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REASON TO CELEBRATE

**HOW SHOPPERS ARE HELPING
REINVENT INDIAN RETAIL ONE
WEEK AT A TIME**

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Adrian Terron, Executive Director, Retailer & Shopper Practice, Nielsen India
Shrikant Kulkarni, Director, Retailer Services, Nielsen India

The recent phenomenon of event weeks is rewriting the rules of modern trade. Never before in the history of Indian retail have shoppers taken so fervently to this marketing strategy by India's modern trade retailers.

There are now two calendars that Indian shoppers have pencilled into their memories. First, the one that has always existed – festivals, celebrations, personal events like birthdays, anniversaries and occasions like marriages. The second and more recent addition is a series of events within modern retail that have become exciting fixtures within shoppers' annual calendars.

Diwali, arguably the most popular festival in the Indian sub-continent now finds itself accompanied by events that have been created by India's inventive retailers. Event weeks built around national holidays like Republic Day, Labour Day and Independence Day are drawing in new shoppers and ensuring that organized retail remains a firmly entrenched part of the urban Indian's shopping trip.

Look more closely at this phenomenon through Nielsen's latest innovation within its portfolio of analytical services - Scantrack, and a host of new information comes to light for the first time. Unique in its ability to look at modern retail sales trends at a weekly frequency, Scantrack is able to analyse the impact of each event week, the implications it has for marketers and retailers and shoppers' reaction to the various offers in play.

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SHOPPERS HAVE MADE EVENT WEEKS AS MUCH ABOUT SHOPPING AS A CAUSE FOR NATIONAL CELEBRATION – A TESTAMENT TO THE MARKETING STRATEGIES OF INDIA'S MODERN TRADE RETAILERS.

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AN EVENTFUL OVERVIEW

To better understand the dynamics of Indian retail's big-ticket events, we studied a select set of markets and banners synonymous with creating and conducting events.

By looking at the five key markets of Delhi NCR, Mumbai, Pune, Bangalore and Hyderabad for large super and hypermarket chains, we were able to deconstruct the events, their impact and the underlying category movements by examining weekly sales data.

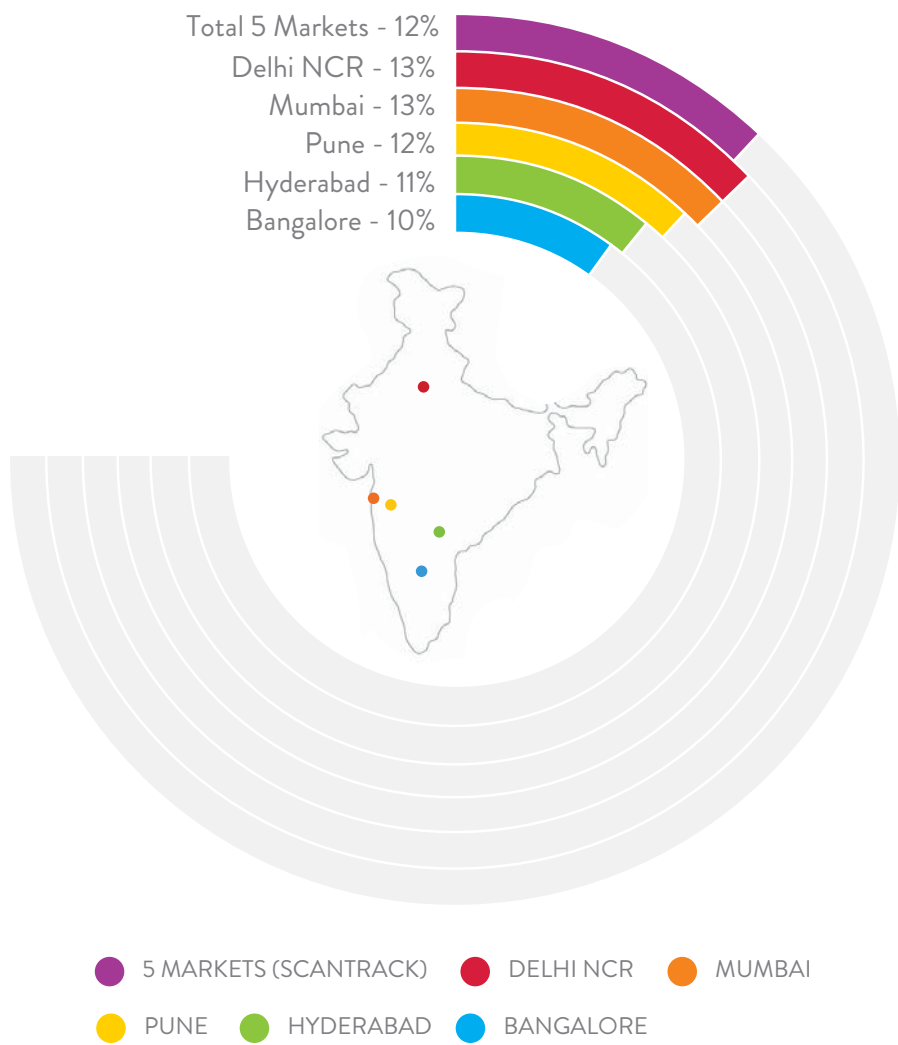
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EVENT WEEKS BUILT AROUND REPUBLIC DAY, INDEPENDENCE DAY AND DIWALI ARE DRAWING IN NEW SHOPPERS AND GIVING A MASSIVE FILLIP TO ORGANIZED RETAIL.

