MMA | AMMP COMMUNITY

ACCELERATING MODERN MARKETING PRACTICES

E-COMMERCE COUNCIL INITIATIVE

MODERN MARKETERS' GUIDE TO CONNECTED CONSUMER JOURNEYS

Powered by **groupm**

Foreword

Mr. KRS Jamwal

**Executive Director,
Tata Industries Limited**

A decade from now, it is likely that 2020 and 2021 will be remembered not only for the distress and disruption caused, but also for the transformation of several aspects of our lives. Research indicates that global digital adoption has been accelerated by about 3 years, yet the impact of nearly a billion people added to the digitally literate is perhaps yet to play out fully.

From a customary online presence to actively driving customer journeys digitally, companies and brands are moving to a full embrace of online and digital. Significant shifts in consumer behaviour across age groups and demographics, and rapid changes in preferences are perhaps the new normal, making it imperative for brands and marketers to quickly understand and adapt to these changing dynamics.

The playbook of the past decade – a combination of network effects of a platform and massive funding, creating the 800 pound gorilla's in the space - can and should be challenged by more customer focused, perhaps narrower, verticals that can design superior customer journeys. The ability to acquire customers at a lower cost, by virtue of delivering a superior customer journey, is often under-appreciated as a competitive advantage. Cloud and SaaS tools are going to lower entry barriers for those platform entrepreneurs who wish to re-imagine customer journeys to provide delight to consumers.

Additional sources of differentiation could be customer journeys that leverage cutting edge technology to retain the merits and best practices of the offline world and seamlessly overlay or integrate digital content and manage the transition - creating a truly Phygital® experience for customers. Creating such an omnichannel presence, launching verticals that provide for better designed customer journeys, blending online and offline (O2O) shopping experiences for consumer convenience and delight are some of the key areas of discussion in (virtual) boardrooms.

Marketers of today have a very interesting challenge and opportunity. As against legacy marketing – involving extensive and fairly static "marketing calendars" that often ran for 6 months – marketing plans of today need to be far more agile and with a rapid feedback loop. In addition, Marketers need to learn to go beyond mere advertising and promotions, to finding creative ways to broadcast the views of their loyalists and advocates, whether through e-commerce platforms, chat rooms or commentary in social media.

This playbook on 'Modern Marketers Guide to Connected Consumer Journeys' examines the market landscape and trends, and captures the nuances of consumer purchase patterns, pre-purchase trends & insights, and the 3Vs – Vernacular, Voice & Video. We believe this coverage will help organizations and marketers navigate this complex yet evolving digital landscape, help marketers understand the consumer better and take their steps towards redefining their customer engagement experience.
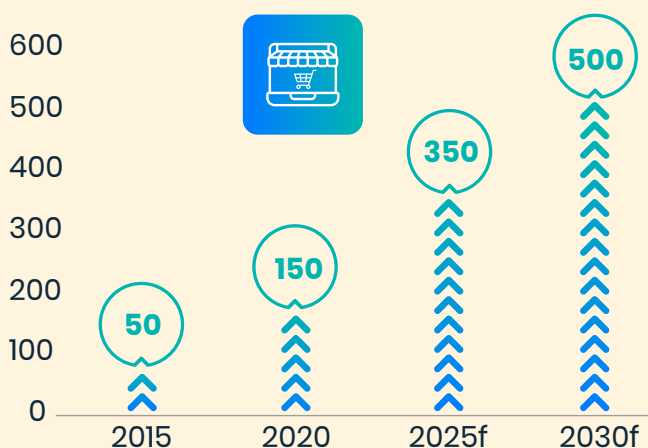
▶ LANDSCAPE

GROWTH IN E-COM

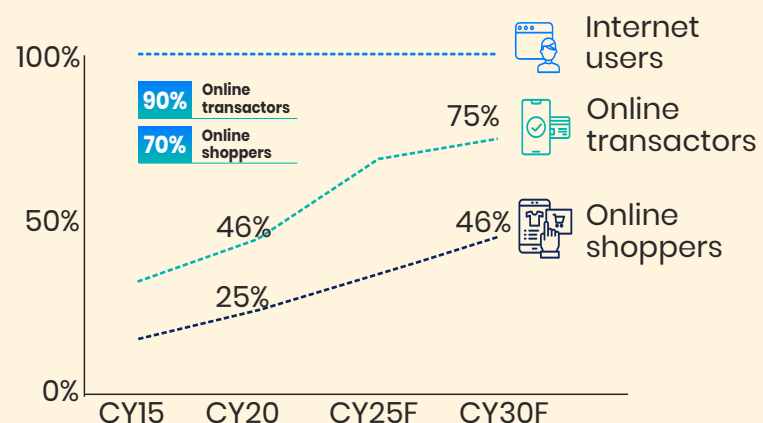Top of the funnel for India's online user base is expanding rapidly.

SALES GROWTH...

0 %   100 %

PAN India annual online shoppers (Mn)

600
500
400
300
200
100
0

2015	2020	2025f	2030f
50	150	350	500

India - Online Funnel Over Time As % total internet user

100%

90% Online transactors
70% Online shoppers

Internet users

75% Online transactors

46% Online shoppers

46%

50%

25%

0%

CY15   CY20   CY25F   CY30F

< SOURCE: Redseer report

GROWTH IN E-COM

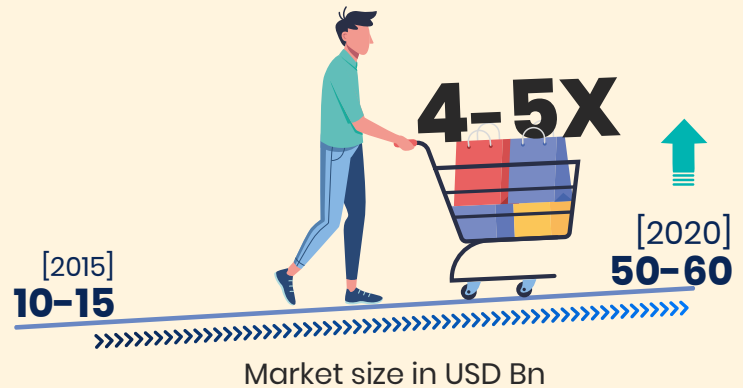India online penetration is currently only **5-6%;** however, CAGR between 2015-20 **is among the highest globally at 35-38% indicating significant future potential**

Online retail in India has grown significantly in the last 5-6 years...

⬆ Detailed ahead

4-5X

[2015]
10-15

[2020]
50-60

Market size in USD Bn

online retail market size estimates include both products & services; alcohol and tobacco, automobile purchase and telecom services excluded from overall consumer spending

2020 Online Retail penetration

Country	Penetration
China	25-30%
UK	20-25%
USA	13-16%
Japan	8-11%
India	5-6%
Malaysia	3-4%

● <25% CAGR 2015-20   ● >25% CAGR 2015-20

< SOURCE: Mckinsey report

GROWTH DRIVERS

Growth in Internet users

India has witnessed ~20% growth in its internet base from 2015-2020

Increasing disposable income

~5% CAGR increase in average household disposable income from 2015-2020

Reduction in data prices

Data prices have gone down by 80-90% since 2014. This has led to increased affordability

Changing consumer behavior

Consumers are increasingly becoming more "digital" The behavioral shift is mainly caused by COVID disruption

CATEGORY GROWTH

Total online retail market in India is

50–60 USD Bn;

~60% of this comes from products, remaining from services

Travel, transport & tourism and consumer appliance and electronics contribute 50-60% of this i.e 31-33 USD Bn; both categories have the highest ecom penetration i.e 30%+

Categories like Grocery, Education, Health and Home & living contribute only 9-13 USD Bn to overall online retail, with <3% category penetration

		Online retail Market size (Bn $)	Category Ecom penetration
Total Online Retail		50-60	**5-6%**
Travel, transport and Tourism [1]		17-18	**31-33%**
Consumer appliance and electronics [2]		14-15	**31-33%**
Apparel and footwear [3]		7-8	**5-6%**
Entertainment, lifestyle and food [4]		7-8	**10-12%**
Grocery [5]		–3-4	**0.5-1%**
Education [6]		–2-3	**2-3%**
Health [7]		–2-3	**1-2%**
Home and Living [8]		2-3	**1-2%**

1. Transport services (cabs, airlines, railways, bus), tourism and lodging

2. Mobile phones, TV and other home electronics, large and small electronics, laptops and others

3. Footwear, apparel (men, women, kids), sportswear, accessories and jewelry

4. Audio visual entertainment, live events, gaming, fitness, restaurants and food delivery

5. Grocery foods, Home and Personal Care, Staples, Fresh, Super Fresh

7. Products, Services (consultation, admission etc) and Diagnostics

6. K-12, Higher Education and Vocational

8. Home improvement & gardening, home ware & furnishing, pet care, housing services, essentials

E-COM FUTURE

The online retail market is
set to become 3x
in next 4-5 years mainly
driven by under penetrated
categories like grocery,
education, health.

3X

[2020]
50-60

[2025]
170-180

Category	2020-25 value	Projected CAGR, 2020-25
Total Online Retail	170-180	24-25%
Travel, transport and Tourism	38-40	17-18%
Consumer appliance and electronics	29-31	15-16%
Apparel and footwear	25-27	28-19%
Entertainment, lifestyle and food	24-26	28-29%
Grocery	21-23	46-47%
Education	9-11	30-31%
Health	10-12	35-36%
Home and Living	11-13	33-34%

Built for SPEED: E-Commerce, the emerging Hero in customer centricity

Sushmita Balasubramanium
Commerce & CX Domain Lead - South Asia, Insights Division, Kantar

The pandemic has brought a consumer tsunami in its wake. Businesses are witnessing monumental shifts in consumer behaviour. Consumer journeys are changing, and consumer fidelity can no longer be taken for granted. Understanding how consumers' priorities have evolved basis their experiences over the last year and addressing their new needs through a customer centric approach will determine how well loyalties are cemented. The importance of customer centricity was spoken about at length even before the pandemic. In a Kantar survey done among CEOs of companies across the world, 9 out of 10 said that customer centricity is essential to driving business growth. Interestingly, just 1 in 3 Indian customers perceived their brands to be customer centric. The gap today is likely to be larger; most businesses are just about developing their plans for a post pandemic world.

However, there is a silver lining. Granular understanding of customers today is easier with the accelerated pace of adoption of digital media. According to Kantar's iCube™ 2020 report, India today has 622 million internet users (a growth of 8% over 2019), marching towards 900 million users by 2025. While that

is one part of the story, it is how consumers are using the internet that makes the nature and magnitude of the change even more interesting:

> The number of heavy users of the net increased by 42% in 2020 over 2019

> The average duration of usage in a day went up by more than 20%

> There was a 125% growth in usage of smart devices for using the internet!

There was growth across a host of digital activities – gaming, OTT, online health services, education, to name a few – in 2020

> 8 out of 10 internet users used Online Video, Communication and Social media

> Online shopping increased by 35%, with both number of shoppers and frequency of shopping going up

This captive internet audience glued to different screens offers tremendous opportunities to understand consumers and their individual journeys. We as consumers are quite often also happy to allow access to our data in exchange for personalized experiences. In fact, as per the Kantar CX+ report, close to half telecom users were open to service providers using their personal data to develop

personalized services, even pre Covid. Consumer behaviour is unlikely to return to what it was pre-pandemic. It is, in fact, taking a new form driven by convenience, flexibility, and personalization — all of which can be accomplished through e-commerce. The "Everything Store" extends beyond traditional categories to include a plethora of services – education, healthcare, financial services, gaming – to name a few. An eCommerce business can demonstrate customer centricity at each stage in the consumer journey - streamlining the journey right from the way the product or service can be accessed up to checkout and subsequent engagement, by anticipating and taking into consideration all consumer actions that may transpire in between.

There are, of course, some non-negotiables for customer centric ecommerce in the new age world:

THINK
'MOBILE FIRST'

most consumers browse eCommerce websites from their mobile devices. Browsing experience, payments, and everything in between, need to be first designed from a mobile perspective.
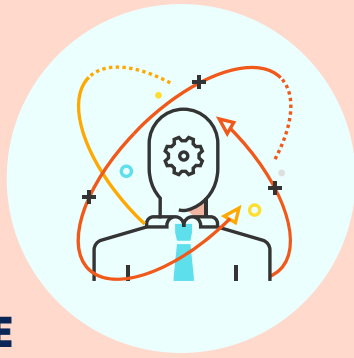
PERSONALIZE THE EXPERIENCE

If your personalization algorithm gives consumers mismatched products or services, you could lose them. Targeting with relevant offers, providing assurances through product videos, demos, descriptions, and access to real customer experiences are critical. Similarly, the option to customize (e.g. - size, design, accessories, or ingredients for putting together a meal), to choose how they pay will provide the much-needed delight factors that can contribute to retention.

HARMONIZE RETAIL

It is the customer's prerogative whether they want to start online or offline and sometimes do even both together. They may want to shop online and pick up offline or vice versa or engage with the brand in multiple ways – on email, text, chat, audio calls or video calls. The brand/ company/ eco system needs to be designed to include all possible touchpoints and deliver to these expectationsagain, through

multiple means - call centres, chat bots or personal chat, basically to be there when the customer needs you.

24/7 CUSTOMER SUPPORT

Agility is a prerequisite for all the above. Organizations that are inherently flexible, collaborative and address issues as soon as they happen will be ahead of the curve.

To sum up – this new wave has thrown up opportunities for marketers to redefine their consumer relations; to use digitisation and online commerce to accelerate the journey towards a new consumer centricity to build brand loyalty.

Data Sources:

1 **Kantar CX+ 2020 report**

2 **Kantar iCube™ 2020 –**

▶ PRE PURCHASE

Product Research - Online

Urban internet users are relying on online platforms for product research

~62%

urban active internet users are researching products online before making any purchase either online or offline

Online product research influences offline sales

~50%

of offline shopping across categories involves online product research

< SOURCE: WPP Kantar x Amazon Advertising search playbook

EVOLUTION OF CONSUMER JOURNEY

The consumer journey used to be simple with TV being the primary medium for driving awareness and consideration.

TV, Radio, Print	Reveiws, blogs	Website , shop	Help desk / chat	Offers, email	recommendation
Awareness	**Consideration**	**Purchase**	**Service**	**Loyalty**	**Advocacy**

Let's look at consumer journey for beauty category

initial consideration → **Active evaluation** → **Moment of purchase** → **Post purchase experience**

MMA | AMMP COMMUNITY
ACCELERATING MODERN MARKETING PRACTICES
E-COMMERCE COUNCIL INITIATIVE

groupm
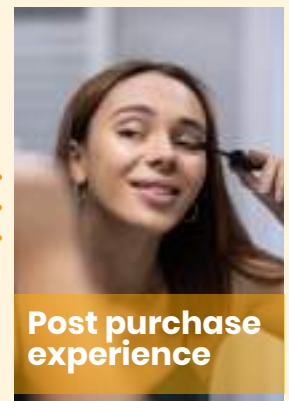
EVOLUTION OF CONSUMER JOURNEY

Over the past few years with the digital revolution in India, consumers now have multiple sources for discovery and information research. Today, it consists of highly connected, non-linear moments.

Discover & understand		Compare & Consider	Buy	Use
Discover new product	**Learn more about product**	**Compare benefits**	**Get final information & buy**	
Discover trends and get inspired	**Understand specific needs / concerns**	**Get recomm-endations**		**Use & learn how to buy**
		Compare prices of product or brands		

MMA | AMMP COMMUNITY
ACCELERATING MODERN MARKETING PRACTICES
E-COMMERCE COUNCIL INITIATIVE

groupm

WHERE ARE CONSUMERS DISCOVERING PRODUCTS

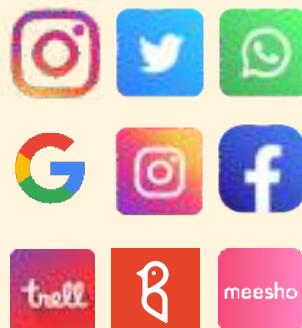Consumer discover products through many different platforms and not just one. It's an omnichannel journey.

Searches for language-specific content continue to grow.

| Marketplace	Social media/ Social commerce	Search Engine

PRE-PURCHASE TRENDS – IT'S ALL ABOUT "ME"

Today's shopper seeks personalization at every stage of the purchase journey. Consumer expectations for personalization have become more complex over time & are now defined around multiple axes like gender, skin type etc.

"FOR ME"

queries have grown ~3X in past four years.

For me (India) vs. week

100				
75				
50				
25				

Jan 1, 2016   Jan 1, 2017   Jan 1, 2018   Jan 1, 2019   Jan 1, 2020
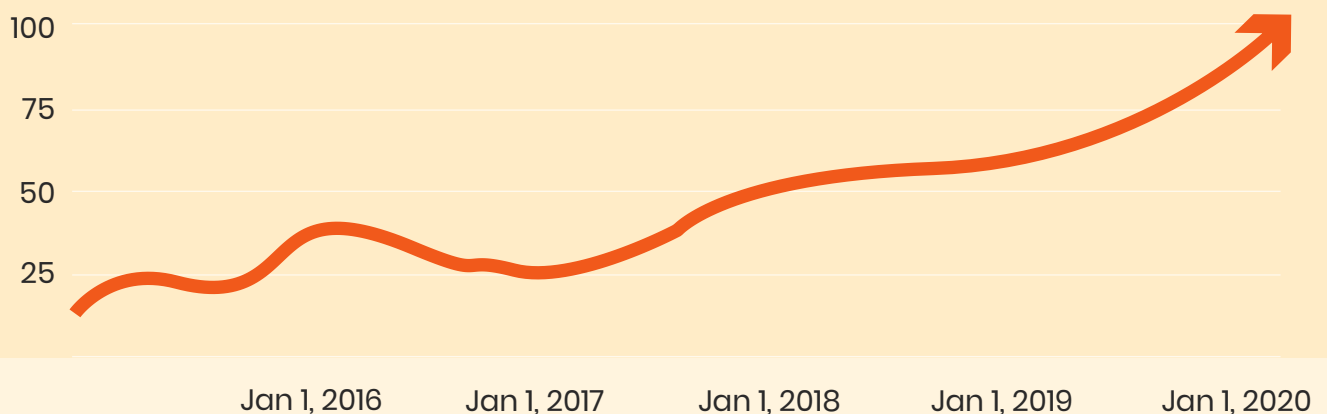
Type of Skin

🔍 best primer for dry skin 🎤

Lifestage

🔍 make up kit for girls 🎤

Time

🔍 night cream for glowing skin 🎤

Gender

🔍 body wash for men 🎤

< SOURCE: Google, WPP Kantar – Connected Beauty consumer report

PRE-PURCHASE TRENDS – IT'S ALL ABOUT "ME"

searches related
to a consumer need/issue

e.g. Face wash for dry skin face wash
for daily use

Gathering information about
kind of product available

e.g. Moisturizer for face
charcoal peel off mask

Comparisons

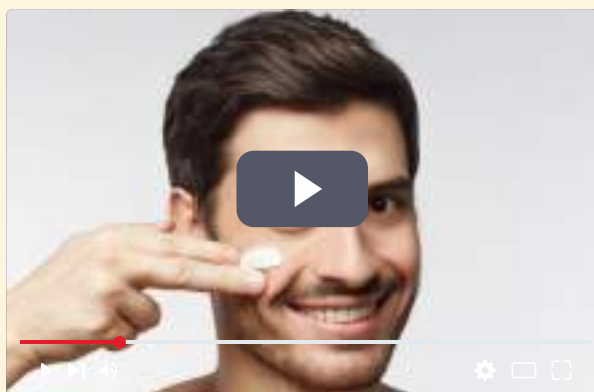e.g. Best face wash
Best face wash for dry skin

Comparing price

e.g. Nivea body lotion 400 ml
Biotique face wash below ₹1000

MMA | AMMP COMMUNITY
ACCELERATING MODERN MARKETING PRACTICES
E-COMMERCE COUNCIL INITIATIVE

groupm

PRE-PURCHASE TRENDS – SOCIAL MEDIA PLATFORMS HAVE EMERGED AS ONLINE ADVISORS

Social media platforms are the destination for consumers to understand and meet their unique needs. Consumers are treating video reviews, advice & tutorials like a beauty counter/advisor
The acquisition of Simsim by Youtube signifies the emerging opportunity in social commerce in India.

With Covid-19, consumers stuck indoors searched for "at home" content, DIY products and natural ingredients.
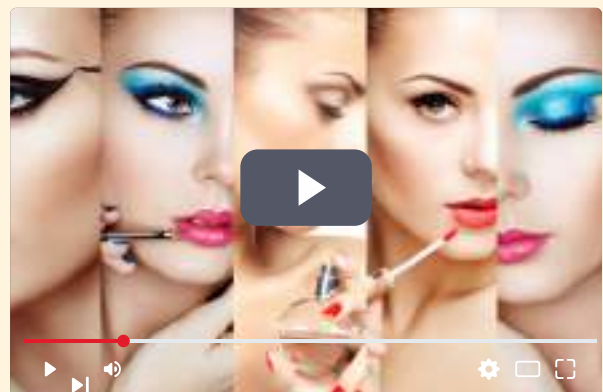

81%
Engage with beauty creators on YouTube

26%
Purchased a beauty product as a result of watching a beauty video on YouTube

80%
Growth in watch time of beauty tips "for men" on YouTube in the first half of 2019.

Brands should leverage online video by being present on the video platform of choice & reinforce with a great quality website.

