



# Unfolding the Product Mix

## The Nielsen Annual Client Conference

Date: May 16, 2007



Realising opportunities in the

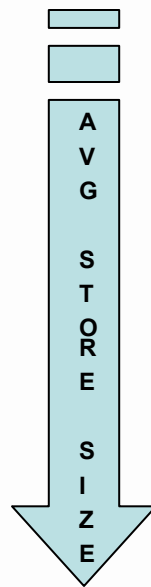
*dynamic*

Retail, Media and Consumer environment

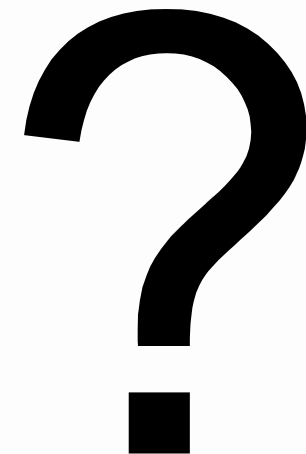


**“Increasing throughputs per store”**

2002
110 sq ft



2006
96 sq ft



# Competitiveness has increased manifold especially in Metros

		<i>Avg Brand/ SKU stocking per store</i>	
		2002	2006
<b>All India</b>	<b>Brand</b>	<b>94</b>	<b>104</b>
	<b>SKU</b>	<b>154</b>	<b>187</b>
<b>Metros</b>	<b>Brand</b>	<b>121</b>	<b>157</b>
	<b>SKU</b>	<b>208</b>	<b>303</b>
<b>Rural</b>	<b>Brand</b>	<b>52</b>	<b>57</b>
	<b>SKU</b>	<b>74</b>	<b>80</b>

While more competitors can be seen within each product category, the 'Big Daddies' continue to dominate

	2002	2006
Avg number of Companies Per category	35	54
Avg number Companies commanding 75% of the category sales	3	4





consumer  
360

**Using in-store space more effectively**



consumer  
360

Even getting out of the store for display

## Does this mean...

- All product categories are behaving similarly OR are there any differences?
  - Increasing competition and
  - Dominance of few companies
- If there are differences, then are there any specific movements that can be observed in the product mix of these categories?

# Investigate



- Category Groups
- Product mix : Key differences across groups
  - Pack sizes
  - Price points
  - Promotions
  - Media Spends
- Movements in the future!

