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Most e-commerce companies in India are currently focussed on driving up valuations by increasing market share at the cost of profitability. Can the Indian e-commerce bubble burst?

The Indian e-commerce market has just started to scale up. In fact, it is pegged at \$6 bn and is expected to reach \$30 bn by 2015. The key to growth is innovation in the e-commerce space, as they explore new worlds and evolve their business models. As India becomes accustomed to online retail, we see a huge potential in the segment because apart from major cities, there is demand from smaller towns and tier II and III cities.

What according to you are the product and service categories in which e-commerce is most likely to succeed in India?

Online consumer behaviour is maturing rapidly. We see consumer choices getting more sophisticated. I think we're at an interesting point where Internet in India jumps a notch unlike the US. Mobile Internet will become prevalent more so than going online via computer. Because of this, we're seeing a shift towards "I want it now" culture. Location-based real time information and shopping deals will become more popular.

What according to you are the biggest challenges e-commerce players are facing in India today?

The biggest challenge lies in a lack of trust of consumers in online transactions, the model of cash-on-delivery which is really not a reliable one and the last mile delivery and logistics. To build long-term relationships with consumers, delivery needs to be smooth and flawless. However, in India due to the lack of proper logistics, the last-mile delivery becomes expensive and a pain point for anyone attempting to do e-commerce.

FDI is not allowed in B2C e-commerce in India currently and foreign e-commerce firms cannot operate here. Do you support this policy? Why/Why not?

The e/m-commerce industry in India is at a budding stage and the market needs strong support and clear policy action from the government to give confidence to players that can invest in the ecosystem and drive the growth of the industry. FDI will enable access to superior quality goods and services for the consumer who will be the ultimate winner.

What measures can the government take to give a boost to the Indian e-commerce industry?

Allowing FDI in e-commerce space would be a significant step which would help the industry attract investors, scale up their operations and provide better services and experiences. Another important measure would be to assist and spearhead the Internet penetration in India. The more the number of consumers present online, the more the opportunity for the e-commerce sector.

What key advice would you give to entrepreneurs looking to start an e-commerce venture in India?

If you feel passionately about starting a business, do it! Just be sure that you start with a sound business idea and not just because it's "trendy" to have an online e-commerce venture. Reach out to people who can be mentors and guide you along the way. Startup activity is at an all-time high, despite all its uncertainty. If you have a good idea and a good team that can help you get started, then go ahead and execute it.