

KANTAR IMRB

THE RURAL MILLENNIAL MARKET



1 | RURAL MILLENIALS: A USD 220 BILLION OPPORTUNITY

Over the last decade or so, Millennials (Defined as those currently in age-band between 15-35 years) have emerged as the fulcrum that now powers India's economy as consumers, producers and most importantly as trend-setters. As per Census data, the Millennial population of India is around 450 Million out of which around 300 Million Millennials (67% of total population) live in Rural India.

The 300 Million Rural Millennials (36% of the Rural Population) represent a significant market. We estimate the discretionary spend potential of Rural Millennials to be USD 177 Billion (Source: Avg. Annual Personal Income – Kantar IMRB STAR Report 2017). Further, on an average Rural Millennials account for 80% of the Monthly Household Income of their households. **This translates to an estimated annual spend potential of USD 220 Billion approximately, that is influenced by Rural Millennials.**

2 | UNDER-LYING FACTORS SHAPING THE MARKET

Two key under-lying factors shaping the rural market are:

- Increased exposure to urban life – migratory trends
- A growing digital footprint

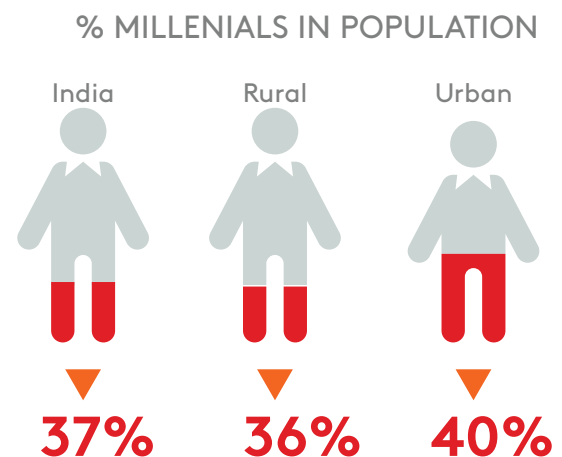
Rural Millennials are increasingly shaping the bottom of the pyramid with increased rural to urban migration particularly among the aspirational and ambitious Millennials.

2.1 | HEIGHTENED URBAN MIGRATION OF RURAL MILLENIALS

While the Millennials constitute 40% of India's urban population, their contribution to the rural population is under-indexed at 36%.

Further, if we look at the distribution of Millennials vs Gen Z (those below 15 years in age), we find a distinct pattern pointing to migration of Millennials from Rural India perhaps in search of employment.

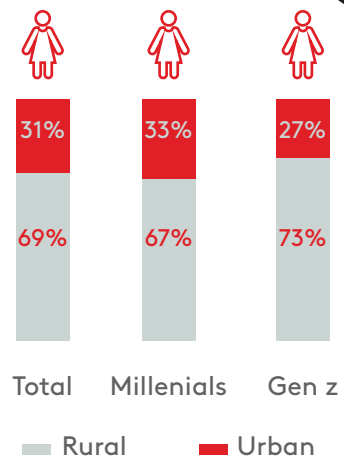
While 73% of Gen Z live in Rural India, only 67% of



