Full-View-Talk

Developments in the Belgian Consumer Market

9 October 2024

Stephanie Baaklini
Manufacturers Commercial Leader Belgium

Wim Boesmans
Commercial Director
GfK – An NIQ Company

Agenda

Big picture

Promotions

Innovation and Premiumization

E-Commerce

Forward View

Agenda

Big picture

Promotions

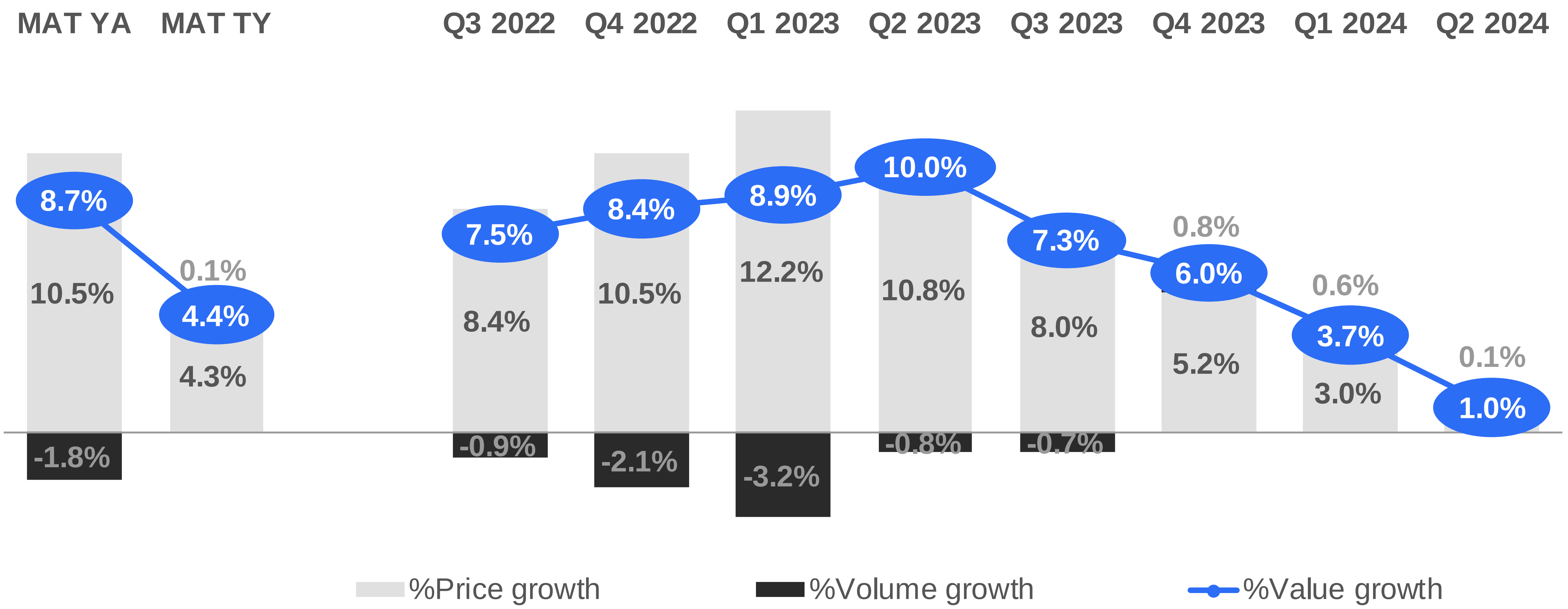
Innovation and Premiumization

E-Commerce

Forward View

West Europe FMCG growth: Price inflation decelerating in 2024 and 3 quarters of volume gain

FMCG market dynamics | % growth vs same period YA



Source: NielsenIQ RMS data up to Q2 2024

Purchasing power has been under pressure globally

100$

in 2022

117$

(Global level)

116$

(North America)