# The Dimensions



Y Axis- Competition

*Number of players in the category*

← Sparse to Congested →

X Axis – Strength of Dominance

*Percentage of top players in the category*

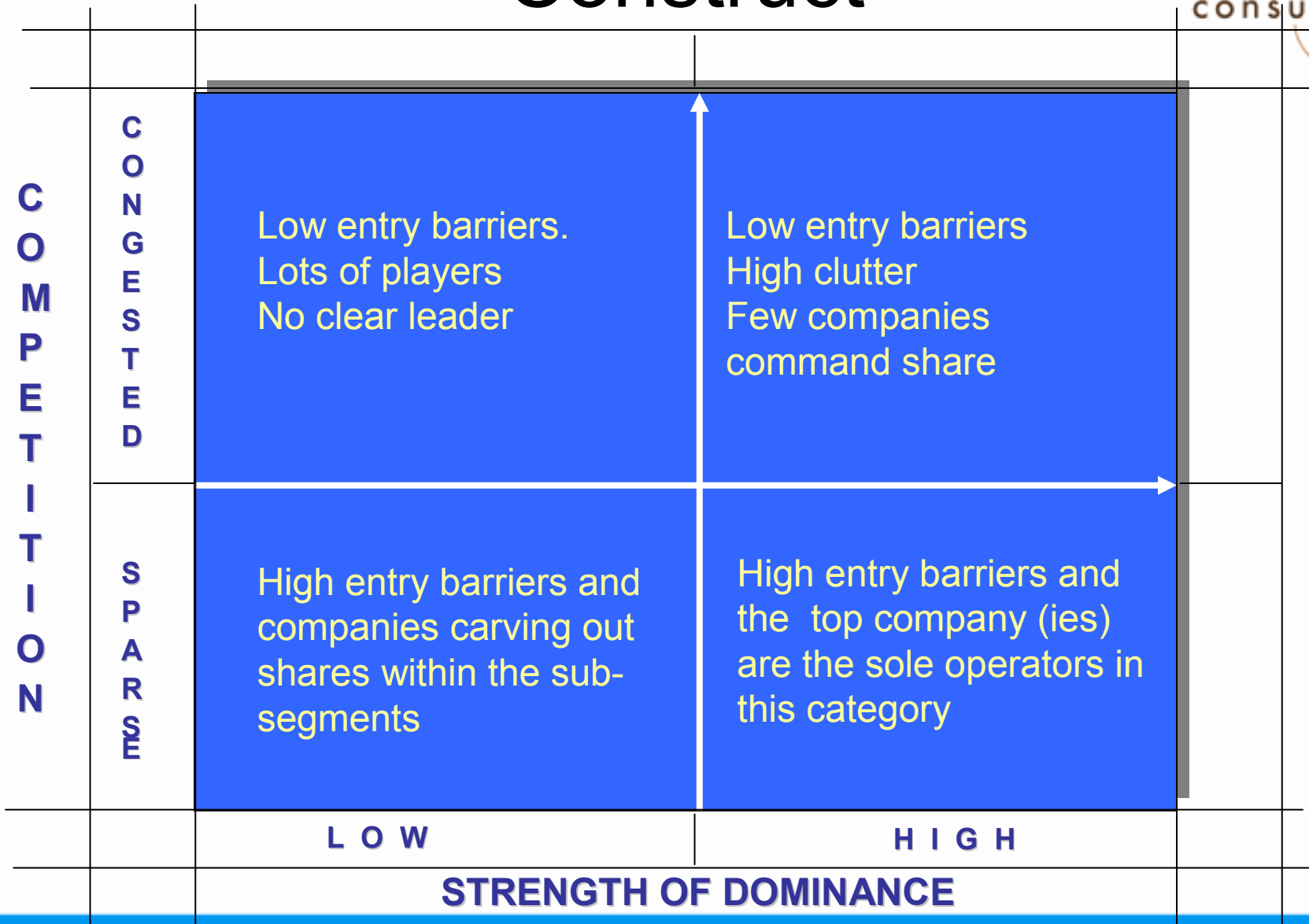
*(Top companies defined as the number of companies contributing to 75% share of category)*

