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SCOPE AND METHODOLOGY

Millennials, the target market for numerous businesses, are the people who are entering the prime spending years and offer a lot of potential for most of the businesses. They have grown up witnessing some of the profound changes in terms of technology and innovations which have made the world flat for them. This in turn has impacted their social and personal lives and thereby the businesses involving them. This research report would focus on some of the key areas, which are of utmost importance to businesses, in order to gauge the disposition of millennials towards the constantly evolving product and service offerings in India.

The study was conducted in 2 parts -

1. Secondary Research – Collecting data points and several other observations through reports on millennials

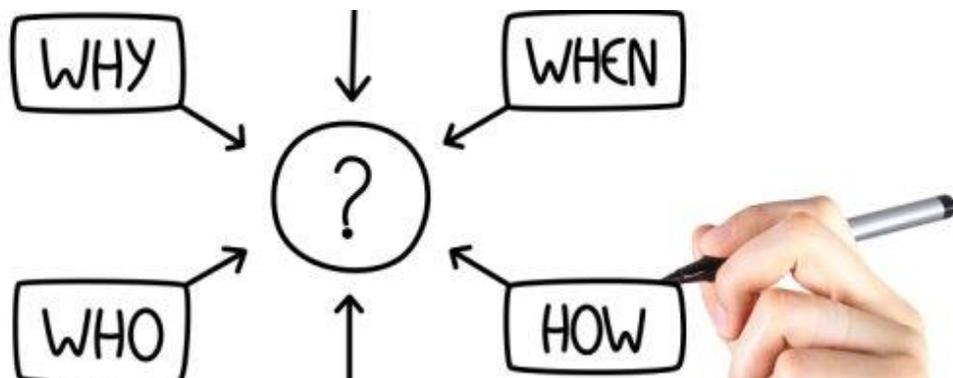
2. Primary Research – Our team went to the field and inquired from the millennials about their preferences related to purchase behavior w.r.t to different product & services, their personal life decisions and attitude towards categories mentioned below.

The research was broadly divided in 5 different segments –

- a. Access v/s Ownership
- b. Health & Wellness
- c. Love & Relationships
- d. Millennials and Brands
- e. Retail and E-commerce

We covered a base of 270 people with almost equal responses from the age groups of 15-20, 21-25, 26-30 & 31-35.

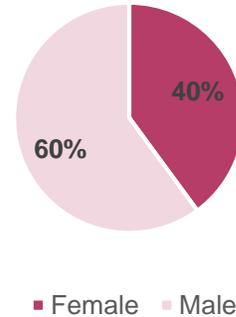
We also did some thorough qualitative research based on the responses we received from the primary surveys.



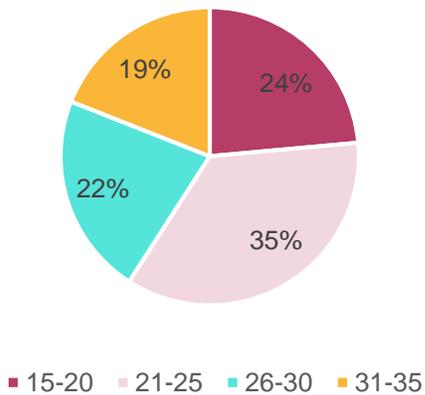
GENERAL PROFILE OF RESPONDENTS

As stated earlier, we conducted a primary research with a sample size of 270 respondents mainly urban. We tried to keep the base diverse in terms of gender and age groups in order to obtain a general perspective of the behaviour and disposition of the millennials.

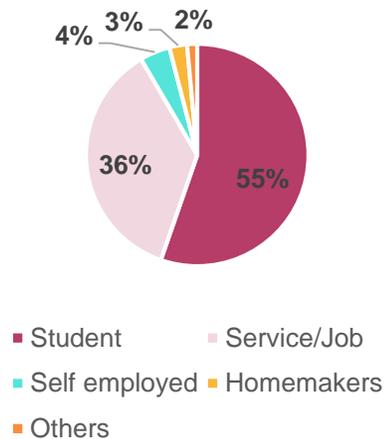
Gender



Age (in Years)



Occupation



INTRODUCTION

Analyzing consumer behavior has been at the crux of all business activities. Brands are desperately in need of insights into what happens inside a consumer's mind. They want to know what, when, how and where does the consumer spend his time, what things they like, what are their thoughts about their society and what shapes their preferences. Only after gauging what consumers do, does a company devise its marketing strategies. Consumer is the be all and end all of a business.

This is where the Indian millennials come in. 600 million and counting, the Indian millennials form the major section of the Indian consumer market. They hold the future in their hands and the brands want to be a part of that future. But for that they need to figure out how the advent of technology has changed the preferences of Indian millennials, what are their aspirations and how do they wish to lead their lives.

But what do these companies do after analyzing consumer behavior?

They recognize what the consumer needs and then communicate that to the consumer. Consumers sometimes don't realize what they could be missing in their lives. This is where the companies come in; they make the customer realize how their lives could be better. Market research and analyzing consumer behavior helps companies get crucial insights into the consumers' mind. These insights help the companies decipher things that the consumer is in dire need of but may not be necessarily aware of.

For example Uber recognized this simple need of getting taxis booked through a mobile app. Waiting hours to find a taxi frustrated everybody but then why did only Uber come up with the solution? They were the first ones to recognize that need and then worked to find a suitable solution for it.

So, it is imperative for companies to recognize what the consumer needs and only then can they come up with viable solutions. And in order to gauge these needs, market research becomes an indispensable activity.

The report contains a detailed analysis of the trends and habits followed by the Indian millennials on different topics and their ideas and attitude towards these. Why are millennials comfortable with renting houses? Are they opting for public transport more often or less? Is the e-commerce boom going to force the traditional brick and mortar stores to shut down? Why is the youth today more open about their relationships? Has the dynamics of love and dating changed drastically for them? Are the millennials really brand conscious and how does brand loyalty stand with them? How health and well-being perceived by them is and what fitness patterns do they follow?

