



2022 GLOBAL REPORT

Digitizing the Corner Shop



INDIA SPOTLIGHT

India's corner shops—known as *kirana* stores—are vital to the local economy



USD \$540 billion
corner store market

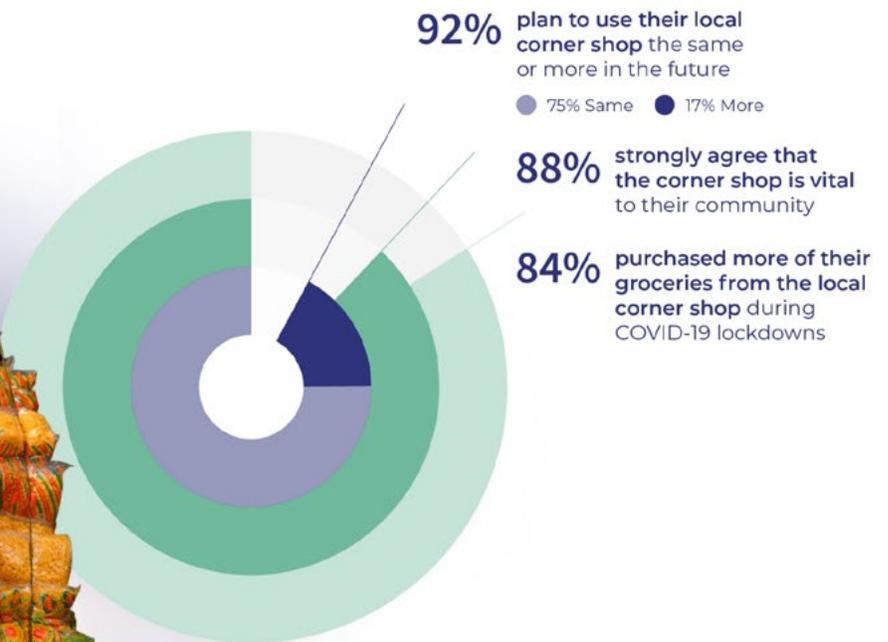
12 million
kiranas



We spoke to 200 *kirana* stores and 198 of their customers. Here's what we heard.

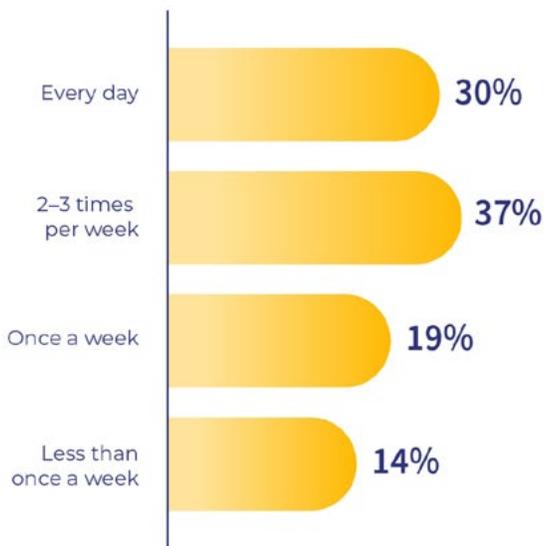


The *kirana* stores are here to stay: 92% of customers plan to shop as much or more

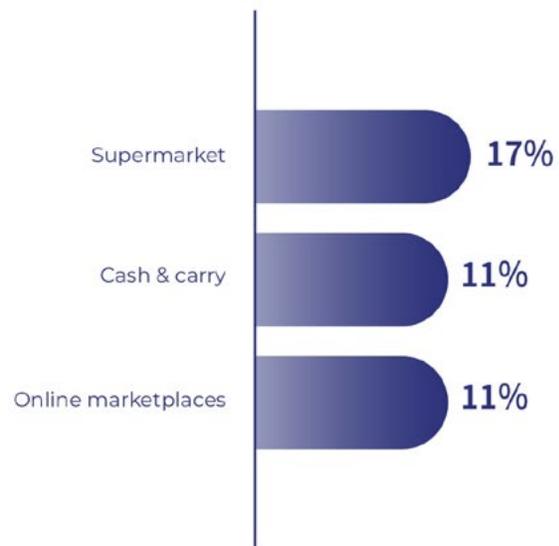


Customers shop frequently at their local *kirana* store, versus only 11% who shop online

