

THREE GENERATIONS, ONE BIG MARKET

A NEW SEGMENTATION OF INDIA

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INTRODUCTION

India is big and India is young. Its size and its demographics, together with the growth potential that India's economy is showing, have made it a fashionable market. Marketers from across the world and within India are betting high on these two aspects of the country. But these are also the two most critical characteristics of India that every marketer must examine carefully and get a real understanding of in order to make it a success in this country. India is big but is India one whole piece of a homogeneous market? Are there different segments in India which have distinct behaviour patterns? India is young, but is young the only marketable population in India? If not, then aren't we missing a piece in the picture? Most of the marketing and advertising in India today is designed for the young mindset. When the entire country is being made to feel young, what's happening to those who are actually young?

The problem with India as a market is in many ways similar to the problem with India as a tourist attraction. A couple of years back, a global internet survey on India as a tourist destination discovered that the country had high awareness and appeal in most parts of the world. But most of the people who would have liked to come to India never got around making a plan. And the reason cited for this was the complexity that India posed. While India was attractive, it looked like one big piece of complexity from outside with no visible handles into how to get in, where to move around and when to get out. India as a market of one billion plus looks similar, attractive but complex. With no direct handles

into feasible segments, and little knowledge beyond big, young and growing.

Its not that attempts at segmenting India opportunity into smaller bits have not been made. Several segmentation approaches have been propounded and many studies have been conducted by marketers, research and advertising agencies alike to find the different marketable segments in India. But rather than solving the problem of complexity, most of these segmentation methods end up adding to complexity. Segmentation approaches based on the belief that there are many Indias in one India suggest several permutations and combinations leading to infinite consumer segments. Other research bunches people into segments based on a certain pattern in their reported behavior. This doesn't really tell you whether the different behaviour patterns are from different people or the same people at different times and moods. Most segmentation approaches thus either hyper segment India or manufacture segments that belong more to PowerPoint presentations than the real world.

The value of India as a market is still in its mass nature. Hyper-segmenting India is like defeating the very nature of its opportunity. Is there a way to segment India that unlocks larger opportunity than slicing thin what we already know? That unveils what lies beyond the big, young and growing India, while at the same time giving us easier handles into this big pie, handles that are real and sizable? This paper aims to propose a segmentation of India which splits the big India opportunity into real yet feasible segments, and in its course unveils potential beyond what's currently visible.

MAINSTREAM MYOPIA

The flavour of India today is young. Every brand and business in the country is asking itself a question – are we profiled right for the young India? Those who realize they aren't are quickly signing up for brand makeovers. No wonder, many an advertising agency brief of late has been from an old, fuddy-duddy brand seeking a transformation into someone young, energetic and contemporary. A live example is that of public sector banks, at least three of whom (State Bank of India, Bank of Baroda and Canara Bank) have attempted to add youthfulness to their brand personality in the last year.

The advertising landscape in India today is predominantly made up of young faces, with the elder generation either weaned out or playing a support cast at best. Ask any media planner in the country and he will tell you that age 25 - 45 years is the most universal target audience definition for the mainstream brands that he works with. If we could take advertising and brand targeting as a serious indicator of the demographic spread of India, we would safely conclude that everybody in India is either 25 or 45 years or somewhere in between.

A look at the demographics of the country, however, bursts this myth. According to the Indian Readership Survey 2007, there are about 159 million people in India in the age bracket of 45 and above years of which 24 million live in urban areas and belong to the top three socio economic classes (SEC A, B and C). This then appears to be a segment which has both size and potential and can by no means be dismissed. Our single-minded focus on the 25-45 age group, however, has meant that the 45 and above age group never is addressed with any seriousness. This gives rise to several questions. Is there a market at the higher end of the age spectrum in India which is ignored? Does everything in India need to be young? Are we actually working with an incomplete picture of the market?

The picture, however, looks incomplete at the other end of the age spectrum as well. This is because the idea of young in India seems to be a continuous one. The target audience definition of most brands claiming to

appeal to young India starts at 25 and ends at 45 years. '40 is the new 20' has been making headlines in the lifestyle sections of leading Indian dailies and magazines. While this is certainly good news for those in the 40s, what about the 500 million Indians who are below the age of 25 years? In the broad stroke of 25 - 45 and making everybody feel young, the real youth in India are squeezed. There is reason to believe that the mindset and needs of those below 25 years will be remarkably distinct from those around 45 years, especially since the times in which the two age groups have grown up are so different culturally. Considering that there are 195 million individuals between 15 - 25 years of which 27 million live in urban areas and belong to the top three socio economic classes (SEC A, B and C), are we missing out another significant segment of the market? Is there a potential segment in India between 15 - 25 years of age? Are we doing enough to leverage this?

The issue of segmentation in India suffers from a 'mainstream myopia', where the only visible consumer segment to most marketing eyes is 25 - 45 years. While this certainly is the most significant and perhaps most profitable segment in the country, not all market opportunities begin and end at this median age bracket. There seems to be a tunnel vision driving most advertising and marketing targeting in India today. We seem to be chasing the young mindset but forgetting the youth. And in our zest for youthfulness, we have pretended that the older segments and mindsets do not exist, regardless whether their numbers and their pockets both point towards a profitable segment. This paper proposes a new set of segmentation lenses that attempts to correct this myopic vision.

THE ANALYTICAL APPROACH

The study included but was not confined to regular consumer interactions in the form of focus group discussions and in-depth interviews. It followed an analytical approach, which meant looking at everyday, unconscious behaviour and inferring the underlying pattern behind these 'behaviour scraps'. Interpreting popular culture such as blockbuster cinema, street

fashion and music, newspaper headlines, cultural role models, and popular television programs also provided useful insights. The analysis comprised observations, secondary research and was backed up by Bates Change Point Panels, our expert panels drawn from distinct fields of the society including business, journalism, sociology, marketing and popular culture. The 'Change Diary' that captures symbols of change in the society is an ongoing effort that opened new areas of inquiry.

