



QUARTER 3
2017

FMCG MONITOR

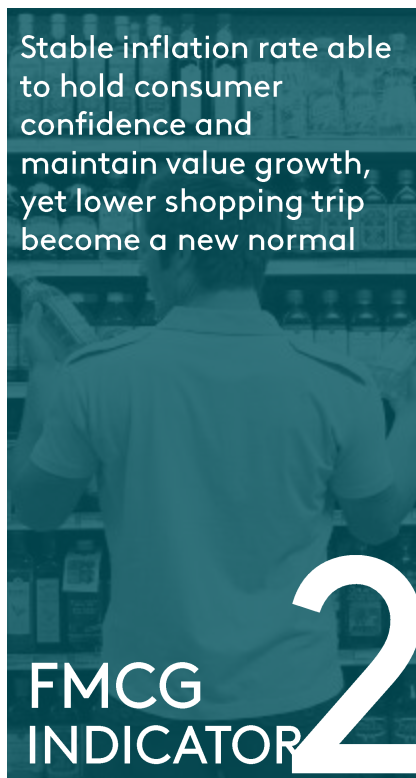
An integrated view of Indonesia
FMCG market

EXECUTIVE SUMMARY



1 Q3
MARKET
UPDATE

Find out quarterly Market update in this section



Stable inflation rate able to hold consumer confidence and maintain value growth, yet lower shopping trip become a new normal

2 FMCG
INDICATOR



3 FMCG BUYERS
ACROSS SES

A continuous polarization of shopping behavior where upper class allocate their expenditure outside FMCG and lower SES is upgrading their FMCG consumption



Proximity Channels become more essential to ensure strong presence and reach more buyers, particularly in secondary cities and outer Java

4 RETAILERS
SNAPSHOT



5 SEGMENT
PERFORMANCE

Personal care continue to display increasing value and improved consumers' share of wallet.



Busier urban consumers aspire more convenience for carry out consumption

6 DO YOU
KNOW?

1 KEY INDICATOR

MACRO TREND

Compared to last year, Indonesian inflation rate in Q3 2017 remain stable below 4% and shows improvement from Q2 2017 (4.4%)

+3.7%
CPI

Exchange Rate
Vs Year Ago
-1.5%

GDP
+ 5.06%

National GDP has been stabilized in 5% threshold since first quarter 2017

Rupiah exchange rate shows a stable performance in Q3 2017 compared to previous quarter with average rate of IDR 13,370, yet weaken from same periode last year.

Source : BPS and Bank Indonesia

FMCG TREND

FMCG
Q3 2017
YoY GROWTH

+9.5%

Total FMCG value in national Indonesia shows a continuous steady growth at 9.5% throughout Q3 2017.

Source : Kantar Worldpanel Indonesia | In Home Household Panel (MAT Sept 2017) vs. Year Ago

Among ASEAN-5 economy, Indonesia's growth remain steady in 5% threshold despite of improved government spending and private consumption which refer an ability to maintain positive growth from last year.

