

NIQ

An Inside Look

The SMB Overview of Middle East

NielsenIQ

July 2024



About the survey



NIQ's An Inside Look was a global survey to a digital panel comprising of business owners from 47 markets representing approximately \$26 billion* in FMCG sales value. It was designed to understand the realities faced by SMBs in today's economic and retail landscape.

Fieldwork: March to May 2024.

Regions represented: Asia Pacific, Latin America, North America, Europe, Middle East, Africa and China.

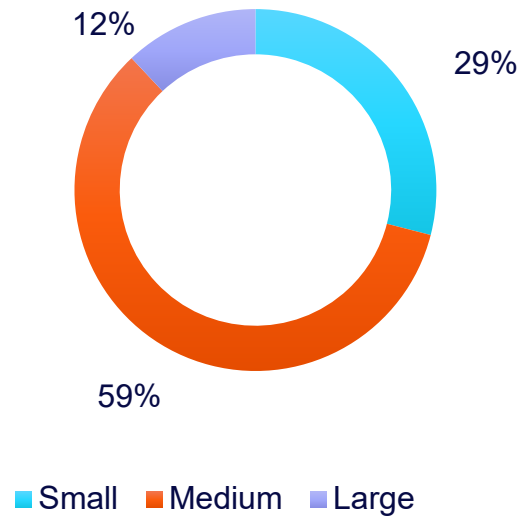
This regional report delivers an overview of the Middle Eastern respondents from 11 markets representing approximately \$2.9 billion* in FMCG sales value.

** Based on NIQ RMS segmentation for Small and Medium Businesses*

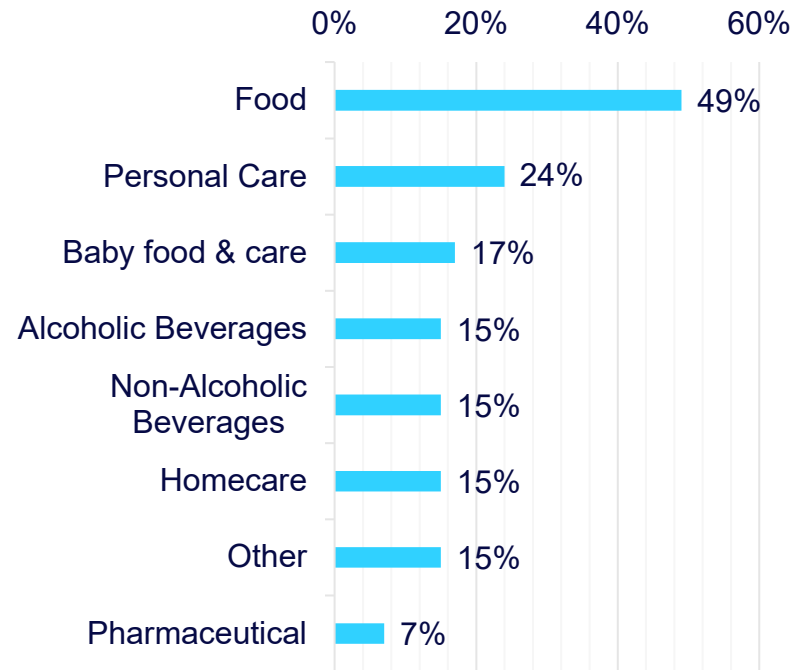


About the respondents

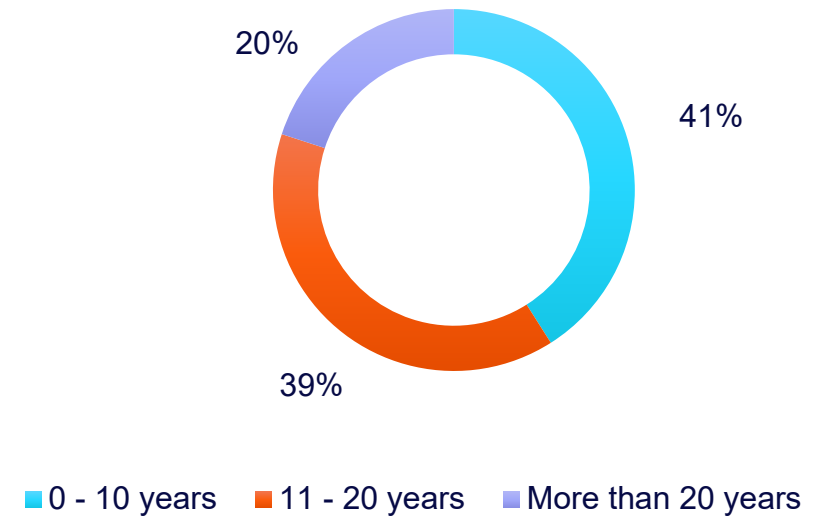
Respondents business size (Middle East)



Category breakdown (Middle East)



Company operating years (Middle East)



Survey Results

Respondents from Middle East

Challenges,
Risks and
Opportunities

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In the Middle East region, reconsidering the product line and removing low-performing products is the most effective action to overcome inflation

What was your key point of action for overcoming challenges brought on by inflation in 2023?

