

Next level *Are you ready?*

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Analytical Team Lead Belgium

February 8th 2024

NielsenIQ





+ 10.7%

The **#1 factor** having the greatest significance for **retailers**



“Changing consumer behaviour due to increased costs – 57% of senior leaders in retail stated behaviour in consumers as the hottest topic in boardrooms”

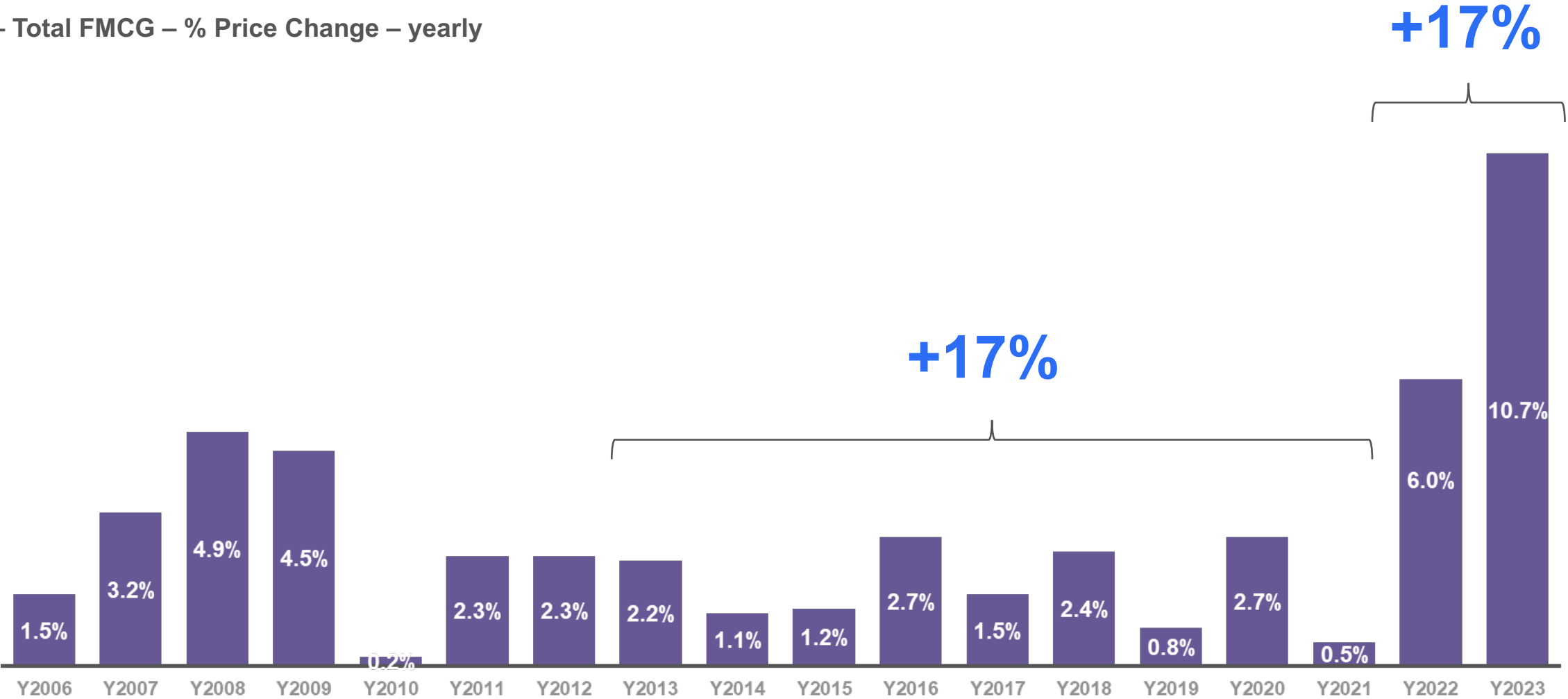
Ranking above *‘inflation’* and *omnichannel strategies*



Source: NielsenIQ Insider survey | 129 senior leaders | APAC, China, EEMEA, Latam, North America, Western Europe | Fieldwork: March 2023.

FMCG % Price increase during last 2 years was as strong as 9 previous year together in Belgium

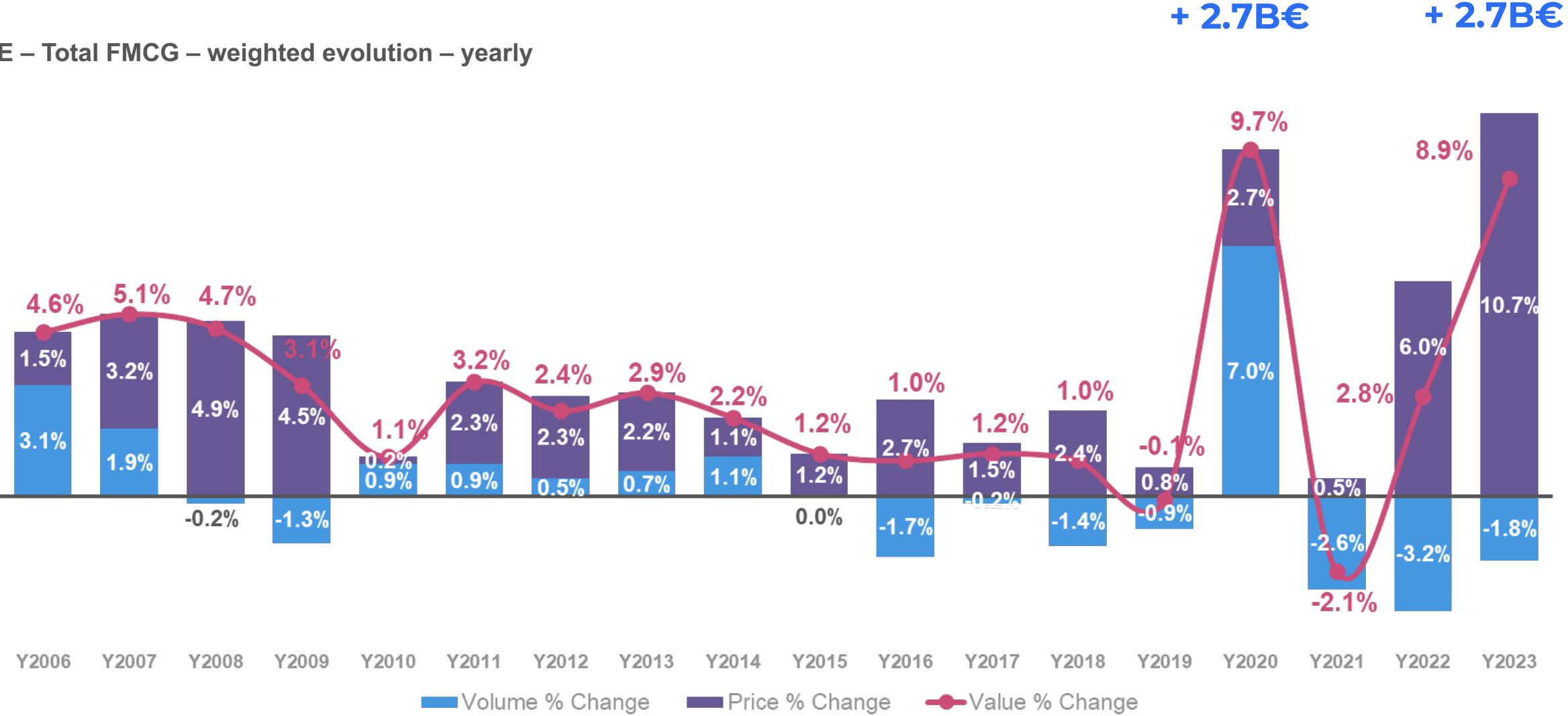
BE – Total FMCG – % Price Change – yearly



Strongest price increase for the last 5 decades

But with a continuing risk of pressures on volume

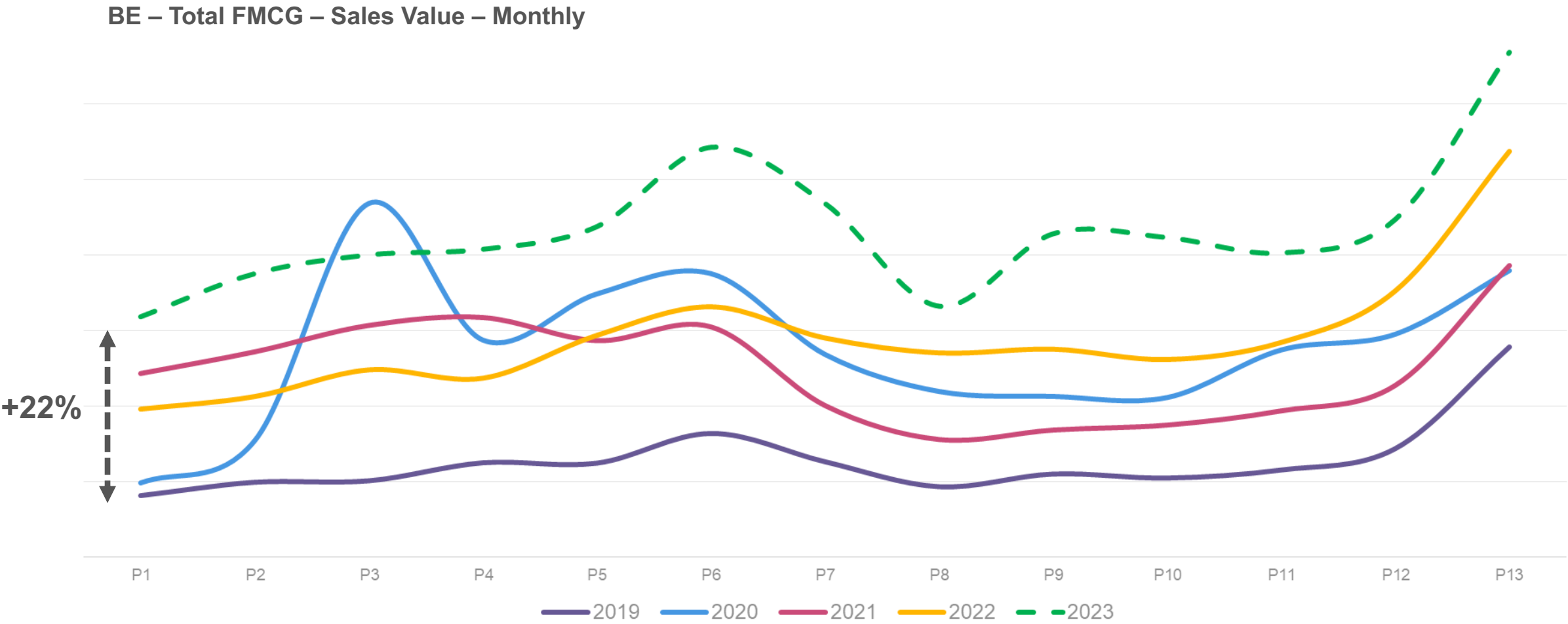
BE – Total FMCG – weighted evolution – yearly



Source: NIQ RMS scantrack

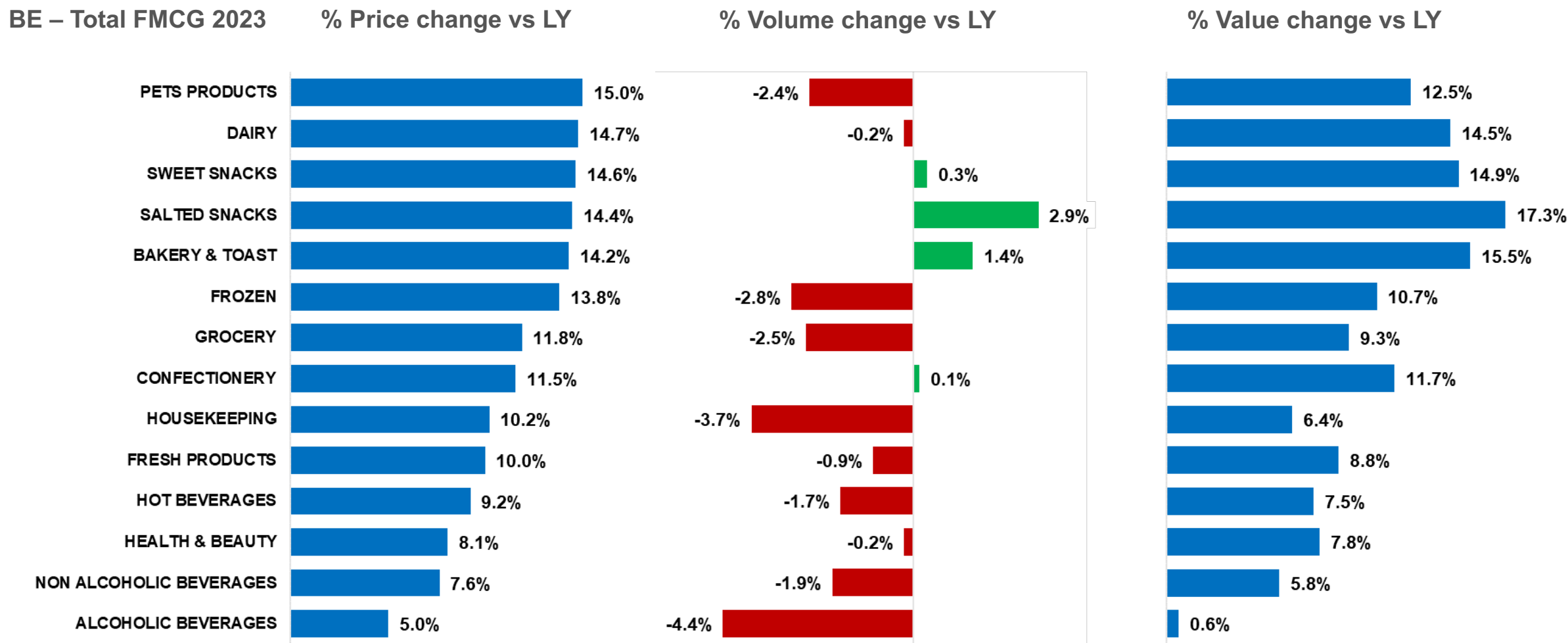
Price increase pushing turnover month after month: 2023 sales are +22% or +5.5B€ vs 2019

Bad weather in 2023 even prevented stronger growth, most pronounced in August.



Price increase was even higher than +14% in 1/3 of the supergroups, while more limited in bev

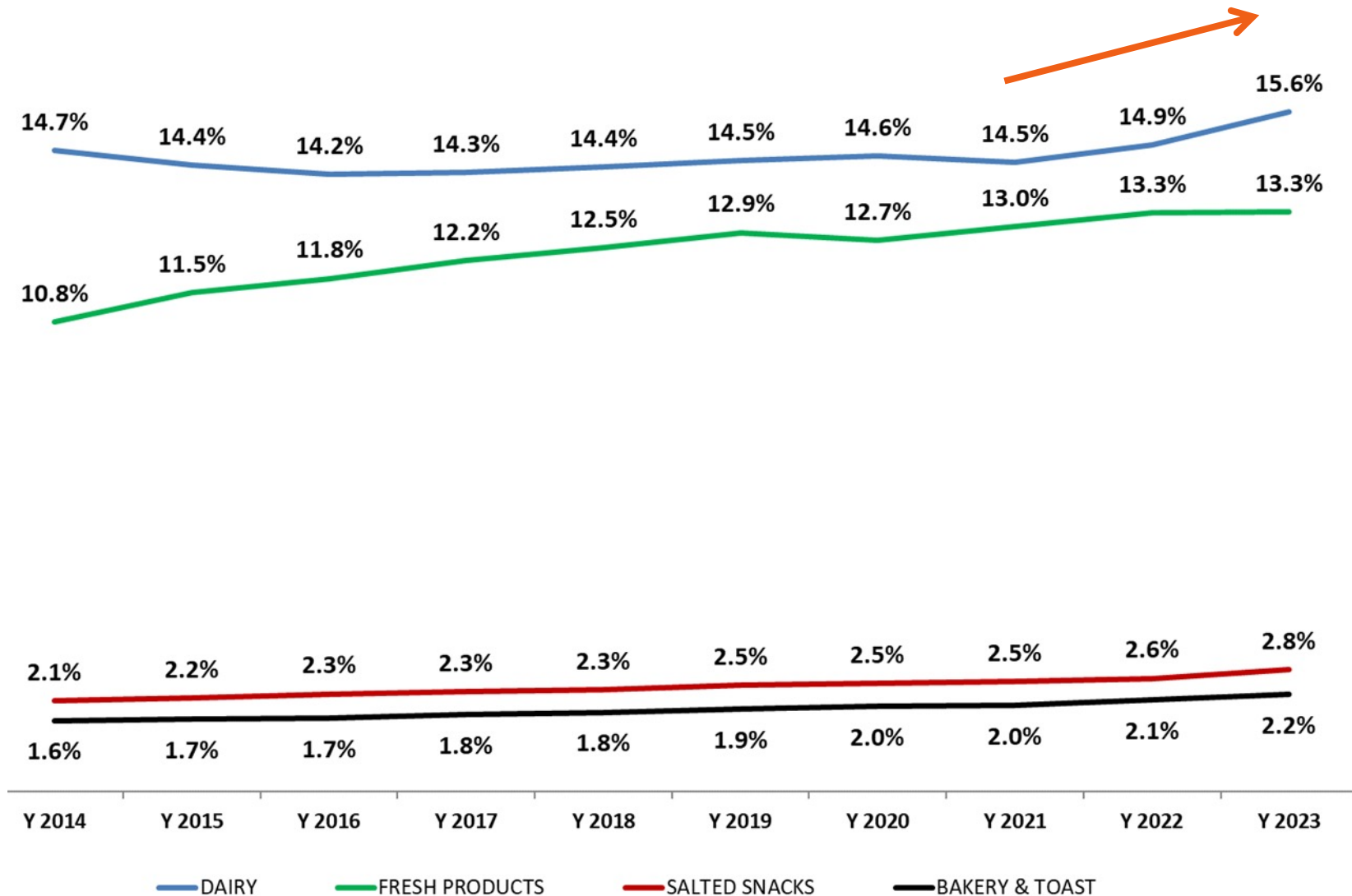
Huge price increase on basic commodities hardly impacting volume, resulting in huge value uplift



