new relic.

State of Ecommerce in India

Consumer insights and analysis on the trends
impacting India's ecommerce industry

Contents

Overview

The ecommerce industry is hugely important to India, and opportunities abound for existing and new players alike. But amid such a competitive landscape, it's crucial for ecommerce organisations to deliver the best possible digital experiences to those making purchases online.

The *State of Ecommerce in India* report provides insights into the current state of the market, as well as identifying opportunities to improve online shopping experiences. The report defines online shopping as the purchase of clothing, groceries, and household items. It's based on a third-party survey conducted in June 2023 by YouGov of 2,008 consumers who use the internet for online shopping in India.
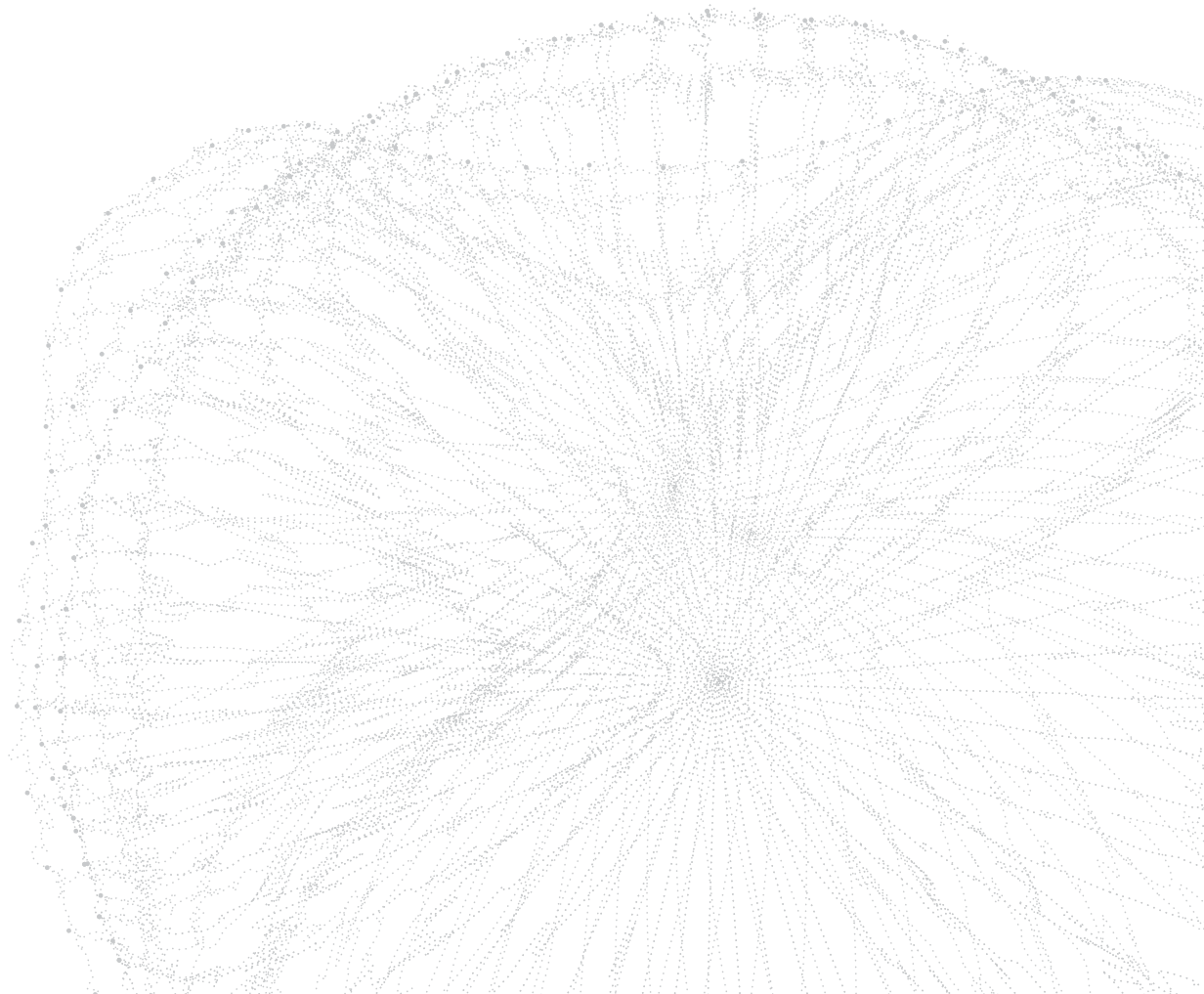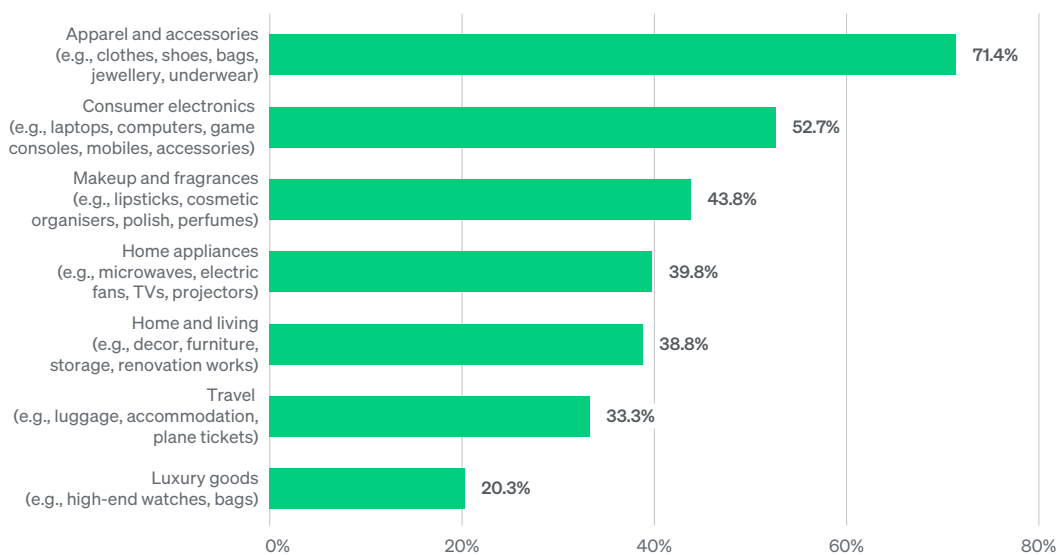
Reliability is crucial

