

Men's T-shirts 17.8 %

Women's tops 16.3 %

Women's T-shirts 14.7 %

Men's jeans 13.7 %

Women's sports shoes 13.7 %

Women's T-shirts 13.3 %

Men's T-shirts 10.4 %

Women's skirts 9.0 %

## Festive Season Sale: Who's Winning the Great Indian eCommerce Battle?

### TOP BRANDS WITH HIGH DISCOUNTS

27th Sep, 2017

amazon

83.4 %  
Redfoot formal shoes

45.5 %  
Motorola Tablets

40.0 %  
US Polo

Flipkart

65.5 %  
Vero Moda skirts

65.0 %  
Tommy Hilfiger skirts

50.0 %  
Calvin Klein

Myntra

55.0 %  
Guess men's sunglasses

46.7 %  
Faballey women's tops

30.0 %  
Casio men's

JABONG

25.0 %  
Van Heusen skirts

20.0 %  
Pepe Jeans tops

16.7 %  
Tommy Hilfiger

In the lead up to October's Diwali celebrations, almost all major Indian e-retailers had announced mammoth sale events for last week. Resuming the epic battle of India's online shopping carts during festival seasons, Flipkart, together with Jabong and Myntra, kicked off their five-day-long "Big Billion Days" sales on September 20, while Amazon India's "Great Indian Festival" launched the next day.

The stakes were high as Amazon and Flipkart are more evenly matched this year than ever before, making predicting an eventual winner of these dueling discounters a lot tougher than in previous years.

At DataWeave, our proprietary data aggregation and analysis platform enabled us to easily assess which e-retailer offered better deals and discounts. Over the last two weeks, we have been consistently monitoring the prices of the top 200 ranked products in Amazon, Flipkart, Myntra, and Jabong, across several sub-categories of Electronics, Men's Fashion, and Women's Fashion, encompassing over 35,000 products in total.

### Divergent Discount Strategies

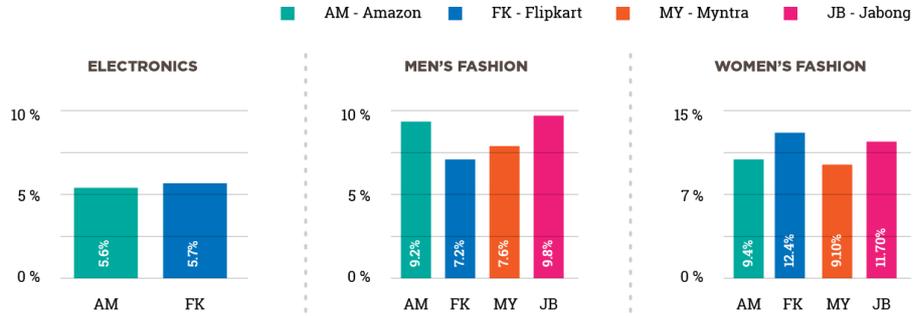
In our analysis, we bring focus to the additional discounts offered by competing e-retailers during the sale, compared to prices before the sale. This is key, as today's shoppers often encounter deep discounts on several products even on normal days, which could potentially dampen the value suggested by the large discounts advertised during the sale.



# INDIAN FESTIVE SEASON SALE ANALYSIS

\*All discount percentages are additional discounts offered during the sale

## ADDITIONAL DISCOUNTS DURING SALE



## TOP SUB-CATEGORIES BY DISCOUNT



Women's sports shoes	15.0 %
Men's formal shoes	13.1 %
Tablets	8.5 %
Smartphones	6.9 %



