Trends en Dynamiek in Retail

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We deliver understanding and insights that make up The Full View™

NIQ GfK

Better understanding a still impacted consumer

Global shopper Trends

Five years

of retail disruption and changing shopper behaviour

~~2023 Survive~~
~~2024 Revive~~
2025 Thrive?

← 2021
Pandemic Disruption

2022
Inflationary Pressure

2023
Cost-of-Living Crisis

2024
Volume Recovery

2025 →
Next Normal?

Top concerns setting the spending tone for 2025

1	Rising food prices	33%
2	Increasing utilities costs	20%
3	Economic downturn	19%
4	Global warming / Environment *(was #5 in Jan. 2024)*	14%
5	Global conflict / Crisis escalation *(was #4 in Jan. 2024)*	13%
6	Personal welfare / Happiness *(was #7 in Jan. 2024)*	12%
7	Job security *(was #9 in Jan. 2024)*	11%
8	Increased housing costs *(was #6 in Jan. 2024)*	10%
9	Ability to provide basics for family *(Was #8 in Jan. 2024)*	10%
10	Rising fuel / Transportation costs	9%

Source: NIQ 2024 Mid-Year Consumer Outlook, Global, Note: In China, verbiage reflects the following: “Geopolitical uncertainty”, “Economic environment”

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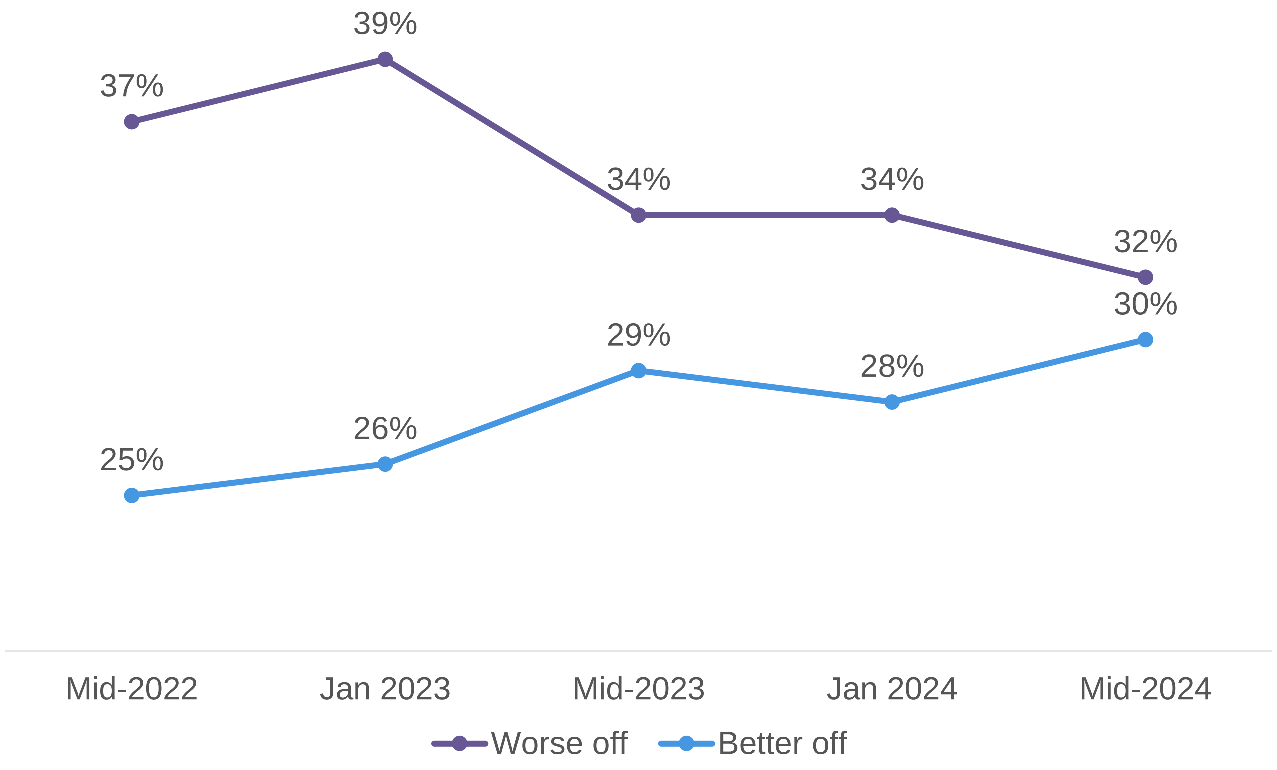
Signs of financial resilience

But consumers can't escape the cost-of-living crisis entirely.

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



30%

of global consumers say they're in a **better financial position** compared to a year ago–up **2%** vs. Jan. 2024

VS

32%

say they're in a **worse financial position** compared to a year ago.

Why?

76% **due to *increased costs of living*** (vs. 77% in Jan '24)

41% **due to *economic slowdown*** (stable vs. 41% in Jan '24)

31% **due to *job insecurity / loss*** (vs. 32% in Jan '24)

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Source: NIQ 2024 Mid-Year Consumer Outlook, Global, vs. previous studies. Q: Compared to a year ago, is your household better off or worse off financially? Note: In China, verbiage reflects change in "management of spending."

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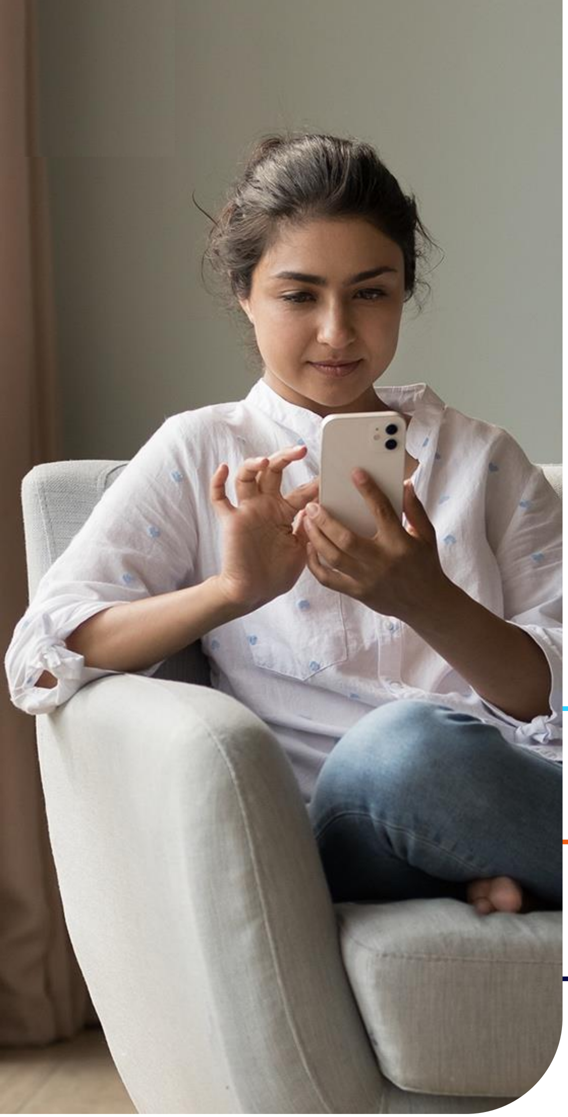

Heading into 2025

The state of consumers is *determined*

Resilience is evident as consumers face a mixed bag of socioeconomic change. While some pressures have lifted, there is looming uncertainty around geopolitical crises, economic stability and environmental health.

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

RESILIENT

VIGILANT

INTENTIONAL

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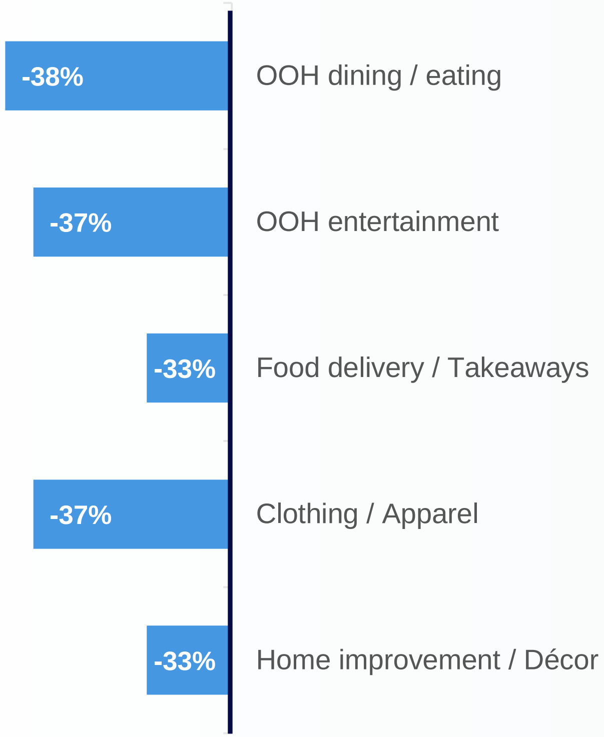
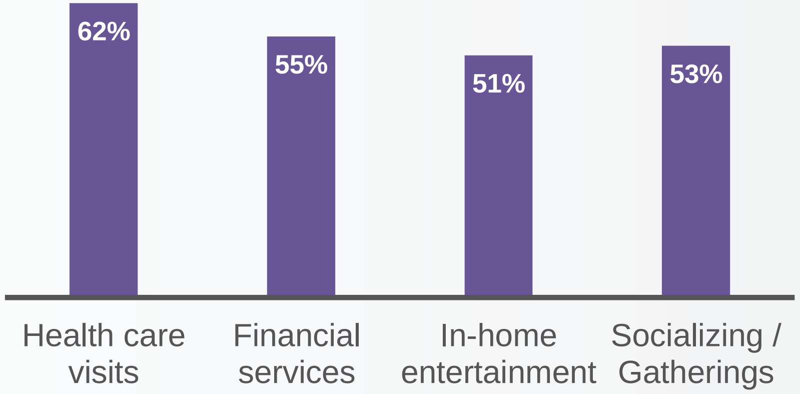
2025 wallet intentions reinforce the shift from a cautious to purpose-driven spending mindset

Intentional consumers prioritize at-home, planned, and waste-avoidant spending.

