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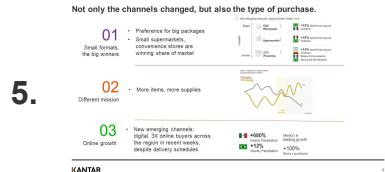
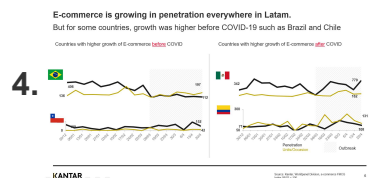
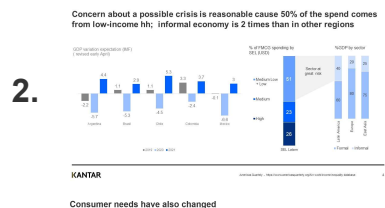
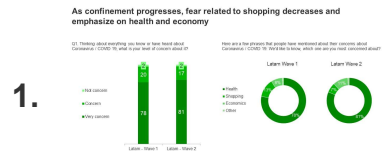
10 Slides to Make You Think about COVID-19

LATAM

May 13th, 2020



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



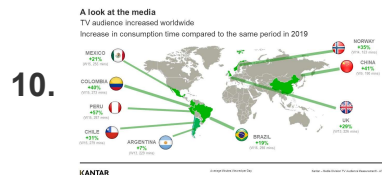
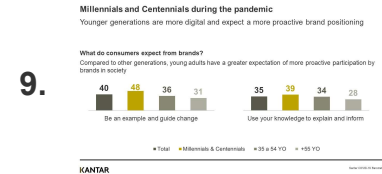
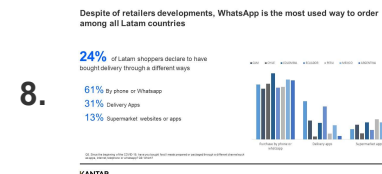
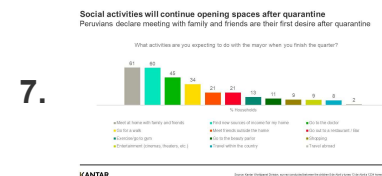
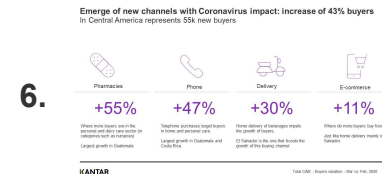
While social isolation advance, fear about economic situation grows. People remains leaving their houses for the essential, they buy food, cleaning items and masks, which in some locations is becoming mandatory. As we discover in our study LinkQ Latam COVID-19.

Latam has an unique socioeconomic structure. We have 40% of GDP coming from the informal sector, we already had a high unemployment rate in the region (av. of 8%), we are the most unequal in the GINI index and we have a large portion of the population in classes with less purchasing power.

The change of lifestyle changes the needs. During the weeks, some items become more relevant at home. How to keep driving this demand after lockdown?

Even before COVID, some countries presented a significant growth for E-commerce,

Not only the channels changed, but also the type of purchase. Security is a main concern, intention to reduce frequency, only 6% say they are afraid of not finding products. As expected in the future, physical stores will live more strongly with digital channels in a movement that has accelerated due current context.



Central America gained 55k new shoppers during this time. There are also opportunities to watch.

In Peru, 61% of people declare that meeting at home with family and friends is the top desire after quarantine. What products satisfy these needs? What channels / friends offer the best solutions? In the same measure, 60% thought to look for new sources of income.