MMA | AMMP
COMMUNITY
ACCELERATING MODERN MARKETING PRACTICES
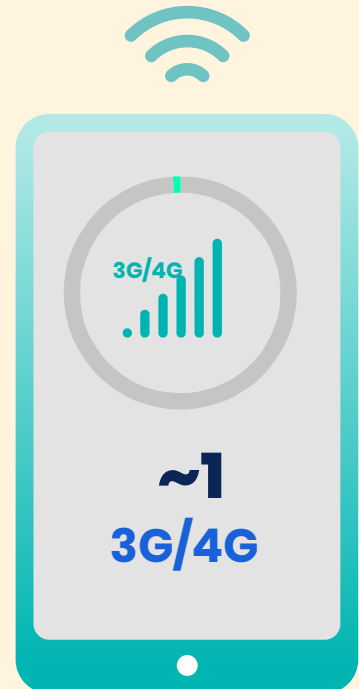E-COMMERCE COUNCIL INITIATIVE

groupm

PRE PURCHASE TRENDS – MOBILE

- Brand name is the primary key word for searches related to electronic products especially

- Shoppers browse ~50 pages before making a purchase in mobile category

Top 3 attributes searched
(as % of total searches)

90	~70	~1
BRAND	**MODEL**	**3G/4G**

MMA | AMMP
COMMUNITY
ACCELERATING MODERN MARKETING PRACTICES
E-COMMERCE COUNCIL INITIATIVE

groupm

PRE PURCHASE TRENDS – APPAREL

- In men's clothing, brand and theme are popular searches
- Occasion and fabric are key searches in women's clothing

MEN'S CLOTHING

Top 3 attributes searched (as % of total searches)

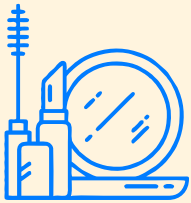| ~20	~15	~10
Brand	Theme	Type

WOMEN'S CLOTHING

Top 3 attributes searched (as % of total searches)

25	15	~10
Fabric	Occasion	Region Type

< SOURCE: Flipkart data
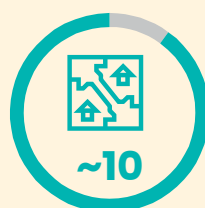
PRE PURCHASE TRENDS
– CPG

> **50% searches are generic in nature**

~60%
searches related to the Makeup and Skincare subcats on amazon.in are generic

~55%
searches in the Haircare subcat on amazon.in are generic in nature*

Generic searches have grown over the last year across product types

+230%
Personal protection

Top search themes:
PPE kits, Sanitizers, Face mask/shield

+150%
Home sanitizing Products

Top search themes:
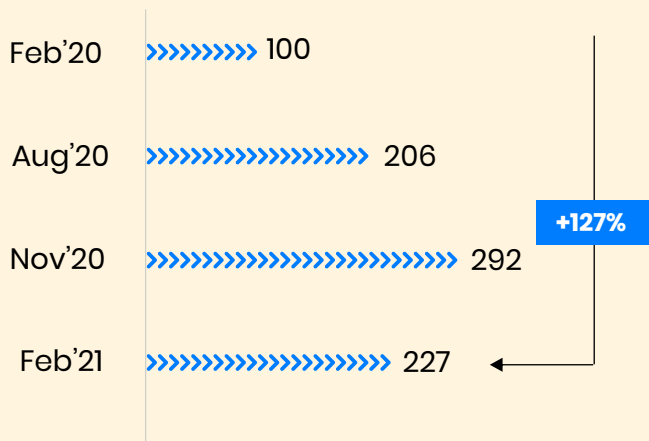Mops, Disinfectants, Floor cleaners

+110%
Supplements

Top search themes:
Vitamin C, Zinc, Protein
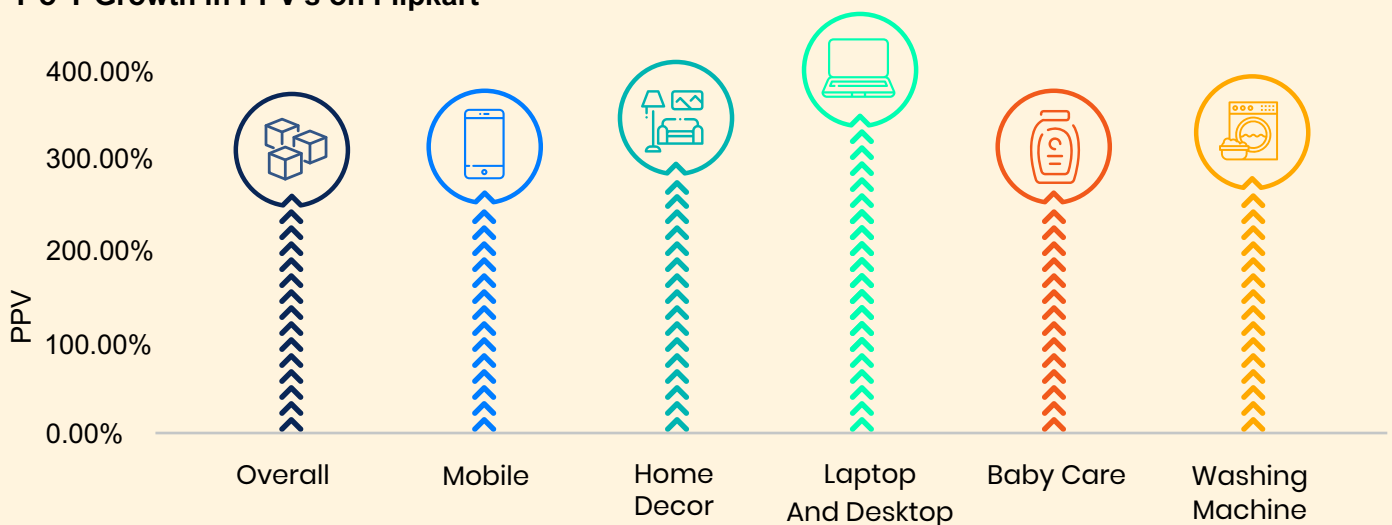
KEY CATEGORY Y-O-Y GROWTH IN PRODUCT PAGE VIEWS

Growth in interest and thus product page views in the categories like Laptops / Desktops, mobile.

Avg. Daily Keyword Search Volume on Amazon.in (Indexed)

Feb'20	≫≫≫≫≫≫≫≫≫ 100
Aug'20	≫≫≫≫≫≫≫≫≫≫≫≫≫≫≫ 206
Nov'20	≫≫≫≫≫≫≫≫≫≫≫≫≫≫≫≫≫≫≫≫≫ 292
Feb'21	≫≫≫≫≫≫≫≫≫≫≫≫≫≫≫ 227

+127%

Y-o-Y Growth in PPV's on Flipkart

PPV

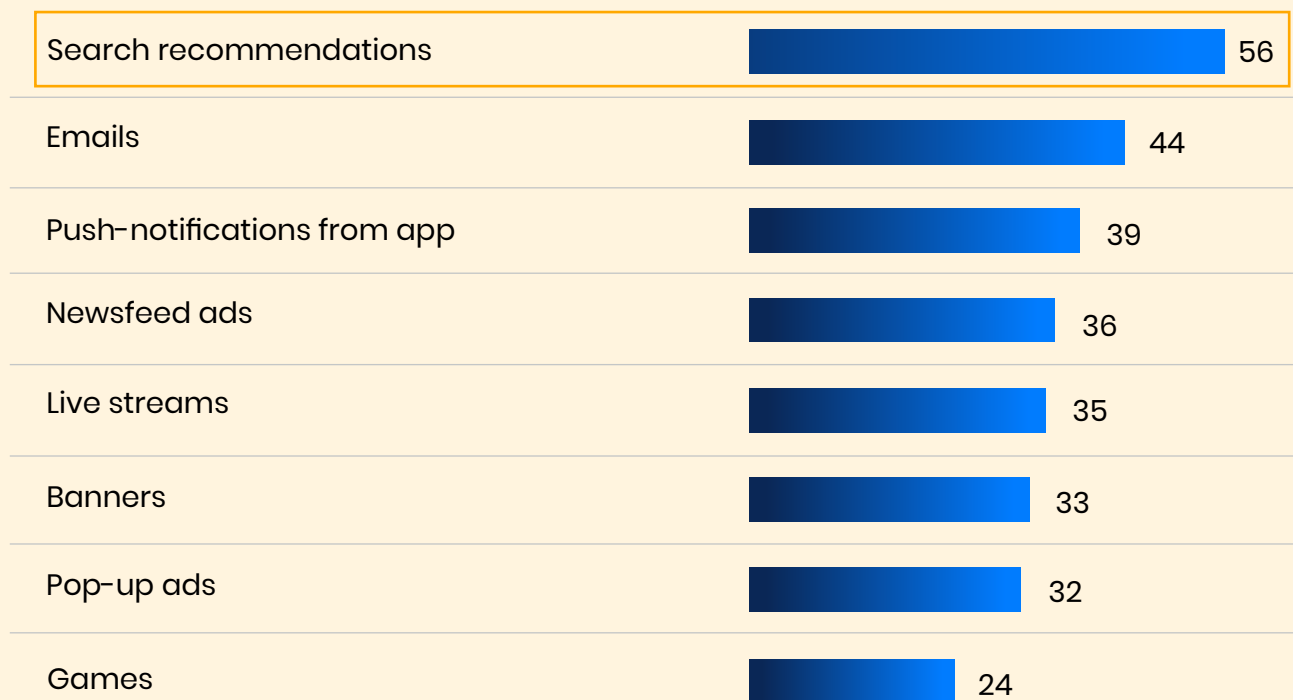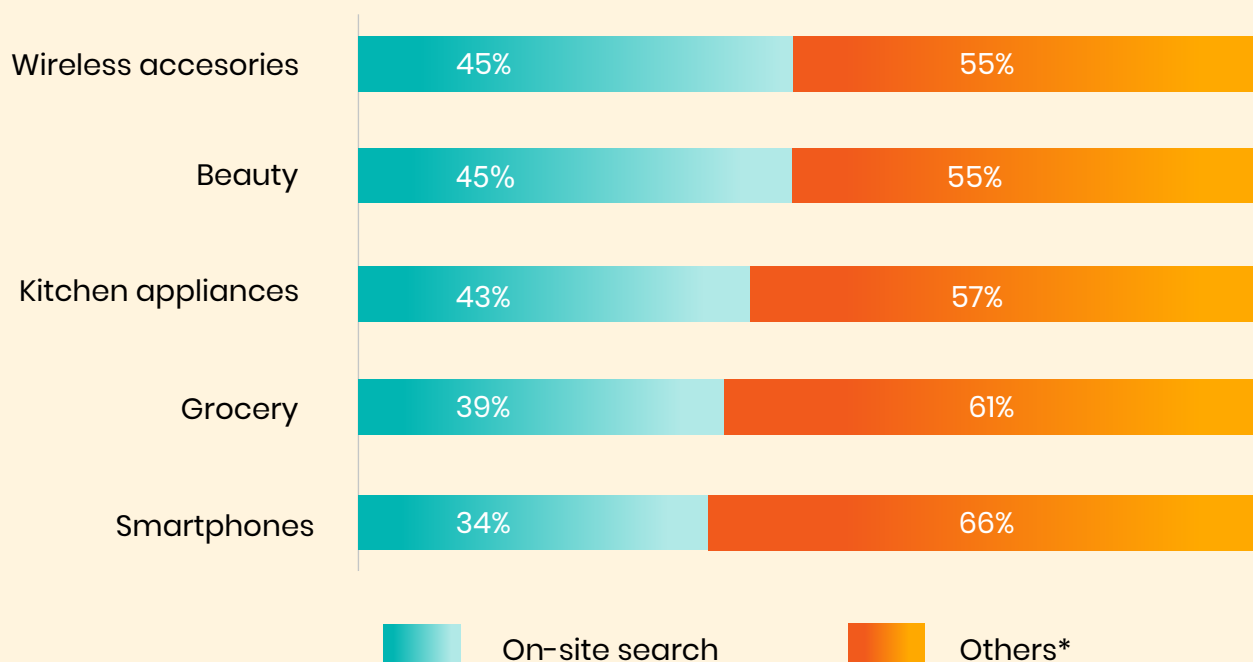| 400.00% | | | | | | |
300.00%						
200.00%						
100.00%						
0.00%						
	Overall	Mobile	Home Decor	Laptop And Desktop	Baby Care	Washing Machine

Y-o-Y Growth in PPV

Key Category Y-O-Y Growth SEARCH

~60% ads influenced purchase journey are influenced by search ads

Type of online platform Ads Which Influenced Online Purchase (%)

Platform	%
Search recommendations	56
Emails	44
Push-notifications from app	39
Newsfeed ads	36
Live streams	35
Banners	33
Pop-up ads	32
Games	24

importance of On-Site Search as a source for product page views - by subcategories

Subcategory	On-site search	Others*
Wireless accesories	45%	55%
Beauty	45%	55%
Kitchen appliances	43%	57%
Grocery	39%	61%
Smartphones	34%	66%

On-site search   Others*

MMA | AMMP COMMUNITY
ACCELERATING MODERN MARKETING PRACTICES
E-COMMERCE COUNCIL INITIATIVE

groupm

WHAT SHOULD BRANDS KEEP NOTE OF?

Always on approach to media

For better returns in long
run stay always on rather than one off or seasonal

Use mix of products

A/B test and use the match types & targeting options for campaigns
to avoid missing opportunities and to drive full funnel strategy

Test & Learn

Optimize campaigns based on metrics against your goals, dialing up
and down where needed

Campaign objective

Flipkart wanted to create excitement and generate more sales for its upcoming "Big Billion Days". The company wanted to reach people in a unique and engaging way that captured their attention.

Campaign strategy

Flipkart created Ads that click to WhatsApp and allow customers to go directly from the ad to WhatsApp and have a personalized conversation with the brand. With a series of entertaining rich-media interactions, the digital assistant would guide and educate people about various product offerings available on discount.

Result

3.5X
more conversions
(Compared to not using WhatsApp)

1.5X
more high quality visitors based on time spent on platform
(compared to not using WhatsApp)

$2.5
million USD
in revenue

The Rise of Discovery Commerce

Nitin Chopra
Industry Head,
E-commerce & Retail
at Facebook

Consumer preferences and behaviours are evolving faster than ever. As businesses across India seek new avenues of growth, e-commerce continues to open opportunities to meet consumer needs, forever changing the way we transact. Covid-19 has facilitated that trend throughout 2020. By some estimates, the pandemic has accelerated the shift from physical to digital shopping by five years ?

With the Indian e-retail market primed to reach nearly 300 million to 350 million shoppers over the next five years 4 businesses must rethink how they engage and interact with online consumers.

Discovery commerce empowers businesses to build an agile marketing strategy that fosters meaningful connections across the entire consumer journey, and to simplify the consumer purchasing process

Discovery commerce on Facebook:

Businesses recognize that the consumer journey starts well before intent, and they have been investing in a more modern kind of marketing, which is where discovery commerce comes into play.

If eCommerce is about search and purchasing through a site, it means people are limited to finding the products they already know they want. With Discovery Commerce, products find people so people can discover the things they are most likely to love.

Facebook is a leading platform for brand discovery, and through Facebook's discovery commerce system brands can unlock unexpected audiences, provide seamless shopping experiences and build relationships that last.

Of weekly users of Facebook platforms surveyed in India, more than 83% who discover new brands or products online typically discover on a Facebook platform, compared to 47% via brand/retailer website 5? In India, nearly 416M people 9 access

Facebook every month, and they connect with businesses and potentially discover experiences from brands. And these discoveries are leading to purchases. Of online shoppers surveyed in India who use Facebook platforms weekly, 96% ultimately purchased the fashion, beauty, furniture or consumer electronic product they discovered on the platform 6.

Facebook enables discovery commerce through 4 key pillars

1 personalisation

2 mobile first experiences

3 advertising tools

4 real time measurement and optimization.

Personalisation is a key pillar of Discovery commerce

Personalization can help businesses be efficient and effective — by helping them reach the audiences who may be most interested in their products, including people they may not have realized would be interested. According to a 2019 McKinsey report, personalization has been shown to drive up to a 15% increase in revenue and 10-30% in marketing spend efficiency 10. Facebook helps businesses to personalize marketing through machine learning, the platform is built for relevance and helps businesses drive fresh demand. On Facebook, there are a variety of dynamic advertising solutions to help businesses reach the right people in the most efficient way, with

the creative experience that will resonate best with each of them, all while optimizing towards desired business outcomes.

Engaging surfaces on Facebook and Instagram play a critical role in enabling commerce

Just as people expect products and services to be tailored to them, they also expect experiences to be beautiful, easy to use, and tailored to the environments in which they're delivered. And more than ever, that means they want experiences that are mobile-first. What was once considered the second screen has now become THE screen. In India, consumers spend approximately 3 hrs 44 mins 11 every day on smart phones.

Discovery Commerce is essentially an elevated, interactive version of a serendipitous shopping experience - the kind that happens when consumers are not going shopping, but when products are discovered by consumers. The variety of Facebook platforms and creative formats offer the same diversity that businesses get from selling in multiple shopping locations. The rich formats like instant articles, Stories ads, carousels are built to capture attention and engagement. The interactive formats like Polling Ads, Playable ads are built to Gamify the shopping experience.

Advertising tools for discovery commerce

The advertising tools need to connect consumers to businesses in a seamless fashion and simplify the purchase process. Reducing friction in the purchase process helps create better buying experiences for people. In March 2020 alone, 88.05% of shopping carts were abandoned worldwide 7.

It's especially important to remove friction for Discovery Commerce — because these customers hadn't planned to purchase from you. With intent-based shopping, customers know what they need and need it now, so they might be more willing to navigate some friction to get it. For customers who are discovering the brand for the first time, the process needs to be even more seamless.

Facebook platforms and products help streamline each stage of the shopper journey. During the Discovery phase, people can easily find products through product tags on ads or organic posts, Live video broadcasts, or through influencers. People can easily browse and learn more about products through Instagram Shopping ads, or connect with businesses through click-to-message ads.

Real-Time optimization and measurement fuels commerce growth

Investing in measurement has been shown to help businesses, and real-time optimization is the secret to fueling performance and growth.

Research shows that companies that develop the necessary capabilities to understand what's working when it comes to digital advertising can expect to see a 20% to 40% improvement in spending efficiency and as much as a 10% increase in marketing effectiveness8,
The key to success of the Discovery Commerce system is that testing, and learning is happening throughout the process on Facebook family of apps. Like all the best in-store experiences, optimization is happening continuously, Optimization and Measurement Solutions help businesses improve every aspect of the shopper journey: Based on how people interact at each stage of the shopping process, the algorithm optimizes to connect with more of the right people, to deliver creative in the format that's most engaging, to help move people Towards a purchase, and to help ensure that the efforts and ad dollars are being spent most effectively.

"Facebook's Discovery Commerce system can help brands navigate this new environment with agility. With more than 500M Indians online, it becomes important to be where they are, get your brands discovered based on their interests, and then Seamlessly convert them in a seamless way. That requires more integrated solutions which can be delivered through Facebook family of apps. Through Facebook's discovery commerce system, brands can deliver personalised ads to consumers, influence them through powerful and relevant mobile-first creatives, and create a frictionless purchase experience" Nitin Chopra, Vertical Head, Ecommerce and Retail, Facebook India.

Advertising in a cookie less world & preparing for new digital experiences to protect performance

Rita Sahajpaul
Head of Data,
Tech & Analytics,
GroupM Services India

Shift in consumer behaviour

With technology evolution, Indian consumers have seen internet penetration grow, mobile handsets become more affordable and thus content consumption has shifted from broadcast based to on-demand, byte sized and cross-screen. With this shift in consumer behavior, the media interactions have also expanded across channels such as digital, mobile, social, gaming, streaming video and emerging technologies like virtual reality and voice. With most of digital content consumption powered through mobile internet, our reliance on cookies has gone down quite a bit. However, with the changes rolled out by Apple ATTF, Android will be following suite shortly. So while our reliance on cookies is not that much, it's still a great time to evaluate our approach to advertising, amidst the overhaul that the entire ad-tech ecosystem is undergoing currently. And it is indeed a great time to build a sustainable, meaningful, transparent and privacy centric approach to customer relationships.
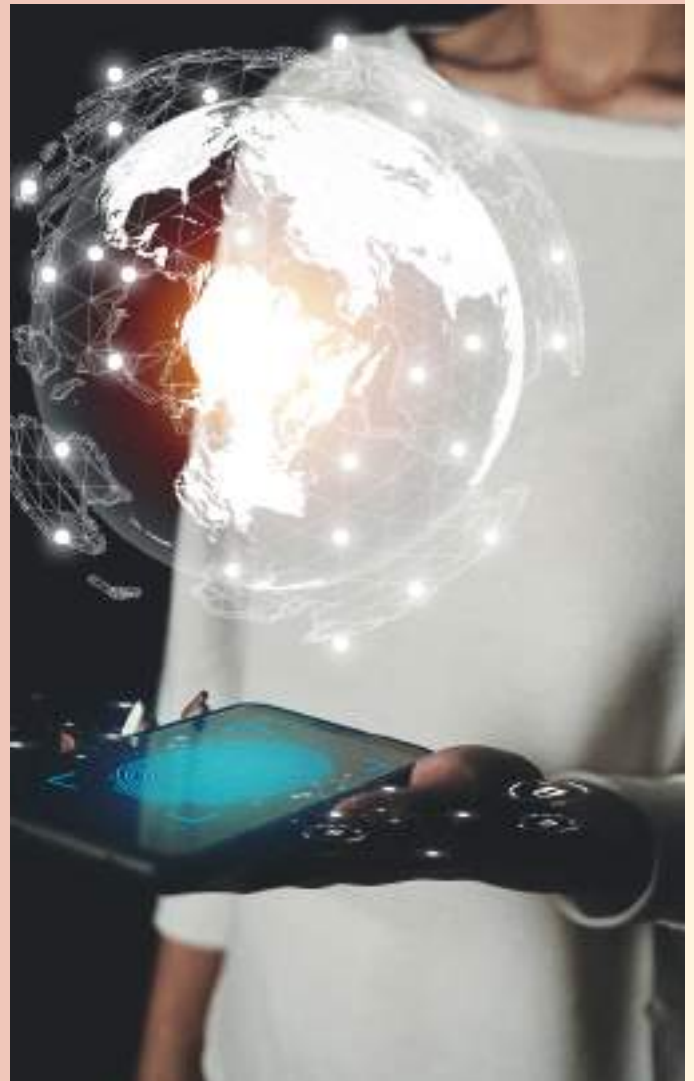
Impact of cookies going away

It's very clear that Brands will experience minimal disruption on the websites for

personalization, content management systems and customer relationship management. However, paid media strategies will need to bifurcate the impact from the nuance of walled gardens vs open exchange environments. As expected, impact on walled gardens with their deterministic data signals will be minimalistic, open exchange on the other hand will see a high impact across the board from planning to delivery to measurement. To dwell a bit more, advertisers will not be able to plan using 3rd party cookie-based audiences or deliver accurate reach and frequency goals or retargeting strategies. Media Measurement such as view though conversions, web conversion reporting, across channels path analysis and multi-touch attribution analysis will most definitely be affected. Clean room approach to analytics within a media channel such ADH will continue to provide detailed data points for brands to understand efficacy of their media spends.

What can brands do to be prepared to protect and grow performance

The shift in timelines by google to roll out chrome changes for cookie deprecation, is a great opportunity for Brands to review their data strategy instead of pushing the panic button with short-term technical hacks. First and foremost, Brands should focus on building their first-party relationships with customers. This will need a good understanding of consumer's motivations and beliefs and an honest introspection on the role the brands play in their lives. Whether it is via the product / service the brand is selling or an experience that is being created, the value exchange needs to be convincing and garner trust for consumers to share their data. Second important aspect of building first party relationships and collecting data that brands should take a note of is a data by design approach. They need to create processes to collect the data in a responsible and ethical way. Having a look at what all data do they really need to collect? Just because you can, doesn't mean you should collect data that may not be required for the purpose. Stating the purpose upfront and creating transparency along the way will instill trust in consumers and make them comfortable. GroupM's Data Ethics compass allows marketers to evaluate the ethic risk of their data. This information helps brands to create strategy to mitigate risk and be compliant.

Third, brands need to broaden their horizon to look at a more diverse sets of data coming from consumer, context and channel rather than relying on a single source of truth. Fourth, leveraging clean room technologies can help brands match their data with multiple publishers / partners without loosing control of their data. Media and Neutral clean rooms should be important consideration in the marketing tech stalk to be built.

Finally, performance planning means leveraging data signals to identify the audiences who represent sources of growth, the occasions, and contexts where we are likely to find them; creative and media choices that

will enable profitable conversion. AI & ML models can help create these tests and learn hypothesis at scale. GroupM's Copilot AI enables brands to leverage diverse data sets from 1st PD, 2nd PD and 3rd PD to be able to create optimization models to best achieve the business outcomes.