INDONESIA QUARTERLY GDP GROWTH %



INDONESIA ANNUAL GDP GROWTH %

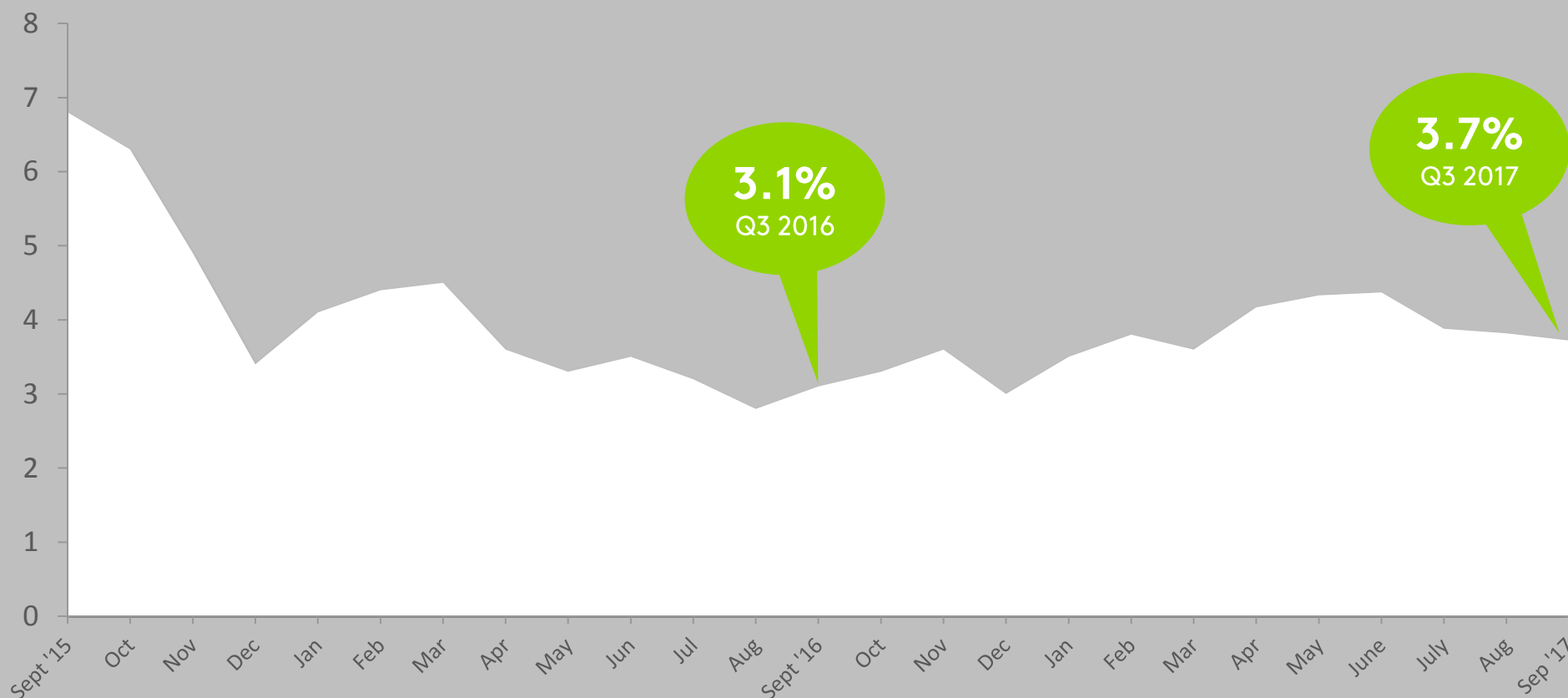


Q3 2017 YOY	GDP Growth
Indonesia	+5.06%
Thailand	+3.7%*
Philippines	+6.5%*
Malaysia	+5.8%*
Vietnam	+7.5%
China	+6.8%
Taiwan	+3.1%
South Korea	+3.6%

*Data up to July 17

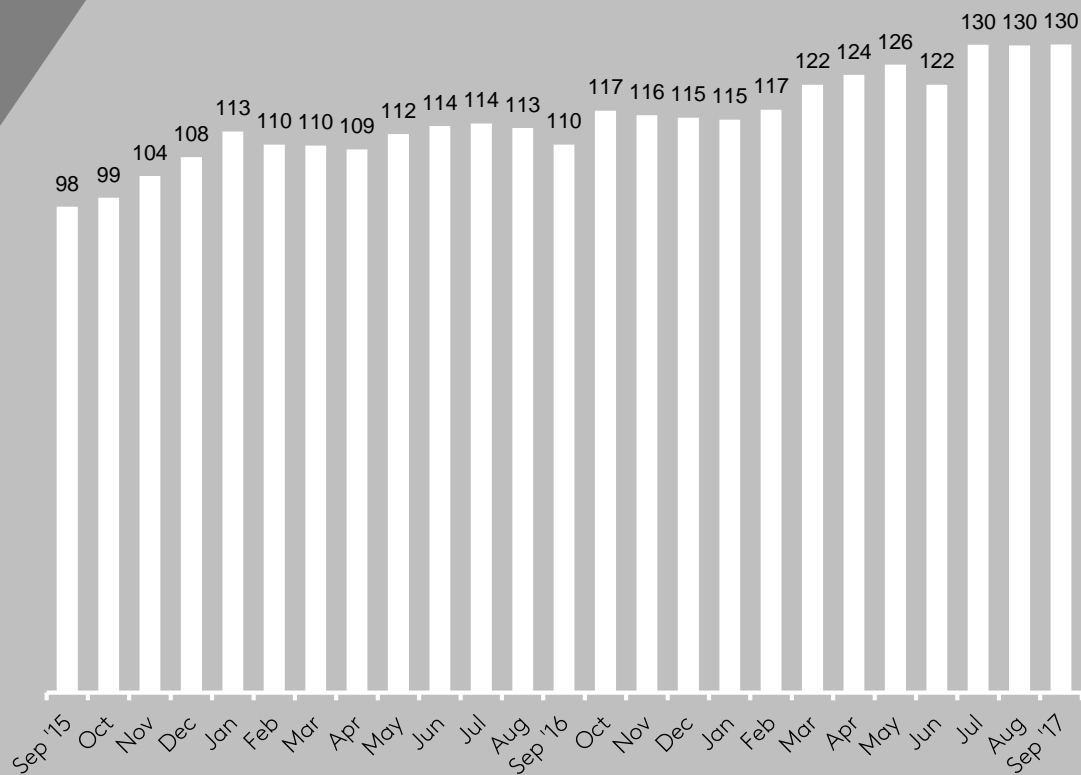
Inflation rate remained steady at a low level, proving effectiveness of Central Bank of Indonesia's effort to maintain financial system stability and recover domestic economy.

