

INTRODUCTION

The Indian furniture market constitutes home décor products, textiles, furniture and furnishings market, this does not include improvement hardware tools, paint etc. Furniture and furnishings market is approximated to be around 1,25,000 Crores out of which 85-95% is unorganized. Reports from leading research organizations expect the organized retailing of furniture to triple its existing size to around 1.3 billion dollars in the upcoming 5 years , the CAGR is expected is around 27% (Nextbigwhat, 2015).Hence, this opportunity is too lucrative to be missed out by the ecommerce players. The furniture retailing channels are very common and known to most customers

1. Traditional markets specialized in selling furniture
2. Local shops (mom n pop stores)
3. Hire local carpenters to get customized designs
4. E retailing (furniture)

The maximum size and market share is enjoyed by the traditional markets for furniture like Kirti nagar in Delhi , Sikanderpur in Gurgaon , this market is a one stop store for all the furniture needs be it traditional furniture or the ultra modern italian furniture. Markets like these accommodate all kinds of furniture and timber. (Economic times, May 2012). Kirti nagar timber market houses more than 800 shops which in itself makes it the largest in the entire nation and arguably in the whole South east Asia. People visit such markets and get their desired furniture item custom made , this entire market believes in the philosophy of selling variety of products while maintaining quality while struggling to keep the most competitive prices . Currently these traditional markets , local shops and carpenter for hire hold the largest chunk of the market and ecommerce in furniture is relatively nascent and has a long way to go. The current 400 million dollar organized residential furniture market is dominated by godrej,style spa and other small players

Looking at the ecommerce growth and to provide furniture online, etailing in this category became a natural choice, the online furniture market works just like the traditional market but it also saves time and effort to visit a place. The tremendous growth of e-retailers like flikpart.com, snapdeal.com helped niche websites like pepperfry.com , fabfurnish.com , urbanladder.com to position themselves as an online furniture showroom.

These furniture websites bring the option to select the item from a catalog of various categories and buy the product, the delivery takes anywhere from 3 days to 30 days depending upon the size and the nature of the product. The only major drawback is that the delivery locations are mostly confined to tier 1 cities but it is a phenomenal start. Selling furniture online gives an alternate to solve customer problems with clicks on the computer and slowly but gradually it is picking up. The average ticket size of fabfurnish.com was Rs 20,000 when they started in a day which felt like a big number which has now exponentially risen and now the major online players can be classified as:

1. Pepperfry.com
2. Fabfurnish.com
3. Urbanladder.com
4. Zansaar.com
5. Mebelkart.com

1.1. Opportunities

The online players have two models in general , first is the marketplace model and other is the in house model , both are equally successful , for example pepperfry.com is a marketplace model and mebelkart.com is a in house model which also has brands registered with it , fabfurnish is now wooing small entrepreneurs to sell with them.

1.2. Marketplace model

In an interview with businessstoday.in Rahul agrawal co-founder and CEO of Bangalore based mebelkart.com mentioned that “he feels furniture is a localized business. We have tied up with local merchant partners. Some of our designs may be proprietary and we check the quality at every stage, but we work with local vendors in each city. This reduces the need for too much logistics, breakages and most importantly, we carry almost no inventory. This is a capital light model that would drive growth” (Businessstoday, 2015).

Mebelkart.com takes up 4th place in the list of online giants and with a funding of 3 million dollars has been able to scale up growth phenomenally. They are delivering in 4800 locations across 500 cities in India. Pepperfry.com outsources majority of its manufacturing, while controlling the quality and the last mile relationship. Mebelkart.com uses 3rd party logistics and pepperfry.com uses its fulfillment centers across the nation.

1.3. In-House Model

In an interview rajiv srivastava co-founder of urbanladder.com was equally critical of the marketplace model he feels “if we are selling others brands, customers will look for lowest price. It is important to have a brand identity of our own and sell only under urbanladder.com brand. We don’t believe in third party logistics. We want to own the entire value chain end to end. Even outsourced manufacturing is done under our close supervision”, this accounts towards In-house model .

Both the models are working effectively for these online furniture websites and they have been raising money in multiple rounds ever since. Online furniture market is booming with every passing day but these leaders also feel the impact of offline presence. Fabfurnish and pepperfry have already set up their stores along with applications for mobile phones.

Pepperfry sources 70-80% of the products from jodhpur and delivers wide variety of designs in over 200 cities and Fabfurnish is the second largest player with a huge variety of SKU’s using a amalgamated approach inclined towards marketplace and focuses on affordable products for the mass market Urbanladder.com focuses on mass affluent market with complete private labeling, its unique selling proposition is high end designs delivered through customer experience

1.4. Funding in brief:

Pepperfry.com raised 5 million dollars initially in series A funding from norwest venture partners in December 2011 in 2013 it raised 8 million dollars, in 2014 they raised 15 million dollars in series c funding by Bertelsmann India investments, they recently raised 100 million dollars in Series D funding led by goldman sachs , zodiac technology fund and existing investors. (chakraborty, 2015).

Mebelkart.com initially raised 3 million dollars and in august 2015 they raised another 20 million dollars by askme.com for a significant share in it which is in excess of 75% . (Jain, 2015)

Urbanladder.com raised 1 million dollars initially from kalaari capital in august 2012, the company later raised 5 million dollars in series A funding by SAIF partners, then it raised 21 million dollars in Series B round funding led by SAIF partners , kalaari capital and steadview capital, after 4 months of this round rattan tata invested money from personal accounts and in 2015 it raised 50 million us dollars (Soni, 2015).

