

The Bharatiya Consumer

◆ A generational study ◆



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Foreword

India—our Bharat—is on the cusp of a new era. From every bustling market to every quiet village, there's a hum, a pulse—a shared energy fueled by a young generation that's eager to shape a future as bold as their dreams. In these pages, you'll find a window into Bharat as it truly is: vibrant, layered, and alive with possibility.

At dentsu, we believe that progress is born from listening, from honouring every voice and every story. With our commitment to 'Innovating to Impact', we're not just gathering insights; we're turning them into actions that resonate with Bharat's journey, reflecting the heart and spirit of this incredible nation.

I invite you to explore this journey with us. Feel the rise of a nation, uncover the shifting trends, and join hands with us in building a future that is bold, compassionate, and unmistakably Bharat.



Harsha Razdan
CEO, dentsu, South Asia



Shivani Srivastava
Head of Ads, PhonePe

Foreword

At PhonePe, we've witnessed firsthand the incredible transformation of the Indian consumer. This book, "The Bharatiya Consumer: A Generational Study," is a fascinating exploration of this evolution, delving deep into the distinct characteristics of Gen X, Y, and Z. It's more than just demographics; it's about understanding the aspirations, behaviors, and preferences that shape how this dynamic population interacts with the digital economy.

As a leading digital payments platform, PhonePe has been at the forefront of this journey. We've seen the shift from cash-based transactions to the seamless convenience of digital payments.

This generational study is a valuable resource for anyone invested in understanding the "Bharatiya Consumer." For businesses like PhonePe, it helps us tailor our offerings to resonate with specific needs and preferences. It allows us to develop features that are user-friendly across generations, fostering financial inclusion for all.

This book is more than just a market analysis; it's a testament to the dynamism of the Indian consumer. It's a story of dreams, aspirations, and a generation shaping their future with a single tap. As we move forward, understanding the "Bharatiya Consumer" is key to unlocking the full potential of India's digital transformation.

Let the journey begin.



Introduction

India, or Bharat as it is known in its truest essence, stands as one of the world's most youthful nations, with a substantial portion of the population under 40. This demographic diversity is profoundly shaping the consumer landscape. A large working-age population fuels high demand across a spectrum of sectors—from lifestyle and technology to healthcare, financial services, and luxury goods. The purchasing patterns and lifestyle choices of these younger consumers are rapidly reshaping traditional markets, creating a dynamic, trend-driven environment.

In the pages ahead, we dive into the distinct personas of Bharatiya shoppers across generations, exploring how each group's values and priorities shape their buying behavior. Younger generations like Gen Z and Millennials are tech-savvy, gravitating toward experiences, convenience, and personalisation. In contrast, Gen X prioritises reliability and value, with a keen focus on healthcare, financial services, and investments. This generational diversity is redefining India's consumer market, blending tradition with modernity in unprecedented ways



Generational Overview

Each generation displays unique shopping and spending habits shaped by lifestyle choices and economic influences. Younger consumers, such as Gen Z, favour frequent, smaller transactions, while Gen Y and Gen X balance transaction frequency with higher-value purchases in key categories. In smaller towns, transaction frequency declines across generations, but spending patterns diverge: Gen Z's average transaction values drop, Gen Y's remain steady, and Gen X's spending actually rises.

When it comes to spending across generations, Gen Z leads in sectors like food, beverages, retail, and hospitality, highlighting their preference for frequent indulgences and experiences. Gen Y's spending is more diverse, contributing significantly to entertainment, financial services, and commuting. Gen X, with a more focused approach, invests heavily in high-value categories such as financial services, healthcare, and agriculture. This multi-generational landscape underscores how age, lifestyle, and location intricately shape the consumer economy in India.



