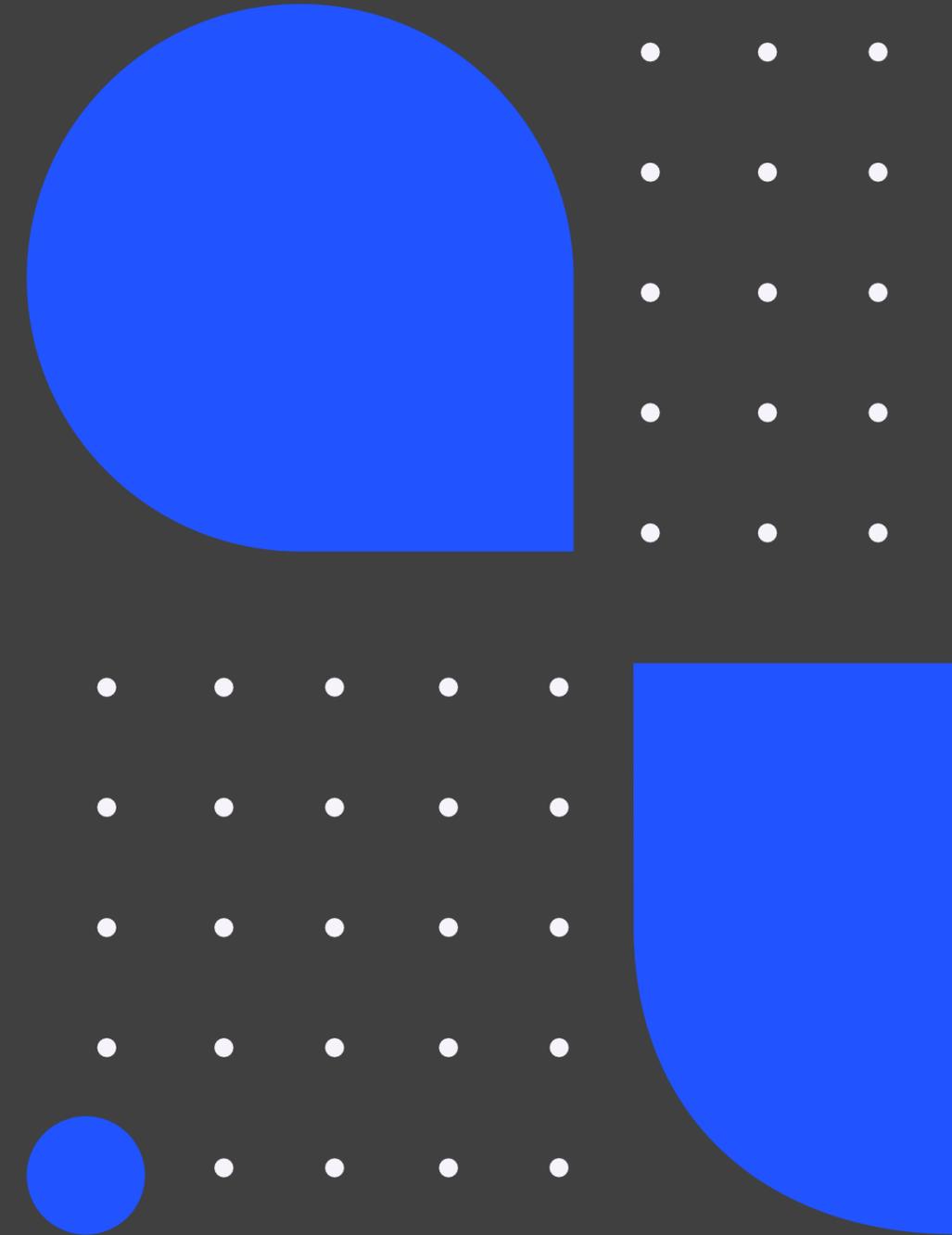


Business Plan To Start A Retail Ecommerce Business



- **The Ecommerce Industry**

- **SWOT Analysis**

- **Formalities Involved**

- **Market Study**

- **Product Strategy**

- **Mode of Operations**

- **Marketing Strategy**

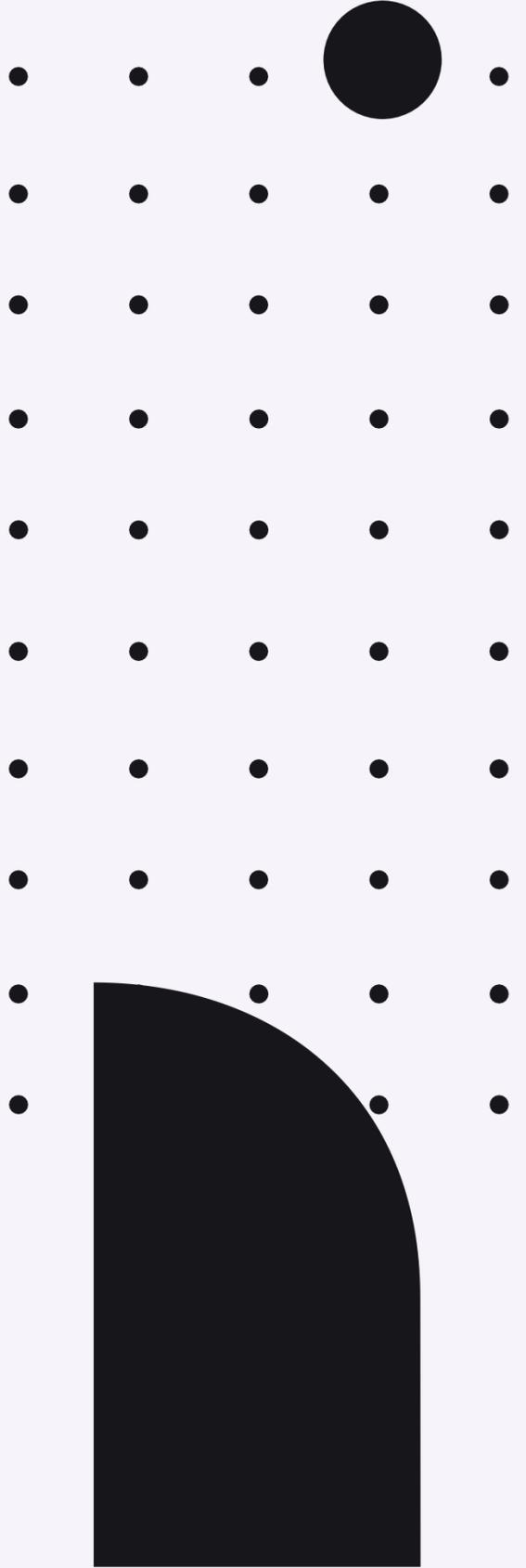
- **Operational System**

- **HR Structure**

- **Technology Overview**

- **Risk Management**

- **Financial Forecast**

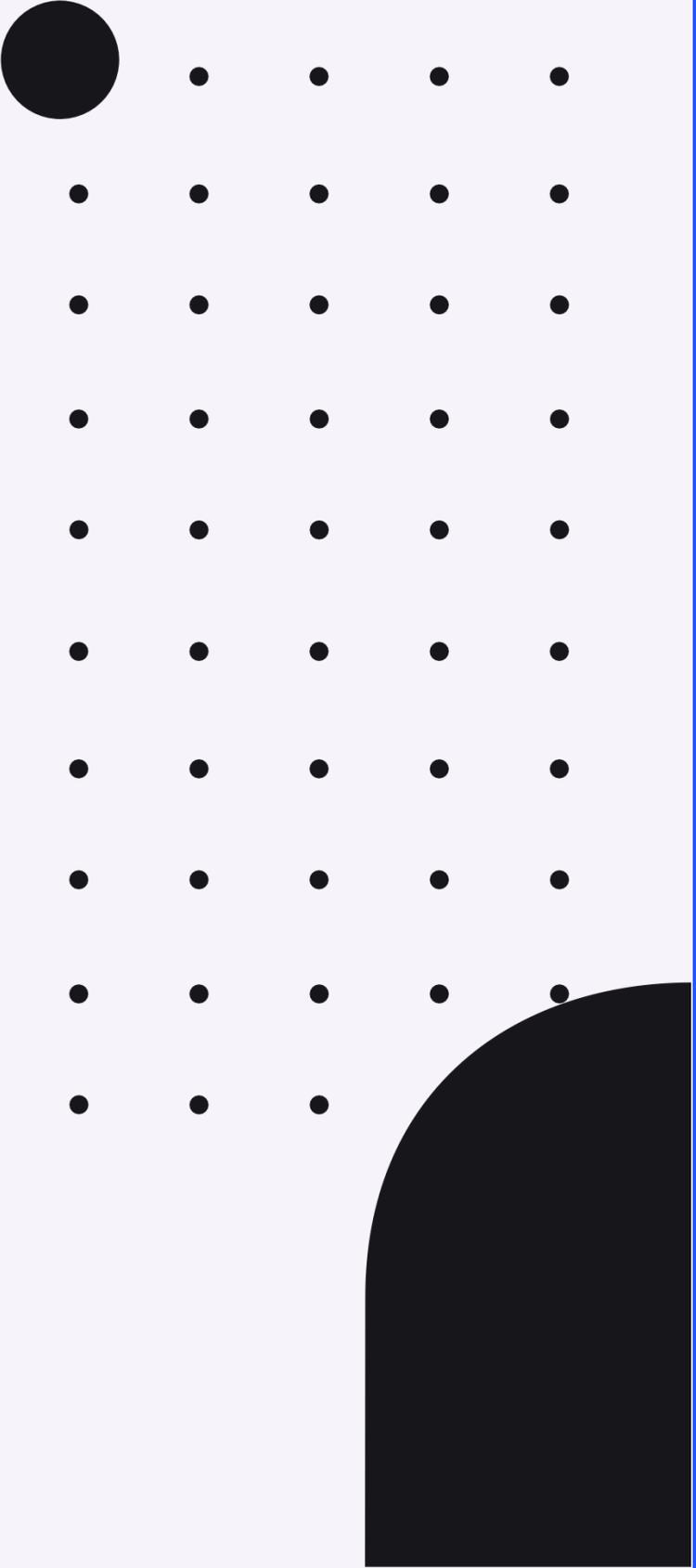


The Ecommerce Industry >

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.

