

A close-up, high-resolution photograph of an owl's eye. The eye is a vibrant, glowing red color with a black pupil. The surrounding feathers are a mix of light brown, tan, and white, with fine details visible in the plumage. The lighting is dramatic, highlighting the texture of the feathers and the intensity of the eye.

KANTAR IMRB

**EYES
WIDE
OPEN**

**PREDICTIONS
FOR 2018**



2017 has been a roller-coaster ride. 'Fake news' emerged as the word of the year, as consumers and business found it harder to separate fact from fiction. Opinions echoed in the cave of social media, and decisions were increasingly based on the assumed wisdom of crowds. Data has been plentiful, yet incumbent, established organizations were challenged and disrupted in the marketplace – where agility and opportunism are the defining characteristics of the new market leaders. The existential risk for firms has never been greater.

If there is anything that they can do to ride out the storm, it is having foresight, preparing for tomorrow's challenges and embracing the opportunity presented by the pre-eminent trends. There is no denial that understanding and action need to go hand-in-hand.

At Kantar IMRB, our constant engagement with over 5 million consumers and hundreds of businesses big and small gives us an unbeatable perspective on the changes afoot. Equally significantly, we are able to determine what the response to those changes should be, even as we enable the deployment of data from multiple sources to drive key decisions.

As the title of our predictions for 2018 says, you should feel empowered to enter the new year with your Eyes Wide Open. Best of luck!

THE ALLURE OF SIMPLICITY

Make it easier for the customer to decide.



CONSUMER TRUTH

Indian consumers are increasingly time starved, they spend more time out of home and commute longer hours. Add to it the continuous tug-of-war for their attention from variants, flavours, shades and designs. The influx of content and options has continued to grow much faster than the human brain can process. Consumers have enough information and sources of information to turn to; what they look forward are solutions that will help them sift through information faster and minimise their decision making time. In the age of plenty, simpler experiences are being valued. Many have started decluttering and embracing minimalism in their home décor, wardrobe and food, with around 42% of customers willing to pay a premium for prompt service (*Kantar IMRB Study for American Express, 2017*).

MARKET VIEW

The e-commerce industry has already started catering to this need with the rise of aggregators who make it easier for consumers to weigh their options and take quicker decisions for categories like travel, insurance, restaurants and entertainment. The success of these sites is hinged on their ability to de-clutter the overload of information and simplify decision making. Digital wallets are waking up to the need of a simplified payment mechanism. According to a study by Bain and Company in association with Kantar World Panel, only 1 in 7 brands were winners in 2016, down from 1 in 5 in 2015 and the brand winners were those who launch fewer, more successful new products. Instead, they create heroes and compel them to grow, simplifying the rest of the product portfolio while continuing to hold shelf share.

IMPLICATION

Don't overload your audience with more information, instead provide tools to help them weigh options and make decisions. Analyse past behavioural data to provide informed recommendations and focus on essentials of offer that matter.



RETURN TO REALITY

Get ready for a backlash against Always-Online behaviour.



CONSUMER TRUTH

After the deluge of forwards, tags and uploads, consumers have realised that adding connections does not equal being connected and sharing posts cannot replace sharing conversations. More people will return to seek real world interaction. There is a realisation that the use of social media as a defence mechanism to escape from reality, is not as fulfilling as projected. While the number of urban Internet users increased by about 18%, social networking penetration saw only a 4% increase. Contrast this with online communication which saw a 16% point increase indicating that the new consumers are preferring to have closed group interactions. (Kantar IMRB, ICube, 2017)

MARKET VIEW

The horrific Blue Whale game served as a wake up call on one extreme, with parents realizing the need for higher face time with their children. On the other hand, there has been a rise in platforms that offer live interaction like stand up comedy, bicycling & motorcycling events, group treks, live music shows and concerts. Club memberships in metros are seeing a rise not just in enrolment but also in the length of waiting lines; health clubs observe a distinct trend moving away from the lone health maniac to people signing in groups for the pleasure of exercising together. In this era of streaming and digital music, the first-ever Global Citizen Festival in Mumbai witnessed an audience of 80,000+.

IMPLICATION

The combination of physical and digital experiences is a reality consumers live in today. Brands would need to understand the importance of integrating personal interactions and real life experiences with digital solutions.



SHARE ABILITY

Spurred by economic and resource constraints, and enabled by technology, the Sharing Economy has arrived.



