



COMPARATIVE STUDY OF BUSINESS MODEL OF AMAZON, FLIPKART AND MEESHO IN INDIA

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ABSTRACT

The rapid development of Digital technology has affected the consumer behavior in a comprehensive manner, especially the emergency of e-commerce has replaced the traditional marketing by providing facility of sale and purchase of goods and service online. In India, Amazon, Flipkart, and Meesho, the major e-commerce companies who have made a strong and special place from their specialized business models. The research has been done on the business model of Major three E-commerce companies in India. In study the business model, marketing stages, customer services, logistic network and comparative analysis study has been done. The study found that these companies use different business models, logistics, customers services and strategies to allure the customers.

Key words: E-Commerce, Business Models, Flipkart, Amazon, Meesho.

INTRODUCTION

The rapid development of Digital technology has affected the consumer behavior in a comprehensive manner, specially the emergency of e-commerce has replace the traditional marketing by providing facility of sale and purchase of goods and service online. Also, smart phone internet uses digital payment system, speed logistics has given a new height to e-commerce. E-commerce is not limited to selling products online, but it's coordination of different type of business models, marketing strategies, customer services, supply chain management and technology innovation. Every e-commerce company adopts different -different business model according to the target customers, marketing strategies, and profit making strategies.

In India, Amazon, Flipkart, and Meesho, the major e-commerce companies who have made a strong and special place from their specialized business models. Amazon adopts global level, customer centric business model, Flipkart focus on requirement of Indian customers on the other hand, Meesho focus on social Commerce model by providing digital platform, small businessman and reseller. There is a lot of difference in business model, marketing strategies, customer services, logistic systems, and revenue generation of these three companies. That is the reason that their comparative study will be quite helpful for understanding e-commerce industry and future possibilities.

BUSINESS MODEL OF AMAZON:

Amazon was established in 1994 by Jeff Bezos in Seattle (U.S.) And now Amazon is one of the biggest E-commerce company in the world. Its business model is based on marketplace where different sellers, sale their products on Amazon platform.

Main features of Amazon are:

- Customer oriented strategies,
- prime membership
- Fast delivery services
- Use of AI and data analysis technique
- Logistic network

REVENUE SOURCE OF COMPANY

- Sales commission
- Advertisement
- Prime subscription
- Cloud services(AWS)

FLIPKART BUSINESS MODEL:

Flipkart's foundation was led in 2007 by Sachin and Binny Bansal in Bengaluru. Both founders was previously working in Amazon and as Amazon they started their services with online book store . Now, Flipkart is the prominent e-commerce company of India. It develops its marketing strategy as per needs of customers.

Features of Flipkart

- focus on Indian market
- Big discount and offer
- Local logistics network(E-kart)
- Digital payment facility
- Festival based sales campaign
- Companies ahead in competition because of its less price and convenient services.

MEESHO BUSINESS MODEL:-

Meesho was established in 2005 by Vidit Aatrey and Sanjeev Barnwal. They both were passed out of IIT,Delhi. Meesho works on social Commerce model. It provides opportunities to the small businessman, housewife, and reseller to sell their products online.

Features of Meesho reselling model:

- Cost effective operation
- Social media based advertisement
- Focus on small cities and rural areas
- Mobile friendly platform.

Meesho's business model is considered as more social and community based model as compared to other model.

OBJECTIVES OF THE STUDY

1. To study the business model of Amazon, Flipkart, and Meesho.
2. Comparative analysis of revenue generation and profit making strategies of these selected companies
3. Analysis of customer services and marketing strategies
4. Comparative study of logistic and supply chain system of these companies
5. Analyzing strength and weakness of different business models

SCOPE OF STUDY

The scope of study is limited to the major e-commerce companies that is Amazon, Flipkart and Meesho. We will focus on the study of their business model, marketing strategies, customer services, logistic system and revenue generation. The study is based on secondary data.

RESEARCH GAP:

Earlier many studies have been done on e-commerce companies, consumer behaviour and digital marketing. But there is limited study on comparative model of Amazon Flipkart and Meesho. Specially a few study has been done on social business model of me. So this research will try to fill this research gap.

2. REVIEW OF LITERATURE

Turban (2018) told that e-commerce has changed the world towards system completely. Online platform are providing facilities like time, saving and variety of products to the customers. It is also told in this study that new innovation in e-commerce is a main reason for the success of the e-commerce companies.

Lauden and Traver (2020) analyse the business model of e-commerce companies. According to them, the business model of Amazon is customer centric and highly technologically advanced. For competitive stages, company uses AI data analysis and rapid logistics.

Singh and Sharma (2021) done study on online consumer behaviour. They explained that at the time of online purchasing customer, focus on time value, variety, delivery, time and customer services. Amazon and Flipkart focus on battery logistics and return policy for increasing customer satisfaction.

Gupta(2023) in study on social Commerce told that Meesho has made a new revolution in Indian market by adding small merchants and the women in online business. The selling model of company provides opportunities to start business with less capital.

Verma and Arora (2022) in their study, found that digital marketing and social media advertisement. Please vital role in the success journey of e-commerce business. Major uses WhatsApp and Facebook likes to make reach to the customer.

Kalia and Paul (2021) done study on Indian e-commerce business development. They found that digital payment system and internet uses has expanded the online business in India.

IBEF report 2024 says that India is becoming the fastest growing market of e-commerce. Report says Amazon and Flipkart has strong position in urban areas while Mishu is getting popular in small cities and rural areas.

