is not far when AI will be as basic as internet is today for any business establishment to have a more interactive, user friendly and vibrant platform to connect, serve and enthrall its existing and potential customer with differentiated services and new product offerings.

Big Data

The term big data has been used extensively to refer to the mix of structured and unstructured data

which marketers have at their disposal to understand customer preferences, actions and behavioural patterns, and helps them target customers and convert them more effectively. Big data as a concept is generally believed to include the volume, variety, velocity and veracity also popularly known as the four Vs. The key areas where Big Data impacts and enhances marketing effectiveness includes the following:

- **Persona Development:** Big Data can be most useful to generate more accurate buyer personas as it can help track customers across their buying path.
- **Web Retargeting:** With the help of extended data available on each unique customer, marketers can retarget them based on their web visits and cookie data.
- **Measuring Customer Engagement:** This involves understanding engagement and disengagement patterns for new and loyal customers to target products/services accordingly.
- **Identifying Conversion Possibilities:** Through deployment of multiple parameters, marketers can judge conversion possibilities with much more accuracy than before.
- **Paid Campaign Analysis:** Big Data can help analyse whether specific paid campaigns would be worthwhile to invest along with their expected outcomes (through historical analysis).

Influencer Marketing

While putting a promotion on television has a surprisingly high expense associated with it, like wisely, to rope an influencer who has a great impact on masses has a bearable expense in comparison to the advantages that they offer. An influencer is person who has a huge impact and following in social media because of his unique selling proposition as a celebrity or an idol or icon. An

influencer who has two million followers on Instagram; an organization ropes him for his face value and so that he associates positively to his followers.

A regularly expanding number of people are using the Internet and even more fundamentally talking similarly as advancing, a consistently expanding number of people are using on the web stages to make purchases. This extension in the amount of online purchasers drives a couple of associations to put more resources, by and large, advancing on the Internet and explicitly on casual associations, for instance, Facebook, Twitter or those starting at now named Instagram and YouTube among others. Additionally, displaying through casual networks mulls over a snappy purchase process, as a client can see the thing and regularly be related with an online retailer speedily. This sets aside a few minutes between watching the offering and being affected to gain the item, which is increasingly reasonable for unconstrained purchases.

A couple of promoters use influencer displaying to develop trust in the market, others to make social discourses around their picture, others yet to drive on the web or in-store offers of their item contributions. The influencer promoter can in like manner take to advancing separated things and organizations using, using upon the authenticity earned after some time. Along these lines, the regard that influencer displaying makes can be evaluated in various ways. A couple of publicists measure Earned Media Value (EMV), others track impressions, and others track Cost Per Action (CPA). Influencer advancing gets its motivator from 3 sources:

1. Social accomplish: Influencers can accomplish countless through their social channels and online diaries.
2. Unique substance: Influencers convey one of a kind, and by and large convincing, advancing

substance for the brand.

3. Shopper trust: Influencers keep up strong relationship with their social occasion of individuals, who have an explicit dimension of trust in the influencer's decisions.

Internet of Things (IoT)

A study on IOT (IOT-GSI) by GSI (Global Standards Initiative) define connectivity between physical and virtual things for enabling advanced services by global infrastructure for information on society through linking and enabling interoperable information and communication technologies. On the marketing side, Marketo defines IoT as “the interconnectivity of our digital devices that provide endless opportunities for brands to listen and respond to the needs of their customers-with the right message, at the right time, on the right device.”

Today marketers are only able to access and act upon data obtained from consumer interactions with digital media and marketing technologies. As amount of data available from connected devices, consumer wearables, and public-private digital platforms increases, marketers will be able to enrich present online-offline data sets with real-time interaction data and influence consumers in a highly targeted fashion. Another area that the marketers will be able to interact with the consumer using the digital device as an extension of its branding. With the help of the IoT ecosystem, marketers in the near future would be able to exactly understand and predict the real buying points of consumers, thus utilizing specific digital devices to sell closest to the consumer-buying moment.

Objectives of the Study

- To study different innovative marketing strategies adopted by select e-commerce

companies in India.

- To study the best practices that select e-commerce companies adopted in order to serve their customers in a more effective way.
- To suggest and propose improvements over existing Digital Marketing models in order to maximize the optimization of results.

