



# **Transformation of HPC Industry in India**

**Sanjay Trivedi**  
**Director**  
**Indian Home & Personal Care Industry Association**  
**19 October 2017**



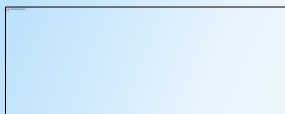
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# IHPCIA Organization

- ❖ Registered u/s 25(I) (a) & (b) of Indian Companies Act, 1956.
- ❖ Incorporated as a Non-Profit Organization
- ❖ Apex body – Board of Directors (Founder Members)
- ❖ Four sub-committees each with a Convener :
  - Policy & Planning Committee
  - Regulatory, Reforms and Standard Committee
  - Programs, Education & Communication Committee
  - Membership , Event & Resource Mobilisation Committee

# IHPCIA Members



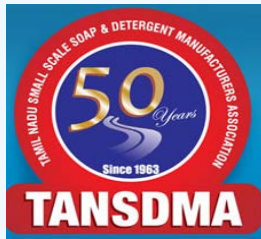
Aditya Finechem





# Affiliate Associations

## National Associations



**341 Members**



**400 Members**



**238 Members**



**200 Members**



**40 Members**



**50 Members**

1. Korea International Trade Association
2. Ahilya Surfactant Manufacturer's Association (ASMA) Indore M.P

# \* HPC Industry Overview and Key Drivers



# Growth Prospects

- ❖ India has a population of 1.210 Billions.
- ❖ Expected to reach: 1.450 Billion by 2030
- ❖ GDP:USD 2.9 Trillion / Growth Rate7% Purchasing Power Parity:  
USD 6000
- ❖ Living Standards growth -Projected 270 Millions households  
(Masstige category).
- ❖ Increase in E-Commerce and Digital Marketing.
- ❖ An Overall FMCG Industry size estimated at USD 103.7 Billion by  
2020 (GR 14% per year)

# Home Care Industry Overview & Salient Features

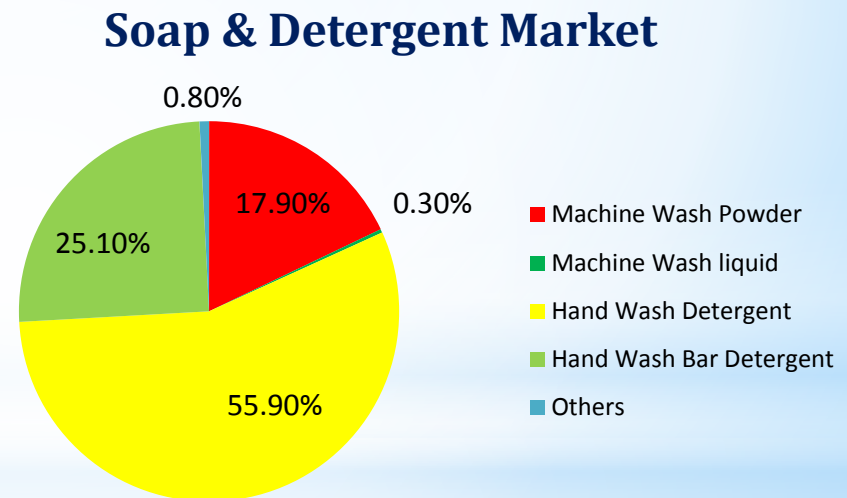
- ❖ Modern retailing has helped home care market to grow.
- ❖ It is expected to see a stable & consistent growth over forecast period of 5 years.
- ❖ Rural India has got a momentum to grow & manufacturers continue to tap Rural India.
- ❖ Introduction of GST will drive growth.



