



Leveraging the potential of Digital India through E-Commerce in India Post and Co-Optex

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Abstract – Technology has changed the way of doing business in every industry and sector. New markets and start-ups are opening up every day and touching billions of consumers. This increases more competition and complexity of doing business within the scope of particular market. The same situation applies for state run enterprises as well. In this paper, we are discussing about India post and Co-Optex, two different public sector companies that are facing serious threat with modernization and the possibilities of how to not only survive but grow. Creating a new value with the competences of Co-Optex (Tamil Nadu Handloom Weavers' Cooperative Society) and India Post will increase both their businesses and electronic commerce (e-commerce) growth in our country. It will interconnect the public-public sectors, which provides a better platform for customers. Also, makes Digital India a worth value for the remote areas.

Keywords: E-Commerce India Post Co-optex Digital India

I. INTRODUCTION

A growth of e-commerce in India is tremendous in past three years. E-commerce market rate and growth rate increases rapidly in this year. Market rate of e-commerce in 2015 is \$4.2 billion and the growth rate is 50% which is increased 18% over 2013¹. In India, the major players in this market

¹ <https://www.voucherecloud.co.in/resources/e-commerce-in-india-2015>

are Flipkart, Amazon and Snapdeal. All three are private companies which lack infrastructure to serve the markets in rural areas. Still there is an untapped potential for e-commerce within rural sector which can be used by the public sectors. In this paper, we are discussing about the special case in which we can create a win-win situation for not only two state run companies but also helps the growth in technology use of rural India. Co-Optex is a cooperative of handloom weavers of Tamil Nadu which is a public sector company. Co-Optex has number of shopping outlets not only in Tamil Nadu but also it has an International arm which exports its products to Germany, France, Spain, Canada, South Africa, UK and UAE. India Post is one of the oldest and largest public sector enterprises with postal service as its core competence. And it is the largest postal network which has around 1.5 lakh post offices all around the country and many of its branches are in rural areas. Co-Optex partners with India Post will expand the delivery services in the rural area of our country.

II. ANALYSIS OF E-COMMERCE WITH INDIA POST AND CO-OPTEX

A. E-Commerce

E-commerce is a segment of a larger business model that enables an individual to make buying and selling of any goods from books and music to financial services and to conduct business

over an electronic network or platform, primarily the



Internet. E-commerce can be operated by using four of the major market segments are namely, Business to Business, Business to Consumer, Consumer to Consumer, Consumer to Business. If you are buying any goods through online stores then you are participating in e-commerce. E-commerce can take place twenty four hours a day and seven days a week. This is one of the major advantages of e-commerce. Similarly it has its own drawbacks for consumers. Some of the flaws are Limited customer service and there is no ability to touch and view the product.

B. SWOT Analysis on India Post

India Post plays a vital role in today's e-commerce. India Post has an incomparable network of post offices in India. India has 1,54,882 post offices. 1,39,182 post offices are located in rural areas and 15,700 post offices are located in urban areas². So India Post can easily connect the entire country even islands and union tertiary. Ex. Lakshadweep and its island have post offices.

1) Strengths of India Post

Provide better communication, banking and insurance services

Only network spread throughout the country.

Extraordinary goodwill among the people.

It has large manpower and its operations are funded by the public exchequer.

Cash on delivery.

2) Weaknesses of India Post

Limited utilization of technology

Poor reliability and slow processing of services

Lack of standardization and computerization

Lack of awareness of cost of product.

3) Opportunities of India Post

Product delivery at door step.

Sustained growth in the economy means more business which provides opportunity for

a variety of products such as Direct mail, e-commerce, parcels and logistics service.

4) Threats of India Post

In this digital age, electronic mails and messaging services have declined the use of postal services.

Entry and expansion of private sector and other public sector operators in communication and banking sector is one of the major threats to India Post.

C. Analysis of e-commerce with India post

The service by India Post includes Cash on Delivery is an important factor in our country's e-commerce. The parcel revenue through e-commerce has jumped by 37%. India Post become e-commerce's most potent delivery partner. And it gives e-commerce companies to reach the entire nation. Department of posts provides postal facility to the common man through internet by ePost office portal. A very big opportunity thrown open by the e-commerce boom has got India post's 155,000 employees.