← Low to High →

***Analysis done for the top 45 categories which account for 92% of FMCG sale***

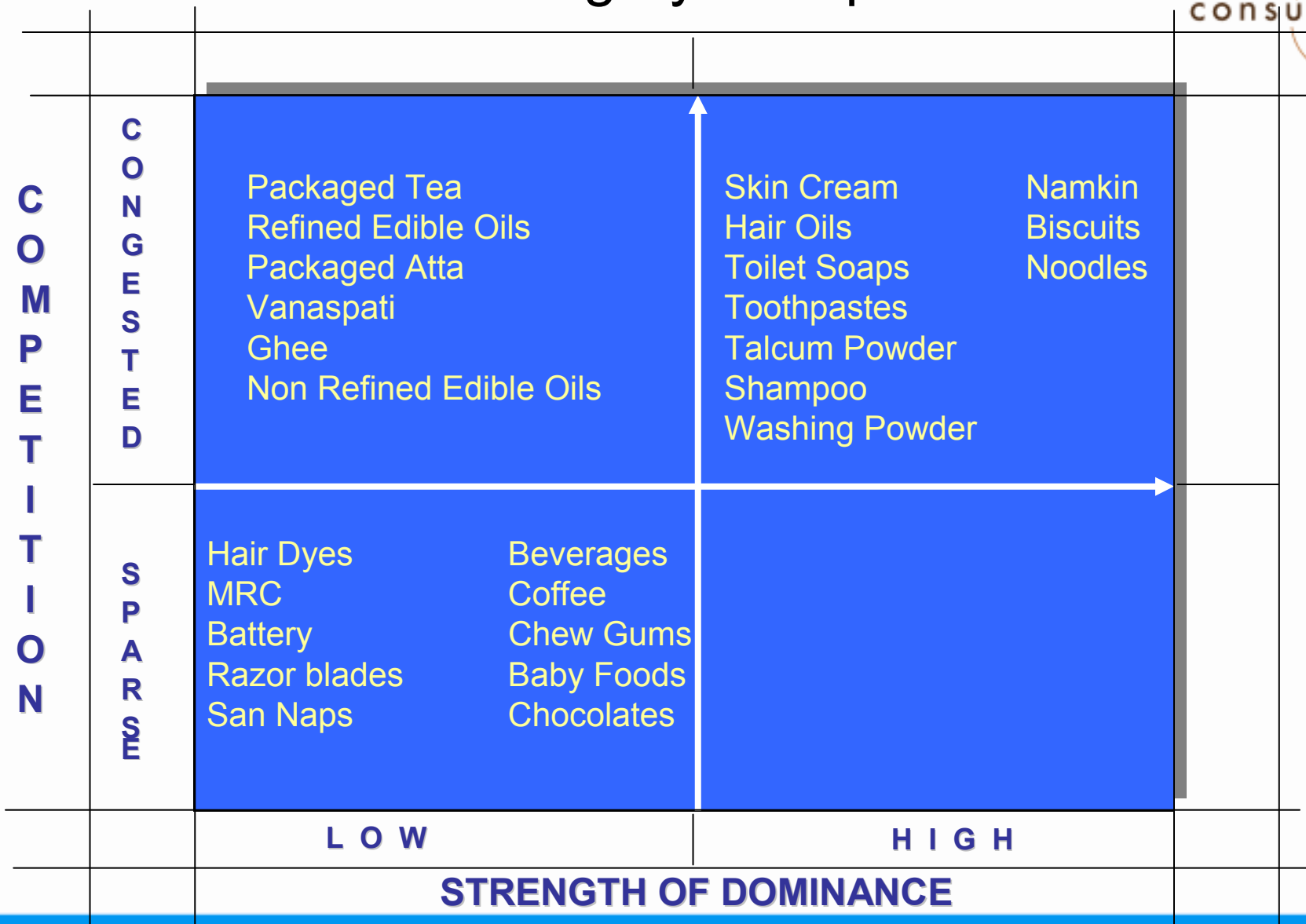
# Construct

consumer  
360



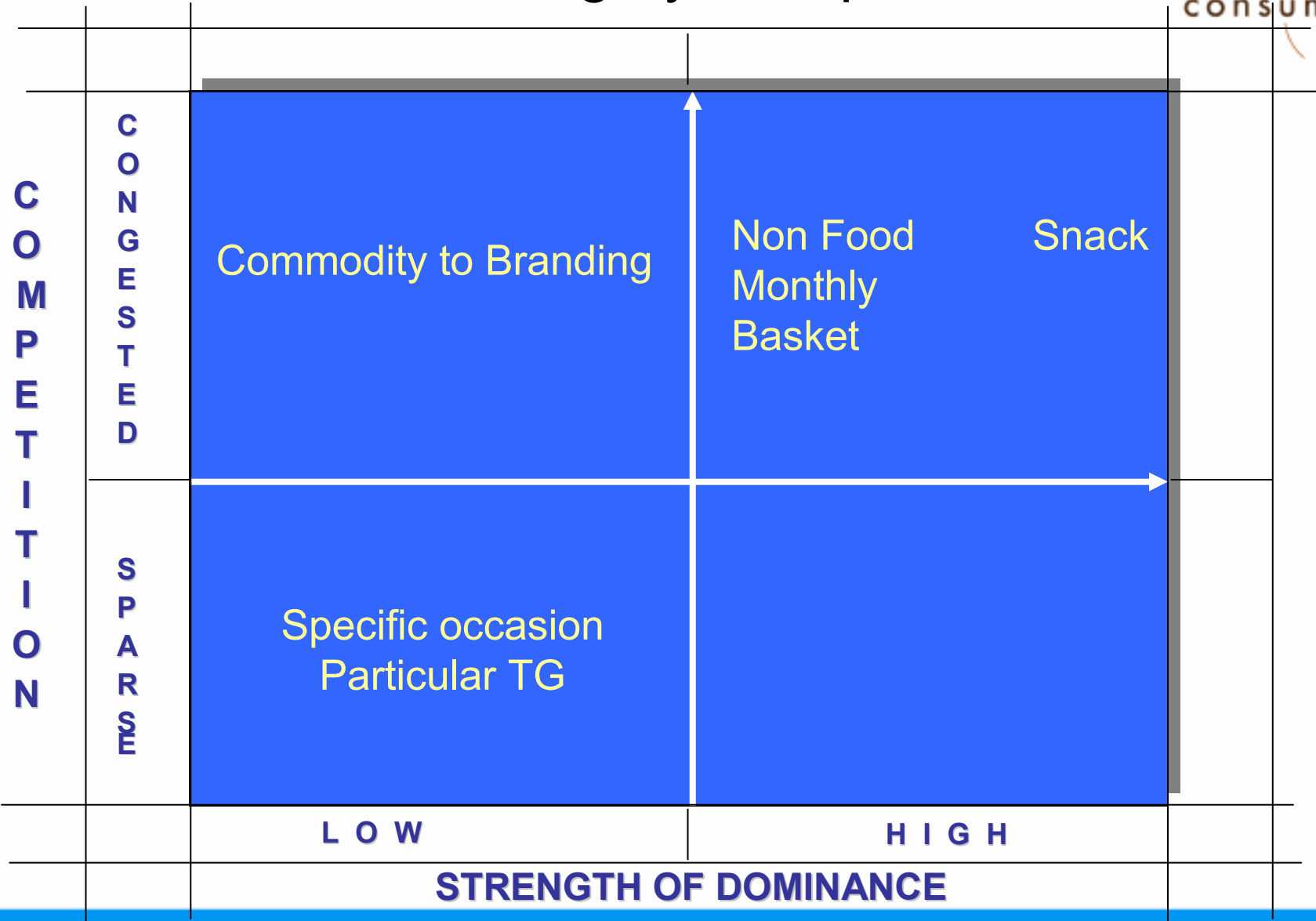
# Category Groups

consumer  
360



# Category Groups

consumer  
360



# Category Group Characteristics

consumer  
360

		<b>CONGESTED</b>	
		<b>CONVERTERS</b>	<b>ENTRENCHED</b>
<b>C O M P E T I T I O N</b>	<b>C O N G E S T E D</b>	<ul style="list-style-type: none"> <li>•No. of Categories (10)</li> <li>•Avg number of players (85)</li> <li>•Avg number of Cos contributing to 75% (11)</li> </ul> <div style="border: 1px solid white; padding: 5px; width: fit-content; margin: 10px auto;">23% (11%;CAGR)</div>	<ul style="list-style-type: none"> <li>•No. of Categories (18)</li> <li>•Avg number of players (116)</li> <li>•Avg number of Cos contributing to 75% (4)</li> </ul> <div style="border: 1px solid white; padding: 5px; width: fit-content; margin: 10px auto;">52% (10% ; CAGR)</div>
	<b>S P A R S E</b>	<ul style="list-style-type: none"> <li>•No. of Categories (17)</li> <li>•Avg number of players (26)</li> <li>•Avg number of Cos contributing to 75% (3)</li> </ul> <div style="border: 1px solid white; padding: 5px; width: fit-content; margin: 10px auto;">17% (9%; CAGR)</div>	<b>LEADERS</b>
		<b>L O W</b>	<b>H I G H</b>
<b>STRENGTH OF DOMINANCE</b>			

