

# LATAM Market Insight Webinar

**Master The Crisis**

Powered by GfK Weekly Point of Sales Tracking



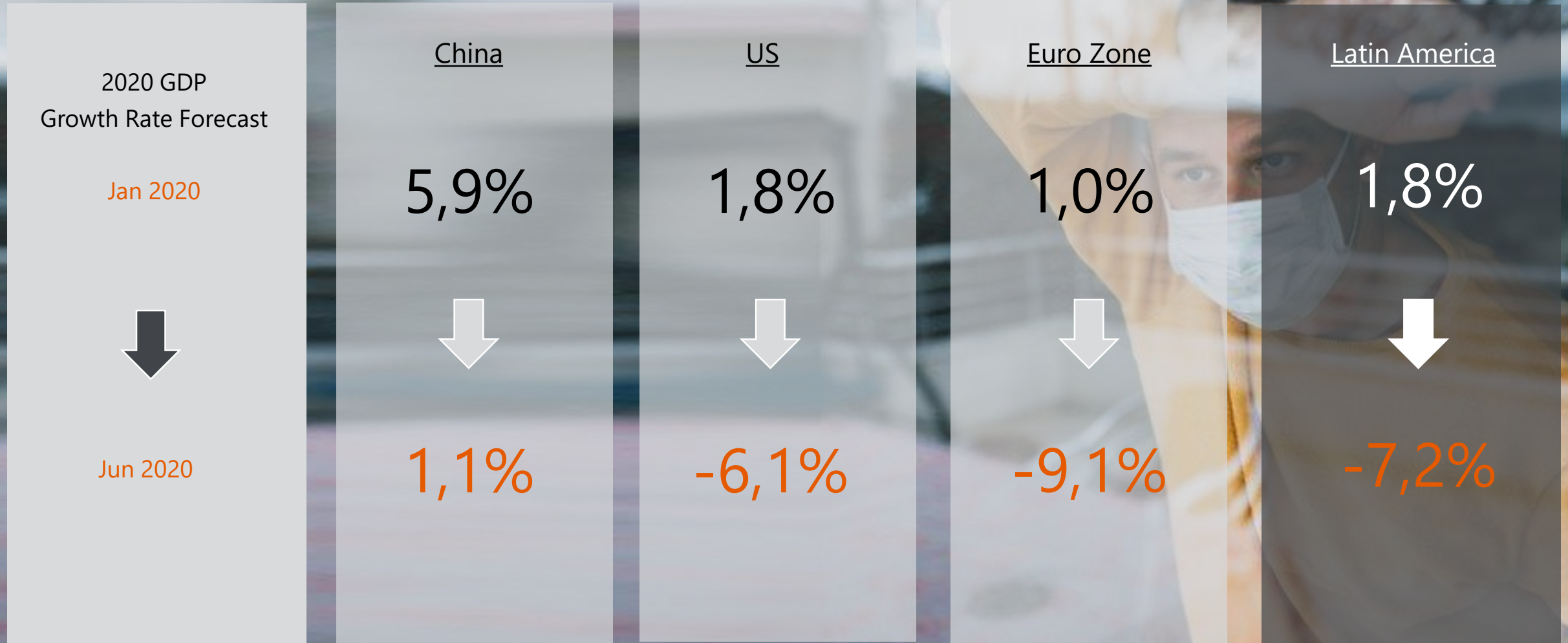
# The catalyst for change!

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## COVID-19 Crisis

# A Health Crisis is Leading to a Recession

## GDP Growth Rate Forecast 2020 – World Bank



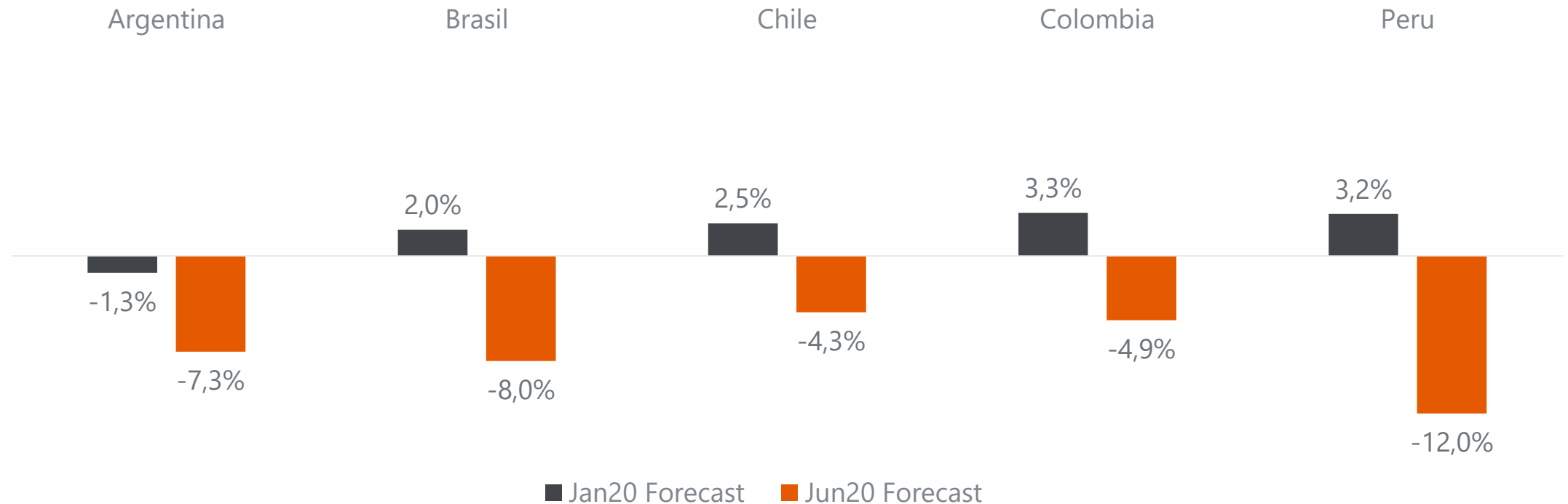
World Bank Global Economic Prospects June 2020

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# A Health Crisis is Leading to a Recession



## LATAM - GDP Growth Rate Forecast 2020 – World Bank



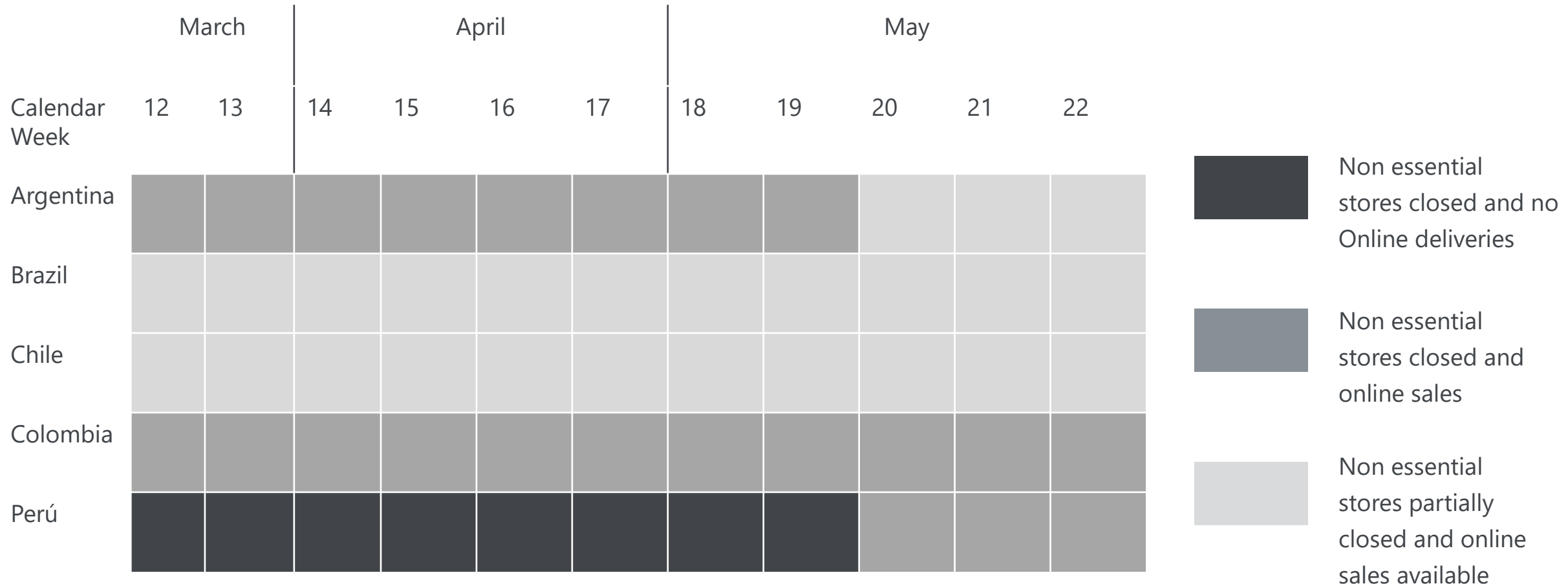
“The regional economy is projected to contract by 7.2 %, a much steeper decline than during the 2008 global financial crisis.

