The Indian E-tailing Leadership Index

6th Edition

April, May, June 2017

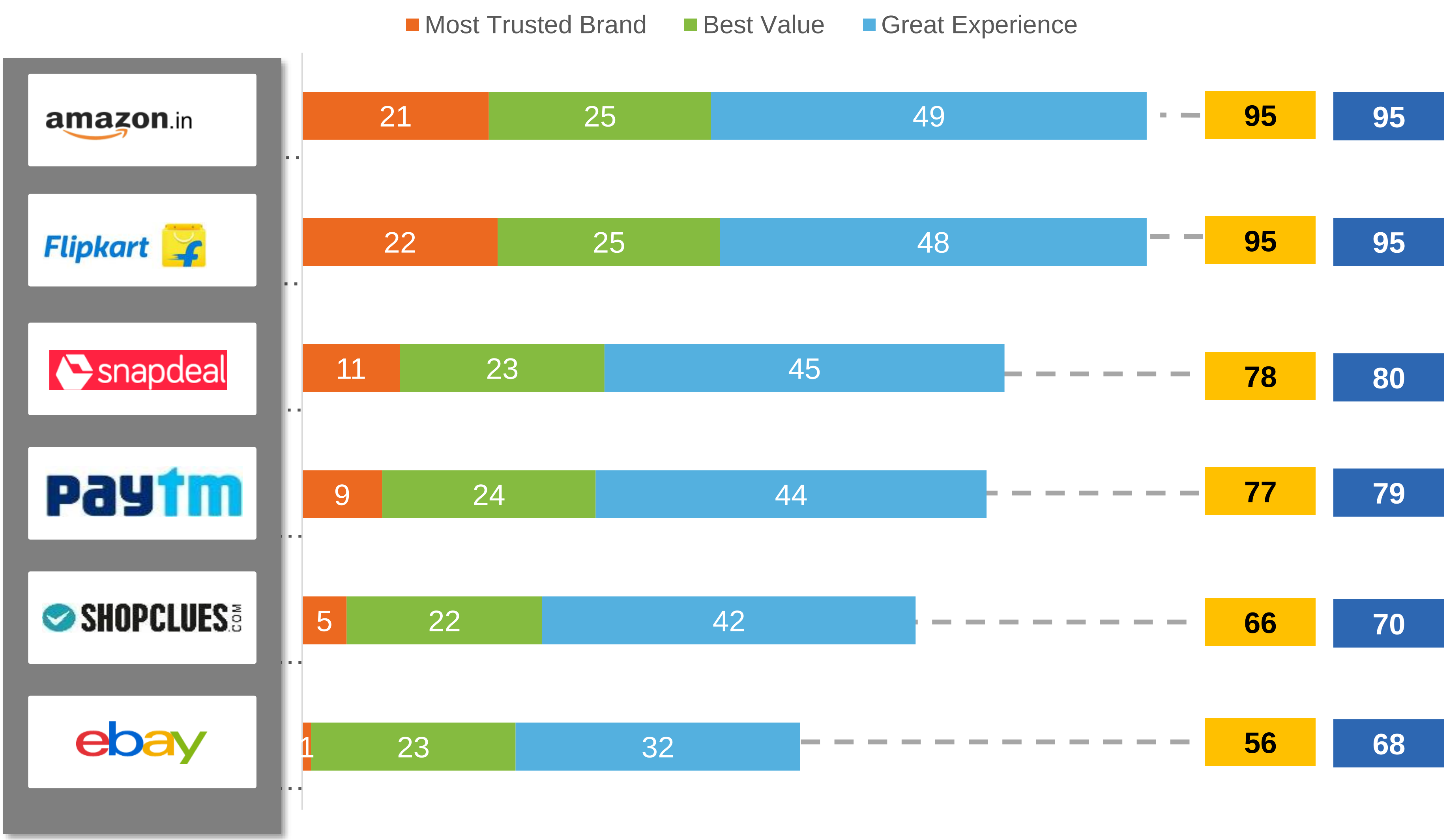
New Delhi I Bangalore I Mumbai I New York I Dubai

