



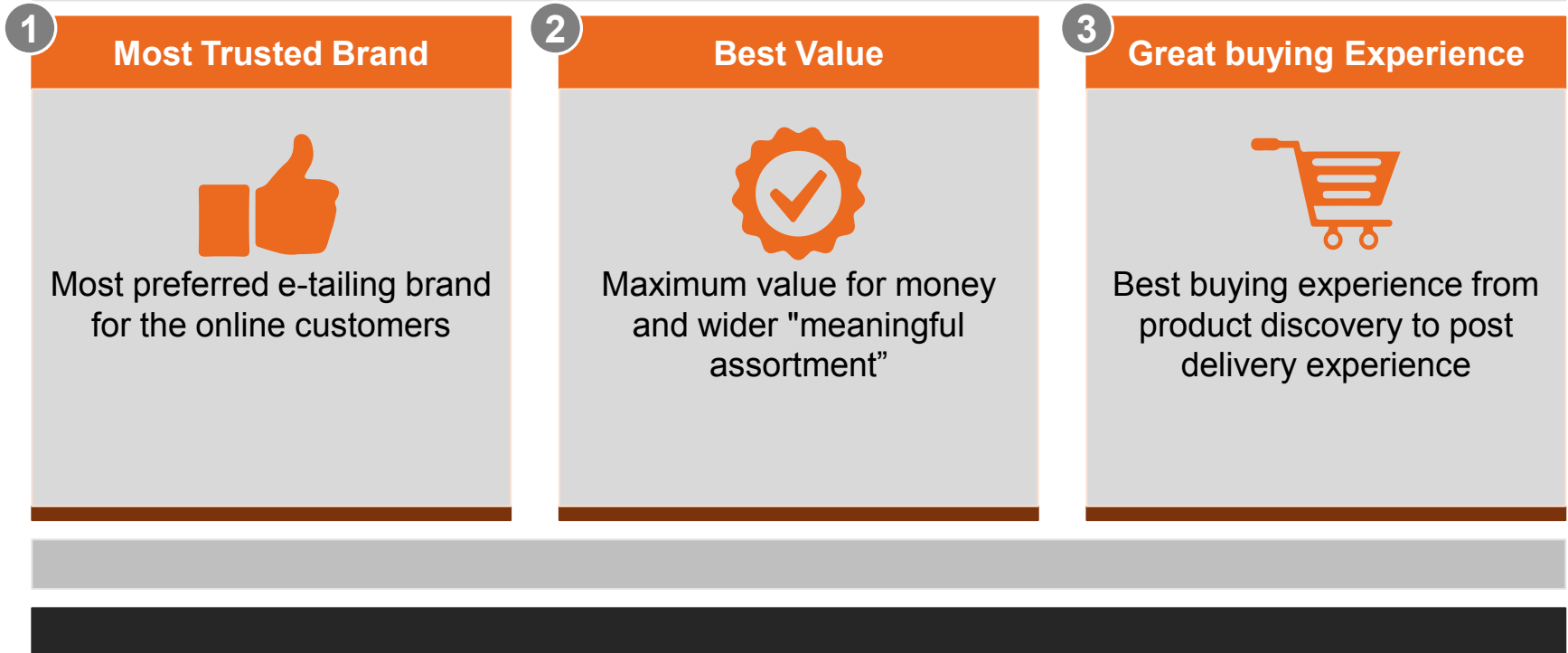
## January – March 2017

RedSeer Consulting

# What does the E-tailing Leadership Index (ELI) measure?

ELI is a comprehensive assessment of e-tailer's overall performance in customer's mind. It is based on the three pillars, which are:

## Indian e-tailing Leadership Index



# How is it structured > Most Trusted Brand



E-tailer brand that is most trusted by online consumers



- **Brand Recall**

- e-tailer which has the highest “top of the mind” recall for most preferred online brand



- **Unaided Recall**

- e-tailer which has the highest “unaided” recall for the most preferred online brand



# How is it structured > Best Value



E-tailer that provides the best value for money along with meaningful assortment



- **Price competitiveness**

- Where would you find the best prices and discounts available among the e-tailers



- **Product variety and availability**

- What are the chances of finding the product you are looking at among the e-tailers



