Problem Statement
Expanding to Tier 1 Cities
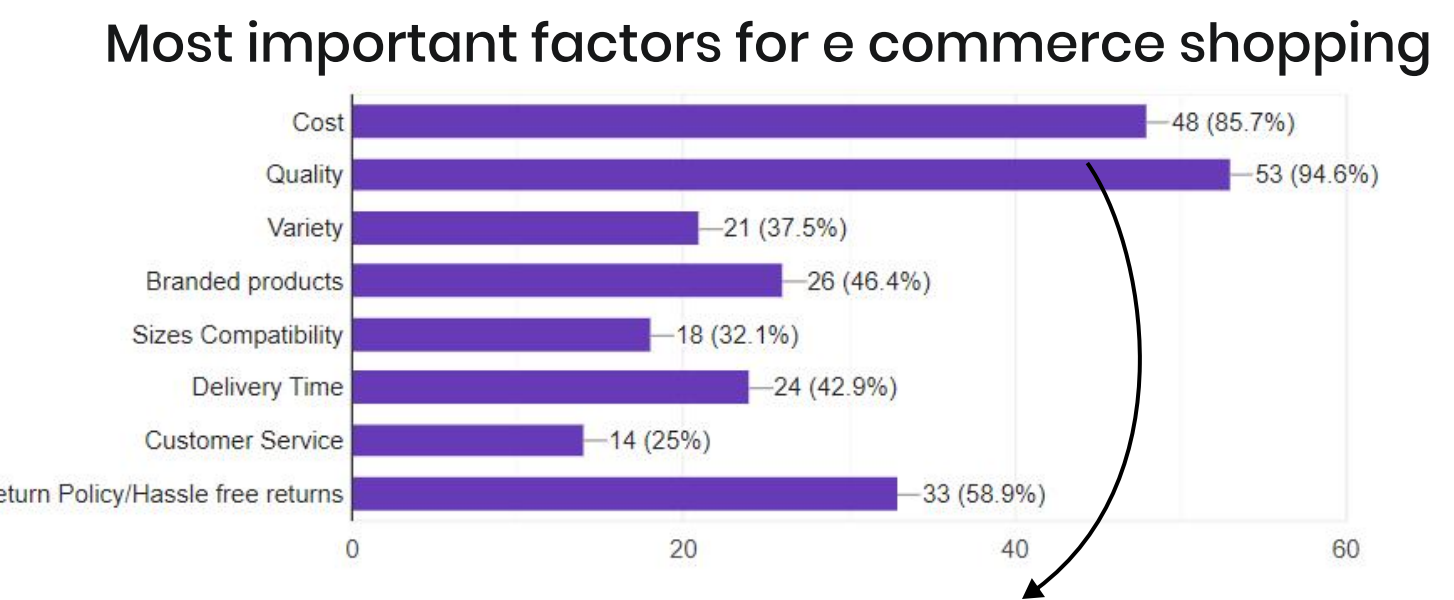
Characteristics of Tier 1 Consumers

*We conducted a short survey among the students who come from Tier 1 cities, and got over **50+ responses.** (View Survey) (View Responses)*