The retail ecommerce industry has grown more than 4 times in the last ten years.

Be it individuals, households, or businesses, ecommerce has brought the world closer and more accessible for hassle-free purchase of products on-the-go.



Factors That Led To Growth of Ecommerce In India



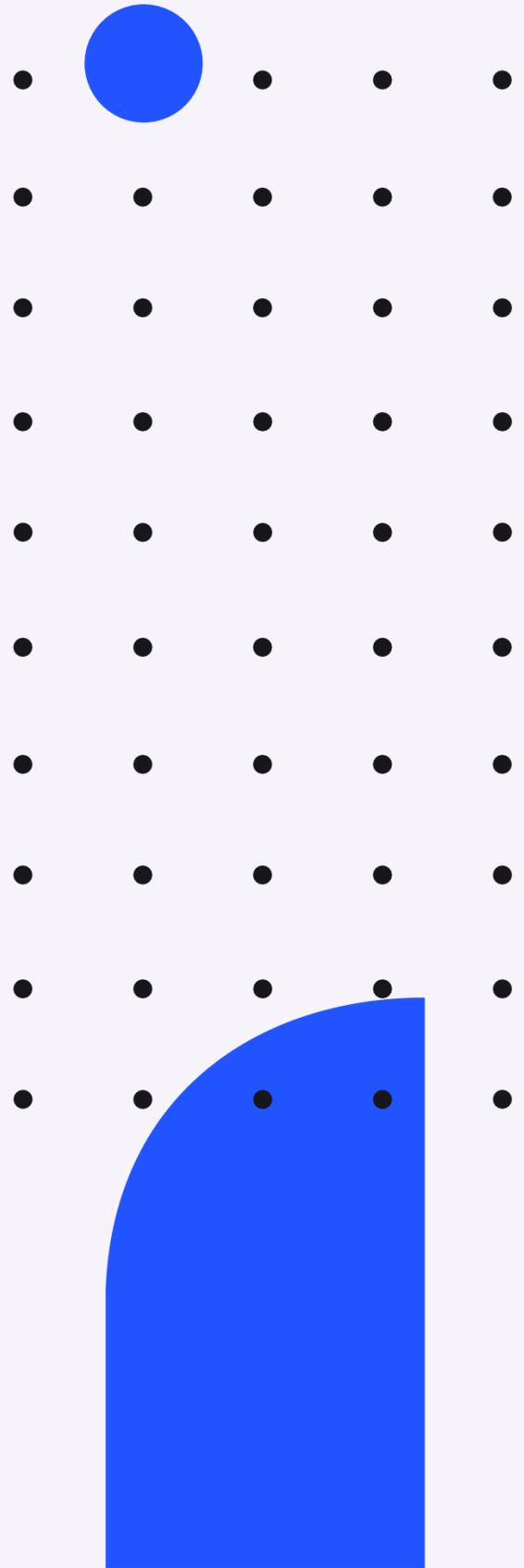
- ✓ Technological Disruption- more people have digital devices
- ✓ Digital India and Cashless India Initiatives by the Government
- ✓ Telecom boom in the country- more 3G, 4G and Broadband connectivity
- ✓ Increase in Net Earnings and Disposable Income of the Individuals



SWOT Analysis of Ecommerce Industry

Every business has its own threats and weaknesses and any new player that wishes to enter the ecommerce sector must understand them, as well as the opportunities and strengths of the sector before diving into the competitive market.

For this, a SWOT Analysis must be performed for the industry.



● Strengths

- ❖ Lower Maintenance Costs
- ❖ 24*7 Store Accessibility
- ❖ Elimination of Middle-men

● Opportunities

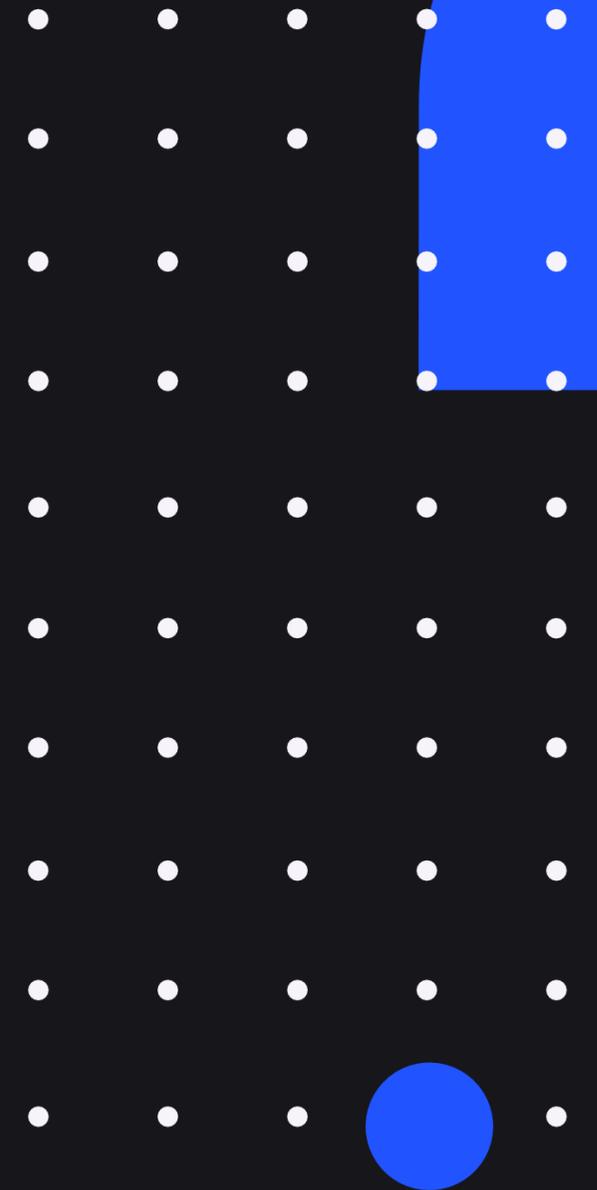
- ❖ Connectivity to a large customer base
- ❖ Barriers to location are removed
- ❖ Multiple channels of Marketing

● Weaknesses

- ❖ Hit or miss digital marketing
- ❖ Highly competitive business sector
- ❖ Stringent regulatory changes and norms.

● Threats

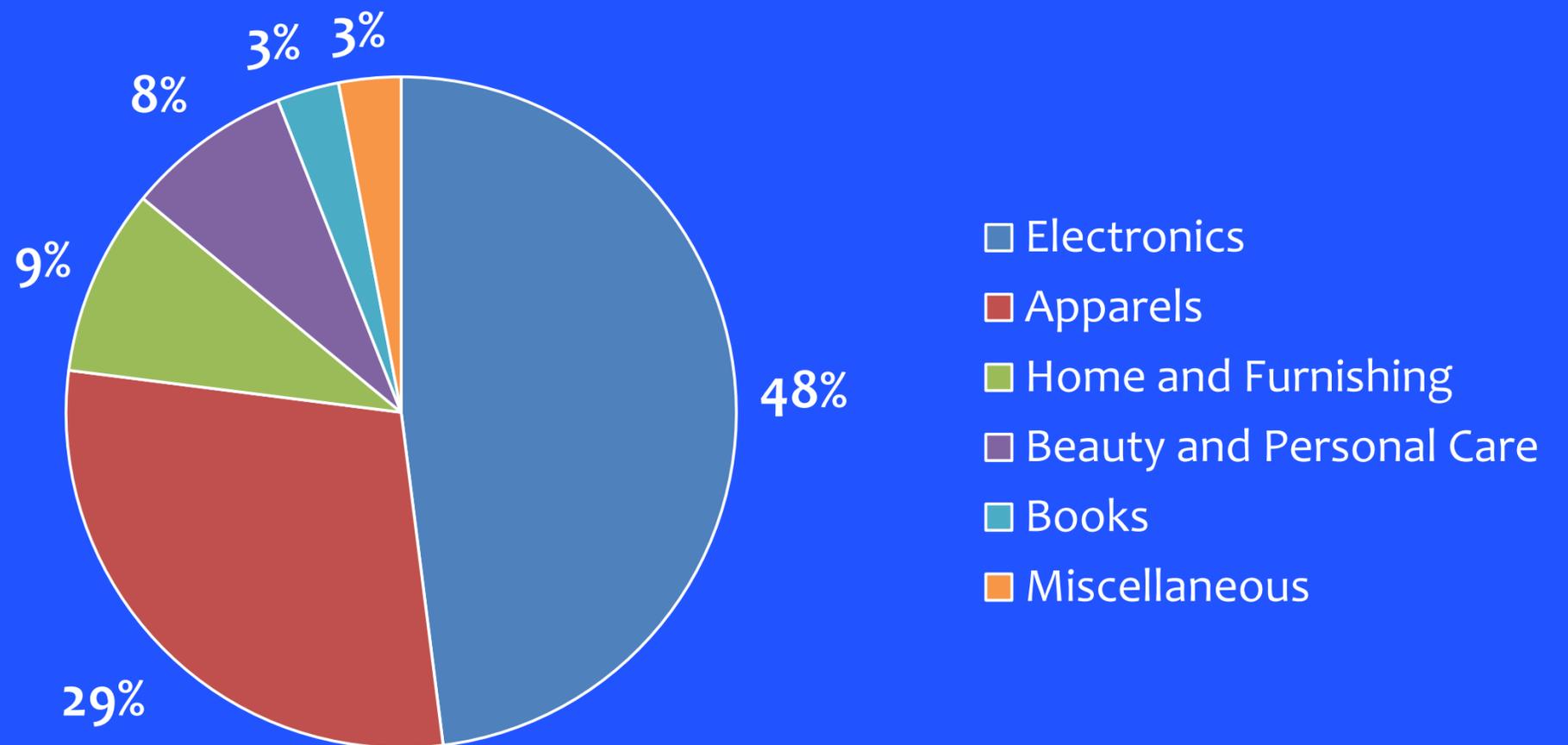
- ❖ Technology failures, data hacks and security breaches.
- ❖ Chances of customer frauds and refund scams



