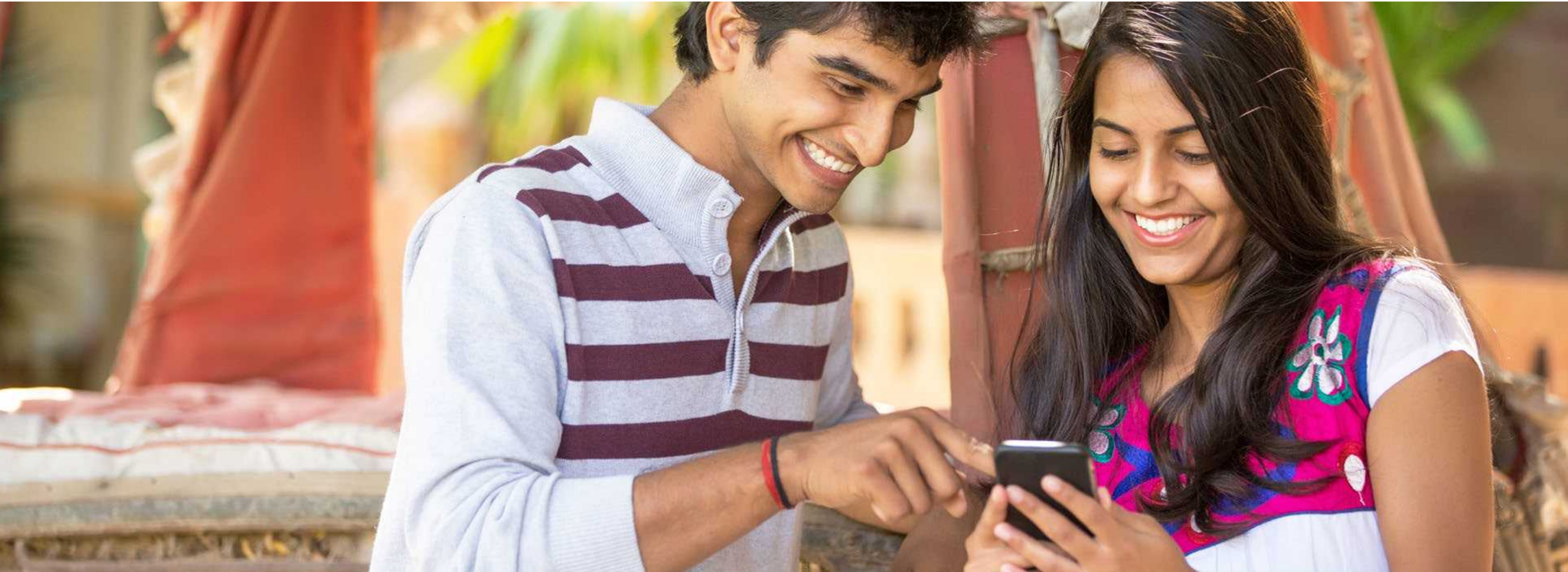


The Year in Search Report

What Google Search told us about consumer behaviour online.





▶ **India
comes
online.**

2017

400+
million
people online

330
million
connected smartphone
users

2020

650
million
people online

500
million
connected smartphone
users

Sources:
IAMA

Digital Classifieds in 2020, KPMG/
Google Report

Google BCG FMCG Report 2017

Themes

Top trends that emerged across verticals.

The Story of India 1 and India 2

Non-metros⁶ are emerging as the superstars

Digital Drives Business

Digital is no longer just another marketing channel, it's now responsible for bringing in money

Digital Transactions and E-Commerce

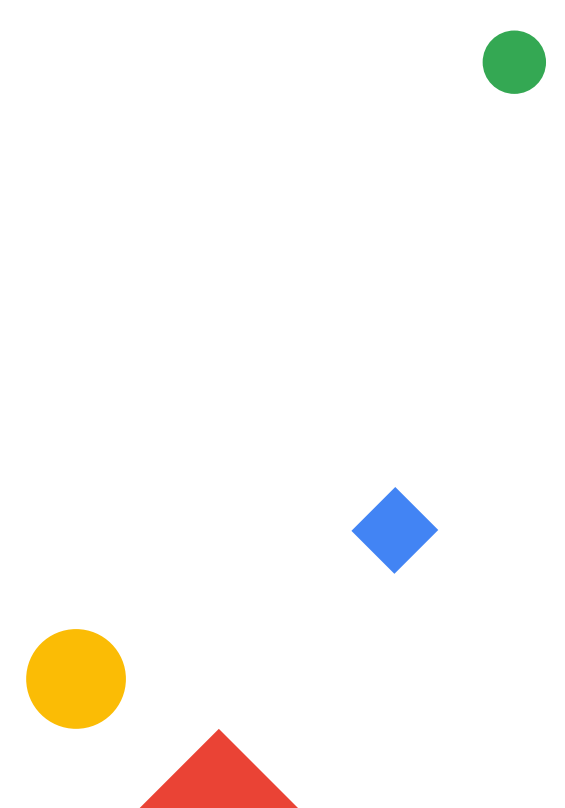
The former is driving the latter and vice versa

Growing Interest in Machine Learning and Artificial Intelligence

A lot of technology solutions are now embracing aspects of both

The Omnichannel Experience

Online and Offline are no longer two different ways to reach consumers, but part of the same purchase experience



The Story of India 1 and India 2.

Non-metros⁶ emerged as the superstars.



Non-metros⁶ (India 2) are catching up with metros¹ (India 1) in terms of internet usage. The three key pillars of voice, vernacular, and video are going from strength to strength in India's Tier 2³ cities. In auto and tech categories, non-metros⁶ have left metros¹ behind in terms of search volume, and in almost every category the growth rates for search queries are far higher for non-metros⁶ as compared to metros¹. Local language² searches too are slowly but surely rising throughout the country.

2 in 3

Searches are coming from outside the Top 6¹ metros

10x

growth in local language² searches

Source: Google Internal Search Data

Digital Drives Business

Research shows heavy impact of digital on sales across verticals like media and entertainment, FMCG, BFSI and auto.

In 2017, the term “digital” underwent a major paradigm shift; from a support function under a brand’s marketing strategy to an actual platform for business. In categories like auto there was a direct correlation between online research and offline purchase, with 20% of the sales in a leading OEM being driven by digital. Whereas in categories like FMCG and banking, entire transactions were being conducted online, with consumers relying on Search to educate themselves and also to look for products. For example, they’d not just search online for tips on hair care but also buy products that solved the problem. Similarly, they looked for information on mutual funds, and then purchased them or started an SIP account online.

20%

of a leading OEM’s sales are being driven by digital

Source: Business World

By 2020

the Internet will influence **\$45 bn** of FMCG sales in India -

i.e. 40% of the overall FMCG industry

Source: Google BCG FMCG Report 2017



Digital Transactions and E-Commerce

Both are changing the way business is done online.

Online consumer spending is expected to grow 2.5 times to \$100 billion by 2020, led by growth in e-commerce, travel and hotel, financial services and digital media. The online spender base will expand 2-3x it's current volume to reach 180-200M by 2020. Telco-owned mobile wallet⁴ services saw a 70% growth in searches, all numbers pointing to a robust e-commerce ecosystem.

174%

growth in "Payment Banks" searches while searches for "Mobile wallets" grew by 70%

Source: Google Internal Search Data

\$100 billion

The number online consumer spends will hit by 2020, **2.5x times** the current number

Sources:

Digital Consumer Spending in India: A \$100 Bn opportunity: Google & BCG Report
Google Internal Search Data



The Omnichannel Experience

From fingertips to footfalls;
Online and Offline are merging
to create a holistic story.

Multiple case studies with retail stores showed that the omnichannel shopper showed **up to 33% higher** in-store conversion rate.

Source: Tata Croma & Shoppers Stop Case Studies

Offline retail stores for fashion and lifestyle witnessed a **50% increase** in searches for “stores near me”

Source: Google Internal Search Data

The lines between online and offline blurred as the consumer experience became a seamless mix of the real and the virtual. Searching for stores became an integral shopping experience in the retail department, with a 50% increase for “stores near me”. There was an 80% increase in searches for stores that sell smartphones and laptops.

A staggering 79% of car buyers who watched an online video took action after watching it.

Source: Google Search Internal Data



Machine Learning and Artificial Intelligence

Newer technologies are being leveraged as marketing and business solutions.

Strewn across categories, we found examples that support a market primed to receive the benefits of AI and machine learning. In auto, car intenders were excited about 360 degree video and virtual reality potentially replacing test drives. Insurance players turned to AI-led solutions like chatbots to answer user questions for efficiencies at scale. Machine learning continues to heavily influence content consumption patterns on video-viewing platforms.

