



FEATURED INSIGHTS

DELIVERING CONSUMER CLARITY

HALF TIME 2014

NEW TRENDS TO TELL YOU WHERE INDIA'S CONSUMER IS HEADED

ADRIAN TERRON, EXECUTIVE DIRECTOR, NIELSEN INDIA

A new government and a global tournament that has captivated consumer attention marks the first half of 2014. Business and marketing around the sub-continent is gearing up to make up for lost time in the second half of the year. Which is why we thought there's probably no better time to pause and review a selection of the choicest insights and trends that illuminate the Indian consumer to go beyond the obvious.

During the rest of the year, the sentiment created by key influencers and smart marketers around personal finances will dictate how people direct their disposable income and investments. With an investment-oriented budget, marketers should take cognizance of the fact that increasingly, two-thirds of the cautiously optimistic consumer will continue to rely on friends and family to make borrowing decisions. And while a fourth of them will continue to be deterred by lengthy processes and unfriendly pricing – a fact that savvy marketers will attempt to overcome with promotional offers that manage to attract 30 percent of prospective loan buyers. Similarly, the online purchase of health and auto insurance will continue aided by quick claims' settlement and expert agents.

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WITH AN INVESTMENT-ORIENTED BUDGET, MARKETERS SHOULD TAKE COGNIZANCE OF THE FACT THAT INCREASINGLY, TWO-THIRDS OF THE CAUTIOUSLY OPTIMISTIC CONSUMER WILL CONTINUE TO RELY ON FRIENDS AND FAMILY TO MAKE BORROWING DECISIONS.

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On the consumption front, consumers will play the balancing act between juggling consumption and spending on leisure. Again a high reliance on word-of-mouth marketing strategies, online search and in-store promotions will hold consumers' interest as they continue to indulge in the more affordable pleasures of movie-watching and domestic vacations. Younger consumers will continue to satiate their need to wander, with a majority choosing planned tours and discounts/ cash-back offers rather than reward points and special services.

In terms of high-ticket purchases, the auto industry may see a much-needed uptick. Nearly half of auto consumers will continue to rely on website and reference sites to form their decision but a clear majority (70%+) will make up their mind based on their in-store experience and interaction with sales staff. A clear signal that even in a high-octane advertising campaign, online and in-store strategies will need to be perfected. Interestingly, the rise of the female consumer in a category dominated by men, will continue unabated. With women more involved in decision-making, safety features, automatic transmission and run-flat tyres could become prevalent across models and segments over time.

Overall, India's rising middle class will continue to focus on their abodes and employment prospects. The trend of Individual Home Builders (IHBs) in tier-II cities will continue with three-fourths financing their home-building independently and relying heavily on 'experts' like contractors and architects to make brand decisions.

And the ever-increasing and constant flow of young engineers graduating each year, will hope to ride the anticipated economic recovery to populate their favoured IT services and products sector with most of them motivated by opportunities to learn on the job and job security.

With much of the pessimism and anxiety of the first half done away with, these trends are symptomatic of a nation holding its breath and waiting for a great finish to what is likely to be a nail-biter of a match for most businesses.

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THE SENTIMENT CREATED BY KEY INFLUENCERS AND SMART MARKETERS AROUND PERSONAL FINANCES WILL DICTATE HOW PEOPLE DIRECT THEIR DISPOSABLE INCOME AND INVESTMENTS.

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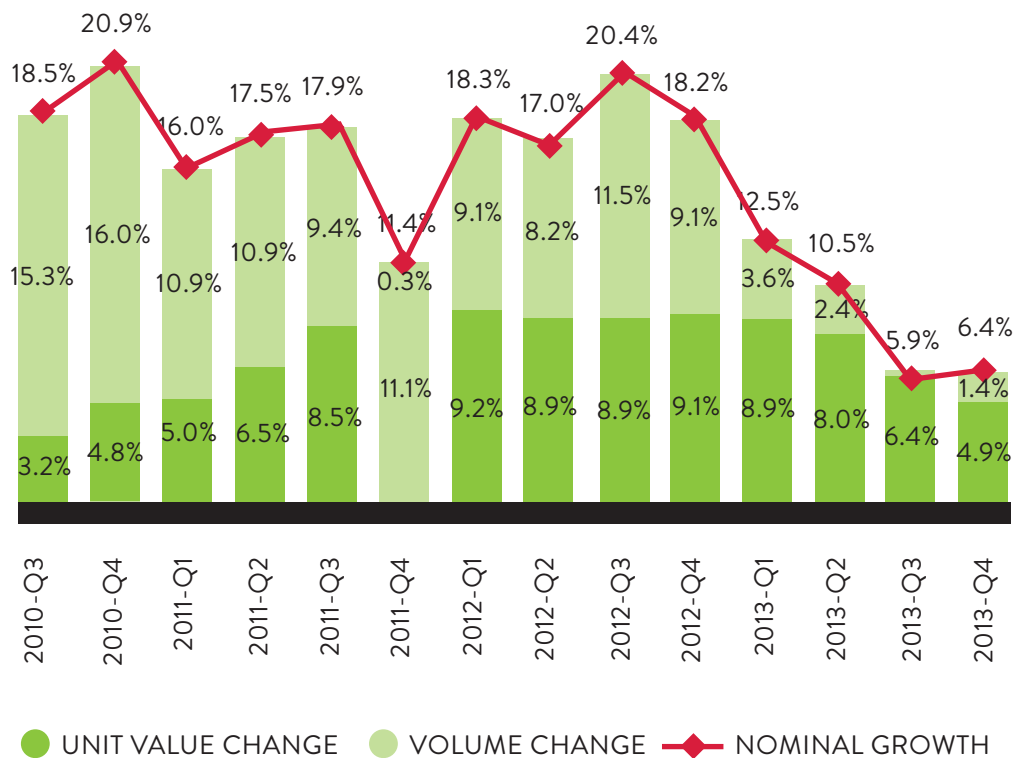
INDIA FMCG: WEATHERING THE STORM

DOLLY JHA, EXECUTIVE DIRECTOR, NIELSEN INDIA

The Indian FMCG market, pegged at about US\$ 36+ billion, has grown robustly year-on-year for several years now—both in terms of volume and value-driven growth. In 2012, the industry grew at about 18 percent. 2013 took off to a decent start for the FMCG sector even though the rest of the economy was still looking glum, posting a growth of 12.5 percent in Q1. By the end of the second quarter, however, the sector was seeing a significant slowdown. In fact, volume growth tapered through the quarters hitting a low in Q3, as total volumes contracted and overall growth was only 5.9 percent (versus last year).

The year ended with FMCG posting overall growth of 9.4 percent on the back of just one percent volume growth - well below the 18 percent growth seen in 2012.

