

Megatrend - Demographics

- Why Demographics Trends important to us?
- What is Demographics?
- How Demographics affects Businesses, Lives, Society etc.?
- Demographic Trends - Developments across the globe
- Demographics - Developments from Indian Perspective
- Gen Z
- What are the opportunities? - Group Activity





Source: Getty Images

Why Demographic Trends
important to us?

Harley-Davidson brought low by tariffs and demographics

Sales keep plunging in the home market



China's demographic divisions are getting deeper

No province has many babies, but some shortfalls are much worse than others



Japan's demography

The incredible shrinking country

Japan's government has issued another alarming sign

Banyan >

Mar 25th 2014 | by D.M. | TOKYO



A QUIET but constant ticking can be heard from the demographic time bomb that sits beneath the world's third-largest economy. This week it made a louder tick than usual: official statistics show that

the population declined last year by a record 244,000 people—roughly the population of the London borough of Hackney.

Demographics

Nonsense nonsense crisis

Demographic trends mean an uncertain future, but that's no reason to delay reform

Free exchange >

Dec 13th 2012 | by A.C.S. | NEW YORK



AMERICA and Europe face a troubling demographic future. Declining birth rates will probably result in an older population and a smaller share of the population working to pay for their retirement. Does this necessarily spell doom and gloom?

Key Issues pertaining to Demographics?



BEHAVIORAL ECONOMICS

The Importance Of Millennial Consumers



SMALL BUSINESS

Managing Varied Generations In The Workplace



MARKETING ESSENTIALS

Who Are Millennials and Why Do They Matter?



REAL ESTATE INVESTING

4 Key Factors That Drive the Real Estate Market



RETIREMENT SAVINGS ACCOUNTS

Are We in a Baby Boomer Retirement Crisis?



BEHAVIORAL ECONOMICS

How the Financial Crisis Affected Millennials

India's demographic challenge Wasting time

India will soon have a fifth of the world's working-age population. It urgently needs to provide them with better jobs

- very useful for businesses to understand how to market to consumers and plan strategically for future trends in consumer demand.
- The combination of the internet, big data, and artificial intelligence is greatly amplifying the usefulness and application of demographics as a tool for marketing and business strategy.

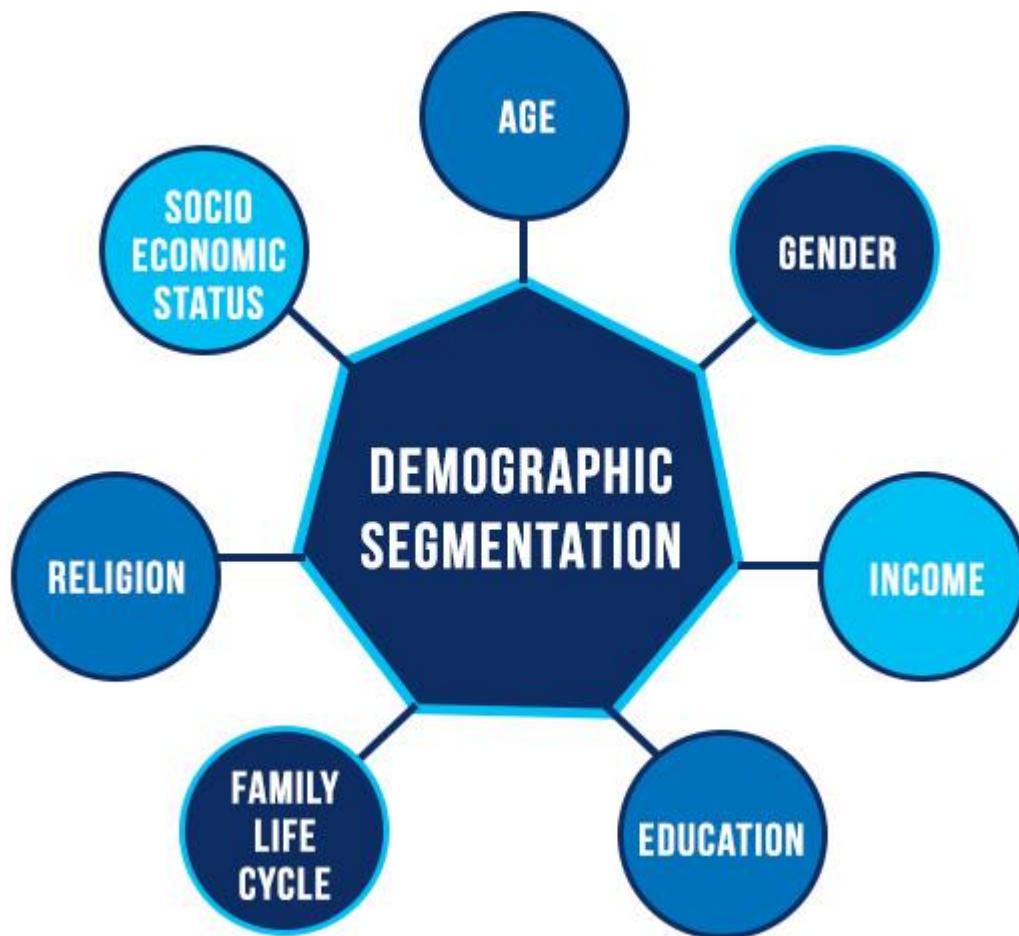


Source: Getty Images

What is Demographics?

Demographics ?

- Demographics is the collection and analysis of broad characteristics about groups of people and populations.
- very useful for businesses to understand how to market to consumers and plan strategically for future trends in consumer demand.
- The combination of the internet, big data, and artificial intelligence is greatly amplifying the usefulness and application of demographics as a tool for marketing and business strategy.





Source: Getty Images

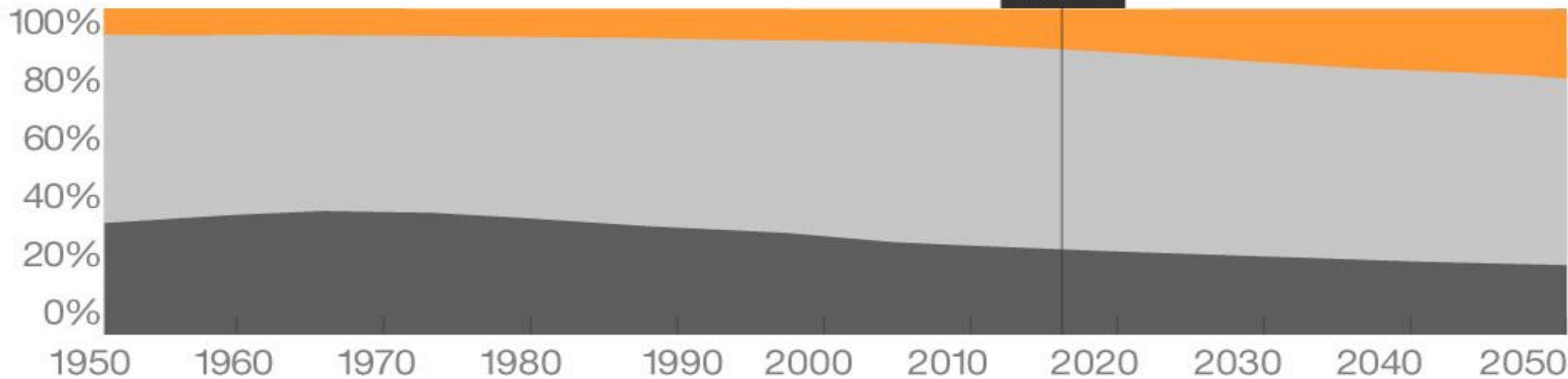
Demographic Trends - Developments across the globe

The world is getting older

In 1955, only 8% of the world population was older than 60 years, in 2015 this had risen to 12.3%. By 2050 this number will be 21.3%.

■ 0-14 ■ 15-59 ■ 60+

2017



Sources: UN

@AJLabs

ALJAZEERA



Ageing and Health

#yearsahead

Populations are getting older



2015

World Health
Organization

Which nations have the highest percentage of people aged 60+?

