

NIELSEN GLOBAL CONNECT

SHAPING A SMARTER MARKET™

**THANK YOU FOR JOINING, WE WILL START AT 12 PM.
PLEASE BE ON MUTE AND OFF-CAMERA**



nielsen
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Q3 2020 FMCG SNAPSHOT

“THE QUARTERLY STORY”

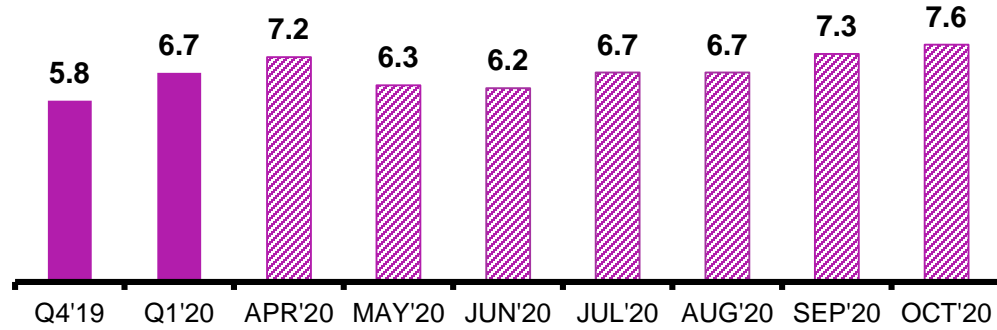
26th Nov 2020

This artwork was created using Nielsen data.

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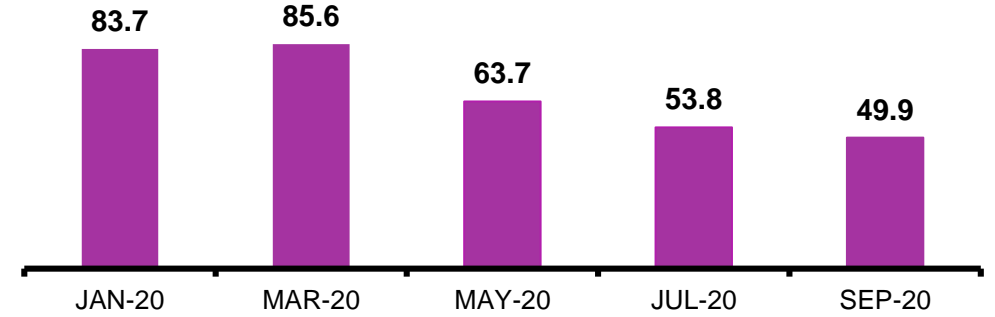
MACRO ECONOMIC ENVIRONMENT

INFLATION (CPI)



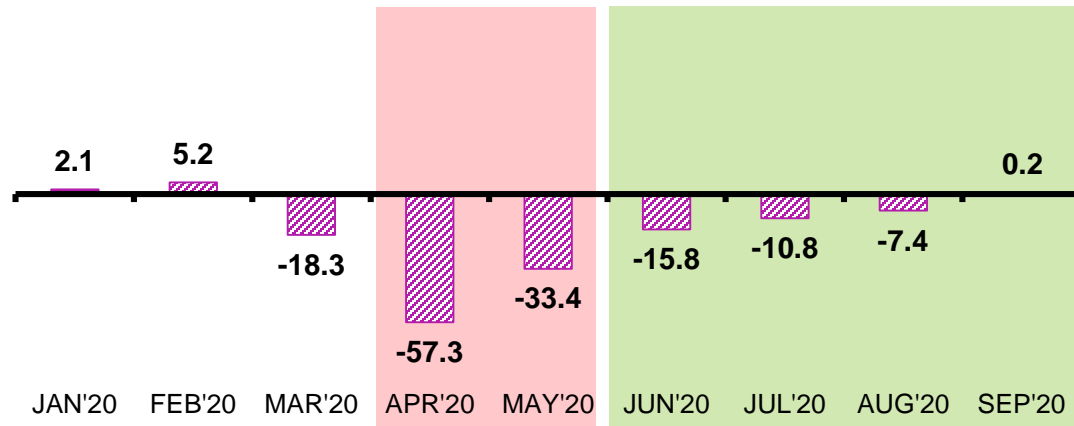
*May data not available
Source: MOSPI

CONSUMER CONFIDENCE INDEX



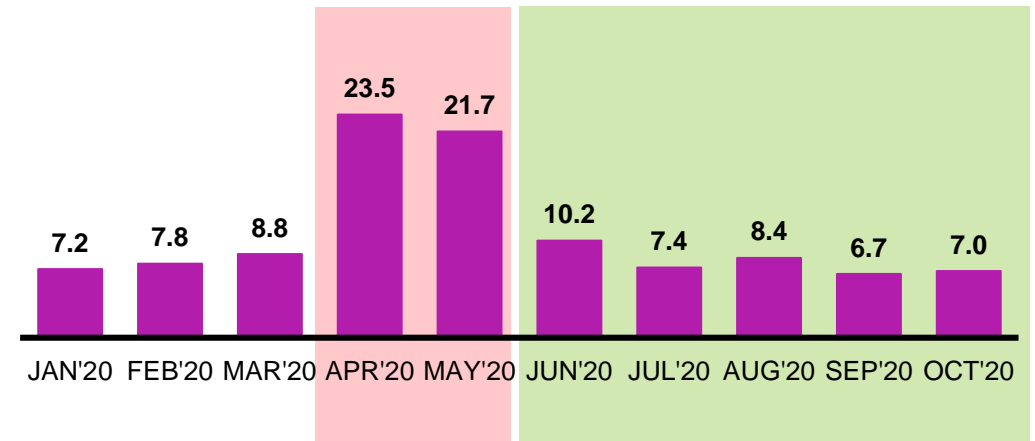
Source: RBI

IIP GROWTH (%)