All respondents said they use the internet for online shopping, which reflects the high penetration of smartphone usage in India. And 81% said they use their smartphone or mobile device to make purchases. Indian consumers said they use internet-based apps or websites for online shopping most often to purchase apparel and accessories (71%), consumer electronics (53%), and makeup and fragrances (44%).

81%

used smartphones or mobile devices to make purchases

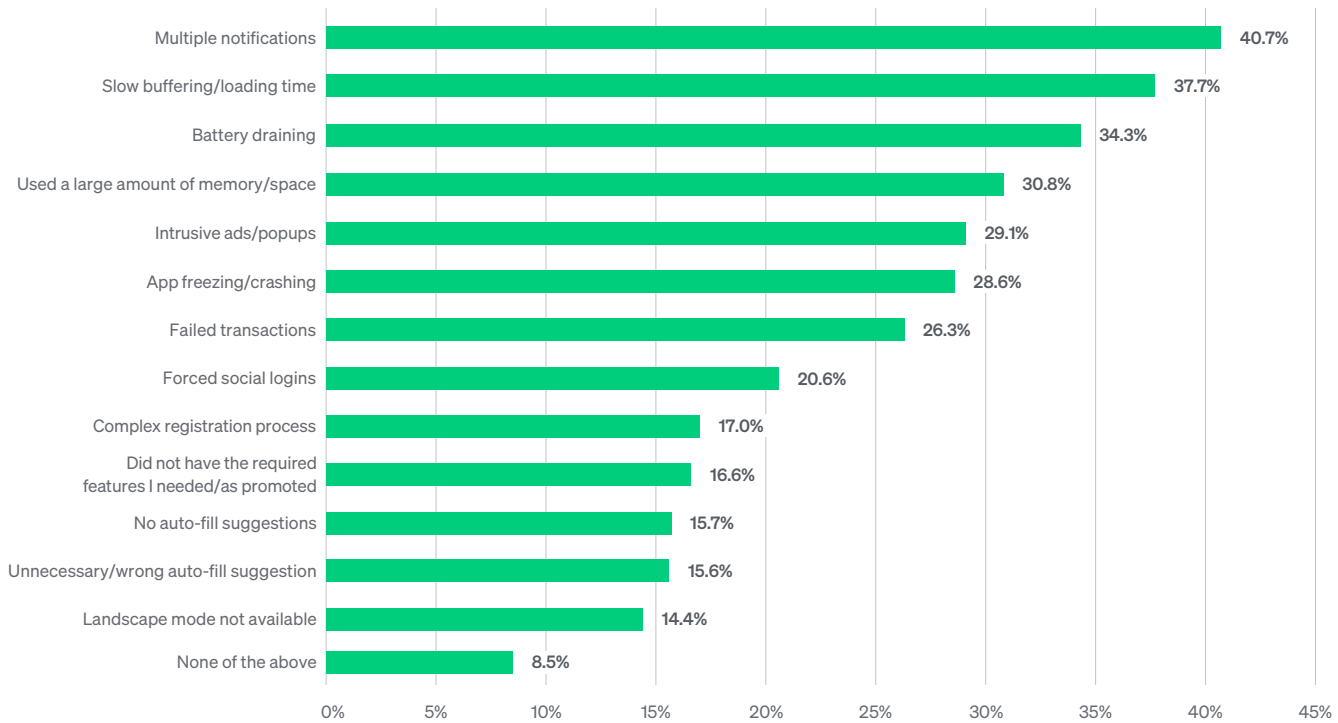| Category	Percentage
Apparel and accessories (e.g., clothes, shoes, bags, jewellery, underwear)	71.4%
Consumer electronics (e.g., laptops, computers, game consoles, mobiles, accessories)	52.7%
Makeup and fragrances (e.g., lipsticks, cosmetic organisers, polish, perfumes)	43.8%
Home appliances (e.g., microwaves, electric fans, TVs, projectors)	39.8%
Home and living (e.g., decor, furniture, storage, renovation works)	38.8%
Travel (e.g., luggage, accommodation, plane tickets)	33.3%
Luxury goods (e.g., high-end watches, bags)	20.3%

Most frequently used online shopping categories

The top three categories that had the most mobile app downloads included social media (33%), shopping for products and services (14%), and financial transactions via ewallets or banking (11%). Respondents aged 25–34 downloaded the most apps in the shopping category compared to the rest of the cohort, suggesting that this group is a decisive target demographic for online retailers.

