How India Shops Online

An insight into consumer trends and the future roadmap

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Flipkart

BAIN & COMPANY

Contents

Executive summary

The Indian e-retail evolution

The $850 billion Indian retail market is the fourth largest in the world and is largely unorganised. This market is on the cusp of a transformation, led by the emergence of e-retail and its growing influence on Indian shoppers.

The e-retail industry in India has seen an upsurge in the last five years and there is significant headroom for further growth. Based on insights into the global evolution of e-retail, we expect Indian e-retail to reach massive scale—spurred by cheap, ubiquitous mobile data enabling nearly 1 billion internet users by 2030, growing online spends by 'Digital Natives' and supply-side innovations like vernacular-based user interfaces, voice and visual search. We expect fashion categories to play a critical role in acquiring customers online, similar to the mature markets of US and China. The Indian e-retail market is primed to reach nearly 300 to 350 million shoppers over the next five years—propelling the online Gross Merchandise Value (GMV) to $100 to 120 billion by 2025.

Covid-19 has caused an inflection in e-commerce penetration globally driven by consumers' need for safety and convenience and even in India, online is gaining salience. We expect India's e-commerce growth story to be inclusive—one that empowers the sellers and consumers both. For the consumers, it will provide convenient access to a wide assortment of products across all geographies and income segments. For sellers (kiranas, artisans, traders and homemakers) it will provide an unprecedented impetus, by creating an easy access to a large base of customers across the country and keeping their stores running 24x7. E-retail has already democratised the shopping landscape, with access to more than 95% of India's pin-codes, and empowering Bharat's small sellers while breaking go-to-market barriers for insurgent and incumbent brands. E-retail has benefitted millions of customers across India, exponentially increasing merchandise choice, price transparency and augmenting access and convenience.

A microcosm of the pan-Indian retail market, the online-shopping landscape comprises a diverse mix of city tiers and income ranges. Online shoppers in tier-2 and smaller towns make up nearly half of all shoppers and contribute to three out of every five orders for leading e-retail platforms. These customers from tier-2 and smaller towns buy similar categories of products as customers from metro cities or tier-1 towns with only a marginal difference in average selling price.

Over the past few years, India has seen a surge in small enterprises and homemakers scaling their businesses by taking them online. E-retail has enabled the creation of millions of jobs and empowered delivery personnel, mom-and-pop kirana stores and several small sellers.

Not only has e-retail broken go-to-market barriers for new brands, it has also helped traditional

brands accelerate new product launches. Digitally-born brands have scaled rapidly and are being built more efficiently. Large incumbents have also leveraged the online channel to launch multiple online-first brands, get real-time customer feedback and use those learnings to improve the effectiveness of its national offline launches.

Online shopping journey

Brand success in e-retail hinges on a deep understanding of how shoppers discover and decide on products online. Our analysis across categories provides useful and interesting insights into the nuances of online shopping behaviour of Indian customers:

- **Nine minutes is all you have:** Over the past year, consumer engagement with online platforms has increased but a visitor spends less than nine minutes per visit on an e-retail platform.

- **Pictures speak more than words:** One in two visitors browse the image gallery and only 1 in 15 click the detailed product description. Brands and sellers should invest in images and videos and pithy, high-impact product highlights.

- **Product discovery on e-retail platforms:** Consumers are increasingly opting for e-retail platforms for product searches—nearly one in three in India and almost two in three in the US.

- **Vernacular searches are gaining popularity:** As an example, "*Parda*" was one of the top three searches in curtains.

- **Browse, browse, browse:** Online shoppers browse more than 20 product pages before making a purchase—for some categories like mobiles and women's ethnic wear, consumers browse about 50–60 product pages before purchasing one.

- **Different horses, different courses:** Search attributes and preferences vary significantly across categories and consumers—online shopping data provides interesting insights into specific product preferences of Indian shoppers at a granular level.

Future of online shopping

As Indian e-retail enters the 'massification' phase, online platforms are innovating to on-board the next hundreds of millions of shoppers. The next wave of shoppers have different needs and will interact differently compared to the current set of online shoppers. We see four key trends going forward:

- **Voice and vernacular:** The Indian vernacular-language internet user base, which is expected to reach more than 500 million users by 2021 (vs. 200 million English-speaking internet user base in India), increasingly prefers voice search and vernacular-based User Interfaces (UIs). Several vernacular apps like ShareChat, TikTok and Helo have garnered upwards of 50 million users each.

- **Visual and video:** Video content consumption in tier-2 and smaller towns in India grew more than four times just in the last year. Visual search tools, live-streaming sessions, influencer videos, etc. are gaining significant traction.

- **Social shopping:** For the next wave of online customers, peers and community play a much larger role in influencing purchase decisions than for the current online shopping base. In the last five years, we have seen more than 50 private equity and venture capital (PE and VC) deals in India focussed on social commerce. Pinduoduo is a great example of a successful, scale social shopping enterprise in China that built a strong consumer franchise of over 450 million monthly shoppers within a span of just four years, a lot of them are women and from small towns.

- **Digital ecosystems:** As e-retail evolves, platforms are trying to increase their number of consumer touchpoints to gain a greater customer mindshare. Top e-retail companies have started to develop ecosystems that combine their core e-retail business with sticky customer services such as video streaming, gaming, booking and payments in a single platform or application. Ecosystems attract a huge customer base, which in turn attracts retailers who want easy access to a critical mass of consumers. And customers gain a one-stop shop for all their needs.
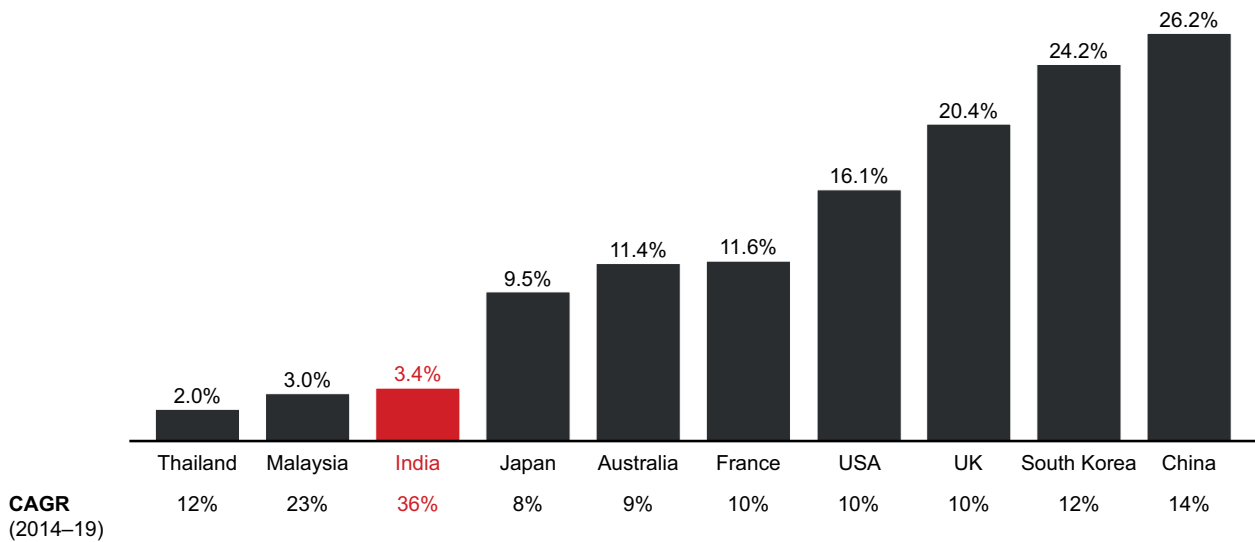
How India Shops Online

1.

Indian e-retail evolution

- The Indian e-retail industry has seen an upsurge in the last five years with online retail penetration currently at 3.4%, indicating a strong headroom for further growth.

- Covid-19 has caused an inflection in e-commerce penetration globally driven by consumers' need for safety and convenience and even in India, online is gaining salience.

- We expect India's e-commerce growth story to be inclusive—one that empowers the sellers and consumers both. For the consumers, it will provide convenient access to a wide assortment of products across all geographies and income segments. For sellers (kiranas, artisans, traders and homemakers) it will provide an unprecedented impetus, by creating an easy access to a large base of customers across the country and keeping their stores running 24x7.

- E-retail is democratising the shopping landscape, by providing access to more than 95% of India's pin-codes, and empowering Bharat's small sellers while breaking go-to-market barriers for insurgent and incumbent brands.

- Worldwide, e-retail has witnessed a predictable growth trajectory, starting with an increase in shopper penetration triggered by a sharp drop in data prices. This was followed by an increase in shopping frequency, which led to a higher spending per customer.

- China had similar levels of shopper penetration as India, eight years ago, which grew from 8% to 40% triggered by a drop in data prices and improvement in e-retail infrastructure.

- India's e-retail market is at a point of inflection with a steep drop in data prices in the past few years. We estimate the Indian online retail market to grow at 30% CAGR over the next five years serving 300 to 350 million shoppers by FY2025.

