



Passport

Gum in India

Euromonitor International

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GUM IN INDIA

KEY DATA FINDINGS

- Retail value sales increase by 6% in current terms in 2022 to INR20.0 billion
- Chewing gum is the best performing category in 2022, with retail value sales rising by 6% in current terms to INR8.4 billion
- Perfetti Van Melle India Pvt Ltd is the leading player in 2022, with a retail value share of 70%
- Retail sales are set to grow at a current value CAGR of 4% (2022 constant value CAGR of -1%) over the forecast period to INR23.9 billion

2022 DEVELOPMENTS

Increase in mobility leads to recovery in sales of gum

The pandemic led to almost flat retail current value sales of gum in India in 2020, but as the lockdown restrictions were gradually lifted, sales of gum saw an uptick in 2021, with growth also expected in 2022 in both retail volume and current value terms. Gum, being an impulse purchase, depends primarily on mobility. Sales in this category are also aided by store-based retail channels, where gum is strategically placed at the checkouts. As these products are more of an on-the-go purchase, sales witnessed growth as educational institutions and offices resumed their operations. The reopening of schools in particular has provided an impetus to sales, as children are regular consumers of gum. The reopening of workplaces also means that sales through tobacco shops are resuming, which were non-existent in the peak pandemic period. As consumers' lives return to pre-pandemic patterns, with increased mobility and a return to travel, gum is set to witness solid growth in 2022.

Perfetti Van Melle continues to lead gum in 2022

Perfetti Van Melle is expected to continue to dominate gum in 2022, owing to its strong portfolio, which includes brands such as Center Fruit, Center Fresh, Happydent and Big Babol. The company keeps innovating as consumer demand evolves. The company has invested in television as its biggest avenue for advertising, followed by digital and then by other formats, such as print and outdoor. The company has also increased its spending as mobility has now returned and consumers are stepping outside of their homes. The company also plans a new campaign for its brand Center Fresh.

According to Euromonitor International, rural households are still dominant in India. Perfetti Van Melle therefore sees significant growth opportunity in rural areas, and aims to expand its geographic presence. With this in mind, the company is running multiple pilot projects; one such example is a project with ElasticRun, which is an e-commerce platform for kirana (small grocery stores), to reach western parts of India, where the company does not have a strong rural presence. Going forward, the company will continue to innovate in products and continue with its rural expansion.

PROSPECTS AND OPPORTUNITIES

Potential for growth via health-positioned variants

Gum is a mature category in India, and has very limited avenues for innovation. This is the primary reason for subdued sales pre-pandemic. However, with consumers becoming increasingly health-conscious, especially with issues related to sugar consumption, this presents an opportunity for growth in this category. Consumers are facing issues such as obesity, diabetes, and heart diseases, and as a result, manufacturers are looking into introducing sugar-free variants of their gum brands to appeal to more health-conscious consumers. In recent years, there has already been a strong increase in the number of gum products with reduced sugar claims. In addition, as consumers start to look for more than just sugar-free variants, manufacturers will be able to position their products as healthy or fortified, offering functional benefits to consumers. Oral health could be one area for manufacturers to explore. With the lockdown easing and increased mobility, and as state governments are also stating that wearing masks is not compulsory, sales of gum are poised to increase in the forecast period in both retail volume and current value terms.

Players set to focus on strengthening distribution to increase geographical reach

The further strengthening of distribution networks will be key for gum players to maximise their performances over the forecast period. According to Euromonitor International's socio data, 63% of Indian households are still rural, which makes this a huge market for expansion. Also, the penetration of established brands in rural areas remains low, with most of them focusing on urban expansion in the past. India is a vast geographically and socially diverse country, which presents significant obstacles and challenges to companies looking to develop a nationwide presence. During the review period, the major players in gum, including Perfetti Van Melle and Wrigley, continued to work to strengthen the distribution of their gum products, even in rural areas. The category leader, Perfetti Van Melle, did this by leveraging the strength of its broader confectionery offerings to encourage retailers to stock its gum products. Further work will be needed during the forecast period to raise consumers' awareness of gum and to make such products more accessible to consumers across the country.