SPENDING LESS



SAME AS BEFORE



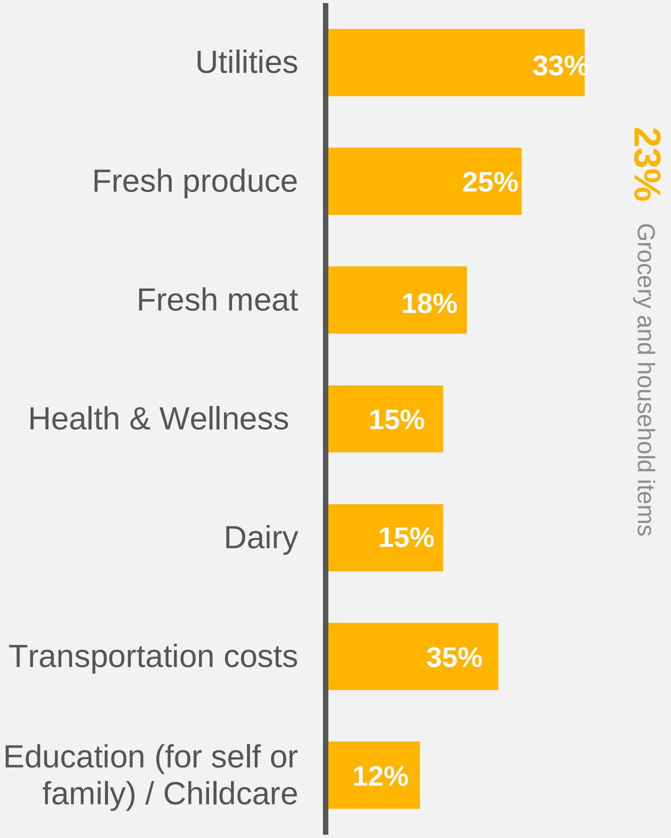
PRAGMATIC CONSUMERS' SPENDING INTENTIONS

54% avoid waste, only buying what will be used

42% spend more time at home, going out less

38% plan ahead before shopping to manage spending

SPENDING MORE



Source: NIQ 2024 Mid-Year Consumer Outlook, Europe. Interpreted as: "38% of european respondents plan to spend less on out-of-home (OOH) dining and eating in the next 12 months.

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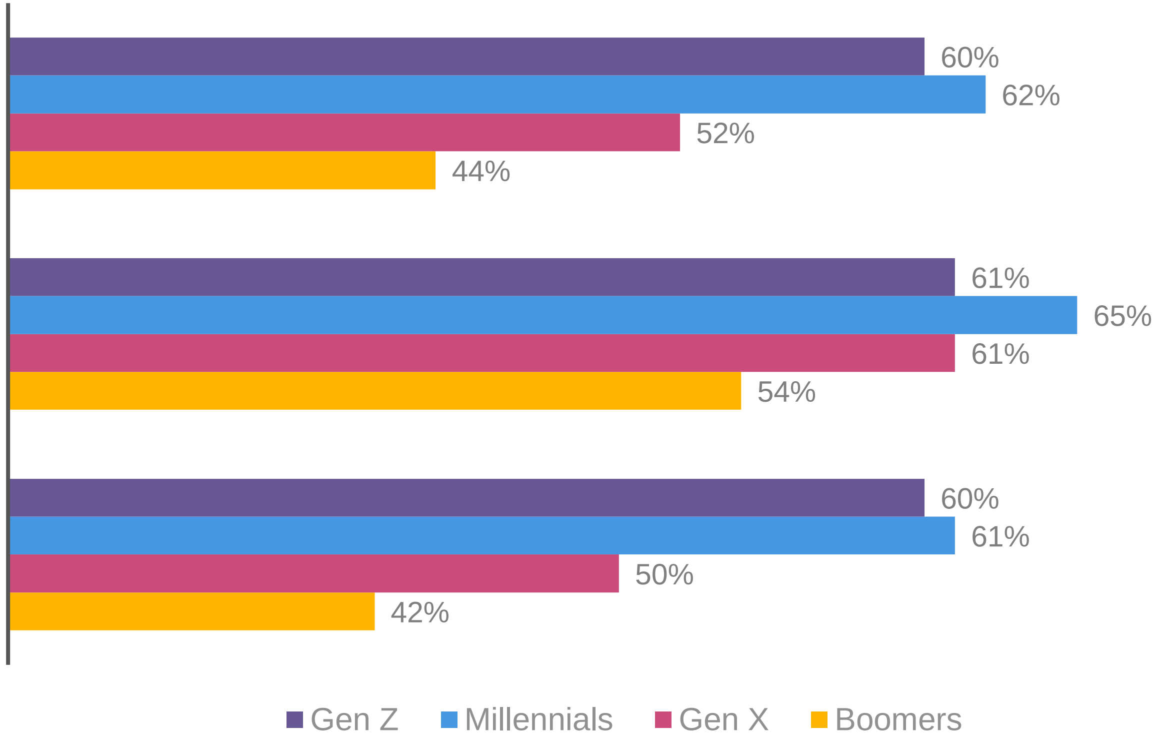
Intentional consumers are willing to pay a premium for convenience and life satisfaction

Particularly among Gen Z and Millennials, many consumers are willing to spend a little more on "moments that matter."

56% say they're likely to **spend a little extra** to make **one moment or day** of the week **more special or enjoyable**

62% say they're likely to **spend more on at-home experiences** to save on restaurant and entertainment expenses

55% are likely to **spend more on** product **formats that are convenient** to use



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"Discount" means more than just price

Consumers have embraced (and expect) broader value from the concept of "discount"

54% Affordability/ Price

would purchase a product that has innovated to make it as affordable as possible

Affordable *+ New* **66%**

are likely to change or try a new brand because of its lower price,

Affordable + *Sustainable* **66%**

would purchase a product that is energy efficient or has a low cost to run,

Affordable *+ Healthy* **40%**

would switch to a cheaper medicinal alternative that is considered biosimilar or of equal quality,

Affordable + *Homemade* **31%**

would use natural ingredients or food products as substitutes in their beauty care (e,g,, beets for skin pigment/blush, rosemary hair oil, etc,),

Source: NIQ 2024 Mid-Year Consumer Outlook, Europe

What are the trends that shape the future

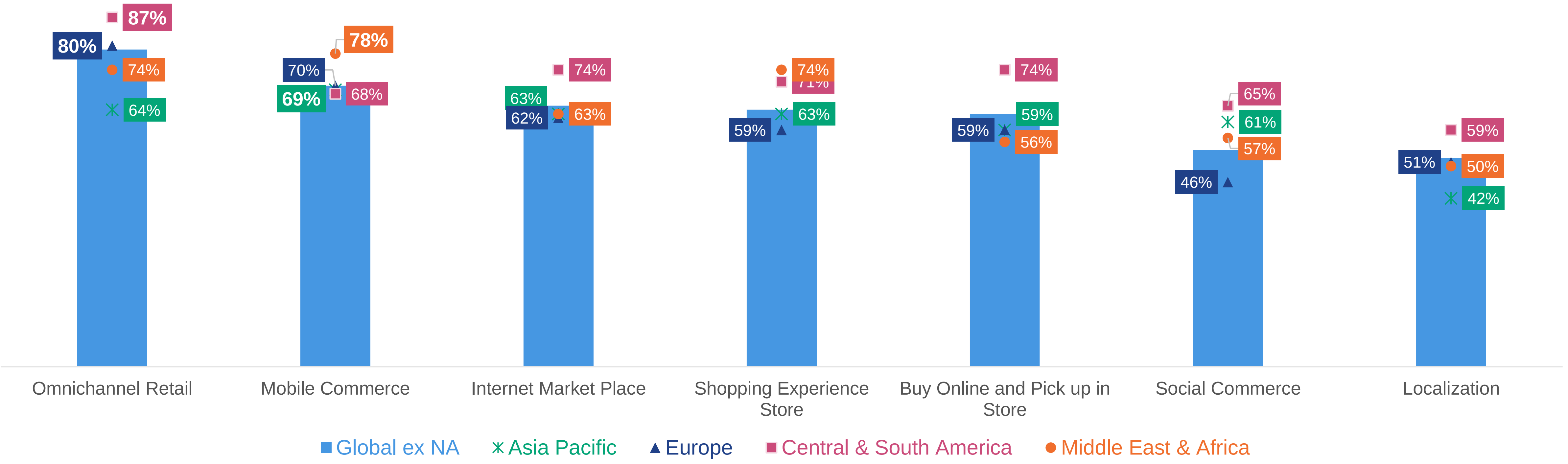
The changing face of retail

Regional retail strategies vary by digital maturity & infrastructure availability

Social commerce is on the rise, but its impact varies by product/country

Global T&D *retailer perspective* | Success of retail formats by 2025 (Top 2 box)

Asia Pacific: digital dominance || Europe, Central & South America: omnichannel excellence || Middle East & Africa: mobile first approach



