

Case Study Of Messho:

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Brief Case Study: The valuation of messho is now 38000 crores in 2022. Instead of 306cr loss in 2020 and 498cr loss in 2021. It's actually a reselling platform based on B2B model. And Now messho is planning to convert itself to E-Commerce platform based on B2C model.

Messho is a zero seller commission based platform. It makes money by advertising or rank push fee from sellers, penalty fee from sellers, consultancy service with the help of user data, and logistic and shipping charges from end customer.

Messho's success mantra is mainly packed up in their marketing strategies . They found the problem of sellers, the right persons to resell, the right area to promote their app. As reseller their main target was the woman of tier 2 and tier 3 cities. They empire these woman to build their own business , make their own identity, give a chance to make passive income for family. And it's works a lot. They provide free service to supplier to bring them to the app.

Because all of these messho acquire a large market in india. But as they are a loss making company , to make up all losses and become a profit making company , messho is planning to shift there business from reselling app to e-commerce app.

History: In 13th august 2015 messho has started by two IITians named Vidit Aatry and Sanjeev Barnwal. Initially they launch a hyperlocal fashion discovery and commerce app named FashNear. By

the end of 2015 it was rebranded as Messho. It works on B2B model. After that Messho makes a record of taking 5.35 million order in a single day. Although initially messho tried to bring the local store online, but after, they decided to make the platform as a reseller platform. More on this discussed in Business Model Section.

Business Model:

1. Initially messho was a platform where the local shop registered themselves and sell their product online just like zomato. But with the passage of time the founder noticed that, maximum of customer don't buy the product for themselves but to sell the product one step forward. The identify the growing community of reseller. And After this they shift there business model to a reseller base platform. Where the Supplier will register himself and reseller will contact with him via messho. Then the Supplier will provide his catalogue to reseller. The reseller Sell the product via social media or any other way. After that when a end customer make a order from a particular catalogue the order and payment comes to Messho. Then supplier give the product to messho for delivery. And messho delivered it. Then messho give the money to the supplier as well as resellers.
2. If any store sells his product in his own website and provide COD option it makes some heavy losses sometime. If anyone order a product with COD and reject the order in his door, the shop have to carry losses for his shipping and delivery charges. Here's the Messho comes with the feature of free delivery which helps the supplier too much. If someone cancel his order in his door, the losses have to make up by messho not buy the supplier.
3. In between Convenience and cost , messho focus on cost more than convenience. In case of US or UK type countries

the customer wants much convenience than cost. As a result there volume of selling product is low and per product margin is high. But in the case of India the customer wants low price and offers. As a result Indian market is much more profitable for messho as they focus on selling product in large volume with low margin per product.

How it bit Giant Companies:

1. Where amazon and Flipkart type companies are trying to sell there products in tier 1 & tier 2 cities , messho is focusing to sell there product in tier 2+ cities, and 65% of Indian population are living in these cities. And there marketing strategies are designed such ways. As a result they receive 78% order from these cities from that 5.35 million orders.
2. Where other company like flipkart or amazon charges 2 to 20% commission from seller, Messho is a 0% commission base reseller platform.

Marketing:

1. First of all they target the tier 2+ cities ladies as reseller and the suppliers who wants to sell their product online. If you closely observe then you came to know that , maximum of the time their campaign are designed with housewife and jobless girls with a emotional story like give personal identity to a woman . As maximum of the lady of tier 2+ cities are jobless messho come with the campaign like “Earn with us”, “Ghar Beithe Paisa kamau”, “Start Your Own Business”, “Earn online with messho” to empire the ladies. And they successfully acquire the lady reseller for their business. Now a days 70% of reseller are woman in messho.

2. When supplier or reseller sell their product, messho gives the permission to branding their product by their own. It makes the supplier and reseller a brand value.
3. Messho also make adds with “Sahi Sahi lagau” where they compare their product price with others to prove their product’s low cost.

Other Cause of there success:

1. Reliance Jio has launched on 27th December 2015. And the UPI method launched in India on 11th April 2016. With this, the trend of affordable chinese smart phones are comes to market this time. These three major factor makes online selling and shopping much more easy for tear 2+ city people. As a result a lot of reseller from these location come to the platform and start their business with the help of messho.
2. In 2020 the pandemic push messho one step forward to the most successful reselling app in India.

How messho makes revenue:

1. Penalty charges :Messho Charge a penalty fee from the sellers who delayed to deliver order or deliver any damaged product.
2. Logistic: Messho charges a delivery and shipping charges from end customer with the order (sometimes).
3. Advatisation and rank push fee: Messho charges a sponsor fees from sellers who want to show their product on the top of search on messho app.
4. Consultancy: Messho provide consultancy to his sellers. As messho has a lot of customer data, like there choice, preferences, which product is on high demund in which time, in which area how type products are sells more etc.

Funding:

1. Messho was selected in Y Combinator where they get their initial funding.
2. SAIF Partners ,NASPERS, SEQUOIA CAPITAL, FACEBOOK has invest in messho also.
3. Messho is going to launch their IPO in 2023

Future Plans:

1. They are going to shift there business model from B2B model to B2C model completely. They are going to make their own product, sell by own and control the whole cycle own without depending upon supplier and reseller.
2. They are going to launch “farmiso” a grocery delivery app. Which is now incorporated in their main app and rebranded as “Messho Superstore”.
3. Messho also working on creating a habit of online shopping to the tear 2 and tier 3 cities people of india.
4. When someone buy from messho , his payment is goes to messho directly. And messho give the commission to reseller and price of product to the seller after 15 to 20 days. In these time messho may use this money to give short loan with low interest. As a lot of money was there , messho will make a high profit from this also.

Opportunities for you: As we saw , messho is transforming itself into a Ecommerce marketplace from a reselling platform. So, Lakhs of resellers are available to join a new start up like messho, You may be the nest messho founder.

Messho is planning to launch their brand store soon. So better quality products with better prices are going to be there. This is a golden opportunity for your brand to be famous and scale it to tier 2+ zones in India with almost zero efforts.

Lessons:

1. Change your idea with the flow of market and time.
2. If your idea , marketing, and business model is perfect it will quite easy to get funding. You just have to be updated about founding resources.
3. You have to make marketing in a specific way. In case of messho they target the woman and tier 2+ city and do there marketing such a way that resellers can relate themselves easily and join the business.
4. No matter how young your company is, and no matters how big your competitors are, if you have the right product, design the right set of audience and if you wish to keep innovative constantly ,then no one can stop you from succeed.