

Full-View-Talk: Ontwikkelingen in de Nederlandse Consumentenmarkt

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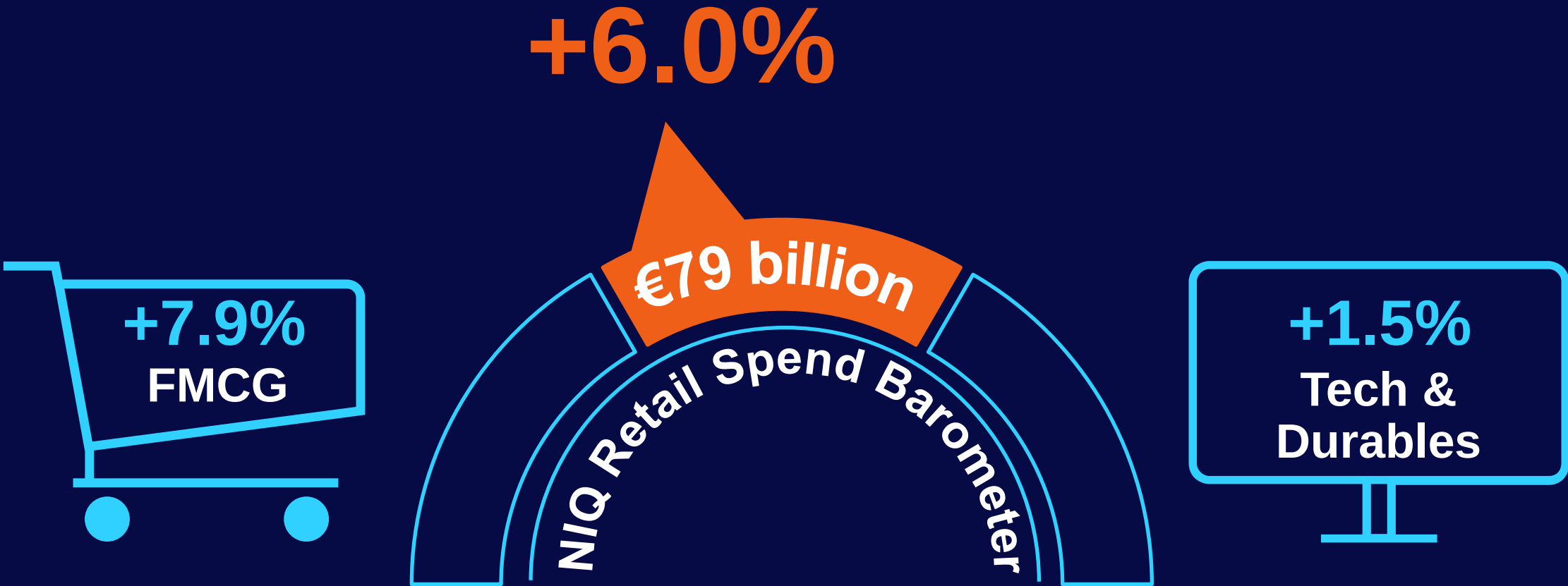
27 juni 2024

NIQ



The Full View™ of Retail - NIQ Retail Spend Barometer

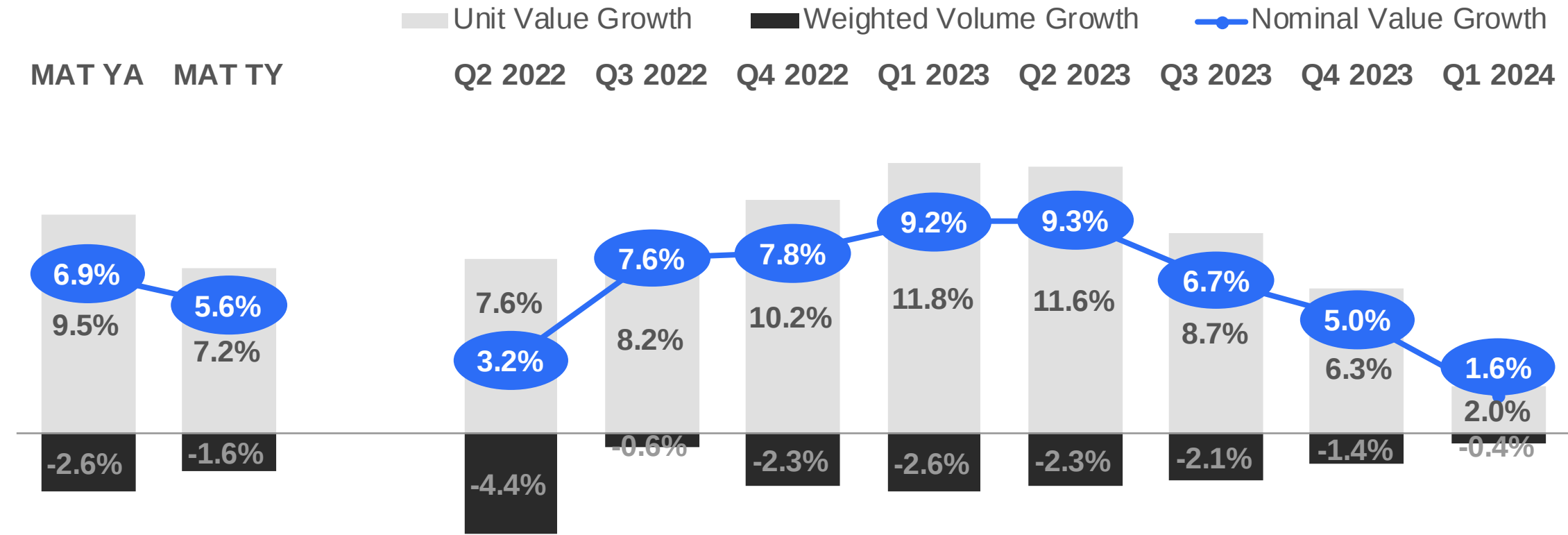
Consumer spending in full year 2023 vs. full year 2022



FMCG price inflation decelerating in Q1, volume decline less strong

FMCG market dynamics – Q1 2024

% growth vs same period YA



Source: NIQ quarters by numbers report FMCG West Europe Q1 2024 - NielsenIQ RMS MAT Q1 2024 | GDP and Inflation latest quarter forecast used where actuals not available

