

# E Platform Exclusively Crafted For Indian Merchandise in Dubai

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## ABSTRACT

*Ethnic wear definitely falls in the top bracket of demand in UAE & especially in Dubai. This is mostly due to the huge South Asian population. But there are not many indigenous online platform as such in Dubai to make such purchases at reasonable rate without any middle man involved, providing them with an ultimate experience. This is an entrepreneurial research-based feasibility study on a proposed business called "DesiChaap". It will be an e-commerce platform which will have the "Made in India" collection of apparels, footwear and jewelry that will be exclusively handcrafted.*

*This paper deals to consider how Dubai inspite of being a fashion hub yet owns only two popular e-commerce platforms namely Souq and Noon. Indians in the United Arab Emirates (UAE) constitute the largest part of population of the country, yet there is no specific Indian merchandise platform as such. The demand and market conditions of UAE looks favorable for this business and with the growing trend of Internet usage and social media, an online platform like this one will surely make a bright future for itself. The paper discusses few issues and challenges that startup has to face in the current VUCA ecosystem.*

*Keywords: Indian merchandise, e commerce, Craftsmen, DesiChaap, startup, Long Tail strategy.*

## INTRODUCTION

The UAE e commerce market is on an upward trajectory. Its unique growth path, compared to both emerging and mature economies, is led by government adoption of e commerce payments on platforms such as Dubai Smart City. The UAE textile industry is the country's largest trading sector after oil. The textile industry is vital to the growth of UAE's economy. Indian Ethnic wear definitely falls in the top bracket of demand in UAE. This is mostly due to the huge South Asian (India, Pakistan, Bangladesh & Sri Lanka) population. Often in the past the residents were limited to one area of the city to meet their ethnic product needs, namely "Meena Bazaar". An Anarkali is a perfect example of traditional ethnic clothing with a huge influence of Mughal traditions. The best place to buy Anarkali Suits in UAE is online. But there are not many native online platform in Dubai as such to make such purchases at reasonable rate without any middle man involved providing them ultimate experience by doing on-time delivery.

In UAE, e-commerce market can be a profitable venture because of its population who are internet users and tech savvy and also due to the favorable tax environment in the country. According to estimates, by the end of 2019, e-commerce sector in UAE will be valued at 36.7 billion AED.

However, to set up any business, one needs to be well aware of the business laws and regulations of the country in which the business is conducted. Dubai is stringent when it comes to its rules and regulations, but it is also known for its efficient licensing rules, process ease and favorable infrastructure that makes the process of getting the legalities done for your business in an easy way thus encouraging entrepreneurs.

This is a research-based feasibility study on a proposed business called "DesiChaap". It will be an e-commerce platform which will have the "Made in India" collection of handicrafts. The ethnics found here will not only be the traditional occasional wear but also the regulars and smart wear that can be adopted by non-Indians too. The collection on our platform will be sourced from village-based artisans, thereby giving employment opportunities to them and will be directly shipped from India as per orders received. The business will outsource its logistics to reputed companies and will promise its customers to deliver them their order within 7 – 15 days.

