



Ежегодная Конференция GfK Kazakhstan 2010

«Маркетинговые исследования для изучения новых возможностей в пост-кризисный период»



GfK



Crisis Impact on Russian Consumers' Behaviour. Post-crisis expectations and forecasts.

Sergey Yashko, General Manager GfK Russia

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1 Macroeconomic Indices and Examples of Influence on Consumer Behaviour



Main Macro-Economic Indexes in 2009

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	GDP	Industry production index	Inflation rate	Unemployment	Retail
Russia	-7.9%	-10.8%	+8.8%	8.6%	-5.5%
USA	-2.4%	-2%	+2.7%	10.0%	-6.2%
China	+8.7%	+12%	+2.0%	8.6%	+13.5%
India	+6.4%	+6.2%	+7.3%	6.8%	-
Brazil	+0.2%	-8.8%	+4.7%	7.7%	-
Germany	-5.0%	-6%	+0.9	7.5%	-2.5%

Sources:

Rosstat <http://www.gks.ru/>

Eurostat <http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home>

Bureau of the Census USA <http://www.census.gov/>

State statistical bureau China <http://www.stats.gov.cn/eNgliSH/statisticaldata/>

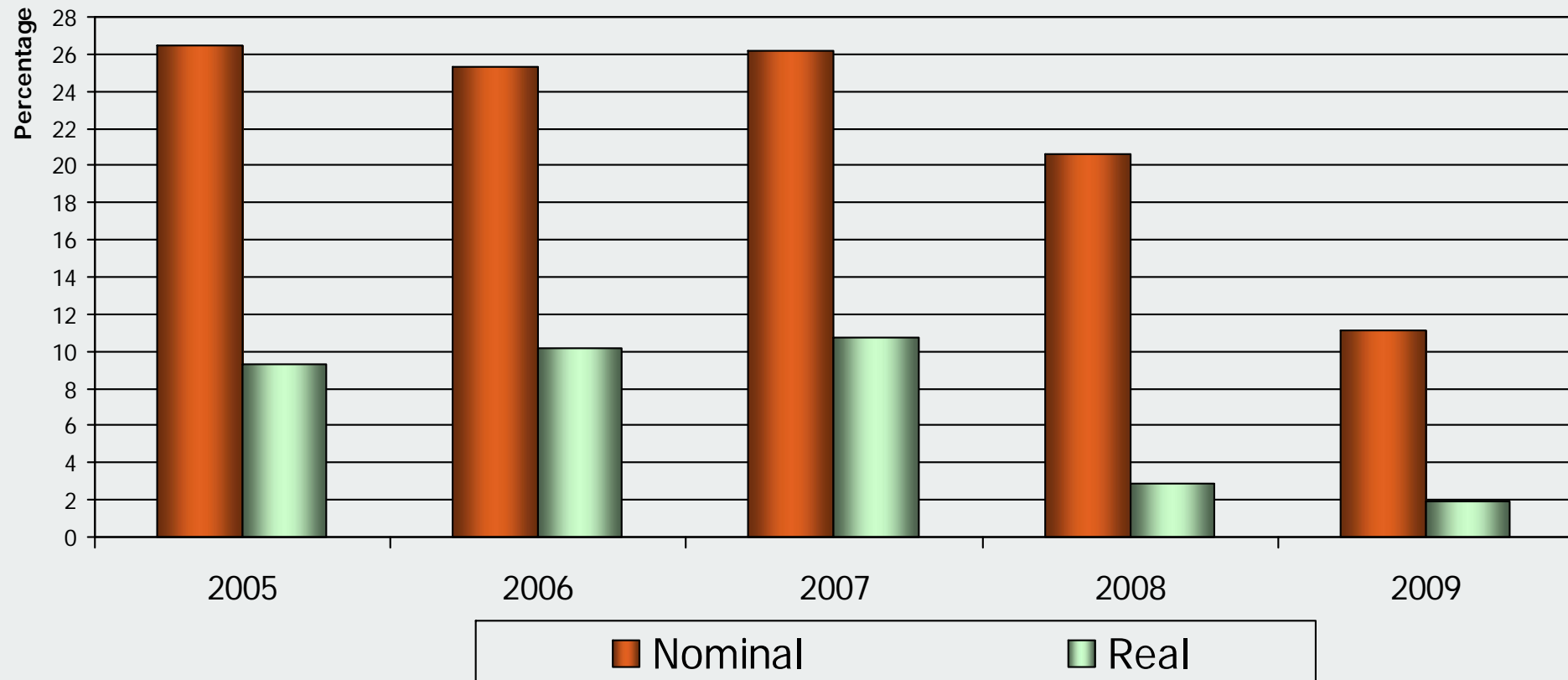
The World Bank www.worldbank.org

Organization for Economic Cooperation and Development <http://www.oecd.org/>



Income Growth

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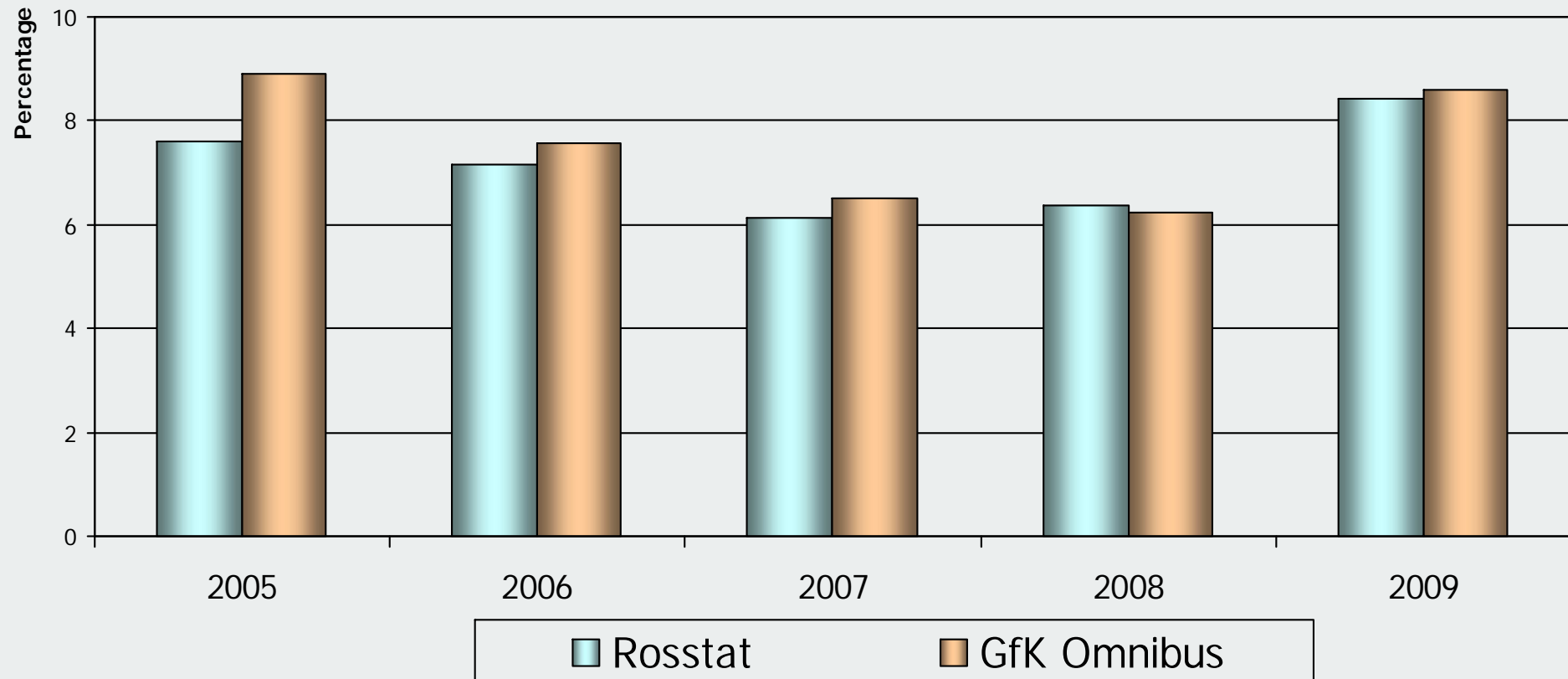
Sources: estimation of GfK Rus www.gfk.ru according national surveys and Rosstat's data



