

14 E-COMMERCE STORE



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1. INTRODUCTION

Uttarakhand, nestled in northern India, is renowned for its scenic beauty and spiritual heritage. Beyond its natural allure, the state has been evolving into a hub for business and entrepreneurship, particularly in the e-commerce sector.

The government's initiatives to support small and medium-sized enterprises (SMEs) and the establishment of specialized economic zones have further bolstered the business environment. With initiatives like the Government e-Marketplace (GEM), local businesses can now access a broader market, enhancing their reach and profitability.

Moreover, Uttarakhand's strategic location and improved connectivity have made it easier for e-commerce businesses to thrive. The presence of prominent companies such as Patanjali Ayurved, Mavenwit, and Kiwi Kisan Window highlights the potential for success in this region.

2. SERVICE & ITS APPLICATION

- **Local Handicrafts:** E-commerce platforms can showcase and sell the region's rich handicrafts globally, supporting local artisans and preserving cultural heritage.
- **Organic Produce:** Connects organic farmers with consumers, promoting sustainable agriculture and providing fresh, healthy products to customers.
- **Health and Wellness Products:** Companies like Patanjali Ayurved leverage e-commerce to distribute their health products widely, meeting the growing demand for natural remedies.

By utilizing these services, e-commerce businesses in Uttarakhand can enhance their operations, reach a broader audience, and provide a better customer experience.

3. DESIRED QUALIFICATION FOR PROMOTER

To excel as a promoter for an e-commerce business, specific qualifications and skills can be highly beneficial.

Educational Background

- **Bachelor's Degree:** Preferred in fields such as Marketing, Business Administration, Communications, or any related discipline.
- **Relevant Courses:** Additional coursework or certifications in digital marketing, e-commerce, consumer behavior, and market research can add significant value.

Skills and Experience

1. **Sales and Marketing Expertise:** Proven experience in sales, marketing, or customer service roles.

Technical Proficiency

- **Marketing Tools:** Familiarity with tools like Google Analytics, SEO tools, email marketing platforms (Mailchimp, Constant Contact), and social media advertising (Facebook Ads, Google Ads).
- **E-commerce Platforms:** Experience with e-commerce platforms such as Shopify, WooCommerce, and Magento.

These qualifications and skills can significantly enhance your effectiveness as a promoter in the e-commerce sector, helping you drive growth and achieve business goals.

4. BUSINESS OUTLOOK AND OPPORTUNITIES

The e-commerce sector in Uttarakhand presents numerous opportunities for growth and innovation, driven by favorable market conditions, supportive government policies, and growing digital infrastructure. Here's a detailed look at the business outlook and opportunities in this sector:

- Local Handicrafts and Artisans
- Organic and Natural Products
- Health and Wellness
- Eco-friendly Products
- Local Collaborations
- Cross-sector Partnerships

5. MARKET POTENTIAL AND MARKETING ISSUES

POTENTIAL

The market potential for an e-commerce store enterprise in Uttarakhand is growing steadily, driven by increasing internet penetration, changing consumer behavior, and the state's unique geographical and demographic characteristics. It offers significant opportunities for e-commerce businesses, particularly in niche markets such as handicrafts, wellness products, local tourism, and agriculture-based goods. With growing internet access, increasing disposable incomes, and government support, the state presents a promising landscape for e-commerce enterprises.

ISSUES

1. Infrastructure Challenges

- **Transport and Connectivity:** The hilly terrain of Uttarakhand poses significant challenges for transport and logistics, affecting the timely delivery of goods and services.
- **Digital Infrastructure:** Despite improvements, there are still gaps in digital infrastructure, particularly in remote and rural areas.

2. Awareness and Education

- **Consumer Awareness:** There is a need for increased consumer awareness regarding e-commerce, digital payments, and online security, especially in rural areas.
- **Training and Skill Development:** Training local artisans, farmers, and small business owners in digital marketing and e-commerce operations is essential for tapping into the market potential.

3. Competition

- **Local vs. Global Competition:** Small local businesses face stiff competition from established national and international e-commerce players.