Japan



Italy



Germany



Finland



Sweden



Bulgaria



Greece



Portugal



Croatia



Channel Islands, UK



Source: Global Agenda Council on Ageing Society

World Economy- Most Populous Countries and Leading Economies

BY THE NUMBERS

The global economy by GDP

\$74 trillion

is the size of the global economy,
according to World Bank data

40
of the world's largest economies
are plotted here

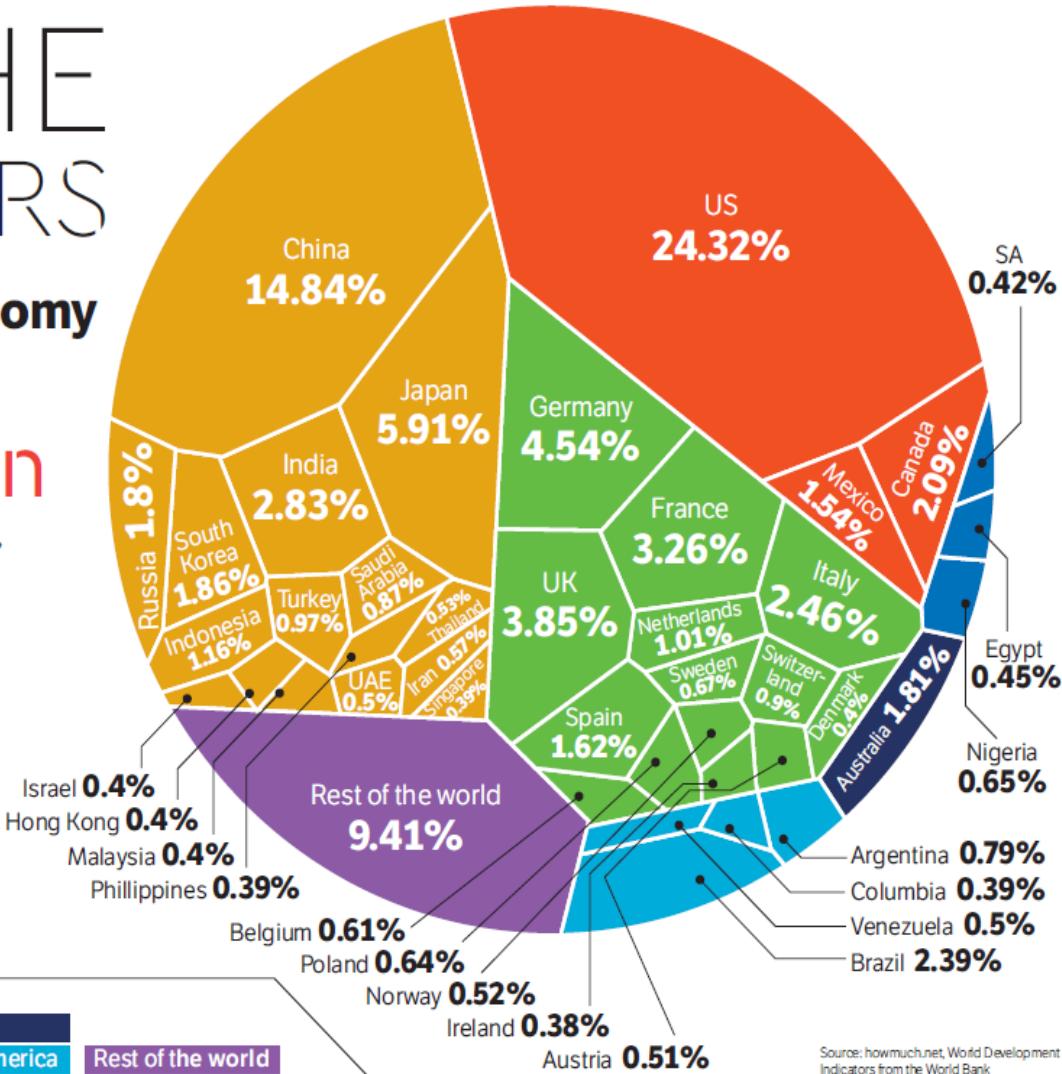
155
countries make up the "rest of
the world" section of this chart

Continents

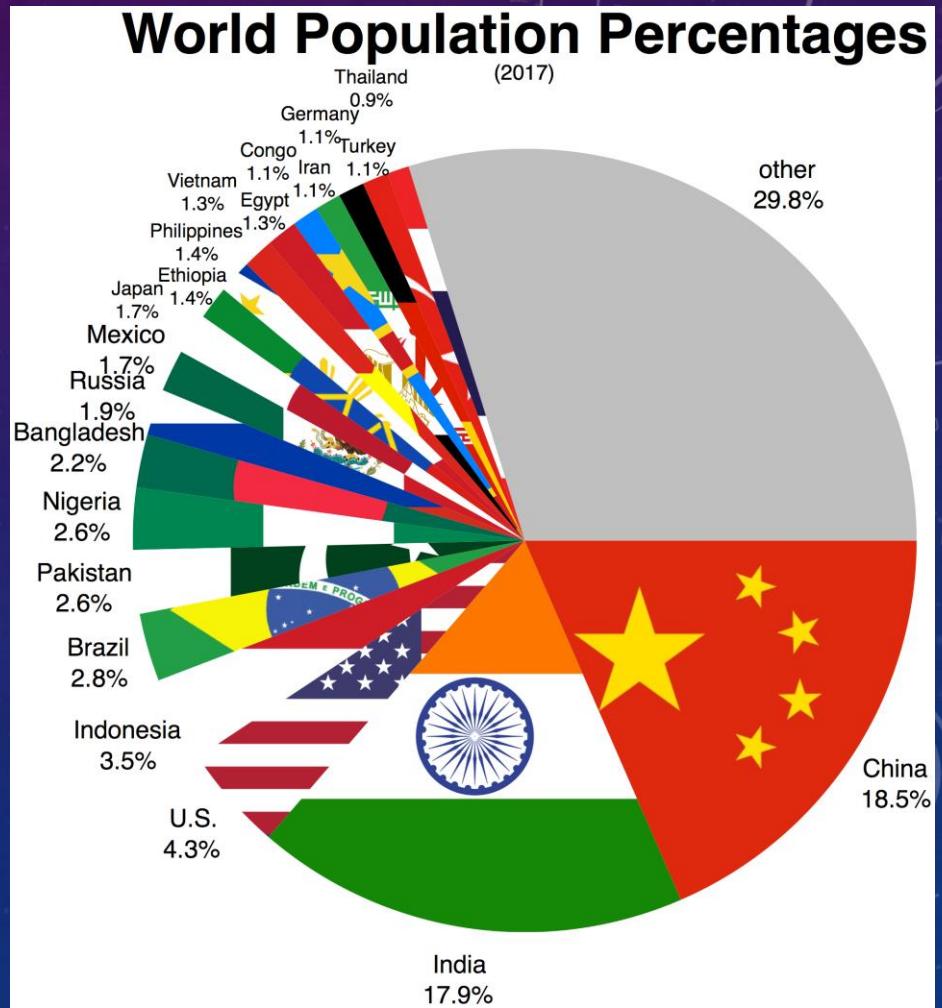
Africa Asia Australia

Europe North America South America

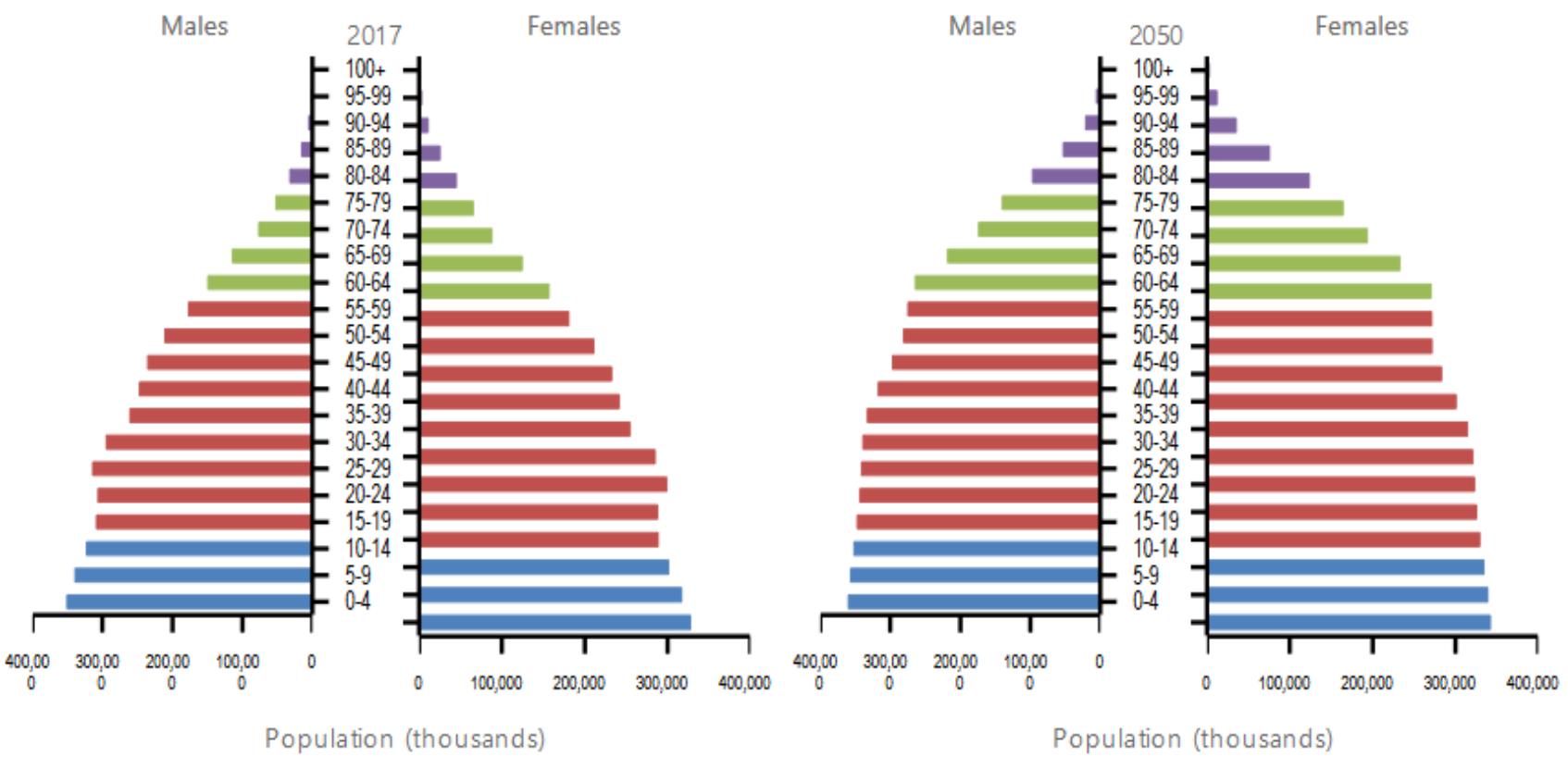
Rest of the world



Source: howmuch.net, World Development Indicators from the World Bank



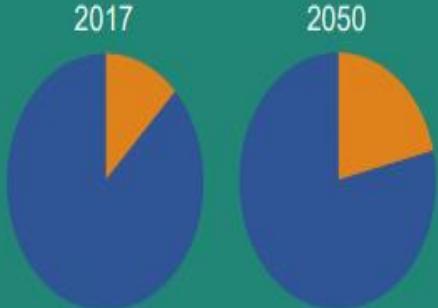
Global Demographics by Age Group and Gender



