

TC - Bhaskar - MWV

Vani 01:16

What are the consumer trends that you are seeing and what do you think are here to stay?

Bhaskar 01:21

The key trend that I see is that the last two years, the changes in consumer behavior and particularly on retail transformation, a lot of these trends are going to stick and at the same time, some of them are going to accelerate a lot. Firstly people used to come to the internet to understand, Hey, what to buy? They used to research online in order to purchase anything that they want to, etc. But during the pandemic, the fundamental change that shoppers have seen is that they're not coming to digital, not for what to buy, but also where to buy.

Vani 01:59

Where to buy. Right and where to buy will mean, where to buy in the physical space?

Bhaskar 02:04

Yeah. Is there a store near me or if you are looking at a particular refrigerator, is it at a Croma near me and then, so that you can go more informed whether the culmination of the purchase happens offline or online. The research is definitely shopping online for the majority of shoppers today. And that's a half a billion users overall and I think clearly around, depending on the sector, 100, 200 million shoppers everywhere, right? So that's one. Second thing is what we have seen from our insights is that D2C brands have actually risen by almost like 500% in 2021. And there has been almost 67% of users who have tried a brand they have never used before.

Vani 02:55

Wow. Okay. In the last two years, you're saying?

Bhaskar 03:00

Yeah, in 2021, if you look at it, the research suggests that there is a lot of propensity to try new brands for the first time. So if you've seen, almost 500, 600 plus brands have been launched in D2C space in almost every conceivable sector because more and more users are now willing to kind of explore and discover new brands and also give it a shot. Yeah. We made it easier. And people have been reviewing a lot more online and also they have been using digital wallets a lot more frequently for online and offline purchases. So P2P transactions on UPI and P2M transactions on UPI, I think if you have seen those numbers on an average I think it looks like Indians are actually spending almost a thousand rupees at the retail outlet on an average, right? People who are using UPI. So it's been a big shift that way. So one is what people are looking at, when they're searching and when they're looking for products, they're looking for what, not just what to buy, but where to buy. And the second thing is the rise of D2C. And the third thing is the rise of payments, infrastructure, and adoption. And if I can add one or two more points here, it's really like the first party data has become a fuel for a lot of customers, be it they are digitally native or they are offline users and their ability to use that customer data has also been a big trigger in making the omni experience better. So your channel, your customers have actually become your best marketing channel, right, in today's day and age. And the whole rise and rise of video, whether it is in short form or whether it is in creator commerce, so it has become a very critical part to engage the next generation of users. So those are the three, four things that I think will shape retail fundamentally the way we know it. I think the omnichannel commerce opportunity is 10 times larger than even the e-commerce opportunity and that is going to be a, yeah, permanent change.

Vani 04:55

Fabulous. So you've talked about some very big themes Bhaskar, you're saying one is forced to look for everything online. Even the offline research is being done online. That's number one. Second, you spoke about how consumers are discovering new brands. And in the last one year or so, you are seeing a lot of trials for new brands, more than ever before, enabled by online. Talk to me a little about this as well, please. Is this primarily e-commerce marketplaces because they're simply looking to shop online because it's convenient to shop online or is it really puristically D2C where consumers are ordering from brands' websites or a combination of the two.

Bhaskar 05:41

See today, fundamentally the whole premise of D2C is that there is an ability for a brand to engage directly with the consumer and there is a proposition that is a

product that works and there is an ability for the brand to deliver the promise. Now whether percentage, what percentage of sales of the D2C comes from the marketplace, what percentage from the brand.com, what percentage from offline. It's a continuum, depending on the maturity of the D2C, right? The biggest of D2C successes stories, like a MamaEarth or a WOW or sugar cosmetics. If you look at it like the percentage of marketplace and brand.com and their really next big focus is actually like offline.

Vani 06:28

So the progress is from marketplaces to their own website and to offline and then finally puristically omnichannel.

