FUTURE PROSPECTS FOR INDIAN E-COMMERCE INDUSTRY

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Introduction to Indian e-retail Industry

The Indian e-retail industry is growing at a rapid rate given the funding by global investors. It is expected to reach $100 billion by 2022 from $4.5 billion in 2014 growing at CAGR of 47%.[i] The horizontal players occupy 80 % of the Indian e-retail market, and vertical players occupy 20%. Horizontal players sell many vertical products whereas vertical players operate in specific verticals such as furniture, fashion apparels etc.

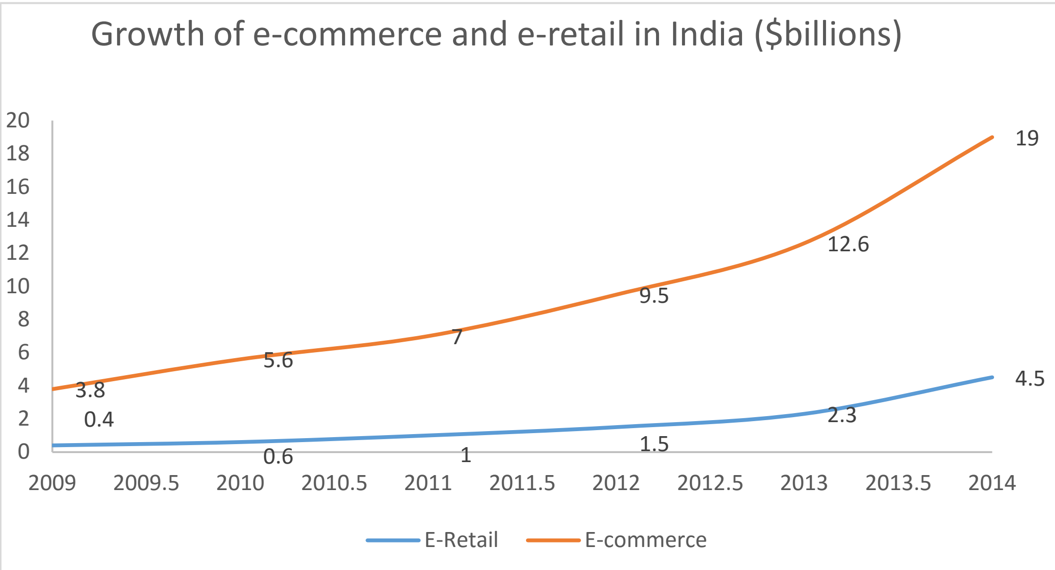

FIGURE 1 INDIAN E-COMMERCE, E-RETAIL GROWTH [ii]

The major players in the Indian e-retail market are Flipkart, Amazon and Snapdeal, which occupy around 80% share of the total market. Flipkart is the market leader in the industry with around 44 % market share.

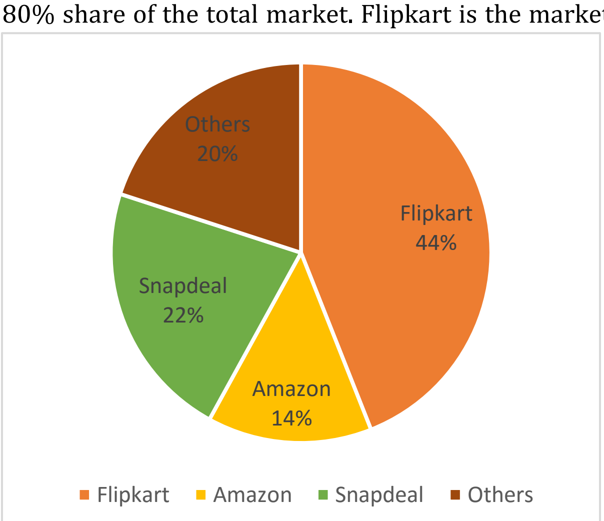

FIGURE 2: INDIAN E-RETAIL MARKET SHARE[iii]

Major horizontal players are Flipkart, Amazon, and Snapdeal. Many vertical players such as Jabong, Lenskart, UrbanLadder, Pepperfry are growing in specific niche verticals.
There are three operational models in the Indian e-tailing industry:

1. Inventory based
2. Marketplace/MP
3. Managed Marketplace

The marketplace is where the firm does not own inventory and just provides an online platform for the sellers and buyers to transact. Managed Marketplace is where the e-retail firm provides fulfillment services (storage, packaging) to the sellers. Marketplace model forms about 80-85 % of the e-tailing market and inventory based model forms about 15-20 %. Given the scalability and FDI policy of Indian government, the firms are adopting the Marketplace model.

Future Prospects

The following are some of the trends that Indian e-retail industry should focus on.

Focus on Mobile based platform

According to Mary Meeker's report on Internet Trends 2015, India is one of the most important Internet markets and is on the verge of rapid expansion in mobile led Internet penetration.

