



Shining Perspective

- Its very true that the Indian woman has a lot of health deficiencies in general in comparison with women of developed countries
- As Indians always give importance to taste rather than health, this kind of product should not look like a therapeutic dose for it to penetrate for regular purchase
- The pleasure of organoleptic enjoyment is a must in food
- Indians value a food product when it has a tangible **stomach filling** character
- Unlike the West, Indians masses have not understood that beverage could be a valuable healthy food
- That's why the format of the product is the decisive factor

Changing Consumer space and preferences

The Indian consumer market will remain buoyant, given favorable demographics, rising disposable income and rapid urbanization.

The sector is seeing rapid change in customer tastes and preferences- be it food & beverage sector or personal durables.

The coming year will see specialized and niche products driven by product innovation. More and more brands will be seen adopting strategy of glocalization.

In food and beverage sector demand will be driven by increasing preference for green/organic food. There will be rise in unique ethnic flavors aimed at enhancing taste of convenience food. Trend will shift towards offering niche local or regional soft-drinks while flavored and nutritionally enhanced water will be a strong category in emerging markets. There will be concentrated industry focus to improve.

Food processing and food products delivery supply chain. This will be made possible by targeted collaboration across the value chain. This will be strengthened by forward steps in standardization of raw material specifications. With more and more consumers becoming environment conscious, consumer preference will take breakthrough tilt towards ecologically sustainable products. The industry will see rise in eco-sustainable products.

An aggressive management mindset, opportunity to convert non-users into consumers, creation of newer categories, and resolution of supply chain issues and growth of modern retail will strengthen the growth trajectory.

Industry Growth Drivers

- Higher growth from emerging and Eastern European markets
- Increased health awareness globally leading to health enhancing convenience food
- Preference for premium beverage in emerging markets
- Consumer demands for 'on-the-go' packs. High growth categories
 - Drinking yogurt
 - Flavored milk
 - Energy drinks
 - Soyamilk
- Introduction of new products and variants
- High growth in Asia Pacific region, China, India, and Latin America
- Awareness of the importance of household hygiene among consumers
- Expanding consumer markets, in Asia, Central and Eastern Europe
- Growing preference towards natural personal care sector
- New variety and formats to upgrade consumers
- Global population growth
- Demographic, lifestyle and fashion trends are the drivers
- High growth in children's footwear market
- Casual footwear is the fastest growing and also the largest product segment

Industry Competitive Scenario

- Increasing dominance of private label FMCG brands
- Increased competition between national and regional players
- Loyalty towards long-established regional industries is high in several markets
- Fierce competition, especially in soft drinks, over shelf space and pricing

Private label products are coming up with innovative premium options

- Heavy discounting and price wars as a consequence of the strength of private labels
- Emergence of private level competition in emerging markets
- Aggressive campaign among the biggies to capture market share
- Discount driven sales due to high competition
- Keeping up with the pace of change like offering on wholesale prices to survive in global competition
- Heavy competition among players to source material more cost effectively
- Focus on design to stay ahead in competition

Industry Complexity

- Food safety and regulations
- Complex food supply chain
- Sourcing
- How to capture the consumer's different moments of consumption
- Health and legislative issues
- Safety and quality management
- Managing the food supply chain
- Sustainable packaging techniques and innovation
- Complex sourcing and supply chain to remain cost competitive
- Skewed trade laws favoring developed countries
- Maintaining cost competitiveness with currency volatility and smaller lot orders

- Stringent and complex labor contract laws
- Stringent chemical regulations applicable in different countries or regions
- Complex forecasting: Long lead times, global setup and high volume of products making forecasting complex

Industry Pain Areas

- Volatility in commodity prices
- How to address duplicate, spurious and counterfeit products in emerging markets
- Customer retention and loyalty
- Growing health concerns and negative media attention regarding alcohol intake
- Negative health perception of carbonated soft drinks
- Low margins
- Difficult to upgrade
- Prominence of brand switching
- Supply chain complexity
- Price wars
- Short product life cycles, increasing product variety
- Stringent deadlines and better quality for competing globally
- Balancing the change in fashion with timely delivery puts high pressure on operations
- High lead time for product development, international barriers to trade, rising raw material prices and labor shortage
- Working conditions and human rights issues in outsourcing
- Worldwide, consumers are spending less on athletic footwear
- Shrinking margins



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