- **Quality of products**

- What do you think of the quality of product available on each of the e-tailers



# How is it structured > Great Buying Experience



E-tailer that gives best end to end buying experience



- **Exploring & ordering products (For web & app)**
  - How easy and intuitive they find product exploration on the app and websites of the e-tailers



- **Delivery predictability and experience**
  - How quick and precise is the overall delivery
  - How quick is the reverse pick-up in case of returns



- **Consumer experience post delivery**
  - How easy it is to return products
  - Speed and ease of refund
  - Quality of customer support



- **Overall NPS**
  - Overall satisfaction of customers with end to end experience based on NPS methodology



# Methodology Used:

The results of the study is based on the following research themes:

1

~9000 customer surveys across 30 cities (Metro, Tier-I and Tier-II) in January to March 2017 period

2

All respondents have to be e-tailing customers, having bought something from the concerned websites in the last 3 months

3

The survey was split between the SEC A, B and C population, with equitable distribution of age group and gender

4

Statistical technique of TOPSIS has been used to arrive at the indexing from the responses and hard numbers

5

The study is entirely based on consumer perception and works on a proprietary RedSeer algorithm

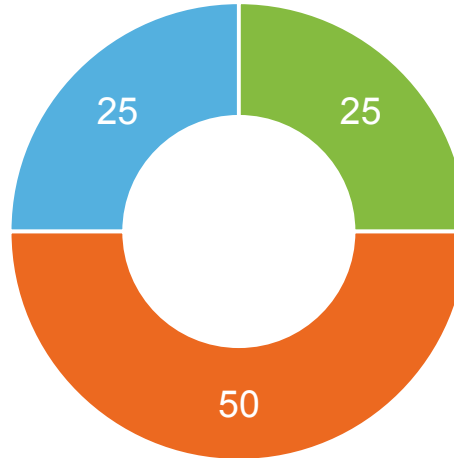
# Evaluation Parameters and Weights

The analysis is based on 30+ parameters analysed in the three pillars

## A. Most trusted brand:

### Most preferred Brand to Shop From

- Top of the mind
- Unaided



## B. Best Value Proposition:

### Product Variety and Availability

- Product Availability
- Product Variety
- Product Quality

### Price Competitiveness

- Pricing and Discount

## C: Great Buying Experience:

### Web & App Experience

- App & Web
  - Design & Look
  - Ease of Navigation
  - Product Description
  - Check Out Experience
  - Payment Gateway Experience

