India FMCG Quarterly Snapshot

NielsenIQ

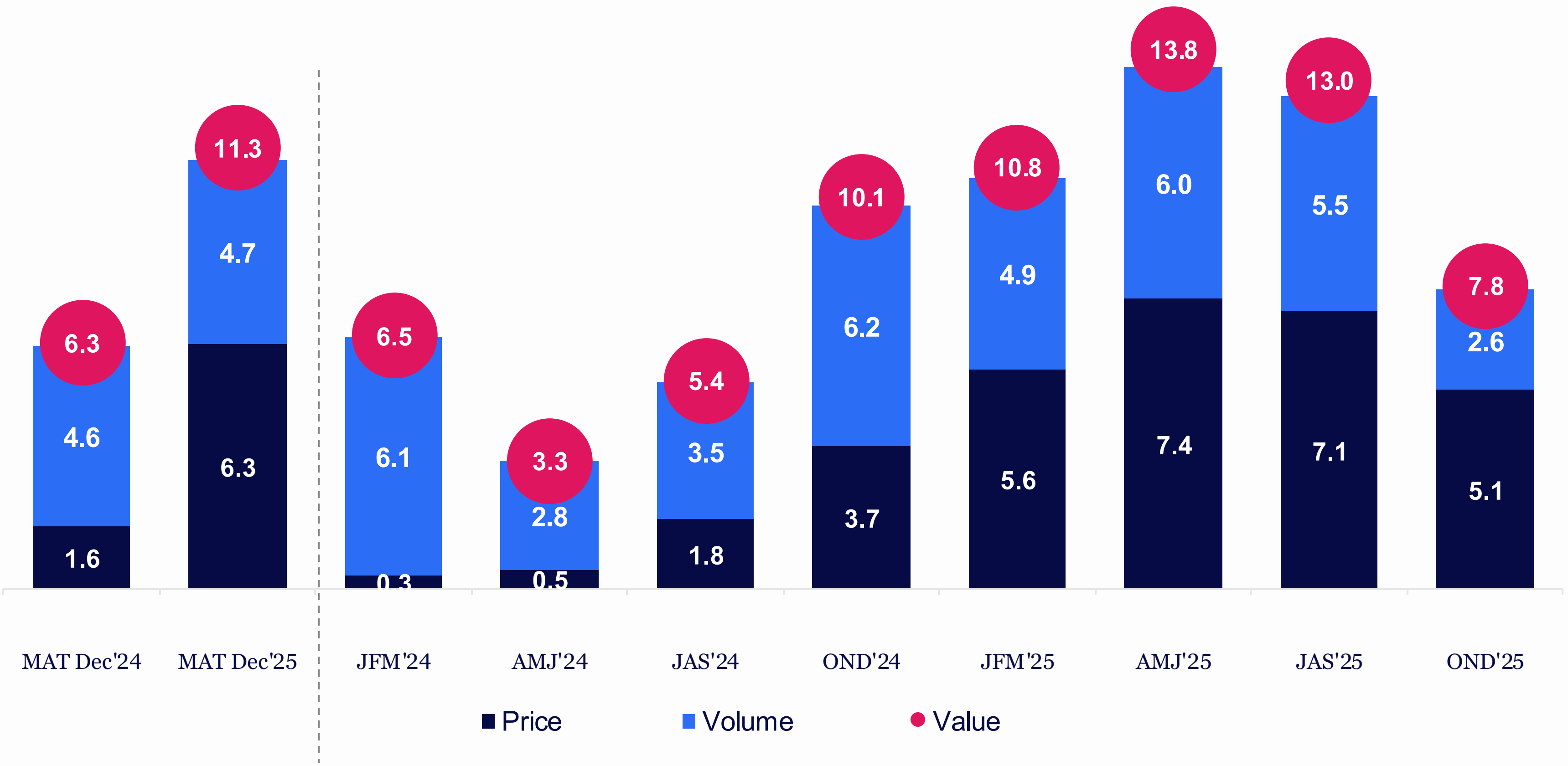
Decoding India's FMCG Quarter: An Overview

The report highlights that FMCG growth in India is increasingly driven by Modern Trade, E-commerce, and especially Quick Commerce, as Traditional Trade slows under GST 2.0. Urban markets have regained momentum and now perform on par with rural, indicating a clear shift toward urban-first strategies. Small challenger brands are scaling rapidly through agile innovation and digital-first routes, pushing large FMCG manufacturers to accelerate innovation cycles and sharpen price-pack architecture. Festive spending has strengthened premium segments, but with a high 2025 base, manufacturers should prepare for more moderate 2026 growth while balancing premiumization with value-driven offerings. Overall, India's FMCG landscape has become multi-speed—requiring differentiated strategies for MT, E-comm, Q-comm, and TT to capture growth effectively

Volume growth moderates as price growth eases

Price growth hits 2025 low as average pack size increases sequentially

ALL INDIA (U+R) : FMCG GROWTH TREND



Unit Growth vs YA

3.9	6.5	5.2	1.6	2.5	6.2	6.0	8.3	8.2	3.6

Modern Trade taps double digit growth while TT Lags

Lowest Price growth in year. Edible Oils also observe significant price drop.

