![Sattva logo]

SATTVA
Delivering High Impact.

Digital Solutions for
Women-Owned Enterprises

A decline in rural jobs, the one-sided burden of unpaid care work, along with other structural and underlying issues, such as unequal pay structures, have compounded the decreasing female labour force participation of India.

56.1%
of working women in India were self-employed

8.1 million
Indian women-owned enterprises make up 13.7% of enterprises in India

20%
report their Gross Value Added (GVA) as over INR 5,000 per month, compared to 73% of men-owned enterprises

There are multiple different approaches that have been used to promote and address the variety of barriers faced by women-owned enterprises, ranging from programmes driving financial inclusion to the provision of skilling initiatives. Of the plethora of different approaches to solving for these barriers, e-commerce and digital solutions offer a new and scalable pathway to potentially solve for some of these issues, and generate market linkages for these women-owned enterprises.

There are multiple examples of this; internationally, models such as Taobao (Alibaba) and Go-Jek have shown results in linking women to improved livelihood opportunities and markets, while in India, nascent platforms such as Amazon Saheli and GoCoop are looking to do the same. Digital solutions are only just beginning to be explored in India, and could provide a scalable means of linking women to markets and job opportunities. The effect size of such interventions (both in India and internationally) could extend beyond market connections and livelihood linkages, to providing layered social empowerment outcomes.

FRAMEWORK FOR THE RESEARCH

The framework looks to understand the potential of e-commerce through three lenses, as depicted in the model below.

VIABILITY

Understanding the **intersection between industries** that women currently engage with, and those with the highest potential for scale in e-commerce models (broken down by customer segment; B2C, B2B and B2G)

ENABLERS

Having identified sectors/ industries, looking at how the **different operational models of e-commerce companies** could solve for the barriers that exist for women-owned enterprises and women entrepreneurs

FEASIBILITY

Understanding whether bottom of the pyramid (BoP) **women are ready and willing to adopt e-commerce solutions,** and the concrete steps needed to get the women and the ecosystem ready to integrate with digital value-chains
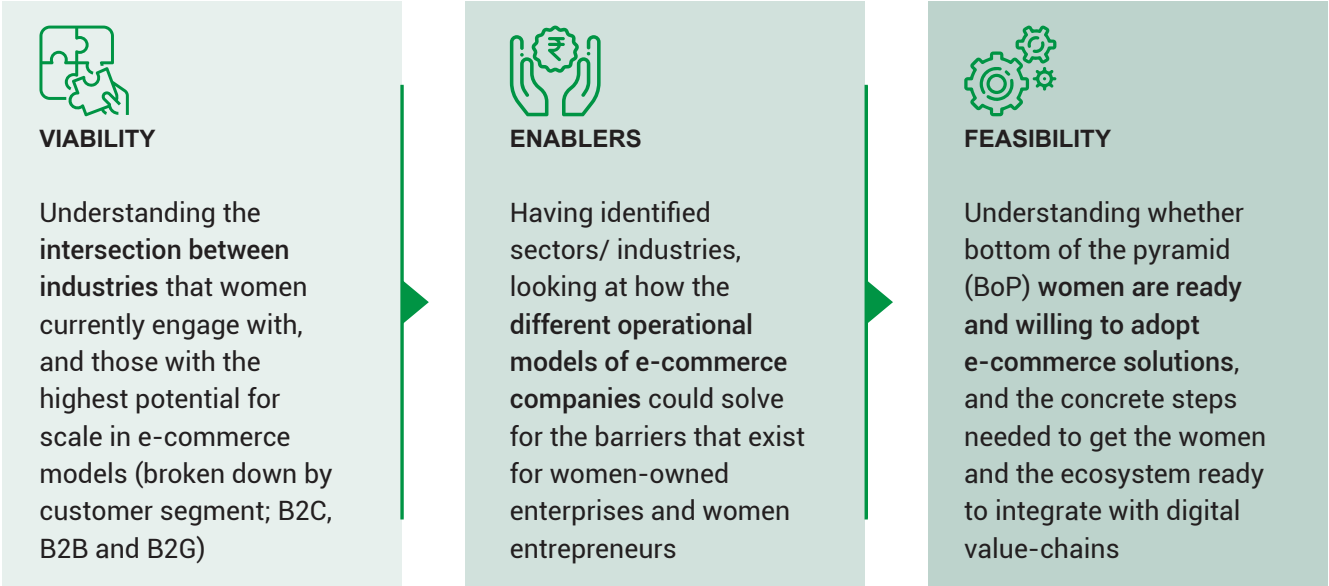
Fig. 1: Potential of e-commerce through three lenses

Women-owned enterprises make up 13.8% of enterprises in India, and are predominantly small, unregistered and concentrated in a few coastal states.
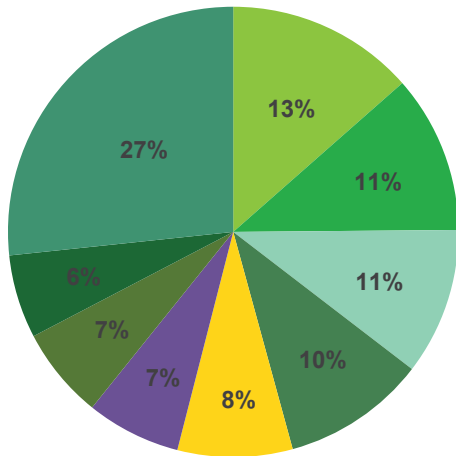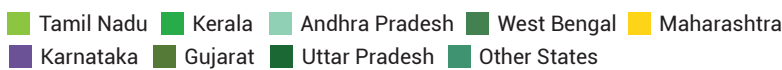

Fig. 2. Geographical spread of women-owned enterprises

■ Tamil Nadu ■ Kerala ■ Andhra Pradesh ■ West Bengal ■ Maharashtra
■ Karnataka ■ Gujarat ■ Uttar Pradesh ■ Other States

13.8%
of enterprises in India are owned by women, accounting for just over **8 million enterprises**

More than half of these are concentrated in
5 states
of Tamil Nadu, Kerala, Andhra Pradesh, West Bengal and Maharashtra

65%
of women-owned enterprises are **located in rural areas,** as compared to **59.5% of all enterprises**

Rural 65%	Urban 35%

Fig. 3. Rural-Urban break up of women-owned enterprises

8%
of women-owned enterprises are **registered under any sort of statutory government agency,** as compared to **31% of all enterprises**

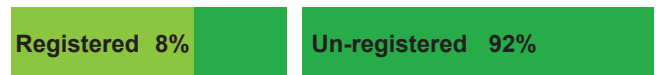| Registered 8%	Un-registered 92%

Fig. 4. Registration status of women-owned enterprises

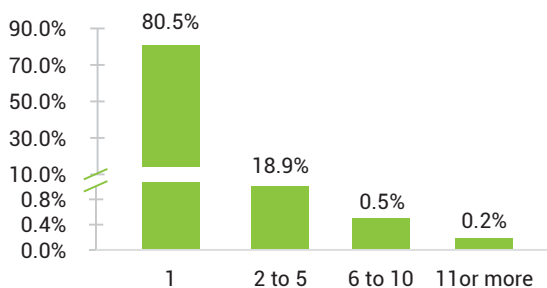# Most women-owned enterprises generate little revenue, reflecting either a lack of desire or ability to scale.