CATEGORY DATA

Table 1 Sales of Gum by Category: Volume 2017-2022

'000 tonnes	2017	2018	2019	2020	2021	2022
- Bubble Gum	27.6	27.4	27.4	26.9	26.8	27.4
- Chewing Gum	7.8	7.6	7.5	7.2	7.1	7.1
Gum	35.3	35.0	34.9	34.1	33.9	34.5

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 2 Sales of Gum by Category: Value 2017-2022

INR million	2017	2018	2019	2020	2021	2022
- Bubble Gum	10,065.2	10,256.4	10,584.6	10,635.4	10,975.7	11,549.8
- Chewing Gum	6,869.4	7,199.2	7,508.7	7,591.3	7,925.4	8,432.6

Gum	16,934.6	17,455.6	18,093.3	18,226.7	18,901.1	19,982.3
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Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 3 Sales of Gum by Category: % Volume Growth 2017-2022

% volume growth	2021/22	2017-22 CAGR	2017/22 Total
- Bubble Gum	2.2	-0.1	-0.5
- Chewing Gum	-0.1	-1.8	-8.8
Gum	1.7	-0.5	-2.3

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 4 Sales of Gum by Category: % Value Growth 2017-2022

% current value growth	2021/22	2017-22 CAGR	2017/22 Total
- Bubble Gum	5.2	2.8	14.7
- Chewing Gum	6.4	4.2	22.8
Gum	5.7	3.4	18.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 5 Sales of Gum by Flavour: Rankings 2017-2022

ranking	2017	2018	2019	2020	2021	2022
Spearmint	1	1	1	1	1	1
Peppermint	2	2	2	2	2	2
Menthol	3	3	3	3	3	3
Strawberry	4	4	4	4	4	4
Juicy Fruit	5	5	5	5	5	5
Honey & Lemon	6	6	6	6	6	6
Apple	7	7	7	7	7	7
Blueberry	8	8	8	8	8	8

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 6 NBO Company Shares of Gum: % Value 2018-2022

% retail value rsp Company	2018	2019	2020	2021	2022
Perfetti Van Melle India Pvt Ltd	72.6	72.5	63.0	69.2	69.9
Wrigley India Pvt Ltd	8.4	8.3	8.0	8.1	8.3
Mondelez India Foods Pvt Ltd	1.5	1.4	1.4	1.4	1.4
Candico India Ltd	1.1	1.1	1.0	1.0	1.0

ITC Ltd	0.7	0.8	0.8	0.8	0.8
Cadbury India Ltd	-	-	-	-	-
Others	15.8	15.9	25.7	19.5	18.6
Total	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 7 LBN Brand Shares of Gum: % Value 2019-2022

% retail value rsp					
Brand (GBO)	Company (NBO)	2019	2020	2021	2022
Center Fruit (Perfetti Van Melle Group)	Perfetti Van Melle India Pvt Ltd	28.7	24.6	27.1	27.3
Center Fresh (Perfetti Van Melle Group)	Perfetti Van Melle India Pvt Ltd	26.8	23.7	26.0	26.3
Big Babol (Perfetti Van Melle Group)	Perfetti Van Melle India Pvt Ltd	11.2	9.7	10.7	10.7
Boomer (Mars Inc)	Wrigley India Pvt Ltd	6.0	5.7	6.1	6.2
Happydent (Perfetti Van Melle Group)	Perfetti Van Melle India Pvt Ltd	5.1	4.3	4.8	4.8
Orbit (Mars Inc)	Wrigley India Pvt Ltd	1.8	1.8	1.6	1.6
Bubbaloo (Mondelez International Inc)	Mondelez India Foods Pvt Ltd	1.4	1.4	1.4	1.4
Gumon (ITC Group)	ITC Ltd	0.8	0.8	0.8	0.8
Chlor-Mint (Perfetti Van Melle Group)	Perfetti Van Melle India Pvt Ltd	0.7	0.6	0.7	0.7
Candico	Candico India Ltd	0.7	0.7	0.7	0.7
Doublemint (Mars Inc)	Wrigley India Pvt Ltd	0.5	0.5	0.4	0.4
Bubbaloo (Mondelez International Inc)	Cadbury India Ltd	-	-	-	-
Others	Others	16.3	26.1	19.8	18.9
Total	Total	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 8 Distribution of Gum by Format: % Value 2017-2022

