Leagile Supply Chain in E-Commerce: Case Study of Flipkart.com

Dissertation

Submitted in the partial Fulfillment of
MBA (Logistics & Supply Chain Management) Degree

Under the Guidance of:

PROF. BALARAM SWAMY J.

Submitted by: -

KOMPAL JAIN

Roll No.: - R600213059

SAP ID: - 500026418

MBA (Logistics & Supply Chain Management)

(2013 – 2015)

UPES

THE NATION BUILDERS UNIVERSITY

College of Management and Economic Studies

University of Petroleum and Energy Studies,

Dehradun, Uttarakhand, India

April, 2015

DECLARATION

This is to certify that the dissertation report titled **"Leagile Supply Chain in E-Commerce: Case Study of Flipkart.com"** submitted to the University of Petroleum & Energy Studies, Dehradun, Uttrakhand, by **Ms. Kompal Jain,** in partial fulfillment of MBA (Logistics & Supply Chain Management) course, is bonafide work carried out by her under my guidance and supervision. To the best of my knowledge this particular work has not been submitted anywhere else for any other Degree. She has made an earnest and dedicated effort to accomplish this dissertation work.

I wish her all the best for her future endeavors.

PROF. BALARAM SWAMY J.

College of Management & Economic Studies

UPES, Dehradun

Uttrakhand.

ACKNOWLEDGMENT

We think if any of us honestly reflects on who we are, how we got here, what we think we might do well, and so forth, we discover a debt to others that spans written history. The work of some unknown person makes our lives easier every day. We believe it's appropriate to acknowledge all of these unknown persons; however it is also necessary to acknowledge those people, we know who have directly shaped our lives and our work.

I would like to take this opportunity to express my sincerest appreciation to **Prof. Balaram Swamy J.,** my mentor for guiding me in constructing and completing this report. It was really a wonderful opportunity to work with him. His guidance through the discussions and suggestions activated my thought processes and generated a great deal of interest in dissertation.

I have no words to express a deep sense of gratitude to **University Of Petroleum And Energy Studies** for giving me an opportunity to pursue my dissertation.

I also convey special thanks to "**Dr. Neeraj Anand** – Head of Department (MBA-Logistics and Supply Chain Management)" for his extended support throughout the project.

I would also like to thank **Mr. Aman Dua**, course coordinator and faculty & staff for helping me prepare for a life after masters.

Last but not of least importance, I take this opportunity to thank my **parents and friends** who have been with me and offered emotional and moral support.

Kompal Jain

MBA (Logistics & Supply Chain Management)

University of Petroleum & Energy Studies

College of Economics & Management Studies

ABSTRACT

Internet is one component which has recently become the key factor of quick and rapid lifestyle. Be it for communication or explorations, connecting with people or for official purposes, 'internet' has become the central-hub for all. Internet growth has led to a host of new developments, such as decreased margins for companies as consumers turn more and more to the internet to buy goods and demand the best prices.

As the dot com technology has taken the entire globe, internet has also provides the huge platform for many to achieve their innovative dreams. To start a web based business all is to need a brilliant and unique idea, personal computer and minimum investment.

There are many internet based companies that have been stated and also been huge hit. People also prefer to shop and use products of these e-commerce companies as they are easily accessible over the net and also provide door to door delivery services. These are also provide the many facilities like cash on delivery, free shipping, and also return policies if customer is not happy with the product.

Information Technology [IT] has transformed the way people work. By participating various online information management tools using Internet, various innovative companies have set up systems for taking customer orders, facilitate making of payments, customer service, collection of marketing data, and online feedback respectively. These activities have collectively known as e-commerce or Internet commerce. India has an Internet user base of about 250.2 Million as of June 2014. The perception of e-commerce is low compared to markets like the United States. India's e-commerce market was worth about $3.8 Billion in 2009, it went up to $12.6 Billion in the year 2013. Flipkart & Amazon are the two big players of e-commerce in India. An attempt has been made to critically examine various corporate and business level strategies of two big e-tailers that are Flipkart and Amazon.

