

O/R Assignment

Problem Statement

Understand the reselling market in India and other social commerce trends through primary and secondary research. Based on your understanding of the customers and market landscape, create a plan on how Meesho can improve the metric “Orders per Reseller per month”.

Guidelines on completing the assignment

- Market understanding will be critical in doing the assignment, so invest some time in secondary research, and if possible primary research as well
 - You can make any assumptions that you feel are relevant but pls do state them clearly in your document
 - We appreciate a good balance of breadth and depth in the recommended solutions
 - We expect the assignment to be completed in 7-10 days from the time it is shared
 - You can use either a word document or a slide deck to articulate your plan
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1.0 Goal

Improve the metric: Orders per Reseller per month for Meesho.

2.0 Assumptions

- The Orders per Reseller (O/R) per month metric is a function of $\frac{\text{Total Number of Orders Fulfilled}}{\text{Total Number of Resellers}}$
- The focus is on optimizing what Meesho is currently doing, while also identifying opportunities for increasing number of orders within the Meesho ecosystem.
- For the purpose of this assignment, we are not looking to increase reseller acquisition.
- This assignment is limited to recommendations pertaining to product-level solutions.
- The current reseller activation rate for Meesho is about 15 - 20%

3.0 Key Insights from Secondary Research

- The dominant players in the Social Commerce Landscape in India include GlowRoad, Meesho, Shop101, BulBul, DealShare and Mall91; of which Meesho claims a 80% market share.¹
- The category suffers from high return rates of 40-50%²
- Meesho has over 2 million resellers on its platform across 700+ towns; with 80% of sales coming from non-metros³
- Predominant categories on Meesho include apparel, home appliances and electronics³
- Meesho resellers are mostly homemakers, most of whom have purchased a smartphone for the first time in recent years.³
- Eighty percent of Meesho's reseller base is female, of whom 70% being homemakers.³
- A typical reseller earns INR 20,000 – 25,000 per month⁴
- Average order value is INR 300 - 600 per reseller⁵

4.0 Key Insights from Primary Research (Interviews with Meesho Resellers)

- The first purchase made by a reseller on the Meesho app tends to be for herself. Based on her user experience, she recommends products from the app among her social circle.
- A typical Meesho reseller tends to maintain just 2 WhatsApp groups of target customers (one for men and the other for women).
- A typical Meesho reseller has typically tried a variety of social commerce apps but prefers Meesho on account of the product variety, prices and superior customer support.
- A typical Meesho reseller tends to keep margins on products fairly constant (around Rs. 40 – Rs. 60). These margins additionally tend to be in whole numbers.
- Though Meesho does have a mentorship program, the resellers that I interviewed were not aware of it.

¹ <https://inc42.com/features/social-commerce-move-over-amazon-flipkart-theres-a-new-model-in-town/>

² <https://economictimes.indiatimes.com/small-biz/startups/newsbuzz/meesho-revenue-at-rs-84-cr/articleshow/71751246.cms?from=mdr>

³ <https://techcrunch.com/2019/08/11/meesho-india/>

⁴ <https://techcrunch.com/2018/06/06/social-selling-startup-meesho-lands-11-5m-series-b-led-by-sequoia-india/>

⁵ <https://timesofindia.indiatimes.com/business/india-business/facebook-backs-meesho-in-first-startup-investment-in-india/articleshow/69772849.cms>

5.0 Conceptual Framework

The Orders per Reseller per month metric could be increased by means of the following:

- Increasing the total number of orders placed on the platform
- Reducing the total number of Resellers (Not recommended)

My focus would be on increasing the total number of orders placed per month.

6.0 Target Users

Based on usage pattern, we can categorize the Meesho resellers as follows:

- New Resellers: who are looking to make their first sale
- Experienced Resellers: Typical resellers
- Power Resellers: Top performing resellers on the platform

Ideally, we would look at converting New resellers into Experienced Resellers; and experienced resellers into Power Resellers. However, given my lack of access to the Power Reseller segment, I have focused my efforts on identifying the pain points of New Resellers and Experienced Resellers.

