

JioMart Launches Online Grocery Store

26th Aug, 2020

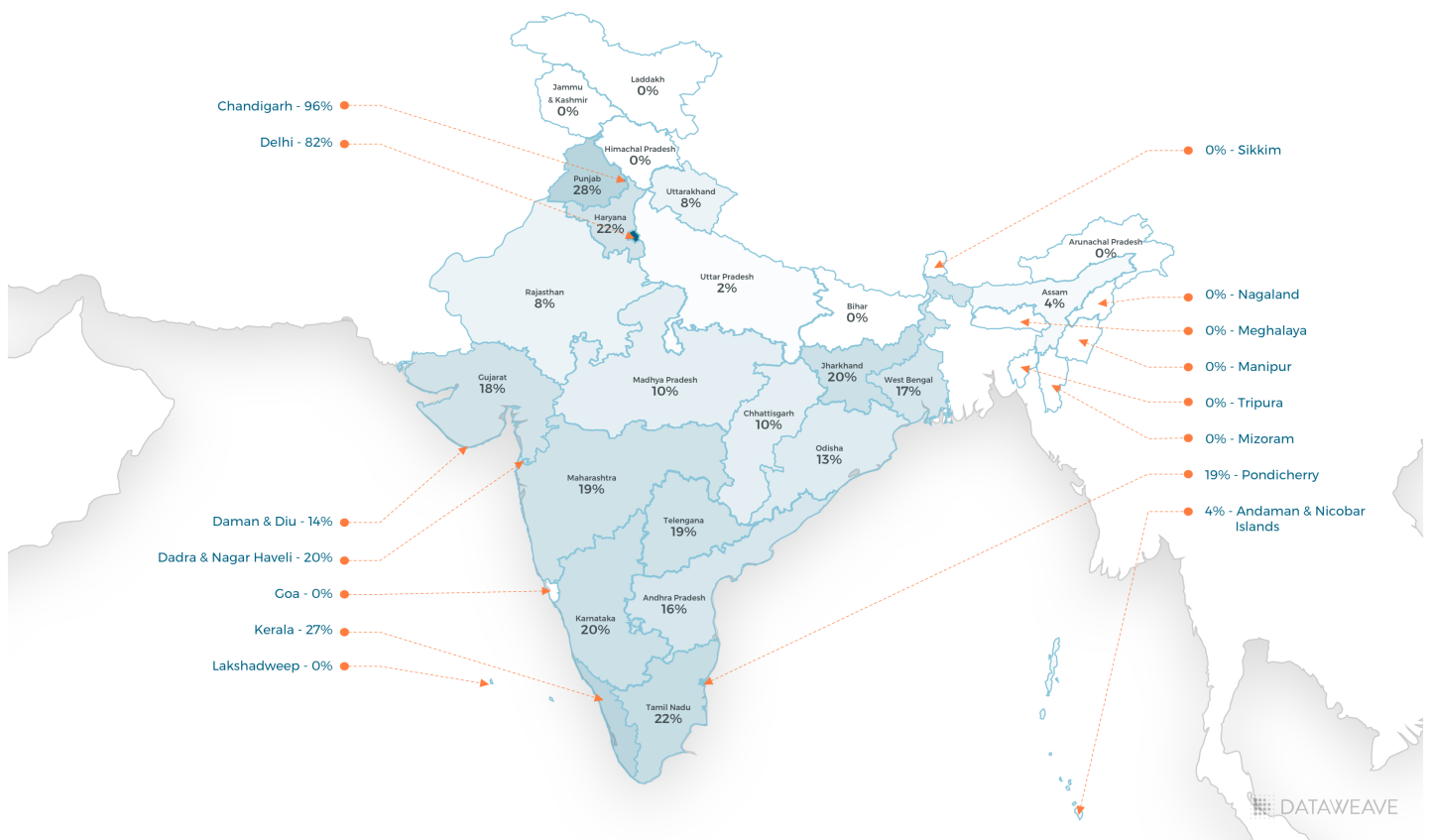
BY DATAWEAVE

JioMart, the online channel for Reliance Retail Limited, launched in December 2019 as a contender in the e-grocery segment. Currently in India, this segment is being dominated by bigbasket, Amazon, Flipkart Supermart, Grofers, etc. After less than a year and from their initial launch in Mumbai, they now have their presence in 205 cities across India.