119$

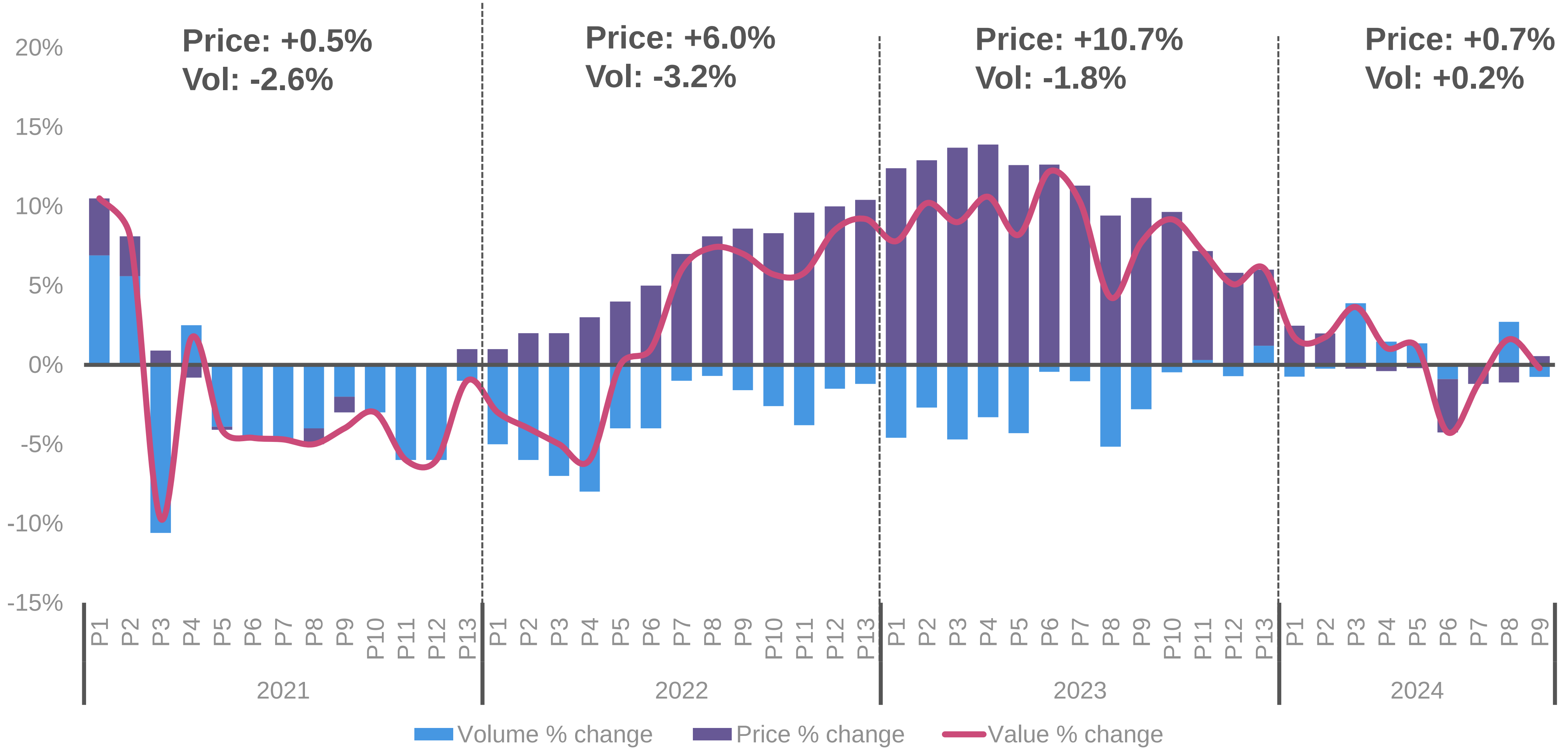
(Europe)

In 2024

Consumer spend 17% more globally in 2024 compared to 2022, due to compound effect of inflation. In Latin America 23%, Africa 24% & Asia Pacific 11%.
Source: NIQ, Global Strategic Planner, 54 markets, Eq Vol Price % Change, Latest 52 weeks ended Jun. 16, 2024 vs. previous periods. Reflected in U.S. dollars.

Which trend for FMCG in Belgium?

