

NIQ



Win through Cooperation

Insight Brunch

03.10.2024



From Trends to Transformation

Guide to 2025

Agata Lorenc & Magda Tragasz Serwatka

NielsenIQ

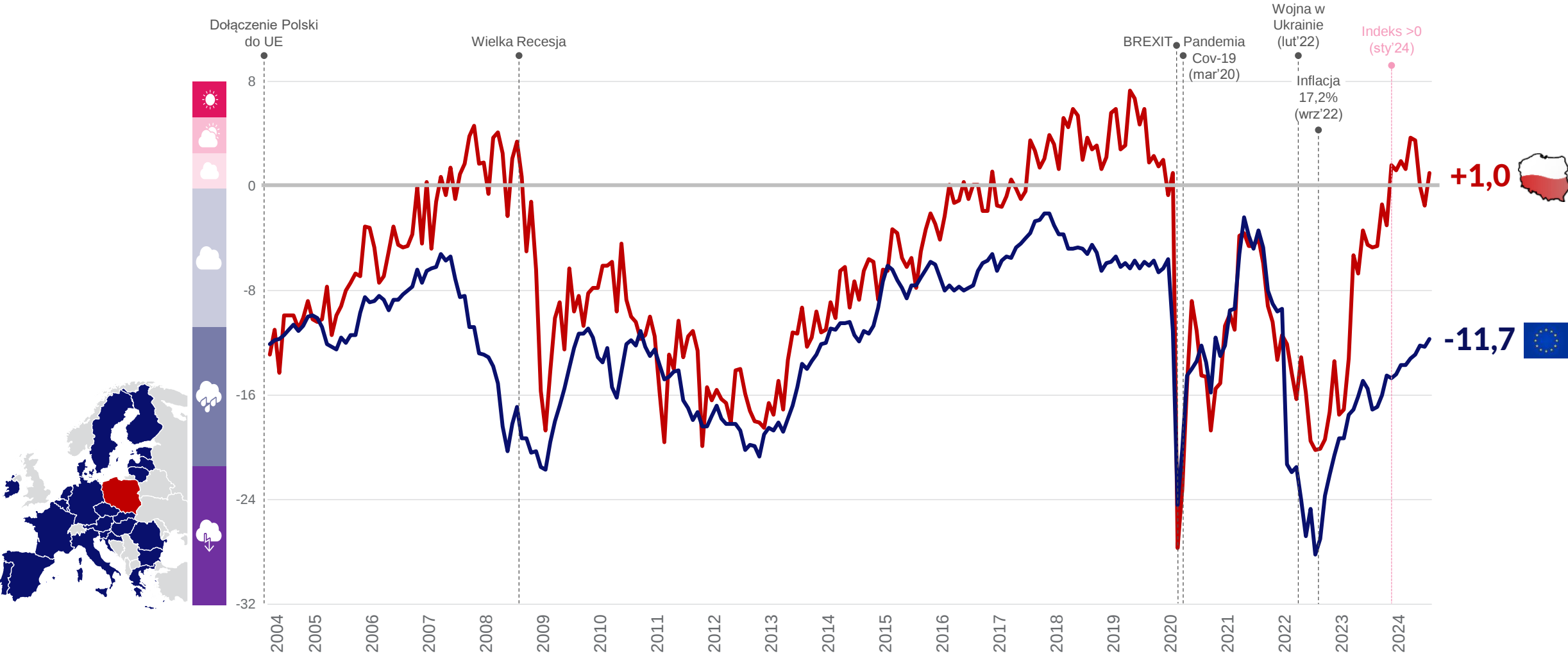


Consumer 2.0

Are we witnessing new type of consumers?

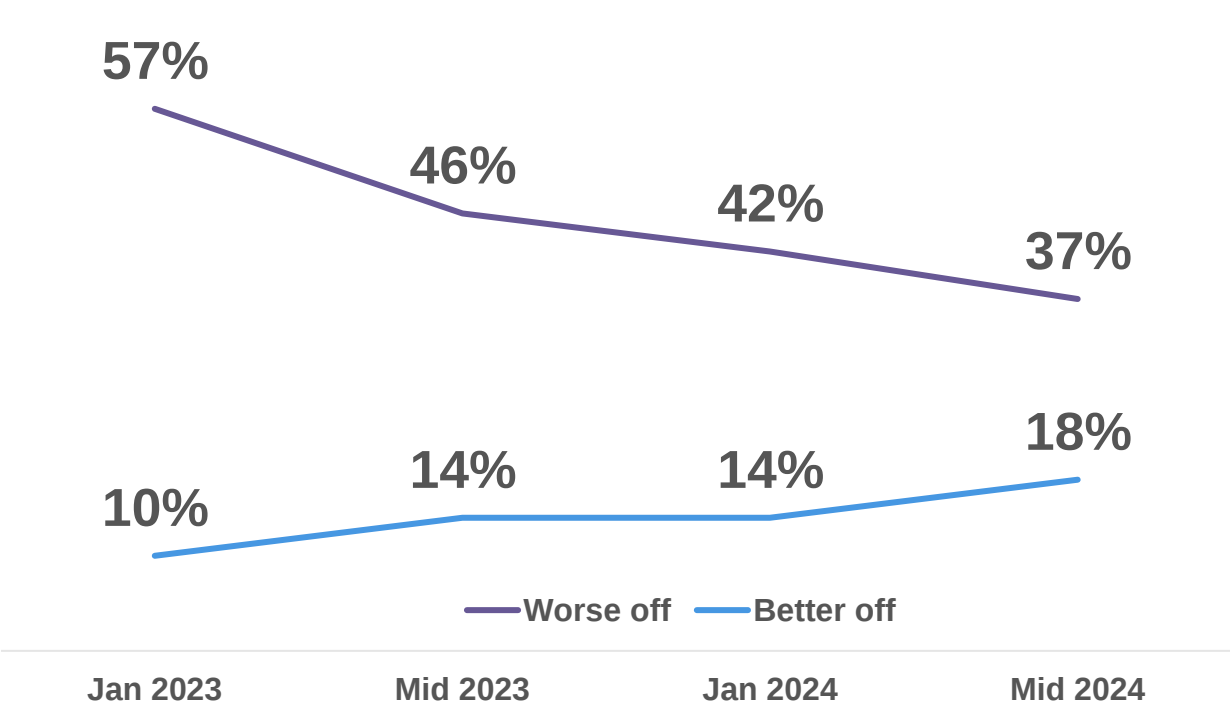
Nastroje konsumenckie Polska vs EU

WRZESIEŃ 2024



Signs of financial resilience

Consumer financial position. Sentiment year over year (% respondents)



Why?