# Soap & Detergent Market

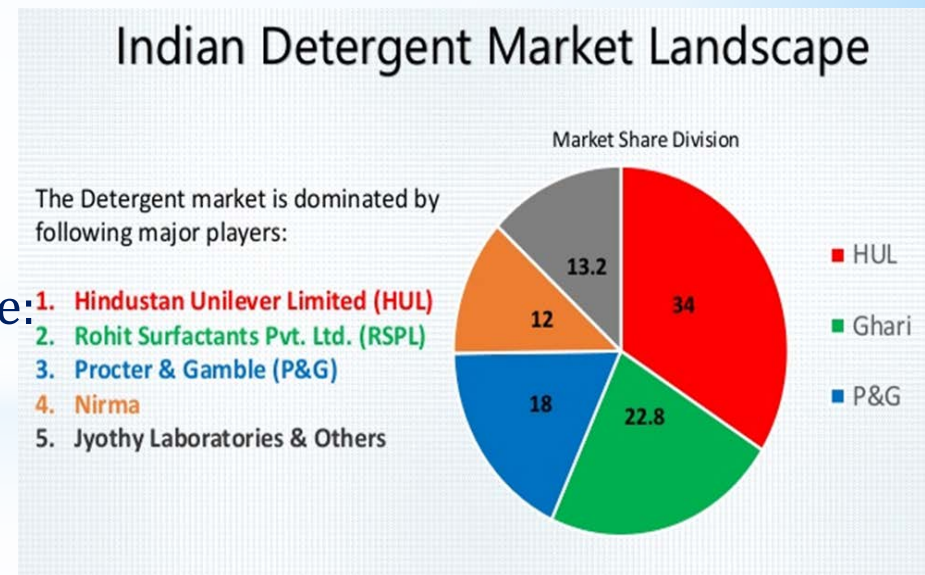
**THE VALUE OF THE OVERALL DETERGENT MARKET IS  
FORECASTED TO GROW AT 9% BY 2017**

- ❖ Price competition
- ❖ Higher penetration
- ❖ Functional differences
- ❖ Users Drawback
- ❖ Manufacture's Strategy



# Indian Detergent Market Landscape

- ❖ Current Market Size (Organized Detergent Market)- USD 2.21(Billions)
- ❖ Total Volume (Production) : 1.9 Million Tones
- ❖ CAGR(2012 -2015): 11% approx.
- ❖ Washing Machine Penetration in India:8.8 %
- ❖ Indian Population Division:
  - Urban: 33%
  - Rural : 67%
- ❖ Households Owning Washing Machine:
  - Urban: 27.5% of all Urban households
  - Rural : 0.6 5 of all rural households



# Popular Detergent Brands



# Indian Soap Market



USD 336(Millions)



USD 284(Millions)



USD 150(Millions)



USD 157(Millions)



USD 180(Millions)

Note: Total Size of the toilet soap market is USD (Million) 1970.15

Source; Industry



## TOP SOAP BRANDS, MARKET SHARE BY VALUE(%)\*

Rank	Brand (company)	Jan-Apr 2013	Jan-Apr 2014	Jan-Apr 2015	Change from Q1, 2014**
1	LIFEBUOY(HUL)	16	17	17.1	0.1
2	LUX(HUL)	14.7	14.3	14.4	0.1
3	SANTOOR(Wipro Consumer Care)	8.3	8.6	9.2	0.6
4	DETTOL (RB)	7.1	7.4	7.7	0.3
5	GODREJ NO 1(Godrej Consumer)	8.32	7.5	7.6	0.1
6	DOVE(HUL)	4.4	4.6	4.5	-0.1
7	PEARS (HUL)	4.2	4.6	4.3	-0.3
8	JOHNSON'S BABY (J&J )	3.3	3.3	3.1	-0.2
9	CINTHOL(Godrej Consumers)	2.5	2.6	2.8	0.2
10	VIVEL (ITC)	2.7	2.5	2.5	0
	Others	28.6	27.6	26.8	-0.8





