Eliminating Friction in Fashion Path to Purchase

0

ZERO
FRICTION
FUTURE

by facebook IQ

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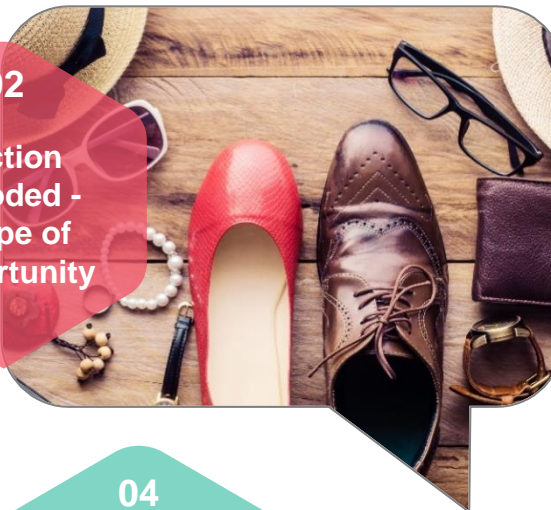
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* Friction to be explained in the forthcoming chapters

Executive summary

India has emerged as one of the world's fastest-growing fashion markets over the past few years. It is projected to grow at 15 per cent CAGR till 2022 and become a USD102 billion market* for apparel and a USD155 billion market** [1] for fashion accessories.

The growing penetration of the internet, social media and e-commerce is now providing the consumers in tier 2 and below cities increased access to brands and products. New operating models such as omni-channel and assisted e-commerce could further fuel growth and adoption of online commerce. E-tail today contributes 2 per cent of total retail[2], and is expected to capture a larger chunk of both organised and unorganised retail in near future. In such an evolving and competitive market, it becomes critical to understand consumer expectations from media touch-points during the purchase journey.

In this report, we aim to understand the reasons that lead to dropouts in the path to purchase of apparel and fashion accessories, referred to as 'friction', which may lead to potential loss of revenue for the brands.

With reduced attention span, increased connectivity and acceptance of new technology, consumers are demanding everything with limited effort at a click of a button and any change in the expectation can cause them to abandon the purchase journey. To understand the path to purchase and friction at different stages of the purchase journey, a random listing study was conducted by Nielsen India on 3,000 respondents to understand the proportion of the population that falls at each stage of the journey, and a further deep-dive study was conducted among 1,025 respondents in the fashion category across varied demographic and socio-economic groups. KPMG in India also interacted with industry experts to obtain their perspective on the possible solutions to eliminate friction and improve conversion rates.

Our research indicates that

- *In the apparel category, 19 per cent of consumers drop out due to friction, and more than two-thirds of this friction is caused by the media*

- *In the fashion accessories category, 22 per cent of consumers drop out due to friction, and around two-thirds of this friction is caused by media*

- *Mobile platforms are expected to influence more than two-thirds of both apparel and fashion accessories purchases by 2022*

- *Facebook is expected to influence more than half of mobile-influenced purchases for both apparel and fashion accessories by 2022*

- *Mobile-enabled purchase journeys of apparel are 14 per cent shorter than offline journeys*

- *Mobile-enabled purchase journeys of fashion accessories are 25 per cent shorter than offline journeys*

- *Mobile could help apparel brands to tap into potential sales opportunity of ~USD5 billion# by reducing media friction*

- *Mobile could help fashion accessory brands to tap into potential sales opportunity of ~USD9 billion# by reducing media friction*

Sources:
[1] Apparel and Footwear in India, Euromonitor, February 2018; Apparel Accessories in India, Euromonitor, February 2018
[2] India Internet Opportunity, Kalaari Capital Advisors, May 2017
*Apparel includes – Clothing for men, women, children and sportswear
**Fashion accessories include – Footwear, Apparel accessories, jewelry, watches and bags
This number can be achieved by reducing the friction, thus increasing the addressable market opportunity

Trends shaping the Indian fashion industry

Consumption in India is undergoing a gradual, yet tectonic shift. Consumer expenditure in India is expected to grow at 12 per cent year-on-year till 2022[1], driving the consumption of the growing urban population, two-thirds of which lives in 400+ tier 2 and below cities[2]. Therefore, aspirational demand for branded products from these new geographies is expected to surge over the next few years. Reaching these consumers through traditional brick-and-mortar route forces the brands to incur heavy capital investments. Further, with growing access to digital content, consumers today are increasingly updated with the latest fashion trends. Online shopping options and virtual showrooms are already revolutionising consumers' shopping journey. In order to tap the emerging opportunities, organisations are deploying unique strategies to penetrate new markets and differentiate their offerings.

Rise of content-based commerce[3]

Brands have realised the power of social media and are increasingly leveraging these platforms that support interactions among users, encourage their contribution and provide advocacy from influencers. High engagement purchase categories have found stronger merit in social commerce as it accentuates trust, referrals and connects with a relatable community.

Indian language internet users to drive next wave of growth

India is expected to see a four-fold growth in the number of Indian language e-tailing users between 2016 (42 million) and 2021 (165 million). By 2021, the number of Hindi internet users is expected to be more than English users[3].

E-tailers could realise their next big growth-wave by targeting these vernacular language internet users by creating local content and engaging with them in the language of their choice.

Emergence of assisted commerce[3]

Business models that leverage the existing physical retail network of local merchants or kiraana stores have emerged to penetrate the 67 per cent of population that is either not connected to the internet, or have no means to access aspirational products that do not reach them due to logistical challenges.

Both traditional and internet businesses can adopt such strategies to tap into the less-penetrated markets of today, and lock these potential consumers to their brand(s) for tomorrow.

Omni-channel for balancing consumers' expectations

While online platforms allow convenience, information and assortment, traditional retail allows touch-and-feel and comfort of face-to-face interaction with brand or store representative.

However, brands — both e-commerce and traditional – have realised the power of integrating the two channels. Omni-channel is now observed as not only the means to win consumers, but also the path to higher profitability.

Evolving fashion trends of Indian consumers[4]

The fashion spectrum in India is evolving where the affluent wants the latest to keep up with fashion trends, and the masses look for more aspirational products that offer value for money.

Secondly, the growing propensity of Indian consumers towards fast-fashion is allowing the brands and retailers to sell their products year-round.

Thirdly, custom-fit apparel have begun gaining popularity again, and premium brands are targeting niche customers with both made-to-measure and bespoke fit offerings.

Micro-targeting by brands through online-only strategy[3]

Traditional brick-and-mortar brands are adopting digital channels for engaging with and selling to Indian consumers while defending their competitive positioning.

Building online brands is helping companies to not only reach a wider audience, but also test the market before committing to a large-scale investment.

With similar objectives, established global brands, such as Under Armour, Bjorn Borg and Replay, are entering India through online-only routes to cater to their target consumers at minimal investments.

Sources:
[1] Economies and Consumers Annual Data, Euromonitor, July 2018
[2] India Internet Opportunity, Kalaari Capital Advisory, May 2017
[3] #India Trends 2018: Trends Shaping Digital India, KPMG-YourStory-NASSCOM-Kalaari Report, May 2018
[4] Seven consumption trends that will define the future of Indian apparel industry, Wazir Advisors, 2016

Understanding the varied dimensions of today's fashion consumer

Understanding the fashion consumer through 5Mys framework

Mind-share — Time-share — Wallet-share

My motivation	My attention	My connection	My watch	My wallet
Motivational characteristics that drive behaviours and expectations	The ways consumers direct their attention and focus	How consumers connect to devices, information and each other	How consumers balance constraints of time and how they change across life events	How consumers adjust their share of wallet across life events
• Occasion-based needs, e.g., festivals, weddings, celebrations • Fashion as a status symbol • Celebrity endorsements • Seasonal preferences e.g. linen clothes during summers • Functional purchases such as sportswear, gym-wear, etc. • Emotion based purchase e.g. eco-friendly or organically made clothes	• Targeted communication • Relevant information • Channel and media of choice • Customised offers and(or) payment modes • Popular trends or fashion fads • Customised season-specific offers	• Brand community events and support • Word of mouth online via fashion blogs • On-demand availability of apparel/fashion accessories (rent/custom made) • Referrals from friends and family • Peer reviews and suggestions	• Fast access to new designs and styles • Innovative models such as 'Buy Online, Pickup In Store' • Home pick-up in case of replacement and delivery • Eliminating wait time using virtual changing rooms • Content for consumer stickiness with brand(s)	• Aspirational vs. functional apparel/fashion accessories – ones for 'my need' and for 'my wallet' • Off-season sale/discount • Bundled offers on fashion accessories and apparel • Rental options for luxury apparel or fashion accessories • Channel specific discounts

Source:
Me, my life, my wallet report, KPMG International, 2017

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Friction Decoded - Scope of Opportunity

Understanding and defining friction

The traditional path to purchase is undergoing transformation with the advent of technology, smartphones and digital assistants, and is expected to be replaced by personalised journeys.

Today's consumer expects and demands convenience, speed, automation and simplicity that weren't possible a few years ago. Any unnecessary additional effort, incremental step or inconvenience that leads the consumers to abandon their purchase journey is defined as 'friction'.

Friction may occur offline or online, and includes subjecting consumers to unnecessarily wait, queue, click, type, tap, add information or fill in forms. On their journey, they may also have to load, buffer, switch channels/windows or hold for service. It can hinder efficiency, impact consumer experience and in turn, the consumer purchase journey. Any friction that is primarily caused by a media touch-point is defined as 'Media friction'.

Research shows that consumer pain points that lead to friction can occur across three main stages of the consumer journey: awareness, consideration and intent as listed below. Businesses may be offering friction unknowingly, hindering efficiency and in turn, the consumer journey.

- *Awareness Friction:* Every touchpoint or missing touchpoint that requires the consumers to make any effort to **discover a brand**

- *Consideration Friction:* Every touchpoint or missing touchpoint that requires the consumers to make any effort to **consider a brand**

- *Intent Friction:* Every touchpoint or missing touchpoint that requires the consumers to make any effort to **purchase a brand**

Path-to-purchase (P2P)

Potential buyer

First time purchaser of a fashion product

Repeat purchaser of a fashion product

Awareness — Discovering the product and identifying the need

Awareness friction

Consideration — Gathering information and decision-making parameters to narrow the consideration set

Consideration friction

Intent — Displaying realistic intention to purchase and understanding the purchase process

Intent friction

Purchase — Completing the transaction

Buyer

Post Purchase

Decoding a fashion buyer's journey and friction across purchase stages

Awareness

Fashion needs identified – Utilitarian (Use based) or Hedonic (Pleasure/Status)

Discover models, brands and categories

Consideration

Research trends on social media, vlogs, blogs, magazines, etc.

Seek opinions

Compare styles/brands on different portals or websites

Intent

Visit brand website/e-commerce portal or app

Seek expert views

Visit showroom

Check for fit and size variations

Purchase

Check for payment options

Make a purchase

Post Purchase

Recommend/ review

Contact customer service/ customer care for exchange or replacement

An apparel/fashion accessories buyer's friction areas

- The ad content does not appeal to the consumer, or a potentially 'good' ad content displayed at a time that caused 'inconvenience' to the consumer
- The consumer is targeted with an ad that is not relevant to him/her
- Ad content is not appealing in terms of design/colour/graphics or offer negative reviews or coverage about the item or brand in media and(or) other channels
- Desired brand or style is out-of-stock at the beginning of the purchase journey itself
- The prospects learns about hidden terms and conditions on offers communicated in advertisements

- Opinion of peers differ from the prospect's perception
- Limited community or influencer view on the selected item
- Showroom of the shortlisted brand is not in vicinity of the prospect
- The required size/colour is not available in the store/portal
- Sales representative is not able to assist the prospect
- The apparel's look and feel does not match expectations from advertisements across media channels
- Consumers not sure how the apparel or fashion accessories fit them, since catalogue displays only attractive models

- Consumer travels long distance at the cost of his/her daily schedule to visit the store
- No arrangement for alteration of the product
- Sales representative fails to provide information to the consumer for size/colour/material
- Experience at the showroom was not pleasant or up to the consumer's expectations
- Competing brand provided a better offer
- Preferred payment options are not available
- Product delivered differs from what was displayed on the online catalogue

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Media friction accounts for more than two-thirds of total friction in the apparel purchase journey

In a highly penetrated apparel market, nearly one out of five buyers abandon the purchase during some stage of the purchase journey. Such dropout could be on account of unavailability of desired product, hidden charges, compulsory registration, stock-out or any other dissatisfaction caused by media touch-point(s).
More than a two-thirds of friction loss is driven by dissatisfaction with media touch-point(s) across the purchase journey. Friction is observed the most at the final stage of the journey, where highest media friction is experienced. Despite heavy focus of leading e-commerce platforms on bottom of the pyramid oriented marketing campaigns[1], media friction remains highest (8 per cent) at intent stage.

Consumers who are unaware of the category, or are not primary decision makers/influencers

Apparel

14%

Media friction	Total friction	
2%	**6%**	Awareness friction
+	**+**	
2%	**3%**	Consideration friction
+	**+**	
8%	**10%**	Intent friction
=	**=**	
12%	**19%**	