Belgium – FMCG – Evolution Periods vs YA - P09 2024

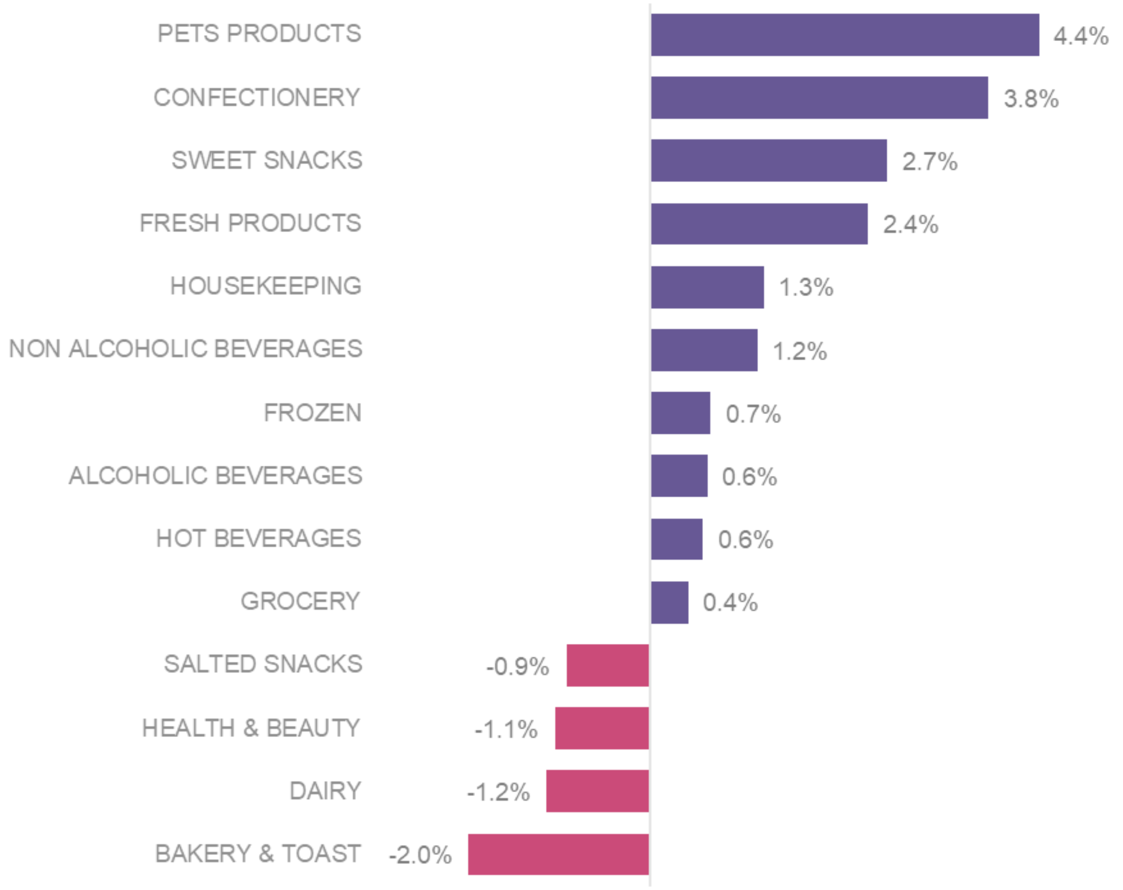


Source: NIQ Belgium RMS Scantrack

Price increase are rather limited

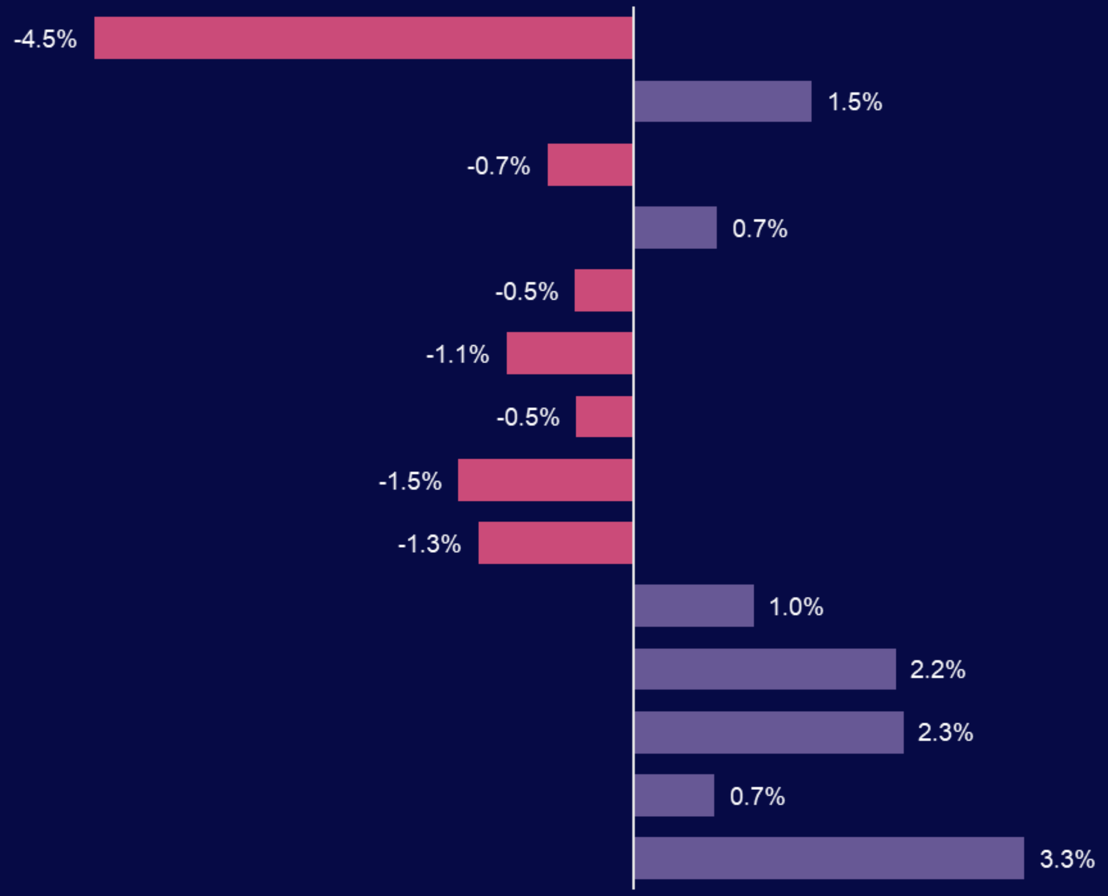
BE – FMCG – Weighted evolution – YTD w37

