BEAUTY&YOU

DECODING THE INDIAN BEAUTY LANDSCAPE

JUNE 7, 2023

NIV ESTÉE LAUDER COMPANIES 1Lattice

"The future of beauty rests with a generation of creative entrepreneurs who see and experience it differently. My grandmother, Mrs. Estée Lauder, was a visionary businesswoman who pushed the boundaries of possibility as a female entrepreneur in the 1940s. Her challenger spirit and courage to challenge and change are what inspire us today. The most successful new founders will challenge today's standards to build innovative, coveted new business models and products. India is at the forefront of this changing environment — a deeply-rooted heritage of beauty and wellness is being pushed forward with modern thinking, anchoring exciting new brands and companies. We are excited to see the future of beauty through the lens of India."

William P. Lauder, Executive Chairman, The Estée Lauder Companies

ABOUT BEAUTY&YOU

Created by The Estée Lauder Companies' New Incubation Ventures (ELC NIV) and launched in partnership with Nykaa, BEAUTY&YOU India is a first-of-its-kind program to find and support the next generation of beauty entrepreneurs in India.

With one of the world's most vibrant economies and a cutting-edge startup community, India represents an exciting opportunity for the beauty industry. ELC NIV created BEAUTY&YOU India as a platform to support aspiring entrepreneurs with capital, mentorship, resources and key partners.

Our goal? To help accelerate and amplify the amazing creativity of Indian founders who are approaching the market with a fresh take on what it means to be beautiful.

www.beautyandyouawards.com
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2022 SNAPSHOT

- Over 300 entries from across 50 Indian cities, the application pool included a multitude of beauty brands across categories – skin care, hair care, fragrance and color cosmetics. Some interesting insights from the application phase:
- Almost 50% of the applicants were skin care brands
- 95% of the applicants had a sustainability mission in place
- 80% of applicants had a female founder as part of the founding team
- 25% of applicants were in the pre-launch category

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Any views and opinions expressed by interviewees in this report are those of the authors and do not necessarily reflect or represent those of The Estée Lauder Companies.

NIV ESTÉE LAUDER COMPANIES

NEW INCUBATION VENTURES (NIV) IS THE STRATEGIC EARLY-STAGE INVESTING AND INCUBATION ARM FOR THE ESTÉE LAUDER COMPANIES. NIV PARTNERS WITH FORWARD-THINKING FOUNDERS AND ENTREPRENEURS TO CREATE, FUND AND SUPPORT THE BEST EMERGING BEAUTY BRANDS AND BUSINESS MODELS THAT WILL SHAPE THE FUTURE OF BEAUTY. THROUGH THIS, IT ALSO BUILDS AN ACTIONABLE PIPELINE OF DIVERSIFIED BRANDS AND NEW ENGINES OF GROWTH FOR THE ESTÉE LAUDER COMPANIES PORTFOLIO. THE ESTÉE LAUDER COMPANIES INC. IS ONE OF THE WORLD'S LEADING MANUFACTURERS AND MARKETERS OF QUALITY SKIN CARE, MAKEUP, FRAGRANCE AND HAIR CARE PRODUCTS. THE COMPANY'S PRODUCTS ARE SOLD IN APPROXIMATELY 150 COUNTRIES AND TERRITORIES UNDER BRAND NAMES INCLUDING: ESTÉE LAUDER, ARAMIS, CLINIQUE, LAB SERIES, ORIGINS, M·A·C, LA MER, BOBBI BROWN, AVEDA, JO MALONE LONDON, BUMBLE AND BUMBLE, DARPHIN PARIS, TOM FORD BEAUTY, SMASHBOX, AERIN BEAUTY, LE LABO, EDITIONS DE PARFUMS FRÉDÉRIC MALLE, GLAMGLOW, KILIAN PARIS, TOO FACED, DR.JART+, AND THE DECIEM FAMILY OF BRANDS, INCLUDING THE ORDINARY AND NIOD.

LINKEDIN: @NIV-ELC. INSTAGRAM: @NIV_ELC

1Lattice

1LATTICE™ IS A TECHNOLOGY-ENABLED DECISION SUPPORT ORGANIZATION. OUR MISSION IS TO DISRUPT BUSINESS DECISIONS THROUGH AI/ML AND PRODUCE MEANINGFUL INSIGHTS WHICH CAN BE TRUSTED BY DECISION-MAKERS. WITH A HOLISTIC APPROACH FOCUSING ON THE 'WHAT AND WHY', 1LATTICE™ STANDS FOR THE 'ONE-NESS' OF DATA AND THE PEOPLE NETWORK. 1LATTICE™ IS YOUR 360-DEGREE BUSINESS DECISION SUPPORT PARTNER WITH A TECH-ENABLED SERVICE STACK OF CONSULTING, ADVISORY, AND RESEARCH. POWERED BY ADVANCED TECH TOOLS AND UNIQUE DATA-GATHERING APPROACHES, IT'S YOUR ONE-STOP SHOP FOR STREAMLINING ALL YOUR KEY BUSINESS PRACTICES.

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IDEX

IDEX INVESTS, INCUBATES AND ACCELERATES FAST GROWING, EMERGING BUSINESSES AND TECHNOLOGY PLATFORMS WITH A FOCUS ON PRESTIGE CONSUMER BRANDS ACROSS MULTIPLE PLATFORMS. IDEX LEVERAGES A SIGNIFICANT PROPRIETARY DEAL FLOW ALONGSIDE A UNIQUE SCREENING PROCESS AND DEEP TECHNOLOGICAL DILIGENCE TO SPOT THE RIGHT OPPORTUNITIES. ALONGSIDE OUR INVESTMENT, OUR TEAMS CREATE, BUILD AND SCALE.

