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E-COMMERCE DEVELOPMENT IN INDIA DURING PANDEMIC

The Government of India has taken significant initiatives to strengthen the economic credentials of the country and make it one of the strongest economies in the world. India is fast becoming home to start-ups focused on high growth areas such as mobility, e-commerce and other vertical specific solutions - creating new markets and driving innovation.

Owing to higher infrastructure spending, increased fiscal devolution to states, and continued reforms in fiscal and monetary policy, the Indian economic outlook has strengthened. The Government of India is striving to move steadily to minimise structural and political bottlenecks, attract higher investment and improve economic performance.

E-Commerce is a term for any type of business, or commercial transaction, that involves the transfer of information across the Internet. E-Commerce allows consumers to electronically exchange goods and services with no barriers of time or distance. The sharing of business information, maintaining business relationships, and the conducting business transactions by means of telecommunications networks. A business online does not have to make a site for every language. With the right marketing, every customer around the globe can find the business site, products, and information without leaving home.

Covid-19 has caused an inflection in e-commerce penetration globally driven by consumers' need for safety and convenience and even in India, online is gaining salience. A Bain & Company-PRICE survey of 3000 households across income groups and geographies which was conducted between April and June, revealed about 13% respondents buying online for the first time, while about 40% buying more online.

We expect India's e-commerce growth story to be inclusive—one that empowers the

sellers and consumers both. For the consumers, it will provide convenient access to a wide assortment of products across all geographies and income segments. For sellers, artisans, traders and home-entrepreneurs it will provide an unprecedented impetus, by creating an easy access to a large base of customers across the country.

E-retail has already democratised the shopping landscape, with access to more than 95% of India's pin-codes and empowering Bharat's small sellers while breaking go-to-market barriers for insurgent and incumbent brands. E-retail has benefitted millions of customers across India, exponentially increasing merchandise choice, price transparency and augmenting access and convenience.

To win in the online marketplace, there are six key elements that need to come together:

Optimal assortment and merchandising : Brands will need to tailor their assortment to suit online needs (e.g., bigger packs, bundles, ease of delivery, etc.). For instance, a few leading FMCGs have re-designed packaging and reduced the extent of plastic and water to make it lighter and more cost efficient to ship these products.

E-commerce-ready supply chain: Brands need to ensure that their supply chains are highly agile, in order to manage spiky demands (e.g. Diwali season) that are characteristic of online businesses and build the associated demand forecasting and inventory planning capabilities as well.

Digital marketing: Brands need to decide their most optimal split of spending across digital channels and digital properties. Depending on the objective, they should optimise spending among various digital properties such as banner advertisements, search listings, social media, etc. The biggest benefit of digital marketing is the ability to hyper-personalise content— brands can get a higher ROI by being nimble about the consumer cohorts and where in their purchase journey, to target.

Optimising for higher online conversion: Optimising the trifecta of Product Display Page (PDP), pricing/promotions and visibility, can significantly improve conversion rates online. For example, there are 20+ elements within a PDP (e.g., images, reviews, product summary, etc.) that a brand can refine for better results.

Digital execution excellence: The ability to create and continually refresh content, test and learn, refine at scale, track and tweak online pricing/promotions real-time, rapidly respond to consumer reviews, etc. is what differentiates digital winners from the rest.

Ecommerce enablers: The back end also needs to be robust and agile for winning online. Supporting systems, data and reporting infrastructure, automated real-time decision making enablement are all pivotal to a successful online business.

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