Unemployment

(in % to economically active population)

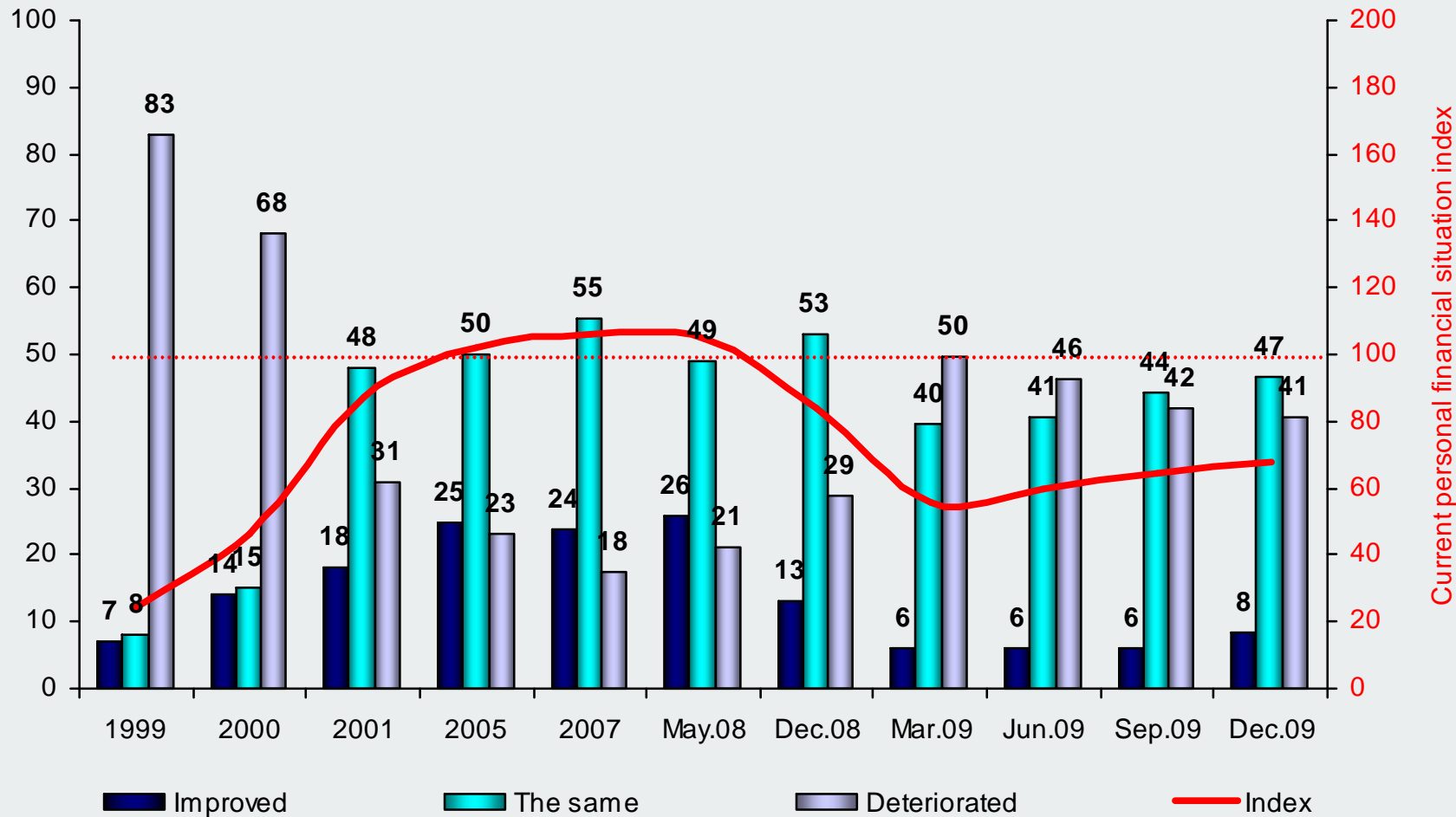
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Sources: estimation of GfK Rus www.gfk.ru according national surveys and Rosstat's data

Consumers' Attitudes

Financial Situation at the Moment



* Indexes are calculated as the difference between positive and negative answers in percentage with the addition of 100. Range 0-200 indexes, values above 100 - the preponderance of positive answers, below - the negative.

Source: GfK Rus Omnibus



Consumers' Attitudes

Consumer Sentiment Index

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Index dynamics

	2001	2005	2007	May 08	Dec 08	Mar 09	Jun 09	Sep 09	Dec 09
Russia	92	109	116	116	85	68	81	86	91
Urban	93	110	117	115	81	68	82	86	91
Rural	90	107	112	116	96	67	77	87	92
Moscow	99	118	130	113	101	79	96	93	91

December 2009

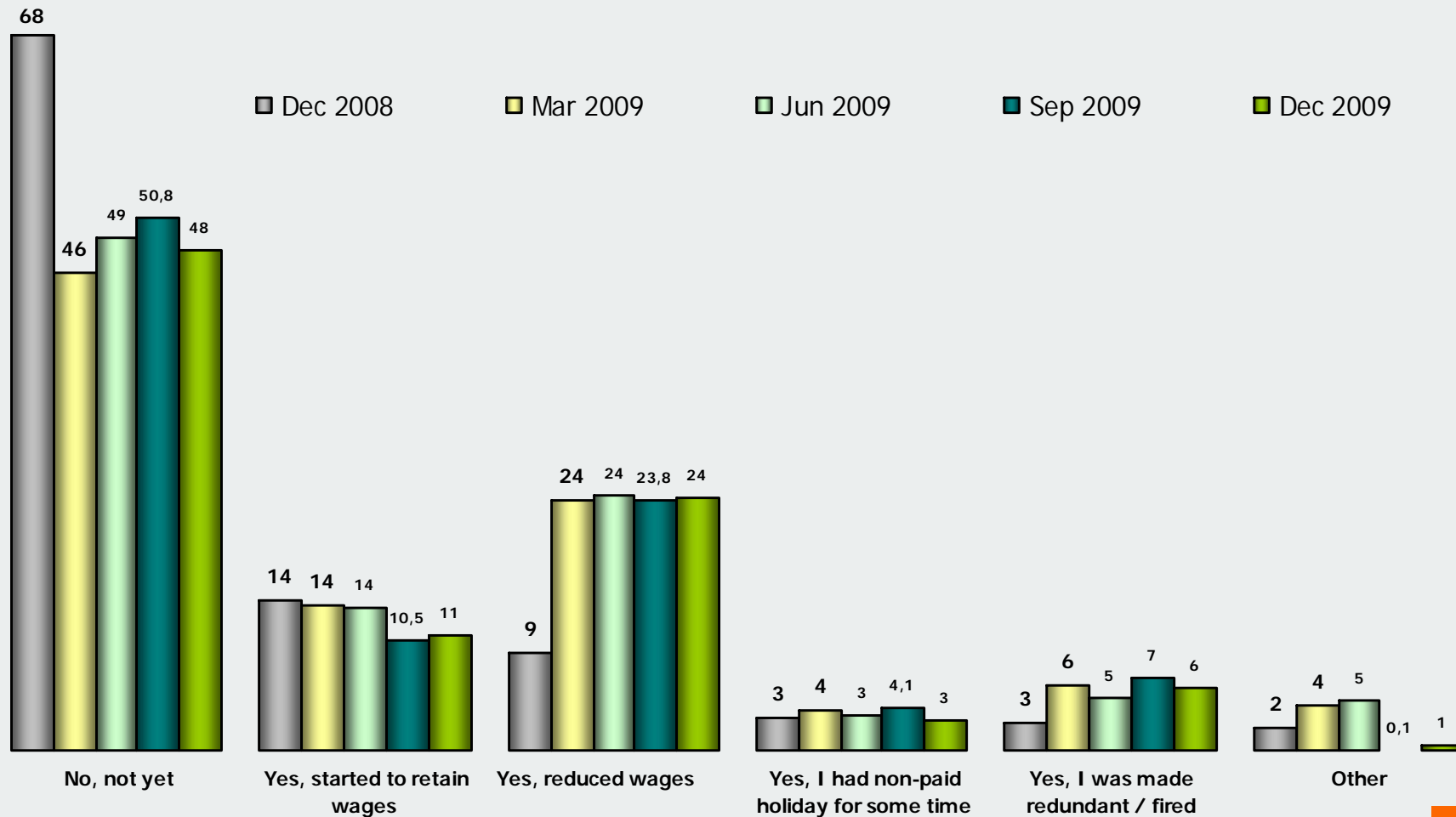
Consumer Sentiment Index	91
Current situation index	77
Consumer expectation index	101