CONSUMER TRUTH

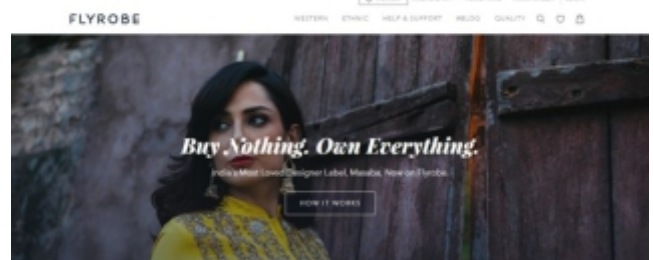
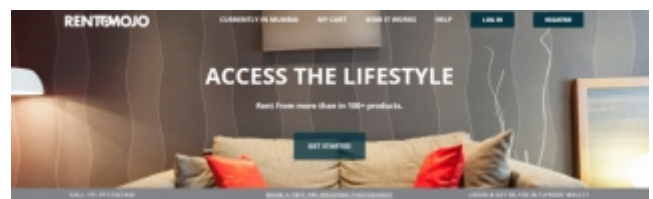
Rising prices that pinch consumer wallets, a strong millennial population that gravitates towards renting not owning, increasing penetration of internet and smartphones and simplified payment systems will pave the way for a more collaborative economy. From car rides to furniture rental to expensive clothes – drivers, staff and office spaces, the sharing economy is poised to pervade our lives. The usage of ridesharing apps grew by 60% last year, driven primarily by shared rides which increased by 166% in the same time period. (Kantar IMRB, eMarketPulse, 2017)

MARKET VIEW

The renting landscape in the country is constantly evolving. Customized wardrobes for smaller town consumers, furniture choices that evolve with the age of children, wedding outfit rental, free relocation of rented items, cleaning services and on-demand, at-home salon services are just some of the offers already in play. The sharing economy, even in its nascent stage, has already taken the leap from sharing physical goods to intangible services. As the ecommerce potential unfolds, it will take the next leap to sharing scarce resources: just the shared workspace market is expected to receive \$400 million in investment by 2018, and is set to grow by 40-50%, according to real estate consultancy JLL.

IMPLICATION

As consumers get more and more comfortable with borrowing and sharing, marketers will need to evaluate their business models to accommodate rental options, in addition to purchasing options.



TRAVEL VELOCITY

As choices multiply, getaways spur spending.



CONSUMER TRUTH

The rise in an English speaking young population with greater income, an increased desire for experimentation, the burgeoning middle class and the fact that more than 20 million Indians now live around the world (*Source: Forbes*), provides an impetus to travel. Most Indian business trips now provide opportunities for sightseeing and young executives use this opportunity to extend their trips for personal leisure. With travelers sharing their pictures and experiences gregariously on social media, it has become the next social currency on which young Indians feel judged. In the next five years, India will also rank as the world's youngest country demographically leading to not just an increase in travel but also in different kinds of travel. Rejuvenation (60%) scored above spending time with family (51%) as the major reason to take a holiday for Indians. More than 4 in 10 are last minute planners, making plans only four weeks or less ahead of their trip (*Kantar IMRB Tourism Study, 2017*).

MARKET VIEW

There has been a flurry of activity in the market with travel trade shows promoting tourism, rise of boutique hotels, start ups providing new travel services and blogs that entice travellers with vivid pictures and storytelling. Growing options for low budget travellers, airlines dropping their fares (KL @ Rs 5000! Bangkok @ Rs 8000! Bali @ Rs 8000), introduction of new trains and homestays, affordably packaged weekend getaways ensure that the call of travel is inclusive to the middle class segment as well. The UNWTO predicts that India will account for 50 million outbound tourists by 2020; according to The World Travel and Tourism Council, the Indian tourism sector will grow at an annual average growth rate of 7% over the next 10 years.

IMPLICATION

As travel becomes the next social currency, travel, apparel, hospitality and leisure brands will need to stay one step ahead of the curve, do more to bring alive and offer exclusive immersive experiences. In 2018, expect exotica to be the flavour of the tour.



JUNIORS AT PARITY

Across socio-economic classes, the child has arrived as a Decision Maker.



