

Consumer LEADS

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Foreword by Deloitte

Consumer businesses are witnessing evolutionary changes in India. Frequent disruptions in the retail, FMCG and e-commerce sectors have become a norm. These evolutions, driven by technology and changing consumer shopping behavior, present lucrative opportunities in the consumer markets not only for traditional players but also for multi-national brands and modern & upcoming consumer companies. The retail, FMCG and e-commerce sectors in India provide a vast scope of improvement throughout their value chains – from sourcing, manufacturing, packaging and distribution to logistics and delivery. The time is thus ripe for witnessing the true potential of growth in this sector.

While the supply and demand factors are expected to accelerate the growth in consumer markets, the government is also providing continuous support to make the business environment more conducive for companies operating in this space. Developments related to infrastructure – electricity, transport, housing; digitization of processes and economy; skill enhancement; regulations pertaining to segments of consumer sectors; etc. are facilitating the growth of consumer sectors. These are normally referred to as the pillars of the Industry.

Although the consumer businesses can be seen to relish strong growth dynamics, it becomes extremely important for companies to introspect their business strategies and remain competitive in the market. Formulating strategies to suit the demands of the consumers, and sustaining the brand's social, environmental and economic growth requires agility in thought-process and a constant relook at the operations to make further improvements. One cannot ignore the dynamics around 'brand' which is a critical driver for this industry. It is in this backdrop, that this report 'Consumer LEADS' attempts to decode the complexity presented by the multitude of opportunities in the consumer space. The report delves into the consumer behavior and characteristics to enlighten the readers about the rapidly evolving market environment. It throws light on prioritizing brand tactics through select business practices and case studies which would help companies in reflecting their consumer strategies to face the highly competitive environment.

Foreword Deloitte



Rajat Wahi
Partner
Deloitte Touche Tohmatsu India LLP

These are exciting times for the CPG and Retail sectors, with change being the only constant. Evolutions in the form of new channels for selling products, innovative packaging solutions, immersive experiences in shopping driven by AR and VR, deeper understanding of shoppers through analytics, growing 'at home' trial, rise of "peer to peer" marketing, and ever shortening product life cycle, are leading to a continually changing market landscape. This is not only creating opportunities for existing players to find new ways of reaching and interacting with their consumers, but also allowing new entrants (who in the past had very limited access to the market, and had to rely on a long process of negotiations to get their product event listed in retail) to directly reach their shoppers/consumers. Above all, the power is shifting from brands and retailers to consumers, and we are going from an era of B2C to C2B, with the consumers firmly in the driving seat.

While the overall retail market in India is expected to reach \$1.2 trillion in the next 5-8 yrs, modern retail is expanding its footprint across India and is expected to reach 25% of total retail sales (from the current ~10%). At the same time, ecommerce is expected to double its share to 10-12% of total retail sales in the same period. This change in the retail landscape is significantly impacting the 5Ws (where, when, why, what and

who) and the "how" in retail. Brands and retailers will need to re-learn the shopper journey for their categories, especially as omni-channel consumption creates a demand for seamless shopping and consumption experience from their customers.

The changes also mean greater challenges for both existing and new players in CPG & Retail. They can no longer 'stand still' and expect to reap the benefits of a new product launch or a new channel strategy, as they did in the past, and have to continually innovate to stay ahead of the game. This is likely to put even more pressure on the new entrants, who may have an immediate success from a new innovation in the market, but their ability to sustain the success and to compete with other new entrants as well as the existing players, will depend on how quickly they can adapt.

We have tried to address many of these opportunities and challenges through this white paper Consumer LEADS, where we talk about the importance of Learning from consumers/millennials, Engaging with them, Accelerating digital and analytics investments to better connect with them, continuously Delivering value to them, and building Sustainable practices that preserve the planet.

Foreword FICCI



Dilip Chenoy
Secretary General
Federation of Indian Chambers of
Commerce and Industry (FICCI)

Retail, FMCG and E-Commerce industry in India have undergone a sea change over the last decade owing to a more conducive policy environment, favourable demographics, growing consumer aspirations, rapid urbanization and increased digitization. Liberalization of policies and processes has helped attract a number of global and domestic Retail, FMCG and E-Commerce players to invest in India.

Conducting business seamlessly is a subject that is assuming greater importance and is dominating the economic and business discourse in the country. With India looking to position itself as an attractive investment destination, it is important to deliberate upon the opportunities that exist in terms of doing business in the country. Further, in recent times the subject of promoting and adopting sustainable and responsible business practices has also gained greater importance.

In view of this, FICCI Massmerize provides a perfect platform to initiate a dialogue between government and Retail, FMCG, and E-Commerce sectors on various regulatory issues and macro-economic and consumer trends. It also helps encourage proactive participation and involvement of businesses and people to the larger social and economic goals that the nation envisages for itself.

With the rapid proliferation of brands, the number of choices available to the Indian consumer has immensely

increased. Such fast-changing consumer preferences alongside changes seen at the technological front demands for the evolution of the industry. Owing to this, organizations have started becoming more adept and are working towards providing a more experiential, seamless and customised experience for its customers.

With the consumer landscape fast evolving, Retail, FMCG and E-Commerce industry is going through an exciting phase wherein the focus is on the consumer. Increased personalization being at the centre of an organization's marketing activities, increased hyper-segmentation will require serving the consumers at the individual level. With companies working on customized strategies for different consumer groups, it is essential to better understand the consumer mindset.

With personalization & innovation becoming key drivers of success for the industry, the FICCI-Deloitte report that has the underlying theme of "Consumer LEADS" is an attempt at decoding the consumer of today and thereby help businesses to innovate, strategize and engage better with customers.

I am hopeful that the report and the deliberations of the conference will provide guidance to the industry and help shed light on the contemporary issues that the industry needs to focus upon to help meet the fast-evolving customer expectation.

Executive Summary

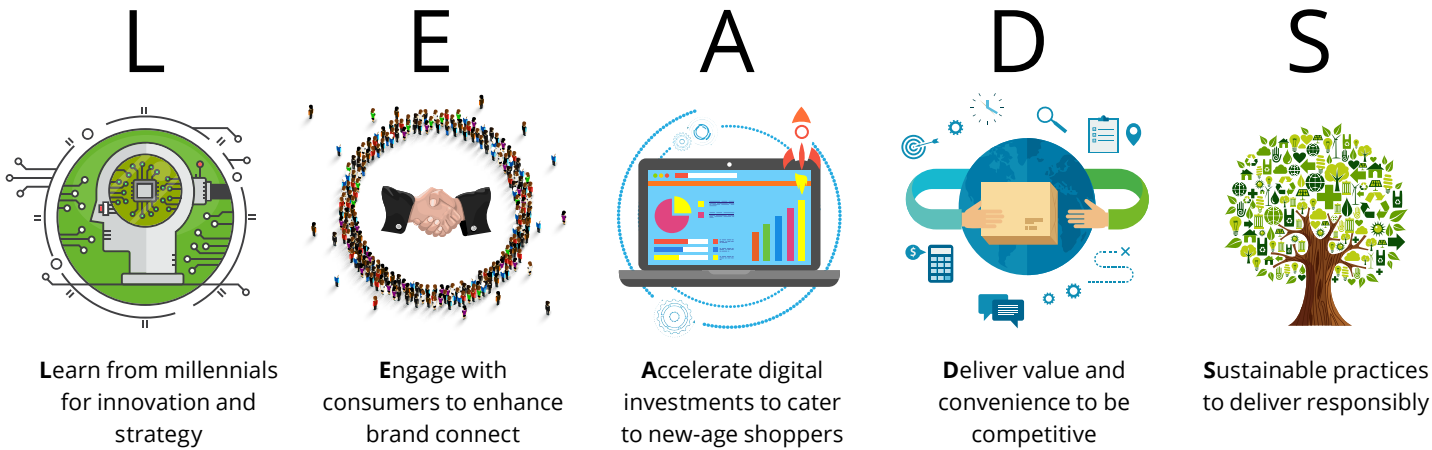
Consumer markets, especially in the emerging economies, are undergoing a phase of disruption and evolution. These changes, driven majorly by technology and connected ecosystems, have put the consumers and their buying experiences at the forefront. While it is imperative for the brands to remain connected to the

consumers throughout their shopping journey, there is also a need for them to identify and cater to the 'Consumer LEADS'.

In the fast evolving consumer markets landscape, the probability of brands becoming obsolete is relatively high if

they fail to respond to the constantly changing needs and demands of the consumers. It is in this light that the report – Consumer LEADS, outlines the importance of various factors affecting the consumer markets in India and globally.

CONSUMER



The report delves into key action items for brands, demonstrated through best-practices and select case studies:

- Showcasing how the youth in the country are influencing the traditional buying behaviour, and the need for brands to work constantly to cater to these altering needs through innovation and prioritisation.
- Highlighting the importance of transforming the entire shopping journey of the consumers – awareness, consideration, purchase, aftersales, and loyalty – to make it more engaging and immersive for consumers.

- Developing a perspective for the brands to accelerate their investments in digital and technology so as to address the new-age consumer needs.
- Providing best practices and case study examples for brands to refurbish their value propositions to resonate with the consumers' values and beliefs.
- Highlighting the importance of sustainable practices to ensure that the brands conduct responsible businesses.

While the developed economies in the world lead in terms of embracing and leveraging technology in the consumer

sectors; globalisation, trade and access to world's markets are likely to ensure that the emerging countries, including India, are not left behind in the race to reap the benefits of technology. The government's role is critical to provide an enabling environment for these technology-driven companies to thrive in the country. A collaborative model, where the policies and regulations by the government and the modern technology and infrastructure by the industry, would enhance the overall buying experience of the consumers and will help in realising the true potential of the consumer markets, India offers.

Message from FICCI Retail & Internal Trade Committee Co-Chair



Mr. Shashwat Goenka
Co-Chair, FICCI Retail & Internal Trade Committee and Sector Head - Retail, RP Saniiv Goenka Group

India has an increasing opportunity for consumer markets, owing to its young demographic dividend – nearly 70% of the country's population falls below the age of 30 years. Further, the youth is more exposed to content, is more digitally connected and possesses knowledge on their fingertips. It is thus, now, not just about retailing your products and services to the customer, but keeping up with fast evolving tastes and preferences of the consumer.

With greater use of technology, especially in retail, consumers' shopping journey is becoming more experiential. Brands are responding to this evolution, by making the consumers' journey less transactional and are leveraging omni-channel ways to enable their purchases. The advent of technology has also enabled companies for individual and precision marketing, offering their consumers with relevant

personalised content to encourage them for repeat visits. In the current digital age where consumers are getting cash rich but time starved, instant gratification is another aspect being worked upon by brands rigorously through various channels of communications. To stay ahead of this rapid evolution, consumer companies need to embrace agility not just in operations, but in overall management.

As we progress further into this era of the digitally omnipresent consumer, we have to adopt an approach to customer centricity, where we, as consumer companies, Learn from the new-age consumers, Engage actively with them, and Accelerate our digital investments to Deliver value and convenience, at the same time maintaining Sustainable practices to meet these ends.



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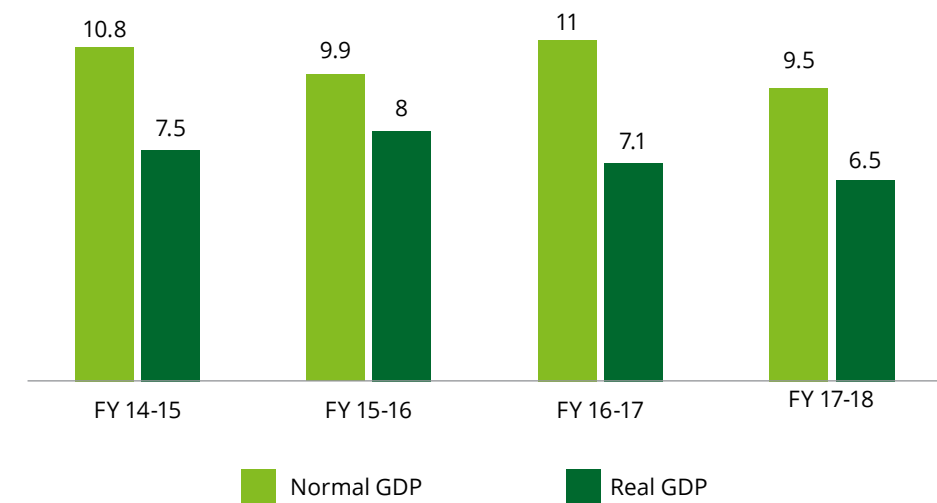


India on progressive growth track

India is one of the world's fastest growing major economy with an increasing GDP. While the country's growth dipped in the immediate aftermath of demonetisation, it has recovered to surpass China and became the fastest growing economy globally.

India's GDP has been growing at a steady rate

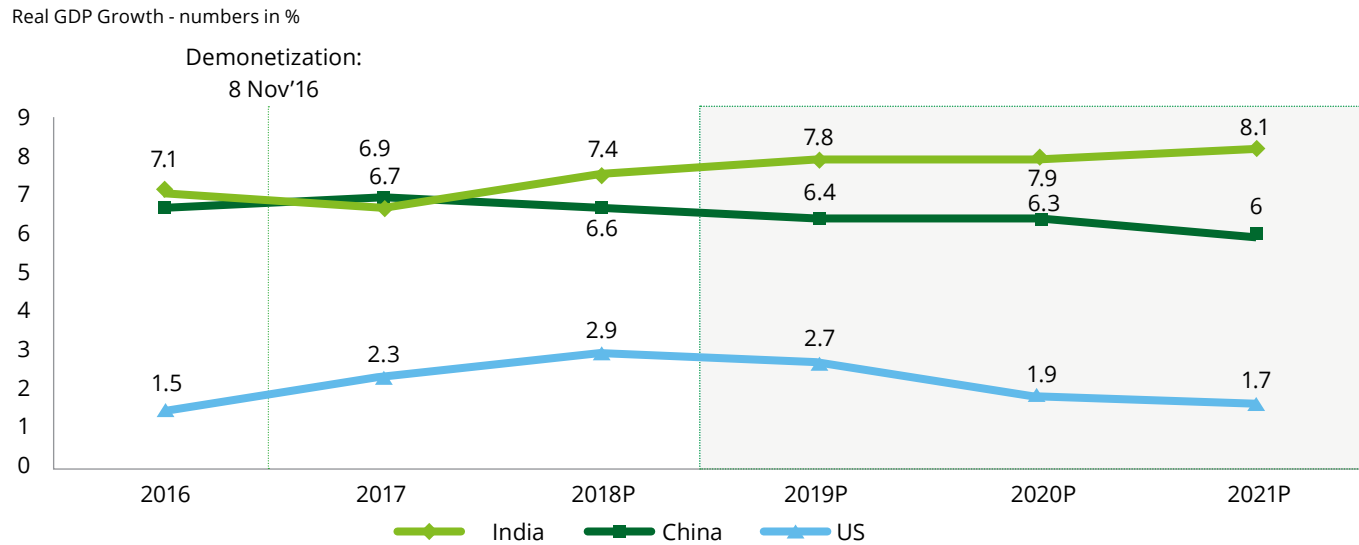
Growth numbers in %



Source: CSO, MoSPI, GoI, accessed in April, 2018

India's GDP growth surpassed China's in 2018 and it became the fastest growing major economy again

- Indian economy started to show signs of growth in FY17-18, by a swift rise in manufacturing, construction and services industries.
- IMF estimates Indian GDP growth for 2018 at 7.4%. Similarly, the revised Union budget estimates also estimate the GDP growth to be over 7.2%.

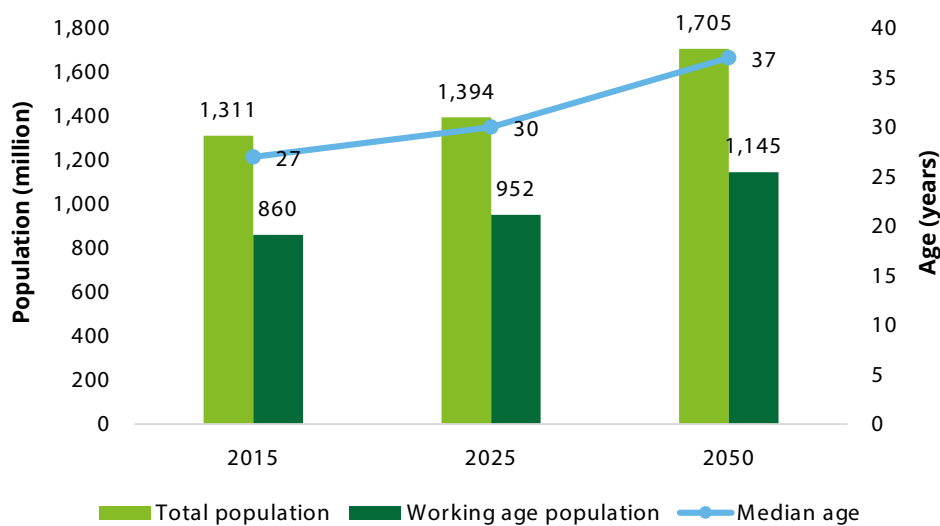


Source: IMF, accessed in August, 2018

Strong demographics are expected to supplement India's growth story

Factors such as high youth population, increase in working force, rise in number of households, increasing urbanisation and greater per capita income could drive the growth in consumption which is expected to supplement the Indian growth story.

Increase in working population* to provide impetus for higher income

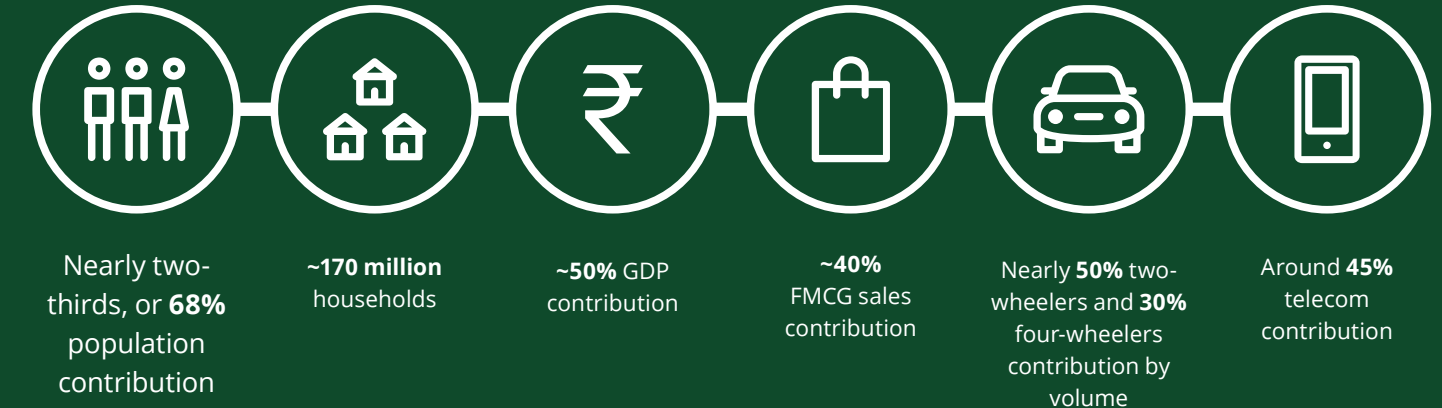


- India has a median age of 27, which is relatively lower than the median age in major economies of the world
- Population is expected to grow with a relatively young working population

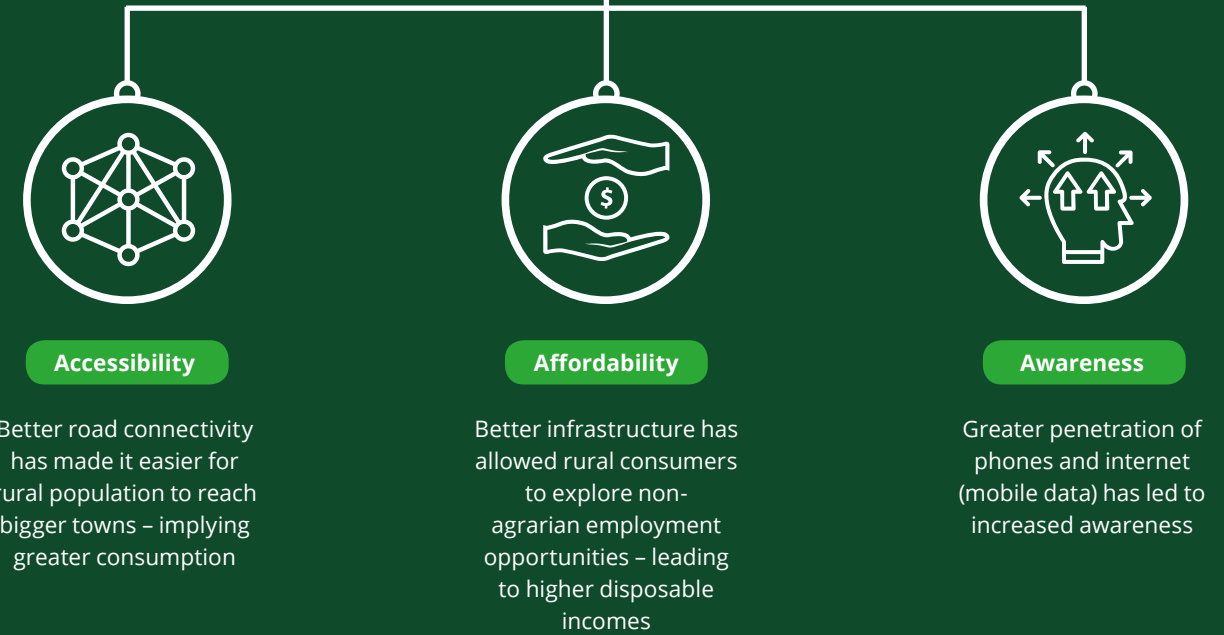
*Working population: All people between the age group of 15-64
Source: UNDP Asia Pacific HDR 2016; Census India, World Bank, MoSPI, Make in India, accessed in April 2018

Rural areas present a promising opportunity for consumer markets

Contribution by rural areas

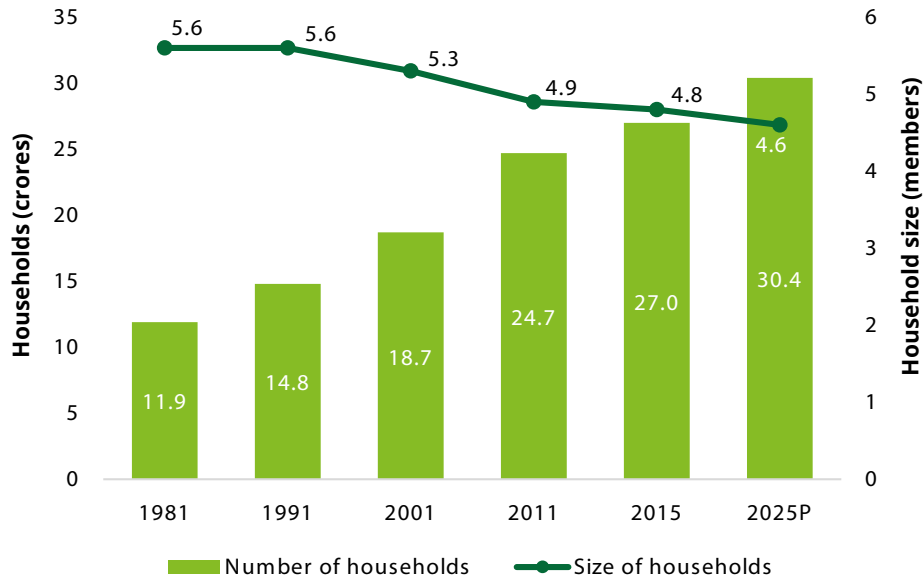


Why rural markets will thrive in future?



