

See discussions, stats, and author profiles for this publication at: <https://www.researchgate.net/publication/327156597>

Amazon India's "Apni Dukaan": branding strategy

Article in Emerald Emerging Markets Case Studies · August 2018

DOI: 10.1108/EEMCS-09-2017-0230

CITATION

1

READS

7,271

2 authors:



Neetu Yadav Ph.D.

Birla Institute of Technology and Science Pilani

35 PUBLICATIONS 456 CITATIONS

[SEE PROFILE](#)



Mahim Sagar

Indian Institute of Technology Delhi

110 PUBLICATIONS 837 CITATIONS

[SEE PROFILE](#)

Some of the authors of this publication are also working on these related projects:



Interpretive Research Methods for Theory Building [View project](#)



Strategic Intent Analysis of Top 50 Indian Companies [View project](#)

Amazon India's "Apni Dukaan": branding strategy

Neetu Yadav and Mahim Sagar

After a successful debut in the American e-commerce market and presence in some other European and Asian countries, Jeff Bezos, founder of Amazon, started identifying business potential in emerging economies, and one of the growing countries was India. By the late 2000s, the e-commerce business had already mushroomed in metro and urban cities of India. It seemed the biggest challenge for Amazon was to compete with home-grown e-commerce giants, such as Flipkart and Snapdeal. In 2013, Amazon made its debut in India through one of its subsidiaries, Junglee.com. As homegrown players had already tapped the urban market, Amazon realized that Tier-II and Tier-III cities were its future markets in India. But, customers in these cities were still avoiding online purchases because of the fear of fraud, duplicate products and complicity in the transaction. How to build trust factor among these customers seemed the management dilemma for Amazon India's top executives. Early in the year 2016, Bezos discussed and reflected upon different ways to build trust among those potential customers of Tier-II and Tier-III cities. Were hefty discounts sufficient to lure these customers or was there something more that Amazon needed to do in India to capture this customer base?

Neetu Yadav is Assistant Professor at Department of Management, Birla Institute of Technology and Science Pilani, Jhunjunu, India. Mahim Sagar is Associate Professor at Indian Institute of Technology Delhi, New Delhi, India.

1. Introduction

Amazon, a global e-commerce giant, has emerged as the largest online store in India and Amazon.in was listed as the most visited website in 2015 (Times of India, 2015a). It strived hard to attract Indian customers by providing them with more of what they want—vast choices, low prices, fast and reliable delivery, an original and authenticated online shopping experience and 100 per cent purchase protection (Company website, 2016). India is one of the fastest growing markets for Amazon. It competed with two major Indian players, that is, Flipkart and Snapdeal and operated under a marketplace model to provide a platform linking buyers and sellers.

US giant Amazon, which launched in India in 2013, has gained a distant third position in the Indian e-commerce market share (Mishra, 2015). Amazon India has vigorously adopted a "GLOCAL" strategy to increase its presence in customers' mind with its "desi" (local) flavored advertisement campaigns. In this line, its famous branding campaigns as "Try to kar", "Aur Dikhaao[1]", "Kya Pehnu[2]" and "Apni Dukaan[3]" aimed at capturing Indian consumers dilemma and fear about online shopping. The management is exploring whether these "culture-specific" branding strategies would enable Amazon to become the number one choice for Indian online shoppers in the near future?

2. E-commerce in India

Over the past two decades, rising internet and smartphone usage have revolutionized business and shopping. It has transformed the way business used to reach to its

Disclaimer. This case is written solely for educational purposes and is not intended to represent successful or unsuccessful managerial decision-making. The authors may have disguised names; financial and other recognizable information to protect confidentiality.

