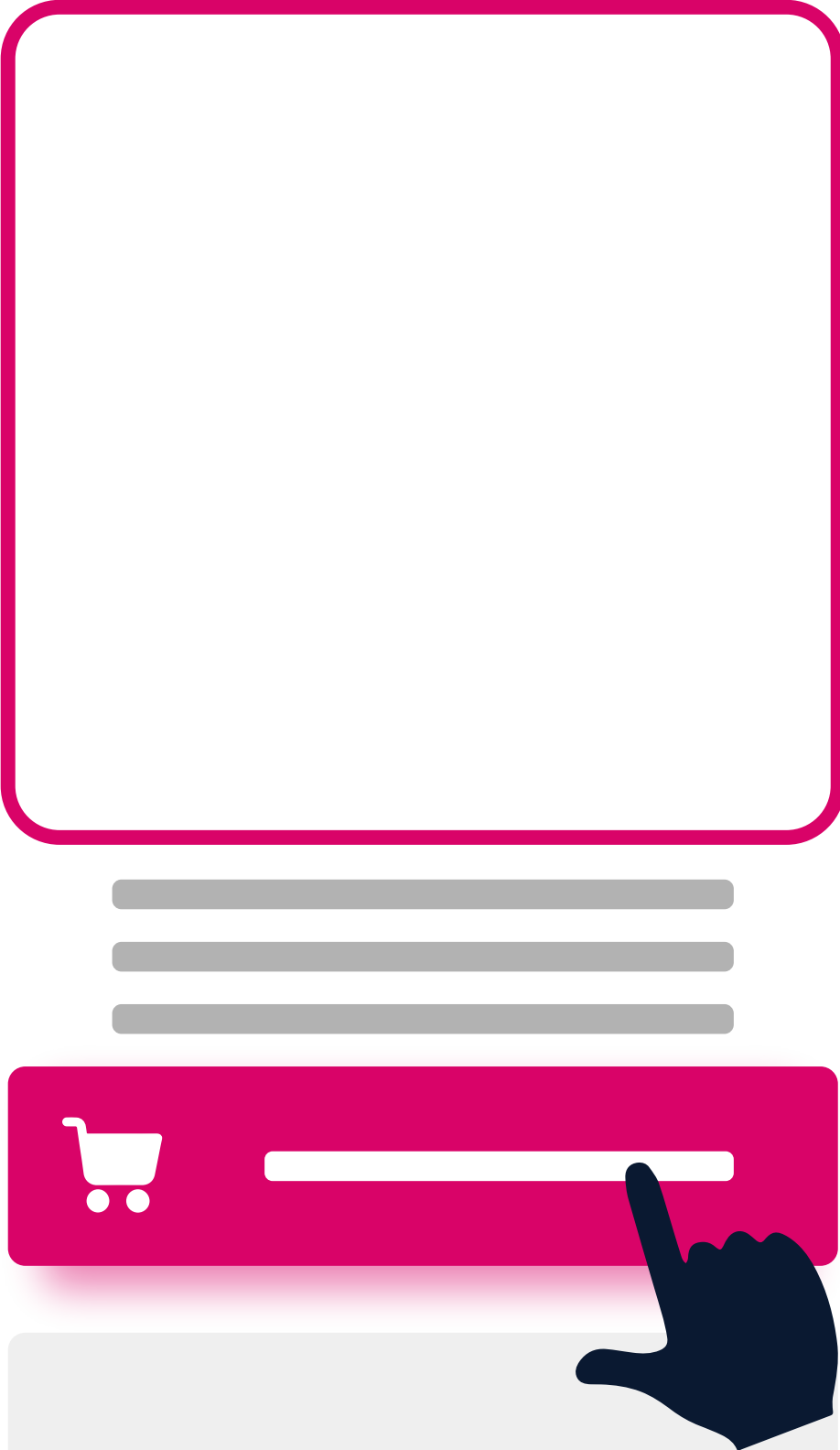
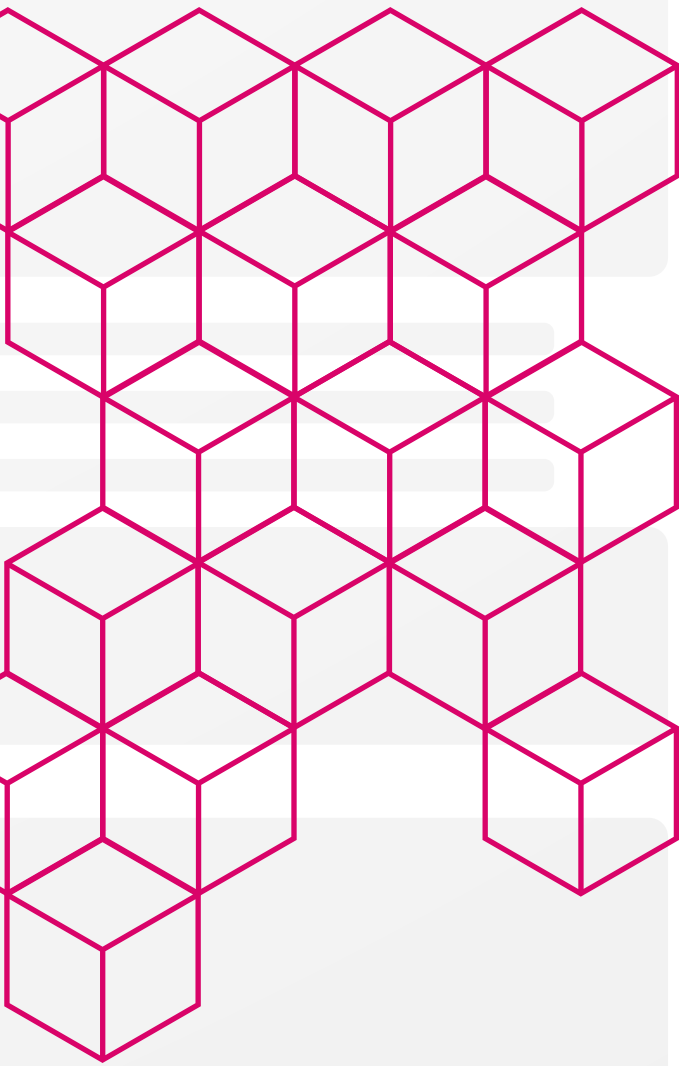
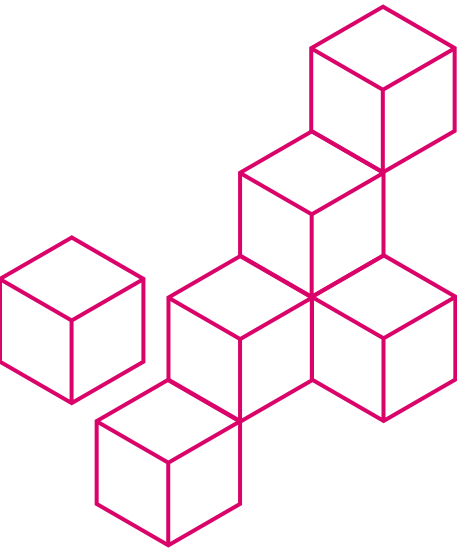
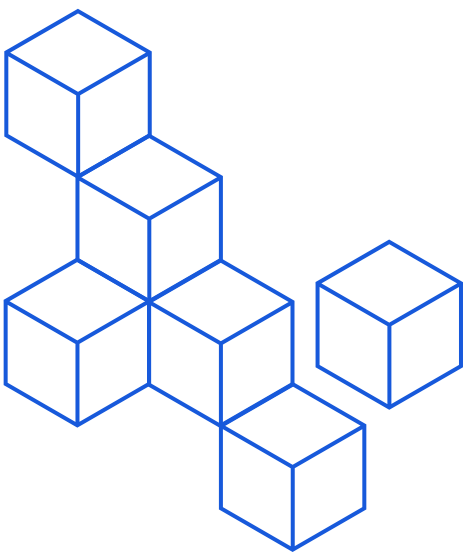


WHITEPAPER

THE ECOMMERCE SPIN ON BUSINESSES & BRANDS

A Playbook For The Booming Ecommerce Sector In India





YOUR ORDER HAS ARRIVED

India is marching towards becoming a digitally empowered society. Whether it was the proliferation of smartphones, increasing internet access, push for e-governance or booming digital payments, all of these proved to be key growth drivers fueling India’s digital commerce journey that is playing its part in the trillion-dollar economy vision.

This BW Marketing World – DDB Mudra Whitepaper ‘The Ecommerce Spin on Businesses & Brands’ encapsulates the growth story of the ecommerce sector in India, capturing several industry voices and expert comments. It serves as a playbook for business leaders and modern marketers to strengthen their digital presence and put their consumers at the heart of all their efforts.

Curated by Soumya Sehgal

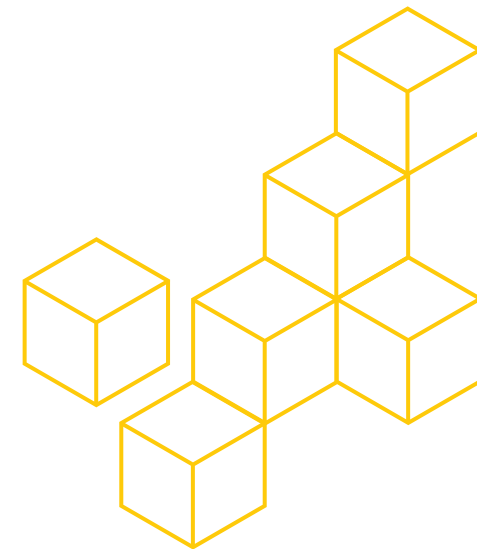
Designed by Nitin Gupta



DR ANNURAG BATRA

Chairman & Editor-In-Chief
BW Businessworld & exchange4media Group





SURVIVING THE STORM

By all appearances, the biggest change that could have ever come in the Indian business landscape is the presence of the ecommerce sector. While the pandemic created a period of uncertainty for many, ecommerce instead treaded in a positive direction. The crisis donned the catalyst's hat in augmenting its raging growth, marking significant shifts in consumption patterns, behaviours and usage through ecommerce and online placement of products and services.

It wouldn't be wrong to say that ecommerce has opened a whole new paradigm for brands to cater to audiences better, proffer hyper-personalised solutions and communicate in a sensitive yet effective manner.

Earlier, launching a brand or business required heavy investment in offline retail. One had to pay a steep price of acceptance on the shelves of supermarkets and retail stores. Alternatively, an infrastructure for distribution was needed, which also required a lot of investment to enter any category that required a retail presence.

With ecommerce, it has become easier to build a brand that is direct to the consumer. One doesn't need

an elaborate infrastructure set up for distribution that also whittles downtime and resources required to launch your brand. Reaching the consumer directly and doing away with multiple layers make it a cost-efficient medium for the brand. In addition, faster buying process, affordable advertising and marketing, flexibility for customers, no reach limitations, etc. are just a few more of the many points that give ecommerce precedence over other offline marketing methods.

Visibly, technology's role has been deeply appreciated post the pandemic, has enabled businesses to survive the storm. It has made us believe that technology today is a need, perhaps sometimes without a clear explanation. Almost that the inertia of the market takes us there, without having time to ask ourselves why I am using what they call technology.

Overall, it is a great time for brands to amplify themselves by tapping the abundant advantages that online commerce offers. And hence, this Ecommerce Whitepaper that has the efforts of both the DDB Mudra Group team and BW Marketing World team could not be more timely.

DR ANNURAG BATRA

Chairman & Editor-In-Chief
BW Businessworld &
exchange4media Group



PREETHAM VENKKY
President - 22 Feet Tribal WW & Chief Digital Officer
DDB MUDRA GROUP

OF SALIENCE & CONVENIENCE

Most readers would view ecommerce as an industry, but that would be selling it short. Much like how inter-continental shipping is more an ecosystem (ships, planes, trucks, bikes and footsteps) than an industry, ecommerce can easily be dubbed to be one of the fastest-growing ecosystems that's infinitely ever-expanding. When you read Rammohan's (Sundaram, DDB Mudra Group) anecdote, in the preface, you'll get a nostalgic sense of how far we've come and how much can be done. The growth of the ecosystem and its user experience, needless to say, has been meteoric.

