



SHAPE THE FUTURE OF MODERN MARKETING

Commerce advertising turbo charging brand growths

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Flipkart



Three key things to take away today



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- The scale of commerce advertising.
- What sets it apart?
- How can brands seize this shift?



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India Ads market underpenetrated with significant headroom for growth. Digital will be a key driver

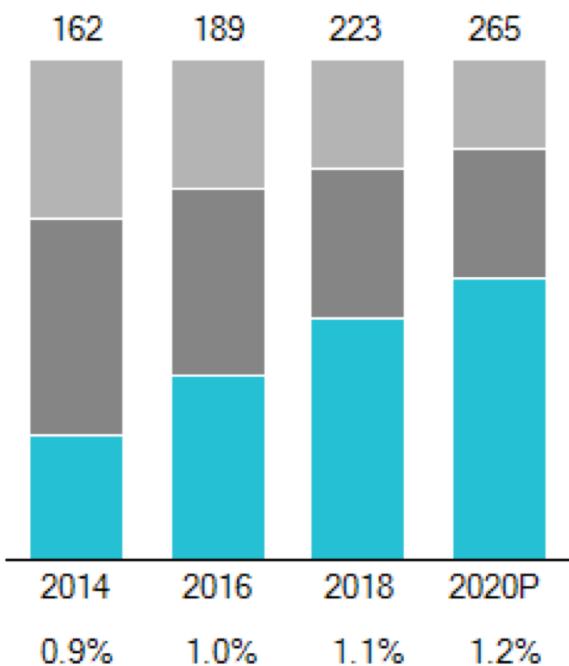


USA: 56% digital ad penetration in 2020

China: 86% digital ad penetration in 2020

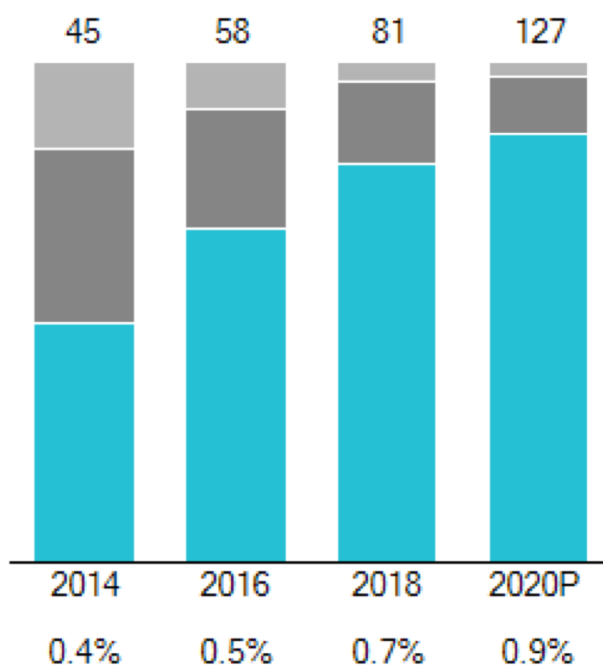
India: 40% digital ad penetration in 2020; Expected to increase to 50%+ in 2025

Advertising spend split by format (\$B)



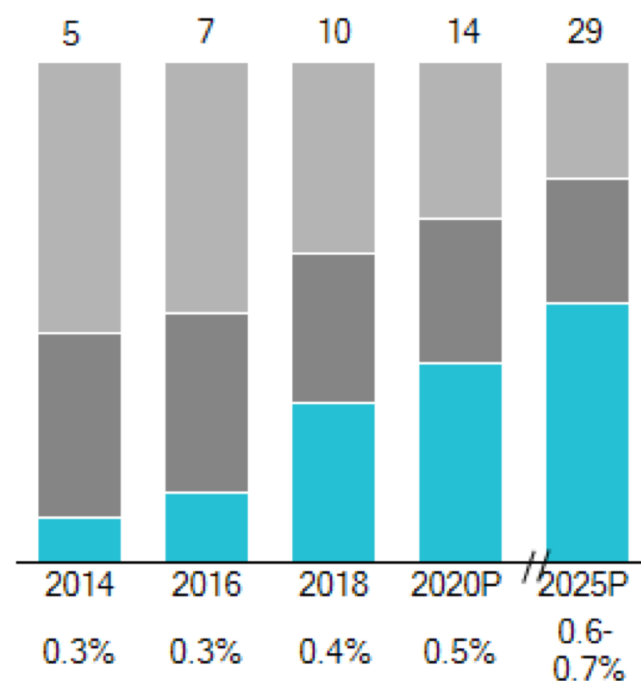
Ad market as % of GDP

Year	Ad market as % of GDP
2014	0.9%
2016	1.0%
2018	1.1%
2020P	1.2%



Year	Ad market as % of GDP
2014	0.4%
2016	0.5%
2018	0.7%
2020P	0.9%

Digital Television



Year	Ad market as % of GDP
2014	0.3%
2016	0.3%
2018	0.4%
2020P	0.5%
2025P	0.6-0.7%