Market Trends



Leading Sectors In Indian Ecommerce Industry In 2019



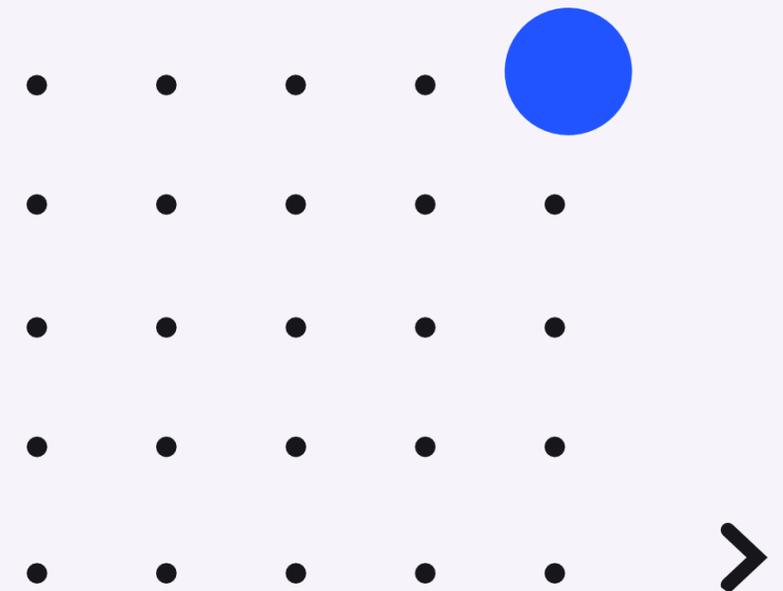
Competitor Analysis

A new ecommerce player is required to conduct an in-depth analysis of its customers to understand:

- ❖ The existing market trends
- ❖ How customers react to different competitors
- ❖ Marketing strategies of competitors

and build its own:

- ❖ The operational and marketing strategies.
- ❖ Market segmentation strategy.
- ❖ Risk management and planning policies.
- ❖ Technology frameworks, etc.



Example of Competitors in Online Grocery Store Sector in India



● Amazon Fresh

- A growing player in the online grocery sector
- Nationwide reach
- Same-day deliveries

● Big Basket

- The leading player in the sector
- Nationwide reach
- Delivery slots system

● Grofers

- Enjoys 18% of market share
- Nationwide reach with limitations.

● Godrej Nature's Basket

- Holds 13% of the market share
- Nationwide reach with limitations.
- Delivery slots

Formalities Involved In Starting A Retail Ecommerce Store

The process to start an ecommerce retail store in India is multi-staged and requires thorough knowledge of the norms and regulations applicable.



- **Business
Registration**

- **GST Registration**

- **Website Documents**

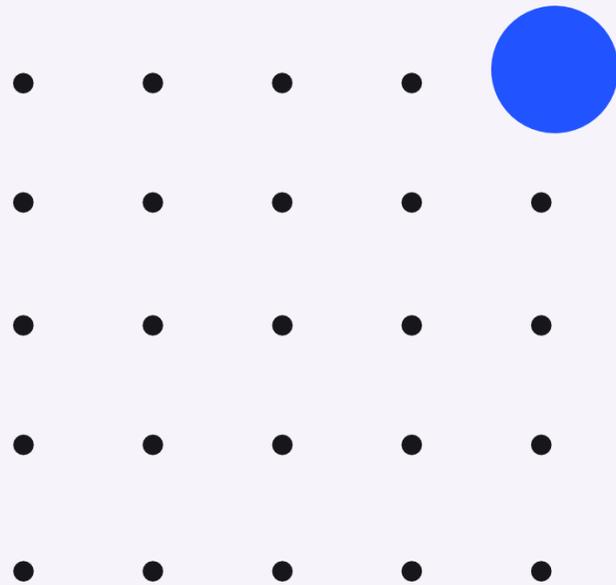
- **Trademark Registration**

- **Shop and Establishment
Registration**

- **Additional Contracts**



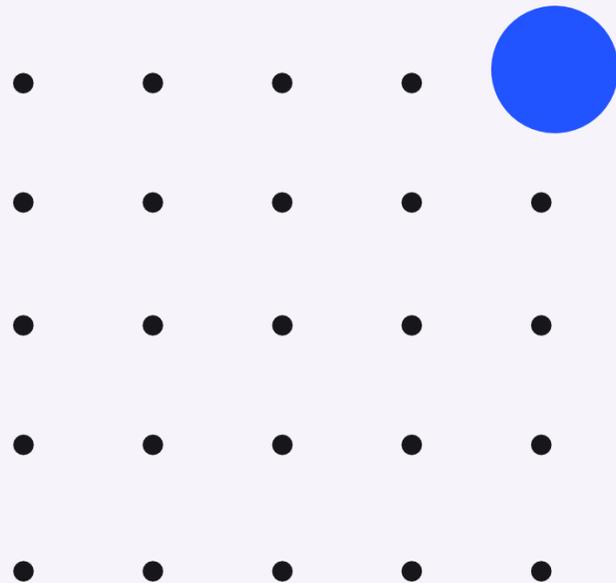
Business Registration



This is the first step to start a business and give it a legal identity. An ecommerce retail business must be registered as:

- Private Limited Company
- Limited Liability Partnership
- One Person Company
- Sole Proprietorship
- Partnership Firm

Additional Registrations



Trademark Registration

Trademark registration protects the brand name, domain name, logo, slogan, etc. used by the ecommerce business and prevents anyone from using it without permission or license.

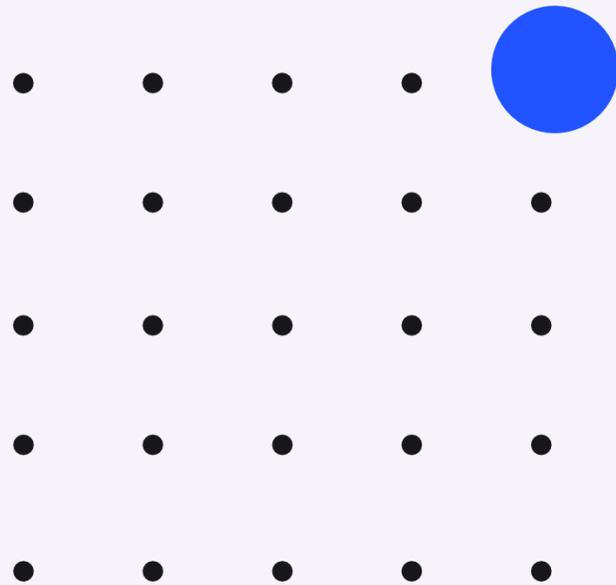
Tax Registration

Tax registration for GST return filing is mandatory for all ecommerce businesses in India.

Shop and Establishment Registration

An ecommerce business is also required to obtain the State regulated Shop and Establishment registration certificate to run a backend office.

Website Documents



Terms of Use



Mission is the reason why your company exists. It is the visible and tangible effect you want your company to create for your customers and the world.

Privacy Policy

The Privacy policy lays down the manner in which user or visitor information would be managed by the company.

Disclaimer

A disclaimer frees the business from any liability arising out of content posted by any user or third party.

Refund, Return and Cancellation Policy

This policy lays down the conditions relating to order refunds, product returns and order cancellation by customers.

Additional Contracts



Vendor Agreements

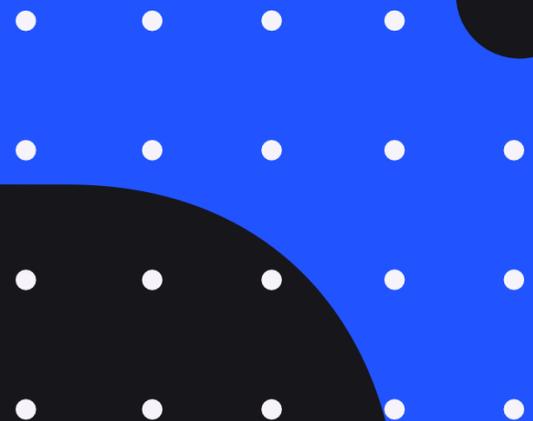
Vendor agreements between the ecommerce company and its product vendors lay down the conditions relating to supply of goods, prices, quality standards, etc.

Service Level Agreements

Service level agreements define the terms and conditions relating to any business services availed by the ecommerce retail store, such as logistics, internet services, etc.