To Summarise

With the opportunity to reset the advertising strategy, brands should look at the new devices and channels to understand their consumer behavior better. This coupled with a unique value proposition can help scale up consumer relationships that enable brands to build proprietary data in an ethical manner. Finally, leveraging technology partners and intelligent machine learning modelling techniques can help brands unlock their audience, channel allocation, and media optimization strategies for improving performance and build a sustainable ROI model.
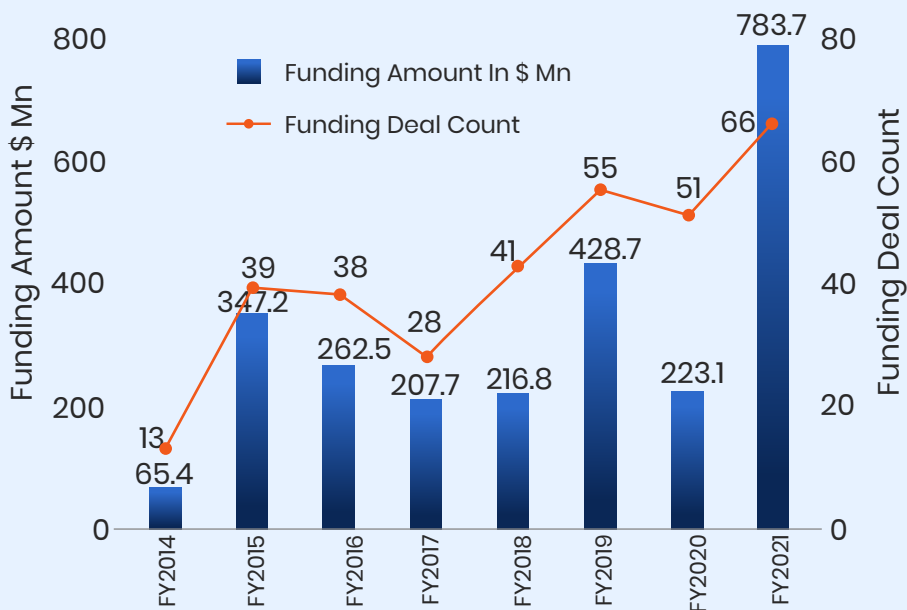
▶ CHANNEL CHOICE

LANDSCAPE

D2C brands have huge potential to unlock value. The D2C ecosystem is going through strong momentum.

Funding Chart

Legend:
- ■ Funding Amount In $ Mn
- ● Funding Deal Count

Fiscal Year	Funding Amount $ Mn	Funding Deal Count
FY2014	65.4	13
FY2015	347.2	39
FY2016	262.5	38
FY2017	207.7	28
FY2018	216.8	41
FY2019	428.7	55
FY2020	223.1	51
FY2021	783.7	66

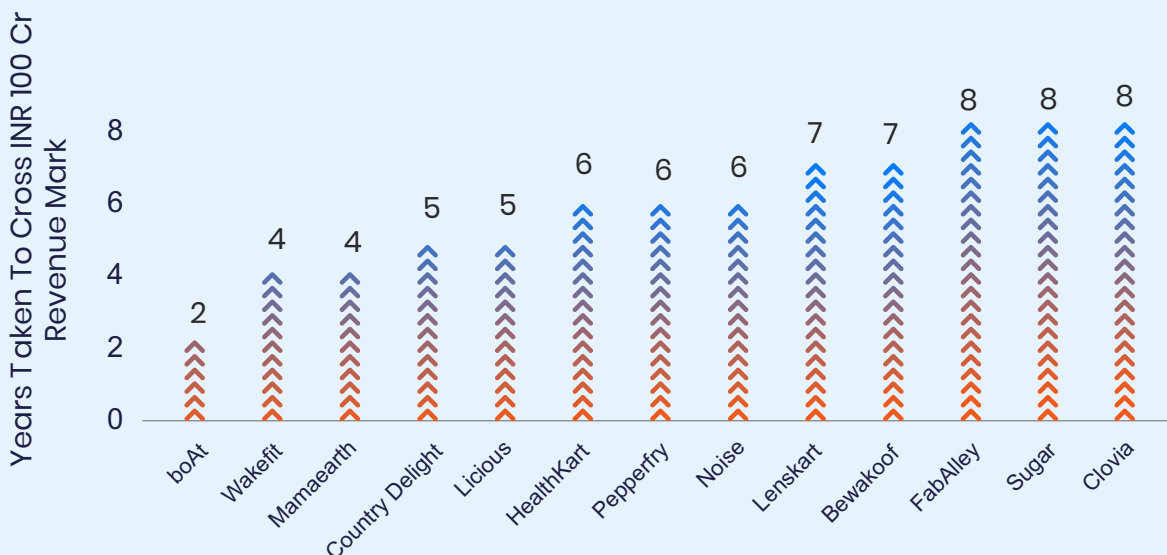**20+** Global D2C unicorn startups

800+ D2C Brands In India

## Fastest-Growing D2C Brands

Number Of Years Taken By D2C Brands To Cross INR 100 Cr Revenue In India

Earwear startup boAt took the shortest time to reach the milestone in two years

Brand	Years Taken To Cross INR 100 Cr Revenue Mark
boAt	2
Wakefit	4
Mamaearth	4
Country Delight	5
Licious	5
HealthKart	6
Pepperfry	6
Noise	6
Lenskart	7
Bewakoof	7
FabAlley	8
Sugar	8
Clovia	8

MMA | AMMP COMMUNITY
ACCELERATING MODERN MARKETING PRACTICES
E-COMMERCE COUNCIL INITIATIVE

groupm

LANDSCAPE

One of the biggest retail trends influenced by the pandemic is the increasing popularity of the direct-to-consumer or D2C model. D2C ecosystem is at an inflection point of rapid growth in India.
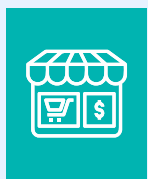
80 Mn+
Online shoppers added in the last 3 years

2020 >>>>>>> **2025**

200 Mn+
Online shoppers expected to be added in the next 5 years

376 Mn
Active social media users 52% are millennials

2020 >>>>>>> **2025**
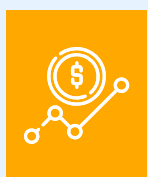
500 Mn
Active social media users

$0.44 Bn
Combined Revenue Of 10 D2C Brands In Fy20

2020 >>>>>>> **2025**

$100 Bn+
Addressable market size for D2C brands

MMA | AMMP
COMMUNITY
ACCELERATING MODERN MARKETING PRACTICES
E-COMMERCE COUNCIL INITIATIVE

groupm

LANDSCAPE

D2C brands have received funding from both strategic as well as financial investors globally as well as in India.

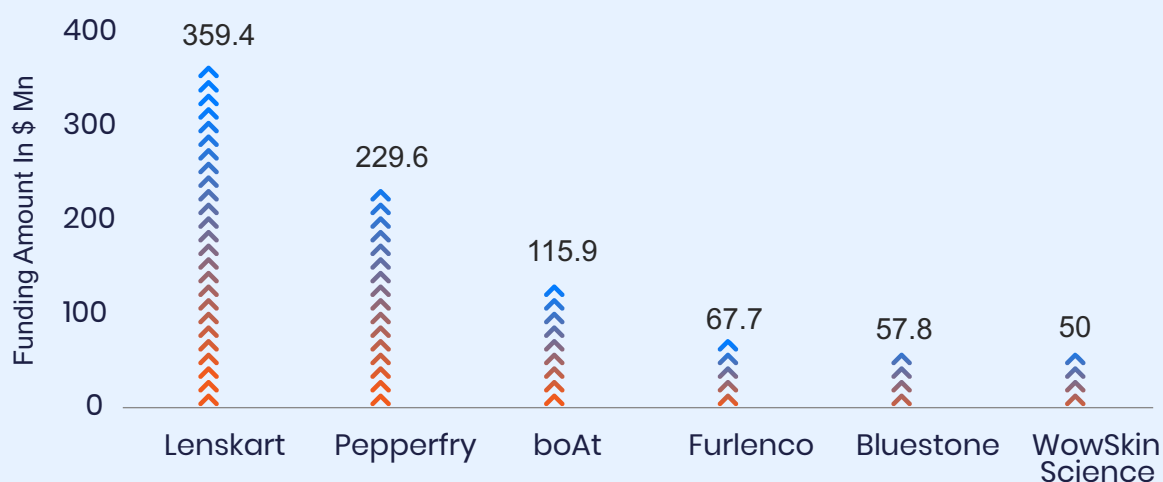## Key D2C Categories

Category	Estimated Market Size By 2025	Key Brands	Total Funding	Investors
FMCG	$20.8 Bn	NYKAA, SOULFULL, ARATA, HEALTH HK ART, SUGAR, purplle	$676.9 Mn	SEQUOIA, fireside ventures, VentureCatalysts
Fashion And Accessories	$43.2 Bn	BLUESTONE, Bewakoof, FABALLEY, Clovia, MELORRA	$756.4 Mn	matrix, TRIFECTA CAPITAL, Lightbox
Home Decor	$5.4 Bn	pepperfry, FURLENCO, wakefit, SleepyCat	$447.4 Mn	SEQUOIA, Lightbox, DSG, kalaari capital
Consumer Electronics	$30.6 Bn	boAt, MIVI, NOISE, LEAF	$115.9 Mn	fireside ventures

Most Funded D2C Startups In India

Lenskart is the most funded Indian D2C startup, with $359.4 Mn funding raised

Funding Amount In $ Mn

Lenskart	359.4
Pepperfry	229.6
boAt	115.9
Furlenco	67.7
Bluestone	57.8
WowSkin Science	50

Note: Funding data till April 16, 2021
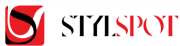
LANDSCAPE

Indian consumer brands have typically gone for IPO after reaching a level of scale and profitability. Few IPOs in global landscape, none in India.

Incumbents are entering the D2C by strategically acquiring established D2C startups.

Key M&As In India's D2C Sector

Startup	Western Wear	Acquisition Year	Acquirer	Deal Value
FabFurnish	Delhi-NCR	2016	future group	INR 20 Cr
F2SO4	Chandigarh	2016	Craftsvilla	Undisclosed
CARATLANE	Chennai	2016	TITAN COMPANY	INR 99.9 Cr
zohraa	Mumbai	2016	voonik	Undisclosed
HRX	Mumbai	2016	Myntra	Undisclosed
babyoye by Mahindra	Mumbai	2016	firstcry.com	INR 362.1 Cr
STALSPOT	Delhi-NCR	2017	SATTVIKO	Undisclosed
witworks	Bengaluru	2018	Myntra	Undisclosed
20Dresses	Mumbai	2019	NYKAA	Undisclosed
JAYPORE	Delhi-NCR	2019	ADITYA BIRLA	INR 110 Cr
hug	Hyderabad	2020	TITAN COMPANY	Undisclosed
Urban Ladder	Bengaluru	2020	Reliance	INR 182 Cr
pipa·bella	Mumbai	2021	NYKAA	Undisclosed
DAYJOY Family Well-being	Hyderabad	2021	lenskart	Undisclosed

Note: The table only includes publicly disclosed deals recorded between 2014 and April 2021
Source: Inc42 Plus Analysis

D2C VS MARKETPLACE: PROS AND CONS

From unparalleled access to consumer behaviors to vast opportunities for experimentation, DTC models create several advantages for today's brands.

First-Party Data

By cutting out middlemen, brands can reach customers directly and gather first-party data on traffic and conversion rates, test new product development and run A/B tests on promotions, content and marketing.

These learnings can often be leveraged across retail partners to get a leg up on the competition.

Diversification

With a DTC model, brands can diversify themselves away from the increasing costs and risks of rapidly growing retailer-owned channels and marketplaces such as Amazon and Walmart.

You will also have more control over inventory levels and pricing.

Direct Relationship with Consumers

Working through a middleman can block access to end consumers.

Brands with a DTC model can leverage direct relationships through loyalty programs, special discounting and promotions and unique and category-specific shopping experiences.

D2C VS MARKETPLACE: PROS AND CONS

While there are several benefits to the DTC model, it's important to consider the risks as well. From the financial burden to the model's complexity, you should also consider these challenges before launching a DTC program.

Financial Cost

Implementing DTC may require a retooling of operations, including implementing third-party logistics (3PLs) for fulfillment as well as website maintenance, data and analytics, payments, and more, driving costs even higher.

Increased Complexity

Adding a DTC channel can complicate your cross-platform strategy.

Brands must carefully consider how to optimize assortments, cross-retailer pricing strategy, profitability, inventory management and more, which may prove challenging.

Opportunity Cost

DTC implementation may pose a potential distraction from larger business initiatives.

Brands should coordinate closely to ensure it doesn't drain resources or attention from other significant initiatives.

D2C VS MARKETPLACE: PROS AND CONS

	Control	Scale	Consumer Data	Complexity
Brandstore				
Marketplaces				
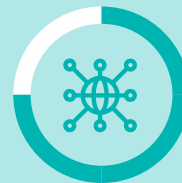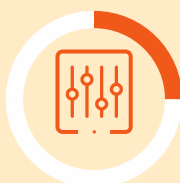
The Direct to Commerce (D2C) conundrum – A CPG Perspective

Anushree Ghosh
Head – Digital Strategy, Media, Brand Commerce, ITC Limited

The Context

Times They Are A Changing, At Paces, Beyond Anticipation. Until The Recent Past, Manufacturers And Retailers Had Well Defined Roles. However, With The Digital Medium Becoming All Pervasive, This Linear Relationship Stands Disrupted.

Consumer Journeys Are Becoming Increasingly Fluid And Driven By Micro Moments. Consumers Today Straddle Between The 'google Search Bar, The Brand Websites Or Content Hubs, Social Platforms, E Commerce Marketplace Search Bars, Ratings And Reviews, Forming A Web Of Footprints And Leaving Trails Of Rich Data, Pertinent To Both The Manufacturers/brand Owners And E Commerce Marketplaces Alike.

The Pandemic Has Changed Some Rules, Brand Owners Seek Proximity To Their Consumers

Covid-19 is changing consumer behaviour, altering purchasing patterns and engagement touch-points. A recent Deloitte consumer survey revealed ~ 51% consumers feel unsafe in going to physical retail outlets and over 80% are concerned for their family's health while shopping for groceries. Consumers are increasingly adopting digital modes of commerce and it is expected to continue. CPG

brands have witnessed an increasing share of e-commerce, through this time. E Commerce has contributed ~15-20% (on an average annually in 2020) of sales, in the e-grocery space, in the last year or so.

The Direct To Consumer Rage

The digital first & digital native brands took the lead here, leveraged technology to drive competitive advantage, and connected with consumers, directly. Companies like Wakefit, Lenskart, Mamaearth, MyGlamm, WOW, etc. were the first generation of DTC brands that focused on web-enabled retail, consumer journey led comms & content, assisted commerce etc., aided by a direct distribution model, thereby bringing alive deeper personalisation at scale.

Over the years, these brands have leveraged emerging technologies, digital mediums to mine consumer insights and offer an immersive, intelligent and enriching experience to their consumers, such that their consumers are obliged to interact, engage, and even advocate their brands. These playbooks have stirred enough interest across established and traditional businesses across industries. This consumer first approach and a data driven strategy along the product, marketing, sales and after sales value chain have enabled them to stay agile and relevant.

Success of these early movers in the DTC space, coupled with the impact of Covid-19, have intensified this interest and a pressing need for larger, traditional brands to re-look at their channel mix.

Direct 2 Consumer Is Not Just A Shiny New Thing, More So For Cpg

1. Convergence Of Physical And Digital Touch points in the consumer purchase journey now requires brands to re-orient their engagement strategy. Consumers today are seen to be more inclined towards brands that can cater to their need for personalisation, convenience and instant / social gratification.

2. Seamless Experience
   Consumers today are increasingly looking for a seamless online-offline experience. DTC models can offer a consistent O2O experience via hyper-local deliveries, e-commerce and social/ conversational commerce platforms. It is expected that some of these changes in preferences will be long-term and hence the companies need to consider adapting. Consumers are not only using digital for research, but also are expecting to a virtual experience of the same. This is currently more prominent in personal care and beauty category, but in the near future, the touch-less and remote experiences are expected to be the crucial piece in the consumer decision making funnel.

3. Accelerated Growth Of E Commerce Players
   Growing internet & smartphone penetration is further driving this change, leading to record growth of e-commerce channels in the country. Additionally, e-commerce companies are investing in - hyper local (native) capabilities or partnering with delivery firms to service even the most remote customer across geos. In fact the Ecomm

channels are supposedly cannibalizing the share of GT/MT to emerge as major channels for companies, making these E-Comm market places all powerful, and brands to constantly think about hedging this heavy dependency on a select few players.

4. Plug And Play Tech Solutions

Setting up a DTC shop has been simplified by solutions like Shopify, Magento, FB marketplace, etc. that provide ready-to-use DTC commerce platforms across categories and consumer journey types.

Winning On 'direct To Consumer' Is A Plausible Feat

1. Rationalising The Role Of Third Party E Comm Marketplaces And Owned D2C

It's not one Vs another, and the point essentially is to clearly define the role of third party marketplaces vs an owned D2C destination for brands. Cost is an important factor when expanding a company's sales channels, be it online or offline. Joining an online marketplace will cost significantly less than building one's own exclusive brand.com – largely because with a marketplace, the infrastructure is already in place and no CAPEX expenditure is required. But while this provides initial cost savings, businesses opting for a marketplace presence must consider the opportunity cost of joining them. Participation in third party marketplace campaigns comes with significant media and category investments, and heavy markdowns may build volume at the expense of margin.

Most marketplaces charge for product listing and a commission for every transaction. Building and managing an online store comes with a higher initial set up cost, the returns can be higher over a 2-3 year horizon, where brands can control their pricing and do not lose a percentage of sales on every transaction to a third party.

2. building An Owned Audience Centre

Established marketplaces have a large consumer base and high traffic volume. Amazon, for example, boasts of more than ~300 million monthly active users, thus providing a ready-made funnel of relevant consumers to sellers and is hardly comparable to the traffic generated in favour of a brand's on D2C destinations. But marketplaces are emerging into large audience hubs in their own right, they are walled gardens and are more or less insulated from brands' needs of decoding their consumer journeys. It is crucial for brands to consolidate their e commerce spends, across marketplaces and D2 C platforms, such that the audience, media and data strategies and feed off one another. Consistently driving 'in market to e commerce' consumer segments into a brand.coms has been a proven strategy to garner value-able first party audience data. With strong marketing & media strategies, partnerships and innovation in targeting, the brand.coms can be built into hubs of relevant first party data, for the said brand/suite of brands. A potent brand.com's role in the comms strategy of brands is indisputable, one that is a vehicle to logically drive

content/conversational commerce, sampling, loyalty, gratification, innovation in promos etc.

3. owned And Unique Brand Experiences

While joining a marketplace may minimise your logistical challenges, reduce the cost of starting up online sales and boost your speed to market, but the consumer experience can be markedly different between the two-channel options. If you have your own site, you can control the interaction with customers through tailor made experiences – like conversational commerce, assisted commerce models, personalised and live chats and other direct-communication channels that contribute to the overall customer experience designed specifically for your brand. These experiences are quick wins to bringing alive the customer centricity of the brand/organisation.

4. Higher Control On The Marketing Interventions

Third party E comm marketplaces are either limiting in terms of demand generation possibilities or a prohibitive in terms of cost. Building your own brand.com site and integrating it with other brand assets, social media and marketing automation campaigns give brands exclusive insights and consumer knowledge that marketplace operators are unlikely to share with their sellers. This rich, high intent first party data can potentially drive personalisation in product, packaging, messaging, content, subscriptions, sampling,

loyalty etc. Furthermore brands have full control over visibility assets, pricing, margins and markdowns.

5. Low Entry Barriers For New, Niche And The Long Tail Brands

D2C destinations are great testing grounds for brands that target a relatively nice need states or value propositions and require channelizing consumer demand through content, conversations, assistance and experience. Many brands have tasted success by starting small, with an entrepreneurial approach of test, experiment and learn on D2C destinations.

6. Garnering Loyalty In An Era Of Low Loyalty

Adobe found that once a customer has purchased twice on your online store they are nine times more likely to convert than a first-time shopper. The proven use case is of building and nurturing your own consumer funnel and devising a combination strategies of re-engagement and retention such as loyalty points, coupons, emails or newsletters giving information about the latest and exclusive products, or creating convenient need based baskets, upsell/cross sell a suite of brands etc. The larger point is to tie a set of consumers who find value in the D2C offering, and build a community of adorers who evangelize and advocate the D2C offering, the idea is to continue to find similar seed audiences through focussed marketing interventions.

7. Enabling Omni-channel Experiences

To integrate online and offline platforms together to provide a seamless shopping experience is now a must for brands with a retail offering. Having your own exclusive online channel is easier to integrate with your brick-and-mortar store. Inventory and offer services can be better managed and provided.

to customers such as "click and collect" for those who prefer to order online, collect in-store and pay at either location. This can significantly increase footfall to your physical stores – something marketplaces cannot be relied on for, as the marketplace itself sits in between your brand and your customer. This is very applicable for brands with kiosks, shop in shops or even limited exclusive stores.

A Branded Marketplace Vs Brand.com:

Which Is Best For You?

Further to the aforesaid argument on driving commerce on a third party marketplace vs an owned brand.com, sometimes, brands do not have to choose one or the other, they could even consider a hybrid approach to use both platforms if it fits their brand strategy in creating the right consumer experience. Do consider your brand's overall ecommerce and customer-experience strategies, as well as the resources available internally in terms of expertise and investments.

Owned Marketplaces are ideal for brands that target more price-driven consumers, have a suite of brands with relatively lower ASP (average selling price), lie in complementary need-states and are looking for a quicker speed to market and a relatively cheaper method of

selling online or to move stock. It is also good for companies that have fewer resources available internally to manage their own store. Those who want to test the market or to expand across markets in an agile manner.

Brand.com stores are suitable for brands that are looking at bringing alive the brand imagery or purpose through superior consumer experience and hence build competitive advantage in the long run.

A wide range of DTC commerce storefront models are prevalent in the market. Companies can choose to build a vertical or horizontal marketplace based on their product portfolio. The horizontal marketplace provides one-stop storefront for complete product portfolio across

categories whereas the vertical marketplace provides a portal/app focusing on specific brands or categories. Companies will need to evaluate various D2C models based on their strategic fitment with their goals and aspirations.

Innovative Fulfilment Options:

Companies will have to evaluate multiple fulfilment options considering the reach, delivery timelines and inventory availability. Most of the companies are providing multiple fulfilment options to consumers based on their location and desired delivery timelines at a cost. Existing channel partner network and distributors are being leveraged to reduce operating costs, improve asset utilisation and enhance quicker reach.

Strategic Partnerships

Technology and delivery partnerships are key to creating a differentiated offering. Today companies can choose from a wide range of tech partners offering out-of-box, configurable,

custom solutions. The digital platform forms the heart of the DTC experience. The other critical partnerships that companies need to evaluate are alliances with 3rd party logistics vendors offering last mile delivery based on their reach and reliability.

Scalable Commercials:

Brands entering the DTC space need to have clearly defined pricing and logistics strategy to avoid conflicts and unviable cost structures. Economies of scale offered by wider geographical reach are countered by challenges in ensuring product availability or cost-to-serve for last mile delivery. FMCG players will have to carefully evaluate financial viability of DTC models selected to build a scalable and sustainable offering. Further, it is important for DTC to co-exist with other channels (third party marketplaces and Omni channel Modern trade) rather than compete against them when operating at a scale. All channels play a unique role in driving sales and hence their co-existence is the key for a successful play.

