



SEEKING STABILITY

PREDICTIONS
FOR 2019

As we go to press towards the end of 2018, the state elections provided more than a clue about people's fraying patience with the political establishment. The outlook for India has never been so uncertain. With national elections looming a few months from now, the voter / consumer has much to consider.

The resultant instability, compounded by a fast-changing technology, financial and business landscape has created a deep sense of insecurity in Indian consumers. Their overriding response would be to seek stability.

It is driven by a need for anchors in a stormy world. These are anchors of identity, security, personal experience, location and physicality. Even as they explore and try the new, we find that they refer back these fundamental roots of human behaviour as their safety net.

At Kantar, we recognize that it is imperative to achieve a balance of human insight and data-enabled decisions in both the business world and our personal worlds. While data might give us the confidence to believe, our personal experience and foresight give us the guidance to act differently and courageously.

In identifying the key trends and how they may manifest over the coming year, we have attempted to exhibit that spirit of digging deep and finding stability. We hope that it rubs off on you as you enter 2019. Best of luck, and we look forward to hear your thoughts.



RECOGNIZE ME



68%

of Indians agree that they are free to shape their identities and transform themselves in whatever way they want. The percentage has increased sharply from 57% in 2017.

CONSUMER TRUTH

As every micro-segment of India's population demonstrates a hunger for recognition, they are no longer inspired by a few role models, but by achievers they see around themselves. They reject collective labelling as the emergent middle class, small town resident, aspirational homemaker, and would like brands to meet their unique needs and help fulfil their dreams. In doing so, it is almost as if they have split themselves into two halves: one is an experimental, transitory self, the other a more stable being rooted in family, caste, region and community.

The defining characteristic about this duality is an expectation to be recognized for both selves: help me create the authentic rice pudding that my grandma used to serve, before I head off to a profanity-peppered standup comedy act. A loyalty card at the bar is not just about racking up points for free drinks; the bartender should call me out by name (if only to impress my friends). Small-town living is no more a soporific routine. Rather, it's a smart choice – with a greater disposable income, as many choices as a big-city dweller thanks to e-commerce, and fair representation in Bollywood. It provides them a stable base to chase dreams from.



MARKET VIEW

Brands and categories which recognize the consumer for who they are and where they are will flourish. Expect identity and location data to be more precious than ever.

For online retailers, a small-town push would be a no-brainer. Overall e-commerce spends by non-metro shoppers have quadrupled in 2018, while e-tail spends by metro shoppers have grown by 3X. Growth in the online purchase of clothes in 1-5 lakh population towns rose 2.4 times over 2016 (compared with 2X in all of urban India, and 1.3X in 10-40 lakh population towns). Online purchase of shoes grew 2.3 times in below 1 lakh population towns since 2016, versus an overall urban growth of 1.9 times, and 1.6 times in 10-40 lakh population towns.

The recognition of diversity and inclusion is inexorably making its mark in the consumer's consciousness. Titan Raaga, for example, celebrates imperfections and seeks to redefine notions of beauty, as it depicts women who are proud of their (physical) scars. A focus on regional language support – driven by technology use in local languages, has seen Google announce the addition of Marathi for its popular Google Assistant, with plans afoot for seven more Indian languages, including Tamil, Bengali, Gujarati, Telugu, Urdu, Kannada and Malayalam.

IMPLICATIONS

User-generated content will grow by leaps and bounds as people of all shades and intent seek to be recognized. How marketers are able to understand human motivations and their diverse origins will pave the path for the fulfilment of their needs.

There will be an explosion of agents of change. This will cause an evolution from coaching centres and middlemen, to enablers who are able to spot the potential and facilitate transformation, with technology playing the dual role of connector and showcase.

PROTECT ME



47%

of Indians say that they feel stressed these days. The percentage has increased from 39% in 2017; and more women than men feel this way.

Kantar Consulting
Global MONITOR 2018

CONSUMER TRUTH

In 2018, we wrote about the consumer being in a state of perpetual anxiety. That feeling has magnified, with young Indians feeling even more anxious than ever – according to Kantar IMRB's TGI study, 64% of 15-19 year olds worry about crime and violence around them, a figure that is 3% higher than the average across all age groups. Equally worrying: every hour, a young person kills himself or herself in India. The Lancet study, which reported this figure, found a link between financial condition and depression, a situation that is exacerbated by the lack of mental health counselling – 87% of those who face such issues do not have access to a psychiatrist. Another huge risk: over 100,000 children under the age of 5 die every year due to air pollution. Food and water safety, pollution from plastics continue to be serious threats: two-thirds of our urban wastewater goes untreated. 2018 was also the year that the #metoo movement saw numerous women emerge with their stories of exploitation, particularly in the business and entertainment worlds.

With the government being slow to act, with industry and society continuing to resist fundamental change, common people are left with no option than to find ways to minimize the impact on physical and mental health.