Bhaskar 06:34

Yeah. The journey begins either on brand.com or on marketplaces, depending upon the nature of the category and industry. Like a boAt and WOW started on marketplaces, right? But MamaEarth started on potentially like brand.com and then expanded across the board and then now to offline. So the thesis is that, hey, D2C is anything with any brand or product in a category, which is the ability to kind of deliver directly and engage and deliver and sell to consumers directly. The channel could be different.

Vani 07:05

Right, right. Perfect. Then the third one you spoke about was the rise of digital payments and I know you have some startling statistics over here on digital payments where, I remember Bhaskar, I don't know, we can even pull this out, this statistic you've quoted it somewhere. I remember in one of the earlier panel discussions where you've talked about the percentage increase in the number of UPI payments or increase in the number of UPI users.

Bhaskar 07:30

Yeah. Yeah. So I think, what I generally quote is this: In March, UPI touched 5 billion transactions a month for the first time. Yeah. 5 billion transactions a month. So I'll tell you the pace, UPI crossed the first 1 billion transactions for the first time in October, 2019. And it took almost three years after its launch in 2016. So three years for the first 1 billion and the next billion came in under a year. And the next billion came in under 10 months. Then it took only three months to reach 4 billion and now it took another potentially three month, three, four months to reach the 5 billion mark. The people are actually like leveraging

UPI in a big way and the assessment is that India will touch a billion transactions a day, in the near future. And a lot of these transactions are not just peer to peer, but from Bhaskar to Vani something, but it is actually like peer to merchants as well. And that also is that all of us can see what's happening outside, whether you are picking up a Chai or anything.

Vani 08:42

That's huge. That's a radical shift in consumer behavior and this will obviously lead to, it's a circle. Consumer behavior fuels what manufacturers do or what enterprises would do and equally what enterprises can offer would further fuel consumer behavior. But this only underlines the importance of being omnichannel even more because if the consumer is willing to transact digitally and one is not available digitally or is not allowing for discoverability offline, then that is a potential loss in business.

Bhaskar 09:25

Two fundamental issues in today's commerce. Discoverability, it has to be and second thing is friction.

Vani 09:31

What do you mean by friction?

Bhaskar 09:33

Friction of buying it, the whole user journey. Some websites are so clunky.

Vani 09:38

It's not convenient enough, it's low to load. I'm not able to find what I'm looking for

Bhaskar 09:43

Payments and I think if you can make it seamless, it just makes a huge difference. And we see that increasingly more and more brands are actually building, even if they are offline brands, like Samsung, Dell or Lenovo or HP or Unilevers of the world are building D2C capabilities and significant scale, right? Whether it is in apparel stuff, etcetera like Louis Phillip. And then a lot of

these car dealerships and all the people who had dealer networks were very popular. They are actually getting their dealers online, making their dealers discoverable, brands as discoverable, even stores discoverable online and ability to drive walk-ins and footfalls to these stores and being able to measure a complete omnichannel experience. And I think every SMBs now we are looking at a lot of government interventions like ONDC which are really trying to democratize e-commerce even for all the SMBs with some lavish goals to kind of get them plugged into the whole commerce ecosystem in an open way.

Vani 10:50

Wow. So I think that ONDC bit is a huge subject in itself and what that will allow, what that will open up, but it's interesting what you also spoke about in these metrics of discoverability and friction, and the fact that omnichannel is being fueled by digital payments ability is also the fact that now there is the opportunity to do a lot more analytics because now I can also figure what the consumer journey has been. Ideally, one should be able to track where did I first get discovered? Then, what was the consumer journey like? Where were the friction points and what was the time lag that it took for the consumer to actually land at my outlet or to get to the checkout in the online. And if she dropped off, then at what point did she drop off and why? I'm assuming that the analytics over here would be a lot more sophisticated now.

Bhaskar 11:43

Absolutely. And we recently did something at Google called Forrester research on omnichannel behavior of users and implications for businesses. Stunning statistics have emerged there, 93% of users today have moved to embrace omnichannel journeys, no matter what they're buying. And only 40% of businesses are offering an omnichannel experience. So omnichannel, which was almost like a differentiator for customers, more a customer differentiator, which is actually a consumer expectation. So 9 out of 10 users expect an omnichannel experience.