Source: GfK Retail (R)evolution 2023 study. Base: Total n = 796, Asia Pacific n = 83, Europe n = 444, Central & South America n = 215, META n = 54
Ecommerce Evolution –

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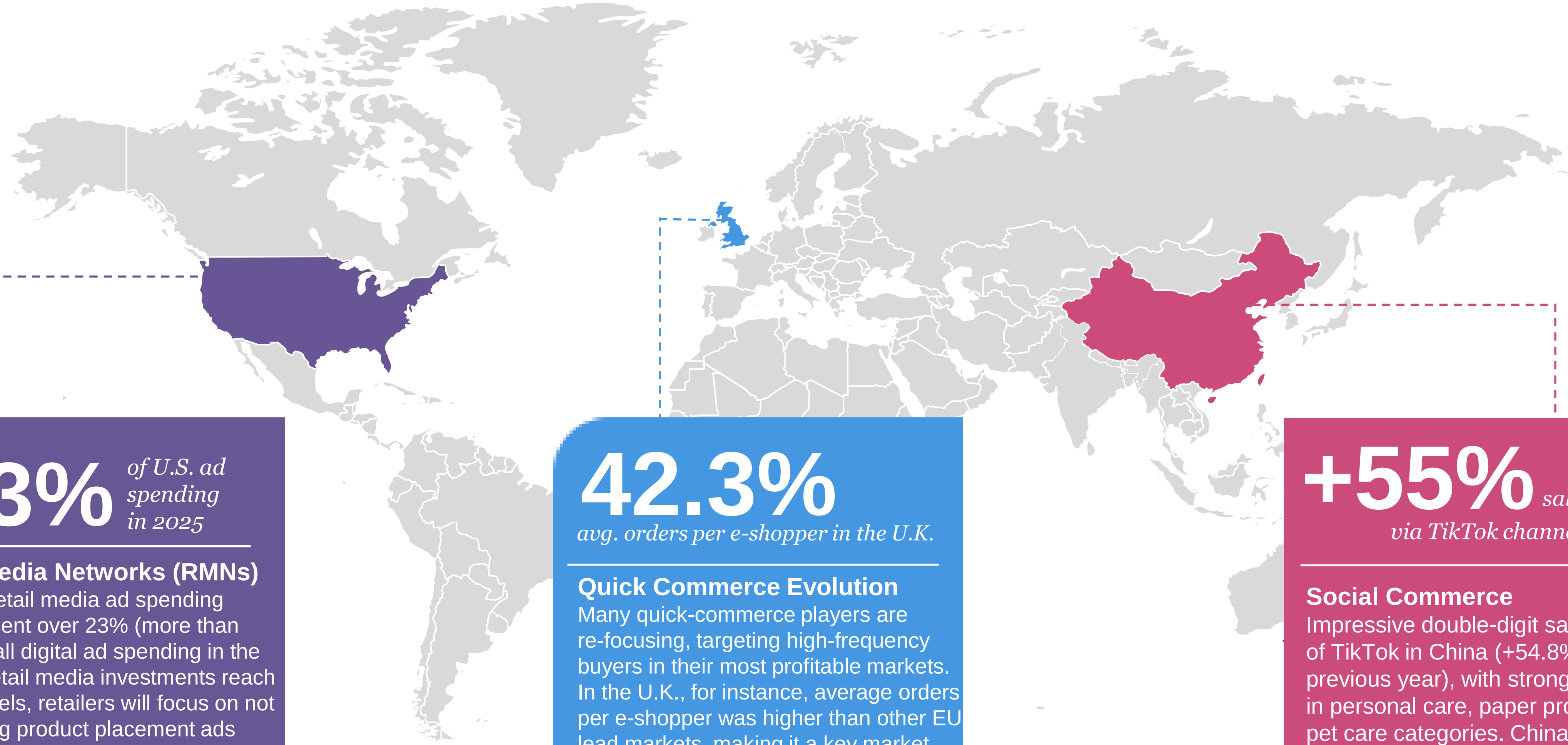
The changing face of omni retail around the globe



23% *of U.S. ad spending in 2025*

Retail Media Networks (RMNs)
In 2025, retail media ad spending will represent over 23% (more than a fifth) of all digital ad spending in the U.S. As retail media investments reach record levels, retailers will focus on not only selling product placement ads (i.e., display), but also monetizing e-commerce search results.

42.3%
avg. orders per e-shopper in the U.K.

Quick Commerce Evolution
Many quick-commerce players are re-focusing, targeting high-frequency buyers in their most profitable markets. In the U.K., for instance, average orders per e-shopper was higher than other EU lead markets, making it a key market of focus for some companies thinking about q-commerce differently.

+55% *sales growth via TikTok channel in China*

Social Commerce
Impressive double-digit sales growth of TikTok in China (+54.8% vs. previous year), with strongest growth in personal care, paper products, and pet care categories. China and other Asian markets are leading the globe in social commerce.

Source: 1) US Ad Market Outlook Report, March 2024, Advertiser Perceptions, 2) NIQ Consumer Panel FoxIntelligence, Avg purchase frequency, Total e-commerce, UK compared to 8 other EU markets, Calendar Year 2023, 3) NIQ Retail Measurement Services, China, TikTok (Douyin) channel performance, % growth, 52 weeks ended Q1 2024 vs. previous year.

A shifting landscape

Omnichannel within Technical consumer goods

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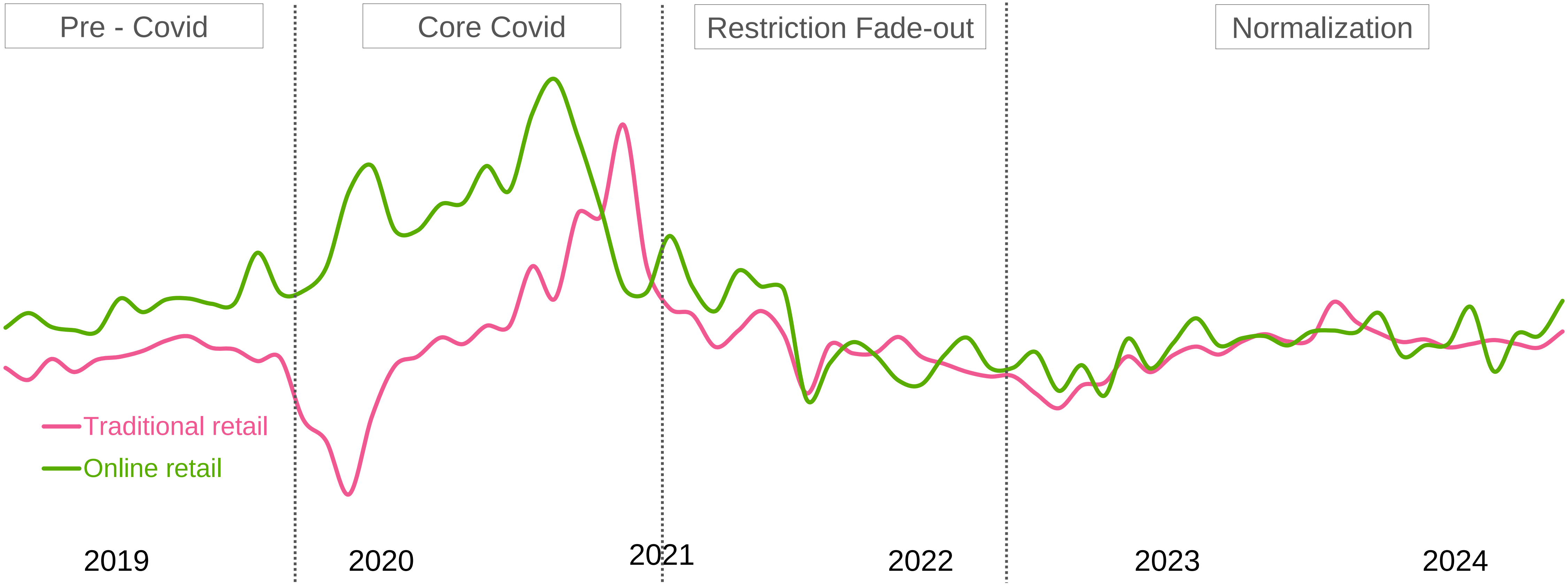
Online retail growth returns to pre-pandemic levels i.e., growing ahead of traditional retail