Purchase Frequency at Local *Kirana* Store



Other Grocery Destinations in Addition to *Kirana* Stores





The *kirana* store plays a valuable role in the community, providing convenience, customer service, and credit

What Customers Value About Their *Kirana* Store



43%
cite good customer service as a differentiator

What Customers Buy at Their *Kirana* Store



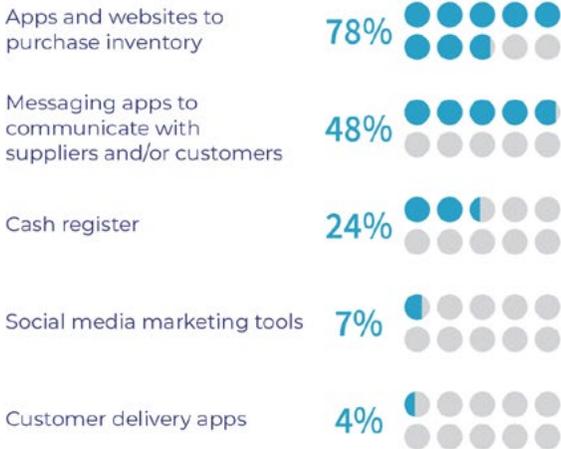
33%
regularly use a store tab to purchase items on credit



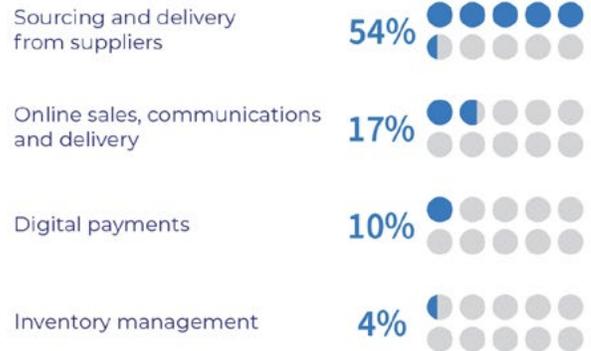
“I have a long-standing relationship with the owner of this shop, and I often come here to chat with my friends outside the shop.”

Shopkeepers are adopting digital tools and are eager for more

Percent of Shopkeepers Who Use Digital Apps to Run Their Business Today



Percent of Shopkeepers Who Plan to Increase Digital Tool Usage in Next 1-2 Years



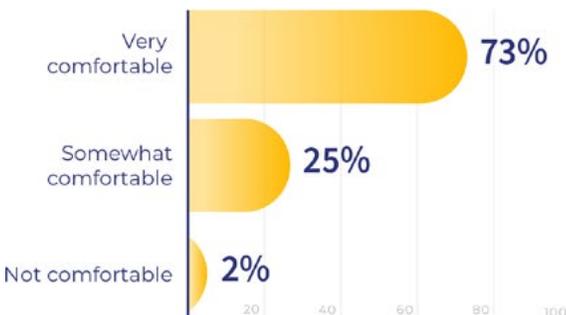
82% of shopkeepers started using new digital business tools during the Covid-19 pandemic



“My workload is reduced with the help of digital tools. I can easily buy inventory and sell products online, which saves me time and cost.”

Most shopkeepers have some comfort with digital tools, but barriers remain

Comfort With Digital Tools



Barriers to Adoption





“I am busy serving customers and so I don’t have time to learn about new online tools. I would be more likely to use these apps if I had help understanding them.”

