What will it take to sustain e-commerce growth?

7 key points to sustain e-commerce growth
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What will it take to sustain e-commerce growth?
E-commerce market in India is still at a nascent stage; however, it is growing at a lightning speed. Deep discounting, which almost became synonymous to online shopping, managed to lure the first wave of consumers and gave initial momentum to e-commerce players. However, the market is evolving rapidly, and so are the consumers.

The new digital consumers are becoming smarter, better informed, more demanding and less tolerant. Hence it is vital for e-commerce companies to understand their buying behaviour and gain superior insights for making better business decisions to ensure long term success.

To peep into the minds of online consumers, EY polled about 700 online respondents in six cities in India. Broadly, the survey data threw light on what makes online shopping so popular in India, demographic profile of a typical online buyer, peculiar characteristics of buying behaviour, inherent difference in various product categories sold online, need for multiple modes of payment, most influencing medium of communication and common operational issues faced by the buyers. The survey insights could help understand what e-commerce companies can do to drive the next wave of growth.

The e-commerce space is likely to see swift action in the coming years. It would offer huge potential to buyers and sellers alike. Companies will have to be nimble enough to address fast changing market conditions and needs of tomorrow to sustain the momentum.

I hope you find this report and its insights useful as you engage with your customers.

Pinakiranjan Mishra

Partner & National Leader - Retail & Consumer Products
EY India
What will it take to sustain e-commerce growth?
Executive Summary

In India an e-commerce revolution is no longer a myth; it is a reality. E-commerce has been appearing in news with billion day sales and eye-popping discounts. It has become as attractive to consumers as to retailers. Traditional offline retailers are also going online to capture a share of digital consumers.

To better understand buying behavior of the online consumers, EY polled about 700 online respondents in six cities in India. The objective of the survey was to know:

- Why consumers shop online?
- Demographic profile of online shoppers
- How product baskets vary for different consumer segments?
- Peculiar characteristics of product categories sold online
- What factors influence online buying decisions?
- Major challenges faced by consumers

This paper tries to gain insights from the findings of the survey to understand what e-commerce companies can do to drive the next wave of growth. The market is constantly evolving and is in hyper growth and hyper competition stage. In this scenario it will be crucial to understand what will it take for e-commerce companies to sustain the momentum.

The first wave of growth came on the back of heavy discounting. Companies backed by deep pockets used discounting as a marketing strategy to attract new consumers and get them hooked onto the online channel. However, discounting strategy has its pitfalls. On one hand it has dented profitability of the companies; on the other, it has created disloyal consumers who tend to switch to the highest discount provider. Clearly, the discounting strategy will not be sustainable over the long run, and companies will have to find innovative ways to meet needs of consumers for long term success.

Going ahead, companies will have to cater to more latent needs of consumers – increased convenience, timely delivery etc., develop consumer-centric strategy – targeting individual consumer needs using data and analytics, address needs of tomorrow to stay ahead of the competition.
How to sustain in hyper growing e-commerce market?

The e-commerce wave in India has caught on like wildfire over the last couple of years. However, a decade ago, a popular belief was that online retail will not work in India due to various challenges in terms of low internet penetration, limited payments infrastructure restricting usage of credit cards, consumers’ psychology to touch and feel the products before buying, logistics and warehousing challenges etc.

Despite the challenges, online retail or e-tail has grown at a breakneck speed of 50%-55% CAGR over the last 5 years to reach around US$4.5 billion in 2014. The sector is expected to see similar growth going ahead, driven by factors such as favorable demographics, increasing penetration of internet and smart phones, changing consumer preferences etc.

Digital consumers’* share in online population

<table>
<thead>
<tr>
<th>Country</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>75%</td>
</tr>
<tr>
<td>China</td>
<td>70%</td>
</tr>
<tr>
<td>Russia</td>
<td>64%</td>
</tr>
<tr>
<td>UK</td>
<td>63%</td>
</tr>
<tr>
<td>Brazil</td>
<td>62%</td>
</tr>
<tr>
<td>US</td>
<td>50%</td>
</tr>
</tbody>
</table>

Note: * Digital consumer is one who either regularly or occasionally uses digital for all or part of his/her purchasing journey
Source: EY publication

India in 2020: E-commerce potential

Demographics
- Large population: ~1.4 billion; 75% less than 50 years
- Household incomes to grow 3x to ~US$18,000
- Over 200 million nuclear households
- ~50% of population in middle class

Enablers
- Internet users to increase 3x to ~600 million
- Smartphones usage to grow 5x to 600-700 millions
- Smartphone penetration is expected to be more than 50%

Source: EY Analysis

Indian consumers are becoming more digitally savvy. According to EY’s recent Consumers on Board research⁴, Indian consumers are among the most digitally savvy worldwide. More than two-thirds of India’s population owns mobile phones – nearly twice the number of those holding bank accounts. This “digital consumer” is able to shop anytime anywhere, thereby, driving growth for e-commerce.

