

# INDIA

## PRIMED FOR A DIGITAL BOOM

With a Consumer Digital Index score considerably below the regional average, India has yet to see the undoubted potential of digital commerce realized across its 1.34 billion population. However, with internet penetration set to rise to more than half the population by 2022, the growth prospects are enormous: effectively a market of more than 760 million. Amongst current internet users, 52.3 percent shop online, spending on average of nearly USD 46.80 a year. But in the next five years, all that looks set to change. Average spend will more than double, in line with the rising proportion of internet users engaging in online shopping activity.

Online shopping overtakes social networking as the prime reason to come online: 98% consumers go online primarily for shopping vs 96% who do so for social networking<sup>51</sup>

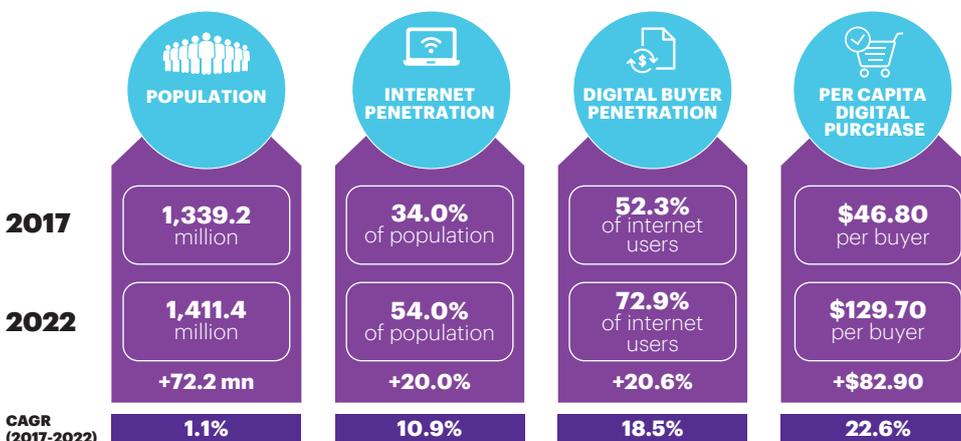
The growth indicators for the Indian digital commerce market are very encouraging. They include 7.2% CAGR in median household income, strong GDP growth (averaging around 7 percent for 2016) and a booming millennial demographic of 400 million people. Government initiatives will also play a part. For example, Digital India aims to drive people towards online payments, which could also help boost digital commerce in India.

The same factors motivate Indian digital consumers as their counterparts in Indonesia. Premium product quality and options are important for just over a quarter of online shoppers. More than one-third would switch brands in response to attractive promotions. And more than nine out of 10 find multichannel experiences desirable.

48% Indians prefer to buy online due to lower prices and better deals than available in-store<sup>52</sup>

### INDIA IS A DIGITAL LAGGARD WITH ITS DIGITAL SCORE OF 15.4, UNDERPERFORMING THE AVERAGE REGION SCORE BY 21.8 POINTS

Increasing tech-savvy millennials and strong economic growth is expected to drive digital commerce



CURRENT DIGITAL CONSUMER INDEX

15.4

SCORE AS COMPARED TO APAC REGIONAL AVERAGE

↓ 21.8



## TRENDS

Consumers moving towards premium, multi-channel experiences, not afraid to switch between brands

### PREMIUMIZATION

**28%**

of consumers would pay a higher price if it ensures high levels of product options or quality

### SWITCH BRANDS

**37%**

of consumers would switch brand based on promotions

### MULTI-CHANNEL EXPERIENCE

**92%**

of consumers want multiple channel access (on-/offline) to services



## DRIVERS

of digital commerce in INDIA

**762 mn**  
INTERNET USERS  
2022

**400 mn**  
MILLENNIALS  
2017

**~7%**  
GDP GROWTH  
2016

**7.2%**  
CAGR  
RISING MEDIAN  
INCOME/HOUSEHOLD  
2017-22



## INDIAN SHOPPING ECOSYSTEM IS A MIXED BAG OF DIGITAL AS WELL AS TRADITIONAL CONSUMERS

Diverse consumer sets prefer various purchase channels across the shopping journey

**52%**

Indians see online shopping experience to be better than in-store

**43%**

Indians used smartphones at stores, for accessing coupons/promotional code

**40%**

Indians prefer shopping online due to cash back offers

**83%**

of Indians use their smartphones for shopping

**94%**

of Indians prefer using apps over website to make purchases online

**32%**

Indians find competitive price or special discounts/offers influence their buying decisions offline

**70%**

of Indians prefer online shopping with cards vs cash on delivery