3x

increase in queries for smart home assistant devices

3x

increase in consumer interest around “Machine Learning” and “Artificial Intelligence” courses

Source: Google Internal Search Data

Auto

Banking, Financial Services and Insurance

E-Commerce

Education

Fast Moving Consumer Goods

Local and Classifieds

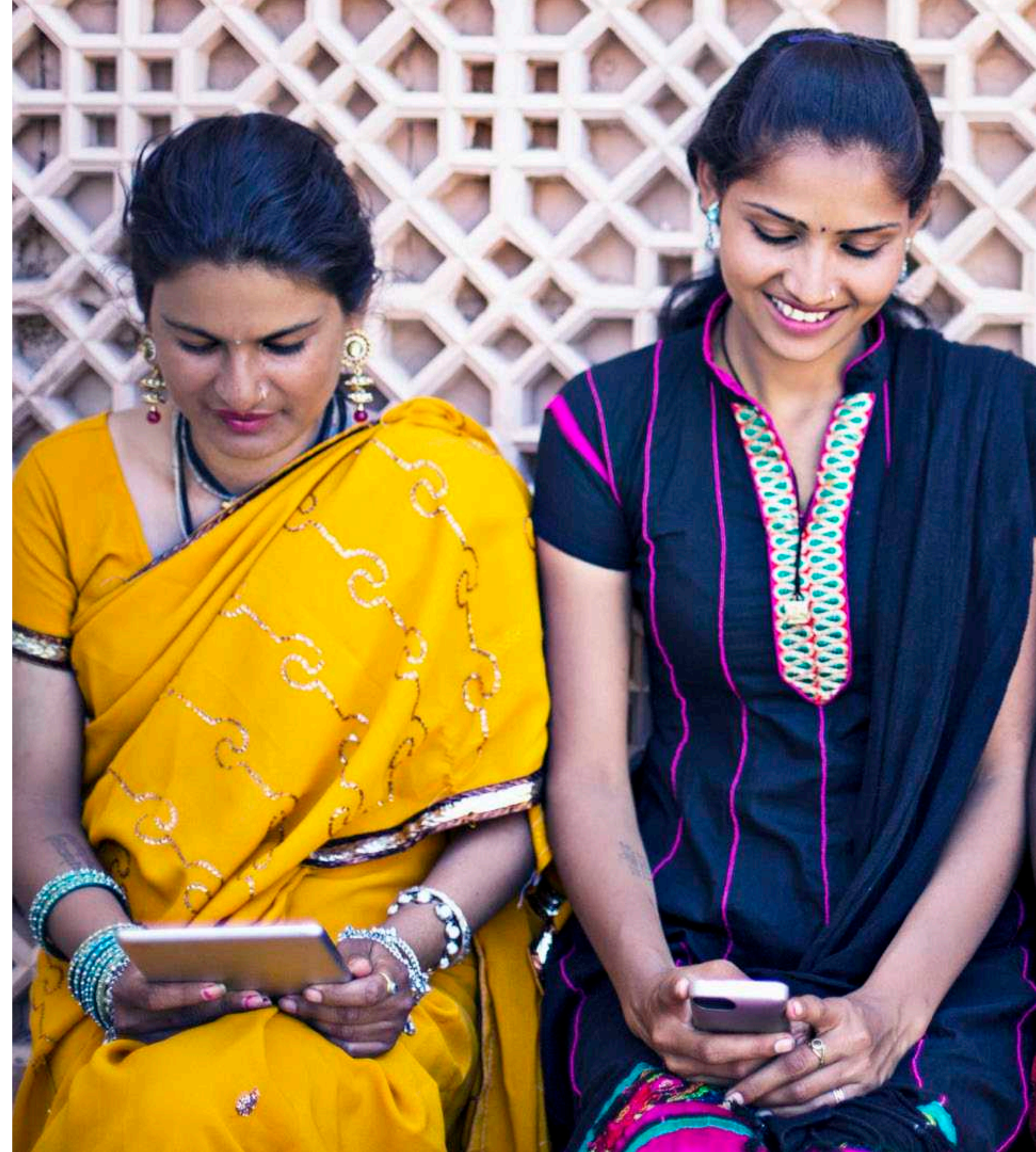
Media and Entertainment

Retail

Tech

Telecom


Travel



The Year in Search Report

Auto





Non-metros⁶ are accelerating to overtake metros¹.

Almost
60%
of all queries come from outside the Tier 1¹ states

50%
of non-English searches are in languages other than Hindi²

Categories related to auto are rapidly gaining interest.

Growth in queries for

Parts and accessories
43%

Two-wheeler insurance
100%

Financing
38%

Vehicle insurance
64%

Servicing
70%

26%

growth in dealer queries



growth in searches related to dealers on Maps in 2 years

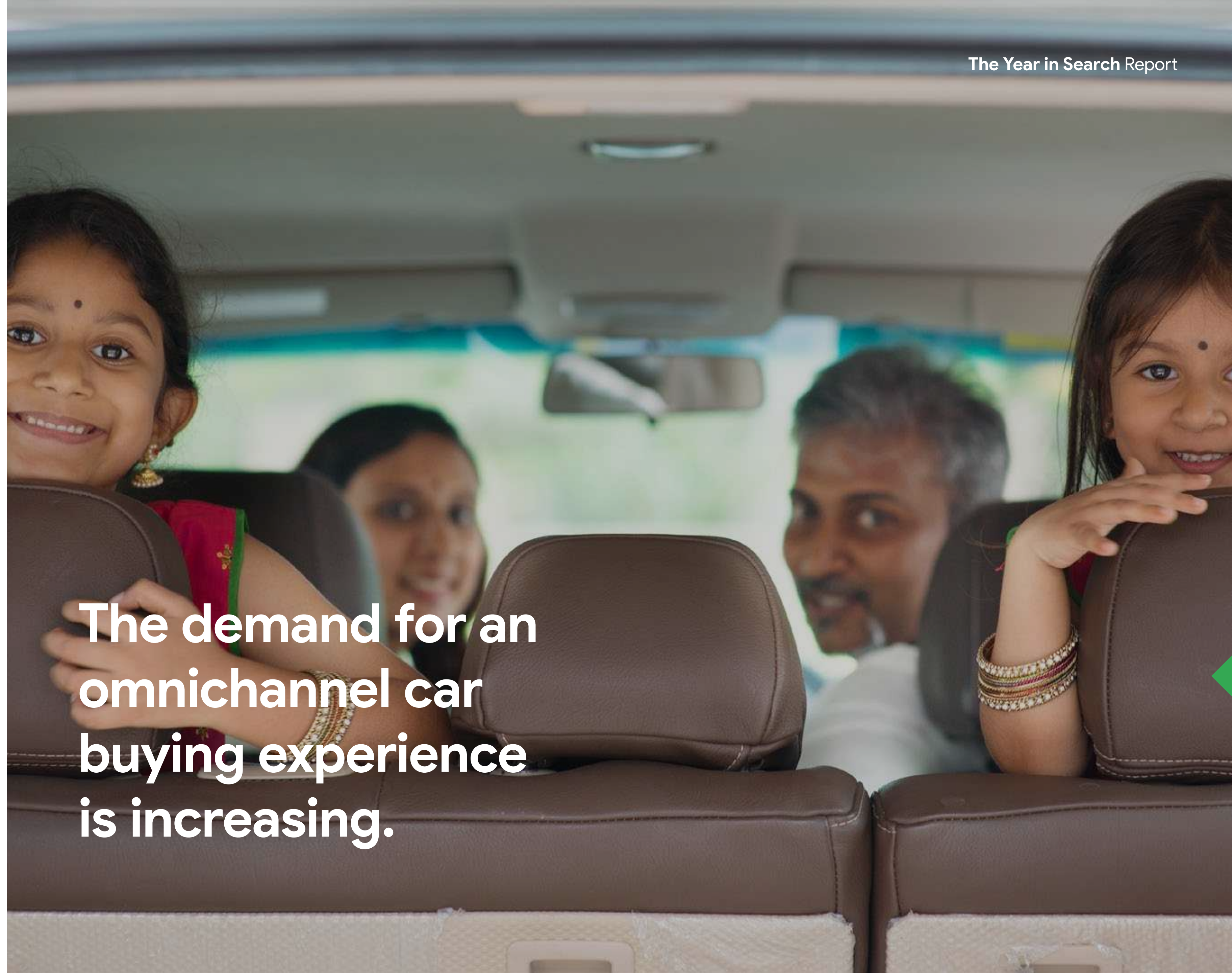
2 in 3

car buyers use Search to locate dealerships

20%

of an OEM's sales were driven by digital

Source: Auto Gearshift Study 2017



The demand for an omnichannel car buying experience is increasing.

50%

reduction in the average number of dealership visits during the car buying journey in the past 3 years

90%

of car buyers take 2 or fewer test drives

80%

car buyers watch online video during their car buying journey

and

79%

take action post watching

Offline touch points during a consumer's car buying journey are reducing with an increasing reliance on the web.



Car buyers agree that virtual test drives could take the wheel.

71%

of car intenders agree that a **360 degree video** could potentially replace a test drive

68%

car intenders agree that **virtual reality** could potentially replace a test drive

Source: Auto Gearshift Study 2017

100%

growth in queries for two wheeler insurance which forms a significant base among the vehicle insurance segment, which in turn is growing at 64%

Source: Google Internal Search Data

44%

of two wheeler buyers research online before their purchase

Source: Two-Wheeler Consumer Research Study 2017, Google GFK

Online research
for two-wheelers
is shifting gears.





Banking, Financial Services and Insurance



Curiosity for both personal and business loans saw a surge.

55%

growth in searches for SME loans

Top searches included keywords like

Business loans

2x
growth

Small business loans

1.5x

Startup business loans

1.5x

61%

growth in personal loans queries

60%

growth in home loans queries

2x

growth in queries for
“online savings account
opening”

3x


growth in queries for
“savings account interest
rate”

1.5x

growth in queries for
“online savings account”

41%

growth in queries for
savings accounts



More and more
Indians are looking
for banking solutions
online.

▶ It was a bullish year for mutual funds on Search.



