

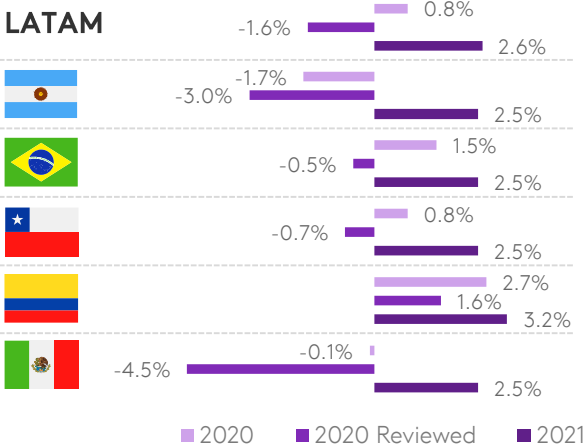
## Quarantine: unprecedented change, creating unprecedented behaviour shifts for the future

Latam Thermometer #2 | March 26<sup>th</sup>, 2020

In the last two weeks, Latin America has been hit hard by COVID-19. Now, long-term trends concern businesses in the region. For FMCG consumption, consumers' habits and reactions to the crisis and, consequently, the economic activity will all be key for the remainder of 2020.

Habits matter. Consumers are changing the way they shop, their frequency, volume and categories. Personal and home care and food categories could benefit even from a recession, which is predicted for Latam.

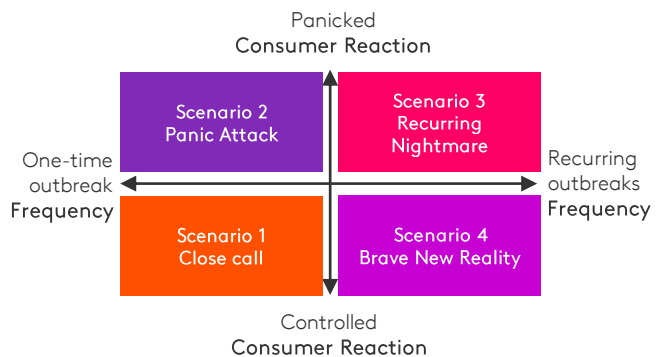
Latam GDP forecast 2020 Before vs. After the outbreak and 2021



Source: Bank of America Research

But since 60% of the region's GDP relies on consumption, FMCG is likely to be affected.

Also, the overall consumer reaction to the outbreak will have a strong influence in demand, impacting FMCG. For this, Kantar predicts 4 likely scenarios depending on the recurrence of the outbreak and on people's mood:



In the end, the actual outcome will probably be a combination of these scenarios, and will also depend on habits and the extent of economic recession – considering that each country/region will have its own particularities.

Kantar will be following up closely the impact of the pandemic impact on Latin American consumers. As the situation evolves, we will release updated thermometers over the latest impacts on purchase and behaviour.

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