Growth & Transformation Consulting

Conflict Response Framework

- Executive Summary
- Current conflict assessment
- Early consumer sentiments
- Roadmap - During conflict - Near term
- Roadmap - Post conflict - Future term

NIQ Next

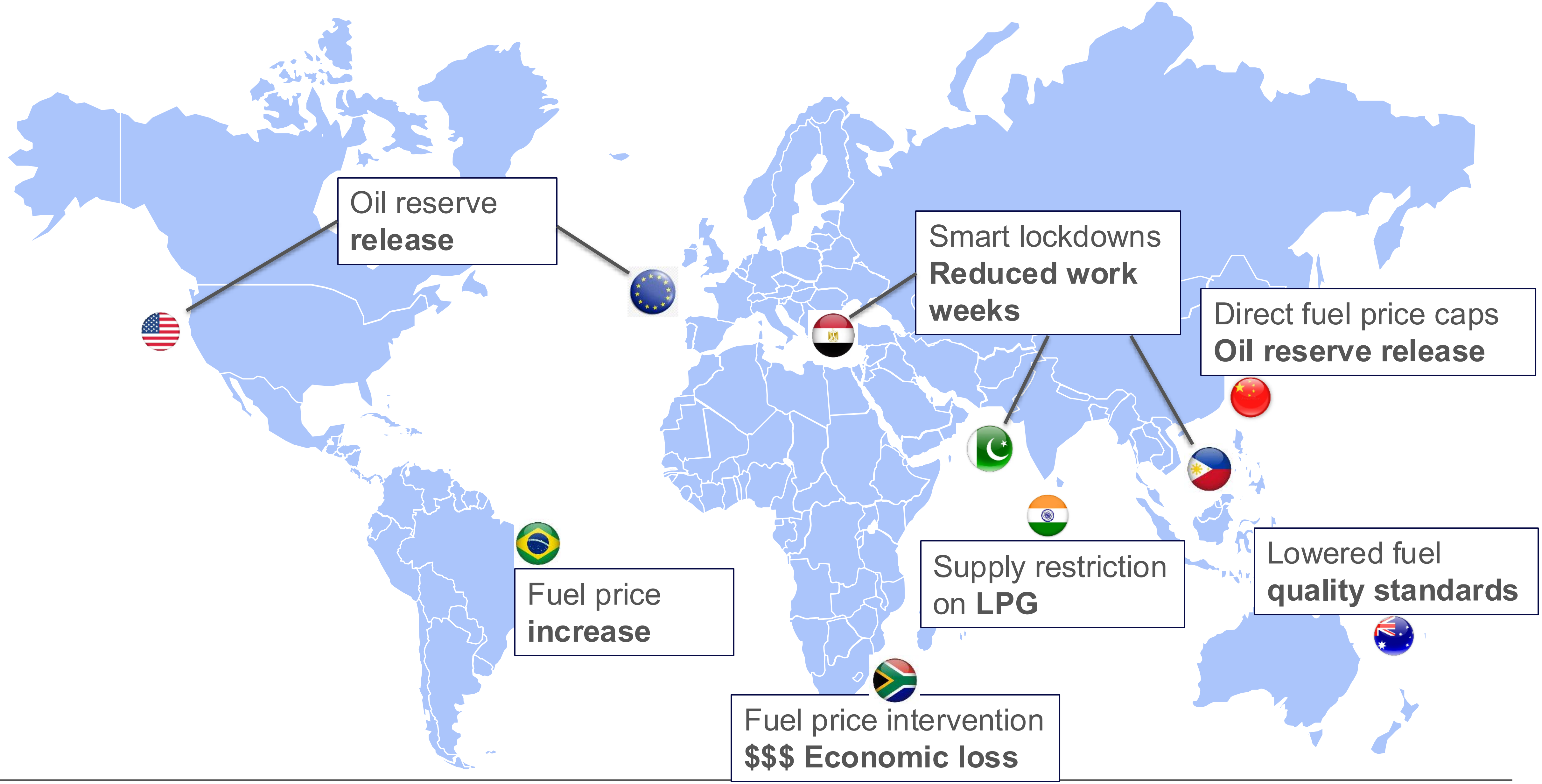
Executive Summary

The dawn of February 28, 2026, marked ***a seismic shift in the global security landscape*** as a combined force of United States and Israeli assets launched Operation Epic Fury, a massive and coordinated aerial offensive against the Islamic Republic of Iran. The conflict has not only reshaped the immediate Middle Eastern theater but has also triggered a global economic and humanitarian crisis that threatens to destabilize nations from the North Sea to the South China Sea.
A **temporary ceasefire** is in place starting **8th April**. The Pakistan brokered truce meant to stop immediate escalation but a deal has not been reached.

The Purpose of this document: Help NIQ clients **pivot from reactive firefighting to repeatable, data-led growth -** using **The Full View™** and NIQ capabilities to make faster, better decisions across portfolio, price, innovation, omnichannel, and retail media.

- *NIQ Next* **view on business impact**
  - **Supply chain disruption** - increase in shipping costs, out of stock scenarios, transit time ballooning
  - **Channel dynamics:** role of e-commerce, key accounts for pantry stocking
  - **Consumer behavior and sentiments:** value seeking behavior, K shaped economy, importance of private label and promotions
  - **Must stock category essentials**: demand compression on premium categories, growth for staples/essential categories
- Navigating ***what's now***
  - Maintaining business continuity
  - Optimizing operations
  - Positioning for recovery
- Navigating ***what's next***
  - Market revival and increase in consumer confidence
  - Supply chain normalization
  - Growth trajectories reestablished

Current Conflict Assessment – around the world



Current Conflict Assessment and Its Implications

Blockade of chokepoints

Strait of Hormuz and The Red Sea