Total population – 100%

86% Aware decision makers & influencers

80% Consideration

77% Intent

67% Purchase
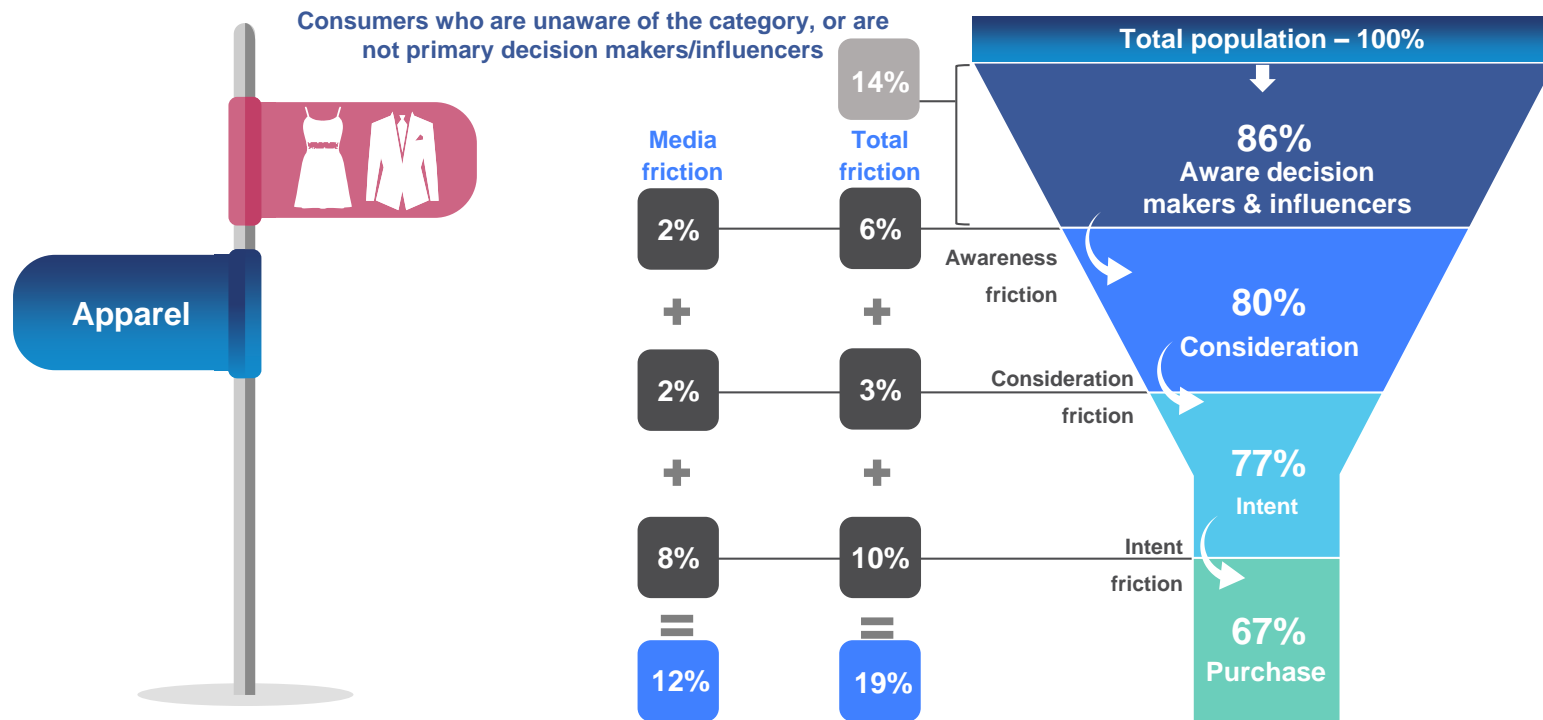
Base = 547

- 'Deep Dive is only among 86 per cent of the population who are Aware Decision Makers for Apparel and Accessories categories each
- At intent stage, only retail store and online touch-points were evaluated in media mix to calculate friction
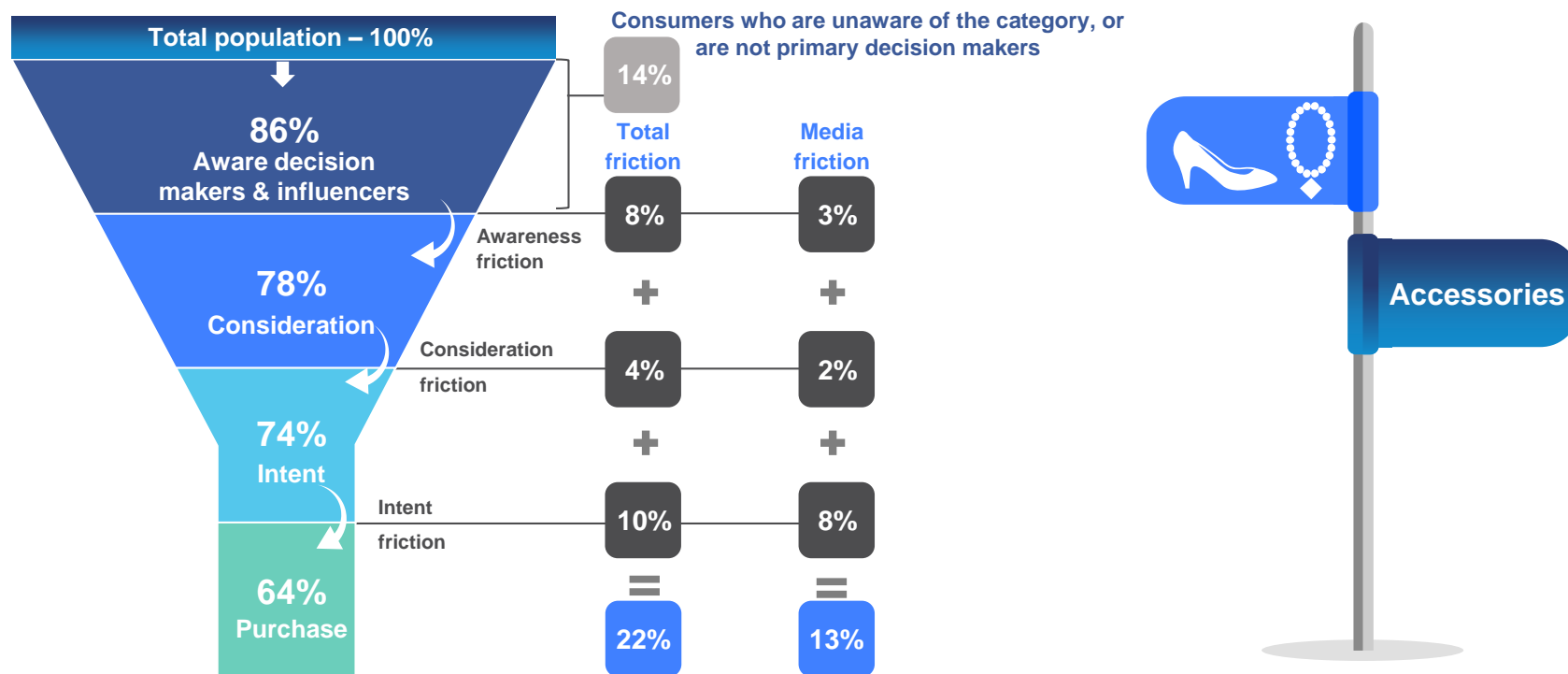
Source:
[1] How e-commerce companies make you spend more, YourStory, April 2017

- Apparel Buyers – Aware Decision Makers who have purchased or tried to purchase a clothing apparel in the last 3 months
- Apparel Considerers – Aware Decision Makers who have considered purchase of a clothing apparel in the last 3 months but have yet not purchased
- Apparel Aware Non-considerers – Aware Decision Makers who have not considered purchase of a clothing apparel in the last 3 months

Media friction accounts for 60 per cent of total friction in the fashion accessories purchase journey

Fashion accessories is a high-engagement category, where consumers seek to evaluate how watches, jewelry or footwear look or fit in terms of size, and style or design. Despite this, nearly half of the total friction loss is observed at the intent stage, where consumers evaluate last minute offers and prices. Also, campaigns by the brands targeted at creating awareness at top of the funnel drive consumers towards the brand at the point of sale. Further, contribution of media to friction is 80 per cent at intent stage and nearly half at the top of the funnel. Brand building content and advocacy can plug friction at top of the funnel, while improved efficiency in media and point of sale is needed to close the larger gap of intent stage friction.
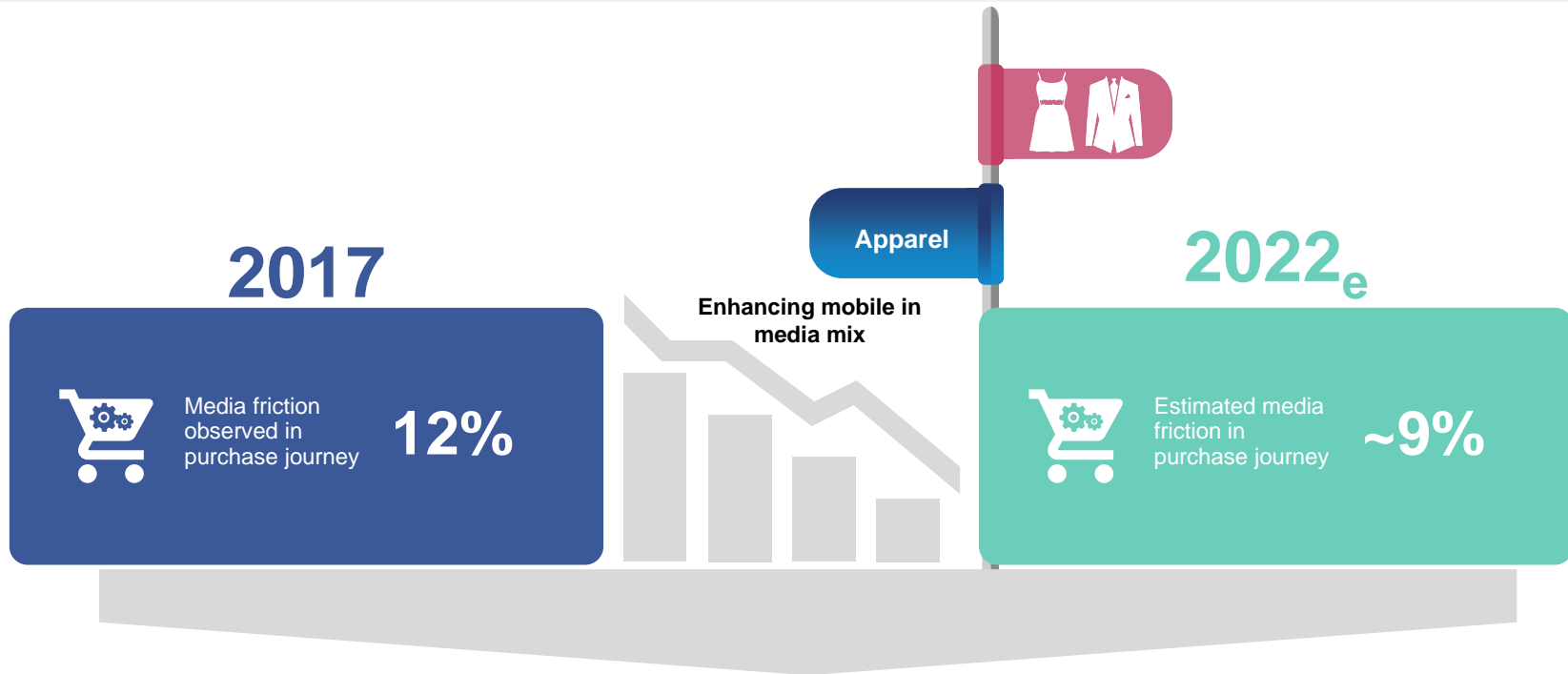
Total population – 100%

86% Aware decision makers & influencers

78% Consideration

74% Intent

64% Purchase

Consumers who are unaware of the category, or are not primary decision makers

14%

	Total friction	Media friction
Awareness friction	8%	3%
	+	+
Consideration friction	4%	2%
	+	+
Intent friction	10%	8%
	=	=
	22%	13%

Accessories

Base = 478

- 'Deep Dive is only among 86 per cent of the population who are Aware Decision Makers for Apparel and Accessories categories each
- At intent stage, only retail store and online touch-points were evaluated in media mix to calculate friction

- Accessories Buyers – Aware Decision Makers who have purchased or tried to purchase a male and(or) female fashion accessories in the last 3 months
- Accessories Considerers – Aware Decision Makers who have considered purchase of a male and(or) female fashion accessories in the last 3 months but have yet not purchased
- Accessories Aware Non-considerers – Aware Decision Makers who have not considered purchase of a male and(or) female fashion accessories in the last 3 months

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Mobile could help apparel brands to tap into potential sales opportunity of approximately USD5 billion by reducing media friction

Media friction can impact marketing ROI and significantly hit a brand's bottom line. The loss of even a single prospect can add to revenue loss, more so in case of luxury or high-end fashion market. Each and every sale counts, and according to this study mobile has the potential to reduce media friction by 3 percentage points, creating a sales opportunity of about USD5 billion between apparel brands[1][2]. Based on this study, currently, nearly half of apparel purchases are influenced by mobile, and by 2022, nearly two out of three apparel purchases would be influenced by mobile. In addition, the reduction in media friction could accelerate the growth in fashion e-commerce. Hence, it becomes imperative for marketers to strengthen their media mix by enhancing marketing activities on mobile.

Apparel

2017

Media friction observed in purchase journey **12%**

Enhancing mobile in media mix

2022e

Estimated media friction in purchase journey **~9%**

By reducing media friction with mobile, apparel brands can tap into a

~USD5 billion* opportunity

Note: Potential opportunity estimated by KPMG India is based on the potential reduction in consumer dropout. Modelling for reduction in dropouts is based on the potential friction reduction, which may get impacted due to the usage of mobile-based media.
*This number can be achieved by reducing the friction, thus increasing the addressable market opportunity
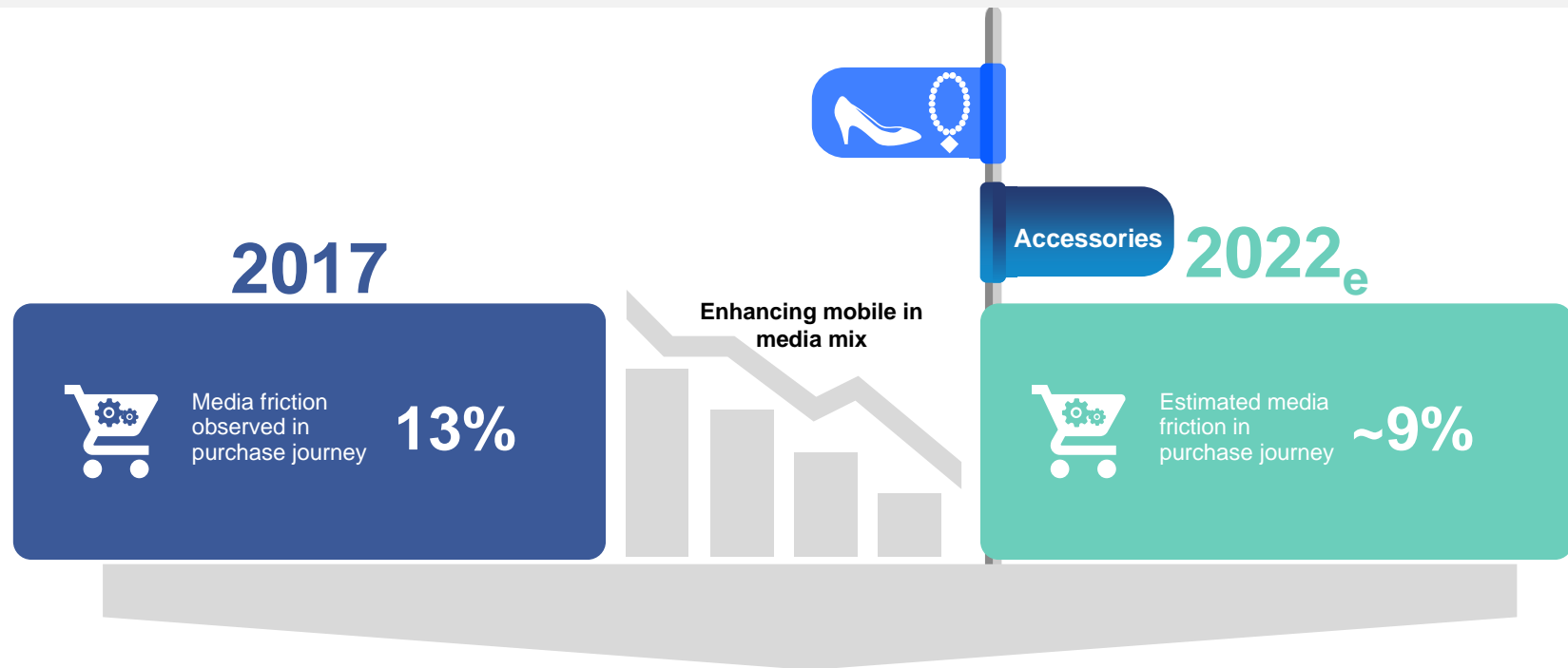
Source:
[1] Apparel and Footwear in India, Euromonitor, February 2018
[2] KPMG in India's analysis, 2018 based on data obtained from multiple industry reports and primary survey conducted by Nielsen, 2018

Mobile could help accessories brands tap into potential sales opportunity of approximately USD9 billion by reducing media friction

Mobile has the ability to reduce media friction, and by enhancing mobile in the media mix, brands can improve the conversion rate. Mobile not only helps add additional revenue, but also enhances the customer experience leading to more satisfied consumers. In case of fashion accessories, mobile can reduce media friction by nearly 4 percentage points, creating a sales opportunity of about USD9 billion between the fashion accessories brands[1][2]. Currently, more than half of fashion accessories purchases are influenced by mobile, and by 2022, more than 70 per cent of such purchases would be influenced by mobile.

