



FEATURED INSIGHTS

DELIVERING CONSUMER CLARITY

MOBILE SHOPPERS TURN APP-HAPPY

E-COMMERCE APPS ARE FAST EMERGING AS THE MOBILE SHOPPER'S BEST FRIEND

- Shopping apps are fast outgrowing website usage, and the gap has widened in the last one year
- Men and women engage with mobile shopping for nearly 2 hrs every month
- Higher engagement for mobile shopping in small town India

E-commerce has been around for many years now, however being PC-bound meant that it was only accessible to a small section of society. In the past three years all that changed with the explosive growth of smartphones. Today there are far more mobile-based internet users than PC based internet users.

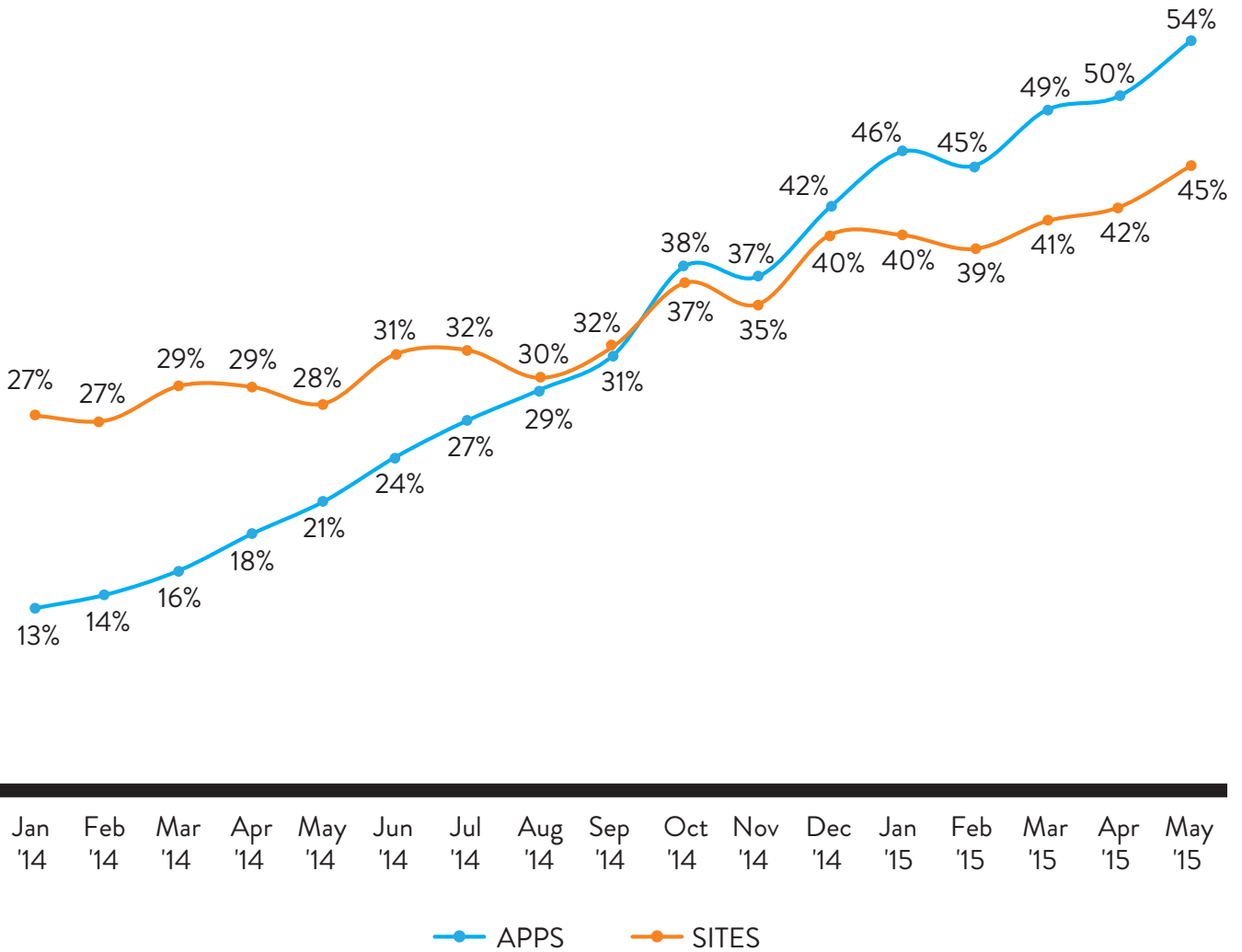
E-commerce players know this and from the middle of 2014 have been promoting and offering discounts on purchases made through their mobile apps. In order to get users hooked to the app, players are shutting their sites and transitioning users solely to their apps instead. Myntra was the first to execute this in May '15, and Flipkart has announced plans to follow suit in September 2015.

