



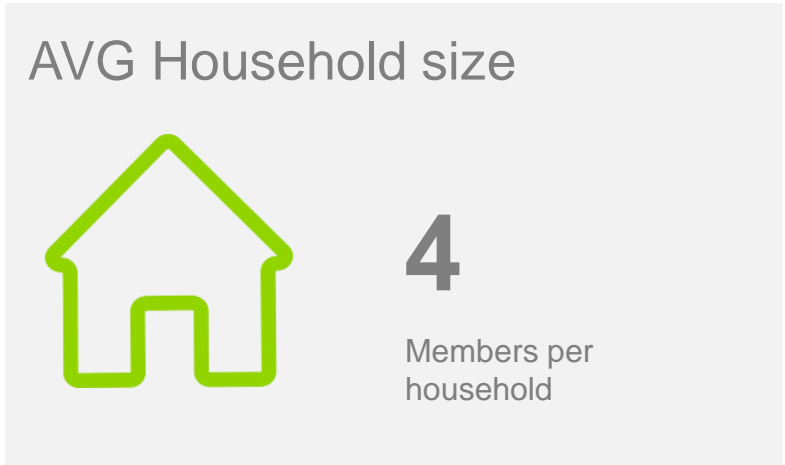
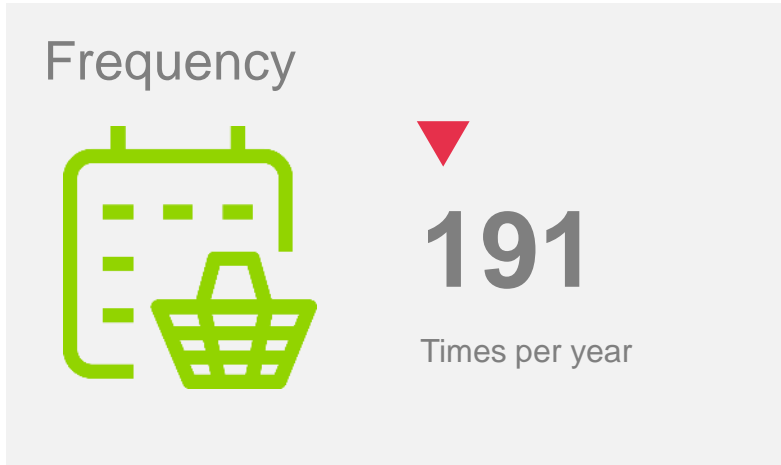
**KANTAR** WORLDPANEL

**Consumer Insights Latam**

Full Year 2017

April 2018

# Latam key indicators 2017: Slow growth and inflation deceleration.

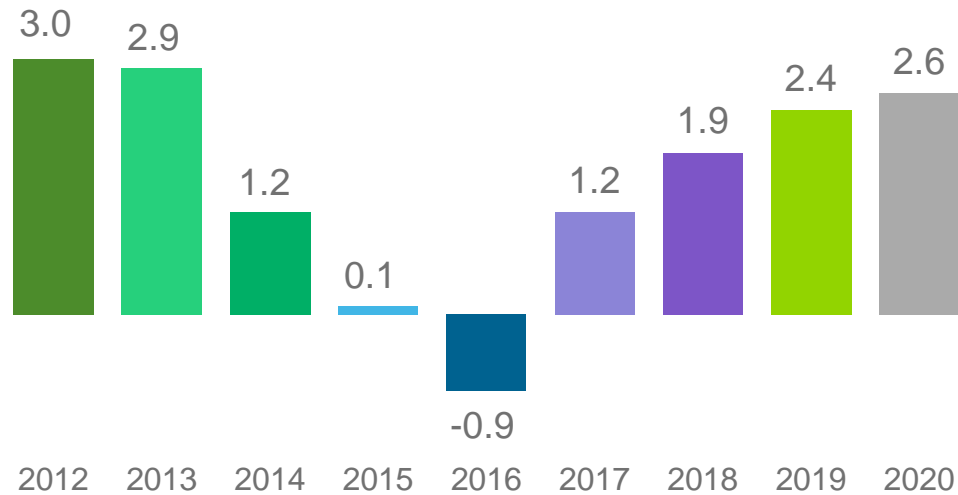


FY '17 vs FY '16 | Total FMCG

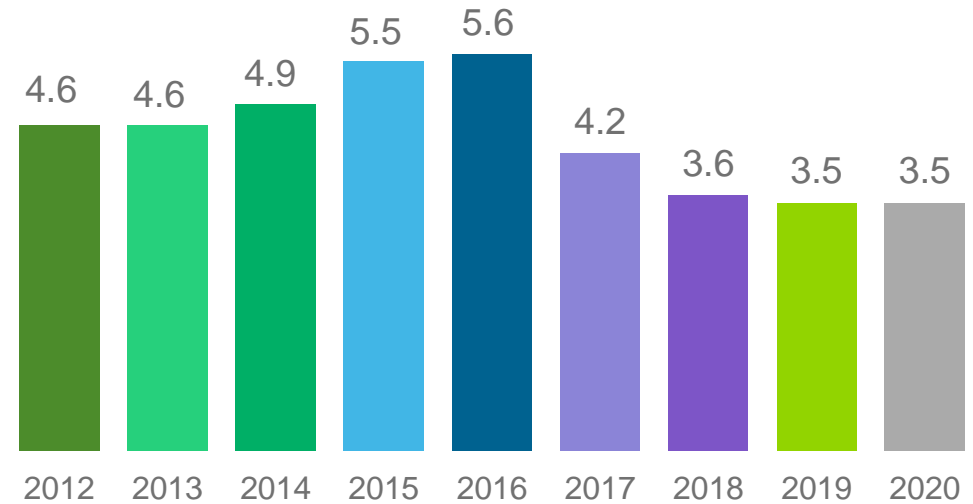
# Latam economies' growth accelerate until 2020

Brazil, Chile, Colombia and Peru lead the region's growth

GDP (%) Latam  
Growth and projection













% Latam inflation



Source: Var (%) Gross Domestic Product, Constant prices, IMF October 2017 \* Forecast 2018, 2019 and 2020 | Total Latam  
Inflation, consumption prices, IMF October 2017\* Forecast 2018, 2019 and 2020 | Total Latam

## Key indicators Latam – 2017: Bolivia and CAM strong growth. Recession in Venezuela. Recovery in Brazil.

		GDP Growth 2017 <sup>1</sup>	Inflation 2017 (CPI%) <sup>2</sup>	Unemployment 2017 <sup>3</sup>	Frequency of purchase (FY 2017)	Average expenditure USD (FY 2017)	Average Household Size
	ARG	2.5%	24.8%	8.7%	100	1,582	3
	BOL	4.5%	2.7%	4.5%	268	1,756	5
	BRA	1.0%	2.8%	11.8%	82	1,245	3
	CAM	4.4%	3.5%	6.1%	209	1,417	4
	CHI	1.5%	2.3%	6.6%	121	1,647	3
	COL	1.7%	4.1%	8.4%	186	1,057	4
	ECU	1.5%	-0.2%	5.0%	225	1,547	4
	MEX	1.8%	6.8%	3.4%	244	1,163	4
	PER	2.4%	1.5%	6.5%	288	1,626	4
	VEN	-7.4%	1134%	25.0%	189	277,772*	4

**ARGENTINA** Fuente (1): FMI – (2): Ecolatina – (3): INDEC / **BOLIVIA** Fuente (1, 2 y 3): INE Bolivia / **BRASIL** Fuente (1 y 2): Banco Central – (3): IBGE / **CAM** Fuente (1, 2 y 3): Promedio 6 países según Banco Central de cada país / **CHILE** Fuente (1 y 3): Banco Central de Chile – (2): INE / **COLOMBIA** Fuente (1): FMI – (2 y 3): Departamento Administrativo Nacional de Estadística (DANE) / **ECUADOR** Fuente (1 y 2): Banco Central del Ecuador – (3): INEC / **MÉXICO** Fuente (1 y 3): INEGI – (2): Banxico / **PERÚ** Fuente (1, 2 y 3): INEI / **VENEZUELA** Fuente (1, 2 y 3): FMI 2017 (\*Tasa Dipro Bs 10,00)



“

Latin American households spend an average of 1,500 USD per year on their consumer goods basket. That is 4 USD per day per family... or 1 USD per day per person!

Consumption is “stable”, with a volume growth of only 1.7% compared to the year before, although we spent 8% more due to an increase in prices.

The region is undergoing channel reconfiguration. New formats are emerging (discounters, wholesalers) that respond to the shopper’s need to trim down their budget.

Food and home care are the baskets with the largest growth thanks to discount brands and local players.

We foresee a volume growth of less than 2% for the FMCG sector in 2018.