Research Methodology

This research paper is based on the review of selected literature in the same context. Emphasis is laid on literature that was based on industrial data. Since most of the scholarly articles utilized a survey based approach it will be apt to refer to their conclusions and in some cases challenging some observations enabled to throw new light in the area of study. A detailed study of the literature along with discussions with academicians led to the identification of various elements of study in the research. In this paper, descriptive research has been used to summarize the findings of the study.

Discussion

A case study research method is applied to highlight the best practices and the challenges that are being currently faced by E-commerce companies in India. It, in turn, proved us with a deeper introspective view of the actual scenario that is existing in this dynamic and ever-changing market place.

Flipkart and Amazon India: The Change Makers.

Flipkart, the poster boy of digital entrepreneurship and flagbearer of e-commerce in India, has had some multiple firsts to its credit which has given it a distinctive advantage as well as good positioning in India's rapidly evolving digital marketing landscape. With the expected valuation on Indian e-commerce industry estimated to be \$100 billion

by 2020 (at currently \$17 billion), Flipkart has undoubtedly shown stellar growth from being an exclusive online bookselling portal to garnering a valuation of \$15 billion (figures as per May 2015 last fund raising round). According to Forbes.com, the e-commerce platform lists 30 million products, ships eight million packages a month, and has 45 million registered users (as declared on 18 May 2015). Flipkart delivers in over 1,000 Indian cities and towns.

The key to their success is widely attributed to the unique marketing initiatives that had introduced early-on, including cash on delivery (CoD), on-time deliveries, mobile-first initiatives, strategic acquisitions, in-house product launches to name a few. It has been famous for the unique advertising campaigns which dressed kids grown-ups enacting key featuring the brand and what it stood for. Exclusive branding through tie-ups with companies like Motorola (for the launch of their Moto-G series) was also one of the digital marketing firsts. The impact of such initiative can be judged from the fact that the entire stock of XioamiMi 3 took just five seconds to sell when booking was opened for the second time for 20,000 phones. On the acquisition side, Flipkart started its string of digital acquisition in 2010 obtaining companies like WeRead (social book discovery tool), mime 360 (digital content platform firm), Chakpak.com (bollywood news site), LetsBuy.com (electronic e-tailer), Myntra.com (a US\$319 million deal of a competitor portal), Adiquty (global mobile network), and Appiterate (mobile marketing start-up). The company is also investing in four firms, including maps provider MapmyIndia, as it seeks to improve its supply chain efficiencies, an area where it plans to invest over \$2.5 billion in the coming years.

With a lot going their way across their digital journey, there have also been incidents which have marred the brand's reputation and posed execution-related challenges to Flipkart. The most

important among them was the handling of their “Big Billion Day” online sale on 6 October 2014, which exposed certain flaws like non availability of products, out-of-stock listings, backend (technical) issues, post-booking cancellations, leading to customer dissatisfaction and apologies from the firm to all. A different kind of challenge included Flipkart was criticized on the subject of net neutrality after they announced a partnership with Airtel to use Airtel Zero platform. On 14 April 2015, Flipkart had to move back on its decision on using Airtel Zero platform. On the product side, Flipkart faced some setbacks like the launch of Flyte Digital Music Store, a legal paid-music download service, which did not get popular and had to be shut down on 17 June 2013.

On the other hand, one global company which had the guts and vision to take on both global and local players in digital domination was Amazon. It began its operation in India with Junglee.com in February 2012, and through a better understanding of the Indian consumer with markets, launched its own marketplace in June 2013. With just two categories to begin with, within less than three years, it has become the biggest online store in India with more than 25 million products on sale. With eMarketer (leading global market research firm) predicting India's e-commerce market to grow to \$ 18 billion (Rs. 1.12 lakh crore) by 2018, a prominent research by RBS (Royal Bank of Scotland) anticipates that the e-commerce giant could be selling product worth \$118 billion (Rs. 11,243 crores) to \$ 4.4 billion (Rs.27,483 crores) in India during that period.