If 2014 was the year when E-commerce finally came into its own in India, 2015 promises to be the year of the mobile shopping app. The Indian shopper is increasingly embracing shopping on the go, spurred by widespread E-commerce campaigns and easy access to smartphones that have seen an explosive growth in penetration. Sale periods are in sync with festivals and public holidays, and along with aggressive app launches and promotions, they have reinforced the growing trend.

The number of smartphone users who use shopping apps has jumped to 54% in May 15, from just 21% a year back. In comparison, the growth in popularity of shopping websites has been moderate, increasing from 28% to reach 45%.

TRENDED REACH OF SHOPPING CATEGORY

JAN'14 - MAY'15



Source: Nielsen Informatē Mobile Insights - India Smartphone Users Panel

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CONSUMER TRENDS & INSIGHTS

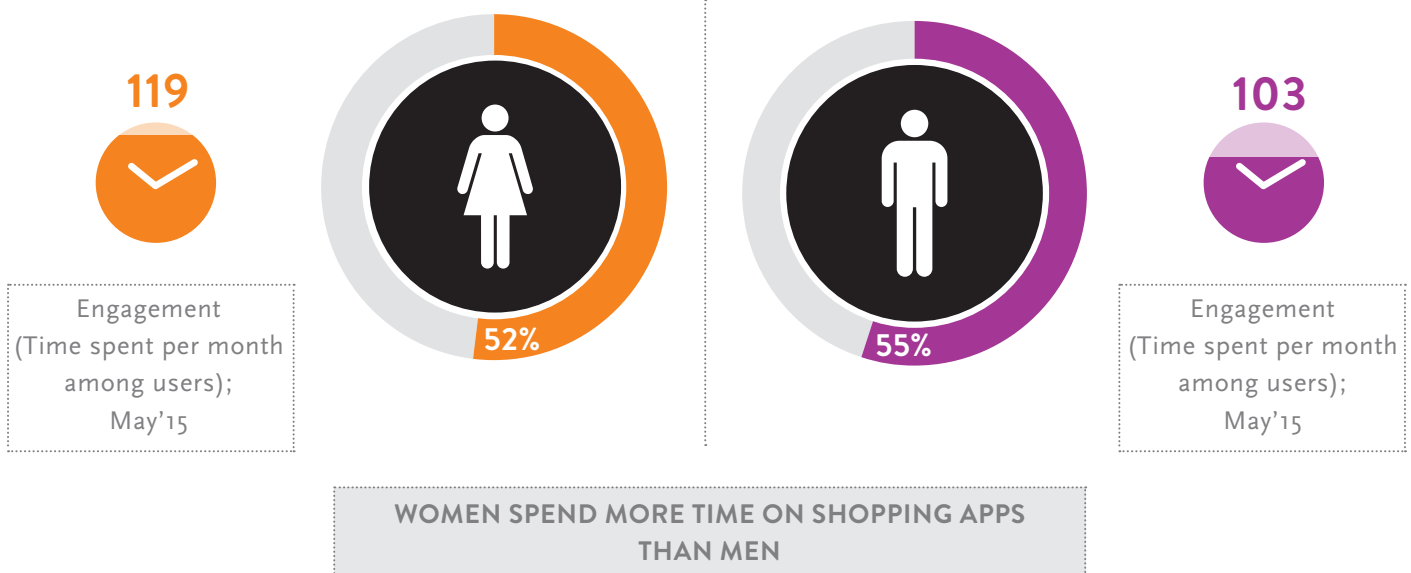
In the early days of online commerce, a widespread belief was that women will adopt and drive mobile shopping. However, up until a few months ago, it was actually men who were driving the adoption and growth in mobile shopping. Data from real-time smartphone usage tracking provides insights on consumption patterns of smartphone users and reveals some unexpected facts about the reach of mobile shopping in India. This could be attributed to two key factors: the male appetite for technology and the fact that men are often the ones who make the payment.

