

PRESS MONITOR

Publication : Sourcing Electricals and Lighting

Edition : National

Date : September, 2016

E-COMMERCE

Business is Brewing

Companies are gearing up to tap into the rapidly evolving online market by developing unique go-to-market models and building capabilities. *By Mrinmoy Bhattacharjee*



FUELLED BY GROWING Internet and mobile penetration, young demography, disposable income, and increasing acceptability of online payments, the country's e-commerce turnover is expected to jump to \$120 billion in 2020 from \$30 billion this year. India is now the fastest growing e-commerce market, speeding at an annual rate of 51%, the latest ASSOCHAM-Forrester study paper says.

Last year the 'electronics' segment grew by 62% over 2014, only second to the apparel segment. Mumbai ranked first in online shopping followed by Delhi, Ahmedabad, Bengaluru and Kolkata. On the mode of payment, almost 45% of online shoppers preferred cash on delivery (COD) over credit cards and debit cards, that stood at 16% and 21% respectively. Also, the report reveals that 38% of regular shoppers are in the 18-25 age group, 52% in 26-35, 8% in 36-45, and 2% in 45-60 age groups. Almost 65% of online shoppers are male vis-a-vis 35% female.

This understanding of the e-commerce market is opening a floodgate of opportunity for lighting and electrical manufacturers, enabling them to connect with customers new and old in no time.



Marc Jarrault, Lapp India Pvt Ltd

Lapp India Pvt Ltd, a subsidiary of German cable and connection technology major Lapp Group, believes that customers should

be able to access its products at a click of a button. "We are where you are", says the company's managing director Marc Jarrault. "This is our prime promise to customers who are a key to our success."

"E-commerce is inevitable, as it offers convenience and ease that has become the need of the hour for consumers," says Rakesh Kaul, president and chief of consumer business at HSIL Ltd, which



Rakesh Kaul, HSIL Ltd

had recently launched purifiers under its new brand 'moonbow'. Kaul says that the company has been cognizant of tremendous opportunities that the online space offers.

"We don't have any options left today. The consumers have changed buying processes, triggering a complete turnaround in purchases. They are buying commodities with ticket values of over ₹50,000. A large chunk of consumer electricals sold online comprises of home appliances, including bulky coolers. No manufacturer wants to exclude the opportunity that lies in e-commerce," says Anshuman Chakravarty, Orient Electric's head for branding and corporate communication.

No wonder manufacturers are making specific strategic choices in order to tap into the burgeoning e-market. Lapp is pursuing a company-owned and company-operated online B2B-Along strategy. The company has developed its online cable store www.thelappstore.com, to enable customers access its wide range of cabling solutions

anytime and anywhere. It is extensively promoting the website in its communication channel, including corporate website and digital marketing. "With the products coming in straight from the manufacturer, customers are assured of quality and authentic cables. We promise a 48-hour delivery service with convenient and secure payment transactions as well. Currently, we do not promote our products on any other B2B or B2C portal," stresses Jarrault.

Lapp is selling UNITRONIC data transmission devices, HITRONIC fibre optic cables, SKINTOP cable glands, ETHERLINE ethernet technology-based networks, EPIC connectors, and ÖLFLEX universal cables used in control applications through its online store. These products cater to diverse industry verticals including automation, machine and tools, automotive, food and beverage, oil and gas, manufacturing, textile, renewables, infrastructure and buildings.

Orient Electric is adopting a two-pronged approach for its online B2C-centric channel. It has launched an online direct-to-consumer (DTC) sales channel the E-shop www.orientelectricshop.com, and



Anshuman Chakravarty, Orient Electric

is tying up with online marketplaces. "We have a retail reach of one lakh outlets. Any traditional store might not be able to stock our entire product range, while it is possible to showcase and sell the products from a single point," says Chakravarty. "This is a sound strategy, considering our positioning

revenue, specifically in the consumer business.” orient electric, according to Chakravarty, will generate 10% of its total revenue online in the next five years.

These and many other players agree that the online landscape spells new opportunities for all stakeholders. The digital platform, they believe, is a niche that will peacefully co-exist with brick-and-mortar stores, which will address the bottom of the pyramid and also evolve as experience and technology centres. ●