Such high levels of uptake and engagement provide ample opportunities for online retailers who sell in India to capture the attention of an engaged audience while creating space for developers to ensure that apps work seamlessly for consumers.

However, consumers in India faced many challenges with mobile apps, including multiple notifications (41%), slow buffering/loading times (38%), and draining batteries (34%). Multiple notifications were particularly bothersome for Android users (41%) compared to iOS users (34%). Therefore, retailers should prioritise addressing these preventable challenges as they develop and maintain the long-term success and reliability of their mobile apps.
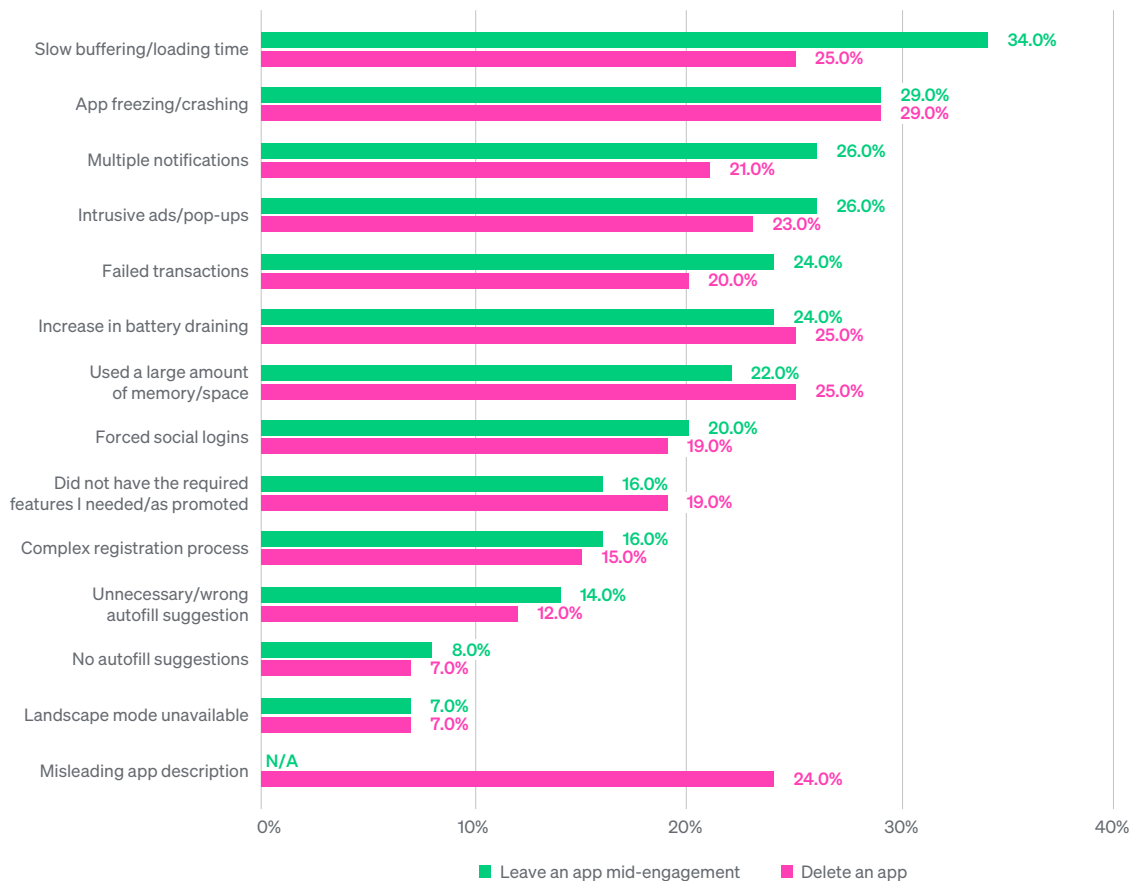
Challenge	Percentage
Multiple notifications	40.7%
Slow buffering/loading time	37.7%
Battery draining	34.3%
Used a large amount of memory/space	30.8%
Intrusive ads/popups	29.1%
App freezing/crashing	28.6%
Failed transactions	26.3%
Forced social logins	20.6%
Complex registration process	17.0%
Did not have the required features I needed/as promoted	16.6%
No auto-fill suggestions	15.7%
Unnecessary/wrong auto-fill suggestion	15.6%
Landscape mode not available	14.4%
None of the above	8.5%

Mobile app challenges experienced in the last 60 days

The need for speed is paramount

Survey respondents clearly expressed the importance of speed and responsiveness in apps together with product delivery time, with nearly half (46%) of Indians noting that a key reason to download a shopping app was that it offers a better or faster user experience compared to the website version. This finding suggests that, for Indians, an app carries a lot of expectations, given it's almost a replacement for websites.