CONSUMER TRUTH

Today's kids are exposed to technology and marketing messages at an early age and are therefore more brand literate. They have become adept at sifting through information. As parents allow greater freedom of choice, this paves the way for a more independent decision making process at home. Kids play a decisive role not only when buying products meant for them, but also for household purchases. With technology gradually diminishing the day-to-day functional interaction between kids and parents at home, children will become more independent and adopt separate, individual identities. 3 out of 10 parents claim to consult their kids while buying household durables. 36 % of the kids claim to definitely go and buy the product because they felt that the ad was nice (*Kantar IMRB, Kidscan, 2017*).

MARKET VIEW

While some big brands believe that it is not ethical to socially leverage children when advertising a product, many advertisements today also portray kids as central characters directly speaking to adults and in some cases delivering hard hitting truths. Marketing to kids has extended beyond traditional food and personal products to categories like furniture. As per The Economic Times, the Indian kids' market is worth Rs. 20,000 crore, distributed over sectors such as apparel, FMCG, gizmos, media/entertainment, games, toys, IT, nutrition and food.

IMPLICATION

Kids are equally influential as impressionable. Brands and communications need to strike the right balance between preserving their innocence and recognizing their precociousness, and treating them as individuals as much as part of a family.



AMPLIFIED VALUE-SEEKING ABILITY

The omnichannel marketplace demands creation of value in multiple forms.



CONSUMER TRUTH

The satisfaction of squeezing the last bit out of a toothpaste tube is ingrained in the DNA of the bargain hunting, deal seeking Indian consumer. As brands and categories jostle to vie the Indian consumer they are now spoilt for choice and actively seek value through multiple dimensions - curated content, need based service provision, group deals, crowd sourced products, etc. There is no denying that consumers crave value now more than ever, however, a paradigm shift has happened from demanding deals to actively seeking value. Consumer spends on buying deal coupons and vouchers online rose significantly in the last one year (*an index of 316 in Aug 2017 over Aug 2016 - Kantar IMRB eMarketPulse, 2017*).

MARKET VIEW

Brands and companies have started asking users for ideas on not just designs, flavors, scripts but also solutions to everyday problems. E-commerce player Flipkart engaged its consumers through The Gridlock Hackathon. The contest involving geeks to find solutions to traffic congestions in Bangalore saw sign-ups from more than 1000 teams from global corporates. The Indian coupon industry has come a long way in a very short span of time. In the omnichannel world, the recent efforts by mall owners to prevent retail tenants from promoting their online offers appears to be anachronistic. An ever-increasing number of shoppers search for goods online and buy in-store, and vice-versa. While generic terms like "promo code" and "coupons" still remain the most-used search terms, brand specific words have recently seen an upswing. The industry has grown 20 times since January 2009 with December 2014 being the peak (*Google report*).

IMPLICATION

Looking beyond price reduction to sell value will help seal the deal with the consumer, build brand visibility and customer loyalty.



AFTER-SALE RELIABILITY

Investing in relationships - wooing and surprising customers is an absolute must.



CONSUMER TRUTH

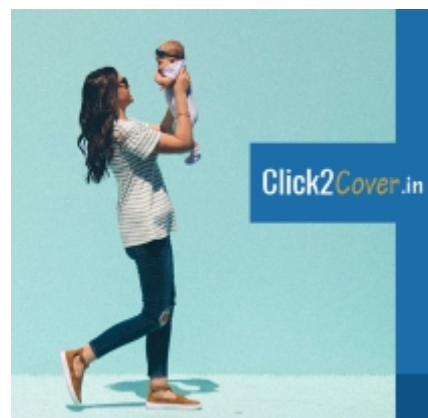
With advancements in technology and communication, consumer expectations do not end after making a purchase; as they increasingly seek a positive experience post-purchase. Consumers today buy brands across sectors after extensive research and reviews, and expect to be treated even better after making a commitment. When buying insurance, for example, customers want proactive interaction and a relationship beyond sale - updates, reminders, guidance & advice regarding fund allocation, new policies (upselling) and when to exit (*Kantar IMRB Insurance India, 2017*).

MARKET VIEW

E-commerce revolutionized expectations in insurance by changing its emphasis from attracting new shoppers to servicing policyholders who have already made a purchase better, by improving tracking, delivery mechanisms and simplifying return processes. Use of SMS and emails to thank customers, gather post purchase feedback and rate their services have been implemented by many brick and mortar companies. Some brands request consumers to share photos/videos of their interaction with the product resulting in consumers spending more time with the brand. Hospital providers are trying to engage with their patients after discharge, via online tools and platforms.

