

Millennials redefine the Fintech Space in India

The millennial generation in India is quickly emerging as a driving force in the financial technology or fintech industry. Fintech is a rapidly growing industry that combines financial services and technology to create innovative solutions for financial transactions and management. The millennials in India are embracing fintech services for their convenience, affordability, and ease of access, and are rapidly redefining the fintech space in the country.

One of the biggest ways that millennials are redefining the fintech space in India is through the use of mobile payments. Millennials are more likely to use mobile payment solutions for everyday transactions, such as paying bills, sending money to friends and family, and making online purchases. With the advent of mobile payment platforms like Paytm, Google Pay, and PhonePe, millennials are making financial transactions more convenient and accessible than ever before. Another area where millennials are driving change in the fintech industry is in the use of digital lending platforms that offer quick and easy access to loans and other financial products, allowing millennials to access credit without having to go through traditional banks or financial institutions.

Millennials are a generation that has grown up with the internet and social media, and they have been instrumental in changing the travel industry. Travel has always been one of the most sought-after experiences for millennials. With the rise of travel blogging and vlogging, as well as social media platforms like Instagram, more and more people are inspired to travel, and solo travel is becoming increasingly common. However, it can often be an expensive proposition, leaving many people with unfulfilled travel dreams, and this is where Travel Now Pay Later (TNPL) comes in. TNPL is a fintech solution that allows people to book and pay for their travel in instalments, rather than all at once. This can be particularly appealing to millennials, who may have limited financial resources but still want to travel. With TNPL, they can fulfill their travel dreams without having to save up for months or even years.

Digital lenders have made it possible for people to take small loans for festive buying or travel abroad with relative ease. To remove the fear of going through a cumbersome process for getting a loan, digital lenders have reimaged some of these loan processes such as Buy Now Pay Later (BNPL). With domestic and international travel growing 8% over the last three years, digital lenders are now offering Travel Now Pay Later (TNPL) schemes that enable travellers to spread the cost of their travel over a period of 3 to 24 months. This payment option is particularly attractive to young travellers who are price-sensitive and looking for flexible, low-cost payment methods.

The emergence of TNPL as a payment option for travel has already created excitement among customers who have grown accustomed to using BNPL in retail. This trend is expected to encourage people to step out and fulfil their travel bucket lists while providing a significant boost to the travel industry. While the pandemic has put a damper on travel plans for many people, purpose-led travel loans have helped individuals determine the type of trip they want to take and acted as a push to board the flight. In fact, according to a recent study, 40% of travellers said that TNPL would encourage them to book travel this summer. Additionally, 49% of travellers said they are more likely to purchase ancillary services, such as meals or airport transfers when using Pay When You Fly.

With their unique perspective and approach to life, younger generations are pushing for more sustainable and responsible tourism practices, and TNPL options can help support this movement. By choosing to work with travel providers that prioritise sustainability and ethical practices, millennials can help shape the future of the travel industry and create a more positive impact on the world.

The Travel Fintech industry has experienced significant growth as more and more customers opt for travel now, pay later options. The Covid-19 pandemic has changed the perception of people, particularly baby boomers, who are now more cautious about letting their children travel. Purpose-driven travel loans have helped people make informed decisions about the type of trip they want to take and acted as a catalyst for them to book their flights. In 2023, instead of feeling that travel is a luxury and that their dream destinations are out of reach, more and more millennials are taking a leap of faith and making their dream holidays a reality. Travel Now Pay Later plays a key role in helping

people fulfill their dreams, rather than waiting a lifetime for a single trip. TNPL programs will likely become even more popular and widespread, providing more people with the opportunity to explore the world on their own terms.

Source: <https://timesofindia.indiatimes.com/blogs/voices/how-millennials-are-redefining-the-fintech-space-in-india/>

Millennials, Gen Z driving luxury spending in India

Millennials and Gen Z, especially the affluent young Indians from Tier 2 and 3 cities, are driving luxury spending in India. One clear emerging trend is that young aspirational Indians —with higher disposable incomes empowered by the economic growth —have got heightened taste for luxury and this has been propelling luxury spending in the country. There is now a distinct shift in both geography and demography with lot more people from Tier 2 and 3 towns are purchasing luxury goods and keen to experience luxury services. This change is setting up “owning the premium segment” as a goal for many companies.

Till a decade back, demand for luxury goods and services (personal goods, travel, cars, hospitality, wines and spirits, gourmet food and fine dining) was largely confined to metros and third and fourth generation entrepreneurs. This has been changing with the emergence of many first generation entrepreneurs and skilled professionals in information technology industry. Growth of entrepreneurship and deeper e-commerce penetration too has accelerated the shift. With a lot of people, especially in the ‘work from anywhere’ high-tech domains, moving back to their hometowns in Tier 2 and Tier 3 cities and towns, during and post lockdowns, there is an upsurge in luxury retail spending in those geographies as well.

India’s economy has grown 7-fold in the past two decades, from about half a trillion US dollars at the end of 2002 to about \$3.4 trillion currently. This economic growth has turned many first generation entrepreneurs into ultra high net worth individuals and enhanced the buying power of several young Indians living in Tier 2 and Tier 3 towns. Companies like AMEX have created a suite of premium products to meet the different needs of the affluent segment. ‘Premium’ positioning means different things for different segments - for the ultra-affluent, UHNW (Ultra High Net Worth) base, premium is reflected in the exclusivity and access provided. In the mid-market segment, premium refers to the badge-value and the association of partnerships and offers provided. “Revenge travel” and post covid lockdowns resulted in a significant uptick in luxury travel experiences, with growth of in-trip fine dining, mostly sought during international trips as well as luxury retail spending. Ninety-five percent of surveyed Indian millennials and ninety-two percent of Indian Gen Z agree that they would pay more for luxury customised itineraries featuring different destinations. The value-conscious, badge-oriented premium consumers in India are now evolving and opting for bespoke products as they are using brands as self-expression. Consequently, brand conscious consumers are readily spending on designer bags, watches, automobiles if they provide bespoke services and experiences, even if they come at a higher cost. India’s luxury market—for both goods and services—has seen a stupendous growth in recent years and is now estimated to be about \$8 billion. A recent Bain & Co study has projected that India’s luxury market could reach a staggering \$200 billion by 2030.

Source: <https://www.thehindubusinessline.com/money-and-banking/millennials-gen-z-driving-luxury-spending-in-india-says-amex-india-chief-sanjay-khanna/article67187965.ece>