Source: Trading Economics

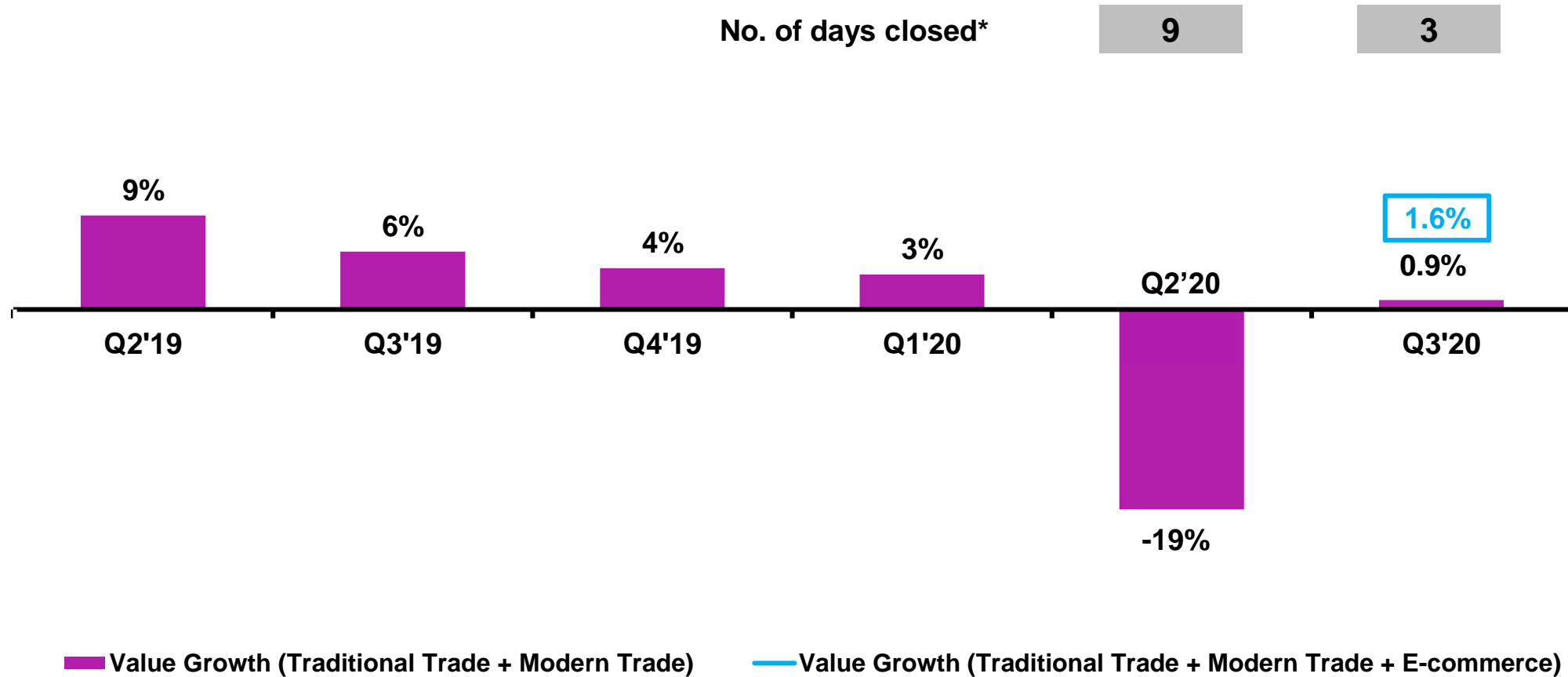
UNEMPLOYMENT RATE (%)