FMCG: DOUBLE DIGIT GROWTH IN 2012 HAS DECLINED TO SINGLE DIGIT IN 2013



Source: Nielsen

UNDERSTANDING INDIA'S FMCG SHOPPER



DOLLY JHA, EXECUTIVE DIRECTOR, NIELSEN INDIA

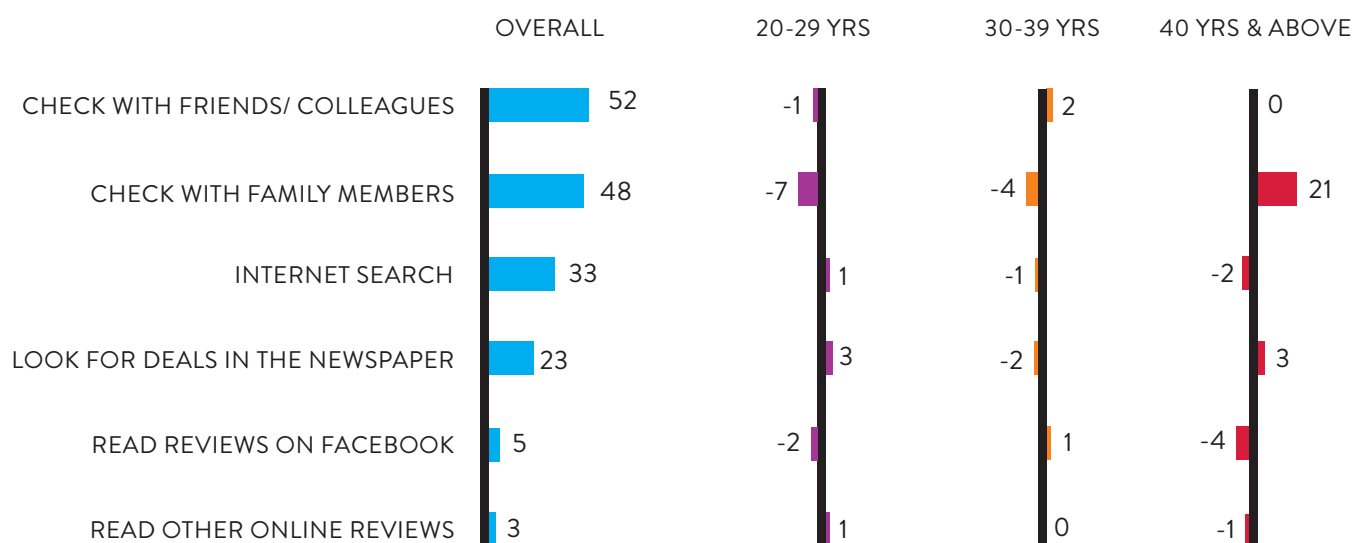
Even as the FMCG sector tries to tackle the slowdown, it's important for marketers to understand that growth prospects are still abundant but failing to identify true demand may stem expansion. Changes in consumer needs, weak consumer sentiment and inflation may further impact the sector's chances of attracting and retaining customers. So with those potential headwinds in mind, it's important for brands and retailers to listen to what shoppers have to say about their needs, preferences and attitudes.

A recent Nielsen study, conducted among urban affluent modern trade shoppers, found that word-of-mouth still drives a significant percentage of shopper decisions, especially among elders. Approximately three in five shoppers say they become aware about products through information spread by word-of-mouth. Shoppers not only asked about the store they should visit, but they also sought input on the range of products to buy.

GOING DIGITAL

We also found that one in every three shoppers goes online before they go to a physical store and make an FMCG purchase. The study also indicates that men are more likely to rely on the Internet for purchase information.

PRE-PURCHASE ACTIVITIES



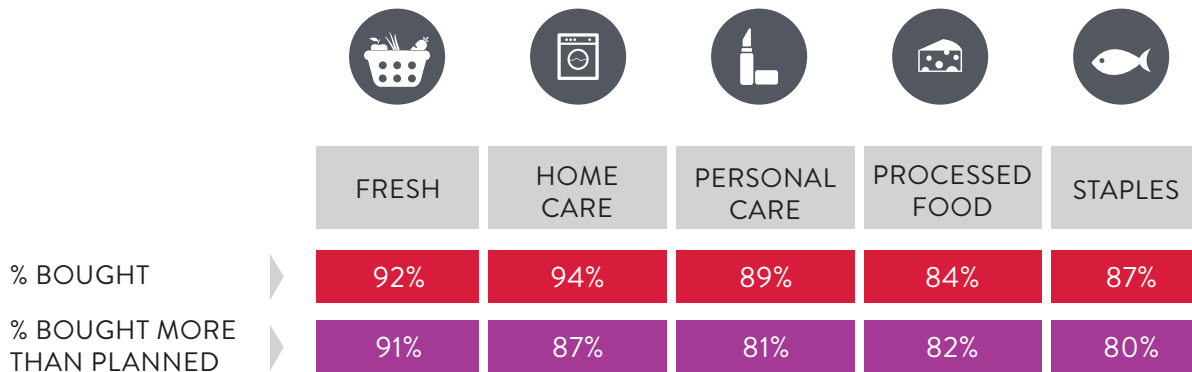
Figs. in %
Source: Nielsen

Numbers indicate difference from average

IN-STORE TRIGGERS DRIVING UNPLANNED PURCHASES

The study revealed that almost 90 percent of shoppers bought more than they had planned, with 1 in 4 shoppers stating promotions as the trigger for the same.

CATEGORY BEHAVIOUR



Source: Nielsen

Discounts and promotions have led a large percentage of shoppers (over 50%) to experiment and buy a different product. Discounts had more of an impact on older shoppers, the study findings suggested. Moreover, men were found to be more likely to be swayed by promotions.

HOW PROSPECTIVE EMPLOYEES VIEW BRANDS AT T-SCHOOL RECRUITMENT DRIVES

ANUP SP KUMAR, ASSOCIATE DIRECTOR, NIELSEN INDIA

Shifting sectors, when it comes to navigating the post-graduate choices at campus recruitment drives, the brightest minds of India get to pick their own destiny. And with this dilemma of choice, it's important for corporate brands to understand what motivates students to choose one company over another, how they perceive the recruiting process, and what attributes are at the forefront of their minds as they narrow their choices.



GOOGLE IS THE MOST DESIRABLE RECRUITER AMONG ENGINEERING STUDENTS

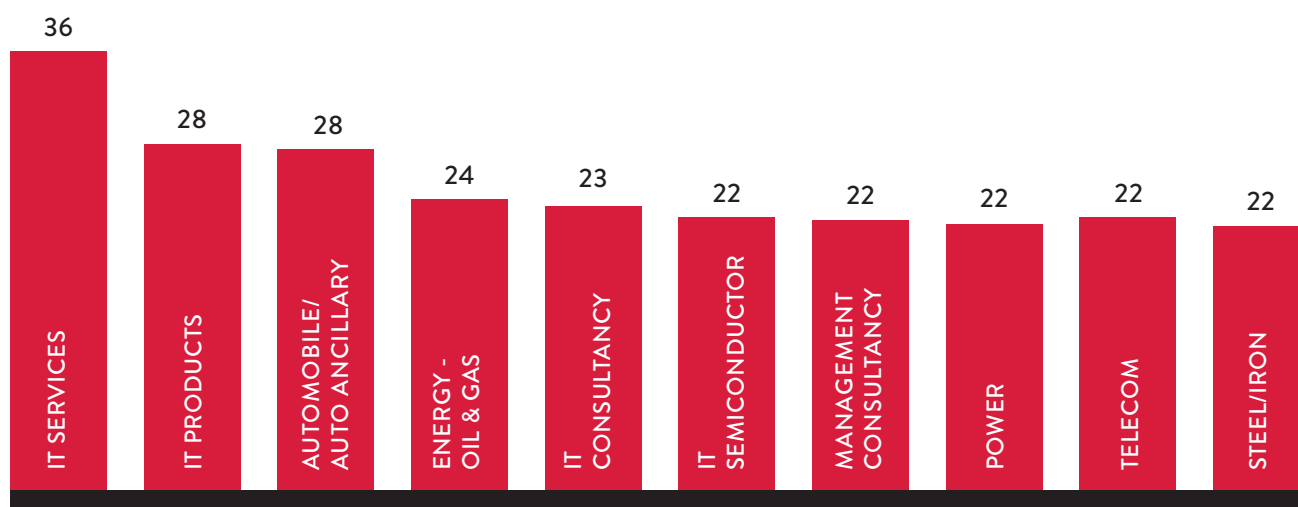
IT SERVICES AND IT PRODUCTS ARE THE MOST PREFERRED INDUSTRIES AMONG ENGINEERING STUDENTS

ENGINEERING STUDENTS ARE MOTIVATED MOST BY OPPORTUNITIES INVOLVING ON-THE-JOB LEARNING AND JOB SECURITY

THE FAMOUS FIVE

When it comes to excitement, IT services is at the top of the class, attracting nearly two out of five (36%) students from tech institutions in the class of 2014. The IT products industry came in second, attracting 28 percent of the surveyed students, followed by automobile/auto ancillary sector (28%), energy (oil & gas; 24%), and IT consultancy (23%).

TOP 10: 2013



Source: Nielsen

CAMPUS RECRUITER INDEX

But the study didn't just look at the appeal of certain industry sectors. We also analyzed where brands and companies stack up against one another. To arrive at unique company rankings, we used our Campus Recruiter Index (CRI), which indicates where recruiters measure against their competition in campus. Google earned the top slot in the 2013 index, followed by Microsoft. Social networking site Facebook has also earned a place among the top 10 companies on the CRI.