### Delivery/Cancellations/Returns

- Delivery Time
- Reverse Pick-up speed

### Consumer Experience Post Delivery

- Refund (Days)
- Customer Support<sup>1</sup>
- Ease of Return

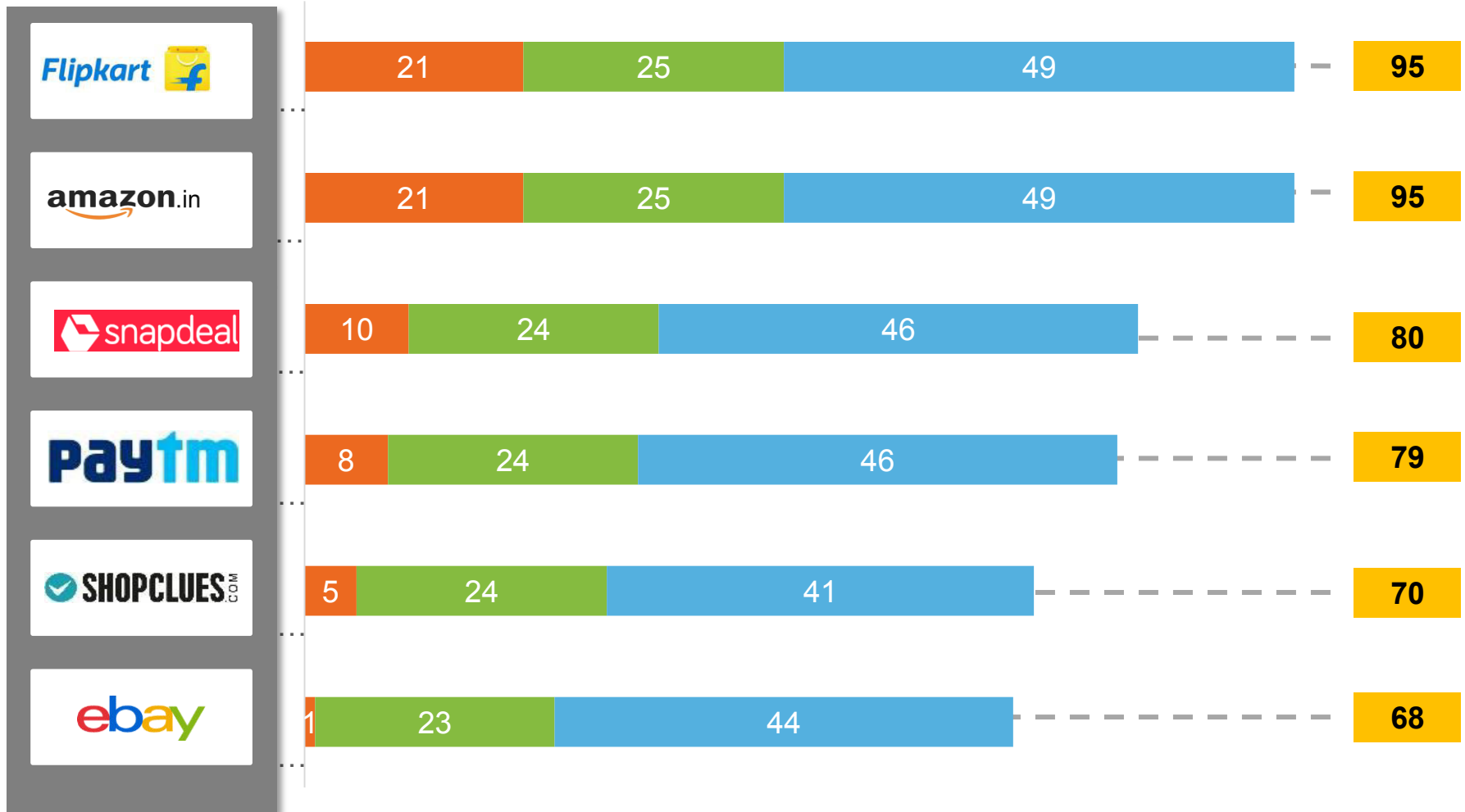
### Overall Consumer NPS

<sup>1</sup> Customer Support parameters are measured as Average Wait Time (Secs), First Time Resolution & Escalation

# Player-wise Performance

Q1 2017

■ Most Trusted Brand ■ Best Value ■ Great Experience





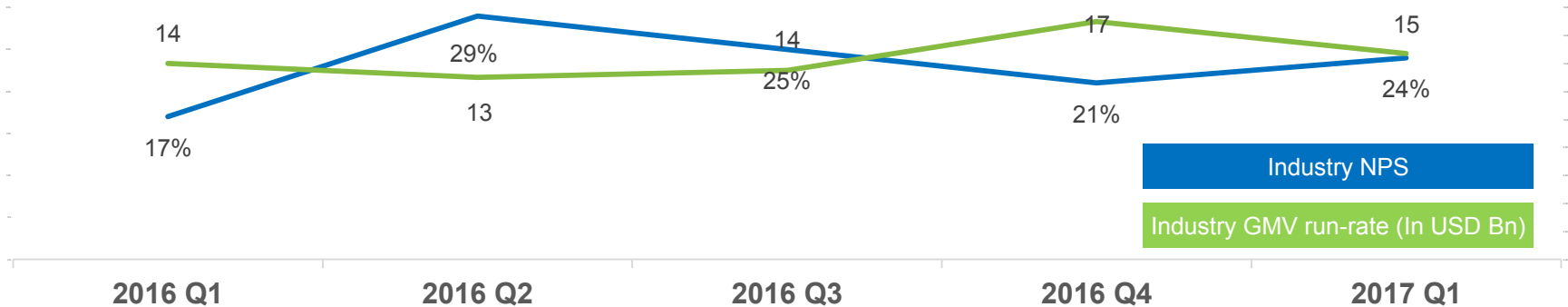
# Overall Industry Trends: Q4'16 to Q1'17

