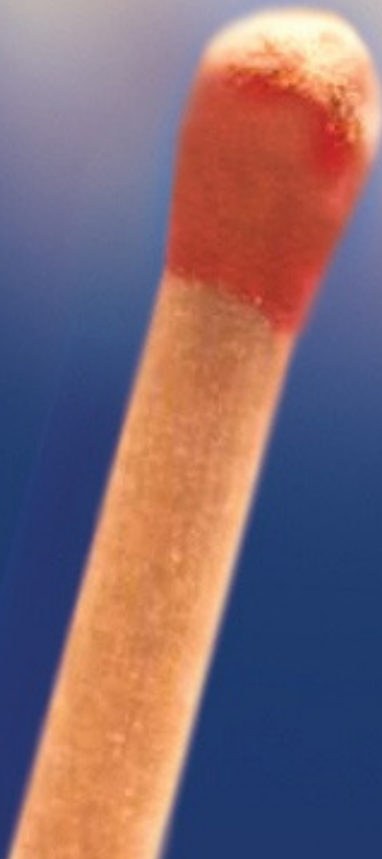


# Synovate Hotspots India



# lifeto life

## Bringing **India** to life



# Mother India

## Family, shopping and the silver screen in the world's biggest democracy

- Mother India's 1.09 billion children speak a mind- boggling 800 languages. Indians may be soft-hearted about family and devoted to sentimental Bollywood epics, but no one strikes a harder bargain when it comes to shopping or business — a duality that leaves many foreign companies perplexed.
- To show you where Synovate's curiosity about this vast market has taken us, we've produced this brief guide as a starting point for your successful journey into India.
- Our discussion has three main parts:
  - "Big Ideas": insights into Indian culture and consumers
  - Implications for research
  - Data



# **Section I: Big Ideas**

## “Big Ideas”: Insights into Indian culture and consumers

- Desperate to be housewives
- A product for every price
- Silver screen dreams
- North is North and South is South
- Kids count
- Who – or what – is your competitor?

## “Big Ideas”: Insights into Indian culture and consumers

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# Desperate to be housewives

Women in urban India enjoy more equality with men than their counterparts in many other Asian countries. A woman – Indira Gandhi – was twice elected prime minister.

But no matter how high she rises or how powerful she feels at work, an Indian woman will always be judged, and judge herself, on her abilities as a homemaker.

The mythic figure of the Indian housewife remains a powerful force in society. The Indian wife/mother is expected to manage her household budget like a company CFO as well as be an expert in the domestic arts.

That's the impulse that will make her rush home from the office to garnish and serve the family's evening meal – even if she can afford a cook to do most of the work for her before she arrives.





# Desperate to be housewives

To bridge the gap between what women actually want (convenience) and what they say they want (lovingly home-cooked food), makers of processed food categories had to come up with a way for them to save face. When food products were first bought to market in India on the convenience platform, they flopped. When the message switched to product superiority, links to the past and the way your grandmother would have made it, sales rose dramatically.

You may find Indian homemakers using some categories in surprising ways. Microwave ovens are often found not in the kitchen but prominently displayed in the living room. Often they are used not for cooking food but for gently warming a guest's beverage of choice. And don't bet against that drink being coffee in traditionally tea-drinking India





## “Big Ideas”: Insights into Indian culture and consumers

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## A product for every price

If you like hunting for bargains, you'll love India. Looking for used clothing? There's usually a market selling what you want just around the corner. How about a reconditioned second-hand stereo system? Ditto. Used car tyres, seat covers, household appliances – India has a flourishing used-goods market in all these categories. Businesses work hard to cater to the aspirational consumer at every income level.

In India, it's not so much a question of worrying about a price for your product – but about a product for every price. Mobile phones are a good example of this principle. At the top end of the market, affluent and fashion-conscious Indians may upgrade their phones more than once a year. Entry-level consumers are offered not only low-cost, low-feature new models but can opt instead to buy a reconditioned used phone, sometimes with a manufacturer's certification.



## A product for every price

Sometimes, it's not about providing a different product but a different portion size.

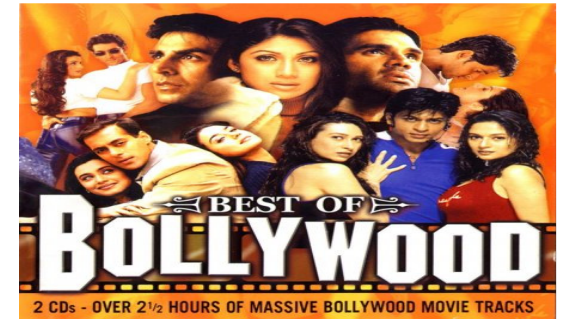
In the United States, consumers often choose jumbo extra-value packs for consumables. In India, customers are offered the option of single servings. While an Indian family might not be able to justify the purchase of a whole jar of Nescafé coffee, they will stretch their household budget to buy a one-serving sachet for an honoured guest.



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## Silver screen dreams



Bollywood is big business in India, but it is also a cultural phenomenon, providing a dreamland everyone can inhabit. India produces more than 800 movies a year and the Film and Television Producers' Guild of India estimates that every day approximately 15 million people go to one of the country's 12,000 or so theatres to watch one.

Indians are passionate about their favourite Bollywood stars. When Amitabh Bachchan was ill in hospital recently, millions prayed and performed different acts of devotion (including two men who walked hundreds of miles to Mumbai carrying sacred water). Upon his recovery, the country's leading English-language newspaper presented him with a 24-page edition that contained over 10,000 text mail messages from well-wishers.

## Silver screen dreams



The stars can make themselves surprisingly accessible to their public. For example, Mr Bachchan gave his home phone number and email address to some of his most devoted fans.

When a leading superstar of yesteryear, Raj Kumar, died in Bangalore, the city came to a halt. Fans flocked onto the street grieving, buses stopped running, and shops shut as a mark of respect.

If people like a movie, they are likely to watch it twice and even three times. The movie *Dilwale Dulhania Le Jayenge* (*The Braveheart Will Take the Bride*) is so popular that it has been held over in one Mumbai cinema for ten years!

Films raising controversial issues can spark extreme reactions. Hindu fundamentalists burned down a number of theatres in 1996 for screening a portrayal of a lesbian relationship.

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# North is North and South is South



Delhi

22<sup>nd</sup> December



Chennai



Child's birthday



# North is North and South is South

Ask an Indian a question about how things work in their country and the common response will be:

“Well, do you mean in the  
North or in the South?”

# North is North and South is South



Although India's diversity runs much deeper than pure geography, the two regions present very different faces of India.

If everyone around you is sipping tea, you are likely to be in Delhi in the North. It follows, therefore, that if everyone is drinking coffee, you are somewhere like Chennai in the South. But if someone invites you to their house and serves you coffee, you're in the North, because coffee there is seen as a prestigious beverage, reserved for special occasions!

In general, Southerners see themselves as more socially conservative and prudent with their money than Northerners. A family in the South looking to buy a new washing machine is likely to visit several shops, making copious notes along the way about features of rival products and their respective warranties.



## North is North and South is South

In the North, where people see themselves as more freewheeling, a family would also look at the hard 'facts' but is more likely to be influenced by brand image or even the aesthetics of the appliance – eg, whether or not it has a fancy-looking LED screen.