For the first time in four years, six core sector companies found themselves on this list, indicating a clear resurgence of employers in key core sectors, like power, in the minds of students.

TOP 20 COMPANIES ON CRI (CAMPUS RECRUIT INDEX) - ALL STUDENTS

RANK	COMPANY	CRI	RANK	COMPANY	CRI
1	Google	250	11	TCS	151
2	Microsoft	221	=	Infosys	151
3	L & T	217	13	TATA Motors	140
4	BHEL	204	14	Intel	139
5	NTPC	180	15	Accenture	127
6	Facebook	178	16	Reliance Industries Ltd.	122
7	IBM	167	=	ITC	122
8	IOCL	166	18	Bosch	121
9	TATA Steel	155	=	Wipro	121
10	BPCL	153	20	HCL	116

Source: Nielsen

THE FACTORS DRIVING THE RESULTS

MOTIVATING FACTORS	LOW-YIELD FACTORS
<ul style="list-style-type: none"> • Job security • Nature of job content • Scope for learning • Company Size 	<ul style="list-style-type: none"> • Job location • Fun place to work in • Helps to maintain work-life balance • Enhances image among social circles

There's no substitute for joining a winning team, and the opportunity to work with the best and the most respected industry leaders is a key factor engineers consider when assessing their overall career enhancement and growth. And when it comes to learning, nothing beats an on-the-job education for engineering students. While 84 percent of the survey respondents considered salary package a key incentive, four out of five (80%) said they wanted to work with technically sound people.

Other implicit factors that motivate engineering students to sign up with a company include job security (58%) and the nature of job content (57%). Apart from that, 54 percent of the students were interested to find out whether an employer would offer them an opportunity to get exposure in R&D projects.

A GLIMPSE INTO CAR PURCHASING PATTERNS IN URBAN INDIA

ATUL VAIDYA, DIRECTOR, NIELSEN INDIA
 RAJESH NAGARE, ASSOCIATE DIRECTOR, NIELSEN INDIA
 SANDEEP PANDE, ASSOCIATE DIRECTOR, NIELSEN INDIA

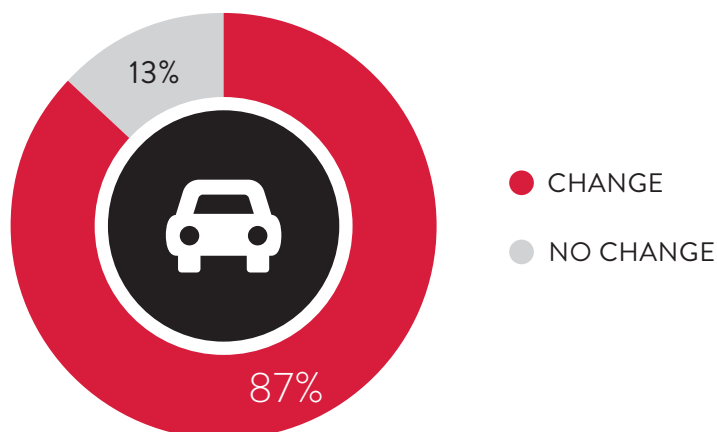
Nielsen recently conducted a survey to decode Indians' car purchase patterns, specially the behavioural aspects. To do so, we looked at the purchase journey as a whole from the initial search to the final buy. The consumer's first step once the need is triggered, is searching for specific information.

While word-of-mouth remains one of the most important sources of information (used by 96 percent of consumers), other trends are also gaining traction. Almost half of the consumers are now following the Research Online, Purchase Offline (ROPO) method. Forty-eight percent of consumers said they searched for information online before visiting or consulting any offline medium.

THE LAST MILE SWITCH

While most marketers think that the car shopper decides to buy a car before visiting the dealer, consumers aren't as predictable as we think. Buyers can always be influenced—right up to the last moment of their purchase. Three out of five shoppers said they had finalised their decision on the model, brand and fuel type before visiting the showroom. However, when the time came to make their final purchase, a considerable number of consumers change their minds.

A third of buyers who said they'd decided about fuel type, changed their decision after talking to the salesperson, family and friends. And it's not only fuel type decisions that consumers change—44 percent changed even the car model they were thinking of buying! In fact, our studies show that car buyers also look at models that they had not even initially considered.

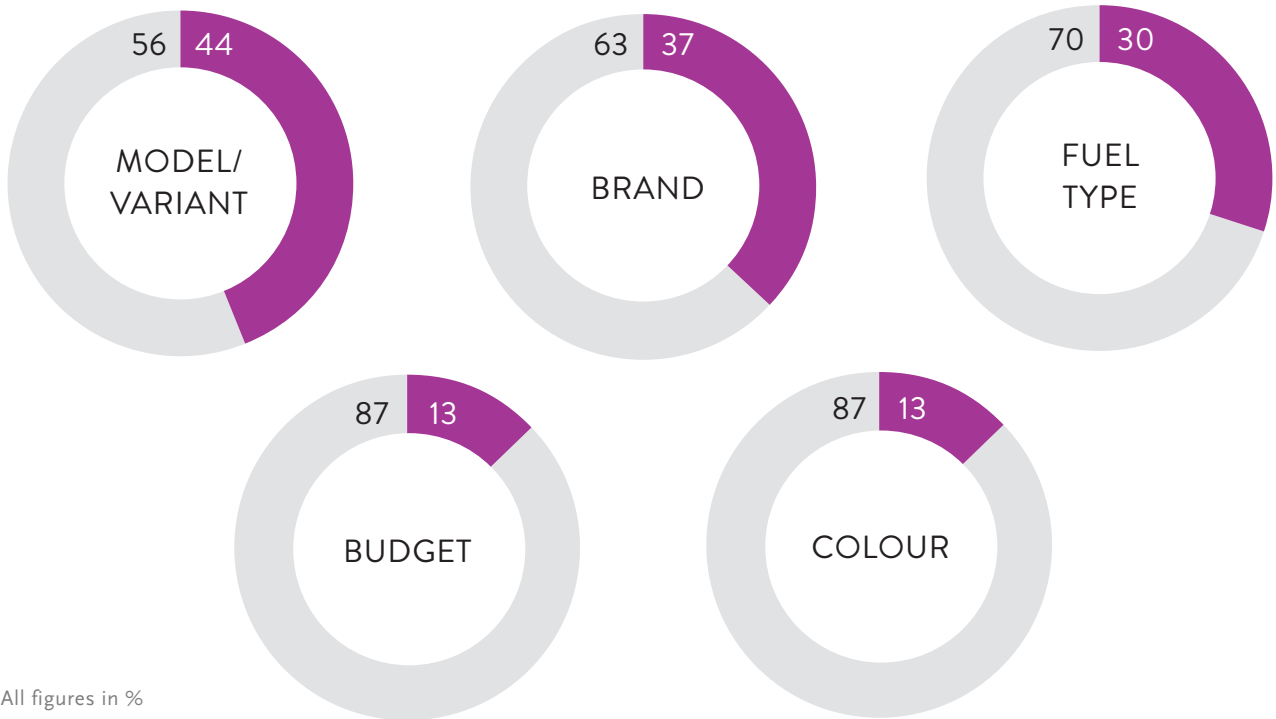


48% OF CONSUMERS SAY THEY SEARCH FOR INFORMATION ONLINE BEFORE VISITING OR CONSULTING ANY OFFLINE MEDIUM

87% OF THE CONSUMERS RECONSIDER ONE PURCHASE DECISION FACTOR (BRAND, MODEL, FUEL TYPE, BUDGET, COLOUR ETC.) AT THE TIME THEY BUY