Increase

Neutral

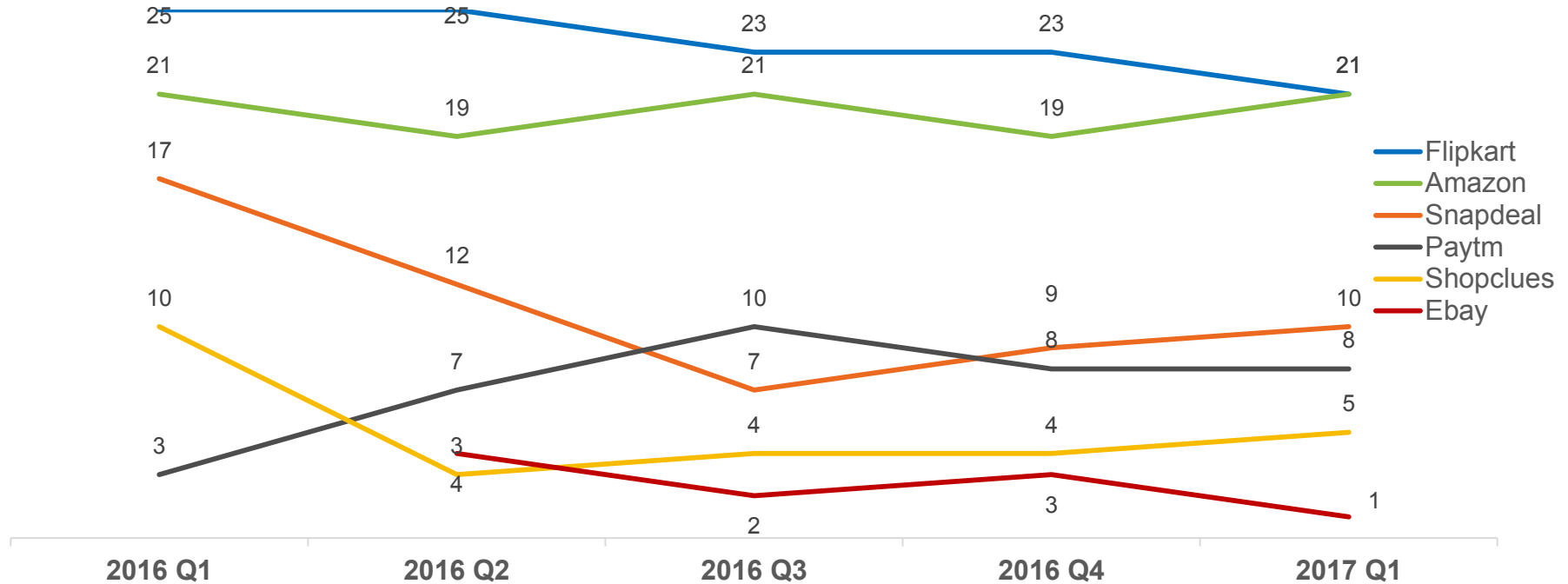
Decrease

- The overall industry NPS has moved upwards, as a cyclic consequence of improved business delivery in the post festive season sale lull
- Historically, NPS moves inversely to GMV as companies find it operationally easier to service the customer demand



				Rationale
				<ul style="list-style-type: none"> <li>Flipkart leads the ranking despite a decline in overall brand performance relative to Amazon, driven by an increase in consumer NPS</li> </ul>
				<ul style="list-style-type: none"> <li>Amazon has caught up as joint first place with a substantial increase in Brand Recall at the expense of Flipkart</li> </ul>
				<ul style="list-style-type: none"> <li>Paytm has seen a dip in ratings in Q1'17, due to poor performance in delivery and post delivery experience relative to other players</li> </ul>
				<ul style="list-style-type: none"> <li>Snapdeal has remained constant since Q4'16, with no significant changes in any of the parameters despite internal business upheaval</li> </ul>
				<ul style="list-style-type: none"> <li>Shopclues saw the most improvement since the last study with an increase in NPS driven by the Shopclues Surety program</li> </ul>
				<ul style="list-style-type: none"> <li>Ebay also showed substantial improvement in this quarter, driven by their uniquely positioned sales campaign in the month of February</li> </ul>

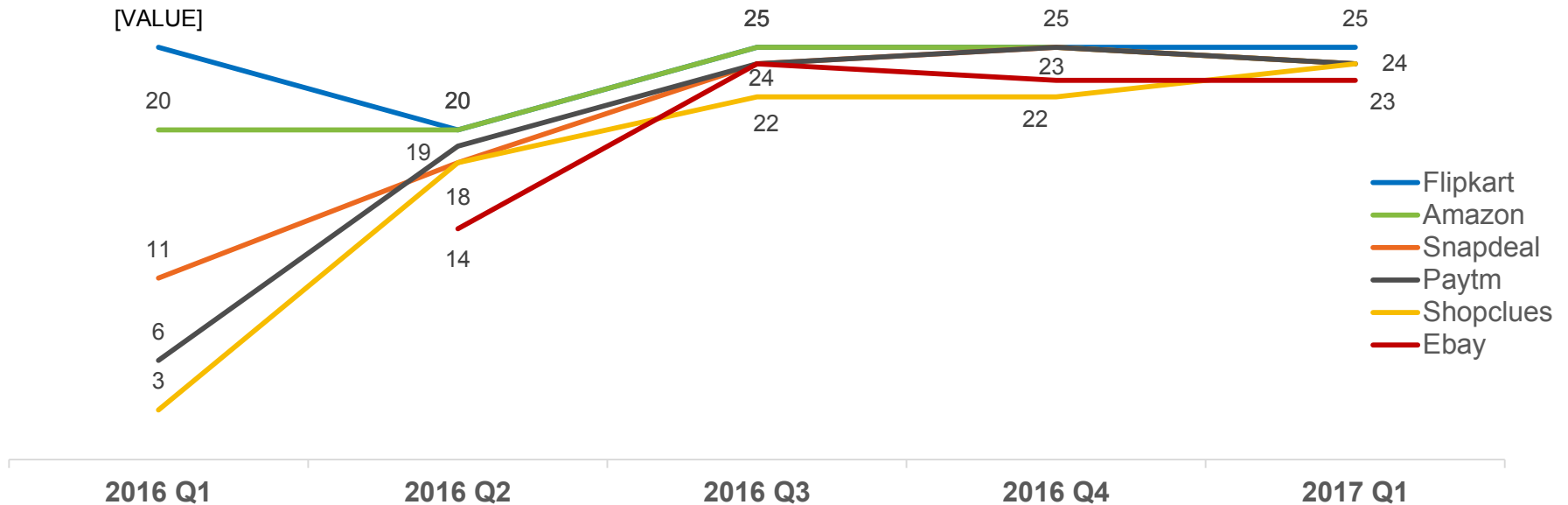
## 👍 Most Trusted Brand Trends: Q1'16 to Q1'17



### Key Industry Insights

1. The industry has reduced its overall marketing spend from the Q1'2016, which reflects in a downward trend in Brand Trust for most players
2. Amazon has been a steady gainer on Flipkart's lead and has finally caught up this quarter
3. Paytm is constantly moving upwards on Brand Trust which is primarily driven by their wallets business

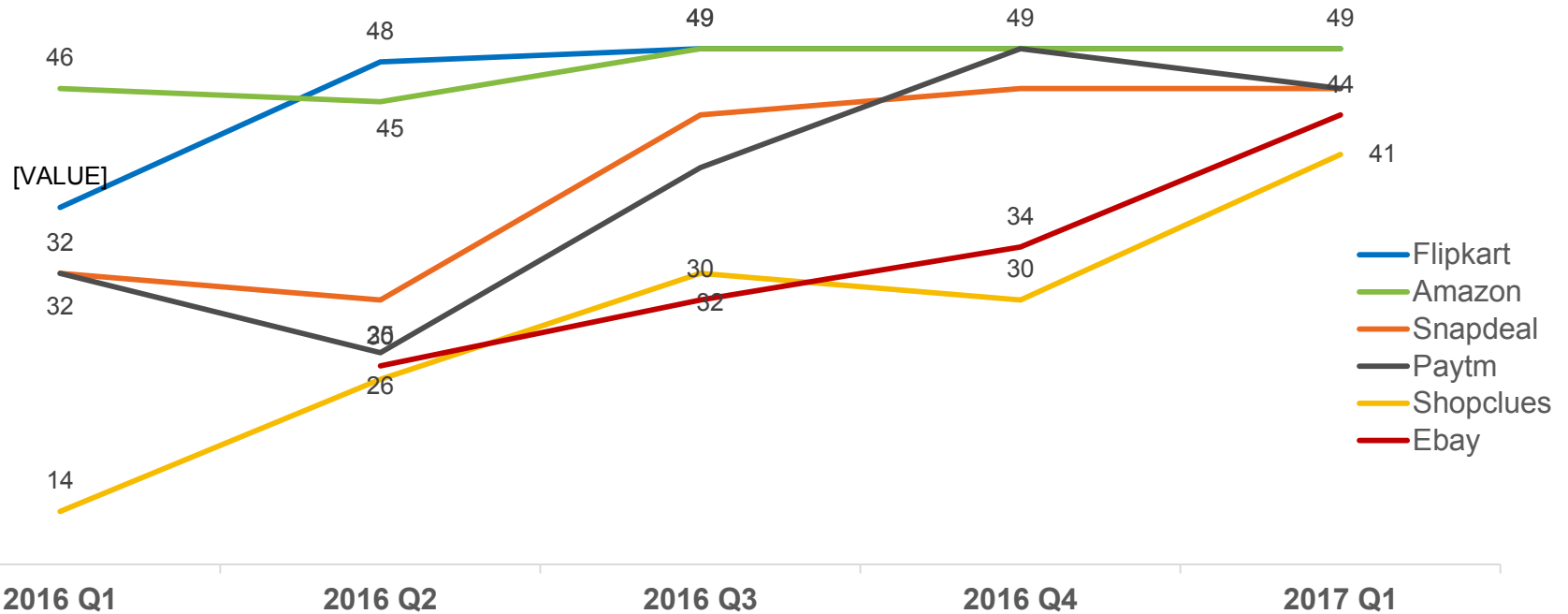
## Best Value Proposition Trends: Q1'16 to Q1'17



### Key Industry Insights

1. The overall value proposition by a maturing e-tailing industry has converged as players have built up a significant assortment of products being sold at comparable prices
2. It is expected that business delivery excellence will become the sole differentiator between players in the industry









## Great Experience Trends: Q1'16 to Q1'17



### Key Industry Insights

1. As the industry has shifted focus from customer acquisition to customer retention, focus has increased on service delivery which is visible across players
2. However, key players have difficulty servicing the operational load generated by sales campaigns, leading to a decline in overall experience after every sales event

# Player-wise key developments in Q1'2017

	<u>Key Development</u>	<u>Impact on ELI</u>
	<p><b>Paytm shifts its wallet into the newly incorporated payments banking</b></p> <p>After much anticipation, Paytm launched its banking division in January 2017, and has incorporated all its existing wallets and their amounts with their banking division</p>	 <p>Web/App experience got affected negatively due to disruption of service during the shift</p>
	<p><b>Promotion of new divisions sees Amazon gain momentum</b></p> <p>Amazon doubled down on its ancillary businesses like Amazon Now and Amazon Prime, which saw an increased visibility of the overall brand</p>	 <p>Brand Recall increased due to higher top of mind recall</p>
	<p><b>Snapdeal lays off 600 employees as it cuts on costs</b></p> <p>Snapdeal, in an attempt to cut costs and manage operations, laid off 600 employees in the month of February, with talks of a merger ongoing, temporarily disrupting existing service quality</p>	 <p>Delivery performance took a hit due to increased operational load on the reduced work-force</p>
	<p><b>Shopclues launches quality check programme "Surety"</b></p> <p>In March, Shopclues launched an audit and quality assurance programme called Surety which provides a five-point quality check for the products sold on the website</p>	 <p>Value proposition of Shopclues saw an increase due to improved quality assurance</p>

## Notes:

1. Only the horizontal e-tailers have been considered for this study
2. For Pillar A – Higher weightage has been given to "Top of the Mind Recall" over the "Unaided Recall"
3. For Pillar B – Price Competitiveness has higher weightage than Product Variety and Availability
4. For Pillar C – App has been given higher weightage when compared to App given that a larger customer base buys using the App

# Thank You !

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