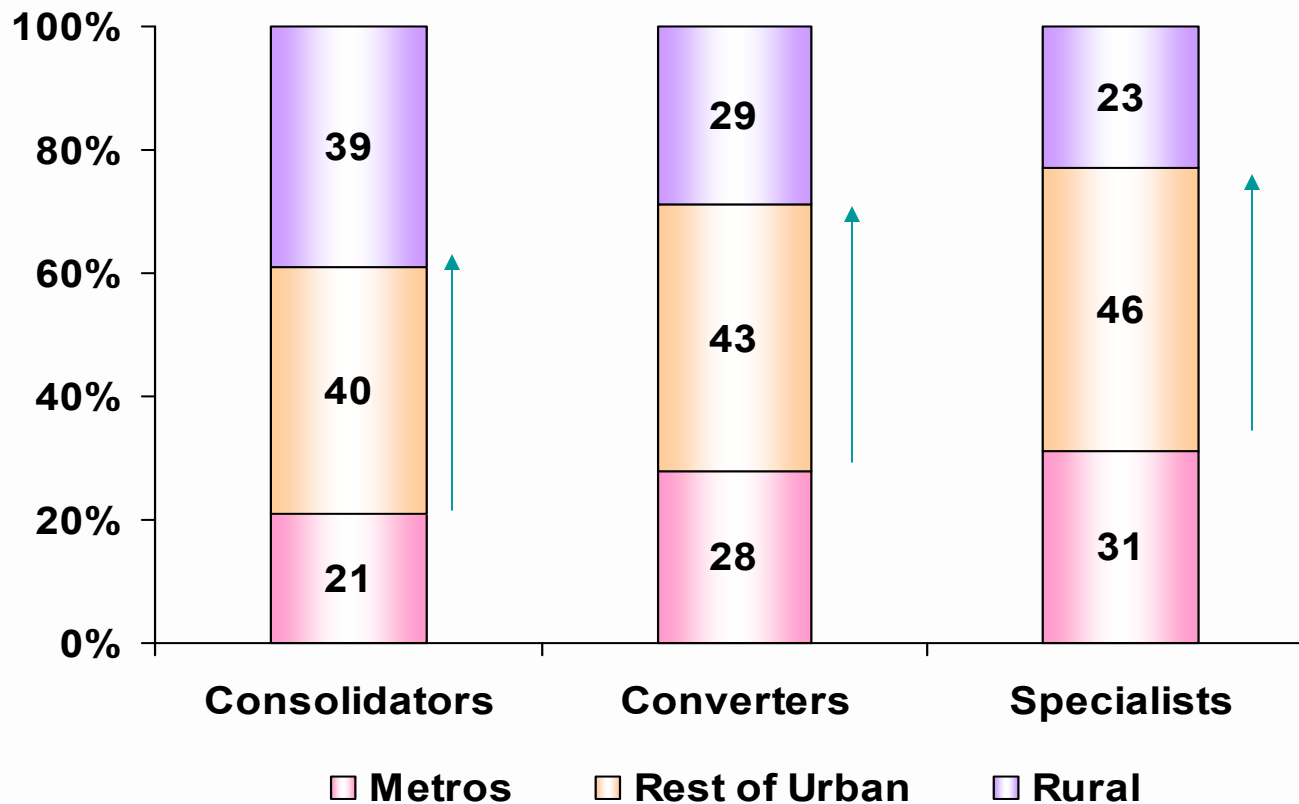
# Investigate



- Product mix : Key differences across groups
  - Pack sizes
  - Price points
  - Distribution
  - Promotions

• Intelligent moves for a better future!

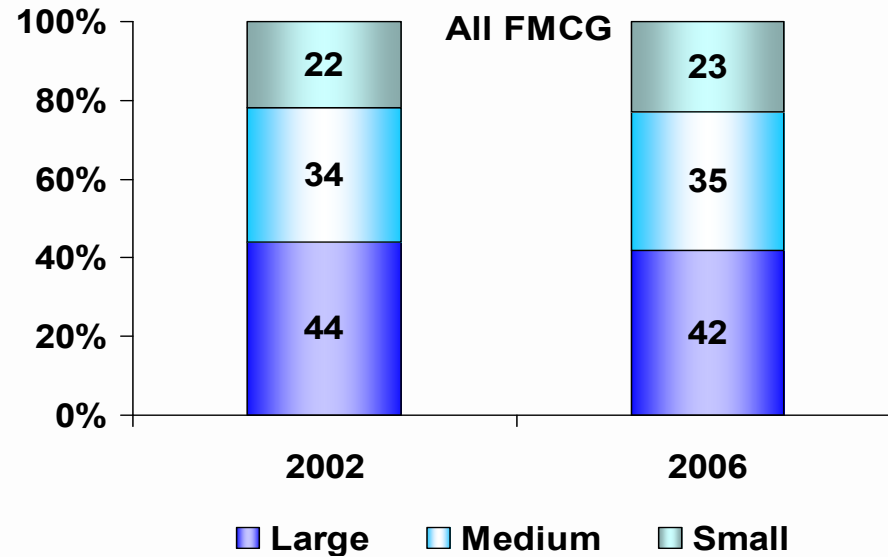
# Specialists and Converters have their volumes coming from Urban India, especially metros