World Bank Global Economic Prospects June 2020

# Government measures affect business directly



## LatAm 5 – Retail Business Status – Last 13 weeks



# Consumer Concerns : Health to Economy

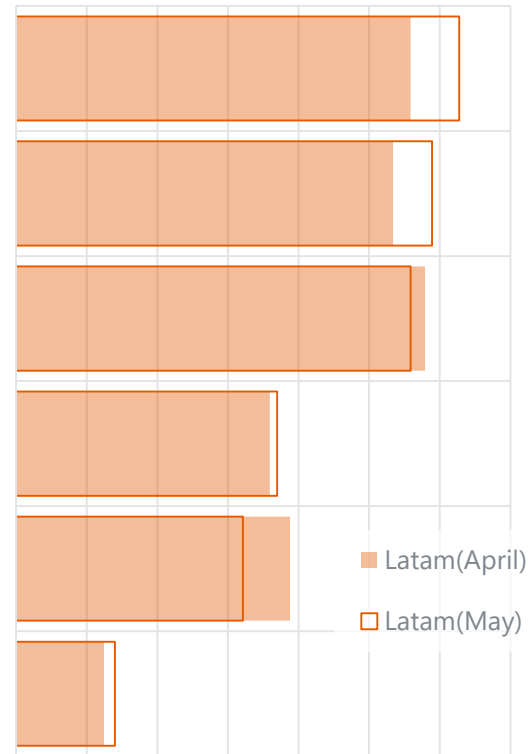


## What do you worry the most about?

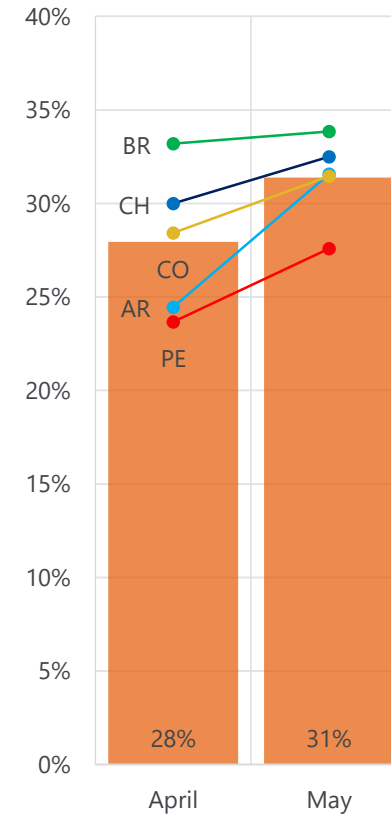
% worries regarding C-19

- The increase in unemployment in the country
- The impact on the country's economy
- The health of people around me
- My health
- The negative effects among the most vulnerable...
- The security of my savings

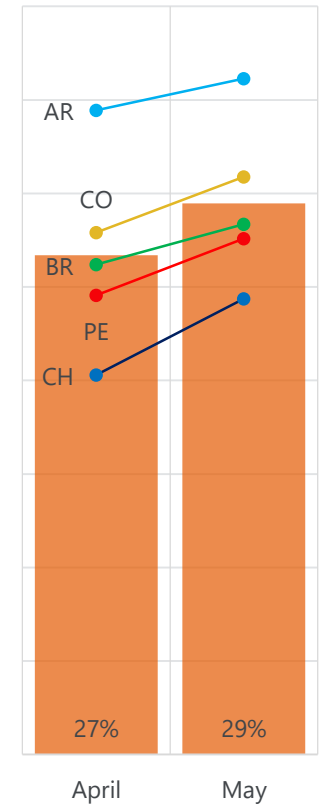
0% 5% 10% 15% 20% 25% 30% 35%



Country unemployment



Country's economy



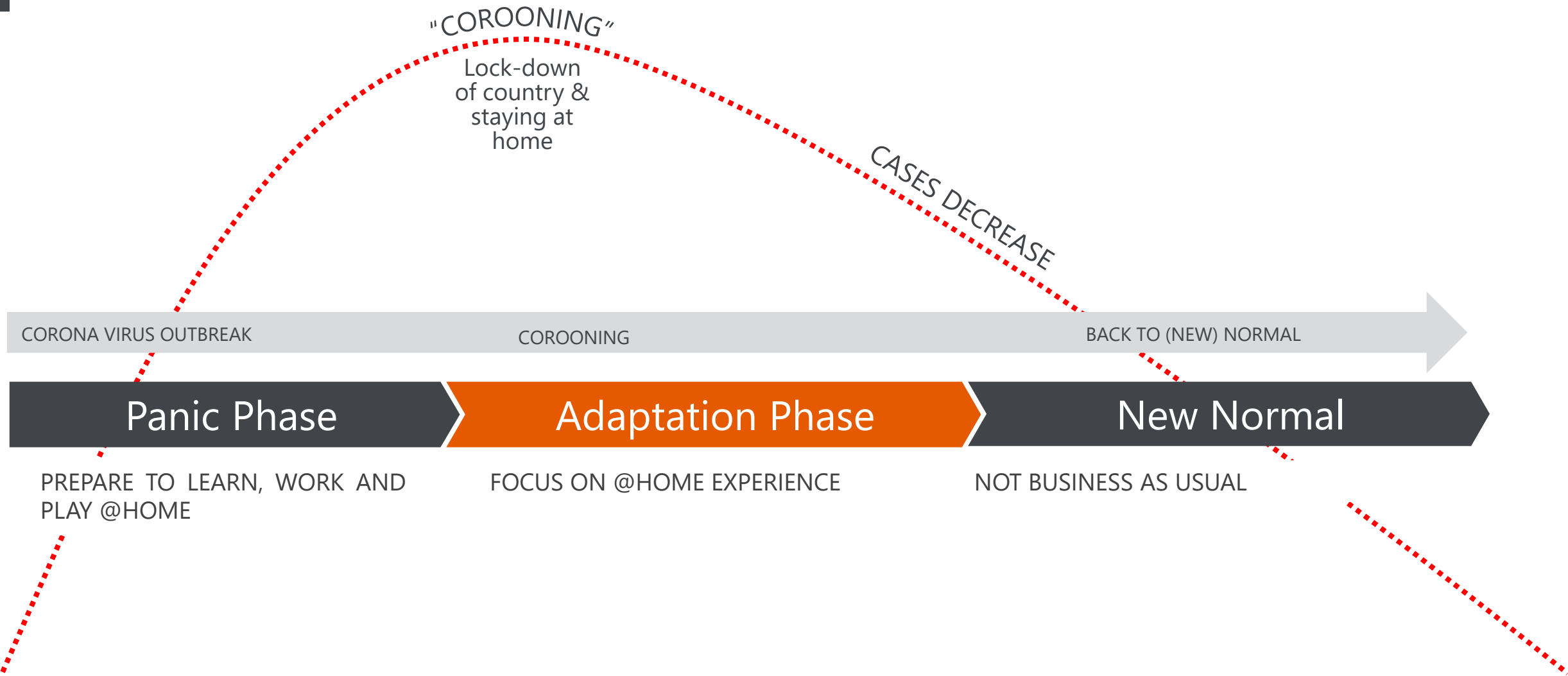
P03 [M] Witch of the following aspects worries you the most in regard with the crisis? Select the top 5 most important.

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# How is Covid-19 crisis changing the LatAm?



Analyzing the market with 3 major phases



# Panic Phase

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**Prepare to learn, work and play @Home**



# Anxiety spreads, urgent adaptation starts

Panic-shopping for essentials, cancelations on major purchases



**74%**

Of Consumers are  
Extremely/Very  
concerned for  
Covid-19 crisis

**58%**

Of Consumers are  
not confident of  
personal  
economic  
situation in next  
12 months

CL 0001- [S] ¿How sure are you then in the following 12 months your economical situation will be better then today?| P01 [S] Right now what level of concern would you say you have for the situation we are living this Coronavirus? |