2017

Media friction observed in purchase journey **13%**

Enhancing mobile in media mix

Accessories

2022e

Estimated media friction in purchase journey **~9%**

By reducing media friction with mobile, fashion accessories brands can tap into a

~USD9 billion* opportunity

Note: Potential opportunity estimated by KPMG India is based on the potential reduction in consumer dropout. Modelling for reduction in dropouts is based on the potential friction reduction, which may get impacted due to the usage of mobile-based media.
*This number can be achieved by reducing the friction, thus increasing the addressable market opportunity

Source:
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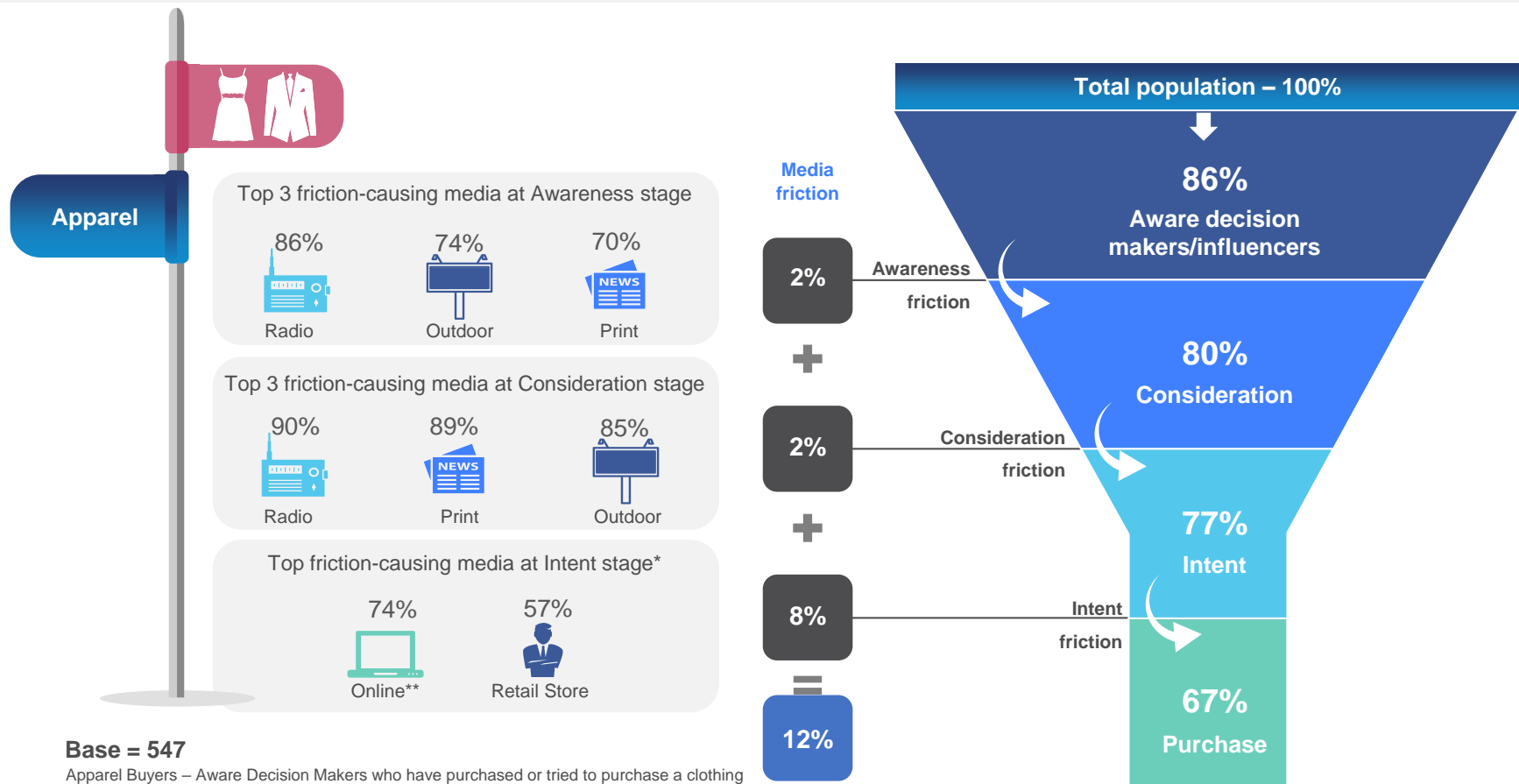
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Friction Mapping - Understanding Friction

More than 8 out of 10 people face friction on print, outdoor and radio at the top of the apparel purchase funnel

Consumers expect more information and clarity on next steps at the top of the funnel, where traditional media such as print, outdoor and radio are relatively less efficient. Further, two-thirds of media-led friction occurs at intent stage of the purchase journey. While consumers are most comfortable in physical browsing and trial of apparel at stores, the survey revealed that nearly one-third of the consumers at retail stores found a better product, brand, or price elsewhere. A similar behaviour was observed for e-commerce portals, where the proportion of consumers facing friction shows an increasing trend from one in five at the awareness stage, to nearly one-third at intent stage. This indicates that while e-commerce platforms provide relevant information, they lack the ability to drive the final transaction efficiently.

Apparel

Top 3 friction-causing media at Awareness stage

86%	74%	70%
Radio	Outdoor	Print

Top 3 friction-causing media at Consideration stage

90%	89%	85%
Radio	Print	Outdoor

Top friction-causing media at Intent stage*

74%	57%
Online**	Retail Store

Media friction

- 2% — Awareness friction
- **+**
- 2% — Consideration friction
- **+**
- 8% — Intent friction
- **=**
- 12%

Total population – 100%

- 86% — Aware decision makers/influencers
- 80% — Consideration
- 77% — Intent
- 67% — Purchase

Base = 547

Apparel Buyers – Aware Decision Makers who have purchased or tried to purchase a clothing apparel in the last 3 months

Apparel Considerers – Aware Decision Makers who have considered purchase of a clothing apparel in the last 3 months but have yet not purchased
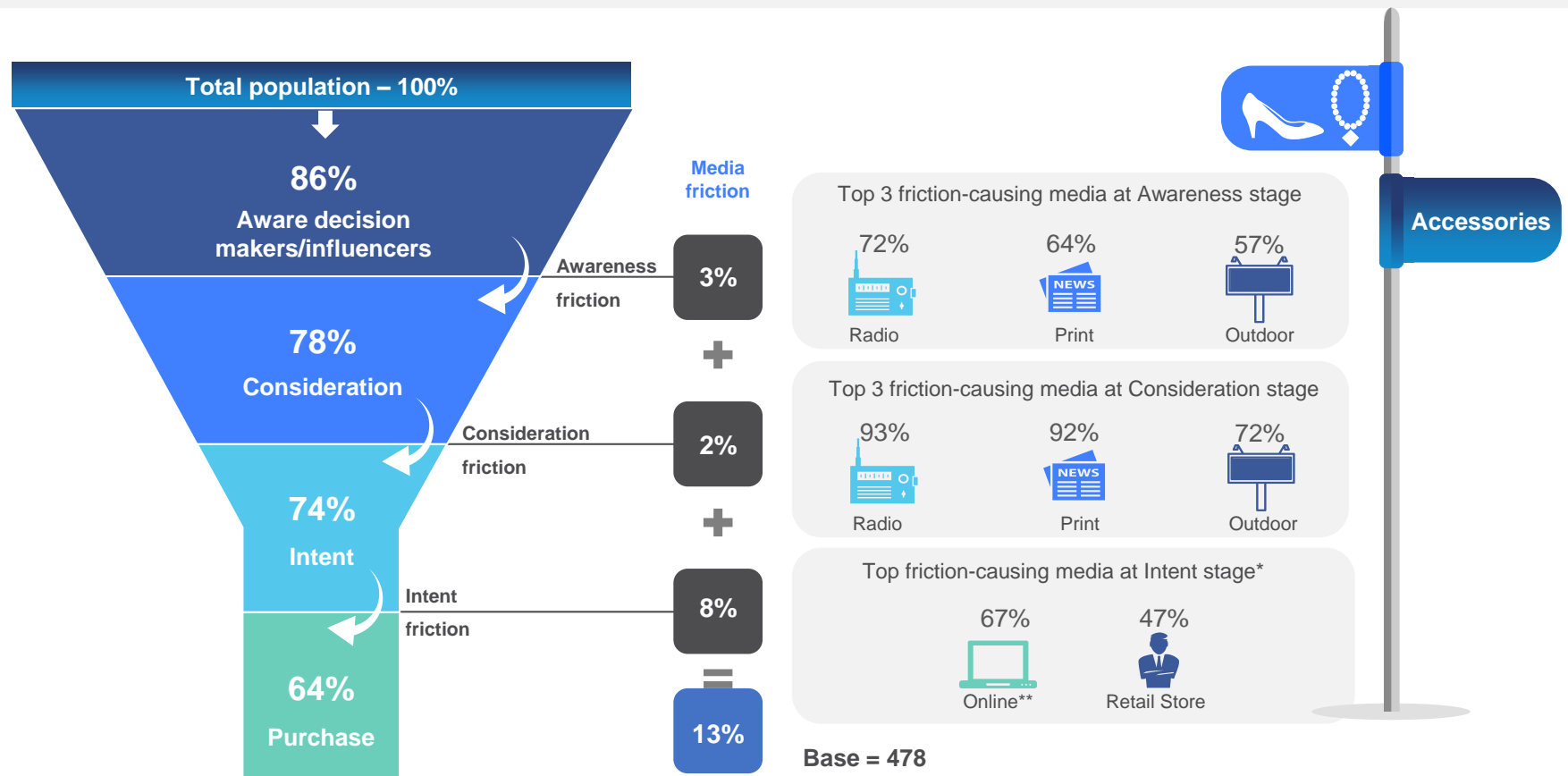
Apparel Aware Non-considerers – Aware Decision Makers who have not considered purchase of a clothing apparel in the last 3 months

Note: * At intent stage, only retail store and online touch-points were evaluated in the research to eliminate default attribution to top-of-mind channels
** Online includes top five media touch points accessed by respondents at respective stage of the journey

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Print, outdoor and radio cause dissatisfaction to nearly 7 out of 10 people in fashion accessories purchase funnel

Static media touch points such as print, radio and outdoor offer the highest friction at the top of the funnel. Although these media touch-points are best suited for creating 'brand awareness and recall' among the target consumers, they are less suited for providing further information to the consumers. Online channels, on the other hand, perform better as source of more information or as point of sale. Not only can online platforms attract attention of consumers through contextualised and targeted communication, but can also provide detailed product information with convenience of home delivery. However, in terms of transactions, only 20 per cent of buyers reported using e-commerce for purchase of fashion accessories, indicating an opportunity for the brands to further leverage digital channels for improving their reach among target consumers.

Total population – 100%

86%
Aware decision makers/influencers

78%
Consideration

74%
Intent

64%
Purchase

Media friction

Awareness friction — **3%**

Consideration friction — **2%**

Intent friction — **8%**

13%

Accessories

Top 3 friction-causing media at Awareness stage

72%	64%	57%
Radio	Print	Outdoor

Top 3 friction-causing media at Consideration stage

93%	92%	72%
Radio	Print	Outdoor

Top friction-causing media at Intent stage*

67%	47%
Online**	Retail Store

Base = 478

Accessories Buyers – Aware Decision Makers who have purchased or tried to purchase a male and(or) female fashion accessories in the last 3 months
Accessories Considerers – Aware Decision Makers who have considered purchase of a male and(or) female fashion accessories in the last 3 months but have yet not purchased
Accessories Aware Non-considerers – Aware Decision Makers who have not considered purchase of a male and(or) female fashion accessories in the last 3 months

Note: * At intent stage, only retail store and online touch-points were evaluated in the research to eliminate default attribution to top-of-mind channels
** Online includes top five media touch points accessed by respondents at respective stage of the journey

'Value for money' and 'credible information' at point of sale are common asks for both men and women

Apparel

Both genders display different drivers for entering the purchase funnel. Men seek clear next steps after watching an advertisement. On the other hand, women are more susceptible to ignoring ads if they fail to either capture their attention or provide relevant information. As the prospects move ahead in the purchase journey, offer communication and better 'value for money deals' become important decision-making parameters for both genders. At the intent stage, consumers lack trust with point of sale on account of product authenticity, delivery and payment. However, consumers are much more likely to switch brand/sales channel at retail stores, as they are significantly more likely to find better price, product or fit elsewhere.

Male

18% 17%

Media friction (%)
- Prospect does not know what to do next after watching ads
- Prospect finds too little information from ads

28% 17%

Media friction (%)
- Offer communication is not clear
- Prospect does not find requisite information

17%

Media friction (%)
- Prospect found a better price/option elsewhere
- Lack of trust at point of sale

20%

Female

25% 22%

Media friction (%)
- Prospect finds too little information from ads
- Prospect did not pay enough attention to ads

37% 37%

Media friction (%)
- Offer communication is not clear
- Prospect does not trust the medium as source of information

17%

Media friction (%)
- Prospect found a better price/option elsewhere
- Lack of trust at point of sale

18%

Funnel

Total population – 100%

88% ... **84%**
Aware decision makers/ influencers

5% Awareness friction | Awareness friction 5%

+

83% ... **79%**
Consideration

4% Consideration friction | Consideration friction 3%

+

79% 76%
Intent

11% Intent friction | Intent friction 10%

=

68% 66%
Purchase

Legend

Media with highest contribution to top two friction points

Outdoor | Print | Radio | Television | Digital Medium* | Retail store

Note: * At intent stage, only retail store and online touch-points were evaluated in the research to eliminate default attribution to top-of-mind channels
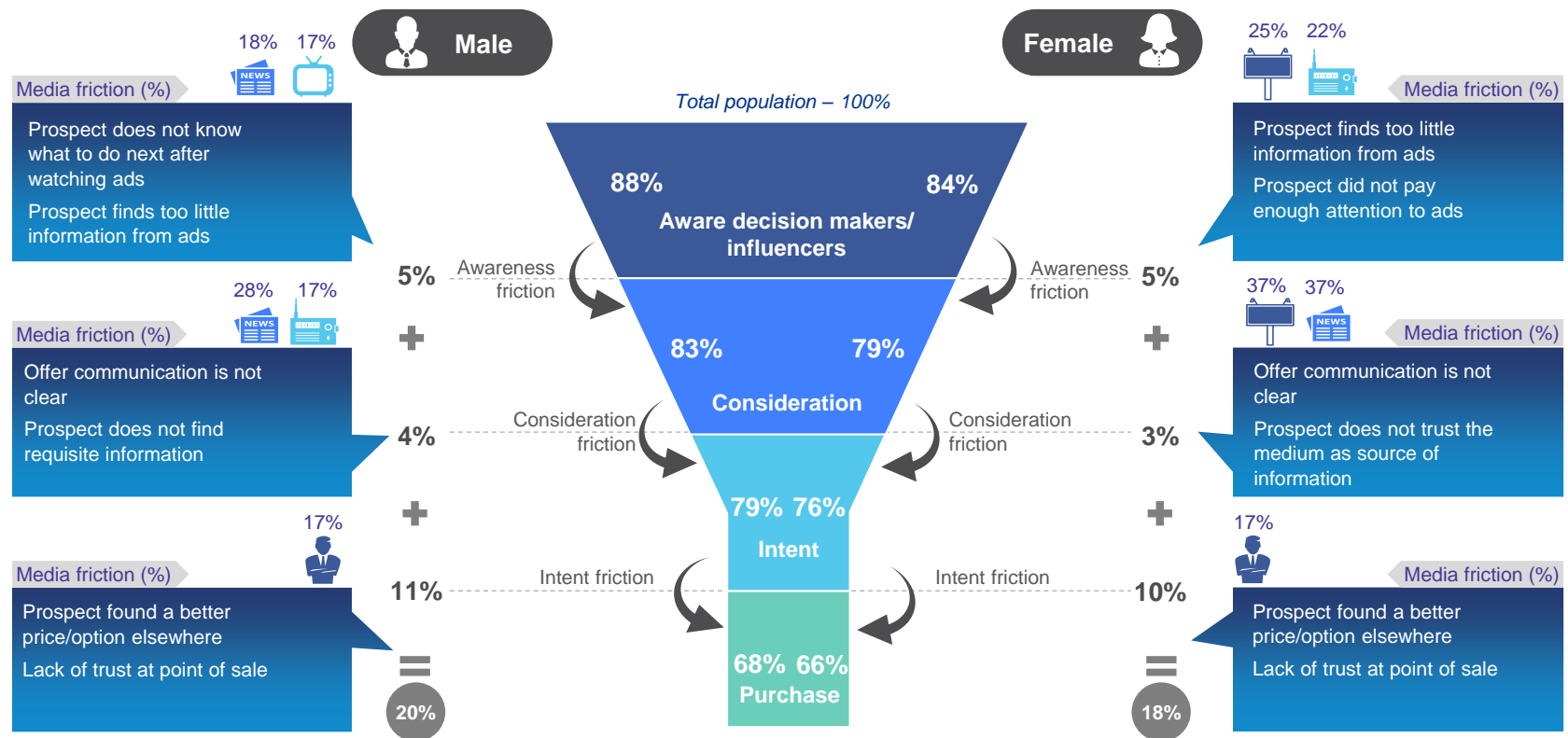
20

Women are more sensitive to the price of product and lack trust at point of sale

A similar proportion of target population of men and women commences purchase journey of fashion accessories. Primary reasons for abandoning the purchase are same for men and women. However, women are more sensitive to price of the product and trust at the point of sale. Men, on the other hand, are more likely to ignore an advertisement at top of the funnel, but seek lucrative offers and detailed information for evaluating their shortlisted products.

Further, the tendency of consumers to switch to another product or brand is significantly higher at offline stores. Of the total, 41 per cent men and 33 per cent women are likely to find an option of the product elsewhere when buying at retail stores. On the other hand, brand or product loyalty is observed to be higher at online stores among both genders.