Costs of living remains top of mind for consumers

Rising (food)prices continue to be the **#1 global (and European) concern**



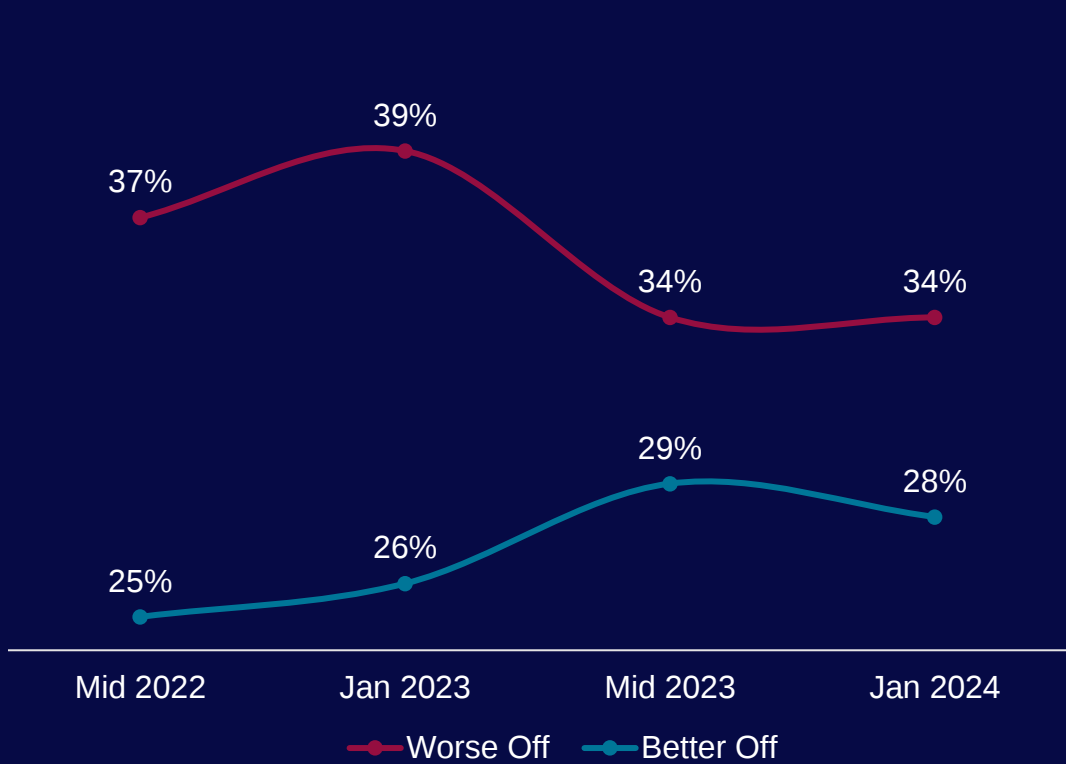
Purchasing power is still under pressure as **wage lags price growth** across most countries



NIQ 2024 Consumer Outlook vs Mid-Year 2023 Survey, Global
Trading Economics, Note: Total 2024 calculated as average of Q1, Q2 & Q3 forecast

But overall sentiment presents a modest improvement as inflation decelerates over 2023

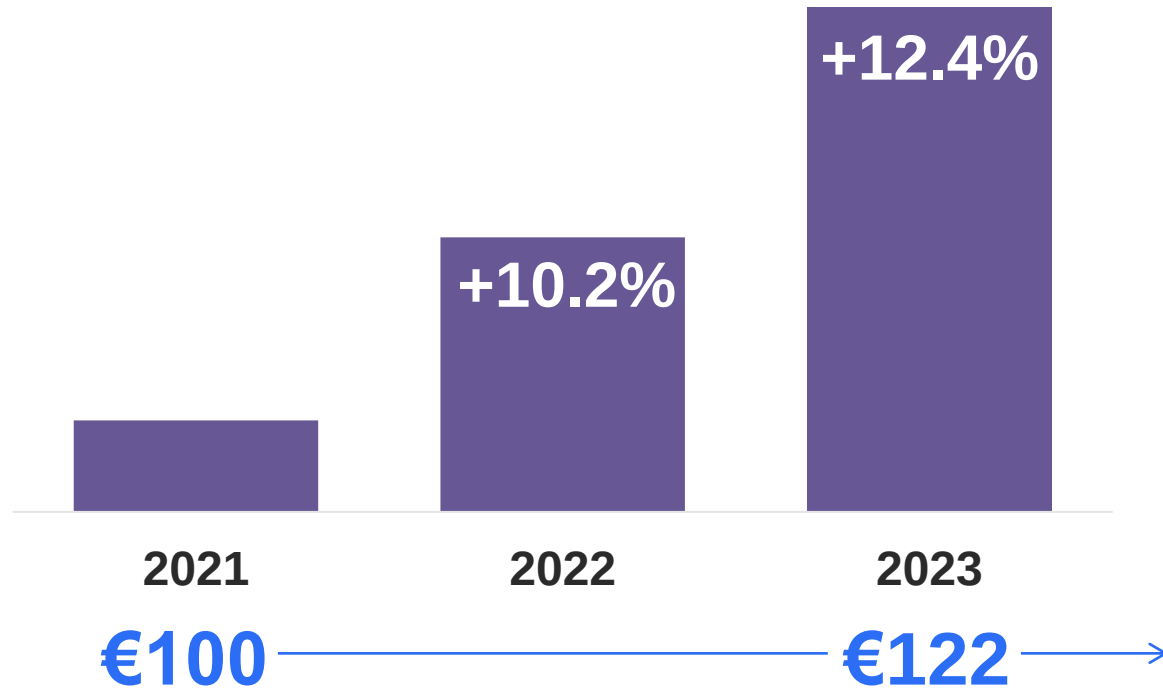
Consumer financial position
Sentiment year-over-year (% respondents)



Source: NIQ Consumer Outlook 2024, Global
Q: Compared to a year ago, is your household better off or worse off financially

The compounding effect of inflation causes a big reduction in purchasing power for supermarket shoppers in the Netherlands

Annual % Increase in prices on the overall shopping basket



Consumers
are spending
22% more
on FMCG
vs. 2021



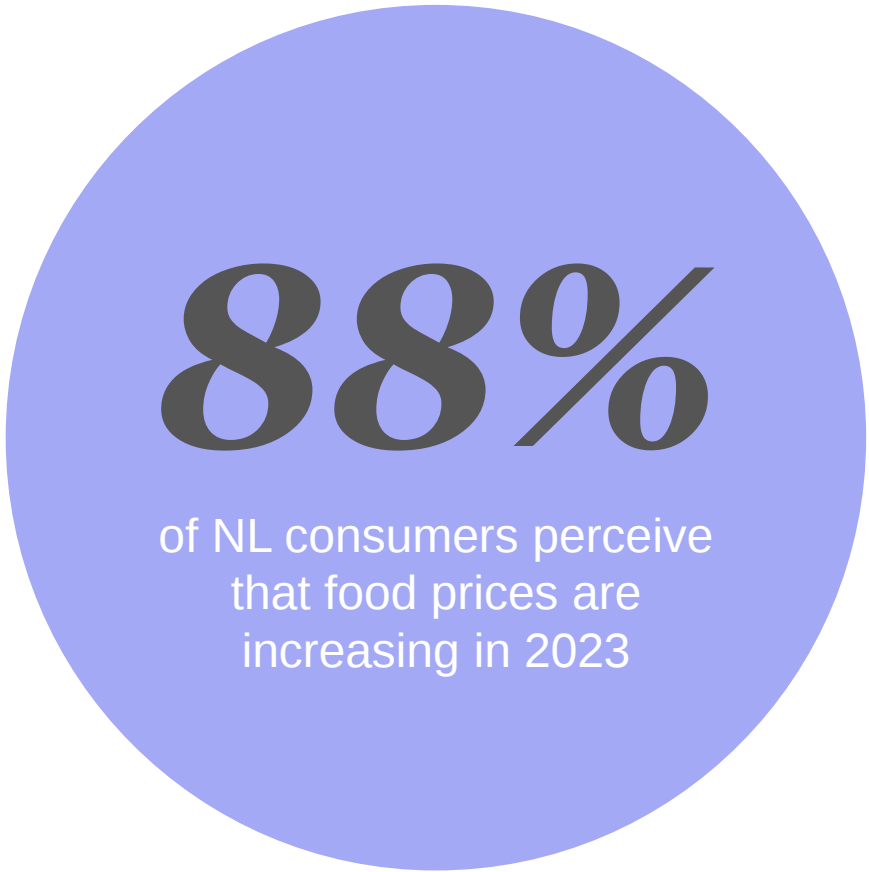
Source: NIQ NL Scantrack | Supermarket | Based on basket of > 36.000 products sold in NL Supermarkets.
EAN's included represent a MAT value of 24.3 Bln. Excluded categories are Fresh categories with variable weight (fruit, vegetables, meat, bread, cheese) and general merchandise.
Selected products items have at least 1K Euro sales every single 4-weekly period over the last 2 years.

