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Original Research Article

Flipkart-Myntra: Merger control between Amazon threat and short-run effects on the Indian economy

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ABSTRACT

Mergers and Acquisitions have been the most popular means of inorganic expansion of companies. It is extensively used for restructuring business organizations. The growing number of internet users, a more secure and convenient transaction system, coupled with lucrative offers and a 24x7 delivery system are the common drivers of growth. For Indian companies wishing to expand beyond India's borders, mergers and acquisitions have become a popular method to access new markets rapidly. The immediate economic effects include potential job creation and increased investment in technology and infrastructure. With Flipkart raising $1 billion in fresh funds and Amazon pouring $2 billion into the Indian market, many existing players could fall off the investors' radar paving the way for a race between Amazon and Flipkart in India. The 2014 merger between Flipkart and Myntra marked a significant consolidation in the Indian e-commerce sector, aimed at bolstering Flipkart's competitive stance against global rival Amazon. This paper explores the regulatory aspects of the merger control process, focusing on how the acquisition sought to mitigate the competitive threat posed by Amazon.

1. Introduction

When the internet first came into public use, it was hailed as liberation from conformity, a floating world ruled by passion, creativity, innovation, and freedom of information. And then it was hijacked, first by advertising and then by commerce. The Internet is rapidly becoming the most relevant platform of communication and convenience for doing business. It transformed the majority's everyday social and professional lives (Evans & Wurster, 1997) by becoming an integral part of their day-to-day lives for networking, sharing experiences, chatting, online purchases, making online investments, making payments, or banking online.

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Mergers and Acquisitions represent the final word in change for a business. One notable example is the 2014 merger between Flipkart and Myntra, two leading players in the Indian e-commerce sector.[1] This consolidation was driven by a strategic imperative to bolster Flipkart's position in the highly competitive online retail market, particularly in the face of increasing threats from global giants like Amazon. No other event is as difficult, challenging, or chaotic as a merger and acquisition. In keeping with Oxford, the expression 'Merger' means "Combining of two commercial companies into one".[2–4] The term "Acquisition" refers to the acquisition of assets by one company from another company. In a sale, both companies may still exist. Amazon's entry into the Indian market posed a significant challenge to local e-commerce players. With its extensive resources, advanced technological capabilities, and aggressive pricing strategies, Amazon represented

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a formidable competitor that threatened to overshadow domestic rivals.[5] The Flipkart-Myntra merger was, in part, a response to this competitive threat, aiming to create a more robust entity capable of competing more effectively with Amazon.

1.1. Distinction between mergers and acquisitions

The terms merger and acquisition indicate slightly various things. The term merger means any transaction that forms one economic unit from two or more previous ones and is comparatively wont to indicate any combo of two companies within which the assets and liabilities of the corporate are sold. In the pure sense of the term merger a replacement entity is made by unifying two or more companies by choice and also the management of the businesses decides to travel forward as one separate entity as compared to being operated and controlled differentially. This sort of action is more precisely stated as a merger of equivalents. The firms so merged are often of identical size. Both companies' stocks are surrendered and new company stock is issued in its place. As an example, within the 1999 merger of Glaxo Welcome and SmithKline Beecham, both firms ceased to exist after they merged, and a brand-new company, GlaxoSmithKline, was created.[1,6–8]

On the other hand, acquisition or takeover is different from mergers. Acquisition implies that a corporation unilaterally relinquishes its independence and adapts to a different firm's plans. Thus, in acquisition companies may remain distinct legal entities but control of the company changes. From a legal perception, the company ceases to exist. The buyer of course swallows the business of the target and also the buyer's stock continues to be traded.[5,9–11]

1.2. Definitions for merger and acquisitions

The terms mergers and acquisition are similar or interchangeable words that are commonly employed in mergers and acquisition transactions. Sudarsanam (2003) further differentiates the terms when he explained that a merger is the "process whereby companies meet up together to share their human and physical assets still as other company resources to realize common objectives with the shareholders retaining their ownership in both colligated companies." Mergers often cause the formation of a new company. Similarly, a merger or (amalgamation) occurs.

