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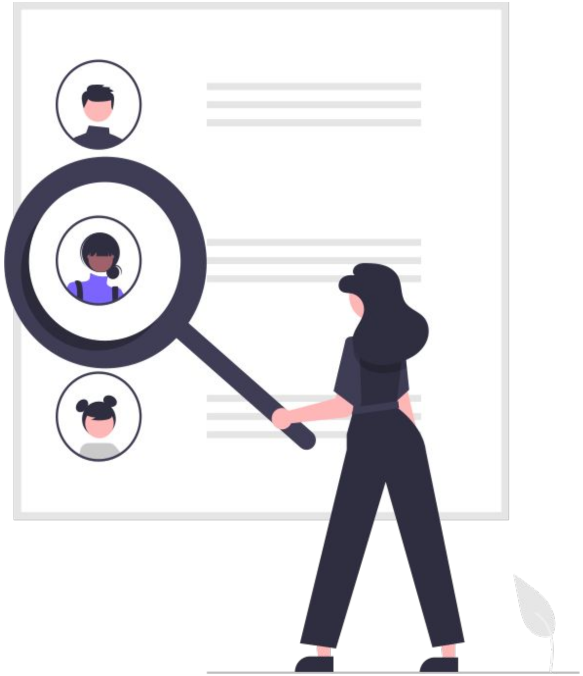
The FMCG Industry in Difficult Times

In June 2022, a study was carried out with a total sample size of 557 to understand new behaviours or concerns among consumers in Malaysia on topics relating to the fast-moving consumer goods category.

Report Prepared 29th June 2022

Research Introduction & Sample Profile



Research Design

Methodology

This study was carried out in the form of an online questionnaire.

The questionnaire was distributed via email to Vase database, each with a unique link to avoid duplicate responses. The email addresses the survey was sent to were from the email addresses registered with Getvase.com.

Respondents Criteria

All survey respondents are 18 years old and above and are decision makers in their household when it comes to purchasing groceries.

The sample is nationally representative in terms of race and region, according to Malaysian census data from 2020.

Data Collection Period

The survey was carried out from the 10th to the 12th of June 2022.

Sample Size

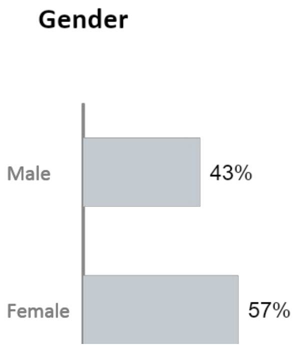
N = 557

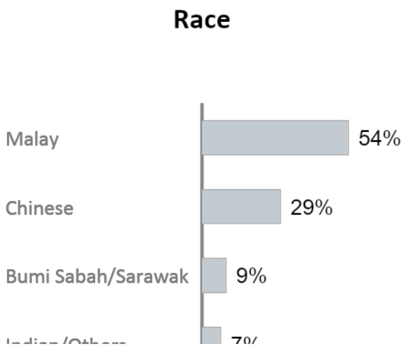
Research Objectives

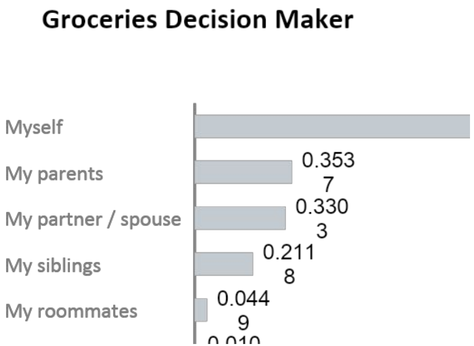
In the context of geo-political tensions, supply chain shortages and an ongoing global health crisis; price increases and a cost of living crisis is hypothesized to have affected consumer behaviours and habits. In the wake of this, Vase.ai aims to:

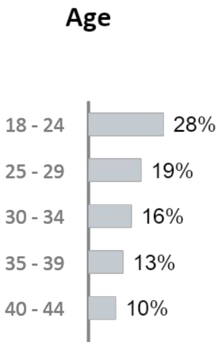
1. Identify new and existing consumer expectations, behaviors, and needs
2. Discover new consumer concerns

