

## ANALYZING THE NEED FOR TRADITIONAL INDIAN BUSINESSES TO ADAPT METHODS OF E-COMMERCE MARKETING STRATEGIES

*Maanvi Chadha*

*Research Scholar, Singapore Institute of Management, Singapore*

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### **ABSTRACT**

*The research essay closely analyzes the adoption of e-business strategies for a traditional Indian business firm in the sports industry and the impact on their online sales. It focuses on how traditional sales channels were affected due to the Covid-19 pandemic and e-commerce enabled businesses to survive. The positive impact encouraged the company to experiment and align itself with a new and upcoming era of marketing. This prototype is an interesting study to review the need for better systems for many more businesses to learn and adapt new methods of sales and marketing in the future.*

**KEYWORDS:** *Market Survey; E-Commerce; E-Commerce Strategies; Marketing Strategies; B2C; B2B; Online Marketing; Universal Sports Industry; Sports Market; Market Information*

### **INTRODUCTION**

Over the past decade, E-commerce has had an all-time surge and become the biggest and most important aspect of any business especially post covid times. Online purchasing is the easiest, most convenient, evolving, competitive and advancing at a faster rate than predicted. As the technological advancements are evolving at such an accelerating rate and the traditional showroom trading took a back step, omni channel retailing, meaning a focus on online as well as physical selling with creative ideas to have a competitive edge over the other players in the market, is the need of the hour.

E-businesses have enabled companies to find innovative ways to sell and understand the consumer market. While several companies chose to invest in better technology and viability of online sales along with their usual retail or B2B sales, many new entrepreneurs found ways to establish their brand online from the beginning.

In this research, we have analyzed a renowned manufacturer in the sports industry from Jalandhar, India- Universal Sports Industries (USI).

USI is famously recognized as a solution provider for the needs of all Boxing, Martial Arts & Fitness equipment for sportspersons. The company is now run by the fourth generation of the Chadha family based in Jalandhar. They have been the pioneers in import/export of sports goods in North India. The company primarily deals with the manufacturing of sports goods, OEM (original equipment manufacturer) as well as domestic trading of the sports goods in showrooms (B2B) and selling on the e-business platforms like Amazon and Flipkart (B2C) specializing in boxing and fitness equipment.

E-commerce had been adopted by the company since 2014 but when they noticed their growth perspective that their online clientele grew due to consistent lockdowns, a greater presence on social media, e-commerce websites like Amazon and Flipkart and the company's website enabled USI to step in the digital space as well.

## INFORMATION SYSTEMS MANAGEMENT ISSUE

While USI has been running successfully and the company was acknowledging that the addition of e-commerce sales at the organization is essential in the future, their biggest challenge was a lack of knowledge and skills and the existence of insufficient manpower to adapt to these drastic changes, which made the process slower along with logistics being another major concern.

Adoption of technology along with the dynamic environment facilitates smooth working of the organization and gives way to innovations and expansion of the firm. Marketing tools like social media engagement, influencer campaigns, and promotional and sponsored ads help popularize the business and with the free time available to the public during the lockdown and the continuous browsing online, there was a need to incorporate and take advantage of these platforms to their maximum potential. (OECD, 2005-05-04)

Capital investments like the purchase of new inventory management software, and CRM systems, hiring professional consultants, increasing the online team to 10 employees, maintenance of computer peripherals, barcode scanners, printers, labellers and gadgets, and upkeep of e-commerce dedicated warehouses, were all done over the span of 2 years at USI.

Information and communications technology skills (ICT) are about applying a range of computer programs, software and other applications such as word processing, databases, search engines etc. and play a crucial role in the digitization process of a traditional business model. Having the right knowledge about ICT and E-commerce could benefit a firm in a wide range of business processes. They can make communication and management within a firm much faster and more efficient. Seamless transfer of information through shared electronic files and computers increases the efficiency of processes such as documentation, data processing and other back-office functions. It has the potential to reduce transaction costs and increase the speed and reliability of transactions for both B2C and B2B transactions. (OECD, 2005-05-04)