Figure 1: E-retail in India is booming and there is significant potential for further growth

2019 online retail penetration

	Thailand	Malaysia	India	Japan	Australia	France	USA	UK	South Korea	China
Penetration	2.0%	3.0%	3.4%	9.5%	11.4%	11.6%	16.1%	20.4%	24.2%	26.2%
CAGR (2014–19)	12%	23%	36%	8%	9%	10%	10%	10%	12%	14%

Sources: Forrester Analytics: Online Retail Forecast, 2018 to 2023 (Southeast Asia); GlobalData; eMarketer; National Bureau of Statistics of China; US Department of Commerce

Figure 2: Globally, e-retail has followed a predictable trajectory

① **Cautious early adoption**

Less than 10% shopper penetration

② **"Massification"**

Steep increase in shopper penetration driven by lower data prices and investments to improve customer experience

③ **Growing stickiness**

Surge in annual transactions per customer

Source: Forrester; Bain analysis

Figure 3: Increased mobile and internet penetration coupled with improved logistics and payment infrastructure drove Chinese e-retail growth
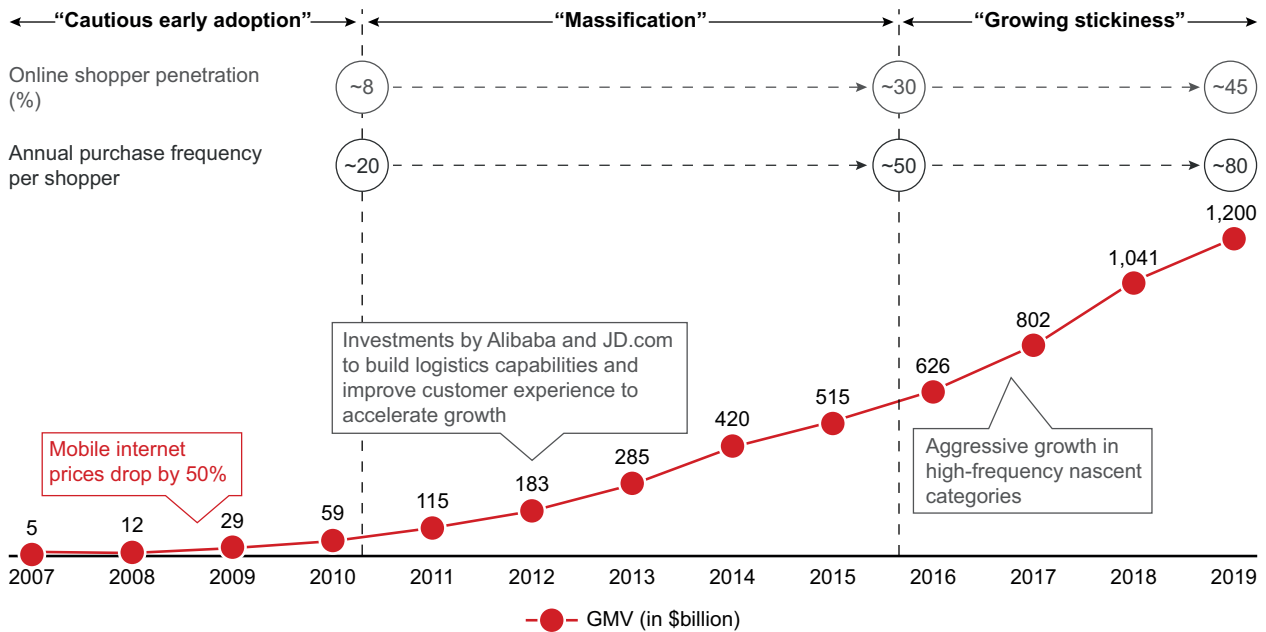
Note: Online shopper penetration defined as online product shoppers as percentage of total population
Sources: National Bureau of Statistics of China; Forrester; Bain analysis

Figure 4: India trails China by nearly 7 years in internet users and almost 8 years in online shoppers
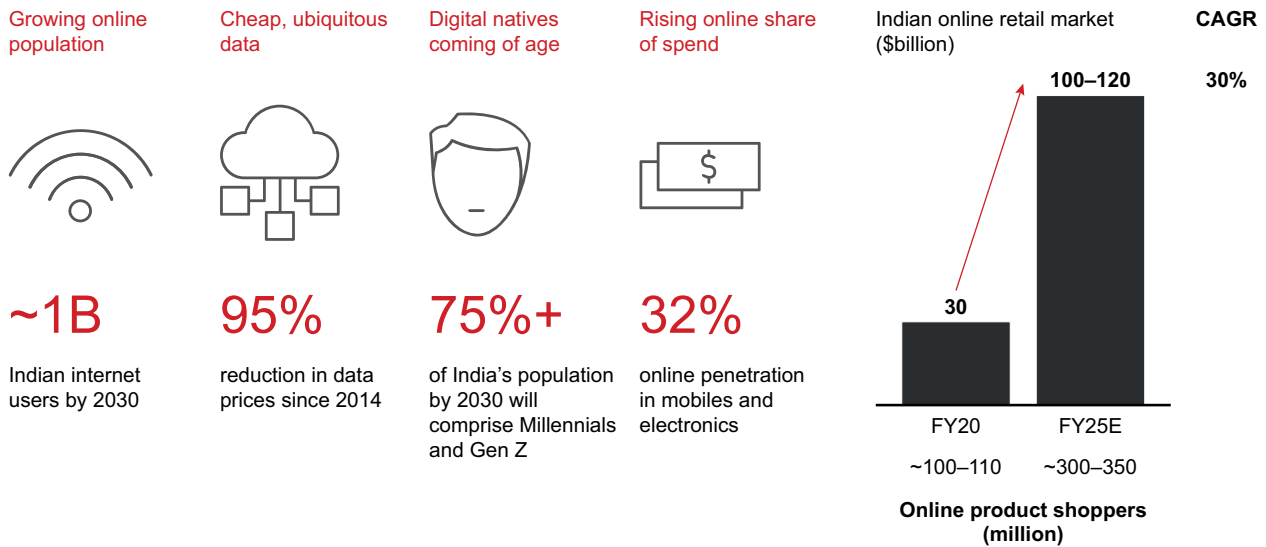
Internet users
(as % of population)

E-retail shoppers
(as % of population)
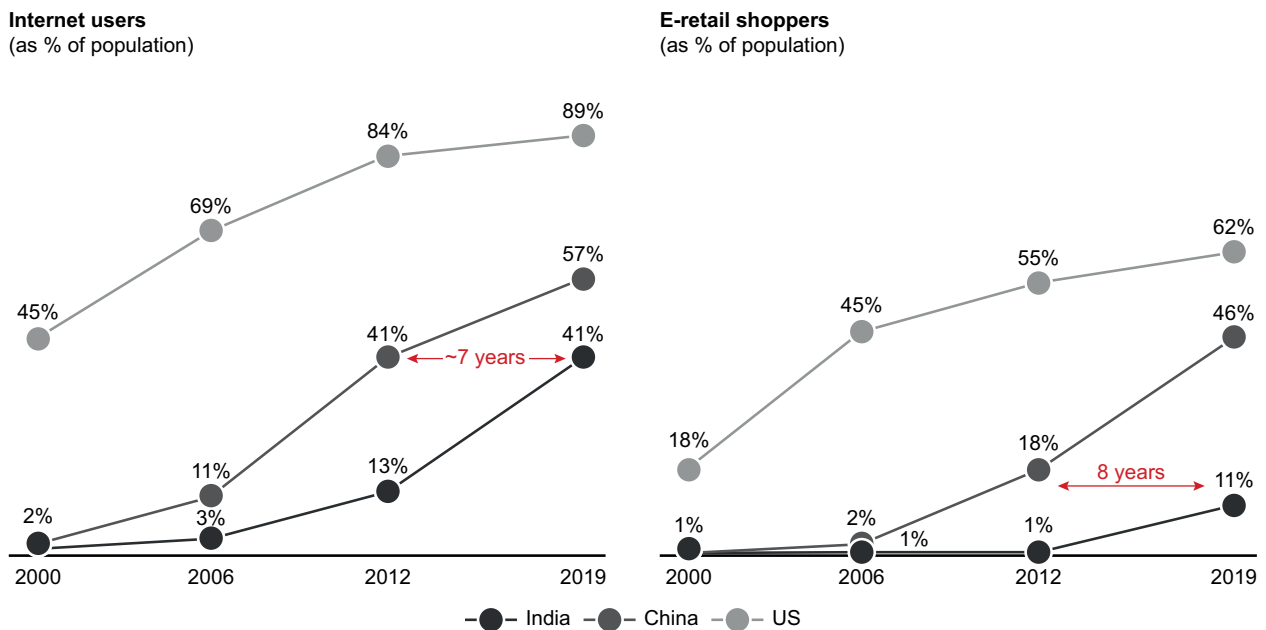
Sources: Forrester; Industry participant interviews; Bain analysis

Figure 5: E-retail in India is expected to have 300–350M shoppers and $100–120 billion in GMV by 2025