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MUMBAI & DELHI LEAD IN 'EVENT' SHOPPING

At an overall level, events contribute to 12 percent of sales within these markets and for these chains as a group. Delhi NCR and Mumbai contribute 13 percent followed by Pune, Hyderabad and Bangalore. We also found that 'created events' like Republic Day and Independence Day record higher sales compared to Diwali week. More recently however, 2012 Diwali sales itself have seen a 34 percent jump versus the same week in the previous year. And in a sign that Indian shoppers are now making modern trade an integral part of their lives, 'pay week' or the first week of the month is seen to register higher average sales on an ongoing basis.



DIWALI, REPUBLIC DAY, INDEPENDENCE DAY AND LABOUR DAY WEEKS CONTRIBUTE TO **12%** OF TOTAL SALES FOR KEY RETAIL BANNERS AND GEOGRAPHIES*

EVENT WEEKS:
 Diwali 2011: W/E 23/10/11
 Republic Day 2012: W/E 29/01/12
 Labour Day/May Day: W/E 06/05/12
 Independence Day 2012: W/E 19/08/12
 Diwali 2012: W/E 11/11/12

*Total sales in Delhi NCR, Mumbai, Pune, Hyderabad, Bangalore across seven banners between Oct 2011 & Nov 2012

PAY-DAY WEEK

PAY-DAY WEEK RECORDS HIGHEST AVERAGE SALES COMPARED TO OTHER WEEKS IN A NON-EVENT MONTH

HIGHEST SALES

REPUBLIC DAY & INDEPENDENCE DAY: CREATED EVENTS RECORD HIGHER SALES COMPARED TO DIWALI

DIWALI BONUS

DIWALI SALES UP BY 34% IN 2012 OVER 2011

A GLIMPSE INTO THE SHOPPING CART

We took a peek into the shopping basket and found quite a few surprises. While shoppers are picking up more food and staples during Diwali prompted by the need to gift and entertain guests, created events like Republic Day and Independence Day see greater shopper interest in non-food categories. Interestingly, as a result of a widening shopper palate and the sudden surge of brands in the category, Olive Oil stands out as a category that has attracted more than its usual share of shopper interest.



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SHOPPERSPEAK

I SHOP AT MODERN
TRADE STORES BECAUSE
OF THE COMFORT OF
SHOPPING IT OFFERS
WITH ALL PRODUCTS
AVAILABLE AT ONE
PLACE. I ALWAYS END UP
BUYING MORE THAN I
EXPECTED.