E commerce apps used frequently

App	Value
Amazon	54 (96.4%)
Flipkart	45 (80.4%)
Meesho	20 (35.7%)
Myntra	27 (48.2%)
Ajio	17 (30.4%)
Tata Cliq	5 (8.9%)
Nykaa	9 (16.1%)
Offduty, Newme, Urbanic, Smyt...	1 (1.8%)
Jio Mart	1 (1.8%)
POP	1 (1.8%)
Shopsy	1 (1.8%)
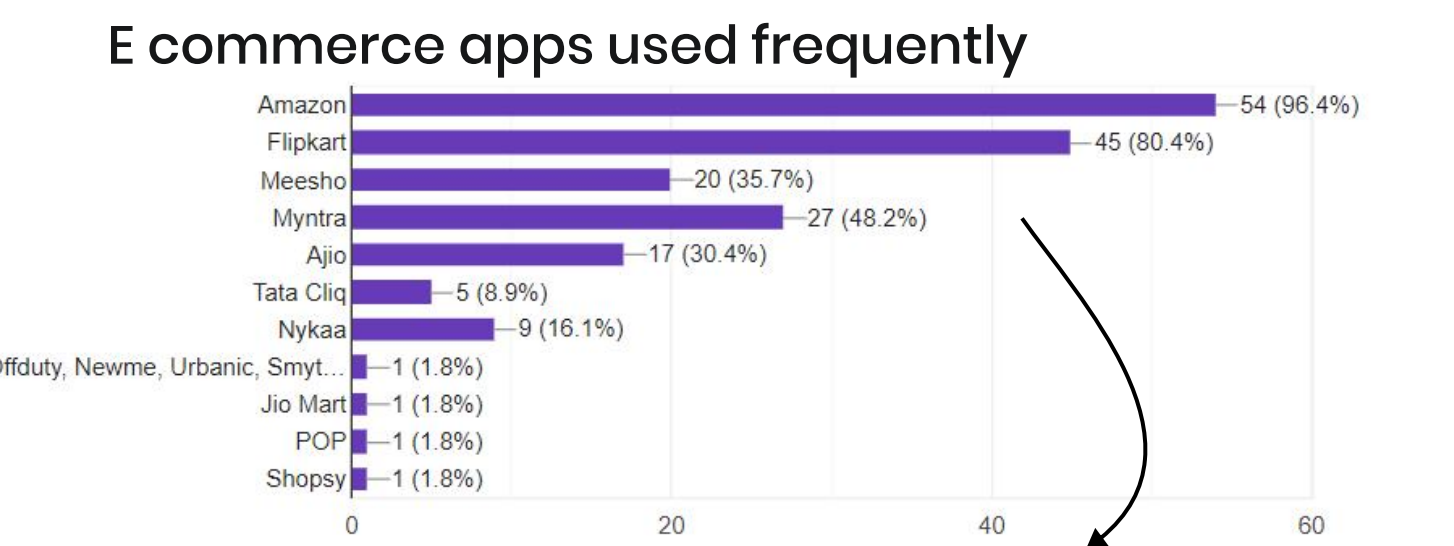
A vast majority of the users use Amazon & Flipkart, only about a third use Meesho regularly.

Most important factors for e commerce shopping

Factor	Value
Cost	48 (85.7%)
Quality	53 (94.6%)
Variety	21 (37.5%)
Branded products	26 (46.4%)
Sizes Compatibility	18 (32.1%)
Delivery Time	24 (42.9%)
Customer Service	14 (25%)
Return Policy/Hassle free returns	33 (58.9%)

*Consumers **highly prioritise quality** as the most important factor for a purchase, **followed by cost.***
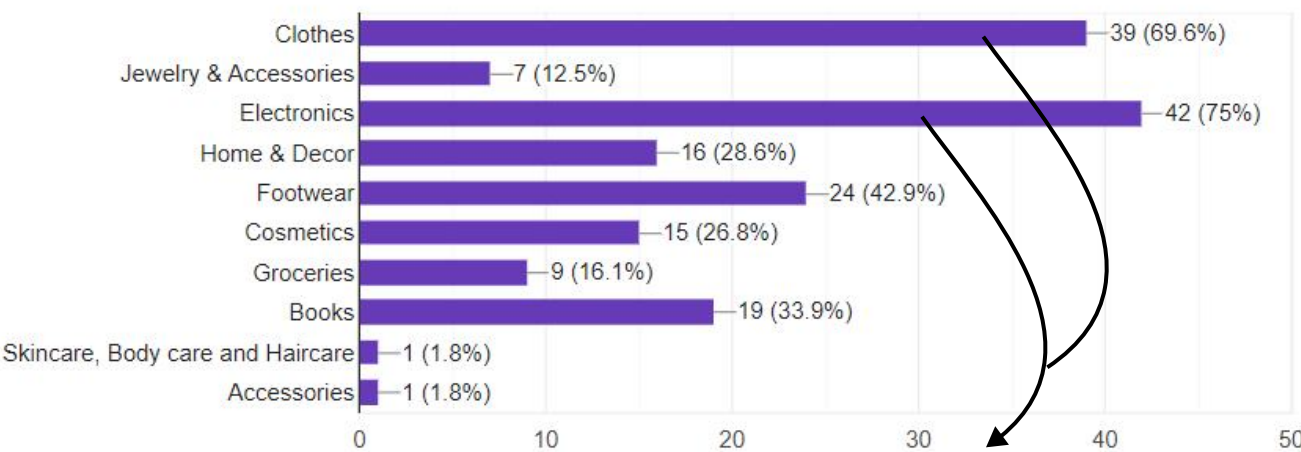
Biggest Pain Points from E Commerce Platforms

