

ShKart paving a way in online grocery and food stores in India

ShKart was India's one of the largest online grocery and food stores established post 2011 by a group of entrepreneurs. In 2016, ShKart sold more than 20,000 products and 1,000 brands operating across 12 Indian cities. Online grocery market in India has been small, but a fast-growing segment.

According to one of the renowned publications in consumer products and retail sector, during July-September 2015, India was among the top-10 food and grocery markets in the world, with an estimated size of INR 22.5 trillion. The market has grown at 10-12% CAGR (Compound annual growth rate is the rate of return that would be required for an investment to grow from its beginning balance to its ending balance, assuming the profits were reinvested at the end of each year of the investment's lifespan.) between 2010 and 2015, with food and grocery being the largest segment, accounting for close to 60% in 2015 alone.

The change-maker, Jay George, Chief Technology Officer, at ShKart was trying to solve two problems frequently encountered by customers of online grocery stores. It was estimated that about 30% of ShKart customers place orders through smart phones. Unlike other e-commerce companies such as Flipkart, ShKart customers place order for several products in a single order, sometimes as high as 80 in one order depending on their purchase frequency.

When the basket size is high, using smart phones to place order is not easy. Also, it is common that customers don't remember to place order for a few grocery items which may result either in placing additional orders or customers purchasing those products from other nearby stores which would result in a financial loss to online grocery stores. An outfit, a start-up, in the field wanted to create a "Smart Basket" that would make placing orders more convenient and easier for their customers and "Did you forget?" feature that would identify the items the customer may have forgotten to order.

Case Questions

1. What is the Importance of recommender systems in the retail context, especially e-commerce for ShKart?
2. List out the possible recommender system models such as content-based and knowledge-based that can be implemented by ShKart.
3. What are the innovative models that can be used for product recommendation such as page ranking algorithm?