RedSeer Consulting

Contents

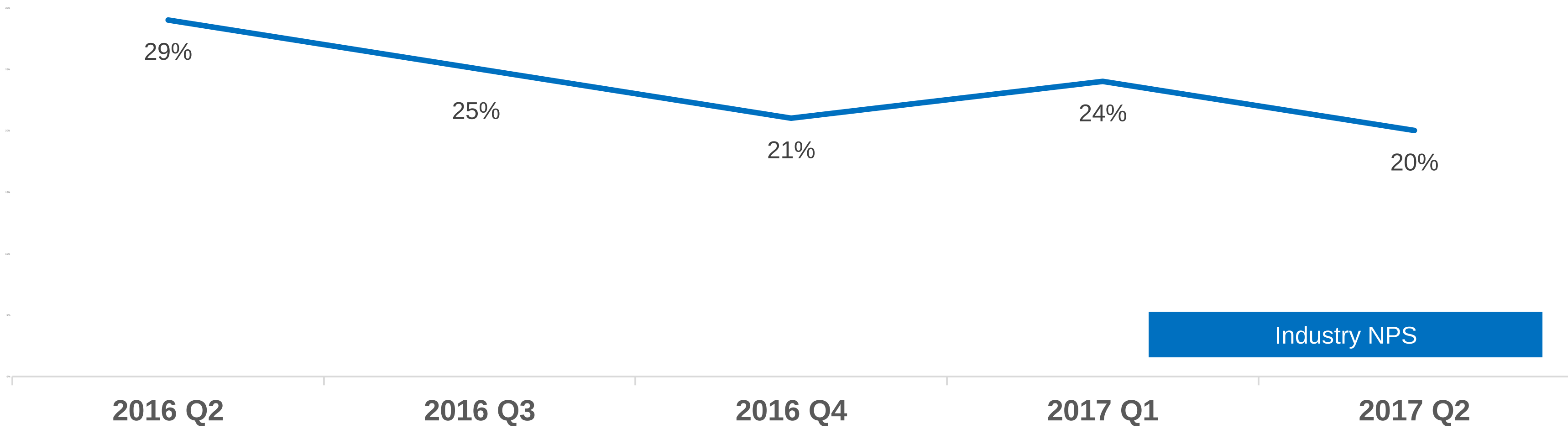
Player-wise Performance

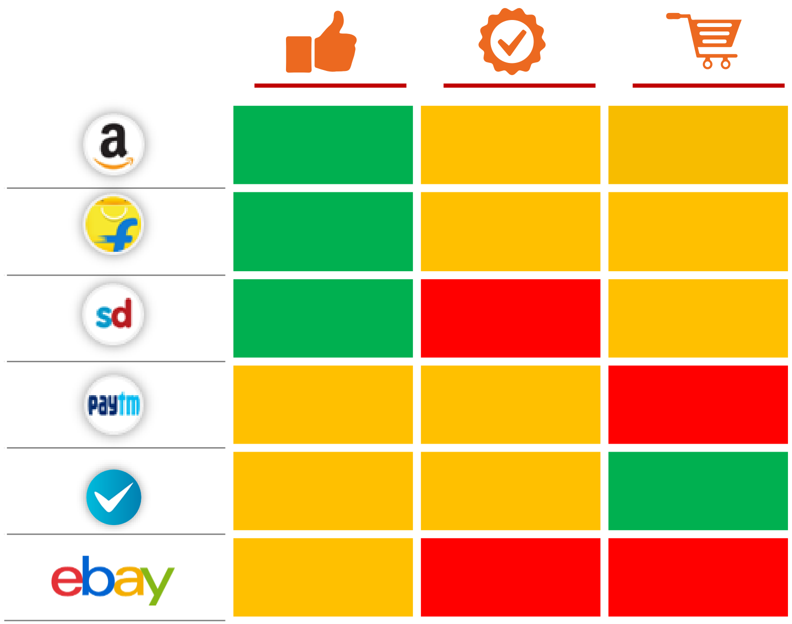
Q2CY'17
Q1CY'17



Overall Industry Trends: Q1’17 to Q2’17

Increase | Neutral | Decrease





Rationale

- Tied with Flipkart on ELI, with major improvements in Brand recall and customer support
- Flipkart remained constant on the scorecard with only brand recall seeing a slight improvement in comparison to the last quarter
- Snapdeal saw a slight increase in ELI due to an improved brand recall, but pricing and product variety saw a dip stunting its growth in Q2’17
