

Thriving as an SMB in the personal care category

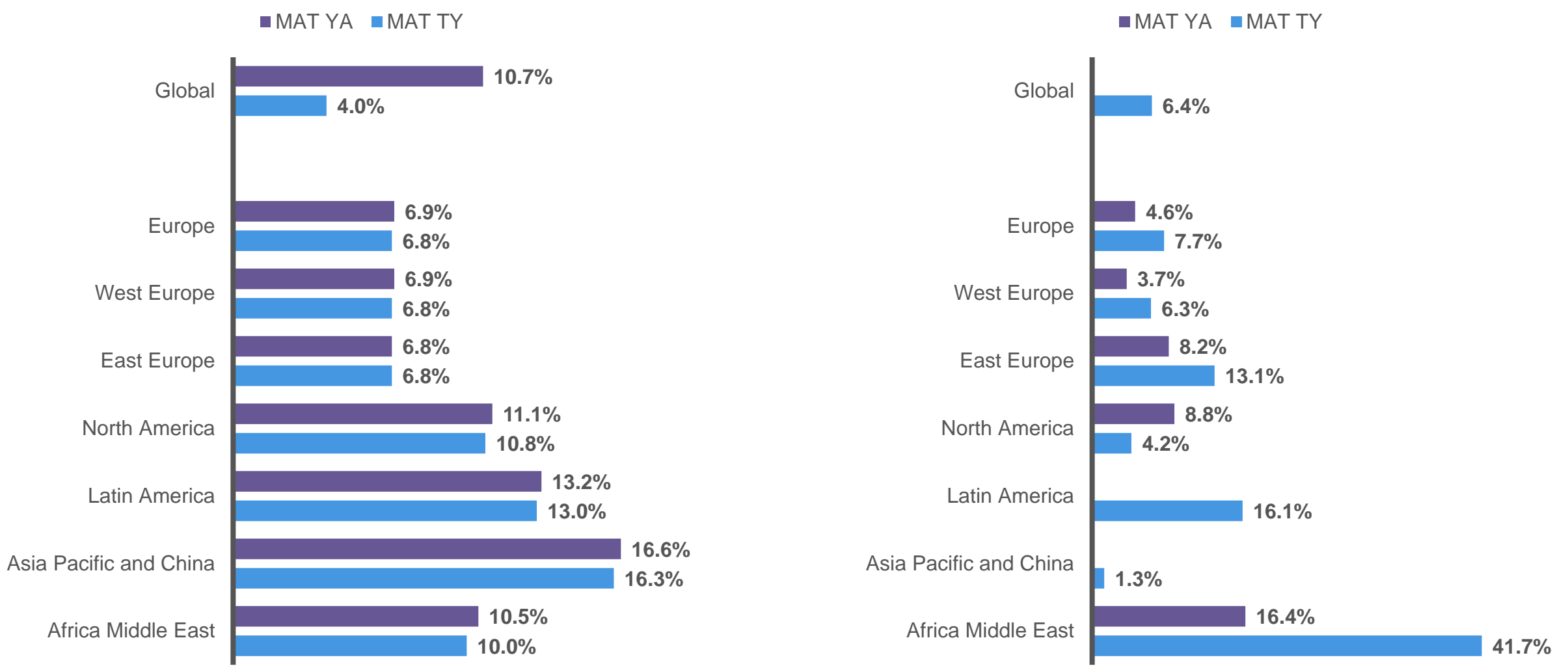
Get an inside look into category, consumer, and company operations from around the globe.



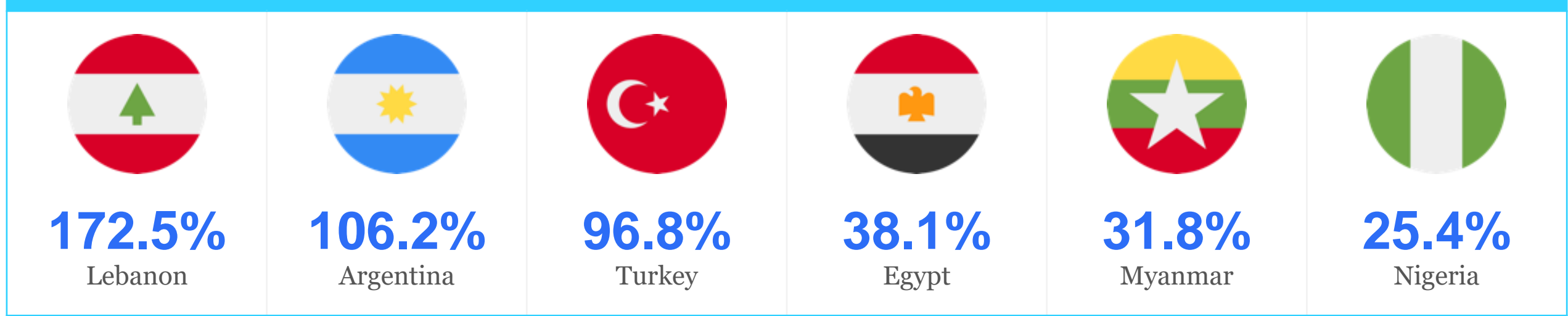
1. Catch up on industry performance across regions