Employment and HR Documents

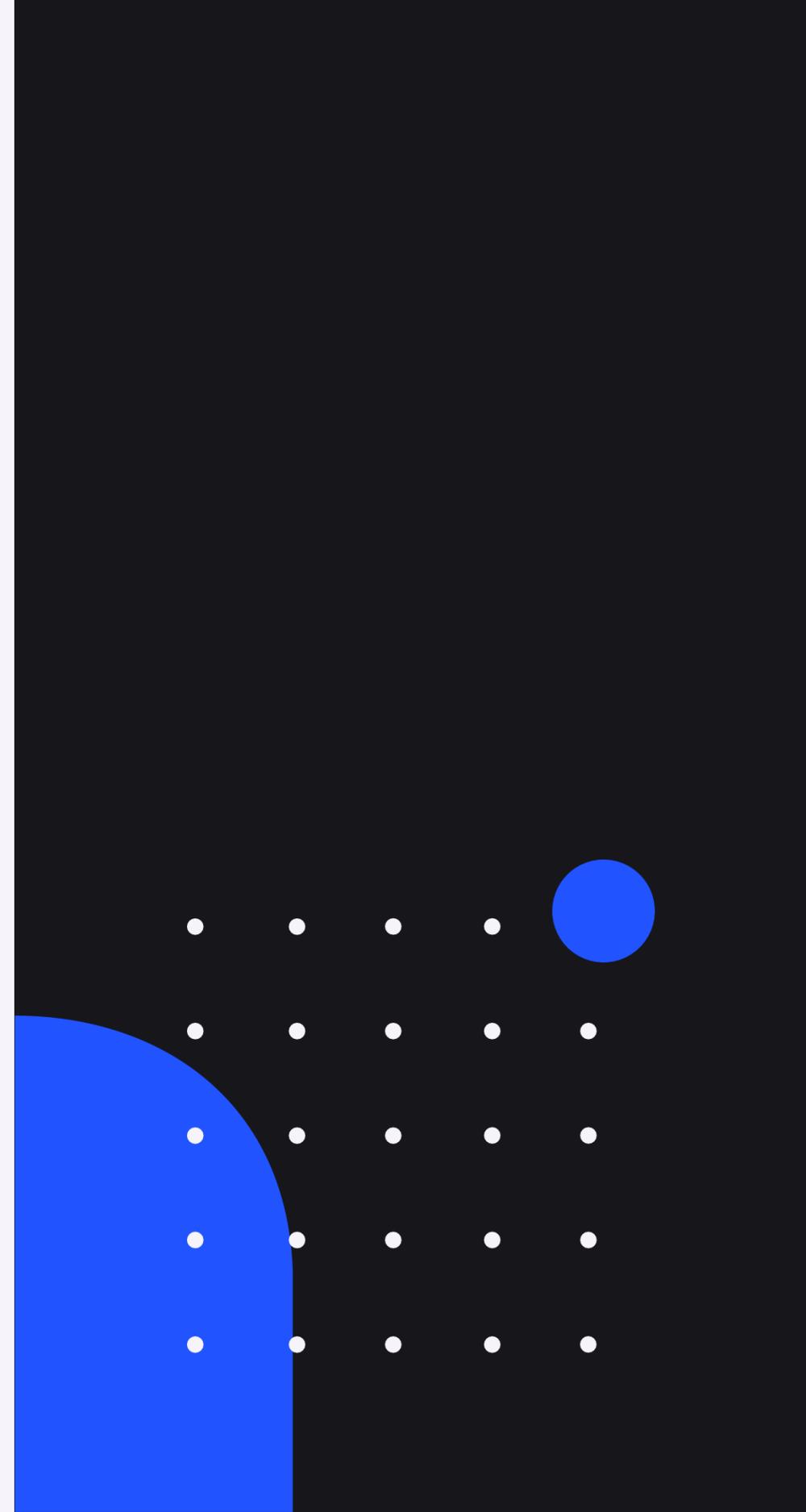
Employment agreement lays down the terms of employment for the business's employees and staff; HR Documents include HR policies and procedures relating to code of conduct, promotions, complaints, appraisals, etc.



Market Study

It is essential to evaluate the actual market size and customer demographics before starting a digital store.

A market study also allows the business to take smart marketing decisions that target the right customers that would be interested in buying its products.



Market Demographics



250+ Million people have internet connections



28 Million people are online shoppers



900 Million people have mobile phones.



63% internet users are 20-49 years of age

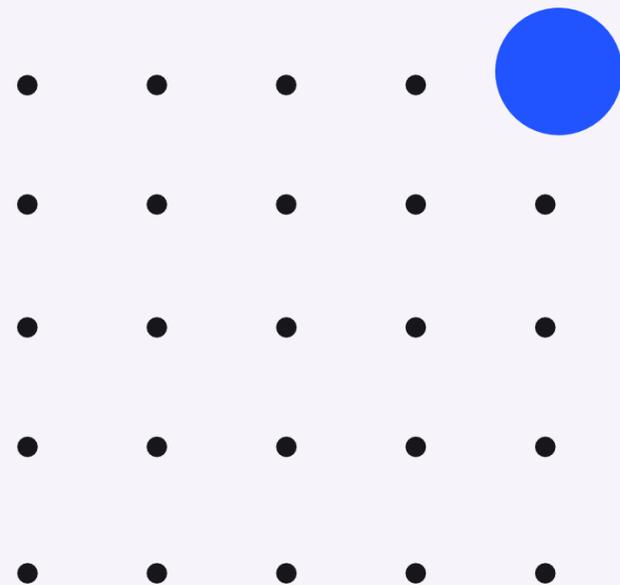


12% Population has smart phones



2 Billion digital customers worldwide

Product Strategy



This defines the kinds of products the ecommerce retail business would be engaged in.

IMPORTANCE: Allows the business to define its target audience and set its marketing and operational strategies.

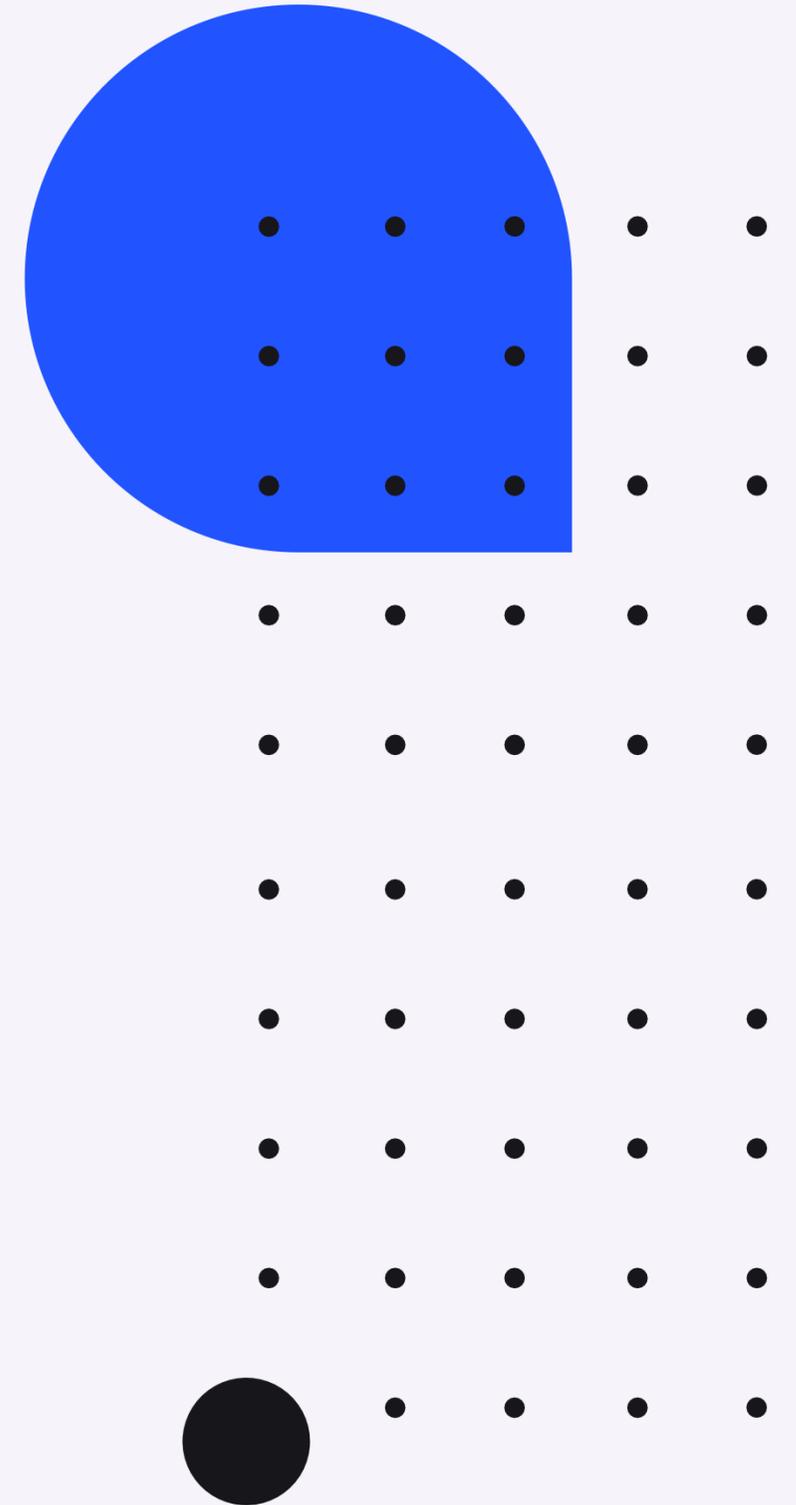
Example of an ecommerce Grocery Store:

- Dairy and Bakery items such as milk, yogurt, cheese, tofu, breads, biscuits, etc.
- Ready-to-eat products such as canned foods, instant noodles, etc.
- Daily personal care essentials such as skin care products, hair care products, oral care products, hygiene products, grooming products, etc.
- Household essentials such as cleaning products, cooking oils, lentils, grains, dry fruits and nuts, etc.
- Snack products such as chips, namkeens, cookies, chocolates and candies, etc.

Mode Of Operations

A retail ecommerce business would always operate as a digital hybrid model whereby the customers are able to purchase the business's products through a web-based platform as well as a user-friendly mobile application.

The business needs a well-defined strategy of how the different activities are conducted such as user connectivity, channels of operation, marketing, technology to be used, HR Structure, etc.