Source: GfK Rus Omnibus



Crisis Attitudes

Has the Crisis Affected You or Your Family?



Source: GfK Rus Omnibus

Spending That May be Cut off

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1. Furniture and goods for home /dacha
2. Jewelry, watches
3. Apartment renovation, construction in the countryside
4. Household appliances, consumer electronics
5. Visits to bars, restaurants
6. Traveling (on vacation/holiday)

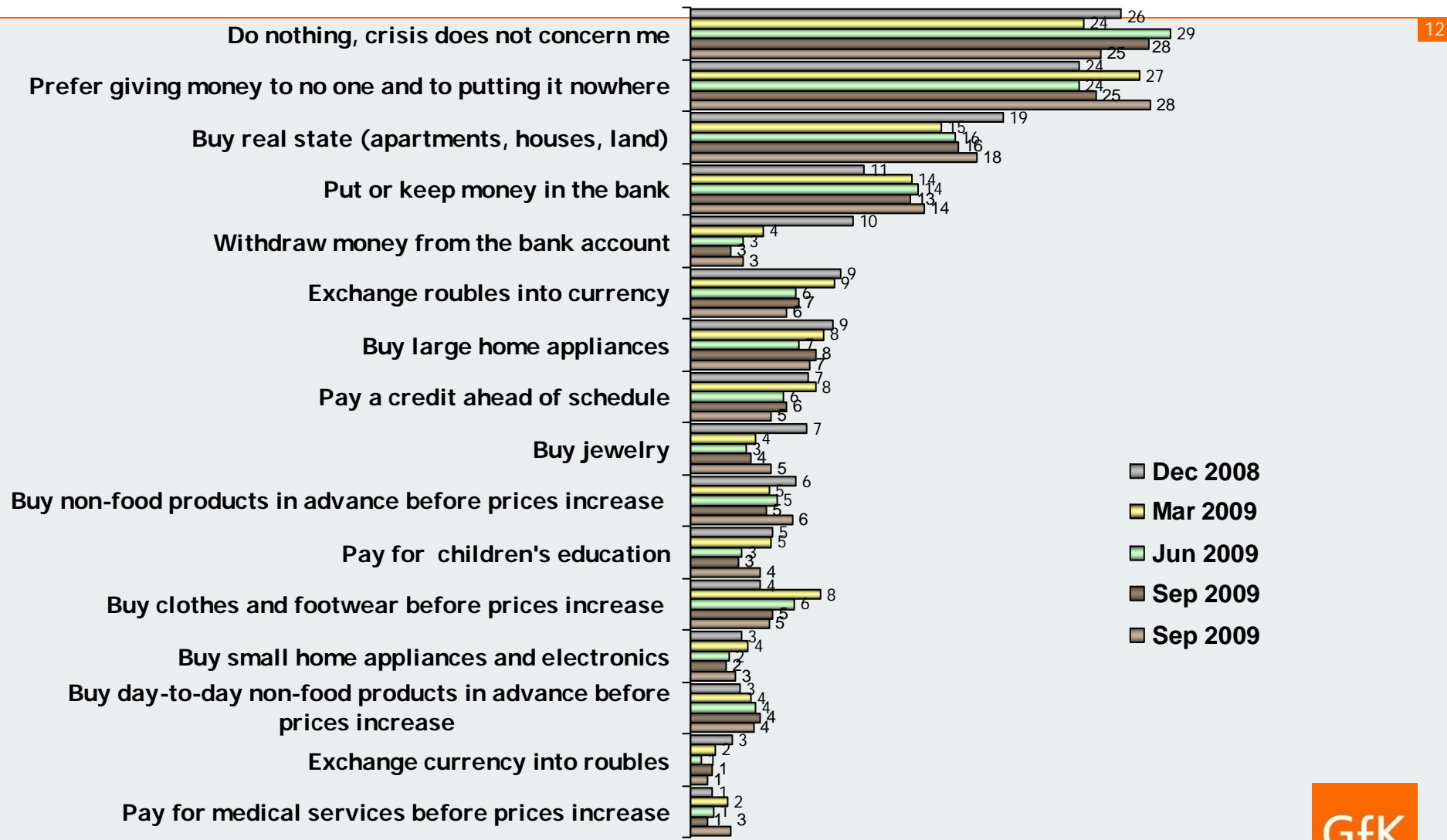
Spending Priorities

1. Expenses for public utilities
2. Medicines, optics and medical care
3. Food and non-food basic goods
4. Loans payment
5. Education and training
6. Pet care costs

The GfK logo consists of the letters 'GfK' in a white, sans-serif font, centered within an orange square.