The Generation Z consumer

- Transaction frequency 110% of overall average
- Transaction value 60% of overall average

9% own a premium smartphone device

Town class behaviour

Spending value decreases as the town class level decreases from top metros to non metros

Gender behaviour

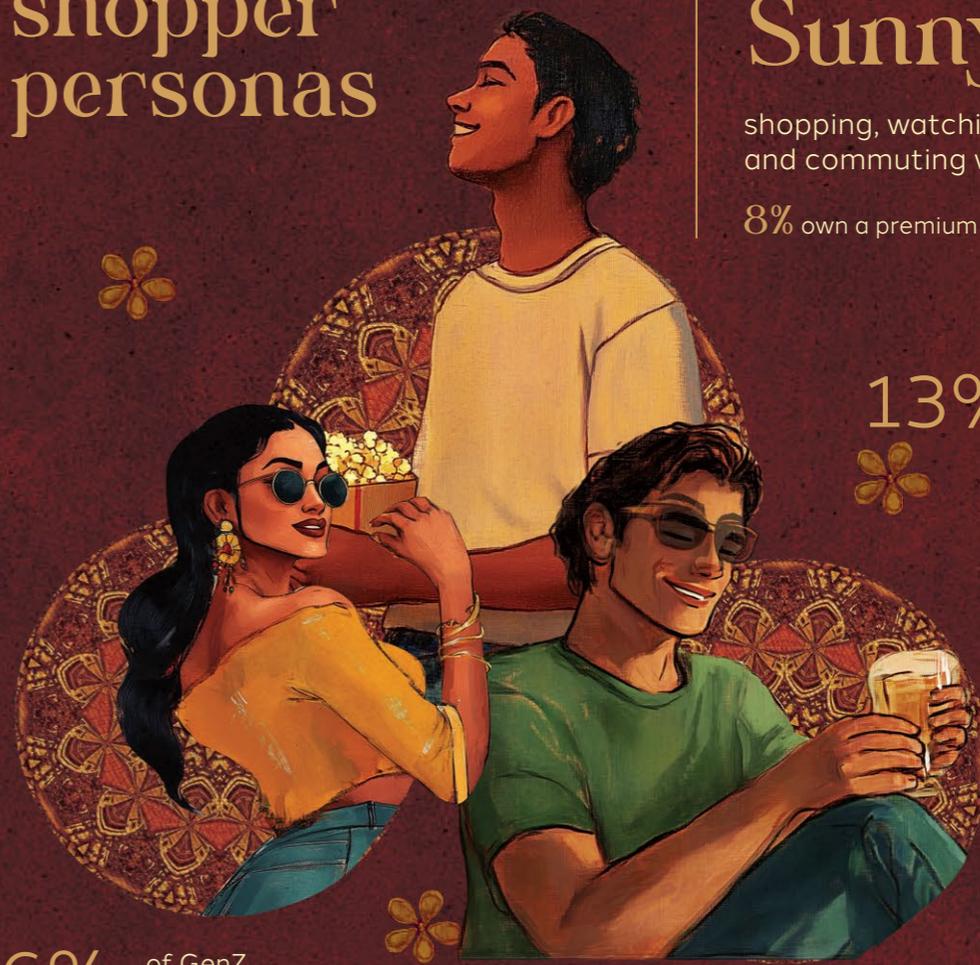
Males have 22% higher transaction frequency compared to Females. In top metros, this difference increases to 37%

Females have 2% more spending value than males, while in top metros, males have 3% higher spending value than females

Payment mode

Transact 52% more frequently offline, they spend 45% more online
Females show higher frequency transacting offline than males
Small metros transact online more frequently than top metros

Prominent shopper personas 62.8% of GenZ population



Sunny
shopping, watching films and commuting within the city
8% own a premium smartphone