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# 94%

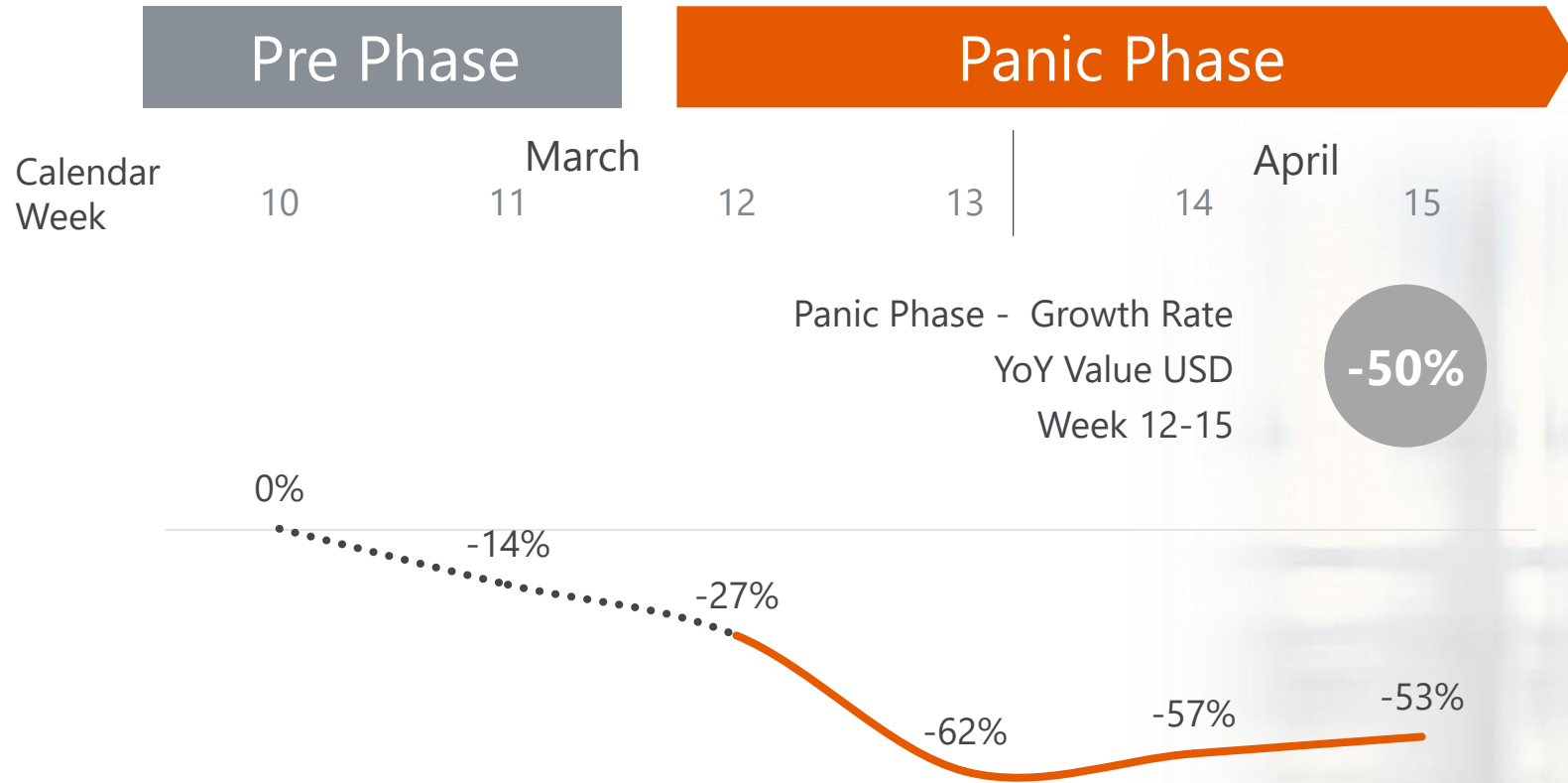
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**of consumers will go out only for essential activities (83%) or won't go out at all (11%)**

# The market paralyzed, down to -62%



LATAM Weekly Total Technical Goods Growth Rate YoY – Value USD (%)



\*TTG – Consumer Electronics/Major Domestic Appliances/Small domestic appliances/Telecom/Information technology/Photo/Multi Functional Group  
LATAM – Argentina, Brasil, Chile, Colombia, Peru  
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# Government measure relates to the market



LatAm 5 - Weekly Total Technical Goods Growth Rate YoY – Value USD (%)



TTG Growth Rate YoY Value USD  
Week 12-15

\*TTG – Consumer Electronics/Major Domestic Appliances/Small domestic appliances/Telecom/Information technology/Photo/Multi Functional Group  
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# Rapid shift to online, still can't hold up the market

LatAm5 - importance of online channel in value share (%), week 11-15

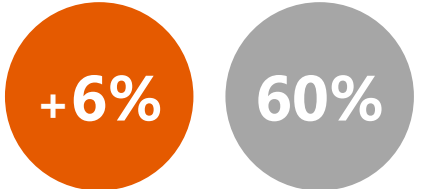
**+10%**

Panic Phase – TTG Online  
Growth Rate YoY Value USD  
Week 12-15



# Only urgent purchases made it to the shopping list

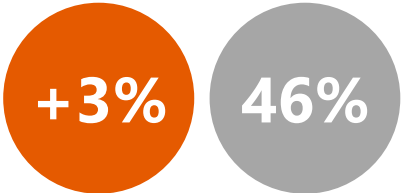
LatAm5 – sales units growth % YoY | Online Share week 12 – 15 2020



Growth Rate Online Share



Notebook



Growth Rate Online Share

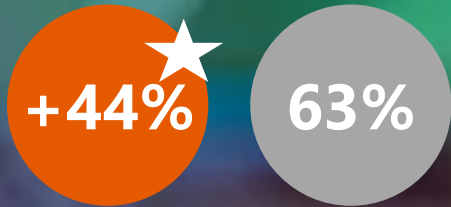


Printer



# Gaming fell in the urgent category

LatAm5 – sales units growth % YoY | Online Share week 12 – 15 2020



*Growth Rate*   *Online Share*



Video Game  
Console

Unique to LATAM

# Adapt Phase

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**Focus on @home experiences**



# Anxiety remains...

## LatAm5 – Consumer thoughts on the crisis



**74%**

Consumers believe that the pandemic will last more than next 3 months

**56%**

Plans to avoid visiting malls and stores as a result of the crisis

**64%**

Thinks it is totally possible for a second outbreak to occur and bring new lockdown measures

P11. When we get over the current crisis situation what is the probability that each of the following happens ?  
Z91. How long do you think it will take until the corona virus pandemic is over?

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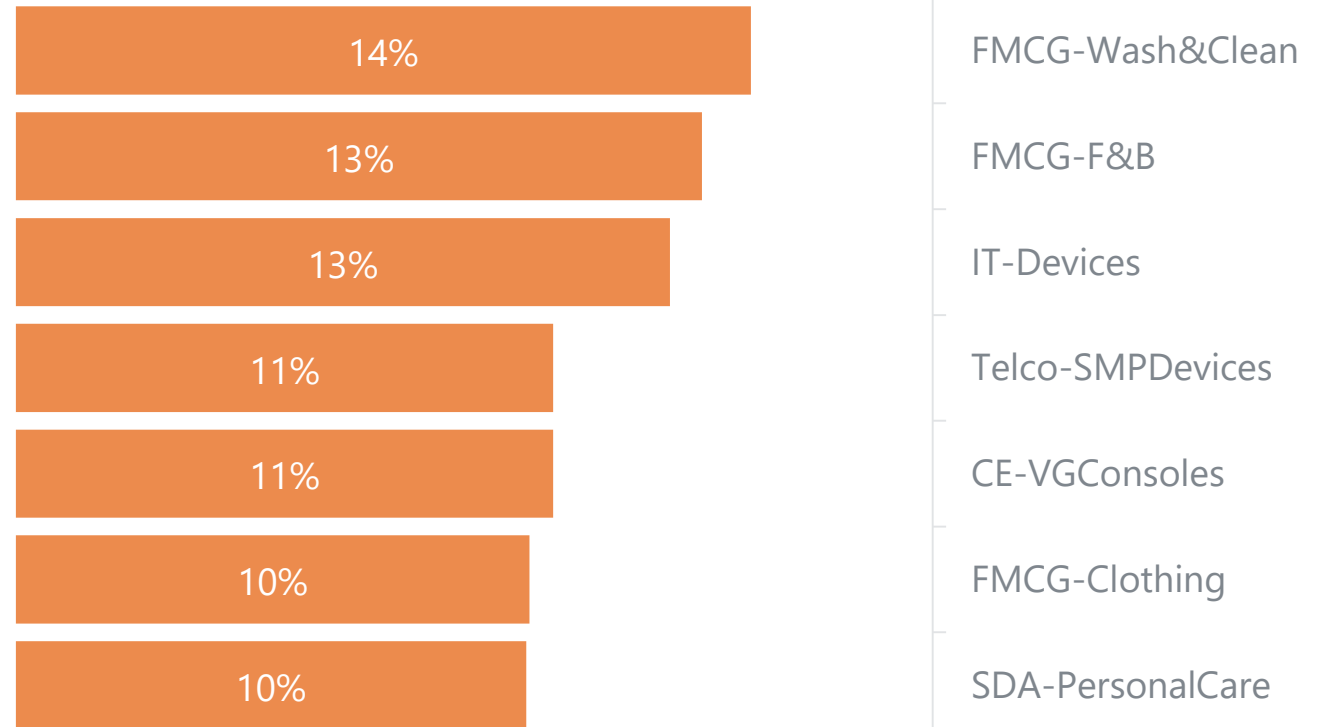
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# Life goes on: staying safe, planning tight

## LatAm5 – Purchase intention during covid-19 crisis



Purchase during C-19 Crisis



**73%**

Considers reducing spending and save money as a result of the current pandemics situation

P8. [S] When we get over the current crisis situation what is the probability that each of the following happens ? | P16. [M] thinking of the place where you shop are you buying the following?

