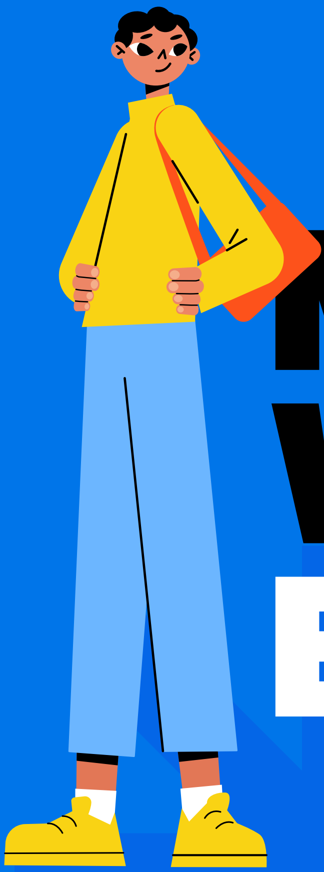
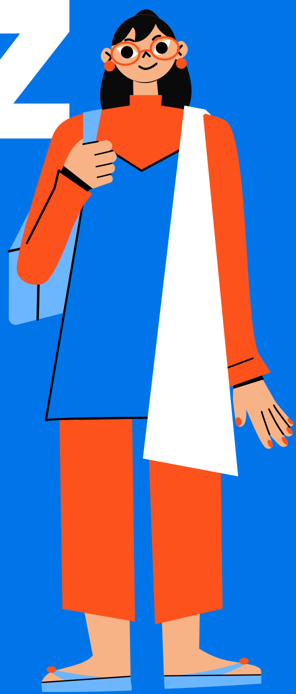
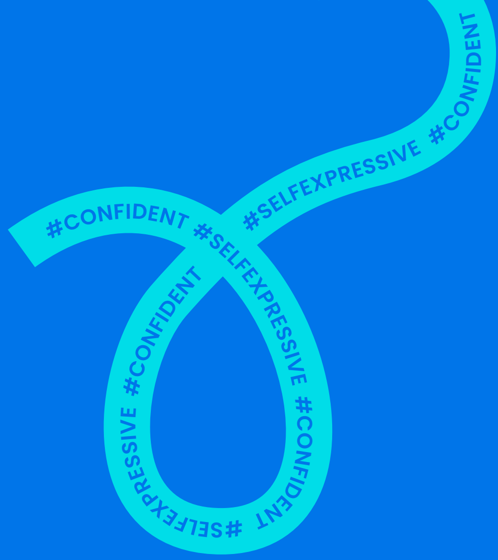
MAKE WAY FOR BHARAT Z







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FOREWORD

Ever since I was a child, my family affectionately called me "dramebaaz," and little did I know that this knack for drama would become my career! You might recognize me from my relatable and entertaining desi reels and comedy content. As part of the Gen Z influencer community, there's one thing we all share, no matter where we come from—we keep it genuine. We're the OG digital natives, having grown up with Internet as a constant companion.

We value individuality, innovation and HONESTY. The idea is to connect with people who want to see their own lives reflected on the screen. And that's why I feel relatability is our strength, whether we're capturing the funny moments with friends or the unique quirks of our Indian families. Everyone wants to feel seen and heard, and that's what creators like me strive to do.

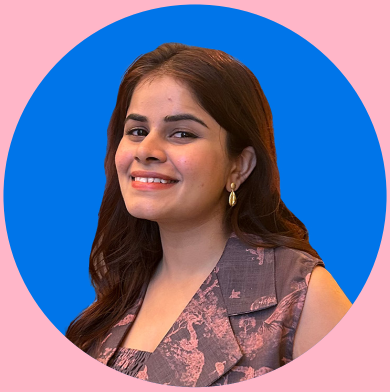
Generation Z is here to stay, and while you may have mixed feelings about us, you can't ignore us. The Gen Z in tier 3 and 4 cities has a different vibe from those in metro areas, and this report delves into the heart of small-town India's Gen Z, highlighting trends that set us apart.

