



# Problem Statement

***"E-Shop aims to acquire 40% market share in the Indian e-commerce industry by the end of year 2026 with a positive EBITDA"***

## **Problem Statement**

E-shop has an ambitious goal of being the market leader in the Indian e-commerce industry and is hence targeting to acquire a market share of 40% by the end of the year 2026 with a positive EBITDA. E-shop is thus looking forward to a comprehensive strategy or a road map over the next 3 years listing the initiatives across different business functions including but not limited to Operations, Marketing, Finance, Customer Experience or Seller Experience etc.

Some of the core problems faced by E-Shop are high Return %age especially across categories like Fashion, Electronics, Home, and Kitchen (as high as 40% in Electronics), challenge in acquiring new customers in the prevailing high competition environment with already established big players, inability to retain existing customers due to low purchase frequency and poor resolution of the issues raised by the customers.

## **Overview**

E-Shop is an Indian e-commerce start-up which began its journey in the year 2020 through a mobile application (available for both Android and iOS) and a website. It is backed up by a well-known business group which is a leader in different businesses including but not limited to Offline Retail, Telecom, Oil to chemicals, etc. E-Shop sells products across various categories like Fashion, Grocery, Electronics, Home, and Kitchen etc. which are either listed by the sellers or are procured in its warehouses across Pan India. E-shop has been on a smooth sail in accessing high end Tech capabilities, Product features, financial resources etc. due to a solid foundation.

E-Shop currently has acquired less than 1% of the market share in the Indian e-commerce industry and does a monthly business of ~300 Cr majorly contributed by Grocery category. It has been striving to project itself as a horizontal player and grow its share in the industry which has intense competition due to multiple horizontal and vertical e-commerce players. Currently, E-shop is trending at an EBITDA of negative 40% and spends around 10% of its overall revenue on marketing activities like Brand Building (TV / Digital Ads, Influencer marketing, Print Ads through Newspapers and OOH) and Performance Marketing.

## Executive Summary of our solutions

### Description

#### Eshop



E shop, in operations from 2020 is an Indian horizontal Ecommerce player financially and technically backed by a conglomerate . Follows an inventory cum marketplace model.

### Approach

Post breakdown of the PS and a thorough root cause analysis we set our strategic goals to achieve our final target in 2026 across 3 years (2023-2026) and **6 phases (6 months each)** with well research assumptions and accurate calculations. To match our Phase-wise goals we present a platter of strategies & initiatives Belonging to Tech & Product , Business& Supply Chain and Marketing, which have been coded as P1,P2...B1,B2...M1,M2.... and so on. Refer the extensive Excel sheet for all the calculations, Footer on each slide and the appendix for all the sources and assumptions .

### Recommendations

- |           |                  |           |                               |           |                                    |
|-----------|------------------|-----------|-------------------------------|-----------|------------------------------------|
| <b>P1</b> | Referral Program | <b>B1</b> | High Margin product promotion | <b>M1</b> | TV & Radio Campaigns               |
| <b>P2</b> | Product Dive     | <b>B2</b> | Eshop Ticked                  | <b>M2</b> | Social media & Affiliate Marketing |
| <b>P3</b> | Shopbuddy        | <b>B3</b> | Vocal for Local               | <b>M3</b> | Print & Display Marketing          |
| <b>P4</b> | Eshop Elite      | <b>B4</b> | Untapped Segments             | <b>M4</b> | Search Engine Optimization         |
| <b>P5</b> | Gamification     | <b>B5</b> | E shop Original               | <b>M5</b> | Payment Partnerships               |
|           |                  | <b>M6</b> | Social Commerce               |           |                                    |

### Slide Skeleton

-40%

**300Cr**  
Monthly Revenue

**EBITDA**  
**3600Cr**  
Annual Revenue

**1%**  
Market Share

**1000 Rs**  
\*\*Assumption\*\*  
Average Order Value

**10 Lac**  
User Base

**Target (2026)**

**Positive**  
EBITDA  
**40%**  
Market Share

Analysing the **competitive landscape** of Indian Ecommerce via a table of benchmarks. Also **pin pointing the whitespace opportunities** in the industry.

**Slide 2**

Description of our **initiatives across Business and Marketing**. And our phase-wise implementation roadmap.