6. BUSINESS INPUTS AND MATERIAL REQUIREMENTS

Business Inputs and Material Requirements for E-commerce Stores in Uttarakhand

Setting up an e-commerce store in Uttarakhand involves several key inputs and material requirements. Here's a detailed overview:

1. Technological Infrastructure

- **Website Development:** Building a user-friendly and secure website using platforms like Shopify, WooCommerce, or Magento.
- **Hosting and Domain:** Purchasing a reliable hosting service and domain name.
- **Payment Gateways:** Integrating secure payment gateways like PayPal, Stripe, or Razor Pay to facilitate online transactions.
- **E-commerce Software:** Utilizing software for inventory management, order processing, and customer relationship management (CRM).

2. Digital Marketing Tools

- **SEO and SEM Tools:** Implementing search engine optimization (SEO) and search engine marketing (SEM) strategies using tools like Google Analytics, Hares, and SEMrush.
- **Social Media Management:** Using platforms like Hootsuite or Buffer to manage social media accounts and campaigns.
- **Email Marketing:** Deploying email marketing tools such as Mailchimp or Constant Contact for customer engagement and retention.

By addressing these key inputs and material requirements, e-commerce businesses in Uttarakhand can establish a solid foundation for success.

7. OPERATIONS AND EXECUTION PROCESS

- **Market Research:** Conduct thorough market research to understand Uttarakhand's target audience, competition, and market trends.
- **Business Plan:** Develop a comprehensive business plan outlining the business model, revenue streams, marketing strategy, and financial projections.

2. Setting Up Technological Infrastructure

- **Website Development:** Create a user-friendly, secure, mobile-optimized website using platforms like Shopify, WooCommerce, or Magento.
- **Payment Integration:** Integrate secure payment gateways such as PayPal, Stripe, or Razor Pay to facilitate online transactions.
- **E-commerce Software:** Implement software solutions for inventory management, order processing, and customer relationship management (CRM).

8. MANPOWER REQUIREMENT

Sr. No	Particulars	No.	No of month in year	Wages/Salaries per month (Rs. In Lakhs)	Annual Expense (Rs. In Lakhs)
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1	Operations/Logistics and Product Manager	1	12	0.25	3
2	Website/IT Manager	1	12	0.12	1.44
3	Marketing and Sales Manager	1	12	0.1	1.2
4	Customer Support	1	12	0.1	1.2
Total					6.84

9. IMPLEMENTATION SCHEDULE

Sr. No.	Activity	Time Required (in months)
1	Site Selection for Ware House	0.5
2	Arrangement of Finance	1
3	Machinery and Equipment purchase	0.5
4	Developing Portal	0.5
5	Order Integration and and Outbound Operation	0.75
6	Delivery Operation and mobility solution	0.5
7	Track and Trace	0.25
Total time required (some activities shall run concurrently)		4

10. COST OF PROJECT

Sr. No	Particulars	Annual Expenses (Rs. in lakhs)
1	Land	-
2	Building (Rented)	0.45
3	Plant & Machinery	1.06
4	Equipment and Furniture Exp.	1.71
5	Misc. Fixed Asset	0.02
6	Preoperative & Preliminary Exp.	0.32
7	Working Capital	61.57
Total Project Cost		65.12

11. MEANS OF FINANCE

Sr. No.	Particulars	Annual Expenses (Rs. in lakhs)
1	Promoter's contribution	26.05
2	Bank Finance	39.07
Total		65.12

12. LIST OF MACHINERY AND EQUIPMENT

A. MACHINERY

Sr. No	Particulars	Unit	Price per Unit(Rs. in lakhs)	Total Amount (Rs. in lakhs)
1	Computers with all necessary hardware and installed Windows	2	0.30	0.60
2	Network Installation	1	0.05	0.05
3	Printer	2	0.05	0.10
4	Barcode Scanner	2	0.03	0.06
5	Packing Machine		0.25	0.25
Grand Total Amount				1.06

B. FURNITURE & EQUIPMENT

Sr. No	Particulars	Unit	Price per Unit(Rs. in lakhs)	Total Amount (Rs. in lakhs)
1	Building Portal	1	1.20	1.20
2	Office Set Up	1	0.50	0.50
3	Others			0.02
Total Rs.				1.71