Accessories

Male **Female**

Total population – 100%

88% **84%**
Aware decision makers/ influencers

80% **77%**
Consideration

76% 73%
Intent

72% 61%
Purchase

Male
Media friction (%) — 19% 11% 11%
- Prospect finds too little information from ads
- Prospect did not pay attention to the ads

Awareness friction — **8%**

+

Media friction (%) — 27% 24%
- Offer communication is not clear
- Prospect does not find requisite information

Consideration friction — **4%**

+

Media friction (%) — 23%
- Prospect found a better price/option elsewhere
- Lack of trust at point of sale

Intent friction — **4%**

16%

Female
Media friction (%) — 35% 19%
- Prospect does not know what to do next after watching ads
- Prospect finds too little information from ads

Awareness friction — **7%**

+

Media friction (%) — 22% 16% 16%
- Offer communication is not clear
- Prospect does not find requisite information

Consideration friction — **4%**

+

Media friction (%) — 20%
- Prospect found a better price/option elsewhere
- Lack of trust at point of sale

Intent friction — **12%**

23%

Note: * At intent stage, only retail store and online touch-points were evaluated in the research to eliminate default attribution to top-of-mind channels

Legend **Media with highest contribution to top two friction points**

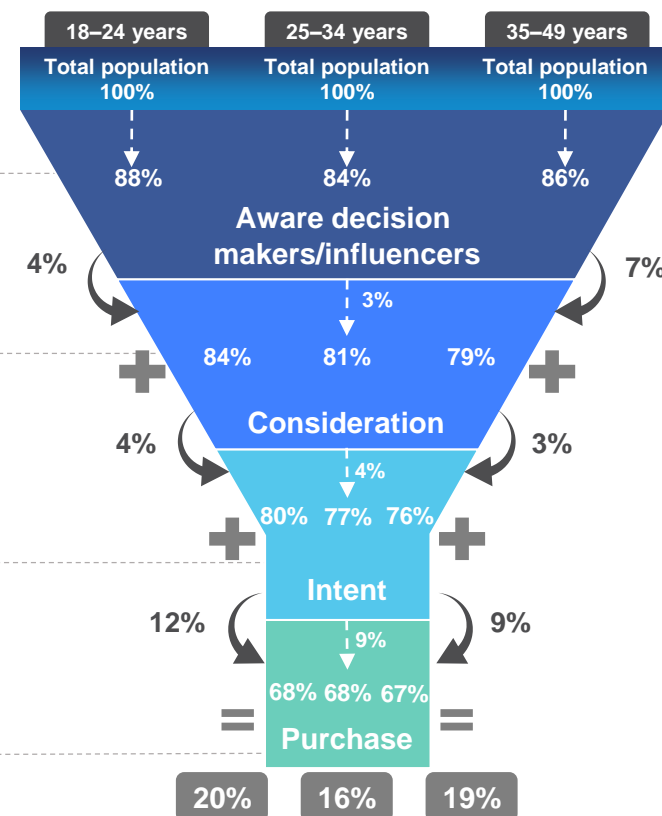Outdoor | Print | Radio | Television | Digital Medium* | Retail store

All age groups seek product assortment with attractive offers and assured authenticity

Apparel

Although e-commerce advertising is often targeted towards younger age groups, similar number of potential consumers across older age groups also enter and complete the purchase journey. Unlike younger consumers, 35-49 year-olds are more sensitive to inaccurate targeting of ads, or lack of clear call-to-action. However, younger age group of 18-24 year olds has a higher propensity to drop out at the intent stage.

Consumers from all age groups display discontent for lack of options to compare, lack of attractive offers and expectation mismatch at point of sale. This creates an opportunity for e-commerce players to deploy a full-funnel marketing strategy by addressing such friction points. Brand's marketing communication strategy implemented in tandem with e-commerce strategy, could capture leads at top of the funnel and facilitate their movement through the purchase funnel.
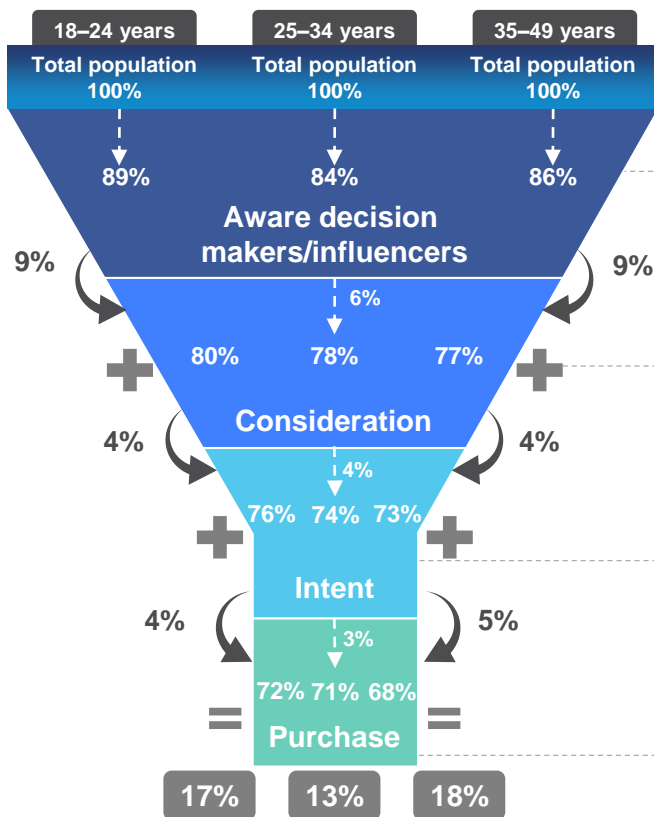

Friction points for 18-24 years

Prospect finds too little information from ads

Prospect does not know what to do next after watching ads; and prospect did not pay attention to the ads

Media friction (%) — 22% 21%

Offer communication is not clear

Prospect does not find requisite information

Media friction (%) — 28% 23%

Lack of trust at point of sale

Prospect found a better price/option elsewhere

Media friction (%) — 14%

Friction points for 25-34 years

Prospect does not know what to do next after watching ads

Prospect did not pay enough attention to ads

40% 24%

Offer communication is not clear

Prospect does not trust the medium as source of information

40% 36% 44%

Prospect found a better price/option elsewhere

Lack of trust at point of sale

21%

Friction points for 35-49 years

Prospect finds too little information from ads

Prospect does not know what to do next after watching ads; and prospect did not pay attention to the ads

20% 20%

Prospect does not trust the medium as source of information

Prospect does not find requisite information

35% 29%

Prospect found a better price/option elsewhere

Prospect found it difficult to express interest/buy instantly

24%

Funnel

	18–24 years	25–34 years	35–49 years
Total population	100%	100%	100%
Aware decision makers/influencers	88%	84%	86%
Consideration	84%	81%	79%
Intent	80%	77%	76%
Purchase	68%	68%	67%
	20%	16%	19%

4% ... 7% (Aware decision makers/influencers) — 3%

4% ... 3% (Consideration) — 4%

12% ... 9% (Intent) — 9%

Legend — Media with highest contribution to top two friction points

Outdoor | Print | Radio | Television | Digital Medium* | Retail store

Note: * At intent stage, only retail store and online touch-points were evaluated in the research to eliminate default attribution to top-of-mind channels

Across age groups, more than 1 in 3 consumers shopping at retail stores are likely to change their accessories purchase decision

Highest friction in fashion accessories purchase across all age groups is observed at the top of the funnel. The age group of 35-49 years distinctly show dissatisfaction with print advertisements in terms of gathering information or understanding next steps in the purchase journey. This age group also seeks more assistance in decision making, and is less likely than younger age groups to abandon the purchase at the bottom of the funnel. The age group of 18-24 years abandon the purchase at the awareness stage itself, because the advertisement fails to both capture their attention and provide call-to-action. Further, all age groups demand competitive pricing and assurance of quality from the sales channel they purchase from.

Accessories

18–24 years	25–34 years	35–49 years
Total population 100%	Total population 100%	Total population 100%

89% **84%** **86%**

Aware decision makers/influencers

9%   6%   9%

80% **78%** **77%**

Consideration

4%   4%   4%

76% 74% 73%

Intent

4%   3%   5%

72% 71% 68%

Purchase

| 17% | 13% | 18% |

Legend — Media with highest contribution to top two friction points

Outdoor   Print   Radio   Television   Digital Medium*   Retail store

Friction points for 18-24 years

Prospect does not know what to do next after watching ads

Prospect did not pay enough attention to the ads

27% 11%

Prospect does not find requisite information

Offer communication is not clear

20% 9%

Prospect found a better price/option elsewhere

Lack of trust at point of sale; and it was difficult express interest or buy instantly

19%

Media friction (%)

Friction points for 25-34 years

Prospect finds too little information from ads

Prospect does not know what to do next after watching ads

29% 22%

Offer communication is not clear

No expert advice/answers available

29% 26%

Prospect found a better price/option elsewhere

Lack of trust at point of sale

25%

Media friction (%)

Friction points for 35-49 years

Prospect does not know what to do next after watching ads

Prospect finds too little information from ads

41% 17%

Prospect does not find requisite information

No expert advice/answers available

33% 20%

Prospect found a better price/option elsewhere

Lack of trust at point of sale

15%

Media friction (%)

Note: * At intent stage, only retail store and online touch-points were evaluated in the research to eliminate default attribution to top-of-mind channels

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Poor connectivity and lack of trust at point of sale inhibit mobile-driven purchase journeys of NCCS B consumers

Apparel

Both NCCS A and NCCS B* consumers display comparable tendency to enter and complete the apparel purchase journey. However, more than three-fourths of prospects abandon the purchase at either the awareness or intent stage.

Further, the spending patterns evolve from need or utility based for NCCS B consumers, to hedonic for NCCS A consumers. At the top of the funnel, NCCS B consumers tend to ignore advertisements that do not resonate with their needs. Further, although e-commerce advertisements are more often focused on NCCS A consumers, NCCS B consumers are 34 per cent more likely to purchase apparel online than NCCS A consumers, thereby offering an additional source of growth to e-commerce players. While network robustness could improve gradually, innovative solutions such as an offline shopping mode on e-commerce apps and assisted e-commerce could curb a significant portion of final-stage friction loss arising due to weak internet connectivity.

NCCS A

Media friction (%) 30% 28%

Prospect finds too little information from ads

Prospect does not know what to do next after watching ads

Media friction (%) 31% 21% 21%

Offer communication is not clear

Prospect does not find requisite information

Media friction (%) 19%

Prospect found a better price/option elsewhere

Lack of trust at point of sale

18%

NCCS B

Media friction (%) 30% 19%

Prospect did not pay enough attention to ads

Prospect does not know what to do next after watching ads

Media friction (%) 32% 28%

Prospect does not find requisite information

Offer communication is not clear

Media friction (%) 14%

Lack of trust at point of sale

Connectivity issue impacting experience

20%

Funnel

Total population – 100%

Aware decision makers/influencers — 85% (NCCS A) | 87% (NCCS B)

Awareness friction — 4% (NCCS A) | 7% (NCCS B)

Consideration — 81% (NCCS A) | 80% (NCCS B)

Consideration friction — 4% (NCCS A) | 5% (NCCS B)

Intent — 77% (NCCS A) | 75% (NCCS B)

Intent friction — 10% (NCCS A) | 8% (NCCS B)

Purchase — 67% (NCCS A) | 67% (NCCS B)

Legend — Media with highest contribution to top two friction points

Outdoor | Print | Radio | Television | Digital Medium* | Retail store

Note: At intent stage, only retail store and online touch-points were evaluated in the research to eliminate default attribution to top-of-mind channels
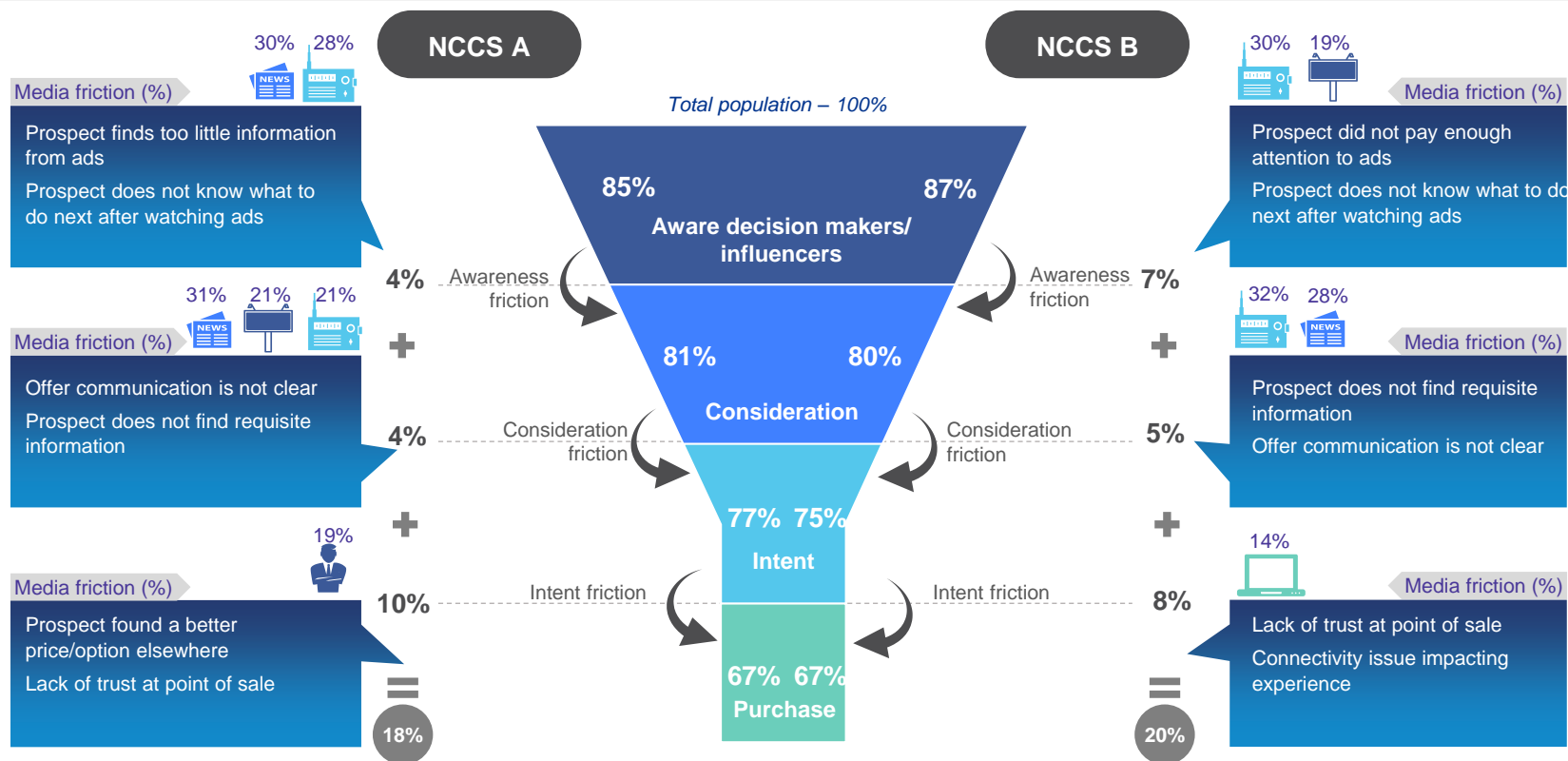
*NCCS- New Consumer Classification System

Lack of contextualised content and clear call-to-action mechanism are key asks for NCCS B consumers

Accessories

NCCS B* consumers are more likely to abandon purchase of fashion accessories after entering the purchase funnel as compared to NCCS A consumers, and half as likely as NCCS A consumers to transact online. More than half of friction loss among NCCS B consumers occurs at the awareness stage itself. Performance of digital medium could be further enhanced by targeting NCCS B consumers with the relevant content. Further, at consideration stage, this consumer segment is more sensitive to price offers and lacks trust in the information shared by traditional media.