Acquisitions are usually executed either through a tender offer or through the purchasing or consideration of shares within the exchange, Furse (2004) remarks that the getting together of two or more businesses is influenced by a variety of things which makes it a friendly, agreeable, or unwelcome and hostile. Thus, a merger is an incident where two or more previously independent companies get together to form one entity while acquisition is the purchase of another company or business by one company to gain the controlling power of the acquired shares or assets.

2. Objectives

The study analyzed the acquisition of Flipkart and Myntra and the relationship between Amazon Threat and short-run effects on the Indian economy.

2.1. Significance

Reorganizing and restructuring the business organizations in the current corporate scenario in India enhanced owing to the fast-paced practice of M&A activities adopted by young entrepreneurs. Indian industries, both nationally and internationally, have been exposed to an overabundance of challenges since the Government of India approved Indian Economic Reforms in 1991. Destructive or cutthroat competition forced Indian corporations to adopt M&A strategies, making it an indispensable tool for survival and sustained earning prospects.

The study of the Flipkart-Myntra merger, especially in the context of Amazon's competitive threat and its short-run effects on the Indian economy, holds substantial significance for several key reasons:

1. Competitive Strategies: Strategic Responses: This study provides insights into how large e-commerce players respond to competitive threats from global giants like Amazon. By analyzing the Flipkart-Myntra merger, we gain an understanding of strategic consolidation as a means to enhance market position and competitiveness.
2. Policy Formulation: Regulatory Oversight: The study underscores the role of regulatory bodies, such as the Competition Commission of India (CCI), in ensuring fair competition. Insights from this analysis can inform regulatory policies and practices related to merger control and market regulation.
3. Evaluation of Antitrust Concerns: Preventing Anti-Competitive Practices: By evaluating the impact of the merger on competition, the study helps assess whether it has led to monopolistic practices or reduced market competition, informing future merger assessments and regulatory interventions.

3. Materials and Methods

Secondary Data Sources like, Industry Reports (Detailed reports on the Indian e-commerce market, focusing on the growth trends, competitive landscape, and key players), Company Financial Statements (Annual reports and financial statements of Flipkart, Myntra, and Amazon to understand their financial health, market strategies, and post-merger performance), Regulatory Documents (Analysis of documents related to the merger, including those filed with the Competition Commission of India

(CCI) and other regulatory bodies), News Articles and Press Releases (News coverage, interviews, and press releases about the merger, focusing on the strategic motivations behind the deal and the market's reaction) and Academic Journals and Books were used.

4. Results and Discussion

4.1. Overview of e-commerce mergers and market dynamics

1. E-Commerce Consolidation Trends: Mergers and Acquisitions: Mergers and acquisitions in the e-commerce sector are often driven by the need to enhance market share and operational efficiency. Previous studies, such as those by Brynjolfsson et al. (2013) and Zengler (2014), have highlighted how consolidation can lead to economies of scale, increased market power, and improved competitive positioning.
2. Market Dynamics and Competition: Competitive Strategies: The literature on competitive dynamics in e-commerce, including work by Chen et al. (2012) and Agrawal et al. (2018), discusses how mergers can impact competition. The consolidation of firms like Flipkart and Myntra is viewed as a strategy to counteract competitive threats from global players such as Amazon.
3. Regulatory Oversight: Competition Law: The role of regulatory bodies, such as the Competition Commission of India (CCI), in assessing mergers is well-documented. Studies by Wright (2009) and Lutz (2015) emphasize the importance of merger control in preventing anti-competitive practices and ensuring fair market conditions.
4. Impact Assessment: Economic Analysis: Research by Porter (2004) and Hovenkamp (2012) provides frameworks for assessing the economic impact of mergers. These frameworks help evaluate whether a merger might lead to reduced competition, higher prices, or decreased consumer choice.
5. Impact on Local Competitors: Competitive Pressure: The impact of Amazon on local e-commerce players, including Flipkart, has been studied in works such as those by Narasimhan and Srinivasan (2018). These studies explore how Amazon's entry influences pricing, market share, and strategic responses from local competitors.