**Virginia Garavaglia**  
Marketing Director Kantar Worldpanel Latam

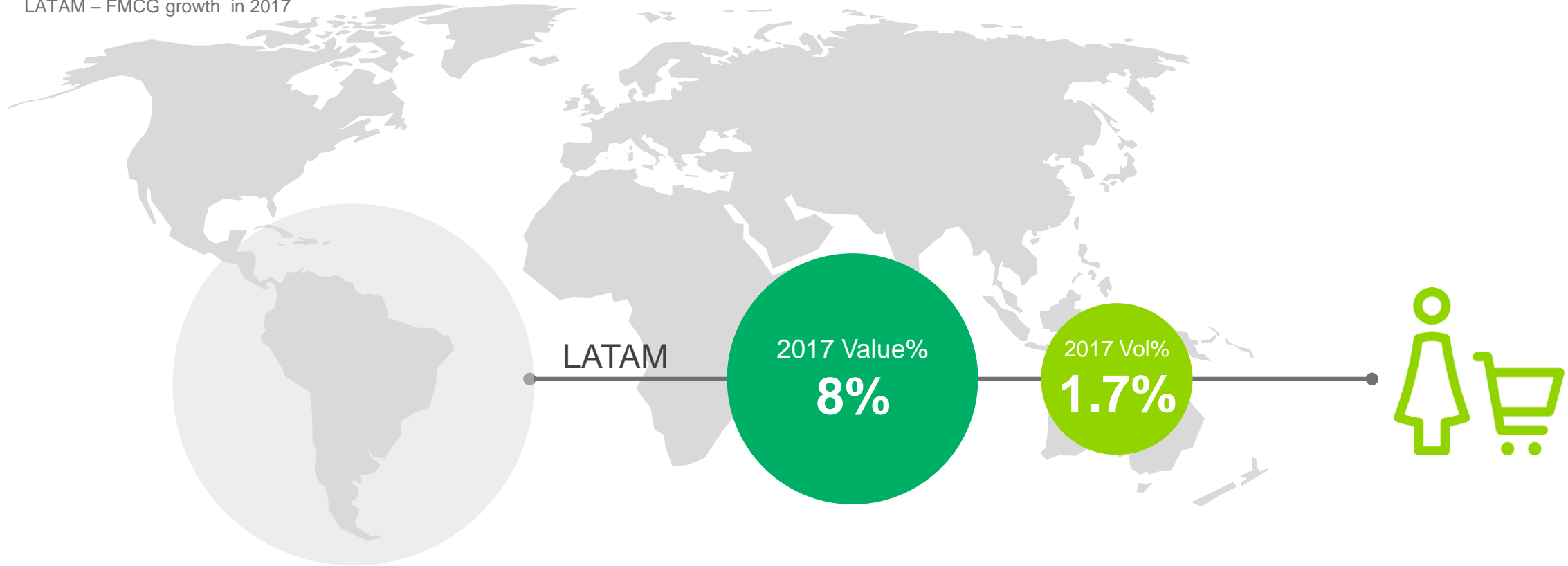
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# Slow growth context for the Latam FMCG sector

Due to inflation growth increased 8%.

LATAM – FMCG growth in 2017

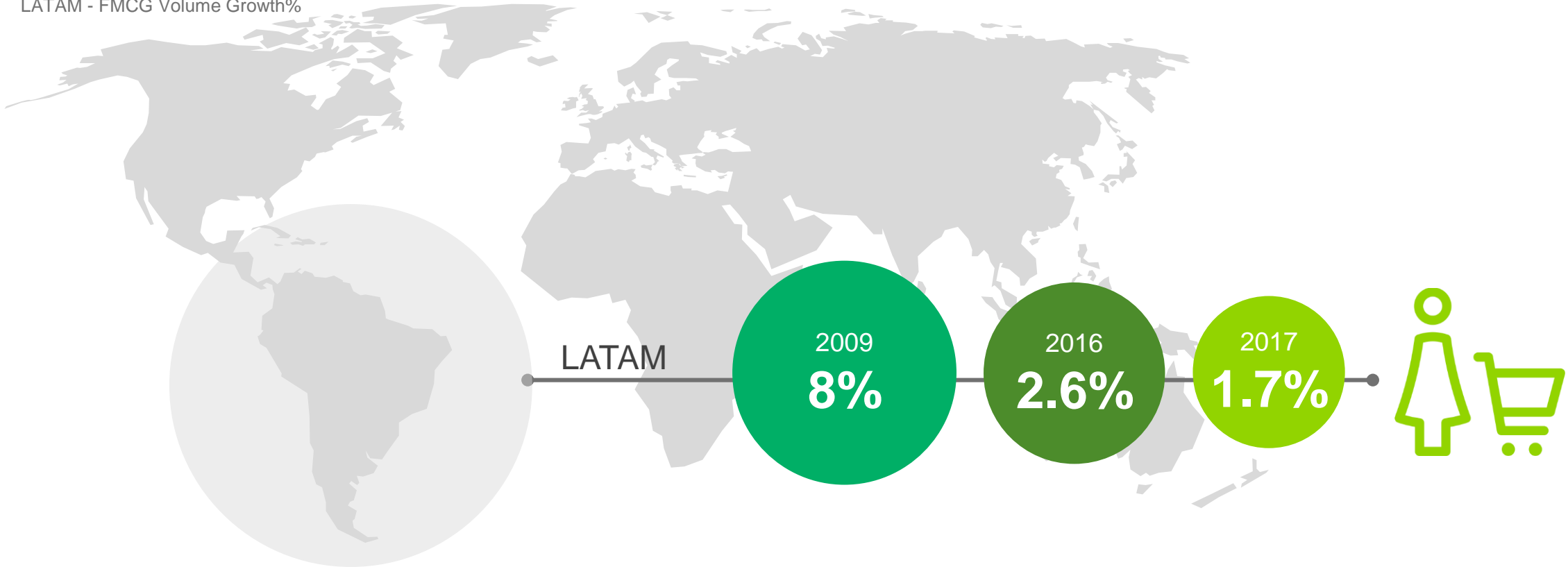


Source: FMCG 2017 vs YA | Total Latam (excludes Venezuela)

# Consumption decelerates, from an 8% growth to a less than 2% in 8 years

No more double digits rates for Brazil, Colombia and Bolivia

LATAM - FMCG Volume Growth%



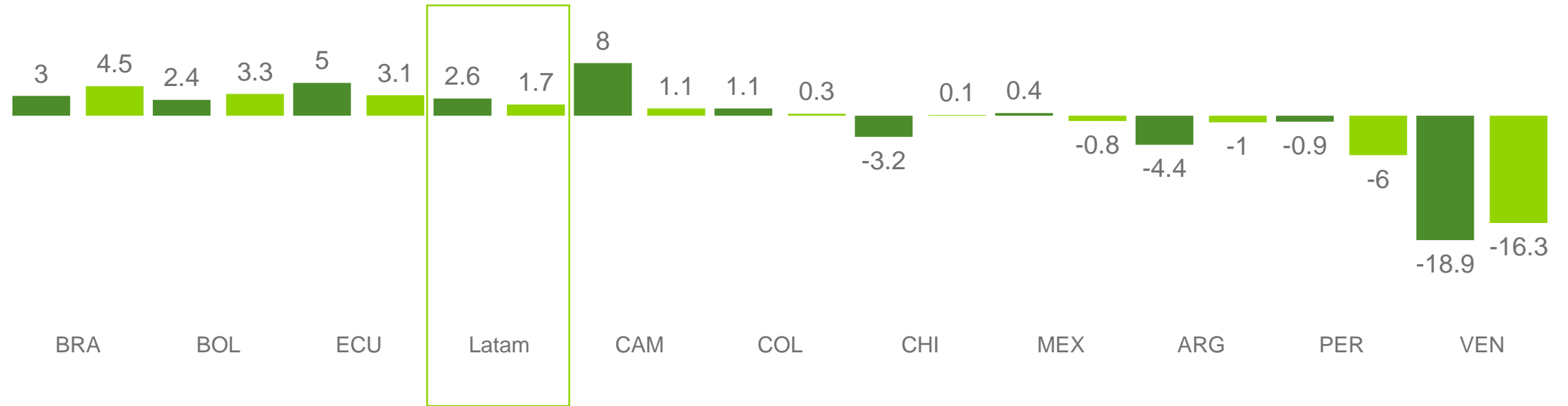
Source: FMCG 2017 vs YA | Total Latam (excludes Venezuela)

