SPOTLIGHT
THE PHILIPPINES

SPOTLIGHT
THE PHILIPPINES

Foreword

Alex Duterrage
General Manager for
Kantar Worldpanel Philippines

Greetings!

Health & wellness have been one of the 'trending' topics across the world. Zooming into the Philippines, the desire for a healthier lifestyle is seen not only in the popularity of many 'fitness' activities, but also within consumers' choice of some food and beverage categories.

In this issue, we will look into these 'healthy' categories. As we gain insights on the drivers of their growth, how do we ride with the said health trend?

In addition, we'll take a look at the categories that are 'hottest' this summer. This hot season prompts Filipino consumers to spend more on some items than they usually do in other months.

Another interesting trend is the increasing importance of snack food in Filipinos' baskets. Find out which specific snack items are on the rise.

Lastly, we're happy to share exciting FMCG facts in our new 'Did you Know' segment.

We hope these will continue to inspire successful decisions in your respective businesses.

Enjoy browsing!

In this Issue

3 - 6 : Filipinos Make Healthier Food Choices

7- 8 : HOT-TEN-TION What are the Summer FMCG Categories?

9 -10 : Snacks on the Rise among Filipino Homes

11 : DID YOU KNOW? Interesting facts about FMCG

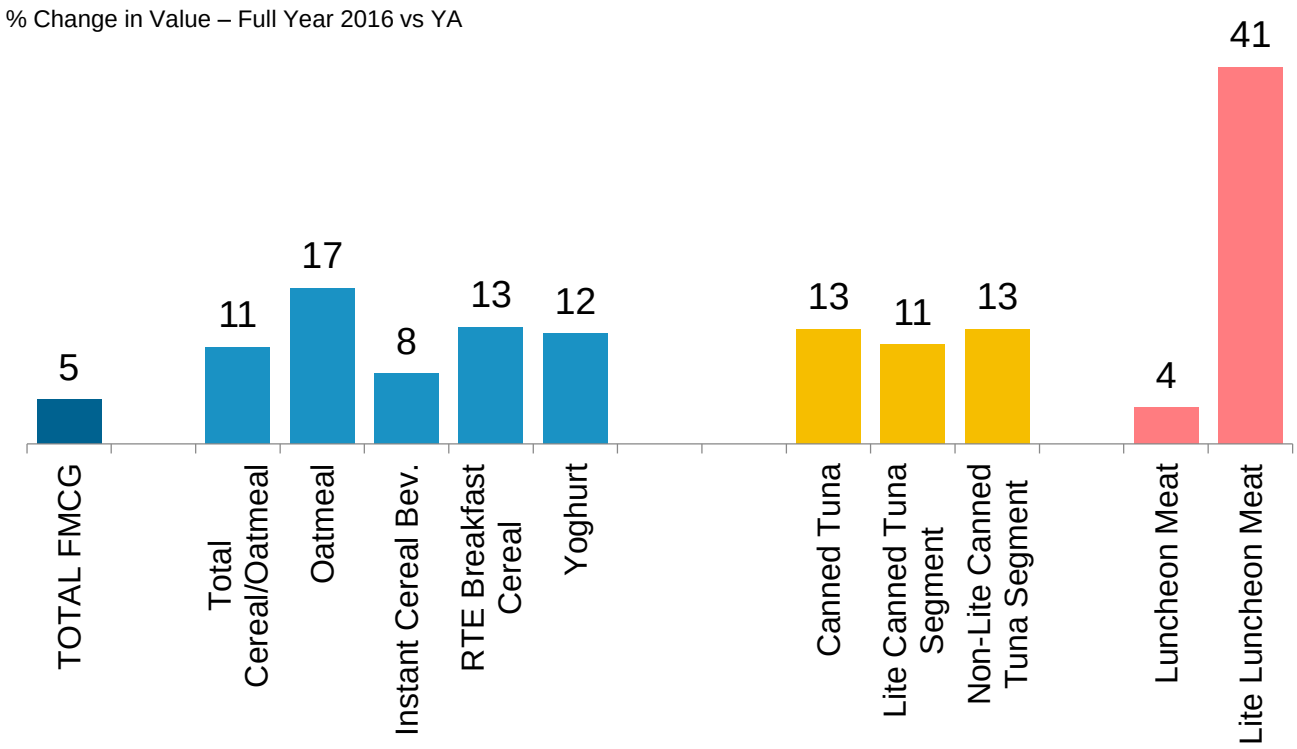
Filipino Consumers make Heathier Choices

