



Index

- 1. Forward
- 2. Ageonomics: A Study of Age Specific Characteristics
- 3. Shopology 101: Understanding India's E-commerce Canvas
- 4. E-commerce Landscape: Analyzing Purchase Behaviour
- 5. Retail Revamp: How Generations Reshaped the Indian Market
- 6. Beyond Likes: Impact of Social Media on Consumer Choices



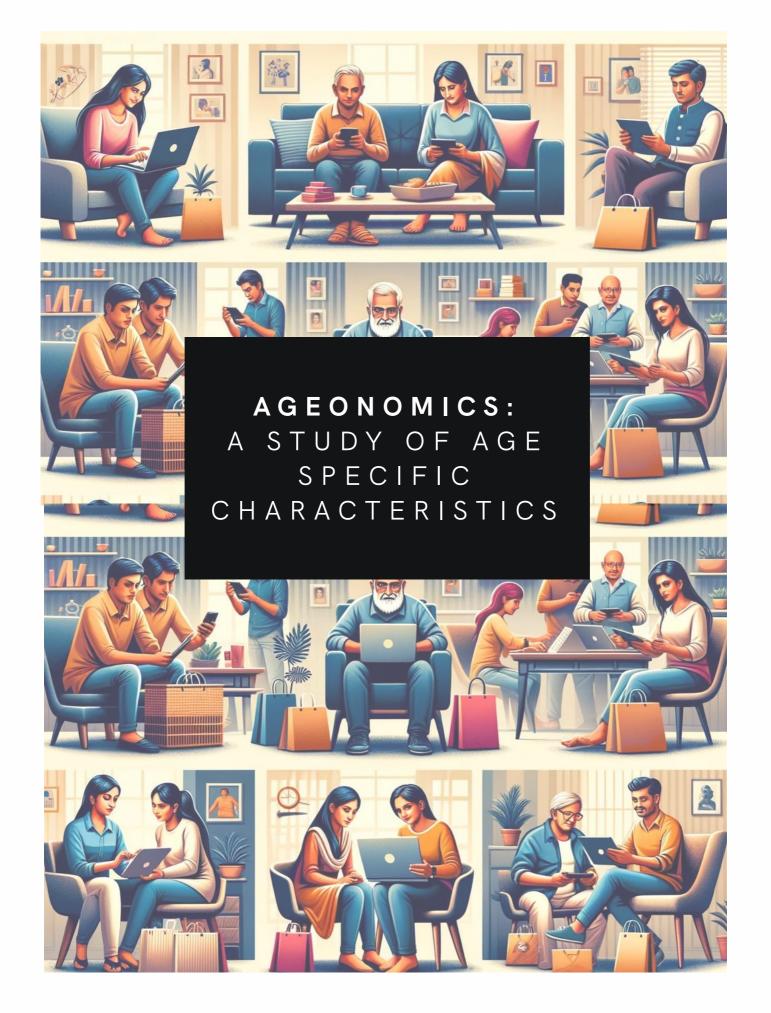
FOREWORD

Since the introduction of Cable television in 1992, the entire landscape of marketing has witnessed a **shift from print media to broadcast media, and from broadcast media to social media.** Over the course of 31 years, we have observed how brands utilized the emerging platforms and how different generations of consumers reacted to this shift in technology.

In the ever evolving Indian market, one aspect remained constant- Sell a lifestyle, not a product. However, the perception of a lifestyle varies across generations and we believe that the insights generated from this report will empower marketers to position their product to a heterogenous demographic where each consumer has a different need, aspiration, and desire.









Before we examine the driving forces that enable consumers to make purchases, let's understand our consumers first.



GENERATION X

Born between 1965-1980, they are often considered as the epitome of brand loyalty. Though comprising only 28% of the population, these consumers play a pivotal role by contributing 42% to the growth of the population.

GENERATION Y

Millennials were born between 1980 and 1995, and are comparatively more tech-savvy than **Gen X**. They comprise of **34**% of the country's population.

