

Market Research: Competitor Analysis

Industry:
Online Medicine

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Major Players in the Indian online medicine

1mg

Netmeds

Medplus Mart

PharmEasy

Apollo Pharmacy

Practo

medlife

mChemist

Overview - PharmEasy



Company	PharmEasy
CEO	Dharmil Sheth
Founders	Dharmil Sheth, Dhaval Shah, Mikhil Innani
Legal Name	AXELIA SOLUTIONS PRIVATE LIMITED

Shifts in the Business Model

Launched in 2015, PharmEasy is pharmacy made easy! Started with the sole purpose of making healthcare accessible and affordable to all, PharmEasy today is India’s leading and most trusted online healthcare aggregator in the country.

GOAL

To build an ecosystem using technology to connect patients, pharmacies, doctors, diagnostic centers and healthcare service providers and allow them to interact with each other by building a scalable technologies that will help connect many pharmacies across cities, town and village across the country.

Top Competitors

Direct

1mg

Netmeds

In-Direct

Dunzo

SwiggyGo

Direct Competitor



Company	1mg
CEO	Prashant Tandon
Founders	Prashant Tandon, Vikas Chauhan, Gaurav Agarwal
Legal Name	1MG TECHNOLOGIES PRIVATE LIMITED

January 2020: unattributed funding of ~10M from **Bill & Melinda Gates Foundation**

Shifts in the Business Model

1mg was initially started as 'HealthKartPlus' as a consumer awareness platform to help users have a detailed information about the medicines. The portal gave alternative medicine to the users.

In-Direct Competitor



Company

Dunzo

CEO

Kabeer Biswas

Founders

Kabeer Biswas, Ankur Agarwal, Dalvir Suri, Mukund Jha

Legal Name

DUNZO DIGITAL PRIVATE LIMITED

October 2019: series D-1 funding of ~45M
from **Google**, Lightbox Ventures, Stic Investment, 3L Capital, STIC Ventures

Shifts in the Business Model

Dunzo started out as a small WhatsApp group, and transformed into a hyperlocal, app-based service.

Comparative Analysis

Company	PharmEasy	1mg	Dunzo
Products	100K+	100K+	350 Merchants
App Downloads	5M+	10M+	5M+
App Ratings	4.5★	4.6★	4.2★
App Reviews	1,71,537	2,79,049	1,05,496
App Services	Buy healthcare products, OTC products and medical equipment, book diagnostic tests from the convenience of your home	Medicine Information, Medicine home delivery, Book lab tests at home, Consult doctors online	24x7 delivery app that delivers anything to your doorstep in 45 minutes
Alexa Website Ranking	44141	4191	NA
Geographic Reach	1000+	11 Delhi NCR, Chennai, Hyderabad, Lucknow, Agra, Indore, Bhopal, Bengaluru, Jaipur, Kolkata and Ahmedabad	9 Bangalore, Mumbai, Gurgaon, Delhi, Noida, Hyderabad, Pune, Chennai, and Jaipur

Market Analysis

Business Model

PharmEasy help patients connect with local pharmacy stores and diagnostic centers to fulfill their extensive medical needs.

1mg provides services like diagnostics, medicine, preventive healthcare and online Q&A to its users.

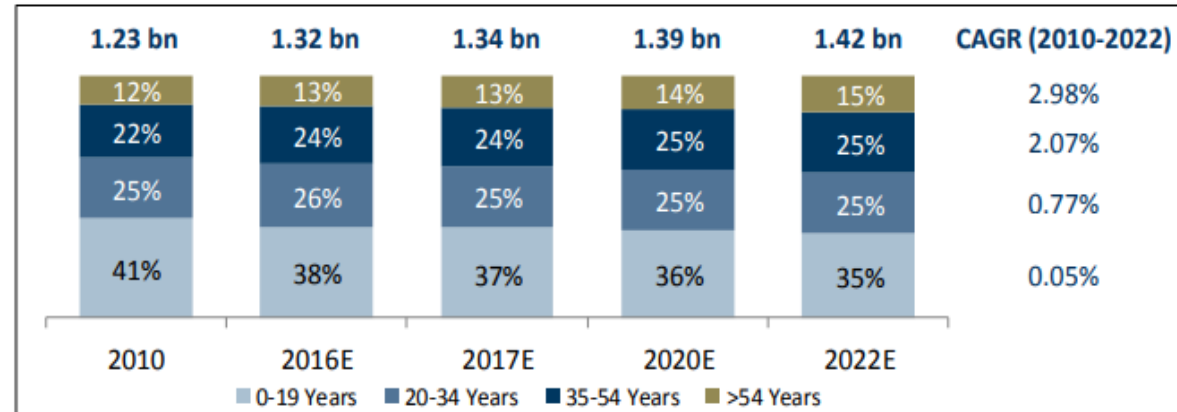
Dunzo is an application that operates daily tasks management. It is a 24X7, on-demand delivery service that helps in saving customers time & money.