1.4.1. Some other ventures

1. Livspace

Founded in 2012, it is a marketplace for buying furniture based in Bangalore , they raised million dollars in Series A funding led by hellion venture partners and Bessemer venture partners

2. Homelane

Homelane has been able to raise 4.5 million us dollars in series A funding from sequoia capital and aarin capital and seed funding from the duo entrepreneurs

3. Furlenco

Angel funding of 100k dollars helped Bangalore based to rent out furniture on a monthly subscription model , it has also raised 6 million dollars from lightbox ventures.

1.4.2 Other related startups in furniture:

1. Customfurnish
2. Zingyhomes
3. Ghar360
4. Invisiblebed
5. Lekiaan
6. Intruo
7. Pinkscape

It is safe to assume that it is a very exciting sector to start a business with considering its nascent age and infinite possibilities. Online furniture market is far from saturation and can accommodate more players which may emerge eventually to solve customer problems more efficiently and add value to their lives. Any new startup in this sector has to undergo thorough research about the industry potential and understand the need of the customer, the preemptive advantage is with the other players which have been established within a time span of 5 years , careful research will be able to give a clear picture to answer the questions before starting a business properly (Mehta, 2015).

AN OVERVIEW INTO THE RESEARCH

The research design to start in online furniture market follows expert interviews as the primary means of collecting data, secondary research. The expert interviews were conducted in the heart of the furniture market, these experts possessed various skills and had years of experience in their respective field

Raw material suppliers, wholesalers, manufacturers, studio owners

In total more than 70+ meetings took place to firstly understand the types of furniture, manufacturing of the furniture, and following questions were taken into consideration

1. What is it to be made ?
2. How is it made ?
3. What is it made of ?
4. Who makes it ?
5. Where can it be made ?
6. What kind of infrastructure is required ?
7. What tools are used ?

2.1. Product

The first natural question is to understand what product should be made initially , the common options are beds , sofas , coffee tables , dining tables ,centre tables , wooden chairs , Almiras , bookshelves , wall shelves ,etc but each product comes with a different challenge and as a rookie it is important to understand feasibility of the products in detail

Factors to choose what is to be made,

2.1.1. Simplicity of design

It is critical to ensure that the design is simple to calculate the requirement of raw material , only professionals must get into complicated designs

2.1.2. Size

Size of the product plays the most important role in determining the amount of raw material to be used , and it also takes into account the biggest challenge of furniture which is logistics , the bigger the size more are the logistics charges and difficult is the packing

2.2. Raw material

Furniture is made of different types of raw materials, wooden and non wooden. Wood as a raw material has more aesthetic value , age , colour , type are critical to choose the right type of wood for making furniture

Wooden	Non wooden
Hardwood , softwood	Plastic
Sheesham , teak , oak	Aluminium
Rubber wood , Rosewood , mango	Iron
Cedar , fir , pine , redwood	Steel
Plywood	Jute
MDF (medium density fibreboard)	

Table 2.1: Types of raw material

Various wood types have different variety of prices, the high end furniture is usually made of sheesham, teak or oak and the low end furniture is made up of MDF and plywood and a lot of combinations have been used to make different furniture items

The price of the wood is also dependent on its thickness, age, colour

2.3. Real time prices of wood are mentioned below :

Type	Price
Pine	Rs 525 Per cubic foot
Mercanti	RS 840 – Rs 900 Per cubic foot
Ivory cost	Rs 1375 – Rs 1700 Per cubic foot
Malaysian Sal wood	Rs 1650 – Rs 2100 Per cubic foot
Cp teak	Rs 3200 Per cubic foot

Table 2.2: Prices of wood

Type Of Boards	Price
Particle board	Rs 16 – Rs 18 Per sq ft
Plywood	Rs 26 – Rs 65 Per sq ft
MDF (8*4 foot board)	<p>1) 10 mm – Rs 800</p> <p>2) 11 mm – Rs 850- Rs890</p> <p>3) 16.5 mm – Rs 1216</p> <p>4) 17 mm – Rs 1216 – Rs1312</p> <p>Pre laminated (both sides)</p> <p>1) 11 mm – Rs 1600</p> <p>2) 17 mm – Rs 1856 – Rs 1984</p> <p>Single side laminate 11 mm – Rs 1440</p>

Table 2.3: Types of boards

The finish is equally important, the primary material used in making common beds includes hardwood and more of secondary material which is the plywood, without the right finish the furniture can not be sold to any customer. The finishing material will have a huge impact on price too and not every type of wood is used for every type of furniture, a certain quality of wood is advised to be used for specific furniture item so again it requires careful detailing to use the right raw material for the right furniture item

Types of common finishing materials:

1. Polish (normal and matte)
2. Lacquer paint
3. Veneer
4. Laminates
5. Wood wax
6. Laminate color tapes
7. Handles, hooks, other fittings & fixtures

2.4. Use of upholstery

Upholstery is a different ball game altogether, various fabrics in different colors are available in the market to choose from, a different skilled labor is required to make these products like in sofa, beds, chairs etc. Prior knowledge of textile is a must as it's not easy to fix the standard beds and accommodate the rightly measured mattresses into it although they can be easily outsourced