Population by age group (thousands)

Age	1950	2017	2030	2050
Total	2,536,275	7,550,262	8,551,199	9,771,823
0-14	868,845	1,956,906	2,025,226	2,082,813
15-59	1,465,095	4,631,093	5,119,868	5,608,551
60-64	73,520	305,503	409,161	534,395
65-69	55,195	237,956	340,749	450,306
70-74	37,431	164,194	260,703	367,095
75-79	21,923	117,328	193,624	303,936
80+	14,265	137,282	201,868	424,728
80-84	9,619	76,700	113,860	220,011
85-89	3,468	40,190	56,175	128,117
90-94	946	15,975	24,036	55,982
95-99	197	3,932	6,643	17,454
100+	35	485	1,153	3,165

1 in 8 people are aged 60 or over in 2017



1 in 5 will be aged 60 or over in 2050

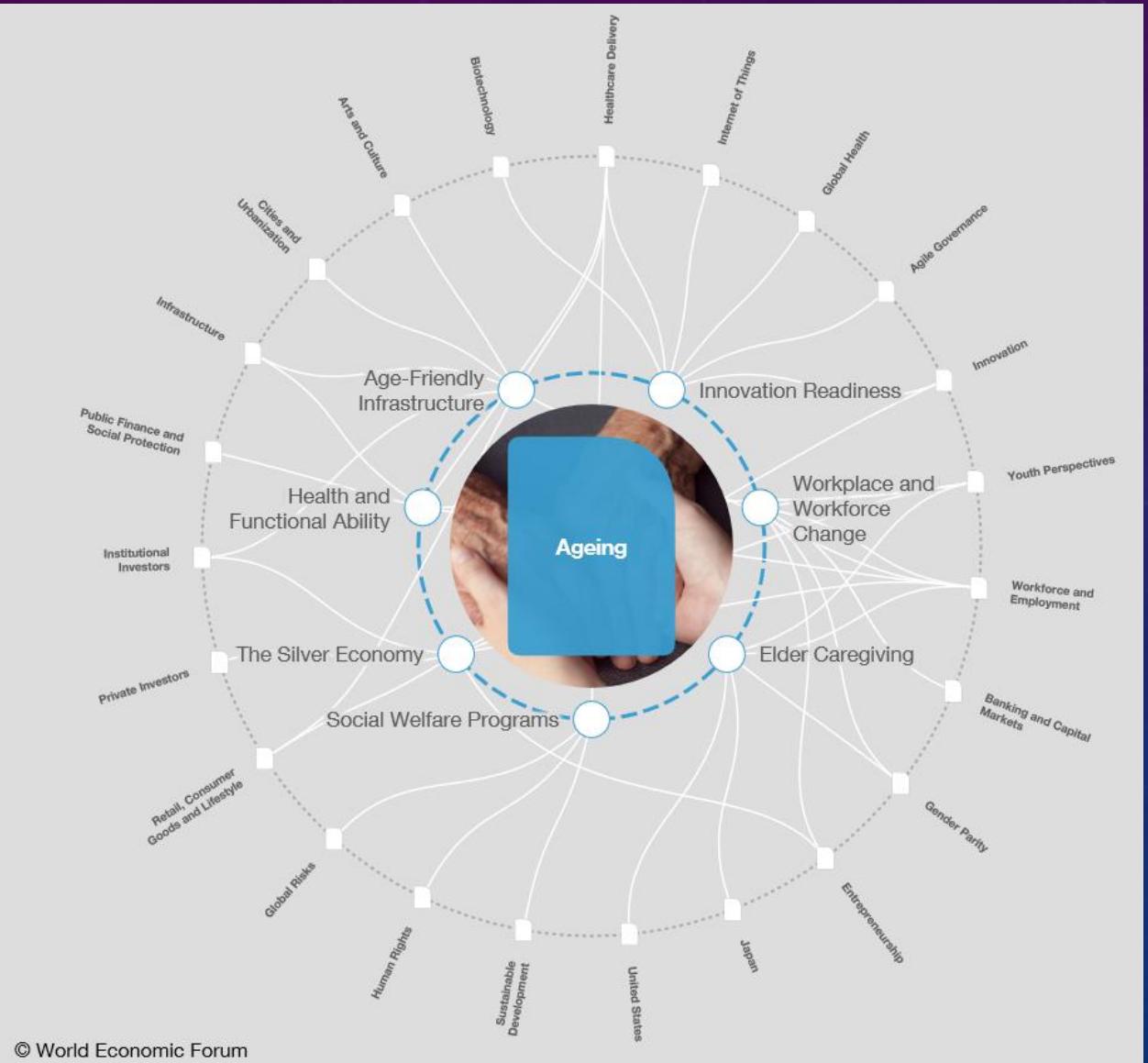
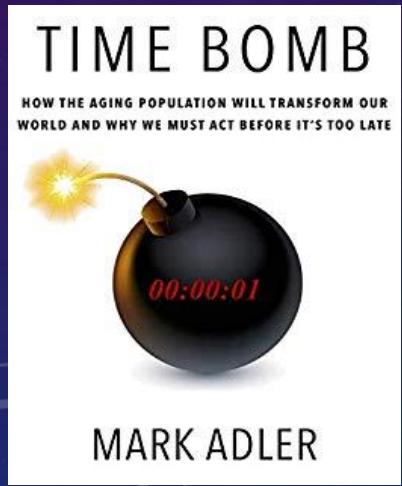
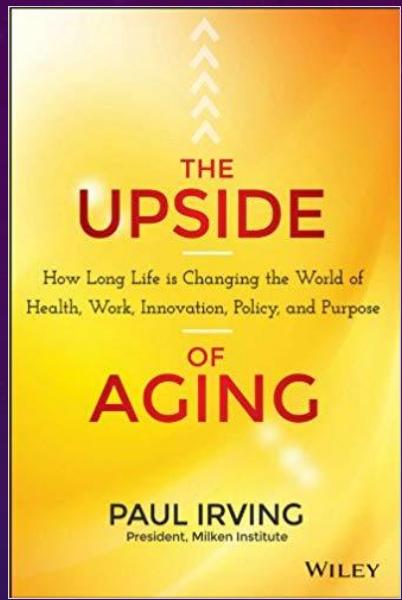
Older persons are becoming more likely to live alone and less likely to live with their children



Source: Getty Images

How Demographics affects
Businesses, Lives, Society etc.?

Demographics affects Businesses, Lives and Society



Changing Demographics and a shrinking working age population is driving a rising labor gap

By 2030 ...

16%

High-skilled workers gap in Tech, Media and Telecommunications

900X

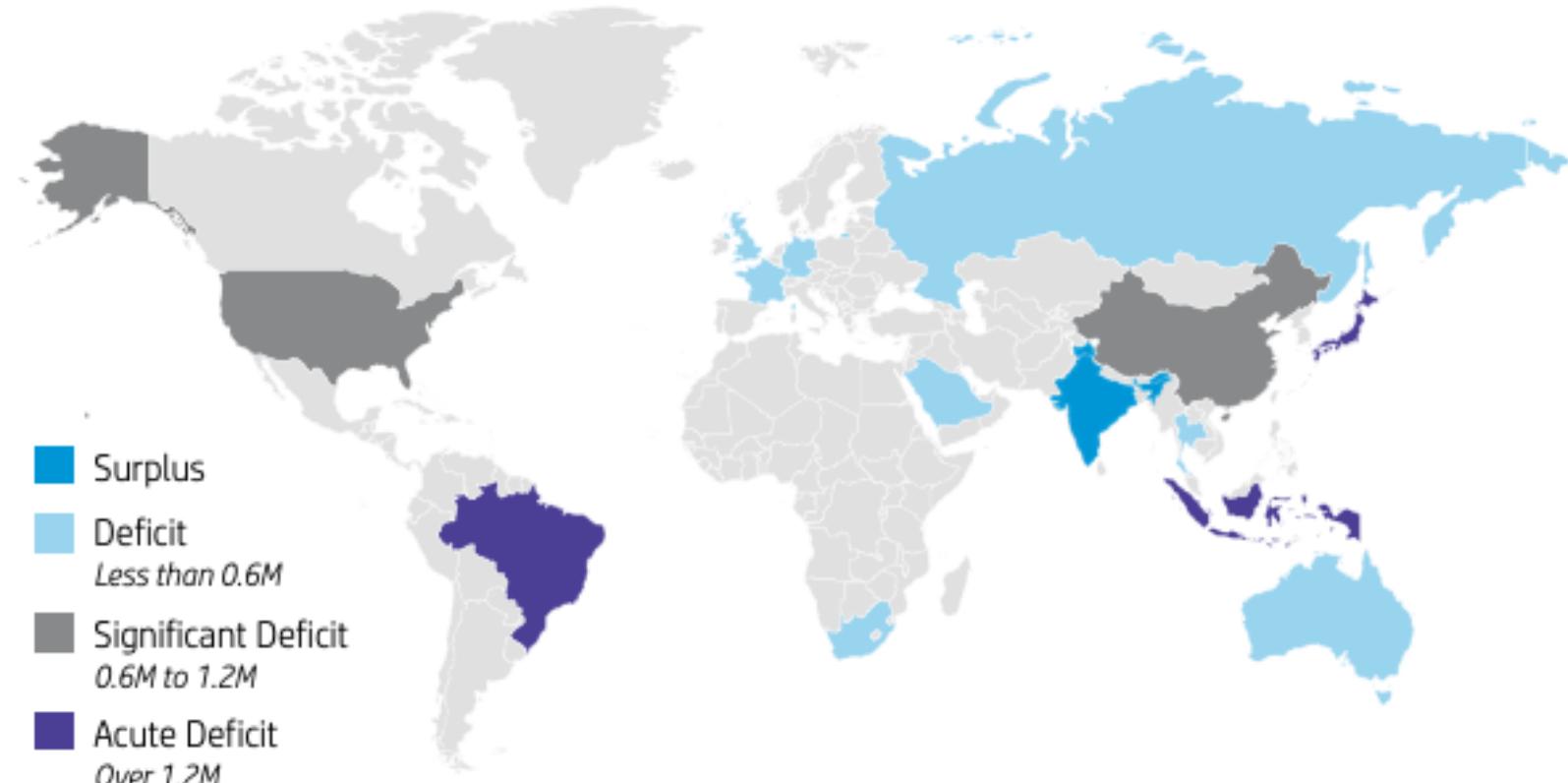
Alphabet, Inc's current workforce required to fill 2030 gap