Source: CMIE

FMCG INDUSTRY MOVES INTO A POSITIVE GROWTH SPACE

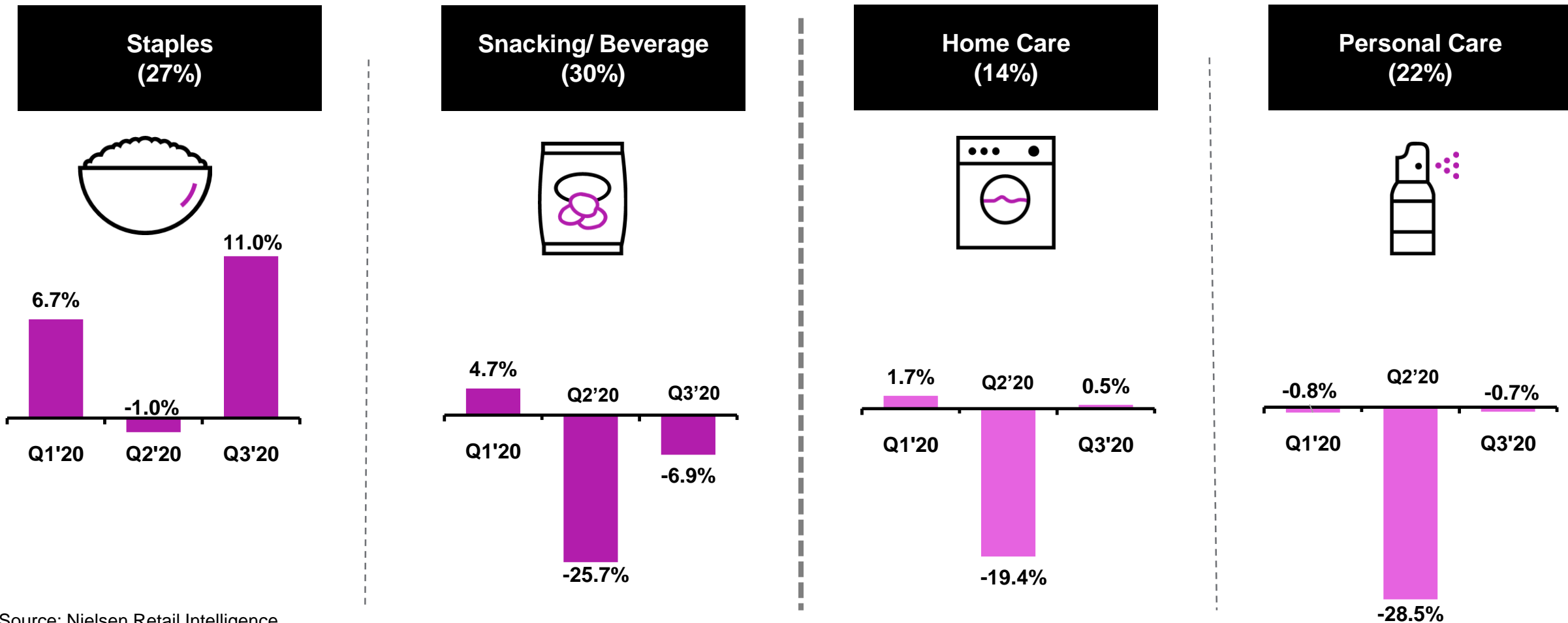
ALL INDIA



STAPLES CONTINUES TO DRIVE GROWTH

PERSONAL CARE & HOME CARE MOVE TOWARDS REVIVAL

ALL INDIA (Traditional Trade + Modern Trade)



Source: Nielsen Retail Intelligence

Staples: Refined Edible Oils, Non Refined Edible Oils, Spices, Packaged Rice, Packaged Atta etc.

Snacking/ Beverage : Biscuits, Butter, Beverages, Tea, Coffee Salty Snacks, Chocolate, Noodles, Confectionary etc.

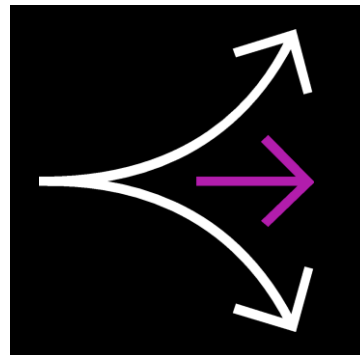
Personal Care: Toilet Soaps, Skin Creams, Tooth Paste, Hair Oils, Shampoo etc.

Home Care: Washing Powder, Det Cakes, Agarbatti, Mosquito Repellent etc.

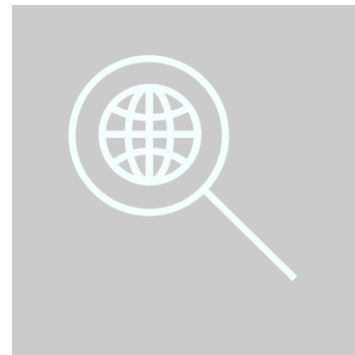
Numbers in bracket indicate Contribution to FMCG



FMCG
UPDATE



MARKET
DYNAMICS



EMERGING
THEMES



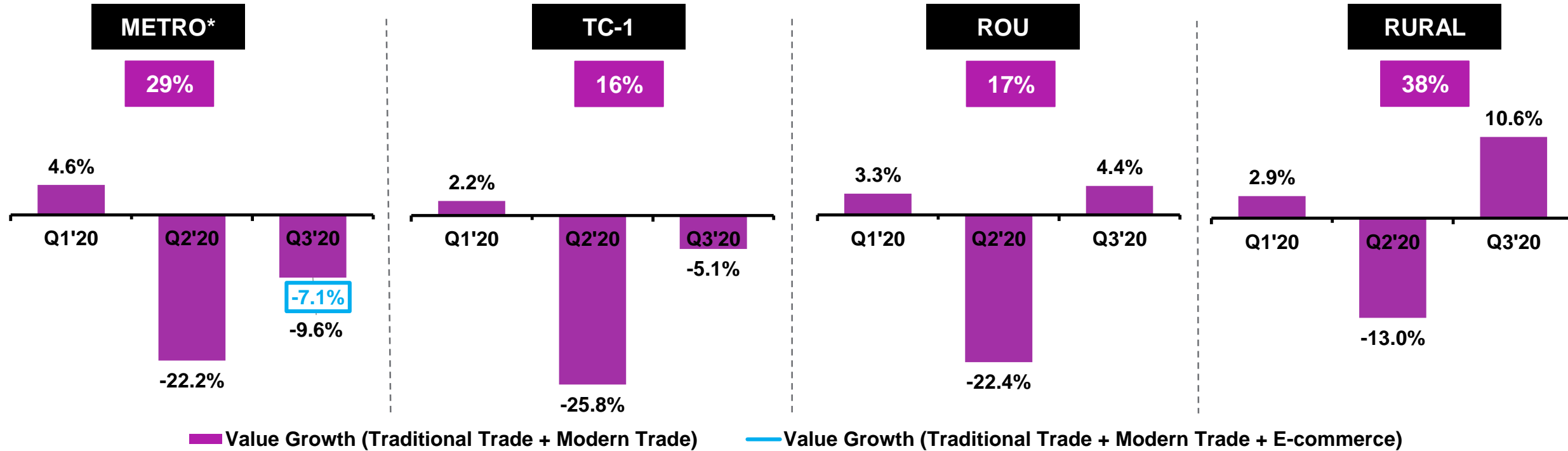
OUTLOOK
2020

RURAL CONTINUES TO DRIVE GROWTH

TOWN CLASS OVERVIEW

Value Gr vs YA

Numbers in purple boxes indicate Contribution to All India

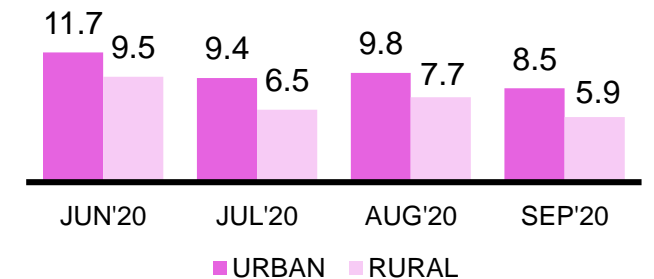


GOVERNMENT STIMULUS, RURAL EMPOWERMENT AND AGRICULTURAL IMPETUS BOOSTS RURAL SENTIMENTS

- 83L new households joined MGNREGA labour force
- MGNREGA – 11% increase in Avg. Wages at an All India level (Sep vs Mar'20)