As a creator, I see trends emerge daily, and they inspire my creativity. These trends are not just numbers; they are glimpses into our lives. This is not only the future but the present. It's essential for brands to understand and resonate with the Gen Z perspective and vibe. The insights in this report are invaluable for anyone looking to connect with us more effectively.

So, welcome to our gang!

Dharna Durga

@dharnaaaaa



HELLO

INTRODUCING GEN Z: A STUDY IN CONTRASTS

The one thing that you cannot do is put Gen Z in a box. British author George Orwell summed it up succinctly when he said, “Every generation imagines itself to be more intelligent than the one that went before it, and wiser than the one that comes after it.”

From 9 to 25 years old, this generation was born between 1996 and 2012, a time that also witnessed the evolution of Web 2.0, the mass adoption of high-speed internet, the introduction of smartphones including Apple’s iPhone, and the launch of Facebook. This generation also called Zoomers or iGeneration literally grew up with the rapid changes that shaped the global digital culture.

There are **1.8 billion** Gen Z globally and **47.2 crore** in India, accounting for **27%** of the population.

Zoomers are rewriting every aspect of life, be it how they work, shop, or even communicate.

LIT

GEN Z SPEAK

Zoomers have significantly impacted language with ***Rizz*** (someone's ability to attract another person through style, charm, or attractiveness) becoming Oxford's Word of the Year 2023. They continue to create their vocabulary with words like ***slay*** (To do something well or to do a good job), ***bet*** (A way of saying "yes" or "OK" or "it's on"), ***facts*** (A way of saying that something is true), ***cap*** (A lie), and more.

VIBE CHECK

- *The first generation of true digital natives*
- *Financially savvy*
- *High on individualism*
- *Trendsetters*
- *Bi-cultured with East meet West influence*
- *Conscious consumers*
- *Prioritizes health and wellness*
- *Spends long hours on their phones*
- *Influenced by Influencers*
- *Values brand transparency*

THE GREAT INDIAN GEN Z DIVIDE

India is home to the world's largest youth population with almost half the country's population below the age of 25. However, the dichotomy in India's Gen Z is clearly visible in the rural-urban divide. While Gen Z in tier 3 and 4 cities in India are digital natives and tech-savvy, they are also noticeably different from their metro counterparts.

This made us ask – Does this new generation of consumers residing in tier 3 and 4 cities of India have different lifestyles, consumption, and spending patterns than those living in metros and larger cities?

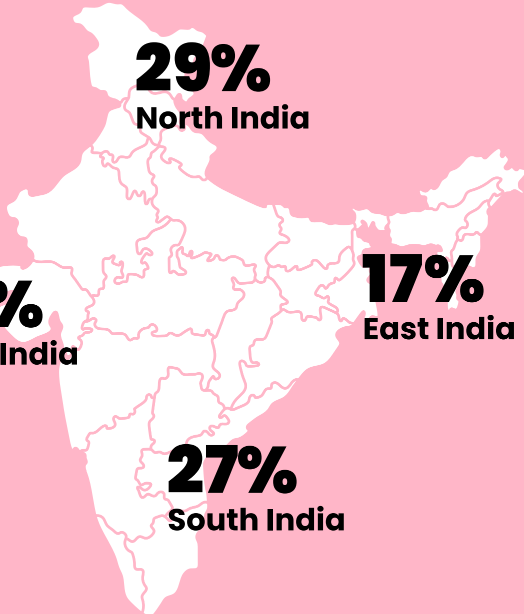
In a first-of-its-kind study, MSL India,

with the consumer pulse platform LocalCircles unravels this conundrum.

