

India' s

EMERGING

Middle Class

**CEO Roundtable
Shivakumar, Nokia
8 th December 2007**

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**For every fact about the
economy, there is an equal and
important counter fact .
Important how you read it !**

Our GDP growth is 8 pc plus, our unemployment is also at a similar number, inflation at the start of 2007 was around 8 pc. The Government budget deficit is 7 pc.

India is a young country, 47 pc of the population is below 20 yrs of age. Equally we have 70 mln people aged above 60.

**India has 23 dollar
billionaires in the Forbes
500 list. We also have 81 pc
of the population living
under 2 dollars a day.**

India has 20 of the 30 top fastest growing cities in the world. We however do not have even one city in the top 50 cities to live in , in terms of quality of life.

India is an **IT superpower**, yet,
half the population **hasn't heard**
the ringtone of a phone, most of
them have seen a phone in a
movie.

India GDP.

The first Trillion took
61 years , the second
trillion will take 8 years

**The second
trillion will be
about
consumption**

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**Everyone has been
waiting for the Indian
middle class to
emerge for the last
20 years.**

**Definitions and
numbers about the
Indian middle Class
have confused and
confronted everyone.**

NCAER definition : Those earning between \$ 4000 to \$ 21,000 per annum. (Originally Rs 2 to Rs 10 lacs)

This definition gives us **60 Million** people.

CNN-IBN Hindustan Times Consumer based Criterion

**Owning a two wheeler,
Television, Car, Telephone**

This gives us 200 mln people

If we take that 200 Mln, 10 mln can buy expensive brands like Louis Vuitton etc, another 50 mln can aspire to the cheapest in the range and about 140 million can tap into Levis, Swatch etc.

This number is expected to be above 500 mln by 2025. The first few batches of the middle class have arrived and every brand is out to woo them.

Middle Class Unplugged

Focus on Education

Asset Building, especially Home

Believe Role of state to be ineffective

They are politically apathetic

In dilemma about Individual vs Community

Middle Class Mindset Change

Willing to go into debt

Self pampering is ok

Chronic worry about tomorrow is
dropping

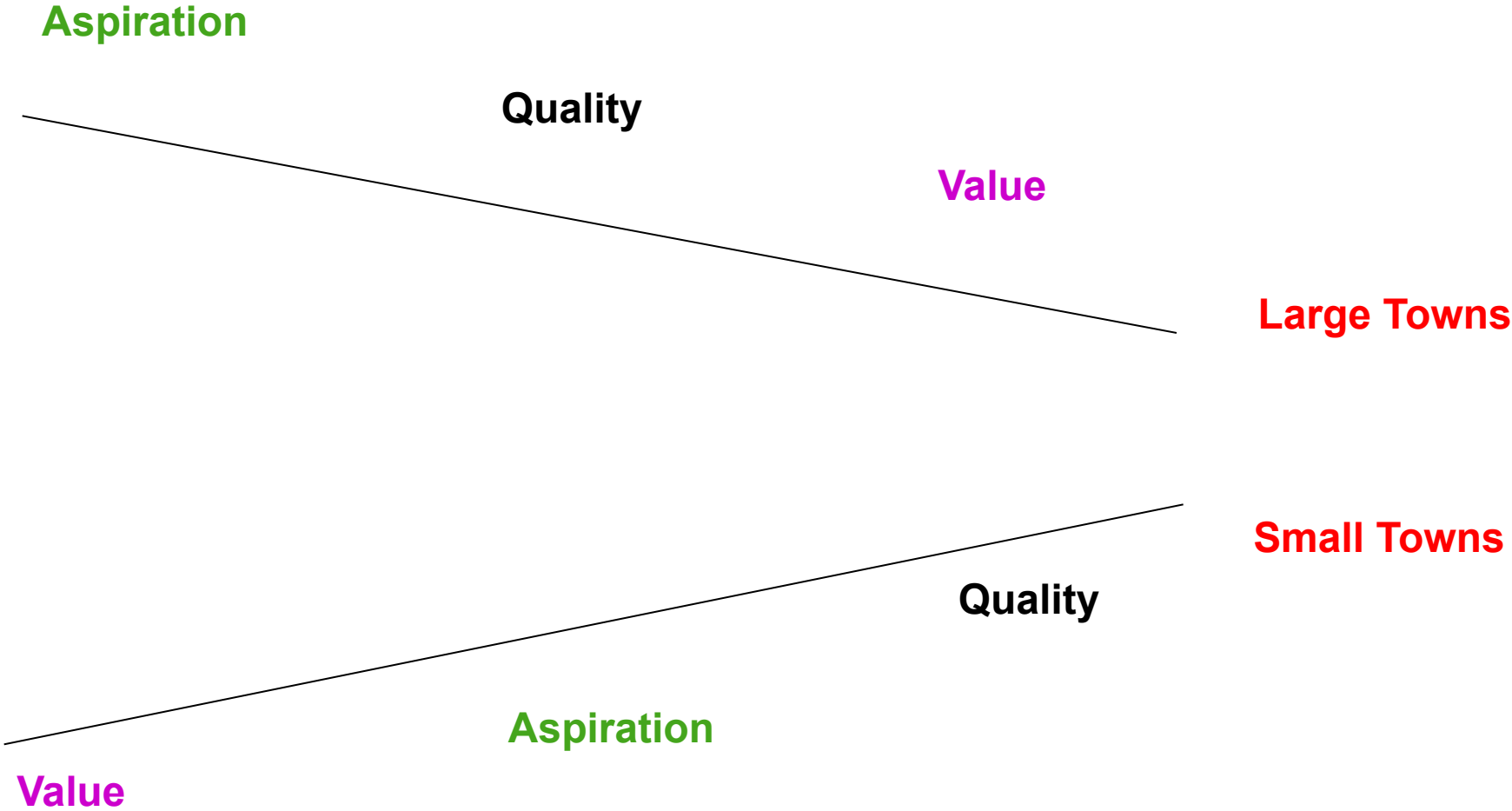
Lets look at Middle Class

As Consumers

As an employment bank

As a bargaining group

Choice Drivers



Three Types of Exchange

**PAY MORE, GET
MORE**

**WORTH THE
PRICE**

**PAY LESS , GET
LESS**

They will spend on

- **Branded education**
- **Branded healthcare**
- **Holidays**
- **Insurance**
- **Personal care**
- **Family Togetherness**
- **Asset Building**
- **Products for their aged parents**

Impact of a strong Middle Class on Biz and biz models

- On line will go faster than we think.
- Working couples will increase
- Women's products and services will gain importance
- Children products and services will expand
- Experience will get a premium
- Managed Services

Summary

- **Fact Counterfact**
- **Size of the Middle Class**
- **The Three drivers, exchange**
- **Experience**

How to use Nokia core and secondary colors

Nokia secondary color palette (secondary blue, secondary neutrals, secondary brights) can only be used in charts and shapes, in addition to core colors.

Nokia blue Nokia green Nokia secondary blue



R 000	R 068	R 175
G 051	G 165	G 212
B 204	B 028	B 240

Nokia secondary colors for charts & shapes



R 235	R 191	R 230	R 175	R 206
G 233	G 215	G 192	G 148	G 150
B 216	B 218	B 031	B 023	B 032