12. SUPPLIERS OF MATERIALS AND EQUIPMENT

I. Raturi Computers

Address: 87/36, Tyagi Road, Dehradun, Uttarakhand 248001

Phone: 063975 19339

II. Navya Enterprises

Address: Doiwala, Dehradun, Uttarakhand

Phone: Available on IndiaMART

II. Rahul Printers

Address: Akshay Dairy, 126/82, 1ST Floor, Ansari Marg, Macchi Bazaar, Dehradun, Uttarakhand 248001

III. Global Engineering and Packaging Solutions

Address: 61 Gurubakash Vihar East, Kankhal Laksar Road, Haridwar, Uttarakhand 249408

Phone: 078300 00641

IV. PACKLABS

Address: Khasra No-1/1/1, Sara Industrial Estate Ltd, Rampur, Dehradun, Uttarakhand 248197

Phone: 082199 91015

13. SALES REALIZATION AND PROFITABILITY

Sr. No	Service	Sales in Percentage	INR
1	Online Product Sale	25.0%	492.75
2	Digital Advertisement	25.0%	27
Total		100.00%	519.75

14. PROFITABILITY PROJECTION

Sr. No	Particulars	Annual Expenses (Rs. in lakhs)
A.	Sales realisation	519.75
B.	Cost of production	
i)	Raw materials	262.80
ii)	Utilities	1.42
iii)	Manpower Cost (Salaries/wages)	6.84
iv)	Administrative expenses	0.04
v)	Packaging Cost	0.10
vi)	Material Lost Cost	0.10
vii)	Selling & distribution expenses	0.66
viii)	Repairs & maintenance	0.10
ix)	Rent	0.45
x)	Interest	4.87
xi)	Misc. expenses	0.00
	Total (B)	277.38
	Gross profit/loss (A – B)	242.37
	Less: Depreciation	0.36
C.	PBIT	242.00
D	Income-tax	-
E	Net profit/loss	242.00
F.	Repayment (Annual)	-4.45
G	Retained surplus (E-F)	246.45

14. BREAK-EVEN ANALYSIS

Fixed cost	
Land & Building Rent	0.45
Depriciation	0.36
Interest	4.87

Manpower	2.05
Total Fixed cost	7.74
Variable cost	
Raw materials	262.80
Utilities	1.42
ManPower	4.79
Administrative expenses	0.04
Selling & distribution expenses	0.66
Total Variable cost	269.71
Contribution margin	48%
Break-Even Point in Value	16.12

15. STATUTORY APPROVALS

The following statutory approvals will be required:

- **Business Registration:** Registering your business with the Registrar of Companies (ROC) under the Companies Act, 2013.
- **GST Registration:** Obtaining a Goods and Services Tax (GST) registration if your annual turnover exceeds the threshold limit.
- **Trade License:** Acquiring a local municipal corporation or district administration license.
- **FSSAI License:** If you plan to sell food products, you'll need a license from the Food Safety and Standards Authority of India (FSSAI).
- **IEC Code:** Applying for an Importer Exporter Code (IEC) if you plan to import or export goods.
- **Shop and Establishment Act License:** Register under the Shop and Establishment Act for compliance with labor laws.
- **Digital Signature Certificate (DSC):** E-filing and other online transactions are required.
- **Data Protection Compliance:** Ensuring compliance with data protection laws, such as the Information Technology Act of 2000.

16. TRAINING CENTERS AND COURSES

Government Training Institutes (VPP, Uttarakhand)

- **Courses Offered:** Various vocational training courses in trades such as electrical, mechanical, civil, and more.
- **Location:** ITI Campus, Rajanpur, Dehradun, Uttarakhand-248001.
- **Contact:** +91-7302663922, giti.uk.admission@dteu.in.

DDU-GKY (Deen Dayal Upadhyaya Grameen Kaushalya Yojana)

- **Courses Offered:** Accounting, IT-ITES, Electronics & Hardware, Food Processing, Construction, Telecom, Power, Tourism & Hospitality, Healthcare, and more.
- **Training Centers:** Various private and government institutions across Uttarakhand, including Marg Compu soft Pvt. Ltd., Anana Education Network Pvt. Ltd., Qness Corp Ltd, and more.
- **Contact:** Visit the DDU-GKY website for more details and registration

1. **Swayam Portal (<https://swayam.gov.in>)**

These training centres provide valuable courses in event management, decor planning, and wedding coordination.

Disclaimer

Only a few machine manufacturers are mentioned in the profile, although many 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.