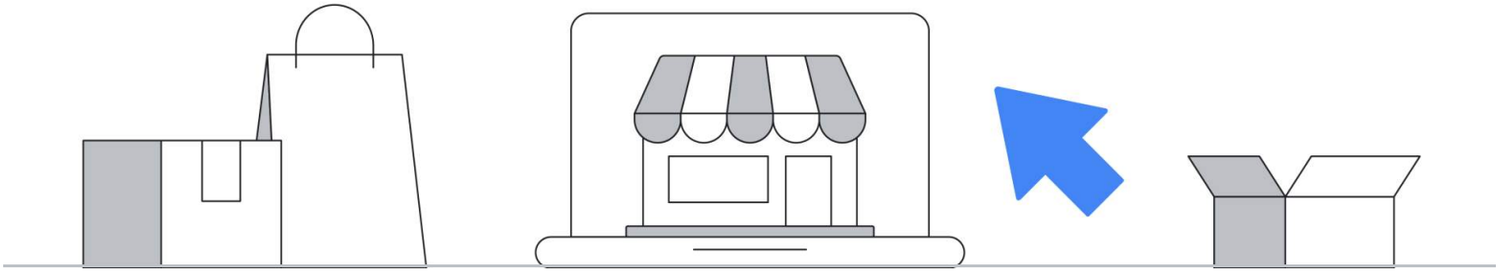
Digital mainstreamed

If 2020 saw millions of consumers migrate online, 2021 showed the staying power of digital. From shopping to services, **new users who may have begun their online journeys due to necessity are now proactively deepening their usage.** Speed, convenience, and price are just a few of the reasons more consumers are now choosing digital-first lifestyles.

In 2021, digital acceleration continues with India posting higher digital adoption growth than other regions like the U.S., China, and the E.U. Indeed, we are seeing the staying power of digital. Rising searches in 2021 paint a picture of how the many new digital consumers have not only dipped their toes into the online world but also taken the plunge to integrate digital into their lifestyles. In India, users access more than four industries through digital channels.

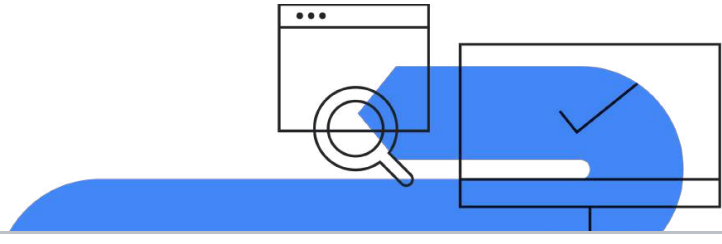
And even as offline mobility resumes, consumers who have grown more comfortable with the digital world are now choosing to stay online, with 65% of Indian shoppers going online to buy a product they previously bought in-store. Benefits like time and cost savings, flexible payment options, diversity of product offerings, and delivery services are motivating shoppers to choose digital-first experiences.



In some cases, online shopping has even outpaced traditional retail. In 2021, India's retail sales grew by 25% as the offline market shrank.[1] Today, consumers are not only seeing digital as a easier option for completing their research, but also as an easier option for completing their purchases. Nine in 10 offline buyers are using an online touchpoint for information in their purchase journey.[2]

The rise in users pushed online by the pandemic meant that brands had to adapt and digitalize at a scale and pace they had never planned for or expected. This resulted, often quite successfully, in scrappy solutions and quick-fix pivots, as businesses forced moments of flexibility within traditional marketing and business models.

Now that consumer behaviors are no longer only fueled by the pandemic, but also by the draw of a digital-first lifestyle, brands need to set themselves up to not only be COVID-proof, but future-proof as well. This is a watershed moment to rethink the agility of your business model to be readier to respond to future changes that may lie ahead, while still keeping the customer at the center of what you do.



SEARCHES

New users and businesses online

Today, India has 600 million smartphone users and that number is increasing by 25 million every quarter. As new users come online, businesses are evolving their digital strategies to meet them there. Growing searches show businesses seeking to understand more about digital transformation strategies and online inventory management, while new online shoppers are adopting new behaviors to search for information.