72%

growth in mutual funds queries implying the success of investor education campaigns

65%

growth in ELSS (Equity Linked Savings Scheme) queries on mobile

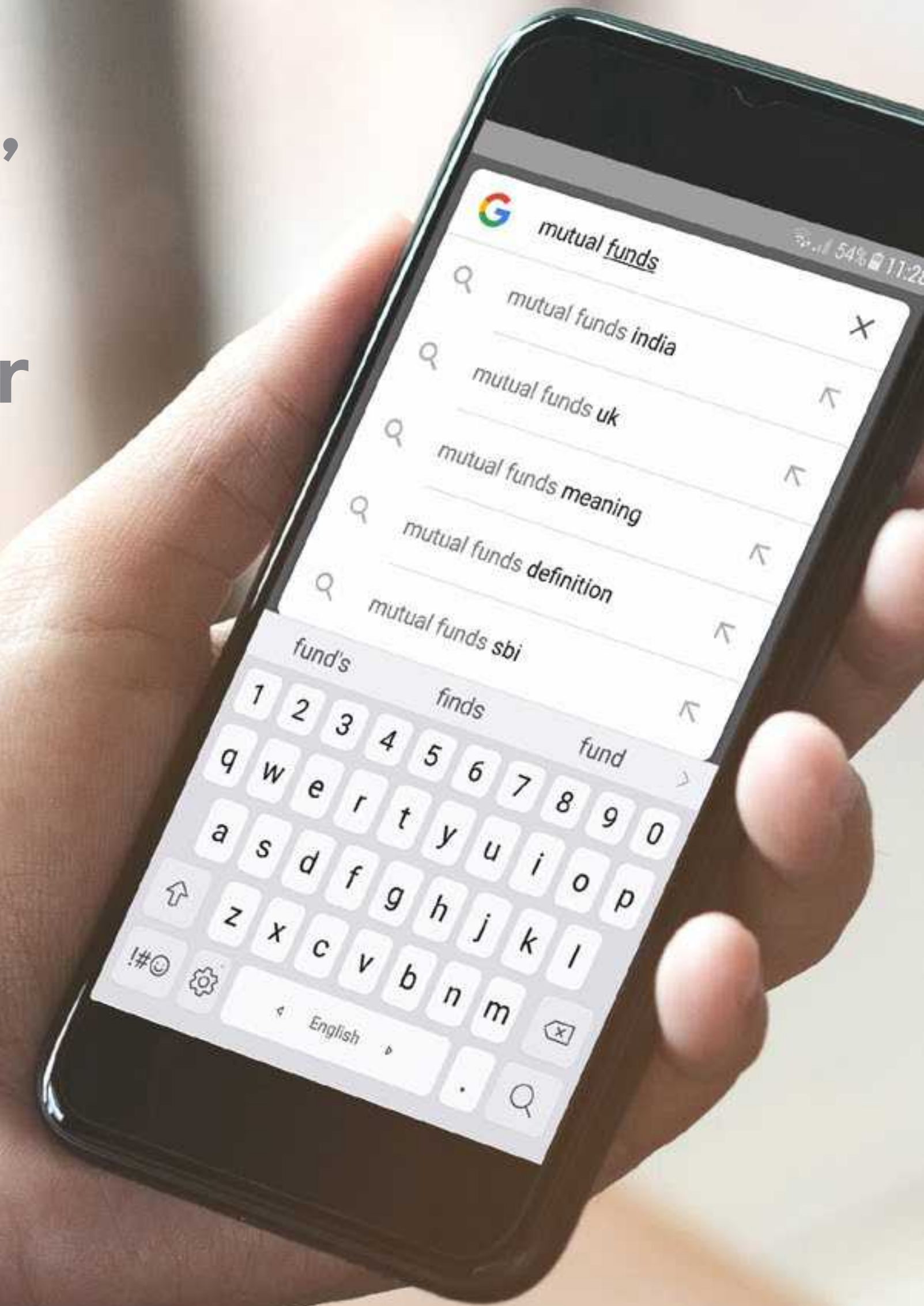
104%

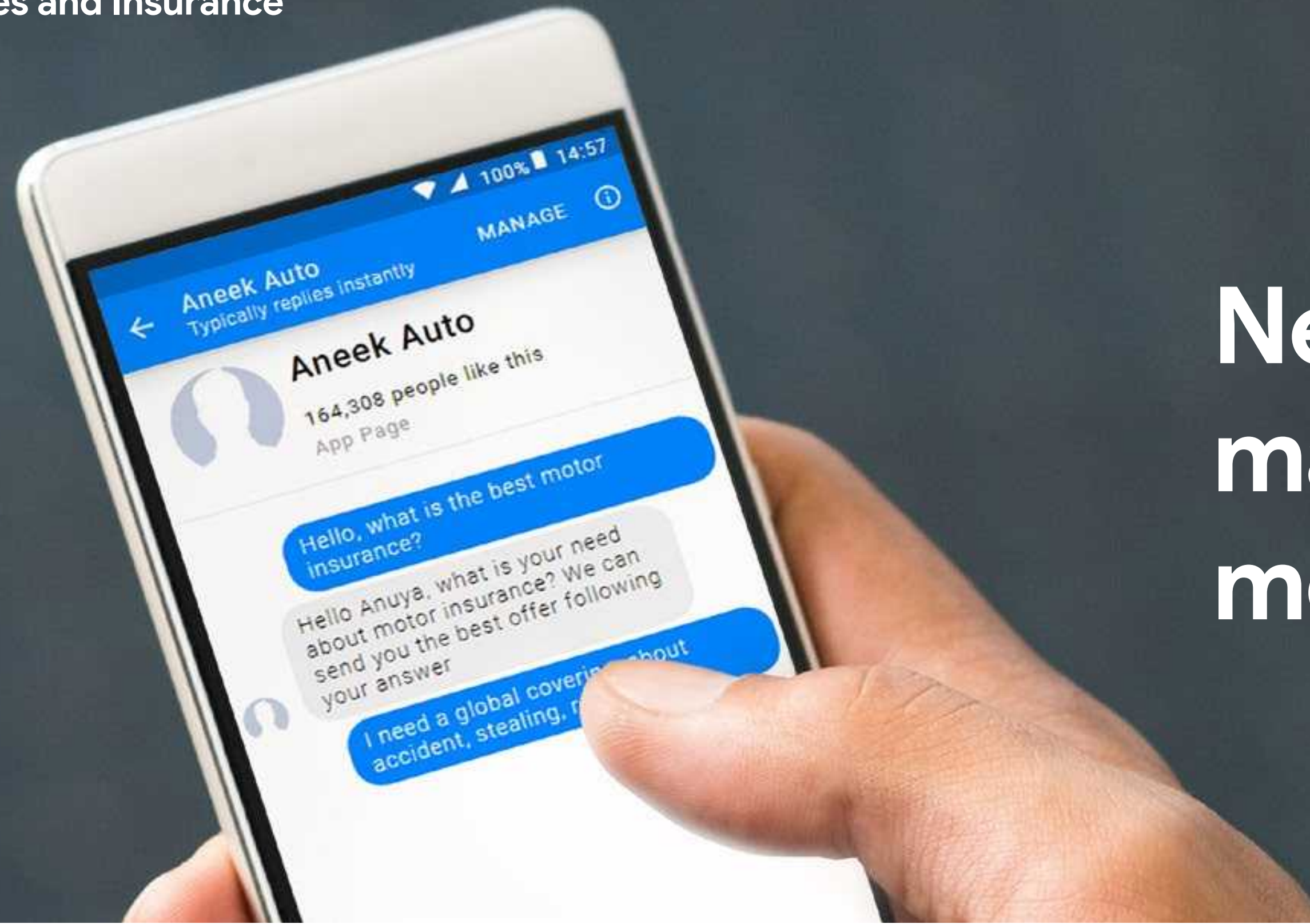
growth in search queries for SIPs (Systematic Investment Plans)

By augmenting video communication with a **"Search Bar"** as the call to action, BFSI brands have seen a positive impact on driving consideration and overall digital acquisition. This action made the audience search for that respective brand.

It's been included across mediums such as TV and OOH for maximum impact.

The **"Search Bar"** call to action is working in favour of BFSI brands.





New technology is making online sales more efficient.

64%

growth **in queries for motor insurance** are increasing lead volumes for clients, and so insurance players have turned to tech-based solutions like chatbots for efficiencies at scale

For consumers this means a seamless experience, and for businesses this means improved processes and efficiency

Businesses have also started using machine learning for speech to text translations and sentiment prediction of call centre transcripts

Source: Google Search Internal Data

The Year in Search Report

E-Commerce



2017 saw the steady rise of e-commerce, as more and more women and residents from non-metros came online and indulged in shopping.