India - only major economy with a high-skilled labor surplus

GLOBAL HIGH SKILL LABOR DEFICIT BY ECONOMY (2030)

(Based on top 20 markets evaluated to date)



Source: Korn Ferry (2018)



She - Economy

Women are increasingly participating in the labor force, making up 1/3 of the incoming CEO class by 2040

Women in the global labor force



Each figure represents a quarter billion

Source: WEF Global Gender Gap Report 2015

Women are primary breadwinners in over 40% of U.S. households, and make 85 percent of all consumer purchases

Personal Wealth Controlled by Women in the US



2015 - \$14 trillion

2020 - \$22 trillion

Women's Earnings in China



2000: \$0.35 trillion

2010: \$1.6 trillion

2020: \$5 trillion

Sources: BMO, Bloomberg, BCG

If women play an identical role as men in the labor market it could add \$28 trillion to global GDP by 2025

>9.4 million

firms owned by women



7.9 million employees
and \$1.5 trillion in sales

Sources: McKinsey, NAWBO

Improving economic conditions and changing attitudes are ushering women into the world economy in massive numbers

She – Economy.....Key Take Away

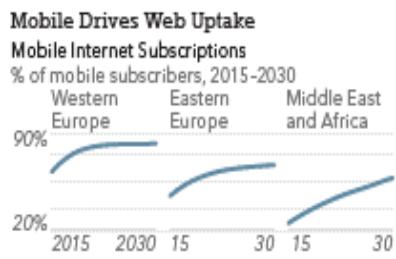
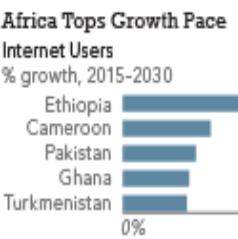
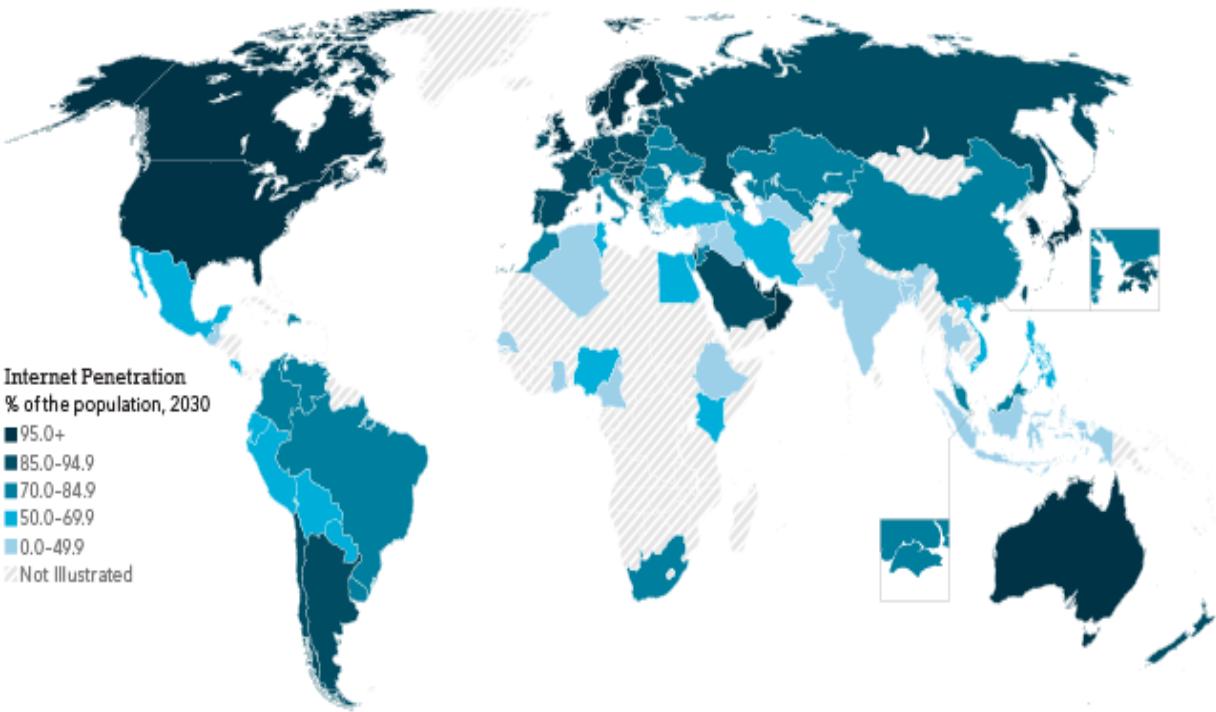
Flawed Assumption	Our Assertion	Key Theme
Fewer women are entering the labor force	A quarter of a billion of women have entered the workforce since 2006	Female labor force
Men continue to control most of the wealth in developed and emerging economies	Women control an increasing amount of wealth in both the US and China	Female spending power
Men continue to make most of the purchase decisions in households	Women make nearly 85% of all consumer purchases in US households	Female consumption power
Technology is a male-centric industry	Women are slowly dominating some parts of the technology industry	Women in tech

Income and Spending Trends.....Key Take Away

Flawed Assumption	Our Assertion	Key Theme
The middle class in developed countries will continue to grow	The middle class in the US and Europe are both shrinking	Shrinking western middle class
Middle class consumer spending in developing countries will not eclipse developed countries	Middle class consumer spending in Asia-Pacific will outpace all other regions	New middle class
The middle class in developed countries will continue to shop for premium brands and services	The middle class in developed countries are increasingly shopping for value brands	Thrifty western customers
Middle class consumers in developing countries are price conscious and bargain hunters	Consumers in emerging countries like China increasingly desire premium products	New premium consumers

Digital Demographic Trend

DATAGRAPHIC TECHNOLOGY, COMMUNICATIONS AND MEDIA Global Internet Penetration in 2030



MAJORITY TO COME ONLINE
53%
of Global Populace on the Web by 2030

**EUROMONITOR
INTERNATIONAL**
© 2015 Euromonitor International

via @Quradient @vivek_gkrishnan

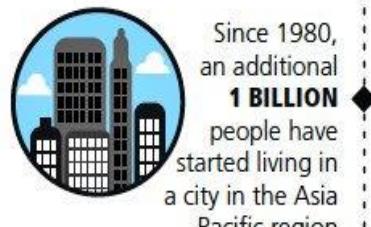
Changing Asian Digital Demographics

In the past decade:



It is estimated an additional 600 million+ will do so in the next three years with over one third of this in India.

That is over
2.5 BILLION
people!

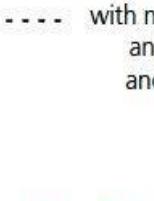


Since 1980,
an additional
1 BILLION
people have
started living in
a city in the Asia
Pacific region

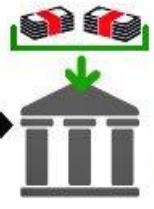
The region now has
17 MEGA CITIES
with more than 10 million
and is likely to add
another 5 by 2030.

It is estimated that over
1.4 BILLION Asia
Pacific residents now
use a **SOCIAL MEDIA**
platform daily.

*This includes local
services and those
originating from the US.



More than
355 MILLION PEOPLE
in the Asia Pacific region
**OPENED A BANK
ACCOUNT FOR THE
FIRST TIME** between
2011 and 2014.



Up to 25% of all banked
individuals in the region
used a mobile phone to
conduct their banking
over the same period.





