



# Hindustan Unilever Limited

Hindustan Unilever Limited  
Unilever House  
B D Sawant Marg  
Chakala, Andheri East  
Mumbai 400 099

14th November, 2019

Tel: +91 (22) 5043 3000  
Web: www.hul.co.in  
CIN: L15140MH1933PLC002030

Stock Code BSE: 500696  
NSE: HINDUNILVR  
ISIN: INE030A01027

BSE Limited,  
Corporate Relationship Department,  
2nd Floor, New Trading Wing,  
Rotunda Building, P.J. Towers,  
Dalal Street,  
Mumbai – 400 001

National Stock Exchange of India Ltd  
Exchange Plaza, 5th Floor,  
Plot No. C/1, G Block,  
Bandra – Kurla Complex,  
Bandra (E),  
Mumbai – 400 051

Dear Sir,

**Sub: Investor Presentation**

Pursuant to the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a copy of the presentation to be made to a group of investors at CLSA India Forum, Gurgaon today.

You are requested to take the above information on your record.

Thanking You.

Yours faithfully,

**For Hindustan Unilever Limited**

*for* 

**Dev Bajpai**  
**Executive Director, Legal & Corporate Affairs**  
**and Company Secretary**  
**DIN:00050516 / FCS No.: 3354**  
Asst