According to their recent press release, they claim to be clocking over 250,000 daily orders, compared to bigbasket's 220,000 and Amazon's 150,000. To get an understanding of this rapid penetration, we had a look at the PIN codes that JioMart serves, spanning the country.



The map below represents the percentage of PIN codes that are being served by JioMart's online grocery in each state:

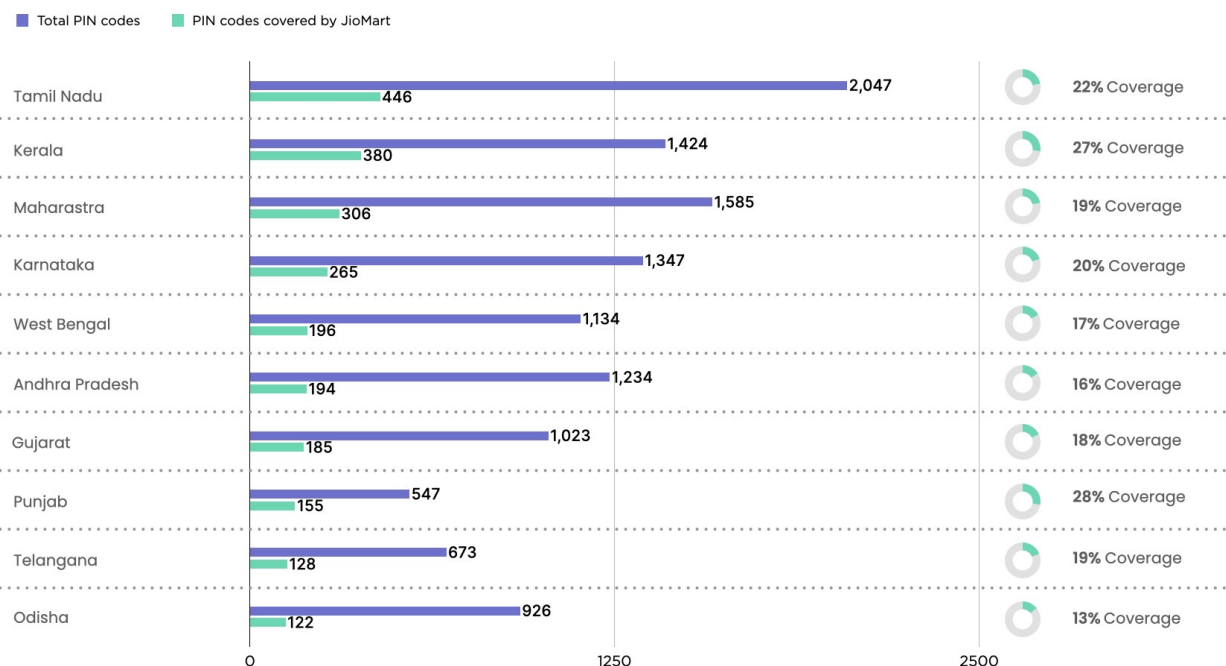


****Disclaimer** -Map for representation purposes only

While states like Chandigarh, Delhi and Punjab in the North are covered extensively, JioMart has a stronger distribution in the Southern states.

The image below shows the top ten states in India where JioMart's online grocery has the highest presence:

JioMart's Coverage Across Cities



They're yet to launch in 14 more states but it's interesting to note that in this limited time, they've managed to cover 14% of the PIN codes in the country and all this, in the midst of lockdowns.

