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# From Reliance's JioMart to Amazon and startups all line up to serve kiranas – India's mom n pop stores

**Sanchita Dash** • Apr 24 2020 12:31 IST



## BUSINESS INSIDER INDIA

 Business

 4 min read

- **As the supply chain of essentials is affected, e-commerce platforms are depending on kirana stores for efficient delivery.**
- **Startups are offering free online applications to mom-n-pop stores, while B2B startups are raking in revenue thanks to the kirana business.**
- **Now, Reliance Industries too wants a piece of the pie. Jio's e-commerce entity JioMart has taken the Offline to Online business model and its partnership with Facebook will only boost it.**

With the coronavirus lockdown in place, the local mom n pop stores or *kirana dukans* have become the go-to stores. These neighbourhood stores which had come under threat because of the rise of e-commerce, have turned into lockdown heroes.

With e-commerce apps finding it difficult to deliver or managing huge volumes, many users have turned to local kirana stores. They don't mind standing in the circles made outside a shop to practise social distancing as long as they can go home with the



labour in place, e-commerce platforms are too banking on kiranas for efficient delivery of essentials.

And this has resulted in a line-up of startups and big corporates all turning to the *kirana waala dukaan* with offers, new products and more.

### **‘Kirana stores have become India’s lifeline’**

Amazon India launched ‘Local Shops on Amazon’. The program helps customers discover products from local shops in their city from the convenience of their homes, while helping shopkeepers supplement their footfalls with a digital presence and expand beyond their normal catchment, said the company. Amazon had piloted this program for 6 months with over 5000 local shops and retailers from 100+ cities across India.

India is home to a vast number of B2B startups who have been working with mom n pop stores. MaxWholesale, a B2B e-commerce platform for kirana stores to source online inventory, raked in sales worth over ₹1 crore in a single day.

“During such unprecedented times, kiranas have become the lifeline for the country. We have ensured that our on-ground staff and our suppliers get the best of our capabilities. The confidence that the suppliers and retailers have bestowed upon us has made us achieve this feat. We are committed to make kirana stores comfortable with technology by solving their core problem of dependable supply,” said Samarth Agrawal, Founder & CEO, MaxWholesale.

With kirana stores becoming the centrepiece for essentials, startups also figured out the need to start listing them online for faster delivery and efficiency. Phonepe introduced a new feature ‘stores’ with a list of kirana stores near you, and you can place



kirana shops to help them take their business online and serve more customers. Nearly 80,000 LoveLocal shops are serving over 10 million consumers across India with no touch delivery and no touch shop pickup.

"These are difficult times. During the lockdown, when there is a need for essential goods, our neighbourhood kirana stores are the ones who have stepped up to help us. GOFRUGAL is offering our gratitude by providing free solutions till September 2020. All these functions can be managed at their fingertips using our app. Going forward we aim to upgrade all the kirana stores into a smart platform where they can continue to enjoy the benefits," said Kumar Vembu, CEO and Founder, GOFRUGAL.

## The big game – JioMart and its O2O model

Big guns are gunning for kirana business too. Paytm Mall, which began operations in February 2017, went through a series of ups and downs. This was until in 2019 when it switched to an O2O model led business. Now, Paytm Mall drives its online traffic to offline stores through gift vouchers, offers and uses offline strength to push online traffic through digital payments only.

And now the big player Reliance Retail too wants a piece of the pie. Jio's e-commerce entity JioMart has also taken to the hybrid model.

Facilitating this offline-to-online model, in December 2019, Reliance acquired 85% stake in the Hyderabad-based startup Nowfloats for ₹141.63 crore. Nowfloats offers SaaS-based solutions to SMEs, and enables their digital presence.

In August 2019, Reliance acquired a majority stake in the Google-backed fashion e-commerce startup Fynd. In March 2019, Reliance acquired Mumbai-based logistics platform Grab A Grub.



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in a commercial partnership to accelerate the Indian giant's e-commerce venture – JioMart. Through JioMart and WhatsApp, the entities will now help support consumer businesses.

“The companies will work closely to ensure that consumers are able to access the nearest kiranas who can provide products and services to their homes by transacting seamlessly with JioMart using WhatsApp,” Reliance said in a statement.

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