Internet Users 2014 (million)	2014 Internet User growth	2013 Internet User growth	Population Penetration	Total Population(million)
232	33%	34%	16%	1236

(Internet Trends 2015-KPCB, 2015)

Per capita GDP	Mobile Subscriptions 2014	Smartphone % of Mobile Subscriptions
$6000	907	15

(Internet Trends 2015-KPCB, 2015)

In 2014, India had 232 million Internet Users who are growing at a rate of 37% annually. The number of new internet users added is highest for India with 63 million users added in 2014.India is the 3rd largest Internet market with China being the first and US being the second. China is the biggest Internet market in terms of a number of users whereas India is the leader in new user additions.
During the course of Internet history, large-scale Internet adoption took place in USA followed by China. India seems to emerge as the next biggest Internet market.
The growth in the Indian internet market is going to be driven by mobiles devices rather than desktops or laptops. The growth rate of users who access internet through mobile has been huge during the last few years. In India, mobile forms 65 % of overall Internet traffic, which is the highest for any country in the world. (Internet Trends 2015-KPCB, 2015) This is primarily because India has more broadband Internet users and fewer wired broadband connections.

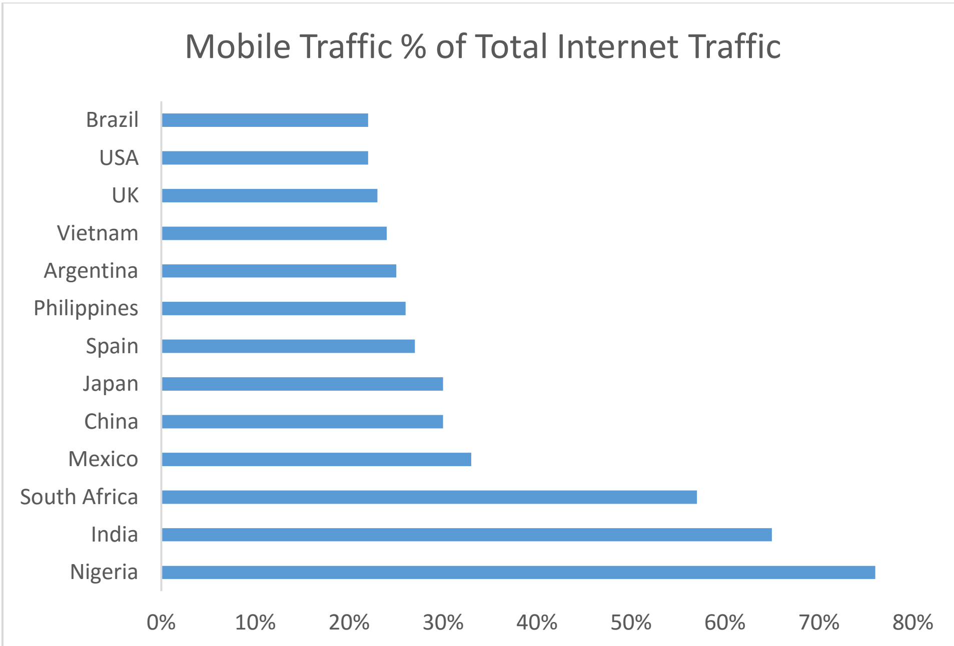

FIGURE 3 MOBILE TRAFFIC AS A PERCENTAGE OF TOTAL INTERNET TRAFFIC (INTERNET TRENDS 2015-KPCB, 2015)

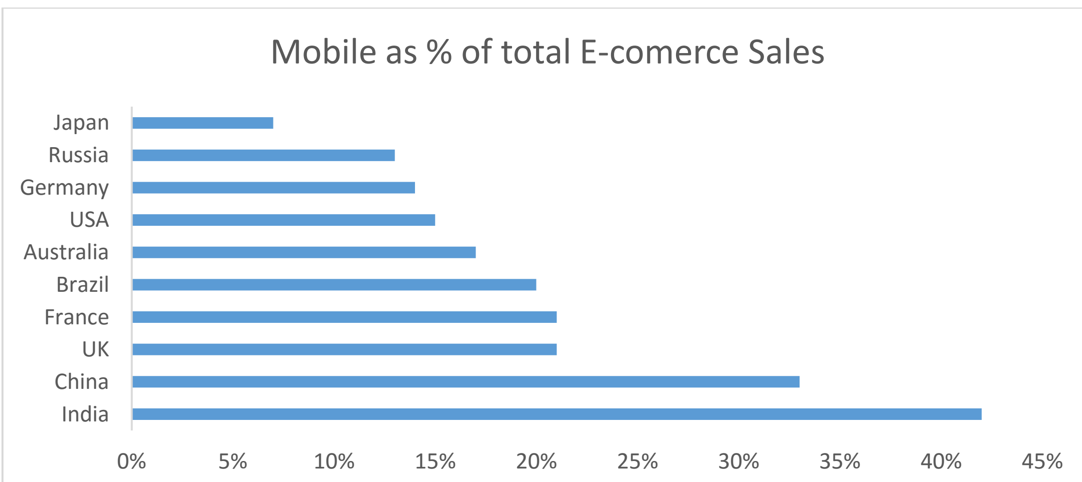

FIGURE 4: PERCENTAGE OF E-COMMERCE SALES MADE THROUGH MOBILES (INTERNET TRENDS 2015-KPCB, 2015)

A major portion around 70 % of rural Indians accesseses the internet through mobile devices. The mobile internet users is expected to form around 70-80 % of the total internet users in 2018 compared to 65% in 2014.In India, 41% of the total e-commerce sales occur through mobiles which is likely to increase further. Mobile e-commerce penetration that is defined as the percentage of e-commerce sales made through mobiles is 41 % indicating that India is more mobilized as compared to other countries.

