

# The Rise of Social Commerce – A Case Study on Meesho's Consumer Acquisition Strategy in Delhi NCR

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## ABSTRACT

The Indian e-commerce landscape is rapidly evolving with the emergence of social commerce platforms like Meesho. This research investigates Meesho's consumer acquisition and retention strategies, focusing on its unique reseller-driven model, community marketing, and AI-based personalization, particularly in the Delhi NCR region. Meesho's emphasis on affordability, vernacular content, and empowering micro-entrepreneurs has driven significant adoption in Tier II and Tier III cities. Employing a descriptive research design, primary data was collected through an online survey of 39 Meesho users and resellers in Delhi NCR, complemented by secondary data analysis. Key findings indicate that Meesho's reseller-led acquisition, combined with localized content and community trust, results in lower customer acquisition costs (CAC) and higher engagement compared to traditional e-commerce. AI-powered personalization further contributes to retention. The study concludes that Meesho's model offers a scalable and inclusive approach to consumer acquisition in emerging markets by effectively leveraging social relationships and localized content.

**Keywords:** Social Commerce, Meesho, Consumer Acquisition, Reseller Network, Digital Marketing, Delhi NCR, India, E-commerce, AI Personalization

## I. INTRODUCTION

The Indian e-commerce sector has grown exponentially, yet traditional platforms primarily serve urban, digitally literate consumers. Social commerce has emerged as a disruptive force, making online shopping more accessible, relatable, and community-driven. Meesho, established in 2015, exemplifies this shift, empowering individuals, notably women, to become resellers through social media. This model addresses challenges like digital literacy disparities, language preferences, and trust deficits prevalent in India's diverse population.

Meesho's distinct approach relies on a reseller network that promotes products within their social circles (e.g., WhatsApp, Facebook, Instagram), fostering trust through personal recommendations. This peer-to-peer selling, combined with low-cost digital marketing and localized content, differentiates Meesho from traditional e-commerce giants. Industry reports project

India's social commerce sector to reach \$16–20 billion by 2025, with Meesho being a significant contributor, boasting over 140 million users.

This study explores how Meesho's unique strategies drive rapid consumer acquisition. Its model aligns with the Diffusion of Innovation Theory (Rogers, 1962), by simplifying adoption for late adopters, and the Network Effect Theory, where the platform's value increases with user participation, creating a self-sustaining growth loop. Furthermore, Relationship Marketing Theory underpins its focus on trust-based, long-term customer relationships. By focusing on Meesho's case, this research aims to bridge a gap in understanding sustainable social commerce models in emerging economies.

### *Research Questions and Objectives*

This study investigates Meesho's distinctive social commerce model for consumer acquisition and retention.

### *General Research Questions*

- What distinguishes Meesho's consumer acquisition approach from traditional e-commerce platforms?
- How has Meesho achieved rapid growth, particularly in smaller Indian cities and towns?
- How important is the reseller network in building trust and expanding Meesho's customer base?
- What role do low-cost digital marketing and regional outreach play in attracting and engaging users?
- How does AI-driven personalization influence customer loyalty?

### *Specific Research Questions (Hypotheses)*

- **H1:** The reseller network significantly boosts Meesho's customer acquisition organically.
- **H2:** Low-cost marketing methods provide a better return on investment than traditional paid ads.
- **H3:** Providing content in local languages positively affects user engagement in smaller cities.
- **H4:** AI-powered personalization helps improve customer retention on the platform.
- **H5:** Meesho's customer acquisition cost (CAC) is lower compared to major e-commerce platforms like Amazon and Flipkart.

### *Research Objectives The primary objectives are to:*

- Examine Meesho's social commerce model and its role in consumer acquisition.
- Analyze the impact of the reseller network on organic consumer growth.
- Evaluate the effectiveness of Meesho's low-cost digital marketing and regional outreach strategies.
- Compare Meesho's customer acquisition cost (CAC) with traditional e-commerce players.
- Assess how AI-driven personalization contributes to customer retention and engagement.

## **II. RESEARCH METHODOLOGY**

This study adopted a descriptive research design to systematically analyze Meesho's consumer acquisition strategies. Primary data was collected through a self-

administered online survey using Google Forms, chosen for its efficiency, broad reach across the National Capital Region (NCR), and respondent convenience. The questionnaire was designed to capture demographic profiles, awareness channels, reseller influence, purchase motivations, satisfaction levels, pricing perceptions, and strategic opinions. Most questions utilized Likert-type scales, enabling quantitative analysis.

The target population included individuals in Delhi NCR who have used or are potential consumers of social commerce platforms. A non-probability convenience sampling method was employed, with the survey link distributed via social media and online networks. A total of 50 completed responses were collected, which formed the basis of the analysis. Fieldwork spanned three weeks, preceded by a pretest with 15 participants to refine the survey instrument.

Data preparation involved exporting responses to Microsoft Excel, cleaning for incompleteness or inconsistencies, and then importing into statistical software (SPSS or similar). Descriptive statistics (frequencies, percentages) summarized demographic and attitudinal data. Correlation analysis assessed relationships between variables, and regression analysis predicted the impact of marketing strategies on consumer acquisition, aligning with the study's objectives.

## **III. RESULTS, FINDINGS, AND DISCUSSION**

The analysis of survey data (N=50) provides insights into Meesho's consumer acquisition.