Search interest in d2c brands rose by 533% as businesses moved online to meet consumer needs.

+533%

Search interest in online shopping has grown by 32% in India.

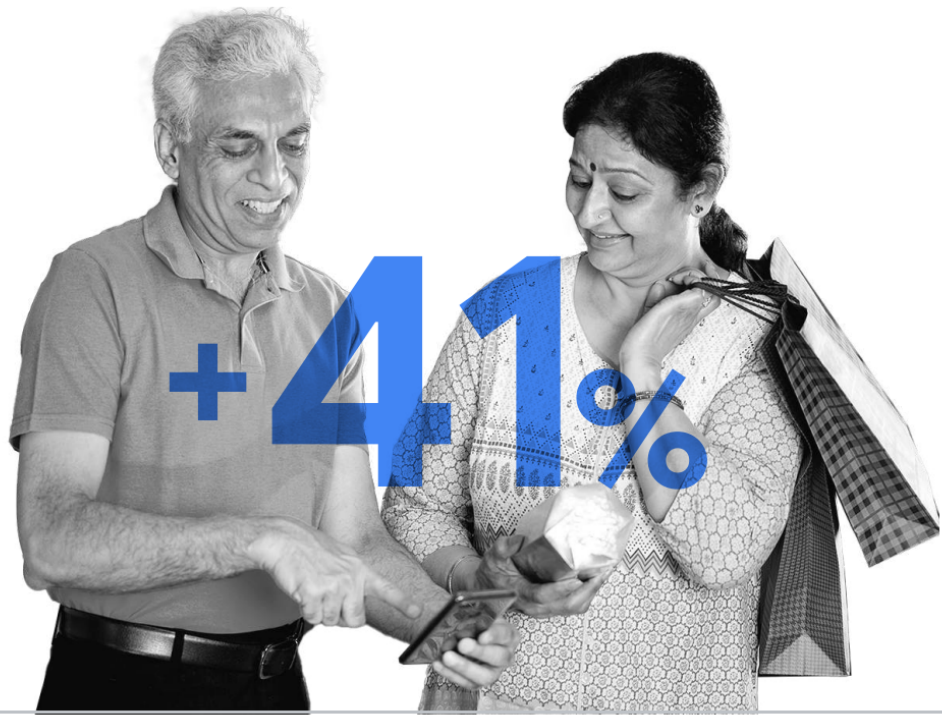
+32%

People are looking for ways to become online merchants, with search interest in sell online growing by 17%.

+17%

Online-first shopping experiences

In 2021, almost two-thirds of Indian consumers[3] surveyed made the majority of their purchases online. Rising searches show how shoppers are using digital channels as a helpful tool for decision-making, but are reluctant to endure downsides like delivery waiting times and costs.



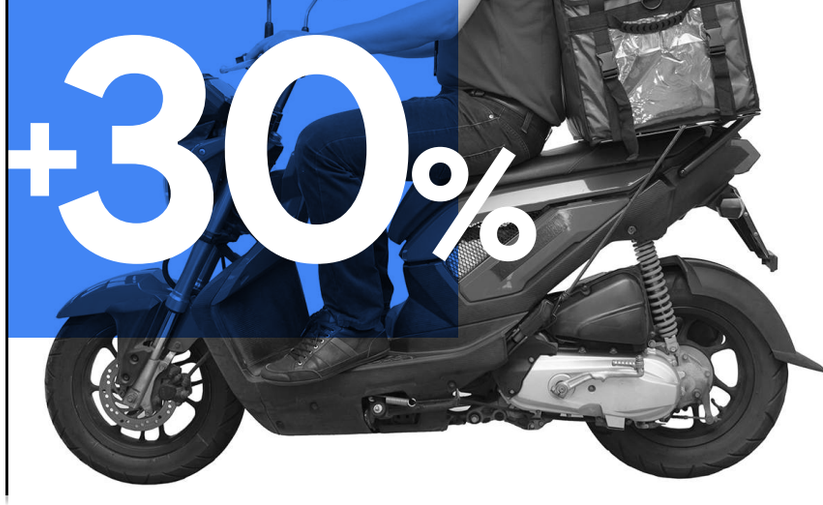
We see a rise in searches by people looking to build their consideration sets online. Search interest in which brand is good grew by 41% in India.