# Brazil and Bolivia recover in 2017, with timid growth rates

Most of countries decelerate or even shrink the consumption

Volume Variation % YoY

■ 2016 ■ 2017

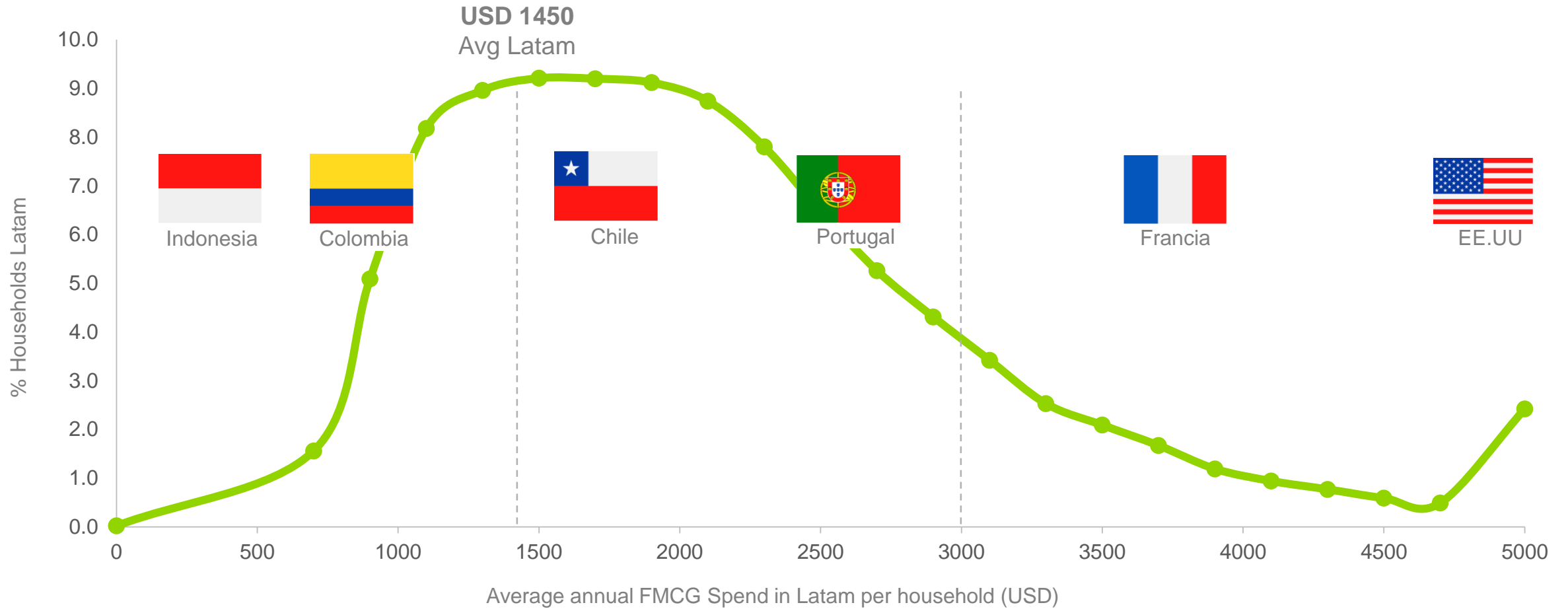


Source: FMCG 2017 vs YA | Total Latam



# On average, Latin American households spend one dollar a day on FMCG goods

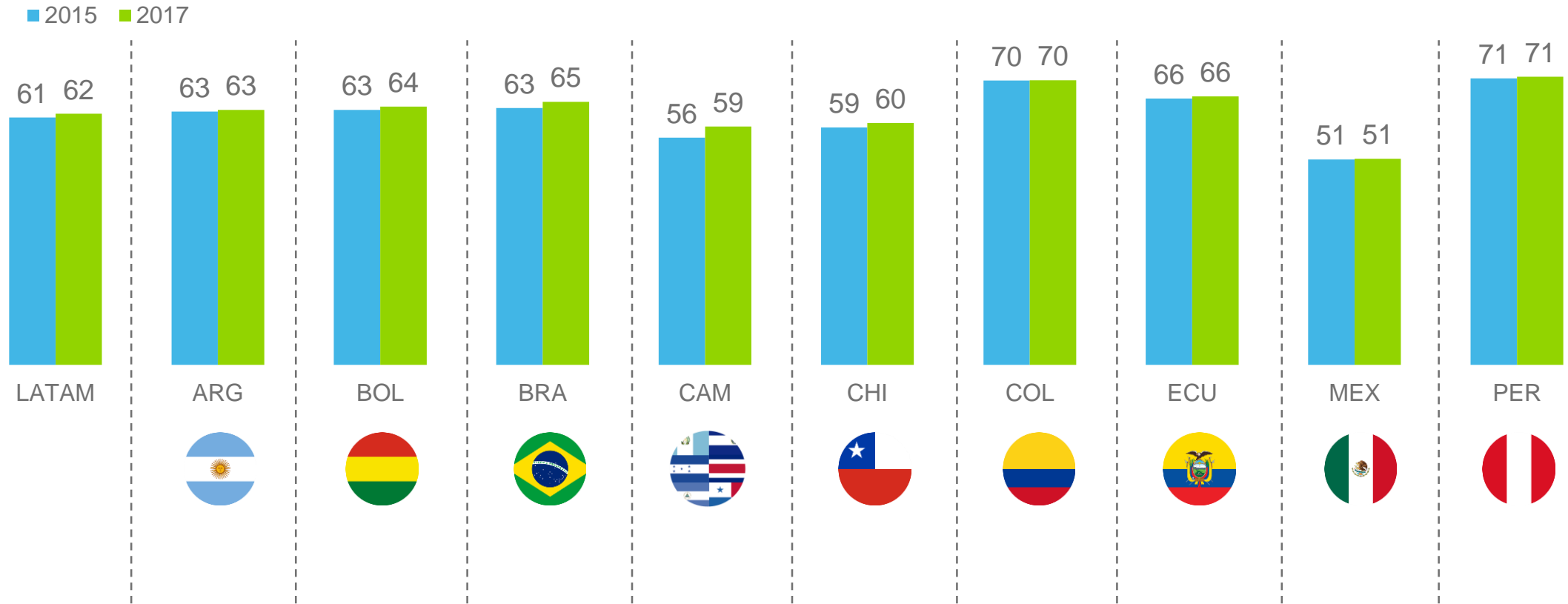
16% of Latam households spend over USD 3000, compared to some developed countries



# Local brands hotspots: gaining ground in Bolivia, Brazil and CAM

In the last 3 years they won 1% more of the region FMCG market

Value Share Local brands % 3 last years



Source: Kantar Worldpanel Latam | 2017 | FMCG



### #BrazilRevamps

Brazilian households are changing the way they supply themselves through new channels that provide the value equation they seek. More than growth, this can be seen as an uptick in consumption in 2017. It is not only the price that is important, but the purchase experience: convenience, increasingly valued for items consumed in and out-of-home; and simplification, with natural products and services gaining ground.

### #DiscountBrands











In most countries, the development of the modern trade channel, notably discounters, also drives the growth of private labels, which are increasingly more accepted, especially in the food and home care sectors.

### #EmergingFormats

Latam shoppers are managing to balance their budgets and are more open to trying new channels, resulting in more fragmented purchases. The multi-channel shopper supports the proliferation of new formats. Brands should follow and adapt to this trend, which is here to stay.

## 2017 – While 5 countries shrank or flat; Brazil picks up growth

Variation in Volume 2017 vs 2016

		Total FMCG	Food	Beverages	Dairy	Home Care	Personal Care
	ARG	-1.0% ▼	0.2% ▲	-0.2% ▲	-7.8% ▼	2.9% ▲	0.4% ▲
	BOL	3.3% ▲	5.4% ▲	3.9% ▲	6.2% ▲	2.6% ▲	-0.7% ▼
	BRA	4.5% ▲	5.9% ▲	2.7% ▲	2.7% ▲	7.7% ▲	3.3% ▲
	CAM	1.1% ▲	3.3% ▲	-3.1% ▼	2.2% ▲	6.1% ▲	-3.3% ▼
	CHI	0.1% ▲	-0.1% ▲	-2.8% ▼	-1.1% ▼	1.7% ▲	3.1% ▲
	COL	0.3% ▲	3.4% ▲	-5.6% ▼	-2.4% ▼	6.4% ▲	-1.4% ▼
	ECU	3.1% ▲	6.0% ▲	-4.0% ▼	2.3% ▲	8.4% ▲	3.8% ▲
	MEX	-0.8% ▼	1.3% ▲	-4.0% ▼	-1.1% ▼	1.9% ▲	-1.1% ▼
	PER	-6.0% ▼	-3.7% ▼	-8.9% ▼	-9.3% ▼	-0.8% ▼	-8.1% ▼
	VEN	-16.3% ▼	-1.4% ▼	-46.0% ▼	-9.8% ▼	-16.3% ▼	-37.7% ▼

▼ Decline ≤ -0,5%

▲ -0,5% < Growth ≤ 5%

▲ Growth > 5%

(1) En algunos países esta canasta no se mide separadamente de Alimentos y Bebidas; fue construida para CI LatAm

## Q4 2017: Latam Summary



### #UnevenGrowth

In the short term, FMCG consumption is decreasing in half of Latam countries. Brazil and Argentina are growing slowly. In 2018, less than 2% growth in volume is expected in the FMCG sector.

### #LessPersonalCare











One of the consumer baskets that has experienced the greatest change during the last quarter is Personal Care. Countries such as Mexico closed out the year with reduced purchases in indulgence categories such as make-up and fragrances. In Brazil, this decline reflects the pursuit of natural qualities and simplification of routine.

### #CaringForMyHome

Home Care shows the highest increase in consumption within FMCG. In Argentina, this basket has the second highest number of private labels, the same ones that drove recovery in Q4.17. In Ecuador, this basket has seen the most innovation and its promotion has been optimized.