Given the considerable potential of e-commerce, even traditional retailers are launching online platforms to grab the share of digital consumers. This has necessitated developing an omni-channel strategy.

**How to develop omni-channel strategy?**

<table>
<thead>
<tr>
<th>Have online presence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional brick and mortar retailers will have to integrate offline-online strategy</td>
</tr>
<tr>
<td>Company leadership must commit to change</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Take consumer-centric decisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Understand what consumers want and how their needs and expectations are changing</td>
</tr>
<tr>
<td>Know what consumers really value, compared with what the company thinks is valuable</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Develop agile strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plan for future needs; segment supply chain to meet different product and channel demands</td>
</tr>
<tr>
<td>Use data and advanced analytics to track individual consumer and address his/her needs</td>
</tr>
</tbody>
</table>

Source: EY publication – Re-engineering the supply chain for the omni-channel of tomorrow⁵

To succeed over the long term, companies must fully embed omni-channel in their overall corporate strategy and organizational culture⁶. Pure play online portals will also have to be nimble enough to reinvent themselves to keep pace with fast changing consumer preferences. Companies will have to develop sustainable business models keeping consumers at the center.

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Indian consumers are increasingly adopting e-commerce, since it addresses some commonplace challenges — need for increased convenience, modes to fulfil aspirations, access to an expanded basket of goods etc. Additionally, innovations such as cash on delivery (CoD), improved delivery (“same day” and “one-day” delivery) etc., have helped address many initial consumer inhibitions.7

**Convenience, discounts: attractors; timely delivery, return policy - differentiators**

<table>
<thead>
<tr>
<th>Influencers</th>
<th>Reasons why people buy online in order of preference</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Convenience</td>
<td>• 40% of respondents chose e-tailing for convenience as the topmost reason</td>
</tr>
<tr>
<td>2 Discounts and cheaper prices</td>
<td>• Consumers prefer to buy products which are cheaper online vs offline</td>
</tr>
<tr>
<td></td>
<td>• Particularly popular in small electronics and younger (&lt;30 years) and women buyers</td>
</tr>
<tr>
<td>3 Multiple product options</td>
<td>• Easy access to wider basket of goods at one place</td>
</tr>
<tr>
<td></td>
<td>• Like to buy premium /luxury products</td>
</tr>
<tr>
<td>4 Multiple payment modes</td>
<td>• Cash on delivery (CoD) is popular among buyers &lt; 30 years and 55+ years</td>
</tr>
<tr>
<td></td>
<td>• Middle-aged buyers (31-54 years) prefer cash less transactions</td>
</tr>
<tr>
<td>5 Preferred brand availability</td>
<td>• Attracts buyers from tier-II/III and smaller towns where retail presence is limited</td>
</tr>
<tr>
<td>6 Good return policy</td>
<td>• A crucial differentiator; consumers prefer an e-tailer offering good return policy</td>
</tr>
<tr>
<td>7 Timely delivery</td>
<td>• A crucial differentiator; consumers choose service provider offering fastest delivery</td>
</tr>
</tbody>
</table>

61% said that convenience was the most important reason for online shopping

~30% said timely delivery and good return policy are the reasons for shopping online

Source: EY Survey

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Discounts have become ubiquitous on all e-commerce sites and buyers have become used to them. Most of the online buyers are disloyal and will choose an online portal offering the best discount. To improve consumer retention and encourage repeat purchase, players are tying up with mobile/online wallets, which offer cashbacks on every purchase. Going ahead, e-commerce players will have to find innovative ways to retain each consumer and stop them from switching to a competitor.

How to retain a consumer?