Base: All Individuals | Source: Census 2011

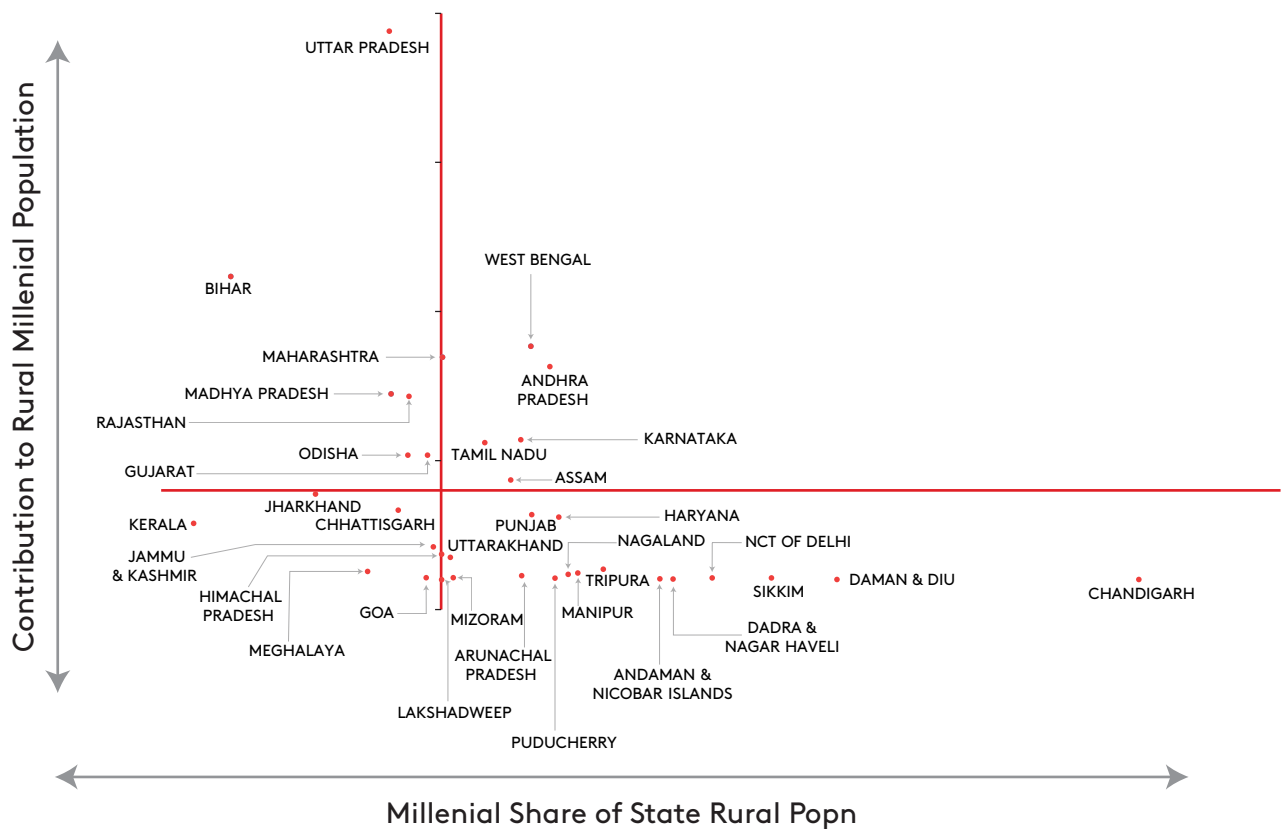
Millenials live in Rural India.

This trend is consistent across Men and Women, indicating significant migration from Rural India to Urban India of young adults seeking a better future for themselves and their children.



Clearly, the desire to improve their economic status is a key driver for Rural Millenials regardless of personal costs such as staying away from their children. This is true for both Male and Female Millenials.