Price evolution



Most half of rayons have volume pressures

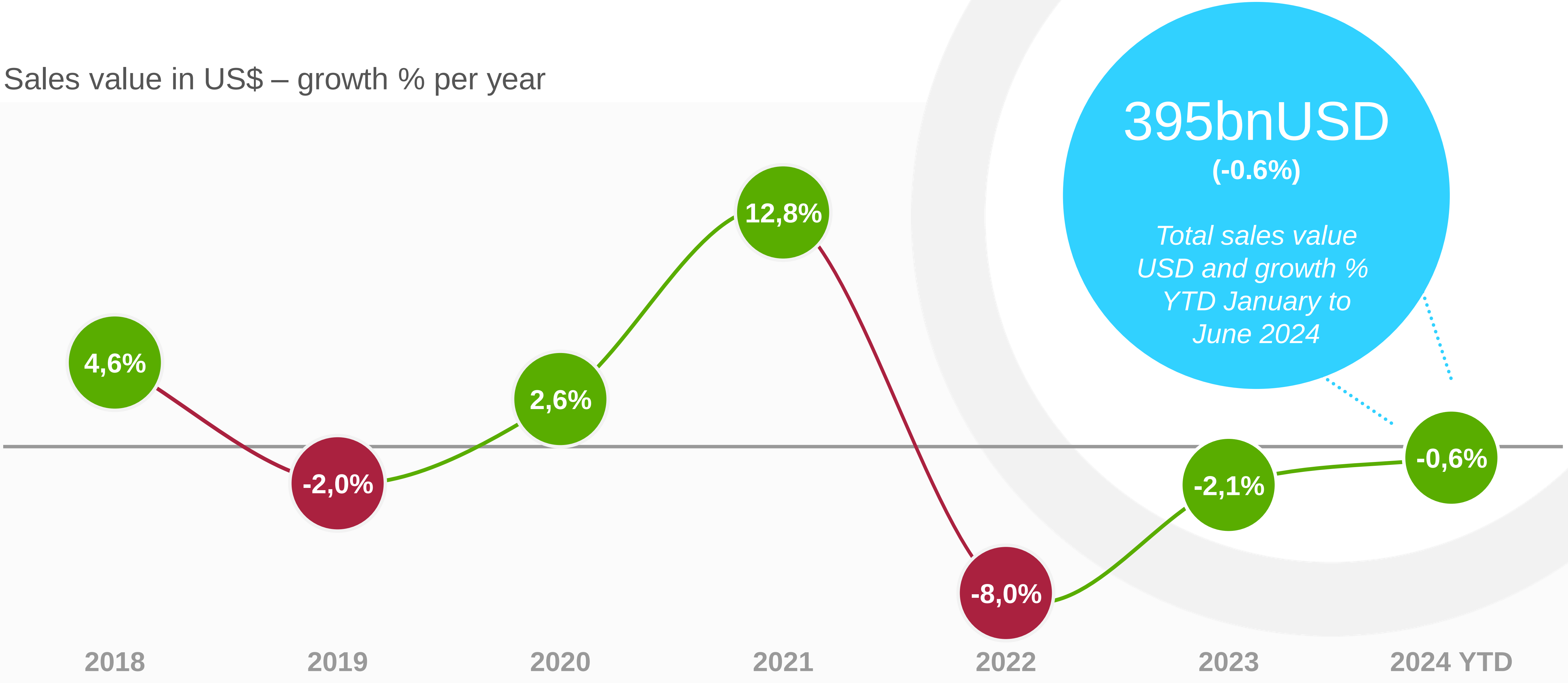
Volume weighted evolution



Source: NIQ BE RMS scantrack

Global Technical Consumer Goods market shows steady post pandemic recovery

Sales value in US$ – growth % per year

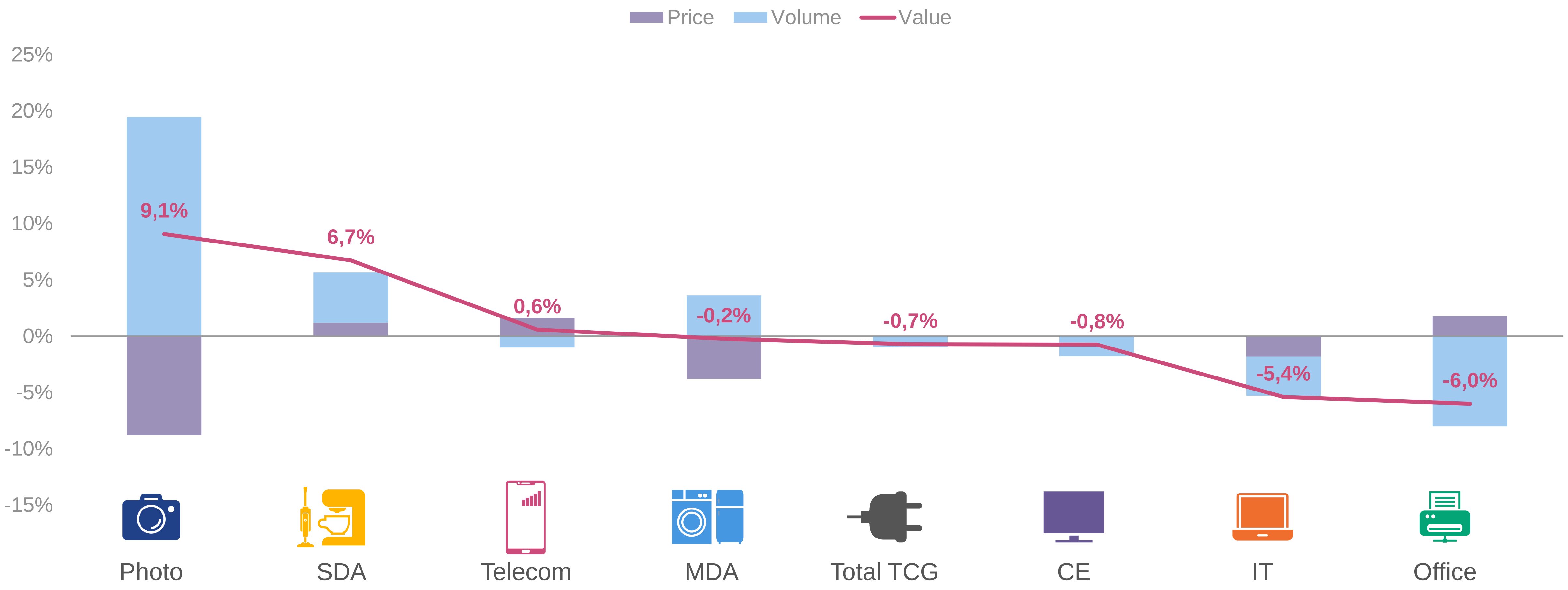


Source: Market Intelligence Sales Tracking Global excl. NA Period : 2018-Jun 2024

