An Inside Look

The European Overview of SMB

NielsenIQ

July 2024

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About the survey

NIQ's An Inside Look was a global survey to a digital panel comprising of business owners from 47 markets representing approximately $26 billion* in FMCG sales value. It was designed to understand the realities faced by SMBs in today's economic and retail landscape.

Fieldwork: March to May 2024.
Regions represented: Asia Pacific, Latin America, North America, Europe, Middle East & Africa and China.

This regional report delivers an overview of the European respondents from 18 markets representing approximately $6.3 billion* in FMCG sales value.

** Based on NIQ RMS segmentation for small and medium businesses*

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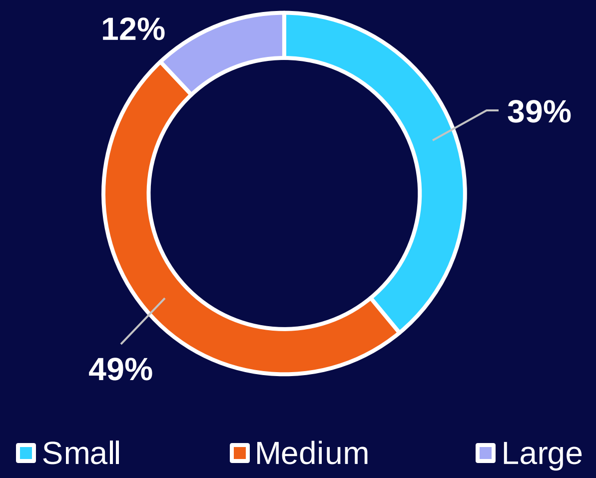
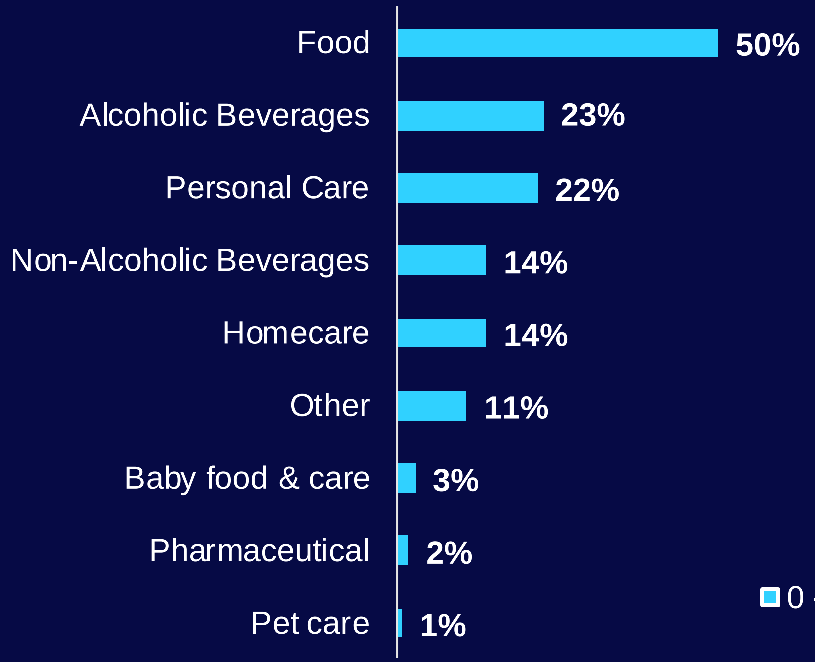
About the respondents

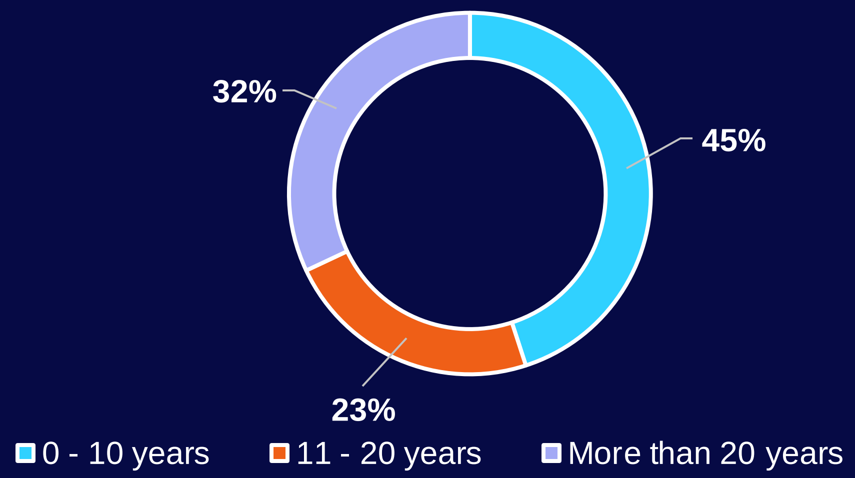
Respondents Business Size (Europe)



Category breakdown (Europe)



Company operating years (Europe)



