

OPTIMISM TOUCHES A 12-MONTH HIGH

north

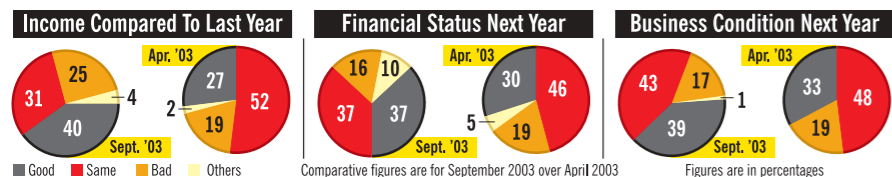
Reluctant still



Is he waiting for a bumper harvest?

TRENDS

- 1% DROP** in job optimism in number of people saying EMPLOYMENT will be GOOD next year
- 10% JUMP** in number of people who believe that their REAL INCOME, after adjusting for inflation, has gone UP
- 10% DROP** in the number of consumers who will SAVE MORE
- 17% DROP** in consumers who believe it's a GOOD time to buy a DURABLE
- 21% DROP** in people who say that it's a GOOD time to buy an AUTOMOBILE



The messages coming out of North India just don't make sense. Consider: there's an impressive 10 per cent jump in the number of consumers who say their real income has gone up, and there's a matching drop in the number of those who say they will save more. But when it comes to making the purchase, North is fighting shy. They just don't think this is a good time—for God's sake, this is the festive season!—to be buying. The otherwise car-and gizmo-obsessed north Indian is in a dark mood. "This whole thing about sentiment affecting sales because of good monsoons this year or drought last year, is overstated," laments Rajeev Karwal, CEO & MD, Electrolux Kelvinator. Is it that or is the consumer playing safe, waiting for the harvest season a month or two away?

south

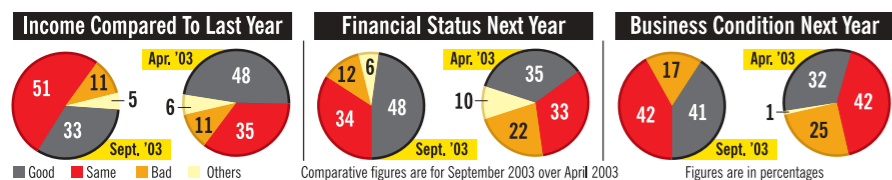
Land of optimism



Have money, will spend

TRENDS

- 2% JUMP** in people who say JOB MARKET will be GOOD next year
- 4% JUMP** who say now is a GOOD time to buy an AUTOMOBILE
- 10% JUMP** in consumers who say now is a GOOD time to buy a DURABLE
- 17% DROP** in the number of people who want to SAVE MORE
- 18% INCREASE** in consumers who say their price-adjusted REAL INCOME has gone UP



Not without reason did the three southern states of Andhra Pradesh, Karnataka, and Tamil Nadu figure among BT-Gallup's top five Hottest States for Business. Just look at their—of course, Kerala is included—happy people. They expect the job market to be good next year, and more people intend to splurge on washing machines, TVs and cars—savings be damned. "The pace of business activity has really picked up now. There is even a huge momentum in housing in the South," says Irfan Razack, Managing Director of the Rs 200-crore Prestige Group, a dominant player in the region's real estate industry. Of course, it helps that most of the boom industries of IT, automotive, and pharma have a strong base in South.

UPBEAT CONSUMERS ARE FINALLY WILLING TO OPEN THEIR PURSE STRINGS



Next time you'll see them in cars

Old attitudes die-hard. Or so it seems with consumers in eastern India. Even though real income is up, a whopping 90 per cent would rather save more. "This is our peak season and the market hasn't picked up as much as we had expected," complains Abhijit Roy, General Manager, Berger Paints. Yet all is not lost for marketers in the East, for other consumer signs augur well. The number of people who plan to buy consumer durables has risen significantly—some 23 per cent. While big-ticket items such as automobiles remain lower down on the priority list, there is still a 3 per cent increase in willingness to purchase. But where East bucks the trend is in job expectations—it is the most optimistic region.



Booming stockmarket

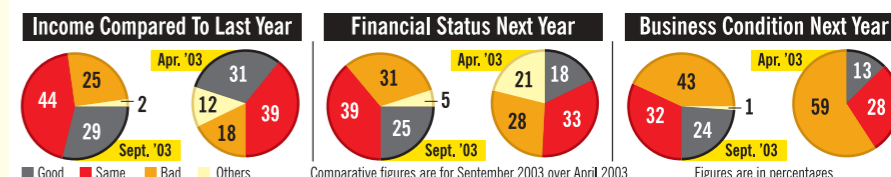
The current stockmarket boom seems to have added to the consumption mood of consumers in the West. Even as they battle a drop in real income and dimmer prospects of jobs next year, there's a strong surge in consumption desire. Fewer consumers said they would save more, and those who think it's a good time to buy consumer durables and automobiles are in the majority, their numbers increasing by 14 and 21 per cent respectively. At hypermarkets like Big Bazaar, white goods sales have surged 30 per cent in the last two months. Other consumer goods are moving too. "We have seen a 15 per cent jump in the sales of premium segment compared to last year," says Samsonite India's Director (Sales & Marketing) E. P. Suresh Menon.

east

Signs of growth

TRENDS

- 3% INCREASE** in number of people who believe now is a GOOD time to buy an AUTOMOBILE
- 4% JUMP** in consumers who are OPTIMISTIC on JOB OPPORTUNITIES next year
- 6% INCREASE** in the number of people who say they will SAVE MORE
- 7% JUMP** in consumers who say their REAL INCOME has gone UP
- 23% INCREASE** in number of consumers who believe now is a GOOD time to buy a DURABLE



west

All for self-gratification

TRENDS

- 3% DROP** in people who say their price-adjusted INCOME has gone UP
- 9% DROP** in number of consumers who are OPTIMISTIC about JOBS next year
- 11% DROP** in the number of consumers who intend to SAVE MORE
- 14% HUGE JUMP** in the number of consumers who believe now is a GOOD time to buy a DURABLE
- 21% HUGE JUMP** in people who believe now is a GOOD time to buy an AUTOMOBILE

