

INTRODUCING THE NEW MIDDLE CLASS

URBAN POOR
38 MN
HOUSEHOLDS
US\$8BN

36% OF FMCG SPENDS

72%

HOUSEHOLDS WITH
STABLE, MONTHLY
EARNINGS

Source : MarketPulse IMRB HH Panel



The background of the top half of the image is a dark blue, heavily textured surface, possibly crumpled paper or a stone wall. In the upper left, a small pink bird with a yellow beak and dark wings is shown in profile. In the upper right, another similar pink bird is shown, facing right. In the lower left, a green caterpillar with a pink stripe and a small pink face is visible. In the lower right, another similar green caterpillar is shown, facing right.

LOOKING AT THE NUMBERS ALONE AT TIMES DOESN'T TELL THE FULL STORY

“would you have thought that the new middle class/“urban bottom of the pyramid” is practicing work-life balance, is ambitious like any mainstream city dweller and can pronounce global brand names with ease?”

they buy brands that they “like”. and this likeability is more skewed towards preferences than needs. -in some categories, they are upgrading towards progressive benefits –for example, gradually moving from ‘colgate’ to ‘colgate whitening toothpaste’



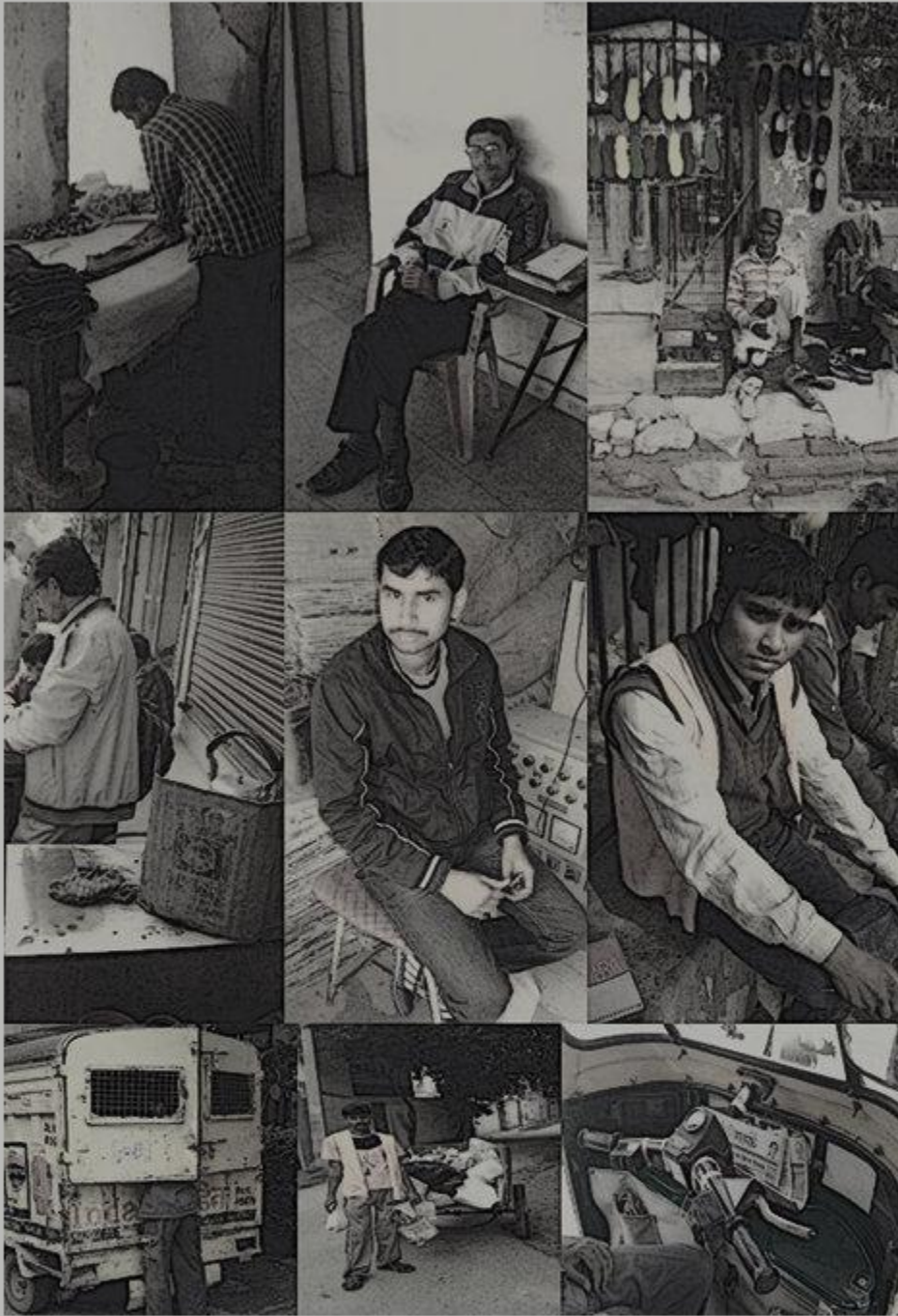
“They are ambitious

They admire global brands

They experiment with new products

They present the biggest opportunity for marketers

MEETING THE NEW MIDDLE CLASS



we have done an ethnographic study with the new middle class occupation type: cobbler, tea stall owner, hawkers, iron man, security guard, autowallah, metro construction workers, maids, etc.

20 PEOPLE

8 *hours with each-spent time at their workplace and home to understand their way of life / interaction with brands*

It's important to understand urban bottom of the pyramid consumer class' u&a (usage and attitude) towards several categories we asked them –

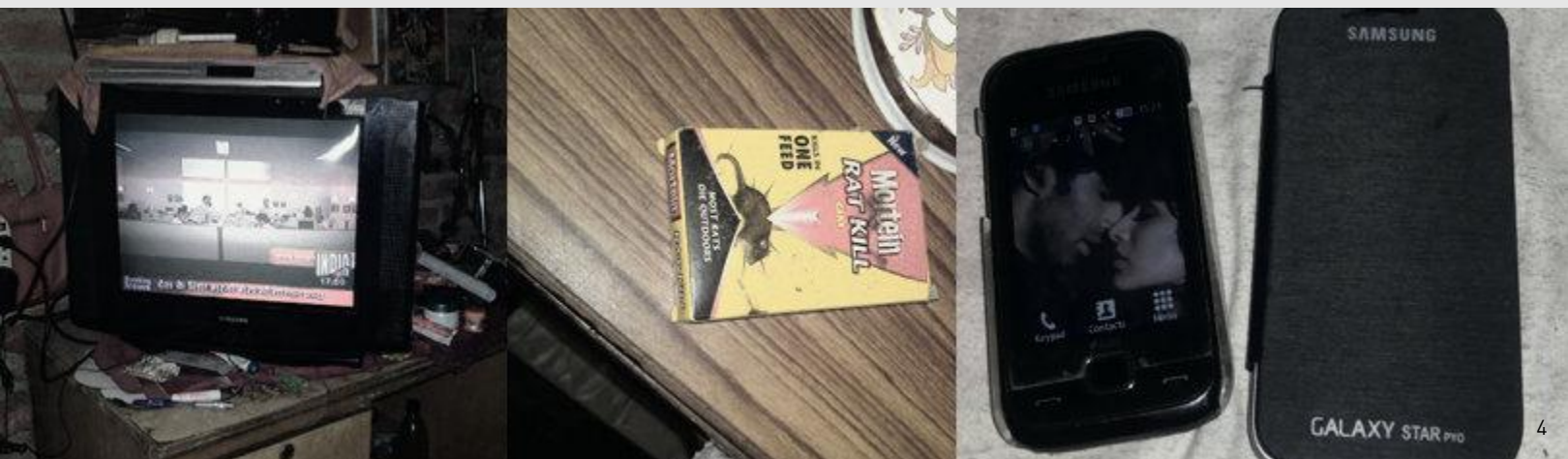
-‘where (which categories) do they spend more’ and why?

-And what's their relationship with their preferred categories?