Fig. 5: Women-owned enterprises by no. of employees

Fig. 6: Women-owned enterprises by monthly revenue

80%
of women-owned enterprises had **only one worker, (the entrepreneur herself),** and only **0.5% had 6-10 workers**

62%
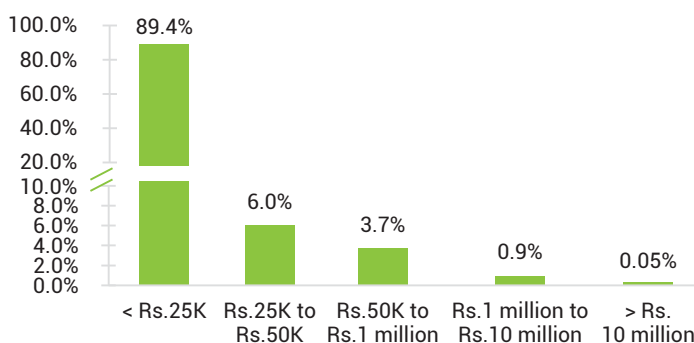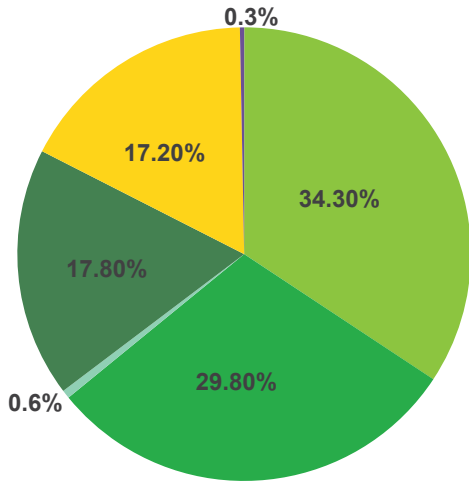of all enterprises have 1 worker, and **1.9% have 6-10 workers**

90%
of them have a revenue of **less than 25,000 INR per month** and **under 1% had a monthly revenue higher than 1 lakh INR**

61.2%
of all enterprises have a **revenue under 25,000 INR,** while 6.2% had **revenue greater than 1 lakh INR**

Women-owned enterprises are concentrated in specific sectors like textiles, small grocery stores or beauty services.

Fig 7. Sectoral distribution of women-owned enterprises

- 0.3% Others
- 34.30%
- 17.20% Services (Except trade)
- 17.80% Retail Trade
- 0.6% Wholesale Trade
- 29.80%

Legend: Non-Farming Agriculture (and related) | Manufacturing | Wholesale Trade | Retail Trade | Services (Except trade) | Others

30% of women-owned enterprises are involved in the **manufacturing sector**

18% of women-owned enterprises are involved in **retail trade**
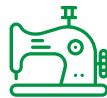
MANUFACTURING

38% of women-owned enterprises are involved in **manufacturing of wearing apparel** and **15% are involved in manufacturing of textiles**

Custom tailoring is by far the most common type of manufacturing enterprise operated by women in India
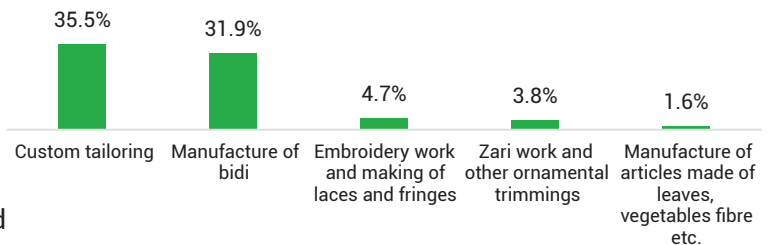

- 35.5% Custom tailoring
- 31.9% Manufacture of bidi
- 4.7% Embroidery work and making of laces and fringes
- 3.8% Zari work and other ornamental trimmings
- 1.6% Manufacture of articles made of leaves, vegetables fibre etc.

Fig. 8: Top 5 women-owned manufacturing enterprises

SERVICES

- 22.3% Hairdressing and other beauty treatment
- 18.8% Academic tutoring services
- 10.0% Restaurants without bars
- 7.3% Washing and (dry) cleaning of textile and fur products
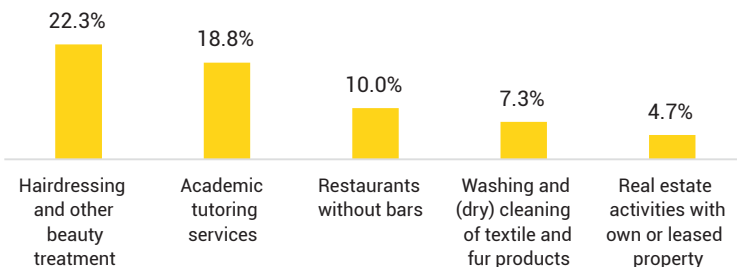- 4.7% Real estate activities with own or leased property

Fig. 9. Top 5 women-owned service enterprises

38% of women-owned enterprises are personal/ household service enterprises

16% are in the education sector

14% are food service enterprises

RETAIL

60% of all women-owned enterprises are related to retail sale of **food products and beverages**. Other important sectors for women entrepreneurs in retail trade are **clothes and footwear (8%), and pharmaceuticals (7%)**

- 16.4% Cereals and pulses, tea, coffee, spices etc.
- 16.2% Non-specialised stores with food predominating
- 10.0% Fresh or preserved fruit and vegetables
- 7.6% Readymade clothing and clothing accessories
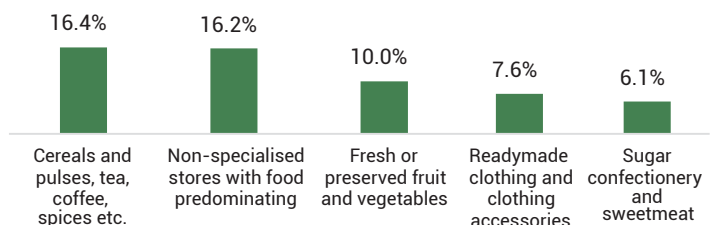- 6.1% Sugar confectionery and sweetmeat

Fig. 10: Top 5 women-owned retail trade enterprises

There are also certain sectors where women operate a majority of enterprises. The top 5 sectors that are made up of a majority of women-owned enterprises are in the graph below.
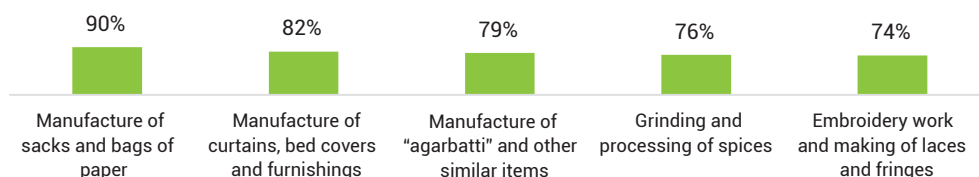

- 90% Manufacture of sacks and bags of paper
- 82% Manufacture of curtains, bed covers and furnishings
- 79% Manufacture of "agarbatti" and other similar items
- 76% Grinding and processing of spices
- 74% Embroidery work and making of laces and fringes

Fig. 11: Top 5 sectors made up of a majority of women-owned enterprises

Demand side, supply side, and normative constraints need to be addressed in order to allow women-owned enterprises to grow.
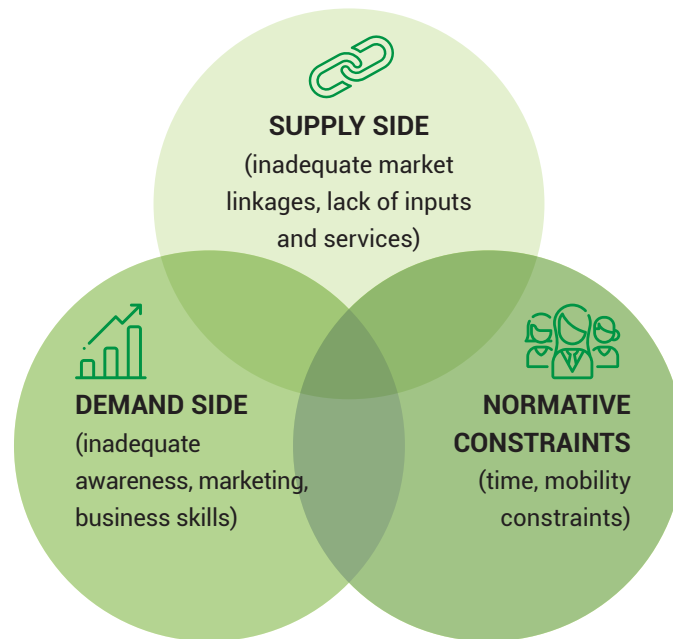