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EXECUTIVE SUMMARY

NIV ESTÉE LAUDER COMPANIES 1Lattice

With a higher degree of consumer awareness than ever and an influx of options unlike anything that the market has seen, India represents an exciting opportunity for the global beauty ecosystem. We set out to spotlight the biggest trends and most interesting insights to help entrepreneurs innovate for the future.

Shana Randhava, Senior Vice President, Estée Lauder Companies New Incubation Ventures

DECODING THE INDIAN BEAUTY LANDSCAPE

"It is exciting to see emerging markets like India demonstrate such strong growth and present new opportunities. With a growing middle class, an incredible start-up ecosystem, and a digitally-savvy population, India is pushing the future of beauty forward in new and exciting ways."

Tracey T. Travis, Executive Vice President and Chief Financial Officer, The Estée Lauder Companies

Created by the Estée Lauder Companies' New Incubation Ventures, BEAUTY&YOU is a first-of-its-kind program to discover, support and nurture the next generation of Indian beauty entrepreneurs and creatives. Developed in partnership with 1Lattice, a Gurgaon-based, technology-powered business insights organization, this report explores the factors impacting India's BPC market which is currently valued at over $16.8B.

A higher degree of consumer awareness and an influx of options unlike anything the industry has seen before has prompted a deeper shift into what was once a relatively straightforward business of helping customers look beautiful. In the next five years, India's Beauty & Personal Care (BPC) market is set to grow at a CAGR of 11%, with Cosmetics and Perfumes poised to be one of the fastest-growing segments due to the dynamic presence of beauty influencers on social media, an influx of cutting-edge, new-age brands and the rapid expansion of the e-commerce industry that will give customers easy access to brands. A focus on personal care and hygiene is also a major contributor to the surge in perfume brands.

India's BPC shoppers are driven by their functional needs, a willingness to try new beauty trends and products and the goal to treat existing skin conditions. While recommendations from friends and family and personal research are top sources of BPC product discovery, influencers have emerged as a go-to resource in recent years. Driven by a combination of complex lifestyle issues, acne, dark circles, fine lines and wrinkles have emerged as the top beauty concerns for the Indian BPC customer with Gen Z leading the charge for affordable and result-driven products for acne and breakouts and customers over the age of 40 preferring simpler, less experimental products for age-related concerns such as wrinkles and fine lines.

The recent surge of discussion around sunscreens has prompted it to emerge as one of the fastest growing subcategories along with serums under the Skincare category, which in itself is the top-used product category, closely followed by Cosmetics and Nutraceuticals. Haircare has also seen a paradigm shift post-Covid, largely due to the hair issues that impacted many BPC shoppers in this period.

With over $1.3B dollars share in the Indian BPC market by distribution channel, E-Commerce remains as the top channel for product discovery and is expected to grow at a CAGR of 30% between FY 2022 and FY 2027, followed by Health and Beauty Specialists and the Modern Grocery Retailer. This rapid growth of online distribution channels is primarily due to the surge in digital adoption, as well as the convenience that online platforms offer. Both Modern Grocery Retailers and Health and Beauty Specialists are expected to grow at a CAGR of 15%.

With a constantly evolving definition of beauty and a sophisticated consumer with growing disposable income, the Indian BPC market represents an exciting opportunity for founders and creatives to enter the market with a fresh take on what it means to be beautiful.

SOURCE(S). BPC CUSTOMER SURVEY (N=450), 1Lattice ANALYSIS

2023 KEY FINDINGS

Beauty and personal care (BPC) shoppers are driven by their functional needs, willingness to try the latest beauty trends & products and/or their need to treat existing skin concerns (acne, fine lines, dark circles, wrinkles).

- Gen Z primarily face acne issues & prefer affordable & result-driven products; 40+ women facing wrinkles are less experiential and looking for simpler products.
- Ageless category segment is dominated by indifferent or brand conscious customers; offline platforms are the preferred channel of purchase.

Multiple brands & products with low differentiation along with lack of proper guidance are some of the key pain points. Opportunity is for new entrants to carve out unique positioning and brand story.

Social media influencers & ads are key sources of brand discovery for influenced & opportunist users while pragmatists primarily discover brands via friends / family.

Skincare & haircare are top used product categories followed by cosmetics; propensity to spend higher for cosmetics & nutraceuticals.

Online distribution channels expected to grow at CAGR of ~30%, fastest across all distribution channels, followed by health & beauty specialist & modern grocery retailer.

BPC market in Tier 2+ cities expected to grow at a faster rate of ~12%; Easier access to premium BPC brands on the back of omnichannel presence to drive segment growth.