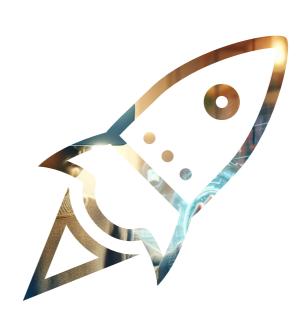
GENERATION Z

Post-millennials aka
Generation Z, were
born between 1996 and
2012, and are practical
about money and social
causes. In India, Gen Z
comprise of a staggering
38% of the population.

GENERATION ALPHA

The Gen Alpha age demographic begins from 2012 and continues till date. As of 2023, the Gen Alpha population is around **340 million** and our country accounts for the highest youth population.









Smartphone Users India

887.4 M

The number of smartphone users in India is expected to reach 887.4 million by 2030





ONLINE

BETTER

15

India's e-commerce scene bloomed after 2010 and peaked in 2016. The entire e-commerce saga in India shifted gears with the boom of internet and this is exactly when Flipkart propelled. This ignited a wildfire of e-commerce in India, which further attracted giants like Amazon and Snapdeal.

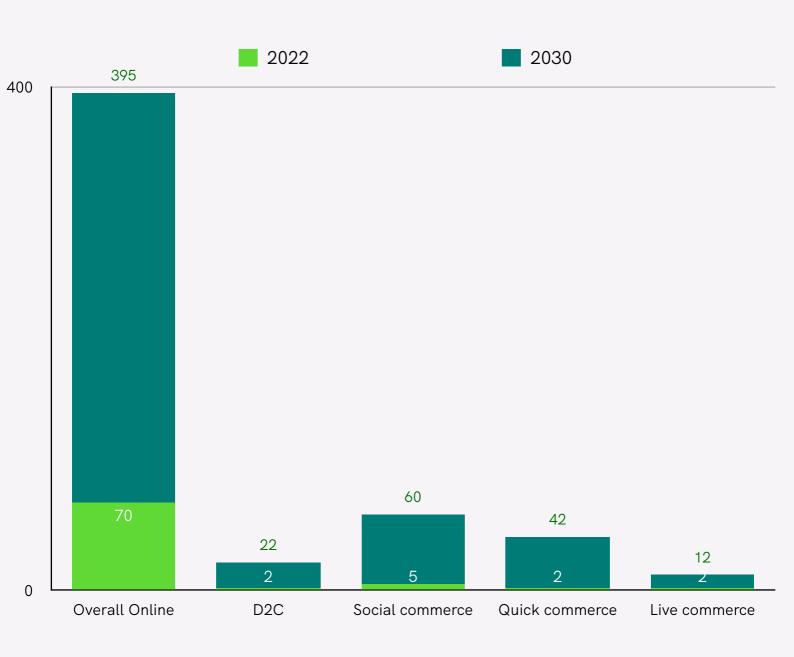
The advent of Jio significantly contributed to this digital wave by introducing internet and data at a low and affordable price which further fueled the e-commerce boom.

Along with e-commerce boom, 2016 was also when the **start-up culture boomed in India** and this witnessed the rise of numerous Direct-to-Consumer (D2C) brands all across India.