TABLE OF CONTANTS

FIGURES

ABBREVIATIONS

DH - Delivery Hub

FC - Fulfilment Centre

FDI - Foreign Direct Investment

FE - Field Executive

GOI - Government of India

JV - Joint Venture

MH - Mother Hub

MP - Market Place

NDD - Next Day Delivery

RVP - Reverse Pickup

SDD - Same Day Deliver

INTRODUCTION

India is a growing country. And internet users are increasing day by day. It reaches about 243.2 million. It is 3rd largest user base in world. India's e-commerce market was about $3.8 billion in 2009; it went up to $12.6 billion in 2013. In 2013, the e-retail segment was worth US$2.3 billion. About 70% of India's e-commerce market is travel related. There are around 35 million online shoppers. And it is expected to cross 100 million marks by the 2016.

Electronics and Apparel are the biggest categories in this market.

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.

Retail-

Retail is the sale of goods and services from individuals or business to the end users[1]. Retailers are the main connecting part of supply chain. As retailers purchases products in larger quantity from the manufacturers directly and sell that product to the customer by doing break bulking by adding the profit into it. Retailing is done through many ways like-

1. Fixed shops
2. Marketing (door-to door)
3. Delivery

The term 'retailer' itself contains the meaning of service provider by taking the help of individuals at the large number. That shops may be anywhere like in street, pedestrian, shopping mall etc.

Now days are change, 21st century retail is doing through online websites, electronic payment, and delivery through courier and other services. These online retailing comes under the e-commerce.

---

[1] Retail wikipedia

Retail Industry

The retail industry is divided into two parts-

a. Organized Retailing
b. Unorganized Retailing

a. Organized Retailing- The activities which are working under the licensed retailer, they are paying the income tax, sales tax, and also owned by the private players also even in the large retail business like- corporate backed hyper-market etc. The supply chain is manged by the professionals.

b. Unorganized Retailing- The retail the shops that are working as low cost retailing and without any standard formatting for paying taxes. These all are include- Kirana shops, conventional shops etc. The supply chain is managed by the local people because they reach the common men very easily.
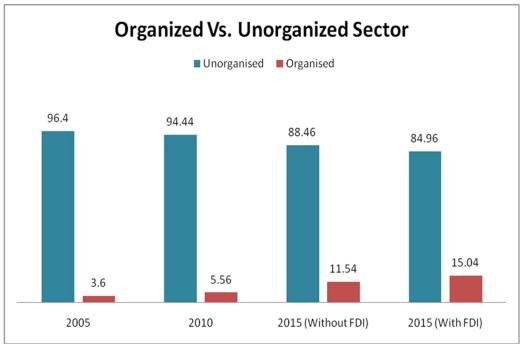

Organized Vs. Unorganized Sector

■ Unorganised   ■ Organised

	2005	2010	2015 (Without FDI)	2015 (With FDI)
Unorganised	96.4	94.44	88.46	84.96
Organised	3.6	5.56	11.54	15.04

Fig-1. Retail industry in India

Knee Jerk approach is used by GOI in the FDI. There had been a low growth in the organization level.
This has since 2015. The foreign investors are at present tasty the Indian market, because of its diverse culture and social variations in a connived by itself, for most of the organised retail.

Indian Scenario

Retail industry contributes between the 14-15% to 20% of India's GDP.[2] The retail market contributes the $450 billion and become the come in the top five retail market in world. Indian retail sector is one of the fastest growing markets in the world. The $1.3 trillion estimation is done by the 2020.

In today's time the organized retailing have the more scope. Even some of the unorganized retailing has converted them into organized retailing. But then also 97% of businesses are run by unorganized retailer.

In 2012 the government permitted 51% FDI for the multi-brand retails and 100% FDI for single brand retail.

There were many more J.V.s in organised retails have been as followed-

1. Kinetic-Honda
2. Ford – Mahindra
3. L&T –John Deer
4. Bharti & Walmart

But now joint ventures are not much working but then also there are many companies having join ventures-

1. Tesco-Tata
2. Siemens AG and Nokia Corp
3. Cadbury Schweppes PLC Carlyle Group
4. Microsoft and GE
5. The Hisun-Pfizer
6. The Dow Corning
7. Sony-Ericsson
8. Chery Jaguar Land Rover Automotive Company

---

[2] Retail wikipedia

Types of Retail Outlet[3]

There are many types of outlet. But in India there are mainly **nine** types-

i. Departmental Stores
ii. Discount Stores
iii. Supermarket
iv. Warehouse Store
v. Mom and Pop Store/ Kirana Store
vi. Specialty Store
vii. Mall
viii. E-Trailers
ix. Dollar Store

i. Departmental Store-

The store that offers wide range of products to the end- users under the one roof. In this the customers get almost all products and thus fulfil all their shopping needs. These are like- electronic appliances, apparels, jewellery, toiletries, cosmetics etc. Some of the examples are- Shoppers Stop, Pantaloons.