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Survey Results

European Respondents

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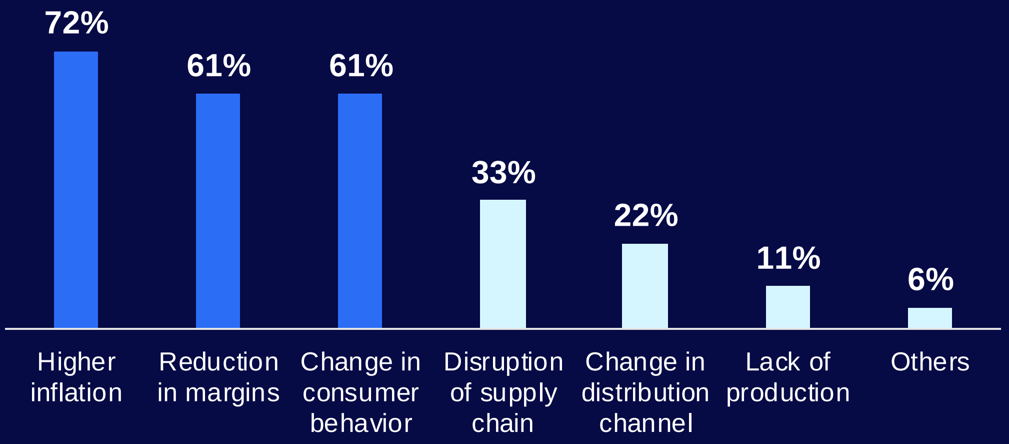
In 2023, inflation was the top perceived risk for European markets, but in 2024, companies acted

2023

What do you think are the main risks for your business in the next 12 months?
(2023 survey)



2024

What was your key point of action for overcoming challenges brought on by inflation in 2023?
(2024 survey)

26% **Reconsidered the product line and removed low-performing products**

15% **Cut down on Capex and procurement costs**

11% **Invested more in marketing**

11% Other

10% Replaced raw materials with more cost-effective ones

10% Restructured distribution channel

9% Invested more in distribution

7% Reduced pack size

3% Got government support (funding, tax reduction, etc.)

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And their actions were effective!

2024

What was your key point of action for overcoming challenges brought on by inflation in 2023?
Was it effective?

26% **Reconsidered the product line and removed low-performing products** ▶ **96%** **Said that it was effective**

15% **Cut down on Capex and procurement costs** ▶ **71%** **Said that it was effective**

Especially in Medium (100%) and Small (80%) companies compared to Large (25%) companies.

11% **Invested more in marketing** ▶ **100%** **Said that it was effective**

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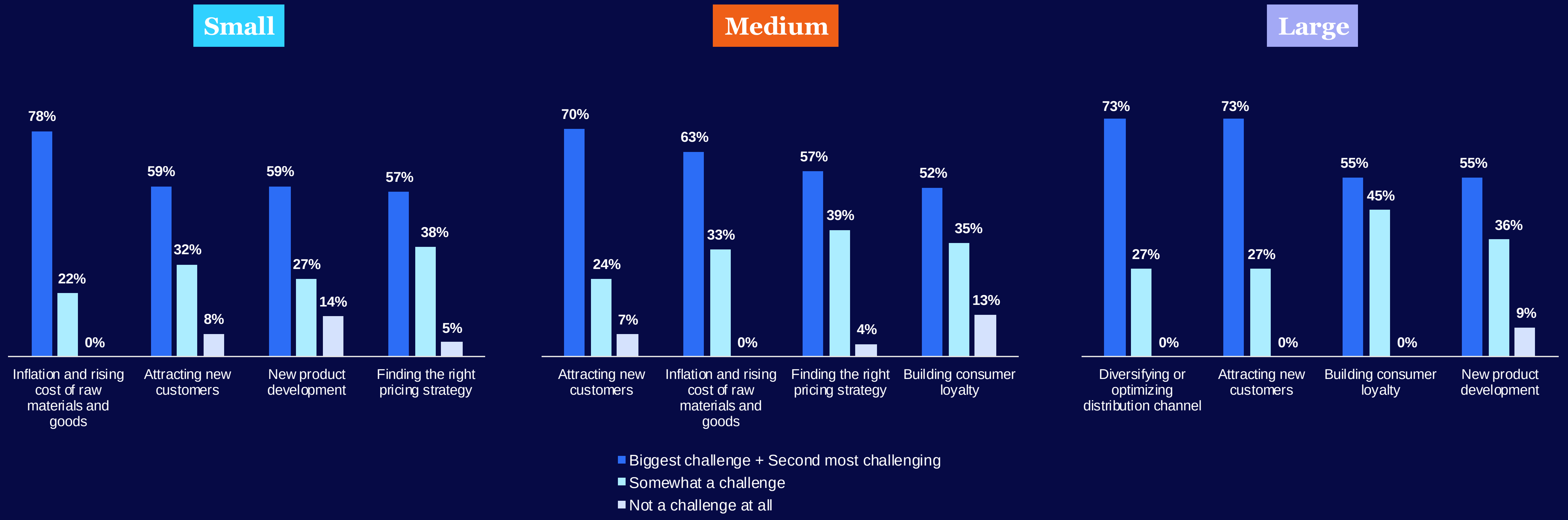
In 2024, inflation remains a main concern for Small and Medium companies

What main challenges is your business currently encountering?