4.2. Flipkart-myntra merger

Flipkart was established in 2007 by Sachin Bansal and Binny Bansal, the two graduating classes of the Indian Institute of Technology Delhi. They worked for Amazon.com and left to make their new organization consolidated in October 2007 as Flipkart Online Services Pt. Ltd. The essential item they sold was the book Leaving Microsoft to Change the Globe to a client from Hyderabad. Flipkart presently utilizes every 33,000 individuals. Flipkart permits instalment techniques like money down, credit or ID exchanges, net banking, and card swipe on delivery.

The organization is enlisted in Singapore yet has its central command in Bangalore. Flipkart has dispatched its item range under the name "DigiFlip" with items including tablets, USBs, and PC bags.

4.2.1. Myntra- 'The fashion hub

Myntra.Com is one of the most amazing Indian shopping retailers of fashion and casual lifestyle products, its headquarters is in Bangalore, Karnataka. Myntra was founded in 2007 by Mukesh Bansal and Ashutosh Lawania and Vineet Saxena.

The run rate of the lifestyle and the online retailer is $100 million a year, growing at 20% annually. From the year 2007 to the year 2010, Myntra was basically in the business of selling customized products online. In the year 2010, the company extended its catalog to retail fashion and lifestyle products. Myntra offers close to 70,000 products for more than 700 leading Indian, international, and designer brands. The portal of Myntra receives 50 million hits every month and receives 9000 pin codes across the country.

Creation by Taproot, the communication focused on the benefits of buying online and stated 'Real-life meinaisahotahaikya'. in which they offered free shipping of the products, cash on delivery, 30 days return, and 24-hour dispatch. The focus of Myntra is basically on lifestyle and products of fashion which have a margin of about 40% and the plan to charge for the shipping products below a certain price adds profits and reduces returns. Though the company does not follow the marketplace model the inventory-based model is quite expensive to make sure with the best quality and time delivery it further returns unsold inventory. The experts of the industries state that Myntra is different from Flipkart, as it is not a horizontal player and focuses on fixed categories for apparel.[12]

In 2011, Myntra expanded its catalogue to include fashion and lifestyle products and moved away from personalization. Myntra tied up with various popular brands to retail a wide range of the latest merchandise from these brands. Myntra offered products from 350 Indian and International brands by 2012. Myntra also had casual wear for men and women from brands. The website saw the launch of FastTrack watches and of Being Human, the brand.

2014 saw the merging of Myntra with another Indian e-commerce giant Flipkart.com in an estimated deal of 2000 crore (US$290 million), though nothing in terms of value was officially disclosed by any of the companies. The merger was majorly influenced by two large common shareholders, Tiger Global and Accel Partners. Myntra continues to function and operate independently to increase its market share from 50 to 70 percent of the market share. In 2014, Myntra's portfolio included about 1,50,000 products of over 1000 brands ranging from international brands to designer brands and a distribution area of around 9000 pin codes in India.

In May 2015, Myntra moved on to an app-only business model wherein customers can only buy and transact on their site through smartphones. The move came after the site claimed that 95 percent of Internet traffic on their site came from mobile and 70 percent of sales were generated through smartphones. The move to app-only generated mixed reviews and saw a 10% dip in sales initially.

Flipkart had reportedly approached Myntra for a merger deal in Jan 2014, while the company was in talks to raise $50 million in investment from Azim Premji's Premji Investments and others.

To understand access to the Indian market, where foreign investment is prohibited, Amazon started with the launch of Junglee.com in February 2012. Amazon entered the Indian e-commerce market in June 2013 as a virtual merchant, operating as a pure-play marketplace player, enabling third-party sellers to induce hold of consumers. The foremost advantage of being a marketplace operator is that the corporate doesn't suit the foreign direct investment (FDI) restriction, as no inventory is required. Amazon operates with a marketplace model in 10 countries including China, the US, Canada, Japan, and so the United Kingdom (BS Reporter, 2013).