# Q4 2017 – Latam Summary

Volume Change Q4.17 vs Q4.16

		Total FMCG		Food		Beverages		Dairy Products <sup>1</sup>		Home Care		Personal Care
	ARG	1.9% ▲		4.8% ▲		1.4% ▲		-4.8% ▼		6.9% ▲		0.1% ▲
	BOL	0.5% ▲		4.8% ▲		3.1% ▲		4.5% ▲		-3.9% ▼		-6.0% ▼
	BRA	3.4% ▲		4.6% ▲		-0.8% ▼		10.0% ▲		6.6% ▲		-2.1% ▼
	CAM	1.3% ▲		3.8% ▲		-3.0% ▼		2.5% ▲		4.4% ▲		-2.8% ▼
	CHI	0.0% ▲		1.5% ▲		-5.9% ▼		0.8% ▲		2.6% ▲		2.7% ▲
	COL	-2.0% ▼		1.4% ▲		-10.6% ▼		-2.1% ▼		5.3% ▲		-4.9% ▼
	ECU	-3.0% ▼		2.7% ▲		-7.6% ▼		-5.3% ▼		6.9% ▲		-6.6% ▼
	MEX	-1.3% ▼		-3.8% ▼		0.7% ▲		2.1% ▲		-3.5% ▼		-2.4% ▼
	PER	-8.1% ▼		-6.3% ▼		-14.4% ▼		-11.3% ▼		-2.0% ▼		-8.0% ▼
	VEN	-18.5% ▼		-5.1% ▼		-47.2% ▼		-20.5% ▼		-24.9% ▼		-38.1% ▼

▼ Decrease ≤ -0,5%

▲ -0,5% < Growth ≤ 5%

▲ Growth > 5%

(1) In some countries this basket is tracked separately from Food and Beverages; it was made for CI LatAm

Click on each country



BRAZIL



CAM



COLOMBIA



MEXICO



VENEZUELA

ARGENTINA



BOLIVIA



CHILE



ECUADOR



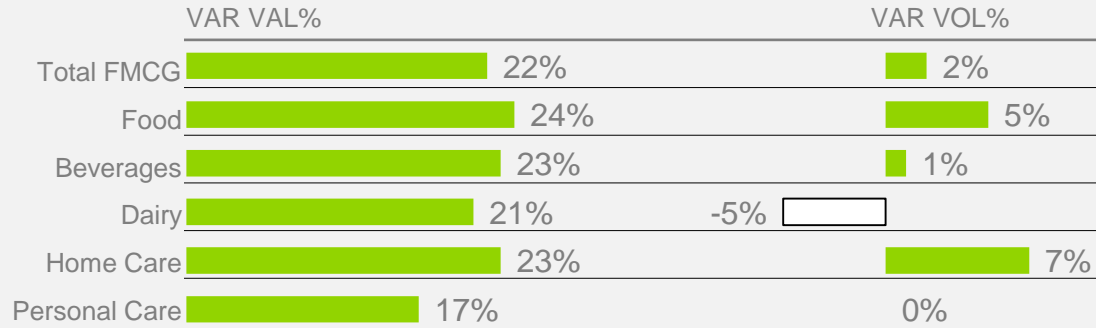
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# Argentina

## BASKET TRENDS- Q4.17 vs. Q4.16



## NSE – VOL VARIATIONS - TOTAL FMCG

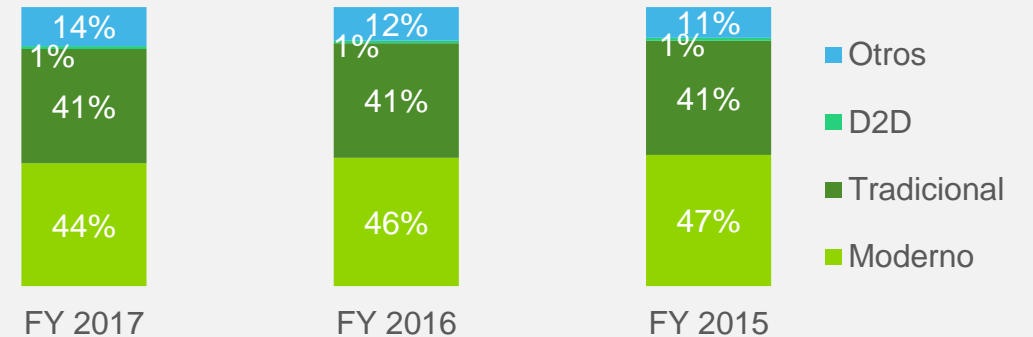
	Q1.17 VS Q1.16	Q2.17 VS Q2.16	Q3.17 VS Q3.16	Q4.17 VS Q4.16
High income	-1.0%	-14.0%	-5.0%	2.2% ▲
Middle income	-4.0%	-5.0%	1.0%	1.4% ▲
Low income	-1.0%	-2.0%	2.0%	2.3% ▲

▼ Decrecimiento ≤ -0,5%    ▲ -0,5% < Crecimiento ≤ 5%    ▲ Crecimiento > 5%

## CATEGORIES – FY 2017 vs FY 2016

	VAR% VAL	VAR% VOL	VAR(p.p.) PENET
TOP 5+	Leches Cultivadas	Minitostadas	Minitostadas
	Paté y Picadillo	Paté y Picadillo	Gaseosas
	Cervezas	Pan de Molde	Papas Fritas y Snacks
	Azúcar	Mermeladas	Puré Instantáneo
	Minitostadas	Leches Cultivadas	Pañales Descartables
BOTTOM 5-	Pañales Descartables	Jugos Concentrados	Salchichas
	Jugos de Soja	Quesos al Peso	Manteca
	Quesos al Peso	Manteca	Aperitivos
	Lavandinas	Jugos de Soja	Sopas
	Servilletas de Papel	Pañales Descartables	Polenta

## CHANNELS – VALUE SHARE







## 1

FMCG basket recovery in Q4 – with slight increases in prices – was not enough to close out the year with positive numbers.

Lower-low SEL was the only group that recovered the losses of 2016.

## 2

Beverages and Home Care were the main sectors that benefited in 2017. While “A brands” ended the quarter on a good note, the private labels have been the star.

## 3

2018 opened with household uncertainty due to possible increases in services.  
35% of the population commented on the possibility of reducing their FMCG basket to reduce their budget.



# Bolivia

## BASKET TRENDS- Q4.17 vs. Q4.16

	VAR VAL%	VAR VOL%
Total FMCG	-1%	1%
Food	5%	5%
Beverages	-1%	3%
Dairy	7%	5%
Home Care	-7%	-4%
Personal Care	-10%	-6%

\* Canasta especialmente construidas para CI LatAm; Bolivia normalmente reporta Bebidas separando en Refrescantes y Nutritivas

## NSE – VOL VARIATIONS - TOTAL FMCG

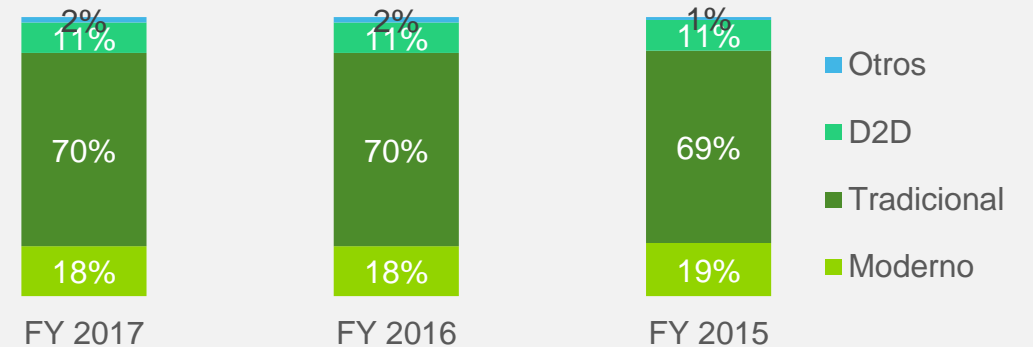
	Q1.17 VS Q1.16	Q2.17 VS Q2.16	Q3.17 VS Q3.16	Q4.17 VS Q4.16
High income	7.0%	8.0%	-1.4%	-1.9% ▼
Middle income	6.0%	6.0%	1.6%	-0.3% ▲
Low income	5.0%	7.0%	11.0%	15.0% ▲

▼ Decrecimiento ≤ -0,5%    ▲ -0,5% < Crecimiento ≤ 5%    ▲ Crecimiento > 5%

## CATEGORIES – FY 2017 vs FY 2016

	VAR% VAL	VAR% VOL	VAR(p.p.) PENET
TOP 5+	Aguas	Papel Absorbente	Leche Condensada
	Leche Condensada	Aguas	Leche En Polvo
	Salsas Calientes	Harina	Papel Absorbente
	Quesos	Leche Condensada	Alimento Mascotas
	Papel Absorbente	Salsas Calientes	Quesos
BOTTOM 5-	Té y Otras Infusiones	Refrescos En Polvo	Colonias Y Perfumes
	Refrescos En Polvo	Leche Formulada	Café Grano Molido
	Tinturas	Paños De Limpieza	Refrescos En Polvo
	Leche Formulada	Café Grano Molido	Cremas Corporales
	Cremas Faciales	Tinturas	Cremas Faciales

## CHANNELS – VALUE SHARE





# 1

FMCG consumption is decelerating in the short term, with a conservative growth.

Santa Cruz and La Paz were stronger points of development in 2017 compared to reduced consumption in El Alto and Cochabamba.

Mid-level SEL observe the highest increase with additional amounts on their purchase receipts

# 2

Reduction in average price was a constant across all regions.

The pursuit of savings incentivized consumers to search out more convenient formats.