This transition for Amazon to the local player has not been an easy one. It had to completely remodel its business to match Indian tastes and create custom innovations in line with the customer's DNA and needs. Amazon set up its own logistics company to directly deliver goods to its customers while partnering with Indian Post to deliver goods and serve rural customers with the support of one of

the world's largest postal network. To manage cost and organize the most efficient deliveries, it has come up with a much smaller warehouse than those in its developed markets in the US and Europe. Furthermore, it developed and initiated multiple initiatives to develop robust marketplace model in order to support its supplier ecosystem like Seller University, Amazon Trained E-commerce Specialists (ATES), Seller Flex, Easy Ship, etc. The most successful and innovative of them have been the Seller Flex program which allows sellers to utilize Amazon's advanced fulfillment technology deployed at the seller's premise. The Amazon India team went a step ahead in ensuring that the sellers learn to handle peaks and troughs and manage customer orders more efficiently by teaching them through special videos and webinars both in English and Hindi. In fact, they have a repository of around 400 videos in five languages. In 2015, to service demand during a festive time like Diwali, Amazon also launched 10 centers of its own and invested in machine learning to detect fake sellers and weed them out. Amazon's Seller App has also been an innovative way to enable sellers to manage their inventory better. The app consists of a seller coach who provides specific information regarding the products' stock and guides the seller on their pricing strategy.

Although Amazon is taking multiple strides to emerge as the winner amongst tight competition (from Flipkart, Snapdeal, and a host of other smaller category-leading vendors), it still needs to work on a few critical areas to establish a leading presence. The company losses rose to \$51.44 million (Rs. 322 Crore) during the fiscal year ending 2014, up from \$3.93 million from a year earlier. It lost around Rs.2 for every rupee earned (as per analysis from VC Circle). This calls for concentrated efforts to manage costs and plan for profits this promotion-led competitive environment. Also, since the launch in India, it has been aggressively trying to improve its position as for almost one year it has been trailing behind other

sellers on its platform.

Conclusion

The biggest impact which internet had on marketing can be clearly attributed to the rise of search technologies which focused at organizing the internet and providing a coherent structure for easy access to information on specific keywords. More evidently, this could be observed from the success of e-commerce companies in India. The future is for more interactive platforms, better and clearer content information displays, customization of products and promotion using the digital medium and a greater reach that only this medium provides to the marketer instantaneously. E-commerce companies aggressively need to work on strategies which would make them unique in their approach and provide better value to customer in all aspects.

Monsuwe et al (in 2004) had concluded that because internet was a new way of shopping, initially it was looked at as being risky by consumers. This was primarily because of the absence of a salesperson who was their major source of trust, as well as because of the worry of payments going through and goods (once paid for) reaching the consumer in delayed time. But the companies like Amazon (globally) and Flipkart (In India) changed this perception to their advantage trying to assure customers that online could also stand for trust. This was possible through relentless pursuit of perfection across all areas of consumer purchase lifecycle, from secure buying to warehousing, to final delivery, replicating this experience over and over. Flipkart even went to the extent of providing “Cash on Delivery” feature to show how the medium can be trusted in nations which had never trusted online buying. Initiatives like these have led to trust becoming one of the key attributes of online buying.

Limitation of the Study

Due to time constraints, it was not possible to pursue primary data. There are a number of research gaps which can be addressed through statistical inferences. There is a lot of literature review which still needs to be done. The research was carried out through only secondary data which leave a lot of scope for augmenting our research observations if carried out through primary information. Hence suggestions by eminent authors, as already mentioned in the review that follows, continues to be majorly academic in nature.

Scope for Further Research

Gradually but predominantly the brick and mortar model is being replaced by the click and brick model. This area is ever-changing and ever-evolving because of the changing dynamics and facets of the competitive business world. This provides enormous scope to explore and experiment how organization can become better in their strategies to reach out and convince existing and potential customers to delight them with more value added offerings at a competitive price. Customization is another area that can be worked upon and improvised in order to acquire better market share and create sync between technology and people. Furthermore, to explore the impact of IoT (Internet of Things) and to study how the internet is revolutionizing the marketing place is an area in which an extremely rich and vivid study can be done by future researchers. The humane aspect which the digital platform is slowly and gradually trying to encapsulate in its working models is a potentially noteworthy area of study.

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