



Consumer Signals India Chapter

Private and Confidential
October 2025

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Consumers remain financially confident, supported by easing price-inflation concerns and higher savings. They are selectively increasing discretionary spend, favoring premium and experience-driven purchases, reflecting a mature, security-conscious yet indulgent mindset

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Financial wellbeing remains resilient, though rising job concerns steer consumers toward prudent, value-led spending.

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Financial Well-being Index (FWBI)



Q2FY26 highlights



India's FWBI stays well above APAC and Global averages (110.3 in India vs 103.6 globally), signaling stronger consumer confidence and perceived financial stability – a reflection of robust economic conditions and effective policy measures.



Price-inflation concerns are easing (5 pt. pts dip vs last year), with moderated sentiment supporting a gradual recovery in discretionary spending. **Declining retail inflation since Nov'24**, along **with recent GST reforms**, is expected to further ease prices and boost growth.

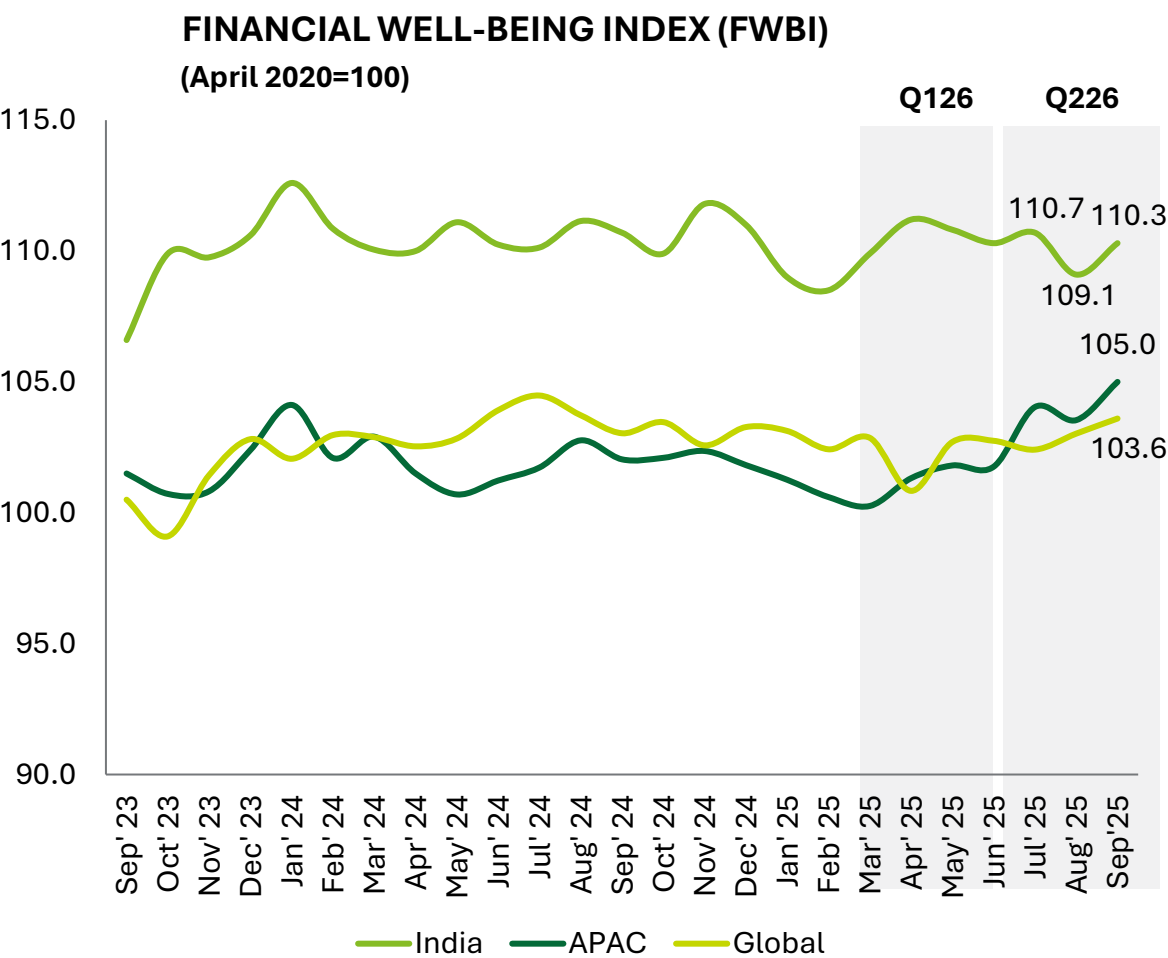


Anxiety remains markedly higher than the global average. Overall anxiety is falling, **but job-related anxiety has jumped 7 % YoY**, pointing to employment uncertainty that could curb short-term spending, especially on non-essentials, and drive sharper value-for-money behavior.



