

Habits of the upcoming Consumer - No more a fantasy

This year viewership of just concluded IPL on internet outnumbered IPL's viewership on Television. Huffington Post became the first online newspaper to win the Pulitzer prize. Mobile Devices have replaced Computers as biggest consumers of semi-conductors worldwide. These are facts in the year 2012. These would have appeared unimaginable in the year 2000.

These facts also denote a dramatic transition in the way technology impacts today's consumers. First news is that this transition has been so swift that it has caught many "great" companies unaware. Second news is that "experts" have undermined consumers' ability to keep pace with the rapid pace of change in technology. Breaking news is that very soon India will be very much part of this action.

The logical question then is how one interprets this transition for implications. Arguably this thought can have many tentacles of investigation. There are two issues though that will presumably cut across industries and functions and will have widespread consequences.

First issue is the rapid rise of new consuming class with ingrained ability to use mobile devices. These are not us - current consumers for whom these devices are still an accessory. We have made a series of transitions to the pads and smartphones from wired lines. We have a reference point of "BEFORE" and "AFTER". With time, we will grow old and so will our point of view. Consumers of the next decade cannot and will not imagine a world without mobile devices just as we cannot imagine a world without refrigerators. For the new consumers checking weather on smartphones and comparing prices on tablets will be as logical as it is for us to use a remote control for switching on the TV. Buying online will become a habit for a big enough mass of consumers that will enable e-commerce to take off in India. Almost every consumer facing organization will need assess the impact of this transition on its business.

Globally, Television is facing tremendous headwinds to stay relevant. Leading electronic companies are racing against time to de-risk their dependence on the Idiot Box. School kids today spend more time playing angry birds on mobile devices than watch Tom & Jerry on TV. Entertainment is clearly becoming a long tail of niche offerings. These trends are outcomes of the second issue. This issue is about the dramatic shift in the way media will be consumed by the consumers of the next decade. These consumers will have short attention span. For them, mobile accessibility of media will be more important than the quality of the media. They will prefer interactive options over isolated monologues. Therefore, reaching out to these consumers will not be as straight jacketed as it is for us. Cost structures in the traditional media space may alter. Marketing spends may include amusing sounding cost heads viz. cost of developing new apps, customer acquisition cost on search engine, cost towards sponsoring a video games tournament, cost towards building brand through on line streaming. This issue has the potential to alter the marketing mix of many organizations. Entire approach to product development, brand building, customer relationship and loyalty may require a re-look.

These thoughts may sound like a fantasy dream. Many of us will continue to discount these scenarios. My personal favorite being "India is different". There cannot be any empirical evidence to counter this skepticism. We can only wait for the future to unfold to test this hypothesis. The fact of the matter is that in many countries these trends have already seeped in and become the norm. INDIA is sigma of many INDIA's residing within. On one hand there is a consuming India that wants to behave like any developed world and on the other there is a struggling India that aspires to jump the band on quality of life. Inarguably, these issues will play out differently to these different INDIA's. But, consumers across income levels have time and again proven that they are smart enough to adapt technology for personal gains.

The question therefore will not be whether it will happen but when will it happen. Perhaps, tipping point events such as successful launch of affordable smartphones or takeoff of faster and viable 3G / 4G network may just make the unfolding of this fantasy sooner than later.

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