2.5. Ease of availability of raw material

Locating the wholesalers of raw material and hard negotiation will help in cost effective buying which is as good as making profits, it is advised to visit as many wholesalers in different markets as possible and sometimes these wholesalers are found in the places which aren't typically fancy as the showrooms displaying the finished product

2.6. Ease of finding Skilled labour

In the heart of every furniture market, skilled labor is easily available , on legal & moral grounds do not hire children below 16 years of age which are also working in many small and medium enterprises

2.7. Experience of labour on the raw material

The labor must have prior experience on the raw material, since the raw material is not very cheap in wooden furniture it is crucial to hire the right people to give the desired finish of the product, negotiation is important while ensuring that the quality of the final product doesn't take a hit

Note

To select the designs, it is important to perform a market research like bestsellers, number of views of a product etc, the product design should be scalable at an affordable price

MANUFACTURER

There are local furniture markets in and around Delhi, like Kirti nagar, Pachkunan road ,Sikanderpur etc and there are other furniture vendors scattered all across the city. The local furniture markets are unorganized and divided into two segments like the showrooms, shops ,small and medium furniture making enterprises etc, in and around these markets it is possible to find wholesalers selling raw material of various quality , size and prices. After selection of designs, it is required to make a costing sheet.

It is advised to visit at least 20 small scale manufacturers to understand how wooden furniture is being manufactured. Accordingly the feasibility analysis could be done to identify the most suitable raw material & manufacturer and it is important to consider few points to select the manufacturer:

1. Infrastructure (machinery, no of workers)
2. Price (fixed or flexible)
 - a) Manufacturing on per sq ft basis or
 - b) Manufacturing per unit/ category basis or
 - c) Fixed Labor charges + raw material
3. Time to manufacture bookshelf
4. Storage space
5. Packing type
6. Delivery to a certain location included in the final price or not
7. Warranty of product (usually verbal)
8. Maximum ability to produce
9. Past experience
10. Receipt of bill

PROCESS FLOW DIAGRAM

The process flow diagram gives a step by step approach to understand the product development cycle and helps in identification of loop holes at an early stage. It is fairly common to see bottlenecks arising after starting a project, this process flow diagram depicts pre stages of developing bookshelves , after reading through the product selection factors bookshelves, coffee table , side table could have been considered as a safe option to enter into a market . Now the flow diagram starts with selection of product and ends with the final transportation of the product.



Figure 4.1

SELLING PLATFORM

After product selection and development the question arises where to sell it? The first major players in selling online furniture were snapdeal.com, fabfurnish.com, urbandladder.com and pepperfry.com , mebelkart.com , they have been founded just a few months apart from each other . These furniture websites operate on a managed marketplace model where furniture retailers can register themselves and submit their designs along with the prices , they charge a hefty amount from the sellers as a commission ranging from 10% to 45 % , the marketing strategy to allow as many sellers as possible to register with them is that listing of products on the websites is absolutely free , in 2013 it was seen that various furniture brands like dutian , nilkamal , godrej interio also tied up these websites to sell furniture which resulted in a mix of offline and online since there are many offline stores of these brands and they are readily available in the market infact in the local stores.

During the early 2015 the only major giant selling furniture apart from niche websites was snapdeal. Amazon and flipkart will not start selling furniture until November 2015, so during that period the only viable option for any seller would be to go sell through snapdeal.com. And talking about bookshelves only 84 options were available during December 2014 to march 2015 and even in the present date there are only 300+ options (search keyword book shelf)

WEBSITE	COMMISSION
Snapdeal	9% (march 2015) 13% (November 2015) 20% (December 2015)
Flipkart	18% ; launched around mid year 2015
Amazon	10% ; launched in oct- November 2015

Table 5.1: Commission of platforms

Snapdeal provides logistics services across PAN India except few parts of Uttar Pradesh which gives a great option to any seller to launch products nationwide, this model is really exciting as there is no involvement of paying electricity bill, rent like in a traditional brick and mortar model. These e-commerce giants have given a real-time alternative to people to start their own business with a limited capital. Now talking about selling furniture which is considered as a high profit margin business in general, the websites kept on increasing their commission looking at the tremendous customer response and logistics charges also shot up overtime. And when this happened the retailers went onto register with various websites other than just Snapdeal which was earlier the only natural platform to go to, the commission charges of furniture websites like fabfurnish.com, urbandladder.com and pepperfry.com were as high as twice what Snapdeal.com was charging, their high commission accounts to well-directed traffic that they get being a niche market online. And this is not the only loop hole into the system which goes against an entrepreneur, the tie-up with these furniture websites also requires sending your product to their warehouse location and the logistics charges of transfer of the product will not be reimbursed, this could be viable only if the retailer is sending products in bulk or using self-assembly products, because even after launch of 350 new logistics companies in 2015, the prices of transporting furniture is likely to remain high, furniture logistics charges considering its volumetric weight can be safely assumed to be highest among other home products.

The charges of logistics depend upon :

1. Volumetric weight
2. Actual weight

The companies tend to charge whichever weight is higher, at the product development stage it is also crucial to give the right set of dimensions, an extra few cms more tend to significantly increase the logistics charges and profit cuts short.

There have been inception of various 0% commission platforms like shoppo.com (owned by Snapdeal.com) but the response is not even close to what other platforms offer in the same category like OLX or QUIKR.