The personal care category experienced growth from Q1 to Q2 2023 of 1.5 percentage points to reach 6.4% globally. However, this still falls behind the global FMCG growth average of 9.3%.

Personal care industry performance % value contribution and growth vs. year ago



Top performing markets in Q2 2023 (% value growth vs year ago and value contribution)



Source: NIQ RMS FMCG MAT Q2 2023 – Personal Care 65 markets considered

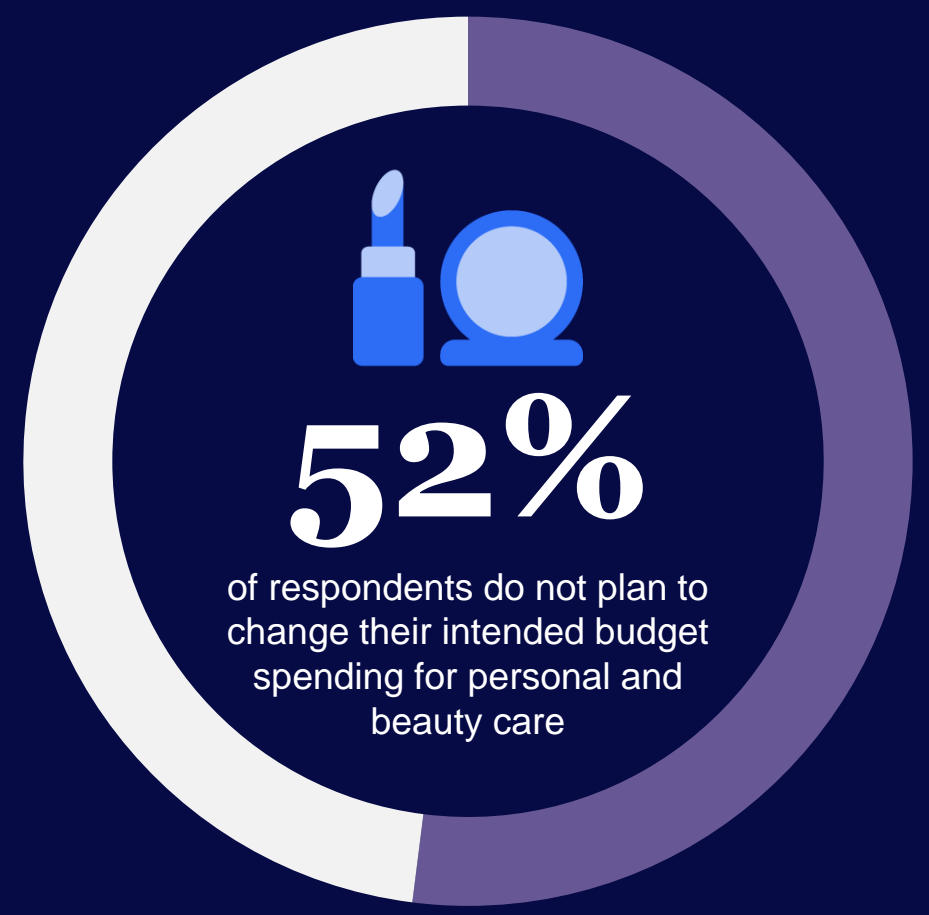
2. Understand consumer outlooks

According to our 2023 Consumer Outlook survey, 34% of global consumers say they are in a worse financial position this year.

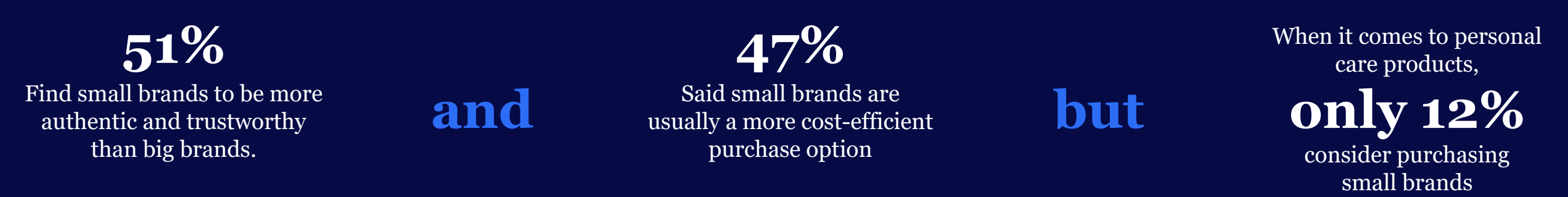
Consumers have evolved to the delicate state of the world today, but should employment rates be challenged, we could see a huge tear in the fabric of consumer confidence globally.

