Photo by Peter Hershey on Unsplash

QUARTER 1

2017

FMCG MONITOR

An integrated view of Indonesia FMCG market

KANTAR WORLDPANEL

EXECUTIVE SUMMARY

1 Q1 MARKET UPDATE

Find out quarterly Market update in this section

2 FMCG INDICATOR

Shopper have spent more each shopping trip as a result of premiumization but have reduced the number of shopping trips to balance their spending

3 FMCG BUYERS ACROSS SES

Middle and Lower Class consumers have the biggest increase of FMCG spending as the trend is now premiumization

4 RETAILERS SNAPSHOT

Minimarket continues to grow its share in total value as the numbers of store continues to increase while offering more promotion

5 SEGMENT PERFORMANCE

The segments that are winning in growth are Personal Care and Dairy, as shoppers seek improvement in the quality of their basket purchase by way of premiumization

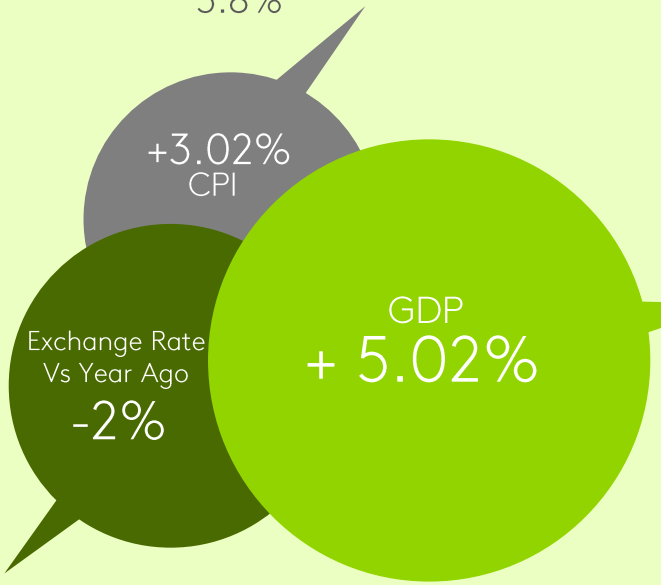
6 DO YOU KNOW?

Shoppers aspire to improve their quality of life by looking at health, convenience and happiness aspects. Lifestyle changes to preparing meals at home is preferable and considered to be more hygiene and healthier

1 KEY INDICATOR

MACRO TREND

Compared to the previous month, ID inflation in March 2017 has slowed down to 3.6% from 3.8%



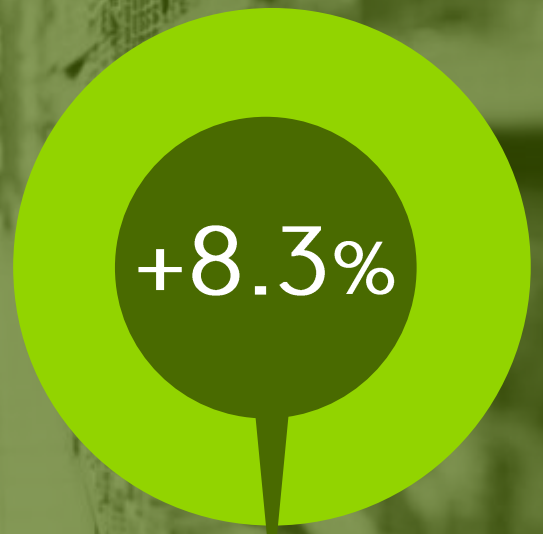
Indonesia Q1 GDP growth is 5.0%, faster than last year GDP growth (4.9%).

Rupiah exchange rate is stable in March 2017 compared to the month before. Compared to last year the exchange rate weakened by -2%. The average rate for USD is Rp 13,413- in Q1