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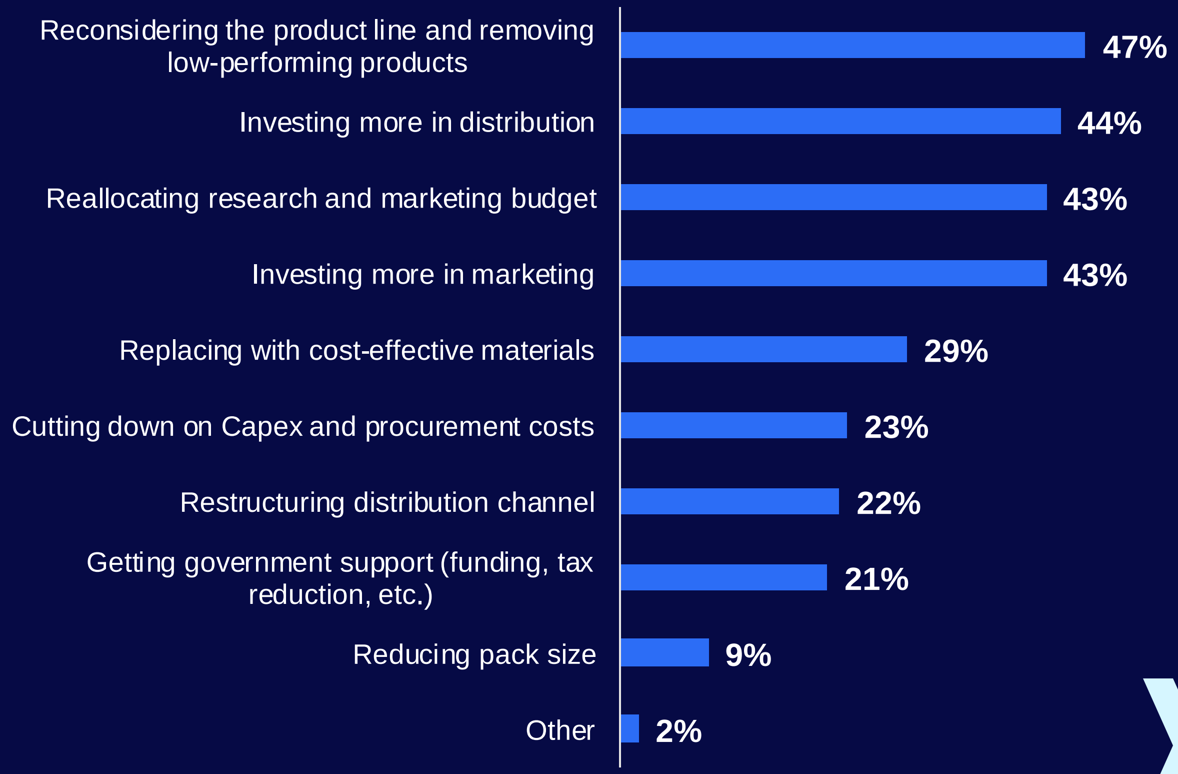
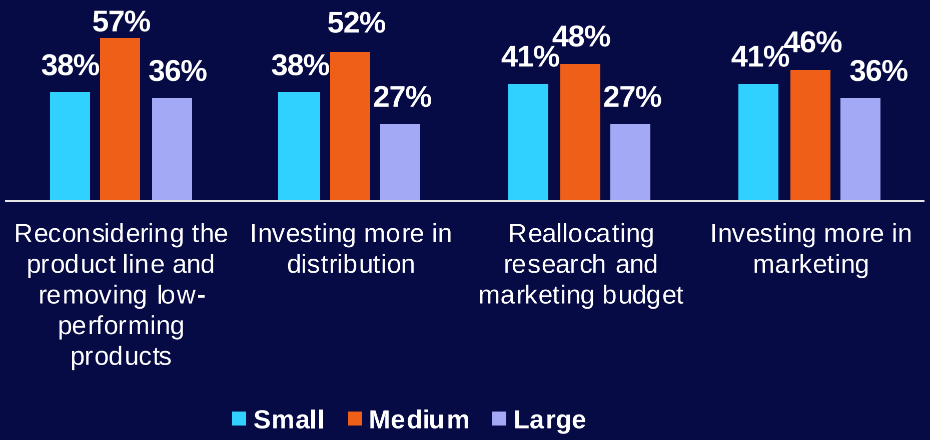
Adjustments on the portfolio are the solution for 47% of respondents

How do you plan to deal with those challenges in 2024?





The right products in the right place

NIQ can support your product line and assortment decisions.
Know how!

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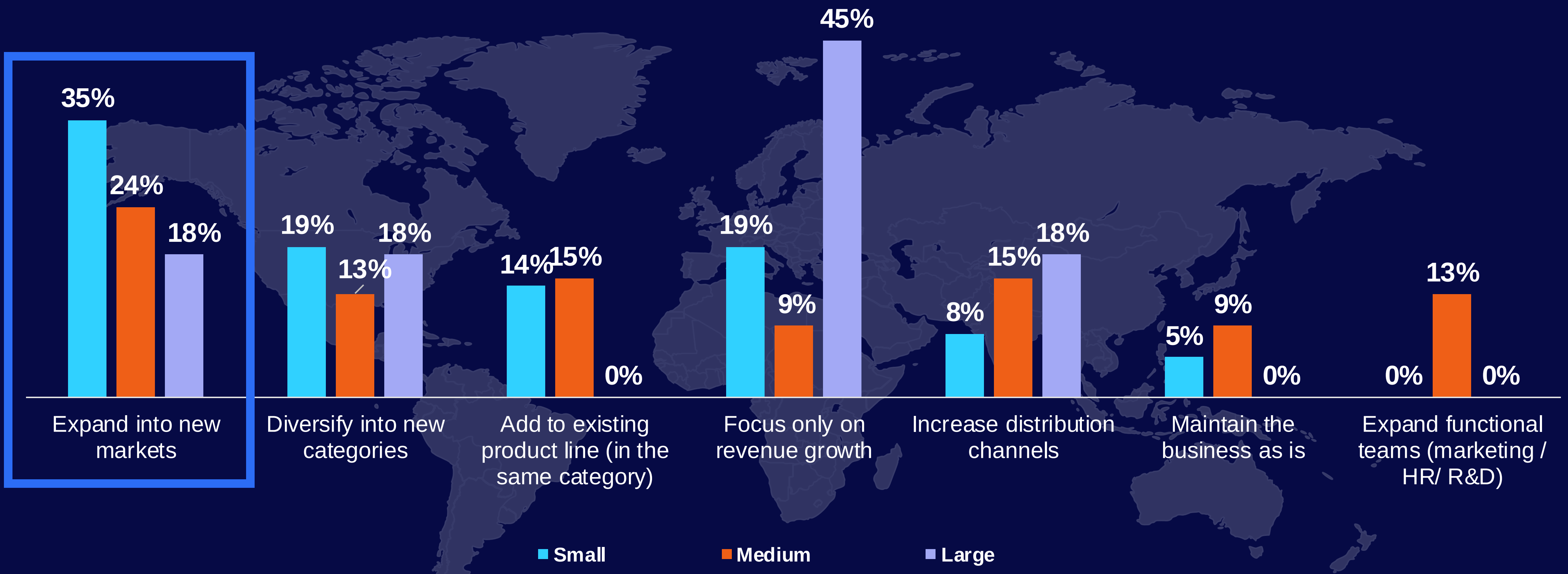
The world is waiting for small and medium-sized businesses!