% retail value rsp	2017	2018	2019	2020	2021	2022
Retail Channels	100.0	100.0	100.0	100.0	100.0	100.0
- Retail Offline	97.4	96.9	96.5	95.4	93.5	94.1
-- Grocery Retailers	97.4	96.9	96.5	95.4	93.5	94.1
--- Convenience Retail	1.6	1.6	1.7	1.3	1.4	1.4
---- Convenience Stores	0.9	0.9	0.9	0.9	0.9	0.9
---- Forecourt Retailers	0.7	0.7	0.8	0.4	0.5	0.5
--- Supermarkets	6.3	6.3	6.2	6.2	6.1	6.2
--- Hypermarkets	9.0	9.0	9.0	9.0	8.9	9.0
--- Discounters	-	-	-	-	-	-
--- Warehouse Clubs	-	-	-	-	-	-
--- Food/drink/tobacco specialists	2.5	2.5	2.5	2.2	2.2	2.4
--- Small Local Grocers	78.1	77.5	77.1	76.7	74.8	75.1

-- Non-Grocery Retailers	-	-	-	-	-	-
--- General Merchandise Stores	-	-	-	-	-	-
--- Apparel and Footwear Specialists	-	-	-	-	-	-
--- Appliances and Electronics Specialists	-	-	-	-	-	-
--- Home Products Specialists	-	-	-	-	-	-
--- Health and Beauty Specialists	-	-	-	-	-	-
--- Leisure and Personal Goods Specialists	-	-	-	-	-	-
--- Other Non-Grocery Retailers	-	-	-	-	-	-
-- Vending	-	-	-	-	-	-
-- Direct Selling	-	-	-	-	-	-
- Retail E-Commerce	2.6	3.1	3.5	4.6	6.5	5.9
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 9 Forecast Sales of Gum by Category: Volume 2022-2027

'000 tonnes	2022	2023	2024	2025	2026	2027
- Bubble Gum	27.4	28.0	28.3	28.6	28.9	29.0
- Chewing Gum	7.1	7.1	7.0	7.0	6.9	6.9
Gum	34.5	35.1	35.4	35.6	35.8	35.9

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Table 10 Forecast Sales of Gum by Category: Value 2022-2027

INR million	2022	2023	2024	2025	2026	2027
- Bubble Gum	11,549.8	11,363.8	11,158.5	10,954.8	10,765.8	10,487.6
- Chewing Gum	8,432.6	8,385.2	8,329.0	8,268.9	8,201.9	8,107.9
Gum	19,982.3	19,749.0	19,487.5	19,223.7	18,967.7	18,595.5

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Table 11 Forecast Sales of Gum by Category: % Volume Growth 2022-2027

% volume growth	2022/23	2022-27 CAGR	2022/27 Total
- Bubble Gum	2.1	1.2	5.9
- Chewing Gum	-0.2	-0.6	-3.0
Gum	1.6	0.8	4.1

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Table 12 Forecast Sales of Gum by Category: % Value Growth 2022-2027

% constant value growth	2022/2023	2022-27 CAGR	2022/27 Total
- Bubble Gum	-1.6	-1.9	-9.2
- Chewing Gum	-0.6	-0.8	-3.9
Gum	-1.2	-1.4	-6.9

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources