Knowledge Creation and Organizational Well-being

Leveraging Talent Management and Appreciative Intelligence®

Editors

G.D. Sardana | Tojo Thatchenkery

BLOOMSBURY

VoiceTongue.com: A Venture in Peril

Pankaj Priya* and Archana Shrivastava**

ABSTRACT

According to a report by the Confederation of Indian Industry and Deloitte Touche Tohmatsu India LLP (June 2016), the Indian e-commerce (electronic commerce) industry is poised for a big leap in the next 4 years. It is also predicted that the growth in B2C Business to Consumer, e-commerce will be supported by a spurt in number of online shoppers, from 20 million in 2013 to 220 million in 2020. There will be three-fold increase in average spending by online shoppers in US, from $ 147 in 2013 to $ 464 in 2020. A majority of B2C e-commerce firms, globally, despite being operational for 5-20 years, report low profitability. The situation in India is no different, i.e. growing gross merchandise (GMV) value but at an overall loss. Where an e-commerce giant like Jabong was reportedly unable to find buyer at a price of US$ 100 million, a price that is a tenth of the US$ 1 billion it solicited in 2015, an Internet company, Fabfurnish did eventually find a buyer[1] in the Future Group at a price of Rs 20 crore, a sum that is widely believed to be a small fraction of the total amount invested in to the company since its inception in 2011. Online food ordering platforms like Foodpanda and Zomato have restricted their business to few metros of India, after their initial expansion to many tier II and tier III cities. The present case studies will try to analyze a business model of an e-commerce company that was started with a great zeal in 2011 but did not survive and fell flat within two years.

Keywords: B2C e-commerce, Profitability, GMV, Food-ordering Platforms, Jabong, Foodpanda, Zomato

INTRODUCTION

Himanshu Shrivatava, successful technical manager at a leading telecom company, while discussing the business scenario in 2011 with his colleagues in sales department, realized that the major impediment in the growth of telecom business was low demand for data-based services. After some pondering and research he identified the absence of a right platform in India where people would be encouraged to use data for communication. Hence, emerged the idea of developing an e-platform for sharing knowledge in all forms-texts as well as data. Indians by nature love to initiate a chat with anyone and share their opinion on any issue under the sun. This trait resulted in an unprecedented enthusiasm for the newly introduced social media platforms and chat sites in India during 2010. Leveraging on this evolving ecosystem,

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[1] http://yourstory.com/2016/04/future-group-acquires-fabfurnish/

* Associate Professor at the Birla Institute of Management Technology, Greater Noida, India.
E-mail: pankaj.priya@bimtech ac.in
** Associate Professor at Birla Institute of Management Technology, Greater Noida, India
E-mail: archana.shrivastava@bimtech.ac.in