Direct-to-Customer is poised to become a major sales channel for the future. This is evident from the investment commitments by leading e-commerce marketplace players and FMCG companies. As more and more brands enter this space, companies will need to come up with innovative value proposition with differentiated customer experience. Going forward, a simple e-commerce platform approach may be inadequate to build a superior brand experience, to attract and retain loyal consumers. Winning on D2C is a long term agenda, and will need continual focus, talent and consistent investments, along with a cohesive strategy that is complementary to the overall marketing strategy of the organisation.

What Legacy Brands Can Learn From Digital Native Brands

Vishal Jacob
Chief Digital Officer, Wavemaker

In the last few years, every industry has seen a few businesses models being disrupted by business that have centered their business around a value exchange with the consumer through online channels. For this article I would like to refer to them as digital native brands. We have seen some of these brands grow and challenge legacy brands and sometimes even force them to change their business models and adapt to newer ways of doing business. While legacy brands have all started establishing an online presence, we see some digital native brands taking on to traditional retail channels to drive growth. This sets the stage for an interesting battle to come.

Digital native brands however, have been able to find a consumer need and challenge existing belief systems in a category or industry by addressing it through solutions rooted on a digital asset or platform making it convenient and easy for consumers to engage with the brand directly. And as the dependency and stickiness grows these brands tend to grow and

flourish. The covid19 crisis has only accelerated this growth in some of the industries leaving some of the CXOs of legacy brands concerned about these changes and the pace at which they may need to adapt to these changes.

Through this article I hope to share my views on how digital native brands approach marketing differently and cite reasons why I believe they

The Way They See The Marketing Funnel.

One of the most fundamental differences between legacy brands and digital native brands is the model of consumer acquisition. Legacy brands see consumers through a marketing funnel that provides for consumers across different stages of the consumer journey and awareness of the brand. They work towards creating more awareness for the brand with the belief that a strong priming bias drives acquisition. This model of marketing has been an age-old practice and still holds true when the distribution happens across traditional retail stores for it has been proved that a strong priming bias helps in driving acquisitions. However, digital native brands see this funnel and model in a different way, given that they have gone through a different form of evolution

and their business model and value exchange is primarily online. These native apps and businesses see the same funnel bottom-up compared to legacy brands that see it top-down.

Most of these brands focus on a valuation game and customer acquisition becomes very critical to drive a higher valuation. So digital native brands prefer to focus on identifying the consumers who are in-market to buy products or services in the same or similar category and over index their visibility in the active stages of the consumer journey leading to conversions. Over time these brands are able to identify and segment audiences better with smarter communication and scale conversions in a far more effective way. It is however true that even digital native brands will have no choice but to reach out to a larger set of audiences through mass media to increase their customer base, but when this happens, they are in a far better position compared to legacy brands and there are three reasons for that.

1) Consumer Intelligence And Data:
Given that the business model is centered around a digital platform, digital native brands have a preview to a lot of consumer data and intelligence compared to legacy brands. These businesses dedicate an arm and a leg to collecting consumer data and analyzing it. The experimental mindset also lends itself to considerable learnings, quite often captured in a more organized way. For digital brands consumer 1st party data becomes the holy grail and for legacy brands it's usually an after thought

2) Extract Higher Lifetime Value Of The Customer:

Given the focus on consumer data, the ability to retain and engage and market to their existing audience becomes a lot easier and rewarding. These brands are able to extract a far higher value from an existing consumer compared to traditional legacy brands

3) Better Attribution Or ROI Modeling:

All digital native brands usually see digital channels like facebook, google, Amazon etc.. as business acquisition channels compared to legacy brands that see it as a channel to advertise. Given this orientation Digtal native brands are able to attribute success and create custom models to advertising inventory in far better ways than legacy brands do

It would be safe to say the traditional norms or marketing still apply to businesses that don't have a digital orientation or where the scale of distribution through digital is relatively low. But when the scales of distribution and business tilt to digital and online platforms one may need to be change the models of communication and advertising and take the best of both worlds.

Agility And Speed To Market

brands like mamaearth, Licious or Boat have been able to become a INR 100cr business in just 3 to 4 years while the time taken by legacy brands to grow to a similar number would be well above 10 + years. A lot of this growth can be attributed to the agility and speed at which these brands have been able to find demand spaces and address them with suitable products in relatively quicker ways. The case of how some of the digital native brands were able to catch on to the trends of onion oils and go to market with a product far sooner compared to Legacy brands is perhaps one of the many cases that have come to light in recent times. The agility and speed at which Digital native brands can identify a need, segment a market and land a product to address that need is a lot faster compared to the time taken by Legacy brands. One could also argue that this has not always worked as many of these brands have found themselves launching products with very limited life span. However, the key point to note that Digital native brands are far more Agile and nimble with a Go-to-market plan, and the reasons could be attributed to the decision-making process that digital native brands enjoy

in comparison to legacy brands. Given the complexity of organizational structures that legacy brands have, and time and effort taken to manage stakeholders across these complex structures can lead to longer lead times compared to what Digital native brands enjoy. Another factor that can be argued in this light is in the cultures that these organizations share. Digital native brands are usually open to experimentation, asked to challenge status quo, provided with technology interventions to solve problems, etc,, all factors leading to a culture that can drive agility in business.

Building A Brand Through User Experience And Conversations Rather Than Just Visibility:

It is no secret that digital native brands are obsessed with consumer experience. Most of these organizations have a dedicated team to look at every single consumer touchpoint and identify ways in which consumer experiences across these touchpoints can be enhanced. Resources and effort are also allotted to track every single brand mention across tweets, consumer reviews, blogs and identify ways in which negative mentions can be turned to positive ones. Legacy brands also do this. The difference in the two however, is that most legacy brands use this as a means to address customer grievances, but digital native brand see this as an opportunity to build a brand. These two models work very differently. While building a brand through conversations it is critical to understand the sentiments expressed about the brand analyze ways in which consumer feedback can be used as an input to change or enhance the product experience. White hat Jr for example uses every class interaction to see what rating the child has given and assigns regular follow-ups to address every concern expressed. Some of these brands have tried to center the key brand proposition around something that is conversation worthy. Fenty Beauty for instance is popular for its inclusivity across skin tones and gender. The belief system here is that a brand is not just built by high decibel visibility but also through exceptional experience which goes hand in hand and a key yardstick to measure that would be through consumer conversations and reviews. Therefore, engaging in an always on exercise of monitoring conversations, reviewing and addressing grievances, drawing insights and using insights to better the product experience is the due process followed by digital native brands.

To conclude, as digital native brands scale they have the ability to challenge and destabilize legacy brands. These brands have centered themselves around a business model that's driven through an online platform which means the organizational structure, culture, and marketing models are designed to drive success in an online world. Meanwhile legacy businesses have organizational structures, processes and a culture to succeed in a traditional retail environment. While legacy brands have all started to go online, we have seen some of the digital native brands extend their business from online to on-ground retail. The future holds an interesting battel between these two. Legacy brands will need to find ways to be more agile and build data structures centered around the consumer. Meanwhile, Digital native brands will have to find ways to build a strong brand equity that legacy brands enjoy today.

Creating an omnichannel presence for your brand

DJ Basumatari
Co-founder and COO, Iksula

Adoption of digital has accelerated post Covid

We have all experienced it as customers – online shopping was the only lifeline we had during Covid. It pushed anyone sitting on the fence to take the plunge. There was no avoiding categories like online groceries and medicines which weren't very popular earlier.

Digital businesses reported a big jump in online sales. The "Ecommerce Trends 2021 Report" by SearchNode covering 100 digital business owners across Europe and North America reported the following

60% of survey participants said their online revenues increased by 100% ore more during the spring of 2020, which was the peak of Covid

During the global lockdown in spring, how was your ONlINE REVENUE affected, compared to pre-COVID period?

Increased by 1%–25%	Increased by 25%–50%	Increased by 50%–100%	Increased by 100%–200%	Increased by > 200%	Stayed about the same	Decreased by 1%–25%	Decreased by 25%–50%	I don't Know
3%	12%	25%	27%	23%	3%	3%	3%	1%

< SOURCE: https://searchnode.com/blog/ecommerce-trends

33% of survey participants reported that their businesses continued to remain more than double after the global lockdown

33% of survey participants reported that their businesses continued to remain more than double after the global lockdown

Increased by 1%–25%	Increased by 25%–50%	Increased by 50%–100%	Increased by 100%–200%	Increased by > 200%	Stayed about the same	Decreased by 1%–25%	Decreased by 25%–50%	I don't Know
13%	22%	32%	14%	5%	9%	2%	2%	1%

< SOURCE: https://searchnode.com/blog/ecommerce-trends

MMA | AMMP COMMUNITY
ACCELERATING MODERN MARKETING PRACTICES
E-COMMERCE COUNCIL INITIATIVE

groupm
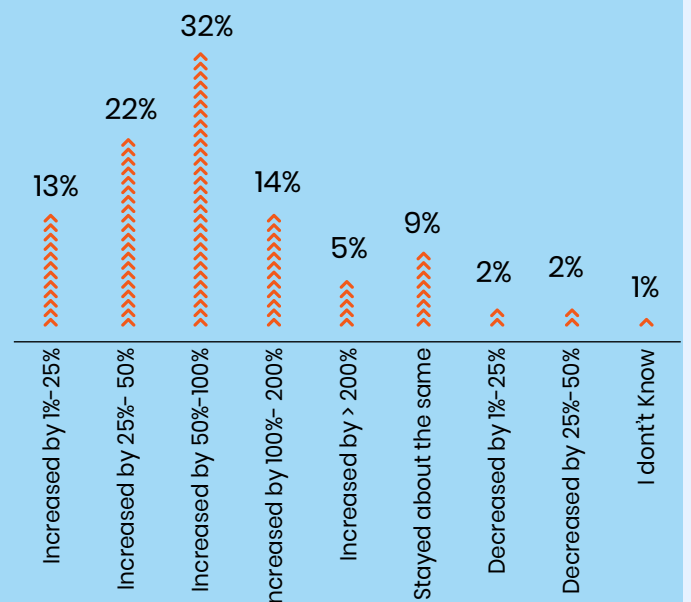
And what were customers saying?

EY has been running an excellent quarterly customer survey to understand consumer sentiments since the beginning of the pandemic. Here is what the Consumer Sentiment Index reported.

Index 2
29May'2020

38%
consumers said their online purchases will increase in June

Index 3
26Jun'2020

43%
consumers said that they would shop online for products they previously bought in stores

Index 5
9Nov'2020

46%
consumers said that they would shop online for products they previously bought in stores

Index 6
17Mar'2021

40%
of consumers have shifted their preference for buying some products they used to buy earlier offline to online

38%
of customers intend to do continue to buy online, and only visit stores that give a great experience

60%
of customers have reduced their physical store visit

< SOURCE: https://www.ey.com/en_us/future-consumer-index

That the trend to digital shopping is here to stay is a given. As a brand owner or marketer, it is time to double down on your digital presence.

Two distinct trends which are playing out in the e-commerce space now

1 The rise of D2C brands: consumers are heavily adopting pure play online D2C brands like Mama Earth, Glossier, Lenskart and there are 800 of them just in India.

2 Omnichannel presence for brands: consumers are expecting to engage and buy their favourite brands across all channels – stores, marketplaces, web store, mobile application. This note is going to be focused on omnichannel.

What "is" and "is not" omnichannel

Just being present in all the channels is not Omnichannel. Omnichannel is an unified experience for the customer where she/he can

1 Access the brand anywhere: stores, marketplaces, webstore, mobile application

2 Be recognised everywhere: the brand is able to identify the customer as that person across all channels

3 Consistent experience: it is the same experience across all channels, the same pricing, promotions, and inventory

The customer is expecting

1 Relevance: that the experience is customised to the context she/he is engaging with the brand for. No pushy sales calls if it is a service-related engagement

2 Empowerment: ability to self-serve, fulfilment and returns anywhere with a 24x7 customer support

3 And Agility: Response speed and interactions contextualised on the latest interactions

Ability to achieve all the above is no mean task, and will require a brand to invest in all aspects of a business – Technology, People, and Processes

TECHNOLOGY

The investment in technology will primarily be in your ability to provide the following:

1 Recognise and make the customer's engagement history available across all interaction points. This would require a unified data lake and CRM system

2 A rule engine that is able to leverage the CRM data and then contextualise the experience for the customer

3 Contextualising the experience would require context specific content. Common use cases

    a. Product content that is more elaborate when shopping in a laptop, but being more crisper on a mobile device, and making only the spec information available in a retail setting. Product Information Management (PIM) systems would help you to achieve this

    b. Promotion and merchandising content that is designed by the customer's past purchases. This would call for extensive content

managing which can become a nightmare. A Digital Asset Management (DAM) system would come to your rescue here

4 Common inventory: This would call for a common inventory system which tracks the availability of inventory on real time across all the channels which can be technically complex

5 Common shopping cart: ability for the customer to access his shopping cart and order history across all channels. Another very simple need, but complex to execute

The inventory and shopping cart are typically executed as custom layers which sit in the middle of the inventory, e-commerce and POS applications.

PEOPLE

Making omni-channel happen would require a brand to

1 increase their investment in people with skills like analytics which will be at the core of mining data to provide contextualisation, a bigger roster of content and media resources, and people who can piece the entire omnichannel processes together

2 Train people in interacting with customers across all channels. Imagine the plight of a customer

who approaches a store clerk not trained in online returns

PROCESSES

When a customer shops across channels, the existing organization structure of revenue, marketing and operations teams by channels just don't work. Unifying the customer experience would also mean unifying all organization processes keeping the customer at the center.

Areas which are most commonly impacted are the following

Planning	Common revenue and biz plans	Inventory planning	Marketing plans
Creative	Multi-channel creatives	Workflows	
Product Content	Multi-channel product content	Marketplace content	
Merch-andising	Omni-promotion planning	Seller onboarding	
	Seller performance management	Account reconciliation	
Supply Chain	Marketplace operation	Multi-channel order management	Multi-channel returns mana-gement
Marketing	Cross channel marketing campaigns		
Customer Service	Multi-channel customer service		

HOW DO YOU IMPLEMENT

As outlined in the previous section, executing omnichannel requires executing new components in your technology stack, newer people skill sets, and a change in organization processes which is never easy. All of these add up to a heady mix. This must be taken up as a transformational exercise for the organization which is executed in phases. Our recommendation is the following phases

Traditional flow

Phase 1

Siloed
Product centric and transactional

Independent channels - POS, website, mobile website

Channel specific products, inventory, and customer dB

Phase 2

Early-stage
Customer centric

Connected website, POS, and WH

Order, customer data and product data flow between channels

(Aggressive flow)
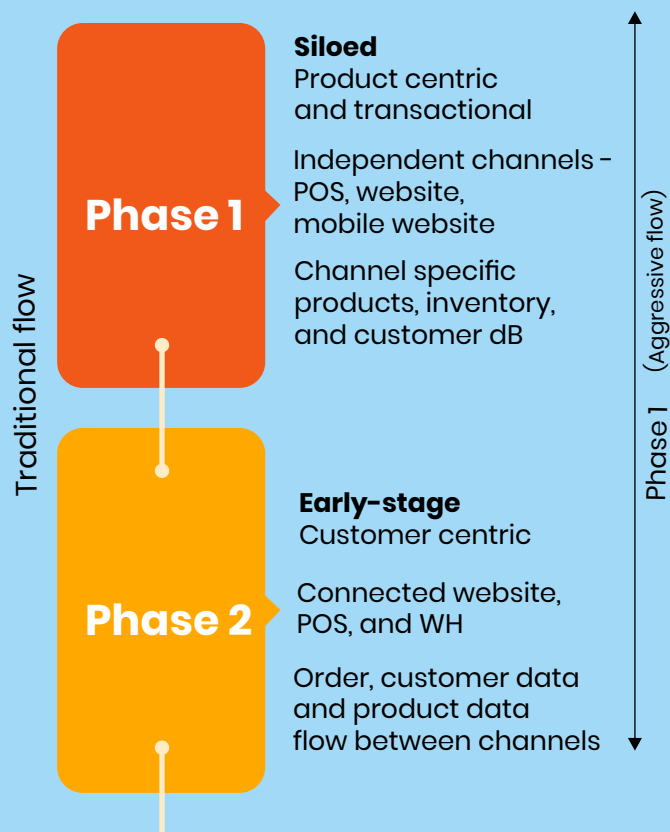
Phase 1

Phase 3

Mid-stage
Org process realignment

Simplifying organization processes

Training staff

Common workflows

Phase 4

Omnichannel
Customer centric

Common data lakes and dashboards

Complete integrations and customizations

Continuous review and update of processes

Phase 2   (Aggressive flow)

CLOSING STATEMENTS

That digital is at the center of a customer's life is stating the obvious. And it is increasingly becoming obvious that businesses with digital at the core of their customer experience are winning. Customers expect a unified experience across all interaction points with a brand, and therefore not offering an omnichannel experience can become an existential threat for a brand.

Innovating for a customer centric portfolio of the future

Liliana Caimacan

Hult International Business School (professor of Marketing and Innovation) and Tata Consumer Products (Head of Innovation)

"Never waste a good crisis," Churchill once said, and this is truer than ever. 2020 has forced companies to reinvent themselves, to accelerate business transformation and adoption of technology and digitalization, to drive harder and invest heavily in ecommerce, and the wise are realizing that innovation must continue and be at the heart of any further development if they want to achieve long-term, sustainable growth.

In a recent McKinsey survey of more than 200 organizations across industries, more than 90% of executives said they expect the fallout from COVID-19 to fundamentally change the way they do business over the next five years, with almost as many asserting that the crisis will have a lasting impact on their customers' needs. It is clear then that prioritising Innovation is the key to unlocking post-crisis growth. However, many of these dynamics are ingredients for disruption from which new business models emerge.

> Humans are generally risk-averse and tend to stick with what they know. But big shocks to the system create the necessity for change. That creates gaps in which innovation can thrive.

Today businesses have to find the balance between cost cutting and driving productivity with new measures to drive innovation-led,

longer term growth. Playing it safe may be the wrong decision to make right now.

Looking further down the line, as we are moving towards a new dawn, we do foresee innovation and ecommerce becoming fundamental areas of focus for companies, with few focal points over the next years:

1 Digital Transformation

has been accelerated through necessity, and players that adapt the quickest, with truly useful value propositions answering emerging behaviors, will be the ones that persist as opposed to brands entering the D2C space that have no reason to be there.

2 Changing Route to Market models and drive experimentation

According to a recent McKinsey study: 96% of businesses have changed their go-to-market model since the pandemic hit, with the overwhelming majority turning to multiple forms of digital engagement with customers. Hand-in-hand with this will go an increased prioritisation of gaining fully opted-in first party data. Brands will be working harder than ever to gain direct knowledge of and access to customers – especially as the cookie crumbles into extinction.

In 2017, Adidas expanded its digital presence by introducing the 'Adidas App,' offering an experience tailored to users' preferences and behaviours. And then a year later it welcomed Creators Club – a membership programme that rewards customers with exclusive access to products, experiences and services in exchange for their time and advocacy. And the hard work paid off as Adidas' app has seen a four times

sales growth so far, while 60% of its total online sales were done through its Creators Club.

For the same reasons, we are likely to see an acceleration in how retailers digitise their physical stores. Particularly at the luxury end, they will become 'theatres for exploration and interaction'. Look at Burberry's new store in Shenzhen, China. The 5,800-square-foot store is split up into 10 rooms for customers to explore and interact with, in person or through social media. Through a dedicated WeChat mini program, developed through an exclusive partnership with Tencent, shoppers will be able to earn social currency as they explore the store, which they can use to access exclusive content and personalized experiences. Each customer is given a digital animal character that evolves as they engage with in-store experiences.

And this is set to continue. Many brands and retailers are starting to take more seriously the growth potential of the channel. Data will allow to understanding what, where and how consumers shop across all retail channels is going to become more key – especially in creating connected commerce experiences and unlocking new opportunities for growth.

3 Need for new offerings

Food distributors that traditionally supplied restaurants are setting up digital direct-to-consumer channels as the crisis decimated their core restaurant sales. Similarly, the entertainment industry is generating new content (for example, sports retrospectives) to

fill the void in programming created by the suspension in sports leagues.

Across entertainment sector as a whole, the pandemic has given streaming services huge impetus. The timing of Disney+ launch was particularly fortunate. Soon after launch, the company said it aimed to have as many as 50 million subscribers by 2025. As we've all come to learn, Disney announced it surpassed that goal in its first eight months, releasing the staggering news that over 55 million subscribers have already signed up to the service

Looking to the future in my view the key success factors for companies, to be able to drive sustainable grow are:

/ Discover uncommon insights into emerging consumer needs and /or ways in which companies could address those needs better than the competition

/ Agility, respective the ability to jump on opportunities quickly and measure impact in real-time

/ Alignment, with minimum number of silos, maximum coherence of focus and effort

/ A culture that is eager to experiment in pursuit of greatness, and willing to tolerate 'productive failures'

/ Resilience as the most relevant innovations take time to gain traction. You need patience to stay the course, and relentless in tweaking and adapting the model

Companies that struggled to continue to fund far-field innovation opportunities will have to re-plan and re-prioritise in 2021 and further, in order to ensure future growth once business continuity becomes more predictable. Companies and brands need to be more open in collaboration with other categories and behaviors. Developing bespoke solutions from the ground up will have higher barriers to entry, so expect to see more partnerships between more types of business - with borrowed synergetic business models becoming more common than typical isolated and standalone revenue drivers.

In conclusion, I strongly believe that innovation and digital transformation are core drivers of growth across all industries and will only increase in importance, with ecommerce playing a pivotal role.