Waterway that transits roughly 20 percent of the global oil and 21 percent of the liquefied natural gas (LNG) supply.

Implication: Surge in oil and gas prices affecting large global economies like China, India, Japan and Korea

Macroeconomic shocks

Systemic collapse of economic model

Iranian strikes on GCC's critical civilian infrastructure, EU and UK dependency on LNG from Qatar.

Implication: Chemical and steel manufacturers imposing surcharges to offset surging electricity costs. Overall supply chain shocks will be felt across economies in EMEA and APAC.

High-Tech supply chain

Reliance on Helium Gas

Disruption of critical mineral and gas supplies for the electronics industry. Qatar produces 1/3rd of global Helium supply, an essential component for semiconductor manufacturing

Implication: Threatens to create bottlenecks in the production of microchips used in everything from smartphones to artificial intelligence (AI) data centers

Africa and South Asia vulnerabilities

Burden of net imports

Most African countries are net importers of refined oil products. Whereas, Pakistan and Bangladesh are fragile economies.

Implication: Ripple affect on key industries that contribute to the economy like auto, fertilizers, and flowers (Kenya)

Airspace disruption

Passenger and cargo

Emirates and Qatar airlines face obvious disruptions due to airspace closure impacting the entire Middle East region

Implication: While impacting 500M annual passengers, 20% of global air cargo also impacted

Rank	Country / Region	Share of Oil & Gas Imported from Gulf via Hormuz (%)
1	Japan	≈90-95% of crude oil
2	South Korea	≈85-90% of crude oil
3	India	≈55-60% of crude oil
4	China	≈45-50% of crude oil
5	Singapore	≈65-70% of crude oil
6	Pakistan	≈70-75% of crude oil
7	Thailand	≈60-65% of crude oil
8	European Union (esp. Italy, Greece, Spain)	≈15-25% oil / ≈10-20% LNG
9	Turkey	≈30-35% of oil
10	Philippines	≈55-60% of oil

Sources: IEA, EIA, METI, KEEI, MoPNG, UNCTAD

Ripple effect on industries and verticals

Energy
Average US gas prices topped $4in March according to AAA. Countries worldwide have faced gas price hikes, a direct result of surging crude oil prices.