SUPPLY SIDE
(inadequate market linkages, lack of inputs and services)

DEMAND SIDE
(inadequate awareness, marketing, business skills)

NORMATIVE CONSTRAINTS
(time, mobility constraints)

Fig. 12. Three types of constraints faced by women-owned enterprises

ENABLERS NEEDED

DEMAND SIDE

Generating Demand and Marketing: Support towards generating growth in awareness and demand for their products or services

Trainings for functional literacy: Trainings for building functional literacy skills, such as basic accounting and math are very important

Business skills and acumen (to deal with competition): Support with regard to operational skills and manpower is required to compete with bigger brands and other businesses which are part of broader markets

SUPPLY SIDE

Market Linkages: Linking women-owned enterprises to larger non-local markets

Support for business operations and technology: Providing inputs and services that enable efficient business practices

Technical skill trainings: Building technical skills required for production and service provision

Improvement in facilities and infrastructure at workplaces: Women-owned MSMEs often operate with minimal physical infrastructure

NORMATIVE

Familial support to fulfill household care duties: Essential to relax the current time and mobility constraints faced by women

Social empowerment programs: Required to increase the risk-taking ability of women in business and get access to capital from formal or informal sources to establish and grow businesses
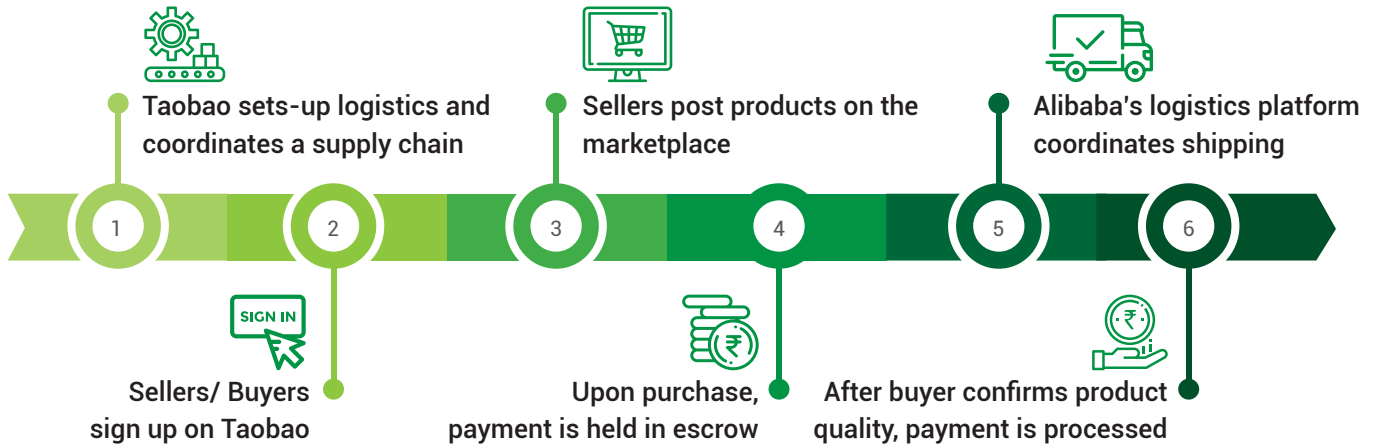
Taobao, the world's biggest e-commerce platform, shows us the potential of e-commerce as a way to link women to markets and address barriers

淘宝网
Taobao.com

Taobao (owned by Alibaba) is the **world's biggest e-commerce website**.

617 million monthly active users

USD 17.84 billion total sales volume as of March 2018.

1. Taobao sets-up logistics and coordinates a supply chain
2. Sellers/ Buyers sign up on Taobao
3. Sellers post products on the marketplace
4. Upon purchase, payment is held in escrow
5. After buyer confirms product quality, payment is processed
6. Alibaba's logistics platform coordinates shipping

The model has grown exponentially in China, due to government support for e-commerce and rising internet penetration

6 million women entrepreneurs had **established Taobao shops** as of 2017

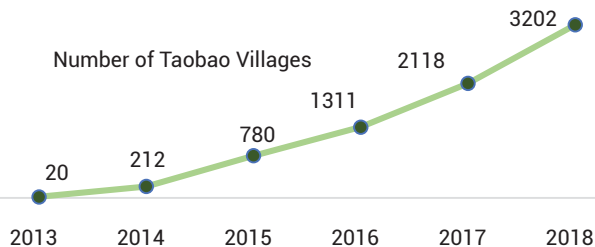**46%** of all **transactions are made by women** who make up half of the vendors on the platform

Number of Taobao Villages

20 (2013)
212 (2014)
780 (2015)
1311 (2016)
2118 (2017)
3202 (2018)

Fig 13: Growth of Taobao Villages

Number of internet users in China (in millions)

618 (2013)
649 (2014)
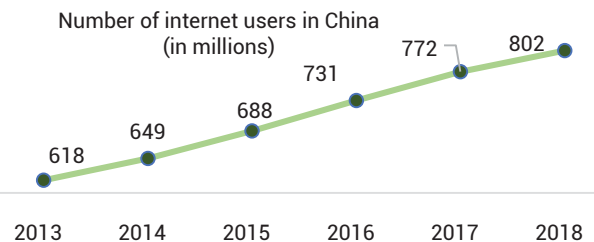688 (2015)
731 (2016)
772 (2017)
802 (2018)

Fig. 14. Growth of internet penetration in China

ENABLERS PROVIDED BY TAOBAO

Organising entrepreneurs into economic units by creating informal rural clusters

Providing market access through their e-commerce platform

Providing access to inputs and services through logistical support, analytics to help tailor production from entrepreneurs

Addressing normative constraints by creating flexible work opportunities for women (in terms of time and mobility)

Access to finance through financial intermediation between Taobao entrepreneurs and banks

Increase in internet penetration and smartphone usage, and the decreasing cost of data usage are catalysts for the growth of e-commerce in India.

E-commerce growth in India has been significant over recent years, being driven by a continuous increase in penetration of smartphones, along with a drop in the cost of data usage. Growing smartphone usage and the increase in internet penetration have been **two major contributors** to this growth.

46.13%
overall internet penetration in India, as of December 2018

50-75 million
of internet users in India **in 2017-18** were **online shoppers**

Apart from the overall growth of internet and smartphone penetration, there is also increasing maturity in the usage of internet for various purposes. Of the **half a billion internet users** in India in 2017-18, it is estimated that only between 50 to 75 million users were online shoppers. **This number is also expected to rise significantly in the upcoming decade.**
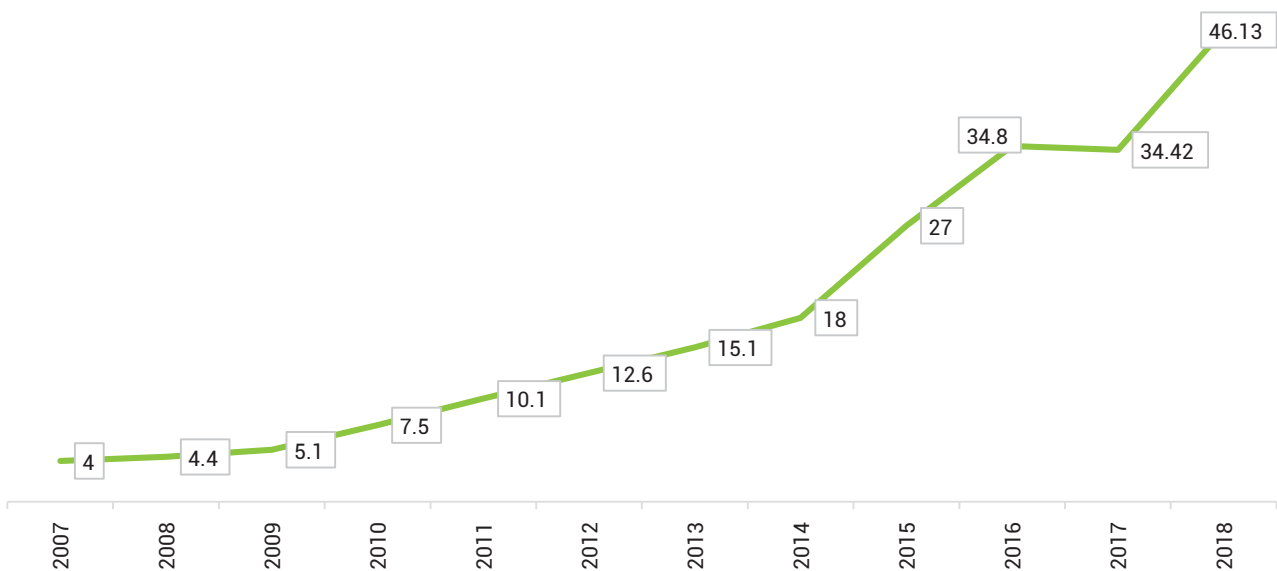

