



WHAT'S SHAPING INDIA'S DIGITAL ECONOMY?

$E = MC^2$

MOBILE* CONTENT*
COMMERCE*

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Preface

Over the past decade, there has been a surge in mobile Internet users in India, leading to a massive change in the way Indians shop, consume content, and spend their time online. The ongoing COVID-19 pandemic has further accelerated this change.

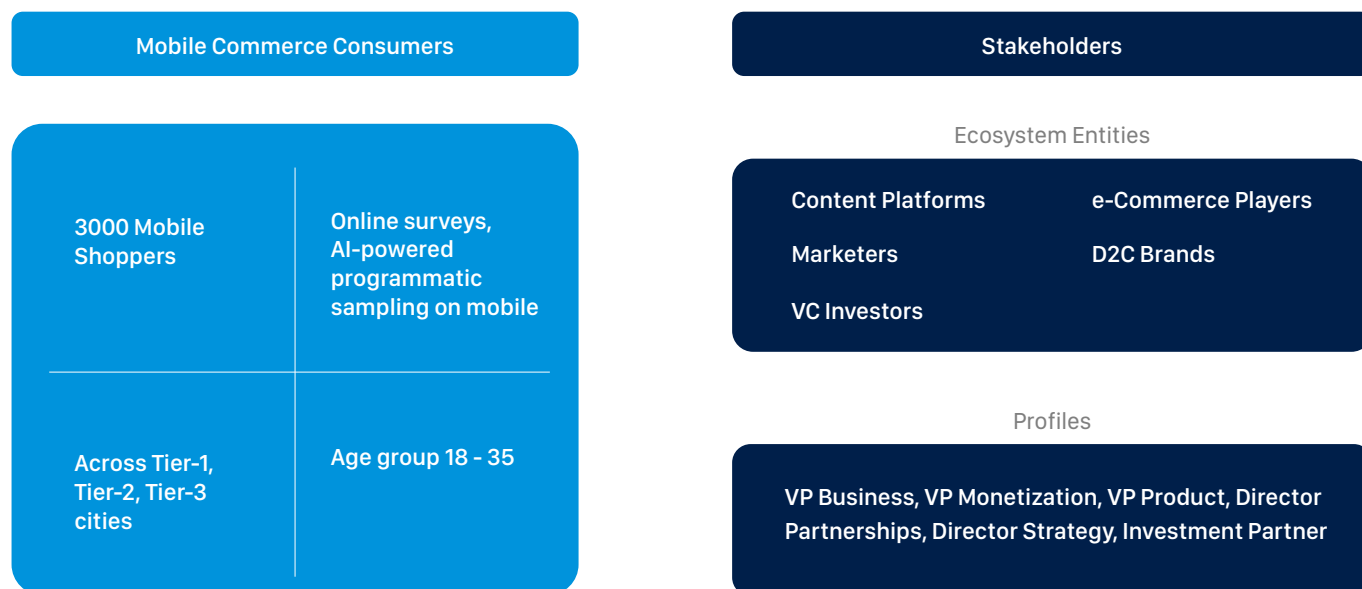
In this Zinnov whitepaper - 'What Is Shaping India's Digital Economy: $E = MC^2$ (Mobile* Content* Commerce*)' - we explore the confluence underway in digital content and digital commerce ecosystems on mobile, and how this will reshape the landscape of India's digital economy.

The whitepaper will also trace the evolution of e-Commerce in India and explore the trends shaping user experience on mobile. It will further look at trends changing the face of e-Commerce, such as the confluence of content and commerce, rise of influencers, and live commerce. We will also study the emergence of 'discovery' that has replaced 'search' as the paradigm for finding new content and products. We will then lay down the contours of a future model of e-Commerce that is expected to emerge and the collaboration imperative for the different ecosystem entities.

Methodology

To understand the evolving landscape of the mobile content and commerce ecosystem in India, a combination of primary and secondary research was employed. This included an extensive consumer research covering over 3000 respondents across 30+ Tier-1, 2, and 3 Indian cities to understand consumers' mobile shopping behavior, as well as one-to-one interactions with stakeholders to identify the emerging e-Commerce trends.

Primary Research



Cities with population more than 3 Million were categorized as Tier-1, cities with a population between 100,000 and 3 Million were categorized as Tier-2, and cities with population less than 100,000 were categorized as Tier-3.

Secondary Research

To support the findings of primary research and obtain more insights on qualitative and quantitative aspects of the Indian mobile ecosystem, multiple secondary sources such as government-funded telecom reports, industry association reports, industry information databases, surveys, news articles and research publications were leveraged.

The whitepaper aims to benefit a broad spectrum of ecosystem entities:

- 01. Marketers** who want to heavily focus on mobile-first strategy for brand marketing and demand generation.
- 02. D2C (Direct-to-Consumer) brands and Small Medium Enterprises (SMEs)** that are looking for avenues to increase their online customer reach and build a strong online presence.
- 03. Online Content Players** as they think through the future evolution of content mix and business models; as well as ecosystem partnerships.
- 04. Online e-Commerce Players** as they think through the evolution of the e-Commerce industry and business models and chart the future roadmap for growth.

Executive Summary

India's digital landscape is rapidly evolving, with increasing adoption of e-Commerce and digital content & services, new paradigms of content and shopping experiences emerging, and an array of new business models taking shape. These ever-shifting dynamics have been further accelerated by COVID-19, which has increased digital adoption, creating new opportunities for players in this space. Further, the ban on Chinese apps has opened up newer avenues for #MadeinIndia players, with many new making a beeline for the social video and gaming space.

Against this backdrop, this Zinnov whitepaper explores the emerging confluence underway in digital content and digital commerce ecosystems, which will shape the landscape of India's digital economy going forward.

The Indian e-Commerce space has shown phenomenal growth over the past decade, and is expected to become mainstream with ubiquitous internet access, digital native kids in rural India, penetration of digital payments, etc. However, there is also a shift happening in user experience and expectations. Consumers are moving from traditional transactional e-Commerce environments to one that incorporates social engagement, fun, and storytelling at the core of customer experience. This is manifested in trends such as:

- The confluence of content and commerce where users want the ability to shop on social and content platforms with video and vernacular-first experience;
- The rise of influencers in driving user engagement, from product discovery to the final stages of purchase;
- Rise of live commerce that brings the fun element of offline shopping online;
- The emergence of 'discovery' as the paradigm for finding new content and products, increasingly replacing 'intent-out search.'

Synthesizing these trends, a new model of e-Commerce is expected to emerge – 'Interactive Commerce'. This brings the enjoyable experience of shopping in the physical world to the digital age. Interactive Commerce integrates the consumer-facing elements of user experience such as serendipitous discovery, entertainment while shopping, and shopping as a community activity with friends, with the efficiency and convenience of e-Commerce. This new e-Commerce paradigm moves beyond the intent-driven transactional model of e-Commerce prevalent today, recreating online shopping as a fun, engaging, and enjoyable experience.

A successful player in this space will need to stitch together a broad set of capabilities: large-scale deep content-led engagement, high local language depth, strong influencer network, broad merchant partnerships, and the ability to manage commerce infrastructure at scale. While no player operates across this entire spectrum of capabilities, we expect a few players to be able to string together these capabilities, and many more players operating in creative partnership models across content, commerce and payment ecosystems.