MARKET VIEW

Protector products are expected to see a sharp uptick as we go forward into 2019. Hand sanitizers, for example, have grown by a massive 59% in the previous year (Kantar WorldPanel); Chyawanprash – the traditional Ayurvedic immunity booster, by 26%. Nearly 2.2 million people bought health, dietary and fitness brands online in 2018, a growth of 3X over 2017. The domestic air purifier has grown by ~40% last year, with 70% of the sales coming from the National Capital region (NCR) which has regularly topped the global charts of the worst polluted cities.

#Metoo has spurred women to find ways of defending themselves. Pune-based martial artist and commando trainer Shaurya Bhardwaj, popularly called Shifuji, has embarked on a mission to train 10 million women, of all ages, in self defence and reactive protection. Smart jewellery brand Leaf Wearables embeds a device called Safer Pro – priced at only Rs 1899, which sends out an alarm signal and the user's location to predetermined contacts. The smart device recently picked up the \$1 million Xprize for Women's Safety. Expect more such devices, especially for young children, to hit the market soon.

IMPLICATIONS

With technology and social media giving birth to new forms of threat such as online trolling, the ambit of counselling will only widen. Over 70% of women surveyed by Amnesty International said that they had faced some sort of abuse online, and it changed the way they used social media. A third of them said they no longer post their opinions on some issues. That kind of forced social exclusion cannot be allowed in a civilized society. While celebrities and politicians, the usual targets of social vitriol, may have experts to help them deal with the negative sentiment, the young do not.

Brands will have to create a stable, positive environment and enable support groups to change the discourse of negativity. At the same time, the entertainment industry – where portrayal of women as victims hitherto pandered to the male gaze and fantasy – will be compelled to change their storytelling and bring in more powerful women's voices.



STIMULATE ME



76%

of Indians say that they're looking for new experiences and sensations that will liven up their everyday activities. The percentage has increased from 64% in 2017.

Kantar Consulting
Global MONITOR 2018

CONSUMER TRUTH

Indians are most likely to look for experiences that allow them to help and connect with others, are memorable and make them feel recharged. Compared to the global norm, however, we are significantly more interested in experiences that make us look cool and stand out. Mobile gaming has taken off and with 250 million gamers, India is one of the top 5 gaming countries in the world. Many gamers say that, far from isolating them, gaming is a great way to connect with people from across India and the world.

The desire for new experiences and stimulation is not limited to young people. For many seniors, laughing clubs are passe – they are running marathons, and pushing the boundaries of their physical capability and flexibility, like taking up dance after 60.

The penchant for celebration, which has been magnified by the Great Indian Wedding, is now a regular occurrence. For example, buying a new car is an invitation to drive out and party. Any festival is a platform for live performances and to amp up the visual and aural volume. Fabrics have moved on from their textural feel to embellishment with sequins, beads and metallic embroidery.

MARKET VIEW

The momentum driving India's Experience Economy will only increase in 2019. Over the last three years, the demand for adventure activities and local experiences grew by 178%, with the percentage of people above 50 years rising from 8% to 11%. Unmukt Festival, organized in Hyderabad, is India's largest event showcasing solutions for senior living. They held a cookery festival in partnership with The Westin, a collaboration between fifteen senior cooks and its own chefs.

According to beauty doyenne Shahnaz Hussain, over 700 spas are expected to open doors in the next two years. It's an industry that is growing at 40% annually, with tourists seeking travel services that incorporate diverse wellness packages, including those that couple medical procedures with spa indulgence, Ayurvedic treatment or cultural immersion. Some travel agents are also reporting young inbound tourists paying anywhere between \$150-250 to attend and experience the sensory overload of an Indian wedding.

The multi-player game PlayerUnknown's Battleground (PUBG) really took off after the launch of a mobile version in March. The ability to chat with other players adds significantly to its attraction. A couple from Pune went a step further with their passion for the game, with a pre-wedding PUBG photo shoot.

IMPLICATIONS

Going forward into the next year, we expect that many more brands will leverage the power of senses to attract consumers. This will provide a more engaging user experience, even as new technologies such as AR/VR offer immersion and superimposition of imagined worlds for the consumer.

The growing desire for rewarding any form of engagement is the outcome of a 'never-enough' feeling amongst the Indian population. Through stimulation, they are seeking fresh, unique ways of being rewarded.

With gaming no more a niche experience, it presents a fantastic opportunity for brands to both be involved in the game ecosystem and to gamify their user experience.



SERVE ME NEARBY



149%

more traffic congestion than comparable cities around Asia – that's what Indian metro dwellers have to deal with. Traffic congestion in Mumbai leads to commuters spending 135 per cent more time in road travel than any other Asian city; commuters in Kolkata take 171 per cent more time than the average to travel during peak hours, the figure for Delhi is 162 per cent.

CONSUMER TRUTH

With the changing contours of Indian cities, neighbourhoods will become more significant than the city itself. For resident families and incoming migrants, the real estate mantra of 'location, location, location' now determines their choice of home, work, education, entertainment, shopping and above all, medical facilities. Large metropolitan cities are splintering into neighbourhoods. The consumer's expectation is that all the services will be delivered at the doorstep.