Source: GfK Rus Omnibus

Effective Ways to Protect Personal Savings

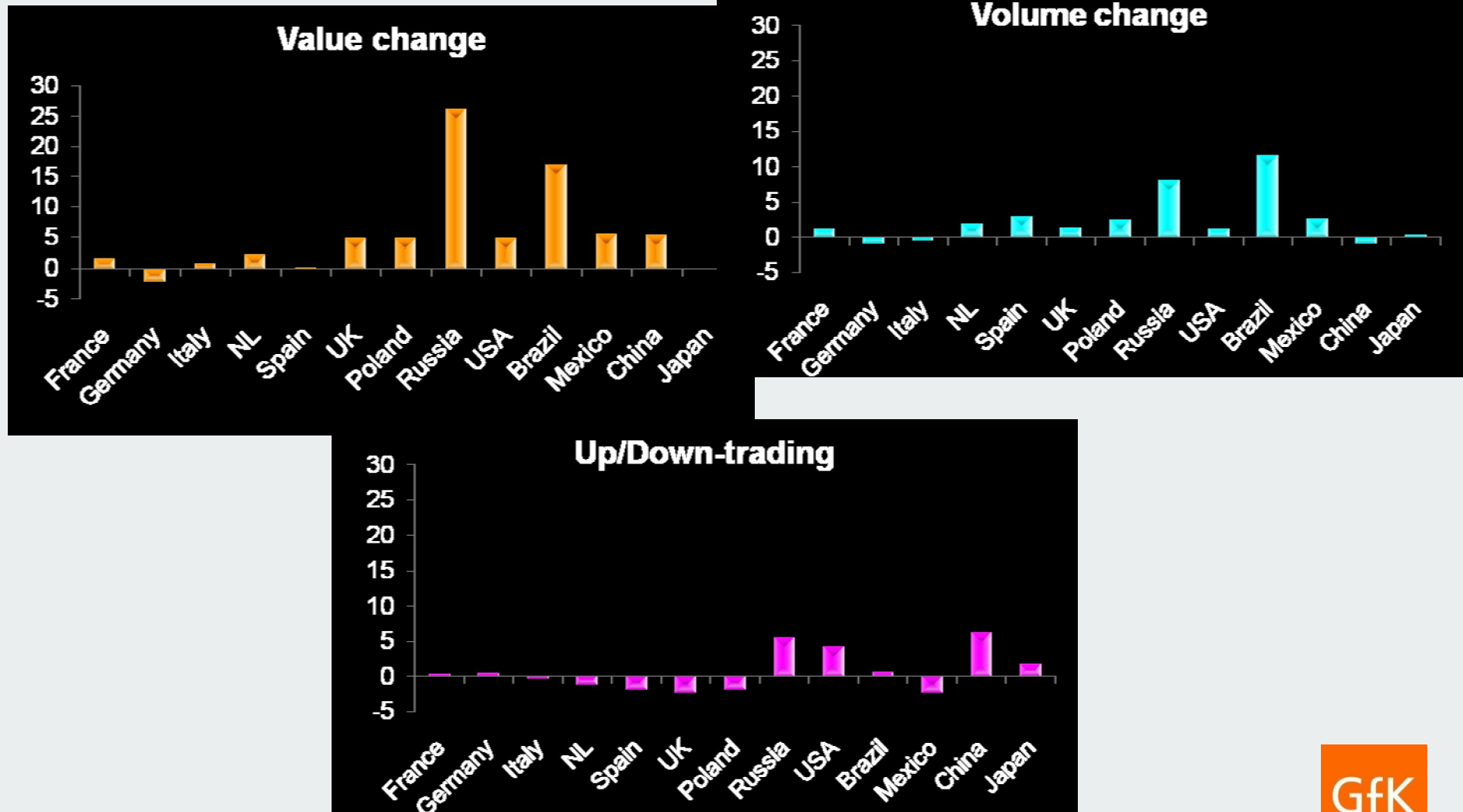


- Dec 2008
- Mar 2009
- Jun 2009
- Sep 2009
- Sep 2009



Source: GfK Rus Omnibus

FMCG – Changes in overall behaviour Average Rates for the Last Twelve Months (MAT Nov 09)



Source: Europanel

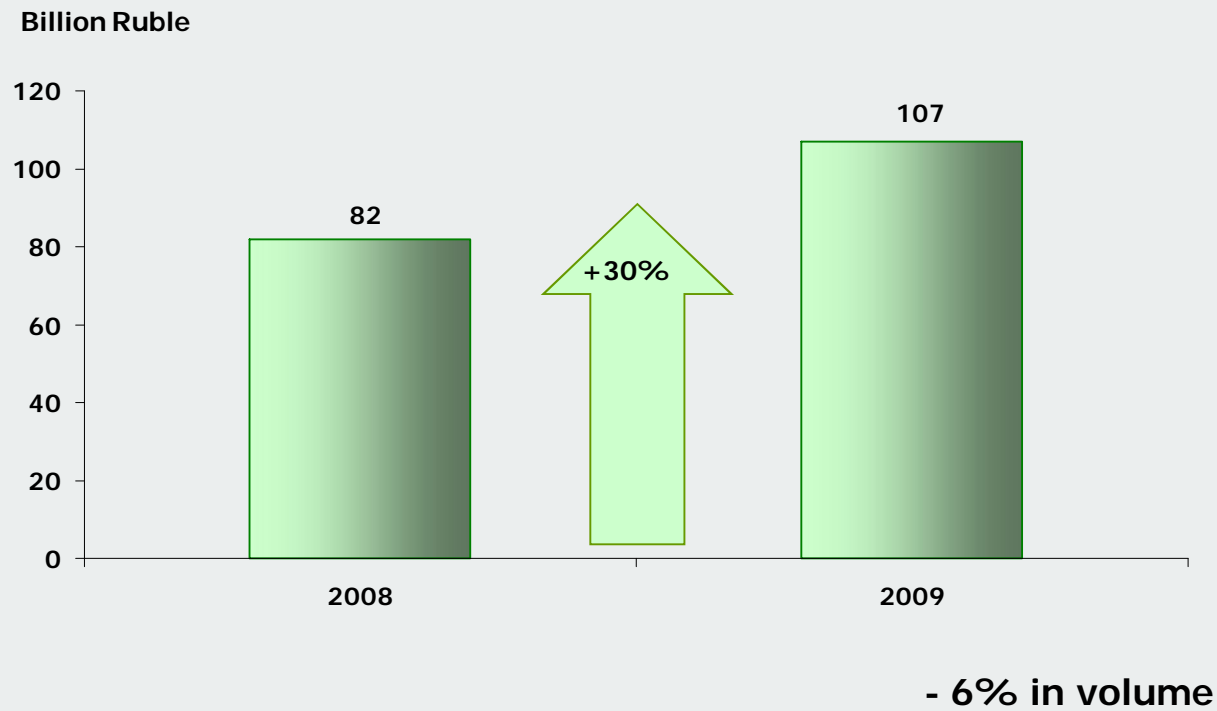


2 Consumer Behavior Across Markets



Dynamics of Pharma market revenue

1st half 2009 vs. 2008



Source: DSM-Group

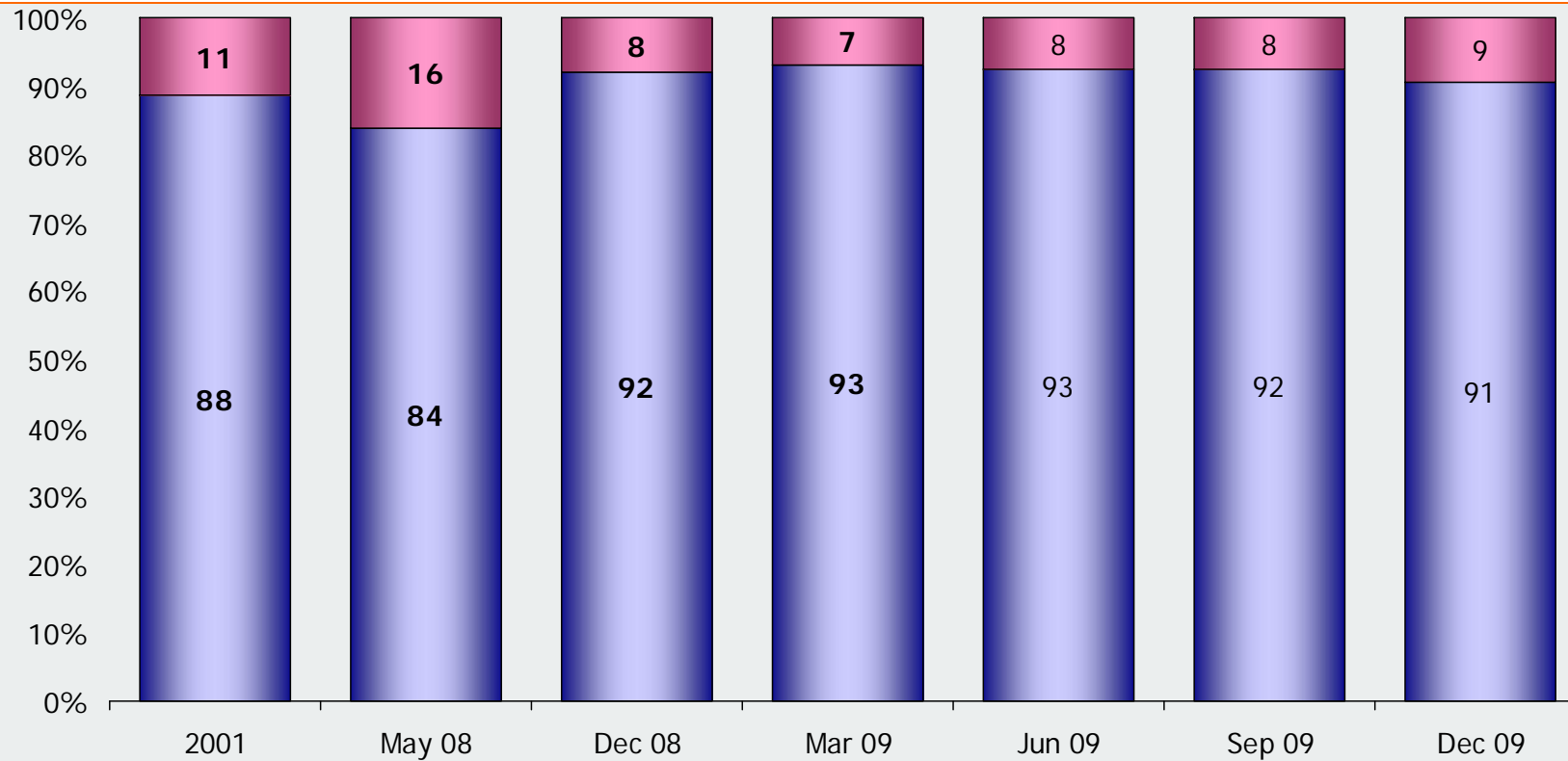
Sales Value RUB Growth Rate PY
DEC08 - DEC09