**Rest of Urban is growing faster than other markets across clusters**

# Minor pack shifts at overall FMCG level

## Growths driven by the lower pack sizes

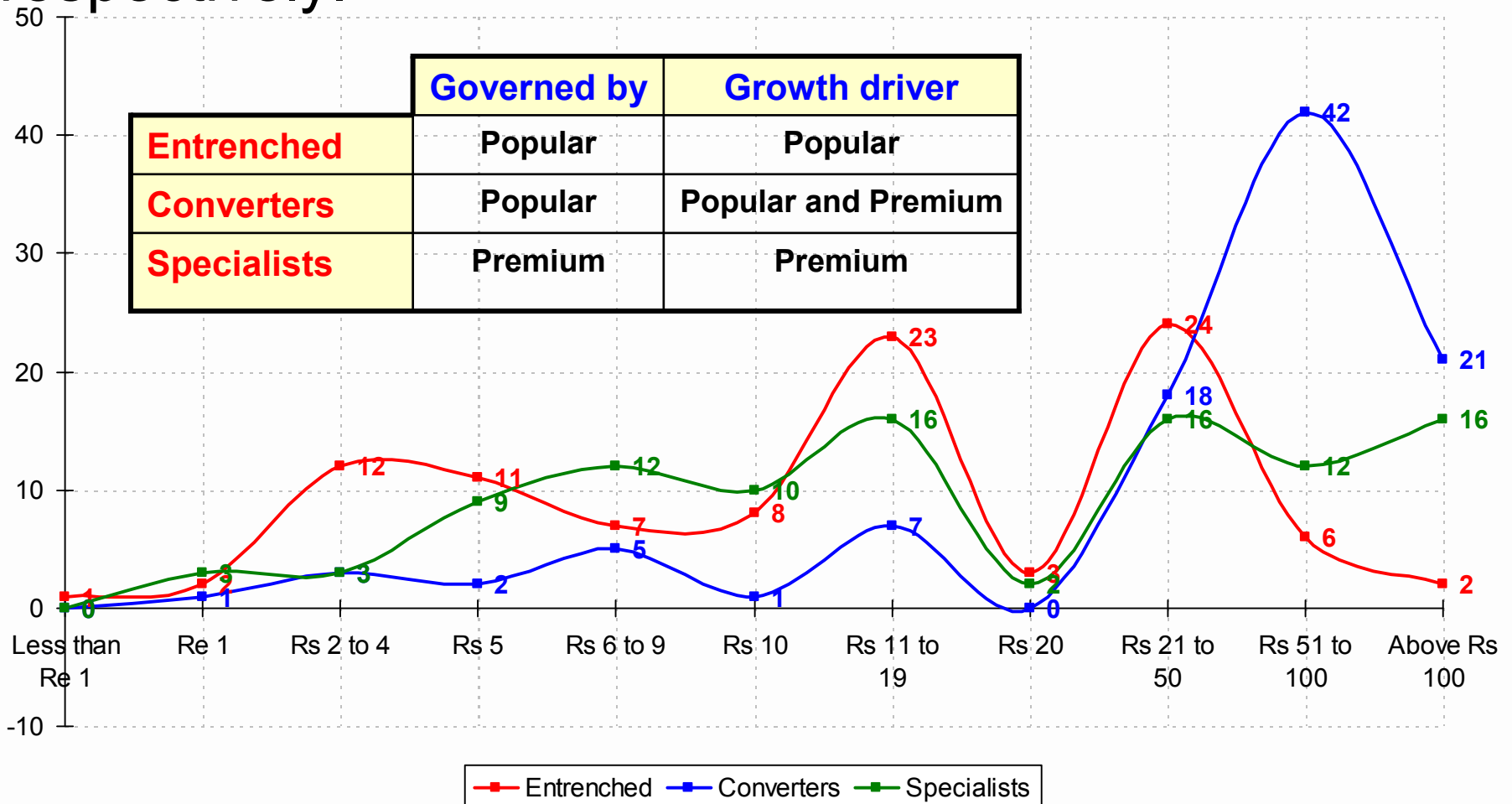


	Governed by	Growth Driver