As Interactive Commerce scales, it also creates an opportunity for brands and marketers to ride the wave of content-led discovery, livestreaming commerce, and influencer-led engagement to reach out to more consumers to drive purchases. This will be a massive opportunity for D2C brands to grow. We estimate it to create the next 1000 large direct-to-consumer brands.

The Confluence of Content & Commerce: Emerging Paradigm of the Digital Economy



As India accelerates towards becoming a mobile-first ecosystem, the nation's digital landscape is evolving rapidly, with new business models, paradigms of content, shopping experiences, and consumer habits emerging faster than before.

Digital content and digital commerce have so far evolved as distinct spaces, but recent developments point towards a confluence of content and commerce ecosystems. This confluence will create the next wave of innovations in the Indian digital landscape.

As we explore this phenomenon through this paper, we will start by recapping the trends shaping India's digital content landscape from our research last year, then take a closer look at the evolution of the Indian e-Commerce space, understand the big forces changing it, and finally do some crystal gazing into what the future holds for this space.

Background: Trends Shaping Consumer Experience on Mobile

In October 2019, we identified key trends shaping the evolution of consumer experience on mobile in our whitepaper '*Frictionless Consumer Experience in Mobile-only India*'. With COVID-19 accelerating digital adoption, these trends have only become stronger:

01. Mobile-first Ubiquity

Be it products or services, businesses across the board are aiming to become mobile-first. Content consumption is moving from TV to OTT, newspapers are being replaced with news apps, and consumers are shopping more on their phones.

02. On-demand Economy

Not only has the device on which content is consumed changed, but also consumption habits. Consumers now want everything 'on-demand' with a few taps on their smartphone – from ordering food to hailing a cab to booking house-cleaning services, the list goes on.

03. Vernacular, Video-first, and Variety

With a deep penetration of mobile phones into the hinterlands and access to affordable internet, there is a large and increasing user base that wants content in their local language. Text is slowly becoming a thing of the past and the demand is shifting towards interactive, video-first content.

04. Content Moderation and Personalization

Effective personalization to deliver content that the user finds relevant is the strongest driver for consumer engagement. As the volume of user-generated content increases, it becomes imperative for platforms to leverage AI for moderation to ensure that the content is suitable for all audiences.

05. Frictionless Consumer Experience

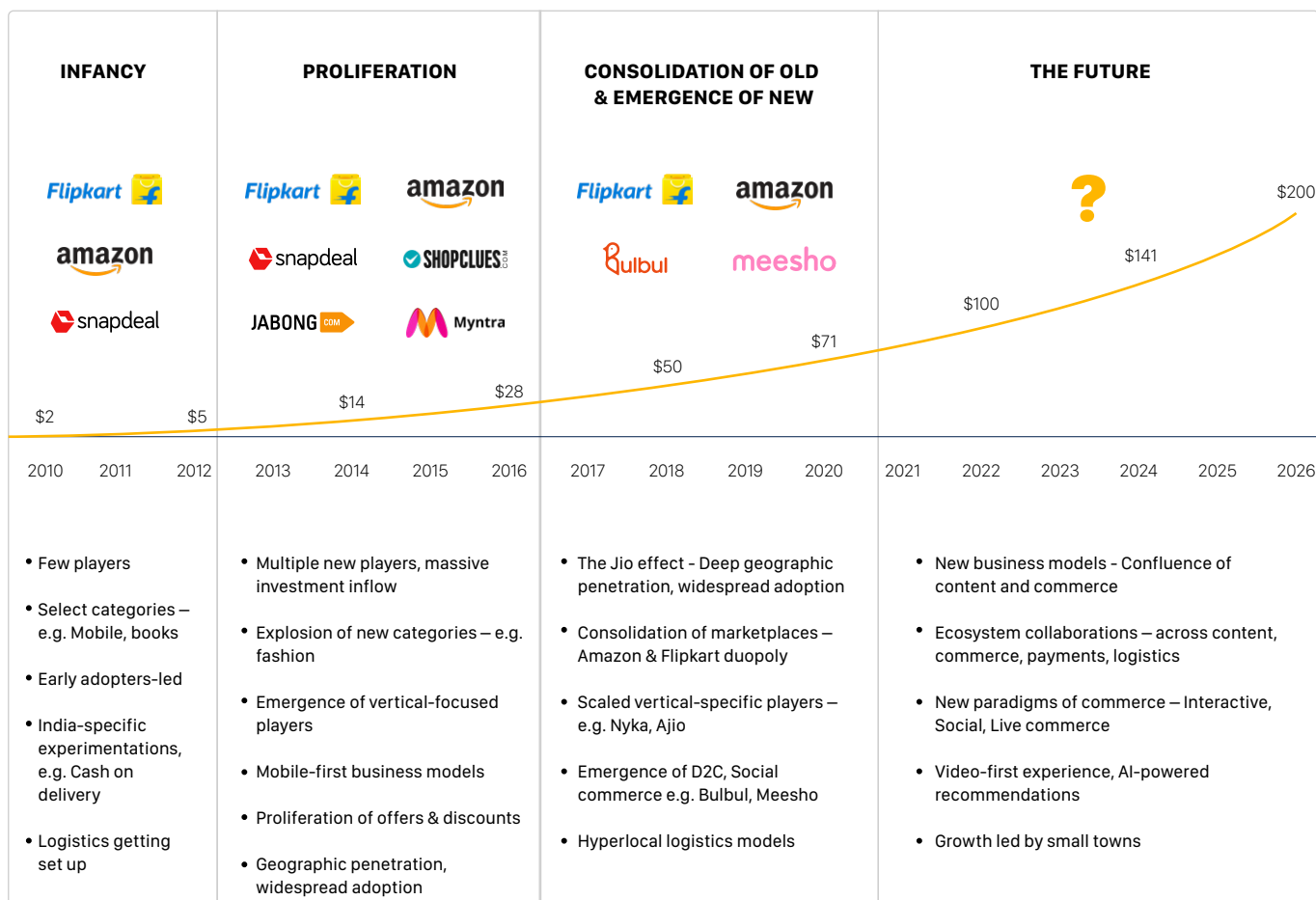
Platforms are increasingly pushing towards giving users a frictionless experience by making the content more relevant, easily discoverable, in short-form video format, available in local languages, and without the user having to search for it or switch between multiple screens and apps.

Mobile e-Commerce: A Monumental Decade gone by, and a Brighter Future Ahead

In 2010, the Indian e-Commerce industry was estimated to be worth USD 2 Bn. Over the past decade, its phenomenal growth trajectory took the valuation to USD 64 Bn. It is now expected to touch a massive USD 200 Bn by 2026. Between 2010 and 2020, the sector has witnessed global investors pump in massive investments, big-ticket acquisitions taking place, and the emergence of e-Commerce unicorns and decacorns.

This colossal growth has been supported by a myriad of factors, such as a surge in internet users with smartphones and access to affordable data; e-Commerce players offering truly higher value through convenience, an assortment of deals and discounts, localization of business models through cash-on-delivery; and deeper penetration into tier-2 and -3 cities.

Indian e-Commerce (in USD Bn) – A Monumental Decade gone by, and a brighter future ahead



That said, the coming decade is expected to be even more transformational. India is likely to witness a surge in consumption, fueled not just by urban consumers, but a growth in affluence in the smaller cities and towns. Nascent paradigms of Interactive, Social, and Live commerce are expected to become mainstream, and we anticipate the confluence of content and commerce with collaboration across content, commerce, payments, and logistics players.