India exhibiting markers of getting to massive scale in e-retail in line with global benchmarks
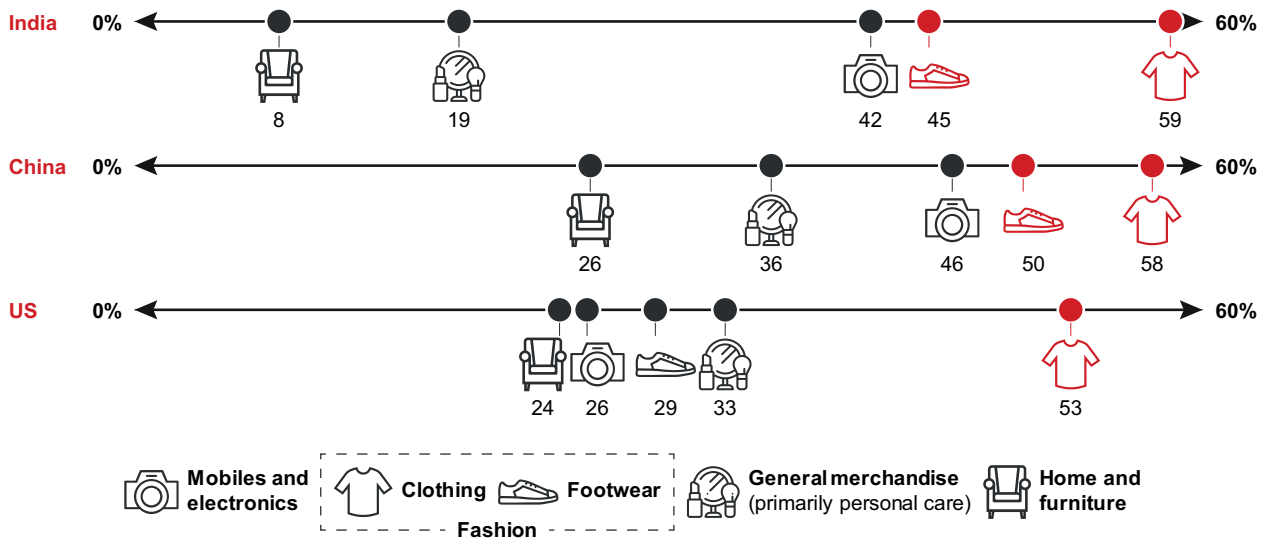
Growing online population

Cheap, ubiquitous data

Digital natives coming of age

Rising online share of spend

~1B
Indian internet users by 2030

95%
reduction in data prices since 2014

75%+
of India's population by 2030 will comprise Millennials and Gen Z

32%
online penetration in mobiles and electronics

Nearly 30% CAGR expected over the next five years

Indian online retail market ($billion)   **CAGR**

100–120   **30%**

30

FY20   FY25E
~100–110   ~300–350

Online product shoppers (million)

Sources: Forrester; CRISIL; Future of Consumption in Fast-Growth Consumer Markets: India, Bain & Company and World Economic Forum; Industry participant interviews; Bain analysis

Figure 6: Similar to China and the US, we expect fashion categories to lead in online customer acquisition

% of shoppers by category to all online shoppers (FY2020E)

India   0% ← ... → 60%
8   19   42   45   59

China   0% ← ... → 60%
26   36   46   50   58

US   0% ← ... → 60%
24   26   29   33   53

Mobiles and electronics   **Clothing** **Footwear** **Fashion**   **General merchandise** (primarily personal care)   **Home and furniture**
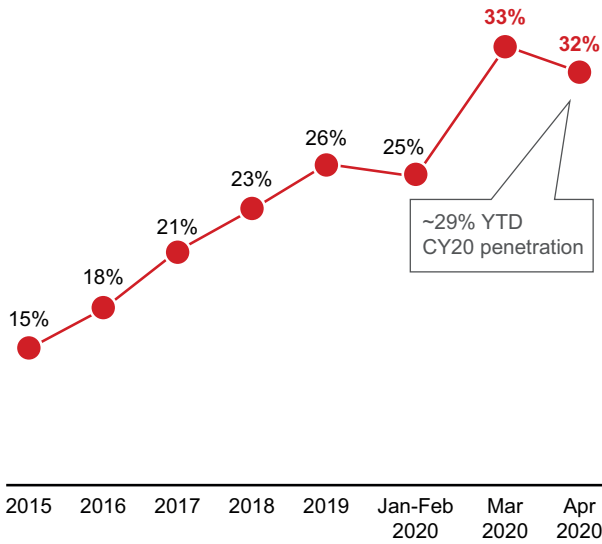
Note: Share of online shoppers by category defined as percentage of online shoppers who purchase a specific category online
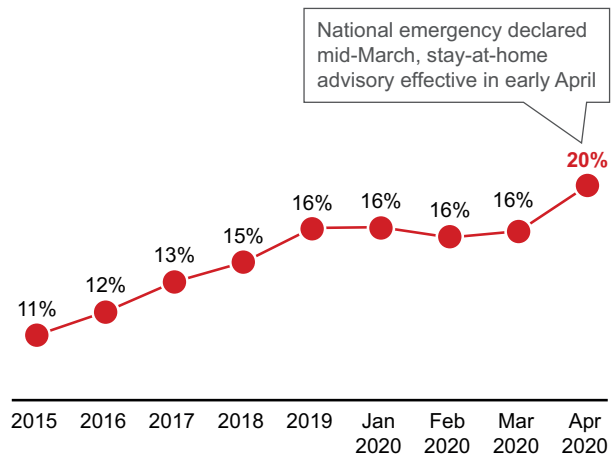Sources: Forrester; Bain analysis

Figure 7: Globally, e-retail has seen a surge driven by consumers' need for safety and convenience during covid-19

China e-retail penetration (% of retail sales)*

US e-retail penetration (% of retail sales)**

Note: *Total retail sales refers to sales of physical commodity sold by enterprises to individuals; online retail sales include physical goods; Jan–Feb 2020 data available at an accumulated level for China
Source: U.S. Census Bureau; National Bureau of Statistics, China; analyst reports; Bain analysis

Figure 8: Even in India, online channels are gaining salience
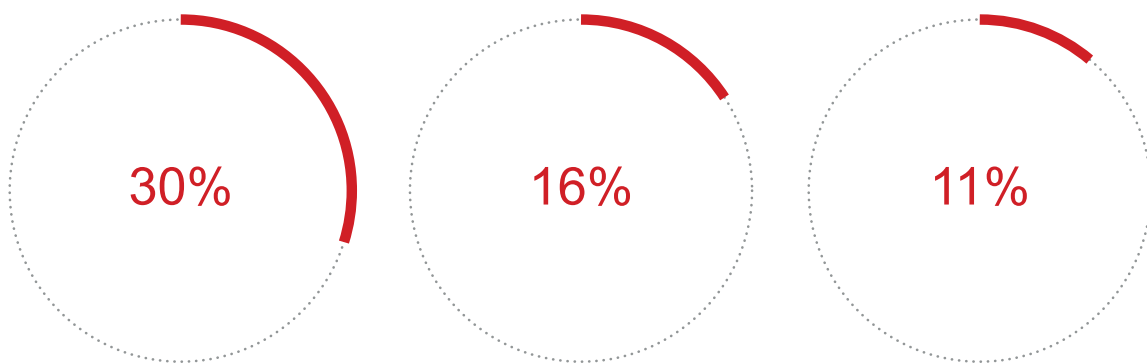
Higher share of wallet
Online shoppers who increased purchases in existing categories

Expanded trialist
Online shoppers who purchased new categories

First time trialist
Consumers who tried online purchases for the first time

Note: Only consumers in urban, high, upper-mid & low-mid income categories have been considered
Source: Bain-PRICE consumer survey, n=2540, April 1–May 6, 2020

Figure 9: E-retail has already democratised shopping in India and will further empower sellers and consumers both post-Covid-1

Consumers

Unprecedented reach;
serving 97% postal
codes

Sellers

Millions of jobs created;
500K+ small enterprises
scaling online

Brands

Rapid go-to-market and
accelerated new product
development

Sources: Industry participant interviews; Bain analysis

**Figure 10:** 97% postal codes in India ordered at least 1 item online in the last year
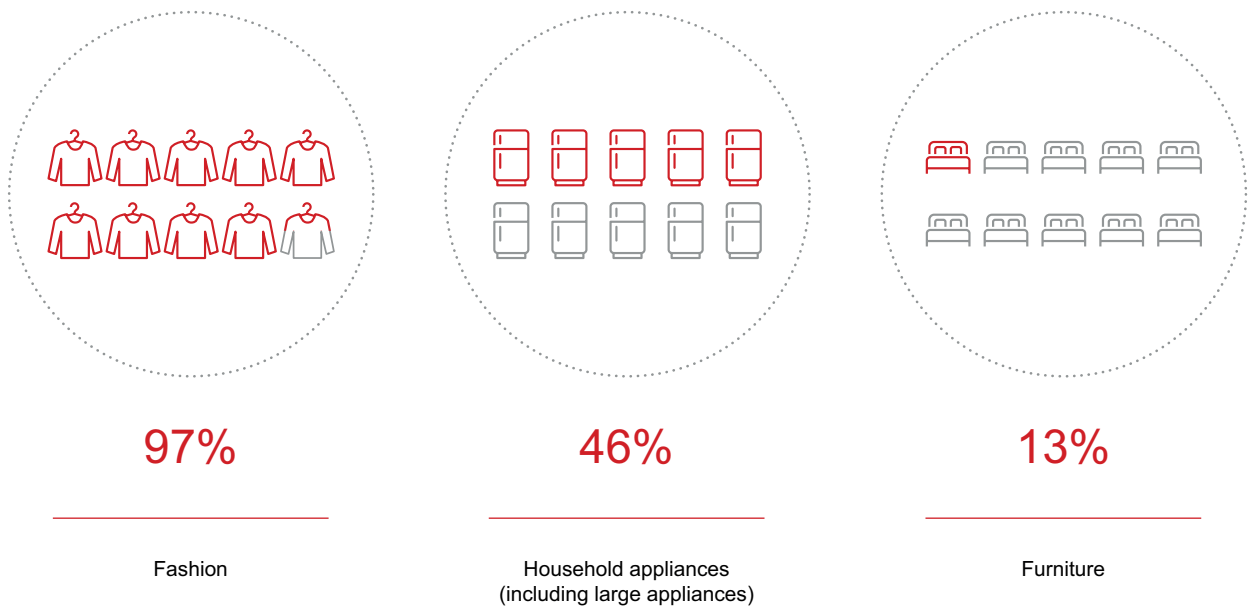
97%