SALES STAFF AT SHOWROOMS CAN HEAVILY INFLUENCE (73%) LAST MINUTE CHANGES IN DECISIONS AND GUIDE CAR BUYERS' CHOICES

FACTORS CHANGED FROM INITIAL PLAN



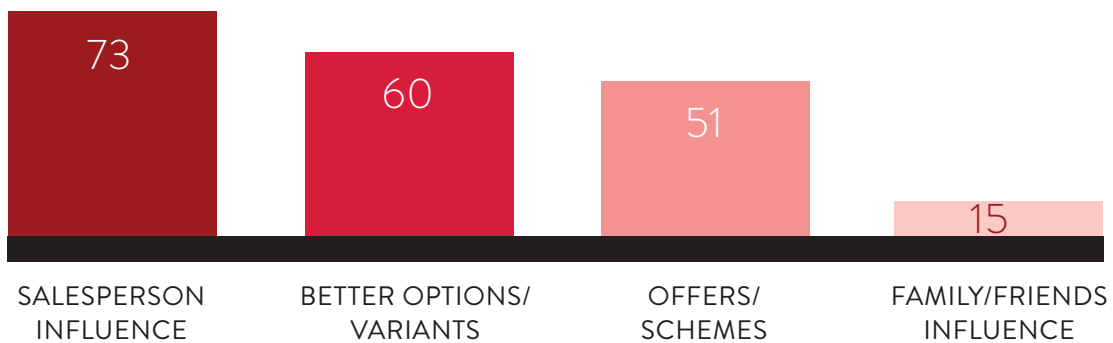
All figures in %

Source: Nielsen

THE SHOWROOM FACTOR

The key factor driving consumers' choice changes is the interaction with the salesperson at the dealer showroom. We found that most of the shoppers who sought the salesperson's advice were not satisfied with their knowledge related to the car's features or their comparison between two or more of the cars they considered.

THE INFLUENCERS



Figs. in %

Source: Nielsen

SHIFTING GEARS: WOMEN IN THE DRIVER'S SEAT

ATUL VAIDYA, DIRECTOR, NIELSEN INDIA
 RAJESH NAGARE, ASSOCIATE DIRECTOR, NIELSEN INDIA
 SANDEEP PANDE, ASSOCIATE DIRECTOR, NIELSEN INDIA

Staying with the auto sector, the gender gap on Indian roads is rapidly decreasing. As with other roles, women in India are taking the wheel in larger numbers—a shift that can be attributed to several factors, including rising education levels and increased career opportunities.

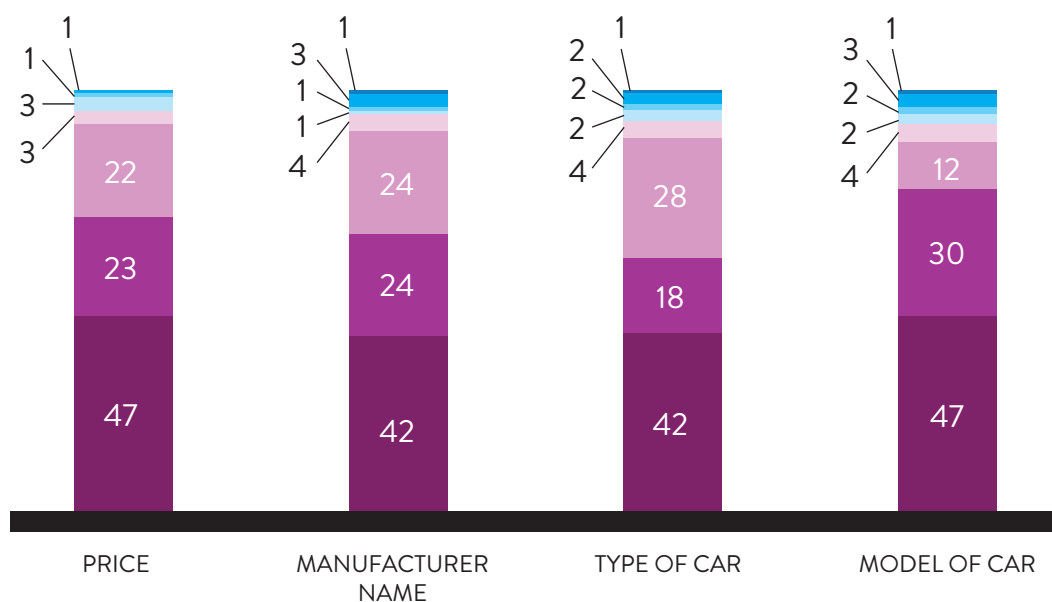
In Patna, for example, 3,228 driver licences were issued to women in 2010- 2011, up 37 percent from the previous year. Moreover, between 2008 and 2011, the percentage of cars registered by women in the city has doubled.

WHO'S MAKING THE DECISIONS?

Almost half of all women respondents in a Nielsen survey were the key decision-makers during car purchases. One in every four women said she was a joint decision-maker on important car features, including the manufacturer and type.

- WOMEN HAVE BECOME MORE INVOLVED IN DECISION-MAKING WHEN BUYING A CAR
- FOR WOMEN, SAFETY FEATURES MORE IMPORTANT THAN PRICE
- AUTOMATIC TRANSMISSION, ABS AND RUN-FLAT TYRES KEY FACTORS FOR WOMEN CAR BUYERS

THE INFLUENCERS



- I WAS THE KEY DECISION MAKER
- MY PARTNER/SPOUSE AND I JOINTLY DECIDED
- MY PARTNER/SPOUSE WAS THE KEY DECISION MAKER
- FAMILY DECISION (ME, PARTNER/ SPOUSE, KIDS)
- MY KIDS WERE THE KEY DECISION MAKERS
- MY KIDS AND SPOUSE JOINTLY DECIDED
- MY KIDS AND I JOINTLY DECIDED
- IN-LAWS, MY SPOUSE AND I JOINTLY DECIDED