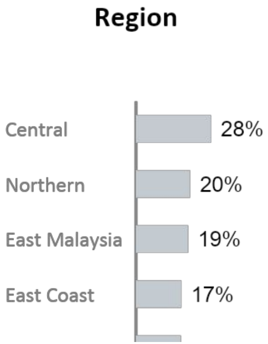
Respondent Profile











N = 557. Base = All Respondents

Survey Results

i. Grocery Shopping Behaviour

ii. In-Store vs Online

iii. Brand Preference & Switching

Attitudes towards grocery-shopping don’t show big changes compared to six months prior

- There is a slight decrease among those purchasing a mixture of high, medium and low-quality items, from 39% to 36%. There is a slight increase of those looking for good value for money, from 24% to 27%.

Q: Which statement describes your habits when buying groceries?

N = 557. Base = All Respondents

Checking or comparing prices is the top cited change in grocery-shopping habits

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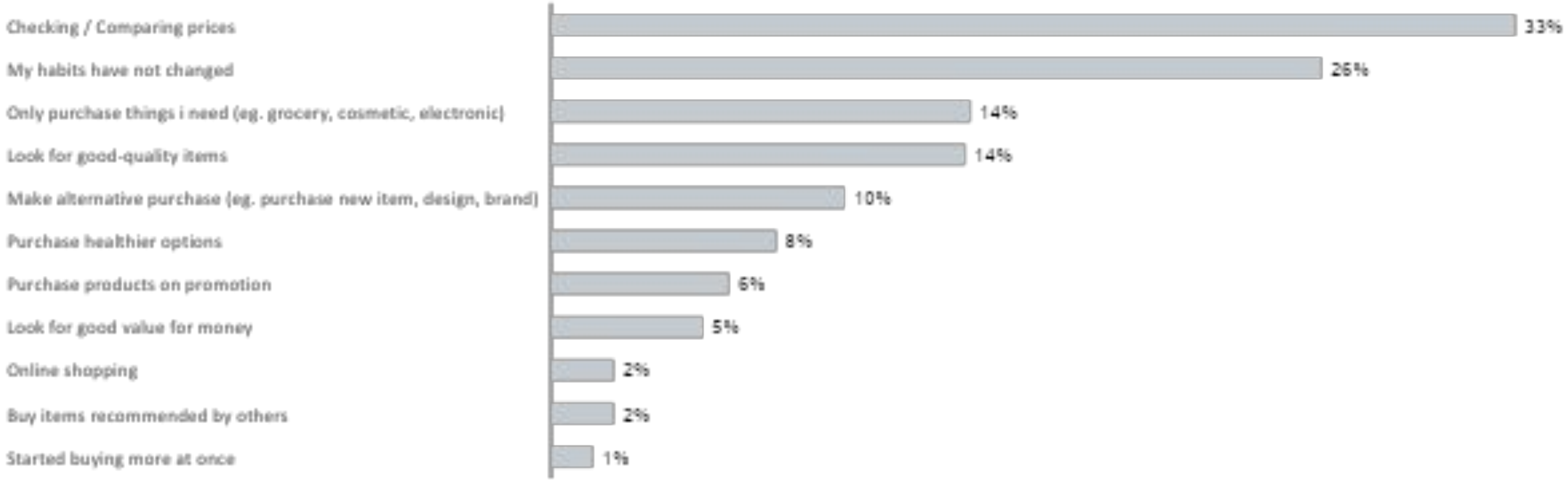
- The top change shown is checking and comparing of prices by 33%, while the other changes are cited by 14% or less. 14% say they only purchase things they need, with another 14% looking for items of good quality.
- 26% say their habits have not changed.



Q: What are some of your new habits (if any) when purchasing groceries in the past month?