A NEW BASIS OF SEGMENTING INDIA

Epochal events shape the mindset of a nation and its people. This paper proposes to use such epochal socio-cultural events as the variables of segmentation. Two such epochal events have impacted India and the way it thinks in a big way. The first one is the political independence of the country in the late 1940s which also led to a rather painful partition of India into two countries, namely India and Pakistan. The second epochal event was the economic liberalization of India which even more important than opening up the Indian economy has opened up the minds of Indians.

The political independence of India though attained after much struggle turned out to be a mixed bag. On one hand, independence brought an implicit promise of a brighter future. It kindled hopes of employment, prosperity and other fruits of self governance. But the joy of independence brought with it sorrows of separation. Partition meant destabilization for many people who had to leave well settled lives overnight and move to a new country, a new land, becoming "refugees" in their own country.

Those unsettled by partition worked hard to rebuild their lives but in the process grew inherently suspicious of their future and destiny. Unfortunately even the hopes born of the political independence of the country remained just that – hopes. Generations of Indians post-independence struggled with unemployment, scarcity and a system that failed them in every way. Faced with hardships and obstacles, they grew up trying to make more of the little that they had, finding a way where none existed and adjusting with whatever life had to offer.

Hurt by the onslaughts from outside, India as a nation too withdrew within. It tried following policies of self-sufficiency and *swadeshi* – promoting indigenous produce. The socialist school of thought influenced most of the economic policies. Politically, India followed a policy of non-alignment to either of the power blocs of the cold war. It played an active role in the Non Aligned Movement and tried to create regional co-operation through SAARC (South Asian Association for Regional Cooperation). Evidently, India as a nation and its people turned inward, learnt to hold back and increasingly became skeptical of the future in the decades that followed political independence.

The economic liberalization of India on the other hand opened up the otherwise closed India. By opening the doors of the Indian economy it made way for influences to not only come into India but for Indian ideas, talent and enterprise to reach out to the world. It brought with itself the opportunity for India to be a world player in the knowledge economy. Suddenly ability and not capital became the biggest currency in the country. As a result today, a nation and its people who had almost given themselves to their destiny are discovering that they can actually transform their being through the sheer dint of their ability.

The string of changes sparked off with the economic reforms is leading to a deeper socio-cultural transformation of India. Never before has change of this quantum hit this nation and its people in such a short period of time. This makes the current times in India and its current generations very special. The change impetus is molding different generations in different ways. The central age group, for instance, is busy making the best of the new world of shining opportunities that have opened up, while trying to balance it with the yesterday that they were born in. The younger generation of today, on the other hand, is born in the times of abundance. They are in no way bound by history as are their parents. Their only allegiance is to today and by consequence, to themselves.

The political independence/partition of India and the economic liberalization of the country have shaped

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the people of their times in their own unique ways. These events have actually made impacts beyond their immediate spheres of influence. They have almost shaped the mindsets of the generations that grew around these times. Generations bound by them not only have their own distinct worldviews but also consumption patterns. Using political independence/partition and economic liberalization as two epochal events, this paper proposes that indeed there are only three real segments in India.

INDIA – A MÉLANGE OF THREE MINDSETS

This paper proposes that based on what age these events of critical influence caught them at, India today can be segmented into three key mindsets – the Partition’s Generation (those born to the times of political independence/partition), the Transition Generation (those born to the times of economic liberalization), and the No-Strings Generation (those born to the times of affluence and post economic liberalization). India today is a unique mélange of these three generations and hence these three mindsets (see figure 1).

The Partition’s Generation who are today in the age group of 45 - 64 years were around 5.5 years of median age during the political independence/partition which happened in 1947. They have a population of 159 million in India today. Of these, 24 million live in urban India and belong to the top three socio economic classes (SEC A, B and C). Cut off by the top 35 cities and top three

socio economic classes, they number 13.2 million. The Transition Generation is 25 - 44 years old, with a median age of 18.5 years when India liberalized its economy in 1991. This meant that they were at the peak of the changes that economic liberalization brought to India. They have a population of 333 million in India today. Of these, 50 million live in urban India and belong to the top three socio economic classes (SEC A, B and C). Cut off by the top 35 cities and top three socio economic classes, they number 25.9 million. The No-Strings Generation is in the age group of 15 - 24 years in today’s India; they were born in a liberalized India to relatively more affluent parents and in more optimistic times. They have a population of 195 million in India today. Of these, 27 million live in urban India and belong to the top three socio economic classes (SEC A, B and C). Cut off by the top 35 cities and top three socio economic classes, they number 13.6 million.

POTENTIAL AT TWO ENDS OF THE FUNNEL

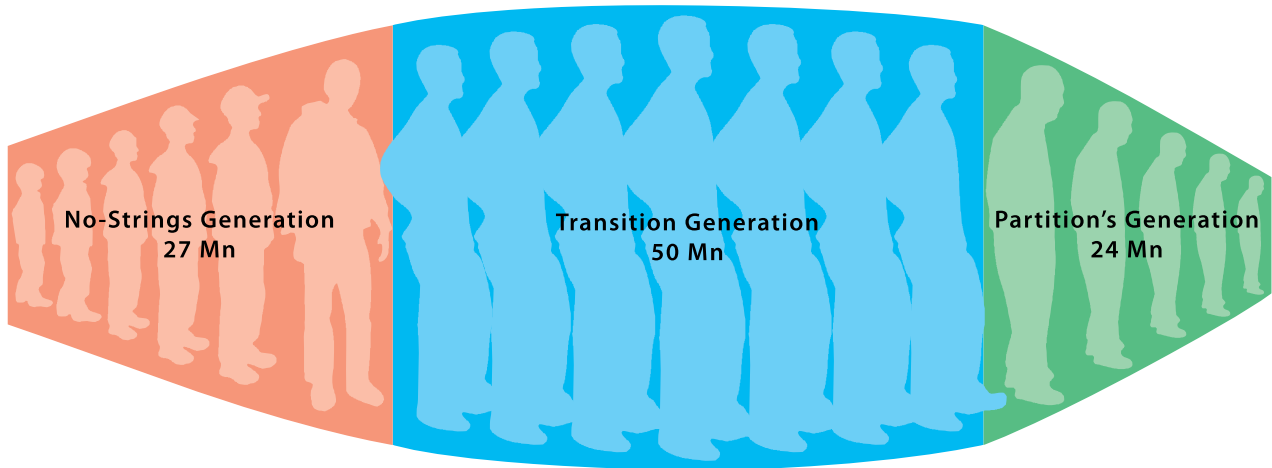
With about 24 million above the age of 45 years in urban India and belonging to the top three socio economic classes and 27 million below 25 years, there is certainly more potential at both ends of the age funnel than is currently leveraged with the 25 to 45 age focus. This potential at both ends of the age funnel seems hidden from marketing eyes. The need is to pull back and be able to see the full picture. There are three Indias in this India, three generations in this one big market.