Russia

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Planning to Buy a Car in the Next Two Years, %



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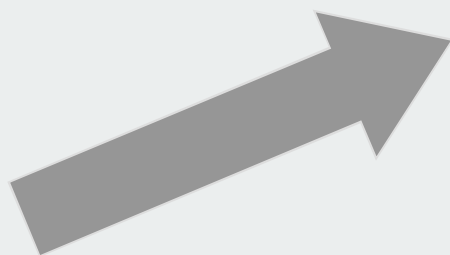
■ No ■ Yes



Source: GfK Rus Omnibus

Despite Crisis Nominal Disposable Income grew

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Source: Goskomstat RF

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Among Fewer Areas of Growth in Russia in 2009 we see:

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Bank Deposits: +12.5%

FMCG Sector:
Purchases for Home +20,5%

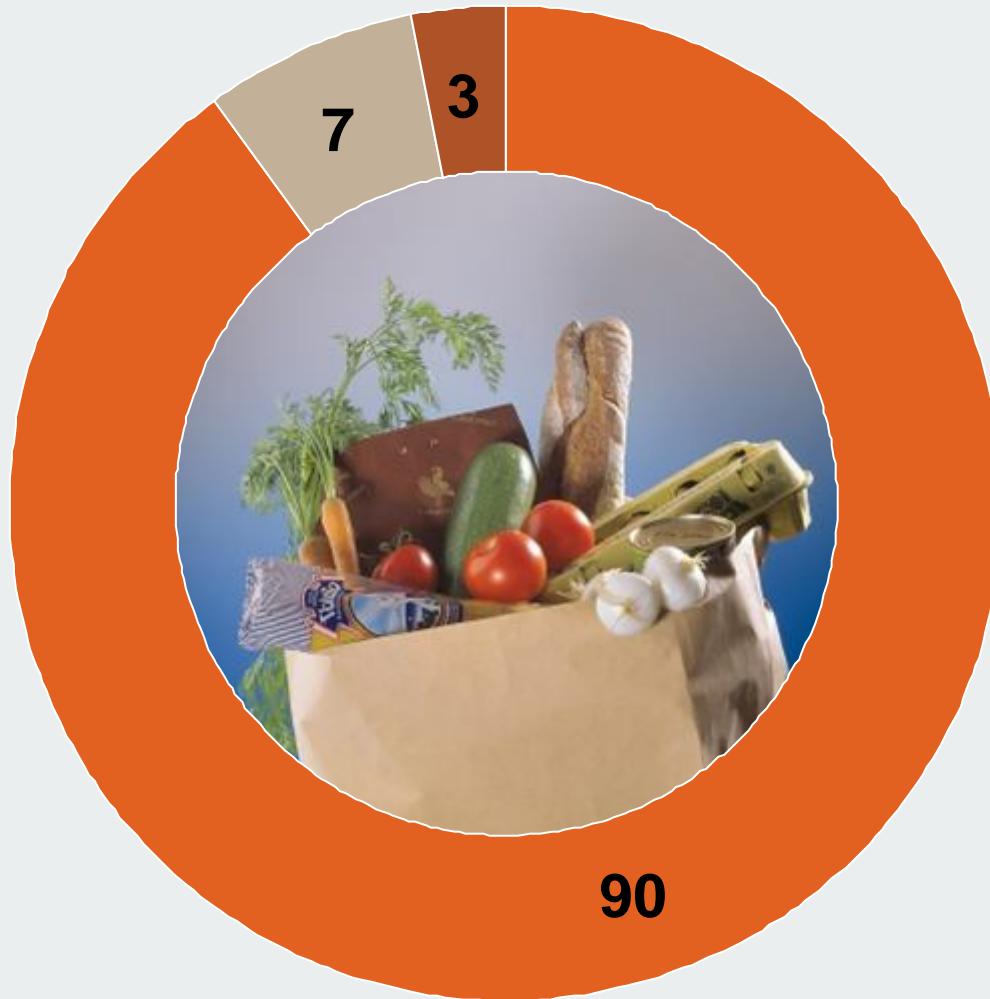


The GfK logo, consisting of the letters 'GfK' in white on an orange square background.

FMCG Spend Structure remained stable since 2005

Value Shares by Sector, %

(Russia Total 2009)



Value Increase in 2009 Vs 2008, %

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Food

+22,7%

Personal care

+18,3%

Home care

+22,8%

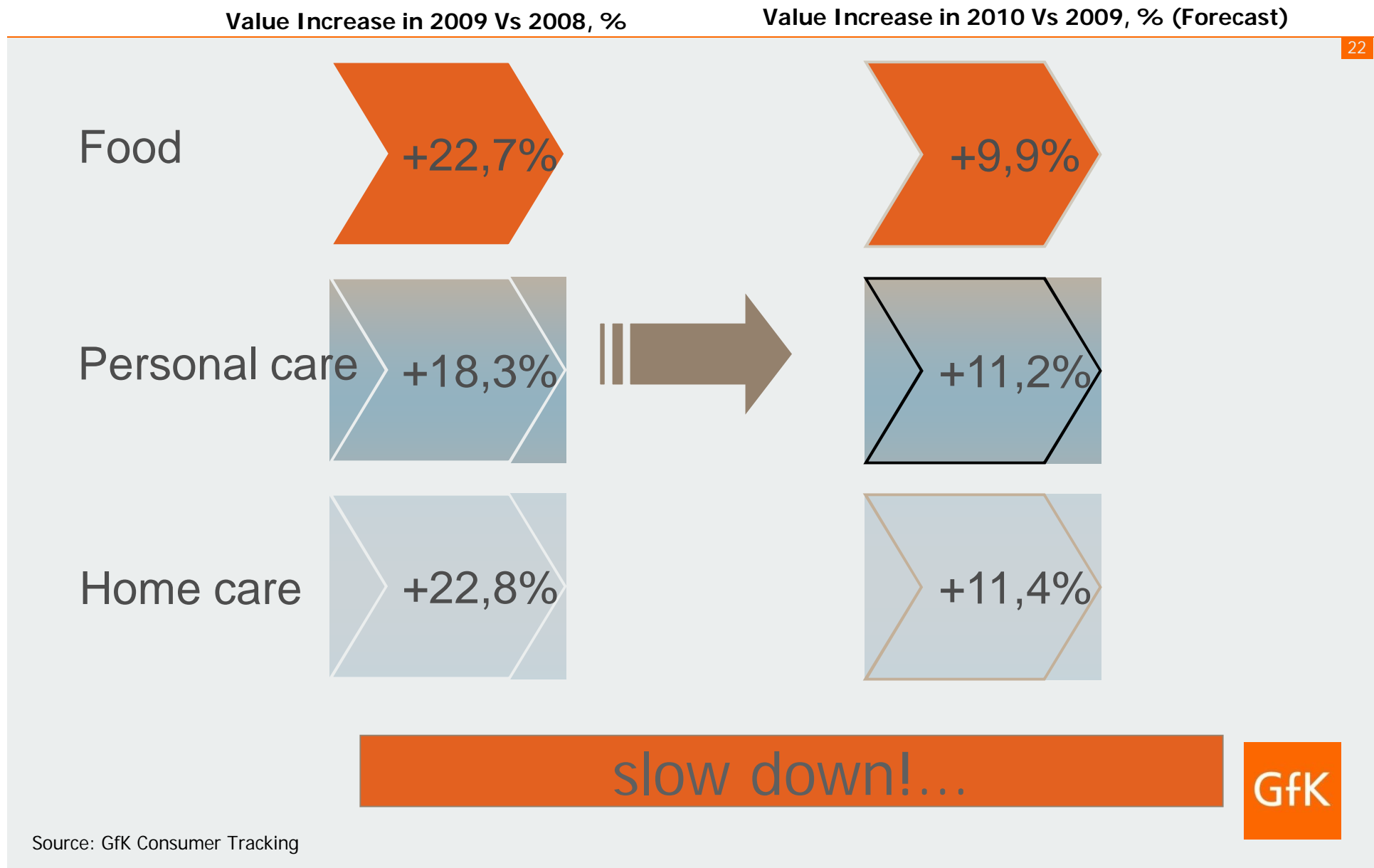
Hard Cheese Case: Main Drivers of the Growth

