

KANTAR

10 Slides to Make You Think about COVID-19

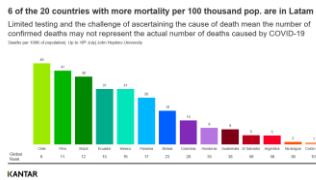
4th Edition
Latam

July 2020



How the 10 slides made us think about COVID-19 in Latam

1.



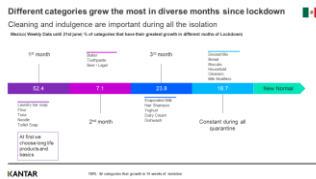
Health organisations' initial forecasts have not come through, as in over 120 days' quarantine it has not been possible to flatten the curve. 6 of 10 of the countries with a higher rate of mortality per 100K inhabitants.

2.



Not only did channels or categories develop during social distancing, but also brands; mainly Super Brands with over 50% penetration. In times of uncertainty, the most developed brands are the ones that seize the moment.

3.



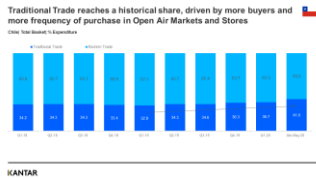
Mexico is an example, where constant-growing categories help us to be clean or also bring indulgence. In 3 months, we have had a 1st stage of stockpiling basics, mainly long shelf-life foods and other basic home and personal care categories.

4.



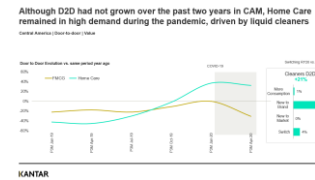
There have been big winners during the pandemic. An example is e-commerce, a rising channel in Latam. In Argentina, it expanded by adding new shoppers in a polarized way: beginners and senior households are the top risers, as well as the High and Middle SELs.

5.



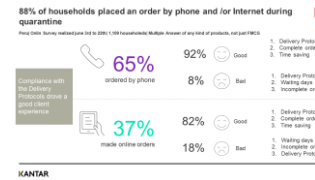
The modern trade was not the only to develop in Latam. In countries such as Chile, where UTT is leader, traditional channels recorded a historical share during lockdown: proximity plays an important role, as shoppers will not go far from home to prevent contagion.

6.



During the pandemic, basic categories such as Home Care can develop channels like door-to-door, which had not grown over the past two years in CAM. Accessibility and going out less often to reduce contagion risks are factors that have driven proximity and home-delivery channels.

7.



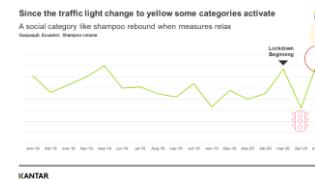
Customer experience is another key to success in delivery. Compliance with Delivery Protocols is the main driver.

8.



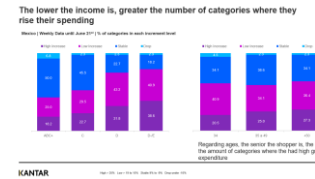
In Bolivia, as in most countries, the first weeks were to stock and prevent. But when stricter measures were imposed, following little discipline by the population, habits returned to levels seen before lockdown.

9.



In Ecuador, when the measures relaxed, social personal care categories such as shampoo rebounded. This could be the beginning of another stage, where some non-basic categories might begin a slow recovery.

10.