13% of GenZ population

Ritz
loves to shop, travel and go out with friends
15% own a premium smartphone

6% of GenZ population

Sia
loves shopping and going to restaurants
12% own a premium smartphone

Sia *Young socialite*

20 year old
from Non Metro

Loves spending on

Financial Services
Retail and shopping
Hospitality

 100%
of GenZ average

Frequently shops

Food and Beverages
Grocery and daily needs

 80%
of GenZ average



Heavier and more frequent
spender on retail and shopping

VALUE **11%** Higher
FREQUENCY **2%** Higher

Much higher spending
on hospitality services

37%
Higher
VALUE

Higher spending on
ornaments and jewellery

17%
Higher
VALUE

Heavier and more frequent
spender on retail and shopping

Less
spending on commute

25%
Lower
VALUE

Less spending
on Entertainment

VALUE **17%** Lower
FREQUENCY **41%** Lower

Spends higher value on
Healthcare and wellness

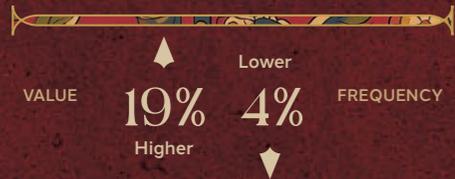
VALUE **19%** Higher
FREQUENCY **4%** Lower

Sunny

Cinema buff



Higher spending on
Healthcare and wellness



Higher transaction
frequency on entertainment



Higher spending value
on commute



Higher
spending on fuel



24 year old
from Non Metro

Loves spending on

- Retail and shopping
- Fuel
- Grocery and daily needs

 90%
of GenZ average

Frequently shops

- Food and Beverages
- Grocery and daily needs
- Entertainment

 100%
of GenZ average

Ritz

Party animal

25 year old
from Top Metro

Loves spending on

- Retail and shopping
- Fuel
- Food and beverages

 **120%**
of GenZ average

Frequently shops

- Food and Beverages
- Grocery and daily needs
- Retail and shopping

 **110%**
of GenZ average



Very high and frequent spending
on food and beverages



VALUE **43%** HIGHER **43%** HIGHER FREQUENCY



Very high
spending on hospitality services



34%
HIGHER
VALUE



More frequent purchase of
Groceries and daily need products



15%
HIGHER
FREQUENCY



More frequent
spending on healthcare and wellness



6%
HIGHER
FREQUENCY



High spending on financial
services and investment options



55%
HIGHER
VALUE



Higher
spending on art and antiques



6%
HIGHER
VALUE



Higher
spending on travel



27%
HIGHER
VALUE



Higher
spending on entertainment



17%
HIGHER
VALUE



The Generation

consumer



Transaction frequency
90% of overall average



Transaction value
120% of overall average

7%

own a premium smartphone device

Town class behaviour

Spending value remains consistent across town classes

Gender behaviour

Males transact 27% more frequently than females, rising to 41% in top metros

Males have 10% more spending value than females

Payment mode

They transact 12% more frequently offline but spend 52% more online

Females show higher frequency transacting offline than males

Non-metros transact online most frequently, followed by small metros; top metros transact least frequently

15.5% of GenY population

Karthik

Loves investing in financial services and spending on shopping and entertainment

13% own a premium smartphone

59.5% of GenY population

Tenzing

a frequent transactor with interests in financial services and shopping. He is involved in agricultural services