Growth is driven by two main factors:

- **Penetration** (Number of buyers) grew from 91 to 94%
- **Consumption** grew mainly through Purchase Frequency (from 16 to 18 occasions per year)



FMCG Spend Development – Forecast 2010



Do consumers switch to economy brands within categories?

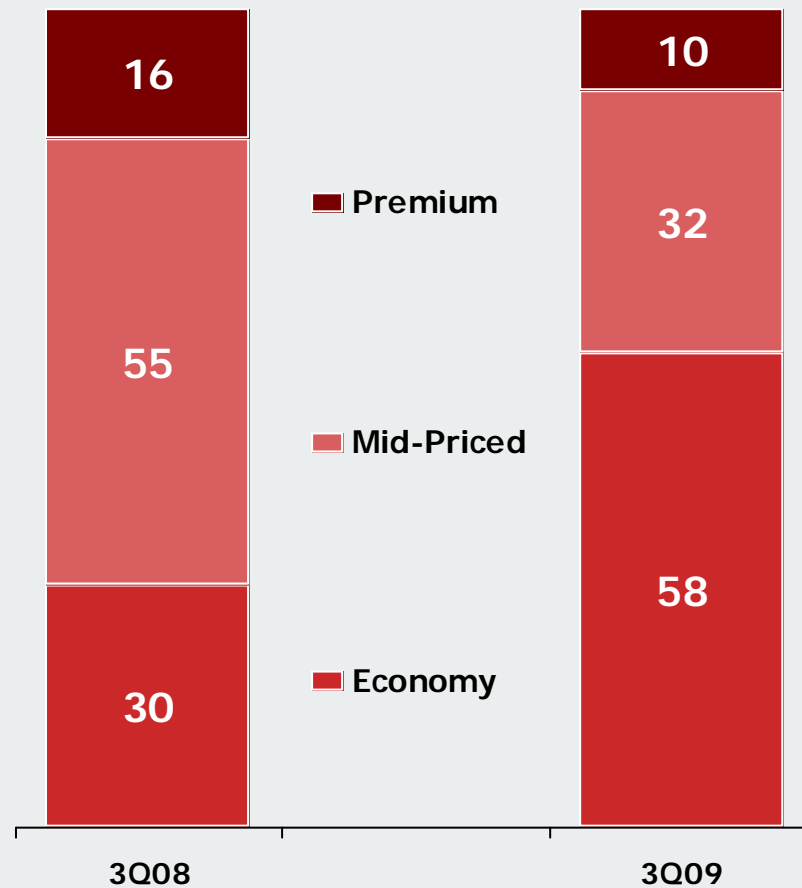
There is no one-way trend for all the categories!
It is category-specific trend!



Edible Oil Case: Clear example of Downgrading despite even price decrease

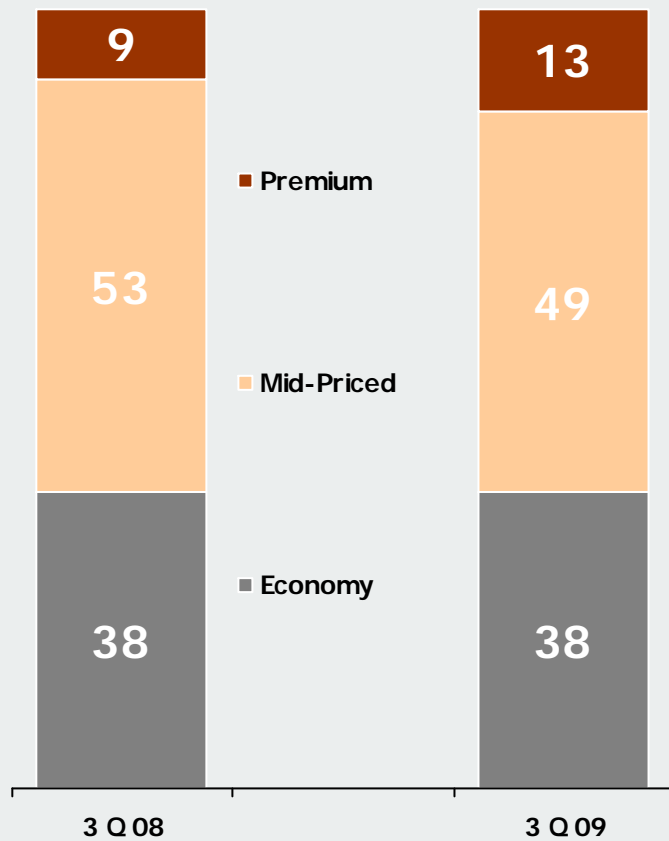
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Volume Share by Segment, %