Source : *BPS and Bank Indonesia*

FMCG TREND

FMCG Q1 2017
YoY GROWTH

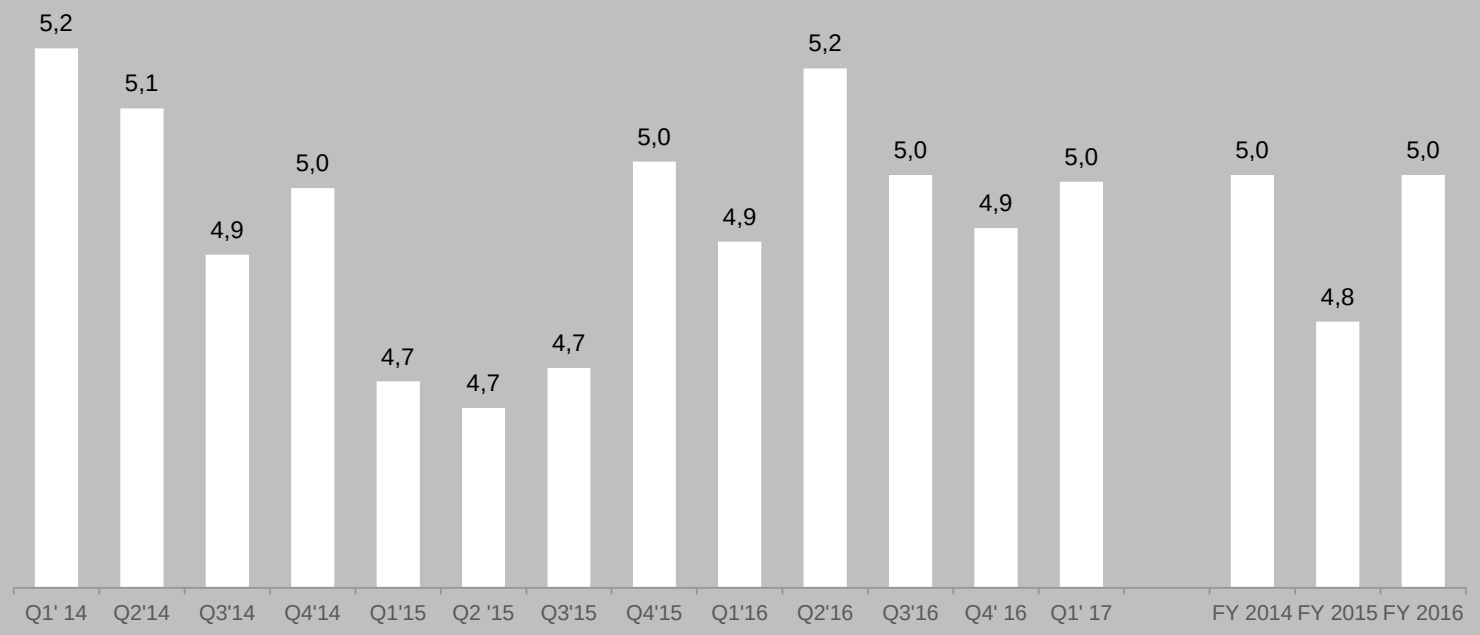


Total National Indonesia FMCG value managed to grow 8.3% in Q1 2017, faster than the same time last year at 5.5%

Source : *Kantar Worldpanel Indonesia | Household Panel (Q1 2017) vs. Year Ago*

Indonesia's economy has grown by 5% this quarter, which is among the fastest growing economy in Asia