Assortment

To get an idea of the assortment in their range, we analyzed select PIN codes across three tiers of cities in India. The parameters we looked at were categories, brands and discounts to get an understanding of how JioMart is stacking up against its competitors. The cities we examined were:

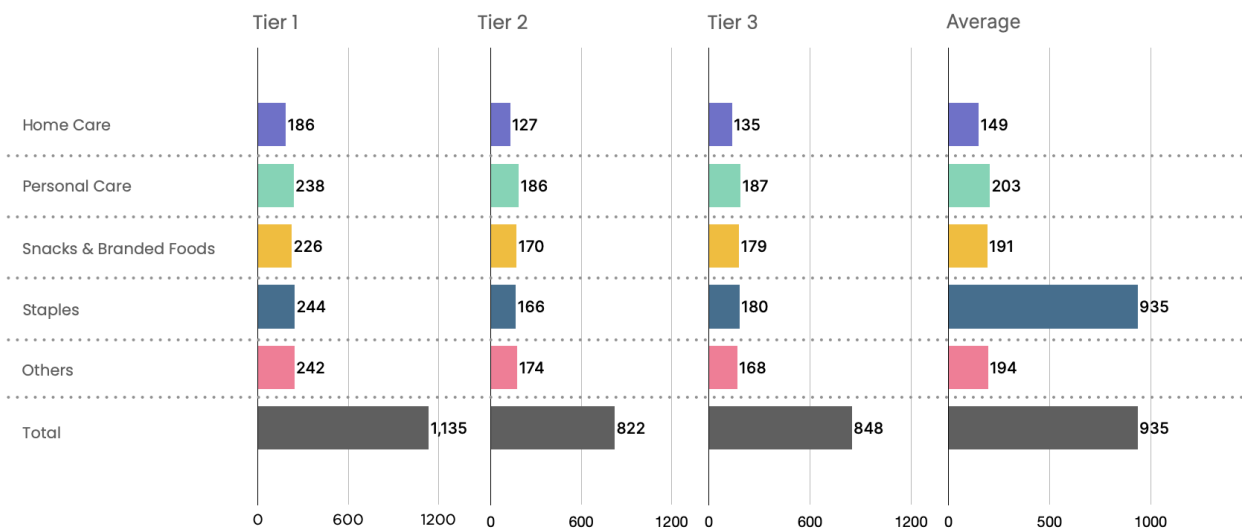
- **Tier 1** – Bangalore, Delhi, Kolkata, Mumbai
- **Tier 2** – Ahmedabad, Jaipur, Kochi, Visakhapatnam
- **Tier 3** – Mohali, Mysore, Nagpur, Siliguri

In its range, they offer eight broad categories, of which, we focussed on the four that offer the highest selection of products: home care, personal care, snacks & branded food and staples.

The table below represents the average selection of products offered across each tier.

Tier-wise Assortment For JioMart

■ Home Care ■ Personal Care ■ Snacks & Branded Foods ■ Staples ■ Others ■ Overall