It has been observed that many dealers without going into the details of online business post the items on on OLX and QUIKR and the number of clicks in a day is far better than an item which is lost somewhere in the pages incase promotional fee is not paid. OLX and Quikr also allow the seller to make respective advertisement come on top search result by paying a premium on a weekly or a monthly basis and the charges are :

	OLX	Quikr
Weekly or bi weekly premium fee	Rs 449 weekly	Rs 97 for 15 days
Monthly premium fee	Rs 899	Rs 129

Table 5.2 : OLX and Quikr advertising prices

6.1. Manufacturing

1. Identification of the manufacturer as per needs
2. Procuring right quality wooden primary material at a suitable price
3. Understanding the right quality of raw material :
 - a. Type
 - b. width
 - c. company name
 - d. Sustainability with secondary product (lacquer, veneer, polish, laminates)
 - e. Procurement of secondary product
4. Changing prices of manufacturer
5. Non availability of labour
6. Delay in manufacturing
7. Error in manufacturing, minute changes in the design as per own will
8. Clarity of designs to the manufacturer
9. Monitoring the process
10. More visits to the manufacturer means more transportation cost
11. Non optimized production and wrong forecast about raw material

Raw material optimization is absolutely necessary, the key focus should be onto maximizing production and minimizing wastage

1. Mapping between raw material requirement and pricing helps in estimating cost of making the product without the labor charges and fittings and fixtures
2. It also helps in negotiation with the skilled labor and to set a fixed price
3. Quantity of laminate is at least 1.5 times the plywood

4. Same color of laminates used to keep the cost down
5. Cost of laminates used varied from Rs 375 – Rs 525 for 8*4 sheet , 0.8 mm
6. One sheet of plywood costs between Rs 850 to Rs 1760
7. ISI marked board can be purchased at wholesale price of Rs 1100 approximately

6.2. Selling

1. Frequently changing commission charges
2. Logistics charges, Snapdeal.com charges flat Rs 972 for bookshelves irrespective of volumetric weight

Amazon doesn't ship any product using its own fulfillment services with a volumetric weight more than (55*35*30 cms) along with No region wise product selling option that means if a seller has 20 products in a catalog on amazon , then all the products will be shipped in the same zone as selected

Lets say furniture retailer X listed 5 products on amazon selecting shipping region as Delhi/ncr then in future he can not add 5 more products that he wishes to sell nationwide without having to sell the existing products nationwide too , shipping settings do not allow region wise product sale

Only amazon.in fulfilled products are allowed to have cash on delivery despite of the fact that seller enlisted on the amazon.in can provide the cash on delivery service , cash on delivery service is really important in a country like India where people prefer using cash and they still don't put their trust on internet banking

It is generally believed that inventory is a risk that every business operates with, it can be treated both ways asset and a liability. Another important challenge that every business owner comes across is how much money to put in and how much feasible it is going to be even when the response of the product isn't great, this is what can be called as sellers dilemma, capital is a huge constraint just like brick and mortar model , each business aspect revolves around the amount of money that can be invested and every business at some point requires re investment

6.3. Packing

All the ecommerce websites follow a certain standard packaging policy for different items, furniture is such item which requires extra special care, the difficult part is to ensure that the edges of the product are carefully wrapped in the packing material.

Usually an item is packed using bubble wrap where a 100 meter roll is available from Rs 250 - Rs 750 and then the product is wrapped using cardboard sheet (per kg is charged) roll to ensure that the product may sustain damages by the third party logistics company

Training of employees to pack the product is also necessary, if not, then a starting merchant can train itself for packing the items which can be tricky.

6.4. Photography

An important factor which is often neglected is the quality of photography, it is vital to not to underestimate the role of pictures since they act as a customer touch point and all the touch points of a company should be such that they market the company and propagate a clear brand image and strengthen the position along with distinguishing the brand. A lot of freelancers have entered this market for providing photography services to realize this new demand, they charge anywhere between Rs 150 to Rs 250 per angle of one product, it is generally advised to have at least 3 pictures of the product online so that it is easier for the customer to analyze and buy Fabfurnish.com started with enlisting 2000 products and now it has more than 80000 options to buy (inclusive of home décor items as well)

6.5. Logistics

All the logistics handlers consider weight as the key aspect to decide the price of delivery, the product is charged on the basis of volumetric weight or actual weight and usually whichever comes out to be higher.

Snapdeal has contracted many third party logistics companies for delivery of products as well as return , the logistics charges start anywhere from Rs 12/kg to Rs 40 per kg and entirely depends upon the location of the delivery . The city / town where it is to be delivered plays an important role for identification of the prices.

The logistics companies have classified places of delivery across India as

1. Tier 1 cities
2. Tier 2 cities
3. Tier 3 cities
4. Tier 4 cities

Along with location of delivery, they charge as per the requirement of the merchant, express delivery options are also provided where not necessarily only the surface shipping charges will apply , it will include the air freight charges , a fuel surcharge is also inclusive of the deal and sometimes there is a 14% service charge on the freight bill, many companies are giving logistics services like, Fedex , aramex , bluedart , Dtdc , Dhl , ecomm express , dehlivery etc

There are a few myths to online selling as well, the discounting model followed by almost all the ecommerce giants lures the customers about the lucrative deals they offer ,in reality there is no discount given by the merchants , it is only the website's decision to attract more traffic on the website by creating a buzz through promotional offers , the merchants cut is fixed and there are 0 discounts from a merchant side, they can regulate the prices as per their own wish. The portal allows you to set an MRP and a selling price , so the difference in the MRP and the selling price can be displayed as a discount by the customer.

