

## THE 2020

# India Consumer Mindset

Santosh Desai examines the fast-evolving Indian consumer landscape, the new drivers of consumption, and how organisations should plan around it

India's consumer and cultural landscape is transforming in a manner that has seldom been seen before. Whilst the advent of the digital era is one big element, there are also others, each of which impacts the manner in which brands and products are viewed, consumed and remembered. India's cultural context, the utter aspiration of the consumer, has been the strongest ally of economic growth. Today, as growth remains subdued and yet, this rumbling vortex of change continues unabated, our need to understand it and the future of India becomes mission critical.

### CONSUMPTION: NEW THEMES

Economic liberalisation opened up enormous new opportunities, and in no time, the Indian market moved from being scarcity-led to one with too many choices. This sharply altered the existing patterns of consumption. Today, fuelled largely by digitisation, there is another major shift underway ('Liberalisation 2.0'), this time centred around the quality of consumption. In such a layered and nuanced landscape, it is consumers rather than brands that are 'in charge'. The implications are far-reaching, and require firms to have a deep understanding of the changing cultural context and consumer preferences, emerging consumer segments, and the critical role of technology.

**F**uelled by digitisation, there is a second phase of 'liberalisation' – the first was unleashed by the 1991 reforms – underway today



### Digital: A major force

Increasingly, digital is replacing TV as the dominant media – and its influence on consumer spending is both significant, and growing rapidly. Consumers rely ever more on social media to frame and drive their purchase decisions. Digital enables community-based marketing that delivers tangible and emotional value in terms of bi-directional communication, better engagement, reduced cost, and greater customer loyalty. Unlike TV, digital reverses 'the flow of influence' by putting consumers – not the company – in charge of a brand's narrative. Digital is also fundamentally changing education, by making learning interactive, engaging, flexible and self-directed. The traditional 'one-size-fits-all' learning culture is being replaced by one that is more aligned with individual aspirations. There is a growing realisation among the

youth that they should actively add new dimensions to their learning by thinking vocation-backward – evident in a massive boom in the



preparatory and do-it-yourself (DIY) space.

### **The rise of influencer marketing**

In this digital era, businesses are using new channels of influence, and focused marketing tools – such as blogs and YouTube reviews – to engage with consumers. Simultaneously, online ‘currencies’, such as ‘likes’ and ‘number of views’, have given rise to a class of ‘professional consumers’ who are also curators. Fashion and food bloggers, for instance, command strong influencing prowess that is also highly targeted. In effect, it is these influencers, not brands, that are doing the ‘category building’

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– and so, more and more firms are fostering partnerships with them.

However, this makes the influencing process less visible and more unpredictable, thus fragmenting the mainstream. Marketers need to take cognisance of this new trend as they design marketing strategies for better customer engagement and increased ROI.

### **The evolving individual identity**

The traditional socio-religious structures that once defined India appears to be softening. Individuals are looking at the world not through a ‘modern’ or a ‘traditional’ lens, but through a lens of ‘self-expression’. Smartphones and social media are driving a new ‘I-centric’ mentality that is rooted not in a ‘collective



past', but in a 'personal present'. Identities are also becoming more fluid and expressive: on Twitter and Facebook, self-identities extend beyond profession and religion, to aspirations, and areas of interest. People are also much more vocal about both their successes and their failures. Conversely, in the absence of fixed sources of identity, the past is consciously being mined. This 'back-to-roots' trend is visible in consumer goods, where there is a growing preference for Ayurvedic, herbal and natural products.

### **Rising health and fashion consciousness**

Greater health- and wellness-consciousness is transforming the food and fitness markets. The factors driving this shift – stress, rising anxieties about pollution, changing lifestyles, rising personal income, and urbanisation – have united to form a new market of consumer-focused healthcare products. People are increasingly focusing on living a 'healthy lifestyle' by eating right, exercising regularly, and opting for preventive healthcare. To capitalise on this trend, marketers are altering their product offerings, launching new, healthy food options, and shifting the emphasis of their marketing campaigns. The mushrooming of diagnostics and preventive healthcare clinics highlight a visible concern over health problems. Another related trend is the rise of

## **The modern consumer seeks unique, adventurous and share-worthy experiences, with an emphasis on the 'qualitative' aspects of consumption**



fashion consciousness in a collective sense. This trend is, however, non-linear: there is no difference between how youths dress in small towns, compared to their urban counterparts. With Internet and TV penetration growing fast, the influencers (music channels, global runaways) are the same for everyone.

### **Women: a high-potential segment**

With greater educational attainment and financial independence, women are steadily moving away from being the caretakers of their families, to being the decision-makers. Most marketers now consider women to be a critical segment capable of driving growth for their brands. For instance, the share of solo women travellers (for either business or pleasure) has

grown from 10 per cent to 30 per cent in the last three years, which represents a huge opportunity. Whilst there is a lot of ground to be covered, especially in terms of women occupying leadership positions, changes at the entry-level suggest that the winds of change are blowing in the right direction.

### **A desire for cultural and sensory adventure**

In an age of endless choice, the modern consumer seeks unique, adventurous and share-worthy experiences. 'Horizontal segmentation' – where the emphasis is on the 'qualitative' aspects of consumption, with a preference for interesting over expensive – is gaining momentum, evident in the explosive rise of theme restaurants. The concept of travel is also seeing a fundamental shift – from one centred on either lounging around or taking in the tourist sites, to meeting new people, forging new relationships, or going on a yoga or spiritual retreat.

### **The family as a Co-Op**

Finally, there is a marked change in the internal 'language' of families. Earlier, families would impose rules on individuals, but today, they are geared around providing support to individual goals. Knowledge now flows in both directions, where it is not just about children learning from parents, but also parents learning from their children, especially in the realm of technology. There is also rising collaboration between spouses to achieve common goals, such as the creation of assets, or the development of their children. New-age parents treat parenting as a skill, which they constantly strive to improve. ■



*This article is based on discussions of The India CMO Forum in Delhi and Mumbai with Santosh Desai, columnist, media critic and author in January 2018.*