Vani 12:25

And only four out of ten are actually available.

Bhaskar 12:28

Four on ten are even providing some high semblance of omnichannel experience. And less than 20% of customers actually claimed that they have advanced data capabilities and infrastructure to be able to deliver the promise.

Vani 12:45

Wow, huge gap. So the consumer is far ahead of what enterprises are able to offer. And who gains more market share or who rapidly scales up is all a function of how smooth you can make this entire omnichannel cycle in terms of being discoverable, reducing friction, as you said and making sure you are able to track the consumer and help her convert from research to eventual conversion, right?

Bhaskar 13:09

Yeah. So yeah, exactly. When somebody's looking, hey, is this bank open or is this shop open? And your distance or shop open timings or reviews or they are not updated, it's a huge issue if the price on your website versus price on your marketplace, price on your offline stores, what these guys are actually offering is all different. Then it also adds to the friction. So, that I think is the fundamental difference between multichannel and omnichannel. Multichannel is that, Hey, I have this ecom team, they're figuring out how to maximize sales from e-comm and make it P&L possible or I'm working with marketplaces, how do I deliver it better? I have another offline team, GT team, MT team, et cetera but how do all of them tie together? And that is a beautiful, seamless, omnichannel experience and that's where the gap is between a consumer expectation and the customer reality.

Vani 14:04

Fantastic. This is a great point you brought out about the difference between multichannel and omnichannel. This is not sufficiently spoken about. And I think a lot of organizations are still struggling to understand this because I know even from my own experience, although that might be dated now with Pepsi four years back, but you're absolutely right. We used to look at these as separate channels. The PnL would be separate, the price points would be separate, the pack price architecture was separate. And there wasn't sufficient understanding or recognition of the fact that the consumer is seamlessly traveling between the online and the offline worlds and would expect the same brand experience. And like you said, the same packs, the same price points and then managing the P&L over here also has implications because then that means for an enterprise, you

can't look at PNLs by verticals. You have to look at the overall consumer life cycle and evaluate what the CAC and ROI is.

Bhaskar 15:03

Yeah. So in fact, in the same study, 60% of people said that they often got conflicting information at different touchpoints and sources, 60% people. Nine out of ten expect and only 40% provide. And out of that 40%, 60% people experience that the information is conflicting.

Vani 15:23

Wow. And that can be terrible in eroding trust. You may be a big brand. You may have everything right. But just this bit can significantly erode trust, right? It's a huge topic in itself. And I talk about this very passionately, which is about how do you build a consistent brand experience online and offline? And I think there are a few brands that have stood out really well during COVID, I take the example of Tanishq many times on how jewelry buying went online and they were able to replicate the consumer experience in a jewelry buying store because you do, it's a big, it's a high involvement decision and you walk into a store to buy jewelry and there are so many dynamics at play over there. How would you replicate that in the online world requires deep consumer understanding. And I think pricing is just one aspect, but it's a huge subject in itself where I think we have a substantial way to go in learning.

Bhaskar 16:23

Yeah, I think what great brands do and I've shared examples and you've taken Tanishq as an example, is that first, the most important thing is to build an online presence and continuously hydrating it to be more customer centric over a period of time overall. The second big thing is that again, from moving away from channel centricity to more being obsessed with and being more true to your customer centricity and not channel centricity and build your experiences together in the same way. And third thing is it's really important to look at full funnel journeys, right? Not that, hey, I'll do a little bit of upper funnel and hope I'll drive awareness, consideration through this and full funnel. Then I'll just only do bottom funnel marketing on digital but the fact is today with 500 million users, digital today can offer a full funnel and progressive marketers are actually like investing in it and looking at it for growth rather than silos. So you have to invest in tools and technology to enable that. And omnichannel measurement also has to be more holistic than again in silos.