The NL shopper responses of 2022 remain in 2023; buy less and switch to cheaper brands



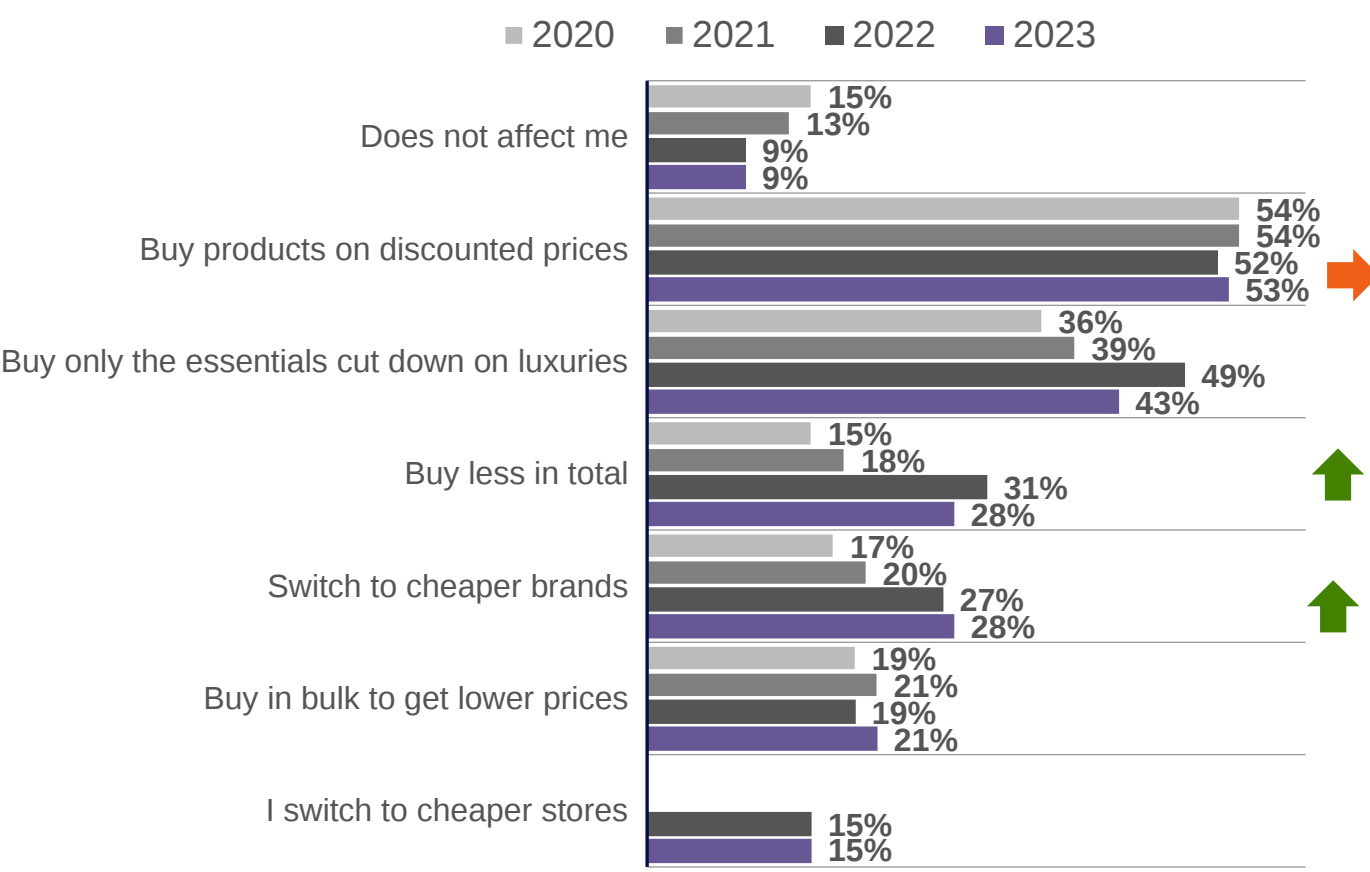
More than half keep saying that they will shop on promo

Perception of food prices



Ref. Q79 Are food prices in your country...
Base: All HM/SM shoppers 2020(n=1449), 2021 (n=1437), 2022 (n=1401), 2023 (n=1471)

Response to rising food prices



Ref. Q125 Which of the following best describes your response to rising food prices?
Base: all who claim that food prices are increasing 2020(n=1092), 2021 (n=1162), 2022 (n=1244), 2023 (n=1294)

Source: NielsenIQ GfK ShopperTrends Netherlands, November 2020/2021/2022/2023

Volume

-2.3

% Volume Sales Growth
vs Last Year

Private label

+1.1

Private Label value share
chg in %pt

Promotions

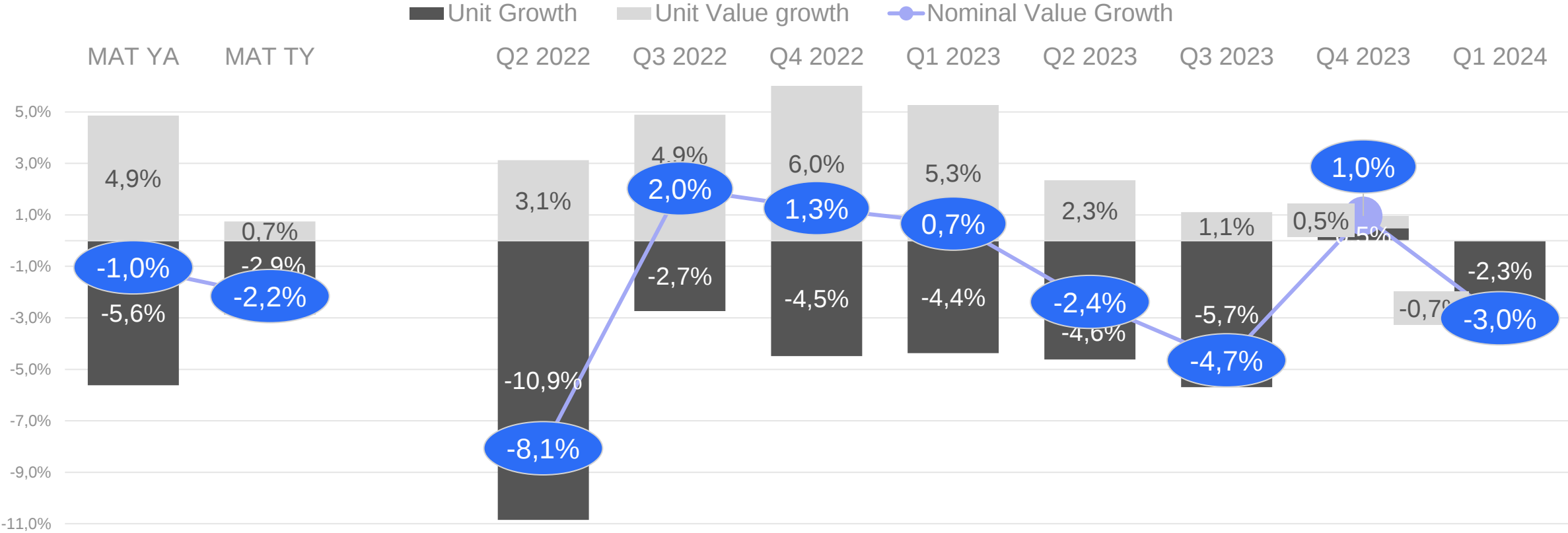
+1.0

% Promoted value chg
in %pt

Technical Consumer Goods price inflation less than FMCG; in Q1 2024 prices have even fallen

