Sep 2021

eCommerce Festive Season 21

Press Note-1

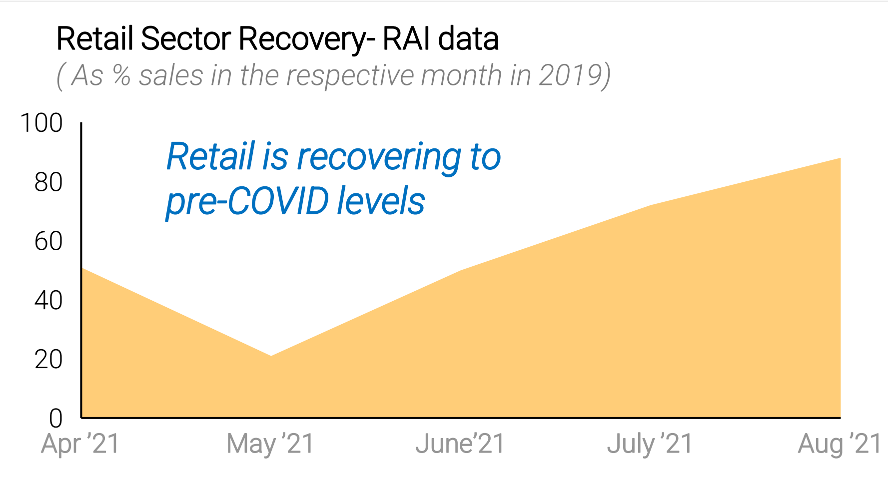
redseer

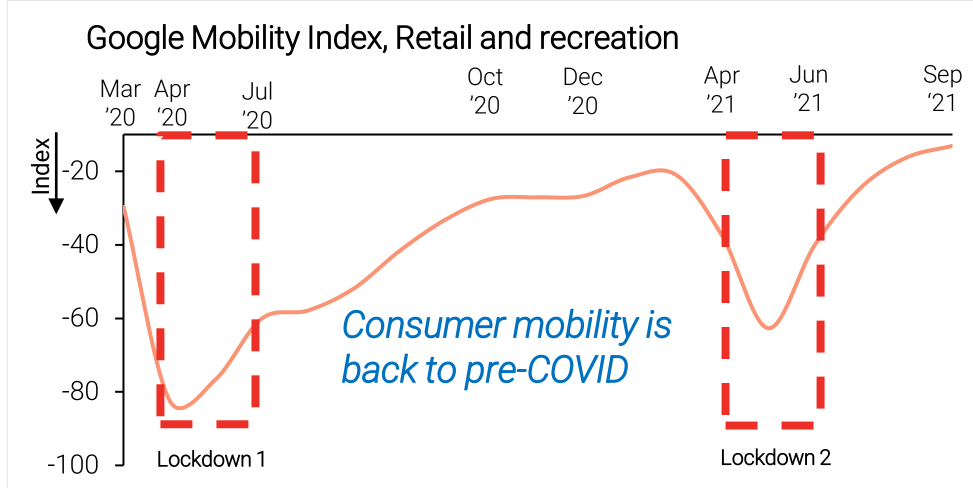
Key assumptions and definitions about festive sale events

Term	Definition
eCommerce Definitions	▪ GMV- Gross Merchandise Value- Total value of items sold ▪ Metro refers to top 9 cities (Delhi/NCR, Bangalore, Hyderabad, Chennai, Mumbai, Kolkata, Pune, Ahmedabad and Surat). Tier 1 is the next 40 cities ▪ Category definitions- Mobiles includes smartphones and feature phones, Electronics include devices and non-devices, Large and Small Appliances include consumer durables, Fashion includes Apparel, Footwear and Accessories, Others include Home, Furniture, Books & General Merchandise (Toys, Stationary, Sports& Fitness, Beauty & Personal Care, etc.)
Festive Event 1 Sale Dates	▪ 2017- Sep 20th to Sept 24th ▪ 2018- Oct 9th to Oct 14th ▪ 2019-Sep 28th to Oct 6^{th} ▪ 2020 Early Access- 15^{th} October for Flipkart, 16^{th} October for Amazon ▪ 2020 Flipkart Big Billion Days- 16^{th} to 21^{st} October ▪ 2021- Festive week assumed as 6^{th}-12^{th} October (Including early access to Big Billion Days)

Overall macro sentiment and offline shopping is recovering as COVID subsides

Opening up of offline retail and mobility to nearly pre COVID levels is likely to lead to see strong offline sales and impact eCommerce growth during festive as customers may shop on offline more than last year





Job market is booming!