- Paytm saw a slight dip in the overall score, with consumer NPS being a key metric of note, seeing another down quarter from Q1’17
- Shopclues saw an increase in consumer NPS, but went slightly down on the overall score due to a dip in value proposition in Q2’17
- Ebay went down in Q2’17 suffering the most on ELI, with a large decrease in consumer NPS and customer support

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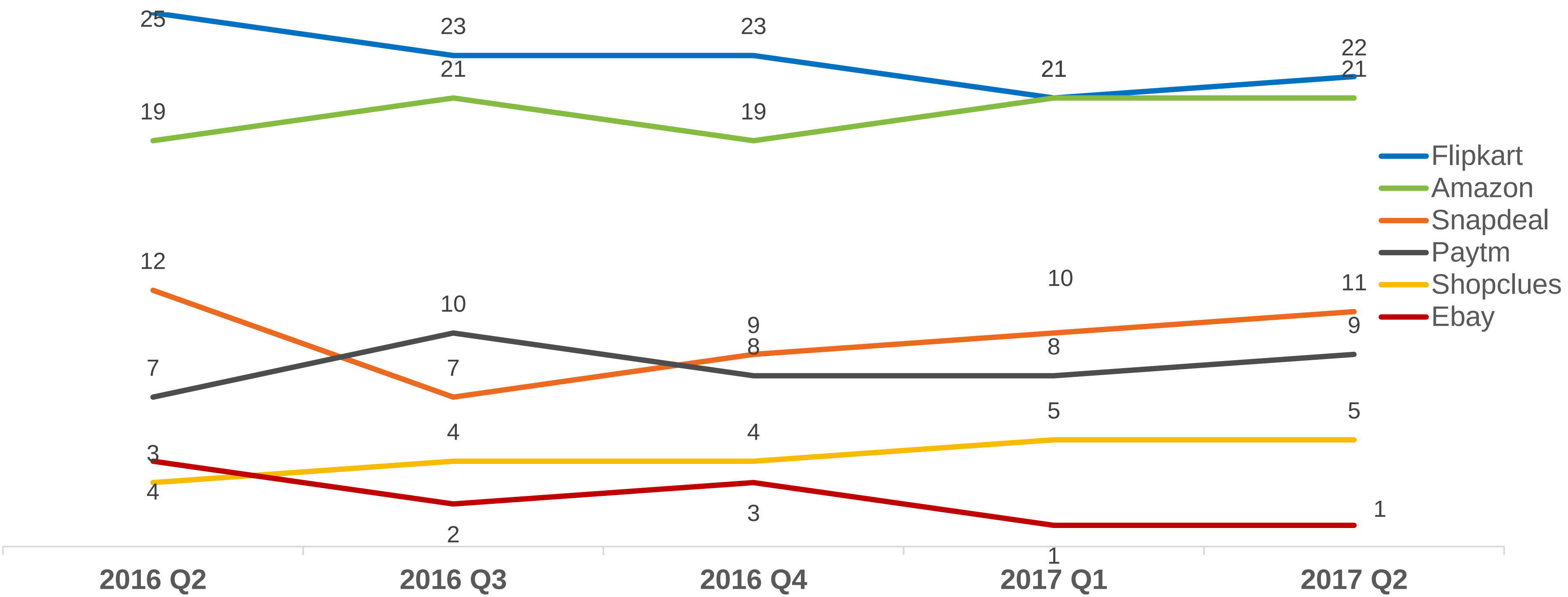
Most Trusted Brand Trends: Q2'16 to Q2'17



