# Amazon keeps it simple, Flipkart brings on the stars

The e-commerce giants present a study in contrast in the ad blitz over big sale days, taking sharply diverging paths to reach the customer

# KARAN CHOUDHURY Bengaluru, 2 October

t has been impossible to miss the swell of advertising around the big sale days unleashed by Flipkart and Amazon over the past week. And just as starkly visible has been the difference in the way the two have run their campaigns. Flipkart has an army of 10 celebrity-endorsers singing its tune, tied up with Spiceiet for promotions in the skies and even had a burger named after its sale, Big Billion Burger by Burger King for its 'Big Billion Day'(BBD) Sale.

However, Amazon India has taken a completely different approach to promote the 'Great Indian Festival'. Keeping it grounded and personal, it has zero celebrity endorsement campaigns and of course no airlines sporting the decals of the sale on its aircrafts. The Jeff Bezos led tech giant instead, launched a massive on ground campaign where its executives went to tier-III and rest of India towns with trucks showcasing 'Amazon Life' to people and understanding what they want to buy online.

## **Breaching the skies**

From aircrafts wrapped in decals of BBD advertisements to special burgers named after Krishnamurthy and his team left nothing to chance this season, spending north of ₹150 crore for just the promotion of the sale according to sources.

The budget was drawn up to back an ambitious plan and belief that this year, on the sale days, its gross merchandise value (GMV) would be 11 times more than what it is on non-

(From left): Flipkart had a large retinue of celebrities as part of the big sale campaigns, while Amazon ran one without any stars

sale days. Sources said that date was to get high recall value. Krishnamurthy during the townhall meeting in the run up to the sales said that he was confident of a blockbuster sales despite softening demand. In a series of slides he had explained their massive marketing campaigns to the employees. "More than 10 aircrafts were wrapped in Flipkart BBD decals and around 70 planes had BBD tags and stickers on the passenger seats. The move was expected to help reach out to easily around seven million people," said a source close to the company. From the skies to the tables at a mall. Flipkart even tied up with Burger King for a special 'Big Billion Day' the sale, Flipkart's boss Kalyan Whopper in 50 cities and 225 stores. And on television, digital and print, a host of celebrities

including cricketer Virat Kohli, actors Alia Bhatt, Ranbir Kapoor, Amitabh Bachchan, southern Indian stars Dulquer Salman and Mahesh Babu became the face of the sale. According to the some Kolkata among others. The experts closely associated with idea was to talk to people, ask a good battle, on the screen

competition scenario in avia-

CCI also takes cognisance of the

factor that if a particular deal

will ultimately benefit the con-

sumer. There was no such factor

in this deal which could impact

the competitive scenario of the

sector. Already there are enough

owned by the Tata group.

Instead, such a deal will change

"Beside a written law, the

tion sector.

"During the discussions that happened almost eight months back on how the company is going to promote the sales, it was decided that celebrities would be an essential part of the campaign as people would surely make it a point to look at the television as well as the online advertisements. The campaigns by celebrities have seen massive traction online as collectively the views of these advertisements have been over 50 million," said a senior advertisement expert who has been part of Flipkart's campaign.

Muted and on-the-ground Amazon India, on the other hand, has kept the message similar to its advertising in the past where it has focused on large families in big and small towns. Also sans any celebrities, the company this year ran a massive road show 'Amazon Festive Yatra' in 13 cities such as Ahmedabad, Indore and Flipkart's campaign, the man- about their online purchase

Half of BSE500

pre-tax cut levels

ailing the market, such as liq-

behaviour and so on.

Taking a cue from the many behavioural reports that indicate the Indian buyers are looking for a wide spread and abundant choices when they shop for the festive season, Amazon India used massive trucks filled to the brim to showcase all that can be bought on its platform.

"We learnt about so many things during this journey. How people in small towns order online, how important online buying is for those who live in places where not everything is available. The truck we used to showcase our range was visited by many who realised what all can bought online, this was educative to us as well as our users," said a senior executive at Amazon India.

Why no celebrities? "We want to be as close to our customers as possible. The emphasis is always on giving the best service to our customers," added the executive. The rivals know how to fight and off it.

FROM PAGE 1

# **Questions over** Tata investment in GMR Airports

Delhi Airport is the prime airport of the country. It is the base of two other airlines — IndiGo protocols which would prevent and SpiceJet. "There cannot be any unfair advantage to airlines any conflict over ownership," said the source.

authorities the competitive landscape of Regulatory across the globe are generally the airport sector," said a perwary of airlines taking too large

have any adverse impact on the financial investor. We have informed the CCI," he said. companies slump to ters in the city.