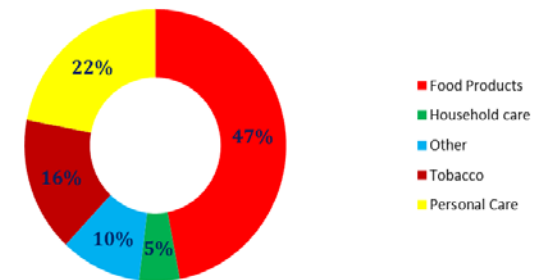
# Personal Care

## Overview & Salient Features

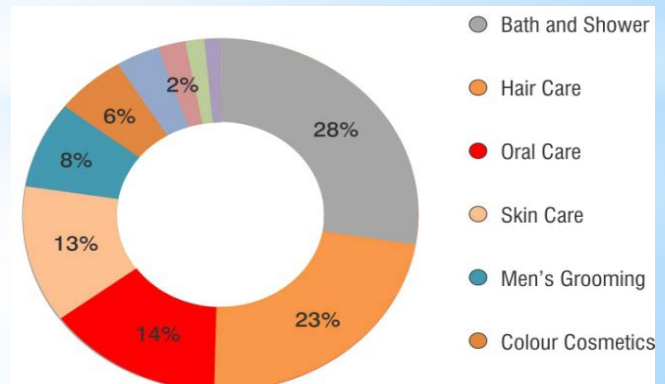
- ❖ It contributes 22% to the FMCG sector & 0.5% to the Indian GDP
- ❖ It is set to grow at a CAGR of 6.6%
- ❖ Bath & Shower, Hair Care & Oral Care are 3 dominant categories comprising about 65% of Personal Care industry
- ❖ Indian BPC market was pegged at USD 1135.22 Millions in 2015; to reach USD 14626.87 Million by 2020
- ❖ Premium Beauty Care is fastest growing segment & set to reach USD 14.93 million by 2020 (Euromonitor)

### FMCG – SEGMENTWISE REVENUE

FMCG - SEGMENTWISE REVENUE



### CATEGORY WISE DISTRIBUTION



# Shampoo & Hair Care Market

- ❖ Total Market Size: USD 2626.87 Millions in 2016
- ❖ Market leaders: HUL - 48% (Dove, Sunsilk, Clinic All Clear), P&G-27%
- ❖ Introduction of shampoo sachets increased consumption levels & increased market penetration
- ❖ Hair Rinse off conditioners growing & male grooming creams & gels having robust growth of 15% per annum



## Need for Sustainability in the Industry

- Rapid global population growth
- The rise in middle and lower-income consumers
- A culture of "consumerism"



- Global consumption pattern is putting unsustainable and increasing stress on:
- The Earth's ecosystems - The supply of material resources needed for industrial growth
- Human social systems and well-being

