

# **ONLINE SHOPPING CART APPLICATION**

## **1. INTRODUCTION**

Easy access to Internet and Smart-phones has brought all kind of market to finger tap. Almost all kinds of goods and services are easily available with great bargain for customers on various mobile apps. E-Cart application can help sellers to reach to larger market share and achieve higher sales and thus greater revenues. Moreover, properly designed and implemented E-cart app with necessary functionality will help an entrepreneur to manage inventory, sales, services and after-sales support to customers.

## **2. SERVICE AND ITS APPLICATION**

Online cart application will provide users with wide range of products which they can select from various choices, pay and get them deliver to their doorstep. It can also have an added service for sellers who want to sell their goods, be it electronics, kitchen supplements, sports accessories, home décor items, on this platform and can fetch revenue to E-cart platform service provider as Marketplace fees. Major applications will be a market platform where buyers and sellers will meet, it will also have various features to manage and control inventory, to analyse future sales and to promote/advertise.

## **3. DESIRED QUALIFICATION FOR PROMOTER**

An entrepreneur with software engineering background and having managerial skills will be an added advantage. Team must have marketing skills such that they can convince sellers to choose their portal as marketplace.

## **4. INDUSTRY LOOK OUT AND TRENDS**

E-commerce is fast gaining ground as an accepted and used business paradigm. More and more business houses are implementing web sites providing functionality for performing commercial transactions over the web. It is reasonable to say that online shopping system project report the process of shopping on the web is becoming commonplace.

The objective of this online shopping system project is to develop a general purpose e-commerce store where any product (such as books, CDs, computers, mobile phones, electronic items, and home appliances) can be bought from the comfort of home through the Internet.

## **5. MARKET POTENTIAL AND MARKETING ISSUES. IF ANY**

- Convenience

Online stores are usually available 24 hours a day, and many consumers in Western countries have Internet access both at work and at home. Other establishments such as Internet cafes, community centres and schools provide internet access as well.

- Information and reviews

Online stores must describe products for sale with text, photos, and multimedia files, whereas in a physical retail store, the actual product and the manufacturer's packaging will be available for direct inspection (which might involve a test drive, fitting, or other experimentation). Some online stores provide or link to supplemental product information, such as instructions, safety procedures, demonstrations, or manufacturer specifications.

- Price and selection

One advantage of shopping online is being able to quickly seek out deals for items or services provided by many different vendors (though some local search engines do exist to help consumers locate products for sale in nearby stores).

## **6. RAW MATERIAL REQUIREMENT**

1. Computers, Advanced Software & Technologies and Network Infrastructure
2. Cloud Facility for cloud configuration, Content delivery network, load balancing

## **7. SERVICE PROCESS OUTLINE**

E-Commerce application requires good amount of pre-development analysis and design because it will handle large amount of product categories, huge amount of transactions, continuous traffic of customers, real-time information on product availability, and high level of security. There should be major focus on:

1. Technologies	2. Set of Application	3. Operational Requirements
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Technologies are rapidly enhancing day by day and selecting latest and efficient technologies is an important task. This will determine future developments in E-Retail Store Platform. Next, it come hosting facility where various cloud based services are in market which can bring down investment in capital.

Application features for admin, customers and sellers need to be designed very accurately, as these will make work of business owners and managers easier and efficient. Also, buyers will get attracted more if interface is designed more user-friendly. Operational requirements such order tracking, integration of payment gateways, delivery and courier management, task delegation, live notifications will be implemented with more comfortable and efficient interface and back-end so to avoid unnecessary overheads.

## **8. MANPOWER REQUIREMENT**

1. Technical support – 2
2. Managers for admin related work – 2
3. Marketing Support – 4

## **9. IMPLEMENTATION SCHEDULE**

Implementation of this marketplace can be done with two different methods:

1. By employment of web/mobile app developers, who will design, develop and set up a platform
  - a. The number of days/months required to perform task with this way can vary depending upon quality of work & design, level of complexity and features and their customization. Generally for basic work completion, it takes around 10-12 weeks of rigorous work.
2. By subscription of Software as a Service E Commerce Platform readily available with various features
  - a. This takes usually very little time as service provider already has developed standard platform and require little or no customization. Around 3-4 weeks are sufficient for final setup and implementation. This can be most efficient

way as it requires little expertise for an entrepreneur in understanding of software technologies.