”



THE SAME STORE STORY

In recent times, an important measure of performance and profitability has been the growth of same stores. This essentially means looking at only the growth of stores that have existed during the previous period and excluding the impact of new stores. Nielsen Scantrack has the ability to measure this with the inclusion of 'Like for Like' - a unique measure that can compare same store growth across periods and markets. This allows for a more accurate comparison and indicates that older, existing stores are succeeding in their catchments - a sign that Modern Trade has taken root and events have become a regular, predictable feature for shoppers.

SAME STORE SALES REGISTER STRONG GROWTH AS EVENT WEEKS BECOME A REGULAR FEATURE IN THE SHOPPER'S CALENDAR

In Hyderabad for instance, incremental sales for same stores have grown faster than the total market in each event. Amongst events, Republic Day 2012 registered similar or higher growth for same stores versus the overall store universe. Similarly, Republic Day 2013 was ahead of other events in terms of growth with a robust performance across two consecutive years. However, same store growth, though aggressive, is now slower than what it was in 2012 and is reflective of the overall universe of stores.

HIGH SAME STORE/LIKE FOR LIKE (LFL) GROWTH



BOTH SAME STORE & REGULAR GROWTH

REPUBLIC DAY: HIGHER IN 2012 VS. 2013

DIWALI: HIGHER IN 2012 VS. 2011

REPUBLIC DAY 2012 & 2013

HIGHER SAME STORE GROWTH VS. OVERALL STORE UNIVERSE

HYDERABAD: SAME STORE GROWTH HIGHER ACROSS EVENTS

PUNE: SAME STORE GROWTH HIGHER ACROSS EVENTS EXCLUDING INDEPENDENCE DAY

HOW THE REPUBLIC SHOPS

With an increasing number of shoppers actively looking for deals, Republic Day has emerged as the single non-festive created event which generates a shopping frenzy that few other urban events can match.

A deep dive into the trends over the last two years indicates a surge in retail sales performance especially for FMCG in modern retail. Of the five most active markets, Delhi NCR and Mumbai contribute over 70 percent to incremental sales versus the previous week and when compared to the same week in the previous year. With modern retail expanding in Delhi NCR in 2012, incremental sales (84%) have grown faster than Mumbai on a year-on-year basis. Interestingly, a smaller market like Pune too is showing similar trends by generating strong growth versus the previous week and previous year.

2013 however, revealed a different picture. Sales figures during the latest Republic Day show positive growth versus the previous week but was unable to match its 2012 performance during the same week. Surprisingly, Bangalore bucked the trend – the only market to do so, and managed a 30 percent growth in 2013 compared to the same week in 2012.

MARKET PERFORMANCE: REPUBLIC DAY (2011 & 2012)

REPUBLIC DAY	% GROWTH PP [ACTUAL SALES]			% GROWTH YA	
	2011	2012	2013	2012 - YA	2013 - YA
Total 5 markets					
Total Market	34.0	124.2	101.2	57.7	7.6
Delhi NCR	33.3	128.6	116.0	84.5	7.9
Mumbai	39.9	167.2	136.6	47.4	-0.1
Bangalore	35.9	69.2	56.9	34.5	30.5
Hyderabad	17.6	94.1	59.7	46.6	-1.1
Pune	30.9	118.8	100.3	70.7	9.8

PREVIOUS PERIOD [PP] SALES COMPARED TO THE PRECEDING WEEK

Republic Day 2011 (incremental PP): W/E 30/01/11 over W/E 23/01/11
 Republic Day 2012 (incremental PP): W/E 29/01/12 over W/E 22/01/12
 Republic Day 2013 (incremental PP): W/E 27/01/13 over W/E 20/01/13

YEAR AGO [YA] SALES COMPARED TO THE SAME WEEK LAST YEAR

Republic Day 2012 (incremental YA): W/E 29/01/12 over W/E 30/01/11
 Republic Day 2013 (incremental YA): W/E 27/01/13 over W/E 29/01/12

Source: Nielsen

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SALES FOR
NON-FOODS
PEAK DURING
REPUBLIC DAY;
HIGH GROWTH
IN SEVERAL
CATEGORIES
ACROSS
SEGMENTS.