We see 100% growth in search interest in online sale days as people do more online research to find out when their favorite brands are holding sales.

Search interest in same day delivery grew by 38% as consumers seek to replicate the instant gratification of in-store shopping that they are used to.

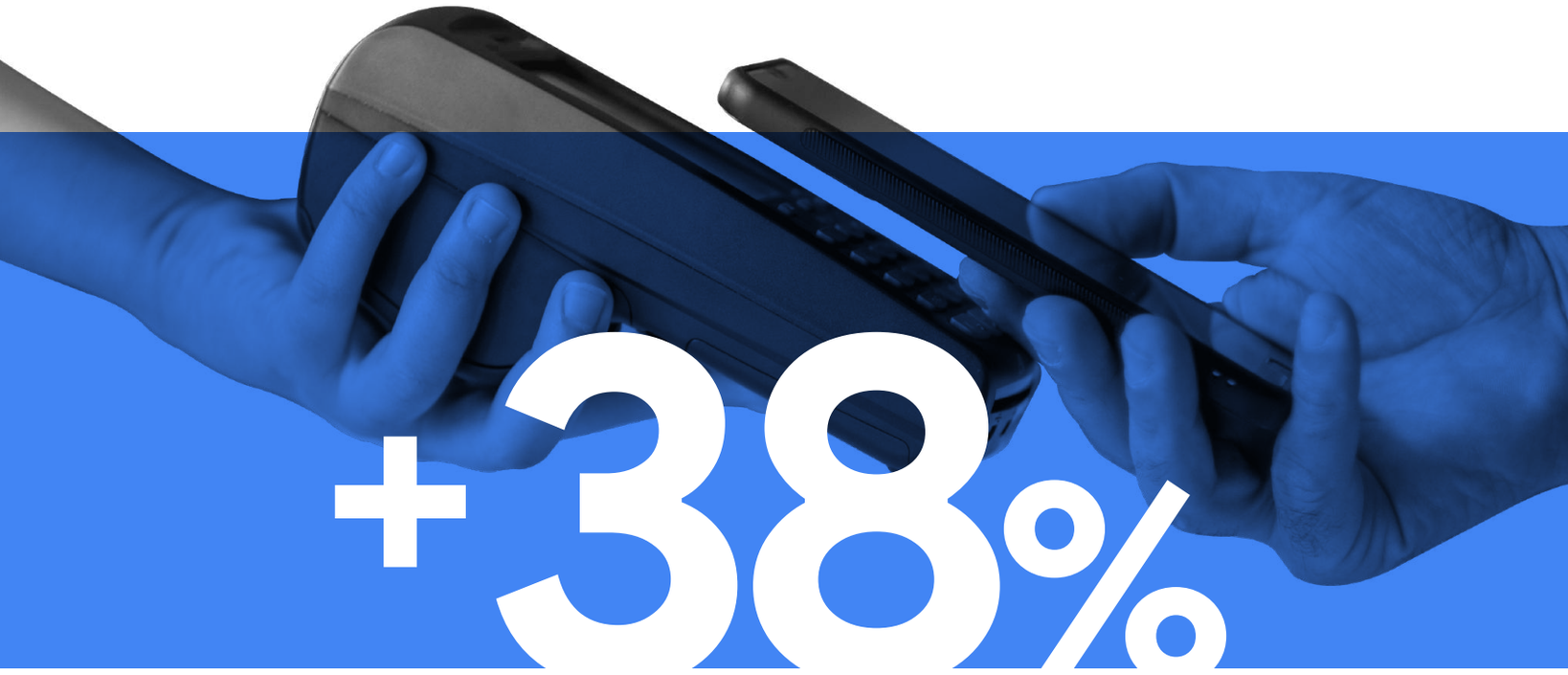
Shoppers are looking for free and reliable delivery, with up to 30% growth in search interest in