We try to answer these and many more questions here by analyzing and studying the behavior of the Indian millennial.

ACCESS V/S OWNERSHIP

The Millennial generation, born and brought up in the far end of 20st century, is diametrically opposite to the Gen X and baby-boomers generation born in the 1960s and 1970s. The generation today is constantly fed on apps and ads on their mobile phones thanks to the IT revolutions in India in 1990s and the coming of age of IT in the western world. Businesses are tuning into this new trend and providing access to their products over the Internet. The millennial generation, often conceived as lazy, privileged and of those who put off adulthood, is driving this change. Owning a house, car, and television is no longer considered a privilege and youth are debunking the save-and-enjoy-later myth.

This behavioral transformation is basically because millennials have come to age at a time of economic change and globalization. They are now exposed to instant access of product information, peer reviews and price comparisons. “Co- existing” has become increasingly prominent. The idea of a Sharing economy has become apparent with flourishing online communities engaging with the concept of Access over Ownership. These times bring forward the current rising interest in a sharing economy and the difference between “needs” and “wants”. Various factors such as monetary, functional, experimental, and symbolic features need to be taken into consideration while evaluating access and ownership.

This change in thinking has equally influenced the strategy and market approach of various companies. Car rental sites have come up, which give these luxury-hungry individuals a chance to rent sedans and

SUVs for a day. Apart from this, constant traffic jams and traffic congestion have played a major role in weaning customers away from private vehicles to sharing and car-pooling. Companies like OLA Cabs and Uber provide affordable alternatives to working professionals.

The chequered times we are living in has led many to control consumption and, some to, prioritize experience and performance over possession. The youth are cost sensitive and give higher importance to establishing identities, relationships and individualism. 56% of the millennials have agreed to buy secondhand things and preferring websites like Quikr, OLX etc., helping them grab brisk business.

Millennials’ investment in housing and real-estate is governed by factors such as marriage, financial status and willingness to stay with parents. Almost 6 in 10 millennials are comfortable with the idea of not getting married or have indicated their disposition to nuclear families. Here lies the vast expanse of opportunities for startups like Airbnb and 99acres. These longer-standing trends—like getting married later—will continue to affect ownership and investment patterns notwithstanding the economic recovery.

Millennials are also not averse to loans, indicated, as it is, by high risk taking behavior; a fact corroborated by many studies. Banks have come up with innovative solutions, such as cashbacks and last installment waivers, and tie-ups with brands in order to lure customers into spending more and provide that window of opportunity to access and experience luxury. This is a pull type of marketing strategy where the producers and marketers of products and

services are changing/customizing their offerings in order to win customers over to their side.

The purchasing power of the millennials has been increasing. And yes, they have become the target group for many of the brands. But, it is important to know their spending patterns when it comes to making big investments like purchasing a house, car, etc. Consumer durable companies, automobile companies, real estate companies have a lot at stake because these millennials are their potential customers and these companies have to create their marketing and sales strategies keeping in mind the occasion and time of purchase, phase of life, lifestyle, etc.

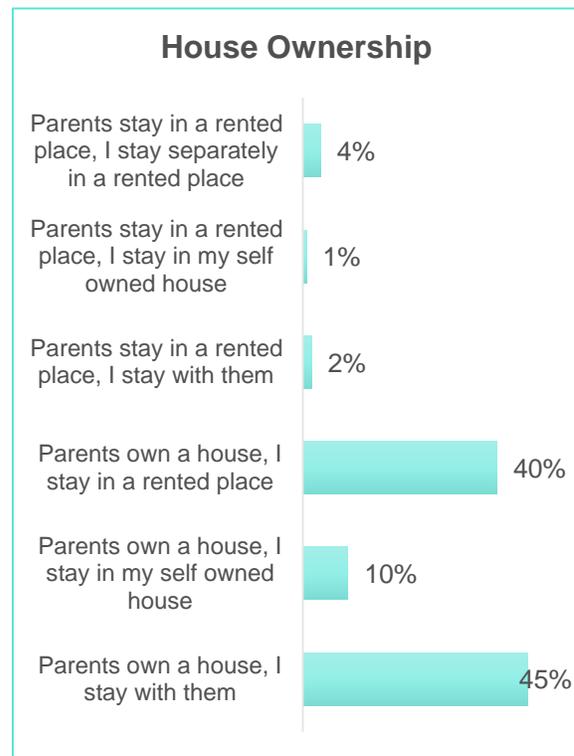
And similarly the concept of 'sharing economy'- An economic model in which individuals are able to borrow or rent assets owned by someone else. The sharing economy model is most likely to be used when the price of a particular asset is high and the asset is not fully utilized all the time – has become popular amongst the youth with startups in such innovative fields pouring in.

So we went out and asked the Indian millennials about their willingness when it comes to accessing or owning a particular asset.

Only 47% of the millennials live with their parents in their homes. While about 43% of the millennials live in a rented place away from their parents.

Only 9% of the millennials have a house of their own, this shows the low rate of house ownership among the millennials but if given

a choice about 61% of the millennials wish to own their house.



40% of the millennials use public transport time and again for commuting. Also 40% of the millennials said that they even use a family car. Only about 24% of the millennials had a car of their own whereas 31% of the millennials have a personal 2 wheeler.