Fig. 15: Growth of Internet Penetration in India (%)

45%
Projected internet penetration in rural India by 2021, a near **two-fold increase from 23.87%** as of 2018

829 million
Projected internet users in India by 2021, **increasing from 560 million** in September 2018

120 million
Projected e-commerce users in India in 2020, **increasing from 26 million** in 2014

E-commerce models can be understood either by the customer segment they target, or the modus operandi that they follow.

	B2C	B2B	B2G
Business Model	A website following the B2C business model **sells its products and services directly to customers.**	A website following the B2B business model **sells its products to an intermediate buyer who then sells the product to the final customer.**	A variant of the B2B model, B2G platforms are used by **governments to trade and procure goods and services.**
Examples	UrbanClap, Amazon, Taobao	Amazon Business, BlackBuck, GoCoop, Ninjacart	GeM, Womaniya

MODUS OPERANDI: AGGREGATOR, INVENTORY-LED, MARKETPLACE

	Aggregator	Inventory-led	Marketplace
Operational Model	**Aggregates information on providers** of several goods and services and conglomerates them into a single platform.	Owns the inventory of goods and services, and sells to the consumer directly.	Provides an information technology platform by an e-commerce entity on a digital and electronic network to act as a **facilitator between buyer and seller**.
Examples	UrbanClap, Uber, Go-Jek, Swiggy, OYO, BlackBuck	Industree, Jaipur Rugs, Fabindia, Ninjacart	Amazon, Flipkart, Taobao, IndiaMart

Different customer segments have different market characteristics.

B2C e-commerce is growing rapidly, with the major industries being e-retail, online travel services and hyperlocal online delivery services. Annual growth rates have consistently remained over 20%, and some years have seen more than 50% annual growth by various estimates.

Total Estimated Market Value of B2C E-commerce (billion USD)
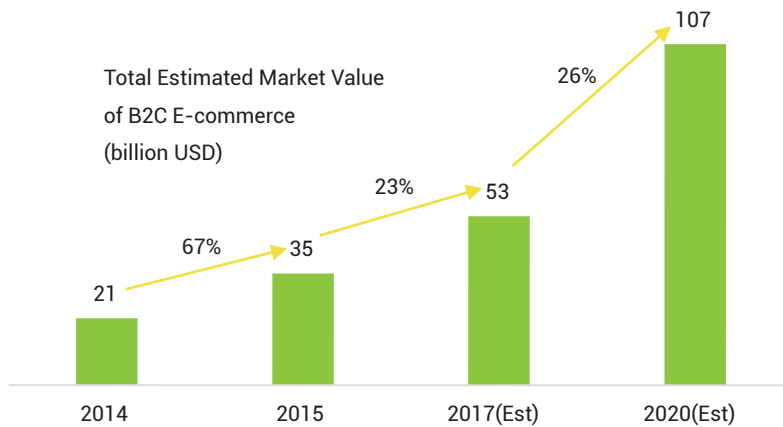
Fig. 16. Growth in market value of B2C e-commerce

USD 53 billion
Total market value of goods sold in 2017, **increased from 21 billion USD in 2014**

USD 100 billion
Expected total market value of goods sold **in 2020**

USD 200 billion
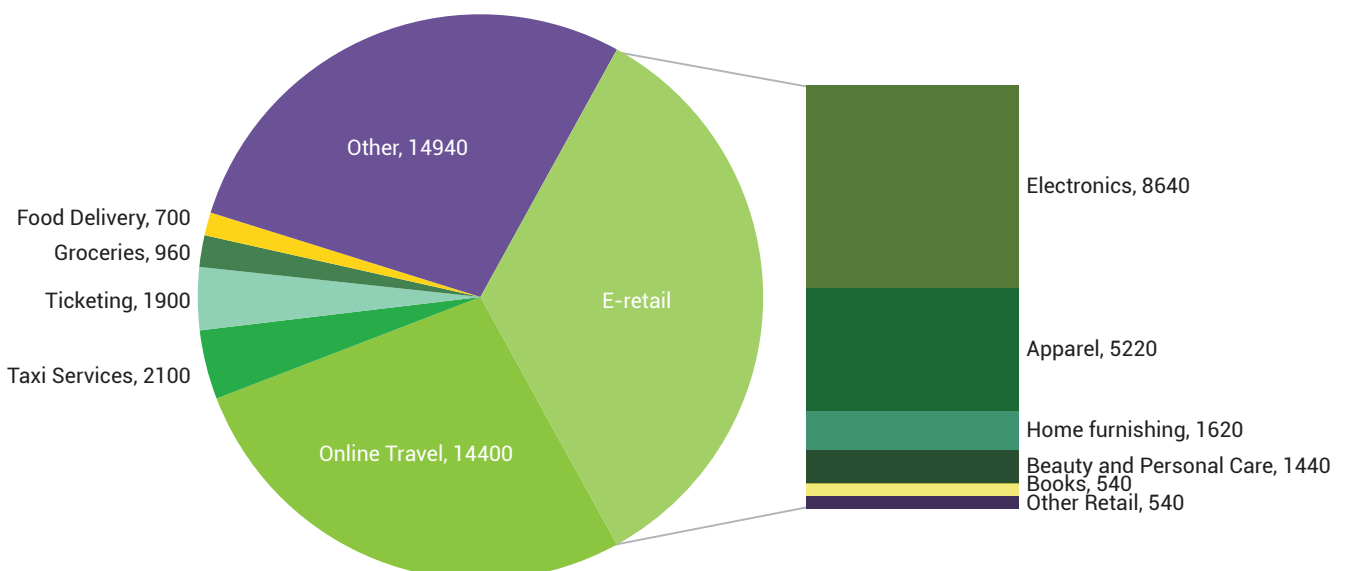Expected total market value of goods sold **in 2025**

Fig. 17. Market value of e-commerce sectors in 2017 (million USD)

In the context of B2C of e-commerce, industries where over 5% of enterprises participate in e-commerce can be considered relatively mature. The universe can be broken down into three sectors.

NASCENT SECTORS

Sectors with market penetration under 1%.

Sectors including hyperlocal services like household level repair services or beauty services are nascent but emerging.

HIGH POTENTIAL SECTORS

Sectors with market penetration between 1 and 5%.

Online groceries or online medicines sales are seen as having large potential for future growth. For example, while online groceries already had a market value of close to US$ 1 billion in 2017, the penetration of e-commerce in the overall grocery market is only about 1%.

MATURE SECTORS

Sectors with market penetration over 5%

Online travel booking with a market penetration of more than 50%, restaurants (online food delivery) at ~5%.

