

E-commerce Growth Strategies in Pakistan: Trends, Insights, and Opportunities

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Introduction

The primary objective of this dashboard is to analyse product categories, aiming to identify purchasing trends across different months of the year, assess which category presents a favourable investment opportunity, and determine suitable payment methods for different products, considering their price range.

Graphs in Tableau

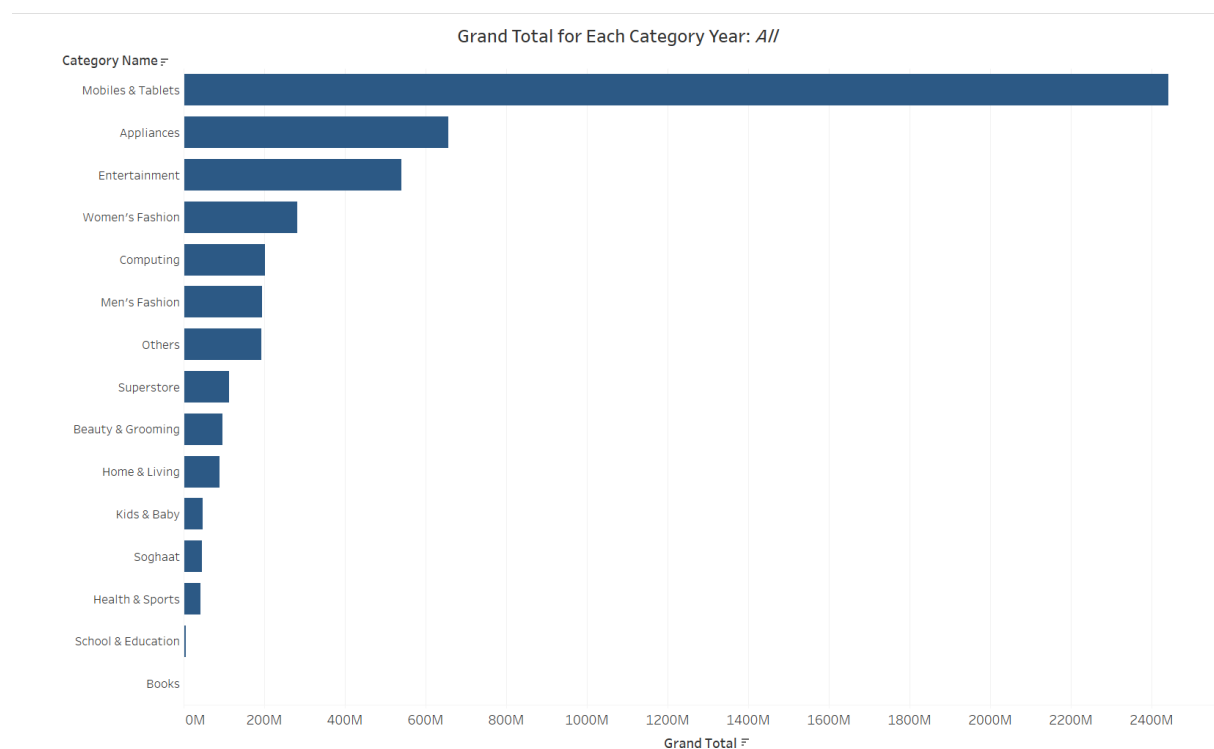


Figure. 1. Grand Total for Each Year: All

We will start with a simple overview of the total revenue that each category generates. From this graph, we can gain a general understanding of the top-performing categories in e-commerce in Pakistan. According to Figure 1, the leading categories are Mobiles & Tablets, Appliances, Entertainment, Women's Fashion, and Computing.

This trend might be because mobiles and tablets are often cheaper when purchased online, as stores save on the cost of running a physical store. As for entertainment, much of it is now consumed on online platforms, and it is rare for anyone to buy a physical copy of a movie or a show.