7% own a premium smartphone



6.8% of GenY population

Zoya

very investment savvy and value driven

7% own a premium smartphone

Prominent shopper personas



Karthik

Lifestyle enthusiast



35 year old
from Top Metro

Loves spending on

Financial Services
Retail and shopping
Entertainment

 90%
of GenY average

Frequently shops

Food and Beverages
Grocery and daily needs
Entertainment

 80%
of GenY average



Tenzing

Market hustler



Higher spending on art and antiques category

6%
Higher
VALUE



Higher expenses on fuel

6%
Higher
VALUE



Higher expenses related to commute

10%
Higher
VALUE



Slightly higher spending on Groceries and daily needs products

3%
Higher
VALUE

2%
Lower
FREQUENCY



Higher and frequent spending on agriculture category

6%
Higher
VALUE

6%
Higher
FREQUENCY

31 year old
from Non Metro

Loves spending on

Financial Services
Retail and shopping
Fuel

90%
of GenY average

Frequently shops

Food and Beverages
Grocery and daily needs
Entertainment

110%
of GenY average

Zoya

Value seeker

29 year old
from Non Metro

Loves spending on
Financial Services
Retail and shopping
Fuel

110%
of GenY average

Frequently shops

Food and Beverages
Grocery and daily needs
Entertainment

120%
of GenY average



Prefers to invest in
high-value items occasionally



Very investment
savvy with heavy
spending on Financial services



Lower spending
and frequency
on food and beverages



More frequent
purchases of Groceries
and daily need products



Significantly lower
spending and frequency
on entertainment



Higher spending and
frequency on hospitality services



Spends more on
healthcare and wellness



The Generation



consumer

Transaction frequency
80% of overall average

Transaction value
210% of overall average

6%
own a premium smartphone device

Town class behaviour

Spending increases as town class level decreases
from top metros to non metros

Gender behaviour

Males transact 17% more than females, rising
to 26% in top metros

Females have 1% more spending value than males, with 3% higher
spending in small and non-metros

Payment mode

They transact 28% more frequently offline but spend 56% more online

Males show higher frequency transacting offline than females

Small metros transact online more frequently than top metros

Prominent shopper personas

49.2% of GenX population

Ranjit Veerji

deeply involved in agriculture sector, loves buying expensive gifts and spending on entertainment.

4% own a premium smartphone

5.3% of GenX population

Mrs. Chatterjee

Loves transacting on retail and shopping frequently. Also very investment savvy

7% own a premium smartphone

4.4% of GenX population

Shalini didi

very investment savvy with high spending on jewellery and financial services.

5% own a premium smartphone



11.3% of GenX population

Geetha Akka

Involved in agriculture service, invests more in gold and silver.

4% own a premium smartphone

15.1% of GenX population

Anil kaka

a frequent commuter and very investment savvy. Loves spending on Food and beverages, and hospitality services

7% own a premium smartphone

14.7% of GenX population

Fernandes Uncle

loves to spend on gifts, food and beverages and entertainment. Loves to travel as well