Vani 17:30

Fantastic. Then, tell me about, yes, you talked about video commerce. Tell me this, by the way, quick commerce is big time in the news right now because of this Blinkit acquisition by Zomato. Where do you see quick commerce when it comes to video commerce separately? Because there are all kinds, this quick commerce, video commerce, live commerce, all of these terms that have suddenly become part of regular vocabulary for all of us marketers and the businesses at large. But let's specifically talk about quick commerce and how, of course, quick commerce has been enabled only by the fact that the consumer can shop online. The fact that today, even our mental wiring is changing as consumers

Bhaskar 18:17

First of all, video is the most persuasive form of communication and India is a video first country. Currently the video model, which actually has like these hundreds and thousands of creators with millions on, 10 millions of followers and channels with 20 million subscribers. It's just like this incredible scale. So, the majority of this creator centric model was driven by advertising led, right? AVOD. So top creators, big channels, large audiences but YouTube actually,

Vani 18:52

What is the word you used? AVOD, what does that mean?

Bhaskar 18:55

It is actually Advertiser Video On Demand. It's subscription driven Video On Demand models, right? So, Netflix is of the world, this Disney Hotstar is of the world and so on and so forth, Amazon Prime Video, et cetera. So the question is that, but what is changing is that, earlier you were able to make money from YouTube only through the AVOD models. You increase the reach of your channel subscribers, watch time and advertise based on their requirements and you get an X percentage share of that revenue. Today, a YouTube creator can make money in 10 other ways through membership. So there is a, I think recently we also announced, we are going to be looking into NFTs and that powers an entire creator economy. So even if you are like a 10,000 subscriber creator, but a very influential subscriber to be able to influence a certain purchase kind of a thing, it just makes a huge difference going forward. And in China live commerce where as people consume video voraciously and influencers coming live and launching brands live or cosmetics and makeup live

is a huge phenomena in China. I think there is this entire story on this Lipstick King who sold out billions of dollars in the first few hours of Single's Day. So live commerce has not even hit India at scale, it's another big thing that is going to come up. So India has amazing creators who are producing content in different genres across the board and they have very loyal following, right? And there, when you have infrastructure, which can unleash this opportunity for creators to influence purchase to their audiences at scale, it just opens up a massive economy and there are a few models that are under works. But I see that to be a large opportunity and it'll grow much faster than the regular e-com going forward.

Vani 20:58

Yeah, no, the beauty about live commerce also is the fact that here is a real human being who's also educating me, giving me more ideas, inspiring me on what else I can do with this product. So if I were to just see a static product, on an e-com marketplace, then I'm left in my own devices in the sense, yeah, there might be a prerecorded video, but by and large, there's no scope for interaction. I can't ask another human being, how else can I use this? But my cupboard looks like this, or my needs are this or my skin is this or this doesn't look good on me, blah, blah. But with live commerce, I guess, and particularly looking at the huge tier two, tier three potential that this presents for India because

Bhaskar 21:42

Language

Vani 21:44

Language, exactly. Can't read, may not be able to read, may not be able to write or type, but I can certainly speak. And especially if there was someone across on the screen who doesn't look very threatening or intimidating and can speak my language feels like this could be one of me and I'm happy to ask questions then that opens up potential, what else?

Bhaskar 22:09

Ask anybody? A majority of all this buzz around eCommerce is from the people, you and me who are very comfortable in English but everybody in India shops something and grocery, which is the highest penetration is the most exciting category within eCommerce. So that means everybody's a consumer

and all these consumers who are potential shoppers want to shop in their language and video is that medium.

Vani 22:31

And we still don't have enough content in vernacular, particularly in video.

Bhaskar 22:37

Not on the text, first internet that all of us are familiar with and we built e-commerce wrapped around it. So that's the whole point, like firstly, live has its own value. There is an opportunity to combine gamification, live, commerce and shop, the so-called trend of shoppertainment.

Vani 22:58

Shoppertainment. Very nice. Wow.

Bhaskar 23:00

I think all these things are big possibilities in the video space and I think we are really in a very, very, very early stage of unlocking the full power of creators. So for creators who are doing their job, brands who are creating audiences and your watch time and brands who are doing their job by advertising on creators, channels and hardly less than 1% or 2% creators are doing some sort of a branded content, but imagine the power of them coming together, it's a massive way to unlock.

