

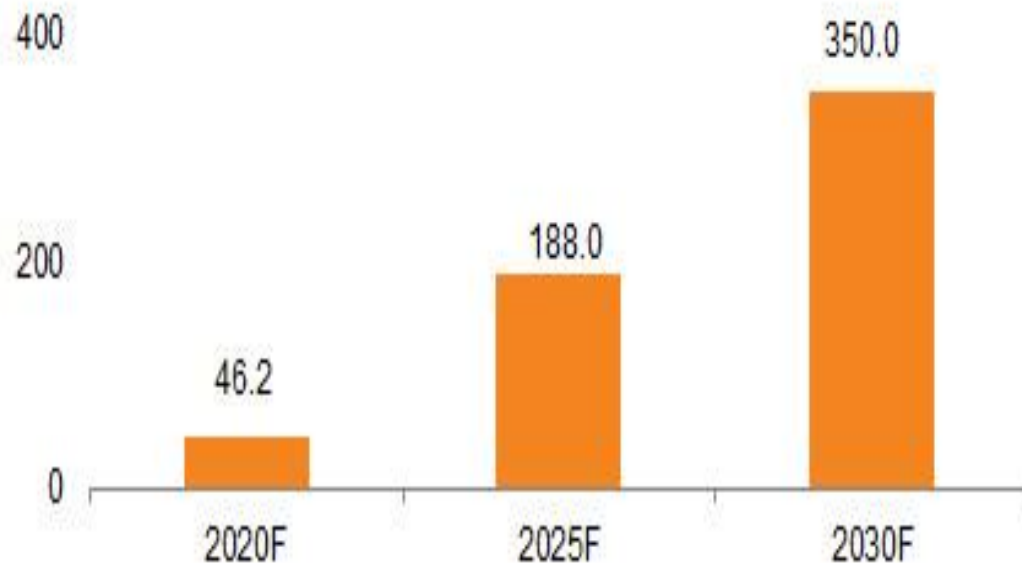


E-commerce platforms: How to make it work for processors, channel partners and consumers

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STATUS OF E-COMMERCE IN INDIA

Indian E-commerce Market (US\$ billion)



- 770 million active internet users
- After China and the US, India had the third-largest online shopper base of 140 million in 2020
- Share of E-commerce is expected to jump from 4.7% in 2019 to 10% in 2024
- E-commerce is fastest-growing channel with CAGR of 20 to 40% in various segments.
- COVID 19 accelerated E -Commerce growth

E Retail Vs Total retail sales by Segments 2019



Segment	Segment share in Total Retail sales	Segment share in E-Commerce sales	E-commerce Share in Segment
Consumer electronics	10%	40%	20%
Apparels & Footwear	10%	40%	20%
Food and grocery	65%	7%	1%
Jewellery	7%	7%	5%
Furniture	4%	4%	5%
Others	4%	2%	3%

Consumers perspective E-Commerce V/s Traditional buying



Advantage E-Commerce

- Get the best rates across the country
- Convenience of doorstep delivery
- Can buy products not easily available in the stores
- Discounts and schemes

Advantage Traditional models

- Can see and buy
- Relationship with neighbourhood Kirana shop
- Immediate delivery
- No last mile delivery damages/costs.
- Can check packing and Expiry dates

Consumer expectations from cashews

Consumer cares about

- Freshness
- Crispy
- Less Broken in wholes
- Good packing
- Taste / flavor

Consumer likes

- Size
- Colour
- Texture

Consumer does not like

- Worms
- Foreign matters
- Soft / moisture
- Powders

Ultimately, it is the consumer who decides which channel to use

Type of E-Commerce

MARKETPLACE MODEL

- e-commerce firm will be providing a platform for customers to interact with a selected number of sellers
- Products sold by registered sellers only. Quality controlled by sellers
- Price fixed by sellers. Platform negotiates margins
- Lead time higher
- Shipping costs higher
- Scalable
- FDI Allowed

INVENTORY MODEL

- inventory of goods and services is owned by e-commerce entity and is sold to the consumers directly
- Product sold by E-Com entity, he can control quality.
- Price fixed by platform only.
- Quicker delivery time
- Shipping costs are lower
- Not scalable
- FDI Not Allowed

Managed Market Place Model (Hybrid)

- Almost all leading E-commerce platforms now follow this model
- Fulfilment services / APOBs are offered by platform ('Fulfilled by Amazon' or 'Flipkart advantage').
- Operationally controlled Seller entities such as Cloudtail (Amazon) / WS Retail (Flipkart)
- Own brand products.
- Is the Market place is really a place with a level playing field? The controversies remain.
- 10/30 minutes delivery / guaranteed quality / no question asked returns can be game-changers

How to promote your products on E-commerce

- “Dikhega to bikega” ...Visibility is the key
- Price competitiveness is the key
- Build a relationship with channel partner, negotiate best terms.
- Advertisements, key words, banners, posters, schemes
- Reviews, ratings, customer feedbacks
- Ensure quick and safe delivery (APOB, Grocery etc)
- Take care of Customer complaints
- Customer rejects, how to handle?

E-Commerce Platforms, winning strategy

- “Milna sabka chahiye, Bikna apna chahiye”
- The efficiency of platform will be critical on a longer run
- Keep margin reasonable !. Make it workable for the participants.
- Ensure Price / Quality/service are reasonable. Ultimately, it’s the reputation of the platform at stake.
- Innovate on cost savings in delivery/return/payment systems. Only lean platforms can survive in the long run.
- Verified / approved Vendor system, blue tick, platform ratings can help customers make a clear choice.

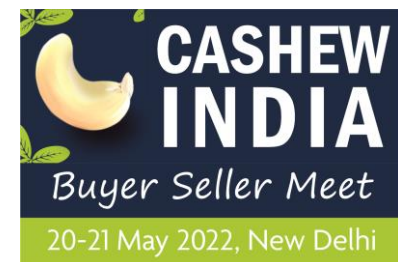
Where we stand now

- Every E-Commerce website has plenty of options on cashews. Everyone has cashews in their ready delivery grocery model.
- Some have a price range of Rs 800-900 per kg, whereas many others are in price range of Rs 1000-1100 per kg
- Dry Fruits account for 7-10% of the Grocery business.
- Cashews account for 30-35% of dry fruits business. Almond leads with 40-45% share.
- No single national brand dominates the market. Some brands are doing good progress in being a pan India brand.

Nuts on e-commerce platform: Trends and opportunities for cashews



Users Age group at Major E-commerce Platform



Source: Bobble AI Data Intelligence Division

Year on Year Growth of Nuts at E-Commerce



YoY Growth: 23%



Year on Year Growth of Cashews at E-Commerce



YoY Growth: 24%



Opportunities for Cashews:



- Only 2% share of E-commerce in India yet in the Food
- More than 55% users at E-commerce belong to below 35 Yrs of age group
- Behavioral changes in the customers post COVID impact
- Per Capita Nuts consumption in India is very less
- Healthy Snacking trends is going up drastically