In India, around 17% out of the total mobile subscribers (around 900 million) have a smartphone as compared to just 5% having a computer or a laptop. (India@Digital.Bharat, 2015)India will become the second biggest smartphone market in 2016 surpassing US.iv Given the huge potential of mobile led e-commerce growth, firms should focus on developing mobile as a platform to on board more customers and further drive revenue and sales.

E-commerce companies can use apps to provide personalized user experience through the analytics of the user data to improve the quality of service. Users can get notifications, special offers and pay through the mobile application, thus simplifying the whole process. Aligning technological focus on mobiles will lead to increased conversion rates thus further increasing sales. Firms should, therefore, align their strategies to focus on mobile based platform.

Vernacular content

The user profile of the internet user is going to change greatly in the future. According to India@Digital.Bharat Report by BCG and IAMAI, the Internet user base in 2018 is going to be more rural, more mobile based and more local language oriented. (Internet Trends 2015-KPCB, 2015).The rural internet user base is estimated to increase from 60 million in 2014 to 280 million in 2018, growing at a rate of 40 % per annum. The rural users will form 40-50 % of the total internet users in 2018. The internet user base will be more diverse in the future e.g. increased the proportion of rural users.

A major portion of these people would be from the non-English background. These users would like to access the internet in their local/native languages. Keeping this in mind e-commerce companies have to align and develop strategies so that they can target this customer base. The companies can use local languages to target non-English speaking users. The delivery of internet content in local languages is going to make the internet usage more inclusive and make the e-commerce sites/apps more easy to use for these users. The delivery of vernacular content over the internet e.g. e-commerce websites in local languages would help the companies in targeting these customers in an effective manner. The vernacular content over the internet is estimated to increase from 45 % in 2013 to greater than 60 % in 2018. (India@Digital.Bharat, 2015)

Shift to alternate modes of Payments

Customers can choose from different payment options for transactions on e-retail websites. While making payments, customers look for convenience, availability and security. Payments can be done electronically, via card transfers or cash payments.

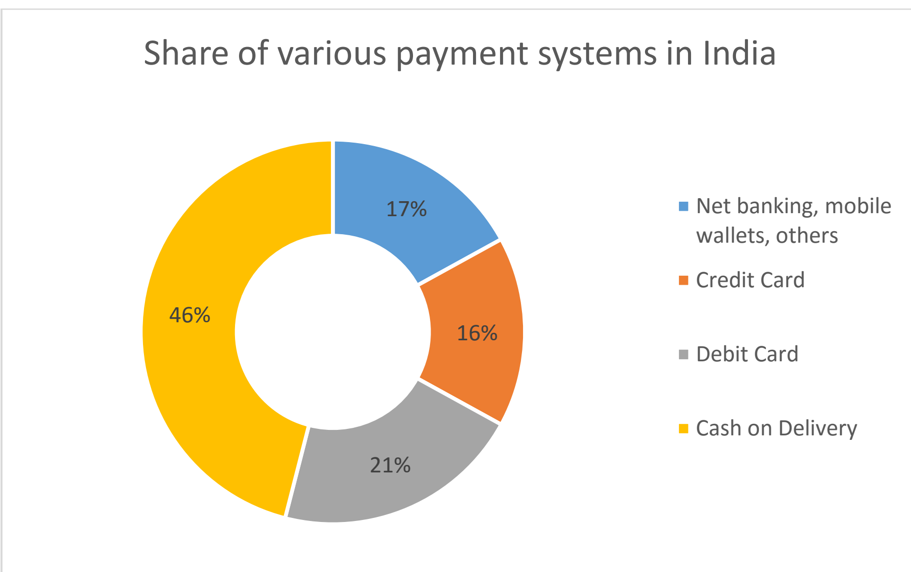

FIGURE 5: SHARE OF VARIOUS MODES OF PAYMENTS IN INDIA[v]

Cash on Delivery/COD

In India, Most of the buyers uses cash on delivery as the mode of payment. It forms 45-80 % of all e-commerce transactionsvi.Most transactions are in cash due to non-availability of other modes of the transaction and due to the customers' preference towards it.

COD is expensive to the companies as it reduces the working capital of the firm. It increases the direct and indirect costs of the company. The cost increases further if the customer returns the product. COD increases a layer of the supply chain because of cash handling. Also, it increases settlement period and cash collection cycle. Hence, all e-commerce companies need to shift to alternate modes and reduce the number of COD transactions.

