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E-RETAIL STARTUPS

KEY PARAMETERS FOR THEM TO RAISE FUNDING

For e-commerce startups it's hard to survive without serious money. The role of investors is very crucial when it comes to growth of start-ups. This articles gives a sneak peak of basic parameters of e-commerce funding

By Sameer Rastogi

A lot of startups face troubles and eventually die at the inception stage itself. They do need capital and getting it, is not an easy task. It is always very difficult for the startups who are unable to sell their value proposition to few available investors in time to survive. The number of Investors available in India makes the tasks even more distant and daunting.

The E-Retailing segment for startup is getting congested day by day. Startups in E-Retailing sector like groceries, consumer goods, furniture etc are facing the heat of congestion and it's very hard to get investors for themselves considering the present scenario of Indian e-retailing startup sector.

An E-Retail needs to have the following to get the best Investors:

- E-Retailing in innovative manner and of different products & services which are not yet explored by other E- Retailers will attract investors and give added benefit of uniqueness to startup.
- The startup should have the asset light and inventory less model. The investors would be

more interested in such startups which are technology driven and not the traditional office set up.

- E-Retailing should be fully technology driven and startup should focus on lesser or none human interference in operation of the startup to avoid or eliminate human errors.
- Model of E-Retailing startups should be highly scalable so that investor can foresee the expansion and better returns for his investment. The Startups should focus to operate in not only its domestic state but to whole of India without any geographical limitation.
- One of the main aspects that startup needs to focus on is good backward and forward logistics integration.
- The Startup in initial days is only recognizable by its founder and founder is the face for the startup. So the founder has to be passionate enough that he can stand out in crowd. Every investor and venture capital fund looks for the person in whose company his investment is going and whether he would do justice with the investment or not. The founder is the only person that can build trust among the investor and can fetch the right amount of funding at the right time.
- As the startups go beyond seed round of funding the investors look up for the team of founders and their capabilities. It is the duty of the founder to get the right team in place and at better cost. The founder can manage to get the first round of investment but in further stages the investor is willing to analyze not only founder but its whole team.
- The startup has to focus on getting itself legally compliant and professionally managed from the start, during the investment and after the investment. It does create the sense of reliability and trust among the investors. Getting professionals engaged will give start up business an edge to outperform and manage to get higher return for their investors.
- The startup should be able to take the maximum benefit of ever changing consumer behavior and for this the startup should concentrate on providing easy accessibility to consumer through mobile and other movable devices. Everyone wants easy excess and in the present scenario when mostly people do their work from their phones it is very important for startups to attract customers via Mobile apps and like things.
- One should always think of innovative manner of keeping low budget and high impact market strategy.
- Startups always come across people and organization that influence their business in positive way; one should always try to build cordial and long lasting business relation with their influencer. It is helpful in keeping the company socially active and strong. IR

MAJOR E-RETAIL INVESTMENTS IN 2016

E-tailer	Category	Location	Investor	Investment (US Dollar)
Lenskart	Eyewear & Accessories etailer	New Delhi	International Finance Corp, TPG Growth, Adveq Management, IDG Ventures, Ratan Tata, Kris Gopalakrishnan	60,000,000
Rentickle	Furniture, appliances Portal	New Delhi	Manish Kheterpal, Vinay Mittal, Dinesh Mittal, Sandeep Gupta	250,000
Smartivity	Smart Learning products	Delhi	S Chand, AdvantEdge Partners	1,000,000
Blinge	Apparel Rental platform	Mumbai	Anupam Mittal, Anuj Srivastava, Ankit Nagori	Undisclosed
Vegfru	Online Fruit & Vegetable Marketplace	New Delhi	Wingify	undisclosed
kredX	Invoice discounting Marketplace	Bangalore	Prime Venture Partners,	750,000

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