NCCS A

27% 19% 19%

Media friction (%)
Prospect does not know what to do next after watching ads
Prospect finds too little information from ads

21% 18%

Media friction (%)
Prospect does not find requisite information
Offer communication is not clear

20%

Media friction (%)
Prospect found a better price/option elsewhere
Lack of trust at point of sale

14%

NCCS B

23% 17%

Media friction (%)
Prospect does not know what to do next after watching ads
Prospect finds too little information from ads

50% 36%

Media friction (%)
Offer communication is not clear
Prospect does not trust the medium as source of information

20%

Media friction (%)
Prospect found a better price/option elsewhere
Lack of trust at point of sale

19%

Funnel

Total population – 100%

85% **87%**
Aware decision makers/ influencers

7% Awareness friction + Awareness friction 10%

78% **77%**
Consideration

3% Consideration friction + Consideration friction 5%

75% 72%
Intent

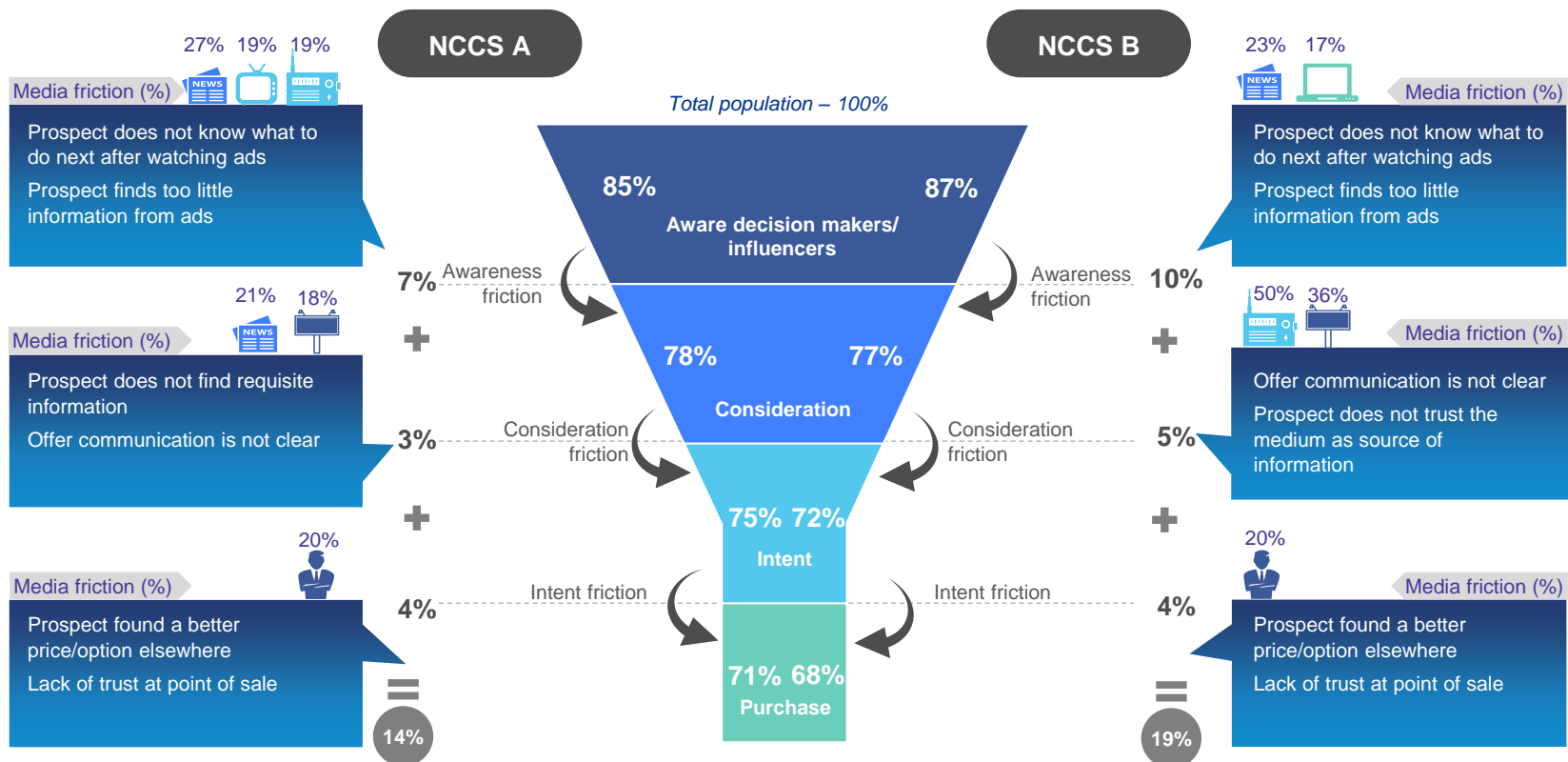4% Intent friction Intent friction 4%

71% 68%
Purchase

Note: At intent stage, only retail store and online touch-points were evaluated in the research to eliminate default attribution to top-of-mind channels

*NCCS- New Consumer Classification System

Legend — Media with highest contribution to top two friction points

Outdoor | Print | Radio | Television | Digital Medium* | Retail store

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New age digital platforms emerging as the preferred source for consumer awareness and communication

Apparel

At the awareness stage, the objective of advertising campaigns is to make the brand visible and stand out from the crowd. Traditional print media placements, store displays, extravagant photo-shoots and images of celebrities wearing the brand collections have been conventionally used by fashion brands to create consumer awareness. However, new age digital platforms have emerged as a preferred source for building consumer awareness and communication. Fashion and retail brands are leveraging social platforms to successfully create a community following. By way of highly efficient tools such as sequential advertisements and analytics based micro-targeting, digital platforms outscore traditional media at the top of the funnel in capturing the attention of consumers, and driving them towards the point of sale.

Apparel: Awareness friction
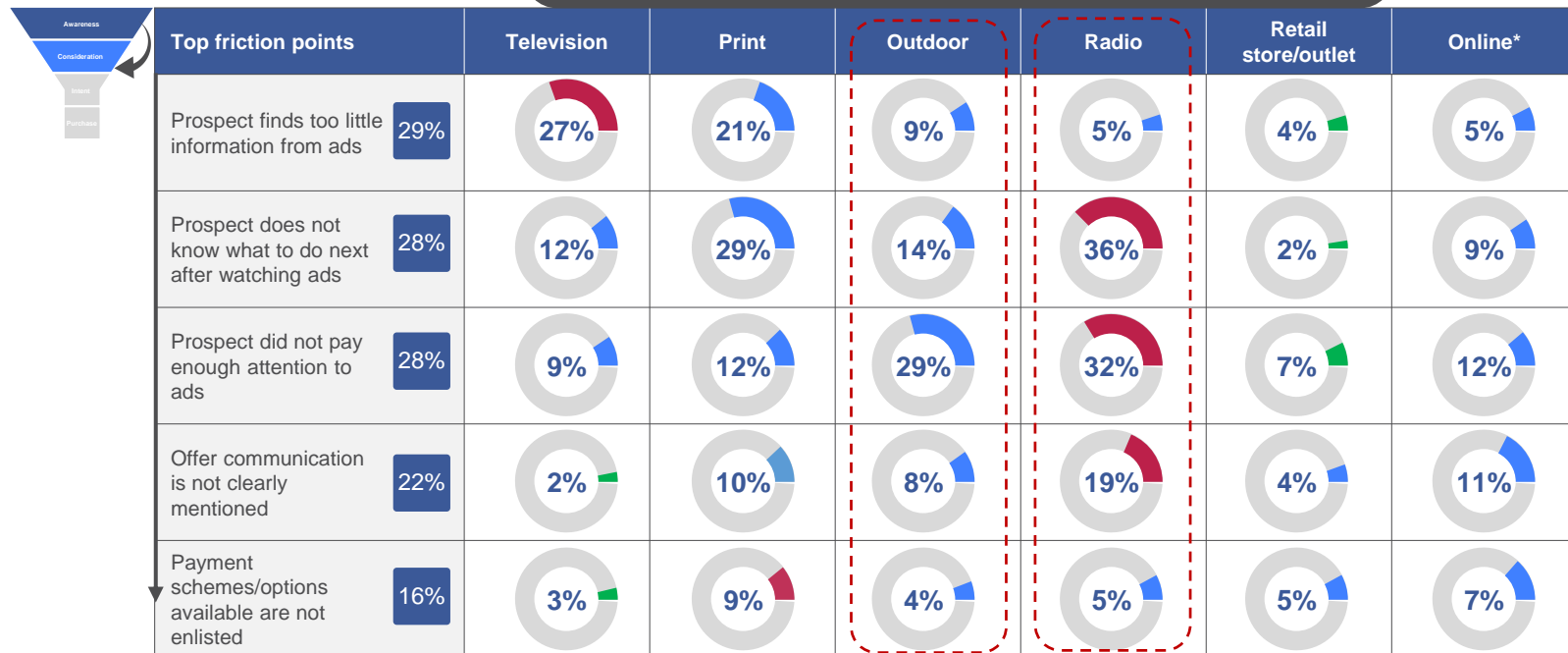
Top friction points		Television	Print	Outdoor	Radio	Retail store/outlet	Online*
Prospect finds too little information from ads	29%	27%	21%	9%	5%	4%	5%
Prospect does not know what to do next after watching ads	28%	12%	29%	14%	36%	2%	9%
Prospect did not pay enough attention to ads	28%	9%	12%	29%	32%	7%	12%
Offer communication is not clearly mentioned	22%	2%	10%	8%	19%	4%	11%
Payment schemes/options available are not enlisted	16%	3%	9%	4%	5%	5%	7%

% Percentage of respondents experiencing the mentioned friction in respective media touchpoints

Medium causing high friction

Media with lowest friction for the given friction point

Media with highest friction for the given friction point

* Online includes top five media touch points accessed by respondents at respective stage of the journey
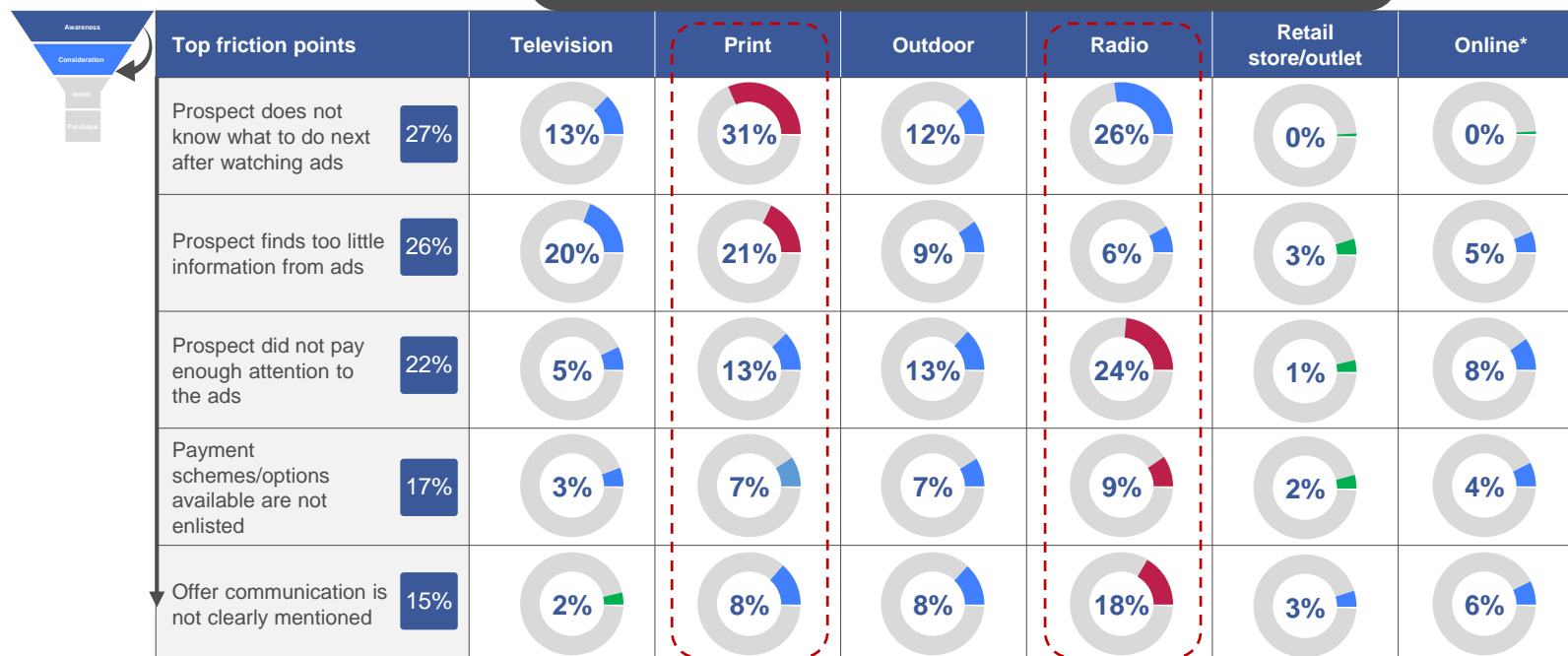
Innovative applications of digital platforms augment consumer experience with brands at the top of the funnel

While traditional mediums, such as print and radio, lag in meeting consumers' expectations at the top of the funnel, fashion accessories brands and retailers are increasingly leveraging digital platforms for deploying their full-funnel strategies. Xeric brand of watches has leveraged social media to bootstrap the brand awareness for its vintage inspired watches and raised more than USD2 million by leveraging the power of social media and crowdfunding[1]. Today, people do not have to rely on traditional advertising mediums to stay abreast with fashion trends, but prefer digital mediums to seek information. Fashion accessories brand, Kate Spade allows its customers to 'seamlessly explore, tap and shop the product'— going from inspiration to information to purchase in just a few steps. Shoppable (also called interactive or e-commerce) technology allows viewers to click prompts on the screen to save items for viewing later or to head straight to a link to buy the item. Social media oriented marketers who have already uploaded their product catalogues on that platform can easily plug them into the 'shoppable technology.'[2]

Accessories

Accessories: Awareness friction

Top friction points		Television	Print	Outdoor	Radio	Retail store/outlet	Online*
Prospect does not know what to do next after watching ads	27%	13%	31%	12%	26%	0%	0%
Prospect finds too little information from ads	26%	20%	21%	9%	6%	3%	5%
Prospect did not pay enough attention to the ads	22%	5%	13%	13%	24%	1%	8%
Payment schemes/options available are not enlisted	17%	3%	7%	7%	9%	2%	4%
Offer communication is not clearly mentioned	15%	2%	8%	8%	18%	3%	6%

% Percentage of respondents experiencing the mentioned friction in respective media touchpoints

Medium causing high friction

Media with lowest friction for the given friction point

Media with highest friction for the given friction point

[1] How a Vintage-Inspired Watch Brand Used Crowdfunding and Social Media to Raise Millions, Adweek.com, April 2017
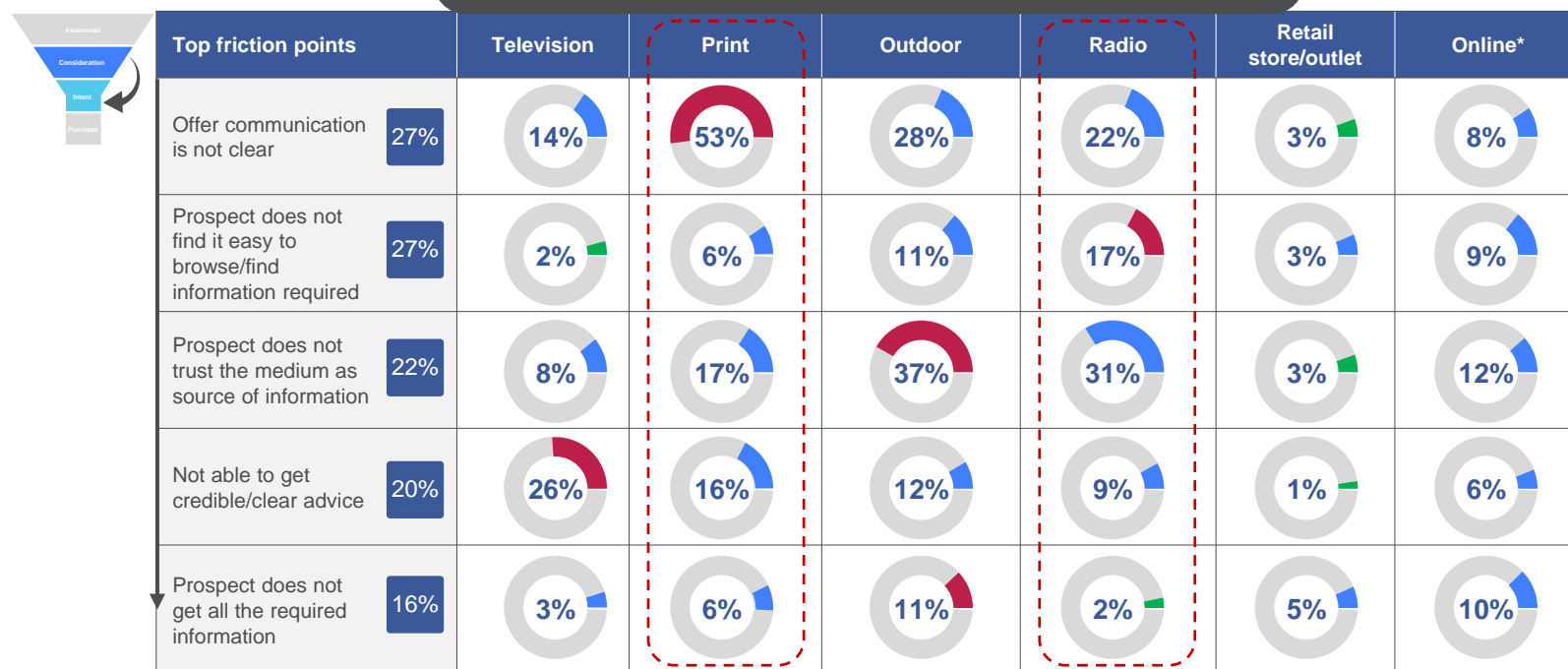[2] Retailers Can Now Make Instagram Posts Much More Shoppable, Adweek.com, May 2017
* Online includes top five media touch points accessed by respondents at respective stage of the journey

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Digital helps drive brand visibility and stickiness

Apparel

Fashion brands, which traditionally used print extensively, are gradually moving towards digital. Leading global brands such as Gucci, Louis Vuitton and others have spent 60 per cent more on online ads in 2016 as compared to 2013.[1] Tailor-made and in-vogue product suggestions, purchase discounts, offers and incremental services that are suitable to meet consumer's lifestyle, comfort and requirement could significantly aid brands in converting the acquired lead into a potential buyer at this stage. Digital channels are uniquely equipped to, first identify prospects that have moved to the consideration stage by analysing their digital footprints, and then provide immersive and sequential content to assist them in the purchase journey. Virtual product trials and technology based tools for accurate body measurements have already become a commercial reality and could further break barriers to evaluating and buying apparel online.

