KANTAR WORLDPANEL
a CTR service in China

Contact Details
Andrew Zhong
T +86 10 82015388 8603
zhongjiaqi@CTRCHINA.CN

Press Release

May 4th, 2014
For immediate release

FMCG in China Continued Slowdown in Q1 2014, while RT-mart Maintaining Significant Growth

(Shanghai, China, May 4th, 2014) – Kantar Worldpanel, the global market leader in consumer panels, reports 6.1% value growth for the FMCG (Fast Moving Consumer Goods) market for the latest 52 weeks up to March 21st 2014 compared to the same period a year ago. This figure is lower than the 7.4% growth seen last year. While China's economy grew at its slowest pace in 18 months, weakness in FMCG purchasing has been driven by slower growth in household spending- especially in key 4 cities. Average prices continue to increase as a result of inflation and the trading-up trend.

Lower tier cities in China remain the key driver to overall growth with counties seeing the fastest growth, +9.2% in the latest quarter. For the first time, Key cities saw a decrease in spending, -1.9% observed in Q1, mainly due to a slowing down in growth of basket size.

Leading Grocery Share of Modern Trade - National Urban China

	52 w/e 22nd March 2013	52 w/e 21st March 2014	Q1 2013	Q1 2014
SUN ART GROUP	8.3	8.8	8.7	9.3
RT-MART	6.7	7.2	7.2	7.8
AUCHAN	1.6	1.6	1.5	1.5
WAL-MART GROUP	7.2	6.9	7.2	7.1
WAL-MART+TRUST MART	7.1	6.7	7.0	6.9
VANGUARD GROUP	7.2	7.0	7.3	6.8
CARREFOUR	5.2	4.9	5.1	4.8
LIAN HUA GROUP	4.4	4.2	4.2	4.1
YONGHUI GROUP	2.0	2.4	2.0	2.5
WSL GROUP	2.0	2.0	2.1	2.0
ZHONGBAI	1.9	1.8	1.9	1.9
WU-MART GROUP	1.9	2.0	1.8	1.9
TESCO GROUP	2.1	1.9	2.1	1.7

© 2014 CTR Market Research Source: Kantar Worldpanel China

ISO 9001

Sun-Art Group Maintain Significant Growth across All Regions

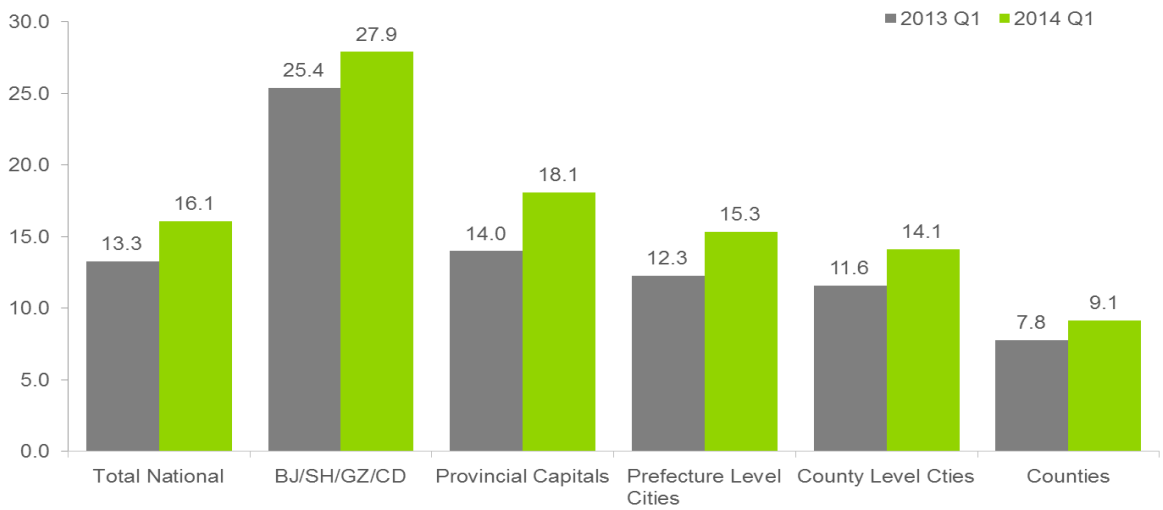
Sun-Art Group again is the key player to have seen significant growth over the last quarter reaching an all time share high of 9.3% at national level. The group continues to grow presence across all four regions - and has been particularly impressive in the South where the share has now reached 5.5% with 0.9 points gained in Q1. Expansion into East and North is also proving successful with share gains here as well.

Wal-Mart is showing signs of a recovery with stronger growth over the latest quarter which has been driven by further expansion in lower tier cities in the south of China. YongHui Group is also worth highlighting with good performance in Q1, especially in North regions - putting some of the more dominant players under pressure.

E-commerce

E-commerce continues to impact the retail landscape and how households shop for FMCG products. The latest 52 weeks saw 32% of Chinese urban households using this channel at least once. Over Q1 in 2014, E-commerce giants like Alibaba, Yihaodian and Jingdong have been launching aggressive sales campaigns to promote products such as imported milk, facial mask and other personal care products. The result is the sharp rise in E-commerce shoppers in Q1, as revealed by Kantar Worldpanel.

E-commerce Quarterly Shopper Penetration



© 2014 CTR Market Research Source: Kantar Worldpanel China

<End>

Notes to editor:

1. *Kantar Wordpanel China continuously measures household purchases over 100 product categories including cosmetics, food and beverages and the toiletry/household sector. Its national urban panel covers 20 provinces and four municipality cities (Beijing, Tianjin, Shanghai and Chongqing).*

About Kantar Worldpanel – high definition inspiration™

ISO 9001

Kantar Worldpanel is a CTR service in China.

We are the world leader in continuous consumer panels. Our global team of consultants apply tailored research solutions and advanced analytics to bring you unrivalled sharpness and clarity of insight to both the big picture and the fine detail. We help our clients understand what people buy, what they use and the attitudes behind shopper and consumer behaviour.

We use the latest data collection technologies best matched to the people and the environment we are measuring. Our expertise is rooted in hard, quantitative evidence – evidence that has become the market currency for local and multinational FMCG brand and private label manufacturers, fresh food suppliers, retailers, market analysts and government organisations. We are not limited to the grocery sector; we have a wide range of panels in fields as diverse as entertainment, communications, petrol, fashion, personal care, beauty, baby and food-on-the-go.

It's what we do with our data that sets us apart. We apply hindsight, insight, foresight and advice to make a real difference to the way you see your world and inspire the actions you take for a more successful business.

We have over 40 years experience in helping companies shape their strategies and manage their tactical decisions; we understand shopper and retailer dynamics; we explore opportunities for growth in terms of products, categories, regions and within trade environments.
Together with our partner relationships, we are present in more than 50 countries – in most of which we are market leaders – which means we can deliver inspiring insights on a local, regional and global scale. Kantar Worldpanel was formerly known as TNS Worldpanel.
For more information, please visit www.kantarworldpanel.com

About CTR

CTR is a market information and insight provider specializing in China. We are a joint venture company between CITVC and Kantar Group, one of the world's largest insight, information and consultancy networks. As the foremost provider in China, we integrate our local expertise with cutting-edge research technology and innovative thinking to meet our clients' needs for 360° media intelligence monitoring at all touch points. We analyze consumer responses to marketing activities across all kinds of media; provide in-depth profiles of consumer products and markets, as well as strategies for retail service management. For further information, please visit www.ctrchina.cn

ISO 9001