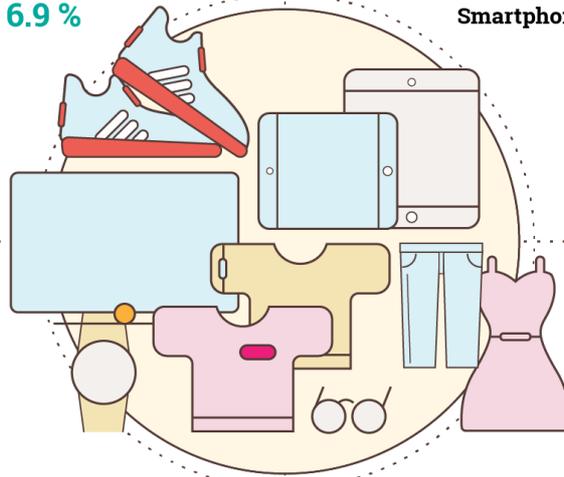
Women's sunglasses	17.8 %
Women's T-shirts	16.8 %
Televisions	6.9 %
Smartphones	6.2 %



Men's T-shirts	17.8 %
Women's tops	16.3 %
Women's T-shirts	14.7 %
Men's jeans	13.7 %



Women's sports shoes	13.7 %
Women's T-shirts	13.3 %
Men's T-shirts	10.4 %
Women's skirts	9.0 %



## TOP BRANDS WITH HIGH DISCOUNTS

amazon

- 83.4 % Redfoot formal shoes
- 45.5 % Motorola Tablets
- 40.0 % US Polo T-shirts
- 10.7 % Apple smartphones
- 7.7 % Redmi smartphones

Flipkart

- 65.5 % Vero Moda skirts
- 65.0 % Tommy Hilfiger skirts
- 50.0 % Calvin Klein sunglasses
- 13.3 % Asus smartphones
- 9.1 % Lenovo smartphones

Myntra

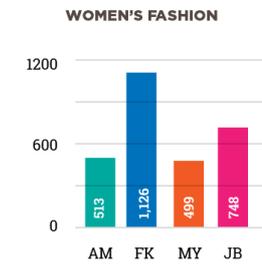
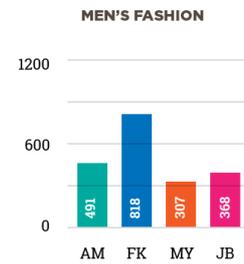
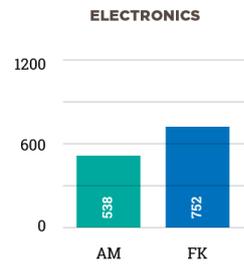
- 55.0 % Guess men's sunglasses
- 46.7 % Faballey women's tops
- 30.0 % Casio men's watches
- 30.0 % Jack & Jones men's T-shirts
- 22.3 % Titan watches

JABONG.COM

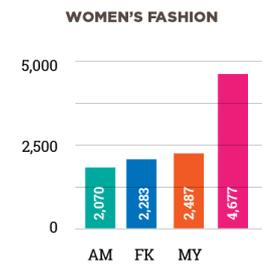
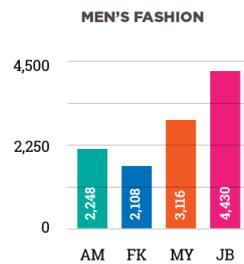
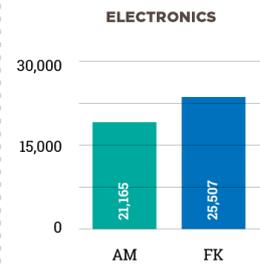
- 25.0 % Van Heusen skirts
- 20.0 % Pepe Jeans tops
- 16.7 % Tommy Hilfiger sports shoes
- 15.6 % Puma casual shoes

AM - Amazon    FK - Flipkart    MY - Myntra    JB - Jabong

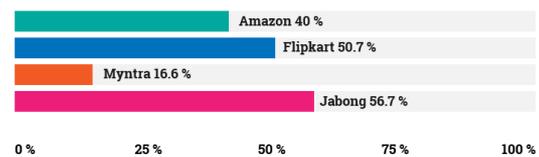
## NUMBER OF PRODUCTS WITH ADDITIONAL DISCOUNTS