Mobile wallets

India has 600 million unique users of mobile phones with over 900 million mobile phones. (Economic Survey, 2015) This provides a great opportunity for alternative modes of payments which uses mobiles such as a mobile wallet. A mobile wallet is a digital version of physical wallet. It is a payment instrument that allow users to store virtual money and make payment using mobile devices. Mobile wallets make transactions easier, secure, convenient and much faster as compared to other means such as credit cards, net banking etc. It has the potential to revolutionize the e-commerce industry by making transactions easier and can promote financial inclusion by connecting mobile users who do not have a bank account.

Advantages of mobile wallet:

1. Ease of transaction: Credit cards and net banking require two-step authentication process that makes the payment process time-consuming. Also, they have high failure rates on mobile platforms. Mobile wallets are prepaid in nature and allow faster and easier transactions. The error rate in payment gateways is very high, and they charge a high commission that increases the cost of transaction for the e-retail firm. Mobile wallets, on the other hand, have low failure rates and transaction costs for the firm is also very low. They are easy and simple to use.
2. Increased Security: Many people in India do not find it comfortable sharing their account and credit card details due to the inherent risks involved. There is a lack of trust among users in electronic transactions. Mobile wallets provide increased security than credit cards and thus payment fraud concern is reduced. The amount at risk is also limited in the case of a mobile wallet. Further, user information is not revealed to the merchants and is thus secure.
3. Faster transactions: There is no need of typing/entering user information as required in other payment options such as credit cards and net banking. Simpler authentication process leads to faster transactions.
4. Financial empowerment: It can connect mobile users who are unbanked, thus empowering them financially as money is easy to transfer from one wallet to another. These users (e.g. children) can shop online and make payments through their mobile wallets.
5. Reduced transaction cost: Mobile wallet would reduce the transaction cost for e-commerce firms. Further, it would help in reducing the Cash on Delivery transactions which have high costs for the firms. This can significantly impact the profitability of the industry.

E-commerce firms in India need to invest in the development of mobile wallet as a mode of payment as it can significantly reduce the transaction cost for the firms. It is beneficial to the customer as well as it makes the transaction convenient and easier. Most third party logistic partners of the e-retail offer cash on delivery mostly in larger cities (around 600 cities and towns)vii. Firms should incentivize the use of mobile wallets by giving discounts and paybacks in place of COD. Customers in large cities will find it more convenient to pay using mobile wallets rather than COD. So, e-retail firms should limit the COD numbers. COD should be offered in small cities where penetration of other payment options is not much and customers hesitate in using online payment options. There are a large number of PIN codes where COD is not yet available, and this hiatus needs to be filled.

Reduction of Fulfillment costs

Fulfillment is an important part of the e-retail business. Fulfillment refers to all processes/activities from the moment a customer places the order till it is packed. It includes the process of inbound logistics, storage management, picking and packaging of products. Fulfillment costs form a significant portion of the operation costs of an e-retail company. Fulfillment costs impact the service quality provided by the company. If fulfillment is not done properly then the chances of error in delivery in the form of order mismatching and damaged products increases. This further leads to increased returns and thus increased return costs. So, it is a very important process of an e-retail company.

Fulfillment is a very complex and labor intensive process. As the number of orders processed increases, the fulfillment costs increases with it as the labor required increases. Indian e-retailors are facing scalability problems in a fulfillment as the number of orders are rapidly increasing. This is due to manual processes involved and limited space of fulfillment centers. The order fulfillment costs consistute a significant portion of the operating costs of Indian e-retail companies and so, there is a need to reduce it.

Technology can play a significant role in the reduction of fulfillment costs. While some Indian companies have started pilot runs using high end technology systems such as automated storage and retrieval system (ASRS), Automated guided vehicles (AGV) and Hand held devices (HHD) in their operations. There is huge scope for further improvement using automation practices.

For example, the new 8th generation fulfillment center of Amazon in Tacoma makes use of robotic technology to automate the fulfillment process[viii]. The autonomous robot picks the items and carries it to the warehouse employee who takes the items from the robot. The robot then goes to another employee. Thus, the robots perform the picking function and eliminate the traveling for the traditional pickers. This saves a lot of human effort and energy, thus makes the fulfillment process more efficient. The fulfillment cost is reduced to a great extent. This also makes the fulfillment faster and reduces the chances of errors in fulfillment.

The fulfillment in Indian e-retail companies is done manually and is labor intensive. The labor effort required increases in proportion to the number of orders to be fulfilled. Thus, cost efficiency is not there.

Therefore, there is a need to automate the fulfillment process. This will reduce the labor costs, air conditioning costs thus reducing the overall fulfillment costs. The whole process will become faster, error-free and reduce the order fulfillment time. Thus, economies of scale can be achieved which reduces the fulfillment cost per product.