10% own a premium smartphone

Mrs. Chatterjee

Saavy shopper

56 year old
From Top Metro

Loves spending on

Retail and shopping
Financial Services
Hospitality

90%
of GenX average

Frequently shops

Grocery and daily needs
Food and Beverages
Entertainment

100%
of GenX average



Fernandes Uncle

*Indulgence
connoisseur*



Love buying and gifting luxury products, art and antiques

15%
Higher
FREQUENCY



More frequency purchase of Groceries and daily needs products

28%
Higher
FREQUENCY



Higher and frequent spending on food and beverages

VALUE 15% Higher FREQUENCY 10% Higher



Spends more on online platforms

300%
Higher
VALUE



Loves spending on travels

26%
Higher
VALUE

53 year old
From Top Metro

Loves spending on

Financial Services
Fuel
Retail and shopping



100%
of GenX average

Frequently shops

Grocery and daily needs
Food and Beverages
Retail and shopping



120%
of GenX average

Shalini didi

Prudent investor



45 year old
from Small Metro

Loves spending on
Financial Services
Retail and shopping
Currency and coins

90%
of GenX average

Frequently shops
Grocery and daily needs
Food and Beverages
Entertainment

90%
of GenX average



Higher spending on jewellery and ornaments



15%
Higher VALUE



Higher spending on hospitality services



10%
Higher VALUE



Frequent transactions for retail and shopping categories



8%
Higher FREQUENCY



Less spending on Entertainment



38%
Lower VALUE



Higher frequency spending and on financial services



VALUE 34% Higher
FREQUENCY 2% Higher



Less spending on Commute



40%
Lower VALUE



Spends more on online platforms



50%
Higher VALUE

Anil Kaka

*Foodie
extraordinaire*

47 year old
from Small Metro

Loves spending on

Financial Services
Fuel
Retail and shopping

 **110%**
of GenX average

Frequently shops

Grocery and daily needs
Food and Beverages
Retail and shopping

 **110%**
of GenX average



Loves transacting
frequently on food and beverages

10%
Higher
FREQUENCY



Spends frequently on
grocery and daily needs products

16%
Higher
FREQUENCY



Higher and frequent
spending on financial services

VALUE

10%
Higher

6%
Higher

FREQUENCY



Higher spending
on hospitality services

15%
Higher
VALUE



Likes to spend
higher on travel

14%
Higher
VALUE

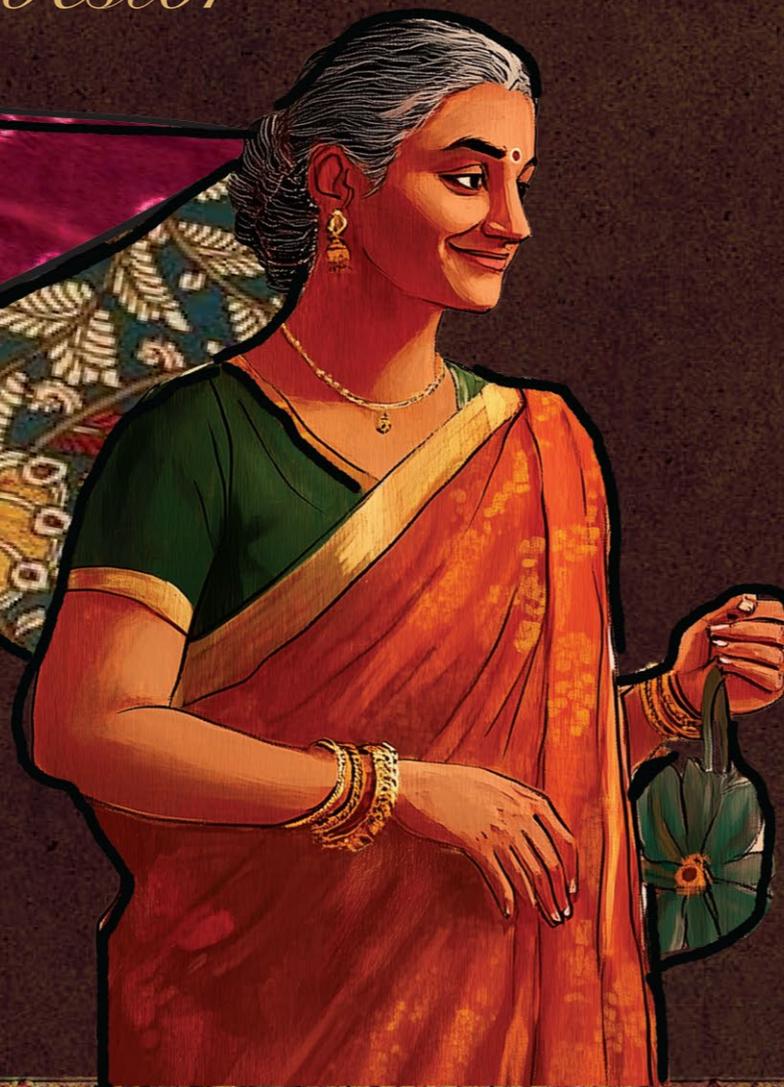


Spends more
on online platforms

200%
Higher
VALUE

Geetha Akka

Traditional investor



52 year old
from Non Metro

Loves spending on

Financial Services
Retail and shopping
Currency & Coins

 **90%**
of GenX average

Frequently shops

Grocery and daily needs
Food and Beverages
Retail and shopping

 **100%**
of GenX average



Likes to spend heavily
on gold and silver

40%

Higher
VALUE



Lower spending
on retail and shopping

12%

Lower
VALUE



Spends more on
online platforms

27%

Higher
VALUE



Does not like to
spend much on entertainment

23%

Lower
VALUE



Lower spending
on hospitality services

8%

Lower
VALUE

Ranjit Veerji

Luxury aficionado

50 year old
from Non Metro

Loves spending on

Retail and Shopping
Agriculture

110%
of GenX average

Frequently shops

Grocery and daily needs
Food and Beverages
Retail and shopping

90%
of GenX average



Very heavy spender on agriculture

16%
Higher VALUE



Higher and frequent spending on entertainment

VALUE 16% Higher
FREQUENCY 18% Higher



High spending on grocery and daily needs products

10%
Higher VALUE



Loves buying expensive gifts, art and antiques

23%
Higher VALUE



Higher and more frequent purchase of precious metals

VALUE 8% Higher
FREQUENCY 4% Higher



Spends more on online platforms

30%
Higher VALUE



Spends higher value on commuting

27%
Higher VALUE

Glossary of Terms

Generation	Year of birth range	Age range
GenZ	1997 - 2012	12 - 27
GenY	1981 - 1996	28 - 43
GenX	1965 - 1980	44 - 60