Apparel: Consideration friction

Top friction points		Television	Print	Outdoor	Radio	Retail store/outlet	Online*
Offer communication is not clear	27%	14%	53%	28%	22%	3%	8%
Prospect does not find it easy to browse/find information required	27%	2%	6%	11%	17%	3%	9%
Prospect does not trust the medium as source of information	22%	8%	17%	37%	31%	3%	12%
Not able to get credible/clear advice	20%	26%	16%	12%	9%	1%	6%
Prospect does not get all the required information	16%	3%	6%	11%	2%	5%	10%

% Percentage of respondents experiencing the mentioned friction in respective media touchpoints

Medium causing high friction

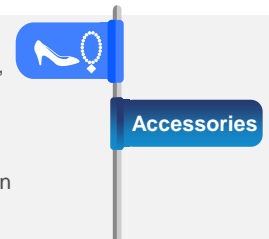Media with lowest friction for the given friction point

Media with highest friction for the given friction point

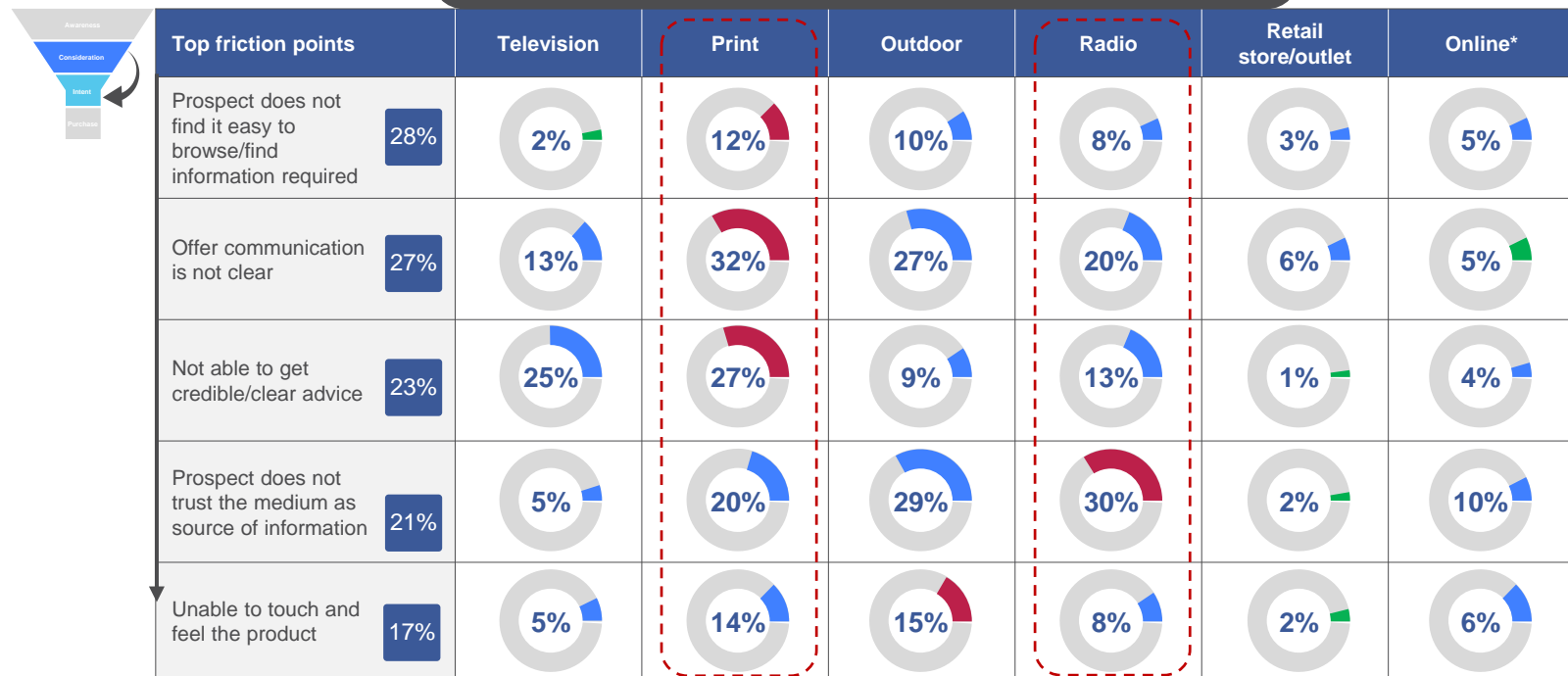[1] "Fashion Ads, a Last Bastion of Print, Are Going Digital"-Matthew Dalton, WSJ.com, June 2017
* Online includes top five media touch points accessed by respondents at respective stage of the journey

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Virtual trials have broken the barrier of touch-and-feel for e-tailing platforms

Fashion-related products remain the number one category for online sales globally, and the numbers continue to grow. While the e-commerce industry allocates more than two-thirds of its marketing budget to television, print, radio and outdoor[1], these mediums scored significantly less in meeting consumers' expectations at this stage. On the other hand, creative usage of digital technology is becoming more evident in the retail and online fashion market. Leading fashion accessories brands in India have tried to eliminate the need for visiting a retail store by deploying Virtual Reality (VR), which allows users to interact with high resolution 3D catalogue of products and see how they look from every angle. Such adoption of technologies has rewarded e-tailers with lower perception of 'touch and feel friction' on an online portal than in offline touch-points. Digital content supported by such technologies could make the evaluation process of fashion accessories more interactive and engaging for consumers.

Accessories

Accessories: Consideration friction

Top friction points		Television	Print	Outdoor	Radio	Retail store/outlet	Online*
Prospect does not find it easy to browse/find information required	28%	2%	12%	10%	8%	3%	5%
Offer communication is not clear	27%	13%	32%	27%	20%	6%	5%
Not able to get credible/clear advice	23%	25%	27%	9%	13%	1%	4%
Prospect does not trust the medium as source of information	21%	5%	20%	29%	30%	2%	10%
Unable to touch and feel the product	17%	5%	14%	15%	8%	2%	6%

(Funnel: Awareness, Consideration, Intent, Purchase)

% Percentage of respondents experiencing the mentioned friction in respective media touchpoints

Medium causing high friction

Media with lowest friction for the given friction point

Media with highest friction for the given friction point

[1] Digital Advertising in India 2018, Dentsu Aegis Network
* Online includes top five media touch points accessed by respondents at respective stage of the journey

Online platforms provide product information and comparisons, but cause friction at the point of sale

Apparel

Online brands have leveraged digital technology to match their relevance with the traditional retail stores. For instance, Virtusize allows online shoppers to go through different outfits and compare the size and fitting of a garment they are looking to purchase with their favourite wardrobe outfits they already own. This comparison helps them in selecting the ideal fit.[1]. However, customers still experience friction while concluding purchase on the online mediums. The inability to ensure that the product displayed in catalogue is how it actually looks, and apprehension around delivery and return of the product, lead to lack of trust with online point of sale. Further, more than one-fourth of e-commerce users face friction while completing online payments.

Traditional retail stores may continue to stay relevant and score higher on parameters of trust, touch-and-feel and impulse purchases. However, an optimised omni-channel play, with multiple payment solutions could integrate the two channels and address each others' friction areas to provide a uniform experience to consumers.

Apparel: Intent friction

Top friction points		Retail store/outlet	Online*
Prospect did not find the preferred payment option	33%	37%	21%
Prospect found a better price/option elsewhere	30%	32%	12%
Lack of trust at point of sale	25%	2%	23%
The right size was no longer available	22%	7%	12%
Payment failed and prospect did not try again	21%	0%	18%

(Funnel: Awareness, Consideration, Intent, Purchase)

Note: At intent stage, only retail store and online touch-points were evaluated in media mix to calculate friction

% Percentage of respondents experiencing the mentioned friction in respective media touchpoints

[1] 'How it works', Vitusize.com, June 2018
* Online includes top five media touch points accessed by respondents at respective stage of the journey

Online observes higher stickiness of consumers towards brand or product at bottom of the funnel

At retail stores, consumers are more likely to be influenced by a competing brand or product. Especially in multi-brand outlets, where products from various brands are on display, it is more convenient for consumers to compare prices, features and fit of products. On the other hand, it is more likely that a consumer accesses an online channel with a predetermined set of brands or products. Therefore, stickiness of a consumer with a brand is significantly higher on online portals.

However, online point of sales still offers friction on account of convenience of payment, touch and feel of product and credibility of information. Localisation of payment web-pages and offering multiple and easy payment solutions could address such concerns significantly. Further, e-tailers have already seen proven results from VR-based platforms providing a virtual experience of the product and prompt chat-bot based system for customer connect, targeted at addressing bottom-of-the-funnel friction.

Accessories

Accessories: Intent friction

Top friction points		Retail store/outlet	Online*
Prospect found a better price/option elsewhere	34%	43%	17%
Prospect did not get the preferred payment option	28%	14%	18%
Lack of trust at point of sale	26%	5%	22%
Unable to touch and feel the product	19%	6%	15%
The same price was no longer available or the offer had expired	18%	9%	16%

Note: At intent stage, only retail store and online touch-points were evaluated in media mix to calculate friction

% Percentage of respondents experiencing the mentioned friction in respective media touchpoints

* Online includes top five media touch points accessed by respondents at respective stage of the journey

E-tailers and traditional players are adopting strategies to offer the best of both channels to their target consumers

Lack of immediate availability and touch-and-feel of size, colour, fit and design of product(s) are the key barriers to online fashion commerce today. E-tailers are increasingly adopting consumer-friendly technology solutions and are integrating digital technology to their physical assets to either replicate, or complement the offline consumer experience. They, however, are still solving the 'returns management' part of the e-commerce puzzle. Omni-channel has offered one of the solutions where consumers could access physical touch-points of e-tailers for both returning and experiencing the products. Both offline and online brands today are increasingly exploring omni-channel strategies to offer the best of both channels to the consumers.

Further, advocacy is a major aspect of apparel and fashion accessories. Consumers display their fashion purchases and are more vocal about their product experience. Consumers who shop online are more likely to speak about the purchase and give reviews about the product quality or experience with the portal. In a category where brand or channel loyalty is low, fashion brands could create communities around their differentiated brand identities to engage with potentially loyal customers.

Apparel

Purchase channel preference

What lacks in offline?

Convenience of door step delivery	78%
Anytime purchase	67%
Easy access to multiple brands/products	42%

What lacks in online?

Immediate availability of product	55%
Ability to see, touch and try merchandise	39%
Ability to easily return items	34%

Post purchase activities

- 40% Spoke about the products purchased on social media
- 38% Recommended the purchase to friends, family members on social media or chat apps
- 29% Wrote reviews for the product online

Accessories

Purchase channel preference

What lacks in offline?

Anytime purchase	81%
Convenience of door step delivery	63%
Easy access to multiple brands/products	51%

What lacks in online?

Immediate availability of product	59%
Ability to easily return items	44%
Ability to see, touch and try merchandise	41%

Post purchase activities

- 47% Recommended the purchase to friends, family members on social media or chat apps
- 33% Spoke about the purchase on social media
- 23% Wrote reviews for the product online

Friction Busting - Increasing Sales Opportunity With Mobile

ZERO FRICTION FUTURE
by facebook IQ

Mobile-enabled journeys are 14 per cent shorter. By 2022, mobile is expected to influence ~2 in 3 apparel purchases, half of which are expected to be driven by Facebook

By 2022, mobile internet users in India are expected to rise to 677 million from 420 million users in 2017[1]. Nearly 65 per cent of apparel purchases in 2022 are expected to be mobile-influenced, while nearly one out of three purchases is expected to be Facebook-influenced, each growing nearly three times. This growth is expected to be driven on the back of organic penetration of internet, social media and digital technologies over the next five years. Brands, therefore, have a USD66 billion opportunity to re-look at their marketing strategies and adapt to the fast-evolving mobile-first internet economy of India. Further, a mobile-enabled apparel purchase journey is shortened by at least five days (14 per cent) as compared to a pure offline journey.
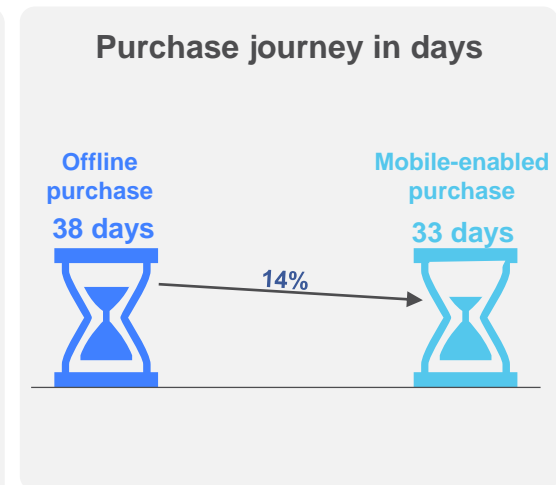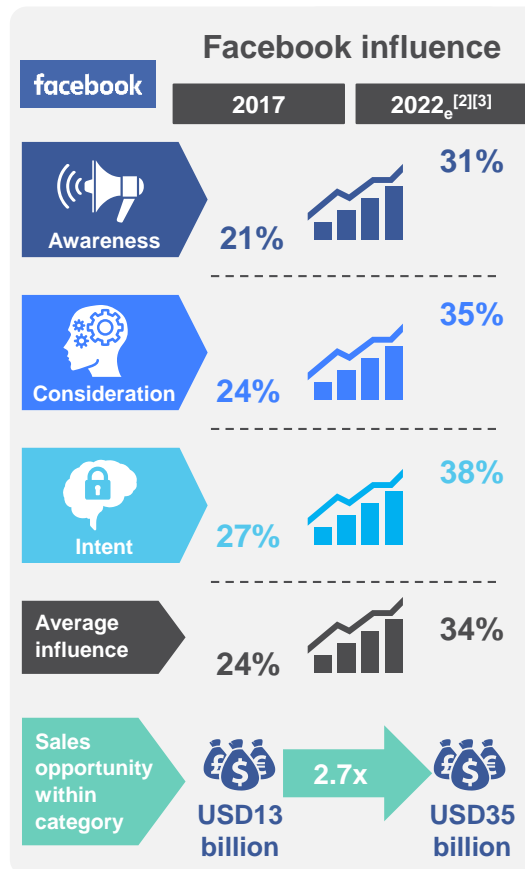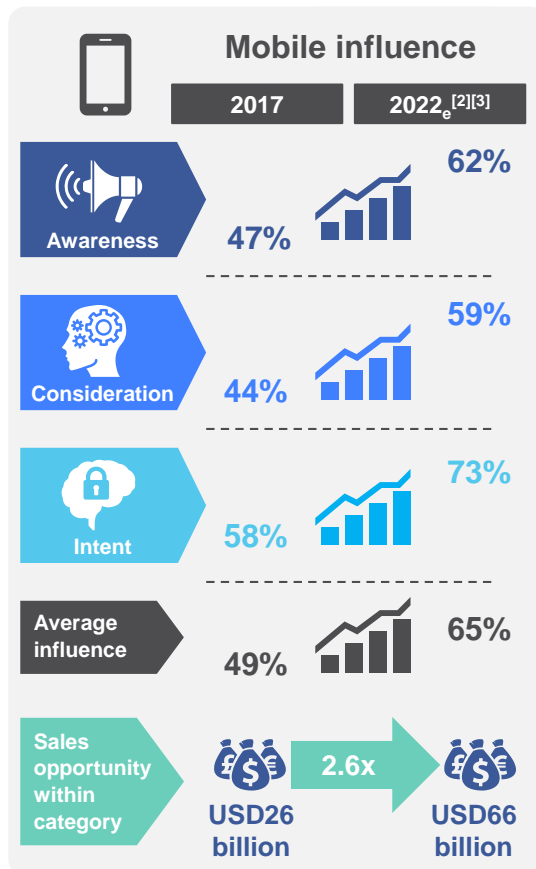
Mobile influence

	2017	2022e[2][3]
Awareness	47%	62%
Consideration	44%	59%
Intent	58%	73%
Average influence	49%	65%
Sales opportunity within category	USD26 billion	2.6x	USD66 billion

Facebook influence

	2017	2022e[2][3]
Awareness	21%	31%
Consideration	24%	35%
Intent	27%	38%
Average influence	24%	34%
Sales opportunity within category	USD13 billion	2.7x	USD35 billion

Purchase journey in days

Offline purchase: **38 days**

14%

Mobile-enabled purchase: **33 days**

Sources:
[1] [2] Internet users to touch 420 million by June 2017: IAMAI report, Economic Times, May 2017; Internet users in India expected to reach 500 million by June: IAMAI, Economic Times, Feb 2018; eMarketer Forecasts Strong Growth in Facebook Users in India, eMarketer, June 2017
[3] Apparel and Footwear in India, Euromonitor, February 2018; KPMG in India's analysis, 2018 based on data obtained from multiple industry reports and primary survey conducted by Nielsen, 2018

Mobile-ending journeys are 25 per cent shorter. By 2022, ~7 in 10 fashion accessories purchases are expected to be mobile-influenced, nearly half of which are expected to be driven by Facebook

By 2022, mobile internet users in India are expected to rise to 677 million from 420 million users in 2017.[1] More than 70 per cent of fashion accessories purchases in 2022 is expected to be mobile-influenced, while more than one-third of fashion accessories purchases in 2022 are expected to be Facebook-influenced, growing 2.5 times and nearly three times, respectively. This growth is expected to be driven on the back of the organic penetration of the internet, social media and digital technologies over the next five years. Brands, therefore, have a USD110 billion opportunity[2][3] to re-look at their marketing strategies, and adapt to the fast-evolving mobile-first internet economy of India.