Health and climate anxieties are steady but elevated, showing growing consciousness of health and environmental issues, which may suggest rising demand for wellness products, sustainable brands, and eco-friendly choices.

India's FWBI outpaces global averages, indicating perceived financial stability



India's FWBI climbed 1.2 points over the last month

India's financial well-being sentiment has shown mixed signals in recent quarters, recording a slight uptick in September 2025 after a dip in the previous month, indicating improving comfort across multiple indicators of financial health

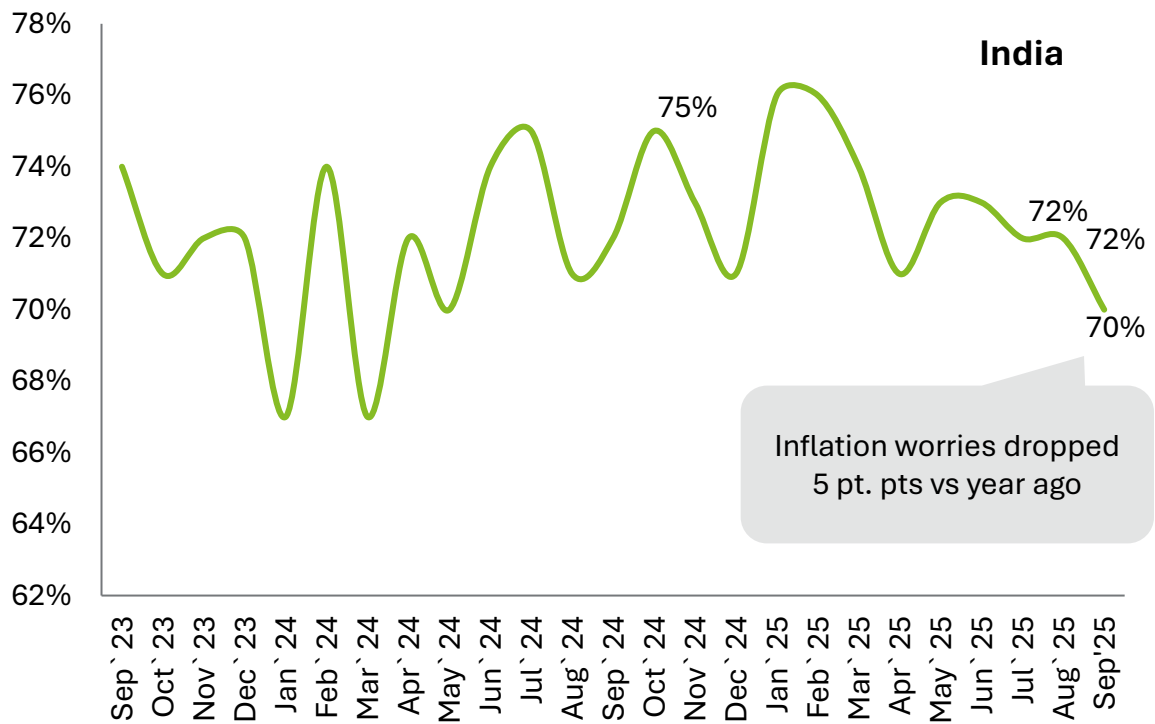
Underlying Metrics (% strongly agree/agree)	Sep'25	MoM	YoY
Confident about making upcoming payments	81%	+3%	+3%
Making large purchases	62%	+3%	-1%
Finances same/improved within past year	78%	+1%	=
Can afford to spend on things that bring me joy	59%	=	+1%
Comfortable with amount of money in savings	57%	-2%	-2%

Source: Deloitte ConsumerSignals October 2025

Easing concerns around inflation signal relief across essentials and discretionary categories

CONSUMER PRICE EXPECTATIONS

% concerned about higher prices next month



India | 70%

APAC | 62%

Global | 74%

Expectations of rising prices eased slightly in the July–September quarter, both QoQ and YoY.

Categories such as groceries and restaurants show growing relief, while other segments also reflect a decline in negative sentiment.

