



ECOMMERCE IN FMCG

A FAST CHANGING RETAIL LANDSCAPE

SCOPE



INDUSTRY LANDSCAPE



KEY CHALLENGES



OPPORTUNITIES



CHANGING RETAIL ECOSYSTEM

TODAY'S AGENDA



INDUSTRY LANDSCAPE



KEY CHALLENGES

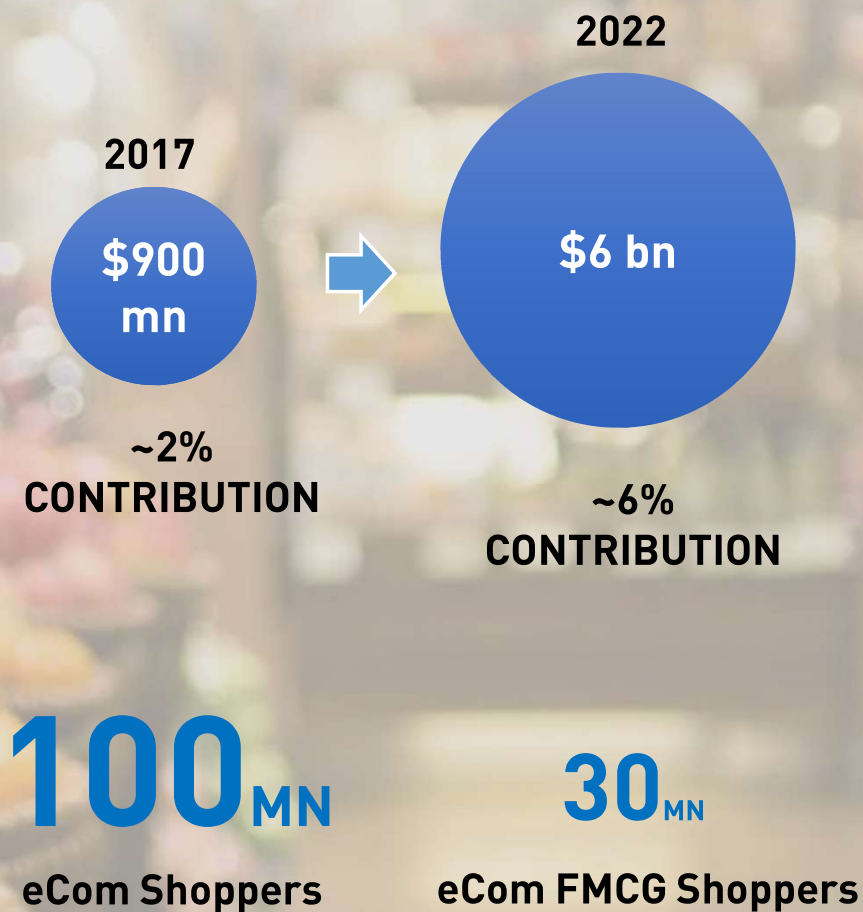


OPPORTUNITIES



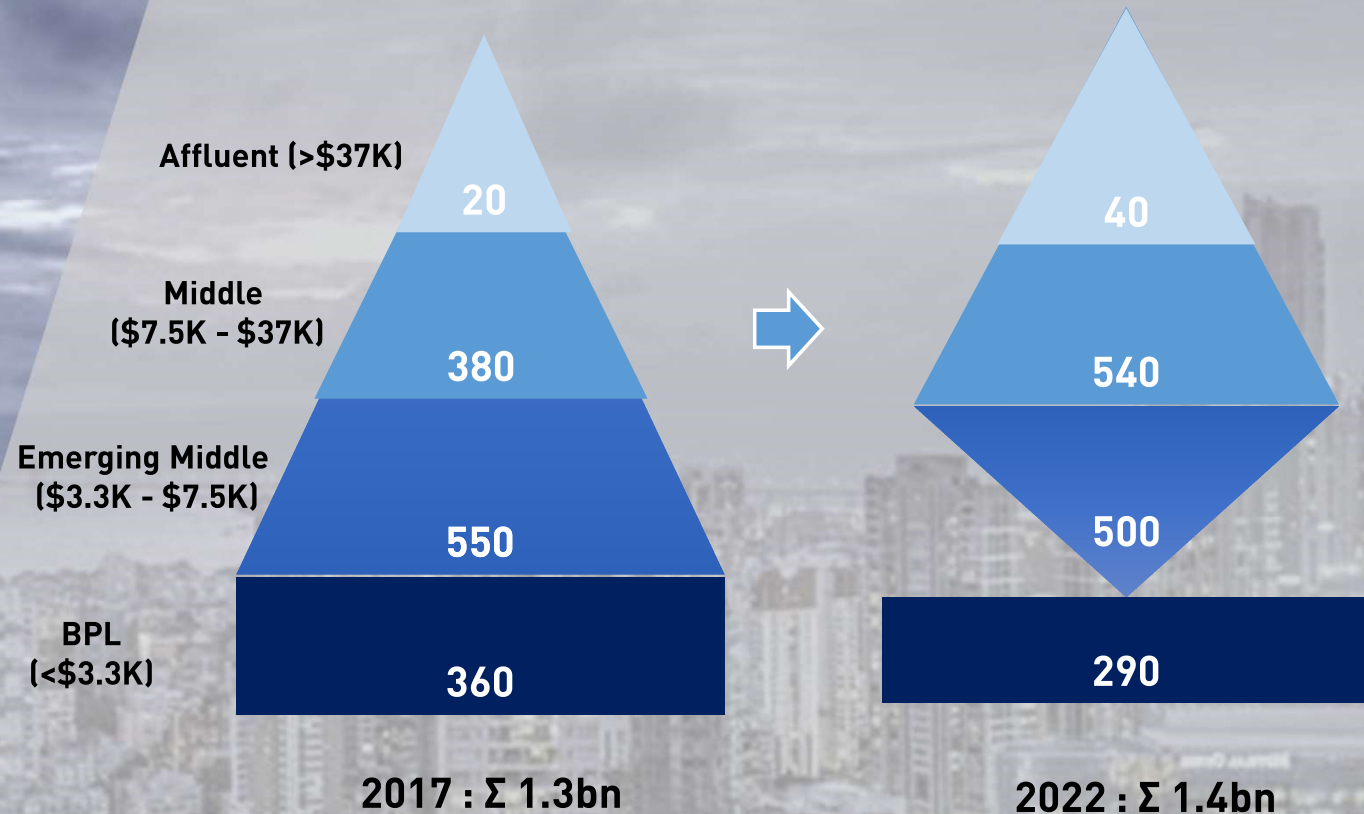
CHANGING RETAIL ECOSYSTEM

eCOMMERCE IS EXPLODING IN GROCERY INCL CPG



**Source: BCG Google Study, Multiple external estimates*

RISING MIDDLE CLASS



Indian Middle Class > Population of North America

BHARAT IS SHOPPING ONLINE



90%

New shoppers from Small Towns



4X

Projected Gr in shoppers from Tier 2 (2018~2025)

Large opportunity to Premiumise

ECOMM LEVERS VERY RELEVANT IN INDIA



ASSORTMENT

Low distribution
in Bharat



CONVENIENCE

Gridlocked
cities



VALUE

Middle India
shopping online

BEAUTY & PERSONAL CARE CATEGORIES FASTER ON ADOPTION



*Source: BCG Google Study

SCOPE



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CHANGING RETAIL ECOSYSTEM

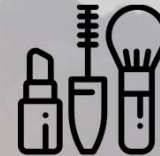
KEY CHALLENGES



**CHANGING
COMPETITION**



**OPERATIONAL
COMPLEXITY
& COSTS**



**PORTFOLIO
SUSTAINABILITY**