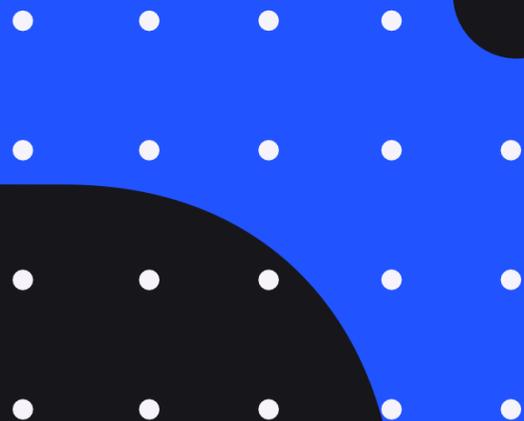


Marketing Strategy

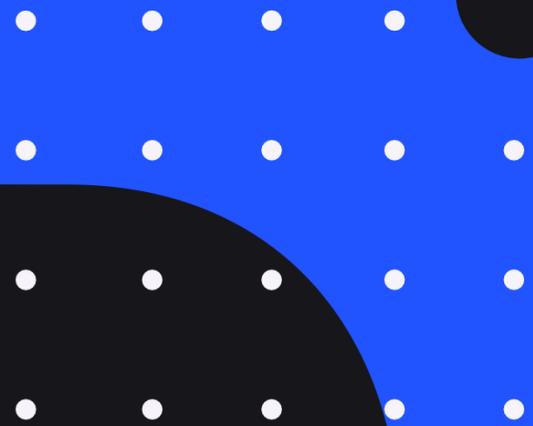
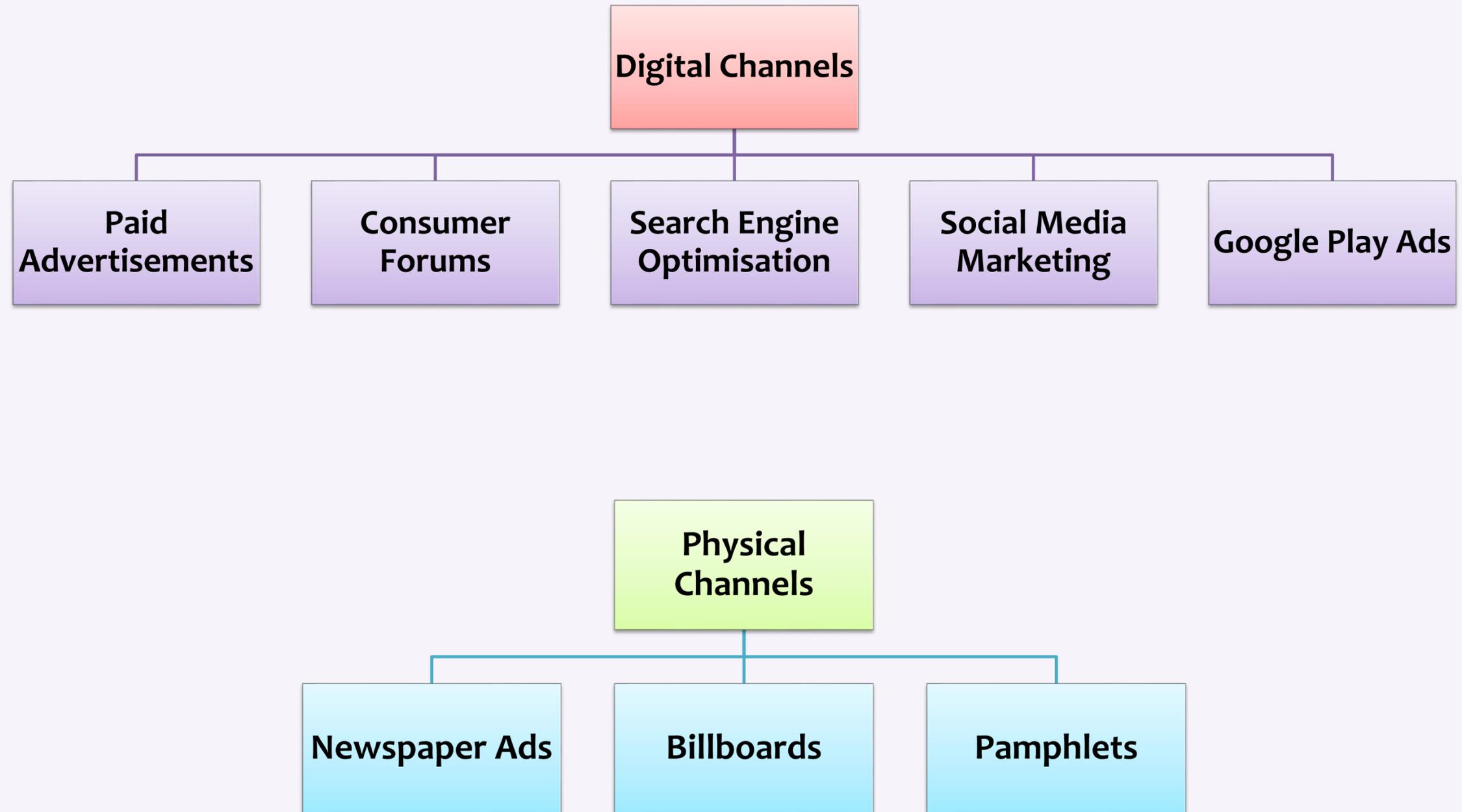


A marketing strategy helps a business in defining the best possible ways to utilise its available resources and reach the target audience effectively.

An ecommerce business must recognise the different channels of marketing to decide which marketing plan would be the best to connect with its potential customer base.



Marketing Strategy Example



Operational System

Purchasing Process



The ecommerce business must have a well-defined process of how the consumer's purchasing journey would begin from visiting the digital store to making the payment for the products.

Delivery

The digital store must also have a defined strategy regarding its logistics, whether it will be in-house or outsourced, and the delivery methods it would adopt to ensure prompt customer service.

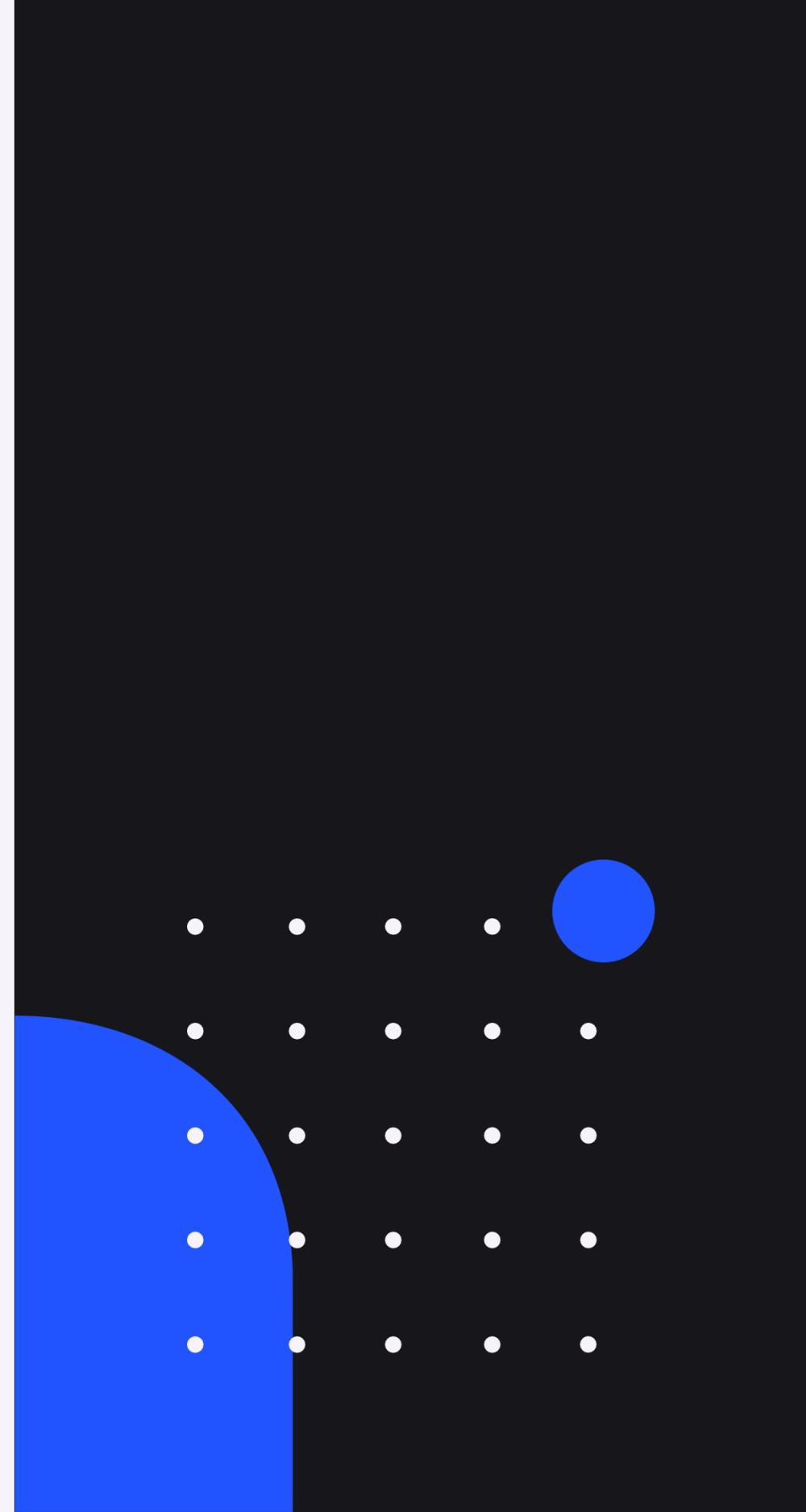
Returns

In case the customer wants to return their order, the company must have a defined process and eligibility standards, which can be displayed on the website in the form of its Return, Refunds and Cancellation Policy.