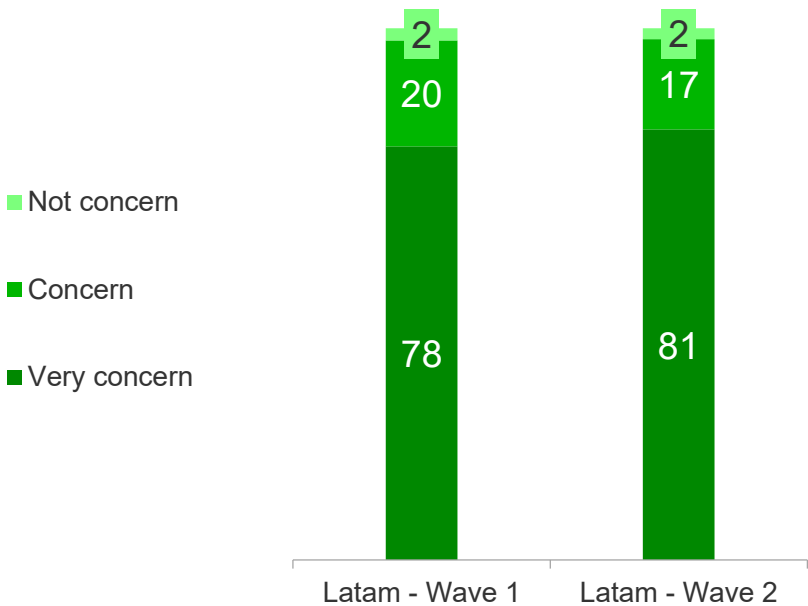
24% of Latin shoppers declare to have bought through different ways for delivery. Despite of retailers developments, WhatsApp is the most used way to order among all countries in the region.

Every generation is living pandemic in different ways, Younger generations are more digital and expect a more proactive participation of brands in society.

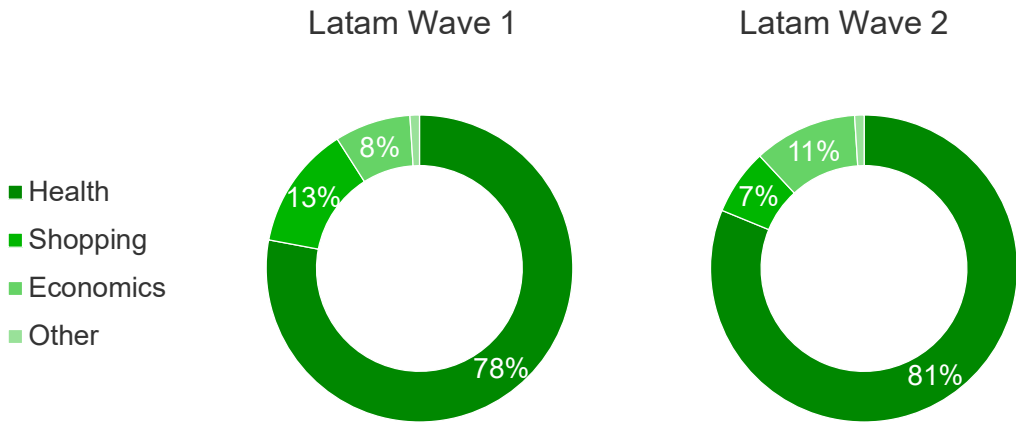
All around the world, media consumption is increasing significantly during lockdown, with online media channels and TV providing new opportunities to reach audiences. As you can see here, TV viewing is up in many different markets and across Latam.

As confinement progresses, fear related to shopping decreases and emphasize on health and economy

Q1. Thinking about everything you know or have heard about Coronavirus / COVID 19, what is your level of concern about it?