<table>
<thead>
<tr>
<th>Enhance consumer satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offer greater convenience: easy site navigation, seamless transactions, proactive consumer service, attractive packaging, less in-transit damage</td>
</tr>
<tr>
<td>Use analytics to track changes in buying behaviour to offer better product choices as a consumer evolves</td>
</tr>
<tr>
<td>Introduce online loyalty programs - offer rewards/incentives, differentiated pricing for repeat orders</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Offer targeted discounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide cash backs to lure consumers who hunt for best discounts</td>
</tr>
<tr>
<td>Offer category specific discounts: calibrated discounts in categories purchased by target consumer segment, special deals on social media platform</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ensure timely delivery and good return policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invest in logistics to support quick turn-around; delivery within committed timelines - a must</td>
</tr>
<tr>
<td>Develop category specific return policy; use analytics to address common reasons for returns - wrong sizes, different look than actual etc.</td>
</tr>
</tbody>
</table>

Going an extra mile in terms of enhancing consumer satisfaction, beating consumer expectations and providing additional value for their money will help companies retain consumers over the long run.

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With growing competition, e-commerce players will also have to fight harder to attract new consumers. E-commerce still remains limited to a section of the population, despite the robust growth and rising popularity. A look at the demographics of internet users in India makes it evident that a considerable proportion of high earning and high spending section of the population (i.e., consumers above 35 years), women and small town/rural consumers are still not spending significant time online. Capturing these untapped consumers will be a significant opportunity over the long term.

### Demographics of internet users

<table>
<thead>
<tr>
<th>Data for 2014</th>
<th>India</th>
<th>China</th>
<th>Brazil</th>
<th>Russia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internet user base under age 35 (%)</td>
<td>75</td>
<td>59</td>
<td>60</td>
<td>56</td>
</tr>
<tr>
<td>Urban rural split</td>
<td>63:37</td>
<td>72:28</td>
<td>81:19</td>
<td>60:40</td>
</tr>
<tr>
<td>Share of women in internet user base (%)</td>
<td>39</td>
<td>45</td>
<td>49</td>
<td>52</td>
</tr>
</tbody>
</table>

Source: EY Analysis

### Capture older consumers and retain younger ones

The internet user base in India is tilted toward the younger population, with 75% below 35 years. However, consumers above 35 years, who are more financially independent and have high spending power, are emerging to be as important as the young ones. According to our survey, consumers in the age group of 31-54 are the highest spenders, while consumers below 30 years buy more frequently. The survey showed that 30%-60% of online buyers purchase at least once in two weeks.

### Attract small town shoppers

Although, the internet user base still largely comprises urban population, the rural user base is growing with rising penetration of internet and smart phones. According to the 2011 census, close to 30% of India’s 1.2 billion population resided in tier-I/II/III/IV cities, with tier-I making up for around 8%. This indicates the enormous potential the smaller cities offer to e-commerce players. Moreover, as aspirations of consumers from tier II/III and beyond cities converge with those in tier-I, factors such as limited retail penetration and inadequate product

### Target women

Online shopping has so far been skewed toward male buyers, but on the back of changing lifestyles, growing importance of multi-tasking and the rising number of women in the workforce, this statistic is undergoing a change. Tech-savvy women are increasingly turning to online portals to fulfil their needs in diversified categories such as fashion, footwear, apparel and accessories, food and drink, baby care, hair care and skin care. The survey highlighted that the women who shop online, tend to

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buy marginally more frequently than men. But, they influence buying decision much more than men.

Women tend to influence more online purchase decisions for their spouse. The survey showed that the incidences of spouse making decision for men increase with age.

It is crucial for e-commerce players to target women consumers. Players are taking various initiatives such as launching women-centric brands, using analytics to understand buying behavior of women shoppers to offer better service etc. A leading e-commerce player dealing in used products sees women consumers holding a large share across categories. The company has taken women-centric initiatives such as launching a chat platform that keeps contact data confidential to address concerns faced by women buyers.12

How to capture new consumers?

<table>
<thead>
<tr>
<th>Prioritize target consumer segments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offer attractive discounts to trigger impulse buying in younger consumers</td>
</tr>
<tr>
<td>Offer special deals to increase transaction size for younger buyers</td>
</tr>
<tr>
<td>Offer specific deals on products purchased by older buyers to lure them to online platform</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expand in tier-II/III and beyond cities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invest in expanding last mile delivery by roping in local delivery services to reach smaller cities</td>
</tr>
<tr>
<td>Communicate in local/regional language to attract non-English speaking consumers</td>
</tr>
<tr>
<td>Offer products/brands not available in stores</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Increase the share of women shoppers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offer women-centric products, brands, special discounts, mobile-apps</td>
</tr>
<tr>
<td>Use analytics to understand buying behaviour of women shoppers to offer better products, suggest bundled offerings, bring in new options etc.</td>
</tr>
</tbody>
</table>

Companies will have to move fast to capture the share of next wave of consumers and stay ahead of the competition. Achieving sizeable mass will be crucial to take benefits of economies of scale and move toward profitable business for long-term success.