1. **Household Care**-They do live in 8x10 rooms. To them, Good Knight, HIT, Mortein...all are safety brands. And they do trust these brands a lot. Here the role of brands are to ‘protect them’ from diseases. They trust these brands more than expensive ‘health care system’ of our society. And these brands are the signifier of *‘their desire for better living and higher concern for Health and Hygiene’*

2. **Television**- The primary source of Entertainment in their life. Preference is skewed towards premium brands like Sony and Samsung (Mentioned LG as a cheap brand)

3. **Mobile Handsets**- From Tea Stall owner to Cobbler, Mobile Phone is a business tool. Nokia, Samsung and Spice are the most preferred brands. They don't compromise on prices. They don't like cheap brands like Micromax, Lava & Lemon. *They said it's better to buy a second hand Nokia at the price of brand new Micromax.*



4. Detergents-They do use Ariel & Tide. Sometimes they do use Fena & Vanish (together). They don't use low-priced brands like Ghadi detergent. **Urban Bottom of the Pyramid consumers** takes laundry very, very seriously. *They can't afford to buy new clothes very often, but they take great pride in ensuring that their family is turned out well.*

5. Banking- Banking with SBI (State Bank of India). The bank book of 'SBI' is an identity card for them.

6. Beverages-They are consuming 'aerated' beverages (Coca-Cola & Pepsi). *Sipping Coca-Cola is a sign of their flexible spending behaviour.*

7. Personal Care-They have realized the importance of grooming.
Soap- Lux, lifebuoy (not brands like Godrej No1, Rexona or Vivel)
Shampoo- Head & Shoulders, Clinic plus *(They are using bottles not Sachets)*
Beauty Care- Fair & Lovely, LAKME



8. Oral Care- It's Colgate -India's most trusted brand; they are no more using low-priced brands like Anchor Toothpaste

9. Telecom- They are **using premium brands** - Airtel and Vodafone, and ignoring the lure of other telecom brands. They are happy with the services of these two telecom brands.