Dairy growing +21% last 2 years and this contributing most to growth (25%)

Fresh, Bakery and Salted Snacks also continue progress and more growth is expected next years

BE FMCG – Share Value - winning supergroups



Price & Volume change 2023 in Belgium

Strong Price increase in many basic commodities like cheese, milk, bakery, salads, chips,... but only limited volume impact



Chips : +20%

Vol: +2.6%

+70 Mio €



Melted Cheese : +20%

Vol: -1.6%

+18 Mio €



Mozzarella: +19%

Vol: +4.1%



Camembert +18%

Vol: +7.2%



Mascarpone +18%

Vol: +6.6%



Milk : 25€/L: +17.5%

Vol: -0.3%

+65 Mio €



Hard Cheese: +17%

Vol: -0.6%

+125 Mio €



Margarine: +16%

Vol: -1.9%



4th gam salads +16%

Vol: +3.2%



Bakery & Toast: +14%

Vol: +1.1%

+65 Mio €

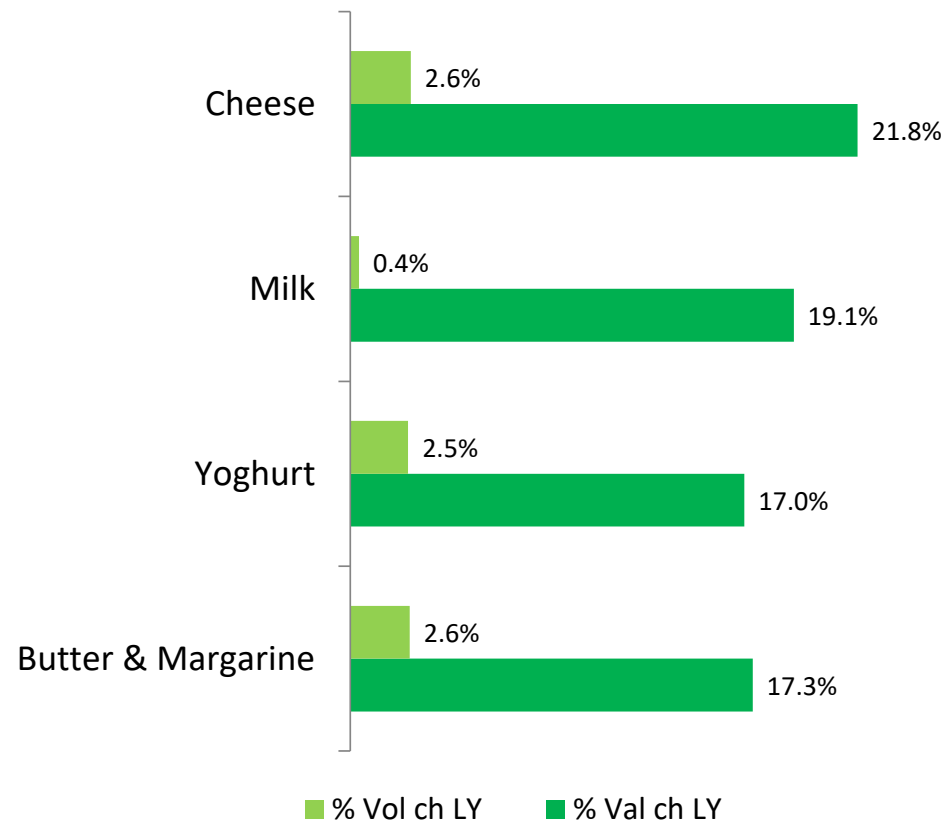
Consumers don't stop buying dairy products

Consumers switch to PL despite even a higher price increase

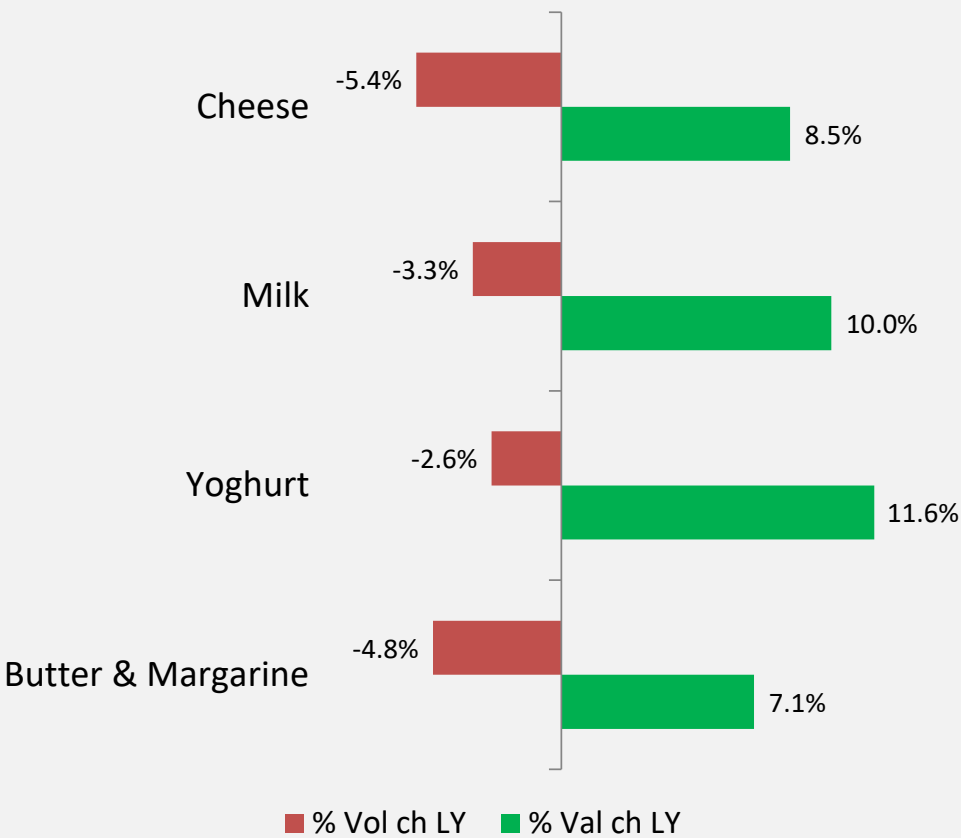
Price increase results in volume loss for Brands

Despite vol loss, value gain was still double digit in Milk/Yoghurt

PL Dairy segments– % vol-val Change in Belgium



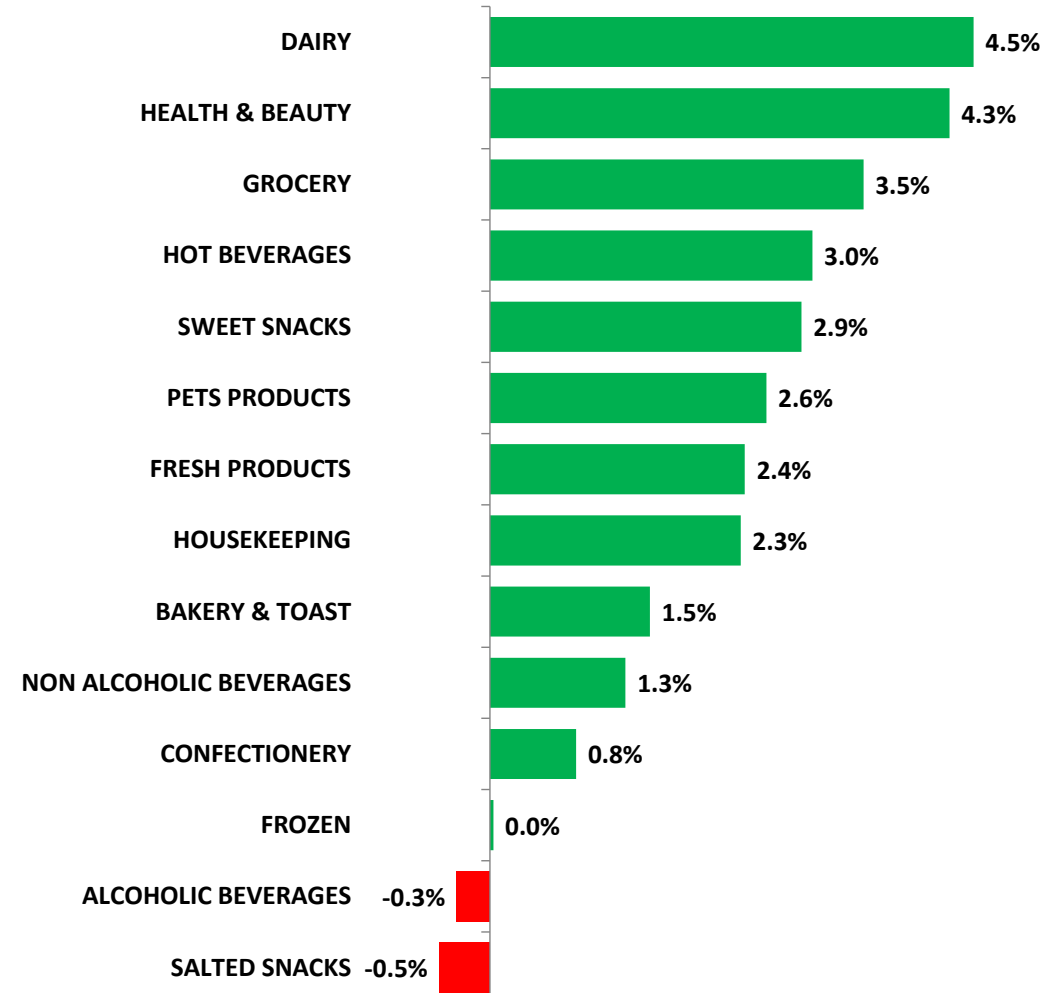
Brands Dairy segments– % vol-val Change in Belgium



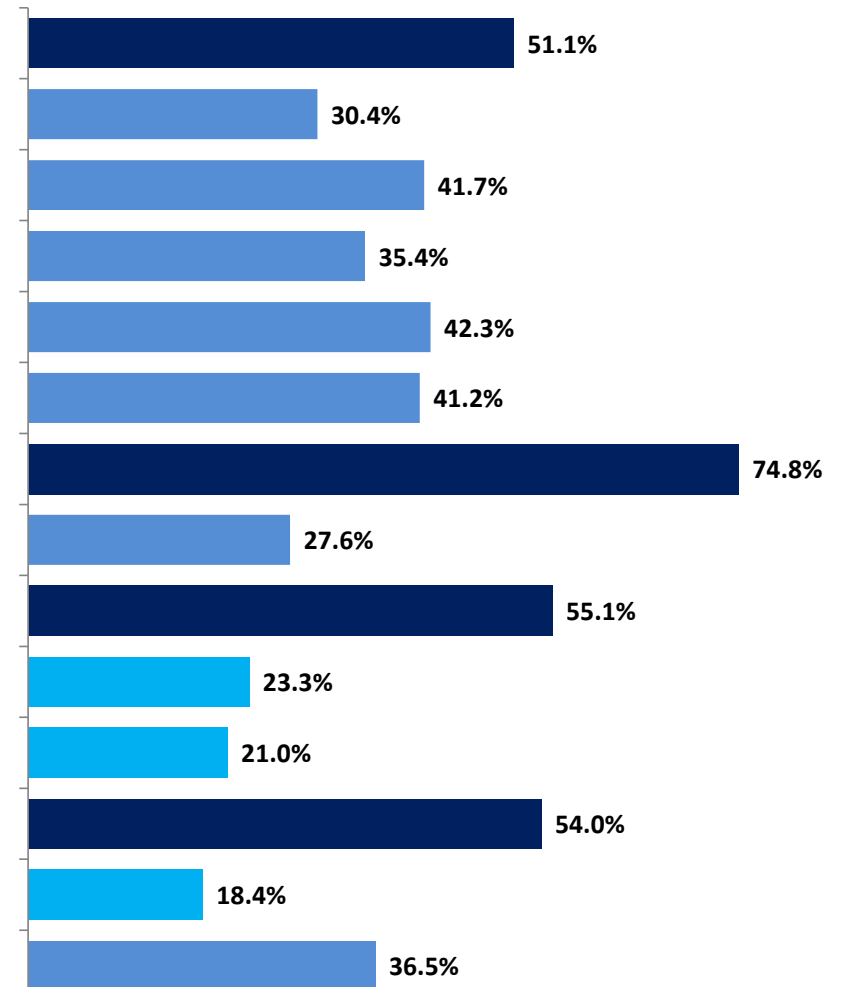
PL share increase this way most in Dairy over last 2 years and even crossing 50% share

PL winning more than +2pp share in 8 of the 14 groups L2Y , while even losing in Alc. Beverages and salted snacks

PL Share Value evol in pp
2023 vs 2021



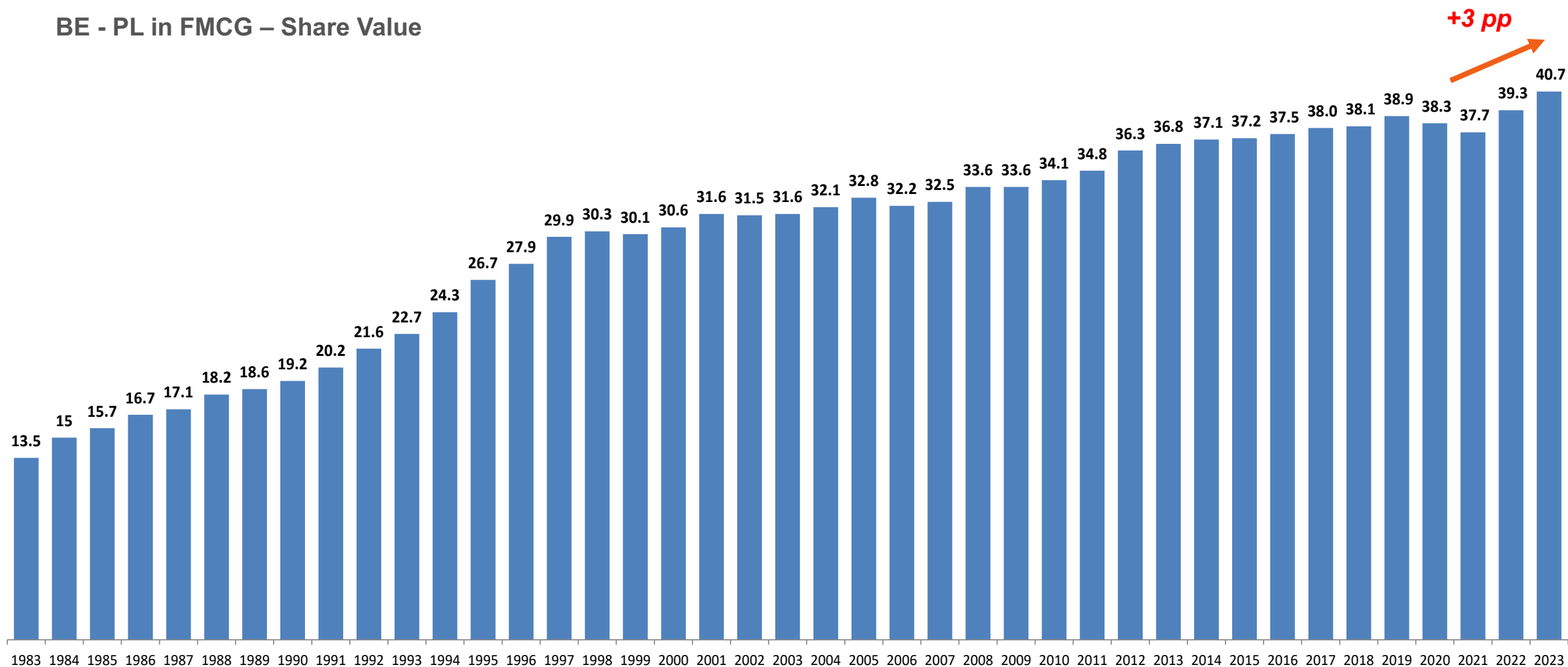
PL Value Shares 2023



New record level for PL in 2023

After most important share loss due to Covid-19, PL gain in last 2 years is highest in last 2 decades