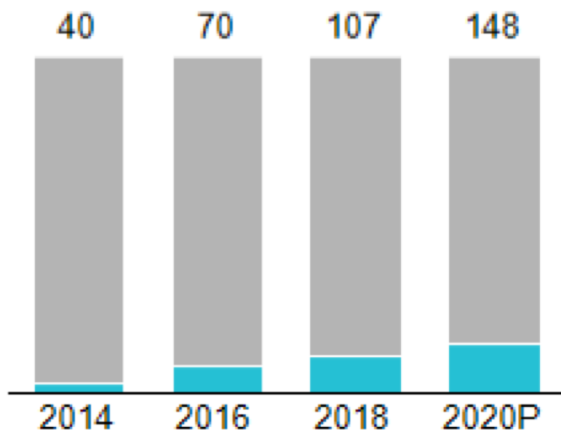
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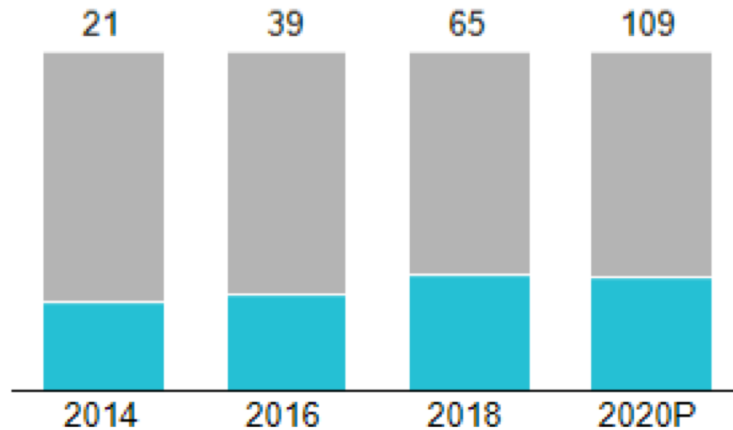
Commerce advertising is growing faster than the market. Expected to be ~25% of digital spends in 2-3 years

USA: 15% e-tail contribution to digital ad spend in 2020

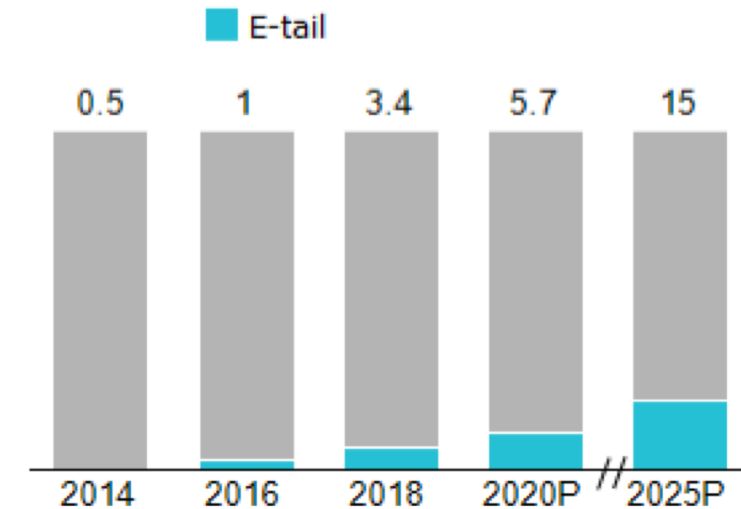
Digital ad spend (\$B)