The next frontier for the battle in the Indian e-Commerce industry is poised to be fought at this intersection of content and commerce. With everyone betting big - Walmart investing in Flipkart, Google and Facebook investing in Jio, and Amazon potentially eyeing a stake in Airtel, the lines between content and commerce are set to get blurrier.

A Silver Lining for Mobile Commerce amid the Dark Clouds of COVID-19

*"There are **decades** where nothing happens, and there are **weeks** where **decades** happen."*

- Vladimir Ilyich Lennin

These words came true for the digital economy as the world struggled to tackle the pandemic, at the same time as witnessing accelerated adoption of all things digital. In fact, India's e-Commerce market as a percentage of retail sales is expected to rise to 5% this year, from 3%, giving a major boost to e-Commerce in the country. And this change is being shaped by multiple factors.

01. Increase in online shopping and digital payments

Online shopping has become the default choice for many, becoming the 'safe mode' for shopping, across essential and non-essential products and services. Digital payments have also increased as a direct consequence.

02. New categories moving online

It is not just clothes and household supplies that are moving online. Education, personal fitness, and consumer durables, among others, are taking the plunge.

03. Emergence of new shopper segments

Consumers who previously avoided going online, either due to lack of trust or simply as a personal choice, are now increasingly making the shift. This means more technology-averse consumers are opting to shop essential and non-essential products online. This trend is expected to continue, with the 45-60 and 60+ age groups likely to emerge as major online shopping segments.

04. Digitization of local kirana stores

Our friendly neighborhood kirana stores are rapidly adopting ways and means to support online orders, keeping pace with changing consumer preferences. This happens through something as simple as chat messages on WhatsApp. In fact, several big players are taking strides in this space, from Jio equipping kirana stores with a dedicated platform to Khatabook unveiling a record-keeping platform, and so on.

05. Newer business ventures explored by Indian start-ups

With their existing business models upended by the pandemic, Indian start-ups are finding new ways to thrive. Two of the largest food delivery platforms – Swiggy and Zomato – and Snapdeal have started delivering groceries in select locations. Flipkart has launched a hyperlocal service to deliver from local stores in an hour-and-a-half or less, and the list goes on.

06. Brands exploring newer avenues to reach consumers

During the COVID-19 lockdown, traditional Indian brands such as HUL, ITC, P&G, Dabur, Colgate, and Nivea started selling products directly to consumers, through hyperlocal delivery platforms such as Dunzo, Swiggy, and Zomato.

The ongoing pandemic has changed the way we work, shop, and communicate, more than any other disruption in the recent past. As the world moves beyond survival mode, this momentum for adoption of digital choices is likely to become permanent and will further accelerate the growth and evolution of newer e-Commerce models.

Emerging Trends: The Changing Face of e-Commerce



We are at the cusp of a transformation, where the next-big commerce platforms will be the ones moving beyond the intent-driven model of e-Commerce to create new experiences. These will let users make unexpected discoveries with more interactive, ephemeral, and entertainment-led shopping experiences.

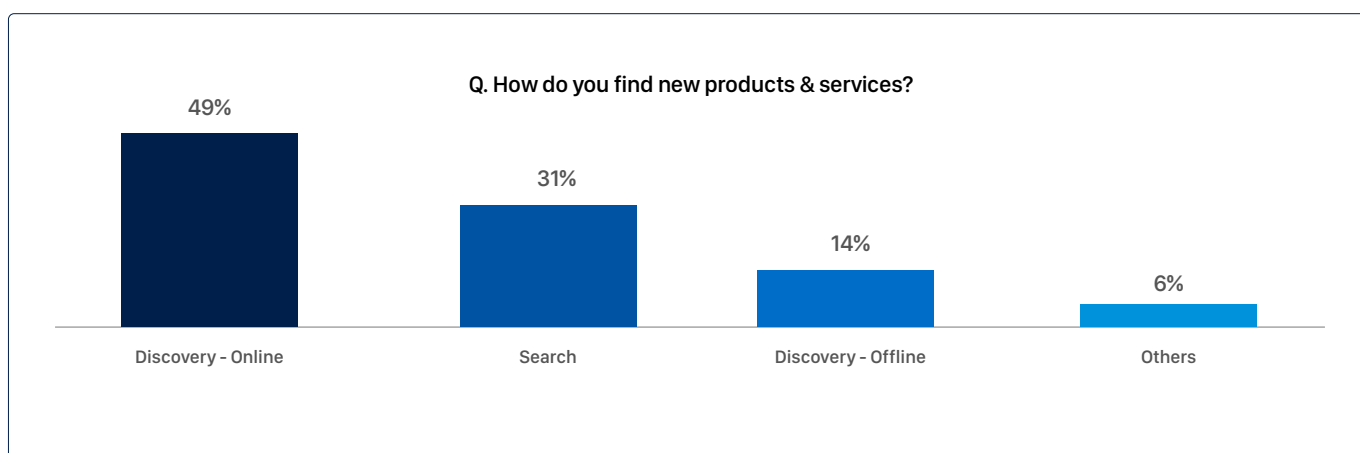
This will shift the scope of e-Commerce from being a traditional transactional environment to something that incorporates social engagement, fun, and storytelling at the core of customer experience.

Here are a few trends that are expected to shape the future of e-Commerce:

2.1. 'Discovery' replacing 'Search' as the new paradigm

One of the most gratifying experiences of shopping is 'discovery' - stumbling across something that consumers didn't know they needed. This innate need does not get fulfilled by traditional intent-driven models, but is met by online discovery-driven experiences. These are typically found in feed-based interfaces, where the user serendipitously scrolls through their feed to chance upon that one product that captures their attention. And this has emerged as one of the biggest findings from consumer research.

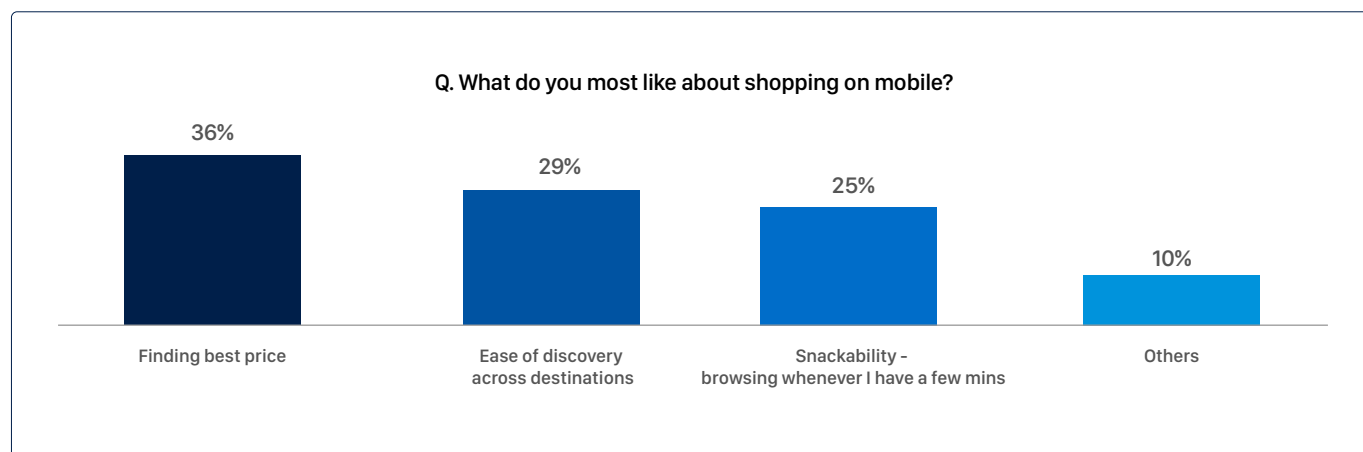
01. Discovery has taken over from search as the primary means for finding new brands and products. The habit patterns of the offline world are being transported online, and consumers are increasingly finding new products through 'discovery' instead of 'search.'



