

# QUOLLAB

## CONSULTING EXPERIENCE PROJECT

Task-1  
Company and  
Industry Analysis

JIO-MART



JIOMART-SHOP

[www.jiomartshop.info](http://www.jiomartshop.info)



**Mart**

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## Political

Strong democracy with a strong government.

Despite efforts towards globalization, India still experiences some degree of protectionism, which is good for a home player to grow like JioMart.

Announcement of various initiatives like Digital India, promoting cashless economy will help JioMart to grow.

RBI allowed interoperability among prepaid payment instruments such as digital wallets, prepaid cash coupons, etc. greatly access customers by giving discounts.

## Economic

India's economy is showing great promise and continues to grow rapidly.

An increase in the disposable income of the people will help to grow the industry.

Increase in online transactions and have diversified ways for paying.

The government is focusing on the cashless economy, which is a helping factor for digitalization.

In this pandemic era, people are unwilling to pay, which is a negative for the industry.



## Social

Demographics in terms of population, growth, and urbanization present a very favorable market.

An increase in women's employment directly affects the growth of the E grocery market.

With very little time to spend with family, convenient and free home delivery became a key factor.

Security and Privacy while doing transactions remain a significant impediment for growth.

## TECHNOLOGY

Power of Whatsapp with JioMart enabled people to connect with businesses, shops and make purchases in a seamless mobile experience.

Early efforts to bring local stores online have given it an edge.

Reliance working on setting up a [farm-to-fork supply chain](#) with its agro-tech app JioKrishi will give an edge to JioMart to connect with farmers to procure fresh farm products.

- Key challenge has been around the delivery as covid-19 has created issues on delivery fulfillment as well as timeline of whatsapp orders, due to lack of delivery personnel.



## LEGAL

The government working on the possibility to set up a regulatory authority to resolve disputes between large online retailers and small enterprises in the country will help in smoothing the vendor ecosystem in the company

- Government new policy imposing ban on e-commerce firms from influencing pricing, employing unfair promotional activities, as well as misrepresenting the quality or features of their product offering may affect the continuous growth of the company.

E-commerce players will also be compelled to store generated data on servers in India. This would put an additional burden on the firm.

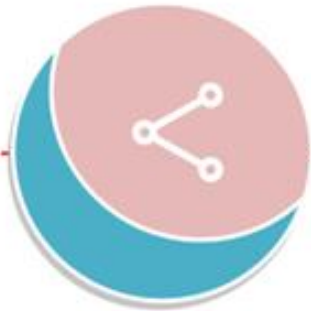
## ENVIRONMENT

Improving store environment and carrying out focused marketing campaigns

- Online shopping is nothing but a Green Shopping which helps in reducing vehicular emission.
- The direct environmental impact of this industry is very low and nearly zero but still focuses heavily on sustainability.
- From sustainable packaging to waste reduction and renewable energy there are several areas where JioMart is investing.



**Threat of  
new entrants**



**Threat of  
substitutes**



**Bargaining  
power of  
customers**



**Bargaining  
power of  
suppliers**



**Competitive  
rivalry**

**LOW**

Launched in 2020 but is well established due to consumers' trust in the Reliance brand.

**HIGH**

Well established - Big basket, nature's basket, grofers, DMart

Emerging - Zomato, Swiggy, Flipkart, Amazon

Buying offline is also an option

**VERY HIGH**

Multiple options to choose from - some offer better quality products (Nature's basket, Amazon) some offer better price deals (DMart, Zomato, Swiggy)