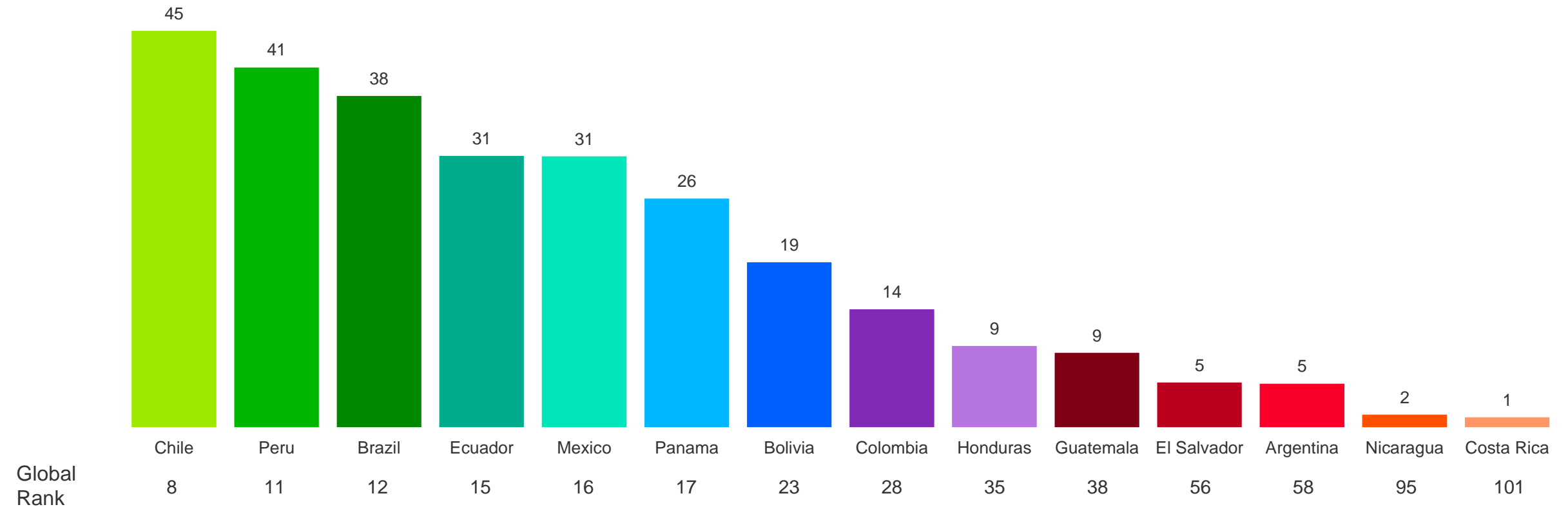


In this scenario, we are all in the same storm, but not in the same boat. Not all household change the same way their habits, LIC and Senior households had the higher increment in expenditure during the lockdown.

6 of the 20 countries with more mortality per 100 thousand pop. are in Latam

Limited testing and the challenge of ascertaining the cause of death mean the number of confirmed deaths may not represent the actual number of deaths caused by COVID-19

