

# An Inside Look

*India*

*Small & Medium Business Overview*



NielsenIQ

September 2024



## About the survey

NIQ's An Inside Look is a global survey to a digital panel comprising of business owners from 47 markets representing approximately \$26 billion\* in FMCG sales value. It was designed to understand the realities faced by SMBs in today's economic and retail landscape.

Fieldwork: March to May 2024.

Regions represented: Asia Pacific, Latin America, North America, Europe, Middle East & Africa, China, and India.

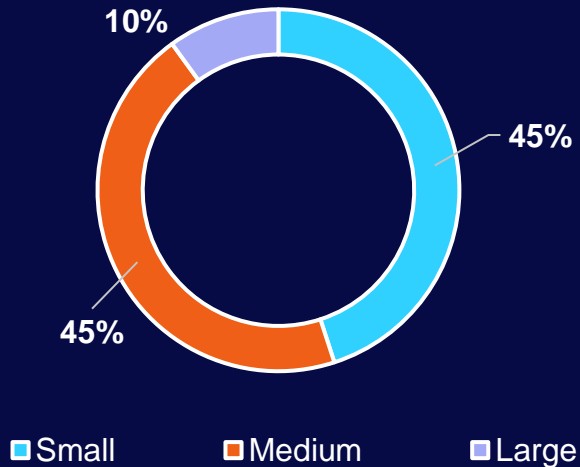
**This regional report** delivers an overview of the India respondents representing approximately \$6.9 billion\* in FMCG sales value.

*\* Based on NIQ RMS segmentation for small and medium businesses*

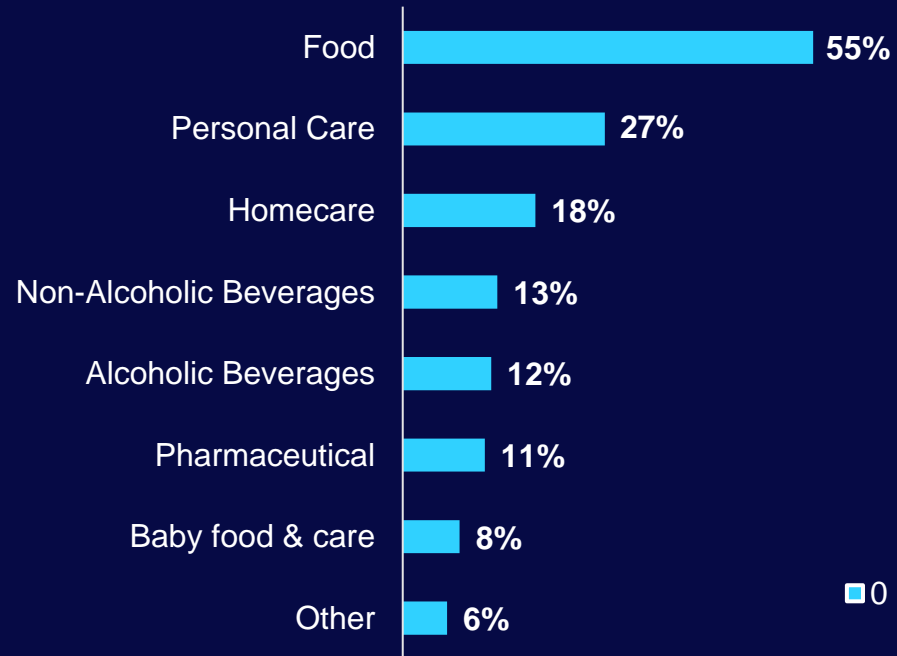


# About the respondents

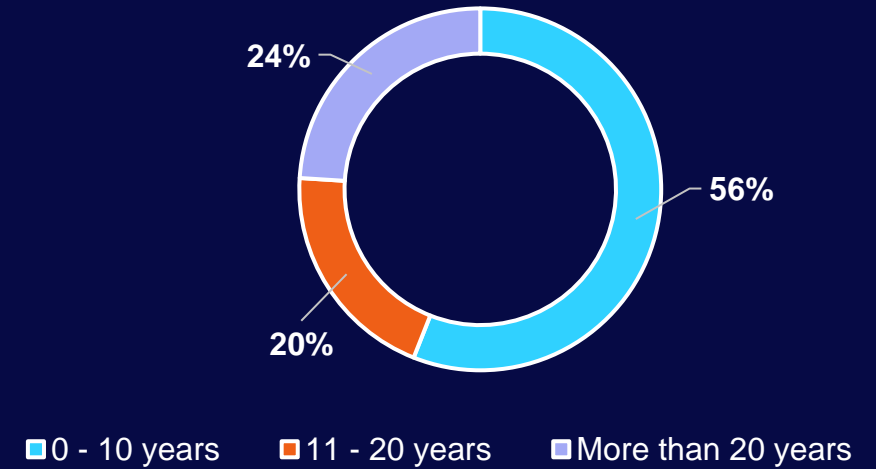
## Respondents Business Size (India)



## Category breakdown (India)



## Company operating years (India)



# Survey Results

*Respondents from India*

# Reconsidering the product line and removing low-performing products is the most effective action to overcome inflation for businesses in India

What was your key point of action for overcoming challenges brought on by inflation in 2023?