SOURCE(S). BPC CUSTOMER SURVEY (N=450), Lattice ANALYSIS

BEAUTY&YOU

KEY FINDINGS

NIV ESTÉE LAUDER COMPANIES 1Lattice

Beauty & Personal Care Market in India
~16.8B (FY22)

23% — BATH & SHOWER
- Bar soap
- Body powder
- Liquid soap
- Body wash
- Hand Sanitizer

21% — HAIRCARE
- Conditioners & treatments
- Shampoos
- Colourants
- Salon Hair
- Stylists

14% — SKIN CARE
- Facial Care
- Body Care
- Hand Care

12% — ORAL CARE
- Toothpastes
- Toothbrushes
- Mouthwash
- Dental Floss

8% — COSMETICS
- Lip products
- Eye Makeup
- Facial Makeup
- Nail Products

6% — PERSONAL HYGIENE
- Women's personal hygiene

6% — PERFUMES
- Deodarants
- Fragrances

4% — MEN'S GROOMING
- Men's Shaving

4% — BABY & CHILDCARE
- Baby toiletries
- Baby Skin Care
- Nappy Rash
- Treatments
- Baby Wipes

1% — SUN CARE
- Sunscreen
- Sun Spray

SOURCE(S). BPC CUSTOMER SURVEY (N=450), Lattice ANALYSIS

India BPC market is expected to grow at a CAGR of ~11% during FY22–27; Cosmetics and fragrances to be one of the fastest growing sub–segments

CATEGORY-WISE BPC MARKET IN INDIA
US$ B, 2017-27P

BPC category	FY 17	FY 22	FY 27P	CAGR FY17-22	CAGR FY22-27P
Bath & shower	2.8	3.8	5.5	7%	7.4%
Haircare	2.7	3.6	5.7	6%	9.6%
Skincare	1.5	2.4	4.3	9.4%	12.1%
Oral care	1.5	1.9	3.4	5.3%	11.6%
Cosmetics	0.8	1.4	2.8	10.8%	15.3%
Perfumes	0.7	1	1.9	7.4%	14%
Others*	1.6	2.6	4.7	10.4%	12.6%
Market size (US$ B)	11.6	16.8	28.3	~7.7%	~11%

COSMETICS: The dynamic presence of beauty influencers on social media, the influx of cutting–edge new age cosmetic brands, and the increasing emphasis on organic products combine to create alluring market opportunities.

SKIN CARE: Skincare is fueled by increasing awareness and emphasis on general grooming along with accelerated demand for natural and organic skincare products amongst BPC shoppers.

HAIR CARE: Factors such as rising awareness of hair health, usage shift towards natural products along with increasing concerns about pollution–induced hair damage contribute to the exponential growth of the industry.

PERFUMES: Expansion of e–commerce industry gives customers easy access to a variety of perfume brands which they can buy with their growing disposable incomes. Focus on personal hygiene & grooming has further led to the surge in perfume demand.

NOTE(S). *OTHERS INCLUDE PERSONAL HYGIENE, MEN'S GROOMING, BABY & CHILDCARE, AND SUN CARE
SOURCE(S). EUROMONITOR REPORT, INDUSTRY REPORTS, Lattice ANALYSIS

Key insights from BPC customers

MOTIVATION	BPC shoppers are driven by their functional needs, willingness to try the latest beauty trends & products or their need to treat existing skin concerns
DISCOVERY	While recommendations from friends & family members and own internet research are top sources of BPC product discovery for shoppers, influencers' recommendations too have emerged as one of the prominent sources of awareness in the recent times
KEY PURCHASE CRITERIA	Quality and brand popularity continue to be the top KPCs for BPC shoppers in India; however, following them closely is use of organic and natural ingredients in products
CHANNEL OF PREFERENCE	BPC shoppers now show higher acceptance towards online channels like Amazon, Nykaa, etc. driven on the back of higher discounts on online websites, convenience of ordering from home, influx of D2C brands, etc.
PURCHASE	Consumers make conscious purchase choices w.r.t. to their needs after considering their purchase criterions

SOURCE(S). BPC CUSTOMER SURVEY (N = 450), CUSTOMER IDIS (N=20), 1Lattice ANALYSIS

Indian BPC shoppers undergo a series of steps before making the final purchase decision

1 INSPIRATION / MOTIVATION

- FUNCTIONAL NEED
- WANT TO TRY NEW BEAUTY TRENDS & PRODUCTS
- REQUIREMENT TO TREAT CURRENT CONCERNS

2 PRODUCT SEARCH & BRAND DISCOVERY

- SEARCH FOR SOLUTION OF PROBLEMS
- RECOMMENDATIONS FROM FRIENDS / FAMILY / BEAUTY ADVISORS / INFLUENCERS
- USE OF BRAND IN PAST

3 KPCS

- KEY PURCHASE CRITERIA (KPCS) SERVING INDIVIDUAL PURPOSES LIKE BRAND QUALITY, POPULARITY, ETC.

4 BENCHMARKING

- COMPARING KEY CRITERIONS LIKE PRICE, QUALITY, REVIEWS AMONGST SHORTLISTED BRANDS HAVING SIMILAR PRODUCT ASSORTMENT

5 CHANNEL OF PREFERENCE

- CONVENIENCE OF PURCHASE THROUGH ONLINE / OFFLINE CHANNELS
- AVAILABILITY OF PRODUCTS
- PRESENCE OF OFFERS AND DISCOUNTS

6 TRY OUT / FIRST PURCHASE

- FIRST PURCHASE WHEN KEY CRITERIA ARE MET

7 RE-PURCHASE

- GOVERNED BY CUSTOMER SATISFACTION FROM PRODUCT USAGE
- SUITABILITY OF PRODUCTS FOR CUSTOMER UNTIL ONE GETS BETTER ALTERNATIVES

SOURCE(S). CUSTOMER IDIS (N=20), Lattice ANALYSIS

Multiple brands & products with low differentiation along with lack of proper guidance are some of the key pain points