81%

due to *increased costs of living*

23%

due to *economic slowdown*

23%

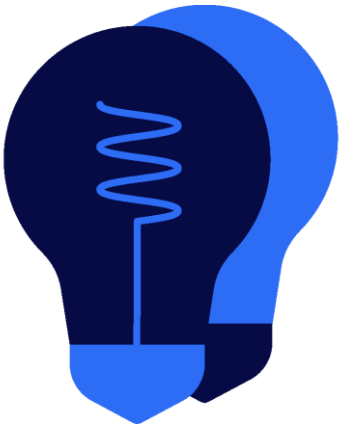
due to *job insecurity / loss*

Top concerns are shared among generations

1. Inflation and high prices



2. Sufficient income to live in dignity and pay bills



Quality of education



Disinformation presented as facts

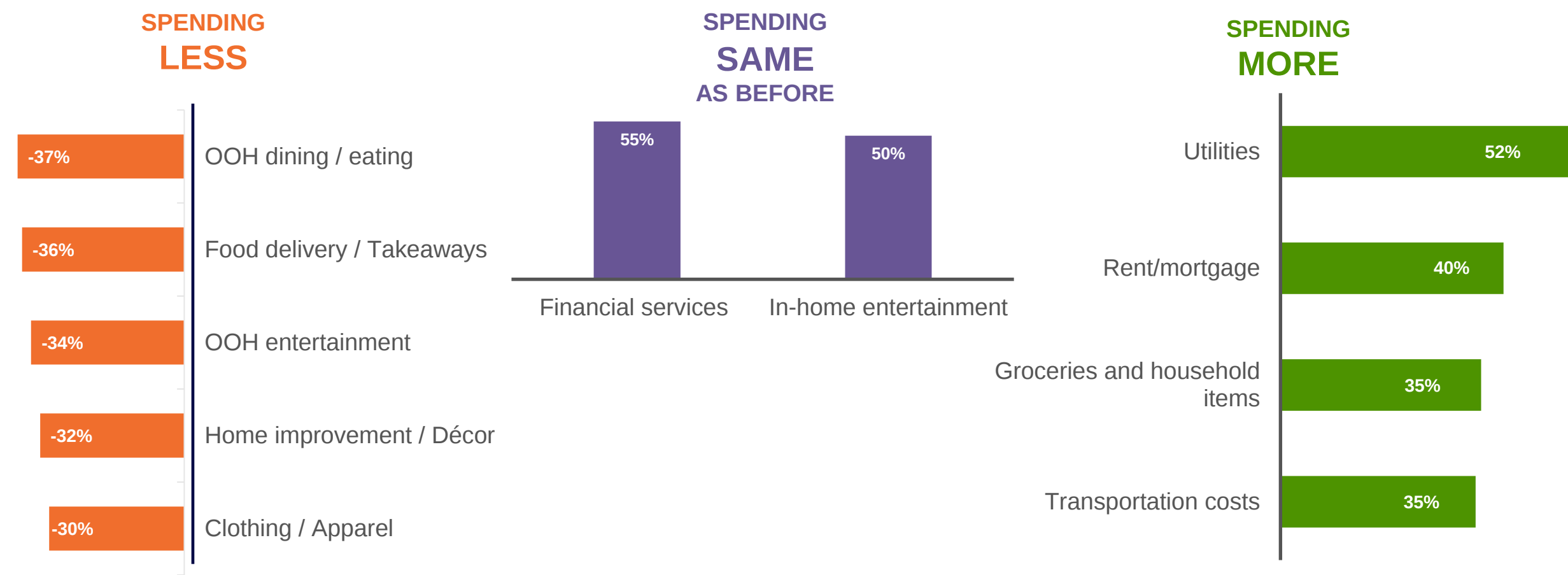


Healthcare costs



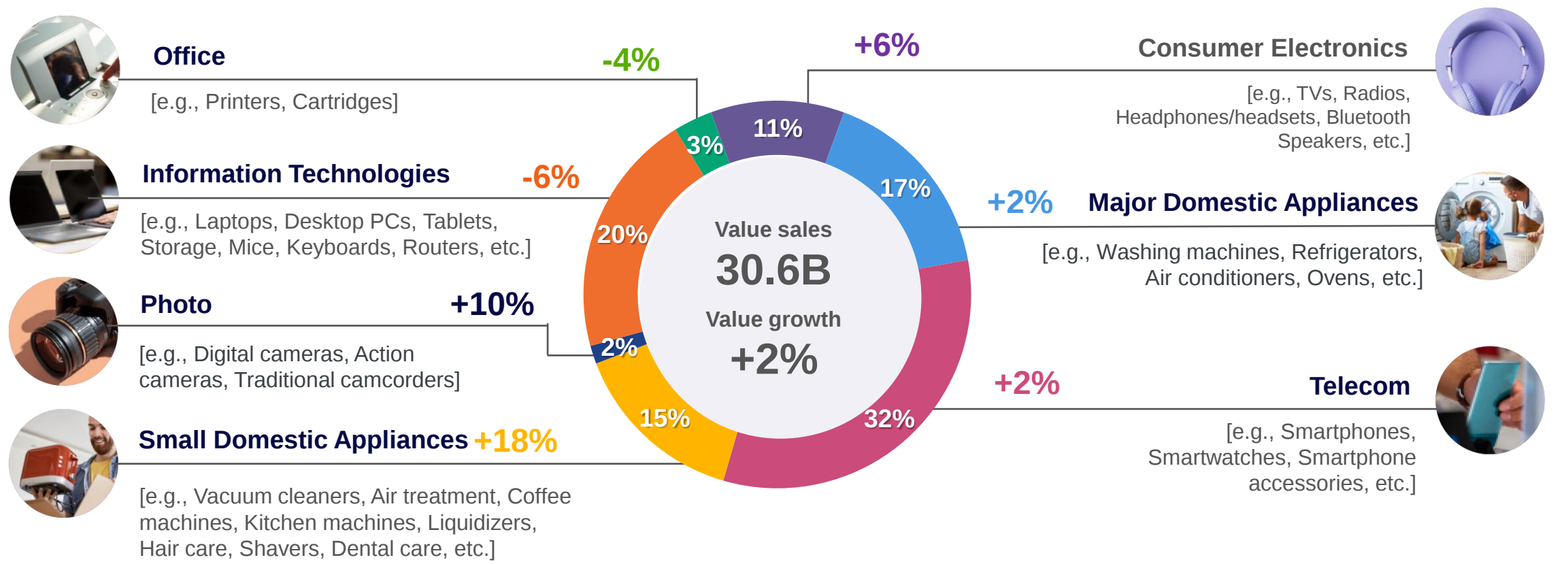
The future of pensions by the government