"Sometimes products received are not as good as I thought they would be and there is no efficient way to check this beforehand"

"Poor or damaged quality products from seller. Might exchange or return the product but then it costs time."

"Not getting genuine reviews and opinion about product."

Most purchased products

Product	Value
Clothes	39 (69.6%)
Jewelry & Accessories	7 (12.5%)
Electronics	42 (75%)
Home & Decor	16 (28.6%)
Footwear	24 (42.9%)
Cosmetics	15 (26.8%)
Groceries	9 (16.1%)
Books	19 (33.9%)
Skincare, Body care and Haircare	1 (1.8%)
Accessories	1 (1.8%)

Users primarily prefer to buy clothes and electronics from e-commerce platforms.

### How can Meesho improve to make you use it?

"verify the sellers and use some quality photos and products in their catalog"

"Maybe add something like Amazon Prime which reduces delivery time and also gives access to Amazon Prime Video."

"1. Improve delivery time. 2. Quality assured products."

"Change its filter algorithm and add more customer satisfactory images"

Average order value range

- 🔵 < 300
- 🔴 300-700
- 🟠 700-1000
- 🟢 1000-2000
- 🟣 2000+

(25%, 8.9%, 35.7%, 25%)
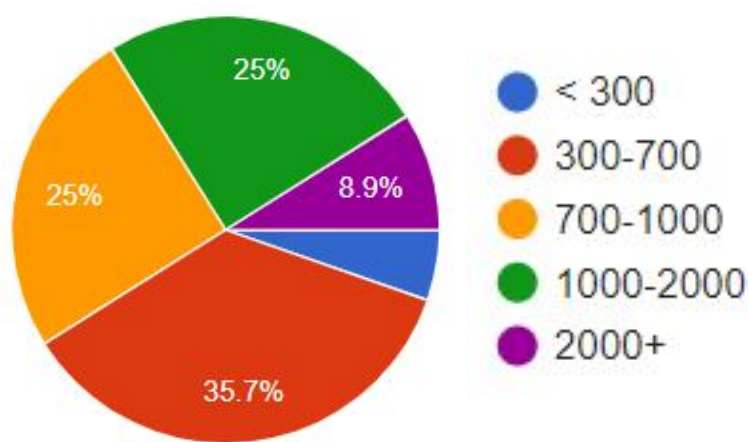
*About **60% of the users AOV lies in the range of Rs 300-1000,** which is quite above the AOV of Meesho, which is Approx Rs 350.*

SWOT Analysis of Meesho

Strengths	Weaknesses
Affordable Platform	Sellers may not be authentic
Large user base of 120M MAU	Product quality issues
Large Network of Sellers	Poor delivery system

Opportunities	Threats
Expansion to slightly premium products	High competition from existing platforms
Diversifying product offerings & categories	Economic Slowdowns
Expansion to Tier 1 Cities	Fraudulent Products

Key Conclusions

Biggest concern for consumers of TIer 1 cities while shopping online is TRUST, which is even more while purchasing from Meesho.

Customers of Tier 1 have an AOV of almost double of that of Meesho, they are more concerned about quality and are okay in paying for it.

Customers are willing to have an option to pay a premium cost for quicker delivery times, which is not currently available at Meesho

Meesho has also gotten a reputation of being 'cheap' instead of affordable, so some rebranding has to be done to fix that too.