## Business Strategy

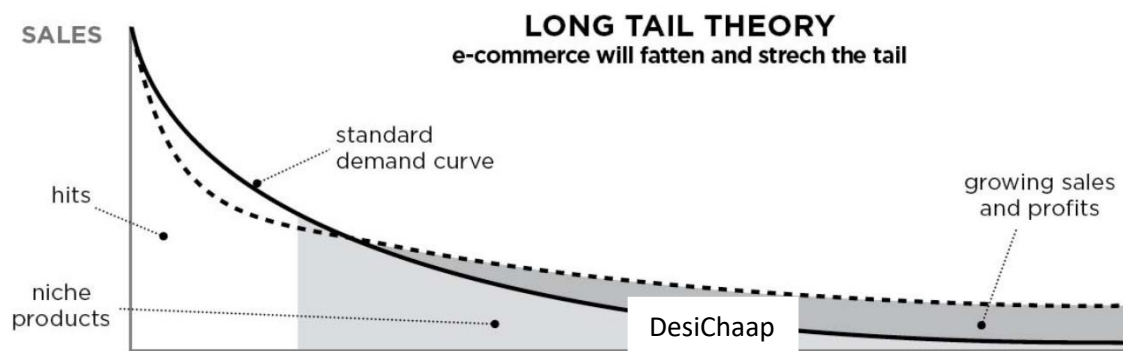


Fig-1: Long Tail Theory strategy

In the Fig1 above, if you're selling products in niche areas like just dealing in Indian ethnic wears, then the small number of people who are searching for Indian Ethnic in Dubai will come across your site. There's less competition in this area and higher conversions, whereas in other competitive sites there's much greater competition and much lower conversions. Once you've opened that door in that niche area, you can steal attention away from the big players, and that's valuable not just in terms of a sale but in terms of building your brand and your online presence, as well.

Using Long Tail Marketing Strategy “DesiChaap” can just cut through that noise, add some real benefit and value to its e business in Dubai.

## REVIEW OF LITERATURE

The variables are classified according to their similarities. Some of the characteristics of web-as-a-sales-channel) in Table 1 are adapted from the literature (Chang, Cheung, & Lai, 2005)

Web as sales channel	STUDIES	SUMMARY OF FINDINGS
Service quality	El Ansary & Roushdy, 2013; Clemes et al., 2014; Gatautis et al., 2014; Hackman et al., 2006; Liao & Cheung, 2001; Tsao & Tseng, 2011	Significant positive impact
After-sale service quality	Gatautis et al., 2014; Jun & Jaafar, 2011; Koo et al., 2008	Significant positive impact (except Jun & Jaafar, 2011)
Online advertisement	Goode & Harris, 2007; Kiran et al., 2008; Momtaz et al., 2011	Significant positive impact
Delivery	Aghdaie et al., 2011; Alam & Yasin, 2010	No significant impact
E-word of mouth	Fan & Miao, 2012; Kamtarin, 2012	Significant positive impact
Payment	Aghdaie et al., 2011	Significant impact
Service value	Hackman et al., 2006	Significant positive impact
Online feedbacks	Oncioiu, 2014	Significant positive impact
Social media	Chaturvedi & Gupta, 2014; Forbes & Vespoli, 2013; Leerapong & Mardjo, 2013; Maoyan et al., 2014; Vinerean et al., 2013	Significant positive impact
<b>Merchant Characteristics</b>		
Reputation	Aghdaie et al., 2011; Goode & Harris, 2007; Ha & Lennon, 2010	Significant positive impact
Brand	Gatautis et al., 2014; Momtaz et al., 2011	Significant positive impact
Perceived marketing mix	Jun & Jaafar, 2011	Significant positive impact

Table-1

## RESEARCH METHODOLOGY

For the proposed business “DesiChaap”, conducting a primary market research was extremely important to understand the consumers lifestyle, spending habits, fashion trends and taste, shopping behavior etc. And hence, primary market research has been done by conducting observation and market survey via google form for which link was shared via email, Whatsapp and other such online messaging apps to the Indian population who are above the age of 18, living in the UAE. The response rate on the survey questionnaire was 40% as only 40 people answered the survey from an overall target of 100.