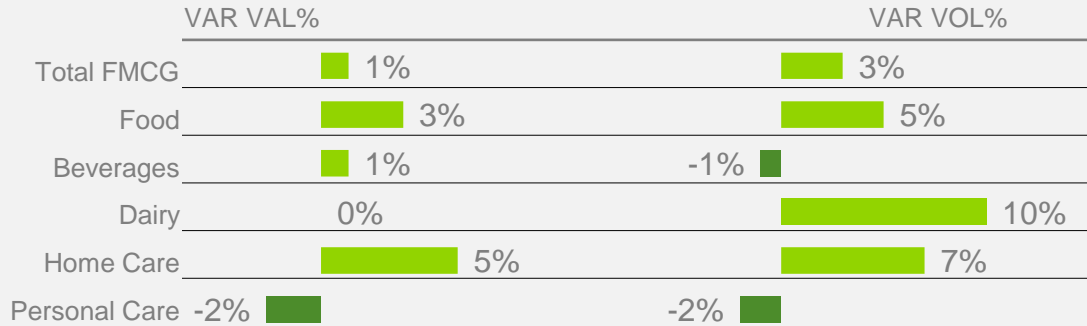
# 3

More frequent visits to the modern channel generate opportunities for development in categories/portfolio.

The traditional channel is preferred in Bolivian homes for household supply.



**BASKET TRENDS– Q4.17 vs. Q4.16**



\* Canasta especialmente construidas para CI LatAm; Brasil habitualmente mide Lácteos dentro de Alimentos o Bebidas

**NSE – VOL VARIATIONS - TOTAL FMCG**

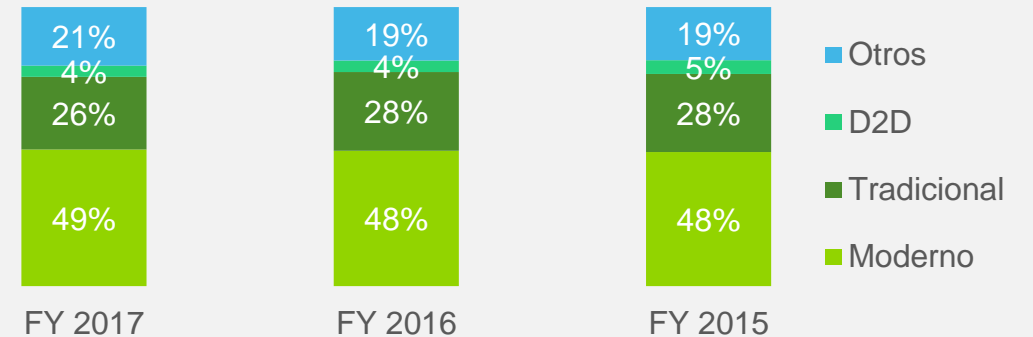
	Q1.17 VS Q1.16	Q2.17 VS Q2.16	Q3.17 VS Q3.16	Q4.17 VS Q4.16
High income	-3.0%	0.0%	1.0%	-0.9% ▼
Middle income	1.0%	8.0%	7.0%	8.6% ▲
Low income	-3.0%	1.0%	1.0%	-1.6% ▼

▼ Decrecimiento ≤ -0,5%    ▲ -0,5% < Crecimiento ≤ 5%    ▲ Crecimiento > 5%

**CATEGORIES – FY 2017 vs FY 2016**

	VAR% VAL	VAR% VOL	VAR(p.p.) PENET
<b>TOP 5+</b>	Té RTD	Té RTD	Mantequilla
	Mantequilla	Agua de coco	Cloro
	Jugo congelado	Papa congelada	Leche en polvo
	Agua de coco	Mantequilla	Edulcorante
	Café tostado	Snacks preparados	Requesón
<b>BOTTOM 5-</b>	Leche Pasteurizada	Leche Pasteurizada	Postres RTE
	Petit Suisse	Petit Suisse	Leche Pasteurizada
	Bebidas Base de Soya	Bebidas Base de Soya	Extracto de tomate
	Queso Crema	Queso Crema	Caldo/Sazonador de Frijol
	Postres RTE	Yogurt	Sopa

**CHANNELS – VALUE SHARE**





# 1

Consumption rebounds. Compared to the start of 2015, we are already seeing a greater trend in volume and 43% of categories have presented growth for 2 semesters in a row.

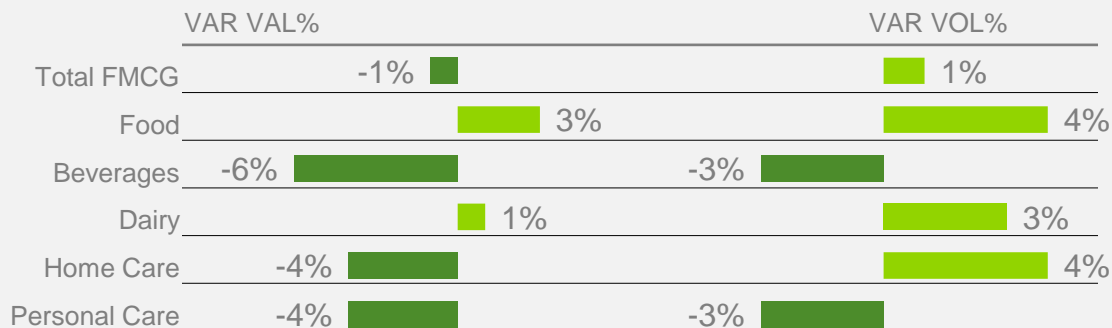
# 2

The Brazilian consumer is propelling three large trends among the channels. They want the right value equation, more convenience and simplicity on a day-to-day level.

# 3

In addition to the crisis, the decline of the beauty basket may be a reflection of the desire for increased natural qualities and simplification of the routine. With less time to care for themselves, Brazilians are pursuing a more natural look.

BASKET TRENDS– Q4.17 vs. Q4.16



NSE – VOL VARIATIONS - TOTAL FMCG

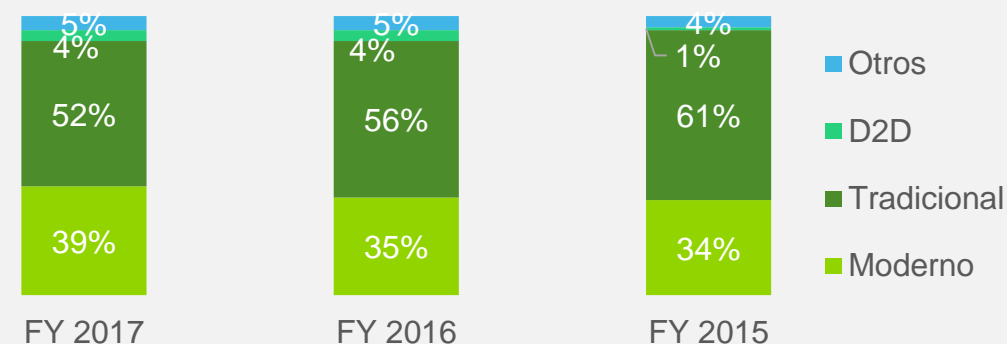
	Q1.17 VS Q1.16	Q2.17 VS Q2.16	Q3.17 VS Q3.16	Q4.17 VS Q4.16
High income	-7.0%	-2.0%	4.0%	0.0% ▲
Middle income	-11.0%	0.0%	2.0%	-0.1% ▲
Low income	3.0%	1.0%	2.0%	0.1% ▲

▼ Decrecimiento ≤ -0,5%    ▲ -0,5% < Crecimiento ≤ 5%    ▲ Crecimiento > 5%

CATEGORIES – FY 2017 vs FY 2016

	VAR% VAL	VAR% VOL	VAR(p.p.) PENET
TOP 5+	Al. Conge. p/preparar	Al. Conge. RTE	Jugos
	Margarinas	Detergentes	Leche Soya Polvo
	Embutidos	Jabón de lavatrastos	Prep. base Har. de Trig
	Prep. base Har. de Trig	Limpiadores	Protec. Femeninos
	Salsas liquidas	Cloro y Quitamanchas	Hierbas/Espicias polvo
	BOTTOM 5-	Make up	Make up
Tratamientos p/cabello		Tratamientos p/cabello	Crema de Cuerpo
Harinas/masa/grano		Fragancias y Colonias	Fragancias y Colonias
Crema/Trat. de Rostro		Gel p/cabello	Gel p/cabello
Gel p/cabello		Crema de cuerpo	Crema/Trat. de Rostro

CHANNELS – VALUE SHARE



1

Despite a challenging year, we foresee a positive, promising 2018.

We hope for consumer basket recovery during the first half of the year.

2

The 2017 basket closed with stability. We saw deceleration in purchasing receipt amounts.

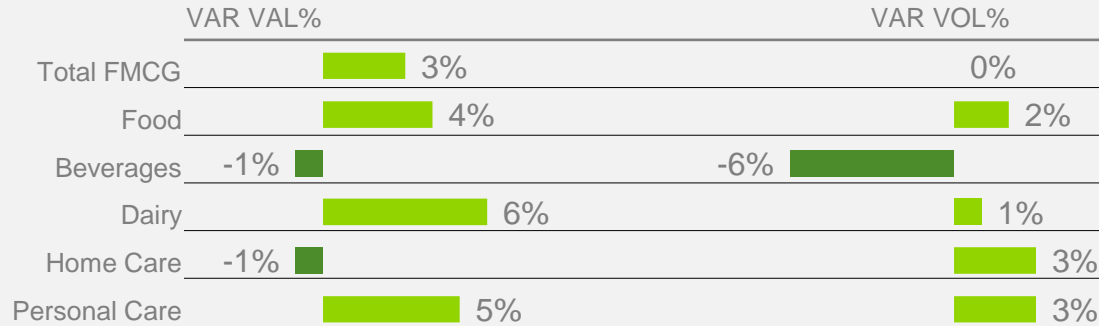
We have additionally seen strong growth in private labels, together with growth in the modern channel, especially in discount shops and outlets.