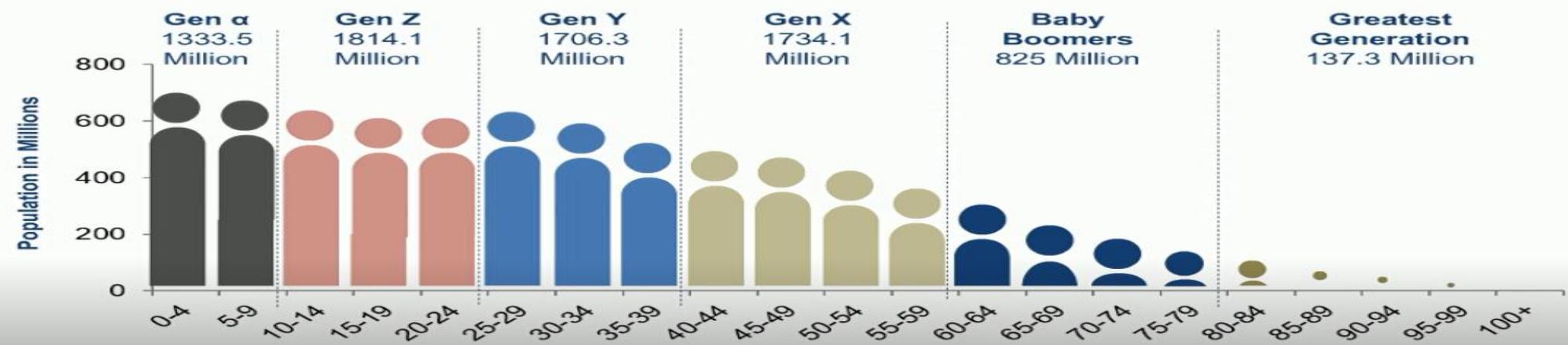
Source: Getty Images

Gen Z



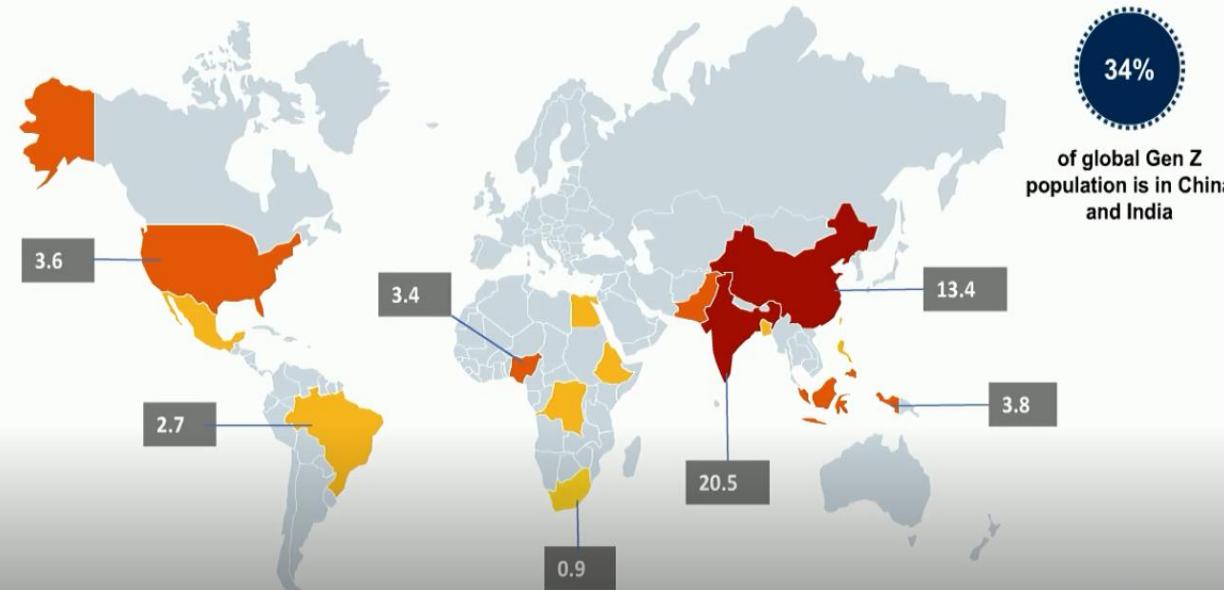
Who is Gen Z?

The largest population cohort, accounting for 24% of the global population



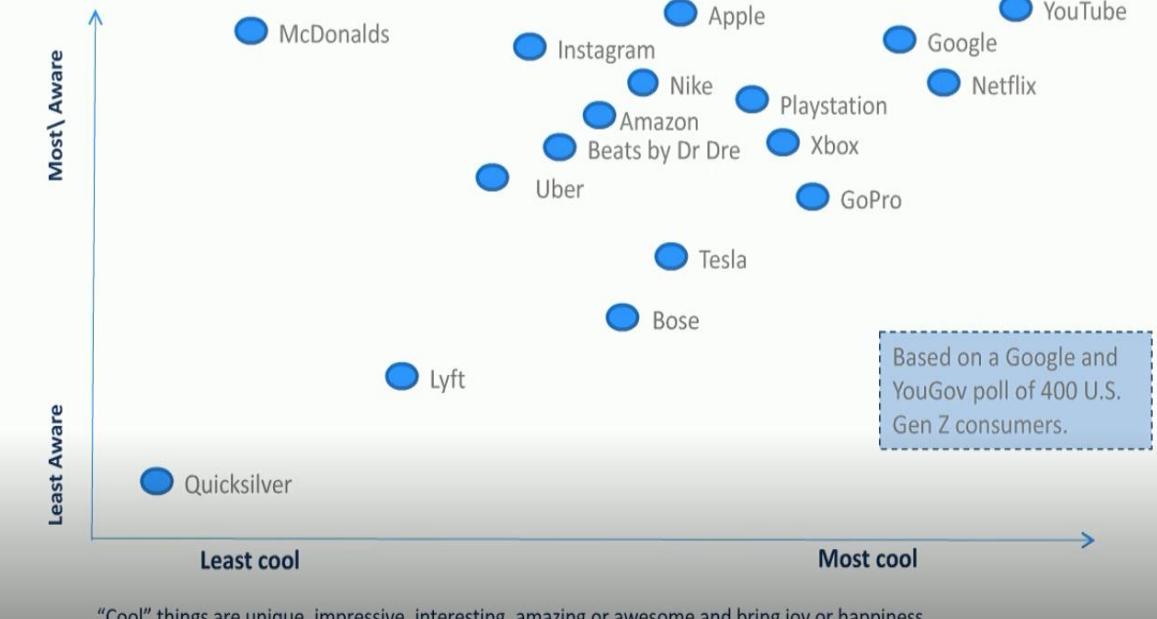
Gen Z global composition

Selected countries with largest percentages of global Gen Z population



FROST & SULLIVAN

Gen Z brand awareness and coolness



Source: Frost & Sullivan with UN data

Gen X, Y and Z and Their Preferences



Baby boomer
1940–59



Gen X
1960–79



Gen Y (millennial)
1980–94

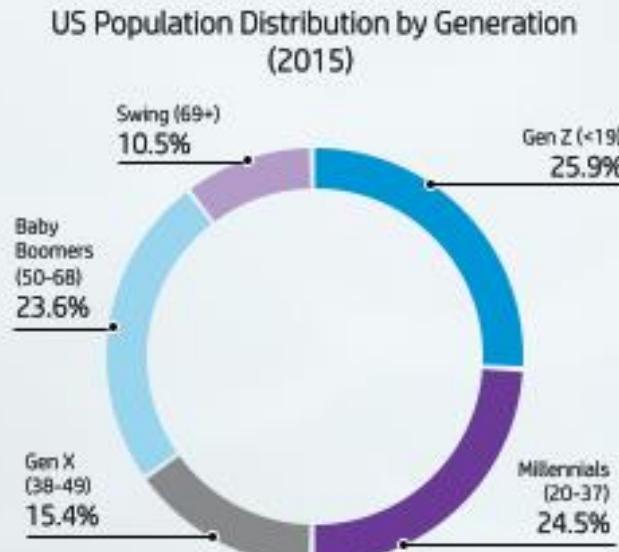


Gen Z
1995–2010

	Baby boomer 1940–59	Gen X 1960–79	Gen Y (millennial) 1980–94	Gen Z 1995–2010
Context	<ul style="list-style-type: none">PostwarDictatorship and repression in Brazil	<ul style="list-style-type: none">Political transitionCapitalism and meritocracy dominate	<ul style="list-style-type: none">GlobalizationEconomic stabilityEmergence of internet	<ul style="list-style-type: none">Mobility and multiple realitiesSocial networksDigital natives
Behavior	<ul style="list-style-type: none">IdealismRevolutionaryCollectivist	<ul style="list-style-type: none">MaterialisticCompetitiveIndividualistic	<ul style="list-style-type: none">GlobalistQuestioningOriented to self	<ul style="list-style-type: none">Undefined ID“Communaholic”“Dialoguer”Realistic
Consumption	<ul style="list-style-type: none">IdeologyVinyl and movies	<ul style="list-style-type: none">StatusBrands and carsLuxury articles	<ul style="list-style-type: none">ExperienceFestivals and travelFlagships	<ul style="list-style-type: none">UniquenessUnlimitedEthical

Gen Z – New Market Opportunity

Gen Z is already a significant cohort, with a population of over 2.6 billion globally, and 26% of the US population



Source: US Census Bureau

Technology is part of the Gen Z DNA

- 91% have access to the internet
- 79% have a smartphone
- 83% play games on a phone or tablet
- 20% read textbooks on tablets
- 78% use internet banking or a banking app
- 78% purchase products online

Sources: TNS New Zealand, JWT

Members of Gen Z have different views on work and business

Compared to Millennials, Gen Z is:



More likely to want to start a business and hire others



More likely to say they want to have an impact on the world

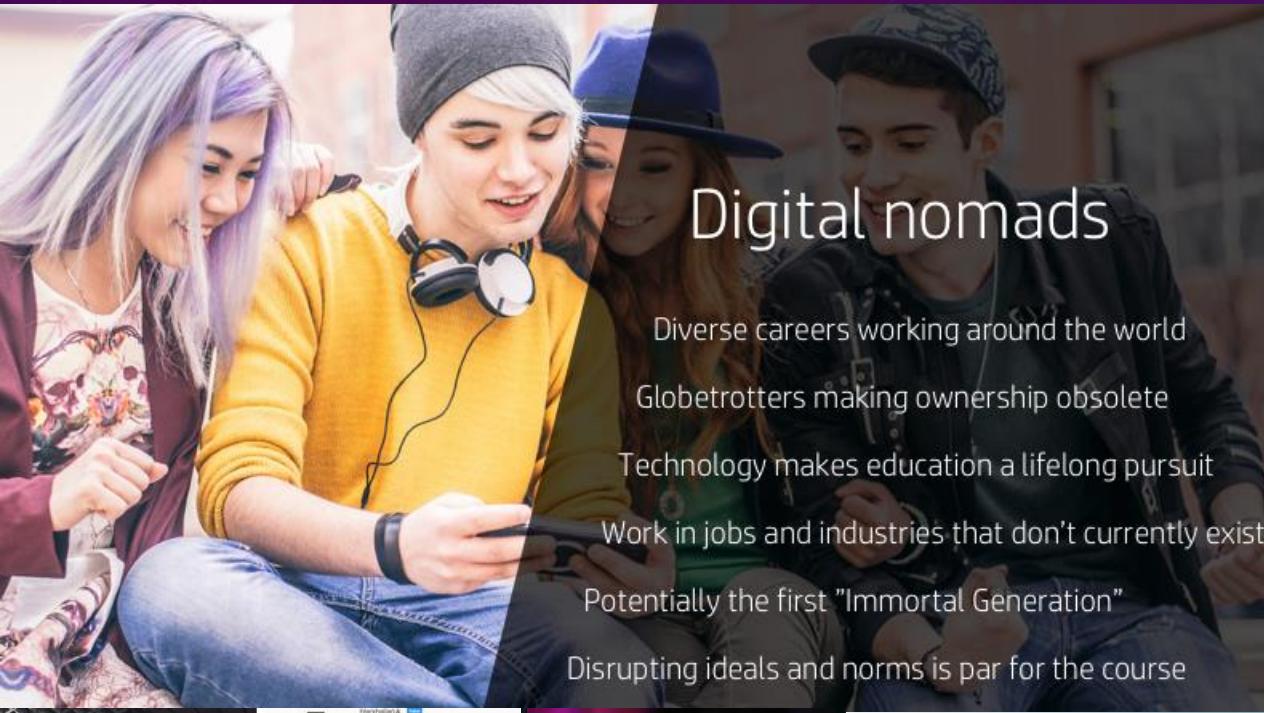
77%

believe businesses should make 'doing good' a central part of their business, and not just by giving to charity

Sources: Sparks & Honey, Millennial Branding, Salt

Generation Z is the first generation of digital natives with a new set of expectations and a different style of working

Gen Z – First Digital Natives



TREND

1.

CONSCIOUS CONTRADICTION

Gen Z actively challenge their own mindset and refuse to be pinned down to a binary world. Brands are going to have to learn to accept this.

TREND

2.

LEARN / UNLEARN

In a post-truth, fake news world, Gen Z crave new ideas, and are reimagining the way they inform and educate themselves. How can your brand challenge the way they think?

TREND

4.

VALUING PERMANENCE

Consuming and sharing content has never been more transient. Gen Z are now putting more emphasis on the physical. For brands, digital can't be everything.

TREND

5.

INVERSE INFLUENCE

Influence is still key to your marketing strategy but it's now time to focus on credibility if you want to get Gen Z on side.

TREND

3.

UNITED AND DIVIDED

Gen Z have found new ways to speak their mind and find the like-minded in the digital age. For brands, it's all about finding the right niche.

TREND

6.

HYPER-HYBRIDS

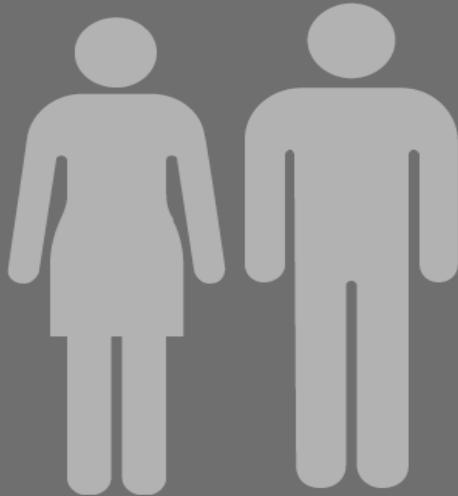
Gone are the days of definable subcultures; Gen Z can't be boxed by just one definition. Brands must also match this fluidity.

Gen Z – Connected, Informed and Ready for Business

A new generation with unique experiences, beliefs and behaviors.

Millennials

Born 1981-1996 / 19-34 years old



Key factors that differentiated these two groups

Self-centered

Entitled

Idealist

Creative

Dependent

Self-aware

Persistent

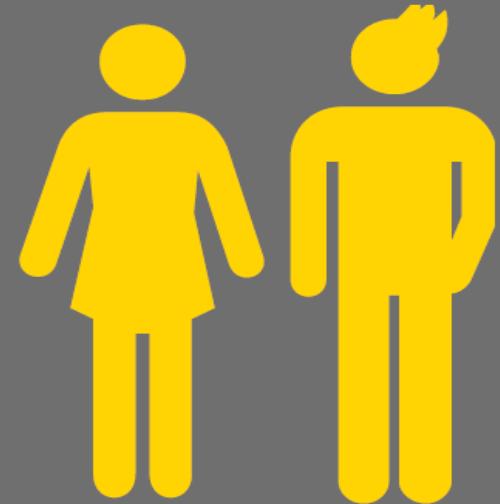
Realist

Innovative

Self-reliant

Gen Z

Born 1997-2003 / 12-18 years old



89%

say they spend part of their free time in activities that are productive and creative instead of just "hanging out."

(High School Careers Study, Millennial Branding, February 2014)

62%

would like to start their own companies rather than work for an established business.
(High School Careers Study, Millennial Branding, February 2014)

71%

expect at least their first business venture to fail but view failure as a learning opportunity.
(High School Careers Study, Millennial Branding, February 2014)



32% of Gen Z want to find their dream job, while 34% of Millennials want financial stability

The majority (67%) of Gen Zers is willing to relocate for a good job, and 58% say "bring it" to working nights and weekends for a better salary, compared to 41% across all working generations.

Among Gen Z workers, workplace flexibility is almost 5% more important than being covered for healthcare costs—receiving a 401K did not even crack 10%.

Gen Z - How to Engage Them?



Born self-learners

Three essentials to win
the hearts and minds
of Gen Z

1 Intuitively
deliver on their
constantly
evolving needs.



2 Make them part
of the solution.



3 Demonstrate
respect and
loyalty before
asking for it.



The search for the truth is at the root of all Generation Z's behavior.

'Undefined ID'
"Don't define yourself
in only one way"



Expressing
individual truth

'Communaholic'
"Be radically
inclusive"



Connecting through
different truths

'Dialoguer'
"Have fewer confrontations
and more dialogue"



Understanding
different truths

Realistic
"Live life
pragmatically"



Unveiling the truth
behind all things

Gen Z – Key Take Away

Flawed Assumption

Future generations will be similar to the Millennial generation when it comes to technology adoption

Our Assertion

More than half of Gen Z would rather give up sense of smell than their mobile device

Key Theme

iGeneration

Younger generations are large spenders

Gen Z would rather save money than spend it and identify themselves as bargain hunters

Frugal consumers

Global issues are not important to younger people in their purchase decisions or careers

Social responsibility demonstrated by companies influences Gen Z's purchase and career decisions

Green citizens

Younger generations are motivated to work for companies that pay them more money

For Gen Z, working for a company that helps make the world a better place is as important a consideration as salary

Work for world impact

Key Takeaways



Gen Z will push brands to do better; for the environment, for their health and for the common good



Companies that embrace authenticity and play a positive role in society will find that Gen Z customers will do much of their marketing for them



The future is mobile. Gen Z will continue to demand that services and products are available on a mobile platform. Social media as a direct platform for buying goods and services will grow in importance.



Artificial Intelligence and automation will create entirely new jobs and lead to a shift in work environments. Gen Z will need to have flexible skill sets to adapt to a fast changing job market.

Demographic Trends Shaping US Retail's Future

Four Demographic Trends That Many Retailers Missed, But Not Walmart



Pamela N. Danziger Contributor

Retail

I study the world's most powerful consumers -- The American Affluent



"They understood the demographic trends years ago and are continuing to account for them on a monthly and weekly regional basis. Walmart has a supply chain second to none, so they can shift product offerings at a moment's notice. This gives them a huge competitive edge. As a result, Walmart is flourishing, while so many other retailers are languishing."

- Fewer people means fewer people buying
- Less fortunate middle class, more prosperous luxury class
- Multigenerational households on the rise
- Lots of young adults, few young kids
- Who's working, who's not
- More phones, fewer cars
- Minority majority

Aging Population – Challenge and Opportunity



Aging Population – Solutions

People come to Big White Wall for help with a wide range of mental health and wellbeing issues – from anxiety, depression, stress and trauma, to relationship problems and lifestyle challenges.

Organisations can commission our Support Network services, or Support Network plus Live Therapy.

Support Network

An anonymous and stigma-free environment. Members follow their own path towards better mental wellbeing.



GreatCall services provide safety and independence.

Whether you need emergency help, have a medical question, need a locksmith, or are concerned about having a fall, GreatCall offers these services and many more, accessible right on your Jitterbug phone or Lively device.

John Walsh, Safety Advocate and Vice Chairman of GreatCall



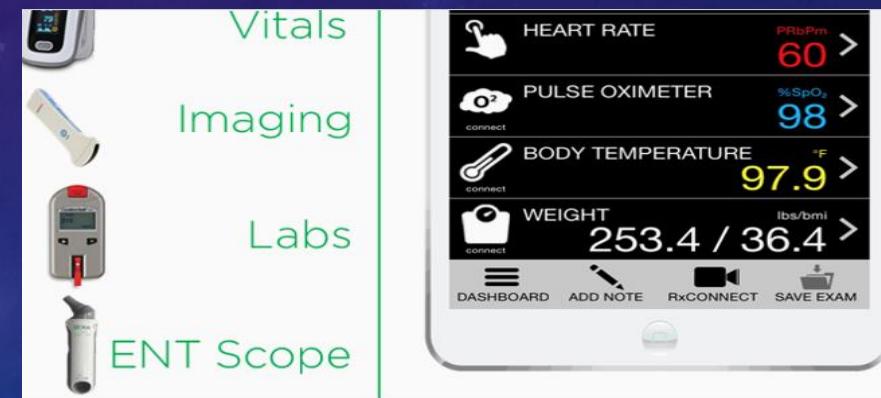
1 Press the button to speak immediately with a 5Star urgent response Agent.