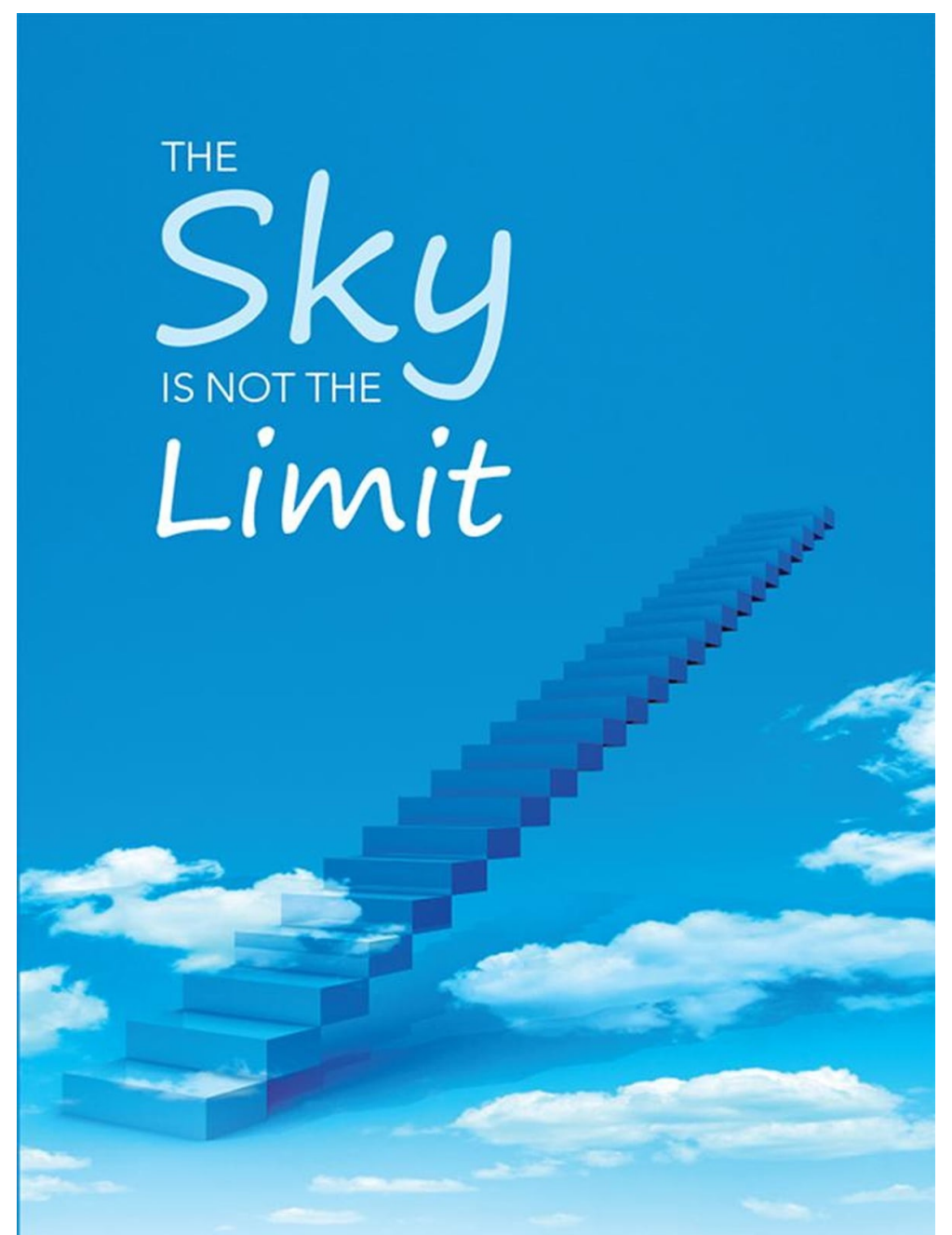
BE - PL in FMCG – Share Value



What to expect the upcoming years?

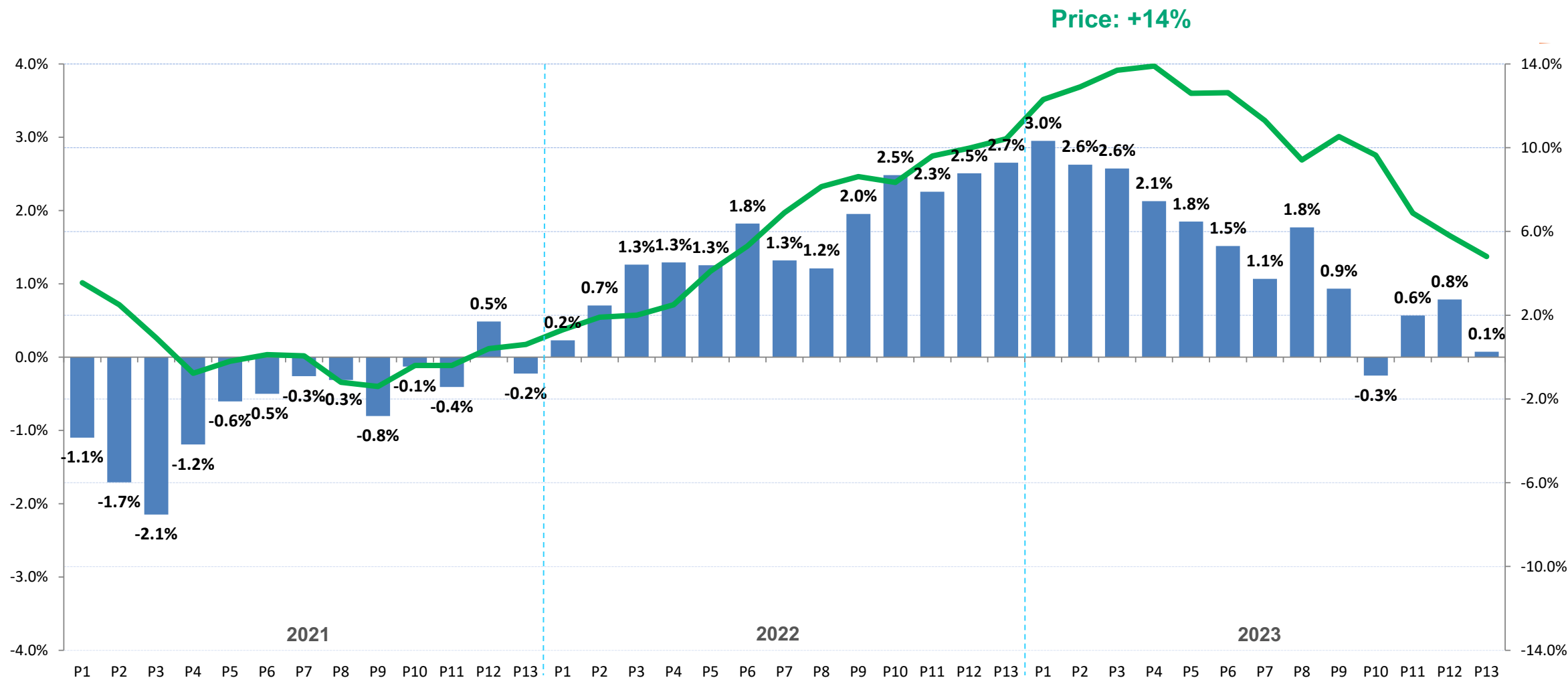
Private Labels

are delivering an
outstanding performance
in inflationary times



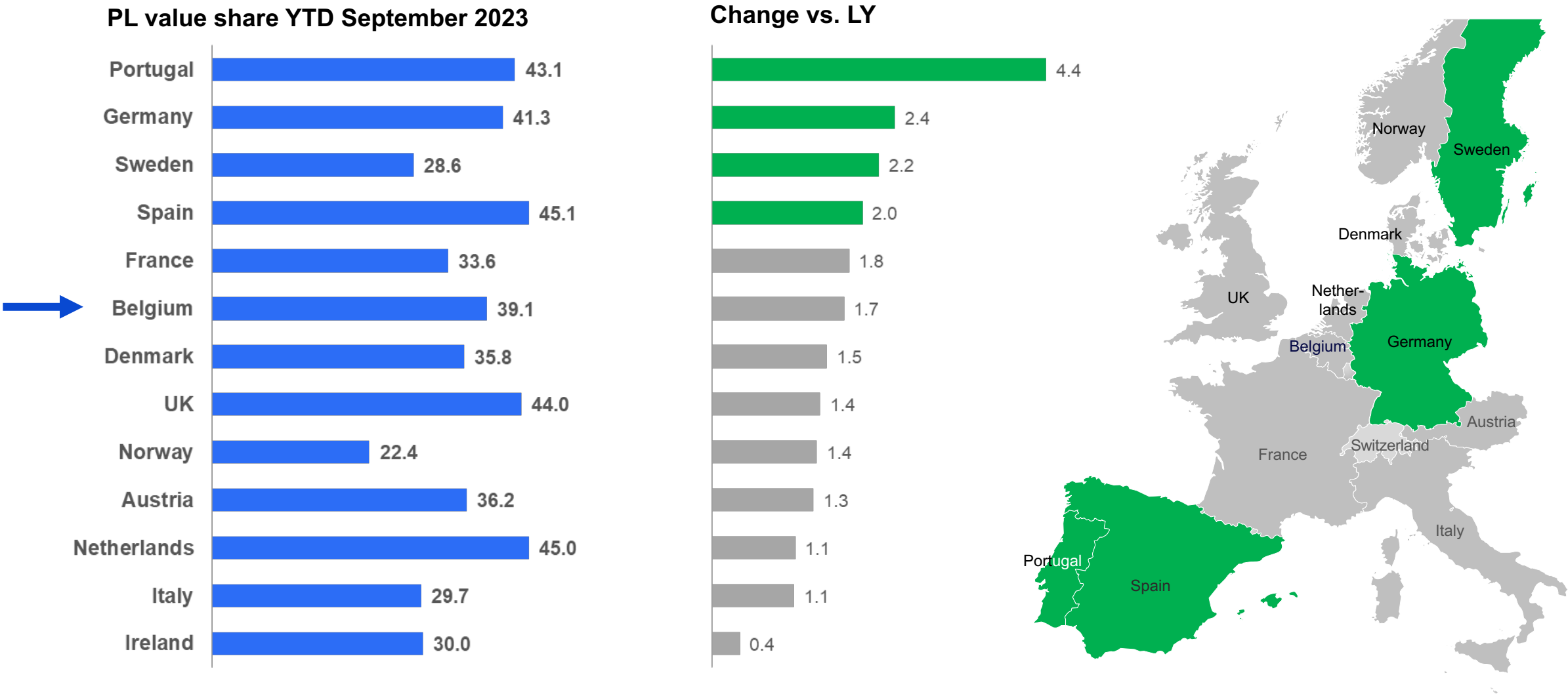
PL share gain and price increase have been cooling down last quarter

As more limited price increase is expected, we can also anticipate a stagnation for PL, but a strong decline is unlikely without a new homebody economy boost as new PL habits have been created



Private label sales are rising everywhere in Europe

PL share is even up to +5pp higher in some neighbour countries, so more growth is expected, but nowhere over 50%



Source: NielsenIQ Strategic Planner -. Largest market scope per country.

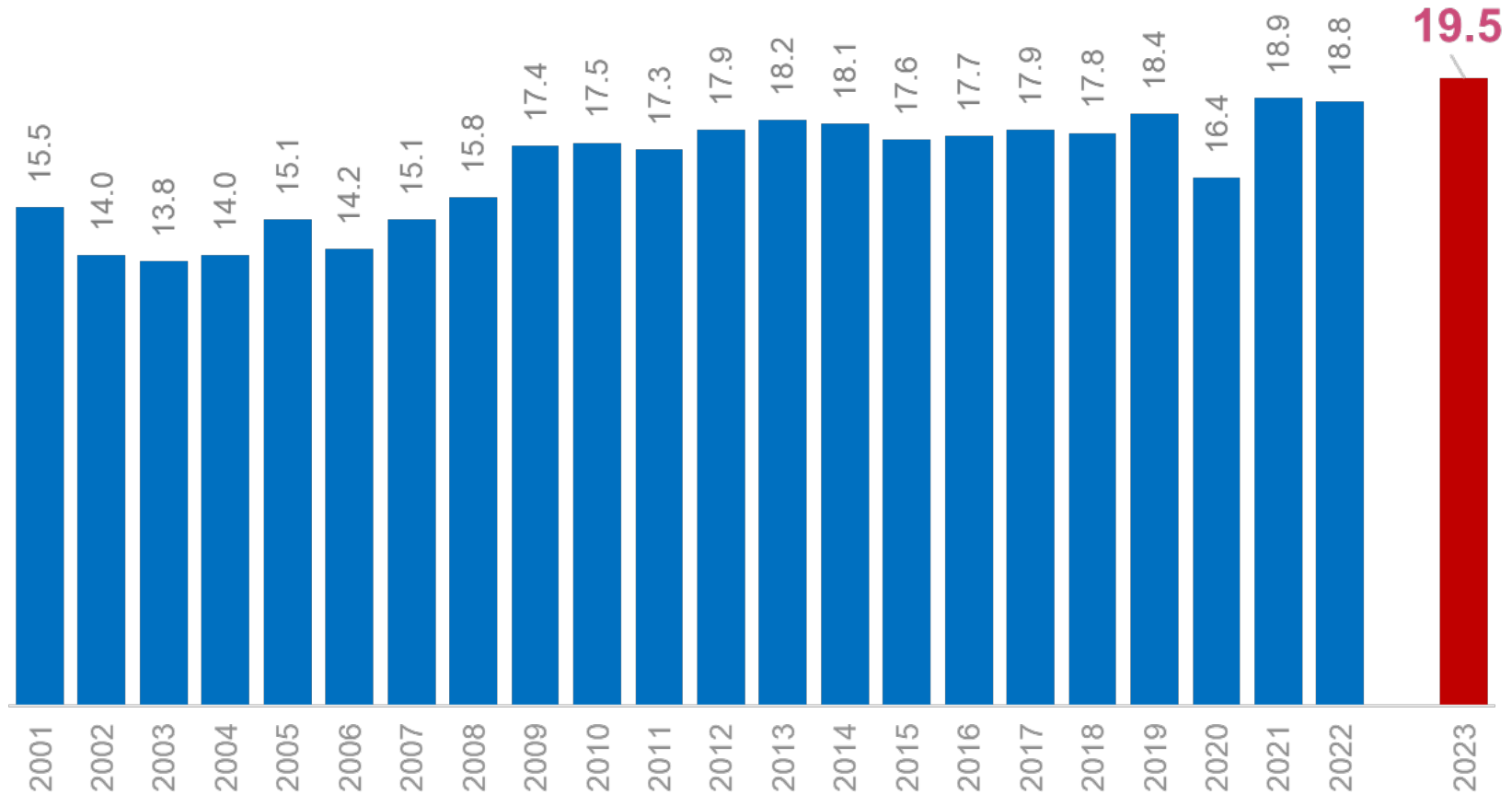
Promotion

*A coping mechanism for
Manufacturers to attract consumers?*



Promotion was
the coping
mechanism
against
inflation

BE – Total FMCG – Importance of sales value any promo - FY



Source: NIQ Belgium – RMS Scantrack

95%

of consumers have changed how they have shopped for FMCG to manage expenses

Top strategies to save money

Just buying essentials, shop at Discounters and buy more promo

32%

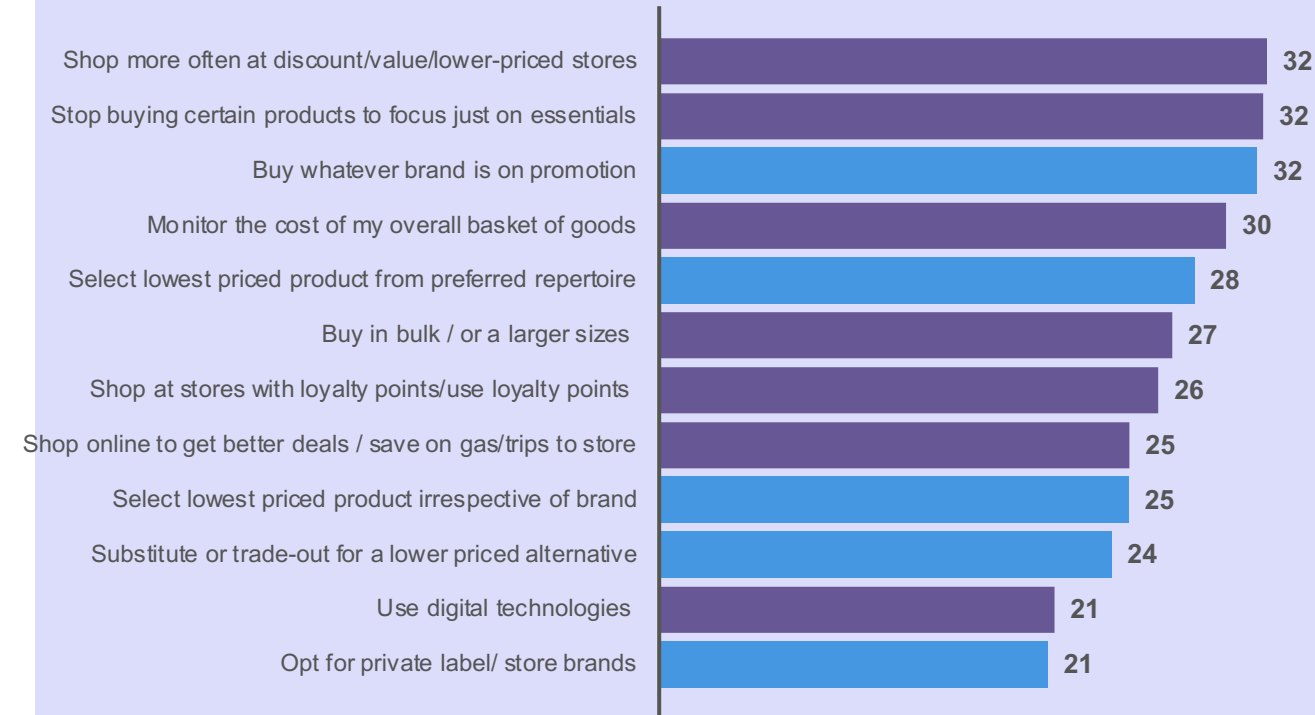
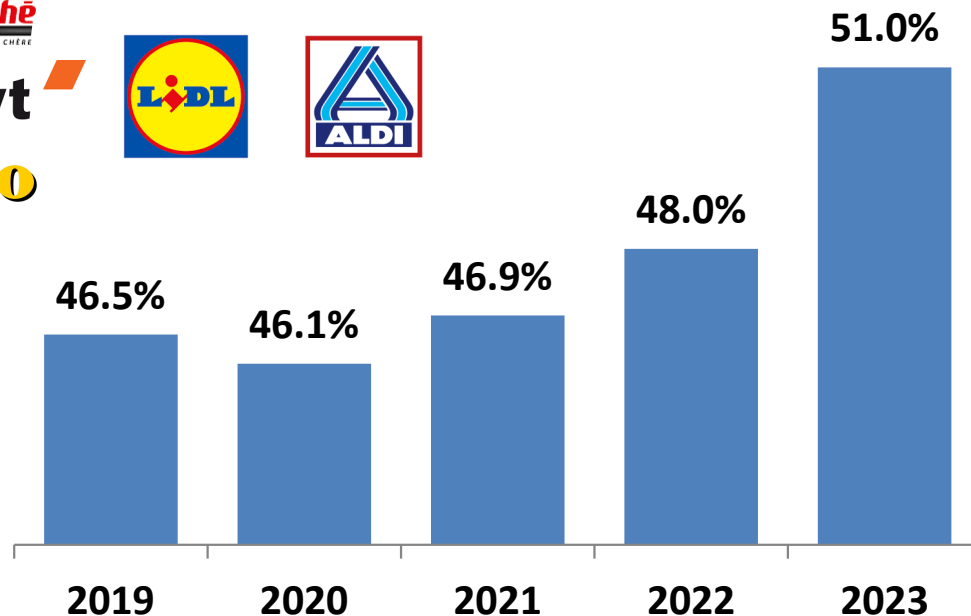
Of consumers state that they will
“Buy whatever is on Promotion”

