FMCG MONITOR

An integrated view of Indonesia FMCG market

March 2015

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executive SUMMARY

1

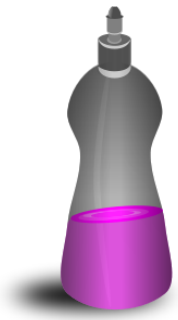
After deflation in February 2015, the inflation finally arrived in March 2015 with 0.17% inflation compared to February 2015.

The inflation in March 2015 happened because price increased for some categories such as RTE food, beverages, and cigarettes.

2

In FMCG Market, the decelerating trend in last month still continue in March. The decelerating happened in both area, urban and rural.

The slowed down on price growth that happened on more than half of top categories effecting on the total slower price growth.



3

Dish Wash show well performance in Urban Indonesia. Based on volume growth, this category increased a lot which happened due to increasing penetration and growing consumption. People nowadays tend to spend to smaller size for dish wash in form of sachet and refill.

4

The most contributor among trade channel is still goes to Traditional Market both in urban and rural area. While Mini market still being the biggest and the only growing contributor in Modern trade.

5

In order to gain more penetration, Continuous recruitment is the activity that must be done to be a big brand.
Some countries compilation data said, the difference between Big and Small brands are number of the buyers, not how loyal the buyers are.

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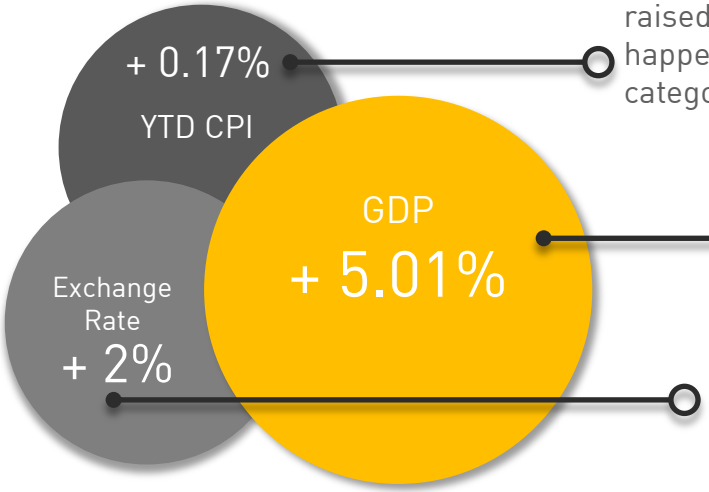
KEY INDICATOR

Macro Trend



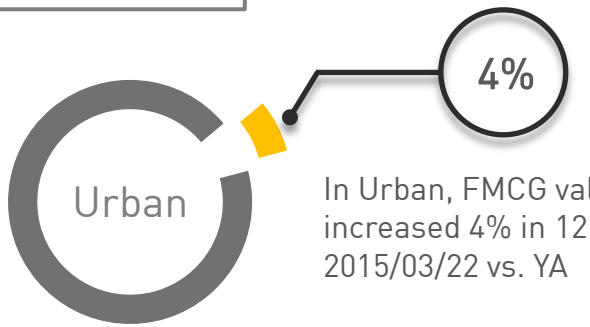
Finally the inflation happened in 2015, starting March it is raised to 0.17% from -0.36% in February 2015. This happened mainly due to increasing price for some categories such as RTE food, beverages and cigarettes.

In year on year basis, the GDP in fourth quarter 2014 is 5.01%

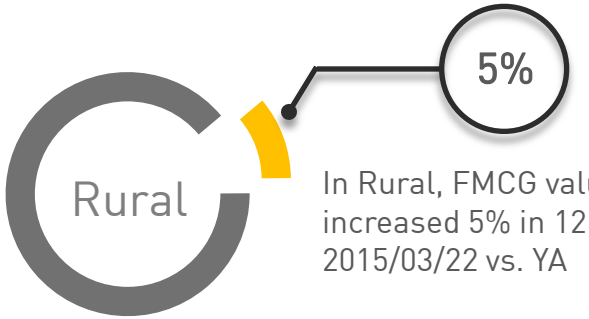
Rupiah exchange rate to USD is still relatively the same in March 2015 vs. February 2015, yet the exchange rate weakened by 14% in this month vs. YA, as the trend for Rupiah value is unfortunately weakened the worst in the last 13 years.