ii. Discount Stores-

These offer a huge range of products to the end users but at the discount rate. These stores generally offer a limited range and the quality may be little inferior as compare to the departmental stores. Vishal Megha Mart is the good example of this store these days. These stores are same as the departmental but provide products at cheaper cost.

iii. Supermarket-

A retail store which generally sells food products and household items, properly placed and arranged in specific departments is called a supermarket. A supermarket is an advanced form of the small grocery stores and caters to the household needs of the consumer. The various food products (meat, vegetables, dairy products, juices etc.) are all properly displayed at their respective departments to catch the attention of the customers and for them to pick any merchandise depending on their choice and need. This store offer mainly bakery products, cereals, meat products, bread, medicines, vegetables, fruits etc.

---

[3] Management Study Guide

iv.   Warehouse Stores-

A retail format which sells limited stock in bulk at a discounted rate is called as warehouse store. Warehouse stores do not bother much about the interiors of the store and the products are not properly displayed.

v.   Mom and Pop / Kirana Store-

Mom and Pop stores are the small stores run by individuals in the nearby locality to cater to daily needs of the consumers staying in the vicinity. They offer selected items and are not at all organized. The size of the store would not be very big and depends on the land available to the owner. They wouldn't offer high-end products. The products offer there are- eggs, bread, toys, stationery etc.

vi.   Specialty Stores-

Specialty store would specialize in a particular product and would not sell anything else apart from the specific range. Specialty stores sell only selective items of one particular brand to the consumers and primarily focus on high customer satisfaction. Some examples are- Reebok stores sell only reebok products.

vii.   Malls-

Many retail stores operating at one place form a mall. A mall would consist of several retail outlets each selling their own merchandise but at a common platform.

viii.   E Tailers-

Now days the customers have the option of shopping while sitting at their homes. They can place their order through internet, pay with the help of debit or credit cards and the products are delivered at their homes only. However, there are chances that the products ordered might not reach in the same condition as they were ordered. This kind of shopping is convenient for those who have a hectic schedule and are reluctant to go to retail outlets. In this kind of shopping; the transportation charges are borne by the consumer itself. Some of the examples are- Flipkart, EBay, Amazon etc.

x.   Dollar Stores-

This offers selected products at extremely low rates but here the prices are fixed. Like - 99 Store would offer all its merchandise at Rs 99 only.

Present Status of E-Commerce

E commerce is most important parts of growing INDIA. From big to small retailers, want to participate in it and ready to make market place concept. E commerce industry started flourishing in India around 10 years back. It is the fastest growing sector of digital India. This industry grew 33% last year and providing services worth $3.5 billion. By this achievement the industry is reaches to the new highs. $6 billion is in 2015 approx.

This industry grows 60-70% every year and by 2020 the sales are expected to reach $50-70 billion only for one company.

There are many e commerce companies which are coming up now days. More than 30 companies are competing with each other only in INDIA alone. And 3 have the neck to neck competition with each other. They are-
1. Amozone.com - Rs.168.9 Cr.
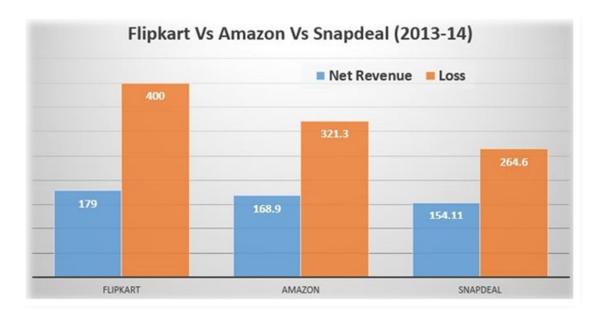2. Flipkart.com   - Rs.179 Cr.
3. Snapdeal.com - Rs.154.11 Cr.