Online market and key channels, US\$ billion

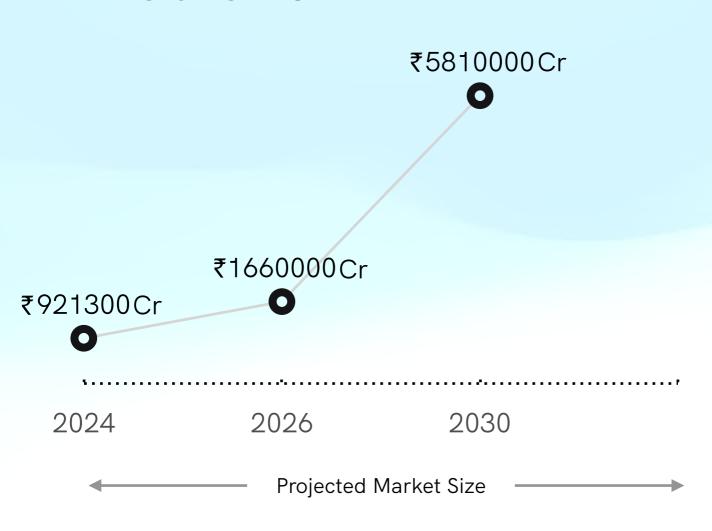


Source: Deloitte Analysis, Secondary research

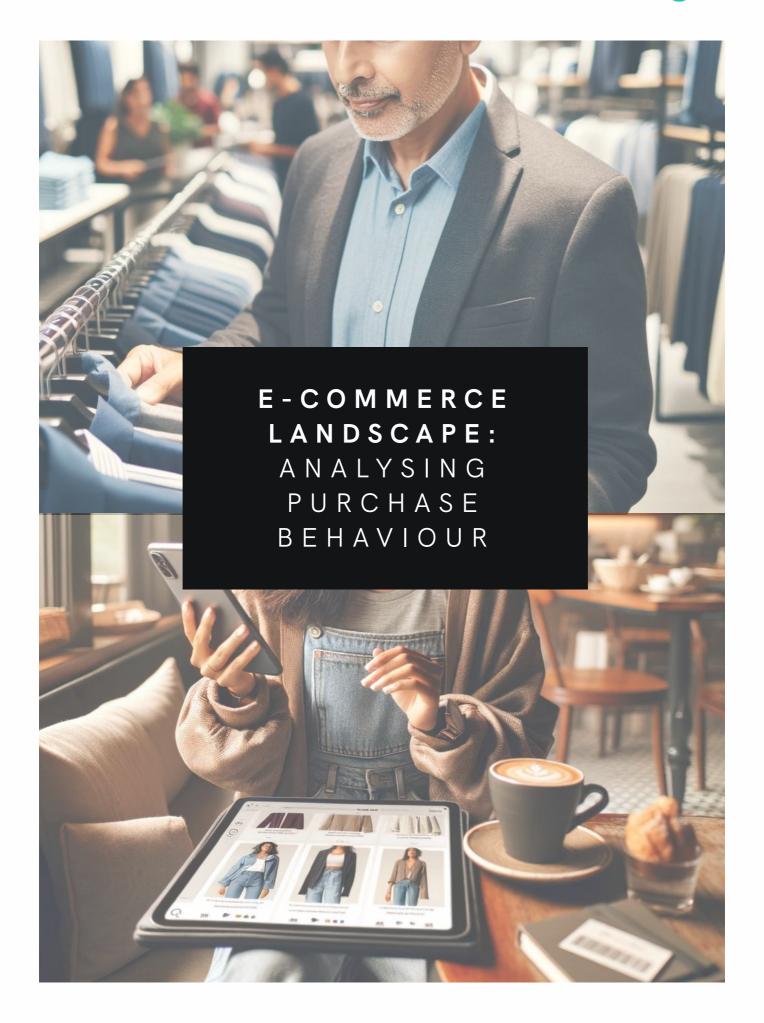
Note: For D2C channel figures, only brand website sales have been considered



That's the origin but look at where we are now



India's social commerce **Gross Merchandise**Value (GMV) is anticipated to hit ₹16,60,000 crores by 2026, with the potential to escalate to ₹58,10,000 crores by 2030.



Indian E-commerce can be broadly divided as per the following purchase criteria- Electronics, Fashion and Beauty, Baby and Kids, Beauty and Wellness, Health & Wellness, Pet Care & Supplies, and Footwear.

87.64%

of individuals, prefer engaging in their online shopping endeavours using mobile phones

December 1st, 2023



Indian E-Commerce

35% CONVERSION **EFFICIENCY**

Apparel, Baby & Kids, Beauty & Wellness, Footwear, Health & Fitness, and Pet Care and Supplies



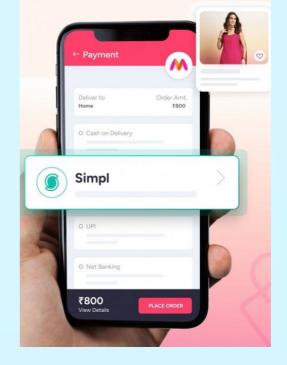
Simpl

25% INCREASE THROUGH SIMPL'S CHECKOUT

A compelling trend surfaces as brands utilizing Simpl's checkout experience witness a substantial 25% increase in conversion rates compared to those that do not leverage this platform



9/10 consumers prefer a seamless checkout network like Simpl.