29% of customers had no complaints with their kirana store, while others cited a desire for more product variety

Customers' Biggest Complaint With Their Corner Shop



Merchants' Biggest Long-Term Business Challenges



“There is a common saying that more products lead to more customers. If the owner stocks more variety, that will help the corner shop improve.”



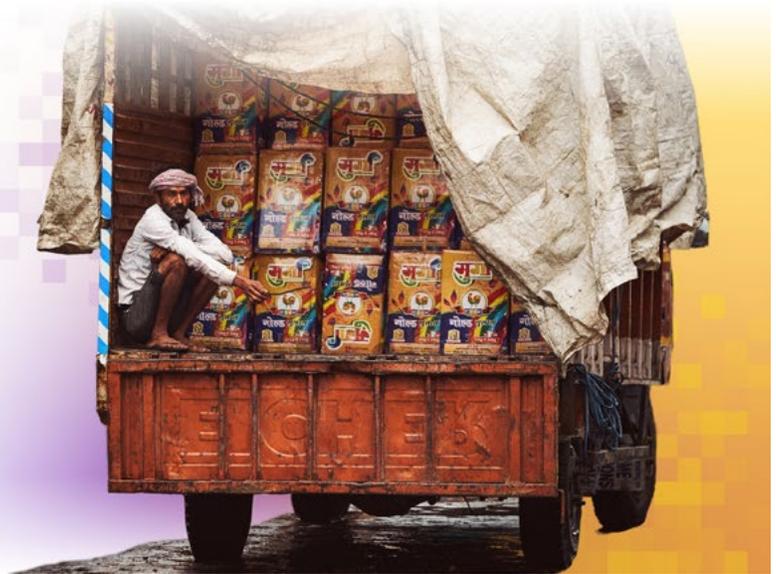
Shopkeepers face difficulties purchasing and managing inventory and serving their customers

Biggest Day-to-Day Pain Points



“Identifying and anticipating the needs of customers is very difficult.”

“Shopping at wholesalers is time consuming because the wholesalers are far away. Travel cost is also very high.”



Kirana owners have ambitions to grow and improve their stores so they can continue to play a vital role in their communities.

At Flourish, we believe digital platforms have an opportunity to support them in this journey.

Shopkeepers' Aspirations



Merchant and Customer Voices: Who We Spoke To

200 Kirana Merchants Across 15 States

AGE

34% 20–29

49% 30–39

16% 40–49

1% 50+

STORE TENURE

8% Less than 1 year

7% 1–2 years

5% 2–3 years

10% 3–5 years

70% 5+ years

NUMBER OF SKUS

11% Less than 500

49% 500–1000

40% 1000+

198 Kirana Customers Across 4 Cities

GENDER

37% Female

63% Male

AGE

2% <20

29% 20–29

28% 30–39

22% 40–49

19% 50+

About This Report

Flourish Ventures launched this research to better understand corner shops across the globe and share learnings on how digital firms can serve their needs.

In partnership with research firm 60 Decibels and e-commerce platform ApnaKlub, we surveyed 200 Indian corner shop owners and 198 of their customers to learn firsthand about their business pain points, competitive threats, aspirations, and digital behaviors.

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Flourish is a global venture firm investing in entrepreneurs whose innovations advance economic opportunity and financial health for individuals and small businesses. We partner with industry leaders in research, policy, and regulation to better understand the underserved and help foster a fair, more inclusive economy.

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60__decibels

60 Decibels is a tech-enabled social impact measurement and customer insights company working in over 75 countries. They combine deep impact measurement expertise, an integrated technology backbone, and a global network of 900+ researchers to make it easy for companies and organizations to listen to the people who matter most.

60decibels.com



ApnaKlub is an e-commerce platform that supports retailers in India's Tier 2 and 3 cities, leveraging collective demand to build access to a wide variety of products at fair prices.

apnaklub.com