Indian job market records strong recovery in August, grows 89%: Naukri JobSpeak

Corporate India's hiring outlook for October-December most optimistic in years: Survey

CHENNAI: More businesses resuming operations and preparation for the festive season led to continued upswing of the white collar job market in August, which has now touched pre-Covid levels overall and even surpassed it in case of tech sectors.

Consumer sentiment is bullish

Redseer in-depth interviews

> *"I don't feel myself holding back from shopping for things I need/like because of covid. I live in Noida and most of the stores/malls are open now, my shopping spend is likely to increase"*

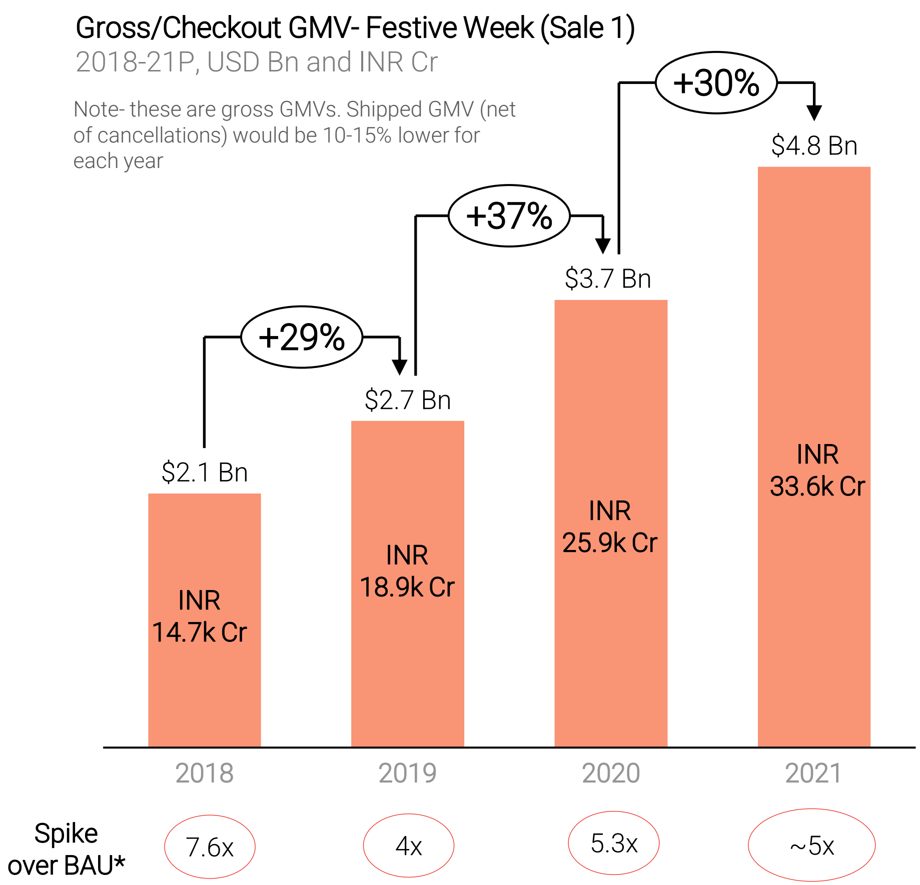
> *"In these festive sales we are planning to buy few electronic appliances including a washing machine and a toaster apart from the regular clothing and home decor stuff"*

