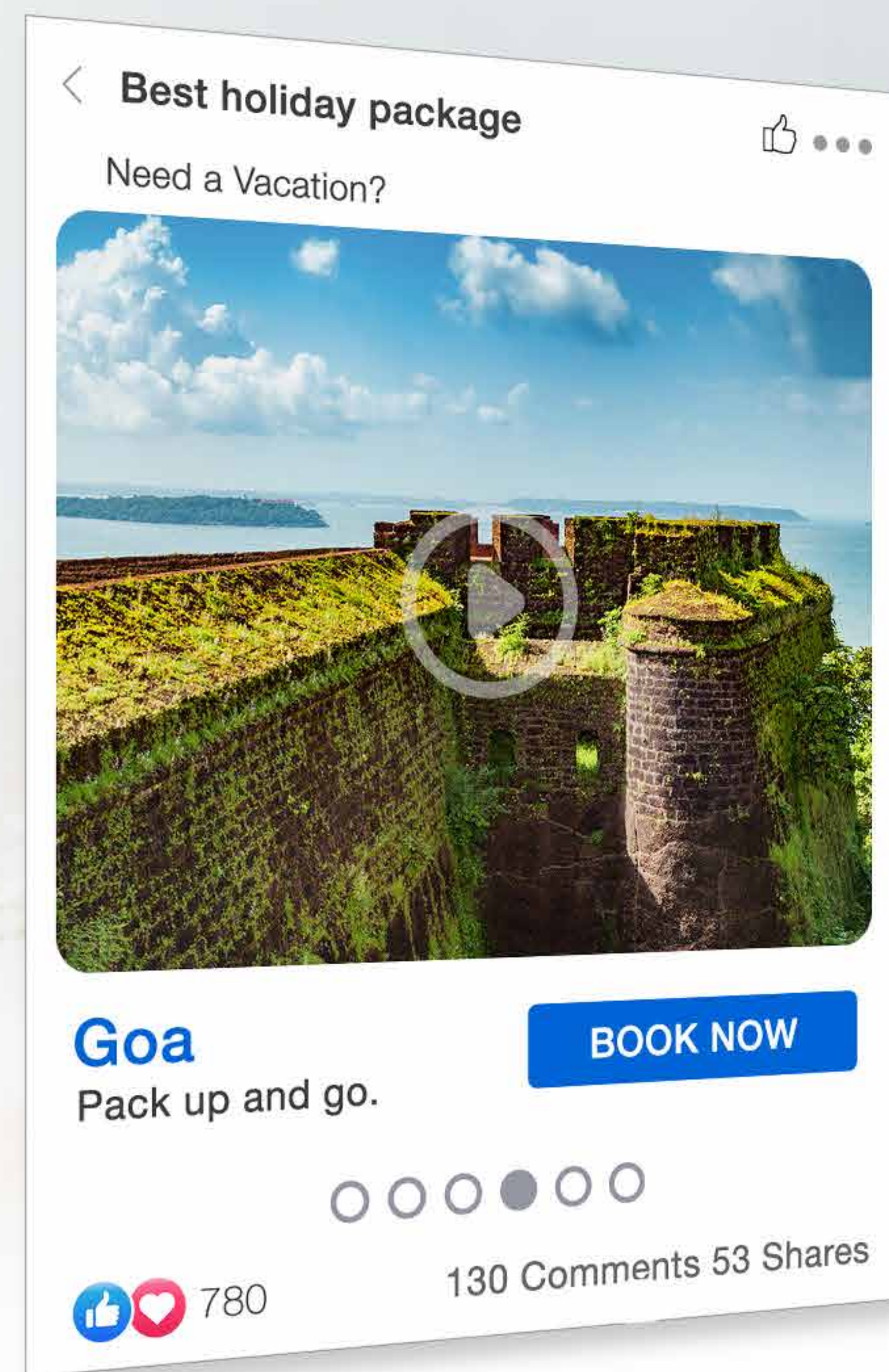


Digital Commerce in India

Video Commerce



RECOGN
Research • Refer • Redefine

WAT Consult
Connect | Converse | Collaborate | Co-create



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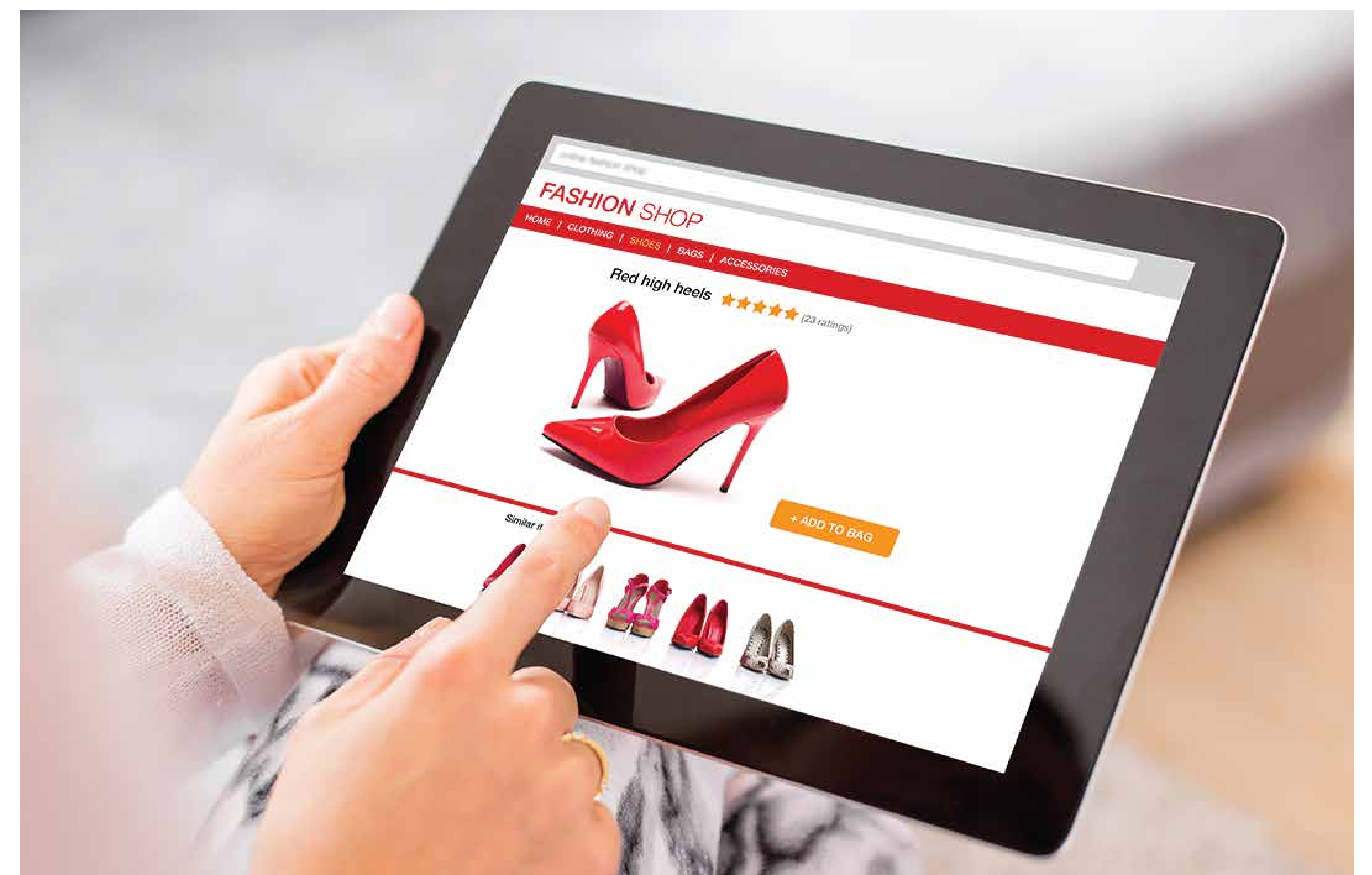
Executive Summary

The e-commerce market in India has been witnessing an evolution in recent years with the emergence of newer formats like video and social commerce. Video commerce uses video content and platforms to promote and sell products and services online. The video commerce segment in India is still already on its way to be the next big thing in digital commerce. Video content consumption has been gaining traction, and it will help creators propel video-enabled commerce significantly in the coming years.

There were 146 million video commerce users in 2021, and it is expected to reach 216 million by the end of 2022, indicating an exponential growth of 47%. When brands put product videos on these platforms, customers perceive it well, and a positive impression about the brand gets created. This further enhances customers' confidence and helps in their purchase decision. When it comes to video content format, most customers prefer explainer content videos followed by customer testimonials and product demonstrations. Live commerce in India is gaining traction, and it can help brands, retailers, and marketplaces to accelerate conversion, improve the brand appeal and create differentiation. More than half of the customers state their affinity towards shopping online during live streaming on social media and shopping apps.



Products videos add a different dimension to the online shopping experience. Video content with a duration of 15 seconds to a minute can make users stay longer on the platform. And if they like the videos, they share them with their circle of friends and family, further increasing the reach of the content. It is important to consider and create content in the local languages, as the English language may not be an effective medium of communication for many first time users coming to these platforms. Shoppable video content is engaging, entertaining, and informative well that consumers look out for and will drive digital commerce in the future. Video commerce has become an important factor in a brand's e-commerce strategy as the richness of the video content drives consideration and can demonstrate a product in a detailed, engaging and entertaining way to the customers.