Other challenges faced by the businesses who were adapting to the technology, was to provide an equivalent of the in-store experience in comparison to the online selling, by providing as many detailed points as possible, visuals like installation manuals, videos, size charts and infographics. The main objective was to provide an at par experience and give the customer a similar environment so that the product can portray 'worth the price' quality in comparison to the other competitors' products also displayed on the e-commerce platforms. Earlier, these details were often ignored by the Sales and Marketing managers, where all the products listed in catalog did not have sufficient information which would attract the customer to buy the product, whereas now it had to be accustomed to providing a virtual selling experience and do the job of a salesperson.(OECD, 2005-05-04)

## DISCUSSION AND ARGUMENT

### Case Study: Universal Sports Industry

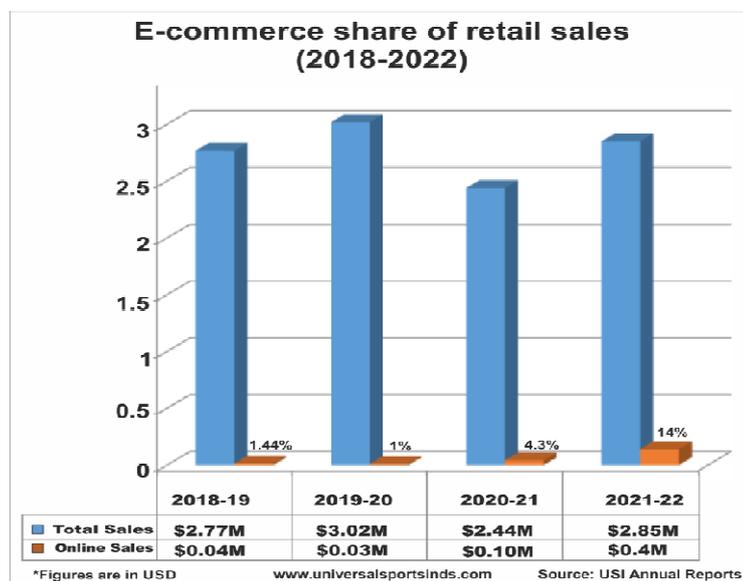


Figure 1

Figure 1 depicts the e-commerce share of retail sales from platforms like Amazon, Flipkart, Tata Cliq, etc. from 2018 to 2022 at USI’s annual sales reports. There was a similar approach for the sports industry where there was an upward trend post-Covid-19 as the health-conscious and fitness enthusiasts audience gained awareness during and after lockdown, who preferred staying at home, practising home-based workouts like weight training, bodyweight training, kickboxing, yoga, etc.

### Customer Relationship Management, Sustainable E-Commerce and Social Media Engagement

Once the set-up was running successfully at USI, the next step was to focus on enhancing the customer experience. The ultimate solution to this was to take in the feedback from the customer and be in touch with them as much as possible so that the customer-buyer relationship isn’t hampered despite the fact of a virtual environment.

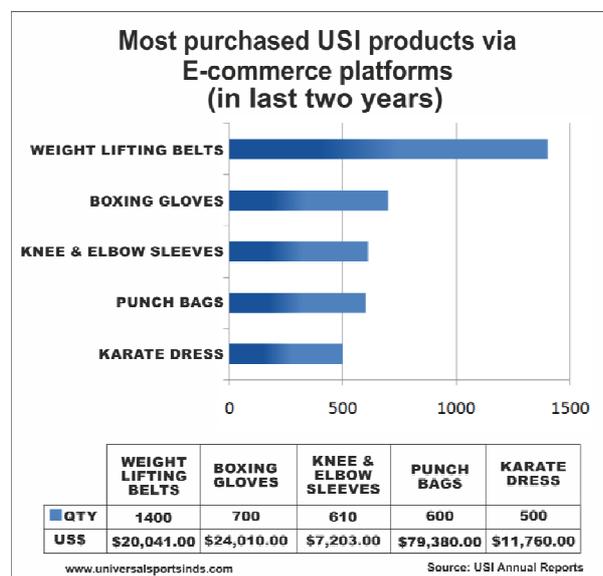
At USI, post advancement, 24/7 customer care numbers were added on the e-commerce platforms so that the customer queries could be cleared right away which, if not addressed, would prevent the customer from buying the product. Ratings and reviews by satisfied customers played a huge role in the future sales of the product. The management made it a point to get reviews from the customers, work on better listings of the products and communicate better with their clients by offering the best piece of advice so that the customer doesn’t go back disappointed.