In 2017

41%

growth in shopping queries

By 2020

Digital spending is expected to grow **2.5x**

from ~\$40bn to ~\$100bn led by e-commerce (\$18-45bn)

Women shoppers will increase **2.5x**

and 35+ shoppers will increase more than 3x compared to 2017

Source: Google Search Internal Data

Source: Digital Consumer Spending in India: A \$100 Bn Opportunity, BCG & Google Report

53%

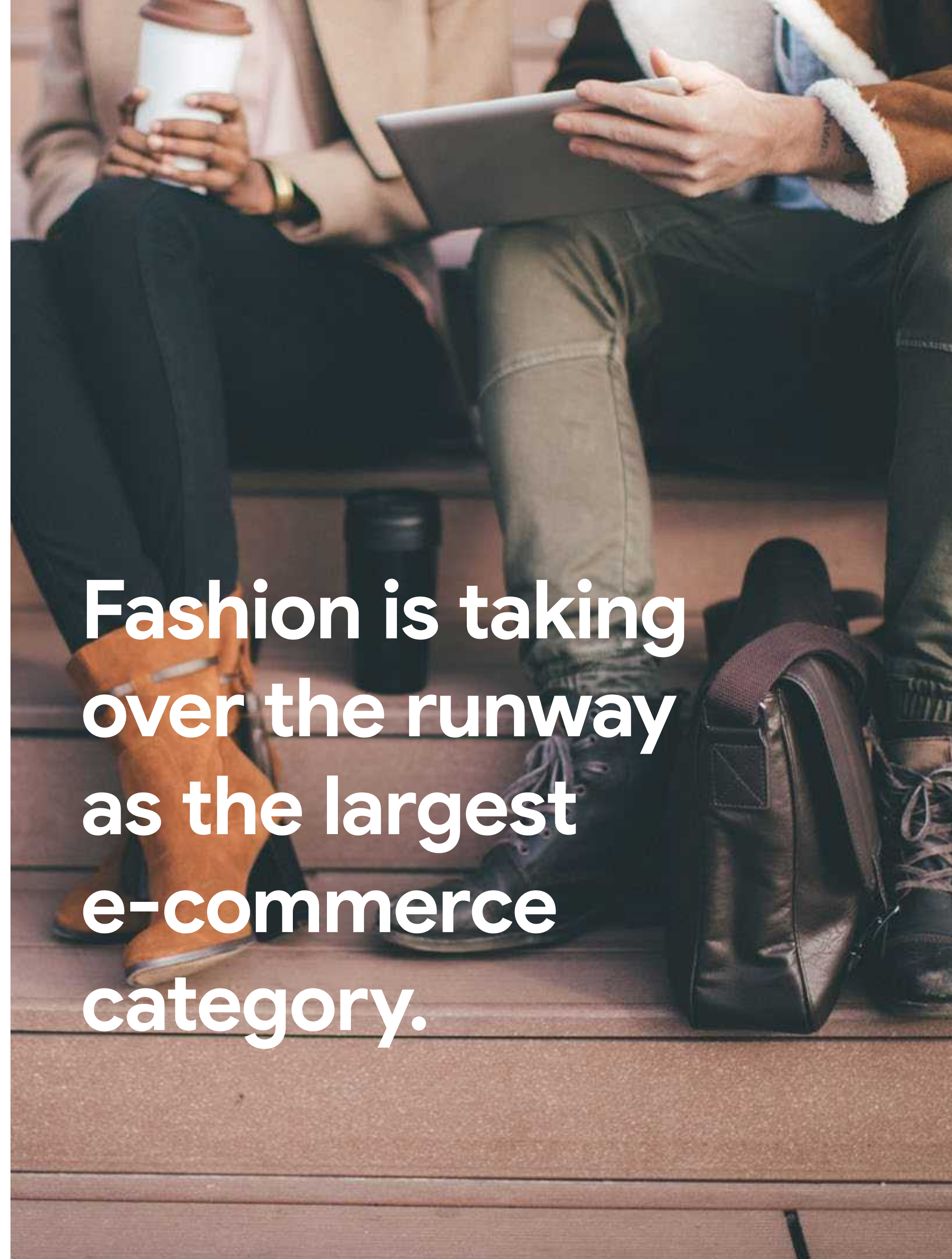
growth in fashion e-commerce queries

78%

online shoppers in India have purchased fashion and lifestyle products through e-commerce websites in their lifetime

38%

growth in apparel queries, which is the largest share of fashion searches



Fashion is taking over the runway as the largest e-commerce category.

63%

of apparel searches are coming from the Top 8 cities⁵ of India, while growth is being driven by the non-metro cities⁶, growing at 75%

Highest growth markets are Lucknow, Jaipur, Indore and Chandigarh

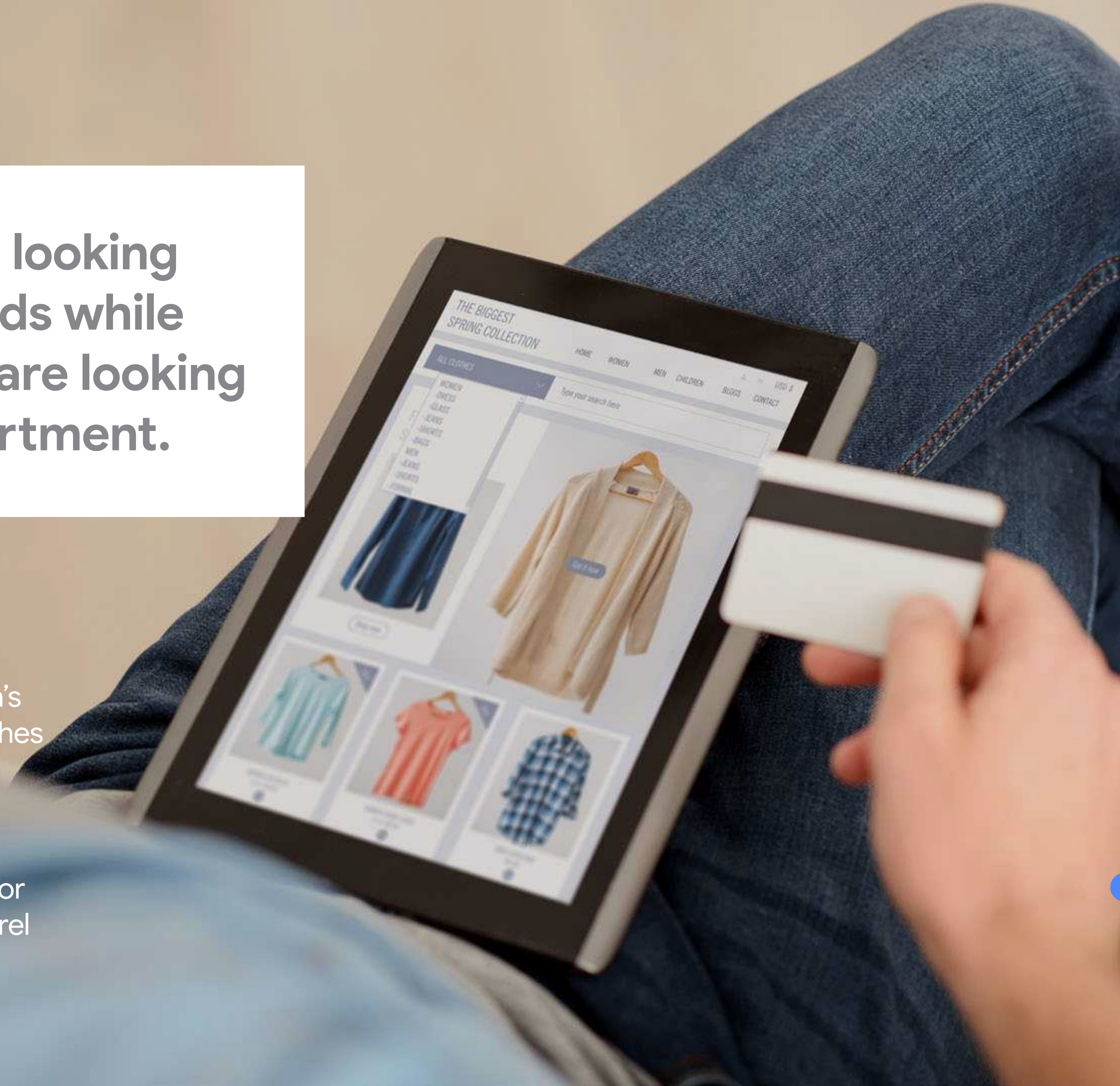
1 out of 3

fashion-related queries are research-based, i.e. “How to” or “What are” queries.

Men are looking for brands while women are looking for assortment.

96%
growth in men's clothing searches

28%
were looking for branded apparel



73%
growth in women's apparel queries

65%
women were searching for dresses

92%
of women apparel searches are brand agnostic

By 2020

more than

50%

of the total online shopper base will come from non-metros⁶.

In 2017

45%

shopping queries are from non-metros⁶, vs 36% in 2016;

Highest volume of searches from Lucknow, Jaipur and Indore

Online shopping is growing beyond the 8 metros⁵, and the use of local languages² is going up.