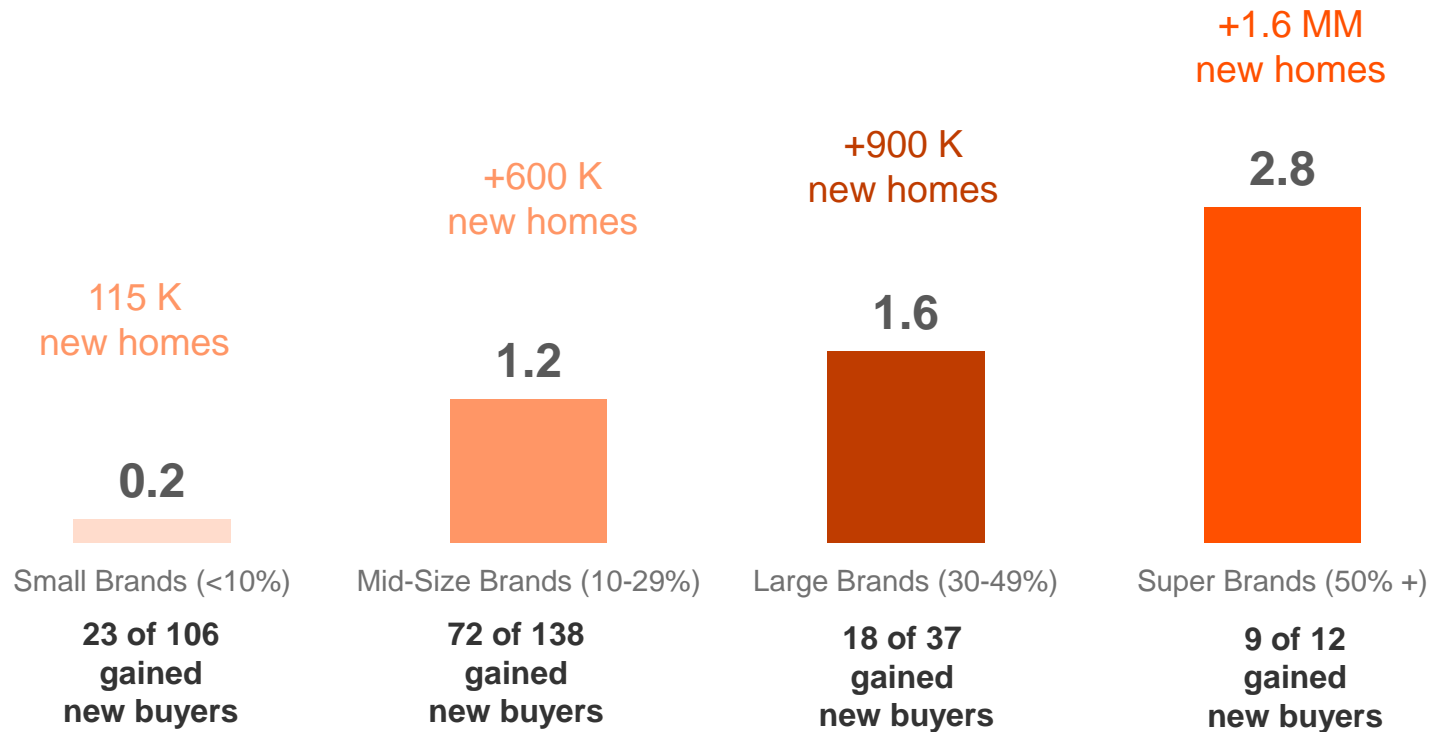
Deaths per 100K of population | Up to 16th July | John Hopkins University



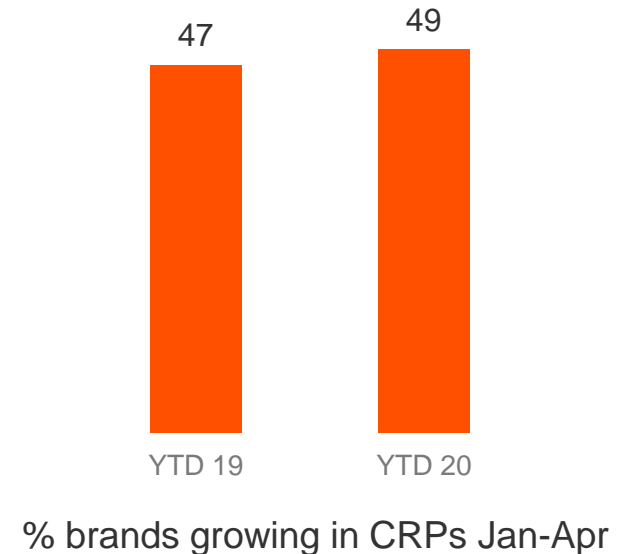
During the pandemic, brands have also gained new buyers, and 49% have increased CRPs



Brazil | Average Penetration Increase | Jan to Apr by brand size | Brand Footprint



Consumer Reach Points (CRPs)