What is your next step for growth?



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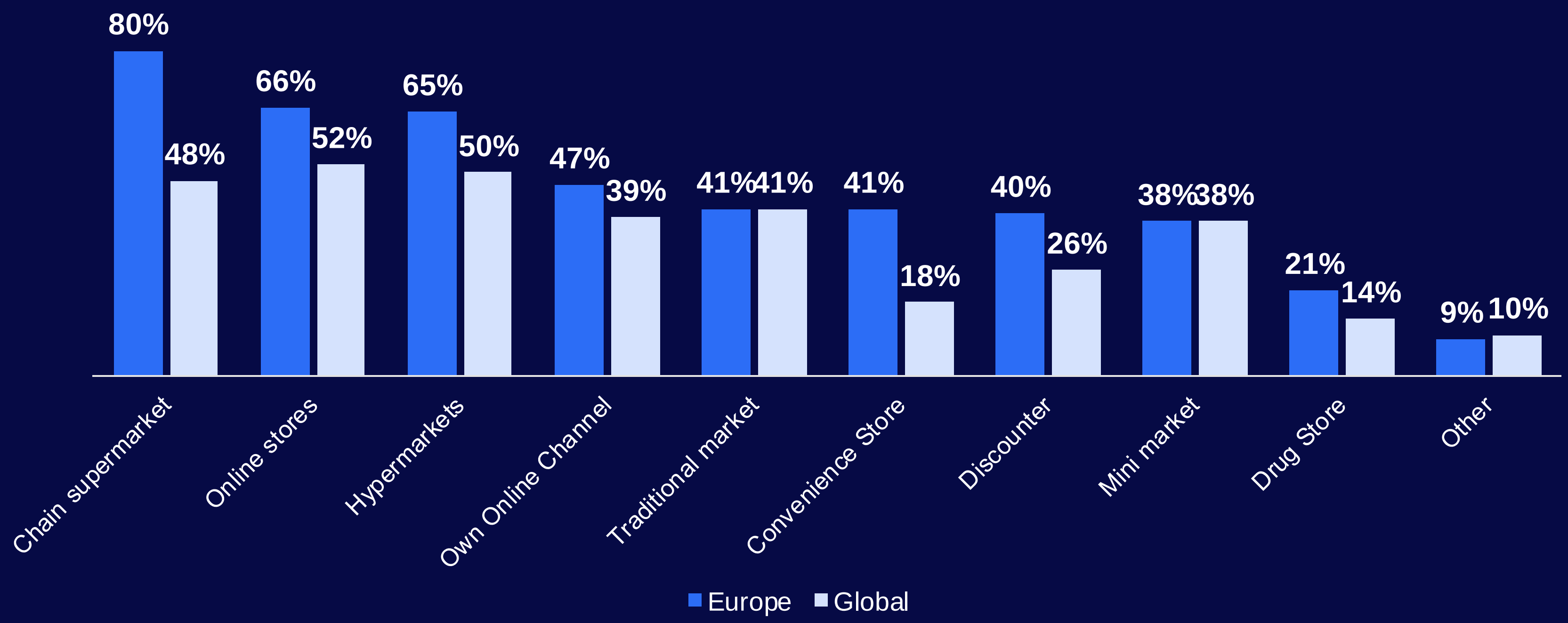
Retail chains, online channels, and larger stores are prominent in Europe

Supermarket chains, online stores, and hypermarkets are the three most widely used channels by European enterprises. These channels, along with convenience stores and discounters, show much higher brand penetration in Europe compared to the global average.

While larger companies tend to prefer having their own online channels (73%), this approach remains a less viable opportunity for Small (38%) and Medium (48%) businesses. On the other hand, online stores represent a more significant channel for Small (65%) and Medium (70%) companies compared to the larger ones (55%).

What channels are you represented in?