**25%** Reconsidered the product line and removed low-performing products

**21%** Replaced raw materials with more cost-effective

**14%** Invested more in marketing

**10%** Invested more in distribution

**9%** Cut down on Capex and procurement costs

**8%** Got government support (funding, tax reduction, etc.)

**6%** Restructured distribution channel

**5%** Reduced pack size

**1%** Other

# And their actions were effective!

2024

What was your key point of action for overcoming challenges brought on by inflation in 2023?  
Was it effective?

**21%** Replaced raw materials with more cost-effective ones  
**5%** Reduced pack sizes



**100%** Said that it was effective



**14%** Invested more in marketing



**94%** Said that it was effective  
*Especially in Small & Large (100%) companies compared to Medium (90%) companies.*



**25%** Reconsidered the product line and removed low-performing products



**93%** Said that it was effective  
*Especially in Large (100%) companies compared to Small & Medium (93%) companies.*



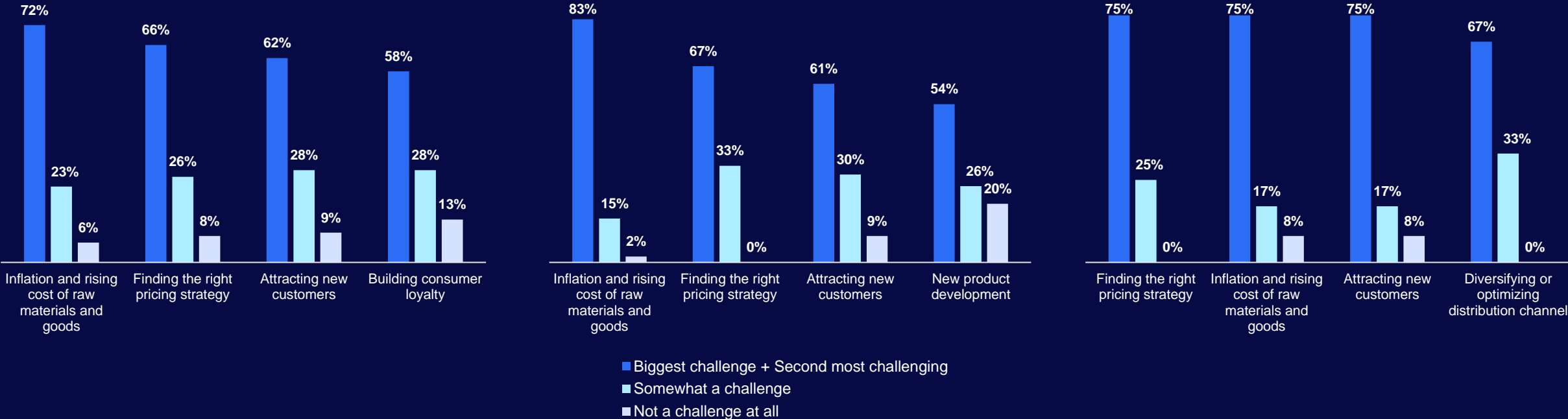
# In 2024, inflation remains a main concern for Small and Medium companies

What main challenges is your business currently encountering?

Small

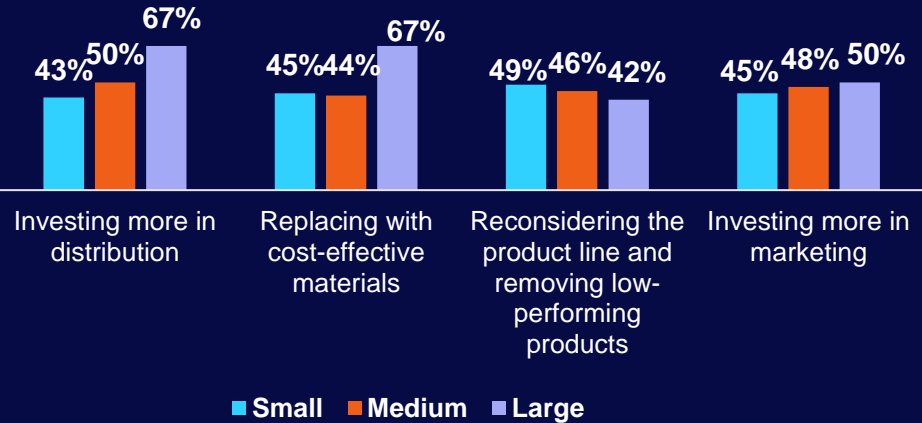
Medium

Large



# Replacing with cost effective materials is the top solution for 50% of respondents

How do you plan to deal with those challenges in 2024?