4.3. Amazon

The game changer: Amazon is an American international e-commerce company. It was started by Jeffrey P. Bezos within the year 1994. And it had been launched in India in June 2013. Previously, Amazon had no infrastructure in India, and now it dominates the Indian market. At the very start, it had been a perception of investors that India would not go long like China as within the year 2004 when Amazon entered China it didn'tsee much success there with Alibaba, its Chinese competitor, dominating the e-commerce market. The fact behind the formation of Amazon in India was its huge headcount i.e. 1.25 billion fourfold as big as the U.S.'s and quite doubles Europe's. Of these, 500 million, around 35 percent, are internet users. As per research, the yearly rate of internet users is the highest in India around six million users joining monthly. Researchers expect the web shopping market in India to achieve $15 billion by 2016 up from only $35 million in 2014.

4.4. Impact of the Flipkart-Myntra merger

The merger aimed to create a more formidable competitor to Amazon by combining Flipkart's extensive general e-commerce platform with Myntra's strong fashion retail presence. This consolidation was intended to increase market share and create a more competitive entity capable of offering a broader range of products and services.In the short run, the merger likely influenced consumer spending patterns by providing more comprehensive product offerings and improved shopping experiences. The integration of Flipkart and Myntra could also lead to more competitive pricing and enhanced services, benefiting consumers.

4.5. Online retail spending in India

The landscape of online retail spending in India provides a critical context for analyzing the Flipkart-Myntra merger. With the online retail sector experiencing rapid growth and evolving consumer behaviors, the merger represents a strategic response to competitive pressures from major players like Amazon

4.5.1. Market growth

India's online retail market has experienced explosive growth over the past decade. According to reports by various market research firms, the sector has been expanding at a compound annual growth rate (CAGR) of approximately 30% in recent years. The growth is driven by increasing internet penetration, rising smartphone usage, and a growing middle class with higher disposable incomes.As of 2023, the Indian e-commerce market is estimated to be worth around $80-90 billion. Projections suggest it could reach $200 billion by 2026. This significant growth highlights the increasing importance of the online retail sector within the broader retail landscape.

4.5.2. Shift to online

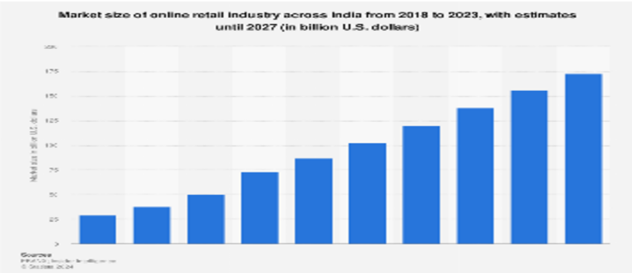
Indian consumers are increasingly shifting from traditional brick-and-mortar stores to online shopping platforms. This trend is driven by the convenience of online shopping, diverse product offerings, competitive pricing, and the ability to compare products easily.Categories such as electronics, fashion, and groceries have witnessed substantial growth in online spending. Fashion, in particular, has seen rapid expansion due to the proliferation of online fashion retailers like Myntra and the increasing popularity of digital-first shopping experiences.

4.5.3. Market leaders

Flipkart and Myntra, before their merger, were significant players in the Indian online retail space. Flipkart dominated the general e-commerce segment, while Myntra was a leading player in online fashion and lifestyle products.Amazon is a major competitor in the Indian market, posing a significant challenge to local players. Its extensive product range, aggressive pricing, and advanced logistics capabilities have made it a formidable force in online retail.

4.5.4. Mergers and acquisitions

The Flipkart-Myntra merger was a strategic move to consolidate market position and better compete against Amazon. By combining their resources, the merged entity aimed to enhance its market share, leverage synergies, and improve operational efficiencies.