China: 33% e-tail contribution to digital ad spend in 2020



India: 20% e-tail contribution in 2025 up from 11% in 2020



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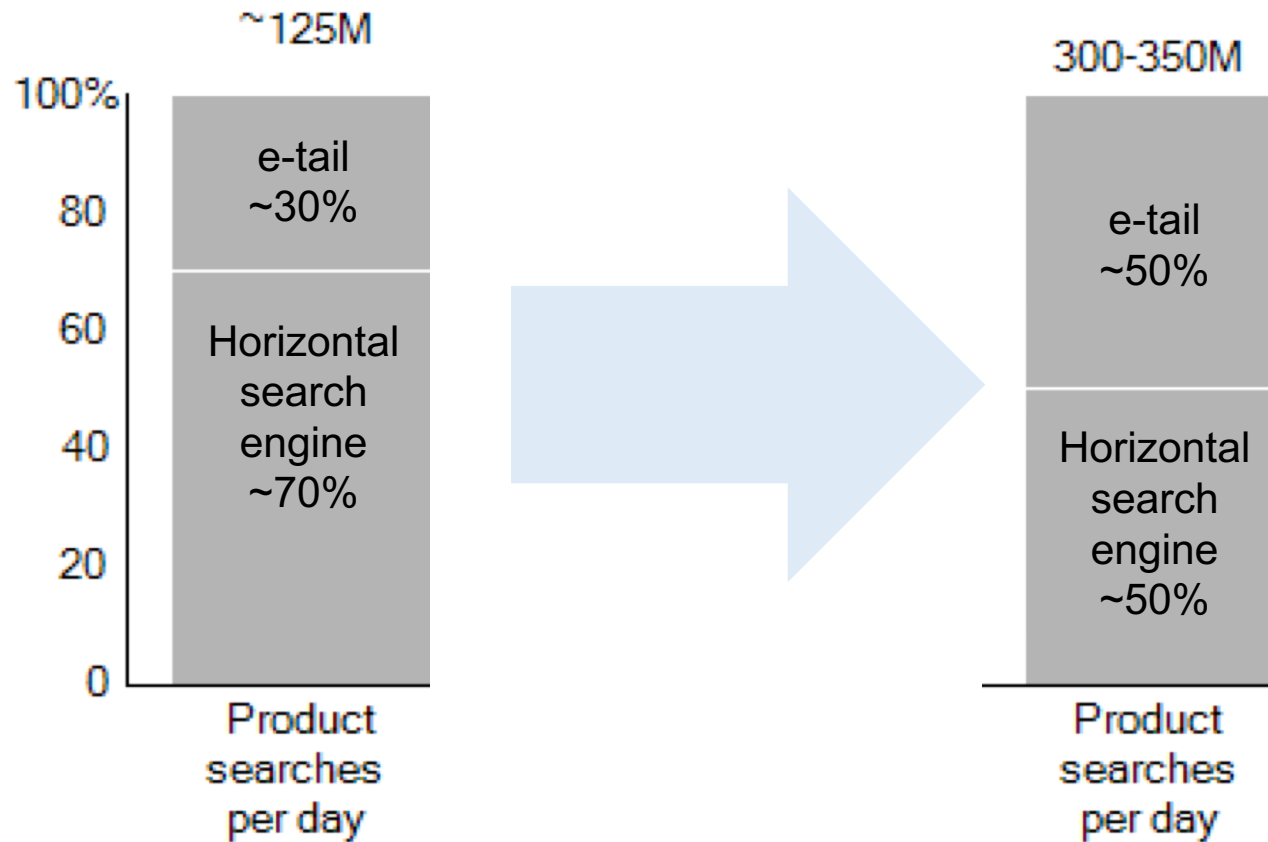
- Commerce advertising scale
- What sets it apart?
- How can brands seize this shift?



Verticalization of search is here

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Indian Search Ad market





Uniquely positioned to propel growth

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	Traditional digital advertising platforms	Flipkart's Advertising Platform
USERS	~400 MN+ users on scaled platforms	300 MN overall users. Digitally savvy, comfortable with online shopping
INTENT	Demographics, Location, Income, Content consumed etc	All that's there on traditional platforms + purchase intent + shopping preferences + category adjacencies + more
AD EFFECTIVENESS	Largely discovery only	Discovery to consideration to purchase



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Across all brand archetypes, share of commerce investments are growing

Brand archetypes in India	Majorly Offline Brands	Emerging Online Brands	Significant Digital Brands	Digital First Brands	
 <small>Hindustan Unilever Limited</small>	 <small>Procter&Gamble</small>		 	  	  <small>goodness inside</small>
Share of E-Commerce Sales (% of Overall Sales)*	<5 %	5-20 %	20-40 %	50-60%+	
Share of Digital Media Spend (% of Marketing Budget)	8-12 %	15-20%	25-35 %	35%+	
Share of Mkt Spend on Ecom platforms (% of Marketing Budget)	~ 1%	5-8%	10-15%	50%+	

*** Representative brands – not reflective of actual spends or sales**

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Insights that influence better outcomes