10. Food Products- They do crunch Britannia Biscuits and munch Kurkure. *Kurkure is part of their 'Snack' time.*



GOF BRANDS

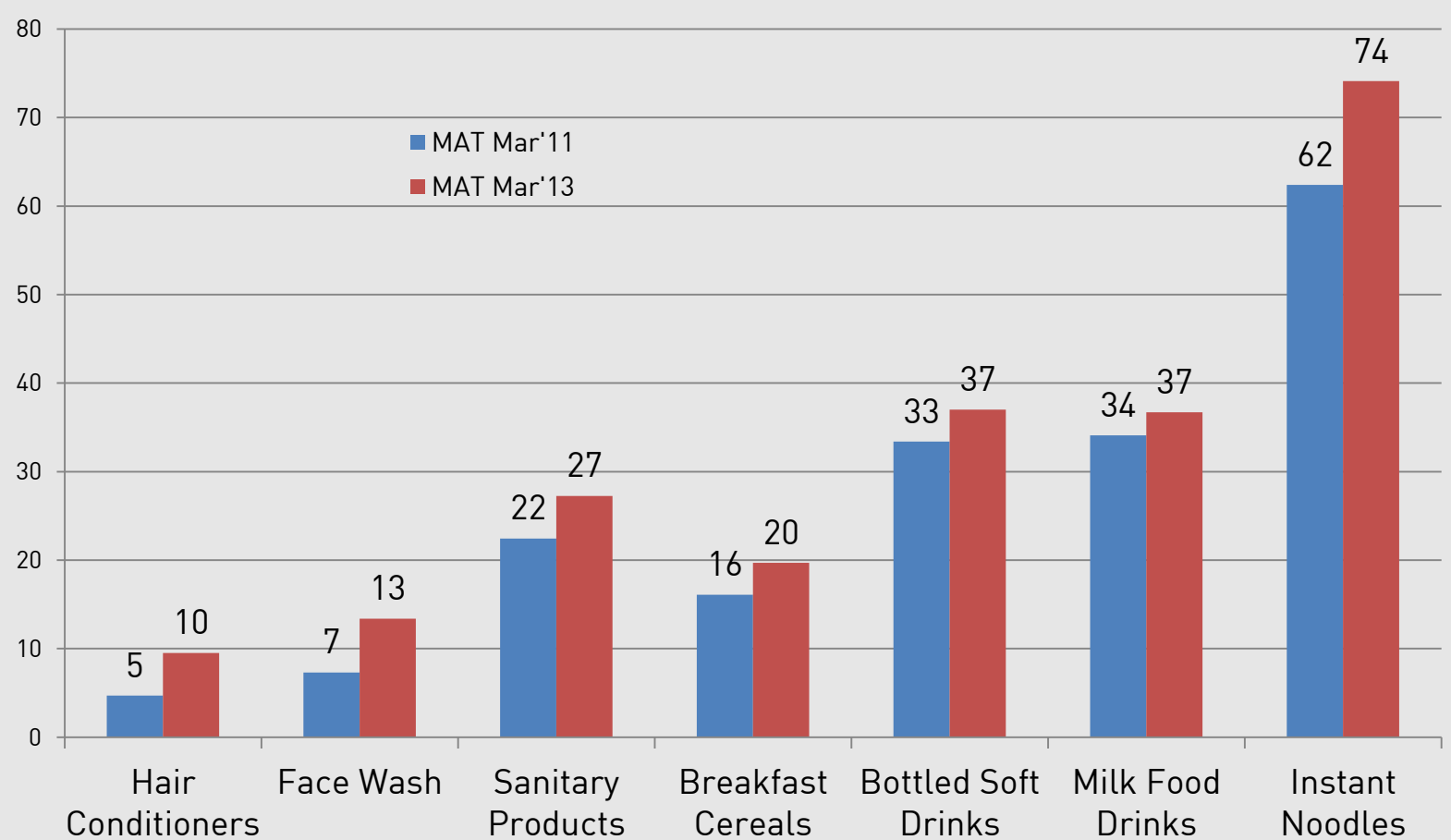
Geography

HAT THEY ARE BUYING INTO

W?

“consumer durables brands are largely korean and japanese
detergents brands are american
food/ milk products are comprehensively indian
readymade cooking brands are indian
soap and shampoos are american

SPENDS ON FMCG GROWING FASTER THAN THE CONSUMING CLASS



8%

**GROWTH IN FMCG
AMONGST URBAN POOR SPENDS**

6%

**GROWTH AMONGST
CONSUMING CLASS**

Source : MarketPulse IMRB HH Panel

SIMILAR BASKET SIZE & COMPOSITION

PERSONAL CARE

Toilet Soaps
Toothpaste
Shampoos
Hair Oils
Skin Creams

HOUSEHOLD CARE

Fabric Wash
Dishwash

FOODS & BEVERAGES

Tea
Biscuits/ Cookies
Instant Noodles



AVG NO OF CATEGORIES PURCHASED

22

URBAN POOR

Source : MarketPulse IMRB HH Panel

24

CONSUMING CLASS



“ in many ways the urban bottom of pyramid consumers are the new middle class in india