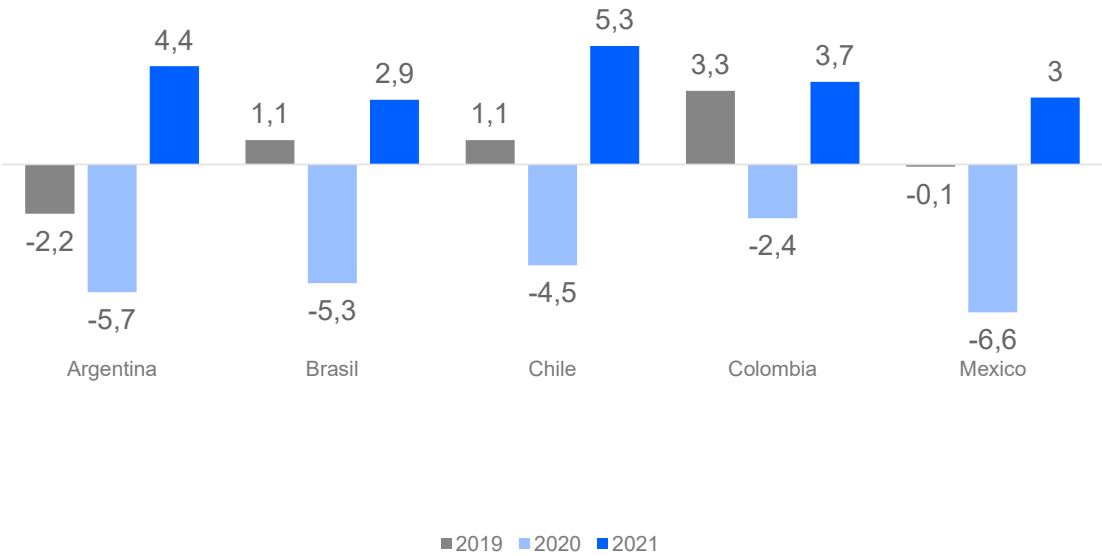


Here are a few phrases that people have mentioned about their concerns about Coronavirus / COVID 19. We'd like to know, which one are you most concerned about?

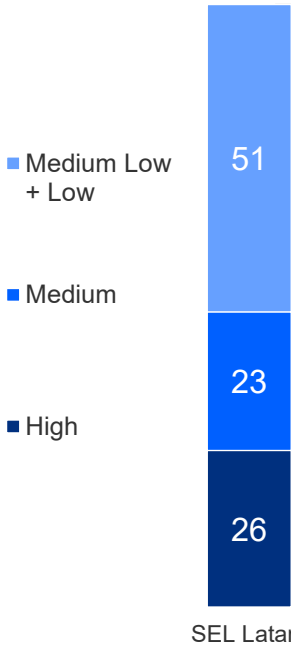


Concern about a possible crisis is reasonable cause 50% of the spend comes from low-income hh; informal economy is 2 times than in other regions

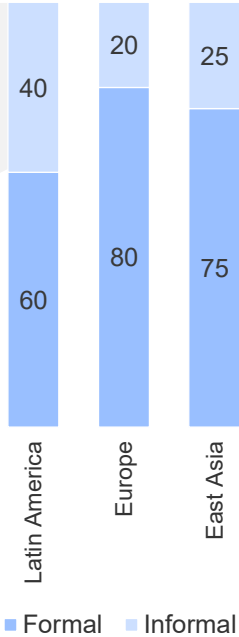
GDP variation expectation (IMF)
(revised early April)