Source: Planning the route to growth in rural markets, Nielsen, 2018; Govt. of India Census 2011; IBEF; Media articles

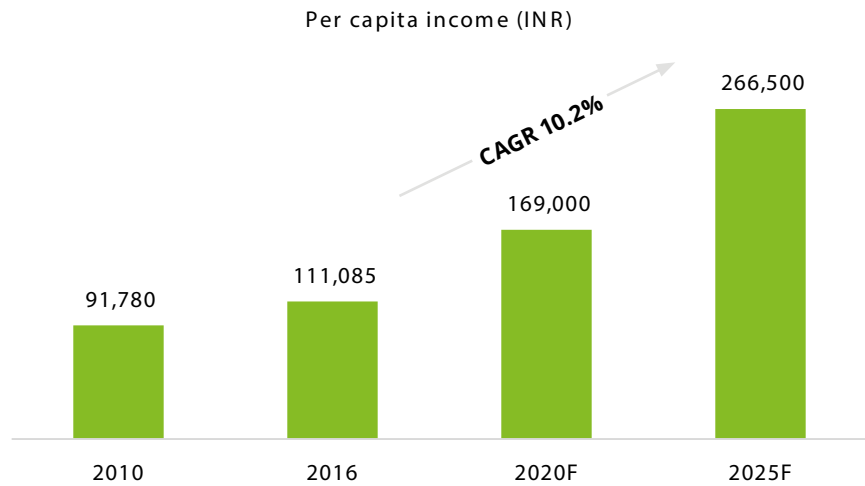
Increasing number of households with reducing household size to increase demand



- Number of **households** are **increasing** with a **reduction in household size**
- This indicates **increase in nuclear families** leading to higher demand

Source: UNDP Asia Pacific HDR 2016; Census India, World Bank, MoSPI, Make in India, accessed in April 2018

Per capita income is expected to increase at CAGR of 10.2% to reach INR 2,66,500 by 2025



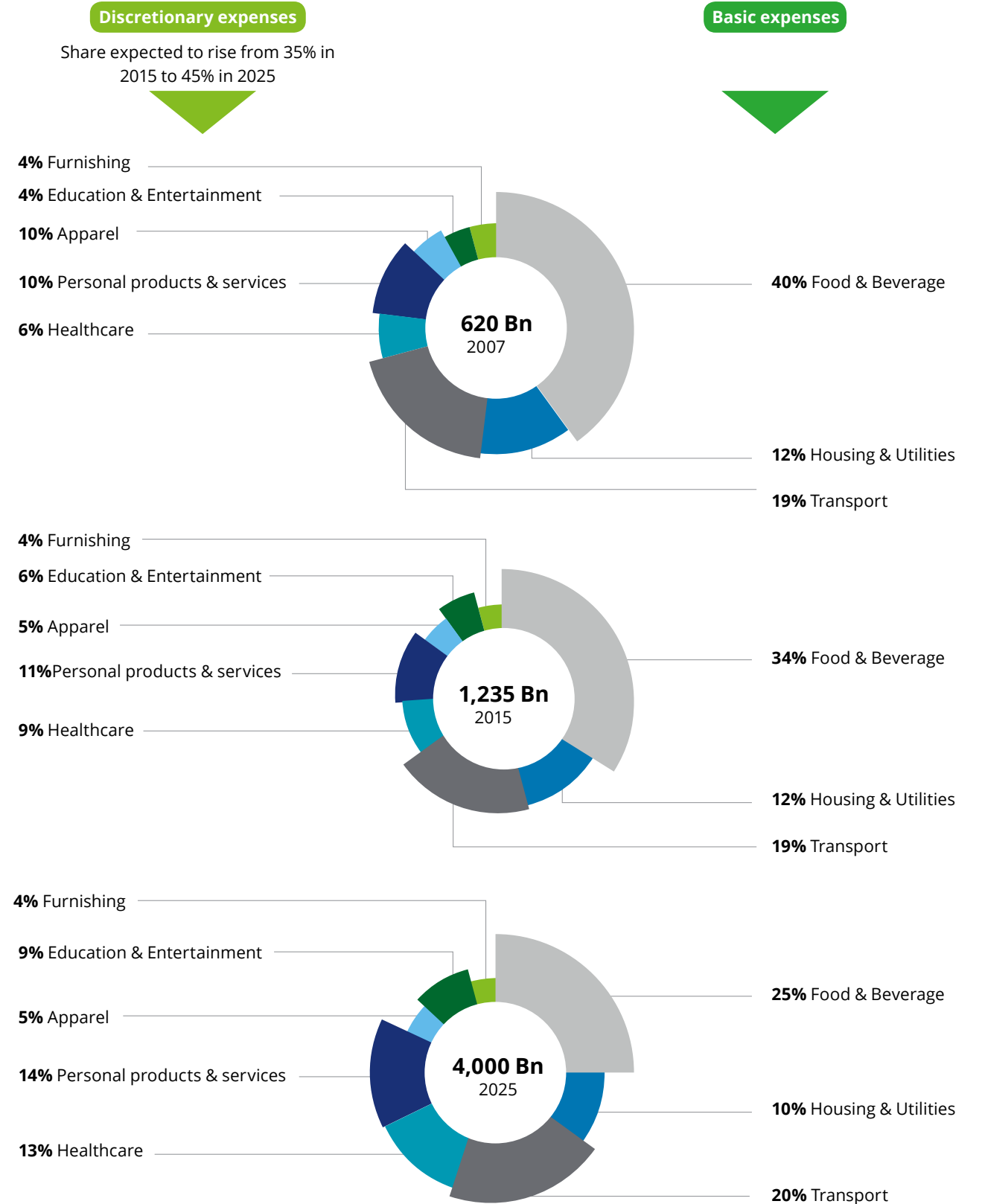
Source: Media articles

Steady growth in household earnings is expected to further drive consumption growth. India's burgeoning middle

income households are likely to drive an increase in discretionary spends and create a shift in consumption patterns.



Increase in disposable income is increasing consumption, leading to a rising proportion of discretionary spends



Source: NITI Aayog, MOSPI, Deloitte report

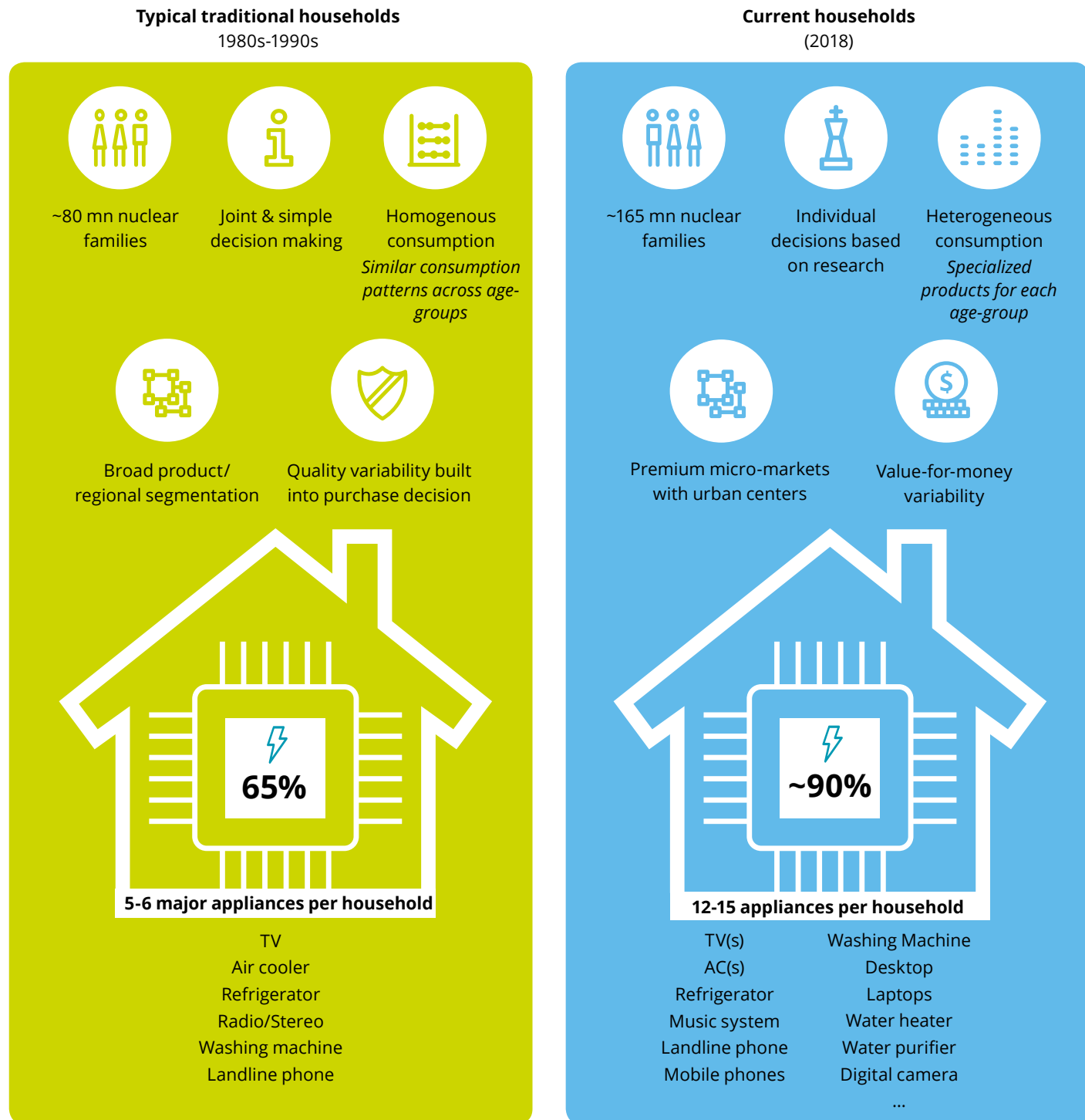
Evolution of consumer households

Advancement of technology, preference for convenience and increased disposable incomes are seen to have led the evolution in consumer households.

The households in India have evolved from typically consisting of 4-5 major consumer appliances during 1990s to nearly 12-15 appliances today.

How the households have evolved over time..

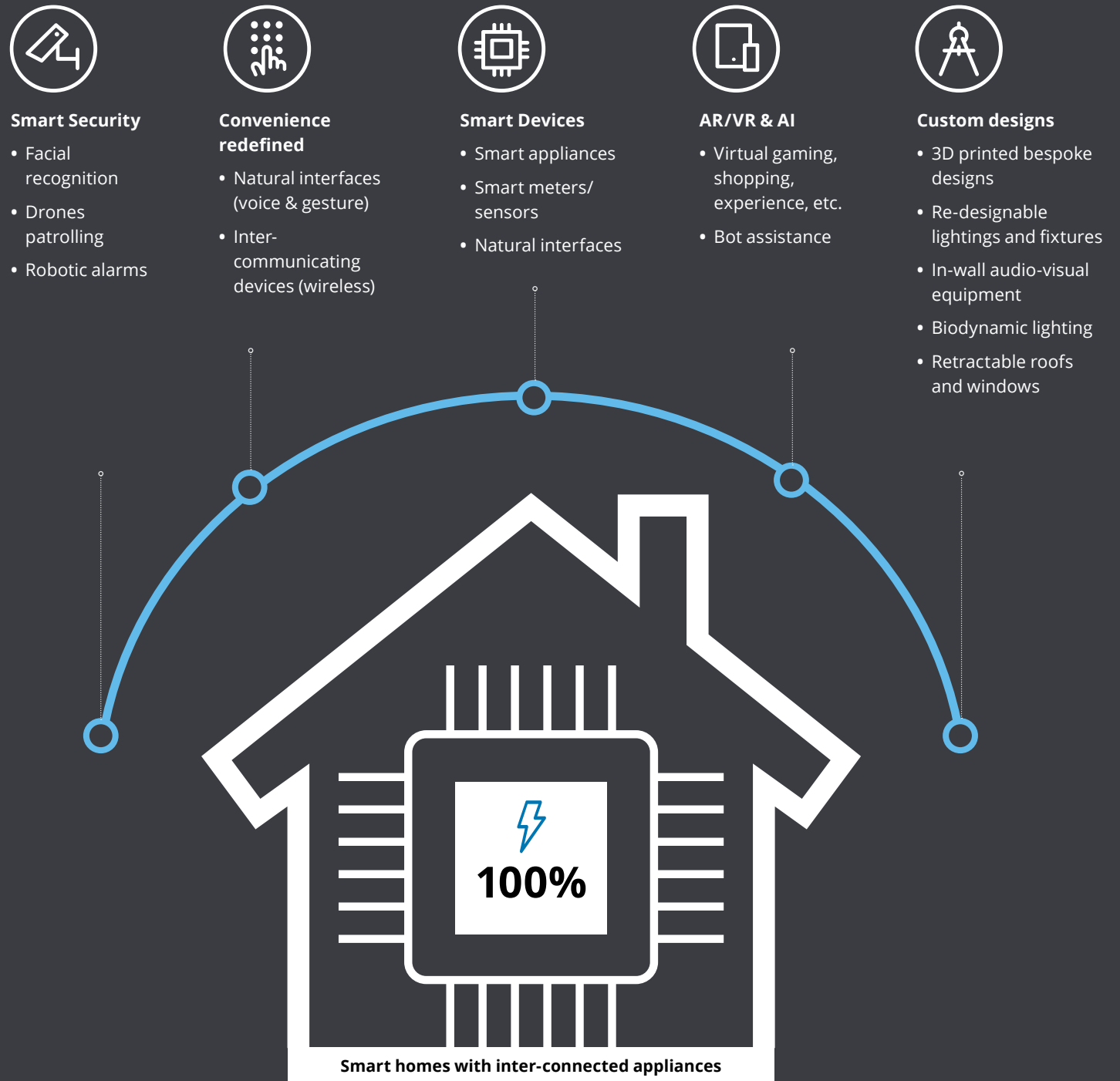
⚡ Represents percentage of household electrified in India



Source: Deloitte analysis

Further, with the advancement of technology and owing to increased connectedness globally, the households are expected to evolve into a network of inter-communicating devices:

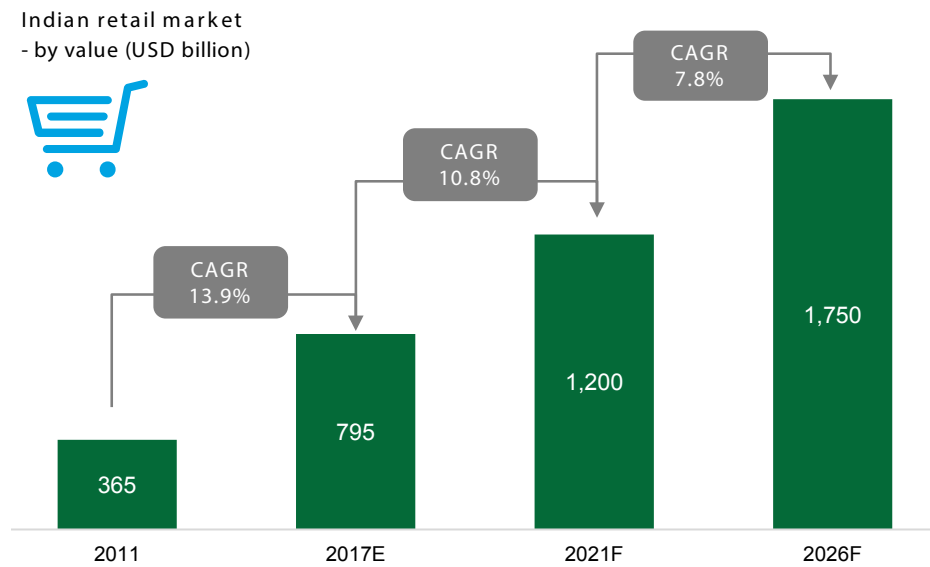
Households envisioned in the future.. (2025)



Source: Deloitte analysis; media articles

Increasing consumption to drive growth in consumer sectors

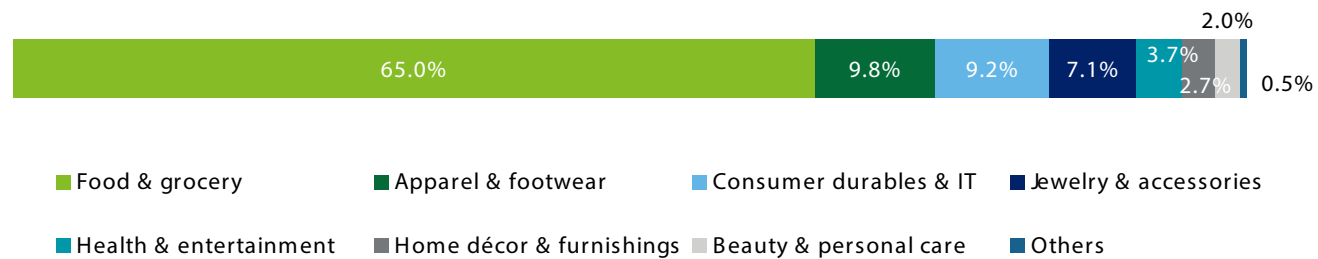
Favourable macro-economic indicators and rapid growth in consumption is driving the growth of retail sector as a whole



Source: KONNECTED to consumers; IBEF; Media articles; Indian Retail Industry: Growth, Trends, Challenges, and Opportunity, India Retailing, 16 November 2017; Deloitte analysis

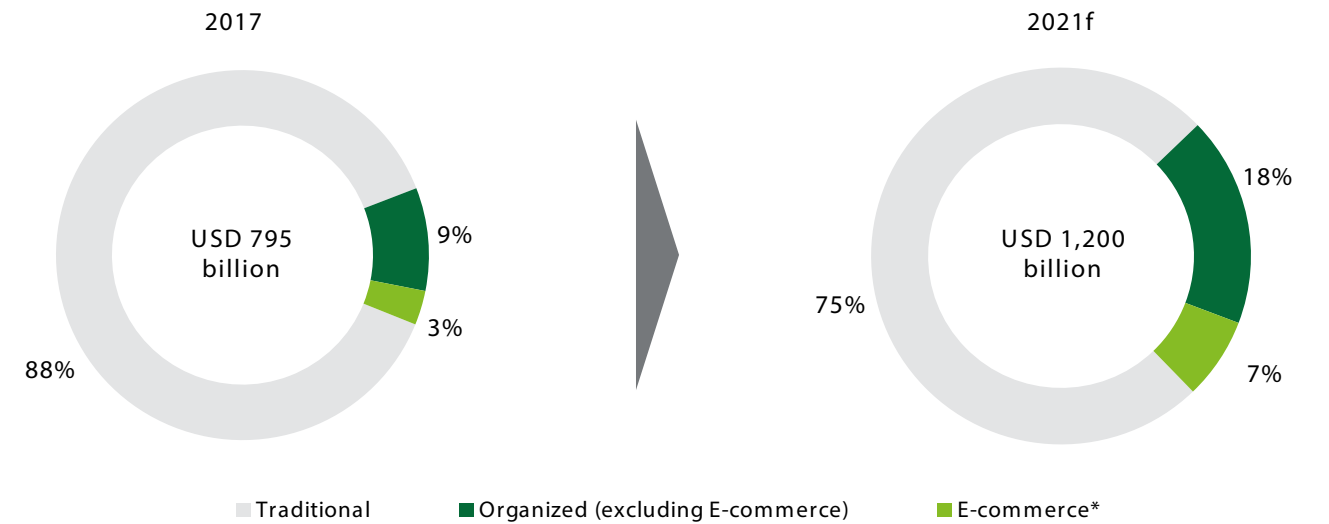
- India is **Asia's third largest retail market** and **world's fourth largest** after the US, China and Japan. – thus presenting massive investment and business opportunities.
- It is one of the **fastest growing major economies** in the world, leading to high growth in consumer and retail markets. Food and grocery accounts for the majority share of the retail market in India followed by apparel and footwear, and consumer durables and IT segments:

Category wise breakup of total retail market



Source: KONNECTED to consumers; Economist Intelligence Unit, accessed in April 2018

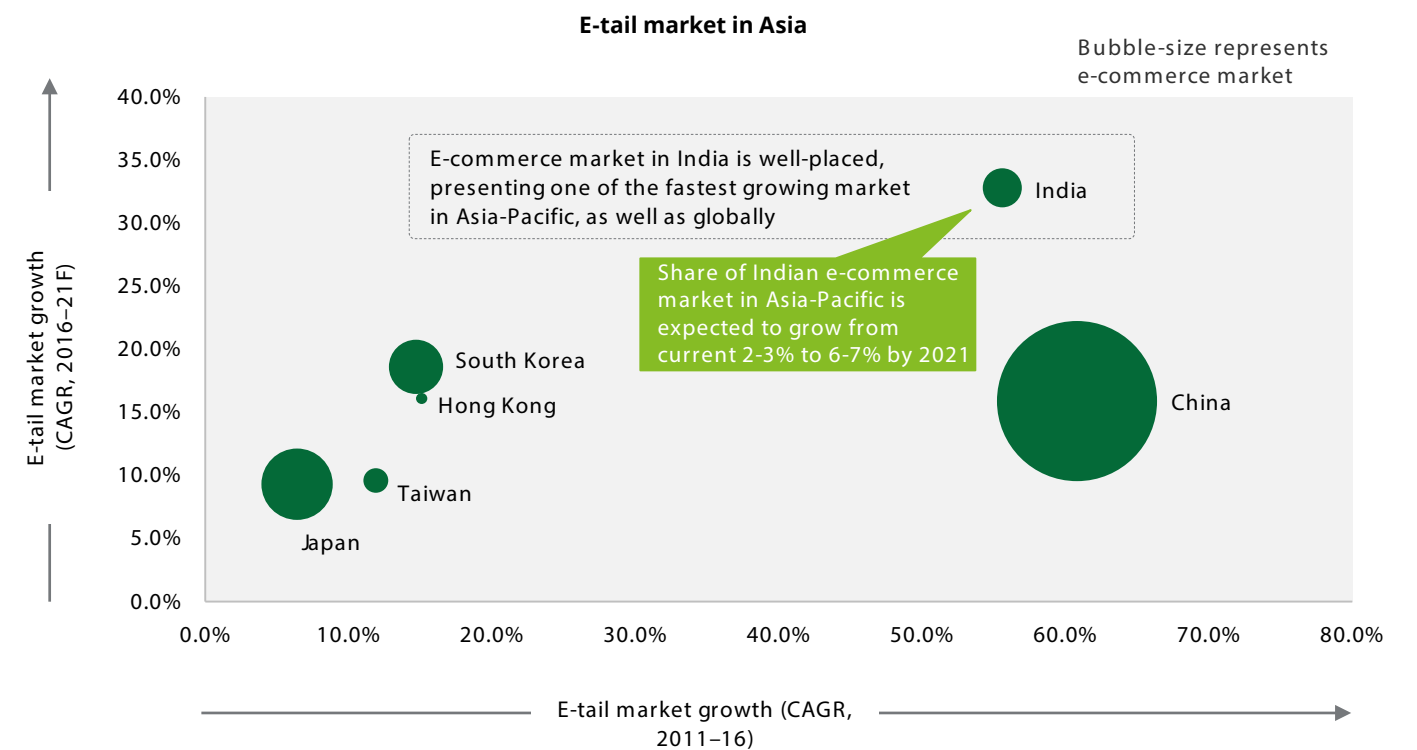
While traditional format dominates the retail market, share of organized segment is rapidly growing.



Source: KONNECTED to consumers; Economist Intelligence Unit, accessed in April 2018; Media articles; Indian Retail Industry: Growth, Trends, Challenges, and Opportunity, India Retailing, 16 November 2017; Deloitte analysis.

Note*: e-commerce market here refers to sale of products and services through electronic transactions, home shopping is considered a part of e-commerce.

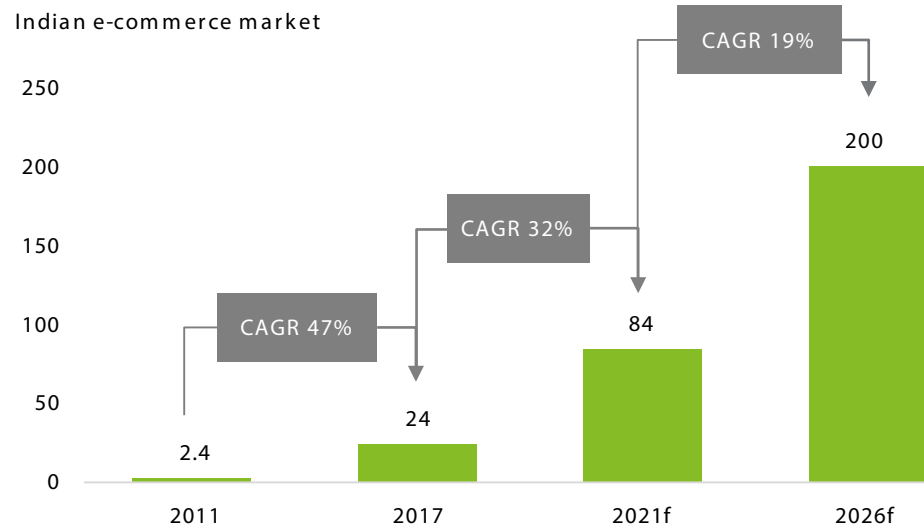
E-tailing# is expected to grow rapidly in India, the growth is expected to be one of the fastest in Asia as well as globally at a CAGR of over 30% in the period 2016-21



Note#: e-tail refers to e-commerce, excluding travel and event transactions
Sources: KONNECTED to consumers; Deloitte analysis

Indian e-commerce market – on a high growth trajectory.