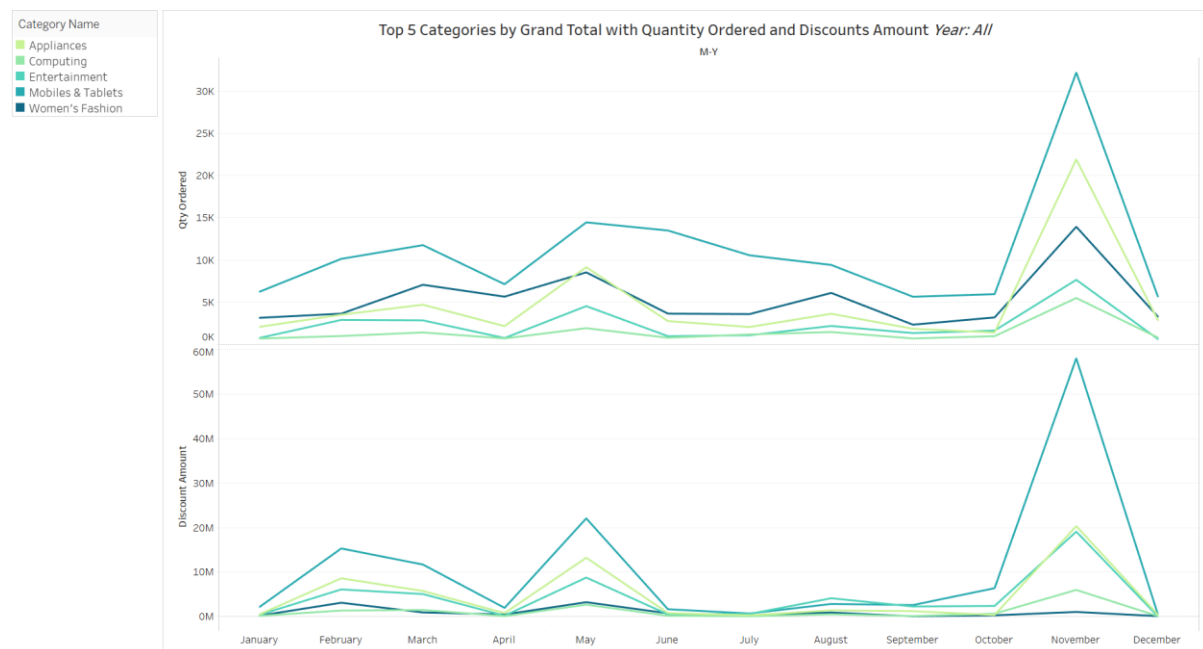


Figure. 2. Top 5 Categories by Grand Total with Quantity Ordered and Discounts Amount Year: All

Next, we will examine yearly trends and peak purchasing periods, as illustrated in Figure 2. At the top, there is a graph displaying the quantity of orders for each of the top-performing categories throughout the year, and at the bottom, we see the discount amounts offered. For this figure, we have selected only the top five performing categories based on their total revenue to maintain a focused analysis and achieve more accurate results.

In the upper graph, which illustrates the quantity of products purchased, it's evident that although sales occur throughout the year, there are significant peaks that correspond with the peaks in the lower graph, representing discount amounts. This correlation indicates that discounts indeed play a crucial role in boosting sales and encouraging customers to make more purchases.

As mentioned, we can observe significant peaks in the lower graph, which represents discount amounts, particularly around November, known for end-of-year sales and as a peak selling period. Another noticeable peak occurs around May, marking the beginning of summer when customers might be looking to purchase new items for the season. Additionally, we see peaks around February and March, months in Pakistan

that feature popular holidays, boosting sales and activity. A smaller peak is also evident around August, typically just before the start of the school year.