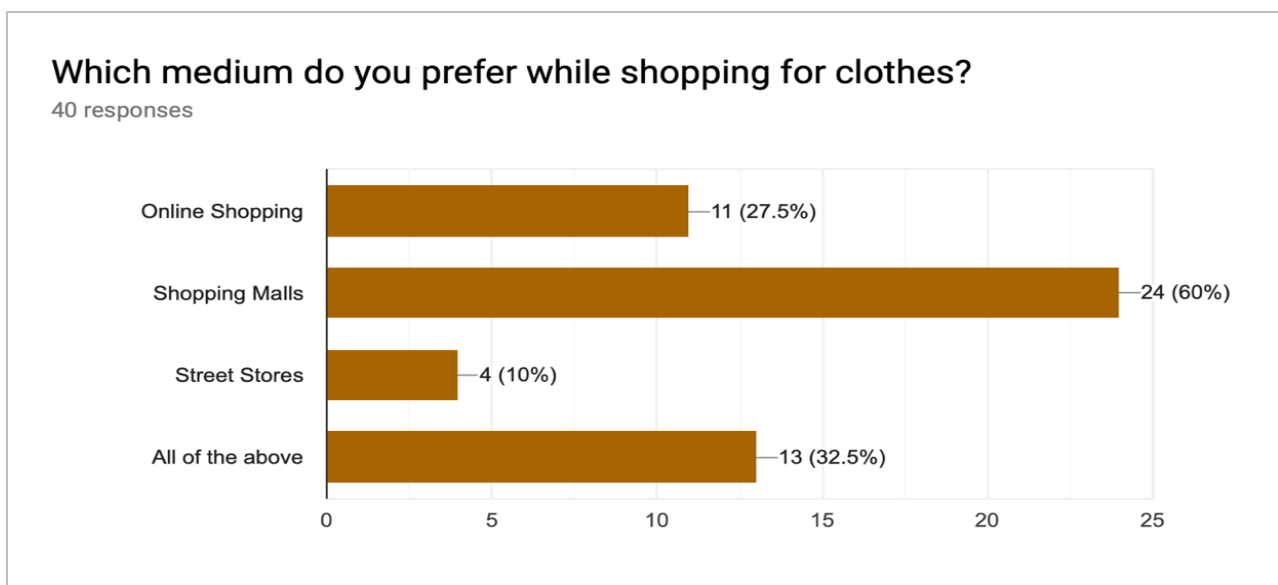
## DATA INTERPRETATION/ANALYSIS

### Observation

In order to understand shopping behavior of people, observation was done in shopping malls at The Dubai mall, Mall of the Emirates and Burjuman mall; street stores of Karama and Meena Bazaar in Dubai. The observation can state that promotions and offers attract consumers. Malls have some or the offers and hence they remain crowded at such times. Street stores do not have any such loud promotional events and can be seen that they are generally less crowded with 2 – 3 pairs of people in each shop.

Talking about the Indian wear collection, malls do not have any Indian Ethnic brands specifically but there are many local stores in Meena Bazaar and quite a few in Karama. The collection that these stores and the online platforms have to offer is also ethnic but more of occasional wear and not regular wear. Another observation was the dressing sense of Indian people in UAE. The Indians of UAE do wear Indian casuals and it can be said that they prefer the casual comfort dressing more than that of fancy and loud dresses. However, these casual Indian ethnics were all machine -made and I could not see anyone in a proper Indian authentic handcrafted wear.

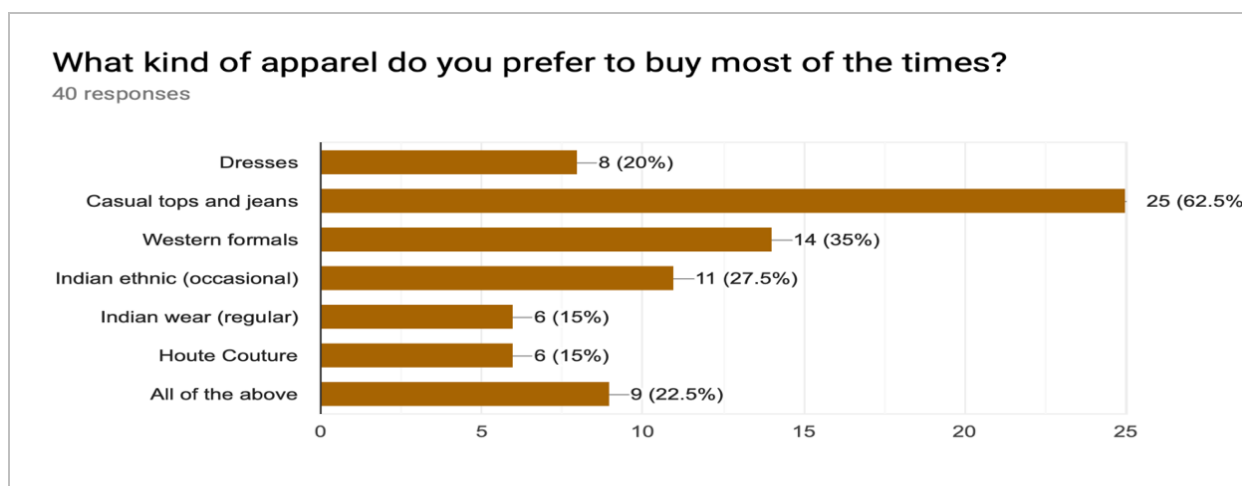
## ANALYSIS AND RESULTS



This graph states that majority of the respondents still prefer shopping malls as their most preferred shopping destination. However, there are respondents who prefer shopping from all these places. We can infer that, with increasing usage of social media and internet, customers will gradually get exposed to online shopping platforms even more.