To view an ecosystem as large and complex as ecommerce, one is well advised to deploy multiple lenses. I prefer to view the ecosystem using its three most important lenses — buyers, brands and businesses. Buyers want choice, convenience and speed. Brands want salience, preference and selection. Businesses want access, growth and efficiencies. Every move the ecosystem has made has been in service of bettering the above KPIs.

In the last 100 years, the world has seen two major economic cycles at play - military-industrial complex which expanded mass production and TV industrial complex which expanded mass consumption. What we are currently witnessing is a third industrial complex - the data industrial complex which is expanding personalised consumption. Brands have always grown utilising

two key levers: mental availability (salience) and physical availability (convenience). Ecommerce has massively influenced and rejigged both. Ever wondered how you logged in, to buy a particular brand but came off purchasing another. That's an active evaluation at play. Contextual brand presence needs to be at every stage of the consumer journey and not just at a few touch-points. When it comes to physical availability though, on ecommerce platforms especially, you live on page one and die on page two. Endless aisles on these platforms have largely been overrated.

While it might seem like the script of the ecommerce ecosystem movie has been written, I would still bet my last dollar that this is just chapter one. We aren't even at intermission as yet. While we still see ecommerce enablement as a destination, the next wave of growth will come from integrating ecommerce as a 'feature'. There will be a resurgence, albeit at a smaller scale, of DTC (direct to consumer) brands. This will happen when existing digital platforms and channels would be able to seamlessly integrate purchase interest and purchase within the same touchpoint. Imagine watching a movie on YouTube, you tap and hold on to a product that comes on the screen and purchase directly from the brand without needing to ever leave the YouTube app. No intermediaries, no logins, no forms. This is currently the reality on WeChat in China, an ecosystem unto itself.

For the ecommerce ecosystem to grow, there needs to be a confluence of three key ingredients — access, enablement and behaviour change. Mukesh Ambani with Jio has accelerated the solution for the access problem. With over half a billion users in India having access to high-speed internet, ecommerce now has a massive reach. The next problem to solve is enablement.

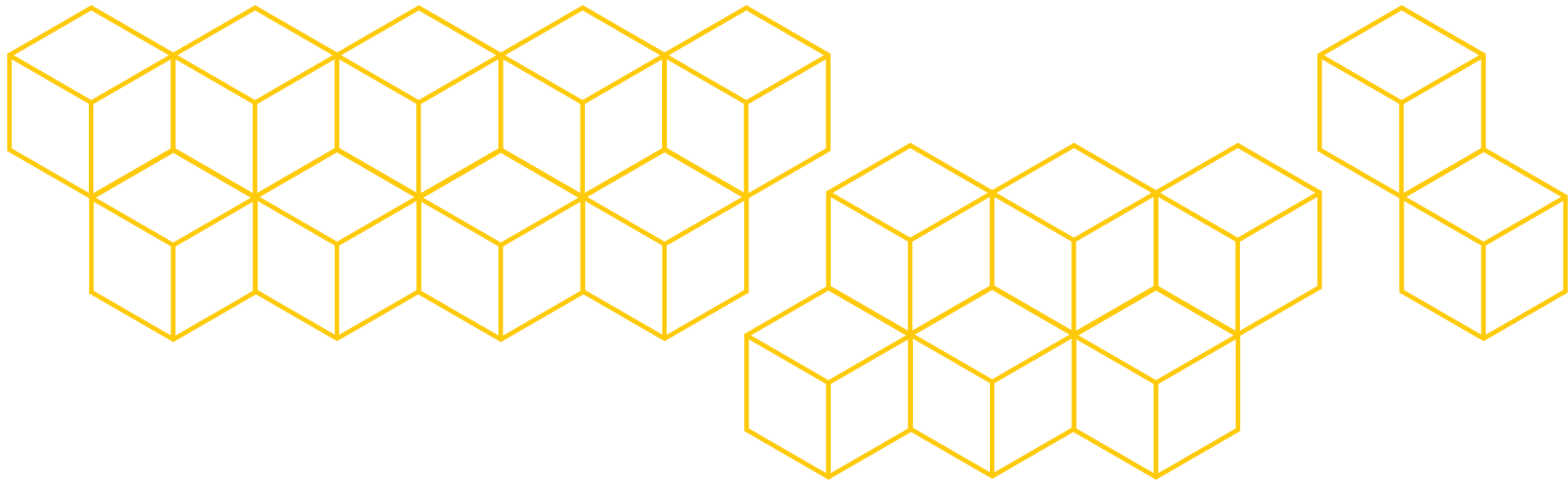
While a new wave of third-party logistics firms has solved for last-mile connectivity in the country’s top 100 cities, we’re seeing the advent of new well-funded startups solving for the rest. Behaviour shift, the last ingredient, can sometimes take decades to form. Tectonic shifts in

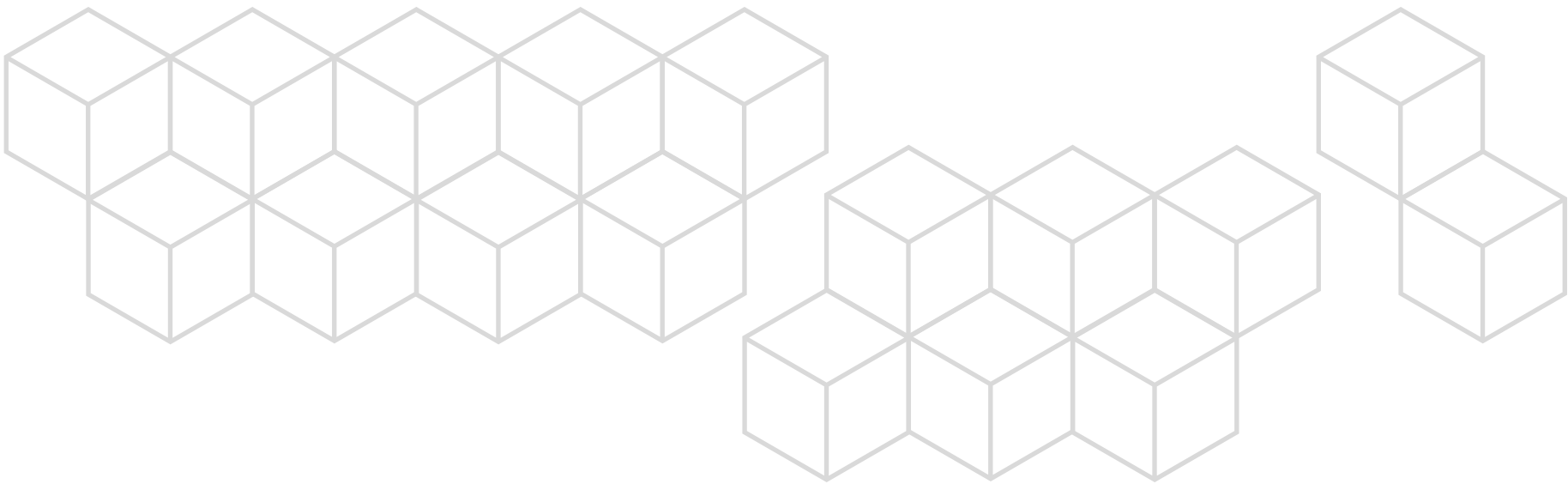
the last five years on the back of demonetisation and the pandemic have seen the progress of decades happen in a matter of weeks. The bridges have been built, the roads are getting laid, we just need to inspire and incentivise users to use them.

The collection of insights in this white paper aren’t just from industry observers but from active practitioners which will demystify and simplify the ecosystem. This helps provide the reader with a ringside view of how ecommerce is growing and what to expect from it in the future. I’m confident you’ll find takeaways that’ll enable you to have a refreshed view of the ecommerce ecosystem.

Brands have always grown utilising two key levers: mental availability (salience) and physical availability (convenience). Ecommerce has massively influenced and rejigged both

PREETHAM VENKKY
President - 22 Feet Tribal WW &
Chief Digital Officer, DDB MUDRA GROUP





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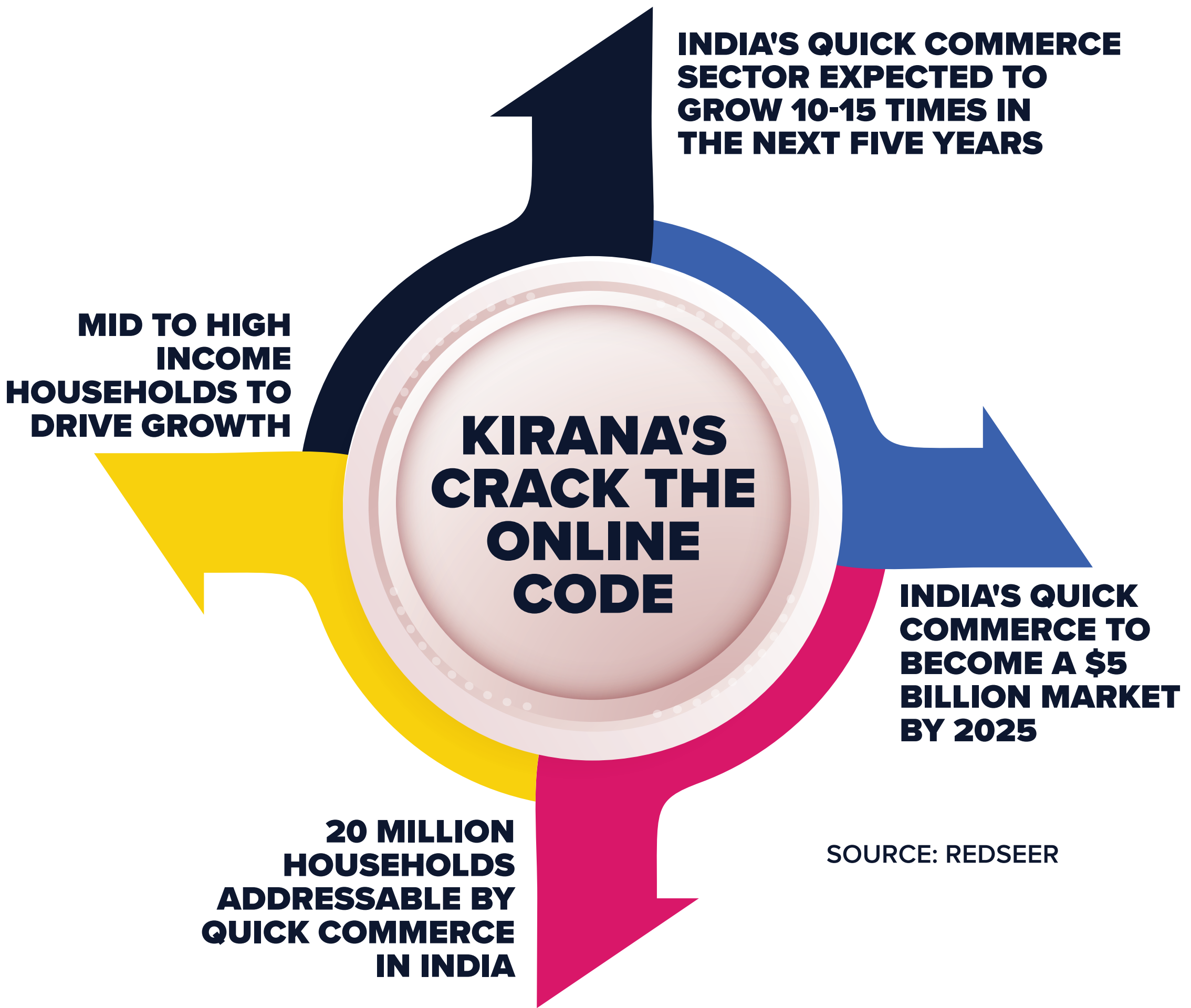
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INDIAN ECOMMERCE: ONWARD & UPWARD