INDONESIA ANNUAL GDP GROWTH %

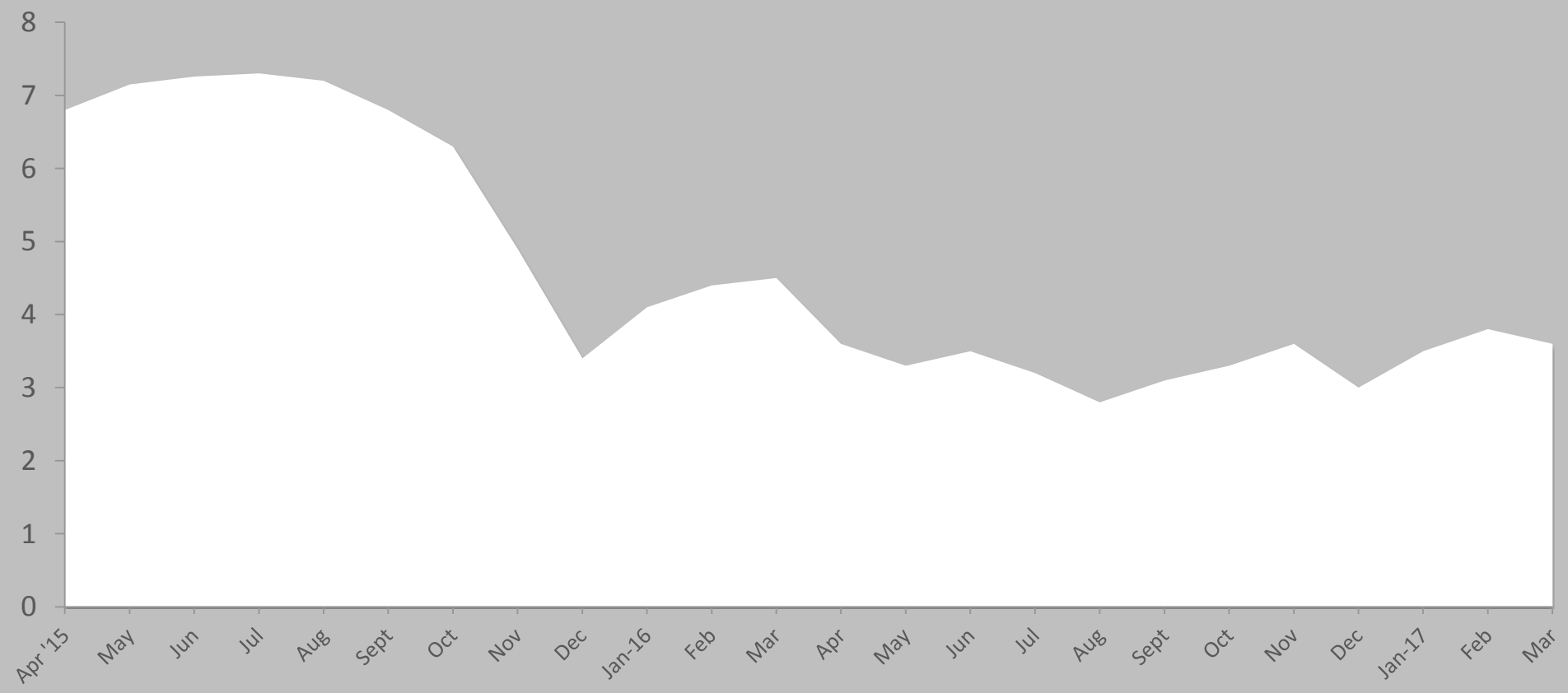


Q1 2017	GDP Growth
Indonesia	+5.0%
Thailand	+3.3%
China	+6.9%
Philippines	+6.4%
Malaysia	+5.6%
Taiwan	+2.6%
South Korea	+2.9%

Source: Central bank of Indonesia

Inflation in Indonesia is still stable at a low level, highlighting the successful policy implementation from the Central Bank of Indonesia

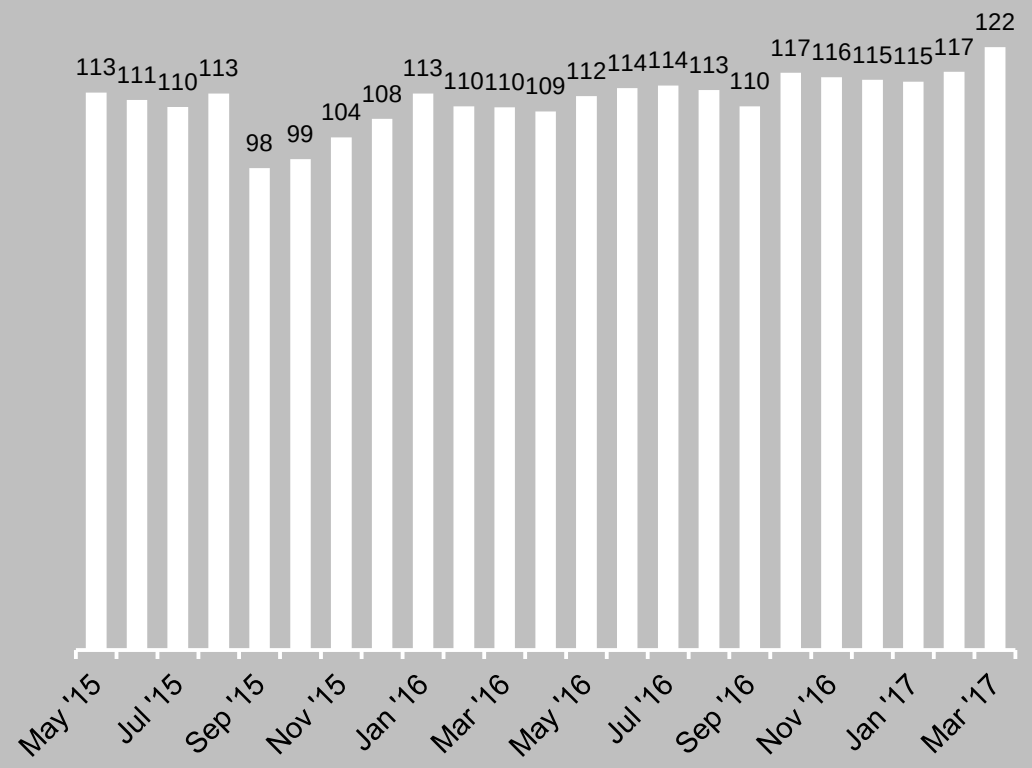
INDONESIA MONTHLY INFLATION RATE (%)