Filipinos are becoming more health-conscious in their food and beverage choices, opting for those with more nutritional benefits or the ‘light’ variants.

In 2016, cereal and yoghurt enjoyed double-digit growth with 11% and 12% value sales, respectively. One in eight homes now buy cereals, with 19% growth in buyer base from 2015. Yoghurts, which consists of drinks and cup formats, were purchased by 28% of Filipino homes in the same year.

Healthier trend is also evident in canned goods, specifically for luncheon meats and canned tuna.

Luncheon meat variants that are 'lite' or contain 'less sodium' are being purchased by more shoppers. From 904,000 homes in 2015, these lite variants have increased by 27%, reaching 1.1 million homes in 2016. Moreover, purchases of canned tuna grew by 9%, expanding its reach to 13.9 million homes.



Filipinos Make Healthier Choices

Drink 'Lite'

With more Filipinos engaging in fitness activities and sports, purchases of energy drinks also grew by 16% in 2016. This is driven by more buyers and heavier spending on this category

Moreover, ready-to-drink juice brands have been aggressively communicating health-related benefits such as cholesterol management, which could have possibly helped accelerate its growth to 13%. Homes are spending more on RTD juice from PhP 288 in 2015 to PhP 320 in 2016.

"Though gradual and slow, there are some notable shifts in the food and beverage preferences of some Filipino Consumers.

Our findings indicate a change in the lifestyle of Filipino towards health and wellness, which is a key insight that brands can leverage and focus marketing efforts on when introducing their food and beverage products."

Lourdes Deocareza, Kantar Worldpanel New Business Development Head

...make Healthier Choices

Wealth in Health

One commonality among the healthy categories is their higher-income key shoppers.

In the case of Yoghurts, class ABC homes, which are only 10% of the household population, make up 28% of its sales. Surprisingly though, more class DE homes are also buying the category, contributing to 12% increase in sales.

Apart from the more affluent homes, RTD juice and majority of sports/energy drink buyers also belong to the working class, and mostly from NCR and North Luzon.

With fitness trend booming, brands that can contribute to the health goals and complement the healthy lifestyles of this emerging market will have a higher chance of getting into their shopping baskets.

HOT-TEN-TION

What are the FMCG Summer Categories?

Summer months are here and interestingly, some categories are 'hottest' during this season. Typically lasting 3 months, from March to May, this hot season (30 degrees Celsius, on average), makes Filipino consumers spend more on specific FMCG categories than they usually would on other months.

Kantar Worldpanel identifies 10 of these categories, that are higher in average monthly sales during summer months (March to April) versus the rest of the months.

Ice Cream tops the list, with consumers' total spend that is 42% higher during summer. Ice cream buyers double their monthly spending from 34 pesos to 69 pesos during these summer months. Stronger demand for the category is seen in 2016, as it registered a +25% growth compared to the summer of 2015.

Most of the key summer categories are beverages like juice, tea, and cereal drink. Evaporated milk, a key ingredient for cold treats like shake or halo-halo also reports higher sales during this period.

This season also prompts households to increase their spending on personal care items like facial wash, razors, hair styling and lotions.

Snacks on the Rise among Filipino Homes

Snacks are becoming an important item in the basket of Filipino shoppers.