SOURCE: FICCI

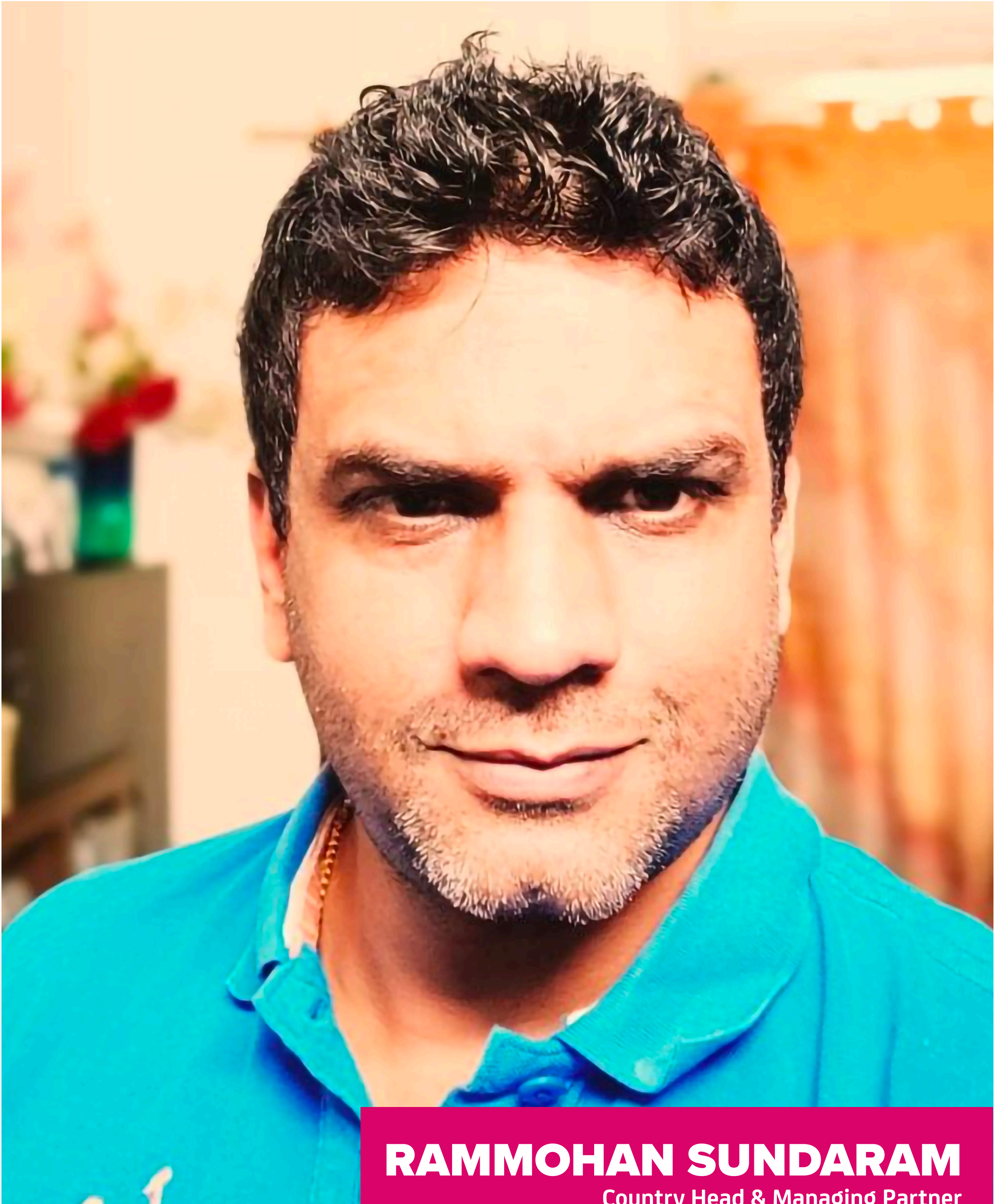


SOURCE: REDSEER

GROWTH DRIVERS



SOURCE: REDSEER



RAMMOHAN SUNDARAM

Country Head & Managing Partner
Integrated Media, DDB Mudra Group

ECOMMERCE IN INDIA FROM 1999 TO 2021

I was first enamoured by the opportunity of ecommerce in India back in 1999, so much so that I had blocked an URL, that expired eventually, by the name of Munafa.com. Such was the flurry of activity in the dot-com era, which marked the second half of 1999 when everyone with an idea wanted to do something.

At the time, I was at Microland when Pradeep Kar had envisaged the big internet opportunity and PlanetAsia was one company that I thought had massive potential though several of his ventures were much ahead of its time.

Sowing The Seeds

At Microland, I was introduced, for the first time, to a company called Fabmart.com and I made my first-ever online purchase. It was an audio cassette. Having broadband at the office made life easy, a speed of 100 KBPS was like god's gift to mankind then; today we know that such speed means nothing but back then, it enabled me to complete a transaction online using my first ever credit card from ICICI Bank. I still remember the audio cassette I purchased — it was Hum Dil De Chuke Sanam and I got it delivered in four days. I think it cost me Rs 60; I am not quite sure about the price, but it made me feel highly empowered.

That is when I first heard of K. Vaitheeswaran who was also referred to as the Father of Ecommerce in India. I have had the opportunity of meeting him several times and I will never forget the one meeting while I was at Yahoo, when I had gone to Bangalore to visit him. The struggle was evident at the time, despite them being in the business for a decade but his enthusiasm for the future of ecommerce and what it could be like always had a positive shine during our discussions.

We had Buyasone.com, a group

buying portal that wound up in early 2001, and Baazee that was launched by Avnish Bajaj and team and eventually became eBay. The seeds were sown back then to what we see today as a mature business. Had it not been for Vaithee, Avnish and a few others, none of what we see today would have happened.

After this burst, in 2008, Sachin and Binny Bansal launched Flipkart, the Indian version of Amazon by beginning to sell books and quickly went on to launch several other categories to become household names. Some of the biggest names in the investment world ploughed billions of dollars, which enabled them to build a market in India eventually. The big growth story happened when cash on delivery or COD was introduced, propelling the sales in Tier 2 and Tier 3 markets, thus paving the way for a revolution to begin.

A Way Of Life

Fast forward 2021: India is the fastest-growing ecommerce market in the world with estimated transactions worth \$80 billion in 2021, going to \$200 billion by 2027-28. This is visible thanks to the infrastructure laid down by Jio and the government policies around FDIs (foreign direct investments) and the Digital India revolution that has ensured payments are seamless, making ecommerce a way of life even to the common man. It is no longer restricted to a privileged few who have credit cards in this country.

To this effect, PayTM, Google Pay, PhonePe etc. have played a pivotal role, backed by some of the strategies adopted by companies such as One Plus, Xiaomi who launched their products just at the right time when smartphones were the need of the hour to power the digital revolution. Who would have ever thought that a mobile phone would be launched on a Flipkart or an Amazon in 2000s?

But today that is the reality and if you look at the fastest moving consumer goods, the definition has changed for the category with mobile phones leading the march even today, when festive sales happen on most platforms.

There have been some incredible stories around some of the turnarounds in the category. Look at Snapdeal, a company that has been the most resilient. From the point of getting sold to Flipkart to holding off hostile takeovers, Kunal Bahl and Rohit Bansal have shown how companies can rise like a phoenix even from the brink of bankruptcy, clearly indicating that Indian entrepreneurs are made of absolute steel and a vision can never be compromised if you have the right intent.

The Next Big Push

Today we have a plethora of ecommerce companies in India, categories are expanding from groceries to pet care. However, the next big push is coming from the kirana stores right next to you. With JioMart, O2O is born! Online to Offline is a big deal in India given the number of kirana stores that operate in the country. Connecting them to a platform like JioMart ensures that absolute complementing of a model, that did not exist till about two years ago, takes place. Such is the pace at which innovation is happening given the size of the market that India is.

With JioMart, Reliance Retail is roping in kirana stores as partners to sell products while completely moving away from the direct-to-consumer approach in the packaged food, grocery and FMCG products. This is a big game changer and is visible in its adoption too. It is reported that they have over three million active users and over a million downloads daily, which means it has already taken the numero uno spot in the grocery

category beating both BigBasket and Grofers. BigBasket now is owned by the Tata's and Grofers saw an infusion of over \$100M from Zomato recently.

What Does This All Say?

A population of 1.3 billion Indians, 700 million of those are connected to the internet through a smartphone, but just a 200 million of those 700 million are enjoying ecommerce, which effectively means there is an addressable audience of at least 500 million more, though only 25 per cent of them may be immediate targets while the rest are nurtured in time. India has tremendous potential. With Walmart owned Flipkart and Amazon being frontrunners, Indian entrepreneurs are no less, given the grand opening we are seeing for Zomato, PayTM and the likes with their IPOs, ecommerce in India has truly arrived.

Did you know how important is advertising for all the ecommerce brands we are talking about? As per eMarketer, Amazon grew its ad revenue globally by 77 per cent to a whopping \$7 billion, which is 7X higher than Twitter's revenue, making it the third-largest ad platform after Google and Facebook. This clearly indicates the kind of power in the audience it has, and how important advertising as a vertical is for them. We are seeing massive traction in India too on these platforms and with the kind of opportunities they present, ecommerce advertising will possibly be the fastest growing avenue for brands to capitalise from.

I hope this whitepaper gives you enough insights on the opportunity and scale at which we are operating and some mind-boggling data points that might lead you in getting an idea around any potential ancillary business pivoting around ecommerce giving birth to the power of entrepreneurship in you.



INDUSTRY INSIGHTS

Featured Voices:

Chandru Kalro, Managing Director, TTK Prestige

Ashish Kashyap, Founder, INDmoney.com

Sandeep Aggarwal, Founder & CEO, Droom

Sachin Bhatia, Co-founder & CEO, Bulbul TV

Kunal Shah, Founder, Cred

Arun Srinivas, Director & Head - Global Business Group, Facebook India

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Kapil Kohli, President, Retail, Usha International

Sharat Dhall, COO, Policybazaar

Gaurav Dua, Executive Director - Sales & Marketing, Relaxo



ESSENTIAL ECOMMERCE

Ecommerce is a critical part of TTK Prestige’s strategy, according to the company’s Managing Director, as he discusses the road ahead for India’s digital commerce journey

CHANDRU KALRO
Managing Director, TTK Prestige

Digital has always been important for TTK Prestige, as is seen in the wide-ranging approach in which the company connects with its consumers. It was hence, no surprise when the company known for its

kitchen appliances and cookware, invested in its ecommerce presence, as part of its digital transformation journey.

Earlier this year, TTK Prestige also

included its UK cookware brand Judge in its ecommerce network. Present in India since 2017, Judge is part of the TTK Prestige-owned Horwood Homeware company that targets value-seeking customers. TTK Prestige tapped on digital commerce's massive potential to address this set of consumers.

Reflecting on the overall ecommerce play for the company, Chandru Kalro, Managing Director, TTK Prestige, said, "Today, ecommerce is a key part of our growth plans. We have an ecommerce-centric strategy that includes specific products and combinations. We are strengthening our presence. Our strategy includes investing in our own website, enhanced presence on different platforms, and a comprehensive omnichannel play."

Upping The Game

While TTK Prestige has invested in its own ecommerce network, Kalro advised that the best strategy for brands was to follow the dual model of being present on pureplay ecommerce platforms and have their own ecommerce channels. "We strongly believe that if planned correctly, both platforms can complement and supplement each other. Both are essential," the leader said.

In the last 18 months, consumers adopted ecommerce in unprecedented ways. Even though there are expectations for some of this to change once normalcy has returned, Kalro believes that most of these changes are irreversible. "It is impossible for customers to live without convenience and information. Therefore, online is the first port of call for search, browsing or purchase," he stated.

This has had a direct impact

on TTK Prestige's investments. Kalro explained, "Overall digital spends have gone up for us. Our entire perspective of consumer communication has changed in favour of 'engagement'. Ecommerce media planning has become essential. This trend is only expected to continue further in this direction."

Kalro does warn about the current situation though citing that both online and offline channels are encroaching into each others territory. He added, "This will create new dynamics. Brands like ours will have to constantly watch and adapt."

Breaking Barriers

For Kalro, omnichannel, direct-to-consumer and the likes of WhatsApp commerce are some of the key trends that are emerging in this space. "There is more coming over the next few years, and 5G will be a gamechanger when that happens," Kalro asserted.

One of the biggest outcomes of ecommerce growth is the opening up of different geographies, including India's regional and smaller markets. The experience is the same for TTK Prestige as well. Explaining this, Kalro said, "The best part of ecommerce is that it is increasingly demolishing barriers. It is becoming one of the most efficient ways to reach customers in tier 2 and 3 markets."