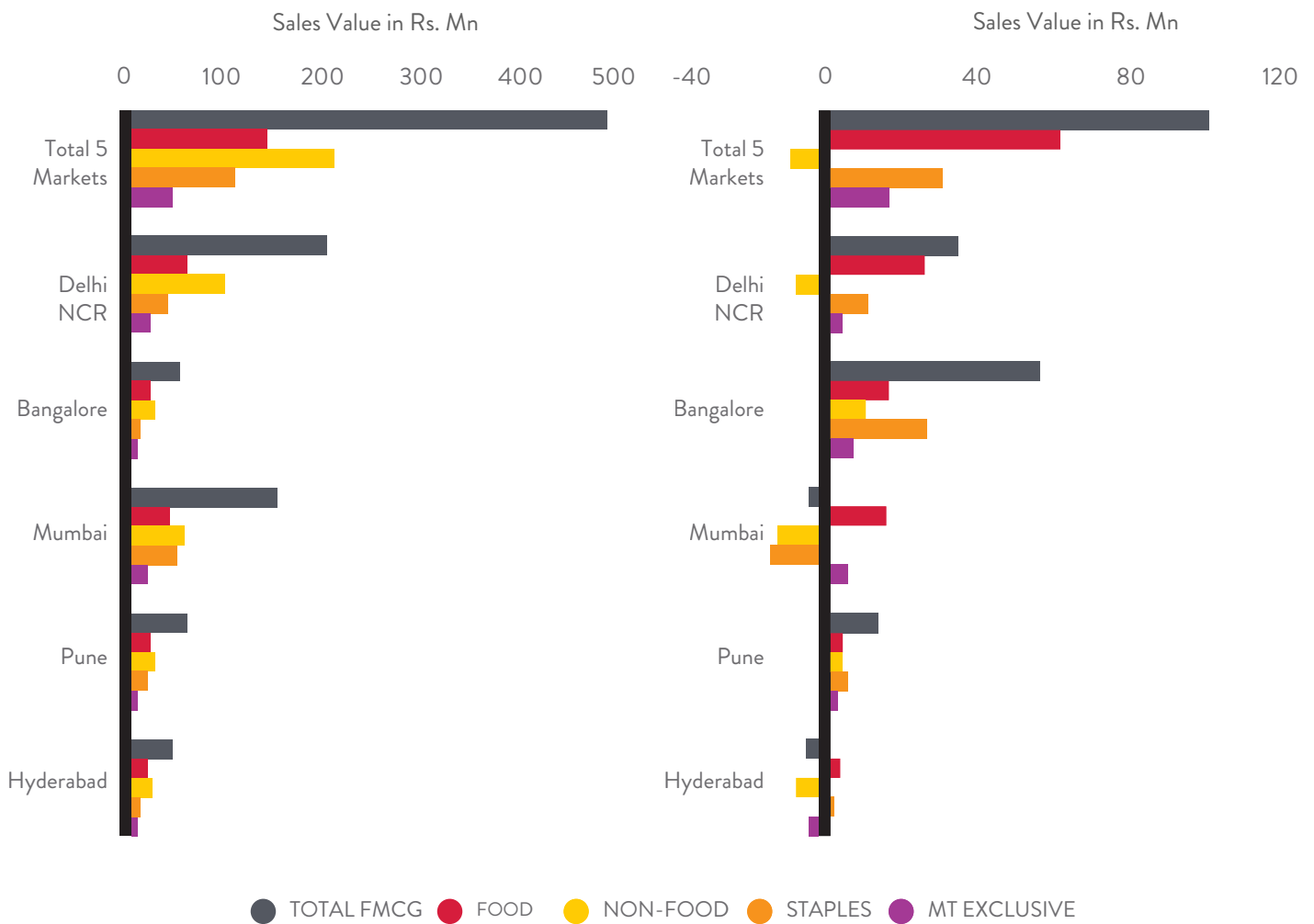
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Different events have a different impact on the composition of the shopping basket. On Republic Day 2012 for instance non-food products contributed the most to incremental sales. When you look at the total sales across all five markets and banners, the contribution of non-foods is double that of staples and is the leading category across markets. The food category comes in second followed by staples and items tracked only in Modern Trade.