**FIGURE 1
PROPOSED MINDSET SEGMENTATION OF INDIA**

Segments	Age In 2007 (Years)	Median Age At Liberalization (1991)	Population (Mn)* All India	Population (Mn)* All India Urban; SEC A, B, C
Partition’s Generation	45 - 64	38.5	159	24
Transition Generation	25 - 44	18.5	333	50
No-Strings Generation	15 - 24	3.5	195	27

*Source: Indian Readership Survey 2007, SEC is the socio economic classification of India which classifies its population basis education and occupation parameters.

FIGURE 2
POTENTIAL AT TWO ENDS OF THE AGE FUNNEL



*SEC A, B, C; All India Urban; IRS 2007

Understanding this unique mix that India is today has implications on business targeting, brand propositions and language as well as product innovation pipelines (see figure 2).

It is true that India is changing and it's doing so at a fast pace, both in economic as well as social terms. It's also true that the overall flavor of the market is young and dynamic. But we cannot be unmindful of the different segments of the consumer population and where they come from. Because depending on where they come from, they are responding differently to the change stimulus. The three segments outlined above have their own distinctive worldviews and mindsets, and so are their consumption patterns and expectations from brands and products. This paper examines in detail what drives the worldview of each of these segments and how it impacts their behavior pattern when it comes to consumption.

PARTITION'S GENERATION - CAUTIOUS OPENING UP

Manoj Kumar, a veteran Bollywood actor of the 1960s and 1970s was in news recently for mixed reasons. One was a reason to celebrate as he was felicitated with a lifetime achievement award at the 14th Annual

Star Screen Award function. The other turned out to be a controversy as he had been caricatured in a recent Bollywood blockbuster film *Om Shanti Om* and felt quite upset about it.

Manoj Kumar, it's important to understand, made a respectable name for himself as Mr. *Bharat* (*Bharat* is the Hindi term for India), starring in and directing films that were a commentary on the struggle of an everyday common man in the post-independence India. One of his biggest hits, *Roti Kapda Aur Makaan* (Food, Clothing and Shelter), dealt with the turmoil of a middle class Indian caught between principles and poverty on one side and a system flourishing in corruption on the other. *Roti Kapda Aur Makaan* embodied the struggle of the Partition's Generation for whom the independence dream failed to bring the promised land of prosperity. The movie was the highest grosser of the year 1974.

Manoj Kumar is the hero who epitomizes the principled patriotism of the Partition's Generation. It's rather strange that a Bollywood blockbuster movie made in late 21st century India scoffed at the demeanor of this actor and everybody took it in jest till the actor himself took offence to it. Not that *Om Shanti Om*, which is actually a spoof on Bollywood and is replete with self-referential jokes,

did so deliberately. But this is perhaps a classic case of contrast between the three generations. At one end is the Partition's Generation, who lived all their life to create and command a certain sense of 'respect' from society. In the middle is the Transition Generation which sat in the jury of the Star Screen Awards and decided to honour what this veteran actor had done for India and its middle class through his movies. And at the other extreme is the No-Strings Generation for whom *Om Shanti Om* is just a *masala* movie – a spiced up entertainer, giving them light-hearted fun. Certainly not something anyone should take offence at, should they?

There are four key themes that amplify the worldview and consumption behaviour of the Partition's Generation. This section details them and their implications for brands and businesses.

Held Back But Not Holding Back

The Partition is in many ways a generation which is unable to fully shed its baggage. The struggle with scarcity, the pain of separating from a well-built life and the failure of the independence dream has scarred them for life. They witnessed a gradual moral degradation in public life as people in power grew prosperous through not so proper use of it. At a personal level too they feel a sense of loss as there was never a definitive life plan that they worked with. As they said in one of our interactions "we had no goals, we just studied and passed examinations in the hope that we will get a job, stand up on our feet and be able to support our family".

This has set in them an inherent suspicion of the system and the destiny, a fear that something will go wrong, something will give way. The shadow of history thus holds back their lives. This is the generation which in family discussions in their living rooms today questions the role of an MNC like Frito Lays in setting up potato chips factories in India. They fail to understand why we need foreign support in something as banal as potato chips which every household can roll in its kitchen. At a certain level this is a generation which is skeptical of many things of today, such as niche careers, independence of women, postponed marriages, meteoric career

growth and government's personal interest in increasing privatization. As one of our Partition's Generations' put it "I don't know what these girls of today are trying to prove by smoking cigarettes in front of us?"

They have realized, however, that some changes are better accepted than resisted. "If you will not bend, you will get blown away" is what one of them said. There is also a seduction of the change and a desire to participate in it. And as Sheilu Sreenivasn, founder president of the Dignity Foundation, noted in a *Times of India* article titled "Life Begins At 60" (published 10 February 2008), "Having spent the better part of their lives fulfilling their responsibilities towards parents and children, it is now time to turn their attention to themselves. For a generation that saved wisely, finances are not an issue either."