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Although different consumer segments converge on an e-commerce platform, inherent differences in their buying behaviors continue to persist. Similarly, various product categories exhibit different characteristics such as frequency of product purchase, ease of purchasing a category online, average ticket size etc. E-commerce players will have to consider these differences while devising strategy specific to consumer segment and product offerings.

**Define targeted consumer segment**

Product basket for men and women tend to vary as they prefer buying different categories. Product basket also varies across age groups. E-commerce players will have to accurately define targeted consumer segment across age groups.

**A typical shopping cart across consumer segments**

![Shopping Cart Diagram]

**Understand inherent characteristics of product offerings**

Along with targeted consumer segments, the players will have to understand characteristics of categories sold online. Electronics, especially mobiles/tablets/accessories and lifestyle products (apparels/shoes/ accessories) are among the most popular categories online. Popularity of electronic products can be attributed to factors such as attractive offers/discounts, myriad options, very low product differentiation etc., while, popularity of lifestyle products can be attributed to comparatively small ticket size, flexibility to use cash on delivery and facility to return products.

On the other hand, categories such as furniture and food/ groceries are challenging to be sold online. Consumers still prefer to buy these products in person. In case of furniture consumers are hesitant about the quality, colour, design etc. While, in case of groceries, freshness of products remains a prime concern. However, the mind-set is changing fast. For e-commerce players as well, setting efficient distribution network for these categories is a challenge. While bulky furniture products require centralized distribution, groceries need localized supply-chain.
E-commerce is uniquely positioned to track the buying journey of an online consumer and devise consumer-specific strategy.

**How e-commerce players can fine tune offerings?**

**Target individual consumer**

- Use analytics to track individual consumer's buying journey
- Personalization is a crucial deliverable of analytics. It offers opportunities to cross-sell and up-sell to increase share of wallet of consumers through improved algorithms.
- Offer consumer specific discounts/prices: introductory offer for first purchase, additional discounts for repeat orders, special offers on birthdays/anniversaries etc.
- Offer consumer specific suggestions: similar products based on buying history, other buyers

**Develop category specific offerings**

- Offer hybrid pricing strategies (non-linear, bundled, time-based pricing for smaller ticket-sized categories and peak, segment-wise, seasonal pricing for larger ticket-sized categories)
- Offer discounts/better pricing at the next purchase based on category frequency
- Address challenges faced by consumers in less popular categories

Use of big data and advanced analytics can help companies understand needs of an individual consumer, track their buying journey, offer improved products as the consumer matures, provide targeted discounts, differentiated pricing etc. This will help companies improve consumer's buying experience, loyalty and stickiness over the long run.
Another factor that is crucial for consumers is availability of multiple payment modes. Cash on delivery was instrumental in making online shopping popular in India. CoD transactions account for around 60% of overall sales in the Indian e-commerce market, which is much higher than in China (40%), Indonesia (28%), Brazil (24%) and the US (2%).13 As the market evolves, shoppers move toward cashless transactions. A typical shopper starts his/her online journey by purchasing a low priced product and paying by cash, just to try out the process. As the online consumer evolves and becomes more financially independent, they start spending more and gradually progress toward using credit/debit cards or net banking.

Middle-aged prefer cashless transactions; CoD attracts younger and older consumers

The survey highlighted that middle-aged shoppers (31-54 years) prefer a cashless transaction (using credit/debit cards or net banking). These consumers are more financially independent, have improved spending ability and are also comfortable with cashless transactions. CoD is more popular in case of young (<30 years) and old (55+ years) consumers. Majority of consumers below 30, typically do not own a credit card, while, the older consumers are wary of using credit/debit cards for online transactions due to security-related concerns.