In the next example we see that Maximum retail price is Rs 6781 , selling price is Rs5999 and the discount it shows on the website is 12% , this is easily regulated by the merchant and discounts are not as they appear to be .

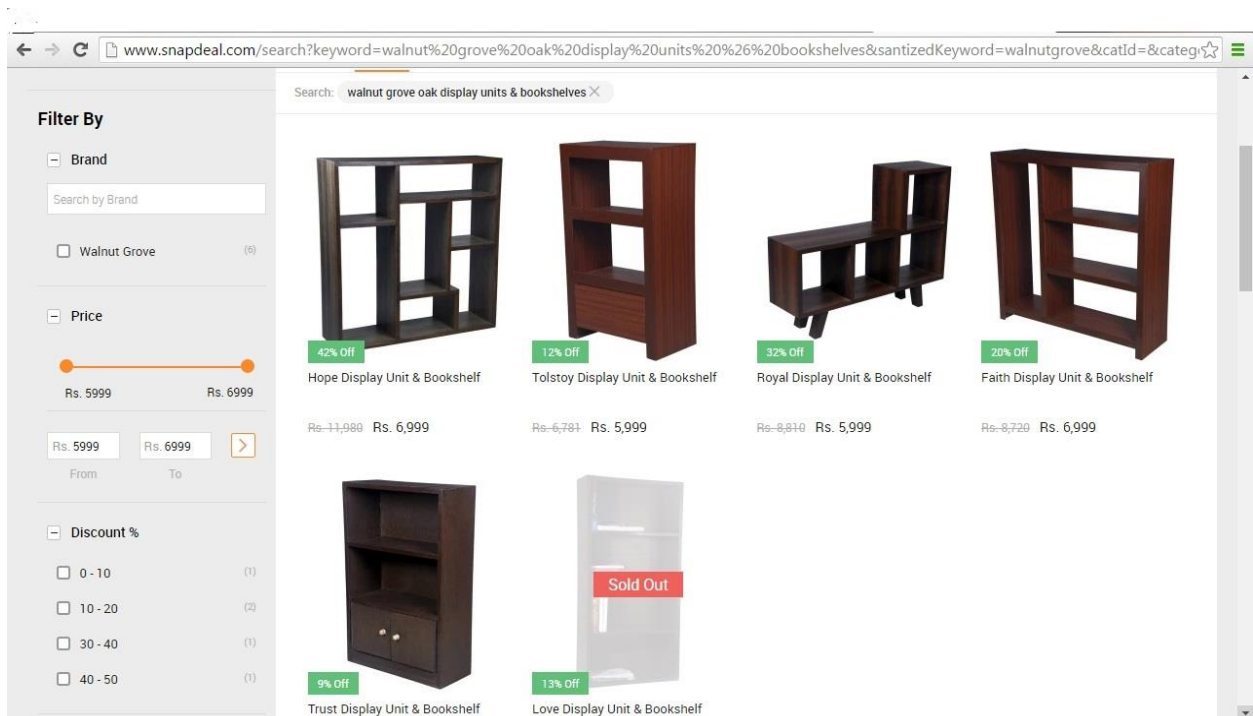
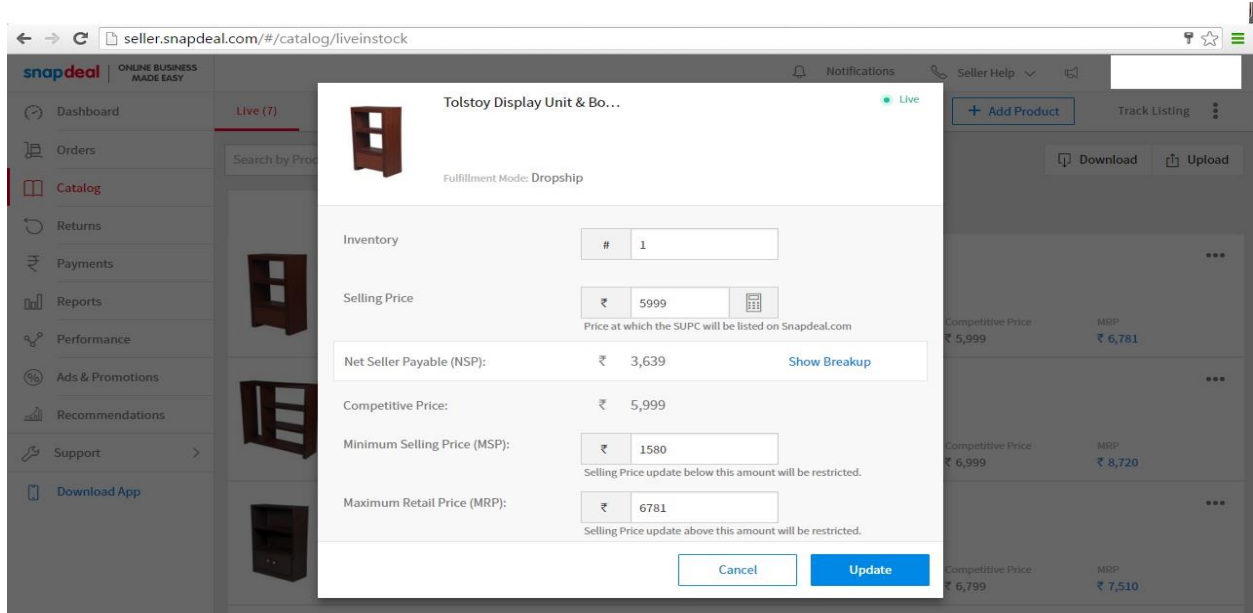