CONSUMER PAIN POINTS	EMERGING IMPLICATION
LACK OF BRAND DIFFERENTIATION	• Multiple brands have similar brand positioning; Promoting similar products under different brand names; lack of differentiation makes customers feel overwhelmed. • Similar brands & price points confuse customers about which brand is the best value for money.
LOW AVAILABILITY	• D2C brands are channeling their presence on online platforms whereas offline stores strengthening their presence offline • Low focus on multichannel brand presence (mix of online & offline) resulting in low touchpoints for customers looking for a holistic shopping experience.
UNMET DEMANDS	• Often, skin issues faced by Gen Z, millennials, Gen X & baby boomers go unmet due to the absence of effective products. • Expensive treatments & low efficacy of already existing products mixed with improper guidance leaves skin issues like acne, fine lines & dark circles untreated.
DYNAMIC TRENDS	• Fast paced innovation in the BPC industry leads to frequent changes in beauty trends, thereby making it difficult for customers to keep up with the same. • Due to changing trends, customers switch their current brand in haste without letting it show results.
LACK OF GUIDANCE	• Following lack of proper guidance, customers find it difficult to choose the right BPC products & skincare regime as per their skin type. • Often, experimenting with different BPC products, leads to skin irritation & allergic reactions as customers may not be aware of the active ingredients used in a particular product. • With influx of several BPC brands & products, proper guidance is necessary for customers.

SOURCE(S). BPC CUSTOMER SURVEY (N=450), CONSUMER IDIS (N=20), 1Lattice ANALYSIS

Gen Z primarily face acne issues & prefer affordable & result-driven products; 40+ women facing wrinkles are less experiential and look for simpler products

GEN Z

ACNE / BREAKOUTS

- MOST COMMON IN 18-24 AGE GROUP
- CURRENT TREATMENTS INCLUDE ACNE FOCUSED PRODUCTS & PROCESSES LIKE CHEMICAL PEELS

- LOOK FOR AFFORDABLE SOLUTIONS AS DERMA TREATMENTS ARE EXPENSIVE

MILLENNIALS

DARK EYE CIRCLES

- MOST COMMON IN 25-38 AGE GROUP
- CURRENT TREATMENTS INCLUDE THE USE OF UNDER EYE CREAMS & OTHER ROUTINE PRODUCTS

- PREFER PRODUCTS WITH LONG-TERM EFFICACY
- CURRENT SOLUTIONS OFFER SHORT-SPAN SOLUTIONS

GEN X

FINE LINES

- MOST COMMON IN 39-53 AGE GROUP
- USES PRODUCTS WITH ANTI AGEING PROPERTIES / RETINOL
- CURRENT TREATMENTS INCLUDE OXY FACIAL, SKIN TIGHTENING & BOTOX

- PREFER MORE ACCESSIBLE, LONG-LASTING SOLUTIONS WHICH DO NOT INVOLVE A CONTINUOUS ROUTINE

BABY BOOMERS

FINE LINES & WRINKLES

- MOST COMMON IN 54+ AGE GROUP
- CURRENT TREATMENTS INCLUDE NUTRACEUTICALS (WITH VITAMIN A) INTAKE & FOLLOWING A SIMPLE STEPS SKIN REGIME

- PREFER LESS COMPLICATED SKIN ROUTINES INVOLVING SIMPLER PRODUCTS OR MINIMAL PRODUCTS TARGETING VARIOUS ISSUES AT ONCE

SOURCE(S). BPC CUSTOMER SURVEY (N=450), CONSUMER IDIS (N=20), Lattice ANALYSIS

Ageless category segment is dominated by indifferent or brand conscious customers; offline platforms are the preferred channel of purchase

AGELESS CATEGORY

WOMEN OVER 40+ AGE BRACKET FORM THE AGELESS CATEGORY

PURCHASE BEHAVIOUR

MORE FOCUS ON QUALITY OF PRODUCTS & CONVENIENCE OF USE

LOOK FOR PRODUCTS WHICH SIMPLIFY SKIN ROUTINES & CATER TO MULTIPLE SKIN ISSUES AT ONCE

PURCHASE DECISIONS DRIVEN BY BRAND REPUTATION, EXCLUSIVITY, ATTRACTIVE PACKAGING & CELEBRITY ENDORSEMENTS

CHANNEL PREFERENCE

OFFLINE: 56%

ONLINE: 28%

BOTH: 28%

SOURCE OF AWARENESS

42%

BEAUTY TRENDS

RECOMMENDATIONS FROM FRIENDS AND FAMILY

42%

SKIN TREATMENTS

SKIN SPECIALISTS / DERMATOLOGISTS

50%

BPC PRODUCTS

OWN INTERNET SEARCH FOR PROBLEM & SOLUTION

SOURCE(S). BPC CUSTOMER SURVEY (N=450), CUSTOMER IDIS (N=20), Lattice ANALYSIS

Social media influencers & ads are key sources of brand discovery for influenced & opportunist users while pragmatists primarily discover brands via friends / family