Fig-2. Note: **All figures are in INR Crore**

There is many more companies' like-

1. Yebhi.com
2. Ebay.com
3. Shopclues.com
4. Jabong.com
5. MakeMyTrip.com
6. Bookmyshow.com
7. Firstcry.com

COMPANY

FLIPKART.COM

The organization FLIKART is an emerging Indian Online mega store. It is an e-commerce company founded in 2007 by Sachin and Binny Bansal. Both are from, IIT Delhi graduates and previously work with Amazon.com. Post their experience, they ventured into similar e-business idea and launched it in India. It operates exclusively in India. It's headquarter is in Bangalore, Karnataka.

Flipkart website is one of the most visited websites in India out of top 10. It has launched its own product range under the name "DigFlip", that offering camera bags, pen-drives, headphones, computer accessories etc.

As Flipkart legally not an Indian company, because it is registered in Singapore and major shareholders are foreigners.

Foreign companies are not allowed to do multi-brand e-retailing in India, so Flipkart sells goods in India through a company called WS Retail. Other third- party sellers or companies can also sell goods through the Flipkart platform.

Flipkart works with the aim of making products and goods easily available at the doorsteps of anyone who has internet access. In 2007 starting with the selling the books and then entered the electronics category with the launch of mobile phones in 2010. After that it kept on adding new products categories including books, mobiles, computers, cameras, homes & electronic gadgets and appliances. And recently, launch of Flyte, the digital music store & is still continuing to enlarge its product portfolio.

It is now one of the leading e-commerce players in India, currently its top rank website, spread almost all over country and having the revenue Rs. 1,366 Cr.

It provides online shoppers a memorable online shopping experience because of its innovative services like-

1. Cash on delivery
2. 30-days replacement policy
3. Free shipping
4. Discounted prices and deals

The company was initially self-funded by both co-founders Sachin and Binny Bansal spending Rs. 4, 00,000 to set up the business. They later raised funds from the private equality investors like

1. In 2009, from Accel India of $1 million.
2. In 2010, from Tiger Global Management of $ 10 million and 2011-$20 million.

Acquisitions

1. 2010-the company acquires WeRead, a social book discovery tool.
2. 2011-Mime360, a digital platform company and Chakpak.com, a Bollywood news site.
3. 2012-LetsBuy.com, India's second largest e-retailer in electronics.
4. 2014-Myntra.com, e-retailer of fashion and casual lifestyle products.

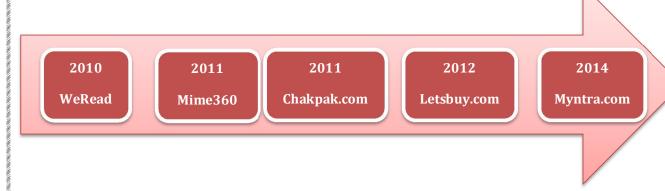| 2010 WeRead	2011 Mime360	2011 Chakpak.com	2012 Letsbuy.com	2014 Myntra.com

Fig-3. Acquisition

Latest acquisition by Flipkart on Myntra.com, the deals was finalized near about Rs.200 cr. From past few years Flipkart revenue is increases Rs. 60.8 billion and with the employees of 10,000. Flipkart have about 11.5 million book titles, 11 different categories, more than 2 million registered users and sale of 30,000 items a day.

Fig-4. Logo

REVIEW OF LITERATURE

Literature Survey –

Mapping begins with the customer end. It starts from site i.e. customer exercise for having the option of time to delivery at the time of order.

This is translated into Supply Chain characteristics which is responsive and flexible.

Business Problem- Mapping of supply chain for more flexibility and responsiveness as the customer is not able to choose the date option of delivery.

Research Problem- To make the Flipkart.com Supply Chain flexible and fast to deliver i.e. make it agile.

Research Objective- To investigate the literature for strategies to make a Supply Chain agile. And find out the various techniques that are used to become agile.

Research Methodology- Literature Survey, Discussion with the informed people.

SUPPLY CHAIN OF FLIPKART.COM

This chain is starts from customer's order. The customer goes to the website i.e. www.flipkart.com. On this site the customer have to select their product out of 20 million products with more than 70 categories.

After selecting the product, customers have to select the vendor. There are 2 options for selecting the vendor i.e. - Vendor/seller or W.S.Retail.

After selecting the vendor the customer have to fill his personal details. These detail having the customer name, address, contact number, mail id, and mode of payment. He wants to pay through the COD (Cash on Delivery) or prepaid.

At the time of placing order the customers have the 2 options.

W.S.Retail- This is the top seller on online marketplace Flipkart, is the logistics arms. Ekart is wholly owned subsidiary to make the privately held company.