3

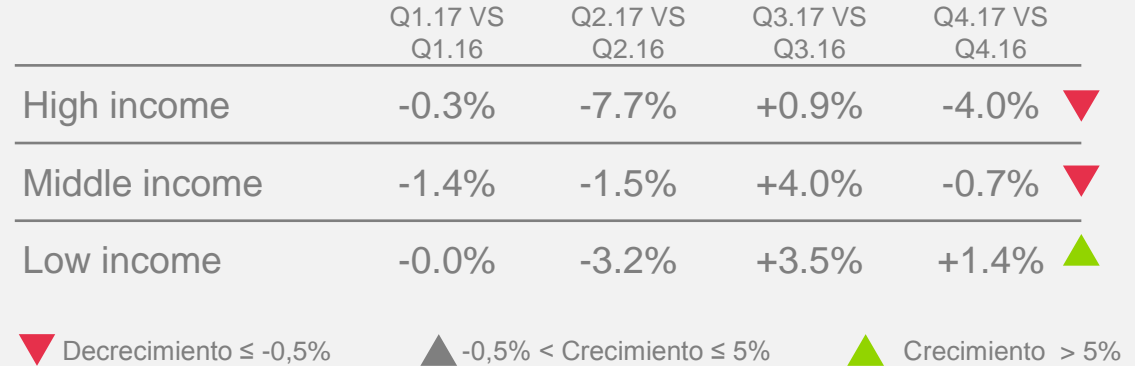
Good revenue in shipments influences household expenses for lower SES, who benefit the most from this category.



**BASKET TRENDS– Q4.17 vs. Q4.16**



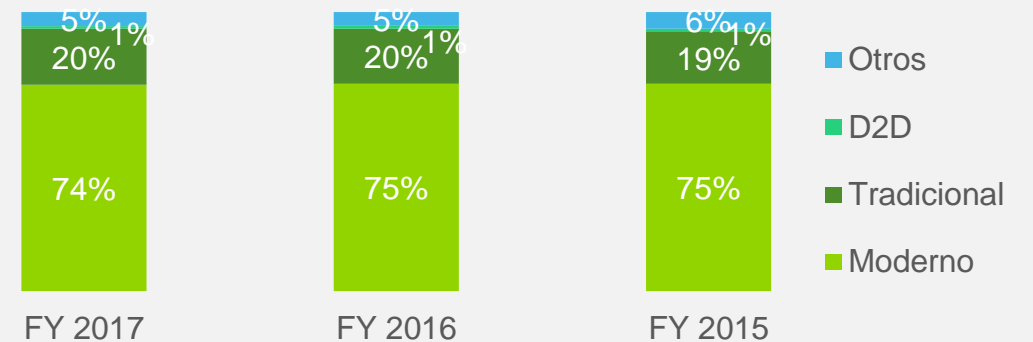
**NSE – VOL VARIATIONS - TOTAL FMCG**



**CATEGORIES – FY 2017 vs FY 2016**

	VAR% VAL	VAR% VOL	VAR(p.p.) PENET
TOP 5+	Cremas faciales	Té helado	Maquillaje
	Té helado	Cremas faciales	Cremas faciales
	Pasta dental	Toalla papel	Aguas minerales
	Mantequilla	Crema de leche	Té helado
	Crema de leche	Aguas minerales	Manjar
BOTTOM 5-	Cera p/piso	Jugos pulpa/concentr.	Fideos sopa
	Fragancias	Leche en polvo	Caldos concentr.
	Jugos polvo	Bebidas gaseosas	Helados
	Jugos pulpa/concentr.	Jugos polvo	Ketchup
	Fideos sopa	Leche liq. saborizada	Yoghurt p/beber

**CHANNELS – VALUE SHARE**







## 1

The level of consumption in this basket is stabilized. However, the inflationary factor continues to be the greatest driver in terms of expenditure levels.

The trends of more frequent purchases with lower consumption per occasion were maintained throughout 2017.

## 2

Consumption in the beverage and dairy product sub-baskets continues to diminish. Soft drinks and powdered milk are the categories that propel these contractions.

## 3

The traditional channel was the most dynamic channel in 2017, which explains the consumer basket stability overall. Supermarket development in the modern channel is noteworthy: this channel achieved an increase in its consumer household base.



# Colombia

## BASKET TRENDS- Q4.17 vs. Q4.16

	VAR VAL%	VAR VOL%
Total FMCG	-2%	-2%
Food	-1%	1%
Beverages	-5%	-11%
Dairy	-2%	-2%
Home Care	2%	5%
Personal Care	-3%	-5%

\* Canasta especialmente construidas para CI LatAm; Colombia habitualmente mide Lácteos dentro de Bebidas

## NSE – VOL VARIATIONS - TOTAL FMCG

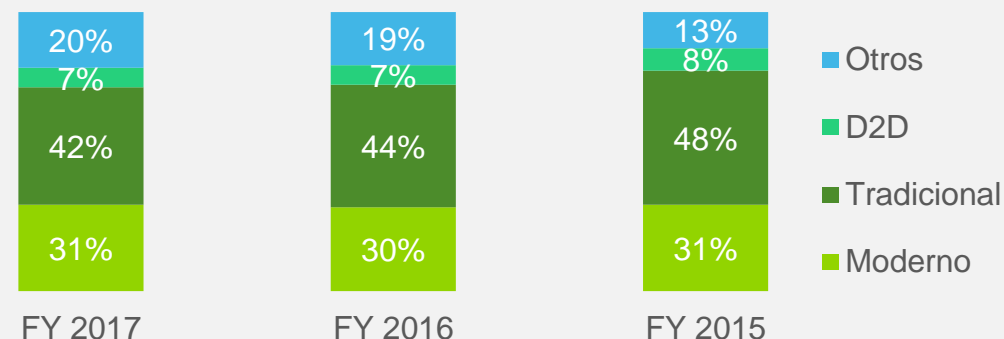
	Q1.17 VS Q1.16	Q2.17 VS Q2.16	Q3.17 VS Q3.16	Q4.17 VS Q4.16
High income	10.0%	1.0%	1.0%	-2.0%
Middle income	2.0%	1.0%	-3.0%	-1.0%
Low income	12.0%	5.0%	-2.0%	-5.0%

▼ Decrecimiento ≤ -0,5%    ▲ -0,5% < Crecimiento ≤ 5%    ▲ Crecimiento > 5%

## CATEGORIES – FY 2017 vs FY 2016

	VAR% VAL	VAR% VOL	VAR(p.p.) PENET
TOP 5+	Chocolates	Bases y salsas cocina	Toallas de cocina
	Ambientadores	Ambientadores	Aguas embotelladas
	Aguas Embotelladas	Toallas de cocina	Tortillas
	Ponqués	Tortillas	Ambientadores
	Snacks	Chocolates	Chocolates
BOTTOM 5-	Fragancias	Jugos industrializado	Tintes
	Jugos Industrializado	Productos depilatorio	Fragancias
	Sopas y Cremas	Té	Caldo cubitos
	Cerveza	Cerveza	Sopas y cremas
	Arroz	Sopas y cremas	Desodorantes

## CHANNELS – VALUE SHARE





# 1

2017 was a year marked by deceleration in consumption and migration to more economic brands and channels.

# 2

Three trends that characterized the year:

- In-home consumption
- Health trend
- Discounters and private label

# 3

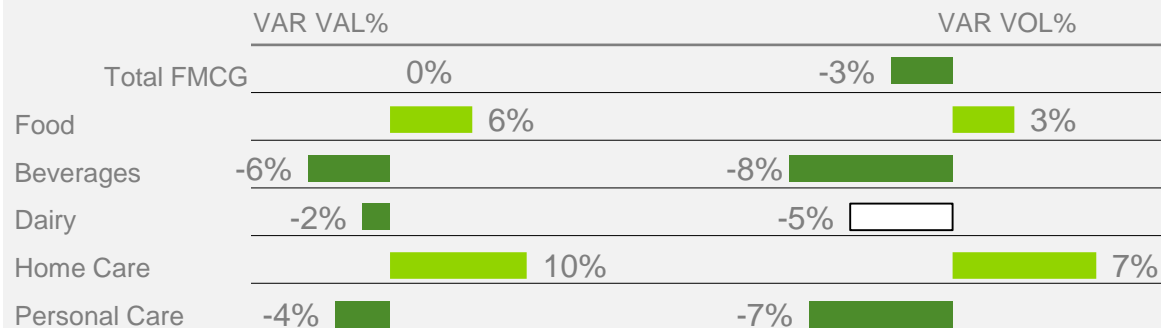
2018 shows improvement due to recovery in raw materials.

Discounters stabilized then lost participation in December.

The World Cup may accelerate the beverages basket.