It was a different story in 2013, with Food taking precedence in terms of contribution to incremental sales.

INCREMENTAL SALES YEAR AGO – REPUBLIC DAY 2012

INCREMENTAL SALES YEAR AGO – REPUBLIC DAY 2013



Source: Nielsen

REPUBLIC DAY 'SPECIALS'

A closer look at the shopping basket shows that amongst food products, soft drinks, biscuits, jams and salty snacks attracted greater shopper interest. Within non-food, deals on items of regular monthly usage like washing powders, toilet soaps, cleaners and detergents fared well while packaged rice and refined edible oils were staples that sold the most.

HIGH GROWTH CATEGORIES DURING REPUBLIC DAY



• FOOD

- SOFT DRINKS
- BISCUITS
- JAMS/JELLY/MARMALADES
- SALTY SNACKS, VERMICELLI & NOODLES & KETCHUPS & SAUCES

• NON-FOOD

- WASHING POWDERS
- TOILET SOAPS
- CLEANERS – FLOOR & TOILET
- DETERGENT CAKES/BARS & SANITARY NAPKINS

• STAPLES

- REFINED EDIBLE OILS
- PACKAGED RICE

• MT EXCLUSIVE

- PICKLES
- READY-TO-EAT



Source: Nielsen

OTHER HIGH GROWTH CATEGORIES

The evolving choices of the Indian shopper during event weeks also become clearer through weekly scanning analytics. While Skin Creams, Utensil Cleaners and Olive Oil were the fastest growing items during Republic Day in 2011, a different set of categories emerged in the subsequent years. Packaged Tea, Shampoo, Liquid Toilet Soaps, Packaged Pure Ghee and Spices were some of the fastest growing categories in 2012 and 2013.