DEMOGRAPHICS

16,000 unique respondents aged between **18–27** years

191 cities | **4** regions



52% respondents **TIER 3**

48% respondents **TIER 4**

67% respondents men

33% respondents women

KEY FINDINGS:

TRAVEL
Top choice for discretionary spending

CELEBRITIES
The least influence on spending

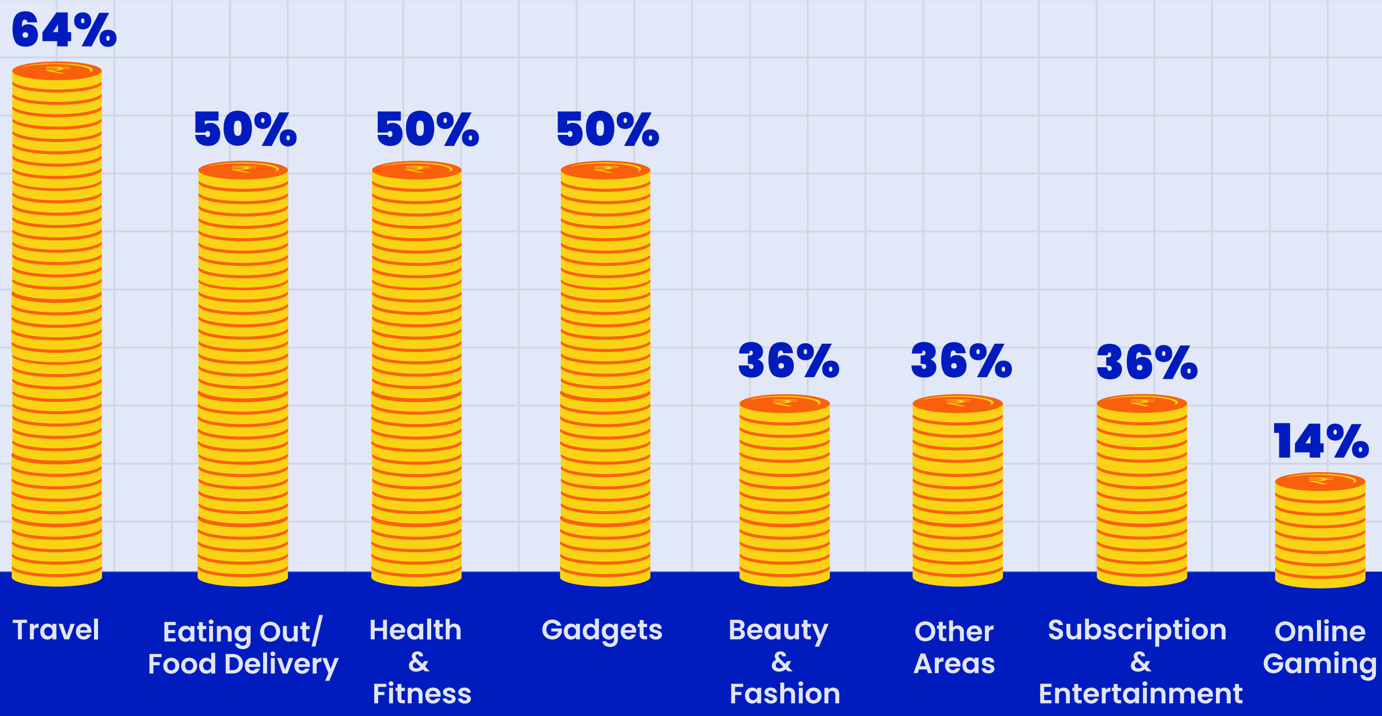
ONLINE
Top medium for discretionary spending

PRINT
Top source of information

TELEVISION
Top medium for entertainment

TRAVEL: TOP CHOICE FOR DISCRETIONARY SPENDING

KEY AREAS OF SPENDING 2023



**Some respondents have selected more than 1 option in the survey and hence the total does not equate to 100%.*

- **1 in 2**

  Gen Z consumers surveyed spent on travel, gadgets, health & fitness, and eating out in 2023.

- These spending patterns align with the monthly per capita consumption expenditure which has grown at 33.5% for urban households and over 40% for rural households since 2011-2012.