Top 3 – Small (EU)

Chain Supermarket (68%), Online Store (65%), and Hypermarket (49%)

Top 3 – Medium (EU)

Chain Supermarket (89%), Hypermarket (78%), and Online Store (70%)

Top 3 – Large (EU)

Chain Supermarket (82%), Own Online Channel (73%), and Hypermarket (64%)

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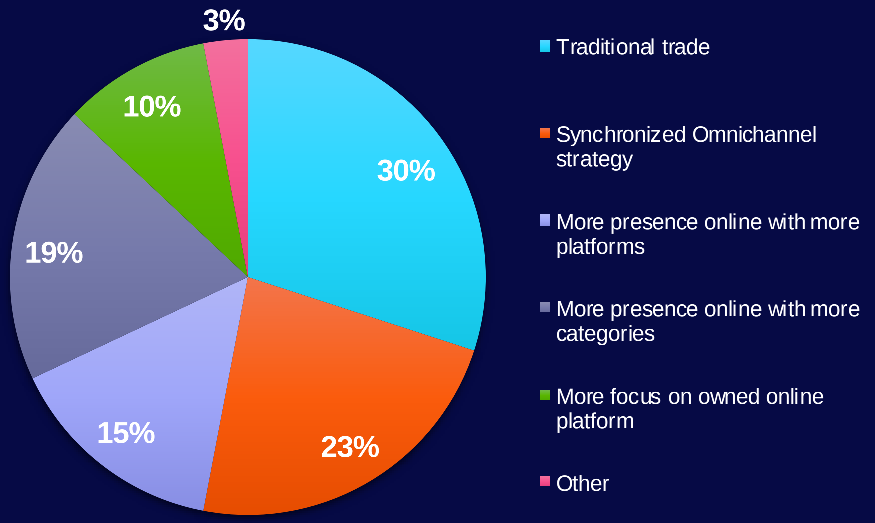
European companies are focused on traditional trade and an omnichannel strategy for the next year

What is the primary area of focus of your channel / distribution strategy in the next 12 months?

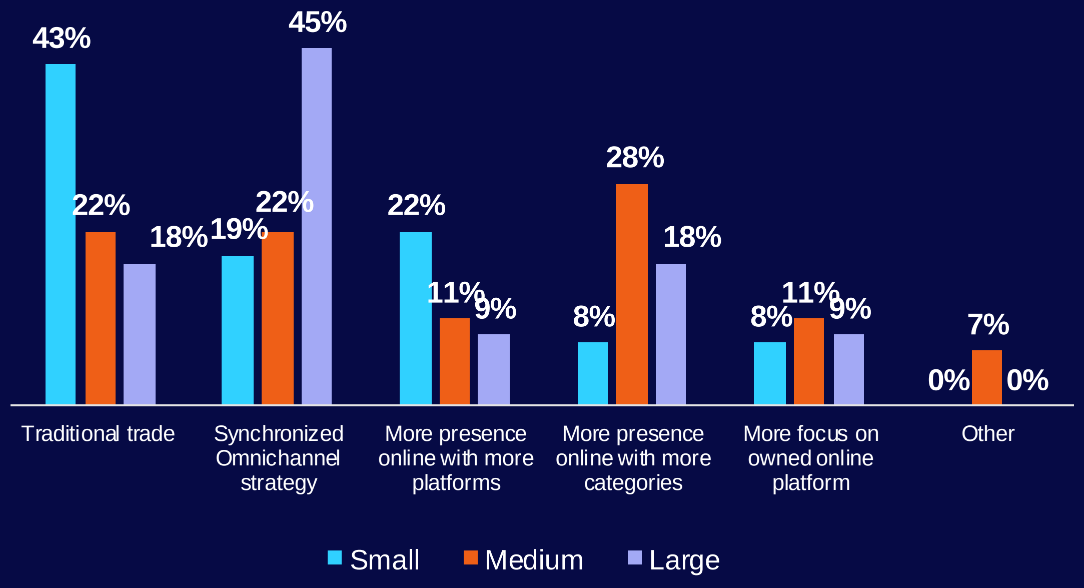
All Europe



By size

Small companies focus on traditional trade, while larger ones invest in omnichannel strategies. All businesses value online presence, making a combined approach the future.

See how NIQ can help you across all platforms.



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Larger companies invest more in market research for retailer negotiations, while small companies miss this opportunity

Please specify what tools you use when negotiating with retailers.