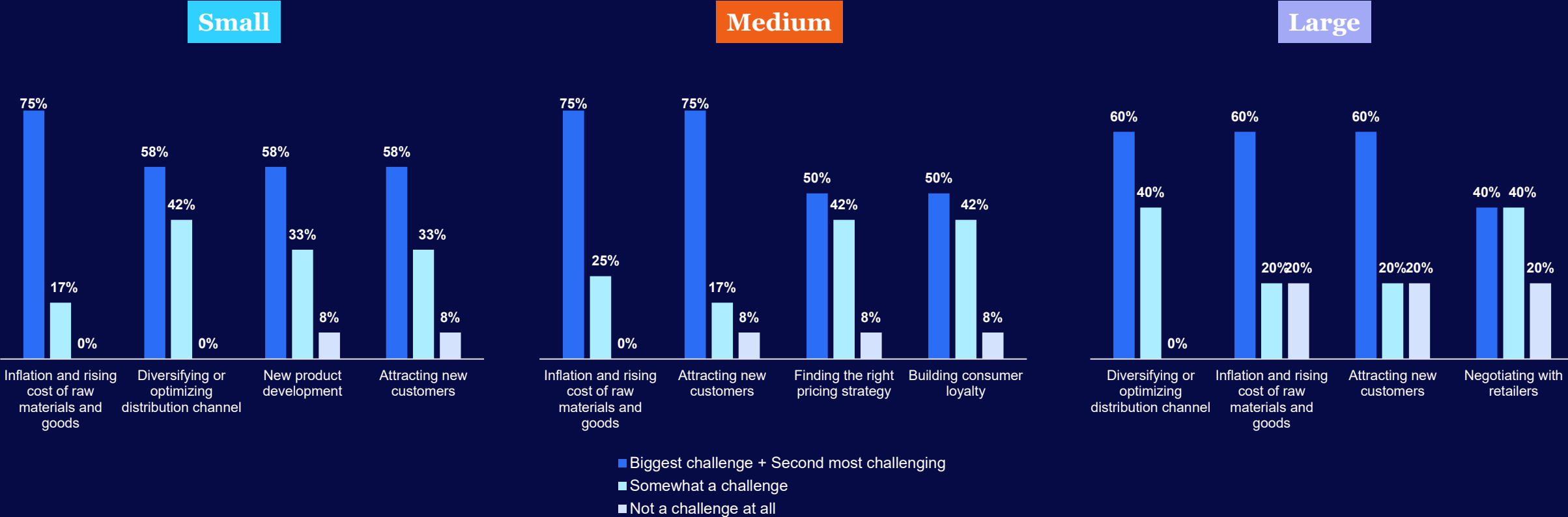
- 27% Reconsidered the product line and removed low-performing products
- 20% Invested more in marketing
- 15% Invested more in distribution
- 10% Replaced raw materials with more cost-effective ones
- 7% Cut down on Capex and procurement costs
- 7% Restructured distribution channel
- 5% Got government support (funding, tax reduction, etc.)
- 5% Reduced pack size
- 5% Other



100%
said that it
was effective

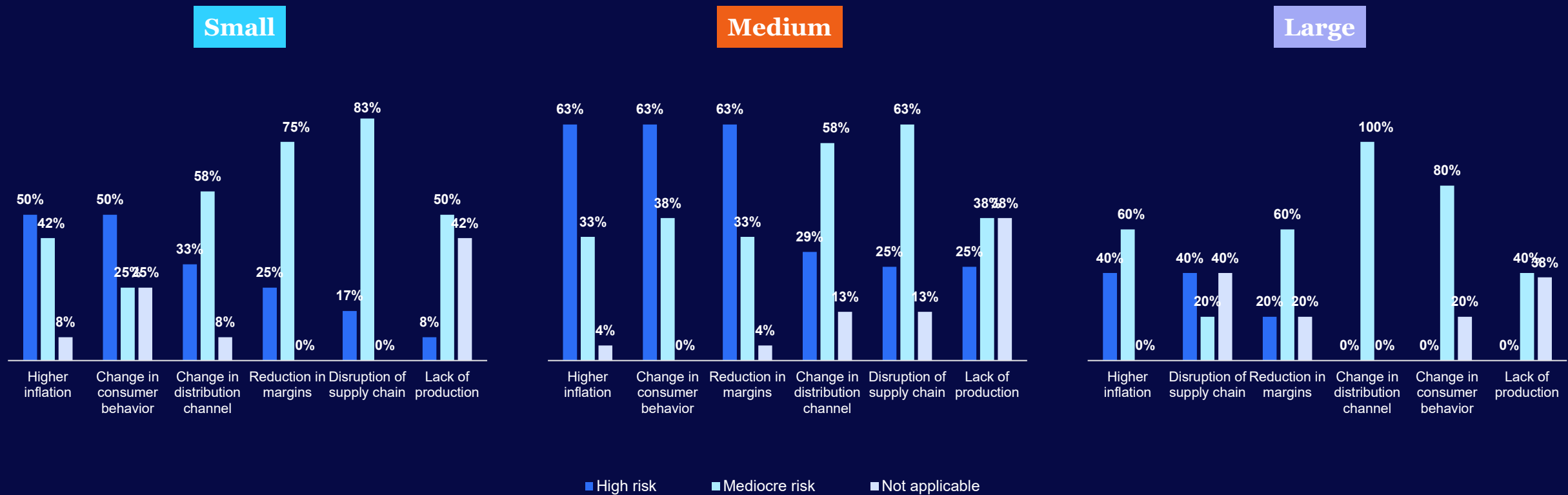
In 2024, inflation remains a main concern for Small and Medium-Sized Businesses

What main challenges is your business currently encountering?