Fashion

46%

Household appliances
(including large appliances)

13%

Furniture

Sources: Industry participant interviews; Bain analysis

Figure 11: Small town India is turbo-charging growth and accounts for 3 of every 5 online orders
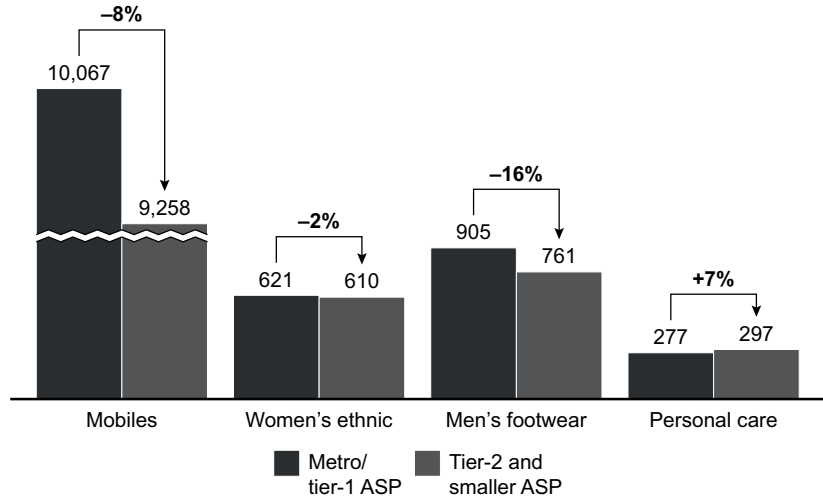
Three of every five orders are from tier-2 and smaller towns**

Split of order volume by city tier (%)
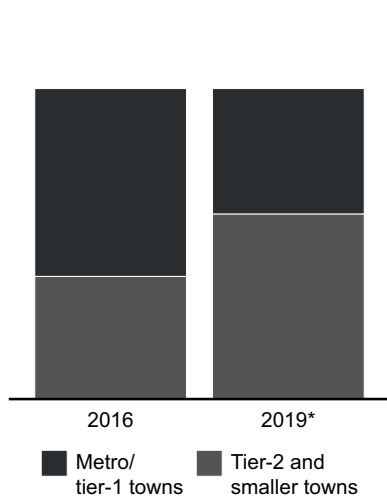
Average selling price (ASP) in tier-2 and smaller towns is only marginally lower than in tier-1/metro cities
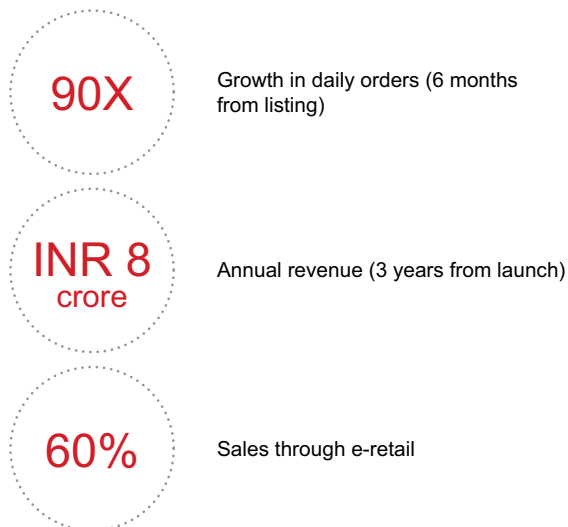
Category wise ASP (in INR)

Note: *January–June data considered for CY19; **for leading e-retail platforms
Sources: Industry participant interviews; Bain analysis

Figure 12: E-retail has also empowered Bharat's small sellers

Indian Weave Sourcing
- Leading manufacturer of home furnishings
- Started operations at Panipat in 2013

90X — Growth in daily orders (6 months from listing)

INR 8 crore — Annual revenue (3 years from launch)

60% — Sales through e-retail

Ten on Ten
- Women's western wear retailer
- Started operations in 2009 in a garage in Mumbai

150% — Annual sales growth

8,500 — Garment pieces sold per month

70% — Sales through e-retail

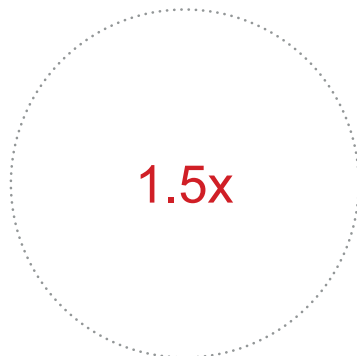Sources: Industry participant interviews; Bain analysis

Figure 13: Many digital native brands have grown swiftly

boAt

- **Launched as online-only electronics brand** in 2016; now has 12 lakhs+ unique customers and **INR 100 crore+** sales (~80% online)
- Introduced innovative products by **mining customer and competitor reviews** to identify need gaps (e.g. "Indestructible" mobile charging cable, bass-heavy headphones)
- Built the brand **entirely on digital advertising** and by leveraging celebrities to connect with millennials. Zero spend on traditional media

8k

Units sold daily

1.5x

Profit margin
(compared to brands such as Blaupunkt, Portronics Digital)

16%

Market share within 2 years
(on leading e-retail platform)

Sources: Industry participant interviews; Bain analysis

Figure 14: Large, incumbent brands have also successfully tapped into e-retail, especially for new launches

Marico

- Primarily offline FMCG brand with **4–5% online sales**
- **Launched 7 online-first brands** starting Oct 2018 (e.g., **True Roots,** an anti-hair greying product, **Studio X,** a premium male grooming range)
- **Launched a TikTok challenge** "**#KhuleBaalBefikar**" with top influencers crossing **2.8 billion views in just 3 days**

65%
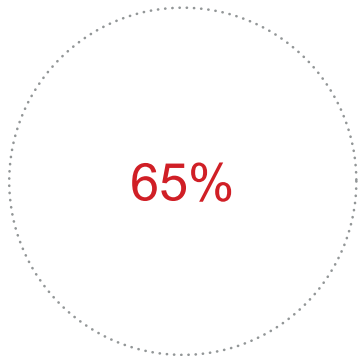
Test launch sales from non metros
(typically offline product test launch done in one metro city)

~2X
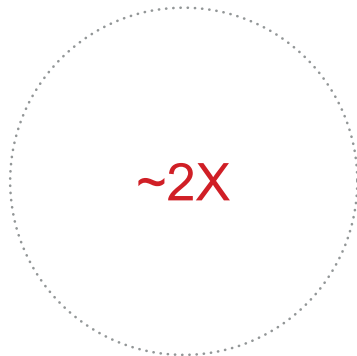
Growth in online sales vs. offline sales

Sources: Industry participant interviews; Bain analysis

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2.

Online shopping journey

- While consumer engagement with e-retail platforms has been growing over the years, brands and sellers have only 9 minutes to win the online shopper.

- Consumers browse 20+ products before making an online purchase; for select categories like women's ethnic wear, they browse approximately 60 products.

- To increase conversion, sellers must invest in high quality product images and high impact summary product descriptions—1 in 2 visitors browse images versus only 1 in 15 read detailed descriptions.

- Searches are also increasingly moving to e-retail platforms (1 in 3 product searches in India already starts on an e-retail platform), with vernacular searches on the rise.

- Online shopping data provides granular insights on online shopping preferences—brands and sellers should tap into this to customise their offerings and communications for higher returns.

Figure 15: Consumer engagement is increasing, but you have only 9 minutes to win the online shopper!