20%

growth in searches from Top 8 metros⁵

41%

growth in searches from other cities

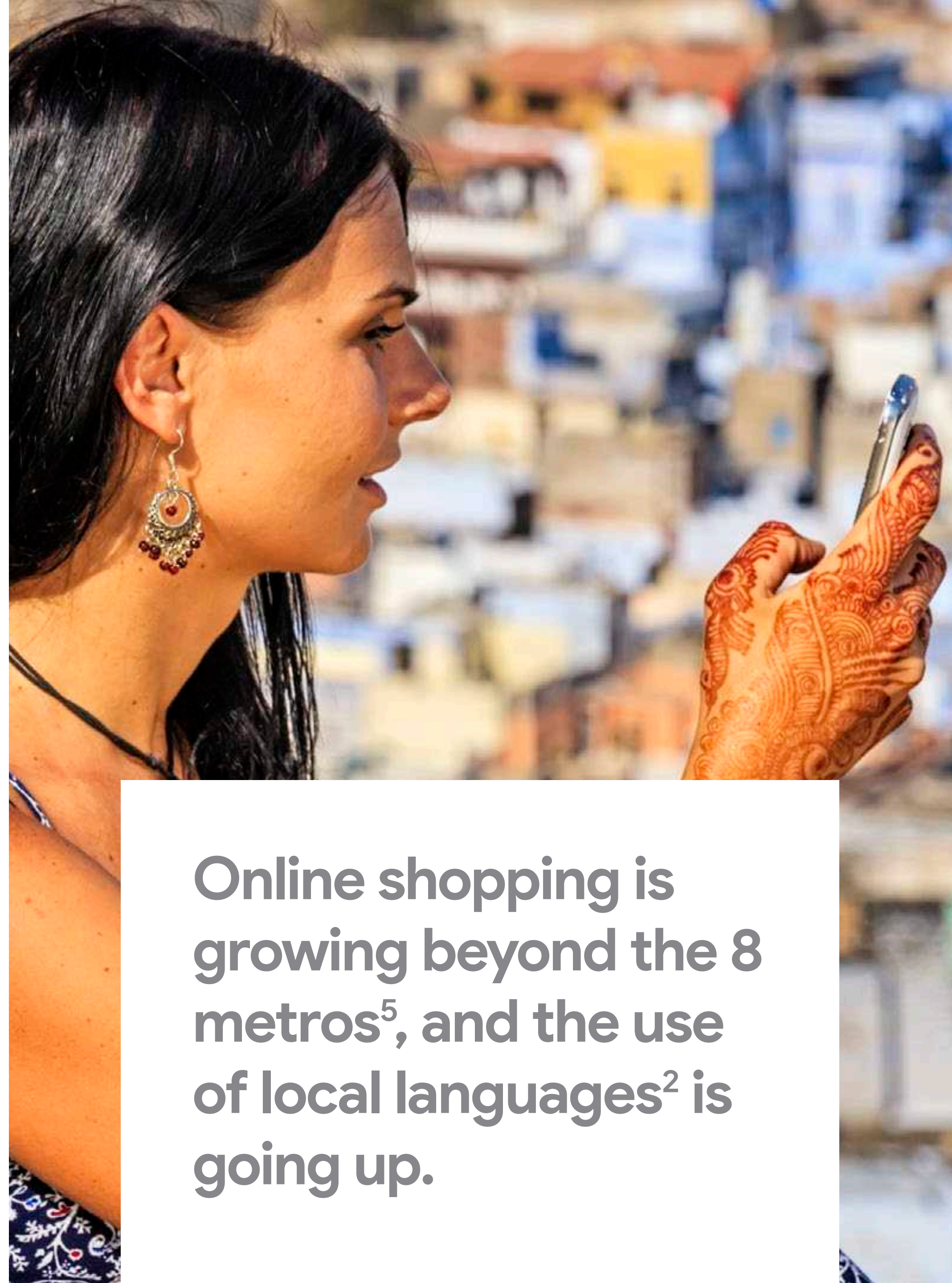
Fastest growing non-metro cities⁶ are: **Guwahati, Patna, Chandigarh, Indore**

61%

growth for searches in Indian languages, 88% of these queries came from mobile.

Hindi searches command the highest share of Indian language searches, followed by Marathi and Tamil.

Source: Google Search Internal Data



Consumers are conducting extensive online research before they buy a particular brand or product.

Baby care:

one of the fastest emerging categories on Search, growing at 36%

76%

queries around parenting, growing at 35%

73%

queries are maternity and newborn related v/s 3% around childcare

Source: Google Search Internal Data

Grocery:

the fastest growing segment with an average growth rate of 65-70% between 2017 and 2020

56%

growth in food and grocery queries

Source: Crisil report

The Year in Search Report

Education



With learning rapidly coming online, education searches aren't far behind.

By 2021

Online education will become a \$2 billion industry growing at 8x

Paid user base will grow 6x from 1.6 million users to 9.6 million users

2x

growth in online searches around education in the last two years

4x

growth in online educational content consumption on YT

44%

of searches from beyond the Top 6 metros¹ in 2017 for **online education** compared to 35% in 2016

Source: Google Internal Search Data

Cities like **Patna, Kota, Guwahati, Allahabad** have grown more than

100%

Source: Online Education Study by KPMG in India and Google 2017

Non-metros⁶ are swiftly waking up to the power of online education.



There was a definite rise in interest for courses that teach new technology.

7x

more interest in blockchain courses

3x

more interest in “Machine Learning” and “Artificial Intelligence” courses

130%

growth in “Cloud Computing” courses

The Year in Search Report



Fast Moving Consumer Goods



Digital spearheads business for the Fast Moving Consumer Goods category.

By 2020

Internet will influence **\$45 billion** FMCG sales in India.

i.e 40% of the industry

\$6-7 billion worth of FMCG products will be sold online.

This will be 1/7th of the overall influence of Internet

Source: Google BCG FMCG Report 2017

Households with digital access are spending **2x** as much money on FMCG products.

Example: Non-digital households spend x on deodorants, whereas digital households spend **3.7x**

Personal Care:

Deodorants 3.7

Diapers 2.8

F&B:

Soups 5.4

Chocolates 2.9

Home Care:

Air Freshener 4.4

Floor Cleaner 2.4

Source: IMRB Kantar Worldpanel 2016

The beauty industry is exploding online for both women and men.

60%

growth in search queries for beauty with the following top categories

hair care
50%

skin care
25%

makeup
20%

46%

growth in searches for natural remedies

Source: Google Internal Search Data

50%

growth in searches around male grooming, with highest search share of shaving, followed by deodorants

Source: Google Internal Search Data

Beauty content has overtaken food on YouTube, with a 2.5x increase in watchtime in one year

Source: YouTube Internal Data

Parenting is moving online as Search and YouTube influence baby care buying decisions.

2 in 5

use Search during their research

5 searches on average during path to purchase

1 in 3

baby care buyers use online videos on their path to purchase

Source: Kantar TNS: Path to Purchase Research Baby Care 2017

4x

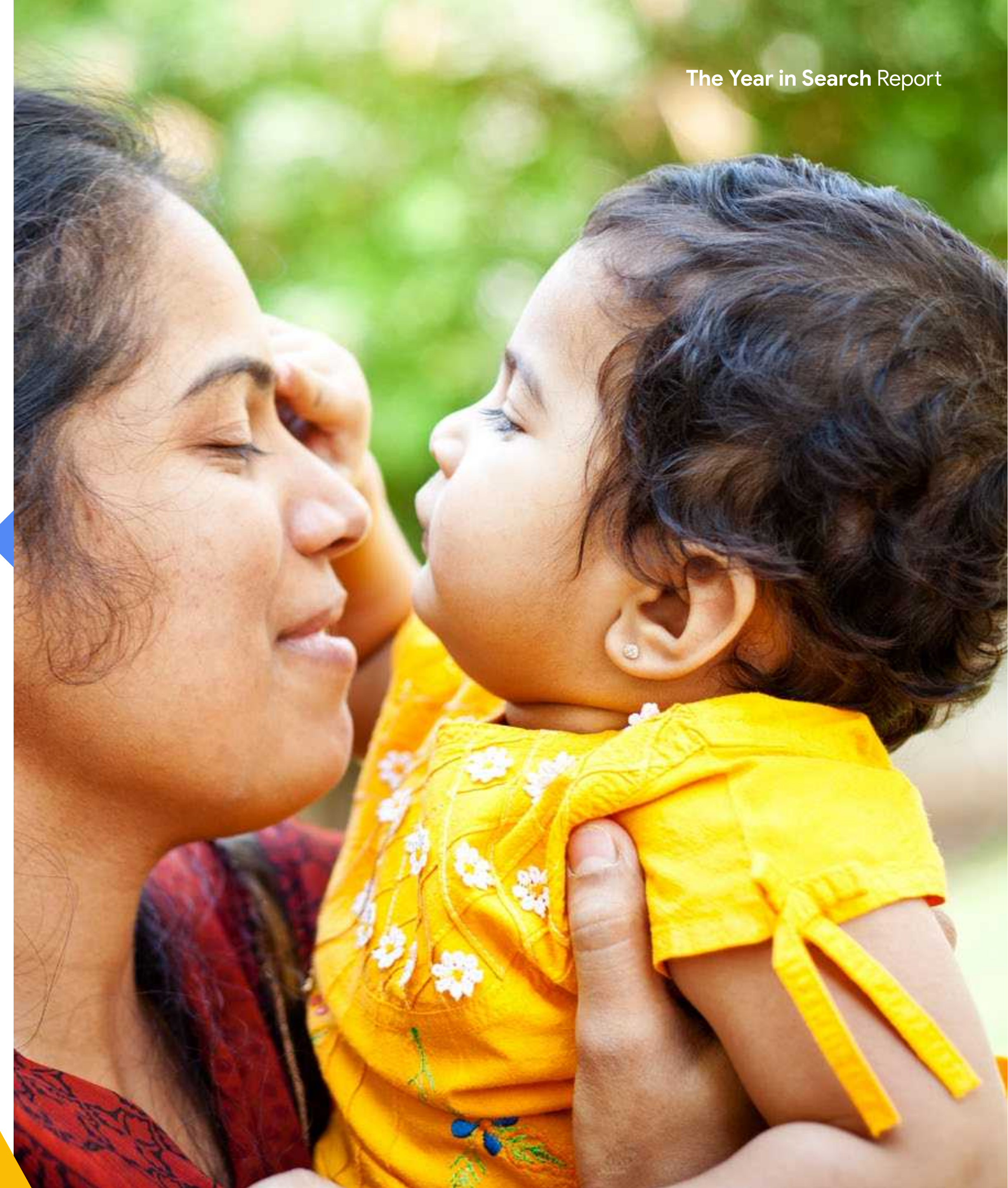
growth in watchtime for baby care videos on YouTube

Source: YouTube Internal Data

2x

increase in searches for pregnancy-related apps

Source: Google Internal Search Data



70%

of searches are coming from outside of the Top 6¹ metros

80%

searches for recipes are coming from outside of the Top 6¹ metros

Non-metros⁶ are growing much faster as compared to metros.

100%

growth in search in Indian languages²

3 out of 4

Indian language searches are for Hindi content

Top Indic searches are

हेयर स्टाइल
ब्यूटी टिप्स
रेसिपी



Consumers are seeking information on healthy living.