Values in USD billion



Sources: KONNECTED to consumers, Deloitte, 7 September, 2017; Media articles

The high growth in e-commerce market is majorly attributable to factors including¹:

• Growing internet penetration:

Internet users in India are expected to increase from 432 million in 2016 to 647 million by 2021, taking the internet penetration from 30% in 2016 to 59% in 2021

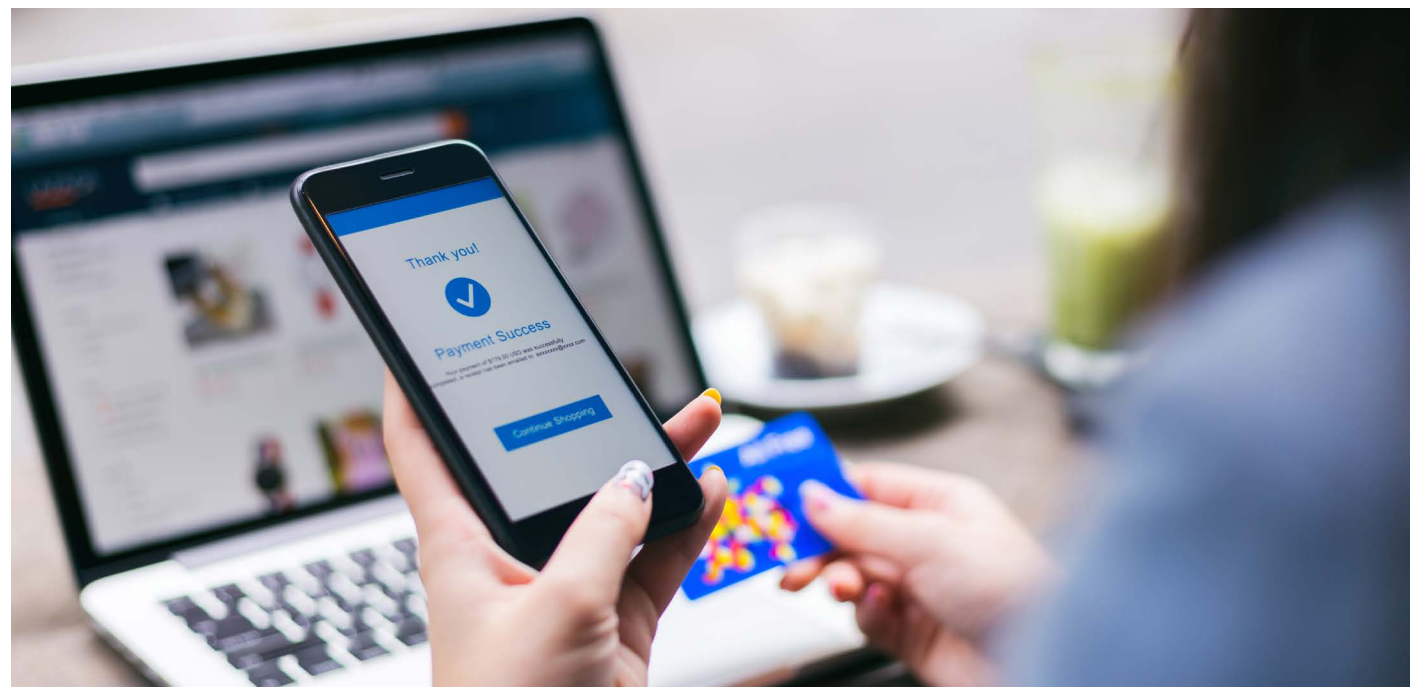
– Approximately 75% of the new internet users are expected to come from rural regions

• Rising number of online shoppers:

Number of online shoppers would increase from current 15% of the online population to 50% of the online population by 2026.

• Increasing usage of smartphones:

Smartphone users in India are expected to increase from 260 million in 2016 to around 450 million by 2021, which is also expected to drive the m-commerce sales from USD 10.5 billion in 2016 to USD 38 billion in 2020.



¹ KONNECTED to consumers, Deloitte, 7 September, 2017; Media articles

Key trends in the Indian e-commerce space include:

- Government initiatives gaining momentum**

Government recently launched four major initiatives – Digital India, Skill India, Startup India and India Innovation Fund – these are likely to facilitate growth of e-commerce
- Competition leading to consolidation**

Intense rivalry and competition amongst e-tailers is leading them to offer deep discounting, which is seen to drive the industry towards consolidation and acquiring smaller players to complement or expand capabilities
- Growth in m-commerce and internet penetration**

India has amongst the highest share of mobile based e-Commerce sales globally, supplemented by increasing internet penetration
- Evolution of new payment solutions**

Launch of electronic wallets and digital payment products is expected to ease the payment process in e-Commerce; launch of UPI is likely to further benefit e-Commerce
- Innovation in Logistics**

Rise in third-party logistic providers and hyper local delivery players to manage last mile deliveries; India Post supporting e-commerce by leveraging its extensive reach
- GST expected to enhance the growth of e-Commerce**

GST implementation to enhance e-Commerce through a uniform tax structure, simpler inter-State goods transfer, increased merchant compliances and easier tax refunds
- Empowerment of MSMEs**

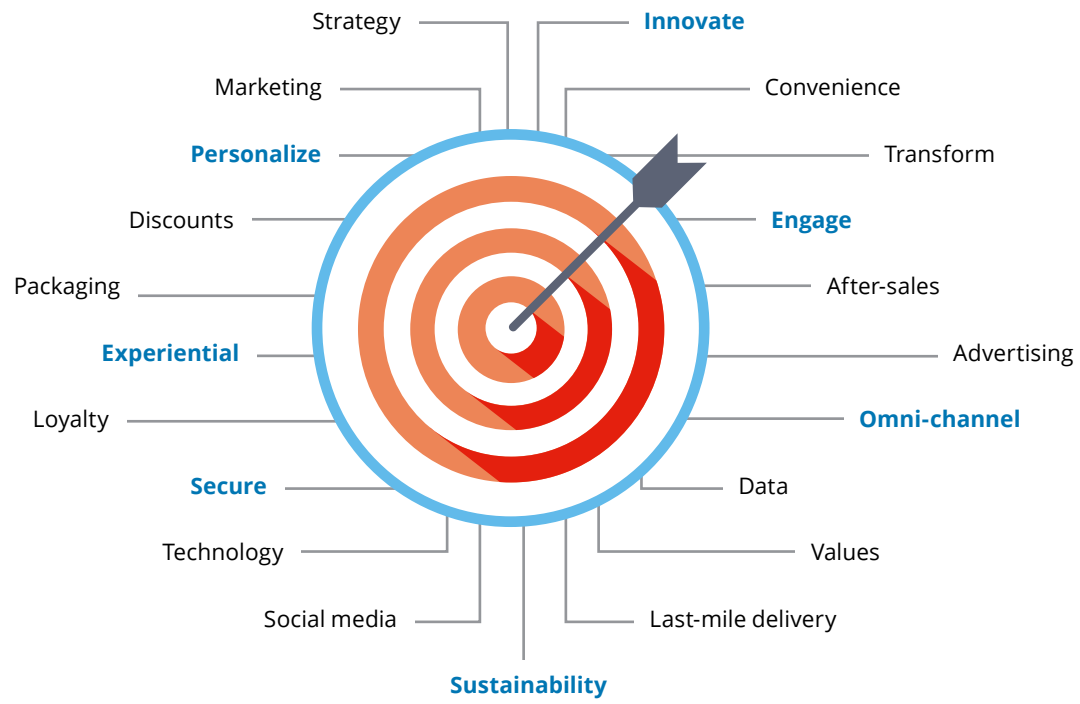
e-Commerce driving many MSMEs to explore the option of selling online and to access new customers in India and globally



Consumer LEADS

On the backdrop of a growing economy and favourable factors driving consumerism in India, companies operating in the consumer industries have multiple opportunities to conduct business in the country. To realise these potential opportunities, the brands need to keep abreast with the upcoming trends and innovations and consider incorporating necessary alterations in their business models and strategies.

Evolving parameters in consumer domain

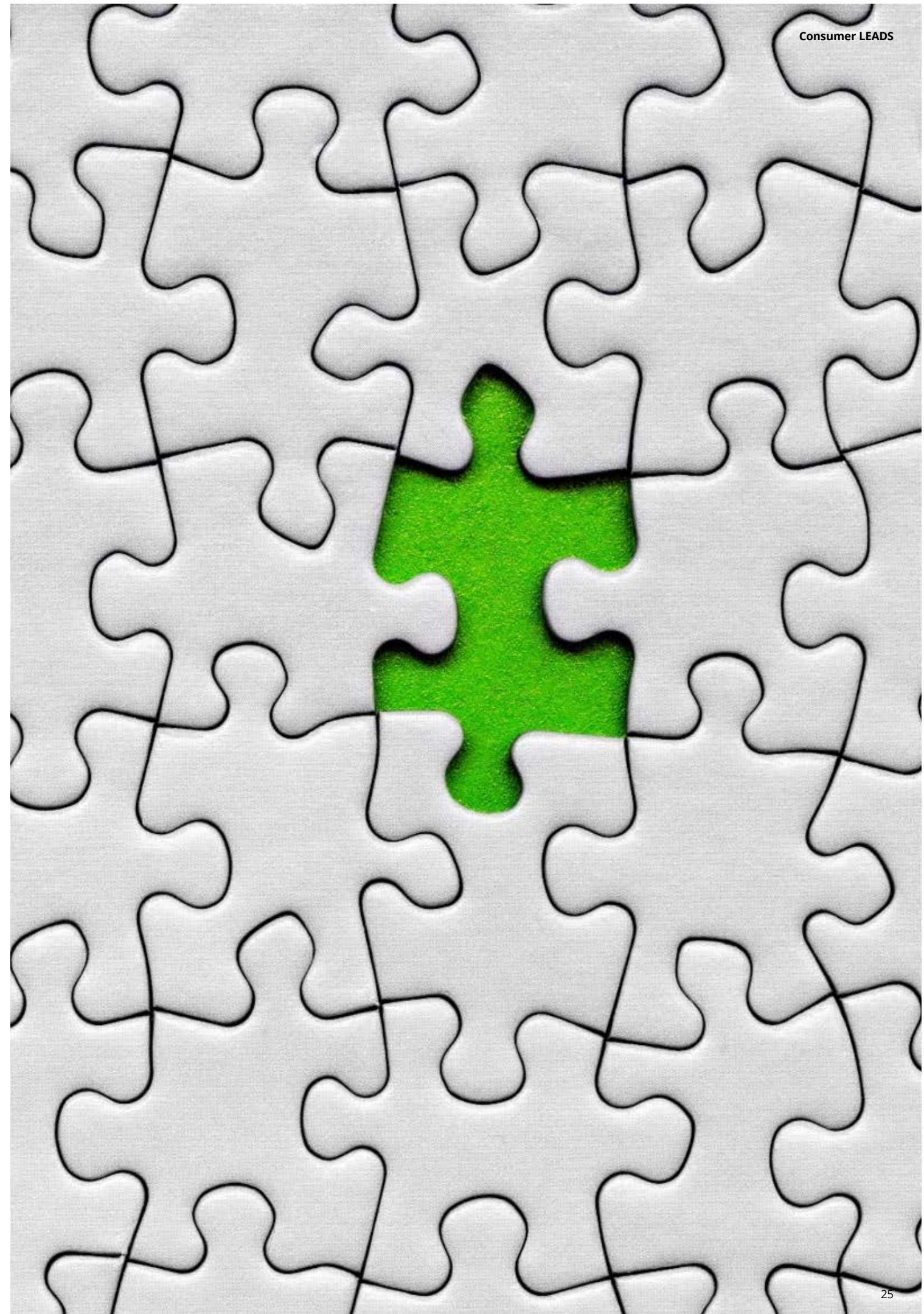


Source: Deloitte analysis

In the current age of multiple choices, increased convenience, value-driven demand and inter-connectedness, shortlisting and prioritising strategy can become a major challenge for consumer companies. As a result, the brands are seen facing an immense pressure to remain relevant and competitive in this rapidly evolving consumer landscape.

The following sections provide a glimpse of disruptions, innovations, and changes happening in the realm of consumer markets. These evolutions are majorly driven by changing consumer behaviour and needs and are enabled by data and technology. The information provided in these sections is intended to help companies/brands remain well-informed

about the current and upcoming trends thereby providing insights on specific areas for transforming their business models or strategies.





Learning from millennials for innovation and strategy

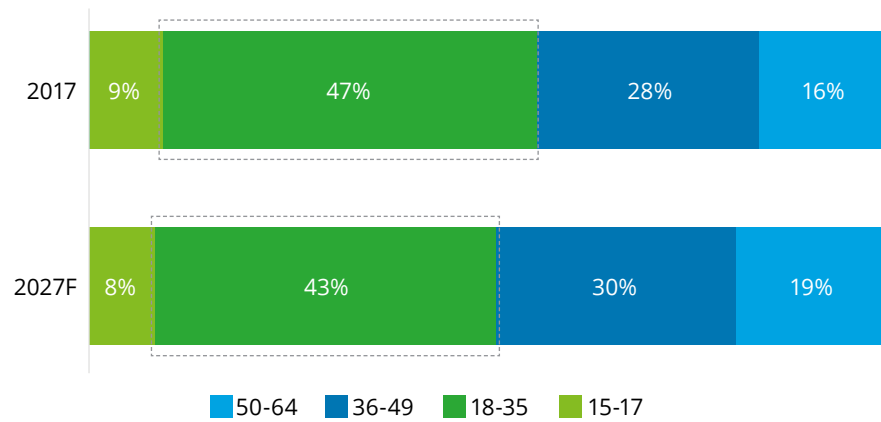
Millennials form a very substantial target group for majority of brands operating in various consumer segments including food and beverages, apparel, footwear & accessories, consumer durables and electronics and Fast Moving Consumer Goods (FMCG). Moreover, millennials or the young consumer groups, in general, are at the helm of driving changes in consumer shopping journeys and trends. It is thus imperative for all consumer focussed companies to gauge the variations and shifts driven by the youth, and tweak their strategies to cater to the new-age demands.

India has the world's largest millennial population in absolute terms. Falling in the age group of 18-35 years, and having a population of over 440 million, millennials constitute nearly 34% of the country's total population.²

Further, millennials account for a major share in the workforce population. While millennials constitute more than one-fourth of the workforce in Asia Pacific region, their contribution to the Indian workforce is significantly higher. As can

be seen from the chart below, millennials, which come in the age-group of 18-35 years, account for nearly half of the workforce population in India.³

Share in working age population (by age group, India)



Millennials account for nearly half of the working age population. Their share in the working population is expected to remain highest in the next decade and even further

Source: UN population stats, accessed April 2018

Millennials are the first global generation of digital natives, implying that the population group was the first to witness and leverage the technology and internet for shopping. Being better connected to information and being the chief wage

earners in the household, millennials have significant spending power and greater access to products and services. This trend is expected to drive the consumer market in the country leading to disruptions, especially in discretionary

segments where the millennial group, in general, has a greater tendency to spend more vis-à-vis their increasing disposable incomes.



Mr. Shashwat Goenka
Sector Head –
Spencer's Retail,
RP Sanjiv Goenka Group

With a 65-70% population of the country falling under the age bracket of 30 years, the time is ripe for consumer brands to invest strategically for these consumers.

The digital connectedness has ensured that the youth has all the information it requires on its finger-tips; thus, it is not about educating the consumers anymore, but to enable them through their purchase cycles."

Focus on millennials should not mean overlooking other age groups

While millennials are certainly one of the largest consumer target groups in the country, the importance of other age groups including Gen X and Baby Boomers cannot be overlooked. The relatively older generations contribute significantly to the growth of consumer markets, especially jewellery, luxury and

premium product segments. Brands, while aiming at strategizing their offerings and outlook for millennials, must also realise that the offers could potentially be of significant value to not just millennials, but other age groups as well. If proven to be of high value, these offerings carry the potential to quickly cater to the mass consumers across age groups. Although it makes more sense to target millennials

and remain upbeat about the ongoing trends, the focus can rapidly expand to older generations, where millennials' parents and older relatives could become the next potential target group. Companies, thus not only need to focus on millennials, but also look beyond the age group to maximize adoption potential.



Mr. Shailesh Chaturvedi
CEO & Director – Tommy
Hilfiger (India)

"The trend for targeting millennials and offering products suiting their needs started in the US and thus, Tommy Hilfiger picked it up early in India and prioritised it. Our store design and collection is targeted at the young consumers, which is also evident from the fact that we've continued with Gigi Hadid as our global brand ambassador. We have a very young and sporty collection to target the youth."



² UN population stats, Deloitte Analysis

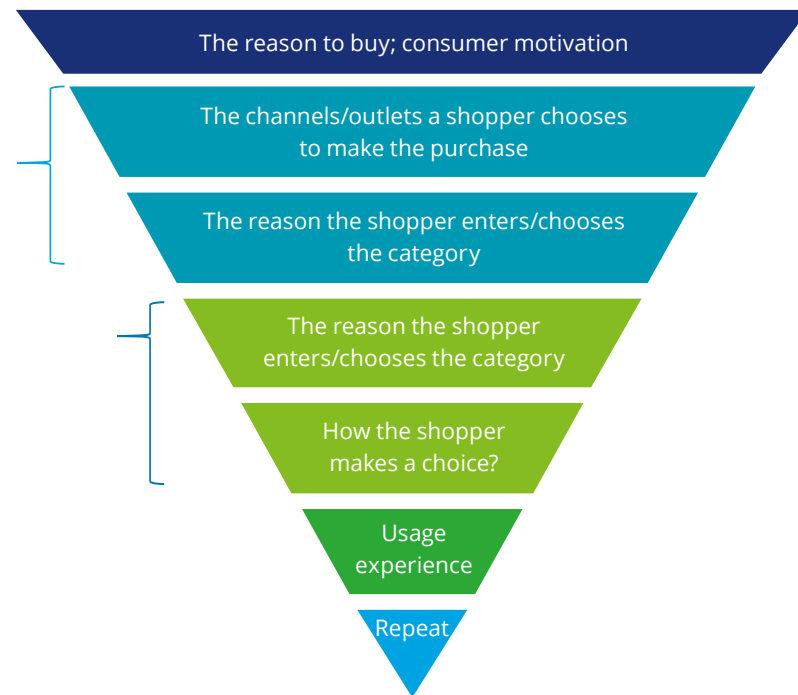
³ UN population stats, Deloitte Analysis

Idle to Agile: shaping the future of consumer markets

Easy access to global markets, preference to convenience and diverse choices at the disposal of consumers have led to a rapid evolution of consumer markets in India. These multiple opportunities permeate across the consumer value chain easing the shopping journey through technology, better household incomes, varied channel and product options, augmented means of two-way communication, multiple payment options, personalized service offerings among others. To stay atop this rapid evolution, consumer companies need to consider embracing agility in their

operations and management. While agility finds its roots in IT and software firms, from where it expanded to finance, it is relatively new in the consumer industries including FMCG and e-commerce. Agility in operations is expected to lead to collaboration among cross-functional inter-disciplinary members encouraging iterations for an adaptive best-case process. The concept of agility can be leveraged across functions such as marketing, product development, supply chain, logistics and delivery to increase productivity and efficiency and to reduce costs and efforts.

With changing lifestyle, technological advancements, and greater information access, the consumers' shopping journey and consumption patterns are also evolving. The shopping journey can be segregated across five major aspects: awareness, consideration, purchase, aftersales and loyalty.





“As a company, we engage with our consumers broadly through three means:

- What we say (marketing) – The communication needs to be transparent, authentic and valuable
- How we reach (medium) – The real value of the internet is in opportunities for targeting
- What we sell (products) – Products that deliver tangibly on real insights”

Mr. Arvind Chintamani,
VP, Marketing – Colgate Palmolive (India) Ltd.

There has been a noteworthy development in the consumer shopping cycle over the last two-three decades. The traditional, linear path to purchase is a thing of the past.

Shopping journey in 1980-90s



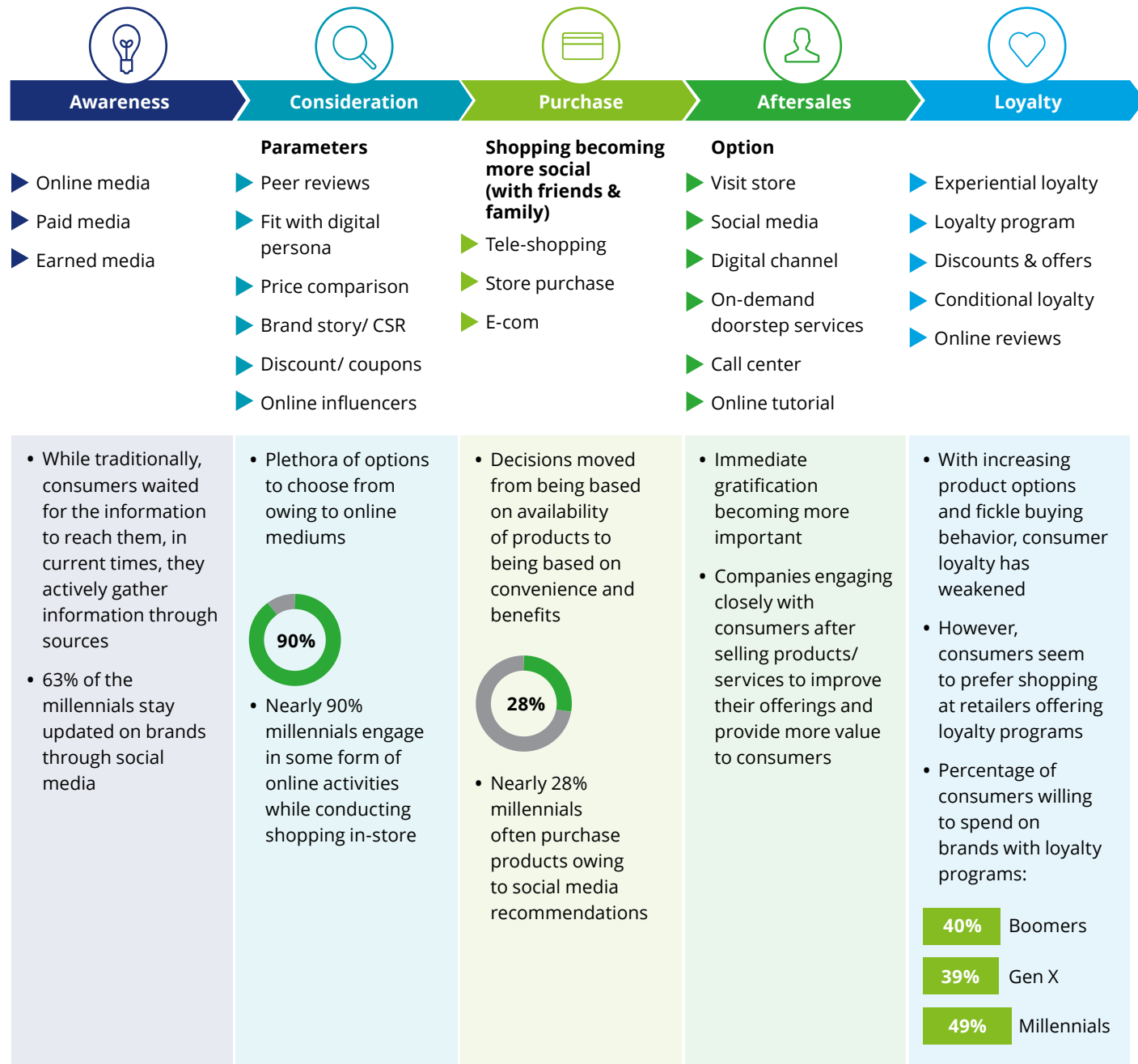
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|---|--|--|--|---|
| <ul style="list-style-type: none"> ▶ Newspaper ▶ TV/ Radio ▶ Word of mouth ▶ Bill-boards ▶ Yellow pages ▶ Retailers | <ul style="list-style-type: none"> ▶ Visit store ▶ Call seller | <ul style="list-style-type: none"> ▶ Store purchase ▶ Mail order | <ul style="list-style-type: none"> ▶ Visit store ▶ Visit local electrical shop | <ul style="list-style-type: none"> ▶ Product experience based ▶ Word of mouth marketing |
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|--|--|--|--|---|
| <ul style="list-style-type: none"> • Consumers got their initial inspiration and awareness from a retailer, brand's advertisement/ marketing channels or family and friends | <ul style="list-style-type: none"> • Consumers visited retailers in the neighborhood to compare prices • Retailers had a significant role in influencing consumers' buying decisions • The comparison was relatively straight forward as the number of brands and SKU options available was limited | <ul style="list-style-type: none"> • With limited payment channels, customers typically purchased goods in-store. In some cases, a mail order was used to make payment • Consumers had to sometimes wait a few days/ weeks before the delivery of a TV or a refrigerator | <ul style="list-style-type: none"> • Not much emphasis was placed on after-sales experience • Companies largely differentiated on basis of products and benefits • Customers typically visited company-owned outlets or local electricians if appliance purchased was damaged or faulty | <ul style="list-style-type: none"> • Consumers were very brand loyal. Their loyalty was based on their own experience while purchasing a product or reviews of family and friends • Low-cost brands were usually associated with inferior quality |
|--|--|--|--|---|

Source: Deloitte analysis

Consumers now embrace an omni-channel experience and switch brands unpredictably:

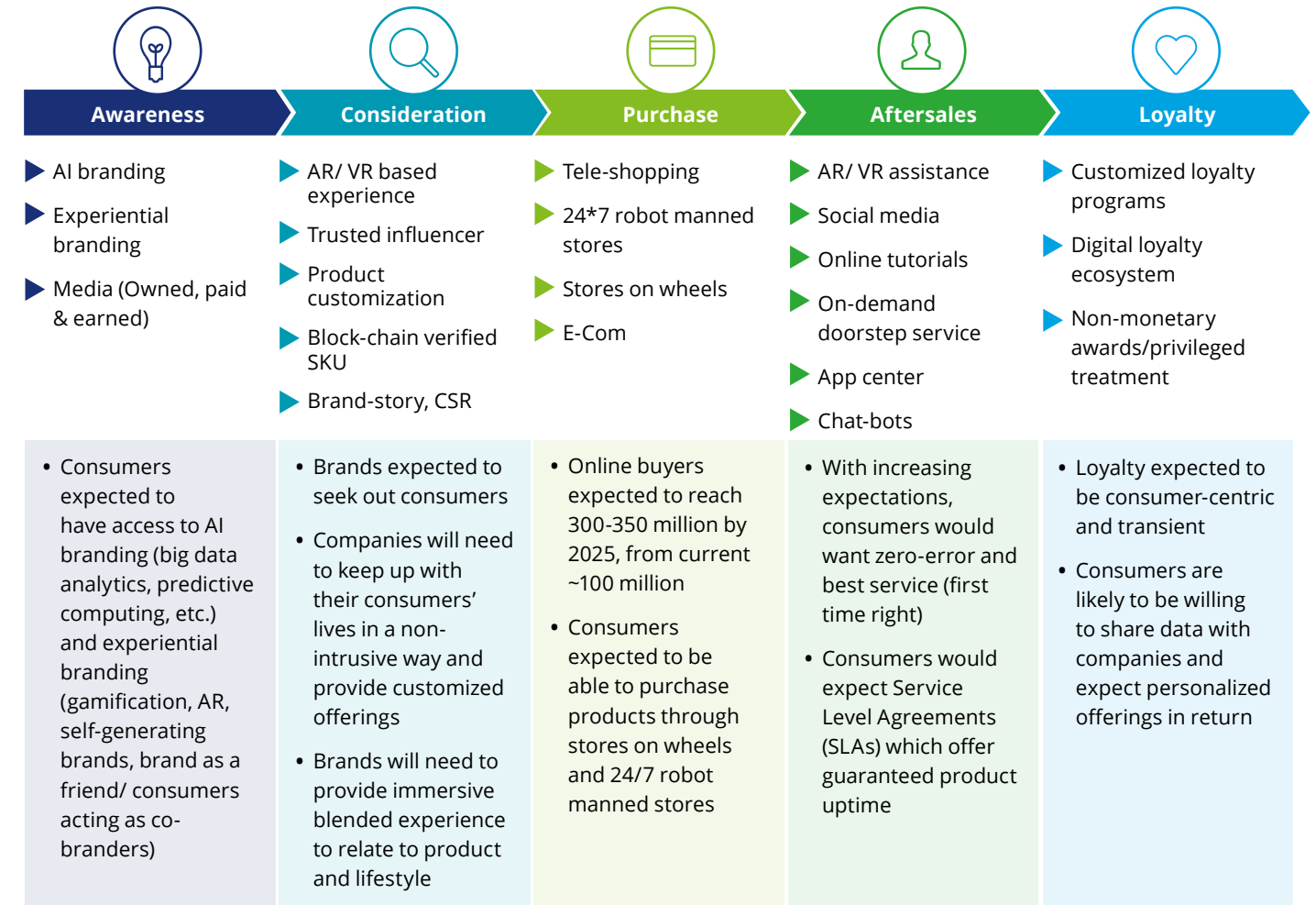
Current shopping journey, 2018



Note: Owned media includes website and controlled media, Paid media includes print, audio and video media, and Earned media includes reviews, blogs, editorials, etc.
 Source: 46 pc millennials spend more on brands with loyalty programmes: Study, India Retailing, October 2016; Media articles; Indian Fashion Retail 2016, April 2016; KONNECTED to consumers, Deloitte-FICCI, September 2017.

Going forward, product uniqueness, pricing transparency, and prompt service are expected to be the key:

Envisioned shopping journey in 2025



Source(s): Deloitte analysis

As the implementation of technology in consumer sectors increases pace, the consumer/shopper journey is expected to be driven by confluence of online and offline means. Millennials, being amongst the first generations to have leveraged technology for trade and commerce, and constituting a majority of the country's population, would play a prominent role in the growth of consumer sectors in the near future.



Mr. Mayank Jalan
 Managing Director –
 Keventer Agro Ltd.

"It is extremely important for any consumer-based company to attract new-age consumers and make products relevant for them.

We are increasingly witnessing a trend of consumers preferring health & wellness, which is impacting the buying behaviour as well – consumers are making purchases not just on impulse but after proper consideration of products' benefits from a health perspective."

From showrooming to webrooming: streamlining your channel strategy

In the current multi-channel age, consumer companies in India are seen aligning their business strategies, especially to cater to the demands of a young and technology-driven population. Leading consumer companies are facing stiff competition in their omni-channel offerings, while aiming to provide seamless and integrated solutions to consumers' needs. The advent of technology has led to the consumers leveraging multiple channels for making their purchases:

- browsing online and shopping in-store for product's look and feel;
- shortlisting products in-store and making the purchase online for better prices and offers;
- getting custom/ exclusive products shipped from foreign countries through company websites;

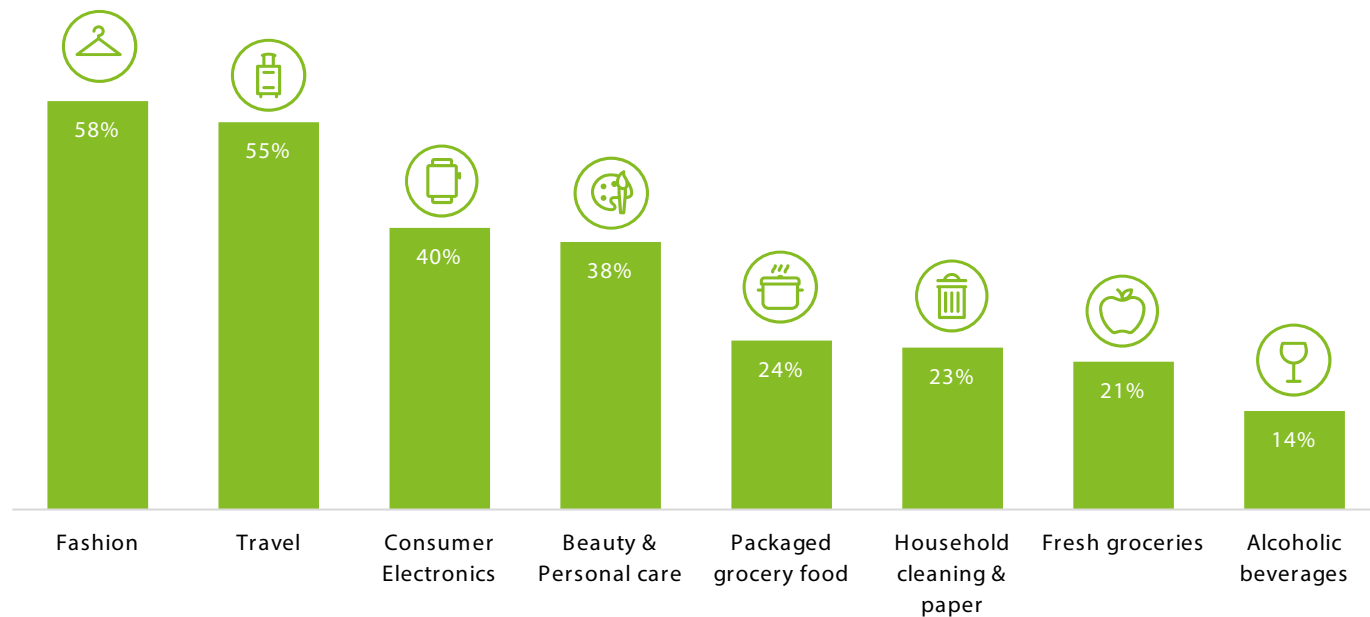
- tele-ordering products for ease of access;
- ordering products after reading reviews/ recommendations on social media;
- picking products from store/ delivery centre after ordering online to avoid last-mile delivery delays (click and collect model);
- placing personalized product orders in-store to get them delivered later;
- consumer-to-consumer (C2C) buying.

Internet and mobile apps have made the shopping journey of consumers convenient to the extent that the millennials and younger generations have now become habituated to instant gratification. Millennials are seen to be keen on socialising and collaboration and thus, companies need to consider proactively streamlining their two-way communication with consumers. It is owing to this two-way communication

that a new model of consumer-to-business (C2B) has emerged where companies get cues to new products and services through crowdsourcing. Consumers are conveying their specific needs to companies which are being used for creating brand value and providing unique experiences to consumers.

Online shopping or e-commerce has picked up pace in developing countries as well. According, to a survey of online consumers in more than 63 countries by a global performance management company, more than 90% of the consumers surveyed have shopped online at least once. Fashion and travel emerged as the top categories where consumers have ever made a purchase online:

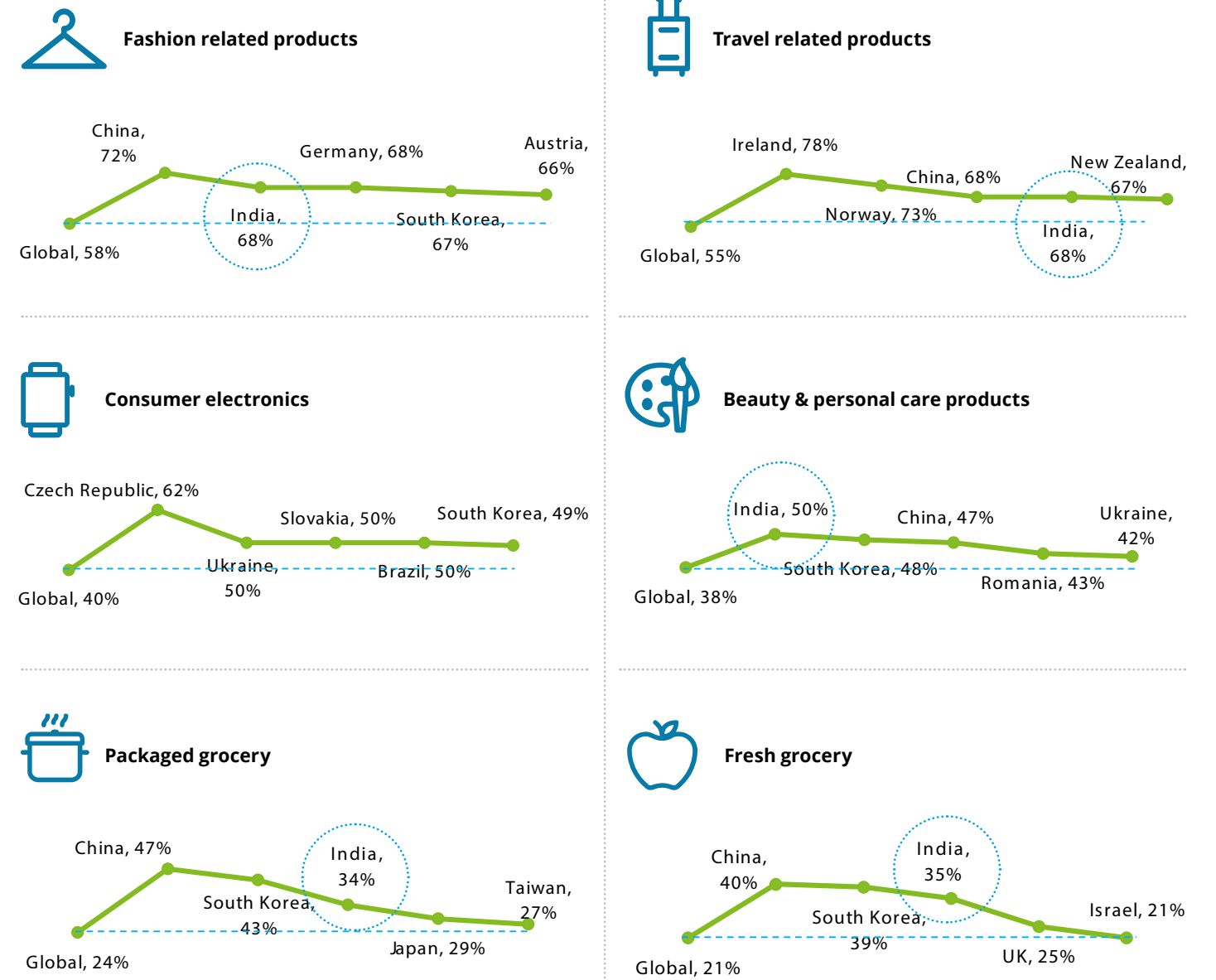
Percentage of consumers (globally) who have ever purchased the category online



Source: What's in-store for online grocery shopping, Nielsen, January 2017

Further, apart from consumer electronics, consumers from Asian countries are amongst the top 5 to have ever-shopped online in the following categories –

Top 5 countries globally to have shopped online for select product categories:



Source: What's in-store for online grocery shopping, Nielsen, January 2017

While online purchases for durables such as fashion related products and consumer electronics, and service oriented categories such as travel is high globally; consumables have been a bit slower in gaining popularity amongst

online shoppers. However, categories such as beauty, personal care and packaged groceries are gaining traction with Asian countries such as China, South Korea and India leading from the front.

“E-commerce offers a significant potential for companies to communicate and educate consumers, as compared to brick-and-mortar retail stores where the interaction with consumers is limited and majorly transactional. E-commerce’s this advantage over physical retail is expected to provide major opportunities of growth for new-age companies and start-ups, where the platform can be leveraged to sub-communicate the story and benefits of products. This would lead to the emergence of new brands offering processed food products catering to the masses”.

Mr. Mayank Jalan,
Managing Director – Keventer Agro Ltd.

In the current digital era, the desire for convenience and immediacy in the multichannel era is expected to shape the future of retail and consumer markets in general. Thus, streamlining the business and channel strategies

requires immediate consideration. Following represents the six major digital imperatives for manufacturers as well as retailers, to help them collaborate and balance their physical and digital sales strategies:



Source: The digitally engaged food shopper, Nielsen, January 2018

While the above imperatives are more specific to food & beverages segment, these apply to Fast Moving Consumer Goods (FMCG), apparel, footwear and accessories, consumer durables and electronics as well. A collaborative approach with a balanced mix of in-store (offline) and off-store (online) strategies may be required to drive a seamless and profitable business model.

From niche to masses.
Many consumer products organisations are investing significantly in marketing and innovation for millennials, and Generation Z is also emerging as a significant target. However, a heightened focus on millennials shouldn't blind companies to the potential appeal of older generations, often having greater spending power. From a marketing perspective, stereotyping generations

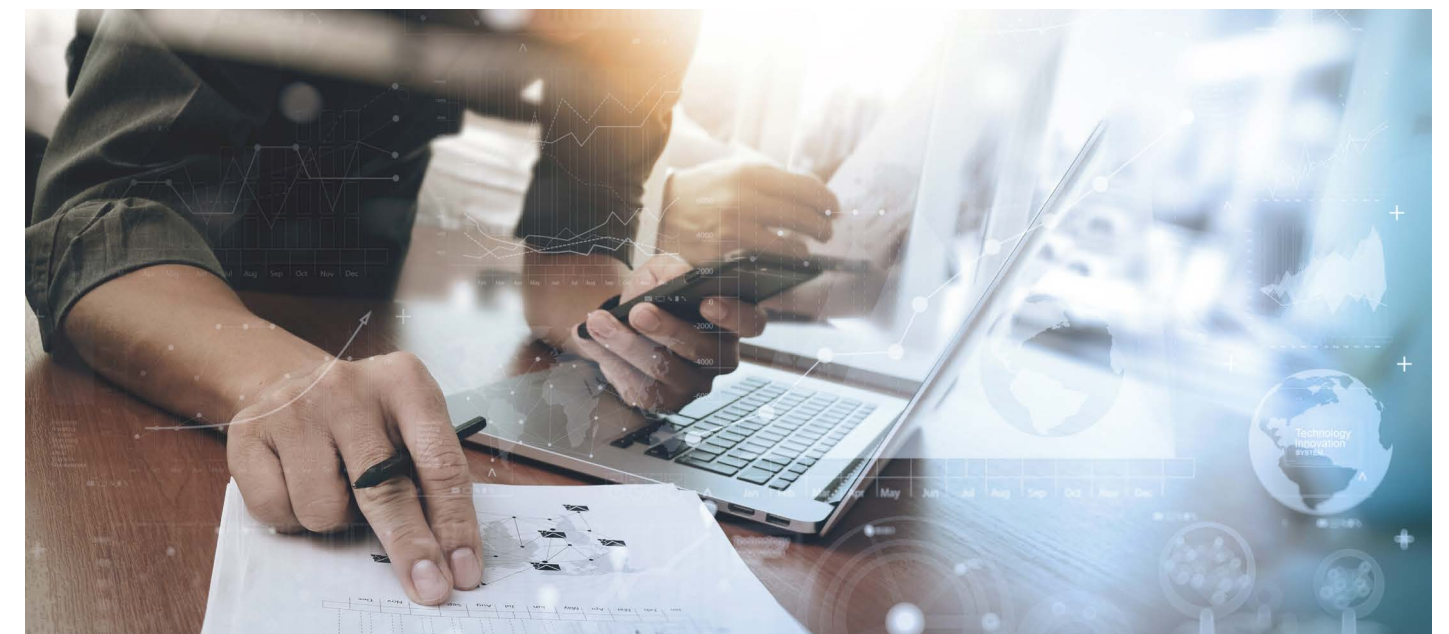
vis-à-vis broadly held attitudes on innovation, wellness, convenience, technology, and marketing tactics can lead to missed opportunities arising from a deeper and more comprehensive view of consumers. These could result in less productive outcomes and inefficient use of marketing resources.⁴

Thus, while millennials can be focused upon for capturing new trends and technologies, a more nuanced approach of segmentation by attitudes may be considered for companies to realise inclusive growth, likely resulting in increased profitability. Strategies based on attitudes and shopping behaviour are likely to be more appealing to consumers and could result in a more thoughtful targeting.

⁴ Millennials and beyond, Deloitte, July 2018

“Since beer is only permitted for people after attaining a minimum legal drinking age, our offerings naturally fit for the target group. Thus, our product is in itself our strategy to focus on the youth. Further, we have cafes, which allow people to drink throughout the day – not just in the evenings. Beer Café caters to nearly 2 million people, and our consumer segment is majorly below the age of 35 years.”

Mr. Rahul Singh
Founder & CEO – The Beer Café





Engage with consumers to enhance brand connect

With the lines between online and offline channels blurring more rapidly, the emergence of multi-channel models has resulted in new benchmarks of convenience and connectivity. The new age of connected eco-systems has made it essential for brands to engage their consumers by providing immersive experiences. In the fast moving digital age, where consumers have a plethora of options to choose from and a multitude of channels throughout their shopping journeys, companies are seen facing a major hurdle to attract and retain consumers. A noble approach, which has been tried and tested globally and is followed by modern companies, presents a way out for brands facing consumer loyalty challenges. Generating actionable insights from consumers' shopping patterns and behaviour leveraging advanced data and predictive analytics can help brands significantly. These insights could be used for offering bespoke and personalised solutions which, in turn, could be leveraged to retain consumers and encourage repeat visits and purchases. Such kind of customised solutioning, however, requires detailed consumer segmentation backed by advanced analytics, and focused customer targeting.

Experiential retail: confluence of entertainment and shopping

The evolving consumer markets are seen to have shifted stance from 'bricks versus clicks' to 'bricks-and-clicks'. While earlier, it was a battle between the online and offline channels, the industry seem to be moving towards a more immersive model in current times where collaboration is considered to be the key. The confluence of online and offline channels is expected to drive the markets, where consumer experience has taken the lime-light. The expectations from a modern brick-and-mortar store have transformed completely – consumers no longer walk-in to the stores just to buy the products. They are looking forward to an enhanced shopping experience where they get immersed into a whole new dimension and get to know about new products and features,

engage with technology and devices, experience delectable global cuisines, get absorbed into virtual entertainment, special events and product launches, etc. Retail is thus evolving into a new dimension of 'retailtainment' or retail and entertainment, which is likely to dominate the consumer industry in the near future.

Catering to the consumers of new age
Consumers in India are increasingly becoming more connected and cash-rich but are getting time-starved or impatient – they want the experience or product "now". Companies need to consider engaging the consumers, keeping in mind the altering landscape of consumer characteristics in the modern world.

"Consumers are spending less time in stores but are frequenting them more, thus necessitating brands to make the buying journey of consumers more experiential, which will further give them a reason to come to the store more frequently."

Mr. Shashwat Goenka
Sector Head – Spencer's Retail, RP Sanjiv Goenka Group



New age consumers' characteristics

Changing purchase patterns
With increasing internet penetration in India, online buyers are rapidly increasing. Moreover, m-Commerce is growing at an exponential pace, m-wallets transactions in India increased from INR 200 billion in FY16 to INR 3,000 billion in FY18

Connected consumers
Consumers in today's world are more connected than ever. They are empowered by technology to get what they want, when they want and where they want

Experiential shopping
Consumers increasingly prefer to buy from modern retail stores with spacious layouts. While there are multiple options from where a product can be bought, shopping experience is becoming the key differentiator amongst channels

Preference for convenience
In today's world of cash-rich and time-starved consumers, convenience has become a paramount consideration

Healthy choices
Increasing sedentary lifestyle and changing eating habits has made way for healthier choices including natural, herbal, organic and Ayurvedic



Source: Payment System Indicators, Reserve Bank of India, accessed on 21 June 2018; Deloitte analysis

Technology has been the front-runner in driving consumer engagement and experience in their shopping journey. Apart from understanding consumers' behavioural insights through advanced data analytics, emerging technologies such as Internet of Things (IoT), Augmented Reality (AR) and Virtual Reality (VR), Artificial Intelligence (AI), bots and drones, beacons, cloud-platforms, etc. have played a key role in enhancing consumers' engagement more than ever.

"We ensure that all TH stores in India have our international/global look and feel, so that the consumers have a similar experience in the stores irrespective of whether they visit in India, New York or London. Our store designing is done in a way to make it more experiential for the consumers through the use of various technology & social media platforms."

Mr. Shailesh Chaturvedi
CEO & Director – Tommy Hilfiger (India)

Experiential shopping: Case studies⁵

- **Personalized digital displays** in-store
One of the major beverage manufacturing company launched in-store display systems to show personalised messages to approaching consumers based on their smartphone data. The personalised marketing feature worked on cloud technology to enhance shoppers' media-rich experience in-store. It also leveraged built-in smartphone features and beacon technology to interpret shopper's buying preferences and habits.

Impact: This pilot, run across more than 250 grocery chain stores by the company, delivered Return on Investment (RoI) within one-month. Further, the personalized displays not only helped drive the sales of company products, but drove the overall sales of carbonated drinks as well in these retail outlets.

- **AR/ VR based experiences** for apparel
While online retail, especially for lifestyle and beauty enhancing products, is rapidly embracing the concept of AR, physical retail stores are also following suit by piloting AR/ VR-based virtual trials at their stores in India. These stores are redefining the extent of convenience for consumers.

For example, at one of the modern AR-based apparel stores, consumers have to just walk-in, choose their preferred attires from a wide range of product assortments available through a virtual inventory, enter the trial room and try all the outfits via, a virtual mirror without actually having to perform all these tasks. The combination of technologies leveraged at these modern apparel stores facilitate a seamless experience

for the consumers, an experience which is more engaging and convenient while at the same time providing more options. The buying experience is engaging and unique in value for the consumers, thus encouraging repeat visits as well as word of mouth advertising. Stores or e-commerce platforms try to ensure that the consumers' queries and concerns are adequately addressed, and they are appropriately guided so as to facilitate and enhance their overall shopping experience.

Stores are trialling AR to showcase the entire range of products 'virtually', allowing shoppers/consumers to browse the catalogue and make selections through AR, thereby reducing the physical space required by stores to display the products. In many cases, the 'virtual' catalogue is connected to social media platforms, allowing consumers to get real time feedback from other consumers who have bought/ used the products, watch advertisements of selected products, and also check for their favourite celebrities who may have used the products, further enabling them to make the choice.

In one of the modern apparel stores in UK, highly personalised store interactions are offered by pushing promotions and discounts to consumers' handheld devices based on their store location. Further, to engage shoppers in the store, each online order placed for made-to-order garments or perfumes triggers RFID-enabled smart mirrors, which are placed in the store. These mirrors depict the journey behind the making of the selected products. If the consumers do not visit the store, the short film would be triggered in the phone through which the order had been placed.