Modify Returns Policy

Returns is the most painful area of Indian e-retail industry. Margins being already low in the industry and returns are adding to the losses. It has the potential to bring down the whole Indian e-retail industry. Companies liquidate the returned products at lower values on the second-hand market or in scrap market.

Firms allow customers to return the products bought within a specified period, and the number of returned products is very high, adding to their losses. In 2014-15, the returns amounted to $800 million to $1000 million.[ix] Many buyers are misusing the return policy by arbitrarily sending the goods back. Some of them are blatantly sending back used products such as sending books after reading them. This has led to huge losses for the e-retailers.

The average returns for an Indian e-Retailer are 6-8 %. But for some firms it even reaches 25%. Each return costs the companies around INR 50. The cost of Reverse logistics is higher than the forward logistics cost by about 40- 50%[x].

Many companies are providing the seller with protection against damaged and defective returned product. This further adds to the losses of the companies. Returns thus is a very problematic domain for the industry to deal with.

Firms should make changes in their returns policy so that frivolous returns are eliminated. Buyers who misuse the policy should be identified and blacklisted from the firm. There should penalties for such buyers. For example, buyers with a history of return rate greater than 70% should be automatically blocked by the platform. The rates can be determined based on particular product category.

Returns Liquidation

The customer creates a return request and then the company's logistics partner will pick up the item from the customer and deliver it to the warehouse. The returned items from the customers go to the liquidation store in the warehouse after inspection and sorting of items according to their condition. These returned products occupy a lot of space in the warehouse that is very challenging since space is very valuable for the company.
The companies should tie-up with local vendors near customers, who can liquidate the returned product after receiving from the customer. Liquidating directly in the second-hand market will save the company logistics cost of carrying the goods to the warehouse or distribution center. This would also save inventory space in the company's warehouse.

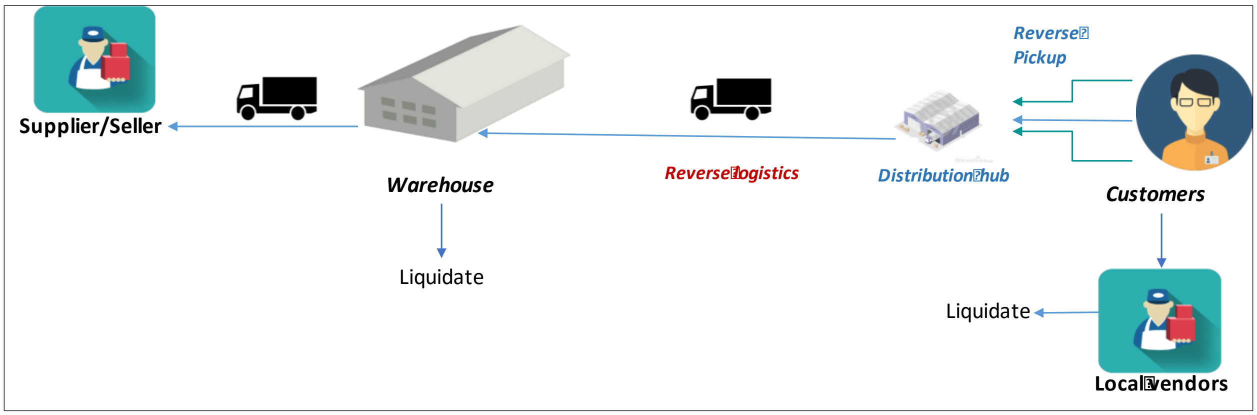

FIGURE 6: SUGGESTED PROCESS OF LIQUIDATION OF CUSTOMER RETURNS

Reduction of Last Mile Delivery Costs

There are 3 Key performance indicators/KPIs that drives the e-Retail industry:

1. Timely delivery
2. Product quality
3. Cost

Firms need to focus on all 3 KPIs to be successful in the domain.
Supply chain/Logistics is the most important aspect of the e-retail industry, and an efficient supply chain network is essential for the industry to expand its reach. As the number of orders is increasing, timely delivery is very important for the companies to sustain themselves. Last mile delivery and logistics is a huge problem that is hindering the exponential growth of the Indian e-retail industry.
Average shipping cost for an order by a logistics company is about INR 75-150[xi]. Of the total shipping cost around 35-40% cost is constituted by last mile delivery[xii]. Indians firms are giving high shipping subsidies to the sellers which is further adding to the losses.
Flipkart has its own logistics division named eKart, while Amazon has Amazon Transportation Services Private Ltd. While other e-commerce companies depend on other courier companies like Blue Dart, Gati, DHL. Total Shipment cost can be divided into 3 components that are packaging cost, line haul and Last mile. Of these packaging cost is 5-10%, line haul cost is 50-60 % and last mile shipment cost is about 35-40% of total shipment cost. Firms need to invest in innovative strategies that would bring down the last mile cost.

Pick up stores:

As it is time & cost consuming, e-retail companies need to tie up with locally accessible chain stores so parcels can be picked up by customers. E-retailers can tie up with local stores, Kirana stores, coffee shops, petrol pumps across cities to facilitate last mile delivery. The customers especially the working professionals can collect their delivery while traveling for work. To target student customers, firms should tie up with major colleges and schools.