Figure 6.5.1: Promotional discounting

PROMOTIONS

The listings on the website is free , but it is really easy to be lost in any category of thousands of products and it will just get competitive with time as more products are introduced and uploaded , now a shoe maker will have to compete with 30,000 more designs , a tshirt maker will probably compete with another 35000 designs over major ecommerce websites , the real question is how to distinguish your page and make the consumer buy the product , to solve this companies have come up with various promotional schemes to fetch money out of merchants , here are some common classified ways of promoting a product

1. CPC (cost per click)
2. Keyword search
3. Sponsored ads

5000 Rs. amazon is the minimum amount amazon charges from a merchant to put the account under promotions , they assure a 25% increase in the number of clicks in a day which leads to increase in number of orders received , there is no guarantee on the number of orders they may bring in , they also charge a large chunk of money to display sponsored ads of your products on initial pages

A merchant is also given the option to buy certain keywords for a time limit , like if a merchant is selling bookshelves then he may purchase keywords for example bookshelf ,bookshelves , wooden bookshelf so that when the customer types bookshelves in the search bar of the website he product of the merchant is displayed at the top .

OTHER CHALLENGES

Customers have different requirements and no two requirements are same, the standard measurements sold by these websites are often not suitable for the requirements of the customers. Woodenstreet and stitchwood are two startups which are trying to solve this problem and selling customized furniture.

And on the merchant side sufficient handling knowledge of computers is mandatory. At every step the merchant will have to keep innovating ways to handle people on working with these websites , the training given by these websites for on boarding is self explanatory but it needs to be practiced regularly which happens at the time of order only

The seller portal of snapdeal.com was complicated and recently after user interface changes they have improved , but amazon.in beats every other platform because of analytics , basically amazon gives merchant the option to look at number of clicks on products in a day , orders fetched etc , it is identify a trend of shopping over weekends as number of clicks on the products automatically increases and then dips after Sunday night . Merchant service of snapdeal is poor , they sometimes put you in a loop of their departments and queries aren't solved , different people take up queries which makes it confusing at time while payment cycle is twice in a month or 2-3 weeks from the date of manifest generation which is nothing but confirmation of shipment from merchant's end. (Ranawat, 2015).

CONCLUSION

Despite the challenges in selling furniture online, It remains a new market with a lot of potential , as a merchant if challenges revolve around logistics then there is a possibility of tying up with local players to sell furniture, ie in order to sell products at a competitive price it is important that the furniture being sold is produced locally , so if a furniture selling company has an office in Bangalore then it would be strongly advised that in order to sell the furniture in Delhi connect with furniture manufacturers in Delhi,. Expanding company's network locally is important which means contacting manufacturers on Delhi , getting the furniture made and delivering it to the customer, this will reduce logistics cost phenomenally , so again it is advised to source the products locally and that is why the furniture websites asks to put in the pin code as soon as a customer lands up on their page, and for the logistics, contracting directly with logistics companies is beneficial but remember to adjust to their minimum order requirements and delivery locations else for starting up it is easy to contract with shiprocket.in which has associated itself with various major logistics companies and is able to give competitive rates for delivery with no minimum order restriction but only a fixed quarterly fee. The logistics partner is an important entity to set a suitable price so selection becomes a careful task, selection could be based on various options and priorities and these logistics companies also differ from each other in terms of delivery locations ,pricing etc.

aramex delivery unlimited					
Weight Slab	DEL/NCR	NORTH	METRO	REST OF INDIA	NORTH EAST
First 500 gms	Rs.20/-	Rs.25/-	Rs.30/-	Rs.32/-	Rs.50/-
Every Addl. 500 gms	Rs.20/-	Rs.25/-	Rs.30/-	Rs.32/-	Rs.50/-
Fuel Surcharge	37% charged over the Base freight charge				
	Fuel Surcharge are charges applied by the logistics companies based on the current prevailing International Oil Rates. The same experience constant fluctuation which shall be informed to the merchant on time to time basis				
COD Charges	Rs. 35 or 1.50% of the value of the order whichever is higher				
KartRocket Comments	Has fully automated pick-up notification and a preferred partner for big cities, metros and local delivery. They charge clearance charges for few locations.				

FIGURE 9.1: Aramex delivery charges

Delhivery					
Courier company	Zone A (INR)	Zone B (INR)	Zone C (INR)	Zone D (INR)	Zone E (INR)
Rates per 500 gms	25.00	30.00	35.00	40.00	47.00
Fuel Surcharge	15% charged over the Base freight charge Fuel Surcharge are charges applied by the logistics companies based on the current prevailing International Oil Rates. The same experience constant fluctuation which shall be informed to the merchant on time to time bases.				
COD Charges	Rs. 35 or 1.30% of the value of the order whichever is higher				
KartRocket Comments	Focuses completely on the Ecommerce shipment. Has low FSC charge.				