▶ PURCHASE

PURCHASE PATTERN – CONSUMER

| Past | Present |

Demographics

More likely to be male

Almost as likely to be female as male (45:55)

1.5x - 2x growth rate for women shoppers vis-à-vis men in 2020. 20% Share of people older than 45 years among online shoppers in 2020 (8% in 2018)

Geography

40% chance of being from Metro or T1 market

A new customer still as likely to be shopping from a T2/T3 town than metro / T1

Spending power in smaller towns is broadly comparable to big cities, as evidenced by selling prices across categories

Relative difference in average selling price per unit

- Metro/tier–1 ASP
- Tier–2/smaller towns ASP

−10% Mobiles

−6% Laptops & desktops

~0% Men's clothing

−8% Grooming

−13% Women's footwear

−5% Food & nutrition

MMA | AMMP COMMUNITY
ACCELERATING MODERN MARKETING PRACTICES
E-COMMERCE COUNCIL INITIATIVE

groupm
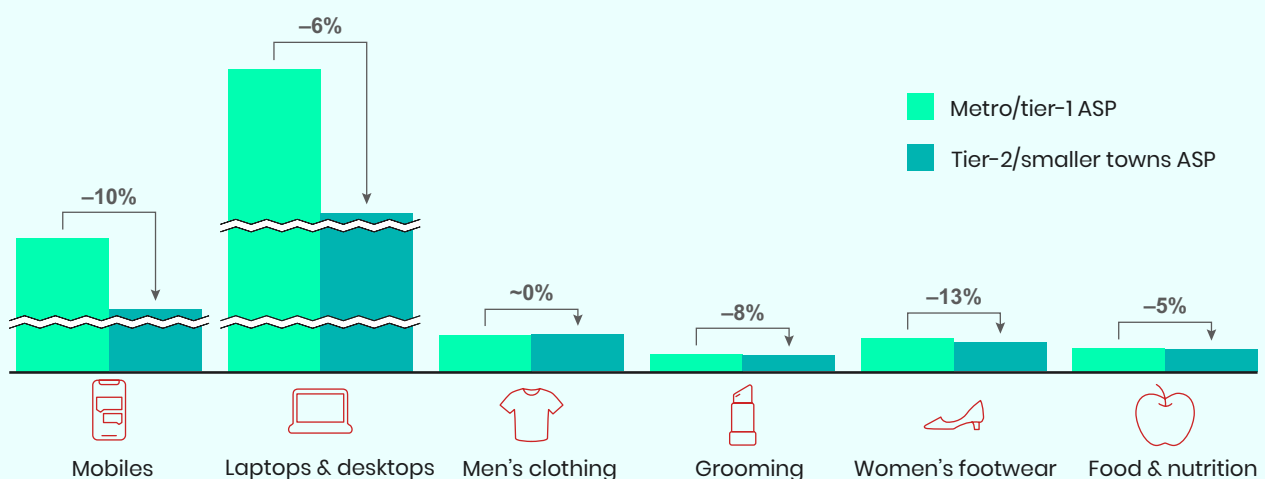
PURCHASE PATTERN – CONSUMER

Past	Present

Time spend

Would spent avg 14 mins / session

Would spend 21% more time per visit

Mode of payment

Most likely to pay for purchases using COD

More likely to buy using a prepaid instruments :
~1 in 3 customers used prepaid payment instruments

PURCHASE PATTERN – CONSUMER

% Have Purchased in Past 12 Months Via...

73%
Online shopping platforms

35%
Retailer's own website

28%
Brand's website

19%
C2C marketplace

19%
Social media

MMA | AMMP
COMMUNITY
ACCELERATING MODERN MARKETING PRACTICES
E-COMMERCE COUNCIL INITIATIVE

groupm

PURCHASE PATTERN – CONSUMER

TOP 3 Online Shopping Destinations
(Used in Past 3 Months)

amazon

Flipkart
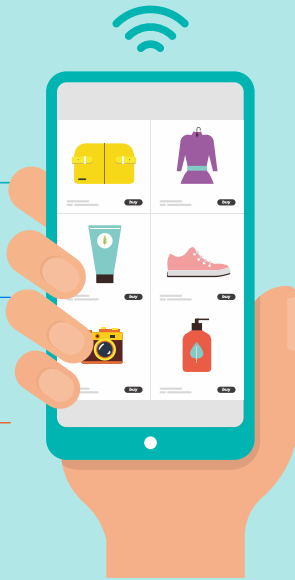
TOP 3 Product Categories
(Bought Online in Past 12 Months)

60% Groceries

60% Fashion (men and women)

55% Health, beauty & personal care

TOP 3 Deciding Factors
(Where to Purchase Online)

63% Product quality

55% Price

55% Quality of product information / Return & cancellation policy / Product warranty

TOP 3 Barriers
(To Online Purchase)

41% Concern over product quality

38% Delivery fee

37% Concern product doesn't match online illustration / Risk of purchasing non-genuine products

MMA | AMMP
COMMUNITY
ACCELERATING MODERN MARKETING PRACTICES
E-COMMERCE COUNCIL INITIATIVE

groupm

SHOPPING BEHAVIOR PATTERN – ELECTRONICS

YoY growth

Category	Orange	Teal
Tablet	62%	60%
Laptop And Desktop	72%	79%
Home Entertainment Large	18%	19%
Camera	18%	20%
AirConditioner	70%	69%

0% 10% 20% 30% 40% 50% 60% 70%
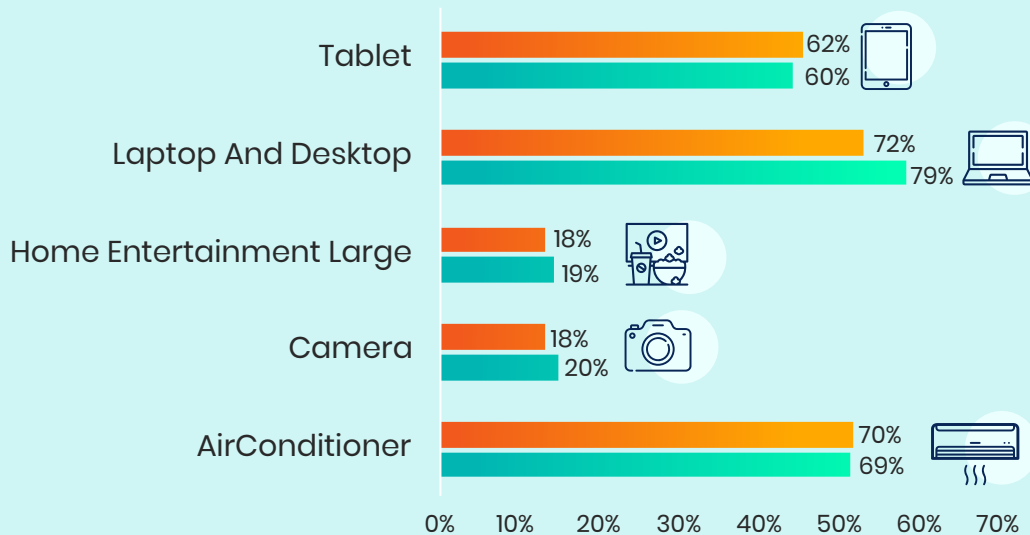
Choice of color

Only 2 of 5 mobiles sold are black.
Blue & gold are other popular options

Online purchase on rise

90+ mobiles sold per minute on e-portals

Mobiles are the festive cheer

Peak demand during festive sales is **~70x**

PURCHASE PATTERN – ELECTRONICS

Percentage of online purchases made via the various types of online store:

76%
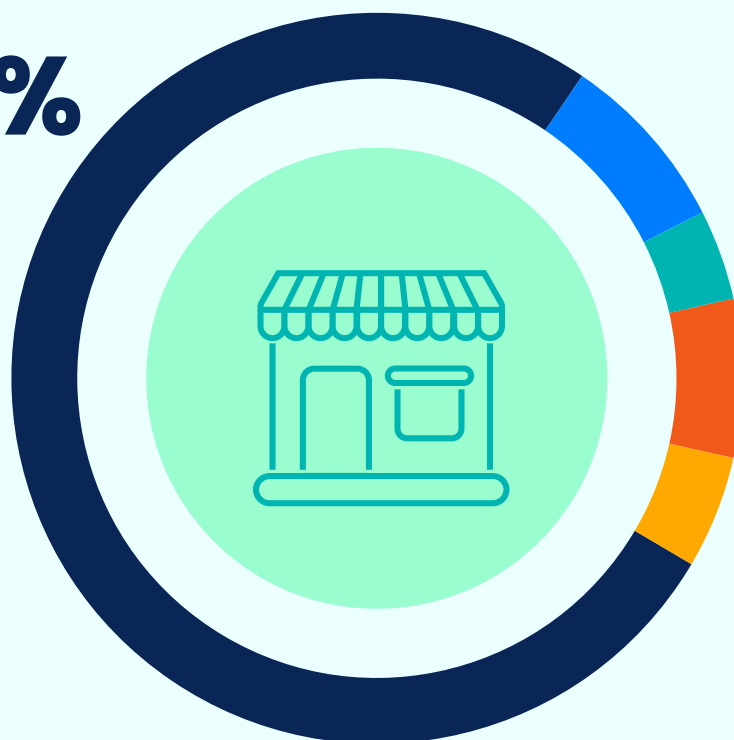
8%
Brand's Website

4%
Social Media

7%
Retailer's Own Website

5%
C2C Marketplace

Percentage of purchases made via flagship/ non-flagship store among online shopping platform purchases:

Online Shopping Platforms

» From flagship store
43%

From non-flagship store
57%

< SOURCE: GroupM consumer eye report

MMA | AMMP
COMMUNITY
ACCELERATING MODERN MARKETING PRACTICES
E-COMMERCE COUNCIL INITIATIVE

groupm

PURCHASE PATTERN – FASHION

YoY growth

Category	customers	units
Kids Footwear	64%	57%
Kid Clothing	104%	109%
Mens Sports Footwear	32%	35%
Mens Clothing - Essentials &...	69%	77%
Women Ethnic - Core	141%	203%
Women Ethnic - Contemporary	72%	96%

■ customers
■ units

0% 50% 100% 150% 200%

Kanji is the queen
1 out of every 5 sarees sold online is Kanjivaram

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

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

MMA | AMMP COMMUNITY
ACCELERATING MODERN MARKETING PRACTICES
E-COMMERCE COUNCIL INITIATIVE

groupm

PURCHASE PATTERN – FASHION

Percentage of online purchases made via the various types of online store:

76%
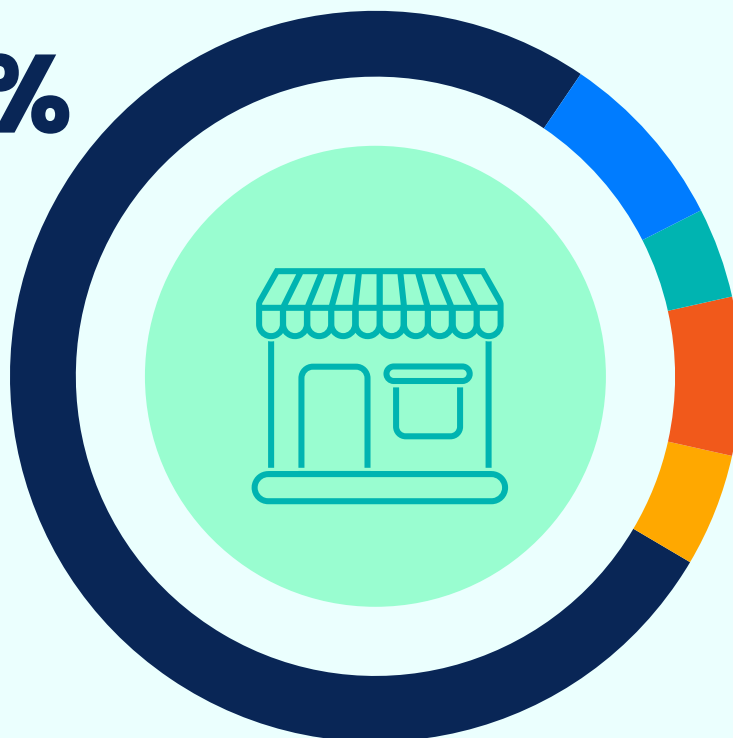
7%
Brand's Website

5%
Social Media

8%
Retailer's Own Website

6%
C2C Marketplace

Percentage of purchases made via flagship/ non-flagship store among online shopping platform purchases:

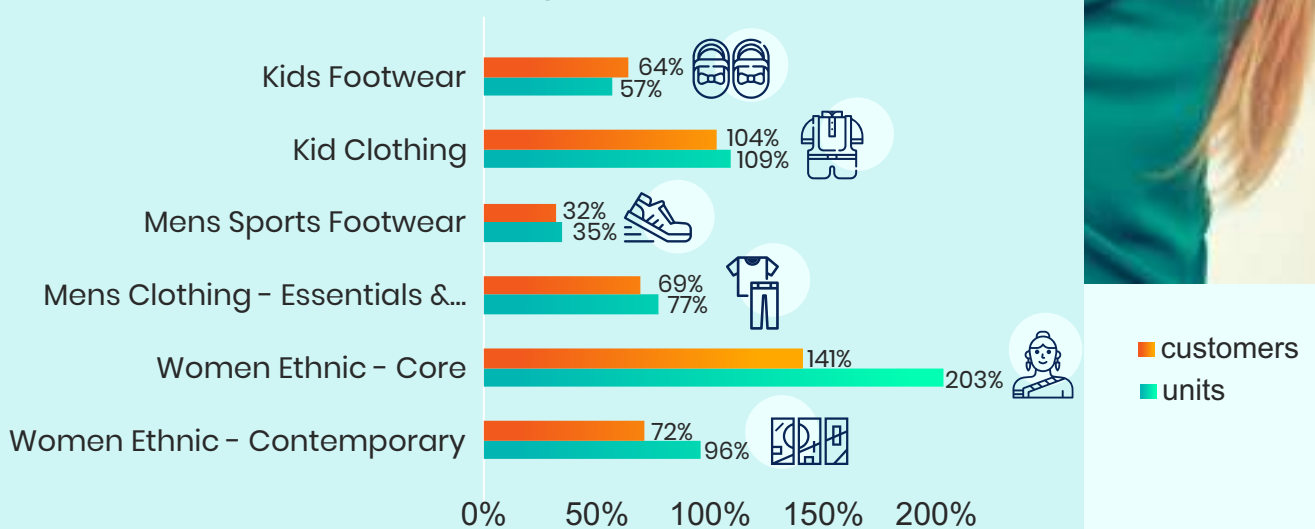**Online Shopping Platforms** >> From flagship store **43%** / From non-flagship store **57%**

< SOURCE: GroupM consumer eye report

PURCHASE PATTERN – BEAUTY & PERSONAL CARE

YoY growth

Category	customers	units
Makeup Fragrances	44%	52%
Grooming	72%	113%
Food And Nutrition	112%	137%
Baby Care	78%	66%

■ customers
■ units

0%   50%   100%   150%

Repeat purchase

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

Men care

Men account for 45% of shoppers in personal care

Tier 2 on rise

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

MMA | AMMP COMMUNITY
ACCELERATING MODERN MARKETING PRACTICES
E-COMMERCE COUNCIL INITIATIVE

groupm

PURCHASE PATTERN – BEAUTY & PERSONAL CARE

Percentage of online purchases made via the various types of online stores:
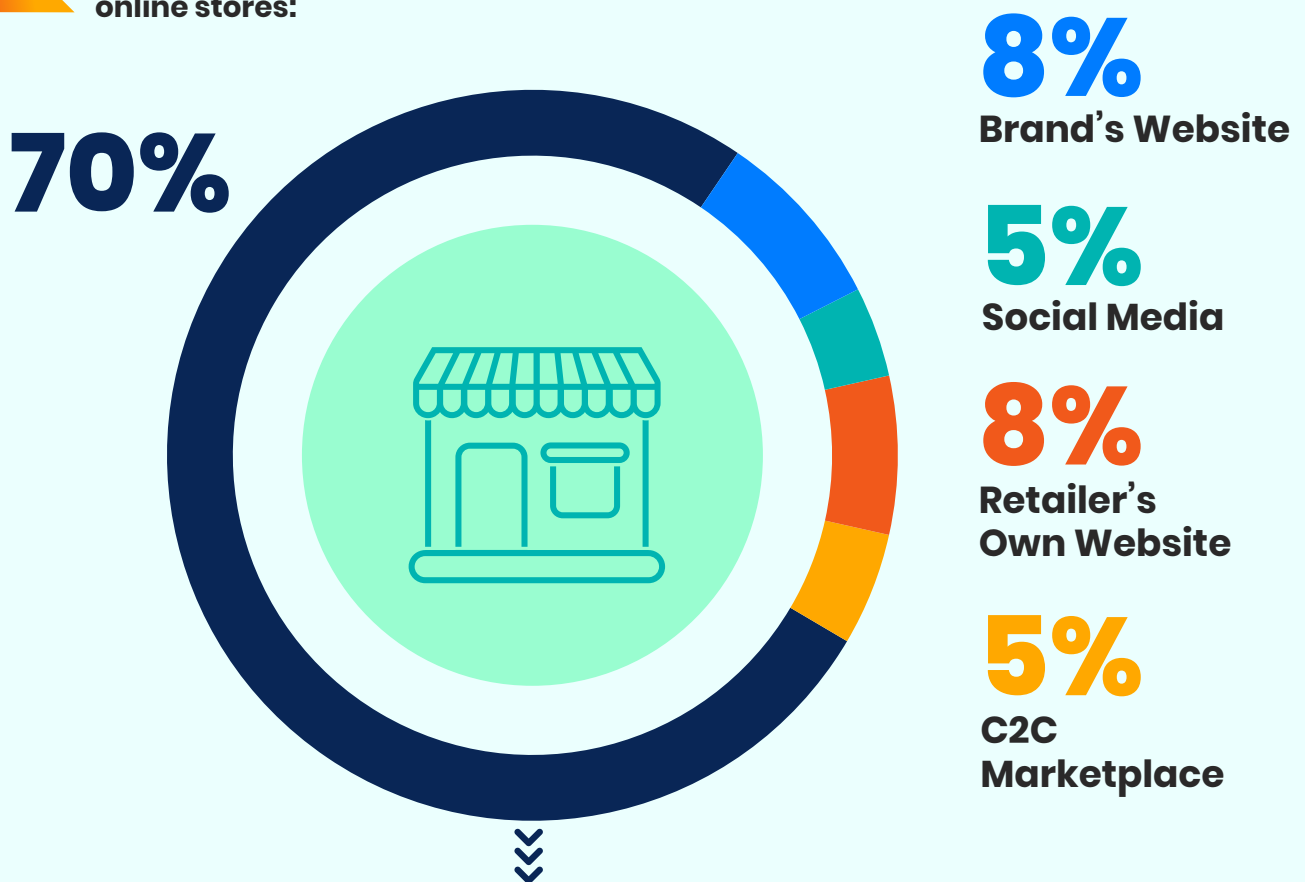
70%

8%
Brand's Website

5%
Social Media

8%
Retailer's Own Website

5%
C2C Marketplace

Percentage of purchases made via flagship/ non-flagship store among online shopping platform purchases:

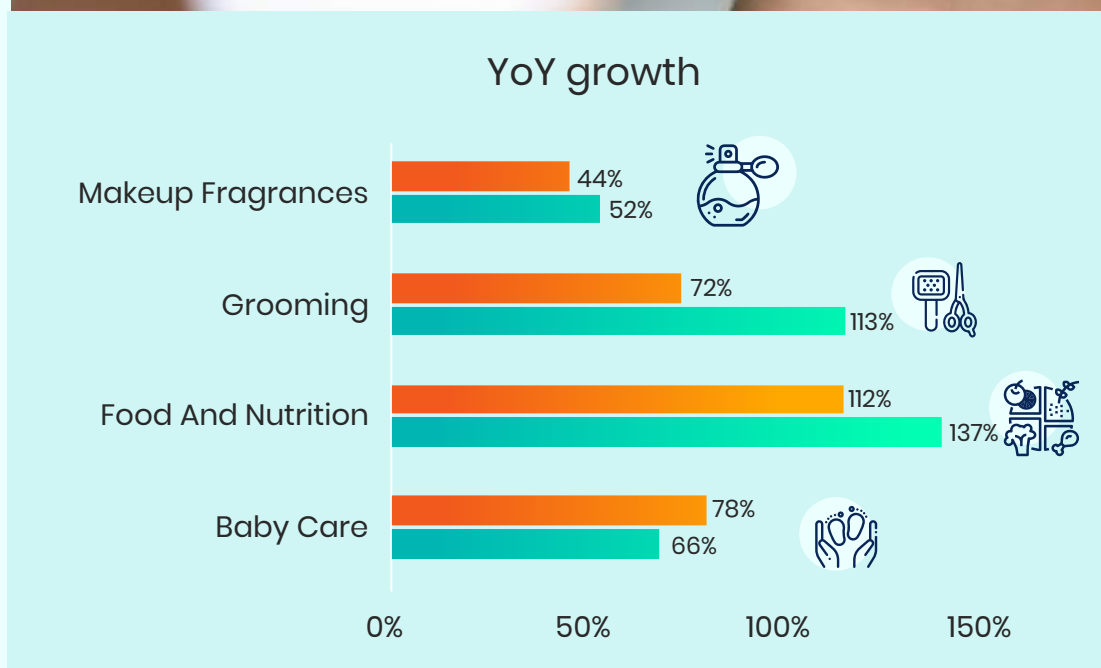**Online Shopping Platforms**

» **From flagship store**
48%

From non-flagship store
52%

MMA | AMMP COMMUNITY
ACCELERATING MODERN MARKETING PRACTICES
E-COMMERCE COUNCIL INITIATIVE

groupm

CONSUMPTION TRENDS

Customers are shopping across more sub-categories and buying more frequently.

26%

increase seen in number of subcategories purchased per customer Vs pre-covid baseline.

No. of subcategories* purchased per customer (indexed)

Feb'20	1
Feb'21	1.05
Apr'21	1.24
Jun'21	1.26

+40%
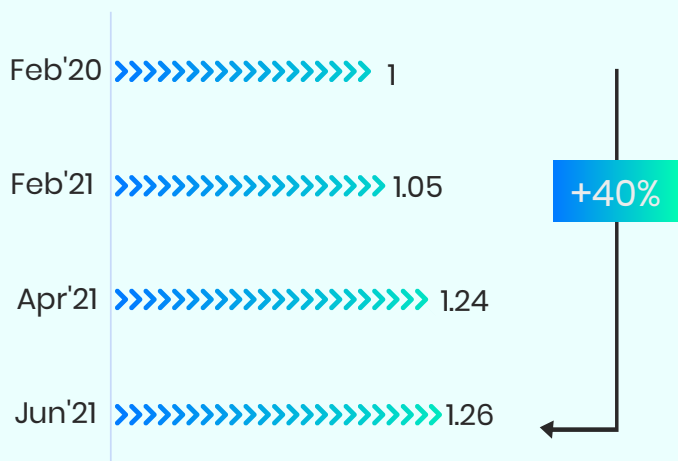
No. of orders placed per week per customer on Amazon.in (indexed)

Feb'20	1
Feb'21	1.05
Apr'21	1.12
Jun'21	1.13

+17%

MMA | AMMP
COMMUNITY
ACCELERATING MODERN MARKETING PRACTICES
E-COMMERCE COUNCIL INITIATIVE

groupm
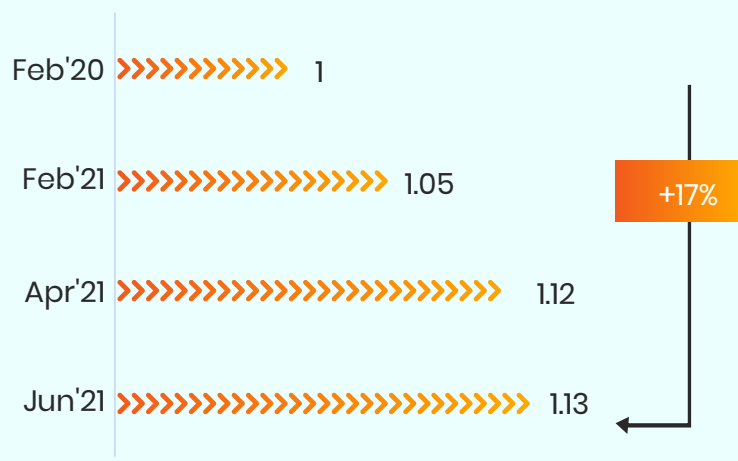
CONSUMPTION TRENDS

Tier 2+ cities would be the next growth engine for e-Commerce in India.