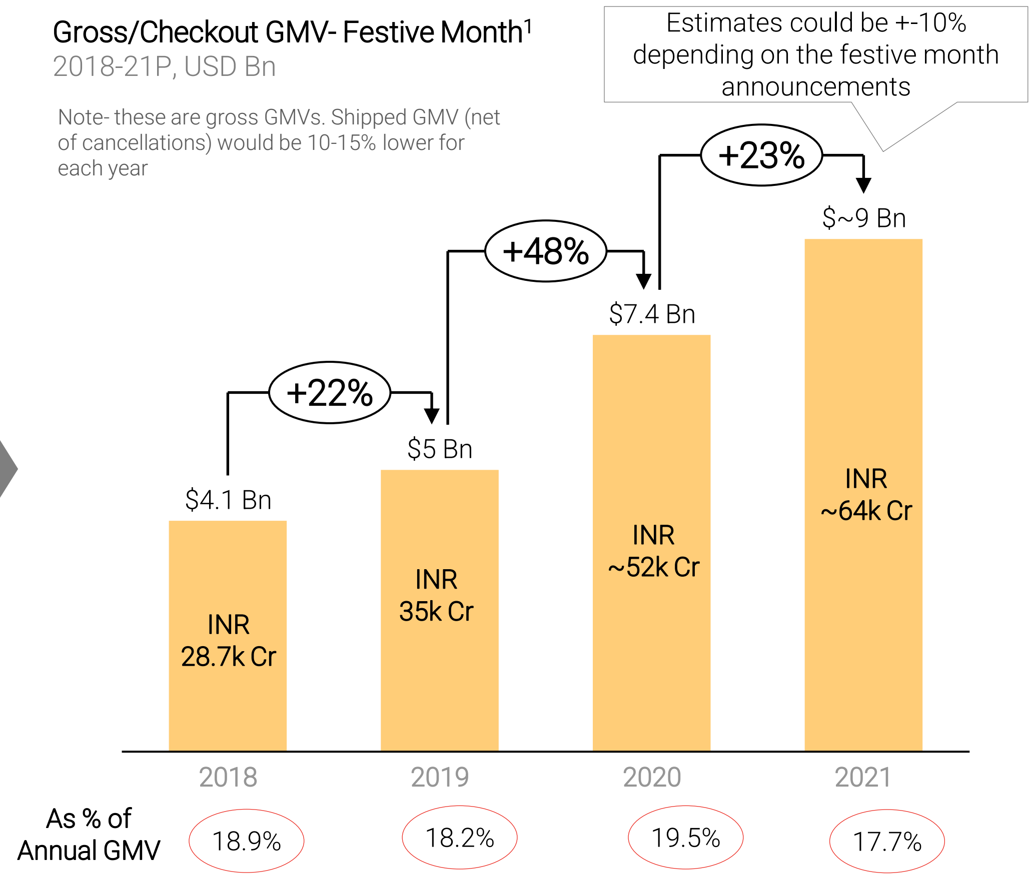
Note-: 1: The baseline is the median value, for the corresponding day of the week, during the 5-week period Jan 3–Feb 6, 2020.

Source(s): RedSeer Analysis, Secondary Research

We expect festive sales (Gross GMV) to grow 30% y-o-y to $4.8 bn this year during festive week 1 and potentially $9+ bn GMV during whole festive month

Disclaimer- Festive week 2020 figures were retrospectively adjusted by 10% as the earlier figures were overestimated





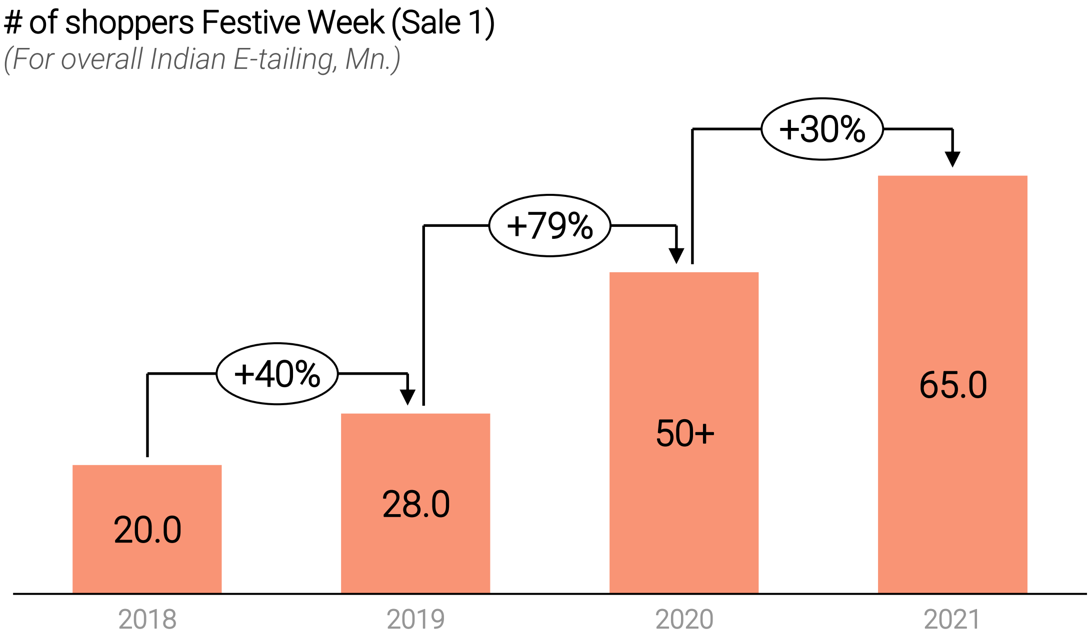
Strong online festive sales expected despite offline opening up to nearly pre-COVID levels