Share Value Discounters in BE

Intermarché
AVEC VOUS POUR UNE VIE MOINS CHÈRE

colruyt

JUMBO



Source: NIQ 2023 Mid-Year Consumer Outlook

Promotion pressure is increasing across Europe, so ensuring the right promotion strategy is essential

Importance of Sales Units under Promotion (in %)



Global Strategic Planner, MAT ending July 2023

Consumers are drawn to promotion

Despite less promo activities by incumbents

BE – Total FMCG & NB – TDP any promo – FY 2023 vs. 2022

FMCG

-1.4%

National Brands

-1.5%

Promo volume increased vs 2022 by

+7.4%



Promo Efficiency Index vs 2021

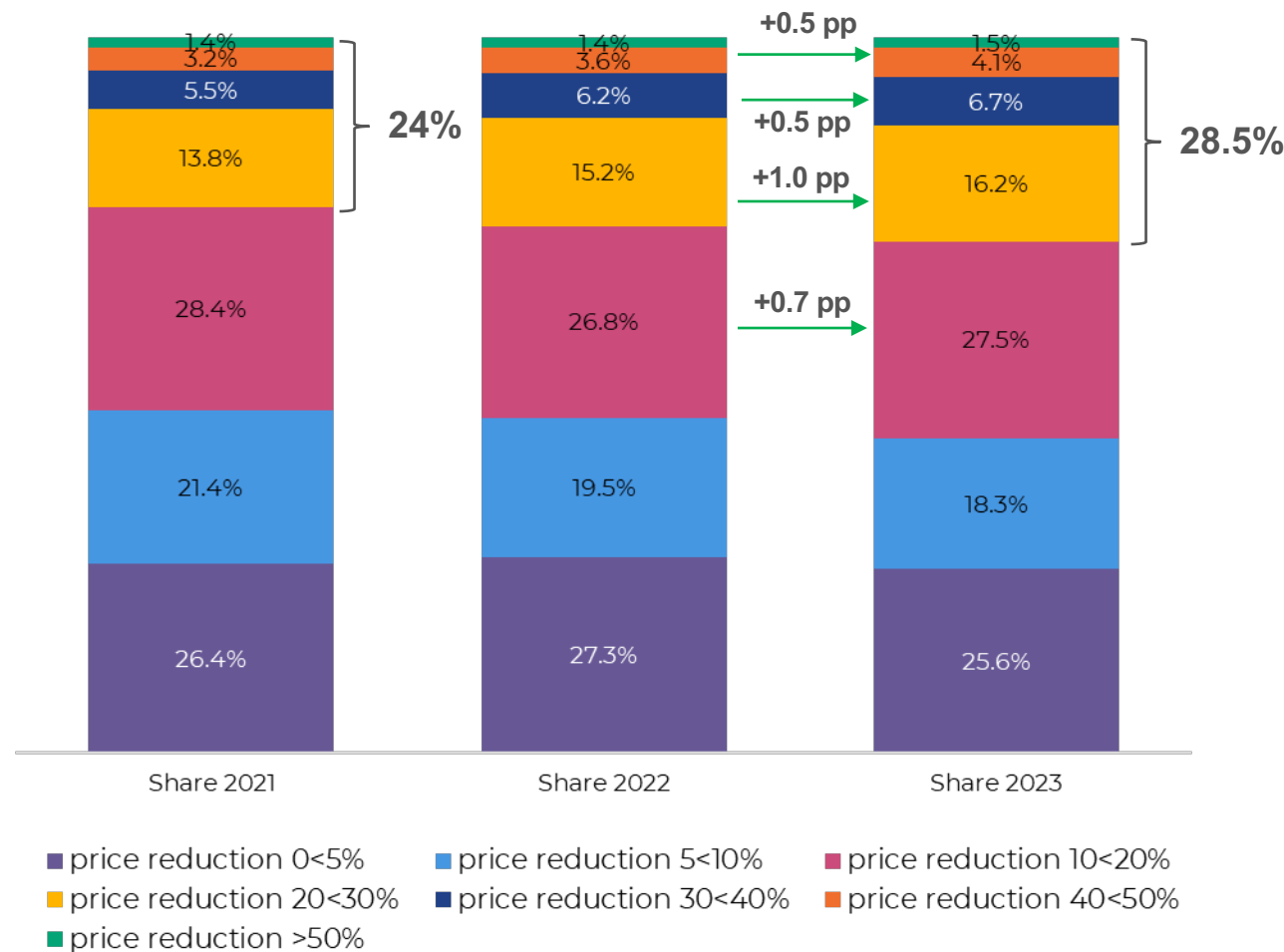
+10%

Source: NielsenIQ Belgium – RMS Scantrack

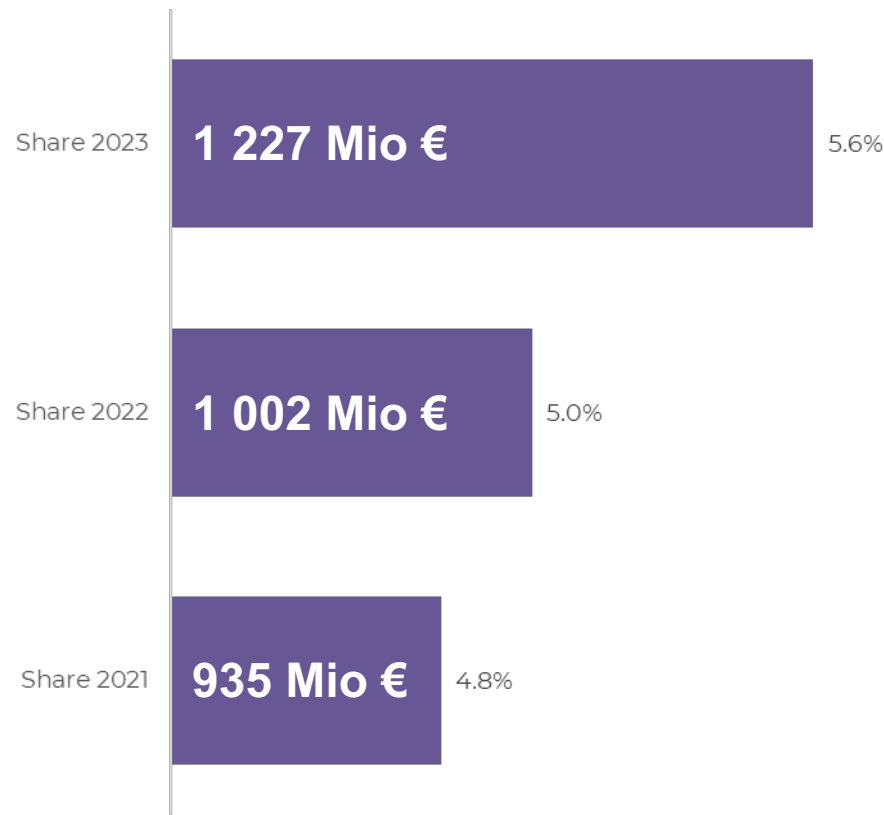
More aggressive promotion are favoured

Reflecting a higher give away share

BE – FMCG – Price reduction shares – 2023 vs 2022

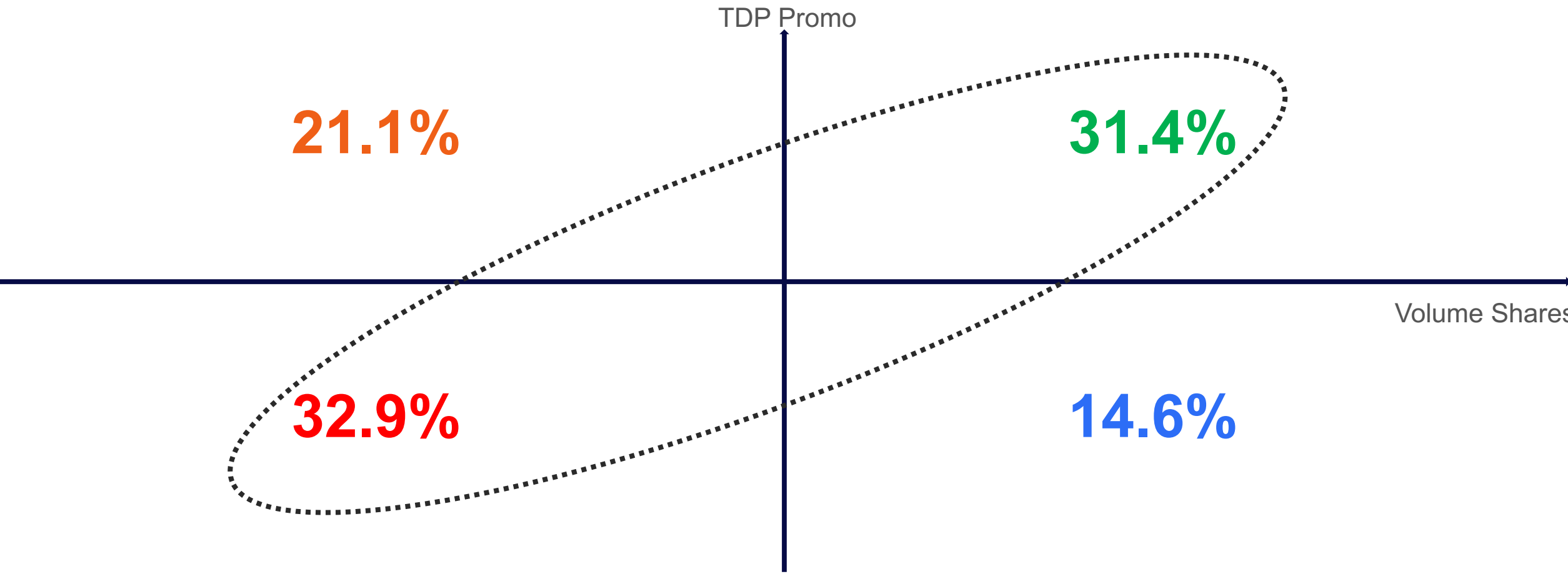


BE – FMCG – Share of Give Away – 2023 vs 2022



Promotion remains a cornerstone to drive growth

BE – Total FMCG – TDP WD Promo & Volume Shares for NB* - YTD 2023 vs YA

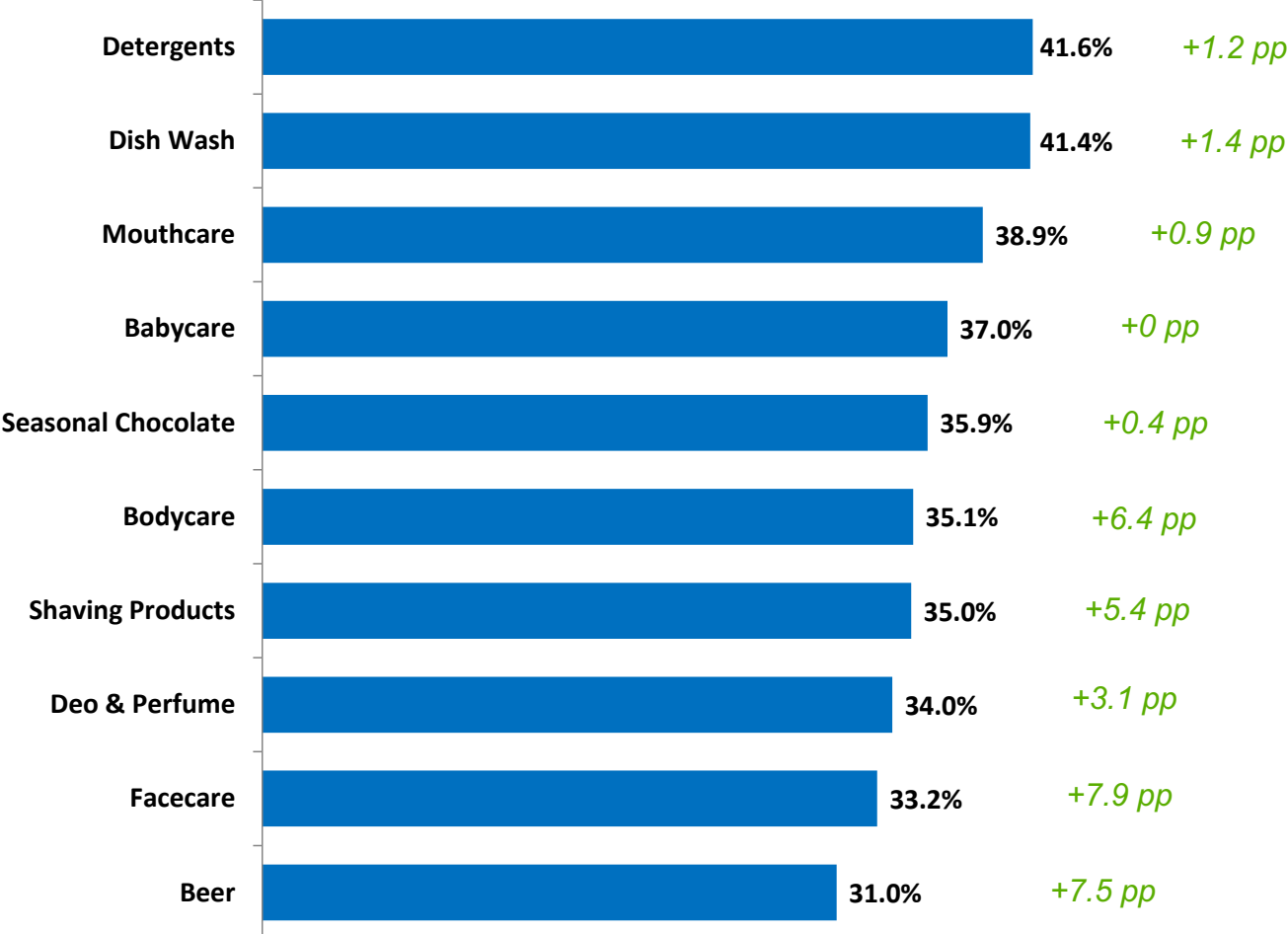


*NB with at least 1M€ (n=1580) in product segments

More Promo sales is most categories to limit volume loss

Promo level could be questioned in non-expendable categories

Belgium – Share of Promo Sales 2023 - +/- pp ch vs 2021

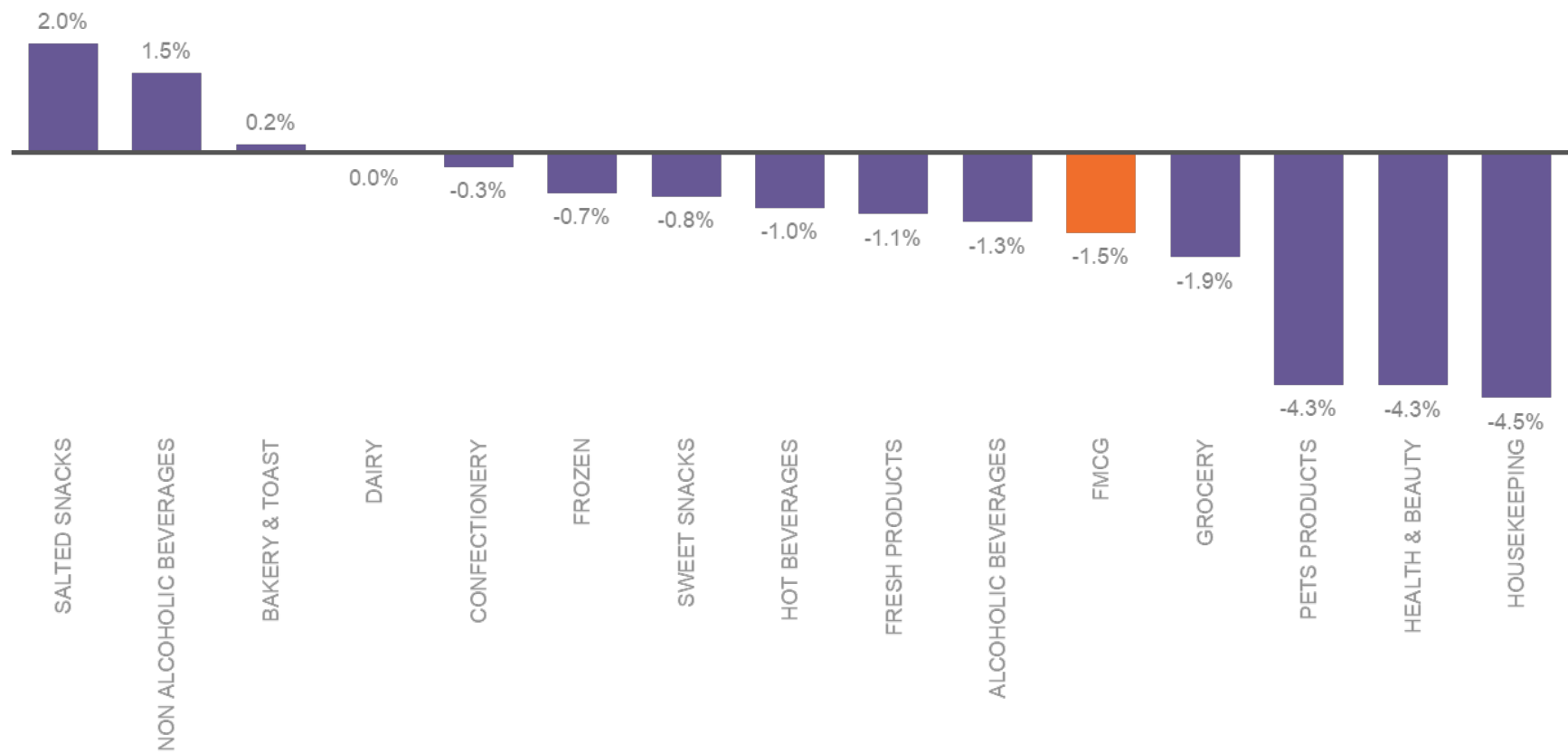


Assortment