This same desire for speed and efficiency was also reflected in expectations around delivery times. More than half (55%) said they use instant online grocery delivery apps that deliver in 15 minutes or less at least once per week.

But the challenges surrounding slow buffering times are make or break for the success of these types of initiatives, with many respondents saying that longer load times are one of the biggest reasons they would stop using an app mid-engagement (34%), or even delete it (25%). Apps freezing/crashing and misleading app descriptions were also primary considerations.

	Leave an app mid-engagement	Delete an app
Slow buffering/loading time	34.0%	25.0%
App freezing/crashing	29.0%	29.0%
Multiple notifications	26.0%	21.0%
Intrusive ads/pop-ups	26.0%	23.0%
Failed transactions	24.0%	20.0%
Increase in battery draining	24.0%	25.0%
Used a large amount of memory/space	22.0%	25.0%
Forced social logins	20.0%	19.0%
Did not have the required features I needed/as promoted	16.0%	19.0%
Complex registration process	16.0%	15.0%
Unnecessary/wrong autofill suggestion	14.0%	12.0%
No autofill suggestions	8.0%	7.0%
Landscape mode unavailable	7.0%	7.0%
Misleading app description	N/A	24.0%

■ Leave an app mid-engagement   ■ Delete an app

Primary reasons to leave an app mid-engagement or delete it

Almost two-thirds (60%) of survey respondents said they wouldn't stay on an app for more than 10 seconds if it showed slow buffer speeds, including 20% who wouldn't tolerate more than five seconds of buffering before they abandoned or switched apps. In addition, 59% said a faster load time would delight them most compared to other mobile shopping app features.

These findings indicate that retailers must prioritise uptime and availability to ensure that high speeds are maintained for their mobile and website apps.

60%

said they wouldn't stay on an app for more than 10 seconds if it showed slow buffer speeds

"In the rapidly evolving landscape of India's ecommerce sector, the key to success lies in delivering superior digital customer experiences. The companies that excel in utilising technology to craft personalised, user-friendly, and efficient consumer interactions are significantly propelling the industry forward."
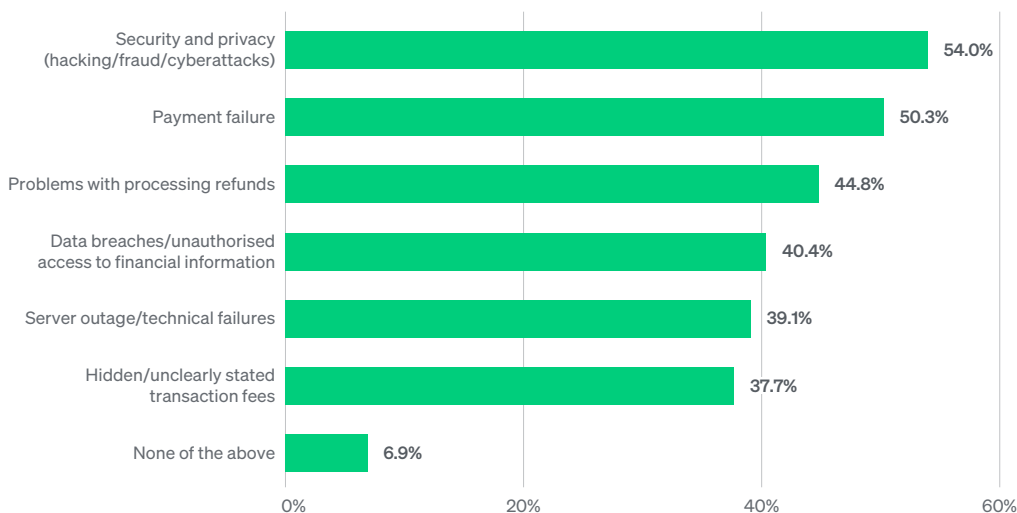
Stephen Elliot
Group Vice President at IDC

Secure digital payments are top of mind

When asked about their top three concerns regarding digital payment methods, survey respondents most frequently cited security and privacy (54%), followed by payment failure (50%) and problems processing refunds (45%).

54%

cited security and privacy as primary concerns with online digital payment methods

Concern	Percentage
Security and privacy (hacking/fraud/cyberattacks)	54.0%
Payment failure	50.3%
Problems with processing refunds	44.8%
Data breaches/unauthorised access to financial information	40.4%
Server outage/technical failures	39.1%
Hidden/unclearly stated transaction fees	37.7%
None of the above	6.9%