Average Pack Size increased versus JAS'25

Source: NielsenIQ, FMCG Quarterly Snapshot Q4 2025 (OND'25)
Markets : All India (U+R) GT & MT (Offline)

E-commerce reaches 6% share in Urban India; 18% in top 8 metros

Quick commerce contributes over three-fourths of e-commerce FMCG sales

E-comm Share

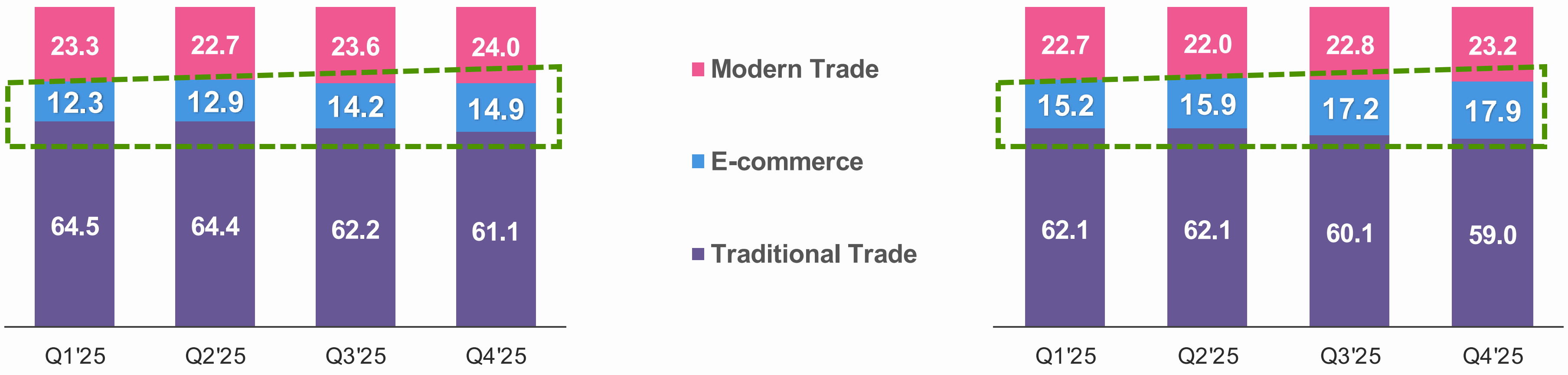
*FMCG 72 Categories

MAT Dec'25

All India Urban*	All India Metro	8 Metros	Q-comm : E-comm
6%	14%	17%	3/4th

All India Metro (52 Metros)

8 Metros



Note: Data of TT & MT is projected while E-comm is All Co-operating retailers' data.

All India Urban* includes E-comm ie. TT(Urban)+MT+E-comm metros
All India Metro ie. 52 metros aggregate with 1M+ population
8 metros includes Ahmedabad, Bangalore, Chennai, Hyderabad, Delhi NCR, Kolkata, Mumbai, Pune
Source: NIQ RMS, NIQ's E-commerce Measurement Solution (EMS)

Caveats in EMS data
- e-POS data from co-operating retailers (marketplaces & Q-comms)
- Value information is End Consumer Price (net of discounts)
- No estimation for non-co-op retailers

Key Metros shifting faster to E-commerce:

- **Delhi NCR + Kolkata** *(E-comm now the 2nd biggest channel)*
- **South metros** *(E-comm inching towards 1/4th of the market)*

