

Headline: Betting Big on New - Look Shopping Cart

Publication: Timesofindia.indiatimes.com

Edition: Online

Date: 10.01.2011

Betting Big on New - Look Shopping Cart

With his back turned towards the last few decades, the marketer has now set his gaze on a future that holds the promise of budding segments taking wings to become full-fledged categories, bolstering sales as purchasing power goes up.

In the previous decades, consumers took measured steps before making a purchase decision, even if it were a daily use item such as soaps or detergents. Today, emerging categories like hand sanitizers, facial wipes, anti-perspirants, probiotic drinks and fabric softeners are being picked off the shelves at a rapid pace.

The shopping basket displays an array of new category products fitting snugly with older and established ones, which are expected to become bigger during this decade. Probiotic drinks are seen flanking the good-old milk pouches, pre- and postshampoo products jostle for space with hair oil bottles while hand sanitizers cosy up to soap bars.

Says Gopal Vittal, executive director (home and personal care), Hindustan Unilever , "The market is changing dramatically. Consumers are getting more affluent . As people get discretionary incomes, the structure of consumption changes. More people start upgrading. As a consequence , new markets of subsegments are created where the rate of growth is faster."

HUL is putting resources behind emerging categories as would other companies which are keen on having a share in these fast-growing segments, where the key trends defining the shape are impulse, health and wellness , lifestyle and convenience . Understanding these will be important to drive the shape of the consumer products market in 2011 and beyond, according to Roosevelt D'Souza , executive director, The Nielsen Company.

Newer attributes like low-fat , sugar-free , baked and whole-grain are being introduced in impulse categories like biscuits and salty snacks. At the same time, there is an emergence of modified products in health and wellness, such as chewing gums assuming a new avatar as an oral health aid to increasing whiteness and reducing cavities.

Probiotic, which claims to provide beneficial bacteria to aid in the process of digestion , is another health mantra that is being chanted by the urban health-conscious Indian. "Though small, this segment will most likely emerge as a sub-category if the efforts to educate consumers and increase awareness succeed," says D'Souza .

Another segment that is getting ready acceptance is convenience food, especially among consumers who have typically preferred fresh and home-cooked food. The last decade proved to be an inflection point for convenience food with growing urbanization and lack of time.

Emerging categories are evident in other industries as well. Vestal Corporation Singapore recently launched their LeAF e-diaries and ereaders in India. Says Ganesh Narayanan, CEO-Vestal Corporation Singapore, "Indian consumers seek available content to read on the e-readers and that's the reason behind the initial stigma in the takeoff of the ereader market."

Most of the books published for India have preferential India pricing, which helps the Indian consumer buy at almost 50% of the Western prices. However, India does not have specific low prices for e-book or e-content. At present, with the paucity of inexpensive e-books, the Indian consumer is hesitant to buy an e-reader.

That's not all. Textile companies like Arvind and Alok Industries have entered into the technical fabric segment. These are special finish fabrics which could be flame-retardant for fire brigades or water-repellent for coal mines. There are also aroma fabrics for sports and stain guard fabrics for hospitality.

"As per Technopak, technical textiles is estimated at \$12 billion (2010). It is expected to increase to \$22 billion by 2015," says Sunil Khandelwal , CFO, Alok Industries.

On the other hand, homestays are emerging as new categories in holiday resorts. As a concept, homestays are not only popular among the inbound travellers who want to experience the rich culture of India, but also Indian travellers. "We see a growing trend of young couples with very young or no kids coming forward to explore the homestay experience as they have a drive to try something new and unique during their travelling plan," says Japa Ghosh, head marketing, Mahindra Homestays.

In real estate, one is observing a trend of segmentation from studio/1BHK apartments to row houses, villas and lifestyle-based concepts revolving around golf and tennis. The market is clearly driven by demand rather than supply forces, according to K Sriram, VP (sales, marketing and devices), MIRC Electronics (ONIDA).

As the decade progresses, some emerging categories like deodorants and anti-perspirants may even nudge out older categories like talcs, if their acceptance among consumers grows significantly. Does that mean existing categories may lose some sheen? "We have to focus both on markets of today and markets of tomorrow. The market is very dynamic. We cannot ignore any category," says Vittal of HUL.

Seems like large bets are being placed on the deep-pocketed consumer of the new decade to buy products across categories, old and new.

http://articles.timesofindia.indiatimes.com/2011-01-10/india-business/28371505_1_probiotic-hand-sanitizers-health-and-wellness/2