% expecting higher prices next month		Sep'25	MoM	YoY
	Food/groceries and non-alcoholic beverages	63%	▼ -5	▼ -9
	Utilities	64%	▼ -4	-
	Restaurants	66%	▼ -8	▼ -6
	Clothing, apparel and footwear	62%	▼ -4	-
	Gasoline/fuel	66%	▼ -3	0

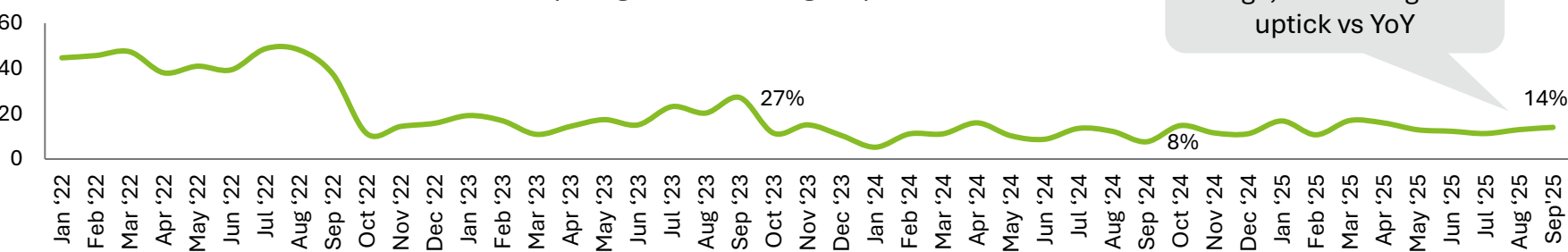
▼ Indicates positive dip

Source: Deloitte ConsumerSignals October 2025

Consumer anxiety is softening, yet employment concerns slightly temper sentiment

NET ANXIETY LEVEL

I'm more anxious than I was last week (% Agree - % Disagree)

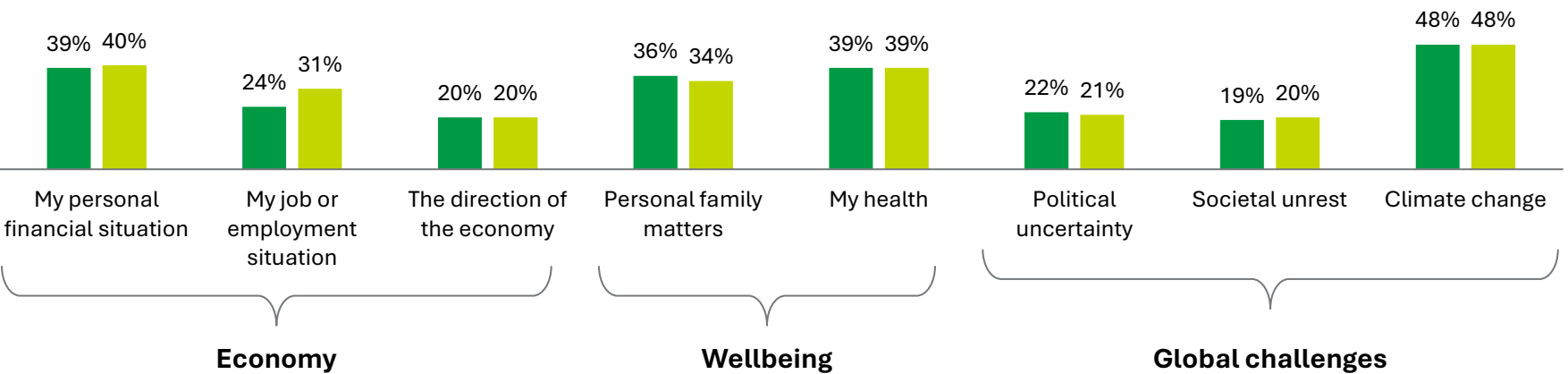


Huge drop vs two years ago, while a slight uptick vs YoY

Anxiety levels have started to ease as compared to since Mar'25, with an exception of a slight increase last month

% feeling anxious about...

■ Sep'24 ■ Sep'25



Anxiety drivers around global challenges largely remained stable, but anxiety around economic concerns has increased

Note: Net Anxiety measures positive when the percentage of respondents feeling more anxious out number those feeling less anxious.

Source: Deloitte ConsumerSignals October 2025

Spending Intentions Index



Q2FY26 highlights



The dual trend of rising savings alongside recovering discretionary spending reflects a maturing consumer mindset, balancing future preparedness with a cautious return to lifestyle expenditures.



The recent GST cut has further bolstered optimism, encouraging long-term spending intentions, with categories such as consumer durables, electronics, and household essentials experiencing a notable boost.



Consumers are prioritising financial security; saving and investing intentions are consistently rising, signaling a long-term shift toward stronger financial health



Discretionary spend is up year-over-year, yet it stays below the baseline. This shows that shoppers are not cutting back sharply, nor are they splurging, reflecting a value-conscious mindset.