1. Festive Month defined as the period starting from the first sales event and lasting roughly till Diwali week including BAU days in between

Source(s): RedSeer Analysis

Note: * BAU is defined as average daily GMV from July to September

Larger consumer base than ever before will play the major role in driving festive sales growth this year again driven by Tier 2+ shopper growth



	# Shoppers (Mn) ✖	$ Spend/ customer =	Festive Week GMV (USD Bn)
2018	20	105	2.1
2019	28	96	2.7
2020	50+	74	3.7
2021P	**70**	**~74**	**4.8**

Key customer themes

- **Online Customer base has been rising even prior to festive throughout the year** driven by accelerated digital adoption post COVID. We expect this expanded customer base to reflect during the festive sales period as well
- **Continued growth of Tier 2+ shoppers to continue** driven by growing reach and targeted selection supported by growing expansion of the affordability constructs. Tier 2+ shoppers to continue to be 55-60% of the total shopper base this year, similar or higher than 57% in 2020 festive days

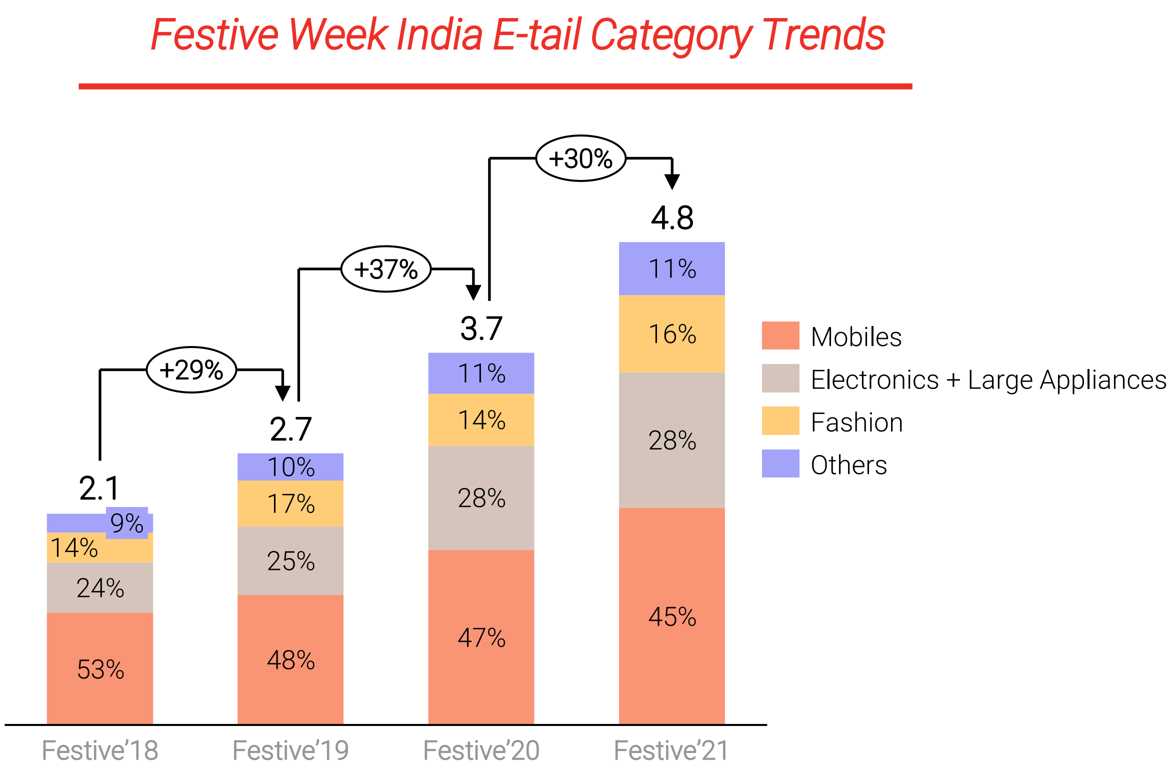
Source(s): RedSeer Analysis