N = 557. Base = All Respondents

Survey Results

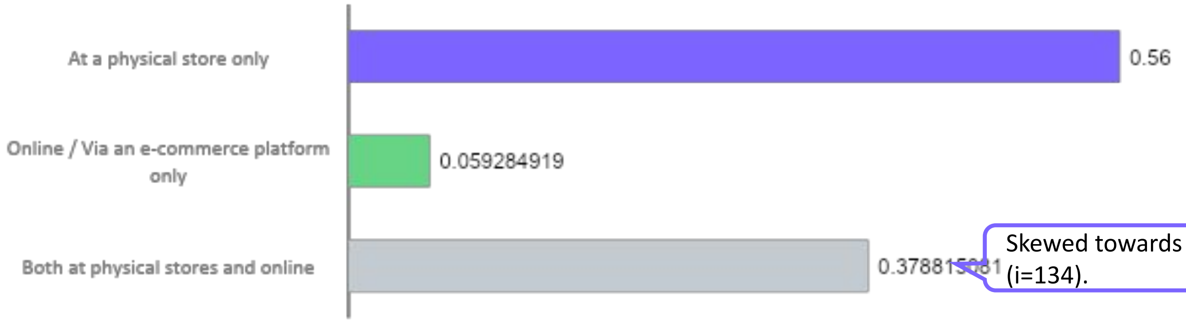
i. Grocery Shopping Behaviour

ii. In-Store vs Online

iii. Brand Preference & Switching

While 56% of consumers are still grocery-shopping in-store, 38% are now hybrid shoppers

- Less than 10% only do their grocery shopping online; showing a low percentage of consumers adopting “online only” grocery-shopping.



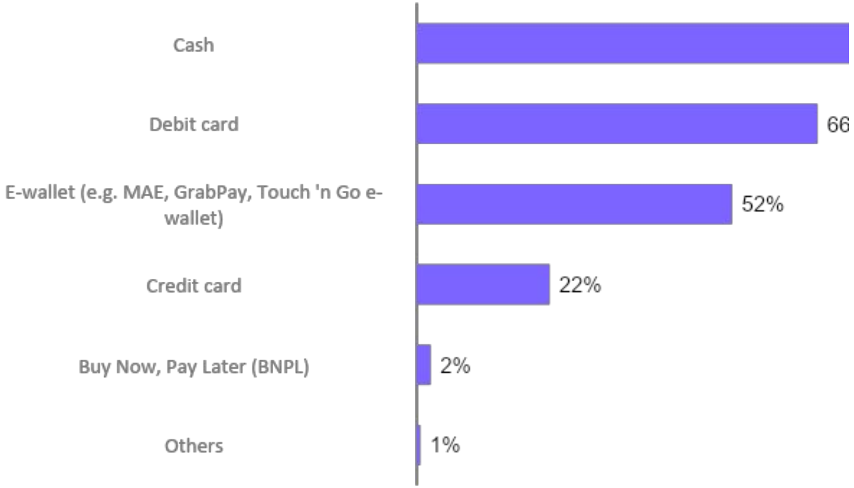
Skewed towards Central (i=121) & Chinese (i=134).

Q: Where do you purchase your groceries?

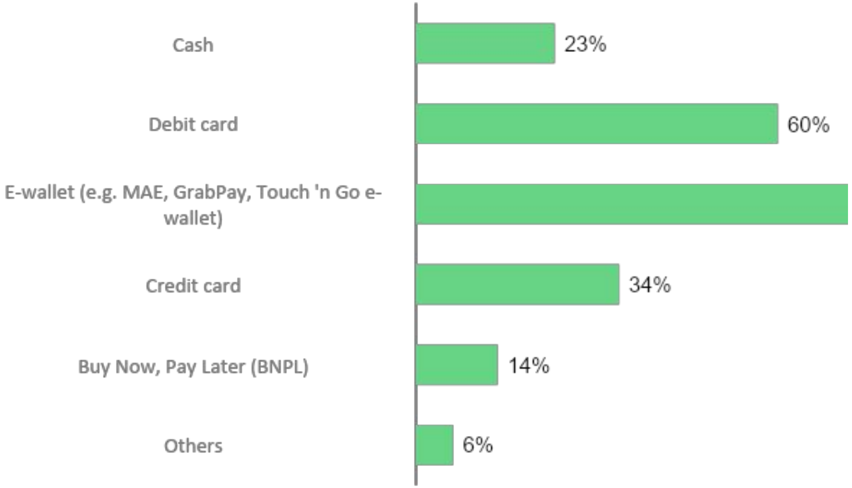
N = 557. Base = All Respondents

Cash is king in-store, but e-wallets are preferred when shopping for groceries online

- Cash (77%) and debit cards (66%) are the most-used methods of payment in-store, with e-wallets not too far behind at 52%.
- Aside from having a preference for paying for groceries online using e-wallets (72%) and debit cards (60%), consumers are more likely to use credit cards (34% online and 22% in-store) and BNPL (14% online and 2% in-store) when shopping for groceries online rather than in-store.