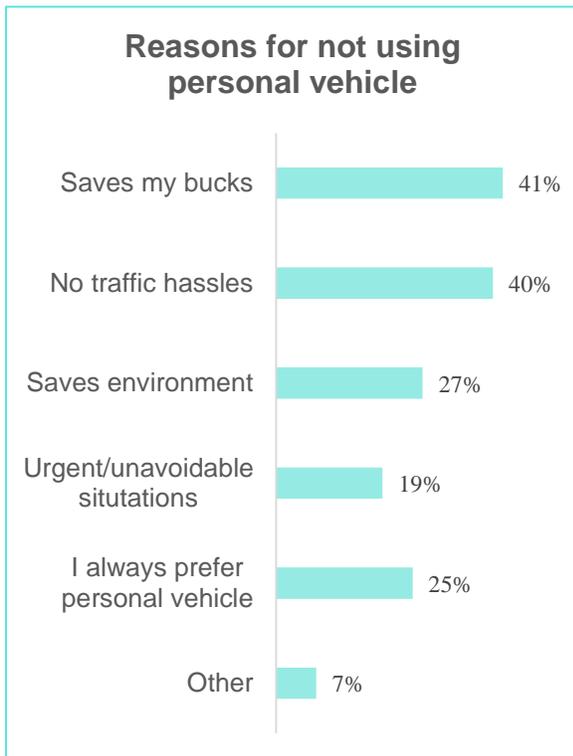
Only 12% of the millennials consider television a worthy investment and at the same time the importance of owning a laptop has increased. At the same time 58% of the millennials wish to own a car before a television and 12% wish to own a car before a house.

If given a choice, 65% of the millennials wish to use their own vehicle for commuting.

The growing trend of car-pooling has certainly become more popular among the millennials with 42% of the millennials considering it among the 2 most preferred means of commutation as against 37% for public transport.

Also taxi and auto are also the two preferred commuting options for millennials with 43% of the millennials preferring it.

42% of the millennials feel that using means other than own vehicles helps in saving their precious bucks whereas just 10% feel that they can help save environment.



“Public transport makes commute super easy! I can multi-task, work while travelling, and also save money.”

Sania, 32

“My work takes me to different places, usually in a span of a year. So I'd rather prefer renting than buying a house.”

Arnav, 27

HEALTH AND WELLNESS

Health and Wellness is an aspect of life that has gained immense importance among the millennials worldwide.

According to a report on wellness among the millennials, a critical point of differentiation in the attitudes of millennials and the preceding generations is the “ritualization of wellness” - living healthy is the motivating factor for millennials as opposed to avoiding falling ill for members of the preceding generation. The report also extends the trend to fresh groceries and organic food, both of which are increasingly being preferred by the GenY population worldwide.

The Indian millennial population stands at 30% of the 1.2 billion national population - 360 million. The average age of the millennial population is 26.7, which is among one of the lowest averages in the world. The urban-rural split among the millennials is roughly 40%-60%.

Wellness today is an INR 490bn industry. Increasing emphasis on a healthy and wholesome lifestyle has been the springboard for the wellness industry in India. It's not just a 'metro' phenomenon. Young consumers across Tier 2 and Tier 3 cities and even pockets of rural India are today seeking wellness solutions to meet their lifestyle challenges.

Consumers mainly comprise a young population with rising income levels. Increasing need to look good and feel good has led these young consumers to seek wellness solutions. From being limited to the affluent in 1995, Wellness is now becoming

an integral part of the shift from preventive to remedial care.

With the rise in income levels of Indian millennials, there is an increase in their discretionary expenditures due to which aspirational products and services are finding many takers. Also, increasing urbanization has the dual impact of higher availability and awareness of wellness products as well as higher incidence of stress-related disorders and lifestyle diseases. A faster pace of life, increased sedentary living, high work stress, rising pollution levels and consumption of unhealthy fast food are factors leading to a rise in lifestyle disorders. 33% of young adults suffer from diabetes while 35% suffer from coronary heart diseases. Therefore Indian youth is increasingly looking at various wellness options in their pursuit of a healthy life.

Be it any wellness need - Enhancement, Curative or Hygiene - all of them are seeing huge growth. People are hygiene conscious and salons have higher footfalls, products that fulfil enhancement needs, like colour cosmetics, have more buyers.

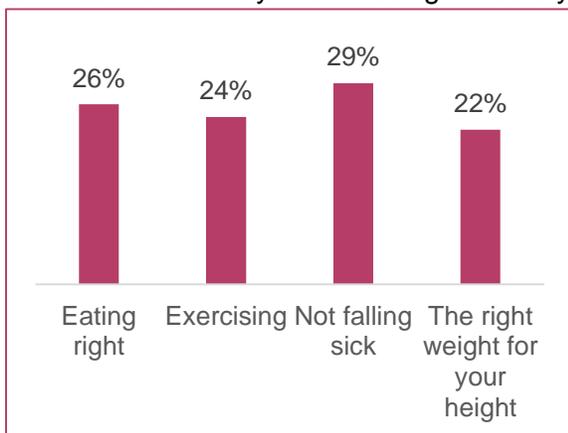
With fast-paced lifestyles, people have started to rely more on dietary supplements to meet daily nutritional requirements and their curative needs. The beverage giants like PepsiCo and Coca Cola are also trying to utilize this opportunity by introducing health and wellness beverages like Coke Zero. Health consciousness is also reflected in the increased preference for exercising, yoga and gyms over the last few years. Names like Kara, VLCC, Vibes, Etc. have leveraged this opportunity and have grown rapidly. To add to that, the viewership of

lifestyle and well-being channels like TLC, NDTV life, etc. is also increasing rapidly. Channels are also concentrating on programs which specially focus on healthy living and eating.

With changing lifestyle and urbanization comes health disorders, but increased consciousness among Indian millennials is neutralizing that effect gradually. Changing health habits and devoting more time to individual welfare is good for both the individual and the industry. The health and welfare industry in India has a huge potential and its growth will be driven by the Indian millennial.

For millennials, “healthy” doesn’t mean only not falling sick, they’re giving equal importance to eating right, and exercising.

Thus the meaning of healthy is perceived differently by the millennials but mostly covering all the aspects determining them to be health conscious since 75% of the millennials are of opinion that “not falling sick” is not the way of being healthy.

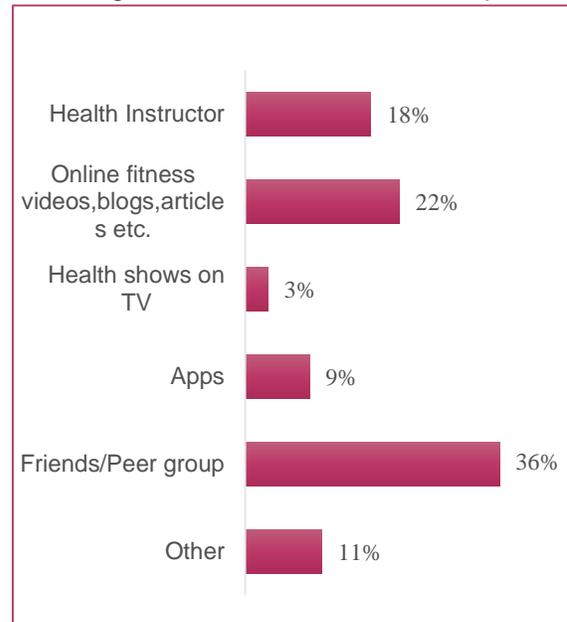


75% of the respondents don’t consider the calories content in the food which they consume implying that eating habits are still

not perceived to be of prime importance for these millennials when it comes to being healthy.

Even though most of these millennials use smart phones, only 36% of the respondents have installed any fitness related app on their devices.

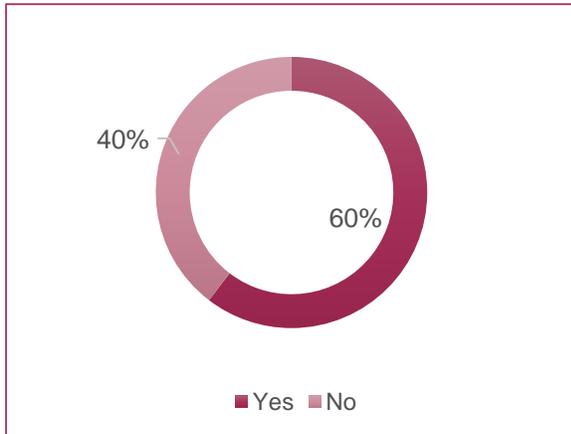
When asked about the sources of information for their and wellness needs, following were the responses:



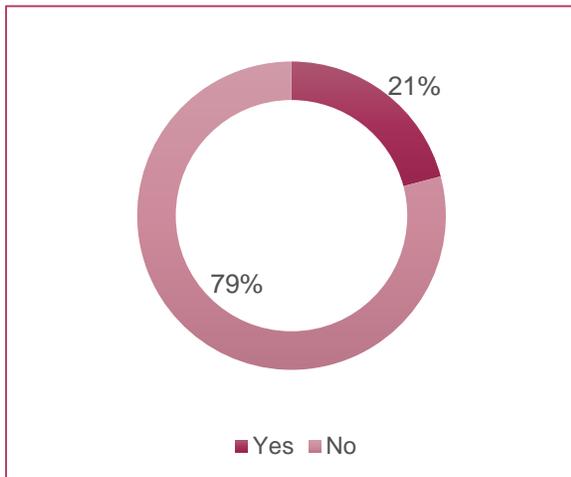
Thus friends and peer group are the most relied sources of health related information for them followed by online content.

When asked whether they disapproved of people doing following:

Disproval against people who smoke cigarettes?



Disproval against people drinking alcohol?

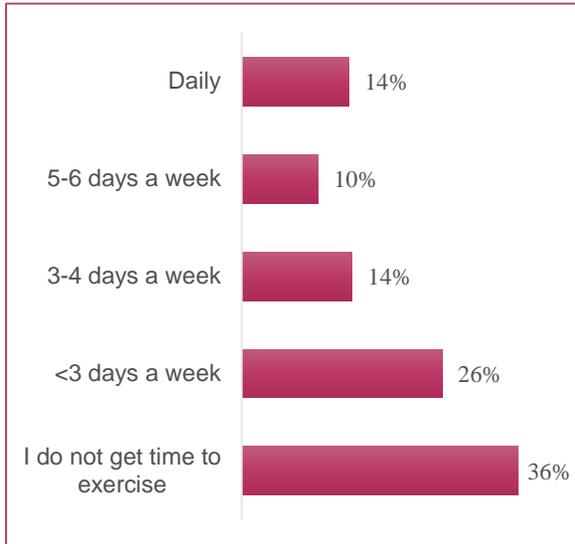


that the harmful effect of smoking are not at all exaggerated.

67% respondents preferred dating people who didn't drink regularly with being okay with people who drink occasionally. 73% considered that drinking does not reflect a person's poor judgment. Thus being more acceptable about people who drink compared to people who smoke up. And 70% of the respondents were comfortable being around people who drink alcohol. While 67% of the respondents agree that the harmful effect of drinking are not at all exaggerated and it affects the health negatively.

There's a paradoxical perception when it comes to attitude of millennials towards smoking and drinking. They are more disconfirming with people who smoke rather than those who drink. It gives an indication of how wellness is not a concern when it comes to perceived occasional habit of drinking affecting their health vs their perception that smoking having high probability of becoming an addiction and hence the reason for disproving it.

When we asked them about their exercise regime:



In addition to above responses, 29% of the respondents prefer gym for exercise, 30% prefer home and 20% prefer parks where they go for a walk and do basic exercises. Hence these three locations have almost similar number of millennials accessing them for exercise needs.

“I have a lot of friends who smoke, but I don’t mind being around them.”

Jugal, 23

“I exercise on weekends but during weekdays due to work load I am unable to continue it”

Akash, 27

“The Runtastic app on my smartphone helps me track my daily jogging activity”

Sunny, 20

LOVE AND RELATIONSHIP

Being open about their likes and dislikes, demanding change, and emphasizing action over thoughts are just some of the values of Indian millennials that have started re-shaping the business eco-system, and the outlook of the entire country. Attitude towards technology seems to have played a major role in the development of such ideals. Having witnessed and directly benefited from India's rise as an IT outsourcing superpower, 78% of Indians surveyed in a recent study conducted by **TISS** said that technology has benefited everyone. And when it comes to ideals and values, the notions of the younger generation about topics of love, marriage and relationship are major touchstones.

One thing is to be seen clearly – the expression of love is changing. According to data collated by the **Integrated Innovation Institute** at **Carnegie Mellon University**, in a survey stretched out over 2000 men and women, in the age range of 18-34; 75% of Indian millennials say they're in love. Not only that, 61% of those update their Facebook status at least weekly. Another pronounced feature in the millennials is the lack of inhibition towards online dating. Instead of dinner-and-a-movie, the youth these days are more inclined to rendezvous over phone texts, Facebook posts, instant messages and other “non-dates”, subverting tried-and-true dating rituals. In this virtual age, selfie-clicking, tweeting, WhatsApping and texting have replaced to a great extent the earlier ritual of going on dates. In fact, the smartphone has become as if an adjunct body part of the generation – a fact that sites

like Tinder, Vee, and Fropper have seemed to exploit to their great advantage.

The **'Kiss of Love'** campaign against the increasing menace of moral policing is another manifestation of the change in the perception of today's youth and their attempt towards breaking the shackles of orthodoxy.

Young people, especially in metro cities, are dabbling with new, experimental forms of relationships, like Long-distance, Live-ins, and Open relationships. One of the important indicators of change in this aspect is the Honorable Supreme Court of India's decision about the validation of live-in relationships and the rights of the females who chose to be a part of this institution. Even same-sex relationships are slowly gaining acceptance. Even though homosexuality remains illegal in India - nearly **49 percent** of the country's youth supports the notion of marriage equality, according to a recent study.

The changing face of relationships is bound to affect the institution of marriage as well. The age at which people are marrying has been on an upward trend. More professionals are delaying their respective marriages, and are more concerned with career-building. Sexual satisfaction is still seen as the primary aim of marriage in significantly larger number of males than females. According to the recent **HT-MaRS Youth Survey**, an unprecedented 61% believe that premarital sex is no longer a taboo. Only, when it comes to marriage, 63% still want their partners to be virgins. While women are far more empowered today and are ready to embrace their sexuality, the male mind-set has hardly changed. The trope of the virginal bride still holds. The number of individuals who accept being in a

relationship also varies from city to city. Cosmopolitan cities, namely Delhi (67%), Kolkata (67%), Mumbai (63%), or Chandigarh (67%) recorded much higher numbers than traditional places like Jaipur (28%), Indore (32%), or Chennai (35%). The national average stood at 49%.

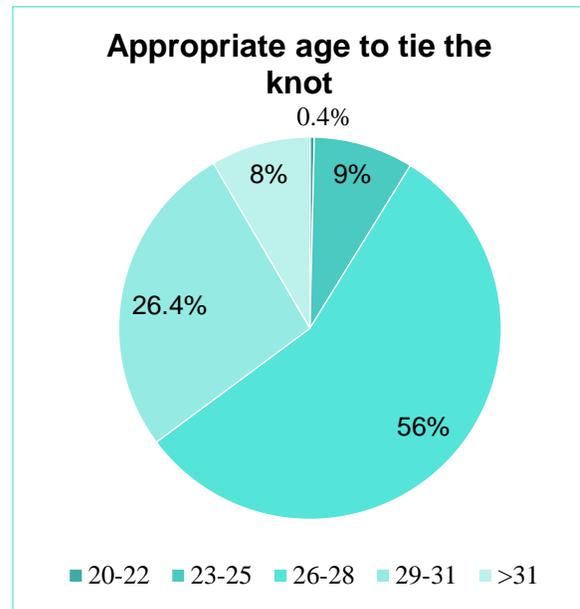
Thus, the urban Indian millennial is moving towards a stage where there is no desire to define a relationship. Traditional tags like girlfriend or boyfriend are slowly becoming things of the past. Pure joy of connecting to a person at a physical, emotional and mental level is all that he/she needs, be it even for a shorter duration. It's a generation that puts less emphasis on monogamy and more on choice; and the winds of change seem to be the harbingers of a more ideologically free future.

The changing dynamics of the global world have influenced not only the professional life of Indian millennials, they have had a profound change in their personal lives as well. Millennials, unlike their predecessors, are much open about their relationships. The concepts of online dating, destination weddings, live-in relationships are the talk of the town these days. And the fate of lot many upcoming business like online matrimony or wedding planners depend on the disposition of the millennials.

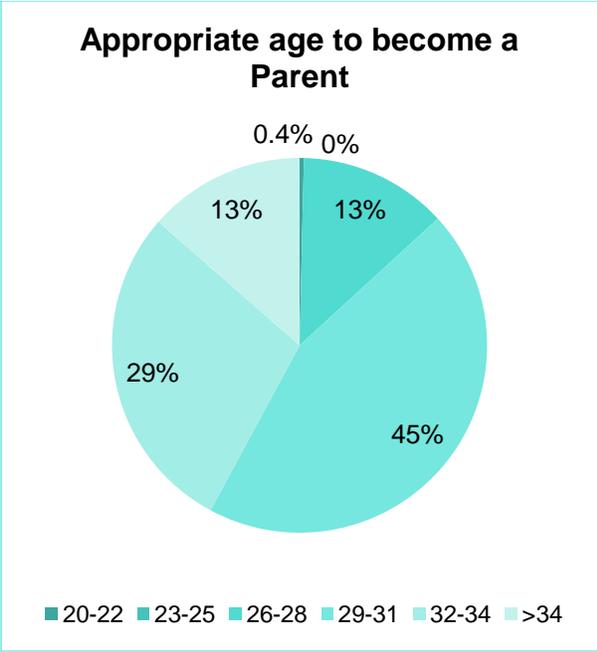
Any change in the dynamics of marriage and parenthood will have an impact on the major purchases which are linked with phase of life or occasions. We went out and asked the millennials about their views on some of the most important aspects of their personal lives.

A striking 42% of the people feel that marriage is no longer a necessity.

56% of the millennials feel that the age window of 26 to 28 years is the most appropriate time to get married but about 35% of the millennials would want to put off their wedding to an age above 29 years.

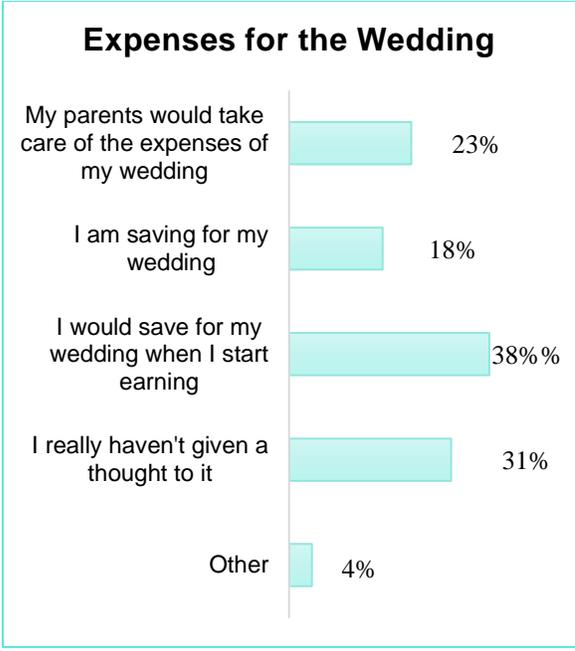


83% of the millennials would wish to have children of their own but 42% of them wish to delay their parenthood to the age of at least 32 years while 44% believed that the age window of 29 to 31 is appropriate for becoming a parent.



Nearly 36% of the Indian millennials would prefer a simple low cost wedding whereas there are 42% millennials who would want an extravagant wedding with 21% of them wanting to have a destination wedding. So the wedding planning industry is here to stay in India.

About 24% of the millennials say that their parents would take care of their wedding expenses whereas 57% would wish to take care of the expenses themselves with 18% from them already saving for the wedding.



Only 16% of the Indian millennials find online matrimonial websites a convenient platform. 21% of them are worried about the legibility of profiles, while there are 12% who do not use it because of the opposition of the family. So online matrimonial companies have some 33% of the millennials who they can target and convince about their worthiness. But there are about 27% of the millennials who are against using such sites for such an important decision with another 24% doubtful about the success of such marriages.

64% of the Indian millennials wish to have a love marriage whereas about 24% of them wanted to go for an arranged marriage. There are about 12% of them who would wish to stay in a live-in relationship.

MILLENNIALS AND BRANDS

The term Millennial generally refers to the generation of people born in 1980s to early 2000. Since 1991, when India opened up for markets, diminishing geographical boundaries have realized needs among consumers. Earlier, brands were built over years by going through the vicious cycle of License Raj and were trapped to expand up to their true potential. The millennials were never privy to this fact until the year 1992 saw the real spurt of growth in Indian Economy. In today's scenario, with 89 percent of Indian millennials researching online before making a purchase and 74 percent believing that they influence the buying decisions of others, the entire consumption process has become an opportunity to enhance profile and status — from research to post-purchase.

Urban millennials have a tendency of trying new brands. It's all about **relevance** for them. While deciding what to purchase they practice “show rooming” – examining merchandise at a nearby retail store and then purchasing it online at the lowest price. Most of them believe in “touching and experiencing the product” before purchasing or seeing the products online. Urban Millennials demand an integrated, seamless experience regardless of the channel in their quest to buy the best products. Reviews from friends or peers carry a lot of weight while purchasing and making and breaking a brand with positive and negative reviews. **Rural millennials** usually go after the **incentives and promotional schemes** and tend to get influenced by the retailers'

opinions. They get convinced on the **utilitarian value** of the product and want value for their money. But the line between urban and rural millennials is fast vanishing. The choice of brand is largely determined by the life stage the consumers are in. Also income, family preferences etc. do have a very important role to play.

Millennials have witnessed the transformation of purchasing medium from offline to online payment options. With better security measures and multiple online payment channels today, cashless transactions have seen an ultimate leap surpassing the paper-based transactions with offline payment medium accounting for 48% and online medium 52% of the total transactions. Indian Millennials have realized the benefits of opting for cashless payments as it is easy, secure and fast. They have a lot of **purchasing options** ranging from cash to credit cards, debit cards and net-banking services to serve their needs.

The preference of consumers for branded products is also fast changing. Due to increased awareness and consciousness, people are ready to spend any price for comfort and quality. The customers are basically of two types- one gets motivated by drivers such as price and convenience and the other by emotional drivers such as status and experience. They demand a customer centric approach tailored to their wants and the one which value them for being **loyal**.