Primary concerns with online digital payment methods

It's clear that retailers should prioritise privacy and security for their ecommerce websites and apps to alleviate consumer concerns around hacking, fraud, data breaches, and cyberattacks. Additionally, technology teams must mitigate payment and refund failures to succeed.
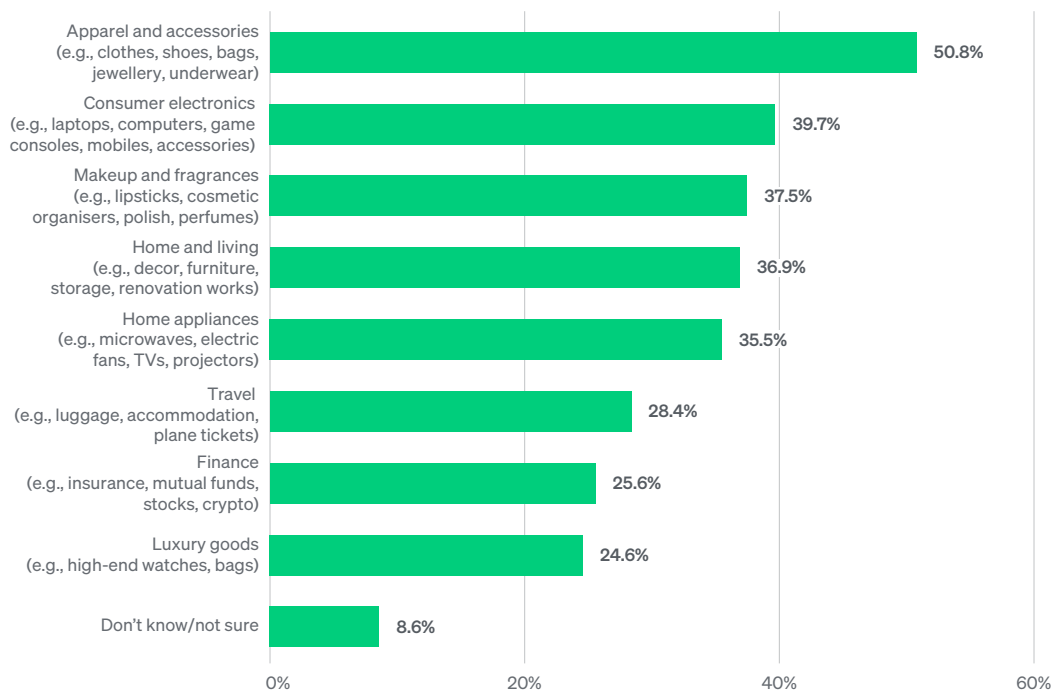
Big sales equate to big opportunities

The festive season in India, made up of holidays including Diwali, Holi, and Christmas, comes with big sale events. Periods of celebration are often accompanied by the opportunity for consumers to grab a bargain at sales like the Amazon Great Indian Festival and Flipkart Big Billion Days.

These big sale events are extremely popular, and 72% of survey respondents said they most often use mobile apps for online purchases. For the 2023 festive season, most consumers planned to make many purchases online, including apparel and accessories (51%), consumer electronics (40%), and makeup and fragrances (38%).

72%

said they most often use mobile apps for online purchases

Apparel and accessories
(e.g., clothes, shoes, bags, jewellery, underwear) — **50.8%**

Consumer electronics
(e.g., laptops, computers, game consoles, mobiles, accessories) — **39.7%**

Makeup and fragrances
(e.g., lipsticks, cosmetic organisers, polish, perfumes) — **37.5%**

Home and living
(e.g., decor, furniture, storage, renovation works) — **36.9%**

Home appliances
(e.g., microwaves, electric fans, TVs, projectors) — **35.5%**

Travel
(e.g., luggage, accommodation, plane tickets) — **28.4%**

Finance
(e.g., insurance, mutual funds, stocks, crypto) — **25.6%**

Luxury goods
(e.g., high-end watches, bags) — **24.6%**

Don't know/not sure — **8.6%**

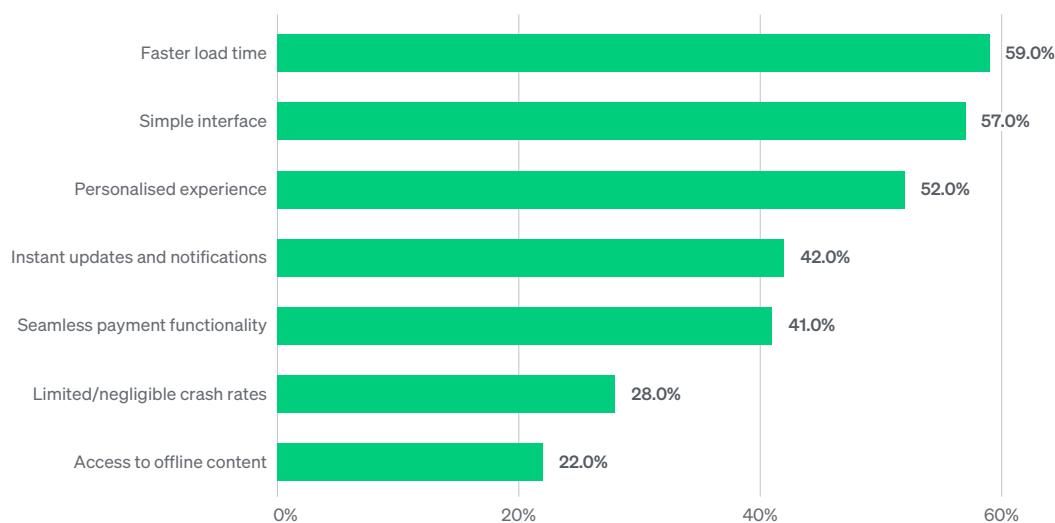*Online shopping category purchase plans for the 2023 festive season*

The technology infrastructure that supports these holiday periods must be highly agile and scalable. If an online retailer's technology stack can't cope with the load, they'll struggle to deliver the best end-user experiences or capitalise on the huge revenue opportunities that such sale events provide. It's particularly important that retailers test the reliability of their systems to ensure they can support increased demand and traffic spikes.