Volume decline is stabilizing, which is expected to continue further in 2024

Domestic appliances remain key driver to limit volume losses

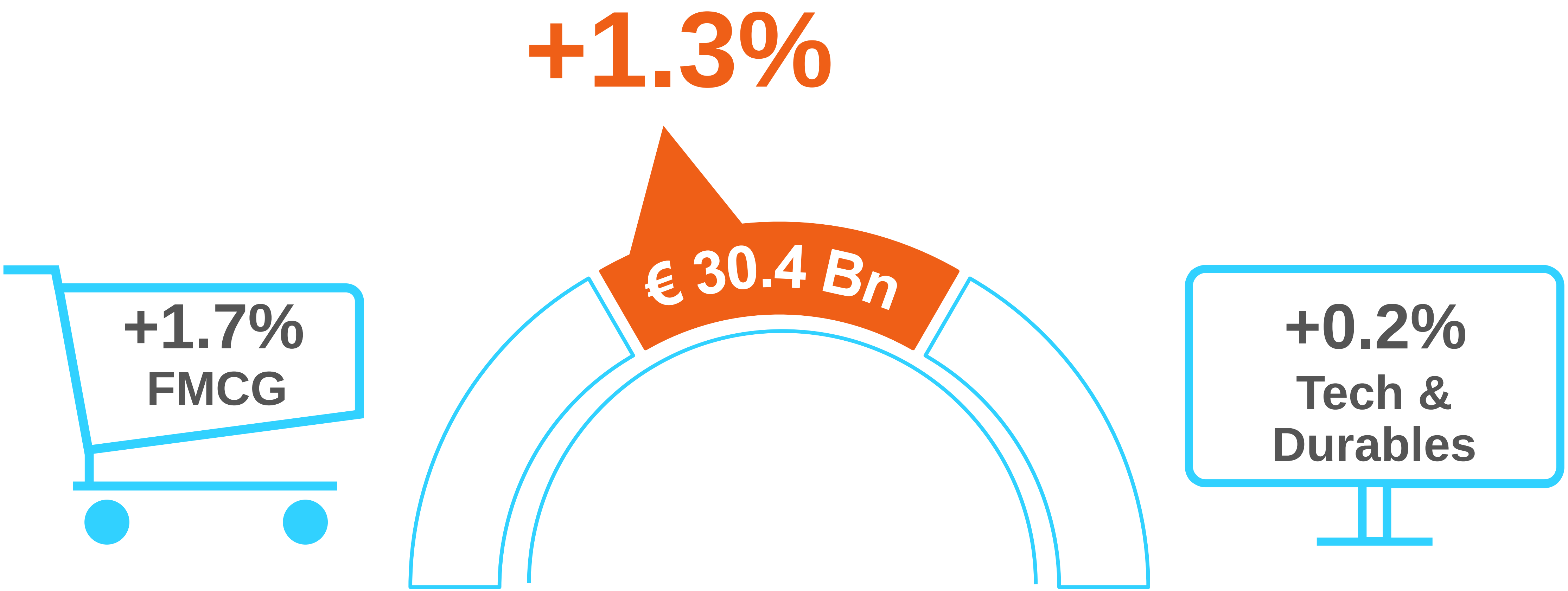
BE | TCG | Panelmarket | Jan-Jul 24 vs Jan-Jul 23 | Sales Value EUR – Units – Price growth %



Source: GfK Market Intelligence: Sales Tracking Belgium, Panelmarket

The Full View™ of Retail

Consumer spending in YTD P8 2024 vs YTD P8 2023



Top concerns setting the spending tone for 2025

Europe

- Rising food prices
- Increasing housing costs
- Global conflict / Crisis escalation

1	Rising food prices	33%
2	Increasing utilities costs	20%
3	Economic downturn	19%
4	↑ Global warming / Environment (was #5 in Jan. 2024)	14%
5	↓ Global conflict / Crisis escalation (was #4 in Jan. 2024)	13%
6	↑ Personal welfare / Happiness (was #7 in Jan. 2024)	12%
7	↑ Job security (was #9 in Jan. 2024)	11%
8	↓ Increased housing costs (was #6 in Jan. 2024)	10%
9	↓ Ability to provide basics for family (Was #8 in Jan. 2024)	10%
10	Rising fuel / Transportation costs	9%

Source: NIQ 2024 Mid-Year Consumer Outlook, Global, Note: In China, verbiage reflects the following: “Geopolitical uncertainty”, “Economic environment”

Private label is a preferred choice by many consumers globally

Depicting a change in perception about PL products as “discount alternatives”

40%

would switch to buy a private label product they enjoy, ***even if it costs more***