Mobile influence

	2017	2022e[2][3]
Awareness	53%	68%
Consideration	51%	66%
Intent	65%	79%
Average influence	56%	71%
Sales opportunity within category	USD43 billion	2.5x → USD110 billion

Facebook influence

	2017	2022e[2][3]
Awareness	25%	36%
Consideration	23%	34%
Intent	32%	44%
Average influence	27%	38%
Sales opportunity within category	USD21 billion	2.8x → USD59 billion

Purchase journey in days*

Offline purchase: 26 days
Mobile-enabled purchase: 19 days
25%

Sources:
[1] [2] Internet users to touch 420 million by June 2017: IAMAI report, Economic Times, May 2017; Internet users in India expected to reach 500 million by June: IAMAI, Economic Times, Feb 2018; eMarketer Forecasts Strong Growth in Facebook Users in India, eMarketer, June 2017
[3] Apparel and Footwear in India, Euromonitor, February 2018; Apparel Accessories in India, Euromonitor, February 2018; KPMG in India's analysis, 2018 based on data obtained from multiple industry reports and primary survey conducted by Nielsen, 2018
*In case of fashion accessories, offline purchases includes all purchase journeys where the purchase ends at offline channel, and mobile-enabled purchase includes all purchase journeys where the purchase ends at online channel

Methodology - Friction reduction by enhancing the media mix

Interpret media-related friction individually at each stage of the journey — awareness, consideration and intent

Calculate potential friction reduction opportunity for areas where mobile can help bring down friction

Calculate potential opportunity for a brand to reduce friction in future by enhancing mobile in the media mix

Recommend feasible and scalable approaches on the basis of identified friction areas and possibility of technology fitment

Mobile has the potential to reduce media friction by 3 percentage points across the apparel purchase journey

Awareness friction

Friction points	2017 Media friction	**28%** →	2022e Media friction
Prospect finds too little information from ads	63%		
Prospect does not know what to do next after watching ads	44%		
Prospect did not pay enough attention to ads	28%		
Prospect did not understand the language of the ad	27%		
Product/brand was not relevant to the prospect	24%		
The advertised product was not meant for the prospect	22%		
Prospect did not find the ads to be appealing	19%		
Payment schemes/options available are not enlisted	17%		
Offer communication was not clearly mentioned	14%		

Consideration friction

Friction points	2017 Media friction	**32%** →	2022e Media friction
Offer communication was not clear	60%		
No expert advice/answers available	55%		
Prospect does not trust the medium as source of information	41%		
Prospect was suggested another option because of which he/she switched	23%		
Prospect does not find it easy to browse/find information required	22%		
Product looks different on the screen than actual	18%		
Unable to touch and feel the product	17%		
Unpleasant experience with the medium in the past	17%		
Prospect does not find all the relevant information	15%		

Intent friction

Friction points	2017 Media friction	**24%** →	2022e Media friction
Prospect does not trust the medium	39%		
Prospect found a better price/option elsewhere	39%		
The same price was no longer available or the offer had expired	28%		
Salesperson/customer service agent could not address all queries	28%		
Not able to easily contact shopping websites/brands customer service centre	24%		
The right size was no longer available	20%		
Unable to touch and feel the product	16%		
Prospect found it difficult to express interest/buy instantly	16%		
Prospect was not given all the relevant information	14%		

Note: KPMG in India's analysis, 2018 based on primary survey conducted by Nielsen, 2018
For all three stages - awareness, consideration and intent - the reduction in friction on offline media is based on the weighted average of friction scores for all online media, obtained from primary research
The calculation took into account the reduction in friction that could be achieved if offline friction percentages are replaced with the weighted averages of online media. It has been assumed that the values of online media can be used as a proxy for mobiles since nearly 95 per cent of the online usage happens via mobile devices

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Mobile has the potential to reduce media friction by 4 percentage points across the accessories purchase journey

Awareness friction

Friction points	2017 Media friction	**43%** → 2022ₑ Media friction
Prospect does not know what to do next after watching ads	100%	
Prospect finds too little information from ads	63%	
Ads were not appealing for the prospect	38%	
Prospect did not pay enough attention to ads	35%	
Prospect does not trust the medium as source of information	32%	
Product/brand was not relevant to prospect	29%	
The advertised product was not meant for the prospect	29%	
Offer communication is not clearly mentioned	28%	
Payment schemes/options available are not enlisted	28%	

Consideration friction

Friction points	2017 Media friction	**40%** → 2022ₑ Media friction
No expert advice/answers available	78%	
Offer communication was not clear	53%	
Prospect does not trust the medium as source of information	52%	
Prospect does not find all the relevant information	42%	
Too many brands/shopping websites are advertised for	36%	
The right size of the product was not identified	35%	
Product looks different on the screen than actual	35%	
Unable to touch and feel the product	32%	
Prospect does not find it easy to browse/find information required	32%	

Intent friction

Friction points	2017 Media friction	**18%** → 2022ₑ Media friction
Prospect found a better price/option elsewhere	27%	
Prospect does not trust the medium	24%	
Salesperson/customer service agent could not address all my queries	23%	
Prospect does not find all the relevant information	20%	
The right size was no longer available	19%	
The same price was no longer available or the offer had expired	15%	
Prospect found it difficult to express interest/buy instantly	14%	
Prospect was not able to easily contact shopping website's/brand's customer service centre	13%	
Unable to touch and feel the product	13%	

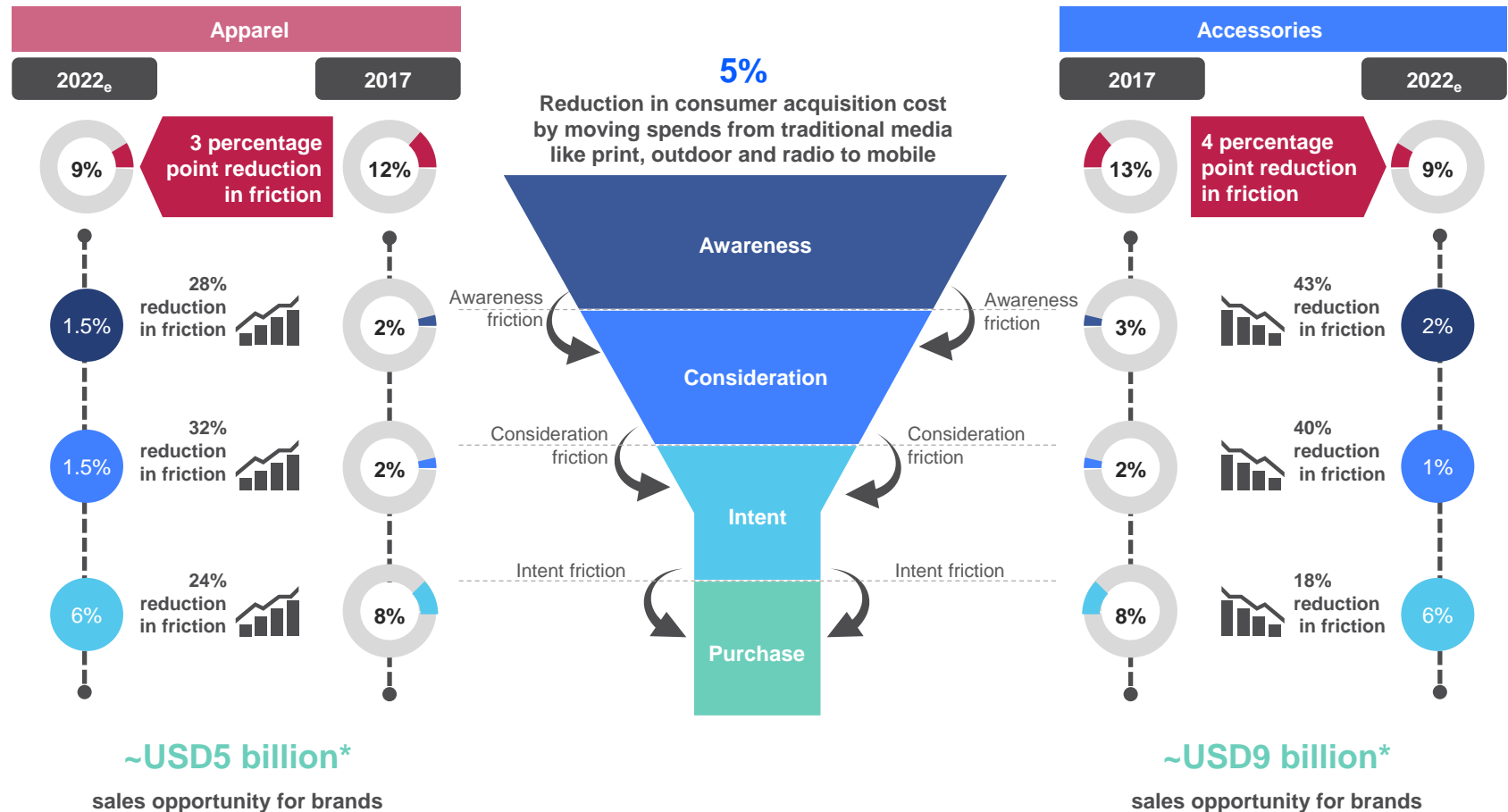Note: KPMG in India's analysis, 2018 based on primary survey conducted by Nielsen, 2018
For all three stages - awareness, consideration and intent - the reduction in friction on offline media is based on the weighted average of friction
scores for all online media, obtained from primary research
The calculation took into account the reduction in friction that could be achieved if offline friction percentages are replaced with the weighted averages of
online media. It has been assumed that the values of online media can be used as a proxy for mobiles since nearly 95 per cent of the online usage happens via mobile devices
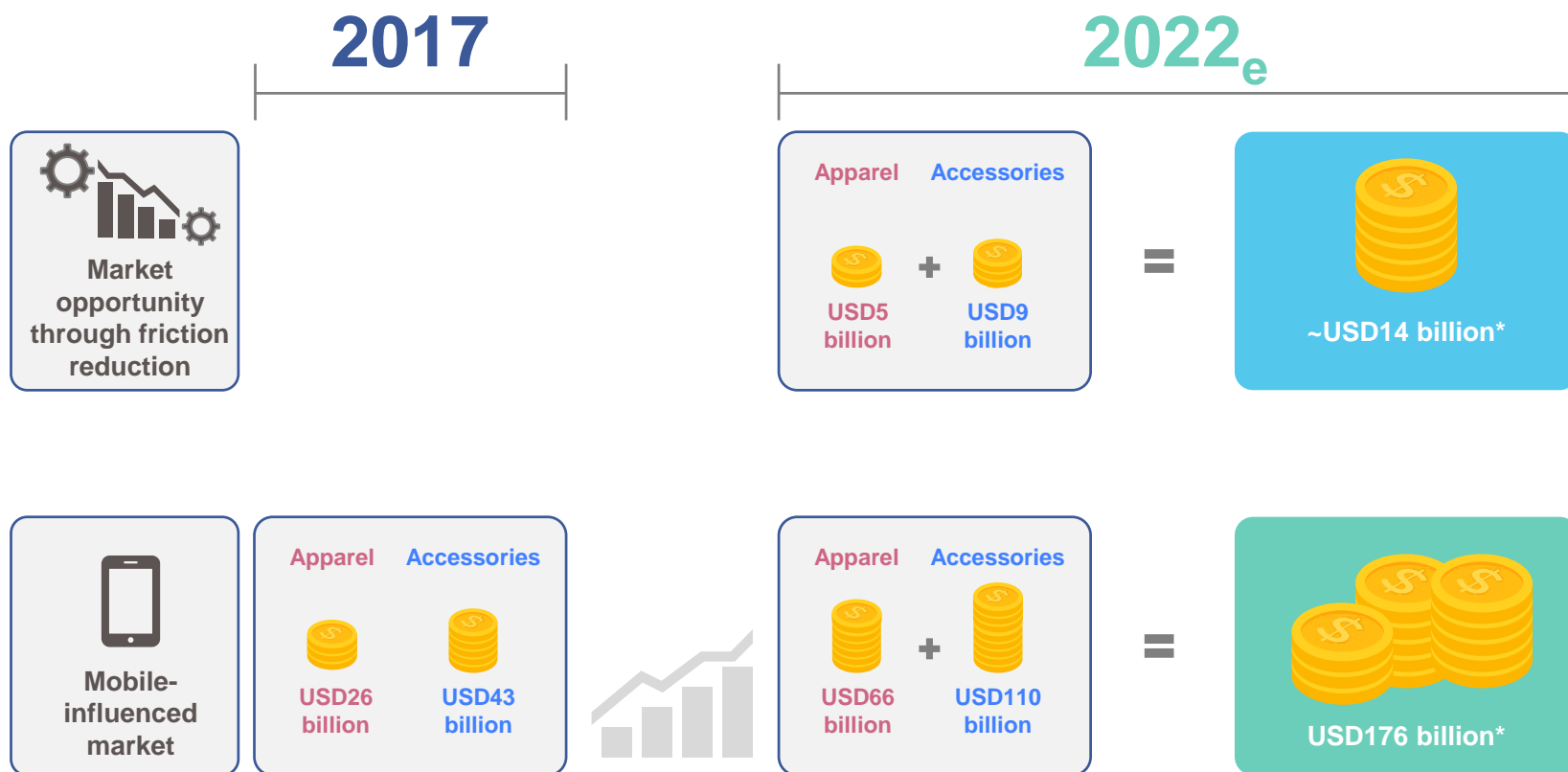
Mobile in media mix can help fashion brands tap into ~USD14 billion sales opportunity and reduce average CPA by 5 per cent