The above chart gives us the shopping frequency pattern amongst consumers. Majority of the consumers do shopping for clothes and lifestyle moderately. Its neither too much nor too less and hence it is an appropriate level for shopping clothes.



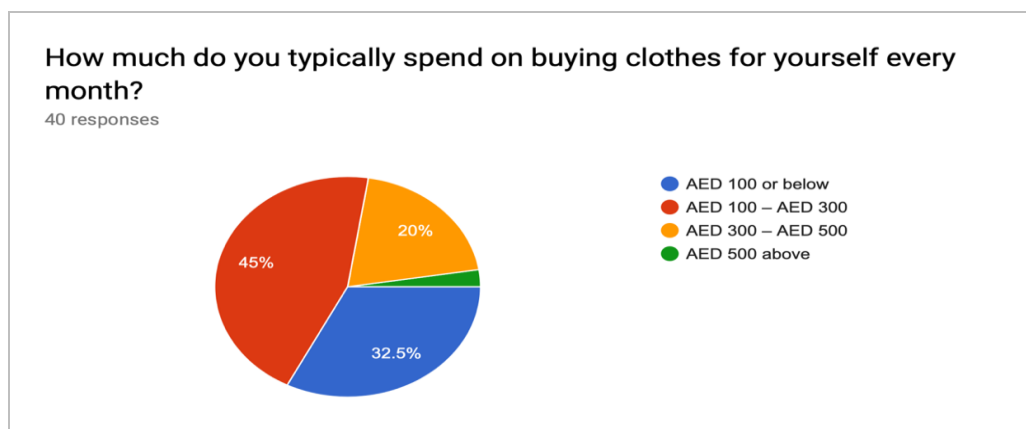
UAE being a diverse place with almost all nationalities, people here tend to adopt to the western culture of dressing. The fact that Dubai has no restrictions on the dressing policy just makes them buy the western wear more. The Indian wear is at a low of 15% and its reason could be that consumers may not be able to find them so easily in UAE.



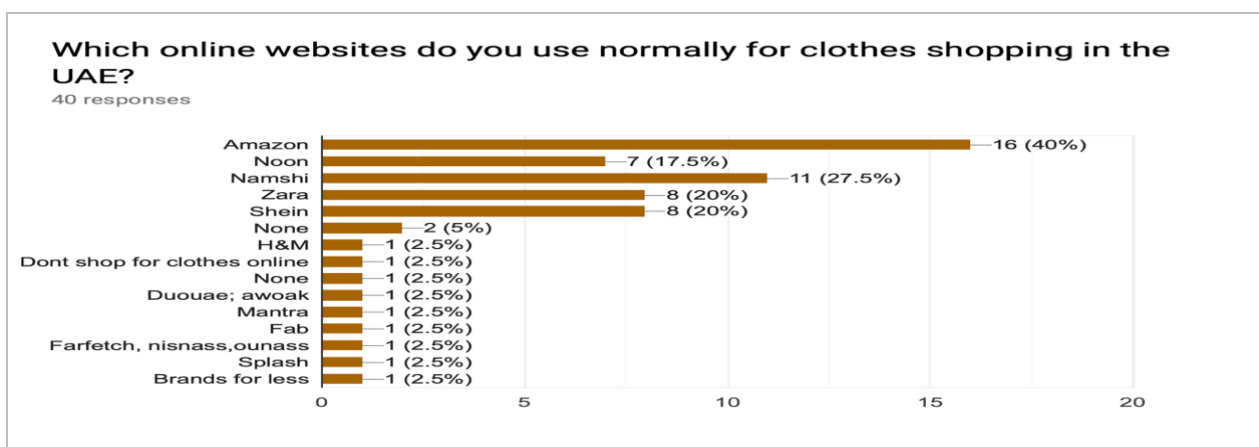
Respondents have given a very neutral response on their comfort level of shopping online. 1 being the least likely and 5 being the most likely, we can say that the graph towards 3, 4 & 5 is higher and that there are very less customers who hesitate in making purchases online.