100%

growth in interest for
Fitness Trackers

50%

growth in interest for
Healthy Recipes

**Ketogenic diet and
Gluten free**

were the **top searched**
terms

Consumers are using food for
better performance

3x

increase in searches for
“what to eat before exam”

2x

increase in searches for
“brain food”

There has also been a
10x increase in searches for food
outlets “near me” in the past year

Source: Google Search Internal Data

The Year in Search Report

Local and Classifieds



2x

growth in online gaming queries

50%

growth in gaming's share of entertainment is predicted by 2021

137%

growth in mobile gaming queries, with mobile now accounting for 70% of the searches

55%

of gaming searches came from outside of the Top 6 Metros¹

Source: Online Gaming in India - 2021

Sport is moving from the court to our palms.

Online gaming is growing at a staggering rate, year on year.

Online gaming is expected to grow from a \$290 million industry in 2016 to a billion dollar industry in 2021

Online gamers are expected to grow 2.5x from 120 million to 310 million by 2021

For definition of "online gaming" see point number 7 in the "Glossary"



Super fast home delivery of food is becoming a habit for Indians.

70%

growth in queries for online food ordering

Source: Google Internal Search Data

The online food ordering sector has now grown to **4 lakh** average daily orders

Source: Business Standard



38%

growth in dating and marriage matching over 2016

65%

more growth from non-metros⁶ than from metros¹

2.8x

growth in queries for dating apps in 2017 over 2016

Search is playing both headhunter and matchmaker.

2.4x

growth in searches for jobs from Tier 2³ cities

40%

growth in searches for jobs over 2016

Interest in real estate is growing.

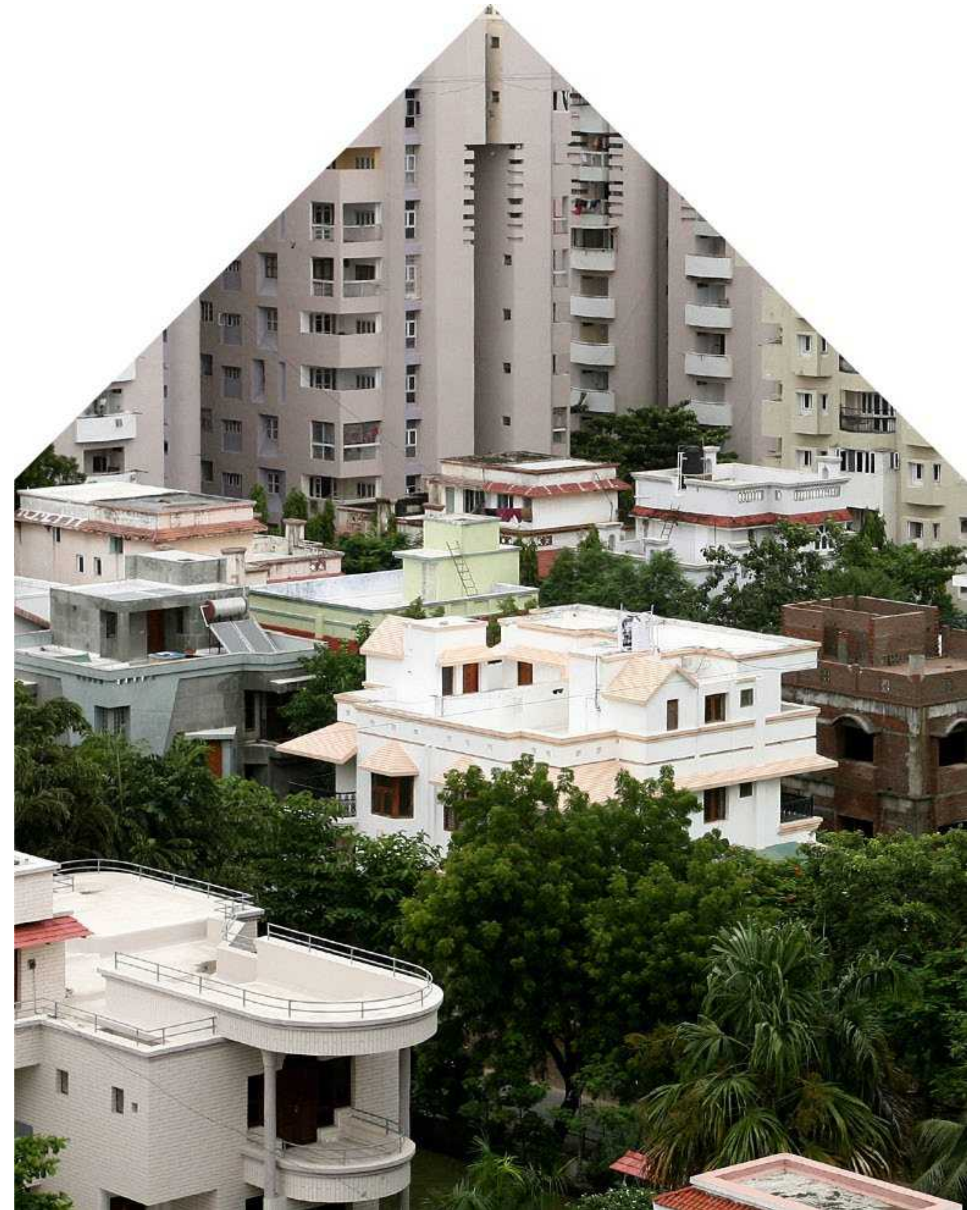
43%

growth in queries for real estate

49%

growth in queries for affordable housing

Source: Google Internal Search Data





Media and Entertainment



1.3x

more traction in its release week for Bahubali as compared to a leading annual cricket league in India.