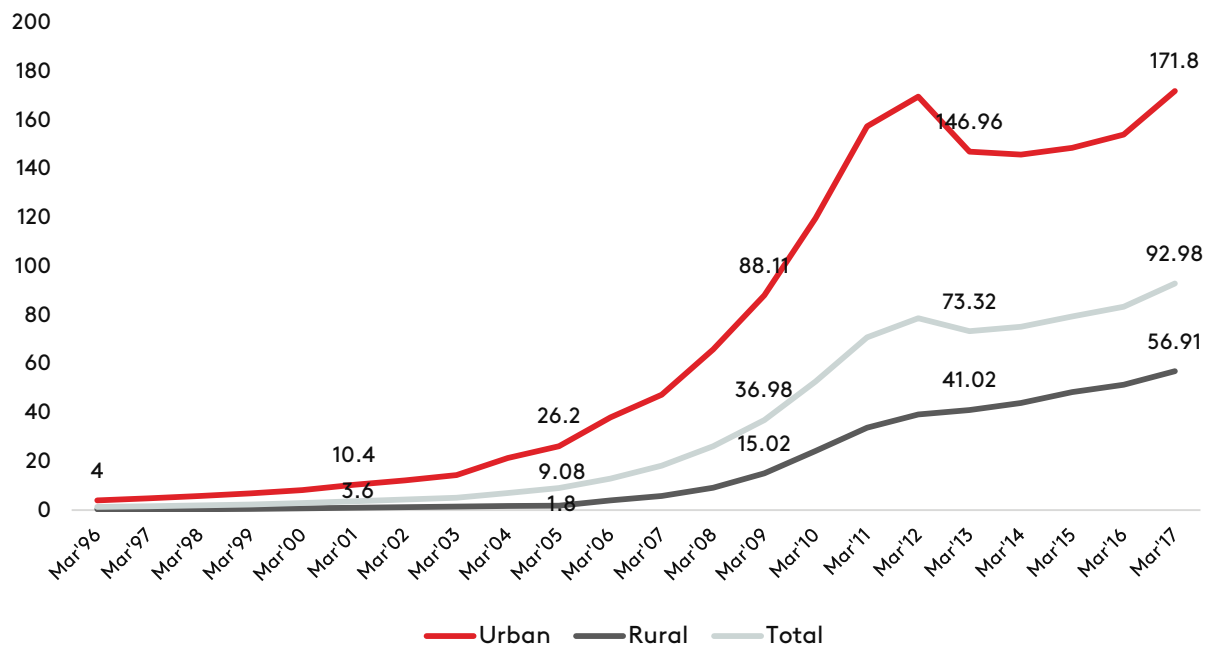
This trend is much more pronounced in the BIMARU belt specifically in Uttar Pradesh and Bihar.



2.2 GROWING DIGITAL FOOTPRINT

The dawn of the new millennium has seen an accelerated growth of a highly connected, digital world that has seen greater democratization of knowledge and access to skills and services. In the Indian context, this digital revolution has led to a degree of homogenization of aspirations across the Urban, Rural divide. Further, it has enabled easier inclusion of weaker sections of the society in terms of gender or community or geography. However, rural is almost 10 years behind urban India in terms of teledensity.