Is Belgium facing rationalization?

The assortment continues its rationalisation

SM – FMCG & Rayons – TDP evolution – FY 2023 vs. YA



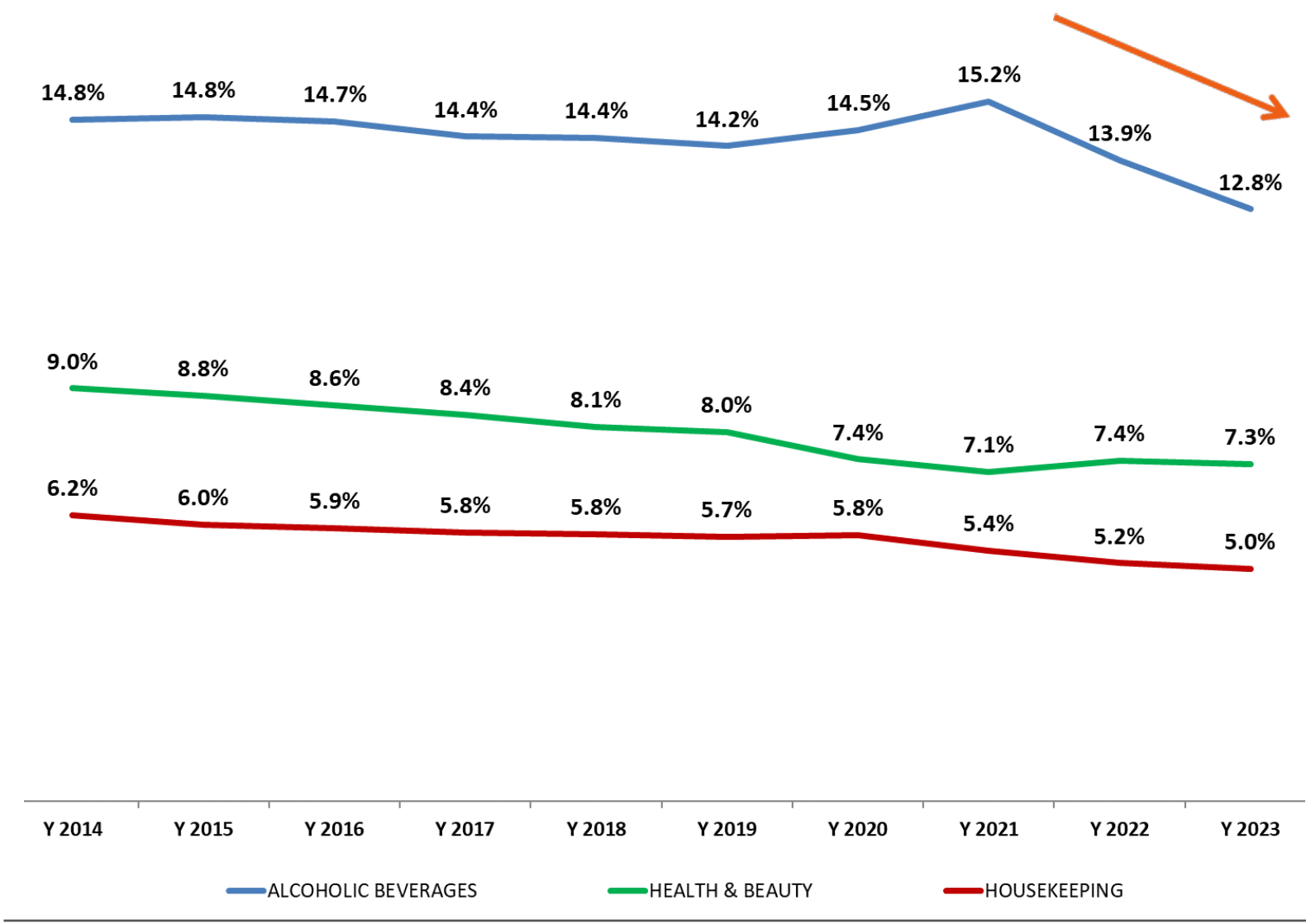
Rationalisation
across most of the rayons

Source: NIQ Belgium RMS Scantrack

Non-Food sales
continue to shift to
Online & low end retail

Limited price increase
on Alc. Beverages in
combination with health
trends & savings on
unnecessary products
result in a steep decline

BE FMCG – Share Value - losing supergroups





Growth Opportunities?

Pandemic played important part in driving channel's relevance, but as it is over...

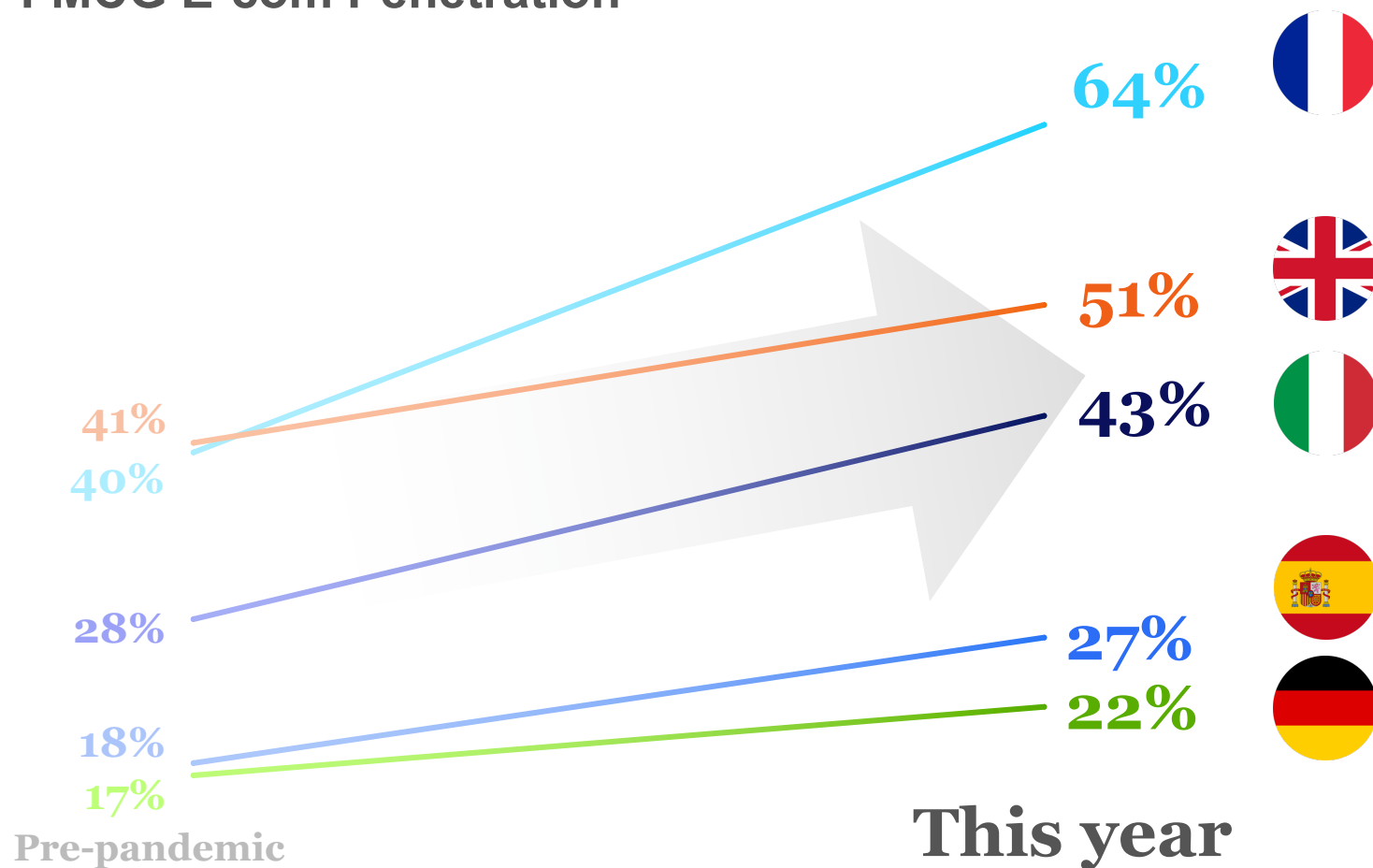
E-com enters phase of discovering new sources of growth



What is the place of E-com?

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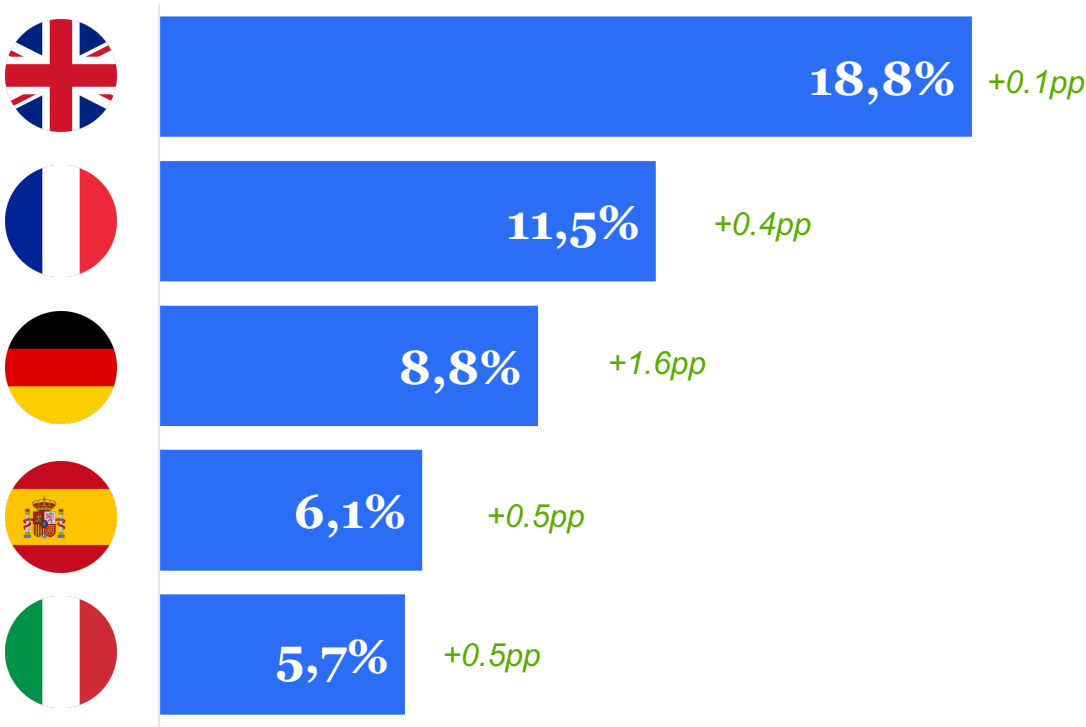
FMCG E-com Penetration



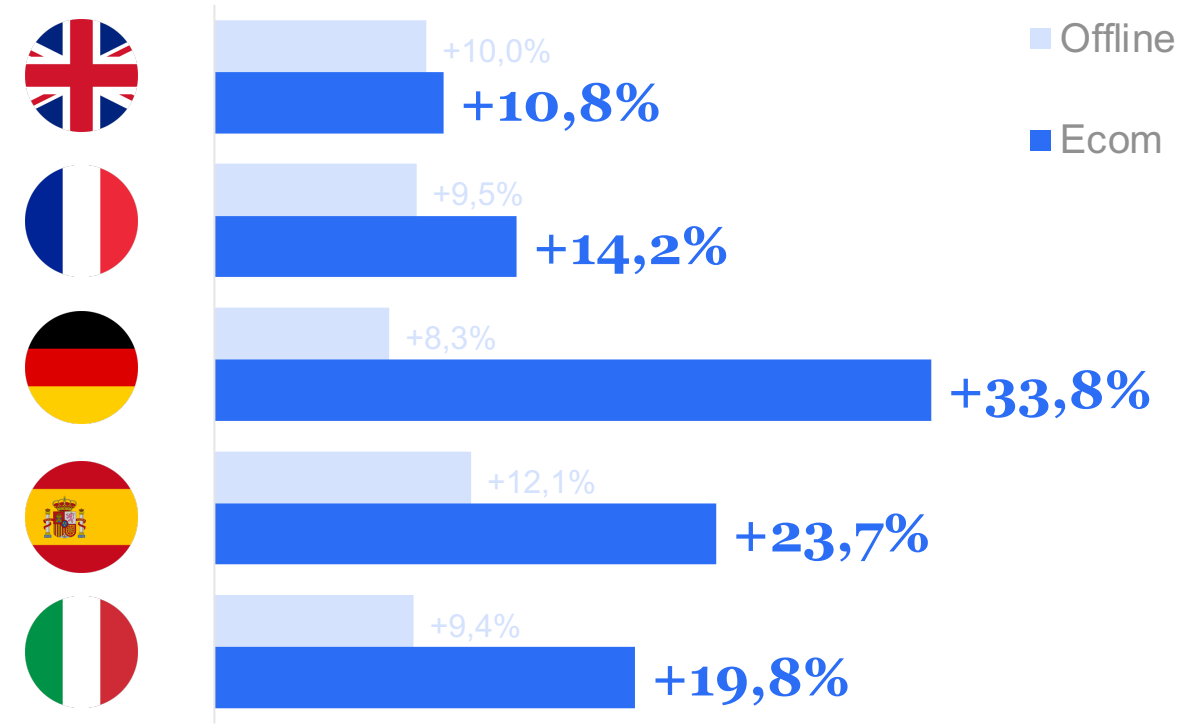
Source: NIQ Consumer Panel | MAT ending September 2023, Total Basket | Pre-pandemic – MAT 2019

E-com is a noticeable part of FMCG, and it overperforms vs brick-and-mortar across European nations

E-com Share of Trade | +/- pp change vs YA
MAT 2023



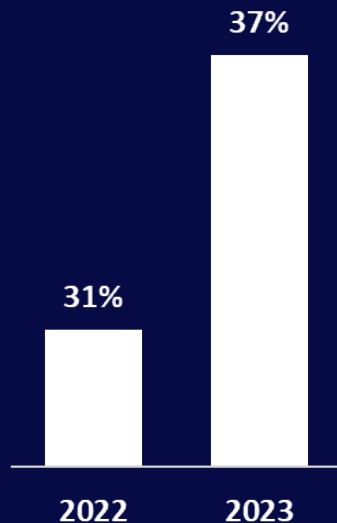
Value % Chg vs LY
MAT 2023



Source: Omnisaes Cross-Category DB | MAT ending October 2023, excluding Tobacco

Majority of industries see substantial value growth in E-com, outpacing offline retail