Key changes required in Meesho's Business model

Rebranding

Myntra can reposition itself in the market by creating brand partnerships and having branded products within the app, across the major categories of clothing and electronics, and footwear, by taking inspiration from apps like Myntra.
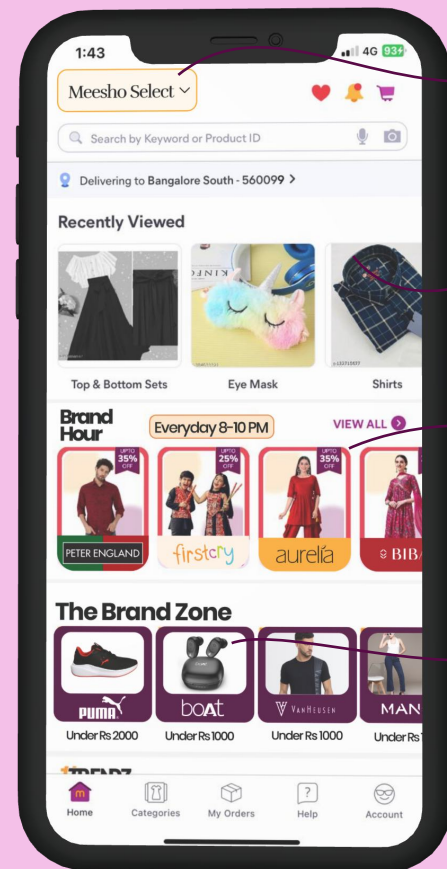
Meesho Select
A new marketplace/store specially for branded products

Items from verified sellers only
This would increase trust and brand reputation of Meesho and reduce cases of returns and exchanges

Brand Hour
Limited time sales on branded products to increase engagement and purchases

The Brand Zone
A section where customers can browse branded items from the app.

Express Delivery & Building its own Logistics Fleet

*Urban dwellers are particularly drawn to **prompt delivery services** which meets their demand for instant gratification and are willing to pay a premium price for the same.
source: How India Shops Online (PwC Report 2024)

- Amazon and Flipkart have their own delivery services to maintain control over logistics and improve customer satisfaction.
- Meesho has built its business using third-party fulfillment partners, allowing it to stay lean but leading to hidden costs like **bad fulfillment rates** which can be seen from online customer reviews


Rangmanch : A Unique Marketplace

Encouraging community-based recommendations can improve brand conversations and eliminate authenticity concerns for rest of India, while strengthening loyalty and trust for urban dwellers.

What is Rangmanch?