Source: https://www.statista.com/statistics/759428/india-e-retail-industry-market-size/

Figure 1: Market size of online retail industry across India from 2018 to 2023, with estimates until 2027 (in billion U.S. dollars)

4.6. Merger review and industrial policy

The relationship between merger review and industrial policy is crucial in ensuring that strategic consolidations like the Flipkart-Myntra merger align with broader economic and policy goals. By balancing competitive considerations with the need to support economic growth and development, regulatory bodies can help foster a dynamic and competitive market environment that benefits consumers and supports domestic industry objectives.

In India, mergers and acquisitions are reviewed by the Competition Commission of India (CCI) to ensure that they do not reduce competition or lead to monopolistic practices. The review process assesses the impact of the merger on market competition, pricing, consumer choice, and innovation.

The CCI evaluates how the merger affects market concentration and competitive dynamics, and whether it creates or strengthens a dominant position that could adversely affect competition.The review process includes assessing potential benefits to consumers, such as improved services or lower prices, against possible negative impacts like reduced competition or increased prices.

Industrial policy aims to promote economic growth, job creation, and sectoral development. It often includes measures to support large-scale investments, technological advancements, and infrastructure development. Policies may focus on strengthening domestic industries, fostering innovation, and creating a competitive environment that supports local businesses and entrepreneurs. Myntra merger represents a strategic consolidation aimed at improving market position and competitiveness in the face of global competition, notably from Amazon. The merger review must balance these strategic objectives with the need to maintain competition and consumer welfare.

4.7. Efficiency claims in mergers

Firms merge for a variety of reasons. One motivation may, for instance, be market power, i.e. the merger may increase the merging firm's ability to boost prices above marginal cost, either unilaterally or in cooperation with their rivals. Some managers may acquire other firms for self-serving purposes, e.g. to —build an empire, to reinforce their reputation, or to reduce the risk of being ousted by external investors. Or because they need to exploit imperfections in capital markets and see an opportunity to buy undervalued companies. In most cases, however, it will also be suggested that the merger allows the merging firms to attain some efficiencies, like economies of scale and scope in production and distribution, staff rationalization, financial synergies (in the form of a lower cost of capital), and other synergies.

Efficiencies can have a prominent role in the case of non-horizontal (i.e. vertical and conglomerate) mergers, and this is often explicitly recognized by most antitrust agencies A vertical merger, i.e. between firms operating at different levels of the supply chain allows, for example, the internalization of certain externalities and the alignment of incentives, by avoiding the —double mark-up problem. Additionally, it can induce production efficiencies and savings as well as transaction cost savings. During a conglomerate merger (where firms have neither a horizontal nor vertical relationship) consumers may benefit from one-stop shopping, i.e. the possibility of buying a range or portfolio of products from one buyer instead of separately from different suppliers.

In horizontal mergers, the main focus has traditionally been on the loss of direct rivalry between the merging firms in the same relevant market, because this loss could enhance market power and harm consumers.

4.8. When do competition authorities admit efficiency claims?

4.8.1. Criteria to admit efficiency claims

Since information about potential efficiency gains in mergers is solely in the merging firms 'possession (which puts competition authorities at a disadvantage), or sketchy or non-existent at all in some cases, it is not surprising that almost all agencies adopt a cautious approach when they evaluate efficiency claims. The European Commission, for example, allows efficiencies only when the following three conditions are cumulatively met:

4.8.2. Efficiencies must be merger-specific

Claimed efficiencies are only allowed when: They are the direct results of the proposed merger; and, they cannot be achieved to a similar extent by less anti-competitive, yet realistic and attainable alternatives, like internal expansion by one or both merging parties, licensing agreements, joint ventures, or a merger that is structured differently. If these alternatives exist, then the claimed efficiencies cannot be considered merger-specific and are therefore to be disregarded.

4.8.3. Market dominance through acquisitions

Globally, competition/antitrust authorities are grappling with issues where a dominant firm tries to remain perpetually dominant by following the banyan tree approach. We know that no sapling grows under a banyan tree, it keeps spreading through the trunk and roots forever. Applying a similar analogy to modern corporate strategy, Columbia Law School professor Tim Wu, in his book The Master Switch: The Rise and Fall of Information Empires has used the "Kronos Effect".