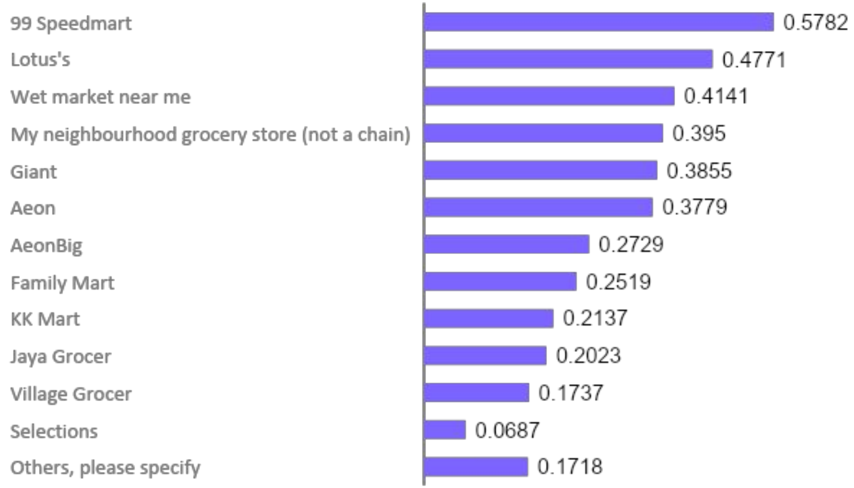
Q: How would you pay for your groceries when buying from a physical store?
N = 524. Base = Respondents who do their grocery-shopping in-store.

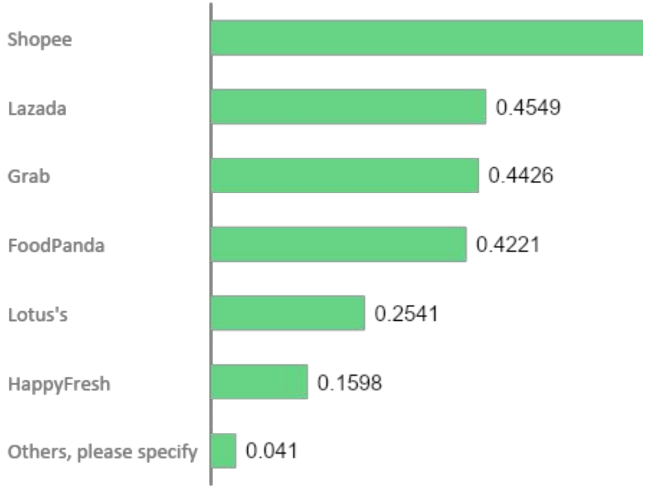


Q: How would you pay for your groceries when buying from an e-commerce platform?
N = 244. Base = Respondents who do their grocery-shopping online.

99 Speedmart and Lotus's are the most popular in-store option for grocery-shopping, with Shopee the most popular online option

- Consumers visit an average of 3.98 physical stores when doing their grocery-shopping in person.
- Shopee's popularity as an option for grocery shopping exceeds its closest competitors, Lazada, Grab, and FoodPanda, by at least 39%.