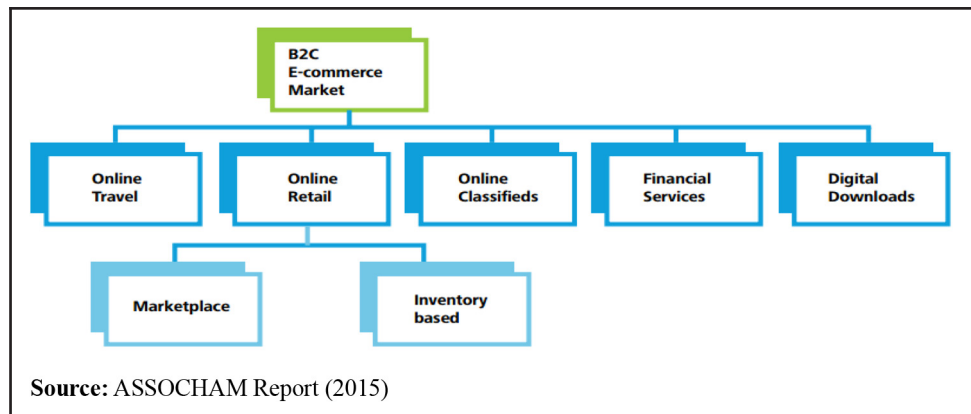
customers. E-commerce or electronic commerce deals with the buying and selling of goods and services over an electronic platform, mainly through the internet. The Indian e-commerce market is expected to grow ten-fold to reach \$100 billion in 2020 with support from the increasing reach of internet, smartphones and spread of a digital network in rural areas (KPMG, 2015). A KPMG report highlights that by 2017, India will have 350 million smartphones and it will create huge demand. According to Amitabh Kant, Secretary Department of Industrial Policy and Promotion (DIPP), “While e-commerce has mushroomed in India recently, by 2017 we would have 500 million Indians connected to the internet, and it will create huge business opportunity” (Economic Times, 2015). The e-commerce industry in India has shown promising growth with a 35 per cent Compound Annual Growth Rate (CAGR) since 2009 from \$3.8 billion to approximately \$12.6 billion in 2013 (PwC Report, 2014).

e-Tailing comprises of online retail, and the online marketplace has grown at a CAGR of 56 per cent over 2009-2014. The direct selling market in India is estimated to be around INR 80 billion with growth at a CAGR of over 13 per cent between 2010 and 2015 (KPMG, 2016 Report). Direct selling covers both business-to-business and business-to-customer aspects.

Some of the prevailing business models adopted by e-commerce companies are inventory model and marketplace model. Under the inventory model, inventory is controlled by the company, and they sell their products (E.g. Croma, big basket, Shoppers stop), whereas under a marketplace model, one of the dominantly used models, the e-commerce company creates a platform for linking sellers and buyers for business transactions (e.g. Amazon, Flipkart, Snapdeal) (Details about business to customers (B2C) segments with dominant business models are exhibited in Figure 1).

Looking at the Indian e-tail pie, Flipkart is top with 44 per cent, Snapdeal is a close second with 32 per cent, whereas Amazon is a distant third with 15 per cent (Mishra, 2015). The remaining nine per cent is fragmented with some small players. For Flipkart, 34 per cent of its gross merchandise value (GMV) as of 2014 is from electronics followed by clothes. Flipkart and Snapdeal are among the most funded companies in Indian e-commerce. Cash on delivery (COD) is the most preferred mode of payment in India with 45 per cent of shoppers using it, while 21 per cent opts for debit cards and another 16 per cent go for credit cards. With Government initiatives for financial inclusion such as Jan Dhan, payment bank licenses, other initiatives like Digital India, emerging cashless payment solutions enabled a boost in the e-commerce sector (ASSOCHAM Report, 2015).

Figure 1 B2C e-commerce market in India



3. Amazon India

Amazon is an American e-commerce and cloud computing company with its headquarters in Seattle, Washington. It was founded in 1994 by Jeff Bezos as an online bookstore and later diversified to sell DVDs, CDs, MP3 downloads/streaming, audiobook downloads/streaming, electronics, apparel, furniture, food and jewelry. Amazon has its presence in many continents around the globe, like Asia, Europe, North America, Australia and South America. In 2015, it became the world's biggest online retailer by market capitalization surpassing Wal-Mart with a value of \$247.6 billion compared with Wal-Mart's \$230.5 billion market capitalization (Bloomberg, 2015).

Amazon entered India in 2013 as Amazon.in or Amazon India where India was Amazon's 12th country with its dedicated website (Economic Times, 2013). It flowed into India using one of its subsidiaries Jungle.com; Amazon started operating as an interface platform between customers and sellers. Amazon had to adopt this model for India as Foreign Direct Investment (FDI) rules did not allow foreign retailers to sell a wide variety of brands to operate in India (Sahni, 2012).

