

## **MEESHO: CASE STUDY OF A GAME CHANGER-FROM E-COMMERCE TO SOCIAL COMMERCE.**

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### **Purpose of the Study:**

As online shopping going not only being popular but almost a mandate for life like blood in a body, there comes massive opportunities for companies to start or experiment new businesses with incredible products or services. On one hand, where E-Commerce is giving a chance to consumers to purchase everything at ease with no time boundaries there on the other hand it is also increasing their difficulties in choosing from different sites. Many online businesses come and go on very regular basis. With the ease of getting everything at the door step, confusion of from where to purchase also stays. This study aims to explore Meesho, an emerging online shopping platform that has gained significant attraction in India due to its unique social commerce business model. By examining the various elements of Meesho's business, the paper seeks to provide insights into what Meesho is, its competitive edge, its competition, and its contributions to the Indian economy. This research also mentions the key differences between e-commerce and social commerce followed by the company's potential for future growth.

### **Methodology:**

This paper employs a qualitative research approach. The data used in this study is sourced from secondary sources such as articles, industry reports, academic journals, and official websites related to Meesho. This data is analyzed to understand the company's business model, SWOT analysis, competition, and impact on the Indian economy. Additionally, an in-depth literature review supports the study's findings and discussions.

### **Findings:**

The study finds that Meesho's success is largely due to its unique integration of social commerce with e-commerce, providing entrepreneurs (mainly resellers) the platform to sell products through social media. The company's business model is distinct from that of traditional e-commerce companies, and its competitive positioning against larger players like Amazon and Flipkart, along with its future growth prospects, are key areas of focus. Furthermore, Meesho has significantly contributed to the Indian economy through job creation, entrepreneurial growth, and its alignment with India's digital economy vision.

### **Keywords:**

Meesho, social commerce, e-commerce, business model, SWOT analysis, entrepreneurship, India, digital economy, competition, customer satisfaction

### **1. INTRODUCTION:**

In this era of competition, where people hardly get time to relax, entertain or to go for Brick and Mortar shopping, Online Shopping has come as a saviour. From just clothes, availability

of gadgets, shoes, all type of accessories, groceries have made lives easy. Meesho, an online shopping platform founded in 2015 by two IIT graduates namely Vidit Aatrey and Sanjeev Barnwal, has emerged as a prominent player in India's growing E-Commerce market. E-commerce refers to traditional online shopping platforms where businesses sell products directly to consumers via websites or mobile apps. This model typically involves professional sellers or established companies listing products in exchange for direct consumer purchases. Examples include Amazon, Flipkart, and Snapdeal. Social commerce, on the other hand, merges e-commerce with social media. It enables consumers to purchase products directly through social networks and allows individuals to become resellers, leveraging their social influence. Meesho's approach to selling through social media channels like WhatsApp and Instagram exemplifies this trend. Social commerce places a greater emphasis on community, peer recommendations, and personalized sales experiences. So, unlike traditional e-commerce platforms focusing mainly on large-scale business-to-consumer transactions, Meesho primarily facilitates business through social commerce, attracting millions of users, both sellers and buyers. Meesho positions as one of the fastest-growing e-commerce platforms in India entering the Unicorn Club.

## 2. OBJECTIVE OF THE STUDY:

This paper aims to achieve the following objectives:

1. To examine Meesho's unique business model and how it differs from traditional e-commerce platforms.
2. To explore Meesho's competitive positioning within the Indian e-commerce and social commerce landscape.
3. To conduct a SWOT analysis of Meesho and evaluate its potential for future growth.
4. To analyse the company's contribution in Sellers and Buyers satisfaction.
5. To analyse its contribution towards Economic Development.

## 3. RESEARCH METHODOLOGY:

The study adopts a secondary research methodology, gathering data from available academic journals, industry reports, news articles, and the official Meesho website. This data is analyzed qualitatively to understand the operational mechanics of Meesho's business model and its impact on the Indian market. Additionally, the research evaluates Meesho's competition, customer satisfaction, and future trajectory.