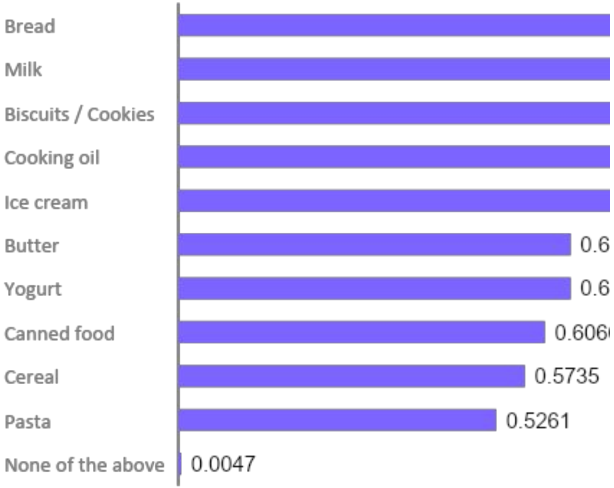


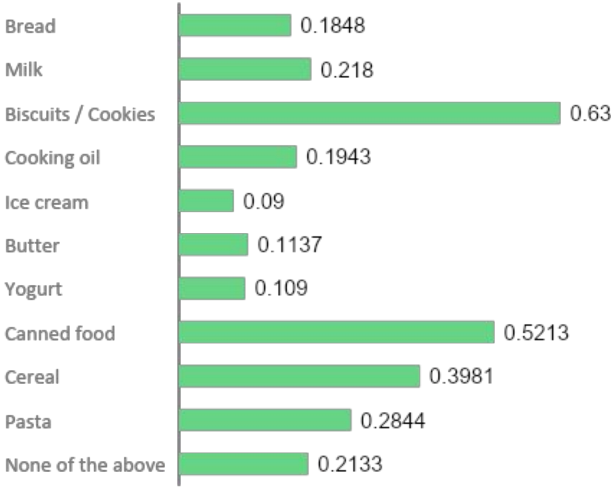
Q: Where do you purchase your groceries when you shop at a physical store?
N = 524. Base = Respondents who do their grocery-shopping in-store.

Q: Where do you purchase your groceries when you shop online or from an e-commerce platform?
N = 244. Base = Respondents who do their grocery-shopping online.

Among hybrid shoppers, they prefer to purchase more sturdy items online compared to items that spoil more easily

- When purchasing online, more consumers would purchase slightly sturdier items, such as biscuits (63%), canned food (52%) and cereal (40%).
- 22% or fewer would purchase refrigerated items such as milk, butter, yogurt and ice cream online, while at least 65% would purchase these items in-store.
- Even among hybrid shoppers, there appears to be a distinction in comfort levels in buying food-items online and in-store.





Q: What groceries would you purchase from a physical store?

N = 211. Base = Respondents who do their grocery-shopping both in-store and online.

Q: What groceries would you purchase from an e-commerce platform?

N = 211. Base = Respondents who do their grocery-shopping both in-store and online.

55% say shopping in-store is how they shop regularly, while 62% shop online when they don't have time to shop in-store

- While their reasons for shopping in-store are relatively close to each other, the top reason for shopping online is not having time to shop in-store (62%). This appears to be the main reason for shopping online, with the next reason trailing behind at 41% (scheduling groceries to arrive at a later time).
- A quarter of hybrid shoppers say they shop online for groceries regularly, while only 19% shop online when they need groceries urgently (compared to 56% using the same reason for why they shop in-store).

Q: When do you typically purchase groceries from a physical store?

N = 211. Base = Respondents who do their grocery-shopping both in-store and online.

Q: When do you typically purchase groceries online or from an e-commerce platform?
N = 211. Base = Respondents who do their grocery-shopping both in-store and online.

