

# Active Kirana Outlets Dropped In April As Second Covid Wave Struck

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Last year, as the Covid-19 pandemic raged in bigger cities, rural India offset consumer goods makers' pain. But that hasn't been the case during the second wave that has impacted sales in the nation's hinterland almost as much as in urban centres.

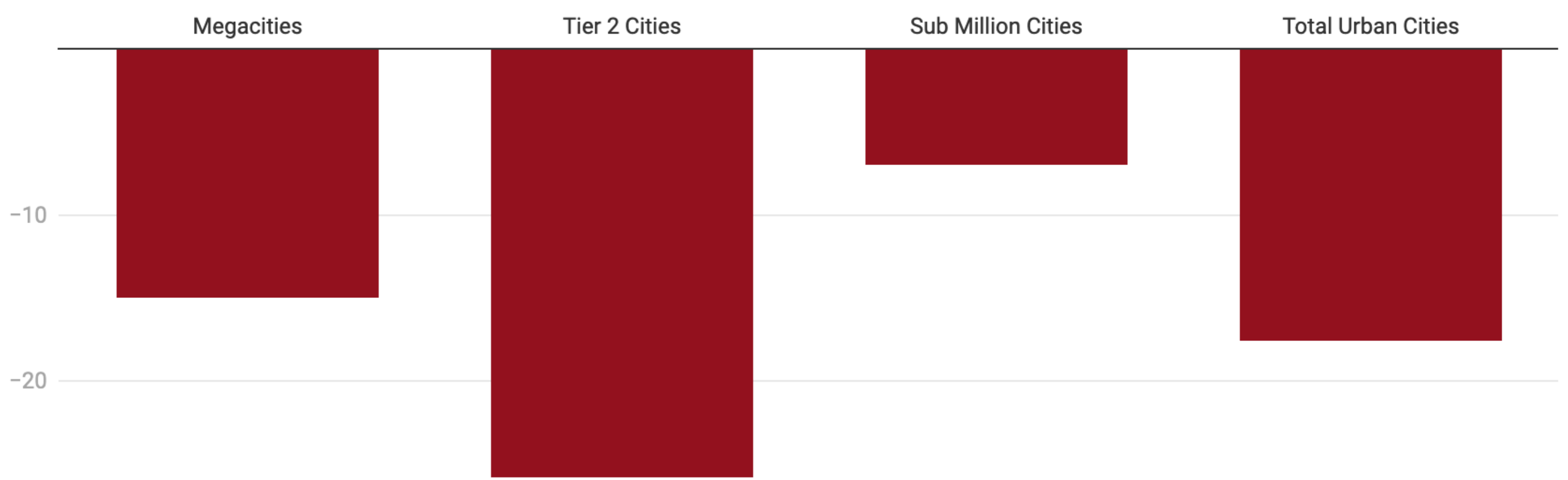
The number of active kirana stores in urban and rural areas fell more than 12% over the preceding month in April, in line with the decline in economic activity across the nation, according to data collated by retail intelligence platform Bizom, which tracks 75 lakh mom-and-pop outlets that account for 88% of FMCG sales in India.

Among urban centres, tier 2 cities such as Raipur, Jaipur, Indore, Bhopal and Jabalpur are the worst affected, Akshay D'Souza, chief marketing officer at Mobisy Technologies, owner of Bizom, said in an emailed statement to BloombergQuint.



## Second Wave Impact

FMCG sales across urban India in April over March 2021 (%)