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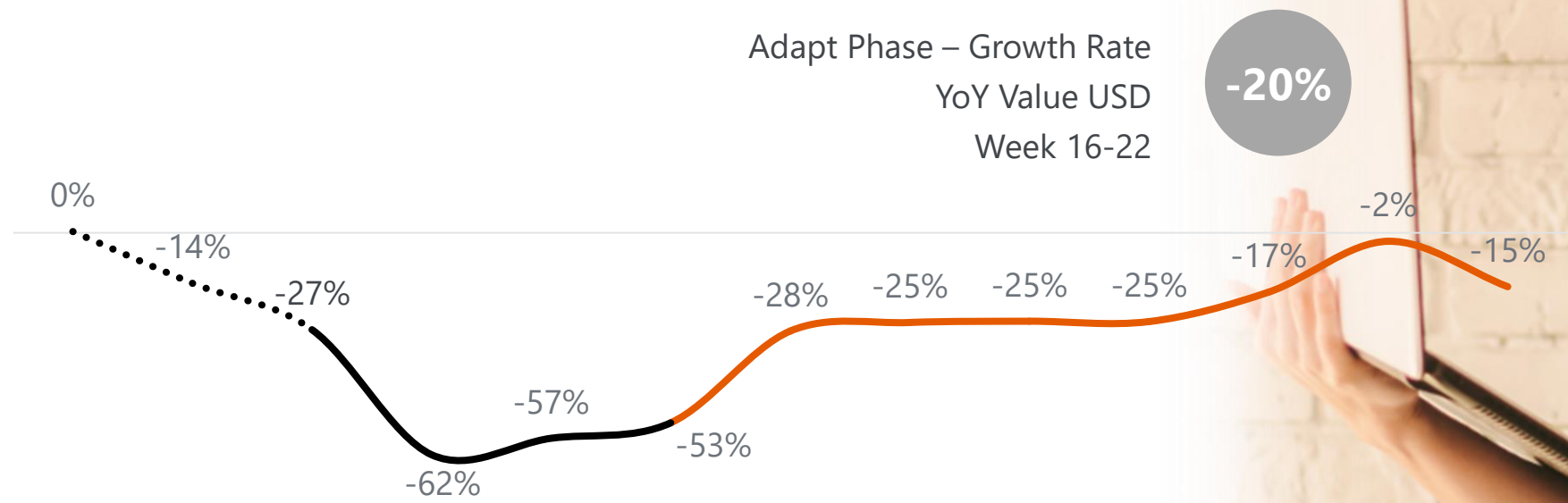
# Life goes on : Paralyzed market comes back slowly



LatAm5 - weekly total technical goods growth rate YoY – value USD (%)



Calendar Week 10 | March 11 12 | April 13 14 15 16 17 18 19 | May 20 21 22



-20%

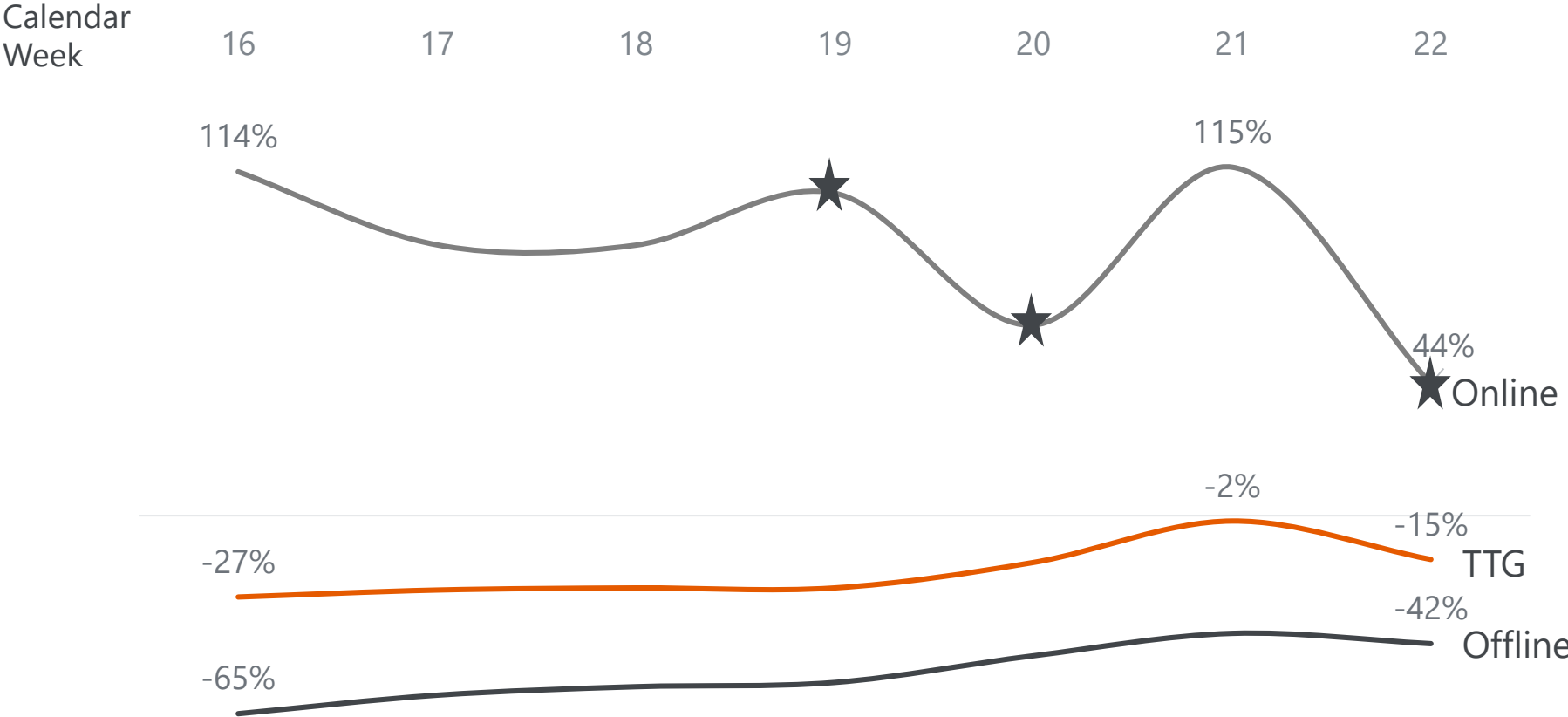


\*TTG – Consumer Electronics/Mayor Domestic Appliances/Small domestic appliances/Telecom/Information technology/Photo/Multi Functional Group  
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# Shifting back in demand moving slowly



## LATAM Weekly Total Technical Goods Growth Rate YoY – Value USD (%)

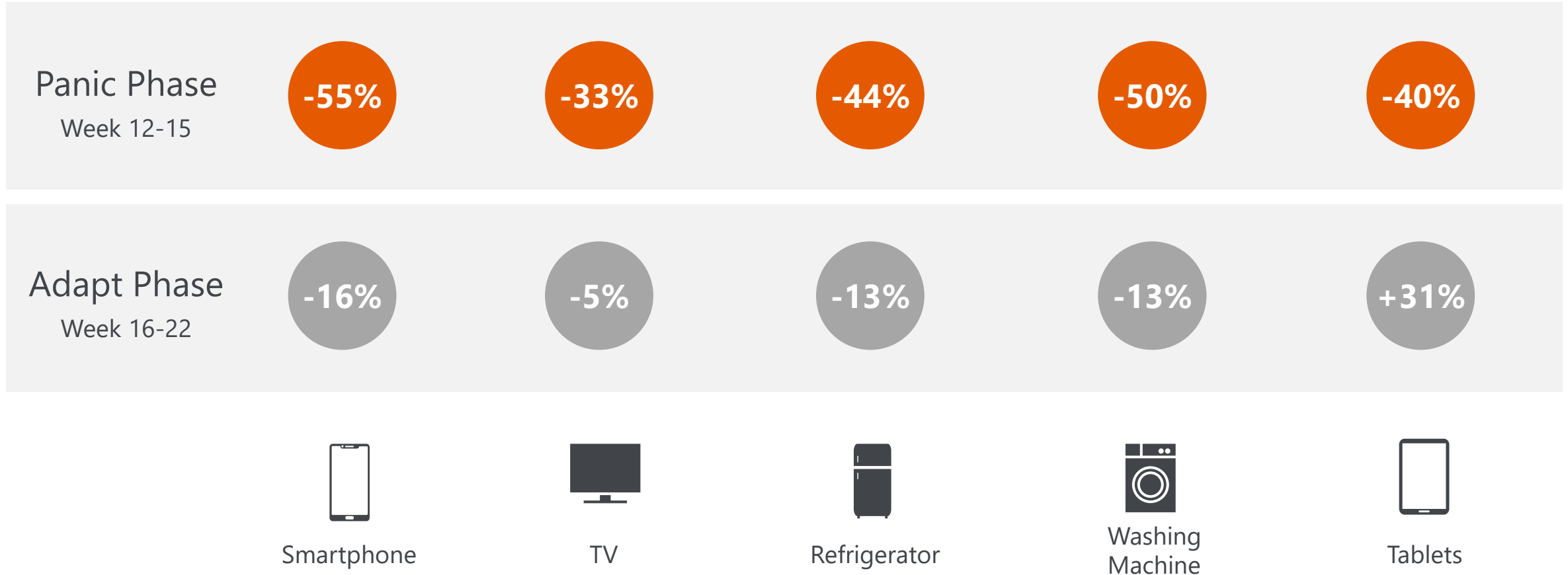


LATAM 5 : Argentina, Brasil, Chile, Colombia, Peru  
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# Products improved sales beyond IT and gaming