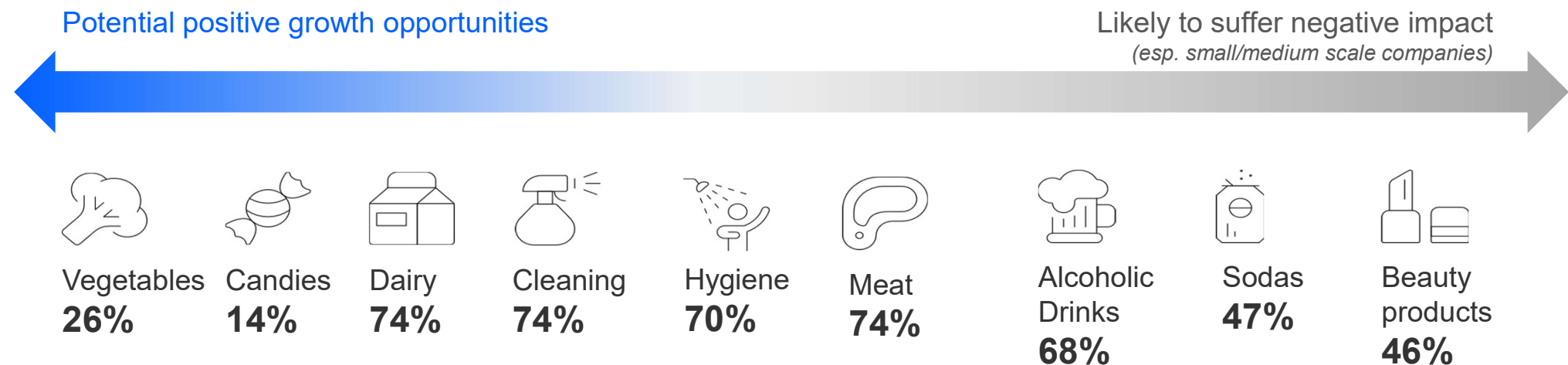
% of FMCG spending by
SEL (USD) - 2019



%GDP by sector



Consumer needs have also changed

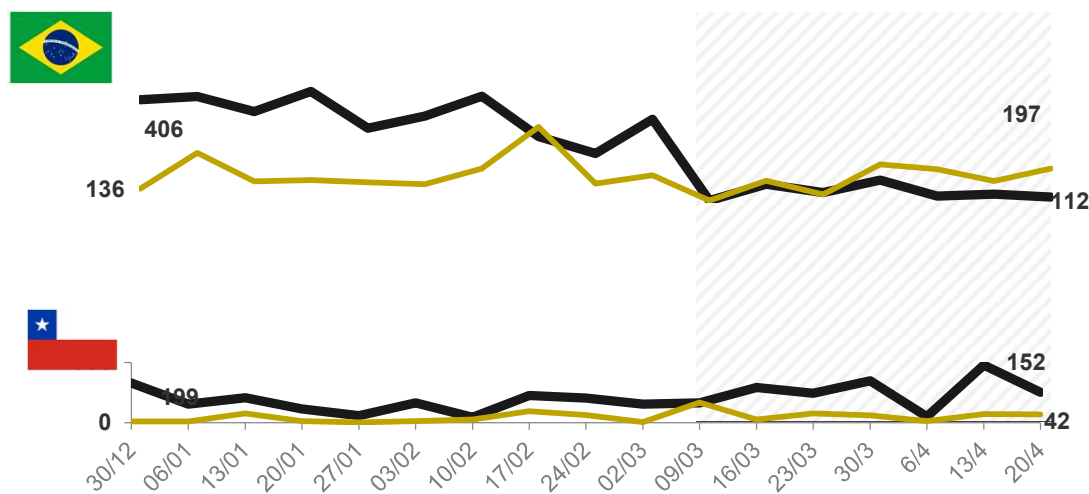


Q7d. Since starting the contingency, have you changed the use of some of the next products?

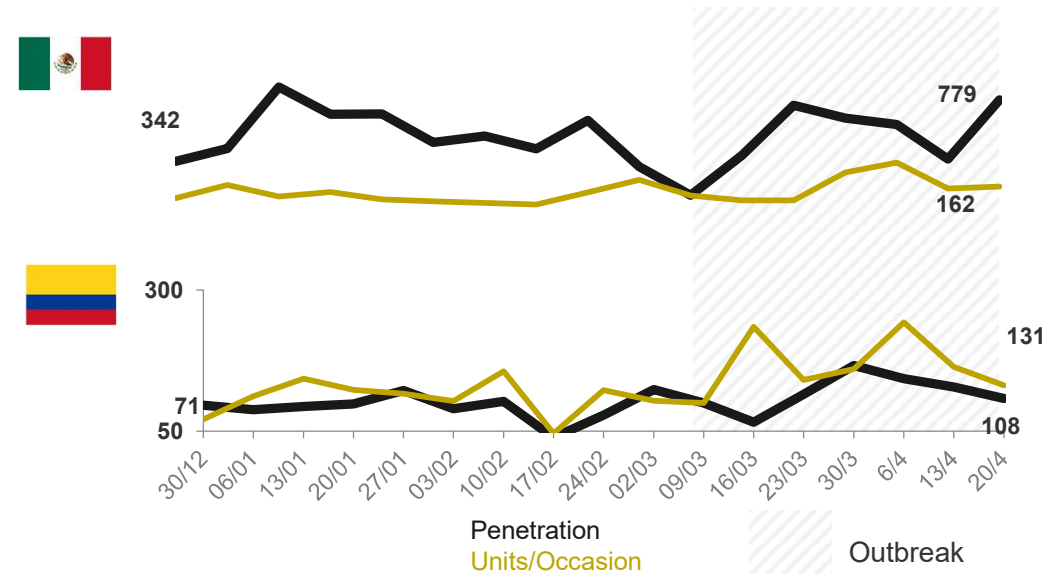
E-commerce is growing in penetration everywhere in Latam.

But for some countries, growth was higher before COVID-19 such as Brazil and Chile

Countries with higher growth of E-commerce before COVID



Countries with higher growth of E-commerce after COVID



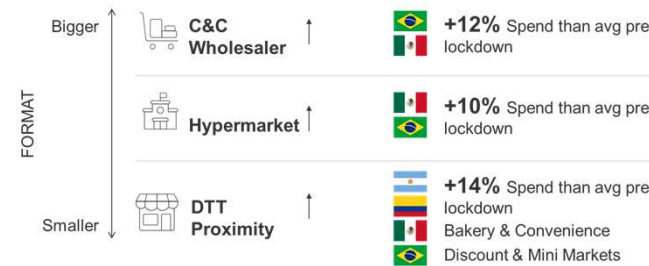
Not only the channels changed, but also the type of purchase.