Baselines effects impact the marginal difference in growth rates

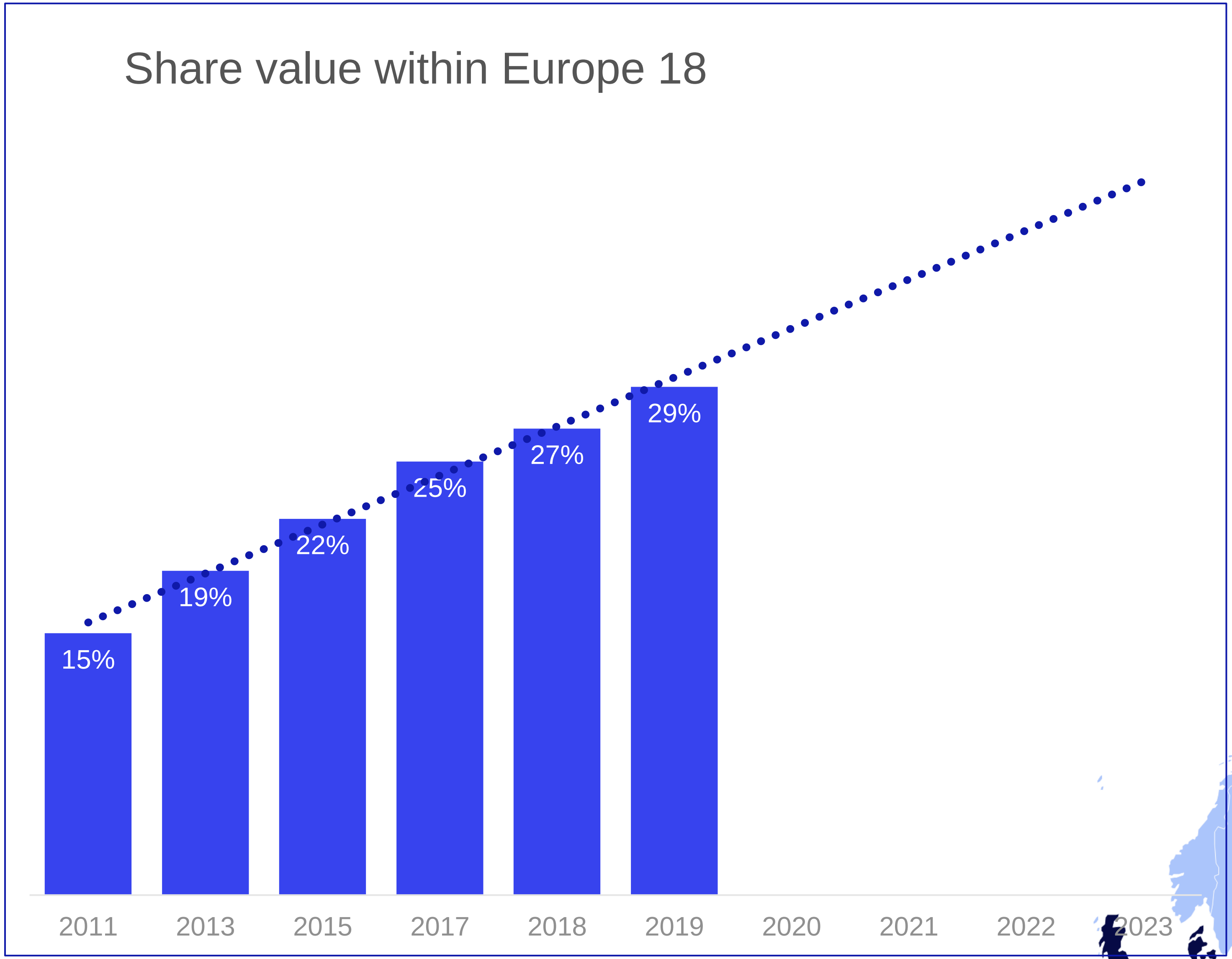
Global (ex. NA, RU) Tech and Durables | Sales Value USD (NSP) | Growth rate YoY (%)

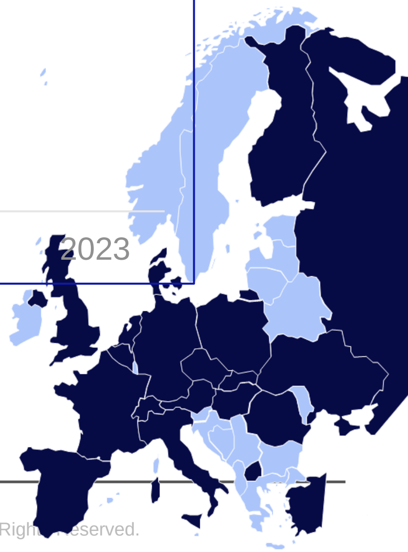


Source: GfK Market Intelligence: Sales Tracking, International Coverage (excl. North America and Russia), Sales revenue growth 2024 vs 2023
Global TCG Trends Report Q3 2024 – Global Strategic Insights

Online share value within Technical Consumer goods

Steady growth throughout the years





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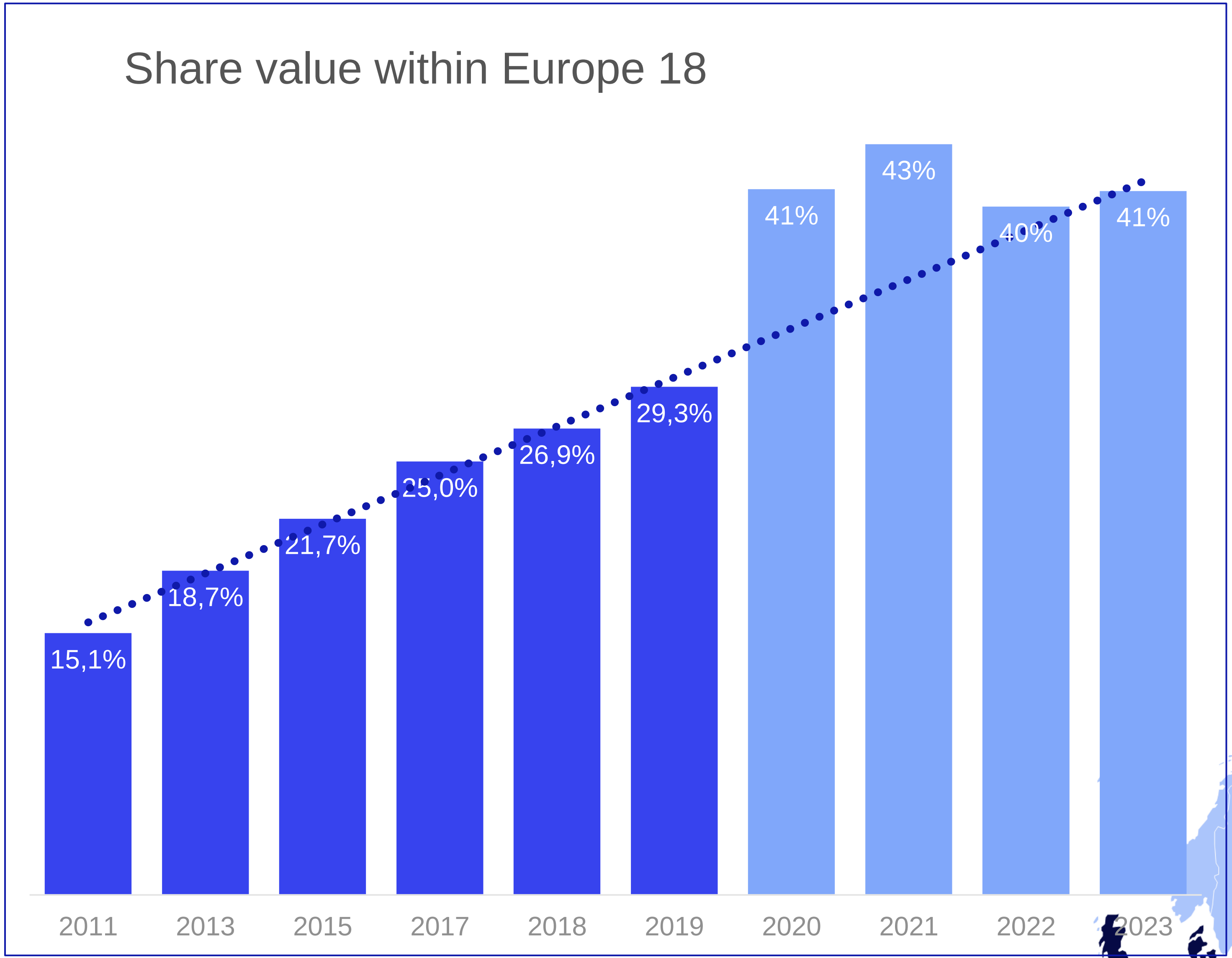
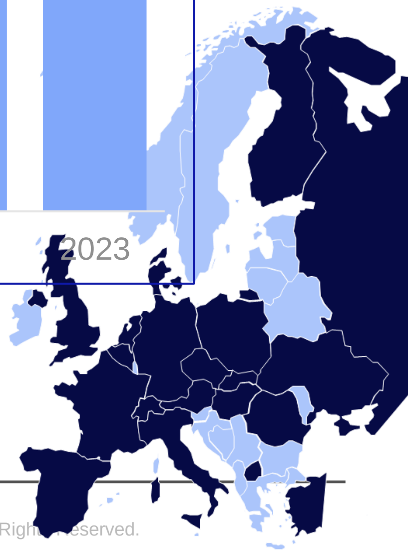
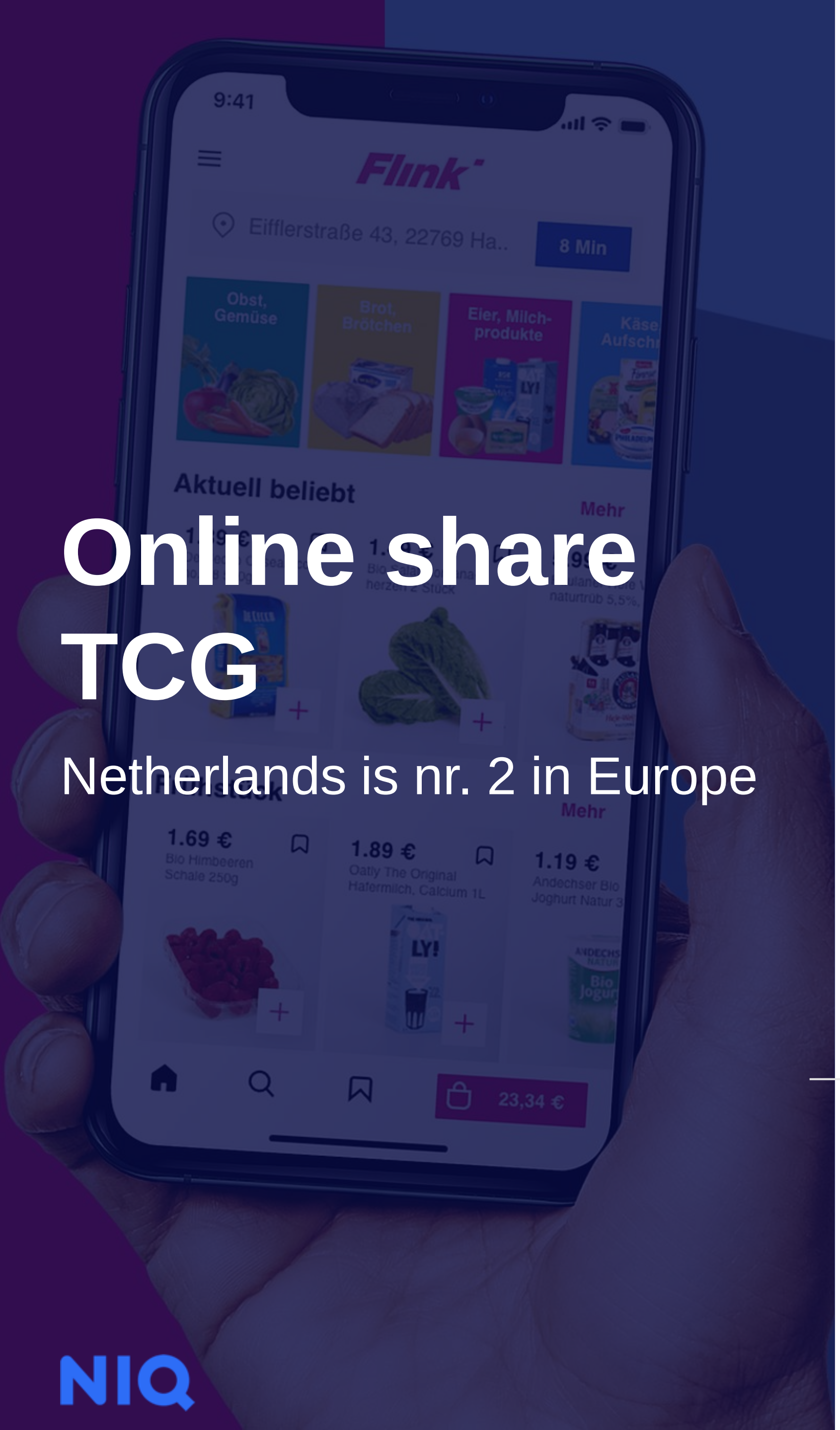
Online share TCG