All figures in %

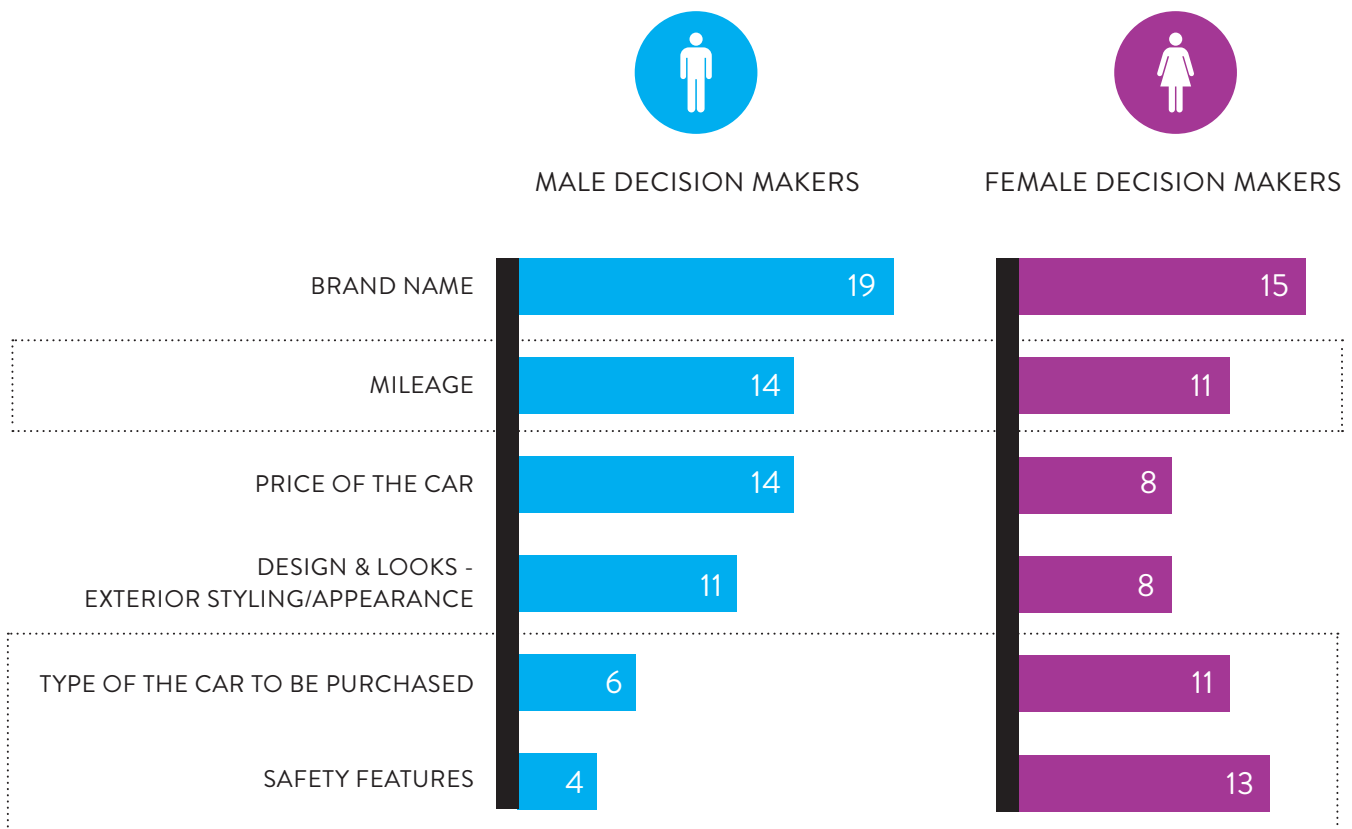
Source: Nielsen

Based on the survey, women not only influence decisions about which car to buy, but on occasions, are also the sole decision-makers on crucial vehicle features. Around 75 percent of women decision-makers said they were the only ones deciding a car's key elements during a purchase.

THE 'DRIVING' FACTORS

Our survey found that brand matters the most for both men and women decision makers when choosing a car. Additionally, male decision makers focus more on mileage and price of the car whereas women are more driven by safety features followed by type of car.

KEY ATTRIBUTES CONSIDERED



All Figures are in %

Source: Nielsen

STAR-STRUCK: WHAT THE INDIAN MOVIEGOER WANTS

UMESH JHA, DIRECTOR, NIELSEN INDIA

DHARNIDHAR BAPAT, ASSOCIATE DIRECTOR, NIELSEN INDIA

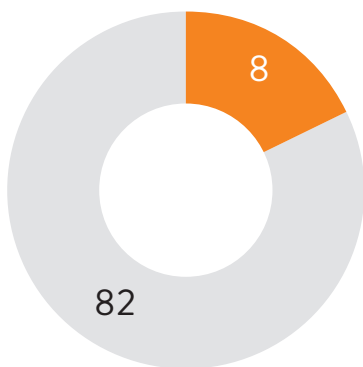
Moving to media and entertainment - the growth of the Indian film industry has been helped by rising purchasing power of people across the country, especially in its urban pockets. The recent surge in the percentage of young people in the country has also contributed—around half of India is less than 25 years old.

In an attempt to understand the country's movie-going population, Nielsen conducted a study on moviegoer preferences and ticket-purchasing patterns - insights that can give cinema owners and entertainment companies an edge.

RULES OF ENGAGEMENT

The hours leading up to ticket purchases are extremely involved for Indian audiences. The study showed that audiences discuss every aspect of a movie with family, friends and colleagues before going to the movies. The final decision to watch a movie is, however, unplanned. In fact, decisions are often on-the-spot and instinctive.

One decision the majority of Indians agree on is the location—around 82 percent of the participants said they preferred multiplexes to single-screen cinemas. Multiplexes are more popular because the movie outings could include eating out and shopping.

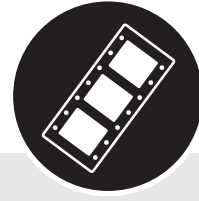


Figs. in %
Source: Nielsen

“82%
MOVIEGOERS
PREFER
MULTIPLEXES TO
SINGLE SCREENS.”

PROMOTIONS WORK

Offers and discounts make a difference to ticket sales. As many as 80 percent of the respondents said they made changes to their movie plans to take advantage of discounts and offers. Around two-third of them said their movie outing was accompanied by some spending, including eating out and/or leisure activities, while three out of every five people shopped before or after a movie.



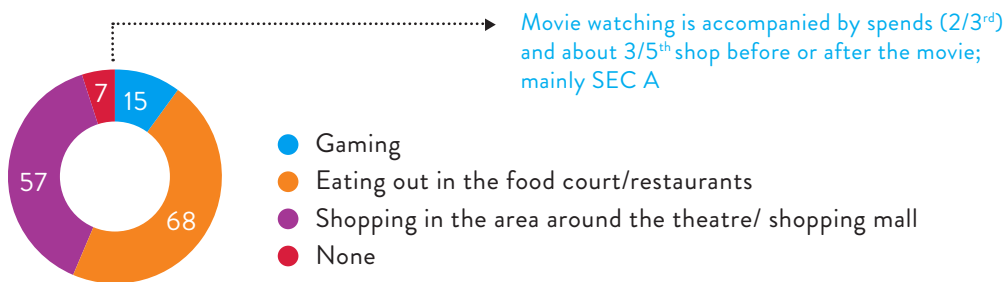
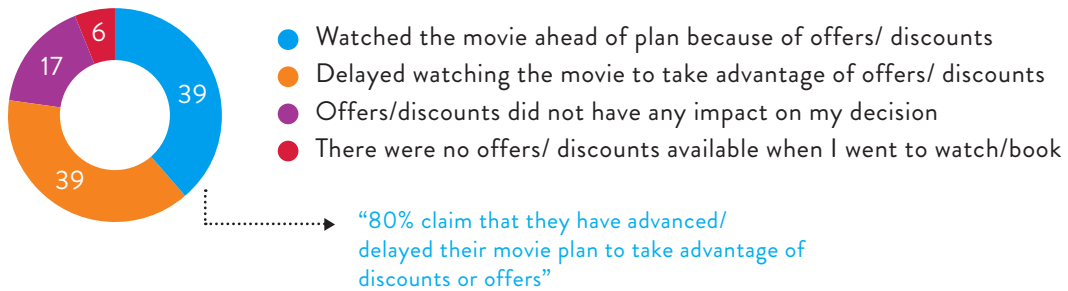
EVERY ASPECT OF THE MOVIE IS DISCUSSED WITH FAMILY, FRIENDS AND COLLEAGUES, BUT THE FINAL DECISION TO WATCH A MOVIE IS UNPLANNED AND INSTINCTIVE

MOVIES ARE NOW THE MOST PROFITABLE WITHIN THE FIRST FEW DAYS OF THEIR RELEASE BECAUSE OF INCREASED SPREAD OF SOCIAL MEDIA

51% OF THE MOVIE GOING AUDIENCE IS INFLUENCED BY OFFERS AND DISCOUNTS



PROMOTIONS IMPACT BEHAVIOUR



Figs. in %
Source: Nielsen

UP IN THE AIR: HOW INDIA'S DOMESTIC AIR PASSENGERS TAKE TO THE SKIES

RITESH SAHU, DIRECTOR, NIELSEN INDIA

From understanding the moviegoer's preferences, a look into the behaviour and attitudes of India's domestic air travellers. Almost half (46%) of those travelling with their families are young, aged between 25 and 35 years. Frequency of leisure trips is also significantly higher amongst those aged between 26 to 30 years – 95 percent of this age group claim to travel once in six months or more for personal reasons.

FLIGHT PLAN: TOUR OPERATORS SCORE BIG

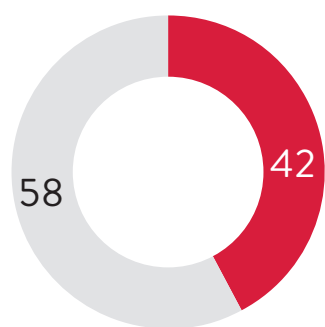
Despite the rise in self-booking as evident from the mushrooming of ticketing portals, the survey revealed that tour operators still plan almost half of the vacations respondents take. Around 42 percent of those who went on leisure travel, excluding family functions and weddings say they've opted for tours planned and organised by a holiday company or tour operator. Organised tours continue to score highly among decision-makers because many consumers believe they give good value for money and promote their products effectively. They also make travelling convenient.