LatAm5 – technical goods sales growth rate YoY in units



\*TTG – Consumer Electronics/Major Domestic Appliances/Small domestic appliances/Telecom/Information technology/Photo/Multi Functional Group  
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# 61%

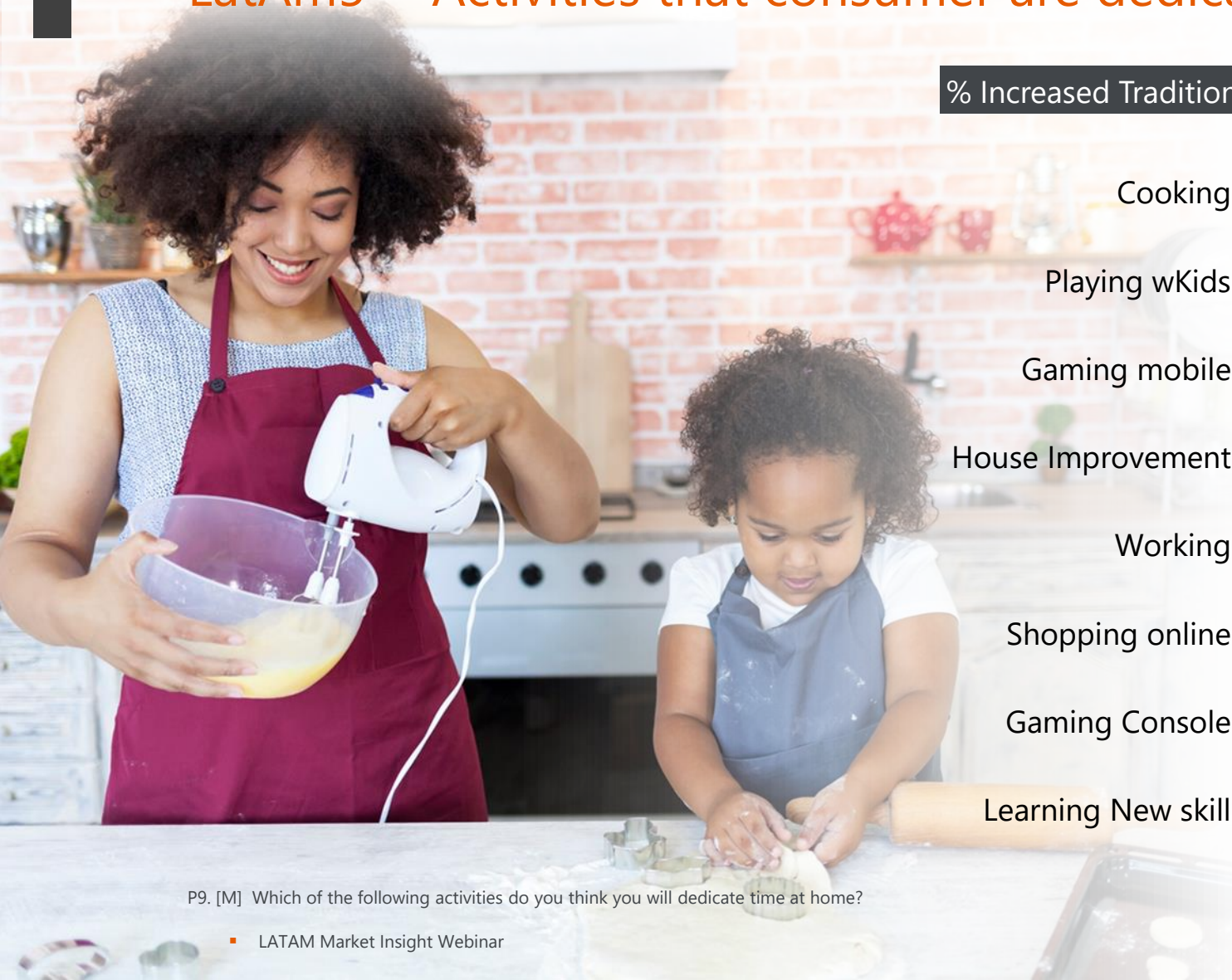
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**of consumers said cooking is the activity they will do more of while @home**

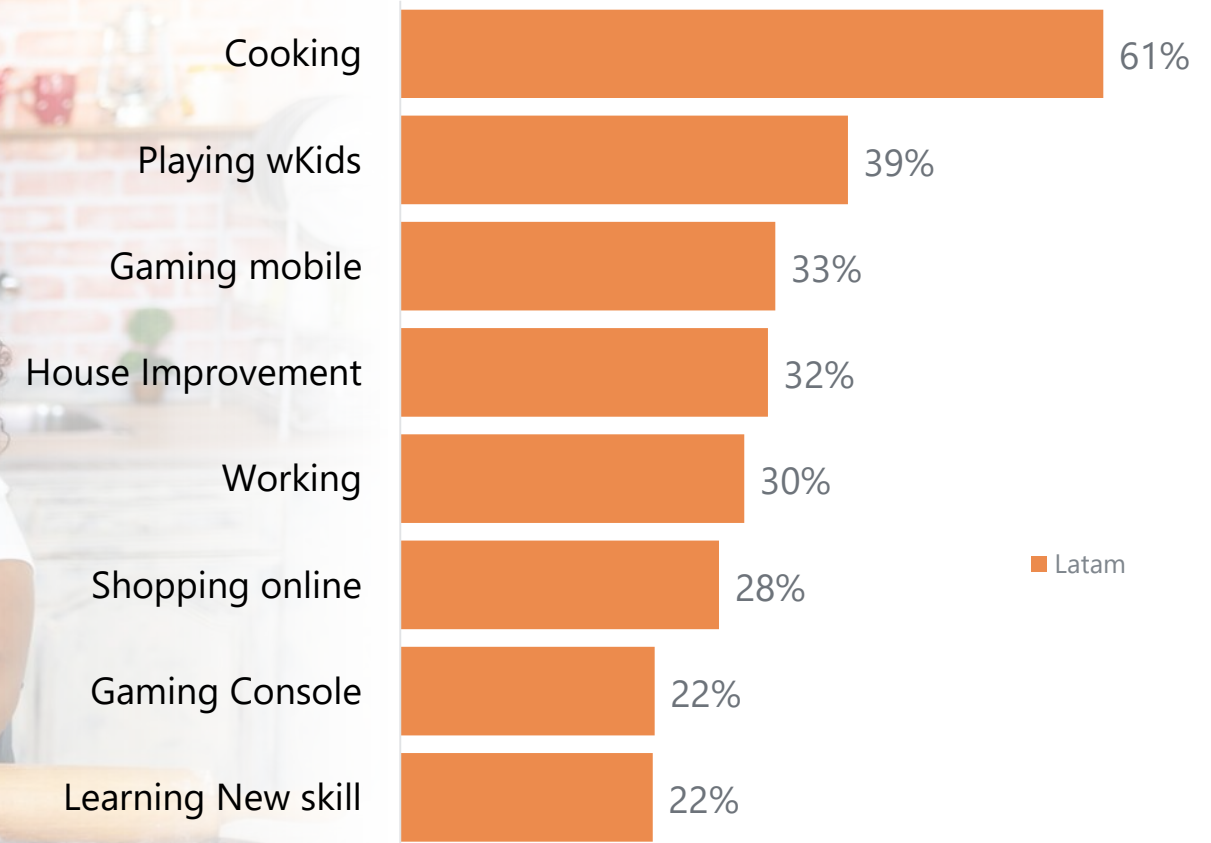
# Life goes on! : Make the best out of lockdown



LatAm5 - Activities that consumer are dedicating more time to.



% Increased Traditional @Home activities



P9. [M] Which of the following activities do you think you will dedicate time at home?