- Reverse Migration – more than 67 lakh migrants returned to 116 districts across six states
- Govt. initiatives under Aatma Nirbhar Bharat
- Upskilling programmes

LOWER UNEMPLOYMENT



PACKAGED STAPLES AND HYGIENE CATEGORIES DRIVE FASTER GROWTH IN RURAL INDIA

CONSUMPTION SEGMENTS	JAS'20 GROWTH % RURAL VS METRO
CONVENIENCE FOODS	3X
GROOMING	2X
PACKAGED STAPLES	11X
HOME HYGIENE	8X
PERSONAL HYGIENE	7X

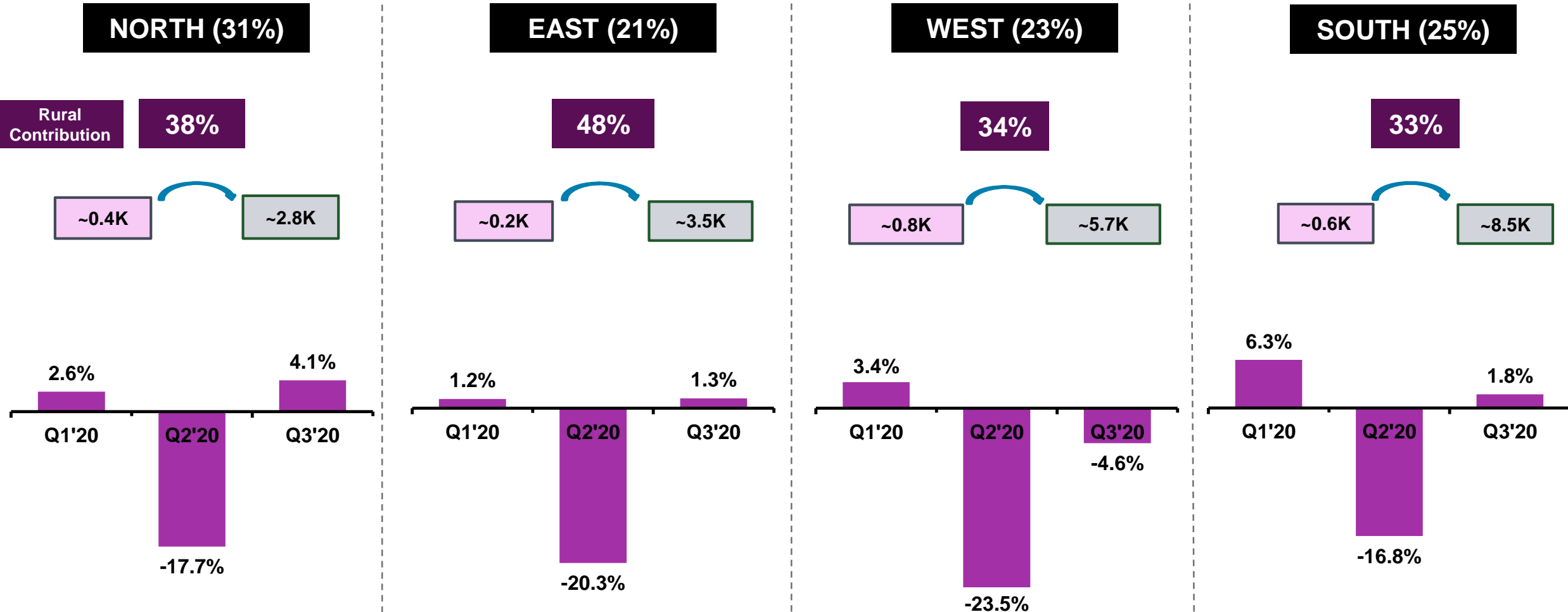
CONVENIENCE FOODS	GROOMING	PACKAGED STAPLES	HOME HYGIENE	PERSONAL HYGIENE
Cheese , Ketchups/Sauces, Ready To Eat	After Shave Lotions, Hair dyes, HRC, Shaving prep, etc	Packaged Atta, Ghee, Rice, Edible Oil	Antiseptic Liquids, Floor, TC, UC	Liquid Toilet Soaps , Toilet Soaps

NORTH ZONE GROWING FASTEST WHILE WEST ZONE CONTINUES TO BE UNDER STRESS

Value Gr vs YA
(Traditional Trade + Modern Trade)

Total COVID cases per 10 Lakh Population

Until June July - Sep



Source: Nielsen Retail Intelligence
Nielsen FMCG Quarterly Snapshot – Q3'20

TRADITIONAL TRADE & E-COMMERCE GAIN MODERN TRADE IMPACTED BY BASE EFFECT OF BIG DAY

Value Contribution to FMCG

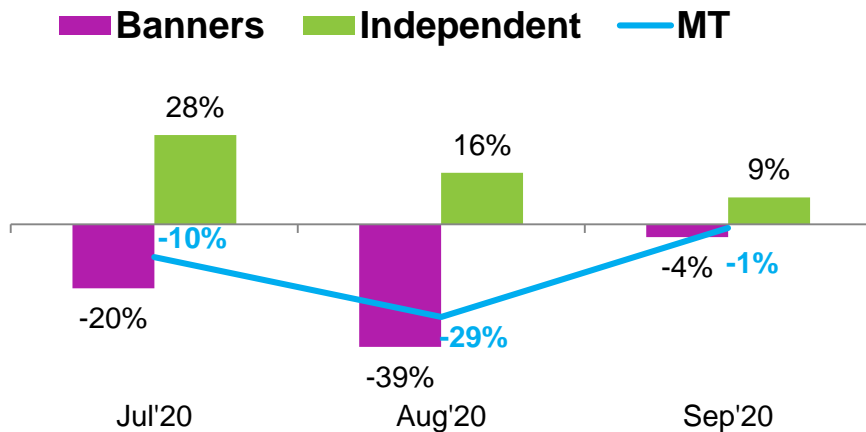
ALL INDIA

	Q1'20	Q2'20	Q3'20	Delta (Q3-Q1)
TRADITIONAL TRADE	87.1	86.6	88.7	1.6
MODERN TRADE	10.4	10.2	8.2	-2.2
E-COMMERCE	2.6	3.1	3.1	0.5