Current setting is comparable with the predicted values

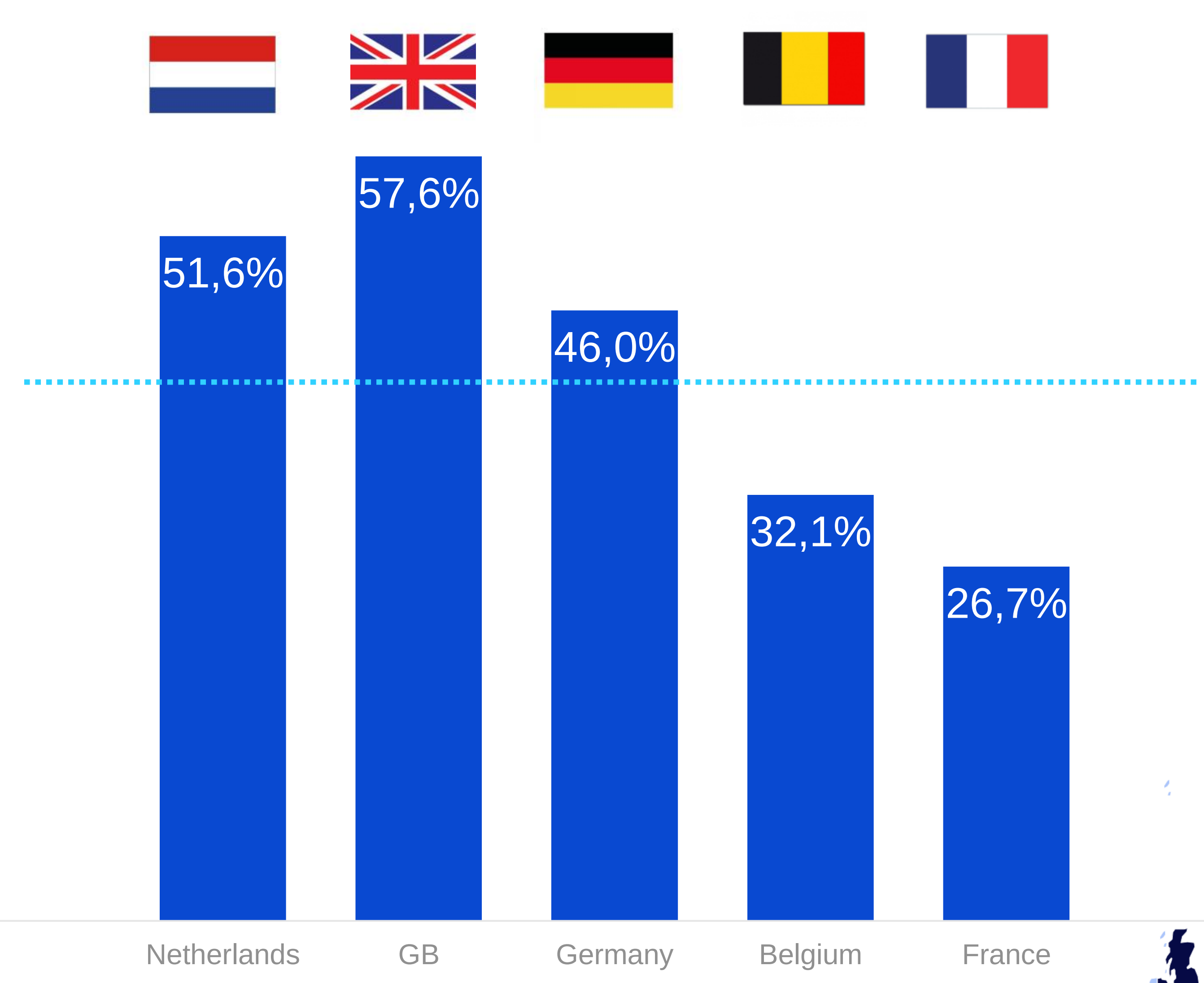


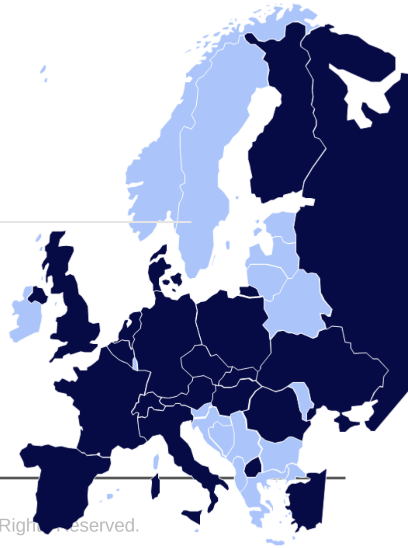




Online share TCG

Netherlands is nr. 2 in Europe

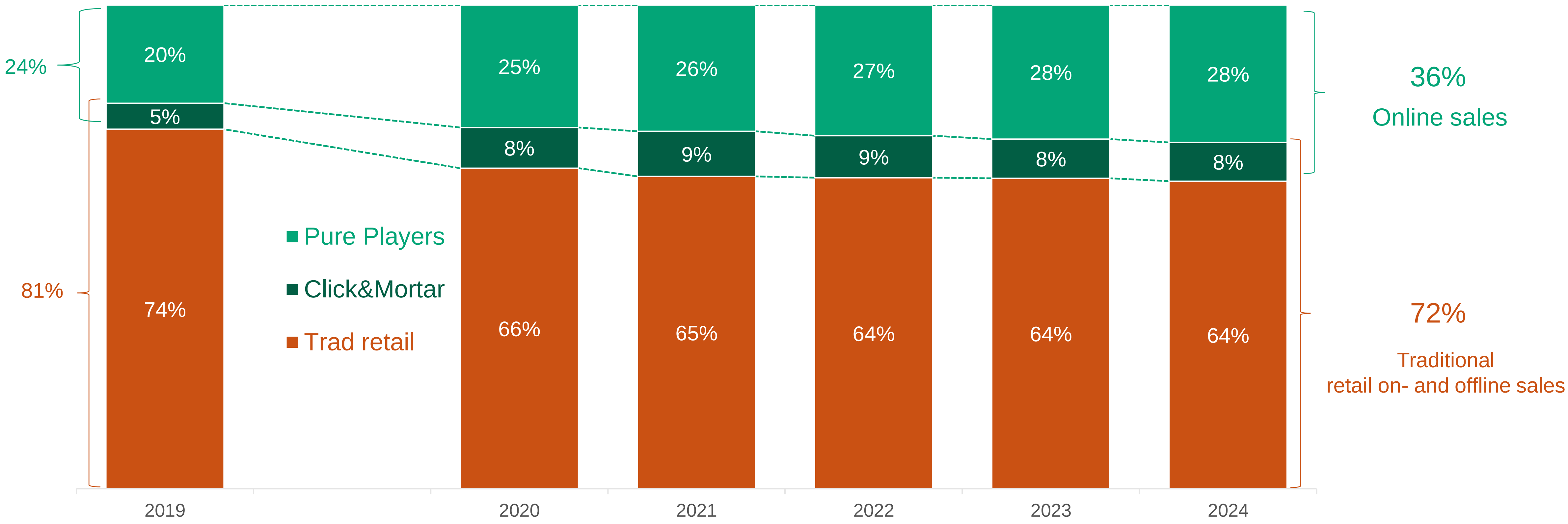




Share increase, driven by pure players

Online sales of traditional retailers lose ground gained during pandemic since 2022