2025 wallet intentions reinforce the shift from a cautious to purpose-driven spending mindset



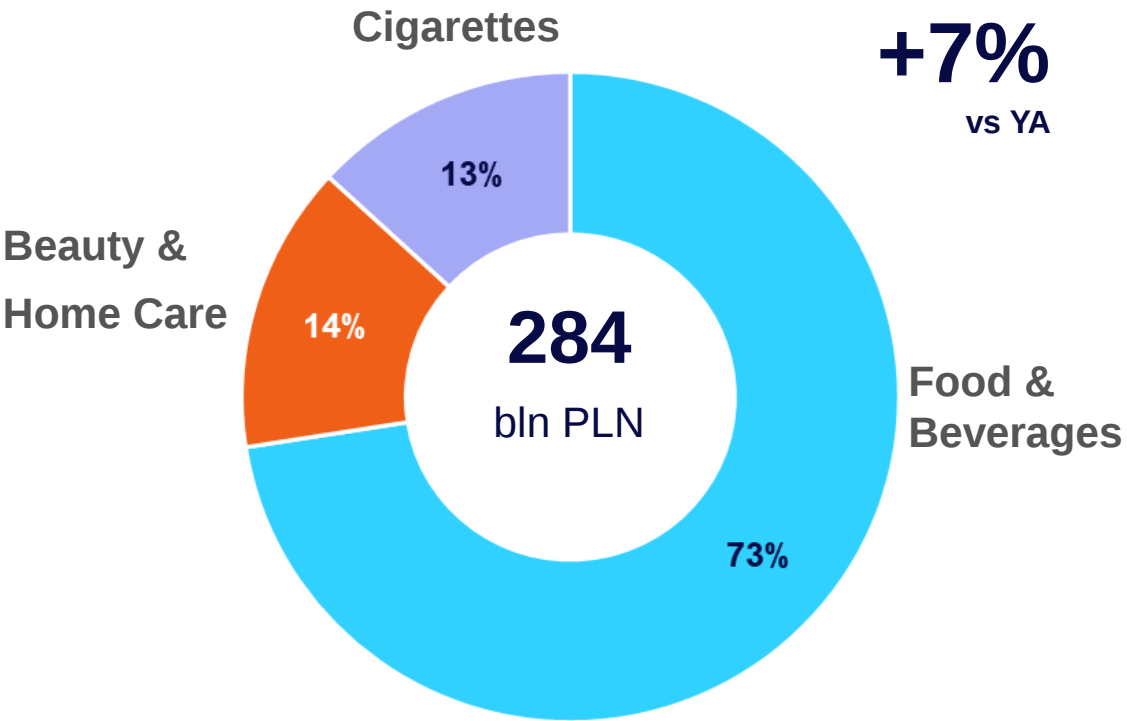
Small Domestic Appliances as the fastest growing sector by Tech & Durables in Poland in 2024

Tech & Durables sales share and growth rate (in PLN)
by department: H1 2024 (Poland)