## 10.COST OF PROJECT

Sr. No.	Particulars	Amount in Rs
1	Land	₹ 0.00
2	Building	₹ 0.00
3	Portal	₹ 1,85,000.00
4	Equipments/ Vehicle/ Other fixed investment	₹ 2,30,000.00
5	Working Capital Margin (3 Months)	₹ 5,07,000.00
6	<b>Total Cost of Project</b>	<b>₹ 9,22,000.00</b>

### (a) FIXED CAPITAL CALCULATION

Sr. No.	Description	Qty	Amount	Total
1	Building Portal	1	₹ 1,85,000.00	₹ 1,85,000.00
2	Computers - with all necessary hardware and advanced software	5	₹ 27,000.00	₹ 1,35,000.00
3	Network Installation	1	₹ 5,000.00	₹ 5,000.00
4	Office Furniture	1	₹ 90,000.00	₹ 90,000.00
<b>A</b>	<b>Total</b>			<b>₹ 4,15,000.00</b>

### (b) WORKING CAPITAL CALCULATION

Sr. No.	Description	Total Amount per month
<b>1</b>	<b>Salary</b>	<b>₹ 1,22,000.00</b>
1a	Entrepreneur	₹ 20,000.00
1b	Technical/Office Support – 2 @ 12000 Rs per Month	₹ 24,000.00
1c	Marketing Support – 4 @ 15000 Rs per Month	₹ 60,000.00
1d	Managers – 1 @ 18000 Rs per Month	₹ 18,000.00
<b>2</b>	<b>Raw Material</b>	<b>₹ 23,000.00</b>
2a	Internet Connection Charges	₹ 700.00
2b	AMC for Portal by service provider	₹ 18,500.00
<b>Sr. No.</b>	<b>Description</b>	<b>Total Amount</b>

		per month
2c	AMC by Payment Gateway	₹ 1,300.00
2d	Google Play Store / Apple Store	₹ 2,500.00
<b>3</b>	<b>Utilities</b>	<b>₹ 4,500.00</b>
3a	Power	₹ 3,200.00
3b	Water	₹ 300.00
3c	Misc.	₹ 1,000.00
<b>4</b>	<b>Other Expenses</b>	<b>₹ 4,500.00</b>
4a	Transportation	₹ 1,000.00
4b	Advertising/Marketing/Social Media	₹ 2,000.00
4c	Stationery	₹ 500.00
4d	Misc.	₹ 1,000.00
<b>5</b>	<b>Rent</b>	<b>₹ 15,000.00</b>
<b><u>B</u></b>	<b><u>Total</u></b>	<b><u>₹ 1,69,000.00</u></b>

## 11. MEANS OF FINANCE

Sr. No	Description	%age	Amount (Rs)
<b>1</b>	Promoter's Contribution	25%	₹ 2,30,500.00
<b>2</b>	Term Loan/Bank Finance	75%	₹ 6,91,500.00
	Total		₹ 9,22,000.00

### (a) Cost of Production

Sr. No.	Particulars	Amount in Rs
	<b><u>Variable Cost</u></b>	
1	Raw Material and Other Direct Inputs	₹ 27,500.00
2	Salary (60%)	₹ 73,200.00
3	Power (70%)	₹ 3,150.00
	Variable Cost 1 Month	₹ 1,03,850.00
	<b><i>Total Annual Variable Cost</i></b>	<b><i>₹ 12,46,200.00</i></b>
	<b><u>Fixed Cost</u></b>	
1	Overheads	₹ 15,000.00
2	Salary (40%)	₹ 48,800.00
3	Power (30%)	₹ 1,350.00
<b>Sr. No.</b>	<b>Particulars</b>	<b>Amount in Rs</b>
	<i>Sub Total</i>	₹ 65,150.00