Wu explains the Kronos Effect as the effort undertaken by a dominant company to consume its potential successors in their infancy. Understanding this effect is critical to understanding the cycle, and for that matter, the history of information technology. It may sometimes seem that invention and technological advancement is a natural and orderly process. The role of start-ups in the competitive assessment of markets has been limited as their presence is employed to provide evidence that a relevant market is probably going to become increasingly competitive. All start-up acquisitions may not be killer acquisitions, as some may enhance efficiency and improve symbiotic relations. The OECD attempted to define killer acquisitions as an acquisition of a nascent firm that triggered a loss of not only a competitive constraint but also a product (as when a retail acquisition results in a store closure). Thus, a theory of harm. In the case of killer acquisitions, the theory of harm could also be "loss of potential competition through the acquisition of a nascent firm".

In the Indian scenario, the CCI does a competition analysis of notifiable transactions. In the absence of any residuary powers, the CCI cannot venture into competition assessment of non-notifiable acquisitions. The Competition Act, of 2002, prescribes thresholds in terms of assets/turnover qualifying, of which a combination is considered notifiable. The government has exempted notification of transactions wherein the target enterprise whose control, shares, voting rights, or assets are being acquired has either relevant assets of a value of not more than Rs 350 crore ($50 Million) or relevant a turnover not more than Rs 1000 Crore ($143 Million) in India. Given the exemption thresholds, many start-up acquisitions will remain outside the purview of CCI.

4.8.4. Grabbing India's OTT market share

Amazon's Prime has captured audiences across the country with multi-lingual on-demand content together with original content, making it one of the most popular OTT platforms in India (over-the-top media). With the OTT industry still in its infancy, PwC estimates that it will be worth 11,970in 2023, so we saw over 30 new platforms emerge in precisely 3 years. New to the market but determined not to be bested by Amazon, Flipkart announced its own OTT platform, informing audiences that it will start its foray into the industry by streaming licensed content from Disney and Balaji.

Having launched a separate video tab in its commerce app, Flipkart has taken a distinct approach compared to Amazon (which features a separate Prime Video App) possibly to assist in the easier discovery of their video offering for their users since it's new at once.

4.8.5. Competitive constraints of the post-merger entity

The much-awaited deal of Flipkart- Myntra has some remarkable relevance in the e-commerce business. With the investment, Flipkart has become the largest e-commerce player by a good margin in the nation and provides breathing space in a crowded market. Both companies have been in talks to amalgamate their business and organizations due to the rapid expansion of Amazon's services in the nations. The combined body of Flipkart and Myntra is expected to surpass many of the problems. Good e-commerce companies in the nations are far away and few are between us.

As per the explanation of Udhas, the high cost of customer investment remains one of the primary issues for the Indian e-commerce market. Due to the merger, Flipkart and Myntra can also face huge cost savings as they are aimed at the same customers and the same market base.

4.8.6. Post-efficiency effects

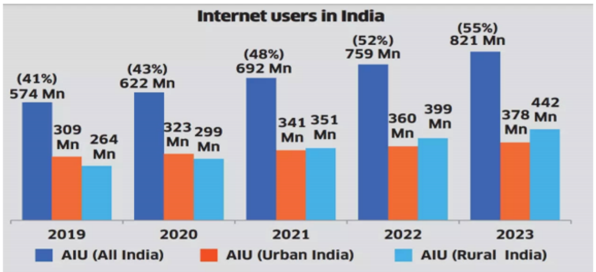
On the other dimensions, Internet infrastructure and standard of engagement are restricted and their foundation have internet have remarkable scope to enhance low standards on India's user engagement and commitment due to the following barriers:

4.8.7. Limited availability of internet infrastructure

However, India scores well on the attainability of human and economic capital; it rates very badly on the framework of the Internet, Internet commitment, the e-commerce base, the smoothness of business on the Internet, and the influence of e-governance. On pointing out the power and strength of the internet ecosystem, ranks India in the bottom quartile of our comparison set of 57 nations. Also,the average bandwidth capacity for every 10000 people all over the world is 28mbps whereas there is only 6mbps in India.