"India is the second biggest investment country for the company after the USA, and it has added new customers at the fastest rates in its history of operations in multiple countries", said Diego Piacentini, company's head of international consumer business (Times of India, 2015b). Experts say, "For Amazon, India is not a patchwork of strategy from any other country in the world. Its India strategy has been endorsed directly by the top management" (Forbes, 2014). India is the only place where Amazon came up with motorbike delivery center, Cash-on-delivery option for payment, Kirana Now (to bring local retailers online), Amazon pickup (select pickup points for package delivery), etc. (Fortune, 2015). Within two years of its operations in India, it has added over 55,000 products per day, grew its seller base by 250 per cent and expanded its fulfilment infrastructure by 300 per cent in 2015. It has invested over INR 6,700 crore in Indian operations since January 2015 to beef up services like warehousing and improve logistics and marketing (Economic Times, 2016a). It has reported a six-fold jump in sales to INR 1,022 crore even as losses soared to INR 1,723 crore for the year ending March 31, 2015, on account of heavy spending on discounts, advertising and logistics (Mint, 2016). Three major sources of Amazon sales were-collecting commissions from third-party sellers, providing marketing services to other Amazon-controlled firms and wholesaling of Kindle e-book readers and accessories (Mint, 2016). To expand its services, it has come up with unique services such as "on-demand" delivery services, "fulfilment by Amazon", "Amazon global selling", hyper-local grocery delivery service app in Bangalore, etc. It has spent INR 743.9 crore and INR 661.6 crore on advertisement and sales promotions, respectively, in the financial year ending March 2015 (Mint, 2016). Its expenses and losses showed its eagerness to become the dominant e-commerce firm in India. How has Amazon's hefty advertisement expenses helped the company to create differentiation in a crowded Indian e-commerce space?

4. Branding strategy

When all other e-commerce biggies were dealing with the primary challenges of growing their market in India, Amazon was focusing on brand positioning and attracting Indian customers in "desi" (English word-local) style. With its popular festive season sales, creative advertisement campaigns and "Apni Dukkan" phrase, it attempted to increase its brand presence in Indian consumers' mind who were concerned with authenticity, originality and trust. Those branding campaigns launched in an attempt to attract those potential customers from Tier-II and Tier-III cities, some unique and famous advertisement campaigns were:

4.1 "Try To Kar" campaign

Amazon launched this campaign in 2015 "Ek baar Amazon try to kar [. . .] ho kar befikar" to address the fear and inhibition of consumers. It highlights the fact that 100 per cent original products are sold on the website and the easy-return policy of products purchased on the

website. In spite of customers' acceptance of e-commerce websites for online shopping, still there is a section of Indian customers who are hesitant of indulging in any online purchase on account of fraud, defective products, returning of products, etc. So, this campaign asks customers to try shopping from Amazon at least once and to be assured of original products and authentic services (View advertisement at www.youtube.com/watch?v=zaH23nmw-ps).

4.2 "Aur Dikhaao" campaign

Another campaign launched in 2015 to highlight the power of choice, "*Hindustani dil kahta hai [. . .] aur dikhaao, aur dikhaao*" emphasizes that Indian consumers love to review many options before making a final purchase decision. Amazon offers a wide range of products to choose from and according to Manish Kalra, Director Integrated Marketing, Amazon India, "We offer customers a wide choice of over 22 million products across hundreds of categories to choose from and this campaign will resonate with Indian shoppers who love to have more choice" (Campaign India, 2015). Thus, it portrays real-life elements of Tier-II and Tier-III shoppers who want to explore unlimited options with a limited budget. The campaign successfully establishes Amazon as a brand of India that shoppers would love to shop from (View advertisement at www.youtube.com/watch?v=jssITIGSR4w).

4.3 "Kya Pehnu" campaign

Amazon Fashion has been introduced to provide a one-stop destination for all stylish apparel, shoes, watches and other accessories for men, women and kid. Its "*Kya Pehnu*" campaign targets to solve the "What to Wear" fashion dilemma of Indian consumers by turning a moment of dilemma into a moment of joyous celebration by offering a wide fashion range for important occasions. Thus, with this campaign, it attempts to establish itself in the fashion category that is one of the most profitable segments of e-commerce (View advertisement at: www.youtube.com/watch?v=Q07xlowQzqQ).

4.4 "Apni Dukaan" campaign

For decades, "Apni Dukaan" or traditional "Kirana" shops have been the preferred place of Indian consumers to shop. Amazon attempts to build trust with Indian consumers as their traditional shop by assuring genuine products, experience easy returns, quick and reliable delivery. With the campaign "*Ye Apni Dukaan Hai*", it wants to make people aware that Amazon.in is also one of these stores. "With an entertaining jingle based execution, we are hoping to capture people's attention, put a song on their lips and have them say that shopping on Amazon.in is like shopping in "Apni Dukaan".

The spokesperson added (Gupta and Gupta, 2016) (View advertisement at www.youtube.com/watch?v=8lkDsEvrjI).

