

# [An analysis of indiamarts effective ecommerce](https://assignbuster.com/an-analysis-of-indiamarts-effective-ecommerce/)

IndiaMart. com is a website owned by the company IndiaMART InterMESH Limited founded by Dinesh Agarwal CEO of the company in 1996. It is India’s one of the largest online business to business (B2B) marketplace started with 1400 employees and a network of 32 offices across India. As per the summery of the financial result of the year 2001, the company the company was growing with the rate of 128%.

It assists buyers and sellers to trade with each other at a common, reliable and transparent platform.

## Business Model of IndiaMART. com:

IndiaMART. com is a type of electronic-hub which helps the buyers and sellers to find each other as per their requirement, interact, bargain and carry out actual transactions online.

They help visitors to generate business leads, find suppliers, post trade offers, test market products, promote their brand and conduct business.

They provide around 1100 online catalogues, business directories, trade leads and 50, 000 tenders. They have buyers and sellers for both products and services. Up to June 2001, there were 60, 000 India related business listed under more than 450 product and service categories. In total they were having overall 70000 listed businesses. And currently, they have grown to 700, 000 members with over 5 million global buyers.

Along with the direct trading they offer to buyers and sellers as a main stream business they also provide free listing, banner advertisements, web sites and online promotions to their members.

## Customer Value Proposition:

The vision of the company is to become an integral part of every organization’s business promotion plans. To provide complete business enhancement and promotion service to their clients. This is done through superior technology, in depth search, superior quality of business promotion services and solutions that improve revenues and are cost effective also at the same time.

IndiaMART. com endeavours to-

Provide platform to the Indian exporters looking for global market.

Also to the international buyers seeking for Indian goods or services.

Provide more options to buyers to buy their needs.

Navigation though the site is very easy for the customer, as they have provided vary simple searching option for the products and services. Also their communication process is instant and satisfactory for the customer. Their registered members are also much satisfied with their promotion technology; this can be predicted by looking at maximum number of success stories given in the site by their customers.

## Revenue Model:

As they also offer free listing, no revenue is generated from this step. But IndiaMART encourages them to have their own web site. IndiaMART offers its expertise on site building, hosting, offering higher listing on IndiaMART. com, search engine optimization for which it charges them such as Rs. 25, 000 for a microsite. The other source of income is from the registration which is done by the firms who are listed on the IndiaMART site. They charge about 5000 to 15, 000 for the registered listing of the web site. Although most of the companies/firms are listed free of cost, but the firms who are registered themselves on IndiaMART are provided with various special services which a free listed firm will not be provided. Thus they earn by  a cataloguing plus basic listing fee that comes under registration revenue, pure listing fees which are on thee top of basic listing fees that could be premium listing and payed listing.

The other sources of revenue are banner advertising which accounted for Rs. 35, 86 lakhs. E-business solutions make revenue of Rs. 24. 21 lakhs. Then there is a pay per lead income also.

Before 5-6 years, their business was purely cataloguing and subscription revenue. Today they earn about 60-70% from cataloguing and about 30% earning comes from purely listing and quality/premium listing fee.

Also the one other important revenue is business to business ( B2B ) auctions, which was launched in December 1999. This is the biggest auction platform in Asia, provides to their 500, 000 global business to business buyers who visit to Indiamart every month. Here suppliers are provided facility to register online and list their inventoy for auction on an annual basis. The seller decides on Reserve Price, minimum bid price and bid increment amount. The buyers who are interested can bid on the items which are listed free of cost after going through the product information online. After the auction times out, the seller is introduced to the winner of the bid process to complete the transaction. The success of the the business to business auction portal can be estimated from the fact that, form its beginning in December 2001 it has already earned Rs. 0. 48 lakhs through commissions in the financial year 2000. Last year IndiaMART. com generated a total revenue of Rs. 38 crore.

## Operating Marketplace:

The market place for the company is very vast. IndiaMART. com provides a global marketplace. The company provides a platform to the Indian Exporters who are looking for a worldwide market and the global buyers who are searching for more and more options to buy their needs. Also it gives the international market to the Indian buyer. Most of its members are SME’s i. e. small and medium enterprises.