North & East Metros – Delhi + NCR & Kolkata

Q1'25	Q2'25	Q3'25	Q4'25
13.8	13.2	13.6	13.4
15.2	16.1	16.8	17.5
70.8	70.6	69.5	68.7

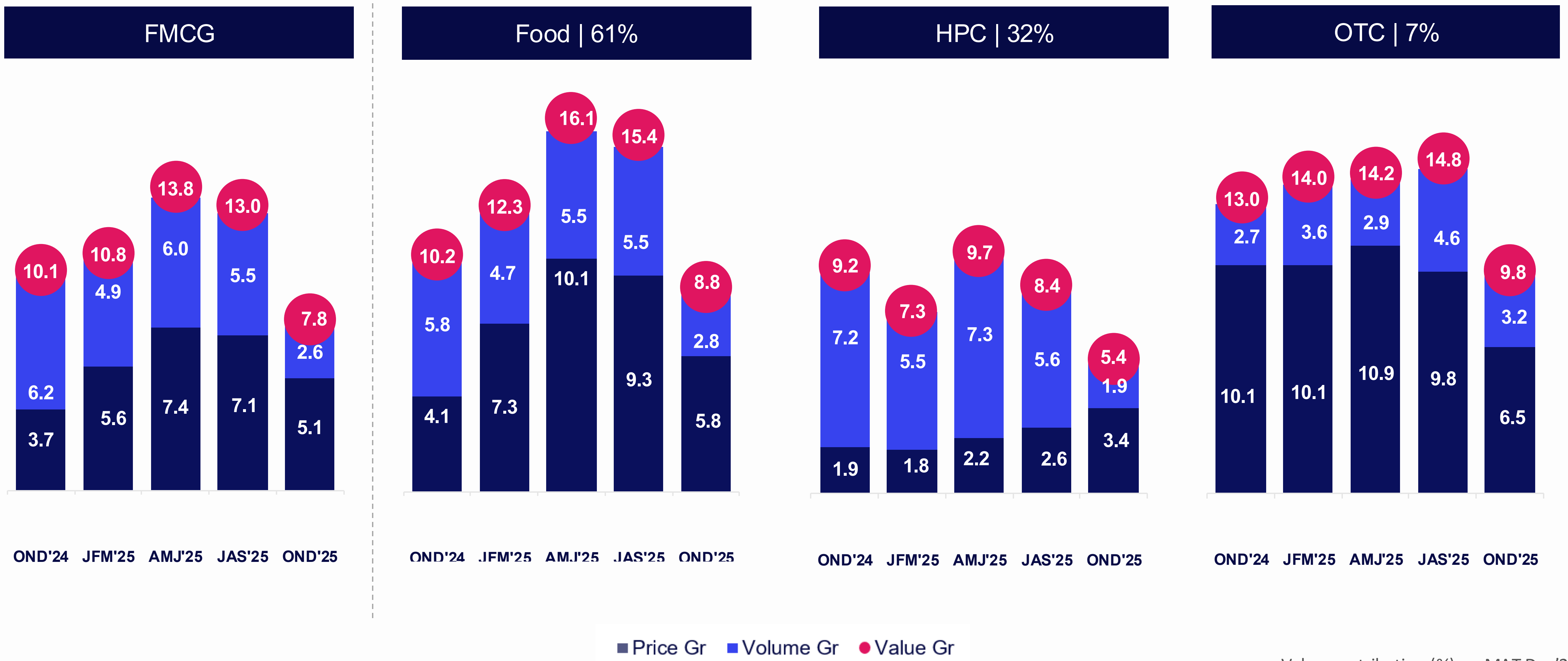
South metros – Bangalore, Chennai & Hyderabad