Vani 23:30

It's huge. Yeah. Yeah, I'm just thinking about Pawan Sarda of Big Bazaar had spoken about how in smaller towns, going to a Big Bazaar outlet is actually a massive, it is a big event, you get ready, you put on your heels, you put on your jewelry and makeup and you're going to Big Bazaar because it's an event- I'm gonna be shopping. The whole family is out and it's a planned event. I'm just thinking in the new online world, imagine if that could be replicated on a screen where I'm getting ready and sitting in front of the screen, ready to shop, because this is a live commerce exchange. I'm gonna be meeting someone, I'm gonna be meeting Bhaskar and Bhaskar is gonna be teaching me, how I can tie my tie or look smart. Do you think we can talk more about the analytics because that would be of tremendous value to the founder community because everybody recognizes the importance.

Bhaskar 24:32

See, I think if you broadly look at it from a why, what and how perspective, why omnichannel? I think we covered a little bit of that, what to do in Omnichannel. Why could include that whole 93 it's become a consumer expectation, right? Not necessarily just like a differentiator strategy. And second thing is that only 40% people are ready, so I'm sure everybody will be in the 60%, including, Nykaa is not omnichannel, yet. They just announced it, everybody is announcing it. Everybody wants to be omnichannel because of the same reason because they have just exhausted the initial set of buyers, which are there and now they have to kind of really extend. In terms of what, yeah, we spoke about like, Hey, what are the key things to really solve for? And in terms of the, how, like, we can just look at what is the first thing that people should do to enable themselves ready. So first, you should be available on say platforms like, search with Google "my business pages" updated live. Then your product should be available on, and it's free listing on Google shopping and also you should be discoverable on that very quickly, right? And then you should be using products like local inventory ads which you actually like, so if I need to buy this shirt and the shirt is available at a nearby shop, right? I would know and you have an ability to kind of just advertise to me with that unit for that shop actually. It's a very new thing that we have done or ability to drive people, to drive footfalls into their dealers and shops just called local campaigns. So I think once you have your, the footprint needs to be decoded. Ads are secondary, right? Or to advertise and how much to advertise are secondary, but you should be discoverable to begin with, your stores need to be discoverable, your inventory need to be discoverable. All your regular campaigns should actually be driving an action, whether driving a person into the store or driving person, to make discovery into a local inventory that is available or culminating their shopping online. So you should give those options to the user in almost every impression and interaction that you're doing. And if you're a very big brand offline player, you have to build the D2C capabilities in a big way, instead of relying 100% on marketplaces because for no other reason, profitability is the important reason to do that. But the second thing is data. I think, in a privacy-first internet, going forward, the more first parties that you have, you can engage your customers more deeply and delegating your customers to marketplaces would mean less and less data for you. Your store versus rented store. You should be clear on that, which is why, whether you look at, say Samsung to Xiaomi to Dell to Unilever, all of them are having a very strong first party strategy for the same reason.

Vani 27:24

That's fantastic. And I would add a third one. The first you said was profitability, of course. The second is first party data. And the third one I would add is building a brand over a period of time. You don't wanna be a commodity on a marketplace because on a marketplace, you only look for a product, you never look for a brand. You go to Amazon or Flipkart looking for, I don't know.

Bhaskar 27:46

See you work with a lot of D2Cs right?

Vani 27:51

And it's their number one question. All of the D2C conversations are all about how to create a brand because I want consumer traffic to come to me as a brand.

Bhaskar 28:00

Correct. So I'll tell you what is happening in D2C, again from my lens, that earlier levers of the world did not care about marketplaces and they were absent. Now that created a vacuum and they have got some critical audiences. So MamaEarth and WOW got there. Now, those brands gained some traction and then they extended it. Now the traditional brands have woken up. Why should my market share be on, why should the number one brand on Amazon be WOW, right? It should be me. So I spent some money and to me it's another channel, put some money in it. I don't know if I want to be quoted for it or not, but I feel they're doing some sort of a pest control. Okay. So that means, put some money in it, just keep everybody away. 5% doesn't matter for me but that'll literally screw up chances for hundreds of brands who are trying to get some place and some first two, three crores and stuff like that because every sub-category, niche category, where only three to four brands used to be there. Now, any brand manager with three years of experience has started a niche, now, it's all fully crowded right now.