"There was a feeling a few months back that the bad loan problem could be behind us, but those worries are coming back," said Jaipuria. YES Bank, DHFL, Coffee

ment cycles. Day Enterprises, Indiabulls According to industry estimates, refunds worth Housing, and Reliance Capital are some of the stocks that have ₹400-500 crore are still pending The effect has h corrected the most as investors have pulled out from these block the working capital counters amid mounting conacross the textile value chain. especially for weaving and cerns around stress in the financial system and risks of defaults. processing units.

too has seen an impact on orders," said Ashish Gujarati, president of the Pandesara Weavers' Association, one of the leading power loom clus-

This distress has been compounded by working capital issues in the form of pending refunds of input tax credit (ITC) that have accumulated over the last two to three years. in addition to elongated pav-

a share in airports for fear of their distorting competitiveness in airport access, primarily the allocation of slots. For instance, under Australian rules there is a 5 per cent limit on airline ownership of airport-operator companies.

A Tata Sons spokesperson refused to comment on the issue

An official of the GMR group said their reading of the law suggests the transaction was legal as it has been done in the holding company (GMR Airports) and not directly in DIAL.

Sources said the three-member committee of the CCI which gave conditional approval to the deal was alerted by the AAI but they approved it as they found that the deal primarily will not licence to violate other provi-

BS SUDOKU					# 2859		
6	9		4			2	
2		7					3
	5				9		
		8					
				3			
1		9		5	6		
		3				5	
9			7			3	
	1			8			6





son aware of the approval process of the CCL

The CCI observed that slot allocation at congested airports such as Delhi is done by a coordination committee, which has representation from the government and all airlines.

Additionally, if an airline has used the granted slots 80 per cent of the time, it can keep these.

"India's slot allocation guideand sluggish earnings growth, lines are enough to prevent any have remained unchanged even distortion to competitive landafter the tax cut. Because of these issues, you have a lot of scape that may originate from this deal," the person said. margin calls which get hit. "However, all CCI orders can be challenged if someone can prove that it violates provisions of other statutory laws. It is upon the parties to ensure that

Moreover, the September quarter numbers are not going to be great for the BSE500 companies because August was a whitewash for the entire economy the approval is not taken as a because of the erratic mon-

sions.

soon." said Abhimanyu Sofat, head of research. IIFL.

Asenior There are still several com-Tata group panies whose share prices are official said trading sustainably above the the group levels seen before the tax cut. will not be Analysts say investors are optinvolved in ing for companies where there is day-to-day good earnings visibility, and managethat lower tax rates will boost ment of airearnings and dividends.

ports but "Investors are becoming will act as a more and more obsessed about passive the quality of the management financial and business. Some have taken investor. the post-tax rate cut rise in oth-"The er stocks as an opportunity to

Tata exit," said Deepak Jasani, head of retail research at HDFC group's representation Securities. "This quest for qualwill only be ity could continue until the the economy goes back to normal at board level growth rates and liquidity in of the holdthe system is restored to earliing compaer levels."

GAL

ny

of

respective

airports

company

will

passive

### and not in Order books the board the decline for Surat's textile industry in owned by festive season GMR. The

act However, this year, with the sumption, the festive season 30,000 in textile trading.

"It is not surprising that For a weaver, the major input is polyester yarn and the many of the BSE500 stocks are back to the September 19 levels. finished good is 'grey fabric', ie The underlying issues that were raw material.

Earlier, polyester yarn uidity crunch at NBFCs, rising attracted 18 per cent GST instances of corporate default, which was later reduced to 12 per cent. But grey fabric attracts five per cent GST, which led to an inverted duty structure resulting in an accumulation of ITC.

> In fact, in August, the Gujarat High Court quashed the Centre's move to lapse such credit that had accumulated between July 1 2017 to July 31, 2018.

However, according to industry sources, a significant chunk of the accumulated credit has yet to be refunded, blocking the power loom sector's working capital.

"Payment cycles have also elongated as sluggish demand has meant slower sales at the wholesale buyers' end as well. As against the usual 30-45 days' cycle which went up to 90 days in the post-GST and demonetisation era, it has now in several cases has gone up further up to 120-150 days, blocking the working capital," said Jitubhai Vakharia, president of the South Gujarat Textile Processors' Association.

According to Vakharia, capacity utilisation is down by 20-40 per cent for the 320-odd strong textile processing units in the Surat industry.

As a result, the job losses that the industry experienced in the aftermath of GST and demonetisation are unlikely to recover. According to industry estimates, around 100,000 workers in the power loom lost jobs, 80,000 in embroidery, 200,000-250,000 in the merely as a overall slowdown in con- process houses, and another