FMCG sales value grew by 7%

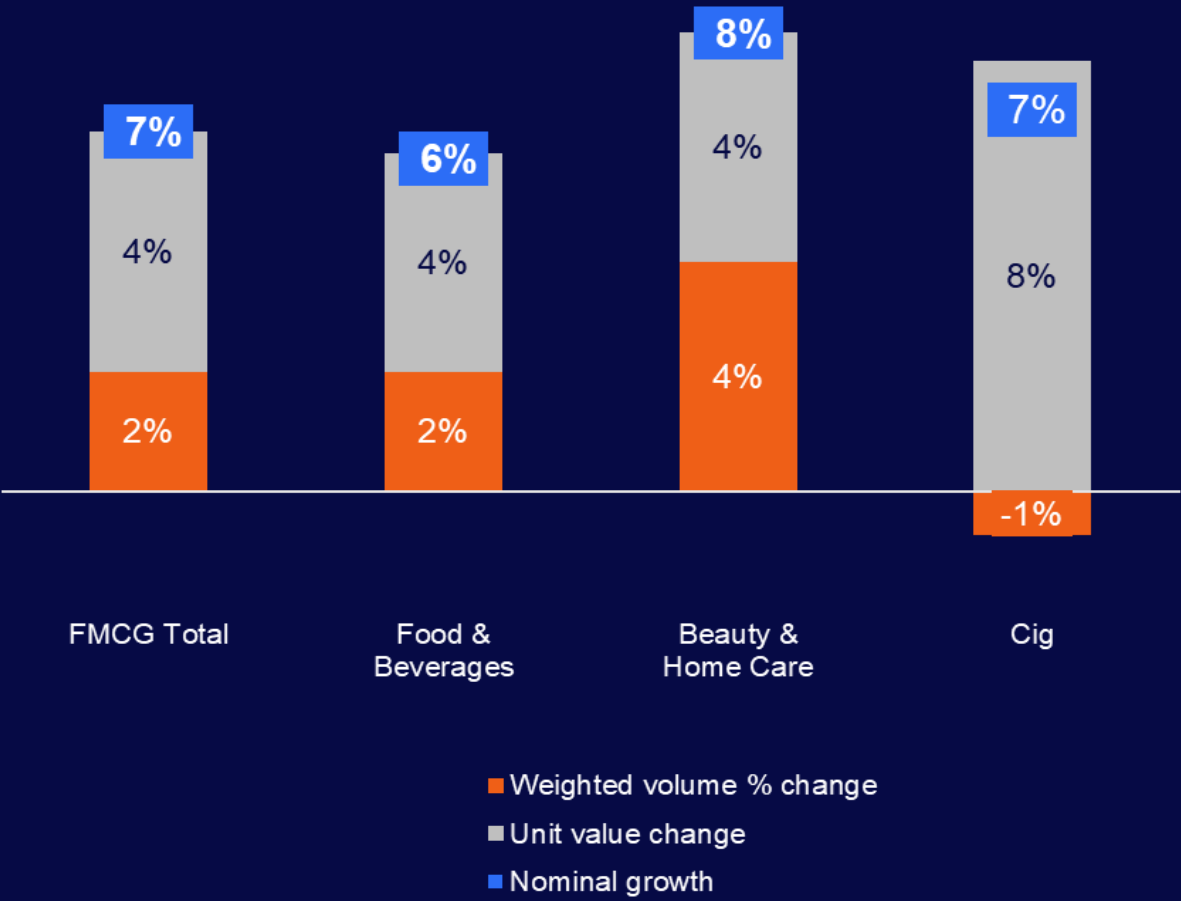
Total FMCG Value Sales & Value Share,
Total Poland, MAT week 34 2024



Source: NielsenIQ RMS

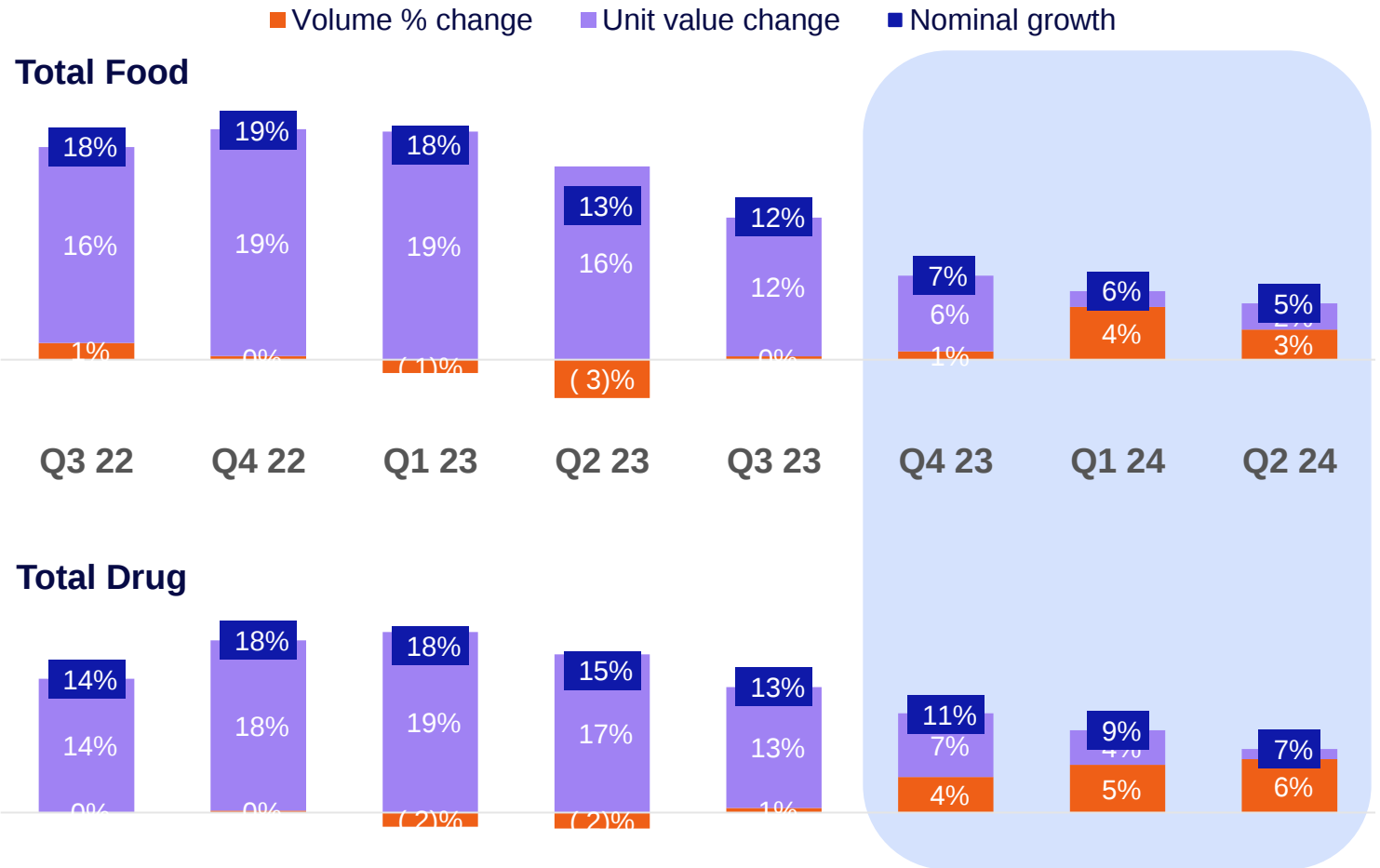
With visible impact of volume - finally

FMCG Value growth decomposition by price and volume impact
Total Poland, MAT week 34 2024