Food costs and availability
Increased shipping costs have led to higher food prices globally. Produce prices could be affected by potential fertilizer sh ortage

Tourism
Flight prices are climbing worldwide as jet fuel spikes. Route changes and security threats are affecting tourism in the Middle East.

Aluminum
About 20% of the world's raw aluminum, used in building materials, comes from the Middle East.

Helium
More than a quarter of the world's helium, used to make AI chips, comes from Qatar.

Naphtha
South Korea may limit exports of naphtha, a petroleum byproduct used in washing machines

Rice
More than 400,000 tons of basmati rice grown in India have been stuck at Indian ports in transit.

NIQ Next Source: CNN World

Potential scenarios under ceasefire

Should the ceasefire prevail the sentiments will climb but some on-the-ground realities will prevail

Logistics and Lead time

Improvement: Shorter sailing routes improving transit times between Gulf and South/Southeast Asia.

Watchout: Freight rates remain elevated. Vessel backlog will add to the lead time.

Energy

Improvement: As we progress under ceasefire, the energy prices should become less volatile.

Watchout: Average prices may remain higher due to damage in infrastructure and insurance risk.

Sourcing & Manufacturing

Improvement: Potentially explore GCC based manufacturing and packing to avoid dependency on Hormuz.

Watchout: Capex and supplier strategy shift from lowest-cost sourcing to lowest-risk resilient sourcing.

Consumer behavior

Improvement: Recovery will happen but the effects of inflation will keep consumers price sensitive.

Watchout: Typical downtrading to low value brands and smaller sized SKUs.

Alternate logistics routes

KSA, UAE, Qatar, Bahrain and Kuwait planning to avoid dependence on the Strait of Hormuz.

Yanbu industrial port in KSA and Fujairah port in UAE have been instrumental in diverging oil supply avoiding the Strait.

People Open to Try New Brands or Stick to Favorites?

Consumers largely prefer sticking to familiar brands, with limited inclination toward experimentation

NIQ Consumer Sentiment Pulse Study Apr '26

Which of the following best describes ***how you feel about changing brands*** and buying different grocery items?

% of People who love trying new brands & products

Price Perception and Coping Behaviors

With food prices perceived as rising, consumers are actively managing their budgets, switching to lower-priced options, focusing on essentials, and seeking promotions, signaling heightened price sensitivity in everyday shopping.

How have ***food prices in your country changed*** over the past week?

% of People saying Prices have Increased

COVID-19 Consumer Journey: FMCG and T&D five-year retrospective

Learning from the COVID-19 years – A five years journey from survival to recovery

2020

Surviving Covid-19 global pandemic

- Home centric living
- Digital transformation
- Pantry loading behavior
- Disruption of T&D purchase cycles

2021

Adapting to the "new normal"

- Constrained shoppers
- FMCG normalization
- Vaccination roll out and reopening
- On the go recovery
- T&D Premiumization

2022

Resisting soaring inflation

- Impact of conflict on energy and food prices
- Volume contraction
- Displacements in EU
- T&D post-covid market saturation

2023

Enduring a cost-of-living crisis

- Price pressure
- Saving strategies
- Private Label surge
- Snacks and Beverages resilience
- Promo recovery

2024

Recovering consumption

- Food leads the way
- Subsidies boost T&D
- Rise of AI and Chinese businesses
- Promo #1 growth lever
- Rise of sustainability

Conflict Response Framework

NAVIGATING THROUGH THE CRISIS	Near term	SHOPPER & CUSTOMER MANAGEMENT	X	RECODE PRICE & PACK ARCHITECTURE	X	PROTECT BRAND RELEVANCE	X	RENOVATION PLANNING	NAVIGATING WHAT'S ***NOW*** Staying relevant and activating tactical plans
ACCELERATING POST THE CRISIS	Future term	REBUILD CATEGORY & SHOPPER PLAYBOOK	X	REWIRE DEMAND SPACES	X	MARKETING MIX OPTIMIZATION	X	INNOVATION ACCELERATION	NAVIGATING WHAT'S ***NEXT*** Future proof the portfolio and aim for breakthrough innovations