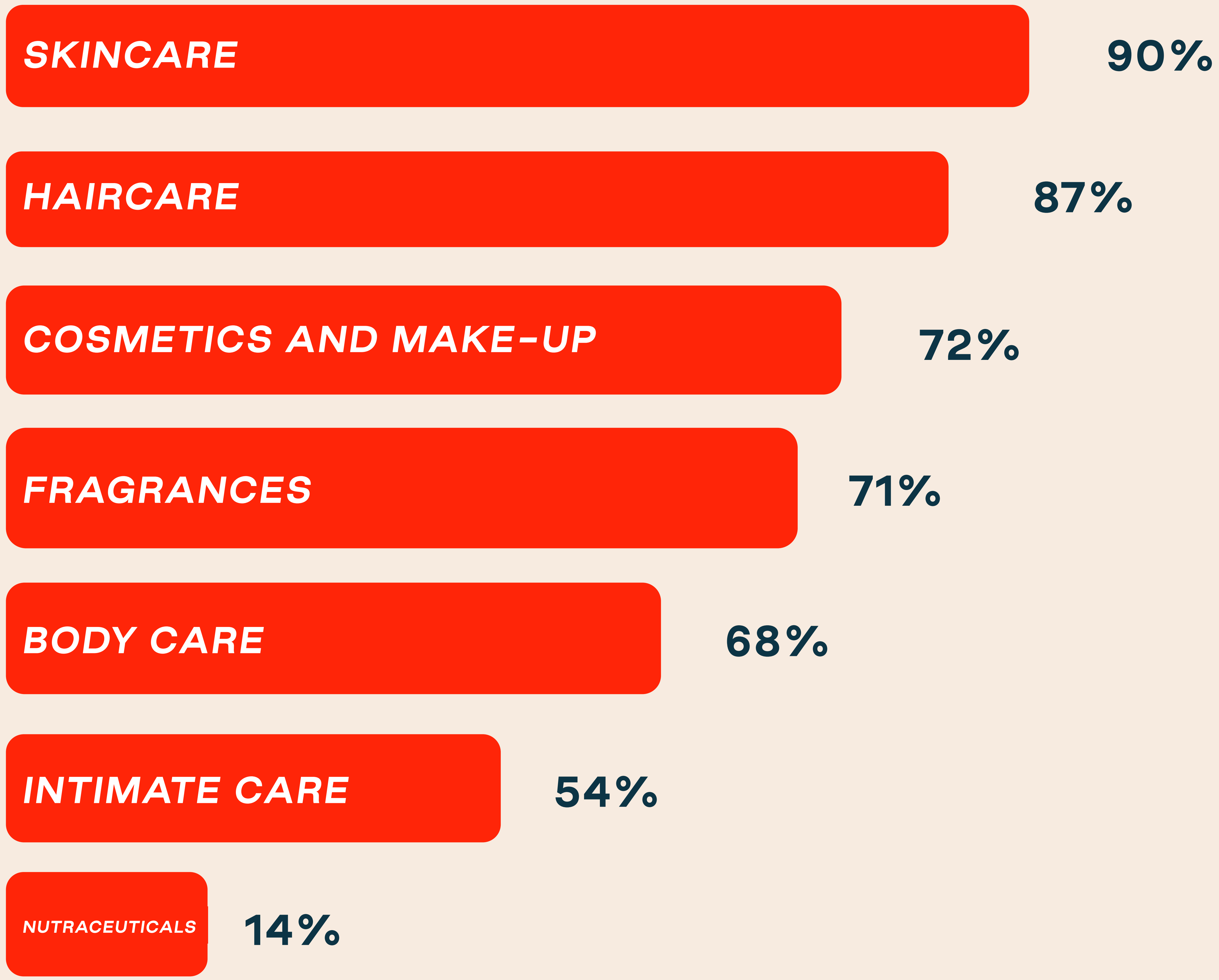
	PRAGMATIST	BRAND CONSCIOUS	OPPORTUNIST	INFLUENCED USER	INDIFFERENT USER
Persona description	Consumer uses **specific products driven by need** rather than product experimentation	**Heavily influenced by specific brands**; all purchases are made from **specific / select few brands**	Consumer is a **'deal seeker'**; **check prices** across platforms to **avail discounts**	Consumer **does not have their own preference** in BPC products; they are **easily influenced** to buy what is **trending**	Consumer has a **bias towards specific brands** (traditional or new-age brands)
Age group (in years)	16-30	25-45	16-30	16-30	35-60
Income range (in INR)	<15L	>20L	<10L	>10L	Across all income ranges
Key source of discovery of brands	Recommendation from friends / family Recommendation from doctor Own Research	Recommendations from friends/family Recommendations from social media influencers	Instagram / Youtube E-commerce Recommendation from social media influencers	Instagram / Youtube E-commerce Recommendation from social media influencers Live commerce	Recommendation from doctor Recommendations from friends/family

Low High

SOURCE(S). BPC CUSTOMER SURVEY (N=450), CONSUMER IDIS (N=20), Lattice ANALYSIS

Skincare & haircare are top used product categories followed by cosmetics; propensity to spend higher for cosmetics & nutraceuticals

USAGE OF PRODUCT CATEGORIES
(%, N=450)



KEY TRENDS

Serums & sunscreens are key emerging products in this segment

Informed & higher usage of haircare products post Covid

Higher adoption of cosmetics due to social media influence

Better inclination seen towards affordable fragrance options

Body moisturizers still dominate the body care segment

Prominently used by women

Commonly used by the 40+ age group

SOURCE(S). BPC CUSTOMER SURVEY (N=450), Lattice ANALYSIS

Online distribution channels expected to grow at CAGR of ~30%, fastest across all distribution channels, followed by health & beauty specialist & modern grocery retailer