One of the big areas of spending for this generation is vacations, which includes trips to religious as well as exotic places. According to Kesari Tours, of the 50,000 people who traveled with them last year, 9,000 were above the age of 50. Kesari incidentally runs a special tour for elders called 'Second Innings'. The other big area of growth is lead by housing that's being developed with sensitivity to the needs of this generation. LIC Care Homes have planned a model retirement village for the financially sound. These are designed to be self-contained units with a central kitchen, low-jerk elevators, and wheel-chair enabled bathrooms. There is a provision that the leased property can be passed on to a nominee on the death of the resident. Whether forced by circumstances or seduced by it, this generation is gradually opening up to many of the new influences of today's India – be it the computer as a work tool or eating out as a family requirement. Their opening up, however, is a cautious one and more often than not it's a selective adaptation rather than an absolute adoption.

Desire for Permanence

In the world of Partition's Generation, things are for keeps, whether its relationships, investments, furniture, cars or moral values. They confess to an undiluted commitment to their rituals and traditions – "we do it exactly the same way that we used to do it" said

one of the Partition's Generation in our interactions. N. R. Narayana Murthy, the founder member of Infosys, spoke at Wharton's MBA commencement in 2001. In his personal advice he exhorted graduates to be trustworthy, create a support system in their families, live with dignity and strive to make a difference to their society. Its remarkable how Narayan Murthy, who has built a world class organization in the ever-changing digital space, champions the permanence of this value system for himself and others.

Nothing illustrates the desire for permanence of this generation better than the UTI fiasco in the early years of this decade. UTI is an asset management company with public ownership, making it quasi government owned. UTI's US-64 scheme was probably the most popular mutual fund amongst small Indian investors, with many of them putting all their lifetime savings including their retirement funds in the scheme. That was till 2001, when the scheme ran into some financial trouble and transactions had to be frozen. There is, however, no big surprise in a mutual fund scheme running into trouble, the bigger surprise was the dismay and non-acceptance of its investors, who protested that it was a fund owned by the government. And how can the Net Asset Value of a government owned fund erode?

Their experience with the instability of life and unpredictability of tomorrow has made the Partition's Generation seek stability in every aspect of life. They are the ones who are still pushing their children to uphold the traditional institutions like marriage. Visit any cyber café and you will find many fathers and mothers of this generation checking out matrimonial sites like simplymarry.com and bharatmatrimony.com, looking for a suitable alliance for their children. The Partition's Generation still has a high regard for traditional, stable brands like Tatas, Birlas and SBI. They park their money in the government run Public Provident Fund and Bank Fixed Deposits and are major contributors emotionally and sometimes monetarily in the average 32 year old buying a house on loan. The Partition's Generation in India thus act as an anchor for values of stability, security and long-term perspective, whether in consumption or in the culture.

High Regard for Functionality

Partition's Generation have a clear preference of substance over style. Packaging for them is exactly that – packaging, which is more often than not there to make up for the lack of substance in what's packed inside. This is the segment for which brands are more an assurance of quality and durability than expression and meaning. Partition's Generation thus consumes categories rather than brands. Within categories, however, they will seek brands that give them the best value and an assurance of good quality.

An interesting example is what can be called the '*Kakaji Namkeen*' phenomenon. *Kakaji Namkeen* is the local brand of wafers and other Indian snacks. For the same price of say Rs.10, *Kakaji Namkeen* always packs in at least 50 grams more of whatever you are buying versus its MNC counterparts like Frito Lays. Needless to say, *Kakaji Namkeen* is a bigger hit in most of these households who are concerned more with the functional value of the product rather than the imagery of Lays. Brands like *Kakaji Namkeen* sit exactly at the cusp being a commodity and a brand. They carry enough assurance of quality and quantity to consistently meet consumer expectations. At the same time they spend very little in advertising and promotion to build any imagery. They feed on the imagery created by the leader brand in the category. They are 'access brands' that let millions of people participate in these high image categories at value prices.

There are many players like *Kakaji Namkeens* in various parts of the country and across categories, who are feeding on this mindset by providing value substitutes to rather expensive looking brands in the same category. Many an MNC brand in the country today is feeling the heat of these branded substitutes. Whether it's Maxo against Mortein in the mosquito repellent category, Priya Gold against Britannia in biscuits, Nima Rose against Lux in soaps or Action against Nike in shoes, they are all fuelling this need for functionality and have a large number of takers from the Partition's Generation. Clearly so, the Partition's Generation is opening up to the new avenues of consumption but they are more often than

not driven by the functional value of the category than the emotional imagery of the brand.

Community as a Propellant

When asked to point out the key values that they lived by, the Partition's Generation spoke fondly about 'creating a respect' for them in the society. This theme came out with surprising consistency and passion across our interactions with them. As it appears, community for this generation is both what they live with and in comparison to. For instance, social status or show off is a way of life for the Partition's Generation, especially in many areas of the North in and around Delhi. The truth is that most of these people had to start their lives from scratch as refugees post-partition. And as life progressed, so did the desire to signal to their community how far they have come from where they all started. Status or show-off, as it's popularly talked about, is nothing else but a marker of success for this generation.

Community for the Partition's Generation has been a big propellant in many cases. Take for example the several *Udipi* restaurants that line the roads of Mumbai, dishing our cheap yet delicious south Indian fare. The very concept of *Udipi* restaurants is born out of a community need. When hordes of people from the southern part of India came to a commercial town like Mumbai, they realized that while all of them worked through the day, they needed someone to cook food for them by the evening. This is how the concept of *Udipi* restaurants was born, deriving its name from the native town that most of these migrants came from. In Mumbai today, *Udipi* restaurants are a category by themselves and till today the community acts as a propellant for those working in the restaurant by supporting them with start up capital to branch out and open an *Udipi* joint of their own.

Community for the Partition's Generation has been the ultimate recourse for all kinds of recommendations or connections, in the government or outside it. Being able to mangle some *sifarish* or a personal word from a person of power to get things done is in fact a subject of much pride. The community continues to be a source

of opinion and recommendation on issues ranging from marriages to consumption. Unfortunately the concept of peer pressure has a very teenage connotation attached to it, but if there was a concept of 'community counsel', it would be the exact counterpart of peer pressure for the Partition's Generation. Views of people in the extended family and those around in the community are very critical for this segment. No wonder multi level marketing companies like Amway and Avon have made a big success of this connectedness in this generation. Several insurance businesses are also tapping into the community counsel appetite of this generation by appointing financial advisors from within them.