TELEDENSITY TRENDS TOUCHING 1 IN 2 IN RURAL



Source: TRAI Annual Reports

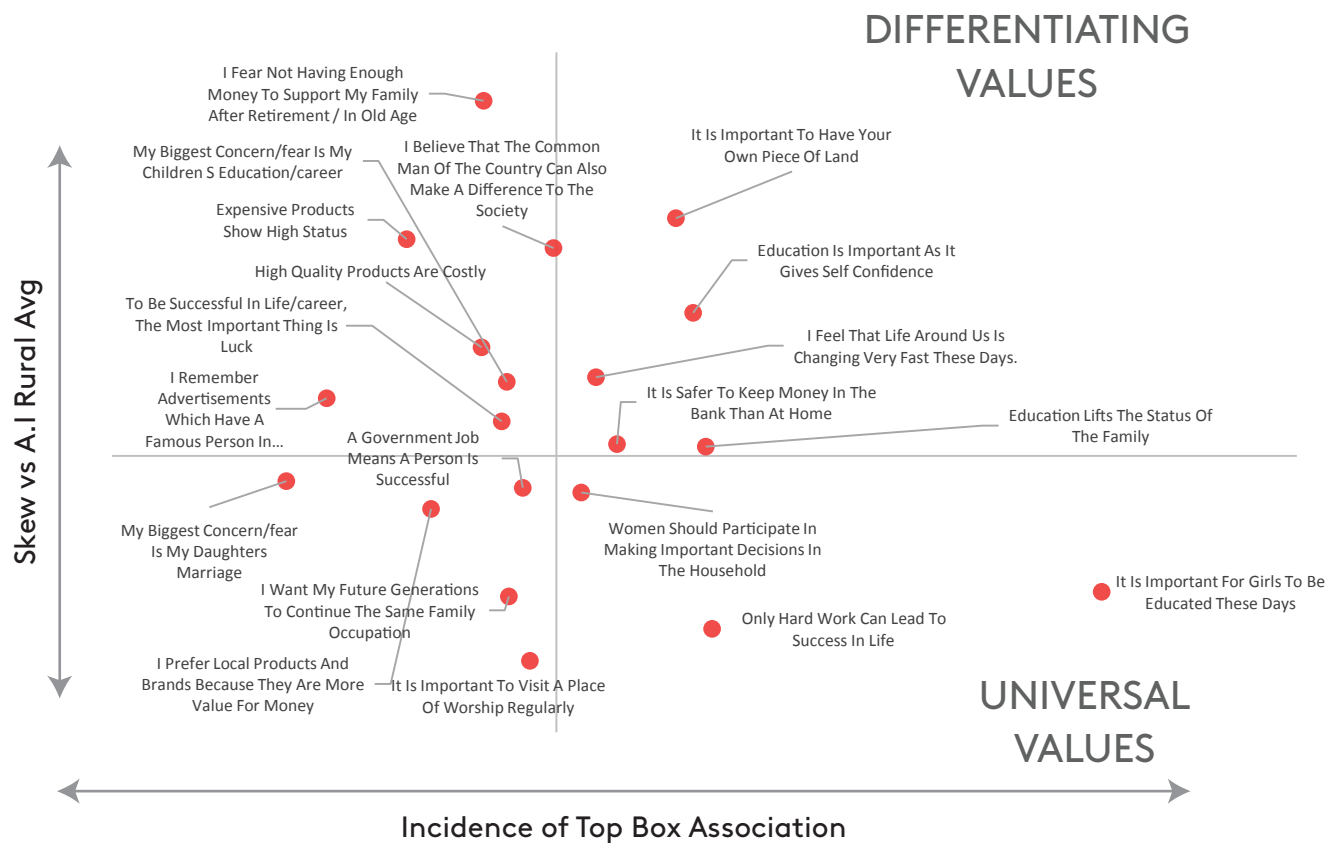
3 | VALUES THAT DEFINE RURAL MILLENIALS

The key values that define Rural Millenials are:

- a) Monetary concerns rule
- b) Education is a key route to changing their status
- c) They believe that change is the order of the day and is in their hands

Additionally, they also understand the Price and Quality relationship much better than the older generations, the key values being:

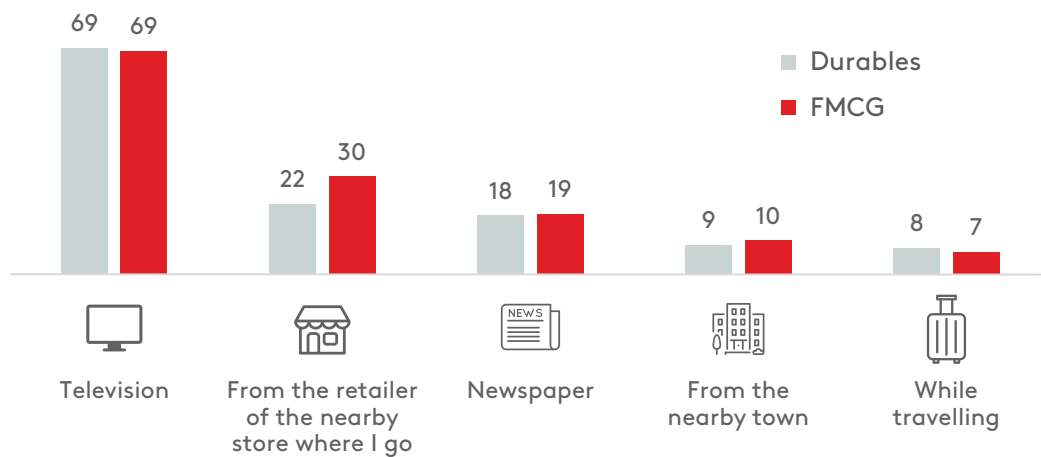
- a) Good quality products come for price
- b) Expensive connotes status



4 | TRADITIONAL MEDIA CONTINUES TO DOMINATE

While the internet has a larger reach among Rural Millenials (Past 1 Year usership is 18% as compared to 15% among all in Rural; Source: Kantar IMRB STAR study 2017), traditional media continues to dominate as the primary source of information for Rural Millenials.