Leisure remains the primary driver of discretionary spending, sustaining robust growth. Shoppers are placing experiences and emotional well-being at the forefront, so leisure spend –especially on travel, entertainment, and wellness, will likely stay strong.

Food Frugality Index (FFI)



Q2FY26 highlights



Frugality is easing. The Food Frugality Index has **slipped to its second-lowest point** in two years, indicating that Indian consumers are feeling less constrained on food spending. This shift from strict austerity to modest confidence is sparking a modest rebound in discretionary food purchases.



Value before restraint. One-third of shoppers are ‘saving by reducing home-food waste’. They are cutting costs through efficiency rather than eliminating items, highlighting a focus on smarter consumptions and waste-reduction rather than outright sacrifice.



A few are buying less than they want or only essentials. This selective pull-back keeps demand strong for staples and essential goods, while truly discretionary categories will need to lean on value-driven propositions to win shoppers.

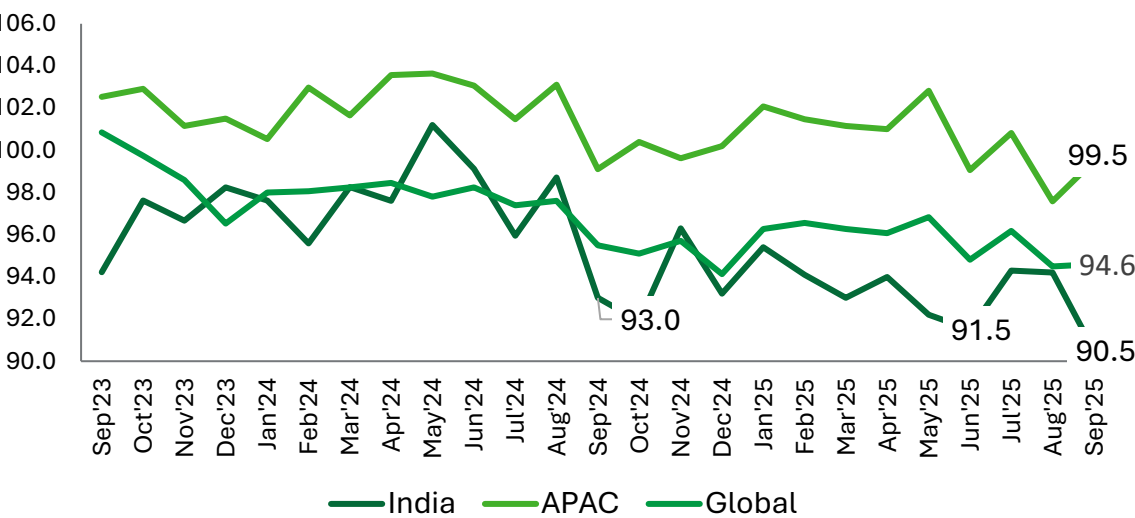


Value-oriented SKUs, private-label ranges, and budget-friendly packs might be more attractive to capture price-sensitive buyers who are still looking for affordable yet quality products

Indian consumers are curbing frugality, economising smartly and not forgoing quality

FOOD FRUGALITY INDEX (FFI)

Food Frugality Index, relative change for each country from September 2022 (Base=100)



India's FFI has dropped to its second-lowest level in the past two years, with September showing a further decline following a brief uptick earlier in the quarter

India fares well compared to APAC and global counterparts, keeping low on food frugality behaviour

Source: Deloitte ConsumerSignals October 2025

Underlying Food Frugality Index behaviour vs prior the month and year

Fewer consumers are compromising on quality; more are opting for less waste and buying more mindfully

Trade off

			
	9% Purchased lower cost ingredients	13% Purchased mostly store brands	8% Purchased lower-cost meats or cuts
MoM	-1	-2	-3
YoY	-1	=	-1

Economise

			
	29% Saving by reducing home food waste	21% Only buying essential	10% Buying less than wanted
MoM	-3	-2	-1
YoY	-3	-3	=

Note:
Deloitte's Food Frugality Index measures longitudinal change in the percent of respondents engaging in the six cost-saving grocery behaviors featured.

Travel & Hospitality



Q2FY26 highlights



Even as households exercise greater budgetary restraint, travel is increasingly emerging as a consistent or planned expenditure that continues to absorb a portion of disposable income. Travel expenditure not only persists but also expands despite stricter savings elsewhere, thereby maintaining overall consumption pressure.



