NIQ Webinar

Resilience in Disruption: How Conflict shapes Tech and Consumer Trends in KSA and UAE

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NielsenIQ

Today's Speakers

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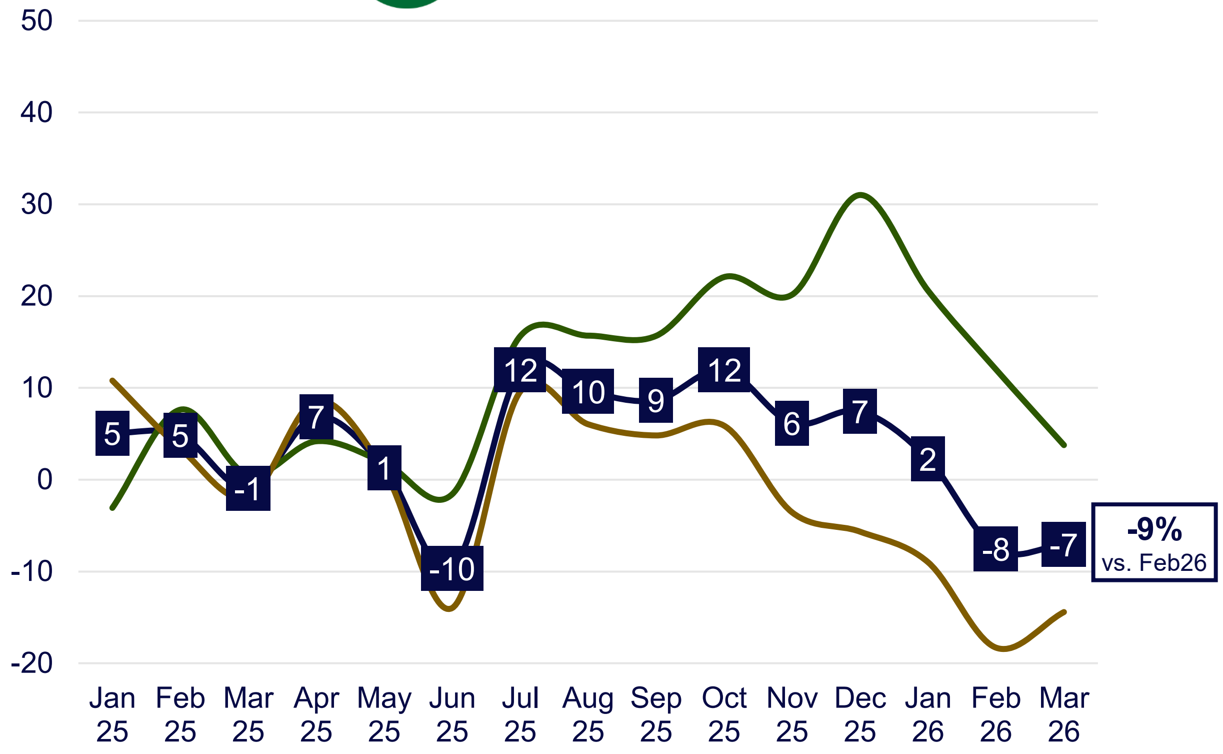
Impact of the Initial and Following Weeks on Tech & Durables

Both markets saw double-digit growth rates in the months leading up to the conflict, with Online outperforming Offline. KSA stayed slightly positive in March whereas UAE saw a steep decline.

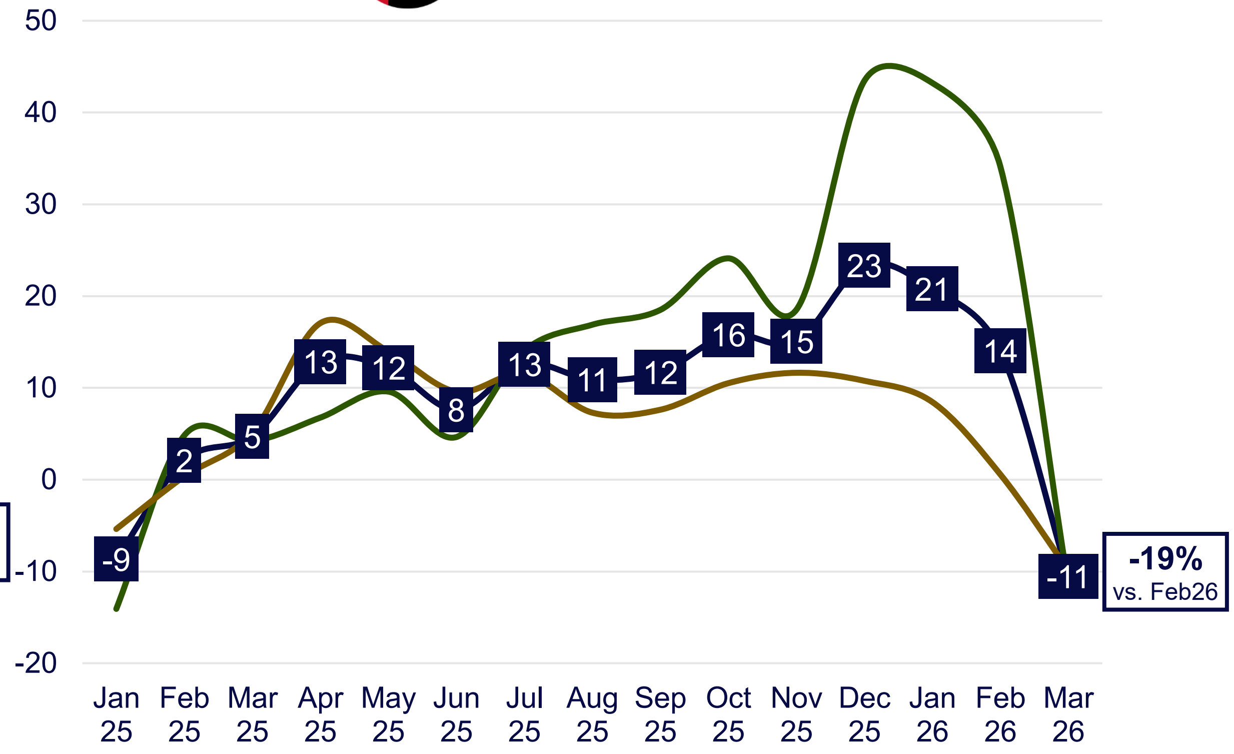
KSA & UAE: Value Change in % vs. same period last year (2026 vs. 2025)

KSA



T&D TTL Online Offline

UAE

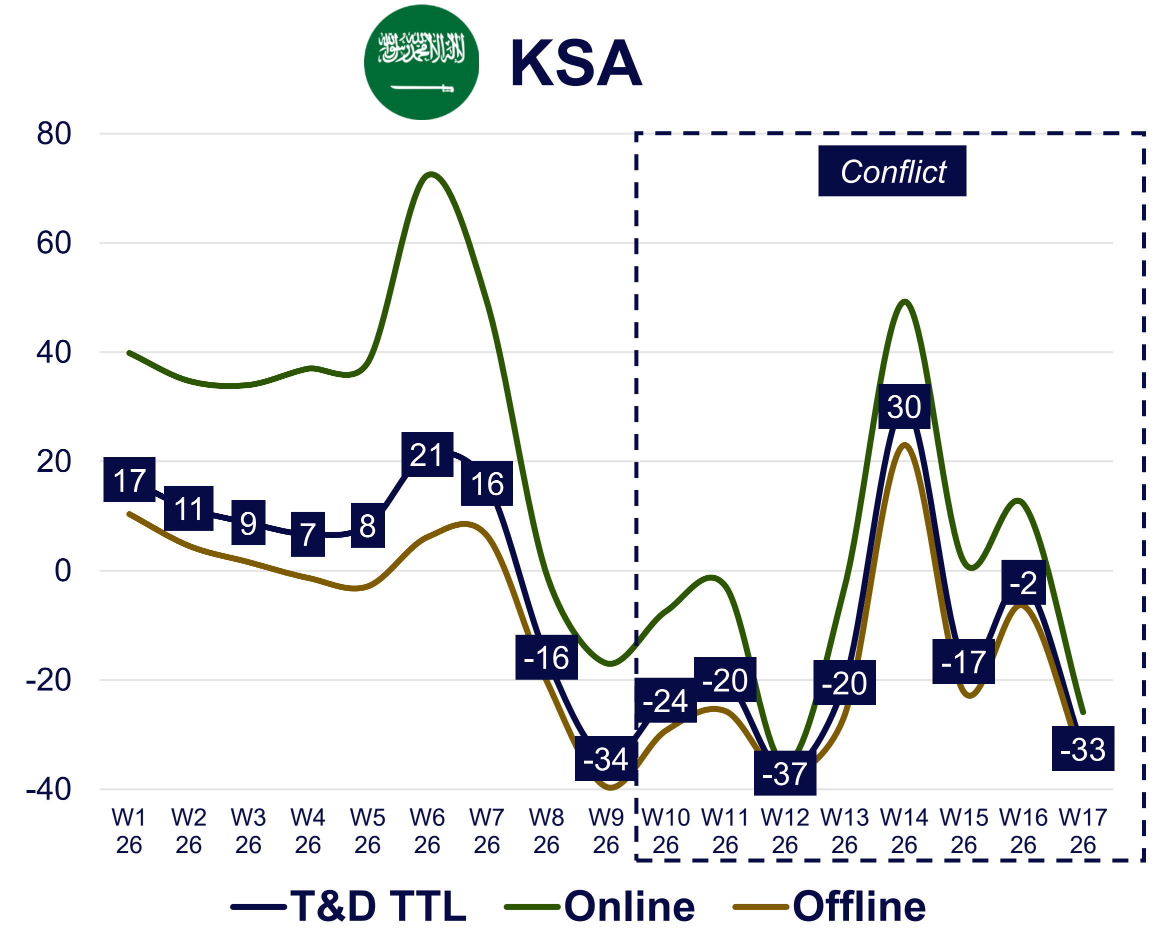


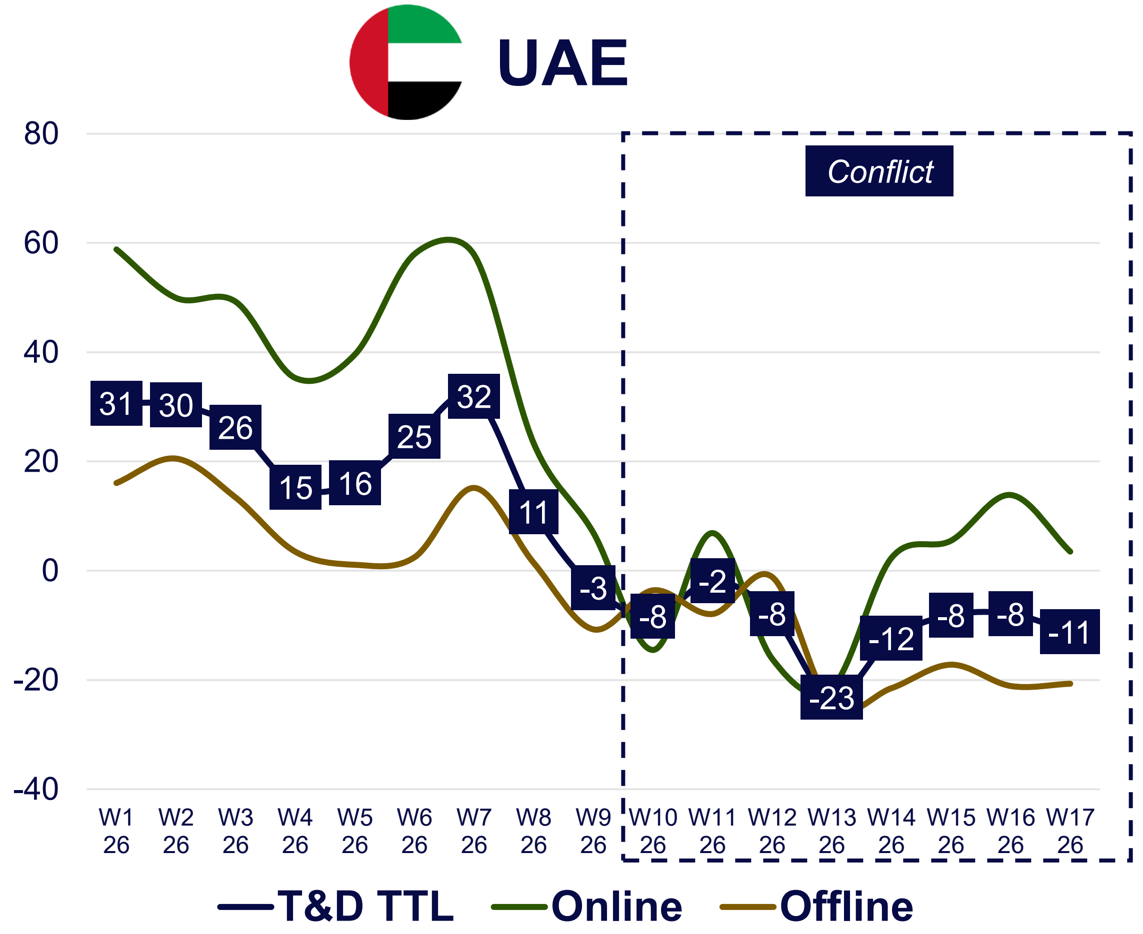
T&D TTL Online Offline

Source: NIQ/GfK Monthly Retail Tracking

Ramadan promotions shifted to week 7/8 2026 (week 8/9 in 2025), resulting in growth in week 7 and sharp decline in week 9. The volume decline continued in week 10 after the conflict started.

KSA & UAE: Value Change in % vs. same period last year (2026 vs. 2025)





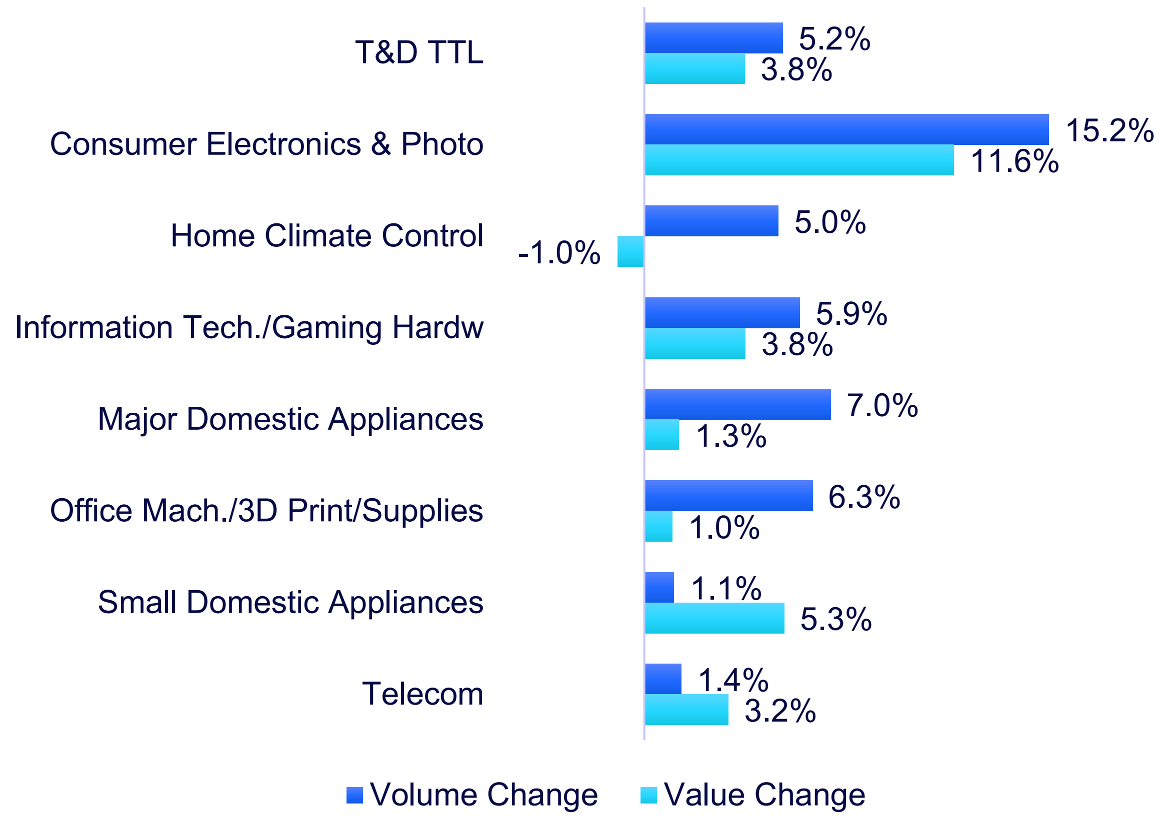
Source: NIQ/GfK Weekly Retail Tracking

Broader Impact on Baskets & Brands through March

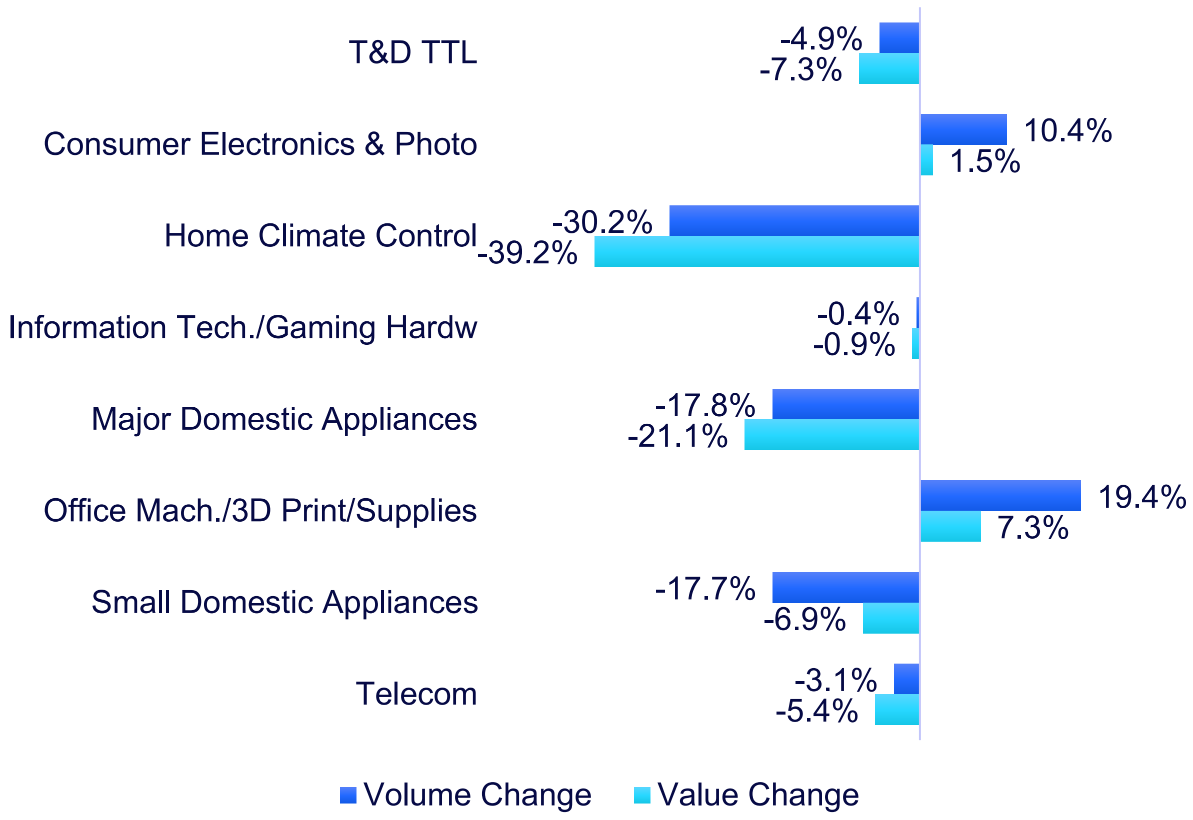
NIQ

Household Appliances and Telecom suffered the most in March when the conflict started. CE and Office categories maintained volume growth as consumers stayed & worked more at home.

Total Country Value & Volume Change % - MAT Feb’26 vs MAT Feb’25



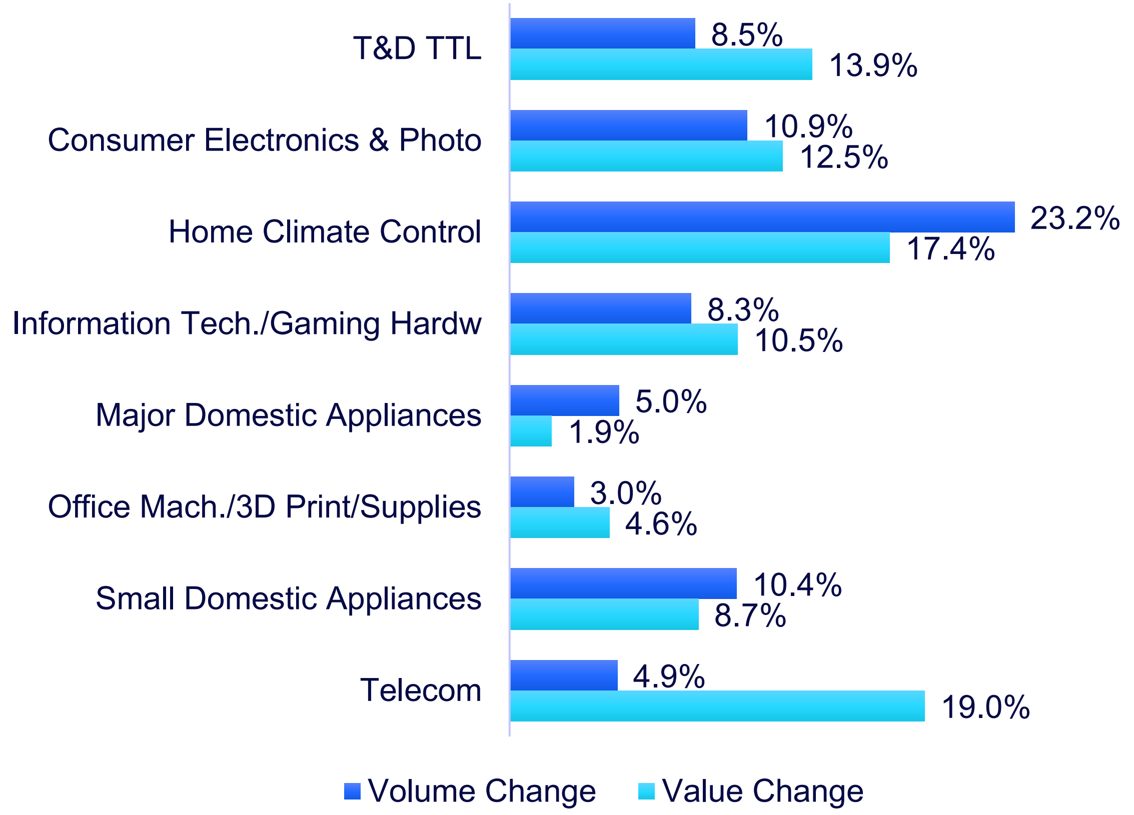
Total Country Value & Volume Change % - Mar’26 vs Mar’25



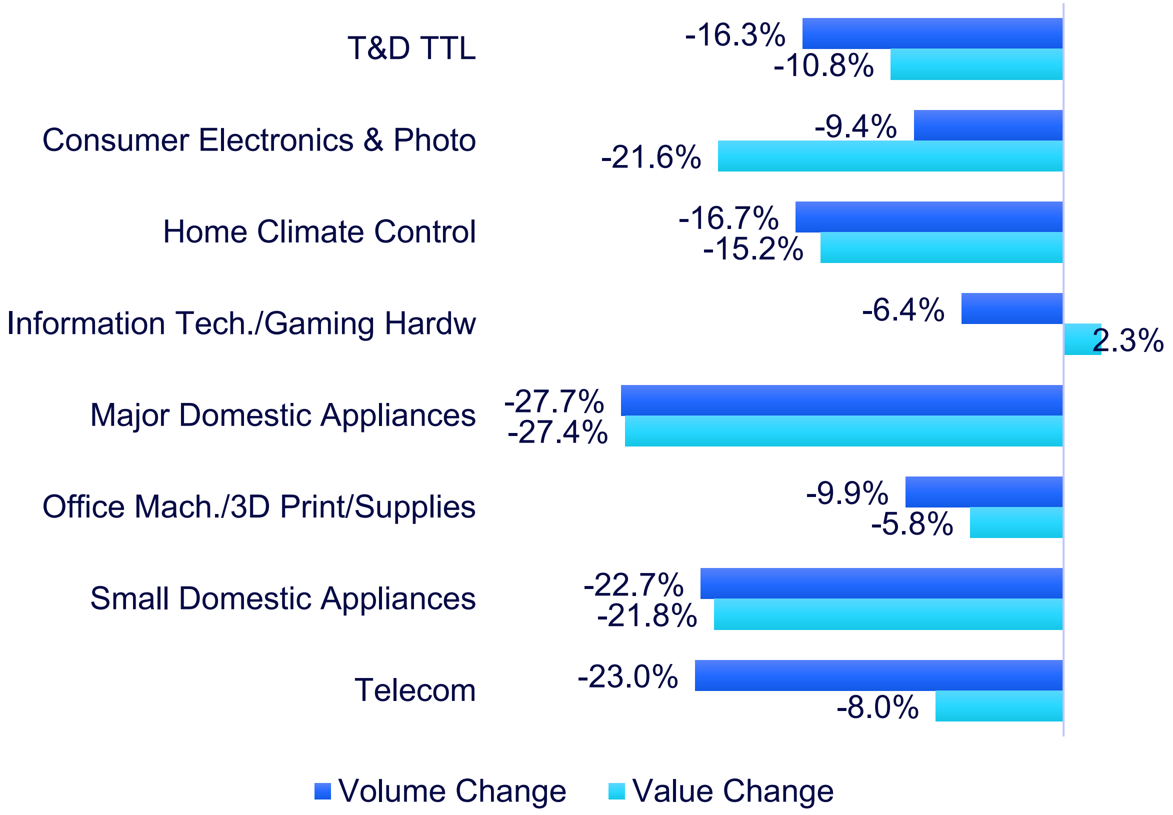
Source: NielsenIQ Retail Panel

In UAE, double-digit value growth in MAT Feb26 turned into sharp decline – only IT categories were able to grow in value as working and schooling from home drove this segment.

Total Country Value & Volume Change % - MAT Feb'26 vs MAT Feb'25



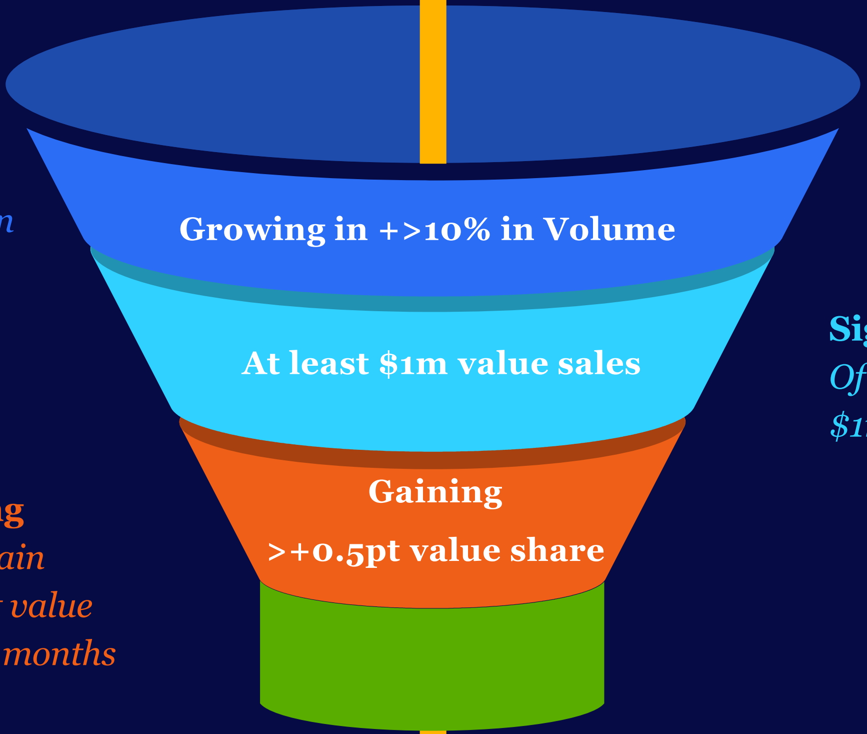
Total Country Value & Volume Change % - Mar'26 vs Mar'25



Source: NielsenIQ Retail Panel

There are 18,417 brand x category combinations in KSA + UAE (7,288 unique brands)

Growing
32% of combinations (5,835) can grow >10% in volume in 2025



Significant
Of which only 8% (442) have at least $1m sales in past 12 months

Outperforming
Of which 48% gain more than 0.5pt value share in past 12 months

There are only 212 "volume winners" in KSA + UAE
That is only 1.2% of total count

Source: Retail Audit Data Ending Dec 2025

Established

>10% value share

83

Evolving

1%-10% value share

121

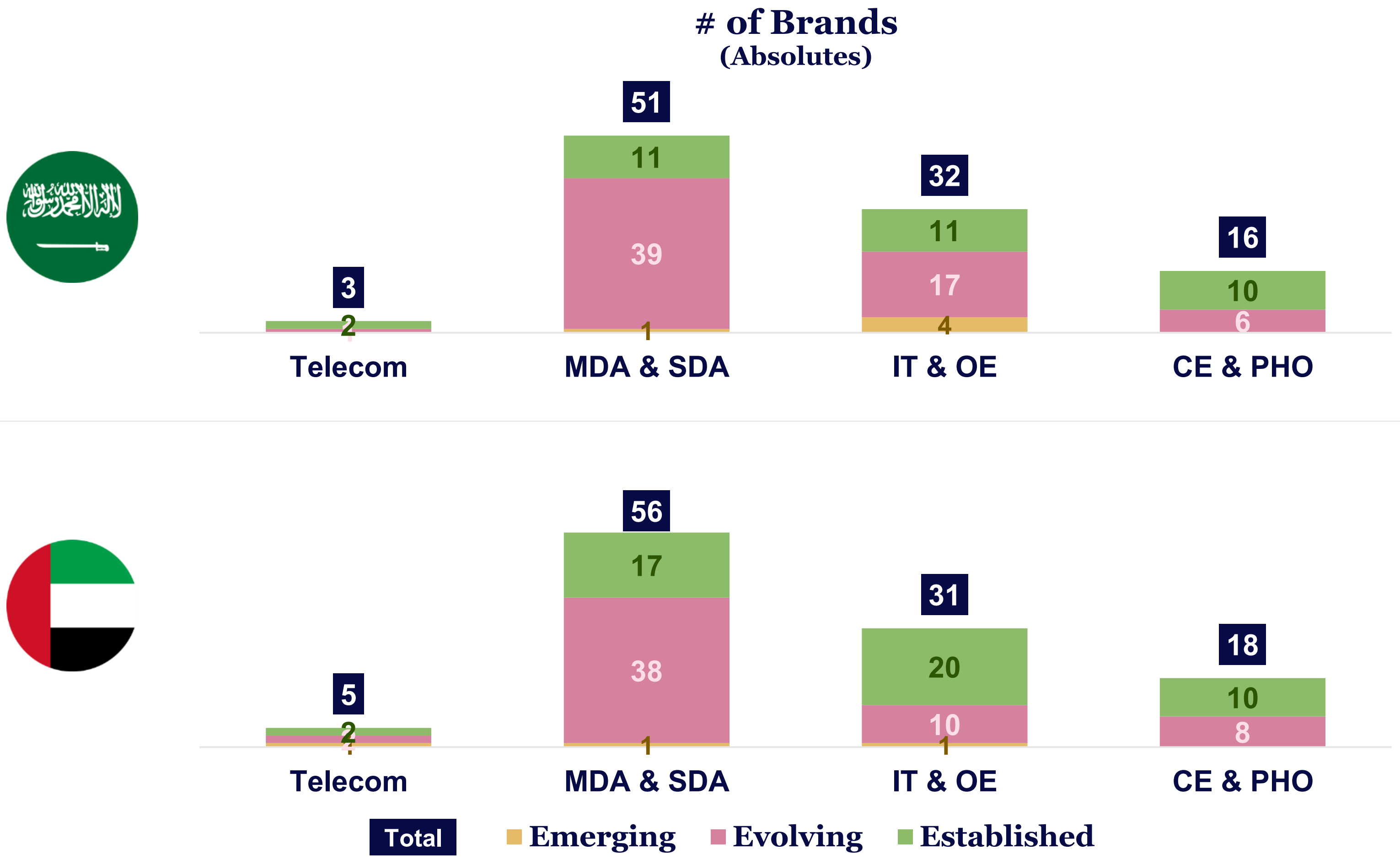
Emerging

<1% value share

8

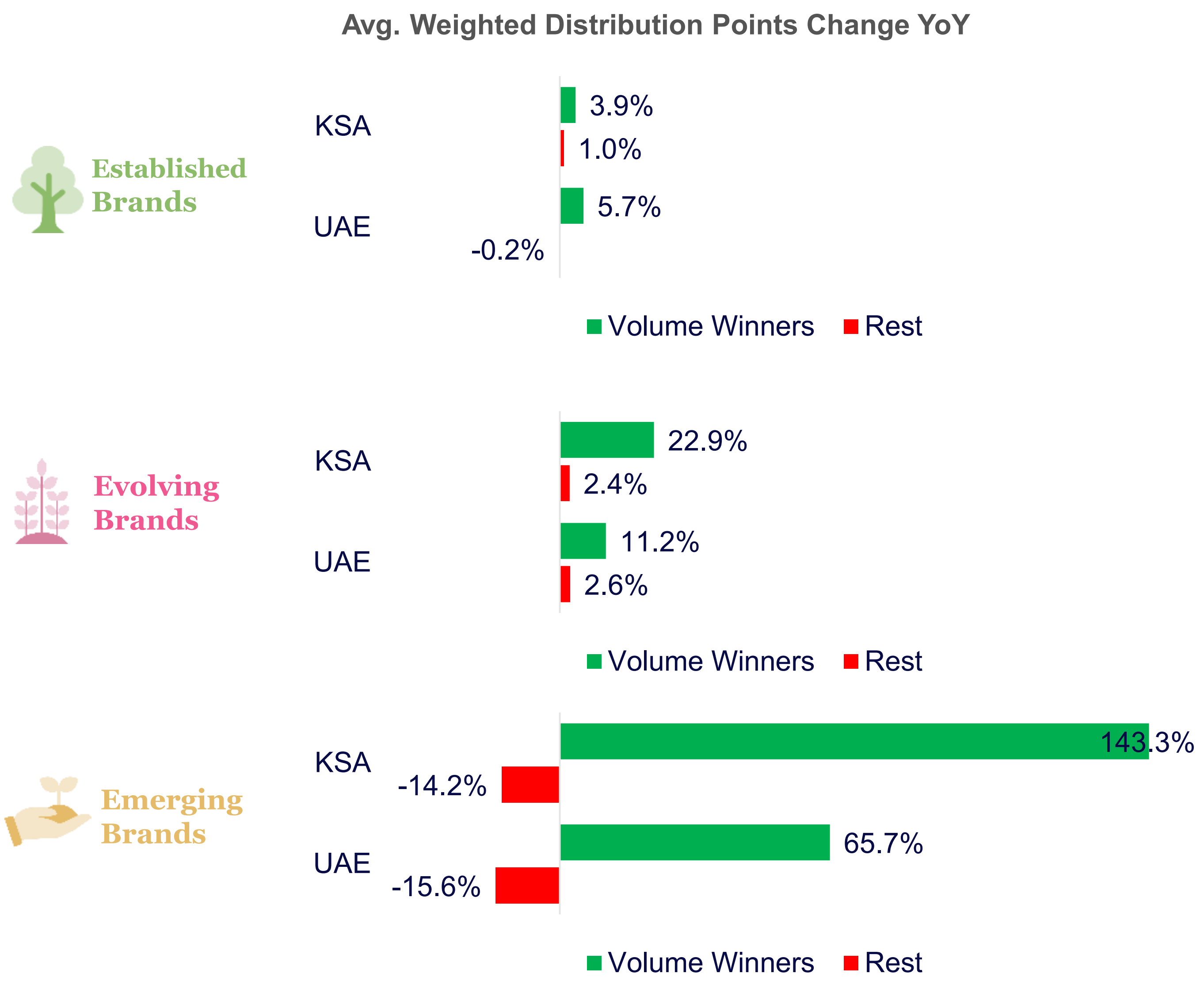
There are 212 "volume winners" in KSA & UAE.

MDA, SDA and IT & Office have the highest brand diversification



Source: Retail Audit Data Ending Dec 2025

A common theme across the board: increased availability.



Source: Retail Audit Data Ending Dec 2025

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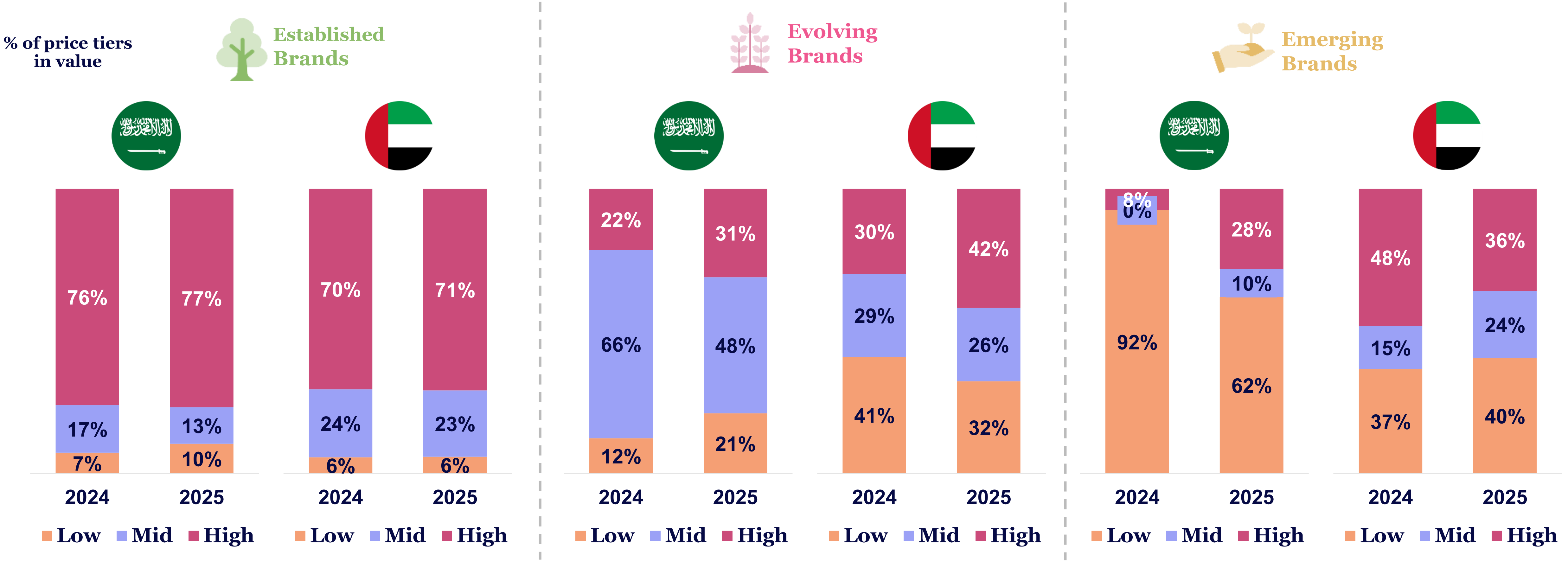
There is a clear pattern between brand types vs price tiers for both markets.

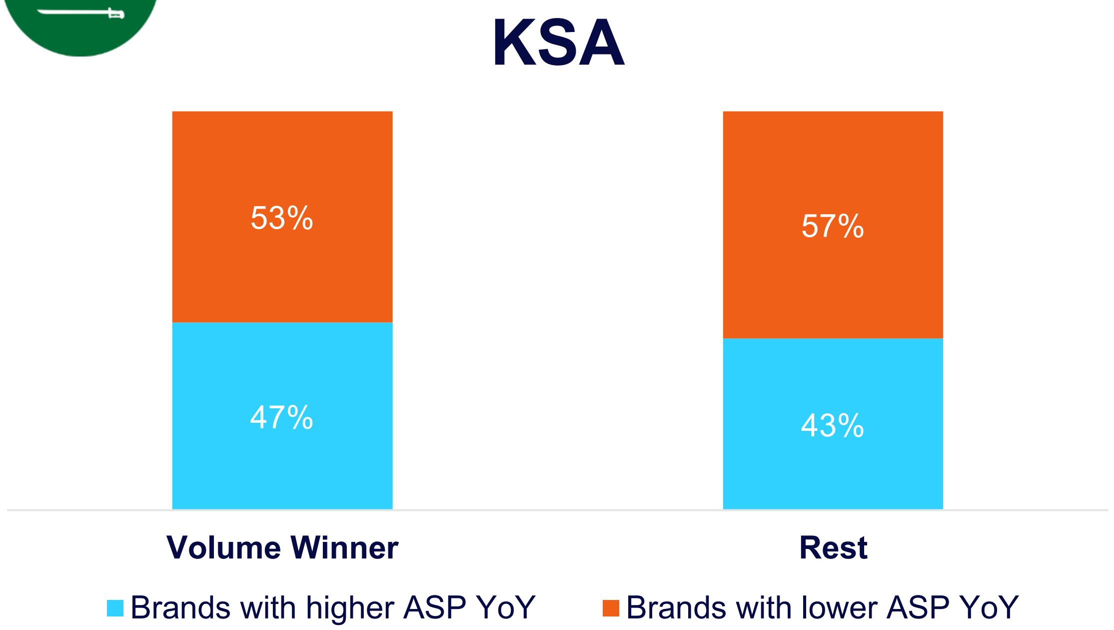
Established brands play in higher price tiers while Emerging brands also focus on lower price tiers

T&D excl. Smartphones



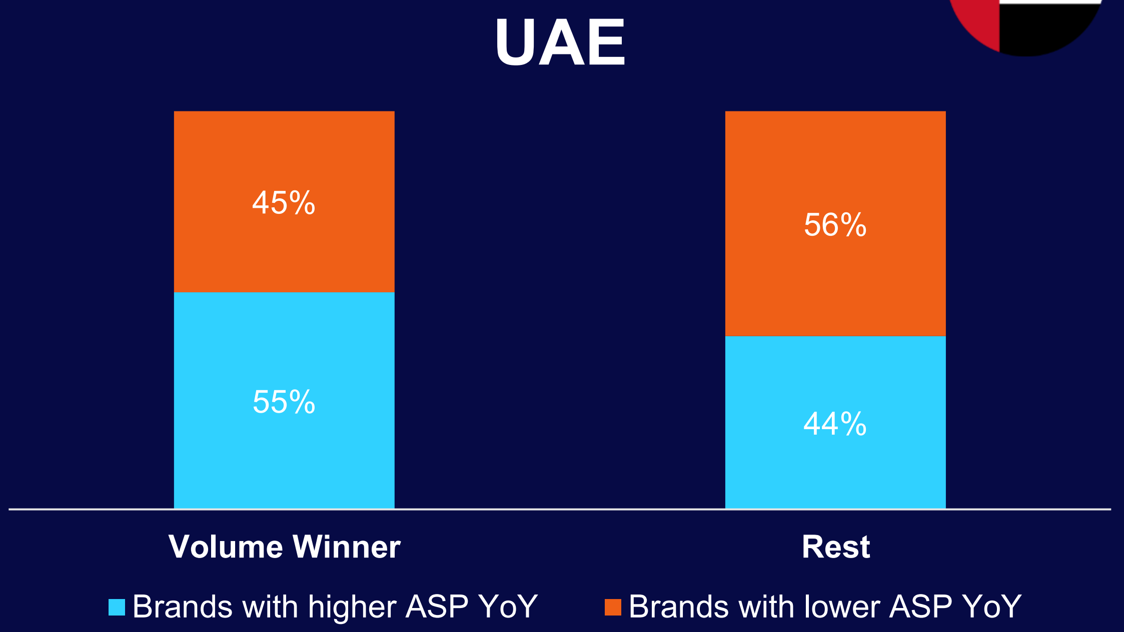
Source: Retail Audit Data Ending Dec 2025
Price tiers: If brand average price index to respective category is <80 = low, 80-120 = mid, >120 = high

47% of Volume Winner in KSA increased their average sales price YoY, compared to the 43% benchmark of the Rest of the market.



55% of Volume Winners have a higher Online Sales Share than the Category Average.

In UAE, this difference is even higher with 55% of Volume Winner increased their average price vs. 44% of the Rest.



49% of Volume Winners have a higher Online Sales Share than the Category Average.

Despite the challenges, there was a significant number of volume winners in March 2026.

39 Volume Winner

Established
>10% value share
13

Evolving
1%-10% value share
25

Emerging
<1% value share
1

- **51%** of Brands are from **IT&OE** category
- **20** Brands make over **70+%** of their Sales Value Online, only **8** make **70+%** of their Sales Value Offline
- **41%** could increase their average sales price vs. Jan/Feb, **59%** have a lower average sales price

Requirement for Volume Winner in March: (1) Unit Growth >10% vs. avg. of Jan/Feb Sales, (2) Over 83.3k USD sales value, (3) 0.5pp growth in Value Market Share vs. Jan/Feb

UAE only saw 10 Volume Winners in March, indicating a stronger negative market impact.

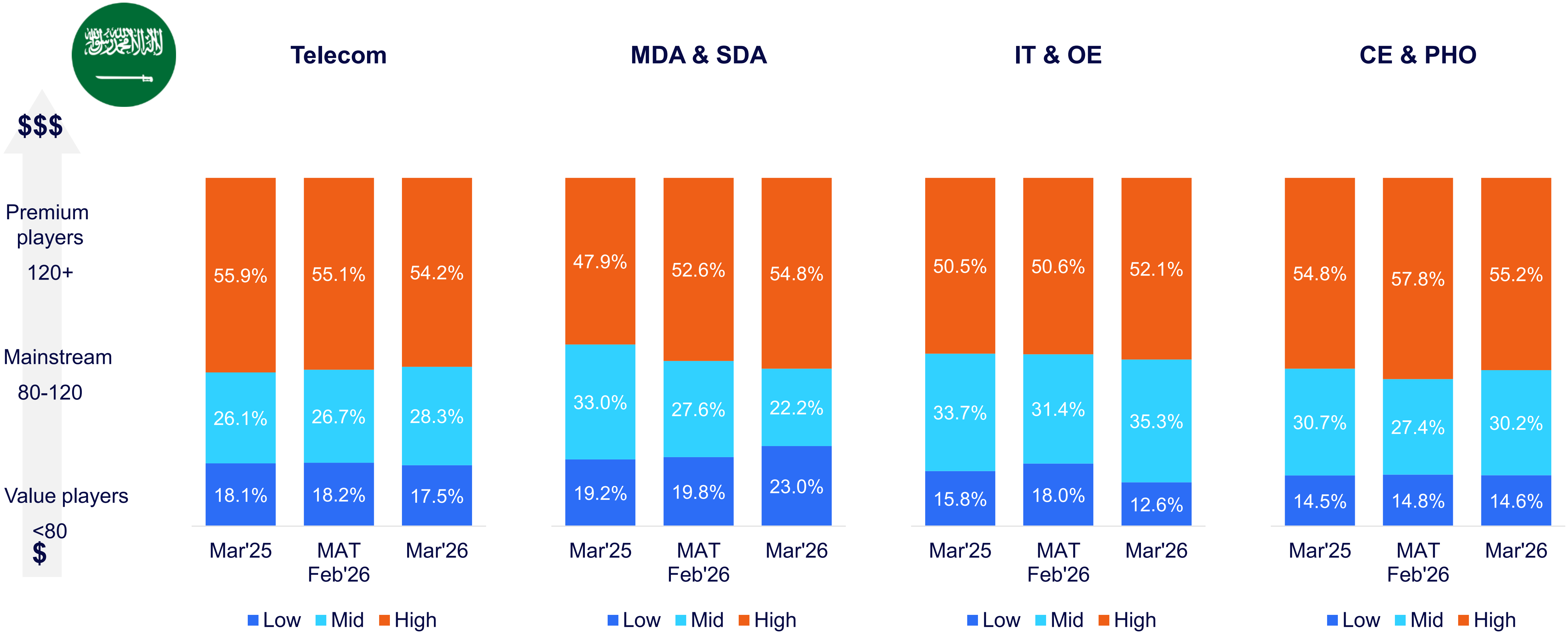
10 Volume Winner

Established
>10% value share
5

Evolving
1%-10% value share
5

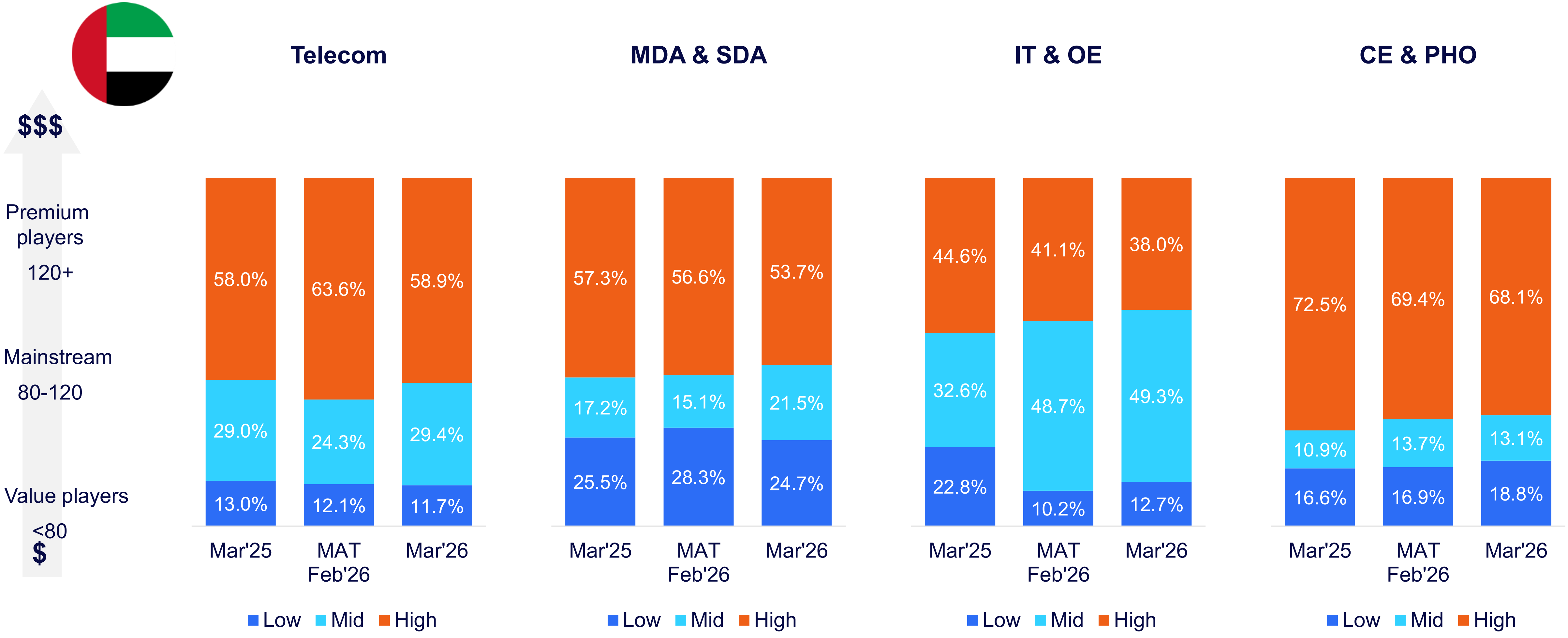
- **7** brands have a lower average sales price than in previous period
- **30%** are particularly Online driven, **50%** Offline driven (**70+%** of overall sales value from respective channel)

Although price tiers did not change drastically post conflict, there is a shift towards higher-tier brands for most categories.



Source: NIQ RMS Data
Low: Brands with 0-80% price index to their respective category
Mid: Brands with 80-120% price index to their respective category
High: Brands with 120+% price index to their respective category

Except for Telecom, all categories lost share of high price tiers when comparing March periods YoY. Middle price tiers gained as price sensitivity and brand competition increased.



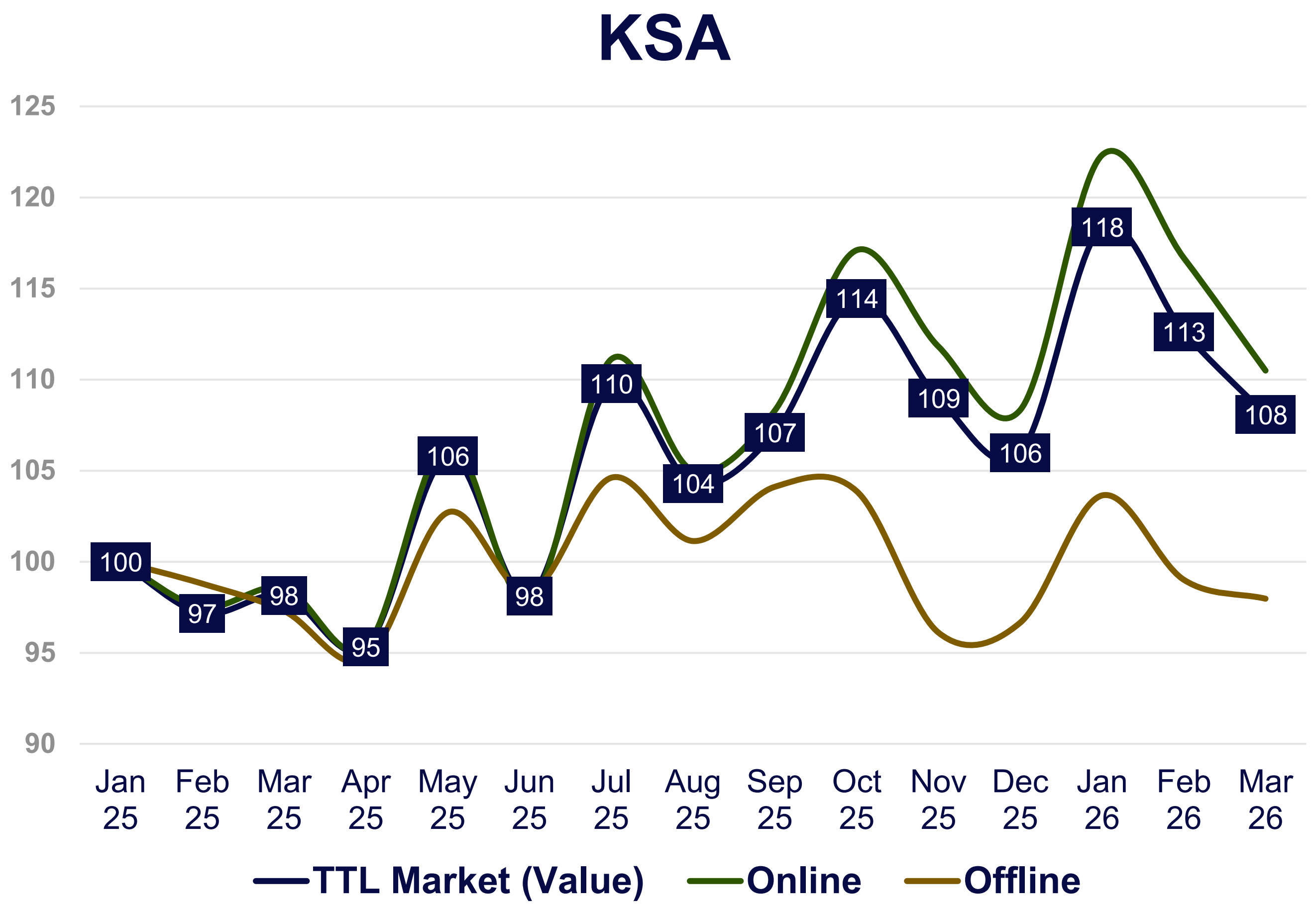
Source: NIQ RMS Data
Low: Brands with 0-80% price index to their respective category
Mid: Brands with 80-120% price index to their respective category
High: Brands with 120+% price index to their respective category

How Regional Uncertainty Is *Driving Structural Pressure* in T&D Markets

NIQ

Brand and SKU competition increased in KSA.

KSA: Avg. Number of different selling items (Index: Jan 2025 = 100)

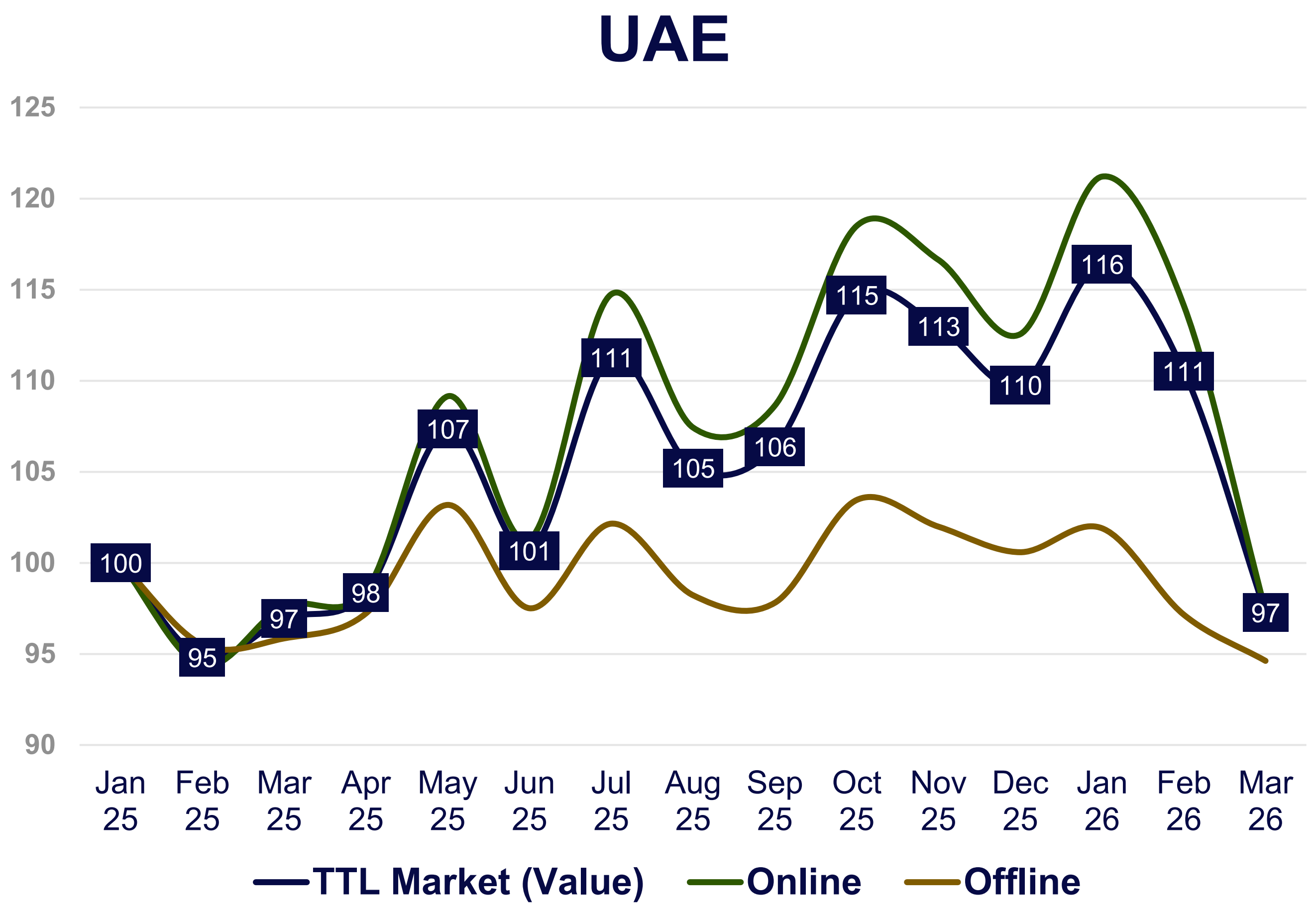


	Number for Brands selling 90% Value		Number for Models selling 90% Value	
	Q1 25	Q1 26	Q1 25	Q1 26
T&D	55	60	3,417	3,991
Telecom	5	5	133	159
CE&PHO	26	25	738	807
MDA&SDA	65	71	3,020	3,373
IT&OE	22	27	1,480	1,797

Source: NIQ/GfK Weekly Retail Tracking

The drop of number of active SKUs in March 2026 was significant in UAE, showing the pressure on stocks because of the conflict.

UAE: Avg. Number of different selling items (Index: Jan 2025 = 100)



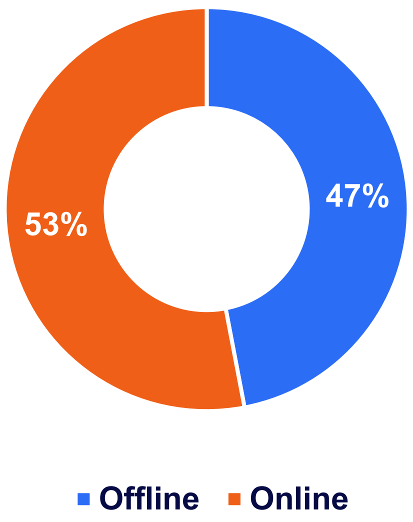
	Number for Brands selling 90% Value		Number for Models selling 90% Value	
	Q1 25	Q1 26	Q1 25	Q1 26
T&D	58	60	4,596	4,766
Telecom	5	5	134	123
CE&PHO	29	31	968	1,112
MDA&SDA	58	61	3,305	3,579
IT&OE	26	25	2,676	2,744

Source: NIQ/GfK Weekly Retail Tracking

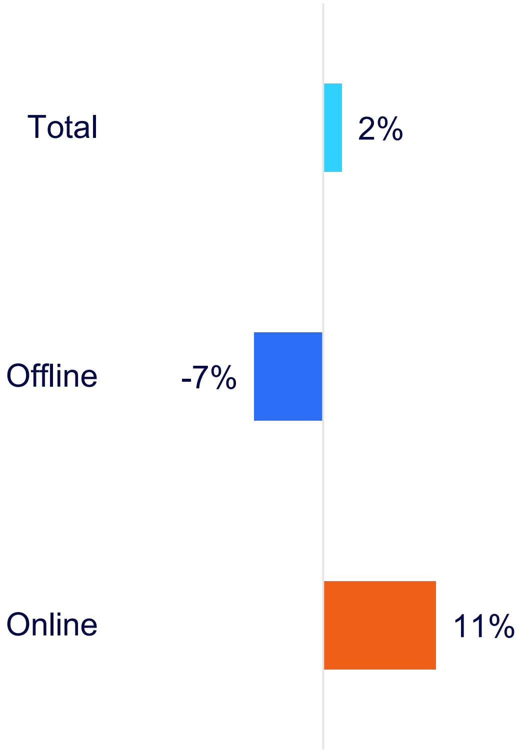
Over half of all sales units are coming from Online Trade.

Online Sales overcompensated for Offline decline.

Online vs Offline – Units Contribution | Q1’26



Unit Growth | Q1’26



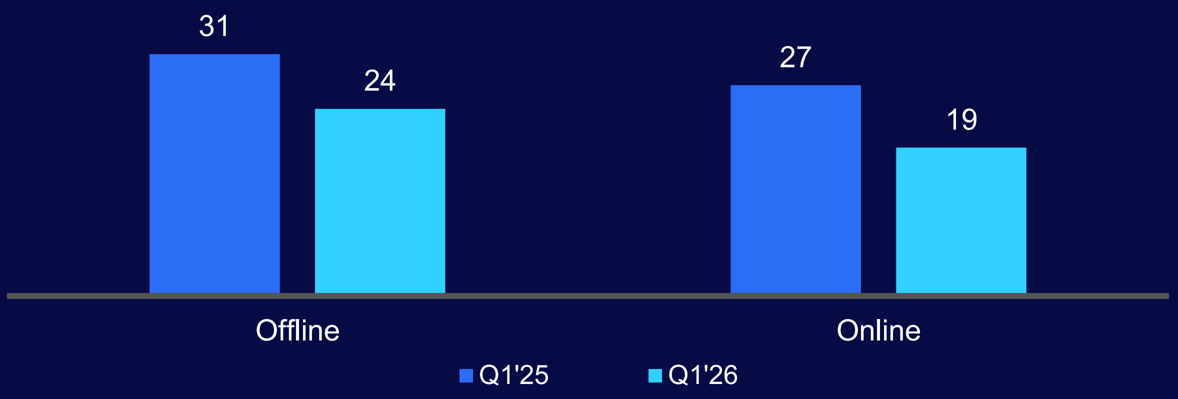
Online – Includes online sales from Pure Player and Click & Mortar

NIQ ***Organized Trade***

Share of price cuts declined in Q1 YoY, but total market still grew in units.

Decline of Share of Price Cuts indicates less promotional activities in Q1.

Price Cut Intensity Value | Online vs Offline

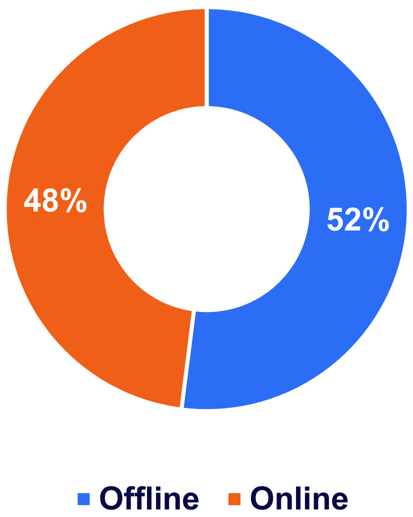


Price Cut Intensity = Sales Units with Price cut of min. 10% / Total Sales Units

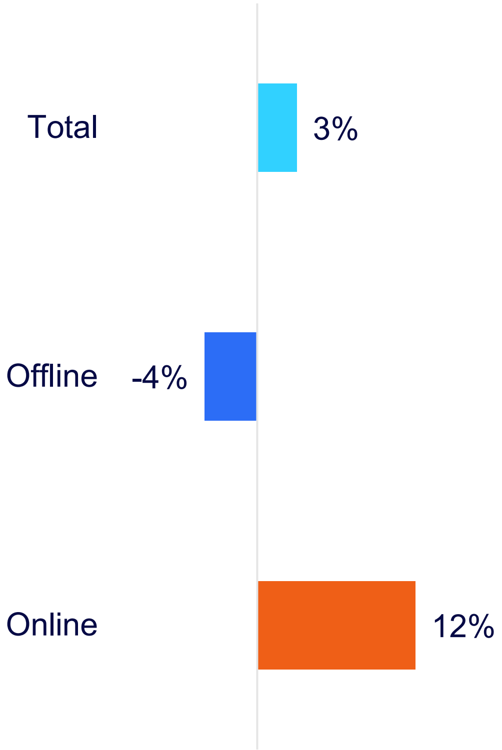
Online Share within Organized Trade grew to 48% in UAE – bringing overall growth to T&D.

Online Sales overcompensated for Offline decline.

Online vs Offline – Units Contribution | Q1’26



Unit Growth | Q1’26

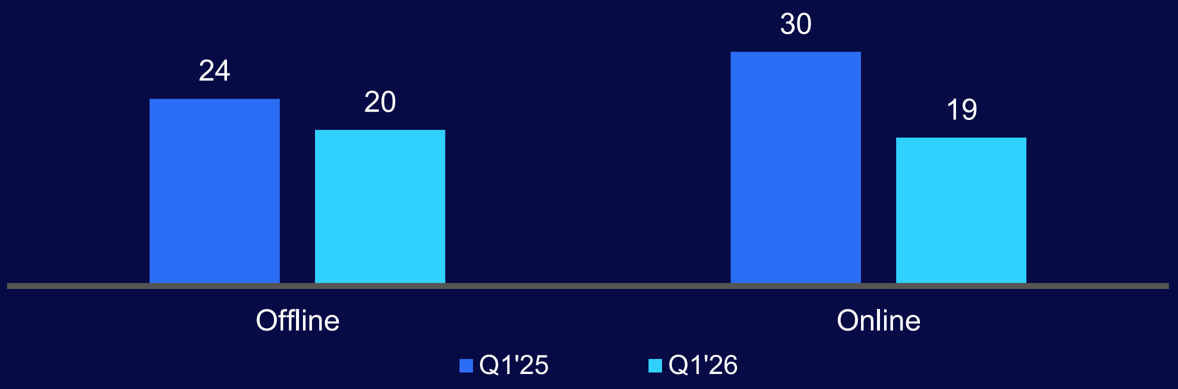


Online – Includes online sales from Pure Player and Click & Mortar

Price cuts reduced in Q1 in UAE as well.

Online Sales with less price cuts than Offline in Q1 26.

Price Cut Intensity Value | Online vs Offline

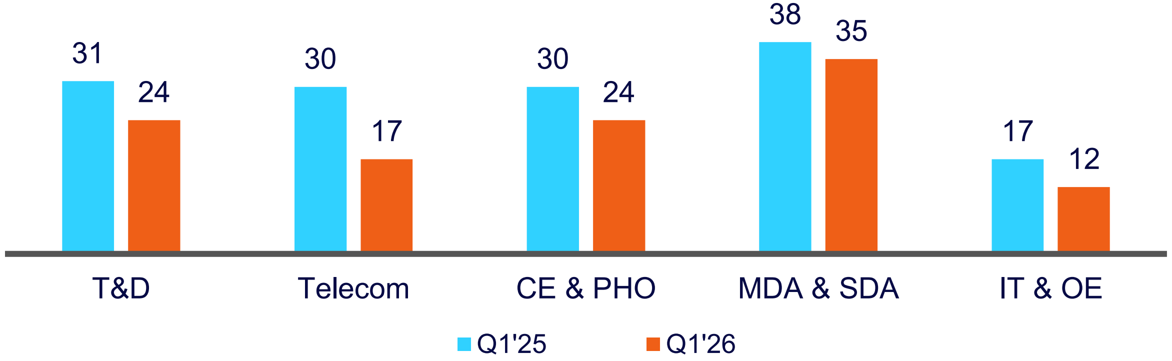


Price Cut Intensity = Sales Units with Price cut of min. 10% / Total Sales Units

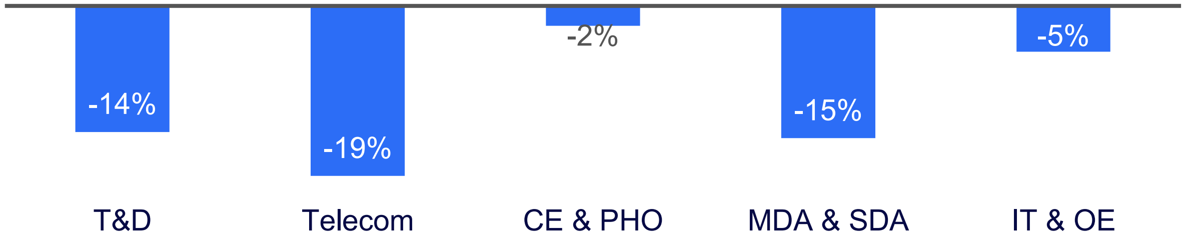
The Offline price-cut rate is higher than Online, but most categories declined in Value in Q1.

Only MDA & SDA were running a similar amount of price cuts in Q1 – however, all markets grew Online YoY.

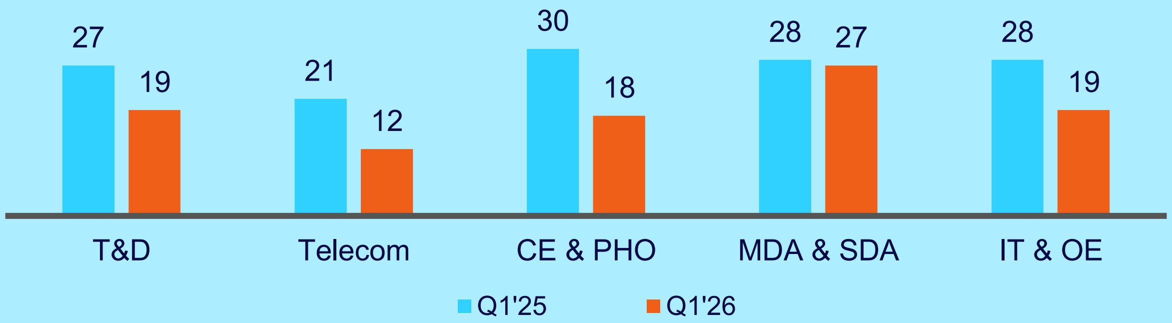
Price Cut Intensity - Offline



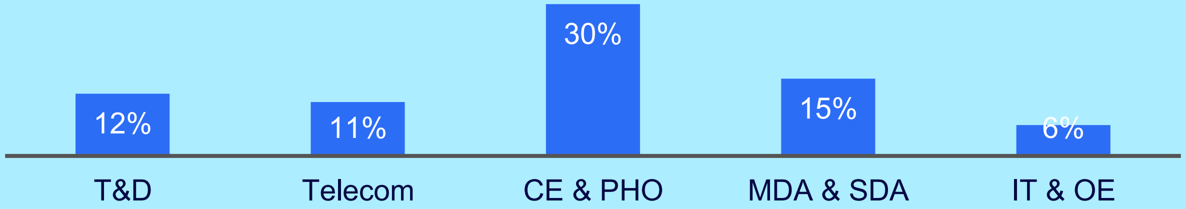
Value Growth YoY



Price Cut Intensity - Online

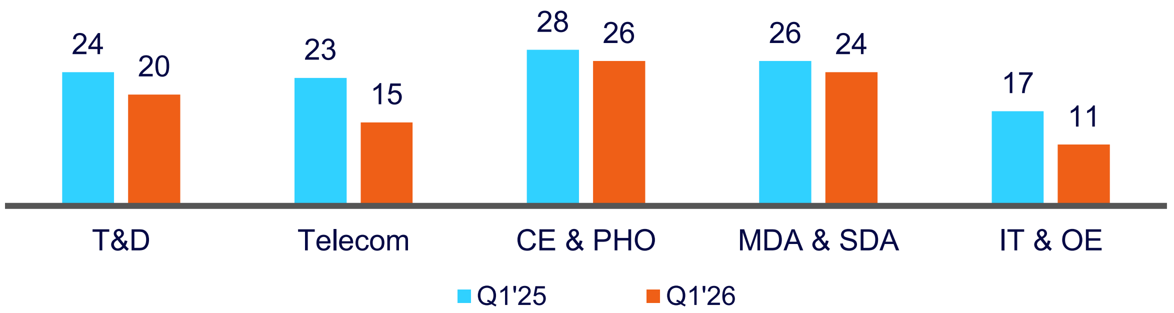


Value Growth YoY

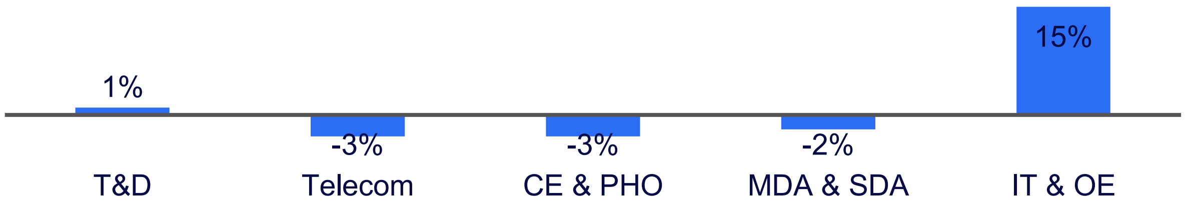


Price cut rate declined YoY, but to a lesser degree than Online.

Price Cut Intensity - Offline

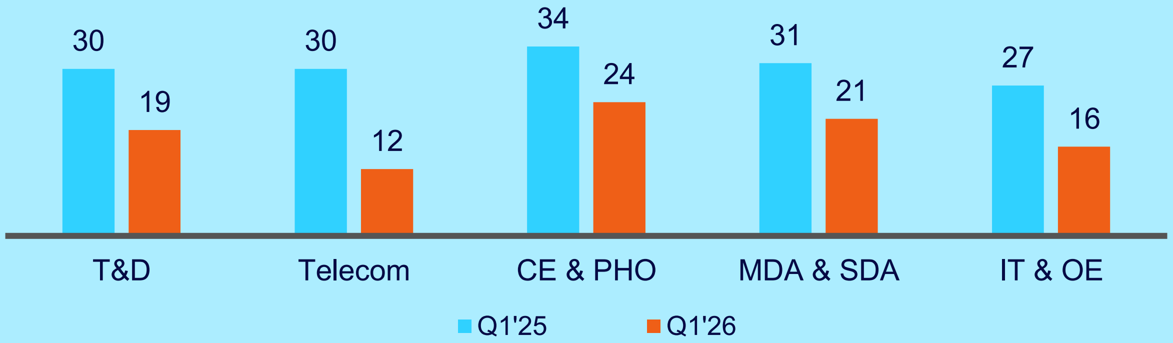


Value Growth YoY

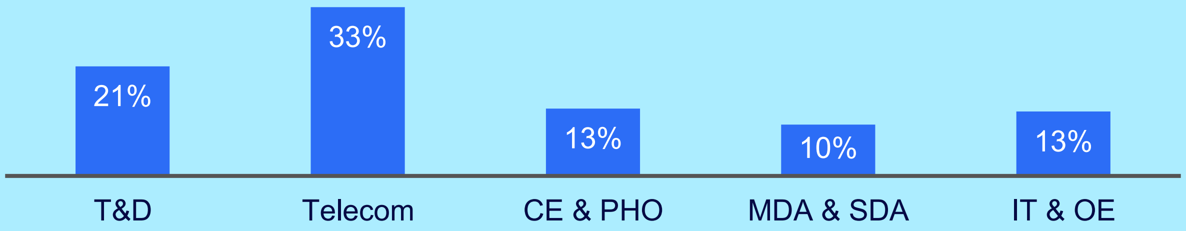


Significant decline of price cuts in Online Market did not affect growth momentum.

Price Cut Intensity - Online



Value Growth YoY

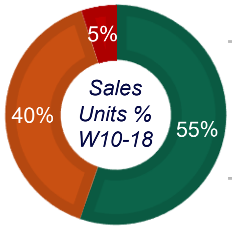


Majority of sales units received a higher price tag after the conflict started, resulting in significant decline. The (small) segment with more than 10% price cut was increasing value.

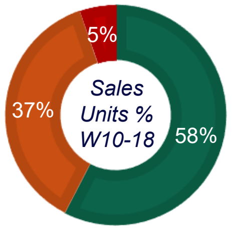
Period: Week 10-18 2026 vs. Week 1-9 2026

T&D

	Price Increased		Price Decreased <10%		Price Decreased 10+%	
	Vol gr%	Val gr%	Vol gr%	Val gr%	Vol gr%	Val gr%
T&D	-47%	-31%	-14%	-15%	+41%	+27%



TVs (CE)	Vol gr%	Val gr%
↑	-46%	-41%
↓<10%	-15%	-16%
↓10+%	+62%	+38%



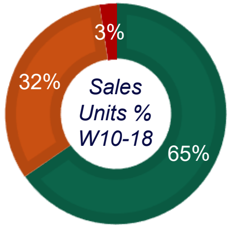
MDA & SDA	Vol gr%	Val gr%
↑	-47%	-28%
↓<10%	-14%	-15%
↓10+%	+39%	+19%

Requirement: SKUs with sales units in all 18 weeks

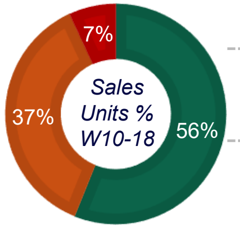
Price cuts of 10+% brought visible uplift only in the TV category, whereas other segments suffered across price tiers in terms of value – emphasizing the importance of price strategy.

Period: Week 10-18 2026 vs. Week 1-9 2026

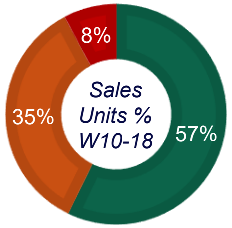
T&D	Price Increased		Price Decreased <10%		Price Decreased 10+%	
	-32% Vol gr%	-33% Val gr%	-9% Vol gr%	-20% Val gr%	+25% Vol gr%	-2% Val gr%



Smartphones	Vol gr%	Val gr%
↑	-30%	-33%
↓<10%	-16%	-23%
↓10+%	+1%	-13%



MDA & SDA	Vol gr%	Val gr%
↑	-39%	-37%
↓<10%	-7%	-14%
↓10+%	+36%	+1%



TVs (CE)	Vol gr%	Val gr%
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↓<10%	-16%	-19%
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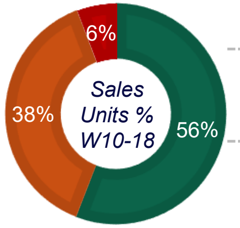


IT & OE	Vol gr%	Val gr%
↑	-20%	-26%
↓<10%	-3%	-16%
↓10+%	+18%	-6%

Requirement: SKUs with sales units in all 18 weeks

How Does the Current Situation Affect Consumers?

NIQ

Rising fuel prices is the highest concern followed by the cost of living, broader economic and job worries

Levels of Concerns in the Current Situation

(% of those who said Very worried)

50%
Rising prices of Fuel and Energy
Global 47%

39%
Cost of living
(essentials, food, HH goods)
Global 42%

38%
Overall Economic Situation
Global 35%

37%
Unemployment
Global 34%

36%
Macro-economy
Global 33%

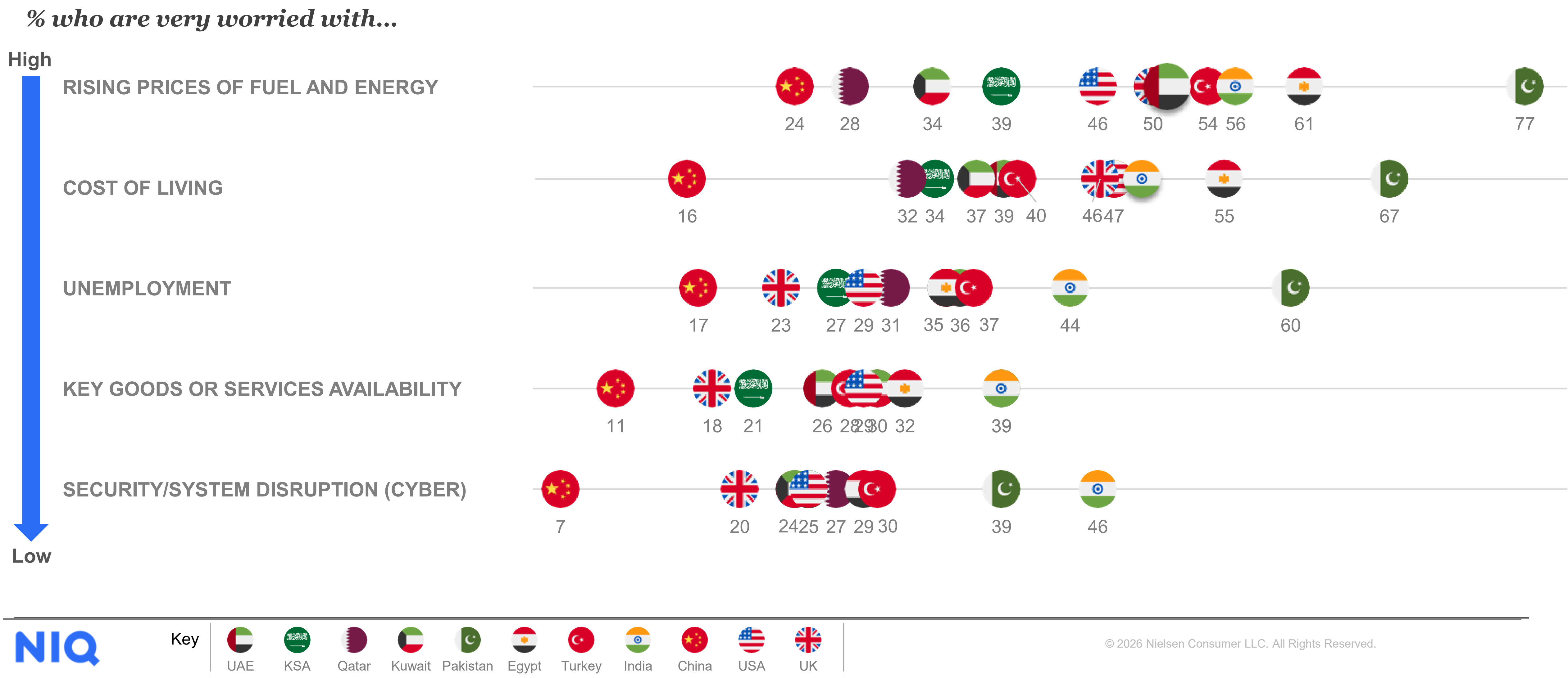
"

Based on the ***information available to you*** (from media, conversations, or things you notice in everyday life), please indicate ***how worried you are*** about each of the following in the current situation?

Consumer Pulse Study, Base: 250, Ref: Based on the *information available to you* (from media, conversations, or things you notice in everyday life), please indicate *how worried you are* about each of the following in the current situation?

Core concerns remain consistent regionally with market-specific issues emerging in some countries.

Rising fuel prices and the cost of living are top concerns – more so in Pakistan Egypt ; Goods availability and cyber security a bigger worry in India, with China having lower concerns in general



However, key concerns are not translating into a negative perception of family finance

Levels of Concerns in the Current Situation
(% of those who said Very worried)

50%
Rising prices of Fuel and Energy
Global 47%

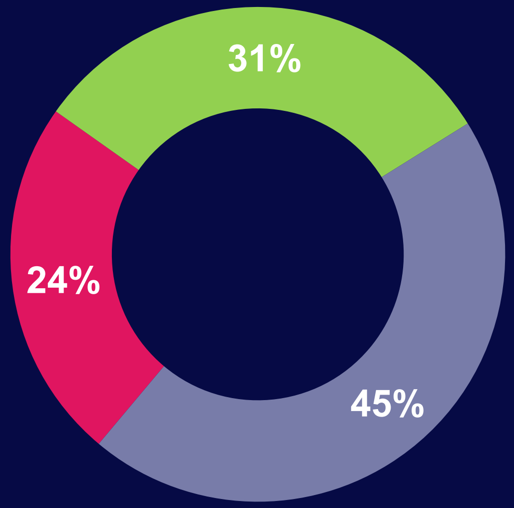
39%
Cost of living
(essentials, food, HH goods)
Global 42%

38%
Overall Economic Situation
Global 35%

37%
Unemployment
Global 34%

36%
Macro-economy
Global 33%

Family Financial Situation vs. 3 Months Ago



■ Worse ■ Better ■ Equal

	Worse	Better	Equal
Global	*22%*	*33%*	*45%*

Consumer Pulse Study, Base: 250 : As compared to 3 months ago, would you say that you or your family are financially…? Based on the *information available to you* (from media, conversations, or things you notice in everyday life), please indicate *how worried you are* about each of the following in the current situation

KSA consumers are less concerned than UAE and remain much more positive regarding the household financial situation

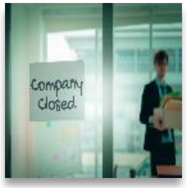
Levels of Concern in the Current Situation

39%
Rising prices of Fuel and Energy
Global 47% / UAE 50%

34%
Cost of living
(essentials, food, HH goods)
Global 42% / UAE 39%

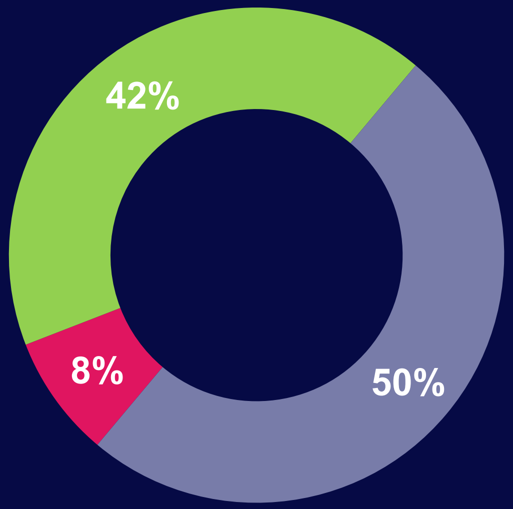
27%
Unemployment
Global 34% / UAE 37%

25%
Cybersecurity
Global 27%



23%
Macro-economy/jobs
Global 33%

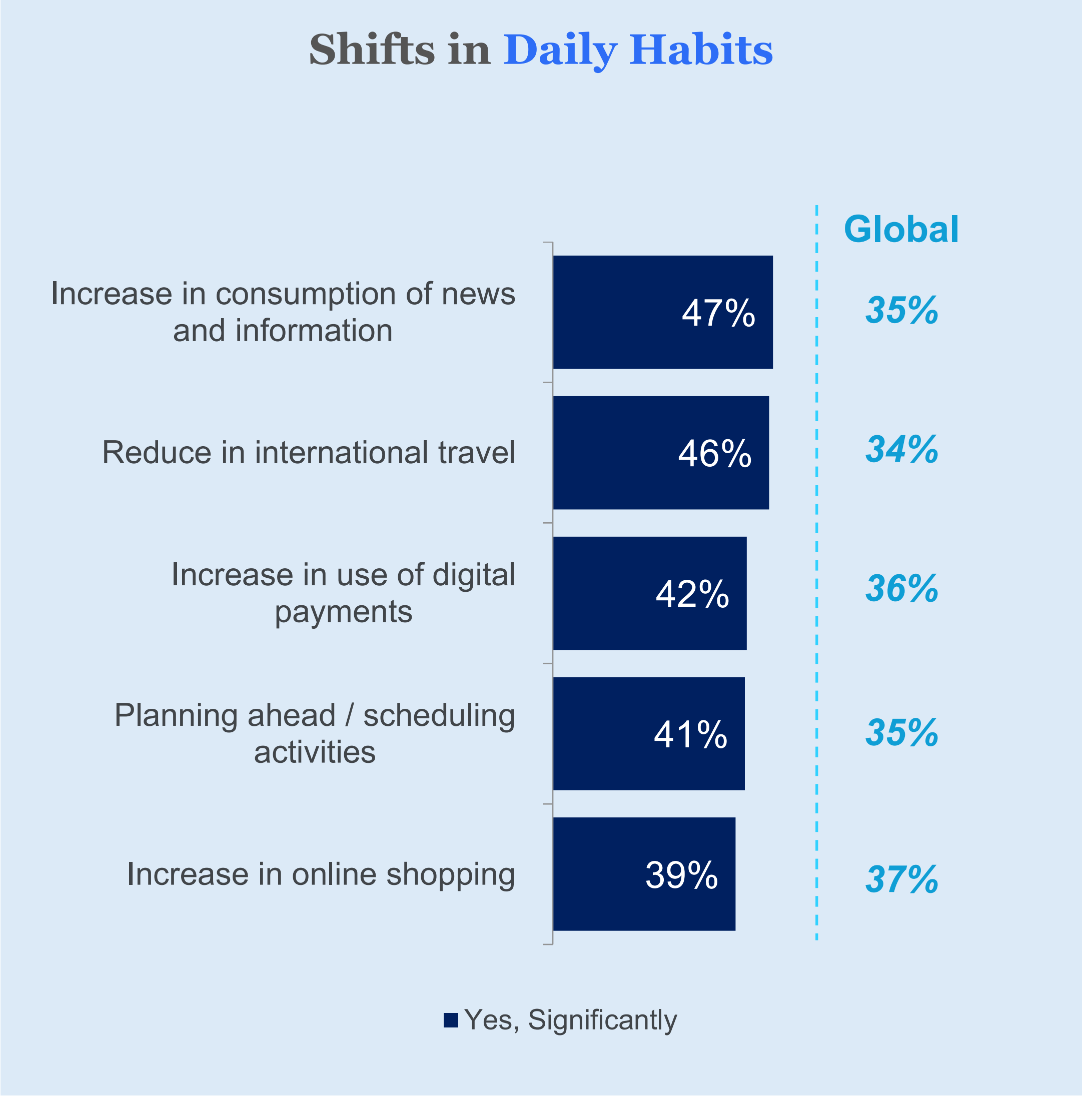
Family Financial Situation vs. 3 Months Ago



	Worse	Better	Equal
Global	*22%*	*33%*	*45%*
UAE	*24%*	*31%*	*45%*

Consumer Pulse Study Base: 404 Ref: As compared to 3 months ago, would you say that you or your family are financially…? Based on the information available to you (from media, conversations, or things you notice in everyday life), please indicate how worried you are about each of the following in the current situation?

Shifts in the daily habits demonstrated cautious adaptation rather than a full consumer retreat.



Consumer Pulse Study, Ref: Thinking about the current situation, *have you changed or had to change any of your habits* or *day-to-day behaviours* in relation to the following? Now let's talk specifically about *public places*, basis the current situation and in reference to last week, *did you change your frequency of visiting*

Shifts in the daily habits demonstrated cautious adaptation rather than a full consumer retreat.

Shifts in Daily Habits

Visiting Public Places: What's Changed

- **Home Furniture**: 40% reduced, 17% stopped
- **Large Shops /Clothing Chains**: 39% reduced, 13% stopped
- **Restaurants & Cafes**: 42% reduced, 9% stopped
- **Park and Outdoor events**: 38% reduced, 12% stopped
- **Fast food chains**: 39% reduced, 7% stopped
- **Hyper/ Supermarkets/ Grocery Stores**: 28% reduced, 4% stopped
- **Pharmacies**: 27% reduced, 4% stopped

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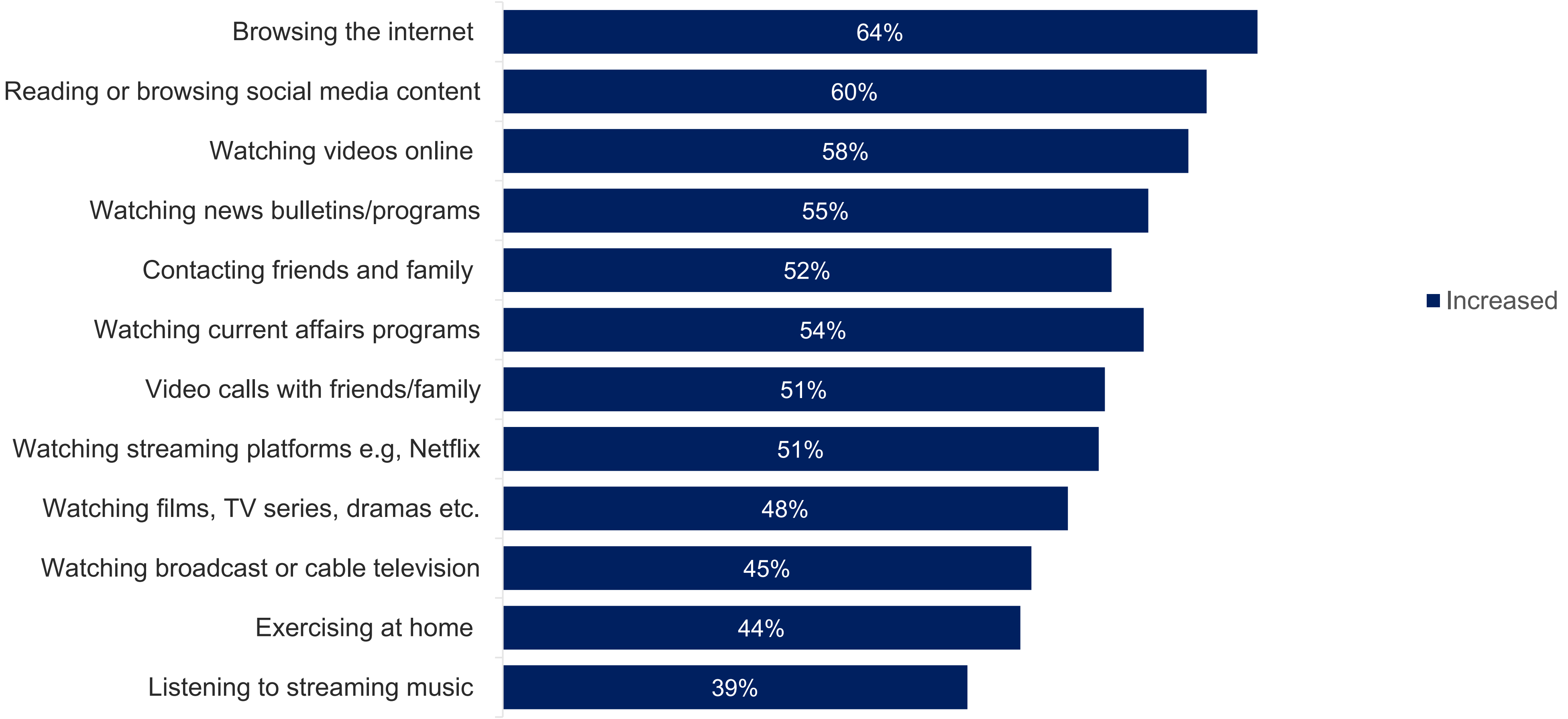
Consumer Pulse Study, Ref: Thinking about the current situation, *have you changed or had to change any of your habits* or *day-to-day behaviours* in relation to the following? Now let's talk specifically about *public places*, basis the current situation and in reference to last week, *did you change your frequency of visiting*

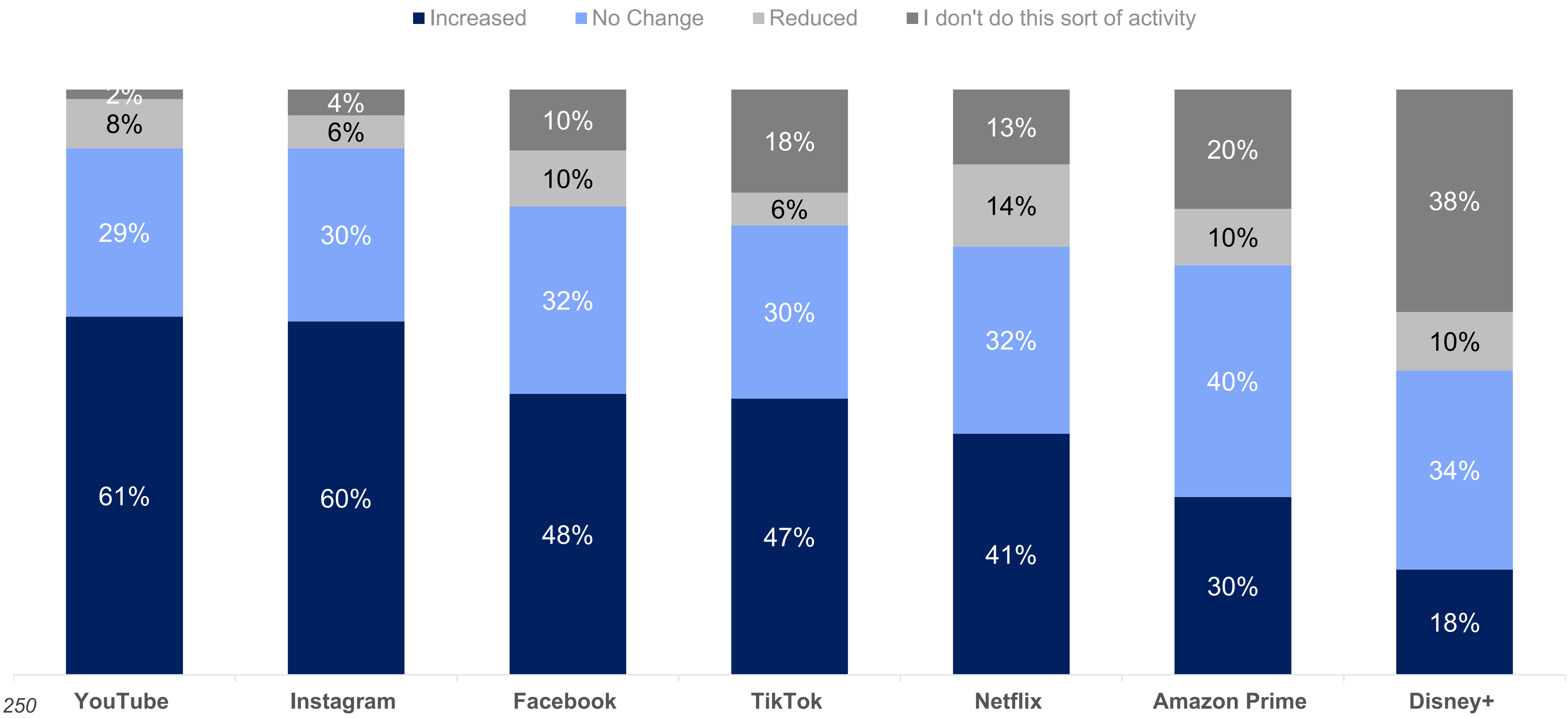
As time at home increases, we see a clear uplift in digital media engagement, with video-led and social platforms benefiting the most.

Thinking about the past week, compared with ***your usual routine***, ***did you spend more time*** on any of the following activities?



Base: 250

YouTube and Instagram stand out, with around 6 in 10 consumers reporting increased time spent, reinforcing their role as primary discovery, entertainment, and information channels.



Base: 250

As time spent on digital platforms rises, *food delivery and takeaway* usage follows.

32%

Significantly Increased in activity during this time.

Value considerations dominate food delivery choices in KSA, with discounts, deals and speed

30%
Discounts/ Deals

28%
Delivery Fee/ Speed

19%
Brand trust/ Familiarity

11%
App Promotions

7%
Cravings/ Product Desire

4%
Safety/ Reliability Concerns

Consumer Pulse Study *Base: 404*
Ref:Main factor influencing choice when ordering food for delivery

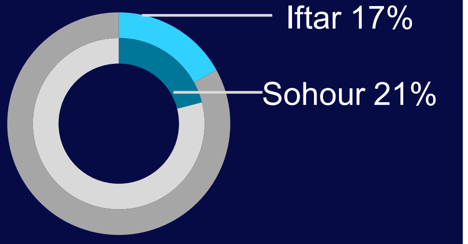
Data Teaser: NIQ's latest Food Delivery Usage Tracker

Time of the day ordering (KSA)

Early morning	**Breakfast**	**Lunch**	**Snacks/ teatime**	**Dinner**	**Late-night**
2 am – 5 am	*5 am – 11 am*	*11 am – 3 pm*	*3 pm – 6 pm*	*6 pm – 10 pm*	*10 pm – 2 am*
8%	**19%**	**42%**	**30%**	**63%**	**38%**
• *18-30* • *High-Frequency users*	• *High income* • *SAR 30,000 or more*	• *Males* • *High-Frequency users*	• *Dammam/Khobar* • *46-55 yrs* • *Expat Asians*	• *Dammam/Khobar* • *26-30 yrs* • *Local Nationals*	• *Females* • *26-35 yrs*

During Ramadan

It is mainly Iftar and Sohour and during night only



n=750

During which times of the day do consumer usually order food via delivery apps?

About the Study: Methodology and Sample

Targeted Sample Criteria

Insights are gathered from **750** regular food delivery users in **Saudi Arabia and UAE**, surveyed online.

Respondent Qualification

Respondents who are highly active food delivery users (minimum four orders per month).

Tracking & Benchmarking

A quarterly tracker to benchmark brands, uncover growth opportunities, and monitor shifts in consumer behavior over time.

Complete report includes:

Consumer spend

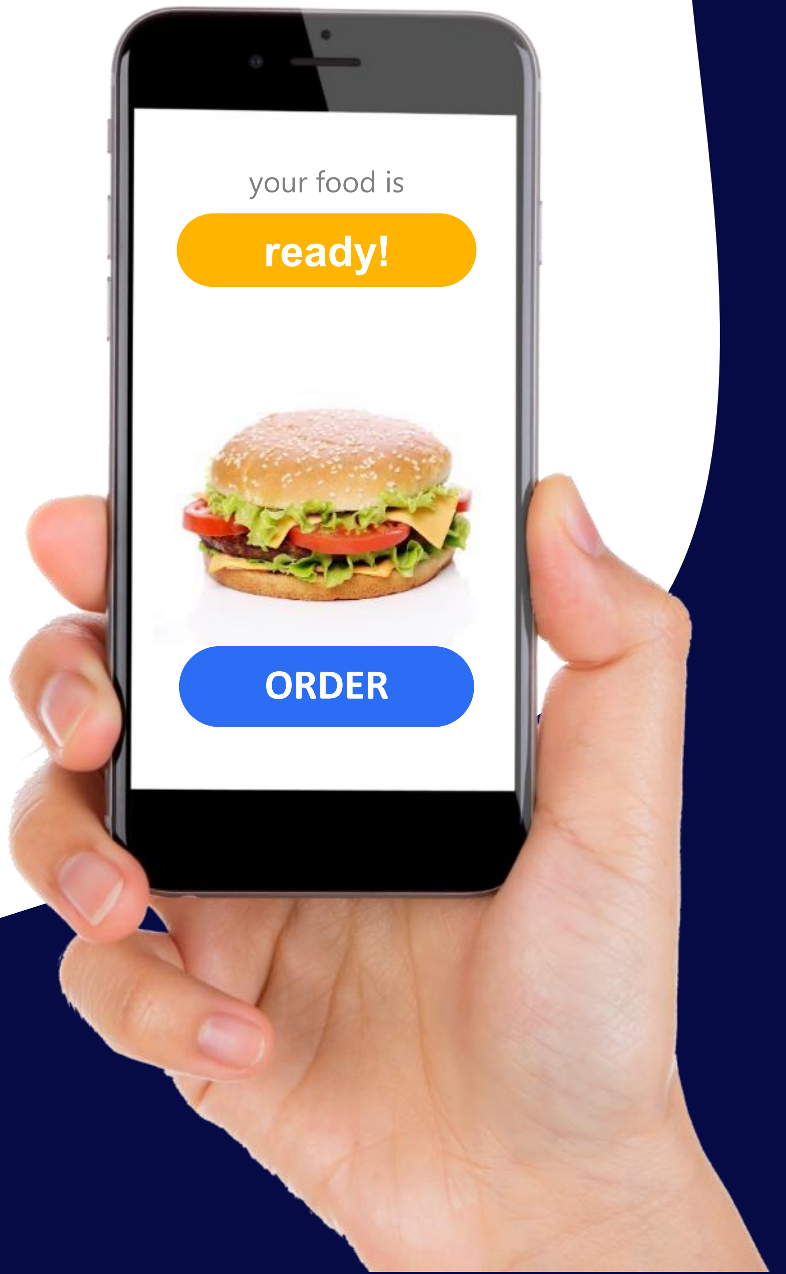
Examines spend allocation by platform, ordering value and frequency, and the influence of promotions.

App benchmarking

Benchmarks app experience, satisfaction, and key strengths and pain points across platforms.

Brand & Loyalty

Evaluates brand awareness and usage, platform loyalty and switching.



Beyond Digital:
How are these evolving consumer sentiments translating into purchase behavior?

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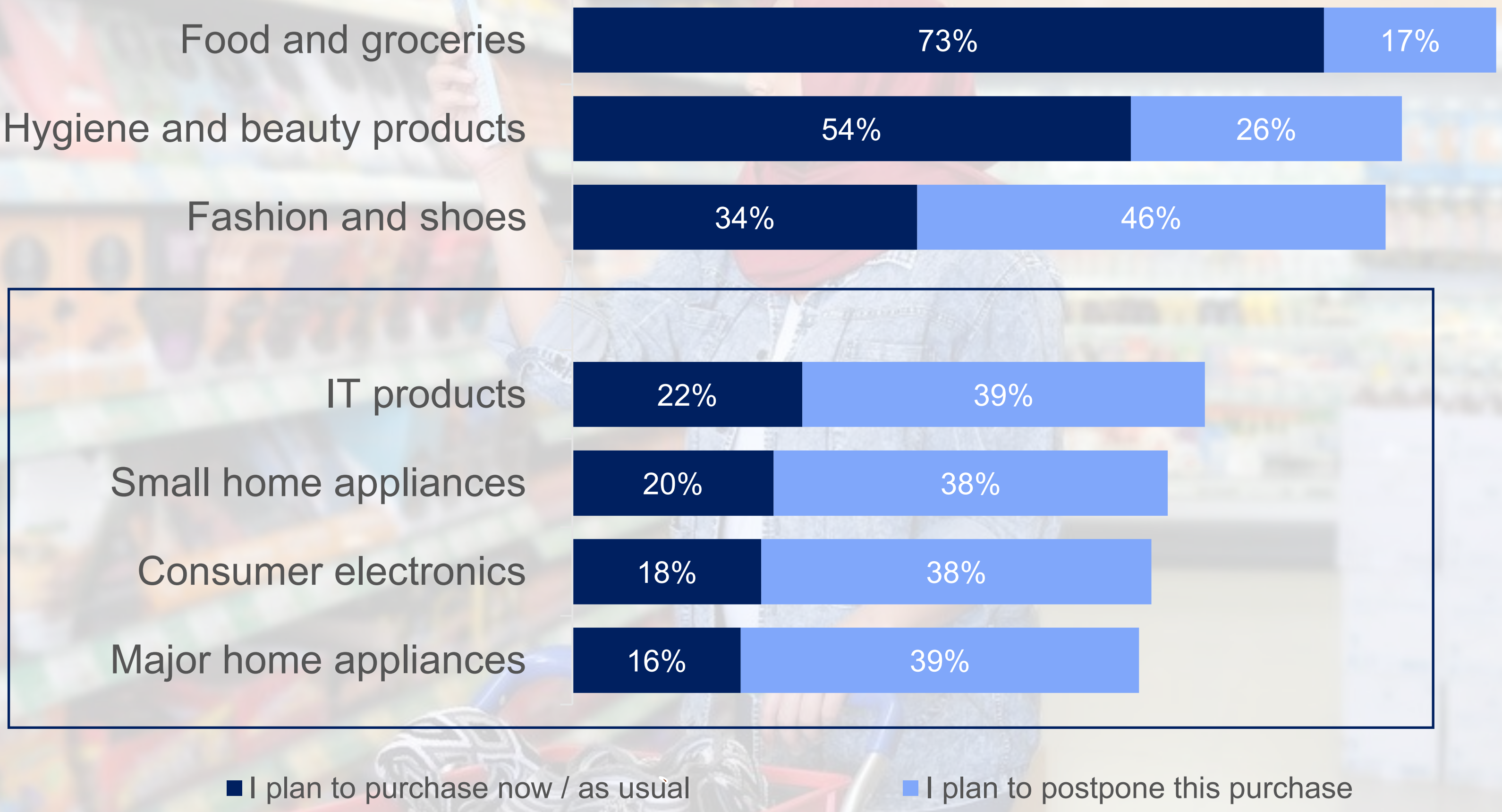
Purchase plans

While ***essentials continue to be a priority purchase,*** non-essential spending is being deferred rather than cancelled



Consumer Pulse Study, Ref: Base: 250 Ref: Thinking about the current situation, what are your purchase plans in the coming period for the following products?

