

Triggers for digitisation

For easy transition, the government and companies must understand how DeMo and BHIM will change Indian consumer behaviour



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No doubt, India will lead the growth in smartphone market globally. At about 230 million, we are already the second-largest smartphone market in terms of active unique smartphone users. With a low penetration of 20 per cent, India offers a huge potential and already over 150 smartphone brands are competing for a slice of this pie. With the digitisation drive growth will accelerate.

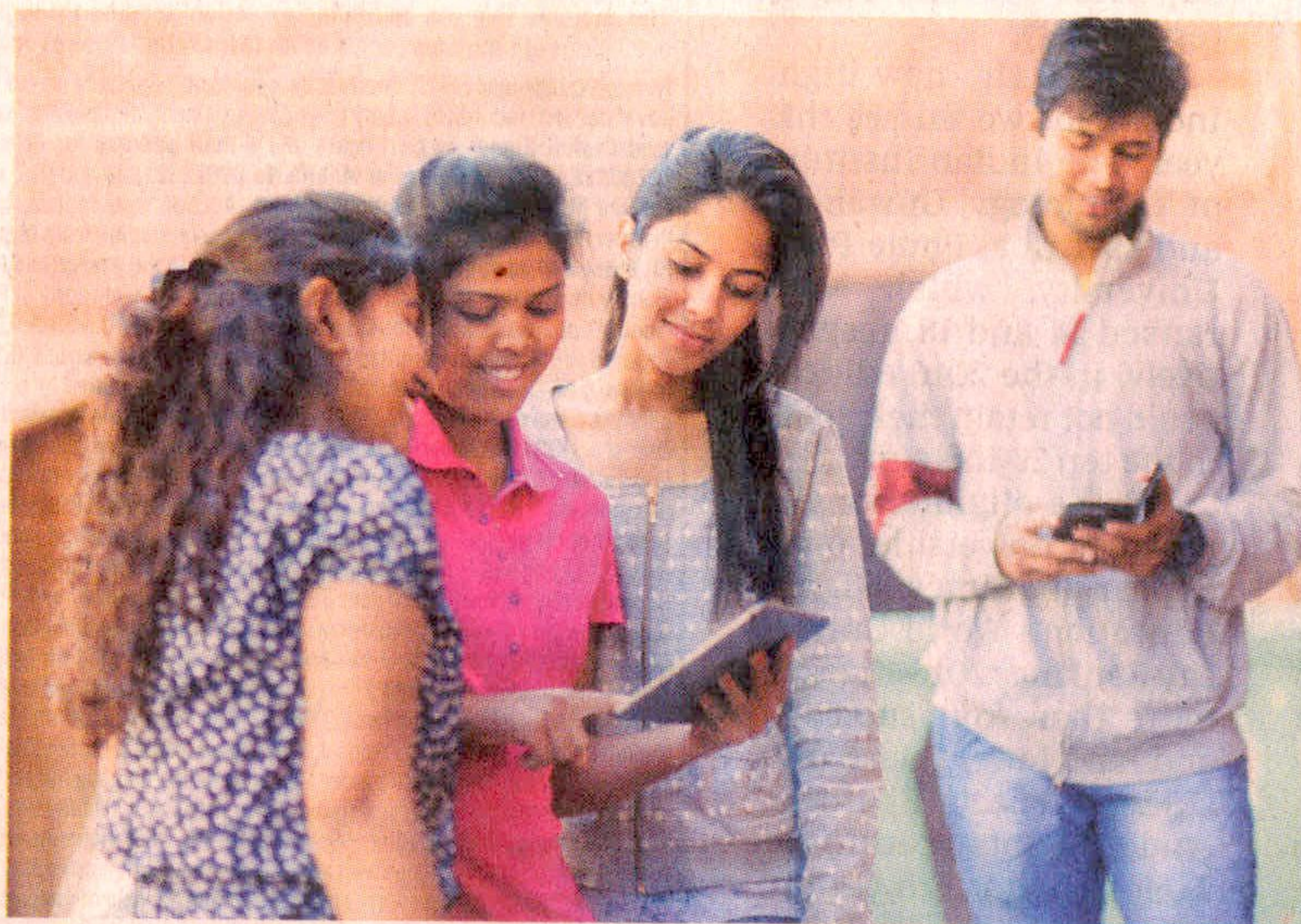
Smartphones have transformed consumer behaviour across the world, and will do in India too. Disruptive innovation changes industries and business models and consumers change their behaviour in tune with such disruptions. The DeMo and BHIM drive, if looked through the disruptive lens, will change Indian consumer behaviour and government and companies must understand this in order to ensure a smooth transition.