**Slide 3**

**Key Product & Tech Initiatives** & their mapping across business functions and **intended cost & ROI**.

**Slide 4**

Extended **P&L view** of our implementation plan, with **phase-wise revenues and costs**.

**Slide 5**

Appendix : Glossary of Sources referred and assumptions.

**Slide 6**

# Competitor Analysis of top e-commerce players

KPI Benchmarks					
<b>Founding</b>	2013	2007	2010	2007	2007
<b>Market Share</b>	32%	30%	2.4%	10%	7%
<b>Vertical</b>	Horizontal	Horizontal	Horizontal	Vertical	Horizontal
<b>Major Product</b>	Electronics	Electronics	Home Goods	Fashion	Fashion
<b>Return %age</b>	10-15%	15 - 20%	10 - 20%	10-15%	10- 25%
<b>P/L</b>	Profit Making	Loss Making	Loss Making	Profit Making	Profit Making
<b>Customer Service</b>	Strong	Strong	Moderate	Strong	Moderate
<b>Tier Serving</b>	Tier 1 & 2	Tier 1 & 2	Tier 1 & 2	Tier 1 & 2	Tier 2 & 3
<b>E-Com Model</b>	Hybrid	Hybrid	Hybrid	Inventory	Marketplace
<b>Key Strength</b>	Fast Delivery	Variety	Low Price	Fashion Niche	Social Commerce
<b>Key Challenge</b>	Competition	Profitability	Share Decline	Competition	Competition
<b>Loyalty Prog.</b>	Amazon Prime	Flipkart Plus	Snapdeal Plus	Myntra Insider	-
<b>Delivery Logistics</b>	Strong	Strong	Moderate	Moderate	Moderate

# Whitespace Opportunities in E-commerce



## Retail Assistance

Quick Commerce is growing with a CAGR of **47%**. By delivering goods from the local market, we tap into a new market and boost the experience of consumer, also assist the retail sellers to improve sales.



## Sustainable Products

Sustainable E-Commerce Market is Projected to Surpass **\$40.75 Bn** by 2030 at a CAGR of **15.38%**. Considering the Global Political Scenario this move could bring the e-commerce along with market.



## Anytime- Anywhere

Cross-border eCommerce, has witnessed exponential growth of 22% of all tangible products shipments in 2022. X-commerce holds great opportunity due to increasing demand of global product.



## Marketplace for Delivery

E-commerce company tend to spend ~15% of the sales in logistics of goods. Onboarding delivery partners on the platform and giving users flexibility to choose delivery agent on basis of price, time and service they offer.



## Tech Intervention

AR/VR industry is growing at 38% CAGR. Its implementation in e-commerce will improve the order experience and also reduce the return rate from 10-30% of e-commerce.



## Vocal for Local

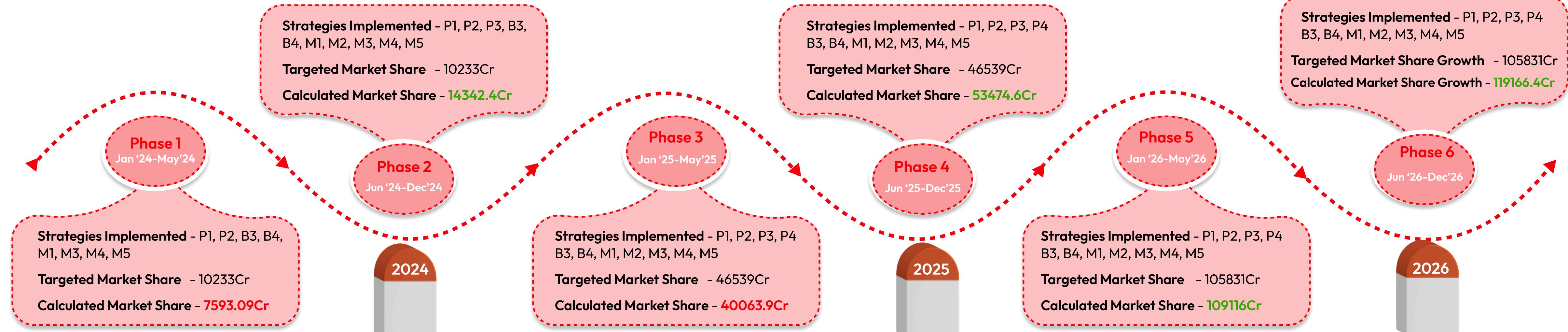
There exist a growing demand for geographical, handcrafted goods. Onboarding the local players in this space as sellers and fulfilling the need of consumers in a untapped opportunity in India.