<b>Entrenched</b>	Large & Medium	Small
<b>Converters</b>	Large	Medium
<b>Specialists</b>	Large	Medium

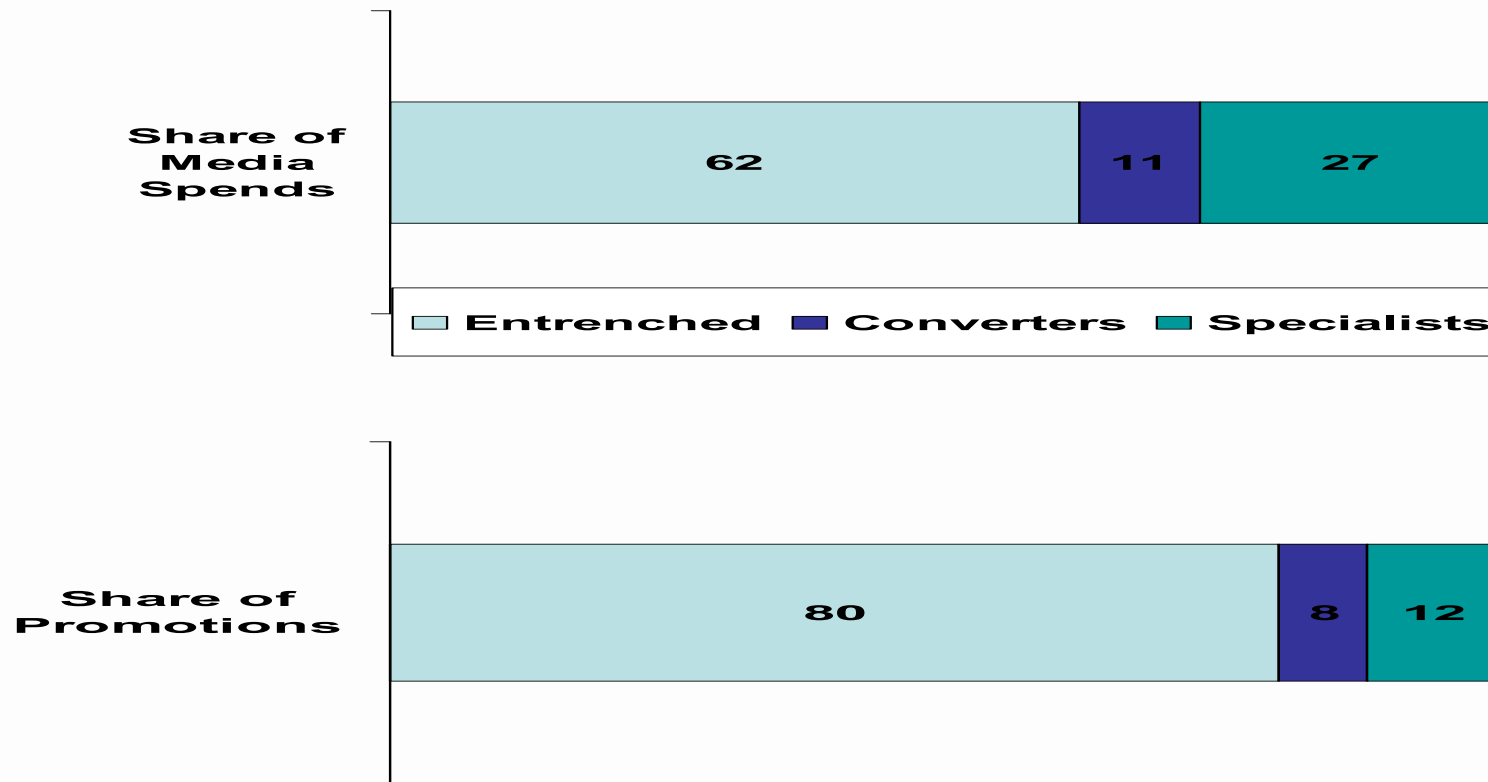
Salience of small packs increasing faster in Rural markets

