

KEY HIGHLIGHTS of Google's research on Online Fashion Consumer Behavior

Credits: *India Business of Fashion Report 2018*

Google research chapter in *India Business of Fashion Report 2018*, author Nitin Bawankule, Director Sales, Google India.

Access to the Internet has taken off dramatically in the past few years in India. Online and offline worlds are merging for retailers: Today the customer is the channel.

There are 430 million internet users as of 2017 (1.8x growth over 2013) and 320 million smartphone users (4.7x growth over 2013). **Internet users are expected to grow 1.5x from a third of the population to nearly half of the population by 2020 (600 million).**

The adoption of online transactions is likely to increase rapidly.

This augurs really well for India's growing online shopping vertical. **E-commerce transactions will be worth \$40-45 billion by 2020** and will be driven by shoppers above the age of 35, more women shoppers and people from smaller towns.

E-commerce users could increase from the current 80-90 million in 2017 to 180-200 million by 2020. Smaller cities will comprise more than 50 percent of the online shopper base by 2020. The Tier 1: Non-Tier 1 share of search queries (lead indicator of shopping) has grown from 60:40 to 50:50 today.

Apparel and consumer electronics will account for the biggest chunk of e-commerce transactions growth.

Fashion is the most searched shopping category on Google.

Every third search is related to clothing, footwear, jewelry or beauty and personal care.

The overall category grew at a healthy ~53 percent in 2017.

Clothing dominates with a share of ~51percent.

78 percent of online shoppers have purchased fashion and lifestyle products in their lifetime

39 percent of people who search on their smartphones for something nearby visit a business within a day.

50 percent increase in "near me" searches for specific stores in 2017.

While an online shopper spent 2x online, he/she spent 3x offline at the same store and hence total sales / spends of 5x vs only the 2x being tracked online. Overall, the omnichannel shopper is ~3x more valuable.

80 percent + queries are coming from the mobile with mobile queries for apparel growing at 70 percent + reflecting that **India is a mobile first country.**

63 percent of apparel searches are coming from the Top 8 cities of India, while growth is being driven by the next 20 cities (non-metros), growing at 75 percent. Some of the **highest growth markets are Lucknow, Jaipur, Indore and Chandigarh.**

3 trends observed by Google in 2017.

1. Crop tops are trending along with cold shoulder tops and poncho tops.
2. Searches like ripped or distressed jeans, jogger jeans and ankle jeans grew by more than 50 percent in 2017
3. Searches for denim jacket grew by more than 90 percent in 2017.

Search data reveals that gender lines are blurring with some styles like denim jackets, bomber jackets and leather jackets, with both men and women searching for these styles.

All this data truly represents the pulse of the Indian shopper, and there is a huge opportunity for retailers to capitalise on these upsurge in internet users and create unique value propositions for specific user segments to truly gain from the digital medium.

The 15th edition of *The India Business of Fashion Report* was launched at the *India Fashion Forum 2018*, the much awaited 264-page book is the outcome of the collaborative efforts of the **Images Group, and WGSN, Technopak, NIFT, Wazir Advisors, Google, Frost & Sullivan, Eastman Textiles, View, Tukatech Inc, JLL India, Stylumia, Safex, Dream Theatre, RIL, Reliance Jewels, Thread Sol, Isobar, FRDC, Fabriclore, Mineral, Arvind, Woolmark, and many other fashion columnists.**

Created on the theme “**The Blending of The Worlds**”, the 4-section book begins by taking an overview of the parent debate that spans perspectives between intuition versus artificial intelligence, understanding the precise need for AI in Fashion, how blockchain is disrupting fashion, and the impact of the millennials. It then sizes the fashion retail market, its key segments and the varied facets from finance & investments, to supply chain, retail space, social media, luxury and bespoke, private labels and licensing. In the next section it explores the sides of Indian ethos and salient work in it. And then finally in the last section it looks at the apparel and manufacturing infrastructure and futuristic perspectives on this nut and bolts side of the business.

For the past 14 editions, *The India Business of Fashion Report* (IBOFR-formerly known as the Images Year Book), has been the ultimate guide to the Business of Fashion in India. Historically, the IBOFR encompasses exclusive reports from leading international and Indian fashion consulting and research leaders and is also a rundown of the top developments and trends - meaningfully juxtaposed against the backdrop of events and people who created the bits of history that year. The vision is to ever deliver a comprehensive and meaningful synopsis to the business as currently seen and to serve as the seminal national report.

The book is well tied as there is something very special in the air today! The fashion industry is the twilight zone. This is not just an era of gargantuan opportunities but also a period where every single conviction of ours is being challenged. These cognitive quests are indeed all pervasive. Then on the other side, the state of available technology guarantees that those who do not leverage upon it will run the race with a permanent handicap. Increasing options and more complex choice making always go hand in hand. Today, fashion influences, fashion retail channels & formats, experiences, fashion categories, cuts, colours, prints, fabrics, fibers, et all, are evolving and blending and stand on the cusp of emerging as re-evolved avatars. *This is the indeed the age of the blending of the worlds!*