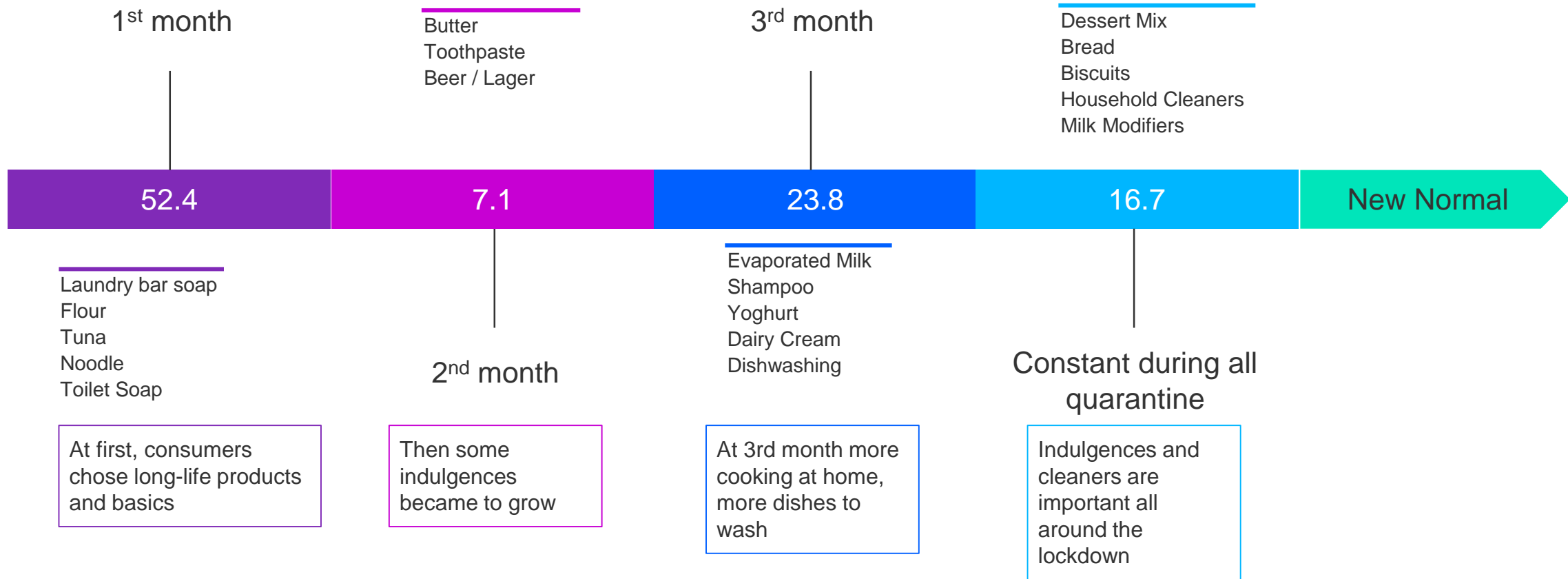


Different categories grew the most in different months since the lockdown



Cleaning and indulgence are important throughout the social distancing period

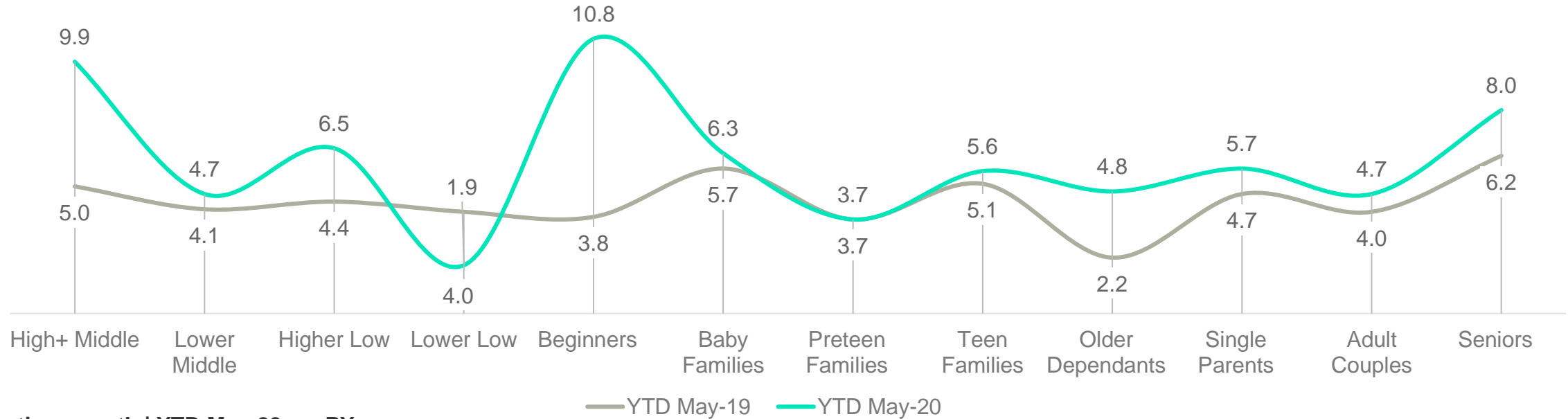
Mexico | Weekly Data until June 21st | % categories that have their greatest growth in different months of Lockdown |



