

DIGITAL VISIBILITY IN ECOMMERCE

DIGITAL VISIBILITY IS KEY IN ECOMMERCE (AND INDIA'S FLIPKART KNOWS IT)

Ecommerce is the most immediate and tangible manifestation of that much maligned term, digital transformation. For ecommerce, there is a clear, measurable change in the way that consumers behave that is impacting businesses big and small.

In the following, we sum up what it takes for brands to succeed in today's complex ecommerce landscape, highlighting India's Flipkart as someone who has got it very close to absolutely right.

The question that all brands are asking of themselves, is whether they will use ecommerce to conquer new territories and areas – the way that Tiffany & Co. have, reinvigorating their business and making ecommerce a focus, earning them the coveted title of “Genius” by [Gartner L2](#) – or act more defensively and try to protect existing revenues that are being challenged every day by venture capital funded upstarts, in categories as prosaic as razor blades or patio furniture.

BEING NIMBLE IS A NECESSITY

Part of the reason why big business has generally been slow to embrace, and win, on ecommerce is because it inconveniently breaks all the structures that these behemoths have perfected. Ecommerce touches every single part of the business and being nimble is a huge benefit.

The most frequently asked question is how ecommerce is structured in an organisational sense. It is apparent that this is not just a channel or sales function, but a clear understanding of the consumer and the consumer's full purchase journey, and so both requires information to flow through an organisation in a different way and for resources to be combined in ways they haven't been before.

DIGITAL VISIBILITY CAN MAKE OR BREAK ECOMMERCE

It is also clear that significant investment in digital visibility is important. While marketing investments have traditionally sat with the marketing teams, sales teams have quickly realised that without adequate investment in paid and unpaid media, winning the platform visibility battle is a hopeless task. 42% of consumers do not go beyond the first page of search results – and so ensuring you are available, is more than achieving listing.

What clients – and not just marketers – want from their agencies is an understanding of the ecosystem that helps them deliver a unified consumer-facing experience across media and merchandising. This needs to be grounded in deep and actionable consumer insight. The value that agencies need to bring is understanding where the shopper journey begins and how those touchpoints can be amplified.

Amazon Search, or AMS, is the toast of the moment and certainly absolutely critical to a good ecommerce strategy, but just as important is how brands use tools like **Google Shopping**. For highly visual categories, Google Shopping is a critical way to tell a brand story on the shelf that matters, and that may be Google in some instances. Google is a scaled play in the way that AMS is still evolving – and the question to answer is one of scale.

For multi-channel brands, who have both a direct to consumers and an e-tail model, something as decidedly un-sexy as sorting out a product feed to Google Shopping could be much more effective than a box tick on AMS. AMS is wildly powerful, but it is designed to work as a scalpel, not a machete.

VYING FOR ATTENTION IN INDIA'S ECOMMERCE MARKET

Ultimately, what clients then ask their agencies to deliver, is a plan that is rooted in consumer insight and real data. In an effort to understand this for our clients at Wavemaker, we use a proprietary Purchase Journey approach to study the behaviour of online shoppers in a number of markets. Perhaps the most fascinating results came from India, which is not just one of the big prizes in ecommerce, but a wildly interesting one.

One of India's largest ecommerce companies is **Flipkart**, an 11-year-old online retailer which started out focusing on book sales (sound familiar?) before branching out into consumer electronics, fashion and lifestyle. Walmart acquired a 77% controlling stake in the company in May 2018.

So now, we're seeing Flipkart-Walmart and Amazon India duke it out, with Alibaba peeping from the curtains. In a Wavemaker Momentum study of 1500 individual purchase journeys, what became immediately clear is how competitive the market is – with nearly 100% awareness for Amazon, Flipkart and Snapdeal.