Target Market

Increasing ageing population base with a higher predisposition to chronic diseases.

To provide healthcare services to 12% of the total Indian population was estimated to be above the age of 54 years in 2010.

This number is expected to increase to **14% by 2020**.



Source: United Nations Population Division, World Population Prospects (2017 Revision), Frost & Sullivan Analysis

Urban India
(Currently in Metros)
Working professionals, Home bounded

Revenue Model

% Commissions

- sale of drugs and health equipment
- diagnostic centres for diagnostic tests

% Commissions

- sale of drugs and health equipment
- diagnostic centres for diagnostic tests
- Doctor consultations

- Mainly earns from delivery charges for its services from the customers.
- % commissions from the shop owners from where the product is purchased

Revenue (FY 2019)

growing at 4x year-on-year and could report a revenue of [₹450 crore](#)

₹ 54.16 Crore

₹ 3.5 crore
(Net loss of ₹168.9 crore)

Employees

674
(est. Mar 2020)

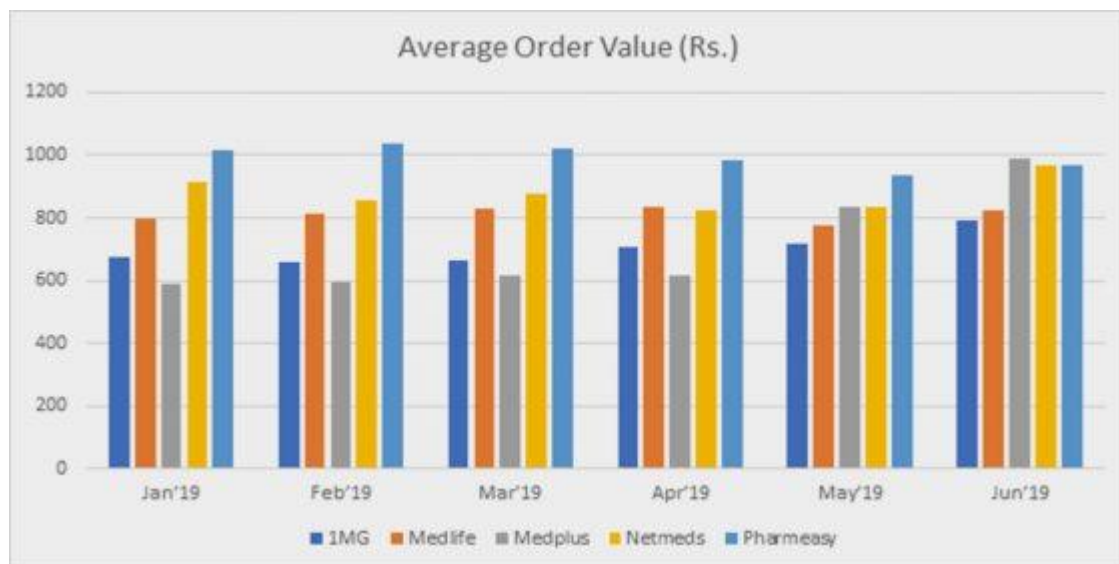
749
(est. Apr 2020)

755
(est. Mar 2020)