## BASKET TRENDS- Q4.17 vs. Q4.16



## NSE – VOL VARIATIONS - TOTAL FMCG

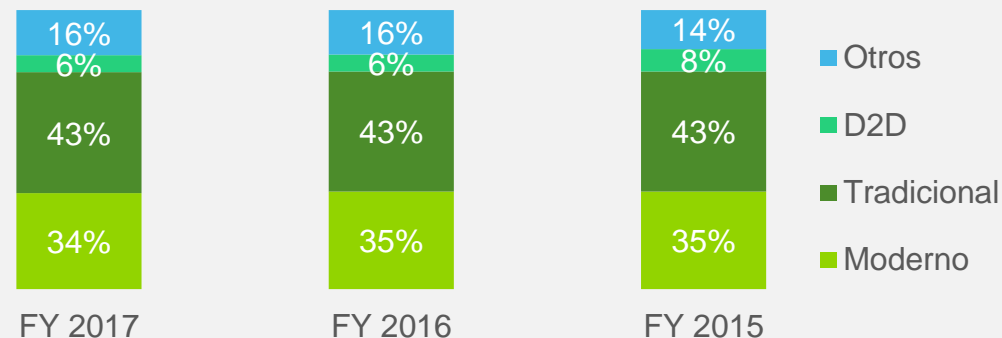
	Q1.17 VS Q1.16	Q2.17 VS Q2.16	Q3.17 VS Q3.16	Q4.17 VS Q4.16
High income	7.0%	6.0%	5.0%	2.9% ▲
Middle income	5.0%	2.0%	-2.0%	-2.5% ▼
Low income	3.0%	0.0%	-6.0%	-5.4% ▼

▼ Decrecimiento ≤ -0,5%    ▲ -0,5% < Crecimiento ≤ 5%    ▲ Crecimiento > 5%

## CATEGORIES – FY 2017 vs FY 2016

	VAR% VAL	VAR% VOL	VAR(p.p.) PENET
TOP 5+	Esponjas	Esponjas	Quitamanchas
	Limpiadores	Limpiadores	Mermeladas
	Quitamanchas	Rollos abs. papel	Queso fresco y d/untar
	Sazonadores	Café molido	Tratamiento Capilar
	Guantes	Sazonadores	Esponjas
BOTTOM 5-	Té líquido	Té líquido	Té líquido
	Jugos líquidos	Jugos líquidos	Tintes
	Cremas facial/corporal	Bebidas gaseosas	Cerveza
	Jugos/te polvo y pulpa	Pastas dentales	Bebida Láctea
	Maquillaje	Tintes	Acondicionador

## CHANNELS – VALUE SHARE





# 1

Household consumption closed on a stable note and the in-home factor is slowing down. 2018 will therefore be a year of challenges, where we must innovate to capture households.

# 2

2017 made our shoppers more rational and multi-channel than before. We must have a presence in the various points of sale with the correct portfolio for each one.

# 3

We started 2018 in a stable panorama, where promotions are part of the landscape. That's why we must know how to focus them and invest, especially in added value.



## BASKET TRENDS– Q4.17 vs. Q4.16

	VAR VAL%		VAR VOL%	
Total FMCG	-7%		-1%	
Food	-9%		-4%	
Beverages	-5%		1%	
Dairy	-4%		2%	
Home Care	-10%		-4%	
Personal Care	-7%		-2%	

## NSE – VOL VARIATIONS - TOTAL FMCG

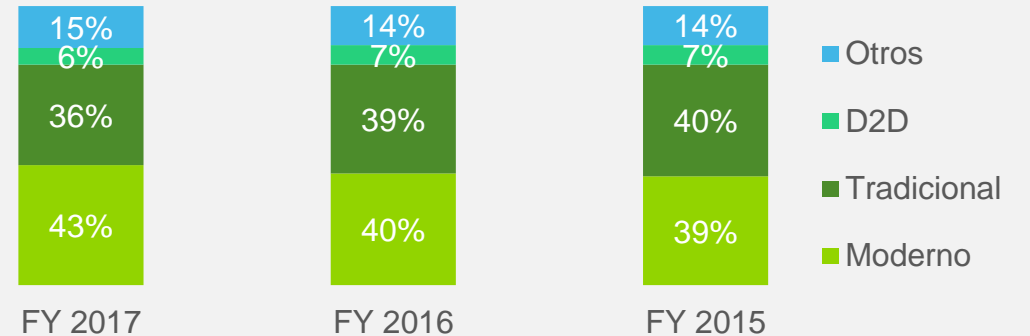
	Q1.17 VS Q1.16	Q2.17 VS Q2.16	Q3.17 VS Q3.16	Q4.17 VS Q4.16
High income	9.3%	-3.0%	3.7%	-11.3% ▼
Middle income	-2.0%	-12.0%	-6.7%	19.4% ▲
Low income	-4.9%	-13.0%	0.7%	-13.8% ▼

▼ Decrecimiento ≤ -0,5%    ▲ -0,5% < Crecimiento ≤ 5%    ▲ Crecimiento > 5%

## CATEGORIES – FY 2017 vs FY 2016

	VAR% VAL	VAR% VOL	VAR(p.p.) PENET
TOP 5+	Condimentos líq.	Cerveza	Condimentos líq.
	Chocolate de mesa	Botanas	Pañales desechables
	Aguas minerales	Detergentes p/ropa	Aromatizantes amb.
	Barras de cereal	Galletas	Chocolate de mesa
	Helados y paletas	Pañales desechables	Toallas de papel
BOTTOM 5-	Jabón medicinal	Refrescos	Té helado
	Té helado	Agua embotellada	Maquillaje
	Lociones y fragancias	Leche líquida	Lociones y fragancias
	Maquillaje	Lociones y fragancias	Cremadores
	Bebidas energéticas	Maquillaje	Bebidas energéticas

## CHANNELS – VALUE SHARE





1

At the close of 2017, 51% of categories lost shopping trips.

Despite the fact that 9 out of every 10 categories increased their prices by 37%, they also managed to increase the volume acquired.

2

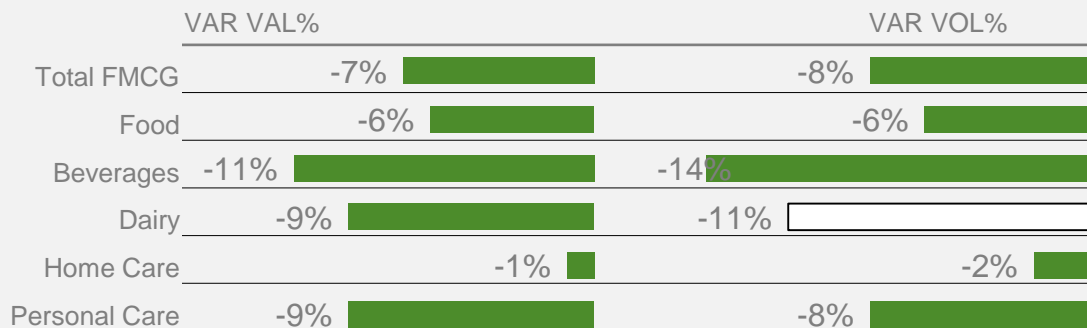
Together with development of the modern channel, growth was detected in private labels in baskets such as home care, etc.  
Even premium brand expenditures grew during 2017 due to personal care and dairy products.

3

In spite of the fact that a certain degree of stability was achieved halfway through the year, the traditional channel did not manage to recover the expenditure lost through fall in frequency, due to a decline in the importance of local shopping and immediate consumption.



**BASKET TRENDS– Q4.17 vs. Q4.16**



\* Canasta especialmente construidas para CI LatAm; Perú habitualmente mide Lácteos dentro de Alimentos o Bebidas

**NSE – VOL VARIATIONS - TOTAL FMCG**

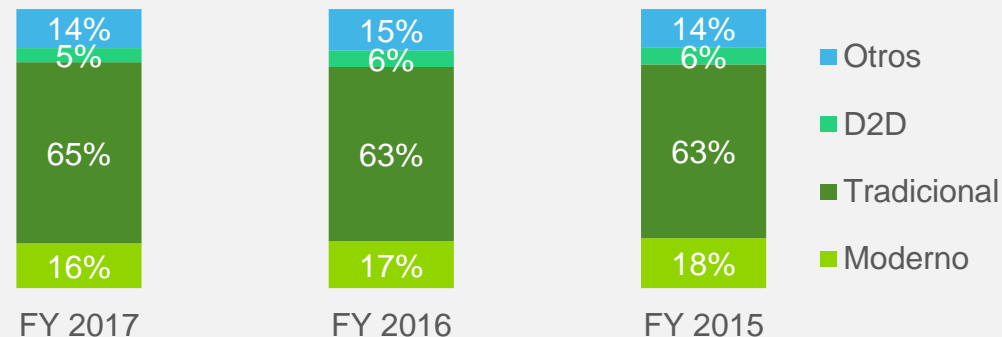
	Q1.17 VS Q1.16	Q2.17 VS Q2.16	Q3.17 VS Q3.16	Q4.17 VS Q4.16
High income	-6.3%	-10.0%	-3.1%	-7.4% ▼
Middle income	-5.6%	-6.0%	-6.8%	-8.9% ▼
Low income	-2.8%	-4.0%	-6.3%	-7.8% ▼

▼ Decrecimiento ≤ -0,5%    ▲ -0,5% < Crecimiento ≤ 5%    ▲ Crecimiento > 5%

**CATEGORIES – FY 2017 vs FY 2016**

	VAR% VAL	VAR% VOL	VAR(p.p.) PENET
<b>TOP 5+</b>	Morcilla	Morcilla	Tuco
	Chorizo	Tuco	Toallas de papel
	Pasta de tomate	Pasta de tomate	Pañitos\toallas
	Insecticidas/raticida	Chorizo	Apanados
	Tuco	Toallas de papel	Suavizante de ropa
<b>BOTTOM 5-</b>	Tortillas	Tortillas	Bloqueador/protector
	Tratamiento p/cabello	Bloqueador/protector	Talcos
	Bloqueador/protector	Cremas corporales	Cremas corporales
	Talcos	Maquillaje	Fragancias
	Enjuague bucal	Talcos	Agua de colonia

**CHANNELS – VALUE SHARE**







1

This year is expected to be the best of the last five in consumption.