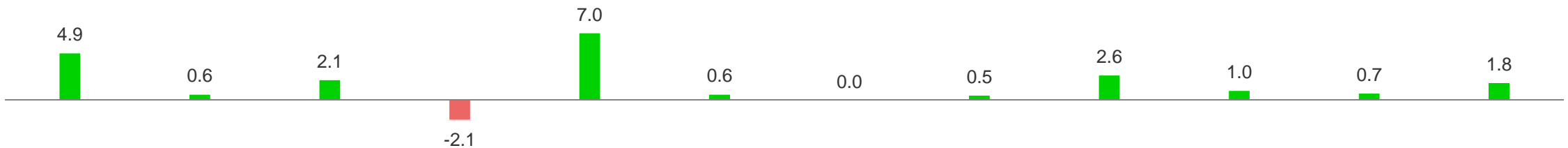
In Argentina, e-commerce has gained buyers transversally, with Beginners joining with the greatest intensity



Argentina | Penetration | YTD May-20 vs. PY



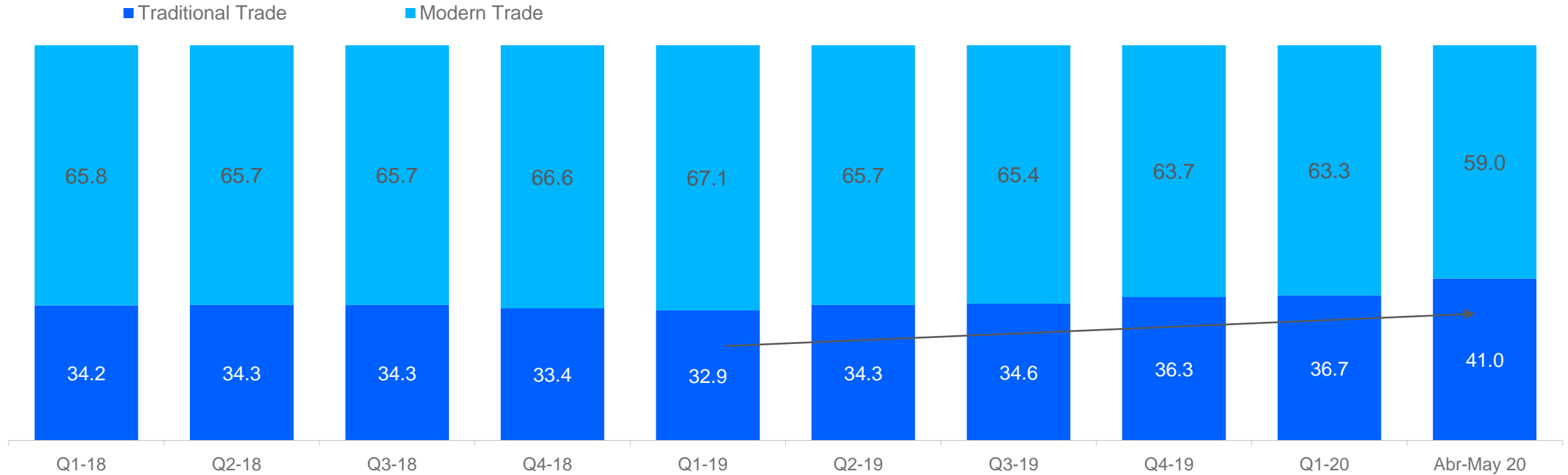
Penetration growth | YTD May-20 vs. PY



The Traditional Trade has reached a historical share, driven by more buyers and higher purchase frequency in Open-air Markets and Stores