7.0 Pain Points

The following were a few pain points identified (through primary research):

	Pain Point (P)	Reseller Needs (N)
New Reseller	<ul style="list-style-type: none"> - P1 - User onboarding process is long and complex (High drop-off rate) - P2 - Not knowing how to begin - P3 - Not able to discover the items that they want to resell - P4 - Difficulty understanding how to make the first sale (whom to reach and how-to set the margin) - P5 - Lack of motivation to stay on the platform - P6 - High product prices 	<ul style="list-style-type: none"> - N1 – A shorter onboarding process with reduced number of steps - N2 - Training sessions– possibly group training sessions conducted by existing resellers who are also in their vicinity. - N3 – Finding relevant products easily and quickly with minimal number of steps - N4 - Assistance during the initiation phase and an intuitive interface. - N5- Increased retention through monetary incentives - N6 - Lowest prices and best deals, discounts and offers
Experienced Reseller	<ul style="list-style-type: none"> - P8 - Difficulty while searching for relevant products (particularly for the plus size category) - P9 – Lack of dynamism of content listings. Limited variation of the product recommendations (“should promote items like raincoats during the rainy season”) - P10 - Difficulty identifying products for cross-sell - P11 - Lack of motivation to stay on the platform 	<ul style="list-style-type: none"> - N8 - Finding relevant products with minimal number of clicks - N9 - Custom curated list screens based on search and purchase behavior and market trends - N10- Cross-selling and upselling suggestions based on order selection - N11- Increased engagement through monetary and non-monetary incentives

We can look to bucket the pain points as follows:

Onboarding and Activation	Retention and Engagement	Search and Discovery
<ul style="list-style-type: none"> • Long user onboarding process • Not knowing how to begin • Difficulty understanding how to make the first sale (whom to reach and how-to set the margin) 	<ul style="list-style-type: none"> • Lack of motivation to stay on the platform 	<ul style="list-style-type: none"> • Difficulty while searching for relevant products • Difficulty identifying products for cross-sell

8.0 Solutions

Here are a few possible ways in which we can address the above pain points:

Onboarding and Activation

- Optimize the onboarding process to reduce the time-taken and number of steps
- Onboarding to include group training sessions – ideally by existing resellers who are also in their vicinity.

Retention and Engagement

- Gamification, that includes a mix of monetary and non-monetary rewards and incentives.
- Incentives to encourage resellers to achieve monthly and quarterly targets.

Search and discovery

- Dynamic homepage (using a mix of major/trending categories and user-generated recommendations)
- Improved navigation through categories and sub-categories (Left Navigation Bar)
- Improved search by introducing search suggestions
- Secondary Product Discovery: Using analytics to facilitate cross selling

9.0 Prioritization

Given that we would likely not have the resources to solve each of the above pain points, there is a need to prioritize. Given our constraints, I would focus on product improvements that would likely move (O/R) per month metric, significantly, while minimizing effort (where Effort is a function of time spent in thinking, engineering and designing).

Solution	Impact on the O/R metric (I)	Effort (E)
Optimize the onboarding process to reduce the time-taken and number of steps	Moderate	Moderate

Onboarding to include group training sessions – ideally by existing resellers who are also in their vicinity.	Low	High
Gamification, that includes a mix of monetary and non-monetary rewards and incentives.	Moderate	Moderate* <i>Assuming a basic degree of gamification</i>
Incentives to encourage resellers to achieve monthly and quarterly targets.	High	Low
Dynamic homepage (using a mix of major/trending categories and user-generated recommendations)	High	Moderate/High
Improved navigation through categories and sub-categories (Left Navigation Bar)	High	Low* <i>Assuming the database as per these categories already exists</i>
Improved search by introducing search suggestions	Moderate	Low* <i>Assuming the relevant search words are already known and are stored in an appropriate Data Structure, such as Trie</i>
Secondary Product Discovery: Using analytics to facilitate cross selling	High	High

Given the above prioritization framework, I would look to improve search and discovery by focusing on:

- Dynamic homepage (using a mix of static and user-generated recommendations)
- Improved navigation through categories and sub-categories (Left Navigation Bar)
- Improved search by introducing search suggestions

Additionally, I would look to improve Retention and Engagement through gamification.