Out of all the mentioned categories, Pet and Supplies stands out with an exceptional Conversion Efficiency Rate of 39.77%.

As per our deductions, this high conversion rate can be a result of the purchasing behaviour adopted by Gen Z and Millennial consumers, who tend to purchase more pet care products.



Purchase Behaviour Analytics of Native Checkout

As per insights from Simpl



45%

Post Simpl COD preference dropped to 45% from initial 65-70%



10%

Wallets



29.14%

Unified Payment Interface

Convenience Propels Purchase Decisions

7 out of 10 customers drop out at the Checkout stage before making a transaction. Therefore, online sellers are enhancing Checkout convenience for their customers to increase conversions and reduce Returns to origin (RTOs).

With Simpl's Checkout Solutions including its proprietary 1-Tap Checkout, online sellers are registering:

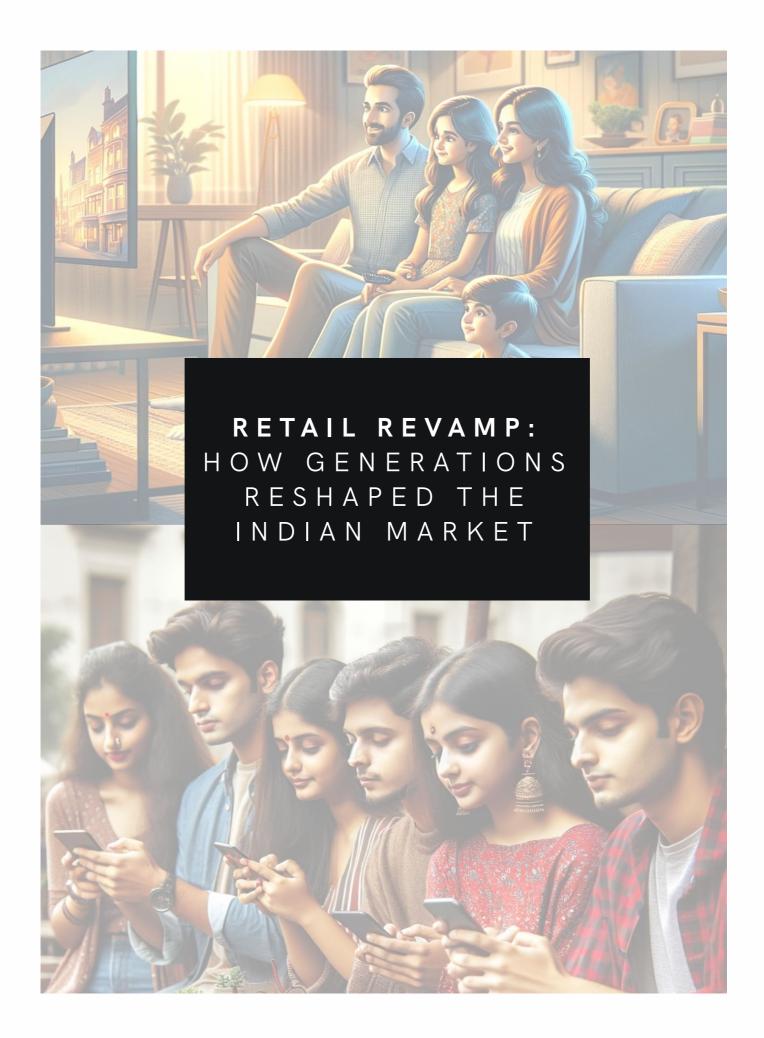


Birkenstock Snitch Libas Freakins are among the **26,000 merchants** from across the country using Simpl's Checkout Solutions.

