

WILL WOMEN SOON POWER INDIA'S ECONOMY?

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Girls Skate India, Vans

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— Joanna Brassett, founder, Studio INTO

The IMF has reported that India's economy is **set to outperform that of China** both in terms of growth and competitiveness in the year ahead, retaining its place as **the leader among the world's fastest-growing major economies**. In tandem, India's consumer demographic has been undergoing some radical changes, posing some huge challenges, as well as opportunities, for how brands approach and engage with Indian consumers from here on.

One of the biggest influences will be the rise in female online purchasing power, as women's education, training, access to information, family structures, social and business influence evolve.

According to **Boston Consulting Group**, the percentage of girls entering secondary education in India increased from 45% to 74% between 2005 and 2014, a figure now higher than boys, and 20% of women are now undertaking higher education. As a knock-on effect, the number of women in the workplace is growing, while the number of single women over 20 is rising. This means the younger generation of women living and working in India are more socially and economically independent, have more decision-making powers, and crucially, have greater access to the internet, which until recently had been significantly and culturally skewed towards men. Female empowerment is also being bolstered by tv and film, platforms that have a huge influence on cultural behaviour in India, alongside female influencers who are gathering momentum on social media. The burgeoning female travel market is one sign of how this influence is changing business and culture in India. This has resulted in a wide range of women-only Indian travel companies emerging in recent years and a surge in online forums and meeting groups for female travellers. Coupled with the rapidly growing e-commerce sector in India, and it's easy to see why young, increasingly independent women are one of the most exciting new consumer groups in the country for online and leisure spending.

As with other emerging markets, India is known as a society of leapfrogging. We've already seen the nation skip a whole generation of dial-up internet technology and go straight to mobile and wireless instead, causing Google to respond with products specifically targeting the buoyant local market. Now, with its evolving consumer base, we're set to see India leapfrog social and spending aspirations too.

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This is already indicated by the rising popularity of native food brands in India, which are reportedly **growing twice as fast** as their global counterparts. The natural category in particular is booming, spearheaded by herbal food and personal care brand Patanjali Ayurved, the fastest-growing FMCG company in India. At multinational corporations, which have previously enjoyed the position of market leaders in the country, profits are falling as they rush to re-assess how they can engage with a growing sense of Indian-ness among consumers. Perhaps that's why Colgate has recently distributed free Hindu calendars with its toothpaste.

Today, 60% of Indians are **willing to pay extra** for products that are made in India (source: **Boston Consulting Group**). This goes against the norms in emerging markets where great aspirational value is often placed on goods from overseas, which are viewed as premium items. As a result, more home-grown luxury brands are emerging in India, including Moët Hennessy-owned Chandon Wine, which uses grapes sourced from the outskirts of Mumbai.

A sense of pride and value placed on local products and home-grown brands is a trait normally associated with mature and developed consumer markets. The fact that India is reaching this point while still in the midst of huge cultural changes and the development of women boosting its economy are particularly significant for brands entering, or already operating, in the market. When consumers become global citizens, they often look back to their roots to find a sense of identity and belonging. This results in a surge of interest, pride and appeal in brands that express a sense of local or national identity, or are locally or naturally sourced. This is happening in India now, and global brands need to react and localise fast in order to stay relevant to modern female consumers in this exciting market.

*Joanna Brassett is director and founder of **Studio INTO**. For more on how your brand can help empower a new generation of female consumers, see our **Female Futures** vertical.*