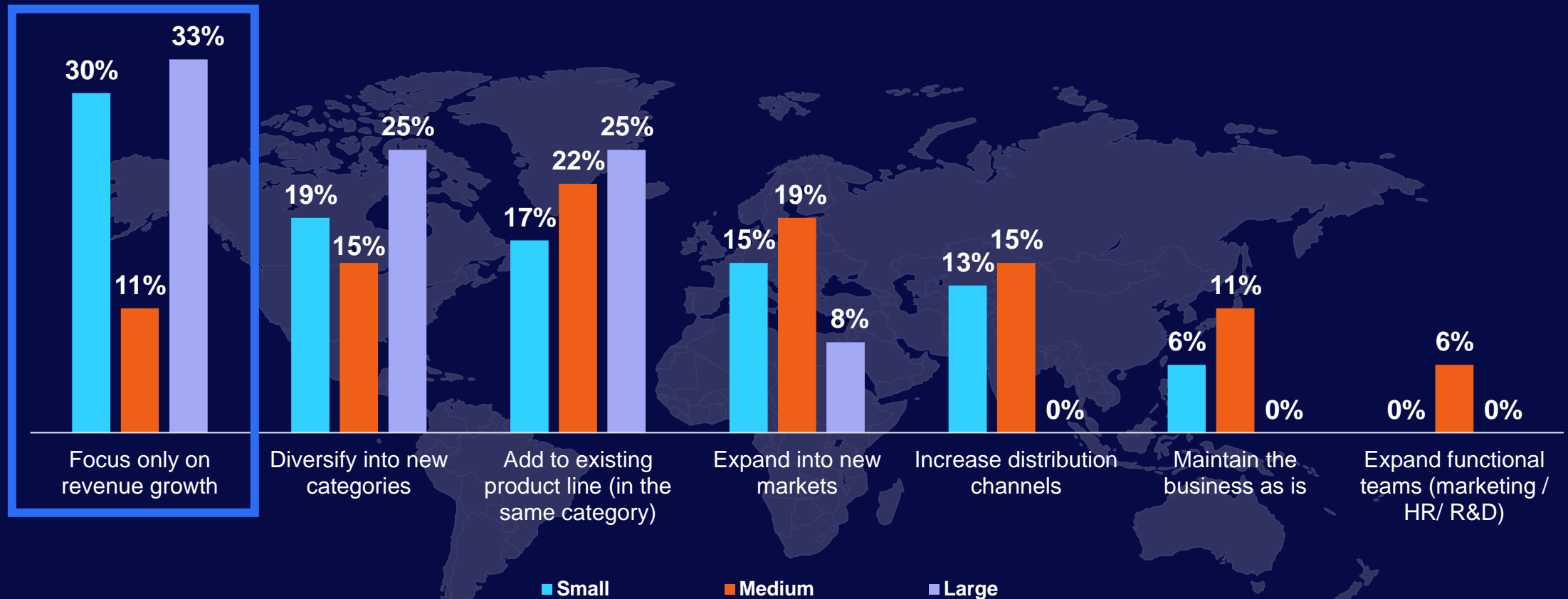
**The right products in the right place**

NIQ can support your product line and assortment decisions. [Know how!](#)



# Focusing on revenue growth, category expansion & diversification are a way to growth for businesses in India

What is your next step for growth?