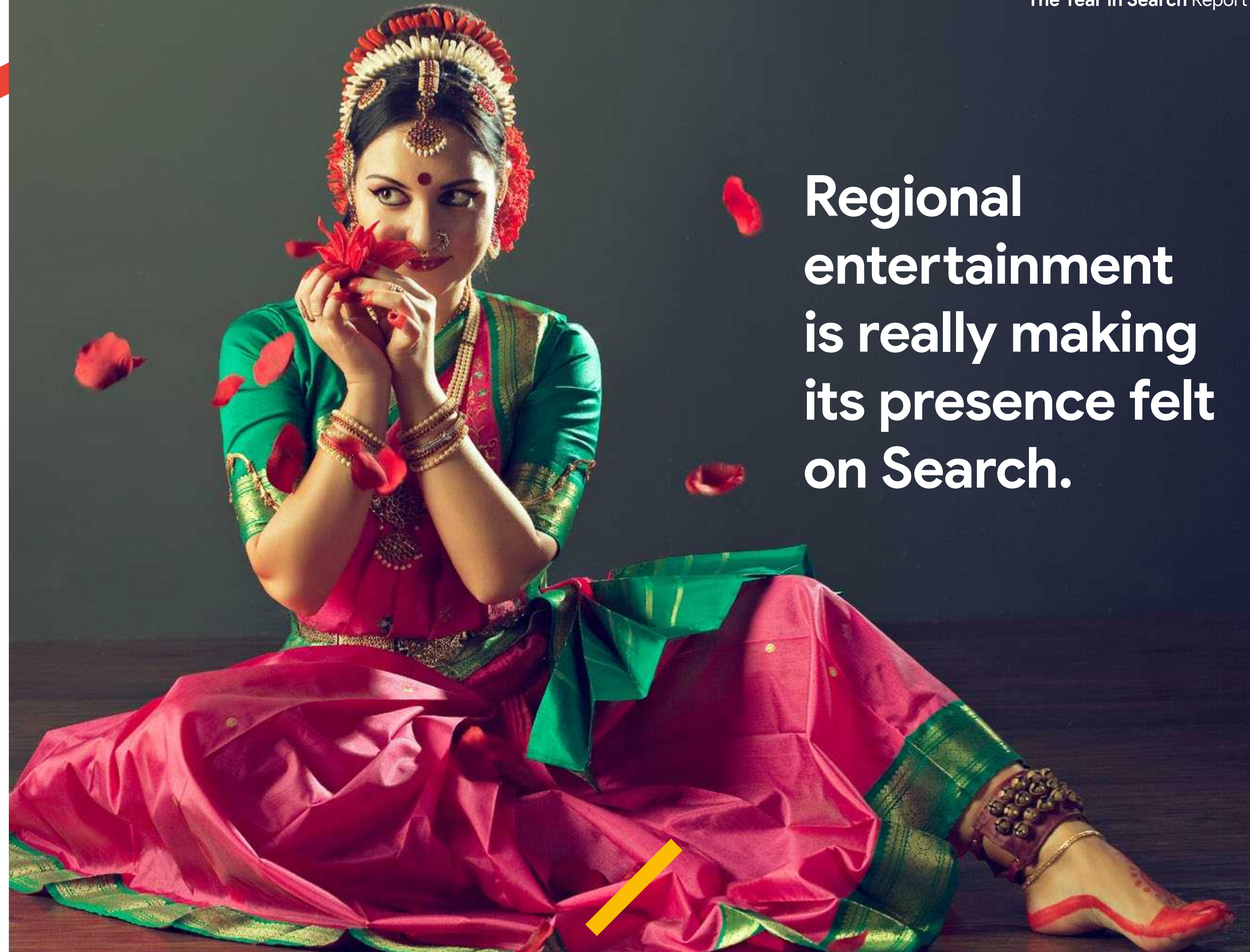
Source: Google Search Internal Data

▶ 100%

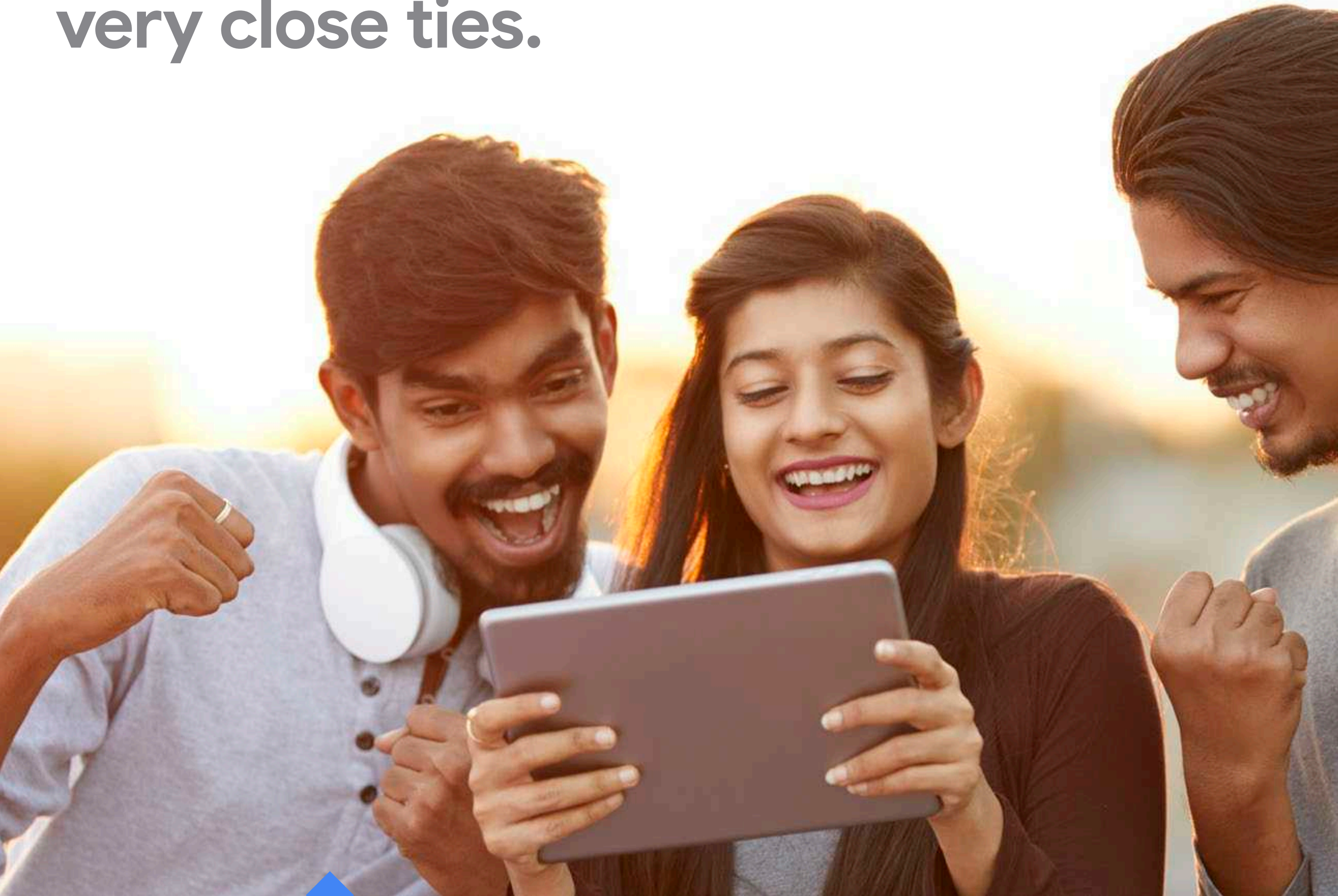
growth in regional entertainment watchtime on YouTube

Source: YouTube Internal Data

Regional entertainment is really making its presence felt on Search.



Digital and TV are forging very close ties.



171%

growth in watchtime for
content related to TV
on YouTube

Source: Google Search and
YouTube Internal Data

Research across broadcasters shows conversions amongst General Entertainment Channel viewers when exposed to the online ad for a show

Source: Google Brandometers run across
four Broadcasters, 2017

3.5x

lift in claimed viewership amongst
users who were exposed to the
online ad for the GEC show

Source: Google Brandometers run across
four Broadcasters, 2017

People hit play on more Over the Top (OTT) platforms and Video on Demand (VoD) services than ever.

YouTube trailer views and watchtime continue to correlate with box office collections at **90%** proving traction of content across platform boundaries, and impact of digital exposure on sales

Digital solutions driven by innovative platforms and machine learning helped in content discovery, e.g. Voot was able to cut CPAs by **80%** with automation and data driven creatives.

Source: Think With Google

60%

growth in demand for OTT players and their brands

Source: AppAnnie

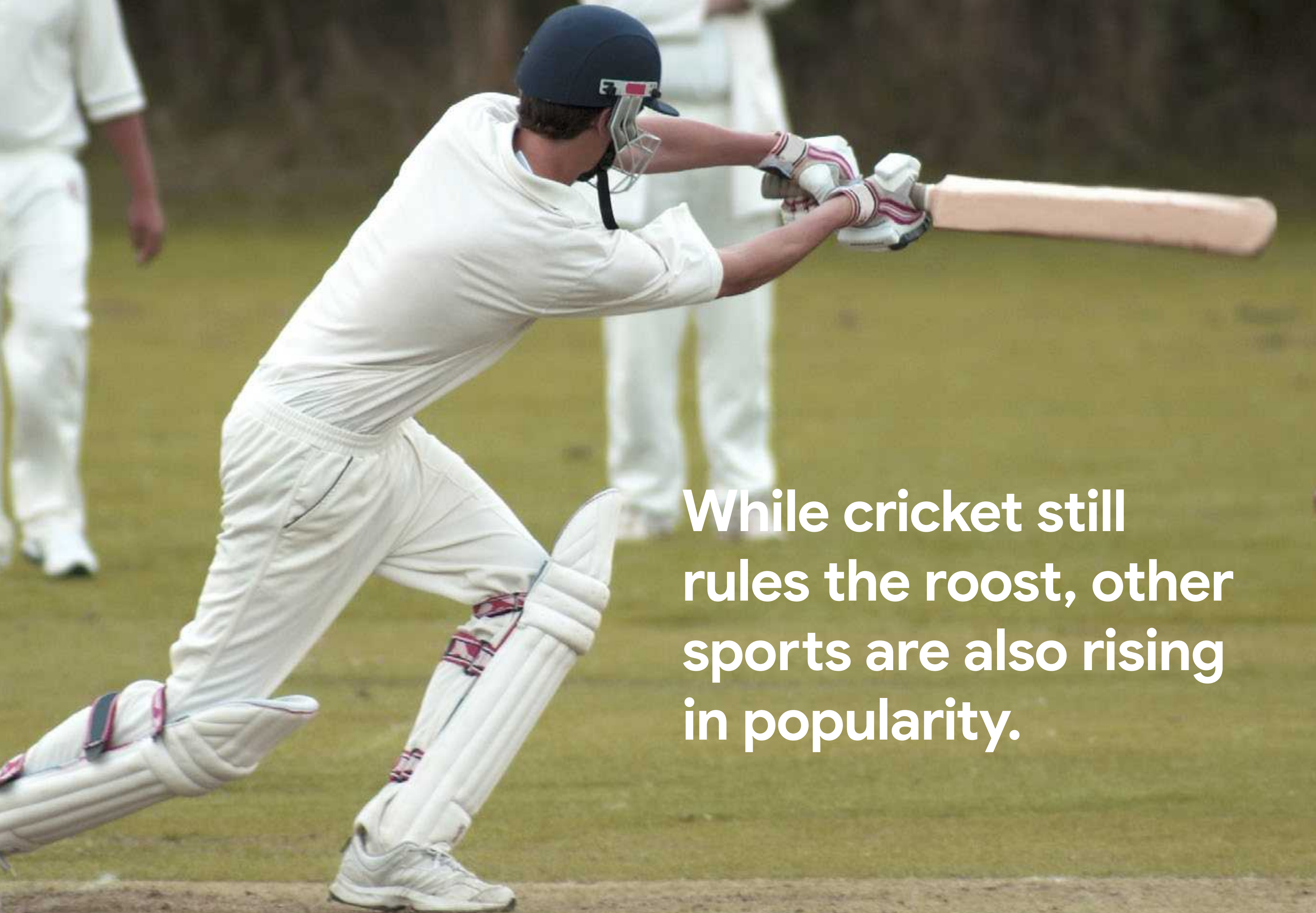
71%

growth in non-metro⁶ India for VoD

Source: Google Internal Search Data

OTT apps also invested in making the mobile web experience smoother with progressive web apps as India 2 came online - for example, Voot's PWA session time per user increased by **39%** and daily views per user by **15%** within days of implementation.

Source: Google Developers Blog



While cricket still rules the roost, other sports are also rising in popularity.

40-50 Million

queries in a day for the India-Pakistan match in 2017 - the highest ever traction for a single match in a day

200%

more traction on Search this year for **Pro Kabaddi League** as compared to last

Retail



50%

increase in “near me” searches for specific stores in the past year

39%

of smartphone users who conducted a local search, visited a store within a day

● **The omnichannel shopper is not only buying online but is also searching for brick and mortar stores to shop at.**

Sources:
Digital Retail in India 2020;
A Google-A.T.Kearney Study, 2016





The omnichannel shopper is proving to be more valuable for business.