3. RESEARCH METHODOLOGY:

Research methodology is the scientific process where the researcher collect data do analysis and explain it. Present studies based on” comparative study of business model of Amazon, Flipkart and Meesho”

The research is of descriptive and comparative nature. For study, the secondary data has been obtained from the following sources:

- Annual report of companies
- Journals and reports
- Government reports
- Newspaper and magazines
- Internet sources and official websites
- Amazon India
- Flipkart
- Meesho

DATA ANALYSIS TECHNIQUE:

- Comparative analysis
- Chart diagram diagrams
- SWOT analysis

LIMITATIONS OF THE STUDY:

- Based on secondary data
- Studies limited to three companies only
- Due to dynamic changes in e-commerce, business change in data may be possible to passage of time.

4.DATA ANALYSIS:

The research has been done on the business model of Major three E-commerce companies in India. In study the business model, marketing stages, customer services, logistic network and comparative analysis study has been done.

4.1 BUSINESS MODEL COMPARISON

Base	Amazon	Flipkart	Meesho
Business model	Marketplace Model	Marketplace Model	Social Commerce Model
Targeted customers	All Categories	Indian Middle Class	Small resellers and businessman
Main strategies	Customer Satisfaction	Affordable Price and Offer	sale based on social media
Revanue Generation	Commission, advertisement and prime membership	Commission and advertisement	Supplier Charges
Logistics	Self- Reliant	Ekart Logistics	Third Party Logistics
Technology uses	AI and Data Analysis	Digital Marketing	Mobile-Friendly Platform

Table shows that these three companies uses different business strategies, revenue generation methods, Technology uses and logistics.

4.2 BUSINESS STRATEGIES ANALYSIS

Company	Business
Amazon	Prime Membership, Personalized Recommendations
Flipkart	Big Billion Days Sale, Discount Marketing
Meesho	WhatsApp and Social Media Marketing

From the table it can be said that Amazon concentrate on customer feedback while Flipkart focus on festival based offer stage. And Meesho reaches to customer through social media marketing.

4.3 CUSTOMER SERVICES COMPARISON

Base	Amazon	Flipkart	Meesho
Delivery Services	Very Fast	Fast	Medium
Return Policy	Easy	Easy	Limited
Customer Care	24*7	Good	Developing
Customer Trust	Very High	High	Increasing

From the Table it can be concluded that Amazon is at the forefront in Customer Services.

4.4 LOGISTIC AND SUPPLY CHAIN ANALYSIS

Amazon's logistic network is fully developed, and in many areas company operates its own warehouse. Flipkart do delivery management with the help of Ekart. Meeesho depends on third-party logistics for services.

SWOT ANALYSIS:

	Amazon	Flipkart	Meesho
Strength	Global Brand Strong technological system Excellent Customer services	Understand Indian Market Strong Customer base	Social Commercial Model Less Operating cost
Weakness	High Operating cost	Dependency on heavy discounts	Limited Brand Trust
Opportunity	Rural Market exploration	Expansion in tier1 and tier 2 city	Increasing digitalization of small business
Threat	Increasing competition	Competition from Amazon	Competition from big companies

5.MAJOR FINDINGS

1. BUSINESS MODEL DIFFERENCE:

From the study, it can be concluded that all three companies are competing each other in Indian e-commerce market by adopting different different business model. Amazon adopt customer and technology based marketplace model. Flipkart works as per the requirement of Indian market place model. Meesho works on social Commercial model, which provides online stage to small businessman and reseller.

2. EXCEL OF AMAZON IN CUSTOMER CARE SERVICES:

Amazon's customer care services, fast delivery, easy, return, and prime membership facility are more influential as compare to other companies.

3. FLIPKART HAS STRONG CONTROL OVER INDIAN MARKET:

Flipkart understand the requirement of Indian customer in a better way.Special sale campaign like Big Billion days and Big discount schemes makes a very important role to allure the customers.

4. SOCIAL COMMERCIAL MODEL OF MEESHO:

Meesho's model is different and innovative from other companies. It provides marketplace for the small businessman, women and resellers. Companies is getting popular in small cities and rural areas.

5. EFFECT OF TECHNOLOGICAL ADVANCEMENT:

From the study, it is concluded that in the success of e-commerce company, there is a big role of strong logistics and supply chain management. Also delivery system of Amazon and Flipkart are observed better than Meesho.

6. SITUATION OF INCREASING COMPETITION:

Competition is increasing in the e-commerce market of India. Companies are attracting customer by adopting new strategies like providing offers, digital services, and technological innovation.

SUGGESTIONS:

Based on the study following suggestions can be given:

SUGGESTION TO AMAZON:

- Should focus on strength to rural areas
- Fee structure should be easy for small sellers
- Should promote products of Indian local market

SUGGESTIONS FOR FLIPKART:

- Should emphasise on customer services and delivery system
- Should enter into technological innovation
- Should focus on extension of business to international market

SUGGESTIONS FOR MEESHO:

- Should focus on quality to increase the customer trust
- Should strengthen in the logistic network
- Should make digital marketing and brand promotion for effective sale

FUTURE SCOPE OF STUDY

- In depth, study can be done in future by collecting primary data
- Other e-commerce companies like Myntra, AJio, and Snapdeal, etc. can be included in study.

OVERALL CONCLUSION

From the study, it can be concluded that the success of any company depends on its business model, customer services, technological use, and marketing stages. In future more competition will be seen in the Indian e-commerce market.

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