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*Case Study*

**Introduction**

Today, with advent of new technologies, the organizations need to upgrade their traditional work practices and work approaches in a given environment. The organization needs to revamp their market strategies, redefine the new objectives, and accordingly work toward achieving them.

There are several challenges faced by them but through proper planning and coordination they can achieve desired objectives in a given environment. The organizations today due to increased competition and increased expectations of the customers are facing several issues (Kumar, Gaur, & Pattnaik, 2012); hence, they need to first consider taking feedbacks from the customers, suppliers, and rest other stakeholders of the organization.

They will thereby be able to determine the needs of each of them and accordingly frame the strategies to achieve them in a given work environment. The top-level management thereby needs to monitor the strategies and make necessary modifications wherever required.

This report will discuss the case of Flipkart and will identify the major challenges faced by the organization. It will conduct SWOT analysis, identify the challenges regarding proposed change in the organization, and will also determine the role of the organizational structure in the organizational development. Finally, it will provide recommendations for further improvement that will help the organization to sustain and overcome the market competition as per the expectations.

**Organization Background**

Flipkart Pvt. Ltd. is the largest E-Commerce company of India based in Bengaluru. It was founded in 2007 by Sachin Bansal and Binny Bansal. Initially, the organization focused on selling of books, and later expanded into other product categories such as lifestyle products, consumer electronics, and fashion.

The organization is into direct competition with the Amazon's Indian subsidiary and also with the domestic rival Snapdeal. As per the 2017 reports, Flipkart is having a market share of around 39.5% in the Indian e-commerce industry. The company is dominating in the sale of apparel after acquiring Myntra and Jabong.com (Yelderman, 2016). It also owns subsidiaries Phonpe - a mobile payments service system.

The total number of employees working in the organization is around 30,000. As per the 2017 financial reports of the company, the total revenues of the company were around US $2.9 billion. The company, however, faces challenges of increased market competition, changes in the trends of e-commerce, changing demands of the customers, and also changes in the different product ranges offered by the organization.

The organization thereby needs to identify major internal and external parameters that are impacting on the performance of the organization (Yelderman, 2016). They can thereby formulate the strategies to overcome them and thereby achieve desired objectives of the organization.

**Organizational Development**

The company is dealing into selling of a range of items through online mode. It is targeting those people who prefer to buy products through online shopping. The major target groups of the company include middle and upper-middle income groups who prefer to spend online. Also, the company has positioned itself in the market as one of the major e-commerce stores that can cater to all the different needs of the customers (Yelderman, 2016).

The development of the organization took place not only through product expansion but also by focusing on developing in-house brands that caught attention of several customers in a given nation. Also, the company has developed strategic joint-ventures with many of the well-known brands and is thereby providing apparels at low costs.

The key strategy of the organization is low-cost and differentiation that helps them attract majority of the customers from around the nation (Wilensky, 2015). Also, their acquisition strategies of different e-commerce start-ups helped them gain market position and subsequently overcome the market competition in a given challenging environment.

They developed their own payment gateway and logistic arm for the purpose of lowering the operational costs of the organization. The major focus of the organization on consumer electronics not only helped them serve people with the products they desired for but also brought about a complete revolution in the field of e-commerce in India.

**Planned Change for the Future**

Despite the fact that Flipkart is the market leader in E-Commerce in India, the company is still lacking in terms of market expansion and capitalizing on the opportunities related to distribution in several parts of Tier-III cities and other rural areas (Wilensky, 2015). Further, as the power is in the hand of buyers and with direct competition with Amazon India, the organization will face tough challenges in terms of price for the same products offered.

Also, the cost of acquiring a new customer for Flipkart is higher compared to other players in the market. They are spending a lot on the advertising to increase their promotions, attract new customers to expand their customer base, and subsequently achieve the desired objectives of expansion.

However, due to these stated challenges, they need to conduct SWOT analysis, determine their strengths and utilize them for the purpose of achieving desired objectives in a given market (Carrascoso, 2011). They also need to overcome the market competition by focusing on the pricing aspects of the product; only then they will be able to achieve desired objectives in the market.

**SWOT Analysis**

SWOT reflects to the strengths, weaknesses, opportunities, and threats to a given organization in a given environment. The major strengths of Flipkart include - the largest online retailer in India, high brand recall, having own payment gateway and logistics arm to reduce the overheads and other operational costs in a given working environment.