- Eating out has been predominantly a metro culture but is now emerging in smaller cities. Driven by an internet food culture and increased purchasing power, Gen Z in tier 3 and 4 cities are spending on getting food delivered or going out to eat.

- Being a tech-savvy generation, spending on gadgets like the latest smartphones or laptops remains important to most Zoomers in tier 3 and 4 cities.

- **64%**

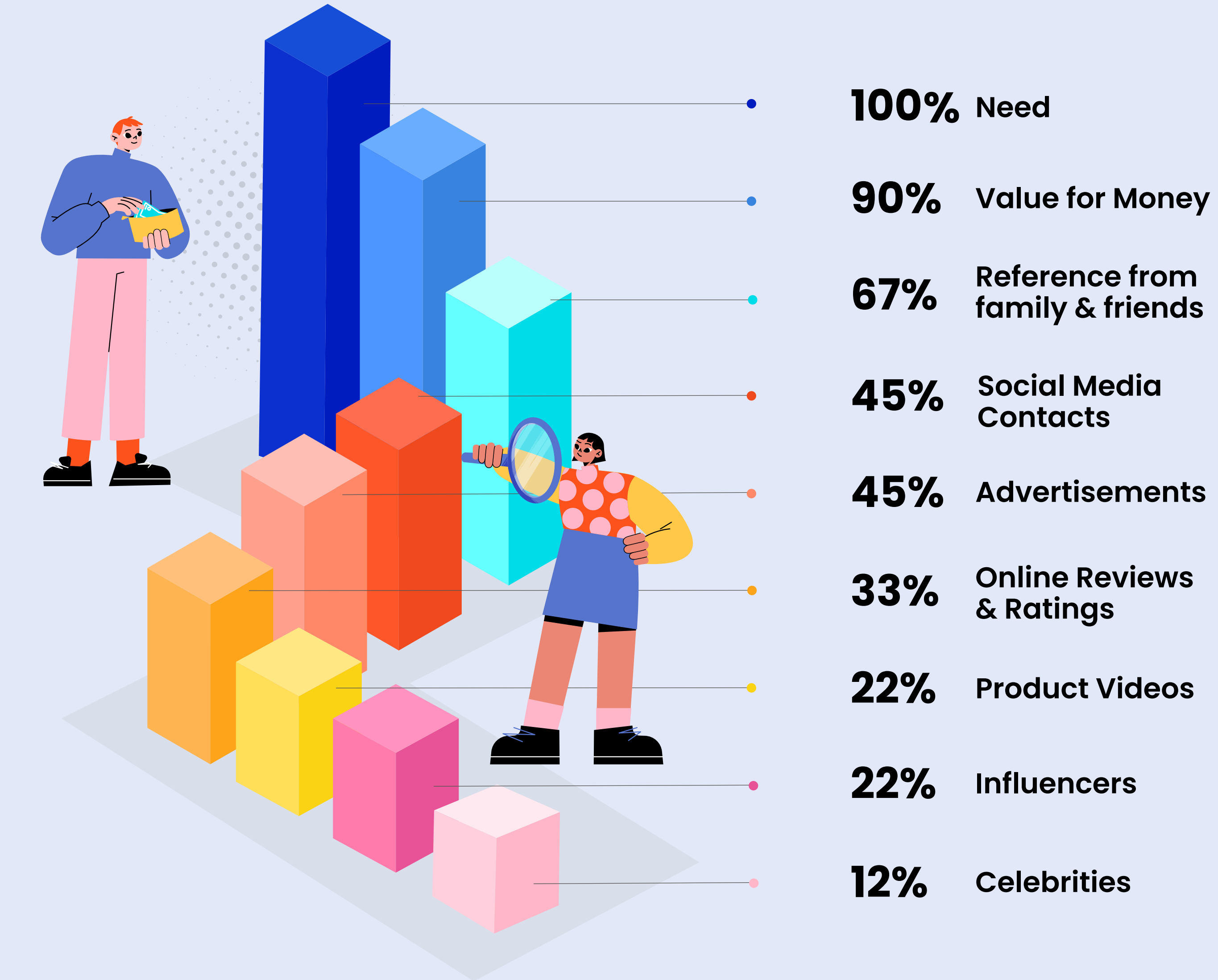
  of Gen Z invested in travel, reflecting the post-pandemic trend of fulfilling desires through travel.