THE NIQ NEXT FULL VIEW™ SYNTHESIS

The framework has been developed keeping in context learnings from past crisis situations especially COVID-19

The current conflict shares several striking parallels with the COVID-19 supply chain crisis:
- **The Congestion Return**: Maritime insurance premiums have spiked **25%-40%** and rerouting around Africa has added **25-30** days
- **Fertilizer Crisis**: The blockade has choked **30%** of global fertilizer trade (urea and ammonia) potentially impacting crop yields

What can be expected from consumers when drawing parallel to past crisis:
- **Panic Buying**: 70% of food imports disrupted, consumers are bound to resort to stockpiling staples
- **Down Trading**: Consumers actively seek value brands and could resort to private label – a way to maintain spends under inflation

Shopper & Customer Management

What to do now?

Prioritize at-risk channels/customers (exposure to supply chain disruptions, OSA risk, currency volatility, private label expansion).

Rebalance service levels & inventory allocation to high-contribution customers/SKUs/MSLs.

Tighten trade terms & promo calendars to protect net price and minimize forward buy.

Create “fragility watchlist” dashboards: out-of-stocks, substitution, basket shifts, churn risk cohorts.

How NIQ helps:

- **Retail Measurement** (RMS) & **e-commerce monitoring** of MSL and TDPs.
- **Path to Purchase** understanding changing shopper journey.
- **Retail Pulse** – deeper insights into the shopper
- **Distribution Optimization** – focused distribution strategy
- **Choice Advisor** switching behavior in retailer choices


NielsenIQ

Navigating thr
evolving consu
sentiments & b

A Weekly Consumer Puls

Change of lifestyles and be
current geopolitical situatio

March 2026
SA&I APP

ME Consumer Pulse Tracker Program – Key Areas of Enquiry

Capturing the evolving mindset & behavior shift happening among consumers, with the dynamic geopolitical shifts happening every day → To provide real time inputs & insights to make better business decisions

01 Economic & Financial Outlook
- Personal economic sentiments ;
- Macro Concerns and
- Financial risk exposure
- Impact on investment plans

02 Lifestyle, Mobility& Media Behavior Shifts
- Behavior change w.r.t daily life activities ;
- Frequency of visiting public places,
- Information sources accessed & trusted
- Time spent on media touchpoints & platforms subscribed, etc.

03 Commerce, Shopping & Retail Expectations
- Purchase channel shifts,
- Product wise stock-up intensity,
- Retail trust & expectations,
- Product purchase postponements including luxury items, etc.

04 Travel & Out of home Recovery Intentions
- Desired places to visit
- Travel plans impact and change in choice of travel destinations,

NIQ

Recode Price Pack Architecture

What to do now?

Rebuild price ladders and roles of packs by channel (entry, core, premium, value-engineered).

Redraw guardrails for promo depth/frequency per pack & customer to avoid value leakage.

Quantify thresholds & elasticities under inflation/volatility; test "shrink/solve" and bonus pack plays.

Stand-up a fast PPA scenario tool for revenue/Gross Margin impacts.

How NIQ helps:

- **Price & Promo Elasticity** and **Offer ROI** from RMS + causal data.
- **PPA / RGM** Analytics, Simulator using **Line and Price Optimizer**
- **Assortment and Store Optimization**

Protect Brand Relevance

What to do now?

Reaffirm category “jobs” & demand drivers under stress (value, safety, wellness, comfort, convenience).

