

BW Marketing White Book

Gen AI to Gen Z

India Economic Data

Year on Year growth %	FY23/24 %	FY24/25 %
Real GDP Growth	6.3	6.4
Private consumption	5.9	6.4
Government consumption	4.1	5.1
Gross fixed capital formation	8.9	7.8
Exports	0.9	6.7
Imports	3.0	7.2
GDP Growth	6.3	6.4
Agriculture	3.5	3.6
Industry	5.7	6.4
Services	7.4	7.2
Inflation, Consumer Price Index	5.9	4.7
Debt % of GDP	82.9	82.5

shiv summary

Source
CEIC &
World Bank

Town class data - urban

Town class	Population	No of cities/towns
Town class 1	> 10 lacs	51
Town class 2	5-10 lacs	44
Town class 3	1-5 lacs	370
Town class 4 to 6	< 1lac	5566

UPI Transactions in Billion Nos

2019 – 10 billion

2020 - 19 billion

2021 - 38 billion

2022 – 72 billion

2023 – 82 billion

Source : NPCI

Installed Renewable Capacity Gigawatts April 2023

Solar Power 67.07

Wind Power 42.86

Bio Power 10.24

Small Hydro 4.94

Where can AI go wrong?

- 1. Bias in data or training the AI model**
- 2. Misinterpretation of audience intent**
- 3. Inaccurate questions leading to inappropriate conclusions**
- 4. Lack of human touch**
- 5. Fraud**
- 6. Privacy and ethical issues**
- 7. Algorithmic instability**
- 8. Unintended consequences**
- 9. Ineffective personalization**

The number of vehicles will go from 20 per 1000 people in 2016 to 175 per 100 people in 2040.

Where people want improvement in driving experience

- **Driving at night 46 %**
- **Parking in a tight soace 39 %**
- **Stuck in traffic 38 %**
- **Driving in Urban areas 35 %**

The Indian passenger vehicle market has moved from 2.54 million units in 2014 to 3.79 million units in 2022.

SUV sales contribution has moved from 13 % in 2014 to 41 % in 2022.

Key considerations for auto consumer brand consideration

Reliability and safety 29 %

Eco friendly 16 %

Economical 15 %

performance 13 %

Customer Experience 12 %

Innovative and tech driven 10 %

Excellence and Comfort 6 %

Source : GfK

Gen Z s auto buying influences

The tech mindset

Not shy to try

Convenience and experience

Sustainability

Premium sales vs Category Growth

Durables

	Premium segment growth	Total Category growth
TVs	(>65 inch) 21 %	4%
Smartphone	(>256 Gb storage) 66%	14%
Mobile PC	6 %	(14%)
Washing machine	(Steam function) 26%	10%
Refrigerator	(Side by side 3 door+) 7 %	(0.2%)
Monitor	(20 inch +) 38 %	5 %

**Consumer Durables sales online is 31 %
and In store is 69 %**

Online sales growth H1 2023 vs H1 2022

Refrigerator 38 %

Panel TV 24%

Mobile Pc 22 %

Hair Dryer 19 %

Washing machines 13 %

Water purifier 11 %

Hair straightener 7 %

Air conditioner 2 %

Source : GfK

Feature rich products in lower town class

Town Class 3 to Town Class 6	Value contribution TC 3 - 6	Growth TC 3-6	Industry Growth
Automatic washing machines	34 %	17 %	11 %
Electric water heater	34 %	13%	10%
Air conditioner	33 %	15%	14%
Frost free refrigerator	30 %	15%	11%
Food processor	28 %	16%	9%
Microwave	27 %	11%	7%
UHD TV	26 %	49%	25%

Growth over 2018 base

Learners in India

In Millions	School	Higher Education	Total
FY 17	261	35.7	297
FY 18	262	36.6	298
FY19	260	37.4	298
FY20	265	38.5	303
FY21	265	41.4	306
FY22	265	42.5	308

In 2022 the most frequently searched health related topics were ‘bodyweight workouts’ ‘weekly workouts’ and ‘exercising for mental health’.

The doctor - patient relationship is evolving as well. Virtual consultations with Doctors has become commonplace. India's teleconsultation market is estimated at around \$ 26 million.

Health statements that Indian consumer agree with :

I need to do more to look after myself physically 62 %

I will sacrifice convenience if it means getting healthier products 52 %

I need to do more to look after my mental well being. 56 %

Digital healthcare models help

1. Increasing awareness

2. Improving health monitoring

3. Facilitating access to health care service providers

4. Assisting in buying healthcare products and services

Social media has become an immensely popular platform for seeking healthcare content.