# Complementing the appliances in the kitchen



Food Preparation - Units Growth % YoY | Online Share | CW 16 – 22 2020



**+20%** Kitchen Machines

**+15%** Chopper

**+14%** Hand Blender

**+7%** Food Processor

**+5%** Hand Mixer





# Home cleaning pushing the increase of new trends



Vacuum Cleaner - Units Growth % YoY | Online Share | CW 16 – 22 2020



# Personal care moves into the home



Shavers- Units Growth % YoY | Online Share | CW 16 – 22 2020

*Most increasing segments:*

**+41%**

Multi Grooming Kits

**+16%**

Beard Trimmer

**+14%**

Body Groomer

**+13%**

Epilators



# New Normal Phase

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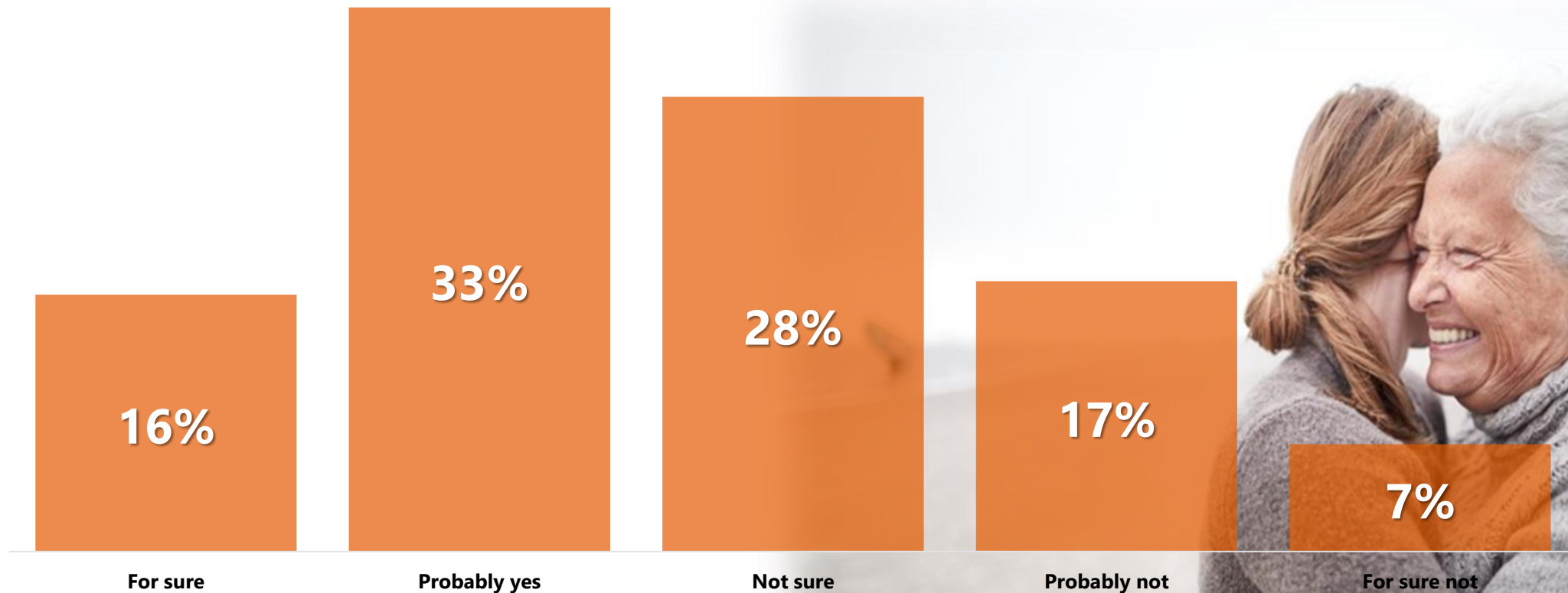
**Not business as usual**

# Consumer post-crisis outlook, positive?



## LatAm 5 – Will society show more solidarity?

We will end up as a strengthened society, there will be more solidarity



P8. [S] When we get over the current crisis situation what is the probability that each of the following happens ?

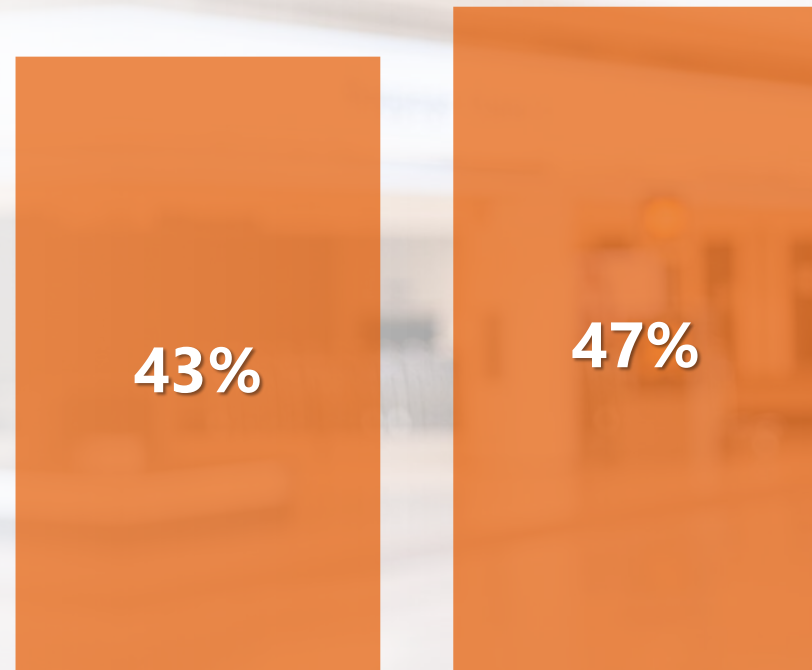
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# Staying safe : Go online for shopping & support



## LatAm 5 – Different way of interacting with costumers

Retailer direct contact



**Will contact retailers more often through the web**

**Will contact retailers more often through the phone**

When we get over the current crisis situation what is the probability that each of the following happens ?

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# What are customer expecting from Retailer?

