

Consumer India's Amma Jaans

Large e-commerce platforms haven't played out in India quite like in the West. Here, they have empowered both small consumers and small suppliers. This is an inclusive growth story

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All modern market economies have regulations that define the rules of the marketplace, and put checks and balances on players, especially big players. Commerce and industry minister Piyush Goyal's criticism of large e-commerce players' practices, including "predatory pricing", should be seen in this context.

● First, consumers' well-being is central to many of the rules. They prohibit 'unfair trade practices' or 'abuse of dominance' or mergers or price cartels or any behaviour that destroys competitors, weakens competition and creates monopolies – all of which, as we know from pre-1991, are really bad for consumers. Such protection of consumers and competition is, of course, welcome. Plus, such rules apply to everyone, regardless of corporate nationality.

● Second, antitrust issues pitting regulators against big business platforms have been increasing the world over, with big businesses accused of exploiting their power and hurting vendors and consumers. The US Federal Trade Commission and 17 US states have filed a lawsuit against Amazon's conduct, where it is accused of abusing its dominant position, to keep prices high and quality low, limit competition and depress innovation.

● Third, the opposite has happened in India. Indeed, before deciding how to deal with Amazon, we need to assess what its entry has done for consumers, small suppliers and the future of competition in India. Like everything else in our country, there are many truths and perspectives, all true and valid, which need to be weighed carefully, rather than blindly following the West.

Why Indian consumers embraced Amazon | With Amazon, Consumer India has got, and embraced, access to huge variety (of goods made in India alongside imports), lower prices, ease of buying, and service like never before. Earlier,

you could not return even a defective item, leave alone something you didn't like.

● No, Consumer India is not being forced to buy pasta or hot pants instead of sambar powder or saris – it is being given the courtesy of choice. Varieties of packaged cow dung are available if you are ritually inclined and black rice at your doorstep if you are a homesick, young, shop girl from Meghalaya in Bengaluru.

● Modest-income consumers love the status-blind service that e-commerce gives. Live in a slum and you get the same

wages – by providing price discovery and benchmarks.

How Indian kiranas stood up to Amazon | What of competitors getting decimated and Amazon becoming the last man standing? One argument is that when we have seen predatory pricing in other categories like telecom, we have been sanguine. But beyond this, there is more solid and nuanced evidence of market dynamics to consider.

● Small shops will continue to do

and Zepto disrupts kiranas for grocery and pantry far more than Amazon.

● And finally, what will see the demise of the bigger town kirana stores are newer settlements like Gurgaon or Powai, with no room for the shops, and gen next who don't want to sit in the shop 24x7, without which the business model does not work.

New economy, magic bullet | The most compelling argument encouraging marketplace platforms is that they are perfect for the structure of demand India has – platforms aggregate small businesses and create a virtual marketplace and provide a host of services that small businesses individually cannot afford and provide more buyers than if located in a small alleyway somewhere.

India's mega consumption story is best described as Lilliput Land – lots and lots of small consumers earning and spending a little bite each that adds up to a lot, served by millions of small suppliers oozing innovation and agility and customer intimacy but lacking in access to the market and to resources of all kinds. Most big companies, including most multinationals, do not serve the mass market small consumer because they cannot make the profit they target and offer the performance consumers want at the price they can afford.

At last, we have found the magic bullet in the new economy – which e-marketplaces are a part of. They aggregate existing small suppliers and small buyers and yoke them together digitally and it's a win-win for all.

India's Lilliput Consumers and Suppliers have given many a MNC Gulliver a run for their money. Amazon will not destroy India's 'small'. In fact, it will enhance them. Complaining small shops will shape up and serve consumers better, or themselves form alternative platforms. The platform marketplace comprising the small is the future of India's mega consumption story. A thousand flowers will bloom and coexist – if only we allow it to happen.

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speed of delivery, price discounts and ability to return as if you live in a big condo. Humans discriminate, digital platforms don't.

● A WhatsApp University joke sums up Consumer India's relationship with Amazon – the husband asks the wife to buy X, Y and Z and each time she says "Amma Jaan se pooch." Annoyed, he asks, "Why bring my mother into everything?" It turns out she means, "Amazon".

● Amazon prices have disciplined many a high street, small electronics shop to reduce prices the same way Nrega forced many a rural employer to raise

well because Consumer India's behaviour is never "either-or" but is "and". Consumer India searches in small physical shops and buys on Amazon (many of the small garment shops, by the way, neither have a trial room nor do they allow returns) or researches thoroughly on Amazon and buys from the neighbourhood store to ensure easy, related services.

● Kirana won effortlessly over physical modern retail by providing personalised value, and India has the largest number of vibrant small shops in the world. Quick commerce of Dunzo