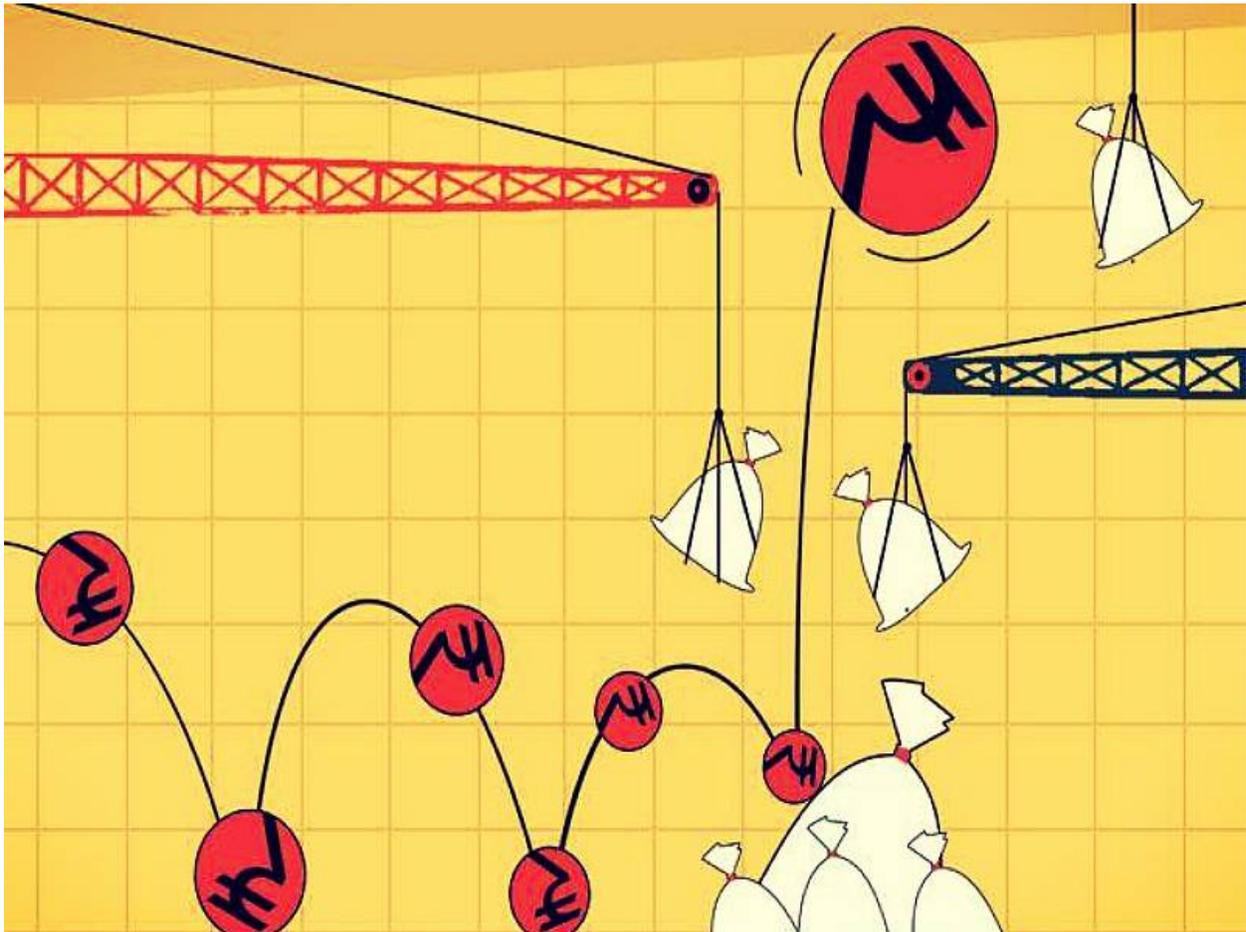


# Exclusive: Inside the mind of an e-commerce logistics partner

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Indian [e-commerce](#) is booming. The sector has grown by 34% (CAGR) since 2009. It is expected to touch \$22 billion by end-2015.

[E-commerce](#) is believed to be a major driver to the logistics sector. BI India caught up with Chander Agarwal, Joint Managing Director, TCI and got chatting about logistics and Indian [e-commerce](#). The company currently has tie-ups with [Flipkart](#), [Snapdeal](#), HS18 and Shopclues.

## 1. What are some of the new initiatives you're planning with e-commerce companies?

Same-day delivery is the next big thing. However, it is only currently possible if the item is available at the e-commerce company's warehouse.

In case it's with the shipper, we source it from some other location. This will revolutionize B2C logistics.

**2. Isn't same-day delivery a necessary evil for you?**

It's impossible for us to stockpile the whole plethora of goods in our warehouses and deliver. Logistics companies can only pick up from the vendor and deliver in the lowest possible time.

**3. So it's playing out really well for you. You have a bigger piece of the pie.**

Agreed. However, hyper-local delivery comes into play for select categories. The time is yet to come when people order a TV, and it's delivered the same day. That demand for that hasn't risen so much in India yet.

**4. What are the specific categories that are ordered with a same day delivery demand?**

Mostly small components like computer accessories, clothing, and groceries. It's typically small and light.

**5. With billions being poured into e-commerce giants, are you worried about increased competition?**

We don't compete with the money, but with the service levels we provide. [Flipkart](#)'s core lies in online trading, not logistics. They did purchase a logistics firm, suffered heavy losses and sold it off.

Several e-commerce companies are buying logistics companies to understand the business. That not because they want to run a fully fledged integrated logistics service. The way the market is emerging, even if they buy, they can't be pioneers. The back-end would remain with people who are very competitive.

**6. How much of your business is based on the e-commerce sector?**

We're primarily a B2B-based company. Currently around 5% of our business is based on e-commerce. We will take it up to double digits in the next two years.

**7. The e-commerce players are increasingly promoting prepaid payment methods. Do you feel cheated? After all, COD (Cash on Delivery) is one of the dominant factors that kick-started Indian e-commerce?**

They can do all this, but they'll just lose market share. Many are still shy to part with sensitive credit card details. We have COD in hundreds of Crores.

**8. They are extensively promoting their loyalty schemes. Some also charge for COD.**

There are diverse consumer segments. A person who doesn't have the time is comfortable to use Wallets and Credit cards. These are high value and low volume consumers. However the segment that would drive majority of the traffic is low value and high volume. These people prefer COD.

**9. What percentage of your e-commerce orders are COD?**

Over 80-90% of the orders are COD-based.

**10. E-commerce companies spend over 60-70% of their revenue on advertising and marketing. Do you feel cheated?**

Not at all. If they didn't advertise, we would not have known they are there.

Link : <http://www.businessinsider.in/Exclusive-Inside-the-mind-of-an-e-commerce-logistics-partner/articleshow/50042660.cms>