B1	B2	B3	B4	B5	M2	M3	M4	M5	M6
<b>High Margin product promotion</b> Goal: Popularising & profit boosting products Strategy: Competitive differentiation by more variety, offers & deliberate promotion KPI : P/L ratio	<b>Eshop Ticked</b> Goal: Increase trust, promote quality products Strategy: Sellers will receive ratings based on product quality, that will reduce return rate KPI: Return Rate	<b>Vocal for Local</b> Goal: Onboard geographical products Strategy: Collaborating with regional product vendors to enhance customer accessibility.	<b>Untapped Segments</b> Goal: Acquisition, Increase CLV Strategy: Introduce niche product lines like sustainable, vegan etc addressing specific market gaps. KPI: Sales in the segment	<b>E shop Original</b> Goal: Increase revenue, Drive product led growth for the brand Strategy: Launch trademarked E - shop products market based on insights KPI: Net sales in the category	<b>SMM &amp; Affiliate</b> TG: IG & FB users Strategy: The app will provide links to influencer videos featuring the specific product for validation. goal: Customer acquisition, Better CX KPI: CTR	<b>Print &amp; Display</b> Goal: acquisition TG: Top 20 T-1 cities P1- A/B test 3 print design in 1st 10 cities P2- best designs will target other cities KPI : User Surveys How did you discover E-shop? Which city you're in?	<b>SEO</b> TG: Internet users Goal: Acquisition Strategy: SEO optimization by analyzing competitors' SEO strategies to identify gaps & opportunities KPIs: Organic Traffic, Keyword ranking, Dwell time	<b>Payment Partnerships</b> TG: consumers who pay online Goal: Drive customer traffic to the e-shop by partnering with payment platforms to offer coupons for use on the e-shop KPIs: Transaction Volume	<b>Social Commerce</b> TG: Tier 2 & 3 Goal: Generating revenue by a significant market share in logistic. Onboarding MSMEs and enabling them to sell in local social networks KPIs: Revenue from this channel

Business Strategy

Marketing Strategy

## Implementation roadmap in-line with goals



# Key Product & Tech Initiatives mapping across business functions and intended cost & ROI

P1

## Referral Program

**Initiative**  
A referred customer is 18% more loyal than a customer gained by other means. Addition of such feature will add new users



**Business Func.**  
CX/SX

### Pain points

- Referral helps in bringing more consumers to the platform.
- It assists users looking for extra discount on purchase.

### Phase I

Costs	Metric 1	Metric 2	ROI
250 Cr	#Users referred/ month	#shares per user per month	488 Cr

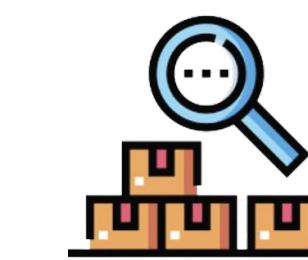
### Phase VI

Costs	OF Increased	RC Increased	ROI
600 Cr	-	72L	37,750Cr

P2

## Product Dive

**Initiative**  
Prevent user drop off & decision paralysis, immaculate descriptions & comparisons Once the user is aware, decision making is easy.



**Business Func.**  
Technology

### Pain points

- The core reason for high return rate is that the features are not understood well by users while buying.
- Users face difficulty in finding the right product to buy.

### Phase II

Costs	Metric 1	Metric 2	ROI
650 Cr	#orders increase/ customer	% of order returned	-649.91 Cr

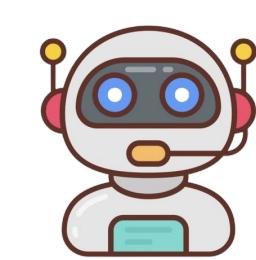
### Phase VI

Costs	OF Increased	RC Increased	ROI
1290 Cr	5	2.6L	105 Cr

P3

## Shopbuddy

**Initiative**  
Over 87% of customers report that chatbots are effective in resolving their issues. It would make user journey smooth.



