

JOB CREATION

FB backs Meesho in first startup funding in India

*TIMES NEWS NETWORK***Bengaluru:**

Facebook has picked up a minority stake in social-commerce company Meesho in its first startup investment in the country. While the companies did not announce the deal size, the social networking giant's investment is pegged at \$25 million and could be part of a larger round of \$100 million that Meesho is raising, according to sources.

Started in 2015, the Bengaluru-based startup connects resellers to manufacturers to sell goods via social media platforms. These re-sellers, who are typically housewives and small business owners, use platforms like Facebook and WhatsApp to sell products like art & craft, fashionwear, home & kitchen products, electronics and travel packages.

The platform is clocking annualised gross sales of about \$200 million right now, industry sources added, with 80% of the sales coming from non-metros. Over 80% of these entrepreneurs or re-sellers on Meesho are women, who are selling online for the first time.

“With this investment in Meesho, we want to fuel a business model that can result

in rapid job creation and the rise of a female entrepreneurial class in India. One of the reasons we like Meesho is because a lot of their coverage is outside the metros, expanding quickly to new India with a large base of re-sellers,” said Facebook India VP & MD Ajit Mohan.

He added the Meesho investment is independent of Facebook's own global plans of having a bigger play in ecommerce.

The development also comes at a time when Facebook has been testing payments for both Messenger and WhatsApp in India, which could help it diversify revenue stream beyond advertising in a market where monetisation remains a challenge.

Going forward, Meesho would work more closely with Facebook group platforms to leverage the social media major's network effect. Facebook and Meesho did not elaborate on these plans. For Meesho, it typically sees an average order size of Rs 600-700. In 2018, Meesho's overall sales and reseller base grew by 50 times compared to 2017. The number of re-sellers currently stands at 2 million.