Q2 2024 finally with volume impact stronger than price

Both baskets steered by volume, but prices still on the rise



NIQ, RMS, data till Jul 2024

For some products, it is merely a recovery



RMS, NIQ, data till July 2024; volume sales

Volume growth in YTD after decline year ago:

- Rice
- Carbonated soft drinks
- Mineral water
- Coffee
- Pasta
- Salt
- Salty snacks & crisps
- Detergents
- Fabric softeners
- Household cleaners
- Toilet paper
- Shampoo
- Dishwashing

But some experience organic growth

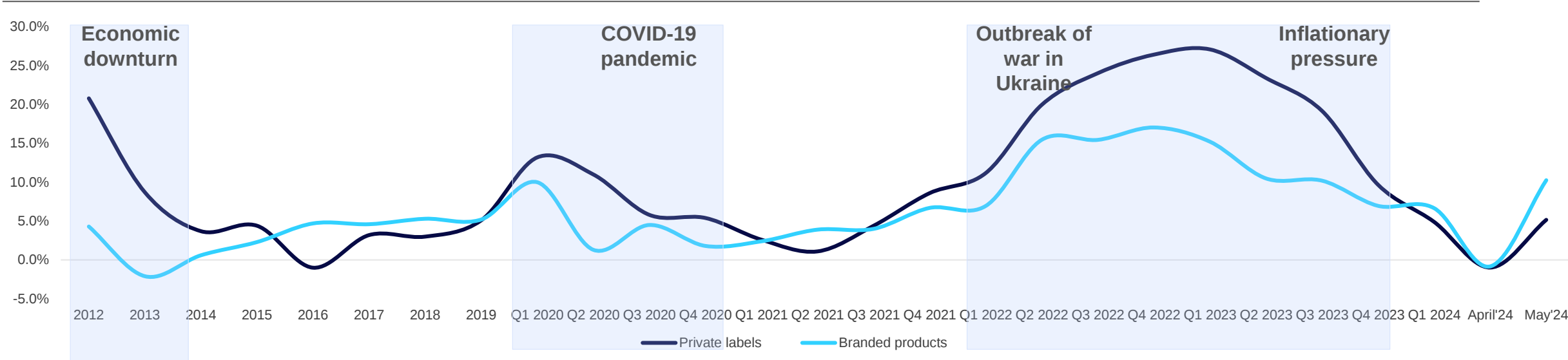


Volume growth year over year:

- Premix alcoholic drinks
- White cheese
- Mousse
- Non-dairy milk
- Milk desserts
- Muesli / protein bars
- Ice coffee
- Face care
- Make up (color cosmetics, face, eye, lip care)
- Fragrances
- Moist toilet papers
- Lubricants

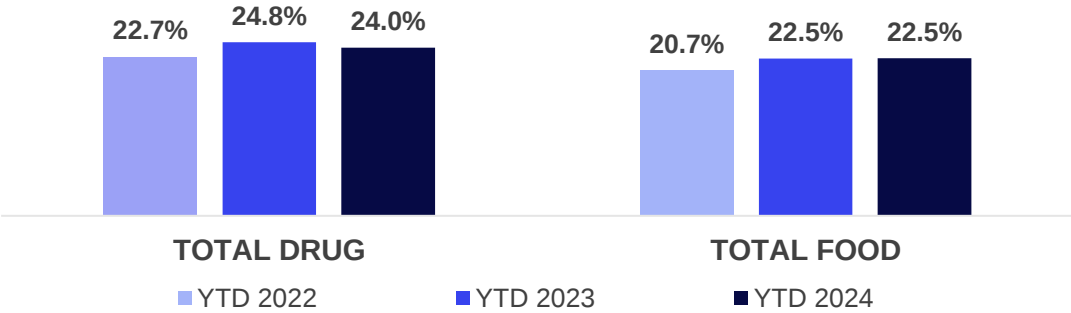
Weakening dynamic of Private Label sales suggests come back to „normal”

% change in sales value of private labels and branded products vs previous year



Private Label Sales Value Share

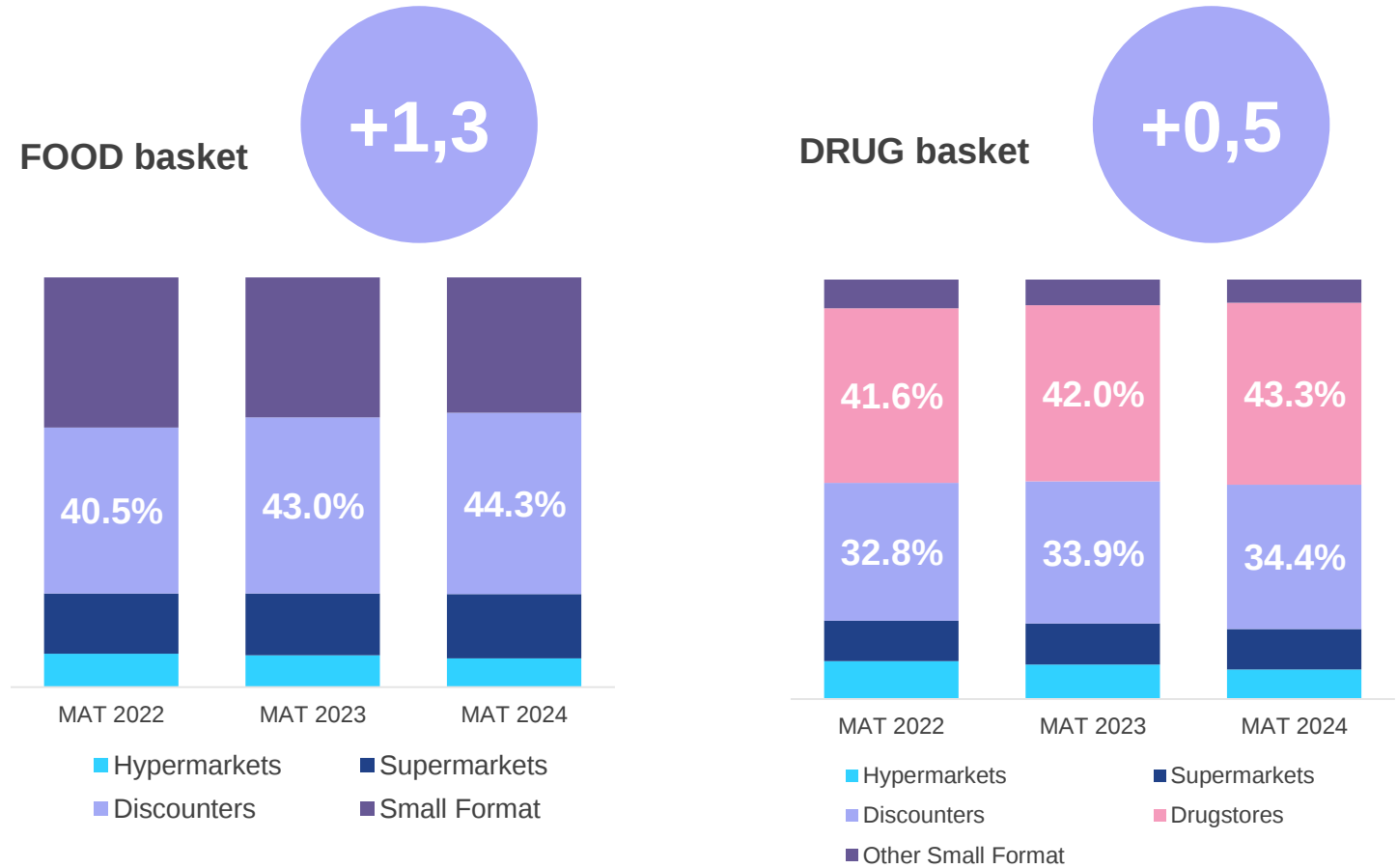
Yet, Private Labels share remains on similar level to last year and higher than in 2022:



Source: Nielsen RMS

Discounters may further gain shoppers...

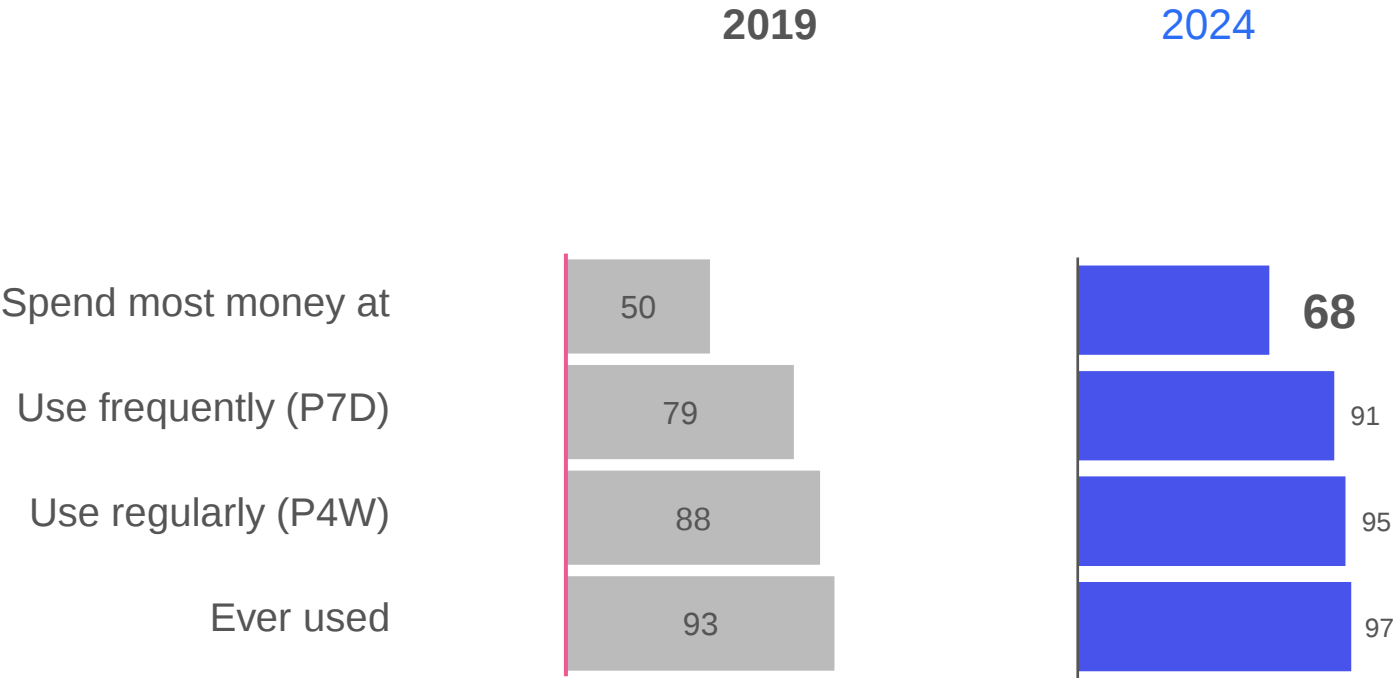
Concentration of sales in Discounters appears in various categories from both **Food** and **Drug** baskets, also for more **premium / indulgence / impulse products**