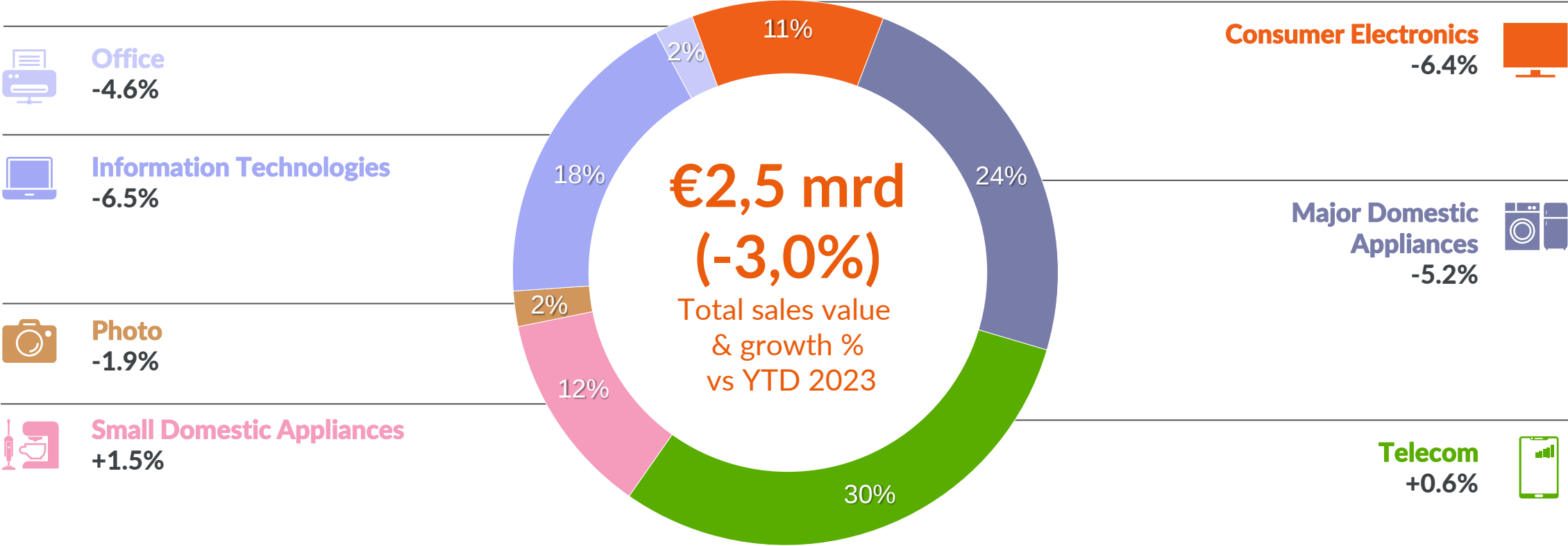
TCG Market Dynamics– Q1 2024

% growth vs same period YA



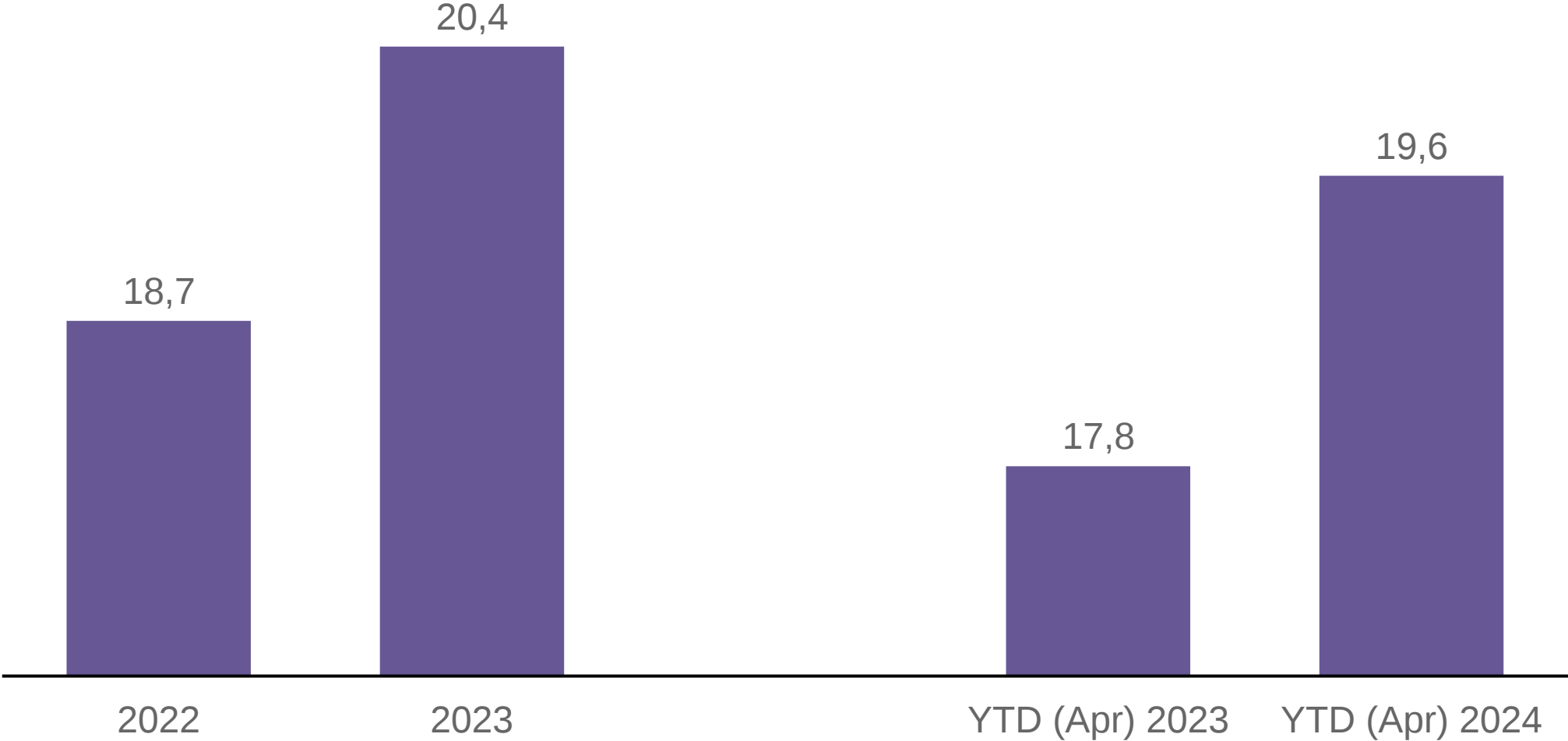
Large differences between categories in TCG; innovation growth driver in SDA and Telecom