In the crowded Indian e-commerce space, where a plethora of websites offered deep discounts and attractive offers, building trust and presence in consumers' minds were the biggest challenges. Expectations from e-commerce players were the same as people had from their mom-and-pop Kirana shops, such as trust, reliability, easy returns and hassle-free transactions. Amazon India has adopted such a brand positioning strategy by targeting "culture-specific" issues to make a presence in every Indian's mind. With its famous branding campaigns, it attempted to push one message at the right time without overloading consumers with too many messages. Emphasizing middle-class shopping issues in very simple yet catchy language and relating them with every-day phrases as "Kya pehnu" and "Apni dukaan", it aimed to reach out to a wider mass across age groups, cities and gender.

Moreover, these campaigns were in the Hindi language that related well to the Indian audiences. These campaigns had a strong recall, and regarding advertising, it was

doing far better than any other Indian players. Amazon, a global player, showcased itself to be truly Indian by adopting a “GLOCAL” strategy in its operations, delivery and payment systems, and an increasing presence in Tier-II and Tier-III cities. It offered a wide range of products to overcome fashion dilemmas, provided speedy next-day delivery even on Sundays and easy and reliable returns to become “apni dukkan” of Indian consumers.

5. Differentiation strategy

During the late 2000s, Indian e-commerce giants were fighting for market share by offering deeper discounts, and creating differentiation among these websites was one of the major challenges. All websites sold the same products from the same merchants to the same customers at the same price, so higher GMV was only possible by increasing sales volumes. During these few years, Amazon attempted to position itself as a brand of India with its differentiation strategy in branding campaigns, fashion week sale, Great Indian sale, etc. In the words of vice-president and country management of Amazon India, “Our approach is to look at three dimensions: How to expand the selection, make that available for immediate shipment, and how to widen our network and reach throughout the country?” (Forbes, 2014).

Capturing local cultural aspects of Indian consumers and dealing with their everyday shopping issues were the only ways to develop differentiation to make a presence in consumers’ minds. These branding campaigns tout convenience, originality, trust, extensive product range and their low prices to reach to Indian shoppers. Its local competitors including Flipkart and Snapdeal had also turned to an advertisement to boost sales, but this was noteworthy that none of these companies was profitable. According to the [Brand Trust Report \(2016\)](#), “Amazon is India’s most trusted online shopping brand with 36 per cent of the trust pie” (Economic Times, 2016b). A recent survey by afaqs, advertising, media and marketing portal revealed that Amazon had been hailed as India’s buzziest brand by beating Flipkart, which was the buzziest brand in 2015 (afaqs, 2016).

6. Way ahead

Having its presence in other countries in Asia such as China and Japan, Amazon strived hard to make its presence in the list of the top five e-commerce players. In contrast, looking at the Indian scenario, in a short span of three years, it has given tough competition to its local e-commerce giants. Amazon has realized the growth potential of e-commerce in India, and hence, there were tremendous efforts to beat the existing local giants. It had done extremely well in brand positioning with a lot of expenditure in creative advertising, promotional campaigns and deep discounts during festive seasons. As Jeff Bezos’s clear commitment to invest in Indian operations, it was evident that he would spend whatever it would take to win. The slogans in Hyderabad warehouse “Transforming the way India sells, transforming the way India buys” reinforced Amazon’s focus to succeed in India by transforming Indian shopping by connecting traditional local sellers with masses through a well-built internet infrastructure.

Experts emphasized that with big sales numbers in a very short space of time, the message was very clear that it was all set to target the number one position in Indian e-commerce. The million-dollar question was whether it would be able to de-throne the local players by acquiring them or by beating them? Being the most-visited website in 2015, would it become the most loved brand of the Indian masses? If Jeff writes a book on Amazon, then India would be a chapter in it, but would the chapter would be titled “Bezos’s folly” or “The Billion-Customer bounty”?

Keywords:
Marketing,
Brand management/equity,
Strategic management/
planning

Notes

1. English meaning of “Aur Dikhao” is “*show more*”.
2. English meaning of “Kya Pehnu” is “*what to wear*”.
3. English meaning of “Apni Dukaan” is “*own shop*”.