Pan India annual online shoppers(Mn)

50 Mn   ~150 Mn   ~350 Mn   ~500-600 Mn

88%
Of newly added online shoppers between 2020-2030 will be from Tier2+ cities

Metro
Tier 1
Tier 2+

Tier 2+

2015   2020   2025   2030

Online shoppers as % total population
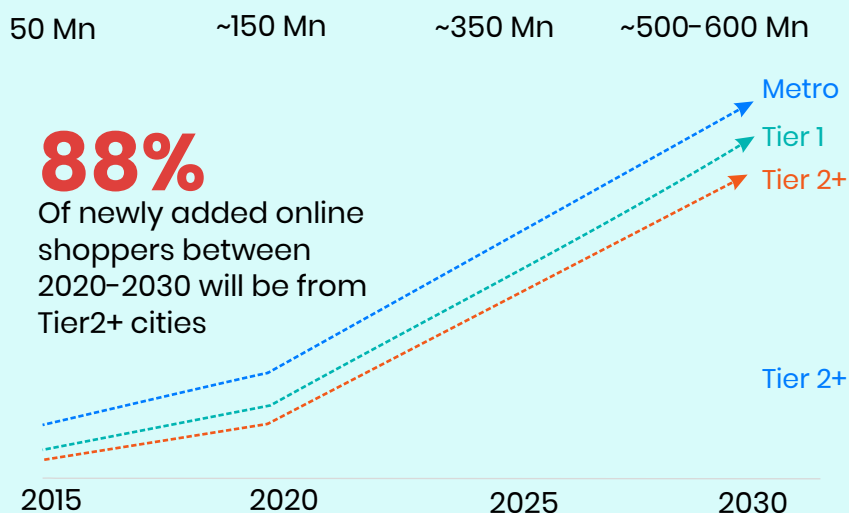
2020
- Metro: 55%
- Tier 1: 32%
- Tier 2+: 9%

2030 F
- Metro: 76%
- Tier 1: 60%
- Tier 2+: 50%

Metro   Tier 1   Tier 2+
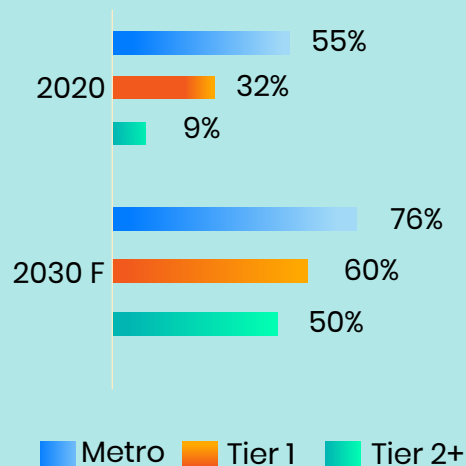
E-Commerce penetration has saturated in tier 1 cities – the focus has shifted to tier 2+ cities

Growth would be triggered by supply side innovation such as vernacular based user interaction, voice and visual search

COVID 19 has caused an inflection point in e-com penetration

< SOURCE: Redseer data

CONSUMPTION TRENDS

Online retail is shifting from electronics to grocery

Online Retail GMV by Categories
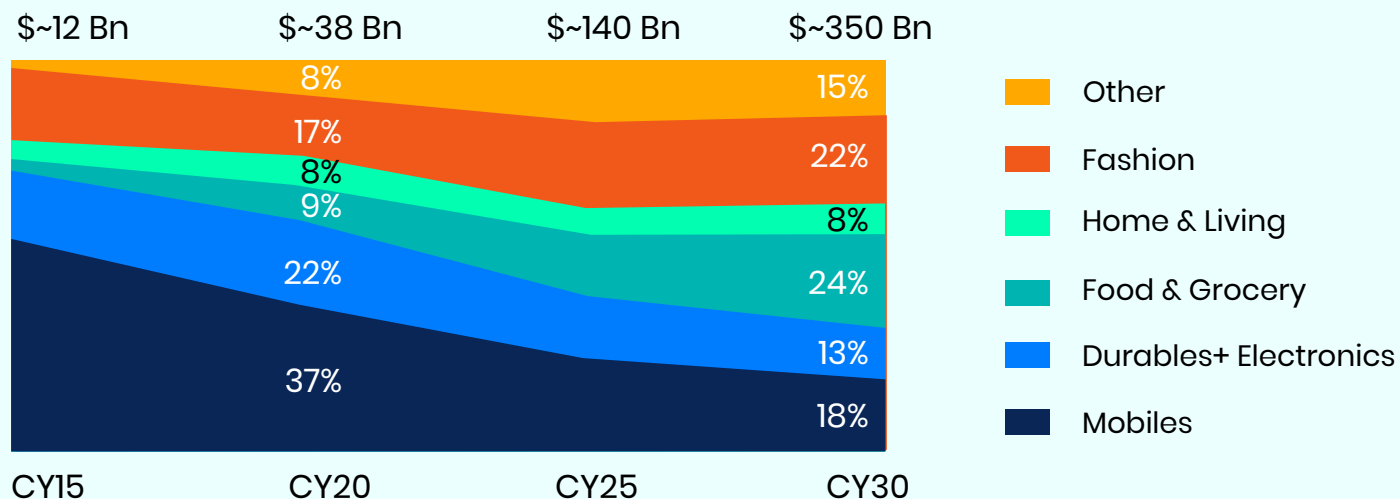CY2015-30

$~12 Bn	$~38 Bn	$~140 Bn	$~350 Bn

				Legend
	8%		15%	Other
17%			22%	Fashion
8%			8%	Home & Living
9%			24%	Food & Grocery
22%			13%	Durables+ Electronics
37%			18%	Mobiles

CY15	CY20	CY25	CY30

20X
Growth in online grocery category creating ~$75 Bn incremental value

75%
Online penetration of mobiles

60%
Online share of consumer electronics

40%
Sales of fashion category will come from E-com creating ~$70Bn incremental online sales

OPPORTUNITIES FOR BRANDS

Presence on relevant platforms

Brands should continue exploring new platforms as opportunities exist beyond traditional marketplaces

Social commerce

Apart from using social media for discovery, brands should also leverage social media for shopping

Leverage e-com platform for better insights via consumer data

With e-commerce brands get an opportunity to draw better insights from data which can be used during new product launches as well to understand buying behavior

WHAT SHOULD BRANDS KEEP NOTE OF?

Personalization

Brands should offer personalized customer communications, provide relevant discounts, and engage with customers through video content

Understand your customers

The buyer may not always be the consumer

Supply chain agility

Align your supply chain with the everchanging needs of multiple online distribution models

Re-engineering Customer Journey for the New Normal

Avlesh Singh
Co-founder and CEO, WebEngage

The pandemic accelerated digital adoption in the retail sector. But are e-commerce brands able to adapt to the changes in customer behavior and buying patterns? Avlesh Singh, co-founder, and CEO at WebEngage shares his thoughts on how e-commerce brands can create powerful, immersive experiences for their customers in the new normal.

The COVID-19 pandemic forced many brick-and-mortar companies to shutter their businesses -- some temporarily, and some permanently. Amid enforcement of containment measures and restricted mobility, offline retail stores scuttled to set up their digital stores. Businesses that already had a significant online presence, doubled down on online sales. While offline retail had started inching towards digitalization in the pre-pandemic phase, the adoption has been fast-tracked by at least 5 years owing to the pandemic as per the new data from IBM's U.S. Retail Index.

According to EY's Report on E-commerce and Consumer Internet Sector (India), retailers made approximately $10 billion in e-commerce investments, acquisitions, and partnerships from May to July 2020. As retail started consolidating in the digital realm, consumer behavior witnessed a massive shift too amid stay-at-home orders. And experts say that this behavior is here to stay.

With online shopping becoming ubiquitous, the dynamics of transacting with customers are witnessing a tectonic shift.

Customers have come to expect more than just transactional interactions; they are looking for a meaningful and empathetic connection with brands. It has become imperative for e-commerce companies to weave a seamless experience across the customer journey.

The world as we knew it

Unlike digital payments which all of a sudden became mainstream after the demonetization episode in 2016, e-commerce was not a well-kept secret of the retail world in the pre-pandemic era. Customers were familiar with transacting on e-commerce platforms well before the pandemic struck. However, the onset of the pandemic and the restrictions it brought along made e-commerce (mostly) the de facto choice of customers.

Back in the day, customers would mostly comb through e-commerce websites for buying products at enviable discounts. Fashion, beauty, books, and electronics were popular categories. Customers would mostly learn about an ongoing discount or launch of a new collection through one of the marketing channels, say - email, push notification, etc. The customer would then skim through the platform, add the desired items to the cart, and either complete the transaction or abandon the cart. The brand would then try to draw the customer back into the funnel by sending cart reminder messages. In some cases, after doing some preliminary research online, the customer would prefer buying the item from an offline retail store.

In a discount-driven market, the marketing activities of e-commerce platforms revolved around acquiring more customers as opposed to retaining existing ones.

This, however, changed with the advent of the pandemic

The era of transformation

The pandemic brought with it a host of changes in the retail landscape. Customer priorities shifted overnight. Fashion and electronics made way for groceries and medicines as popular categories. Purchase patterns revolved around essential commodities with a marked reduction in discretionary spending. There was a meteoric rise in demand for essential category products like face masks, sanitizers, vegetable and fruit cleaners, UV disinfection systems, PPE Kits. Customers also started opening their wallets to categories such as home decor, loungewear, and work-from-home office set-ups.

With the pandemic giving an impetus to digital commerce, customers have come to expect a more cohesive approach to engagement. Deals and discounts no longer make the cut. Customers have started giving preference to the availability of products, use of safety measures, and speed of delivery over variety and discounts.

Serving customers digitally via an app/website gave brands a direct consumer connection to start business safely. While brands quickly overhauled their technology framework and rejigged the existing supply chain to keep pace with the changing times, they also started rethinking their marketing and communication strategies.

Due to the pandemic, 71% of customers spend more time online than earlier, which will continue through 2021. E-commerce brands need to ensure regular digital communication across multiple channels to ensure that they are present where their users are. Brands have also started recognizing the importance of engaging with existing customers more meaningfully, staying in tune with the current times.

The mindset shift from discount-driven to need-driven has nudged brands to prioritize educational campaigns to help customers navigate the pandemic with a focus on customer wellness.

Designing for the future

The shift toward digital in retail is here to stay. For e-commerce businesses, demonstrating resilience and the ability to respond and adapt to change have become key competitive advantages. Here are a few ways in which e-commerce brands can stay agile and deliver differentiated customer experiences.

Adopt a personalized approach to communication

77% of consumers have chosen, recommended, or paid more for a brand that provides a personalized service or experience. (Forrester). E-commerce brands need to focus on delivering a hyper-personalized customer experience across multiple touchpoints via one-to-one, contextual engagement. To foster loyalty and create a long-lasting impact, brands must tailor humanized communication with a laser-sharp focus on customer-centricity and experience.

Run omnichannel marketing campaigns

An omnichannel engagement strategy improves customer retention rate by 91%. Leverage the power of dynamic lifecycle campaigns with an omnichannel approach for your brand. It essentially means crafting an intelligent, data-driven campaign that adapts to customers'

behavior, preferences, and device reachability. An omnichannel approach is poised to deliver results in the long run.

According to WebEngage data, we observed that e-commerce relied on Push Notifications to maintain app traffic in April-May-June (AMJ - Dawn of COVID phase) and successfully raised channel engagement by 42% in July-August-September (JAS - New Normal phase). Channels such as Email, In-app, On-site, and SMS saw a significant dip in engagement AMJ, but they emerged back to the pre-covid levels in JAS and October-November-December (OND), which clearly reflects the customer sentiment.

Enhance technology capabilities

Technology is a critical lever in delivering an integrated customer experience. E-commerce brands must explore ways to leverage technology superpower to craft engaging experiences. This could include deploying an intelligent customer data platform that can effectively track user behavior to make recommendations for relevant products and services, incorporating AI-enabled interfaces that answer customers' queries in real-time, enabling smart search and virtual trials, powering efficient inventory management, and much more. E-commerce brands should also consider exploring newer mediums, such as social commerce, for boosting sales.

Concluding thoughts

Customer behavior is ever-evolving. Retailers,

however, must explore avenues to forge deeper relationships with their customers. The pandemic has heralded a new era of customer experience that is anchored in digital transformation. To thrive in the new normal, e-commerce brands need to focus on delivering a consistent, integrated digital experience across devices and channels.

What are new consumption trends that have emerged in e-Commerce?

Beerud Sheth
CEO and Co-Founder, Gupshup

Amid the slowing economic activity, the COVID-19 pandemic has disrupted consumers' buying patterns, leading to a surge in e-commerce and accelerated digital transformation. As stay-at-home orders became the new normal, consumers have switched from physical stores to online portals and apps for purchasing products ranging from essential to branded commodities.

With the strong uptake of e-commerce across regions, a key element that has gained traction is conversational commerce. Consumers today expect a personalized shopping experience that makes them feel special.

Conversational commerce improves the retail experience

Conversational commerce utilizes Conversational AI in the form of virtual assistants, and chatbots bring a new dimension to personalization and warmth to the shopping experience. An increasing number of companies prefer chatbots to be the first point of contact for customers to meet their needs. The customer can converse with a chatbot capable of providing information on products such as size, colour and price.

In the retail space, conversation commerce is a perfect blend of human brand specialists with artificial intelligence (AI) chatbots to deliver a customized shopping experience for consumers on the retailers' online stores. It enables brands to serve existing customers better and makes them more attractive to potential new customers.

Another aspect that stood out most in the COVID-19 world is utilizing social media platforms for e-commerce. Platforms such as WhatsApp, Facebook Messenger, Instagram, among others directly reach their customers and provide them with a seamless, on-demand shopping interface. This has helped the brands in sales and support, and marketing through these platforms.

It has also enabled consumers to chat with customer support to ask questions, get personalized product or gift recommendations, read reviews and purchase the products, all from within the platform. Customers can better monitor and keep track of their purchases as well as shipped orders by simply chatting with a bot and learning the status of purchases promptly. Retail bots also help deliver highly targeted seasonal offers and update customers regularly on current and upcoming promotions.

The current state of consumer behaviour

In the age of convenience, e-commerce companies are under immense pressure to provide great customer support and expected to keep evolving. In 2020, post-pandemic, customers realized the companies that care are always reachable. Brands kept the communication going by providing real-time information about the products.

Speed is everything to today's buyers, and their patience is at an all-time low. Modern consumers want to engage with your business on their own terms and want their problems to be solved quickly. A HubSpot research report states that 90% of customers rate an "immediate" response as a significant part of the customer experience. That means almost two-thirds of buyers expect a response within 10 minutes to any marketing, sales, or customer service inquiry.

Needless to say, it would be difficult for a team of human agents to deliver an accurate

response to each customer query in less than 10 minutes. Thankfully, automation is providing customer support the ability to manage large numbers of queries and deliver quick responses, sometimes even within seconds.

In conclusion

Customers need a more tailored, personalized experience going forward. Today, they are ready to pay more for convenient products and services. They wouldn't appreciate sub-par digital shopping experiences. Hence, seamless customer experience is and should continue to be every companies' key area of focus.

E-commerce companies need to broaden their definition of customer experience. It is not just limited to customer interaction but extends to how customers feel about your brand. AI and NLP tools have created unparalleled customer scope for companies to enhance proactive communication. It is now time for e-commerce companies to integrate this technology to take the customer experience to a whole new level. A key component of customer experience strategy is conversational AI that has enabled e-commerce companies to adapt to an omnichannel approach to offer a seamless and intuitive customer experience. It allows companies to offer their customers proactive engagement and prompt responses. Hence, conversational AI holds the potential to strengthen business and customer relationships. All the companies need to do is explore it efficiently.

▶ VOICE VIDEO VERNACULAR

INTRODUCTION

Over the years, we have seen different formats of content with vernacular shotform video taking over by the storm. It changed how content was captured, perceived and shared. Soon brands followed the route and garnered billions of views in a span of 1-2 days through campaigns, celebrity endorsements on TikTok and later Instagram Reels and more.

This section covers the video, voice , vernacular landscape and opportunities which brands have.

VOICE LANDSCAPE

Though voice is at a nascent stage Indians are Leapfrogging on Voice Adoption.

Not just on Google Assistant, voice is rapidly growing into a preferred medium of input across Search and YouTube.

Voice market is expected to grow by 40% till 2022

40%
till **2022**

270%
Increase in voice search

40%
40% of the voice assistant users interact with the device daily

23%
of voice assistant users seek services related to voice enabled online & in-store shopping experience
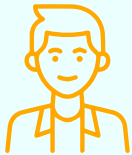
MMA | AMMP
COMMUNITY
ACCELERATING MODERN MARKETING PRACTICES
E-COMMERCE COUNCIL INITIATIVE

groupm

VOICE LANDSCAPE – CONSUMER

Demographics of voice assistant user

21%
Teens
14-17

34%
Young adults
18-24

24%
Working professionals
25-34

Purpose of voice usage

43%
For entertainment

26%
To control utility apps

38%
To gather information

Frequency of voice usage

40%
Daily

24%
2-5 times a week

VIDEO LANDSCAPE

Visual searches and livestreams are critical to product delivery

Online video spends have seen the highest growth rate of

46%

in 2020 as compared to other media channels

The average digital video consumption in India witnessed a

2x

growth in the last two years

Online content consumption grew

35%

post COVID
(Apr vs Jan 2020)

MMA | AMMP
COMMUNITY
ACCELERATING MODERN MARKETING PRACTICES
E-COMMERCE COUNCIL INITIATIVE

groupm

VIDEO LANDSCAPE

Unique paid users grew by
35%
in last one year

Overall, there has been a total growth of
13%
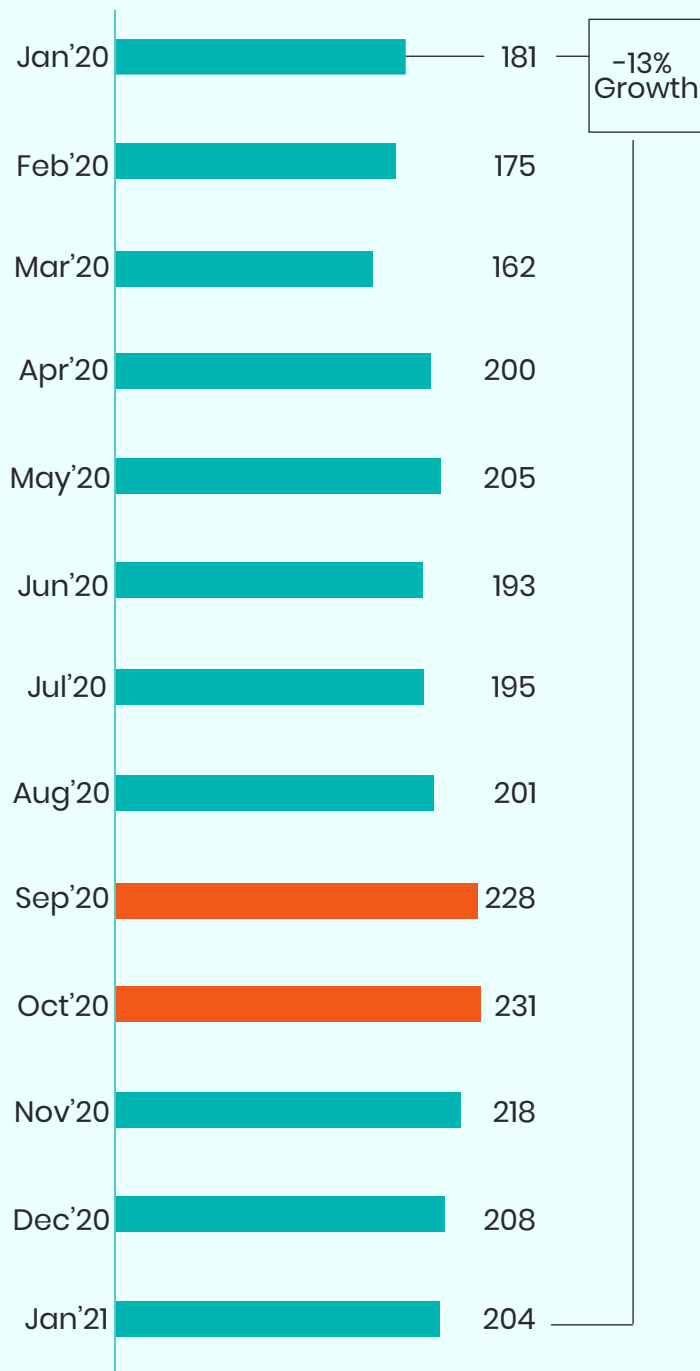in time spent on OTT from January 2020 to January 2021
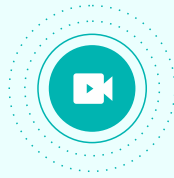
Unique paid users on OTT

23Mn
APR'20

31Mn
Feb'21

Monthly Consumption, OTT video, Bn Mins

Month	Bn Mins
Jan'20	181
Feb'20	175
Mar'20	162
Apr'20	200
May'20	205
Jun'20	193
Jul'20	195
Aug'20	201
Sep'20	228
Oct'20	231
Nov'20	218
Dec'20	208
Jan'21	204

-13% Growth

VIDEO LANDSCAPE

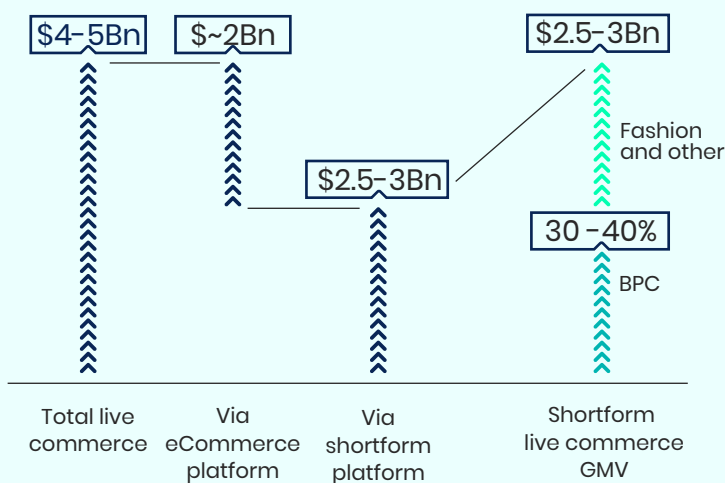India's Live Commerce to become

~$4–5 billion
GMV by 2025

Of all the categories, beauty and personal care (BPC) is expected to grow the highest with more than
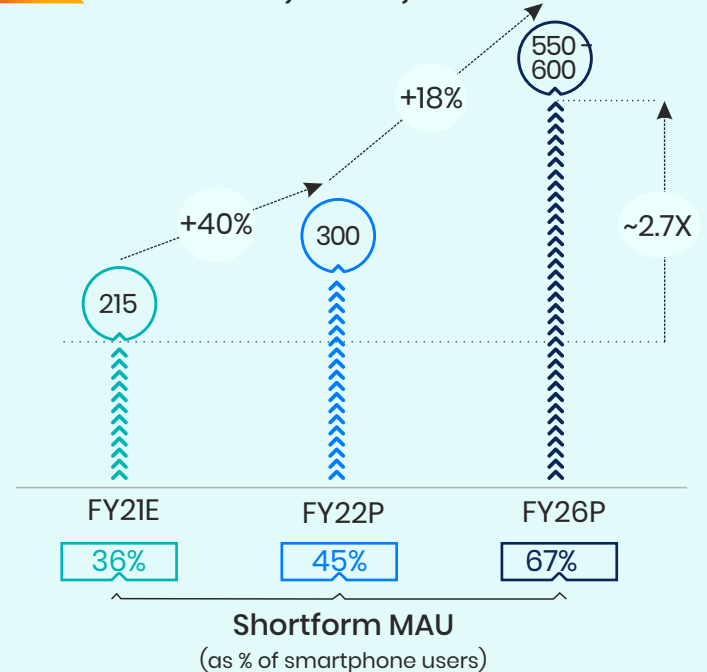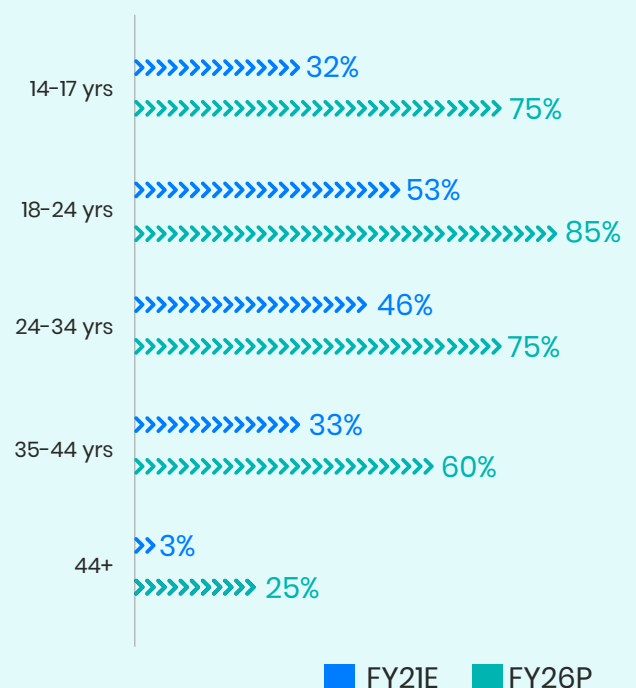
$1 billion
GMV through live commerce.