NIQ, RMS, data till July 2024

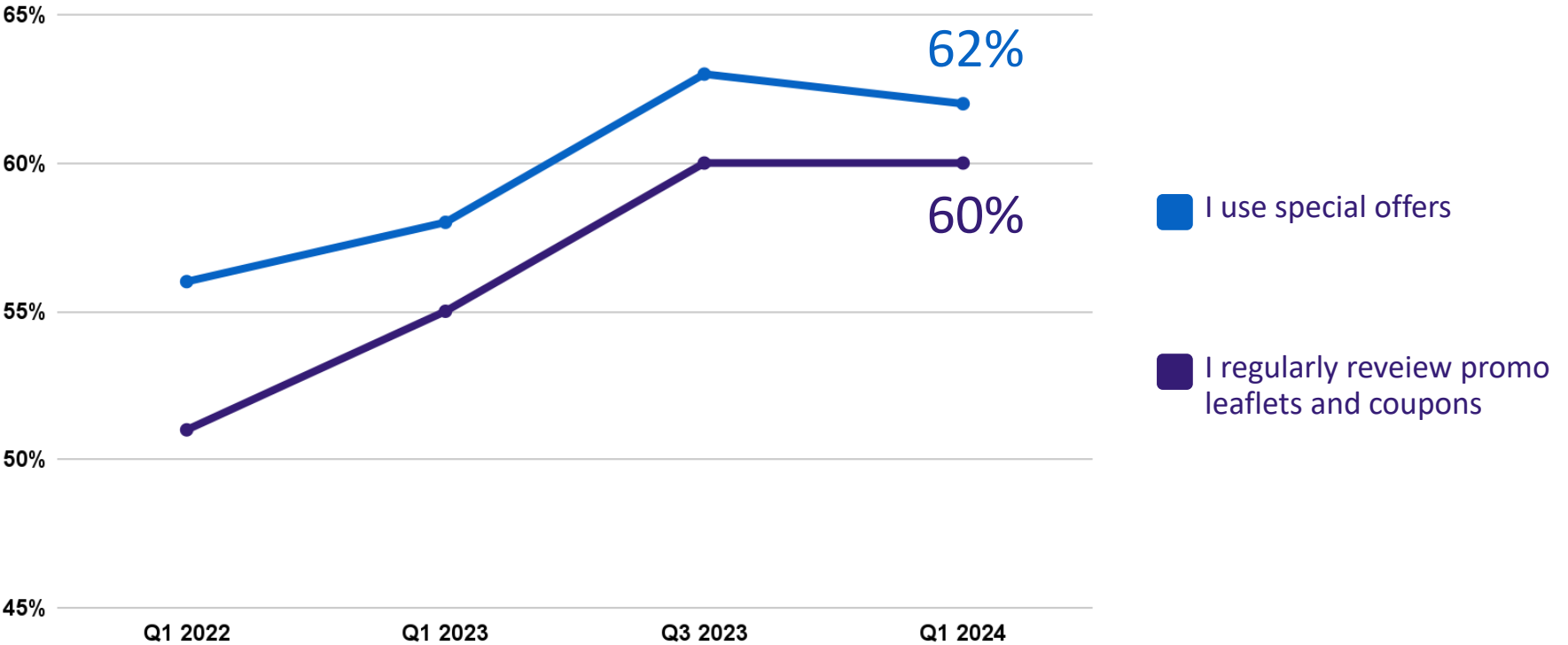
68% of shoppers spend most at Discounters

Discounters usage



Source: Shopper Trends Report 2019-2024

Increased promo share is a effect of increased offering and also high consumer need for promotions

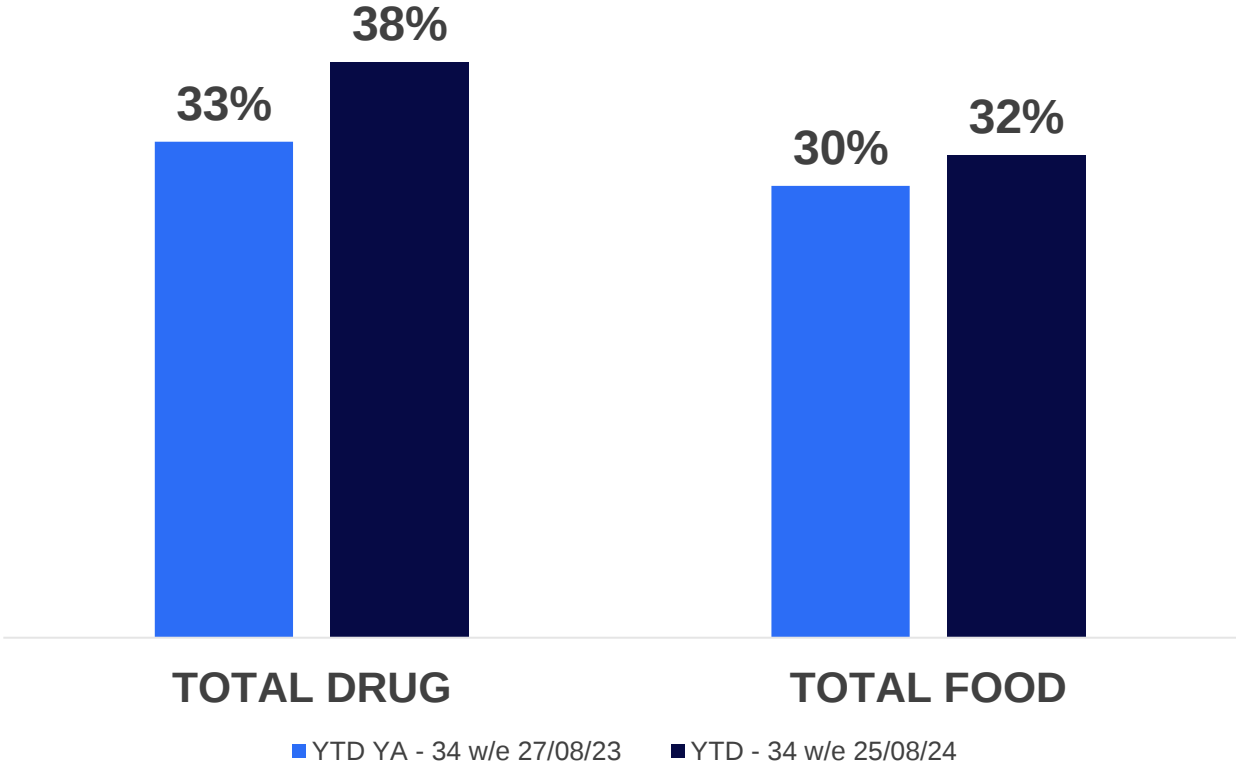


Base: All HM/SM shoppers Feb'2022 (n=1468), Feb'2023 (n=1466), Sep'2023 (n=983), Feb'2024 (n=1510)

Ref.: Q132. We have a few questions about your attitudes towards grocery shopping. In general when shopping, to what extent do you agree or disagree with the following statements?