free delivery

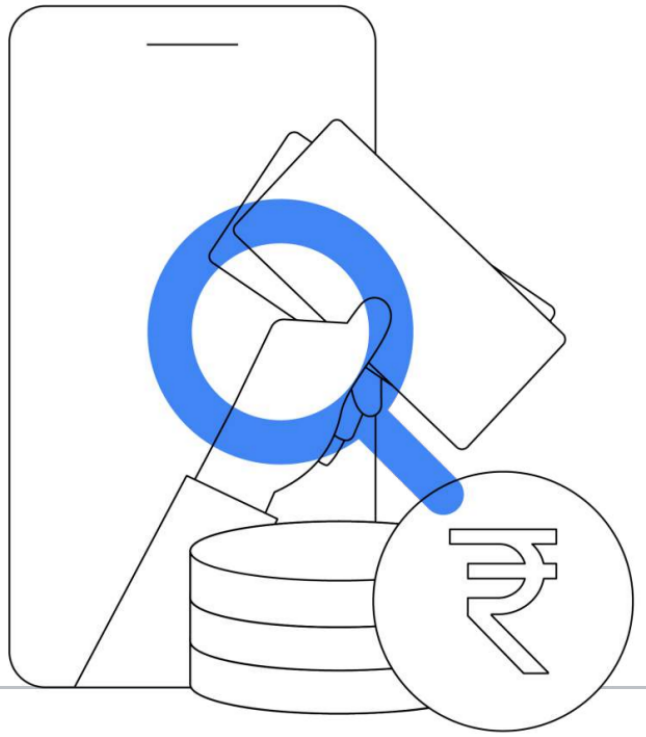


Digital in our day-to-day

People are expanding the use cases for apps and technology in their day-to-day lives, as well as experimenting with new digital services like online loans and contactless payments. The ease and convenience of digital wallets are converting consumers for good, with India seeing 5x growth in contactless payments in just five years.



India saw 38% growth in search interest in QR codes as more consumers opt to use QR codes when ordering food, getting more information, or making payments.



