

IMPACT



ENDORSEMENT RATES HIT A SIX

Experts say that Indian cricket stars, fuelled by their World Cup performances, are set to unlock 30% inflation in endorsement fees

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THE PROMISE OF TRUST

RAHUL TALWAR
CMO of Max Life Insurance

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AJAY MAURYA
Chief Marketing Officer, Fastrack

LEARNINGS FROM THE E-COMMERCE FESTIVE SALES 2023

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The Indian festive season along with the e-commerce shopping bonanza is now behind us. Like every year in the past, this year too, large-scale events across popular e-commerce platforms started and kept the hype for festive shoppers going. Across all e-commerce platforms, online traffic surge has broken past records with an increase in shoppers not only in the metros but also in Tier II and Tier III cities.

We at HiveMinds saw the most action-packed first week in the e-retail space from the weekend of October 6 to 9. The first leg of the sales which accounts for 50% of the off takes was a raging success. It is always the iPhones and the EarPods that top the charts when it comes to consumer demand. The subsequent phases of sale also saw good demand in consumer durables and lifestyle categories. It is also a bumper year for home appliances. Washing machine searches grew by 50x and mixer grinder searches spiked 17x from the baseline. The top-selling product is a bullet mixer brand, that picked up steam in the last 2 years. Similarly, searches for water purifiers and microwave ovens grew by 10x.

The platforms played to their strengths, Amazon Prime members enjoyed early access to sales and we saw great offtakes of large electronics and home improvement goods. On the other hand, Flipkart's pre-booking feature was a hit among mobile shoppers, leading to iPhones going out of stock in the initial few days of the sale.

E-commerce platforms are dynamic, and consumers are often unpredictable. It takes both meticulous planning over many months and real-time decisions on the sale days to get the desired results.

A major challenge during sale days was the overall inflation of cost per click (CPC) across most in-demand categories. CPCs across electronics increased by about 30% on Amazon and Flipkart. The home category was also inflated by 20%.

We are sharing 5 ground rules that can help marketers get the best return on their investments:

1. Visibility is the key and so is acquisition cost:

This year mixer-grinder searches grew by 17x over last year's festive time and the dominant product in the category was a bullet mixer, which had consistently built visibility in the weeks leading up to the sales.

2. Use short-term events for long-term success:

E-commerce sale is a great opportunity to recruit new brand customers, launch new products, and gain category share through your top-selling products. We recommend that brands identify product-competitor combinations into buckets that they must fortify, grow and/or just sustain at a certain ACoS, and craft media strategy accordingly.

3. Be ready to fail and change the game plan:

The first few days of the sale can be highly dynamic. Sometimes the overall category level Cost Per Click (CPC) inflates beyond our wildest expectations, failing the entire ROI plan. Having backup plans, being ready to tweak campaigns and sometimes the ability to completely change the campaign mix to maximize revenue is required for a winning team.

4. Execution and constant monitoring:

These two aspects are just as important as planning. It is imperative for brands that their marketing teams are set up like war rooms, monitoring data, experimenting with campaigns and continuously tracking competition activity to get the right insights.

5. Indecision hurts more than a wrong decision:

When the cost of selling, demand and consumer behaviour are dynamically changing, the marketing leader should also be ready to make bold decisions backed by data. Speed is of the essence when it comes to e-commerce sales.

E-commerce platforms have created an even playing field for new-age companies to challenge legacy players as customers explore new brands in popular categories and adopt new categories.