



Lilliput Land

The Book Highlights

India's Consumption Story

The Lilliput Characteristics

It's a story of small earnings of consumers earning & spending just a little that adds up to a big amount

The entire current ecosystem is served by the digital infrastructure that supports billions of small transactions

**These large platforms with mass small consumers
and suppliers digitally bound together will drive India's
Mega Consumption Story**

**So what is India's New Thinking on Global Business
Strategy?**

The 3 Big Developments

India's ranking in terms of population and GDP is very high

India is among the fastest-growing countries globally

In 10 years, it would probably add another India to its GDP

**India has an enormous variety of digital technologies now
form the central nervous system**

The 3-Part Framework For Understanding India's Present & Future Consumption Story

Consumer Base

50% of the household income is in rural India's 6 lakh villages

Top 18% live in top 9 metro cities with population > 5 million

The Consumer Behavior Story

It is underpinned by limited income and unlimited desire to consume

Supply- Shaping the Consumption

Consumption will grow with a consumption-boosting supply- that adds value to people's lives and makes it worth it to consume

The author also delves into

**Shapers of Consumer India's Consumption Behavior-
Themes that are common & relevant to all income groups**

**Structure & drivers of heterogeneity in Consumer India and
how to think about consumer segmentation**

How India changes & reading change in Consumer India

**4 Levers that would help businesses slash
operating costs & meet consumer's
performance & price demands WITH profits**

Aggregating Users

This would increase the ticket size per-user to make costs work better. Several business models have emerged for the low-income mass market.

Aggregate Suppliers

This is an asset-light model of business that is ubiquitous due to the profusion of small supplies that already exist and can provide cost-effective supply.

Enabling Sharing

High-value durables like cars, designer clothes, or tractors can now be seamlessly shared. Due to India's demand structure, rentals have always been a popular model

Digitalizing Processes

‘Digital Nervous System’ in their business operations would reduce costs & expand operating margins and meet regulatory requirements for the inclusion of low-income consumers

Micro Accident Insurance

It was offered by an insurance firm that had a very advanced digital environment

They reported unprecedented 'walk in demand' for the service and, on a fully loaded cost basis, they said it was profitable despite the small ticket size.

Cost saving was on account of having no customer acquisition cost

The New Face of Supply & Competition

Digitally powered marketplaces & platforms, specialized by sector & region, are here to proliferate

More small suppliers will thrive & be born with easy access to markets via platforms & marketplaces

Hyper-local and niche small businesses can now be serious competition to the big players

Full-service solution platforms can make it hard for monoliners who want to play alone unless they seriously up the benefits of some expertise that makes them distinct

Phygital models will work better than Pure-Play digital

Consumer India will become an even more spoilt, demanding creature than it was before

Disclaimer

**This is just a summary. For a better understanding,
reading the book is highly recommended**

This summary is as per my interpretation and learning

Please excuse any errors

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