

Want more, will buy more

BOOMING CONSUMPTION Multi-channel options are seeing Indian consumers shopping more and demanding more, throwing up challenges as well as new opportunities for retail

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MUMBAI: At the India Shopping Centre Forum last week in Mumbai, Anand Sundaram, CEO, PPZ, said, "Consumers today have the ability to buy from multi-channels. They are time-bound and hence expect quick service and satisfying post-sales services."

His is a broad description of consumers in India who are transforming significantly and quickly, responding and demanding dynamically at a pace that has all of retail - conventional, modern and emerging - scrambling to tackle new challenges while grabbing new opportunities.

Arvind Singhal, chairman and MD of consulting firm Technopak, pointed to one such opportunity: "In the next 10 years, we will see a remarkable growth of micro websites that will cater to niche consumer needs. Physical stores cannot cater to such needs."

Nielsen India believes consumer sub-segmentation will gain strength in 2015. Adrian Terron, executive director, Nielsen India, said, "There will be increasing micro-segmentation as brands move towards discovering, creating and addressing segments within segments. While innovation will create consumer sub-segment variants, there will be a focus on mix-and-match feature 'accessorisation'."

With more choices via more retail channels, consumers are shopping much more now. A major emerging consumer group



that is an influencer and impacts sales significantly, is called the "super consumer" by Nielsen. A recent study by The Cambridge Group, Nielsen's consulting arm, found that 10% of the super consumer category can drive 60% of profits for a brand.

Roosevelt D'Souza, senior VP, Nielsen India, said, "Four common super consumer traits include experimentation and a high risk appetite; early adopters but always looking for newer things; well informed and involved; and active on social media. From category knowledge to brand awareness, they are a notch above the regular consumer."

Indian consumers are far

INDIA'S EMERGING CONSUMERS

STATISTICS

2.5 times: expected increase in consumer spending by 2025

25%: expected share of consumer spending by women by 2025 (expected 12% in 2015)

6%: expected GDP growth in 2015-16

\$49 billion: expected size of India's FMCG* industry in 2016 (\$37 billion in 2013)

Source: Industry

THE SUPER SHOPPER

19%: super shoppers among all retail shoppers

55%: contribution to in-store sales

1.2x: higher new product trials

1.4x: higher impulse shopping

17%: from SEC C consumer segment*

34%: under 25 years of age

Source: Nielsen India

FMCG CONSUMERS: KEY BEHAVIOURS

- Buy more FMCGs* at chemist stores
- Increasing preference for private-label/store brands
- Reward brands that empathise with them during tough times
- Want to be entertained first and be educated second
- Willing to switch stores for the right promotion
- More willing to experiment and try new products

Source: Nielsen India; *Fast moving consumer goods

more active on social media in relation with brands than elsewhere globally. A study by Ideatelabs showed that the average consumer engagement in India on a brand's post on social media is 0.14% against the global 0.04% average. An Indian brand post is shared 2.5 times more by consumers than any global brand post. Growth in fan bases for brands on social media is higher in India than the global average in electronics, retail, finance, food, media, IT and healthcare. Except on LinkedIn, mobile dominates social media access in India.

"For today's consumer, the smartphone is the new mall," said S Raghunandhan, CEO,

Virtuous Retail, at the India Shopping Centre Forum.

A Nielsen report expands on the upshot: "The more than 50 million smartphone users have access to content on their fingertips. Indian consumers now want to be entertained before being educated. The first seven seconds in an ad have become more crucial than ever before."

Interesting patterns of purchase choices are showing up. In a 2015 report, Credit Suisse said that while Indian consumers still prefer domestic brands to Western ones, aspirations for Western brands in discretionary items are increasing. Preference for western brands also increases as income levels go up.