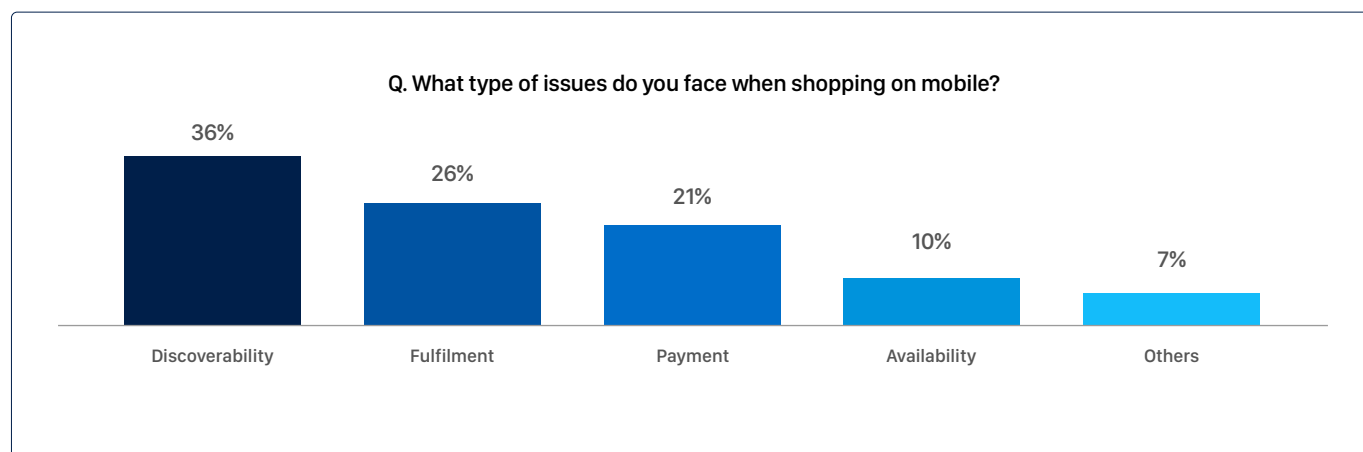
- 02.** 38% of product discovery for mobile shopping happens serendipitously and without any premeditation or advertising influence. This indicates a large, latent opportunity for content players.



- 03.** While 'finding the best price' is an obvious leader, 'ease of discovery' and 'snackability' are two key reasons why people love shopping on mobile.



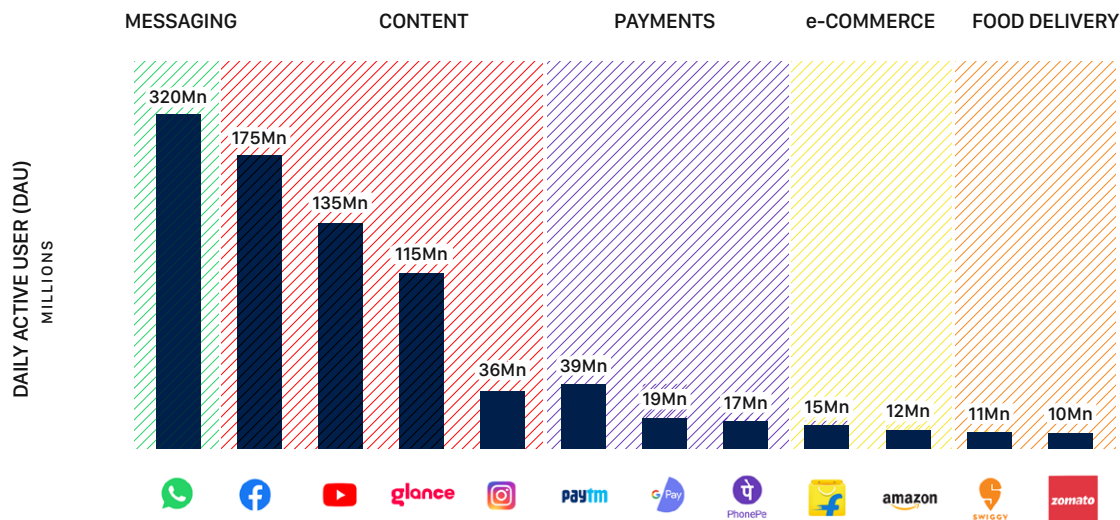
- 04.** Discoverability, i.e. the ease of finding products online is the top issue faced by users. Any platform that can solve this, will add massive value.



2.2. The Blurring Boundaries between Content and Commerce

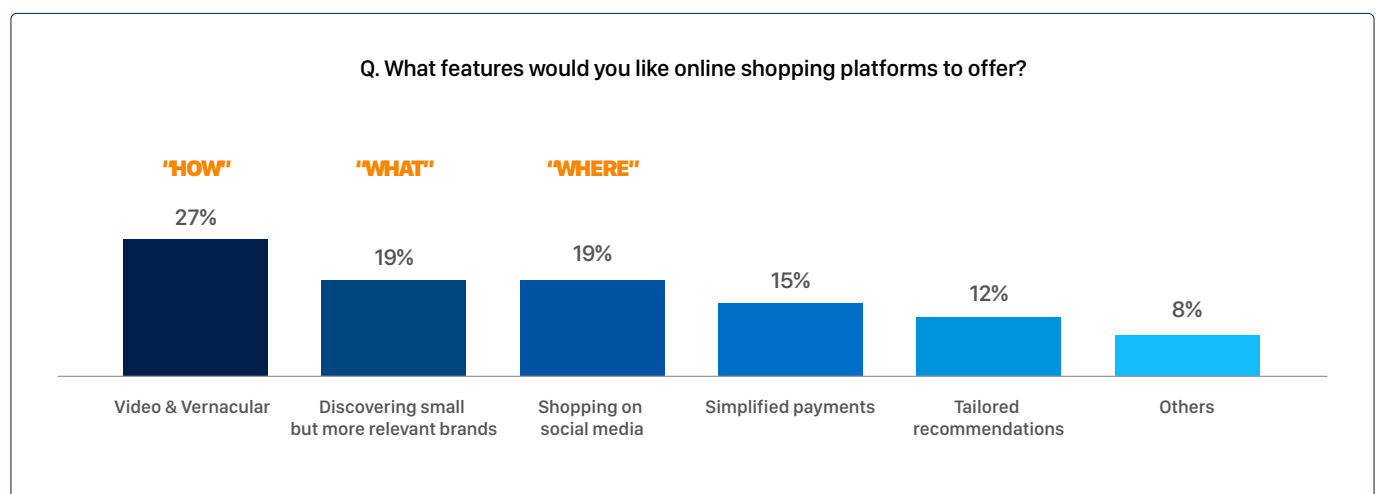
When we look at digital destinations that make up the daily internet diet of India's 500 Mn smartphone users, content emerges as the clear winner. It dominates user engagement, with daily traffic leading other categories by a huge margin. While Facebook and YouTube lead the pack, Glance, a platform made in India, rounds out the top three with 115 Mn daily active users (DAU).