Business Analysis

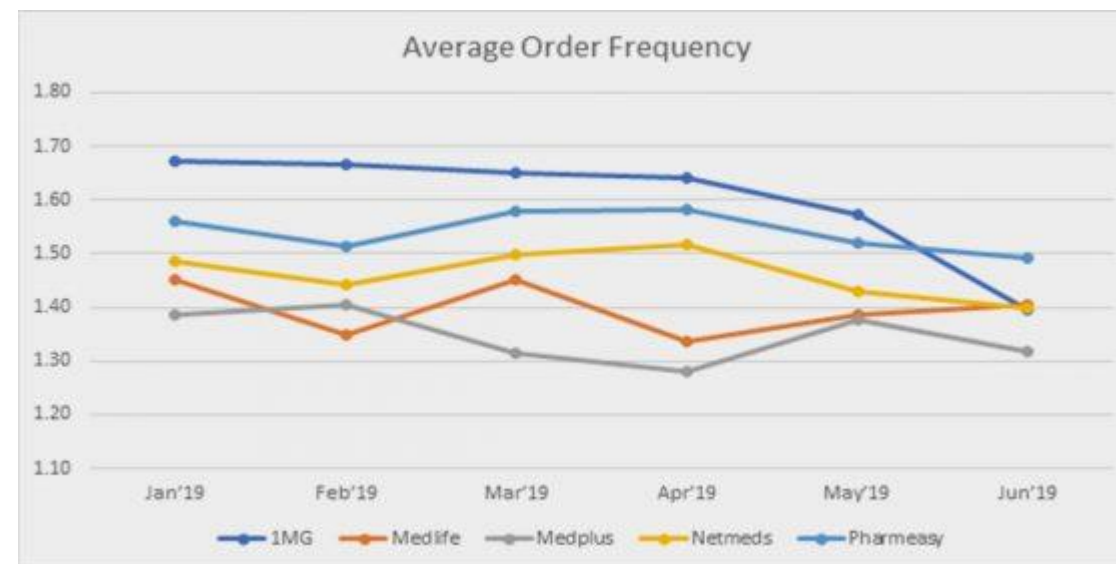
Last year, in terms of **average order value (AOV)**

- Medplus led the e-pharmacy table with Rs 990 from Rs 589 in January.
- **1mg** AOV saw Rs 120 gain to Rs 792 in June.
- The only player that saw a downfall in AOV is **PharmEasy**, whose value per order went down to Rs 965 from Rs 1017 in January.



PharmEasy replaced **1mg** as a top player with the most frequency of purchase on the platform from users in a month.

The report highlight, consumers behavioral pattern showing they are spending less on non-necessary purchases. The new users on a platform not only spend less money but also spend less frequently as compared to earlier users.