Survey Results

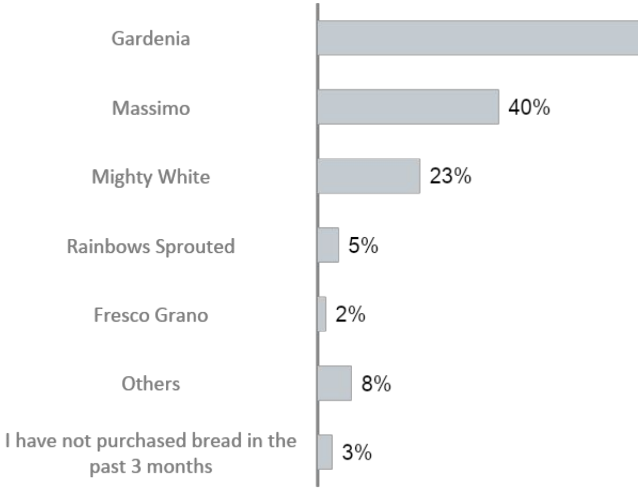
i. Grocery Shopping Behaviour

ii. In-Store vs Online

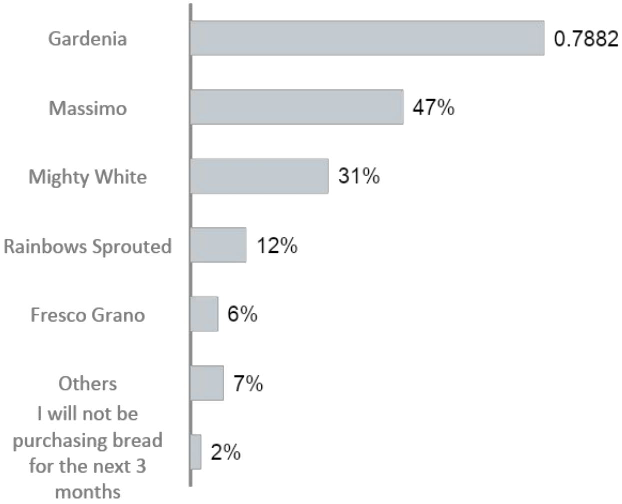
iii. **Brand Preference & Switching**

Brand preference for bread remain largely unchanged from the past to the next 3 months

- Gardenia is the top bread brand that consumers are currently and will continue purchasing, followed by Massimo at a distant second.



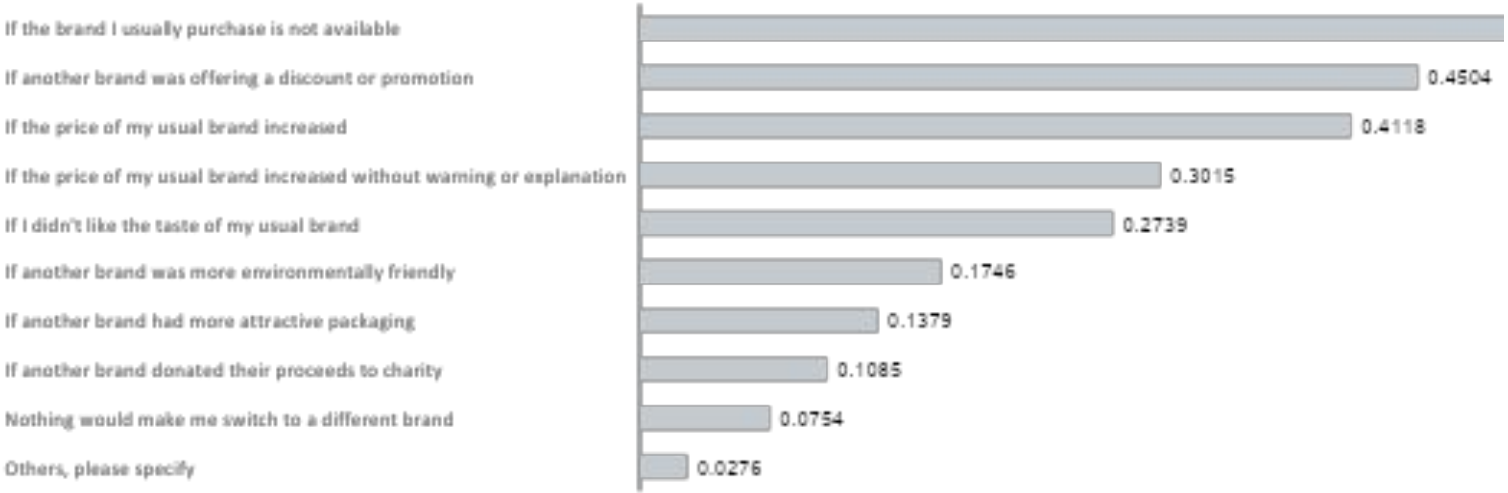
Q: When purchasing bread, what brands have you purchased in the past 3 months?
N = 557. Base = All Respondents



Q: What brands would you consider purchasing in the next 3 months?
N = 557. Base = All Respondents

Availability and promotions are the top reasons for switching from their usual bread brand

- 41% of consumers cite their usual brand increasing their prices as their reason for switching brands, while 30% would switch brands if their usual brand increased their prices without warning or explanation.
- Only 8% say nothing would make them switch to a different brand, indicating a relatively low-loyalty category.

