

Shifting consumer preferences will lead to

As income level rises, consumption patterns undergo a transformation as consumer preference changes from basic needs to premiumisation.

This could lead to new trends and opportunities in the consumption sector. If we observe closely, rising income level has triggered an evolving consumption trend which could boost growth of various sectors and sub-sectors.



Here's how -



In the **Consumer Durables**

sector, the consumption boom has led to an increase in the adoption of products like Washing Machines and Air Conditioners. Low penetration levels of Washing Machine & Air Conditioner at around 10 & 7 percent respectively presents further scope for growth in this segment.

The Automobile and Auto Components

industry is experiencing a surge in demand as consumers have the financial means to invest in vehicles. The preference for automatic gear transmission and the inclusion of advanced infotainment systems with connected car features are driving the market towards more technologically advanced vehicles.



In the **FMCG**

sector, rising income levels and changing consumer preferences are driving the demand for premium products. This trend is particularly evident in the shift from traditional products such as bar soaps and powder detergents to premium options like liquid body washes and liquid detergents.

The **Telecommunication** sector is witnessing significant growth with the rapid adoption of smartphones and the advancement of mobile network technologies. Consumers are upgrading from feature phones to smartphones, enabling them to access a wide range of services and stay connected. The transition from 2G to 3G, 4G, and the ongoing deployment of 5G networks further fuel this growth.



Consumer services, such as **Travel and Hospitality**, are benefitting from the

consumption boom as individuals have more disposable income for leisure activities and better lifestyle choices. There is a visible shift from train travel to air travel, indicating a preference for faster and more convenient modes of transportation.

The **Textiles** industry is benefiting from the consumers having the means to purchase a wider range of clothing and textiles. Additionally, changing fashion preferences and the desire for trendy and premium products are driving growth in this sector.



Demand for better **Technology** is driving consumers to purchase latest electronic devices like earphones, watches and other smart accessories. Consumers are increasingly investing in cool gadgets such as headphones, chargers, speakers and many more electrical products.

The **Media, Entertainment & Publication** sector is experiencing increased spending on entertainment options. Consumers are allocating more funds towards movies, concerts, sporting events, and other recreational activities, contributing to the growth of this sector.



Want to benefit by investing in sectors that could lead India to become a consumption powerhouse?

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