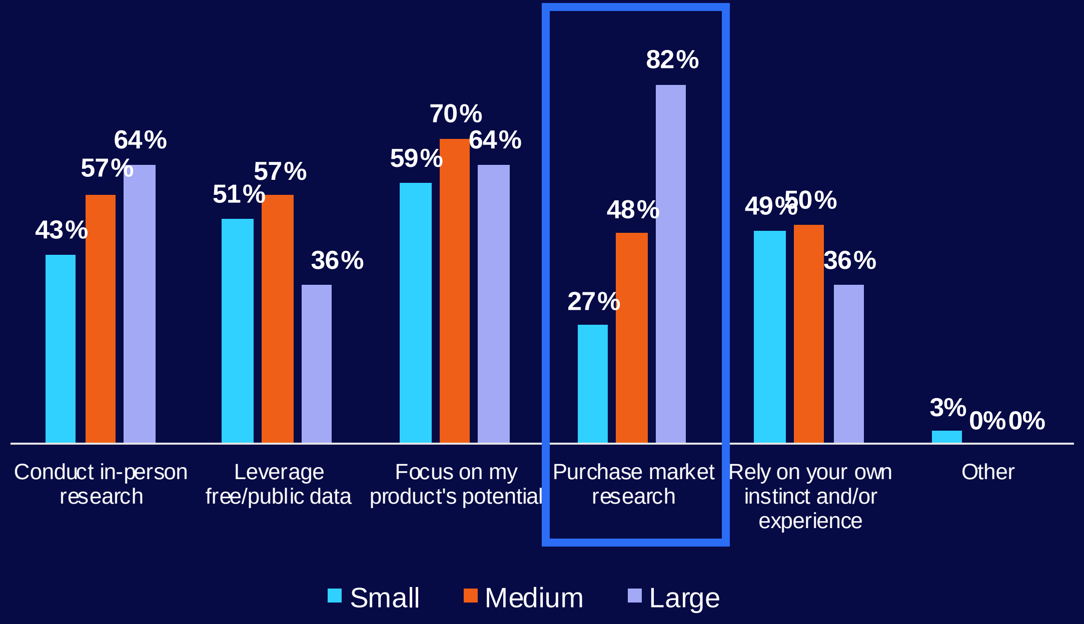
All companies

#1 Focus on my product's potential **(65%)**

#2 Leverage free/public data **(52%)**

#3 Conduct in-person research **(52%)**

By size



NIQ can support your decisions with trusted data. Know how!

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European companies see this value in their products:

48%
Value for Money
vs. global average of 46%

17%
Sustainable/environmental
vs. global average of 12%

10%
Affordable/low price
vs. global average of 13%

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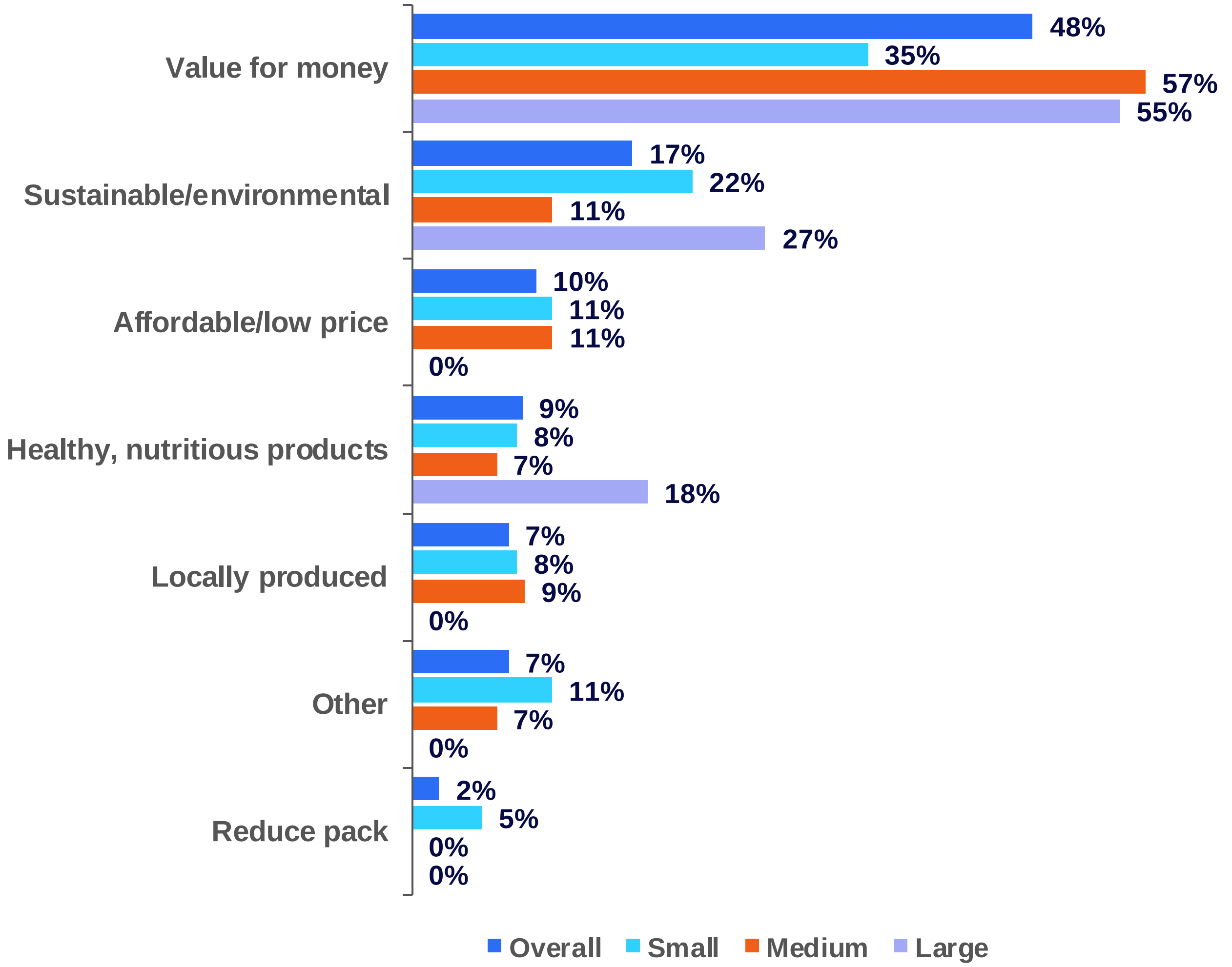
What is the key value your product offers to your customers?