IMPLICATION

Keep the conversation rolling. Positive post-purchase experience builds loyalty, facilitates cross selling/upselling and builds brand advocates. Firms will analyse existing consumer data in forward thinking ways, discover new opportunities to cover risk and drive deeper engagement.



A STATE OF PERPETUAL ANXIETY

Greater trust in their own community; deriving comfort from the known.



CONSUMER TRUTH

With their lives being disrupted in many dimensions – from human and naturally fuelled disasters, to unexpected economic upheaval, Indian consumers live in a heightened state of vulnerability. They are turning to traditional ways of seeking calm and stability, with a 30% increase in the practice of yoga last year. They are shunning packaged foods – jams and sauces declined by 24% over the year, and soups by 27% (*Kantar World Panel MAT 2015/2016*). The need to be in control will spur the DIY movement, making consumers feel more secure, unique and self-sufficient. They are turning inward, trusting their own instincts and referring to their peer groups. 50% of consumers say they liked brand stories that did not feature celebrities (*Kantar IMRB TGI, 2017*).

MARKET VIEW

Alleviating anxiety is creating opportunities for marketers – as they emphasize safety, security and stability. Indians are looking for a safe and secure environment. 54% want brands to incorporate mobile security and authentication features (*Kantar IMRB study, 2017*). In the personal care category, herbal variants – which signify a return to roots, will drive growth for the mother brand. The DIY movement is changing the way families not only cook, but also travel, learn, dress and create lifestyles. Familiarity will be a driver in purchase. Expect more brands manifesting themselves in Make in India pride and offering localized palettes and formats.

IMPLICATION

The increased reliance on personal networks underscores the value of personal networks – both offline and online, making the availability of assurance across touchpoints a key purchase enabler.



THE PARADOX OF PRIVACY VS. EXCLUSIVITY

Permission primed by expectation.



CONSUMER TRUTH

There is a sense of moral contradiction in how consumers behave online. The laws of social media dictate that to be a “real” person, one must upload as much content as they can. Most consumers are yet not overly concerned about the dangers of digital footprints or bothered by opinionated trolls and are happy and vocal sharers. Privacy is a glass window that provides an illusion of exclusivity and some users alternate between keeping their profile private or public to enamour followers to be part of their inner circle. Only 27% are adverse to connected devices monitoring their activities online if it makes their lives easier, compared to 56% consumers in South Korea and 62% in New Zealand (*Kantar TNS, Connected Life, 2017*).

MARKET VIEW

The Profile Picture Guard launched by Facebook in India highlights the fact that users are more worried about the misuse of their pictures than their data. Most start ups took off on social media by incentivizing people to post and share. They started giveaways and contests for members to engage with the group, add their friends, and encourage users to share their stories. According to a study conducted by Kantar TNS in India, social media appeared to be a big part of e-commerce strategy, with 51% marketers using social media advertising, 50% using it for brand communications and 43% using it to provide customer service. As digital transactions gain momentum, so will the chances of fraud and cheating because of the lack of consumer education.

IMPLICATION

The Supreme Court’s ruling granting fundamental right to individual privacy might have an impact on collection and sharing of data going forward. Meanwhile, brands need to uphold the trust consumers place in social media by using the gathered data responsibly and engaging with consumers respectfully.



HYPERTECH FOR CONSUMERS IN THE VICINITY

Smarter delivery of service based on location.



CONSUMER TRUTH

Indian consumers have traditionally thrived on the relationships built with the local kiranas. Hyperlocals build on this familiar ties by crafting offers to suit the tastes of the local consumer. In addition, increasing pressure on time has forced consumers to look to their vicinity to satisfy their needs in the shortest time. Riding on the back of resurgent national pride and growing digitisation, hyperlocals have seamlessly eased in to consumers lives and is poised for robust growth. Hyperlocal brands show an uptrend in growth across categories. A hyperlocal detergent brand in Tamil Nadu has registered an 8% growth from last year, while the category grew only 3%, another hyperlocal biscuit brand in Punjab grew by 17% on a category which registered a 3% growth (*Kantar World Panel, 2017*).