INDONESIA MONTHLY INFLATION RATE (%)

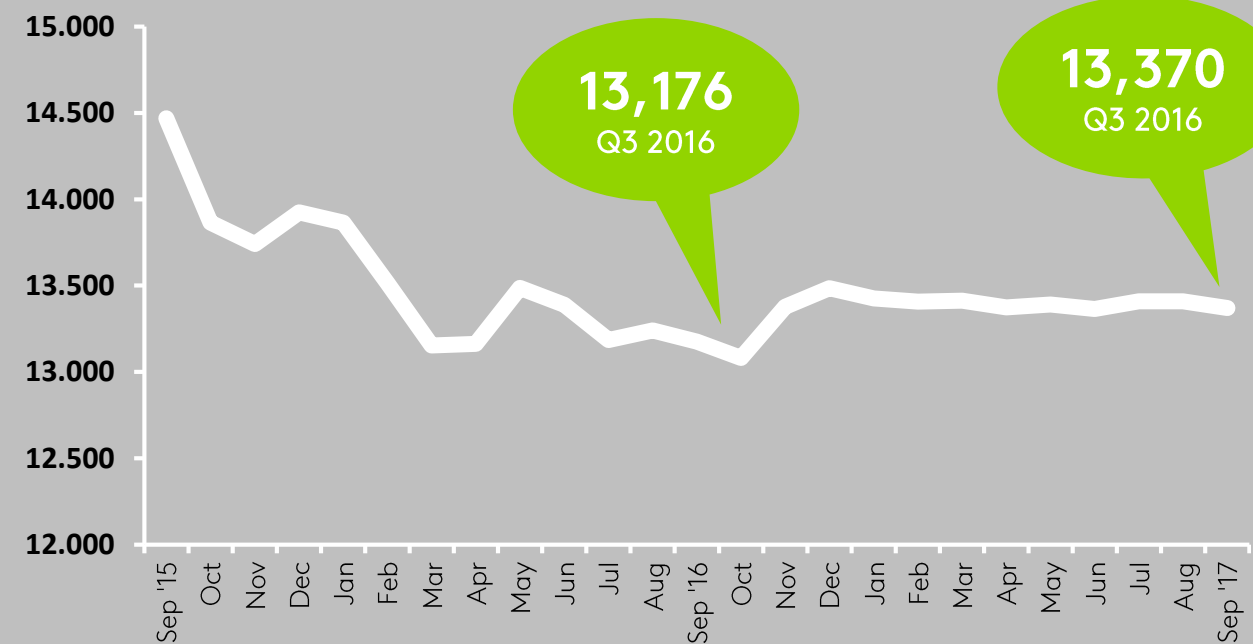


By the end of Q3 2017, Indonesian consumers remained optimistic with an uplift from same quarter last year. Exchange rate lost its value in Q3 2017, as an effect of planned tax reform by US government.