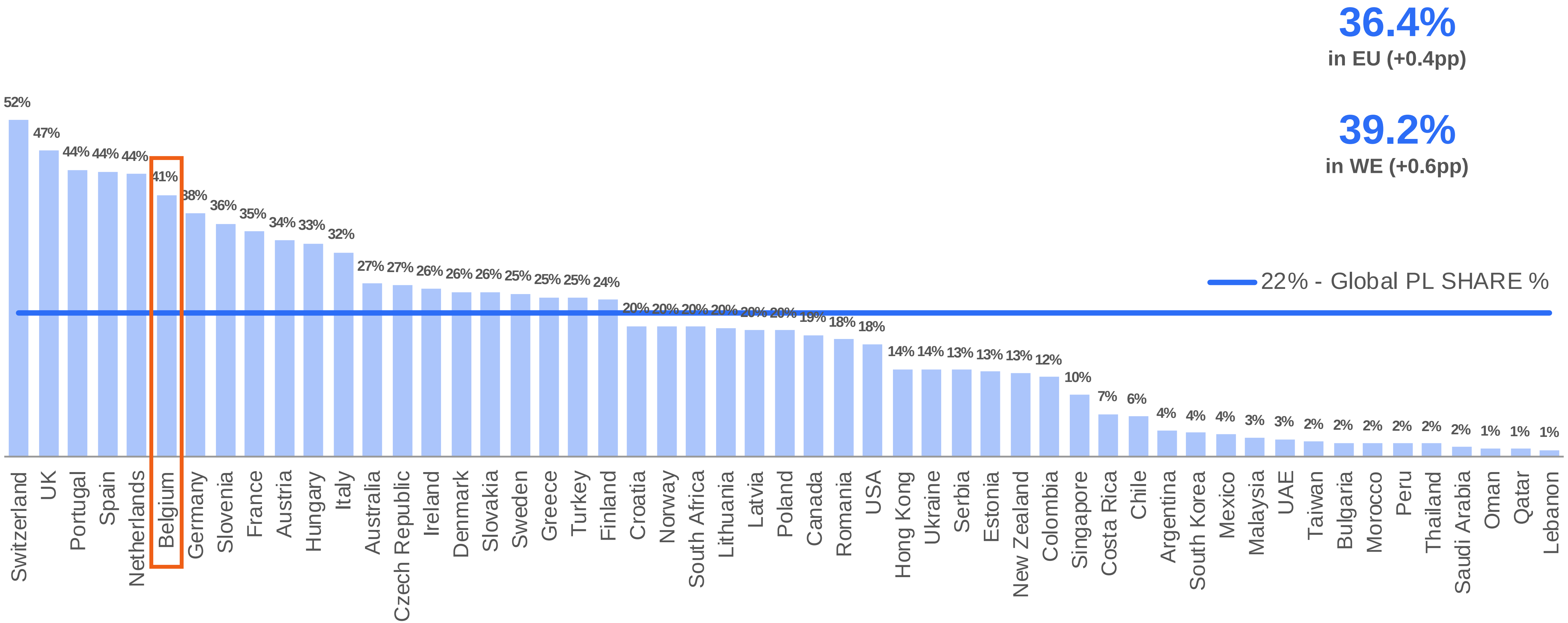
50%

say they’re likely **buying more private label products than *ever before***

Source: NIQ 2024 Mid-year consumer outlook - Global

PL is the strongest in WE and BE is higher than average

Global Private Label – Value % Share (top markets ranked on share > 1%) – MAT TY



Source: NielsenIQ RMS data up to Q2 2024