**CHANNEL
MANAGEMENT**



**BRAND
PROTECTION**



CHANGING SHAPE OF COMPETITION

Rise of "Indie" brands on eCommerce



2017

\$100 mn



2019

\$600 mn



A91 Partners



Size of consumer focussed VC investments in India *

*Source: External reports

OPERATIONAL COMPLEXITY & COSTS

DIFFERENT CUSTOMER OPERATION MODEL



Self Serve
Platforms



Eaches Not
Cartons

HIGHER COMPLEXITY & COSTS OF OPERATIONS



Higher
People Costs



Deployment Costs
in short term

NEED FOR BUILDING DIFFERENTIATED CAPABILITIES



Business
Process
Automation



Right
Talent

CHANNEL MANAGEMENT

Shoppers Shop across Channels



Pack price architecture that
enables



REDUCED
CANNIBALIZATION



INCREMENTAL
SALES

SUSTAINABLE PORTFOLIO



MRP	100
INTAKE MARGIN	+20%
OPERATION COST	-5%
LOGISTICS COST	-20%
REALIZED PROFIT	-5%

C.R.A.P. – Can't Realize Any Profit



Re-engineer Portfolio for Value Density



Retailer Profitability



Manufacturer Profitability

LWINDS TO GROWTH



MARKET SHARES



MARGINS

eCOM

>

MT

>

GT

PROTECTION

- Friction free seller onboarding and cataloguing
- Low control over what gets shipped from 3P sellers