Metros show a move to medium packs

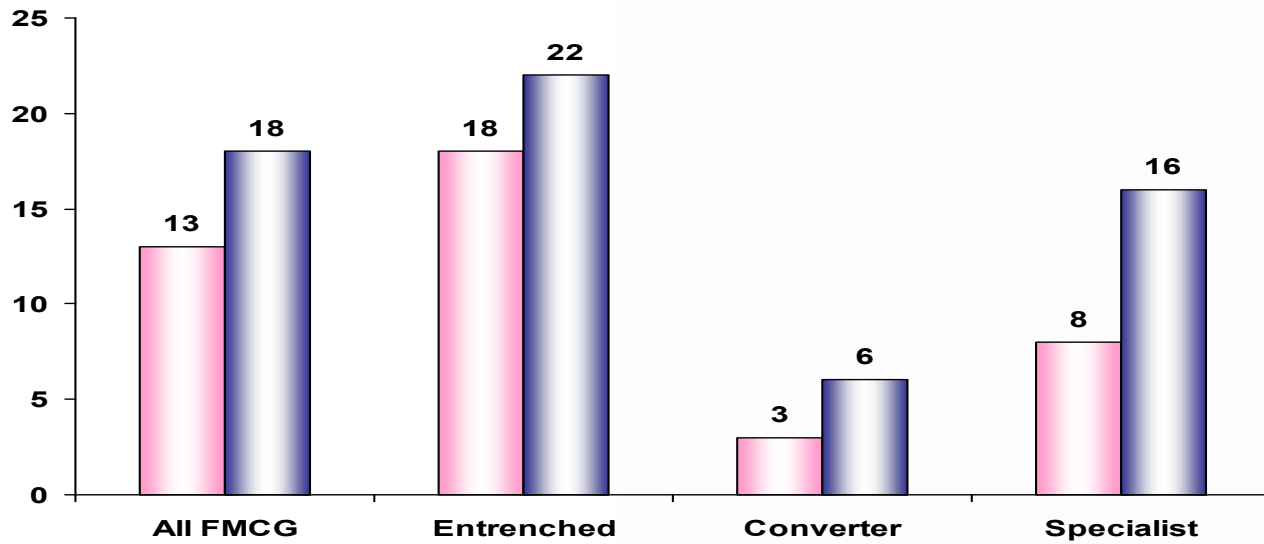
# Entrenched & Specialists using lower price-point for Share maintenance and Driving trials respectively.



# Entrenched having disproportionate Media spends as well as Promotions due to higher competitiveness



# Specialists group dependant on all types of promotions to boost trials



<b>Kind</b>				✓
<b>Volume</b>	✓	✓	✓	✓
<b>Value</b>	✓	✓		✓

# To Summarise

		CONVERTERS	CONSOLIDATORS
C O M P E T I T I O N		<ul style="list-style-type: none"> <li>Lesser rural focus</li> <li>Focus shifting to Medium packs</li> <li>Steering towards Premium pricing</li> <li>Distbn still in expansion phase</li> <li>Lowest Promo (Vol)</li> <li>Low Media spends</li> </ul>	<ul style="list-style-type: none"> <li>Good spread across TCL</li> <li>Plugging price points</li> <li>Controlled by Popular pricing</li> <li>Top Co.s lead by strong distribution levels</li> <li>High Promo (Vol/Val)</li> <li>High Media Spends</li> </ul>
		<ul style="list-style-type: none"> <li>Lesser rural focus</li> <li>Focus shifting to Medium packs</li> <li>Governed by Premium price</li> <li>Distbn still in expansion phase</li> <li>Promo increasing (all types)</li> <li>High media spends</li> </ul>	
		SPECIALISTS	
		STRENGTH OF DOMINANCE	

# A Presage to the Future Trends

# Thank you