2 Your Agent confirms your location and stays on the line until your situation is resolved.

3 Agents can call emergency services, get roadside assistance, or contact family.

Live Therapy

One-to-one online therapy with registered and accredited counsellors and Cognitive Behavioural Therapists.



Doctors make diagnostic & tre

CARE DELIVERY PLATFORM - "A CLINIC WITHOUT WALLS"

Our cloud-based Care Delivery Platform leverages the ubiquity of mobile technology, enabling clinicians to remotely diagnose patients. Our platform has the capability to connect distributed care teams, facilitating efficient patient management and care planning from anywhere in the world.

Future Customers – Based on Demographic Trends

Global urban consumption growth, 2015–30

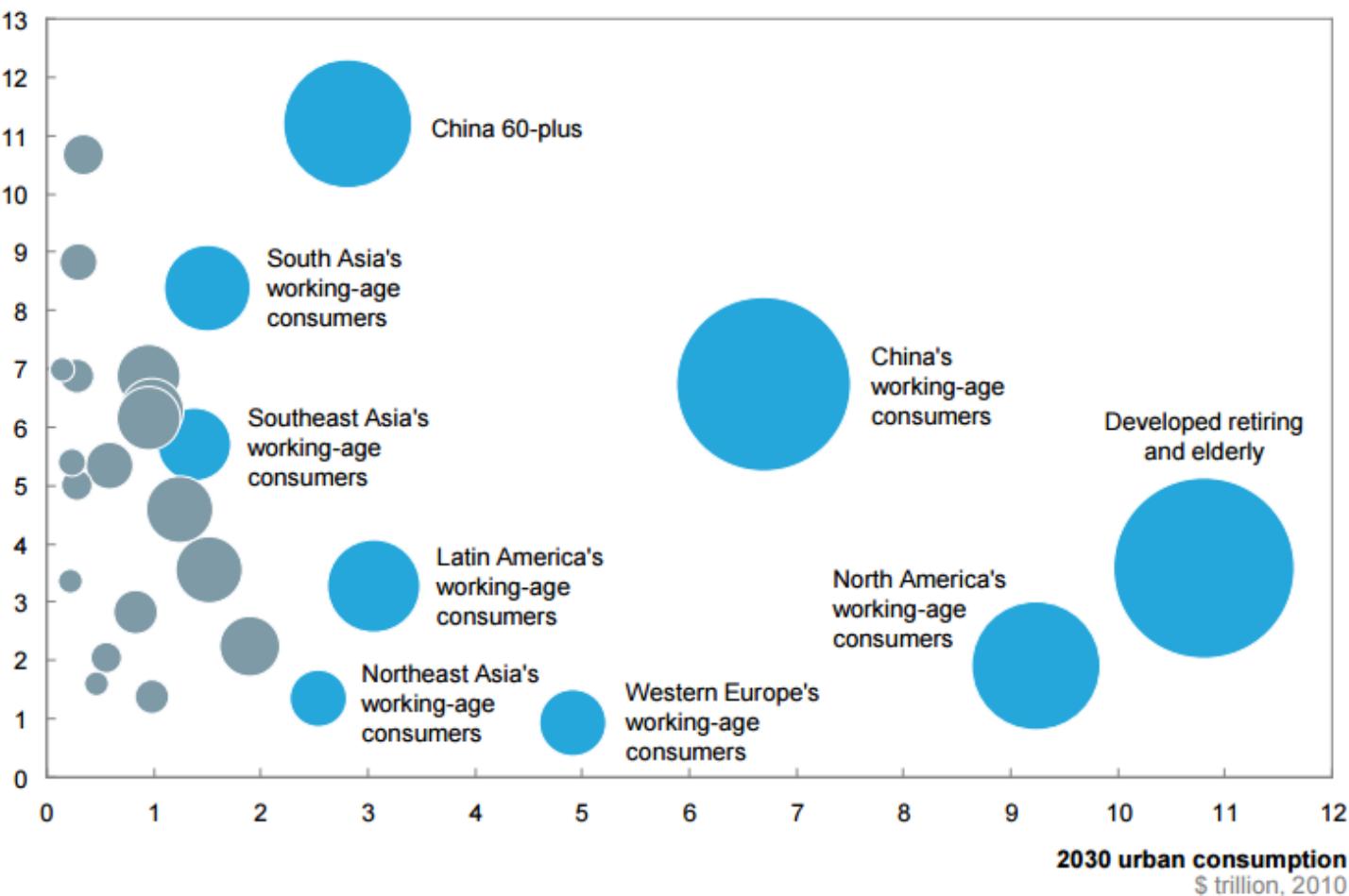
Size represents urban consumption growth

Global consumer groups to watch

Other groups

Consumption growth, compound annual growth rate, 2015–30

%



SOURCE: McKinsey Global Institute Cityscope; McKinsey Global Institute analysis

RAPID GROWTH

Cos are achieving billion-dollar valuations faster. The share of business-to-business (B2B) unicorns is also increasing

Consumer-Facing Unicorns

Swiggy | Byju's
Paytm Mall | Policybazaar | Oyo | Dream11

FROM 2018
Udaan | Freshworks
BillDesk | Delhivery
Pine Labs

Flipkart | Quikr
Ola | Paytm
ShopClues | Snapdeal
Zomato | Hike

FROM 2011 TO 2017
Mu Sigma
Inmobi

The World's Tech Giants 2018

Top 50 Companies by Market Cap (in Q3 2018)

IT Software & Services



Technology Hardware & Equipment



Semiconductors

Media



Retailing

Note: Market Cap as of Oct 2, 2018

Article & Sources:
<https://www.much.net/articles/the-world-tech-giants>
<https://finance.yahoo.com/>



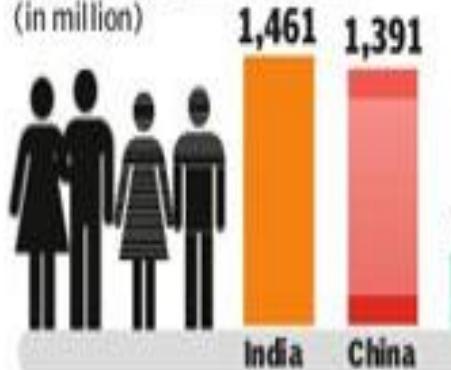
Source: Getty Images

Demographics - Developments from Indian Perspective

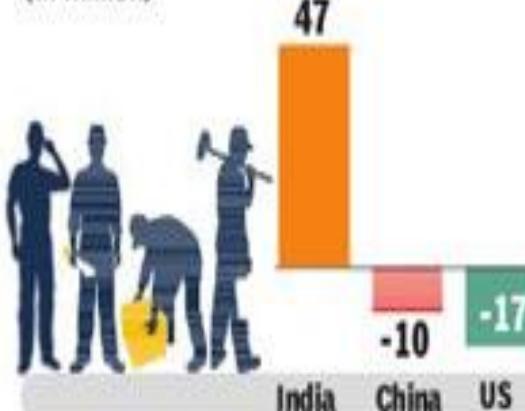
Indian Demographics

THE YOUNG & THE RESTLESS

Projected population in 2030
(in million)



Labour force surplus/deficit by 2020
(in million)

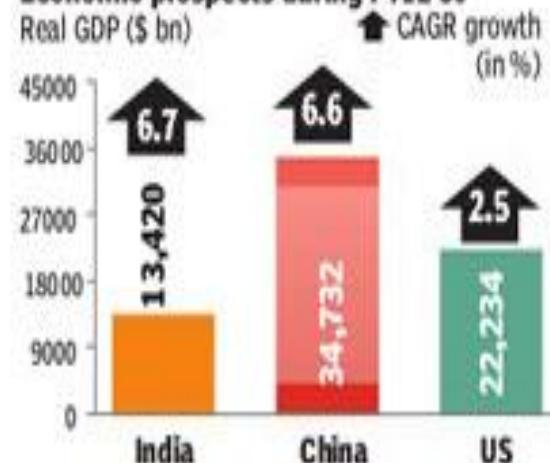


Source: Ficci-Ernst & Young

Projected median age
(in years)



Economic prospects during FY12-30



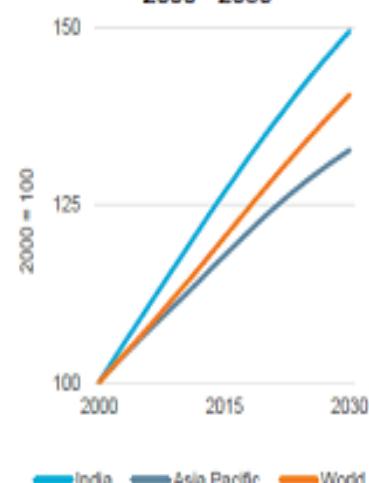
Source: Ficci-Ernst & Young

INTRODUCTION

India's population at a glance

Rapid growth

Population Growth Index:
2000 - 2030



Relatively young

Median Age of
Population: 2015 & 2030



Predominantly rural

Urban/Rural Population:
2015 & 2030



Inner circle: 2015
Outer circle: 2030

Despite falling fertility and birth rates, India's youthful age structure ensures that population growth will remain strong.

In 2015 the old-age dependency ratio was **8.2%**, meaning every 100 working-age Indians had only 8.2 elderly to care for.