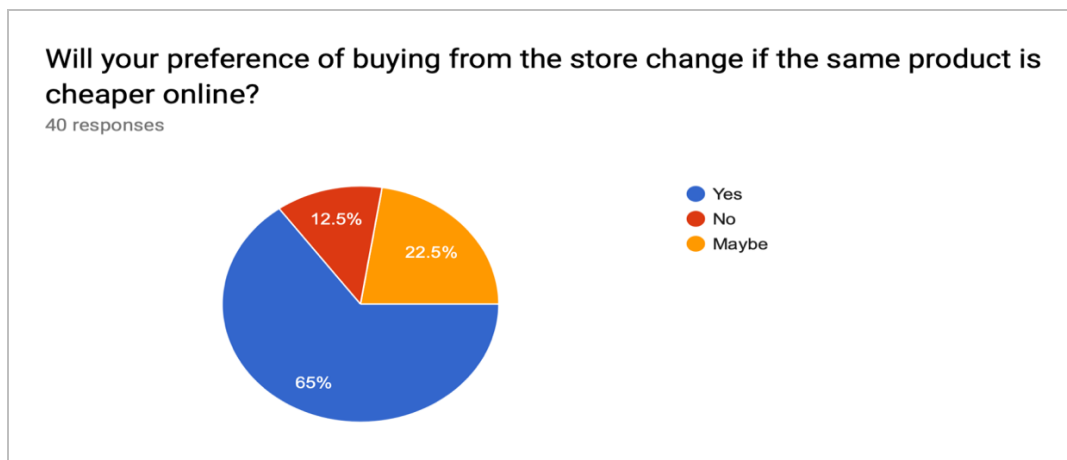
The chart above clearly states that internet security or data security is not the major concern for people to make online purchases. Only 15% see this as a concern while the rest in their past online shopping experiences may not have faced any issues. The aim of our business would also be to try and change the perception of these 15% of people by making them convinced and confident about safe data handling practices.



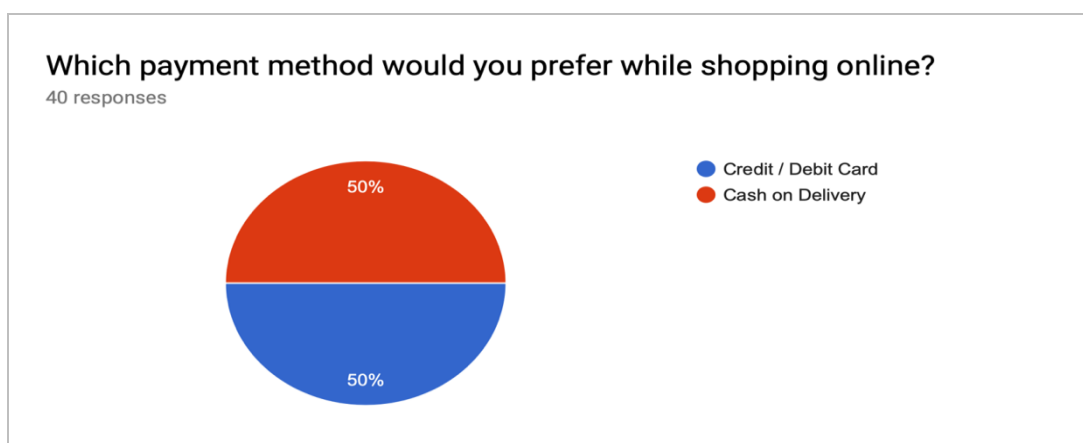
The average amount spent by majority of the people on buying clothes ranges from AED 100 – 300. This is a very positive sign for the business as the average selling price of a unit in DesiChaap would be AED 200.