India's digital destinations : Where are Indians going every day?



In fact, e-Commerce and payment platforms are now embracing content in their quest for higher engagement. A prominent example is Flipkart launching 'Ideas,' 'Videos,' and 'Games.' Meanwhile, content players are moving towards converting consumer attention on their platforms into transactions.

Consumer feedback also points in this direction, with a new shopping paradigm emerging, where customers want to be able to shop through video and vernacular content, and complete their shopping journey on social media platforms.

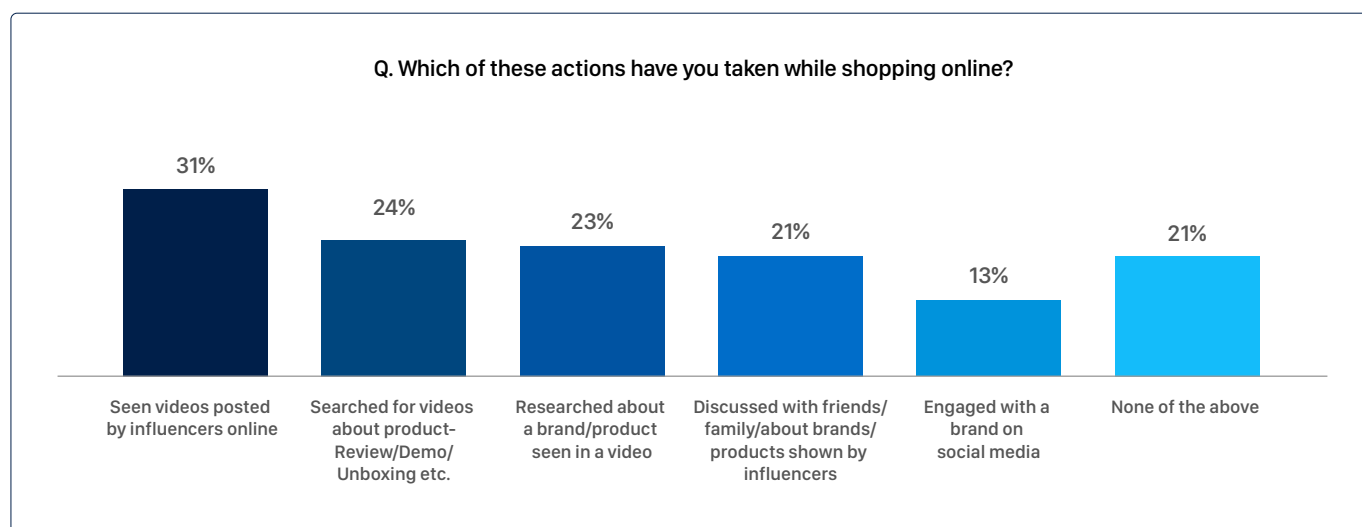


Going forward, we expect major shifts in how content and commerce intertwine. Green shoots are already emerging - e.g., Facebook recently announced Facebook Shops, a feature for businesses to create their digital storefront, and Glance expanding its content to drive commerce via interactive, live, and community formats.

2.3. The Growing Power of 'Community' and 'Influencers'

With online shopping increasingly moving from search to discovery, 'community platforms' and 'influencers' have a massive opportunity to drive commerce. Communities are enabling peer-to-peer connections and facilitating direct communication between influencers and followers. This makes them a powerful channel from discovery to the final stage of the purchase journey.

Top marketers are now increasingly realizing that consumers, especially from the younger age groups, are more likely to make a purchase decision based on influencers' recommendations, driven by authenticity and affinity. Consumer research also shows that there is a very powerful 'community engagement' behavior in online shopping, far more powerful than users engaging with a brand online.

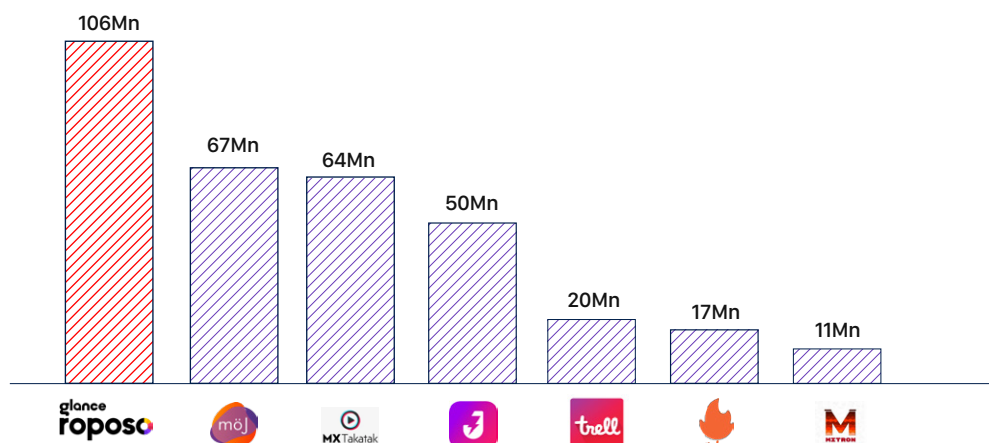


TikTok was one of the clear leaders in the social video engagement space till the end of 2020, building a clear case for social video platforms to be leveraged by brands and influencers. Several marketers had even channelised a large portion of their digital spending to tap into TikTok's powerful influencer base. TikTok's global success even prompted Facebook to throw its hat in the ring, with Instagram Reels.

However, the ban on TikTok in India - India needs to be specified here, because it's not banned in other countries. Many new players have emerged overnight and the ensuing battle saw key players emerging in this space – Roposo, Trell, Moj by Sharechat, Josh by Dailymint, and Takatak by MX.

SOCIAL VIDEO APPS

India downloads, in millions



As all players jostle for users and influencers in the suddenly crowded space, Roposo managed to claim the lion's share of the mega influencers from TikTok, and is likely to emerge as the go-to platform for influencer-led commerce in India.

With commerce models continuing the shift from search to discovery, local language and influencer-led video-first commerce is expected to see a hyperscale growth phase over the next few years.

2.4. The Rise of 'Live' Commerce

Live commerce combines live video streaming with the ability for consumers to interact with sellers and buy immediately. The power of live streaming e-Commerce lies in its ability to replicate the fun of physical shopping. In the offline world, shopping involves going out with friends, hunting for bargains and also discovering new products. Then there is the understanding of a brand's vibe, asking questions to the store representatives, and also touching and feeling the items to become more confident of the buy. Live streaming e-Commerce comes close to replicating this experience - one shops with other viewers, asks questions to get real-time answers, and experience the FOMO element with limited-time promotions (Buy in the next 30 minutes! Only 20 left!).