## 4. LITERATURE REVIEW:

Meesho, a social commerce platform, called by the founders as “Meri Shop”, aimed at doing something different from the traditional online selling platforms by integrating buying and selling with social networking features. The main aim apart from serving the customers was to empower women entrepreneurs and others sellers who inspite of having skills and good product, could not start their business because of lack of capital. This feature turned out as one of the key differentiators of Meesho’s platform According to a report by NITI Aayog (2022),



nearly 70% of Meesho's resellers are women, and the app has played a significant role in bridging the gender gap in entrepreneurship. By providing a low-barrier entry point to the e-commerce world, Meesho allows women to start their own businesses with minimal capital investment, reaching consumers through their social networks. This empowerment through entrepreneurship has had wide-reaching social implications, as many women from rural and semi-urban areas are now contributing to household incomes and participating in economic activities.

Meesho operates on a reseller-based model where individuals can sell products without having to hold inventory. Sellers can choose products from Meesho's catalog and promote them through their social media channels. Research by Gupta (2023) highlights how this "product-as-a-service" model significantly reduces the risk for individual resellers since they do not need upfront capital to purchase inventory. The app also offers logistical support, customer service, and a payment processing system, making it easier for individuals to run their businesses without extensive technical or financial knowledge. A distinctive feature offered by this app to the customers is Return for all issues or only wrong/defective items Return, there is a difference of price offered to the customer for both these options. Meesho's model represents a shift in how retail is conducted in India. According to Kumar (2024), it has bridged the gap between online retail and offline networks by allowing resellers to sell to their contacts in real-time, making the process more conversational and personalized. Previous studies also (Chen et al., 2020; Al-Debei et al., 2021) have highlighted the importance of social media platforms in providing opportunities to sellers and influencing consumer behavior for online shopping experiences. Researchers like Zhang et al. (2022) argue that social commerce models that blend e-commerce and social networking elements provide significant advantages to companies in terms of user engagement and personalization, which Meesho capitalizes on by allowing resellers to leverage social connections. Moreover, research by Singh (2019) indicates that barrier-free access to entrepreneurship through platforms like Meesho is reshaping India's entrepreneurial ecosystem by fostering inclusive growth. It has given a stage to sell to more than 2.6 million resellers across the country. It calls Meesho as Aapki Dukaan. Where majority of the E-Commerce players works on consumer retention and satisfaction, there Meesho has provided work opportunities to resellers with no initial fees to use the platform. According to Sharma (2023), social commerce allows resellers to reach consumers directly through social platforms like WhatsApp, Facebook, and Instagram, where trust is already established between friends, family, and followers. Meesho's business model enables individuals to sell products directly to their social circles, thereby facilitating a new form of entrepreneurial activity. This "business in a box" model, combined with Meesho's integration with popular social media platforms, differentiates it from traditional e-commerce platforms.

## 5. REVIEWS/STATEMENTS

Review by Ananya Gupta (Customer)

"I have been using Meesho for over a year now, and I absolutely love it! The app is very user-friendly, and the variety of products is impressive. I can find everything from clothes to home decor to electronics, often at much lower prices than I find in traditional stores. The delivery is



usually on time, and customer service is responsive when I have questions. One feature I really appreciate is the ability to track my orders in real-time. I have recommended Meesho to several of my friends and family, and they too are enjoying the experience."

Review by Rahul Kumar (Customer)

"Meesho is a great platform for budget shopping. I've bought several items from the app and generally, the quality has been good for the price. However, there have been a few instances where the product didn't match my expectations in terms of color or material. The return process is straightforward, but it would be great if the product images were more accurate. Overall, I find Meesho to be an excellent app for value shopping, and I continue to shop from it regularly."

Review by Nisha Patel (Seller)

"Selling on Meesho has been a game changer for my small business. The platform gives me access to a large customer base across India, and the fees are really reasonable. I appreciate the tools Meesho provides to help with inventory management, and the app is simple to navigate. Payments are processed quickly, and the Meesho team is always available to answer my queries. It's been a great platform for scaling my business without needing to invest in a physical store or extensive advertising."