“All the artists come from the North – but the bankers come from the South” – this stereotype may or may not be true, but it reflects the different social norms in the regions.

Northerners cultivate an image of 'living for today' and creativity – parents from this region are more likely to encourage children on unconventional career paths. Southerners will not only want to ensure their children's future by pushing them into the professions or business, but are more likely than their Northern counterparts to invest in insurance policies or commodities such as gold.

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## Kids count

### Why do car dealerships in India have large play areas for kids?

Why do commercials for new cars focus on children enjoying the comfort of a family vehicle rather than on the fun the adults can have from the driving experience? Because kids count.

You won't be surprised to hear that children influence purchases of breakfast cereals, toys and other childhood accessories, but in India their influence goes way beyond that. Children play a crucial role in almost every major family purchase, including cars, consumer durables and even houses. This is partly because of the central role of children and the family in Indian society, and partly because contrary to what outsiders may believe, Indian husbands – especially in urban areas – tend to value consultation within the family.



## Kids count

### Why do car dealerships in India have large play areas for kids?

They may sometimes find it easier to consult the children than their wife. In the case of a car, for example, this decision-making role for the children can include whether to get power steering, what colour to choose and whether it should have certain features such as a good music system or a sun roof.

Other categories where children play a key decision-making role include mobile phones (where tech- savvy teens or even pre-teens are often seen explaining features to their puzzled parents), family holidays and house décor



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# Who – or what – is your competitor?

Given limited disposable income, the Indian family must consider a hierarchy of needs and wants. Typically, a refrigerator or a TV is at the top of the list, followed by mobile phones and perhaps then a motor scooter. Occasionally, and interestingly, a product category can move within this hierarchy. For example, emulsion wall paints were seen as a nice-to-have item but certainly not as important as a family holiday or an extra air conditioner.

Paint manufacturers recognised this and worked aggressively in tandem with marketers to reposition the product as critical to the status of the family home – in effect, a wall is more than a wall, it is the collective face your family shows to the world and can bring pride (or shame), depending on what condition it's in



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## **Section II: Implications for research**

# Interview methodologies

## Telephone

Telephone interviews are increasing, especially among hard-to-find respondents and higher socioeconomic classes, particularly in the Tier 1 and Tier 2 cities where most people have access to phones. The growth in mobile telephony (there are currently 85 million users) has also added impetus to this trend. An important consideration for telephone interviews, for either consumer or business-to-business, is that ideally they shouldn't last more than 20 minutes. This method is currently restricted to big urban centres.

# Interview methodologies

## Door-to-door

Although this is the dominant data collection method in India, changes in Indian society have had an impact on methodologies for door-to-door interviews.

In Tier 1 and Tier 2 cities in particular, with the increase in luxury high-rise buildings providing security guards and security systems, it is harder to get access to wealthier consumers.

This can skew the consumer profile in research if only face-to-face methodologies are employed.

# Interview methodologies

## Central location tests

Though common, care needs to be taken to ensure multiple CLTs are done in the same research centre to capture diversity within the city or area you are studying. Usually a productivity of 35-50 interviews per location per day can be reached, depending on certain factors, namely the length of interview and whether pre-recruitment has been done. (The longer the interview or the shorter the preparation, the lower the productivity.) Usually a week's research is allocated for the identification and recruitment of respondents. This ensures smooth logistics as well as higher productivity

# Interview methodologies

## Focus Groups

This is a very popular methodology works well across all regions and town classes. In many markets it's common to use eight respondents but in India 16 may be needed to ensure a quorum for simple profiles. For others, such as car owners, this number goes up three- or fourfold.

A few important points are:

- Most all-female groups are held in domestic settings to put respondents at ease. It is easier if the researchers are women as there may be resistance to approaches by male recruiters both from female respondents and their families.
- Men are typically more comfortable in non-household venues and these are selected based on the profile that is being researched.
- Only the highest socioeconomic classes are interviewed in hotels.
- All groups have snacks served before the interview starts. This is a very important part of Indian hospitality.



# Interview methodologies

- Men and women are usually not mixed in a group as the women are unlikely to speak freely in front of male strangers. Even when interviewing couples, it is better to meet them individually, since in a group the dynamics of their behaviour will be quite different. Gender mixing is not recommended for children's groups either.
- Female respondents are usually escorted from their homes and dropped back there after the group. This measure is for safety as well as ensuring attendance for the group (since females may not be able to venture out alone except in the metropolitan areas). This measure is also adopted for difficult-to-recruit male respondents (eg, senior managers, high net worth individuals, élités, the superaffluent) to ensue attendance.

# Interview methodologies

## In-depth

These are usually done in the 'natural' environment of the consumers (ie, home or workplace). They can also be conducted in a CLT if higher productivity is required or if there is a range of stimuli to be presented to respondents (eg, a number of films or other materials)

## Online

Online interviewing is growing though still not common, owing to low internet penetration. However, it typically works well in the case of élites, decision makers and/or corporate surveys, where the respondent is internet savvy. Most of the internet access in India takes place in the office or cybercafés, which is another hindrance. The most common reason for accessing the internet is for checking emails

# Interview methodologies

## Ethnographic

Ethnography is a popular way of gaining insights. It helps researchers understand how the brand/product actually fits in the consumers life and how it is consumed. Ethnography has been used for a variety of research, including product and packaging development, usage and attitude profiles, and other insight generation. Points to note:

- Participants are informed a few days in advance, though not about the actual time or date. This helps to maintain the natural behaviour of the consumer.
- Gender issues are important. Women may need to seek permission from their husband and other family members before allowing researchers access. Respondents should be provided with a researcher of their own gender to avoid influencing behaviour and thus distorting the research.

# Interview methodologies

- There are a variety of ways the researcher develops trust and rapport with the consumer in order to watch and listen carefully without encroaching.
- The researcher should dress in such a way so as to make the target group feel comfortable, ie, for young people, jeans; for lower income subjects, slightly worn-out clothes
- Often, meals are taken at the respondent's home.
- The researcher keeps in the background while the consumption takes place. A wash observation respondent should not be probed about the nuances of the process at the actual time of washing. The process can be interpreted in detail once the respondent has finished the consumption.
- Video recording should be avoided if it proves too intrusive for the respondent. Ethnography is often supplemented with other research techniques such as homework tasks, diaries, photo collages, memorabilia and collectables to gain even richer insights

## Ethnic and religious groups

The majority of the population are Hindu but there are significant minorities of Sikhs and Muslims, and intercommunal violence does sometimes flare up. Parsees, Buddhists and Christian communities also live in India. Significant tensions still remain in some areas. Mixing members of minority communities such as Muslims or Christians in respondent groups is specifically not recommended. Mixing tends to affect the dynamics of the group in crucial ways, including expression of values and behaviour.

Another critical factor is the diversity across states. Coverage needs to be looked at carefully as findings from the same product/ concept can vary greatly across regions and town classes.

# Questionnaires

Questionnaires are one of the more complex areas of research planning because they raise several issues:

- language
- length

## Language

Doing representative research in India generally implies covering more than nine languages. It is important to budget for translations. Also, not all words can be translated exactly. For example, there is no direct translation of the word 'gentle' in Hindi. It has to be communicated through a phrase.