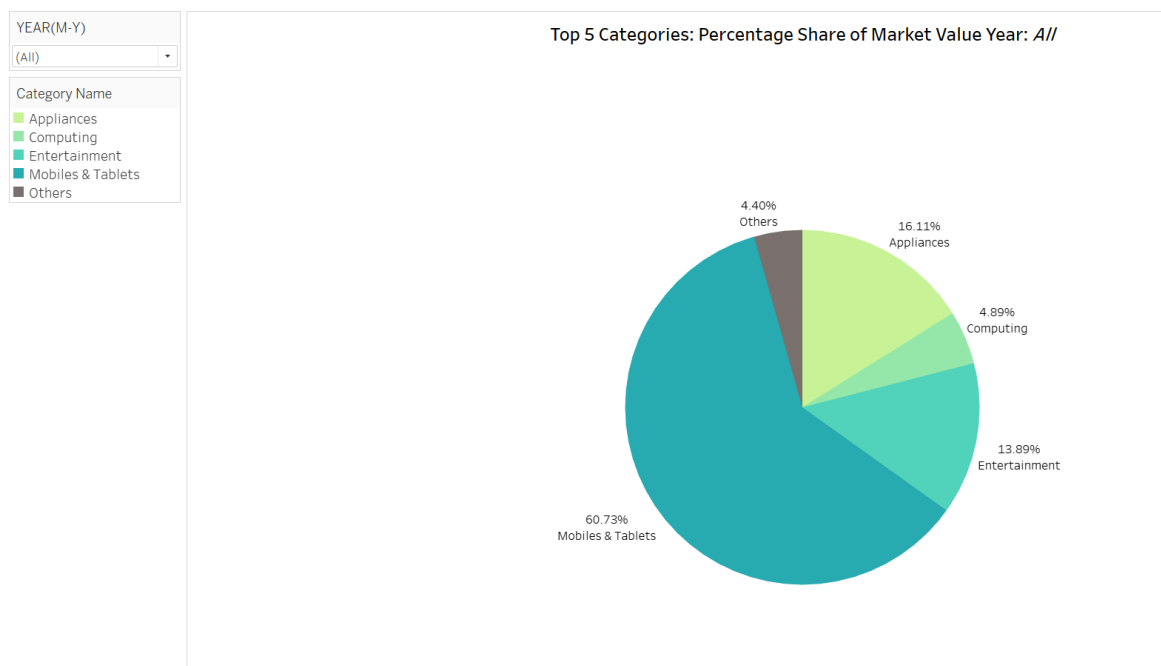


Figure. 3. Top 5 Categories: Percentage Share of Market Value Year: All

In the next section, we will analyse the market value of the top 5 categories, as depicted in Figure 3. It is observed that Mobiles & Tablets dominate a substantial portion of the market, accounting for over 50%. Appliances and Entertainment closely follow, each capturing a significant share of the market. Computing and other categories make up the remainder of our pie chart.

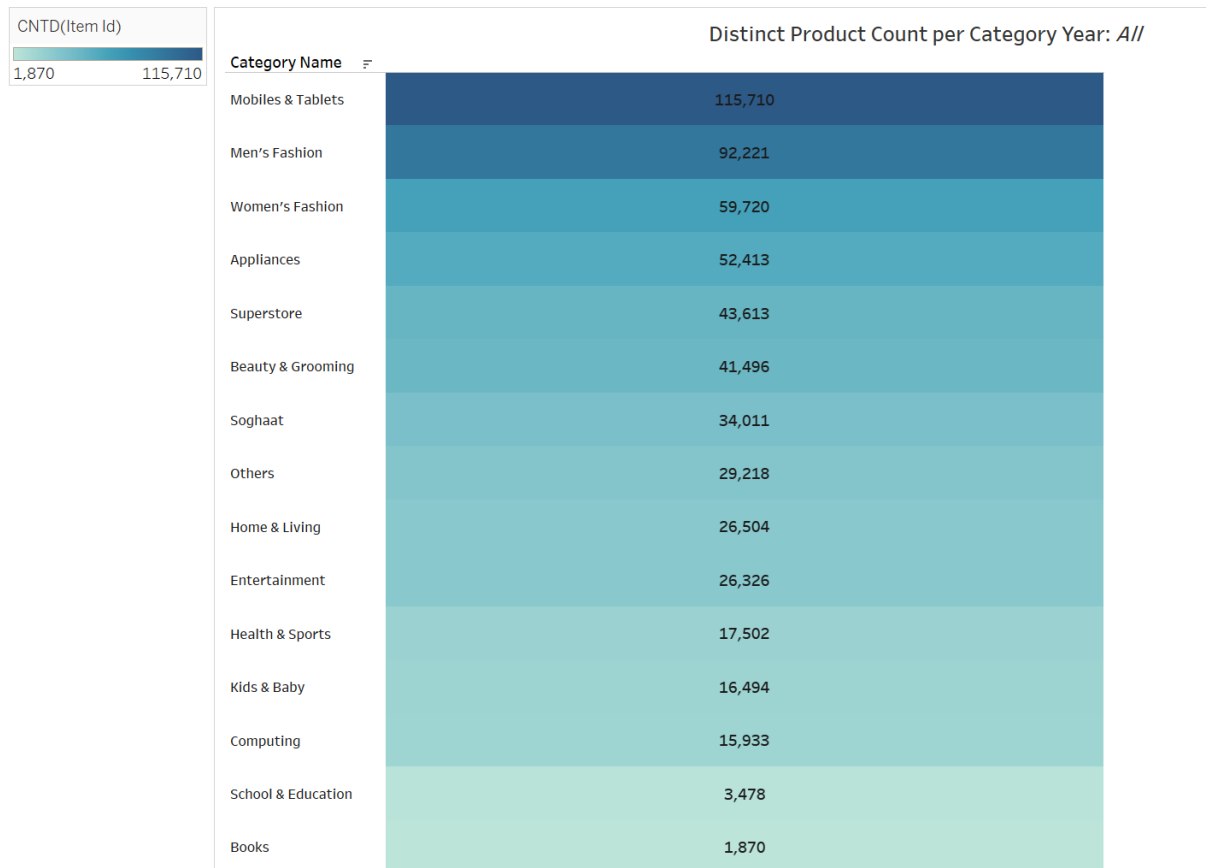


Figure. 4. Distinct Product Count per Category Year: All

To draw meaningful conclusions about market value and identify the best categories for future investments, we will be assisted by Figure 4. This figure displays the number of distinct product available in each category.