# **ECOMMERCE IN FMCG**

## **A FAST CHANGING RETAIL LANDSCAPE**

# SCOPE



**INDUSTRY LANDSCAPE**



**KEY CHALLENGES**



**OPPORTUNITIES**



**CHANGING RETAIL ECOSYSTEM**

# TODAY'S AGENDA



**INDUSTRY LANDSCAPE**



**KEY CHALLENGES**

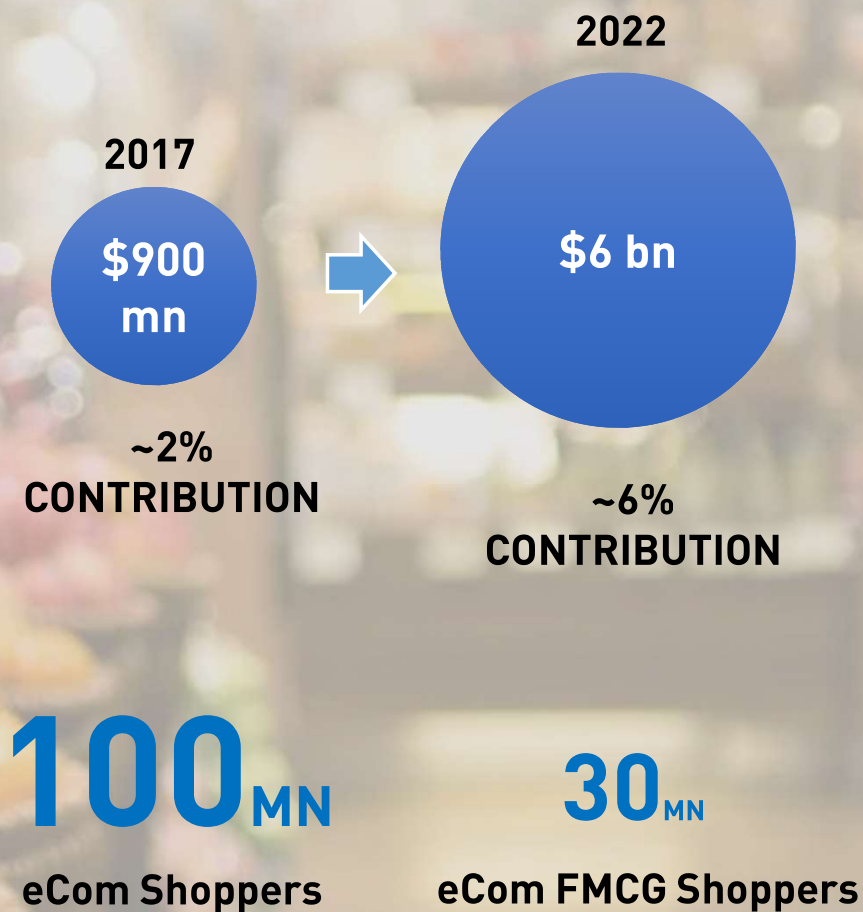


**OPPORTUNITIES**



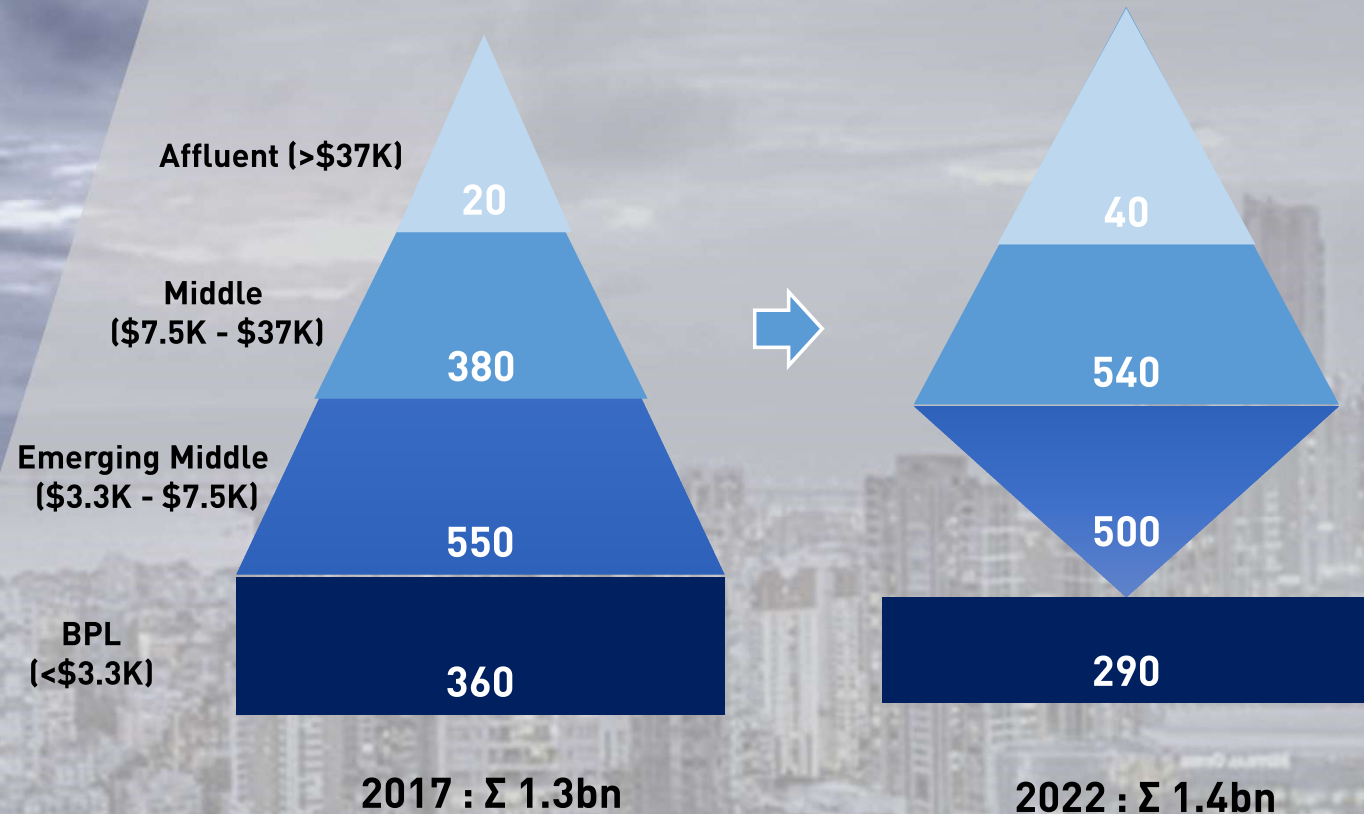
**CHANGING RETAIL ECOSYSTEM**

# eCOMMERCE IS EXPLODING IN GROCERY INCL CPG



*\*Source: BCG Google Study, Multiple external estimates*

# THE RISING MIDDLE CLASS



**Indian Middle Class > Population of North America**

# BHARAT IS SHOPPING ONLINE



**90%**

New shoppers from Small Towns



**4X**

Projected Gr in shoppers from Tier 2 (2018~2025)