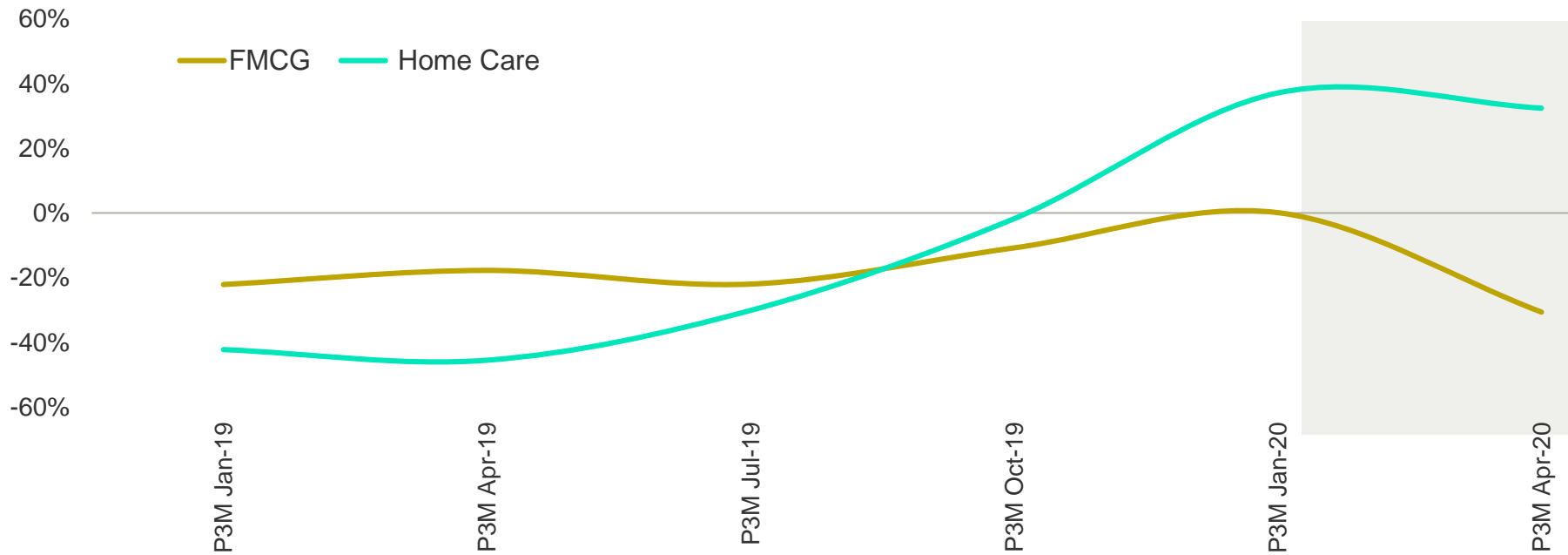
Chile | Total Basket | % Spending



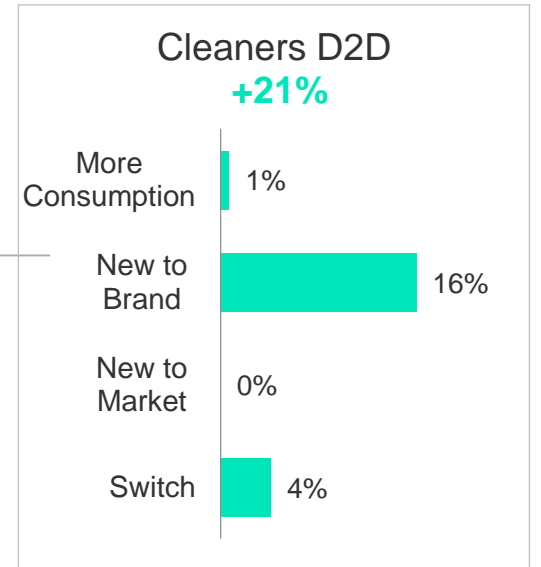
Although D2D had not grown over the past two years in CAM, Home Care remained in high demand during the pandemic, driven by liquid cleaners

