



LIVE 4 SEASON

CASE STUDY

IIM-A • ONLINE RETAIL • MYNTRA.COM

MYNTRA.COM CASE STUDY

Myntra.com is the largest online retailer of fashion and lifestyle products in the country with over 350 leading national and international brands under its portfolio. The company has been doubling in revenues every 5-6 months and is one of the fastest growing ecommerce companies in India. With over 4,50,000 visitors and 12,000 products shipped daily, Myntra is on track to reach Rs 500 cr by end of this fiscal.

Project:

Myntra retails over 25,000 products across 480 cities in India and has its own logistic network catering to 50% of its customers. Myntra's core TG is between the 22-30 yr old (SEC AB).

Of the total daily sales on Myntra, only 30% is contributed by women and is a cause for concern.

Myntra currently has the following categories for women: (in order of preference and sales figures)

1. Apparels - Casual & Sports wear
2. Ethnic Wear
3. Casual & Sports footwear
4. Cosmetics
5. Jewellery

Objective:

How can we make Myntra a preferred shopping destination for women?

With a view on this, the contribution from women category needs to go up by 15% across all categories

Success for Myntra:

While growing the overall base of shoppers on Myntra (and not disassociating with the male shoppers), how can we drive up the contribution of women shoppers to 45% from existing 30%.

Specific Deliverables:

1. Segmentation of women shoppers in India. Determine segmentation criteria and approximate size of segments.
2. Determine the key drivers for shopping of lifestyle products (apparel, footwear, accessories, cosmetics and jewellery) for women in India. What bundle of attributes would be most attractive to the above segments?
3. What are the barriers to first trial within these segments?
4. What are the category dynamics in the above key segments? How do women perceive shopping for apparel as against footwear, for instance? (Key categories: Apparel, Footwear, Accessories, Cosmetics and Jewellery)
5. Marketing Plan and success metrics: How would you go about targeting the most attractive segments? Your plan should include overall communication strategy, promotional tactics, recommended media mix and success metrics at the minimum.

Recommended Methodology:

We leave you to choose the best way to gather data (either from primary research or secondary research reports), gain insights and present recommendations. We're looking at both quantitative and qualitative insights backed by solid methodology.

Expected Output:

1. Marketing strategy & plan with timelines
2. Best platform to target the female audience outlined above
3. Specific product categories that need ramping up or additions to the existing ones

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4. Final submissions are expected to be clear, insightful and have recommendations that can be executed in the short to medium term

Useful links:

<http://dailyinfographic.com/men-vs-women-online-shopping-infographic>

<http://www.pluggd.in/eccommerce-bubble-in-india-297/>

<http://www.indianexpress.com/news/men-bigger-online-shoppers-than-women-study/853861/>

Myntra's Financial Data: (Confidential Information):

Monthly revenue (as of June 2012) - 20 Cr

Revenue targets - Rs 500 cr for 2012-13

Marketing budget - 12% of overall expenditure

Employee strength - 1,000+

Investments: Strengthening our supply chain, investing in technology and Myntra brand

Industry Facts:

With nearly 120 million users, India is one of the fastest growing Internet markets in the world. Among these, about 55 million fall in the Sec AB segment. It is estimated that the user base will touch the 300-million mark by 2015-16.

Currently, the online retail market stands at Rs3,000 crore and is growing at an annual rate of 35 per cent. A survey done by the Boston Consulting Group (BCG) in 2011 estimates that India's online retail will touch Rs.8,400 crore by 2016 and will account for 4.5 per cent of the total retail trade in the country.

Extrapolated reports suggest the lifestyle and fashion segment to be a \$50 billion market (both organised and unorganised sector) and is expected to touch \$100 billion by 2015 - 16.

According to a study by retail consultancy Technopak, youngsters in the 16-23 age group in the top 50 cities spend about Rs 20,808 crore annually on apparel and fashion and another Rs 6,834 crore on footwear. But this study was limited to only the top two socio-economic categories India has 500 million people under the age of 25 and their collective spends on apparel and fashion are likely to be several times larger.

Of the Rs 157,500 crore apparel market, according to Technopak, the organised market is just about 17% of the total market at Rs 26,775 crores, and the pavement apparel market is estimated at about Rs 26,145 crore, which leaves a large unorganised segment in between.

According to a 2011 study by Assocham of 13-21 year olds, about 35% of youngsters spend upward of Rs 5,000 every month on upgrading their wardrobes. They shop in branded stores only as they care more about the brand and less about price. Their labels of choice: Nike, Levi's, Diesel, Lee, Adidas, Reebok, Pepe and other international brands.

About Myntra.com:

Myntra.com is India's largest online shopping destination for fashion and lifestyle merchandise. Myntra has the largest in-season catalogue of clothes, footwear and accessories from over 350 leading brands. Brands such as Nike, Adidas, Reebok, Puma, Lee, Levis, Pepe, Wrangler, Flying Machine, Arrow, Provogue, Jealous 21, Biba, Fabindia, UCB, US Polo etc. offer a wide range in latest fashion and lifestyle wear.

Myntra's value proposition revolves around giving consumers the power and ease of purchasing fashion and lifestyle products online. The company's unique offerings include the largest in-season product catalogue, 100% authentic products, cash on delivery and 30 day return policy making Myntra, the preferred online shopping destination in the country.

Myntra was started by a group of IIT / IIM graduates in 2007 and is headquartered in Bangalore. The company has been funded by top tier Venture Capital funds like Tiger Global, IndoUS, IDG&Accel Partners.

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Quick Facts:

- Awarded one of the “Hottest Internet Companies of the Year” during the recently concluded CNBC - TV18 Young Turks Awards
- Awarded “Pride of India 2009-2010” for Exceptional Business Growth and “Pride of India 2011-2012” for Most Successful Fundraising by IDG Ventures
- Won the Red Herring Global 100 Award in recognition of leading private companies from North America, Europe, and Asia, for innovations and technologies across respective industries
- Average Customer Satisfaction Index 95% across all quarters
- Over 3 million registered customer base
- Over 4,50,000 visitors daily
- Over 8,500 daily average transactions
- Myntra's delivery network extends to over 10,000 serviceable areas in India
- Over 6,50,000 fans on Facebook