Market Penetration

50%			Online Air Travel
20%			Online Bus
15%			Online Hotels
5%			Taxi Services
			Ticketing
			Food Delivery
	Online Real Estate Online Classified		
	Fashion E-retail		
	Online Groceries		
1%			
	Medtech		
	Hyperlocal Services		
0%	**Nascent**	**High Potential**	**Mature**
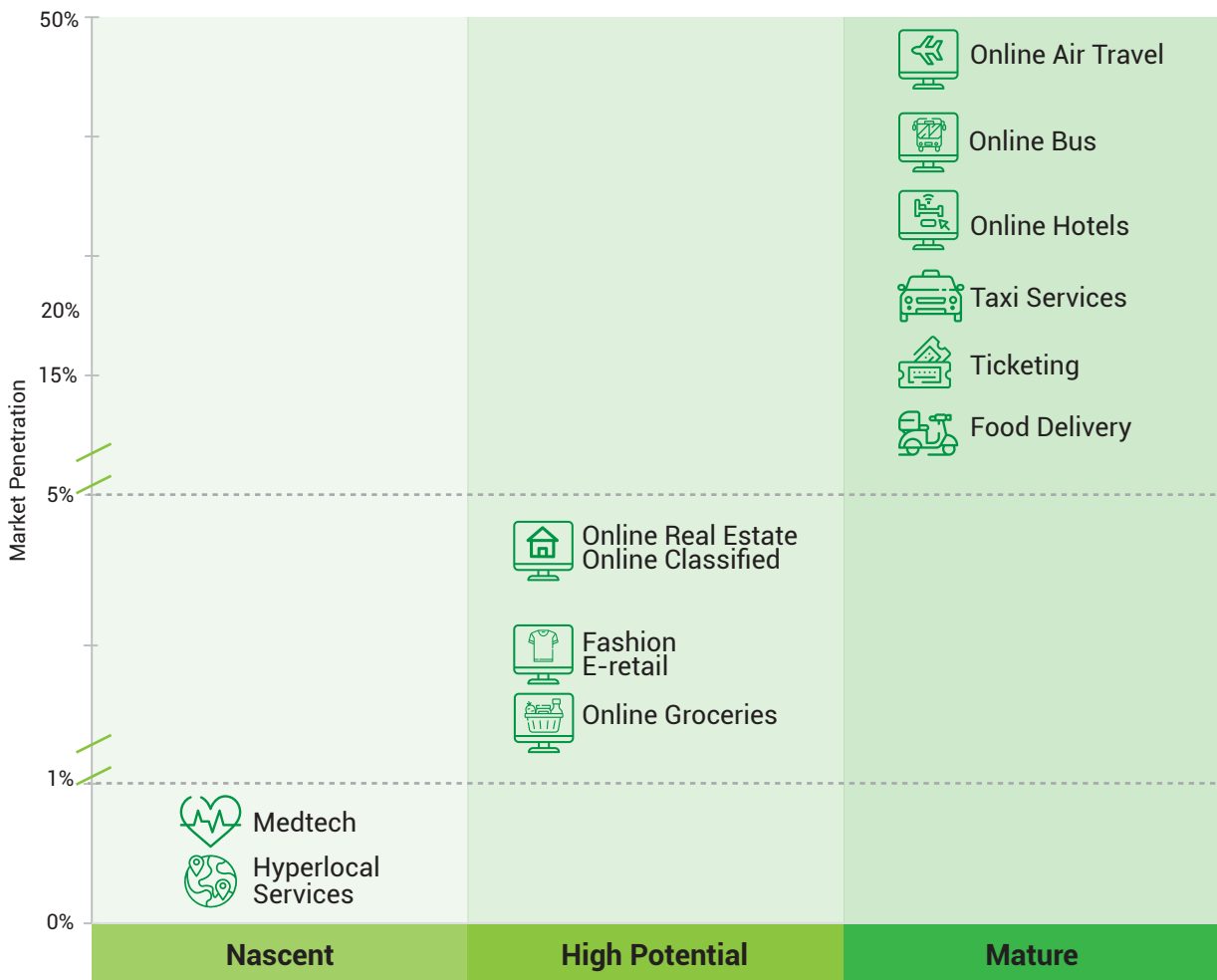
Potential of Ecommerce Sectors

B2G e-commerce is a large market as a function of the sheer scale of Indian government procurement.

The government is also a major customer segment in India.

USD 80 billion
Estimated annual government procurement

USD 21.5 billion
Total procurement by various government departments and undertakings of the central government of India

USD 5.5 billion
Procured from small and medium enterprises

The primary online public procurement solution is the Government E-Marketplace (GeM), a market for different goods and services procured by Government Organisations/ Departments/ PSUs. Other digital public procurement include an agricultural trading platform called eNAM, and Mahila-e-Haat.

GeM Government e Marketplace

1,38,000 Sellers

27,000 Buyer Organisations

469,000 Products and services

730,000 Orders placed so far

USD 1.7 billion Total value

40% of transactions are done with MSMEs

SPECIFIC INITIATIVES FOR WOMEN

Mahila E-haat

Mahila E-Haat by the Ministry of Women and Child Development, which is meant to provide marketing support by showcasing products made/ manufactured/ sold by women entrepreneurs on the Rashtriya Mahila Kosh website.
In 2017, it had 3.5 lakh beneficiaries and over 26,000 SHGs with women vendors from 24 states.

Womaniya भारतीय नारी की दुनिया

Womaniya, an initiative of GeM that seeks to develop women entrepreneurship by enabling women entrepreneurs and SHGs to **sell directly to government ministries, departments and institutions.**

B2B e-commerce is estimated as the largest potential market within e-commerce in India.

USD 700 billion
Projected B2B e-commerce market size **by 2020, increasing from 300 billion USD as of 2014.**

In recent years, with **100% Foreign Direct Investment** being allowed through automatic route, B2B e-commerce is also witnessing an **increased level of interest from investors**. This market has **many different players of various sizes**. For example, larger players like IndiaMart which was established as long ago as 1999, to Udaan which started in 2016.

