

“2 cappuccinos, with no sugar and cream, please”, Alok placed the order as his brother opened his iPad to go over the current news. As they sat waiting for one of their clients, Alok’s mind wandered off to the first time they had met Ramesh and how they were able to path his success story.

Ramesh, a small-scale apparel manufacturer from Faridabad, had a manufacturing unit with a capacity of producing two thousand apparels per month. They were supplying their products to various brands based out of Delhi NCR. Many of these brands used to private label his products and sell them online at a very good margin. Ramesh saw an opportunity to directly produce clothing line for his own brand and use the online channel to sell them directly to the end customers. He made up his mind to sell online through the various marketplaces such as Amazon, Flipkart, Snapdeal, PayTM, Myntra, Voonik and eventually start his own e-Commerce website too. He tried to take help from a friend who was already selling online for a couple of years now and successfully managing his online sales channels. His friend helped him in understanding the nitty-gritties of selling online. In spite of this, when Ramesh took it on his own hands to research and find ways to start his own brand, he found the whole process to extremely overwhelming and was at a loss about where to begin. That’s when he found out about Prime Seller Hub and approached them for help.

Prime Seller Hub, started by Alok and Anan Paul, provided Ramesh the complete solution from naming his brand to getting his trademark registered. They also managed all his online marketplace accounts. Photography of his products and cataloguing them according to the guidelines of these marketplaces was also taken care of by Prime Seller Hub. They even had expertise in promoting products across all these marketplaces through SEO and paid marketing. Ramesh was extremely satisfied with the service provided by Prime Seller Hub. So all Ramesh had to do was focus on his core business of coming up with new collections of apparels every season and the entire online sales channels were outsourced to Prime Seller Hub.

Ramesh’s business was just one of the many such businesses that Prime Seller Hub had helped in scaling and expanding to the various online channels as well. “What Next?” was a question that Alok and Anan liked to ponder upon in their leisure time.

“Sir, your Cappuccino!” and Alok was brought back to the present just as Ramesh joined them.

E-commerce in India:

The E-commerce market is expected to nearly double to Rs 2,11,005 crore by December 2016 according to IAMA & IMRB. Right from buying groceries to air tickets, movie tickets, consumer durables etc. India is set to see a considerable increase in data users in next 10 years. With the advent of social media and digital devices, online sellers have high opportunities for growth in the coming years. E-commerce sites like Amazon.com, Snapdeal.com etc. have incorporated market place model to provide customers with choices and best prices. With marketplaces now prohibited from having one vendor or a group company contributing more than 25% of their total sales, the small and medium scale sellers have become important for creation of vast network of choices for all E-commerce sites.

Having said that, sellers in E-Commerce come across various challenges while selling products on popular marketplaces in India. From registering to managing the selling of products, the whole process is quiet complex as all the marketplaces have their own different process flows. According to report by Deloitte, key Challenges faced by Micro, small & medium scale merchants on using online channels are:

- Unskilled Staff
- Lack of expertise in peripheral activities
- Technology integration and perception gap

- Lack of training
- Differential delivery rates charged by different platforms; inadequate coverage of platforms or their delivery partners
- Higher "Returns" due to Cash on Delivery (CoD)
- High cost of finance
- Mobile apps by platform

Startups like Prime Seller Hub, Browntape, Sellerworx, Blubox, Uniware provide solutions to these small-scale merchants in using these online channels.

About Prime Seller Hub:

Co-founded by Alok Paul and Anan Paul, Prime Seller Hub seeks to assist various businesses all around struggling with managing their online channel. Based out of New Delhi, Prime Seller Hub provides managed online selling services to MSME across India and serves customers like Ramesh.

Prime Seller Hub enables the clients throughout India to outperform their competition and stay ahead in the world of online selling. They have developed a full-fledged team based out of Delhi who vigorously work towards their objective of helping MSMEs sell online profitably. Prime Seller Hub facilitates clients in listing and cataloguing their products and managing them on various marketplaces like Flipkart, Snapdeal, Amazon, Jabong, Myntra, etc as well as their own e-commerce website.

Prime Seller Hub enables companies to be a part of the fast growing yet challenging world of online retailing. With their exclusive end-to-end solutions, committed agile consultants, and transparent processes, their team helps companies to participate and reap the benefits of the progressive and promising world of e-tailing. Their clients get additional channels to sell and make incremental revenues without any hassle or iota of stress.

Prime Seller Hub has partnered with the various marketplaces such as Amazon, Snapdeal, Flipkart and Voonik and currently Prime Seller Hub receives details of potential leads from them. Few customers reach out to them through their website as well. Prime Seller Hub has not spent anything in acquiring their customers till now.

Road Ahead for Prime Seller Hub:

Majority of small and medium scale sellers are found to be struggling with intricacies involved in displaying the products on these e-commerce platforms. Total online sellers in India currently are approximately around 3 lakhs out of which less than 5% use professional services. With a 5-fold growth expected by 2020, the opportunity for professional service for online sellers is high. Prime Seller Hub started with 1 customer at its inception (10 months back), and currently has a loyal customer base of around 40. That is 40 businesses who have scaled and expanded under their help. The revenue CAGR has been more than 300% during this period.

Prime Seller Hub hopes to become the one-stop solution for all matters related to sellers on online channels. Also, make primesellerhub.com a repository of all information related to E-commerce. The startup has identified Bangalore, Kolkata and Silchar as strategic locations to expand in next 5 years. It hopes to gradually acquire around 5000 customers by 5th year. The management team knows that they have to understand better the competitor landscape, scope of the industry and acquire best talent to acquire 5000 customers.

Short-term (6-12 months) goals of Prime Seller Hub

- Partnership with e-Commerce marketplaces – currently have 4 partnerships, increase it to 8
- Partnership with e-Commerce Photography studios – currently have 2 partnerships, have to increase it by 6, targeting geographically – 1 each in north, east, west Delhi, Gurgaon, Ghaziabad and Noida.
- Acquiring 120 customers (MSME) in 6 months – 60 micro, 40 small and 20 medium scale businesses

Alok and Anan are looking for an action plan how to realize their short-term goals.

1. Analyze the scope of this industry, competitors and future innovations that can disrupt this business
2. Formulate a marketing strategy to achieve Prime Seller Hub's short-term goals.
3. Devise a long-term plan in line with Prime Seller Hub's ambitions.

Rules & Regulations:

Please read the rules carefully.

1. You work for a top consulting firm and your team has been the given the task to assist Prime Seller Hub to solve their existing business problem.
2. Assess the current situation in the case thoroughly and present your solution in .ppt or .pptx format.
3. State all your assumptions and sources clearly.
4. **Your solution should not exceed 5 slides** (Without Introduction slide. No restriction on appendix).
5. You will be evaluated on your assessment of current business problem, research, innovative ideas, flow of your presentation and ease of implementation of solutions proposed at ground level.
6. Send your solutions as a reply to email id: cec@iimraipur.ac.in with subject: **"Team Name| College Name | Paramarsh case solution"**.
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