Premium experiences are gaining traction, with consumers indicating a shift toward higher-value options. This suggests that consumers exhibit a strong willingness to choose better-rated carriers and accommodations, even if it means paying a modest premium for perceived quality.



Consumers expect their trips to deliver richer experiential value and will allocate a greater share of their travel budget to dining, attractions and other add-ons.

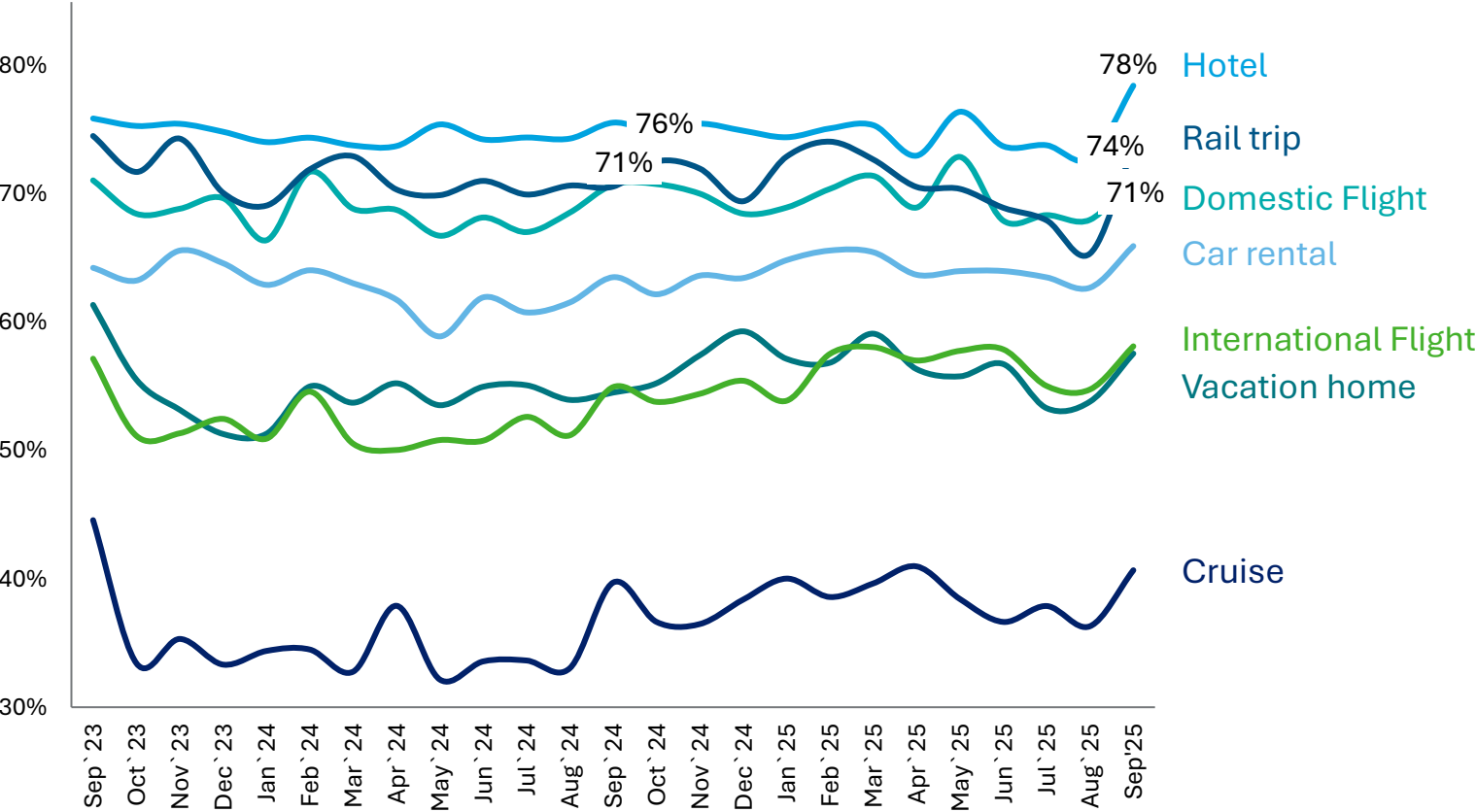


Consumers are now more willing to go beyond nearby get-aways, signaling renewed confidence to explore distant locations, even as overall travel remains budget-aware and shorter in length.