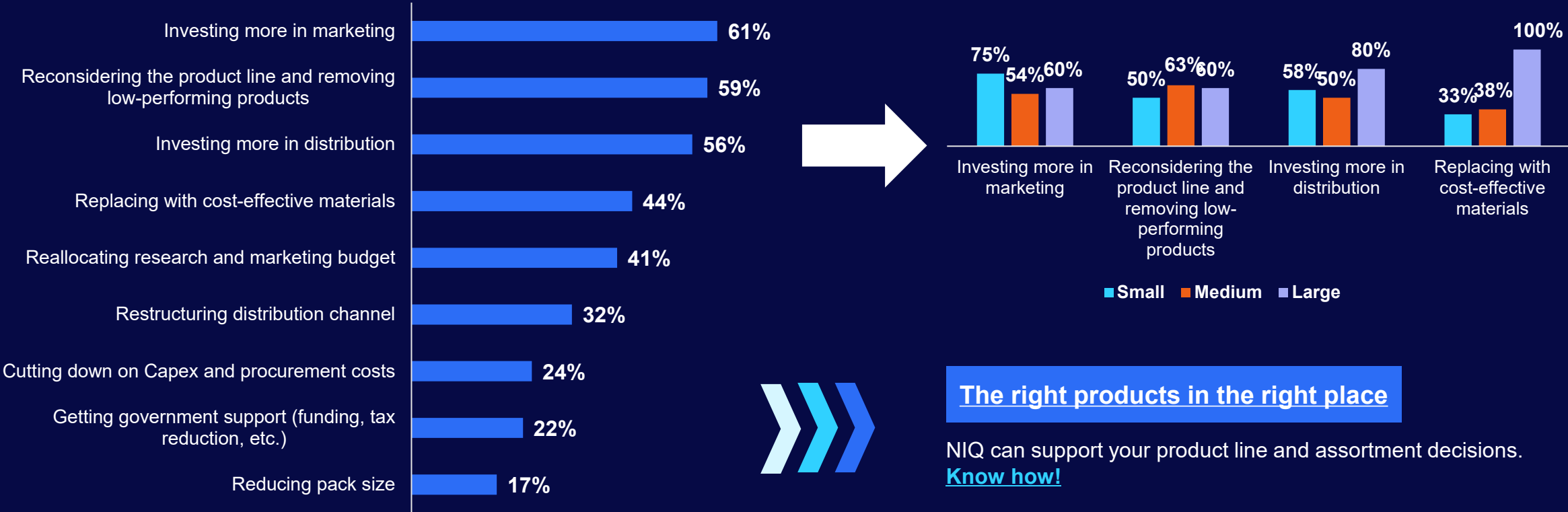
...and is a major risk factor in the next 12 months for companies of all sizes, from Small to Large

What do you think are the main risks for your business in the next 12 months?



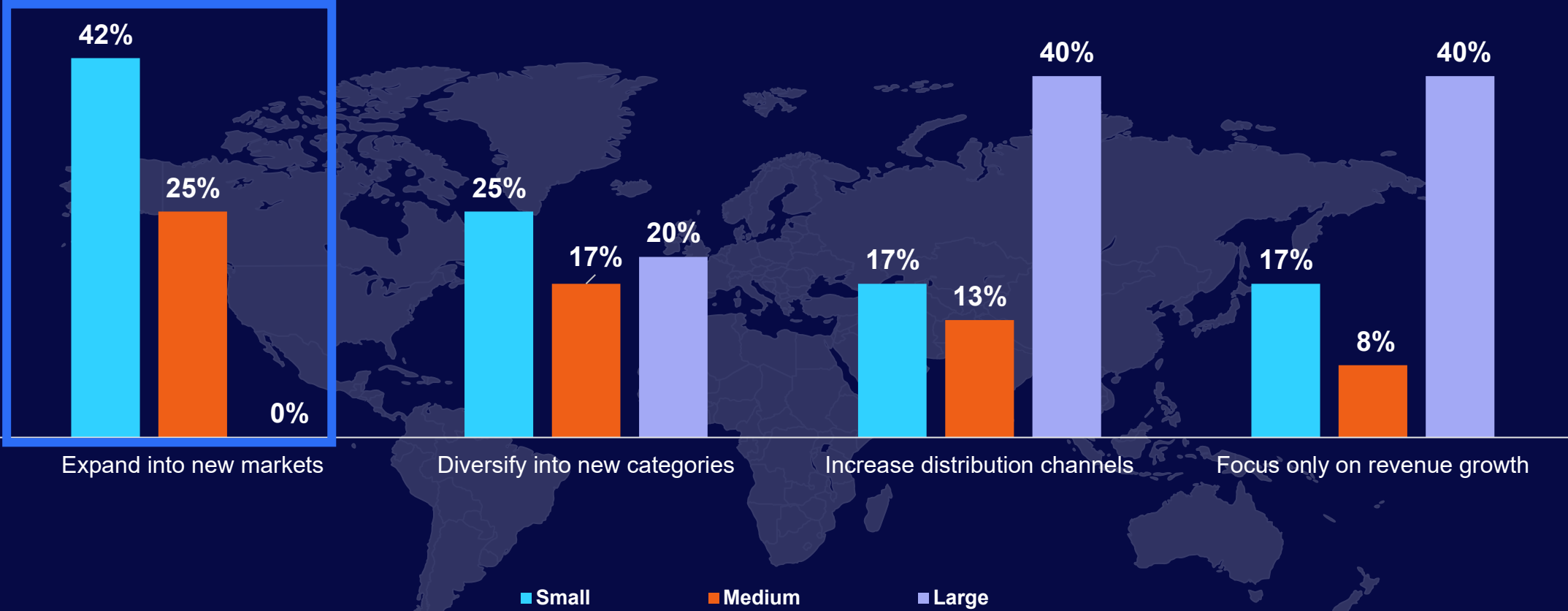
Increasing marketing investments and making adjustments to the portfolio are the proposed solutions for SMBs, while larger companies aim to replace materials with more cost-effective alternatives