Kalro is bullish on the fast growth rate of ecommerce not only in the present but also in the post-pandemic scenario. He summed up, "The Indian customer is the fastest when it comes to adapting to new practices. Ecommerce, as we know it, itself will be redefined as we move forward. It's a fast-evolving situation that will continue to grow faster than other channels."



MASSIVE HEADROOM FOR GROWTH

Every brand needs to have its own presence as well as invest in its omnichannel presence. Increasing access and reach is the most critical aspect for all brands.

ASHISH KASHYAP

Founder, INDmoney.com

Ashish Kashyap is among those digital mavericks who actively played a role in shaping and growing the digital landscape in India. Whether it was Google, ibibo Group or his recent ventures including INDmoney, Kashyap’s keen sense of forward looking trends were evident in each of his roles. In this standpoint, Kashyap, Founder, INDmoney, shares his thoughts on the Indian ecommerce sector and some advice for the stakeholders

On online shopping behaviour...

Online shopping was quite skewed towards mobiles and electronic gadgets. The same has shifted to a more broad-based categories after the pandemic such as groceries, household equipment, gardening, sports, fitness. The shift in behaviour to buy your day-to-day need, food products, fresh produce is now an irreversible change. In the affluent segment on INDmoney, we see ecommerce as the largest spend segment.

On how consumer shift impacts investments...

The intensity of investments has already increased in enabling SME’s (small & medium sized enterprises) and also creating a strong ecosystem around them. This is also accelerating the adoption by hyperlocal retailers and merchants. Investments in the enabling ecosystem comprising finance, logistics, customer

relationship management, point of purchase, payments etc. have further intensified.

On onboarding existing ecommerce platforms or creating one’s own...

I think, every brand needs to have their own presence as well as invest in their omnichannel presence. Increasing access and reach is the most critical aspect for all brands.

On the headroom for growth...

I absolutely agree that it is still day one for ecommerce in India. We still have another 400 million Indians to shop online. In the travel and food tech category we have seen healthy penetration. However, in broad-based ecommerce, the headroom for growth is massive.

On what lies ahead for in ecommerce in India...

Ecommerce will reach 300 million Indians in the next 24 to 36 months. Also, hyper-local commerce and social commerce are the biggest trends in this space.

On challenges ahead & advice...

At present clarity in regulatory and taxation, GST to be specific, is critical for across the board. Companies need to build an active communication channel with the regulators. At the same time, local ‘made in India’ ecommerce companies and enablers of the ecommerce ecosystem need to have more development activities.



ECOMMERCE IS CREATING MILLIONS OF JOBS

Having founded two noted ecommerce companies, Sandeep Aggarwal, Founder & CEO, Droom gives a first-hand experience of the digital evolution in India, along with key highlights post Covid. Excerpts:

SANDEEP AGGARWAL
Founder & CEO, Droom

The crisis saw ecommerce grow multifold in India. What did this mean for you?

Every new challenge creates new opportunities. While ecommerce was always digital, with two Covid waves in India, digitisation has just gone to the next level. In Droom, we have built the entire new service for last mile delivery, where you will buy a car from Droom, and it will get delivered

at your doorstep. Second is digital revolution. India probably had only 50-80 million online shoppers, out of the 800 million internet population. But now, it's maybe north of 250 million during Covid. Most of the things were served on a mobile-first with a low speed, data quality on mobile phone, and lot of creation of vernacular languages was seen. For me, end-to-end contactless

commerce, mobile first, vernacular languages, easy interfaces along with deeper penetration have been the key highlights.

Does it worry you that some of the consumer behaviour we see today, will reverse back once there is normalcy?

I believe online communication behaviour has changed drastically. And this in itself is irreversible. I think there’s a lot of argument around whether people live in a certain way post-Covid or will they still use sanitiser mask or maintain social distancing? The answer is no. Some people may be more conscious. But in general, society will move back to the old norms. Another example is that online education may not be as pronounced as it is today, some people will still prefer meeting a doctor face to face instead of telemedicine. But if we see overall, this did not happen for one or two months, but for almost 18 months. This is a sufficient time to change habits permanently.

What impact does this irreversible consumer behavior have in your overall plans?

Covid is the reason for acceleration in our category. We have not run TV commercials for almost two years because we are spending more in digital. We are building a product called ‘Droom Velocity’, which will deliver your car at your doorsteps. Further, we have made a complete paperless delivery to your doorstep. We are moving more of our marketing spend to digital and performance-based online marketing rather than TV commercial, or outdoor radio or

events.

How do you see ecommerce grow in the post-pandemic scenario?

Covid has been a catalyst for accelerating the adoption of ecommerce globally. During first phase, the impact on human life was less as compared to business but during second phase it has reversed, considering business was open. India in the first six months of 2021, especially in the ecommerce and online space, has raised tens of billions and has produced over 15 new unicorns, which has never happened in a similar timeframe ever. So clearly, I would say that ecommerce is likely to grow at least double the speed for the next three to five years, versus how I would have thought at the beginning of 2020 and will continue to grow two to three times faster than the GDP growth.

What do you see as some of the challenges facing ecommerce in India?

As a two-time founder of two large ecommerce companies, ecommerce has come a long way. I would like to highlight that ecommerce is here to stay, the internet is here to stay, and it is creating millions of new jobs, helping small and medium businesses to blossom, giving new avenues and hope to the people who had limited economic resources. In my view, the best thing government regulators and trade bodies can do with the new generation of entrepreneurs is to stay away and let them do what they are doing. And eventually, it will create more jobs, careers, and economic activities.

Ecommerce is likely to grow at least double the speed for the next three to five years



SOCIAL COMMERCE IS HERE TO STAY

A conversation with Sachin Bhatia, the co-founder & CEO of Bulbul TV, on where India’s digital commerce journey is headed, and why social commerce would be an exciting chapter to many high spending categories

SACHIN BHATIA
Co-Founder & CEO, Bulbul TV

Sachin Bhatia, ex-CMO & Co-founder of MakeMyTrip and the co-founder of TrulyMadly, was travelling to a small town in North India, to consider a use case for dating. Among the several observations he made at the time, one stood out specifically about how people in these markets shopped. He observed that shopping for most Indians was still an interactive and social experience.

“It made me realise India moves in different ways when it shops, within various markets. This is where the thought to make online shopping real, and hence the genesis of Bulbul came into play,” recalled the serial entrepreneur, who launched Bulbul TV in 2019. Gurugram-based Bulbul is a video shopping app that makes online shopping real via video streaming in a language that

audiences are comfortable with.

“We are increasingly living in a video-first world. Consumers today don’t necessarily read product descriptions or briefs. They want this information spoon-fed via video. This audience which was relatively new online, coupled with the increasing demand for new and interesting products, excited me,” says Bhatia.

This proposition to make online shopping engaging and social, while offering consumers the opportunity to discover new products, puts the platform in the social commerce space that is touted as the future online retail.

The Irreversible Change

Bhatia says social commerce is a subset of online retail. While regular or everyday products such as groceries have a place in social commerce from an aggregation/reseller model. social commerce is more relevant for products where trust, curation, product demonstration, explanation, unboxing are required.

Content is pivotal to Bulbul’s overall strategy, and the platform does significant work with Influencers. In current times, Bulbu itself is ‘discovered’ by audiences due to the mention by Influencers or presence on other social platforms instead of the conventional advertising route.

“There is a strong foundation for ecommerce in India. The likes of Influencers now take this to the next level. People behaviour in social commerce builds on the fact that they are looking at advice or buying from someone they already know or trust, making it a part of their lives.,” states Bhatia.

Bhatia’s comment also alludes to the increased competition in the ecommerce space but as is said about all things potent, the best will make it through and survive.

Speaking on the bigger picture though, Bhatia reflects, “Any ecommerce business be it re-seller, social, video is a business of momentum and scale; one cannot build a ‘cute’ ecommerce business. So a social commerce company that emerges will be a third front to Amazon, Flipkart, Meesho and the likes.”

A New India

Product targeting based on audience interest was not new to India, but several dynamics came together to make this a more successful model in the digital commerce context. Among the various ‘growth drivers’, Bhatia listed access to content, and video, as the most important factors contributing to ecommerce’s success in India.

“Five years ago, different audiences consumed different kinds of content depending on media, location and access. Content democratisation, due to digital adoption, has led consumers in smaller markets to have the same aspiration as their counterparts in bigger markets. This in itself is disruptive,” Bhatia remarks.

In India’s digital commerce journey, video is playing an important role. Also, the ‘creator economy’ has become a very integral part of ecommerce. “Influencers or others who are helping in creating content or curating shopping lists of favourite products is gaining traction globally,” states Bhatia.





UNLIMITED SELECTION, LIMITED ATTENTION

Curation is the key to the next phase of growth in the ecommerce sector in India

KUNAL SHAH
Founder, Cred

How many of us know the financial value of an hour of our time? Few of us are paid by the hour, which means we mostly don't have benchmarks for time-money trade-offs. If we took a moment to estimate the value of our time, would we make the same

choices? For example, would we spend one hour comparing and shopping for products offering single-digit discounts?

Ecommerce has made abundant choices at every price point available

to consumers everywhere. The promise is that a consumer can find any product of their choice, buy it, and have it delivered in a few clicks. However, the features that make it convenient - limitless selection, reviews, options to compare - have created a new consumer problem. Information overload and marginal product differentiation across platforms have put the burden of curation on the consumer and their time while eliminating the serendipitous discovery that retail therapy originally promised.

Cred Commerce aims to incorporate the dopamine hit of shopping into the online shopping experience. If horizontal ecommerce platforms are markets where everything is available, Cred Store is a premium experience -- carefully curated, intentionally designed for discovery, and developed with the primary focus on member experience. Our iterations over the past year have shown us the relevance of our primary insight -- that time-starved people want curation rather than unlimited selection, and that shopping online should be a delight rather than a functional chore.

Curated ecommerce involves identifying the preferences of specific customer cohorts as opposed to the category approach of vertical ecommerce or the expansive, everything-for-everyone approach of horizontal ecommerce. By organising offerings around a particular cohort and their lifestyle, platforms avoid overwhelming customers with choice. This allows them to filter their large catalogues into relevant, easy-to-browse collections, enable discovery, and increase conversions.

For Cred, that consumer cohort consists of the highest-quality Indian credit card users i.e. customers with significant disposable income to spend and high credit scores that allow them to finance large purchases

responsibly. Cred Store satisfies the urge to be the first to discover a cool new brand, become a tastemaker in social circles, and bring back the delight of impulse purchases.

The success of travel offerings after the first wave has resulted in the launch of Cred Travel, a separate section for travel experiences from top hospitality brands around the world. Cred Rewards are a platform for brands to drive engagement with this cohort, while Cred Pay extends the Cred experience to merchants' platforms. With this approach, Cred is not just curating a few products, but curating an elevated lifestyle for members that helps them save, spend, and invest their time in delightful experiences.

Merchants who participate in curated ecommerce benefit from the focused approach that contributes to higher-order value and sales, while also cultivating their distinct brand identity with the audience. Brands can offer specific, personalised, and curated experiences at a premium, stand apart from clutter and reduce the risk of commoditization. Curated commerce also allows startup brands to compete more effectively alongside legacy brands with a strong identity and reputation moats, earning them audience attention and engagement at a depth that would not be feasible through paid customer acquisition on traditional channels.

While marketers have access to the same great tools, technology, and platforms, building affinity, advocacy, and aspiration takes time, creativity and a more thoughtful approach. Now that consumers have unlimited choice, the only limited resources are time and attention. Curated commerce helps give time to customers and attention to brands, bringing back the joy of shopping for both.





FUELING INDIA'S ECOMMERCE GROWTH

Discovery commerce, innovations, and the rapid digital adoption across smaller towns to augment digital commerce's success further

ARUN SRINIVAS

Director and Head - Global Business Group, Facebook India

Over the last decade, the ecommerce industry has been the poster child of growth, innovation, and opportunity in India. Just when we thought that the rapid trajectory for the industry was behind us, the pandemic strapped it with rocket engines. Facebook's consumer studies with Boston Consulting Group told us that ecommerce adoption had accelerated by two-three years within just weeks of the first lockdown last year.

Over the last year, as businesses swiftly moved online to reach their customers, social media proved to be a pivotal bridge between people and businesses by aiding the discovery of brands and products.

