



Demonetisation: Boon or Bane for E-Grocery?

November 2016 saw Indians swap the checkout line for the ATM-line. With cash in short supply, we wondered if consumers would switch from their local kirana store to e-grocery providers.

Kantar IMRB's 30,000 e-commerce panel had the answers - here's what we found.

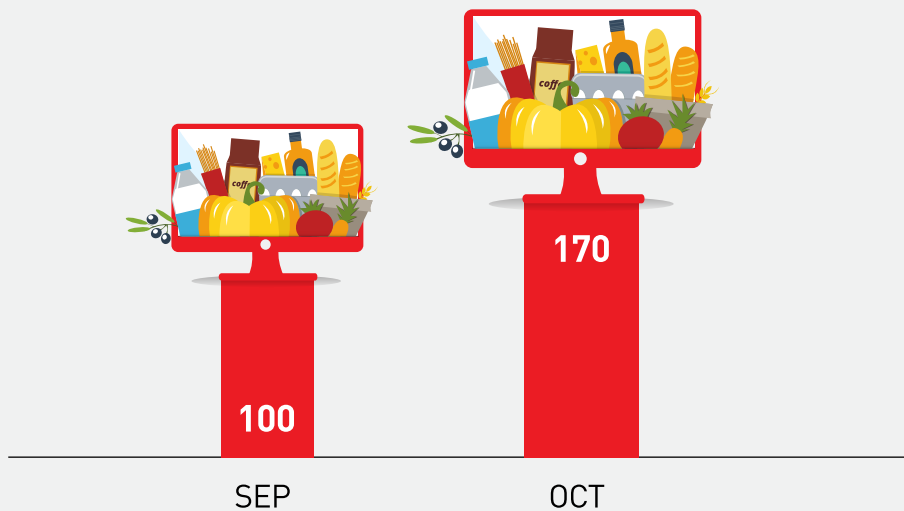
Festival Bonanza

Oct was a bonanza month for



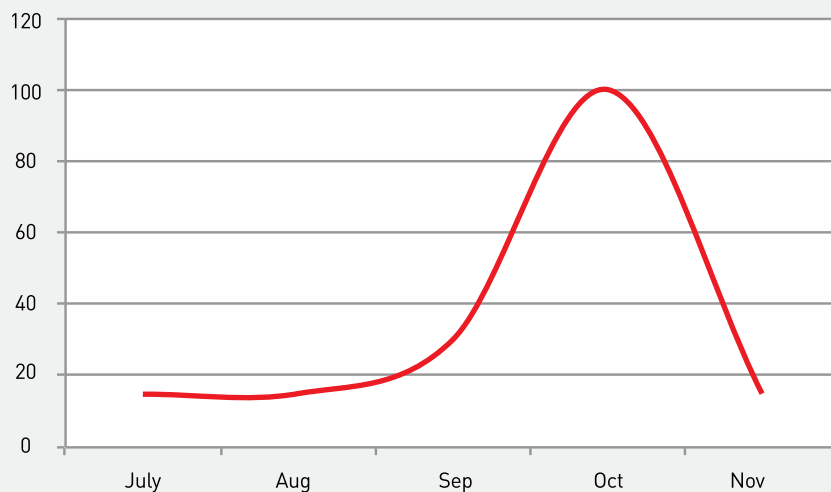
Growth in e-Grocery

Figures are indexed using September as the base month



Specialty stores showed the largest gains during the festive season, but lost momentum thereafter

Sales from Specialty Stores



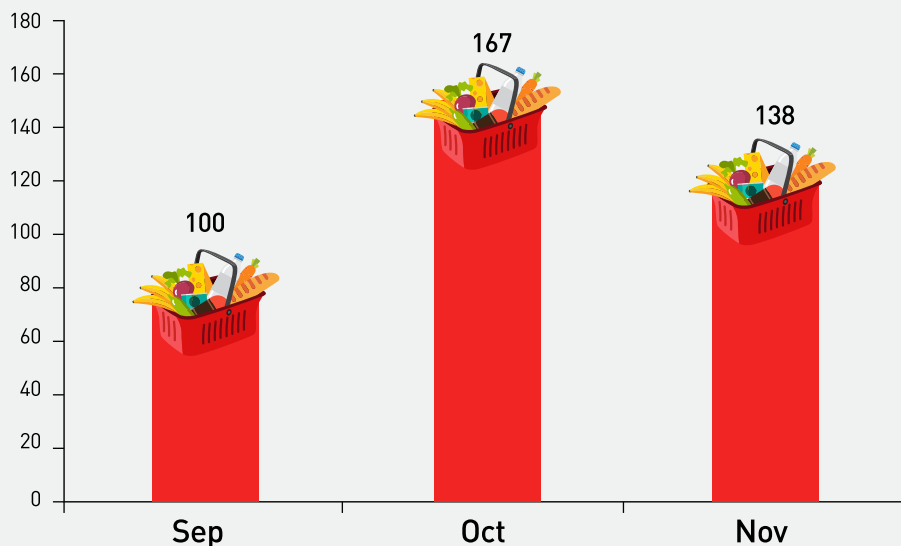
Expanding Reach



Nov. sales were down 17% from the month of Oct, but up almost 40% from Sep.