Personal Care online share in Belgium

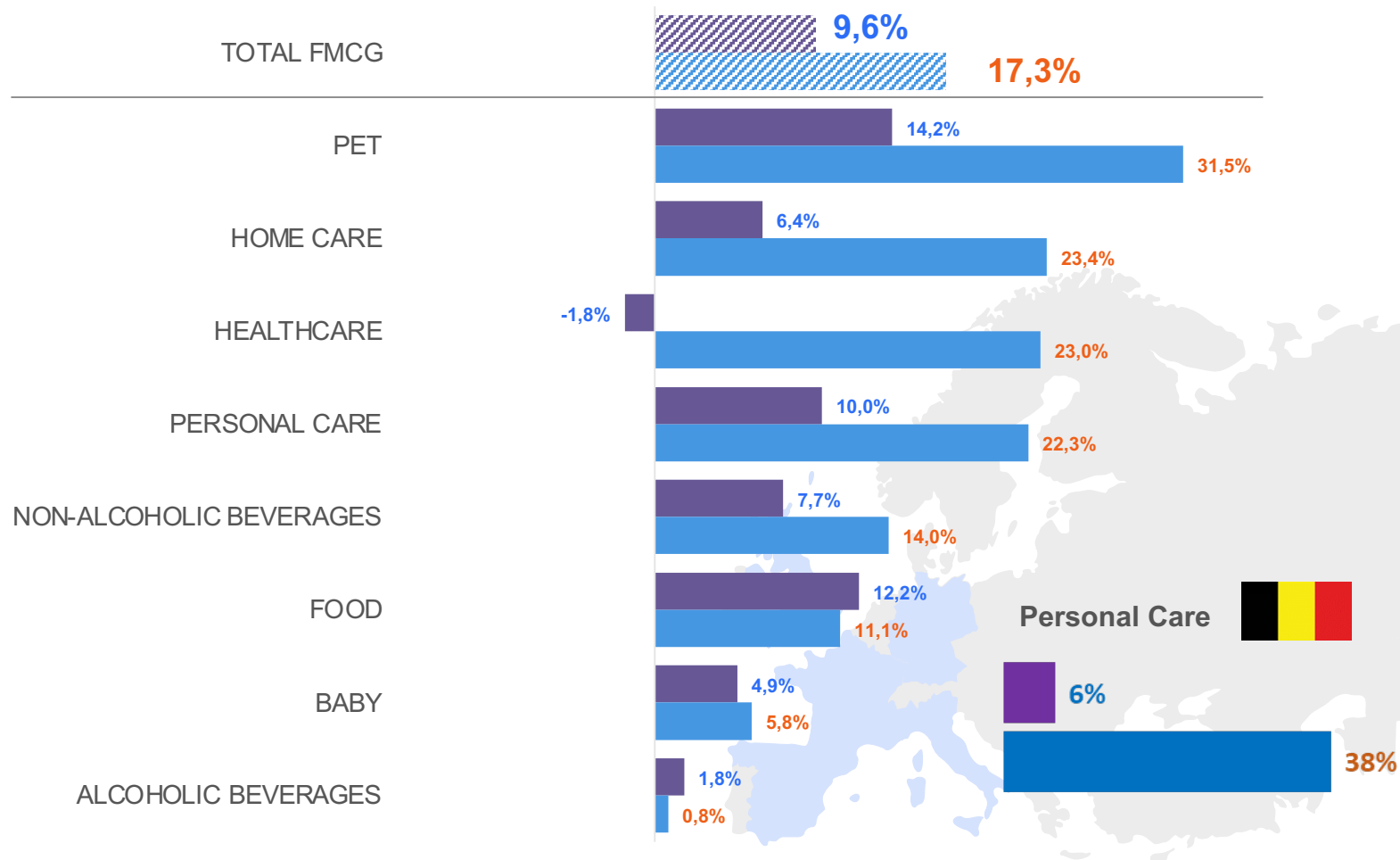


NIQ

5 EU markets: Value sales growth, 2023 vs YA, %



■ OFFLINE ■ E-COM



Personal Care



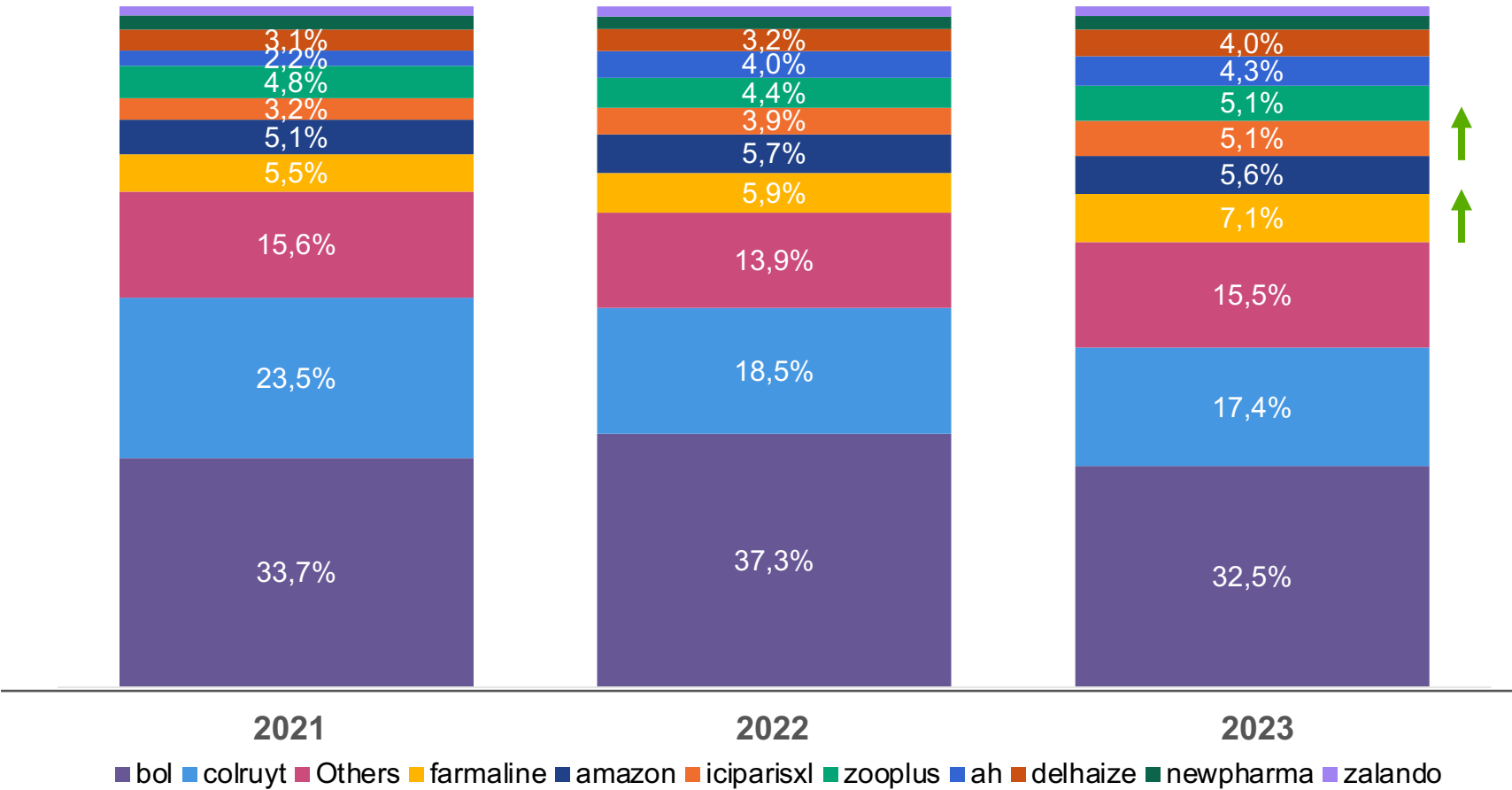
Source: Omnisales Cross-Category DB | MAT ending October 2023 | Categories – level II | 5 EU markets include: FR, GB, IT, ES, DE

Bol & Colruyt dominate the e-commerce business



Interested in Fox Intelligence?
Reach out to your sales contact

BE E-Commerce (panel data) – Value shares per retailer – all categories excl. tobacco – L3Y



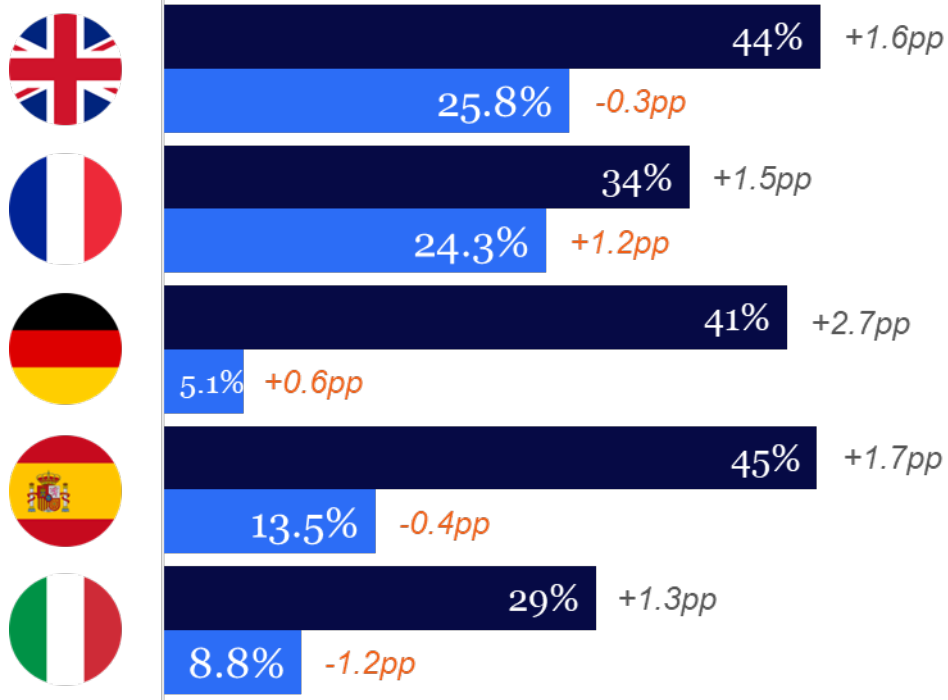
Source: FoxIntelligence 2024 – Panel > 26K at least per month



Private label share of sales and change vs YA

MAT September 2023

■ Offline ■ Ecom



Source: NIQ Consumer Outlook Survey | June 2023



FMCG Online progress will continue

- New consumers in the big 5 in EU was on average +30% in 2023
- Average basket size online vs offline is on average +65% (big 5)
- Reaching an online index similar to Personal care, homecare or petfood in Food would unlock enormous potential

TikTok Shop is in the top 5 in the cosmetics category in the UK - after less than 2 years of existence

TikTok Shop monthly market share in value on online cosmetics in the UK since 2022



Top 5 merchants MAT



Amazon



Boots



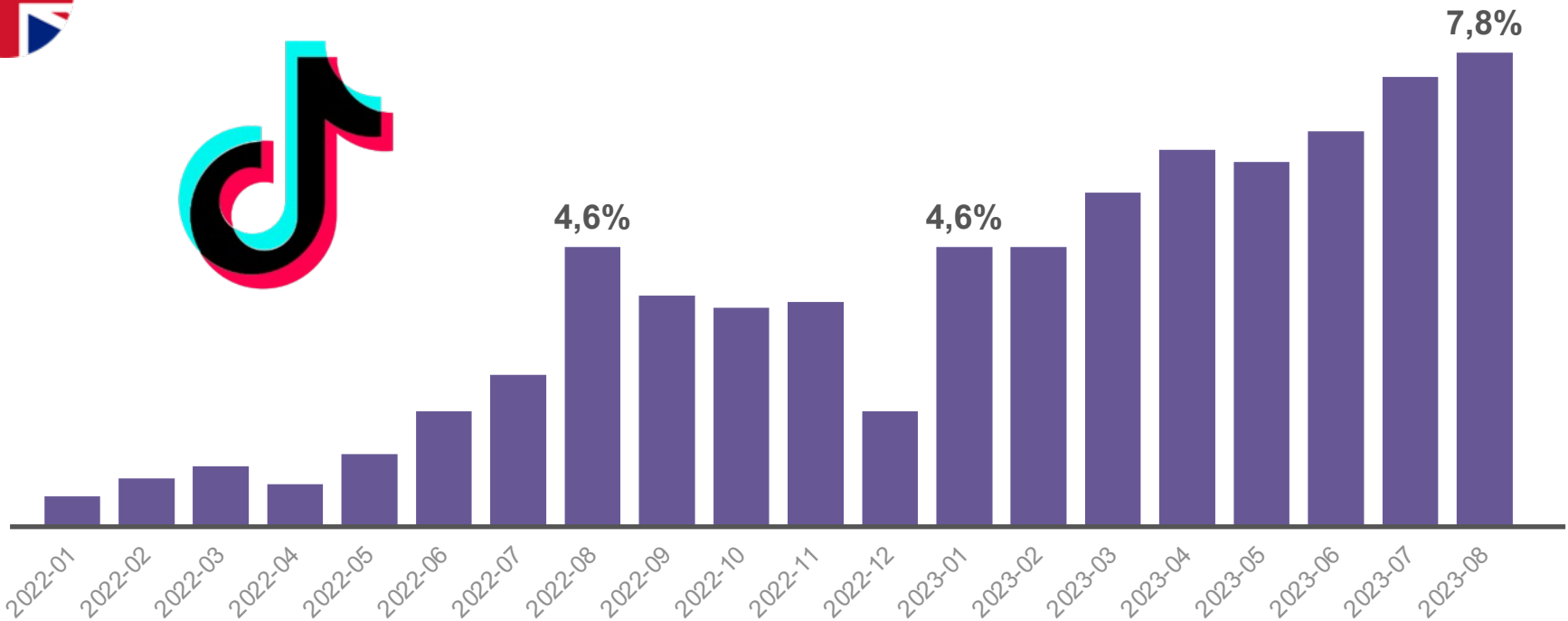
Lookfantastic



Tiktok



Asos



Source: Foxintelligence by NielsenIQ

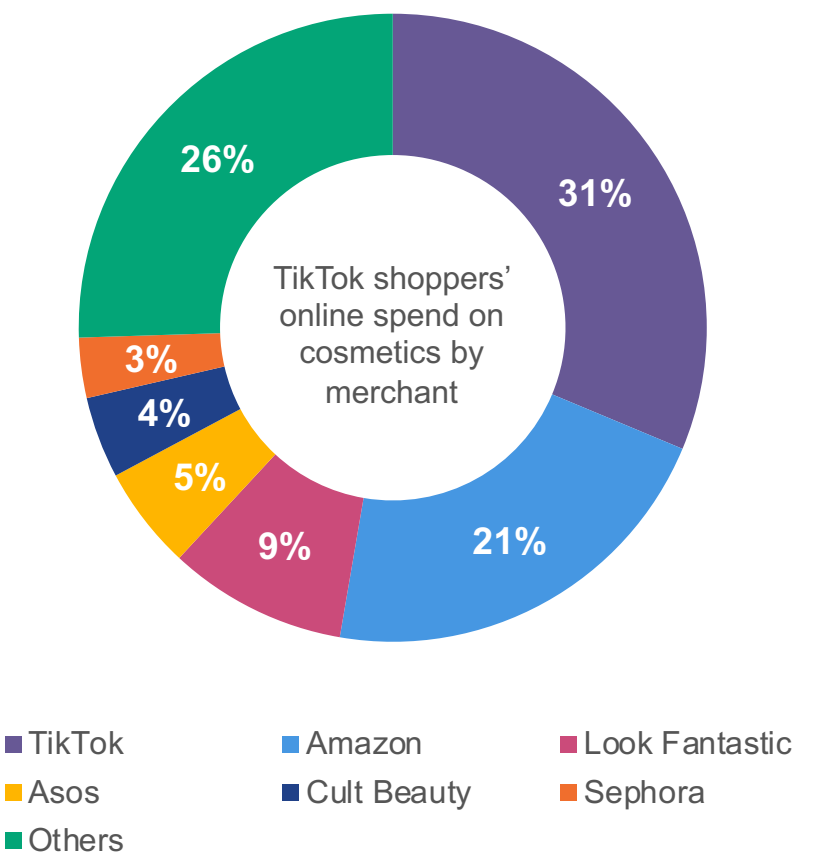
A new generation of consumers will look to new platforms to become high spenders

... Tik Tok consumers allocate 1/3 of their online budget to TikTok Shop

TikTok Shop’s customer base compared to the average UK shopper [MAT](#)






| |  All cosmetics online buyers |  TikTok Shop’s customer base |
|--|---|---|
| Average yearly online spend on cosmetics | £60,2 | £94,4 |
| Average order value | £14,8 | £15,8 |
| Purchase frequency | 4,1 | 6,0 |

TikTok shoppers’ share of wallet [MAT](#)



Source: Foxintelligence by NielsenIQ



| PRIME HYDRATION AGAINST OTHER SPORTS/ENERGY DRINKS | | | | | |
|---|--|---|---|---|--|
| ● Caffeine ● Sugar | | RedBull | Monster | Powerade | |
| Prime Hydration | |  |  |  | |
| 0mg | | 80mg | 160mg | 0mg | |
| 2g | | 27g | 55g | 20.5g | |
| | | Gatorade | Lucozade Sport | Lucozade Energy | |
|  | |  |  | | |
| 0mg | | 0mg | 0mg | 46mg | |
| | | 20g | 44g | 17.1g | |





UK Brick &
Mortar sales

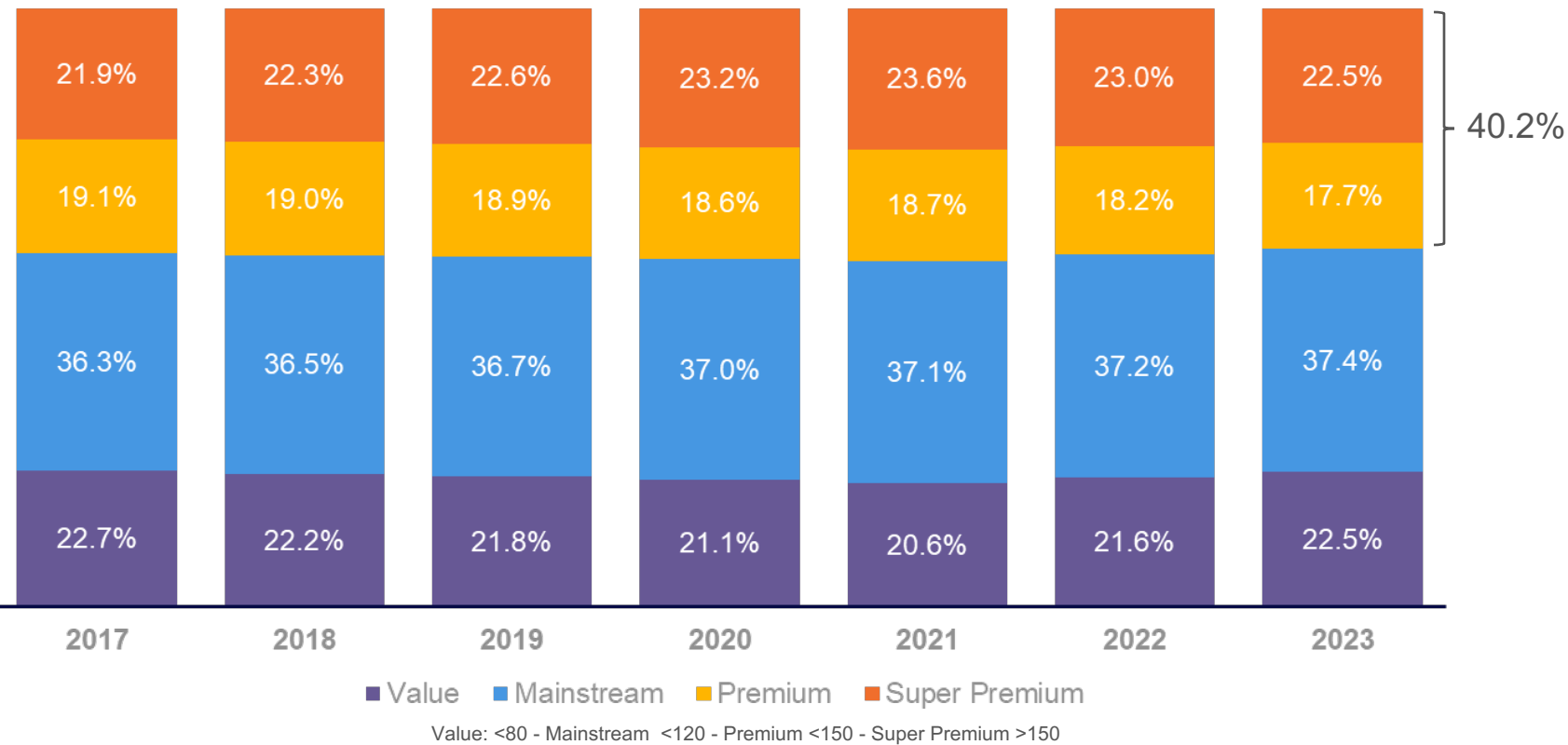
2023

156 Mio £

Expected gain for value, but Premium segment remains over 40%

Success or Prime is no surprise as Super Premium is gaining on the long run

BE – segment value shares – Yearly



Source: NIQ Belgium – RMS Scantrack



Hipro +210% vs 2021



20 Mio €
in 2023



**Ultra Fresh Protein sales
doubled in 2 years**

35 Mio € → 70 Mio €

Avg Price
Index

250%

Fulfil +185% vs 2021



Avg Price
Index

410%

New Royal Bliss

3 Mio €
L9M 2023



Avg Price
Index can

140%

3.6 Mio €
2023

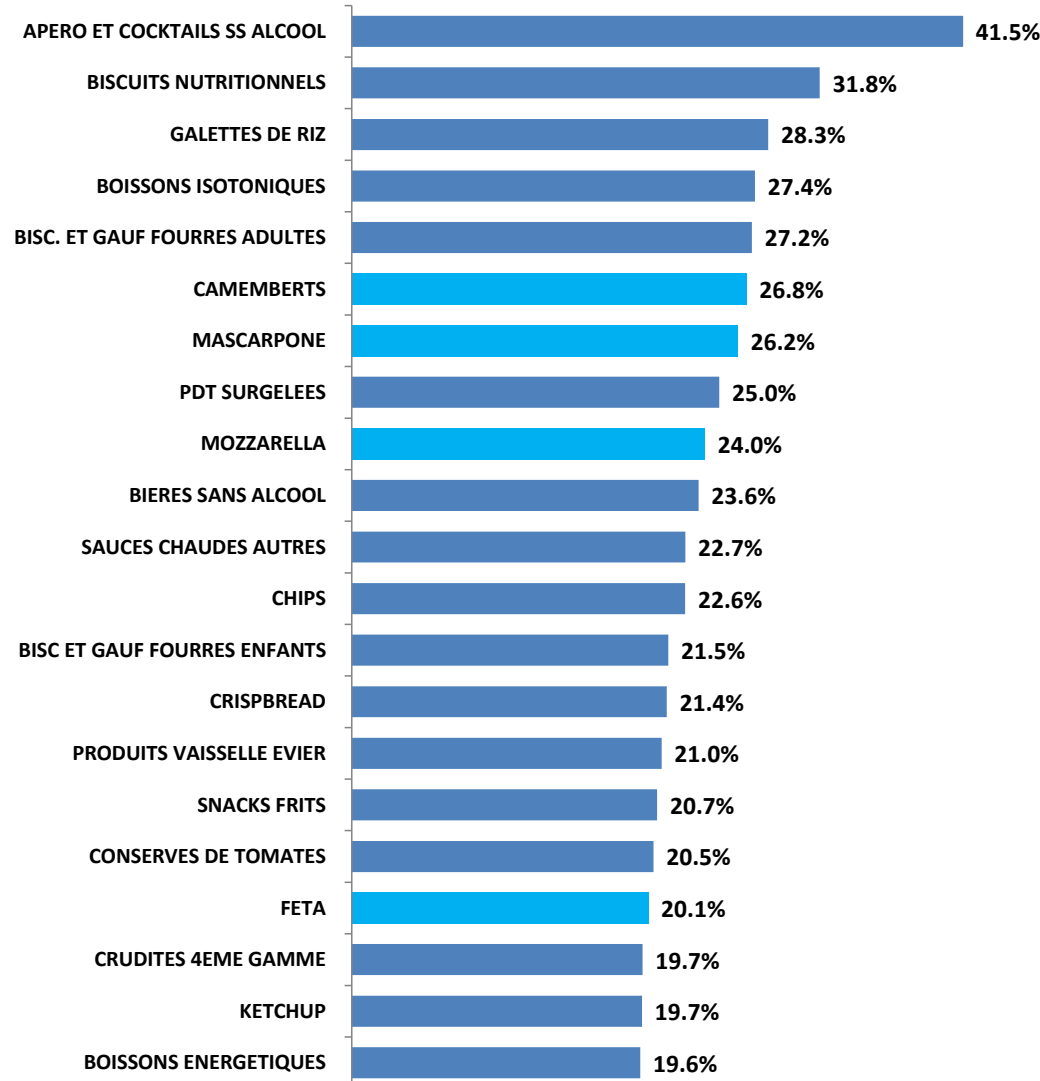


Avg Price
Index vs 3in1

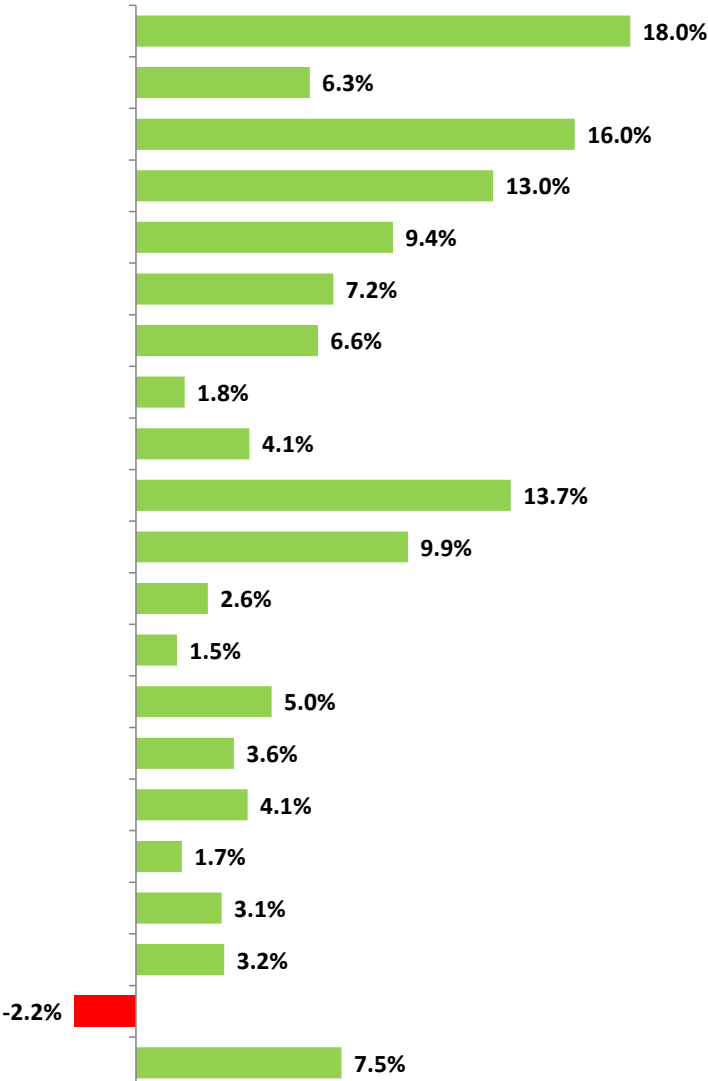
180%

Cheese and health oriented product groups are strongly overrepresented in the top winners 2023

Strongest growing product groups in 2023 in BE value



% Vol ch in BE in 2023



Belgian consumers are willing to pay for added value: there are many options

Fresh
Health
Natural



Ecom



Functional
Personal



Convenience



Transparency



Sustainability
Local



Packaging is getting more sustainable

Youngsters pay a lot of attention to sustainability, rotation of examples below improved after package switch

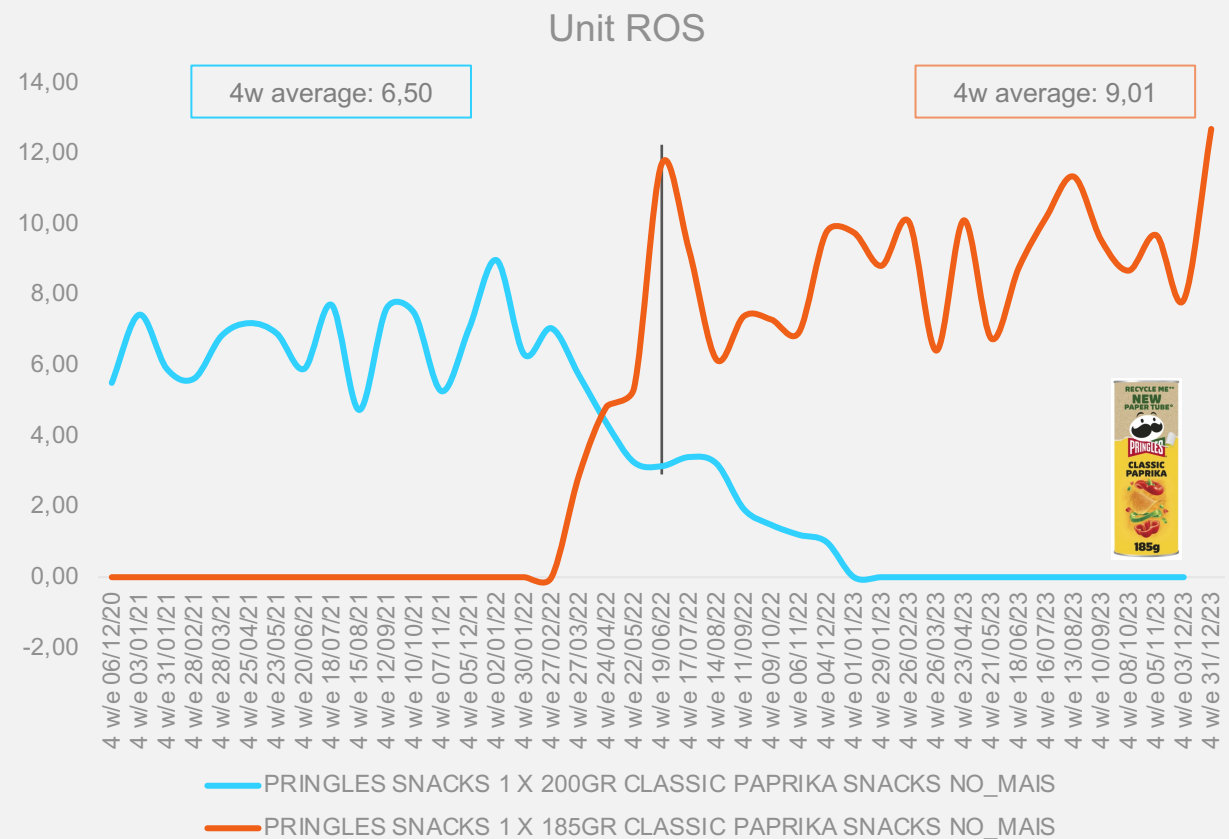


Source: NQ Belgium RMS Scantrack

DESIGN4RECYCLINGCASESTUDY

De iconische Pringles-koker wordt recycleerbaar

19 juni 2023

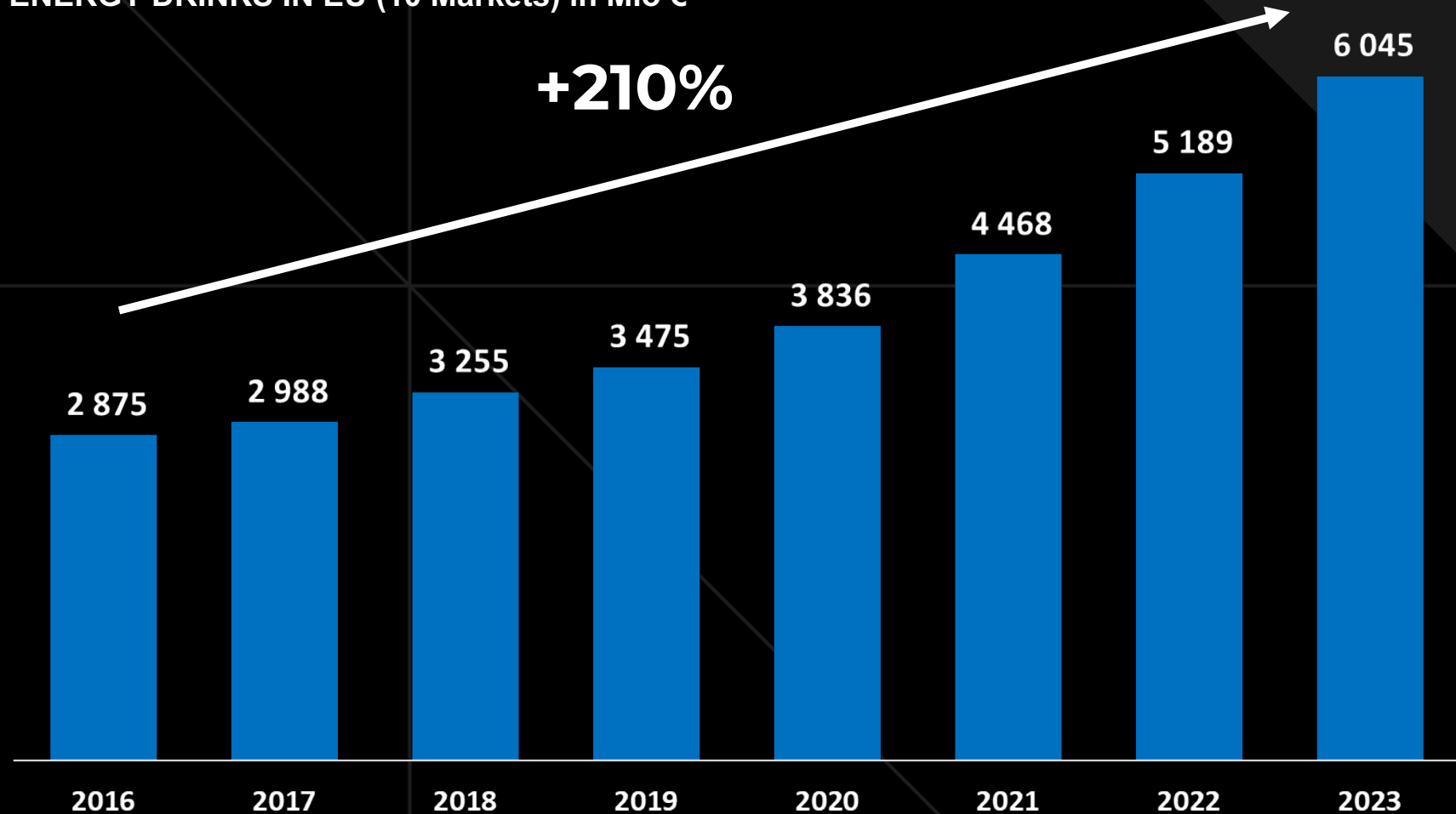


What trends can we anticipate in non Alc Beverages?