MAJOR B2B E-COMMERCE PRODUCT SEGMENTS

Textiles, clothing and other apparel

FMCG, food and beverages

Furniture, office supplies, appliances

Industrial goods, tools and machines

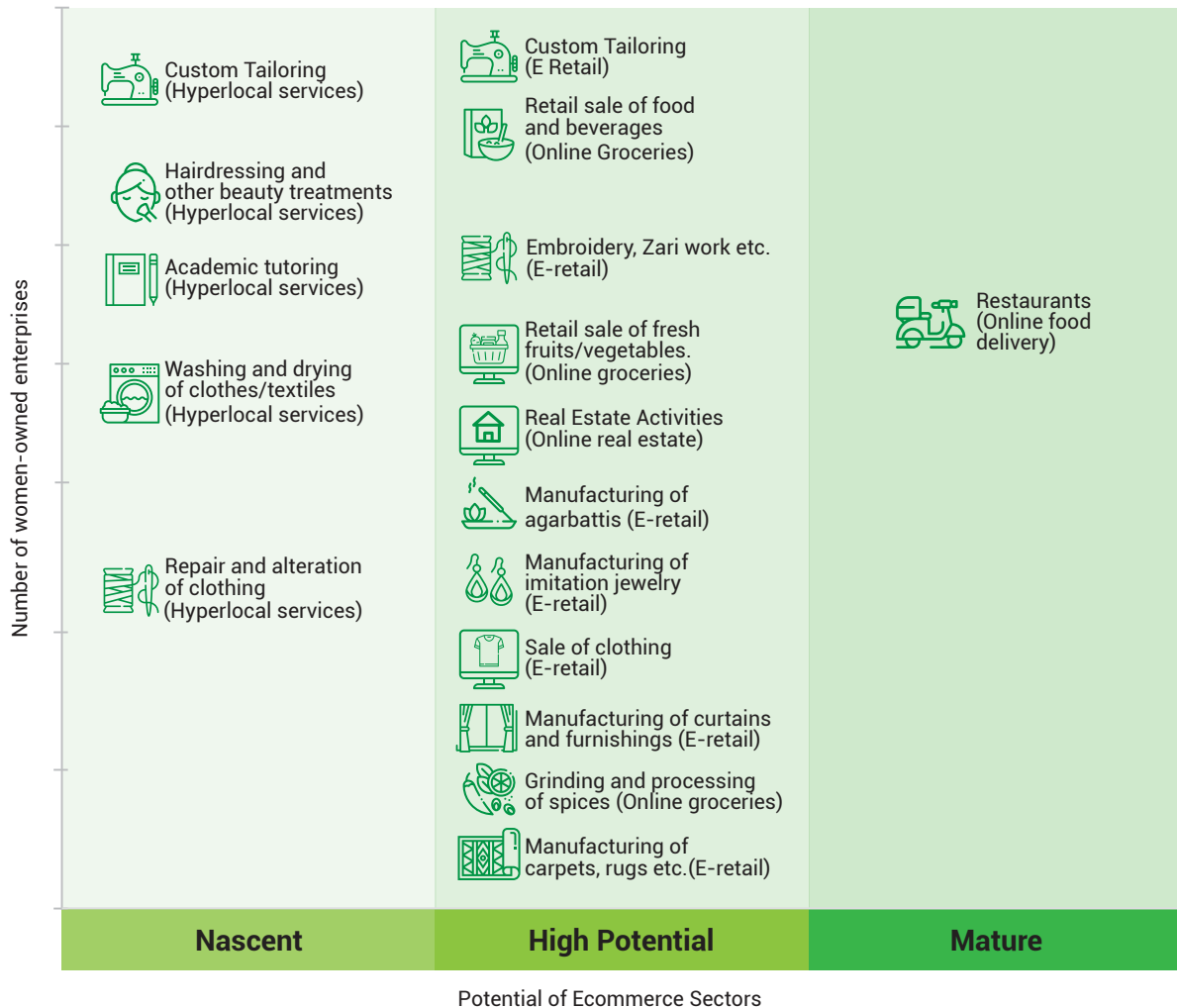Electrical, IT and telecommunication equipment

Logistics and material handling goods

Different operational models of e-commerce provide different enablers for sellers.

Models	Aggregator	Inventory-led	Marketplace
Customer Segments	B2C, B2B, B2G	B2C, B2B	B2C, B2B, B2G
Key Facts	• Aggregator models have raised large amounts of funding (6.1 billion USD for Ola, 1.35 billion USD for OYO, 585 million USD for Zomato) • Food orders on aggregators are predicted to grow by ~1100%, bookings on taxi services (Ola, Uber) by 450% by 2020	• Makes up ~20% of current e-tailing market • Was prominent in the initial growth of e-commerce (2000-2009), and is currently making a comeback with the rise of niche, vertical players (for e.g. Pepperfry for home furnishings)	• Makes up ~80% of current e-tailing market • Experienced growth from 2009-2014, as global players entered the market and consolidated through mergers and acquisitions
Enablers Provided	• Link to larger, local markets • Flexibility in time and mobility (allowing service providers to choose times and areas of operation) • Provide trainings on technical skills • Access to inputs and services (generating tax compliant invoices, support in procurement) • Generates data on demand for services and other business intelligence • Increased customer trust through review aggregation and consistent branding • Link informal sector workers to improved work opportunities	• Link to larger, non-local markets • Flexibility in time and mobility (24/7 digital market access) • Provide trainings on technical and business skills • Access to inputs and services required at different aspects of production • Increased customer trust through consistent branding • Link informal sector workers to improved work opportunities • Eliminate middlemen by directly selling to consumers	• Link to larger, non-local markets • Flexibility in time and mobility (24/7 digital market access) • Access to services (logistical support, last mile delivery) • Generating data and business intelligence analytics • Increased customer trust through review aggregation • No shelf space constraints allowing for the listing of niche products

Different customer segments offer varying levels of potential for integration with women-owned enterprises.

Three B2C sectors with a high potential for integration with women-owned enterprises are apparel and home furnishings, food delivery services, and hyperlocal service provision.

Looking at the important sectors within the B2C e-commerce market in India and the kind of enterprises where women entrepreneurs have a significant presence helps us identify the **industries which have potential for the participation of women entrepreneurs in e-commerce value chains.** These industries are mapped below according to both the number of women-owned enterprises that participate in that sector and the corresponding position of the sector in the e-commerce market.

Number of women-owned enterprises (y-axis)

Nascent
- Custom Tailoring (Hyperlocal services)
- Hairdressing and other beauty treatments (Hyperlocal services)
- Academic tutoring (Hyperlocal services)
- Washing and drying of clothes/textiles (Hyperlocal services)
- Repair and alteration of clothing (Hyperlocal services)

High Potential
- Custom Tailoring (E Retail)
- Retail sale of food and beverages (Online Groceries)
- Embroidery, Zari work etc. (E-retail)
- Retail sale of fresh fruits/vegetables. (Online groceries)
- Real Estate Activities (Online real estate)
- Manufacturing of agarbattis (E-retail)
- Manufacturing of imitation jewelry (E-retail)
- Sale of clothing (E-retail)
- Manufacturing of curtains and furnishings (E-retail)
- Grinding and processing of spices (Online groceries)
- Manufacturing of carpets, rugs etc.(E-retail)

Mature
- Restaurants (Online food delivery)

Potential of Ecommerce Sectors (x-axis)

APPAREL AND HOME FURNISHINGS

USD 7 billion
Total estimated market value in 2017

16%
of all women enterprises are involved in manufacturing of textiles, apparel and furnishing

On the other hand, the **market penetration** of e-commerce with these enterprises is currently **still low**, and women-owned enterprises could increase their engagement with e-commerce and tap into this high potential sector

FOOD AND BEVERAGES

USD 1 billion
Estimated market value of online sales of groceries in 2017

Retail sale of food and beverages is also where women entrepreneurs have a major contribution

HYPERLOCAL SERVICES

Hairdressing and beauty services, or repair and alteration of clothing are also sectors which see a large number of women-owned enterprises which can take advantage of **provision of hyperlocal services**

B2B e-commerce has specific characteristics that increase its potential as a solution

Access to inputs and services: women entrepreneurs can look towards procurement of products or kitchen equipment using **B2B e-commerce platforms** and avail **greater freedom of choice in inputs** (freed of geographical constraints)

Bulk orders and predictable revenue: women entrepreneurs involved in manufacturing of furnishings, or apparel can also use B2B platforms to **sell goods in bulk to companies** as reflected by interviews with SEWA

B2G e-commerce has actively looked to integrate women-owned enterprises

Access to government procurement markets: Reserved quotas and traditionally large ticket sizes. 3% of government procurement is set aside for purchases from women-owned MSMEs, a **potential market-size of ~INR 4000 crores**

Active promotion of women-owned MSMEs: Initiatives such as Womaniya seek to develop women entrepreneurship by enabling them to sell both **niche products** such as handicrafts and handloom goods or jute and coir products, along with **products from larger industries** such as home décor and office furnishings, directly to various government ministries, departments and institutions

The enablers provided by e-commerce models can solve for the challenges faced by women-owned enterprises.