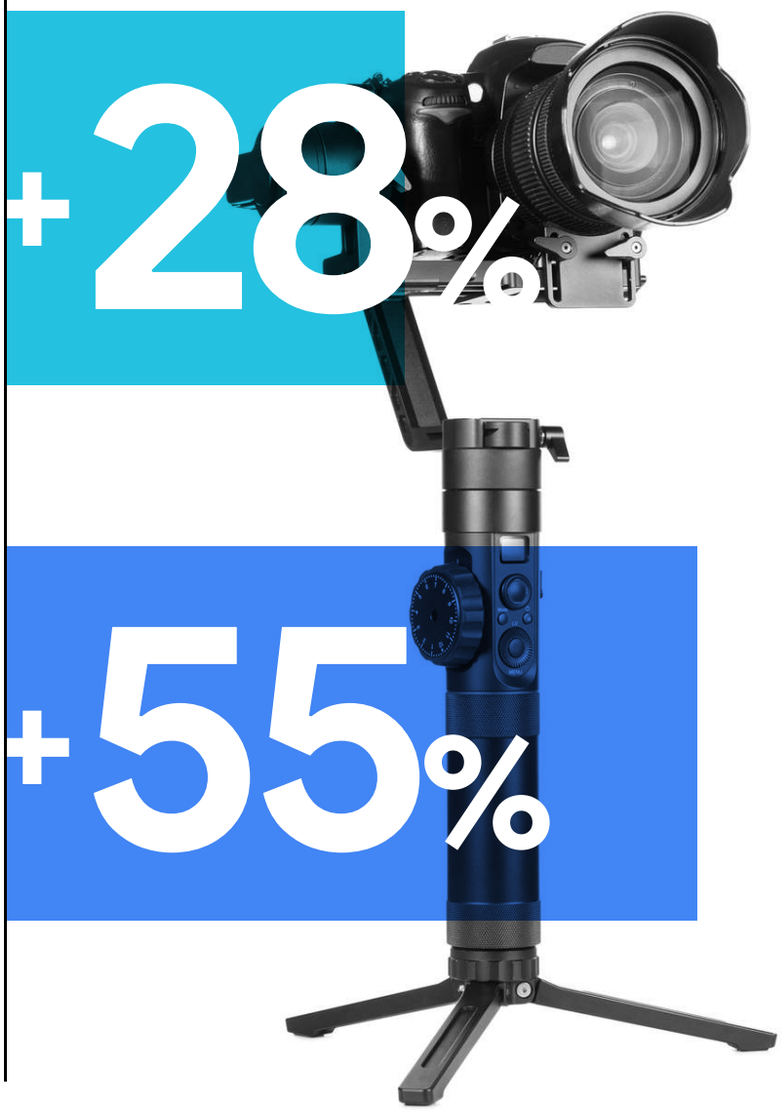
+90%

Search interest in digital loans grew by 90% as Indians explore the idea of lending through online platforms and mobile apps.

Preference for digital formats

Searches for digital formats continue to gain momentum as Indian consumers immerse themselves online. Streaming on connected TV has taken off,[4] and short videos are becoming popular more quickly. Live commerce is expanding its reach,[5] virtual try-ons are on the rise, and even when people take a break from the screen, they're opting for content like podcasts,[6] and audiobooks, which they can enjoy on-the-go.

Search interest in livestream grew by more than 28%.



Search interest in virtual try on increased by up to 55%, with consumers using virtual tools to try on makeup, apparel, and more.

+100%

YouTube search interest in short videos grew by more than 100%, as India embraces bite-sized digital content.

MARKETING IMPLICATIONS

From COVID-proof to future-proof

While COVID-19 created an urgency for more people and businesses to meet online, searches reveal a rise in digital-preferred behavior. At first, many brands responded to the initial rush online by finding flexibility in existing marketing strategies to solve for pandemic-related challenges. Now, the fast evolving online landscape calls for a more agile business model that is not only COVID-proof, but future-proof as well.

McKinsey

"What many leaders feared, and the pandemic confirms, is that their companies were organized for …standardization and predictability that's [now] being overwritten by four big trends: a combination of heightened connectivity, lower transaction costs, unprecedented automation, and shifting demographics."

1 Digital is where the masses are: From a complementary to elementary strategy

With the magnitude of the shift to online as a preferred channel for so many people in India, it's clear that digital is where the masses are at. This means that channel strategies that only rely on "above the line" advertising for mass reach are fast becoming outdated. Is your audience and media strategy reflecting the reality of where audiences are today?

1

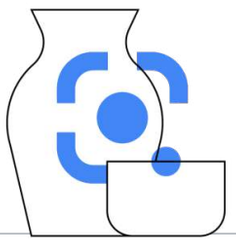
Before deciding on your digital advertising strategy, check out best practices and tips for audience reach and segmentation strategies.

2

Stay on top of the latest consumer insights and best practices across marketing objectives and shopper moments, and use them to inform your digital strategies.

2 Bring your storefront to wherever shoppers are

Consumers expect to be able to fulfill their shopping needs whenever they need, and wherever they are. We know purchase decision-making is not linear, there is a complicated web of touchpoints that differs from person to person. And with new innovations like Google Lens, more people are browsing online for inspiration in fresh, unique ways.