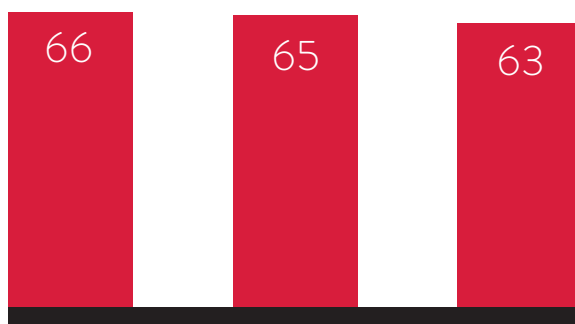
NEARLY HALF OF THOSE TRAVELLING WITH FAMILY ARE YOUNG, AGED BETWEEN 25 AND 35 YEARS

ORGANIZED AND PLANNED TOURS ARE A PREVALENT CHOICE FOR VACATIONS IN INDIA

DISCOUNTS AND CASH-BACK OFFERS MORE ATTRACTIVE TO RESPONDENTS THAN LOYALTY POINTS/SPECIAL SERVICES



● Opted for a planned/organized tour by a holiday company or tour operator



PROMOTIONAL OFFER VALUE FOR MONEY CONVENIENCE

Figs. in %
Source: Nielsen

SOARING DEALS

When it comes to promotions, travellers seem to favour instant gratification. Respondents preferred discounts on current booking and instant cash-back offers over loyalty points and special services.



Figs. in %
Source: Nielsen



WHAT'S POWERING THE HOUSING BOOM IN TIER II CITIES IN INDIA?

RITESH SAHU, DIRECTOR, NIELSEN INDIA

India is in the middle of a building boom, largely because of factors like rising disposable income, improved standards of living, a growth in nuclear families and easy access to mortgage financing.

MOST PEOPLE CHOOSE INDEPENDENT HOUSES* BECAUSE IT GIVES THEM THE CHANCE TO PICK THEIR OWN BUILDING MATERIAL

ONLY ONE IN FOUR PEOPLE TAKE OUT HOME LOANS TO PAY FOR BUILDING THEIR HOUSES

CONTRACTORS, ARCHITECTS ETC., TEND TO HAVE A BIG INFLUENCE IN CATEGORIES WHERE CONSUMERS HAVE LIMITED KNOWLEDGE

This budding demand has created broad opportunities for players in the real estate sector—opportunities that are immense and still growing. Studies show that in the next five years, there is scope for around 400 real estate projects to be developed in 35 cities for housing about half a million people.

GOING INDEPENDENT

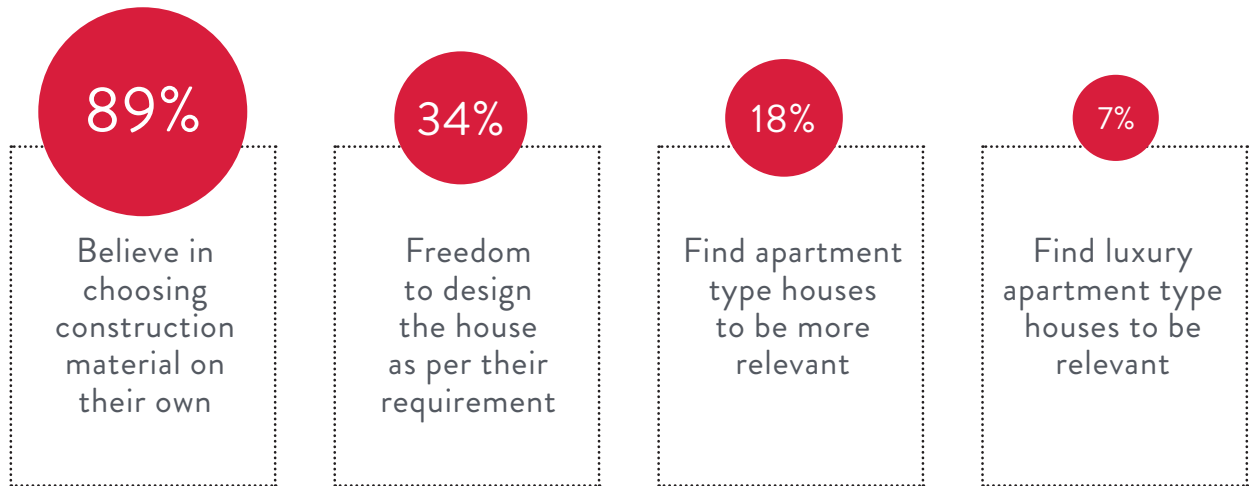
Consumers in metros are more likely to buy apartments in high rises than single-family homes. That's primarily due to the lack of affordable real estate in core urban areas, low level of involvement in building a house due to a fast-paced lifestyle and provision of premium amenities at apartments and closed-gate communities. In contrast, people in tier-II cities tend to build independent houses.

A recent Nielsen survey sought to better understand the upper-middle and middle-income consumers who chose to build their houses in the past year. The survey shed insight into the purchase process, the influencers, the factors consumers considered while buying construction material, and the profiles of the consumers themselves – data that's invaluable for companies looking to tap the potential of the sector. The survey covered tier II cities Amritsar, Jamshedpur, Sagar and Salem, all of which have seen explosive growth in real estate.

* Pertains to individual home owners who purchased a plot of land and was closely involved in the construction of their residential building including material purchase

MATERIAL MATTERS

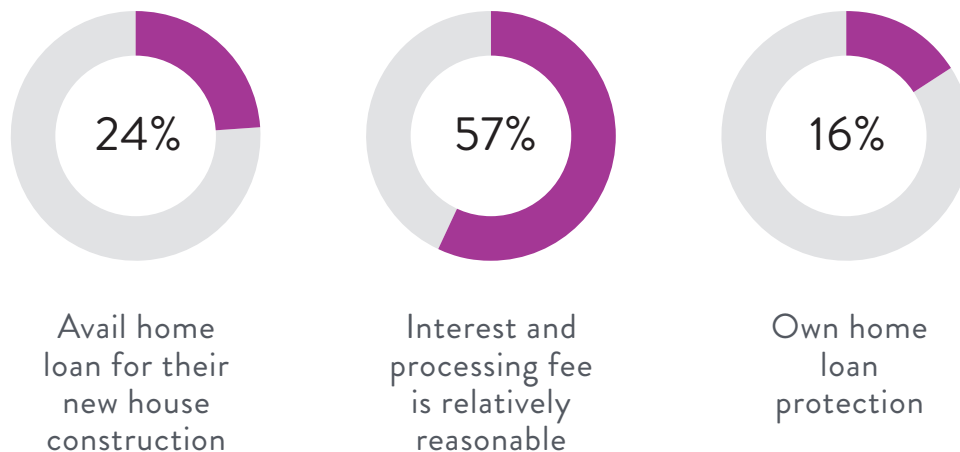
Approximately nine out of every 10 people approached for the survey said they opted to build independent houses because it gave them the chance to choose their building materials. Around 34 percent of the respondents said designing their own house according to their requirements as an important reason for opting for independent homes. Only a tiny percentage of the people found flats and luxury apartment-type houses to be desirable.



Source: Nielsen

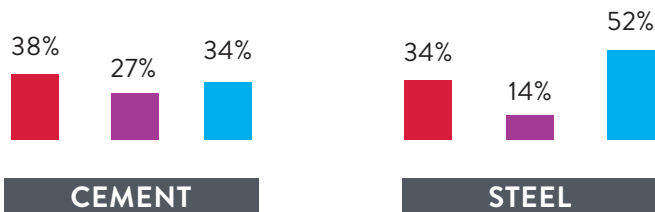
HOME-LOAN PROTECTION NOT A PRIORITY

During the survey, it emerged that only a fourth of the respondents availed of home loans for constructing their houses. Their choice of banks or financial institutions for taking loans was based on factors like reasonable processing fees and interest rates. Among those who availed home loans, only 16 percent said they had opted for home loan protection.



THE INFLUENCERS

Upon observing the engagement independent home builders have with the various categories, we found that contractors, engineers, architects etc., play a significant role in categories where the consumer has only limited knowledge. For example, in the steel category, the influence exerted by contractors/engineers/architects was highest at 52 percent. This proves that companies stand to gain if they equip their staff at retail outlets and dealers to sway consumer purchase decisions in their favour.