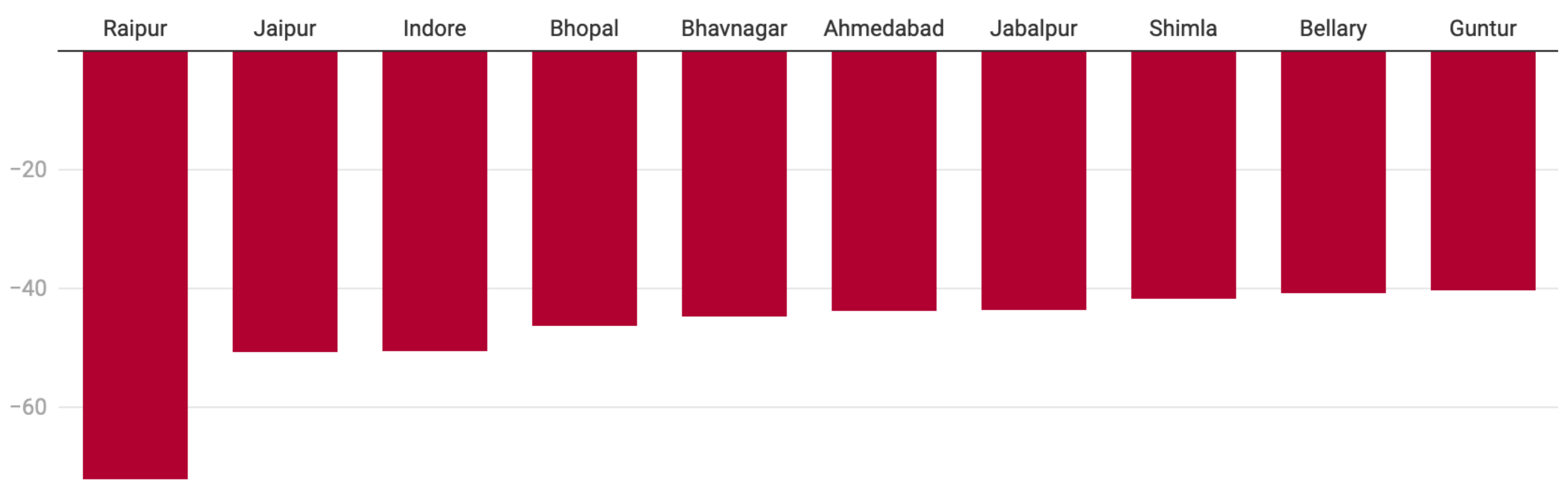
Source: Bizom

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## Worst-Hit Cities

The biggest drop in FMCG sales in April over March 2021 (%)



Source: Bizom

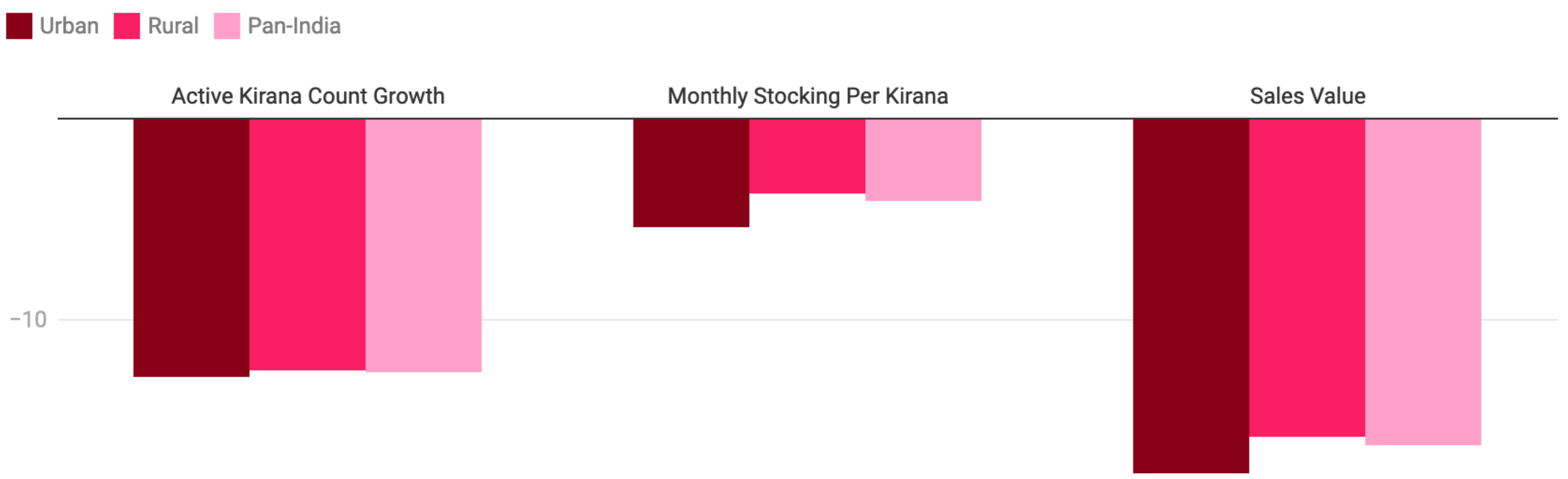
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Besides, sales value of fast-moving consumer goods contracted over the previous month in April, with the drop slightly more intense in urban areas than in rural, Bizom data showed. Monthly stocking by kirana stores also took a hit in April.



## Taking A Hit

FMCG sales across urban and rural India in April over March 2021 (%)



Source: Bizom

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That corroborates with BloombergQuint's conversation with distributors and company officials, who indicated that demand dropped because of local lockdowns and lack of workers for last-mile delivery in rural areas. Villages in various parts of the country have enforced strict measures to restrict the entry of outsiders, making it even more difficult to supply goods, they had said. That was not the case last year when farm activity and demand for staples to soaps continued as India's hinterland was spared due to lower infection rates.

Bizom's D'Souza said any uptick in FMCG sales will depend on a decline in Covid cases and steady supply.