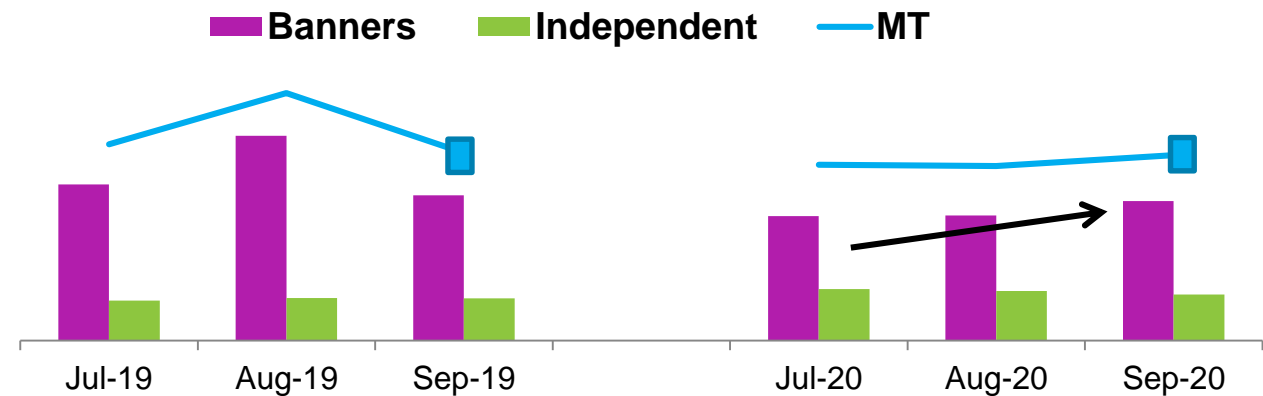
ALL INDIA - METRO

	Q1'20	Q2'20	Q3'20	Delta (Q3-Q1)
TRADITIONAL TRADE	70.0	66.0	70.6	0.6
MODERN TRADE	23.6	25.7	20.8	-2.8
E-COMMERCE	6.4	8.3	8.6	2.2

Modern Trade – Value Growth Trend

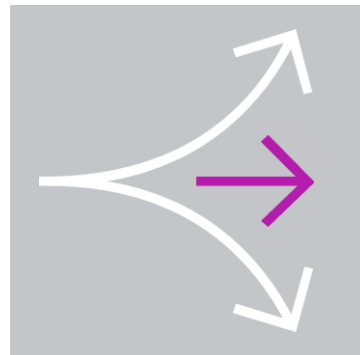


Modern Trade – Absolute Value Trend

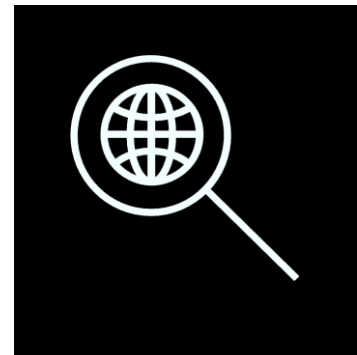




**FMCG
UPDATE**



**MARKET
DYNAMICS**



**EMERGING
THEMES**



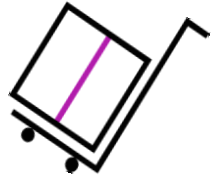
**OUTLOOK
2020**

PREFERENCE FOR AFFORDABLE OFFERINGS CONTINUES

PREMIUM FIGHTING BACK

Value Contribution

ALL INDIA (TRADITIONAL TRADE + MODERN TRADE)



FMCG

PRICE SEGMENT	Q3'20	Q2 vs Q1	Q3 vs Q1
Mass	15.6	0.0	+0.1
Popular	61.5	+2.5	+0.9
Premium	22.9	-2.5	-1.0



FOODS

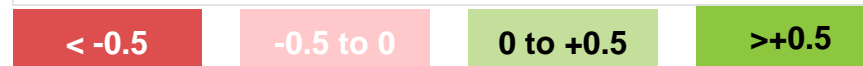
Price Segment	Q3'20	Q2 vs Q1	Q3 vs Q1
Mass	12.3	-0.5	0.0
Popular	70.0	+3.3	+1.6
Premium	17.8	-2.8	-1.6



NON-FOODS

Price Segment	Q3'20	Q2 vs Q1	Q3 vs Q1
Mass	19.8	+1.0	+0.2
Popular	52.4	+0.5	+0.4
Premium	27.8	-1.5	-0.6

