

## How millennials are changing India's market dynamics

The world's sixth largest economy is set to have the youngest population by 2020



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Assetz Property Group in the Indian city of Bangalore has noticed a significant change in the demographics of its home buyers, something which forced the real estate developer to rethink how it designs its properties.

“We see more customers in the 25-to-35-year age group looking to buy real estate than we did a decade ago,” says Rohit Cariappa, the business's director of sales. “These customers are tech savvy, culturally diverse, well-travelled and high-income urban dwellers, working in new technology jobs and open to new concepts and ideas.”

This new generation of home buyers has prompted the company to plan and design some of its flagship properties to meet their expectations and demands. It has done this by adding Wi-Fi zones, fitness facilities such as beach volleyball, as well as introducing eco-friendly elements.

Assetz isn't alone. Brands targeting India are finding they have to adapt their strategies to appeal to millennials, given their sheer numbers and spending power.

“Millennials have changed the way brands look at and reach out to customers,” says Prasad Shejale, the co-founder and chief executive of Logicserve Digital, a digital marketing agency based in Navi Mumbai. “Many consumer brands are increasingly targeting millennials in India. Along with smartphone and retail industries, various other sectors including auto, real estate, telecom and finance are also launching products to target the Indian millennial.”

India has 400 million millennials – defined as those born after 1982 – making up a third of the population and 46 per cent of the country's workforce, according to a report by Morgan Stanley.

Millennials have already become the chief wage earners in most Indian households, with their income contributing to 70 per cent of India's total household income, the report reveals. India will become the country with the world's youngest population by 2020, with a median age of 29, according to the investment bank.

In tandem with the population growth, consumer spending is on the rise in India, expected to grow to \$3.6 trillion (Dh13.2tn) by 2020 – four times what it was a decade earlier, according to the India Brand Equity Foundation.

Like many companies that do not want to miss out on this opportunity, Samsung is among the brands striving to cater to Indian millennials.

Next month Samsung will launch a new range of affordable smartphones in India, called the M series, all priced under 20,000 rupees (Dh1,031), to fend off competition from Chinese smartphones brands such as Xiaomi and win back customers in India.

“It’s aimed squarely and entirely at millennials who form a third of India’s 1.3 billion population and comprise half of the country’s online shoppers,” said Asim Warsi, a senior vice president at Samsung India, Bloomberg News reported.

Although incomes are rising in India, the country's per capita income was 112,835 rupees in the financial year to the end of last March, according to official data. This is far below China, where per capita income is above \$7,000. This makes India a highly price-sensitive market.

Nishank Joshi, the chief marketing officer of Nexus Malls, the Indian retail portfolio arm of investment firm the Blackstone Group, explains that India is becoming increasingly competitive for consumer goods companies.

“Any brands which need to survive and eventually grow will have to sit back and take notice of the millennial,” says Mr Joshi. “Brands will have to change their guard, not just because of the influx of other international labels making their debut in India, but also because there are several Indian home-grown companies which have caught the pulse of the Indian youth and are creating the same touch and feel in their product that international brands provide, albeit at a far more affordable cost.”

In November, the captain of India's national cricket team, Virat Kohli, launched a retail product brand called One8, including clothing and accessories that targets millennials.

As part of this, the brand has recently launched a range called One8 Fragrances.

“As our category is a highly aspirational one, millennials naturally become one of our key focus consumer groups and our research and development team stresses a lot of importance on capturing their choices, likes, requirements and acceptance while developing any new products,” says Jinesh Mehta, the chairman of Mumbai-based Scentials, which has the license to develop, manufactures and market, the range of One8 men's grooming products and specialises in creating celebrity-led beauty brands.

“With higher disposable incomes the ecosystem is changing and the consumer is willing to try new products. Their decisions are based more on quality, trends, convenience, health and well-being, and above all value for money.”

As well as how they design and price their products, brands are also having to adapt how they advertise their offerings to the Indian population.

“Young consumers are prompting companies to re-jig their marketing strategies,” says Mahesh Singhi, the founder and managing director of Singhi Advisors, an investment banking firm based in Mumbai.

Companies are increasingly using the digital marketing “to make headway with this generation”, says Aparna Mahesh, the chief marketing officer at BankBazaar, an Indian online marketplace for financial products.

“They are very different from the generations before them,” says Ms Mahesh. “For one, they are the first generation who were digital natives. They have seen technology grow, change, and evolve with

them, and have made themselves at home in the digital world, so influencing them is markedly different.”

She explains that Bank Bazaar focuses on social media for much of its efforts to promote its own brand. The company's major marketing campaigns have been conducted completely on digital platforms.

India has the world's second largest number of internet users after China, and this number is continuing to grow, with three-quarters of Indian adults still to move online, according to the Pew Research Center.

Cox & Kings, one of the world's oldest travel companies, is another firm that is quickly adapting to the demands of Indian millennials.

“There's a continuous rise in the number of millennial leisure travellers from India especially among the young professionals who are travelling around the globe,” says Karan Anand, the head, of relationships at Cox & Kings. “Unlike the older consumers who tend to consider travel a luxury, millennials view travel as an essential component to their life experience which is why they are receptive to the new experiences and unconventional destinations.”

He explains customers from his generation tend to take frequent weekend breaks and go on holiday at least once every six months.

“Millennials have grown accustomed to strike a balance between the hectic work schedule and family time,” he says.

India is expected to have 50 million outbound tourists by 2020, according to the United Nations World Tourism Organization.

To cater to millennial Indian travellers, Mr Anand explains that Cox & Kings has added new brands to its portfolio like Trip 360 adventure tours and Self-Drive 365, as well as glamping, or luxury camping.

Clearly companies from all consumer sectors in India are trying to keep up with what is a fast-paced journey to new territories to win over the country's young population.

Link: <https://www.thenational.ae/business/how-millennials-are-changing-india-s-market-dynamics-1.815331>