At the same time, while ordering customer should be asked about availability for a particular window of days when delivery expected to happen. These will make sure parcels are not returned due to non-availability of the customer. Such delivery innovations should also be implemented in rural areas. For example, leveraging the already existing retail media, the order can be delivered through buses that arrive at a particular village to the local Kirana store. The customer can then pay the store person and pick the order.

Tie up with India-Post:

Given the limited reach of courier logistics in India, India post can help e-retailers to deliver the goods to locations where the couriers do not have reach. Currently, maximum sales are happening from Metro cities and Tier-1 cities and only small percentage of sales is happening from Tier-2+ cities in spite of the tremendous growth in internet & mobile penetration in these Tier-2+ areas. The main reason behind this imbalance is that companies do not have the efficient reach to Tier-2+ cities. There is no established delivery system that will ensure fast and efficient completion of an order to Tier-2+ places.

In current scenario, India-post will be the best option to tap into these markets. India-post has an extensive network of around 1.5 lakh post offices across the country[xiii]. According to survey conducted by Zepo[xiv], India-post is very efficient and have received maximum ratings in pick up delivery, service area coverage, service quality and in providing tracking facility, compared to other leading courier service providers in the country. At the same time, they are very much competitive in rates. India-post offers to deliver a maximum of 34 kg.

Other main problem of Cash on delivery can also be solved by using services of India-post as they are already in business of money transfer unlike other logistics service providers. India post using its established logistics network can increase the scalability and reach of Indian e-retailers.

Usually India post-delivery takes the time to reach locations that have poor delivery infrastructure as the last mile delivery is done using bicycles and even by foot. Increased technology adoption by India post will enable to provide delivery services much faster and more efficiently.

Regional distribution centers:

The regional distribution centers present across cities should have collection centers where the customers can pick up their orders. These centers will be placed where products will be stored and picked up once an order is placed. Such centers can work as zonal mega centers available for 24/7. These can be operated by retailer or logistics provider. These should be closer to parcel hub as well as to larger labor supply.

Reduction of discounts

Currently, the subsidies provided, by e-retail firms are very high. Firms provide subsidies to both the seller and the customer. A large portion of the losses made by the firms can be attributed to the large subsidies or discounts offered by them[xv]. The subsidies can be classified into:

1) Seller subsidy: Seller subsidy consists of the shipping subsidy and seller protection fund

    a) Shipping Subsidy: It is the subsidy provided by the e-retail firm to the seller in the shipment/delivery of products. It forms a major portion of the overall subsidy provided by the firm.

    b) Seller Protection fund: It is provided to the seller by the firm in case of return of damaged products and loss of products.

c) Rebate/Commission Subsidy: It is the subsidy provided on commission charged to a seller.

2) Customer Subsidy: It consists of discounts that are provided to the customer by the e-retail company.

Flipkart charges commission depending on the product category ranging from 4% to 20 %[xvi]. Amazon is charging promotion based commission that is 50 % lower. Snapdeal charges a tiered based commission (different commission to different types of sellers) in certain categories such as Apparel whereas Paytm is charging zero commission to its sellers.

In terms of seller subsidy, Amazon and Paytm are offering very high subsidies with Paytm charging a flat shipping fee from its sellers.[xvii] The seller subsidies offered by Snapdeal are higher than what Flipkart offers. In terms of customer subsidy Amazon is giving a combination of commission rebate and discount, Snapdeal is offering pure play discounts, and Paytm is giving discounts.

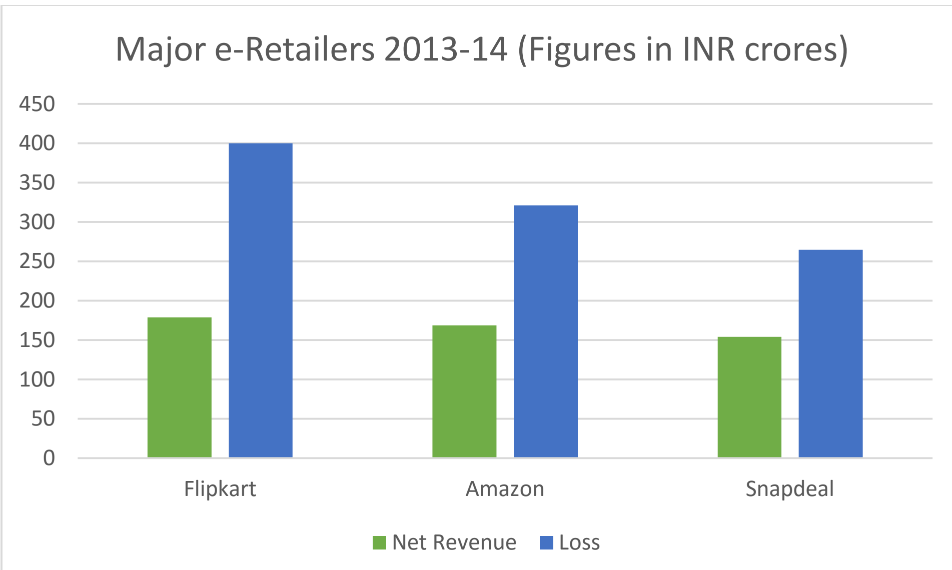

FIGURE 7: REVENUE AND LOSSES FOR MAJOR E-RETIALERS IN 2013-14 [xviii]