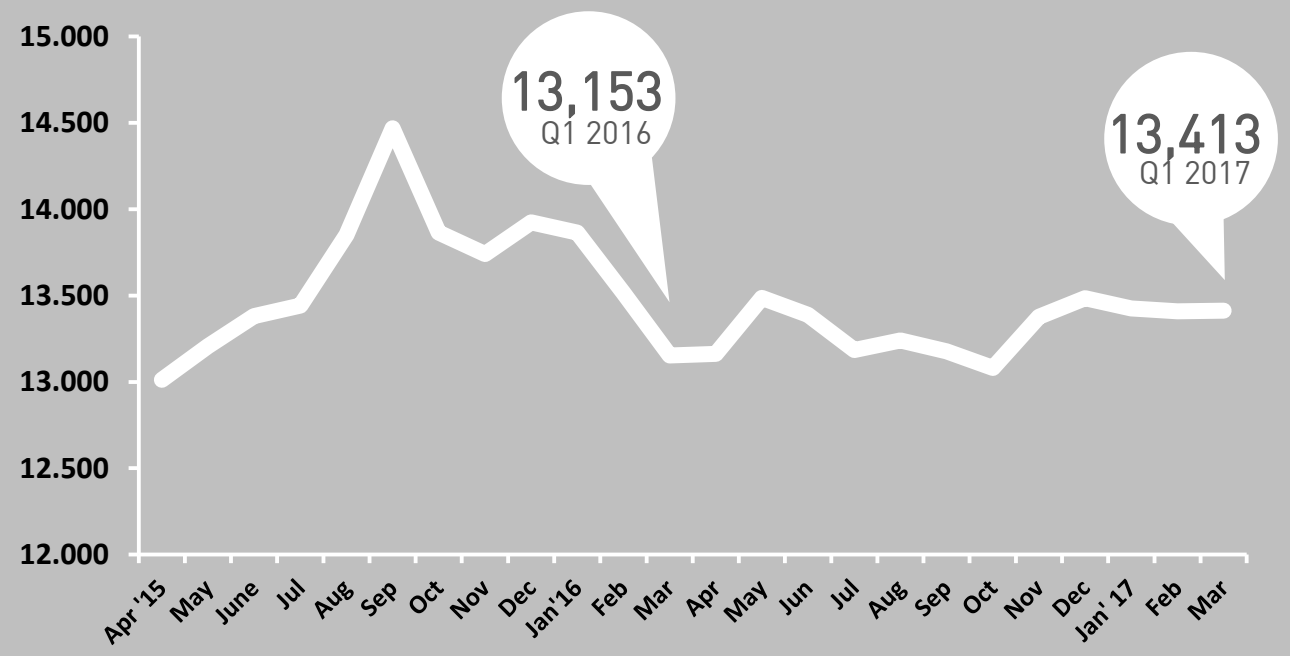
Source: Central Bank of Indonesia

In the first quarter of 2017, consumers in Indonesia are more confident in Indonesia's economy and its ability to grow, although IDR – USD exchange rate is weakening slightly