- Many premium boutique stores, creator-led brands, and micro businesses offer highly unique products.
- We can onboard them onto our marketplace by creating **personalized fashion pages** tailored to their brand.
- These pages will showcase their creativity and distinctive offerings.
- **Brands can attract a niche customer base by leveraging organic social promotions**.
- Personalized pages will help drive engagement and foster deeper connections with their audience.
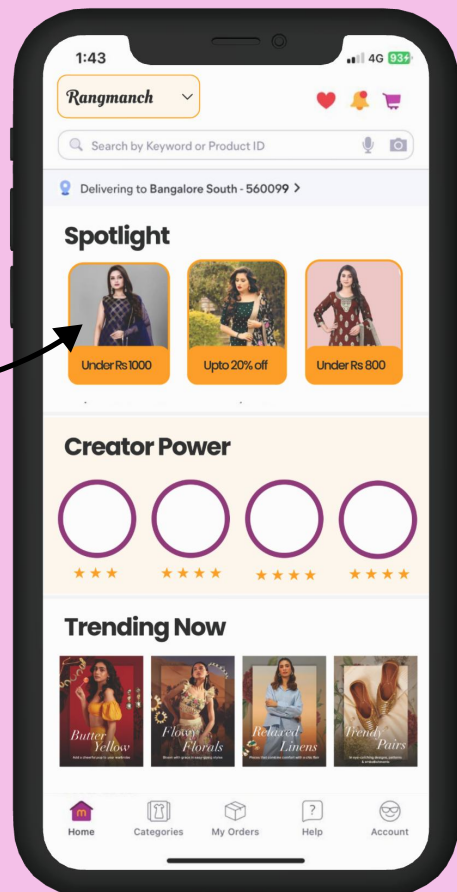
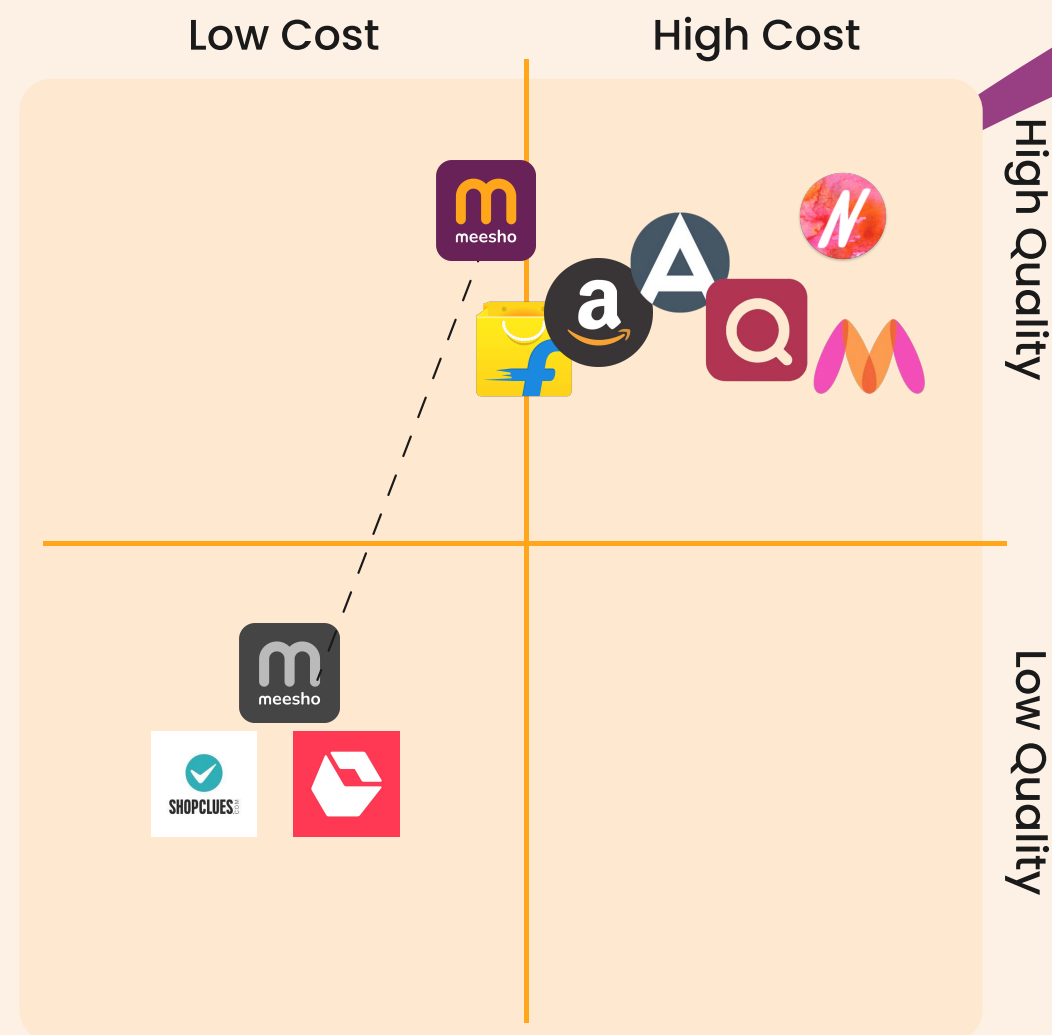## Building Product's Trust ✅

Impact of reviews:
Urban Consumers **rely heavily on reviews, ratings and photos** from other customers to be confident about their selections and to see the product in its natural environment