It reveals that Mobiles & Tablets, the category with the largest market share, also boasts the highest number of distinct products on the market. This indicates that competition within this category is intensely fierce. On the other hand, Entertainment, the third-largest category by market value, has a significantly lower number of products—barely a quarter of the top category. This suggests that there is considerably more opportunity to penetrate the entertainment market in Pakistan.

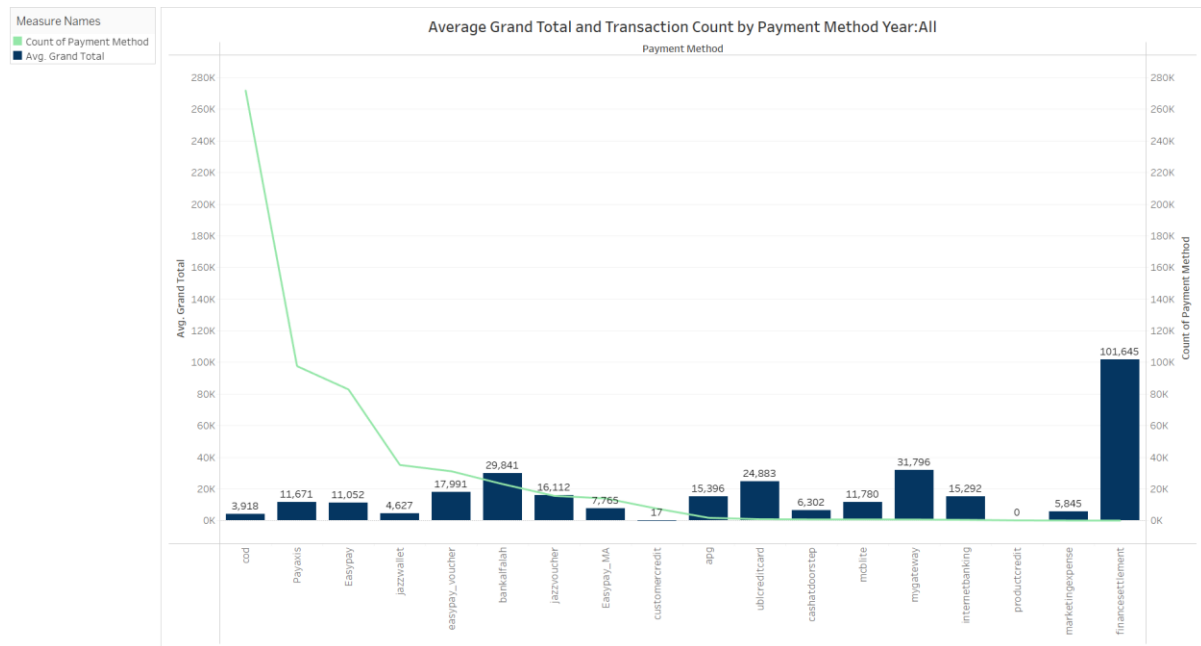


Figure. 5. Average Grand Total and Transaction Count by Payment Method Year: All

In the next figure, Figure 5, we present data on the average grand total across different payment methods alongside the frequency of transactions for each payment method. This analysis aims to identify the most popular payment methods and assess the average profit each transaction generates.

Starting from the left, where the methods with the highest number of payments are listed, we observe that COD (Cash on Delivery) is the most utilized method by a significant margin. However, the average revenue from COD transactions is less than half of that generated by the two other most popular methods: PayAxis and EasyPay.

From this, we can deduce that consumers tend to prefer COD for purchasing less expensive products. In contrast, for more costly purchases, electronic payment methods are favoured. This trend highlights the varying consumer payment preferences based on the price range of the products they are purchasing.