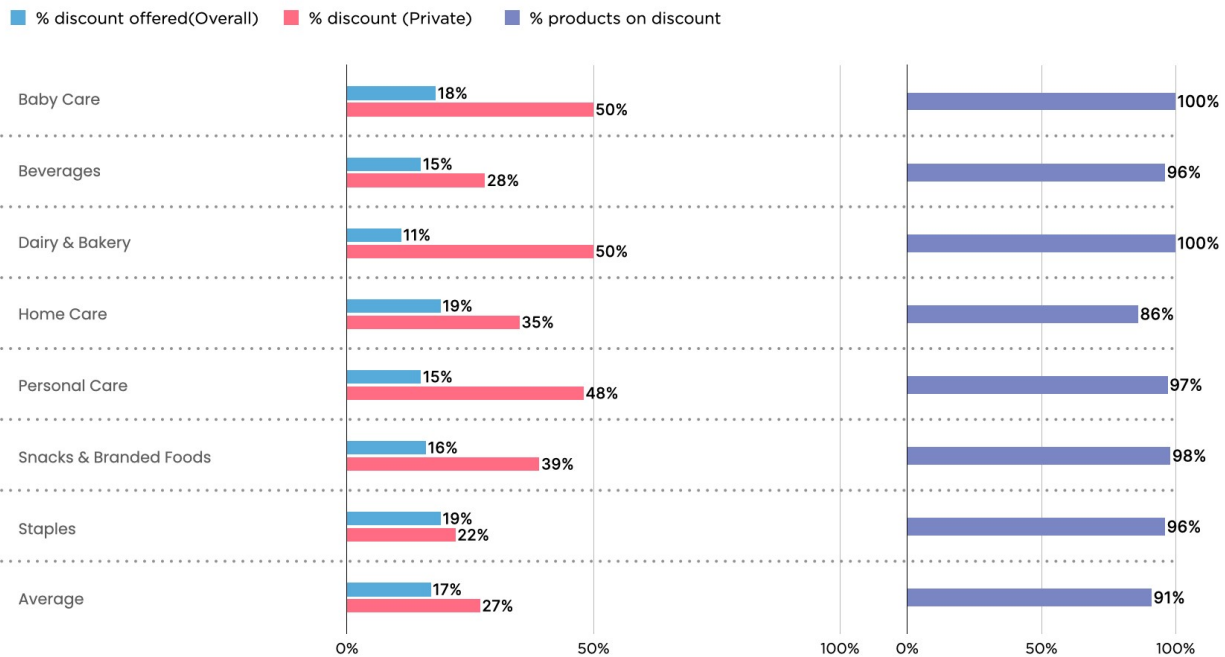


Overview of discounts offered and the private label split

Out of the assortment we looked at in the three tiers, we noticed that an average of 18% of the products are JioMart's private labels. What stood out further is that private labels accounted for 48% in the Staples category and 24% in Personal Care. We noticed this trend (increase in the private label) when we did an [analysis of Amazon](#).

When it comes to discounts, we noticed that a near-total 91% of the products listed are being sold at a discount. Out of this, the highest discounts were witnessed in the Home Care and Staples categories.