MARKET VIEW

The growth for hyperlocals in India has been largely contributed by the rising number of start ups . One of the major reasons for the success of this model was the discounts and deals offered. The demonetisation decision towards the end of last year brought hyperlocals in to the forefront, as it rode ahead on advantages of stock availability and shorter delivery time. According to *Kantar IMRB eMarketPulse*, they grew their revenue shares more than 3X in the immediate months after the announcement. While logistics, food and grocery own the major chunk of this market, hyperlocal services have also spurred growth in sectors like home services and healthcare. According to a report from *Ken Research*, the India Hyperlocal market will grow at a considerable CAGR rate, exceeding INR 2,306 crore by 2020.

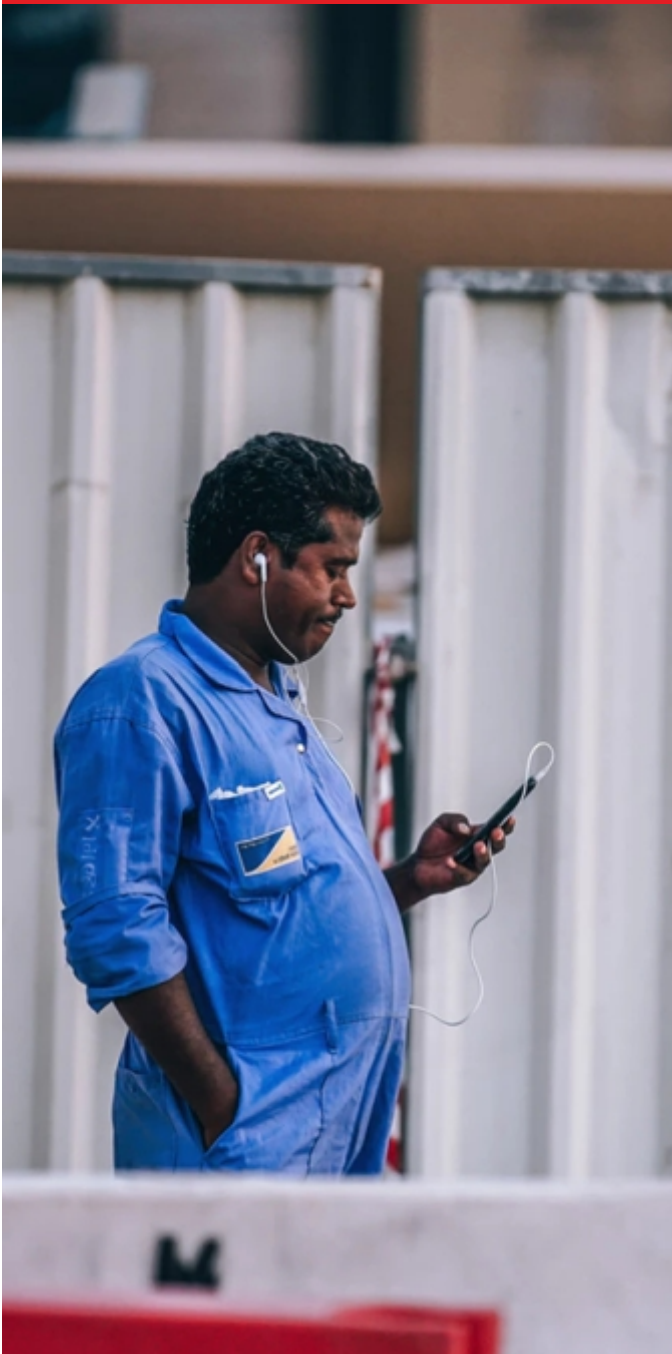
IMPLICATION

In order to build a sustainable hyperlocal model, brands need to focus on quality over discounts. They will need to leverage technology to plan delivery logistics and create value.



FAR-REACHING CONNECTIVITY

Growth in rural India will be jumpstarted through mobile connectivity.



CONSUMER TRUTH

The reach of mobile in rural India at 53% (*TRAI Report*) is greater than TV at 49% (*BARC India*). Mobile phones have diminished the rural-urban gap when it comes to communication, with rural residents spending about 25% of their budget on mobiles, while urban families are marginally ahead at 26% (*NSSO*). Moreover, the utility of a mobile device is growing much beyond communication - for the rural consumer the mobile is a point of discovery. It acts as the primary source of information, helps build brand awareness and is often the trigger for call to action. 4 out of 10 users get to know about anything new through mobiles. With credibility of brand mobile promotions at par with government promotions for new products/services, 1 out of 4 visits to a retailer is made to seek more information after becoming aware through an SMS (*Kantar IMRB Media Dark Report, 2017*).