## AVERAGE MRP OF ADDITIONALLY DISCOUNTED PRODUCTS



## PERCENTAGE OF NEW PRODUCTS IN THE TOP 200 RANKS DURING THE SALE



72.0 %  
Sports Shoes  
AMAZON

26.3 %  
Televisions  
AMAZON

85.5 %  
men's T-shirts  
FLIPKART

64.0 %  
Women's Watches  
FLIPKART

33.0 %  
Women's Jeans  
MYNTRA

88.0 %  
Men's Formal Shirts  
JABONG

Based on our analysis, Flipkart clearly adopted a more aggressive pricing strategy this year, establishing a lead over Amazon in average discount percentage for Electronics and Women's Fashion. Moreover, Flipkart launched additional discounts on a larger number of products across categories. Amazon, though, offered 6.9 percent additional discounts on smartphones compared to Flipkart (6.2 percent), led by 10.7 percent discount on Apple and 7.7 percent discount on Redmi smartphones.

Flipkart has already **reported a doubling of revenue** from the sale (which includes sales volumes of Myntra and Jabong) compared to last year, and claimed it accounted for 70 percent of eCommerce sales during these five days — beating Amazon by a considerable margin. Amazon, for its part, **reported** a “2.5X growth in smartphone sales, 4X increase in large appliances and 7X in fashion sales.”

The difference in discounting strategies between Amazon and Flipkart is starkly illustrated by their respective highest discounts. Flipkart led the way with a 65.5 percent discount on Vero Moda skirts, a 65 percent discount on Tommy Hilfiger skirts, and 50 percent off Calvin Klein sunglasses.

By contrast, Amazon's greatest discounts were an 83.4 percent discount on Redfoot formal shoes, 45.5 percent on Motorola Tablets, a 40 percent on US Polo T-shirts, and a 25.1 percent discount on Puma sports shoes.

Also, Flipkart hosted a more premium range of products in its assortment compared to Amazon, evidenced by a higher average MRP for its discounted products. Surprisingly, Amazon's spread of discounted products has the least average MRP in Electronics and Women's Fashion, compared to all other competitors.

### **New Products Break Through the Top 200**

What's fascinating in this battle of the e-retail giants is the correlation we uncovered between prices and rank. During the sale, as prices dropped on hundreds of products across the board, newer products successfully broke through into the Top 200 ranks for each sub-category. New products in the top 200 ranks had higher discount levels than the ones they replaced.

This trend was especially pronounced in fashion, where we observed an almost complete overhaul of products filling the Top 200 during the sale period, led by sports shoes in Amazon, Men's shirts in Flipkart, and Men's formal shirts in Jabong.

### **What About Pre-Sale Prices?**

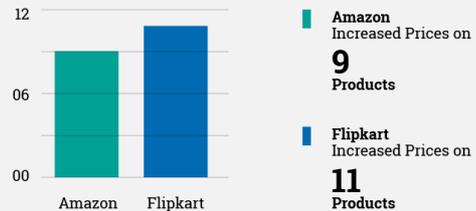
Another angle we explored was whether (like most of us suspect) e-retailers increase their prices before a sale, only to reduce them during the sale, so they can advertise higher discounts. We observed that all e-retailers did increase their prices for an albeit small set of products before the sale.