INDONESIA CONSUMER CONFIDENCE INDEX



IDR – USD EXCHANGE RATE

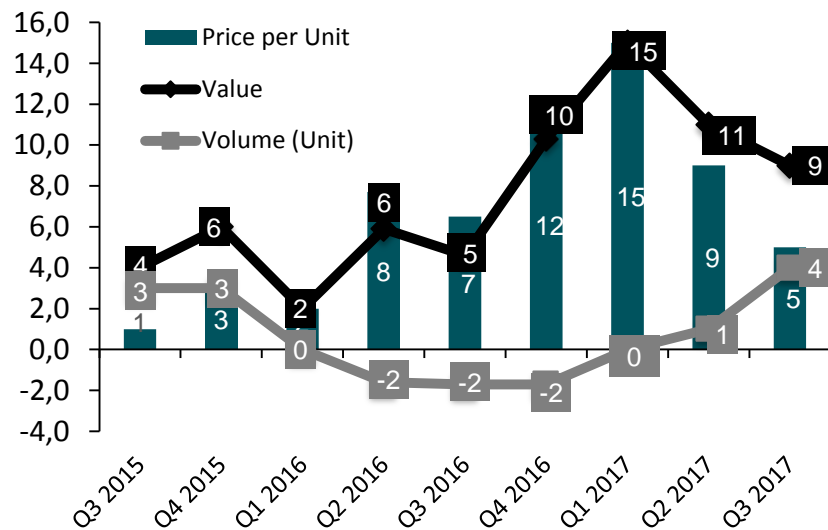


2 FMCG INDICATOR

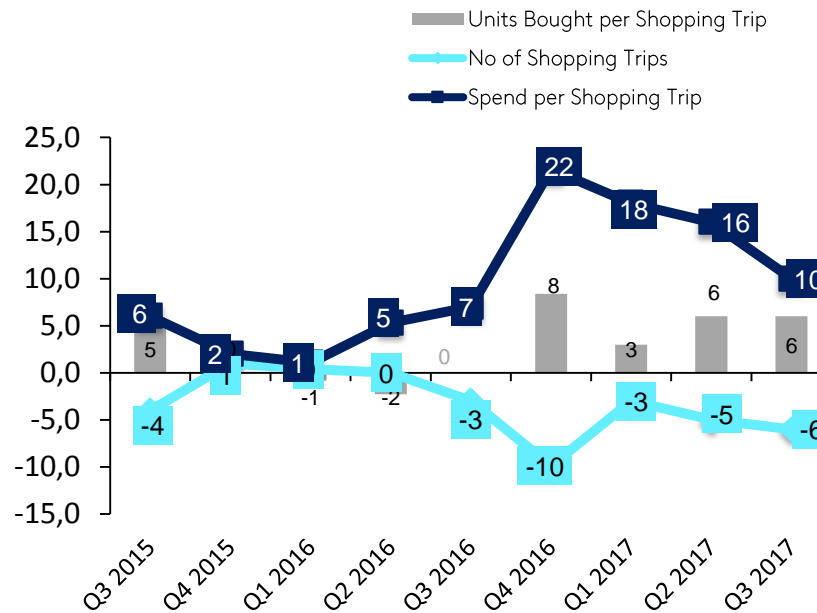
Stable inflation rate able to hold consumer confidence and maintain value growth, yet lower shopping trip become a new normal

QUARTERLY GROWTH VS YEAR AGO

VALUE VOLUME & PRICE



FREQUENCY, UNITS BOUGHT & SPEND PER TRIP



Quarterly (12 WEEKLY) Data vs Year Ago

Q3 2017 OUTLOOK

	MAT Q3 2016	MAT Q3 2017
Value %	4.2%	9.3%
Volume % (units)	-0.5%	-0.5%
Price per unit	4.8%	9.8%
Frequency	-1.3%	-10.3%

MAT Sept 2017 Data vs Year Ago

3 FMCG BUYERS ACROSS SES YEARLY DATA



UPPER CLASS
26% of Indonesia



MIDDLE CLASS
40% of Indonesia



LOWER CLASS
34% of Indonesia

A continuous polarization of shopping behavior

Lower Class consumers continued to increase their FMCG spending with improved basket size from new categories.



