
Developing New SEC System

An overview of work done with exemplary
co-operation of two Industry Bodies:

MRUC & MRSI

Origins of of New SEC Development

- Late 2004, MRUC & MRSI joined hands
- To begin the search for a new system for classifying households in India
- Working committee set up
- Chaired by B V Pradeep of Unilever
- Primarily to take care of user concerns about current SEC

User concerns about current SEC

- ❑ Inadequate discrimination at the top-end
- ❑ Two different systems for Urban and Rural SEC make it difficult to conduct and synthesize pan-India consumer understanding on same parameters
- ❑ Occupation coding needs some training; and even then there's an element of judgment - the occupation codes themselves in need of revision

Requirements of the New System

- One system for urban and rural India
- More discriminating than the current system, with sharper identification of the upper-most segment of the society
- Not too difficult for the interviewer
 - Easy to code; simple to arrive at grade
 - Suitable at the doorstep
 - Should not take too much time to administer
- Respondent friendly
 - Not difficult to answer for the respondent
 - Not too intrusive or annoying for the respondent
- Some stability - should not require revision every year

Four Stages of Work

- **Stage I**
 - International SEC Review and Principal Component Analysis
- **Stage II**
 - Linear Regression to identify best discriminators of consumption
- **Stage III**
 - Work done by Paul Abraham of TNS and Satish Belani of A C Nielsen and work done Ashutosh Sinha of IMRB
- **Stage IV**
 - The final round of work done by constructing Life Score and identifying best discriminators of Life Score

Stage I – Review of SEC Systems of other countries and Principal Component Analysis

- ❑ Review of SEC systems used in other countries
 - South Africa, Latin America, UK and European SEC Systems studied in detail

- ❑ Use of Principal Component Analysis to explain usership / consumption of different categories

Stage II– Linear Regression to identify best discriminators of consumption

- IRS 10% data used
- The final system which emerged comprised of Education and ownership of 10 durables
- Analysis work done by Ganesh Kanhere

Stage III– Work done by Paul Abraham of TNS, Satish Belani of A C Nielsen & Ashutosh Sinha of IMRB

- IRS 10% data used
- Paul Abraham of TNS came up with a system comprising Socio-Economic Measurement (Occupation & Education of CWE), Durable Ownership and Type of Household
- Satish Belani came up with a system of CWE Education and Number of durables
- Ashutosh Sinha came up with a system of Education of CWE and durables owned

Stage IV– Construction of Life Score and Identifying best discriminators of Life Score

- IRS 10% data used
- Ashutosh Sinha of IMRB and his team worked on this phase. Will be presented later
- Hansa Research validated the system on full IRS data

Key Contributors to New SEC Development

- Mr Satish Belani
- Mr Vikrant Dogra
- Mr Himanshu Kumar
- Ms Roda Mehta
- Mr Suresh Nimbalkar
- Mr BV Pradeep
- Mr Andrey Purushottam
- Ms Swati Satam
- Mr Sharan Sharma
- Mr Ashutosh Sinha
- Mr Praveen Tripathi
- Mr Ashok Das
- Mr Ganesh Kanhere
- Mr Paul Abraham
- Mr Sanjeev Mishra
- Dr Avinash Paranjape
- Mr Thomas Puliyeel
- Mr Prashant Raikuni
- Mr NP Satyamurthy
- Mr Ajit Singh
- Ms Sabina Solomon

New SEC Development Project Leaders

□ MRSI

- Stage I & II : Mr B V Pradeep
- Stage III & IV : Mr Thomas Puliyeel

□ MRUC

- Stage I : Ms Roda Mehta
- Stage II, III & IV : Mr Praveen Tripathi

New SEC Development Process

- Diversity of talent
- Best minds in the business
- Plurality of approaches
- Multiple paths leading to one ultimate truth



Thank You