

## **Time to jump onto the E-commerce bandwagon**

The MSME sector in India has been thriving of late. This sector is the heartbeat of the country's entrepreneurial spirit. It is fulfilling aspirations, creating jobs and providing a major boost to the Indian economy.

As per recent estimates, the sector accounts for 45% of the country's manufacturing output, 40% of the total exports and employs over 6 crore people.

From home decor to kitchen utilities, personal care, stationery, clothing and accessories to automobile and electronic components and gadget manufacturers and sellers, India is home to more than three lakh registered MSMEs.

The sector is highly diverse in terms of enterprise size, range of products or services delivered and the markets they operate in. From providing components for Mangalyaan (India's Mars Orbiter Mission) to revolutionizing the textile industry to creating cutting-edge apps, MSMEs are leading the charge of India's growth.

In fact, MSMEs have posted a higher growth rate when compared to the overall industrial sector in India.

The Government has played a role in this success story too, by taking key steps and initiatives towards creating a great launch-pad for MSMEs. With its focus on programs such as Make in India, StartUp India and Skill India, Public Procurement Policy, etc, the Government has upped the potential for growth in this sector enormously.

News is that 2017 will see more such initiatives that will provide an equal playing field for MSMEs and further fast-track growth of a sector that has thus far not been a part of the big picture.

### **The world is your oyster, now**

MSMEs in India are gearing to fully embrace the online revolution.

Now more than ever, a weaver of textiles or a manufacturer of leather goods in one remote corner of India can sell goods to someone sitting in a different corner of the globe, thanks to the internet. The market is now a global arena.

Yet, because of its facelessness and enormous reach, it has become even more imperative that sellers navigate these roads very carefully.

On the one hand, urban start-ups are comfortable in this space, but on the other, a seller sitting in Kolhapur with beautiful handmade chappals may not know his or her way around an internet browser.

Even for MSMEs who are comfortable using the internet, e-commerce can still be a bumpy landscape to navigate. Dealing with stocks, warehousing, shipping services, customer complaints or online fraud is enough to tempt risk averse rural entrepreneurs into saying “e-commerce is scaring me, I’m going to stick to my brick and mortar shop”.

That’s when a seller may need a little hand-holding, in order to build the confidence that she/ he has arrived at a net savvy space.

## **Technology to the rescue**

As has become customary, technology is coming to the rescue to simplify processes and enable smoother transactions, procurement of raw materials and forging better connections between the market, in-demand brands and small shop owners.

Web and mobile based B2B ecommerce applications are on the rise and will give MSMEs the much needed platform to gain a foothold. Mobile-Analytics-Social-Cloud technologies are making it possible for second generation medium and small businesses to enhance revenue through operational efficiency and creating great customer experiences that lead to repeat purchases.

## **Financial inclusion, now a reality**

Lack of working capital used to be another roadblock for MSMEs. Now, with non-banking finance companies and new age Fintechs coming on board, entrepreneurs have access to a variety of customised finance solutions to garner the required resources to start up and sustain a business. Recent evolutions in the financial sector promise to be favourable for the growth of MSMEs.

No wonder, India is slated to overtake the US soon and become the second largest e-commerce market in the world. India’s retail consumer spending stood at \$750 billion in 2016. What it means is that if there is something that someone in India wants to buy, there is a very good chance that they will look for it online.

The good news doesn't just end there for MSMEs.

It is now easier and cheaper than ever to get started on e-commerce. Your online store can be accessed worldwide 24 hours a day, and advertising online is way cheaper compared to offline. Also, unlike a physical store, you can change the way the store looks or how your products are displayed with just a few clicks.

## **Writing on the wall**

It is important for MSMEs to realise that the old rules of retail have changed. No longer is having just an offline store enough, especially if you have a unique or remarkable product. E-commerce and online selling is something that small businesses cannot afford to ignore any more.

The stage has been set for MSMEs in India to grow rapidly and integrate with global value chains. All they need to do is get out their comfort zones and hop aboard the e-commerce train.