Q1 2024



Promo pressure also increasing in TCG

Share of units sold with 10% price cut in TCG



Source: GfK MI data NL



Executorial excellence

Growth in existing and new channels



Innovation

Continuous innovation



Leverage on Premium



Environment and Sustainability

Commitments and credentials

Growth in 2024

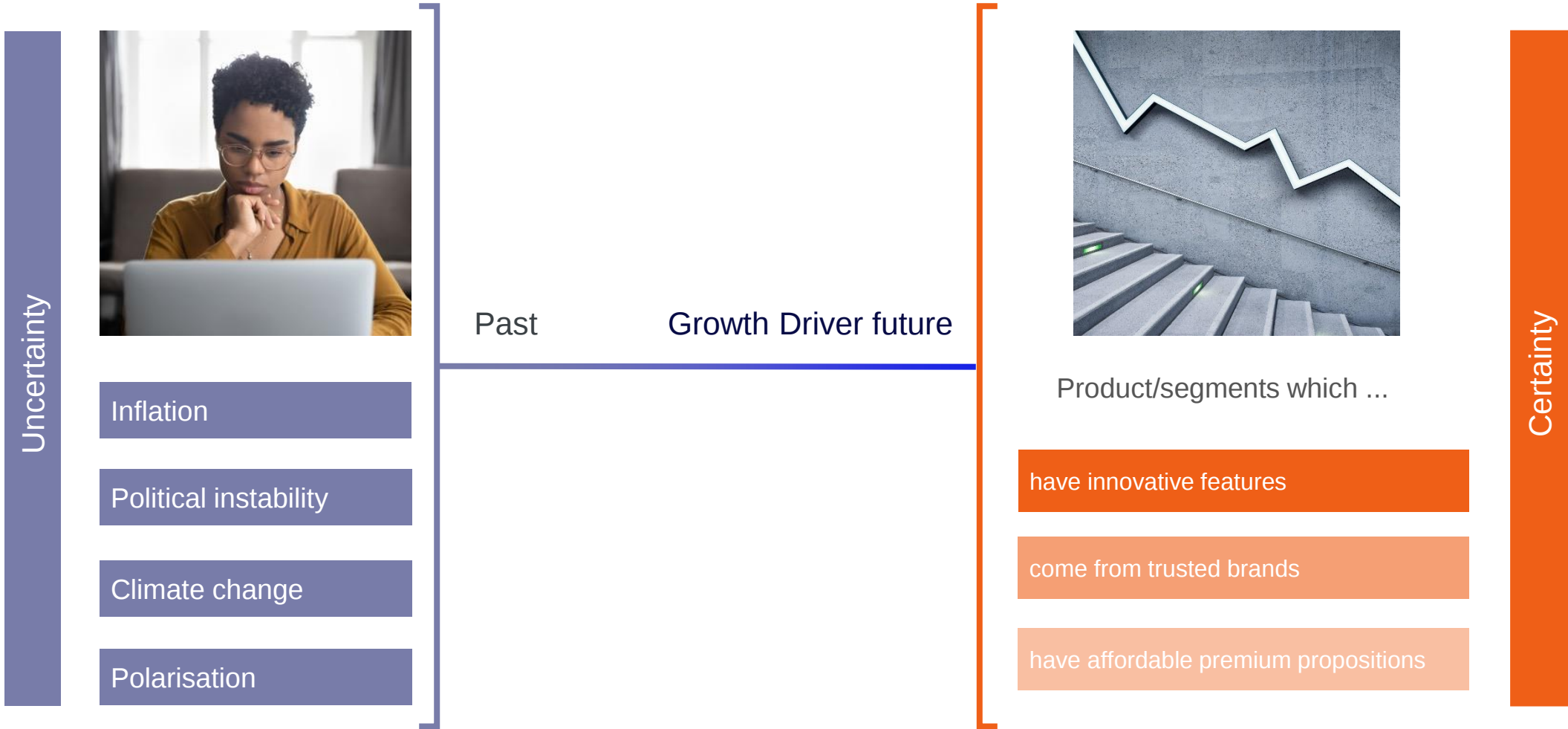
2024



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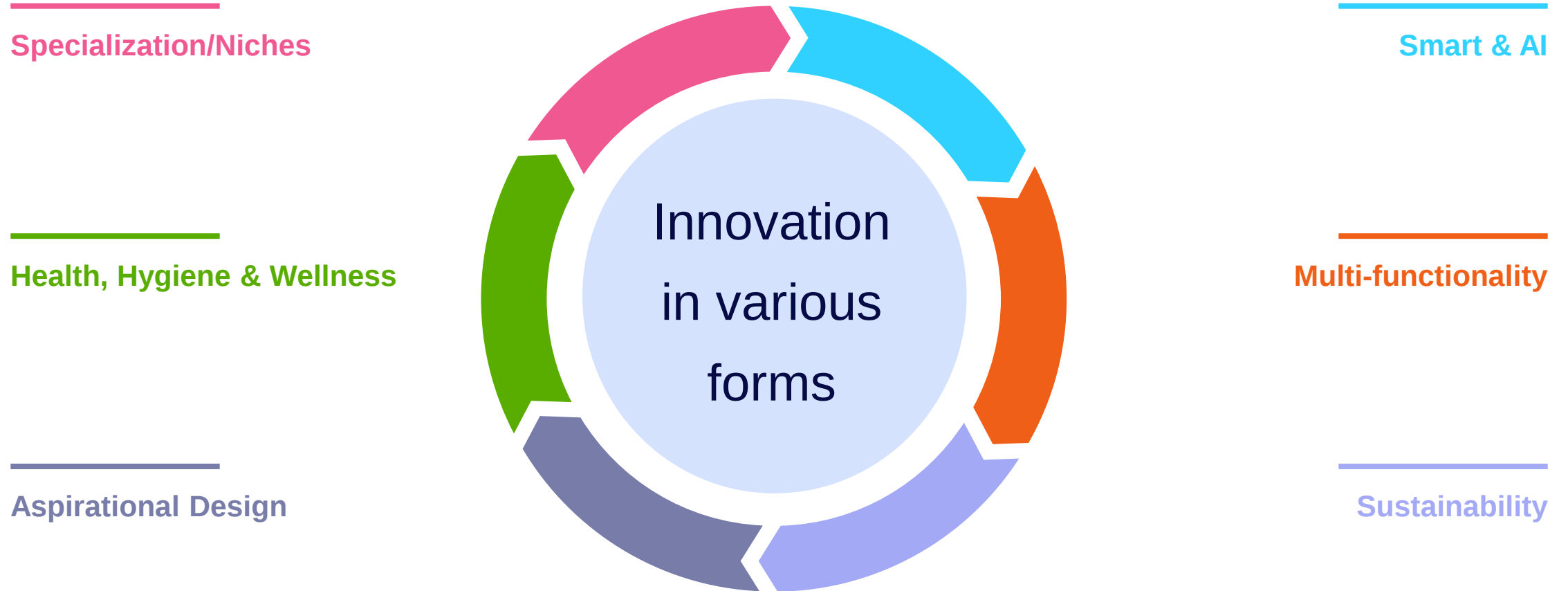
What can we expect in 2024?