INDONESIA CONSUMER CONFIDENCE INDEX



IDR – USD EXCHANGE RATE



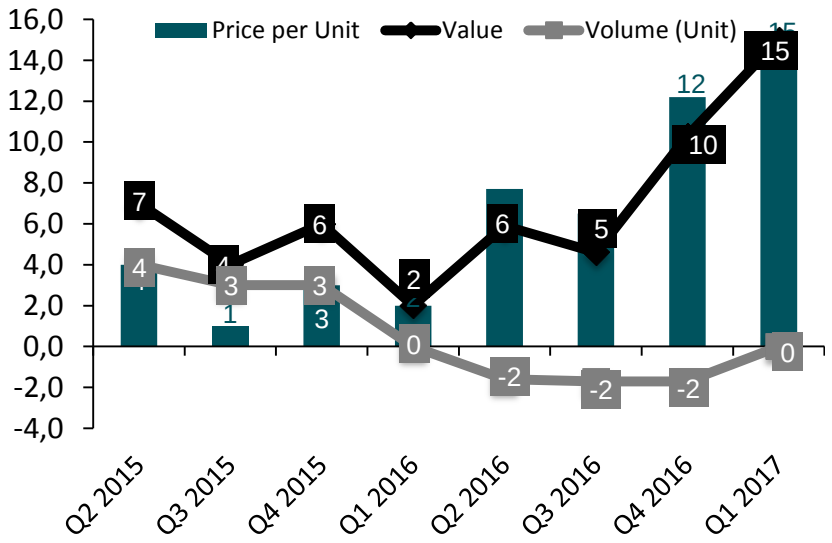
Source: Central bank of Indonesia

2 FMCG INDICATOR

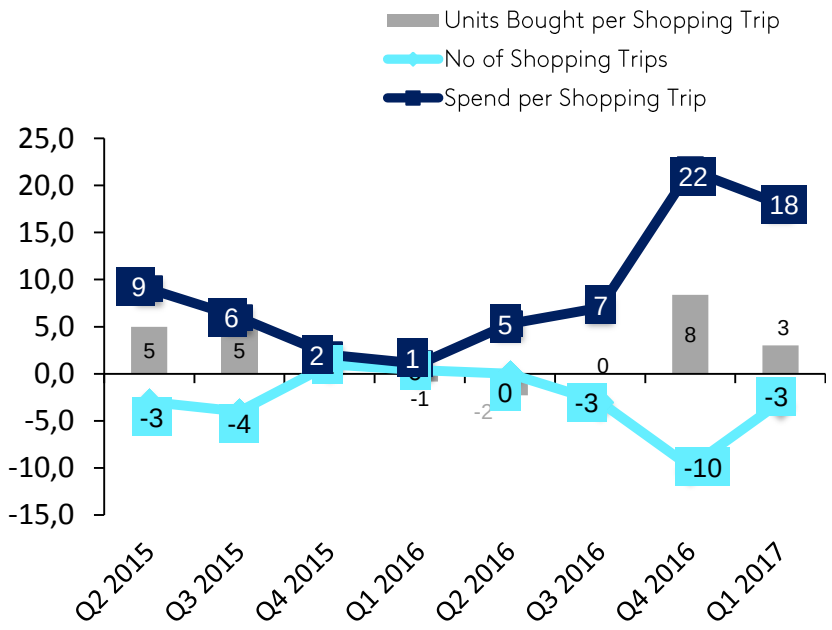
Shopper have spent more each shopping trip as a result of premiumization but have reduced the number of shopping trips to balance their spending

QUARTERLY GROWTH VS YEAR AGO

VALUE VOLUME & PRICE



FREQUENCY, UNITS BOUGHT & SPEND PER TRIP



Quarterly (12 WEEKLY) Data vs Year Ago

Q1 2017 OUTLOOK

	Q1 2016	Q1 2017
Value %	5.5%	8.3%
Volume % (units)	2.7%	-1.5%
Price per unit	2.7%	10%
Frequency	-1.7%	-4.1%

MAT March 2017 Data vs Year Ago

KANTAR WORLDPANEL

Source : *Kantar Worldpanel Indonesia – Total National Indonesia - Household Panel – Total FMCG*

3 FMCG BUYERS ACROSS SES
YEARLY DATA

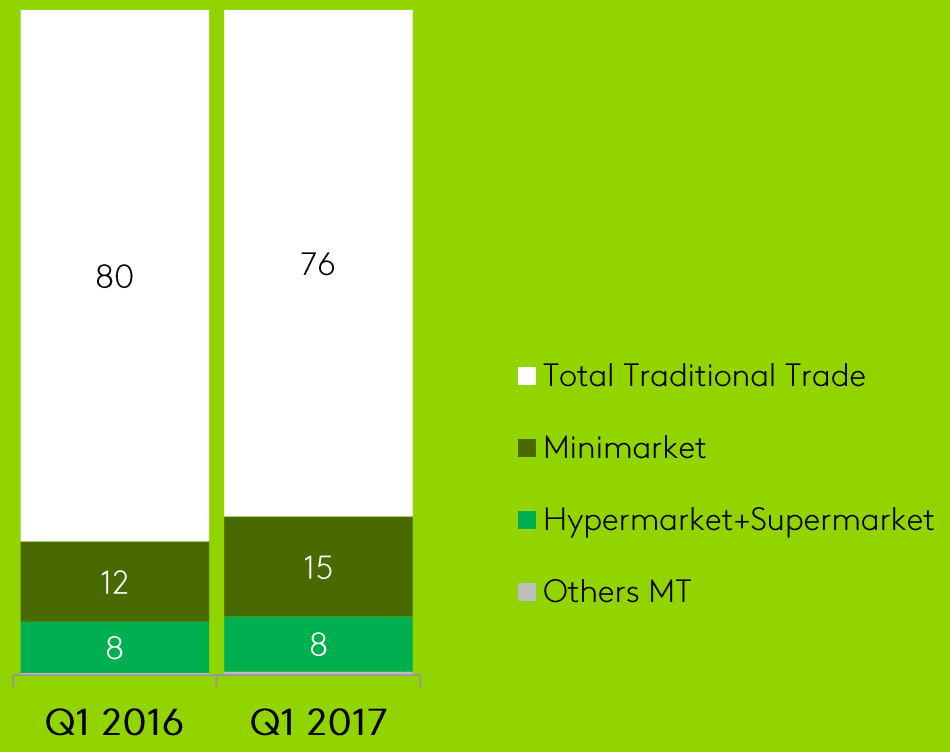
Middle and Lower Class consumers show the biggest increase of FMCG spending as these demographic segments start to adapt more premium products, while also increasing the number of categories they purchase.