Baby Diapers Case: Growth of Premium Products

Volume Share by Segment, %



Volume Growth by Segment, %

+ 46%

- 7%

- 2%



Source: GfK Consumer Tracking

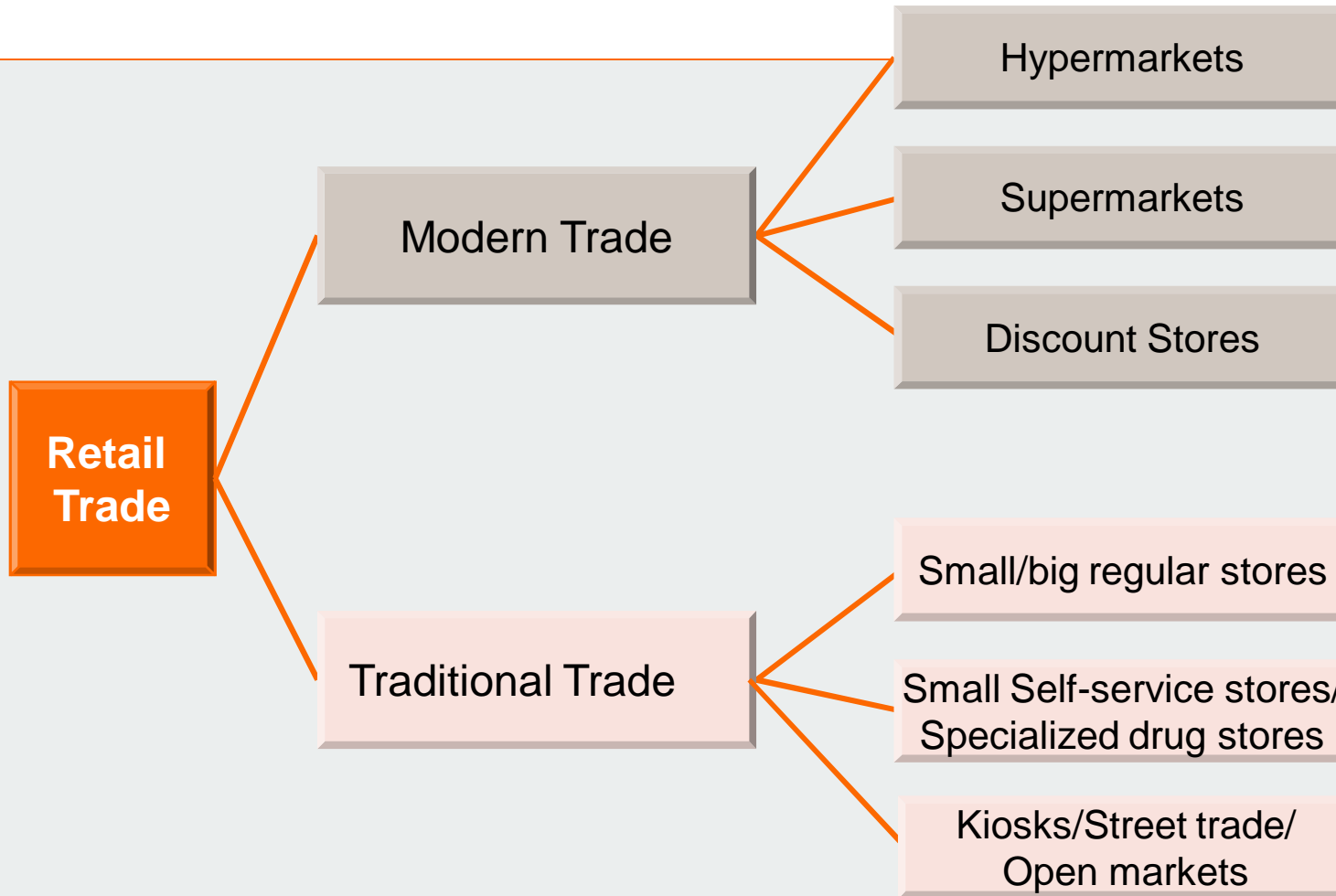
Dairy Case: Growth of Functional Liquid Yoghurts (incl. Minidrinks) driven by advertising and promo

- Functional Liquid Yoghurts 70% more expensive than category average
- Penetration (Number of buyers) grew from 26 to 35%
- Value Share increased from 35 to 40% of category total