Consumers may return to categories they have left or in which their purchases had become more occasional.

2

Consumers will continue to be demanding in terms of value for money. Nevertheless, we would hope that they are willing to pay more for clear value.

3

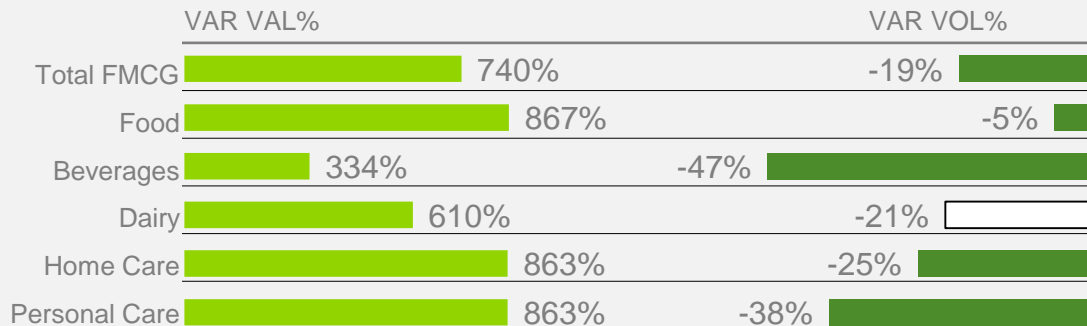
Growth in local and discount formats may accelerate.

Convenient and practical products will become important.

Generate local identity (“Peruvianize”).



## BASKET TRENDS– Q4.17 vs. Q4.16



## NSE – VOL VARIATIONS - TOTAL FMCG

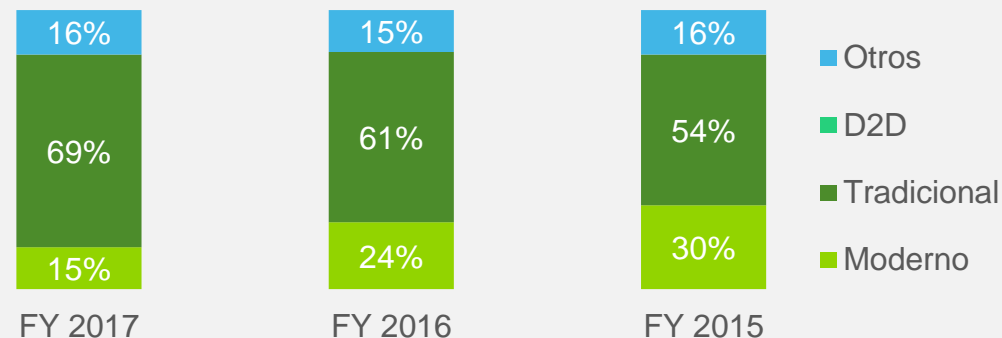
	Q1.17 VS Q1.16	Q2.17 VS Q2.16	Q3.17 VS Q3.16	Q4.17 VS Q4.16
High income	-12.0%	-29.0%	-39.6%	-36.0% ▼
Middle income	-15.0%	-33.0%	-40.6%	-34.0% ▼
Low income	-18.0%	-27.0%	-34.8%	-36.0% ▼

▼ Decrecimiento ≤ -0,5%    ▲ -0,5% < Crecimiento ≤ 5%    ▲ Crecimiento > 5%

## CATEGORIES – FY 2017 vs FY 2016

	VAR% VAL	VAR% VOL	VAR(p.p.) PENET
TOP 5+	Atún enlatado	Atún enlatado	Atún enlatado
	Suavizantes	Condimentos y especias	Cloro/blanqueadores
	Chocolate p/untar	Chocolate p/untar	Desodorante
	Harina de maíz	Bebidas instantáneas	Lavaplatos
	Pasta dental	Cloro/blanqueadores	Avenas
BOTTOM 5-	Ambientadores	Galletas saladas	Malta
	Agua mineral	Shampoo	Jamón endiabado
	Pañales	Refrescos	Shampoo
	Refrescos	Pañales	Maquinas de afeitar
	Cerveza	Cerveza	Yogurt

## CHANNELS – VALUE SHARE





# 1

The Venezuelan economy has reached levels of hyper-inflation. Prices increase daily. Product scarcity is more pronounced, due to which households must reinvent their shopping and consumption habits.

# 2

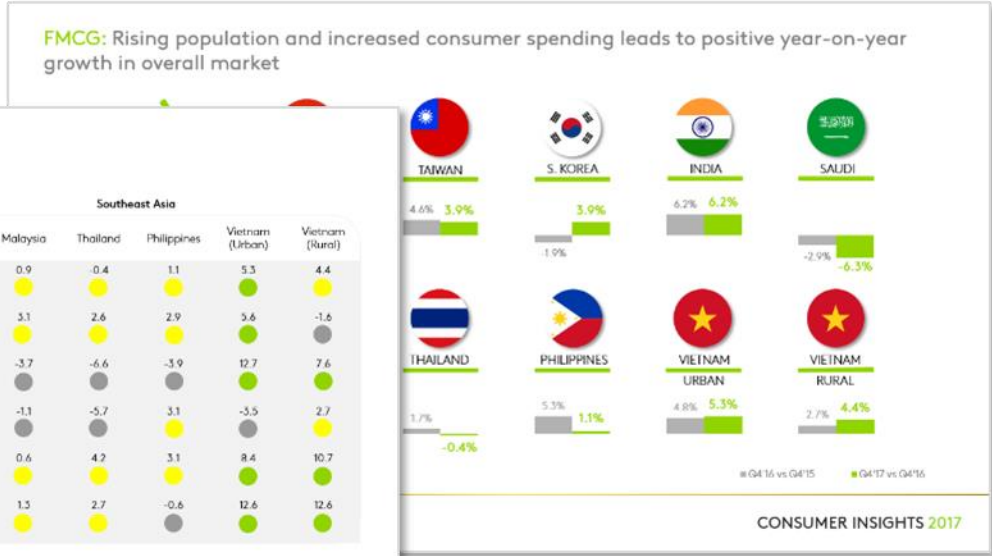
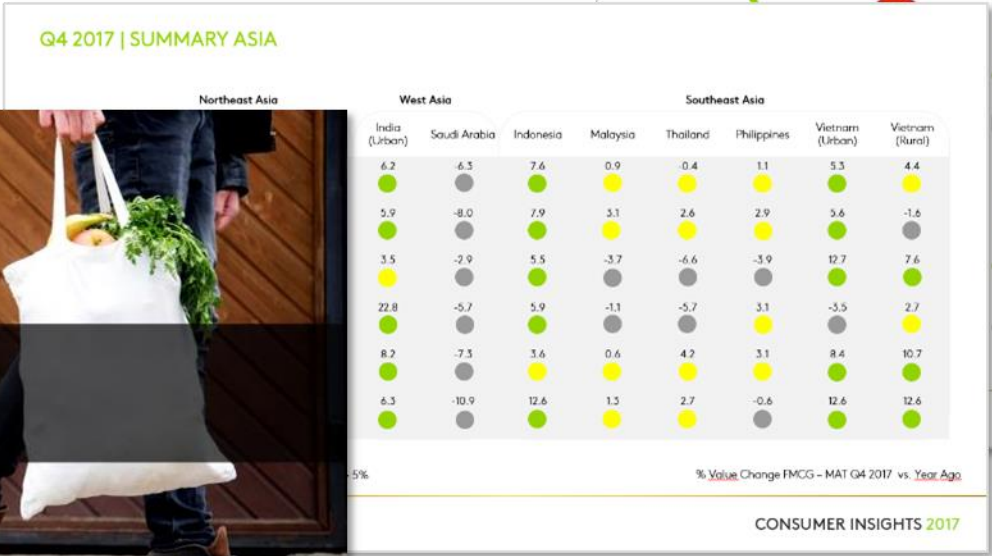
The Government channel is gaining market share in terms of units compared to the modern and traditional channels, thanks to the CLAPs, the Venezuelan Local Production and Supply Committees. Nonetheless, the accelerated growth of the last few quarters stops and recedes in Q4.17.

# 3

It is no longer possible to stop product price increases. Alternative types of promotion and presentation that are attractive to consumers must be found. Under the current circumstances, it is crucial to maintain presence within households.

# FMCG basket trends in other emerging countries

## ↓ Consumer Insights Asia Q4 2017



# Thank you



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