- **50%**

  of Gen Z spent on health, which reflects a shift in priorities after the COVID-19 crisis.

CELEBRITIES: THE LEAST INFLUENCE ON SPENDING

FACTORS THAT AFFECT SPENDING DECISIONS



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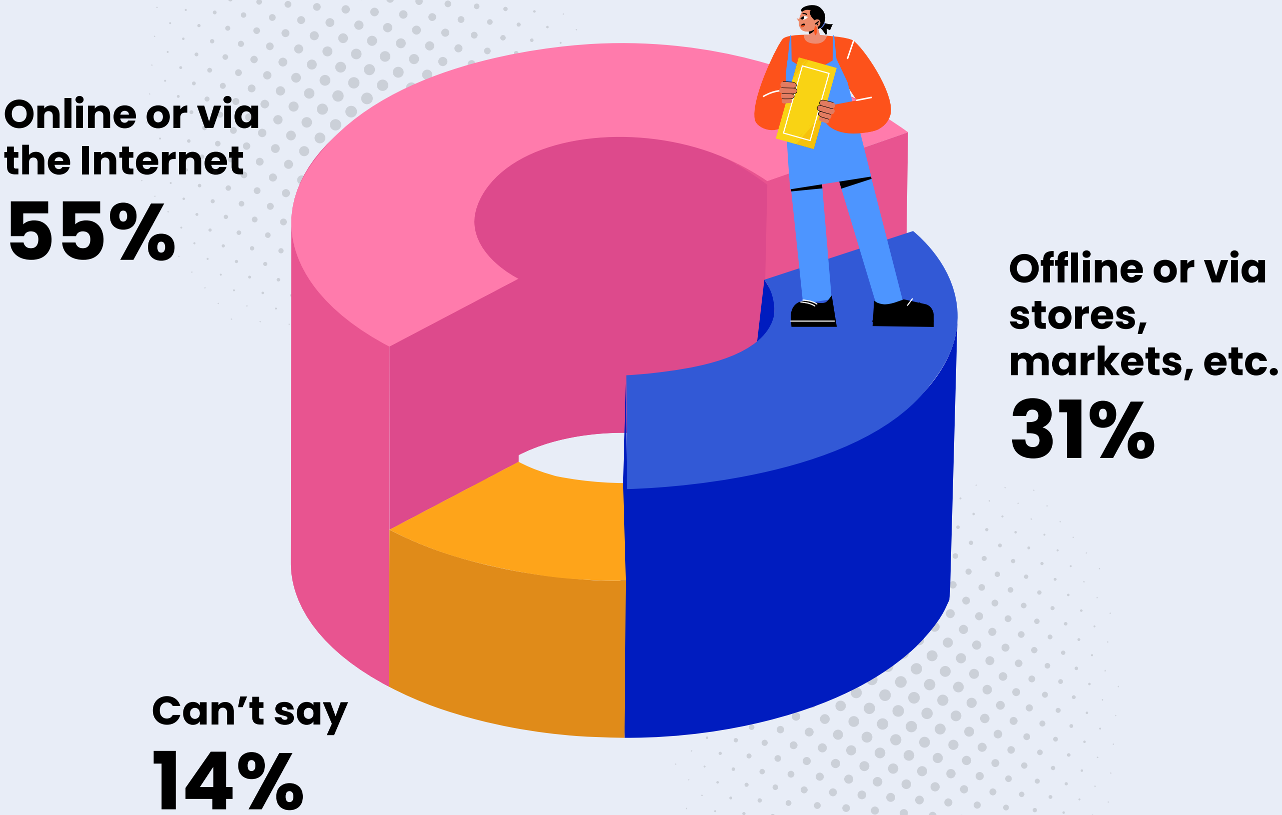
- In these relatively smaller cities with close-knit families and friend circles, it's not a surprise that **67%** of Zoomers follow references from family and friends.
- They also like to follow trends and lifestyles of their social media friends reiterating the power of online platforms in shaping spending behaviors.
- Celebrities who had a larger influence on how and what people bought have now faded in relevance due to a rising trust deficit.
- Gen Z in tier 3 and 4 cities are prudent in their spending decisions with need and value for money being top drivers.