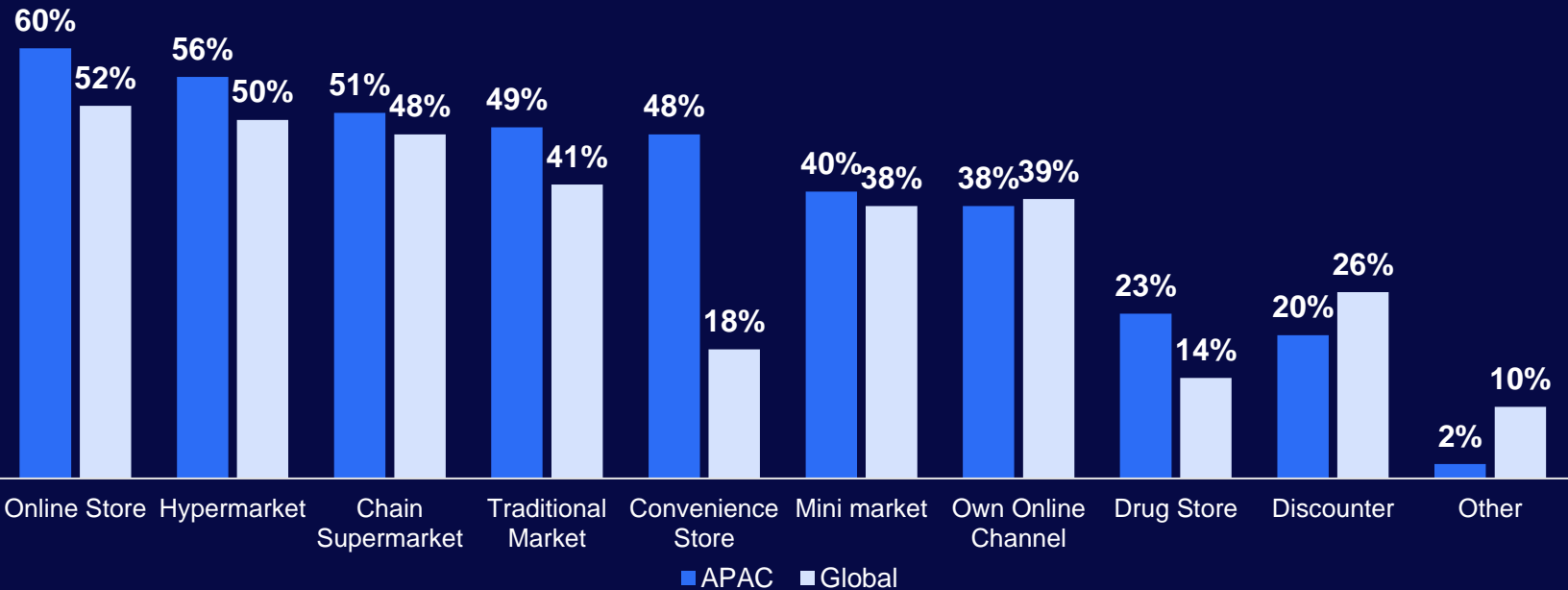


# Online store emerges as the most relevant channel for SMBs in India

Indian companies state that online is the most dominant channel for their businesses (online store: 60%). It is the top channel for Medium (67%) and Small (51%) companies. At 67% Online Store is still one of the top 3 channels for Large companies, behind Hypermarkets (83%) and Traditional Markets & Chain Supermarkets (both 75%).

Convenience store shows a significantly higher penetration (48%) among Indian companies compared to the global average (18%), with Large businesses using it the most (58%), followed by Medium (54%) and Small companies (40%).

## What channels are you represented in?

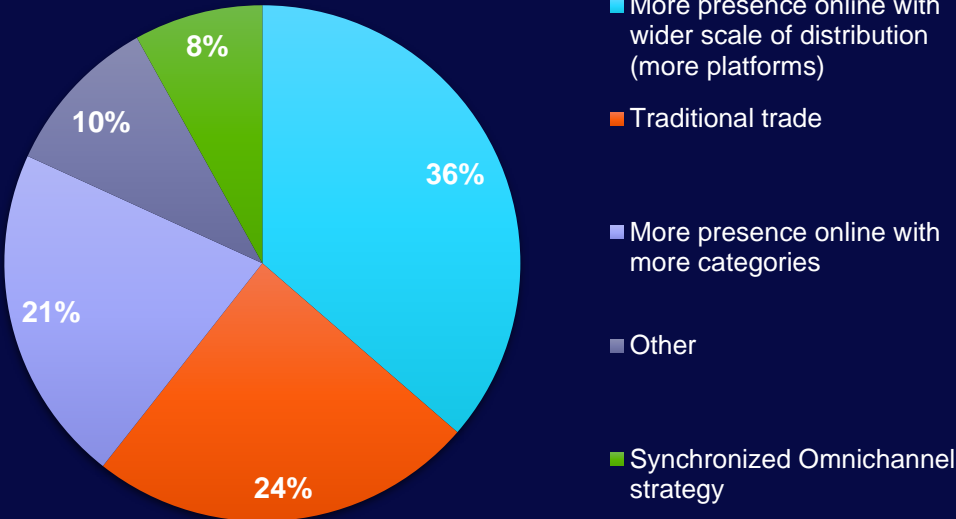


<b>Top 3 – Small (APAC)</b>
<b>Online Store, Hypermarket, Traditional Market &amp; Convenience Store</b>
<b>Top 3 – Medium (APAC)</b>
<b>Online Store, Chain Supermarket &amp; Hypermarket, Convenience Store</b>
<b>Top 3 – Large (APAC)</b>
<b>Hypermarket, Traditional Market &amp; Chain Supermarket, Online Store</b>

# Companies in India are looking for more online presence across platforms along with a focus on traditional trade

What is the primary area of focus of your channel / distribution strategy in the next 12 months?