Meanwhile, we see the emergence of **consumer resilience** as people have developed coping mechanisms and grown accustomed to constant challenges. Another year of high prices and changed behaviors will develop **habits that don't go away when things change**.

Across the next 12 months, we will see continued and heightened focus on budgeting, value, and trade-offs as resilient consumers double down and fine-tune the approaches that have worked for them.



Expectations of products from small or medium sized brands



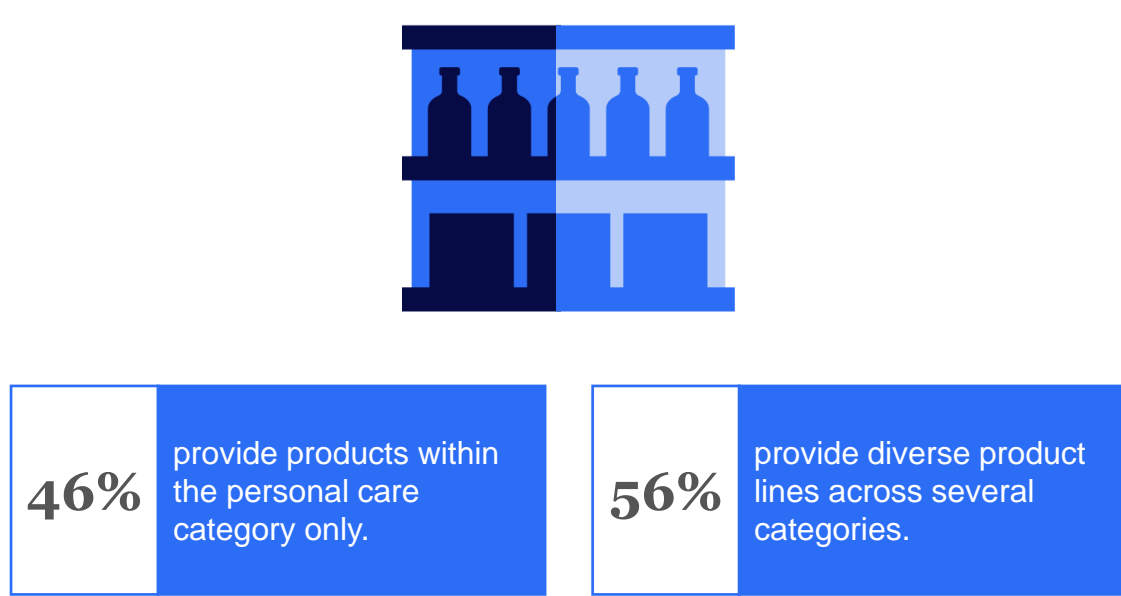
Source: NIQ Brand Balancing Act survey 2022

Insights for small and medium businesses from NIQ's An Inside Look

NIQ's An Inside Look, a global digital survey comprising 181 business owners from 35 markets representing approximately \$34 million* in FMCG sales value, was designed to understand the realities SMBs face in today's economic and retail landscape. The insights shared below are directly related to SMB respondents with product offerings that fell under the personal care category.

Fieldwork: April to May 2023

Product line



Where do they stock their products?



Recommended listening

Let's talk E-commerce! : Fragmented e-commerce landscape – highlights and lookouts from different regions

Point to ponder

What is the right balance between offline and online availability for small and medium brands?

Dealing with inflationary pressures



Point to ponder

If only 12% of consumers are willing to purchase a small brand in personal care, what is the right price point to make that number grow?

Key takeaways

- Despite the deceleration of inflation rates around the world, changes in wallet distribution and purchasing behaviors are bound to become permanent. As such, 59% of SMB respondents rightfully noted that a reduction in margins poses the greatest future risk in this category.
- While many consumers intend to spend the same or more on personal care products, the consumer association of small or medium sized brands with that category is very low. However, building trust can go beyond product value and increase focus on the brand story, which can be a strong point of sentimental connection. In fact, 56% of respondents to our Balancing Act survey noted that they "like knowing the story behind a brand."

Harness the power of data for your growth strategy

[Contact](#) our dedicated small and medium business team today for more insights to fuel your business success.