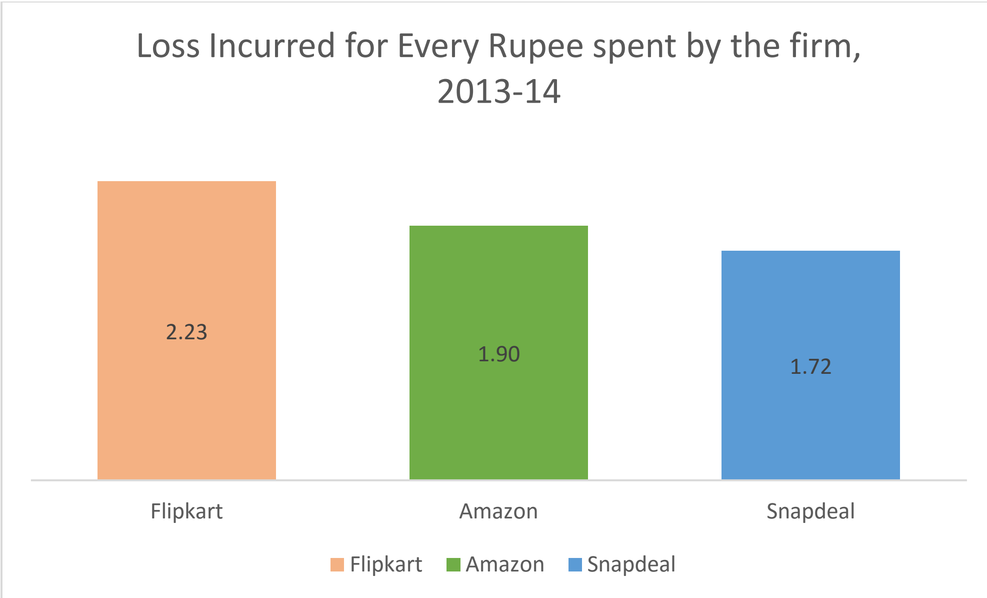

FIGURE 8: LOSS TO REVENUE RATION FOR MAJOR INDIAN E-RETAILORS [xix]

Discounts form a major part of the losses incurred by these firms. The companies need to reduce the amount of discounts given gradually to reduce their losses.
Also, the shipping subsidy provided by the e-retail firms is not reaching the customers. So, there is a need to reorient the subsidies so that it benefits the customer.
In many product categories, the sellers are charging very high shipping fees to the customers, and this dissuades the customer from making the sale. So, there is a need to fix shipping limits for the product categories so that chipping charges can be standardized for the customers.

Thus, striking a balance between the long-term perspective and short term view of customer acquisition, e-retail firms should reduce the discounts offered by them in a gradual manner.

Market for Unique Products

The market for unique products has not been created in the e-retail space. Most of the products provided by the Indian firms are standard in nature having a pre-determined price.
Indian e-retail market caters to generic and mass-produced branded products and the online market for unique products has not been exploited.
Unique products on the other hand due to their unique selling proposition, have higher prices compared to standard products. Examples of unique products include geographical indications such as special handicrafts, textiles (Kulu shawl, Tangaliya Shawl), etc. These products have a high demand by people belonging to that particular area to which the product belongs. This market presents a huge opportunity for the Indian e-retailers to cater to.
Unique products even if listed on the platform are not easy to find for the customer. The e-retailers need to create separate product categories for unique products so that the customer can easily find what he is looking for. This will facilitate the searching by the customer and reduce the searching time.
Seller Support Services such as seller onboarding, training, and financing needs to be offered by firms to bring onboard small sellers who operate in a niche market. Many smaller sellers do not have the capital required to scale their businesses. Providing capital to these sellers will help it to increase its sales both online and offline.

Tackling the effects of GST

Goods and Services Tax is expected to come into force from April 2016. It will simplify the tax regime by subsuming all indirect taxes under one umbrella. It will be uniform across all states and applicable on both goods and services.

GST will simplify the supply chain management in the e-retail industry. Currently, sourcing of goods and distribution network including the locations of warehouses is decided based on minimizing tax requirements. For example, currently firms have warehouses in every state to minimize the tax liability. In case of GST these will be decided based on efficient strategies that suit the interests of the firms. For example, in GST regime firms can have a large warehouse that can cater to the demand of many states rather than having a warehouse in each state.