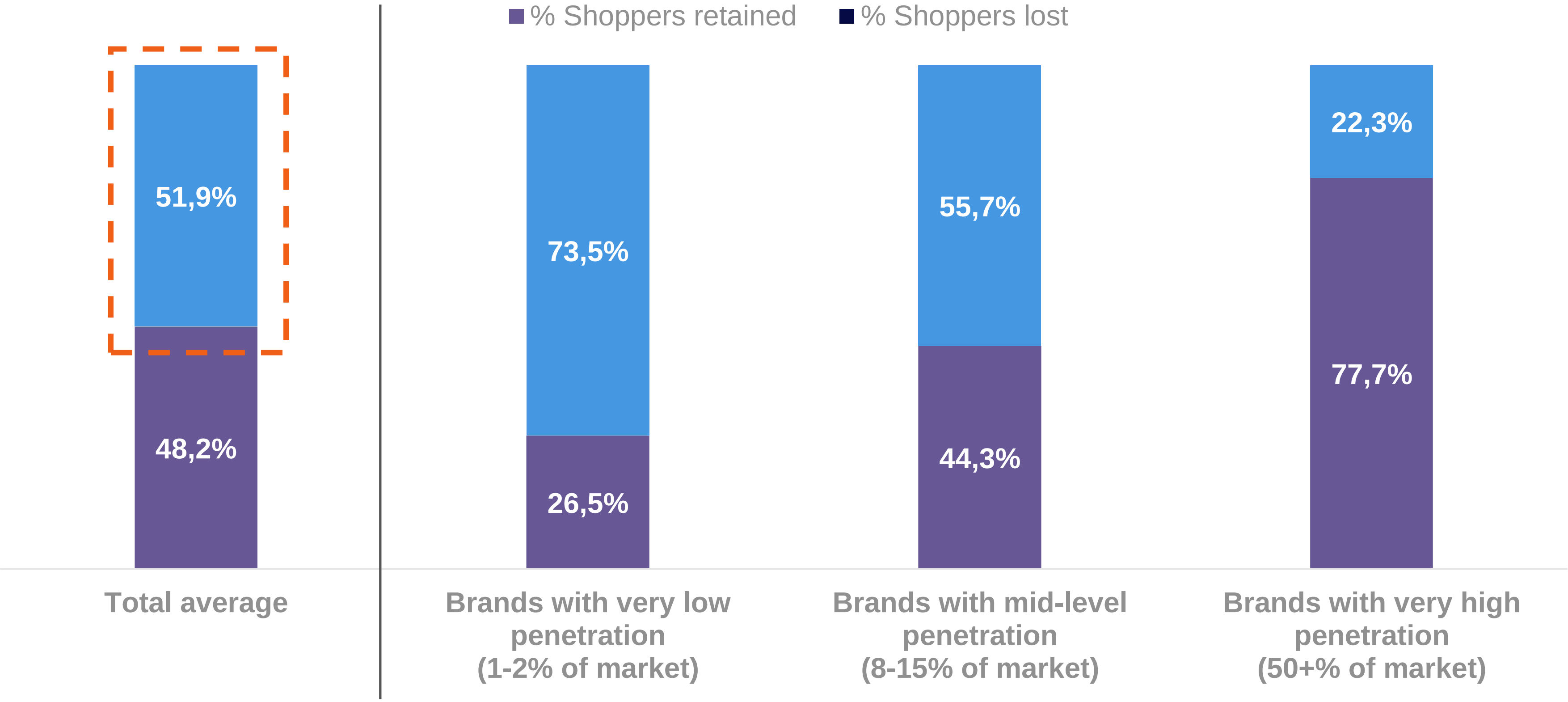
52%

of a typical brand's shoppers **will _not_ buy the brand again** the next year.

*(based on a **European** study of 7K identified brands)*

Brands need to cast a wide net to survive

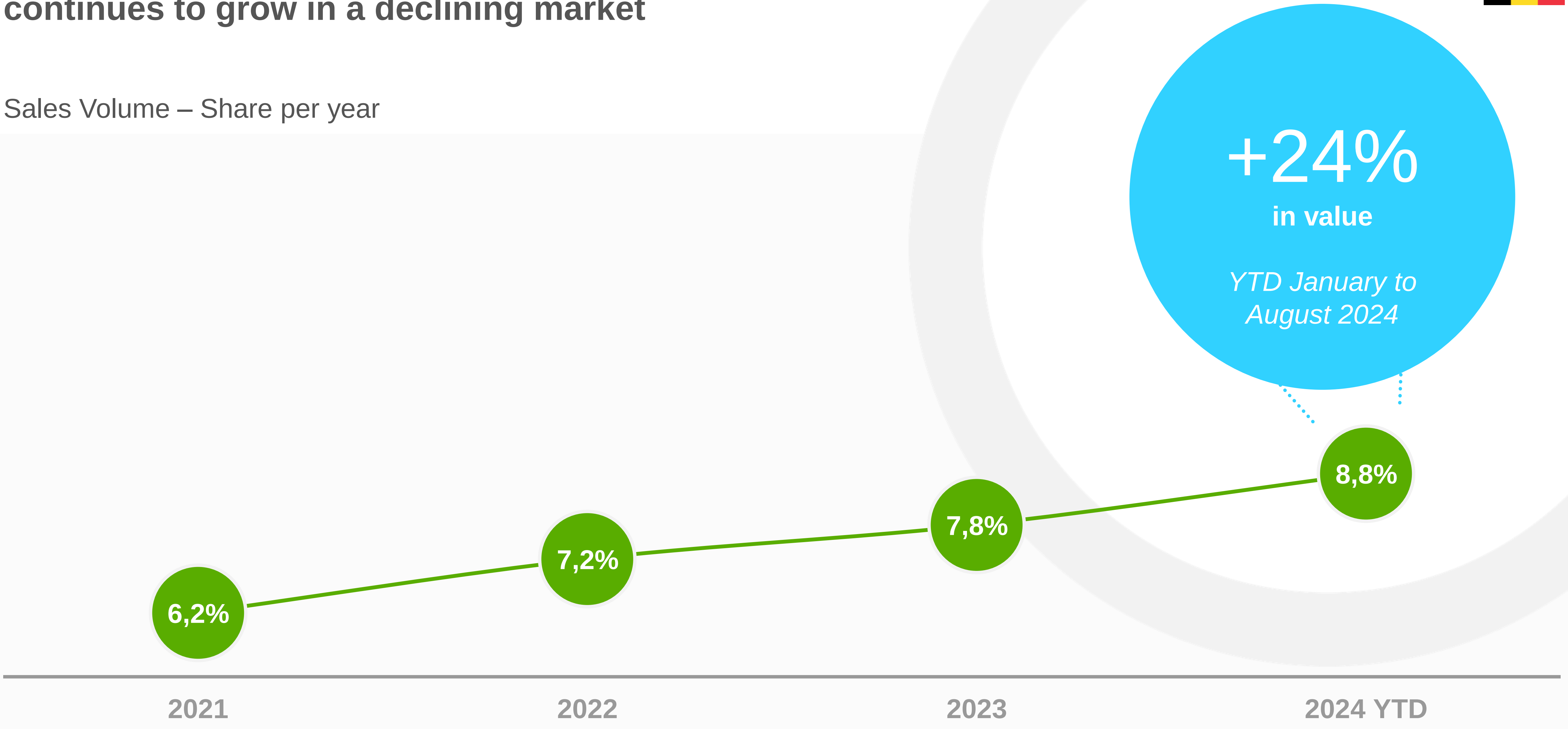
For half of a typical brand's shoppers, loyalty cannot be relied on to drive growth.



