BUSINESS PLAN BY

Enterslice Fintech Pvt Ltd

TO START

AN E-COMMERCE BUSINESS IN INDIA

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INTRODUCTION OF THE INDUSTRY

The Indian economy has witnessed tremendous growth in the past decade owing to an unprecedented rise in number of consumers for goods and services in the country. More consumers are increasing across the nation, with a rise in net income and preference for quality products and services.

One of the sectors that have achieved matchless heights of success is the e-commerce sector that has grown more than four times in the last ten years. Currently, the e-commerce market in India is worth 64 Billion Dollars. The above figures show the e-commerce industry is a successful venture for entrepreneurs. The success story of the e-commerce sector has been driven by the rapid technological disruption that occurred in India, with instantaneous demand growth for products such as smartphones, tablets and laptops. Added to this was the introduction of Artificial Intelligence, Machine Learning and Internet of Things (IoT). With the increased use age of internet and commerce, the e-commerce market has experienced a boost at a similar level.

The telecom boom in the country and ease of internet services like 3G, 4G and an achievable 5G, has also contributed to the increase in the online customer base for e-commerce businesses who are now able to surf through an array of

purchase options with a few clicks and make informed decisions about their purchases.

Another factor that has led to a Digital evolution and growth of the e-commerce sector in India is the government's initiatives for Digital India. With backing from the government and technological disruption, the e-commerce market in India has been propelled significantly.

With the growth rate of the e-commerce sector in India predicted to multiply in the coming years, new e-commerce players have outstanding opportunities to enter the e-commerce market and harness latest technologies and employ customer-centric services and establish a successful and viable e-commerce business in the country.

SWOT ANALYSIS OF E-COMMERCE SECTOR

The e-commerce sector has been enjoying a favourable and thriving ecosystem in India due to the reliance of an increasing number of customers on online marketplaces and service providers. Be it individuals, households, or businesses; e-commerce has brought the world closer and more accessible for hassle-free purchase of products or services on the go.

Regardless, every business has its own weaknesses and threats. Every new player that wishes to enter the e-commerce sector must understand the threats and weaknesses, as well as the opportunities and strengths of the

e-commerce sector before diving into the competitive market. SWOT analysis for an e-commerce business is one of the best ways to understand the market. The internal and external factors would provide the current image of the market.

When it comes to the **threats and weaknesses** present in the e-commerce sector, a brief outline can be drawn through the following points:

1. Threats relating to technology such as technology failures, data hacks and security breaches.
2. Threats relating to customer frauds and issues related to refunds
3. Threats related to further disruptive technologies.
4. Weakness in terms of high competition in the e-commerce market.
5. Hit or miss when it comes to marketing on the digital channels.
6. Threat of Maintaining an effective distributive channel or having the vendor system- Single Vendor System or Multiple Vendor System
7. Brand Establishment- Legal Issues- Trademark, Copyright Protection and Registering the same
8. Legal hurdles due to regulatory changes
9. Threats related to emergency situations like lockdowns by government, disasters and pandemics

Nonetheless, the **strengths and opportunities** of the e-commerce sector provide the capabilities to new e-commerce players to easily overcome the above-mentioned challenges:

1. Lower maintenance cost, with latest technologies and automation framework.
2. Connectivity to a large customer base as compared to a brick-and-mortar store.
3. Choosing a straightforward revenue and market segmentation model.
4. Virtual online market which facilitates online buying and selling
5. 24*7 availability of the store for customers to purchase the goods or services.
6. Lower product costs owing to the lack of middle-men and agents.
7. Multiple marketing channels to target vast population size.
8. 24*7 customer support services

ABOUT THE COMPANY

ABC' has been set up with a goal and vision to establish itself as the leading online grocery in India. Our main products include groceries and household essentials. We plan to connect with millions of households and individual customers as the primary distributors of fresh products, staple grocery items,

confectionaries, condiments and daily essentials. We also deal with farm and milk products.

We aim to become the most-preferred one-stop solution for Indian households and individuals who are looking to purchase grocery items for their personal consumption

Our objective is to commence a 24*7, round-the-clock online grocery store that would allow our customers to purchase their groceries on-the-go.

We plan to introduce a large range of products on our platform from different widely known brands that adhere to our product quality standards, with easy delivery and payment options.

Our goal is to incorporate the latest technologies, automation, logistics services, and quality products to provide best-in-class services to our customers and establish ourselves as the all-inclusive online *kirana* store.

MANAGEMENT TEAM

The management of the company would be led by:

MISSION STATEMENT

Vision

Our vision is to establish ourselves as the most preferred, easily accessible grocery store all over India. We envision creating an online supermarket driven by technology that simplifies the way the masses purchase their groceries.