**Large opportunity to Premiumise**

# ECOMM LEVERS VERY RELEVANT IN INDIA



**ASSORTMENT**

Low distribution  
in Bharat



**CONVENIENCE**

Gridlocked  
cities



**VALUE**

Middle India  
shopping online



# BEAUTY & PERSONAL CARE CATEGORIES FASTER ON ADOPTION



\*Source: BCG Google Study

# SCOPE



**INDUSTRY LANDSCAPE**



**KEY CHALLENGES**



**OPPORTUNITIES**



**CHANGING RETAIL ECOSYSTEM**



# KEY CHALLENGES



**CHANGING  
COMPETITION**



**OPERATIONAL  
COMPLEXITY  
& COSTS**



**PORTFOLIO  
SUSTAINABILITY**



**CHANNEL  
MANAGEMENT**



**BRAND  
PROTECTION**



# CHANGING SHAPE OF COMPETITION

## Rise of "Indie" brands on eCommerce



2017

\$100 mn



2019

\$600 mn



A91 Partners



Size of consumer focussed VC investments in India \*

\*Source: External reports

# OPERATIONAL COMPLEXITY & COSTS

## DIFFERENT CUSTOMER OPERATION MODEL



Self Serve  
Platforms



Eaches Not  
Cartons

## HIGHER COMPLEXITY & COSTS OF OPERATIONS



Higher  
People Costs



Deployment Costs  
in short term

## NEED FOR BUILDING DIFFERENTIATED CAPABILITIES



Business  
Process  
Automation



Right  
Talent

# CHANNEL MANAGEMENT

Shoppers Shop across Channels



Pack price architecture that  
enables



REDUCED  
CANNIBALIZATION



INCREMENTAL  
SALES

# SUSTAINABLE PORTFOLIO



<b>MRP</b>	<b>100</b>
INTAKE MARGIN	+20%
OPERATION COST	-5%
LOGISTICS COST	-20%
REALIZED PROFIT	-5%

**C.R.A.P. – Can't Realize Any Profit**



**Re-engineer Portfolio for Value Density**



**Retailer Profitability**



**Manufacturer Profitability**

# TAILWINDS TO GROWTH



MARKET SHARES



MARGINS

**eCOM**



**MT**



**GT**



# BRAND PROTECTION

- Friction free seller onboarding and cataloguing
- Low control over what gets shipped from 3P sellers