Poor distribution channel management: Payment options also differ from place to place for the customers, it varies from rural to urban customers. There is an also option of COD for metro city customers while advance payment is compulsory for nonmetro customers or rural area customers but there is a fear in the customersabout whether they will get their product or not if they pay in advance.

India has emerged as one of the highest median costs of broadband access at $61 per Mbps across all over the world- more than four times that of China, Argentina, and Brazil and 20 and 30 % higher than that of Vietnam and Malaysia.



Source:https://economictimes.indiatimes.com/tech/technology/how-india-is-using-the-internet/articleshow/108354854.cms?from=mdr

Figure 2: Internet users in India

4.9. Future outlook of M&A in India

India is becoming a highly wanted destination for M&A deals. This also means that it is now more liable to the impulses and uncertainties of the global economic scenario. Considered to be the lifeblood of Indian business now, it needs support and constancy to make sure that it remains progressive in the coming years.

India must concentrate on refining the processes, increasing the simplicity in doing business abroad and therefore the legalities involved in them. It is not wrong to say that the mergers and acquisitions in India and the system associated with that are in the infant stage but this economy is big enough to provide opportunities to foreign investments.

The key tosuccess is keeping fundamentals in place, i.e., aligning acquisitions to the whole business system, designing and executing a dynamic integration process, and taking adequate Mergers and Acquisitions in India.

5. Suggestions

1. The Competition Commission of India should continue to monitor the market to ensure that the Flipkart-Myntra merger does not lead to monopolistic practices. Regular reviews and possible interventions might be necessary to maintain a competitive balance.
2. To avoid market concentration, the government could introduce policies that support smaller e-commerce platforms, such as tax incentives or access to capital, to ensure a more diverse market landscape.
3. The government and private sector should collaborate on infrastructure development, particularly in logistics and supply chain networks, to support the growing e-commerce industry and create long-term economic benefits.
4. Both companies should remain flexible in their pricing strategies to respond to market changes and consumer behavior. This will help maintain their competitive edge while ensuring profitability.
5. Both companies should integrate sustainability into their business models, focusing on eco-friendly packaging, reducing carbon footprints, and promoting ethical sourcing. This approach not only benefits the environment but also appeals to the growing segment of socially-conscious consumers.
6. The execution of M&A requires to be done appropriately and in a well-organized manner, to achieve the targets. Therefore, we can safely assume that M&A has always been the most common method of development method in the present as well as in the future.

6. Conclusion

There are so many reasons why the market decided on methodical association. The procedure for the partnership and combination of Myntra and Flipkart will give a direction to the traditional players. They will strengthen existing potentials and platforms by following adjoining growth. The merger was primarily aimed at consolidating Flipkart’s position in the Indian e-commerce market to better compete with Amazon. By acquiring Myntra, Flipkart gained access to a leading fashion and lifestyle platform, allowing it to diversify its offerings and attract a broader customer base. Myntra has become a worthy competing design web-based business organizationgiven its extraordinary plan of action and attractive discount offers.The merger allowed Flipkart and Myntra to leverage each other’s strengths, such as Flipkart’s logistics and Myntra’s specialized fashion expertise. This resulted in operational efficiencies and cost savings.The merger intensified the competition in the Indian e-commerce sector, particularly with Amazon. In the short run, the merger led to job creation in various sectors, including logistics, technology, and customer service. A competitive rival can give a boost to a company’s performance incredibly and Amazon is exactly such a rival. It has pushed Flipkart to launch innovative payment methods such as Payzippy for online sellers and buyers who seek hassle-free and safe payment options. The successful merger, coupled with subsequent investments, boosted investor confidence in the Indian e-commerce market, attracting further investments from global player.

7. Source of Funding

None.

8. Conflict of Interest

None.

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