Gauging Indian Consumers through Macro Indicators

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Indian consumers will be able to spend a greater share of their incomes on non- essential goods and services. Growth in the middle-income segment will also be a key contributor to the success and expansion of business activity. A young middle class is the core group that can be focussed on by business.

Even though, macroeconomic indicators are not very reassuring purchases will only increase. Rural wages are growing at a slow pace and farmers are distressed about crop prices. Rural areas suffered two years of insufficient rainfall in the financial years 2015 and 2016. Then, in November 2016, came the note ban, which prompted households to cut back on discretionary spending.

This paper will try to understand consumers through macro indicators. The researcher has collected secondary data from reports of government, ministry of statistics, industry research reports to analyse consumption pattern in India. The indicators that have been studied are listed below.

- Saving of the Household Sector
- Inflation Rates CPI and CFPI
- Growth Rate of Industries
- Spending patterns among consumers

The long-run prospect for India is excellent and may be better than that of any other emerging economy in 2005 India recorded a 9.5 per cent per annum growth, and kept this up for three consecutive years, all the way till the global financial crisis of 2008. Macro indicators are favourable to India. Understanding consumer trends will help in improving growth rate and global competitiveness of India.

Key words: - inflation, savings, spending patterns, consumption

Introduction

Indian market is the most attractive market for global players. Indian middle class is a burgeoning group with numbers increasing. In terms of numbers Indian markets are an attraction to foreign players. Even if the MNCs do not enter India there need not be any worry for the Indian businesses. According to the Economic Survey 2016-17, India's internal trade accounts for 54% of the GDP (page XV). This indicates that businesses can survive even if we do not meet targets of foreign investments.

Consumption in rural India was increasing at more than twice the urban growth rate until 2015 but growth tapered off in the past two years. Below-average monsoon rain over the past few years had been blamed for stagnant sales growth. During the last two quarters, companies have seen rural performing slightly better, indicating a revival in rural consumption. The foreign direct investment (FDI) norms relaxation for single brand retail in the country will be a major boost for fast fashion