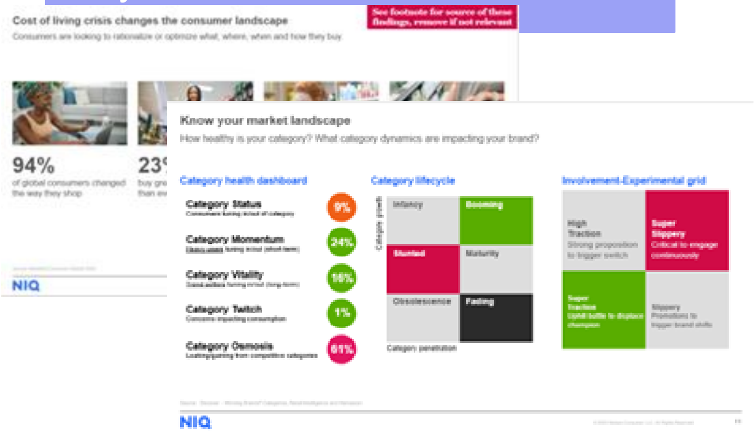
Rebalance comms & claims toward stabilizing benefits; deploy distinctive memory assets.

Fortify hero SKUs & must-win channels; protect mental & physical availability.

Activate value-without-cheapening tactics (bundles, multi-buys tied to needs, loyalty exchange)

How NIQ helps:

- **Demand Driver** analytics to quantify which benefits drive choice by segment/occasion.
- **Brand/Equity** trackers & claims performance from panel + survey fusion.
- **Assortment & Space** to prioritize distribution for hero SKUs.
- **U&A Lite** to quickly understand consumer behavior and category dynamics



Renovation Planning

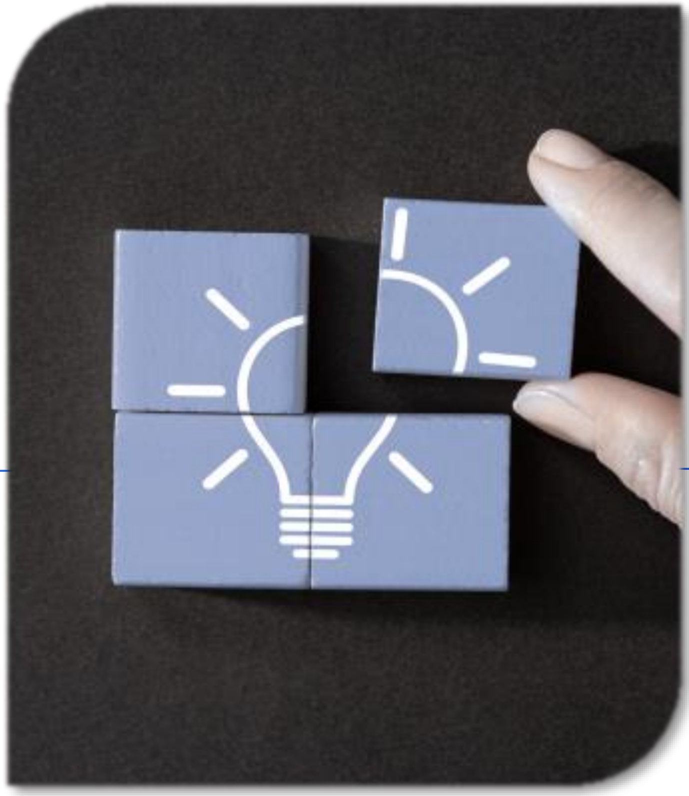
What to do now?

Triage pipeline: delay riskier large-scale launches; fast-track low-risk, relevance-affirming renovations.

Localize stage gates for volatile markets; use phased/geo-sequenced rollouts.

Repack claims & formats to current demand drivers; prioritize pack formats that stabilize value perception.

Build rapid test-and-learn loops (concept, product, price, pack, activation)



How NIQ helps:

- **BASES** for rapid concept/product/pack tests, volumetrics, and activation guidance.
- **Post-launch read** (Innovation Measurement)
- **Claims optimization** to align with updated demand drivers
- **Renovator** helps you predict the potential of your renovation concepts/products against top competitors and optimize for maximized consumer potential.

Rebuild Category and Shopper Playbook

What to do next?

Redefine growth roles (traffic, trade-up, profit engines) by channel & format.

Refresh 5Ps: assortment, price corridors, promo roles, shelf principles, activation system.

Bake in resilience: dual-sourcing, flexible packs, and private label response.