FIGURE 9.2: Delhivery delivery charges

Fedex STANDARD OVERNIGHT (COD orders or Order value above Rs.5000)					
Courier company	Zone A (INR)	Zone B (INR)	Zone C (INR)	Zone D (INR)	Zone E (INR)
Rates for 1 st 1Kg (minimum weight charged 1 kg)	30.30	44.30	63.00	70.00	91.00
For further per KG	30.30	44.30	63.00	70.00	91.00
Fuel Surcharge	40% charged over the Base freight charge Fuel Surcharge are charges applied by the logistics companies based on the current prevailing International Oil Rates. The same experience constant fluctuation which shall be informed to the merchant on time to time bases				
COD Charges	Rs. 50 or 2.00% of the value of the order whichever is higher				
KartRocket Comments	Most trusted partner, please don't ship to their ODA location it is very expensive. Standard overnight is applicable for all shipments above the value of Rs.5000 or booked under COD.				

FIGURE 9.3: FedEx Standard overnight delivery charges

Fedex PRIORITY OVERNIGHT (Non-COD below Rs.5000 Shipment Value)					
Courier company	Zone A (INR)	Zone B (INR)	Zone C (INR)	Zone D (INR)	Zone E (INR)
Rates per upto 500 gms	21.00	26.80	31.50	36.20	45.50
For further 500 gms	21.00	26.80	31.50	36.20	45.50
Fuel Surcharge	40% charged over the Base freight charge Fuel Surcharge are charges applied by the logistics companies based on the current prevailing International Oil Rates. The same experience constant fluctuation which shall be informed to the merchant on time to time bases				
KartRocket Comments	Most trusted partner, please don't ship to their ODA location it is very expensive. Priority overnight is applicable for all shipments below the value of Rs.5000 and NON-COD orders.				

FIGURE 9.4: FedEx Priority overnight delivery charges

Shipping rates of Fed ex as a direct contract with a merchant will be applicable as follows and do not include surcharges and handling fees

Weight (KG)	FedEx Priority Overnight Package												
	Zone DA	Zone DB	Zone DC	Zone DD	Zone DE	Zone DF	Zone DG	Zone DH	Zone DI	Zone DJ	Zone DK	Zone DL	Zone DM
	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
0.50	55.30	55.30	55.30	63.70	55.30	55.30	55.30	63.70	37.40	42.70	55.30	63.70	84.30
1.00	96.60	96.60	96.60	116.20	96.60	96.60	96.60	116.20	65.40	75.20	96.60	116.20	158.50
1.50	137.90	137.90	137.90	168.70	137.90	137.90	137.90	168.70	93.40	107.80	137.90	168.70	232.70
2.00	179.20	179.20	179.20	221.20	179.20	179.20	179.20	221.20	121.40	140.30	179.20	221.20	306.90
2.50	220.50	220.50	220.50	273.70	220.50	220.50	220.50	273.70	149.40	172.90	220.50	273.70	381.10
3.00	261.80	261.80	261.80	326.20	261.80	261.80	261.80	326.20	177.40	205.40	261.80	326.20	455.30
3.50	303.10	303.10	303.10	378.70	303.10	303.10	303.10	378.70	205.40	238.00	303.10	378.70	529.50
4.00	344.40	344.40	344.40	431.20	344.40	344.40	344.40	431.20	233.40	270.50	344.40	431.20	603.70
4.50	385.70	385.70	385.70	483.70	385.70	385.70	385.70	483.70	261.40	303.10	385.70	483.70	677.90
5.00	427.00	427.00	427.00	536.20	427.00	427.00	427.00	536.20	289.40	335.60	427.00	536.20	752.10
5.50	468.30	468.30	468.30	588.70	468.30	468.30	468.30	588.70	317.40	368.20	468.30	588.70	826.30
6.00	509.60	509.60	509.60	641.20	509.60	509.60	509.60	641.20	345.40	400.70	509.60	641.20	900.50
6.50	550.90	550.90	550.90	693.70	550.90	550.90	550.90	693.70	373.40	433.30	550.90	693.70	974.70
7.00	592.20	592.20	592.20	746.20	592.20	592.20	592.20	746.20	401.40	465.80	592.20	746.20	1,048.90
7.50	633.50	633.50	633.50	798.70	633.50	633.50	633.50	798.70	429.40	498.40	633.50	798.70	1,123.10
8.00	674.80	674.80	674.80	851.20	674.80	674.80	674.80	851.20	457.40	530.90	674.80	851.20	1,197.30
8.50	716.10	716.10	716.10	903.70	716.10	716.10	716.10	903.70	485.40	563.50	716.10	903.70	1,271.50
9.00	757.40	757.40	757.40	956.20	757.40	757.40	757.40	956.20	513.40	596.00	757.40	956.20	1,345.70
9.50	798.70	798.70	798.70	1,008.70	798.70	798.70	798.70	1,008.70	541.40	628.60	798.70	1,008.70	1,419.90
10.00	840.00	840.00	840.00	1,061.20	840.00	840.00	840.00	1,061.20	569.40	661.10	840.00	1,061.20	1,494.10