ONLINE: TOP MEDIUM FOR DISCRETIONARY SPENDING

PRIMARY CHANNEL FOR DISCRETIONARY SPENDING

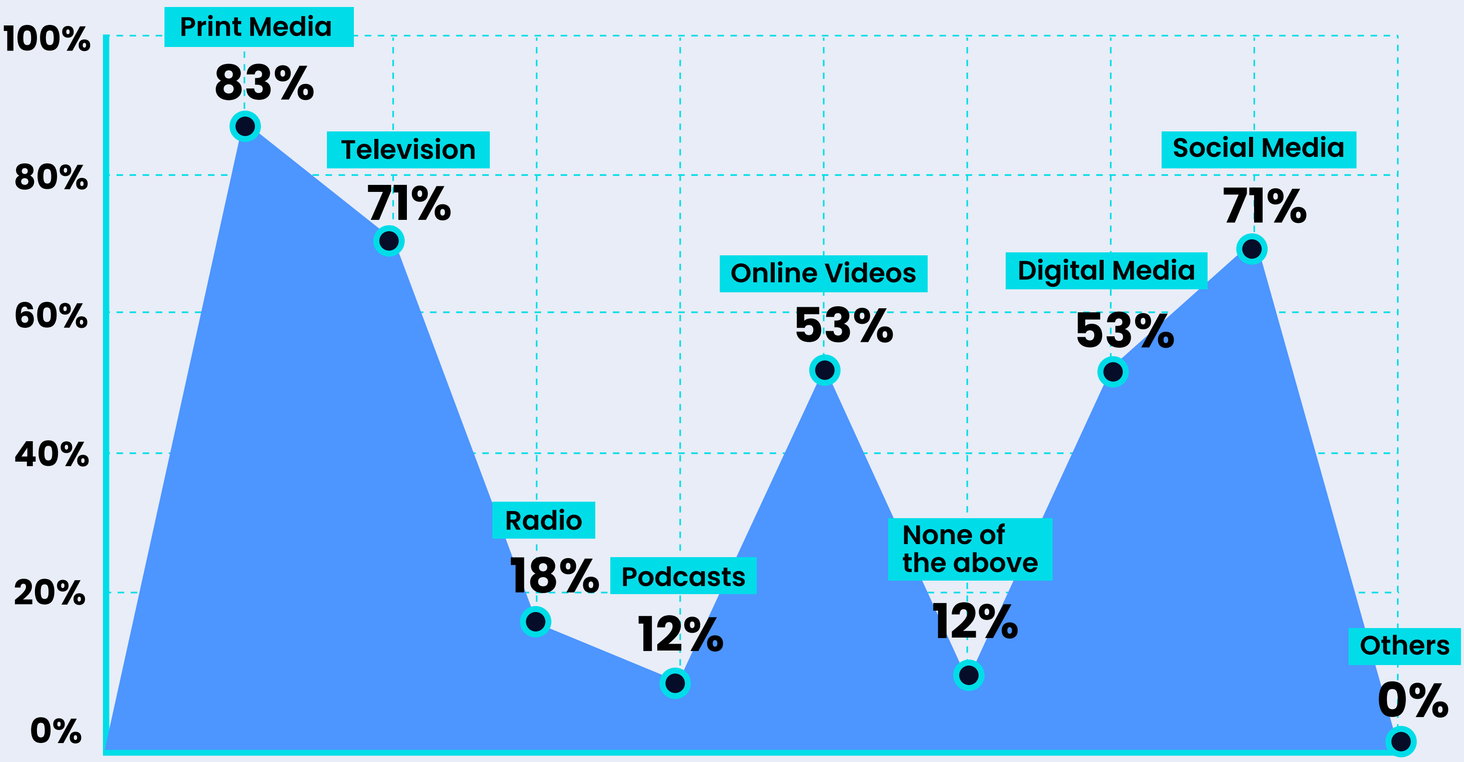


**Some respondents have selected more than 1 option in the survey and hence the total does not equate to 100%.*

- Gen Z has become the torchbearer of digital transactions.
- They have got the entire household on the digital bandwagon by making payments through UPI, buying products on e-commerce sites, making travel bookings online, or buying OTT subscriptions online.
- Over **1 in 2** Gen Z consumers are doing the majority of their spending on discretionary categories online.
- India has a high level of internet penetration but also presents a huge scope for growth as out of 1.4 billion people, there are only 820 million total active internet users in 2023.

PRINT: TOP SOURCE OF INFORMATION

DAILY MEDIA CONSUMPTION FOR INFORMATION