How do you plan to deal with those challenges in 2024?



The world is waiting for Small and Medium-Sized Businesses!

What is your next step for growth?



Distribution & Retailer Experience

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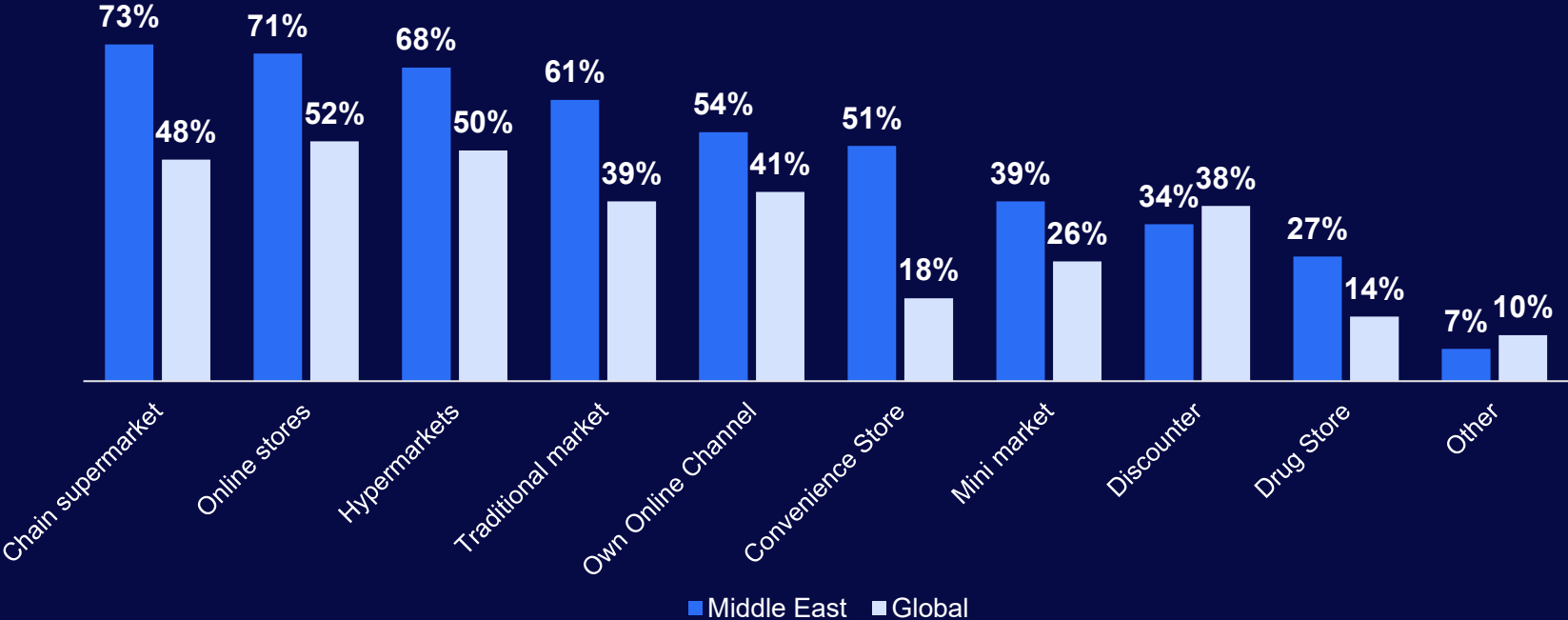


Retail chains, online channels, and larger stores are prominent in Middle East

Supermarket chains, online stores, and hypermarkets are the three most widely used channels by the Middle Eastern enterprises. These channels, along with traditional markets, own Online channels and convenience stores show much higher brand penetration in Middle East compared to the global average. On the other hand, discounters represent 38% globally, while their share in the Middle East is slightly lower at 34%.

Larger companies tend to prefer traditional markets (100%) and convenience stores (100%), while chain supermarkets and hypermarkets are significant channels for Small and Medium Businesses. For all Small (75%), Medium (63%), and Large (100%) companies, online stores are among the most preferred channel.

What channels are you represented in?