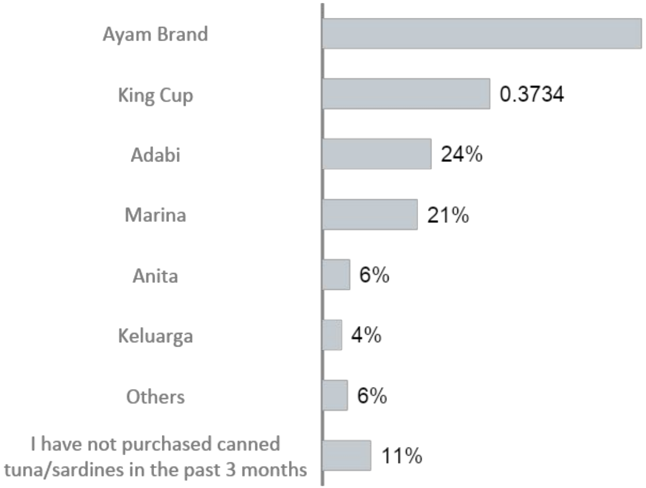


Q: What would make you switch to a different brand of bread than the one you usually purchase?

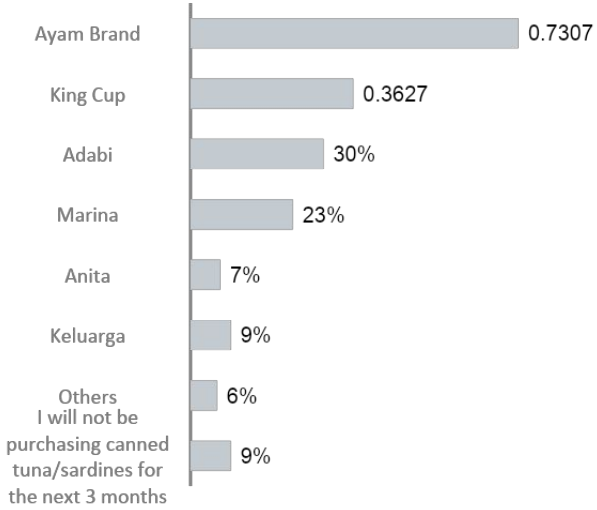
N = 544. Base = Respondents who are willing to purchase bread in the next 3 months.

Brand preference for canned sardines/tuna remain largely unchanged from the past to the next 3 months

- Ayam Brand is the top canned sardines/tuna brand that consumers are currently and will continue purchasing, followed by King Cup at a distant second.



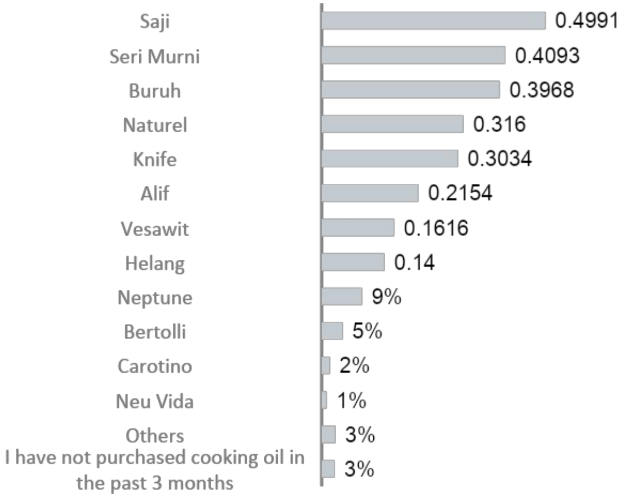
Q: When purchasing canned sardines/tuna, what brands have you purchased in the past 3 months?
N = 557. Base = All Respondents



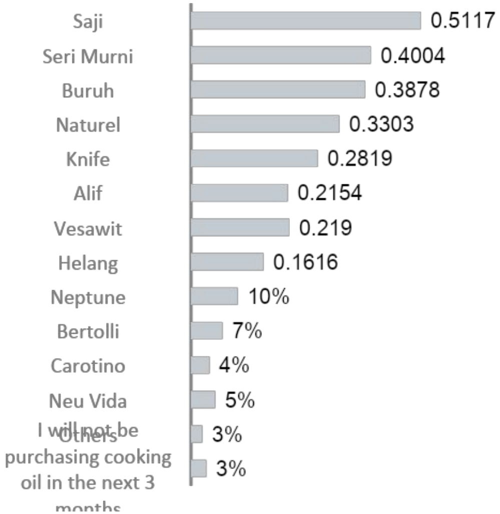
Q: What brands would you consider purchasing in the next 3 months?
N = 557. Base = All Respondents

Brand preference for cooking oil remain largely unchanged from the past to the next 3 months

- Saji is the top bread brand that consumers are currently and will continue purchasing, followed by Seri Murni and Buruh at a close second and third.