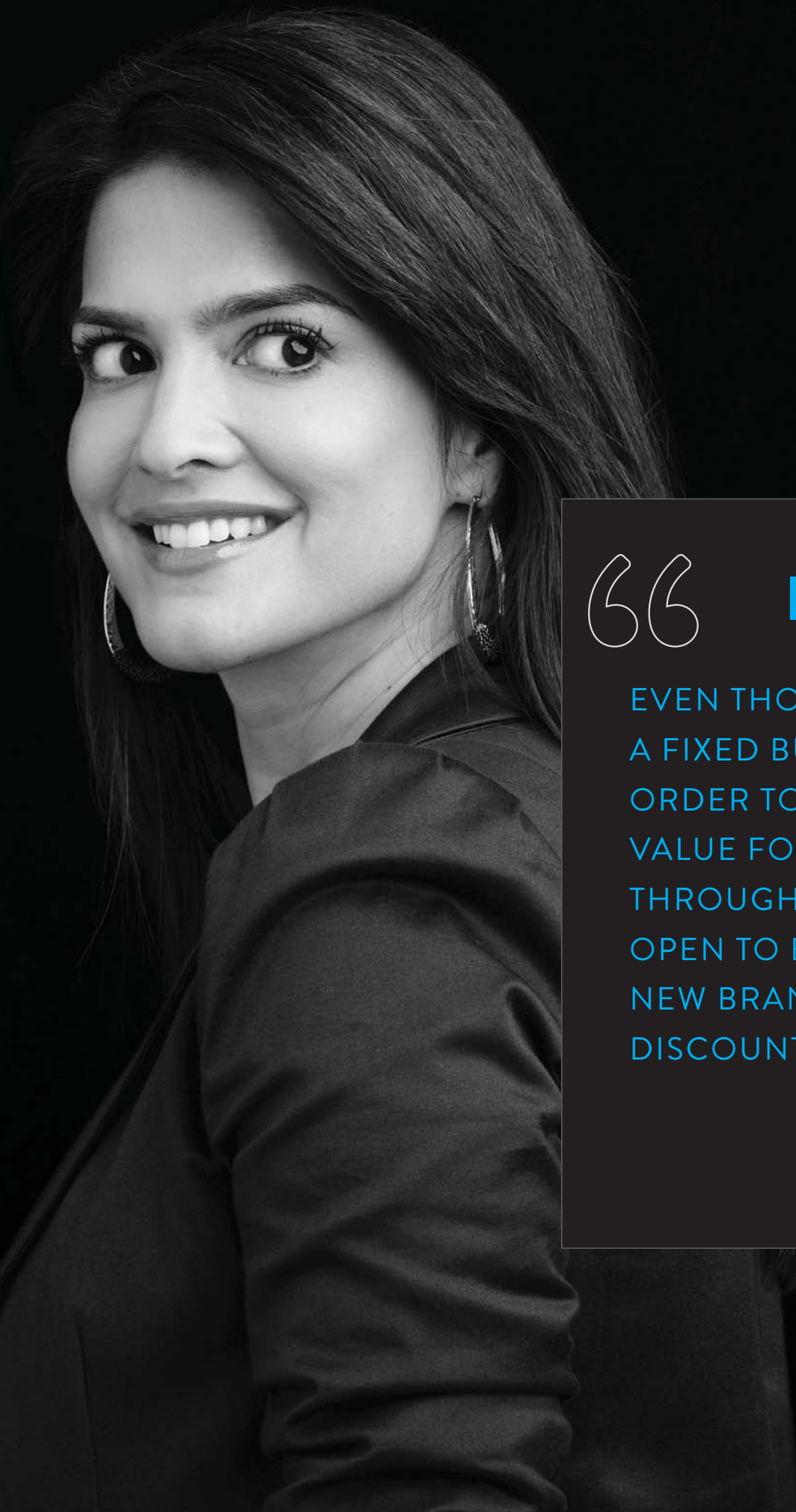
2011



2012 & 2013



Source: Nielsen



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SHOPPERSPEAK

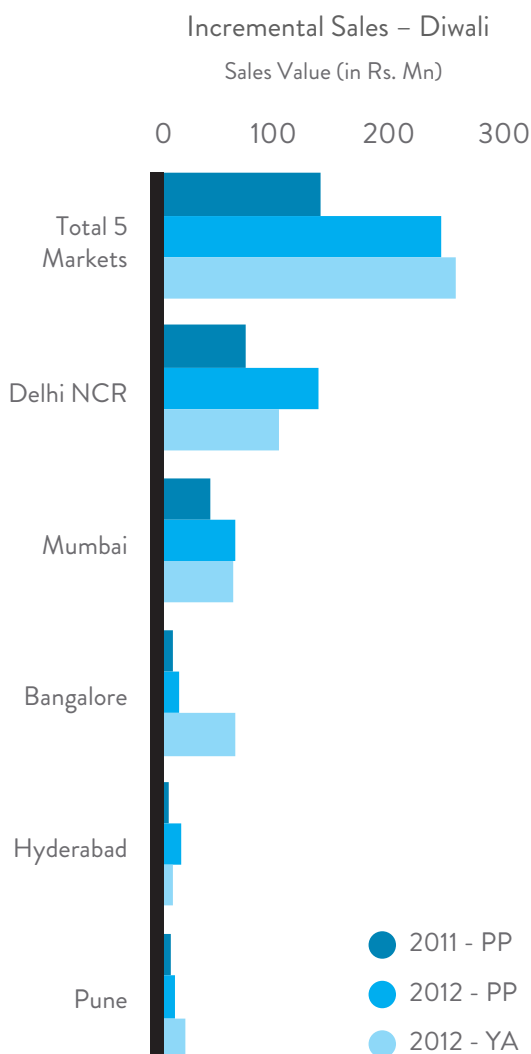
EVEN THOUGH I HAVE A FIXED BUDGET, IN ORDER TO MAXIMISE VALUE FOR MONEY THROUGH DEALS, I AM OPEN TO BUYING A NEW BRAND IF IT'S ON DISCOUNT.