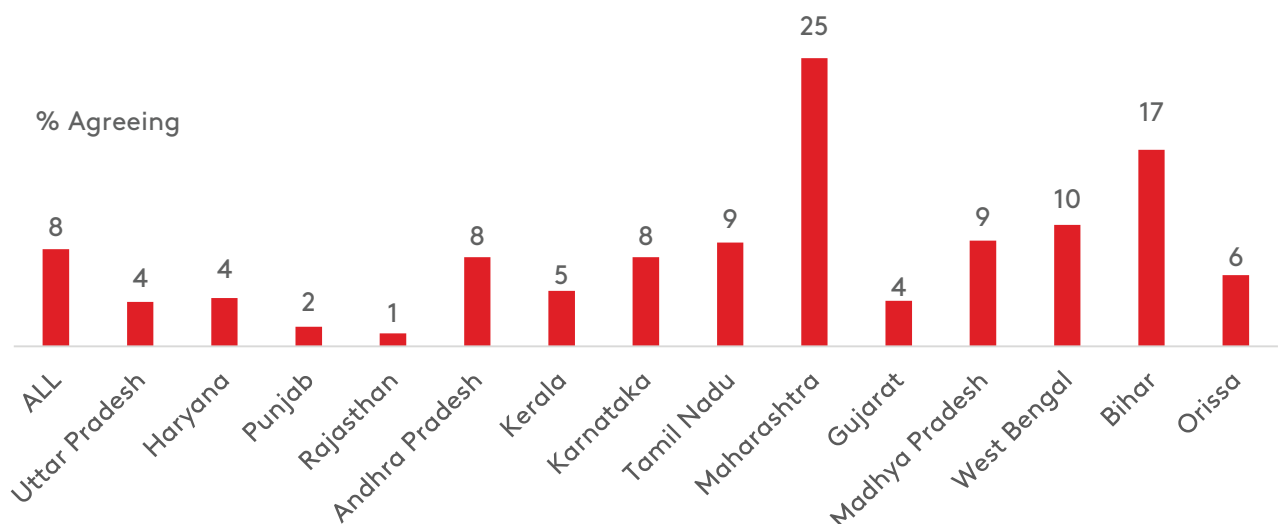
KEY MEDIA: TOP 5 SOURCES OF INFORMATION



While Television is the key source of information, the retail outlet along with Outdoor Media particularly on bus routes and bus stops are key secondary sources of information that cannot be over-looked to build an efficient brand campaign.

The other interesting learning is that Celebrities have the highest influence among Millenials in Rural Maharashtra, followed by the Eastern States - Bihar and West Bengal. Celebrities have the least impact on the Millenial consumer in the Northern states.

CELEBRITY IMPACT ON BUYING DECISION



5 | CONCLUSIONS

- a) The Rural Millenials present a large **market opportunity of around USD 220 Billion annually**
- b) The macro trends that define them are:
 - a. Blurring of the urban-rural divide with increased migration among them, cutting across genders
 - b. Growing telecom footprint is reducing the digital divide and homogenizing aspirations
- c) **Education and Wealth Acquisition** are the key values that define them. They seek to reflect status through the products they purchase.
- d) However traditional media –TV and Outdoors, along with the Retail Outlet per se continue to dominate as the key sources of information
- e) Celebrities have a varied influence by states, with a strong play in Maharashtra, Bihar and West Bengal. Their impact is the least in the Northern States.