# Length

## Guidelines for face-to-face interviews are

- Door-to-door up to 40 minutes
- CLT up to 40 minutes
- Street intercept up to 15 minutes
- Business up to 30 minutes
- Focus groups up to 2.5 hours
- In-depth interviews up to 1 hour

## Guidelines for telephone interviews

- Household up to 25 minutes
- Business up to 25

# Schedules

Public holidays in India tend to be observed on a strictly regional basis. Only the secular holidays of Republic Day, Independence Day and Mahatma Gandhi's Birthday are universally observed.

## Indian Public Holidays 2010

The below dates are Government of India holidays, when public sector offices are closed across the country.

- **26 Jan** Republic Day
- **15 Aug** Independence Day
- **2 Oct** Mahatma Gandhi's Birthday



# Schedules

## Religious Festivals

Bear in mind that as with the Easter holiday in the West, many Indian religious festivals are based on the lunar calendar, and dates may vary slightly from one year to the next. While Hindu festivals will be celebrated by the majority of the population, there are a significant number of Indian Muslims who will observe the important dates or the Muslim calendar. There are also a considerable population of Indian Buddhists. Remember also that although the number of practising Christians in India is low many Indians mark Christian festivals such as Christmas and Easter by taking time off.

# Schedules

## Religious Festivals 2010

**1 Jan** New Year

**26 Jan** Republic Day

**1 Mar** Holi

**16 Mar** Gudi Padva

**2 Apr** Good Friday

**24 Aug** Raksha Bandan

**4-5 Nov** Diwali

**25 Dec** Christmas Day

Avoid scheduling research in the week before or after a major holiday, as many people tend to take time off either side of the official holiday dates.

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## Section III: Data

# Sources

This data is assembled from a variety of sources including:

- A Synovate telephone survey of a representative sample of adults in Delhi and Mumbai conducted in April 2006
- Euromonitor
- Economist Intelligence Unit (EIU)
- Central Intelligence Agency World Factbook
- IMF, International Financial Statistics

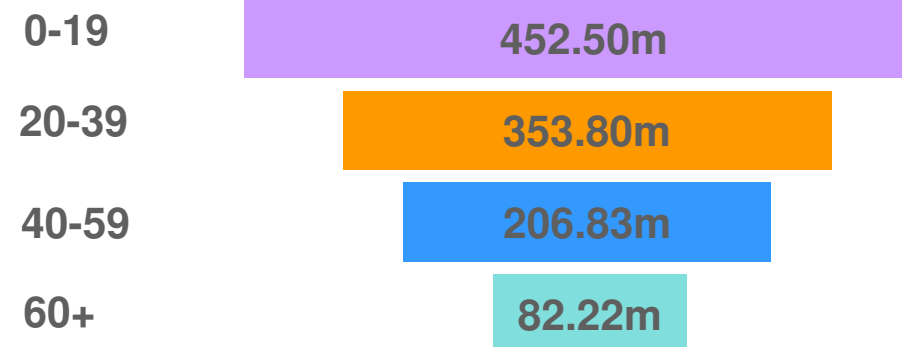
## Basic country facts

- Population: 1,095.35m\*
- Urban population as a percentage of total population: 28.7%\*
- Area total: 3,287,590 sq km†
- Rank in world by area: #7†
- Number of cities with a population over 10 million: 3
- Number of households: 206.34m\*
- Average household size: 5.3\*

## Economy 2005

- GDP: 33,420,524m †
- GDP per capita: 733 (US\$)\*
- Growth in GDP, 2005 vs 2000 (CAGR): 9.8%†
- Growth in GDP per capita 2005 vs 2000 (CAGR): 10.1%\*
- Amount of Foreign Direct Investment inward: 6,696m (US\$)\*

# Population Distribution by Age (2005)



Source: EIU

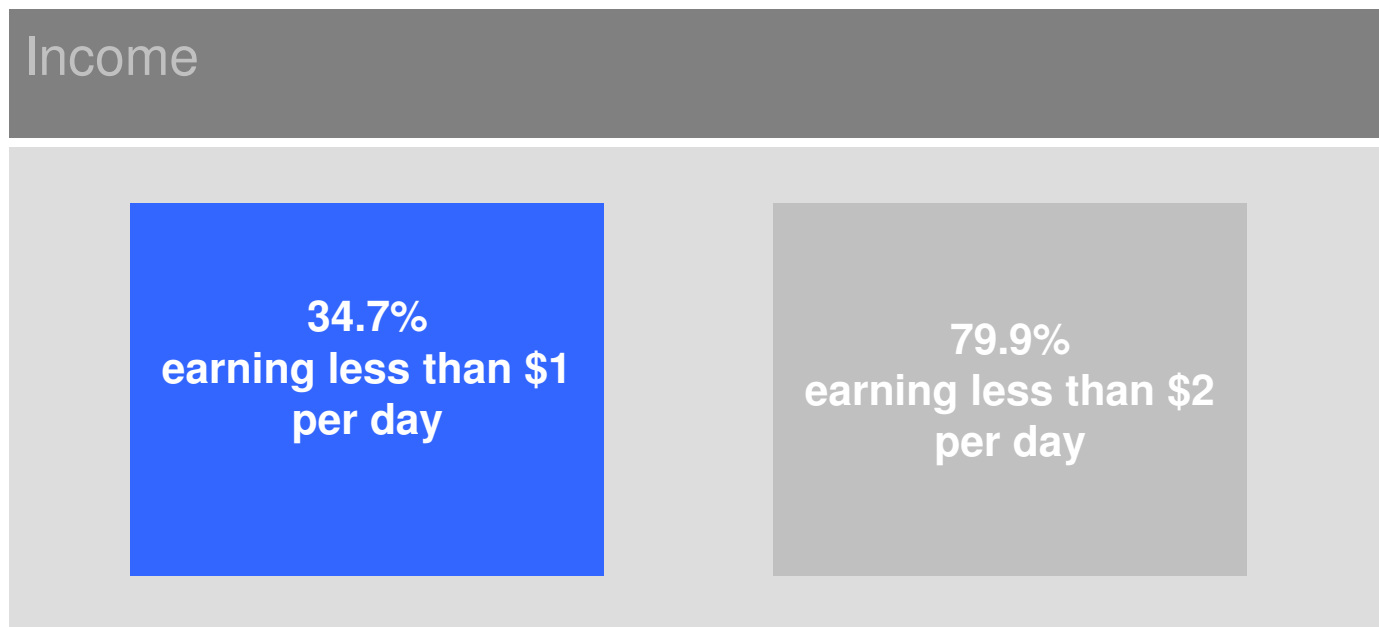
## Education

	2004
Population aged 15-19 in education	NA
Adult literacy rate	61%*

Source: Euromonitor

\*2004

# Income



Source: Euromonitor 2000



## Household income

	2000	2001	2002	2003	2004	2005	CAGR (‘00-‘05)
<b>Median household income US\$</b>	1,430	1,410	1,480	1,640	1,820	2,070	7.7%