Though incentives would likely work in improving O/R, I feel that it might not be the most sustainable solution in the long run.

9.0 Solutions

9.1 Dynamic Homepage

Showing a mix of major/trending categories and personalized recommendations on the home page to improve discovery and improve relevance of product recommendations based on data analysis.

Recommendations could be personalized based on analyzing data from order and search history.

9.2 Improved Navigation through categories (Left Navigation Bar)

Show list of categories in the Navigation bar. Show the corresponding subcategories when a category is clicked by the app user. The categories should be ordered by relevance.

9.3 Improved Search

Incorporate auto-completed search keywords to facilitate search and discovery of products.

9.4 Gamification

Based on behavioral research, I would use the following to trigger desired reseller behavior on the Meesho app ⁶:

- Fast Feedback - Immediate feedback or response to the user's actions
- Transparency - Resellers should be able to see where they stand with respect to other resellers
- Badges – Resellers can earn and display evidence of accomplishments which others can see
- Level-up - Progress through ranks and achieve status among the Meesho community
- Points - Evidence of accomplishments; Progress

Gamification could be used to encourage desired behavior among resellers. This could include app usage (number of sessions per day), number of images/catalogues shared, engagement on social media posts, orders fulfilled etc. As well as encourage users to complete key milestones such as onboarding, 1st fulfilled order, 1st month on the platform (with at least 1 order fulfilled) etc.

Additional gamification elements could include a leader board that indicates the resellers with the highest number of orders fulfilled for that day.

10.0 Things to add in Future

Here are some additional ideas for product improvements that could be taken-up at a later stage:

- Simplified onboarding process by optimizing flow and reducing number of steps
- Making cross-selling and upselling suggestions based on order selection and past purchase on profiles
- Using algorithms to recommend the optimal margin to set for a given product/catalogue

11.0 Conclusion

Having looked at multiple ways to increase the Orders Per Reseller Per month, including improving the onboarding process, retention and search and discovery, I tried to focus on Metric Movers, while balancing effort and feasibility. Through this prioritization framework, I arrived upon four potential solutions: a dynamic home page, improved navigation through categories, improved search and gamification.

12.0 Appendix – Reseller Interviews

Interview 1: Tina

Who she is

A Micro-entrepreneur who is currently staying with her parents looking to expand her business operations.

What she does

Has a retail-based company that sources its merchandise from overseas.

Why she prefers Meesho over the competition

⁶ Deci and Ryan's self-determination theory (SDT)

- Product selection and variety
- Free returns
- Customer service

What are her pain points?

- Looking for wider selection and product range (especially with regards to plus size range)
- Product shipped often doesn't match the image (specifically with regards to the international catalogue)
- Product delivery time on Meesho is higher than e-commerce players like Flipkart and Myntra (20 days, in the case of international orders)
- Catalogs not dynamically updated based on the time of year (season or occasion etc.)
- Frequent mismatch between what is ordered and what is shipped

Interview 2 – Shilpa

Who she is?

A middle-income housewife looking to earn some secondary income. Manages a family of 4.

How she currently uses Meesho

She's been with Meesho for over 1.5 years and currently places 6 - 10 orders per month on Meesho. She posts photos and product descriptions on Facebook along with the link of her WhatsApp groups.

Pain points

- Fresh catalogues – (mentioned limited selection of women's ware in Holi Catalogue)
- Frequent stock outages
- Unpleasant delivery experience for the customers ("delivery boys are often rude")