10%

Higher average time spent
per visitor in FY19 vs. FY18

8.5–9 minutes

Time spent per visit
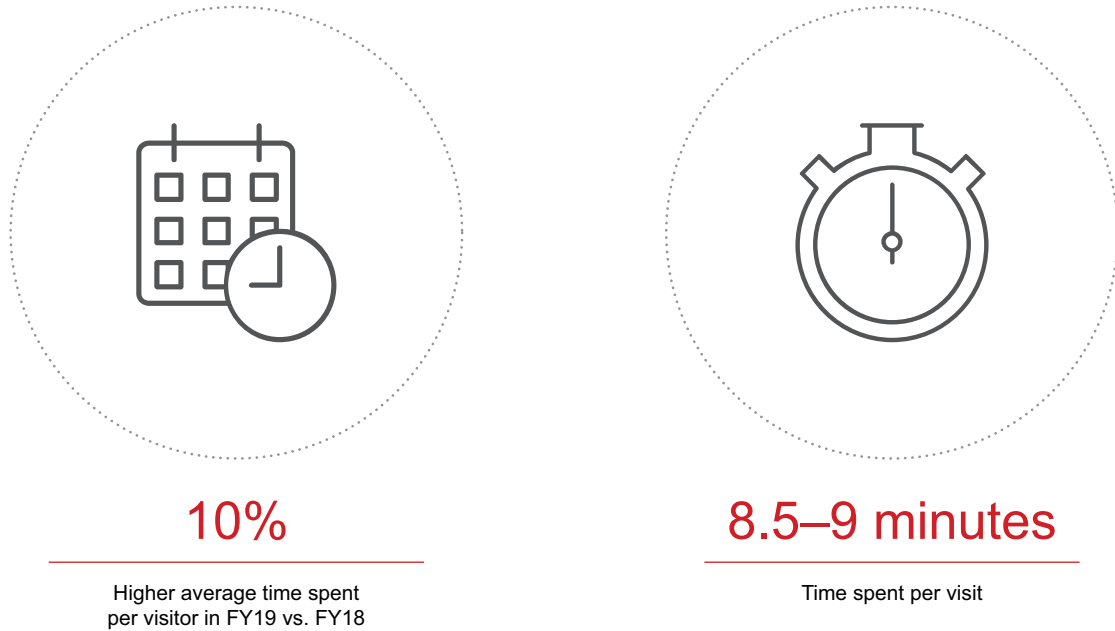
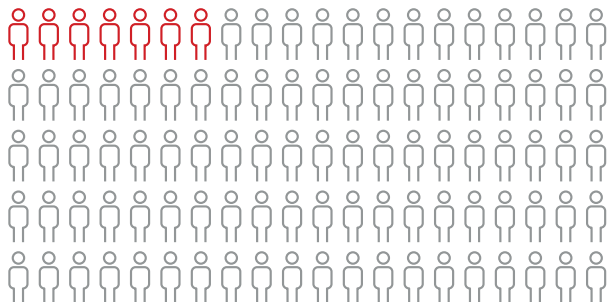Sources: Industry participant interviews; Bain analysis

Figure 16: Pictures speak more than words

Engagement with product page features (as % of visits)

1 in 2
visitors browse image gallery

Only 1 in 15
click on detailed product description

Sources: Industry participant interviews; Bain analysis

Figure 17: Product discovery is increasingly happening on e-retail platforms

35%

India

E-retail's share of product
search market in India

65%

US

E-retail's share of product
search market in the US
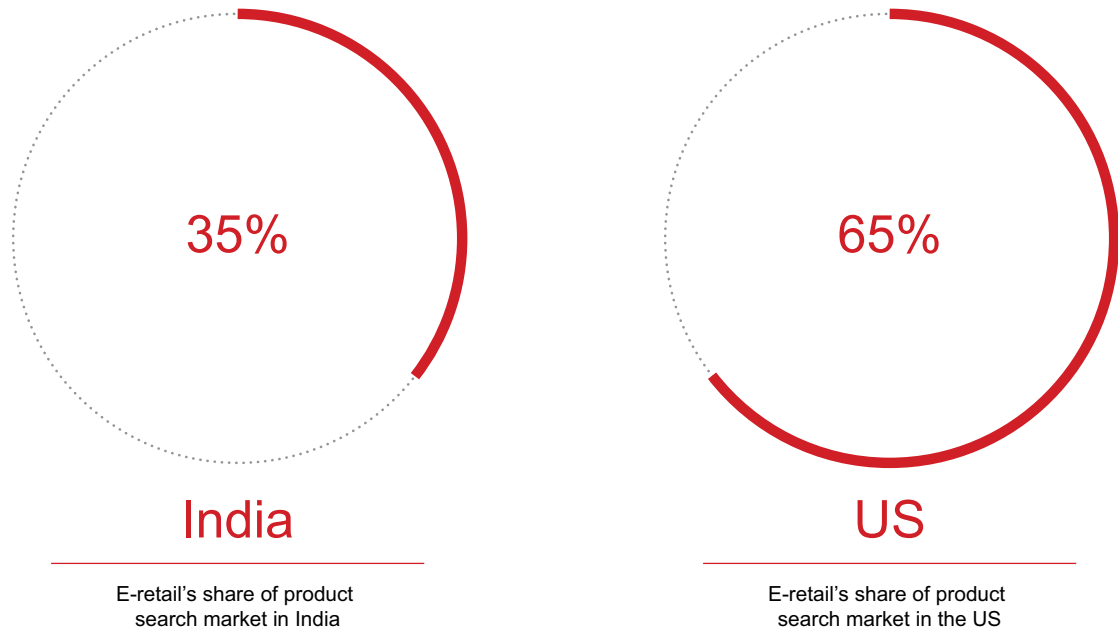
Sources: Industry participant interviews; Bain analysis

Figure 18: Vernacular searches are gaining popularity

Regional language searches for curtains (as a % of total searches)

Top 5 searches

10%

"Parda"

10% of all searches for curtains
were in the vernacular language
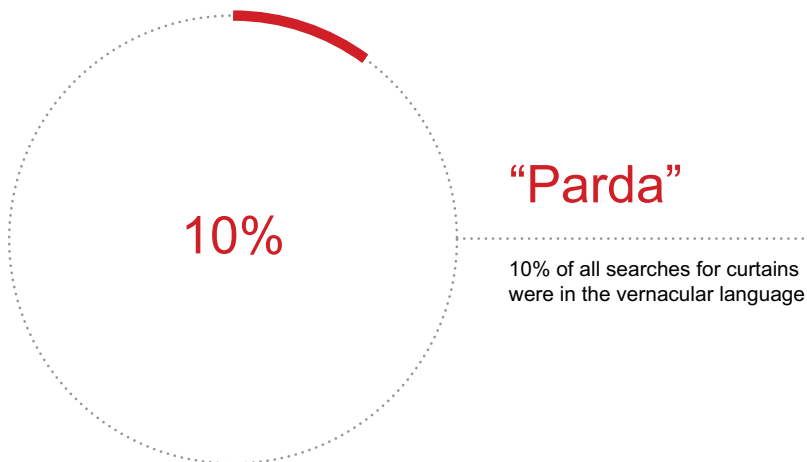
1. Window curtains

2. Door curtains

3. Parda

4. Parda set

5. Curtains long door

Sources: Industry participant interviews; Bain analysis

Figure 19: Shoppers browse at least 20 product pages for most categories

 # product page views (PPVs) per customer before making a purchase

Category	PPVs
Mobile	49
Women's ethnic	58
Men's clothing	24
Men's footwear	24
Personal care	12
Home and furniture	22

Average 32

Lifestyle

Sources: Industry participant interviews; Bain analysis

Figure 20: Mobiles shoppers search primarily by brand and by model
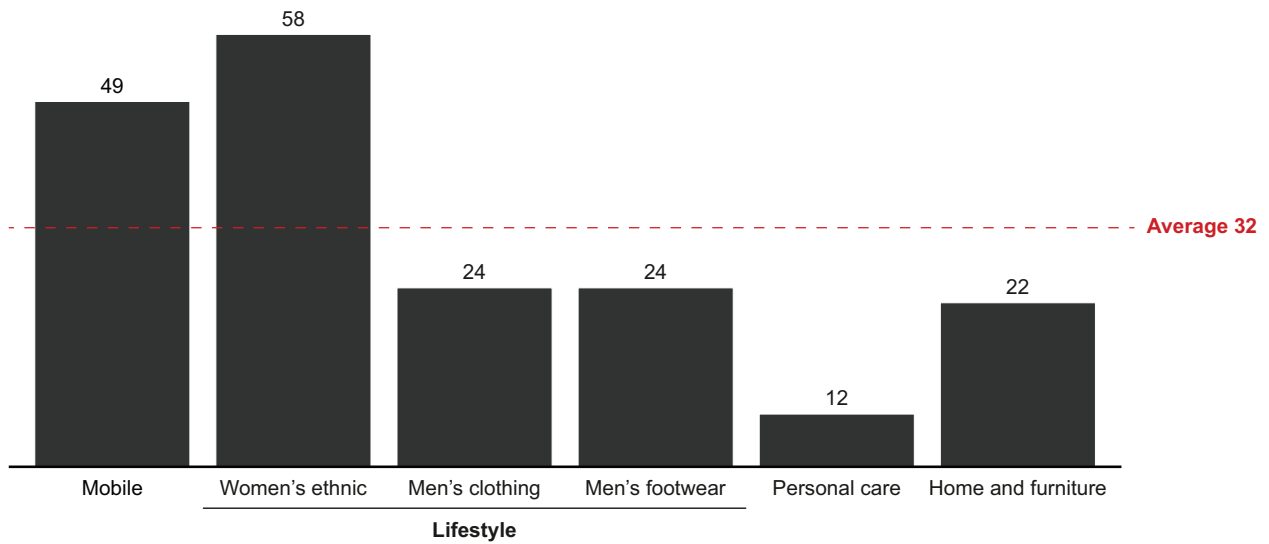
Top 3 attributes searched (as % of total searches)

Attribute	%
Brand	90
Model	~70
3G/4G	~1
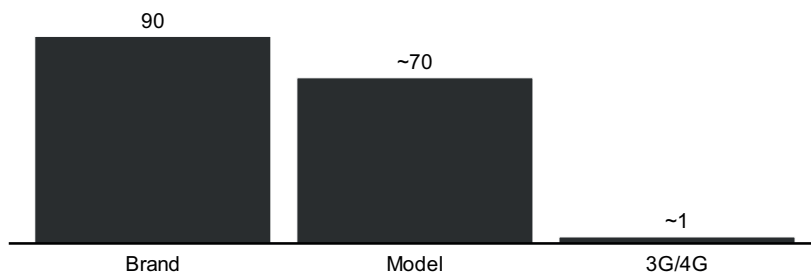
Top 5 searches

1. **Redmi Note 7 Pro**
2. **Realme 2**
3. Samsung mobiles
4. Redmi Note 6 Pro
5. Realme 2 Pro

Fun facts

India loves buying mobiles online

90+ mobiles sold per minute on leading e-retail portals

Mobiles are the festive cheer

Peak demand during festive sales is ~70x of pan-India hourly average

(Mobile) Life is colourful!

