

## A Few Consumer Trends in India in the Coming Decade

In the most stable of times, it has always been very difficult to predict how the consumers will behave a decade later. It is even more so when there are so many change drivers in play that will have a fundamental impact on consumer behavior in the near future. These change drivers specifically for India include its current demographics, rapidly rising levels of education across the society, near ubiquitous penetration of communication technology that will soon include 3G & 4G data networks' access to hundreds of millions, increasing urbanization, changing aspirations and lifestyles, and finally, the spectacular growth of e-commerce which is only going to increase further exponentially in the coming decade. This will lead to multi-dimensional changes in consumer behavior, of which a few most interesting ones will be:

### 1. Happier / prouder being an Indian:

- It seems that an increasing number of Indians seem to be overtly or subliminally embracing some of their "Indian" roots with greater enthusiasm. The spectacular rise of products & services that have "India" at its core seems to demonstrate this. This includes companies / brands that include clothing (just about every wedding and festival celebration in India finds more Indians wearing very traditional clothes, jewelry, and accessories), skincare & body care, personal care, foods including health foods, health & wellbeing treatments, food services (across different formats ranging from fast food to casual dining to fine dining) etc. etc.

### 2. Increasing poverty of time:

- Due to multiple factors e.g. more women entering urban workforce, rise of nuclear families, the demographic hump that India is currently undergoing that has probably largest quantum of its population between 21 – 45 age group (and therefore highest ever number of households with young children), more active social lifestyle etc. etc., Indians have been steadily getting time-poorer over the last 2 decades. However, in the next 10, this time poverty will further increase as even more women enter workforce leaving lesser time available to manage household chores and as urban traffic congestion leads to increase in commuting times for work purposes. The time poverty will lead to multiple fundamental changes in India over next 10 years that will be primarily driven by the needs of a very large mass of urban Indians to save / optimize their time. This will create more opportunities for businesses to deliver a wider range of goods and services "anytime/anywhere" to hundreds of millions of Indian customers on their "individual" demand. E-commerce (both services and goods) will therefore see a much more rapid adoption in India than it has seen anywhere else in the world.

### 3. Increased pressure on current "power" brands:

- The growth rate of e-commerce will significantly accelerate in the next few years, and in its wake, add hundreds of millions of new customers across a much wider spectrum of age, income, urban & rural, and lifestyles. As the old-adage – “location, location, location” – for success of retail gives way to a newer one – “choice, more choice, even more choice” – in the world of e-retail, Indian consumers will get even more promiscuous when it comes to their loyalty to brands. In the world of virtual retail, consumers can seamlessly flirt from one brand to another across different product categories (and indeed, different e-retail platforms), try unknown or lesser known brands at nearly no-risk to themselves on account of no-questions asked return / exchange policies of retailers such as Amazon, and in the process – severely dent the strength of current power brands across almost every product category.

#### **4. Outsourcing of “home kitchen / home cooking”:**

- More education for women and more of them in workforce, coupled with higher time poverty, will manifest in the coming years by way of more and more of relatively young households not being in a position to “cook” or have the time to “cook” meals at home for most of the 365 days in a year. Eating out or ordering food in from a typical restaurant is going to increase further, but the biggest opportunity in the next 10 years would be offer “home-style” meals, at “home-cooked” price points (or close to them) to urban Indian families. This would be a fundamentally different model than the current so-called “food-tech” businesses.

#### **5. Increased demands on Social Responsibility:**

- With rising awareness of Indian citizens on issues relating to the larger social responsibility of businesses, public & private institutions, and the Gov’t (both at the Center & the states), and increased activism aided both by tools as RTI and by the media at large especially the “social media” networks, there will be increased pressure from the citizens (who are also consumers) on various public & private entities that will include consumer product companies to demonstrate higher quality of and more sustained “institutional social responsibility”. Businesses and entities that embrace CSR as an integral, seamless part of their business strategy are likely to achieve better financial and other outcomes for their stakeholders compared to those who merely pay “lip service” to CSR or see (for profit making companies), the 2% CSR cess on their profits as just another tax.

Arvind Singhal  
[arvind.singhal@technopak.com](mailto:arvind.singhal@technopak.com)