	UPPER CLASS 26% of Indonesia	MIDDLE CLASS 40% of Indonesia	LOWER CLASS 34% of Indonesia
SPEND PER BUYER	4.2%	+8.5%	+11.8%
VOLUME PER BUYER	-4%	-1.1%	-1.5%
PRICE/UNIT	+8.5%	+9.7%	+13.4%
FREQ	-5.1%	-1.8%	-6.1%
#CATEGORIES BOUGHT CHANGE	1.1 From 51.9 to 53 categories	1.9 From 47 to 48.9 categories	2.3 From 41.4 to 43.7 categories

Indonesia National, MAT March 2017 vs YA, Total FMCG, SES Breakdown (based on monthly household expenditure)

4 RETAILER SNAPSHOT

VALUE SHARE%



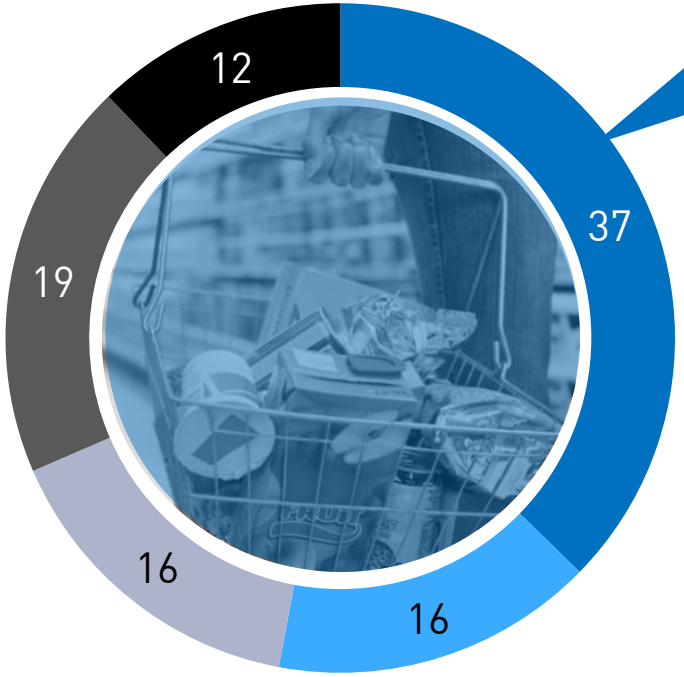
Minimarket continues to grow its share in total value as the numbers of store continues to increase while, at the same time, offering more promotions thus attracting buyers to shop.

