

# India's love of home delivery

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In India, everyone delivers. From sweets to stationery to ice cream to medicine, there isn't a market that's not ripe for home delivery. But in a country that's long been a fan of direct-to-your-door, online shopping is only one part of the story.

## AUTHORS

Canvas8 staff

**LOCATIONS:**  
INDIA

**GENERATIONS:**  
GEN X (BORN  
1967-1981)  
GEN Y (BORN  
1982-1996)

**SECTORS:**  
SHOPPING  
RESALE AND ONLINE MAR-  
KETPLACES



## SCOPE

It's 9am in India. The vegetable vendor rolls his cart, loaded up with fresh vegetables, in front of your door and rings your bell. The fruit guy arrives soon after. You buy veggies for dinner and a bit of fruit for the kids, and get to work in your home office. The printer ink is running low and you need more whiteboard markers as well. You log on to Flipkart.com and place your order.

The kids arrive home for lunch while you're in the middle of work, and an argument on the way back from school has made them grumpy. You've got a deadline, so you let them pick their lunch. McDonald's, they insist. You order them Happy Meals and get yourself a delivery from Baskin Robbins. While you're at it, you call up the neighbourhood grocery store and ask them to deliver bread, twelve eggs, a carton of milk, and some crisps, please.

In the evening, you remember that you need an outfit for that party you're attending over the weekend, so you shop for a cocktail dress online. And because it's been a stressful day and you have a headache, you call the local chemist and he sends one of his assistants on a bicycle to get you your aspirin within minutes.

In India, everybody delivers. From sweets to stationery to ice cream to medicines, there isn't a market that's not ripe for home delivery. Even street food isn't limited to the street anymore. But in a country that has always been a fan of the right-to-your-doorstep model, online shopping is only one part of the story.

## THE APPEAL OF HOME DELIVERY

In 2013, India's online shopping grew by a whopping 85%, up from \$8.5 billion in 2012. [1] With increasing internet adoption, rising fuel prices and wider choices, it's only a matter of time before middle-class Indians can get anything sent to their door, any time. "Besides electronics gadgets, categories like apparel and jewellery, home and kitchen appliances, lifestyle accessories like watches, books, beauty products and perfumes, baby products have witnessed a significant upward movement in the last one year," says D.S. Rawat, secretary general of Indian trade association Assocham. [1]

Bustling markets and the rough push-and-shove of crowds don't always make shopping a good experience, especially for simple household items. The cost effectiveness of sending a guy on a bicycle directly to customers makes home delivery a perfect retail strategy in countries like India where, until now, shopping has been a very local affair – with shop owners often abreast of the news and gossip of their neighbourhood. Small corner shops – known as kirana shops – can also offer add-on services, like paying phone and electricity bills.



In India, 'home delivery' doesn't have to mean couriers in trucks

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## CASH AND CARRY

Online shopping in India, too, has become synonymous with home delivery – particularly cash-on-delivery options. These are a very popular choice, especially among women, because India is still a cash economy, explains Ishita Swarup, founder of online retailer 99labels. “The credit card and debit card penetration as well as internet banking with women has been far less than that with men,” she says. “Women function more with cash than they do with online banking or credit. A lot fewer women than men are working as well, which makes their getting access to credit difficult.” [2]

With so many internet companies opening shop and shutting down the very next day, there's also the trust factor. “I don't know that if I order something, I'll get it the way I order it,” says Swarup. “So I might think, let me just pay cash. That way, when it's delivered to my doorstep, if I'm happy with it, I'll pay. So that way I'm assured.” [2]



Clothes retailers are offering a 'try before you buy' delivery option

Brad Coy, Creative Commons (2011)

## TRY BEFORE YOU BUY

With home delivery being almost a given for any Indian retail store – online or offline – companies are becoming more creative with their marketing and the services they offer. Online clothes retailers have begun to offer a “try before you buy” option for online shoppers, giving them the option of selecting a number of items, having them delivered to their doorstep, trying them while the delivery person waits, and only paying for what they like. [3]

But while it's a fantastic deal for customers, Swarup isn't quite sure how it's sustainable for retailers. “Business is all about what I can offer you, but it needs to make business sense to me,” she says. “Currently, the way these companies are doing this is by completely subsidising it – so that the courier guy who made a hundred deliveries in a day is now making half of those. So from the economics point of view, it doesn't make sense.” [2]



Whether the shop is across town or local, home delivery is expected

Jussi-Paavo, Creative Commons (2012)

## INSIGHTS AND OPPORTUNITIES

Simon Hay, global CEO of 'customer science' company Dunnhumby, says that we're about to see mass retail being reinvented from scratch in a market immersed in digital and mobile technology. "India presents a unique opportunity for the incubation and growth of what I call second-wave retailers: those emphasising multichannel strategies where physical stores take a lower priority," he says. "They design their shopping experience to match how customers want to buy, not how retailers are accustomed to selling. Personalisation is in their DNA." [4]

And it's the complexity of the Indian market and the diversity of its approach that is both a challenge and the opportunity for the nation. "In India, because it's an evolving system, there is no one solution that fits all," says Swarup. "In our case, we've used multiple courier operators. In a city like Delhi we actually deploy our own people to do delivery because not one courier company will cover all the PIN codes in India – and if you go down to tier II and tier III cities, the couriers don't exist at all. So we'll work with multiple courier partners, and have started looking into postal services and options." [2]

India presents a unique opportunity for the incubation and growth of what I call second-wave retailers: those emphasising multichannel strategies where physical stores take a lower priority

Simon Hay, Dunnhumby CEO

But there are problems, too – like returns. In the US, says Swarup, you'd just FedEx a parcel back, but returning items in India is not quite as simple. "Our reverse logistics are extremely painful right now," she says. "That's the piece we've been talking to the postal services about. Can they become a hub that's next to me, the customer, so that I can go and dump my return packages there?" [2]

However, the infrastructure problem could soon be a thing of the past. Because the online industry has been alive and kicking for the last five to seven years, says Swarup, there are several courier companies that have come into play – and they're specialised in servicing e-commerce companies exclusively. It's a win-win situation, helping the companies grow while providing better options for their customers.

Be it e-commerce or the local kirana store, it's likely that both will continue to co-exist in India. "You will have the bigger stuff coming by courier, through the online shopping guys," says Swarup, "but we'll also pick up our milk from the local guy and medicines from the local chemist, who will be happy to deliver." [2]

Mridu Khullar Relph is a writer, entrepreneur, and content strategist. She has written and consulted for The New York Times, Time, CNN, ABC News, The Independent, The Christian Science Monitor and more. More details can be found on her [website](#).

## KEY STATISTICS

- In 2013, India's online shopping grew by 85% [1]
- India's online retail sector was worth \$8.5 billion in 2012 [1]

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## SOURCES

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3. 'Three Great Indian Online Stores with a "Try Before You Buy" Option', Snip Snip (March 2013)

2. Interview with Ishita Swarup conducted by author
4. 'How India Could Change Retail Marketing As We Know It', Forbes (January 2014)



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