Top 3 – Small (ME)

Online Store (75%), Chain Supermarket (67%), and Hypermarket (67%)

Top 3 – Medium (ME)

Chain Supermarket (79%), Hypermarket (67%), and Online Store (63%)

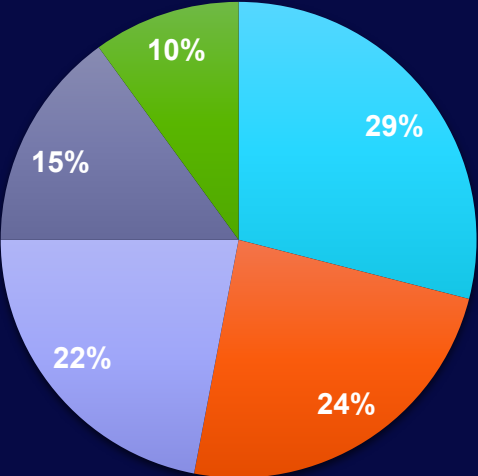
Top 3 – Large (ME)

Online Store (100%), Traditional Market (100%), and Convenience Store (100%)

Companies in Middle East are focused on omnichannel strategies for the next year where it brings a huge growth opportunity

What is the primary area of focus of your channel / distribution strategy in the next 12 months?

All Middle East

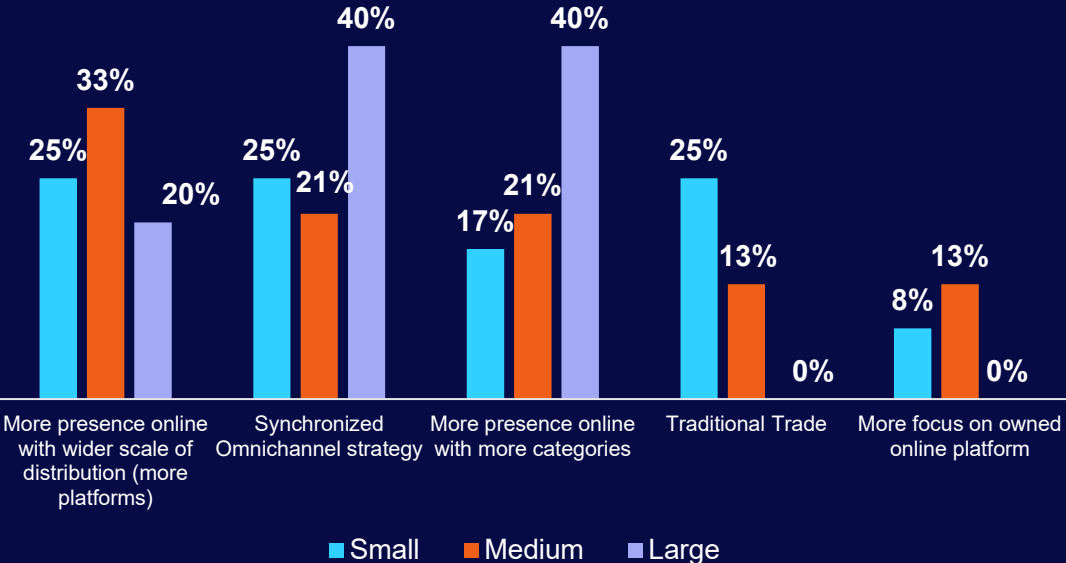


- More presence online with wider scale of distribution (more platforms)
- Synchronized Omnichannel strategy
- More presence online with more categories
- Traditional Trade
- More focus on owned online platform

By size

All businesses value an online presence, which necessitates a combined approach for the future.

See how NIQ can help you across all platforms.



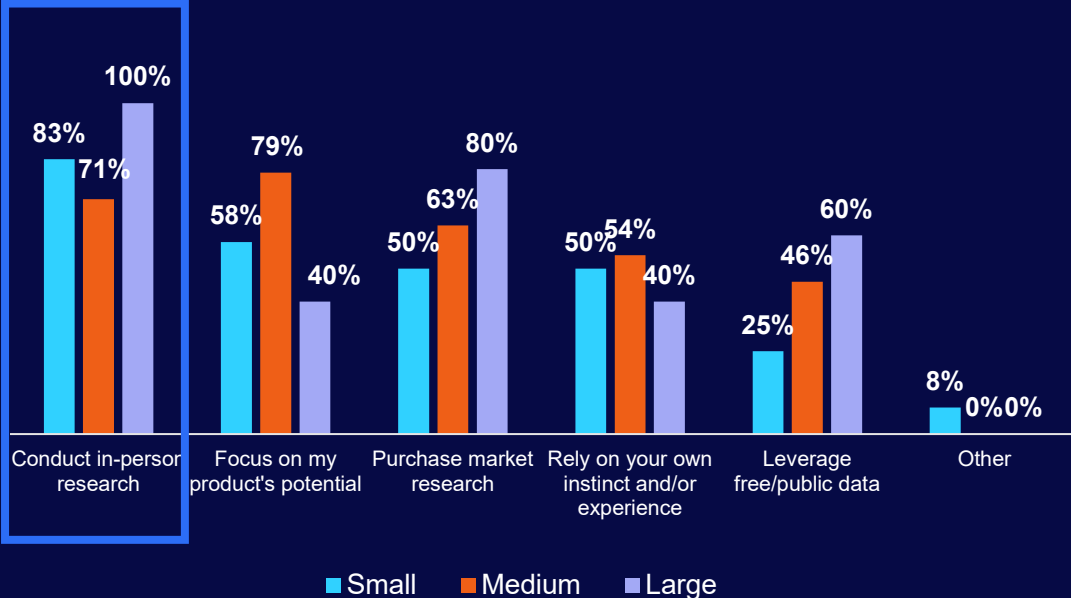
Conducting in-person research is the best approach when negotiating with retailers

Please specify what tools you use when negotiating with retailers.