Replacing less-efficient offline media touch-points with mobile-based advertisement solutions could create opportunity of about USD14 billion between fashion brands (apparel and fashion accessories), and could create value for fashion marketers by reducing their average cost per acquisition (CPA) of consumers by up to five per cent. CPA of mobile-based digital mediums is today only a fraction of traditional mediums. Therefore, incremental spend on digital mediums could offer a better experience to the consumers and higher economic value to the marketers.
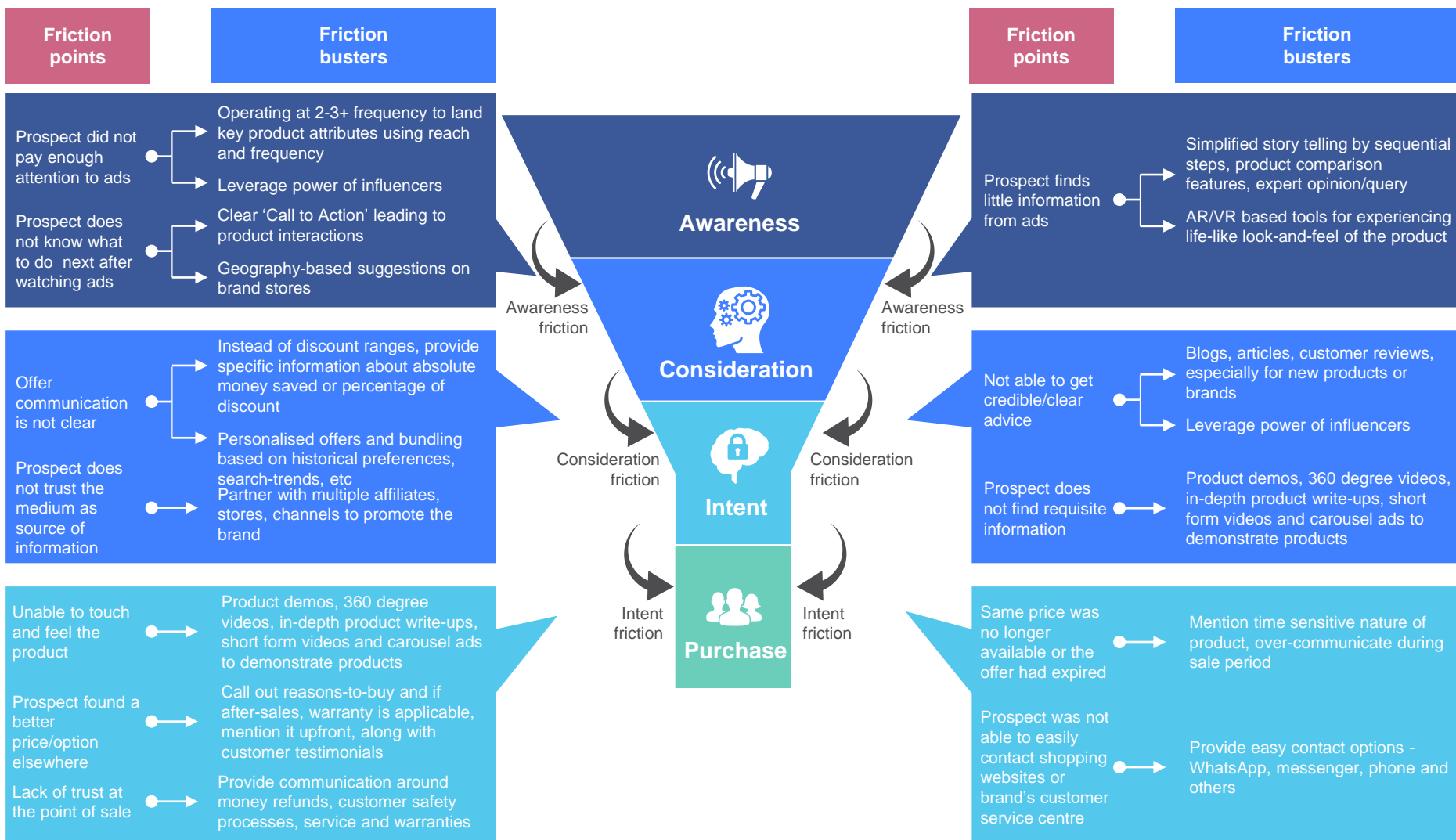
Apparel

2022e		2017
9%	3 percentage point reduction in friction	12%

1.5%	28% reduction in friction	2%
1.5%	32% reduction in friction	2%
6%	24% reduction in friction	8%

~USD5 billion*

sales opportunity for brands

5%
Reduction in consumer acquisition cost by moving spends from traditional media like print, outdoor and radio to mobile

Awareness

Awareness friction — Awareness friction

Consideration

Consideration friction — Consideration friction

Intent

Intent friction — Intent friction

Purchase

Accessories

2017		2022e
13%	4 percentage point reduction in friction	9%

3%	43% reduction in friction	2%
2%	40% reduction in friction	1%
8%	18% reduction in friction	6%

~USD9 billion*

sales opportunity for brands

Source: Digital Advertising in India 2018, Dentsu Aegis Network,; Apparel and Footwear in India, Euromonitor, February 2018; KPMG in India's analysis, 2018
Methodology: The projection is based on estimated ratio of average cost of consumer acquisition for online and offline medium in apparel industry. The ratio is assumed to be consistent in 2022, and is used to project incremental spend on mobile based digital advertisement to tap about USD14 billion opportunity
*This number can be achieved by reducing the friction, thus increasing the addressable market opportunity

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Mobile-influenced opportunity of about USD190 billion in fashion path to purchase

2017

2022_e

Market opportunity through friction reduction

Apparel + Accessories
USD5 billion + USD9 billion = ~USD14 billion*

Mobile-influenced market

Apparel + Accessories
USD26 billion + USD43 billion

Apparel + Accessories
USD66 billion + USD110 billion = USD176 billion*

*This number can be achieved by reducing the friction, thus increasing the addressable market opportunity

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Incremental spend on mobile medium could reduce cost of consumer acquisition by 5 per cent for fashion brands
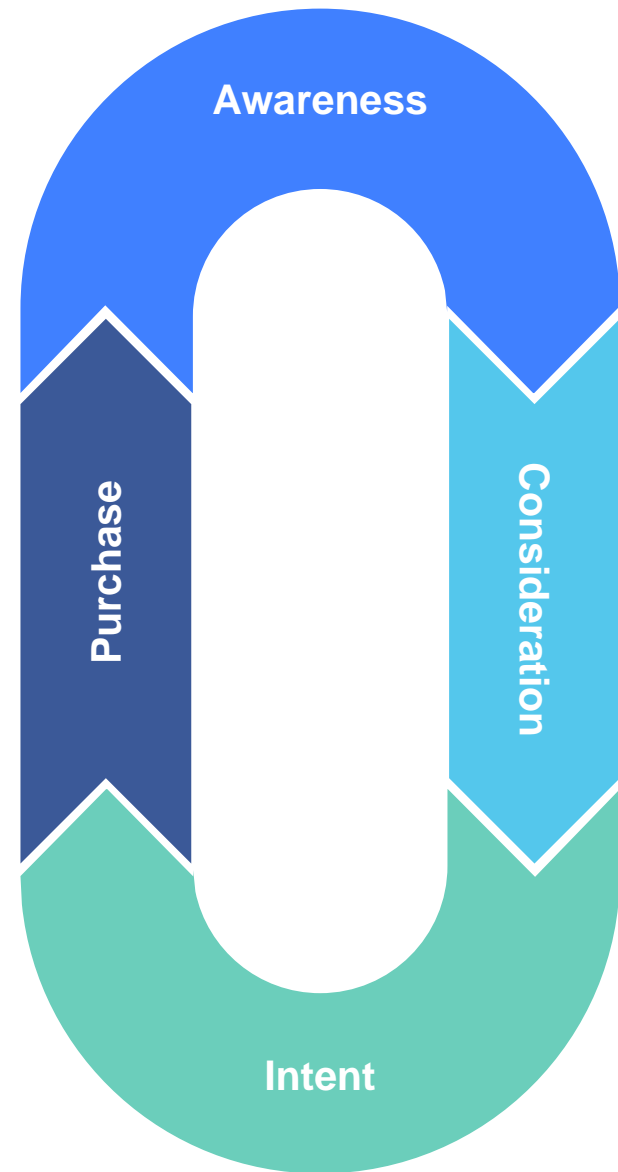
Friction points	**Friction busters**		**Friction points**	**Friction busters**

Awareness

Friction points (left):
- Prospect did not pay enough attention to ads
- Prospect does not know what to do next after watching ads

Friction busters (left):
- Operating at 2-3+ frequency to land key product attributes using reach and frequency
- Leverage power of influencers
- Clear 'Call to Action' leading to product interactions
- Geography-based suggestions on brand stores

Friction points (right):
- Prospect finds little information from ads

Friction busters (right):
- Simplified story telling by sequential steps, product comparison features, expert opinion/query
- AR/VR based tools for experiencing life-like look-and-feel of the product

Awareness friction / *Awareness friction*

Consideration

Friction points (left):
- Offer communication is not clear
- Prospect does not trust the medium as source of information

Friction busters (left):
- Instead of discount ranges, provide specific information about absolute money saved or percentage of discount
- Personalised offers and bundling based on historical preferences, search-trends, etc
- Partner with multiple affiliates, stores, channels to promote the brand

Friction points (right):
- Not able to get credible/clear advice
- Prospect does not find requisite information

Friction busters (right):
- Blogs, articles, customer reviews, especially for new products or brands
- Leverage power of influencers
- Product demos, 360 degree videos, in-depth product write-ups, short form videos and carousel ads to demonstrate products

Consideration friction / *Consideration friction*

Intent

Purchase

Friction points (left):
- Unable to touch and feel the product
- Prospect found a better price/option elsewhere
- Lack of trust at the point of sale

Friction busters (left):
- Product demos, 360 degree videos, in-depth product write-ups, short form videos and carousel ads to demonstrate products
- Call out reasons-to-buy and if after-sales, warranty is applicable, mention it upfront, along with customer testimonials
- Provide communication around money refunds, customer safety processes, service and warranties

Friction points (right):
- Same price was no longer available or the offer had expired
- Prospect was not able to easily contact shopping websites or brand's customer service centre

Friction busters (right):
- Mention time sensitive nature of product, over-communicate during sale period
- Provide easy contact options - WhatsApp, messenger, phone and others

Intent friction / *Intent friction*

Zero Friction Future - Reimagining The Purchase Journey

ZERO
FRICTION
FUTURE
by facebook IQ

Mobile will change the consumer's journeys

A zero friction future

Awareness

Consideration

Intent

Purchase

Re-imagine fashion path to purchase

Consumers for this category no longer belong to a homogenous segment. This has led to emergence of different pathways, with digital playing a key role in shaping most, if not all, pathways. With increased adoption of digital, rapid enhancement in consumer friendly technology such as AR/VR, consumer analytics through AI, machine learning and personalised offers, the path to purchase is expected to be shorter and seamless. With this increasingly non-linear journey we are gearing up for a frictionless future.

Social media-based 'brand community' and real-time interaction with fashion designers, stores and shoppers

Personalised suggestions on brands and style based on digital interactions in the form of searches, visits, video views and clicks

Localised language content and website interaction to ensure a seamless buying experience online

One-click purchase from e-commerce websites and online portals

Custom-made apparel/fashion accessories

Video or 360–degree video content on website to provide aesthetic, functional and emotionally-appealing motivations to customers

'Try and Buy' offer to try the products at home before making a payment to purchase them

Messengers to facilitate payments/purchase while browsing for apparel/fashion accessories on social media

Personalised fitting experience with size recommendation engines in virtual changing rooms, AR-based apps for fashion accessories

Personalised offers based on customer data and purchase history

Virtual Reality and social media being used to bring experiences from ongoing fashion events to the consumers in stores/through online sites

AI-driven bundling of apparel and fashion accessories where system recommendations can lead to cross-selling or up-selling

Online and chat-bot-assisted buying, stock availability checks before visiting stores

Home pick-up and delivery in case of product return or exchange

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Methodology

The study entails the following approach to identify in-depth understanding of the consumer purchase journey and friction areas therein

Primary research methodology

Primary research was undertaken by Nielsen India to cover the overall purchase journey of a consumer and to understand the friction points at each step of the journey. The study is based on random listing study on 3,000 respondents to understand the proportion of the population that falls at each stage of the journey. Deep-dive study for fashion category was conducted on 1,025 respondents split as:

Category	Gender	Age group (years)	NCCS*	Cities
Apparel: 547	Male: 430	18-24: 367	NCCS A: 744	Mumbai: 179
				Delhi: 137
		25-34: 414		Bengaluru: 141
Fashion accessories 478	Female: 595		NCCS B: 281	Chennai: 161
		35-49: 244		Kolkata: 171
				Pune: 236

Primary interviews

Detailed interviews were conducted with sector experts to understand key industry trends, friction areas, future pathways and outlook.

Secondary research

Detailed secondary research was undertaken to understand the apparel and fashion accessories industry, market growth and future trends.

Primary research methodology

Phase 1: Listing

- Listing exercise was conducted to better understand the proportion in the universe that falls under each individual cohort at any given time and to derive the size of these cohorts to be applied in the deep dive phase
- A large-scale listing study was conducted to capture incidence of respondents falling under the different cohorts of consumers, i.e., buyers, considerers and aware non-considerers

Phase 2: Deep dive

- Purposive sampling to recruit respondents for each category and cohort
- Each cohort helped provide detailed information at different stages in the purchase journey

Total population

Aware decision makers

Loss due to friction (%)

Considerers

Loss due to friction (%)

Intenders

Loss due to friction (%)
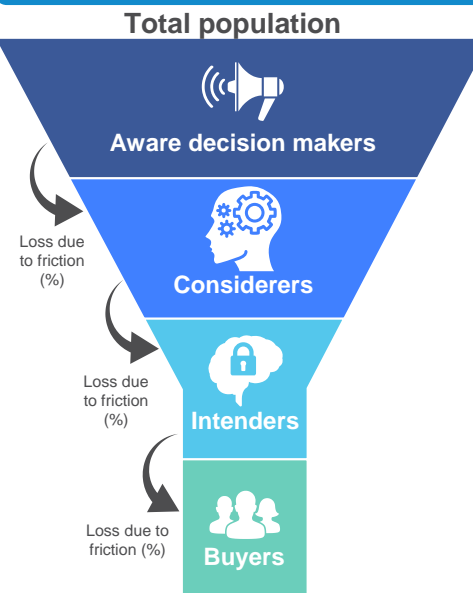
Buyers

Aware non-considerers
Reasons for non-consideration

Considerers
Influence of media touch points
Reasons for friction

Intenders
Influence of media touch points
Reasons for friction

Buyers
Analysing different paths to purchase
Influence of touch points
Reasons for friction

- NCCS — New Consumer Classification System
- Listing exercise conducted to derive the dropouts at each stage of the journey for the categories separately among randomly selected respondents
- Size of the cohorts from listing was used as weighting inputs for the outputs from the quantitative deep dive
- Base has been considered as those who are aware of the category and are either primary decision makers/have actively contributed to the decision-making process

- Apparel Buyers – Aware Decision Makers who have purchased or tried to purchase a clothing apparel in the last 3 months
- Apparel Considerers – Aware Decision Makers who have considered purchase of a clothing apparel in the last 3 months but have yet not purchased
- Apparel Aware non-considerers – Aware Decision Makers who have not considered purchase of a clothing apparel in the last 3 months
- Accessories Buyers – Aware Decision Makers who have purchased or tried to purchase a male and(or) female fashion accessories in the last 3 months
- Accessories Considerers – Aware Decision Makers who have considered purchase of a male and(or) female fashion accessories in the last 3 months but have yet not purchased
- Accessories Aware non-considerers – Aware Decision Makers who have not considered purchase of a male and(or) female fashion accessories in the last 3 months

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ABOUT KPMG IN INDIA

KPMG in India, a professional services firm, is the Indian member firm affiliated with KPMG International and was established in September 1993. Our professionals leverage the global network of firms, providing detailed knowledge of local laws, regulations, markets and competition. KPMG in India has offices across India in Ahmedabad, Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Jaipur, Kochi, Kolkata, Mumbai, Noida, Pune and Vadodara.

KPMG in India offers services to national and international clients in India across sectors. We strive to provide rapid, performance-based, industry-focussed and technology-enabled services, which reflect a shared knowledge of global and local industries and our experience of the Indian business environment.

ABOUT FACEBOOK

Founded in 2004, Facebook's mission is to give people the power to build community and bring the world closer together. Over 2.2 billion people globally use Facebook every month to stay connected with friends and family, to discover what's going on in the world, and to share and express what matters to them. Millions of businesses, big and small, use Facebook's apps and services to connect with real people and grow their business.

Rooted in what we've learned from over 2 billion people on our platforms and the 6 million businesses that advertise with us, Facebook IQ provides actionable insights about people, marketing and measurement. We offer studies, tools and resources built to transform how marketers reach people and deliver real results in this cross-channel, multi-device world.

Whether you need inspiration for your next big idea, research on how best to reach the people that matter most, or the latest in ad effectiveness, lean on Facebook IQ for insights and strategies.

ABOUT NIELSEN

Nielsen Holdings plc (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 Nielsen Total Audience measurement services for all devices on which content — video, audio and text — is consumed. The Buy segment offers consumers, 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 also provides its clients with analytics that help improve performance. Nielsen, an S&P 500 company, has operations in over 100 countries, covering more than 90 percent of the world's population. For more information, visit www.nielsen.com

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