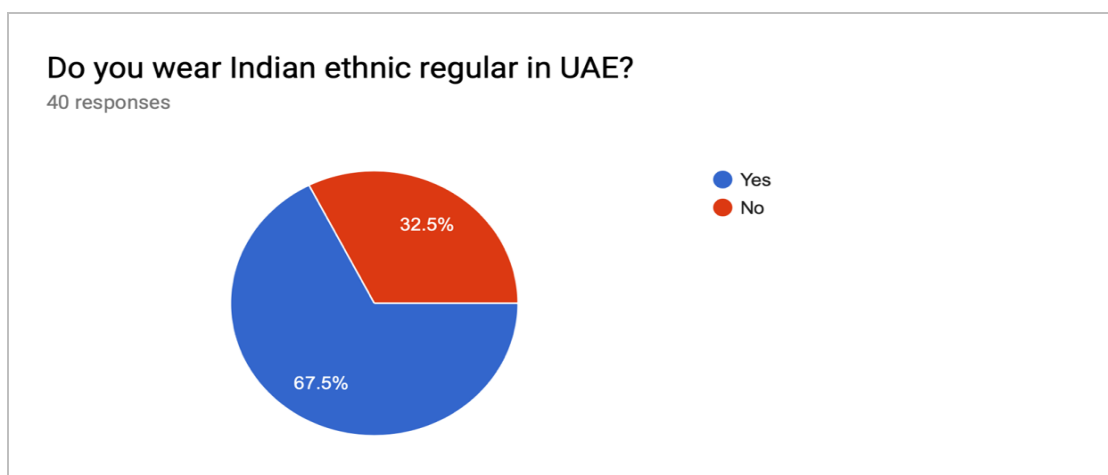
The most widely used online platform in the UAE to shop clothes has been Amazon followed by Namshi. Namshi is a platform that is not meant for Indian clothes and Amazon has extremely limited collection of Indian fashion.



The above question clearly proves that price can change the buying decision of the customers. Hence, proper and fair pricing is an important strategy to earn revenue for any business. 65% of the respondents feel that if the price is cheaper online, then they will make their purchase also online.



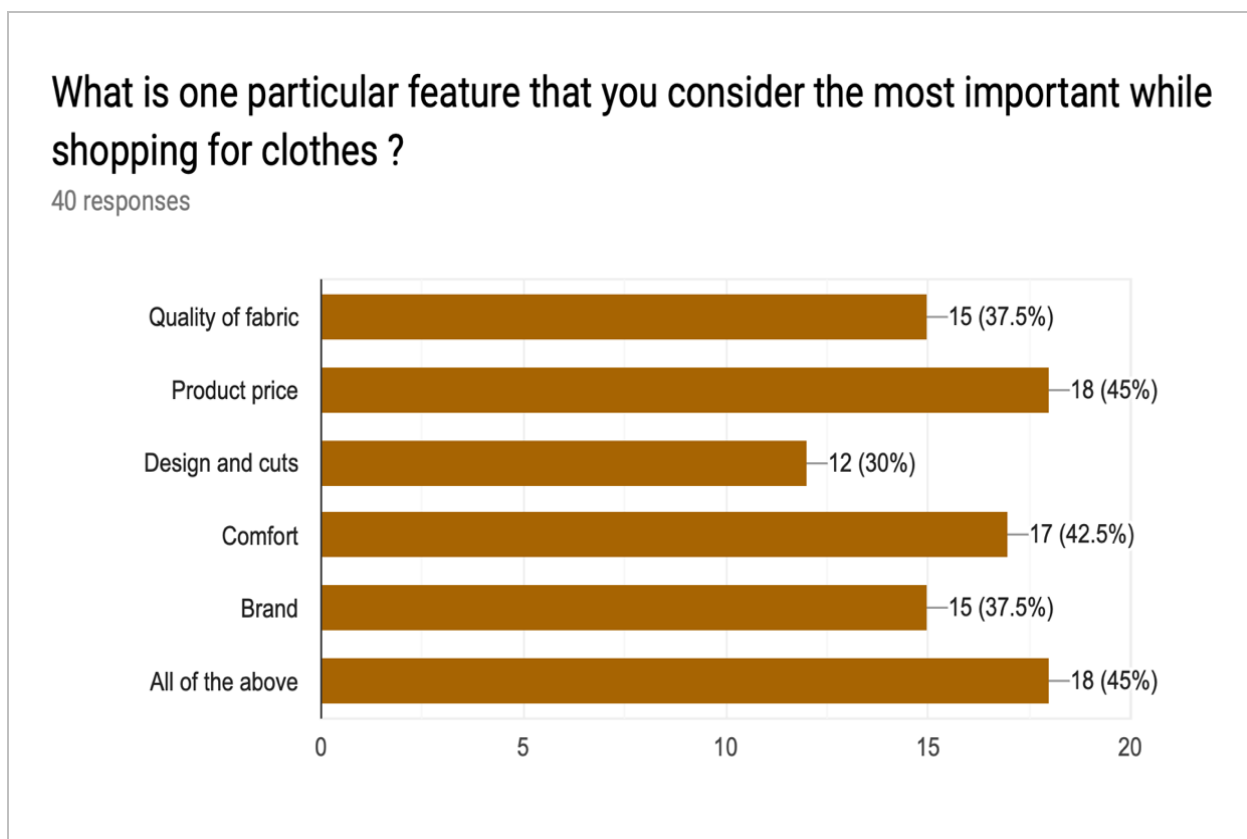
Respondents have a neutral approach when it comes to payment options. 50% of them prefer cash on delivery as a feasible option while the other 50% feel online payment is feasible.