Vani 29:11

Hundred percent, it's become so fashionable now to say, I've also started my brand.

Bhaskar 29:19

They don't have shelf space on Amazon's and et cetera anymore and even if it is there, it is too expensive. So your only bet right now, earlier, people used to

build their brands on Amazon, Flipkart and there some brand.coms and stroke your Instagram and then come to Google and YouTube for scale or TV for scale, right? Today that space is exhausted, ROI centric, okay good, every \$1, I'll spend \$1 or \$2, kind of a thing etcetera, that space is all like maxed out. So now I fundamentally feel that building familiarity, that mental availability right at the beginning. And that is possible today with such a large internet reach and great communication. So build that familiarity and building that brand upfront and not by the way is the next model for the next Mamaearth. Otherwise you saw, right? All these Beardo and Ustraa, they're all stuck at 30, 40 crores can be actually written off as not so successful over time. So I think the unfamiliar brands, familiar brands, unfamiliar brands, ROI first approach through marketplaces was the earlier model, but bringing familiarity up front and building scale and your ramping up on brand.com and brand is the next leap.

Vani 30:42

Which actually applies both ways, like you said, Bhaskar the Unilevers of the world is waking up. And because actually this model of availability, mental and physical availability is not just about advertising shit loads on TV, making sure that I'm a brand being talked about for some fancy film where I've shocked the consumer or entertained the consumer, got her to laugh and then expected to remember me come to the shop, find me in the shop because I have got prime front shelf visibility and more facings than any other competitor and I'm getting the consumer to buy. It's a lot more than that because the consumer behavior has changed. Now, the consumer is discovering online, she's shopping online, which means that anyone who can be equally available or more available both mentally and physically in the online and the offline world and create that seamless experience can in fact bring down the hegemony of the likes of Unilever and Colgate and whoever else.

Bhaskar 31:43

Correct. But I think the definition of mental and physical availability in a digital first way needs to be expanded to include digital in both these aspects.

Vani 31:56

Both creating awareness, creating consideration and being able to shop.

Bhaskar 32:00

Yeah. Yeah, no, I'm just saying from mental availability, it is not just television driven 30 second or IPO incrementally, but it is actually being seen on digital platforms consistently on to a certain core of audiences, it is that. And physical availability is not being available on marketplaces or in stores, but is actually being available online and being your stores and your products and you are available online. So it's very, and I think where traditional marketers are stuck in the, say TV first thinking of these models and the new guys are stuck in the extreme end of like I will use digital. A combination of that is omni.

Vani 32:44

Yes. Yes. But I think there's recognition now both ways, because I see a lot of online first founders now talking about the value of going offline. Not just in terms of physical product availability, but also in terms of using the more traditional models of advertising, realizing that's necessary in order to get scale. And equally, like you said, lots of old world, traditional big companies, big FMCG, bluechip FMCGs are now setting up this founder startup cell, so to speak an entrepreneurship cell within their organizations to launch and integrate their current brands in the online world. So that they're at an equal footing.

Bhaskar 33:29

Yeah. But they're just acquiring some of them and trying to, it's almost a version of delegating digital to the newest brand manager of sorts. They're still not serious, I feel, but they're creating a flank and some sort of a learning agenda rather than like going all in. But I think, as I said, the user is looking for new brands, new spaces willing to try, but scalability is, discoverability is a challenge from a user point of view. And scalability is a challenge from the D2C's point of view, you don't change their methods.