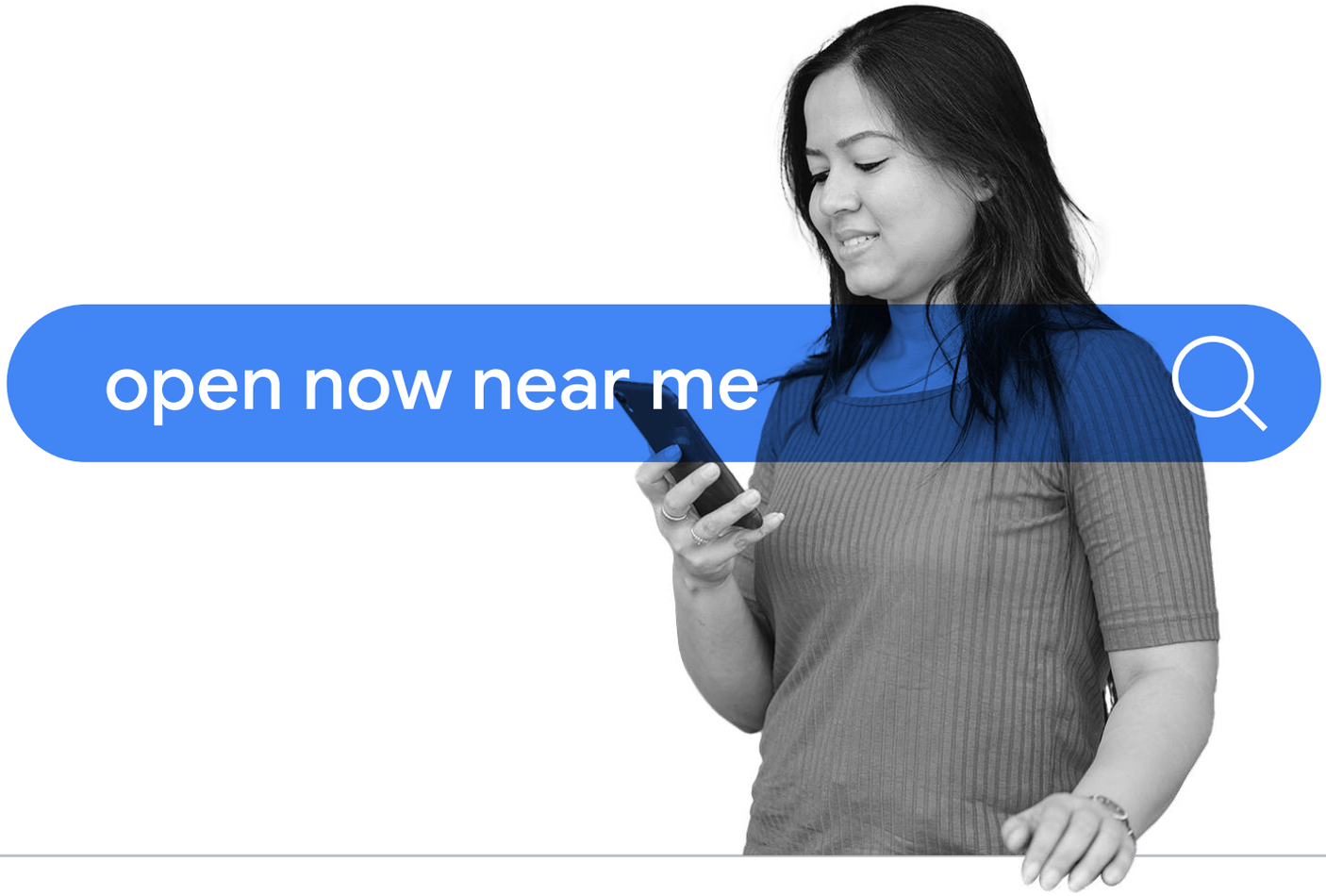
Be ready to meet people wherever they are on their shopping journeys and create helpful bridges to take them one step closer to your storefront.

Show up for people searching for what you're selling by featuring your products on free listings in the Shopping tab on Search.

Shorten the path from your ad to your virtual storefront by connecting your product feed to either Video action campaigns to drive customers to your site, or App campaigns to take them to your mobile app.

Search interest in "open now near me" has grown over 1.6x in

India year over year. To create a seamless online to offline experience for your shoppers, use Local inventory ads to promote your products that are available for in-store or curbside pickup.



One of India's leading marketplaces, Flipkart, implemented Smart Shopping campaigns to reach more shoppers online. The brand successfully drove 1.3x higher ROI and 1.75x uplift in traffic.

Nandita Sinha
VP Marketing and Events, Flipkart

“We leveraged Google’s Smart Shopping Campaign at scale with our competitive targets on ROI to reach more metro customers and we have seen great results.”