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In-market segments based on browsing & buying behavior



Payment modes



Life stage*

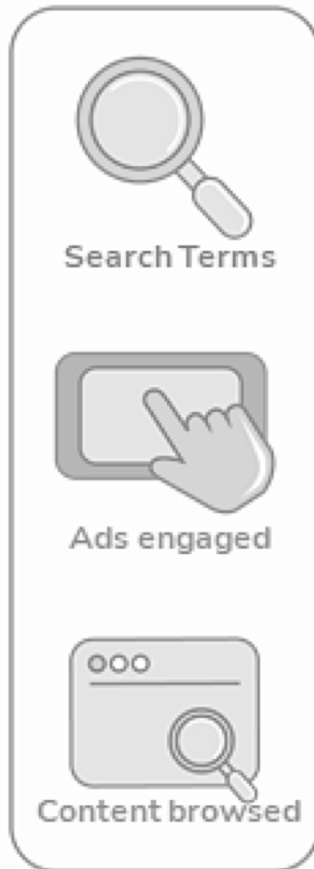


Recency & price affinity

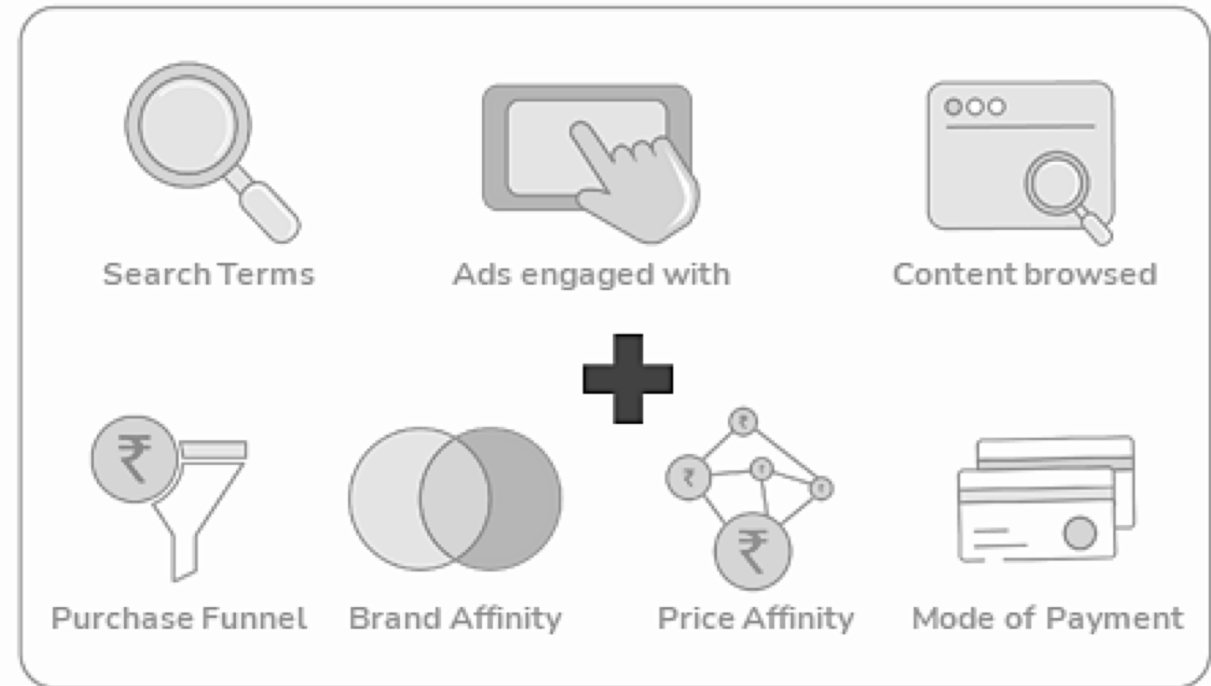
Hyper personalization for actionable marketing

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Other platforms: Probabilistic



