


Value creation in E-Commerce platform and Supply Chain Management

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Introduction



Before we start

Compass vs Map

Which questions to ask vs What are the answers

“Ecommerce”



Logistics

How do I get it?



Discovery

What do I want?



Value created by logistics

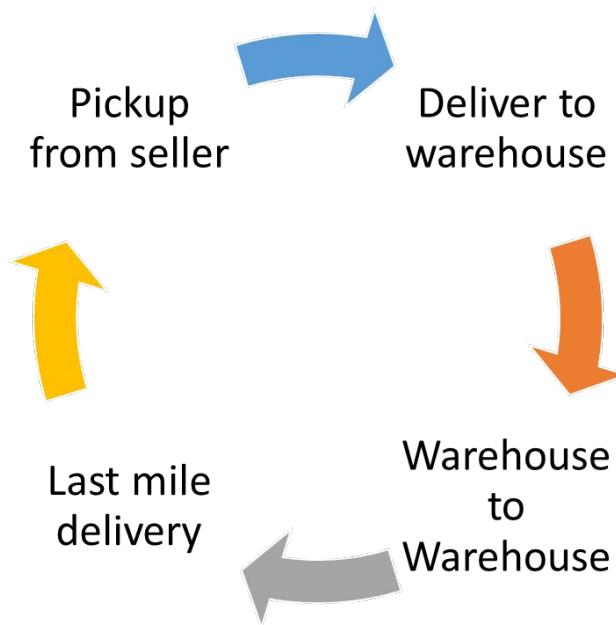
- Lower prices
 - Efficient delivery = lower prices = more sales = more value for seller and buyer
- Faster delivery
 - Faster delivery = More sales (taking away sales from competing sources) = more value for seller and buyer
- More connectivity
 - Bigger network = bigger selection, more competition = better products at lower prices = more value sellers, benefit buyers and sellers in remote areas
- Less losses due to fraud
 - Lower fraud = lower built in fraud margins



Challenges

Unpredictability

Forward Logistics



First mile, pickup from seller

- When should the pickup happen ?
 - Seller cancellations
 - Re-allocation to different seller
- Who should do the pickup?
 - Cost vs speed
- What to do if the pickup fails ?
 - Did the delivery FE visit the seller ?
 - Was the seller ready or did they take time ?
 - Did they hand over the right product to the right FE ?
- How to resolve disputes ?
 - Proof of visit, proof of pickup ?



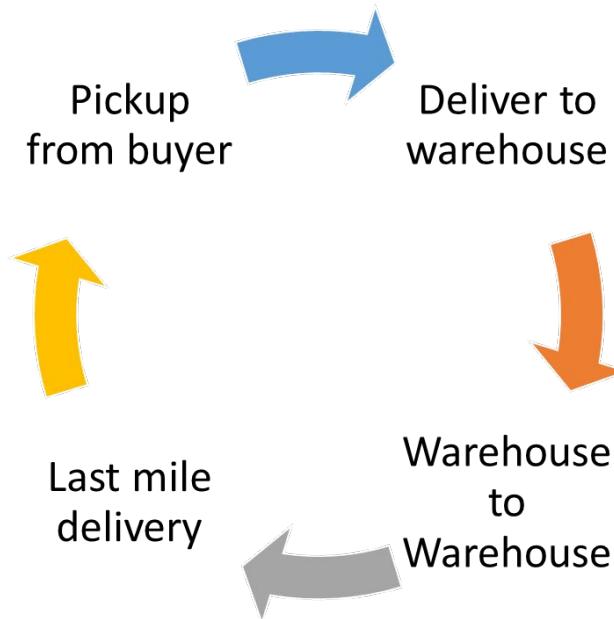
Middle mile

- Checking in the item and knowing where to pick it up from in the warehouse
 - Warehouse management
- Theft, losses and tampering
 - Packaging to disable anonymous tampering
- Updating the tracking status
 - End-to-end tracking

Last mile

- Scheduling delivery
 - Customer promise
 - Traffic and other obstacles
- Delivering
 - CoD frauds and robberies
 - Customer doesn't have cash
 - FE can't find customer
 - Proof of delivery
 - Which addresses are actually bad ?
 - Incentive for courier companies to fail delivery rather than succeed

Reverse Logistics





RTOs and Returns

30-40% RTOs, primarily driven by CoD model

5-50% returns depending on category

First mile

Pickup from buyer

- Reducing returns once delivered
 - Customer support
 - How much friction should there be for the customer to return something ?
- All the challenges of last-mile delivery
 - Fraudulent returns
 - Buying real, returning fake
 - Quality checks on doorstep
- Optimizing pickups and returns capacity

Last mile, delivery to seller

- Delayed returns to seller
 - Stuck working capital, reduces ability to sell
- Accounting for all the returns
 - Limited capacity to process at seller-end
- Resolving disputes
 - Proof of delivery
 - Fake, wrong, empty return received

Technology

What happened to drone delivery ?

Machine learning