The risks to the healthcare system are:

- 1. Weakening doctor - patient relationships**
- 2. Information overload leading to confusion**
- 3. Overreliance on social media**
- 4. Irrational use of products**

Smartphone sales volume in millions

2017 66 million
2018 72 million
2019 78 million
2020 60 million
2021 64 million
2022 74 million
2023 75 million

Source : GfK

Fast charging share in smart phones market

2017 - 1.8 %

2018 - 9.5 %

2022 - 70 %

2023 - 67.7 %

Trend in residential sales :

9 months 2018 – 180,000 units

9 months 2019 – 180,000 units

9 months 2020 – 90,000 units

9 months 2021 - 160,000 units

9 months 2022 – 240,000 units

9 months 2023 – 245,000 units

Source : Knight Frank

Ticket size of Housing sales – Top 8 Cities

	Less than Rs 50 lacs	Rs 50 lacs to 1 crore	More than Rs 1 crore
2018	54 %	30 %	16%
2019	48%	33%	18%
2020	45%	35%	20%
2021	42%	37%	21%
2022	37%	36%	27%
2023	31%	32%	32%

Poor and middle class spend will go from 6 trillion usd in 2020 to 5 trillion usd in 2030

Middle class spend will go from 44 trillion usd in 2020 to 62 trillion usd in 2030

Upper class spend will go from 14 trillion usd in 2020 to 23 trillion usd in 2030

79 % of consumer tech retail execs expect omnichannel to remain dominant

81 % of online only retailers will invest in AI and machine learning

8 in 10 offline stores to invest in workforce

More than 60 % of retailers to invest in sustainable products and practices

Most successful formats in next 2 – 3 years

- **70 % Mobile commerce**
- **79 % omni channel**
- **64 % shopping experience store**
- **63 % buy online, pick up in sort**
- **54 % social commerce**

Source : GfK

Strategic focus on capabilities and services

- **Delivery times 86%**
- **Supply Chain 81 %**
- **Workforce and talent 77 %**
- **Assortment 73%**
- **Ecosystem 67 %**
- **Payments 67%**
- **Private label 49 %**

AI benefit areas for telcos

- **Optimize Operations 60 %**
- **Reduce Costs 44 %**
- **Enhance customer engagement 35 %**
- **Meet revenue targets 31 %**

Source : NVIDIA

Gen AI use cases for telcos

- **Customer chatbot 92 %**
- **Automated code generation, debugging 82 %**
- **Content generation 78 %**
- **Employee self service desk 76 %**
- **Guided employee assistance 75 %**
- **Contact center documentation 73 %**
- **Insight generation 71 %**
- **Search term generation 69 %**
- **Employee coach 61 %**

Source : Altman salon and AWS

Gen Alpha expects a high degree of personalization in their consumer experiences.

Gen Z in India is fashion conscious and often looks for stylish yet affordable clothing.

Consumer behavior at the crossroads

- Omnichannel retail
- Sustainability and ethical products
- Social commerce engagement
- Tech integration and personalization
- Value and price transparency
- Innovative payment methods

I find it more difficult to connect with people now compared to before the pandemic

- **Gen Z 44 %**
- **Millennials 41 %**
- **Gen X 34 %**
- **Boomers 27 %**

Source : Ipsos

66 % of Indians agree that AI helps generate realistic fake news stories

52 % of Indians agree that AI will make misinformation and disinformation worse

According to the world inequality report, the top 1 % of Indians hold 15 times, i.e. 15 X more wealth than the bottom 50 % of Indians.

Digital Indians are at the forefront of tech adoption but more conflicted on the impact.

Digital Indians show awkwardness in accepting LGBTQ in the mainstream and have a more traditional role for women in mind.

The fear of job loss due to application of Gen AI across various sectors and industries is real for the workforce.

Traditional marketing falls short of capturing the attention of Gen Z, AI is revolutionizing how brands engage with consumers.

Ethical considerations in marketing are becoming core in an AI led marketing world.

Marketing can longer be keeper of the brand, it needs to justify its role for resource allocation.

33 % of senior managers struggle to connect data across sources.

61 % of CMO s state they receive real time actionable insights. Europe CMO S are using it best

% age of marketers familiar using new technologies

- **AI. 45 %**
- **Machine learning 40 %**
- **Chat GPT 38 %**
- **Blockchain 36 %**
- **Augmented reality 36 %**
- **Virtual reality 36 %**
- **Metaverse 33 %**