Optimising the digital customer experience is key

With so many mobile shopping apps on the market, consumers have options for how they make purchases. This is why providing a positive digital customer experience (DCX) is essential to capturing consumer attention and staying ahead of the competition.

More than half (59%) of respondents said they use less than three mobile apps for their daily online shopping, and a third (33%) said they use four to six apps. These findings indicate that consumers will only use apps that resonate with them, so retailers must find new and innovative ways to capture consumer attention.

In addition to faster load times (59%), Indians want apps that have a simple interface (57%) and provide personalised experiences (52%). The preference for a personalised experience was even more pronounced for respondents between the ages of 25 and 34 (57%) compared to those 45 and older (47%). Nearly half also noted that instant updates and notifications (42%) and seamless payment functionality (41%) are desirable features of a mobile shopping app.

Feature	Percentage
Faster load time	59.0%
Simple interface	57.0%
Personalised experience	52.0%
Instant updates and notifications	42.0%
Seamless payment functionality	41.0%
Limited/negligible crash rates	28.0%
Access to offline content	22.0%

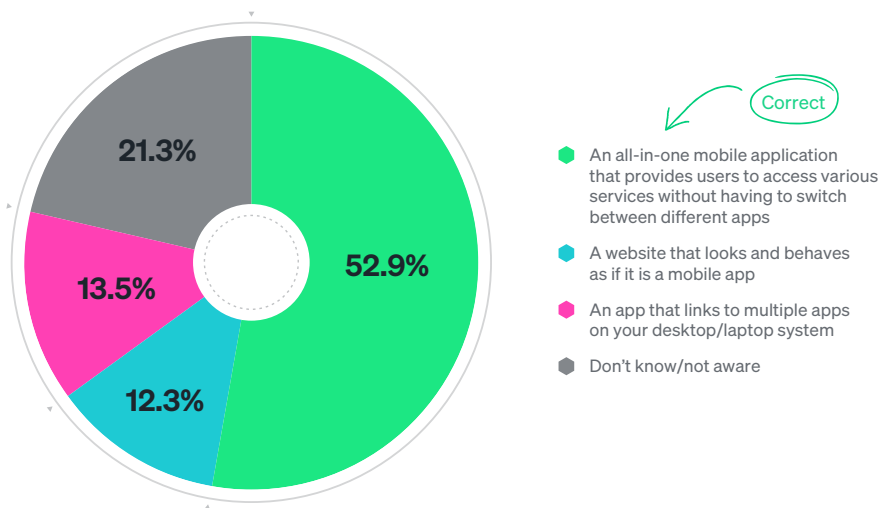*Most desirable features of a mobile shopping app*

Reputation is everything. Over half of the respondents cited exclusive offers or promotions (53%), positive reviews and access to good deals (49%), as well as a better or faster user experience (46%) as reasons to download a particular shopping app.

These findings suggest that Indians have high expectations for these apps. Regular promotions are key to maintaining customer loyalty, but when these promotions are launched, technology teams must be prepared for the accompanying spike in traffic to provide an optimal DCX.

Super apps provide a clear advantage

Super apps are emerging as a dominant force across Asia, thanks to their ability to provide multiple services in one app.

Currently, the awareness and knowledge of super apps in India is at its nascent stage. While about half (53%) knew what the term meant, the other half either didn't know what it meant (21%) or mistakenly associated it with something else (26%).
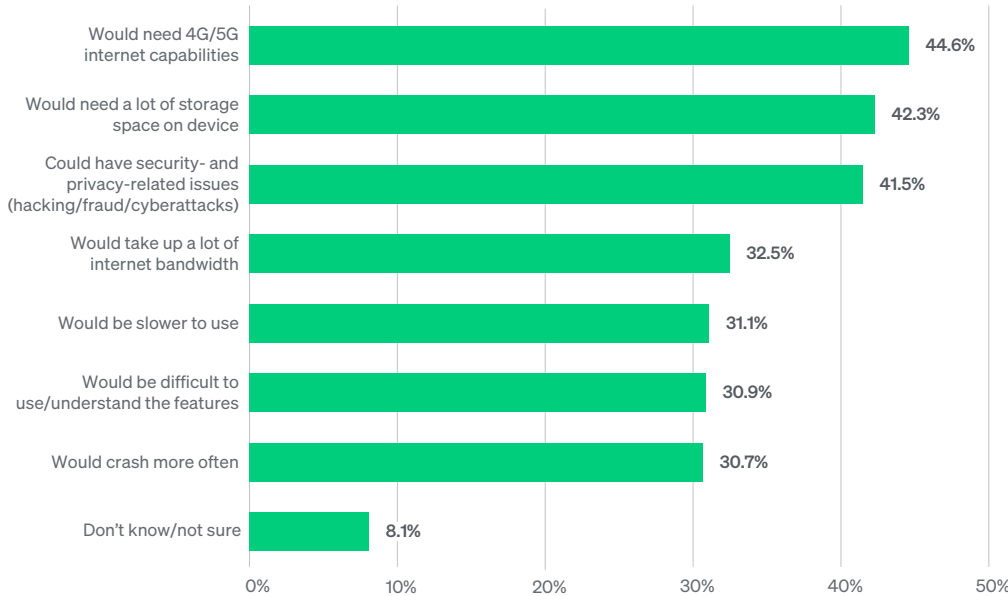
From GoTo to Grab, **super apps** are all-in-one mobile applications that provide users with access to a variety of day-to-day life activities that would usually be housed in a standalone app—such as food delivery, entertainment, travel, and transport services—without the need to switch between different apps.

