

77% of Indian consumers expect positive changes in the financial situation, higher than the global outlook: EY Report

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- 31% of consumers prioritise 'Experience'
- 64% are feeling the pinch of the rising cost of goods & services

The ninth edition of the EY Future Consumer Index for India reaffirms the positive outlook of the Indian consumers as 77% expect positive changes in the financial situation, in the next year. This is better than their global counterparts which stand at 48%. However, the survey of over 1000 Indian consumers conducted in February 2022, raises concern over the rising cost of goods and services that is impacting their ability to purchase goods and is affecting their purchasing decisions. Emerging markets are feeling the pinch strongly, with 62% citing affordability affecting their choices (South Africa 77%, India 64%, Brazil 63%, China 42%), compared with 45% of respondents from developed markets (US 50%, Canada 52%, UK 42%, France 40%). In India, this impacts lower-income earners the most (72%), followed by the high-income group at 60%, and the middle-income group at 58%. Uncertainty around managing rising living costs is driving over 80% in India to save more money than in the past, with 50% of all respondents having made it a goal already to save rather than spend. [Angshuman Bhattacharya, Partner & National Leader – Consumer Product and Retail sector, EY India](#) said, "Experience seeking consumers are less loyal, and with increasing price sensitivity and an inflationary environment, companies would need to toil harder to retain them. This calls for FMCG companies to look at their revenue and margin waterfalls and squeeze outspends across the value chain to drive profitability."

• Collecting experiences is a key priority

Out of the five key broad spending priorities – planet first, affordability first, experience first, health first and society first – experience has seen the biggest increase, doubling in priority since 2020, and is the biggest priority when Indian consumers decide on where to spend, while it was the smallest at the beginning the pandemic. It is now the biggest priority segment in the US (24%), France (26%), India (31%), and Thailand (32%).

• Health continues to be the focal point

More than half (54%) of the respondents in India have made physical health and wellness a goal for the next 2-to 3 years. 80% of the Indian respondents shall be more cautious about physical health in the long term, followed by mental health at 78%. This substantiates the fact, why Indian consumers are willing to pay a premium for high quality and organic food, even amidst inflationary pressure.

• Consumers guided by sustainability and values

While globally 37% give importance to sustainability when making purchases, it is 70% in India and it is seen more among the millennial and GenX group. Over 75% of Indian respondents will pay more attention to the environmental and social impact of their purchase in long term, which is the highest in the world.

Angshuman concludes, "The consumer priorities have shifted to better self and better environment, post-pandemic. This behavioural change will drive the buying decision in the long term. Customers are getting increasingly environmentally conscious and are asking the brands that sell to them, to demonstrate the values that align with their own." The latest edition of the EY Future Consumer Index is

available at ey.com/futureconsumerindex9.

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About the EY Future Consumer Index

The EY Future Consumer Index tracks changing consumer sentiment and behaviors across time horizons and global markets, identifying the new consumer segments that are emerging. The Index provides regular longitudinal indicators and a unique perspective on which changes are temporary reactions to the COVID-19 pandemic, those which point to more fundamental shifts, and what the consumer post-COVID-19 might be like. The ninth edition of the EY Future Consumer Index surveyed 18,000 consumers across the US, Canada, the UK, France, Germany, Australia, New Zealand, Japan, China, India, Brazil, Saudi Arabia, Denmark, Sweden, Finland, Norway, Indonesia, Italy, Spain, Mexico, South Africa, Chile (new), Argentina (new) and Thailand (new) between 28 January and 15 February 2022.

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