Mission

Our mission is to provide an online platform where people can shop for groceries and get doorstep delivery for their orders. ABC aims to cater to the unattended needs of the people who prefer the internet for their purchasing requirements. Our foremost mission is to provide convenience to the customers by serving them and getting back value through quality and customer satisfaction.

Objectives

The primary objectives of ABC are as follows:

- To provide flawless customer services.
- To build a stable and technology-fuelled digital supermarket.

- To provide seamless service and connectivity between distributors and customers.
- To provide our customers with the best value for their money and prompt delivery services.
- To ensure that the products listed on our platform meet all the quality and safety standards as per the applicable regulations and laws.
- To provide timely customer support

Values

We aim to build our business with great values and ethics while ensuring the following:

1. To run our operations transparently.
2. To lead with innovation and technological advancement.
3. To work efficiently and serve our customers with quality goods and services.
4. To receive customer feedback and improve our products and services effectively.
5. To protect the interest of consumers
6. To respect and serve customers.

USP OF THE BUSINESS

The e-commerce market is overcrowded with online businesses that cater to the various needs of the customer. However, when it comes to addressing the purchasing needs of customers based in semi-urban, urban and metro regions of

our targeted geographical location, the opportunity to establish a profitable venture is vast.

Thus, one of our unique selling points is our carefully chosen **market segmentation strategy**. We conducted in-depth market research and identified the demographics and locations that have the capability and interest to purchase their groceries online.

Another advantage that would give us an edge over the competitors in this business segment is the technology framework we would incorporate to run our operations. We would employ technology products from **avant-garde technologies** such as Artificial Intelligence, Internet of Things (IoT), Fraud Detection, and Automation to simplify the entire purchase cycle for our customers.

We ensure that all the products listed on our grocery store are compatible with the quality standards provided under the food safety (FSSAI Law) and other applicable laws in India. Our **products** would include an assortment of grocery, household essentials, farm and milk products from leading brands in India.

Another feature that would set us apart from our peers is our **flexible delivery time slots and payment** framework. We would provide our customers with the options to choose their preferred delivery slots and payment methods in order to ensure seamless purchase transaction for our users.

DEMOGRAPHICAL SEGMENTATION

With an aim to serve a market of individuals and households, we have devised a methodical demographical segmentation strategy. Our goal is to target the market of bachelors, family, households and students who prefer to make their purchases online.

Keeping that in mind, our demographical segmentation would be based on the following dimensions:

Age	Income	Status	Location
20 and above	INR 15,000 per month or more in case of individuals	Bachelors, students, homemakers, households.	Semi-Urban, Urban and Metro Cities

TARGETED GEOGRAPHICAL MARKET

With an aim to serve our clients in the best manner possible, we would commence our digital operations in a phase-wise manner.

The first phase would be to launch our services in the Delhi-NCR region, in cities like New Delhi, Gurugram, Noida,

Faridabad and further expand our services to other metropolitan hubs.

In the second phase, our services would be started in a limited radius. Starting our services within this radius would allow us to learn about the market purchase patterns and demand for different goods in the regions. Once we develop a substantial customer base, we would expand our operations in the neighbouring states of Rajasthan, Madhya Pradesh, Bihar and Chhattisgarh.

The third phase would be to expand our operations in the entire North Indian region and develop our services in Tier 1 and Tier 2 cities of the region.

In the final phase, our services would be to launched PAN India, owing to our easily scalable technology framework.

PRODUCTS AND SERVICES CATALOGUE

Being an online grocery store, ABC plans to introduce a large variety of grocery and staple food items on our platform. These products would range from:

1. Fruits and vegetables

2. Food grains, Oil and Masala such as Atta, rice, other kinds of flour, whole spices and variety of cooking oils.

3. Bakery Cakes and Dairy products.

4. Beverages like coffee, tea, soft drinks and health drink supplement.

5. Snacks and Branded Foods such as noodles, breakfast cereals, biscuits, spreads sauces and pickles.

6. Beauty and Hygiene products such as Feminine Hygiene, Men Grooming Products, Oral Care, Bath, Hair Care, Skin Care, Fragrances and Deodorants.

7. Cleaning and Household products such as detergents, dish cleaners, all purpose cleaners, fresheners, pest repellents, mops and brushes.

8. Eggs, Meat and Fish Products such as Poultry Products, Fish, Sea food and Marinades

REVENUE MEANS

The revenue model of our digital platform would be straightforward. ABC would not charge any customer for registration or browsing.

The primary revenue would be generated by running our platform through digital means and eliminating the middle-men, thereby allowing us to earn a substantial amount of money on goods purchased at wholesale rates, and also allow us to offer lucrative schemes and discounts to our clients.