Drivers

Impacts



**Consumers**

Awareness and concern  
Consumer Willingness



Sustainable production



Sustainable Consumption



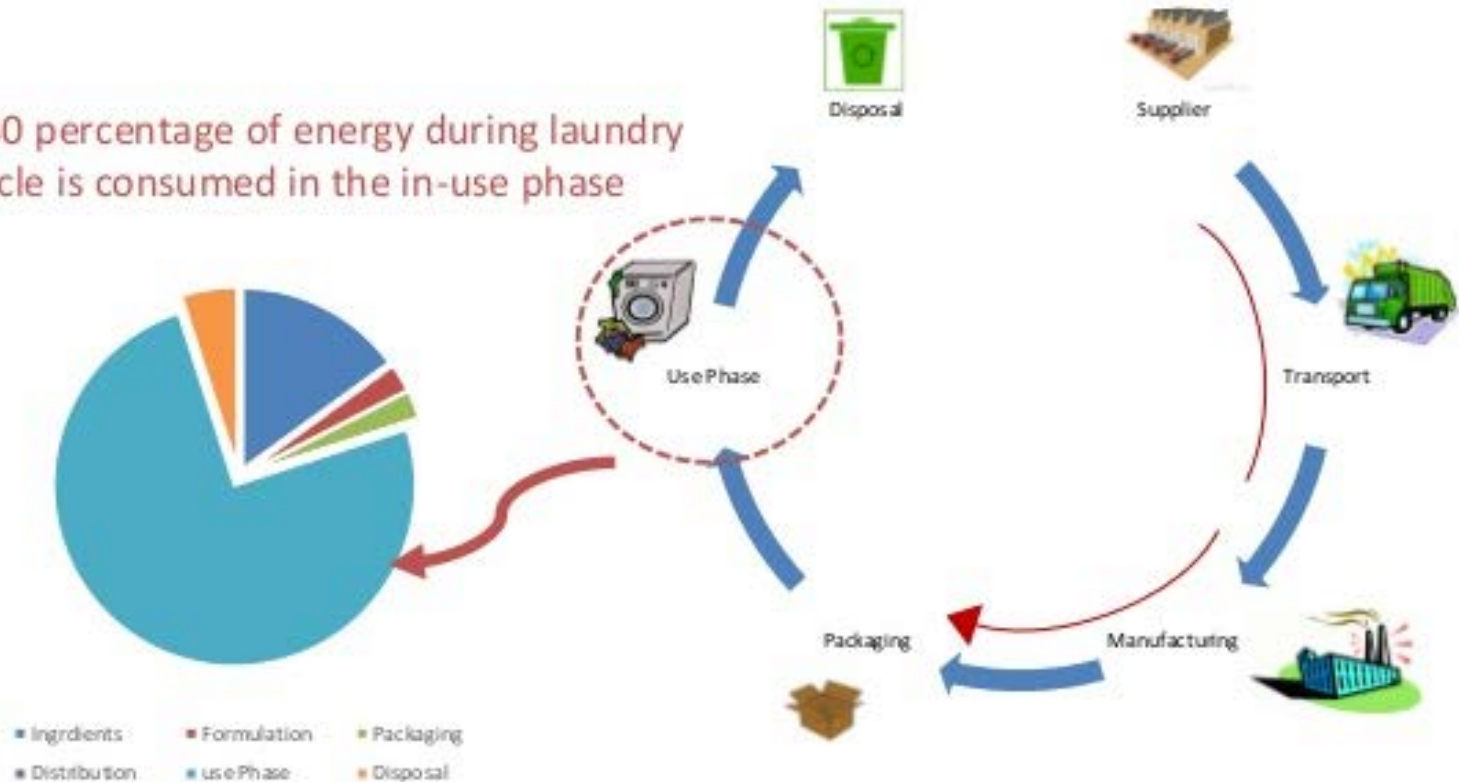
**Businesses**

Innovation (improved  
products and services )  
Choice influencing  
Choice editing



# Industry specific sustainability issues across the value chain

60 – 80 percentage of energy during laundry life cycle is consumed in the in-use phase



Distribution of energy demand/carbon consumption throughout the life cycle of a laundry cycle

→ Cradle to Gate



# Sustainable Consumption and Production (SCP) and *the Role of Green Products in India*





# Changing Consumer Shopping Pattern & Increasing Focus On Mobile Commerce

## Factors Prompting ecommerce Companies to Focus on Mobile Commerce

### A Changing Consumer Shopping Behaviour\*

91%

91% have researched a product or service on their phone

### B More Business Coming From Tier2/Tier3 Cities

8%

Proportion of ecommerce's addressable market in top 8 cities

30% -50%

Rise in ecommerce transactions in Tier 2 and Tier3 cities

## Size of mcommerce Market

\$2 Bn

2014

~55%

\$19 Bn

2019

## Companies Focusing on Enhancing Mobile Products



>50%

business from mobile

Plans: Largely a mcommerce business in 2-3 years

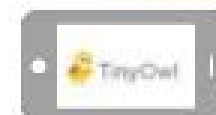


70%

business from mobile

Plans: Mobile only venture in a couple of years

## Rise of Mobile Only & Mobile Focused Companies



3

# of rounds of funding received

A food ordering start-up founded in 2013



100Mn

# of mobile wallets by year end from the current >25Mn mark

A mobile wallet company

# GST will change the way India does business: Who will win, who will lose

- ❖ Goods and Services Tax (GST) will see the light of the day, the way India does business will change, forever.
- ❖ Total tax collection in India (direct & indirect), currently stands at USD 21.47 Billion, of which almost 34 per cent comprises indirect taxes, with USD 41.18Billion coming from excise and USD 30.88Billion from service tax.
- ❖ With the implementation of the GST (Goods and Services Tax), the entire indirect tax system in India (excise, state level VAT, service tax) is expected to evolve.

Rate	Goods covered
0%	Essential items such as food grains, which constitutes roughly half of the consumer inflation basket
5%	Items of mass consumption
12% and 18%	Standard rate applicable to goods and services
28%	Demerit rate - Mostly it would be applicable on white goods as well as items such as luxury cars, aerated drinks etc. This rates may apply to items which are currently being taxed at 30-31% [EXCISE DUTY PLUS VAT]



The best thing is that multiple taxes of the Centre & State have been subsumed in the GST. The Principal Taxes being subsumed are:

1. Central Excise Duty
2. Service Tax
3. VAT/Sales Tax
4. Central Sales Tax
5. Entertainment Tax
6. Luxury Tax
7. Entry Tax (where levied by State)



**THANK YOU....**