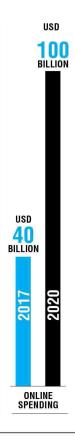


## GO SHOPPING, GO DIGITAL!

Online consumer spending will increase to USD 100 billion and women from non-Tier 1 cities will drive online shopping growth

eamless connectivity, convenience of digital payments and finding the shopping catalogue on the mobile screen – there could be plenty of reasons for online consumerism to grow among Indians, and it is certainly here to stay. According to a latest report by BCG in association with Google, online consumer spending is going to triple in the next two years. As per the study, online spending will grow by at least 2.5 times to hit the USD 100 billion mark by 2020. Presently, India is spending about USD 40 billion dollars through digital transactions and further led by growth in e-commerce, financial services and digital media, there will be a steep hike to at least USD 100 billion dollars.

While e-commerce for products like consumer durables and electronics, apparel, accessories, and food and grocery is estimated to be the biggest constituent of the market and reach USD 40-45 billion, digital payments for other transactions like travel and hotel is said to have the potential to increase to USD 20 billion dollars from



the present USD 11 billion market. The sharp increase in smartphone users, cheaper data and websites and apps available in local languages are some of the reasons for this expected increase in online users, the report states.

## WOMEN TO TRIGGER GROWTH

As many brands have come to understand, the potential of non-Tier 1 cities, which are not essentially Tier II cities but reflect the market of Tier I cities, is huge. This report too has highlighted that women above 35 years from areas which are an extension of Tier I cities will drive the growth of online spending. "With the improvement of infrastructure, online shopping will take off in India from cities beyond metros and together it is expected to comprise more than 50% of the total online shopper base by 2020," the report states.

The study further observes that a large number of internet users do not spend money for online shopping and the actual digital spending is still in the evolutionary stages in India, despite the digital media finding huge growth. "Discounts and building user comfort with the digital platform, guiding them along the purchase pathway were some of the good triggers to drive trials," it says. Addressing the media, Google India said digital spending in India was at a cusp of significant wave of change and while there have been enthusiastic responses to adopting newer forms of digital payments in the last few years, the base was still small. OR