FIGURE 9.5 FedEx Priority overnight delivery charges

Weight (KG)	FedEx Standard Overnight Package												
	Zone DA	Zone DB	Zone DC	Zone DD	Zone DE	Zone DF	Zone DG	Zone DH	Zone DI	Zone DJ	Zone DK	Zone DL	Zone DM
	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
1.00	78.40	78.40	78.40	85.40	78.40	73.40	78.40	85.40	43.40	49.00	78.40	85.40	112.00
2.00	156.80	156.80	156.80	170.80	156.80	156.80	156.80	170.80	86.80	98.00	156.80	170.80	224.00
3.00	235.20	235.20	235.20	256.20	235.20	235.20	235.20	256.20	130.20	147.00	235.20	256.20	336.00
4.00	313.60	313.60	313.60	341.60	313.60	313.60	313.60	341.60	173.60	196.00	313.60	341.60	448.00
5.00	392.00	392.00	392.00	427.00	392.00	392.00	392.00	427.00	217.00	245.00	392.00	427.00	560.00
6.00	470.40	470.40	470.40	512.40	470.40	470.40	470.40	512.40	260.40	294.00	470.40	512.40	672.00
7.00	548.80	548.80	548.80	597.80	548.80	548.80	548.80	597.80	303.80	343.00	548.80	597.80	784.00
8.00	627.20	627.20	627.20	683.20	627.20	627.20	627.20	683.20	347.20	392.00	627.20	683.20	896.00
9.00	705.60	705.60	705.60	766.60	705.60	705.60	705.60	766.60	390.60	441.00	705.60	766.60	1,008.00
10.00	784.00	784.00	784.00	854.00	784.00	734.00	784.00	854.00	434.00	490.00	784.00	854.00	1,120.00

FIGURE 9.6: FedEx Standard overnight delivery charges

Weight (KG)	FedEx Express Saver/FedEx Economy Package																			
	Zone DA	Zone DB	Zone DC	Zone DD	Zone DE	Zone DF	Zone DG	Zone DH	Zone DI	Zone DJ	Zone DK	Zone DL	Zone DM	Zone DN	Zone DO	Zone DP	Zone DQ	Zone DR	Zone DS	Zone DT
	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
1.00	92.00	92.00	92.00	92.00	92.00	92.00	100.00	73.00	73.00	73.00	73.00	73.00	73.00	46.00	55.00	55.00	92.00	73.00	73.00	100.00
2.00	92.00	92.00	92.00	92.00	92.00	92.00	100.00	73.00	73.00	73.00	73.00	73.00	73.00	46.00	55.00	55.00	92.00	73.00	73.00	100.00
3.00	92.00	92.00	92.00	92.00	92.00	92.00	100.00	73.00	73.00	73.00	73.00	73.00	73.00	46.00	55.00	55.00	92.00	73.00	73.00	100.00
4.00	92.00	92.00	92.00	92.00	92.00	92.00	100.00	73.00	73.00	73.00	73.00	73.00	73.00	46.00	55.00	55.00	92.00	73.00	73.00	100.00
5.00	92.00	92.00	92.00	92.00	92.00	92.00	100.00	73.00	73.00	73.00	73.00	73.00	73.00	46.00	55.00	55.00	92.00	73.00	73.00	100.00
6.00	92.00	92.00	92.00	92.00	92.00	92.00	100.00	73.00	73.00	73.00	73.00	73.00	73.00	46.00	55.00	55.00	92.00	73.00	73.00	100.00
7.00	92.00	92.00	92.00	92.00	92.00	92.00	100.00	73.00	73.00	73.00	73.00	73.00	73.00	46.00	55.00	55.00	92.00	73.00	73.00	100.00
8.00	92.00	92.00	92.00	92.00	92.00	92.00	100.00	73.00	73.00	73.00	73.00	73.00	73.00	46.00	55.00	55.00	92.00	73.00	73.00	100.00
9.00	92.00	92.00	92.00	92.00	92.00	92.00	100.00	73.00	73.00	73.00	73.00	73.00	73.00	46.80	55.00	55.00	92.00	73.00	73.00	100.00
10.00	100.00	100.00	100.00	100.00	100.00	100.00	111.00	80.00	80.00	80.00	80.00	80.00	80.00	52.00	61.00	61.00	100.00	80.00	80.00	111.00

FIGURE 9.7 FedEx Standard economy delivery charges

Zoning

Zoom in (Ctrl+Plus)		FedEx Economy Zoning:	
Priority Overnight & Standard overnight Zoning			
Regions	Zone	DA	BLR
Mumbai	DA	DB	South1
Pune	DB	DC	Chennai
Ahmadabad	DC	DD	South2
Rest of West	DD	DE	HYD
Bangalore	DE	DF	South3
Hyderabad	DF	DG	South4
Chennai	DG	DH	Mumbai
Rest of South	DH	DI	Pune
Delhi NCR	DI	DJ	West1
Rest of North	DJ	DK	Ahead
Kolkata	DK	DL	West2
Rest of East	DL	DM	Central1
North East	DM	DN	DEL
		DO	Norht1
		DP	Norht2
		DQ	Norht3
		DR	Calcutta
		DS	East1
		DT	East2

TABLE 9.1 FedEx Zoning

At last everything goes around pricing and quality, so for pricing it is important to have strong negotiation and people skills and maintaining quality will help brand building for a longer sustainability of the company

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