

Online grocery segment clocks 23 million active users: Redseer

1 min read . Updated: 21 Jun 2021, 09:46 AM IST



As business move online, India's digital advertisement size also touched \$3.1 billion in 2020. Photo: iStock

Bengaluru: With covid-induced lockdowns providing necessary tailwinds to the online grocery industry, total active users for the segment have touched close to 23 million users, according to estimates from management consultancy Redseer.

The active user base for the segment has almost doubled from 2019, when it stood at 12 million.

In addition, **total active shoppers on e-commerce platforms also touched 110 million users in 2020, compared to 90 million in 2019.**

"We have seen that while the sector retained almost 10 million users, it onboarded 13 million new households. This led to a 2x growth. With factors like doorstep contactless delivery, easy transactions, and with these platforms maintaining quality and hygiene, users preferred it for convenience and safety purposes. But what makes this space interesting is how the segment is set to grow till 2025 especially after the Covid impact and what models will drive this growth," said Redseer.

In addition, Redseer stated that consumer internet transactions showed a V-shaped recovery, and clocked \$80 billion in gross transaction value (GTV) in December, last year. Total GTV for consumer internet businesses stood at \$75 billion during pre-pandemic levels, in January 2020.

However, the management consultancy adds that the impact of the second wave of covid is still to be seen on internet transactions in the coming months.

"While India made a V-shaped recovery till December, it was soon hit by the second wave which led to lockdowns in the metros and many smaller cities and towns wherein only essential items were being sold. This altogether has impacted sectors across the country. What remains to be seen is the impact that the second wave has made this year," added Redseer.

Over the years, the share of online shoppers in non-metro locations have successively increased to 70% in 2020. Redseer states that this trend is expected to grow further with the pandemic.

“With the impact of Covid, there has been more digital adoption across India especially in smaller towns and cities wherein sectors like e-tailing edtech, egrocery, gaming saw a major increase in adoption. Further, the good news is these sectors witnessed a significant growth in their net promoter score (NPS). This means these platforms are providing a better service which means higher retention and growth in customer acquisition," said Redseer.

As businesses move online, India's digital advertisement size also touched \$3.1 billion in 2020, the management consultancy added.
