

PREMIUMISATION – INDIAN CONSUMER – 2019

Cater to the evolving needs of consumers for premium products. Leverage familiarity in one category to cross-sell across categories and build customer engagement.



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Report Content

EXECUTIVE SUMMARY

- What you need to know – Summary
- Increase adoption of premium products through bundled value packs and cross-sell across categories; provide omni-channel support for exclusivity
- Manufacturers go the premium route
- Start-ups make premium offerings a 'value add' rather than a luxury
- Draw inspiration from niche start-ups that cater to a small but strong audience
- Drive usage of premium food among premium lifestyle product users
- Expand avenues where premium products are offered
- What it means

KEY TRENDS

- What you need to know

Key drivers

- Rise in disposable income and an ability to spend more
- Offer experiences as they become the new norm
- Leverage the rise of improved infrastructure like supermarkets, cold chains and social media
- Take cues from new-age premium product offerings

Global trends and how they are playing out in India

- Keep the focus on experiences for products to be premium

CONSUMER INSIGHTS

- What you need to know

Premium food and drink buyers

- Keep the focus on price point for products to be perceived as 'premium'
 - Graph 1: Perception of premium products, by consumer group, Aug 2018
- Position premium products with attractive packaging and celebrity endorsements to resonate with East Indian premium food consumers
- Promote premium products through shopping festivals and expos in South India
- Increase penetration of premium products through shopping expos and dedicated distributors
- Highlight the value proposition of premium products
- Strengthen the position of premium products such that they can be used on a regular basis

- Address regional preferences for usage of premium products, both occasionally and regularly

Premium BPC buyers

- Offer expensive products to North and East Indians to resonate with their definition of premium products
- Strengthen a beauty product's image to appeal to West Indians
 - Graph 2: Perception of premium products, by premium BPC consumers, Aug 2018
- Address the needs of consumers who go beyond price in describing a premium product
- Increase presence of premium beauty and personal care products in shopping festivals
- Encourage employed consumers to consume premium products on a regular basis
- Enhance the experience associated with premium products like exclusive services

Premium lifestyle purchase

- Attract women towards premium fashion and accessories
 - Graph 3: Premium lifestyle product preference, by city tier, Aug 2018
- Understand regional variations to drive usage of premium products
- Tap into the potential of dedicated distributors to push premium products in South India
- Showcase the value-added benefits of premium lifestyle products to West Indians

MARKET OPPORTUNITIES

- Opportunities: Key areas of focus

Opportunities

- Create value packs of premium and popular products to help adoption of premium products
- Offer omni-channel support for premium product buyers to drive engagement
- Cross-sell premium products

Who's innovating

- Go beyond metros with natural luxury range LA MIOR style
- SCENTIDO – India's premiere experiential boutique perfumery

Global innovations

- Play on texture to help create premium chocolates
- Restaurants experiment with new burgers to draw in burger-obsessed Brazilians
- Take inspiration to innovate in the premium hand cream space

APPENDIX

- Consumer survey methodology

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