Flipkart is the largest E-commerce company in India that has achieved net sales of more than US $1 billion. Further, through their acquisitions strategies they have been able to overcome the market competition and establish them as one of the top brands in the E-commerce industry. Also, they have millions of registered users who frequently purchase from Flipkart compared to other online retailers in the market (Enderle, 2011). They also provide good customer support to ensure effective customer services for their customers.

The weaknesses of Flipkart as mentioned include limited distribution channels and unable to reach the Tier-III and rural-specific areas. The logistics costs also increases even if they want to deliver their products to such locations. Further, due to their initial huge investments in different acquit ions and also in Flipkart they are still making losses in their operational activities.

As a result, they need to quickly revamp their strategies, focus on new ways of identifying the customers, expand their distribution channels and subsequently achieve the desired objectives in a given environment (Enderle, 2011). The key opportunities available in the market include - expansion of business in the untapped markets, in new emerging economies outside India, in expanding their product categories, and also in improving their supply chain.

They need to develop new marketing campaigns through which they will be able to effectively target on the mentality of the Indian customers. They need to force them to buy products from Flipkart so that their net sales volume can increase as per their expectations. However, there are also certain threat factors existing in the market. The major ones include - still government regulations, increased competition from Amazon, Snapdeal, and eBay, and fluctuating economy. It can directly impact on the performance of the organization in such cases.

**Role of Organizational Structure in Organizational Development**

In one of the report of 2013, researchers found that the organizational structure of Flipkart was a more complex one that combined both divisional and traditional structure to operate in a given environment (Baden-Fuller & Mangematin, (2013). There are product divisions categorized and each of them is assigned with a product head. They will be thereby reporting to the Vice-Presidents of the functional departments of the organization.

The Board Members will then take a decision based on the reports provided by each of the Vice-Presidents; it will help them overcome the workplace challenges, market competition, issues of the employees, and other factors that can directly effect on the performance of the organization.

However, considering the aspects of globalization and changing trends of technology, it is important for the senior management of Flipkart to revamp their organizational structure for better development of the organization. They need to look out for more opportunities and accordingly include new divisions and function in the organization.

**Challenges in implementing new Changes in the Organization**

The major challenges faced in the organization are related to market competition, sales issues, workplace issues, and excess working hours for the employees, aggressive approach of the organization, non-flexible organization structure, and inappropriate ways to address the market challenges (Baden-Fuller & Mangematin, 2013). The top-level management has failed to address the market challenges in a given environment.

Also, they have not taken sufficient steps to motivate the staff and improve the organizational culture. They are continuing with their traditional approach to ensure achieving of desired sales objectives in a given environment. Further, the Human Resources (HR) department has not formulated any specific strategies to boost the working morale of the employees and to reduce the excess working hours.

The operations team has failed to address the aspects of workplace issues and collaboration with the senior management. Hence, there is a need to devise new strategies in this direction and thereby assist the top-level management in deploying the techniques of Change Management in the organization.

**Recommendations: Enhancing Organizational Performance**

To boost the performance of the organization, Flipkart needs to first deploy the techniques of change management. They need to identify the major factors that can not only resolve their issues but also help them improve their operational working in the organization. They need to implement Data Analytics and Cloud solution to leverage the technologies and subsequent optimize the functional processes of the organization (Myint, 2011).

They need to focus on increasing the customer base by identifying new target segments and focusing on the untapped markets of a given region. However, they need to make sure that they follow the legal norms and other compliances of the government. They also need to promote social and cultural values of India so that they can associate customers with the organization (Ghauri & Santangelo, 2012). Only then the customers will start purchasing from Flipkart and will thereby opt to buy items through online mode. It will help Flipkart to achieve the required objectives in a given environment.

**Conclusion**

This report discusses the case study of Flipkart that is facing several challenges from different perspectives. Also, it discusses about the future prospects of the online industry and the e-commerce industry in India and in other parts of the world. Flipkart needs to utilize this opportunity of capturing the untapped markets and subsequently focus on capturing new customers (Ghauri & Santangelo, 2012).

They need to overcome their weaknesses and threats and instead focus on the strengths to ensure that they can achieve required objectives in a given challenging environment. Further, the role of the top-level management, the HR department, and the marketing and the operations team are important as they will be defining new road-map and new strategies.

However, they need to inform the employees and train them on the new work approaches and new work modules. They also need to be trained on the aspects of change management to overcome the internal resistance and thereby focus on achieving new objectives of the organization. Only then Flipkart will be able to achieve desired success in a given working environment.