Key Insights



Video Shoppers

146
million
2021

47%
Growth

216
million
2022

Platforms used for Video Commerce



53%
Youtube



39%
Instagram



38%
Facebook



33%

Explainer videos



33%

Customer testimonials

32%

Product demonstration

Preference of Video Content Format



Influence of Video on Shopping



28%

Help in researching about additional items of the same brand



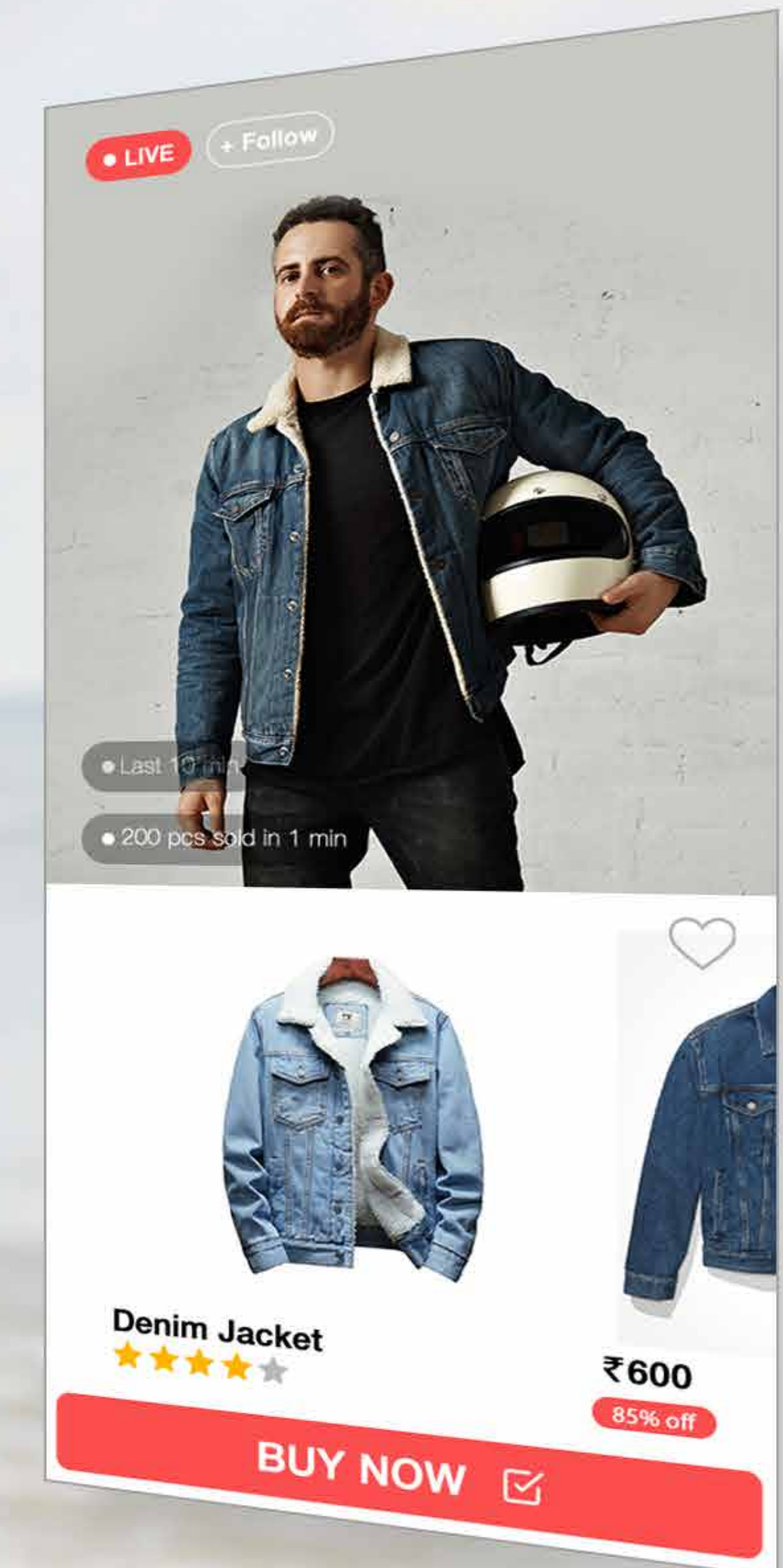
27%

Online videos have positive impression of a brand

27%

Brand's product video gives confidence in purchase decision

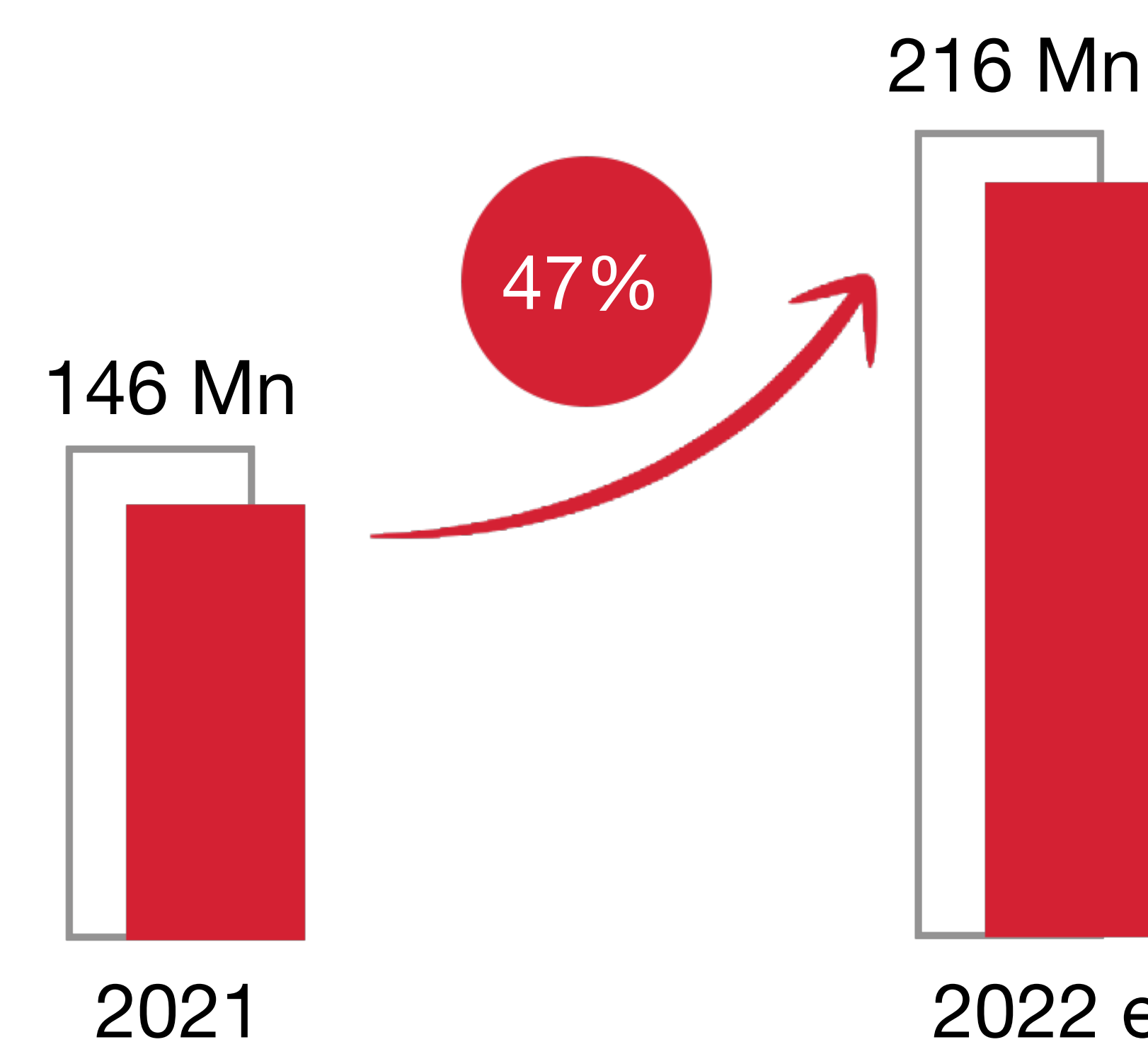
Usage of Video Commerce



Video Commerce Shoppers in India

India has one of the highest per capita consumption of Internet data, heavily skewed towards video content consumption. This, along with the rapid growth of the Indian e-commerce market, has given rise to a new format called video commerce. It is the use of video content to promote and sell products and services on digital platforms. A video conveys a lot of information quickly to the customers by integrating product/service benefits, helps in brand development and enhancing the shopping experience. Customers discover about the product and service by watching online video content in the form of shoppable videos.

Video Commerce Shoppers in India



Source: Primary Research, Recogn, WATConsult

At present, there are around **146 million** video commerce shoppers in India who have purchased and transacted on video commerce platforms. This is **49%** of all e-commerce users in India today. The number of video commerce shoppers is expected to reach **216 million** by the end of **2022**, growing at a rate of **47%**. This format has immense potential for brands to connect directly with their consumers.

Consumers stay longer in pages with videos as they would prefer to watch videos than read descriptions. The benefits of video are that it gives visitors a reason to spend more time, interact and engage more on the site, and allows brands to lay a ground for future purchases. Video content boosts consumers' confidence and leads to an increase in conversions.



Platforms used for Video Commerce Shopping

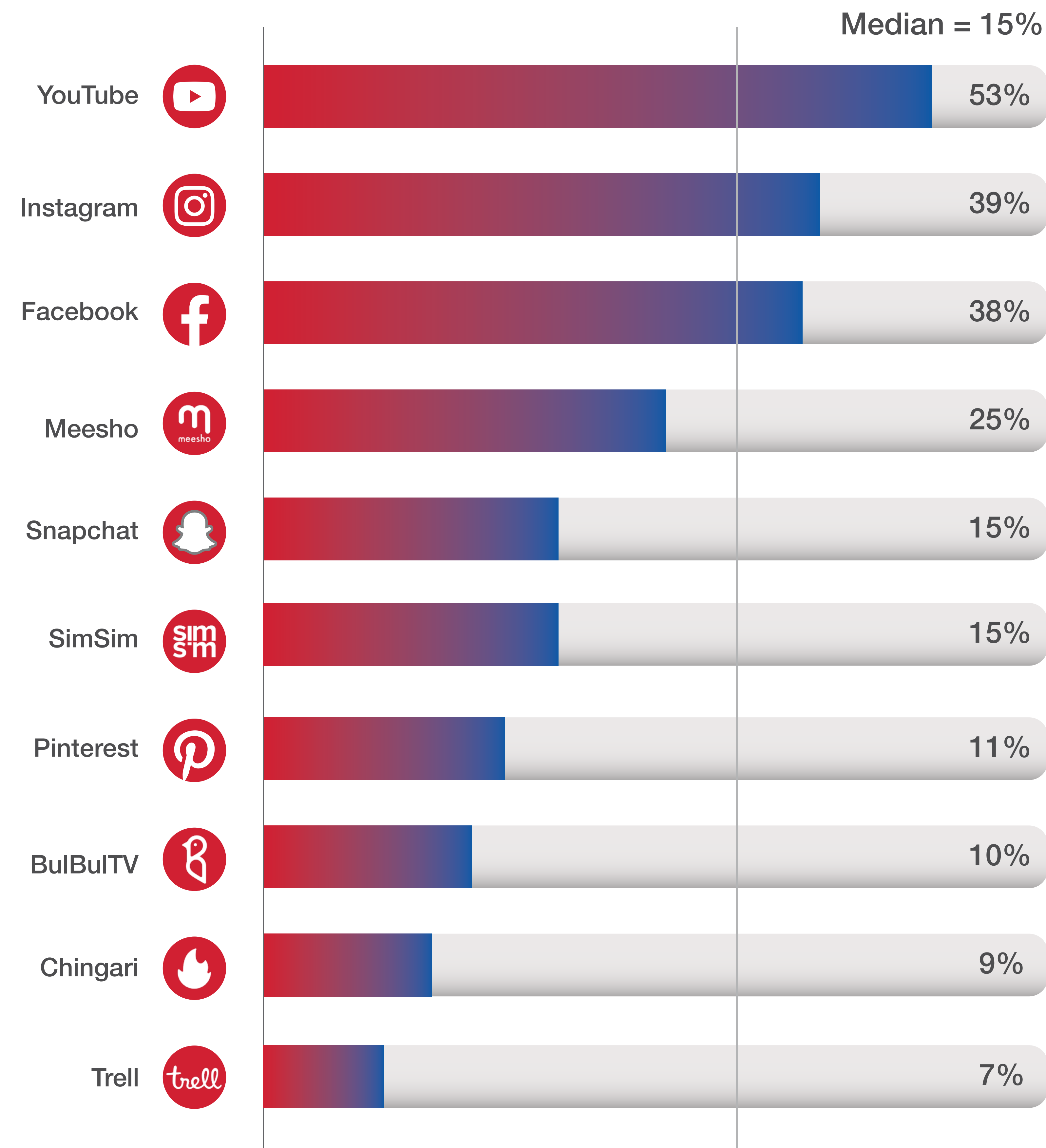
Video is impacting e-commerce increasingly and has immense traction as the preferred source of entertainment, even more so due to the ongoing pandemic. This innovative blend of e-commerce and digital content is revolutionising the way customers shop. Brands involve more audio-visual content creators to make the product pitch, which allows them to reduce their marketing costs while increasing the engagement and trust of the customers.