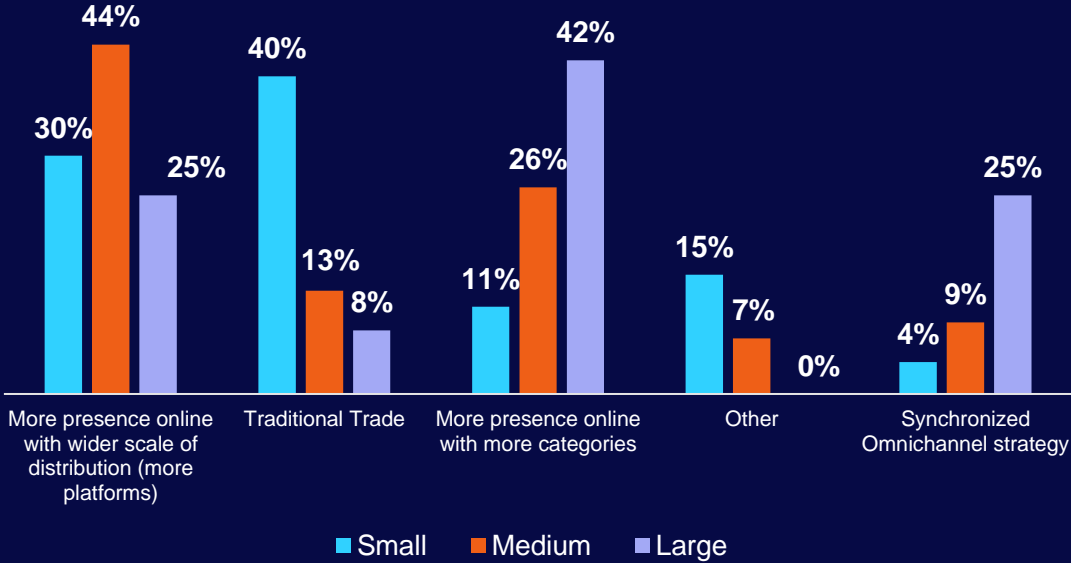
## APAC



## By size

Traditional trade is dominant for Small companies, while Medium companies focus more on online presence across platforms and Large companies focus on more online presence with more categories

Understanding channel effectiveness is key to driving success for your brands.



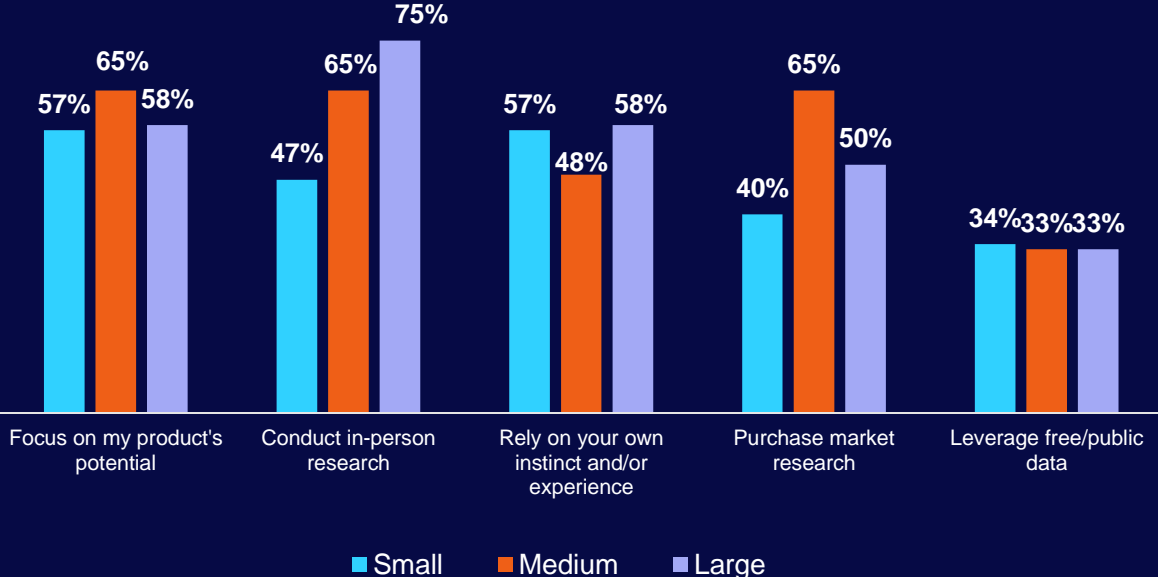
# Large and medium companies are guided by research for retailer negotiations, while small companies miss this opportunity

Please specify what tools you use when negotiating with retailers.

## All companies

- #1 Focus on my product's potential (61%)
- #2 Conduct in-person research (58%)
- #3 Rely on your own instinct and/ or experience (53%)

## By size



NIQ can support your decisions with trusted data. [Know how!](#)

For Indian companies,  
value of their products  
lies in:

**47%**

**Value for Money**  
vs. global average of 46%

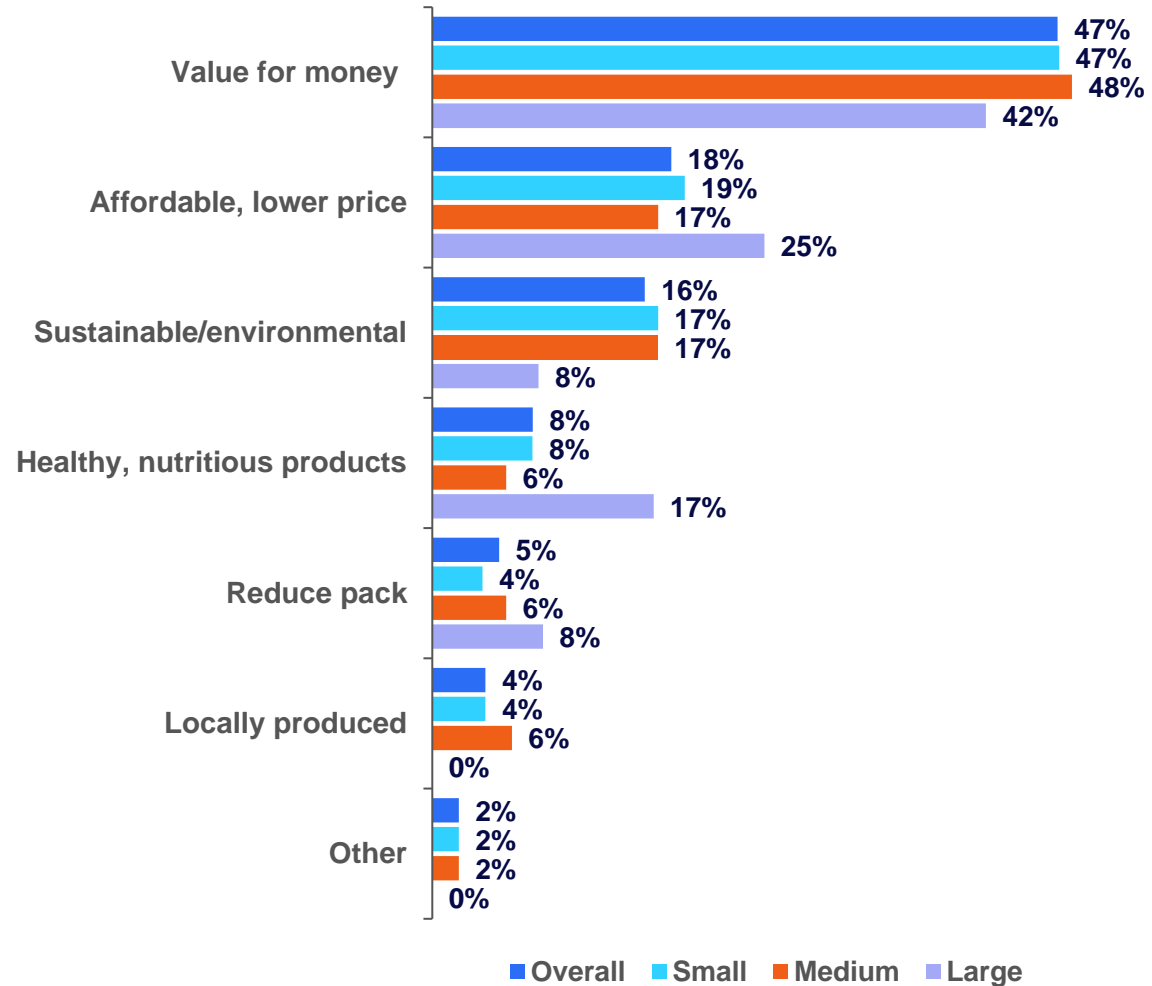
**18%**

**Affordable/ low price**  
vs. global average of 13%

**16%**

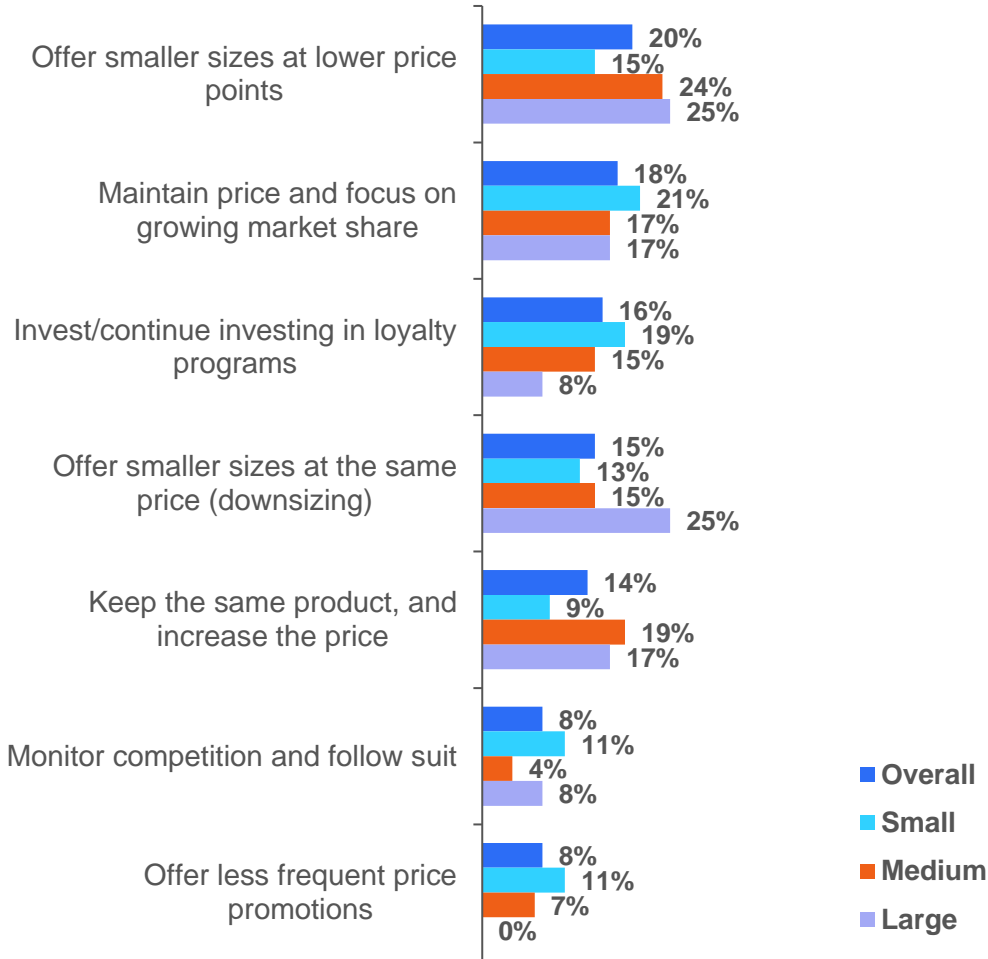
**Sustainable/ environmental**  
vs. global average of 12%