Central America | Door-to-door | Value

Door to Door Evolution vs. same period year ago



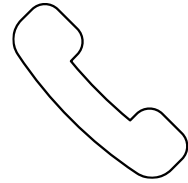
Switching RY20 vs. PA



88% of all households placed an order by phone and/or the Internet during the quarantine



Peru | Online Survey carried out June 3rd to 22nd | 1,109 households | Multiple Answer of any kind of products, not just FMCG



65%

ordered by phone

92%



Good

8%



Bad

1. Delivery Protocols
2. Complete orders
3. Time-saving

1. Delivery Protocols
2. Waiting days
3. Incomplete orders



37%

placed online orders

82%



Good

18%



Bad

1. Delivery Protocols
2. Complete orders
3. Time-saving

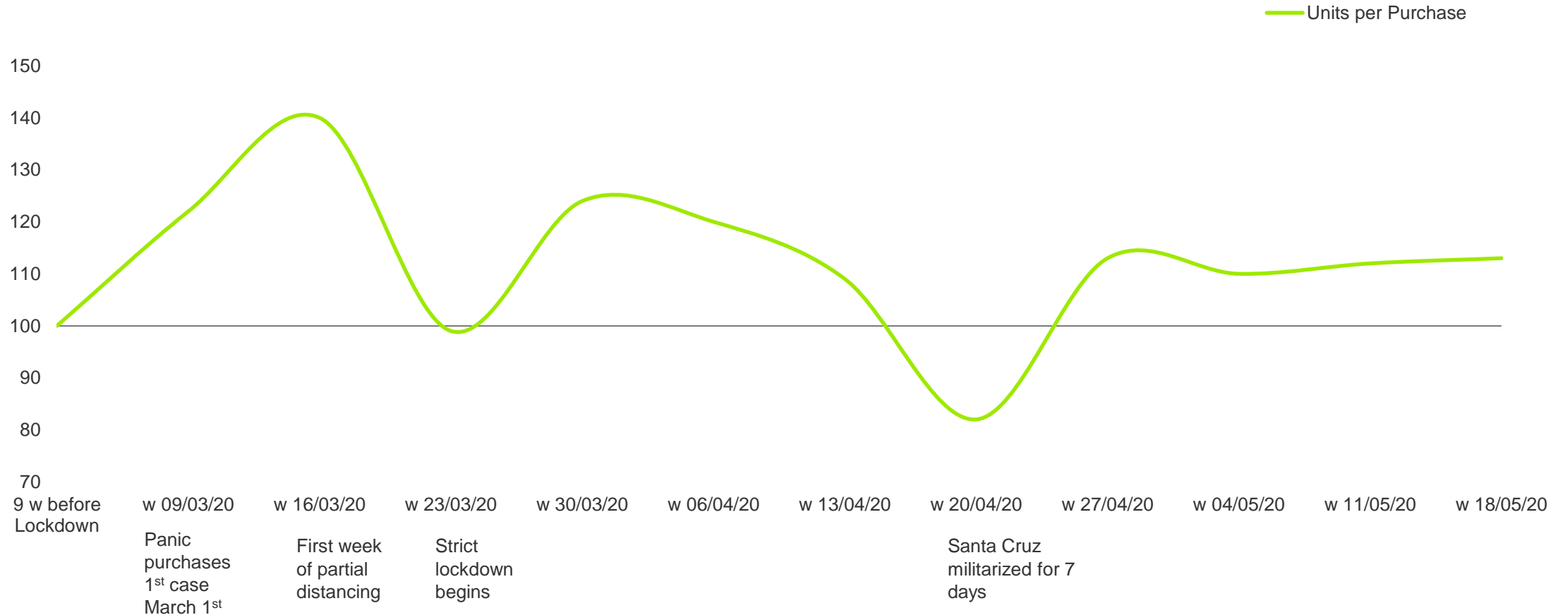
1. Waiting days
2. Incomplete orders
3. Delivery Protocols

