Indian Institute of Management (IIM), Raipur

Consulere - The Consulting Club

Presents

Vishleshan 3.0

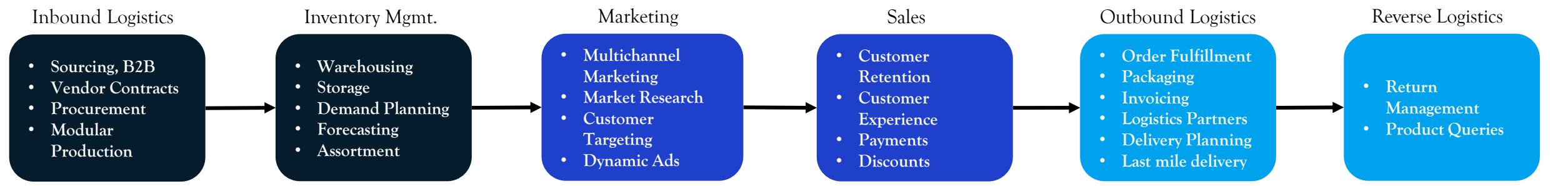Industry: E-Commerce

Team: Brew Crew
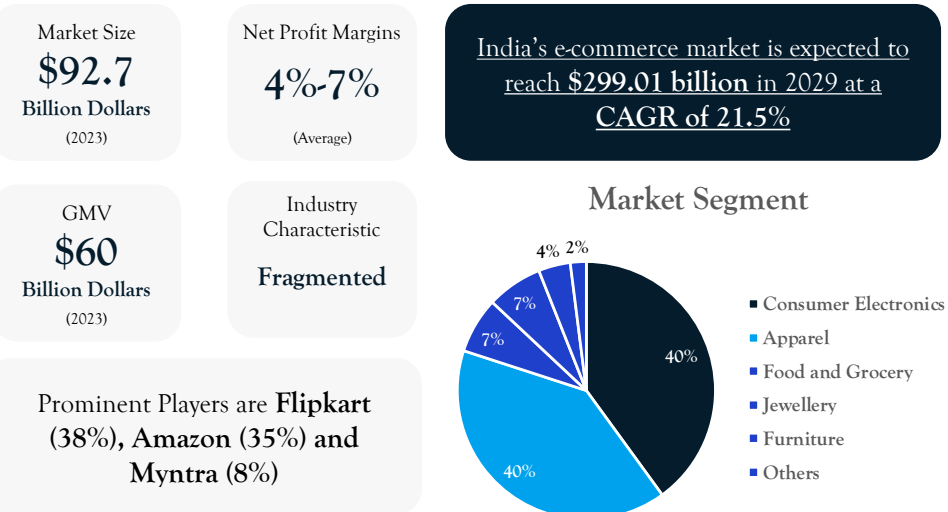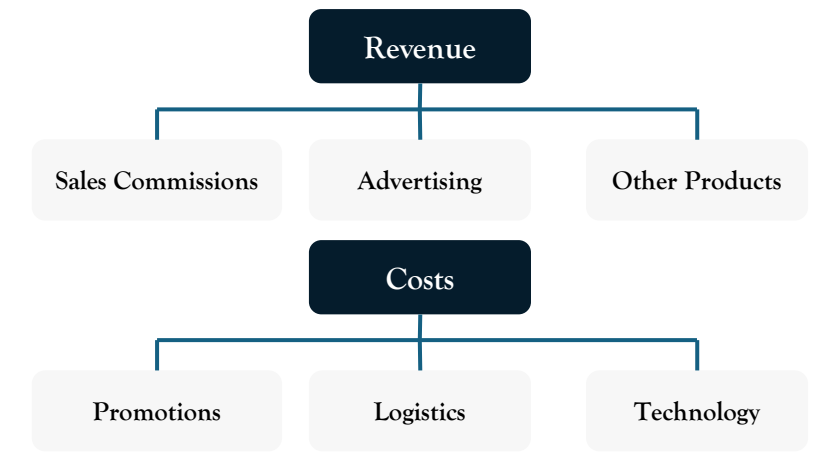
Kavyansh Jain

BBA, Christ University

Value Chain Analysis

Inbound Logistics
- Sourcing, B2B
- Vendor Contracts
- Procurement
- Modular Production

Inventory Mgmt.
- Warehousing
- Storage
- Demand Planning
- Forecasting
- Assortment

Marketing
- Multichannel Marketing
- Market Research
- Customer Targeting
- Dynamic Ads

Sales
- Customer Retention
- Customer Experience
- Payments
- Discounts

Outbound Logistics
- Order Fulfillment
- Packaging
- Invoicing
- Logistics Partners
- Delivery Planning
- Last mile delivery

Reverse Logistics
- Return Management
- Product Queries

Key Industry Metrics

Market Size
$92.7
Billion Dollars
(2023)

Net Profit Margins
4%-7%
(Average)

India's e-commerce market is expected to reach **$299.01 billion** in 2029 at a **CAGR of 21.5%**

GMV
$60
Billion Dollars
(2023)

Industry Characteristic
Fragmented

Prominent Players are **Flipkart (38%), Amazon (35%)** and **Myntra (8%)**

Market Segment

- Consumer Electronics — 40%
- Apparel — 40%
- Food and Grocery — 7%
- Jewellery — 7%
- Furniture — 4%
- Others — 2%

Business Segments

Revenue
- Sales Commissions
- Advertising
- Other Products

Costs
- Promotions
- Logistics
- Technology

Key Drivers

Revenue Segments	Cost Segments	Growth Drivers	Challenges
Commission Models	Promotions	Young population	Supply chain disruptions
Delivery charges	Logistics	Internet access and digital literacy	Lack of trust
Subscription fee	Technology	Government policies	Dependency on cash payments

Market Trends

Growing Competition: The industry, primarily dominated by Amazon and Flipkart, has seen growing competition from giant conglomerates such as JioMart and Tata Digital, and startups like Nykaa, Meesho, Udaan, and DealShare.

State-Backed ONDC: The launch of state-backed Open Network for Digital Commerce (ONDC) has created waves of disruption in the established e-commerce market.

Focus on Hinterlands: E-commerce players have refocused their strategies to tap the next set of internet consumers from the hinterlands.

Growth in Tier-2 and Tier-3 Cities: More than 60% of transactions and orders in India come from tier two cities and smaller towns

Future Trends:
- Focus on D2C and omni-channel
- **Social Commerce**: Social media platforms will become powerful sales channels, allowing users to shop directly within their favorite apps.
- Emerging technologies such as AR

Key Performance Indicators (KPI)

- **Fill Rate**: How many items out of the ordered are delivered
- **OTIF (On Time In Full)**: A stricter measure than fill rate, includes timely delivery along with fill rate
- **Funnel metrics**: Number of people dropping at different stages of customer journey, download, bounce rate, cart abandonment
- **CLV**: Cust Lifetime Value, measures total spend of customer on the platform
- **SWOOS**: Sales weighted out of stock