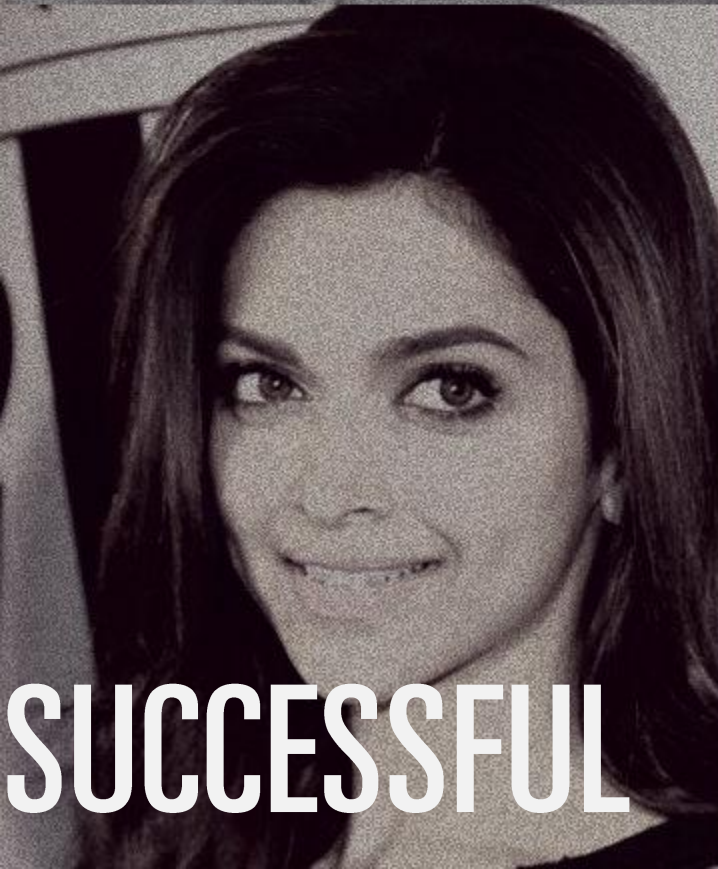
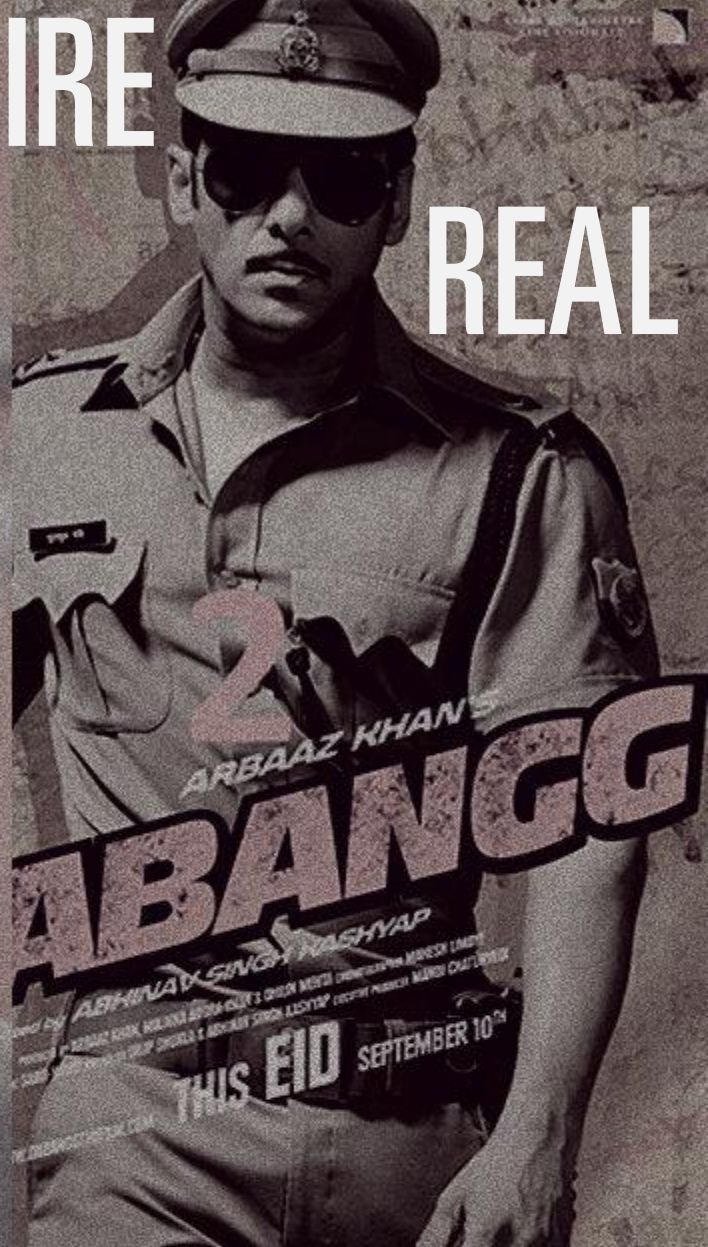
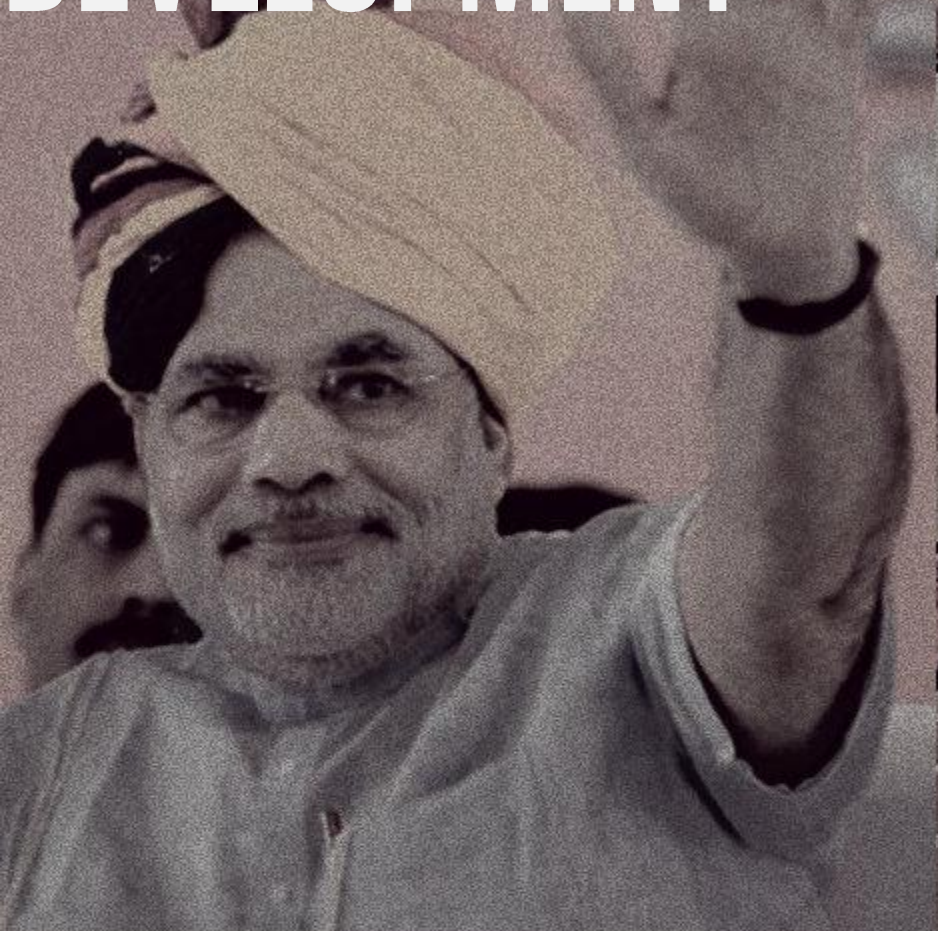


