

“10 Points from the Kantar FMCG Pulse Report”

WEEKLY LEARNINGS 2024

Weekly Learnings 26 / 2024

1. FMCG growth will be subdued till October 2024, on account of muted Urban growth
2. The last two quarters have similar value and volume growth 5.4 pc and 5.2 pc. Marketeers have to do a lot more with Revenue management, with Innovation and building brand premium.
3. Rural which accounts for about 35 pc of the market is finally out growing Urban after 5 quarters. This is possibly a reflection of Urban growth stress.
4. Fabric Softeners are used now in 1 out of 4 Indian households. Liquid detergents have hit scale. Fabric Softeners have taken 30 years to get here.
5. The shoppers shop 156 times a year, ie every 2.3 days or every 56 hours. This number has implications for freshness, pack size, brand availability and delivery time. Shoppers tend to pick up about 5 pack sizes in every purchase.
6. An Indian household spends Rs 49,418 per quarter or about Rs16,500 per month. Rural household spend is Rs 41,215 or about Rs 13,700 per month. Growth in spending has been highest in the South at 35 pc over the last two years.
7. What does the Indian household spend on? 24 pc on grocery, 16 pc on fruit, vegetable and dairy. So, 40 pc is on Food. Utilities and Rent is 12 pc, EMI and repayment is 9 pc, Education is 8 pc, Travel and conveyance is 7 pc. Debt being higher than Education is a worry.
8. Small loans have increased by 2.5 X post pandemic. EMI s is up 87 pc. Medical expenses are up 57 pc.
9. Leisure Travel has decreased as also entertainment and eating out. Theatres have to innovate on experience, am not sure dropping ticket price has helped.
10. 34 pc of Households say it's a challenge to manage expenses and 11 pc feel that things will get worse in the coming quarters.

The report is a good snapshot. However, I worry when market researchers or market data analysts start crossing over into macro-economic theory and marketing theory of penetration and consumption with pet hypothesis.

My sense and I have said this in the past, Traditional FMCG is not the barometer of Indian GDP now as it grows at same rate and sometimes lower than India GDP. Smaller regional and state brands are showing better promise. Journalists, Analysts and FMCG leaders must recognise this

to think different.

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FMCG Quarterly Growth (Calendar Quarters)

Figure 1



FMCG Quarterly Growth (Calendar Quarters)

Figure 2



Categories' share of wallet

Figure 3