Counterfeits



MONITOR



FLAG



ACT

SCOPE



INDUSTRY LANDSCAPE



KEY CHALLENGES



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CHANGING RETAIL ECOSYSTEM

BIG OPPORTUNITIES



**New Model for
Innovation**



**Serving Niche
Demand Spaces**

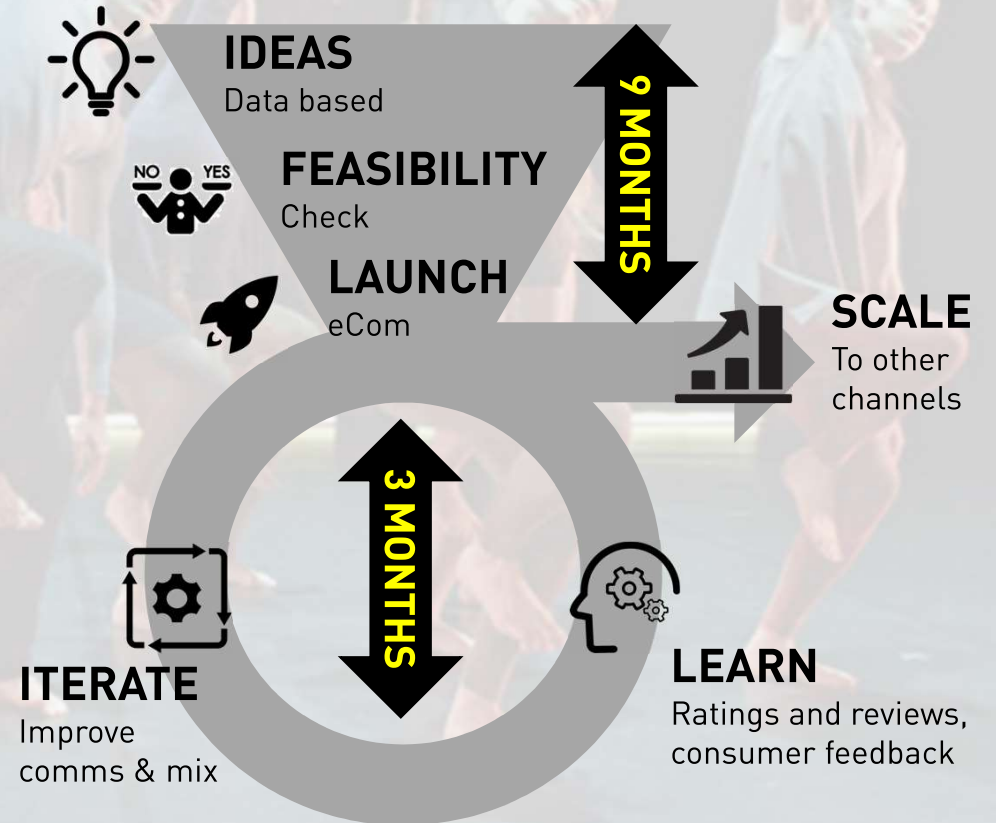


**Precision
Marketing**

TRADITIONAL MODEL OF INNOVATION



NEW MODEL OF INNOVATION



SERVICING NICHE DEMAND SPACES



Facial
oil

Baby
sun
screen

Hand
crème

Foot
crème

Face
mist

Facial
wipes

Black
head
removal

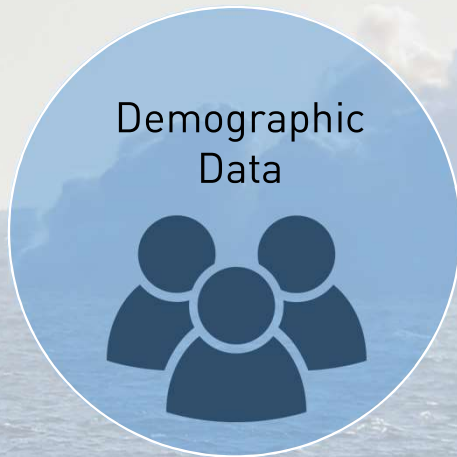
Anti-
cellulite

PRECISION MARKETING

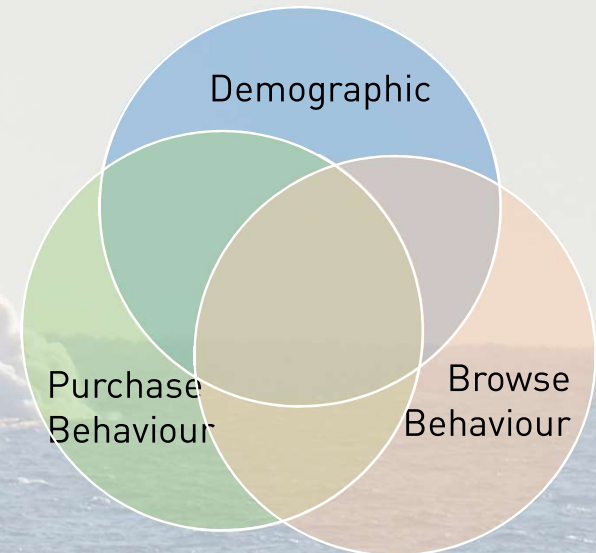


Target Group

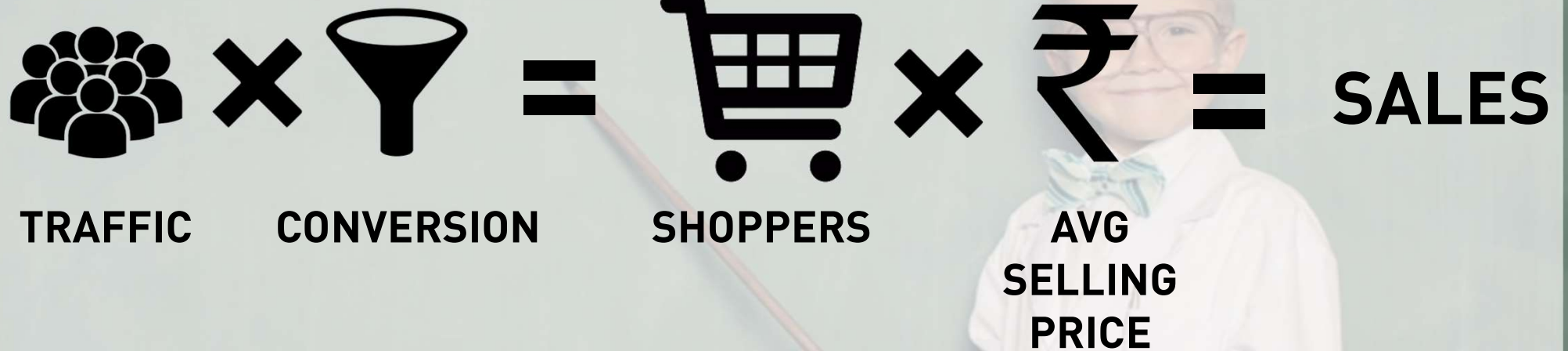
Eg: NCCS A,B; Females; 25+ years



**More specific targeting basis browse/
purchase history**



THE MATH EQUATION FOR GROWTH



WINNING IN THE FUTURE



**End-to-End Consumer
Lifecycle Management**



**Data led Decision
Making**



Agile Innovation



Sustainability

SCOPE



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CHANGING RETAIL ECOSYSTEM IN INDIA



KIRANA HAS BECOME THE MOST VALUABLE REAL ESTATE IN URBAN INDIA



REASON : IT IS MORE EFFICIENT!



HUL | CREATING THE CONNECTED STORE

ECOM

Humara  Shop

ORDERING



POS



DELIVERY



Now
open

HUMARASHOP | ENABLING KIRANAS TO SELL ONLINE



SUMMARY



eCommerce is an Opportunity to be leveraged



Winning with shoppers through innovation & proposition is key



The levers to win in eCommerce are different



Organizations that build capabilities to win on these will win in the future