Shortform MAU
Mn users, FY21E, FY26P

215 → 300 → 550-600

+40%
+18%
~2.7X

FY21E	FY22P	FY26P
36%	45%	67%

Shortform MAU
(as % of smartphone users)

Live commerce GMV– split by type of platform, In USD Bn, 2025

$4–5Bn — Total live commerce
$~2Bn — Via eCommerce platform
$2.5–3Bn — Via shortform platform
$2.5–3Bn — Shortform live commerce GMV

Fashion and other
30–40% BPC

Age-wise adoption of shortform % of smartphone users, FY21E, FY26P

Age	FY21E	FY26P
14–17 yrs	32%	75%
18–24 yrs	53%	85%
24–34 yrs	46%	75%
35–44 yrs	33%	60%
44+	3%	25%

■ FY21E ■ FY26P

VERNACULAR LANDSCAPE

India is amongst the fastest growing voice Markets globally.

Vernacular Internet users find voice a more natural way of interacting with technology which helps reduces friction.

Hindi on Assistant is the

2nd

biggest language globally after English

....

72%

of Internet Users in India prefer non English language

....

Hindi queries grew

400%

year-on-year on voice search

....

Voice is

3.7%

times faster compared to typing especially in Indic languages

....

Voice and vernacular

Voice: User base for voice assistant apps increased ~2X to 5-6M monthly user in 2021

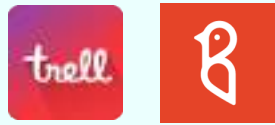Monthly active users for voice assistant apps(million)

5-6

~2x

2.5-3

0.5-1

2019   2020   2021*

MMA | AMMP
ACCELERATING MODERN MARKETING PRACTICES
E-COMMERCE COUNCIL INITIATIVE
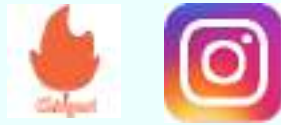
groupm
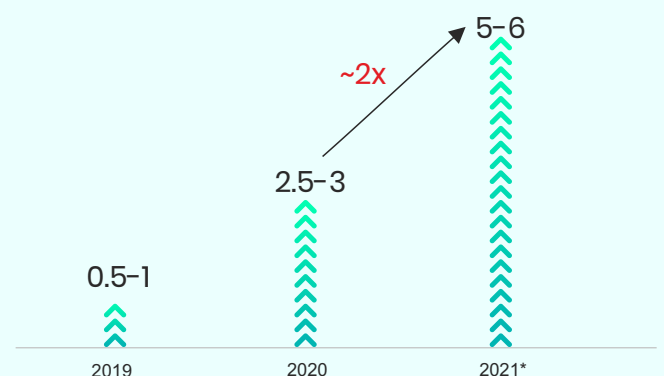
PLATFORM INITIATIVES

Key Platforms

Initiatives

Video commerce platforms

Started live commerce. These platforms have achieved scale.
They offer regional content.

Special shortform platforms

These platforms have achieved scale and are soon expected to start live commerce. Chingari has already started live commerce on its platform.

Large market places

Facility of speech to text in 9 languages
They launched Hindi versions of their platform. Flipkart is also piloting a new social commerce platform called 2GudSocial, with influencer-led video commerce. It is aimed at consumers from small towns and lower-income groups.

Vertical eCommerce

Strong on digital content front to engage with users (blogs etc).

C2C / Reseller Networks

Meesho claims to have built a network of two million 'social sellers', nearly 80 percent of which are women.
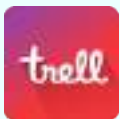
INDUSTRY DYNAMICS

Currently the market is fragmented with many startups trying to make it to the big league. We anticipate the confluence of content and commerce with collaboration across content, commerce, payments, and logistics players.

Startups raising funds seamlessly ⌄

Trell raised
$11.4M
from KTB Network in Aug 2020

Bulbultv raised
$8.7M
from Info Edge, Sequoia Capital, Leo Capital in July 2020

Chingari raised
$13M
in April 2021

Meesho raised
$300M
in April 2021

Tech giants are seeking ⌄ M&A opportunities

Glance to acquire social commerce startup Shop101

The content creators and influencers on Glance and Roposo will provide the entry point into mobile commerce. Shop101 will deliver the enablement.

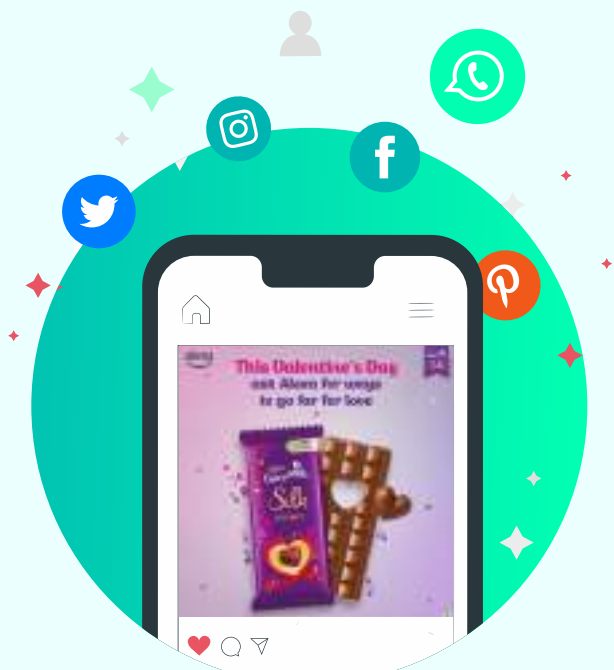## Emerging live streaming start-ups in India also seeing significant growth

	Key categories	MAU (YoY growth)
	Electronics Fashion Beauty & Personal Care	1.2M+ (~10X)
simsim	FashionBeauty & Personal Care Electronics Home	0.5M+ (~9X)

Although fashion is the primary category sold via video commerce, electronics is gaining traction (40%-50% of Bulbul GMV)

MMA | AMMP COMMUNITY
ACCELERATING MODERN MARKETING PRACTICES
E-COMMERCE COUNCIL INITIATIVE

groupm

OPPORTUNITES FOR BRANDS

Conversational Commerce
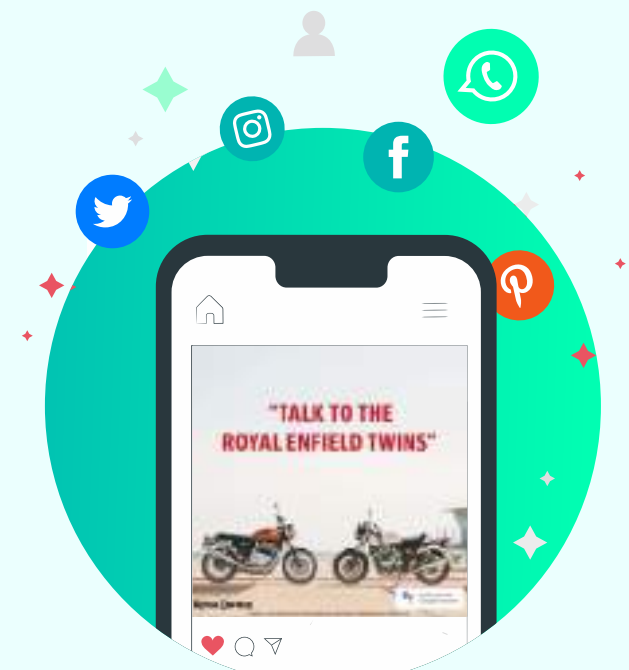

Voice search

What is it ?

Voice enabled chatbots for shopping online. Commerce through WhatsApp.

How brands are using it?

On Valentine's day Cadbury Dairymilk Silk created an Alexa skill which tells users way to go far for love. The brand also introduced conversational commerce which enabled consumers to add Cadbury silk directly to the cart using an Alexa skill.
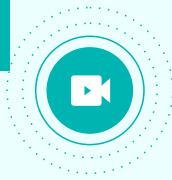
What is it ?

Consumer are using voice assistants for seeking information on the internet.
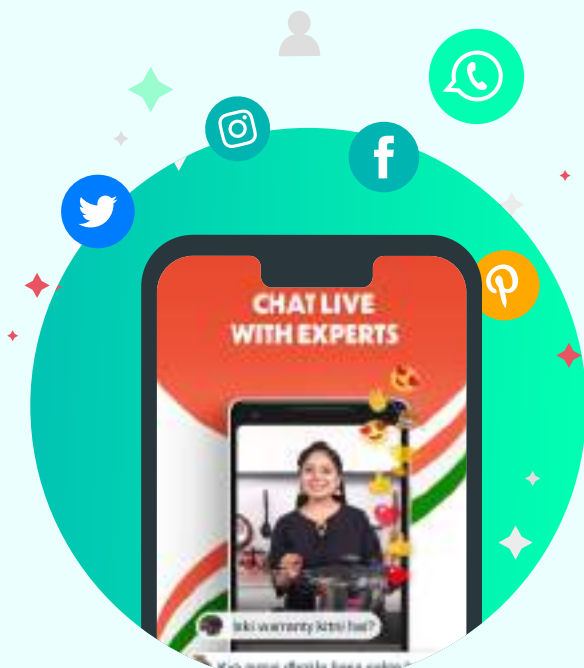
How brands are using it?

Royal Enfield has adopted voice search as a part of overall SEO strategy which has resulted in better visibility of the website when end users are having conversations with Google voice assistance supported devices.

OPPORTUNITES FOR BRANDS

Video streaming

CHAT LIVE WITH EXPERTS

What is it ?

Retailers, influencers, or celebrities sell products and services via online video streaming.

How brands are using it?

Retailers and SMEs are using platforms such as BulbulTv, Amazon live (Not present in India) to show their products, talk about them, and answers questions from the audience.

Augmented Reality

L'Oreal acquires ModiFace
An Augmented Reality beauty company
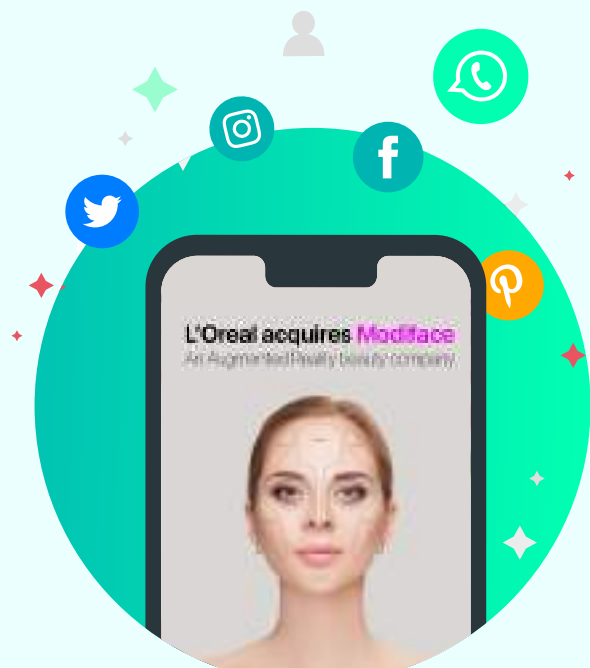
What is it ?

Consumers can virtually discover and experience the product in the comfort of their personal space.

How brands are using it?

L'Oréal acquired ModiFace – an augmented reality company that specializes in building consumer experience tools in the beauty category using Artificial Intelligence (AI) and AR. These AR tools include virtual try-on, skin diagnostics to smart mirrors in stores amongst others.

CASE STUDY Vi on trell

Campaign strategy

Vi partnered with Trell during Christmas to drive participation for their "Scan a Santa" contest & creation of customized festive cards. Vi harnessed the power of Trell's 15mn+ KOLs and Influencers for this campaign. Trell's top influencers from the Beauty, Personal care, Fashion & Humor categories created branded content for Vi to drive engagement and spread brand love amongst the GenZs & Millennials.

step 3:
Get vouchers worth ₹1000 and many more gifts

#SantaSurprises
T&C apply

Activation / Creative solution

The 60sec branded content videos were published on the Influencer's Trell & other social media handles and also pinned on the Trell Homepage for incremental reach & visibility.
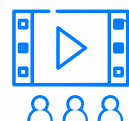

How to get your gift when **it's WFH for Santa**

#SantaSurprises
T&C apply

Result

2X
Reach

1.5X
Video Views

60%
Video Watch

Voice Ai Transforming The E-Commerce Space

Niraj Ruparel

Head Of Mobile &
Emerging Tech
@Groupm India,
Head Of Voice@WPP India

According to a global study conducted by Wunderman Thompson in the year 2020, 27 percent online shoppers have used or currently use voice assistants to make a purchase. In the US and the UK alone, voice-based shopping is estimated to gross over $40 billion by 2022 — driven primarily by Amazon's smart speakers. This essentially means consumer spending through voice assistants is expected to account for a sizable market share of 18 percent. Wondering how voice search can command such a massive presence in such a short duration? Well, the answer simply lies in human nature. On a typical day, an average person speaks about 16,000 words. Speaking is sometimes as involuntary as breathing. With increasing proliferation of smart speakers and devices such as the Amazon Fire TV Stick, the search for entertainment is already witnessing a massive shift towards voice.

In the post pandemic era, according to Forrester Research, e-commerce sales have grown by 20% in the US and digital is now the default way of shopping for most millennials. A Deloitte report reveals that only 12% of customers are expected to shop in an enclosed mall after the pandemic, as compared to 24% earlier. Health and safety concerns on the part of customers have fuelled a demand for contactless shopping options, which is not going anywhere in 2021.

Interesting Use case on Alexa powering commerce for Mondelez - To reach out to Cadbury Dairy Milk Silk users within the confines of their homes and help them with creative ideas to surprise their loved ones for Valentine's Day, Mondelez activated Cadbury Dairy Milk Silk Alexa skill.

Customers simply had to say, "Alexa, tell me ways to go far for love" and Alexa would start dishing out innovative ideas to surprise that special someone for Valentine's Day. After three heart warming recommendations, the skill would take it a notch further. Alexa would ask the user if they wanted to add a Cadbury Dairy Milk Silk Heart Pop chocolate bar to their Amazon shopping cart. If the user said yes, Alexa would first narrate the item description and cost and then go ahead and add it to their cart. This was the first such instance in India where a brand could directly enable their customers to add their product to their shopping cart from within an Alexa skill. Such frictionless voice-ordering paved the way for an all-new voice commerce experience that brands hadn't seen before.

To top it off, the skill asked the users if they wanted to get reminded in the runup to Valentine's Day. For all those who opted in, they would receive periodic reminders on Alexa as Valentine's Day was approaching.
 Some of the early implementation of Voice AI is in JioMart - one of India's largest e-grocery platforms. Over a million end customers have used the AI assistant already with a 50% increase in conversion rate from browsing to purchase. That's the strength of this multilingual voice assistant enabling better search, discovery and purchase on JioMart app.

Taking the JioMart example further wherein online shoppers are able to speak as freely to a voice assistant as they would with an in-store expert to search for relevant products, gain recommendations/guidance, filter and sort results based on their preferences, compare options, get specific product information, and find matching or complementary products to complete their shopping experience. Shoppers would feel awesome to be able to state multiple instructions simultaneously to their e-commerce app and let it find the most relevant products just as a human would physically. With these AI capabilities, it can delight customers and thus, enhance conversion rates, improve sales figures, and help acquire new users as well. Essentially, this form of effective and efficient voice-based commerce is poised to transform the online shopping experience globally.

To Sum up, there are four key customer experience trends that e-commerce leaders need to keep in mind this year:

1 Retailers, more than ever, need to maintain an omnichannel presence, not just for advertising, but to drive end-to-end commerce across these touchpoints

2 The seamless and interactive experience offered by voice, coupled with a growth in voice assistant usage, have been key drivers for voice-based commerce

3 Personalization, when done right, not only boosts customer engagement, but helps the customer save time and effort

4 COVID-19 has fueled demand for contactless shopping that will continue through this year

Conversational AI is the crucial piece of the puzzle that can help e-commerce brands deliver on all these fronts, and stay ahead of the curve in 2021!

The Impact of Vernacular-Led Video Content On Commerce growth in India

**Bimal Kartheek Rebba**
Co-Founder, Trell

The rise of vernacular content in India

Home to over 624 million internet users as of January 2021, India has added over 47 million new users between 2020 and 2021 alone, taking the internet penetration in the country to 45%. However, studies suggest that over 70% of these users do not use English as their primary or secondary language, due to which they struggle with navigating online and consuming content.

In recent years, the awareness of this gap in the demand and supply of multilingual content has led to many platforms adapting their strategies to accommodate this significant user base, who have a clear preference for consumption of vernacular online content. Inclusivity and diversity of languages is the need of the hour and is a key lever for businesses to create solutions for emerging India.

By April 2021, Trell witnessed a surge in regional video consumption to over 90%, leading to an increase in watch time by over 900%; resonating with the fact that there is an ever-increasing demand for vernacular content across both entertainment and lifestyle categories.

2020
62% Regional
38% English

2021
90% Regional
10% English
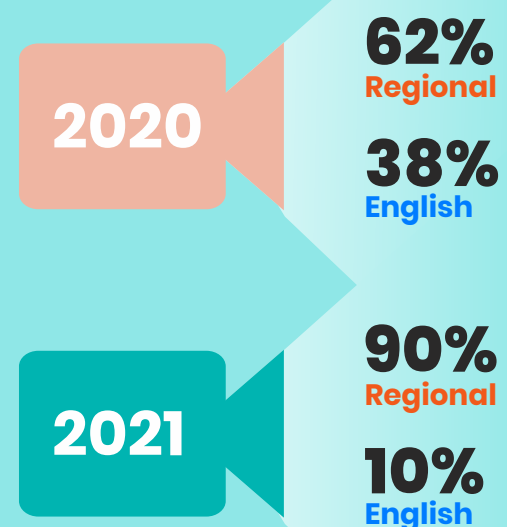
The medium for the masses

Today, in addition to the demand for vernacular content, more than 68% of these Indian users prefer video-based content to text-based content, quickly making it the most popular content form.

However, in this day and age, it is not sufficient to have a video based content platform. Technological innovation and localization is critical for scale in India to grow in accordance with mobile users' evolving taste. Consumers expect a more inclusive and interactive experience, leading them to discover right products that fit their needs while having the ability to trust the source.

Finding the sweet spot between content quality, localisation, user experience and enabling personalization through AI, will bring content and commerce together.

The discovery of products and services

Even with the second-largest community of internet users in the world, a study by Bain & Company and Sequoia states that only 8% of India's internet users shop online. In fact, while e-commerce grew by 20% in developed countries during the pandemic, India's e-commerce sector grew only by 8%.

The report also highlights that 23% of users suggested the unavailability of product descriptions in local languages as a key problem. This shows the opportunity for brands to create vernacular video content and reach out to the deeper pockets of India to influence online consumer behaviour and their purchase decisions.

Bridging the gaps

Aswini, a newly-wed housewife from a Tier 2 city in West Bengal, is enthusiastic about makeup and beauty. She spends 40 minutes a day on Trell learning about beauty regimes and makeup hacks, all through her smartphone. She follows multiple, relatable creators who share reviews and recommendations of a variety of products in Bengali on the basis of their experiences. This helps Aswini understand the benefits of the products which allows her to make well-informed purchase decisions. For many people like Aswini, the platform forms a full circle of their online journey -- from discovery to influencing her buying patterns to increase intent of purchase.

Trell helps housewives like Aswini to discover the right products for their lifestyle needs through video-based content on multiple categories in 7 more languages.

Impact on social commerce

Fueled by the rise of vernacular video content consumption and personalisation of product information, social commerce has the potential to become a $70 billion industry by 2030. The ease of product-discovery and shoppable content on a single platform will have a direct and significant impact:

1 BRAND

For D2C brands, customer acquisition is a challenge today. Leveraging the growth of vernacular video and shoppable content, 3000+ Brands will be able to penetrate the deeper pockets of the country and communicate with their potential customers through regional content creators. Helping brands accelerate their journey to unlock the $100billion market in India.
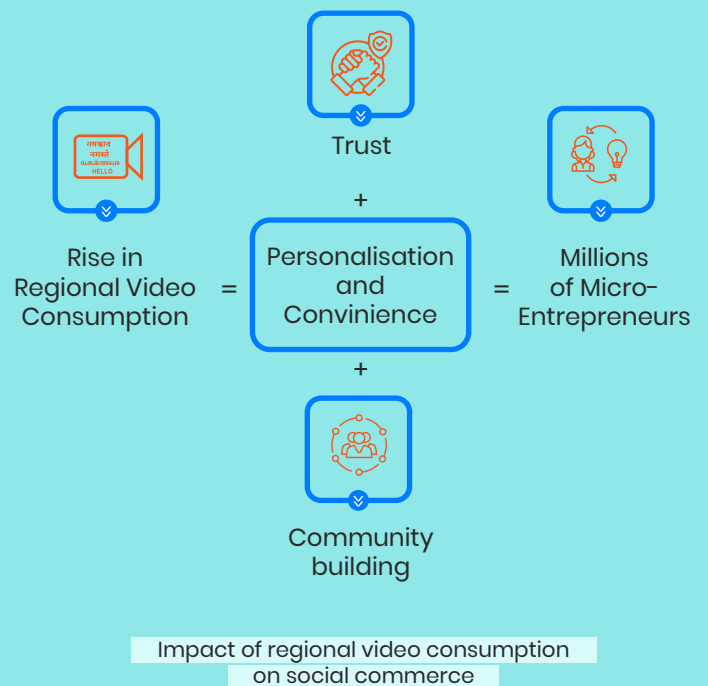
2 CREATORS

Over 38% of the youth in India aspire to become a digital content creator. The ability to create content in their own languages will further democratise the creator economy and open up multitudes of opportunities, empowering over 40 million+ creators on social media to turn their passion into a full-time career by educating and informing followers about different products and services and also monetizing their content.