Town class	Definition
Top metros	Mumbai, Delhi, Kolkata, Chennai, Bangalore, Pune, Hyderabad, Ahmedabad
Small metros	Population between 1 - 5 million
Non metros	Population below 1 million

Terminology

- Purchase value
- Frequency of Transaction
- Overall average
- Generational average
- Product categories
- Premium smartphone devices

Definition

- Amount spent in a month
- Number of transactions done in a month
- The average with respect to all registered PhonePe users
- The average with respect to all PhonePe users falling in that particular generation (X / Y / Z)
- Categories of product for which payment is made
- Smartphones above the price of Rs 40,000



Methodology

Over the last 8 years, PhonePe has scaled rapidly to become India's leading fintech company. As of October 2024, we have about 575+ million registered users, 40+ Million registered merchants and we process transactions amounting to USD 1.8+ Tn on an Annualized basis in "Total Payment Value." This scale puts us in a wonderful place to analyse user behaviour and derive key actionable insights. All the data used for this process is aggregated and does not involve any user PII.

The team conducted advanced analyses to uncover behavioral patterns and preferences, enabling the creation of detailed generational personas for nuanced insights into user engagement on the PhonePe platform.

Design synopsis

The design originates from the idea of highlighting the colorful and diverse nature of the Bharatiya consumer through intricate Indian motifs and design elements. The fusion of classical hand-drawn characters, enhanced by modern innovation using Gen-AI tools (e.g. MidJourney), symbolizes the generational journey of the Bharatiya consumer.

Team behind the report

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About dentsu

Dentsu is an integrated growth and transformation partner to the world's leading organizations. Founded in 1901 in Tokyo, Japan, and now present in over 110 countries and regions, it has a proven track record of nurturing and developing innovations, combining the talents of its global network of leadership brands to develop impactful and integrated growth solutions for clients. Dentsu delivers end-to-end experience transformation (EX) by integrating its services across Media, CXM, and Creative, while its business transformation (BX) mindset pushes the boundaries of transformation and sustainable growth for brands, people, and society. Dentsu, Innovating to Impact.

Find out more: www.dentsu.com www.group.dentsu.com

About PhonePe Ads

PhonePe Ads is a full-funnel digital advertising platform powered by India's Digital Payments Market leader – PhonePe, with 575+ million registered users. The PhonePe group also includes an exciting suite of unique publishers, such as PhonePe for Business with one of the largest transacting merchant network (40Mn) and the upcoming Indus App Store, India's own app store expanding the platform's reach and capabilities across a variety of use cases beyond payments.

Our solutions include In-App Display Ads, Deals & Rewards, and native Ad products – Sponsored Links, that seamlessly integrate with user payment journeys and enable discoverability & engagement, traffic & conversion objectives at scale.

With a presence across 99% of India's pin codes and exclusive access to a high-value, high-intent transacting audience, PhonePe Ads enables brands to create precise, 360-degree customer personas like no other. Our Deals & Rewards solution drives superior ROAS through tailored offers, while advanced targeting ensures measurable growth and meaningful engagement at every stage of the funnel.

Contact us to know more: ads@phonepe.com

About PhonePe Pulse

PhonePe Pulse highlights trends and insights on digital payments in India. PhonePe Pulse was launched in September 2021 with the aim to demystify data on the Indian digital payments landscape and give back to the ecosystem. Pulse is a novel interactive platform that is India's go-to destination for accurate and comprehensive data on digital payment trends. As market leaders, PhonePe's data is representative of the country's digital payment habits. With its rich repository of conversations, insights, and in-depth analysis, Pulse showcases India's beat of progress in the digital payments landscape.

Find out more: pulse.phonepe.com



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