The expectation which the consumers have today from the brands is that the brand managers tailor their messages transparently and target them with specific content. Communication plays a big role in reaching out to the millennials and they are

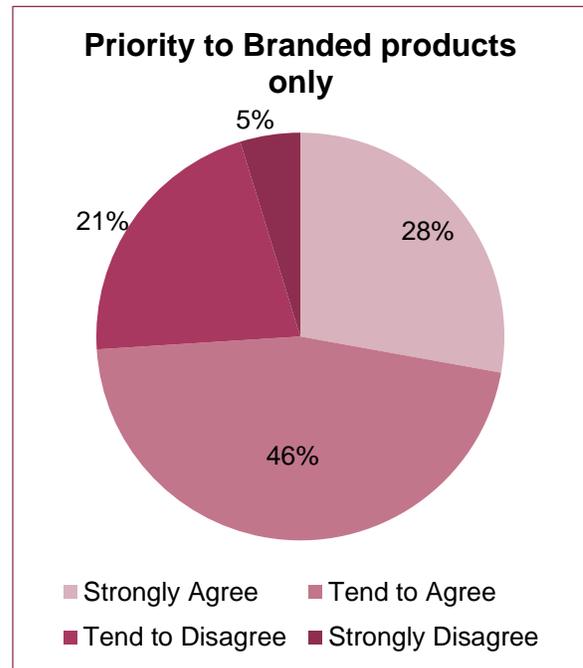
very active on social media platforms. They often buy goods after reading reviews of products on various social media platforms and forums. There is no better way to put the message across to the millennials than through the internet and social media.

The attitude of an Indian millennial is not judged by a pre-determined flow of checks, rather by a wide range of attributes to cater to. This is a challenge in itself for brands to retain the customer. Millennials are not only transforming their own shopping behaviors but those of their children and parents as well in order to make the best purchase and identify the correct brand to associate with. They are more receptive to new and different brands as they have been brought up in a liberal environment and also put convenience at the top in the list of priorities.

Indian millennials are living in a world cluttered with brands. Although they have a greater disposable income than their predecessors, it is important to know where they wish to spend it. Are they lured by the aura around these brands? Or do they hunt for the cheapest deals? Answers to these questions are of prime importance for multinationals as well as local players which are wanting to increase the size of their pie. And the recent years have witnessed these brands trying to engage with the millennials in the digital space as well. But what does the target group feel about these brands and their initiatives?

When we asked the Indian millennials about their purchase behavior, only 28% of them were die hard brand evangelists. Whereas 26% of them said that they buy products without paying much importance to brands. About 46% of the millennials buy branded

products sometimes depending on various factors.



Although brands may not influence their buying behavior, about 83% of the millennials say that they would go for a repurchase of a brand if they are satisfied with the quality of the product as against 17% who would repurchase a brand if the price is convenient to them.



All brands today wish to be social media savvy. Therefore we asked the millennials whether social media engagements of brands play any role in purchase of those brands. About 42% of the millennials agreed that they tend to buy products of those brands more which engage with them online. Whereas the rest said that their buying behaviours were not influenced by social media activity of brands.

With the growing trend of buying online, we wanted to know what factors made the millennials buy products. Quality ranked first with 48% of millennials considering it the prime factor influencing their purchase followed by price (27%) and specifications (25%). But when asked about a combination of factors that influence their purchase, Quality and specifications ranked higher than Quality and price suggesting that Indian millennials are not blindly driven by price in their purchase.

“I’m usually more partial towards brands. But occasionally do indulge in street shopping.”

Rajiv, 28

“When I am buying a product, quality is my priority”

Akshay, 22

“Social media is the fad right now. Brands that go out of their way and communicate with me on social media are right up on my priority list”

Sameer, 19

RETAIL AND ECOMMERCE

With an estimated size of USD 600 billion and counting, the Indian retail market is one of the largest in the world. In this highly fragmented sector, a number of e-commerce websites – Flipkart, Snapdeal, Myntra, etc. have sprung up, backed by investors' confidence in the light of a strong growth potential. But will the fund-backed, discount-heavy e-commerce websites be able to bring down the shutters on retail stores?

It is stated that India has started doing well in the market of e-commerce because of the growing number of people who have access to mobile Internet. India has around 243 million Internet subscribers and, millennials constitute 85% of the total Internet users in India. The most popular e-commerce categories, are non-consumable—durables and entertainment-related products. Half of respondents, in an online survey of 30,000 consumers, intend to purchase clothing or make airline or hotel reservations using an online device in the next six months. Other categories growing in prominence for online shopping include e-books, event tickets, sporting goods and toys. Spending intentions for each have risen at a double-digit or near double-digit percentage-point rates since 2011. The online market for buying groceries and other consumable products is comparatively smaller—but is starting to show promise.

What sets Indian millennials apart from their global counterparts is their price sensitivity. Even though with heavy discounting e-tailers are trying to lure them to buy online, consumers are still wary of making prepaid

orders. In India, despite the estimated 1.252 billion strong population, only 18.8 million credit cards existed in the country, with approximately 331 million debit cards till last year. Thus when it comes to payment, Indian millennials prefer the face to face payment method of Cash-On-Delivery.

Majority of the millennials contributing to the e-commerce boom are from urban or semi-urban areas only, thus raising questions on overall development for sustaining industry growth rates. The e-commerce market estimated to have a market size of USD 12.2 Billion, is just a fraction of the retail market in India. Also, poor data connectivity, logistics and supply issues driven by heterogeneous tax regimes across the country and inherently moderately trust on e-commerce for expensive goods clearly affirms that in the short run, retail is here to stay. This can be inferred from the heads of the e-tailers who say that they are in for the long haul. Snapdeal CEO Kunal Bahl, in an interview last year, said that they were looking at a 25 year horizon for the business. Jeff Bezos, the CEO of Amazon, followed suit and fortified the long term goals of the e-tailers.