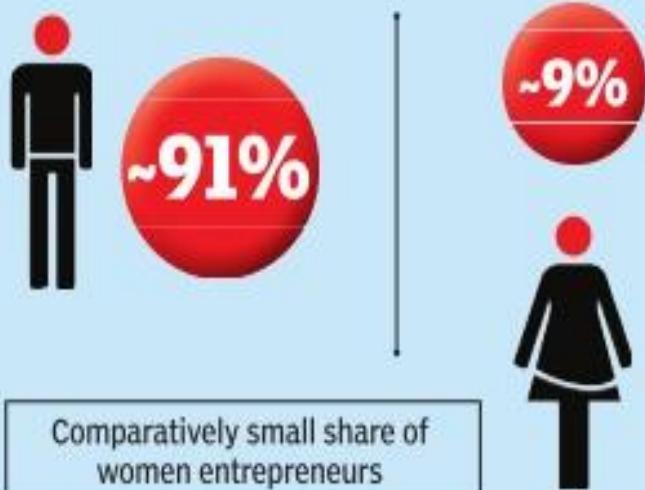
Source: Euromonitor International from national statistics/UN

Demographics and Indian Startups

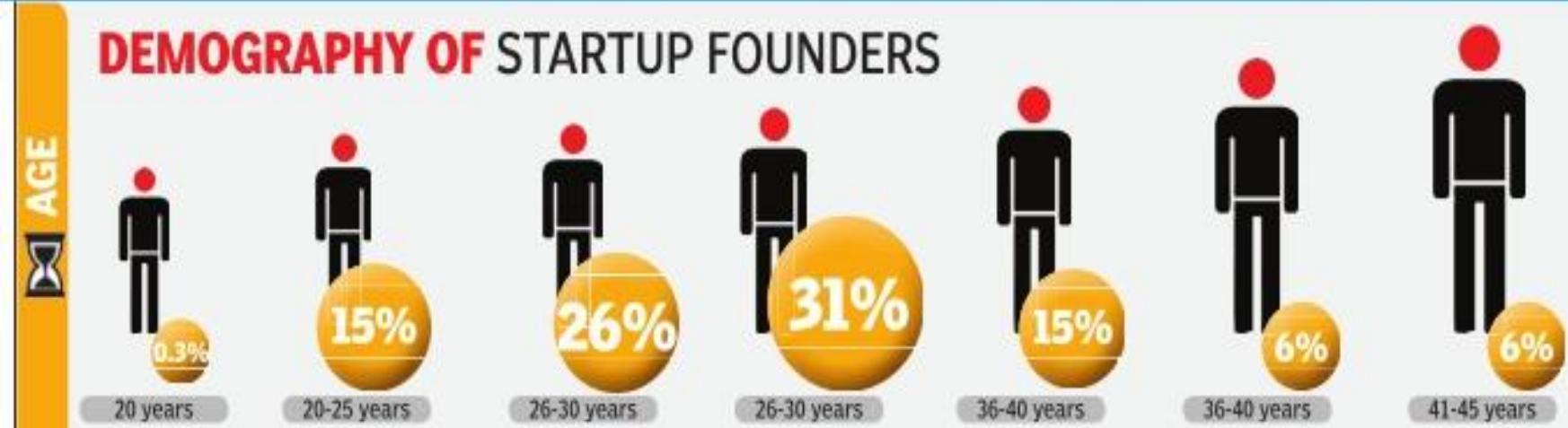
YOUNG AND EDUCATED

72% of the founders are less than 35 years old, making India home to the youngest entrepreneurs in the world

GENDER BREAKUP



DEMOGRAPHY OF STARTUP FOUNDERS



EDUCATION



Notes: Others include MS, Administration Graduate, Doctorate, Under Graduate etc...

Source: Nasscom-Zinnov

Demographics – A Big Opportunity for India

ELDERS AGED 80 YEARS and above make up a little less than 1% of India's population. With **1.6% of its population made of those aged 80 and above**, Kerala boasts the highest proportion of above-80s. What determines this?

Combination of three factors.
Lower birth rate + lower death rate + out-migration of younger people = Higher proportion of elderly

Reason Kerala is at the top: Low birth and death rates, and notable out-migration due to low job creation

Share Of Population Of Those Aged 80+ (%)

- **Above 1.2:** Kerala, Himachal & Punjab
- **1.1-1.2:** Haryana, Goa, Maharashtra, Puducherry, Tripura
- **0.9-1.0:** Bengal, Odisha, Rajasthan, UP, MP, Gujarat, Uttarakhand, J&K, TN, Karnataka, Andhra, Manipur
- **0.4-0.8:** Delhi, Bihar, Jharkhand, Chhattisgarh, Assam, Sikkim, Mizoram, Nagaland, Arunachal, Meghalaya, Daman & Diu
- **0.2-0.4:** Dadra Nagar Haveli

WHILE URBAN DELHI HAS THE SMALLEST RATIO OF 80+...

The 10 urban areas with lowest proportion of the elderly (0.4%) are in and around Delhi – poor working class areas, densely populated with migrant labour who are usually young, with elderly left at the native village



... THE POOREST TOWNS TOO HAVE LOW ELDERLY RATIO

The bottom 50 towns are mostly migrant-labour driven ones, or towns from the most backward areas in UP, Bihar, Chhattisgarh & Jharkhand. These figure at the bottom because of their **high birth and death rates**

SENIORS' PRESENCE IN THE CITIES

80+

Kolkata
1.5%

1.1%

1.0%

0.9%

0.8%

0.6%

Navi Mumbai

Chennai & Secunderabad

Greater Mumbai

Bengaluru

New Delhi, Hyderabad

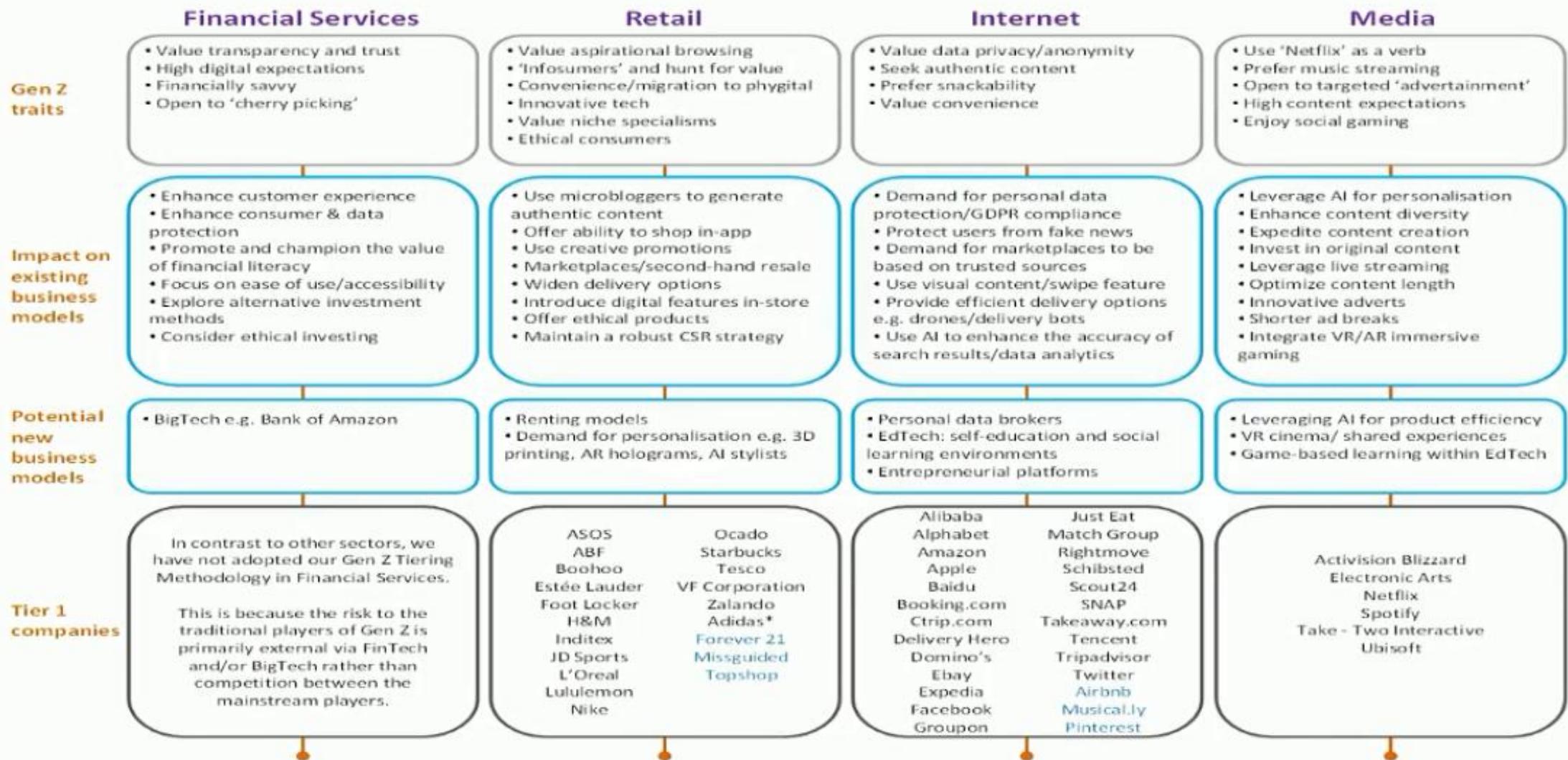
Text: Subodh Varma

Source: Census



What are the opportunities?
Group Activity

Sector Implications



Source: Barclays Research, Tier 1: Companies that were popular with Millennials and are tracking well with Generation Z. * - uncovered, blue – private. Note: Our Gen Z Tiering Methodology serves to classify companies according to the key Generation Z traits that we identify in this report. It includes companies covered by Barclays Research, as well as uncovered and private companies for completeness where relevant, and does not represent an investment recommendation.