21.3%

13.5%

12.3%

52.9%

Correct

● An all-in-one mobile application that provides users to access various services without having to switch between different apps

● A website that looks and behaves as if it is a mobile app

● An app that links to multiple apps on your desktop/laptop system

● Don't know/not aware

Super app definition understanding

More than three-quarters (78%) of respondents agreed or strongly agreed that a super app provides a clear advantage over single-category apps. However, consumers had major concerns with super apps related to bandwidth and storage, including the need for 4G/5G internet capabilities (45%), the need for a lot of storage space on their devices (42%), and security- and privacy-related issues such as hacking, fraud, and cyberattacks.

78%

preferred super apps over single-category apps

Concern	Percentage
Would need 4G/5G internet capabilities	44.6%
Would need a lot of storage space on device	42.3%
Could have security- and privacy-related issues (hacking/fraud/cyberattacks)	41.5%
Would take up a lot of internet bandwidth	32.5%
Would be slower to use	31.1%
Would be difficult to use/understand the features	30.9%
Would crash more often	30.7%
Don't know/not sure	8.1%

Major concerns with super apps

Among the 894 respondents who selected the correct super app definition and agreed that super apps provide a clear advantage, there were certain online shopping categories they would *not* want to be included in an all-in-one super app. The most-cited categories included dating/matrimony (40%), gaming (31%), and financial transactions (ewallets/banking). The least-cited categories included health and fitness (10%), grocery delivery apps (10%), shopping (11%), and travel bookings/commute (11%).
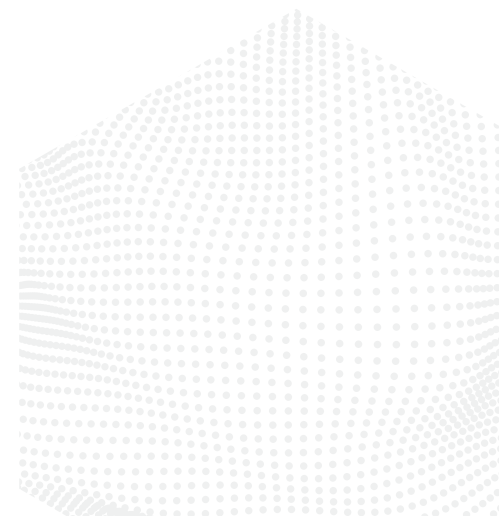
Summary

Despite ample opportunities for growth, online retailers are operating in a highly competitive landscape where even the smallest of errors can damage reputations and cause consumers to look for alternatives. This pressure is even higher during peak sales periods.

Insights from the *State of Ecommerce in India* report show that retailers must develop mobile apps that work swiftly and reliably while offering a better user experience compared to websites. Consumers are also seeking quick delivery experiences, secure payments, and highly agile and scalable systems that can keep pace with even the biggest festival celebration sales. Given the consumer demand for best-of-breed technology, online retailers would benefit from adopting a robust observability platform that provides end-to-end visibility.

Next steps

Despite challenging macroeconomic conditions, New Relic is in a unique position to help online retailers improve their customer experience and achieve observability excellence.

With its all-in-one observability platform with 30+ capabilities, retailers get a bird's-eye view of their technology stack so they can resolve issues that cause buffering before they impact customers and identify trends to ensure that problems don't occur in the future.

Additionally, by consolidating tools on a unified platform, retailers will have a single source of truth, creating much-needed visibility across their tech stack throughout each stage of the shopping experience and allowing teams to avoid the pitfalls that come with having siloed data across multiple monitoring tools. This ensures that customers are delighted at each stage of their online shopping experience.

For example, with New Relic capabilities like service level management and digital experience monitoring (DEM), which includes browser monitoring, mobile monitoring, and synthetic monitoring, retailers and their IT teams can detect and resolve issues proactively before customers look elsewhere and ultimately deliver an optimal user experience across all retail channels. It enables retailers to scale for holiday shopping events like Diwali and Black Friday more easily.

Learn more about New Relic for retail and request an in-depth, customised demo to find answers to your tough technical questions and get competitive pricing information.

Request a Demo

"By leveraging incident alerts, mobile, and customer event integrations, we have greater visibility into customer concerns and can react to their needs. We can now pinpoint issues much faster and make fixes before they escalate, which allows us to deliver a better customer experience."

Sandeep Grandhi
Associate Director of Engineering at bigbasket

About this report

All report data is derived from a survey, which was conducted by YouGov India on behalf of New Relic in June 2023. The goal was to understand the online behaviours of customers shopping on ecommerce websites. The survey was self-administered via an 8- to 10-minute online interview in English. Interviews were conducted with the YouGov panel of 2,008 respondents aged 18–45+, with 55% identifying as male and 45% identifying as female. The report defines online shopping as the purchase of clothing, groceries, and household items.