SPEND PER
BUYER

+2.9%

+6.0%

+12.4%



VOLUME (UNITS)
PER BUYER

-8.0%

-3.0%

+1.9%



PRICE/UNIT

+11.9%

+9.3%

+10.3%



FREQ

-14.0%

-7.9%

-9.9%



#CATEGORIES
BOUGHT CHANGE

+0.5

From 53 to 54
categories

+1.5

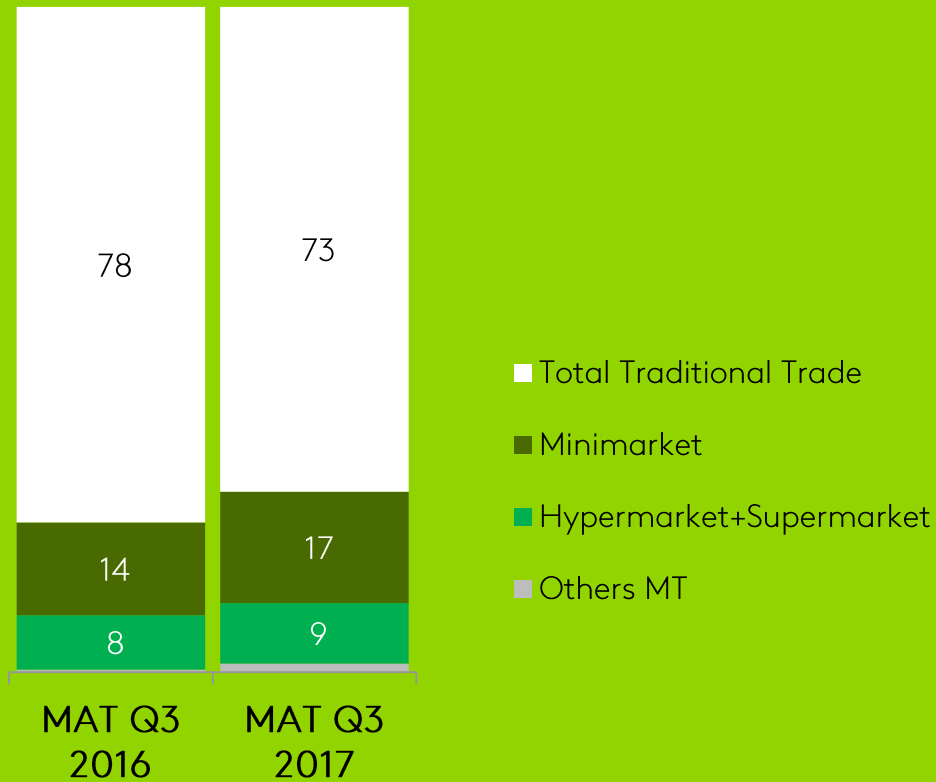
From 48 to 49
categories

+2.5

From 41 to 44
categories

4 RETAILER SNAPSHOT

VALUE
SHARE%



Proximity Channels are gaining in importance and it is critical for manufacturers to ensure availability to attract buyers.

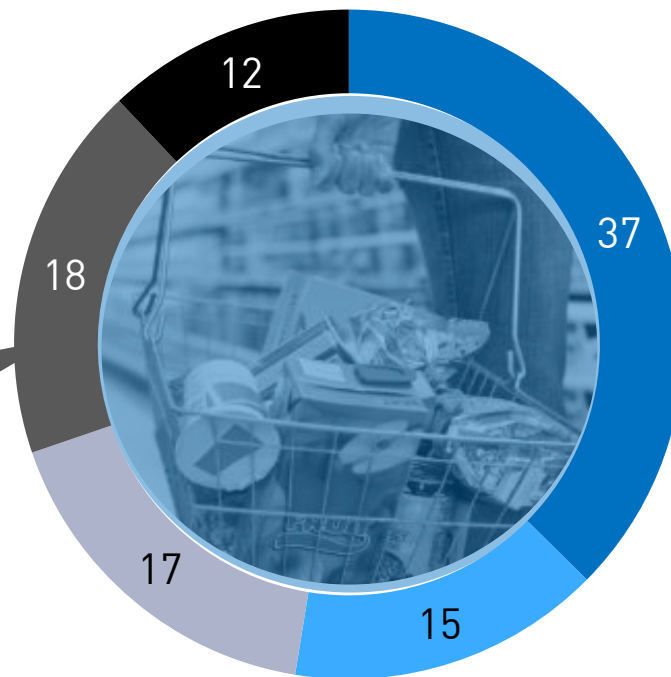
Source : Kantar Worldpanel Indonesia – Household Panel – Total FMCG

5 SEGMENT PERFORMANCE

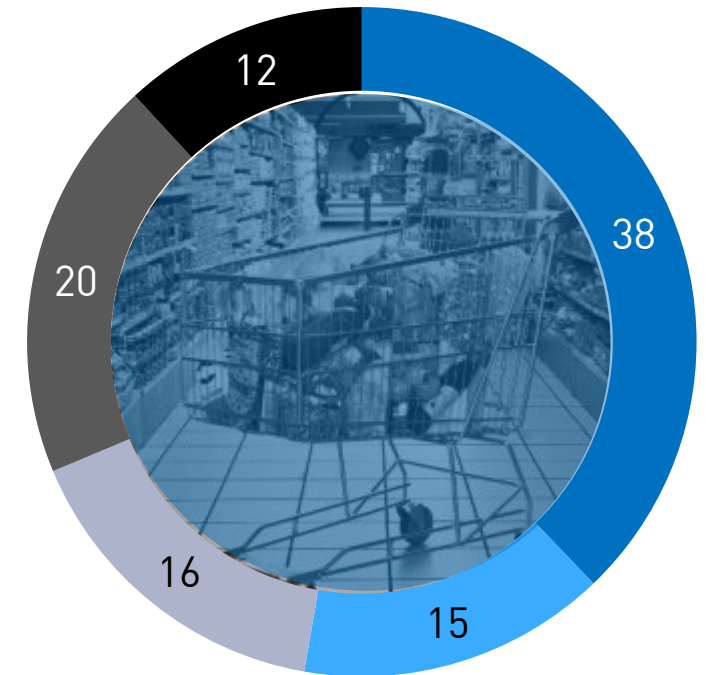
Personal care improve value contribution from last year as a result of both price increase and premiumization which indicates more share of wallet is attributed to the segment compared to others.