Travel appetite stays robust, with a seasonal lift observed in the last month

LEISURE TRAVEL INTENTIONS

% likely to do for leisure in the next 3 months



Leisure travel demand remains consistently strong, matching the high levels of the past two years

Rail trips and hotels see a slight spike YoY, given increasing demand for travel during festivities and holiday season ahead

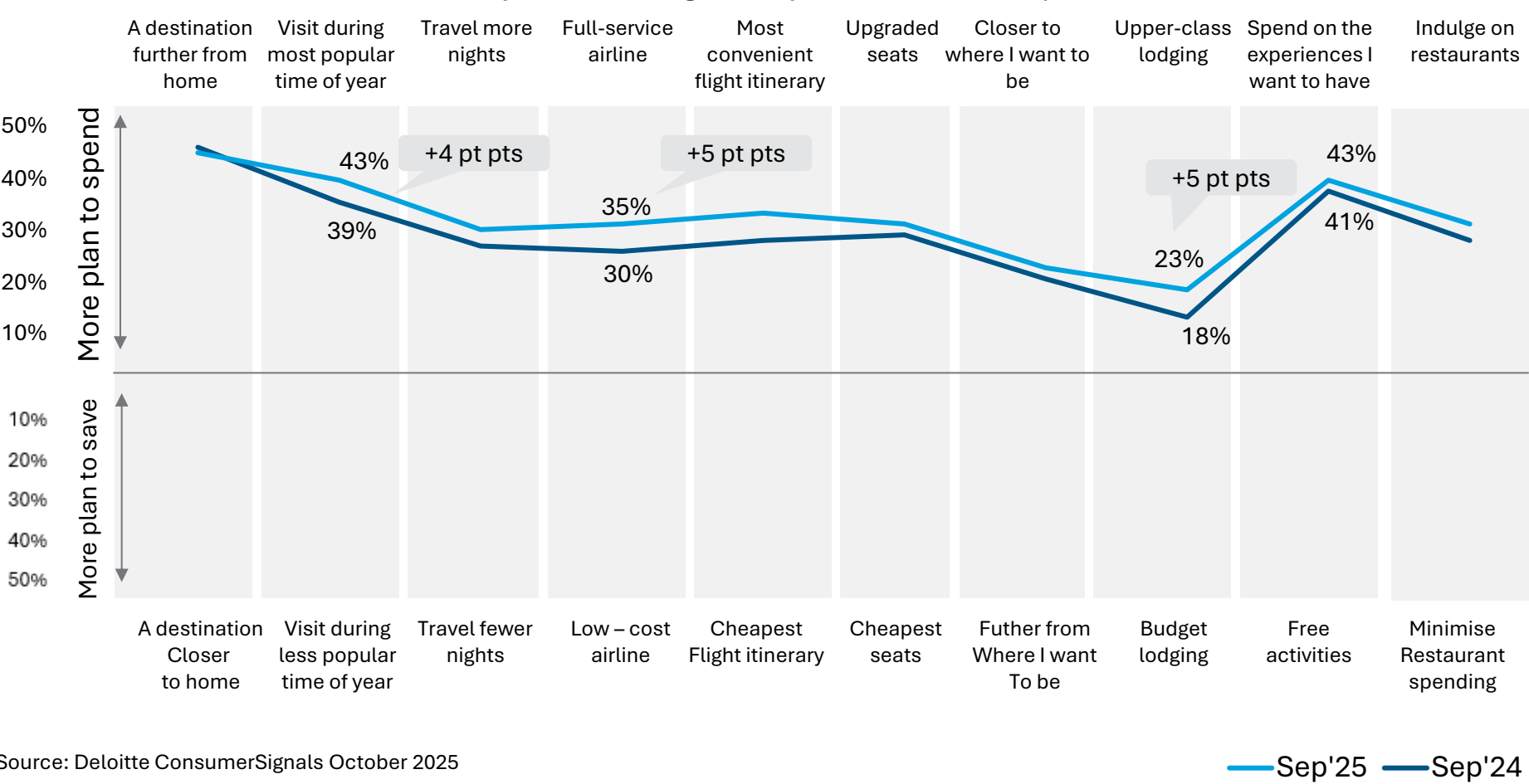
Note:
Data represents percentage of respondents very likely or likely to engage in each travel segment within the next three months.

Source: Deloitte ConsumerSignals October 2025

Fewer length of travel, but prioritizing rich and upgraded experiences

TRAVEL PLANNING (NET INTENT)

Which statements best describe how you're thinking about your next leisure trip?