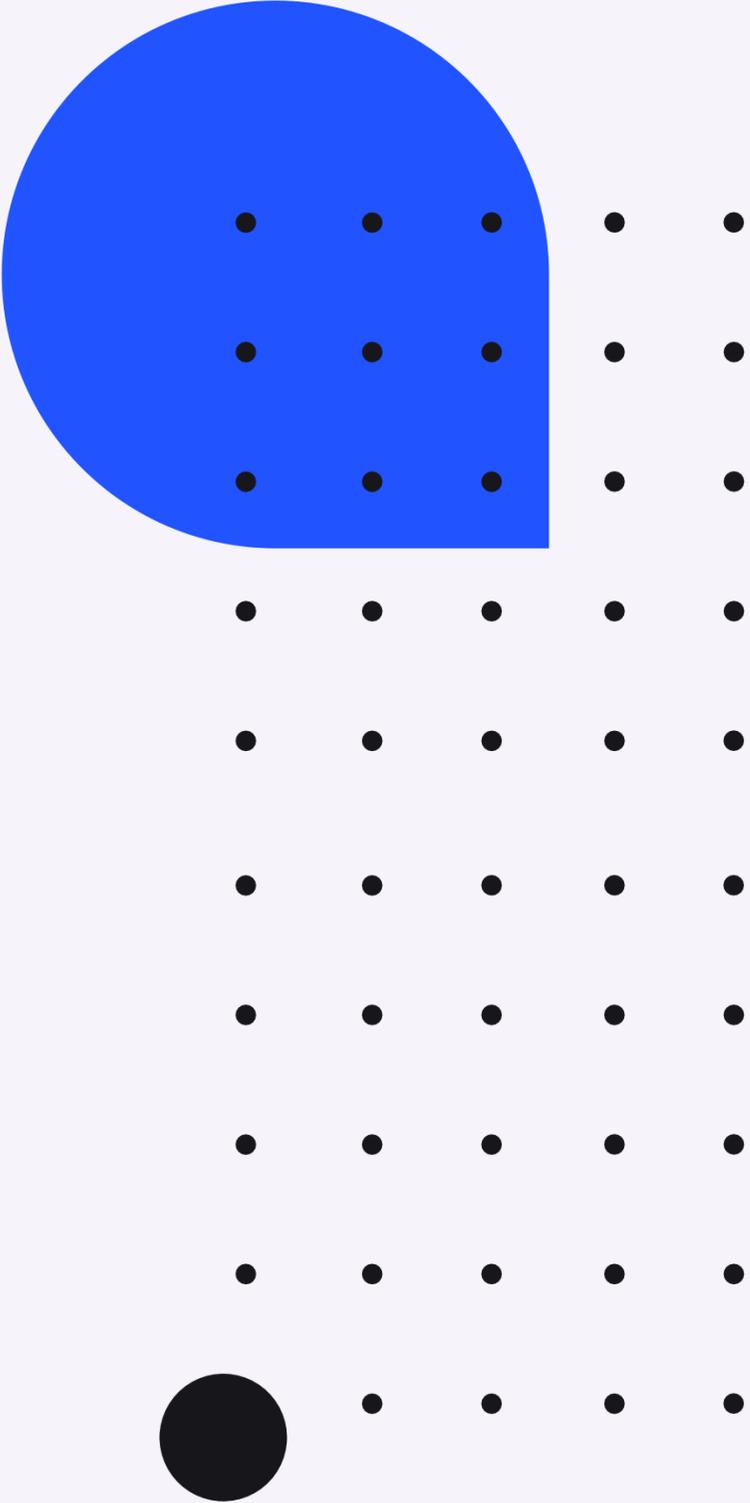
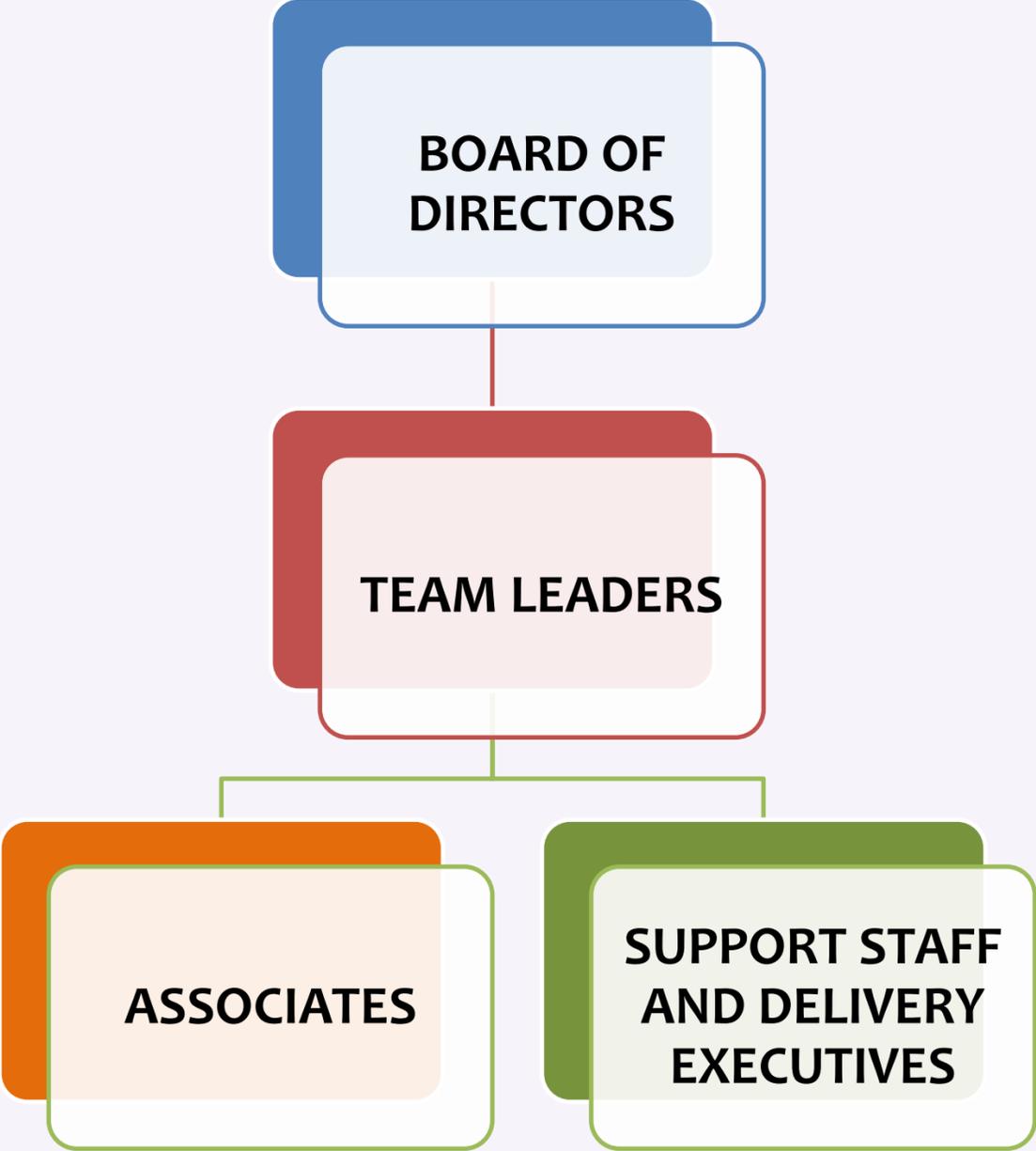
HR Structure

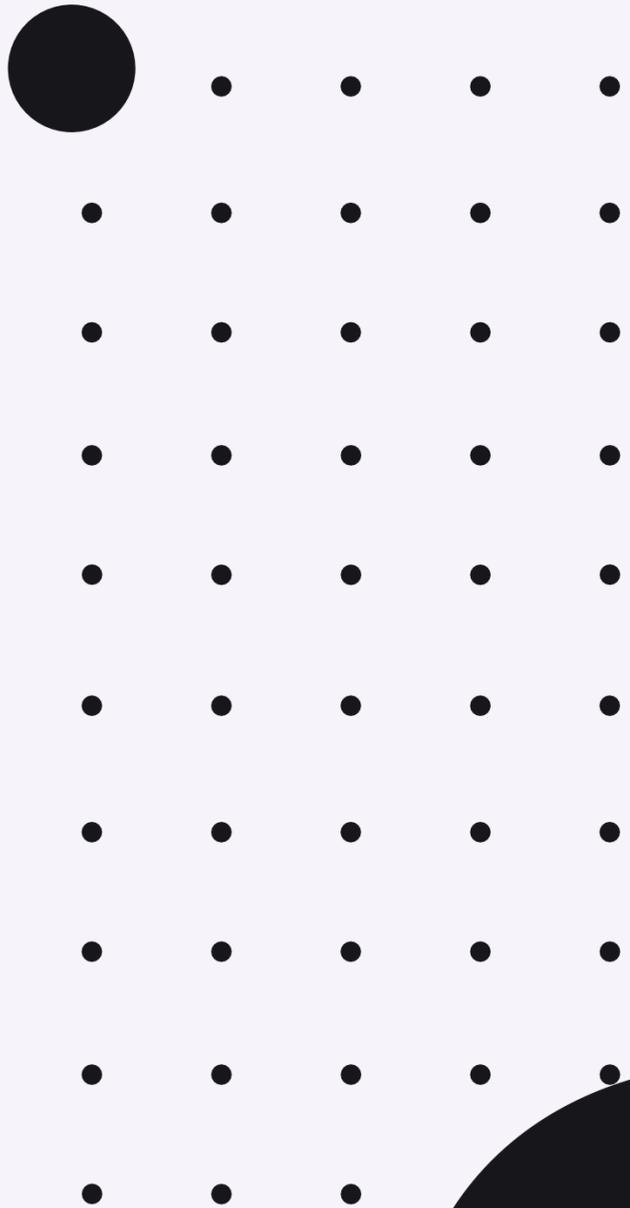
A retail ecommerce business is required to have an experienced and skilled Human Resource team that can efficiently handle its digital operations as well as on-field activities.

The business must hire subject matter and industry experts from different fields as team heads for core departments such as product management, technology, sales, marketing, logistics, finance, etc., and establish its internal HR department to recruit experienced individuals who possess subject matter knowledge.



Example

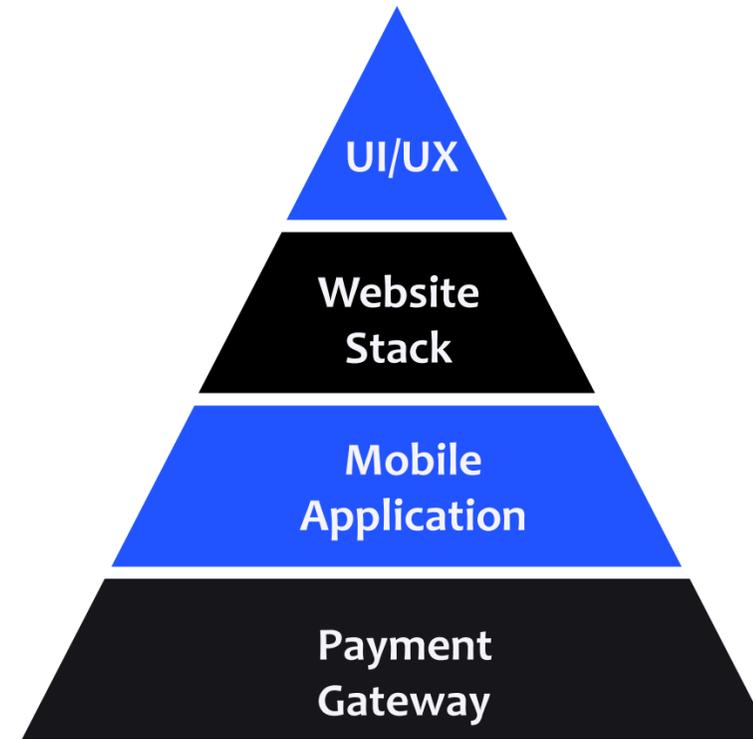




Technology Overview

The key feature of an ecommerce business is undoubtedly its digital platform. The platforms should be able to handle bulk traffic and be compatible with web browsers such as Mozilla, Firefox, IE5+, Netscape, etc., and mobile operating systems such as iOS and Android. The ecommerce business's website should have complete data backup on an external server as well for full-backup

I. **UI/UX Designing** involves creating a user-friendly and attractive ecommerce platform that allows a seamless buying experience.