	<i>Total for 12 Months</i>	₹ 7,81,800.00
4	Interest	₹ 82,980.00
5	Depreciation	₹ 62,250.00
	<b>Total Fixed Cost</b>	<b>₹ 9,27,030.00</b>
	<b>Total Cost of Production</b>	<b>₹ 21,73,230.00</b>

## (b) Turnover

Sr. No.	Description	Margin	Sales	Gross Income
1	Margin on Sales	8%	₹ 450,00,000.00	<b>₹ 36,00,000.00</b>

Assumption for Turnover: Total turnover from portal comes down to Rs 37, 50,000 per month and thus annually turnover equals to Rs 4, 50, 00,000. Typically, on various categories, fees percentage is calculated differently. Estimated various fees charges by reputed e-cart business respective to various categories are as below:

Categories	Fees %
Apparels and Accessories	13-15%
Shoes	10-13%
Home Furnishing	10-15%
Home Appliances	4-6%
Mobile and its accessories	8-10%
Personal Care	7-8%

## 12. WORKING CAPITAL REQUIREMENTS

Sr. No.	Description	Total Amount/month
1	Entrepreneur	₹ 20,000.00
2	Delivery Support – 4 @ Rs 12,000 per month	₹ 48,000.00
3	Marketing Support – 2 @ Rs 15,000 per month	₹ 30,000.00
4	Registered Pharmacist – 2 @ Rs 15,000/month	₹ 30,000.00
5	Internet Connection Charges	₹ 700.00
6	AMC for Portal by service provider	₹ 18,500.00
7	AMC by Payment Gateway	₹ 1,300.00
8	Google Play Store / Apple Store	₹ 2,500.00

### 13. LIST OF MACHINERY REQUIRED

Sr. No.	Description	Qty	Amount per Qty	Total Amount
1	Computers - with all necessary hardware and installed Windows and MS Office	3	₹ 27,000.00	₹ 81,000.00
2	Vehicle	4	₹ 40,000.00	₹ 1,60,000.00
3	Network Installation devices set	1	₹ 5,000.00	₹ 5,000.00

All the machines and equipments are available from local manufacturers. The entrepreneur needs to ensure proper selection of product mix and proper type of machines and tooling to have modern and flexible designs. It may be worthwhile to look at reconditioned imported machines, dies and tooling. Some of the machinery and dies and tooling suppliers are listed here below:

1. Impressive Computers  
Hasan Ali House No. 4/41-A,  
Noor Baug, Umerkhadi,  
Mumbai - 400009,  
Maharashtra, India
2. Computer Planet  
Shop No. 1, Shaniwar Peth-53,  
Opposite Amruteshwar Mandir,  
Amruteshwar Co Operative Housing Society,  
Near Shaniwar Wada,  
Pune – 411030,  
Maharashtra, India
3. Visicube Technologies Private limited  
Door No. 1-8-315,  
Begumpet, Opposite US Consulate,  
Hyderabad - 500016,  
Telangana, India

4. Micon Automation Systems Private Limited

A-814, Siddhi Vinayak Towers,  
Behind DCP Office, Makarba,  
Ahmedabad - 380051,  
Gujarat, India

5. Adaptek Automation Technology

No. 13, F- 3, 2<sup>nd</sup> Floor,  
Main Road, Adyar Nehru Nagar,  
Near H.D.F.C. Bank A.T.M.,  
Chennai - 600020,  
Tamil Nadu, India