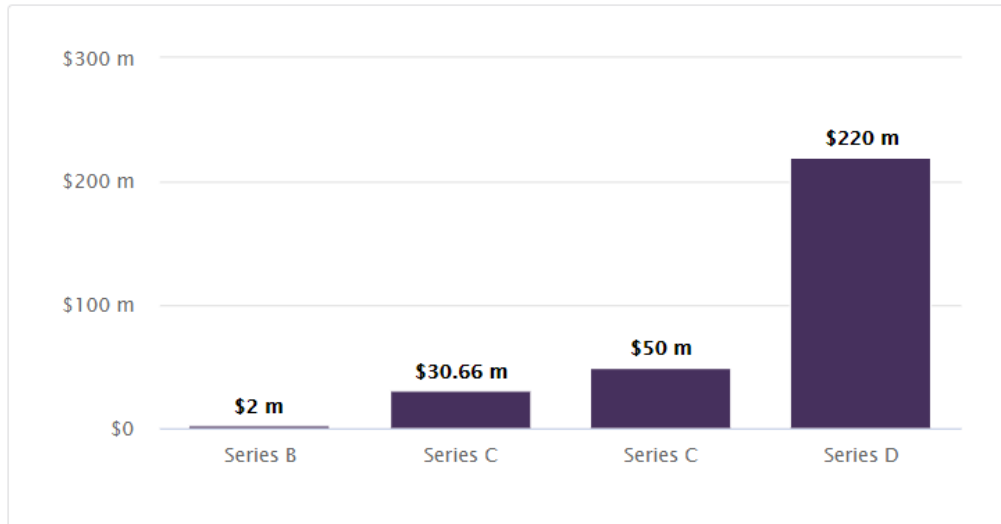


PharmEasy - Financials

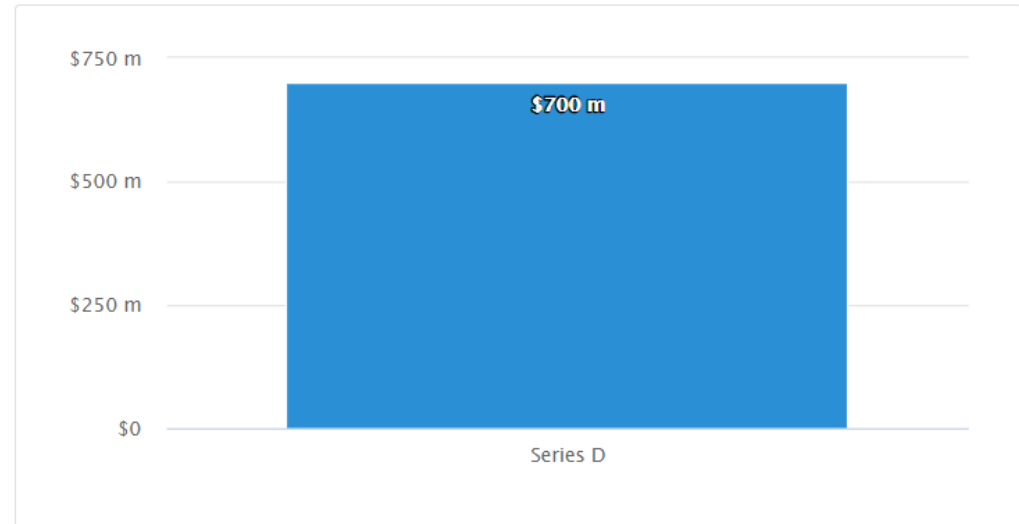
*PharmEasy's latest funding round in November 2019 was reported to be \$220 m.
In total, PharmEasy has raised \$323.7 m.*

PharmEasy's latest valuation is reported to be \$700 m.

PharmEasy Capital Raised



PharmEasy Valuation



Source: DealstreetAsia - November 2019

PharmEasy – Online and Social Media Presence



2.78k Twitter followers

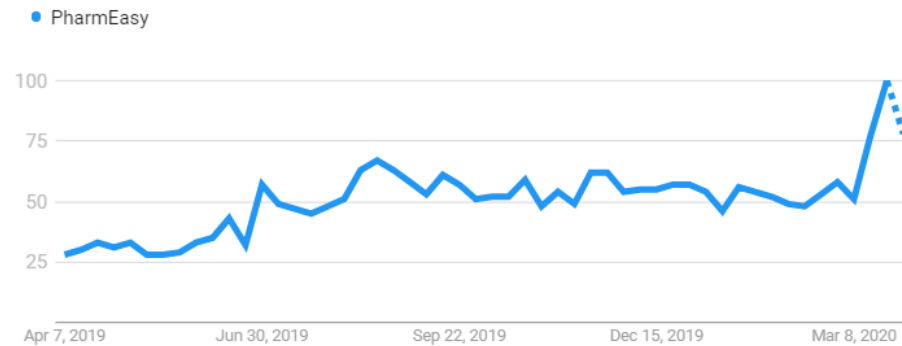


PharmEasy has 2.78k Twitter Followers. The number of followers has increased 7.2% month over month and increased 24.8% quarter over quarter

PharmEasy's Trends

Interest over time

Worldwide. 4/6/19 - 4/6/20. Web Search.



Google Trends

Search term - PharmEasy

1mg vs PharmEasy

Strengths

Recent funding from – **Melinda Gates Foundation**

Better Online presence and SEO.

DATA: about medicines, drugs, usages, allergies(if any) and alternatives, this helps user to understand the medicine also helps in choosing alternatives in cases necessary.

Weaknesses

Less geographically reach.

Balance of Operational cost v/s Revenue

Dunzo vs PharmEasy

Strengths

Google's first direct funded company in India.
Recent funding from– **Google**

machine learning based platform,
80 percent of their tasks are completely automated.