References

- afaqs (2016), “Amazon is now India’s buzziest brand”, available at: www.afaqs.com/news/story/47375_Amazon-is-now-Indias-Buzziest-Brand (accessed 15 March 2016).
- ASSOCHAM Report (2015), “Future of e-commerce: uncovering innovation”, available at: www.assochem.org/upload/event/recent/event_1113/Background_Paper_Future_of_e-Commerce_web.pdf (accessed 5 March 2016).
- Bloomberg (2015), “Amazon passes Wal-Mart as biggest retailer by market value”, available at: www.bloomberg.com/news/articles/2015-07-23/amazon-surpasses-wal-mart-as-biggest-retailer-by-market-value (accessed 8 March 2016).
- Brand Trust Report (2016), “The brand trust report india study”, available at: <https://thebrandtrustreport.wordpress.com/> (accessed 20 April 2016).
- Campaign India (2015), “Amazon launches “aur dikhao” campaign to highest power of choice”, available at: www.campaignindia.in/Video/394419,amazon-launches-aur-dikhao-campaign-to-highlight-power-of-choice.aspx (accessed 13 March 2016).
- Economic Times (2013), “Can Amazon, world’s largest online retailer, crack an emerging market?”, available at: http://articles.economictimes.indiatimes.com/2013-09-26/news/42426794_1_amazon-india-south-india-retailer (accessed 3 March 2016).
- Economic Times (2015), “E-commerce market in India may touch \$100 billion by 2020: DIPP Secretary Amitabh Kant”, available at: <http://economictimes.indiatimes.com/industry/services/retail/e-commerce-market-in-india-may-touch-100-billion-by-2020-dipp-secretary-amitabh-kant/articleshow/50093960.cms> (accessed 10 March 2016).
- Economic Times (2016a), “Amazon invests Rs 1980 crore more in its India unit to beef up services”, available at: http://articles.economictimes.indiatimes.com/2016-02-09/news/70479869_1_amazon-india-amazon-seller-services-sachin-bansal (accessed 21 February 2016).
- Economic Times (2016b), “Amazon is India’s most trusted online shopping brand: survey”, available at: <http://economictimes.indiatimes.com/industry/services/retail/amazon-is-indias-most-trusted-online-shopping-brand-survey/articleshow/51258066.cms> (accessed 14 March 2016).
- Forbes (2014), “Poised for exceptional growth, Amazon devises aggressive marketing strategy”, available at: www.forbesindia.com/article/big-bet/poised-for-exceptional-growth-amazon-devises-aggressive-marketing-strategy/38903/1 (accessed 20 February 2016).
- Fortune (2015), “How Jeff Bezos aims to conquer the next trillion dollar market: the inside story”, available at: <http://fortune.com/amazon-india-jeff-bezos/> (accessed 2 March 2016).
- Gupta, R. and Gupta, D. (2016), “Amazon’s India insights and power of consumer insights”, *Advertising Age*, available at: www.adageindia.in/marketing/cmo-strategy/amazon-indias-advertising-and-the-power-of-consumer-insights/articleshow/50841677.cms (accessed 14 March 2016).
- KPMG (2015), “Direct 2015”, available at: www.kpmg.com/IN/en/IssuesAndInsights/ArticlesPublications/Documents/Direct-2015.pdf (accessed 15 February 2016).
- KPMG (2016), “Direct 2016”, available at: <https://assets.kpmg.com/content/dam/kpmg/in/pdf/2016/12/Direct-2016.pdf> (accessed 15 October 2016).
- Mint (2016), “Amazon India sees FY 15 sales jump to Rs. 1,022 crore, but posts loss of Rs. 1,724 crore”, available at: www.livemint.com/Companies/BSajn9TaZ65Rjld30WVahL/Amazon-India-sales-jump-sixfold-to-Rs1022-crore.html (accessed 8 March 2016).
- Mishra, D. (2015), “Flipkart has biggest piece of Indian e-tail pie”, *Business-standard.com*, available at: www.business-standard.com/article/companies/flipkart-has-biggest-piece-of-indian-e-tail-pie-115032100041_1.html (accessed 10 March 2016).
- PwC Report (2014), “Evolution of e-commerce in India”, available at: www.pwc.in/assets/pdfs/publications/2014/evolution-of-e-commerce-in-india.pdf (accessed 10 February 2016).

Sahni, D. (2012), "Amazon launches new website for India", available at: www.wsj.com/articles/SB10001424052970203889904577198731348201266 (accessed 10 February. 2016).

Times of India (2015a), "Amazon claims to be India's biggest e-tailer in 2015", available at: <http://timesofindia.indiatimes.com/tech/tech-news/Amazon-claims-to-be-Indias-biggest-e-tailer-in-2015/articleshow/50321595.cms> (accessed 3 February 2016).

Times of India (2015b), "India no. 2 investment country for Amazon", available at: <http://timesofindia.indiatimes.com/tech/tech-news/India-No-2-investment-country-for-Amazon/articleshow/48602558.cms> (accessed 8 March 2016).

Further reading

Amazon.in (2016), "About us", available at: www.amazon.in/b?ie=UTF8&node=1592138031 (accessed 15 February 2016).

Corresponding author

Neetu Yadav can be contacted at: neetuyadav@hotmail.com