Only 2 of 5 mobiles sold are black; blue and gold are other popular colours

Sources: Industry participant interviews; Bain analysis

Figure 21: In men's clothing, brand and theme are popular searches

Top 3 attributes searched (as % of total searches)

~20
~15
~10

Brand   Theme   Type

Top 5 searches

1. Full sleeve T-shirts

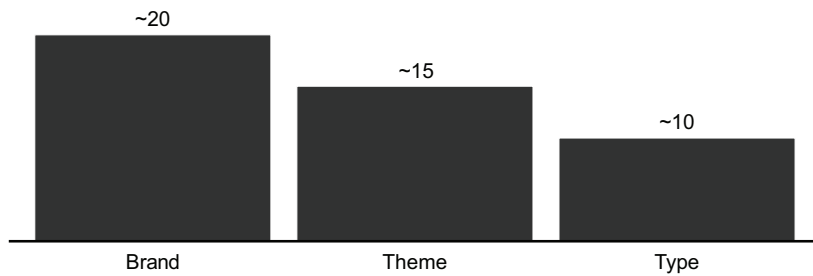**2. PUBG T-shirts**

3. Adidas T-shirts

4. Couple T-shirts

5. Apna time aayega T-shirt

––––––– **Fun facts** –––––––

Slim is large

Almost two-thirds of pan-India online t-shirt sales are slim fit

Kolkata loves T-shirts

Kolkata buys 2x of Chennai, 4x of Mumbai and 7x of Ahmedabad (per capita)

Tier-2 power

T-shirt sales in Cuttack, Gorakhpur and Agartala are comparable to Ahmedabad and Gurgaon despite 4–5x population

Sources: Industry participant interviews; Bain analysis

Figure 22: Occasion and fabric are key searches in women's clothing

Top 3 attributes searched (as % of total searches)

25
15
~10

Fabric   Occasion   Region type
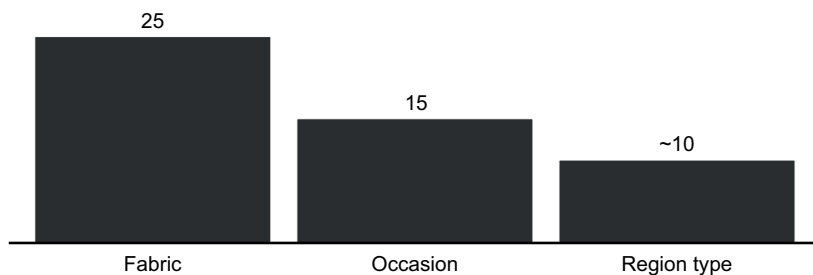
Top 5 searches

1. Sarees for wedding

2. Cotton sarees

3. Sarees party

4. Sarees chiffon

5. Silk Saree

––––––– **Fun facts** –––––––

All that glitters is silver

Women pay 50% more for a silver saree vs. a non-silver one

Kanji is the queen

1 out of every 5 sarees sold online is Kanjivaram

Bihar high on heels

Within heels, Bihar's share of high heels is 1.5x of India average

Sources: Industry participant interviews; Bain analysis

Figure 23: Personal care searches driven by brand preferences

Top 3 attributes searche (as % of total searches)

~60 — Brand
15 — Ingredient
10 — Need
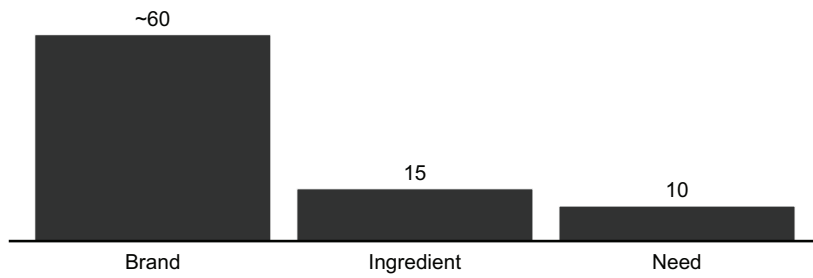
Top 5 searches

1. Charcoal face mask

2. Himalaya face wash

3. Lakme CC cream

4. Biotique

5. Lakme fairness cream

─── **Fun facts** ───

Grooming is in!

1 of 3 shoppers repeat their purchase next month in personal care

Men 'care'

Men account for 45% of shoppers in personal care

Tier-2 on the rise

Baby care sales in Aizawl, Guwahati and Jalandhar combined are comparable to Gurgaon and Pune despite 1.5–2x population

Sources: Industry participant interviews; Bain analysis

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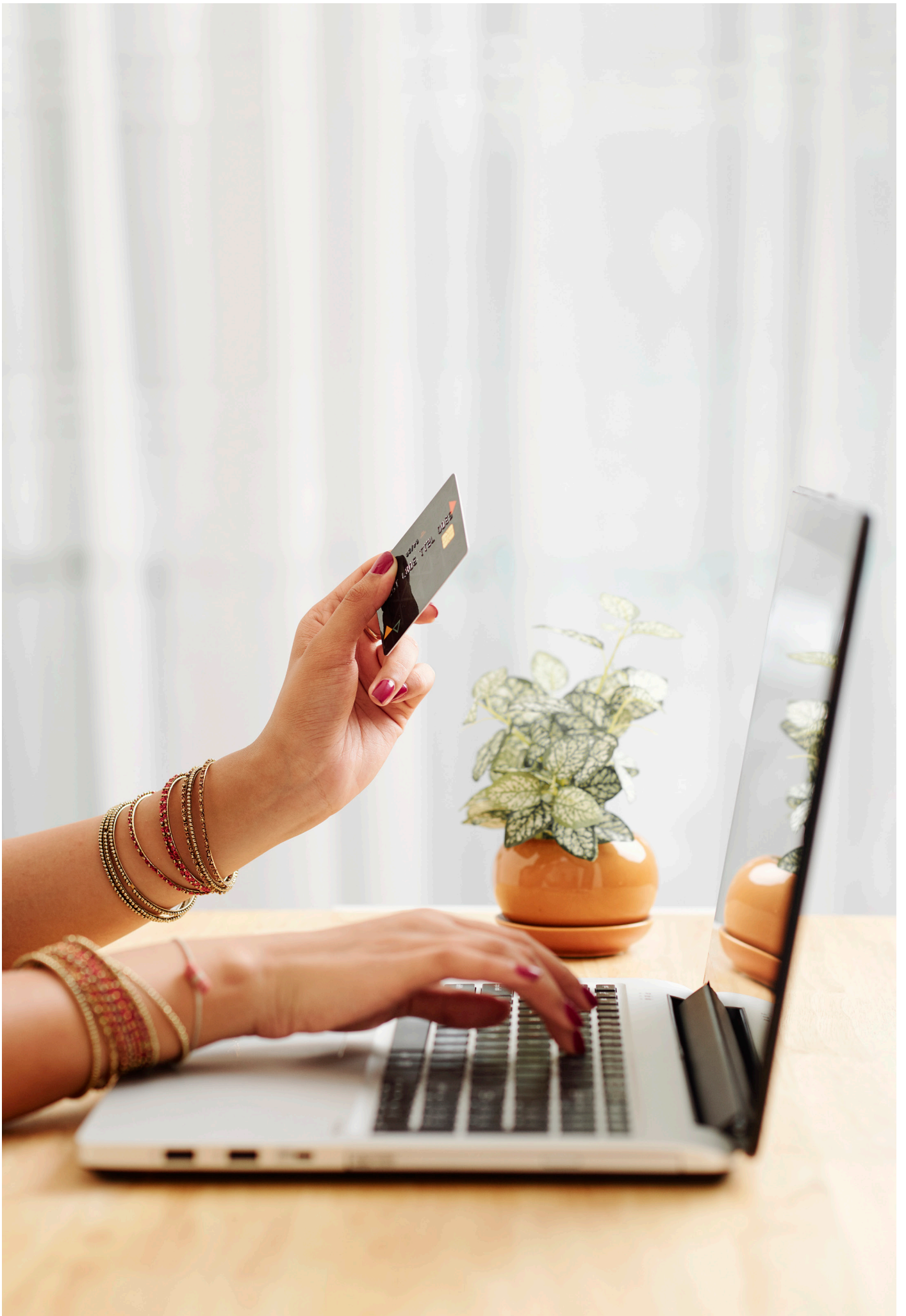
3.

Future of online shopping

- The online shopper landscape is rapidly changing with an increasing share of tier-2 and smaller town consumers. E-retailers are investing across four key areas to win the next wave of Indian shoppers:

  – Voice and Vernacular: By 2021, 500 million vernacular speakers are expected to be online, versus 200 million English speakers—number of voice searches on Google has almost tripled in the last year.

  – Visual and Video: Video consumption in tier-2 and smaller towns in India grew 4x in the last year.

  – Social Shopping: 50+ private equity and venture capital investments in social commerce were closed in the last five years. In China, e-retailers are trying to win women shoppers in tier-3 and tier-4 towns through social shopping.

  – Ecosystems: Multiple digitally-led ecosystems are emerging in India as online retailers try to tap into more customer purchase occasions and win a higher share of their time and spending.

- Digital has scaled up from the experimentation phase. Brands should evaluate their readiness across seven key levers to win online.

Figure 24: E-retailers are innovating to attract and serve the diverse Indian online shopper base

Voice & Vernacular	Visual & Video	Social Shopping	Digital Ecosystems
Google India saw 270% year on year growth in voice search	Video content consumption in Indian tier-2 cities grew 4.3x vs. last year	50+ PE/VC deals in social commerce during 2013–18	Indian & Chinese e-retailers have invested heavily in ecosystems

Sources: 'Year in Search – India: Insights for brands', Google, May 2019; Tracxn database; Bain analysis

Figure 25: Voice and vernacular are key to win the next wave of shoppers

Voice search

28%

Share of voice based searches on Google (2017, India)

JD.com & Alibaba integrated shopping and search platforms to support voice-enabled smart speakers

Flipkart acquired Liv.ai, which can convert speech to text in nine languages

Vernacular user interface

500M

Indian language internet users expected by 2021 (vs. 200M English users)

ShareChat & Helo offer regional content in 14 languages and have garnered 50M+ users each

Amazon and Flipkart launched Hindi version of their platforms

Sources: Google for India 2018 conference; Industry participant interviews; Bain analysis

Figure 26: Visual searches & livestreams are critical to product discovery

Visual search

600M

Monthly visual searches on Pinterest's Lens camera in 2018

Taobao leverages visual search engine Pailitao to enable searches using a simple photograph

Video streaming

$15B

GMV generated by Taobao's livestreaming sessions in 2018

TikTok allows influencers to link products on Taobao to offer seamless video purchase experience

BulBul.tv is an Indian live video shopping app which allows users to interact with hosts and buy products

Sources: Industry participant interviews; Bain analysis

Figure 27: In China, Pinduoduo was a pioneer in social shopping, introducing group buying and gamification

Created a WeChat mini-app

Piggybacked on **WeChat's 1B+ users and payments tech**

Bargain for group discounts

Users can **ask their friends to help bargain** for lower prices

Sign up friends to get free products

Products are offered for **free if enough new users install** the app and sign up

Invite new users

Users are rewarded with a **red envelope** (i.e., RMB 5–20) for inviting friends

Activate a group lottery

Users pay a **small entry fee** (RMB 0.01) to enter a lottery and invite friends

Sources: Industry participant interviews; Bain analysis

Figure 28: Pinduoduo rapidly scaled this social shopping model especially in tier-3/tier-4 markets and women shoppers

Pinduoduo GMV (RMB B)

Share of tier-3 and tier-4
in Pinduoduo monthly active users

Share of women
(% of Pinduoduo users)
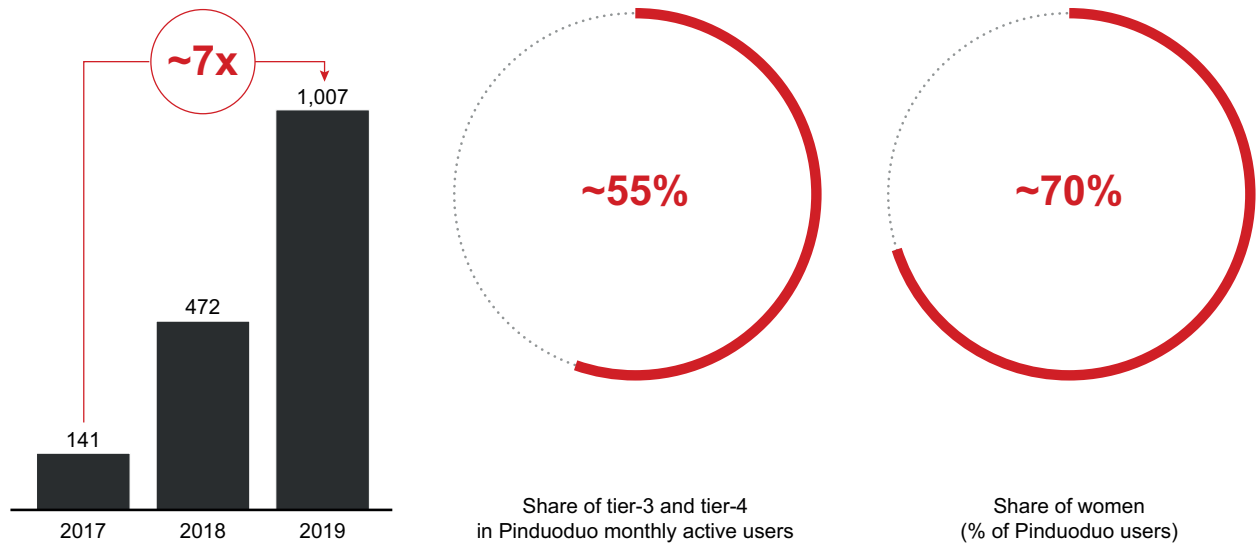
Sources: Pinduoduo annual report 2019; HSBC; Jefferies; UBS; Industry participant interviews; Bain analysis

Figure 29: Retailers are tapping into all online customer occasions to create an ecosystem of sticky propositions
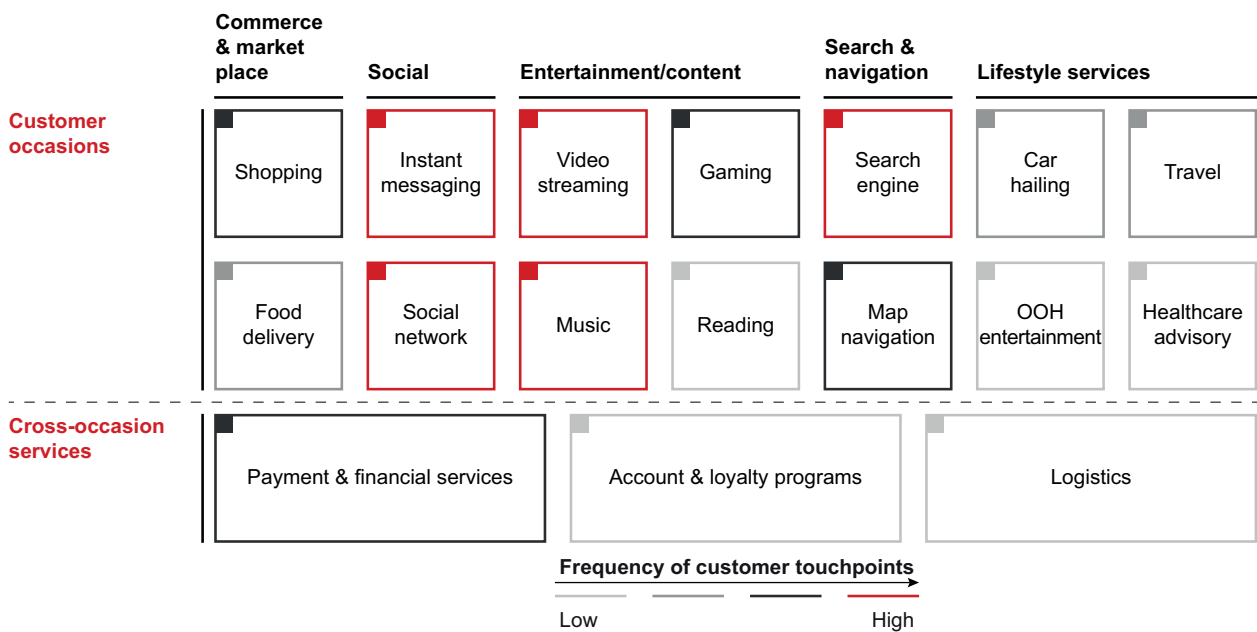
Source: Bain & Company

Figure 30: Chat, social media & video have high customer time share which can be tapped into to drive product transactions

Consumers spend 30x time consuming video content vs. product shopping in India today

	User base (2020)	% of usage time
Internet users	600–650M	–
Chatting and social media	320–400M	40%
Video content	**275–330M**	**30%**
Service transactors	160–200M	8–10%
Product transactors	Shoppers: 105M	~1%

Higher share of product transactors with increasing online maturity

Percentage of transactors vs. time since started using the internet

	4–6 months back	7–12 months back	>1yr but <2yrs	>2yrs
Product transactors as % of total	7%	22%	22%	36%

Legend: Product transactors, Service transactors, Non-transactors
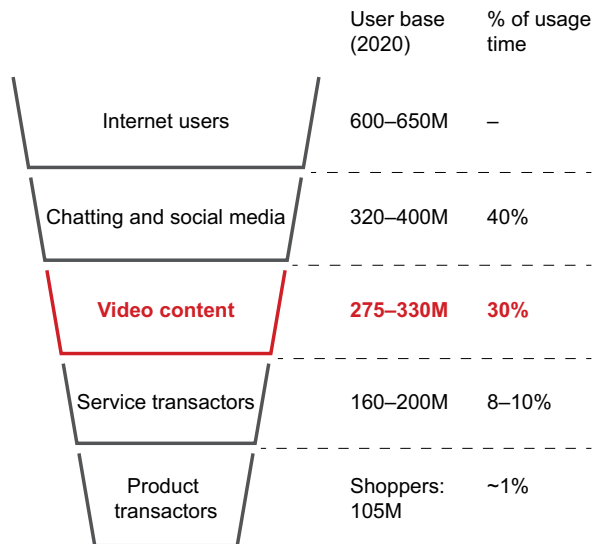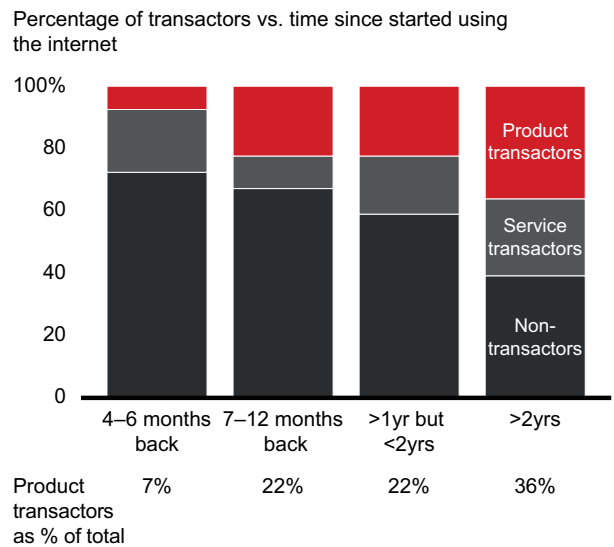
Sources: Industry participant interviews; Bain analysis

Figure 31: In China, JD and Alibaba have developed open ecosystems

Alibaba

- **Logistics** — Cainiao
- **Commerce/marketplace** — Tmall, Taobao.com, Hema, RT-Mart
- **Entertainment/Social** — Youku, Aliwangwang
- **Food delivery** — Ele.me
- **Navigation** — AutoNavi
- **Analytics/cloud** — Aliyun, Alimama.com
- **Financial services/Payment** — Alipay, Ant Financial
- **Loyalty programme** — 88 VIP
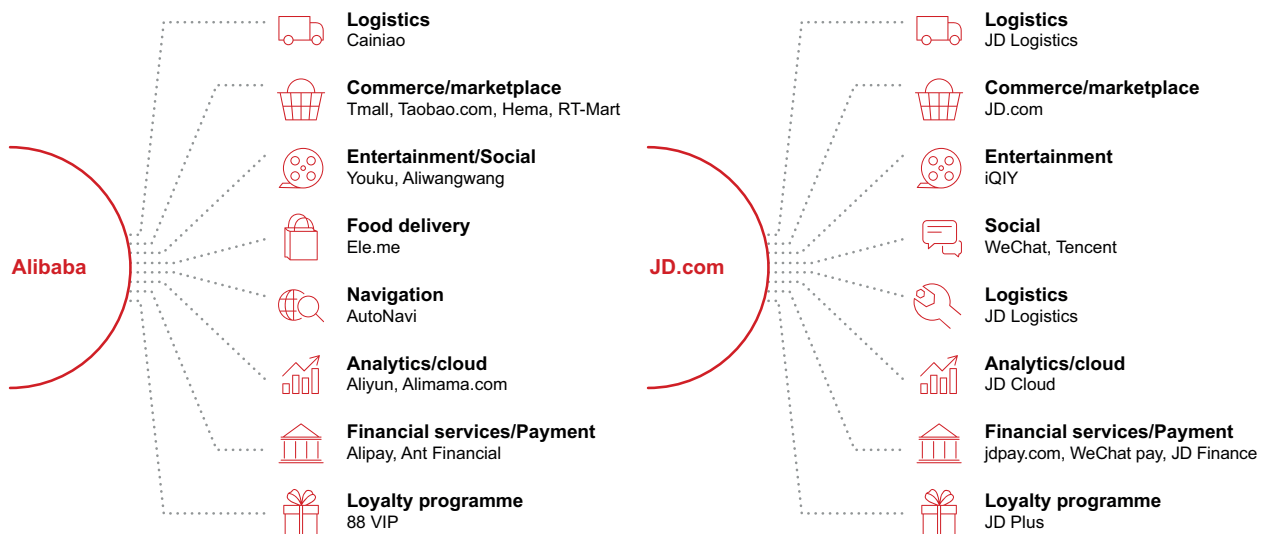
- Alipay has 1.2B active users
- AutoNavi has ~12% share of China's mobile navigation app market

JD.com

- **Logistics** — JD Logistics
- **Commerce/marketplace** — JD.com
- **Entertainment** — iQIY
- **Social** — WeChat, Tencent
- **Logistics** — JD Logistics
- **Analytics/cloud** — JD Cloud
- **Financial services/Payment** — jdpay.com, WeChat pay, JD Finance
- **Loyalty programme** — JD Plus

- WeChat has 1B+ monthly users and offers messaging, video, payments, OTA services among others

Note: List of companies/offerings in the ecosystems are not exhaustive
Sources: Industry participant interviews; Bain analysis

Figure 32: E-retailers are also building ecosystems in India

Walmart Flipkart

Logistics
Ekart, MapmyIndia

Commerce/marketplace
Flipkart.com, Myntra, BestPrice, Jabong, 2-Gud

Entertainment/Social
Hotstar, gaana.com, PUBG

OTA
Makemytrip, OYO, ixigo, Zoomcar

Repair services
F1 Info solutions, Jeeves

Other consumer services
BookMyShow, Vedantu, Practo, Cure.Fit

Financial services/Payment
PhonePe, Axis Bank CBC, HDFC, ICICI, Aegon Life, Bajaj Finserv

Loyalty programme
Flipkart Plus

180M+
PhonePe users

7M+
FK Plus members

20K+
Travel tickets booked

10K+
ekart pincode reach

Amazon

Logistics
Amazon Logistics

Commerce/marketplace
Amazon.com, Amazon Business, Shoppers Stop, More, Future Retail, Amazon Food

Entertainment/Content
Amazon Prime Video, Amazon Music, Amazon Kindle, Audible, Amazon Fire TV, Amazon Games

Analytics/Cloud
Amazon Web Services, Amazon Advertising

Financial services/Payment
Amazon Pay, Capital Float, ICICI Bank, Acko

Loyalty programme
Amazon Prime

Reliance

Logistics
Reliance Logistics, Grab

Commerce/marketplace
Reliance Digital, Footprints, Trends, Fresh, Ajio, JioMart, Fynd

Entertainment
Jio Cinema, Jio TV, Eros, Network 18, Jio Music, Jio Mags

Social
JioChat, Whatsapp/Facebook

Services
JioHealthHub, Jio Radisys, Jio Security, Embibe

Analytics/Cloud
Netradyne, Jio Cloud

Financial services/Payment
Jio Money, Jio GST

Loyalty programme
Reliance One, Jio Prime

Note: List of companies/offerings in the ecosystems are not exhaustive; includes partnerships and acquisitions
Sources: Industry participant interviews; Bain analysis

Brands should evaluate their readiness across seven key levers to win online

Optimal online assortment

- Range-width depending on category dynamics
- Modified pack sizes and combos for the online buyer

Right operating model

- Complementary assortment across channels/sellers
- Synergistic roles of channels (marketplace, own site)

Product and supply chain execution

- Highly rated products—good quality
- Supply chain: Fill rate, promised vs. actual delivery timeline
- Good, discreet packaging
- Low returns relative to the category

Kicking off the marketing flywheel

- Marketing mix optimisation and content hyper-personalisation (including vernacular)
- Inorganic/paid visibility
- Organic visibility—content, search engine optimisation, conversion
- Role of influencers and digital-specific advertisements in improving engagement

Conversion

- Descriptive product display pages with the right mix of images, videos and pithy product summaries
- Appropriate pricing

Consumer insights feedback loop

- Leverage e-retail's granular consumer data and ability to do rapid prototyping, A/B testing, etc. to accelerate new product launches/improvements and improve targeting and go-to-market efficiencies

Organisation implications

- Coordination across digital merchandising, content, supply chain, DTC, technology, aligned capabilities, budgets, incentives
- Agile cross-functional teams trained in winning in digital

About the authors

This report was prepared by Arpan Sheth, a partner in Bain & Company's Mumbai office who leads our Asia-Pacific Technology, Vector and Advanced Analytics practices, as well as our India Private Equity and Alternative Investor practice and Shyam Unnikrishnan, a partner in Bain & Company's Bengaluru office, a leader in Bain India's Consumer Products, Retail, Strategy and Digital practices.

Acknowledgements

The authors thank Prakash Sikaria, Anurag Singhvi and Sankalp Mehrotra from Flipkart and Maneesh Menon, Punit Parekh and Devdatta Patankar from Bain & Company, for their contributions to the insights in this report and also Bain & Company global partners for their expertise and input. The team would like to thank all the companies, executives, employees and experts who shared their perspective to the development of this report.

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