Contribution Change

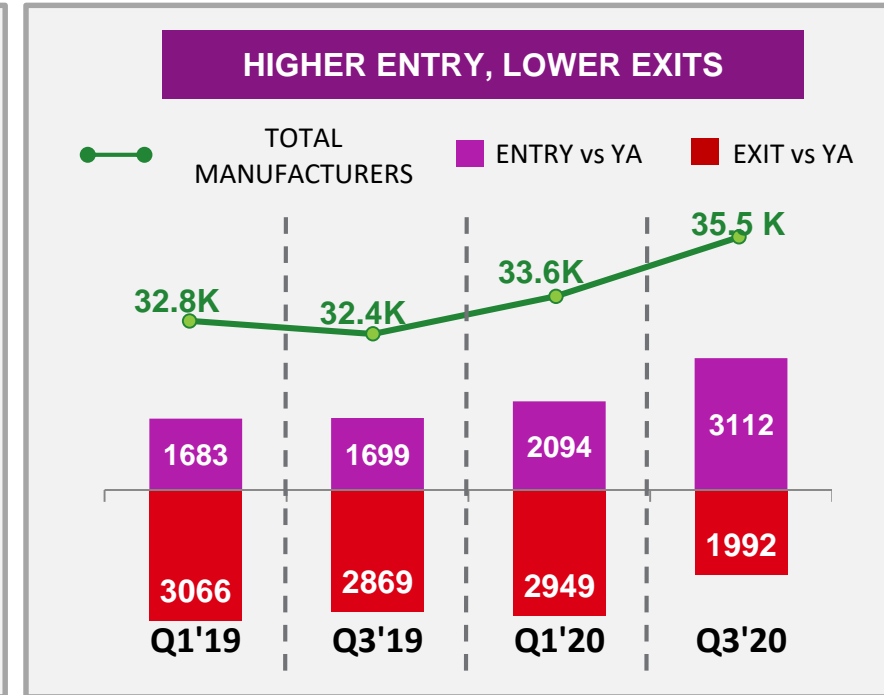
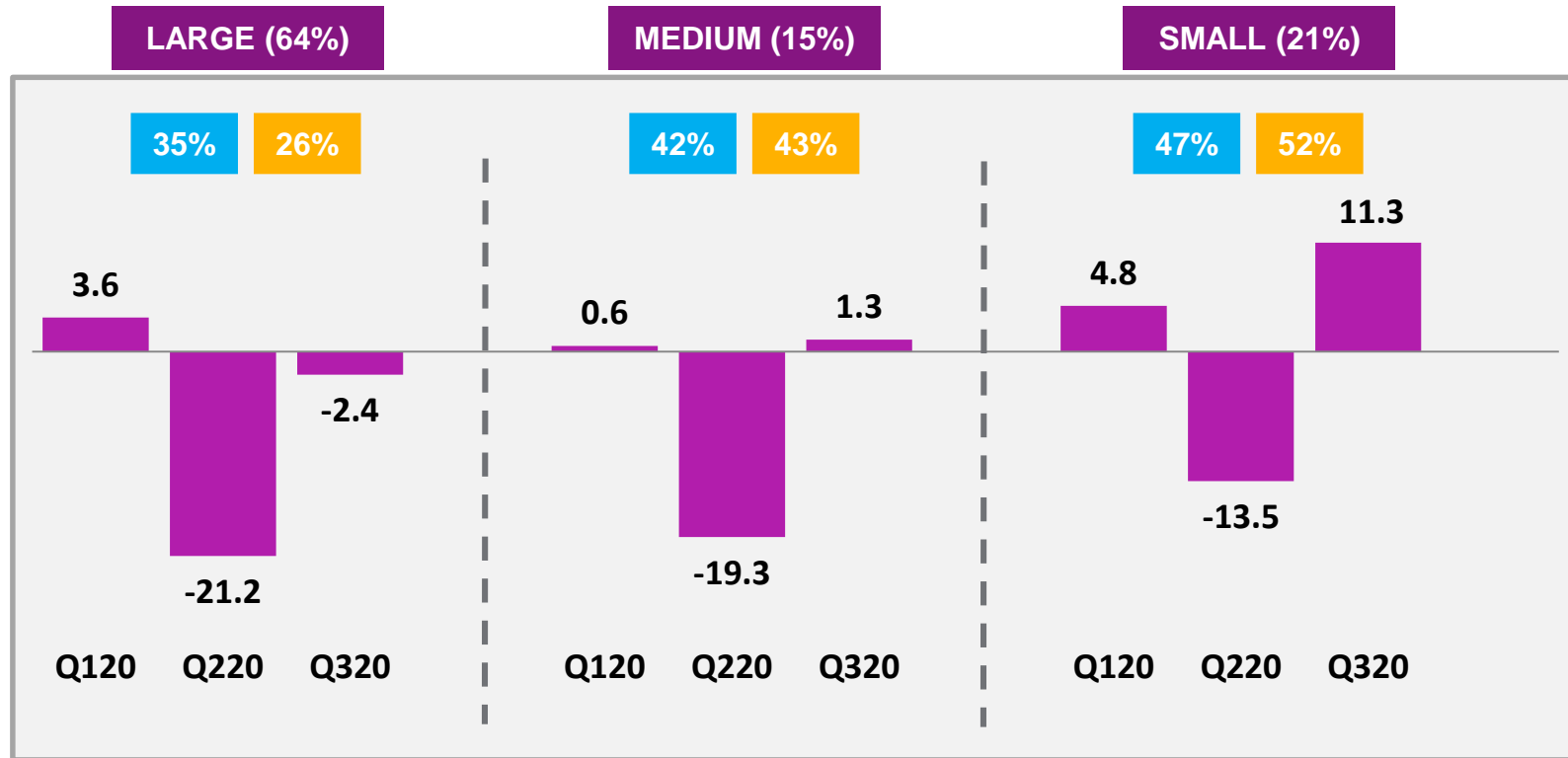


Mass : RPI<80
 Popular: RPI 80-120
 Premium: RPI >120
 RPI – Relative Price Index to Category

SMALL MANUFACTURERS DRIVING GROWTH LARGE AS WELL AS MEDIUM MANUFACTURERS CATCHING UP

Value Gr vs YA

ALL INDIA
(TRADITIONAL TRADE + MODERN TRADE)



Large: Manufacturers with value size >600 crores
 Medium: Manufacturers with size between 100 and 600 crores
 Small: Manufacturers with value size < 100 crores