.

Fig- 5. North Region

These mark points have the states in which the hubs are located. And remain are under work.

WS RETAIL AS SELLER

The flow of process is as followed-

```
Fulfilment
Centre

Mother
Hub

Delivery
Hub

Feild
Executive

Customer
```

Fig-5.

Fulfilment Centre (FC) - The centre/warehouse where the inventory is to be kept.

As the customer placing the order, that hits to the ERP (the software through which all the backend work is done). And after that the process is start. The shipment is packed there and then consignment is made. Then it goes for OFD (Out for Delivery) to mother hub/mother warehouse.

Mother Hub/Mother Warehouse- In mother hub the consignments are received. Receiving is done by doing the proper scanning in ERP. After that, sorting is done by sorters according to the hub locations and landmarks. Then sorted consignments are moved through vans to the respective delivery hubs.

Delivery Hub (DH) -In delivery hub first the bags are scanned and then shipments. Then the sorting is done according to the pincodes of the particular hub. And then the shipments are kept according to the pincodes only.

Field Executives (FE) – Then in morning FE has done sorting according to their area wise. And then pack the shipments in the FE bags. And prepare the run sheet (in which the customer details have mention).

Customers – Before going to the customer, FE contact the customer for their deliver and also message is send to them about the mode of payment (through the COD or Debit/Credit cards). After that FE will deliver the shipment to the respective customer.

EXAMPLE

Let take an example for explaining more. Whole NORTH is divided into 2 parts- Delhi NCR and Rest of North. In Rest of North- Punjab, Haryana, Uttrakhand, Uttar Pradesh, Rajasthan. There are 61 hubs out of which 17 are from Delhi NCR.

Okhla Hub-

This hub is in Delhi. As the customer place an order from Mohan Corporative Estate having pincode- 110044. This pincode is come under the Okhla Hub. 7-8 pincodes are come under this hub.

The product will hit on ERP and that show in the fulfilment centre which is in Bilaspur. If selected product is from WS Retail. Then the product is packed there and then sends to the mother hub which is in Kapashera.

There the packing is done again, where the packing of shipment is done in bags. Then the scanning is done. After that, the shipments are sort according with the locations and landmarks. Then all the sorted shipments are packed in the bags with the scanner label. Then the scanning is done. After that these bags will be make a consignment. And those consignments are shipped to their relative delivery hubs according to locations through vans.

The consignment is received by the hub. After that, again sorting is done by the sorters. Now sorting is done according to the area or pincodes. The pincode-110044, having handled with one FE.

As the shipment is scanned the customer receive a message where it is mentioned that the payment is made by COD or through credit or debit card, if it is not the prepaid shipment. Then shipment is delivering to the respective customer.

RVP

Reverse Pickup is the other process in which the return shipment is done. In this process, if the customer is not satisfied with the product then, the return of that product is done.

The process is as followed-

Customer

Field Executie

Delivery Hub

Mother Hub

Fulfilment Centre

Fig-6.

Customer- Unsatisfied customer have to give back the product by mailing or taking help of customer care. In this there are 2 types of customers- Reverse pick up or replacement. In reverse pick up the customer has to get back their amount and the product is return back to the hub. And in replacement the product is to be replaced. For that the mail is also hit the ERP dashboard, through which the customer shipment is return back.

Field Executive- FE will take the products from the customer and then taken back to the hub, if it's the case of revers pick up and the amount is debited to the customer account. And if the replacement is there then FE will give the new product instead of problem product.

Delivery Hub- Then the return product is back to delivery hub. And the proper checking of the shipment is done. That, all accessories are available or not. After that packing is done. The scanning is done. Then all revere pick up shipments are packed in the bags and then the consignments is return back to the mother hub.

Mother Hub- In mother hub the bags are scanned, and then it will return back to fulfilment centre.

Fulfilment Centre- In this centre, the shipment is replacing it by returning back to the vendor. And that will be taken by fulfilment flow.

Example

There are 2 customers who are not satisfied with the product. They ordered the camera from WS Retail. There is a problem with that product. Then they called the customer centre. There are the customer support employees who will take their queries and the try to resolve that.

The customer has 2 options for replace the product. The first option is to replace the product that is called Replacement. And second is to get the amount back (not satisfied at all).