Key Takeaways and Future Directions

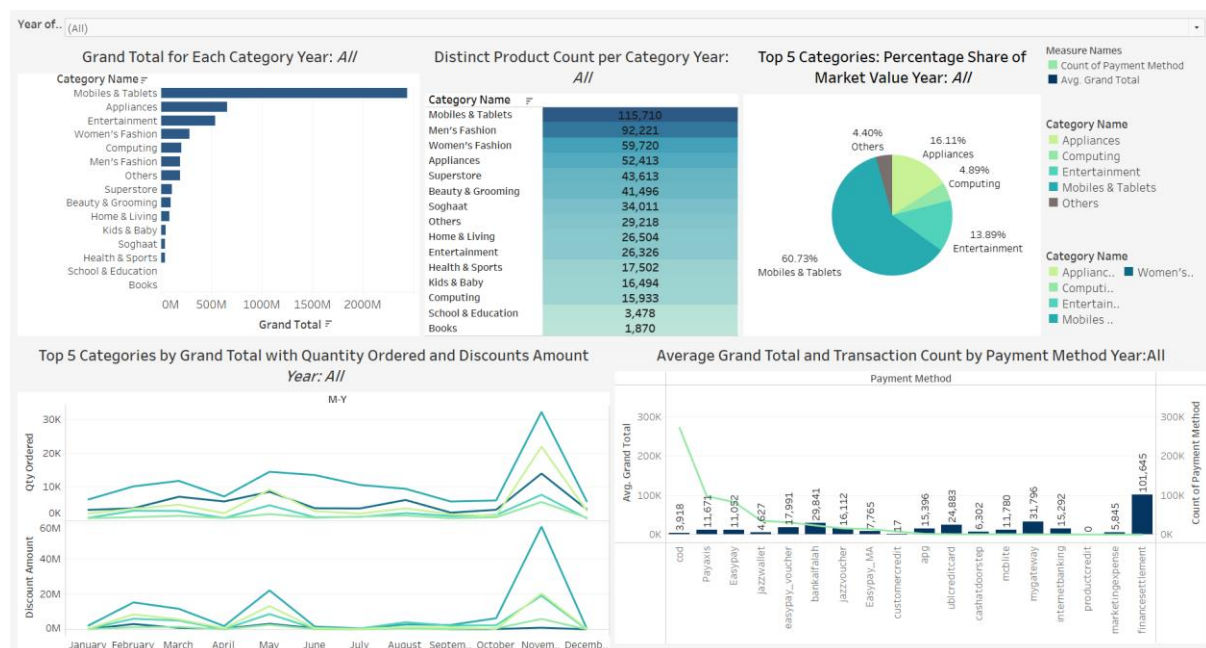


Figure 6. Pakistan's E-Commerce Dashboard

- Insights from Figures 1 and 2: Optimal Discount Timing and Category Focus

Analysing the first two figures, it's clear that specific months demonstrate marked increases in sales across various categories, correlating strongly with periods when discounts are offered. Notably, the surge in transactions during November, May, February, and March suggests these months are ideal for introducing promotional activities. This timing aligns with major shopping events, seasonal changes, and national holidays, which naturally elevate consumer interest and spending. For e-commerce strategists, focusing on Mobiles & Tablets, Appliances, Entertainment, Women's Fashion, and Computing during these peak times can capitalize on heightened market activity. By strategically timing discounts and marketing efforts, businesses can enhance visibility and sales in these high-performing categories.

- Insights from Figures 3 and 4: Identifying Prime Investment Opportunities

Figures 3 and 4 offer a deeper look into the market value and product diversity within the top categories, presenting a clear picture of where future investments could be most fruitful. The dominance of Mobiles & Tablets in the market, accounting for over 50% of market share, underscores its importance but also highlights the competitive nature of this sector. However, the lower product count in the Entertainment category, despite its significant market share, indicates a substantial opportunity for new investments. For investors and businesses, focusing on expanding product offerings in less saturated

categories like Entertainment could yield high returns, leveraging the existing market interest with lower competitive barriers.

- **Insights from Figure 5: Tailoring Payment Methods to Product Pricing**

The analysis of payment methods and their correlation with transaction values in the last figure reveals significant consumer behaviour patterns. The predominant use of COD (Cash on Delivery) for lower-priced items suggests a consumer preference for simplicity and trust in transactions for everyday purchases. Meanwhile, the higher average transaction values associated with electronic payment methods like Pay Axis and Easy Pay indicate that consumers are more comfortable using these options for more substantial investments. To increase accessibility and encourage higher-value transactions, e-commerce platforms can consider promoting these electronic payment methods through targeted discounts, special coupons, or advertising campaigns. Such strategies can demystify electronic payments for a broader audience and potentially increase average order values.

In conclusion, these insights provide a roadmap for e-commerce businesses to align their strategies with consumer preferences, market trends, and competitive dynamics. By harnessing the power of strategic discounting, investing in emerging categories, and optimizing payment method offerings, businesses can position themselves for sustained growth and profitability in the dynamic e-commerce landscape of Pakistan.