## Competitors:

Main competitors are similar e-hubs who are providing the trading facility. Several web sites which are very actively holding some share of the market in India are tradeindia. com, Alibaba. com, matexnet. com, AuctionIndia. com, MetalJunction. com, TeaAuction. com, etc. But the main competitors are tradeindia. com, matexnet. com and alibaba. com.

As according to the Outlook Business Magazine ( May, 2008) the total business to business transactions in India in 2008 were expected to be US$100 billion and business to business marketplaces could account for $15 to $20 billion out of that. India’s major business to business portal Tradeindia, maintained by Infocom Network Ltd, also stated that e-commerce transactions in India show a growth rate of 30 % to 40 % and will shortly reach the $100 billion mark.

TradeIndia. com is apparently the India’s largest business to business marketplace, with a claim of over 700, 000 registered users; and their earnings are expected to double this year, and the company has grown 35% year -on- year so far.

Indiamart has claimed revenue of Rs. 38 crore (almost $10 million) with a topline that has been increasing by 50 % year- on -year since 2003. The site is generating 500, 000 customers inquiries every month, and its paid users number has increased from 100 in 1997 to 14, 000.

Alibaba comes in likewise with a huge number of suppliers from China which is their strength and weakness also. If the buyer inclination changes, they will start taking down on more to IndiaMART because they know that Alibaba used to provide suppliers from china.

IndiaMART is very energetic these days as they preparing themselves for the worldwide competition as Alibaba is spreading its wings in the Indian market. In case of global database IndiaMART cannot stand with Alibaba as they have only 5 lakh buyers where Alibaba has 42 million members. In one of his interviews, Mr. Dinesh Agarwal said that Alibaba comes with large number of suppliers which can be its strength or may be harmful for IndiaMART’s market share.

## Comparative Advantage Over the Competitors:

Free listing without any condition.

Company has a very economic registration plans which are economic than other players in terms of the registration fees.

They provide a team of expertise for the building of site, hosting and search engine optimization.

They provide with a good support from its call centre department.

Maximum number of success stories reflects the quality which is provided by the service.

Search technology used is very simple and user gets a very fast search at this website.

## Market strategy followed by the IndiaMART. com :

As from starting, the key persons of this company were oriented to earn money. So they made sure that only a fraction of income would be used up on making the portal. Their interest was in promoting the Indian business across the world so they targeted to Indian manufacturers, distributors and exporters on net; who were willing to sell their goods globally. Their initial project was to collecting the queries and forwarding them to merchants free of cost.

They continued this ‘ free of cost’ method for the listing of company on IndiaMART web site. But they provided exclusive services to the registered ones.

## Conclusions and Findings

The assignment was all about the B2B model of E-Business; more specifically it was a B2B hub.

B2B model basically deals with business on both the ends as buyers and sellers who are providing products or services or both.

Revenue model was a much simple based on the registration charge and annual fee for listing, commission in auctions, charges of online promotion etc.

Comparisons with the competitors have shown that this sector is growing with a very vast rate and has a very bright future prospects.

From the study of IndiaMART. com we can say that B2B models work very well when you give a proper service and user experience. Because the users become loyal when you provide easy and beautiful experience to them so its simplicity and elegance is a must.

B2B are highly profitable model because the transactions occurring here are always in broad sense i. e. in lakhs or above and they always have a good traffic.

## Appendix:

The biggest business yellow page in India, IndiaMART has over 300K exporters and importers around the world. IndiaMart. com has offices in many places such as Ahmedabad, Bangalore, Chennai, etc.

## Key Facts

Is this company listed? No

Membership Fee: FREE

Company Name: IndiaMART InterMESH Limited

Country/Location: Based in India.

## Website Reviews

URL: http://www. indiamart. com/

Languages: English

Online Since: 1996-03-08

DMOZ Listings: 893 listings

Yahoo Listing: 224 listings

Alexa Rankings: 2, 400

PageRank: 7

## Visitors come from the following countries:

India: 83. 9%

United States: 3. 7%

Pakistan: 1. 4%

China: 1. 2%

United Kingdom: 0. 7%

Indonesia: 0. 6%

Iran: 0. 6%

Other countries: 8. 0%

## Contact Information

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