Sales of e-Grocery

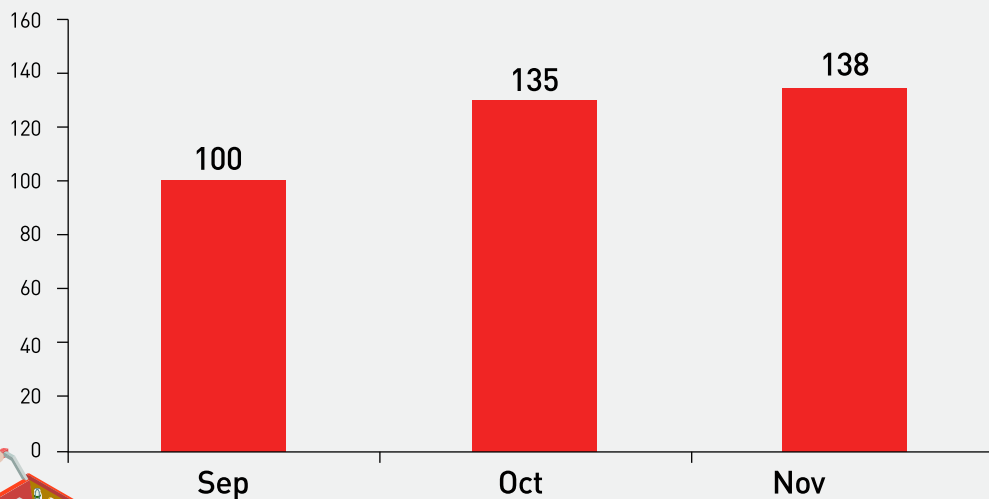
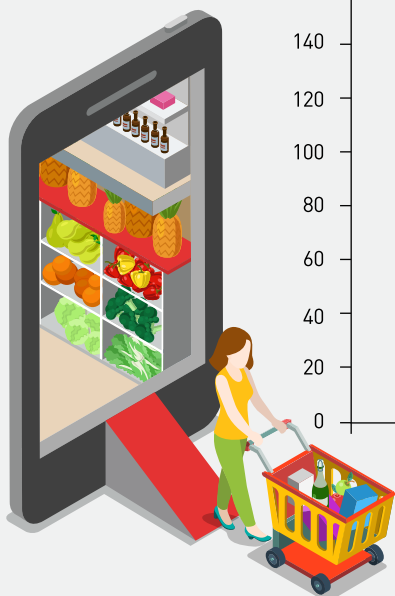
Figures are indexed using September as the base month



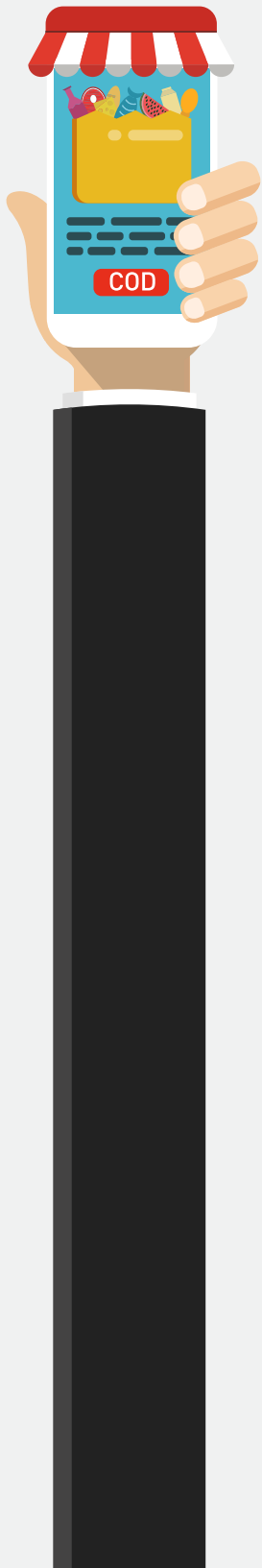
Reach of e-grocery players rose by 40% from Sep-Nov