Disruption triggers shake-ups on establishment (business or behaviour) and drives massive acceleration of new models or adapters. Smartphones have changed us drastically in the Airbnb and Uber way: Till then, we never trusted strangers but suddenly we happily get a stranger to drive us around, and take a bed in a stranger's house. Going by the success of these two aggregators, and their cut-and-paste Indian avatars Oyo

and Ola, consumer behaviour has changed quite rapidly and will manifest in further change in other areas as well. There are many others who are taking this model to drive changes in the rest of our purchase behaviour: In groceries, food, shoes and so on. Marketers seem to be fascinated by this opportunity and the willingness of consumers to bind themselves to brands or apps.

Of the 20 per cent or so Indians who own a smartphone, nearly all of them use the same for internet surfing, chats, social media and for staying connected virtually to the world around them. With the lowest rates for data packs, this is not surprising. However, less than a fourth use phones for mobile payment or banking transactions today. If this has to change, a general advertisement of BHIM may not be sufficient. Understanding the techno-readiness of the population and providing aligned value proposition to each of the five techno-ready segments will be needed for faster proliferation.

With the growing smartphone density, the behaviour of people will undergo paradigm shifts. The opportunities are galore: To advertise, create more apps and engage one-on-one with individuals. Targeted promotions and citizen interactions can pave way for driving individualised messaging and real-time research for, say, a policy change of government and product features for marketers. The bigger questions of whether these connected citizens will find them useful, needed or as privacy invasion will soon arise. If the changed consumer behaviour in a highly penetrated market (60 per cent-plus) such as the USA is any indication, we can expect the same for India soon. According to Google, more people now do mobile search queries than via desktops. Over 80 per cent of the



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US households having Internet access now bank online. They also use e-payments such as Apple Pay and PayPal for everyday purchases. And they are using the phones for all the other everyday use: Groceries, restaurants, table booking, ticket booking of all types, and even looking for new homes to buy at online listing services.

It may sound counterintuitive but with smartphones teenagers are moving away from TV viewing to phones and social media. This has become a nightmare for media planners and they are all talking of programmatic media buying these days. Many people will say Instagram has low penetration worldwide with just over 300 million users and 70 million or so photos and videos shared daily, but it is indeed

changing the way consumers are documenting their lives. The proliferation of connected devices such as the Gear, iWatch, Fitbit and other wearable fitness trackers, Wi-Fi-enabled thermostats and smoke detectors, and GPS-enabled pet trackers may be debatable, but these devices will indeed change the "how" and "what" questions of consumer behaviour. If we understand the "whys", we will find better use of the Internet of Things and artificial intelligence for faster penetration.

Perhaps not everything will change, as we believe. The things that influence the consumers' decision-making will probably remain unchanged. These influences include environmental, social and personal factors and they fundamentally do not change as we have seen

with the five broad techno-readiness segments of population. Yet, the pace of technological change can accelerate at unpredictable rates and under such an environment, people will have to take decisions quickly and probably with the emotional sides of their brains when time is constrained. No research will unearth the consumer behaviour at such critical moments of truth when decisions are influenced by the place and situation.

Fundamentally human beings are social animals and we do things, buy things and consume things almost consistently because we copy what we see others do. And Indians are most adept in this as evidenced by our movies, TV series, business models, products and services, and even wardrobes. The smartphone has accelerated this "seeing" and "copying" behaviour with Twitterati, Amazon recommendations and Instagram just as movies shaped many behavioural changes in the past. We copy, we "like" and we "follow", and others follow us. Technology and products may be new but the copying is old.

Bureaucrats and economists talk of Big Data to predict the behaviours, but it is not reliable to find the emotional "whys". The decisions of people are personal, and will be influenced by how they "feel" about an issue or service. No feel, no buy. The analysis of framing, copying and feeling will derive insights to make the right decisions with the digitisation drive. What comes next and how quickly it changes us to copy and act, and the insights of what motivates those behaviours will come from techniques that will remain the same just as what makes people buy the smartphone being the same.

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