“Spencer’s focuses on making its stores more experiential and less transactional through various means such as digital displays with greater scope of interaction and provision of tasting some of the food before purchasing it. To further enhance the consumers’ experience it plans to come up with chefs-in-store and provide live cooking courses which will increase the consumers’ in-store brand engagement manifold and provide them with a unique experience.”

Mr. Shashwat Goenka
Sector Head – Spencer’s Retail, RP Sanjiv Goenka Group

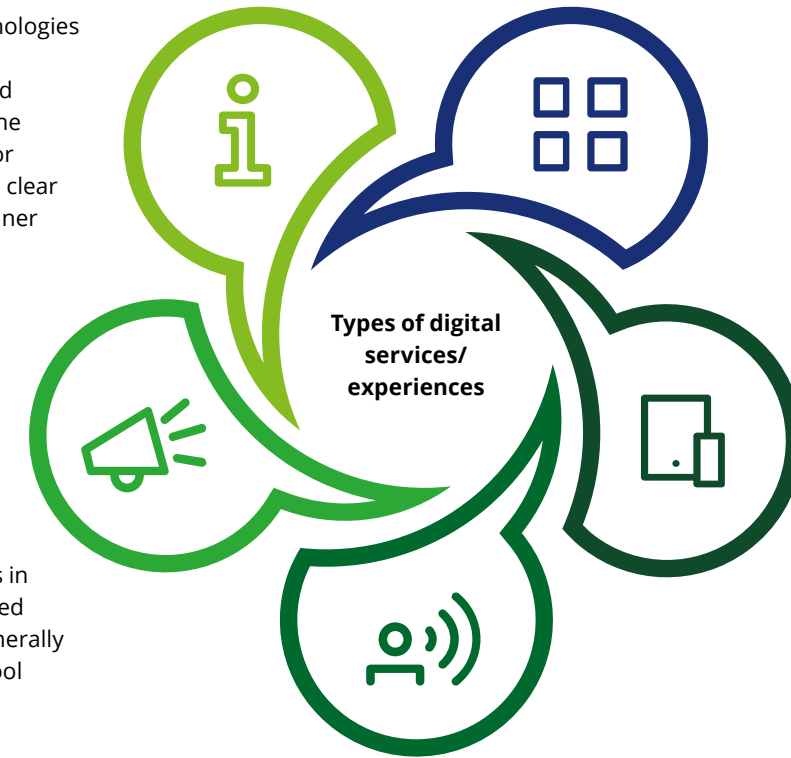
Technology is used by companies to broadly provide five major types of digital services and experiences to create a valuable connect with the consumers:

Information

Digital information technologies such as analytics and IoT provide transparency and traceability. This fulfills the demand of consumers for relevant information in a clear and comprehensive manner

Commercial offers

Technology helps brands in precision and personalized marketing, which are generally a powerful conversion tool



Real-time advice

Products infused with smart technologies, such as smart watches, enable companies to provide relevant advice to consumers and educate them with new ways and updates

Convenience

Connected technologies and products such as sensors and smart devices offer efficiency and convenience. They also anticipate and respond to the needs of consumer in a dynamic manner

Entertainment

Brands provide entertainment to express their positioning and build stronger affiliations with consumers. Thus brands are increasingly leveraging digital interactive displays, VR gaming, gamified promotions, etc. to build connect with consumers

Source: Deloitte analysis

Hash-tag (#) communications: the significance of S-commerce

Significance of 'S-commerce' or social commerce has significantly increased in today's world of connected consumers. Pictures and videos of products/ brands posted by consumers on social networking sites and blogs, user experiences and stories shared on the web, ratings, reviews and recommendations posted online, etc. act as user-generated advertorial content. This content either promotes or demotes a particular product, brand or service amongst a specific set of people – people which have access to view/ read the content. Social commerce


is not just restricted to social network driving sales, but consists of other forms such as peer-to-peer sales platforms (community-based marketplaces), group buying (products and services offered at reduced rates if enough buyers willing to make the purchase), user-curated shopping (where users create and share list of products/ services for others to shop from), participatory commerce (where consumers become decision makers across the product value chain through voting, funding, collaboratively designing), etc.

Since consumers can freely post information regarding their purchases or experiences on various social platforms

and express their views, social media has become a great tool for companies to engage with consumers. Various analytical tools and advance analytics are being leveraged by companies to analyse the social and behavioural traits of the consumers and tweak their strategies accordingly to suit the needs and convenience of consumers. Social sites are also used frequently to raise queries or post grievances which keeps the consumer companies on toes to revert promptly to such concerns and avoid any damage to their social rapport.

⁵ Media articles, Company websites

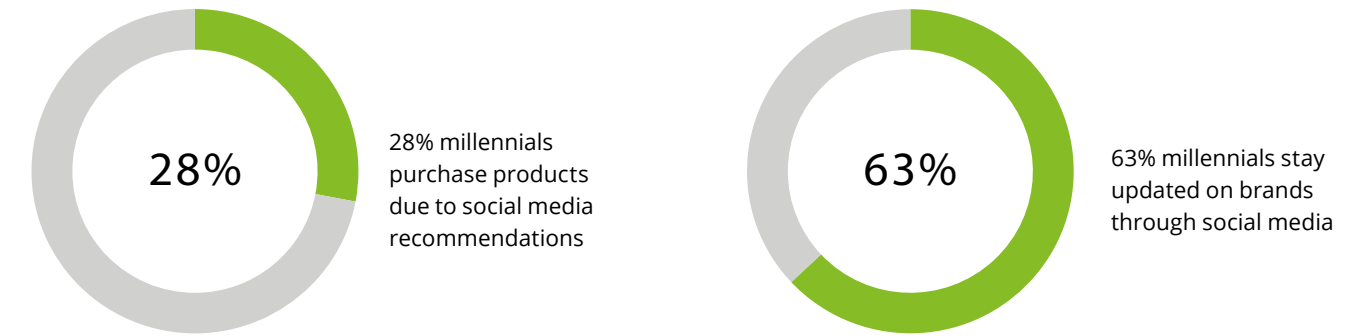
Globally, young consumers indulge more in posting ratings and reviews of their purchases as presented below:



Mr. Saugata Gupta
MD & CEO – Marico Ltd.

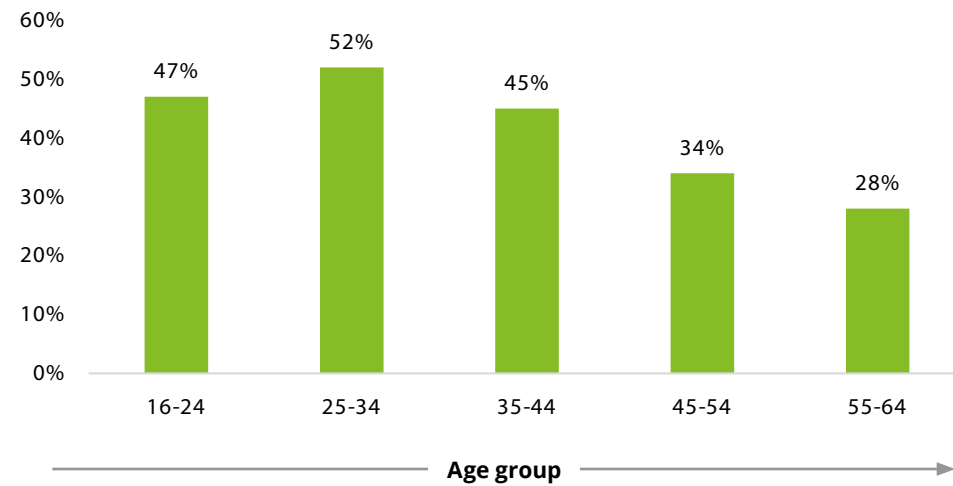
“Traditionally, media consumption and the purchase decision system used to be a linear system: Media → See → Buy. However, with the advent of multi-channel mediums, consumers now leverage multiple channels, such as exploring products online, reading reviews and hearing feedbacks through word-of-mouth, and then making the purchase through online or offline channels, or vice versa. The whole process of media/ information consumption has been transformed, and has become more agile.”

Social media platforms and online product/ service reviews form an important part of the millennials’ shopping journey as it influences their purchase decisions:



Source: What works for today's consumer: Online shopping or visiting physical store? Franchise India, 29 November 2016; Indian Fashion Retail 2016, April 2016.

Percentage of global internet users who post online reviews, by age group (Q3, 2017)

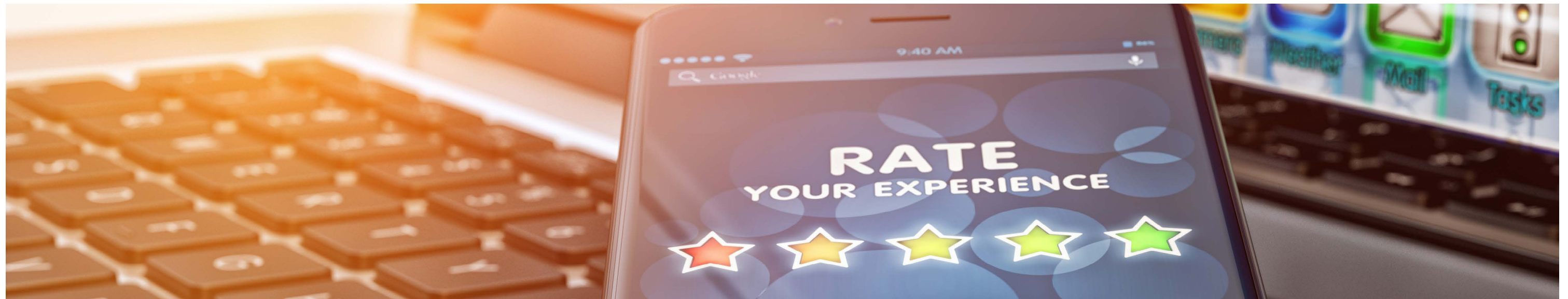


Source: Statista, accessed in July 2018

“While companies are increasingly becoming active on social media sites, trust on corporates, companies, government, etc. is facing major threat owing to malicious social media activities. Social media is a massively important tool which can be used constructively for promoting the brands or can be used as a destructive weapon to malign their public rapport. Thus, there is also a need to counter the threats of social media while actively indulging consumers through the social medium.”

Mr. Mayank Jalan,
Managing Director – Keventer Agro Ltd.

S-commerce though nascent in its current stage offers significant advantages in respect to greater engagement with consumers and is touted to be the next step to multi-channel retail.



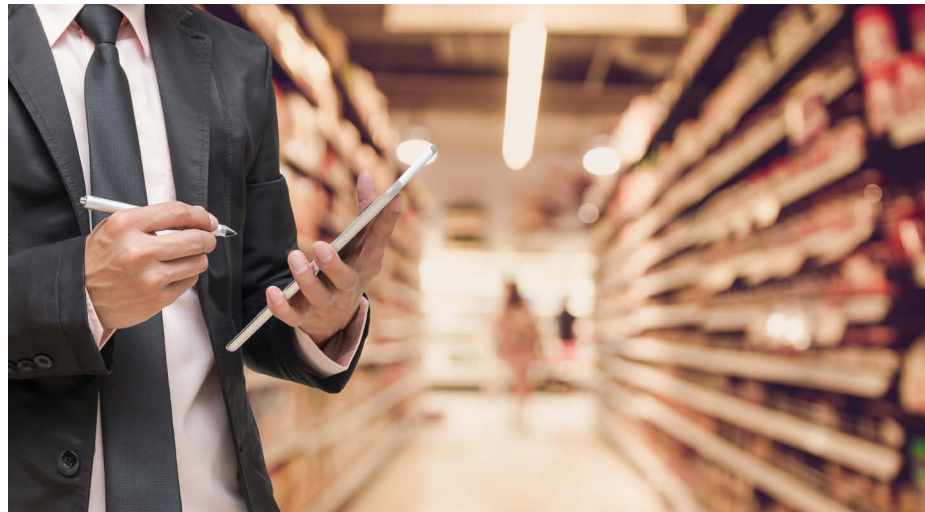
Tribetailing⁶: leaping beyond mass customization

As the preferences of the consumers change with the evolving retail environment, groups of consumers with specific characteristic sets have emerged. Customised targeting and offering to these groups or tribes is seen to be essential to cater to their specific needs. In the current digital era, where there are a plethora of means to purchase a product, tribetailing becomes more challenging than ever. Tailoring products, services, promotions & offers, marketing, loyalty programmes, etc. to the personal needs of a set of consumers requires a detailed study of their consumption patterns and behavioural traits while shopping.

Technology has led this revolutionary change in the consumer markets. Companies, especially modern retailers, are increasingly leveraging advance data analytics, social media analytics

and other cognitive technologies such as machine learning, chat-bots, etc. to gain insights into shopper behaviour, augmenting the traditional research methods to understand the shopper journey and their ‘triggers’ to purchase. These insights are subsequently fed into retailers’ business strategies to offer

bespoke solutions based on consumers’ specific desires, creating more and more ‘individualised’ promotional/ marketing campaigns, with the end goal being to target the segment of “one”. This has become one of the key strategic differentiator to edge out competition in highly competitive consumer markets.



In the current digital era, consumer personas for shoppers can be broadly segregated into 10 major categories, as presented below:

Persona	About	Tactics to attract the type
Brand aficionado	This type of persona is a brand devotee – a complete brand loyal person who, almost always, shops products from a particular brand	<ul style="list-style-type: none"> Personalized loyalty programs & rewards Engaging user experience Social recognition
Experimental	Consumers of this persona would try new and unique products/ services to increase their awareness	<ul style="list-style-type: none"> New and unique offerings Regular product launches and discounts Clearly spelt USPs
Gift lover	These personas typically shop for gifts or related purposes	<ul style="list-style-type: none"> Gift combos Wrapping and delivery services Personalized offerings
Impulsive shopper	Shoppers in this category majorly make impulse purchases while browsing through products	<ul style="list-style-type: none"> Exclusive deals Catchy promotions and flashy packaging Product/ brand placement
M-shopper	Shoppers in this category almost always indulge in online shopping through their handheld devices – mobiles or tablets	<ul style="list-style-type: none"> Handheld device optimized experiences Instant notifications and alerts Local deals

⁶ Tribe tailing refers to a retail tactic of catering to a niche set of consumers by tailoring products and/ or services to resonate with the target group or tribe.

Persona	About	Tactics to attract the type
Procrastinator	Shoppers of this persona would postpone their purchases till the threshold of urgency is reached – they usually make last-minute purchases	<ul style="list-style-type: none"> End of season sales Prompt services throughout the shopping journey
Re-loader	Re-loaders generally shop for replenishment of their exhausted or about to be exhausted stocks	<ul style="list-style-type: none"> Subscriptions and notifications Express and free delivery Loyalty programs
Researcher	Shoppers of this persona are would first carry out extensive research of the product/ service before making the purchase	<ul style="list-style-type: none"> Reviews and recommendations Expert comments and ratings Prompt customer service/ aftersales
Social butterfly	Consumers in this bracket are very active on social networking sites and groups and believe in sharing their experiences online	<ul style="list-style-type: none"> Social discovery and hashtags Web and mobile apps with sharing tools Personalization
Value seeker	Value seekers always seek ‘value for money’ and would make a purchase only if they believe it provides a clear value proposition	<ul style="list-style-type: none"> Clear value proposition Flash sales, discounts, offers, cashbacks, etc. Prompt customer service/ aftersales

Source: Deloitte analysis

Personalisation to enhance the consumer engagement and to make the shopper feel privileged is increasingly becoming a norm in the industry. Consumer brands, across industry segments such as food and beverage, apparel and footwear, Fast Moving Consumer Goods (FMCG), skin and personal care, etc. are increasingly focusing on differentiating from the competition by offering more than just the product. The quality of the shopping experience has once again put the focus on the consumer. Retailers, both offline and online, are now looking to provide customized solutions to the consumers. A few major examples include:

- Personalised advertising and marketing campaigns run by FMCG players such as beverage companies;

- Special ‘wow’ experiences in-store to attract and retain consumers by lifestyle products retailers such as apparel;
- Made-to-order products in personal care segment like lipstick, or luxury segment where consumers choose the ingredients/ contents and witness the product being designed for them;
- Custom loyalty programmes by modern retailers providing “personalised” benefits to consumers basis their shopping patterns;
- Exclusive customised product and service offerings for premium and high-spending consumers in e-commerce.

“Nearly 30% of our consumers are repeat consumers. Further, our app is the 2nd most downloaded app – we thus have very loyal consumers and we value their loyalty by offering them purchase points when they spend.”

Mr. Rahul Singh,
Founder & CEO – The Beer Café

A globally acknowledged and well-practiced example of tribetailing is for the ageing population. Various features to facilitate the shopping journey of the elderly include:

- Modified escalators to provide easy accessibility to various floors in a shopping mall/ big retail complex;
- Exclusive pension day discounts;
- Supermarkets with magnifying lenses on shopping baskets and shelves, brighter and more natural lights, non-slippery floors and emergency call options;
- Adequate shelving heights so that the older consumers are not required to either reach too high or bend too low for their common products.

Similarly, Indian consumer segments are also responding to specific needs of the elderly. New e-tailers that provide exclusive products and services for the older population are coming up in the market in times when nuclearisation is on the rise and the senior citizens require more care and assistance. While various start-ups are delving into this space in India, the market specific to elderly, especially offline, still remains in nascent stages.

However, tribetailing cannot be considered as an exclusive and universal tactic. While brands' probability of resonating with the target group (TG) definitely increases through tribetailing, however, there is also a risk of losing the non-TG consumers which may also constitute a significant share of the sales of the company. Therefore, striking a balance considering company-specific priorities and vision and complementing the segmentation tactics with other offerings is essential to successfully execute the strategies.

Hyper-segmentation in the age of Big Data

Advance data analytics and the concept of Big Data are seen to have enabled the major consumer companies to create finer, and more niche segments of consumers for better targeting and increased conversions. The exponential growth in data and its usage has allowed a vast variety of consumer segmentation:

01. Activity-based data – mined from users' activities such as website usage, purchase history, call centre and telephonic data, mobile and internet data, etc.

02. Social network data – to track users' public and personal interests and preferences, work history, group memberships, lifestyle related information, etc.

03. Social and political influences and sentiment data – to understand the motivation driving consumers' actions, and to provide insights through users' reviews and comments, customer service records, etc.

This data exposure has facilitated micro-segmentation to permit ever finer targeting of content, products, services, etc. to deliver returns. E-commerce companies seem to be very well positioned in the customised offerings space or tribetailing, using Artificial

Intelligence (AI) and Machine Learning (ML) to develop algorithms around shopping patterns and behaviours of consumers. As an example, different segments of consumers are created basis their shopping characteristics and general trends in their shopping patterns are fed in the logic through AI-ML based observations. Thus, if a consumer shops for a particular product and portrays similar characteristics of a specific set of consumers as defined in the logic, then basis historic data, additional products are advertised/ presented which supplement the utilities of the product being purchased. Cross-selling such ancillary products or product kits is likely to help in greater conversion, cross-selling and upselling, thereby increasing the top-line growth of e-tailers.

Case study: A major houseware retailer increases its revenues through segmentation⁷

One of the global houseware retailer, having more than 400,000 customer records intended to increase sales by leveraging the multiple customer data streams being collected over time. The data streams included:

- Basic profile information including age, income range, etc.
- Geo-location data such as purchase location, channel used (offline/ online), etc.
- Behavioural data such as purchase history, shopping basket and its contents, etc.

The data was collated, analysed and presented in a coherent way to extract relevant customer insights which resulted in understanding of customer loyalty and Long Term Value (LTV). The analysis helped in creation of micro-clusters of consumers, which in turn helped the retailer in better targeting, better sales engagement and better product offering strategy. The offers were delivered to customers via email and via its website.

Just after six weeks of the deployment of the results from the analysis, the retailer's revenues shot up by USD 1 million. Further, personalised offerings to the micro-clusters increased the probability of customer conversion and retention, and decreased the overall churn.



Redefining luxury: from made to order products to a wow! experience

Another segment where personalisation is increasingly picking pace is the luxury segment. Increasing personal disposable incomes amongst the consumers in India have led to a spike in the number of affluent consumers. Riding on the spike in disposable incomes, the Indian luxury market is also expected to witness healthy growth rates of over 20% for next few years⁸ driven by categories such as fine dining, hotels and travel, concierge services, jewellery, gadgets, personal care and wines. Eyeing this opportunity, consumer companies in India have started offering premium products and services as well as delving into the luxury space by providing tailored experiences to the affluent consumers.

Various brands are revamping their strategies and processes to reposition themselves as premium and super-premium companies. Companies are providing bespoke solutions and personalized offerings to make their consumers feel privileged.

Examples of companies repositioning their portfolio for affluent consumers⁹

Luxury chocolates by a major FMCG conglomerate

One of the major FMCG conglomerates in India launched its luxury chocolate segment in India. The key differentiators for this chocolate to make it feature in the luxury segment include:

- Cocoa for the chocolate is sourced from world's finest cocoa growing regions including Ghana, Cote D'Ivoire, Madagascar, Santo Domingo, Venezuela, Sao Tome, etc.

- Special master chocolatiers and international chefs are appointed to blend the cocoa with exotic ingredients and craft it into fine chocolates that provide sensational flavours and aromas
- To make it a more personalized experience, consumers are also provided an opportunity to design their own chocolate cups from an assortment of creations

Ready-to-wear offerings by a major apparel brand

A major apparel manufacturer established exclusive stores to offer greater convenience and luxury feel and experience, to its consumers. The stores fuse cutting edge technology with superior hospitality to redefine consumer experience. Similarly, its thoughtfully conceptualised fitting rooms eliminate the need for consumers to carry the

clothing. Instead, preferred garments with desired size and colours are made available inside the trial room wardrobe. To revamp the look and feel of the stores, the company leveraged digital signboards and visuals. This revamp helped the brand become more appealing and attractive to consumers.

Dedicated platforms at online portals for luxury consumers

One of the biggest global e-commerce players launched a dedicated section on its website portal for premium and luxury brands. The move was a part of the company's strategy to tap super wealthy online shoppers by offering premium products in categories such as apparel, watches, beauty and cosmetics. To make it more exclusive, the company made its platform invite-only and offered customised shopping experiences from

personalised homepages to exclusive VIP rewards and individual post-purchase customer service.

Similarly, another major global e-tailer launched its luxury beauty store online to tap affluent consumers. The key differentiating factor of the store was its elegant design and refinement where products from more than 20 luxury brand of beauty care were showcased. Consumer experience was factored in through different look, clear navigation and rich visuals. Additional product information and visuals were also available for ease in decision making.

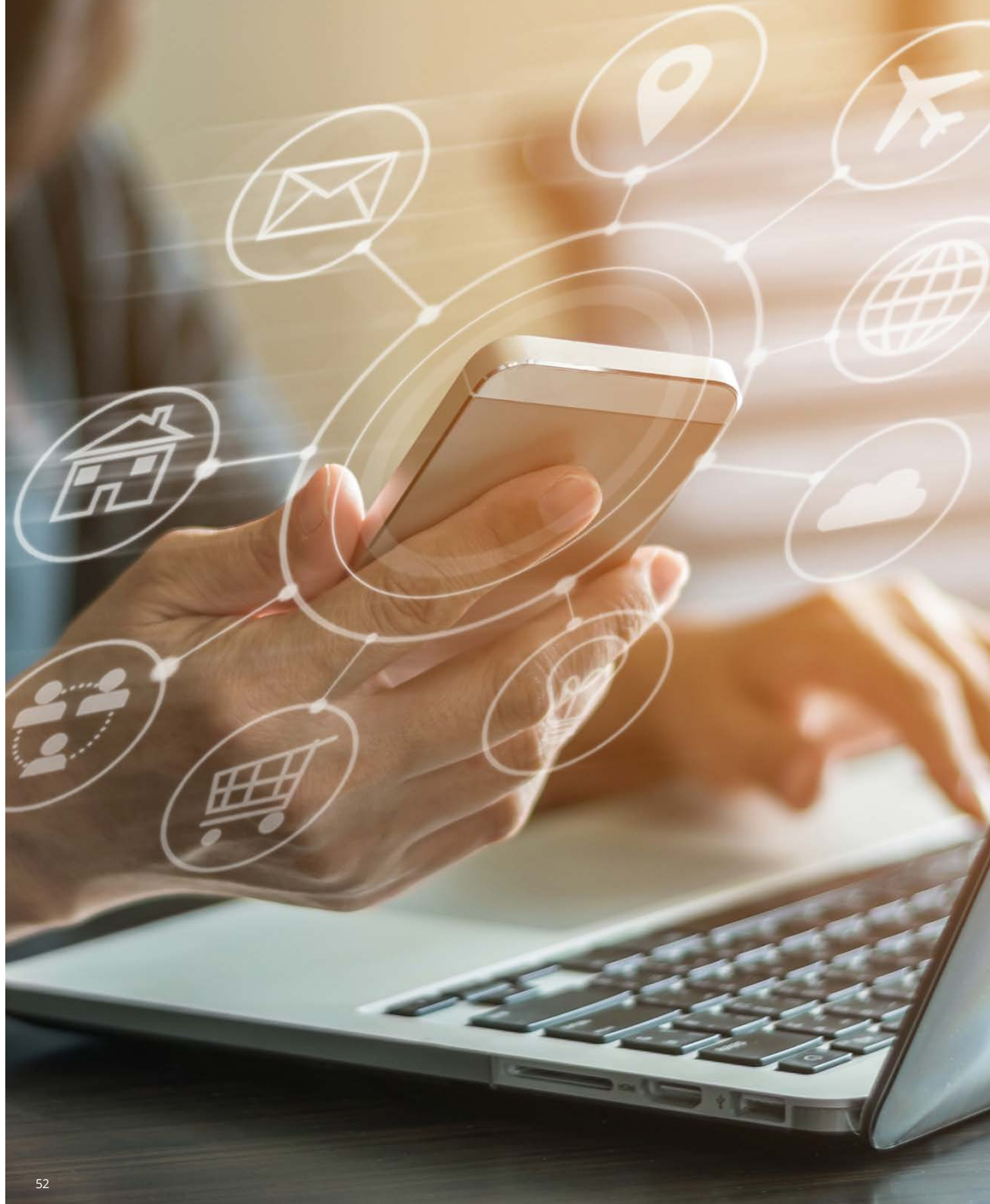
The rise of the great Indian middle class is providing fuel to the growing premium market in India. Consumers are not completely switching to luxury lifestyle but upgrading from economy to premium

brands and adding luxury items to their repertoire. It is under this context that the premium and luxury segment in India is seen experiencing strong evolutionary undercurrents. Traditional characteristics of luxury are evolving, providing multitude of opportunities to companies willing to delve in this space. Luxury is no longer seen being limited to exotic contents/ ingredients, customized products, privileged services, etc. but has expanded itself into the experience space where consumers are enthralled with a 'Wow!' factor or experience. Retailers have been seen leaving no stones unturned to go that extra mile and create memorable experiences for their premium consumers and earn their loyalty.