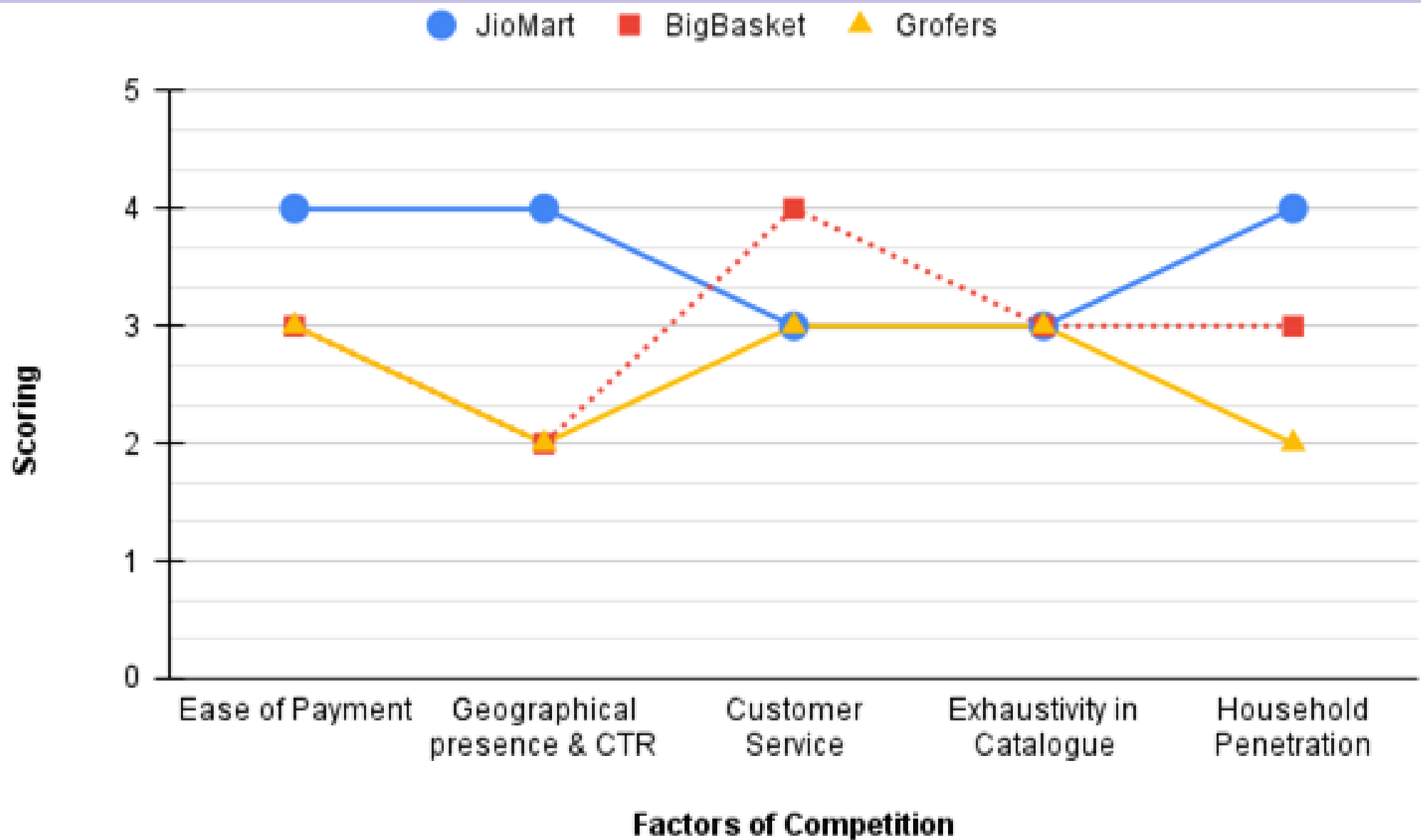
**HIGH**

Due to the plethora of emerging markets Zomato, Swiggy offering to deliver groceries increased the Bargaining power of the suppliers

**HIGH**

Low entry barriers for offering better deals, bank discounts, etc well established and more accessible players present

# Blue Ocean Strategy



# Detailed Analysis of B.O.S Factors

- 1) Ease of Payment : Even though rest of the e-grocery market including JioMart, BigBasket and Grofers have more or less same payment gateways, the possible avenue for JioMart to tap 400+ million user base of WhatsApp via WhatsApp pay gives it an uncompeting edge.
- 1) Geographical Presence and Consumers Tapping rate : With a Huge coverage in around 200 cities, more than 6 times of BigBasket and Grofer (26 and 33 respectively) served cities. Their vast presence presents a great dormant growth opportunity in future. But that said, presently BB and Grofers clocks a higher CTR, but it's uncertain for how long can it be maintained in future considering the rapid growth pace of JioMart.



3) Customer service: Covid-19 has had a huge impact on this aspect, affecting the availability of slots, products, complaint resolving etc. JioMart faces a marginal disapproval here, with an inactive grievance resolving system. Even though Grofers works well on that front, its overburdened supply chain acts as the catalyst here. BigBasket enjoys the advantage in this aspect with a much mature supply chain and Grievance redressal system.

4) Level of Exhaustivity in Catalogue: All the three giants have a well varied catalogue forayed in fresh foods, dairy products, packed items and beverages, with a competitive pricing, though JioMart tags a price well below its competitors'. Not much profitability/growth is expected via this factor as of now.

5) Household Penetration: Bigbasket being a standalone online grocery supermarket and Grofers facing a restraint expansion, JioMart enjoys a well established household connection, partly because of it being an extended venture of Reliance retail, and with a series of acquisitions including logistics startup Grab.

## Strengths

- Aggregates millions of small merchants to form a pan-india supply chain through Whatsapp messenger integration with Jio
- Low cost procurement (bulk buying)
- Global investments from big players like facebook and Google .
- Consumer centric and friendly business model: No questions asked return policy, no minimum order policy, big discounts etc.

## Weaknesses

- Weak Grievance redressal and Customer interaction
- Current growth is sustained through heavy corporate backing, business is still not profitable
- Last mile delivery at scale
- Platform and customer capabilities for online model (3cr+ vendors and >20 cr customers)

## SWOT

## Opportunities

- Has a great geographical coverage, could ramp up the growth if more and more households shift to online grocery shopping.
- More support and perks can be provided to retail owners for a strengthened collaboration.
- New farm laws will be supportive for JioMart because of backing from Reliance Conglomerate.
- Private label push : Can push its own products across many categories to retailers and end-customers, and become the biggest omnichannel retail firm in country

## Threats

- The industry still presents enticing entry opportunities, especially the ecommerce giants out there.
- Low Trust margin, buffer of error will be minimum, since consumers have ample of options to shift to.
- Niche-focussed e-commerce players with custom models for specific product categories (dairy, produce)