Promotional offers accelerate

Promo Value Share
YTD Week 34 2024 vs YA



NIQ, RMS, Scantrack Promo – Hyper and Supermarkets index



Heading into 2025

The state of consumers is *determined*

Spending is being directed to where it matters most in the great *shift from cautious to intentional consumption.*



What drives the consumer?



Consumer Life 2024: **TrendKey**

Dominika Grusznic-Drobińska
Anna Bańka
Consumer and Marketing Insights

August 2024

© 2024 Nielsen Consumer LLC. All Rights Reserved.



*Key trends
impacting
global
consumers*

1

1

All about Me

Tailored to my needs, celebrating self-indulgence



Poland

“ I like to buy products that can be **tailored to my needs** ”

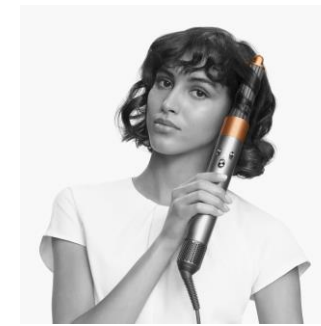
57%

“ It is important to give yourself regular **pleasure and indulge yourself** ”

40%



Manifested in
smaller
pleasurable
appliances,
available at
hand at home



Innovative hair dryers and hair
stylers to style at home with
special care about hair health and
structure

Little, in home pleasures



Merging pleasure from chocolate with self-care



Wedel has started cooperation with the Stars

The Ohora brand has created the
world's first express hybrid
manicure in the form of UV stickers

2024

5

9

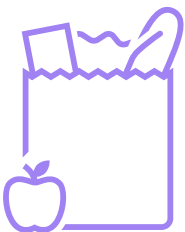
Frictionless Living



How Poles simplify their lives?



79% used an **electronic payment service** such as PayPal, AliPay or Google Pay

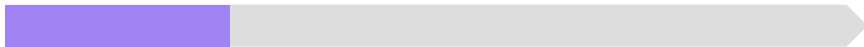


26% regularly **buys groceries online**



Aspects important when choosing food products or cosmetics

23% Has minimal packaging



29% is made with a small number of ingredients that you recognize



Which of these things do you do regularly?

How to win in the era of intentional consumption?

How to translate megatrends into business

• ADJUST

- „Soft” energy drinks
- Light / sugar free lines
- Bottle / PET deposit solutions
- Soda makers

• CREATE

- Unique needs, e.g. hair porosity
- Pre-mixed alcoholic drinks (user experience with no big investment)
- Mobile computing

• LEVERAGE TRENDS

- Functional hype
- Reverse hair routine
- Korean beauty care
- Full auto coffee machines

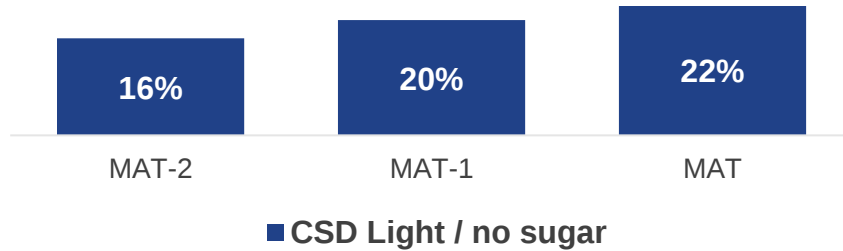


ADJUST

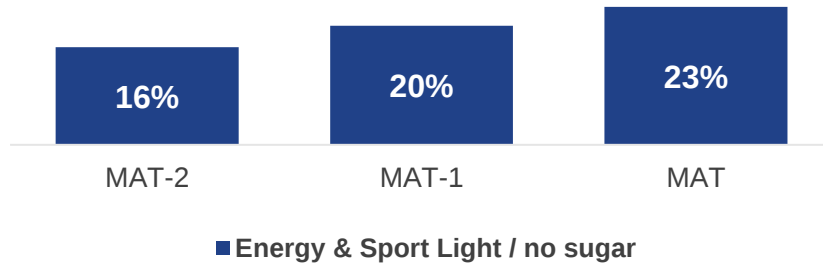
No / low sugar shelf keeps expanding

Light options are gaining shelf and share even despite higher pricing

Carbonated Soft Drinks Value Share



Energy & Sport Drink Value Share



And the whole experience is available at home

Same user experience, but at home and no plastic bottles



CREATE

Highlight new needs to consumer

- Hair porosity
- Scalp protection
- Specific hair routine

32%

Of conditioners
value growth in YTD
24



Give them more options to enjoy at home

Laptop with controller known from consoles – enhanced gaming experience



LEVERAGE EXISTING

Protein hype

Hydration beyond water

Gut health and probiotics

Inspiration from the East

+120%

Kombucha* value sales
increase in last 2 years

+370%

Ramen** value sales
increase in last 2 years

*Brands with Kombucha statement on pack

** Soups with ramen flavour on pack

NIQ, RMS, data till Aug 2024

Adding new features to trending devices

New functionalities in automatic coffee machines: cold beverages





Don't
overestimate
the speed of
consumer
recovery

Key Takeaways

Consumer is shifting from cautious to **intentional, pragmatic** purchasing decisions.

Sales growths are visible in all industries as of Jan'24. However, for most categories, volumes are reverting to pre-crisis levels

The **value-for-money equation** continues to be **key factor influencing consumers' product and retailer choices**. The need to make the most of every shopping trip is still relevant. Collaborate with retailers to create personalized offers for consumers

As out-of-home pleasures are being reduced, there's an **opportunity for indulgence that remains within the home**.

Seek ways to **capitalize on this** and build your gains or margins around it

Simplicity is one of strong motivations of consumers.

Simplicity / minimalization are also trends to follow in product development.

The Full View™

Thank you!

NielsenIQ