Consumers will look out for products they can rely on



What defines „innovation“ and „value“?

It can mean different aspects in different categories

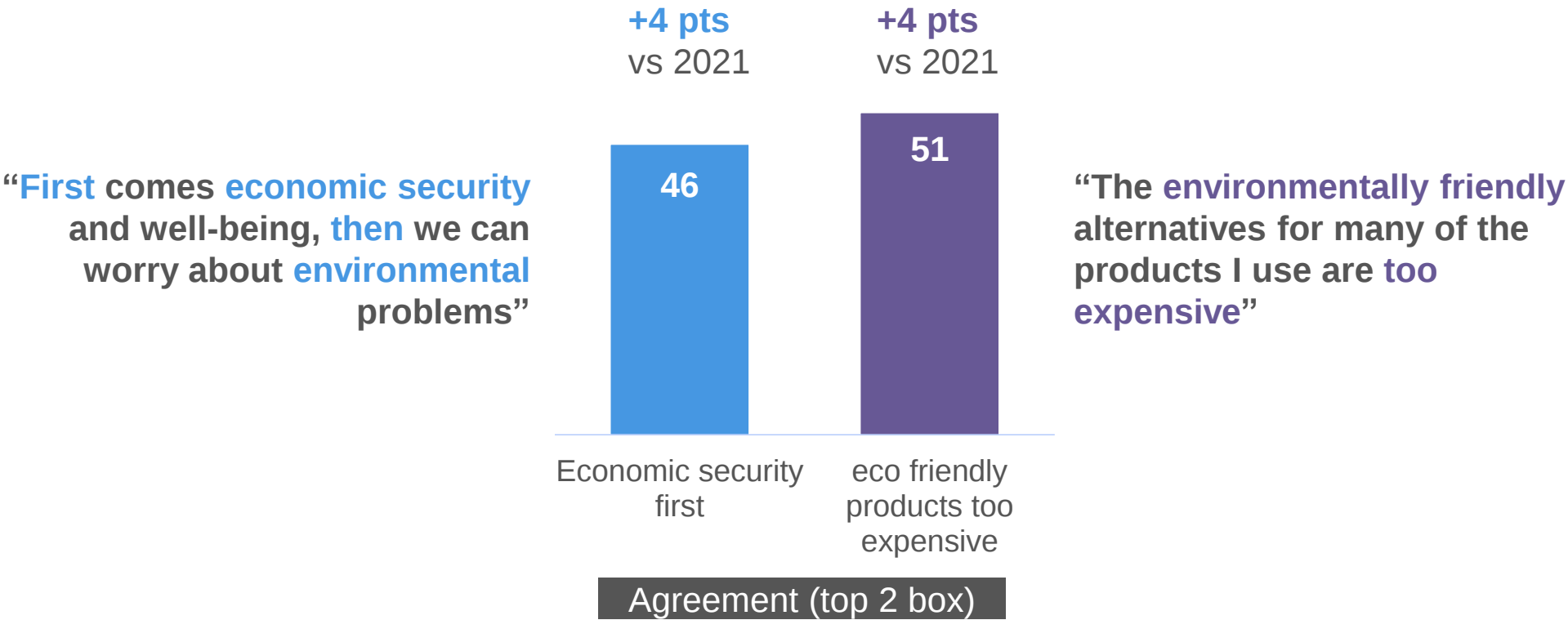


Source: Global TCG Trends Report 2023 – Global Strategic Insights

Inflationary pressures are also impacting spending on sustainability

Economic considerations gain weight again, making sustainable behavior more difficult

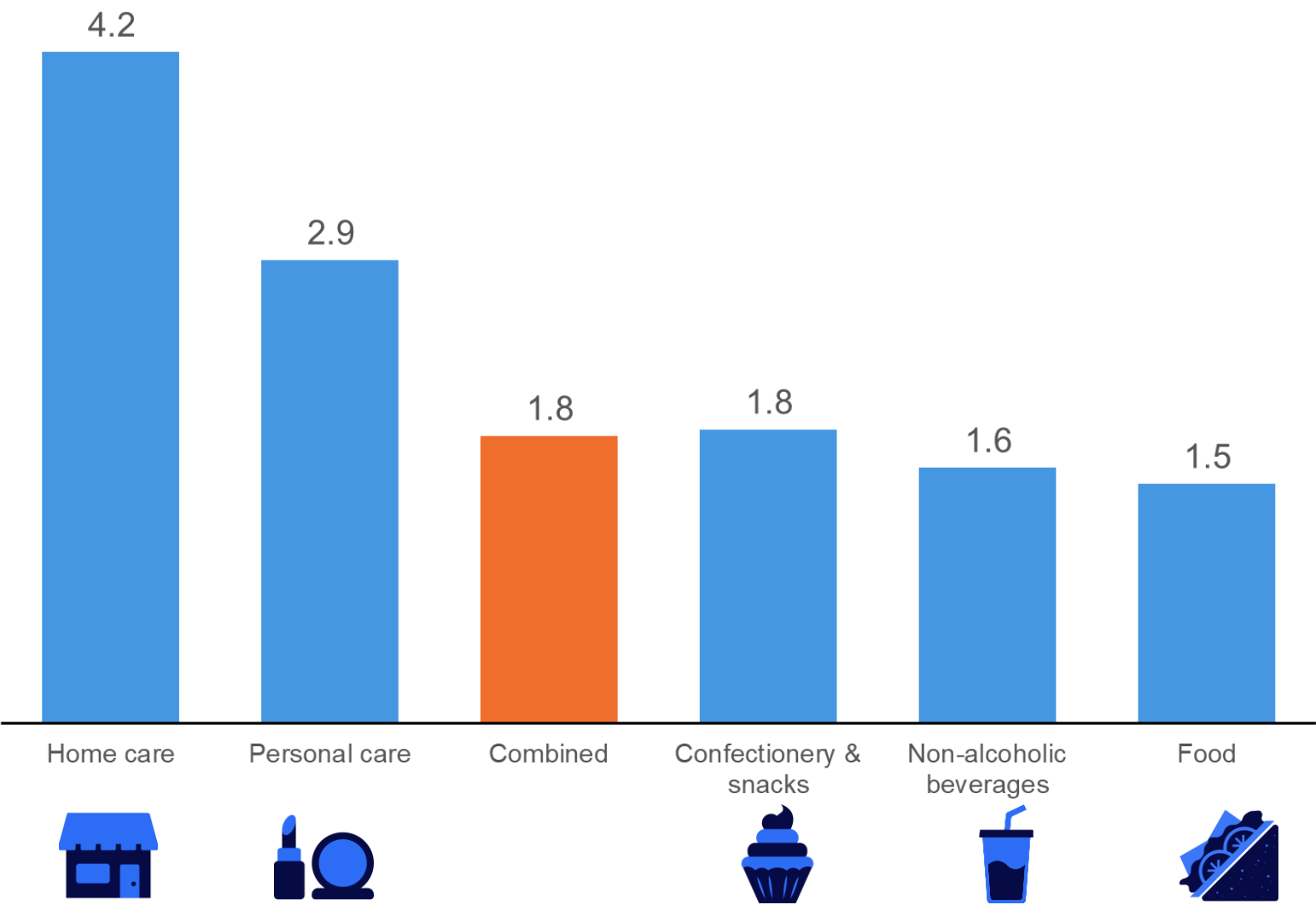
How much do you agree or disagree with this statement?