Source: EIU

## Savings rate (as a percentage of income)

2000	2001	2002	2003	2004	2005
23.0%	24.2%	26.0%	26.5%	26.6%	25.0%

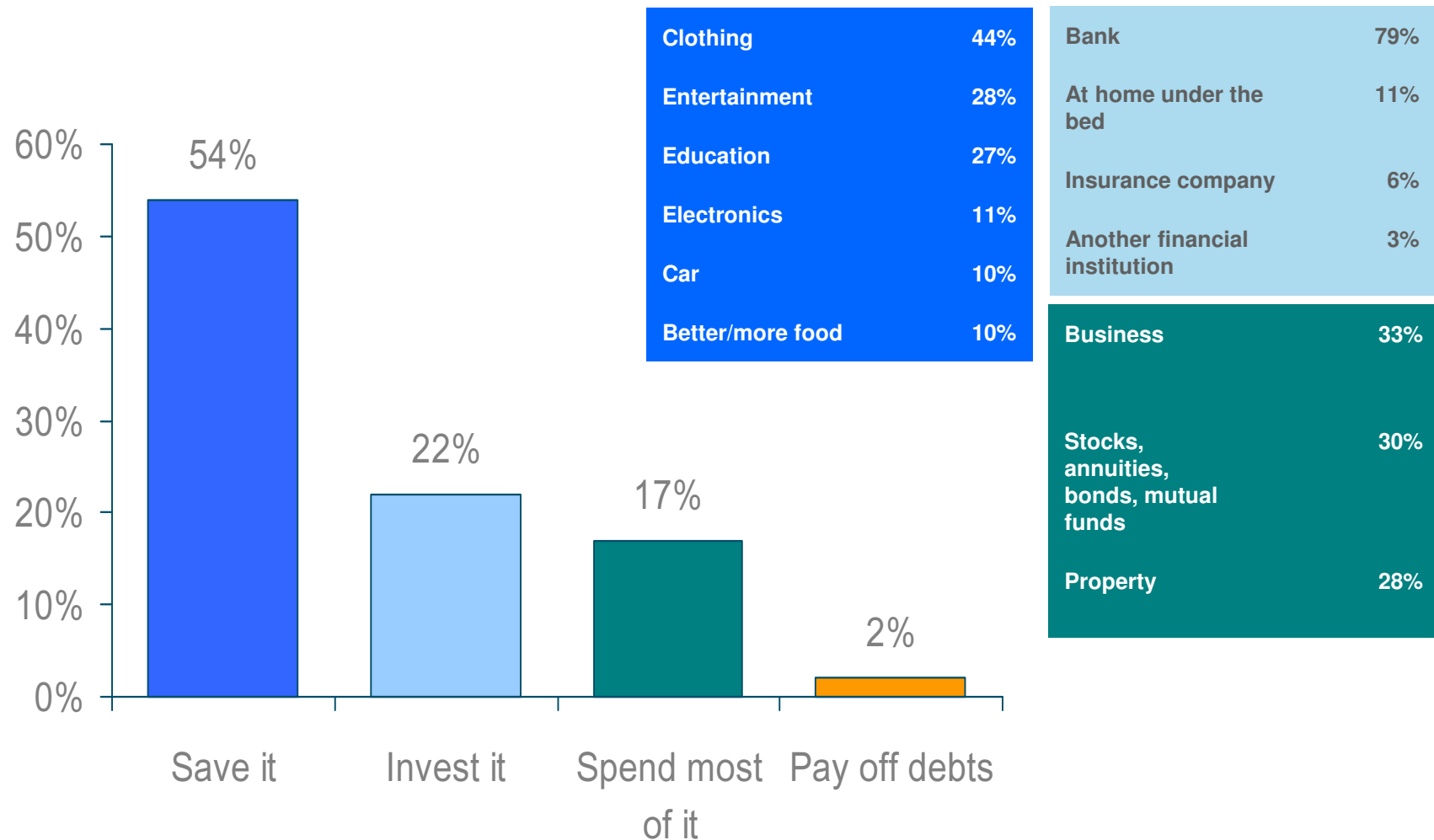
Source: EIU

# Consumer expenditure 2005

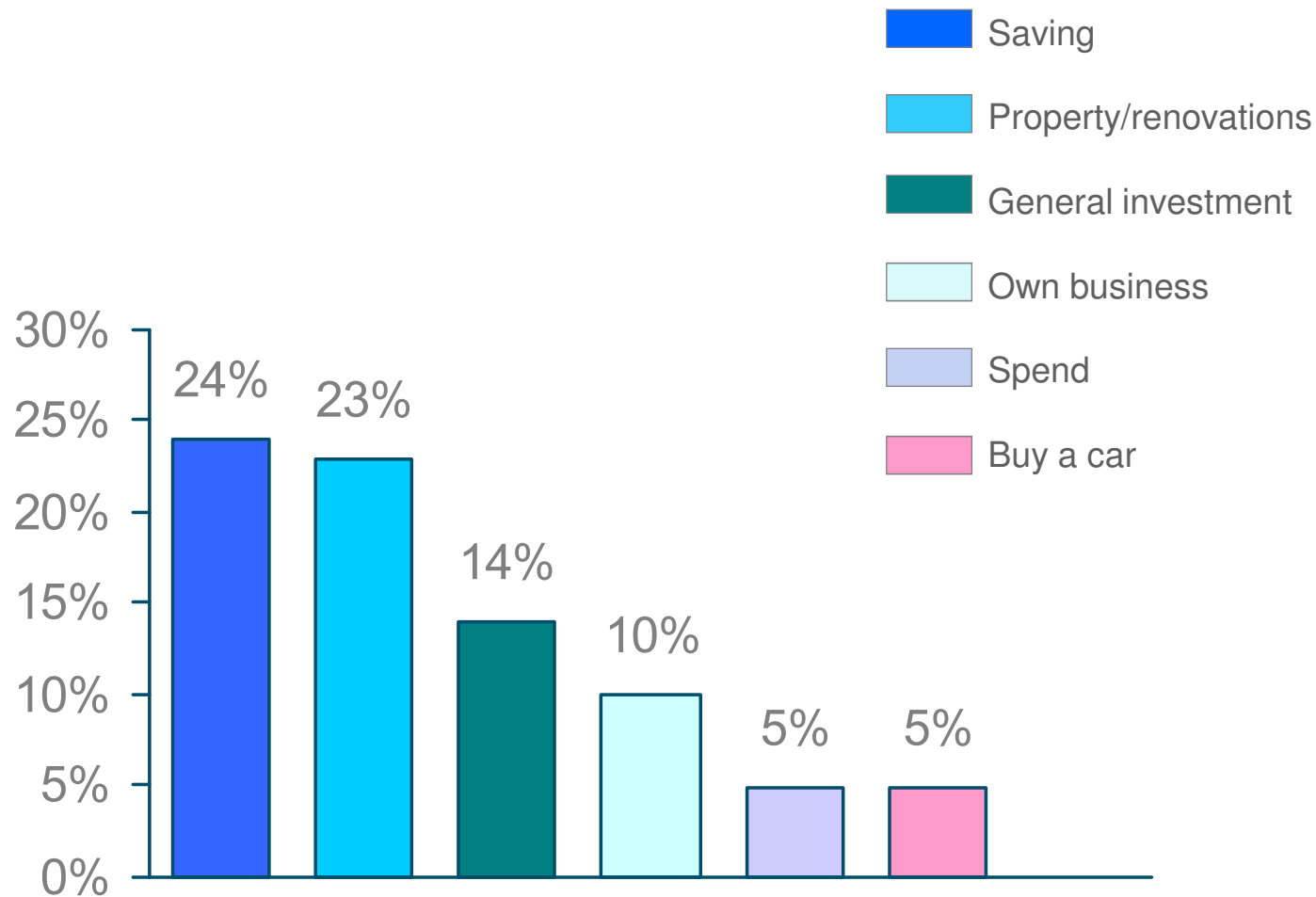
	2005
<b>Consumer expenditure</b>	<b>18,654,403,6m (Rs)</b>
<b>Food and non-alcoholic beverages</b>	<b>43.4%</b>
<b>Alcoholic beverages and tobacco</b>	<b>3.09%</b>
<b>Clothing and footwear</b>	<b>4.72%</b>
<b>Housing</b>	<b>10.8%</b>
<b>Transport</b>	<b>12.7%</b>
<b>Hotels and catering</b>	<b>1.45%</b>
<b>Household goods and services</b>	<b>2.92%</b>
<b>Health goods and medical services</b>	<b>7.87%</b>
<b>Communications</b>	<b>0.98%</b>
<b>Leisure and recreation</b>	<b>1.41%</b>
<b>Education</b>	<b>2.34%</b>
<b>Miscellaneous goods and services</b>	<b>8.28%</b>