The immense reach of digital video content has become a strong opportunity for e-commerce companies to convince users to shop online. Video commerce platforms that cater to new internet users like SimSim and BulbulTV, etc., have developed their apps available to users in local languages such as Hindi, Tamil, and others.

The majority of the customers have shopped online after watching shoppable video ads on social media platforms, like YouTube, Instagram and Facebook, followed by Meesho and Snapchat. Most of the males belonging to the age group of 35 years to 44 years have shopped on these video commerce platforms after watching shoppable video ads.



Platforms used for Video Commerce Shopping



Source: Primary Research, WATConsult, Recogn

Video commerce users are very likely to purchase from Meesho, SimSim and BulBulTV, along with Instagram and YouTube.

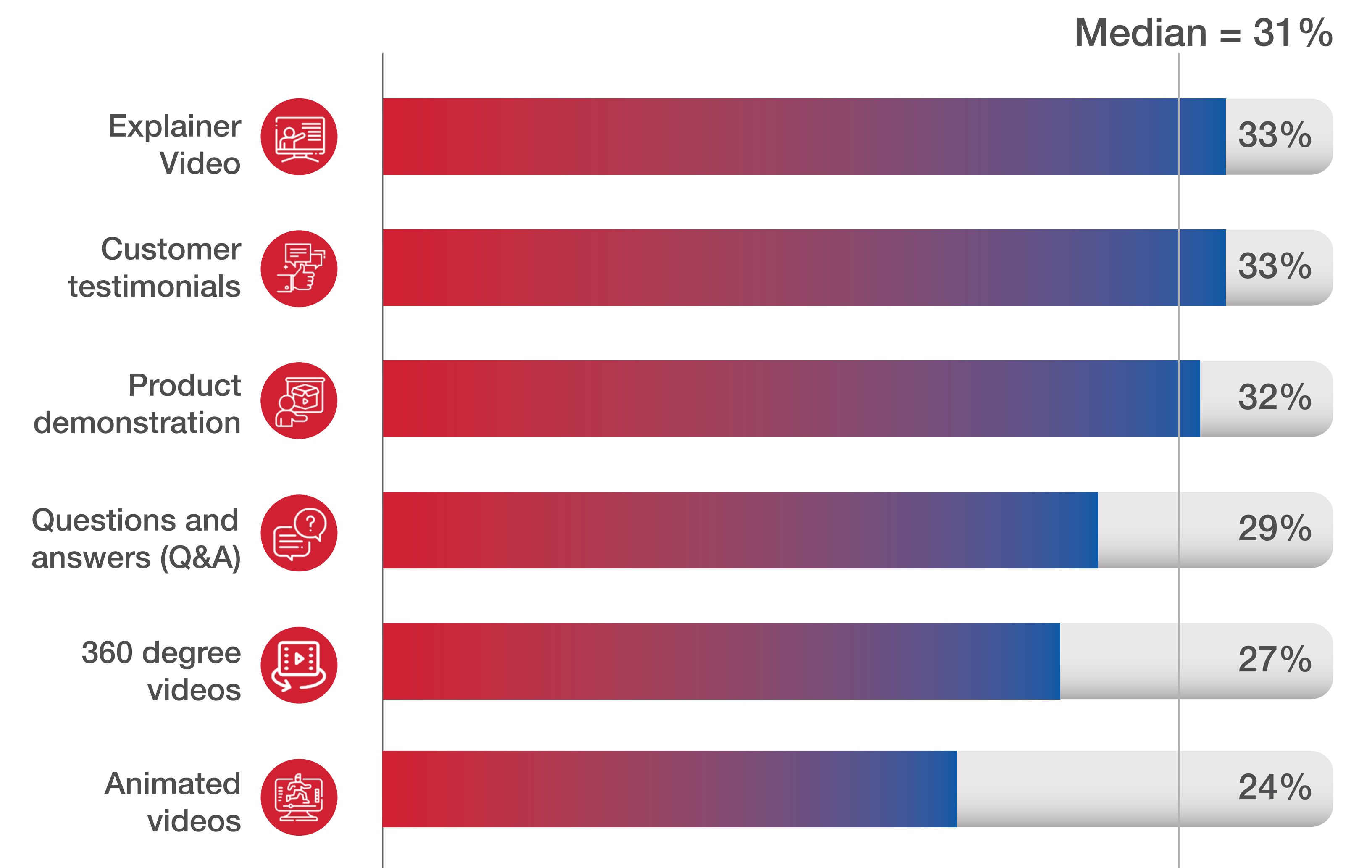
Preference of Shoppable Video Content Format

In recent years, consumers have been watching more video content than ever before. Content marketing has undergone a huge transformation, and online video has emerged at the top in consumption and engagement. In the age of fast and affordable internet connectivity, smartphone users find engaging video content difficult to resist. The popularity of video content continues to rise as audio-visual messages are more enticing and engaging.

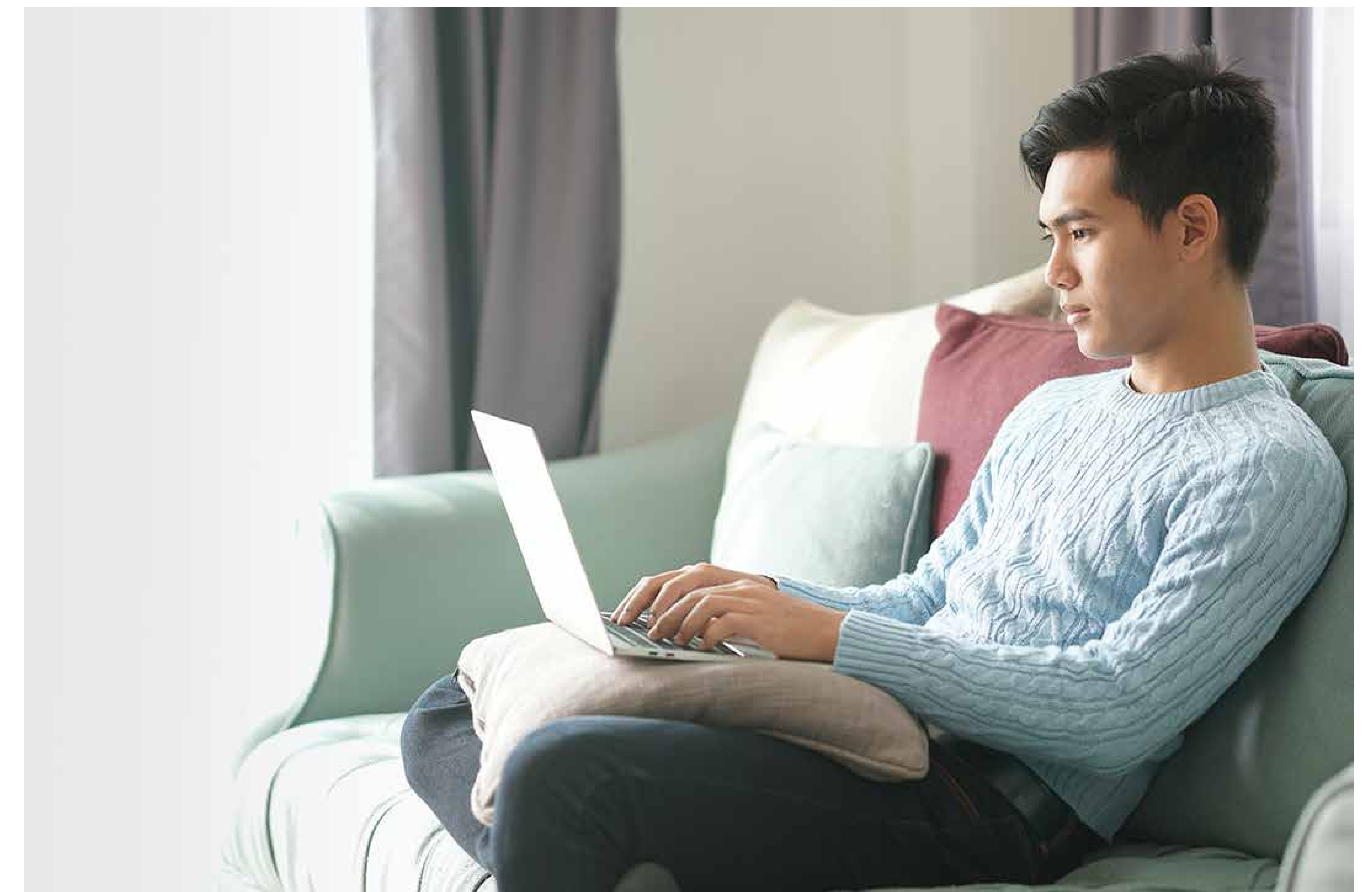
When it comes to shoppable product videos, most customers prefer explainer videos followed by videos with customer testimonials and product demonstrations. Explainer videos usually feature a speaker demonstrating how the product works and why should the audience consider buying it. When it comes to social proof, video testimonials are persuasive motivators to get people to buy a brand's products. Most females like to watch explainer videos about products/services followed by customer testimonials and product demonstrations. The majority of customers aged 35 years to 44 years prefer to watch explainer and question & answer video content.