How NIQ helps:

- **Category diagnostics** (RMS + panel + e-comm): decomposition of growth, role of channels, PL dynamics.
- **Assortment & Space Optimization** to right-size SKU counts and improve shelf efficiency.
- **Smart Store** adapting to future assortment and in-store activations
- Strategic **Pricing & Promo playbooks** by customer archetype.

Rewire Demand Spaces

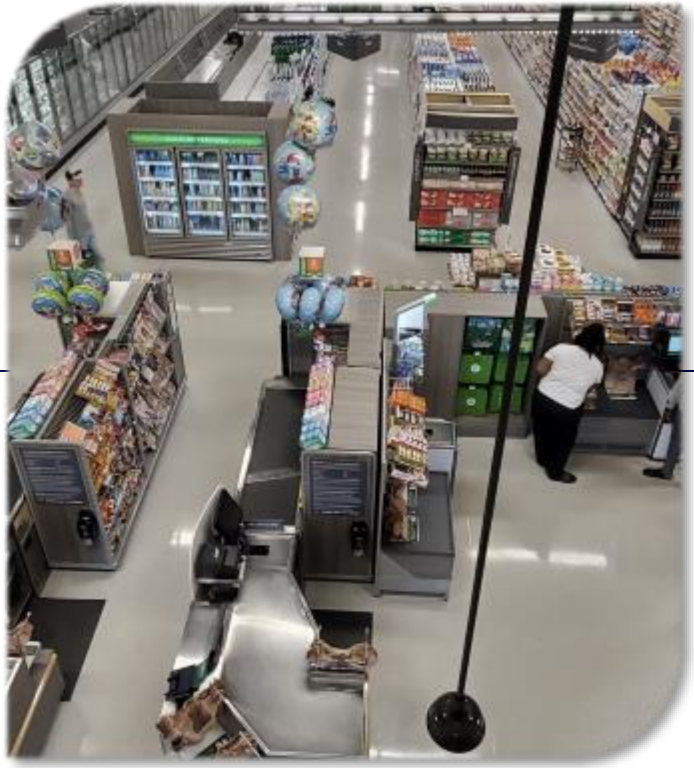
ACCELERATING POST THE CRISIS

What to do next?

Build an occasion/need-state map (jobs-to-be-done) across in-home & out-of-home.

Size spaces by value, growth, and margin; define where to win (portfolios, claims, packs).

Align channel strategies and content to priority spaces.



How NIQ helps:

- **Segmentation & Demand Spaces** (survey + panel + behavioral fusion) to size and profile spaces.
- **Driver analysis** to link benefits/claims to each space's choice drivers.
- **Portfolio & pack** role modeling by space and channel.
- **U&A** a full scale understanding of new "Jobs to be done"

Marketing Mix Optimization

What to do next?

Establish MMM for holistic budget allocation (TV/digital/retail media/promo), with quarterly refresh.

Layer incrementality for digital/retail media and shopper activations where feasible.

Scenario plan under different pricing, supply, and competitive responses

How NIQ helps:

- **NIQ MMM** (country / brand / variant / channel) with advanced scenario planning.
- **Incrementality** experiments / geo-matched tests for retail media & digital.
- **Always-on optimization dashboards** with financial translation (ROI, payback, profit)
- **NIQ MMT** to test, optimize, and scale media campaigns

Innovation Acceleration

What to do next?

Build platform-led roadmaps (value, wellness, convenience, sustainability) with pipeline quotas.

Institutionalize agile sprints (concept → product → pack → in-market) with stage-gate SLAs.

How NIQ helps:

- **BASES end-to-end**: Idea, Concept, Product, Pack, Activation, Volumetrics, and Portfolio fit.
- **Claims & feature optimization** linked to demand drivers and price sensitivity.
- **Post-launch analytics** to feed an innovation “learning loop” into the next sprint.
- **Innovation Measurement** to understand what is happening, track new launches, and stay ahead of the competition

NIQ Next

NIQ's Advisory Arm

Connecting what's now with what's next

Our consulting team supports clients transform multi-source insights into actionable strategies

NIQ Next | Vision, Mission

NIQ Next is the strategic advisory arm of NIQ, using the power of NIQ data to help clients grow & transform

What we do **|** We **develop strategy** that connects what's now with what's next

How we do it **|** While NIQ is renowned for its research and robust data assets, NEXT brings the commercial acumen to **transform multi-source insights into actionable strategies** that deliver measurable "full view" outcomes.