# PRE-SALE PRICING ANALYSIS

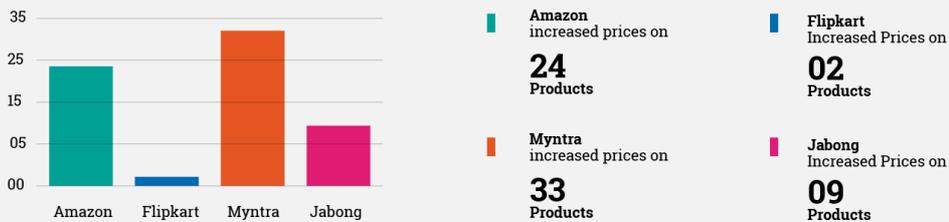


## PRICE INCREASES BEFORE THE SALE

### ELECTRONICS



### MEN'S FASHION

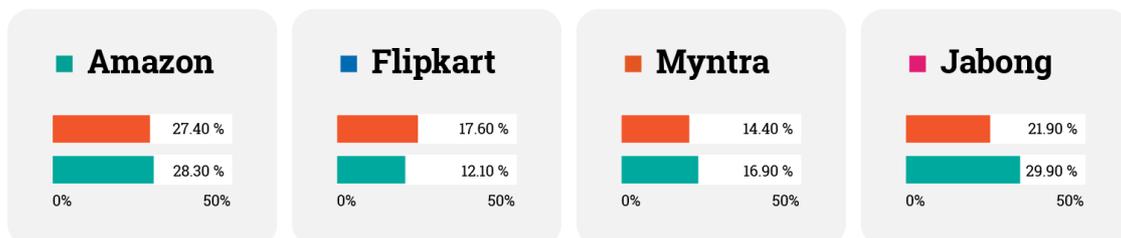


### WOMEN'S FASHION



## MAGNITUDE OF PRICE CHANGE ACTIVITY BEFORE AND DURING THE SALE

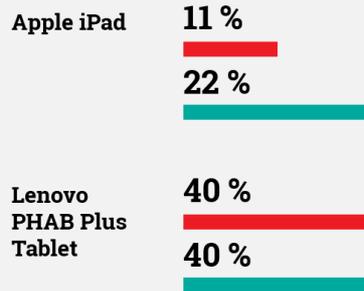
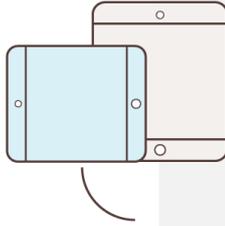
■ Increase Before Sale ■ Decrease During Sale



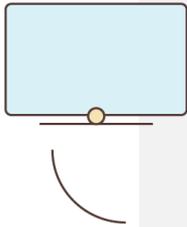
## TABLETS



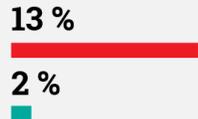
█ Increase Before Sale  
█ Decrease During Sale



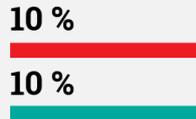
## TELEVISIONS



Haier 42" Full HD LED TV

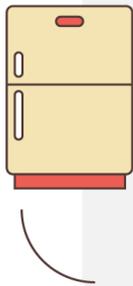


Panasonic 55 inch Ultra HD (4K) LED Smart TV

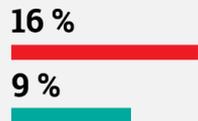


█ Increase Before Sale  
█ Decrease During Sale

## REFRIGERATOR



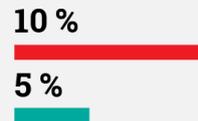
Samsung 465 L Frost free Double Door Refrigerator



## CAMERAS



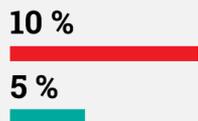
Nikon A900 Point and Shoot Camera



## SHOES



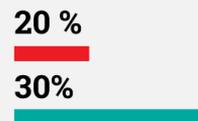
Red Tape Men Coffee Brown Formal Shoes



## SHOES



Lee Cooper Black Derby Formal Shoes



█ Increase Before Sale █ Decrease During Sale

While the number of products where the prices increased for each website prior to the sales is small, it is interesting to observe that certain brands choose to perform the oldest trick in the retail book even today — raising prices to accentuate the degree of discount during the sale period, something shoppers need to keep an eye out for.

### **A Sign of Things to Come?**

Based on our analysis, Flipkart has recognized the threat from Amazon and has approached this year's "Big Billion Days" sale aggressively. It has dug deep into its freshly funded pockets, and offered better discounts for a larger set of products across most categories, in its attempt to lock down a greater market share in the burgeoning Indian eCommerce space.

Amazon, though, has continued to maintain a firm grip on the Indian consumer, having achieved tremendous growth in specific categories during the sale.

What'll be interesting now is to see how these pricing strategies impact company revenues and margins, and how this will shape the soon-to-follow Diwali sales in mid-October.

If you're intrigued by DataWeave's data aggregation and analysis technology, and would like to learn more about how we help retailers and brands build and maintain a competitive edge, please [visit our website](#).

#### **- *DataWeave Marketing***

**27th Sep, 2017**

AMAZON

E COMMERCE

PRICING

RETAIL