Consumers are increasingly seeking unique experiences, with a rising focus on convenience and upgraded travel and accommodation options

Methodology

Paired, opposing statements (6-point scale)

For instance,
NET INTENT =
(% Full-service airline) –
(% Low-cost airline)

Source: Deloitte ConsumerSignals October 2025

Vehicle Purchase Intent Index (VPI)



Q2FY26 highlights



VPI rose 6.6 points vs last year. Consumers are now treating a new vehicle as a near-term priority rather than a defer-to-later item, suggesting the market will see a surge in sales activity. Most of it also gets a boost due to recent tax reforms that has significantly impacted the price cuts and is working in favour of the consumers



Fewer Indian consumers (23%) flag new vehicles as unaffordable, while most of them find them affordable, indicating improved confidence in personal finances and credit availability. India fares better than global peers, where 62% of consumers cite vehicles as unaffordable.



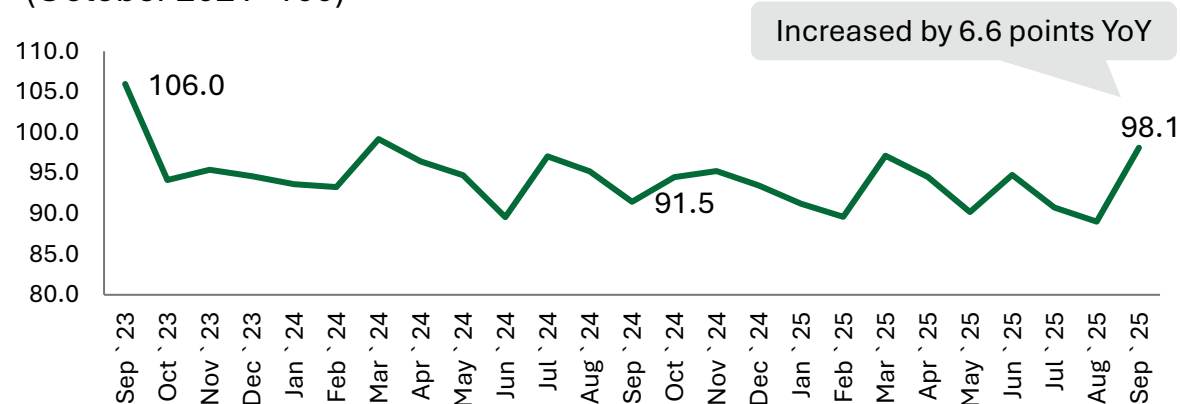
Consumers want cars that have the features they desire, indicating a shift away from 'good-enough' model toward tech-laden, updated specifications. Buyers will prioritise model upgrades or newer brands that bundle the latest connectivity, safety and convenience suites, even if it means a modest price premium.



Intent to purchase an EV has jumped noticeably (60% intend to buy an EV vs 47% two years ago), reflecting growing openness to greener mobility and the appeal of lower operating costs. Consumers are beginning to factor total-cost-of-ownership and environmental impact into their decision matrix, looking for EVs that offer credible range and affordable charging.

Affordability is less of a concern – consumers want an upgrade that suits best of their needs

Vehicle Purchase Intent Index (VPI)
(October 2021=100)



VPI rose 6.6 points vs last year

Purchase intentions rose in the July–September quarter, rebounding from last year, driven by a sharp increase in the last month. Indian consumers find vehicles more affordable than global counterparts

Key factors influencing vehicle sales

Drivers

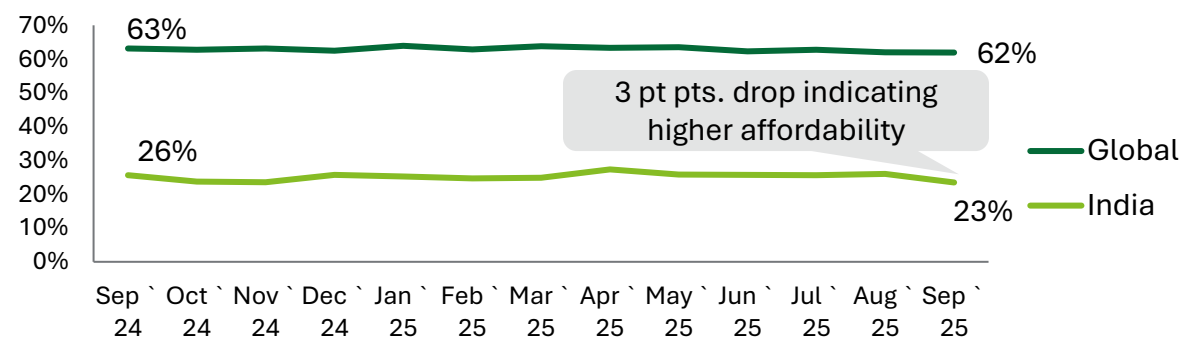
- New vehicles in market have features I want now (34%)
- Ready to drive something different (17%)
- Driving needs have changed and require something different (13%)
- Looking to switch to an electric vehicle (10%)
- Current vehicle requires replacement (10%)