71% of regular online shoppers prefer cashless transactions
64% online shoppers have concerns about sharing card details
51% of consumers <21 years prefer CoD

Source: EY Survey

While the CoD mode of payment is essential to attract young and old consumers, as well as consumers from small towns, it has its own challenges. Players have to provide additional working capital, logistics costs in case of returns and also deal with possibilities of cash pilferage. Therefore, CoD has become a necessary evil. Although, e-commerce players cannot afford to abolish CoD, for sustainable and profitable growth, they will have to encourage buyers to move from CoD to cashless transactions as the buyers start shopping online frequently. A leading e-commerce player is targeting to reduce share of CoD transactions to 40% from 60% after acquiring an online recharge website.\(^1\)

**How to encourage buyers to move to cashless transactions?**

- **Provide incentives for cashless transactions**
  - Provide specific deals, coupons, discounts, cash backs for cashless transactions
  - Provide offers on categories purchased mainly by consumers <30 years and 55+ years
  - Popularize m-Swipe (i.e. card on delivery) to reduce CoD

- **Address cyber security concerns**
  - Enhance cyber security measures
  - Communicate effectively to address inhibitions of the older buyers

- **Encourage use of mobile/online wallets**
  - Offer incentives to use mobile/online wallets
  - Tie-up with digital wallets

Incentivizing buyers to move toward cashless transactions will likely help companies reduce cost burden and improve profitability over the long run.

As the buying behavior of consumers varies across segments, it is crucial for e-commerce players to devise a strategy for the right communication channel mix based on the targeted consumer segment to have the most meaningful impact. Although, almost all the advertisements on various media influence buyers' purchasing behavior, the degree of effectiveness or extent of influence varies according to the channel of communication.

Despite growing proliferation of social media, television (TV) continues to be the most influencing factor for Indian consumers, due to its reach across breadth and depth of the country. E-commerce players have been using this channel to attract new consumers; India’s top 50 e-commerce players spent close to INR12 billion during the June-September 2015 quarter. E-commerce start-ups tend to spend more on TV advertising vis-à-vis established e-commerce players in a bid to lure consumers.  

**60%** respondents said that TV ads influence buying decision

**Most influential for masses; best mode to reach across sections of society**

• Older people tend to watch more television

**Women and older consumers (40+ years) tend to get more influenced**

**Particularly popular among younger consumers (age <30 years)**

**Most influential in consumers <21 years; target consumers 21-40 years old**

• Other channels such as emails, SMS, digital advertising etc. can be used to target niche segments

**74%**  

youngsters (<21 years) said social media influences buying decision

**64%**  

women said that family and friends influence buying decision

**51%**  

of older (55+ years) buyers said emails/SMS offers influence buying decision

Source: EY Survey

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**6. Targeted medium only way for effective communication**
Different modes of communication influence different consumer segments. Women are generally more social about their shopping and tend to share their purchases (sending pictures by WhatsApp, Facebook etc.) with others. They also prefer to compare products and seek opinions from friends and family. To address this need, a fashion e-tailer targeting women\textsuperscript{16}, has integrated shopping with social media.

Additionally, players are also using local languages to attract non-English speaking buyers from small towns. A leading e-commerce player\textsuperscript{17} is in the process of offering product descriptions on its site in regional languages such as Kannada, Telugu, Marathi and Bengali; the company already offers descriptions in Hindi and Tamil.

**How to communicate effectively with consumers?**

- **Reach the masses**
  - Use television to reach masses across the country
  - Use local/regional languages to influence non-English speaking buyers
  - Start-up ecommerce companies can advertise more to win new consumers
  - Newspapers also offer another medium to reach masses and are cost effective.

- **Match communication channel to consumers-products**
  - Family and friends: consumers - women and older; products - baby products, FMCG, groceries, furniture, appliances
  - Promotions and offers: consumers - younger; products - electronics, computer hardware/ software
  - Social media: consumers - 21-40 years; products - apparels, jewellery, sports goods

- **Influence impulsive and decisive buying**
  - Use social media to trigger impulsive buying among younger consumers
  - Use television to have a long lasting impact on a buyer’s mind and influence decisive buying

Companies will have to use the right channel for communication based on targeted consumer segment to achieve the most meaningful impact. Additionally using local languages will help companies reach an expanded section of the society to drive future growth.


Being at a nascent stage, the e-commerce market has grown due to reduced prices. Heavy discounts, free home delivery and attractive offers have been used as a marketing strategy by a majority of e-commerce portals to attract consumers. Although, e-commerce players have managed to gain a momentum among consumers on the back of discounts, it has dented their profitability. A large number of e-commerce players are posting losses.

Clearly, the discount-based model is effective only in the early stages to attract consumers, but will not be sustainable over the long run. Going ahead, with competition intensifying, e-commerce players will have to craft a cautious strategy to gradually reduce discounts and devise new ways to provide value to consumers by addressing operational issues faced by them.

How e-commerce players can sustain over long run?