The majority of E-commerce products viewed and bought are electronics items, a segment that young men drive. The other possibility is that even when women make a purchase decision, they ask men to compare costs or complete a transaction.

In the past 2 to 3 months however, we see that women have caught up and today they spend 16 mins a month more than men on mobile shopping apps.

PENETRATION OF SHOPPING APPS (%)

MAY'15



Source: Nielsen Informatel Mobile Insights - India Smartphone Users Panel

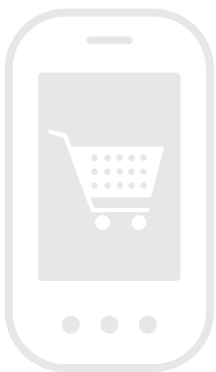
HIGHER ENGAGEMENT OF E-COMMERCE APPS IN NON-METROS

Our data also shows that users in non-metros are slightly more engaged on shopping apps than users in metros. The former has limited shopping alternatives, especially in the electronics and apparel category, although the latter has a higher spending power. The cash-on-delivery option is also a driver of small town adoption for shopper apps.

While time spent is similar across India, it's not similar across all handset price bands. Specifically, users with more expensive handsets, those exceeding INR 15,000, spend 1.6x the time on shopping apps compared to those with cheaper phones. Higher time spends can be loosely correlated to higher spending power in mobile shopping.



THE CASH-ON-DELIVERY OPTION IS A DRIVER OF SMALL-TOWN ADOPTION FOR MOBILE SHOPPING APPS.