”

FESTIVAL OF LIGHT MEANS HEAVIER SHOPPING BAGS

Diwali remains an important part of the shopper calendar as the key annual festival that shoppers look forward to. With an earmarked budget and the desire to gift and entertain guests, the focus lies on impulse category purchases. In 2012, the growth of sales versus the previous week outpaced that of 2011. Across locations, growth compared to the same week in the previous year has also been aggressive, growing from anywhere between a tenth (Hyderabad) to a third (Mumbai).

MARKET PERFORMANCE: DIWALI (2011 & 2012)



	% GROWTH PP		% GROWTH YA
Total 5 markets	2011 - PP	2012 - PP	2012 - YA
Total Market	19.0	27.9	29.8
Delhi NCR	32.1	51.2	33.8
Mumbai	21.0	26.3	24.9
Bangalore	7.0	8.0	45.6
Hyderabad	5.7	18.7	10.5
Pune	10.2	13.4	25.6

2011 PP: W/E 23/10/11 over W/E 16/10/11
2012 PP: W/E 11/11/12 over W/E 04/11/12
2012 YA: W/E 11/11/12 over W/E 23/10/11

GROWTH SPARK FOR IMPULSE ITEMS

Food sales during Diwali seem heavily weighted towards impulse items with soft drinks, chocolates and salty snacks contributing to nearly 80 percent of incremental sales. Other categories which saw healthy growth included refined edible oils, pure ghee (clarified butter) as well as ready-to-eat snacks.

Shoppers also chose additional categories: Biscuits, packaged tea, washing powders, rice, non-refined oils and frozen foods grew more incrementally in 2012 than they did in 2011. Skin creams, though an important category during occasions when shoppers are particularly keen on looking and feeling good, has shown higher incremental sales in 2011 during a time when there were more new launches than in 2012.

HIGH GROWING COMMON CATEGORIES IN DIWALI



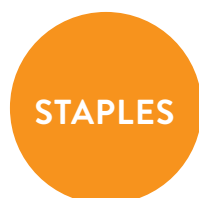
FOOD

- SOFT DRINKS
- CHOCOLATES
- SALTY SNACKS



NON-FOOD

- TOOTHPASTES
- CLEANERS – UTENSIL



STAPLES

- REFINED EDIBLE OILS



MT EXCLUSIVE

- PACKAGED PURE GHEE
- READY-TO-EAT

	2011 PP	2012 PP	2012 YA
FOOD	91	183	21
Soft Drinks	23	58	29
Chocolates	31	61	30
Salty Snacks	17	27	16
NON-FOOD	24	17	70
Toothpastes	3	2	4
Cleaners - Utensil	1	1	4
STAPLES	20	47	69
Refined Edible Oil	13	39	48
MT EXCLUSIVE	12	14	13
Packaged Pure Ghee	8	8	3
Ready-To-Eat	2	4	4

Sales Value in Rs. Mn

Diwali 2011 (incremental PP): W/E 23/10/11 over W/E 16/10/11
 Diwali 2012 (incremental PP): W/E 11/11/12 over W/E 04/11/12
 Diwali 2012 (incremental YA): W/E 11/11/12 over W/E 23/10/11

PP = Previous Period, YA = Year Ago

Source: Nielsen

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SHOPPERSPEAK

I USUALLY BUY MORE THAN EXPECTED DURING DIWALI AND EVEN IN AUGUST DURING THE RAKHI FESTIVAL AS SUPERMARKETS OFFER A GREAT DEAL OF DISCOUNTS ON GIFTING ITEMS LIKE BISCUITS, CHOCOLATES, SOFT DRINKS & JUICES.