As the business DesiChaap will be exclusively for Indian Ethnic, it is important to know how many Indians even wear them in UAE. With the above graph, we can state that almost 68% of them wear Indian wear which is a positive sign for the business as we know they can create demand.



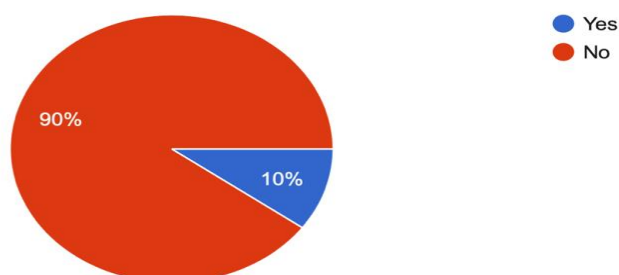
This shows that 80% of the customers buy their Indian wear from India. This created demand as it clearly states that UAE does not have lot of options to offer in Indian wear or customers are not happy to make purchases from here due to factors like price, choice etc.



All factors like fabric quality, price, design, comfort, brand is important to the respondents to make their purchase decisions. Price, however, remains the outstanding factor for them to decide if the product is worth the buy or no.

### Have you purchased any Indian apparel from an online platform in the UAE?

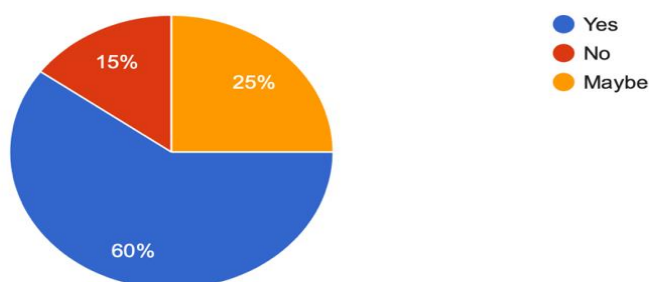
40 responses



90% of the consumers say that they have never purchased any Indian clothes from an online platform in the UAE. This means that there are very less options available and there is good scope for the business.

### Do you think buying Indian outfits in UAE is more of an expensive affair?

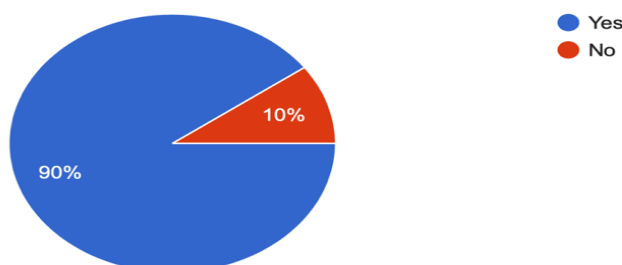
40 responses



Almost 60% of the consumers feel that buying Indian clothes in UAE is an expensive affair and this again emphasizes that price is the most important factor in the purchase decision making process of customers here.