TRANSITION GENERATION – TO TOMORROW, WITH YESTERDAY

The last couple of years has brought in the season of remakes and remixes in the Indian cinema and the music scene. Never before have so many old Indian classics been remade at such grand scales, nor so many old songs remixed to become chartbusters. At the heart of it, these remakes and remixes have taken an old storyline or lyrics and rendered them with a lot of gloss and contemporariness. While the content is from the old times, the mood is that of today.

Devdas, a tragic story of a self-destructive hero and his unrequited love, was remade for the third time at the beginning of this decade. In this particular version a rather sad story of *Devdas* meandered through magnificent *havelis* (mansions), colorful costumes and choreographed dance sequences. This modern version of the tragic love story was told in a rather celebratory tone and evoked fewer emotions of pathos and tragedy than opulence and beauty. The glossy version of *Devdas* turned out to be a highly successful movie of its year, 2002.

The popular culture phenomenon of remakes and remixes exemplifies the state and the desires of the Transition Generation. As a generation brought up by the Partition's Generation, they have imbued in them all the values that their parents lived by. However, as a generation that was at its peak when economic

liberalization started to blow its winds of change, this generation has seen the world of opportunities open up right before their eyes. They are certainly craving to embrace the new but they do not wish to leave behind yesterday. Their desire is to sing the lyrics of yesterday to the tunes of today. The Transition Generation seeks to minimize the conflict of transition. They are the ones who want to fly high with their feet on the ground. They want to sail far with their anchors still on the shores. This desire for anchored adventurism guides the worldview and consumption behavior of the Transition Generation.

Here are some of their key life principles and their implications for brands and businesses.

Letting Go

Boogie Woogie, one of the longest running dance shows on Indian television, just ran an All India Mother's Dance competition. Perhaps for the first time in Indian history, middle class Indian housewives exchanged aprons for dancing shoes and competed on national television with their parents-in-laws clapping in the audience. India seems to be witnessing a kind of 'dance revolution'. Not only has the sheer number of television shows based on dance gone up dramatically, some of them have even managed to pull some serious celebrities like the national coach of the Indian hockey team from public life to the dance floor. Dance today has become an integral part of everyday life, and no party is complete without a DJ. Shaking a leg has never come so easy to Indians who have over a period of time mastered the art of being held back. One of the biggest differences that the Transition Generation has acquired over the Partition's Generation is this ability to shed inhibitions, to let go.

As a generation they are learning to be easy and pliant. The hierarchies and structures in their relationships are giving in. Whether it's the boss-subordinate relationship or father-son interaction, there are certainly many more high fives in this generation than previously. They are learning that it's ok to indulge sometimes and enjoyment is not exactly a sin. In many extended family households today where the Transition Generation lives together with the Partition's Generation, an implicit agreement seems

to be at work. It's fine today for them to consume alcohol or non-vegetarian food in their own room even though the earlier generation never consumed any of this for reasons related to religious faith or otherwise. They say where there is will, there is a way! This generation is certainly finding one.

While the Transition Generation is shedding its inhibitions socially, the impact is visible in their consumption behaviour as well. Letting go has meant that discretionary expenditures are getting an increasing share of their wallet. A KSA Technopak Survey of 2003, which tracked the age at which the maximum share of annual earnings is spent on a particular category, discovered 24 - 34 years to be the band at which 'eating out' as a category had its maximum share. A 2006 survey on India Luxury Trends done by the Knowledge Company discovered the average age of the Indian luxury consumer to be 36-37 years. Seduced by the new consumption avenues and supported by rising household income, the Transition Generation is clearly relishing the joys of consumption.

Beckoned by Buoyancy

The opportunity landscape for the Transition Generation couldn't be brighter. The economy in India is booming with the GDP predictions in the range of 8% - 9%. Most critical sectors have been opened up for foreign investment. Investments in infrastructure are in a high gear as well. All this has meant higher salaries, more job opportunities and faster growth for this segment.

The world has opened up for this generation in many ways. Life today has much more to offer in terms of options, choices and alternatives. From career options to brands within categories, the Transition Generation is seduced by the possibilities of what they can do and what they can become. There was a time when their parents waited for a year to get the delivery of a humble two-wheeler called a Bajaj scooter. Today, they are being chased everyday by all kinds of marketers of loans, credit cards and mobile phone services to become their customers. The Transition Generation seems to love the seduction and is learning rather fast to demand more of everything. Having seen the constraints that their parents

lived with, this generation wants to achieve everything that the Partition's Generation desired but could not get.

They are determined to better their life bit by bit. EMI (estimated monthly installment) is a godsend for them. From owning a house to buying a home theatre, EMI is making it possible for them to buy a new improved life every month. But life in the fast lane is not all smooth for the Transition Generation. With so much noise about the economy on the boom and astronomical salary figures being quoted in newspapers, they live with a constant anxiety of failure. They know that if they can't make it they will have nobody but themselves to blame. "No doubt life is becoming better, but so have the demands and we are always running short of resources to meet all of them" is what one of the Transition Generation's had to say in our interactions. Sell them success or sell them a fear of failure, the Transition Generation is lapping it all up for a better tomorrow if you have one to sell!

Reconciling the Dilemma of Change

The Transition Generation is embracing the new world that's opening up for them with open arms. But even as the doors of tomorrow are being flung open, they can hear the doors of tradition shut on them. Their desire, however, is not to leave behind the past in order to move ahead. They want to fertilize yesterday with the resources of today. They want to celebrate their festivals and tradition at a larger scale, with more lights, more colors and better clothes now that they can afford to do so.

"When I got married I told my wife that my mother does not keep well, since then she has taken good care of my mother and I am happy about this" is an anecdote that someone from the Transition Generation told us while talking about the nature of his relationship with his wife. For this generation, the relationships of today are entwined with those from yesterday. The desire for continuity, however, is not just with the past, but also with tomorrow. One of the key images that a Transition Generation group picked up to describe their life was that of a father-son duo giving shape to clay on a potter's wheel. This to them symbolized passing on values and nurturance that they got from their parents to the next generation.