Another means for our revenue would be the logistics charges for delivery of the orders in different locations, with different time slots. Our association with a reputed logistics company would allow us to maintain high delivery standards, while saving a nominal amount on the same.

MODEL OF BUSINESS

ABC aims to operate a digital hybrid model whereby our customers would be able to purchase our products through a web-based platform as well as a user-friendly mobile application.

Our business model would be based on the Business to Customer i.e. the B2C vertical, targeting users that make their purchases for their personal requirements.

Our digital platforms would be equipped to handle large volume orders and traffic on the website and accessible from different smart devices such as a smart phone, laptop, and desktop, running on different operating systems and browsers.

Our technology platforms would allow us to execute the complete purchase transaction digitally, while our team at our registered office focuses on improving the services and handling customer relationship management. Our digital platforms would be maintained via our in-house technology team, powered by a full data recovery and backup system, and multi-level encryption.

MARKETING STRATEGY

Marketing is the bread-and-butter earner of an e-commerce platform. Therefore, we plan to implement a robust marketing strategy, both digital and local, in order to attract a large customer base to our digital store.

We would incorporate the best-in-practice techniques relating to Paid Advertisements, Social Media Marketing, Search Engine Optimisation, Google Play Ads, In-game Ads, YouTube Ads, etc. as a part of our digital drive.

Locally, we would harness the benefits of newspaper ads, pamphlets, handouts, billboards, etc. to spread the word about our online grocery store. Apart from this, we will distribute pamphlets through newspapers.

OPERATIONAL STRUCTURE

We would associate with leading brands in India to list their products on our digital store. Associating with such brands directly would allow us to eliminate any middle-men and save on the overall product costing. Our storage and logistics operations would be run from a leased warehouse, that would accommodate cold storage facilities as well for the secure housing of the bulk purchases.

Our fresh produce would be sourced from local farmers and vendors in order to ensure the quality and freshness of these products.

The business process for ABC's digital grocery store would begin from the user registering on the platform through their username /contact number or email ID.

Once the user registers on the platform, an OTP for the secure transaction would be generated, with which the user can login and begin their shopping. The OTP would be unique and a different number would be provided with each login attempt in order to defer any changes of hacking or fraud. After logging in, the user would be able to check their location eligibility. The user would also be able to manually input the location details to check the eligibility. Initially the user may not be familiar with the operations our mobile application. We provide user demos for individuals registering for the first time on our application. New users can also access our videos on using our application.

Users can add their chosen products to the cart and check-out. Upon checking-out, the user would be provided with an option to choose from the different delivery time slots categorised as:

1. **2-Hour Delivery**: The user would be able to get the purchased products delivered within 2 hours upon paying a nominal delivery fee.

2. **8-Hour Delivery**: The user would get an option to get the product delivered within 8 hours when the order is

placed early in the morning. A nominal fee would be applicable for the same.

3. **1-Day Delivery**: Our users would be able to opt for a 1-day delivery when the order is placed any time during the day. The order would be delivered the next day during the time slot chosen by the user. Orders with more than INR 1000 as the final amount would be given a free-delivery option, while orders less than INR 1000 would have a nominal fee applicable.

4. **Simple Delivery**: This mode of delivery would not be time-bound and would be applicable for orders in remote locations, where logistics would require more than a day to deliver. The delivery would not be applicable on fresh produce or poultry items that are susceptible to rotting or breaking.

Our logistics operations would be in-house in order to provide prompt delivery services to our customers. We would outsource our services to a reputed logistics company upon expansion of our operations across the country.

HR STRUCTURING

ABC is backed by a team of technology enthusiasts, business veterans and Food & Beverage (F & B) experts who aim to simplify the manner in which the Indian households make their grocery purchases.

We would soon hire subject matter and industry experts from different fields as our team heads for our core departments such as product management, technology, sales, marketing, logistics, finance and law.

DIRECTORS

TEAM HEADS

SUPPORT STAFF

ASSOCIATES
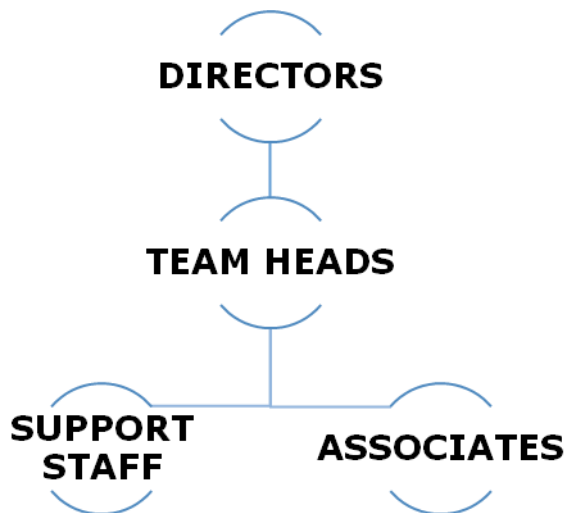
The overall team structure would follow a hierarchy headed by the Directors and shareholders of the company, followed by the Heads of Key Departments (Sales, Logistics, Research and Development, Finance, Legal) and then subordinates and support staff under them.