BPC MARKET IN INDIA (BY DISTRIBUTION CHANNEL)
US$ B, FY22–27P

	FY22	CAGR FY22-27P	FY27P	
E-commerce	1.3	30%	4.7	Online
Direct from website	0.9	29%	3.3	Online
Chemists / pharmacies	1.7	2%	1.8	Non- grocery
Health & beauty store & others*	2.3	15%	4.9	Non- grocery
Traditional retailers	7.4	3%	8.6	Grocery
Modern retailers**	3.2	14%	6.1	Grocery
Market size (US$ B)	**16.8**		**28.3**	

- **Online distribution channels are expected to escalate at a CAGR of ~30%**
  - The growth of online channels is attributed to the surge in digital adoption along with the convenience offered by the online channel
  - Wider product assortment, enticing discounts, and customization are other factors leading to the growth of this distribution channel
- **Modern grocery retailers are expected to grow at a CAGR of ~15%.**
  - Modern grocery retailers offer a one–stop shop option to customers while offering & a wide range of products from trusted brands. These stores are also located in convenient locations, making it easier for consumers to access them
- **Distribution of BPC products through health & beauty specialists is expected to grow at a CAGR of ~15%**
  - These specialists provide an immersive in–store experience with product demonstrations, trials, and expert advice, creating a personalized experience

NOTE(S). *OTHERS INCLUDE NON-GROCERY MT (MODERN TRADE) CHANNELS, **MODERN RETAILERS INCLUDE CONVENIENCE STORES, HYPERMARKETS, SUPERMARKETS, ETC.
SOURCE(S). EUROMONITOR, INDUSTRY REPORTS, 1Lattice ANALYSIS

BPC market in Tier 2+ cities expected to grow at a faster rate of ~12%; Easier access to premium BPC brands on the back of omnichannel presence to drive segment growth

BPC MARKET IN INDIA (CITY TIER-WISE)

US$ B, FY22-27P

	FY22	CAGR FY22-27P	FY27P
TIER 2+	11.4	12%	20.4
METRO + TIER 1	5.4	8%	7.9
MARKET SIZE (US$ B)	16.8		28.3

- Urbanization is leading to the dynamic evolution of lifestyle & awareness and accelerating the usage of BPC productswith a CAGR of **~8%** and **~12%** respectively in **Metro/Tier 1** and **Tier 2+ cities.**
- With the growth of e-commerce & increase in retail chains, products have become more accessible to customers.
- **Social media ads** and **influencers** are also creating an impact on customers in **tier 2+ cities.**

BPC MARKET IN INDIA (BY PRICING)

US$ B, FY22-27P

	FY22	CAGR FY22-27P	FY27P
MASS	15	10%	24.5
PREMIUM	1.8	16%	3.8
MARKET SIZE (US$ B)	16.8		28.3

- Premium BPC brands are expanding their distribution channels in India at a CAGR of **16%,** making their products more accessible to consumers through an **omnichannel presence.**
- **E-commerce platforms** & **specialized retail stores** in public places with a higher audience **are making it** easier for consumers to access premium BPC brands and products.
- The disposable income of customers is also rising enabling them to buy premium products.

SOURCE(S). BPC CUSTOMER SURVEY (N=450), Lattice ANALYSIS

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METHODOLOGY

Quantitative and In-Depth Interviews

QUANTITATIVE SURVEY WITH BPC CUSTOMERS ACROSS VARIOUS CITIES IN INDIA

Cities covered (Customer survey)

Region	*City*	*Achieved N*
Metro & tier-1	Mumbai	42
	Delhi NCR	42
	Bengaluru	41
	Hyderabad	29
	Chandigarh	34
	Kolkata	26
Tier 2	Jaipur	14
	Ahmedabad	32
	Lucknow	53
	Indore	33
Tier-3	Kanpur	27
	Vadodara	21
	Udaipur	35
	Dehradun	20
	Others*	1
	Total	**450**

IN-DEPTH INTERVIEWS: QUALITATIVE IDIS WITH BPC CUSTOMERS ACROSS VARIOUS CITIES IN INDIA

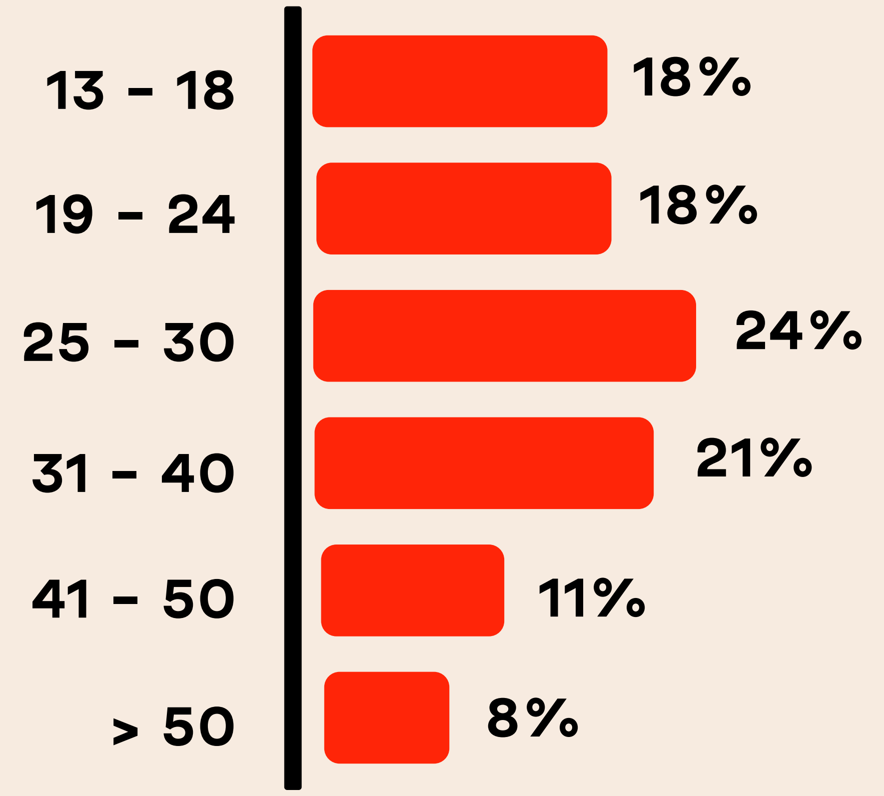
Cities covered (IDIs)