Vani 34:03

Very nice. So, the other thing, Bhaskar, which might be a little controversial is, this bit about the value of the small screen versus the large screen, because it's always said that, yes, you must be discoverable. Yes. The consumer's journey is seamless. She doesn't recall, for example, people ask, how will I measure the ROI. Now in the online world, you still have analytics. But the fact is that as consumers, as people, we might have interacted with the brand or seen the brand in various ways, in so many different touchpoints. And then the brain makes some calculated decisions and decides that I wanna buy this brand. It's not about, this ad in this medium is leading to this purchase. That's never the case, actually, but it's said that the equity is also a function of just the size of the

screen. In the sense, if I'm seen on a big hoarding, I'm seen on TV, I'm considered to be a big brand. Lot of the founders I speak with are rushing to get onto TV, the moment they land funding, let's do an IPL campaign. Even if I can afford only IPL digital, I need an IPL, an ad on TV. Make a TV ad, in order to really show to the entire world, it's like a chest thumping exercise. Let me show, I'm also someone.

Bhaskar 35:15

No, it's exactly what you said, because see, I think those are all misconceptions and rules of the thumbs and shortcuts and brands are not built on shortcuts. But I agree with you. What I agree with you is that you need some tactility, right? A hoarding does a different job in a different way. Television does it in a different way. And then the theatre, uh, captive theatre audience does in a different way of sorts. But I think brands are built by being present at least always on, in a few mediums consistently, rather than just being present on, just look at IPL, there's a 33% decline in viewership and that's the most premium property that India has ever had, going for the highest price. If you look at it, television advertising, it's not advertising that delivers, right? It is that mass reach that you're gonna deliver, will get some familiarity for the brand. And that familiarity always helps brands deliver better conversions and all that. So I would recommend in general for these brands to get to a certain level of awareness fast. If you're launching your brand only in one state, like Tamil Nadu or something, if television works fast there, just do a great job with TV and digital, right? And then get to a certain level of awareness fast and then of course do a thorough job of threshold on lower funnel, but do a good job on TV and digital consistently over time to build that brand. If you are only Metro centric audiences, you don't want to spillover audiences, right? So you do a combination of, maybe, two mediums, outdoor and digital or print and digital. So, just take two mediums and or even if you're a niche brand at an all India level, right? You can today connect to a TV today. The number of people watching YouTube on TV screens is 55 million. And if you do basic math, the top 10% of the households contribute to almost 40% of CPG sales. So 10% of households give or take 20, 25 million. So you literally have all of them, let's assume two owners per household.

Vani 37:23

So if I have a premium product or I'm looking to market it, correct, then I can actually even look at a, yeah, you're absolutely right. I mean, we used to evaluate at that time, I remember and even now, recently, we evaluate, what do you call that a high definition? HDTV plans versus SD.

Bhaskar 37:46

See the thing is that you can, and I think whether it is YouTube or any AVOD, right? People are watching content on big screens. That is a new reality. So, if something is wrong, it's wrong with your communication, the platforms are there, all the mediums. There's digital outdoor which is available a lot more. There is this connected TV which is on OTT and YouTube on big screens in a big way. And if not, you can use at least a combination of two mediums, but one of the two mediums has to be digital and ideally video. And we see that if you optimize digital at four plus at a minimum, it's right, significantly goes up.

Vani 38:30

And four classes is actually good even for TV. What you just said, that there are these thumb rules, which have been established for TV over a period of time.

Bhaskar 38:40

But then the leftovers were given to digital and expect digital to deliver ROI efficient from day one. But that's not gonna happen, right? Because ROI efficient platforms like Insta or for unfamiliar brands, just max out after a certain period, those initial set of high frequency users who are willing to try and you will max out very quickly after that, those will never scale. So it's very important and hence to build to

Vani 39:12

Founders verbalize, even for performance marketing, you all the time hear this question on how performance marketing as it is scaling. I'm not able to understand why I'm not able to get an increased number of footfalls, it's not delivering any more for me with performance marketing.

Bhaskar 39:26

Because they're not investing in the upper funnel, enough. Branding is like a lubricant, right? It just makes your entire car run smoothly. So it improves performance at every level. But you can't do this, one IPL and my brand has to be built and will get in, get out. But there are ways and means to build brands more consistently of sorts.