Source : *BPS and Bank Indonesia*

FMCG Trend



In Urban, FMCG value increased 4% in 12 w/e 2015/03/22 vs. YA



In Rural, FMCG value increased 5% in 12 w/e 2015/03/22 vs. YA

Source : *Kantar Worldpanel Indonesia | Household Panel*

*FMCG is excluding rice, sugar, and fresh food

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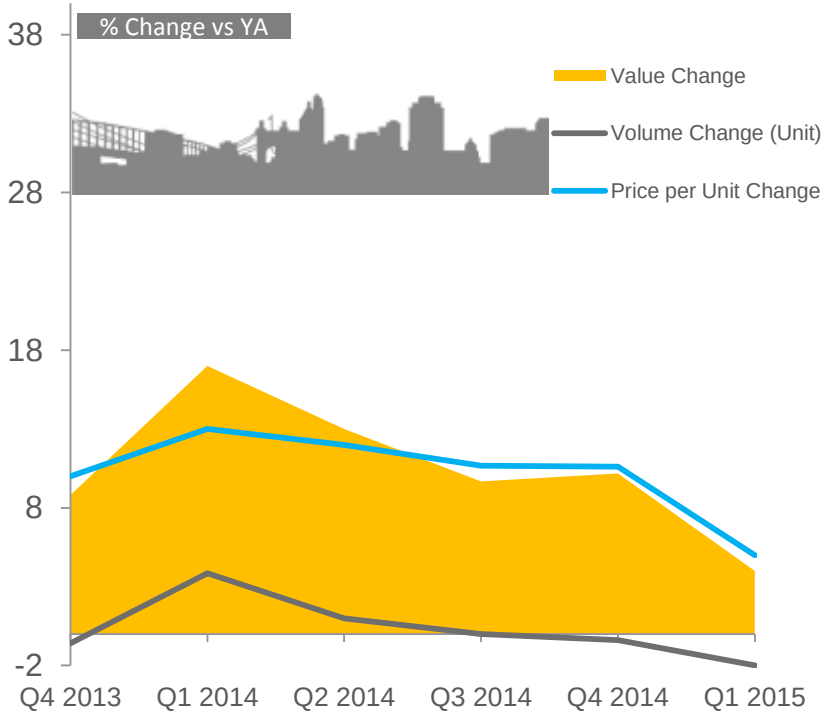
1

FMCG – 12 WEEKLY YEAR – ON – YEAR CHANGE (%)

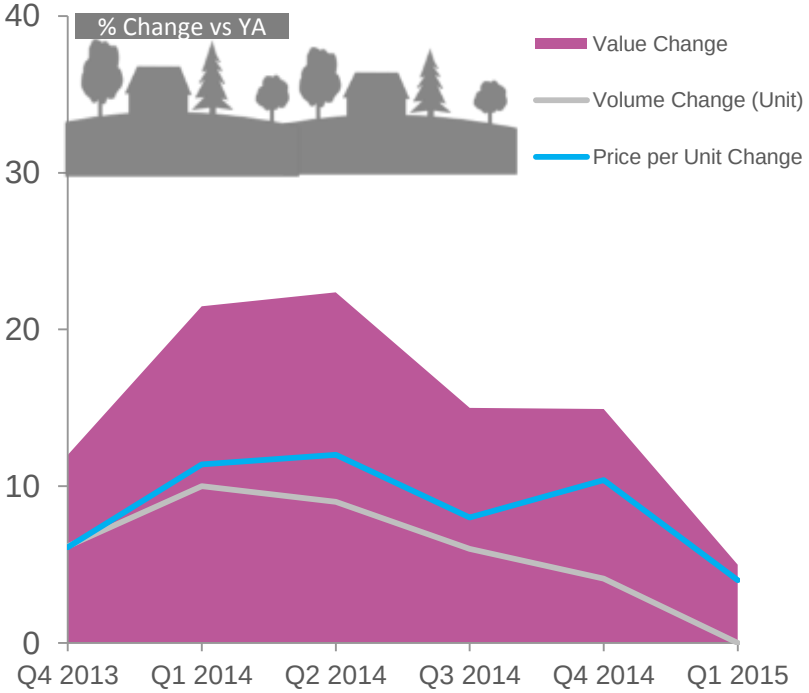
After decelerating trend that happened in Q3 2014, the trend keep continuing until this first quarter of 2015. The decelerated for FMCG happened in both urban and rural area. The slowed down on price growth that happened on more than a half of top categories effecting on the total result.

Urban



Source : *Kantar Worldpanel Indonesia – Household*

Rural



*FMCG is excluding rice, sugar, and fresh food

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2

FMCG SEGMENTS TRENDS – VALUE CHANGE (%)

Continuing February trends, while other segments are growing, the dairy segment in Urban Area still decreased by 4%. Compare to previous year performance, the growth is still at the slowing down trends in Urban and Rural.