Source: Euromonitor

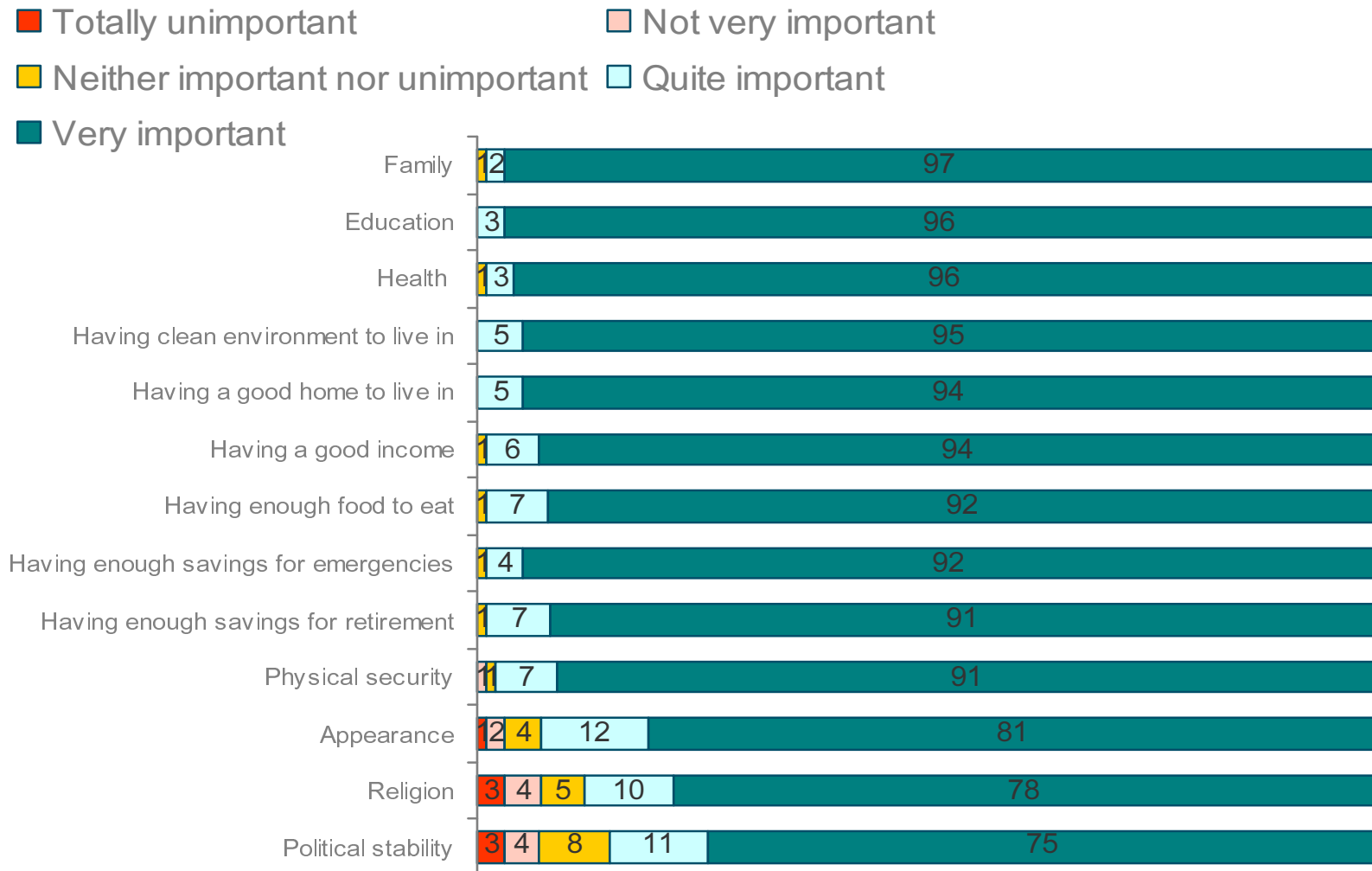
# What would you do with 20% more household income?



# What would you do if you won US\$100,000 in a lottery?

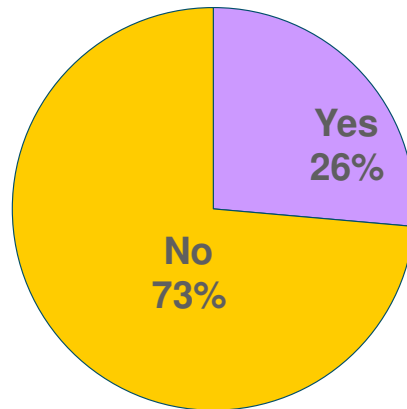


# Lifestyle personal importance (Numbers in percent)

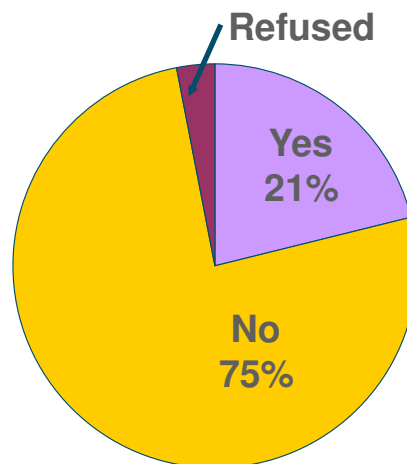


# Cyberspace

## Internet access








## Personal email










■ Both home and office  
■ Home only  
■ Office only  
■ Others

## Products and services – usage during past three Months and brand image






	Used past 3 months	Best Brand	2nd Brand	3rd Brand
<b>Travel</b>				
<b>Hotel Group</b>	 6%	Himachal Tourist/ Holiday Town	Oberoi Hotels Radhakrishna	-
<b>Airline</b>	 4%	Jet Airways	Indian Airlines	-
<b>Alcohol</b>				
<b>Beer</b>	 6%	Kingfisher	Foster's	Kingfisher Strong
<b>Whiskey/Scotch</b>	 5%	Bagpiper Gold McDonald's/ Royal Stag	Old Monk Gold/ Royal Challenge	-
<b>Brandy/Cognac</b>	 1%	Dr. Brandy	-	-