01

Small formats, the big winners

- Preference for big packages
- Small supermarkets, convenience stores are winning share of market

Main Shopping Channels | Spend Growth | Week 1 to 4



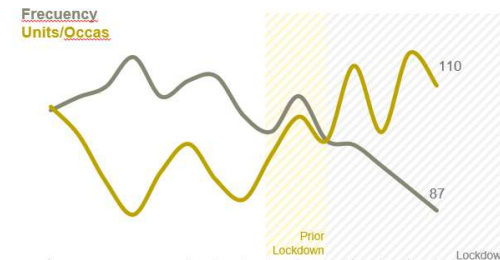
Source: Worldpanel | Weekly Data – Raw Index vs. week of Mar 9

02

Different mission

- More items, more supplies

Latam - Frequency vs Units/Occasion (January-April 2020 in weeks)

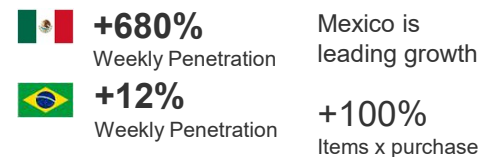


Source: Worldpanel | Raw Index 14 Weeks | From w/c Dec 12 until w/c Apr 6¹

03

Online growth

- New emerging channels: digital. 3X online buyers across the region in recent weeks, despite delivery schedules



Source: Worldpanel | Weekly Data – Raw Index w/c Mar 9

Emergence of new channels with Coronavirus impact: increase of 43% buyers

In Central America represents 55k new buyers



Pharmacies

+55%

Where more buyers are in the personal and dairy care sector (in categories such as nurseries)

Largest growth in Guatemala.

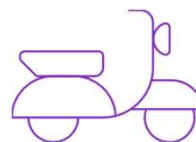


Phone

+47%

Telephone purchases target buyers in home and personal care.

Largest growth in Guatemala and Costa Rica.

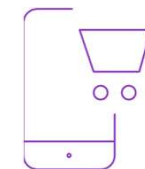


Delivery

+30%

Home delivery of beverages impels the growth of buyers.