All companies

- #1 Conduct in-person research (78%)
- #2 Focus on my product's potential (68%)
- #3 Purchase market research (61%)

By size



NIQ can support your decisions with trusted data. [Know how!](#)

Product, Pricing and Promotion

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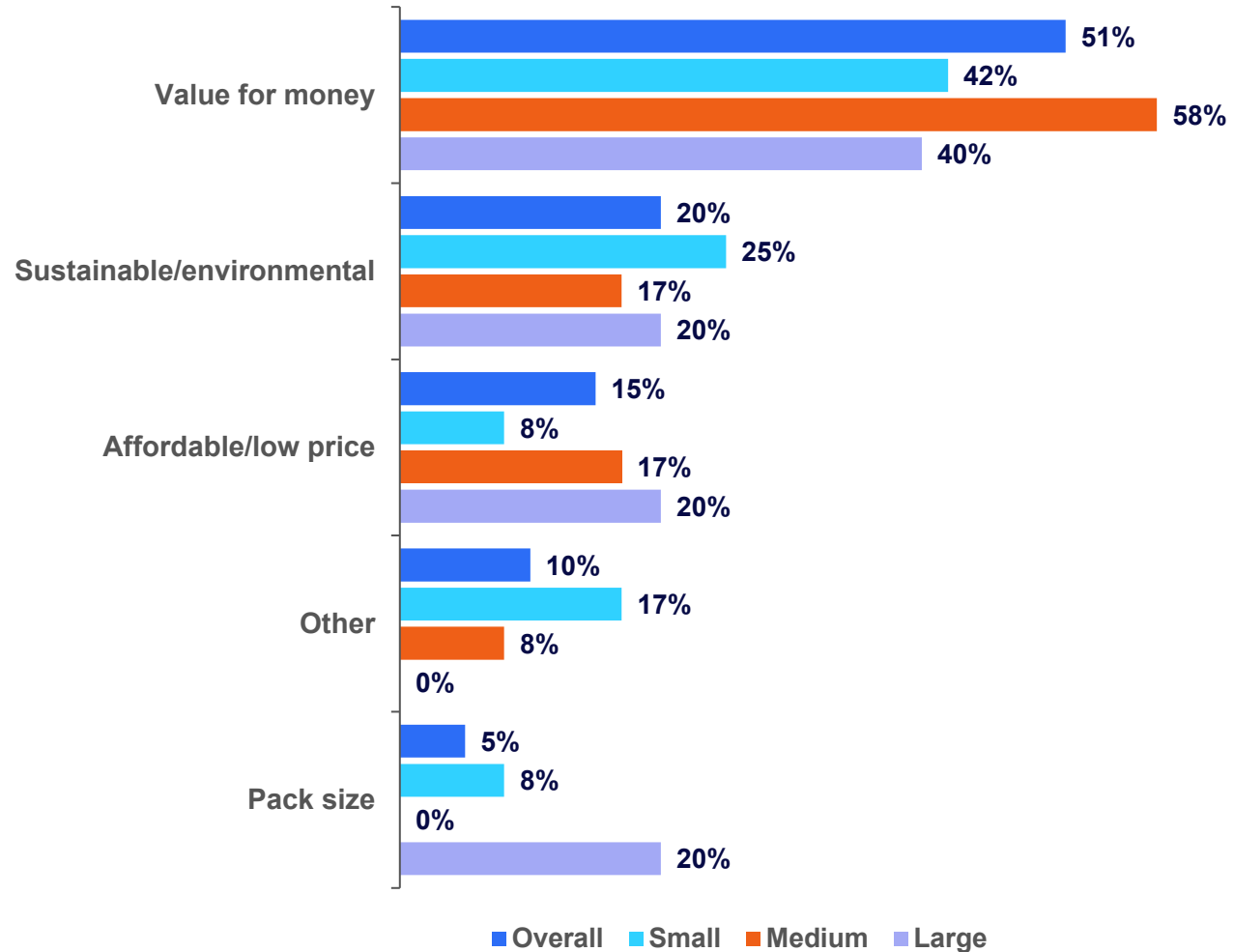
Middle Eastern companies see this value in their products:

51%
Value for Money
vs. global average of 46%

20%
Sustainable/environmental
vs. global average of 12%

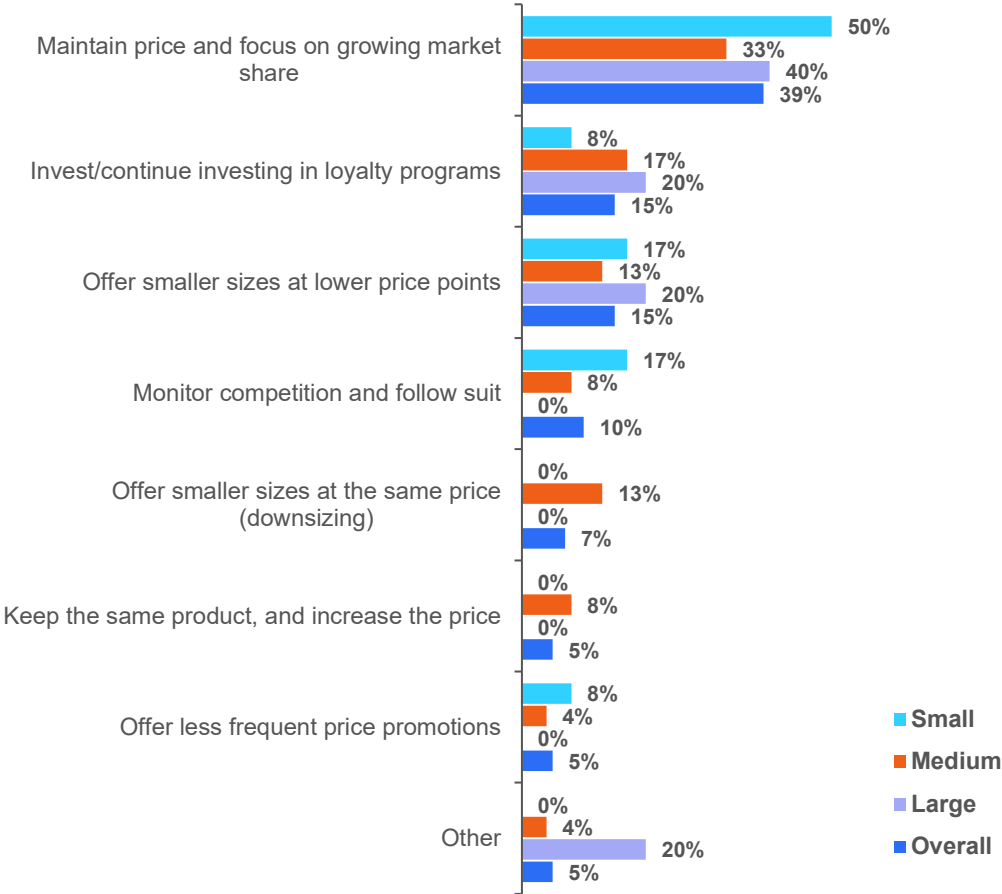
15%
Affordable/low price
vs. global average of 13%

What is the key value your product offers to your customers?



SMBs and Large companies hold prices and focus on growing market share

What **pricing and promotional strategies** is your business most likely to follow in the next 12 months?



50%

of Small, 33% of Medium, and 40% of Large companies will keep their prices and focus on growing market share



20%

of Larger companies will invest or continue investing in loyalty programs and offer smaller sizes at lower price points

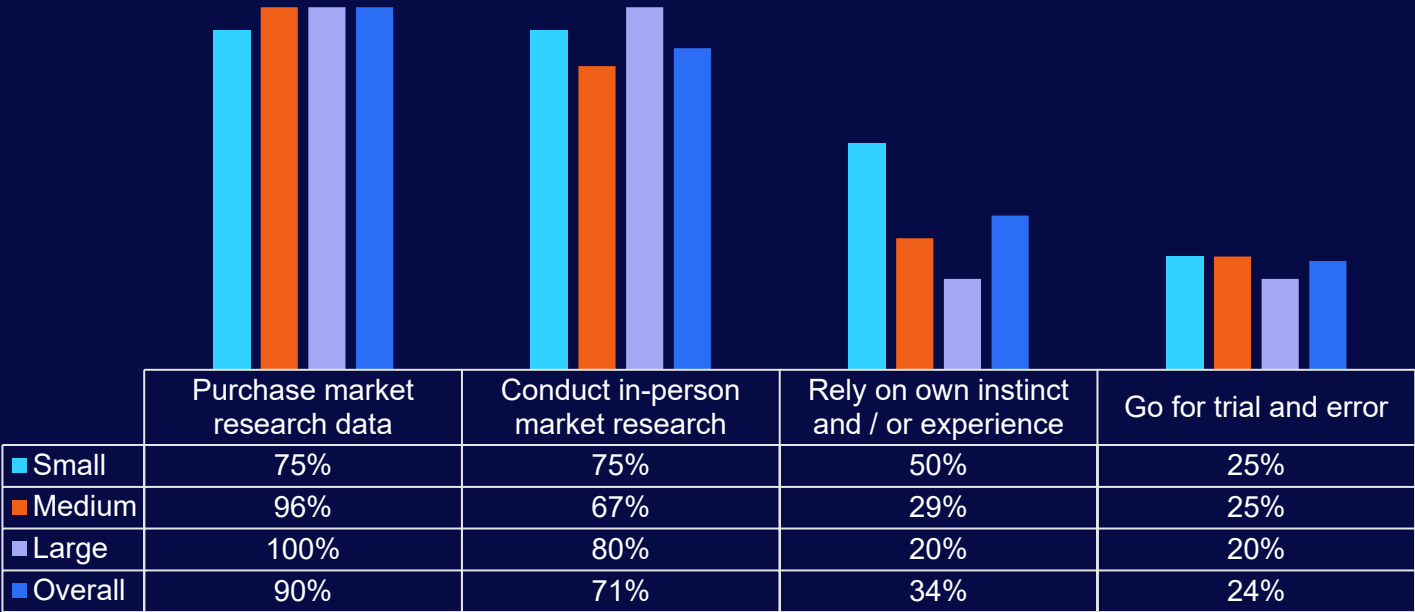


17%

of Small companies will monitor competition and follow suit, and offer smaller sizes at lower price points

Purchasing market research data is a common practice across businesses of all sizes, with particularly high adoption among Medium and Large businesses

Please specify what tools you use to reposition your price range.