In this dilemma of change, the market for repackaged tradition is booming in India. An interesting case here is the category of Chyawanprash, an Ayurvedic health supplement traditionally used for revitalizing health and youthfulness. From a category that became highly sluggish and was registering no growth, Chyawanprash has grown to the tune of 15% in value and volume terms in the year 2006-2007. Success has to be attributed to the efforts of brands like Dabur who took a fresh look at its proposition and positioned this traditional immunity potion as an antidote to modern day stress. The modern day version of Dabur Chyawanprash packs in the same goodness of tradition but in much glossier jars and is now also available in chocolate flavour for kids.

In its fear of losing out on the goodness of tradition, the Transition Generation is lapping up every bit of it. Just make it in a modern, glossy format. No wonder, 'sexy Ayurveda' is emerging as a big segment in India whether it's toiletries like soaps and shampoos or services like massage therapies and spas. If the market for repackaged tradition is growing, would Indian weddings be left far behind? An article published in Time magazine in February 2006 reported extensively on the desire of this generation to celebrate their weddings bigger and better and estimated the size of the Indian wedding market at \$10 billion. But nothing epitomizes the success of repackaged tradition better than Fabindia. Founded in 1960 by John Bissell as a showcase of India's craft and handloom traditions, Fabindia cuts the handloom woven by local craftsmen into many things fashionable including wrap-a-rounds for women and short shirts for men. The brand is an icon of 'Indian cool' and has gone from strength to strength. According to the *Hindu Business Line*, March 2007, Fabindia has already reached a turnover of Rs. 1.4 billion and an expanse of 56 outlets in 26 cities.

Credit/Debit Living

Sandwiched always between two worlds, the Transition Generation lives its life in a credit/debit mode. They are caught in a constant battle of balancing the yin and the yang of everything, trying to reconcile the opposites that govern their lives. There is often a conflict in their life

between say choosing career growth and moving out of the home town versus settling for not so hot a career option and staying with parents, or between marrying a girl of their choice versus worrying about how good a daughter-in-law she will turn out to be. Between giving in to consumption desires of shopping, entertainment, eating out and then worrying about a depleting bank balance.

A large part of the behavior of the Transition Generation is therefore compensatory in nature – compensating for the debits in life with an equivalent credit or vice versa. For every vacation to an exotic location, one trip is planned to their home town. This is their way of ensuring that the next generation gets to experience time with cousins and the extended family. “We used to have so much fun in outdoor activities like playing cricket and flying kites, visiting relatives and celebrating festivals like *Diwali* with them; today’s kids just live with the TV and the computer” said one of them while underlining the need for trips to the home town. The debit/credit principle is used extensively by the Transition Generation mothers who feel that feeding traditional food is akin to transferring traditions, “we allow them to eat fast food like burgers and pizza in the evening to the extent that they agree to eat *roti* and *dal* (traditional platters of Indian bread and pulses) at dinner.

The market for guilt and its compensation is thus becoming big amongst the Transition Generation. *Taare Zameen Par*, a Bollywood movie based on a child with special needs, released this Christmas. The film carries a message for today’s parents to be more sensitive to their children and not transfer their own pressures onto the little ones. The movie had its viewers walk out of the theatre with moist eyes, men and women alike. Blame it on one of the songs of the movie titled *maa* (mom) which is a child’s narration of his insecurities to his mother when she leaves him alone. To a generation living with the guilt of not bringing up their children the way their parents did, this song scraps up guilt from all corners of their heart. Obviously, the film is a mega hit, so is the song and the lyricist.

You can use credit/debit to sell anything to the Transition Generation, heart-friendly cooking oil (Safolla from Marico), soaps and shampoos with no side effects, holiday packages as time with family, credit cards and loans as giving back to parents (MasterCard Gold in India), or anything else that ties in a little bit of goodness with a little bit of indulgence – pediatric medicines with chocolate flavour maybe?

NO-STRINGS GENERATION – LIFE UNBOUND

Comedy was hardly a genre in Bollywood ever. There were comedians alright and comedy was certainly a part of the multiple courses of emotions that any Indian movie was woven around, but seldom did you have cinema whose mainstay was time-pass entertainment or cinema which was purposefully thin in storyline so that it sat light and made room for enough jokes to be cracked and songs to be performed. But then ‘having fun’ was never one of the values that any Indian generation lived by either!

In our contacts with the No-Strings Generation, while probing for the key values by which they lived, ‘having fun’ came up in various ways and words. There certainly is immense clarity in this generation that life is about fun (of course amongst other things) and when it comes to that there is nothing cerebral about it. No wonder time-pass entertainment and comedy have become genres by themselves in today’s Bollywood. Actors like Ritesh Deshmukh and Arshad Warsi, directors like Priyadarshan and David Dhawan and movies like *Dhamaal* and *Partner* are the most successful performers at the box office today, because they are the ones who can deliver two and half hours of pure fun.

Just as the movies they like, the No-Strings Generation wears life rather easy on their sleeves. Their equation with life is certainly more transactional and self-centered. In contrast to the Partition’s Generation, who are held back by history in many ways, and the Transition Generation, who wish to balance every debit with an equivalent credit, the No-Strings Generation has allegiance only to itself. This clarity of purpose has made many decisions perhaps much easier for them and their

value system more sensitive to their personal needs. As one of them put it during our interactions “we believe in being honest, but only to ourselves”. Going by their name, the No-Strings Generation are unbound in the true sense of the word.

So what are the key life principles that the No-Strings Generation lives by and what do they mean for brands and businesses? Let’s have a read.

Thriving on Discontinuity

Unlike the Partition’s Generation, who seek stability in everything from jobs to relationships to brands, the No-Strings Generation thrives on discontinuity and finds stability boring. While it cannot be denied that this is certainly a function of their current age, but all indicators show that as a generation they have a much higher experimentation index in life. A world view which looks at life as a series of experiences means that this generation is always on the move: from one relationship to another, from one job to another and from one career to another. No wonder BPO (Business Process Outsourcing) as a sector which predominantly employs a younger population has an average attrition rate of about 30% according to various industry estimates.