## What is the key value your product offers to your customers?



# Key focus on sizing and pricing

What **pricing and promotional strategies** is your business most likely to follow in the next 12 months?



Small businesses will hold their prices to grow market share, followed by investing in loyalty programs. Whereas offering smaller sizes at lower price points is key for Medium & Large businesses. Large businesses are also looking to downsize.



**25%**

*of Large and 24% of Medium* companies will offer smaller sizes at lower price points (vs 15% of Small companies)

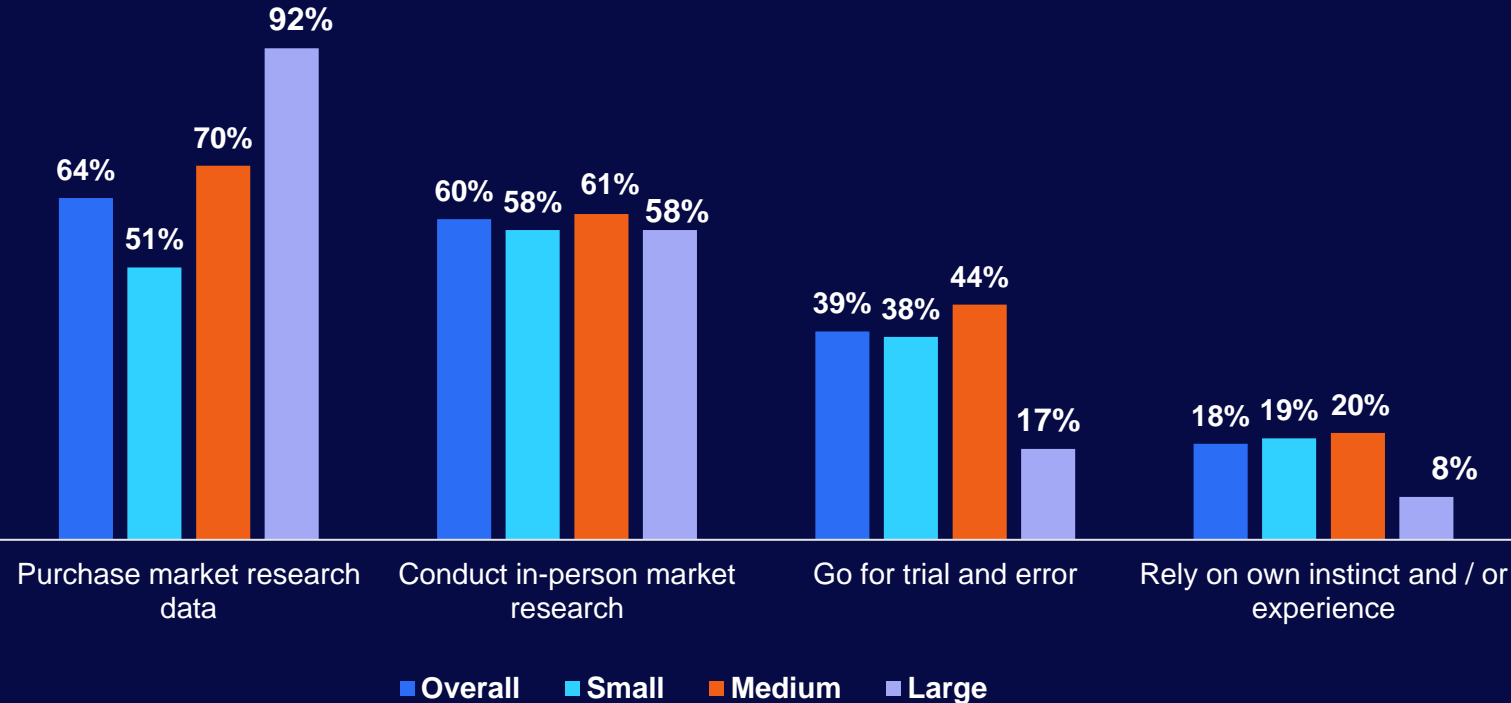


**21%**

*of Small companies* will maintain price and focus on growing market share (vs 17% of Medium & Large businesses)

# Large companies are more likely to purchase market data to aid in decision-making about prices

Please specify what tools you use to reposition your price range.