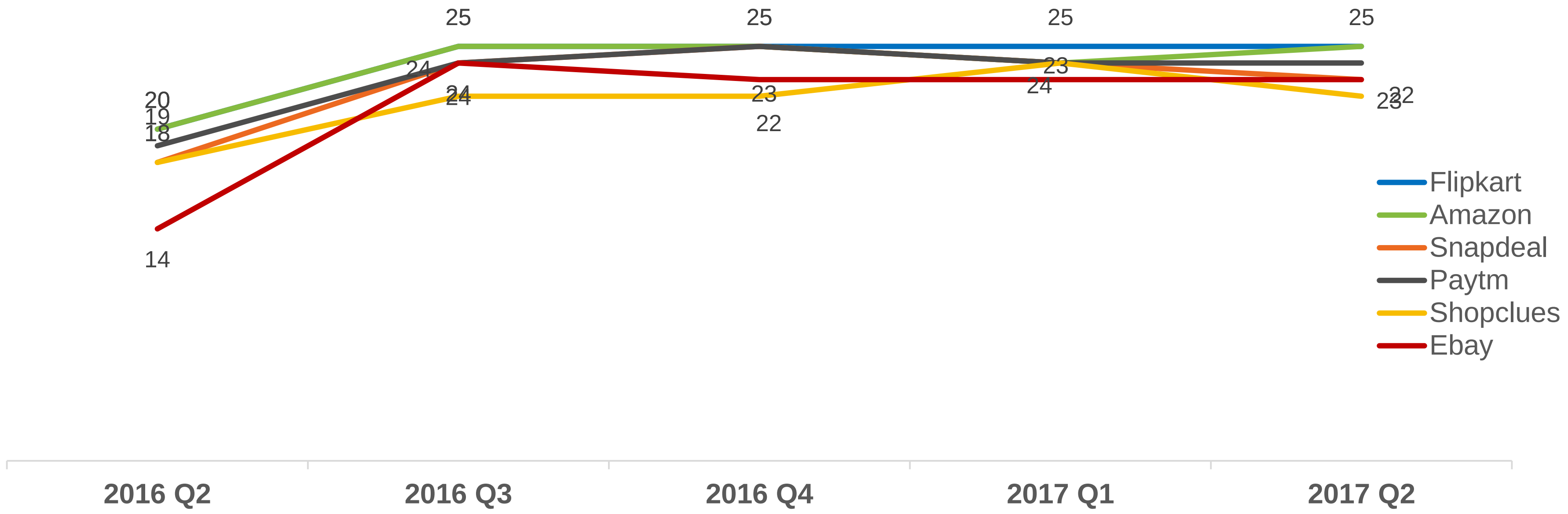
Key Industry Insights

1. The industry hasn't moved too much in comparison to Q1'17 on most metrics because of a stagnant sales quarter this time around

2. Amazon has been a steady gainer on Flipkart's lead and has finally moved ahead of Flipkart on ELI

3. Paytm is constantly losing on consumer NPS in the past 2 quarters due to constant changes on the tech end reducing the customer experience