Recent developments in the business environment show that there is still a strong preference for retail stores. For example Paytm plans to set up 30,000 to 50,000 retail outlets where its customers can load cash on their digital wallets. Data Wind has partnered with HomeShop18 to expand its retail footprint in the country. FashionAndYou has opened three distribution hubs in Surat, Mumbai and Bengaluru. Reliance Industries Ltd has lined up capital expenditure of INR 1.8 trillion for the next three years for its retail ventures. This tells us that even large conglomerates believe that the consumers

still prefer to shop in stores, primarily for an enhanced shopping experience.

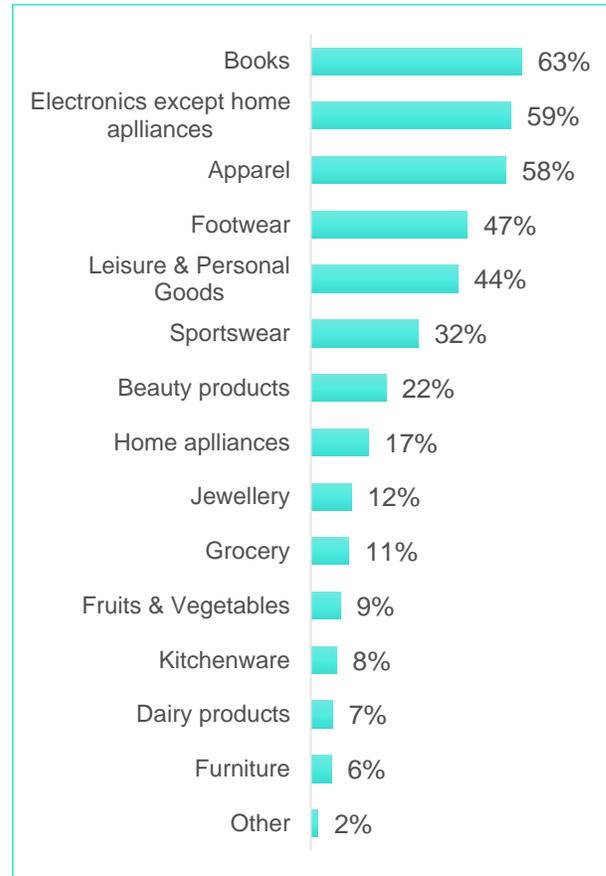
It is also important to understand that e-commerce is a channel through which many marginalized brick-and-mortar retailers clear their stocks and build bottom-lines. Many small sellers, local retail stores and the like are taking to becoming sellers on e-commerce websites. Given the fierce competition in the Indian job market today, many millennials with entrepreneurial instincts take to becoming sellers, thus contributing to the e-commerce whiplash. Flipkart has over 4,000 sellers in India, promising payment to sellers within 5-7 days and a quick online registration process to lure more sellers. Amazon is growing rapidly as well, with their same-day selling policy for new registrations, a one-of-its-kind in the Indian e-commerce market. Clearly, e-commerce is growing, and it is taking retail stores along with it.

To sum it all up, e-commerce will pick up and start generating profits in the near future, but its impacts on retail are doubtful. Retail, as for now, is here to stay.

When it comes to purchasing products 75% of the respondents compared offline and online prices before making a purchase and while purchasing a product offline, 70% of the respondents had gone through online user reviews. Thus e-commerce is acting as a source for information for making informed offline purchases for the millennials

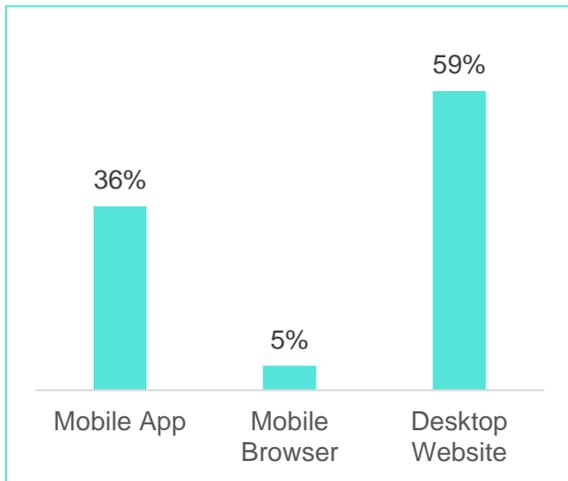
Only 30% use social media to get their network's opinion about their purchases, but most of them do consult a friend or family prior to their purchase but not necessarily through social media platform.

Following are the product categories preferred purchasing online:



50% of the respondents also agreed that of the latest 5 significant purchases made by them more than 3 of 5 were done online.

Platform preferred for online purchase:



Even though the e-commerce players are making a move towards going app only, 60% of the millennials prefer websites for purchases. One of the most common reason observed was ease of comparison and switching between 3rd party website reviews and comparison.

85% of the millennials have an access to internet banking services and 60% of the respondents used it more than 4 times a month. 53% of the respondents already use a mobile wallet for making their purchases across various platforms offered to them.

“Online shopping gives me the widest range available today and has the best deals possible!”

Riya, 20

“Sometimes I go to the shop to check the prices with those available online and buy the best of these”

Utkarsh, 29

ABOUT IIFT

The Indian Institute of Foreign Trade (IIFT) was set up in 1963 by the Government of India as an autonomous organisation to help professionalise the country's foreign trade management and increase exports by developing human resources; generating, analysing and disseminating data; and conducting research. Its flagship program is the Master of Business Administration in International Business (MBA-IB). It is the only institute among the top-10 business schools of India that offers this program.

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Identification of customers, competitors or markets - Everything is impossible without marketing research. Research forms the basis with which one can estimate the validity of creative marketing ideas and gauge the strategy for success. Marketing research is an application or a practical wing of marketing which is a prerequisite for every aspiring marketer. 'Insights', the marketing research cell was started in 2012 with a view to instill in every IIFTian, the importance of research..

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