D. Analysis of Co-Optex

By foraying into e-commerce, Co-Optex hopes to tap the growing business potential in this space and bolster its presence. The government owned agency has also launched a range of contemporary kurtis for young girl and silk shirts for young men, attempting to broaden its customer base. Co-Optex has 203 showrooms across the country. The organization has tied up with local IT provider for ERP software. It also has bar code in its product. Co-Optex also introduces online shopping and launches its website.

1) Strengths of Co-Optex

Availability of raw material

Large and skilled employees

To act with integrity, promptness and accountability

Low investment and presence of government support

² The Times of India, Tech news, with e-commerce push India Post parcel revenue soars 37%, July 13,2015



2) Weaknesses of Co-Optex

Limited availability of shop
floor Poor marketing linkage
Lack of infrastructure to reach out
the market of new generation.

3) Opportunities of Co-Optex

Dovetailing with available government
scheme
Cost of products is suitable even for
average customers
Capacity of manufacturing fashion fabrics
for middle class and elite

4) Threats of Co-Optex

Competition from machine made products

The trends of dressing culture among the
new generations posing huge threats to
traditional Handloom weavers.

Moving to other occupation

If we compare the SWOT analysis of India Post with Co-Optex, we would come to know that strength and weakness of India Post and Co-Optex is vice-versa in some situation of problems. If we tie up both of these, we will eliminate the weakness and easily overcome from the threat situation.

III. FINANCIAL MANAGEMENT

Total revenue of Indian Post is Rs. 197248.24 crore. And the total expenditure is Rs. 222533.05 crore. The final deficit is -25284.81 crore that is 27.67% incremented³.

Co-Optex earned revenue of Rs. 301 crore last year and it targets Rs. 340 crore in present year. Co-Optex has launched e-commerce bandwagon, launching online service. It gets about four to five orders every day and the cooperative has posted successive years of growth in revenue and profit⁴.

³ http://www.indiapost.gov.in/Pdf/Stt_RD.pdf

⁴ The times of india, India business, Co-Optex use web to boost sales, Feb 25, 2015

IV. SOLUTION OF PROBLEM

To improve the technology e-commerce and to enhance the concept Digital India, rural and urban areas should use computer technologies for buying and selling of products. The people from rural areas have to purchase the goods and products through online. The major drawback in this technique is to deliver the product or good to the rural destination. This will be resolved by India Post because of its nationwide postal network. Any private courier sector doesn't have this much wide range of network throughout the country and mainly in rural side. India Post can easily and quickly reach the rural areas. And the government organization, Co-Optex has an ability to provide handloom products. Thus a Co-Optex partner with India Post is the ultimate solution for the problem. This elimination will lead positive change in both postal and handloom sectors.

A. Advantages of Partnership

The partnership between India Post and Co-Optex will show very good growth and distinct merits in it. They are,

Products for young and old, men and women, high cost to cheapest, low production investment to high production investment

Growth of e-commerce will tremendously increase in rural areas

Public – Public sectors partnership gives a wealthy government and also provide employment for rural people

Improve and increase customer satisfaction and purchase behavior

Reduce time to deliver the product or goods

B. Future Improvements

Co-Optex should improve its online sale by enhancing its product i.e. instead of selling their own handloom products they must sell some additional products. Free gifts and offers may be provided to attract customers. In order to satisfy new variety seekers Co-Optex should improve and add some additional features. It will increase the customer satisfaction. Awareness will be arranged to attract people and it will bring new customers. More



attention should be given on attractive infrastructure which will attract the customer easily. Increasing and enlarging the number of branches will help to increase the number of customers as well as the availability of product. The price of the product will be reasonable to all type of income groups. And we will be having integrated India post and Co-Optex, which should be share the information electronically.

V. CONCLUSION

The tie-up of India Post and Co-Optex will provide a very good platform for every e-commerce customers mainly in rural and urban areas that develop e-commerce, Digital India initiative and rural development. This partnership leads a wealthy society as well as government. Revenue for government will get increase due to this public – public partnership.

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