BIRKENSTOCK







Marketing a product is all about establishing a narrative; a narrative that will enable a brand to the strike a chord with their desired target audience. A narrative can have a profound impact if it is able to target the pain point of the audience. So, let's have a look.

Generation X

They exhibit a strong brand loyalty, showing a preference for sticking to their trusted choices rather than venturing into uncharted brand territory. Their attention is often captured by enticing offers like coupons, coupon codes, and loyalty programs. In contrast to trendy marketing campaigns, they tend to seek straightforward and factual information about products and services. Drawing on our experience, they are influenced by celebrity endorsements and are prone to make a purchase decision if the product is endorsed by their favourite celebrity.

For marketers, building trust in a brand is important with this selective group of people.



Generation Y

They can be considered as the discerning and reflective consumers of our time. Unlike gravitating towards traditional brand-centric marketing, millennials place greater trust in **online reviews**, **word of mouth**, **and social media recommendations** when making purchase decisions. Millennials are willing to invest more in standout and unique products and have stronger purchasing power as compared to Gen Z. What we have noticed so far is that, even after having the purchasing power, they respond positively to **offers**, **discounts**, **and giveaways**.

To truly resonate with this audience, agencies must establish connections that align with their distinct needs and preferences.



Generation Z

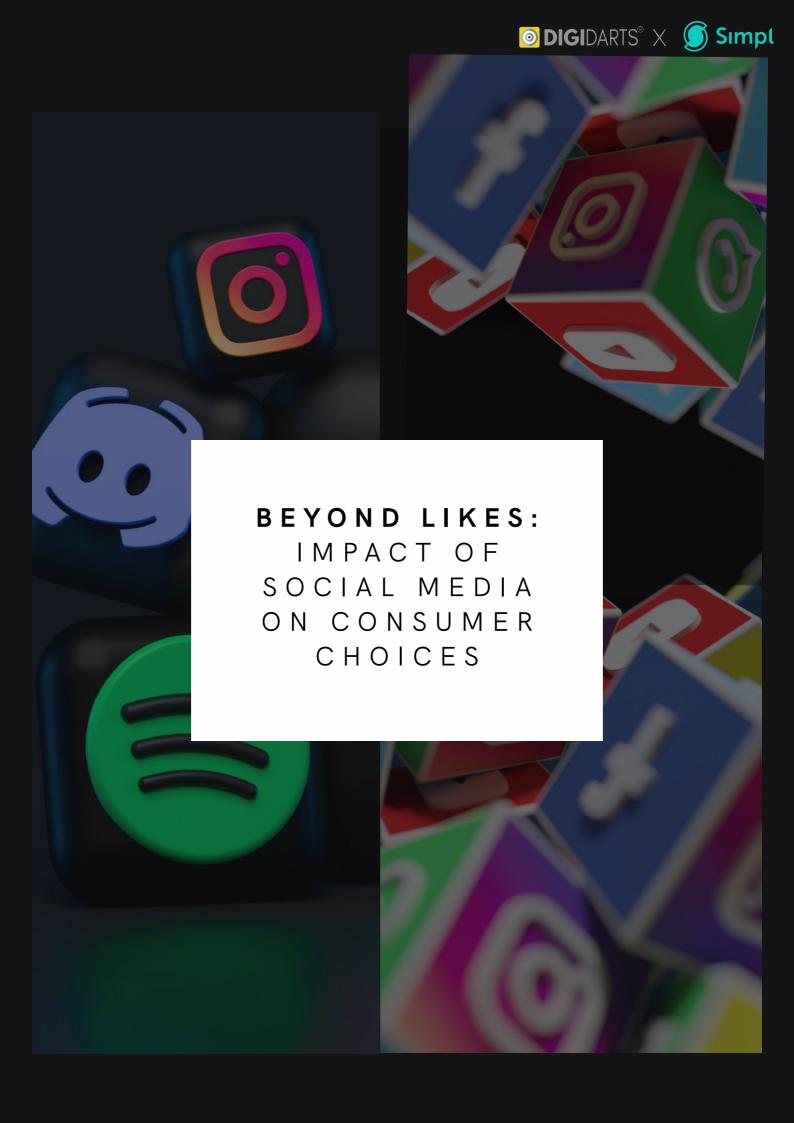
Their affinity for technology and commitment to social causes stand as influential factors in shaping their consumer behavior. Comparatively more informed, Gen Z consumers conduct thorough research and carefully evaluate their options before making any purchase decisions. Seeking the best deals, they show a pronounced preference for shopping via social media, distinguishing them from previous generations like X and Y, who are not that price-centric. Throughout a span of 9 years, we have collaborated with numerous e-commerce and direct-to-consumer (D2C) brands. One observation that consistently emerged is that Gen Z consumers often make purchasing decisions influenced by the buying choices of their favorite influencers.