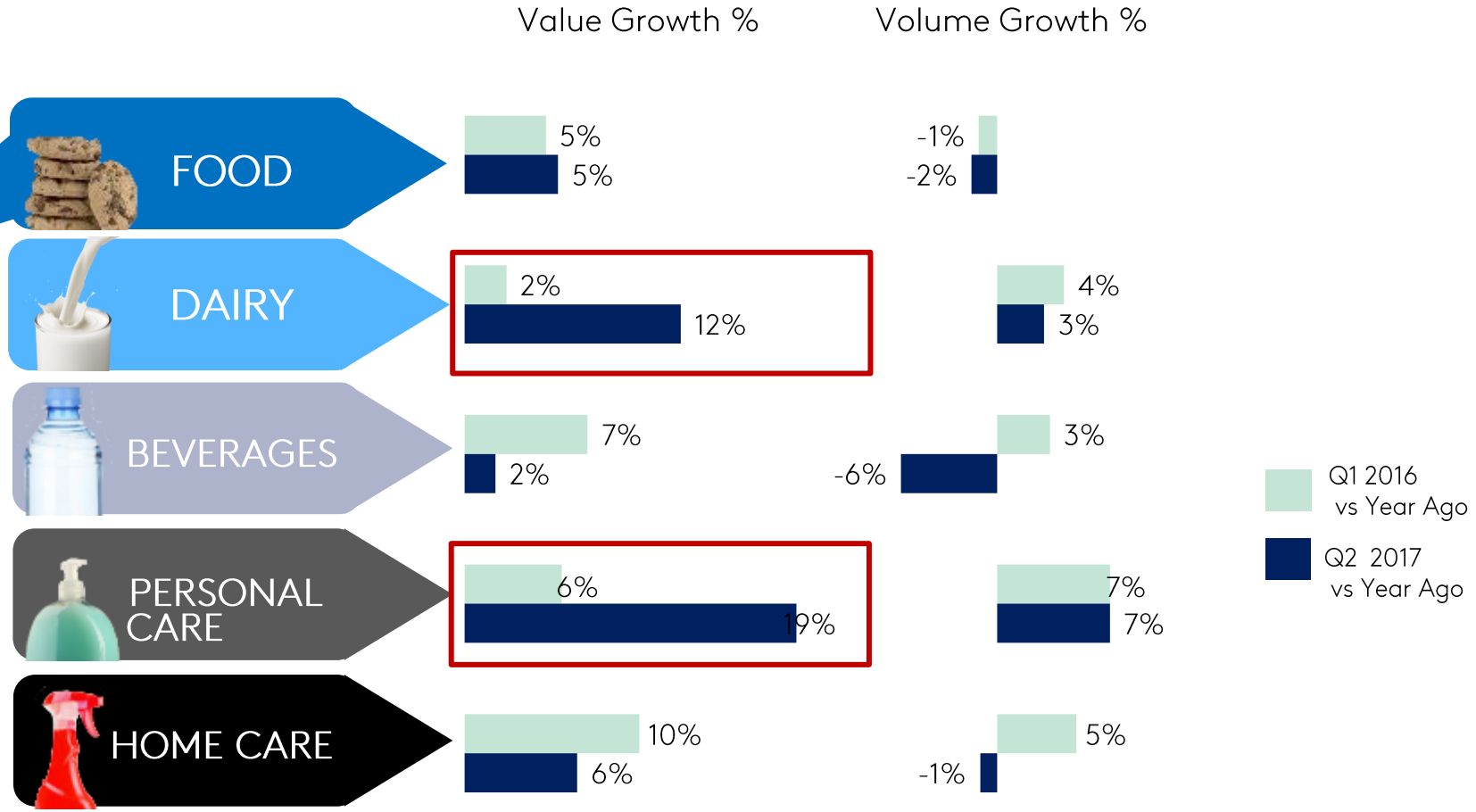
Source : *Kantar Worldpanel Indonesia – Household Panel – Total FMCG*

5 SEGMENT PERFORMANCE

The segments that are winning in growth are Personal Care and Dairy, as shoppers seek improvement in the quality of their basket purchase by way of premiumization. Mega trend of health and happiness are portrayed in their purchase behavior to have more value in their lifestyle.