**Digital media (news websites, news apps); Online video (youtube channels); Social media (whatsapp, Instagram, discord). Some respondents have selected more than 1option in the survey and hence the total does not equate to 100%.*

Over

7 in 10 Gen Z consumers surveyed consume print, television, and social media regularly to stay informed.

Television is the 2nd top source for information likely because many families in tier 3 and 4 cities often watch news channels together during dinner, keeping everyone informed about the day's events.

Unlike Gen Z in metro areas,

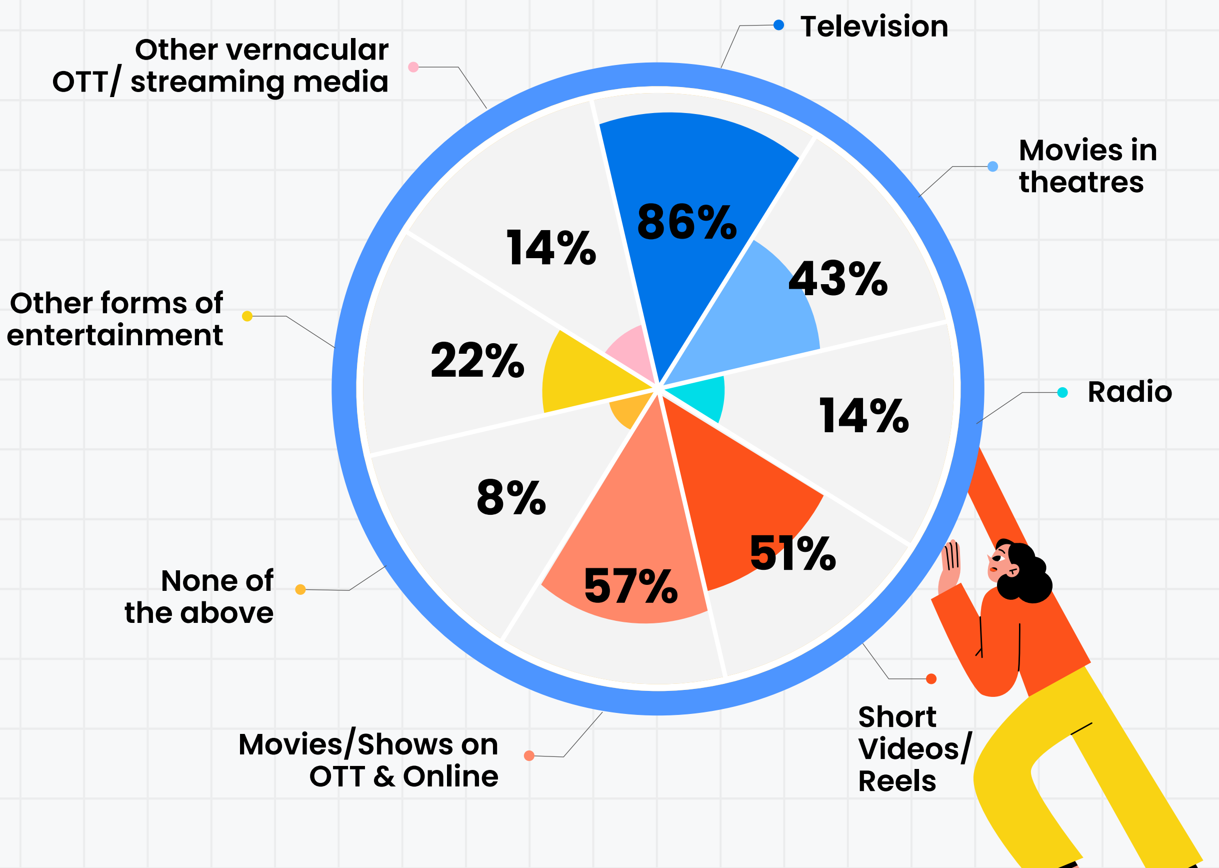
83% of those in tier 3 and 4 cities regularly use print media for news, largely due to the common practice of subscribing to vernacular and English newspapers in these households. Hence, reading newspapers is a typical activity for most family members.