Urban

12 w/e 2015/03/22 vs. YA

Foods	Dairy	Beverages	Home Care	Personal Care
+2 %	-4 %	+4%	+12 %	+8 %

Rural

12 w/e 2015/03/22 vs. YA

Foods	Dairy	Beverages	Home Care	Personal Care
+ 2%	+8%	+ 3%	+ 11%	+ 4%

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

*FMCG is excluding rice, sugar, and fresh food

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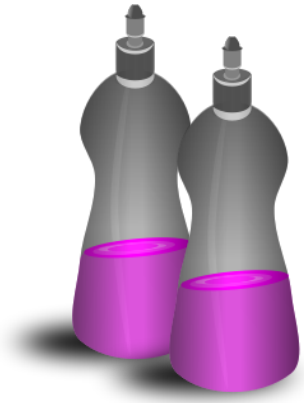
3

HOT CATEGORIES (URBAN) 12 w/e 2015/03/22

Dish Wash show well performance in Urban Indonesia. Based on volume growth, this category increased a lot which happened due to both increasing buyers and growing consumption. People nowadays tend to spend more in Refill and reduce bottle.

Dish Wash



8%

Total volume (in L) increase in Urban Indonesia
12 w/e 2015/03/22 vs. YA

12%

Frequency increase in Urban Indonesia
12 w/e 2015/03/22 vs. YA

Rp:

17%

The value growth increased in Urban Indonesia
12 w/e 2015/03/22 vs. YA

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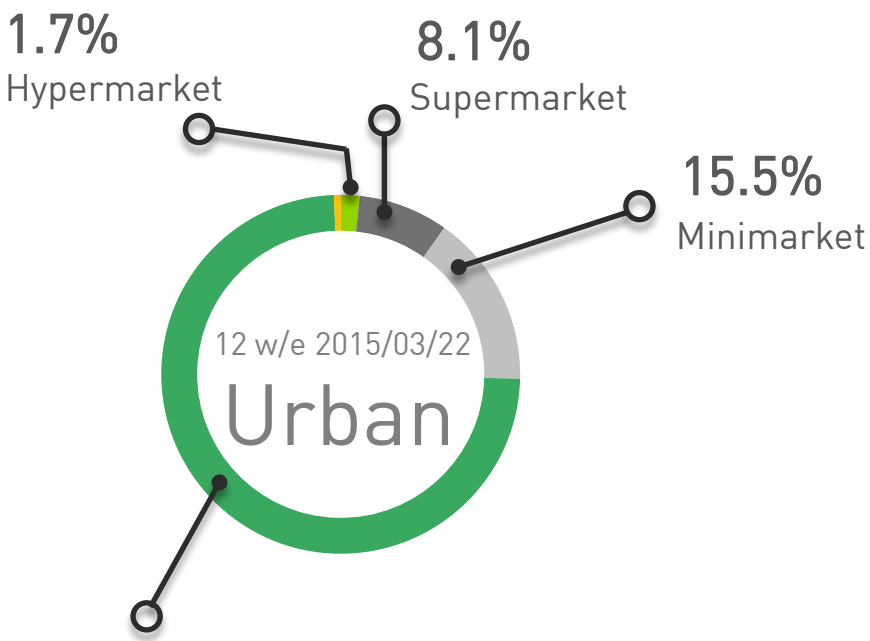
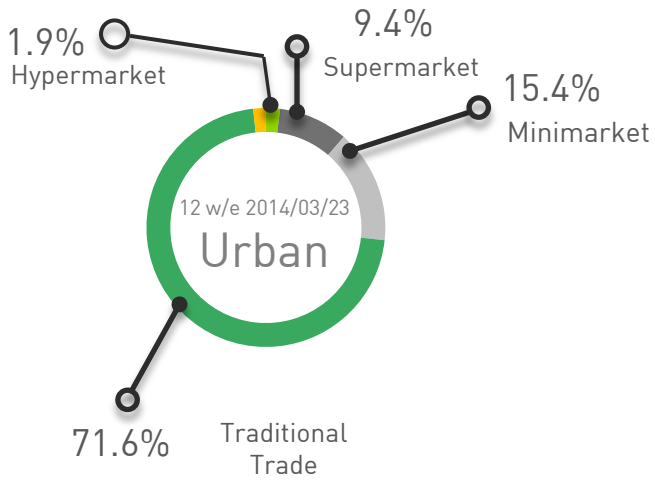
4 RETAILER SNAPSHOT - URBAN



Value Share %



Value Change %

Value Change %	12 w/e 2015/03/22 vs. YA
Minimarket	+4%
Hypermarket	-9%
Supermarket	-11%
Traditional Trade	+7%