II. **Website Slack** involves frontend and backend development tools such as:

- Programming languages such as JavaScript, PHP or Python for the backend, and
- HTML, JavaScript, and CSS for the frontend

III. **Mobile Application tools** includes programming languages, and suites for developing mobile apps such as:

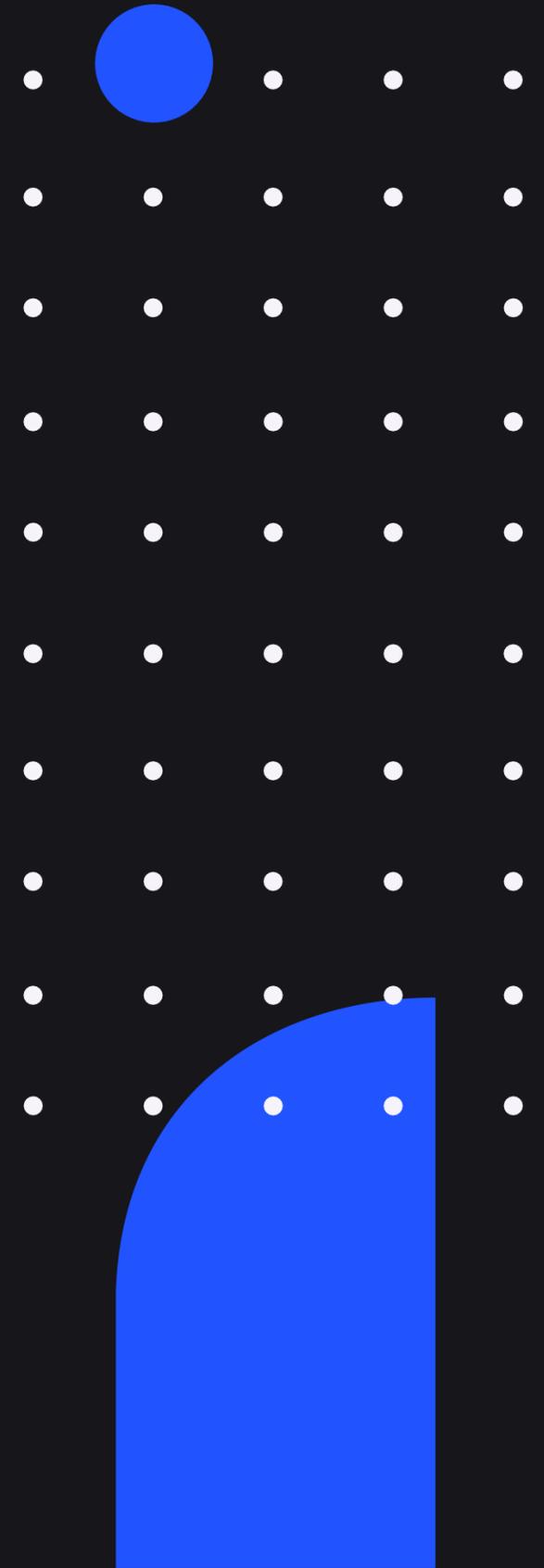
For iOS App, programming languages like Objective-C, Swift; toolkit like Apple Xcode; iOS SDK for application programming interface.

For Android App, programming languages such as Java, Kotlin; Android Studio & Android Developer Tools as toolkits; Android SDK for API integration.

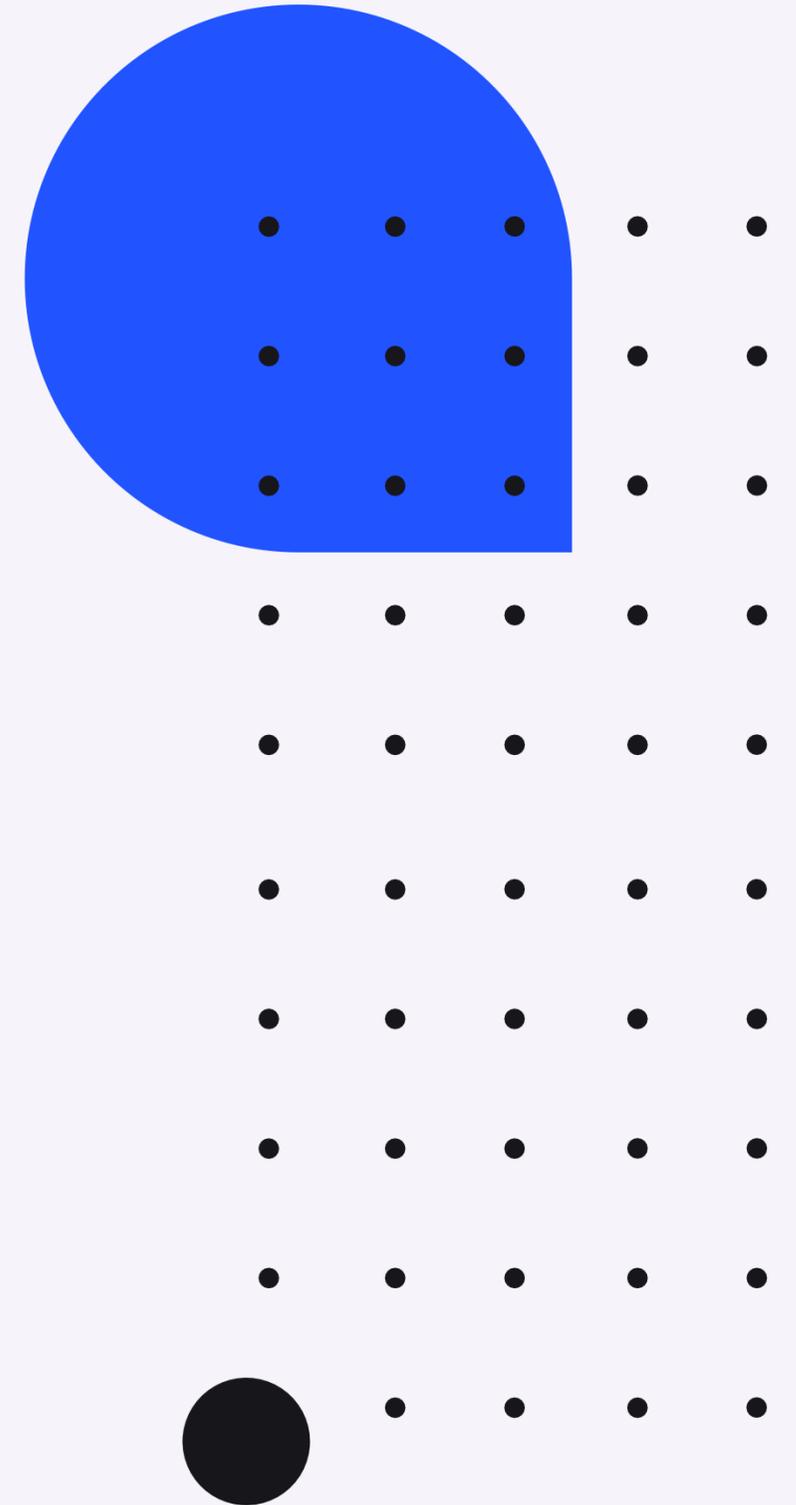
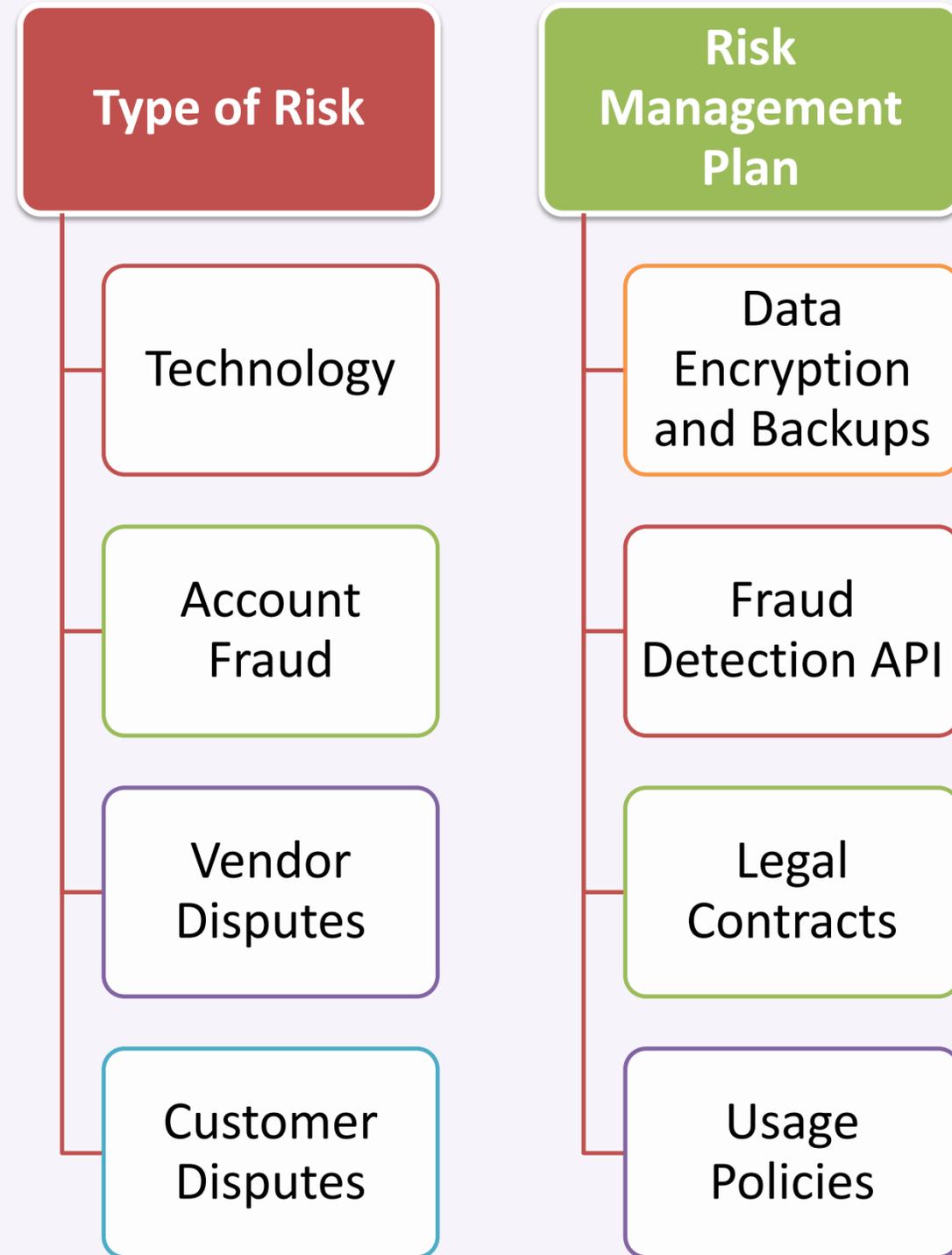
IV. **Payment Gateway** to receive payment for online purchases, such as gateway with ability to receive payments through Cash on Delivery, NEFTs, UPI, debit and credit card payments, PayTM, etc.