To enhance the quality of product reviews on Meesho, the implementation of a Product Verification Program is a strategic approach that leverages qualified consumers as "verifiers." This initiative will improve the reliability of reviews, user generated photos of image and improve the better description of products.
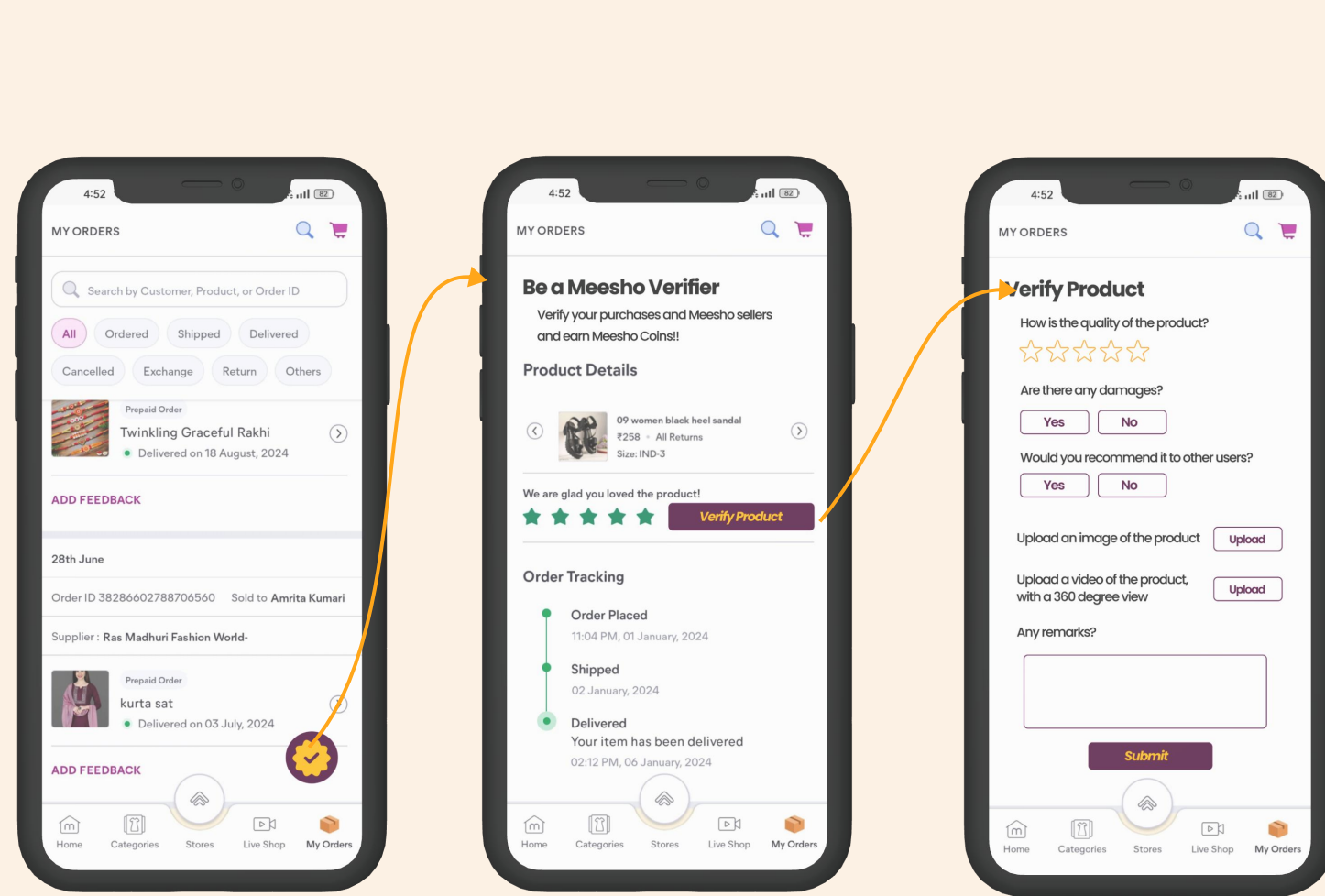
41% of Gen Z accept that **fake customer reviews** are a key barrier for using other platforms in this various category.
source: How India Shops Online (PwC Report 2024)
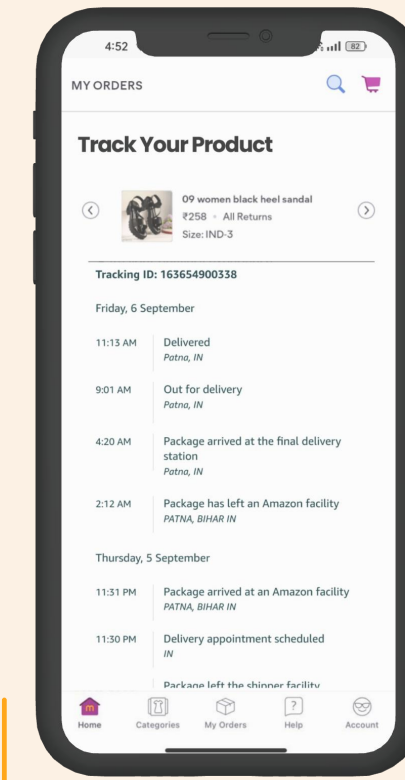
Let's Launch GTM Strategy
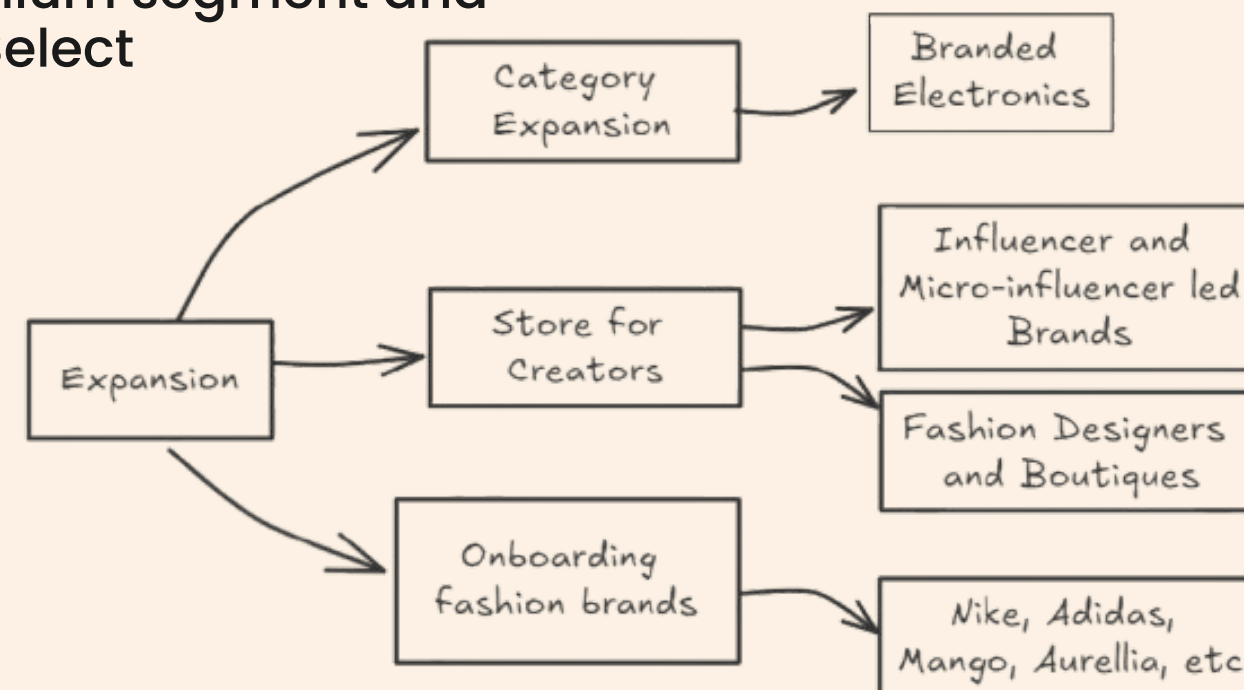