Many brands across the world have started leveraging live commerce extensively to engage with users. However, China has brought out its real potential. Taobao and Pinduoduo have emerged as two of the largest players in China's already mature e-Commerce space. The number of live streaming users in China surpassed 433 Mn in 2019, accounting for over 50% of Chinese internet users. And this massive user base has propelled live streaming commerce to become a third of China's total e-Commerce sales in the short span of a few years.

While 'Live Commerce' is still nascent in India, 'Live' as a content offering construct is seeing a massive boom. Every content platform is looking to capitalize on this trend, with their own take on live content, with Live Celebs, Live Influencers, Live Shows, etc. And when live streaming meets commerce, it has the power to upend the existing paradigms of e-Commerce and bring the 'fun' of shopping in real life to the mobile screen.

In India, start-ups such as Bulbul.TV, Simsim, and EkAnek have cropped up in this nascent space. However, given that deep consumer engagement and powerful content offering are at its heart, this space is ripe for any of the mega content platforms (e.g., Facebook, YouTube, Glance) or for social video platforms (e.g. Roposo) to create a sizeable presence.

Future of Shopping: Interactive Commerce

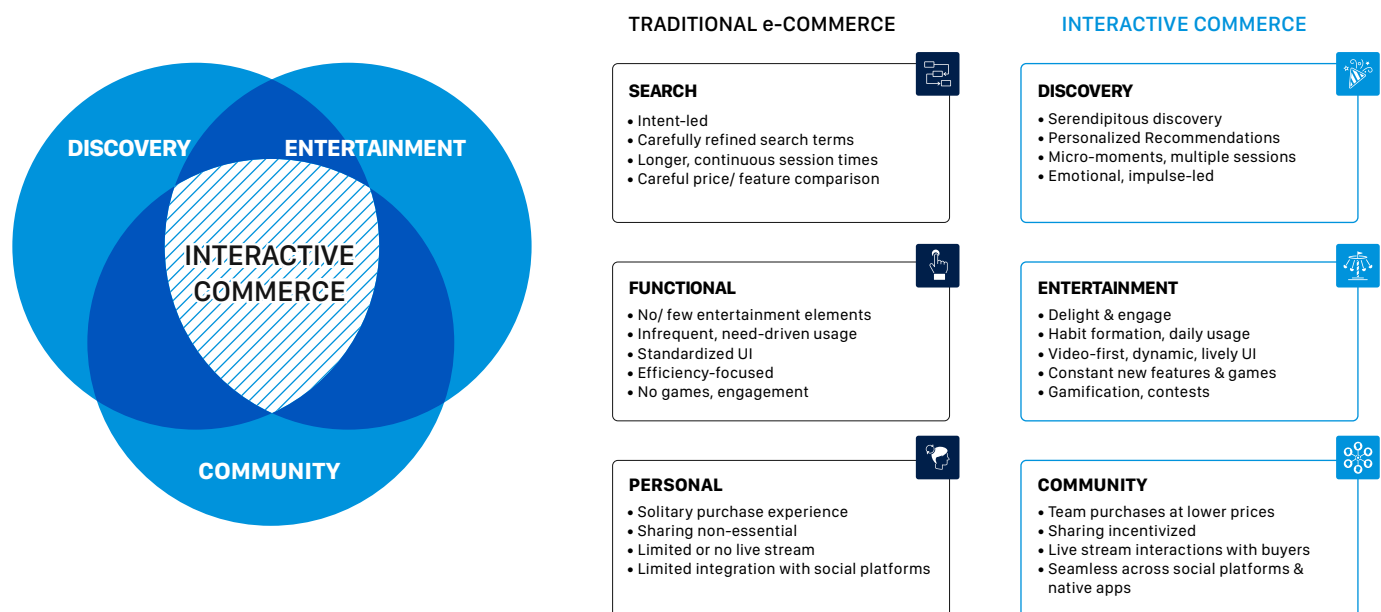


As we synthesize the trends shaping the future of commerce, a new type of 'Interactive Commerce' model emerges. This new e-Commerce moves beyond the intent-driven transactional model of e-Commerce by recreating online shopping as a fun, engaging, and enjoyable experience.

Key tenets of the Interactive Commerce model are to integrate consumer-facing elements of user experience through the following:

- 01. Serendipitous discovery** driven by recommendations with simplified, feed-based interfaces. The offline experience of finding the elusive item that the consumer did not know they needed, and finding the right deal that makes the consumer's day.
- 02. Entertainment constructs** such as live streams, gamification, contests being deeply embedded into purchase decision-making. This brings the fun of offline shopping to online.
- 03. Community and social constructs** for customer acquisitions, new product recommendations, and nudging purchase decisions. This creates a digital shopping environment that meets the innate human need of connecting with others.

The emerging paradigm of commerce: Interactive Commerce



3.1 Bringing Interactive Commerce to life: Pinduoduo

Different aspects of the Interactive Commerce model have been applied in several ways by e-Commerce players across the world. However, Pinduoduo has masterfully created the convergence across the elements of Interactive Commerce, and its emergence as the 2nd largest e-Commerce player in China can be directly attributed to this.

Pinduoduo started out selling fruits and vegetables directly from farmers to consumers in China's tier-2 and -3 cities. It created communities of shoppers via its team purchase model, drove engagement with interactive games and rewards, and offered personalized experiences through recommendations.

As it has expanded its consumer base and included more categories, Pinduoduo has been able to create a direct consumer-to-manufacturer model. This provides a large, aggregated demand to manufacturers and eliminates multiple layers in the supply chain, providing massive value to consumers.

This has made it one of the fastest growing e-Commerce start-ups in China, hitting a gross merchandise value (GMV) of USD 15 billion within two years of being launched. To put it to scale, Alibaba took 5 years and JD.com five to hit that milestone.












3.2 Ecosystem Collaboration Imperative in Interactive Commerce

Bringing Interactive Commerce to life will require stringing together a broad set of capabilities. We expect interesting collaborations to emerge from players across the commerce, payment, and content ecosystems.

A successful entity in this space will need to be a master of many trades:

- 01.** Be able to reach a broad user base and access a large portion of the internet audience.
- 02.** Create content-led engagement and drive habit formation among users, for an 'entertainment + commerce' paradigm.
- 03.** Reach high local language depth to have a broader geographic footprint, beyond major cities.
- 04.** Have broad merchant partnerships to create a compelling and relevant product portfolio.
- 05.** Manage the inventory and logistics infrastructure at scale.

Building the 'Interactive Commerce' play in India: How are different players placed

| | | CONTENT & SOCIAL | | | | | PAYMENT | | | MARKETPLACE COMMERCE | | SOCIAL/LIVE COMMERCE | |
|-----------------|-----------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|
| Key Requisites | |  |  |  |  |  |  |  |  |  |  |  | |
| Customer Facing | Broad User Reach | ● | ● | ◐ | ● | ◐ | ◐ | ◐ | ◐ | ◐ | ◐ | ○ | ○ |
| | Content-led engagement | ○ | ● | ● | ● | ● | ○ | ○ | ○ | ○ | ○ | ◐ | ◐ |
| | Local language depth | ◐ | ◐ | ◐ | ◐ | ● | ◐ | ◐ | ◐ | ◐ | ◐ | ◐ | ◐ |
| Supply Side | Merchant/ D2C partnerships | ○ | ◐ | ◐ | ◐ | ○ | ◐ | ◐ | ◐ | ● | ● | ● | ● |
| | Inventory & fulfilment capability | ○ | ○ | ○ | ○ | ○ | ◐ | ○ | ○ | ● | ● | ◐ | ◐ |
| | | FB brands creating an end-to-end presence with investment in Jio Platforms | | | Have the front-end capabilities, need partnerships for supply side | | Need strong content play & supply side partnerships | | | Need strong content capabilities/partnerships | | Need partnerships for consumer access & content at scale | |

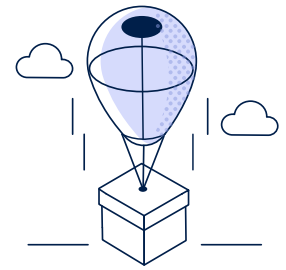
Looking at the current landscape of major players in India, an interesting observation emerges. In what holds true for players of all sizes, no one player has all the required elements in place. In the coming days, we can expect to see interesting collaborations among players across Content, Payments, and Commerce to bring the Interactive Commerce model to life.