⁸ Indian luxury market to cross \$18.3 bln by 2016; Media articles

⁹ Media articles, Company websites





Accelerate digital investments to cater to new-age shoppers

Engaging consumers through immersive technologies, bespoke solutions, and custom targeting, is expected to significantly increase the probability of attracting and retaining new-age shoppers. However, these strategies require enabling digital eco-system to deliver desired outcomes. Consumers need to be engaged throughout their shopping journeys using high-tech means and advanced technologies. At the same time, it becomes highly critical for brands to ensure the safety of consumers' data – personal and behavioural. This has specifically become one of the high risk factor in the current age of cyber thefts and crimes. Therefore, investments in the digital space could help in the facilitation of modern techniques and strategies required to address the evolving needs of the new-age shoppers. The government has a major role to play in regard to providing adequate digital infrastructure and enabling environment for the consumer companies.

Contactless to connect more: advent of touchless

Digital advancements in consumer markets have been seen leading to smoother, convenient, and connected retail journeys for consumers. Processes across the shopping journey, including awareness, consideration, purchase,

and payment have been moving from one-touch to contactless. Technology is at the centre of this whole evolutionary passage – location-based consumer alerts, voice-activated assistance, Near Field Communication (NFC) and

Radio Frequency Identification (RFID), contactless payment solutions, etc. are seen overhauling the consumers’ shopping journey and related processes.

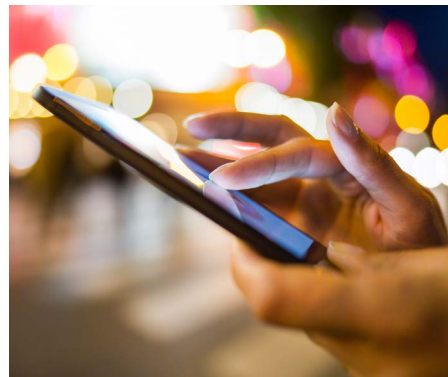
“Digital is altering the consumers’ mind-set, which is driving changes in the operating models of businesses. It has provided big opportunity for focused niche players and has made it better for businesses to be a fast follower instead of being an innovator in some consumer categories. Marico fully supports setting up of an incubator hub for growth of digital in consumer segments.”

Mr. Saugata Gupta,
MD & CEO – Marico Ltd.

Consumer alerts through beacons

Beacons are small, battery operated wireless devices that transmit coded messages to nearby paired smartphones using Bluetooth Low Energy (BLE). Beacon technology is slowly catching up in the consumer business since it was introduced in 2013. While major consumer companies continue to explore its applications, the technology has been estimated to have driven retail sales worth over USD 44 billion in the US in

2017¹⁰. Since beacons deliver hyper-contextualised content to users based on their location, they provide an extremely personalised experience to consumers and enhance their engagement with the brand. The technology is also leveraged majorly for proximity marketing and personalised recommendations, where consumers receive brand advertisements and suggestions if they pass through a nearby brand store.



Case study¹¹: A major fast food chain witnesses an increase in its conversion rate with the use of beacon technology

A major global fast food chain installed beacons at its select restaurants and partnered with a shopping app to distribute coupons amongst the app users. The company found pleasing outcomes of its technology drive:

- As a result of its proximity campaign, 30% of the consumers who received promotional content through beacons, visited the restaurant to buy beverages.
- The company estimated the conversion rate of this drive at around 20%.

Similarly, UK based major FMCG company and major retailers across the US installed beacons and offered special privileges and discounts to consumers using the technology-enabled app. Retailers also leveraged the technology to enhance in-store experiences by linking it to their loyalty programs and providing access to special in-store events.

Conversational commerce through voice-activated assistance

Voice-activated assistance devices are witnessing an increasing demand driven by the consumers’ increasing disposable income, rising social status consciousness and greater preference for convenience. While the technology is in nascent stages for ‘Conversational Commerce’, it is expected to be widely accepted by consumers around the world to complete their purchases. Currently, the tech-enabled devices are used majorly for playing music, setting alarms, searching

for information, ordering cabs, etc. Voice-activated assistants can help consumers across various stages of their shopping journey including:

- Awareness: Similar to general web research, voice-activated assistants help consumers in exploring different brands and products.
- Consideration: Consumers can perform specific product/ service related searches using voice enabled technology.

- Purchase: When linked to the payments account (through net banking, debit/ credit cards, or m-wallets), the voice-activated assistants can perform a purchase and complete the payments.
- Aftersales: The technology can be used to contact customer care services and get the queries/ issues resolved in quick time.

Case study: A major cosmetics company launches voice-activated virtual personal assistance

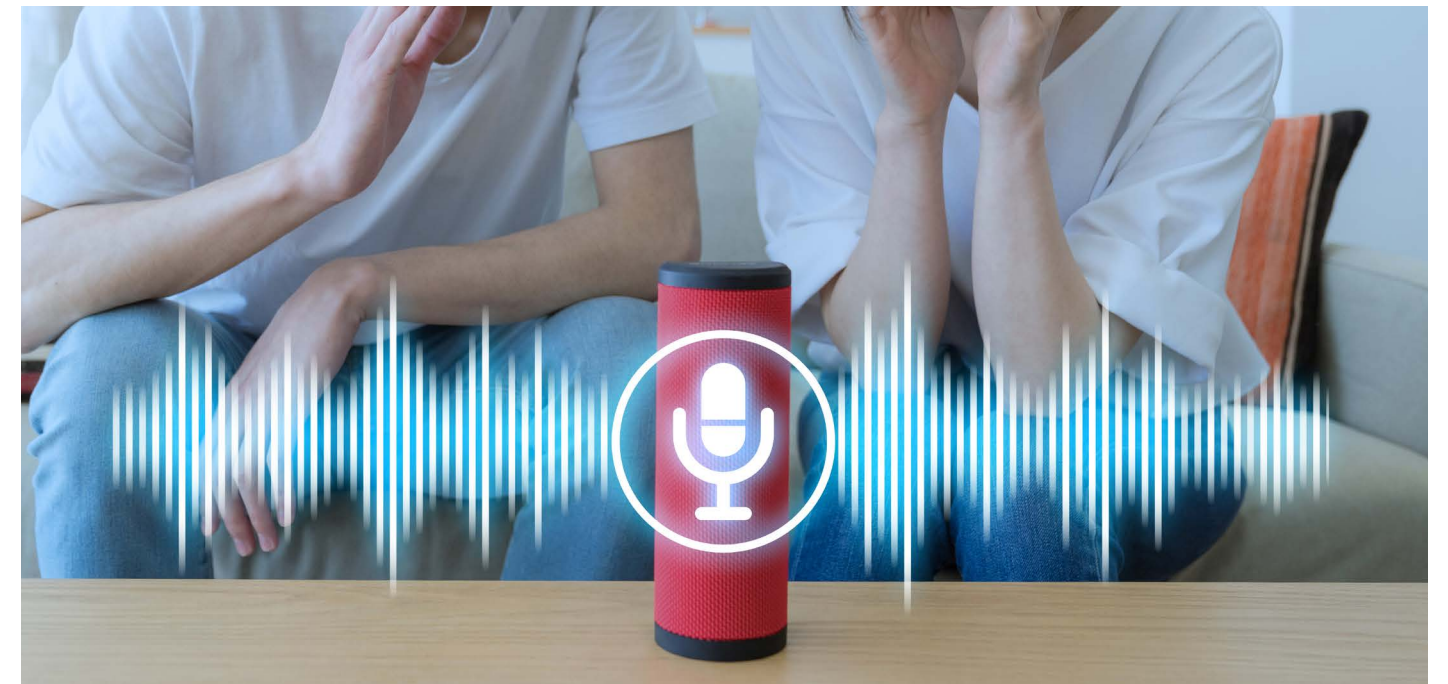
A major cosmetics company pioneered in the space of voice-activated assistance provider by launching its app in 2017. The voice-activated virtual personal assistant allows consumers to search for products and services offered by the brand, through the app running on smartphone or web.

The initial services offered by the company through its voice-activated assistant include:

- Booking beauty services, such as complete make-up (appointments confirmed over email later)
- Beauty quizzes, allowing users to play quiz games and increase their awareness
- Beauty podcasts, allowing consumers to listen to exclusive beauty and brand related information

The brand plans to introduce greater functionalities for consumers in 2018.

Voice-activated assistants can provide a direct communication channel between the consumer and the brand and make the whole process hands-free and convenient, thus removing barriers to consumer engagement.



¹⁰ “What’s Next for Beacons in Retail?”, Business2Community, 30 June 2017

¹¹ Company website

RFID for tracking inventory

Widely accepted and used across consumer businesses, RFID enables

companies to keep a tab on their inventory positions by tagging products at the time of manufacturing and allowing them to be tracked until the distribution

process. Similarly, few companies also allow consumers to check specific products online, a process enabled through RFID.

Case study: Global apparel chain leverages RFID for multiple benefits

One of the major global apparel brands, known for its best in-class supply chain system, leverages RFID technology to track its inventory. The technology is stated to have saved the company a significant amount of time, as earlier, its employees had to scan each and every product through its barcode – one at a time, every six months, to track the inventory position. Implementation of the RFID technology helped the company reap multiple benefits:

- The system warns the company if any garment/ product is about to run out of stock.
- Implementation of RFID systems across logistics centres allowed the company to save significant amount of time.
- Installing RFID in stores enabled consumers to check availability of products.
- The systems also enhanced security in stores, which reduced shrinkage.

Additionally, the company also introduced its 'click-and-collect' stores using the RFID technology. Coupled with its smart room mirrors, the RFID scanning presents similar products and supplementary garments, as recommendations to consumers.

“IoT, Machine Learning, and AI are expected to play a critical role going forward. Currently, we are using a platform where our hawkers, vendors, etc. are mapped through GPS-enabled trackers for us to keep a tab on when, how and where our products are being sold. Further, we are in the process of integrating this with our PoS systems, to get throughputs and useful insights. This would help us in not only optimising the routes making the overall process more efficient, but will also help in creating an eco-system where we have control over various processes within our supply chain”

Mr. Mayank Jalan
Managing Director – Keventer Agro Ltd.

Smart shopping carts and self-check-outs

Major global consumer giants are testing varied versions of smart shopping carts, some of them being self-driven as well. With smart shopping carts, consumer companies intend to enhance the shopping experience of consumers and set new benchmarks of convenience. These carts are expected to serve as a direct response to online shopping,

as they would guide consumers to the products in their shopping list and could also enable self-check-outs. Similarly, companies are also testing the concept of smart shelves, which consist of multiple sensors, each sensing a unique aspect of the product – weight, dimension, form, packaging intact or open, etc. These individual information pieces together combine to a broader product picture, which enables the sensors to track the

product purchase and automatically update the shopper’s bill, based on the product pickings. Coupled with deep machine learning algorithms, these information pieces can be stitched together to provide highly insightful shopping characteristics of consumers, which is expected to further opens up multiple channels for companies to personalise their offerings to each set of consumers.

Case study: Major global retailer tests self-driving shopping cart

One of the biggest global retailers is working with a robotics firm to develop self-driving shopping carts and help consumers find product items from their list, across the aisles of the hypermarket. The company is also implementing tools to allow consumers self-checkout, by scanning and purchasing items through their mobile phones, without having to stand in a checkout line.

“Spencer’s is piloting a new third-party payments software to enhance the convenience of consumers while checking out of the stores and provide an omni-channel experience. The software provides a self-checkout mechanism to consumers, where the products intended for purchase, need to be scanned through consumers’ smartphones. Once all the products are scanned, the consumers need to click on the ‘Pay’ icon and make the payment through card, or internet banking, over their mobiles itself.”

Mr. Shashwat Goenka,
Sector Head – Spencer’s Retail, RP Sanjiv Goenka Group

Touchless commerce through contact-less payment methods

With the advent of fintech, payment means have increased manifold. While traditionally, consumers used to make the payment for their purchases through cash or plastic money; with the rise of internet and other payment methods including net-banking, online cash transfers, mobile wallets, single touch payments, payment through scanning code, etc. have shown an exponential increase in the country. Another advance and innovative payment solution, which is expected to revamp the payment process across consumer markets and other industries as well, is “selfie

payments”. Being already rolled out by a few finance and consumer companies across different parts of the world, the technology leverages “facial recognition” to authenticate payments. Further, to address the concern of security, as

photographs could also be used to authenticate the payment process, companies require the consumer to make a particular gesture while looking at the camera – a blink, or a smile, or a wave, etc.



Case study: A multinational conglomerate tests touchless commerce

A major multinational consumer durables conglomerate is testing a touchless checkout system, referred to as ‘Touchless Commerce’ technology. While 3D and facial recognition would be leveraged to authenticate the payments by shoppers, the company has coupled the payments system with scanning of the shopping basket.

The system scans through the basket using multiple sensors to automatically update the invoice of the consumer. It then performs facial recognition of the shopper to charge it to the shopper’s credit/debit card. If rolled out successfully for the public, the combination of systems could revolutionise the entire shopping and buying process and truly make it a case of ‘Touchless Commerce’.

“Currently, we are leveraging smart analytics across the value chain for modelling, decision making and risk management.”

Mr. Saugata Gupta
MD & CEO – Marico Ltd.

Automated product delivery at consumers' doorstep

Major consumer brands across the globe are investing in innovative ways for making product delivery seamless, convenient and cheaper. With brands exploring multiple ways of leveraging a host of channels to accomplish the last leg of consumers' shopping journey, new delivery models are increasingly coming up. Consumer experience and instant gratification seem to be the main drivers behind these innovations.

Brands are experimenting with automated delivery through self-driven and AI-enabled trucks, which drive to consumers' pre-fed locations, deliver the products at consumers' doorstep and alert respective consumers on their smartphone app. Similarly, pioneering brands in consumer markets and retail are also testing delivery by drones through aerial route. Innovations like these present a promising future to the delivery challenges, especially the last-mile delivery concern in India.



Case study: One of the biggest retailers globally may start drone delivery in next two years

One of the biggest global retailers is currently testing its drone delivery model and is working with the US Government to get necessary approvals regarding commercial usage of drones. If approved, the company could start delivering product packages to consumers through drones in the next two years, subject to the drones flying under 400 feet and weighing less than 55 pounds.

Another major global retailer is currently leveraging the drone technology to check its inventory. While it generally takes a month's time to check all inventory manually, the drone technology has allowed the company to save significant time, as it completes the process in about a day or even less. The company is also testing how drones can be leveraged in other business functions to increase efficiency and stay on top of technology trends. The drones essentially work by capturing images of products and aisles at 30 frames per second. These images are fed to a control tower which sends alerts for flagged items.

Examples of other technologies including interactive displays, AR, VR, and AI have been provided in the previous section of the report, to illustrate the dynamic

evolution of retail and consumer markets in general, driven by technology advancements and adoption.

- "Our (Beer Café) chillers are run through central-based IoT technology
- Similarly, our AI applications are about to go live, which would help us in gathering consumer insights such as ratio of male to female consumers, expression and mood sensing of consumers when in café – happy/ sad, and would also help in keeping a tab on our stocks
- We are also providing our consumers with AR/ VR experience where consumers look at any beer through the lens of our app and the beer will talk to the consumer"

Mr. Rahul Singh
 Founder & CEO – The Beer Café

Visible to all, hackable by none: New age security platforms

As the consumers move towards a more connected ecosystem with increased data being stored on devices, cloud, and other web platforms, the vulnerability of information being misused also enhances. Greater technology touchpoints allow cyber criminals and hackers to have multiple access points for compromising the data security of consumers and companies alike. As an example, malwares are used for large-scale coordinated attacks on connected devices, possibly leading to security breaches. Thus, increasing data-driven usage of technology, also increases security risks. Companies need to consider investing more in countering these cyber-attacks as they embrace the world of connected everything. This is expected to not only result in mitigating any future risks, which could potentially cause loss of significant revenues and threaten a brand's market position, but could also enhance the consumers' trust in the brand, leading to a greater traffic/ footfall to a brand's webpage/ store and a better rapport.

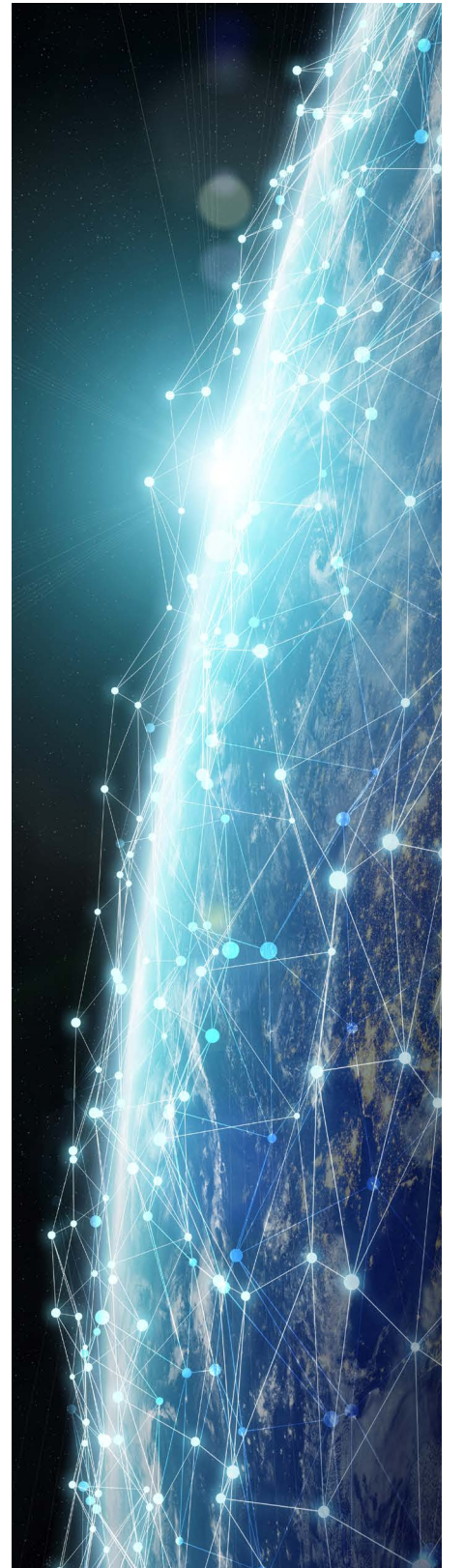
Blockchain technology for payments security¹²

Amongst all the risks posed by greater use of technology, one of the most prominent and much compromised, is the threat to payment credentials. By hacking sensitive transaction related information, cyber criminals are increasingly indulging in fraudulent cash transfers, impersonated product/ service purchases, substantial cash withdrawals, etc. Such activities lead to heightened degree of inconvenience and trauma in the minds of consumers and also discourage them to continue leveraging technology, impacting their overall shopping experience.

One of the technologies with the potential to play a major role in underpinning the digital transformation of consumer industry is Blockchain. It is a digital, decentralised, distributed ledger that provides a way for information to be recorded, shared, and maintained by a community. The technology relies on well-established cryptographic principles and operates a repository for information, which is recorded and shared through a peer-to-peer community. Blockchain is visible to all, in the sense that it allows everyone to keep an eye on the changes being done within a system. Further, the technology is hackable by none, as it does not give any single person control over the information it contains. It is thus, a new-age security platform and provides numerous business applications in the various segments of consumer industry.

Broadly, blockchain can be leveraged across three levels of utilisations:

- **Storage of digital records:** To store digital identities of individuals, organisations, etc. – information that can be digitally represented.
- **Exchange of digital assets:** To execute peer-to-peer transactions without third-party intermediaries, thus reducing transactional time and costs.
- **Execute smart contracts:** Blockchain enables automated execution of specified actions based on contractual conditions that are pre-set and validated by all parties. These smart contracts remove any ambiguity, provide greater clarity and help maintain trust amongst the stakeholders, thus reducing any chances of manual errors or outright frauds.



¹² New tech on the block, Deloitte, 23 May 2018

For retail and consumer packaged goods (CPG) segments in general, the blockchain applications can be segregated under three application areas, as presented below:

Consumer: improving and protecting the consumer experience

Application areas



Source: New tech on the block, Deloitte, 23 May 2018

Supply-chain: improving process efficiencies across the supply-chain

Application areas



Source: New tech on the block, Deloitte, 23 May 2018

Payments and contracts: improving transaction processes and ensuring valid implementation of contracts

Application areas

Consumer protection

Since the technology creates digital records of consumers' purchases and other processes onto the cloud, a virtual warranty wallet can be maintained by the consumers



Payments

It allows consumers to save time and money on payments, by facilitating cheaper, faster validation of credit/ debit payments

B2B payments

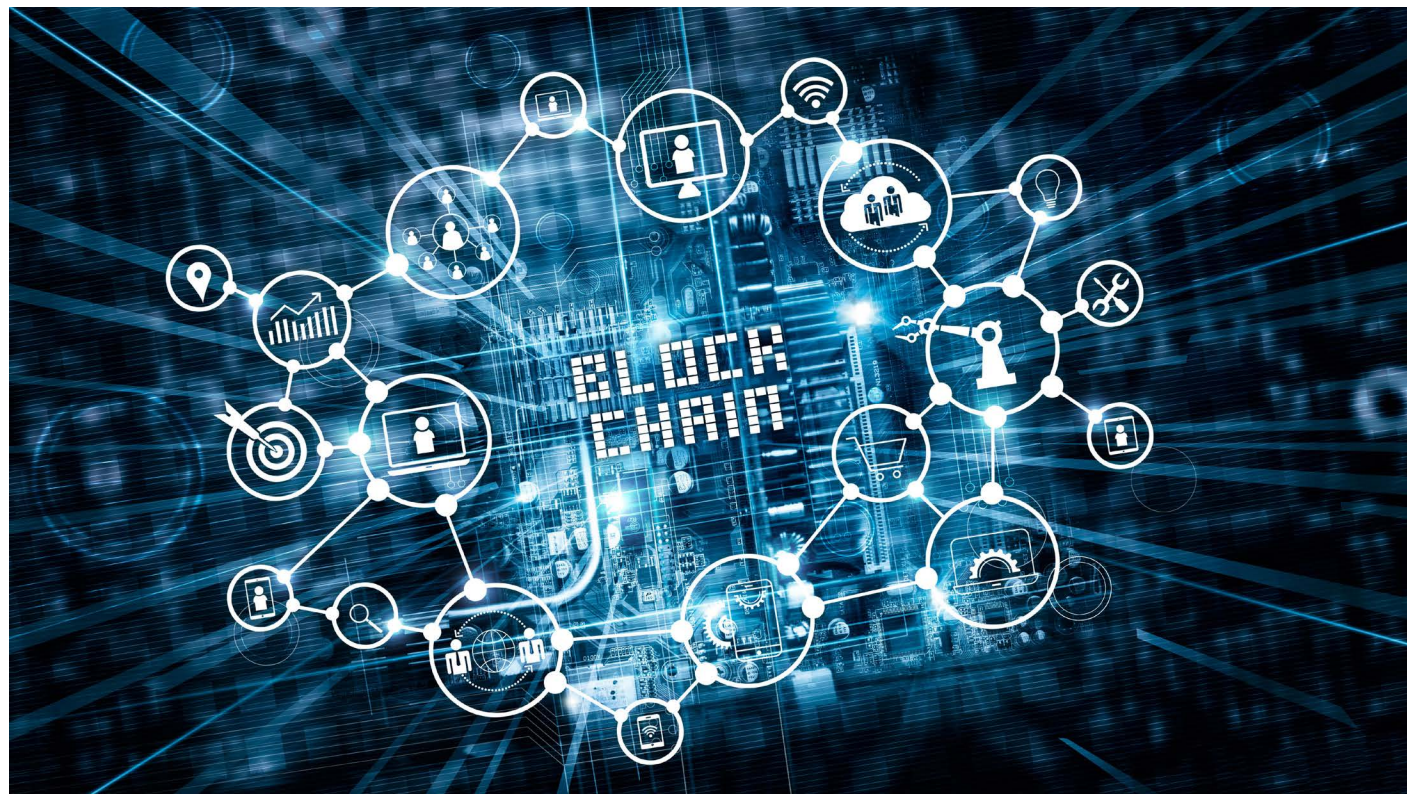
Leveraging smart contracts in place of traditional credit letters, blockchain simplifies the transaction process by speeding it up, reducing intermediary costs and risks

Digital advertising

Blockchain allows ad buyers and sellers to verify campaign execution as it provides a full audit trail of data and improves transparency around real-time bidding

Source: New tech on the block, Deloitte, 23 May 2018

Thus, the blockchain technology can be leveraged by businesses to realise value-based benefits including revenue growth, increased operating margins, and improved asset efficiency.