The compliant is entry in the ERP. That will betake care of the CS. After that it will be followed by the Control Team (CT). As the complaints are register with the option. According to that option the CS and CT will follow up more.

First customer wants to replace the product. As he want to get back the other camera instead of damaged product. He called the CS and registers himself. Then with in the time limit is given the fresh product. Within 4-5 working days the company have to replace the product. As the FE will take the new shipment and take back the damage shipment. The pickup shipment is maintained. FE will take sign on that sheet. This sheet consists of all the accessories which the customer having.

After that, in delivery hub proper checking is done. All accessories with the product or not. If not then customer has to return it back. If yes then packing is done. And then bagging is done.

After that, the consignment is going back to the mother hub. From mother hub shipment is going to the fulfilment centre.

Second customer wants the money back. And he register his complain through the mail. Then also CS and CT will take care of it. The damage shipment will pick up through the FE. The amount is credited to the customer account within 4-5 working days.

The FE will check the proper details which are given in pick up sheet with the damaged product and the accessories.

After that FE will take to the damage shipment to the delivery hub. After DH, damage shipment goes to MH, then to fulfilment centre.

MP

Market Place

This is the other process, where the customer is selecting the product from the vendor.

Seller

Market Place Hub

Mother Hub

Delivery Hub

Feild Executive

Customer

Fig-7.

Seller- In MP, there is a separate portal for the sellers. In this, when the customer orders the product of particular seller, then seller can check that order on his portal window. And then

seller pack the product (according to company norms), attach invoice and update at the portal as "Ready To Ship".

Market Place Hub- MP Hub, they create pickup sheet and send FE to do pickup status change to "Out for Pickup".

When FE picked up shipment and returned back to hub, then shipment got scanned through Bar code and status changes to "Received at origin".

After receiving all the shipments, Market place hub do Bagging and send those bags to mother hub.

Mother Hub- From mother hub the scanning of the bags is done. After that, shipment is scanned. And send that to the Delivery hub.

Delivery Hub- In delivery hub the shipment is scanned and then sorted by the pincodes. And FE will take to the customer.

Field Executive- FE will sort according to the areas or pincodes. Then these are delivery to the customer.

Customer- As the customer receives the shipment. They made the payment through COD or debit or credit cards.

EXAMPLES

Let take the example.

Agra MP hub- The customer is placing the order to the XYZ (seller in Agra). That order shows in their portal window. And then the shipment is packed according to the company's norms. After that invoice is attached with the shipment and updated the portal with the 'Ready to Ship'.

After that FE will come for the pickup, with pickup sheet through which seller will sign it. And FE will take all the pickup shipments from every seller. Then these shipments will go to the MP hub i.e. Agra MP Mother hub.

Then the status change to 'Out for Pickup'. Then scanning is done through bar code. Then the status shows Received at 'Origin'.

After bagging is done and consignment is going to Agra Mother Hub.

From Agra Mother Hub to the delivery hub the consignment is scanning and then shipments are sort according to the pincodes by the FE and the sorters.

As the sorting is done, FE again sorts the shipments according to the areas. And prepare the run sheet for their Out for delivery shipments.

Then one message is send to all the customers that their respective shipments are taken by Abc FE and they have to make a payment through the debit or credit card or COD, if the shipment is not the prepaid.

As the FE is on the way of delivery, they have to call the customer, so that FE will know about the availability of the customer.

If the customer is available then shipment is delivery. Otherwise, according to the customer availability the shipment is delivering.

When customer receives the shipment, they have to sign the run sheet. So that, there is a proof for receiving shipment.

OPERATIONS

There are two options for customers to receiving there shipments or deliverer. As the customer goes the site of Flipkart.com, then he orders their shipment. Then if he wants his shipment to be delivering at same day then he has to choose the SDD (same day delivery) and he has to pay the Rs.140 extra. And if he is able to pay more than he will take the option. And if the delivery is not done than double the amount with the shipment is given to the customers. For this the shipment is deliver till 12pm. After that shipment become the undelivered and return payment is made.

And the second option is NDD (Next day delivery). In this the customer has to pay the Rs.90. And if not deliver than the double the amount with the shipment is deliver. And the shipment is delivering till 6pm only. After that shipment become undelivered and return payment is made.