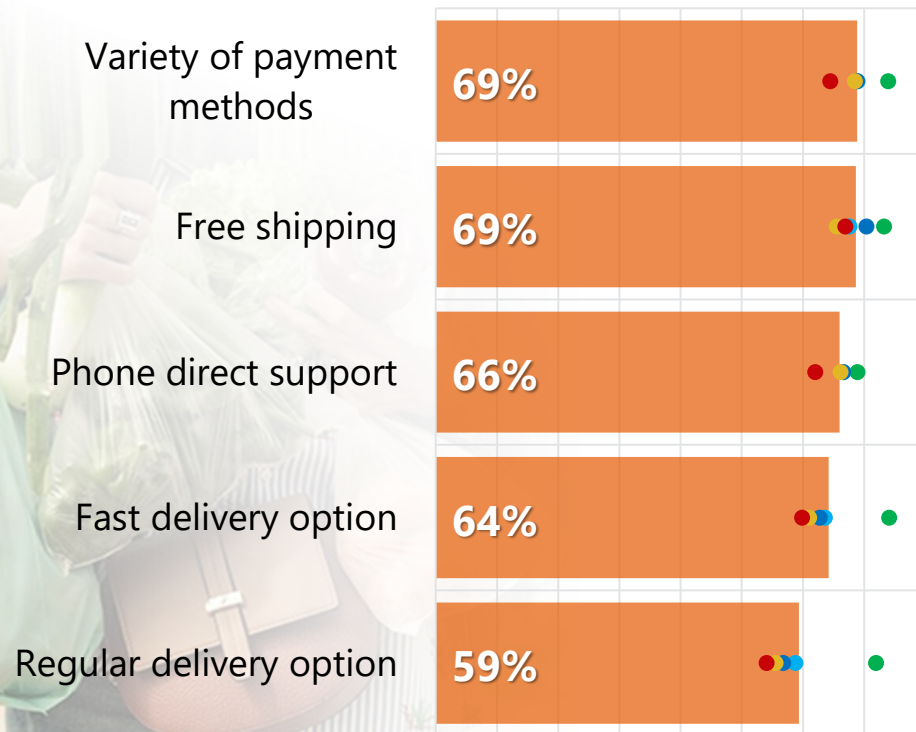


## A new set expectation for Offline

### From Online Retail

■ Latam ■ AR ■ BR ■ CH ■ CO ■ PE

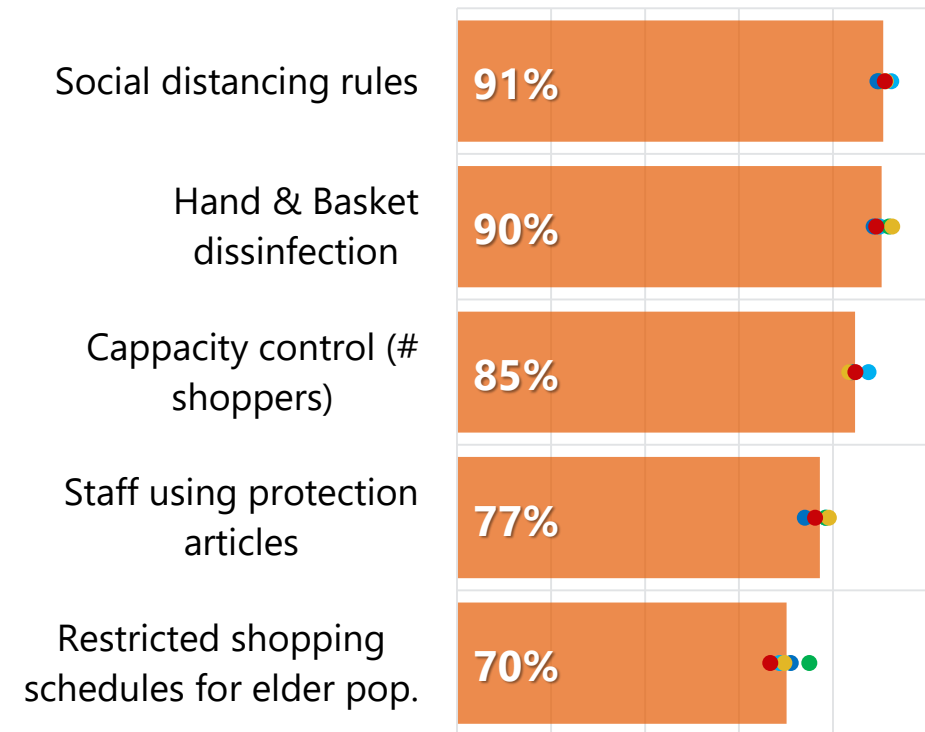
0% 10% 20% 30% 40% 50% 60% 70% 80%



### From Offline Retail

■ Latam ■ AR ■ BR ■ CH ■ CO ■ PE

0% 20% 40% 60% 80% 100%



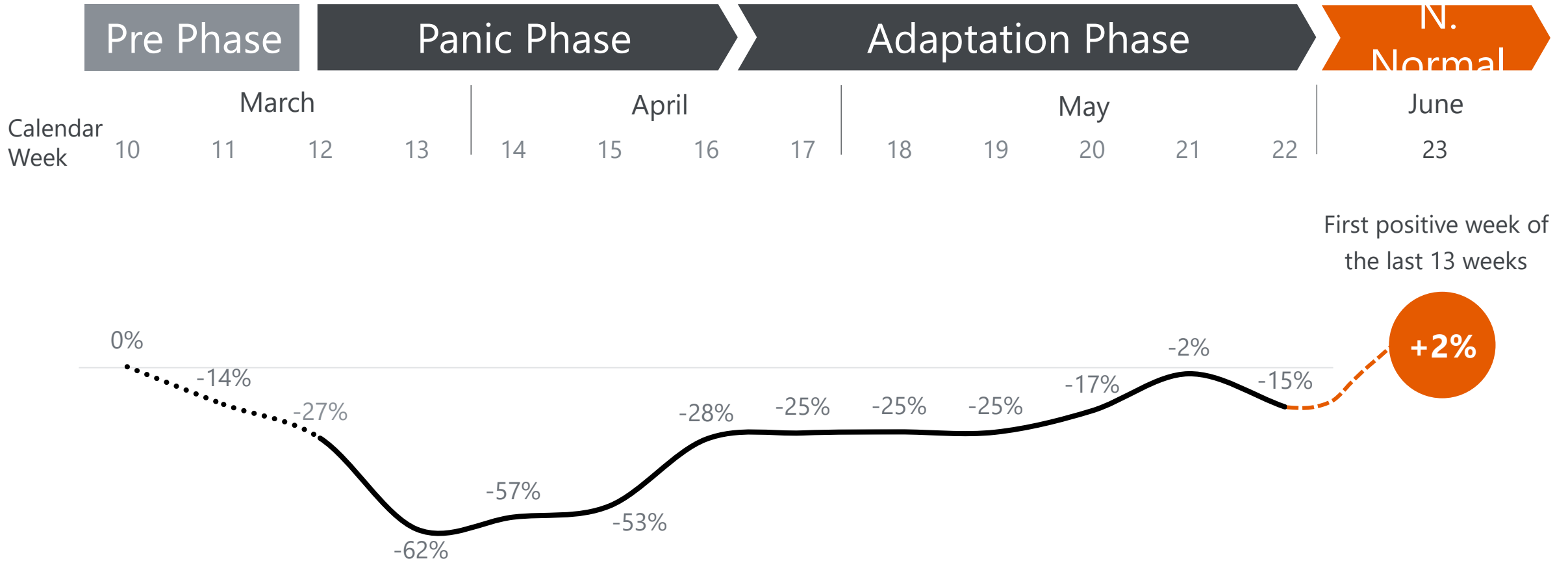
P04 [M] What are you expecting from retailer you are visiting?

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# Is the end in sight? LATAM countries start to reopen