Note: * BAU is defined as average daily GMV from July to September

Category mix has been evolving differently in pre festive months which will impact festive category mix as well- with more of fashion and electronics than before

Category Mix – Festive Week

Festive'18 to '21, % of GMV, USD Bn



Festive Event 1 Sale Dates

- 2018- Oct 9th to Oct 14th
- 2019-Sep 28th to Oct 6th
- 2020- Oct15th to Oct 21st
- 2021- 6th-12th Oct (BBD incl early access)

Key category themes

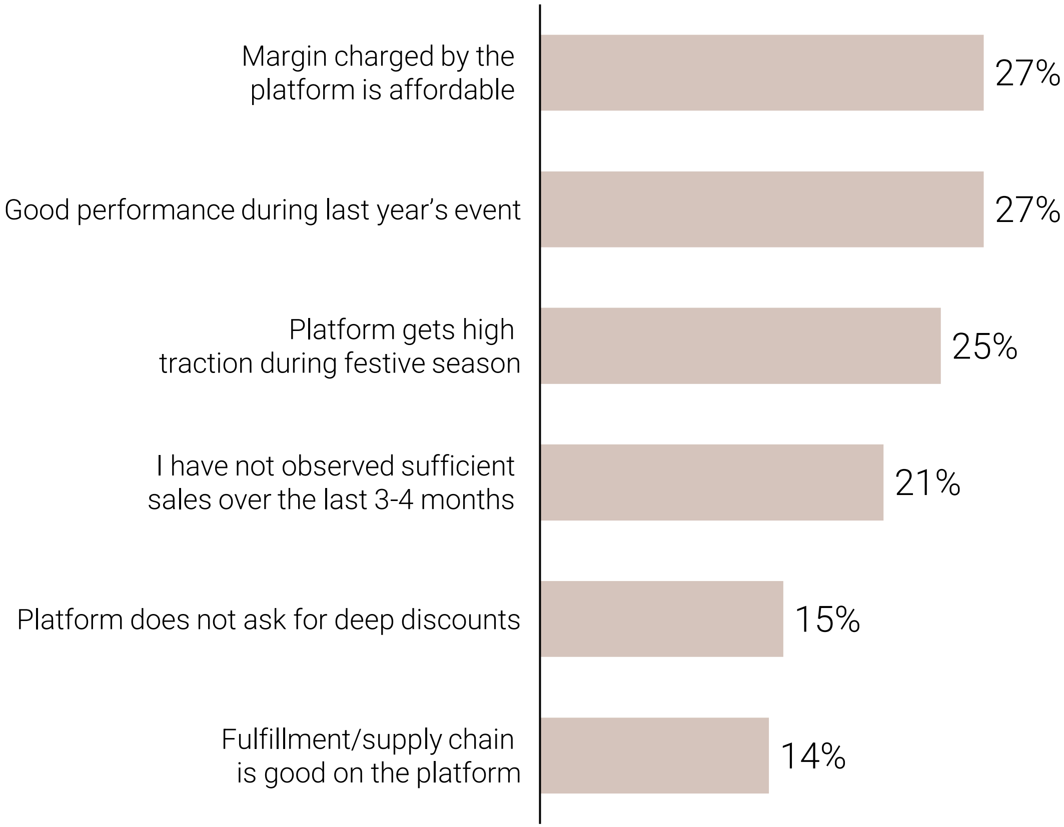
- **Mobiles category to remain broadly strong and key during the festive sales** driven by multiple planned new launches across the price points
- **Electronics+ Appliances category to continue growth** driven by ever expanding selection and reach and consumers holding back their purchases in anticipation of new launches and attractive pricing (per Redseer survey). Affordability constructs including EMIs and Buy Now Pay Later to be a strong growth lever in this category
- **Fashion to see a steady recovery this festive** inline with greater outdoor mobility of consumers and steady rebound of fashion/office wear