## Counterfeits



MONITOR



FLAG



ACT

# SCOPE



**INDUSTRY LANDSCAPE**



**KEY CHALLENGES**



**OPPORTUNITIES**



**CHANGING RETAIL ECOSYSTEM**

# BIG OPPORTUNITIES



**New Model for  
Innovation**



**Serving Niche  
Demand Spaces**

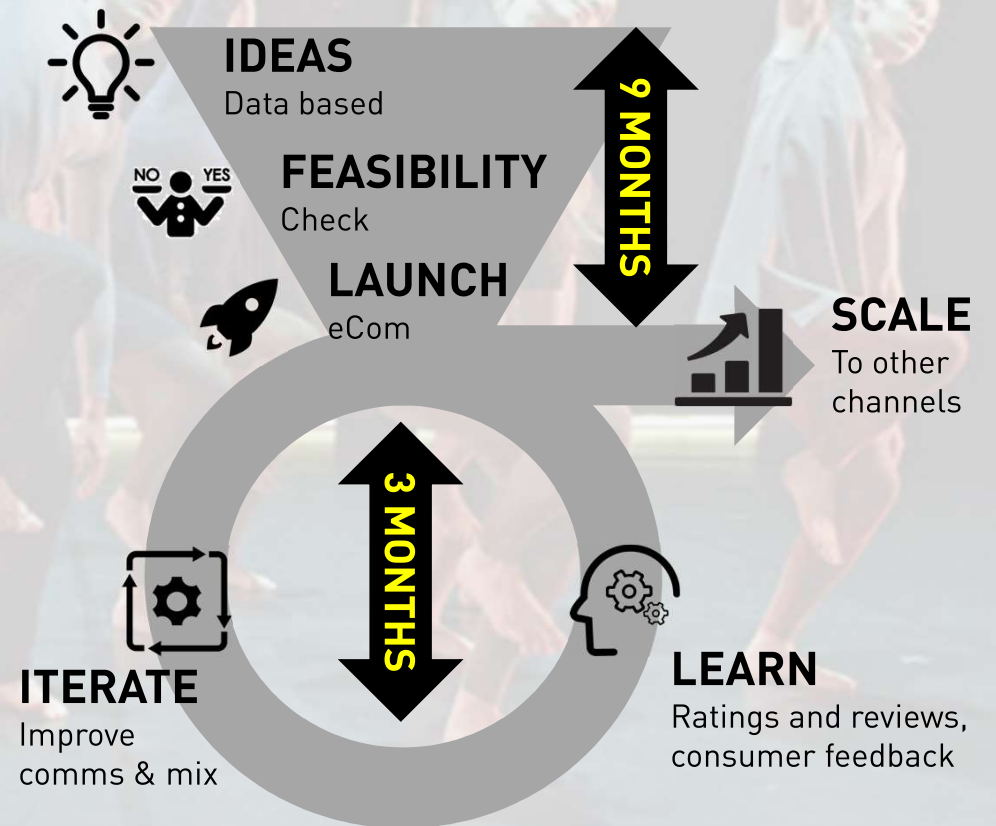


**Precision  
Marketing**

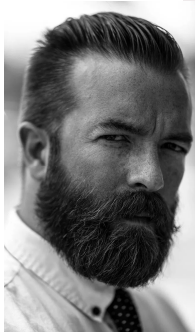
# TRADITIONAL MODEL OF INNOVATION



# NEW MODEL OF INNOVATION



# SERVICING NICHE DEMAND SPACES



**Beard**  
Grooming



Facial  
**oil**



**Baby**  
sun  
screen



**Hand**  
crème



**Foot**  
crème



**Face**  
mist



Facial  
wipes



**Black**  
head  
removal



**Anti-**  
cellulite



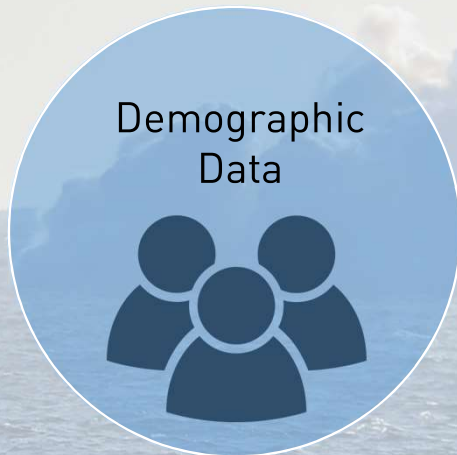
**Sheet**  
Masks

# PRECISION MARKETING

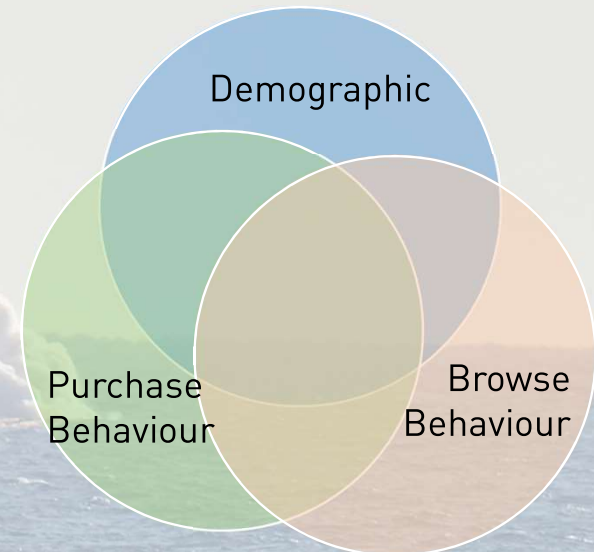


## Target Group

Eg: NCCS A,B; Females; 25+ years



**More specific targeting basis browse/  
purchase history**



# THE MATH EQUATION FOR GROWTH



# WINNING IN THE FUTURE



**End-to-End Consumer  
Lifecycle Management**



**Data led Decision  
Making**



**Agile Innovation**



**Sustainability**



# SCOPE



**INDUSTRY LANDSCAPE**



**KEY CHALLENGES**



**OPPORTUNITIES**

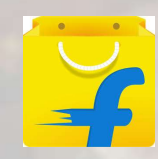


**CHANGING RETAIL ECOSYSTEM**

# CHANGING RETAIL ECOSYSTEM IN INDIA



# KIRANA HAS BECOME THE MOST VALUABLE REAL ESTATE IN URBAN INDIA



**REASON : IT IS MORE EFFICIENT!**



# HUL | CREATING THE CONNECTED STORE

ECOM

Humara  Shop

ORDERING



POS



DELIVERY



Now  
open

# HUMARASHOP | ENABLING KIRANAS TO SELL ONLINE



# SUMMARY



**eCommerce is an Opportunity to be leveraged**



**Winning with shoppers through innovation & proposition is key**



**The levers to win in eCommerce are different**



**Organizations that build capabilities to win on these will win in the future**