ENABLERS PROVIDED

DEMAND SIDE

Market access for small women-owned enterprises, by linking them to global markets or larger local markets. These platforms can also create markets for niche products, and help link them to larger demand

Access to credit through detailed record-keeping: E-commerce platforms also provide detailed records with regard to the revenue generated by women entrepreneurs, which allows them to access credit from formal institutions

E-commerce platforms sometimes also **directly provide access to credit or link sellers to credit institutions.** UrbanClap also facilitates loans for women service providers who sign up with them. These facilities enable women entrepreneurs access credit from formal sources

SUPPLY SIDE

Market intelligence: The data and analytics generated by these platforms can allow entrepreneurs to tailor their production choices according to demand

Providing trainings for technical skills and business skills: Companies provide trainings to build technical skills, such as UrbanClap for its service providers, or Jaipur Rugs for its artisans

Access to inputs and services: Marketplace models often provide logistical support and last mile delivery services, while aggregator (UrbanClap) and inventory-led (Jaipur Rugs) models both can facilitate the procurement of inputs at bulk rates and provide other value added business services such as technical support, inventory management among others

NORMATIVE

Greater flexibility of time and mobility as a result of 24/7 market access, as suggested by a senior resource interviewed at GeM

Handholding support for accessing and using technology and e-commerce, done by models including UrbanClap, Amazon Saheli etc

E-commerce platforms make the **process of purchasing gender blind**, thus addressing any normative barriers associated with women participating in traditional retail value chains.
A corollary to this is that they **increase revenue shares available to women by eliminating the middlemen** in these value-chains

The feasibility of e-commerce as a solution depends on the type of women entrepreneur and the prerequisites for readiness.

Despite consensus around the potential of digital solutions, and its growth in recent years, **e-commerce in India is still relatively nascent** and might not be an immediate pathway to scale or even viable market linkage. In order to understand the feasibility of e-commerce as a solution, we look at the **archetypes of women-owned enterprises and entrepreneurs** to understand the relevant segments of entrepreneurs and build a roadmap needed to get them to readiness.

4 OVERALL ARCHETYPES OF WOMEN ENTERPRENEURS

	Self-Employed Women	Collective Enterprises	Women-Owned Micro-enterprises	Formal Sector Enterprises
CHARACTER-ISTICS	• Income only for self sustenance • Not part of any collective models • Low literacy levels • Lack access to credit	• Group support and problem-solving • Have financial access and savings • Have leadership qualities • Guaranteed minimum wage • Access to entitlements	• Initial level of business skills • Community networks • Higher access to credit • Create opportunities for other women • Functional literacy (basic business concepts and vocational training) • Access to technology	• Greater entrepreneurial desire • Financial independence • Tech-savvy • Create opportunities for other women • Access to working capital

From research, the two types identified as relevant to this research are Collective Enterprises and Women-Owned Microenterprises.

5 KEY INDICATORS OF READINESS

Willingness to participate in e-commerce: Factors such as ambition and skills inhibit a woman's readiness as an entrepreneur who can venture into the e-commerce space

Functional and technical skills: When it comes to e-commerce, basic business concepts and vocational training are integral to the holistic development of entrepreneurs

Market Intelligence and business acumen: For any business to run successfully, it is important to have a deep understanding of the market and demonstrate the necessary business
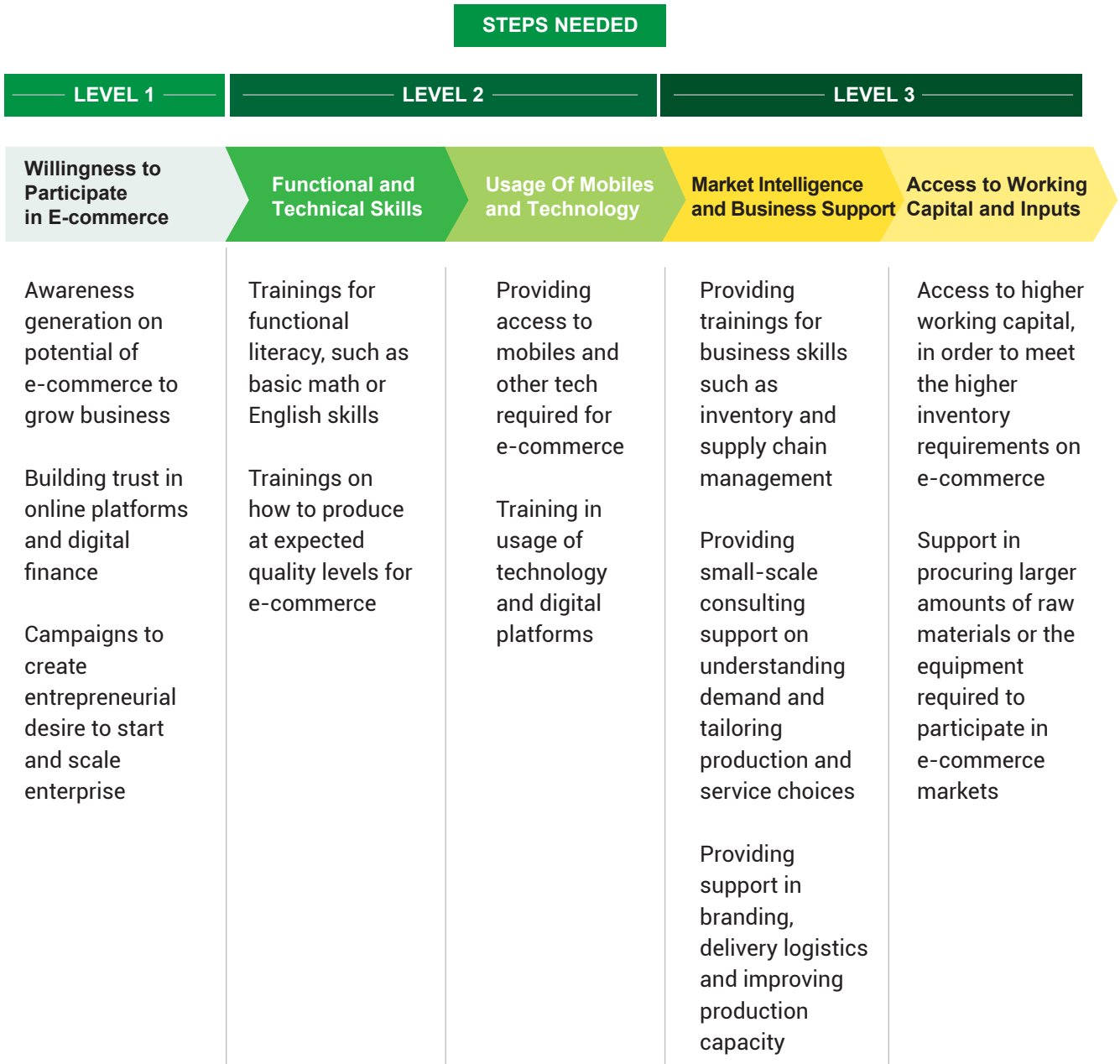
Usage of mobiles & technology: Women's access to mobile phones can catalyse women's economic advancement by promoting entrepreneurial activity and

Access to working capital: There is a requirement for higher levels of stock and quality, along with the ability to fulfil more complicated

Interventions aimed at readying women entrepreneurs for e-commerce participation need to address their willingness to participate, skills, and inputs.

By examining the readiness levels of each archetype and analysing the solution space of key stakeholders (i.e. Government, CSO and businesses) a **three-level roadmap for readying women entrepreneurs for e-commerce participation was identified.** Mapping our archetypes to this roadmap shows us that collective enterprises are currently better poised to participate in e-commerce.