ON GOING PROJECTS

1. ## Smart Delivery Operations-

   This project is to update the FE, customers by the latest technologies. Under this there are 3 other projects which are going on. All 3 of them are link together.

   a. Digital Delivery– This is the smart device updation operation. In this FE have to take the smart phone through which they can update the shipment through these devices. In this there are 3 devices work. BYOD (Bring Your Own Device), COP (Company Owned Phone) and POS (Point Of Sale).

BYOD- FE will take own smart phones. From that they have to update the deliver shipments. On this they will get the benefit of Rs.1on every delivered shipment. Through this they get the encouragement of doing the work.

COP- If the FE is not able to purchase their own phone then the company will provide them the smart phones. Then also they have to work as BYOD. But in this they will not get the Rs.1.

This will work, as the application is installed in the FE smart phones. This application is directly link with ERP. As the run sheet is prepared in the ERP against the FE name; that will automatically connect with the FE smart phone and that run sheet is updated in smart phone of respective FE.

POS- This machine will work as the customer want to make a payment through the debit or credit cards. And also some customer wants the COD payment slip. So, through this machine the slips will give to the customers.

   b. Paperless Delivery- This project is started because paper is used and waste on the large number. Due to this the cost is increasing very much. For lowing the cost the paperless delivery is start. In this, all FE will update the deliver shipment through the digital device; the paper use will be less. Before FE take the paper run sheet with them. But now the run sheet is made in their smart phones.

c. <u>Real time Up dation</u> – In morning FE will go for OFD (Out For Delivery). And run sheet is prepared in their smart phones. Then through ERP this will be check that FE updates the deliver shipments through smart phones only. And if any FE is not able to update the deliver then try to solve the problem on their way only, if the problem is not solve than after returning to DH then problem is solved.

2. Fleet Operations-

Shipments are moved from delivery hub to customers. That movement is done by the fleet i.e. vans. The movements are done from one hub to other hub and hub to the end customers.

At present, there are 11 vendors which are dealing, only in NORTH region. Around 545 vans are running. And these are changes from time to time.

Daily, vans are use for 12 hrs maximum. If in case van will run above, then it will get the extra pay. Vans will work for 26 days with 4 compulsory off days in a month.

To reduce the absenteeism the route shuffling is done. So that to get the optimum utilization of the Vans in the hubs.

Run sheet/ pick-up sheet is created where in details of packets is given which is to get delivered to the customer, in case of MP that is to be picked from the sellers end along with the details of Vehicle(Van/Bike) is being used and name of the Field Executive who will do the delivery.

The hubs are creating their run sheets for all Vans assigned to their hub so to get the complete picture of productivity of all Vans assigned to that hub.

This should be noted that vehicles should not have odometer reading above 60,000/-Kms. If kms. increase then vehicle will replace. Vehicles should not have registration certificate (RC) more than 2 years. All drivers should have commercial driving licence.

UP COMING PROJECTS

1. **Alternate Delivery Model**-
                                This model is generally introduced to overcome the difficulty of last mile delivery. Flipkart is planning to open stores at prime location, so that it could be helpful for the customer to collect the shipment and flipkart will gain profit in it.

Because for every shipment total logistics cost is about 33Rs.for fulfilment centre to customer, and to decrease that cost from company point of view this model will be very helpful.

And from delivery hub to customer the total cost per shipment is about Rs.5 and because of this model that cost will be decreased. Stores will be from 250sft to 400sft

Recently new stores are opening in Delhi, where the customers visiting the most so that it will convenient for them to receive shipments from the stores directly.

The planning is going on, to open the stores on following places-

➢ Huda city Centre metro station
➢ Luxmi Nagar metro station
➢ Connaught Place
These are in DELHI. And some of them are from Rest of North. That are-

➢ Jalandhar at LPU
➢ Chandigarh at IT Park
And many more places also.

Through these stores last mile delivery operation will also be improved for both the customers and for company also.

According to hubs it is expected that on an average around 30% of a particular pincode customers will happy to receive their shipments from stores. And that will helpful for the hubs also.

This project will be helpful for company in many ways like-

✓ Decrease the last mile delivery cost.
✓ Number of field executive will decrease.
✓ Customer won't get fake shipments.
✓ It will be easy for customer to return the shipment.
✓ Customer will be treated in a very respectful manner.
✓ Easy excess to gather information.

2. Currency Change Model-

In morning as the FE will deliver the shipment, he has not any currency change with him. Due to morning time the customers also don't have the change. Due to this challenge lot of time is waste of FE as well as the customer also. So, that is the main issue now days. To overcome with this challenge new model is introducing where the FE will take change with them.