TIME SPENT BY USERS IN METROS
(> 10 LAC POPⁿ)
(MINS/MONTH); MAY'15

109



TIME SPENT BY USERS IN NON-METROS
(< 10 LAC POPⁿ)
(MINS/MONTH); MAY'15

116



TIME SPENT BY USERS WITH HANDSETS PRICED > 15K
(MINS/MONTH); MAY'15

113



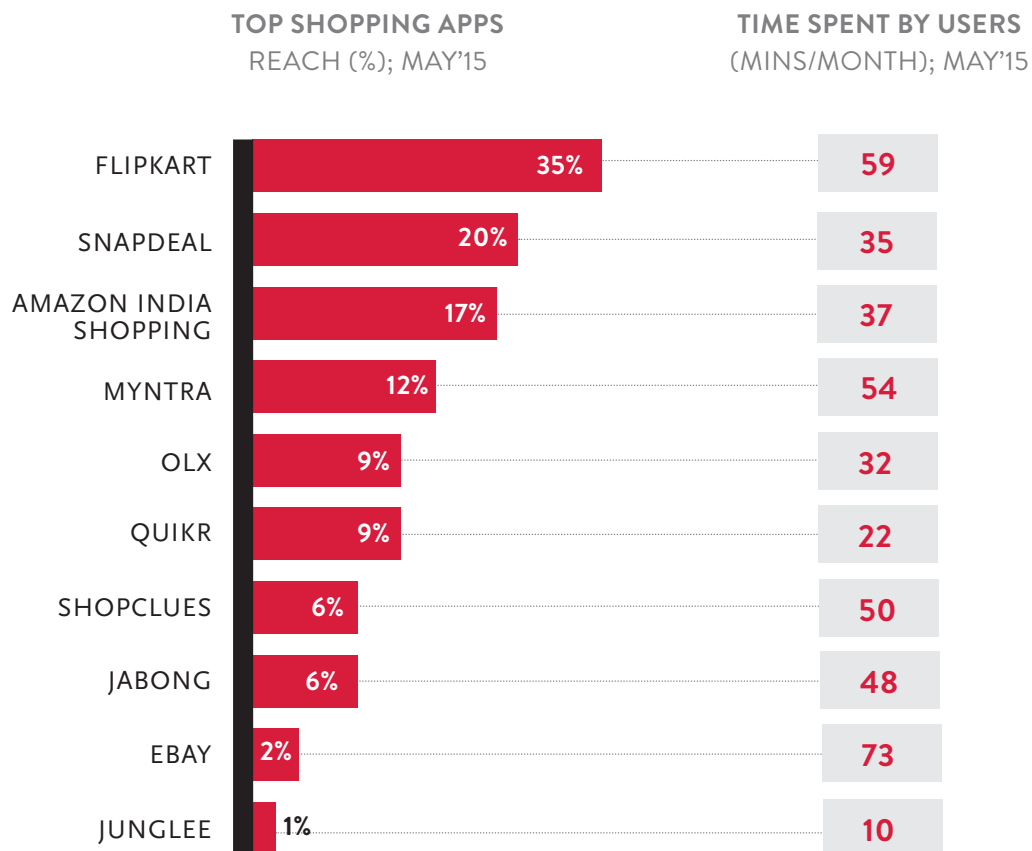
TIME SPENT BY USERS WITH HANDSETS PRICED < 15K
(MINS/MONTH); MAY'15

71

Source: Nielsen Informatē Mobile Insights - India Smartphone Users Panel

PECKING ORDER OF TOP E-COMMERCE BRANDS ON SMARTPHONES

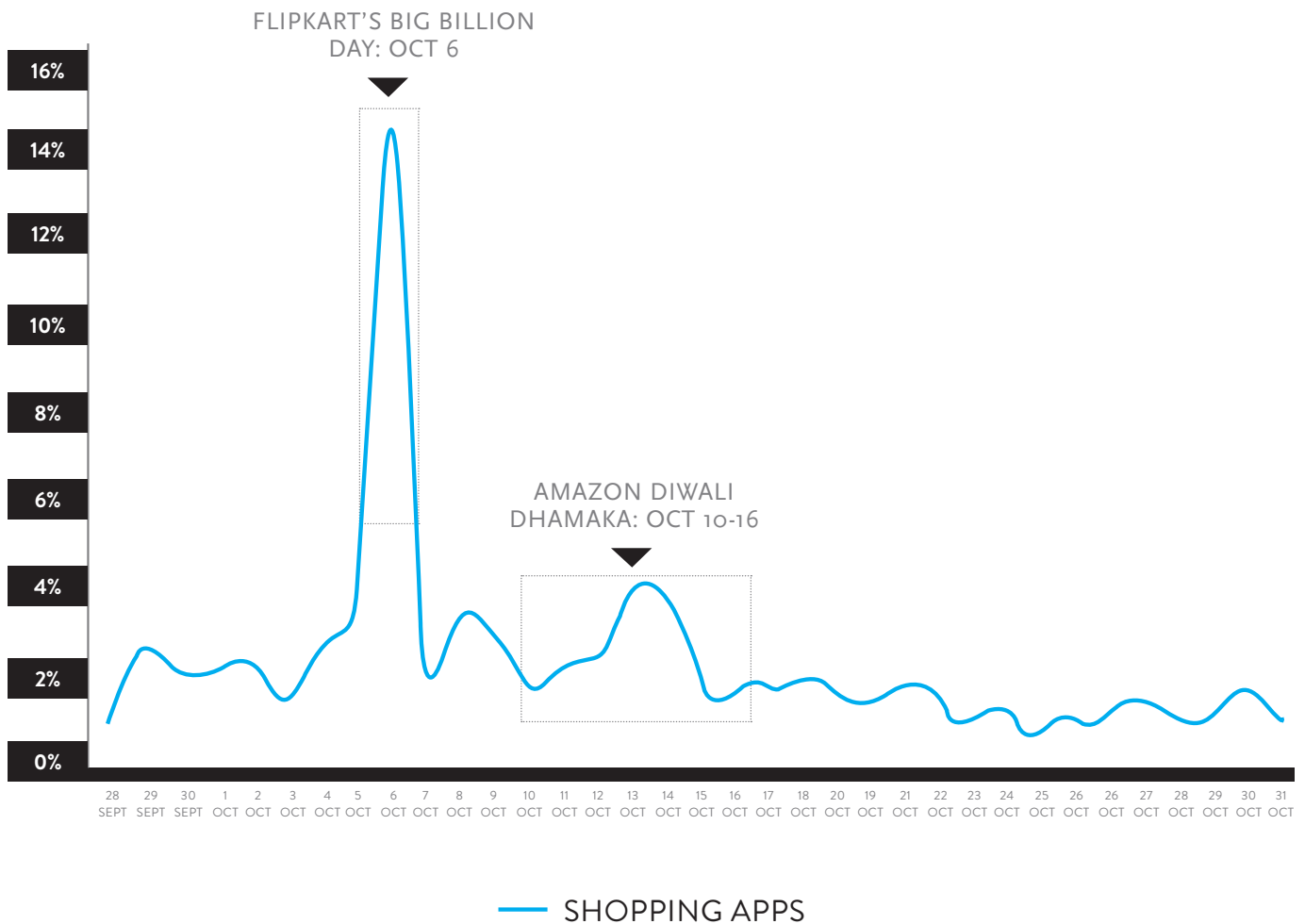
Flipkart leads in mobile shopping apps both in terms of penetration (35%) and engagement (60 minutes per month). Snapdeal is a close second with a penetration (20%) and a user engagement of 35 minutes a month. Amazon India Shopping, a recent launch from Amazon, has quickly climbed up the ladder to reach the 3rd spot with popularity of 17%.