Accelerating digital investments: Role of the government

The government is expected to play a major role when it comes to accelerating digital investments. It can significantly facilitate provision of adequate digital infrastructure for enabling the eco-system of connected devices, which will in turn encourage technology led investments in the country. The foreign and national investments by modern and advanced companies, subsequently, can help in uplifting the digital state of consumer markets

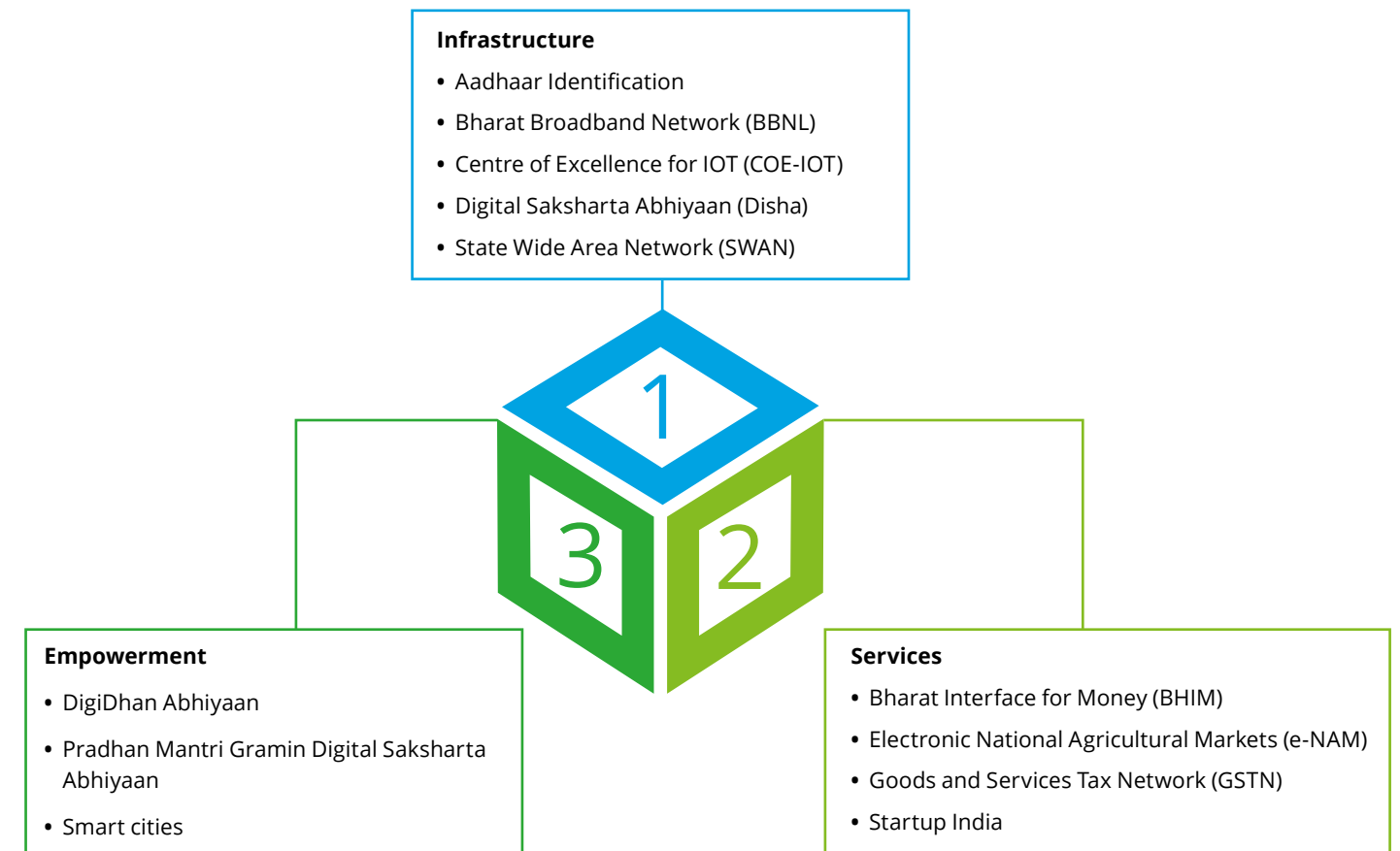
The government has acted as a key enabler in creating a conducive business environment for foreign and domestic consumer brands to thrive in the country. Post the opening of FDI in Single Brand Retail Trade

(SBRT) in 2006 and subsequent liberal amendments in the same, the country has witnessed significant developments across various stages within consumer sectors. Investments, especially by foreign brands, seem to have not only helped in growth of the industry and the country's economy as a whole, but also upgraded consumers' buying experience throughout their shopping journeys.

The current central government launched the Digital India campaign in 2015, with a vision to transform the country into a digitally empowered society and knowledge economy. To successfully execute its vision and strategy, the Digital India campaign stands on its nine programme pillars, which aim to achieve universal internet access through broadband highways, mobile connectivity, and public internet

access programme, among others.¹³ Timely implementation of efforts under the three pillars for internet access (mentioned above), could help in taking the mass population of the country towards digitisation and help towards achieving a more organised economy. This in turn is expected to improve the state of consumer markets in the country and drive the nation towards cashless transactions that are more transparent and traceable.

The government's Digital India initiatives can be broadly segregated under three heads, as presented below. Further, major initiatives under each head, which drive an eco-system of digitisation, are briefly stated¹⁴:



¹³ Digital India, Government of India, accessed on 24 July 2018

¹⁴ Digital India, Government of India, accessed on 24 July 2018

01. Infrastructure initiatives

- **Aadhaar** – A unique identity number associated with the biometrics of residents has been seen as a strategic tool for social and financial inclusion, public sector delivery reforms, and increasing convenience. It is expected to be a unique and robust mechanism to eliminate duplicate or fake identities. The Aadhaar Enabled Payment System (AEPS) allows online interoperable financial inclusion transactions at PoS (MicroATM), empowering a bank customer to access his/ her Aadhaar enabled bank account and perform basic banking transactions like balance enquiry, cash deposit, cash withdrawal, remittances, etc. Aadhaar enabled payments offer a huge potential in building trust between the marketplaces and the consumers and can help curtail the instances of fraudulent transactions.

Aadhaar has become one of the world's largest biometric identification systems with an enrolment of over 90% of the population of India. Unveiled in 2009, the initial goal of the 12-digit Aadhaar identification number was to primarily aid efficient management of public subsidies and unemployment benefits schemes. During the course of last couple of years, the usage and effectiveness of Aadhaar has increased manifold. The government realised Aadhaar's vast potential of extending social inclusion, whilst providing security against modern threats such as corruption, identity theft, and cybercrime.¹⁵

- **Bharat Broadband Network Limited (BBNL)** – BBNL is a Special Purpose Vehicle (SPV) set up with a capital outlay of INR 1,000 Cr and mandated to create National Optical Fibre Network (NOFN) in India. The government has set a target of covering 250,000 Gram Panchayats, spread over 6,600 blocks and 640 districts, by laying incremental fibre. This is expected to lead to expansion of internet connectivity in semi-urban and rural regions.

- **Centre of Excellence for IoT** – The COE-IOT was announced to initiate the establishment of the Internet of Things (IoT) ecosystem in the country, taking advantage of India's IT strengths. Major objectives of the initiative include creating innovative applications and domain capability to cater to the country's needs towards Smart City, Smart Health, Smart Manufacturing, Smart Agriculture, etc.; to build entrepreneurial ecosystem for IoT; to reduce import dependency on IoT components and promote indigenisation. The initiative is expected to help the country attain leadership role in the convergent area of hardware and software.

- **Digital Saksharta Abhiyaan (Disha)** – Disha or National Digital Literacy Mission (NDLM) is formulated to impart IT training to ~52.5 lakh people across the country, with an aim to make them IT literate. The mission is expected to not only help in educating the masses, but also enable them for employment in various consumer market segments and other sectors.

- **State Wide Area Network (SWAN)** – With a grant-in-aid of INR 2,000 Cr. over a period of five years, the SWAN scheme aims to connect all State/ UT headquarters in a vertical hierarchical structure with a minimum bandwidth capacity of 2 Mbps per link.

02. Service initiatives

- **Bharat Interface for Money (BHIM)** – BHIM is a payments app developed by National Payments Corporation of India. It enables bank to bank payments and payment transfers using mobile numbers, leveraging the Unified Payments Interface (UPI).

- **eNAM** – It is a pan-India electronic trading portal covering the existing Agriculture Produce Marketing Committee (APMC) to create a unified national market for agricultural commodities. The aim of the government with this portal is to provide farmers and their farm

produce, direct access to markets, for better realisation of prices.

- **Goods and Services Tax Network (GSTN)** – GSTN seeks to establish a uniform interface for tax payers and a commonly shared IT infrastructure between the centre and states. The mechanism envisions to enable reliable, efficient, robust, and smooth functioning of the GST regimen and presents India as one market with minimum indirect tax compliance costs, enhancing convenience for businesses.

- **Startup India** – A flagship initiative of the Indian government, it is intended to build a strong ecosystem for nurturing innovation in the country. The government provides various reliefs and incentives to startups recognised under the scheme, to ensure sustainable economic growth and generate large-scale employment opportunities.

03. Empowerment initiatives

- **DigiDhan Abhiyaan** – This initiative from the government enables consumers and merchants to undertake digital transactions in real time through the DigiDhan bazaar. The initiative is expected to further digitisation of the Indian economy.

- **Pradhan Mantri Gramin Digital Saksharta Abhiyaan** – The scheme aims to provide digital education to six crore persons in rural regions across various states/ UTs and make them digitally literate. The aim is to cover around 40% of rural households, providing education to one member from each household, by March 2019. With this scheme, the government's objective is to bridge the digital divide, specifically amongst the marginalised sections of the society.

- **Smart cities** – Launched in June 2015, Smart City Mission's objective is to promote sustainable and inclusive cities, providing core infrastructure, coupled with applications of 'smart' solutions. The broader idea is to

create a replicable model, which can be followed by other cities and areas, catalysing the inclusive growth of the country towards a smart nation.

The government seems to be embracing the journey towards digitisation and is seen supporting its initiatives by all means. It has taken various measures in its efforts to build an entire eco-system to support digital India, including e-KYC,

e-Signature, Unified Payments Interface (UPI), e-Aadhaar and Aadhaar-based verifications, IndiaQR (Quick Response, QR, code-based payment services), etc. It is owing to these efforts that the nation has been progressing towards a digital economy with greater transparency and accountability. Traction towards a digitised economy specifically helps the cause of organised retail and e-commerce in particular. For example,

better digital infrastructure leads to improved distribution, logistics, and supply chains networks. Similarly, digital payment services are expected to provide more transparency and flexibility. Digital identification systems could assist mitigate the risks of duplications/ imitation and thus help in prevention of frauds. In totality, the nation is expected to move towards digital learning platforms leading to augmented literacy.

“The traditional entry barriers of distribution and cost of mass advertising are removed owing to the rapid growth of internet, modern trade and e-commerce. Digitally supported premium niche brand is the new vector for growth going forward, and companies will lose significant opportunities if not implementing and investing in this model.”

Mr. Saugata Gupta,
MD & CEO – Marico Ltd.

In order to successfully implement and reap benefits of the various digitisation initiatives, the government needs to consider setting clear targets with defined timelines and check-points. There

is a need felt for facilitating change and for stricter compliance through adequate legislations. Further, standardisation of processes and development of best practices in IT management are felt

necessary, which could be developed through public-private collaboration and enabling a sustainable eco-system for consumer brands with digital capabilities.



¹⁵ Aadhar project in India: 2018 facts and trends, Gemalto, accessed September 2018; Media articles



Deliver value and convenience to be competitive

Efforts in the field of engaging consumers through digital investments could provide solutions through tangible means and have a relatively direct return on investment (RoI). However, for brands to truly connect with consumers, it becomes essential for them to resonate with their emotional chords. These efforts, conveyed through brand values, could provide solutions to the brand's challenges in a non-tangible manner and may not have any direct means for gauging the RoI. However, a right set of values, if followed religiously, could result in immeasurable gains and can help the brand in edging out competition. Brand values could also help in building long-term profitable relations with consumers, who in turn could act as brand ambassadors spreading the brand's values through word-of-mouth and social media marketing.

Connecting the dots: Resonating core brand values

The rapid use of technology in the consumer markets space and rising preference for convenience is seen to be constantly challenging consumers' brand loyalty. In the current fast-paced environment, attracting and retaining consumers to a particular brand requires significant time and effort investments. Further, consumers' shopping traits and preference nuances would need to be analysed in-depth to offer customised products and services that match their requirements. Innovation in products and bespoke service offerings such as personalised loyalty programs, convenient after sales services, etc. could assist in getting the consumers attracted towards a particular brand. However, to have a sustainable long-lasting relation with consumers, it may be absolutely necessary to have such brand values which resonate with the target consumer group's core values. Imbibing such values would not only help companies build a strong brand image, but also lead to repeat consumers, implying more business.

Various brands are currently seen to be shifting towards healthier variants of food products. This seems to be a conscious shift in values by the brands to offer healthier variants to consumers who are becoming increasingly conscious of their eating habits, ingredients of the food products they are consuming and the nutritional value offered by the food products. The sedentary lifestyle of consumers, increasing working

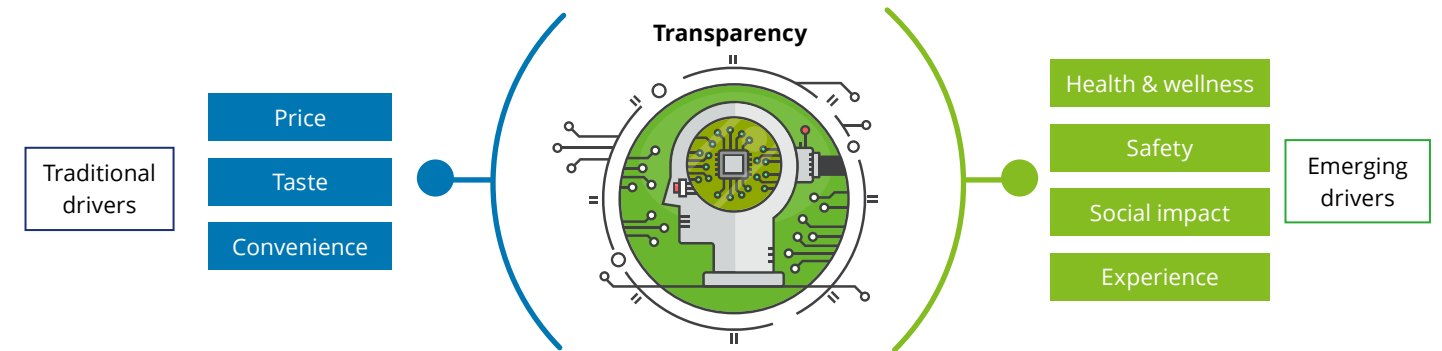
population, greater access to global trends and higher disposable income levels are some of the factors driving this change in consumption habits. Further, rising health-related incidences are encouraging consumers to become more health and fitness conscious, which in seen to be leading this shift in companies' values. While millennials are touted to be driving the trend towards wellness, the trend is apparent across all consumer categories, irrespective of age groups. Companies across the world have thus been seen putting efforts in making their products healthier, to avoid being edged out and losing on a major consumer driven trend.

Consumers today are seen to have a new set of value drivers, which are more intrinsically linked to their core values and beliefs. Traditional drivers such as price, taste (for food products) and convenience remain critical in making buying decisions, but new drivers such as social impact, health & wellness, safety and experience have been seen emerging to the forefront. According to a Deloitte survey, more than half of the consumers weigh these evolving value drivers more heavily than the traditional ones and nearly 63% are willing to pay more for products where social impact values are demonstrated¹⁶. Increasing disposable incomes, preference towards unadulterated genuine products, increasing health & wellness consciousness and awareness regarding implications of unsustainable social and environmental practices, are a few major reasons driving these changes.

“To gain consumers’ loyalty, brands need to deliver on the following critical aspects consistently – Relevance, Price and Accessibility. These three aspects run across the brand as well as the products offered. The brand must be more associable with consumers so that the brand values resonate with the consumer values. Similarly, the products must offer superior solutions which are available consistently at the appropriate price points”

Mr. Arvind Chintamani,
VP, Marketing –
Colgate Palmolive (India) Ltd.

Evolving value drivers in consumer markets



Source: Deloitte analysis, Media articles

Emergence of new value drivers is evident from the fact that consumers are now showing a greater interest to know and understand the story of the product. They are more willing to know the source of the raw materials and the farms/factories they've been sourced from. Consumers are seen to be becoming keen on understanding the complete value chain of the products they are consuming, including the means used to source the raw materials, contents or ingredients used in the manufacturing of the product,

packaging and labelling norms – whether the product labels provide factual and transparent information, etc. Further, there is an increasing concern amongst consumers to understand the company's waste water and other waste recycle/reuse processes. These queries together form a story behind the journey of a product and the practices followed by the company, which in turn portrays a brand image on consumers' minds. It is this brand image, or the emotional impact that is seen forming one of the

biggest basis for consumers' loyalty towards a particular brand. For a brand to successfully engage and make its consumers loyal, it should be able to connect the dots and link its brand value with the emotional impact of consumers. Consumers find brands resonating same values as their own, to echoing their self-expressions and thus, not only turn loyal with repeat visits and purchases, but also act as brand advertisers, marketing the brand through word-of-mouth.



Mr. Rahul Singh
Founder & CEO –
The Beer Café

“Indians are perceived to be relatively less loyal to consumer brands, when compared with developed nations. We thus have a principle of 4A's to increase our consumers' loyalty:

- Accessible
- Affordable
- Assortment
- Aspirational

We address these 4A's with 3R's – Rigour, rigour and rigour to address the challenge of loyalty”

¹⁶ Deloitte Food Value Equation Survey, 2015

Case study: An Italian pasta company provides field-to-fork information transparency to consumers, leveraging Internet of Things (IoT)

What did the company do?

An Italy-based pasta manufacturing company took a major leap towards its values of providing information transparency to consumers and traceability of food products, when it launched 'Digital Passports'. The platform leverages IoT to provide a truly field-to-fork model for its consumers, where it enables users to track the entire supply chain from farm to their eating tables.

How does it work?

The company partnered with IT service providers to implement the technology platform. The technology enables consumers to scan QR codes on the back of product packaging. Once scanned, it takes the consumers to a website to present the story of that specific production batch. Details such as source of durum wheat varieties (from which the pasta has been made), harvesting and milling practices, movement across the supply chain and ultimate delivery to the Point of Sale (PoS), are provided through engaging photos, videos and texts. Consumers are enabled to drill down the website to further extract information regarding farmers and their techniques as well as sustainability measures across the whole value chain.

Using lifecycle assessment methodology, the company calculates the environmental impact of the durum wheat cultivation, including ecological, carbon, and water footprint.

What impact does it create?

Through this initiative the company is stated to fulfill two purposes:

- Providing information access to consumers in a transparent manner, enhancing their knowledge and creating an emotional impact leading to brand connect
- The company is also able to trace the food products back to each step of the supply chain, knowing the exact origins of the ingredients/ components of food through assigning values at each link and creating digital records.

The platform, which is enabled through sensors, wireless networks, the cloud and analytics, also helps the company in fighting against counterfeit practices and leading the cause of safe food practices.

Adopting new brand values or adapting to changing consumer needs is not an overnight task. Companies would need to analyse historical shopping behaviour of consumers and their purchasing patterns to come out with actionable insights, and also understand whether consumers are willing to pay a premium for this information, given the investment involved in building transparency/traceability, etc. Companies

then need to initiate the process of adapting to a new brand value only once the applicability of a particular trend is established through their assessment. Thereafter, the whole process of altering operations, sourcing, manufacturing, packaging and labelling, marketing and campaigning, etc. would begin to support the new value established. A significant amount of investment in terms of time, effort, and money goes into the process

for the brand to be able to reflect the value in marketable terms. The values that resonate well with the consumers, are in turn expected to lead to greater quantum of repeat consumers and thus an increased top-line revenue growth. Therefore, such a success story is woven around how well a brand connects the dots obtained from consumers' shopping insights and converts into an actionable outcome.

Valuing the consumer shopping cycle

In a world of connected markets, engaging the consumers throughout their shopping journey is essential. All phases throughout their journey – awareness, consideration, purchase,

after-sales and loyalty – carry equal importance and priority. Thus, in order to provide seamless experiences, brands need to consider each phase and devise strategies specific to that phase to engage and attract consumers.

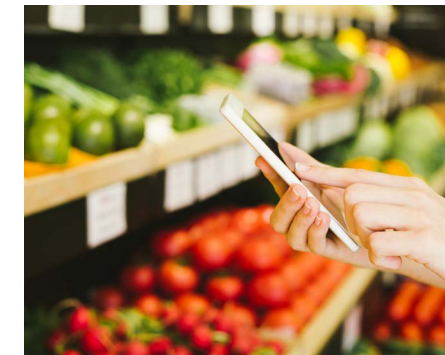
Presented below is a list of examples where brands went the extra mile to redefine the shopping journey of consumer and make it more engaging:



Awareness

A major multinational food, snacks and beverage company partnered with a leading e-commerce company's voice-activated assistance device, to create an app and help users find recipes of the food products offered by the brand.

The company led its research campaign innovatively from the front and capitalised on the ongoing trend of voice-activated assistance movement.



Consideration

An Australia-based fruit processing company tapped into consumers' need around transparency, trust and provenance. It redesigned its product packaging by implementing a GPS labelling system and turned its brand into a destination.

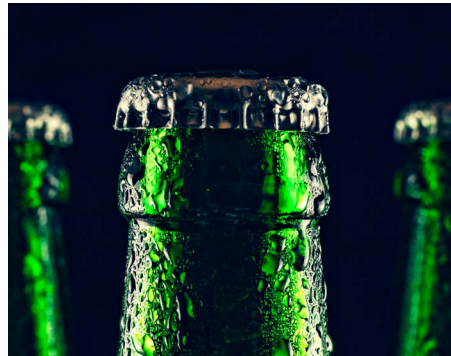
The system enabled consumers to pinpoint the orchard from where the fruits have come. The company also coupled this by offering an immersive food tour, to allow consumers explore the orchards on their devices.



Purchase

A major global beverages company shifted its focus from 'Route-to-market' to 'Route-to-consumer' to stay competitive in the current, evolving consumer landscape. The company partnered with a major meal kit provider and paired its beverages with the menu items.

The company also provided easier ways to shoppers for adding their drinks to the food menu and also offered convenient pickup points at e-grocery lockers in dense urban areas and university campuses.



Aftersales

To advise consumers on usage of their products after purchase, a major alcoholic beverages company introduced smart bottles featuring a sensor tag. The sensor could detect the state of the bottle's seal – open or intact, which allowed the company to send personalised communications to users. Consumers can read those communications and tags through their smartphones.

The technology allowed the company to continue communicating with consumers during consumption, thus building the brand connect post the purchase.

“Keventer’s hallmark has been to resolve the consumer complaints within a span of 24-48 hours. We address nearly 98% of the issues within this time-frame, the rest could be with a malicious intent which are thoroughly checked. We have complete traceability of our processes and the product batches can be traced back to specific distributors – this enables us to quickly resolve any quality/ supply chain issues, if any”

Mr. Mayank Jalan
Managing Director – Keventer Agro Ltd.