Val Contribution of Rural
 Val Contribution of Staples

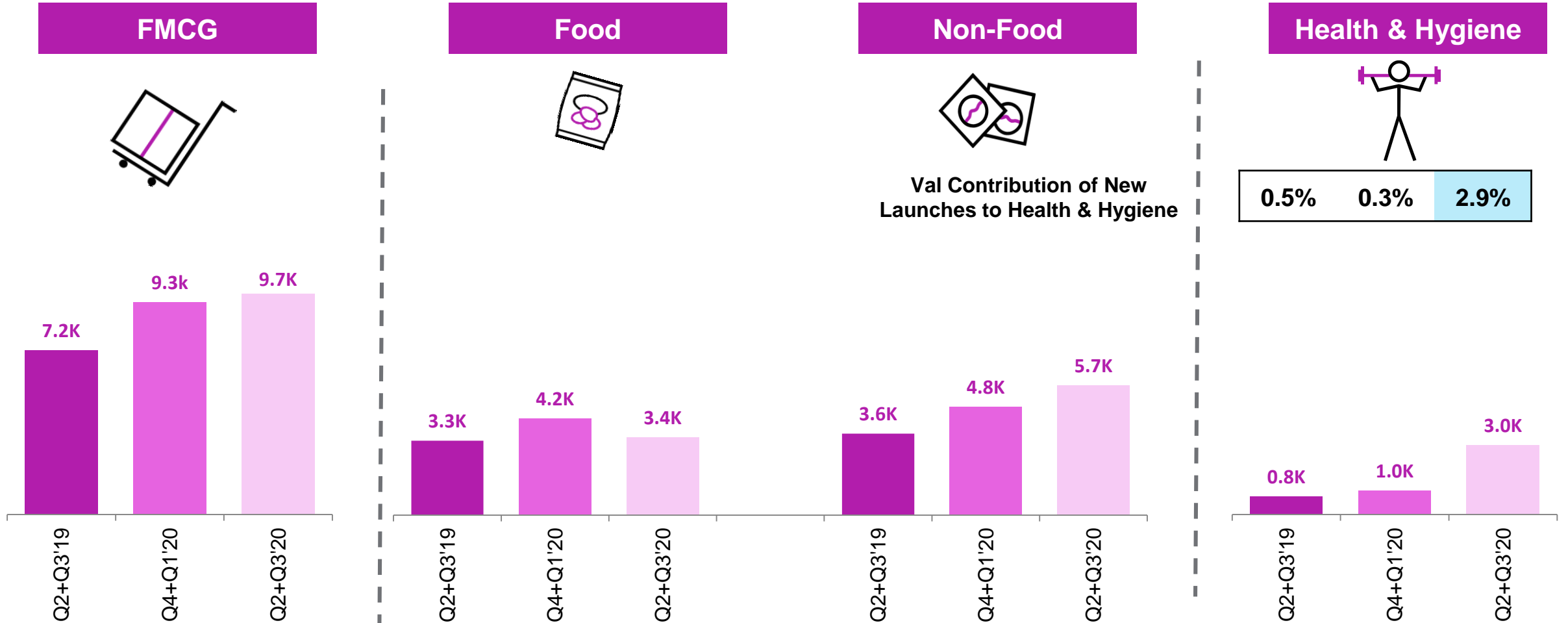
Nos. in () is Val Contribution to FMCG on MAT Sept'20

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HEALTH & HYGIENE DOMINATES THE NEW LAUNCHES

NUMBER OF NEW LAUNCHES

ALL INDIA (TRADITIONAL TRADE + MODERN TRADE)

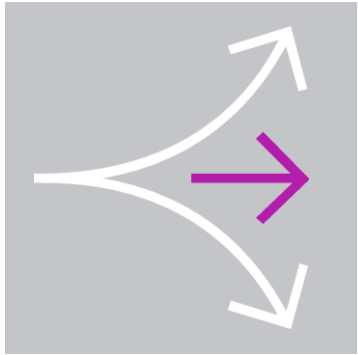


Source: Nielsen Retail Intelligence
Nielsen FMCG Quarterly Snapshot – Q3'20

Health & Hygiene 21% of Non-Food
Health & Hygiene: Cleaner – Toilet, Utensil, Floor; Liquid Toilet Soaps, Antiseptic Liquid, Toilet Soaps



**FMCG
UPDATE**



**MARKET
DYNAMICS**



**EMERGING
THEMES**



**OUTLOOK
2020**

2020 : HEADWINDS, TAILWINDS, FUTURE OUTLOOK

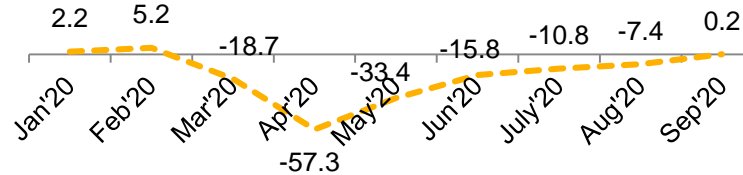
RAINFALL & AGRICULTURE

- A bountiful monsoon, with a record output expected in the kharif crop season.
- With reservoirs filled to the brim, output is expected to be bountiful in the rabi season as well.

GOVERNMENT POLICIES

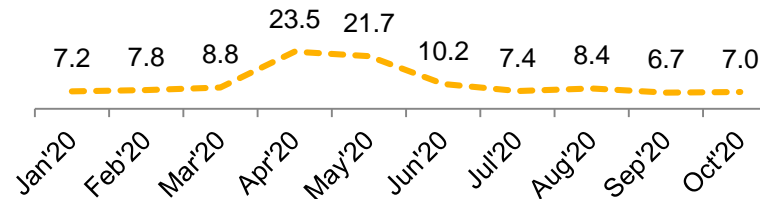
- The Interest-On-Interest waiver – relief for individuals and MSME businesses
- The cash voucher scheme to boost spending in big proportions in upcoming months
- Peak- 83 lakh households enrolling from April to August under MGNREGA thereby improving rural livelihood

INDUSTRIAL PRODUCTION



- The Industrial Production is seeing an improvement but still in the subdued range
- Industries like manufacturing and service sector have started to show a very slow pick-up

UNEMPLOYMENT



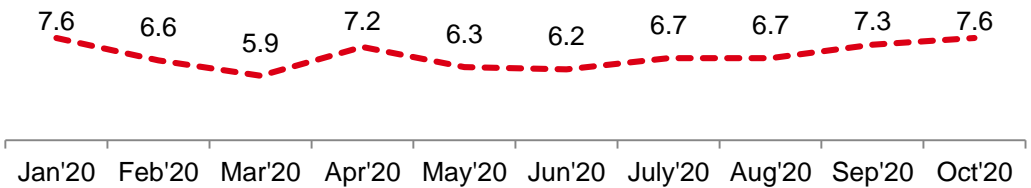
- The Unemployment has shown a positive decline coming down to 6.7% with a lot of Industries opening up