JioMart- Private & National Label Discounting

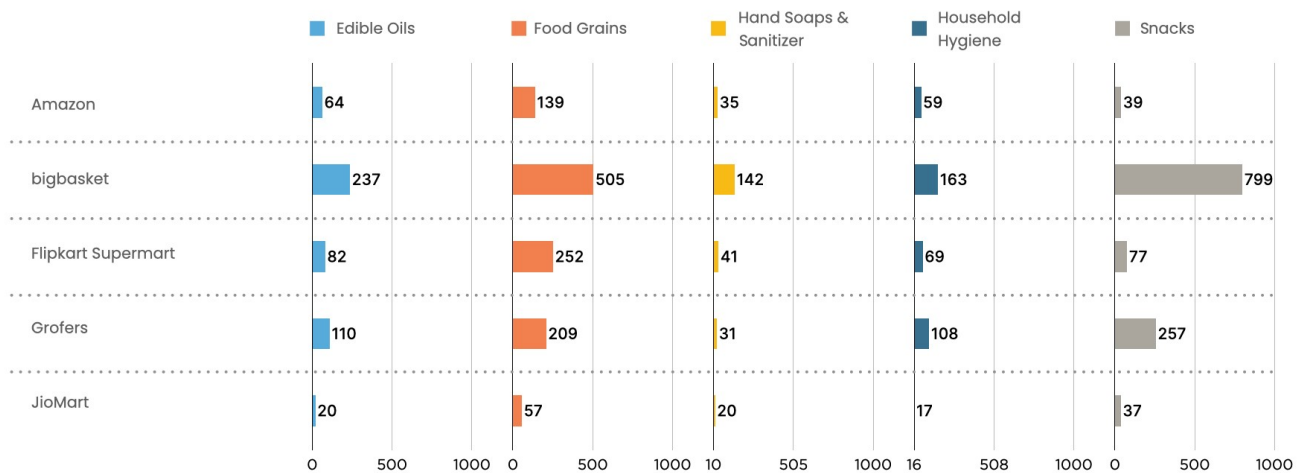


The brands with the highest number of products listed were Good Life, Reliance, Amul, Gillette and items sold loosely. All these accounted for 14% of the assortment. Out of these, Good Life, Reliance and the loose items are JioMart's private labels.

Competitor analysis

To get an idea of where JioMart stands with relation to its competitors, we focussed on food and essentials in the Tier 1 cities. The table below highlights the number of product offerings in each category:

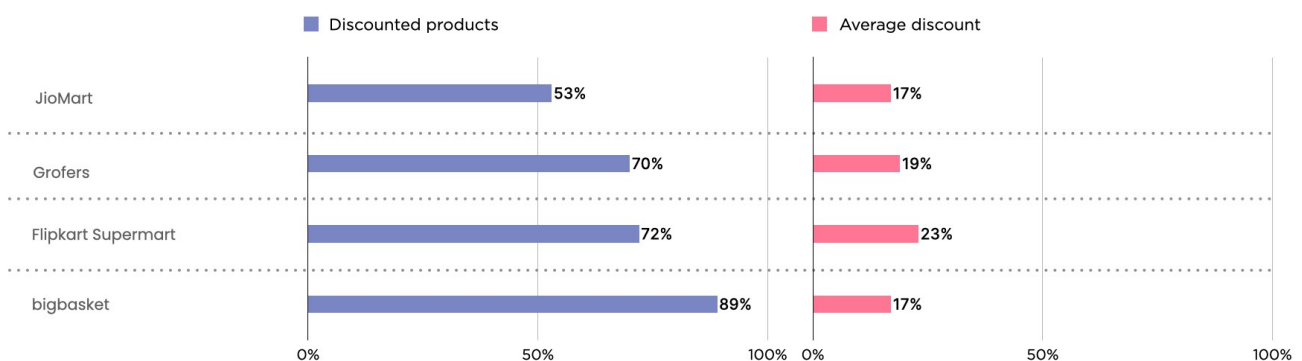
Assortment Across Competitors



It's clear that in these categories (food and essentials), JioMart has the least number of products on discount. There's no doubt that bigbasket is miles ahead in its product range/ assortment.

To get a better idea of the discounting patterns, we analyzed the same categories to get a count of the number of products being discounted, as well as the average discount being offered.

Discounts Offered Across Competitors



We noticed that JioMart bookended our analysis – the least average discount, across the most number of products. Grofers offered the highest average discount of 23% with Flipkart Supermart and bigbasket closely behind. Lastly, bigbasket had the least number of products on discount with a little over 53%.

Conclusion

JioMart launched during a tumultuous and unprecedented time; the COVID-19 pandemic and the subsequent nation-wide lockdowns. Given this trial by fire, they managed to make an impact in this highly competitive space. Their expansion plans of tying up with mom and pop stores to fortify their penetration, had to take a back seat due to the ongoing situation but is sure to resume once conditions improve. This set-back did not however deter JioMart from attracting strategic investments from Facebook, Google and 12 other investors in a span of 3 months.

In a study by Goldman Sachs, it found that **India's e-commerce business** is expected to grow at a compound annual growth rate of 27% by 2024, resulting in a \$99 billion market share. What's even more shocking is that 50% of this market will be captured by Reliance Industries. It, therefore, stands to reason that all we've seen and heard of so far, is merely the tip of the iceberg and there's surely more to come in the near future.

- **DataWeave Marketing**

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E COMMERCE

PRODUCT ASSORTMENT

RETAIL

STRATEGY