Total Snack food category posted a +13% growth from 2015 to 2017. From PHP4,524 in 2015, Filipino households spent PHP4,904 on snack food in this year. Snack food refer to Biscuits, Snacks, Instant Noodles, Spreads, Ice Cream, Cheese, Pasta, and Soup/Rice Soup.

Filipinos spent 10% more on snack food per trip, from PHP29 to PHP32, while shopping 3x per month, on the average in the last three years.

What are Pinoys' Favorite Snacks?

Top snack items in terms of spending are biscuits, snacks, and instant noodles. The Snacks category, which are made up of potato chips, corn chips, nuts and sweets, grew by 21% in 2017 versus 2015. It is the most frequently bought snack food at roughly six times per month with at least PHP17 spent per shopping trip.

.... on the Rise among Filipino Homes

Top Snack food in the Philippines

Top Snack food Categories (In-home purchase)	Growth Percentage (One year ending March 2017 vs One year ending March 2015)	Average Amount Spent Per HH in PHP 2017	Average Amount Spent Per HH in PHP 2017
1. Biscuits	14%	1383	1506
2. Snacks	21%	1177	1353
3. Instant Noodles	3%	1191	1187
4. Total Spreads	10%	430	433
5. Ice Cream	24%	381	427

Filipinos also purchase biscuits frequently, buying it five times a month, fuelling 14% growth in 2017. Ice cream is also an in-home favorite snack food with 1 in 6 homes buying the category and purchasing ice cream about eight times a year.

Who loves snack food most?

NCR and Visayas homes purchase snacks more than the average Filipino combining a 35% contribution in sales. NCR spend 7% vs. the average household on snacks while Visayas homes spend 5% more.

As expected, homes with children aged 3-12 make up 41% total sales of snack food in the country. Homes with kids spend PHP 545 more or a total of PHP 5,449 on snack food.

"Our data shows that snack food are and will continue to be an important part of the grocery list of every Filipino household. Our love for eating presents opportunities for marketers to take advantage of every occasion as possible 'snacking moments.' They need to be alert in thinking about attention-grabbing strategies that will put their brands/products in line with these snacking occasions,"

Lourdes Deocareza,
Kantar Worldpanel
New Business Development Head

Did you know?

Feed your mind with these interesting FMCG Facts!

SNACK tastic

- 650,000 more homes are buying potato snacks!
- Half of the gained snack buyers come from VisMin
- Homes with kids and teens spend 157 pesos more on snacks

Noodles for the kids

- Noodles are purchased almost once a week, on average
- 8.2 Million Homes with kids are buying instant noodles
- North Luzon Homes spend 235 pesos more on noodles

Million More Mixes Buyers

- 1 Million more homes are now buying coffee mixes but not pure coffee solubles!
- Key Shoppers aged 25-34 have 8x more trips for Mixes than an average consumer

Grab the OpporTUNAty

- 1 out of 5 homes purchased canned tuna in 2016
- Class DE homes are spending 9% more on corned Tuna
- Mindanao homes are the most frequent canned fish buyers, having 7x more trips vs. the average

About Kantar Worldpanel

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

With over 60 years' experience, a team of 3,500, and services covering 60 countries directly or through partners, Kantar Worldpanel turns purchase behaviour into competitive advantage in markets as diverse as FMCG, impulse products, fashion, baby, telecommunications and entertainment, among many others.

Kantar Worldpanel Philippines tracks 3,000 households across the country, covering NCR and both Urban and Rural areas in North Luzon, South Luzon, Visayas and Mindanao. Kantar Worldpanel in the Philippines recruits households to record in-home purchasing of food and non-food items via a pre-printed diary. For further information, please visit us at www.kantarworldpanel.com/ph and follow us on Twitter https://twitter.com/KWP_PH.

For any questions about this issue, feel free to contact us at:
Philippines@kantarworldpanel.com.ph | Nino.Nierva@kantarworldpanel.com