View the *State of Ecommerce in India* survey results.
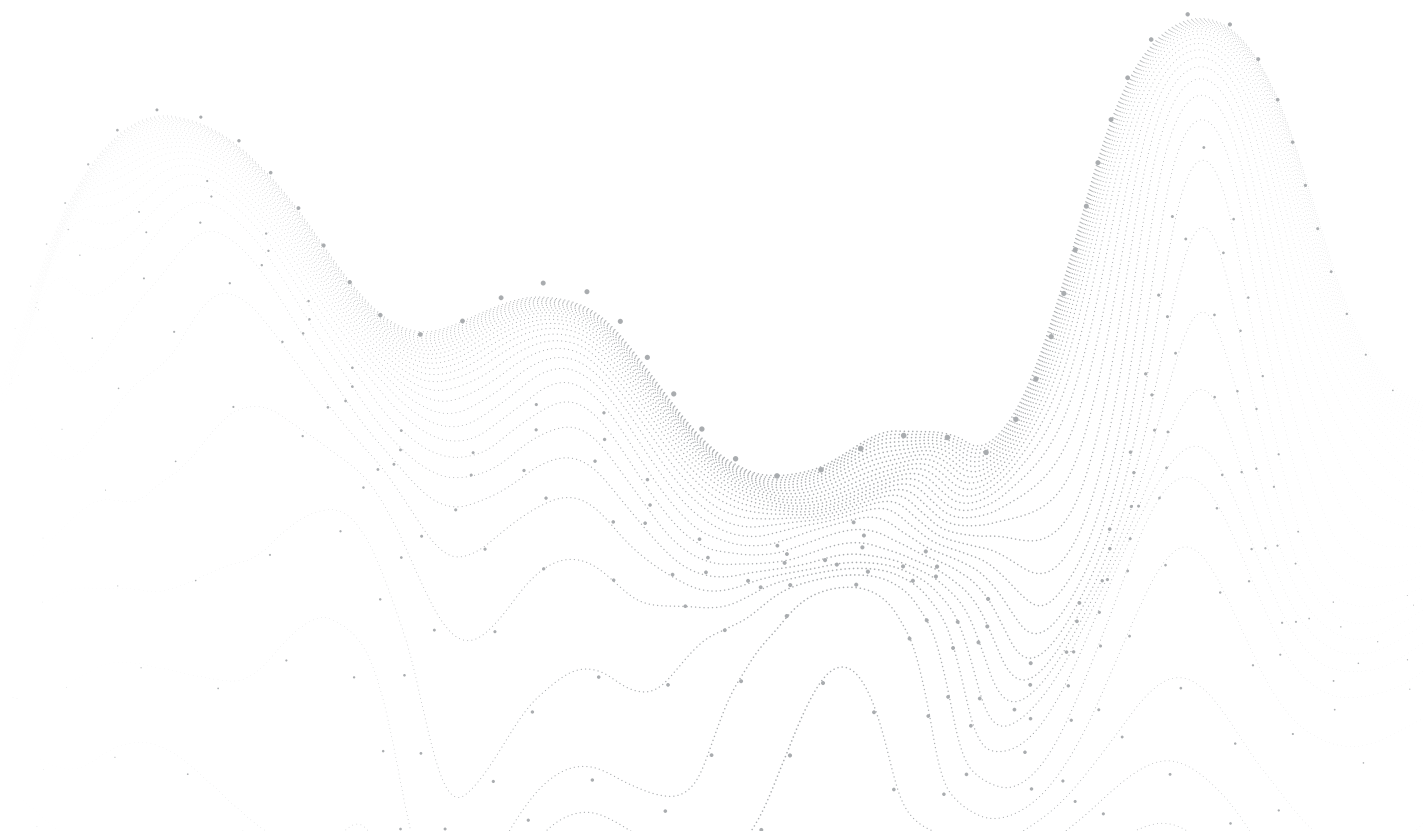
About New Relic

As a leader in observability, New Relic empowers engineers with a data-driven approach to planning, building, deploying, and running great software. New Relic delivers the only unified data platform with all telemetry—metrics, events, logs, and traces—paired with powerful full-stack analysis tools to help engineers do their best work with data, not opinion.

Delivered through the industry's first usage-based pricing that's intuitive and predictable, New Relic gives engineers more value for their money by helping improve planning cycle times, change failure rates, release frequency, and MTTR. This helps the world's leading brands and hyper-growth startups to improve uptime, reliability, and operational efficiency and deliver exceptional customer experiences that fuel innovation and growth.

About YouGov

YouGov is an international online research data and analytics technology group. Its mission is to offer unparalleled insight into what the world thinks. Its innovative solutions help the world's most recognised brands, media owners, and agencies to plan, activate, and track their marketing activities better. With operations in the United Kingdom, the Americas, Europe, the Middle East, India, and Asia Pacific, it has one of the world's largest research networks.

At the core of its platform is an ever-growing source of consumer data that has been amassed over 20 years of operation, called Living Data. All of its products and services draw upon this detailed understanding of its 24+ million registered panel members to deliver accurate, actionable consumer insights.