User Demographics and Awareness Respondents were predominantly young adults (48.7% aged 20-24) and largely students (48.7%), followed by employed professionals, homemakers, and self-employed individuals. This highlights Meesho's successful targeting of budget-conscious young consumers, as well as those seeking supplemental income or affordable options. A striking over 90% of respondents discovered Meesho through social channels (Instagram/YouTube ads: 35.9%; friends/family: 30.8%; reseller WhatsApp/Facebook groups: 25.6%). This strongly validates Meesho's reliance on low-cost, viral marketing and word-of-mouth through its reseller network (H1).

Role of Social Commerce Model and Motivations Approximately 51% of users considered the reseller-driven model at least moderately influential in their decision to try Meesho, confirming its effectiveness in driving first-time purchases through trust and familiarity

(H1). The primary motivations for the first purchase were affordable pricing (30.8%), ease of ordering (23.1%), and wide product variety (20.5%). This reinforces Meesho's value proposition as a cost-conscious and user-friendly platform.

**Strategic Effectiveness and User Experience** Nearly 76% of users found localized (regional language) content at least somewhat significant, indicating that Meesho's regional outreach strategy effectively enhances customer engagement, particularly in Tier-2 and Tier-3 markets (H3). In terms of satisfaction, nearly 49% reported a positive initial experience, though 26% expressed dissatisfaction. This suggests inconsistencies, potentially related to delivery or product quality. Pricing perceptions were largely positive, with over 72% feeling Meesho's prices were equal to or better than traditional e-commerce platforms, validating its low-cost positioning (H5). However, a segment (10.3%) still perceived it as less competitive, pointing to a potential price-quality perception gap.

**Key Acquisition Drivers and Areas for Improvement** When asked about the most effective acquisition strategies, regional outreach (53.8%) and low-cost marketing (51.3%) were identified as top contributors, followed by the reseller network (41%) and AI-based personalization (30.8%). This supports the hypothesis that Meesho's grassroots, budget-friendly approach is fundamental to its customer growth (H2). For future customer acquisition, respondents highlighted critical areas for improvement: delivery speed (61.5%), product quality and trust (53.8%), and a broader product range (48.7%). These indicate that while initial acquisition is strong, enhancing logistics, seller verification, and expanding product categories are crucial for sustained retention and growth. AI-driven personalization, while contributing positively to engagement and retention (H4), also requires further integration based on user feedback.

In summary, the findings strongly support the hypothesis that Meesho's customer acquisition is driven by a powerful synergy of social influence, localized marketing, and affordability. This grassroots approach allows it to penetrate underserved markets effectively, although improving operational aspects like delivery and product quality are vital for long-term customer loyalty and expansion.

#### IV. LIMITATIONS

This study is subject to several limitations. The relatively small sample size of 39 respondents limits the generalizability of findings to Meesho's entire diverse user base across India. The non-probability convenience sampling method, relying heavily on social media and student networks, may introduce selection bias, skewing the demographic representation towards younger, more digitally savvy individuals and potentially underrepresenting rural homemakers or older users, key segments for Meesho. Reliance on self-reported survey data also carries a risk of response bias. Furthermore, the survey being in English may have acted as a barrier for non-English speakers, impacting data diversity. Future research could benefit from stratified sampling, larger sample sizes, mixed-mode data collection, and formal reliability testing.

#### V. CONCLUSION

The study affirms that Meesho's social commerce model has effectively acquired customers in India, particularly in Tier 2 and Tier 3 markets, by leveraging social media promotions, affordable pricing, and a user-friendly interface. The significant role of its reseller network and the adoption by segments like homemakers underscore its success in democratizing e-commerce. While initial acquisition is strong, challenges related to customer trust, product quality, and delivery consistency are critical for long-term retention and brand loyalty. Meesho's model demonstrates a viable "bottom-up" approach for market penetration, but operational enhancements are crucial for sustained success.

#### VI. SUGGESTIONS

##### *Suggestions for Managerial Action*

- **Strengthen Quality Control:** Implement stringent vendor verification and product quality checks to build customer trust and reduce mismatches.
- **Optimize Logistics:** Focus on improving delivery speed and consistency to address a top customer concern.
- **Enhance User Experience:** Simplify return/refund processes and ensure responsive customer support to boost satisfaction.
- **Deepen Localization:** Expand content and support beyond the app, considering regional

languages across all touchpoints to improve accessibility.

- Leverage AI for Quality: Utilize AI and data analytics not just for personalization, but also for identifying and mitigating product quality issues and seller performance.

#### *Suggestions for Future Research*

- Broader Demographic Study: Conduct research with a larger, more representative sample, including diverse age groups and rural populations, to gain a more comprehensive understanding of Meesho's nationwide impact.
- Behavioral Data Analysis: Future studies could incorporate actual behavioral data (e.g., purchase frequency, cart abandonment, returns) to provide deeper, objective insights into user journeys and long-term engagement.
- Comparative Analysis: A detailed comparative study with other social commerce platforms or traditional e-commerce players could highlight specific competitive advantages and strategic gaps.
- AI Impact Assessment: Further investigate the granular impact of AI-driven personalization on various aspects of customer behavior, including cross-selling, up-selling, and churn prediction.