- **Reduce discounts gradually**
  - Offer targeted discounts: consumers - younger (<30 years) and women; products: apparels, jewellery, electronics, FMCG, food/groceries
  - Develop hybrid pricing strategy: introductory pricing, peak pricing, time based pricing etc.
  - Offer bundled products to encourage higher consumption at lower operational costs

- **Charge for fast delivery**
  - Crucial in commoditized categories like FMCG, groceries etc. where local unorganized shops pose stiff price competition and deliver without additional costs
  - Players can charge for fast delivery; e.g. Amazon Prime (one year membership)

- **Address operational issues**
  - Size and colour determination: use analytics tools to bridge the gap between actual vs online
  - Old/stale products: most affected categories - apparels and food & groceries; refresh stock regularly
  - Delivery time: exceed consumer expectations, offer delivery time-slots as per consumer’s preference, offer pick-up in case of missed delivery
  - Return process: offer hassle free returns, use analytics to address common reasons for returns

Source: EY Survey

96% of women consumers <21 years buy only for discounts
86% regularly look for discounts
55% do not want to pay for home delivery

It’s not about discounting alone, quality and efficiency matter equally
Additionally, players will also have to move toward a more sustainable business model. Leading e-commerce players are taking steps to reduce losses and develop profitable businesses. For example, a leading e-commerce player is gradually transforming from an inventory-led model to a marketplace and from a commission-based model to an advertising-based model.\(^\text{18}\)

The e-commerce landscape in India is constantly evolving. The new digital consumers not only shop online, but they also use the online option to research products, compare their prices, locate stores, avail discounts and coupons, and read users’ reviews. For them “window shopping” has become a passé and “showrooming” (ROBO - research offline, buy online) practice of visiting physical outlets to get the touch and feel of products and then buying them online at the lowest available price) has become a norm. These consumers, spoilt for choice, have high expectations and low tolerance when it comes to quality of service. E-commerce players will have to be extremely careful while addressing the challenges faced by consumers and delivering on the inherent expectations of timely and free delivery, cheap products and discounts.\(^\text{19}\) Companies will have to be agile enough to adapt to the fast-changing trends and be prepared to address needs of tomorrow to sustain in this hyper growth, hyper competitive market. The jury is still out on what strategy will be followed to ensure profitable sustainable growth.


About the survey

EY surveyed about 700 online shoppers across 6 cities in India to understand their buying behavior, challenges faced by them, factors influencing buying decision etc. The distribution of respondents is shown below. The survey was implemented online.

### Age group wise (in years)
- 21-30: 44%
- 31-40: 40%
- 41-54: 9%
- 55+: 1%
- <21: 6%

### Gender wise
- Male: 63%
- Female: 37%

### Marital status wise
- Married: 61%
- Unmarried: 39%

### Annual household income group wise (in Lacs)
- <2: 5%
- 2-5: 23%
- 6-10: 36%
- 11-15: 21%
- 16-20: 9%
- 20+: 6%
- <2, 5%

**Source:** EY Survey

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Tel: +91 80 4027 5000
+91 80 6727 5000
Fax: +91 80 2210 6000 (12th floor)
Fax: +91 80 2224 0695 (13th floor)
1st Floor, Prestige Emerald
No.4, Madras Bank Road
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Bengaluru-560 001 India
Tel: +91 80 6727 5000
Fax: +91 80 2224 4112

Chandigarh
1st Floor
SCO: 166-167
Sector 9-C, Madhya Marg
Chandigarh-160 009
Tel: +91 172 671 7800
Fax: +91 172 671 7888

Chennai
Tidel Park
6th & 7th Floor
A Block (Module 601,701-702)
No.4, Rajiv Gandhi Salai
Taramani
Chennai-600113
Tel: +91 44 6654 8100
Fax: +91 44 2254 0120

Delhi NCR
Golf View Corporate
Tower – B
Sector 42, Sector Road
Gurgaon-122 002
Tel: +91 124 464 4000
Fax: +91 124 464 4050
3rd & 6th Floor, Worldmark-1
IGI Airport Hospitality District
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Tel: +91 11 6671 8000
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4th & 5th Floor, Plot No 2B
Tower 2, Sector 126
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14th Floor, The Ruby
29 Senapati Bapat Marg
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Tel: +91 22 6192 0000
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5th Floor Block B-2
Nirlon Knowledge Park
Off. Western Express Highway
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Panchshil Tech Park
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Fax: +91 20 6601 5900
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