The associate and subordinate-level employees would be recruited through the services of reputed HR consultants as well as from college placement drives to hire a mix of experienced and fresh talent. The company would eventually establish its internal HR department to recruit experienced individuals who possess subject matter knowledge.

Adequate background checks would be performed, and individuals who are found to be confident, humble, ambitious, self-motivated and culturally fit would be recruited.

We would either outsource logistics and delivery services to a reputed third party provider. All support staff hired for our organisation would maintain efficient standards of integrity.

TECHNOLOGY OVERVIEW

The key feature of an e-commerce business is undoubtedly its digital platform. Our launch phase would witness a full IT infrastructure integration in order to run our digital operations smoothly. Our in-house technology team would develop and maintain a state-of-the-art technology framework, with a complete data backup on an external server as well for full-backup.

Our robust platforms would be able to handle concurrent traffic of more than 500 users and would be compatible with web browsers such as Mozilla, Firefox, Internet Explorer 5+, Netscape, etc., and mobile operating systems such as iOS and Android.

ABC's intended Information Technology framework can be outlined as the following:

Website Development Tools: We would be using the latest backend and frontend technology stack to develop our digital platforms, i.e. our internet-based platform and the mobile

application. The platforms would be user-friendly and easy to navigate. Programming languages such as JavaScript, PHP or Python for the backend, and HTML, JavaScript, and CSS for the frontend would be used. Use of such technologies would allow us to maintain a scalable and cost-efficient digital portal that requires a minimal amount of management and error resolution. The digital channels would be supported by complete data recovery and encryption to prevent cyber-attacks, account frauds, payment frauds and malwares.

Mobile App Development tools: Keeping the utmost significance and implications of opting for the right technology stacks in mind, we plan to use the best-in-class iOS and Android App development tools. For our iOS App, we would use programming languages like Objective-C, Swift. The toolkit used would be Apple Xcode, and iOS SDK would be used for application programming interface (API). For our Android App, we would use programming languages such as Java, Kotlin. Android Studio & Android Developer Tools would be used as toolkits and Android SDK for API integration.

Payment Gateway: Our website would engage the latest payment gateway for a trouble-free payment processing for the clients. Our all-inclusive digital platform would be equipped to accept digital payments through NEFTs, UPI, debit and credit card payments, Pay TM, etc., with an additional option for Cash-on-Delivery for applicable orders.

We would integrate Artificial Intelligence and Automation to provide our customers with an unhindered shopping experience. While shopping, the user's past preferences in terms of goods purchased, time slot and payment options would be saved in order to allow the customer to complete their purchase within seconds.

Our Auto Bot would be available for round-the-clock assistance to the client regarding common queries and issues.

CUSTOMER SUPPORT SERVICES

We would employ a multi-channel, 360-degree communication approach to stay connected with our customers. We would provide our customers with an option to approach us with their queries and complaints through communication channels such as SMS, emails, WhatsApp, Social Media Channels, Automation-based Live Chat Bots, and Learning Portal on our website and mobile application.

For expeditious customer dispute management, we would provide our clients with the option to file complaints for the following categories:

- ➢ Transaction-based complaint: Complaints relating to payment methods.

- ➢ Technology-based complaint: Complaints about our web-based platform or mobile application.

- ➢ Product-based complaint: Any complaint about the quality of the products listed on the grocery store.

- ➢ Employee-related: Complaints regarding any form of misconduct, discrimination, or violation of clients' rights by any other employee in contact with the customer.

All the complaints received would be received and handled by our dedicated team of customer support associates who would aim to provide expeditious resolution to the query and prevent further elevation of the matter.

RISK MANAGEMENT

Our risk management strategy would be based on our digital agreement and policies that the customers would require to consent to before proceeding with the purchase on the platforms.

This would include Terms and Conditions of using customer policy regarding the use of the platforms; Privacy Policy regarding the data storage on the platforms; Cancellation Policy for cancellation of the order; Return and Refund Policy regarding refund and returns of order items, with a list of items which the policy would be applicable to.

Additionally, we would employ an Artificial Intelligence-based fraud detection tool that would red-flag any fraudulent

transaction attempts or multiple account creations, especially in case of any discount or scheme fraud.

We would have in place Vendor Agreements with our vendors and suppliers in order to ensure protection from the legal risks that may arise from such association. We also have agreements with our distributors to ensure protection from any legal related risks.

FIVE-YEAR FINANCIALS

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