Segment value % contribution
2016



Segment value % contribution
2017



6 DO YOU KNOW?

Out of home consumption in beverages category is improving as busier urban consumers lever on the go consumption which promoting simplicity and convenience



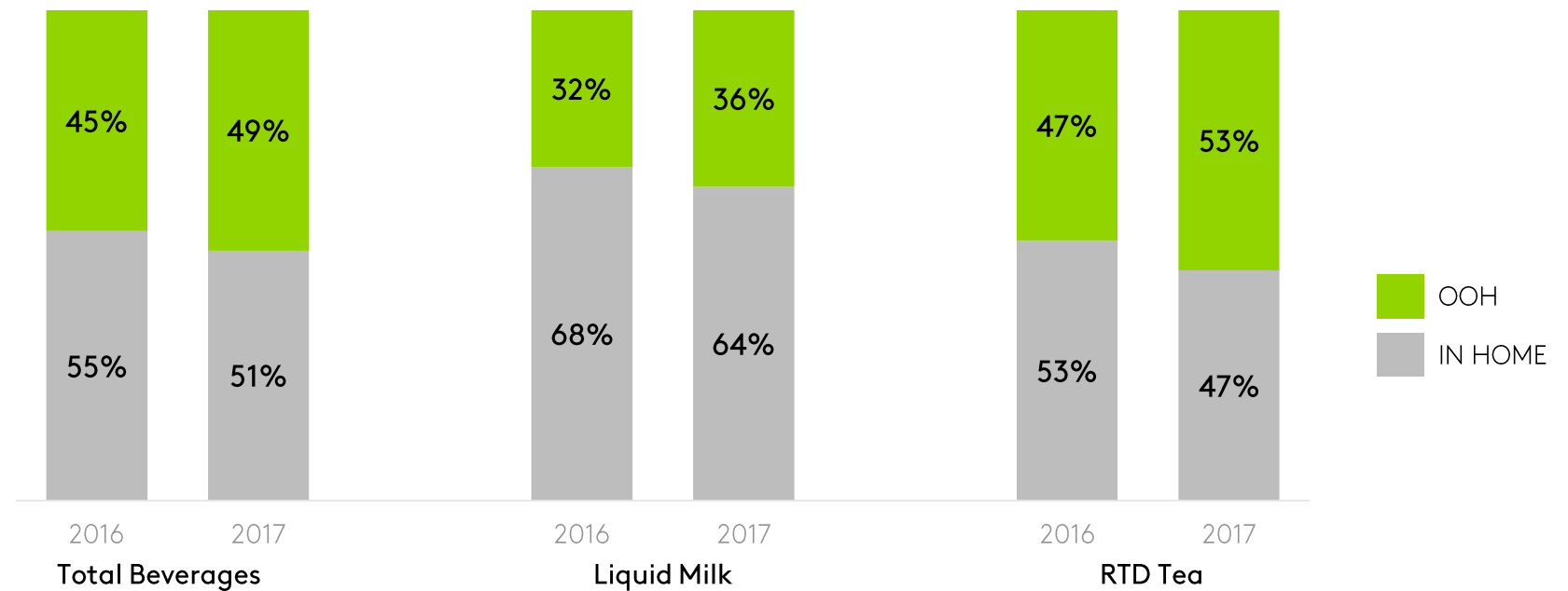
TOP RISING BEVERAGES CATEGORY

Busier urban consumers aspire for more convenience on carry out consumption



Out of Home

Total Beverages | MAT Sept '17 vs LY
Urban Indonesia | Volume Contribution (%)





ABOUT KANTAR WORLD PANEL

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 11,000 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

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* Stating 2018, current household sample 9,000