Compliance with Delivery Protocols drove good customer experience

The change in shopping habits is related to the level of strictness of the measures taken to contain people at home



Bolivia | Evolution of units per purchase occasion | 100%: average of 9 weeks before Lockdown



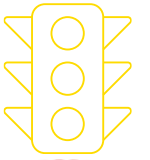
Since the “traffic light” turned yellow, some categories have bounced back



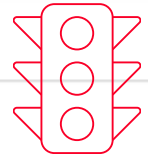
A social category like shampoo rebounded when measures relaxed

Guayaquil, Ecuador | Shampoo volume

High & Medium SELs
With & without promotions



Lockdown
Beginning

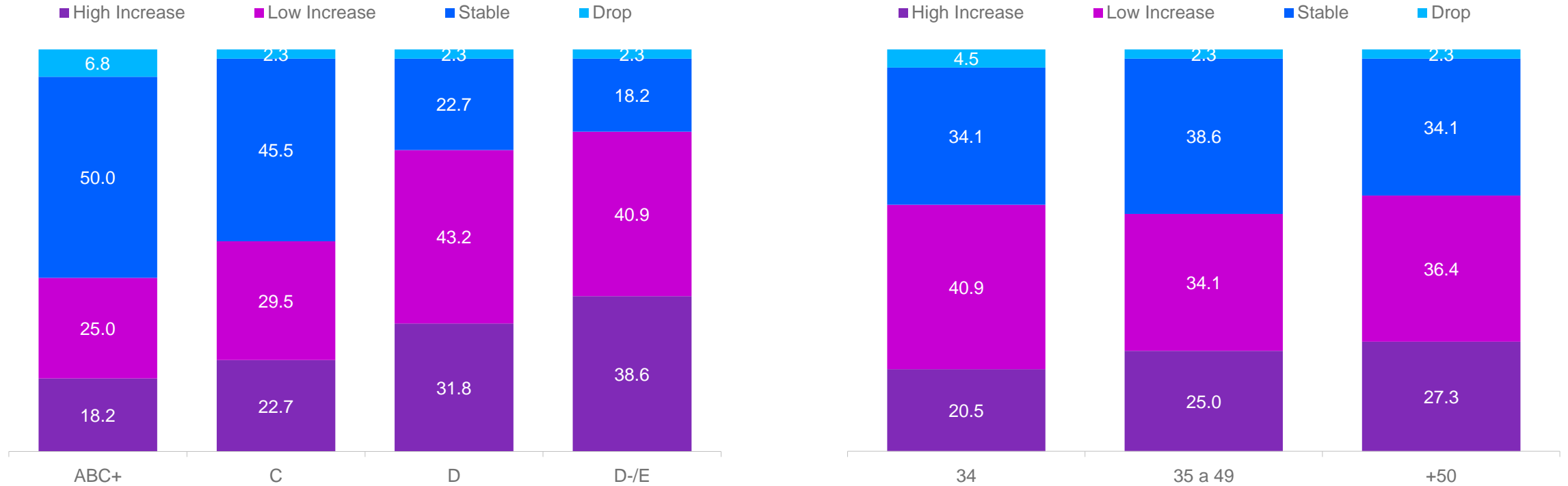


Jan-19 Feb-19 Mar-19 Apr-19 May-19 Jun-19 Jul-19 Aug 19 Sep-19 Oct-19 Nov-19 Dec-19 Jan-20 Feb-20 Mar-20 Apr-20 May-20

The lower the income is, greater the number of categories where they rise their spending



Mexico | Weekly Data until June 21st | % of categories in each increment level



Regarding ages, the senior the shopper is, the greater the amount of categories where the had high growth in expenditure