Also, Gen Z is price-conscious, prompting companies to reevaluate their product and brand values, focusing on quality and ethical practices.

Generation Alpha

At Digidarts, we consider them as the generation that will define the future of marketing. In our informed view, it can be noticed that to effectively market a product to Gen Alpha consumers, it's crucial to understand their affinity for the Metaverse and Al-driven technology. It is essential to craft engaging and authentic digital content through virtual spaces. This generation is extremely tech savvy and aware of the latest growing trends.

To market a product to them, marketers need to focus on the concept of value addition.



Generation X



90% of Gen X
consumers use
Facebook and
Youtube
predominantly,
with Instagram
taking a lower
share of media
consumption.



Around 26% of consumers have acquired a product through the form of short videos; reels.



47% of consumers have acquired products endorsed by celebrities.

Generation Y



59% of
consumers
belonging to this
demographic
claim that they
have discovered
new products
through social
media.



Around 41% of consumers say that they have purchased a product from a feed post and 28% have purchased a product through an influencer that they follow.



They use similar platforms as compared to Gen X but around 44% of the consumers use Instagram.
Gen Y demographic use Instagram the most, followed by YouTube and Facebook.

95

Generation Z



93% of Gen Z
consumers use
social media
everyday for a
duration of 4
hours and more
and around 71%
claim that they
have discovered
new products
through social
media.



Around 33% of
Gen Z consumers
claim that they
have purchased
products through
influencer
recommendations.



The platform wise bifurcation for Gen Z consumers is as follows-Instagram(48%), Snapchat(32%), and Youtube(20%)

PATH AHEAD







E-COMMERCE

The revenue generation of e-commerce in India is poised to grow from 10% in 2023 to 19.4% by the end of 2024, with an increase of 23.3 million new consumers.

CONSUMER **JOURNEY**

Now the real trickcapitalising on our growing population; This aim can only be achieved by correlating two parallels- consumer behaviour and payment journey.





COD

65%-70% of consumers prefer COD due to the lack of trust in websites. To mitigate this, incorporating trust markers on the website, such as secure payment methods, one-tap checkout options, high-quality pictures, and customer testimonials, can help reduce the preference for COD.

GEN Z & ALPHA

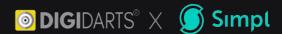
Our take- To capitalise on the growing population, focus on Gen Z and Gen Alpha with the incorporation of COD in your funnel.





Next Decade Belongs to Generation Alpha

Started from 2012; that means by 2030 they will have the purchasing power to make consumer decisions and as a result of this realisation numerous brands have now started targeting this generation. We have noticed that there has been a shift in leveraging channels and technologies. The future of marketing is destined to be **Metaverse**, **Virtual Reality**, **Augmented Reality**. Capitalising on these emerging technologies it is imperative keeping in mind the Gen Alpha generation.



Digidarts & Simpl

Digidarts collaborated with Simpl to conduct a study on the generational buying behaviour in India -

"From Gen X to Gen Alpha: Understanding Generational

Buying Behaviour."

The report employs Simpl and Digidarts' experience of working with several **D2C brands** in recent years. The market is vast and marketers can capitalise on our population by tapping into the core pain point of consumers because like we said earlier we're selling a lifestyle not a product.

The resulting insights will enable marketers to navigate diverse consumer preferences, and develop targeted marketing strategies for optimal engagement across generations.





Thank You