	City	*N*
Metro & Tier 1	Delhi NCR	3
	Mumbai	2
	Bengaluru	2
	Chandigarh	1
Tier 2	Jaipur	2
	Indore	2
	Vadodara	2
Tier 3	Siliguri	2
	Surat	2
	Kota	2
	Total	**20**

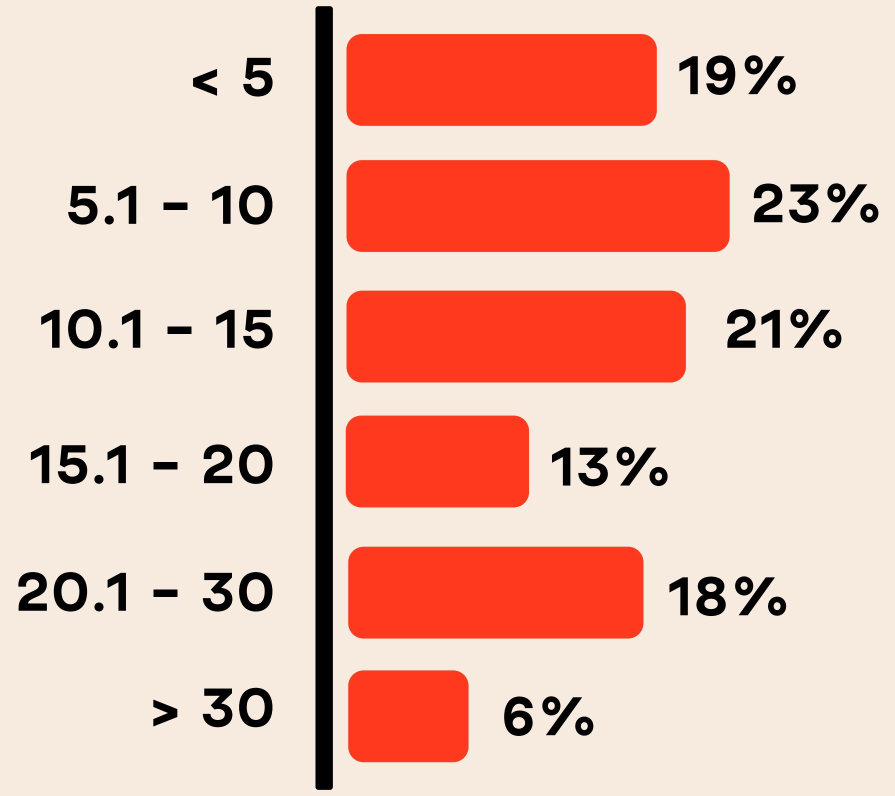
NOTE(S). *OTHERS INCLUDE BAREILLY SOURCE(S). BPC CUSTOMER SURVEY (N=450), 1Lattice ANALYSIS