The next phase of growth for ecommerce in India will be powered by discovery commerce, innovations, and rapid digital adoption across smaller towns.

Discovery Commerce's Push To Ecommerce

The important role of discovery in our shopping journeys has now moved from offline store browsing to social media interactions, and businesses are building inspiration as a core part of their digital consumer engagement.

As the primary engine of discovery in the virtual world, social media is an essential link in the path to purchase. A Facebook-commissioned online survey showed that 96 per cent of the surveyed people said that they discover brands and products online. Furthermore, 96 per cent of weekly users who discover apparel, beauty, furniture or consumer electronics on the Facebook apps ultimately make a purchase, said the survey.

New brands and ideas are constantly being 'discovered' on the net, and many of them have been born successfully on digital. How can marketers, especially for innovations, leverage this and get their offerings

to be 'discovered'? And then build on that discovery to engage and get transactions and commerce going? There are no more constraints; marketers can target and reach the right audiences, and with a strong business model; create these as digital-first brands within their companies as an 'intrapreneur'.

With the Indian e-retail market projected to grow to 300-350 million shoppers in the next five years, businesses must rethink how they want to build on these consumer shifts to aid the discovery of their brands and products.

Innovations In The Offline To Online Journeys

Some of the largest offline retail networks have felt the urgent need to move online. This has prompted a host of innovations like BOPIS (Buy Online, Pick-up In-Store), to make their shift to online quick and seamless. There are businesses in the watches and jewellery segments that have adopted BOPIS and are seeing traction from consumers who are comfortable shopping this way. Product launches are now leveraging disruptive technologies such as augmented reality. Many brands are upskilling their offline retailers to establish an online presence through social media platforms, and reach out to their local customers through hyperlocal targeting.

Another interesting trend that has emerged is that of offline brands working with established ecommerce platforms to build transactions on the net. For instance, we've seen increased adoption of Facebook's revolutionary ad product, 'Collaborative Ads' that links products retailed through traditional channels to an online retail platform. Leading FMCG businesses have leveraged 'Collaborative Ads' by showcasing their products and offers through Facebook ads and directing the

interested consumers to a third-party ecommerce platform to complete the transaction.

Such collaborations and innovations are likely to increase in the coming years, creating more commerce opportunities.

Spending On Big Sale Days & Online Festive Shopping To Increase

With consumers increasingly shopping from home, big ‘Sales Days’ have gained even more importance. Last year during the festive season, leading ecommerce players raked in Rs 22,000 crore during the first four days of the big sales events, as per public reports. Nearly 35 per cent of the ecommerce GMV comes during 40 odd days of big sale days.

Online festive shopping will continue to gain momentum as online channels lead with the ‘discovery’ of brands and offers. A Facebook commissioned survey by YouGov showed that social media influences a majority of the festive shopping decisions made by Gen-Z and Millennials. It also found that more than half of the purchases in key festive spending on fashion and tech devices are now influenced by what consumers see on their smartphones.

Digital Adoption Beyond Metros
A recent IAMAI-Kantar report found

that digital adoption continues to be propelled by rural India, clocking 13 per cent growth over the past year. Tier II and Tier III towns have become driving forces for new users for brands and ecommerce websites. Brands or platforms are now focusing more on last-mile connectivity, vernacular content, and hyperlocal strategies to reach consumers beyond the metros.

According to the Facebook commissioned study by YouGov, 68 per cent of festive shoppers prefer to see advertising in the local language.

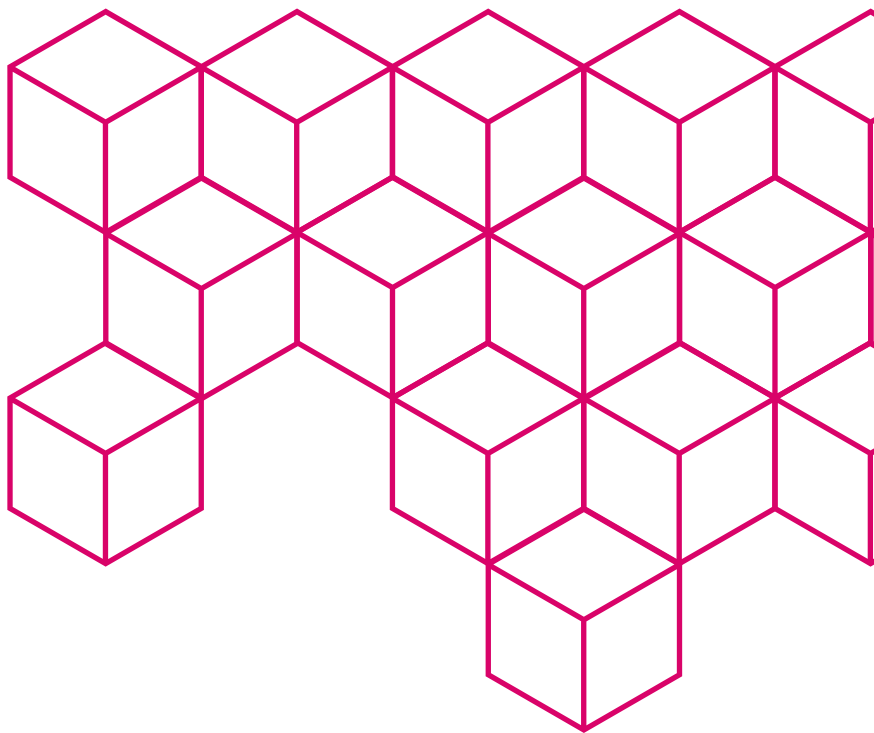
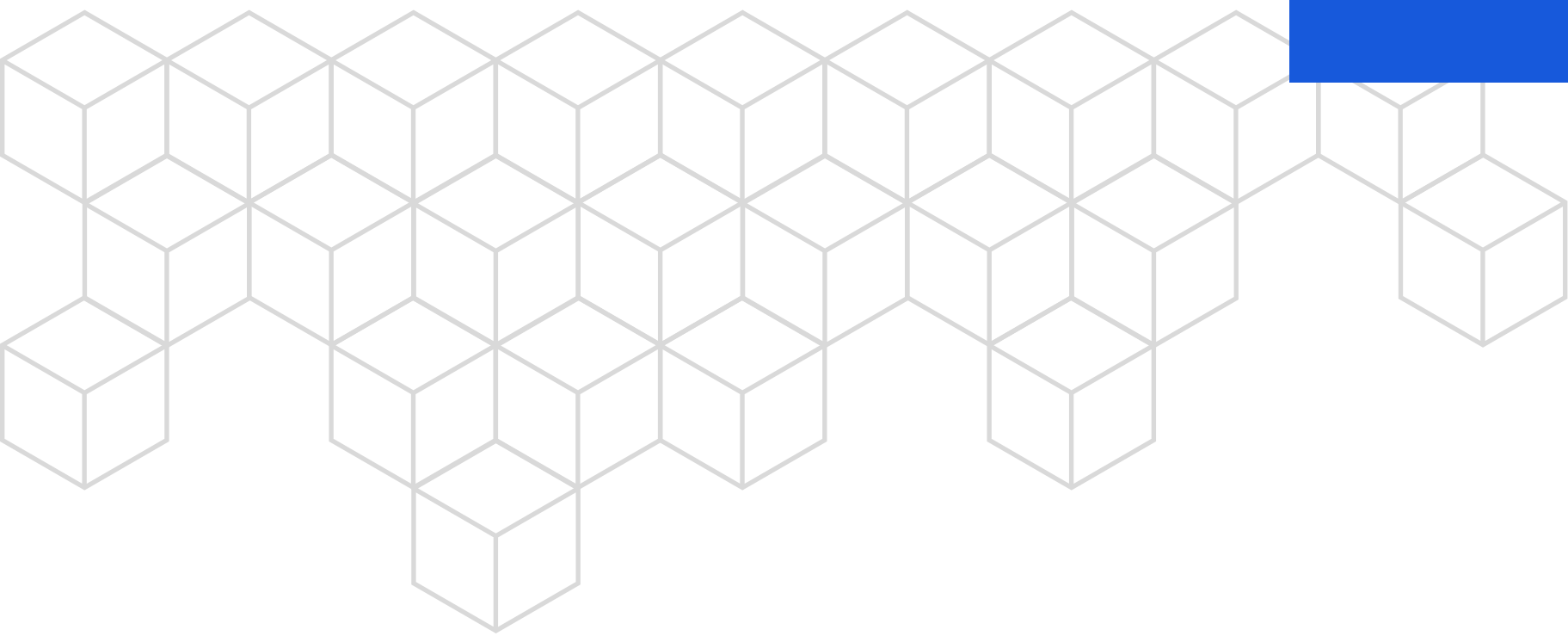
Structural Shifts

Facebook’s study with Boston Consulting Group also told us that consumer shifts that we are witnessing right now are structural. Of the new online shoppers, 80-90 per cent are likely to continue even after the pandemic. This implies that the trend towards online shopping is only going to increase in prominence.

With millions of Indians poised to join the digital economy, brands will have to continue to create exceptional consumer experiences online to build discovery, capture consumer imagination, and build a seamless path-to-purchase.



New brands and ideas are constantly being ‘discovered’ on the net, and many of them have been born successfully on digital





OWN ECOMMERCE WEBSITE HAS ADVANTAGES

An increased focus on ‘Made in India’ products, swelling of video content market, innovative payment solutions are some of the key trends that Nikhil Arora, Vice President and Managing Director, GoDaddy India speaks about in this conversation with BW Businessworld’s Soumya Sehgal. Excerpts:

NIKHIL ARORA
Vice President and Managing Director, GoDaddy India

How do you see ecommerce deliver better in tier 2 and tier 3 markets in India?
With increased online spending and the rise of vernacular-based user interfaces, the scope for ecommerce has widened in India. Online stores have assisted commerce in tier 2 and tier 3 markets. With the lack of capital, it can be difficult to open an in-person retail store location. Yet for

a business choosing to start from the beginning by selling their products and services online, getting started is easier with more choices available today. According to a report by ICICI securities 2021, smaller Indian cities are now accounting for a bigger volume of ecommerce sales. Tier 2 and tier 3 markets with their growing populations have become targeted areas for the ecommerce industry.

Do you recommend companies create their own ecommerce presence?

Selling on your own online store on your website gives a business total control to establish their unique identity and customise selling opportunities to cater to their audiences, in an otherwise crowded marketplace. There are advantages to having your own ecommerce website. It allows you to choose the messages to describe your business and your products and services. It can also help to diversify your presence and connect you with your customers on a deeper level with direct access to their needs. A business can also use SEO and other online marketing tools to help drive traffic to their website and optimise their search results. In addition, the additional charges shared with the marketplace can be avoided. However, to help further expand reach for your business, you can consider having both your own online store and selling on ecommerce channels, which working together can help you reach more potential customers across more channels.

What are some of the key trends that you see emerging in this space over the next few years?

Some of the key trends that we see emerging in the next few years to help enhance the customer experience and improve the efficiency of ecommerce websites include:

Further focus on Made in India products: We will see more consumers taking a conscious step to support and buy from local Indian businesses.

With government initiatives including Make in India, Vocal for Local and Aatmanirbhar Bharat, many small businesses in the country will get the opportunity to grow in the market and

With increased online spending and the rise of vernacular-based user interfaces, the scope for ecommerce has widened in India

revive. We expect this will present significant growth opportunities for ecommerce across sectors in India in the coming years.

Innovating Payment Solutions: COVID has accelerated the use of UPI apps and debit/credit cards to make online purchases. With customers increasingly becoming digital-savvy, cashless transactions will become the most preferred mode of payment.

Shop and Go with Mobile Phones: With mobile shopping projected to grow by 21 per cent annually over the next four years in India, mobile interface integrations and ease of commerce are essential. It is a clear indication that a good way for an ecommerce website to grow is by adopting the mobile shopping trend. Websites will be focused on creating an easy interface for consumers to use on a variety of devices for research, shopping and connecting.

Video Content on the rise: Adaption of short-form product videos have started picking momentum by several ecommerce websites and marketplaces. We foresee videos to take over the product article description, helping consumers understand the specifications better by seeing a product in action, helping to increase purchase activity.

Returns Management Strategies: With the emergence of virtual fitting rooms and virtual shopping, returns have been an important touchpoint for the ecommerce industry. We believe that new strategies and investment trends by ecommerce websites will be designed

to keep consumer convenience strategies at the core and promote ‘easy to return’ policies as an integral part of the purchase experience.



BOOSTING LOCAL ENTREPRENEURSHIP

Flipkart’s newest endeavour, Shopsy, aims to power ecommerce for communities and third-party channels where users spend time and trust, finds out BW Businessworld’s Soumya Sehgal

PRAKASH SIKARIA

Senior Vice President - Growth and Monetisation, Flipkart

With the onset of the pandemic, several individual entrepreneurs struggled to realise their ambitions and faced logistical on-ground challenges that stalled their businesses to take off. The pandemic further induced a structural shift in the way entrepreneurs conducted business, consumers shopped and persuaded many small and micro businesses to adopt digital commerce to remain profitable.

To provide opportunities to enterprising Indians to start their own online business with no upfront investment, India’s homegrown ecommerce marketplace, Flipkart, launched Shopsy, an app that enables Indians to start their online businesses without any investment.

Backed with the ability to influence local networks, Shopsy allowed users to share catalogues of a

wide selection of 15 crore products offered by Flipkart sellers, ranging across fashion, beauty, mobiles, electronics and home, among others with potential customers via popular social media and messaging apps. As per the ecommerce player, Shopsy already has over two lakh users active on the platform.

With Shopsy, Flipkart’s aim was to cater to over 25 million online entrepreneurs by 2023, as they reap the benefits of digital commerce.

Committed to contributing towards creating direct and indirect employment opportunities across the country, Flipkart’s Senior Vice President - Growth and Monetization, Prakash Sikaria said, “Shopsy was launched to further this vision and provide additional earning opportunities for millions of enterprising Indians. Now, anyone from anywhere can start their online business with zero investment. In addition, we are opening Flipkart’s years of ecommerce expertise for Indian entrepreneurs. They can now utilise Flipkart’s catalogue, established delivery networks, and infrastructure to bring reliability and speed. These benefits will help them enhance the end consumers’ experience, which in turn helps them grow their business.”

Future Focus

Through a zero-commission marketplace initiative, Flipkart hoped to organise and bring smaller sellers and further enable and amplify the supply of products and catalogues on the platform and spur ecommerce growth across tier 2 cities and towns that have been untouched by digital retail so far.

Today, 70 per cent of Flipkart’s customers come from these cities. With Shopsy, Flipkart’s target is to scale this to 90 per cent. Flipkart

believed gamification, along with social commerce features would help it achieve this mission. One such feature is ‘Shop & Earn’, where users will be able to unlock higher incentives on achieving a certain weekly or monthly target. This kind of gamification will further lead to virality and evangelisation for fringe ecommerce customers.

Over the last decade, Flipkart has championed several initiatives to unlock value for its customers leveraging tech and innovation. This forms a strong and critical base for the success of a next-generation social commerce platform. Additionally, Flipkart’s low-cost logistic network and affordability programs like ‘Flipkart Pay Later’ are two other key levers that would act as game-changing catalysts in the context of social commerce.

“Our vision with Shopsy is to enable digital commerce for everyone across India. We have received an overwhelming response and are further looking to enable several initiatives on the platform to accelerate growth. Shopsy is growing 100% week on week. The platform is demonstrating the behaviour of a typical social app and virality is starting to kick in. To further expedite

this, we aim to bring the best of ecommerce to social commerce as we progress in our journey.

The Flipkart Group has been committed to constantly expanding the scope of ecommerce; and Shopsy is an important step in that direction,” Sikaria added.

With the onset of the festive season, the platform aims to keep accelerating its growth over the next two months by ramping up features and offerings for Indians who are keen to start their social commerce journey.

Our vision with Shopsy is to enable digital commerce for everyone across India



BRANDS BRIDGE THE DIGITAL DIVIDE

The future focus for marketers must reside in striking the perfect balance between online and offline retail

KAPIL KOHLI

President, Retail, Usha International

In the last year and a half, we've been on a roller coaster never experienced before- through lockdowns, economies in a free fall, V and W shaped recoveries, vaccinations, et al as the outbreak of Covid-19 threw a spanner in the works -- lives and businesses. What it also did, is spur a radical acceleration towards digital as people increasingly began to rely on online platforms for almost all their

needs, with mandated restrictions on physical movement. In fact, very few have actually ventured out at all over the last almost year and a half now. As the world remained indoors to stay safe from the virus, consumer behaviour underwent a drastic shift, driving brands to quickly affect strategies that could leverage this change.

Shopping today has a new meaning altogether. For Indian consumers, a majority of their purchase decisions are now digitally influenced -- from day-to-day groceries and kitchen appliances to essential home fixtures like lights and fans -- they have taken to online shopping like never before. This is a trend that began within the first few months of the pandemic last year and has continued to rise since. In fact, RedSeer’s recent report suggests India’s consumer digital economy, which was pegged at \$85-90 billion in 2020, is expected to grow to a whopping \$800 billion by 2030.

Driving The Digital Space

For a lot of brands including Usha International, this period has been one of great introspection and rapid evolution. We took the crisis and turned it into an opportunity, and realigned our strategies to further strengthen the online shopping experience for our consumers. The emphasis was to adopt digital with agility and our top priority, therefore, was to quickly ramp up investment in ecommerce to ensure seamless growth in digital sales.

While this shift in consumer behaviour may have been accelerated by the pandemic, it seems like it’s here to stay. A report by FICCI suggests that online commerce is projected to touch \$188 billion by 2025 up from \$64 billion in 2020, as the pandemic driven environment further accelerates adoption of ecommerce.

Tier II & III Indian Markets Adopt Ecommerce

Increased digital adoption has not been limited to just the metros, it is people from Tier II and III and even IV who have overcome traditional and conditioned mindsets to change the way they consume and use digital platforms. Therefore brands that ignore these audiences will do so at their own peril. This can be

attributed to the deep penetration of the internet, cheap availability of data, and quick adoption of smartphones, which has driven consumer demand to rise drastically from tier II and III cities, especially for products like fans, air coolers, kitchen and home appliances. Giving credence to IAMAI’s report, it suggests that by 2025, there will be a greater number of internet users in rural India as compared to urban.

Bricks & Clicks – The Hybrid Model

While digital is now a definite focus for brands across India, the key to win in this new normal lies in successfully creating the perfect balance between online and offline retail. Brands need to adopt a hybrid version of the bricks and clicks model and aim to excel in omnichannel category management. Omnichannel allows for providing consumers with an integrated shopping experience, which in turn gives them the choice to shop via various channels, including online or in a brick-and-mortar store, all the while ensuring a seamless experience for them either way.

Ultimately, it is brands that continue to build exceptional consumer experiences online and seamlessly integrate and extend the experience at their physical retail stores that will successfully improve brand salience, foster loyalty amongst existing customers, and acquire new customers. The fine balance between online and offline is like the left and right hands working in tandem complementing each other to bring out the best results in a win-win for the brand.

Pandemic was a period of great introspection and rapid evolution for brands





UPPING THE GAME

According to Sharat Dhall, COO, Policybazaar.com, customers now want more from the category. Hence, insurers must up their service standards and digital offerings to meet consumer expectations

SHARAT DHALL
COO, Policybazaar.com

Giving credence to a market study by Mordor Intelligence, the online insurance market in India is expected to reach a value of approximately Rs 220 billion by 2024. Out of this, online life insurance sales are expected to grow at approximately 5 per cent of the individual annualised new business premium by 2020, whereas the non-life insurance sales are expected to grow at more than 15 per cent of non-life retail insurance

business. This growth trend, expected to grow stronger in future, is primarily attributed to the increase in smartphone usage and internet penetration.

Digitisation, per say, has spurred the growth opportunities in this sector, giving room to improve market share and profitability of the insurers, as well as offer tangible value to customers. The pandemic

has furthered the online interaction between insurance companies and consumers to transform and ease their insurance buying experience, especially during this crisis year. Giving a sense of how the past year panned out for PolicyBazaar’s digital business, its COO, Sharat Dhall expounds, “We have always been a digital-first brand. Since its inception, we have been working towards building solutions digitally for our consumers.

This significant shift towards online can be attributed to the ease, with which users are now able to compare and buy online. We, along with the insurers, have built significantly easier product journey’s that do not let users drop off or feel overwhelmed with lack of information. Services such as video and teleconsultation for underwriting plus, with the multitude of payment options now available buying a policy, is relatively now more secure and easier than doing it offline.”

Changed Consumer Behaviour

The ongoing Covid-19 pandemic has swiftly changed the behaviour of customers towards online channels, and the changes are here to stay in the post-pandemic world as well. Highlighting some of the irreversible yet crucial changes in this space, Dhall admits that the customers now want more from the category; they are seeking out more from both product construct to expecting a certain level of service standards.

Policybazaar, in this regard, is ensuring that these customer requirements are taken care off through their relationship managers in over 50 cities across the nation. The company is also working with a few leading insurers to find out ways to reduce the dependence on Medical Underwriting for a certain segment

of customers. On the marketing side, they are now holding regular webinars and sessions with industry experts. These webinars are not only product-oriented but include information on food nutrition, healthy living, yoga, meditation and more.

The crisis is further providing several opportunities for brands with digital models that invest ambitiously and timely in their online business. “Such brands are expected to emerge as market leaders in the years to come. There are several initiatives that if implemented in the right manner can act as a catalyst for the successful transition of a business to the new digital reality,” he adds.

Given that people have started to enjoy the comforting feeling of shopping online, brands need to offer transparency and convenient omnichannel solutions for the customers, he suggests.

Ecommerce Delivery In Tiers 2 & 3

Tier 2 & 3 markets contribute significantly to PolicyBazaar’s next growth targets. Through their business operations, they constantly look for opportunities on how they can increase their reach in the smaller cities and make themselves the first preferred choice of the customers. “If we are able to do so, we are sure we will also be able to increase the insurance penetration in these cities that still do not feel the need for insurance,” hopes Dhall.

To ensure that their customer base increases in tier 2 and tier 3 cities, their topmost priority is winning the trust of the customers by providing the best solutions at the most affordable prices. In addition, they aim at designing solutions that rightly meet the specific needs and requirements of the customers.

We see Tier 2 & 3 markets contributing significantly to our next growth targets



ECOMMERCE SWEEPS OFF THE FEET

Gaurav Dua, Executive Director - Sales & Marketing, Relaxo outlines the post-pandemic impact on the Indian footwear industry, while looking forward to investing more in various events in the future

GAURAV DUA

Executive Director - Sales & Marketing, Relaxo

Projected to display a robust growth represented by a CAGR of 8.28 per cent during 2020-25, the Indian footwear market marks itself as a sturdy sector. Increased inclination towards premiumisation, the rise of the middle-income group, increase in literacy rate and the shift to branded footwear from the unorganized and unbranded footwear remain its key growth drivers.

It is interesting to note that under this segment, ecommerce and women’s footwear are estimated to experience the highest market growth over the forecasted period, primarily because of the increase in penetration of internet services and increasing participation of women in the labour market. Also, this is supported by escalating investment being pumped by the leading manufacturers of

footwear, to access a larger consumer base.

Post-Pandemic Reverberations

Giving a sense of how the past year panned out for the industry and some key traits to the brand’s ecommerce presence, Gaurav Dua, Executive Director - Sales & Marketing, Relaxo shares that the open footwear segment has seen almost 100 per cent growth due to lockdown and that the B2B market is also flourishing. “Earlier we were present only on Amazon & Flipkart. Now, we have made our presence on other ecommerce portals such as Myntra, Tata Cliq, Paytm, Ajio. Also, tier 2 and tier 3 markets have started growing and order percentage from these markets has started picking up.”

Talking of following a dual model of being present on pureplay ecommerce channels and having an ecommerce channel of its own, Dua feels that brands need a mix of both of these routes. While the earlier focuses heavily on traffic, brands can give a personalised brand experience to the end consumer through their own website.

Also, for better ecommerce delivery to tier 2 and tier 3 cities, Dua suggests that this can be done by shipping orders from brand’s or distributor’s regional warehouses, local depots leading to a lower shipping time. Also, order fulfilment can be done by opting for ‘fulfilment through the portal’s warehouses’.

From a more consumer perspective, the pandemic has evidently reshaped how they interact with a brand online. Though there is a visible mindset shift of consumers from offline to online, they still look online for discounts rather than convenience, observes Dua.

“Earlier demand was restricted to

metros, but post lockdown, the approach of consumers at tier 2 and tier 3 cities has changed and they are also coming onto this platform for shopping. Ecommerce is now being looked at as a channel for convenience and there is a gradual shift from the lookout for discounts, especially for categories like groceries. More and more big retail chains, such as Reliance, are now taking this route of ecommerce channel for growth and increased consumer reach,” he adds.

Owing to this changed consumer behaviour, Dua highlights the impact this will have on the investments earmarked for their ecommerce presence and marketing in the year ahead, “To control and compete with competitor brands on heavy discounts at the portal, we are looking forward to more investments in the form of marketing through participation in various events.”

The Road Ahead

Expounding the challenges faced by ecommerce companies in India, Dua agrees that a return as high as 30-35 per cent is a major obstacle. Further, due to the presence of unauthorised sellers, the probability of counterfeit products increases, which is again concerning.

However, green shoots in the sector are prominent, as social commerce has become a big platform for branding and customer engagement.

It is also an opportunity for the growth of small sellers.

Jotting some key trends emerging in this space over the next few years, Dua concludes, “Quicker delivery timelines such as 60 minutes delivery; new ecommerce websites, especially for localized or curated shopping experience; evolution of omnichannel shopping and; B2B channel will see growth.”

Consumers still look online for discounts rather than convenience

WHAT YOU NEED TO KNOW

- WINNING ON ECOMMERCE
- SOCIAL COMMERCE





WINNING ON ECOMMERCE

It is said that bad habits die hard. Ecommerce is a convenient habit which once formed, is hard to ignore. According to EY-PV/VC India Trendbook, ecommerce is clearly the fastest growing sector in India with the maximum number of unicorns emerging from this, writes Chirag Bhatia, Senior Vice President – Account Management, DDB Mudra.

Beginning with the first lockdown, a massive change in consumer habits was seen with a multitude of new shoppers and sellers coming online. Ecommerce companies were also quick to adapt to the new social and government norms. To quote a few examples, Zomato introduced sharing the body temperature of the delivery person on their app with the customer or ride-hailing company, Blusmart introduced details of when the hired car was last sanitised to enhance user confidence.

If you look at it objectively, ecommerce is another sales channel that is rapidly growing. And to win on ecommerce, just like in-store shopping we need to get the customer experience right. We are in the era where customer experience is everything and within ecommerce re-creating that same experience like in offline retail, is a mammoth task in the absence of the physical product being in front, or the absence of retail store associates contributing to that experience.

Factors Critical For Ecommerce Success:

Zero friction: If the customer has entered your platform they are interested. Now, it depends on how you hold on to their interest. Customers lose interest even on the smallest points where they aren't able to figure out anything. Hence, the online sales environment has to be designed to be extremely easy and seamless to hold the customer. For example, if a page takes more than usual to load, it's very easy for the user to press the back button on their phone or shut the window. Or if there is the slightest confusion in the user's mind on how to do anything, say read product details, add to cart, a payment gateway that takes longer or anything similar, you have lost the customer. These friction points must be identified and eliminated.

Informed shopping experience:

When shopping in-store, customers reach out to the store associate to ask questions and get validation on their purchase decisions. While they can't ask a store associate online, the information that a customer might need has to be available on the page and be easily discoverable. Few ways to address this could be done is by the usage of chatbots, easily comprehensible and detailed video testimonials and clear product shots that don't leave an iota of doubt in the customer's mind.

Effective marketing: If you had a shop in a mall, people would visit it, by coming across it or looking at it. But on an ecommerce platform, the shop is on the internet hence we need to ensure that it is adequately visible to the right audience to know about the same and subsequently visit the online shop as a first step to the customer's ecommerce journey with your brand. Various data-science backed strategies exist with online publishers to match a customer in

need of a specific product with a brand offering it.

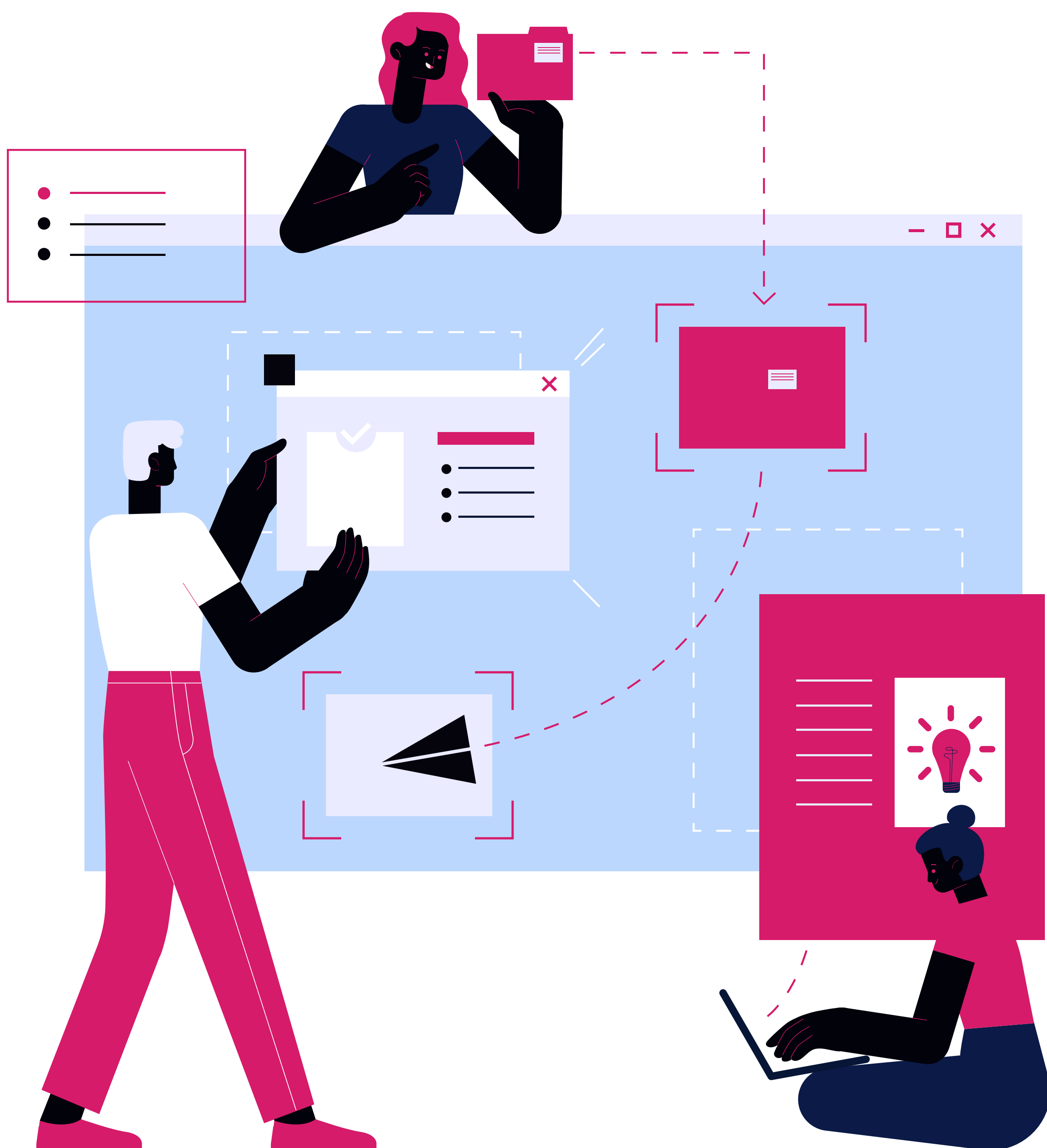
New age ecommerce strategy

adoption: Social or conversational commerce is just like you are roaming about in a mall and you see a shop. Similarly, you already are wandering on social media platform or a chat app, and naturally, the shopping experience comes to you with minimal friction on what you are doing. With Facebook, Instagram and WhatsApp having the biggest userbase in India, it's a palpable opportunity that only very few brands right now are adopting. At present, largely these social and chat channels are being used for customer service or to enhance customer experience via ORM, etc. but soon will pivot themselves towards doing the actual transaction itself with AI chatbots, etc. helping people on these platforms to narrow down and buy the right product end to end without leaving the social or chat ecosystems.

Post-purchase experience: This aspect is very important due to the slight apprehension people have because of the lag between buying and receiving the product. It is also extremely critical from a lifetime value or a repeat purchase perspective. If there is a delay in getting an order confirmation email or message, it leaves a bit of bad taste as the user keeps wondering if the order has gone through or not. It only adds to the experience if you keep the customer engaged or informed till they get the product. For instance, a WhatsApp message on when the product is ready to be shipped or is getting delayed or the exact delivery notification on when it would be delivered is a delight. Ensuring the return process is easy and seamless or meeting the delivery timelines committed on the platform is also critical from a post-purchase experience standpoint.

CONVENIENCE IS CURATION!

Unlike the outdated social media marketing models, there is no rerouting involved in social commerce, and users can select, shop and checkout directly within the platform, making it the future of online shopping, writes Aayushi Singh, Partner – Digital, DDB Mudra.



Social commerce has made ecommerce available to every age and income group across the country. With changing audience behaviour, brands are investing more in their social media footprint. Paypal’s recent survey indicated that India is the leading Asian market for social commerce. Moreover, as per a report by Redseer Consulting, social commerce in the country is expected to rise to more than USD 7 billion in GMV by 2025 as the number of online shoppers, particularly from tier 2 cities and beyond, continues to rise.

Social Commerce, Defined

It is the practice of selling products directly through social media platforms. Unlike outdated social media marketing models, there is no rerouting involved, and users can select, shop and checkout directly within the platform.

It is far more modernised and, thanks to chatbot checkouts and autofill for payments and delivery details,

years. Furthermore, the lines between promotion and commerce have blurred.

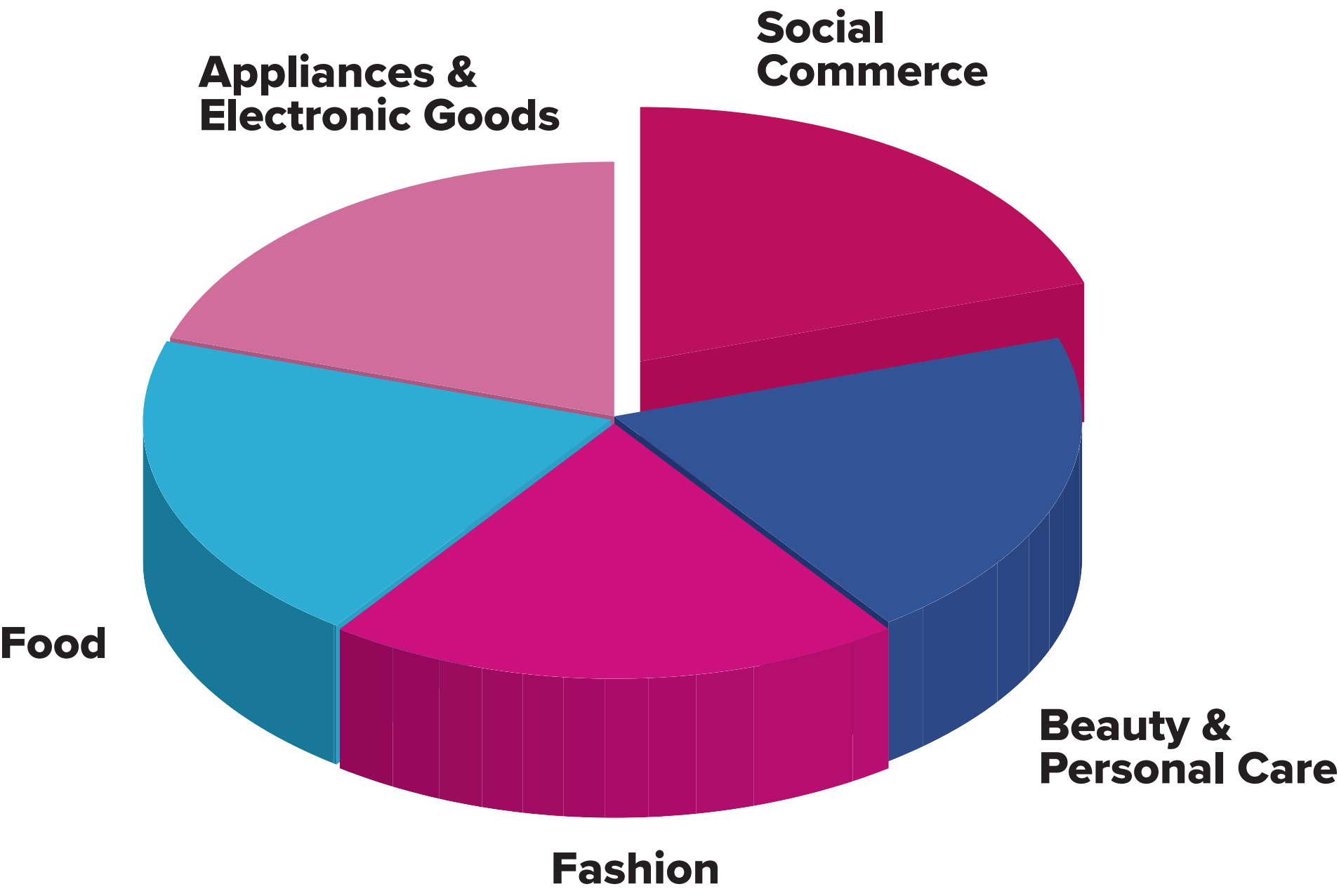
Customers are browsing across a range of digital channels from Google to Instagram, Facebook to Amazon.