● FAMILY/RELATIVES/FRIENDS/PEERS ● NO ONE ● TRADE & TECHNICIANS

Source: Nielsen

LOANS: WHAT'S THE BOTTOM LINE FOR CONSUMERS?

ANAND PARAMESWARAN, DIRECTOR, NIELSEN INDIA

In the age of consumerism, where almost everything is available on credit and can be repaid in monthly installments, nothing seems unaffordable to the urban Indian consumer. Considering that the Indian loan market is expected to grow at a compound annual growth rate (CAGR) of nearly 19 percent between 2011 and 2016, financial institutions should pay attention to the journey that the average consumer embarks on when securing a new loan.

Declining interest rates, faster processing times, income tax rebates, reduced paperwork, flexible repayment options and attractive schemes have all contributed to significant growth in the Indian loan market. And among the various loan types, home loans account for the lion's share at around 46 percent.

As per a recent study conducted by Nielsen to understand the process of availing loans, we looked at the customer's pre and post purchase journey.



71 PERCENT OF LOAN CUSTOMERS SOUGHT ADVICE FROM THEIR FRIENDS AND FAMILY BEFORE FINALISING THE DEAL

ONE OUT OF EVERY FOUR CUSTOMERS DID NOT TAKE A LOAN FROM THEIR PRIMARY BANK BECAUSE OF LENGTHY PROCESSES, HIGHER INTEREST AND PROCESSING RATES

3 OUT OF 10 CONSUMERS AVAIL OF LOANS EARLIER THAN PLANNED BECAUSE OF PROMOTIONAL OFFERINGS

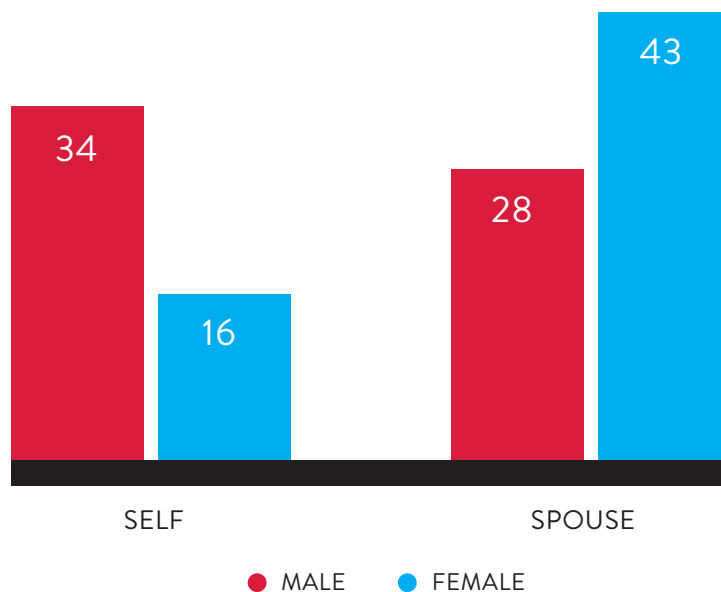
AS MUCH AS 75 PERCENT OF CONSUMERS APPROACHED THREE DIFFERENT BANKS/NBFCS WHILE RESEARCHING LOAN PRODUCTS

DECISION MAKING

Since loans are long-term commitments, consumers rely on their most trusted associates before taking the plunge. Hence, they reach out to their Friends & Family (71%) and Banks (68%) to help steer their decision making.

While the discussion with friends and family mostly revolves around the loan amount and interest rate, 66 percent of consumer queries centre around choosing the bank, dealer or non-banking financial company (NBFC) that will issue the loan. This implies that consumers like to explore options in the market even if they trust their primary banking partner.

Few consumers make loan decisions all by themselves, but there are those that do (25%). The impending decision of availing a loan is taken primarily in consultation with spouse (36% cases).



Source: Nielsen

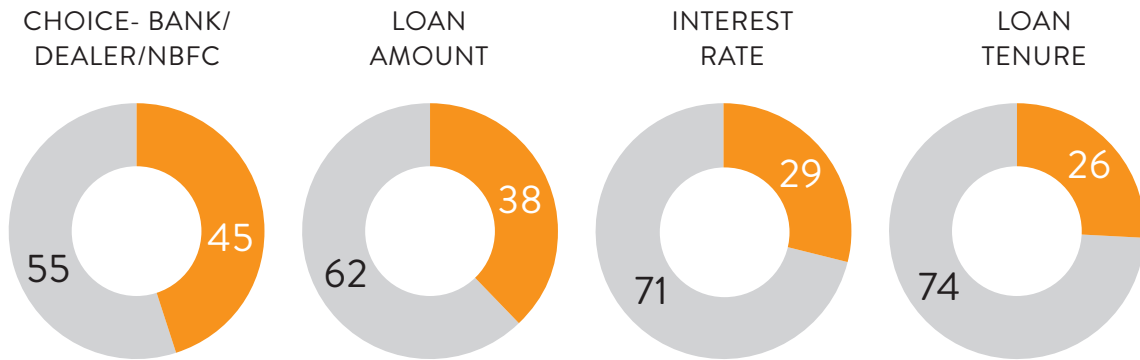
PROMOTIONS MATTER

Our study found that promotions play a key role in attracting customers to loan products. In fact, 31 percent of consumers avail of loans earlier than they planned because of promotional offerings. Comparatively, more than two out of five (44%) consumers wait for better deals before availing a loan.

UNCERTAINTY FACTOR

Nielsen also found that 45 percent of respondents changed the bank or NBFC that they had originally planned to take a loan from. Similarly, nearly two out of five (38%) changed the loan amount they had initially intended.

CRITERIA CHANGE



All figs. in %

● CHANGE IN PRE-LOAN CRITERIA ● NO CHANGE IN PRE-LOAN CRITERIA

Source: Nielsen

UNDERSTANDING THE HEALTH INSURANCE MARKET

ANAND PARAMESWARAN, DIRECTOR, NIELSEN INDIA

The persistent fear of an under-performing economy and rise in prices often leads to a shift in consumer focus towards savings. Similarly, budgets are cut and spending is restricted to elementary needs such as health care, which is one of the top five concerns that consumers say affect household budgets.

Health insurance is a category that has a lot of potential to grow as it is still at a nascent stage. Brand recall is lowest for the health insurance category when compared to other, more highly penetrated categories such as life and motor insurance.

	HI	MI	LI
No. of brands aware (SPONT)	4	5	6
No. of brands aware (Total)	8	11	19

Source: Nielsen Syndicated Survey

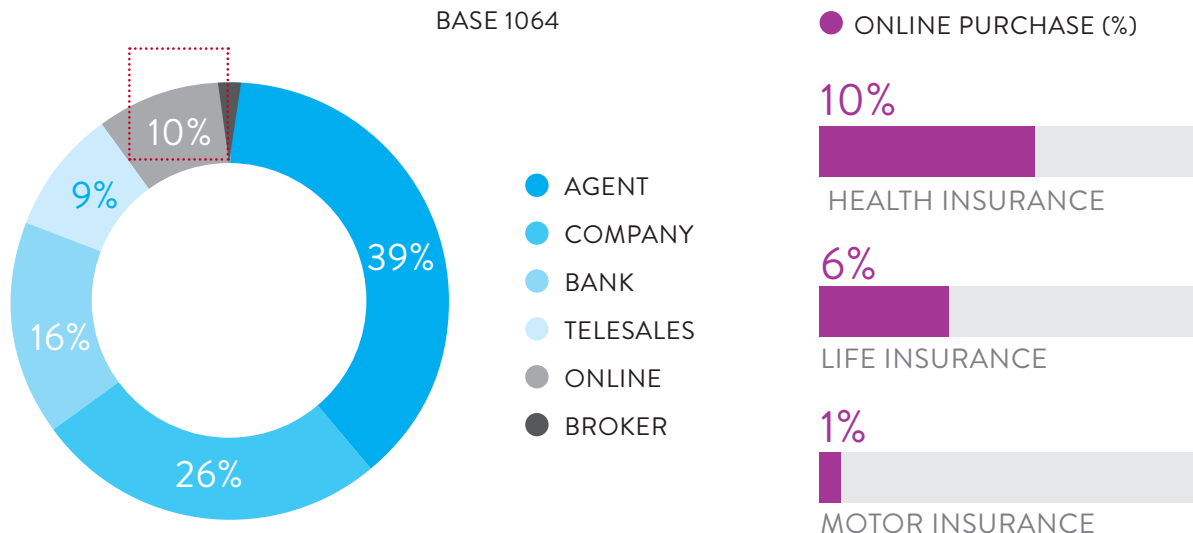
CHANNELS OF PURCHASE

Apart from traditional purchase channels such as agents, companies and banks, more and more health insurance consumers are buying policies online. In fact, more consumers purchase health insurance than a highly penetrated category like life insurance.