Customer profile: Interviewed BPC customers (N=450) across demographic mix

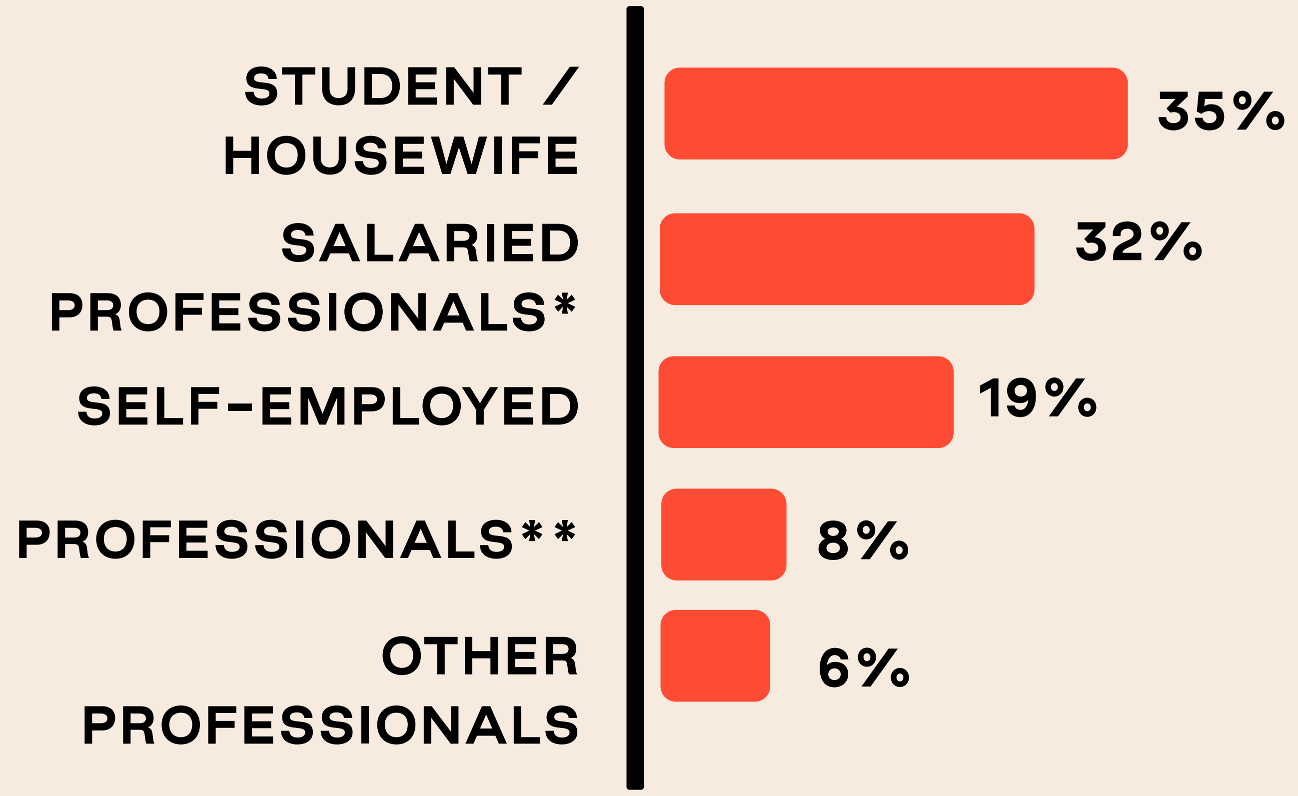
AGE (YEARS)



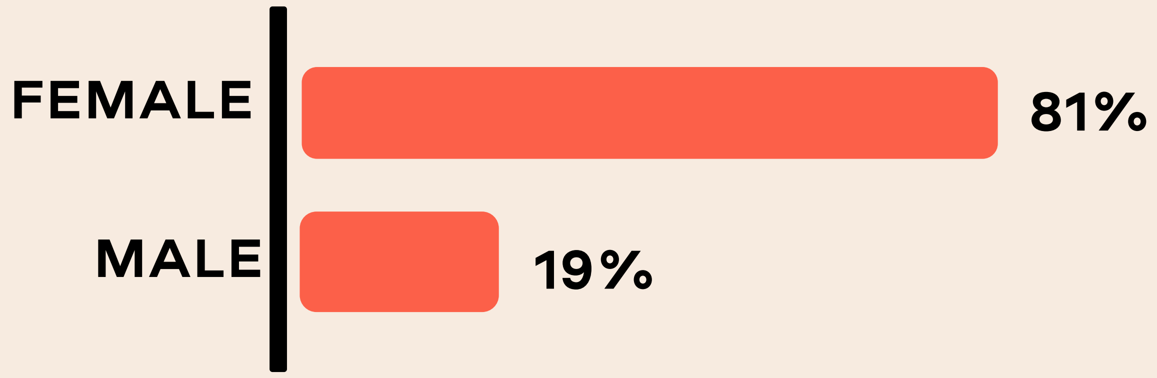
INCOME (INR L)



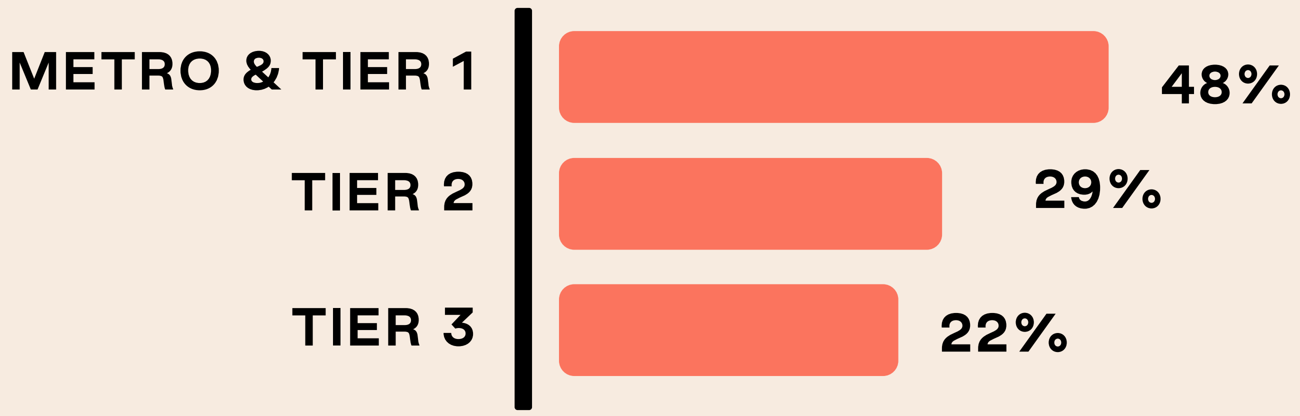
PROFESSION



GENDER



CITY



NOTE(S). *SALARIED PROFESSIONALS INCLUDE PUBLIC AND PRIVATE EMPLOYEES,**PROFESSIONALS INCLUDE CA, DOCTORS ETC. SOURCE(S). BPC CUSTOMER SURVEY (N=450), 1Lattice ANALYSIS

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THANK YOU

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