**Business Func.**  
Technology

### Pain points

- Users face difficulty in finding the right product according to their needs.
- Customer Support is unavailable often leading to poor user experience.

### Phase III

Costs	Metric 1	Metric 2	ROI
2700 Cr	#queries raised/day	% drop in return rate	-1200Cr

### Phase VI

Costs	OF Increased	RC Increased	ROI
5900 Cr	6	5L	-2900 Cr

P4

## E-Shop Elite

**Initiative**  
A study by McKinsey found that customers who are part of a loyalty program are 43% more likely to buy weekly.



**Business Func.**  
Logistics

### Pain points

- Pricing plays a crucial role in decision to make an purchase.
- E-commerce industry faces difficulty to make the consumer loyal for its product.

### Phase III

Costs	Metric 1	Metric 2	ROI
4700 Cr	%users subscribe per month	avg. no of orders placed	-4644.5 Cr

### Phase VI

Costs	OF Increased	RC Increased	ROI
7000 Cr	-	2L	-6010 Cr

P5

## Gamification

**Initiative**  
A gamified system can increase website visits by 108.5% and an opportunity to see a conversion hike by 9.38%.



**Business Func.**  
Technology Finance

### Pain points

- Many e-commerce sites struggle to keep customers engaged and returning for repeat purchases.
- Cart abandonment is a significant issue in e-commerce.

### Phase IV

Costs	Metric 1	Metric 2	ROI
975 Cr	#clicks on feature/ day	avg. no of orders placed	-

### Phase VI

Costs	OF Increased	RC Increased	ROI
2000 Cr	2	-	-



## Year wise P&L view showing the EBITA Positive Journey

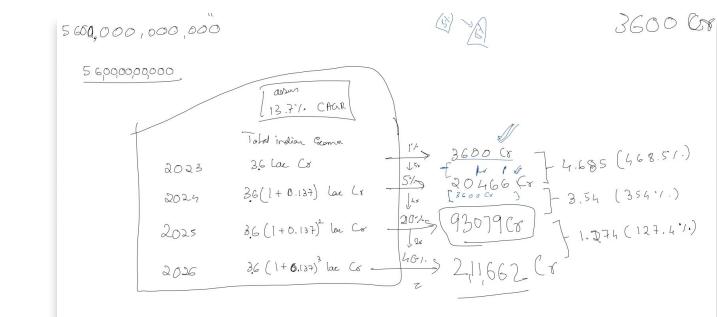
		FY:2024				FY:2025				FY:2026			
Code	Strategies	Phase I		Phase II		Phase III		Phase IV		Phase V		Phase VI	
P1	Referral Program	250	738	150	1722	290	6345	350	12690	500	31800	600	38350
P2	Product Dive	650	0.09	450	0.4	615	121.4	800	163.2	1090	1283	1290	1395
P3	Shopbuddy	0	0	2700	1500	2500	1000	3020	1250	4050	2000	5900	3000
P4	Eshop Elite	0	0	0	0	4700	55.5	5030	247.4	6050	354	7000	990
P5	Gamification	0	0	0	0	0	0	975	0	1500	0	2000	0
B1	High Margin product promotion	0	0	0	0	2026	0	3050	0	4500	0	5050	0
B2	Eshop Ticked	0	0	0	0	0	0	2690	0	4995	0	6500	0
B3	Vocal for Local	1190	480	700	800	900	1200	1500	1600	9555	2000	10400	2400
B4	Untapped Segments	950	2835	1200	3780	3390	5040	3550	9072	8011	11970	8500	15120
M1	Marketing Campaigns (TV, radio,	1800	350	3500	350	12000	1591	13500	1695	22500	3619	23000	3510.047921
M2	SMM & Affiliate	0	0	6800	3000	9345	13643	10400	14454	18900	31000	24100	30066.72715
M3	Print & Display	929	400	1200	400	5765	1819	5900	2069	8000	4136	8050	4011.483339
M4	SEO	150	1440	300	1440	936	6549	3260	7134	5400	11632	7790	11281.81194
M5	Payment Partnerships	2000	1350	435	1350	3575	2700	3590	3100	6350	9322	6500	9041.355823
		7593.09		14342.4		40063.9		53474.6		109116		119116	
<b>Total Cost in the phase</b>		7919		17435		46072		57615		101401		116080	
<b>Total cost in the year</b>				25354				103687				217481	
<b>Total Revenue in the year</b>				21935.49				93538.5				228232	
<b>NET P&amp;L</b>				-3418.51				-10148.5				10751	
<b>EBITA</b>				-15.58%				-10.85%				4.71%	