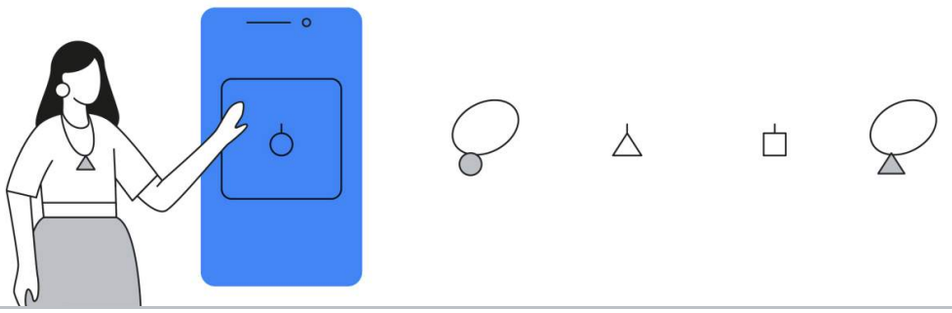
3 No more lines: Integrate and innovate across functions, channels, and formats

Digital is leveling the playing field for businesses. Traditional industry norms such as size of stores and retail legacy matter less in the next normal where, 68% of Indian consumers surveyed expect to buy from any store they want online.[7] Even those who purchase offline still refer to digital channels during their research journey — 63% of urban offline shoppers use Search just before their purchase,[8] and overall, there has been a 57% increase in the use of online touchpoints in consumers' paths to purchase.[9] This means that every brand has the opportunity to enjoy borderless growth, especially those that focus on seamless online-offline experiences for their customers.

1

Build an agile omnichannel strategy that enables your business to unlock short-term wins and long-term growth.

An omnichannel ecosystem doesn't just entail showing up online. More importantly, it requires an integrated, cross-functional business strategy. Transformation needs to come from within in order for your brand to meet ever-changing consumer needs and drive sustained business growth. This agility, coupled with customer-centricity, is what will open doors to new business opportunities.



Seamless online-offline shopping experiences enable you to connect with customers, even for high involvement products like jewelry. CaratLane, a digital-first jewelry brand, provides virtual jewelry try-on experiences and AR-VR enabled consultations to create phygital experiences that transcend physical distance between the brand and consumers.

2

Connect and innovate the shopping experience, both online and in-store.

Simply moving a part of your business online will not satisfy the growing consumer demand for a seamless experience. Offer the best of online and offline shopping so that consumers can engage with your brand effortlessly, at their fingertips or in stores.

Get the last mile delivery right. Time and cost savings are the two benefits people value most in online shopping, while shipping fees and long delivery times are deal breakers.

Swiggy's Instamart specializes in delivering groceries within 15 to 30 minutes, mirroring the instant fulfillment shoppers would get from an in-store shopping experience. The grocery delivery service has expanded to seventeen cities in India and it has over two million transacting users.

Leverage immersive technologies to replicate offline shopping experiences online and elevate the in-store shopping experience.

Almost half of consumers surveyed felt that immersive technology like AR, VR, and 3D content helps them feel more connected with products, and 61% say they are more likely to buy from a brand that uses these technologies.[10]

Live commerce is fast gaining popularity for its immersive, participatory shopping experience, and YouTube's acquisition of Simsim presents opportunities for further e-commerce experimentation. As new internet users go online, the interactive seller-led experience with creators will replicate the offline e-commerce experience that consumers are used to.

Sources:
Google Trends, India, Sep 1, 2019 - Aug 31, 2020 vs. Sep 1, 2020 - Aug 31, 2021, unless indicated otherwise

1. Bain & Company, How India Shops Online, Aug. 2021.
2. Kantar IN Shopper Path-to-Purchase 2021 Research
3. Google commissioned Ipsos COVID-19 Tracker, AU, BR, CA, CN, FR, DE, IN, IT, JP, MX, RU, ZA, KR, ES, U.K., U.S., n=500-1000 online consumers 18+ per market. Sept. 9, 2021–Sept. 12, 2021.
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6. GWI via CampaignAsia, June 2021.
7. Google commissioned Ipsos COVID-19 Tracker, AU, BR, CA, CN, FR, DE, IN, IT, JP, MX, RU, ZA, KR, ES, U.K., U.S., n=500-1000 online consumers 18+ per market. Sept. 9, 2021–Sept. 12, 2021.
8, 9. Google/Kantar, Multi Category Path-to-Purchase Research with Kantar, IN, n=4600+ offline & online shoppers, Jan. 2021.
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