Global (ex. NA, RU) Tech and Durables | Sales Value (NSP) USD share (%) | Jan 2024 – Dec 2024



Source: GfK Market Intelligence: Sales Tracking, International Coverage (excl. North America and Russia), Sales revenue growth 2024 vs 2023
Ecommerce Evolution – Global Tech & Durables FY 2024 Report

Omnichannel shopper expectations continue to grow; consumers expect similar service across all retail touchpoints

Shopping research across channels

ROPO

16% Online buyers researched offline

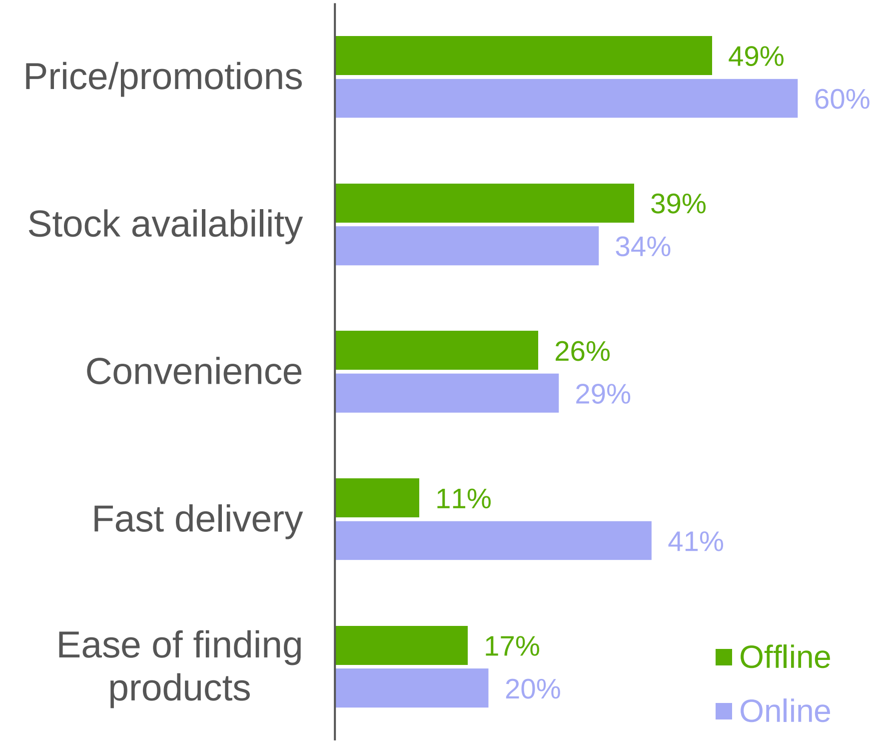
37% Offline buyers researched online

Dual role of retailers

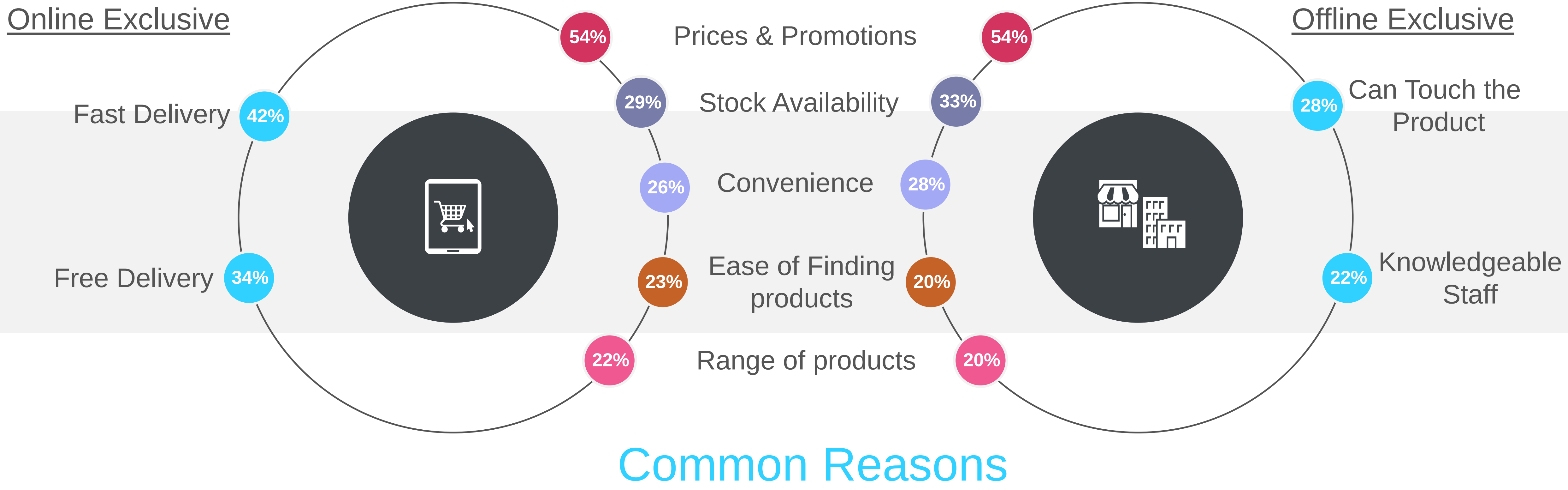
41% Used offline stores as information channels

34% Used online stores as information channels

Top 5 reasons for choosing retailer



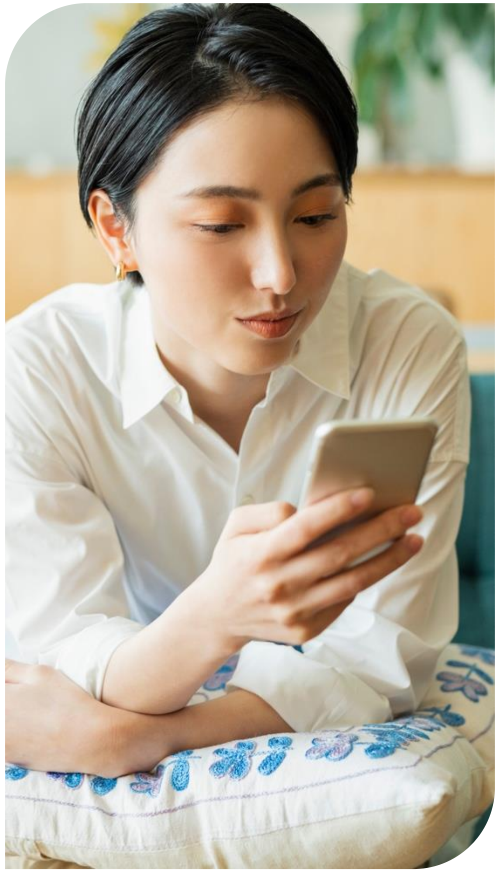
Reasons to choose an online or an offline retailer blurs



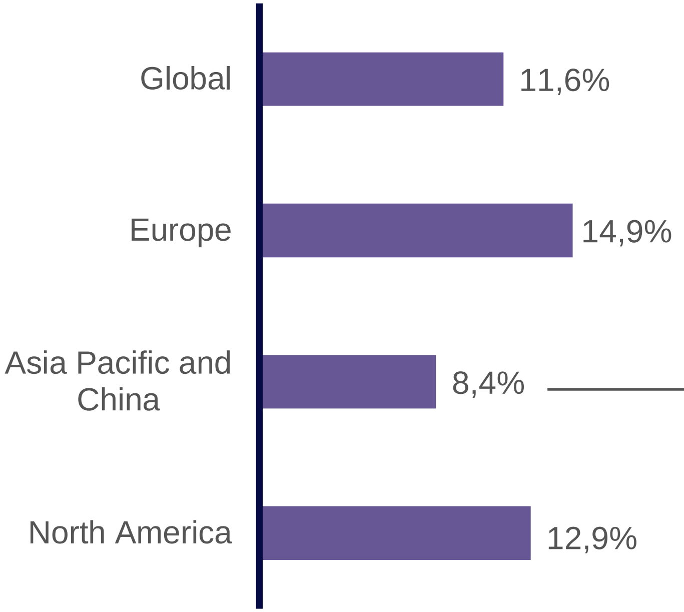
A shifting landscape

Tik Tok - The rise of a new channel

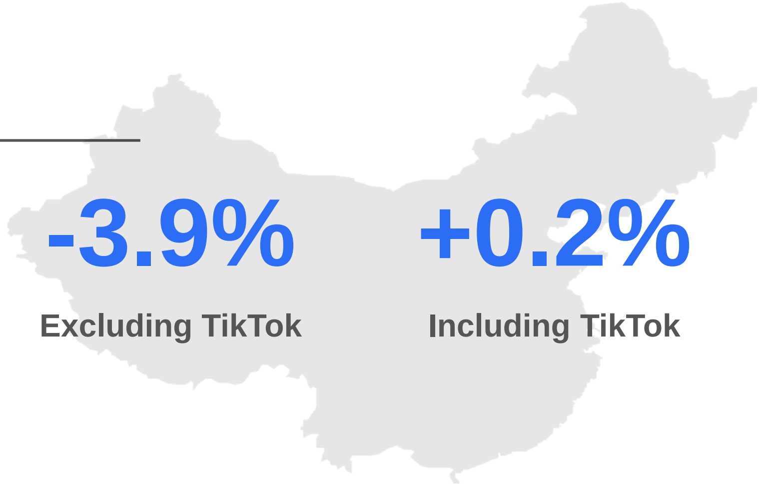
Social commerce presents an emerging pocket of growth for the FMCG industry and beyond



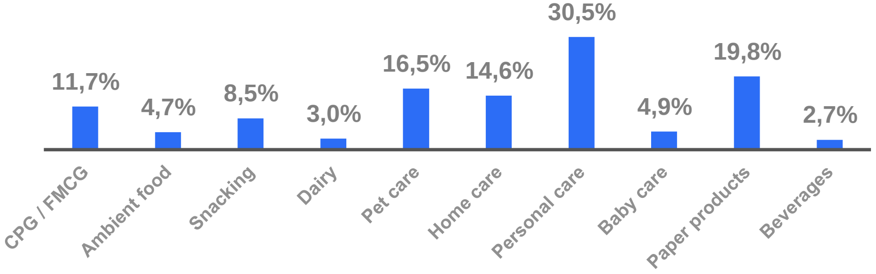
Online sales performance
% value growth vs. previous year



CPG performance in China
% value sales growth



China category performance via Tik Tok (Douyin)
% Contribution to sales — current year



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Source: NIQ Retail Measurement Services, Total FMCG / CPG, annual period ended Q1 2024 vs. previous year. Ecommerce: 17 markets considered, via Quarter By Numbers, Channel report. Note: includes TikTok (Douyin) in China e-commerce.