STEPS NEEDED

LEVEL 1	LEVEL 2		LEVEL 3	
Willingness to Participate in E-commerce	**Functional and Technical Skills**	**Usage Of Mobiles and Technology**	**Market Intelligence and Business Support**	**Access to Working Capital and Inputs**
Awareness generation on potential of e-commerce to grow business Building trust in online platforms and digital finance Campaigns to create entrepreneurial desire to start and scale enterprise	Trainings for functional literacy, such as basic math or English skills Trainings on how to produce at expected quality levels for e-commerce	Providing access to mobiles and other tech required for e-commerce Training in usage of technology and digital platforms	Providing trainings for business skills such as inventory and supply chain management Providing small-scale consulting support on understanding demand and tailoring production and service choices Providing support in branding, delivery logistics and improving production capacity	Access to higher working capital, in order to meet the higher inventory requirements on e-commerce Support in procuring larger amounts of raw materials or the equipment required to participate in e-commerce markets

SUPPORT REQUIRED FOR THE ARCHETYPES AT EACH STEP

WOMEN-OWNED MICROENTERPRISES

MEDIUM	MEDIUM	HIGH		

COLLECTIVE ENTERPRISES

LOW	MEDIUM	MEDIUM	MEDIUM	HIGH

■ LOW ■ MEDIUM ■ HIGH

EXEMPLARS

LEVEL 1	LEVEL 2		LEVEL 3	
Willingness to Participate in E-commerce	**Functional and Technical Skills**	**Usage Of Mobiles and Technology**	**Market Intelligence and Business Support**	**Access to Working Capital and Inputs**
Organisations like **Rangsutra** identify women to participate in their platform/ collective enterprise based on entrepreneurial drive	A majority of **SEWA** cooperatives provide functional literacy trainings.

Women working at the Lok **Swasthya Mandali** (SEWA's ayurvedic cooperative) are provided periodic on-the job training for everything from understanding the use of different medicines, to being able to manufacture them. | **Haqdarshak** provides a degree of technical training to women to help them learn how to use digital platforms.

The UrbanClap app designed for service providers not only links them to jobs, but also has training tutorials for them to learn and ease the process of business | At **Industree**, a professional management team is hired to provide women artisans with support and guidance, ensuring that the production units meet high standards of quality and compliance

Kudumbashree (Kerala's SRLM) provides microenterprise consultants to facilitate business intelligence support | **GoCoop** provides working capital to collectives; making advance payments for the orders they get through B2B platforms

UrbanClap provides support with loans and bulk procurement of equipment for service providers (such as beauty kits) |

Readying the ecosystem: Building infrastructure, reducing entry barriers and adding a gender lens

Along with understanding the women entrepreneurs' readiness, it is also critical to look at the ecosystem-level readiness for e-commerce solutions. Basis primary and secondary research, **five key ecosystem level components** were identified that need to be addressed for e-commerce to be a scalable solution for women-owned enterprises.

Facilitating technological access for women: Aside from providing technology and trainings for women, sensitisation and training of communities and families of women using technology is important to ensure that they are able to participate and maintain control over their phones/other avenues to access digital platforms.

Developing infrastructure Availability of telecommunication systems and internet, regional language content, delivery agents and multiple procurement points are building blocks for e-commerce to set up in a given setting.

ECOSYSTEM LEVEL READINESS

Reducing entry barriers to women on e-commerce platforms: Relaxed regulations and lowered entry barriers are needed to allow smaller, informal women-owned enterprises to participate.

Creating government policies, rules and regulations: Policy changes such as setting up logistics infrastructure, relaxing regulatory constraints etc. are required around e-commerce to promote and drive it as a solution for smaller, women-owned enterprises.

Adding a gender lens for e-commerce platforms: E-commerce platforms need to be gender sensitive, and design women-friendly microsites or apps, especially for women from the bottom of the pyramid.

Top three recommendations for stakeholders driving the integration of women-owned enterprises and e-commerce

Looking at the enablers and barriers for women entrepreneurs and mapping the solution space for ecommerce, we can identify recommendations for different stakeholders to enable the integration of e-commerce with women-owned enterprises, and help them unlock their full potential.

GOVERNMENT

- Create a **favorable policy environment** for the growth of e-commerce by relaxing regulatory constraints on e-commerce platforms or offering tax concessions for players integrating MSMEs and women-owned enterprises

- Work with and **incentivise telecommunications** service providers to **improve infrastructure** in rural areas and Tier 2/ Tier 3 cities

- **Create institutional components** (such as trainers embedded in NRLM, or common service centers for logistics and business support) that could help enterprises **build capacity** to engage in e-commerce value-chains

CSO

- Engage with women entrepreneurs, families and communities on the opportunities provided by e-commerce, **building awareness and willingness** to participate in digital value-chains

- **Provide holistic trainings**, that move past just technical knowledge, and include aspects of digital literacy, functional literacy and business acumen

- **Provide small-scale support** to women-owned enterprises for business skills, understanding demand, tailoring production and service choices, and managing inventory

E-COMMERCE PLAYERS

- **Create platforms that are gender sensitive and reduce entry barriers**, and are designed to be used by BoP women (local language support, simplicity of use, and offline support)

- Providing **support** (either by service provision or trainings) **in branding, quality control, and logistics** such as inventory and last-mile delivery

- **Providing access to credit and working capital** either by facilitating loans from financial institutions or providing advance payments on upcoming orders for sellers

5 key takeaways on digital solutions for women-owned enterprises

1.

The B2B customer segment of e-commerce offers high potential for women-owned enterprises to access markets and scale as it helps producers procure raw materials in bulk at lower costs, and have larger order sizes and more predictable revenue.

2.

There are three top sectors where B2C e-commerce provides maximum potential for integration of women-owned enterprise. These are:
1. Manufacture of apparel and home furnishings
2. Retail sale of food and beverages
3. Hyperlocal services like hairdressing and beauty services, or the repair and alteration of clothing

3.

E-commerce platforms can enable small women entrepreneurs to access larger markets, help understand market dynamics and tailor their products/services, get easier access to credit and other inputs, and also help improve their technical and business skills.

4.

For the entire value chain from retailers to wholesalers and distributors, the key enablers that need to exist at the ecosystem level are: adequate infrastructure, technology and platforms that are accessible to BoP women, low entry barriers and social support for the usage of technology by these women.

5.

For women to participate in e-commerce, the key enablers required are: access to Information and Communications Technology (ICT), trainings for functional, technical and technological literacy and access to higher levels of working capital and inputs.

REFERENCES

1. Data analysis based on 6th Economic Census and 73rd National Sample Survey on Unincorporated Enterprises 2. Shetty (2018) "Exploring Barriers to Scale for Women Entrepreneurs in India- An Evaluative Study" 3. "Redseer Consulting, Ecommerce Industry In India" 4. India Brand Equity Foundation, Report on E-commerce   5. Press Release (2018): "Alibaba Group Announces March Quarter 2018 Results and Full Fiscal Year 2018 Results" 6. (2018), "GoI: FDI Policy Guidelines for E-commerce" 7. (2016) "Confederation of Indian Industry, e-Commerce in India: A game changer for the economy" 8. Vijayaraghavan (2019), "Can Udaan become the Flipkart of B2B e-commerce in India?" 9. (2019),"Draft E-commerce Policy" 10. Insights from Primary Research – Jaipur Rugs, SEWA   11. Insights from Telephonic Interviews – Haqdarshak, Kudambashree, Industree, GeM, Urban Clap, GoCoop

SATTVA
Delivering High Impact.

Sattva is a social impact strategy consulting and implementation firm. Sattva works closely at the intersection of business and impact, with multiple stakeholders including non-profits, social enterprises, corporations and the social investing ecosystem. Sattva works on the ground in India, Africa and South Asia and engages with leading organisations across the globe through services in strategic advisory, realising operational outcomes, CSR, knowledge, assessments, and co-creation of sustainable models.

Sattva works to realise inclusive development goals across themes in emerging markets including education, skill development and livelihoods, healthcare and sanitation, digital and financial inclusion, energy access and environment, among others. Sattva has offices in Bangalore, Mumbai, Delhi and Paris.

Sattva Research works on research and insights to influence decision-making and action towards social impact in the ecosystem in Asia. Sattva Research has partnered with organisations such as CII, USAID, AVPN, DFID, GIZ and Rockefeller Foundation to publish research, case studies and insights, and engages sector leaders through roundtables, conferences and impact circles.

🌐 www.sattva.co.in   ✉ knowledge@sattva.co.in

f www.facebook.com/SattvaIndia   🐦 twitter.com/_sattva

in in.linkedin.com/company/sattva-media-and-consulting-pvt-ltd-

SATTVA
Delivering High Impact.