1. Like 80-90s middle class , today's Urban Bottom of the Pyramid consumers see "Education" as a device to better life in the future
2. Like 80-90s middle class, today's Urban Bottom of the Pyramid consumers are quality conscious – avoiding low-priced brands and embracing premium quality brands
3. Like 80-90s middle class, today's Urban Bottom of the Pyramid consumers are fascinated with English newspapers
4. Like 80-90s middle class, today's Urban Bottom of the Pyramid consumers are ready to spend on 'useful' devices like Computer



ICONS : THEY ADMIRE
DEVELOPMENT

REAL



SUCCESSFUL



AGGRESSIVE

MARKETING TO THE NEW MIDDLE CLASS



Satyajit Ray

ISBN: 978-81-7436-565-1



9 788174 365651

Lustre Press
Roli Books

www.rolibooks.com

RE-IMAGING MARKETING MIX

the twin towers of marketing mix-

*“availability and affordability” is replaced by
“interface and affinity”*

*“interface” = the new medium/ the point of interaction
with mainstream consuming class*

*embracing new icons/ ideology –
modi/ development and aggression*

*change in food habits –comfortable with “instant
noodles”*

Caught up with “brand as a badge” syndrome

NEED TO FOCUS ON THEIR DESIRE TO CATCH UP WITH
THE MAINSTREAM CONSUMING CLASS

NEED TO ADDRESS THEIR NEWLY ACQUIRED VALUES
AND IDEOLOGY