El Salvador is the one that boosts the growth of this buying channel



E-commerce

+11%

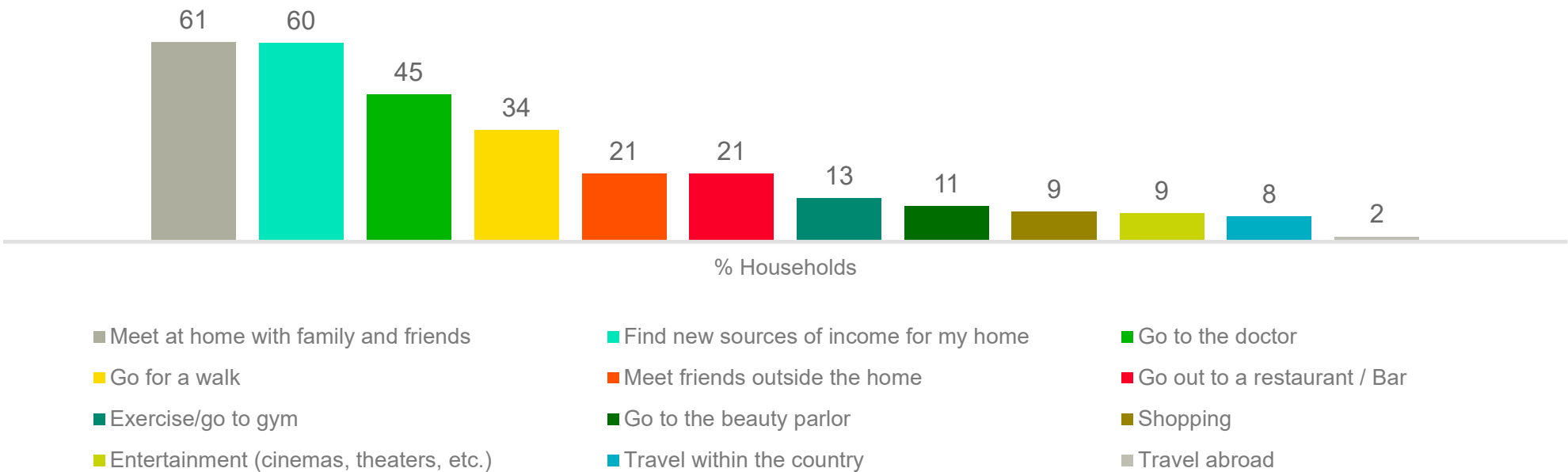
Where do more buyers buy food

Just like home delivery mainly in San Salvador.

Social activities will continue opening spaces after quarantine

Peruvians declare meeting with family and friends are their first desire after quarantine

What activities are you expecting to when you finish the quarantine?



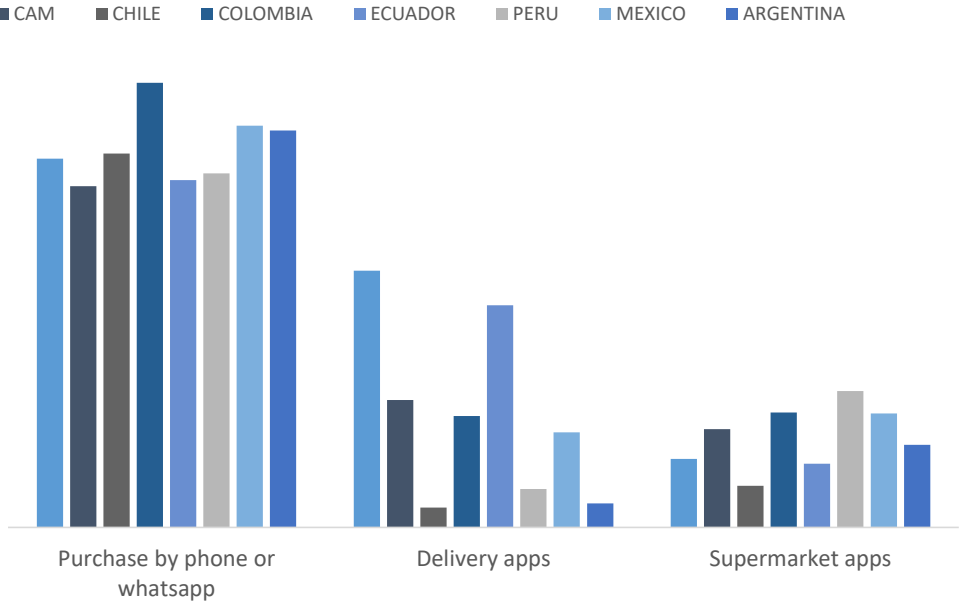
Despite of retailers developments, WhatsApp is the most used way to order among all Latam countries

24% of Latam shoppers declare to have bought delivery through a different ways

61% By phone or Whatsapp

31% Delivery Apps

13% Supermarket websites or apps



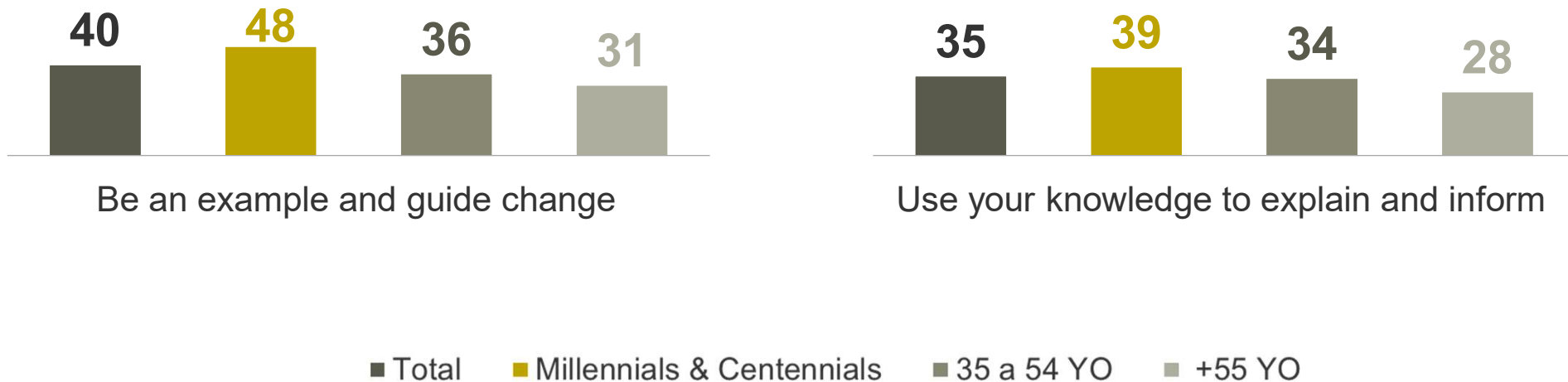
Q8. Since the beginning of the COVID-19, have you bought food / meals prepared or packaged through a different channel such as apps, internet, telephone or whatsapp? Q9. Which?