Facebook brands are well-placed on the customer-facing side, and with a partnership with Reliance, following its investment in Jio Platforms, it is more likely that they might create an end-to-end presence with supply side capabilities.

Other major content players are lock screen content platform Glance and social video platform Roposo. Both boast of a strong customer access with content-led engagement and high local language depth. However, they will need to likely partner closely with commerce and payments players to make it big on their stated ambitions in e-Commerce.

Commerce players, both marketplace giants as well as social and live commerce start-ups, have a strong footing on the supply side. They will, however, need to either build content engagement capabilities or partner closely with other content players.

Payments players have also started building merchant partnerships to drive commerce through their platforms (e.g. PhonePe Switch, Google Spot, PayTM Mini Programs and PayTM Mall). However, to build a case for Interactive Commerce playbook, they will need a strong content play to strengthen their supply side partnerships.



Emerging Confluence of Content & Commerce: Case Studies

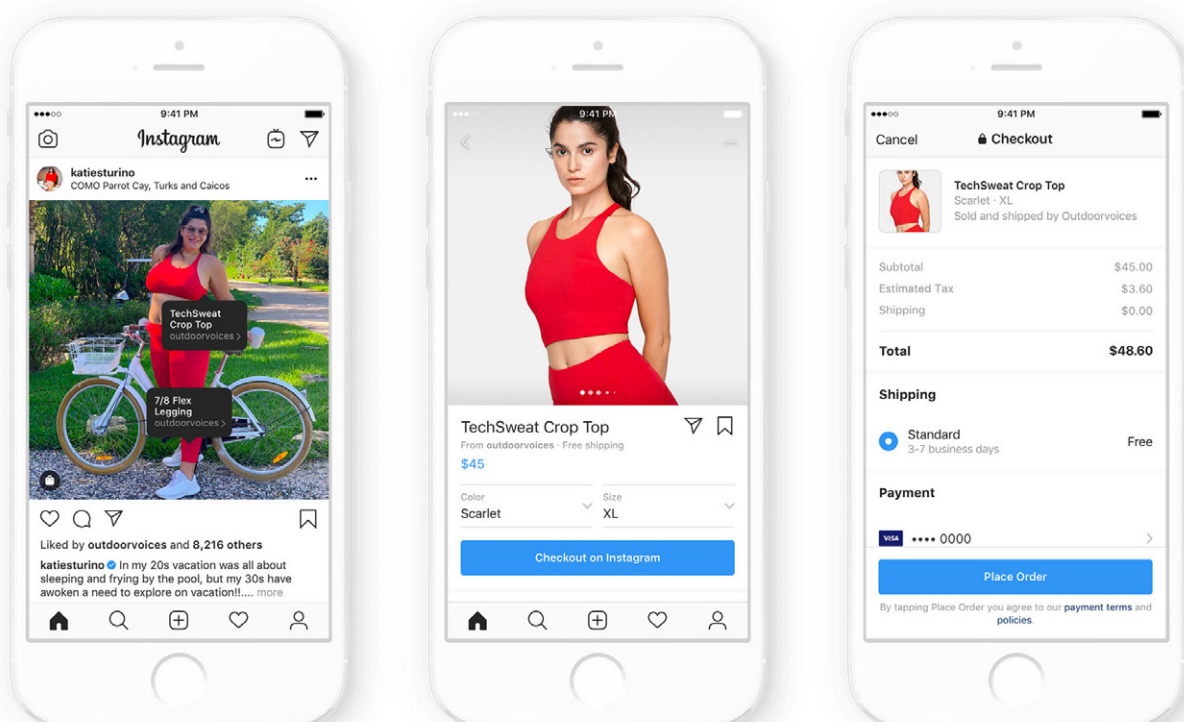
Content players are already realizing the massive value that can be unlocked by bringing commerce and content together. We will closely examine three players coming from different directions – a global digital giant, an emerging Indian start-up, and a direct-to-consumer brand.

4.1 Instagram, with the might of Facebook behind it

Instagram, acquired by Facebook in 2012 for a whopping USD 1 Bn, is no longer just a place for amateur photographers to share their pictures. It has become a massive social network with deep customer engagement.

It has now started moving into commerce with Instagram Shopping, and is creating an ecosystem where users can discover, shop, and purchase products under one roof. Instagram shopping allows one to embed product discovery through the feature of shoppable posts. This allows the user to transform their feed into a virtual storefront. Then there is native checkout, which allows a user to go from inspiration to purchase without ever leaving the app, creating a seamless mobile-buying experience.

From entirely shoppable feeds to a whole host of tools aimed at supporting small businesses, Instagram is creating a platform where small businesses, influencers, and D2C brands can ride on top of the reach and engagement of Instagram to acquire new customers and drive sales.



