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Macro to Micro Implications of Mega Trends in India to 2020

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F R O S T & S U L L I V A N

**Mega
Trends**

Defining Our Future:
Are You Ready?

Mega Trends in India
Macro to Micro Implications of Mega Trends to 2020

March 2012

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Summary of Top Mega Trends



Urbanization: India's urban population will reach a figure close to xxx million by 2031. In order to accommodate this demographic shift, there will be expansion of city limits, development of urban infrastructure, and emergence of satellite towns. Four major trends in urbanisation that India will see include Mega Cities, Mega Corridors, Mega Regions, and Satellite Towns.

Mega Cities: Cities with populations over 8 million and a GDP of \$xxx billion and above. Around xx percent of the total population (xxx x million) in India to live in urban regions in 2025.

Mega Regions: Cities combining with suburbs to form regions with a population over xx million. India to have four Mega Regions by 2025.

Mega Corridor: Corridors connecting two or more Mega Cities or Mega Regions form Mega Corridors. India to see 8 Mega Corridors by 2021.

Satellite Towns: A town designed to house the overspill population of a major city, but located well beyond the limits of that city and operating as a discrete, self-contained entity. India to see xx Satellite Towns by 2020.

Sustainable Cities: Cities that have been built on eco-friendly, sustainable initiatives that cut across some or all levels of infrastructure, housing, transport system, and healthcare. These cities are either built from scratch or are an upgrade of an existing city. India to have xx Sustainable Cities by 2025.

Photo Credits: Dreamstime

Summary of Top Mega Trends (continued)



Generation Y: Most educated, affluent, assertive, and IT literate generation in history. These digital natives, between xx values, beliefs, attitudes, lifestyles, and behavioural patterns influencing product, technology development, and marketing strategies in 2020. Constituting xx percent of the total Indian population in 2025, Generation Y will be the most adaptive to change, ready to experiment with new technologies, and have a high purchasing power. This generation will re-define market demand for new and innovative technologies and products that will be solely created to match their unique attitudes and beliefs.



Highest Increase in Working Age Population: India's working-age population will see a period growth of xx.x percent during 2010–2020 compared to a modest rise of x.x percent in China. This will put India in a competitive advantage over China, making India a prime location for companies looking for a high quality labour force, particularly in the services sector.



The Middle Bulge: The Indian middle class, or the “Middle Bulge,” will occupy xx percent of the country’s population by 2020. This xxx million strong income group, with an annual income between \$x,xxx and \$xx,xxx, represents a huge market opportunity for white goods and automobile makers. In a bid to capture this market, firms will compete in the low-cost segment to offer the ‘best prices’

Summary of Top Mega Trends (continued)



Click-n-Connect: The Indian social media will represent a leading domain of information exchange involving nearly xx percent of the xxx.x million Internet users in the country by 2020. Facebook will continue to dominate, followed by Twitter and Web sites like LinkedIn. Companies will start tapping into this medium as a means of communicating the latest company news and products.



“She-conomy”: With more Indian women entering into the workforce, there will be a significant shift in financial and economic power in India towards women—both on household and professional front. With the workforce participation rate of women to increase to xx percent in India and the average income of urban Indian women to increase by xx percent by 2020, women in India will wield significant decision-making power and account for a bulk of consumer spending.



Indian Economy: The Indian economy is the fastest growing economy in the world, occupying third place, with a GDP of \$x.x trillion. Maharashtra will continue to hold the number one spot in terms of state GDP accounting for xx.x percent of the country’s total GDP by 2020. Gujarat will show an impressive economic growth at xx.x percent by 2020. India will also see an expansion of the service sector, accounting for a whopping xx.x percent of the GDP in 2020.

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Summary of Top Mega Trends (continued)



Beyond Bangalore: Many Tier 2 Indian cities with their low real estate costs, low labour costs, well-trained professionals, and relatively more space, will emerge as future outsourcing hotspots. These smaller Indian cities will offer the same expertise, skill sets, and resources as the big Indian cities. Apart from providing low-cost labour, these hubs will specialize in niche areas, such as medical services, application development and management (ADM), and legal services.



Wealth Watchers: India will fortify itself as an economic superpower with the ongoing wealth boom. With over xx billionaires and xx near-billionaires, India's total wealth is recorded at over \$x.x trillion and is expected to reach \$x trillion by 2020. India's economic growth will give further rise to the number of Ultra High Net Worth Individuals (UHNWI) and High Net Worth Individuals (HNI) in the country, as well as multiply the wealth of the existing UHNW individuals. Private banks, asset management companies, and luxury brands will thrive on this trend, mapping their strategies to suit the demands of the ultra wealthy.

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Summary of Top Mega Trends (continued)



Space Jam: With the launch of xx satellites, xxYea space missions, and launch vehicles by 2025, new navigation and communication technologies will be enabled, leading to multiple innovations in Machine-to-Machine (M2M) communications, Mobile Satellite Services (MSS), and an increase in broadband speed.



Connected India: With a 10-fold increase in the number of broadband subscribers (2010–2015) and initial rollout of 4G by late 2012, India will witness great progress in the area of connectivity. In addition, India is expected to have around x.xx billion connected devices by 2020, including mobile phones, tablets, and other machine-to-machine connected devices, both in urban and rural areas. The power of “E” will be clearly seen in areas such as governance, entrepreneurship, education, commerce, and medicine. In addition, online retailing is to reach \$x.xx billion in 2020. This is driven by better connectivity trends.

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