Source: Nielsen Informatel Mobile Insights - India Smartphone Users Panel

SHOPPING APP INSTALLATIONS RISE DURING FESTIVE SALES

In 2014, there was an increased push on sales and marketing around the festival period and national holidays. With E-commerce players pushing the usage of mobile apps through added discounts, app installations often increase around days on which sales are held. Downloads significantly ramped up—even tripled—during sale periods.



Source: Nielsen Informatē Mobile Insights - India Smartphone Users Panel

INDUSTRY IMPLICATIONS

MARKETERS

Mobile shopping opens up new opportunities for marketers (especially new entrants) to showcase their products without worrying about distribution, showrooms or traditional advertising. The more established manufacturers will need to balance their existing distributor/dealership relationships with their e-commerce channels – especially along the lines of product pricing. Brand Value is another consideration, given that E-commerce players discount heavily, which could erode the image of the brand and hence the ability to effectively price the product even in the physical world.

MODERN TRADE RETAILERS

The growing familiarity of shopping apps means the time is right for modern trade retailers to develop mobile-based platforms for their customers to browse, purchase and have it delivered without ever entering the retail establishment. This will help them expand to new markets and build efficiencies in warehousing.

TRADITIONAL TRADE RETAILERS

Traditional trade outlets could see a part of their customers being drawn away to modern trade online shopping portals. These MT online shopping portals would not only have a cost advantage but could challenge the convenience of traditional trade stores. Question is, could traditional trade become the logistical arm to e-commerce players, delivering goods to all parts of the country?

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ABOUT NIELSEN INFORMATE MOBILE INSIGHTS

Nielsen Informat Mobile Insights leverages innovative smartphone metering technology to provide insights into evolving consumption patterns of mobile device users. Based on accurate, real-time usage data, we help clients understand consumer behaviour and develop product and marketing strategies. Nielsen-Informat Mobile Insights maintains opt-in Smartphone panels to generate syndicated reports, in addition to building custom panels and conducting custom surveys for clients. Our insights aid decision makers across various segments like operators, OEMs, publishers, advertisers, content creators and aggregators and application developers.

Nielsen Informat Mobile Insights is an alliance between Nielsen Holdings N.V. (NYSE: NLSN) and Informat Mobile Intelligence.

ABOUT NIELSEN

Nielsen N.V. (NYSE: NLSN) is a global performance management company that provides a comprehensive understanding of what consumers Watch and Buy. Nielsen's Watch segment provides media and advertising clients with Total Audience measurement services across all devices where content — video, audio and text — is consumed. The Buy segment offers consumer packaged goods manufacturers and retailers the industry's only global view of retail performance measurement. By integrating information from its Watch and Buy segments and other data sources, Nielsen provides its clients with both world-class measurement as well as analytics that help improve performance. Nielsen, an S&P 500 company, has operations in over 100 countries that cover more than 90 percent of the world's population.

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