# Appendix

**Slide 2 Sources:** [Sustainable Industry](#) [Cross Border Commerce](#) [Indian Ecommerce](#)

**Slide 2 Assumptions:** AOV~1000 considering that e-shop's major sale comes through grocery and AOV across industry ~2000 Rs.  
10L users initially is a fair assumption considering we have 1% share and AOV is 1000



**Slide 3 Sources:** [MSMEs in Ecommerce](#) [UPI Data and opportunities](#)

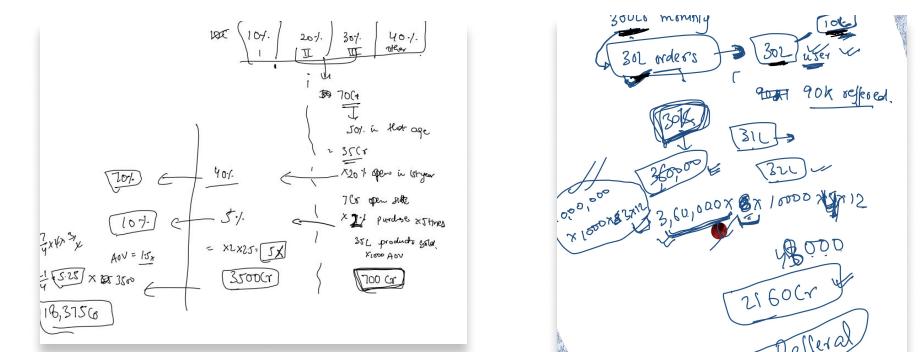
**Slide 3 Assumptions:** Enough GeoPolitical Stability between the nations.

E-shop got enough tech and financial resources available for the implementation of the AR VR.

- Gamification
- Referral
- Customer Satisfaction Initiatives
- Customer Loyalty Program
- Subscription model for Geog segments
- Try-before-Buy option feature
- Improved Product description (proper description, comparison etc.)
- Visual for local Initiative (local seller, supply chain,)
- Partnerships (cred, payment...)
- Cross border E-commerce
- Sustainability
- Exploit High margin product segments
- Focus on untapped product segments.

**Slide 4 Sources:** [Gamification in Ecommerce](#) [Growth in AR VR](#) [Customer Loyalty Programs](#)

**Slide 4 Assumptions:**



**Slide 5 Sources:** [EBITDA Calculation](#) [Data & Analytics](#)

**Slide 5 Assumptions:**

out	AOV	out	Rev
36pa	X 1000 <sup>2</sup>	X 10L	= 3600
411pa	X 1000 <sup>2</sup>	X 50L	= 20466
247pa	X 1000 <sup>2</sup>	X 20L	= 93079Cr
53pa	X 1000 <sup>2</sup>	X 4Cr	= 21162Cr



[Data and analytics](#)



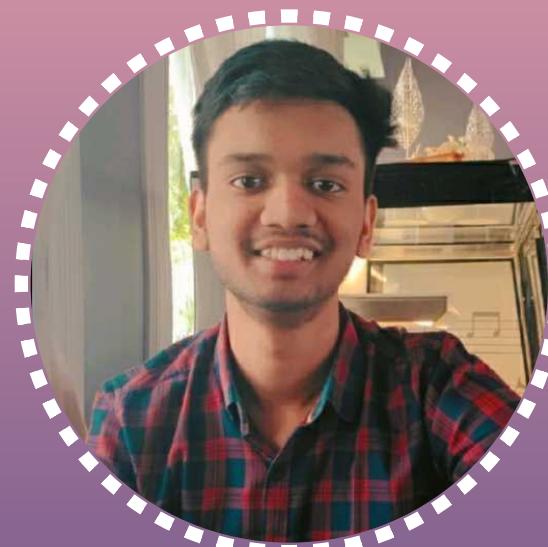
[Link to our notes](#)



[Notion Link](#)



## Team GOLDRunners



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