Preference of Video Content Format



Source: Primary Research, WATConsult, Recogn



Preferred Duration of Shoppable Video Content

Preferred Shoppable Video Length	Product / Service Category
Short videos (up to 15 seconds)	 Fashion & Accessories
	 Restaurant, Eateries
	 Beauty, Grooming Products
	 Home, Kitchen Items
	 Books, Music, Movies
Medium length videos (up to 1 minute)	 Sports, Fitness, Outdoor
	 Mobile, Tablet, Accessories
Long videos (3 minutes or above)	 Electronic Appliances
	 Travel & Tourism

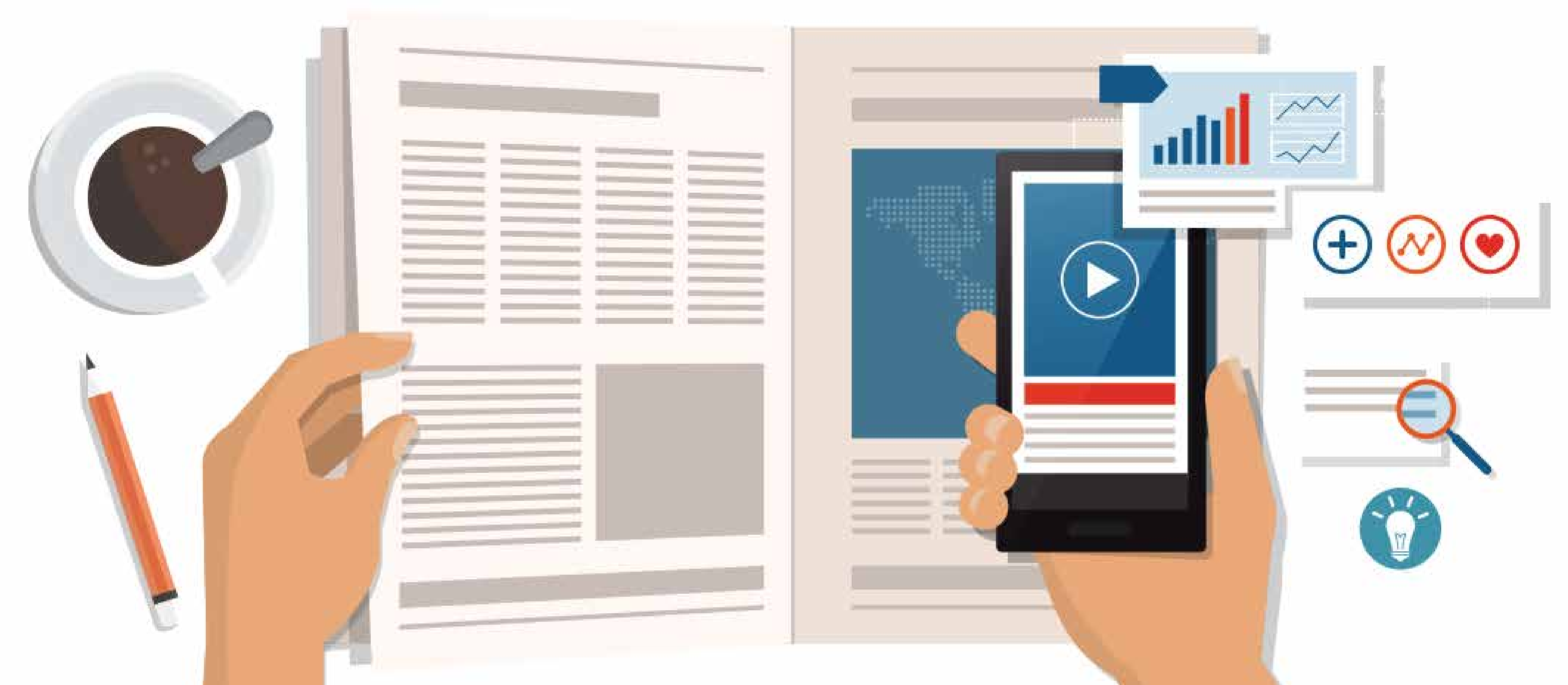
Source: Primary Research, WATConsult, Recogn

Video commerce uses video content to promote and sell products/services and helps retailers deliver in-depth product information to the customers. It helps in offer the best experience of the product while conveying a lot of information about the product in a short span of time. Video commerce is rapidly becoming an important element in e-commerce strategy and contributes to better conversion rates.

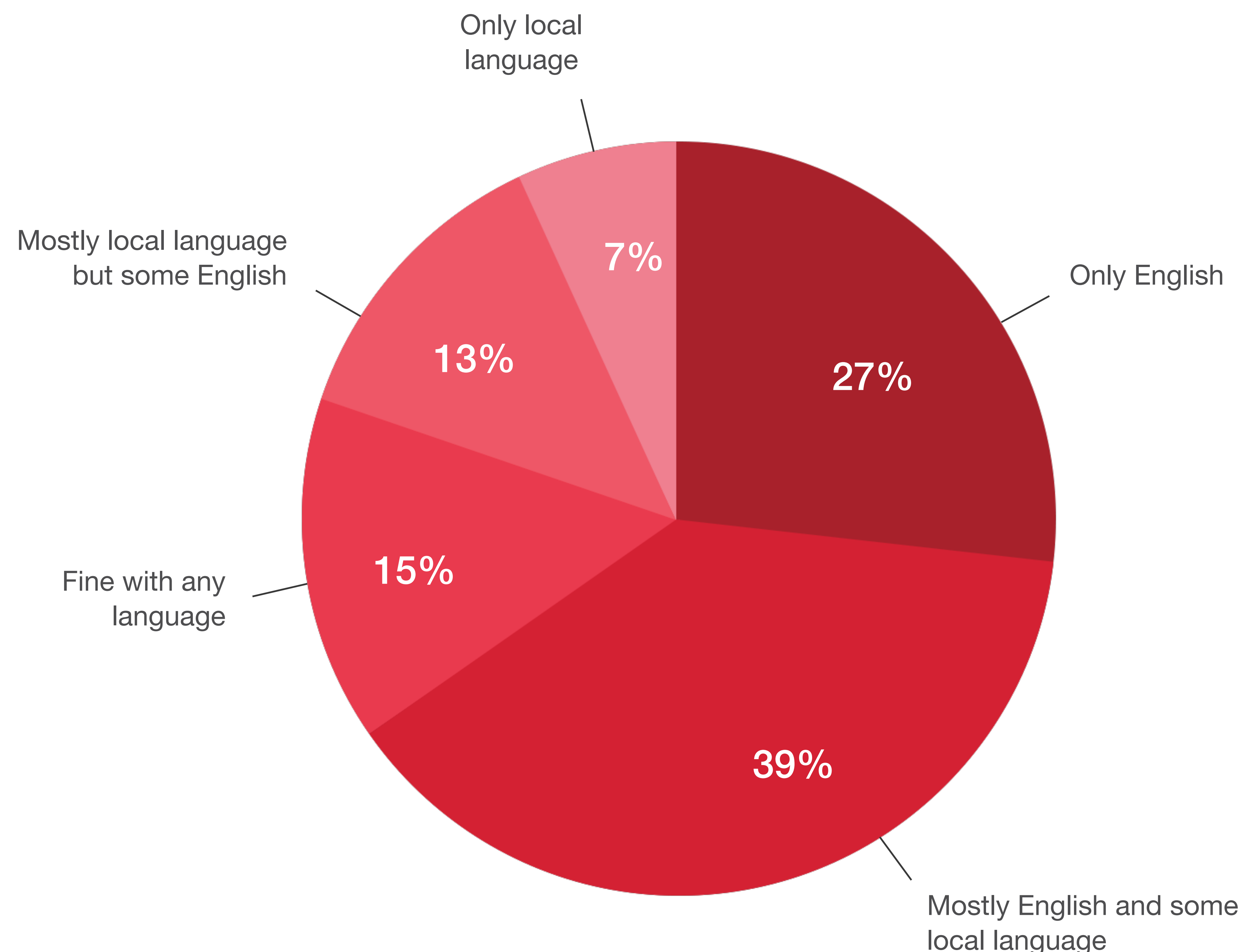
Video content with a duration of 15 seconds or a few minutes long is capable of making users stay longer on the platform. And if they like the videos, they share it with their circle of friends and family, which further increases the reach of the content.

Observations:

- For fashion and accessories, restaurant and eateries, beauty and grooming products, home and kitchen items, and books, music and movies: users prefer short shoppable videos **(up to 15 seconds long)**
- For sports, fitness and outdoor product categories: users prefer medium length videos **(up to one minute long)**
- For mobiles, tablets and accessories, electronic appliances, and travel and tourism: Users prefer longer videos **(around 3 minutes or above)**
- Most of the females prefer to watch **one-minute video** content for the categories of fashion and accessories
- Working professionals **(with more than 10 years of experience)** consider one-minute video content to be ideal for books, music and movies categories



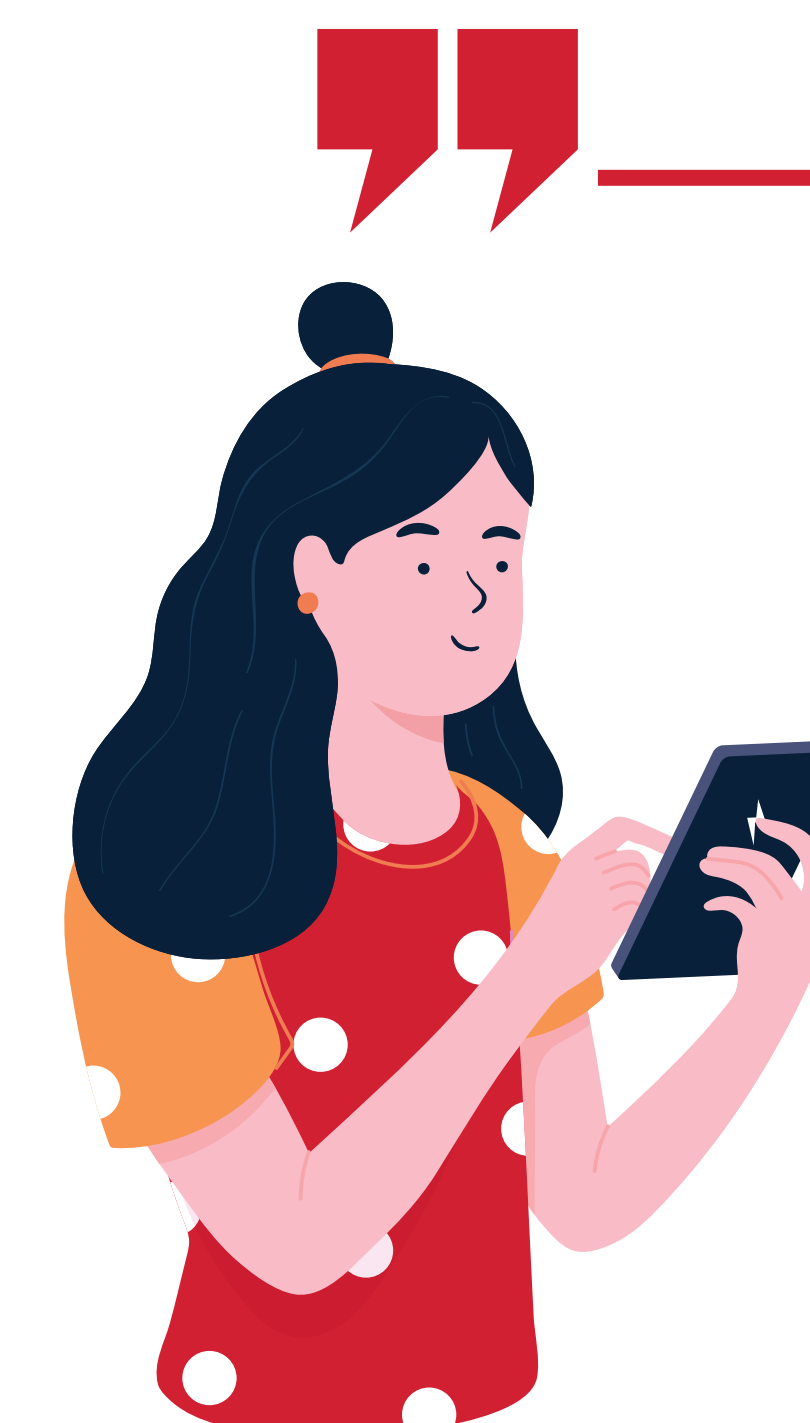
Language Preference for Shoppable Video Content



Source: Primary Research, WATConsult, Recogn

Content consumption has increased exponentially in the digital age, as internet connection has become more accessible and affordable. The digital wave has brought tier-II and tier-III markets within its reach, and thus, this digital revolution is increasing the potential of e-commerce in these markets. Users expect sellers/brands to cater services like choosing products to service delivery with end-to-end support in a local language medium they are comfortable with. Beyond the top metros, video content consumption has been witnessing increased views from these markets, especially in the local languages.