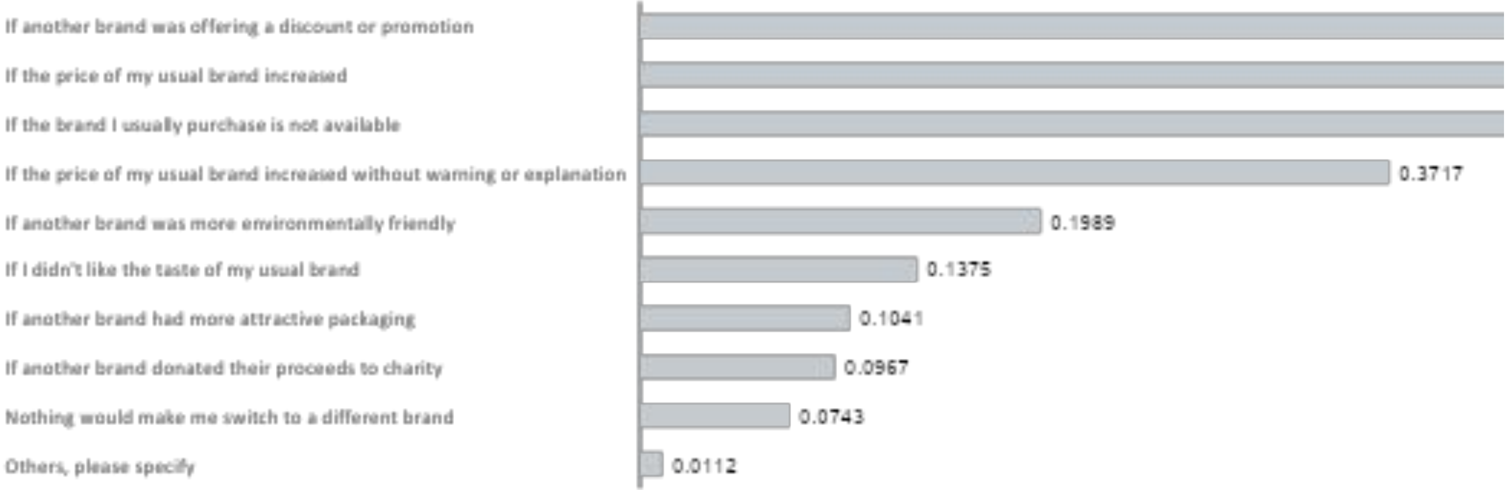
Q: When purchasing cooking oil, what brands have you purchased in the past 3 months?
N = 557. Base = All Respondents



Q: What brands would you consider purchasing in the next 3 months?
N = 557. Base = All Respondents

Promotions, pricing and availability are the top reasons that would make consumers switch to a different cooking oil brand

- 37% have said they would switch brands if their usual brand increased their prices without explanation or warning.
- Meanwhile, only 7% have stated that nothing would make them switch to another brand, also indicating a low-loyalty category.



Q: What would make you switch to a different brand of cooking oil than the one you usually purchase?

N = 538. Base = Respondents who are willing to purchase cooking oil in the next 3 months.

Summary

Summary

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Attitudes towards grocery-shopping remain largely unchanged	• While attitudes towards grocery shopping remain largely unchanged, a third of consumers are checking prices more now than they were 6 months ago, with 14% also only buying things they need.
Hybrid grocery-shopping is on the rise	• Payment methods and items purchased differ when shopping online and in-store. Cashless payments are preferred online, with cash, debit cards and e-wallets being preferred in-store. • Hybrid shoppers shop in-store for numerous reasons, while the primary reason for buying groceries online is not having time to shop in-store.
Brand preference does not equal brand loyalty	• While consumers appear to be set in their brand preferences, they cite availability, an increase in price and promotions as being convincing enough to lure them away from their usual bread and cooking oil brands. • While changing prices is a top factor, changing prices without warning or explanation trails behind slightly.