Step 1
Product Verification Program

Step 2
Onboarding different brands to acquire the premium segment and launch Meesho Select

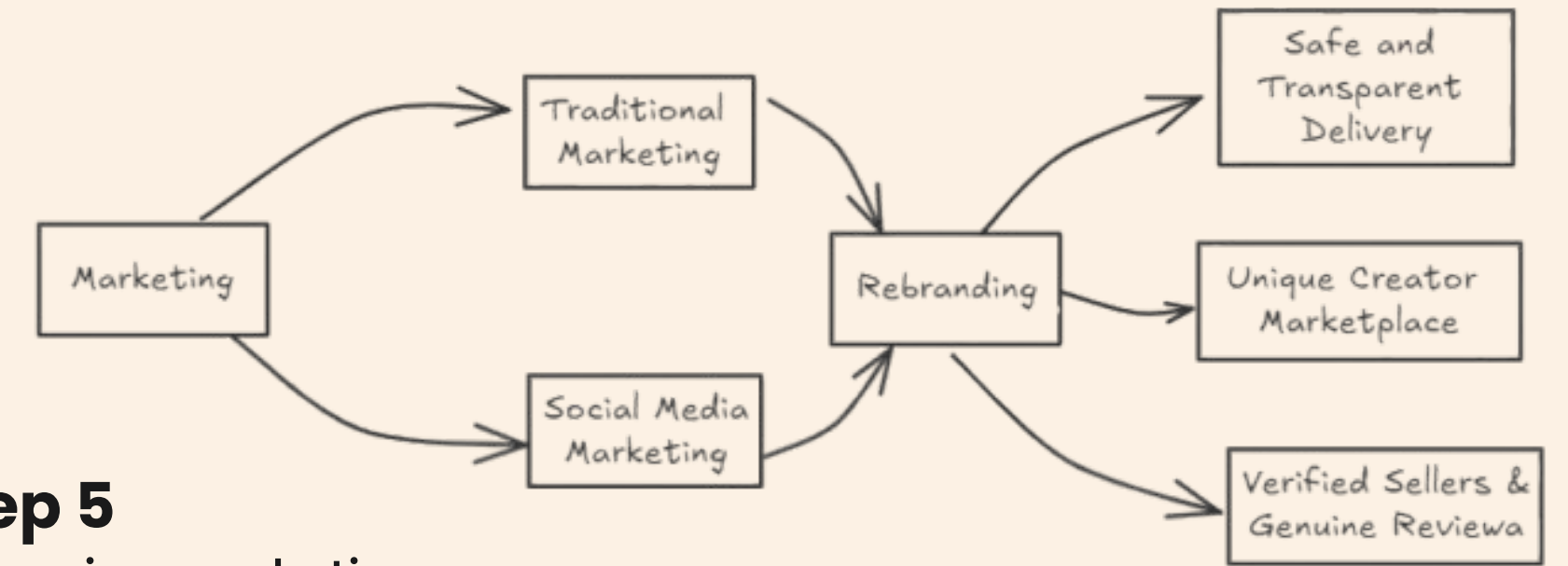**Step 3**
Enabling Express and Transparent Delivery

Each step is reflected transparently

Step 4
Onboarding creators, designers and boutique owners to create and launch Rangmanch

Step 5
Extensive marketing campaigns to reflect all the changes to attract Tier 1 consumers to the app

Low Cost   High Cost

High Quality

Low Quality

Positioning Map for Meesho

Marketing → Traditional Marketing / Social Media Marketing → Rebranding → Safe and Transparent Delivery / Unique Creator Marketplace / Verified Sellers & Genuine Reviews

Category Expansion → Branded Electronics

Expansion → Store for Creators → Influencer and Micro-influencer led Brands / Fashion Designers and Boutiques

Onboarding fashion brands → Nike, Adidas, Mango, Aurellia, etc

Sizing:

TAM
Global E Commerce Market = 26.674 (2023)
Source: Sky Quest Financial Report

SAM
Indian E Commerce Market = $ 70 Bn 2023)
Source: Financial Express

SOM
Meesho's E Commerce Market Share = 7% = 0.07*70 = $4.9B