For analysis this model trial is done in a particular hub. As-

FE would take the 27 shipments with him. And having 4 RVP with him. He was out for delivery on 9:04am from hub. He reached his stop1 on 9:35am and 2 shipments were delivered there. After that he was going for other delivery at 9:41am and reached stop2 at 9:42am then at 9:44am and reached stop3 at 9:46am and again delivery of 2 shipments. Then OFD at 9:55am and reached stop4 at 9:57. After that OFD at 10:00am and stop5 at 10:02am, again OFD at 10:14am then stop6 at 10:17am. Then OFD 10:25am and stop7 at 10:30am; OFD 10:38 stop9 at 10:49am; OFD 10:56am stop10 at 11:02am; OFD 11:11am stop11 at 11:13am; OFD 11:15 stop12 at 11:19am; OFD 11:20am stop13 at11:22am; OFD 11:25am stop14 at 11:30am; OFD 11:32am stop15 at 11:41am; OFD 11:52am stop16 at 11:55am; OFD 12:08pm stop17 12:10pm; OFD 12:17pm stop18 at 12:19pm after that at 12:35pm FE reached hub again.

In this more than 1hr was waste due to change problem. So, due to this model the last mile delivery could improve and also company can utilize the FE in better manner.

3. Mumbai Dabbawalas for Deliveries-

The Dabbawalas have been in the profession of transporting lunch boxes with absolute precision for more than 120 years. They are a huge inspiration on how to conduct business without any paper or administrative back-up to keep the costs down.

Now they are working for flipkart. In the initial stage the Dabbawalas will collect Flipkart marketplace shipments from the delivery hubs and deliver it the customers; while picking their dabbas. Currently, Dabbawalas will interact with the customers only for the prepaid shipments only. If its work; it will expended to COD shipments also.
Initially they are working with the paper based tracking system and then gradually move towards the apps and tech part.

CONCLUSION

The company have the different schemes to attract the customers. So, that they made the many processes to flow that. Like, by providing the different mode of payments. COD (cash on delivery), Prepaid, Credit or Debit cards or EMI facility is also available.

For replacement or return there is a guarantee within 30days. In this, if the customer is not satisfied with the shipment then he as the option to replace, if it is in the guarantee period. The company have to take care of "customer delight" only.

All these process work with or control by the ERP. ERP is the software through which all process to be maintained. It works as if the load receives by the hub then 'log in to ERP home page then shipping and then inbound consignments and receive after that scanning is done.

When run sheet is creates then ERP then create the run sheet and then executive and then vehicle no- van or bike and then updated in smart phone.

And when pick up sheet is creates then reverse pick up and pincode is use.

In each and every small to small and big to big process ERP will maintain.

If FE data is need then also it is available in the ERP.

ERP is the basic structure of the whole process. Without this any process is not working. That may be operations or for HR or may be control tower all use the ERP. And they all work on this only. If there is any complaint regarding the return, replacement or any misbehave from the customers through this follow up will be taken.

FINDINGS & RECOMMENDATIONS

1. Start the international shipping.

2. Sell the foreign products also.

3. The logistics services will improve so that the products will reaches to every customer.

4. Respect the customers as well employees.

5. After that so much awareness regarding the online shopping then also people will not able to get the loyal regarding the security of the mode of payment.

6. Customers do not have any option or facility to choose the delivery date.

7. Try to maintain the technologies for at least some times.

8. Mainly the FE smart phone apps.

9. It is difficult for the company to work with replacement orders because customer used the product and after that the shipment returns back. And sometime customer wants their money back.

10. Customer wants open delivery which is against the company rules.

11. Try to make the contacts with the teenagers and the youth.

12. As internet users in India increases, so the company will also start focusing the small towns and the villages.

REFERENCES

- ✓ Study of Flipkart.com
  By- Agarwal Sagar

- ✓ Case Study on Flipkart.com

- ✓ Flipkart.com: online megastore
  Shipping

- ✓ The Operations & Supply Chain Club
  By- IIM Raipur

- ✓ http://www.statista.com/statistics/266282/annual-net-revenue-of-amazoncom/

- ✓ http://trak.in/tags/business/2014/11/06/flipkart-amazon-snapdeal-revenues-losses-comparison/