## 14.PROFITABILITY CALCULATION

<b>Net Profit</b>	<b>₹ 14,26,770.00</b>
<b>Net profit Margin</b>	39.6325

### (a) Profitability Projection

Sr. No.	Particulars	UOM	Year Wise estimates					At Full Capacity
			Year 1	Year 2	Year 3	Year 4	Year 5	
1	Capacity Utilization	%	30	40	50	60	70	100
2	Sales	Rs Lakhs	₹ 10.80	₹ 14.40	₹ 18.00	₹ 21.60	₹ 25.20	₹ 36.00
3	Raw Materials & Other Direct Inputs	Rs Lakhs	₹ 3.74	₹ 4.98	₹ 6.23	₹ 7.48	₹ 8.72	₹ 12.46
4	Gross Margin	Rs Lakhs	₹ 7.06	₹ 9.42	₹ 11.77	₹ 14.12	₹ 16.48	₹ 23.54
5	Overheads Except Interest	Rs Lakhs	₹ 7.82	₹ 7.82	₹ 7.82	₹ 7.82	₹ 7.82	₹ 7.82
6	Interest	Rs Lakhs	₹ 0.83	₹ 0.83	₹ 0.83	₹ 0.83	₹ 0.83	₹ 0.83
7	Depreciation	Rs Lakhs	₹ 0.62	₹ 0.62	₹ 0.62	₹ 0.62	₹ 0.62	₹ 0.62
8	Net Profit Before Tax	Rs Lakhs	-₹ 2.21	₹ 0.14	₹ 2.50	₹ 4.85	₹ 7.21	₹ 14.27



9	Profit %		<b>-20.45%</b>	<b>1.01%</b>	<b>13.88%</b>	<b>22.47%</b>	<b>28.60%</b>	<b>39.63%</b>
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The basis of profitability calculation:

From a portal, there is assumed for a sale of 2500 units of products from different categories of average price of Rs 1500 per month. So here on an average 8% of fees is considered for income.

Energy Costs are considered at Rs 7 per Kwh and fuel cost is considered at Rs. 65 per liter. The depreciation of plant is taken at 10-12 % and Interest costs are taken at 14 -15 % depending on type of industry.

## 15.BREAKEVEN ANALYSIS

Sr. No.	Particulars	UOM	Value
<b>1</b>	Sales at Full Capacity	Rs Lakhs	36.00
<b>2</b>	Variable Costs	Rs Lakhs	12.46
<b>3</b>	Fixed Cost incl. Interest	Rs Lakhs	9.27
<b>4</b>	Break Even Capacity BEP = FC/( Sales -Variable Cost) *100	% of Inst Capacity	<b>39.38</b>

## 16.STATUTORY / GOVERNMENT APPROVALS

Bureau of Indian Standards (BIS) is operating **Compulsory Registration Scheme (CRS)** for Electronics & IT Goods as per the provision of Chapter IVA of THE BUREAU OF INDIAN STANDARDS RULES, 1987 for the product categories notified by MeitY.

Visit official government website (Bureau of Indian Standards) for notice about products on:  
<http://crsbis.in/BIS/>

Entrepreneur may contact State Pollution Control Board where ever it is applicable.

## 17.BACKWARD AND FORWARD INTEGRATIONS

It is assumed that the unit will be viable at 75% efficiency on single shift basis considering 5 working days or as per demand of area per week.

The rate of interest in the scheme is taken at 11.5 % for both fixed and working capital. Due to liberalization and competition among banks, lower rate of interest is possible in future.

The prices of machinery and equipment are approximate which are ruling locally at the time of preparation of the project. When a tailor-cut project is prepared the necessary changes are to be made at the local level.

The cost of staff and labour is approximate which is ruling locally at the time of preparation of the profile. When a tailor-cut project is prepared the necessary changes are to be made.

## **18. TRAINING CENTERS AND COURSES**

There is no specific course in repairing and assembling services, but the most authorized centre is government authorized "ITI" available in all the cities across the country.

India Training institute of computer technology conducts various technical courses in different cities to enable students to make a bright career. Most of our vocational programs are job-oriented with which students can start earning the day they finish their training or can learn them as a hobby. Students can join for any of these in vacations as all these are short-term certificate courses.

Udyamimitra portal ( link : [www.udyamimitra.in](http://www.udyamimitra.in) ) can also be accessed for hand-holding services viz. application filling / project report preparation, EDP, financial Training, Skill Development, mentoring etc.

Entrepreneurship program helps to run business successfully is also available from Institutes like Entrepreneurship Development Institute of India (EDII) and its affiliates all over India.

### **Disclaimer:**

Only few machine manufacturers are mentioned in the profile, although many machine manufacturers are available in the market. The addresses given for machinery manufacturers have been taken from reliable sources, to the best of knowledge and contacts. However, no responsibility is admitted, in case any inadvertent error or incorrectness is noticed therein. Further the same have been given by way of information only and do not carry any recommendation.