Barriers

- Vehicle is running well and meets the needs (47%)
- Cannot afford to replace the vehicle right now (11%)

Affordability of new vehicles

(% respondents who find new vehicles unaffordable)

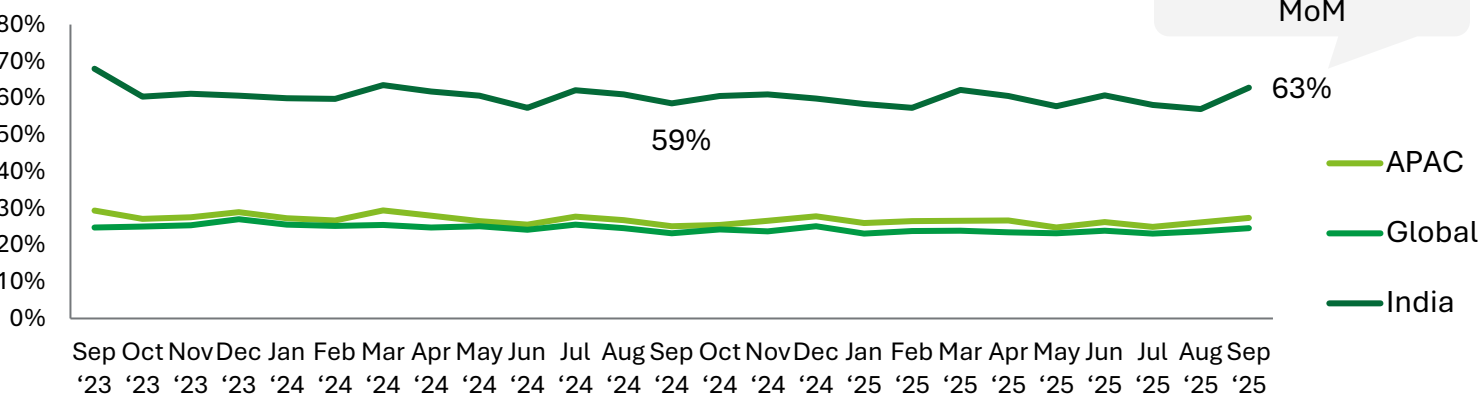


Source: Deloitte ConsumerSignals October 2025

While global sentiments remain flat, Indian consumers show an upward trajectory toward intentions to purchase a new vehicle, with strong preference for EVs as well

Vehicle Purchase Intentions

% of respondents willing to buy a car in next 6 months

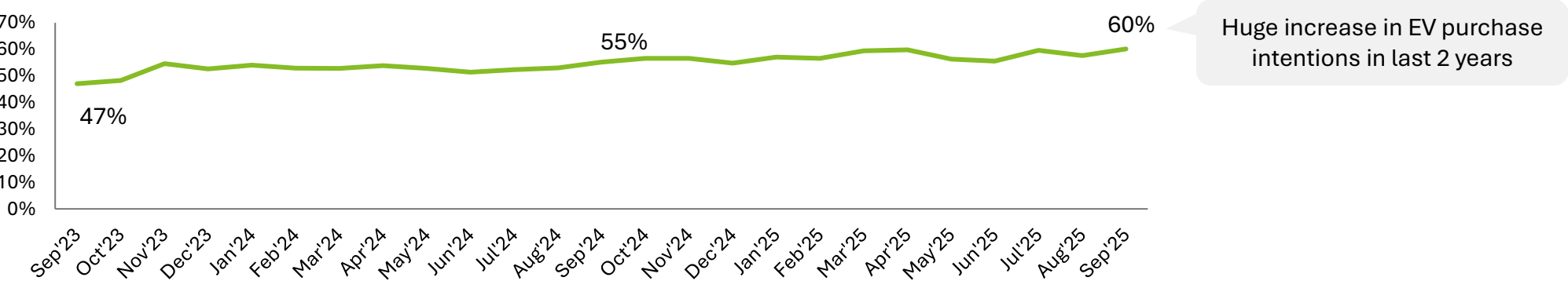


Indian consumers display a strong appetite for buying new vehicles, significantly higher than global peers, with purchase intentions seeing a slight rise in the recent quarter.

Consumers are increasingly leaning toward EVs, as reflected in a substantial rise in EV purchase intentions over the past two years.

EV Purchase Intentions (India)

% of respondents willing to buy a car in next 6 months



Source: Deloitte ConsumerSignals October 2025



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