”

SOME BRANDS CELEBRATE MORE THAN OTHERS

A specific set of categories and certain SKUs (Stock Keeping Units) within, appears to have had a brighter Diwali. Amongst biscuits for instance, the box pack of some brands observed a sharper rise during the Diwali week while in soft drinks, two-litre pet bottles, 4-pack energy drinks and the 1.2 litre pack of mango juice appear to have done better than the category aggregate for the same period. Within the non-food category too, shoppers flocked to some SKUs thanks to better in-store and promotional strategies by some brands.

THE EVENT PLANNER'S PLAYBOOK

These weekly analytics are now arming retailers and manufacturers with the ability to read the market and respond faster and more effectively. Here's how Scantrack is helping shape retail marketing strategies and how it can help transform India's shopper marketing arsenal.

Understand where the uplift is likely to come from: Use weekly analytics to understand which markets and SKUs are likely to result in the greatest uplift and plan your assortment accordingly.

Diagnose competitive strengths and weaknesses: Get a deeper understanding of which competitors are doing what during events and how you can counter them.

Develop a deeper understanding of the event shopper: Study shifts in shopper preferences to plan your promotional strategies and create an integrated approach to direct shoppers to the categories and brands that benefit your portfolio.

WINNING THROUGH SCANTRACK

IDENTIFY HIGH GROWTH
CATEGORIES THROUGH
WEEKLY ANALYTICS

UNDERSTAND WHAT
RIVAL BRANDS ARE
DOING ESPECIALLY
DURING EVENT WEEKS

ANALYSE CHANGES IN
SHOPPER BEHAVIOUR TO
IMPROVE PROMOTIONAL
STRATEGIES

ABOUT THE STUDY

The Event Overview – Modern Trade study was conducted across five key markets of Mumbai, Delhi NCR, Bangalore, Pune and Hyderabad across seven major modern trade outlets. Scantrack data for the past three years during Republic Day, Independence Day, Labour Day and Diwali were analysed to arrive at the findings.

Shreya Chhabra of the Nielsen Retailer Services team and Nielsen India's National Analysis Team were instrumental in creating this report.

ABOUT SCANTRACK

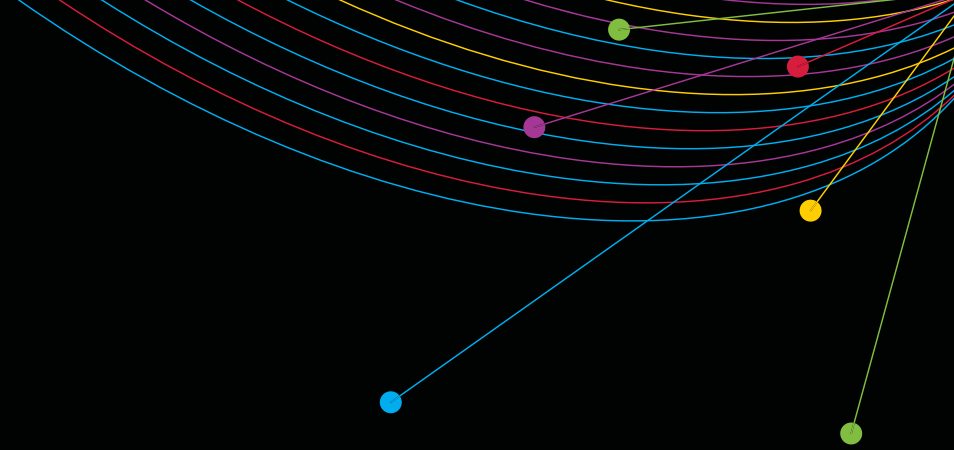
Scantrack® enables manufacturers and retailers to examine key business trends by product, category and market using scanner-based sales information gathered weekly from key modern trade chains. For more details, please contact: sanchali.chakraborty@nielsen.com, hardeep.singh@nielsen.com

ABOUT NIELSEN

Nielsen Holdings N.V. (NYSE: NLSN) is a global information and measurement company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence, mobile measurement, trade shows and related properties. Nielsen has a presence in approximately 100 countries, with headquarters in New York, USA and Diemen, the Netherlands.

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