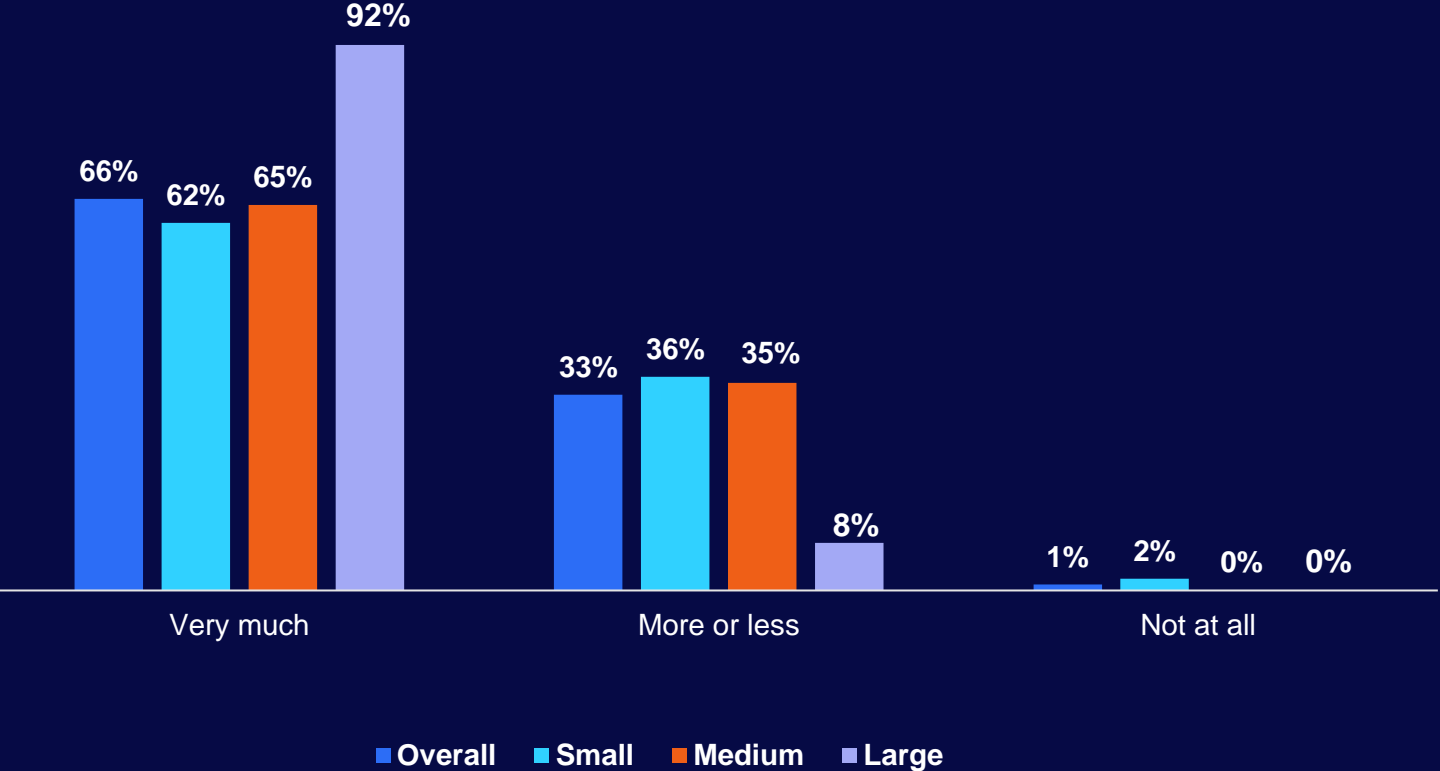
64%

of businesses in India choose to buy market data vs. 45% in the global average.

NielsenIQ empowers SMBs with tailored data and insights. [Find out how.](#)

# Indian organizations recognize the positive impact of data and insights on business decisions

How much have data and insights contributed to your business success?



92%

of Large companies say that data and insights contributed very much to their success (against 62% of Small and 65% of Medium companies)



**The answers that you need come in the data**

Which in turn can build the map to growing your business.

[Contact NielsenIQ](#) to know how!



# 97%

of survey respondents recognize the importance of data in their decisions. What about you?

*NielsenIQ for SMBs offers affordable, easy access to data and insights, giving your business a comprehensive view of the market, consumers, and competitors. Ready to grow?*



LET'S TALK!

*Thank you.*

For more information, please check out.

[NielsenIQ official website: nielseniq.com](https://nielseniq.com)

[Small and medium-sized businesses webpage](#)

[Contact us](#)

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