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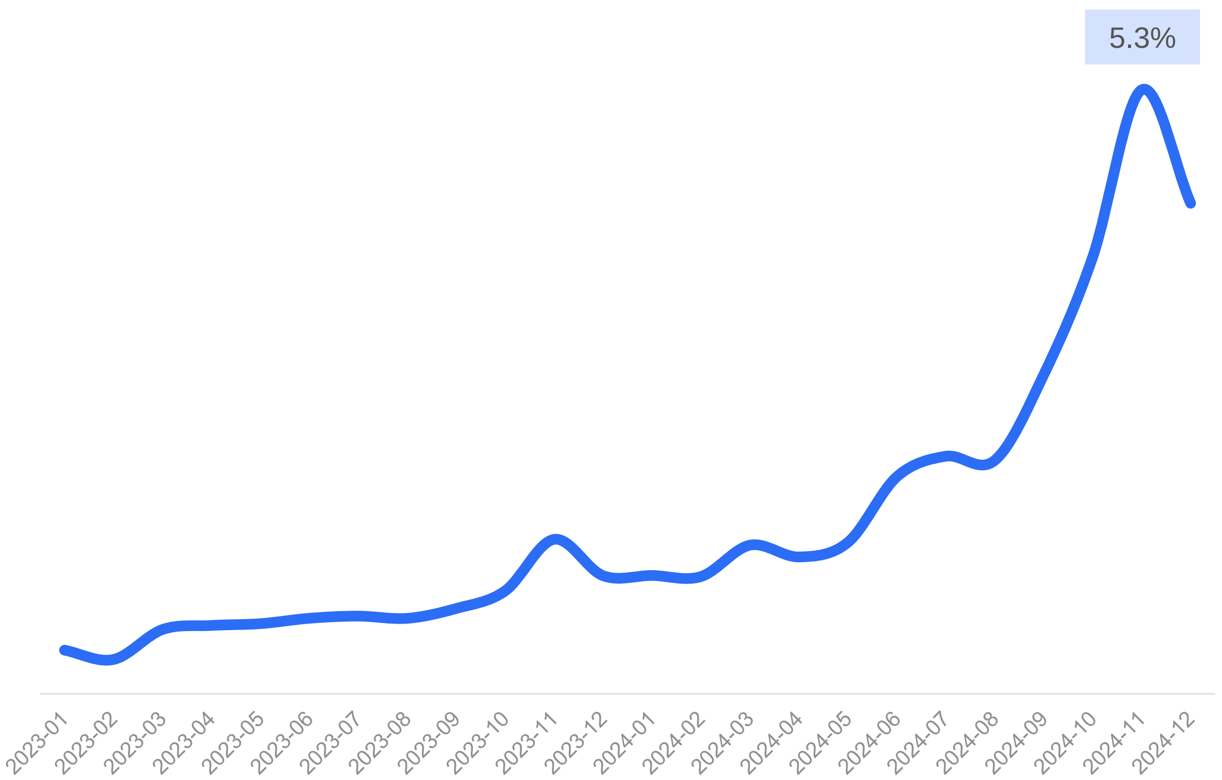
Adoption in the british market is massive…

TikTok Shop value market share – UK total E-commerce
Total e-commerce of goods – Full Year 2023 and 2024



TikTok Shop

4.1%

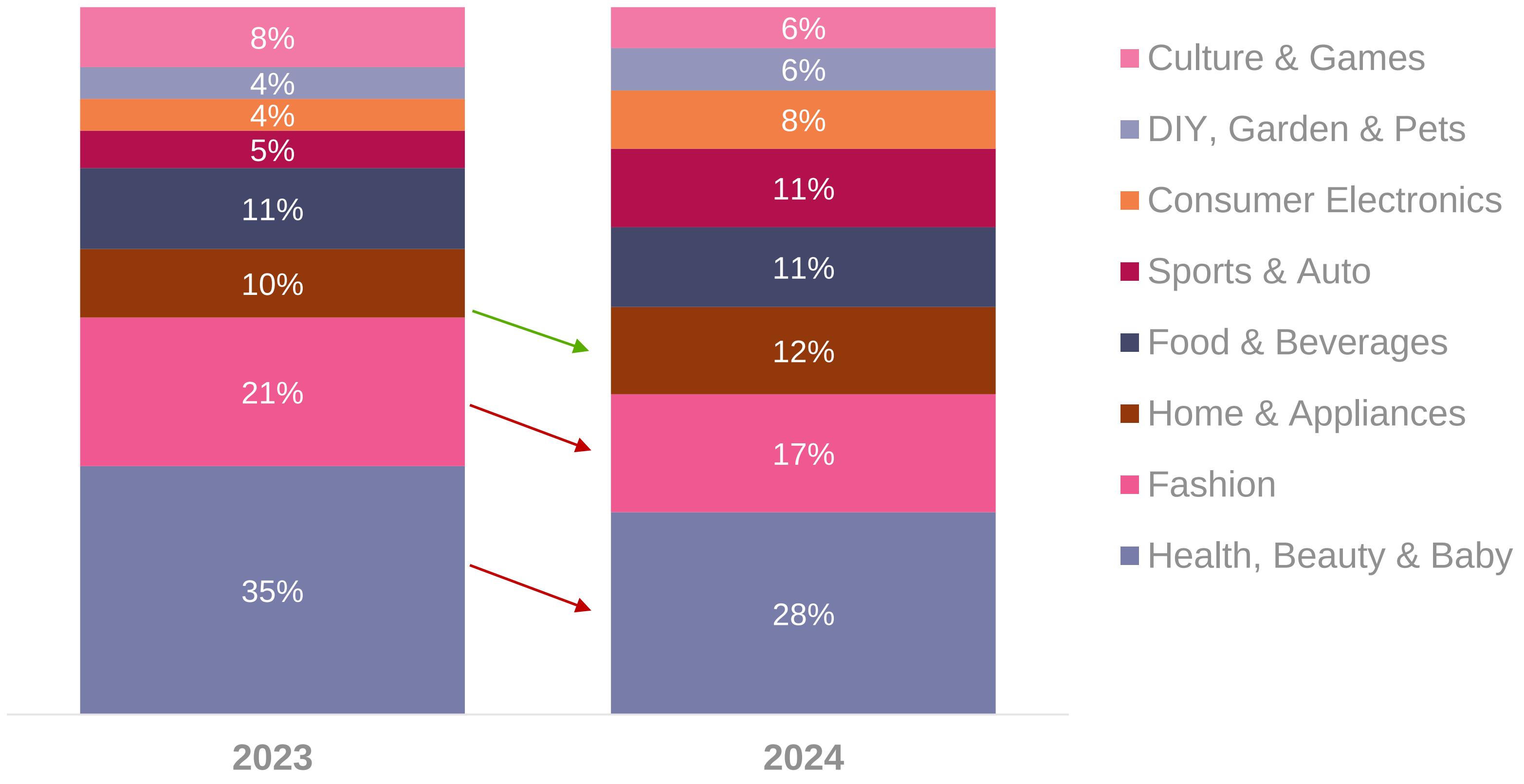
TikTok Shop value market share in S2 2024

Source: Consumer Panel Foxintelligence by NielsenIQ

NIQ *Digital Purchases*

...and growth is accross multiple categories

Category mix of Tiktok in the UK in value – 2023 vs 2024 – UK



Consumer panel Foxintelligence by NielsenIQ. Fashion only : Clothing, Luggage and bags, Shoes and accessories, watches, jewellery. Discount including, before returns and cancellations

Evidence of the widened scope of today’s social commerce revolution

From product learning and discovery to the gamification of purchasing, there are many ways social media is influencing spending.

Purchase intent

1 in 3
are likely to purchase via social media.

1 in 10 for Boomers
vs. ***4 in 10*** for Gen Z

But …

53% don’t trust security of paying via social media.

60% ignore or skip ads on social media.

Learning and discovery

43%
would search social media (e.g., TikTok) for product information before a traditional search engine (e.g., Google).

46%
would use social media as their primary source to learn about new products and services.

Influence on choice

31%
would change brands based upon the recommendation of a social influencer.

10% for Boomers
23% for Gen X
40% for Millennials
44% for Gen Z

1 in 2
would seek a new product in-store or online because of something seen on social media.