Best Value Proposition Trends: Q2'16 to Q2'17

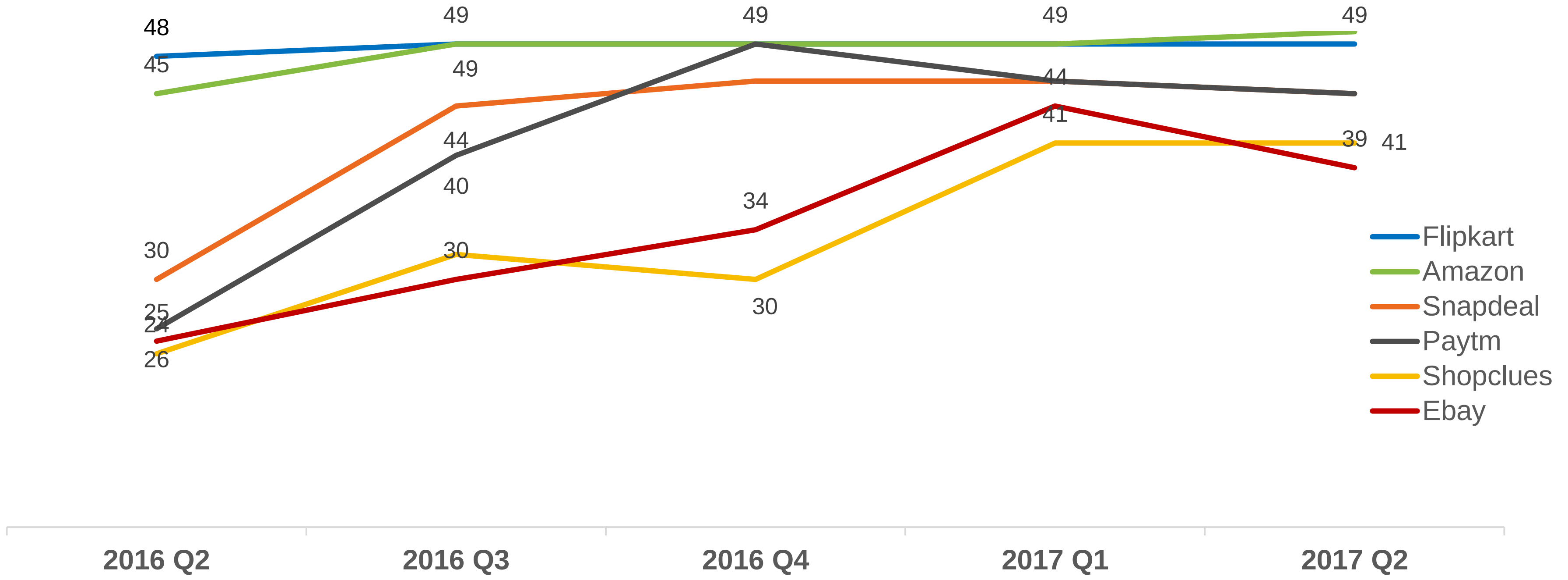


Key Industry Insights

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: Q2'16 to Q2'17



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

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

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

Indian E-tailing Leadership Index

1 Most Trusted Brand

Most preferred e-tailing brand for the online customers

2 Best Value

Maximum value for money and wider "meaningful assortment"

3 Great Buying Experience

Best buying experience from product discovery to post delivery experience

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 thing 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:

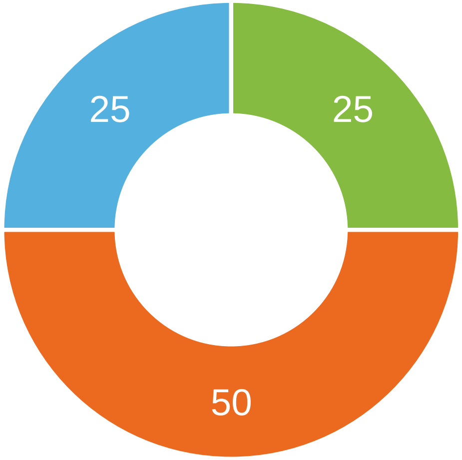
1. ~4500 customer surveys across 30 cities (Metro, Tier-I and Tier-II) in April to June 2017 period
2. All respondents have to be e-tailing customers, having bought something from the concerned websites in the last 3 months
3. The survey was split between the SEC A, B and C population, with equitable 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

Delivery
- Refund (Days)
- Customer Support[1]
- Ease of Return

Overall Consumer NPS

Consumer Experience Post

Notes: ***1***. Customer Support parameters are measured as Average Wait Time (Secs), First Time Resolution & Escalation

Notes

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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