MARKET VIEW

According to *The Economic Times*, real rural wage growth is strong, at 5%, the highest in 5 years, and the monsoon has been normal for the second year in a row. A host of mobile initiatives by the government and various institutes have already started transforming the lives of rural Indians, like tracking & ensuring that government entitlements are being distributed correctly to communities by WOSCA, providing agricultural information to farmers through SMS by Kisan Sanchar, connecting coffee farmers with each other & providing valuable information by Livelihoods 360. BSNL has launched a mobile app payment to take the reach of Digital Payment to villagers. If the launch of the cost effective Jio handsets targeted towards the Rs70+/month spend segment feature phone users does its job, the floodgates of internet will open up far greater especially for the 63% of Indian rural population residing in media dark zones.

IMPLICATION

With the tailwinds of economic and agricultural growth, mobile phones have the potential to overcome challenges faced by traditional media in rural India and will act as the single vehicle to generate awareness, disseminate information, build trust and drive purchase.



SMART SUSTAINABILITY

Consumers understand the balance between their own health and that of the environment, demanding greener, healthier life solutions from brands.



CONSUMER TRUTH

Social consciousness, once considered to be a prerogative of the niche affluent class is becoming mainstream. Terms like carbon footprint, zero emission and biodegradable are now part of urban conversation. Increasing pollution levels, consistent water logging problems, the ill effects of plastic all served as a wake up call to the dormant Indian conscience to take social responsibility in their own hands. Consumers are minimising wastage, adopting recycling and eco-friendly behaviour in everyday life, such as using LED bulbs to the worship and immersion of eco friendly Ganesha and Durga idols. A recent study explored purpose-led purchasing, and found that its propensity is greater among consumers in emerging economies than in developed markets. While 53% of shoppers in the UK and 78% in the US say they feel better when they buy products that are sustainably produced, that number rises to 88% in India and 85% in both Brazil and Turkey (Unilever, 2017).

MARKET VIEW

At the government level, the Swachh Bharat campaign swept in a wave of awareness. Programmes like the Green India Mission, Odd-Even vehicle rules, Smart Cities, Segregation of Wet/Dry Garbage have helped create a momentum of sustainability in the country. Among corporates, green imagery and vocabulary are becoming a part of mainstream marketing. Brands have taken on initiatives to be associated with campaigns like carpooling and sharing to reduce pollution, selling of unused excess belongings online, donating excess food to orphanages and adopting energy saving devices. India's recent energy draft plan forecasts that 57% of our total electricity capacity will come from non-fossil fuel sources by 2027.

IMPLICATION

Businesses will pivot to incorporate the idea of smarter consumption, as ingredients and transparency in manufacturing processes will gain greater prominence and brands associated with a good purpose will build emotional goodwill. Pushed by legislation, eco-friendly labelling will soon become mandatory.



EARLY SIGNALS

New consumer behaviours that will be propelled by technology and innovation in 2018.



EXPIRY DATE

New consumer behaviours, market upheaval and relentless innovation by startups will bring the demise of a set of brands every year. Chevrolet was laid to rest in 2017, Amby Valley is up for sale, and there may be no Air India by the end of 2018.

Constant re-invention will be the survival mantra for legacy firms

SOCIAL RATING

It used to be called peer approval or peer pressure but was hard to quantify. The success of brands and the conviction for purchase will be determined by a brand's social approval ratings – as increasing numbers of buyers refer to their peer groups and a far greater number of critics or fans before making their choices.

Enabling sharing and rating will become the default mode of customer experience for brands.

ARE YOU LISTENING?

Traditionally, brands were speakers and broadcasters. They proclaimed and consumers heard. That age is over.

It is those brands that listen to their consumers, competitors and detractors – both privately and publicly, that will earn the consumer's respect.

Chief Listening Officer, anyone?

LOCATION LENS

Consumers will be served based on their location and mobility patterns. While currently popular amongst delivery apps, the ambit of location-based marketing will expand to all kinds of products and services.

Searched for a fitness product yesterday? If you're passing a Decathlon store, an offer will flash on your phone.





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INNOVATION.
INFLUENCE.**

For more information, or to find out how you can take advantage of the trends, please get in touch with

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