Millennials and Centennials during the pandemic

Younger generations are more digital and expect a more proactive brand positioning

What do consumers expect from brands?

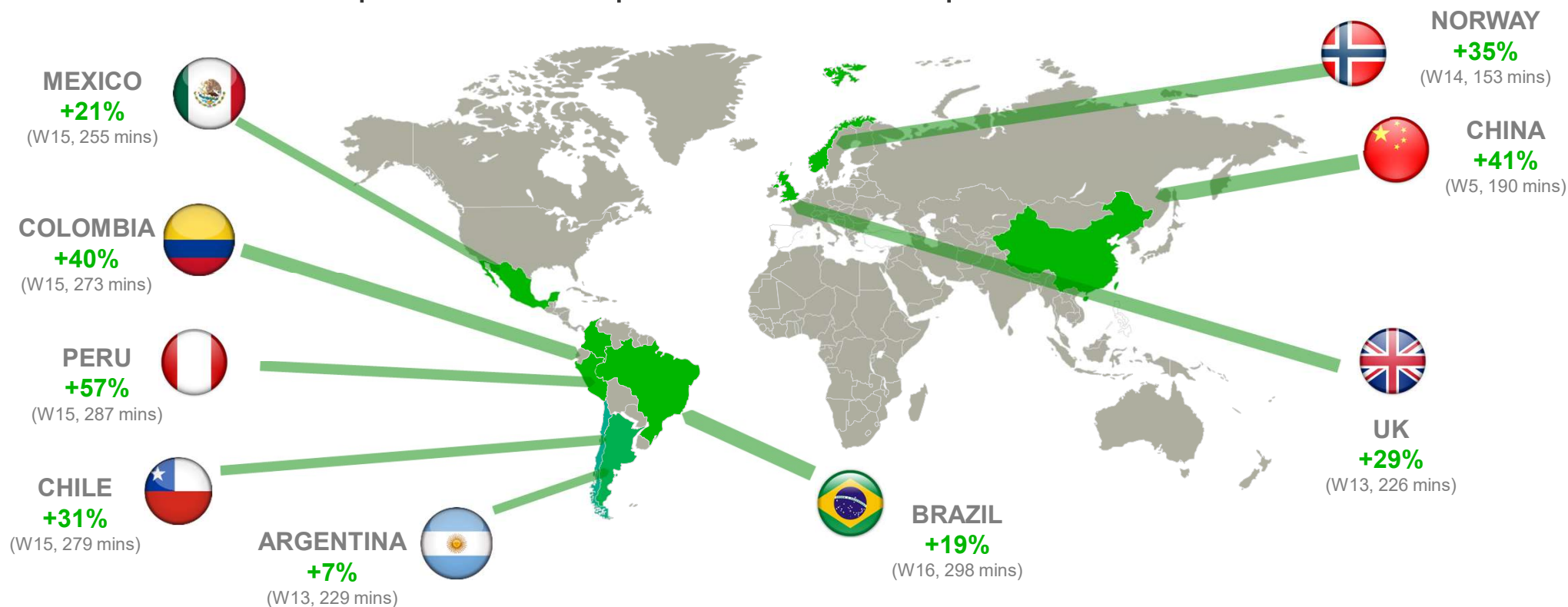
Compared to other generations, young adults have a greater expectation of more proactive participation by brands in society



A look at the media

TV audience increased worldwide

Increase in consumption time compared to the same period in 2019



Average Minutes Viewed per Day

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