Push v/s Pull Strategy: presents the relevant TG with access to the product, resulting in them engaging more with the brand on a need-based scenario. With data and insights, Dunzo is capable of targeting the right users for the right brand.

Litmus Test: With users ranging from one end of the spectrum to the other, Dunzo presents itself as a fine platform to conduct a litmus test on new products entering the market.

Weaknesses

Strong competition from different domain-specific service providers.

Less pharmacy partnerships.

Net loss of ₹168.9 crore in FY19, an increase of nearly eight times from the loss of ₹21.9 crore in 2017-18.

The four-year-old startup's operational revenue rose five times from ₹15.81 lakh in FY18 to ₹76.59 lakh in FY19. Total revenue for FY19 was at ₹ 3.5 crore, wherein around ₹ 2.8 crore was generated only from interest from fixed deposits and sale of mutual funds, filings show.

Its expenses also increased by around eight times to ₹172.5 crore in FY19, primarily led by an increase in "other expenses", which stood at ₹126.2 crore.

E-Pharma: Delivering Healthier Outcomes

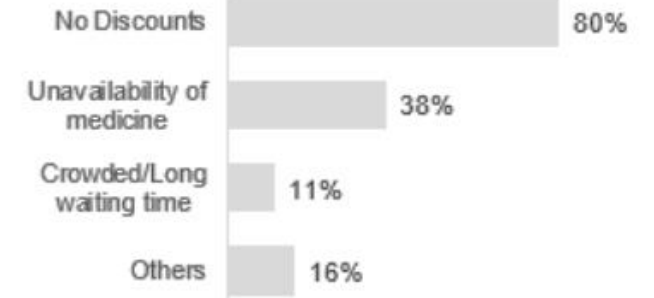
Report by Ernst & Young

The current size of the Indian e-pharma market is **\$360 million** which is expected to reach **\$2.7 billion by 2023**

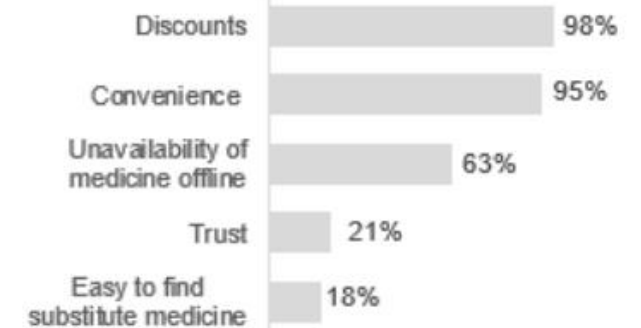
- e-pharma presents a total addressable market size i.e. **TAM of US\$9.3 billion** as of 2019 and is estimated to grow at a compound annual growth rate i.e. **CAGR of 18.1% to reach US\$18.1billion by 2023**
- Interestingly, **35% of the domestic pharmaceutical market relates to chronic** medications and the remaining **65% to acute** medicines.
- Out of this, e-pharmacies are expected to target **85% of the chronic** market and **40% of the acute** medicine market (up from 25% in 2019) by 2023.
- This expected rise in the acute target market by e-pharmacies, can be attributed to an improvement in last mile logistics through collaboration with local pharmacies and integrating into existing hyperlocal models.

What is fuelling the e-pharma growth? As % respondents from ~300 consumer surveys

Issues faced with offline Pharmacy



Drivers for online medicine purchase



End Note

Online medicine / e-Pharmacy is at its nascent stage in India, but like other categories, has the potential to be a very large industry segment in the near future. The online purchase of medicines is gaining momentum in India.

1mg could expand services to more cities and increase its userbase.

Dunzo has a wide spectrum of userbase, though limited to certain cities it really got its grip in the service-segment and if everything thing fall in place, could potentially be a tough competition in future.

PharmEasy has reached pan-India but it could improve its Online-Presence and mark itself in the Digital Space.

PharmEasy also could look at expanding services like 1mg offers – 'Consult Doctor Online' or build an 'Health-Records Application' where users can keep track of consultations, prescriptions, tests, test-results, medicine-bills – this could help users having proper understanding and document and store relevant information about Health-history.

Thank You.

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