Risk Management Policies

Management and mitigation of risks is critical for an ecommerce business since it is susceptible to an array of risk factors. Laying down an internal or external policy or strategy is essential to counter any such situations.

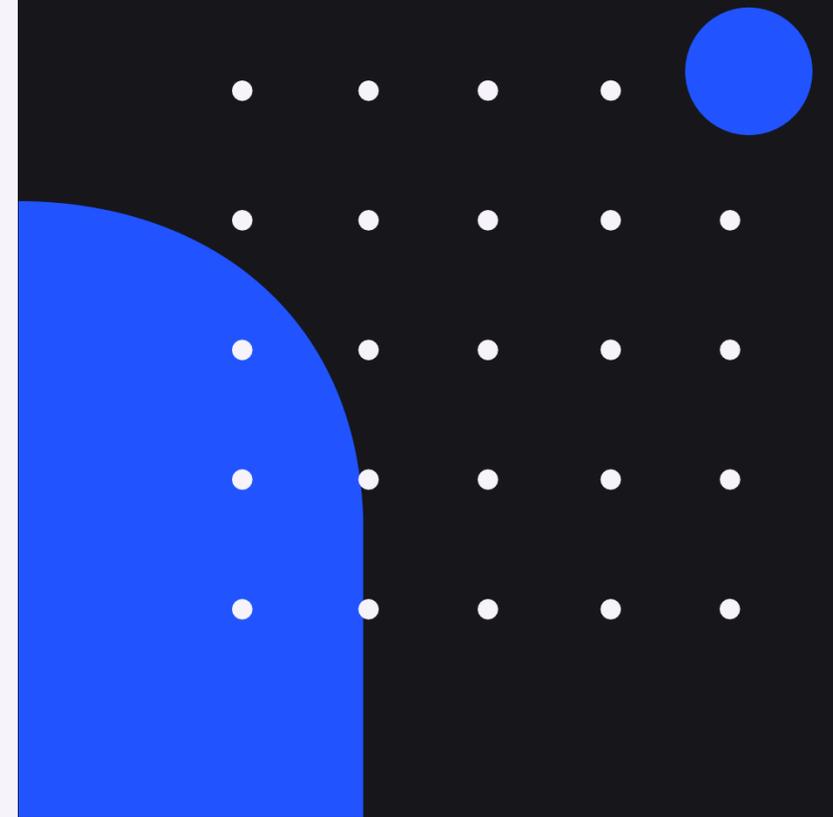


Example



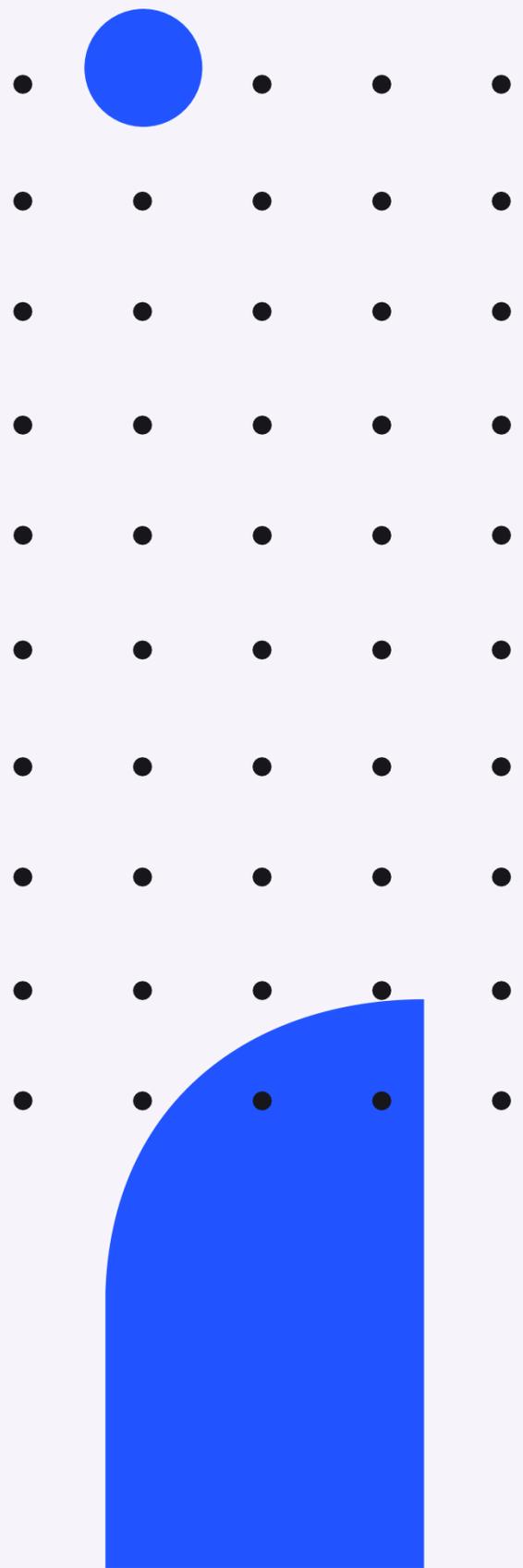
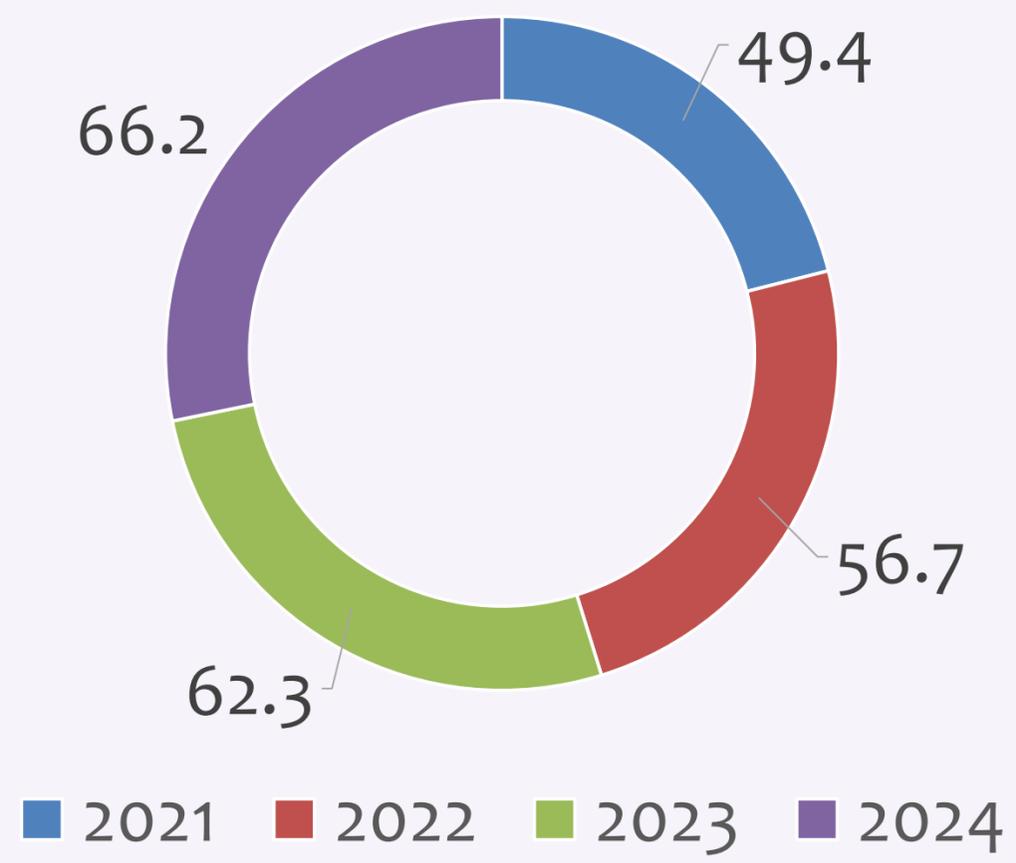
Financial Forecasting

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





Retail Ecommerce Revenue Forecast in India In USD Billion



About Corpbiz

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Corpbiz is supported by a team of Chartered Accountants, Company Secretaries and Lawyers, who hold subject matter expertise in an array of business related services and can act as your guide and partners for your requirements relating to:

- ✓ Business Registration as a company, LLP, OPC, etc.
- ✓ Government Registrations such as Trade License, PSARA License, S&E Registration, IEC Registration, and much more.
- ✓ Trademark Registration under the right Trademark classes.
- ✓ Tax Registration such as GST Registration, Professional Tax/TDS/Income Tax filing.
- ✓ Annual ROC Compliance Return Filings.



The End