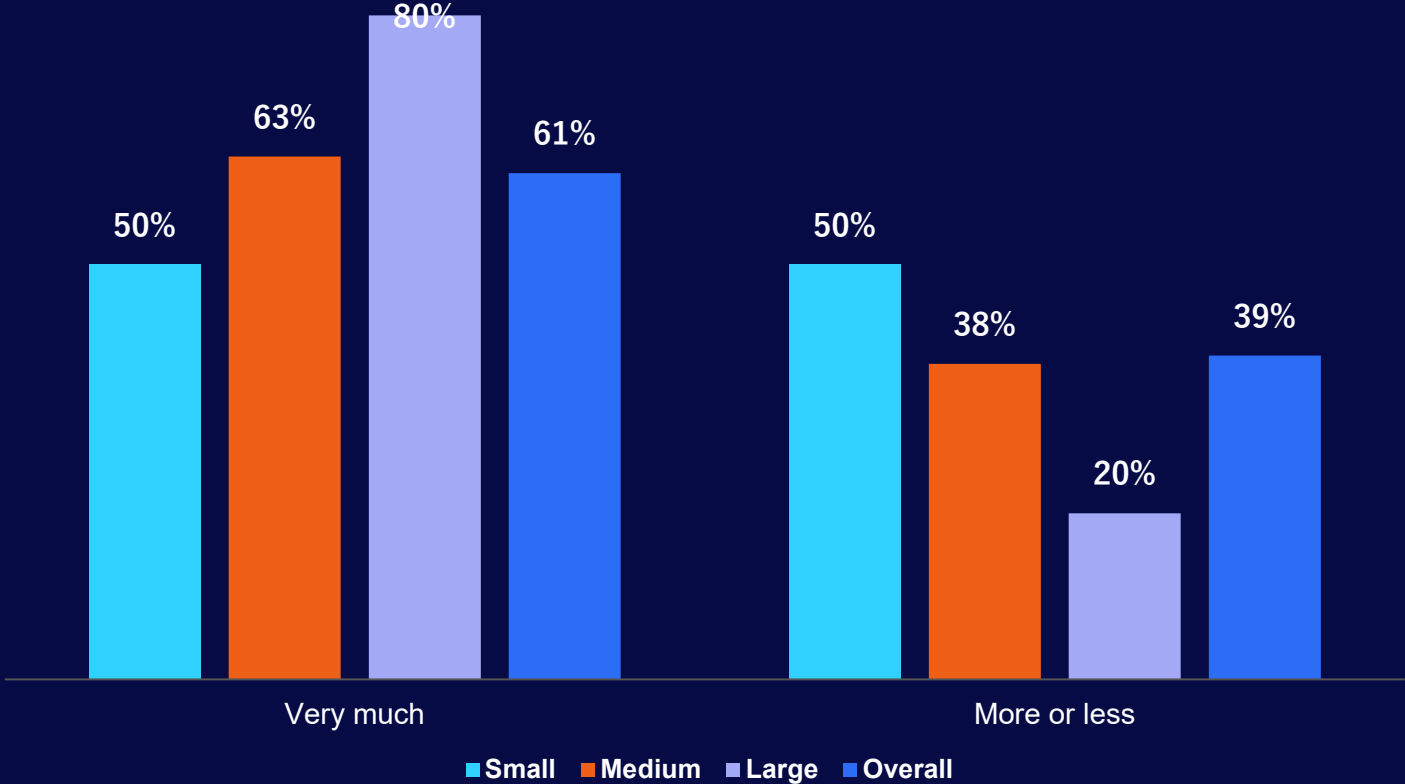
90%

of Middle Eastern enterprises choose to buy market data vs. 45% in the global average.

NielsenIQ empowers SMBs with tailored data and insights. [Find out how.](#)

Organizations in Middle East recognize the positive impact of data and insights on business decisions

How much have data and insights contributed to your business success?



80%

of Large companies say that data and insights contributed very much to their success (against 50% of Small and 63% of Medium companies)



The answers that you need come in the data

Which in turn can build the map to growing your business.
[Contact NielsenIQ](#) to know how!

100%

of survey respondents recognize the importance of data in their decisions. What about you?

NielsenIQ for SMBs offers affordable, easy access to data and insights, giving your business a comprehensive view of the market, consumers, and competitors. Ready to grow?



LET'S TALK!

Thank you.

For more information, please check out.

NielsenIQ official website: nielseniq.com

Small and Medium-sized Businesses webpage

Contact us