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

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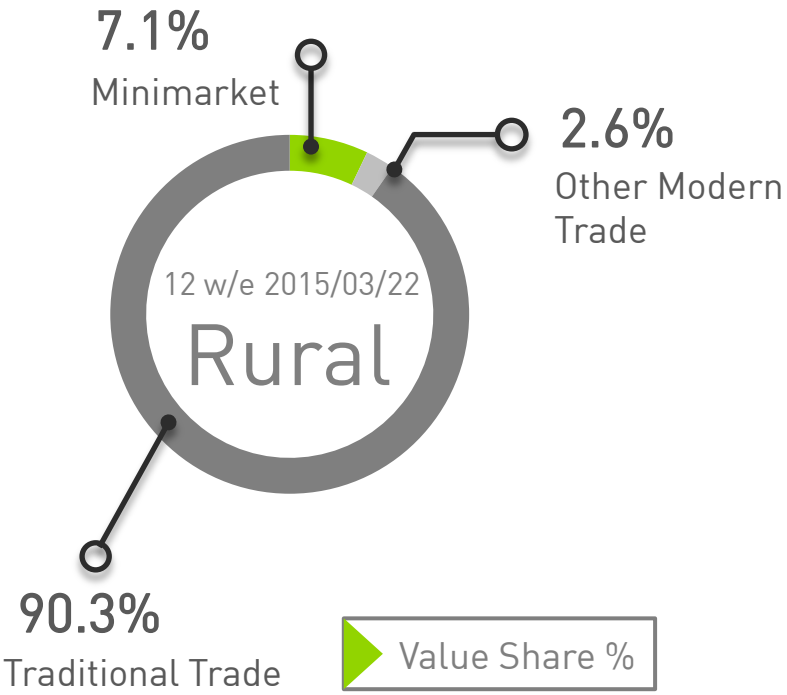
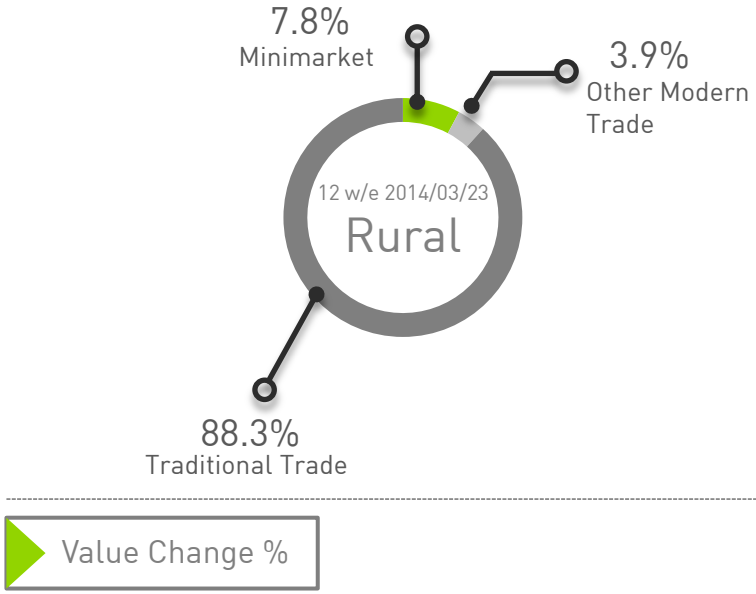
RETAILER

5 RETAILER SNAPSHOT - RURAL





Value Change %	12 w/e 2015/03/22 vs. YA
Minimarket	-5%
Traditional Trade	+7%

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

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DO YOU KNOW?

The biggest difference between large brands and small brands is **the number of buyers the brand has**, not how loyal those buyers are. As the leaky bucket rule : Big Brands lose less buyers. **Keep increasing penetration or continue recruiting more buyer.**

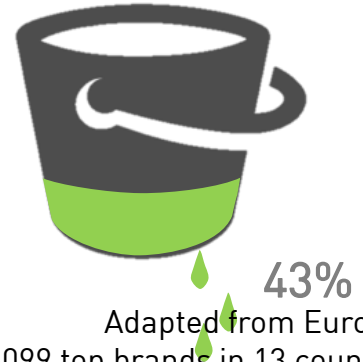
Brands with 5% Market Share

9x buyers

Brands with 40% Market Share

5th Largest brand loses 62% of its buyers from one year to the next

Largest brand loses 43% of its buyers from one year to the next



Adapted from Europanel BG20 Initiative.
Based on 6099 top brands in 13 countries in 79 categories.

About Kantar Worldpanel

Kantar Worldpanel is the world leader in consumer knowledge and insights based on continuous consumer panels. Its **High Definition Inspiration™** approach combines market monitoring, advanced analytics and tailored market research solutions to deliver both the big picture and the fine detail that inspire successful actions by its clients. Kantar Worldpanel's expertise about what people buy or use – and why – has become the market currency for brand owners, retailers, market analysts and government organizations globally.

In Indonesia, Kantar Worldpanel – high definition inspiration™ 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 49.5 million households.

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

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