Review by Arvind Yadav (Seller)

"I've been selling on Meesho for six months now, and the experience has mostly been positive. The platform is easy to use, and I have noticed an increase in sales since joining. However, sometimes there are delays in processing orders or issues with the logistics partners, which affect the customer experience. I wish Meesho could do more to ensure smooth deliveries, but overall, it's a great place for small and medium businesses to grow."

## **Competition with Other Applications and Businesses**

Meesho faces competition from both traditional e-commerce giants like Amazon and Flipkart, and newer social commerce platforms like GlowRoad and Shop101. While Amazon and Flipkart dominate the traditional e-commerce space with their extensive product catalogs and advanced logistics networks, Meesho's key differentiator is its social commerce approach, enabling a more personalized and community-driven shopping experience. Moreover, Meesho's lower barriers to entry give it an edge over competitors, especially among individuals looking to start small businesses with limited capital.

## **6. SWOT ANALYSIS**

### **Strengths:**

1. **Strong Brand Recognition:** Meesho has built strong brand recognition among small-scale entrepreneurs and resellers, particularly women. People with limited budget opt for this platform.
2. **Low Barriers to Entry:** The platform allows anyone to become a reseller with minimal investment.

3. Social Media Integration: Its integration with platforms like WhatsApp, Facebook, and Instagram allows personalized marketing.

#### **Weaknesses:**

1. Modes of Payment: Meesho does not offer cash on delivery option for any product category. Consumers who still have trust issues for online payment will not opt for Meesho.
2. Dependence on Social Media: Meesho's business model relies heavily on social media channels, which may limit scalability. It has very less show up on other mediums for promotion.
3. Logistics Challenges: While Meesho manages logistics, the quality of delivery services can vary, affecting customer satisfaction.

#### **Opportunities:**

1. Expanding Product Range: Meesho can expand its product offerings to attract a wider customer base. A recent expansion to Groceries and Vehicle accessories shows growing profits of the company.
2. Rural Market Penetration: With India's growing internet penetration, there are significant opportunities to tap into rural markets.

#### **Threats:**

1. Luxury Items: Majority consumers consider Meesho as an app for budget shopping, thus introducing and selling Luxury items can prove to be a problem.
2. Intense Competition: Meesho faces heat of competition from established players like Amazon, Ajio and Flipkart.
3. Regulatory Issues: The changing regulatory environment for e-commerce in India poses potential challenges.

### **7. FUTURE OF MEESHO:**

The future of Meesho looks promising as evident by its recent expansion from Apparel and kids products to Groceries, Car and Bike accessories, vehicle repair assistance to selling Stationary and musical instruments also, it continues to tap into the rapidly growing social commerce segment. With the rise of smartphone usage and internet penetration in India, Meesho has the opportunity to expand its reach further into untapped markets, especially in rural areas. The company is also likely to focus on improving its logistics and customer service to enhance user satisfaction and compete with larger e-commerce players.

### **8. CONCLUSION:**

The study concludes that Meesho's unique business model, which blends e-commerce with social commerce, positions it well to capitalize on India's growing digital economy. The company's low barriers to entry, social media integration, and focus on empowering resellers have set it apart from competitors. Meesho's contributions to entrepreneurship and to the



economy are substantial. It aligns well with the Indian government's push towards digital entrepreneurship and financial inclusion. Its prospects appear strong as it continues to innovate and expand its market reach. Meesho's growth trajectory has been remarkable, with the platform witnessing rapid expansion since its inception. The company's ability to scale rapidly can be attributed to its low-cost business model and high customer engagement. Customer satisfaction remains a priority for Meesho, continuously improving its platform and customer service to ensure seamless transactions. As per recent surveys, customer satisfaction is high, especially among resellers who benefit from Meesho's easy-to-use platform and flexible selling options.

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