

Consumer firms expect strong sales revival this festival season

PRATIGYA YADAV, SHARLEEN D'SOUZA & PEERZADA ABRAR

New Delhi/Mumbai/Bengaluru,
27 September

Fast-moving consumer goods (FMCG), consumer durables and e-commerce companies see strong sales this festival season as the impact of the Covid-19 pandemic wanes.

While consumer durables sales picked up last year itself, FMCG companies expect a stronger revival this year compared to the 2019 festival season, aided by increased rural spending due to good monsoon rains and higher rabi crop realisations.

There are expectations of a good kharif crop as well.

"The festival season looks great and the initial feedback

from markets across the country has been good.

There is an uptick in both urban and rural India compared to pre-pandemic levels," said Mayank Shah, category head, Parle Products.

Currently, Parle is seeing a growth rate of 15 per cent in value and 5-6 per cent in volume, which Shah says could go higher, to 20 per cent and 8-10 per cent, respectively, going further into the festival season.

Dabur India's executive director (sales), Adarsh Sharma, too, expects consumer sentiment to improve towards the peak of the festival season.

Turn to Page 6 ▶



FESTIVE BOOST

19.6% FMCG sales growth YoY in Oct-Dec quarter of 2021

2.6% Decline in volume in this period

▶ Consumer durables firms expect higher sales this festival season

▶ Panasonic India expects **10%** growth over last year

▶ Godrej Appliances expects **50%** growth YoY

▶ Super Plastronics anticipates **30-40%** growth

28% Volume growth e-commerce companies saw in the first two days of festive sale, compared to the first two days of the sale in 2021

Sources: Bizom, NielsenIQ, consumer durables companies, Unicommerce

PAGE 2

E-COMMERCE GIANTS CLOCK \$3.5 BILLION IN FIRST FOUR DAYS OF FESTIVE SALES: REDSEER REPORT

Festival...

“Food and beverages and personal care are likely to lead the demand growth this festival season, which is expected to be higher than the previous year,” said Sharma. Last year, the consumer durables industry witnessed a revival in sales during the festival season as markets opened up after the pandemic’s second wave. Samsung India says it witnessed 2x growth in premium TVs and 350-litre and above refrigerators, and 3x

growth in demand for its sound-bars this Onam. The demand for its Neo QLED TVs has quadrupled since last year. “On the back of these achievements, we expect our premium segment to grow by 80 per cent and the overall consumer electronics business by 45 per cent this festival season (over last year’s season),” said Mohandeep Singh, senior vice president (consumer electronics business), Samsung India.

Fumiyasu Fujimori, managing director, Panasonic Marketing India, said: “We are expecting double-digit growth this festival season in India, pri-

marily led by smart ACs, large screen TVs, and home appliances. We expect to record 10 per cent overall growth when compared to last year,” he said.

Godrej Appliances has launched over 100 new product stock-keeping units since last year’s festival season and expects them to drive the company’s sales. “This new portfolio is largely centred around premium products across categories — from side-by-side and double-door refrigerators to top-end automatic washing machines, and advanced ACs,” Kamal Nandi, business head and executive vice president, Godrej Appliances, said.

Avneet Marwah, CEO of Super Plastronics, the brand licensee of Kodak, expects sales to be higher by 35-40 per cent for Kodak. He said QLED TVs were already sold out, and because of strong demand and China’s earlier lockdown that caused a delay in component shipments, there could be a supply shortage in the last week of the festival season.

Voltas and LG India, on the other hand, expect their sales to touch pre-pandemic levels. “We anticipate this year’s festival demand to be at par with pre-pandemic levels and contribute significantly to the overall industry growth expected during the ongoing fiscal...” Pradeep Bakshi, MD & CEO, Voltas, said. Demand should continuously grow in 2022, and currently, we are witnessing good growth across categories, said Deepak Bansal, vice-president (home appliances & air conditioners), LG India. “Post-pandemic, we have seen profound changes in consumer preferences in terms of health, hygiene, and convenience through technology with increased style consciousness,” said Bansal.

E-commerce players see bumper sales

E-commerce companies reported 28 per cent order vol-

ume growth during the first two days of 2022’s festive season sale (September 23 and 24) as compared to the first two days’ sale of 2021 (October 3 and 4), according to Unicommerce. The e-commerce tech firm analysed changes in order volumes by comparing data of over 7 million orders items processed during the first two days of festive season sale periods of 2022 and 2021.

The firm said there was over 32 per cent YoY growth in festive order volumes for Tier III cities and over 20 per cent growth in Tier II volumes. It said Tier I cities reported 28 per cent order volume growth. Personal care is the fastest growing segment with over 70 per cent YoY order volume growth during the first two days of the festive season sale.

The fashion industry continues to be the dominant category, with maximum order volumes. It saw 7 per cent YoY order volume growth. Other segments such as home decor, gifting products, furniture, and jewellery have also witnessed strong growth. Despite concerns around inflation and discretionary spending, millions of shoppers went online to grab special deals on offer as e-commerce firms started their biggest season sales on Friday.

The ninth edition of ‘The Big Billion Days’, Flipkart’s annual flagship event, witnessed the number of concurrent users on the app at 1.6 million per second. Flipkart said the number of Flipkart Plus customers using Early Access during TBBD 2022 rose as compared to last year’s event. A majority of these customers were from tier-2 cities and beyond. Flipkart Pay Later EMI saw a 12x increase in adoption. Categories like laptops, smart watches, and true wireless witnessed highest demand. The makeup and fragrance category also saw high traction, one *Kajal* being sold every second. Amazon.in logged the highest

single-day sign-ups on Prime — 1.9x higher than last year, with 68 per cent coming from tier 2 and 3 cities. Meesho said it clocked a record 8.76 million orders on the first day of its flagship sale event — the Meesho Mega Blockbuster Sale.

DESH Bill...

While the bigger idea was to increase production from such units, implementing the clause could be tricky. “If these hubs are fully integrated with the domestic market, the revenue department’s concern is that even domestic tariff area (DTA) units would want these benefits and relocate to these hubs due to the working capital advantage they would get from deferment of taxes (under the DESH Bill). In that case, goods could then be transferred/sold primarily to the domestic market rather than exporting (since there is no net foreign exchange criteria),” said a person privy to the discussions.

“There could be situations where units may even declare them as SEZs/hubs and defer their duty payments since there is no export obligation anymore,” said the person quoted earlier. There are also concerns around the clauses on allowing greater integration of these hubs with DTA, deferment of Customs duty on raw material, as well as freezing the current corporate tax rate of 15 per cent for units and hubs until 2032 for greenfield and brownfield units. Offering such concessions for development hubs may lead to a situation where other departments may also seek such concessions for schemes they may devise and perhaps stir a debate on extending the incentive to all companies. The finance ministry is yet to send written comments to the Department of Commerce, but the views were shared at stakeholder meetings, said another official. The

BS SUDOKU

3779

5	1		2	8			6	
6		2		4				9
7								
1			3		5			
					8		5	
		3		7			9	
2			5		6			
		7	4					
								1

SOLUTION TO #3778

8	9	6	2	5	4	3	1	7
1	2	7	6	3	8	5	4	9
5	3	4	7	9	1	2	6	8
2	4	5	9	1	3	8	7	6
3	6	8	4	7	5	9	2	1
9	7	1	8	2	6	4	5	3
7	5	2	1	8	9	6	3	4
4	1	9	3	6	2	7	8	5
6	8	3	5	4	7	1	9	2

Easy: ★★

Solution tomorrow

HOW TO PLAY

Fill in the grid so that every row, every column and every 3x3 box contains the digits 1 to 9