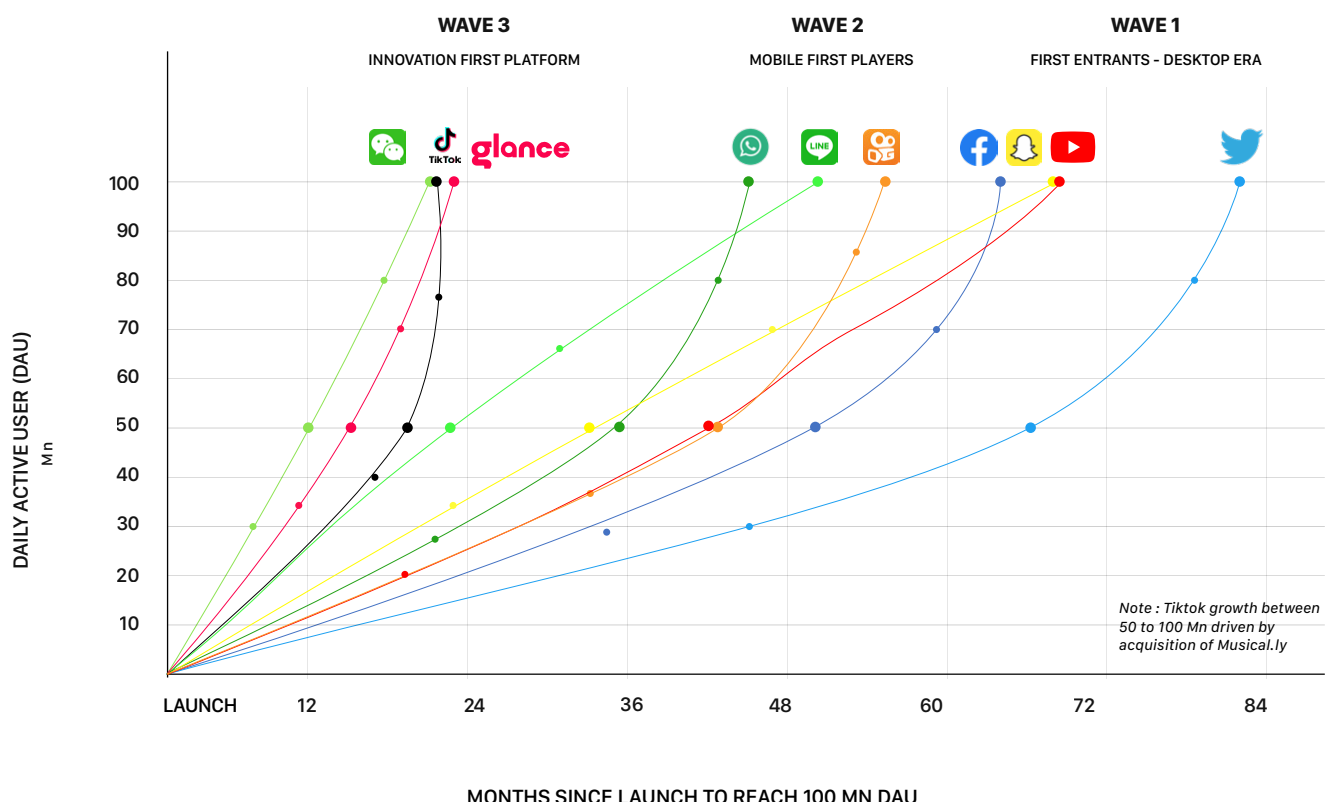
With the launch of its shopping feature, Instagram has been able to stitch together two of the three key elements of Interactive Commerce – driving serendipitous discovery through its feed-based interface and leveraging the social constructs for customer acquisitions, new product recommendation, and nudging purchase decisions. Additionally, Instagram has also recently made its entry into the short video space, with its Instagram Reels offering. Riding on the back of existing reach and engagement of Instagram, Reels has the potential to power influencer-led and video-first live commerce for the platform, bringing to life all the customer-facing elements of Interactive Commerce.

In India, a partnership with Reliance can potentially provide Instagram the capability to create an end-to-end play, across consumer-facing and supply side elements of building a commerce platform.

4.2. Glance: A unique lock screen content platform from InMobi, powered by Roposo

Glance, an AI-led content discovery platform on the lock screen of mobile phones, is a new offering from global AdTech giant InMobi, which was India's first unicorn. Glance is among the fastest-growing content platforms ever, and the largest platform of its scale (115 Mn DAUs) to come out of India. It is part of the latest wave of mega content platforms, the third wave that includes TikTok and WeChat from China, and Glance from India. Glance took less than 21 months to race to 100 Mn DAUs. These AI-led, innovation-first platforms have disrupted the landscape across format, content, technology, and distribution.

Mega Content Platforms - Agile and innovative platforms emerge from China and India



Glance is a unique platform that delivers 'lockfeed' to users – personalized, locally relevant, and live content on lock screen, across news, entertainment, commerce and casual gaming, in a highly visual, video-first, and vernacular format. By surfacing content tailored to a user's preferences from across the app ecosystem, Glance removes friction and makes discovery of content and products serendipitous as well as seamless.

Glance's 'Live on Lock feed' concept has the potential to redefine the way consumers initiate content-based commerce. The content reaches the consumer with the right message, in real-time, in a non-intrusive and personalized manner. Moreover, by partnering with Glance, a broad cross-section of torso brands and merchants can solve for the discoverability challenge through direct access to a user's lock screen.

Live Commerce, on Lock Screen

Driven by Influencers and Tastemakers



Moreover, Glance also has Roposo, which it acquired last year. Roposo has gone on to become a leader in India's social video space and has the largest Influencer base and community today. Influencers on Roposo can drive customer engagement and become a very powerful platform to create commerce influencers and shopping communities around them.

With these, Glance has all the right consumer-facing elements of user experience to build the interactive commerce model. Glance has the potential to be among India's largest video-first, live, social, and interactive commerce platforms.

4.3 Wakefit: A D2C brand creating a perfect blend of content and commerce

Starting out as a D2C brand four years ago with mattresses as the core product, Wakefit now operates in the entire sleep and home solutions space. Having seen a multi-fold growth since its inception, this online-only brand has leveraged the power of influencers and content to further accelerate its business, in the post COVID-19 lockdown world.

Being an online brand, the customer acquisition is driven through a combination of word of mouth (positive reviews, testimonials, and referrals), performance marketing across Google, Facebook, and third-party publisher networks as well as by driving extensive consumer engagement through content and influencers.

Through influencers, Wakefit looks at educating customers and creating an association for the brand, e.g., the video campaign with comedian Rahul Dua highlights the negative impact of modern lifestyle on sleep and posture.



The brand leverages influencers to create engaging and informative content across languages that talks about the right posture for working, how to set up a hotel-like bed, how to create a cosy nook for winters, the benefits of the products, the materials that are being used, etc.

Wakefit's content highlights how its products make its consumers' lives better, keeps the brand message subtle, and focus firmly on educating customers about the value proposition of a traditionally touch-and-feel category. Further, this gave the brand the opportunity to engage with consumers in a meaningful way during the lockdown. Later, it helped them capitalize on the engagement and acquire new customers during the post-lockdown period. Coupled with tailwinds driving e-Commerce, the brand has emerged stronger to further accelerate business.

Wakefit is a great example of how a D2C brand can blend content and commerce seamlessly. As these two spaces are set to merge further in the coming days, there's a huge opportunity for other such D2C brands to reach out to more potential customers.

Conclusion

Digital savvy consumers are hungry for newer shopping experiences. An increasing number of shoppers are going online and there's never been a better time for e-Commerce in India than now. It's a massive opportunity for players across commerce, content and payments ecosystems as well as brands, marketers and investors.

How will the next 5 years look like for the mobile commerce ecosystem in India?

Interactive Commerce models operating at scale

The Interactive Commerce models, combining the elements of discovery, entertainment and community into an enjoyable shopping experience are quite nascent today. We expect these models to be operating at scale in the next five years. And if experience from China is anything to go by, players who can make this model work at scale are expected to experience hypergrowth. It is critical for players in commerce and content spaces today to start moving in this direction, or to keep their ears to the ground to take timely decisions, as they might find themselves left behind.

Innovative Ecosystem Collaborations, at scale

In the current landscape of major players in India, no one player has all the required elements in place for creating a complete Interactive Commerce play. We expect to see interesting collaborations to emerge among players across Content, Payments, and Commerce to bring this model to life. It will also be interesting to see if any of the players operating at scale today are able to make it big in this space, or if it will be one of the newer entrants who makes a splash.

Next 1000 D2C brands becoming big

As Interactive Commerce paradigms scale, it will provide the opportunity for more brands to ride the wave of content-led discovery, live streaming commerce, and influencer-led engagement to reach out to more consumers and drive purchase. This will be a massive opportunity for marketers and D2C brands to stay plugged in to this space and grow, as we expect this emerging wave of commerce to create the next 1000 large Direct-to-Consumer brands in India.

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