3 Consumers:

It is said that India will have over 250 million online shoppers by 2022. With the advent of social commerce in India, consumers will now have the ability to make informed lifestyle decisions with no language barriers and convenience of product discovery at the tap of a button.

Rise in Regional Video Consumption = Personalisation and Convinience + Trust + Community building = Millions of Micro-Entrepreneurs

Impact of regional video consumption on social commerce

Overall, in the next 5 years, growth of vernacular video consumption will create many opportunities for multiple businesses and diversify content creation and commerce in India. Creating over 50 million self-sustainable micro- entrepreneurs and a significant impact on the wealth and economy of the nation.
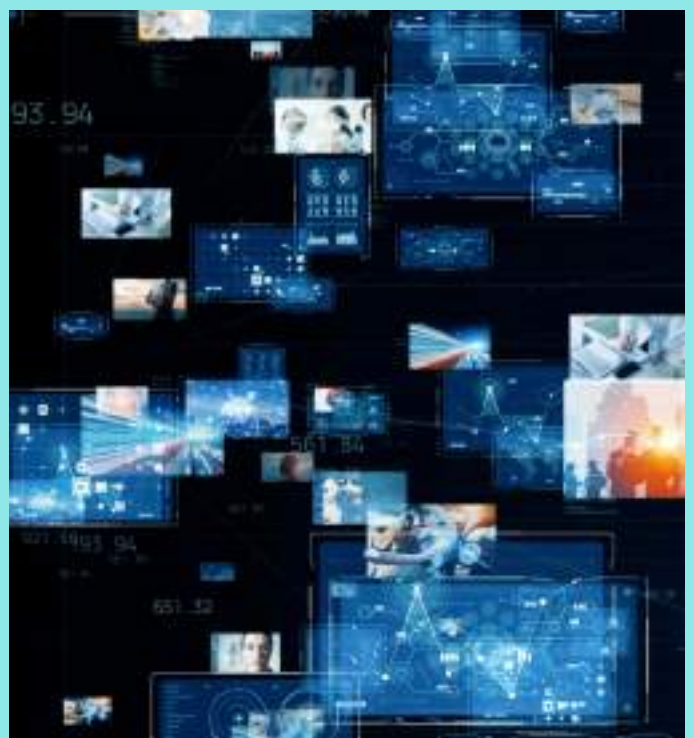
How do brands take advantage of Voice & video solutions to drive objectives?

Case Study

Using Augmented Reality based experiences to drive E-Commerce?

ANIL CHILLA
Chief Digital & Data Officer, L'Oréal India

◣ Context on Augmented Reality

Since age immemorial, shopping has been a multi-dimensional sensorial experience. We've all been to markets and malls where we're immersed in the sights, sounds, touch and feel of the stores and the products. The most important being the ability to 'Try It On' – How a product would look on usage. With ecommerce, this becomes difficult to replicate in the virtual world. Especially, when it comes to categories such as beauty, fashion, home improvement and furniture. The constant innovation challenge to all ecommerce retailers has been to invent new ways to 'Try It On' online. This is where Augmented Reality (AR) comes in and bridges the gap between the physical and the virtual worlds. Augmented reality, in contrast to virtual reality (VR) where the user's perception of reality is completely virtual, mixes the physical world with the virtual world thereby enabling very interesting applications. While Augmented reality has existed since the early 90s in military applications, it came into the mainstream in the last decade starting with Gaming – We've all played Nintendo Go, the massively popular game, which innovatively blended the physical world with the virtual. Today consumers have a plethora of AR options in shopping both online and offline – Whether trying on make-up, spectacles, clothes or buying furniture. Both global and

Indian Retailers such as Sephora, Amazon, Nykaa, Lenskart, Myntra and Ikea have adopted AR on their ecommerce and physical stores to improve the consumer shopping experience.

AR in the Beauty Industry

Case Study of L'Oréal –
How Modiface drove consumer engagement and conversion through AR to redefine beauty journeys.

Beauty purchases are linked to a fundamental need to feel and look good and are extremely intimate in nature due to usage. For ex: Finding the right shade in a lipstick requires multiple try-ons. Skin foundation needs to match skin tones. Getting the right hair color. etc. Traditionally, offline stores have served as the point where consumers can try a product & buy. Additionally, the onset of the pandemic and the subsequent lockdown has seen acceleration in changes related to consumer behavior leading to faster adoption and comfort with digital and ecommerce channels. In the past, the inability to test & try products was a barrier to purchase online. However, in the current no-touch environment, consumers are rethinking their usual purchase behavior. This is evident from the surge in online purchases, with 18% people buying personal care or beauty products online for the first time during the pandemic.

AR allows a consumer to indulge in that purchase at her own pace and convenience in a very seamless way. One can choose from thousands of products without having to try them on physically. This reduces the dependency of having to buy a product to try it on or use a tester. Trying-on the product virtually also removes the friction from the physical environment of access to multiple shades, removal after every trial, safety & cleanliness, which are important in the current COVID context etc. Because of the rise in need of low-touch interactions, the barrier to online purchase is reduced and consumers are spending more time online. The time they spend engaging with AR tools online has gone up.

L'Oréal has been at the forefront leading and pioneering digital first strategies, transforming from a beauty company to a Beauty Tech company. In 2018, L'Oréal acquired ModiFace – an augmented reality company that specializes in building consumer experience tools in the beauty category using Artificial Intelligence (AI) and AR. These AR tools include virtual try-on, skin diagnostics to smart mirrors in stores amongst others. The 'try & test' capability of ModiFace helps consumers virtually discover and experience the product in the comfort of their personal space. Its Virtual Try-on technology uses an advanced face tracker algorithm that detects where your lips, eyes, cheek, hair etc. are and applies virtual cosmetics on this zone, giving users a 'touch, feel and try' personalized experience as well as

a true-to-life view of the products. In 2020, L'Oreal reinvented the way consumers interact with AR tools with new augmented reality based digital services – Virtual try-on during Livestream video (one to many), Virtual try-on during one-to-one beauty consultations and LiveShopping.

ModiFace has been implemented on 23 Brands in 80 countries including ecommerce sites such as Amazon, TMall, Sephora, Nykaa, Flipkart as well as media platforms such as YouTube, Facebook, Instagram etc.

https://www.maybelline.co.in/virtual-try-on
https://www.lorealparis.co.in/virtual-try-on
https://nykaa.ly/P_551174 (App)
https://www.laroche-posay.me/en/article/SpotScan/a37018.aspx
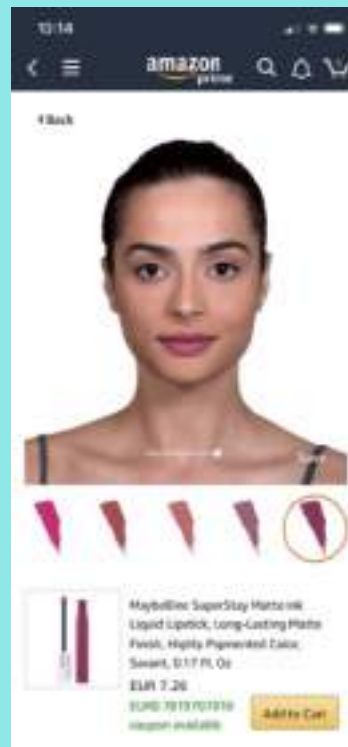
The Results

>> 1 Billion visits from consumers to ModiFace AR experiences and augmented services

>> AR led Virtual try-on and other digital service had 2X-5X users during lockdown (Vs Normal)

>> 1.25X to 2X increase in conversions (basis 50M Try-ons across 50+ Countries)
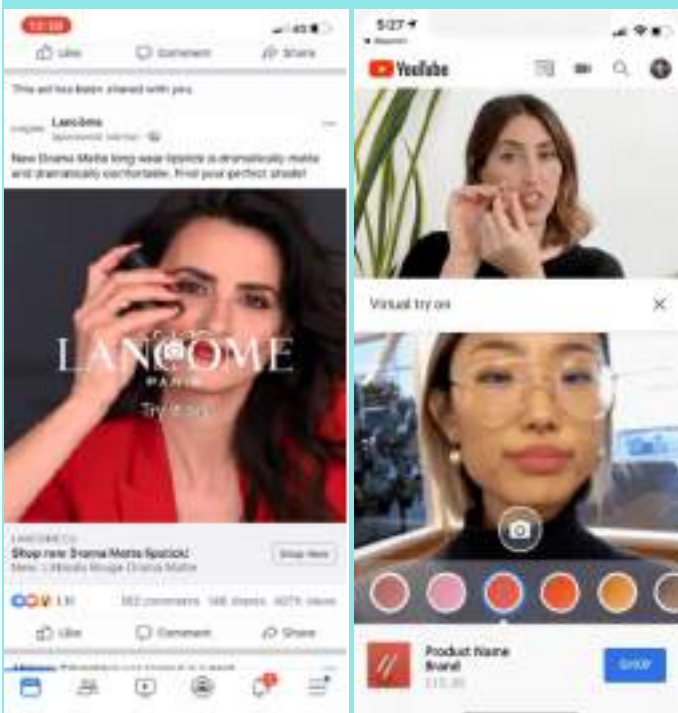
CONCLUSION

The role of ecommerce platforms are changing. Our history itself shows how dynamic this space is. Consumers are relying on ecommerce platforms for product research and purchase. These behaviours will continue to accelerate in the coming years.

Ecommerce business has been accelerated with the help of technology development and the convenience it brings to costs. Innovations continue to drive the future. Advancements and instant solutions to a better customer experience will be the key. Real-time engagement with the help of AR, Chatbots, Voice search and other experiences will be the key to drive sales. With various Government initiatives to promote E-commerce in India, along with the rise of smartphone usage and affordable internet, the future of ecommerce looks bright.

The consistent digital exposure, combined with the presence of omnichannel touchpoints, has resulted in the development of a new consumer purchasing process. Smart devices are being used by shoppers to meet their needs. M-commerce is on the rise, where consumers follow a non-linear shopping journey to search, explore, compare, and buy products across multiple platforms. Voice commerce /conversational commerce is also making rapid inroads.

This one-of-a-kind playbook led by MMA's E-commerce council members "Modern marketers' guide to connected consumer journeys" has attempted to highlight the growing influence of the broader e-commerce and digital selling landscape.It also aims to build an overall understanding of the ecosystem and address cluster-specific issues, improve capability in the Omni Channel Marketing and streamline the ecosystem by developing a common vocabulary and enabling industry standards. It has outlined how organizations and digital business leaders can improve their understanding of the shift in consumer behaviour and solutions that will drive the next phase of growth.

To articulate it simply,
some of the key learnings of this report are:

| Understanding the shift in consumer behaviour | Identify new challenges that organizations face due to these changes | Learn about solutions and the best practices to address these changes. |

We hope this playbook will assist marketers and brands to effectively strategize their market approach – from the customers they target to the channels they sell-through."

A Big Thank You TO All Our
E-COMMERCE COUNCIL MEMBERS

SUKHLEEN ANEJA
MMA India Board Member;
CMO & Marketing Director
RB Hygiene Home, South Asia
Reckitt Bennckiser Group plc

Reckitt Bennckiser

SANKALP MEHROTRA
MMA India Board Member;
Senior Director of
Monetization
Flipkart Ads

Flipkart

ANUSHREE GHOSH
Head - Digital Strategy,
Media, Brand Commerce
ITC Limited

ITC
Enduring Value

MEGHNA APPARAO
Chief Business Officer
Licious

Licious

ANIL CHILLA
Chief Digital &
Data Officer
L'Oréal India

L'ORÉAL
INDIA

AJAY GUPTE
CEO,
South Asia
Wavemaker

Wavemaker

MITHUN COTHA
Vice President – Data,
Listening and Insights
Grey Group

GREY | autumnGREY

VISHAL JACOB
Chief Digital Officer
Wavemaker

Wavemaker

MMA | AMMP COMMUNITY
ACCELERATING MODERN MARKETING PRACTICES
E-COMMERCE COUNCIL INITIATIVE

groupm

E-COMMERCE COUNCIL MEMBERS

NITIN CHOPRA

Head of Industry -
Ecommerce & Retail
Facebook India

FACEBOOK

VIKAS SHAH

Industry Head -
E-commerce
Google

Google

BIMAL KARTHEEK REBBA

Co-Founder
Trell

trell

PARITOSH GUPTA

Associate Director,
Marketing
Perfetti Van Melle India

PERFETTI *van Melle*

SRAVANTH ALURU

Founder & CEO
Avataar.Me

AVATAAR.ME

GAYATRI MAKHIJANI

Media Lead, India
Intel

intel.

ANKIT GROVER

Director and Business Head,
Digital Native
InMobi

INMOBI

SUNIL SURESH

Chief Marketing Officer,
Make My Trip

make my trip

MMA | AMMP
COMMUNITY
ACCELERATING MODERN MARKETING PRACTICES
E-COMMERCE COUNCIL INITIATIVE

groupm

E-COMMERCE COUNCIL MEMBERS

SHASHIKANT SHIMPI

Vice President &
Country Head,
Denstu World Services

dentsu

DARSHANA SHAH

Executive Vice President -
Marketing and Digital
Business Innovation,
Aditya Birla Health
Insurance Co. Limited

ADITYA BIRLA GROUP

Contributors

ITC Limited	L'Oréal India	Tata Consumer Products (UK)

Flipkart	Trell	Google

Facebook India	Gupshup	Amazon

Kantar	Red Seer	Iksula

Wavemaker	Webengage	

ACKNOWLEDGEMENTS

group^m

✦ **Tushar Vyas**
President, GroupM South Asia.

✦ **Ajay Gupte**
CEO, Wavemaker South Asia

✦ **Vishal Jacob**
Chief Digital Officer,
Wavemaker South Asia

✦ **Rashmi Nakaskar**
Senior Director, Corporate
Communications & Marketing, Wavemaker

✦ **Pratik Borkar**
Business Group Head, GroupM

✦ **Chirag Galundia**
National Director Ecommerce,
Wavemaker

MMA

✦ **Moneka Khurana**
Country Head - MMA India

✦ **Lloyd Pereira**
Director - Strategic Alliances &
Programming - MMA India

✦ **Rudrashish Nag**
Director Membership & BD - MMA India

nucleo

✦ **Krina Mehta**
Senior Account Executive - Nucleo

RESOURCES

1. Flipkart proprietary data

2. Connected beauty consumer report – Google, WPP, Kantar

3. Year in search report – Google

4. GroupM consumer eye e-commerce report

5. Decoding the shift in consumer behaviour to win on Search – Amazon , GroupM

6. D2C brands – Disrupting the next decade of shopping – Avendus Capital

7. Decoding India's $100Bn + D2C opportunity – Inc4plus

8. RedSeer proprietary data

9. McKinsey report

10. "How India Shops Online" by Flipkart and Bain & Company

11. Voice playbook, WATconsult report

12. GroupM Voice playbook

13. BCG report

14. Tracxn

15. Digital advertising in India 2021 – Dentsu

ABOUT MMA

Comprised of over 800-member companies globally and 15 regional offices, the MMA is the only marketing trade association that brings together the full ecosystem of marketers, tech providers and sellers working collaboratively to architect the future of marketing, while relentlessly delivering growth today.

Led by CMOs, the MMA helps marketers lead the imperative for marketing change – in ways that enable future breakthroughs while optimising current activities. The MMA is committed to science and questioning and believes that creating marketing impact is steeped in constructively challenging the status quo, encouraging business leaders to aggressively adopt proven, peer-driven and scientific best practices, without compromise. The MMA invests millions of dollars in rigorous research to enable marketers with unassailable truth and actionable tools. By enlightening, empowering and enabling marketers, the MMA shapes the future of modern marketing propelling business growth.

Anchoring the MMA's mission are four core pillars; to cultivate inspiration by driving innovation for the Chief Marketing Officer; to build marketing capabilities for marketing organizations through fostering know-how and confidence; to champion the effectiveness and impact through research providing tangible ROI measurement; and advocacy. Members include:

The MMA's global headquarters are located in New York with regional operations in Asia Pacific (APAC), Europe/Middle East/Africa (EMEA) and Latin America (LATAM).

For more information see www.mmaglobal.com

MMA INDIA BOARD MEMBERS

Board Chair

AMIT JAIN

Managing Director
L'Oréal India

L'ORÉAL
INDIA

Co-Chair

PRASANTH KUMAR

Chief Executive Officer,
South Asia, GroupM

groupm

Chair Emeritus

PRIYA NAIR

Executive Director,
Beauty & Personal Care
Hindustan Unilever Limited

Hindustan Unilever Limited

MANISH AGGARWAL

Head, Growth & Monetization
Sony Pictures Networks
India Pvt. Ltd

SONY
liv

SAPNA CHADHA

Senior Country Marketing
Director, Google India and
South East Asia

Google

SANDEEP BHUSHAN

Director & Head of Global
Marketing Solutions India
Facebook

FACEBOOK

ROHIT DADWAL

Managing Director, APAC
MMA APAC

MMA

MMA INDIA BOARD MEMBERS

SHAMSUDDIN JASANI

Group MD, Isobar South Asia
Isobar India

isobar

MONEKA KHURANA

Country Head - India
MMA India

MMA

AJAY KAKAR

Chief Marketing Officer
Aditya Birla Capital Limited

ADITYA BIRLA GROUP

PREETI REDDY

Chairwoman - Insights
Division, South Asia
Kantar

KANTAR

AVINASH PANDEY

CEO, ANN
ABP Network Pvt. Ltd.

ABP Network

RAVI SANTHANAM

Chief Marketing Officer
HDFC Bank

HDFC BANK

ANUSHA SHETTY

Chairperson & Group CEO -
Grey & Autumn Grey
Grey Group

GREY | autumnGREY

VIPUL MATHUR

Global Brand Leader
Hindustan Unilever Limited

Hindustan Unilever Limited

MMA INDIA BOARD MEMBERS

ARVIND R P

Director of Marketing and Communications
McDonald's India

SIDHARTH SHAKDHER

Cmo & Growth Head
Disney + Hotstar

SUKHLEEN ANEJA

CMO & Marketing Director,
RB Hygiene Home, South Asia
Reckitt Benckiser Group plc

RAJESH RAMAKRISHNAN

Managing Director
Perfetti Van Melle India

ROSHNI DAS

Director, Marketing
Intel India

SANKALP MEHROTRA

Senior Director of Monetization
Flipkart Ads

DOLLY JHA

Country Head - Nielsen Media, South Asia
Nielsen India Pvt Ltd

MMA AMMP COMMUNITY

The MMA AMMP Community is a credible industry resource centre for everything one needs to know on modern marketing.

The circumstances of 2020 accelerated digital innovation and adoption by several years hence for MMA it becomes the best time to showcase growth frameworks, opportunities in the space of modern marketing. With this in mind, in 2021, MMA brought together a high-powered ecosystem to 'Accelerate Modern Marketing Practices' (AMMP). The MMA AMMP Community is a specialized taskforce with elite leaders across the below six core councils:

MarTech

E-Commerce

Voice & Audio

Brand Safety

Creativity

Media Effectiveness

MMA AMMP COMMUNITY

The key objective of the taskforce is to enable resources, tools, evangelism and education to accelerate modern marketing practices in the ecosystem.

Below is an overview of our taskforces that enable AMMP:

MarTech

The objective is to enable pioneering marketers to understand the dynamically evolving nature of modern marketing. The Council seeks to add value to marketers by helping them to assess & adopt the right MarTech stack, enabling business transformation and optimise marketing KPIs.
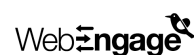
E-Commerce

The E-Commerce Council seeks to build an overall understanding of the ecosystem and address cluster-specific issues, build capability in the Omni Channel Marketing and streamline the ecosystem through building a common vocabulary and enable industry standards.

MMA AMMP COMMUNITY

Voice & Audio

A huge untapped opportunity to connect with new target audiences that may not have been possible before due to barriers created by education, exposure, language and connectivity. The Voice & Audio council seeks to create leadership & evangelism for marketers to better understand the dynamically evolving nature of voice marketing and enable guidelines, use cases, expertise to exploit the platform.

Brand Safety

Taking a cue from our global think tank, SAVE which is a marketer-led Future of Brand Safety Council created to ensure safeguards for brands in all marketing environments. The Council will develop processes, programs, benchmarks, and measures to protect your brand's reputation and marketing investment. With a strong local council, we are excited to extend our global learnings in India as well as pave a robust foundation going forward.

We as a Committee work extensively on enabling best practices, standards and guidelines for brand marketing and performance marketing by driving compliance at various levels in the ecosystem amongst stakeholders to deter ad-fraud. The aim is to provide guidance and learnings to brands and performance marketers.

MMA AMMP COMMUNITY

Creative

The Creative council works extensively in building guidelines and best practices for effective short-format advertising content.

ABP Network

GREY | autumnGREY

Disney+ hotstar

Google

FACEBOOK

Unilever

KANTAR

isobar

Reckitt Benckiser

McDonald's

Media Effectiveness

The council seeks to enable POV on cross-media reach and mobile effectiveness versus other media & assess the impact of new media on business outcomes.

LODESTAR UM

FACEBOOK

BARC

Reckitt Benckiser

Google

DISCLAIMER

The information contained in the Modern Marketers Guide To Connected Consumer Journeys ("Report") provides the readers a comprehensive overview of the changes that happened in the e-commerce ecosystem in recent times as well as key strategic tentpoles for marketers going forward The information contained herein is purely for reference purposes only and we assert that no business or investment decisions be made solely based on the information presented in the Report. If any such decisions are made based on the contents of the Report, the same shall be entirely at the cost and consequences of the decision maker alone.

The information provided herein is on "as is" basis and is based on data sourced from, or provided by, third parties or publicly available sources, for which prior express consents have been obtained. While reasonable endeavors have been made to present accurate data in the Report, no representation or warranty, express or implied, is made or claimed as to its accuracy, completeness, correctness or merchantability and fitness for a particular purpose. Accordingly, MMA India and GroupM Media India Private Limited including its directors, subsidiaries, associates, and employees shall not be in any way responsible for any loss or damage that may be caused to any person from any error in the information, views and opinions expressed in the Report. The logos, trademarks, and any other marks used in the Report belong to their respective owners and have been reproduced in this Report with their prior permission.

The contents of this Report are confidential in nature and without prejudice. No part of the Report may be divulged to any third party, reproduced or transmitted in any form or by any means, electronic, photocopying, mechanical, recording or otherwise without our prior express written consent. Appropriate express written consent be sought from various publishers/individuals who have been quoted in the Report prior to borrowing/using/quoting their content.

The views expressed in the Report are based on the information available to us as of the date of the Report and are subject to change from time to time without notice. We do not accept the responsibility to update this Report nor do we accept any liability arising from the use of this Report in any manner whatsoever.