### Do you think the idea of launching an online Indian apparel platform in UAE will be a good idea?

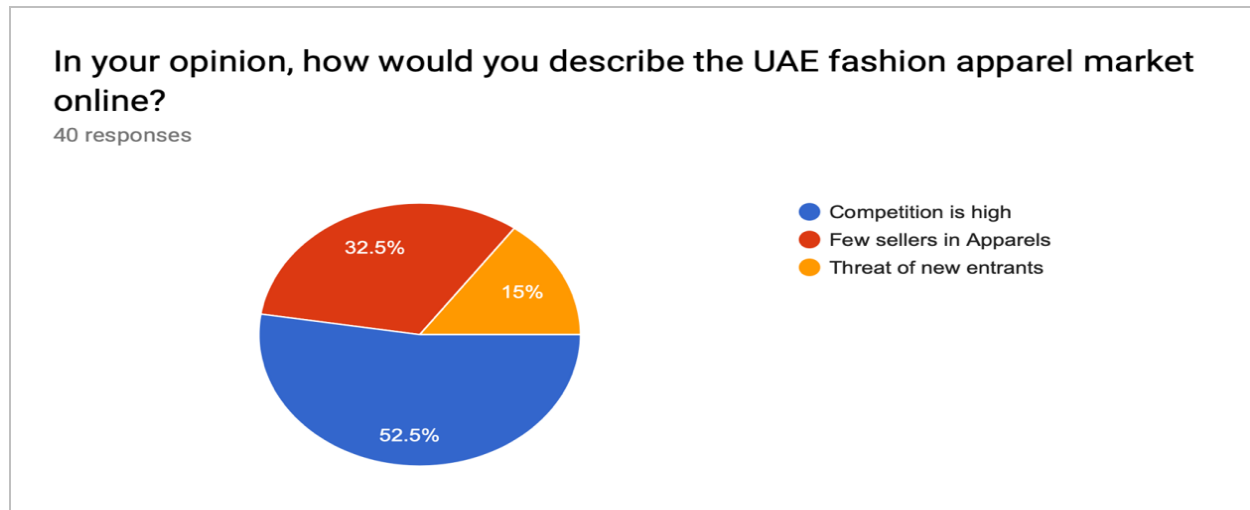
40 responses



90% of the respondents think that the launch of this platform will be a great idea and some of the reasons to justify this is –



- UAE being majorly populated by Indians; it will be easy for them to find and purchase good Indian ethnics within the country.
- There is no much competition in the huge market and hence it will be a profitable venture.
- The love of Indian fabrics can be introduced to other cultures.
- Convenient and hassle - free experience.



According to the UAE Indian respondents, majority of them feel that the competition is high in the UAE fashion apparel market and this is because of the diversified population living here. However, as per 32.5% of respondents, there are few sellers in apparels. Here, the consumers are trying to say that there are few sellers who sell Indian wear.

#### **LIMITATIONS OF DATA COLLECTION**

There are many factors that may have affected or impacted the overall outcome of the survey result. Firstly, due to limitation of time and resources, the survey could be taken from only a small size of 40 Indian people and secondly, due to budget constraints, the expensive and effective primary data collections tools couldn't be used. As this survey was through an online platform, there are chances of receiving dishonest answers. There can also be a gap in understanding and interpreting a question which could impact the answer.

#### **FINDINGS AND CONCLUSION**

With the help of research study conducted in Dubai, it is safe to say that there is scope of business like DesiChaap to boom in this emerging economy. The survey analysis gives us a fair conclusion that the market is customer centric and with the growing competition, it is very important for a business to have a strong USP. As DesiChaap targets a niche market by offering the handcrafted ethnics of India in the UAE market, it lowers the risk of competition to a great extent.

The target market population, segmentation and positioning is rightly done keeping in mind that the Indians are the highest population in UAE. The study of key opportunities and challenges in the market has been a useful resource to understand what the business can offer that suits best the interest of the customers and the business.

The future of business is e-business. With technological advancement, companies are successfully integrating their value chains and supply chains in order to create frictionless operations. E-commerce stores are known to make good money. However, generating traffic remains an essential part for the success of online platforms. Traffic is created when there are a lot of customers who visit the website and keep viewing the products. If the products are reasonable for the target market, then the business is sure to earn good revenue in the near future. With the help of online tools, one can understand how much trafficking is required by a business in order to make sales and generate revenue. (Roach, 2019). The present is already dynamic, and the future evolves from the present, hence it is very important that the foundation of the

business stays strong. And the day is not far, when we hear about a Miley Cyrus inspired Anarkali or a Justin Bieber inspired Bandhgala.

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