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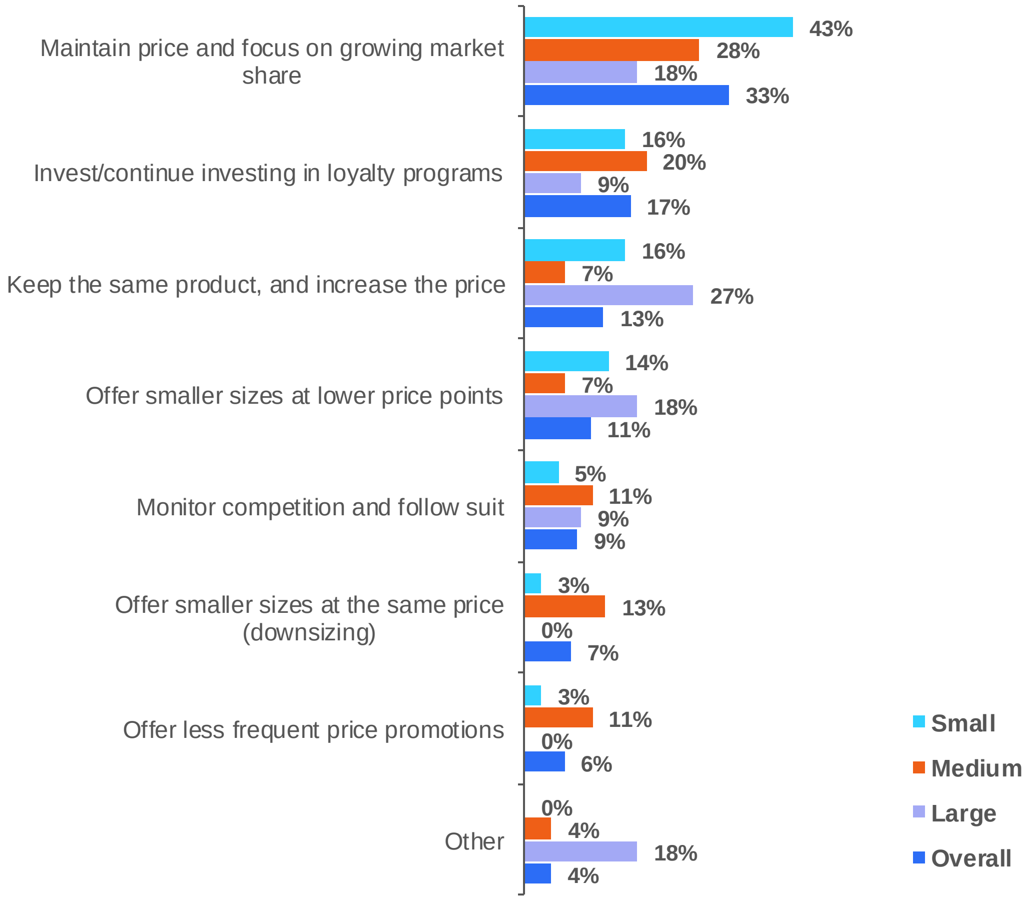
SMBs hold prices, larger companies raise

What **pricing and promotional strategies** is your business most likely to follow in the next 12 months?



Small and Medium Businesses tend to hold their prices to grow market share and invest in loyalty programs, indicating a focus on customer retention and expansion. Larger companies, on the other hand, are more likely to increase prices, leveraging their established market presence.

43%

of Small and 28% of Medium companies will keep their prices and focus on growing market share
(vs 18% of larger companies)

27%

of Larger companies will keep the same product, and increase the price
(vs 16% of Small and 7% of Medium)

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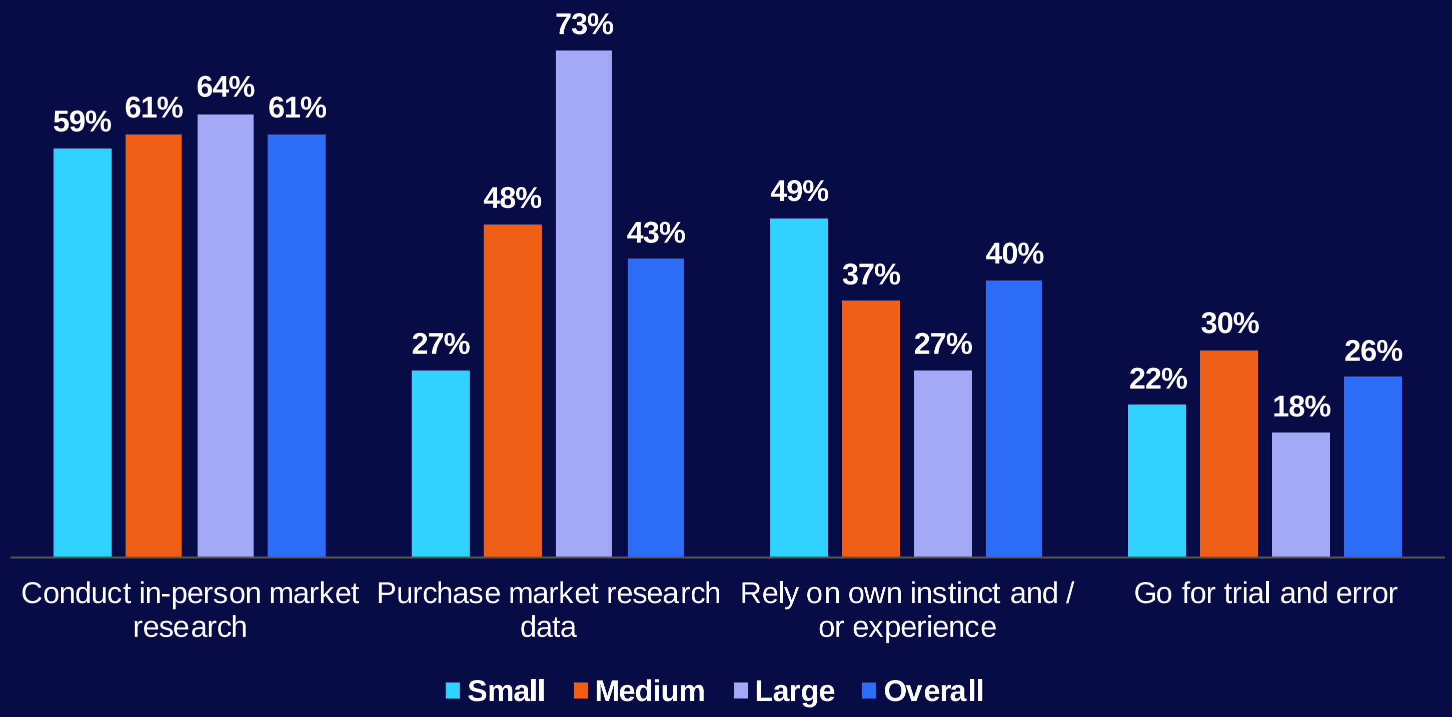
Large companies are more likely to purchase market data to aid in decision-making about prices