Shoppers Stop, a large multi-brand retail store in India, worked with Google to connect digital marketing spends with offline sales. Google's O2O solution 'Store Sales Direct' multiplied the impact of their digital investments and got **2.5x Return on Ad Spends (ROAS)**.

Leading retailers like Croma and Big Bazaar are seeing similar results for customers influenced by Search.

Across leading retailers like Shoppers Stop, Croma and Big Bazaar, store visitors influenced by Search on an average have **30%+ higher** basket size as compared to the average customer.

20% better ROI via mobile: Mobile drives more customers to stores and delivers 20% better ROI.

Tech



Consumers in non-metros⁶ embraced the increased internet penetration by enthusiastically researching and buying tech.

Cities like Agra, Lucknow, Patna, Jaipur, and Indore drove the growth in Search queries across laptops, smartphones, and consumer electronics.

Agra

Lucknow

Patna

Jaipur

Indore

Queries from non-metros⁶ growing at over 4x the pace of the metros¹.

Source: Google Internal Search Data

Search was an electronics shopper's go-to for research before a purchase.

63%

growth in queries for smartphones

42%

growth in queries for personal computers

45%

growth in queries for consumer electronics

80%

growth in queries for "Stores near me" across smartphones, PCs and consumer electronics

75%

growth in queries for online purchases across the three categories
(Surge of 1.5x around big e-commerce sale days)

60%

growth in queries for air purifiers from metros¹ like Delhi

650%

growth in queries for OLED TVs, the latest in TV technology

140%

growth in queries about gaming PCs, though it remains a niche category

India is waking up to new technologies.

3x


more consumer interest in smart home assistant devices

2x

more consumer interest in smart homes, lighting, and appliances

2x

more interest in smart watches and fitness bands



Businesses want to go digital, and hence are looking for software online.

50%

growth in accounting software, where India has become the largest market (1.2x of the US) with the rollout of GST

30%

growth in web domains, website builder, and hosting searches specially via mobile (+100%) indicate an increasing trend among Indian businesses to build an online presence

25-50%

growth in CRM, HR, and Finance/ Payroll SaaS categories, almost 10x the growth rates in large economies like the US

The Year in Search Report

Telecom



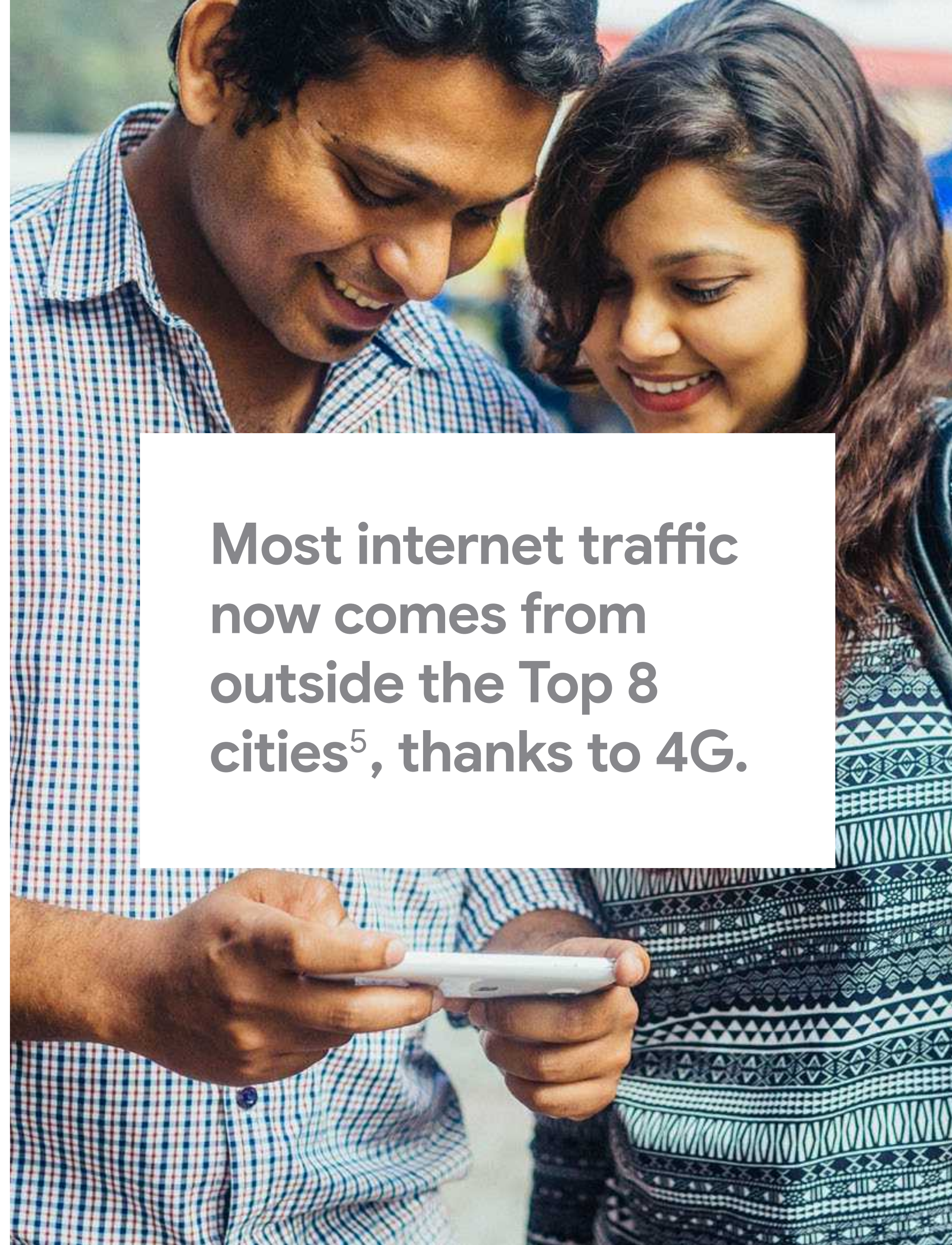
43%

queries for internet services came from outside the Top 8 cities⁵, growing at 2x the national average

40%

of searches came from outside the Top 8 cities⁵

Source: Google Internal Search Data



Most internet traffic now comes from outside the Top 8 cities⁵, thanks to 4G.

Hindi searches for top 4 telcos⁸ grew to 5x of the volume during 2016

Source: Google Internal Search Data

30%

higher video watchtime on 4G from cities outside of the Top 8⁵ as compared to the Top 8⁵

Source: YouTube Internal Data

4G

is responsible for a rapid change in internet consumption patterns.

70%

of searches around mobile data technology were for 4G while those for 2G & 3G shrunk to 30%

Source: Google Internal Search Data

27%

jump in searches for checking internet speed, as consumers tested internet provider claims

Source: Google Internal Search Data

50%

of video content was watched on 4G connections

Source: YouTube Internal Data

Over 60%

internet speed related searches come from cities and towns outside of the Top 8⁵, with a 50% growth in search volume

Source: Google Internal Search Data

Consumers took full advantage of the competitive telecom market offers.

83%

growth in searches related to international roaming

60%

growth in searches for offers on top handsets bundled with telecom services

141%

growth in searches for telecom offers

63%

jump in searches for data/voice usage, despite unlimited packs with unlimited calling and plentiful data

Source: Google Internal Search Data



Consumers are looking beyond cards and cash as a method of payment.

174%

growth in payments banks searches. **3 of 5 searches** for telco-backed payment banks

70%

growth in searches for telco-owned mobile wallet services⁴

40%

growth in searches related to merchant and seller sign-ups for wallets and payment services, showing that offline **sellers are embracing the digital medium**

Consumers
take the
omnichannel
path.

92%

growth in searches for physical stores, despite tremendous growth in online usage

71%

growth in searches for subscriber apps of Top 3 telcos⁹

Research for prepaid mobile plans moved online with searches for prepaid connections growing by a whopping **182%**

Postpaid growth stayed flat at **2%**

Source: Google Internal Search Data

The Year in Search Report

Travel





People from Tier 2 cities³ are using the internet to make travel plans.

By 2020

the Indian travel market will have grown to **\$48 billion**

Most of this growth will come from Tier 2 cities³.

In Tier 2 cities³

22%
growth in air queries

20%
growth in holidays

10%
growth in hotel searches

11%
growth in cab services

Brand awareness is emerging as an important factor in travel-related searches.

27%
of travel queries happen with a brand term

For air travel, this number is

54%

For hotels, this number is

25%



Voice and fast loading mobile experiences are paving the way for the travel industry's future.

Almost 7% of mobile queries for travel are on voice

Travel is leading on PWA (progressive web app) and AMP (accelerated mobile page) adoption with all big OTAs and cab players, thus ensuring that their customers have a faster loading and consequently a better user experience

Glossary

1.

Top 6 cities or Top 6 metros or Tier 1 cities or metros: Bangalore, Chennai, Delhi, Hyderabad, Kolkata, Mumbai

2.

Local languages or Indian languages: Google Search is available in nine local languages apart from English - Hindi, Bengali, Telugu, Marathi, Gujarati, Tamil, Kannada, Malayalam, Punjabi

3.

Tier 2: Everything outside of the Top 8 cities

4.

Telco-owned mobile wallets: Airtel Money, Vodafone mPesa, JioMoney, Idea Money

5.

Top 8 cities or Top 8 metros: Ahmedabad, Bangalore, Chennai, Delhi, Hyderabad, Kolkata, Mumbai, Pune

6.

Non-metros: All cities except the 8 metros

7.

Online Gaming: Click for definition

8.

Top 4 telcos: Airtel, Vodafone, Idea, Jio

9.

Top 3 telcos: Airtel, Vodafone and Idea