In the development process of establishing and innovating a new platform for retail space at USI, the company decided to work upon the pictorial depiction by offering 360-degree views which would provide a walkthrough in the online scene providing a 3-dimensional view of the product. Improvements in the catalogue like QR codes to see the installation videos, sizing charts, guides and tips for clarity and better product understanding is the main aim. Employees are given trainee programs and are advised by professional consultants regarding the analytics with the objective to

increase sales. (Urunkar, 2022)

According to USI's Annual Sales Report for the financial year 2020-21, online sales were equal to \$105,000. However, the total online sales leaped in financial year 2021-22 to \$400,000 where Amazon dominated the sales with 73.21% and Flipkart with a minor share of 26.79%. The sales increased by four-folds.

Additionally, the company was offering such a wide range of products with different categories and lines, that it was impossible to have it all under one roof in bricks and mortar. Product accessibility pan-India was the main objective, and this was achieved through fast delivery and dispatch through nearest warehouses. The SKU's (stock keeping unit), which did not get much relevance earlier as the shelf space was limited, now had a vast platform available and the sales of the respective products boasted an impressive percentage. USI Universal offers niche market products and the products manufactured are relevant to their clientele.



**Figure 2**

Figure 2 illustrates USI's top 5 most purchased items on e-commerce platforms from 2019 to 2021 where the most famous items are the weightlifting belts. Their sales have an impressive value as they are well displayed on the platforms with the aim of achieving A+ content throughout Amazon and Flipkart.

When we consider the factor of sustainability in e-commerce, USI is aware of its responsibility towards the environment which is apparent by its initiative of adopting a green policy. Furthermore, it is playing an active role in minimizing the usage of single-use plastics for its packaging process in order to reduce the harmful effects it has on our environment and the carbon footprint.

The global demand for plastics is expected to rise in the coming years and will have a negative impact on our environment and health. It is crucial for traditional businesses to adopt e-commerce strategies by keeping issues related to environment and sustainability at the forefront and USI can contribute towards this goal in many ways. (Volcovici, 2021)

USI adapted the green policy when it came to packaging and reduced the use of plastic even when the cost of material was already on the rise post-Covid. Hence, this was a measure taken up to support the environment and take socially responsible steps.

Along with sales and packaging strategies, what is pertinent in the process of a successful e-commerce business is social media. Nowadays it is in natural alignment with e-business to thrive. Through activeness, consistent content creation and paid campaigns, sales are positively affected and results in increased visibility and engagement.

Instagram, Facebook and virtual selling through WhatsApp go hand in hand, with e-commerce to succeed as the millennial clientele majorly browse on social media sites to stay updated through the day with the new and upcoming trends. USI Universal's social media accounts have been now updated with the latest trends and the improvements like promoting the e-commerce platforms on social media, keeping up with the consumer behavior and consistently being active with posting of reels and informative videos. Having an Instagram shop and getting verified are the next important factors for USI's social media visibility. (Mitra, 2021)

## **CONCLUSION**

E-business is evolving at an ever-changing pace and the multi-dimensional marketing strategies around it are compelling companies to perform better virtually as well. The data driven markets have helped businesses like USI get out of their comfort zones of years of traditional manufacturing models in business and sell online. Not only has it benefited the company and given a new dimension but also helped them change their processes internally to incorporate this new department running online operations. While it hasn't been so easy and there have been many hiccups in technologically implementing changes, it's been worth the time and effort for the organization in the long-term business goals. What we can conclude by reviewing this example is that the platform for e-business is a positive accelerator for businesses to invest and initiate change in their existing processes. The dynamic approach for marketing concepts will create visibility of many local brands who get a platform to reflect their work online especially through social media. The outbreak of the unprecedented Covid-19 world over has assured how essential it can be to rely on purchasing products online and trusting the brands. The acceptability of e-commerce purchasing has gained trust in recent times and it's here to stay.

## **CRITICAL REFLECTION**

While it is imperative that E-business is a game-changer of the 21st century for the business sector, it is not easy to adapt to the changes as it requires for businesses to incorporate for desirable results. According to our research study of USI, (a leading traditional manufacturing firm of sports equipment in India) and its transition into establishing an e-commerce portal along with their usual manufacturing was an interesting insight to realize that knowledge management and the right IT security systems are also essential in order to make profit.