Reach of e-Grocery

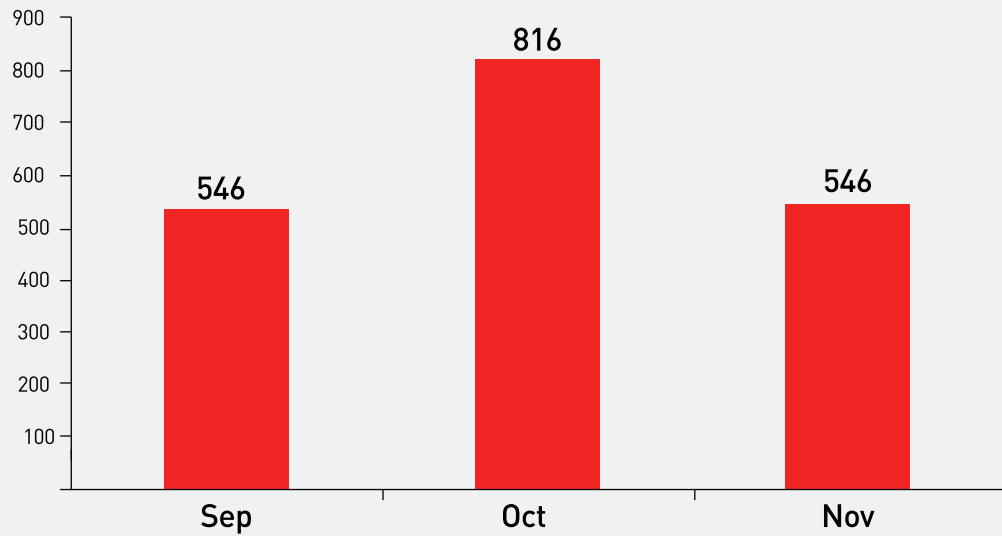
Figures are indexed using September as the base month



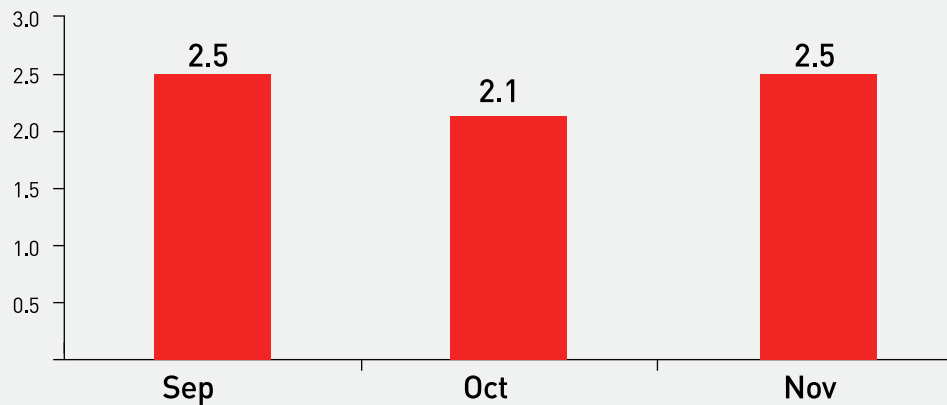
But avg. ticket size and orders per customers remained flat as COD orders took a hit.



Avg. Ticket Size (INR)



Orders per Customer

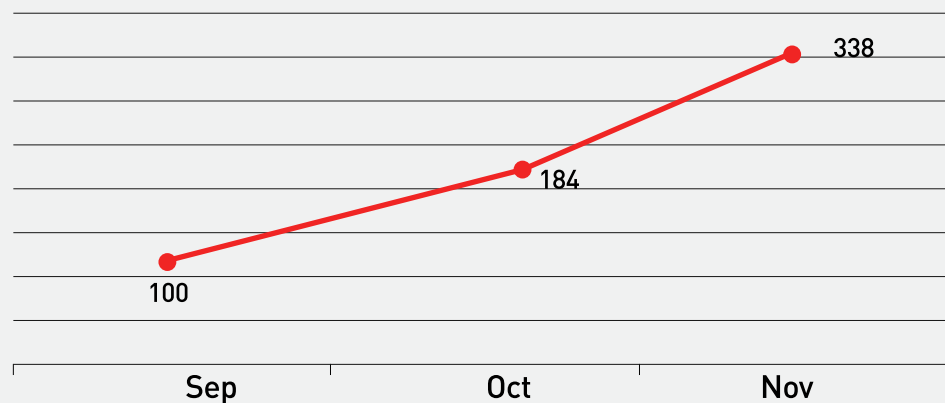


Big Winners

Hyper-locals were a standout. Growing their share of revenue by more than 3x during this period.

Growth in Hyperlocals Revenue (USD)

Figures are indexed using September as the base month



Summary: E-Grocery players have benefited over the past few months as festive shopping and demonetisation have contributed to growth in revenues by bringing an influx of new consumers into the category. But the average ticket size and number of orders-per-customer indicate that growth has been hampered likely due to a reduction in COD orders and supply-chain challenges as stock availability was reduced. Hyper-locals have been the biggest beneficiaries – having taken advantage of shorter delivery times and availability of stocked goods with local outlets.

About: Kantar IMRB's e-commerce panel consists of 30,000+ online transactors and is India's only e-commerce panel covering spends across consumer categories. Contact Akhil.Almeida@imrbint.com to know more