Source(s): RedSeer Analysis

Note: * BAU is defined as average daily GMV from July to September

Most sellers we surveyed are bullish on participating in this year's festive sales as a way to make up for the sales loss suffered due to COVID

Why do sellers want to participate in this year's festive sales



Seller Perspective on Festive Season

77%[1] *Sellers agree that festive sales will play an important role in recovery from COVID sales loss*

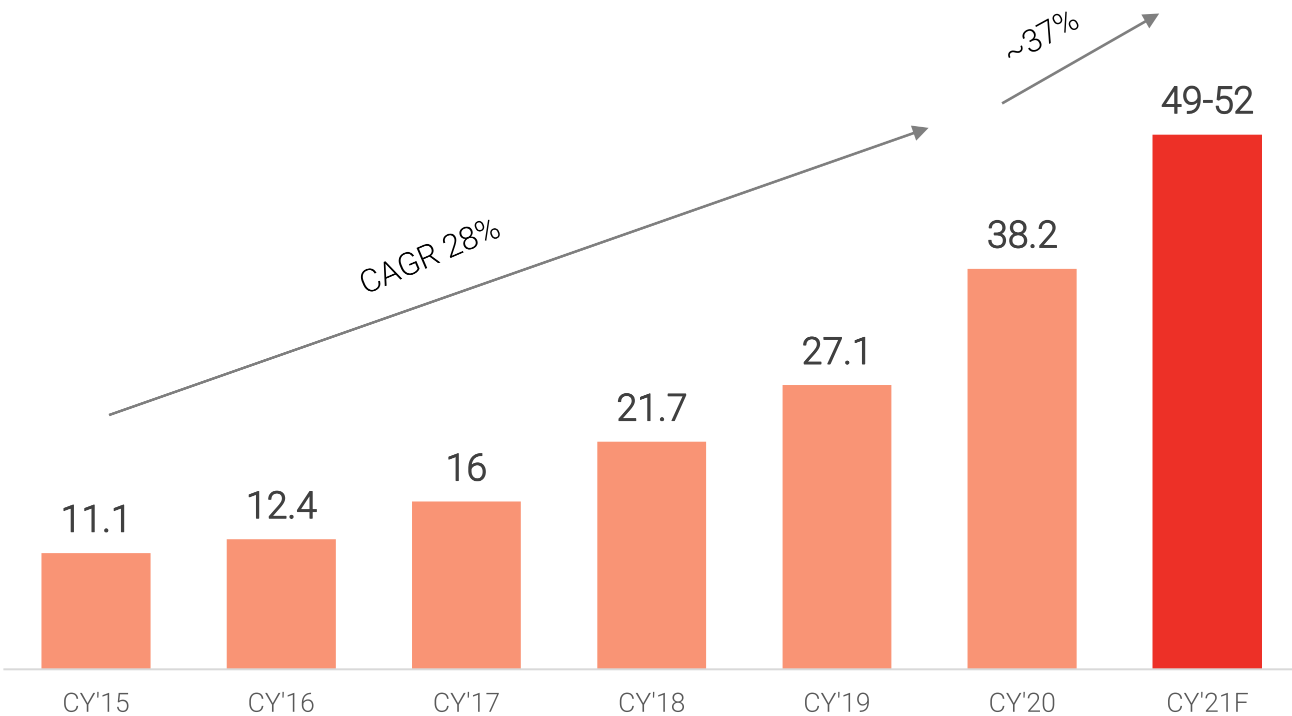
Nearly 70%[1] *Sellers agree that the sales support provided by the large e-tailers have been very positive in lead up to sales event*

1. Almost all of the sellers who did not agree were neutral

Sources(s): Retailer Survey, RedSeer Analysis

Summary- We expect that the festive season will be the icing on the cake for the e-tailing sector in 2021 which has been buoyed by a fast growing customer (and seller) base throughout the year

Overall Online Retail GMV- YoY
USD Bn, Gross/Checkout GMV



Higher growth expected in 2021 vs most other recent years- *driven by strong consumer funnel expansion and greater than ever comfort with online shopping post COVID across the categories*

Source:, RedSeer Analysis

1USD = 70INR

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Thank You

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Reach out to our team for in-depth and one-of-its-kind eCommerce festive season 2021 insights

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