This is a generation which ranks almost everything in life on a linear scale of boring and not boring. As one of the No-Strings Generation’s put it in our interactions, “you can’t have the same food everyday, can you?” He was commenting on the stability of their romantic relationships. Multiplicity of relationships amongst younger people is certainly not a new thing in the history of India or mankind for that matter, but a decade earlier you could not expect such a statement being made so openly in a group. The focus on ‘I me myself’ has meant that this generation finds it easy to cut off and move on, which the Partitions’ and the Transition Generation never managed to.

Brands would therefore do better by factoring in the need for variety and multiplicity of experiences for this segment. This doesn’t in any way mean that the concept of brand loyalty doesn’t exist with them. What it does mean is that we would be wise to keep the expiry dates

of our ideas shorter and continuously strive to move them from one product experience to another. What this also means is that the market for adventure services and new interests is ripening in India. Shaimak Davar Institute of Performing Arts (SDIPA), which started in 1992 with just two centers in Mumbai, has grown to a presence in 12 Indian cities. The desire for discontinuity is not limited to acquiring lateral talents. It’s impacting this generation’s choice of other things as well, including a career. Ali Khwaja, a career counselor quoted in *Technopak Education Outlook* (October 2007), comments on the rising popularity of offbeat career choices like retail design: “Five years ago, there weren’t even 10 queries about this subject. Today, I have at least 200 students inquiring about growth opportunities in retail design”. The challenge, for a generation looking to explore more in life, for whom normal is boring, is how can we constantly create new experiences and new ways to old experiences?

Retrieving Self Space

Pop star Shakira performed in Mumbai in March 2007. While there isn’t much data available on the profile of people who attended the concert, people who managed to attend described the average age of attendees as 45 year old. Certainly youth and music know no age boundaries, but for a concert of a teenage and youth icon like her, the average age of 45 years is a bit of a shock. Well not exactly so, when you find out that the tickets to this teen idol’s show were priced upwards of Rs. 2,650 making it not so affordable for those who perhaps deserved to be there.

The youth in today’s India are feeling a bit of a squeeze. 40 is the new 20 has meant that the 20s have nowhere to go. A rather young feeling Transition Generation that’s learning to let go and is empowered by rising affluence means that it ends up encroaching the space that many times belongs to the youth. Everybody from 15 to 45 years in India today is being seen with the same brands and at the same places. Whether it’s a pair of Levi’s, a casual café, a pop show or a cool tattoo, nothing is today good enough a marker of the youth. There is nothing that helps them exclude themselves from the rest.

The No-Strings Generation is seeking to retrieve their space. But their way to do so is more through clever manipulation and negotiation rather than direct rebellion. The idea is to find a way around things rather than against them, managing the system rather than overthrowing it. Brands, products and services that focus especially on the needs of this generation and help them retrieve their space in this unique clever way are much in need. Candy brands like Mentos (Perfetti Van Melle) have tried to tap into this innate inventiveness of this generation, the thought however is limited to the advertising proposition.

There are several categories that are placed just right to help the No-Strings Generation retrieve their space. Critical amongst them is the mobile category, which is today becoming the first symbol of their 'coming of age'. No wonder the youth market for mobile phones is growing at 300% as per a global study conducted by leading mobile phone maker Nokia. On a similar path is the cell phone gaming market which according to a KSA Technopak Study of October 2007 is expected to expand from Rs. 400 crores to Rs. 2000 crores by 2010. There are other categories waiting to be opened up. What this generation is seeking is a bit of space, for a brand to endorse their principles and behavior as legitimate by participating with the same principles and behavior. Wanted: partners in crime, are you willing?

Unchecked Optimism

Optimism is a wind that's blowing across India at this point in time. But the sense of optimism in the No-Strings Generation is quite different from the Transition Generation. The confidence or buoyancy of this generation is un-calibrated in its magnitude and un-held back by its origins. The middle class rooted-ness which calibrates the ambitions of the Transition Generation doesn't seem to affect this generation. They want to fly high and they want to have nothing to do with how far they have come from the ground, for they have no fear of falling.

In *Bunty Aur Babli*, which was a mainstream Bollywood blockbuster a couple of years ago, there is a scene

between the modest father who has worked all his life as a clerk with Indian Railways and the ambitious son who refuses to go for an interview for the same job. In the argument that follows, the father who is flummoxed at the son's refusal quizzes him, "so do you think you will become Birla, Tata or Ambani (the rich industrialists of India)?" and the son replies back with a straight confidence, "why not, those guys did not fall from the sky; they also grew up in our kind of environments". 'Sky is the limit' is not a proverb for this generation, it's a belief. Obviously, entrepreneurship and being able to do your own thing a few years down the line is a big theme amongst the No-Strings Generation. Most of them will eloquently share with you their plans of how they want to work for a few years, get relevant experience and start their own stuff.

A sense of optimism with an infinite depth certainly means that this is a generation that spends more easily than say the Partition's Generation does. And this optimism is not unfounded as it is supported at least partially by an impressive earning potential. A *Business-world* article of February 2008 estimates the purchasing power of the No-Strings generation employed with just the BPO firms in India. According to Nasscom (the trade body and the chamber of commerce of the IT industry in India), the BPO sector employed 245,500 people in 2003-04. Assuming 90% of this workforce is below the age of 25 years and earns Rs. 10,000 a month on an average, it puts their purchasing power to no less than 22 billion in India rupees annually. YouSumerism, a report on the Indian youth by Ernst & Young Retail Advisory Group, labels the 13-21 year olds as Dabblers. The Ernst & Young report presents an equally encouraging spending pattern. According to this study, the Dabblers in metros spend Rs. 4,000 - 5,000 per month on lifestyle products while their country cousins spend Rs. 1,500 - Rs. 3000 per month.