However, the costs of the online retailers are likely to go up in GST regime by 10-15 %. This is because the firms and the sellers will need to pay taxes even for an inventory of goods lying in the warehouses. The money will be received when the goods will be sold and thus it will increase the working capital requirements for the firms. The tax liability on stock transfer will increase, and it will increase the working capital requirements. Currently, the companies are paying excise duty of 12.5 % before stock transfer and in GST regime they will have to pay GST rate that will be around 20 %. Increased service tax for storage and labor will further increase the costs. So, when GST will be implemented the cost structure for the already high cost incurring e-retail industry will increase.

Given the high GST rate, the Indian e-retailers will need to manage warehouse inventory more efficiently. The excess inventory will cost the firms in the form of tax. Thus they need to strike a balance between meeting the consumer demands and holding inventory. Forecasting demand can help in effectively managing warehouse inventory. Also, firms will need to avoid the transfer of goods across states as it would lead to more taxes. The tax will be debited to the firm, and the input credit will happen only when the sales occur. So, the working capital requirement will be more. So, firms need to manage inventory efficiently to tackle the GST effects.

The Way Ahead

Online retailers in India need to focus on mobile platform, alternate modes of payment, reduction of fulfillment costs, last mile costs, reduction of discounts and developing a market for unique products. Hence, we are proposing below recommendations:

Localization of Websites

E-commerce companies should consider localizing their websites to tap into different states including Tier-2+ cities. As people prefer reading or browsing online data in the local language, e-commerce websites should provide an option to view the website in the local language. Also, as stated earlier, there is an estimate to increase the rural population to 280 million by 2018 of which large portion would not understand English hence there is a chance of losing on a chunk of customers and revenues.

Ease of payment

There are different payment method options available on E-commerce websites such as cash on delivery, credit card, debit card, net banking. Cash on delivery increases overhead of getting money transfer to vendors' account so the percentage of payments done via this method should be reduced drastically in a short period. Credit card penetration is still very low in India besides some promotional offers by the banks. Debit card and net banking options are not considered secured also there are small number of customers who opts for online banking solutions.

To overcome these issues, E-commerce companies should consider the extensive use of payment gateways such as Paytm, PayUMoney. Such payment gateways provide single step money transfer as compared to multiple security checks done by bank transfers. These gateways are directly operated through mobile numbers. Hence, money can be easily added in these accounts in the same way as prepaid recharges are done in mobile numbers. Such methodology also eliminates remedy of having a bank account or owning credit card by youngsters as these recharges can be done parents. With increase in use of smartphones and as most of the purchases are done via mobiles, such payment methods will very handy.

India-post delivery system:

Currently, maximum sales are happening from Metro cities and Tier-1 cities and only small percentage of sales is happening from Tier-2+ cities. The main reason behind this imbalance is that companies do not have the efficient reach to Tier-2+ cities, because of this most of the times they deny orders placed by people from such cities.

In current scenario, India-post will be the best option to tap into these markets. India-post has more than 1.5 lakh post offices across the country. According to survey conducted by Zepo, India-post is very efficient and have received maximum ratings in pick up delivery, service area coverage, service quality and in providing tracking facility, compared to other leading courier service providers in the country. At the same time they are very much competitive in rates. India-post offers to deliver a maximum of 34kgs.

Other main problem of Cash on delivery can also be solved by using services of India-post as they are already in the business of money transfer, unlike other logistics service providers.

B2B market:

Indian e-commerce websites are operating on Business to Customer model (B2C), so there is a limitation on a number of items of one particular type bought by the customer. Also, there is a huge cost involved for acquisition of an individual customer as well as retention of existing customer where only small part of sales or commission is obtained.

E-commerce websites have to venture into Business to Business (B2B) model by which website can become an interactive platform between wholesaler and retailer. Currently, E-commerce Companies are contacting retailers for listing their products but under this new model they will need to get wholesaler on-board. The retailer can post their requirement on E-commerce website, and then E-commerce Company will get into

touch with wholesalers providing particular items. After getting in touch with multiple wholesalers, E-commerce Company provide consolidated quotations to the retailer.
This will also reduce the number of dealers involved in a chain from wholesaler to retailer and reduce the overall price of an item. As the bulk of orders will be processed hence, sales generated will be on the higher side, and revenues for E-commerce Company will be higher compared to the current business model. Under this model, the company has to ensure convenience for both wholesaler and retailer and services provided by them should be on par.

Unique product listing and visibility:

Due to marketplace model of E-commerce companies, there are a number of sellers listed on websites from different regions of the country. So seller from one state can reach to a buyer from another state. So this reduces difficulties faced by buyers while purchasing from a far place. There is also huge migration happening due to employment reasons, and people have to move to place away from home. So they can't buy items that are famous at their hometown. Also, there are items that are a specialty of one place and people from other place face difficulties buying these items. These items can range from unique items, arts from one part of the country.
E-commerce websites can help to bridge this gap. Such items can be listed on websites, and if they are already listed then, also they are not easily visible to customers. Hence, proper categorization needs to be done on the website so that customer can find these items easily and proceed with the purchase.
Also, artists from one part of the country can list their items on websites and showcase their products to the whole country. This will open up a niche market for gift products, paintings.

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