While the benefit of proximity in terms of convenience is obvious, the opportunity for service providers is enormous. We are witnessing a reskilling of this workforce, particularly in the form of leveraging technology and improvement in customer service. The familiar warm relationship between the neighbourhood grocer, chemist or barber will be increasingly enabled by technology. Embracing tech allows them to remind customers and replenish repeat purchase items like groceries and medicine, and anticipate services like a manicure, massage or haircut.

MARKET VIEW

Nitin Chhabra, CEO of e-commerce solutions provider Ace Turtle says, “Pricing drove traffic, but now convenience and accessibility are big influencers.” 91% of the people surveyed by Cashkaro.com said that they will spend more money on e-commerce sites in 2019. A massive part of that growth is expected to come from services, with specialized platforms gaining popularity over marketplaces.

At-home service platforms like HouseJoy and UrbanClap have witnessed exponential growth in customers and service providers alike. The latter reported 2.5 million registered users, with 75% repeat users and average transaction value between Rs 1200-1500.

The opportunity to fulfil needs from, or at, home has spurred many homemakers to leverage their cooking and grooming skills. The home chef business is pegged at Rs 408,040 crore in 2018; many cooks catering to the growing demand for regional cuisine, organic meals, healthy / gluten-free and vegan meals within their neighbourhoods. It is estimated that there are as many as 2 lakh beauty professionals across India, with nearly one-fourth of them being freelancers. Online curated beauty services platform Vanity Cube, which services between 150-200 bookings a day, expects that demand to grow 15X within a year.

IMPLICATIONS

There's a massive B2B opportunity for food, beverage and grooming brands to fulfil the unique needs of the service providers – in the form of new products and new ideas. Brands need to work out how to engage with them, and convert them into advocates. Content marketing will become the norm – and it will be vital to help them create interesting content using the entire gamut of options from Instagram to TikTok.

Simplifying the transaction through payment gateways will become as important in the near future, as rewarding customers and users for their loyalty. It will be necessary to leverage technologies that enable service or product discovery, similar to what restaurant aggregator platforms such as Zomato and Swiggy already do.



UNPLUG ME



53%

of Indians (amongst those who use the internet) say that they wish social media had less of an influence in their lives.

Kantar Consulting
Global MONITOR 2018

CONSUMER TRUTH

Even as technology engagement grows by leaps and bounds – the 18% growth in the number of smartphone users in 2018 is the highest in the world – a growing section of the population is reducing their screentime and seeking ways to reconnect physically with the world. The self-realization of tech addiction is causing a growing number of people to take breaks from social media.

Astronomy buffs in Mumbai head out to farflung villages over the weekend; travel experience platform Unhotel offers walks in the Himalayas along with book readings and guided bird-watching. Mainstream newspapers like The Times of India propagate the joys of a Slow Life unhindered by technology. As an increasing number of families create rules: “We had decided to limit our screen time to 30 minutes (television); 30 minutes for phone surfing (adults) and zero minutes for phone surfing (humans below 18 years)”, even the Maharashtra government steps in to declare one day in a week as a ‘No Mobile’ day.

MARKET VIEW

Digital detox is emerging as a big business, starting at the very top of the heap. Ecommerce platform Snapdeal's cofounder Kunal Bahl and Mobikwik's cofounder Upasana Taku have publicly pulled the plug on their toddlers' device usage. Tech platforms such as Android and the iPhone track and report all of our screen time; Android labels it under the 'digital wellbeing' banner. The SHUT (Service for Healthy Usage of Technology) clinic in Bangalore has seen a steady rise in the number of patients seeking help for tech deaddiction ever since it opened four years ago; while retreats like Healing Hideaway in the Nilgiris 'allow the brain to recover'.

As more people embrace physical activity ranging from the new-age Zumba to traditional yoga to long-distance running and cycling, the athleisure market has exploded, growing by nearly 14%. As have events that bring enthusiasts together, even though the primary mode of creating the groups is social media. Some 35000 people of all ages were at the starting line of the Delhi Marathon, each having paid Rs 1900 to participate. It is no small wonder that there are now over 1000 marathons organized in cities big and small across India. On a more sedentary note, even book reading clubs – such as Bring Your Own Book, are growing in membership, with the book market expected to expand by 19% until 2020. Litfests have mushroomed across cities, from Pondicherry and Chandigarh to Pune, Jaipur and Allahabad, some reporting a threefold increase in visitors over the last 2 years.

IMPLICATIONS

The travel and leisure industry has much to feel optimistic about as more Indians seek physical and social in-person experiences. In the face of uncertainty and pessimism, this kind of reconnection and exploration provides platforms for stability.

In 2019, we expect even more brands and industries to find opportunity in addressing the growing realization of the perils of technology engagement, particularly at a young age. Others will rekindle the nostalgia of relationships, memories and places that allow us to rediscover ourselves.



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