Q1'25	Q2'25	Q3'25	Q4'25
24.0	23.9	23.7	24.0
17.9	18.5	20.3	21.3
58.1	57.6	56.0	54.7

Category Dynamics

Food shows stronger momentum than HPC in OND '25

Edible oil price stabilization helped normalize Food price growth in OND '25

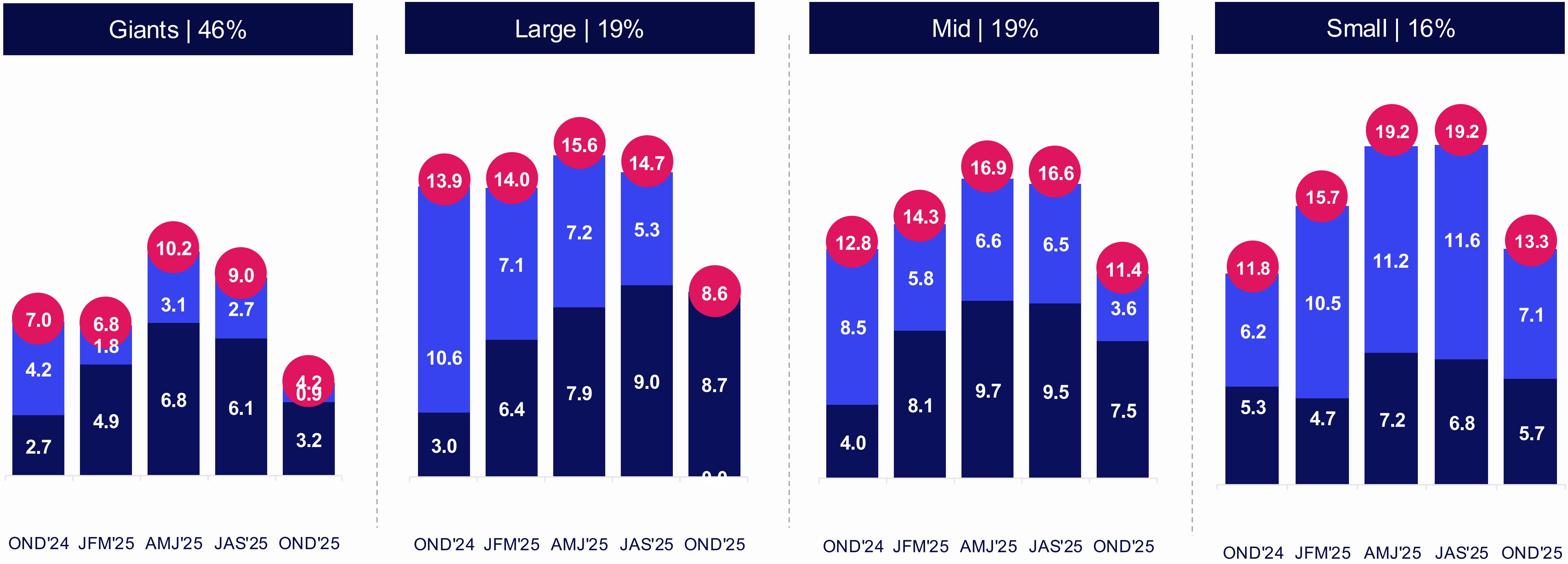


Value contribution (%) on MAT Dec'25

Source: NielsenIQ, FMCG Quarterly Snapshot Q4 2025 (OND'25)

Small and Mid-sized players lead volume growth in OND '25

Price corrections more pronounced among larger players during GST transition



Small : *Manufacturers with value sales <100 Cr in MAT Dec'25 |* ***Mid :*** *Manufacturers with value sales Rs. 100 - 1000 Cr in MAT Dec'25 |*
Large : *Manufacturers with value sales Rs. 1000 - 5000 Cr in MAT Dec'25 |* ***Giants :*** *Manufacturers with value sales > Rs. 5000 Cr in MAT Dec'25*

■ Price Gr ■ Volume Gr ● Value Gr

Source: NielsenIQ, FMCG Quarterly Snapshot Q4 2025 (OND'25)

Percentages next to bucket labels represent their respective MS Value to FMCG during MAT Dec'25

GST 2.0

Learning the impacts

WHAT IS GST 2.0?

Effective Date: 22nd September 2025

New Structure: Simplified from **4 slabs** (5%, 12%, 18%, 28%) to:

0%
Select Essentials (Milk, Bread, Life Insurance)

5%
Merit Goods (Essentials, Mass-consumption Items)

18%
Standard Goods

40%
Luxury & Sin Goods (Tobacco, Aerated Drinks, Pan Masala)

Pros for FMCG Players	Challenges for FMCG Players
Lower Tax Rates- Price Reduction	Transition Costs
Demand Surge	Temporary Inventory disruption
Margin Relief	Price Point complexity
Simplified Compliance	Retailer Resistance

Supply chain disruption continue impact Traditional Trade growth

GST 2.0

Modern Trade tackles disruption with faster price execution

FMCG

Volume Growth Drops In OND'25

With the rollout of GST 2.0 in September '25, FMCG sector faces short-term turbulence as volumes dipped. Retailers deferred purchases anticipating price reductions, causing temporary supply chain disruptions leading to drop in volumes in Sept, and Oct+Nov. The volume drop continues to fall in Dec'25

CHANNEL IMPACT

Agile MT rebounds GT lags

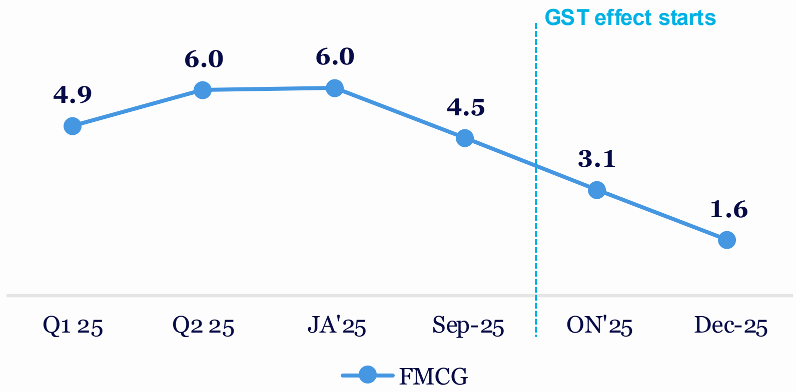
Distributors and Kirana stores prioritized clearing high-MRP inventory before restocking, causing a dip in volumes and purchases causing volumes to drop in OND'25 Modern Trade managed the disruption due to GST 2.0, through discounts, driving volume growth in MT. Dec'25 witnessed sharp increase in volumes in MT