Similar pattern is seen across the region; consumers defer rather than cancel on non-essential spending across T&D categories.

Thinking about the current situation, what are ***your purchase plans in the coming period*** for the following products?

% planning to postpone buying..	UAE	KSA	Qatar	Kuwait	Pakistan	Egypt	Turkey	India	China	USA	UK
MAJOR HOME APPLIANCES	**70**	63	63	58	64	**66**	**65**	57	**70**	56	54
IT PRODUCTS	**64**	**64**	59	57	59	61	**64**	53	**70**	52	53
SMARTPHONES	**59**	55	58	**61**	**59**	**64**	**70**	48	**65**	44	46
FASHION AND SHOES	**58**	43	**60**	**60**	**54**	51	**54**	47	48	49	48
HYGIENE AND BEAUTY PRODUCTS	32	37	**51**	**48**	42	38	**43**	34	**47**	24	30

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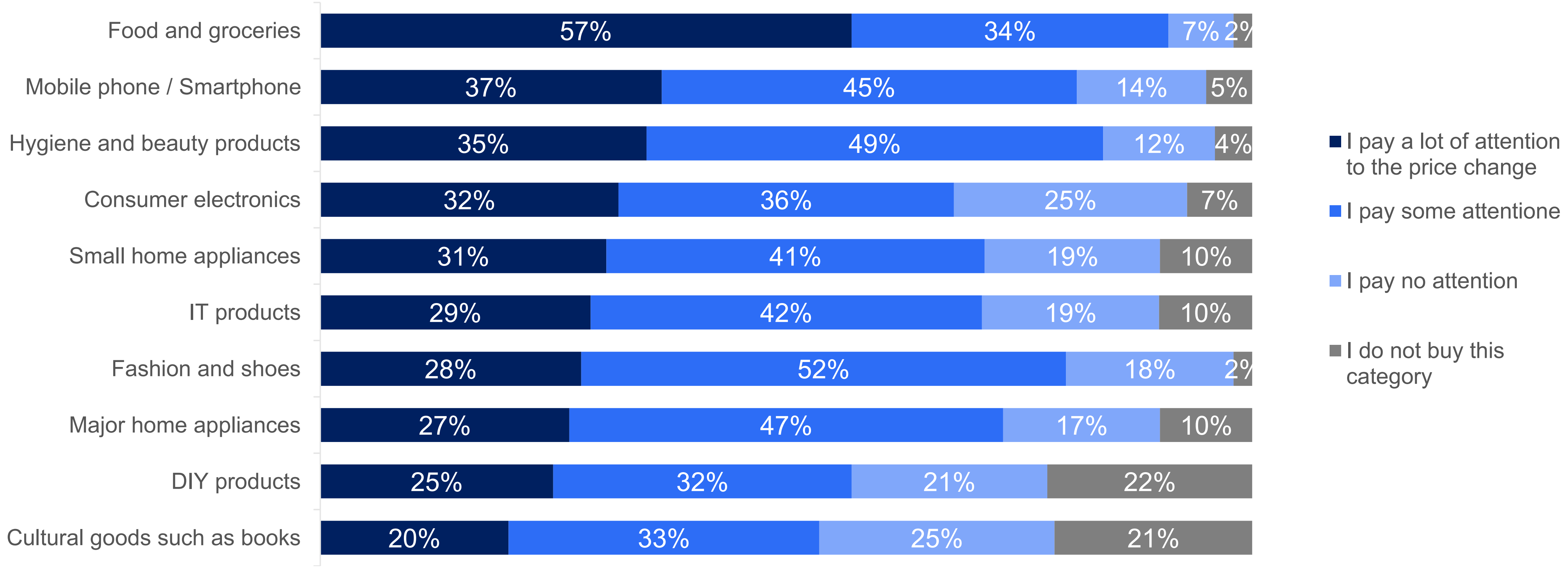
>+3 bp vs. the avg. mentions for the items

As consumers increasingly pay more attention to price change across categories

You mentioned that ***food prices have increased in your country***, does that ***affect your purchasing for each of the products*** mentioned below in any way (both food and non-food)?



Base: 404

This heightened price sensitivity fundamentally changes *how marketing works.*

When consumers are watching prices this closely, growth is no longer just about spending more on media—it's about ensuring every marketing dollar counts.

Introducing NIQ's Marketing Mix Modeling.

NIQ’s MMM Methodology: Main-Effect Model

Quantifies the direct impact of ATL and BTL drivers

SALES FOOTFALL
(Weekly)

Dependent variable
What we want to study

f
Function of

MEDIA
(TV, Print, Facebook ads, other online, Radio etc.) – ad stocked, factoring in the saturation

+

PRICING, RANGING
(price changes, SKUs)

+

PROMOTION
(Price off, BOGOF, Flyers, Promoters etc.)

+

BRAND EQUITY
(Brand Health Data– e.g awareness, consideration etc.)

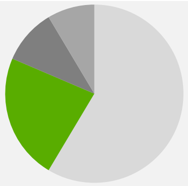
+

OTHER FACTORS
(Seasonality, Distribution, Economy, Trends etc.)

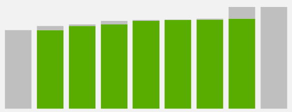
Independent variables = Factors driving sales

STORE-LEVEL, MULTIPLICATIVE, REGRESSION-BASED, ECONOMETRIC MODEL

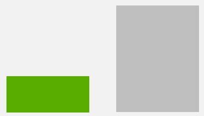
RESULTS: SALES



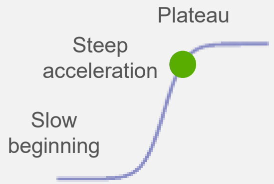
Decomposition of drivers of sales



Analysis of drivers over time

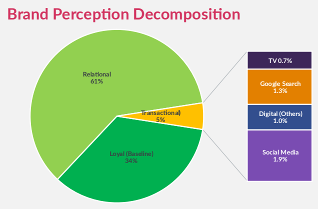


ROI Comparison



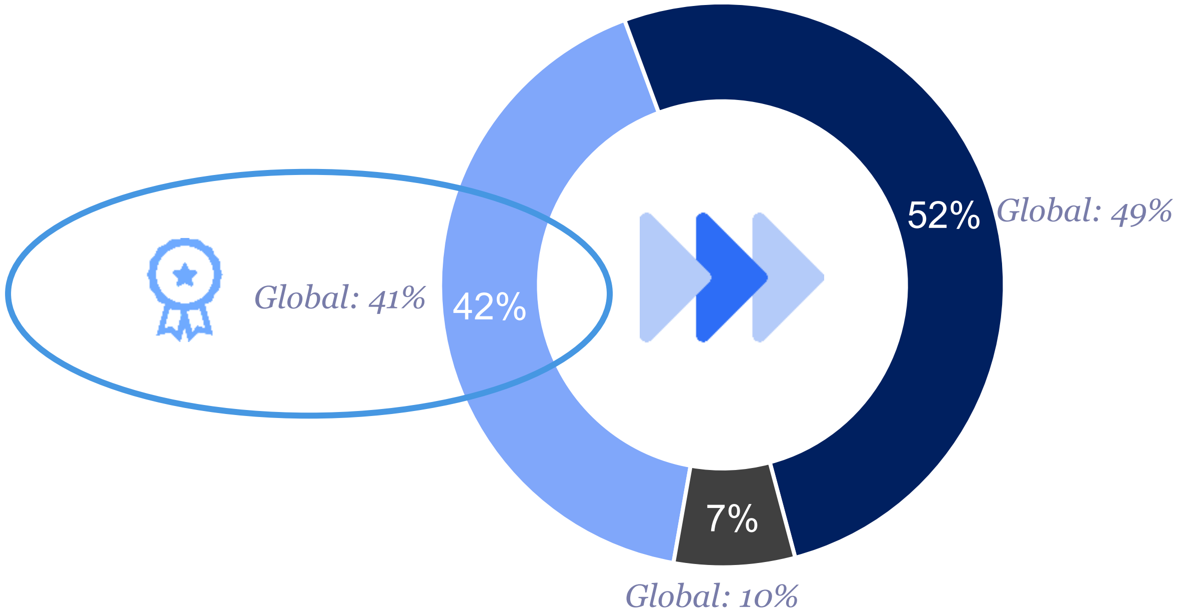
Optimal media pressure analysis

RESULTS: BRAND



Consumers remain genuinely open to trying new products, even amid the current uncertainty

Openness to **Innovate**



- I love trying new brands and products
- I sometimes try new brands but usually stick to favourites
- I rarely try new things and prefer brands I know will work

Retail Pulse 2025

Love try new brands and products

51%

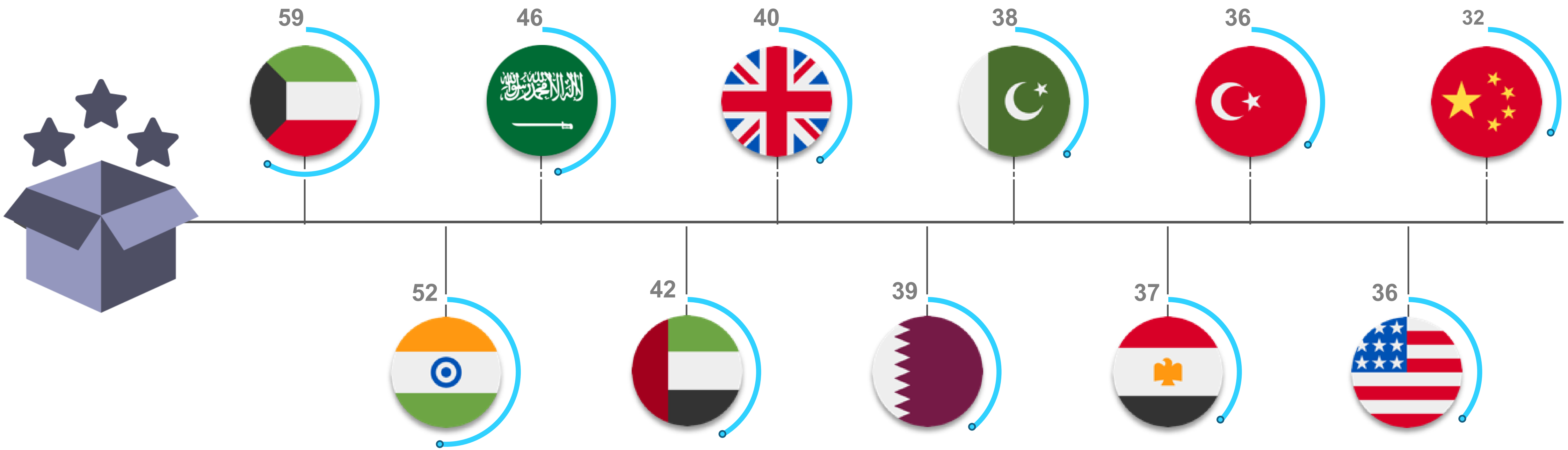
Consumer Pulse Study Base: 250
Ref: Which of the following best describes how you feel about changing brands and buying different grocery items?

People Open to Try New Brands or Stick to Favorites?

Consumers tend to prioritize familiar brands, reflecting a cautious approach towards trying new brands – however consumers in UAE, UAE, KSA & Kuwait are relatively more willing to try new brands

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

% willing to try new brands & products



Key: UAE, KSA, Qatar, Kuwait, Pakistan, Egypt, Turkey, India, China, USA, UK

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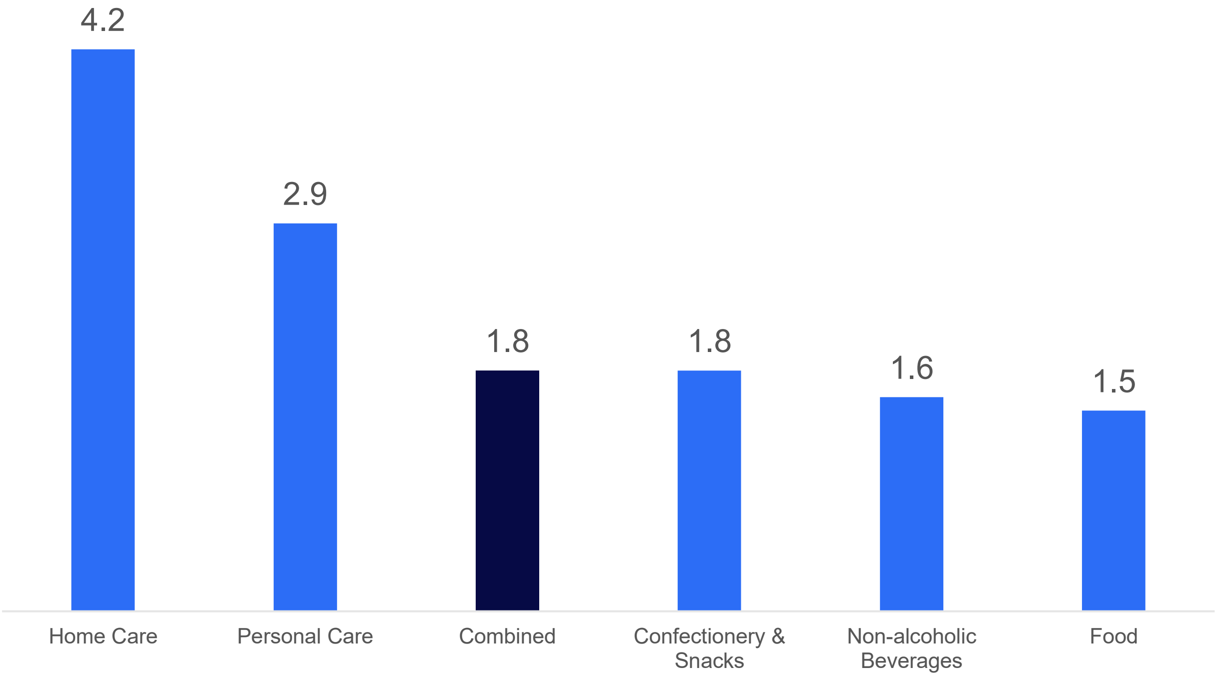
Lessons from COVID-19: Innovation growth boosts overall growth

Manufacturers growing innovation sales in 2022 were

1.8X

more likely to grow overall sales compared to those with stagnant or declining innovation sales.

Impact of innovation growth on overall growth*



****Impact is calculated as a ratio of percentages of manufacturers growing total sales among those growing innovation sales vs those with no growth in innovation sales.***

Source: BASES Innovation Measurement

What’s Next?

What are the key takeaways?

Emerging Channel & Assortment Landscape

Demand is shifting toward online channels and resilient categories, while big-ticket segments decline due to postponed purchases. Brands must strengthen online-first strategies, ensure SKU availability, and focus assortments on high-demand categories.

Price Dynamics

Broad price cuts are declining and losing effectiveness, while deep, targeted discounts are the only drivers of volume recovery—often at the expense of margins. Brands must adopt a more precise pricing strategy, shifting from blanket promotions to selective discounting in high-elasticity categories while maintaining price discipline in low-elasticity segments.

Consumer Preferences

Consumers are actively reallocating their budgets toward necessities and away from discretionary spending. There is a need to sharpen value propositions and to consider more targeted pricing and promo strategies

Opportunity despite challenges

Despite all the changes in dynamics and consumer preferences we have seen, there is always opportunities to grow through innovation, unlocking white spaces or marketing mix

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The Full View™

Thank you!

If you would like to explore how these insights can help shape your 2026 strategies, we would be happy to schedule a discussion with you and your team. Looking forward to supporting your business growth!

NielsenIQ