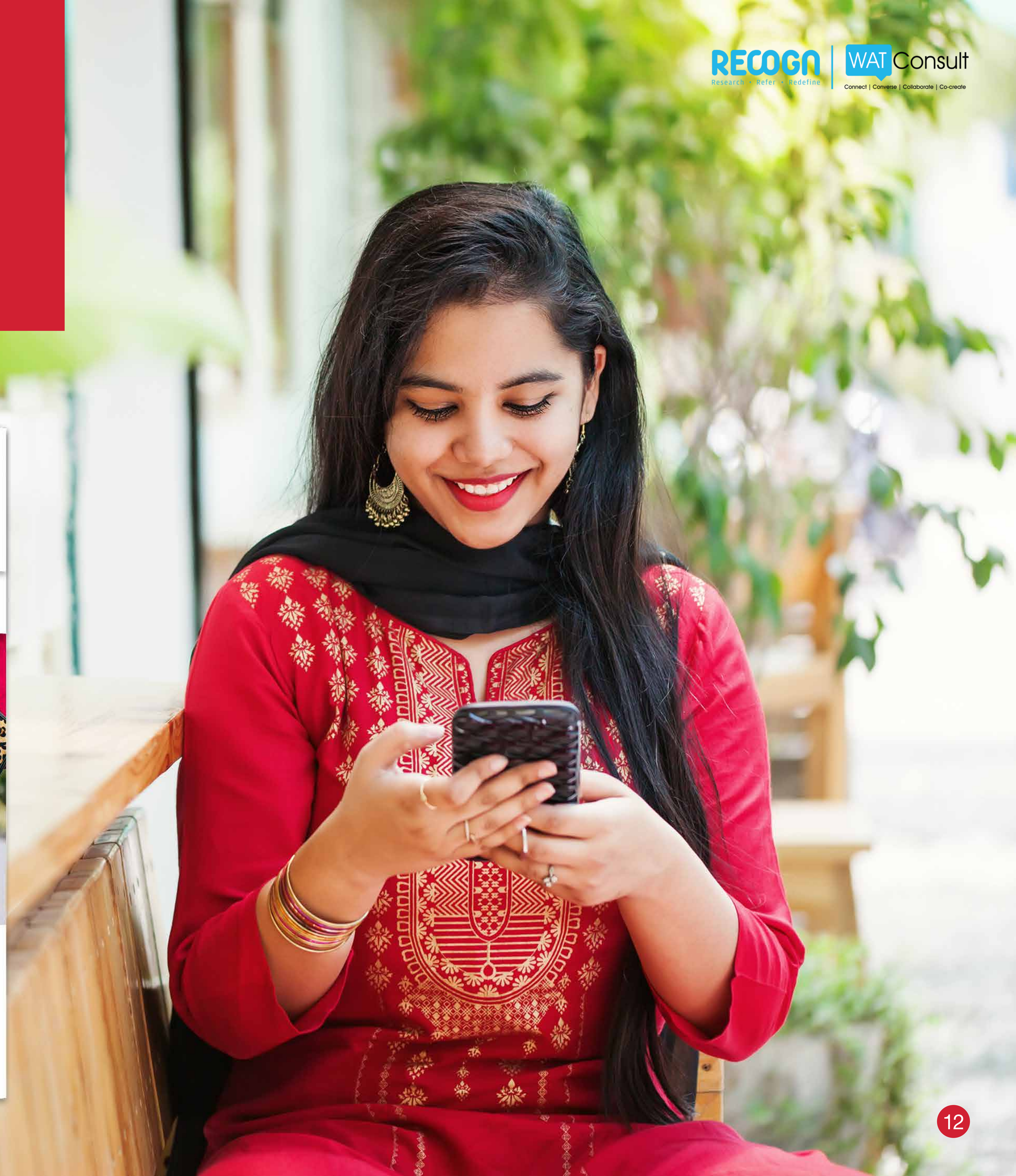
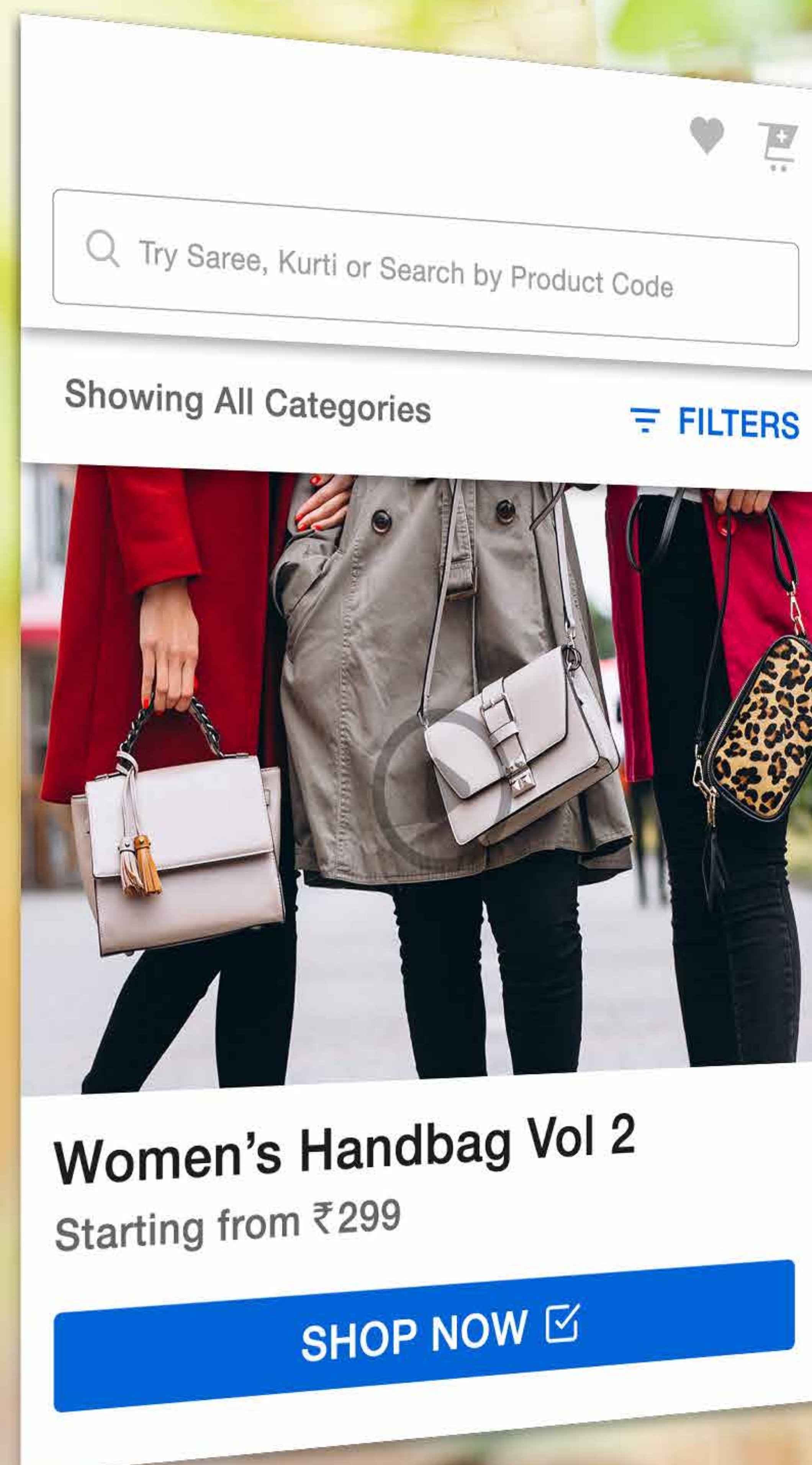
Most of the audience prefers to watch online shoppable video advertisements, mostly in English and some local languages. Customers belonging to the age group of 45 years to 54 years prefer to watch online shoppable video content in the local language.



"I prefer to watch video advertisements before deciding to purchase the product/services. I like to know more about the product features and benefits of using it. I feel comfortable viewing advertisement content in any language, be it in English or the local language."

-Female, 25 years to 34 years, and belonging from one of the next 5 metros.

Attitude Towards Video Commerce



Attitude Towards Video Commerce

Attitude Towards Video Commerce



Source: Primary Research, WATConsult, Recogn

Reasons such as trust on the influencers posting product videos, positive impression of the brand, and research for additional items on the platform, are likely to drive the users to these video commerce platforms even more.

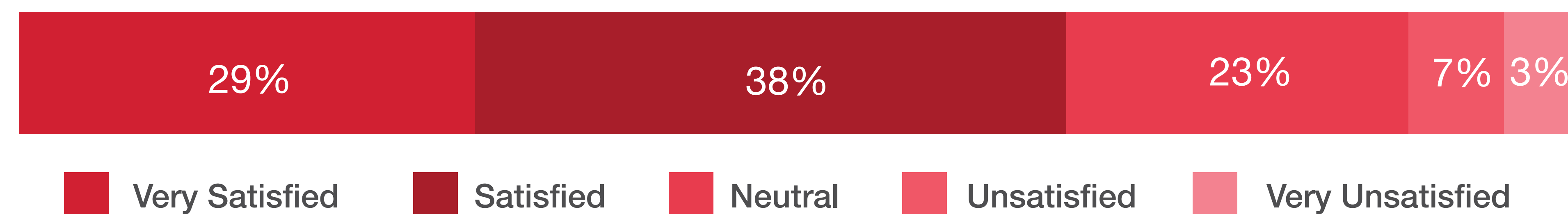
Shoppable videos are gaining traction, and the combination of video and commerce is changing the way customers shop. It is opening doors for partnerships, brand engagements and better business results. Brands are now adding creative and engaging videos to their online business strategy. They are using social and video platforms to showcase their offerings to the customers, resulting in a higher reach to the target audience and improved shopping experience. It is becoming an important format for retailers as it presents the opportunity to talk about the product in depth and gives the shoppers an experience of the product and, ultimately, the brand.

Most of the customers feel that online product videos help search other products from the same brand. When brands put shoppable product videos on video commerce platforms, the customers feel that these videos give a positive impression about the brand. Most females feel that product videos on these platforms help in comparison shopping and give them confidence while making a purchase decision.



Satisfaction with Shopping Via Shoppable Video Ads

Satisfaction with Shopping Via Shoppable Video Ads

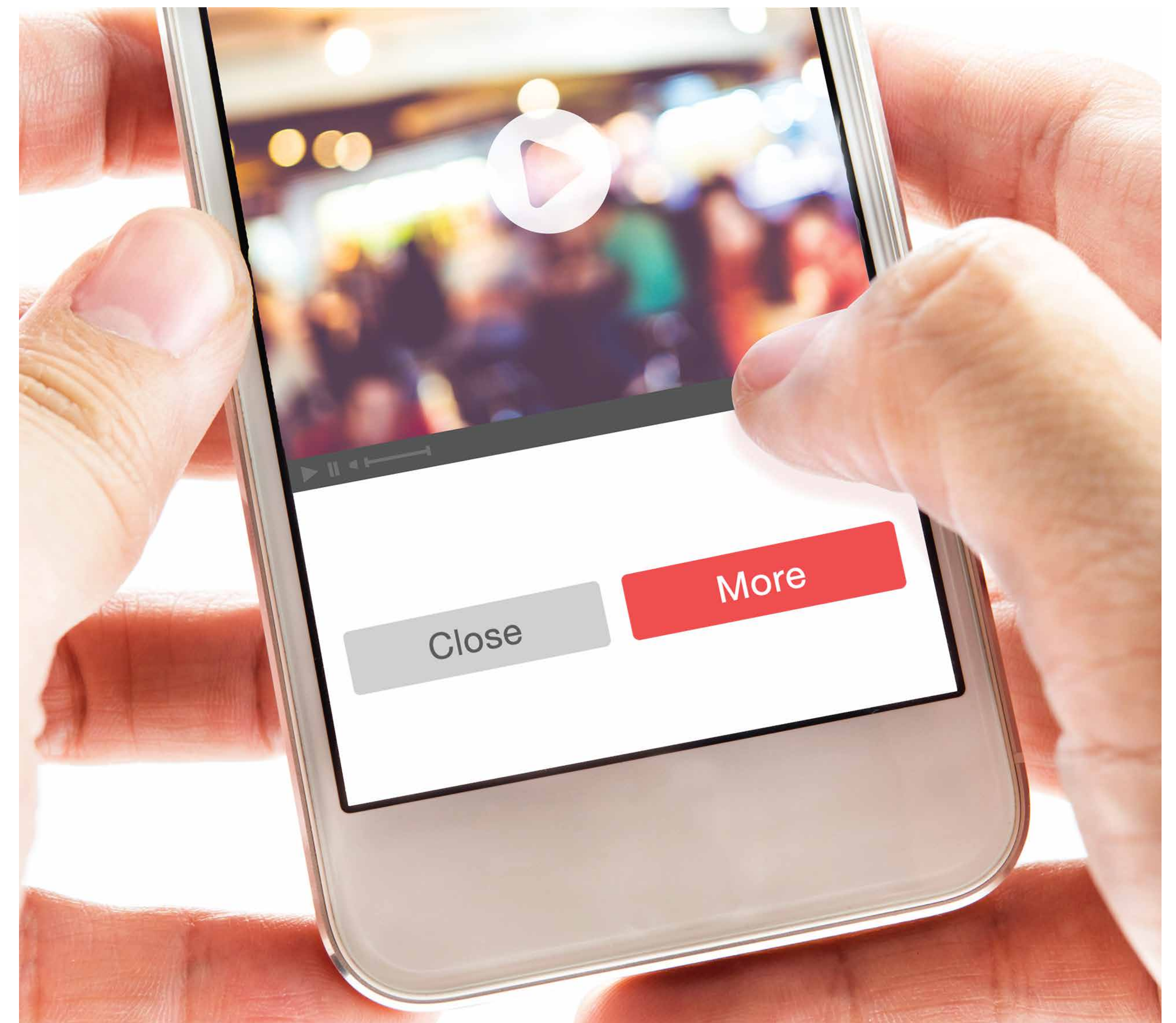


Source: Primary Research, WATConsult, Recogn

Video-based commerce is taking center stage as brands widening reach with a blend of content and commerce through shoppable videos. Shoppable videos help consumers use their screen time more efficiently as they don't have to follow the cumbersome process of scrolling through products on social media platforms, watching videos or checking live reviews on different platforms and then browsing the brand's e-commerce page to shop for it. Shoppable videos let customers understand and watch products/services and shop directly. This saves time, fastens the decision-making process, and allows customers to know first-hand about the brand and its product line-up.

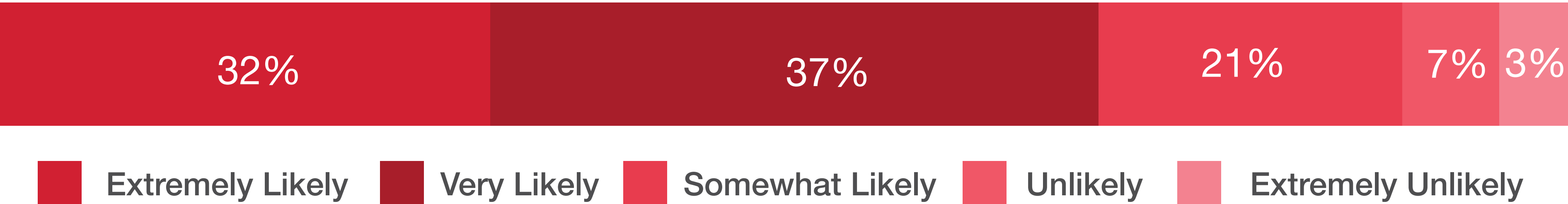
The online media environment has become more democratized by giving smaller brands a chance to compete with bigger brands. As content and e-commerce become more prominent parts of the digital media landscape, there is a continuous shift towards e-commerce. Due to the change in digital preferences during the pandemic this convergence has taken place even more intensely.

More than half of the customers are satisfied with the products bought via shoppable video advertisements. 23% of the customers are somewhat satisfied with the products purchased from shoppable video advertisements. Most of the males belonging to the age group of 18 years to 24 years are satisfied with the products shopped.



Likelihood of Purchase During Live Streaming

Likelihood of Product Live Stream Shopping

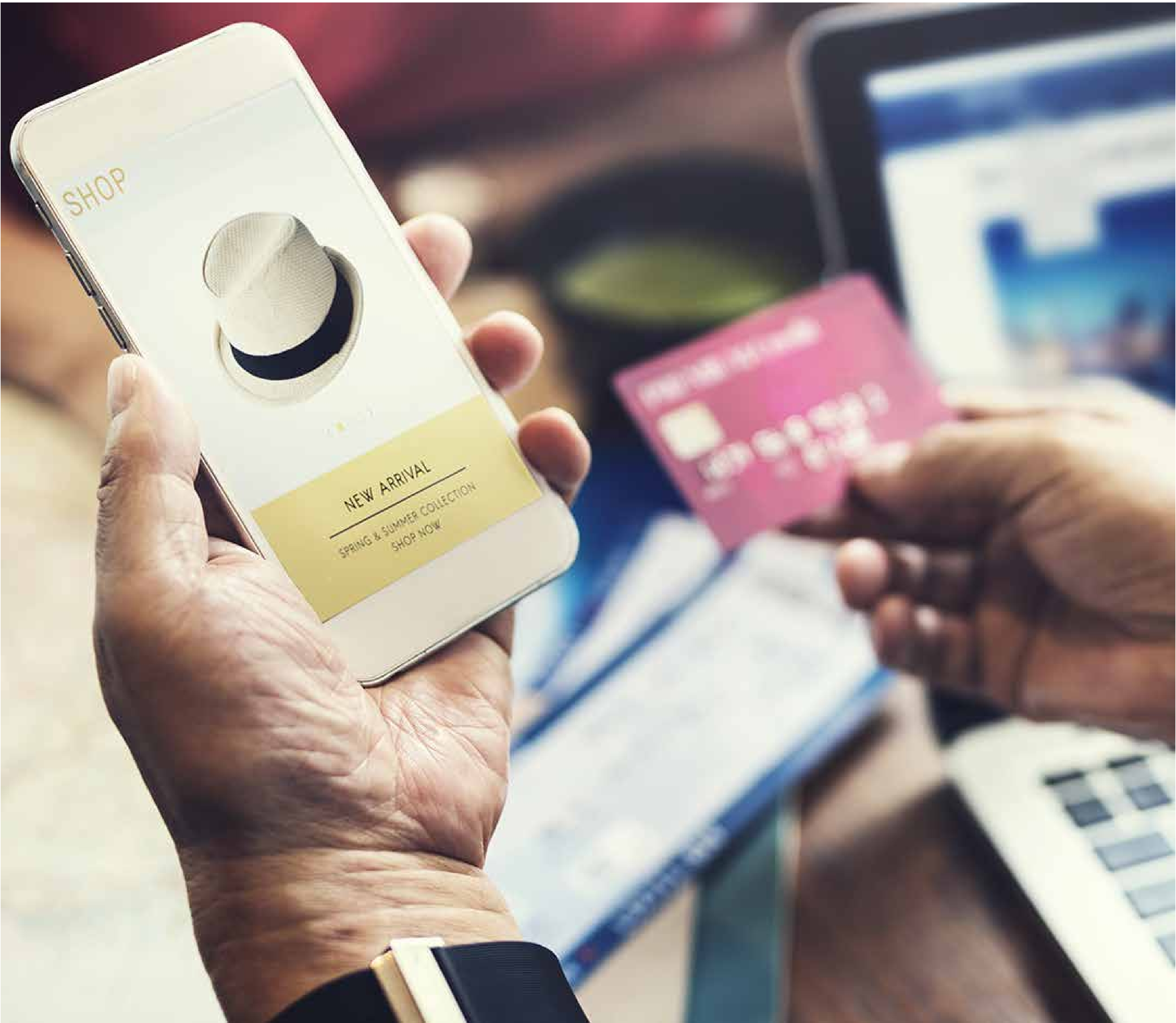


Source: Primary Research, WATConsult, Recogn

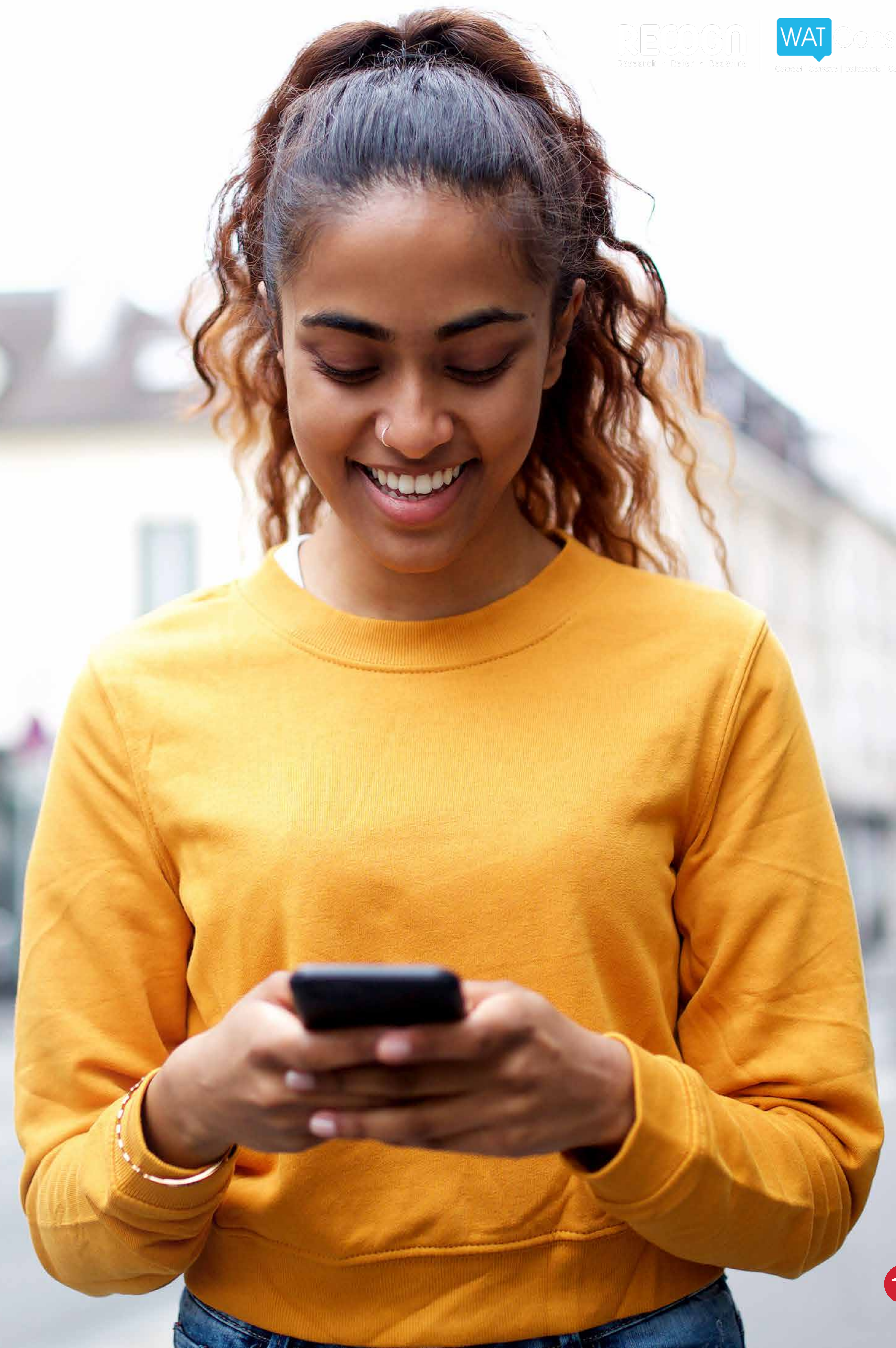
Live commerce is a form of online shopping where customers make purchases during live streaming events. Over the years, different format of content has changed the e-commerce space. Live commerce enhances e-commerce with live, interactive video streaming, and this, in turn, enhances the online shopping experience. Live streams allow customers to interact with the brand and move beyond searching for a specific product and discover new ones.

Online commerce in India has primarily been search based, however, live stream allows customer to have interactive and immersive experiences. Online shopping sites and apps use live streaming to engage customers through explainer videos, product demonstrations and have interactions like answering questions or getting testimonials in real-time.

More than half of the customers say they are likely to shop online during live streaming on social media and shopping apps. 21% of the customers are somewhat likely to purchase while live streaming. Most of the male customers are likely to shop online on live streaming platforms. The majority of the customers from the small towns say that they are likely to purchase products online during live streaming on video platforms.



Personas of Video Commerce Shoppers



Video Commerce Usage of India's Online Shopper Personas



Enthusiastic Young Metro Shoppers

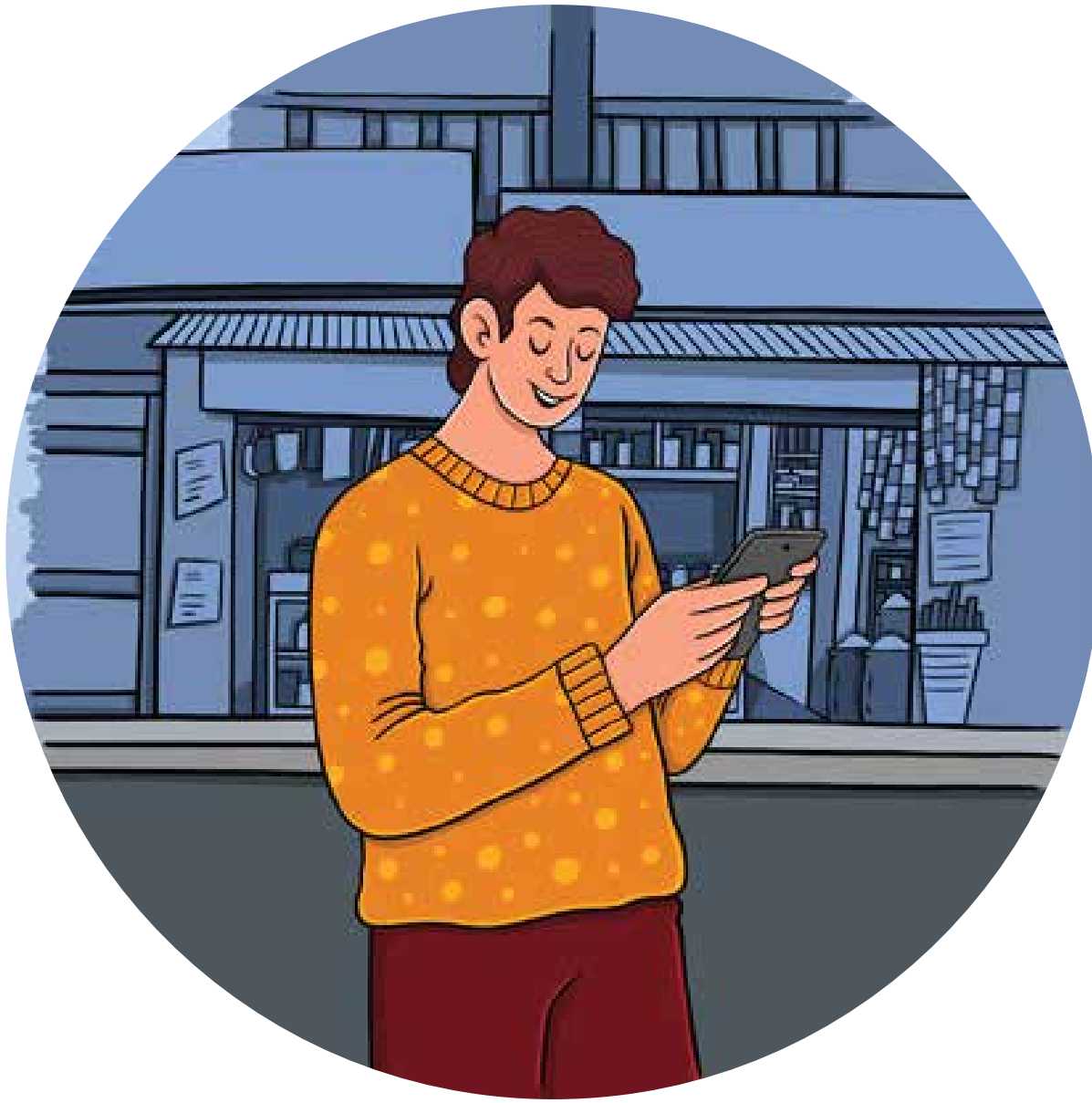
- Have shopped on Facebook and Instagram directly after watching video ads. They are likely to purchase from Meesho in the future.
- Use video commerce as they trust influencers' product videos and it is helpful in comparison shopping. It also helps them in searching for additional items from the same brand and drive future purchases.
- 360 degree and testimonial videos help in making purchase decisions. Product demos are also likely to help them with purchase decisions in the future.
- Mostly prefer short video content up to 15 seconds
- Very likely to purchase on a live stream
- Extremely satisfied with video commerce
- For the video content, they prefer only English content



Bharat Young Working Shoppers

- Have shopped on YouTube and Instagram directly after watching video ads. They are also likely to shop from Facebook, Snapchat and SimSim in the future.
- Use video commerce as they trust influencers' product videos and get positive impression of the brand. They also feel that brands with product videos have better credibility, and this leads them to use the platform in future.
- Explainers and question & answer videos help in making purchase decisions. Videos with testimonials and product demos are likely to contribute to purchase decision of these users in the future.
- Mostly prefer long video content around 3 minutes or more
- Moderately likely to purchase on a live stream
- Moderately satisfied with video commerce
- Fine with any language for video content

Bharat Young Student Shoppers



- Have shopped on Meesho and Trel directly after watching videoads. They are also very likely to shop from Instagram, SimSim, Facebook and Chingari in the near future.
- Use video commerce as they get to learn more about product features in details and it helps with comparison shopping. They are likely to shop further in the future, given their trust on the product videos by influencers improves and they get confident about their purchase decision.

- Animated videos and videos with questions and answers help in making purchase decisions. Explainer videos are also likely to drive purchase decision in the future.
- Mostly prefer long video content of around 3 minutes or more
- Not very likely to purchase on a live stream
- Not very satisfied with video commerce
- They prefer only local language content for videos

Homemakers Who are Enthusiastic Shoppers



- They have shopped on Pinterest and Chingari directly after watching video ads
- They are very likely to shop from Facebook, YouTube, and Meesho in the future.
- Usage of video commerce is fruitful as it gives a positive impression of the brand and adds confidence in the purchase decision. They also feel video commerce helps them with comparison shopping.
- Explainer and question & answer videos help in making purchase decisions. Product demos are also likely to help them with purchase decisions in the future.

- They mostly prefer medium length video content up to 1 minute long.
- Very likely to purchase during a live stream.
- Extremely satisfied with video commerce.
- They prefer only English content for videos.

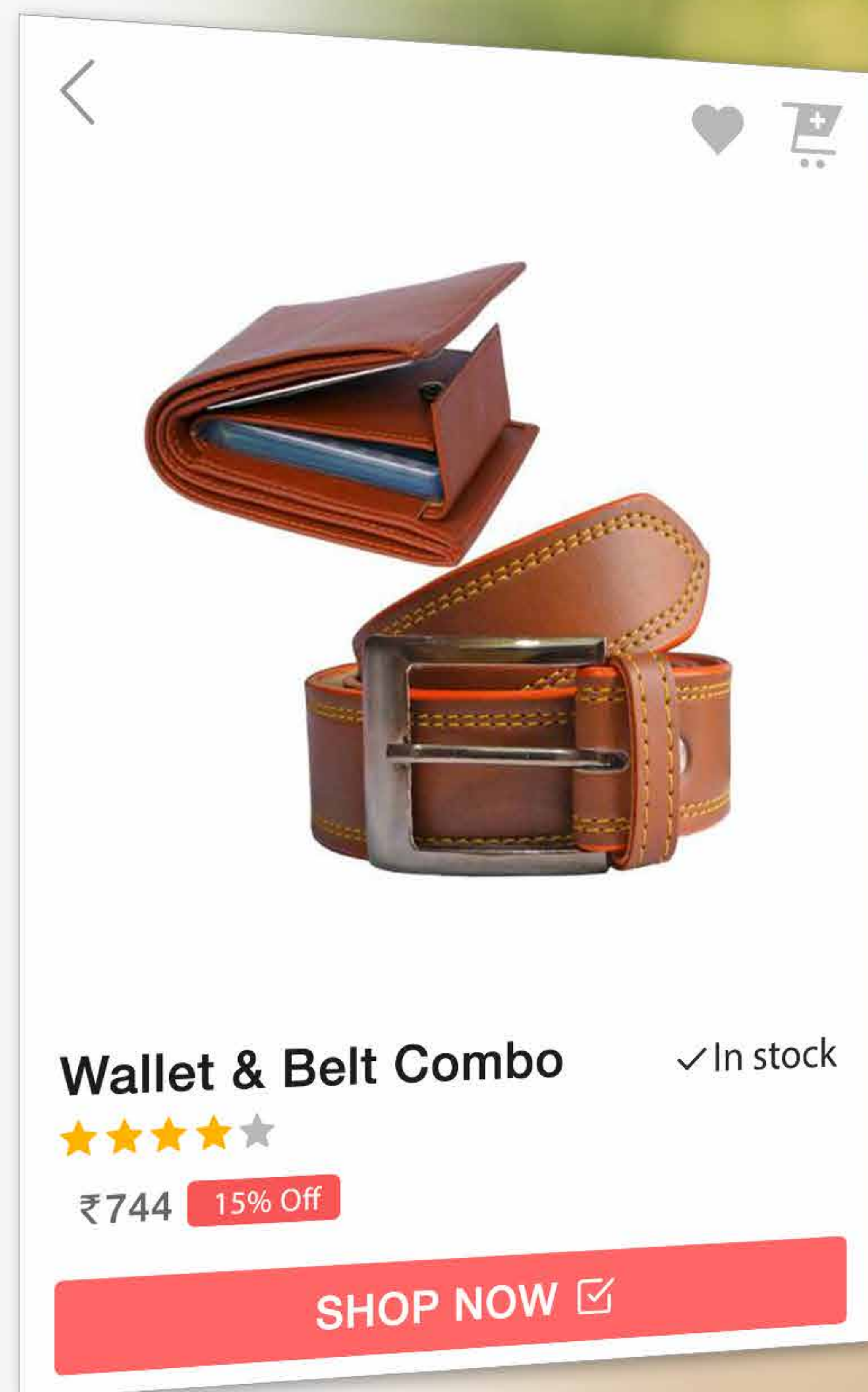
New Shoppers - Senior Citizens



- The new shoppers among the senior citizens have made purchases on SimSim and BulBulTV directly after watching video ads. They are also likely to shop on Facebook and Meesho in the future.
- Video commerce is very useful for this group of shoppers as they get to learn more about the product features in detail. They have more trust in the brands with product videos. This also gives them confidence in their purchase decision which keeps them coming

- Animated videos and product demo videos help in making purchase decisions too. Explainers and testimonial videos are also likely to help them with purchase decisions in the future.
- They mostly prefer video content up to 3 minutes long.
- Not very likely to purchase through a live stream.
- Moderately satisfied with video commerce.
- For the video content, they are fine with any language.

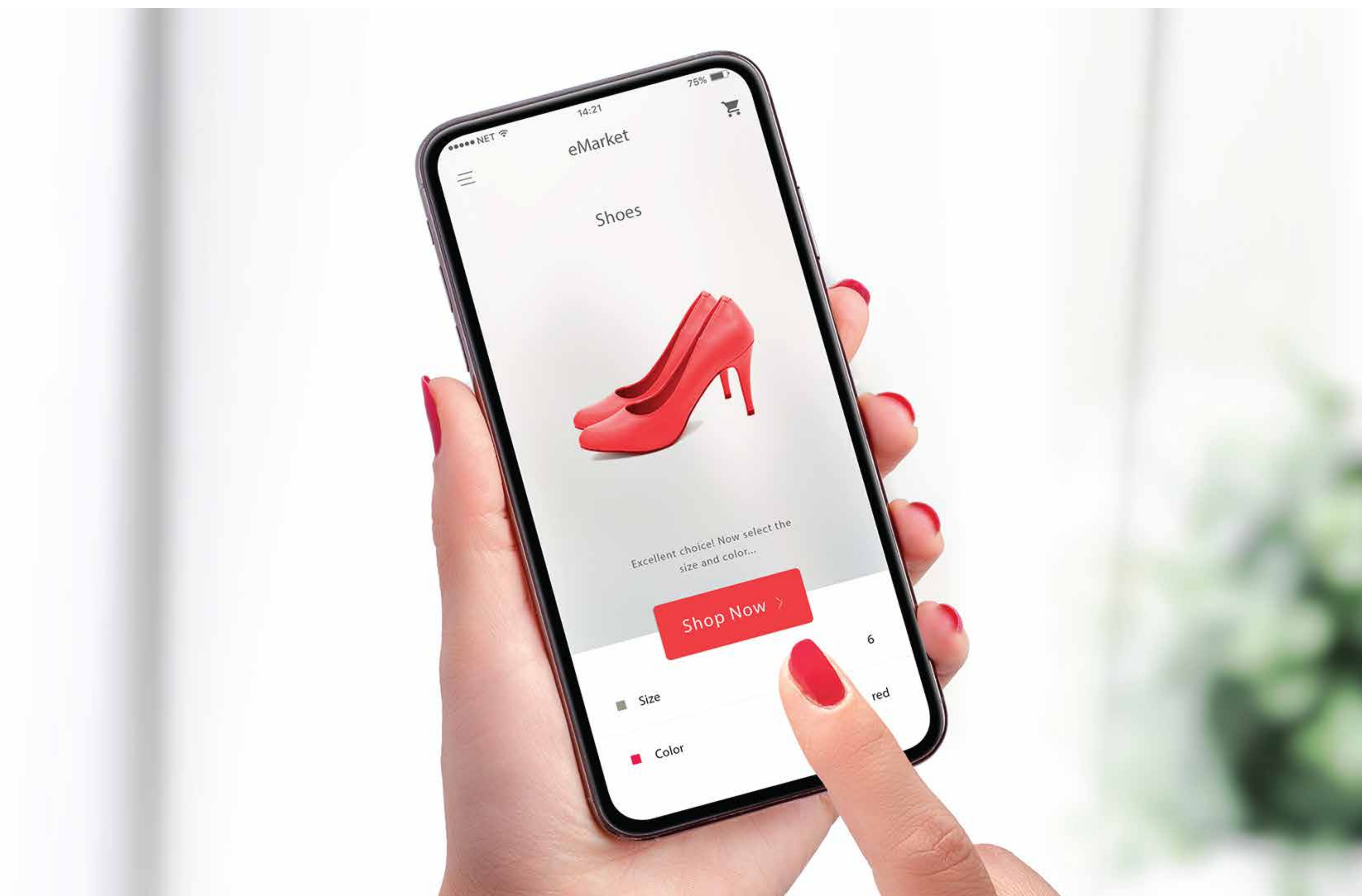
Opportunities and Challenges



Opportunities and Challenges

Video Commerce

Video commerce has become popular with more Indians moving online and discovering new ways of shopping through video platforms. When it comes to buying products, customers are interested and want to see what they are getting. Engaging video content tells a unique story even if brands invest heavily in high-quality product images, well-written descriptors as potential customers are more likely to know more about the products and services by watching video content. Video content receives a lot of traffic, and it also plays an important role in conversions. Video tells an immersive story about the products uniquely engages potential customers, and brings products to life.



Opportunities:

- Videos on social media platforms increase attention and have prolonged retention in the minds of the potential customers
- It offers businesses and marketers a higher rate of conversion, and it is the most powerful instrument in today's age
- During the pandemic, video content has gained immense traction as the most preferred form of entertainment, in-commerce videos and shoppable video content. Brands can use this format to streamline their sales
- Video commerce can help offline retailers to provide quality purchase experiences to the customers by integrating online shopping experiences and in-person interactions

Challenges:

- The amount of video content available online has made it difficult for brands to break the clutter and capture the attention of the audience
- The retailers and brands need to crack the digital game and understand the use of video commerce in their marketing strategies
- It is challenging for brands to have an immersive video commerce experience. Integrating various Indian languages in the shoppable video content and scaling it across product categories is a mammoth task

Technology giants like Google's YouTube acquired social commerce start-up SimSim, which serves as a platform to connect local businesses, influencers, and customers. There is a huge opportunity to capture the video-based social commerce market, especially live-stream-based e-commerce while the market matures. Consumers today are frequently looking out to streamline and enhance their experience and prefer instantaneous results. Shoppable videos offer these and keep the audience engaged, entertained, and provide an informative experience, making it the best way for brands to connect meaningfully through the medium of digital media.

Research Methodology

Quantitative research

Survey was conducted among a sample size of 2,314 video commerce users across age groups, gender, occupation, zones and town class using stratified random sampling to gather the required data.

Qualitative research

Conducted in-depth interviews with the industry stakeholders. Furthermore, in-depth interviews were conducted with consumers across age groups, gender, occupation and town class to identify the qualitative aspects.

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Sr. Creative Designer

Synopsis on Design

The central theme being “Digital Commerce”, the design look and feel of this report encompasses people at different times in different environments shopping indicating the ease of use of digital commerce. The visuals are a mix of real (images) and graphic pop-ups (virtual) which indicate the ecommerce bit and bring out the central idea better. The color palate of this entire series will be based on the platforms that exist across Social, Video, Voice, Hyperlocal and Festive Commerce.



Recogn, the research-based consulting division of WATConsult, complements the agency's knowledge of digital media over a period of 10 years with the understanding of the digital audience. Recogn provides marketers with deeper insights into the minds of consumers and helps create more focused marketing strategies. Recogn provides end-to-end research services like customized primary research into the domains of marketing strategy, brand strategy, product and communication strategies, among others.

Find more about Recogn at: www.watconsult.com/recogn/

Research Duration: August - September 2021



Ranked as the second-best digital agency in the country as per the Agency Reckoner by Brand Equity, WATConsult is a seasoned true hybrid full-service digital agency. The agency works with over 120 large Indian and global brands. Part of the Dentsu Aegis Network, it has a 340+ member team spread across Mumbai, Delhi & Bangalore.

Catering to the industry's diverse and ever growing needs, WATConsult has specialized divisions like Social CRM 24/7 for ORM, In-Depth Analysis, and Social Listening, Recogn for consumer research and consulting, InnoWAT - the agency's very own tech innovation lab, Ecommencify for an end to end eCommerce solution for brands & The Alter Project, the agency's most recent venture into cause marketing and delivering campaigns for the greater good.

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Research Methodology

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