Source: GfK Consumer Life Global 2023; A02c, GG_2
Source: GfK Consumer Life Global Green Gauge® Report

FMCG Manufacturers growing innovation sales in 2022 were **1.8x** more likely to grow overall sales than those with stagnant or declining innovation sales

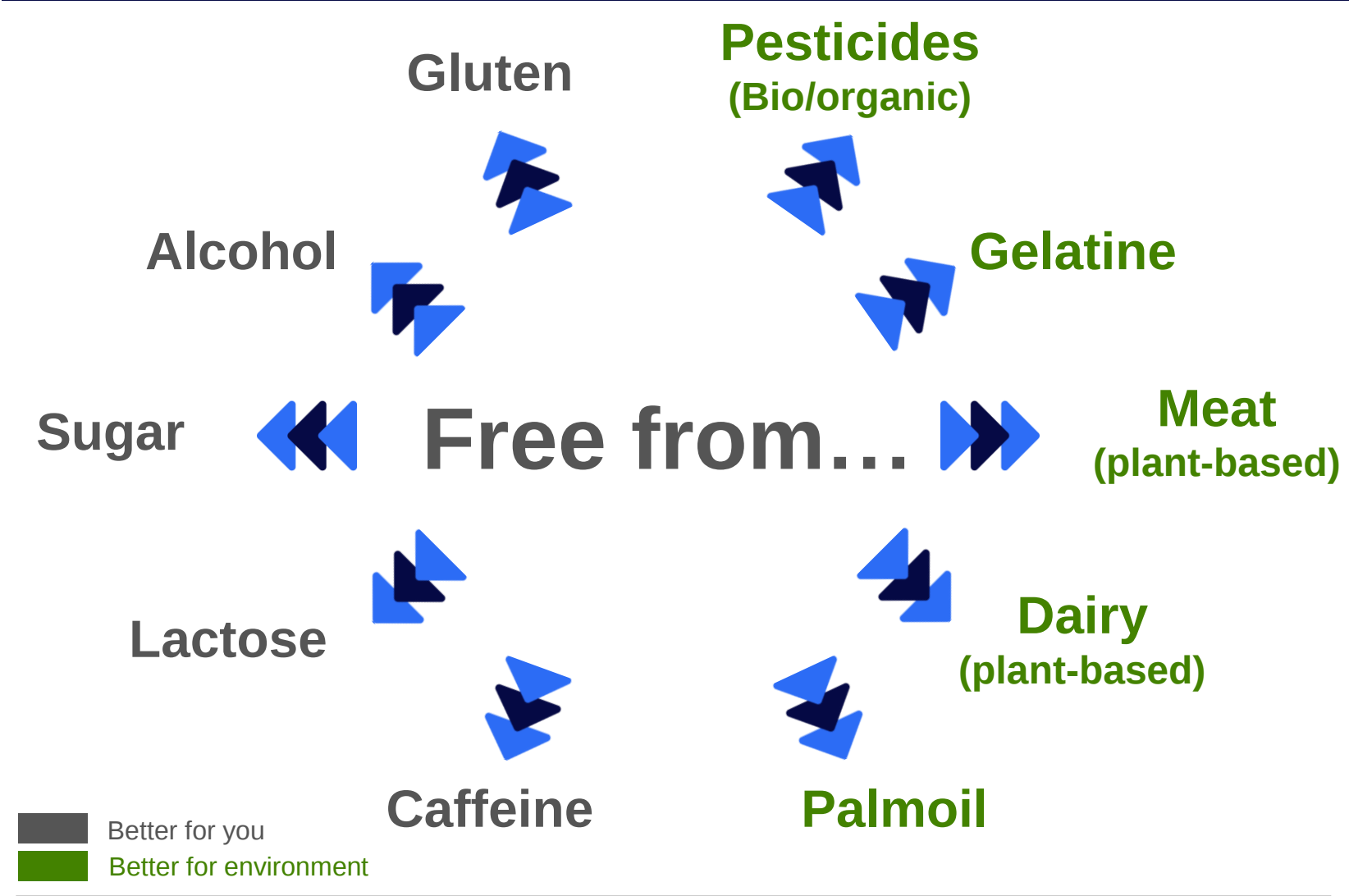
Impact of innovation on overall growth



NIQ *Better For*™...



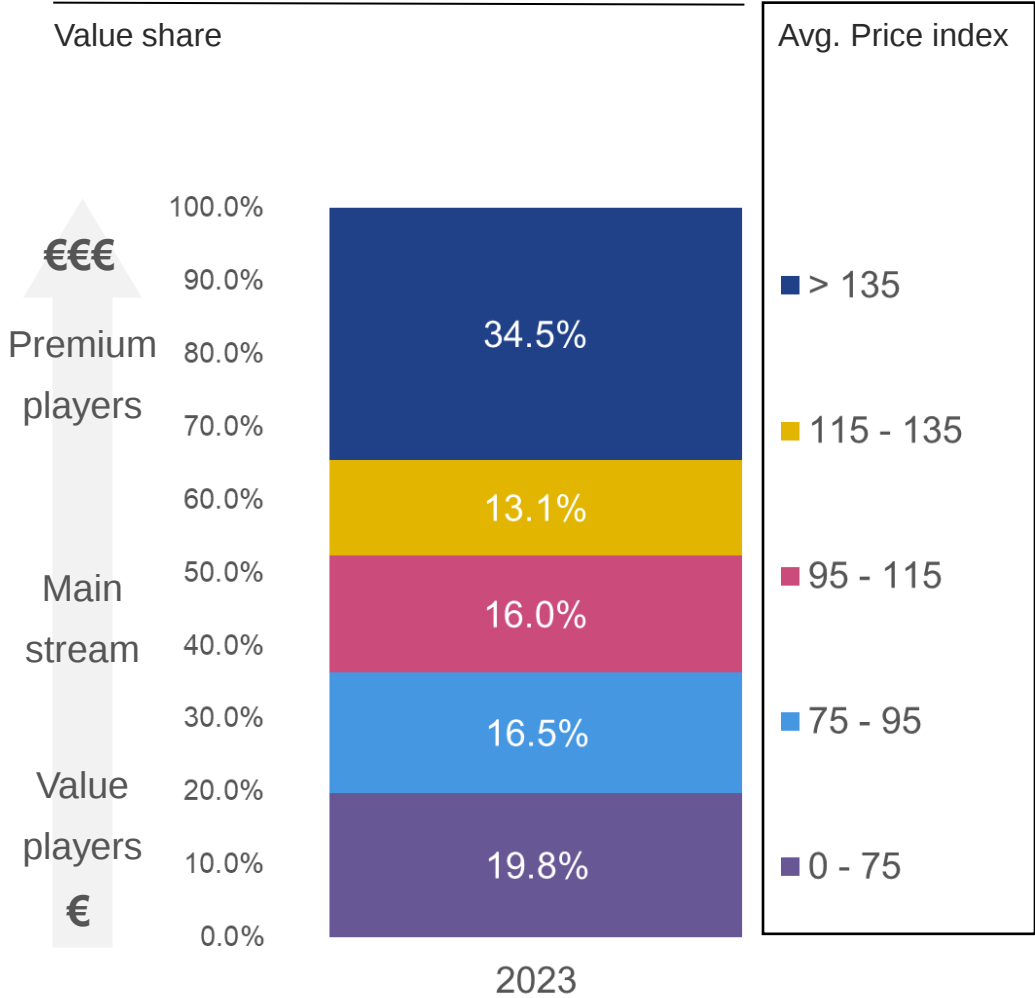
Health, Wellness & Sustainability translates in several
‘Free from...’ Better For You/Environment trends