Please specify what tools you use to reposition your price range.



43%

of European enterprises choose to buy market data **vs. 45% in the global average.**

NielsenIQ empowers SMBs with tailored data and insights. [Find out how.]

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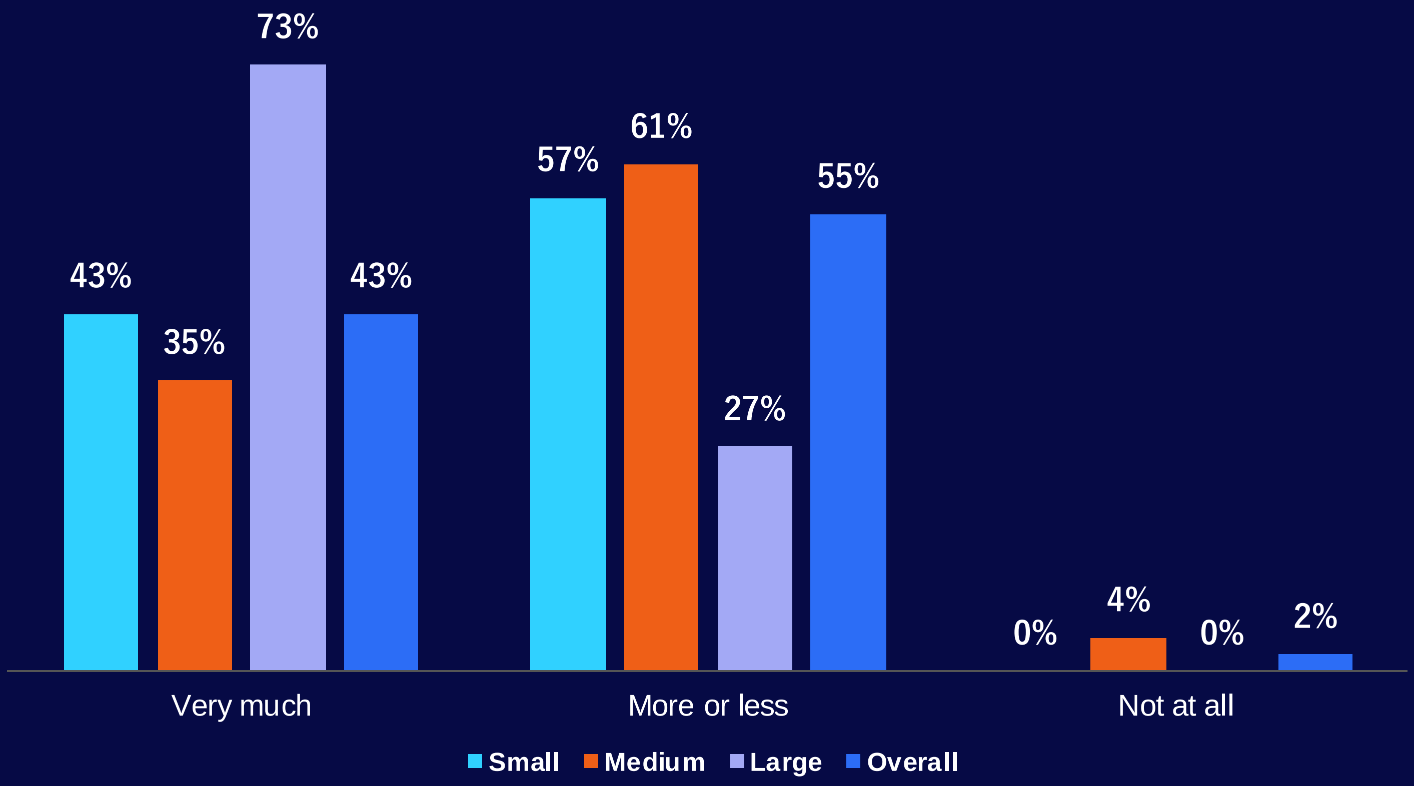
European organizations recognize the positive impact of data and insights on business decisions

How much have data and insights contributed to your business success?



73%

of Large companies say that data and insights **contributed very much to their success** (against 43% of Small and 35% of Medium companies)

The answers that you need come in the data

Which in turn can build the map to growing your business.

Contact NielsenIQ to know how!

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98%

of survey respondents recognize the importance of data in their decisions. What about you?

NielsenIQ for SMBs *offers affordable, easy access to data and insights, giving your business a comprehensive view of the market, consumers, and competitors. Ready to grow?*

LET'S TALK!

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Thank you.

For more information, please check out.

NielsenIQ official website: nielseniq.com
Small and medium-sized businesses webpage
Contact us

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