# Products and services – usage during past three Months and brand image

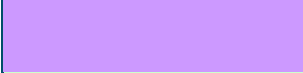



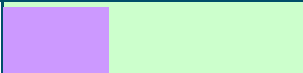
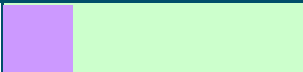
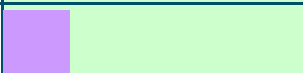
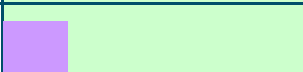

	Used past 3 months	Best Brand	2nd Brand	3rd Brand
<b>Soft Drinks</b>				
<b>Fruit Juice</b>	 62%	Home Made	Tropicana	Appy Fizz
<b>RTD Tea</b>	 59%	Tata Tea	Society	Brook Bond/ Red Label
<b>RTD Coffee</b>	 51%	Nescafé	Bru	Nestlé
<b>Cola</b>	 47%	Pepsi	Coca-cola	Thums Up
<b>Auto</b>				
<b>Fuel for your car/ motorcycle</b>	 20%	Hindustan Petroleum	Indian Oil	Bharat Petroleum
<b>Motorcycle</b>	 19%	Bajaj	Honda	Yamaha
<b>Car/Pick-up Truck/ SUV</b>	 13%	Maruti	Esteem	Honda/ Hyundai



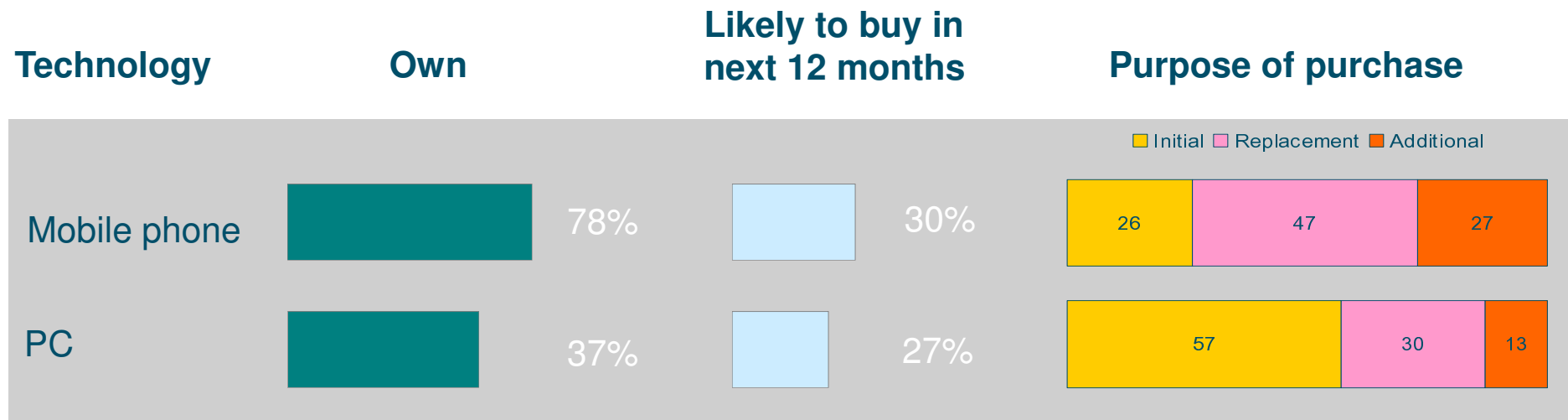
# Products and services – usage during past three Months and brand image

	Used past 3 months	Best Brand	2nd Brand	3rd Brand
<b>Retail</b>				
<b>Everyday clothing store</b>	 8%	Local	Orbit	Pantaloons
<b>Designer clothing store</b>	 8%	Gogia/Ritu	-	-
<b>Fast food chain</b>	 29%	MacDonald's	Pizza Hut	Domino's Pizza
<b>Technology</b>				
<b>Mobile phones</b>	 55%	Nokia	Reliance	LG/Samsung/ Sony/ Sony Ericsson/Tata
<b>MP3 player</b>	 26%	Sony	Samsung	Philips

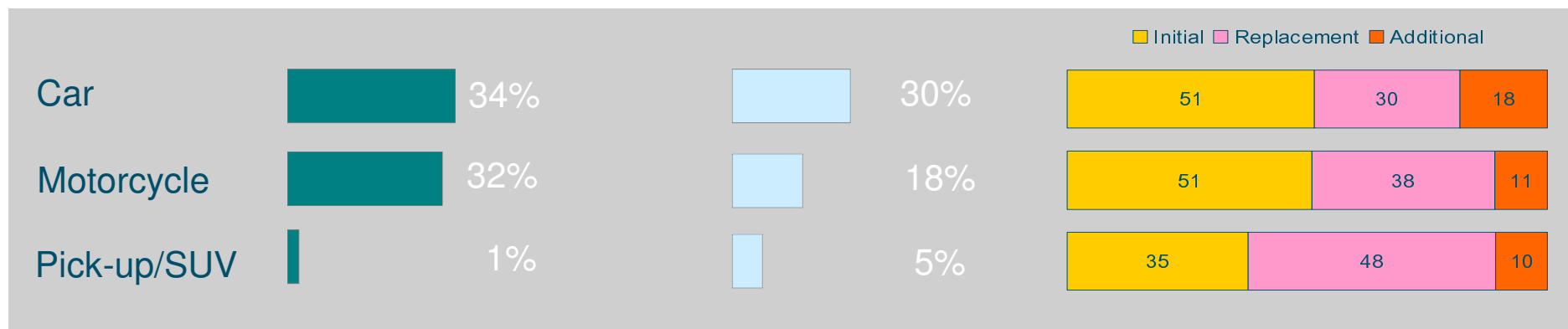
## Products and services – usage during past three Months and brand image

	Used past 3 months	Best Brand	2nd Brand	3rd Brand
<b>Personal Care</b>				
<b>Soap</b>	 97%	Lux	Pears	Dove
<b>Shampoo</b>	 77%	Clinic	Sunsilk	Head&Shoulders
<b>Lipstick</b>	 29%	Lakmé	Avon	Oriflame/Eco
<b>Conditioner</b>	 27%	Garnier	Revlon	L'Oreal
<b>Face Powder</b>	 25%	-	-	-
<b>Eye Make-up</b>	 13%	Lakmé	Revlon	Oriflame
<b>Face Make-up</b>	 13%	Lakmé	Biotique, Ayurvedic	Revlon
<b>Facial Moisturiser</b>	 13%	Lakmé	Pond's	Oriflame/Tokalon/ Garnier/ EverYuth
<b>Shower Gel</b>	 10%	Lux	Avon/ Palmolive/ Parachute/ Brylcreem	