GDP PLUNGE



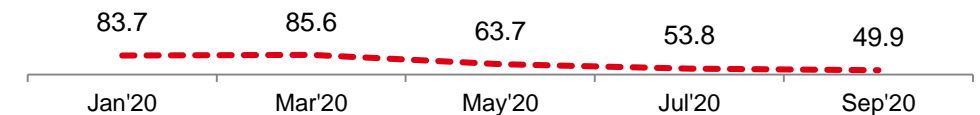
- The GDP hit a all time low with -24% in Q2'20.
- Expected to stay in low negative growth in upcoming quarters as well

INFLATION



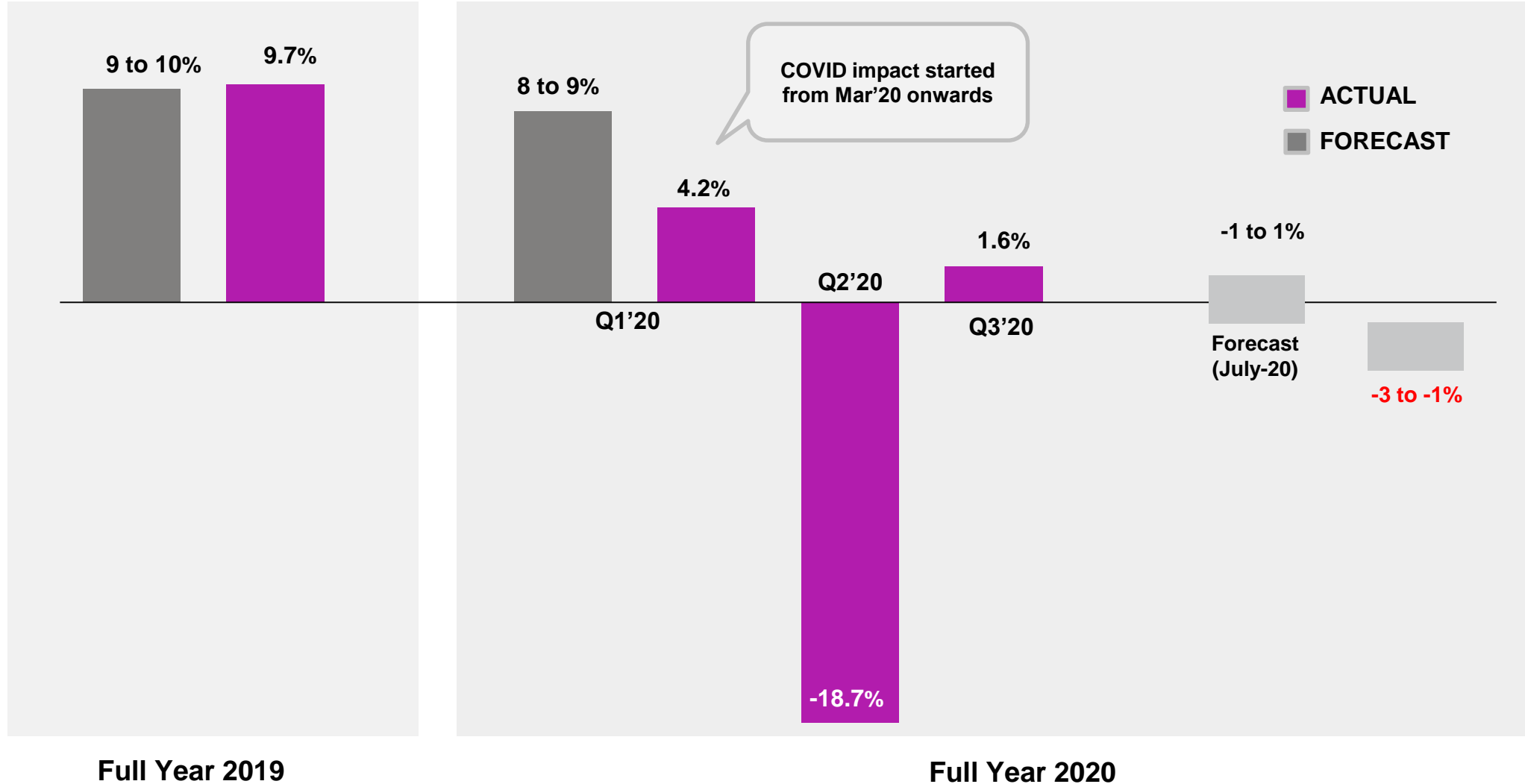
- Thought Inflation seems to be inching up. It continues to be on a higher side which will impact the consumer spends

MUTED FESTIVALS AND LOW SENTIMENTS



- The August festivities like Independence Day were muted this year because of restrictions
- Last quarter of the year has some of the big festivals across India but with Consumer Confidence Index (RBI) being still very low-caution in the air with respect to spending

FMCG FORECAST FOR 2020 REVISED TO -3 TO -1%



All the numbers are Including Ecommerce

Source: Data Science Ops South Asia

FMCG Q3'20 - AT A GLANCE..

AFTER A DISMAL PERFORMANCE IN Q2 (AMJ'20), FMCG INDUSTRY MOVES INTO A POSITIVE GROWTH SPACE

BHARAT (SMALL TOWNS & RURAL), NORTH ZONE & SMALL MANUFACTURERS DRIVING GROWTH

CONSUMER PREFERENCE FOR AFFORDABLE OFFERINGS CONTINUE

INNOVATION (NEW PRODUCTS LAUNCHED) DOMINATED BY HEALTH & HYGIENE CATEGORY

NIELSEN OUTLOOK FOR FMCG INDUSTRY GROWTH FOR 2020 REVISED TO THE RANGE OF -1 TO -3%



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