HEALTH INSURANCE PENETRATION IS HIGHER AMONG AFFLUENT SEGMENTS, IN METROS AND IN THE WEST ZONE

ONLINE PURCHASE OF HEALTH INSURANCE POLICIES IS HIGHER THAN EVEN A HIGHLY PENETRATED CATEGORY LIKE LIFE INSURANCE

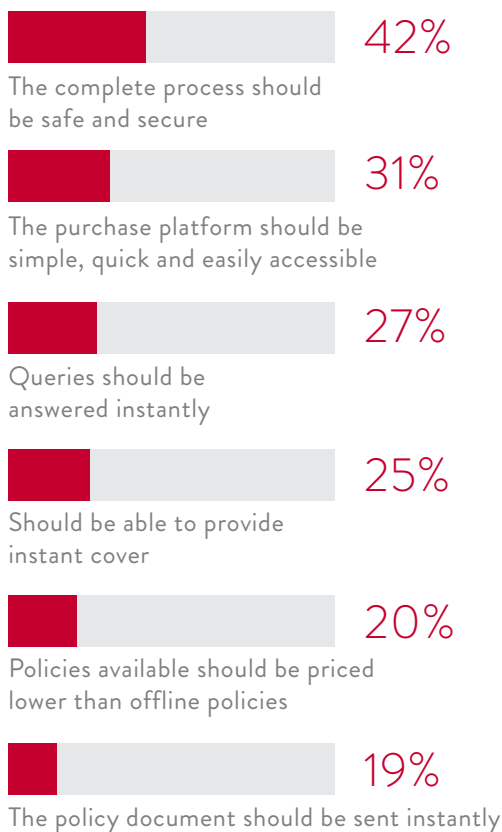
QUICK CLAIM SETTLEMENT AND AGENT KNOWLEDGE OF THE PRODUCT ARE KEY FACTORS DRIVING CONSUMERS' CHOICE OF HEALTH INSURANCE BRANDS



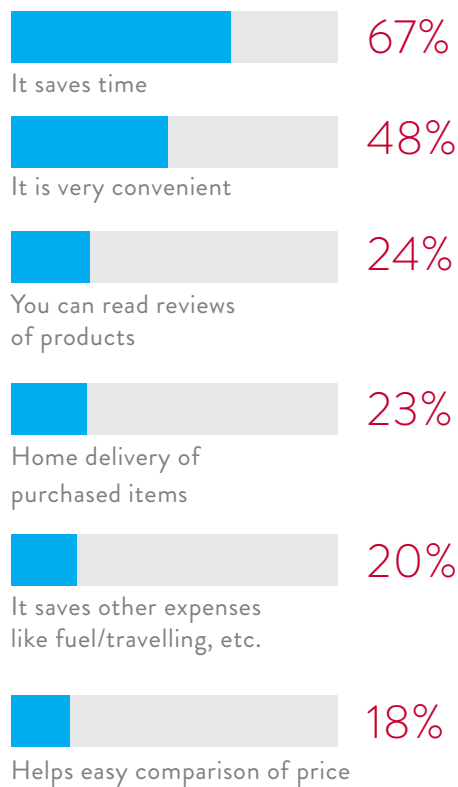
Source: Nielsen

Consumers mentioned saving on time and convenience are the biggest advantages of buying health insurance policies on the Internet. This preference for buying online presents an opportunity for companies to enhance the appeal of their health insurance by improving their digital presence to meet consumer expectations for online purchases.

EXPECTATIONS WHEN PURCHASING ONLINE PRODUCTS (FIGURES IN PERCENTAGES)



ADVANTAGES AS PERCEIVED BY ONLINE HI BUYERS OF PURCHASING PRODUCTS ONLINE

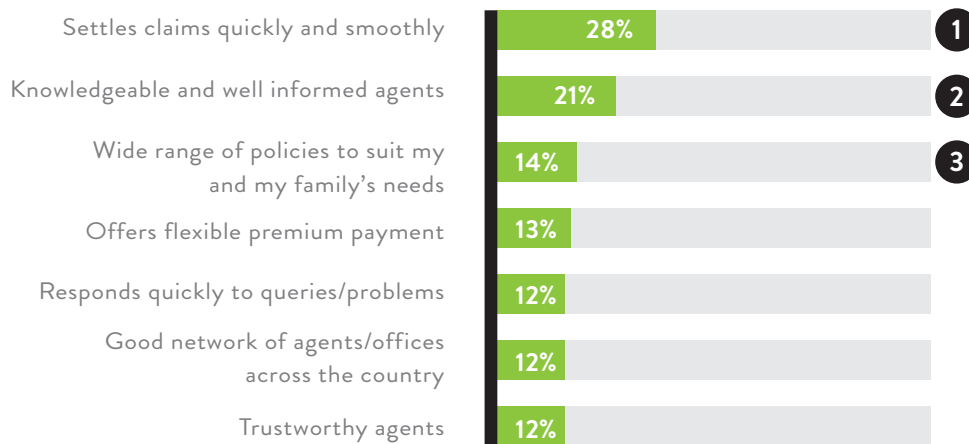


Source: Nielsen Syndicated Survey

WHAT DRIVES THE CATEGORY

Unlike life insurance, which is driven by awareness, perception drives health insurance policy purchases. In health insurance, brand image plays a critical role in differentiating between players. Consumers believe that they are more likely to go through any eventuality covered by health insurance compared with life insurance.

When evaluating health insurance providers, the key factors consumers look for are quick claims settlement and agent knowledge. Therefore, positive experience can affect purchases and renewals with health insurance providers.



Source: Nielsen

Apprehensions of poor service (53%) and not getting the claim amount (50%) prevents a majority of people from seeking health insurance. Instead, they keep money in their savings accounts for medical emergencies. However, health insurance policies are sources of confidence for consumers who feel that they protect them from any unforeseen financial hardship.

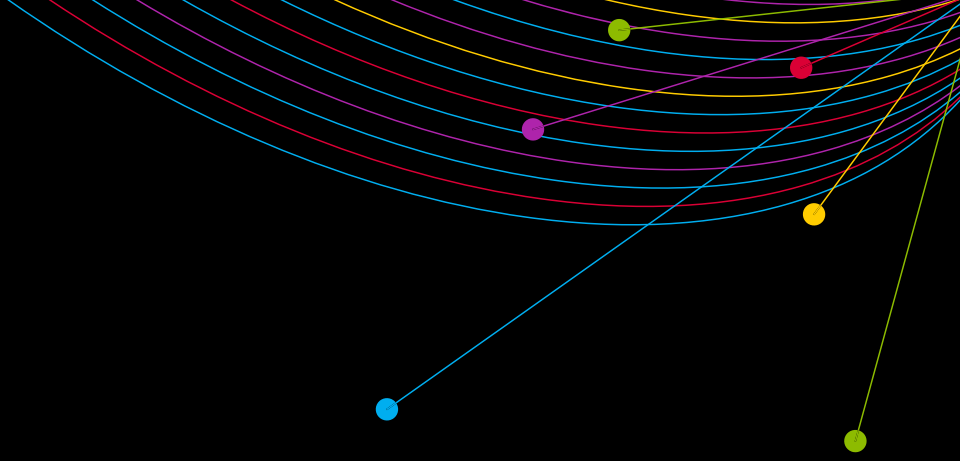
This article contains excerpts from various thought leadership and insights published by Nielsen's sectoral experts. To view or download the full reports, please visit www.nielsen.com/in/en/insights

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