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THE BUZZ

FESTIVE SALES

Spreading Cheer

E-commerce and automobile companies are going all out to attract customers during the festive season

BY PALAK AGARWAL & ASTHA ORIEL

► **FROM RAPID DELIVERIES** to unbeatable car deals, online shopping platforms and the auto industry are capitalising on the shopping frenzy ahead of the festive season. Quick commerce platforms Zepto and Blinkit are experiencing record-breaking sales, and automakers like Maruti Suzuki and Tata Motors are offering customers heavy discounts.

During *Raksha Bandhan* in August, Blinkit, Zepto, and Swiggy Instamart have reported record-breaking sales, driven by the growing inclination for fast deliveries and heavy discounts. Now, Zepto, Blinkit, and bigbasket also promise to deliver to the customer the latest iPhone 16 within minutes of placing the order.

The festive frenzy in quick commerce began during *Raksha Bandhan*, when Zepto sold four

16 |

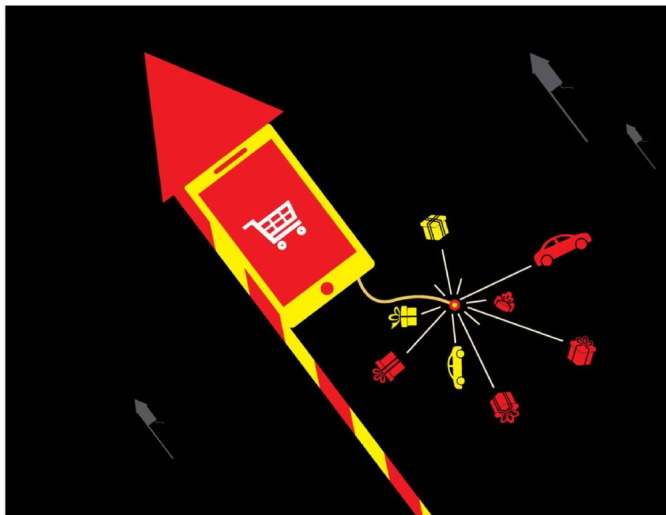


ILLUSTRATION BY RAJ VERMA

times the *rakhis* it sold last year. Blinkit took orders from abroad this year and in India, it sold a staggering 209 *rakhis* per minute. Swiggy Instamart recorded a 5x increase in its *rakhi* sales.

The offers by quick commerce platforms show the segment's growing share in online sales and shifting consumer behaviour. According to market research company Datum Intelligence, this festive season, quick commerce will account for about \$1 billion in sales (8% of total online sales).

Chandan Mendiratta, Chief Brand Officer at Zepto, emphasises the shift towards quick commerce, noting, "What once required days of planning can now be done in minutes, with essentials, gifts, and *pooja* needs delivered in 10 minutes."

Quick commerce has, however, not taken over the share of the e-commerce biggies yet, and per Datum Intelligence, Flipkart is still preferred, with 65% shoppers choosing the Walmart-backed e-commerce site, followed by Amazon (61%), and Meesho (51%). Quick commerce players are not far behind, with Blinkit grabbing 29% share, followed by Swiggy Instamart (24%), and Zepto (23%). Flipkart, Amazon, and Meesho will start their respective sales from September 27, which will see hefty discounts and product launches. Meesho, in its festive sales report also said that over 60% of its consumers plan to increase their shopping budget this year.

The change in consumer behavior is being noted by brands as well. Ravi Saxena, Co-founder and MD of kitchen appliance maker Wonderchef, highlights the brand's success on quick commerce platforms, "Around eight months ago, we listed on quick commerce. I hadn't anticipated it would take off so well... It's a shift we're observing."

According to a report by strategy consultant Redseer, the shift to quick commerce has made supply

FESTIVAL BONANZA



The festive frenzy in quick commerce began during *Raksha Bandhan*, when Zepto and Instamart saw 4x and 5x increase in *rakhi* sales, respectively, over 2023



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The auto industry is also experiencing a surge in festive demand with companies offering heavy discounts

chain optimisations crucial for platforms to stand out during the festive season. The report projects sustained growth for the segment, with a 40-45% increase in gross merchandise value (GMV) over the next three years. The e-commerce segment is expected to grow by 20% this festive season, compared to last year's 13% growth.

Sampad Swain, Co-founder and CEO of D2C tech platform Instamojo, also finds the shift to quick commerce interesting. "The sector has gained a lot of attention with exciting new product launches happening almost every day," he says.

PEDAL ON DISCOUNTS

Akin to online sales, the automobile industry is also experiencing a surge in festive demand with companies offering heavy discounts. Maruti Suzuki India, the country's largest automaker, is offering discounts ranging from ₹15,000 to ₹1 lakh on popular models like the Swift, Brezza, Fronxx, and Baleno, until the end of September.

Discounts are significantly higher this year due to increased inventory at dealerships. Tata Motors' 'Festival of Cars' campaign is offering up to ₹1.8 lakh off on models like the Nexon and Harrier. Electric vehicles, including the Punch.ev and Nexon.ev, have incentives of up to ₹3 lakh.

JSW MG Motor India, another prominent player, had announced discounts of up to ₹2.2 lakh in August. The company expects accelerated growth in the coming months due to the festive season and new launches.

Rajeev Chaba, CEO Emeritus of JSW MG Motor India, noted that the last few months were challenging due to extreme weather and pent-up demand. However, he expressed optimism for the future.

Partho Banerjee, Senior Executive Officer-Marketing and Sales at Maruti Suzuki India, says, "This is the best time to buy a car." However,

he also notes the cyclical nature of production.

According to Vivek Srivatsa, Chief Commercial Officer of Tata Passenger Electric Mobility, customers can expect benefits of up to ₹2.05 lakh on internal combustion engine vehicles, in addition to offers on cash payment.

Such offers are expected to continue in the next few months, with larger discounts anticipated in December.

Anurag Singh, MD at management consulting firm Primus Partners, believes discounts will likely extend beyond the immediate festive period as automakers aim to clear inventory.

Singh attributes the high

18 | **DISCOUNTS ON
AUTOMOBILES
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inventory to automakers' desire to capture market share. "As the competition intensifies, automakers will want to gain market share, and hence they will have excess inventory. And thus discounts," he explains.

Interestingly, companies that usually do not offer discounts, such as Toyota and Honda, have also joined the trend. Toyota Kirloskar Motor is offering discounts worth ₹49,914, while Honda Motor India is offering up to ₹33,930 in savings.

As the festive season unfolds, both e-commerce and the automobile industry are pulling out all the stops to capture consumer interest. With deep discounts and faster delivery, the holiday season is expected to show robust consumer demand. **BT**