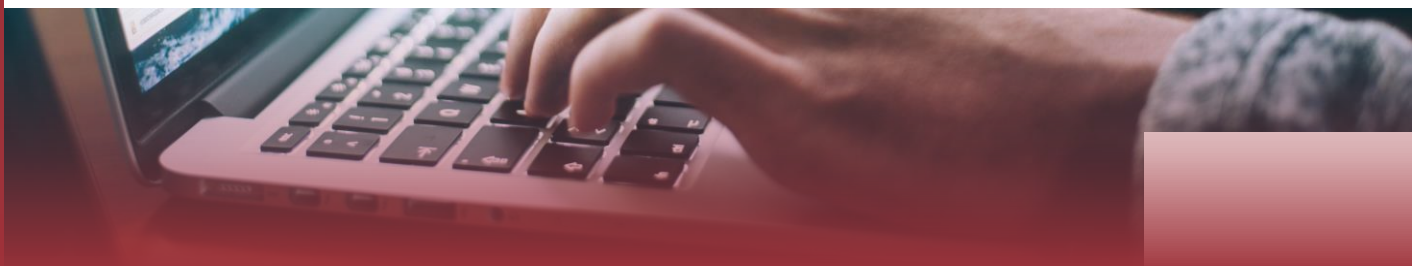
Indian consumers are also a demanding lot – when we further segmented to members of Amazon Prime, ostensibly its loyalty driver, 98% of Prime Members confirmed that they also shopped at Flipkart. What became very clear, was that the battle is one of convenience: Fast, and on-time delivery were listed as the biggest drivers of online purchasing decisions.

But most unexpected is the insight that even in a market as demanding as India, 59% of online shoppers said that they were regular impulse purchasers – and this is an opportunity for clients in India.

India is also complex because unlike in many Western markets, the homegrown player, Flipkart, has held its own. The success Flipkart has had, and the way in which it has dominated the Indian retail landscape, makes it unsurprising that Flipkart is now Walmart's largest acquisition.

THE VISUAL NATURE OF FLIPKART AS A WAY TO SUCCEED IN ECOMMERCE

Flipkart is taking the strategy of pursuing every vertical – and thus, its role as the marketplace for everything means it is a clear venue for brands to get noticed. This of course, doesn't come cheap: A featured slot on its homepage is sold as a one-day tenancy, and is one of the most expensive pieces of real estate you can buy on the Indian internet.



What Flipkart has done brilliantly is its two-pronged approach. On the one hand, it has mechanisms that use native functionality which provides high visibility placements that largely rely on display to tell rich and complex brand stories. On the other, it has a much more data-driven and intent-based offering across paid search and performance display.

India is a mobile-native market, and so Flipkart has put its energies on its mobile offering. Within its app, Brand Stories are ideal for long standing presences on the home page. These formats blur the line between paid and organic placements, which surely is not a coincidence. Its targeting capabilities of course are no mean feat – covering everything from demo and behavioural segments, to things like what digital wallet the consumers like or which brands they have purchased recently.

India is also a market where media supply is not an issue, and so brands have to shout to make themselves heard – and Flipkart's app is rapidly becoming the equivalent of the market stall. While Amazon prides itself on keeping its homepage consistent, Flipkart revels in the rapid changes it can make based on what ad inventory it has sold. The novelty is a design feature, not a bug.

The visual nature of Flipkart extends even to search: Its paid search offering called Rich Search feels native to the platform, far from a simple promoted product presentation.

It is easy to criticize Flipkart's measurement offering, Brand Index – and from a purely paid media standpoint, the fact that only sales are reported back is problematic. However, by offering its own solution to measure the retail hygiene, Flipkart lays out the framework for why it is very important for brands to nail their brand health on Flipkart.

No doubt, if it really wants to pursue the massive brand budgets, Flipkart has work to do, but it is interesting that it includes product page health as a fundamental metric. This is a departure to Amazon dominated markets where brands must rely on a slew of third parties to understand how they could be better at "Amazon owned".

The way for brands to succeed on Flipkart is to have a unified point of view across paid and owned investments, and to achieve a high score on the Brand Index. This is also the world that agencies must master. Looking ahead to where Walmart is moving, it would not be surprising if they choose to monetize Flipkart's data more aggressively, and there lies the opportunity to do significantly advanced planning.

Flipkart is also making significant improvements to its full-funnel measurement and reporting dashboards. These may be *de rigueur* in the wider world of media but for businesses which are not inherently media owners, these may seem like bolt ons. This is by no means an insurmountable task and probably the area where Walmart will bring process and commerciality to Flipkart.

Let's not forget – that while we wax rhapsodic about the brilliance of AMG, it has significant execution and measurement issues that persist. All agencies have happy memories of when until not very long ago, Amazon asked to be paid for paid search via credit cards.

For more information about how to learn from Flipkart as you plan your brand's ecommerce strategy, contact:

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