Our Process **|** We follow a structured approach of **discovery, analysis, strategize and activate** to deliver fit-for-growth recommendations, playbooks and workshops.

NIQ Next | 5 Advisory Domains

MARKET ENTRY / GO GLOBAL STRATEGY

Full View Synthesis: RMS + CPS + Expert IDI + Consumer Qual-Quant + BASES tools + Secondary Research + Workshop

- Scan where to play
- Size who to win
- Shape what to offer
- Sell-in to retail & distributors
- Scale launch & expand
- GTM and RTM playbook development

PLANNING & FORESIGHT

Full View Synthesis: RMS + Analytics + Marketing Science + Expert IDI + Secondary Research + 3YP Workshop

- Quantify macro factors impact on sales
- Forecast category/brand for next 3-5Y
- Opportunity & risk assessment
- Trends and foresights projection
- Scenario planning and budget allocation
- 3YP workshops

BRAND GROWTH STRATEGY

Full View Synthesis: Brand Tracker + Brand Diagnosis + Growth Pathways + RMS/CPS + Demand Sizing + Qual + Growth Workshop

- Business diagnosis across 5Ps
- Opportunity finder for new growth areas
- Demand space & sizing
- Whitespace identification & sizing
- Brand - Demand Mapping
- Growth workshop

INNOVATION STRATEGY

Full View Synthesis: RMS + CPS + NPI + IM + BASES meta data + Innovation Workshop

- Innovation process transformation
- Innovation sprints & workshops
- Innovation scouting & ideation
- Innovation growth roadmap development
- Innovation playbooks & workshop

PUBLIC POLICY CONSULTING

Full View Synthesis: RMS + CPS + Expert IDI + Consumer Quant + Desk Research + Marketing Science + Policy Workshops

- Impact of new policies on FMCG/T&D
- Impact on value chain - consumers, manufacturers, retailers
- Economic Impact Analysis
- Policy Improvement Roadmap

NIQ Next | Our Engagement Model

- We offer a tailor-made engagement plan customized to the needs of your organization and business questions
- We engage with consistency and credibility in a structured way to deliver fit-for-growth strategies

	ENVISION	DISCOVER	STRATEGIZE	ACTIVATE
OBJECTIVE	Lay the foundation, identify hypotheses, define the vision, and align on clear goals of the strategic initiative	Uncover key insights via existing and new consumer research and data analysis to bridge information gap	Connect insights to growth opportunities, define business priorities, shape and sharpen your strategy	Engage your internal teams and external partners with insights to embed strategies and co-develop tactical plans
PROCESS	• Stakeholder Interviews • Assess all available data sources & research • Literature Review • Envision Workshop	• Conduct relevant consumer or customer Research • Potential Discovery Research: market & consumer landscape, brand perceptions, shopper research, expert interviews, qualitative research, pricing & portfolio analytics, innovation screening, social & trends, etc.	• Insights to Impact - What? So What? Now What? ***What's Next?*** • **Deliver growth roadmap** • **Strategy Workshops** • **C-suite engagement** & embedding of insights with key stakeholders	• Deliver recommendations for portfolio & brand growth • **Empower teams** with data & actions to advance tactical workstreams • Build deep action plans • **Co-develop KPIs** to track

NIQ Next

What our client says about NIQ Next

Supporting Dyson for successful entrance into a new category

"I've worked with NIQ data for 13 years and it is still the most reliable source on the shape of markets that I have used. Particularly, in the last few years, we have worked with ***NIQ Next*** *to aid our understanding of expansion opportunities. The team have always been flexible to our specific needs and understanding of the tight turnarounds often required in business"*

Nick Osborne
Head of Strategy Dyson

Thank you!

NIQ Next