

Investing in Tomorrow's Consumers: Understanding the MEGATRENDS driving Bajaj Finserv Consumption Fund

Category: Business

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Consumption, a major driver of economic growth, is on the cusp of a boom in India. Recognising the investment opportunities presented by this, Bajaj Finserv Asset Management Ltd. has launched the [Bajaj Finserv Consumption Fund](#).



Invest in Bajaj Finserv Consumption Fund

This is an open-ended equity scheme following the consumption theme. The fund, which invests in multiple sectors that are likely to benefit directly or indirectly from domestic-led

consumption and demand, began its New Fund Offer period on November 8th, 2024. The NFO period – where the scheme is opened to investors for the first time – will end on November 22nd, 2024.

The fund follows a MEGATRENDS approach, focusing on opportunities emerging from evolving consumption patterns in India.

MEGATRENDS of the Bajaj Finserv Consumption Fund

Megatrends are large, transformative shifts that have the potential to shape industries, societies, and economies over a long period. These include technological advancements, demographic changes, urbanisation, climate change, and shifts in political powers. Understanding megatrends helps organisations and individuals anticipate challenges and opportunities in an evolving global landscape. By aligning with these shifts early on, investors can potentially capture the long-term growth opportunities they offer.

For its consumption fund, Bajaj Finserv AMC has identified some key megatrends that are yet to reach their full potential.

▪ Demographic dividend and e-commerce

India is experiencing a demographic dividend, which is the increase in economic growth potential arising when a country's working-age population is higher than that of dependents. In India, the rise of a young workforce that is tech-savvy and open to innovation has led to opportunities in the e-commerce space. As the use of the internet and smartphones grows, online shopping platforms are emerging for everything from groceries to fashion. This has resulted in rapid growth in the e-commerce base.

▪ Rising consumerism and urbanisation

With increasing urbanisation, people are moving from rural areas to cities, leading to a lifestyle shift and, subsequently, higher spending. As more people move into cities, they are also exposed to global brands and diverse products, which fuels consumerism. There has also been significant change in consumer behaviour, spurred by these social and economic shifts. Discretionary expenses on luxury, entertainment, dining and lifestyle products are on the rise.

▪ **Scope for increased FMCG consumption**

Fast-moving consumer goods are products that are relatively low-cost and sold and consumed quickly, such as personal care items, food, and beverages. India's FMCG market has room for significant growth. The per-capita FMCG consumption in India is presently low and holds significant growth potential in the medium and long term. Another emerging opportunity in this space is the shift towards premium products, especially in the home and personal care segments.

With increasing disposable incomes, people in both urban and rural areas are likely to increase their spending on FMCG products and move towards branded goods.

▪ **Growing adoption of online food delivery**

Another major trend reshaping consumption is the adoption of online food delivery services. With busy urban lifestyles and increased smartphone penetration, ordering food online is becoming increasingly common. The online food delivery market is growing rapidly in India, thanks to convenience and a wide array of choices offered by food delivery platforms. However, the sector is still underpenetrated in India compared to more developed countries. As a result, this scheme has the potential to offer significant growth opportunities as more

and more people seek quick, hassle-free meal options.

▪ **Real estate**

As urbanisation increases, so does the demand for housing, commercial spaces, and infrastructure. The real estate sector stands to benefit significantly from this demand, driven by urban migration and the rise of middle-income households seeking better living standards. Real estate is important not just for residential spaces but also for supporting retail, such as construction companies, home furnishings and appliances.

▪ **Automobiles**

India is witnessing a shift towards premium vehicles as people seek higher quality and advanced features in their vehicles. Consumers are now willing to spend more on premium brands and advanced technology in automobiles, reflecting a trend towards aspirational purchases.

What is driving this boom

India is witnessing a significant transformation in consumption patterns, and this shift is driven by rising incomes, improved technology, and evolving consumer aspirations. Today's Indian consumers are vastly different from those of even a decade ago. They are more informed, more connected to global trends, and open to experimenting with new products and services.

Young people, especially, are shaping new trends as they actively seek out products that offer convenience, quality, and variety. Consumers are also becoming more brand-conscious, choosing products that reflect their identities and preferences.

The Bajaj Finserv Consumption Fund seeks to tap into India's

unique consumption landscape. By spotting and investing in megatrends before they are fully realised, the fund aims to create significant long-term growth potential.

For investors, the Bajaj Finserv Consumption Fund offers an opportunity to be part of this growth story.

How to invest

You can invest online or offline, through Bajaj Finserv AMC, distributors and aggregator platforms, among other avenues. Investments (SIP and lumpsum) start at Rs. 500. You can use tools like a [mutual fund SIP calculator](#) or compounding calculator to help plan your investments.

Units are available at a face value of Rs. 10 during the NFO period. Once the NFO ends, the scheme will be reopened for subscription after a few business days.

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