USI plays an active role in cultivating a culture of knowledge management at its workplace by structuring the knowledge and experience of its employees. As an organization grows, the implementation of such strategies provides managers with the ability to locate relevant information and expertise required to address specific business tasks. USI had to put in many training and HR workshops for their internal team to understand the protocol set for their E-business management.

A training program for USI employees gave them a chance to improve, reflect on their learning, accept feedback and work on their skills more efficiently. USI continues to do an internal team training every quarter to update the staff on new portals, supply chain updates, communication skills etc. Every quarter USI reviews employee engagement and

productivity as it makes the management aware about issues at every level of your business.

Secondly, IT Security plays a crucial role in ensuring confidentiality and integrity of an organization's valuable information and operational processes. At USI, the management has taken several steps to safeguard vital business information and prevent it from any malicious attacks. All the documents containing sensitive information for instance, personal information of all employees and designs of company products, are password protected and need permission to be viewed with the help of encryption technology. In order to prevent data loss, daily backups are taken where the servers are in sync and all the data is stored on the cloud. The hard disk is backed up every week and stored in a remote area in case of any mishap. Furthermore, passwords are automatically changed once every three months to prevent any form of theft.

This reduces the risk of harmful data breaches and unauthorized access to information. Being SA 8000 & ISO 9001 certified, the company has introduced numerous policies and procedures in order to protect its intranet. The employees do not have access to the accounting and e-commerce software's and data that are installed on USI's server. It is essential for all organizations to invest in strong IT security to protect themselves from security threats and reduce the risk of any form of internal or external attacks on information technology systems. However, the growth and success of any business would be determined by how effectively such rules are implemented by the management.

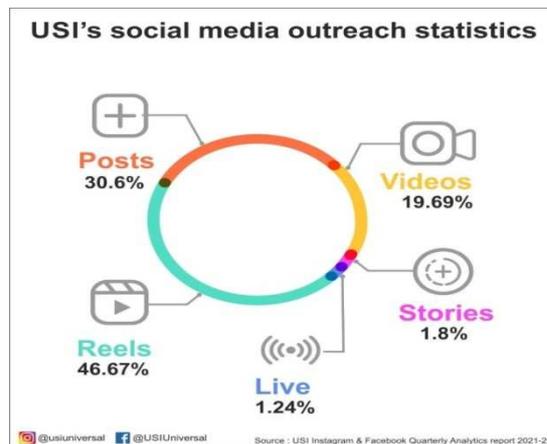
All these steps are an investment that an organization puts in their team in order to ensure that the e-commerce sale/purchase runs smoothly and is often ignored. Things look seamless online, however there is an army of people working tirelessly to ensure that the shopping experience is worthwhile. It's important for us to comprehend that E-business is a tool that enables companies to operate digitally; however, it also generates employment for people on the backseat specially training IT professionals, designers, visual content creators, training staff, logistics team etc. The right fit for a perfect team is always challenging to find and companies are constantly working on this to ensure that the customer experience is worthwhile with their brand.

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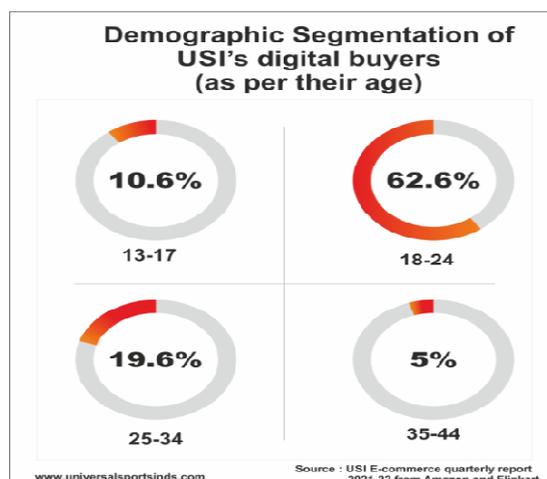
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**APPENDIX**



**Figure 3: USI's Social Media Outreach Statistics from November 2021- January 2022.**



**Figure 4: USI's Demographic Segmentation of its Digital Buyer from Platforms like Amazon and Flipkart from November 2021- January 2022.**