## LATAM Weekly Total Technical Goods Growth Rate YoY – Value USD (%)

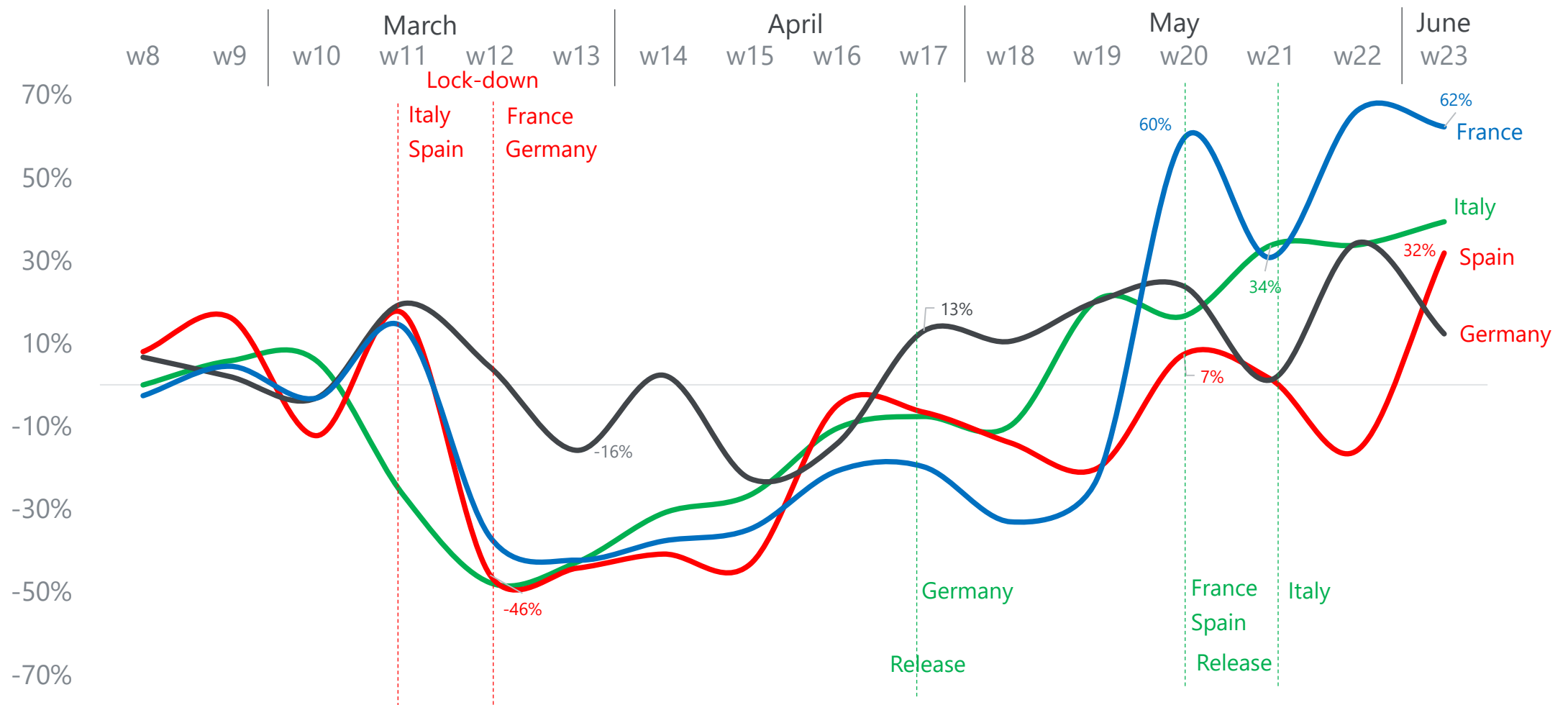


First positive week of the last 13 weeks

# Re-opened Europe, different recovery is shown



## Weekly TCG market growth% in Euro, week 8 – week 23



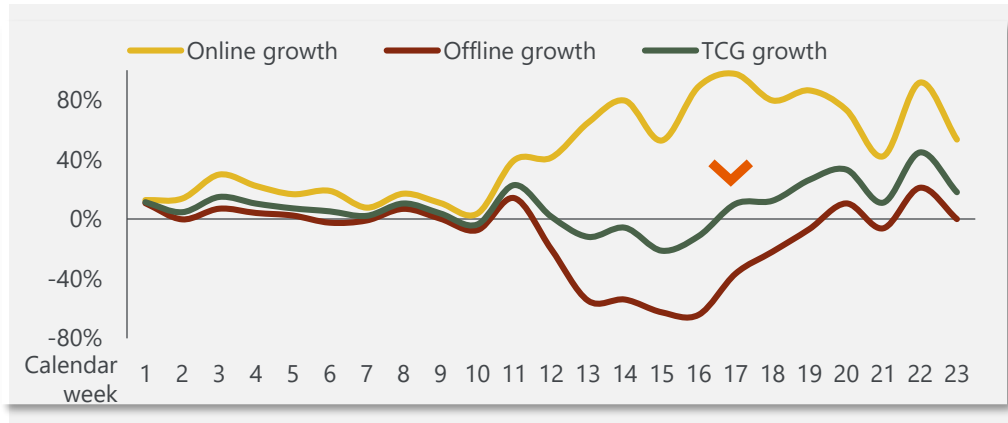


# Online is crucial in crisis, while offline still matters

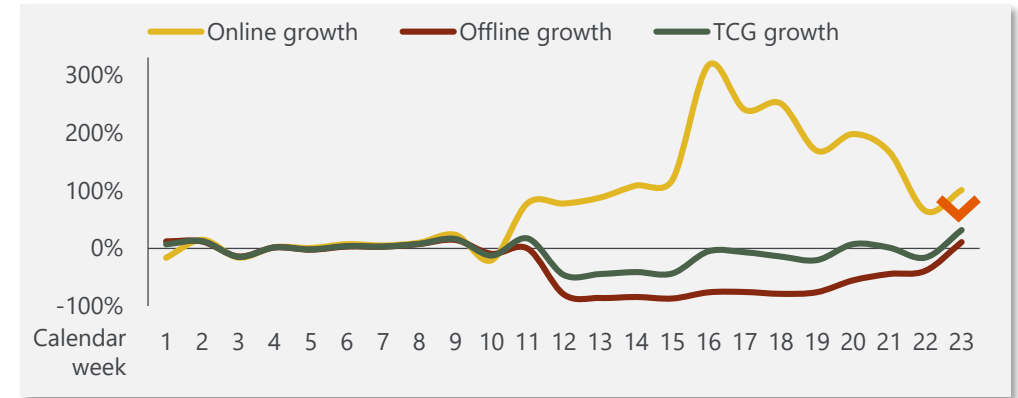


Retail sales (value EUR), TCG, YoY growth % week 1 – 23

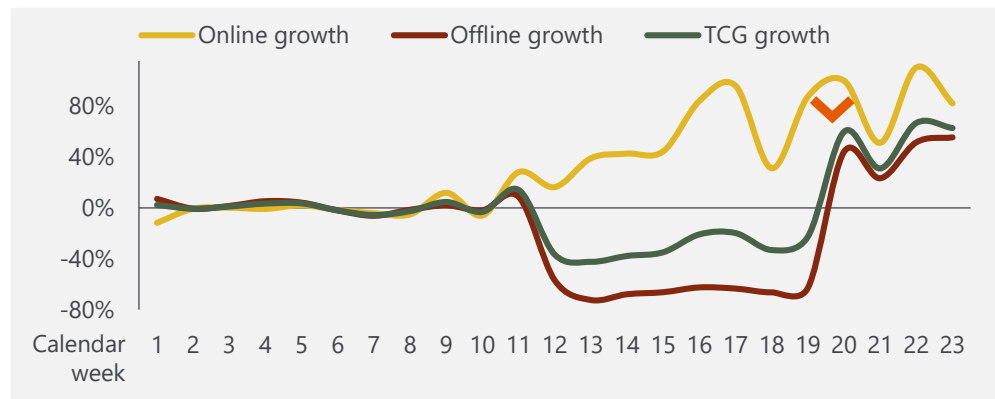
### Germany



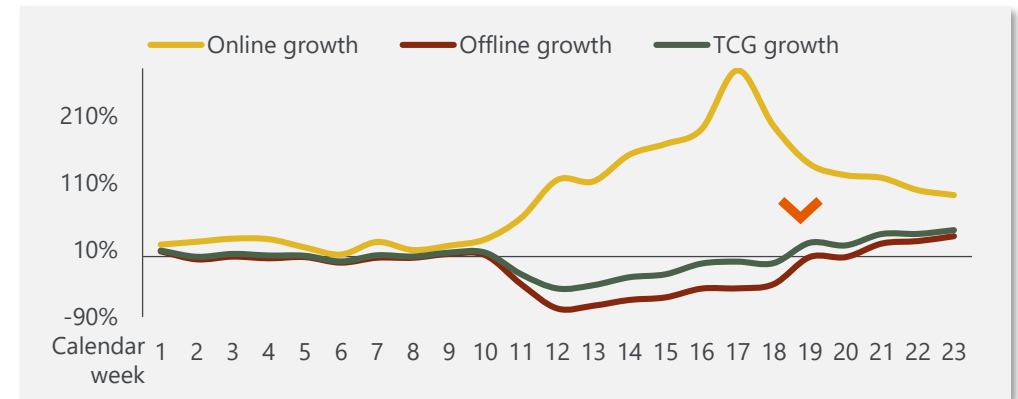
### Spain



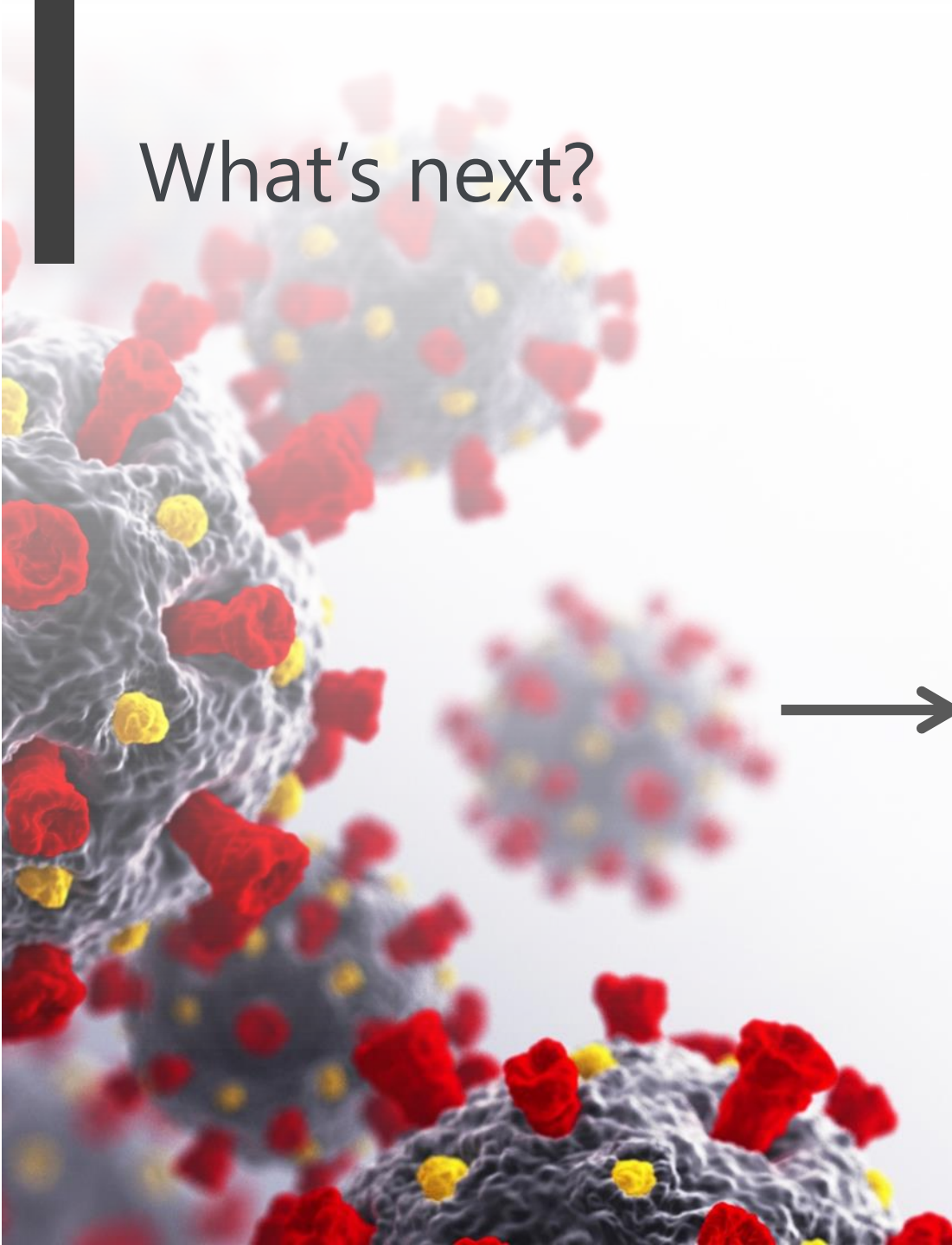
### France



### Italy



What's next?



# Today's experiences are lockdown constrained

## Digital solutions filling the gap



Live digital concerts

Remote working

Social exercise

Media streaming

Distance learning

Billie Eilish + FINNEAS



Quarantini



# Crisis will accelerate innovation



New Technology

Consumers seeking for **best performance** products to enhance home experience



Being connected

Becomes the **new norm** to socialize, work and protect your health



Make it simple

**DIY** behavior and **optimization** of our **time**

# More information needed? Contact us!

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For more information, please contact  
your local GfK account manager.