3 FMCG Retail Development

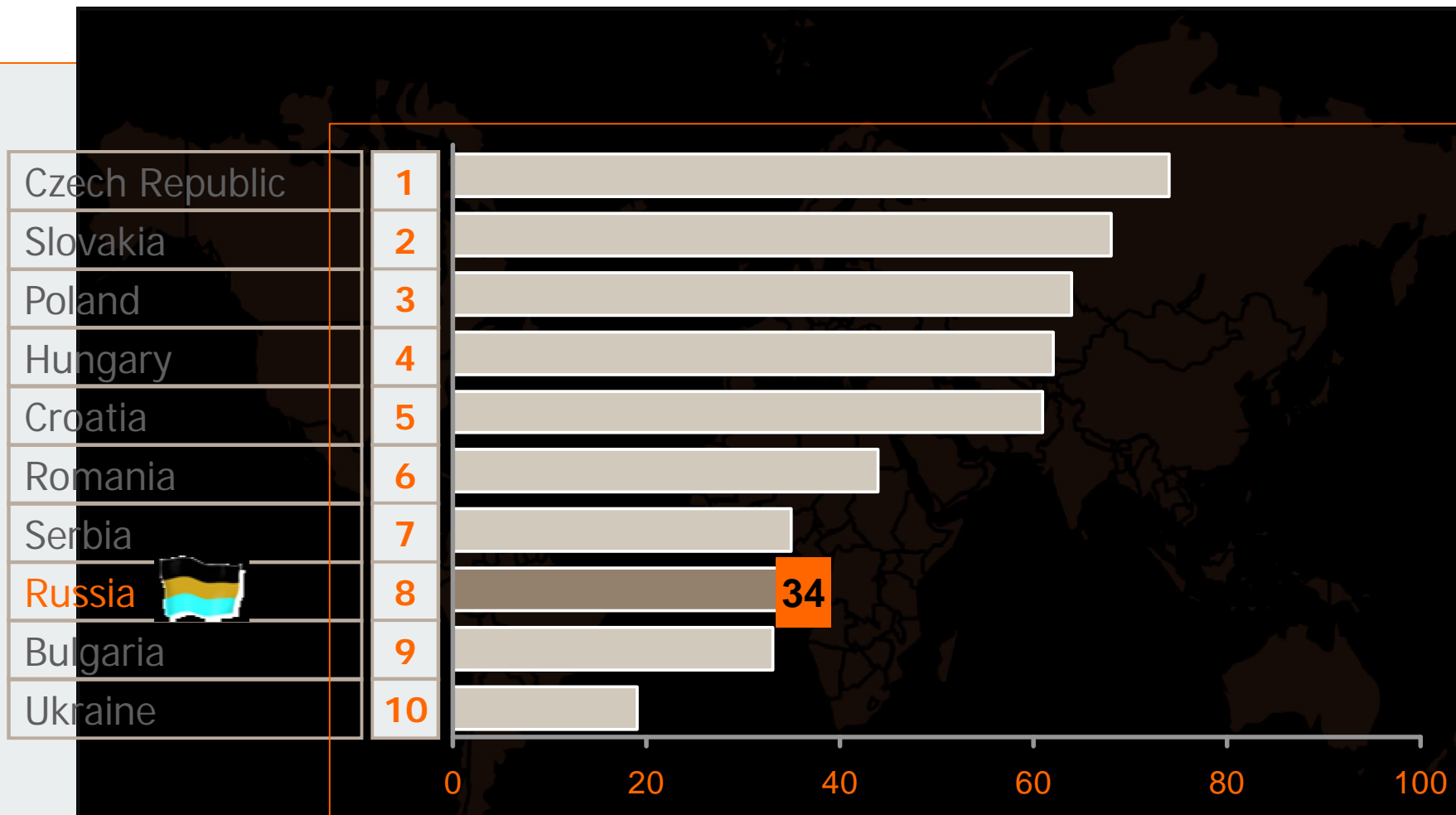




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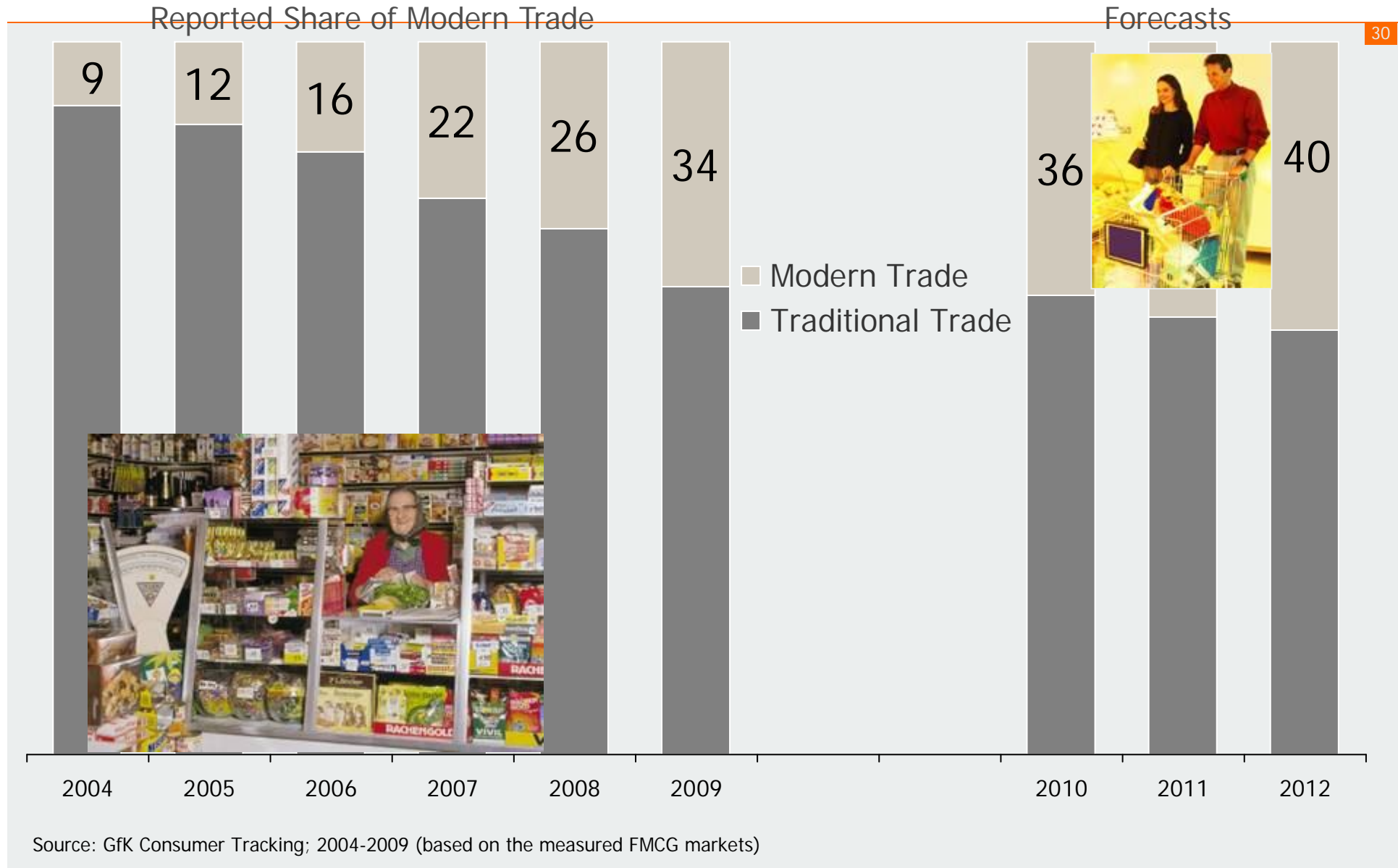


Share of Modern Trade: Russian and CEE Countries 2009



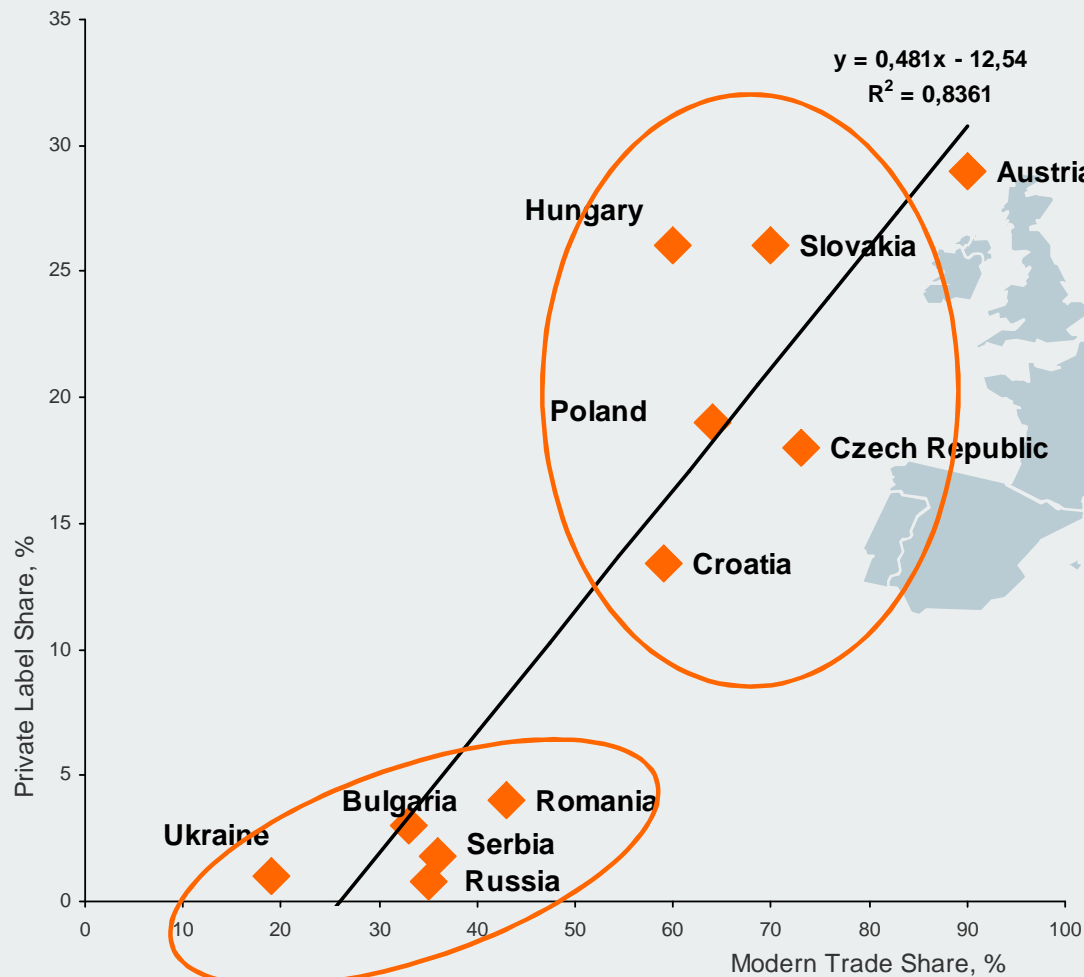
Russian Market is still not saturated with Share of Modern Trade being substantially smaller against most of the CEE

Share of Modern Trade in Russia, 2004-2009. Forecast 2010-2012



Private Label share depends on Modern Trade development.
Breakthrough for PL happens at the level of MT share ~60-70%%
Based on MT share Private Labels in Russia are underdeveloped (likely due to lower trade concentration)

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Source: GfK Consumer Tracking; based on the packed FMCG; volume shares, 1HY 2009

FMCG Categories with Highest Share of Private Labels in Russia*

32



4%



5%



6%

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* 1H 2009

4 Conclusions



Conclusions

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- **Crisis affected consumers less than economy in general**
- **Consumer real income has increased a little**
- **Consumers didn't limit themselves in daily goods**
- **Crisis affected mostly durables, auto, eating out habits.**
- **The crisis affected FMCG and Pharma markets less than other markets**
- **Consumer behavior became more rational less demonstrative (show off)**
- **Price factor has grown in crisis**
- **Common index of consumers moods is quite low**
- **Modern Trade segment to grow very fast in 2010-2012**
- **In short-term perspective: Discount stores will benefit from the crisis situation**
- **In mid- and long-term perspective: Hypermarkets and Supermarkets will accelerate**
- **PLs will likely be dominating "generic" commodity segments where there is a limited offer of strong Branded products**



Thank you very much for your attention!