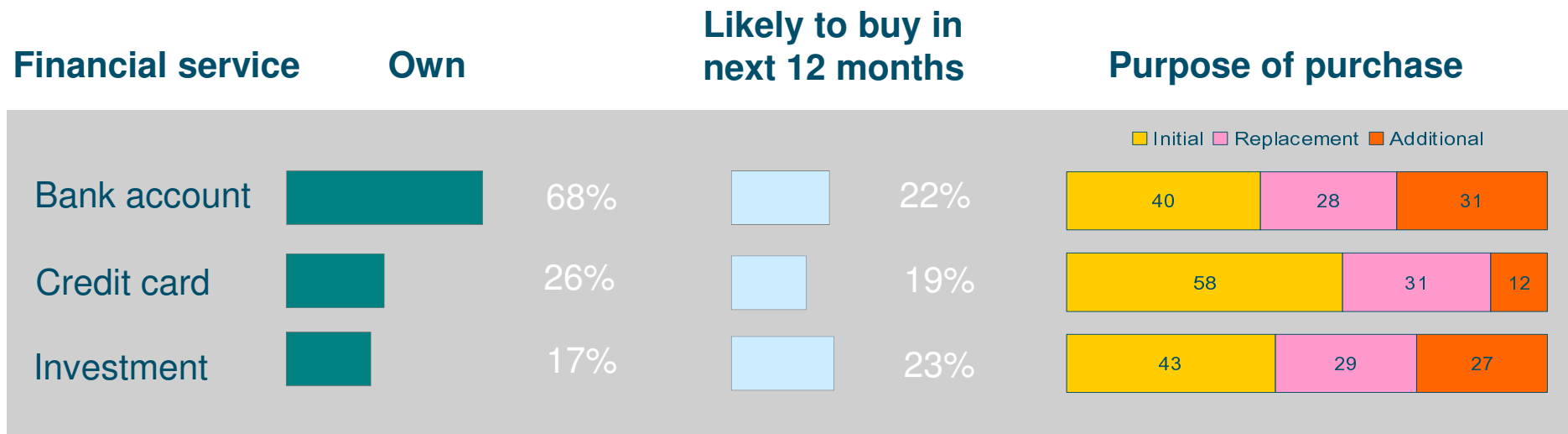
# Product ownership



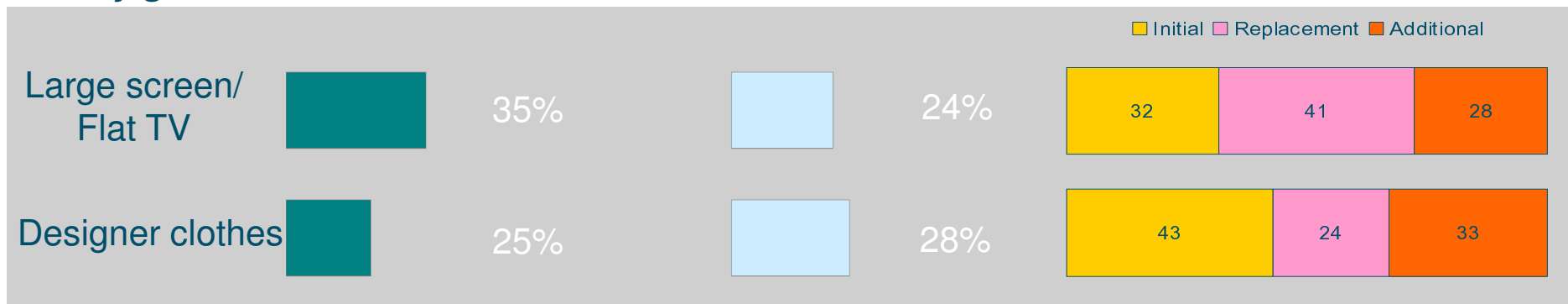
## Vehicle



# Product ownership



## Luxury goods



# Global retailers' image

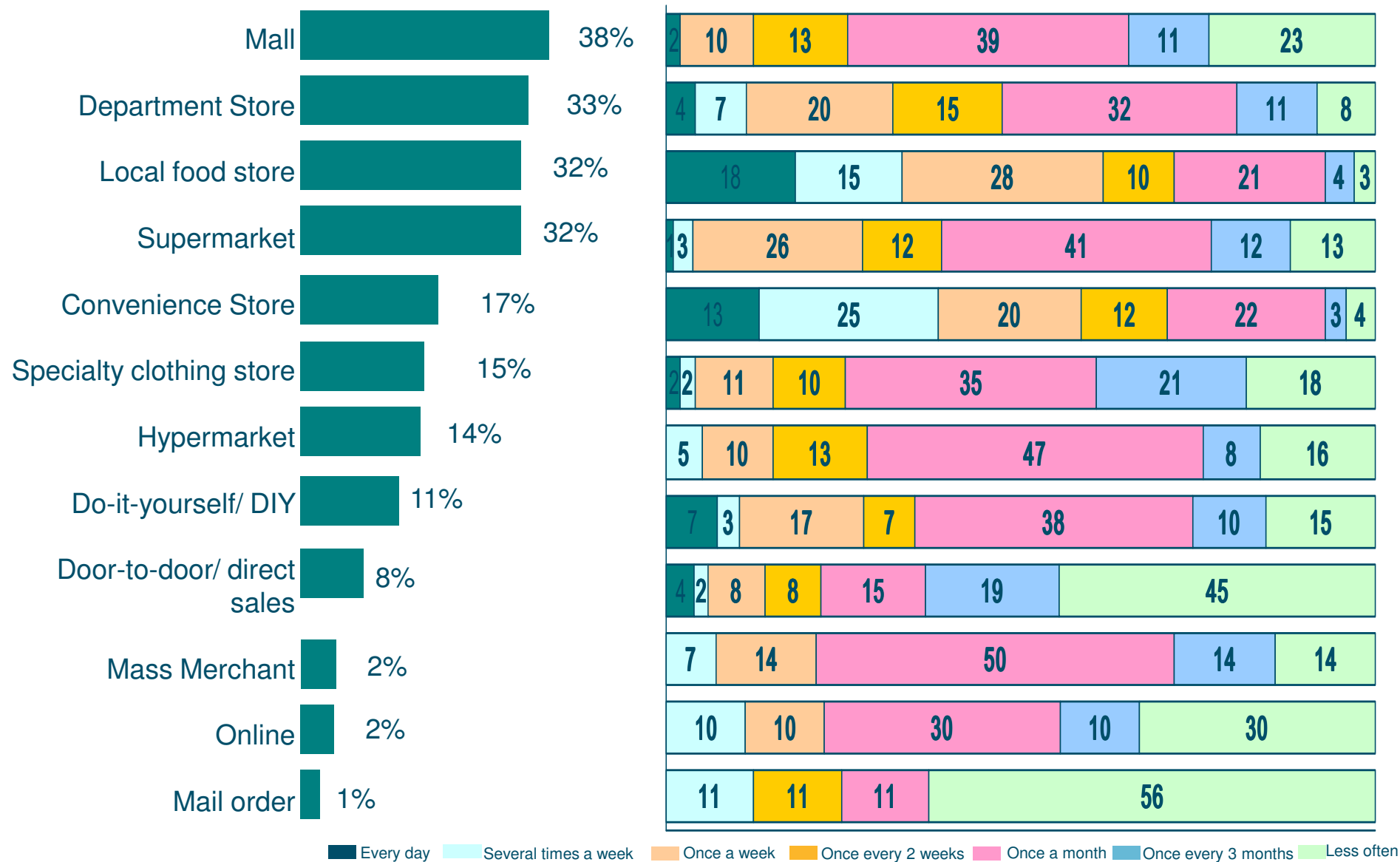
	Awareness	Very positive	Positive	Neutral	Negative	Very Negative
Carrefour	3	48	10	24	-	-
Wal-Mart	21	42	17	19	1	1
Tesco	11	36	17	26	-	-