With the exponential growth of digital savvy population, it has become imperative for the brands to showcase their latest offerings. It not only includes brands’ followers but also potential customers who can be targeted via paid ads and endorsed posts.

Communication To Transaction

As per data from the Hootsuite blog, Indian users today make up for a striking portion of users on worldwide digital platforms and are a key target market for the brands.

Following are some examples of how some of the Indian startups have used social commerce as a medium to grow their business:



Trell is a short-video app focusing on lifestyle and entertainment. It has a social commerce platform to make the most of the attention in this subset of ecommerce. App users can buy personal care products and makeup

purchases seldom take more than a handful of clicks.

As per the report from EY, before lockdown, 56 per cent of consumers disclosed researching online well before buying the products in-store. This figure rises to 72 per cent if we look at the consumers aged 18-25

essentials on the platform.

Meesho is one of the earliest startups and a growing name for social commerce in India. They have managed to make a network of almost 2 million sellers on social media, out of which major chunk (80%) are women.

Horizon Watch

With digital platforms experiencing exponential growth in India, it calls for more avenues of product discovery and bespoke experience. We need to ensure the following:

- Be present where sales happen
- Produce engaging content which also acclimate to a global audience
- Marry the customers’ needs with platform specialism

Brands are increasing their attention on the customer experience to drive

Consumers are inclined towards user-generated content much more than traditional ways of marketing. Hence, social commerce is likely to see better acceptance towards UGC-driven marketing.

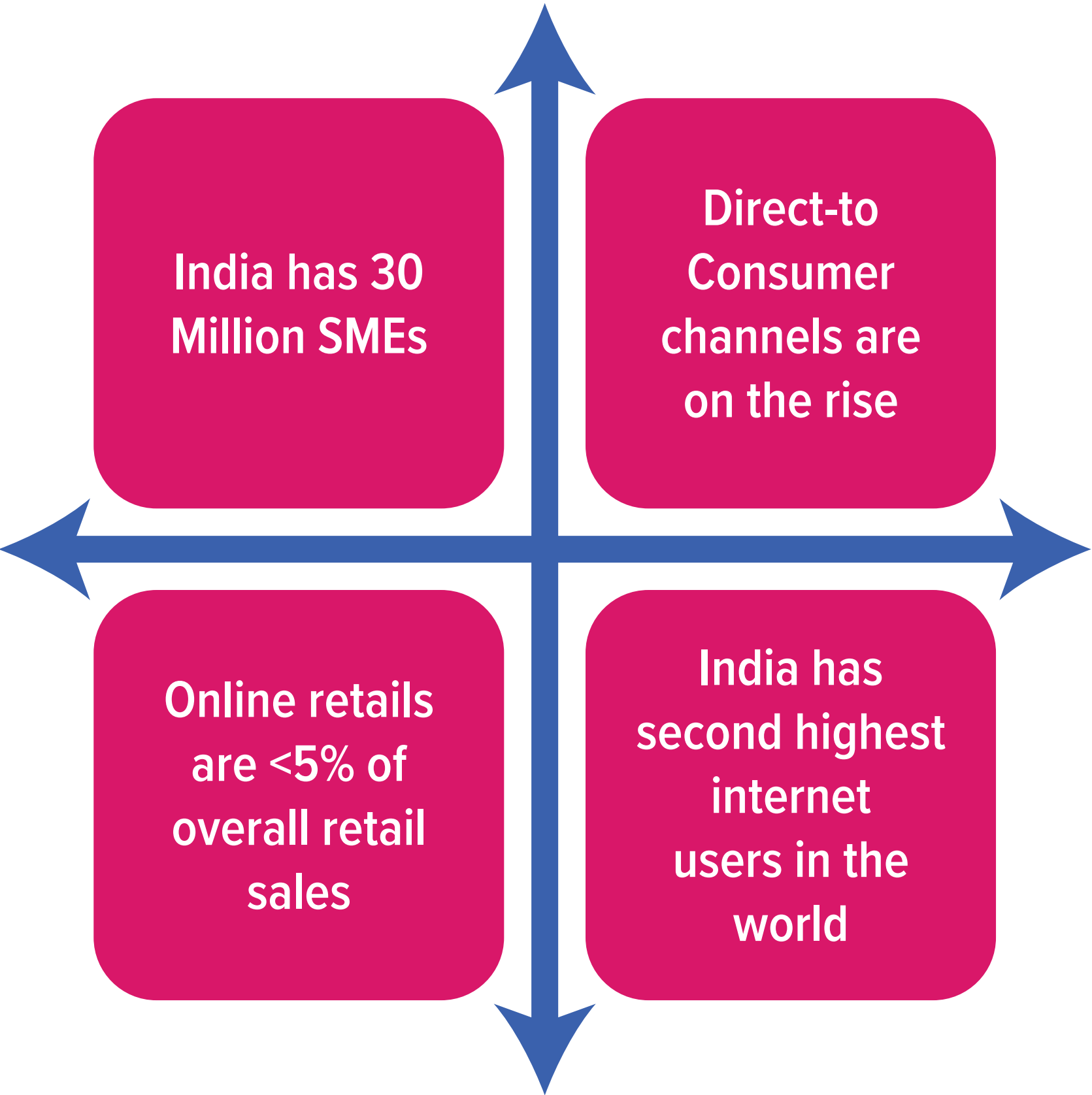
Vernacular content will continue to be the most important factor that will help in attaining greater penetration in this section.

The growth of internet and social commerce will be driven by developing markets. The maximum

progress is predictable to come out of emerging markets in the APAC section, driven by high internet usage in evolving economies.

Words Of Caution

With the increasing amount of data creation, internet and social commerce companies may face a privacy contradiction. There is a constant fear of hacking and compromising of user accounts across social media.



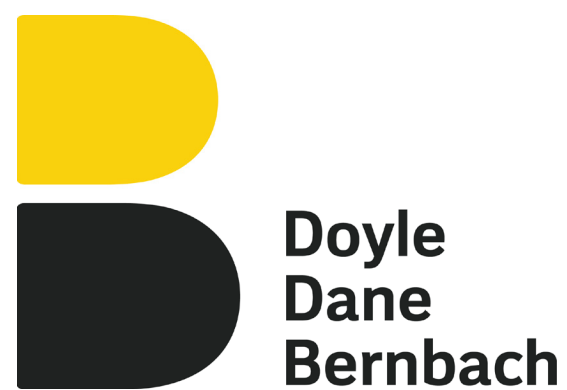
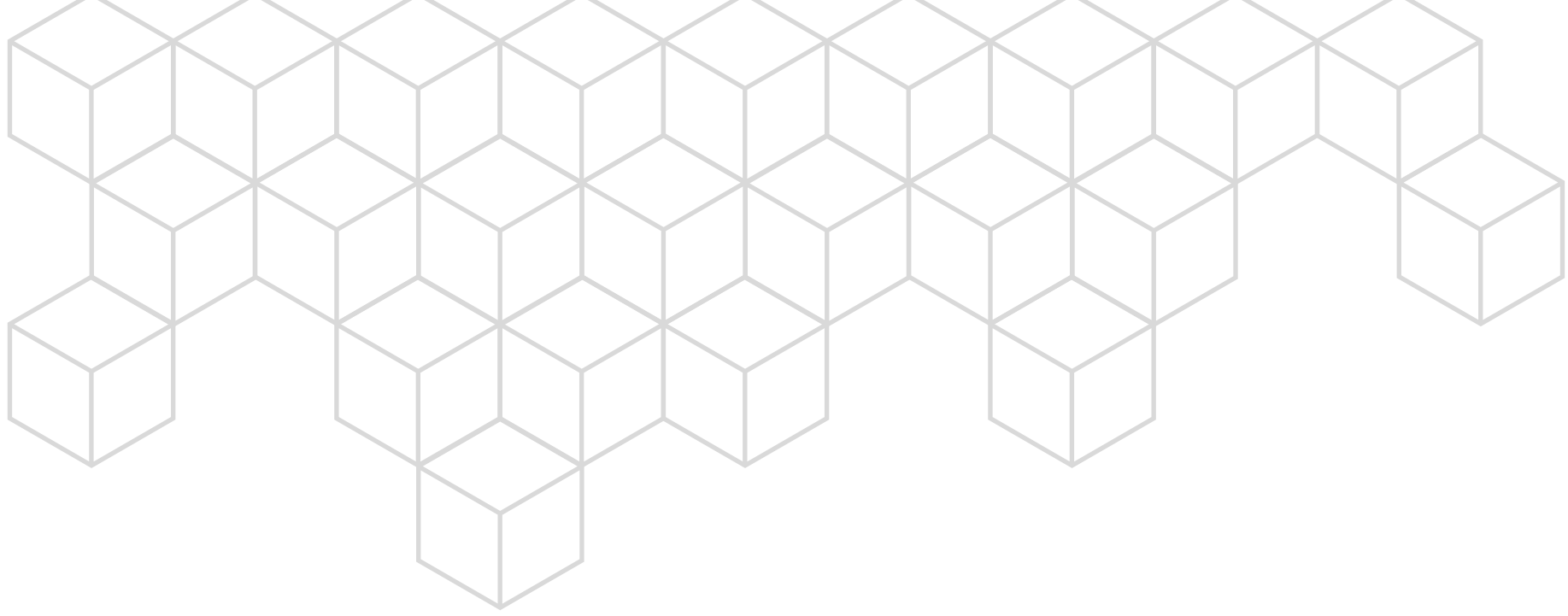
competitive gains. They will leverage digital enablers such as mobility, augmented reality and virtual reality, advanced analytics, the internet of things and digital advertising to revolutionise the sector.

Given the robust growth in the industry, the growth of this sector will be driven by increasing users for OTT content and games.

Social platforms such as Facebook, Snapchat, and Instagram have now become the ideal place for prospects of modern-day vendors. Instagram stands out in the sense that it has been providing a more personalised experience to users.

Covid-19 affected the sector in several ways. It injects ambiguity into the supply chain, causing a shift in demand between different markets and hence disrupting the capital markets overall.

Whether the customers are actively looking for online marketplaces or just browsing through newsfeeds, they are always ready to buy, and inspiration can strike anytime. It is the brand’s job to ensure that they are present in that moment – ready to motivate with content, persuade with promotion or upsurge the customer’s prospects with a dedicated space that provides a whole new world of opportunity.



The ‘BW Marketing World – DDB Mudra Whitepaper’ series aims to understand trends that are shaping the face of marketing and communication in India. In the second part of the series, which shines a spotlight on the state of ecommerce in India, the whitepaper gauges the current maturity of digital commerce in India, which sectors deploy it, and with what objective, thereby impacting the ecommerce space itself.

A LOOK INSIDE THE MARKETER’S TOOLKIT