Gamification

36%
would spend more on a purchase because of an in-app challenge, point system, or reward experience.

42% for Under 50
20% for Over 50

31%
would purchase a product that has been in a video game / online game.

33% for Males
30% for Female

Source: NIQ 2024 Mid-Year Consumer Outlook, Global

In Fashion, new brands are rising, leveraging social commerce as a new way to connect and convert

TikTok Shop

Top 5 best selling brands on TikTok in 2024

Fashion category – Full Year 2024 – in value

#1 VIRGO boutiques

#2 KATCH ME

#3 KAIIA

#4 MISS LULU

#5 MOOSLOVER

Best seller

Spring summer dress

Wide leg jeans

Oversized hoodie

sculpted horizontal design abs suitcase with tsa lock and 12'' vanity case - cream and brown

women yoga jumpsuits workout ribbed long sleeve sport jumpsuits

Source: NIQ *Digital Purchases*

A shifting landscape

Omnichannel in Fashion

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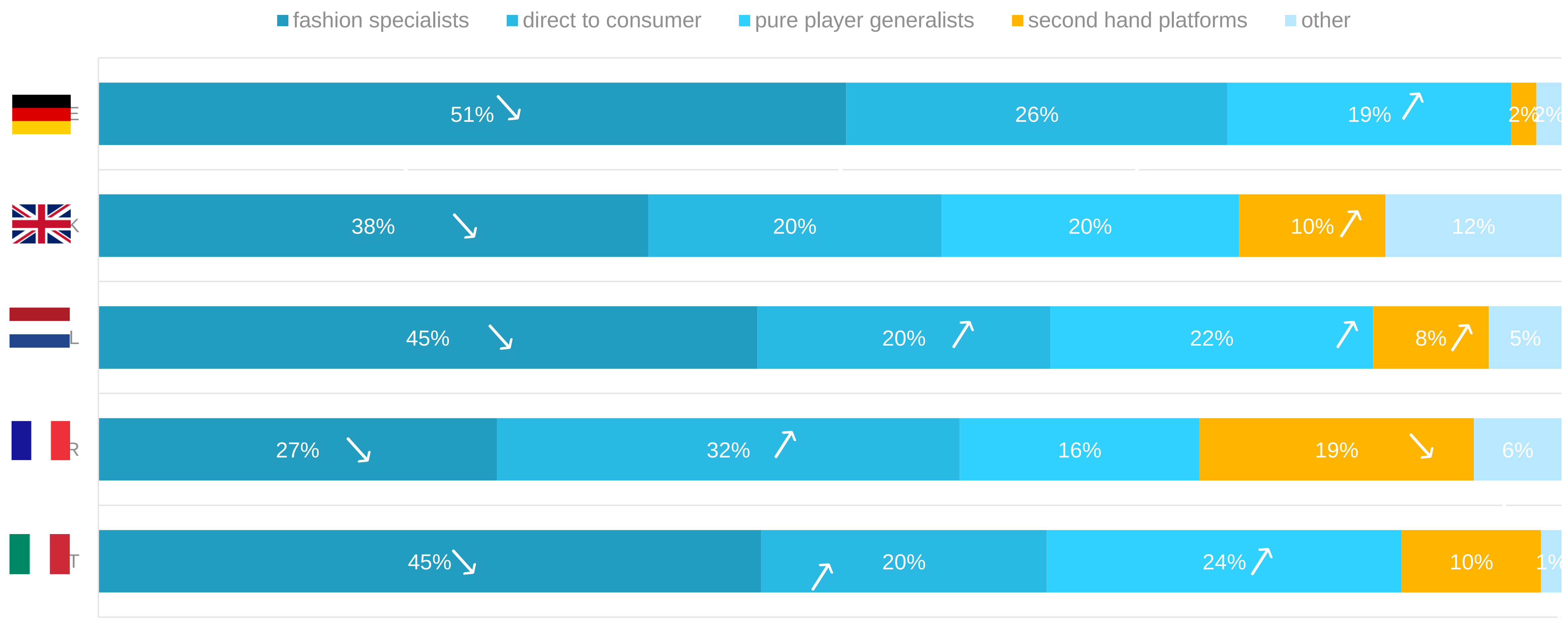
Fashion specialists are losing market shares

NIQ *Digital Purchases*

Merchant type market shares – in value
Fashion– MAT 2024



Source: Consumer Panel Foxintelligence by NielsenIQ – Fashion only: Clothing, Luggage and bags, Shoes and accessories. Discount including, before returns and cancellations - MAT 05.05.2024

Changing dynamics means other retailers gain ground

Top retailers per country - in value
Total Fashion (clothing & shoes) – MAT 2025

#1	zalando ↓	asos ↓	zalando ↓	Vinted ↑
#2	amazon ↑	amazon ↑	wehkamp ↓	zalando ↓
#3	asos ↓	Vinted ↑	Vinted ↑	amazon ↑
#4	H&M ↑	next ↑	SHEIN ↑	asos ↓
#5	ABOUT YOU ↑	SHEIN ↑	H&M ↓	Veepee ↑

Source:

Consumers say they shop *more* at **Shein** and **TEMU** and *less* at **PRIMARK**

Did you buy more/less/equally at the following retailers in the previous 3 months?

More buying in past 3 months

Equally buying in past 3 months

Less buying in past 3 months

Source GfK Omnibus Survey august 2024 – significant differences compared to total brands
Base:13+ NL purchased clothes in the past 12 months at retailer

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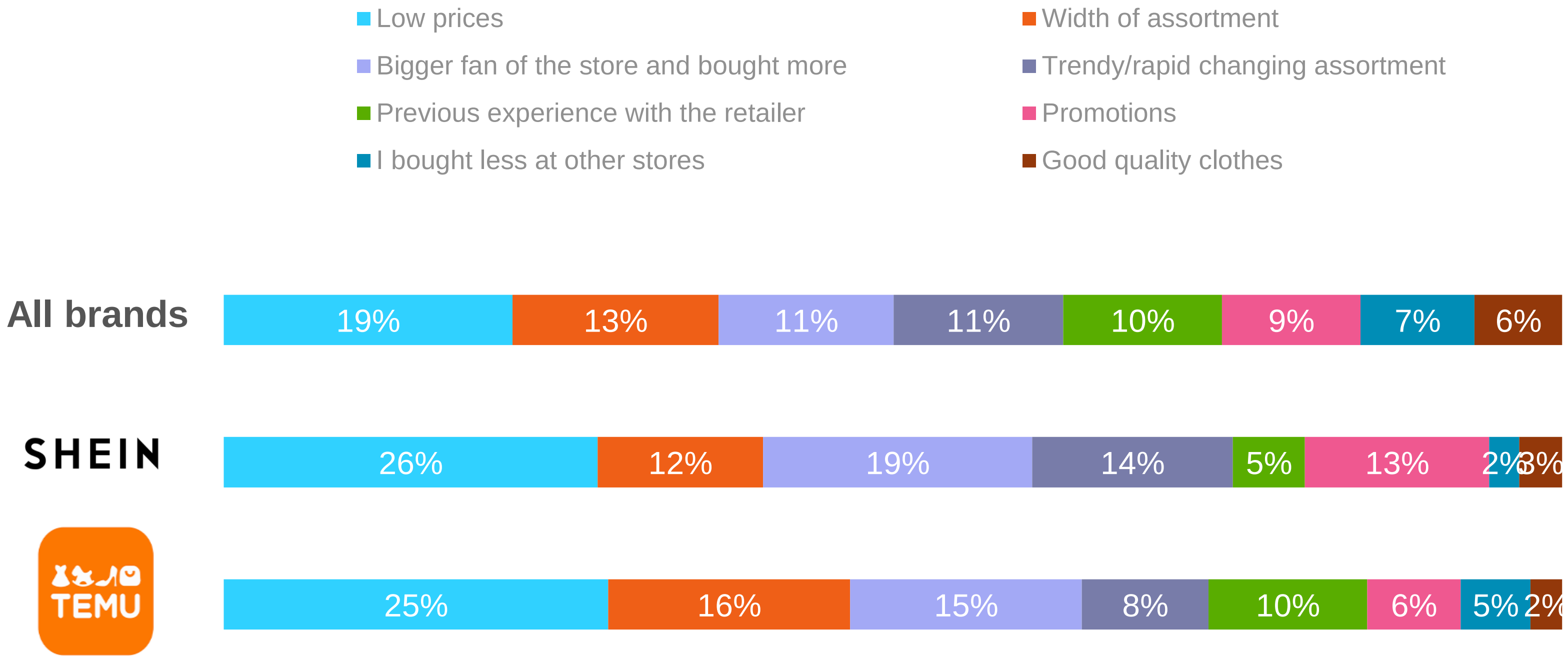
Low prices, brand love, assortment and promotions are reasons to buy *more* at Shein

Why are they shopping more?

August 2024



Source: GfK Omnibus Survey august 2024
Base: 13+ NL, purchased more/less clothes in past 12 months at retailer | respondents could give 3 reasons – first reason reported

Key takeaways

Summary

There are uncertain times ahead

- Although willing to spend money, consumers are cautious on their spendings
- E-commerce is rebounding from the decline last year, offering new potential opportunities

The competitive landscape is dynamic. Online is not a copy of the offline situation

- New online competitors are entering the market and remaining retailer are changing their distribution policies
- Across generations new consumer adapt, and new channels will appear

Consumer behavior is changing

- Several trends already visible in The Netherlands or observed in neighboring countries that are likely to come in the (near) future. Anticipate these and think about ways how you can leverage this to accelerate your growth

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Download the slides

Thank you!

Let's stay connected

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