# How do I spend my weekday/weekend (Hours)

	Media/Information			Sleeping
	Reading newspapers/magazines	Surfing the Internet	Watching TV	
Weekday	0.67	0.47	1.91	6.92
Weekend	0.71	0.30	2.10	6.90

	Working/school			Exercising/ Playing sports	Staying at home
	Commuting	Housework	Work/school		
Weekday	0.70	1.45	3.48	0.58	6.44
Weekend	0.37	1.40	1.26	0.60	6.29

# Retail penetration and frequency (Past year)



# Local or international

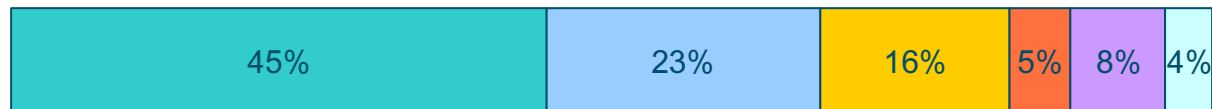
Locally manufactured brands are just as good as international brands



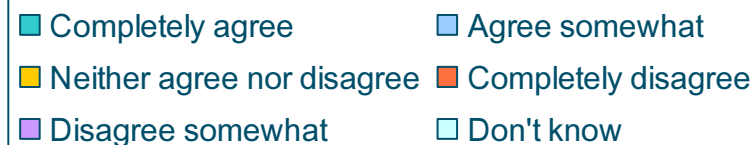
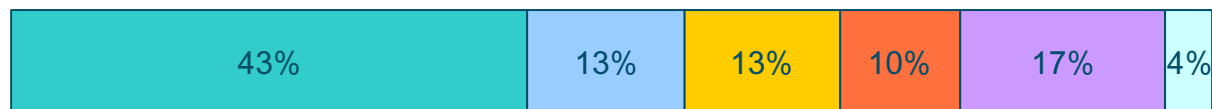
Local retailers are just as good as international retailers



Most people don't know the difference between local and international brands



If a local and international brand are of equal quality and price, I would prefer the local brand



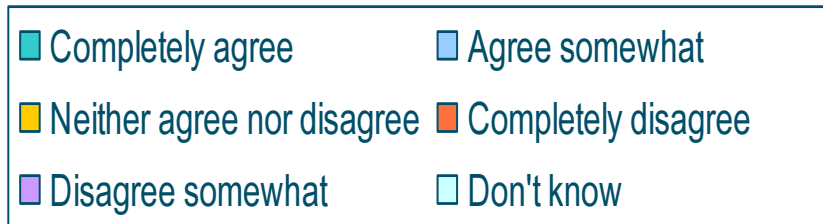


# Have you experienced any of these distressing situations in the past year? (figures in per cent)

	Total
None	94
Been asked for a bribe by a corrupt official	2
Been sick and could not afford medical attention	1
Been sick and could not get medical attention	1
Had to accept a pay cut	1
Been sick and could not get medical attention	1
Had to skip a meal because you did not have money for food	1
Lost a primary job	1

# Attitudes (Figures in percent)

## Economy



# Attitudes

## Environment

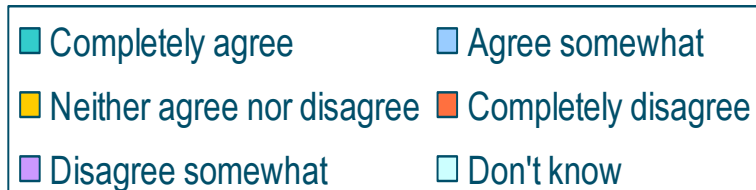
Environment degradation is a major issue in my country



The environment in my country is too polluted today



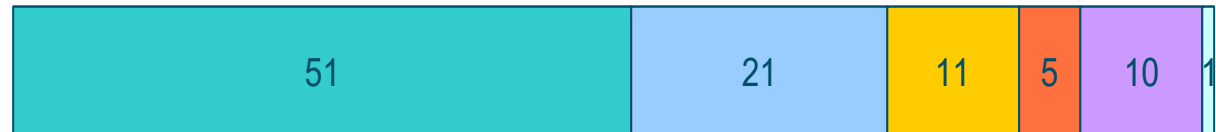
There is a good chance that my country will suffer a major natural disaster in the next 12 months



# Attitudes

## Personal

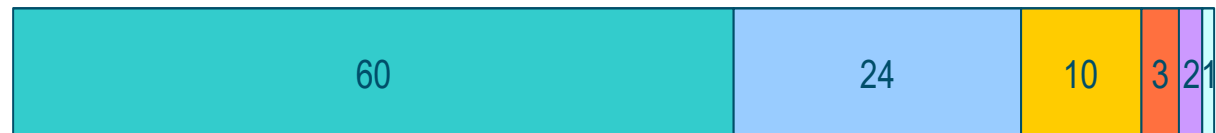
Five years ago things were better for me



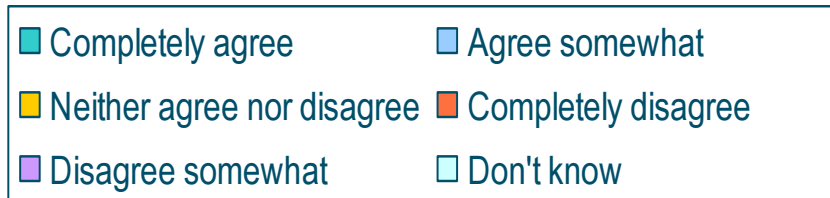
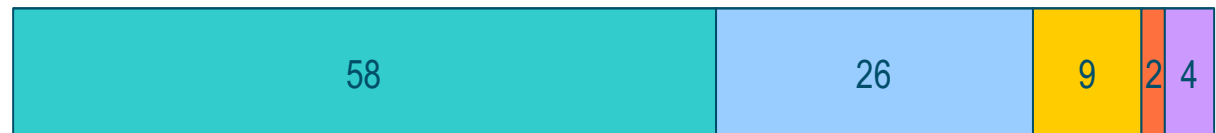
I would like to live and work in another country



In five years time things will have improved for me



Today life is good to me and my family



# Attitudes

## Social

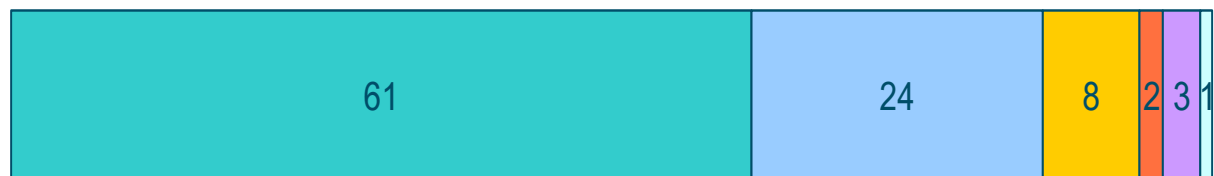
I am proud of what my country has achieved



My country has a bright future



My country is innovative



Bringing  
**lifetolife**



Thank you