Loyalty

A global snacks company took an innovative way to engage consumers and gain their loyalty, leveraging AI. The company launched its own vision app and invited consumers to view the world with a new vision. The app leveraged AI-powered camera, which converted everything users saw, into the form and colour of the snacks from the brand. Further, the users could also share their creations, images, and videos directly on social media.

The company also leveraged geo-targeting to advertise this product to the likely users of this entertainment service.

Source: Media articles, Company websites

Deliver convenience, deliver value

While the growth of online retail has been dependent on various factors, convenience is seen to have expanded its importance to a great extent. The online delivery mechanism adds an extra layer of convenience and factors such as product assortment and availability seem to have become major drivers for consumers to shop online, especially

grocery items. This trend is more prevalent in developed economies, and is fast catching up in developing economies like India, China, Philippines, etc. as well.

The fast growth of e-commerce has specifically led to a rapidly evolving home delivery ecosystem. The big shift in this space happened around 3-5 years ago in India, with consumers willing to pay

extra money for quicker home delivery. This shift opened up new areas of opportunity, both for the markets and for employment. The growth in home delivery was fuelled majorly by two factors:

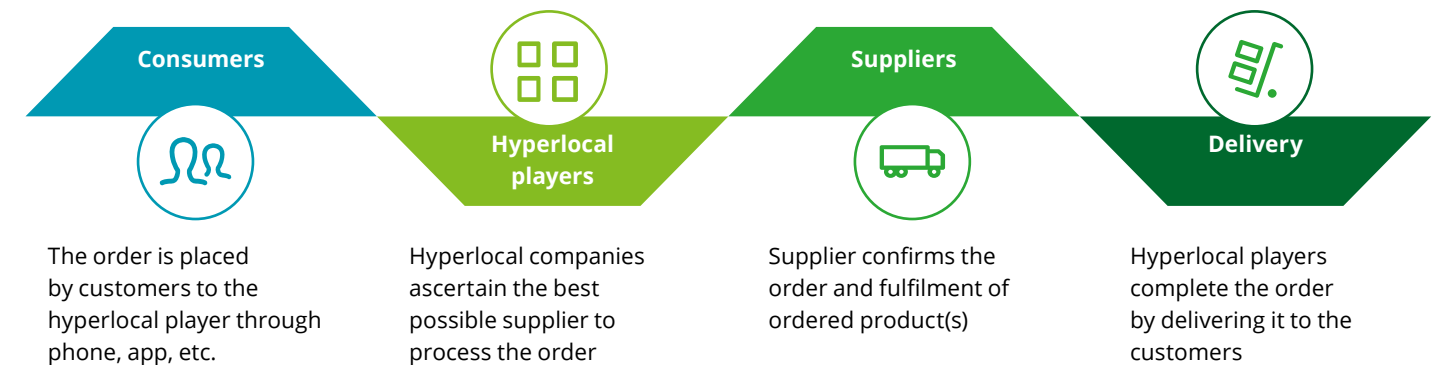
- Demand from consumers
- Supply of economical labour

The evolving delivery demand from consumers has been seen leading to significant business disruptions in consumer markets, especially in the food and grocery space. For example, new food delivery start-ups and aggregators are emerging frequently and challenging the business of traditional home delivery by restaurants. The innovation in delivery models has not only helped e-tailers to increase their market share as compared to offline retailers, but is also proving to

be a differentiator between the existing online sellers. The purchase decision of consumers is increasingly being driven by the level of coverage and swiftness of various providers. The need has convinced various major players in the country to invest in techniques helping time-sensitive and remote deliveries. But online players need to compete with local Kiranas etc. who also provide home delivery at no or very little cost, irrespective of quantities ordered.

Various delivery models have emerged in the country in the past couple of years, and companies are investing more only to increase the convenience factor for consumers and add value to their purchases. Hyperlocal start-ups are amongst the classic examples of emerging delivery models.

Typical business model for hyperlocal companies:



Source: KONNECTED to consumers, Deloitte-FICCI, September 2017

Similarly, new delivery models present a big opportunity for businesses and

employment in economically backward and rural regions, where companies can

tie-up with local delivery partners for last-mile delivery.

“For Colgate, traditional phones are also a critical medium to reach the masses. To expand our outreach with appropriate messaging, we leveraged the traditional phones to launch our ‘Pocket Dentist’ service in our oral care solutions. Omni-channel ways such as SMS, voice, mass and social media, etc. were used wherein the consumers received free oral care suggestions and advice from experts on their phones.”

Mr. Arvind Chintamani
VP, Marketing – Colgate Palmolive (India) Ltd.

Loyalty programs: Tapping the last phase of consumers' shopping cycle¹⁷

Consumer loyalty program is another tool leveraged globally, especially by modern brick-and-mortar retailers to value consumers' loyalty and frequent purchases from the brand. Loyalty programs include monetary and non-monetary benefits in the form of coupons, redeemable reward points,

cashbacks, discounts, priority services, free delivery, etc. Such additional value points drive consumers to the retailers, as these offers are unique to the consumer, based on their purchasing pattern and gives them a sense of exclusiveness and reward. According to a global online survey, conducted by a major information and data measurement company, approximately

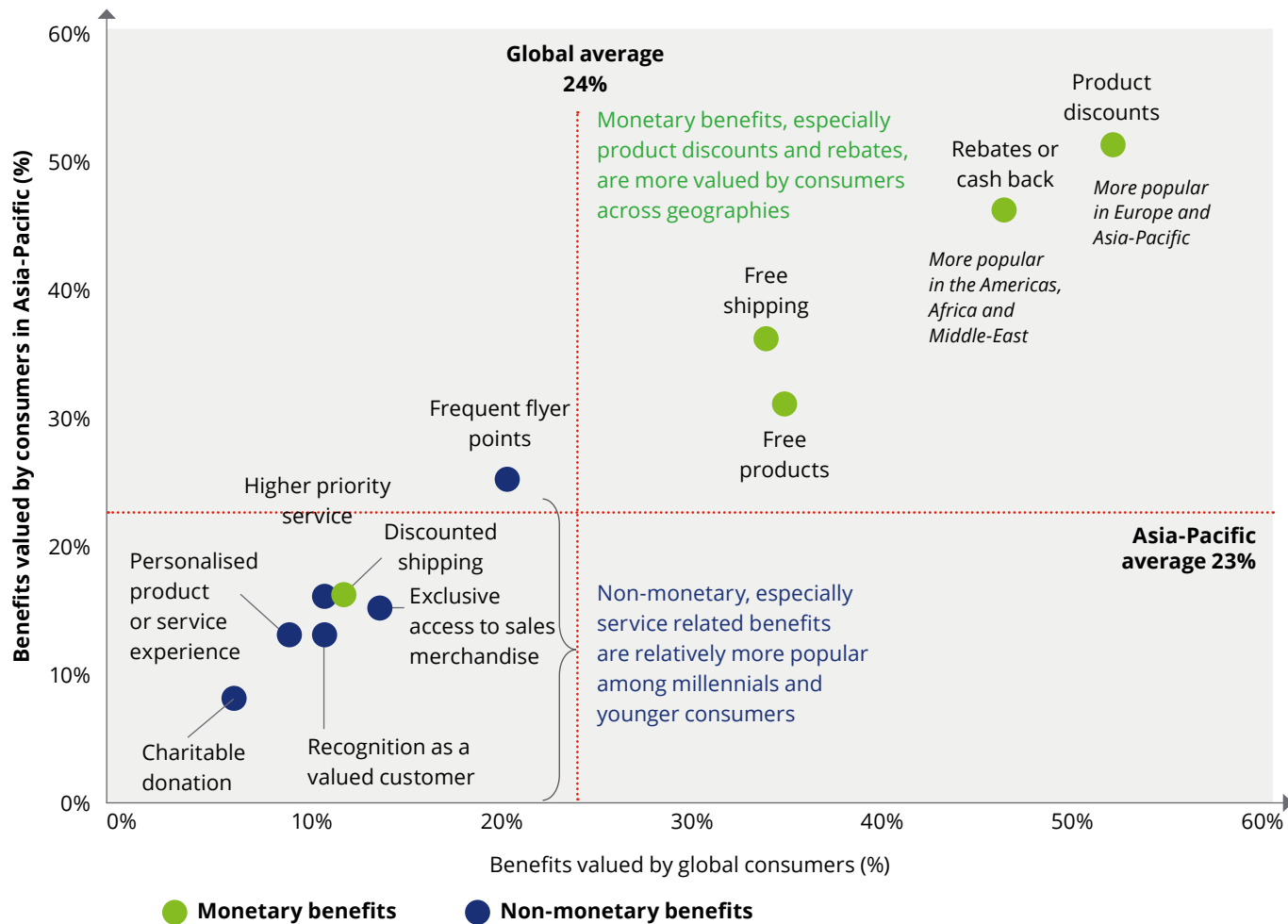
two-thirds of the online consumers globally, admitted to have shopped more frequently and spent more at retailers with loyalty programs¹⁸.

Financial incentives are the major factors driving consumers into loyalty program participation. Following is the list of most-valued benefits, based on the global online survey of consumers:

Retail loyalty programs are popular in India as well. More than seven in 10 consumers (with online access) in India claim to be participating in one or more retail loyalty programs – 74% in India, compared to 72% in Southeast Asia.

However, relatively developed economies in Asia-Pacific region have greater self-reported rates of loyalty program participation – the only exception being China.¹⁹

Most valued benefits of loyalty programs (Global vs. Asia-Pacific)



Source: KONNECTED to consumers; Get with the program, Nielsen, 2016

“Instant gratification has become extremely important for consumers today. Thus, loyalty programmes are also being completely revamped to provide the consumers with a greater sense of the brand caring for their needs and requirements.

Spencer’s provides free loyalty membership to its consumers with numerous offers only for its loyalty members, who are rewarded during the same shopping trip at the PoS, while checking out.”

Mr. Shashwat Goenka
Sector Head – Spencer’s Retail, RP Sanjiv Goenka Group

Indian consumers, particularly prefer digital loyalty program attributes or features. Store specific loyalty mobile applications are very attractive for Indian consumers (80%), compared to Asia-Pacific region (69%) and global (60%)²⁰. Digital loyalty program attributes include:

- 01. Flexibility:** Points or rewards for purchases made through any retail mode – store, website, or mobile
- 02. Personalisation:** Personalised discounts or promotional offers
- 03. Bonuses:** Opportunities to earn bonuses based on activities such as referrals

04. Technology: Integration with mobile payment system and points or rewards for sharing products and pages on social networks

It is thus amply clear that the world of consumer markets is progressing towards a connected era where leveraging technology and digital solutions gains increasing significance. However, while the markets and consumers become more tech-savvy and make the shopping journey more convenient, this convenience can cost the government and society dearly, if businesses remain oblivious to the responsibility of giving back.

¹⁷ KONNECTED to consumers, Deloitte-FICCI, September 2017

¹⁸ Get with the program, Nielsen, 2016

¹⁹ KONNECTED to consumers; Get with the program, Nielsen, 2016

²⁰ KONNECTED to consumers; Get with the program, Nielsen, 2016



Sustainable practices to deliver responsibly

For a brand to be competitive in the long run, it needs to focus on sustaining its business practices and operations in a manner that address the triple bottom line (3BL) parameters – social, environmental (ecological), and financial. There is a need for not only working towards sustainable profits for making the businesses economically viable, but also to deliver back responsibly to the society and the ecology, for running the business as a two-way win-win model.

Brands shouldering the responsibility of giving back

Sustainability and sustainable practices are becoming prominent and strategic value drivers for attracting consumers, especially young shoppers. With the new age of technology advancements and frequent business disruptions, awareness regarding depleting environmental and natural resources, social malpractices, and corporate governance are constantly increasing. Consumers are increasingly seen demanding not just clean, but transparent labels and are becoming more aware of information regarding sustainability, fair trade, raw material sourcing, greenhouse gas (GHG) emissions, water usage, labour laws, etc. The modern consumer has become progressively aware of the impact of sustainable practices on the triple bottom line (3BL) parameters of environment, society, and economics.

Companies are seen responding to these evolutionary changes by altering their sourcing processes, supply chain




management principles, labour, and compensatory protocols and are moving towards more sustainable practices. Companies are also getting associated with Voluntary Sustainable Standards (VSS) to address sustainability issues related to five broad aspects – environmental, social, integrity & ethical, economical, and management & quality. These associations are expected to not only help the brands in delivering responsibly, but also have a noteworthy impact on a brand's value positioning, which is evident to the consumers as well. Consumers, while becoming more digital and more global, are also seen becoming more environmentally and socially conscious. It is owing to this increasing consciousness amongst consumers that the industries are focusing more on the Environment, Social and Governance (ESG) criteria.

In India, sustainability and sustainable reporting gained focus with the launch of Standard & Poor's (S&P) ESG India index in 2008. It was one of the first indices to rank National Stock Exchange (NSE)

companies on ESG parameters. The other major national stock exchanges followed suite and in 2012, the Bombay Stock Exchange (BSE) Greenex index was launched with an aim to analyse the stocks of sustainable companies. As foreign investments in the country increased, multinational companies brought their own practices and subsequently, reporting through various internationally acclaimed standards caught up. Currently, several publically funded programmes dedicate their efforts to sustainable practices in the country. The government also supports the cause of sustainability through its various Ministries and institutions such as The Ministry of Environment & Forest (MoEF), Ministry of Finance (MoF), Ministry of Corporate Affairs (MoCA), Reserve Bank of India (RBI), etc.

Consumer businesses are seen injecting more sustainable measures into their operations to be more competitive and create a positive brand image.

Major sustainable practices in the industry

 Economic	 Environment	 Social
<ul style="list-style-type: none"> Investing in programs related to education, training, etc. to enhance economic opportunities Supporting local and small businesses 	<ul style="list-style-type: none"> Promoting sustainable sourcing by fixing supplier standards Reducing GHG emissions through the use of renewable energy Applying waste management techniques to reduce wastes through recycling, donation, animal feed, etc. 	<ul style="list-style-type: none"> Providing healthier products through natural offerings, or minimising the use of chemicals, additives, artificial flavours, etc. Maintaining workforce diversity in terms of gender, nationalities, ethnicity, et al. Helping communities by means of CSR activities

Source: KONNECTED to consumer

The green journey

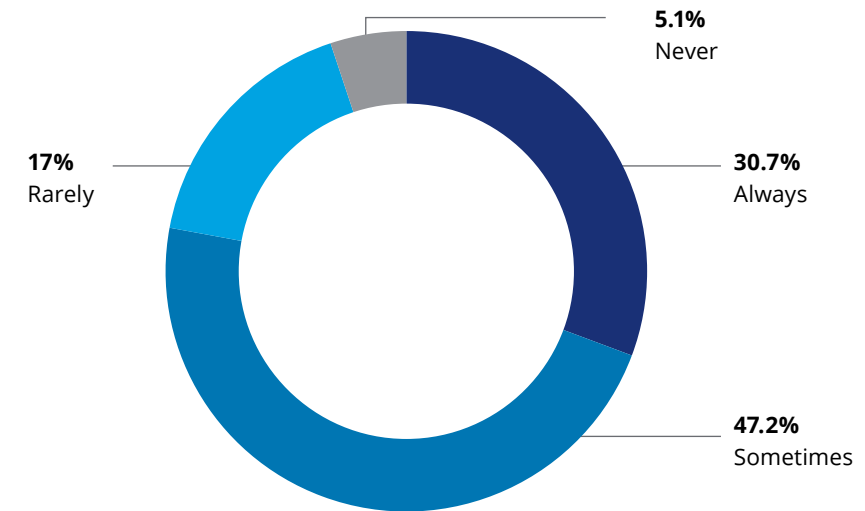
There is little doubt that the consumer business companies are expected to be increasingly forced to operate in a resource-constrained and climate-impacted world, where embracing sustainability as the core business strategy is likely to be a prerequisite

for survival. There is a growing need of sustainable business transformation, where companies would need to ensure that transparency and honesty are the fundamental elements of their brands.

Consumers are also getting greener, which is evident from the fact that over 30% of the global millennials

always ensure that the luxury brand they are purchasing is sustainable and ethical. This is followed by another 47% millennials, which reported to check on brand's sustainability sometimes, before making the purchase.²¹ The sustainability consciousness is even more in non-luxury product categories, as luxury purchases are relatively more episodic than routine.

Before purchasing from a luxury brand, do you make sure it is a sustainable and ethical brand?



Source: Bling it On – What makes a millennials spend more?, Deloitte, 2017

It is not a straightforward task to find the right way to engage with consumers on the sustainability agenda. The consumers' choice and decision making is a complex process, which operates at three levels:

• **Rational:** Conscious decisions are made based on the information about the price, attributes, and performance of products/services.

• **Emotional:** Here, beliefs, emotions, brand image, established habits, social influences, and heuristics – all come into play for the decision making.

• **Contextual:** Choices are influenced by the environment, both physical and social, in which the consumer makes the decisions

Since the decision making process is a complex mix of the above three levels at varying degrees, consumer engagement strategies need to consider reflecting on the complexity of ways. Integrating sustainability at a strategic and operational level requires strong leadership, periodic investments, and long-term commitments.

²¹ Bling it On – What makes a millennials spend more?, Deloitte, 2017

Pathway to sustainable business transformation



Understanding the material sustainability risks and opportunities that affect long-term growth and profitability, is the first step to integrating sustainability into the business. Further, benchmarking the sustainability positioning against competition could assist in enhancing the understanding of own performance and help in identifying key priorities, acting as a foundation for comprehensive sustainability strategy.

Once the priorities and action items are realised, companies need a roadmap to affect change. The roadmap must have a buy-in from all relevant stakeholders which will facilitate the comprehensiveness of the sustainability strategy. However, executing the roadmap and integrating sustainability into the core of the business is not easy and requires persistent efforts. It requires constant monitoring and course-correction as companies understand and

manage social and environmental risks and opportunities across the whole value chain beyond their own operations.

Identifying relevant metrics for independent reporting is likely to result in sustainability efforts driving business change. Reporting and assurance are the key business tools to engage stakeholders, reinforce credibility, and build long-lasting trust.

Case study: How a major hotel chain in India blended luxury with responsibility

The hotel undertook a massive rejig to offer a unique blend of 'responsible luxury'. The chain stands by its ethos of 'luxury without compromising the Earth and sustainability without compromising luxury' and is amongst the world's largest Leadership in Energy and Environmental Design (LEED) platinum-rated hotel. A few major sustainable offerings in the luxury hotel include:

- Using glass bottles, instead of plastic packaged
- Serving locally sourced food and food ingredients
- Operating a self-owned sewage treatment plant – 100% waste water from the hotel is recycled and reused for horticulture, flushing and cleaning
- Operating water harvesting areas
- Providing in-house drinking water purification facility to save on transportation and logistics costs for potable water
- Using solar energy to meet nearly 20% of hot water requirements
- Operating a self-owned wind farm, powering the 600 luxury room hotel
- Using bio-diesel as a fuel in boilers and heat pumps, instead of wood/ coal, reducing CO2 emissions and saving energy sources
- Containing an organic waste converter, to convert waste into compost – the hotel gives away this compost free of cost to local people

Each of the hotels under the company's chain embodies the principle of 'responsible luxury'. Nearly 60% of all the electricity requirements across the hotels are met through renewable sources, including wind and solar power. The in-house wastewater treatment plants ensure reduction in water consumption. Further, all excess recycled water is shared with local municipal authorities for their use.



Source: Bling it On – What makes a millennials spend more?, Deloitte, 2017

“Colgate’s practices revolve around sustainability of people, planet and performance (3Ps). We disclose all our sourcing practices and aim to achieve 100% sustainable sourcing of palm oil by end of 2018. In terms of packaging, nearly 98% of our packaging is free from hard plastic and the target is to reach 100% by 2025. We also launched a massive campaign on ‘Save water by turning off the Tap while brushing’ through various means including in-store standees, traditional and outdoor media (Out-of-home advertising), integrated phones messages and social media, etc. with a message that turning off the water tap while brushing can help save 20 gallons of water globally.”

Mr. Arvind Chintamani,
VP, Marketing – Colgate Palmolive (India) Ltd.

- “We are very conscious of our sustainability efforts and have a strong belief in a business being sustainable only if it is profitable for everyone involved in it. Through our banana business, we proved in West Bengal that farmers’ income can be tripled by adopting adequate and efficient practices.
- We are making conscious efforts towards educating children – every employee associated with Keventer is ensured that his/ her child/ children receives education in school. Keventer takes care of all the financial needs including schooling, study materials, bags, etc. to make sure that children’s education is not impacted owing to any financial constraints.
- We are also making efforts towards sustainability of the environment and the planet. We have pledged that by 2020, 90% of our electricity needs would be met through solar energy. Similarly, we ensure our water usage is minimised to the extent possible – we have a zero-discharge from factory, man-made ponds and water treatment facilities where waste water is treated and supplied to farmers during dry seasons.”

Mr. Mayank Jalan,
Managing Director – Keventer Agro Ltd.

“Our LED program led to savings of over 2 million Kilo Watt Hours. We have also installed solar panels in some of our stores, which has resulted in savings as high as 30%.”

Mr. Shashwat Goenka
Sector Head – Spencer’s Retail, RP Sanjiv Goenka Group

- “We are constantly working towards reducing our carbon footprint. One of the most significant steps we’ve taken is using tap beer as that helps us leverage glassware which can be washed and reused number of times. We use steam machines to wash our glassware which is more water efficient. Thus, we significantly save our carbon footprint compared to companies which provide bottled beers as the bottles have to be thrown after one use
- Other environment sensitive initiatives at Beer Café include using LED to save energy, using glycol instead of gas for chilling, using natural wood for furniture and other applications, etc.
- With respect to packaging, we don’t use even a single plastic material for our packaging and leverage completely recyclable products for that purpose”

Mr. Rahul Singh,
Founder & CEO – The Beer Café





Way forward

Recommendations

Topic	Leads*	Recommendations (for industry/government)
Learning from millennials		<ul style="list-style-type: none"> Integrate digital and in-store offerings to feed consistent information across channels Assemble shopper information and synthesise insights for aligning forecasts and optimising omni-channel marketing management Do not overlook other target groups, work towards moving from niche to mass offerings
Engaging with consumers		<ul style="list-style-type: none"> Provide shopping experiences, instead of just products and/or services Personalise offerings through niche targeting to make consumers feel privileged Seamlessly engage consumers through all formats – physical stores, e-commerce, m-commerce, s-commerce, etc.
Accelerating digital investments		<ul style="list-style-type: none"> Prioritise investments in digital and technology solutions to make the shopping journey more convenient, more engaging and more secure Facilitate and accelerate execution of digitisation initiatives throughout the country, through periodic and targeted check-points
Delivering value & convenience		<ul style="list-style-type: none"> Adopt and religiously follow brand values that resonate with the core beliefs of consumers Ensure honest and transparent communication throughout the value chain Cover the extra mile to deliver convenience and enhance brand value
Adopting sustainable practices		<ul style="list-style-type: none"> Work and commit towards attaining sustainability (environmental, social and economic) throughout the processes of the entire value chain Mandate sustainability thresholds and efficacy of laws, ensuring compliance through self-regulation, inspections, and penalties

Note*: Leads represent the current adoption/penetration levels for respective strategies in India vis-à-vis adoption levels in globally developed markets

Conclusion

India is at the cusp of evolution in the consumer markets. Having a major share of relatively young population, the time is ripe for consumer brands to invest for the consumer segment. The companies need to **Learn from millennials for strategy & innovation** to offer products/ services catering to their needs and consequently expand the offerings from niche to masses.

In the current era of connected consumers and multi-channel retail, instant gratification has become a key priority. Companies must **Engage with consumers to enhance brand connect** and provide them with a memorable shopping experience. To facilitate this engagement, brands have to **Accelerate digital investments to cater to the new-age shoppers**. As consumers and businesses become more

connected, investing in technology for data and cyber security gains significant importance.

Further, with the opening up of consumer markets for FDIs, various foreign brands have entered Indian markets to reap the benefits of an ever-growing consumer opportunity. Companies need to **Deliver value and convenience to be competitive** in this cut-throat environment. However, remaining competitive should not mean overlooking, or side-lining the social and ecological accountabilities. The brands must thus, adopt **Sustainable practices to deliver responsibly** in order to make their businesses more viable and ecological.

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 Assistant Secretary General

Ankit Sharma
 Senior Assistant Director

Ankit Misra
 Assistant Director

Rhythem Malik
 Assistant Director

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Contacts

Please contact us at
inconsumerbusiness@deloitte.com
for any information/assistance.

Deloitte Touche Tohmatsu India LLP

Indiabulls Finance Centre
Tower 3, 25-32th floor
Senapati Bapat Marg,
Elphinstone Mill Compound,
Elphinstone (W)
Mumbai - 400 013, India



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