Life being too good for this segment worries many marketing and advertising people. What can brands and businesses do for a generation which has everything that it needs? Brands and businesses have two kinds of roles for this generation. One is to place an equivalent

faith in their dreams and their confidence in achieving it, by celebrating it in the brand propositions. The other is to devise products and services that help them cover the distance between their dreams and making them a reality. The several talent shows on Indian television today are doing exactly that, giving this generation a shot at passion, fame and fortune, all three in one go. No wonder reality talent shows are a big hit amongst this segment. Another example here is of *Kota in Rajasthan* which has created a full industry of coaching students for entrance examinations to enter some of the most prestigious engineering and medical institutes in India. *Kota* is an industry that's leveraging the unchecked optimism of the No-Strings Generation. It's helping them cover the distance and turn their dreams of becoming a doctor or an engineer into a reality.

Bad is the New Good

Times Life, *Times of India's* weekend supplement on lifestyle trends, carried a feature titled 'Bad is the new good' on December 30, 2007. The article brought to fore something that's been happening in the society for some time. The fact that the line between what's good and what's bad, what's acceptable and what's not is blurring for the younger generation of today's India. In a four city poll conducted by the national daily in the age group 16 - 25 years, 74% insisted that good or bad is their personal choice, not a matter to be decided by society or anybody else. "If you can't scoop out cream with a straight finger, there is no harm in using a crooked one" is how someone from the No-Strings Generation encapsulated their philosophy in life in one of our contacts.

In contrast to the clear set of do's and don'ts that the other two generations live by, morality for this generation is context sensitive. This is primarily because while morality was earlier defined with respect to what's socially acceptable, the definition of morality today is what works with me. The locus around which good or bad was measured has moved from outside to inside us. An unprecedented focus on self, combined with the desires of a discontinuous life have made the straight jacketed ways of yesterday redundant. The idea today is to find a way around things so that you can get what

you really want. Small shortcuts are therefore ok, some clever maneuvering is almost essential.

The No-Strings generation certainly has a more transactional and practical view of the world than the other two generations. "We don't want to be serious about our relationships as this is our time to focus on our careers" said one of them in our contacts. "Honesty and hard work by themselves are not good enough in today's world, you need to be smart and diplomatic to get your work done", added another. In these times of blurring boundaries, one of the biggest challenges for brands is to realize that a personality whitewashed with goodness is not what the No-Strings Generation identifies with. A little dash of mischief, a hint of manipulation in the characters and the brands makes them so much more real for this segment. No wonder, today is the time of anti-heroes in India. Take a look at the mischievous smile of Akshay Kumar, the most favorite Bollywood actor of this generation, and you will know what 'bad is the new good' means to them.

CONCLUSION

There is potential at the two ends of the age funnel in India, certainly much more than what we are cumulatively tapping right now. And as it appears from this analysis, this potential is not only significant but also distinct from the mainstream that we have been focusing on. India is not just young, it's also older and younger. The big Indian opportunity is actually not one monolith but three distinct segments with their own world views and consumption needs. And there are all the real reasons for these three segments to believe and behave differently as their driving influences are so very different (see figure 3).

It's not unnatural for markets and marketers to suffer from a mainstream myopia. There is always safety in numbers and doing what everybody is doing. But time and again markets have also woken up to realize that there's potential beyond the mainstream which is not essentially niche. Take for example the idea of 'the fortune at the bottom of the pyramid' first unveiled by CK Prahlad, which is now beginning to bear fruits. The

FIGURE 3
THREE SEGMENTS AND THEIR KEY LIFE THEMES

Segments (Years)	Partition's Generation 45 - 64	Transitions Generation 25 - 44	No-Strings Generation 15 - 24
Life Themes	Held back, but not holding back	Letting go	Thriving on discontinuity
	Desire for permanence	Beckoned by buoyancy	Retrieving self space
	High regard for functionality	Reconciling the dilemma of change	Unchecked optimism
	Community as a propellant	Credit/Debit living	Bad is the new good

bottom of the pyramid opportunity has just found its first tangible shape in Nano, a car for the masses designed by Tata Motors in India to retail at 100,000 Indian rupees. Suddenly there is a spurt in marketers who have come alive to this opportunity and have announced their plans to tap this segment. The fortune at the bottom of the market is on its way to becoming a reality.

The cultural mélange that India is today, of three distinct generations and thereby three different world views, is a function of our special times. These segments are not just about splitting a given population into certain age groups. These segments happen to exist because certain defining cultural events took place which conditioned the world view and thinking of these generations in three distinct patterns. It's important to know therefore that this is the composition of the Indian market at this point in time. And while it's not something which is going to change dramatically in the frame of plus or minus ten years, it will certainly be a different picture at a slightly distant point in the future. Hence as marketers if we have our eyes shielded from the width of the opportunity that India offers today we are missing out on something that's live and ready and is perhaps a limited period offer.

As marketers and business opportunists we must ask ourselves the question – are we suffering from a mainstream myopia? Are we leveraging the potential that

India has to offer in its totality? These questions will not only lead us to new opportunities but also to new ways of handling old opportunities. For instance is there a scope for brands in India that target only the No-Strings generation, perhaps to the exclusion of everyone else? What's going to be the business model for such a brand? How would we deliver discontinuity to this segment in product, pricing and service? What about the education market in India? What about fashion brands only for the youth? What about a chain of dating restaurants? Would a business house want to enter these highly profitable segments in an organized way, just as they decide to enter the insurance category or FMCG for that matter?

Similarly, do all banks need to look young and technological? In the market where cold efficacy is replacing warm service and smiling tellers are directing you to Automatic Telling Machines (ATM), should the biggest bank in the country run an advertising campaign about its surprising facts and figures or the warmth of its tea? Does the large part of the market in Transition Generation and the Partition's Generation prefer technological coldness to personal warmth? Also when everybody from Olay to Garnier to Ponds' is selling anti-ageing to 30 year olds, is there a market for helping the older beauties look younger? More than that, is there room for a range of personal grooming products specially designed for the needs of an aged skin? The list

of questions and thereby opportunities is long and self generating. The bigger question, however, is do we want to spread our wings and look wider? Are we willing to let go of our baggage and open ourselves to the new? Do we look at this opportunity and behave like the No-Strings and say let's leap or we look at it and behave like the Partition's and say let me think?

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