Transacting audience segments: Deterministic

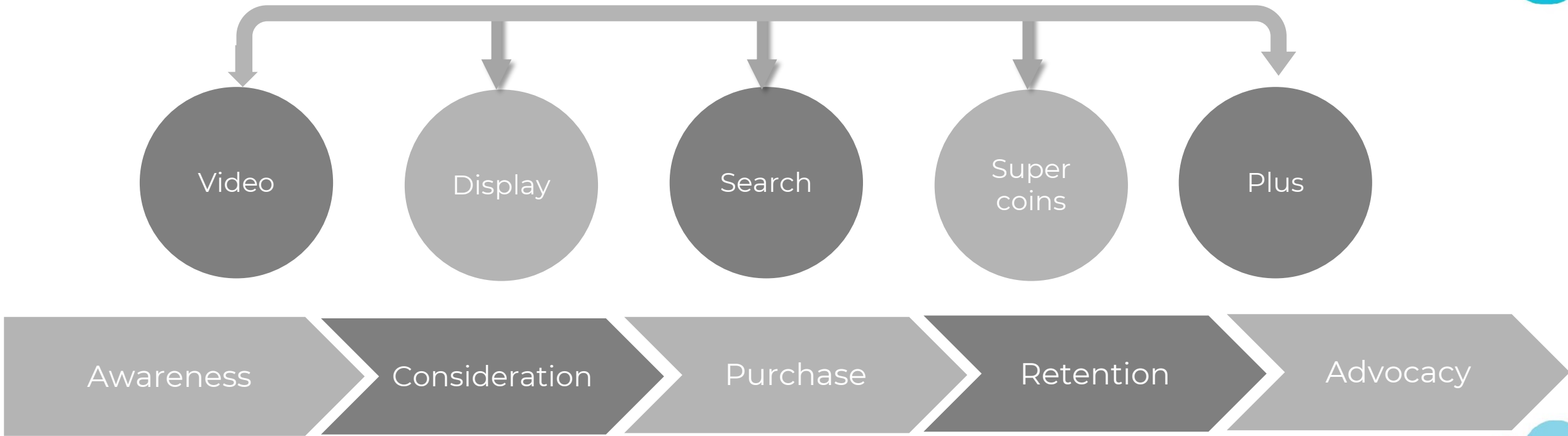




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Shopping funnels are not linear anymore

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Addressing said/unsaid needs that brands have

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Brand Insight

AD Sample Ad Ac..

Home

Awareness

Consideration

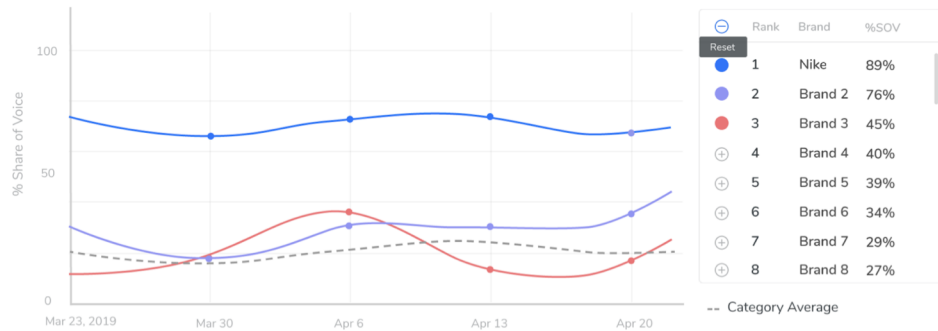
Purchase

Brand: Himalaya

Category: Beauty & Grooming

23 Mar'19 - 12 Apr'19

Share of Voice (rPPV)



Brand Insight

AD Sample Ad Ac..

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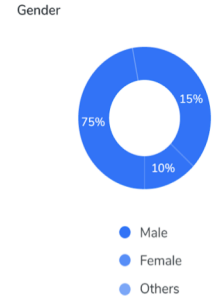
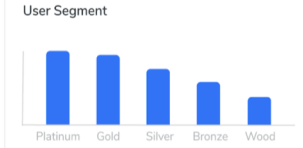
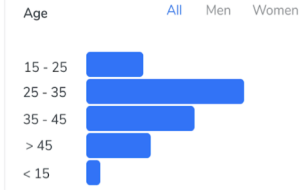
Brand: Samsung

Category: Mobile

23 Mar'19 - 12 Apr'19

Share of Voice (rPPV): Customer Insights

Location	Map View
1	Andhra Pradesh 100
2	Arunachal Pradesh 98
3	Assam 77
4	Bihar 69
5	Chhattisgarh 66
6	Goa 62
7	Gujarat 58
8	Haryana 58
9	Himachal Pradesh 54
10	Jharkhand 51
11	Karnataka 47





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To sum up

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Fully transparent & accountable

Ad safety and viewability

Audience Profiling

Effective targeting



Extensive Reach

Extensive reach through unique inventory on O&O and DSP



Optimization

Optimizations to help maximize ROI based on campaign objectives



Art and Science approach

Equal focus on data led decision making and creativity



THANK YOU

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