Segment value % contribution



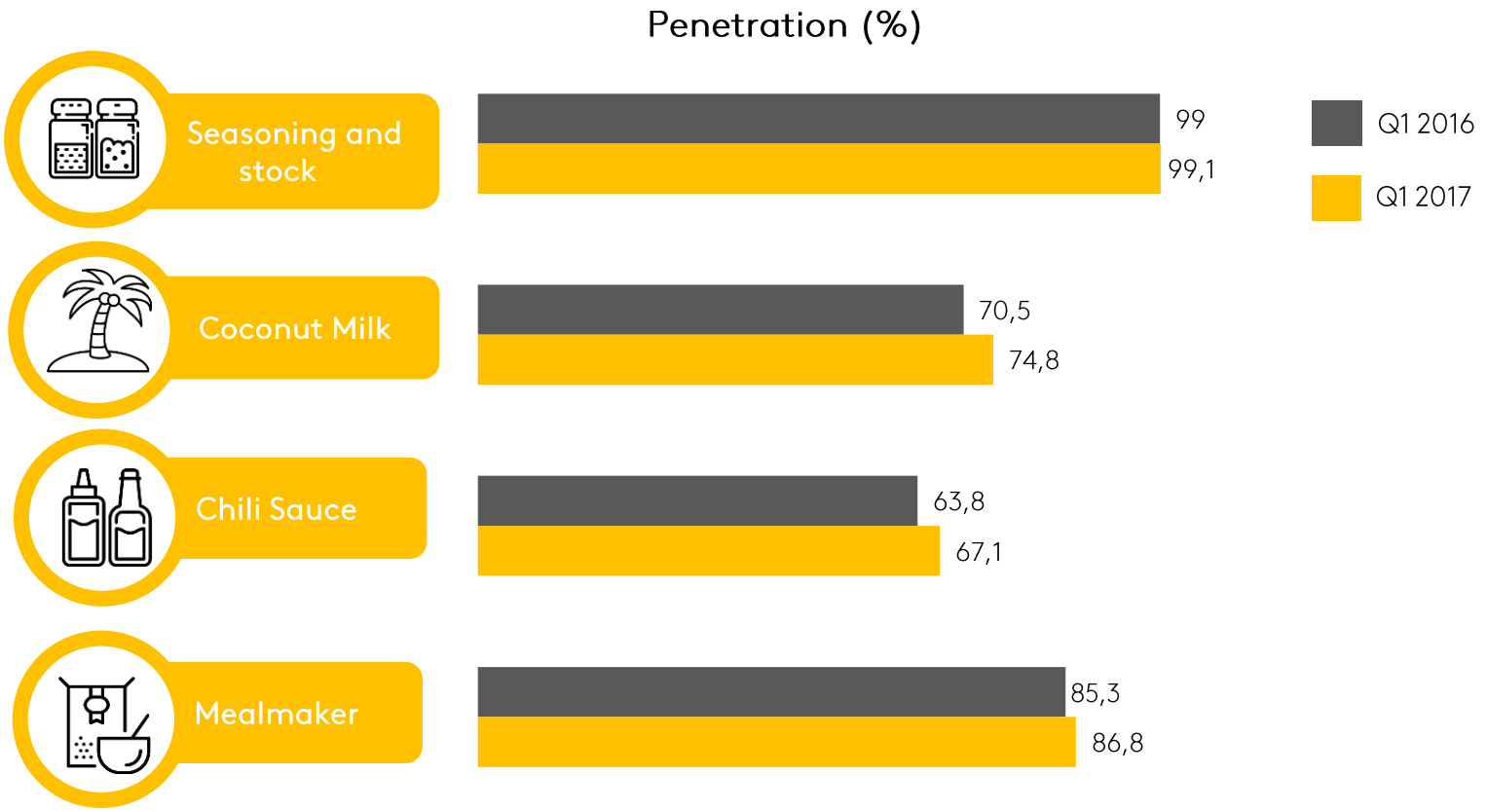


Indonesia National, MAT March 2017 vs YA, Total FMCG

6 DO YOU KNOW?

High gainer categories are those who are successfully riding the Mega trend of healthy, convenience and happiness.

Shoppers aspire to improve their quality of life by looking at health, convenience and happiness aspects. Lifestyle changes to preparing meals at home is preferable as it's considered to be more hygiene and healthier. These high gainer categories are successfully supporting this lifestyle



Source: Kantar Worldpanel – Households Panel – National Indonesia – MAT March 2017 vs YA

KANTAR WORLDPANEL

ABOUT KANTAR WORLDPANEL

Kantar Worldpanel is the global expert in shoppers' behavior. Through continuous monitoring, advanced analytics and tailored solutions, Kantar Worldpanel inspires successful decisions by brand owners, retailers, market analysts and government organizations globally.

With over 60 years' experience, a team of 3,500, and services covering 60 countries directly or through partners, Kantar Worldpanel turns purchase behavior into competitive advantage in markets as diverse as FMCG, impulse products, fashion, baby, telecommunications and entertainment, among many others. Kantar Worldpanel is part of the Kantar, one of the world's largest insight, information and consultancy networks. Kantar is the data investment management division of WPP.

In Indonesia, Kantar Worldpanel – Inspiring Successful Decision™ tracks household purchase of over 70 different FMCG categories across food and non food from its sample of 7,000 households across urban and rural Indonesia on a weekly basis; representing around 50 million households.

For further information, please visit us at www.kantarworldpanel.com/id

CONTACT US

Kantar Worldpanel Indonesia
World Trade Center 6, 7th Floor, JL Jendral Sudirman Kav 29-31, Jakarta, 12920

fanny.murhayati@kantarworldpanel.com
priatama.arifin@kantarworldpanel.com
www.kantarworldpanel.com/id

Kantar Worldpanel Indonesia @KWP_ID