This doesn't mean they're disconnected from the social media era. In fact,

71% of Gen Z respondents in smaller cities regularly use social media for news updates.

TELEVISION: TOP MEDIUM FOR ENTERTAINMENT

DAILY MEDIA CONSUMPTION FOR ENTERTAINMENT



**Some respondents have selected more than 1 option in the survey and hence the total does not equate to 100%.*

- Over **5 in 10** consumers surveyed consume television, OTT/streaming media, and short-form media regularly for entertainment.

- **86%** chose television as their top source as most households have an active cable connection and it's more affordable.

- Short-form videos on online platforms like YouTube, and Instagram are another key source of entertainment showcasing digital savviness.

- In the last few years, India has witnessed a surge in streaming and OTT platforms that have changed our viewing habits. This is reflected in the findings as **57%** chose OTT for daily entertainment.

OUR TAKE

In many ways, the Gen Z consumers residing in tier 3 and 4 cities are similar to those living in big cities, but the study also brings to the fore many differences.

Zoomers will shape the future

As high-speed internet becomes a way of life in tier 3 and 4 cities of India along with new entrepreneurship and employment opportunities, we will witness a surge in spending by Gen Z in these locations in the coming years.

Impact on brands

Brands who can design products and services to cater to the unique preferences of this growing audience will have a clear head start. To appeal to the pragmatic side of this cohort brands would need to highlight the practical benefits and showcase value. With online gaining popularity, brands need to strengthen their digital presence.

Culture, a key driver

Within India, there is a slight cultural difference among urban Gen Z and those based in smaller cities. Understanding the similarities and differences will be crucial for companies to create the right offering and capture the relevant audience.

Social currency driven

Gen Z in tier 3 and 4 cities value investing in travel, eating gram-worthy food, purchasing the latest tech, and focusing on fitness—experiences and items that would enhance their social image.

METHODOLOGY

The online study was conducted via LocalCircles platform and all participants were validated citizens who had to be registered with LocalCircles to participate in this study.

RESEARCH PARTNERS

LocalCircles, India's leading Community Social Media platform enables citizens and small businesses to escalate issues for policy and enforcement interventions and enables the Government to make policies that are citizen and small business centric. LocalCircles is also India's # 1 pollster on issues of governance, public and consumer interest. More about LocalCircles can be found on http://www.localcircles.com

CONTACT

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