Energy drinks are the ultimate proof of functional & convenience trend

ENERGY DRINKS IN EU (10 Markets) in Mio €

+210%



Top 20 FMCG Brands Ranking 2023

| Belgium 2023 | Sales Value in € | % Val ch vs 2022 | % Vol ch vs 2022 |
|---------------------|------------------|------------------|------------------|
| 1 COCA COLA | 603,202,887 | 1.6% | 5.2% |
| 2 JUPILER | 327,257,354 | -0.5% | 4.7% |
| 3 LAYS | 196,754,049 | 20.8% | 4.1% |
| 4 COT-D'OR (MONDLZ) | 170,212,460 | 7.1% | 3.1% |
| 5 SPA (SPADEL) | 158,136,664 | 12.3% | 1.6% |
| 6 LOTS (LOTS-B) | 124,329,887 | 11.3% | 1.8% |
| 7 DOUWE EGBERTS | 116,278,691 | 6.2% | 3.0% |
| 8 LIPTON | 106,471,269 | 1.6% | 1.8% |
| 9 ALPRO | 105,267,550 | 8.3% | 1.1% |
| 10 LU (MONDLZ) | 102,957,532 | 17.5% | 2.0% |
| 11 D&L (AGRLMN) | 90,524,392 | 11.6% | 3.4% |
| 12 RED BUL (RED-BL) | 89,383,001 | 17.0% | 12.5% |
| 13 KNORR | 87,121,078 | 1.6% | 3.6% |
| 14 FANTA | 83,451,619 | 5.1% | 0.3% |
| 15 MILKA (MONDELEZ) | 82,214,039 | 7.2% | 7.0% |
| 16 IGLO | 79,129,788 | 7.3% | 7.5% |
| 17 KINDER | 78,566,947 | 29.4% | 16.8% |
| 18 NIVEA | 69,437,127 | 5.5% | |
| 19 PEPSI | 68,501,948 | -0.2% | -12.1% |
| 20 DREFT (PROCTR) | 68.306.158 | 20.7% | |



1. Value Consciousness
2. Health and Wellness
3. Sustainability Concerns
4. Evolving Retail Landscape
5. Personalization & Convenience
6. Plant-Based Alternatives
7. Embracing Experience
8. Technological Innovation
9. Data Driven Decisions
10. The “Local is Global” Trend



Always interesting to review **ChatGPT**, **Bard** perspective...

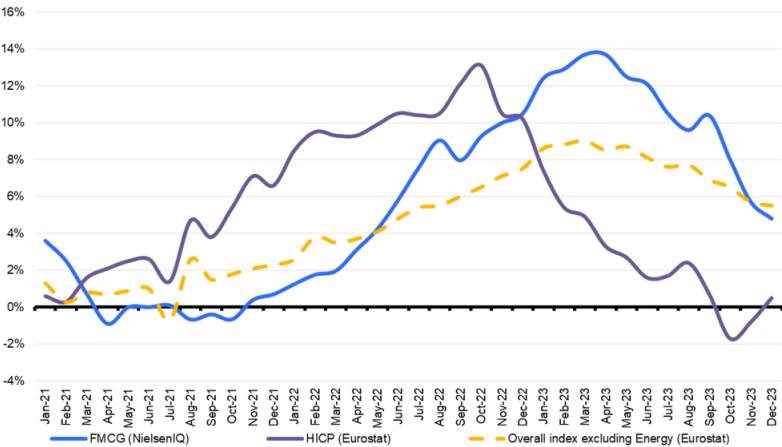
Confirming NIQ trends



Forecast 2024

FMCG prices declines at a faster pace than overall inflation

BE – HICP, HICP without energy & FMCG

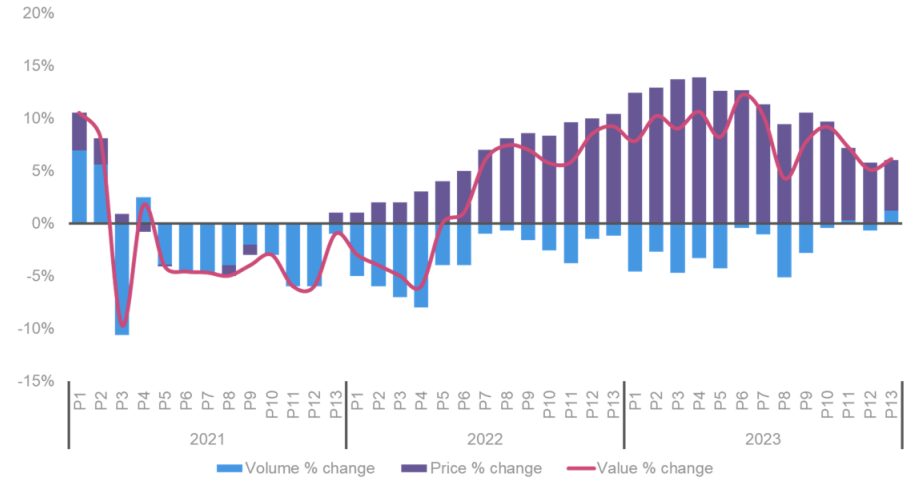


Source: NIQ Belgium RMS Scantrack & Eurostat

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As inflation peak is behind us

BE – Total FMCG – weighted evolution – yearly

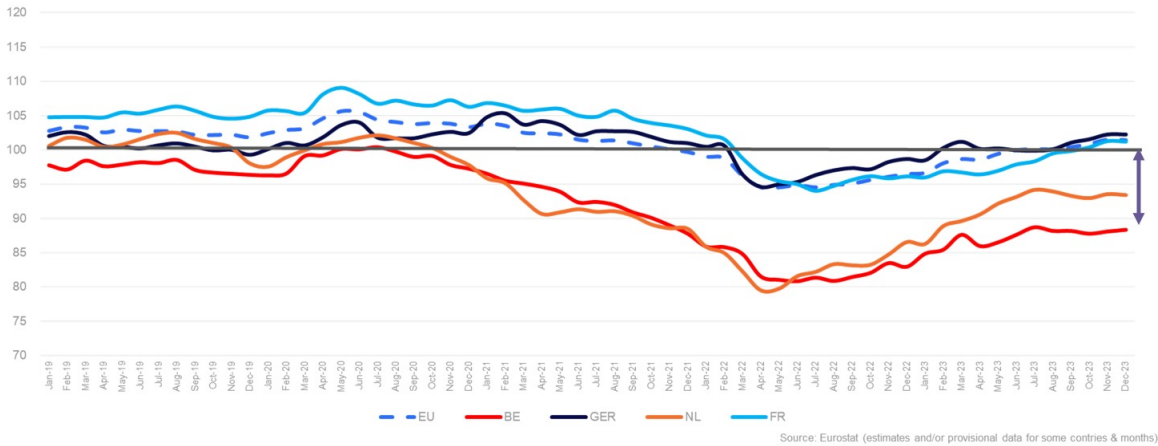


Source: NIQ RMS scantrack

- Volumes are less under pressure with time
- Positive volume at P13

Consumer inflation remained lower than manufacturers'

HCIP Food vs. Producer Price Food index – Monthly



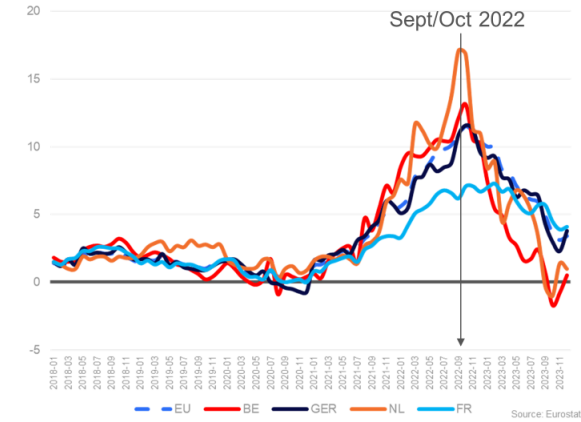
Source: Eurostat – HCIP Food vs. Producer price in food index – some months are estimated and/or provisional data.

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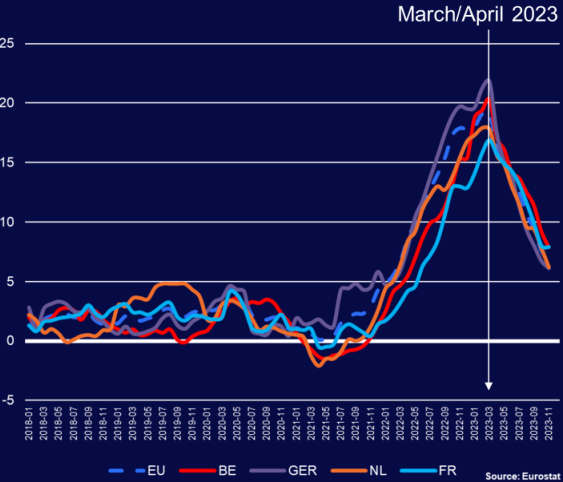
Total inflation peaked in 2022

While food inflation reached its maximum in 2023

EU – HCIP – Annual rate of change – Monthly



Food & Non alc. bev – monthly



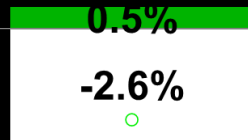
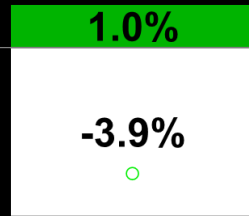
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Slide last year

FMCG Forecast 2023 vs 2022: Value created by price

Forecast 2021

Result 2021



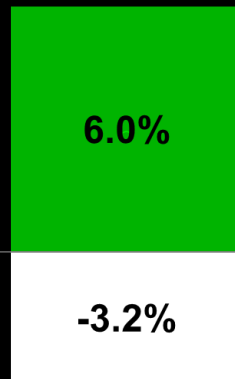
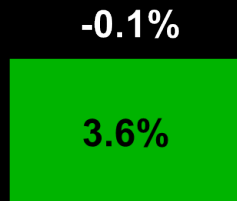
Reason for gap:
Covid impact
lasted longer

-2.9%

-2.1%

Forecast 2022

Result 2022



Reason for gap:
Price forecast
made before war

-0.1%

2.8%

Result
Price: +7.0%
Volume: -1.8%

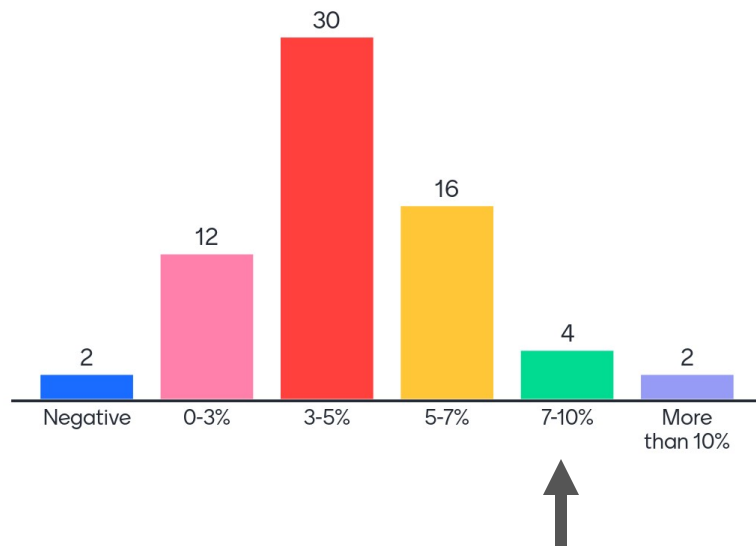
+5.2%

Volume % change

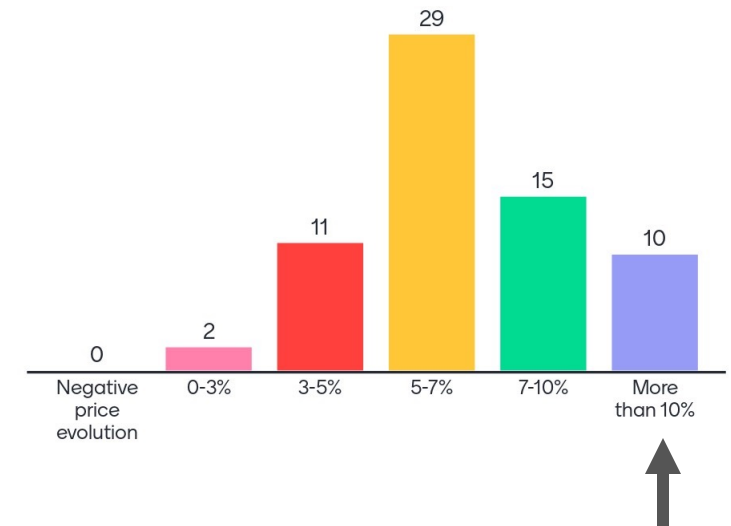
Price % change

Survey results *Economic expectations 2023*

What will be the FMCG forecast for 2023?



What Price change do you expect for your Category/Company/Brand in 2023?

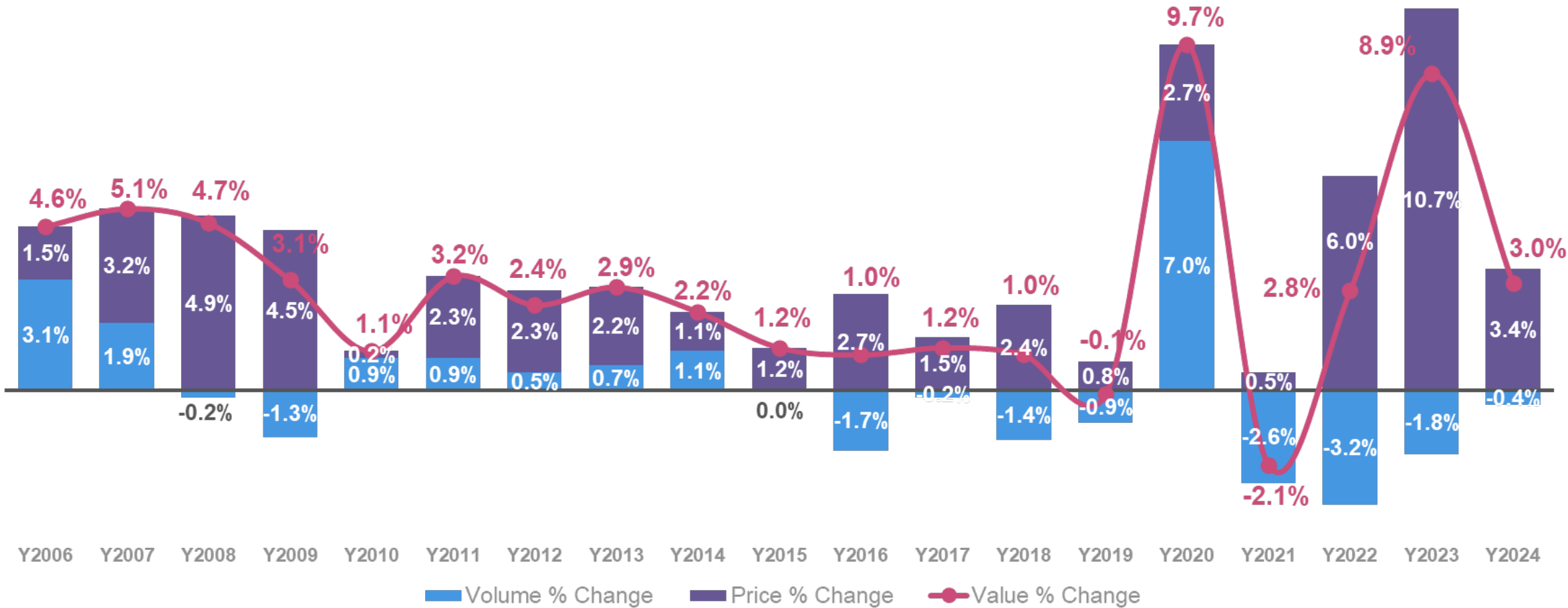


But with a continuing risk of pressures on volume

More limited volume loss in 2024, while price increase will create value

Volume pressure with remain due to still price focus resulting in just buying essentials, avoiding waste, shrinkflation, more online ...
While weather & sport events will slightly push volume

BE – Total FMCG – weighted evolution – yearly



But with a continuing risk of pressures on volume



Thank you