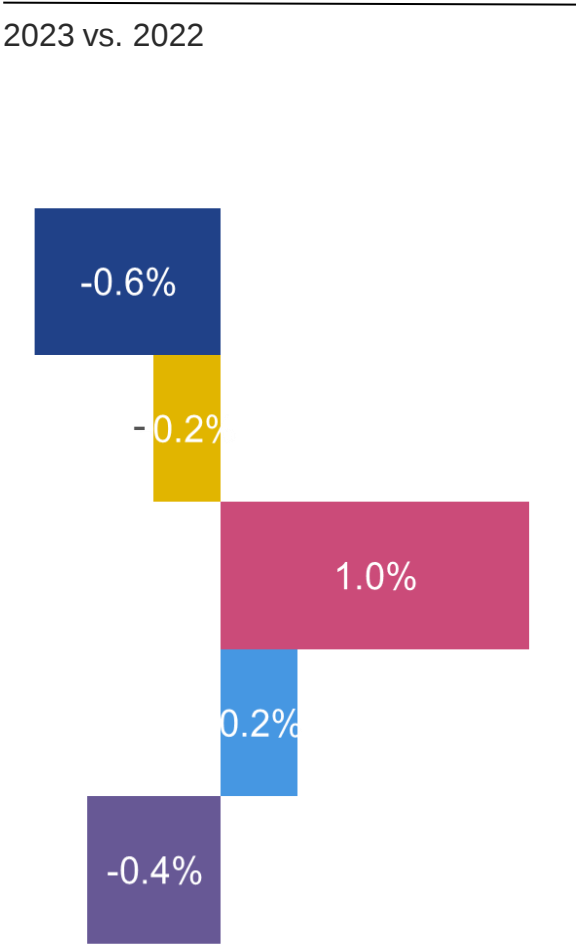
Mainstream price tier wins most share

Premium is losing value share
Trend change after years of share growth for Premium

FMCG - Price tier mix



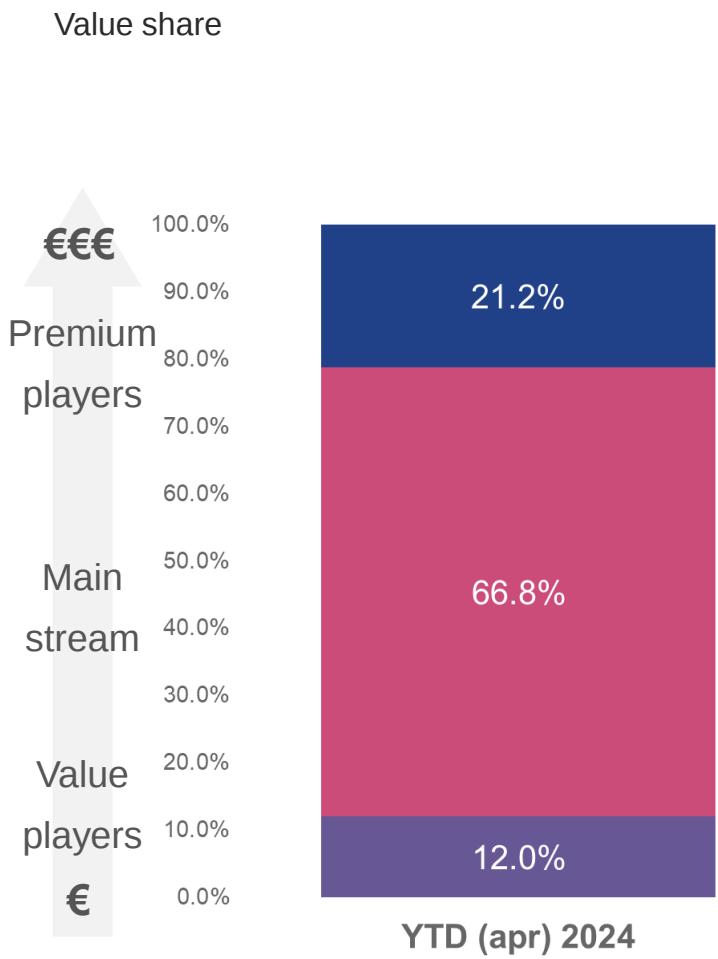
%Pt Change



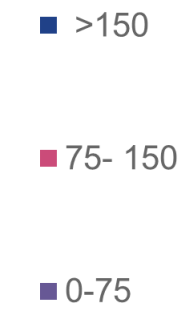
Source: NIQ NL Scantrack | Supermarket | Excluded: Tobacco |
Price tiers based on average unit price index of individual SKU's vs. the average unit price on category level

Mainstream price tier wins share in TCG

TCG - Price tier mix

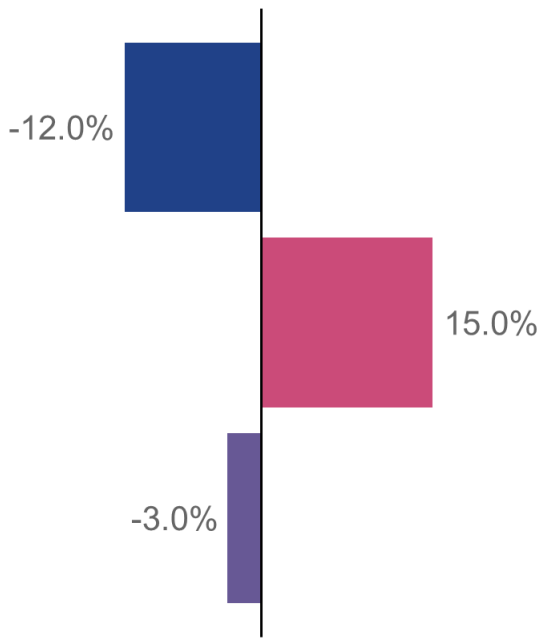


Avg. Price index



%Pt Change

2023 vs. 2022



Source: GfK MI data NL
Price Index of brands based on product group level

Five years of retail disruption and changing shopper behaviour

2023 Survive, 2024 Revive (?), 2025 Thrive



FMCG Forecast SM 2024

Excl. tobacco

Value: +3.2%

Volume: +0.3%

T&D Forecast 2024

Excl. Fashion & Homewares

Value: +0.5%

Volume: +0.8%

Note: a forecast excl. tobacco is relevant as per 1 July 2024 the sales of tobacco in Supermarkets will be banned

2024

Revive



Expect (a little...) value growth in 2024

Ensure you are positioned to be a growth driver



Price and promotions will still shape the agenda

Get the balance right



Review channels

Think Omnichannel, consumers are expecting this.



Innovation is an important driver for growth

Innovation comes in all shapes and forms



Health, wellness and sustainability are front of mind

Communicate and quantify benefits and credentials

A person with a yellow backpack is seen from behind, standing on a bridge and looking over a canal in Amsterdam. The canal has a yellow boat with people on it. The background shows historic buildings and trees with autumn foliage.

NIQ

GfK

We deliver **the Full View.**[™]

*The most complete and clear understanding
of consumer buying behavior.*