DEPARTMENT IMPACT

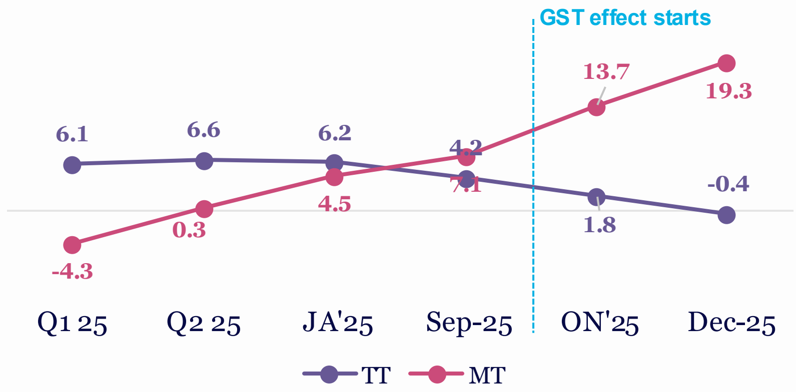
Higher impact on HPC

HPC has been more impacted under GST 2.0, with slabs of 28% and 12% reduced to 18% & 5%. This transition has disrupted volumes significantly. Food categories see a lower impact on account of comparatively lesser change% & festive season.

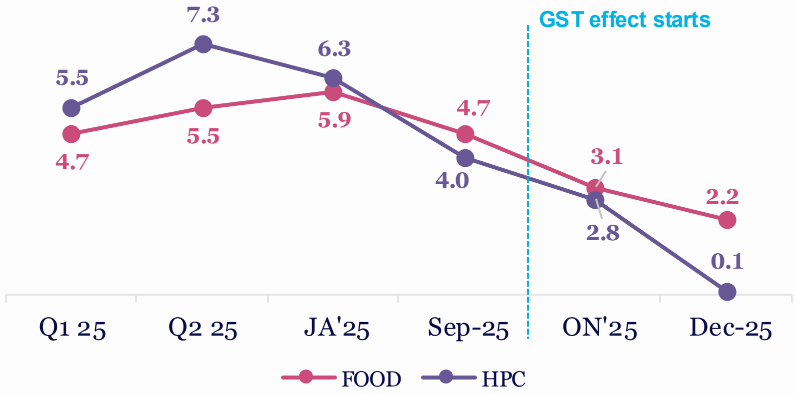
FMCG Volume Growth%



Channel Wise Volume Impact



Department wise Impact



INDUSTRY VIEWS

- ❑ FMCG leaders expect GST reforms to **boost long-term consumption**. Short-term delays ahead of price cuts caused near-flat growth in September.
- ❑ Players say, GST reforms will stimulate economic momentum and **drive growth for FMCG** sector.
- ❑ Lower GST rates **will drive affordability**, rural demand.

KEY HIGHLIGHTS Q4'25

- ❑ **Traditional Trade** continue to lag due to complex Supply chain, Assortment share of GST related changes in still under 40%.
- ❑ **Home & Personal Care** biggest beneficiary of GST 2.0, remains most impacted so far.
- ❑ **Modern Trade:** Simpler Supply Chain & Faster discount execution results in stronger Festive season.

Source: NielsenIQ, FMCG Quarterly Snapshot Q4 2025 (OND'25)

NIQ

As India enters the next phase of GST 2.0 implementation, the companies that win will be those that **rebuild their pricing, pack, innovation, and channel strategies with precision and speed**. The shifts highlighted in this report—across Traditional Trade, Modern Trade, E-commerce, and Quick Commerce—signal a new competitive landscape where **agility, visibility, and data-led execution** matter more than ever.

With NIQ's Full View™, you can navigate these structural changes confidently, identify where value will emerge next, and align your 2026 plans to evolving consumer and channel behavior.

👉 **Book a 30-minute consultation**

Get tailored guidance on pricing, pack architecture, channel strategy, and innovation planning under GST 2.0.

👉 **Explore more NIQ India insights**

Stay ahead of market shifts with real-time intelligence across channels, regions, and consumer behaviors.

Coming *into view*

Thank you!