

E-commerce

After an era of change

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2020 changed everything for us. The unimaginable happened that nobody could have predicted. All of a sudden everything that we had known, everything that we had been following had to be trashed and new learnings had to be processed and adopted. Corporations, Organizations, and brands had to quickly learn and adapt.

At a fundamental level, the way people behaved changed. A majority of them adopted new habits out of necessity first, but then habits became permanent, causing a chain reaction to everything around.

This change can be seen across products, services, brands, and categories. It has opened doors to opportunities for some and put many to sleep. One sector that emerged as a clear winner in this whole turmoil is E-commerce.

As marketers, our basics start from understanding consumer behaviour. The consumer is the center of everything for us. Therefore, it is more important for us to understand this change and apply the learnings effectively.

Through our primary research conducted via an online survey, we tried to understand consumer behaviour after the pandemic for E-commerce brands.

The shift in the shopping behaviour of consumers has left a pile of information for brands to learn from and adapt as soon as possible. We dug through that pile by gathering information from the consumers, analyzed, collated these learnings and put together key takeaways for E-commerce brands in 2021.

Dear Brands, Live Long and Prosper!



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1. An indefinite path to purchase

As per the survey, Amazon and Flipkart came out as not just the most used E-commerce apps post-pandemic, but also the most downloaded ones. That means pandemic has increased the reach of these platforms to a larger demography.



amazon

97%

of respondents use Amazon currently

57%

started using it only after the pandemic

+40%

growth in user base

Flipkart



84%

of our respondents use Flipkart currently

27%

started using it only after the pandemic



1.

An indefinite path to purchase

The frequency of purchasing online has increased due to the growing reliance on E-commerce across categories. In fact, as per the survey results, consumers prefer buying a few categories online-only - Electronics, grocery, lifestyle, fashion and beauty products.

For

60%

of the total respondents

For

75%

of respondents in the age group of 18-35 years

The frequency of online shopping has increased

Consumers are spending much more time on digital spaces than ever before and the pandemic has just been a catalyst to this process. The journey that one takes to purchase is all the more complex now as the number of channels that lead to purchase has increased multifold. Regardless of whether one ends up buying anything, the consumer of 2021 is bound to hop on several platforms. Some platforms have been an integral part of this journey. It is all the more important for E-commerce brands to keep platforms such as Amazon and Flipkart a part of their long-term plans.

If we look at the time spent on various E-commerce platforms :

22%

of our respondents say that they shop online every day

65%

shop at least once a week

80%

of the college-goers shop at least once a week



1.

An indefinite path to purchase

These platforms are also like storefronts where you can just window shop and even after several additions to your cart, you may not end up buying anything.

75%

of the respondents browse shopping platforms once daily.

50%

browse shopping platforms online at least twice a day.

Social Media is an integral part of the consumer's complicated journey to purchase now.

For more than 60% of respondents



Social Media has affected online shopping behaviour post-pandemic

Key takeaways for brands

The number of touchpoints in the digital environment for the consumers has increased, so has the number of avenues for a brand to be present at, innovate at and be interactive at.

As per a recent Amazon report, consumers use 4 platforms on an average before making their decision. The report also says that more than half of the consumers visit Amazon with the purpose of research implying that the platform is not just a point of purchase/action area in the consumer journey.



1.

An indefinite path to purchase

As per a study conducted by Google, the journey between Trigger and Purchase goes through a messy middle which consists of a process of exploration and evaluation. The loop can be broken only by a brand that is present at the right touch-points providing appropriate information to help evaluation quickly.



Source : Google

Social media is an extremely important touchpoint to reach your consumers especially, to a younger TG. Multiple formats can be leveraged across Social media to create awareness, consideration and drive purchase. For example, use of video formats across Instagram and Snapchat is driving the growth of social commerce for a younger age group.

Small retailers are adopting omnichannel strategies by leveraging social media platforms such as Facebook, WhatsApp, Instagram and more to market their products, thereby giving customers a chance to interact with the brand.



1.

An indefinite path to purchase

Few Focus points for E-commerce brands in 2021.

1. An important marketing tool post-pandemic is to advertise on Amazon and Flipkart if the product and services are relevant. The advertising need not be limited to conversion objectives but it should be about driving consumers through the funnel.
2. Ensuring that ad messaging is tailored to the needs of shoppers who are in evaluation phase. As per a study conducted by Google, there are behavioural biases that influence our shopping decisions. We need to put out our messaging by aligning our biases and category aspects. For example, scarcity bias plays a role when it comes to the Lifestyle and Fashion/luxury/premium category. As stock decreases, the products become more desirable to purchase.
3. Using Email marketing and push notifications aggressively to engage with potential buyers.
4. Retargeting and basket abandonment message to engage with evaluative shoppers before they make a decision.
5. Brands need to have a robust social media strategy and a full-funnel marketing plan to drive consumers to purchase. More Social Media platforms need to be explored and defined as per the target audience and objectives. This will assist consumers to evaluate and come out of the “messy middle” quickly.



2. Grocery for the win

Certain categories saw a surge in sales post-pandemic primarily due to the demand induced by the government imposed restrictions. But this soon translated into a few permanent changes in consumer behaviour which is very evident by the fact that there was a 20% growth in the number of online e-commerce shoppers in 2020.

As per a BCG report, the number of categories purchased online also went up from 4.4 to 5.8 per user on average.



When it came to understanding the key categories which were a boon to E-commerce, Grocery came out as a clear winner as per the survey results.

50%

of the respondents purchased grocery online first time after the pandemic began

52%

prefer buying grocery online only.

65%

purchase grocery online almost every week

Massive growth potential is coaxing many brands to step into the Grocery category. As per a report by Redseer, this category grew by 73 percent post-pandemic. It is becoming pertinent to distinguish oneself to gain a competitive advantage as more and more brands are learning to swim in this red ocean.



2.

Grocery for the win

The grocery category is primarily dominated by the Kiranas even now. A few interesting findings on this category are as follows:

1. Availability of items on grocery apps and websites is a major driver for a consumer to be loyal to that platform. Continuous non-availability can drive consumers to reconsider loyalty.
2. Consumers have a strong affinity towards buying from local stores, familiar shops and brands they know about.
3. The experience on the User Interface makes a lot of difference to a customer's preference. There are instances where consumers expressed that they distinguish Zomato and Swiggy based on their user interfaces. A simple, self-guiding and clutter-free UI can change the game.



These learnings need to be leveraged by embedding them in the overall strategy.



2.

Grocery for the win

Furthermore,

For the older generation(>45 yrs), primary drivers for online grocery purchases are price and quality. This generation finds a challenge in carrying out processes in the digital space, hence they place significant importance on the User Interface and value any external aid extended by the platforms.

It requires brands to integrate their offline and online presence in such a way that the number of digital touchpoints in the consumer's journey is reduced. It would also be wise to bring in the Kirana vibe inside out and keep a consistent tone to the whole digital environment of the app.

For a younger TG, primary drivers for online grocery purchase are instant delivery, offers & deals, convenience, availability, and variety. As this generation has a heavy reliance on last-minute purchases and a need of a convenient system to avail daily grocery needs,

Brands should provide in-app services like smart baskets to automatically recharge in a certain time gap backed by data-driven suggestions and reminders.



3. A purpose inside out

The global pandemic has elevated the idea of a company's purpose or the idea of a meaningful business - how brands give back to the community and environment.

There were a few key attitude shifts during 2020. As per a research conducted by Google, 86 % of the respondents say that they have become more environment conscious due to the pandemic. Consumers have expanded their horizons and hence, they are open to more choices, rather better choices. As it is rightly said, it takes one downfall to make you learn for life.

As per our survey, the following points came up.

55%

of the respondents use more number of smaller brands post-pandemic

70%

use more sustainable brands post-pandemic

Giving a higher purpose to your brand is essential now as it is no more just a differentiating factor - consumers might place more importance on this than on customization.





3.

A purpose inside out

Some recent examples where companies went beyond to make their business more meaningful.

Case 1 -

While Dunzo is on a mission to change the way we shop, and move things, it also associates itself with a higher purpose that is helping out the local retailer community. This became a much more prominent initiative after the pandemic. Their latest #DesignLocal project is about giving back to the merchant community as it is only when their business grows that Dunzo's business will grow too. They helped in rebranding these local shops with very contextual and localized designs.

Case 2 -

Cashkaro, a cashback and coupon-based startup founded in 2012, helps women micro-entrepreneurs and merchants in rural markets to increase their earnings by partnering with them and increasing their chances of receiving cashbacks.



4. Digital Payments

A financial transaction or a consumer touchpoint?

Demonetisation gave the first push to the adoption of digital payments in the country back in 2016, then further push came during COVID-19 in 2020. Even consumers comfortable with cash have started adopting digital methods like Google pay, Paytm and others. In October 2020, digital transactions jumped to 23.7 million amounting to around 4000 crores (KPMG report).

As per our research, we found out that :

70%

prefer digital transactions while purchasing online

25%

used UPI only after the pandemic

28%

prefer Credit/Debit

25%

prefer Gpay/UPI



People in India feel more secure while transacting with physical cash than paying digitally as per the prevalent consumer behaviour. The findings imply that there has been a phenomenal shift in consumer preferences.



4. Digital Payments

Consumers are experimenting and trying newer platforms for financial transactions. The brands in this sphere need to be very proactive in forming strategic partnerships with fintech platforms.

This can be materialized by offering exclusive discount coupons and offers via the platforms. Furthermore, brand loyalty can be nurtured by partnering with the likes of Gpay to offer gift cards to consumers which would entail a certain discount every time a person buys from that brand.



In 2020, Google Pay partnered with Pine-labs owned Qwiksilver to issue gift cards to users from more than 150 online and offline brands across 1500 cities in India.

More and more brands are tying up with fintech platforms to leverage the massive user base and increasing reach.



Conclusion

E-commerce brands need to be on their toes all the time. They don't just need to be present on various channels such as Social Media but also need to be ahead of their competition in terms of advertising. The right message to the right audience at the right time is extremely important otherwise consumers would be stuck in the complex journey and will keep going back and forth between exploration and evaluation.

Grocery has been a boon to the E-commerce industry. It has been adopted as a horizontal category by larger players like Zomato and Jiomart as well. Grocery Brands at any scale need to distinguish themselves due to the intense competition.

A purpose-led initiative is going to give you that X factor. Brands cannot be just about sales and conversions. A consumer today is more conscious than a year ago and this consumer is going to buy something that fulfills more than just a personal need.

Community is larger than an individual.

Brands need to keep a close eye on payment platforms as they have a massive user base with a potential to be tapped. They are not mere tools of transactions anymore.

An E-commerce brand of today has many more touchpoints, many more potential consumers and a complicated consumer journey to look after. Let us get on with it and adapt!



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