Source: NIQ Scantrack / Homescan, Europe 5 markets (DE, ES, FR, GB, IT), Total Coverage, a study of 7,000 identified brands where penetration was above 1% in at least one year of the study period – Calendar Year 2023 vs. 2022

Share of Tradebrands and Exclusives in TCG continues to grow in a declining market

Sales Volume – Share per year



Source: Market Intelligence Sales Tracking Belgium Period : 2021-Aug 2024

Agenda

Big picture

Promotions

Innovation and Premiumization

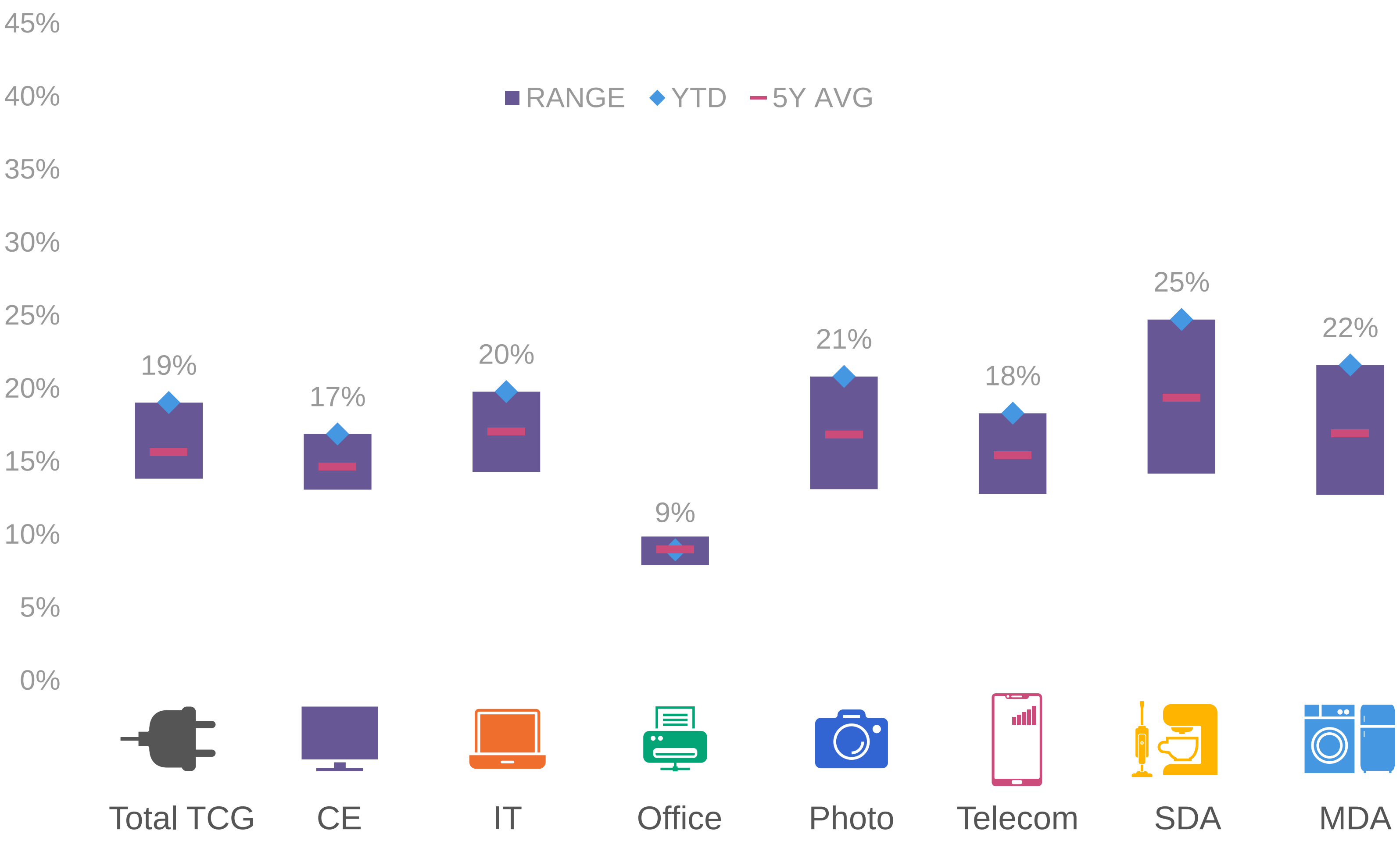
E-Commerce

Forward View

Promo Pressure in TCG

Belgian shoppers continue their hunt for the best promotions: Promotions are at highest level over the past 5 years

BE | Panelmarket | 2019 – 2024 | Sales Units % >= 10% vs 5Y AVG & Range



Promotion remains the top saving strategy

Source: NIQ 2024 Consumer Outlook, Europe – Top strategies against inflation

NIQ GfK

Consumer continue to favour promotion

BE – FMCG – importance of sales value under promo & promo volume - YTD W37

Sales Value under promo

19.1%

(+0.1 pp vs YA)

Promo Volume

+1.5%

*NB with sales >1M on YTD W37 in BE excl. Lidl (n=1184)
Source: NIQ BE RMS Scantrack

Agenda

Big picture

Promotions

Innovation and Premiumization

E-Commerce

Forward View

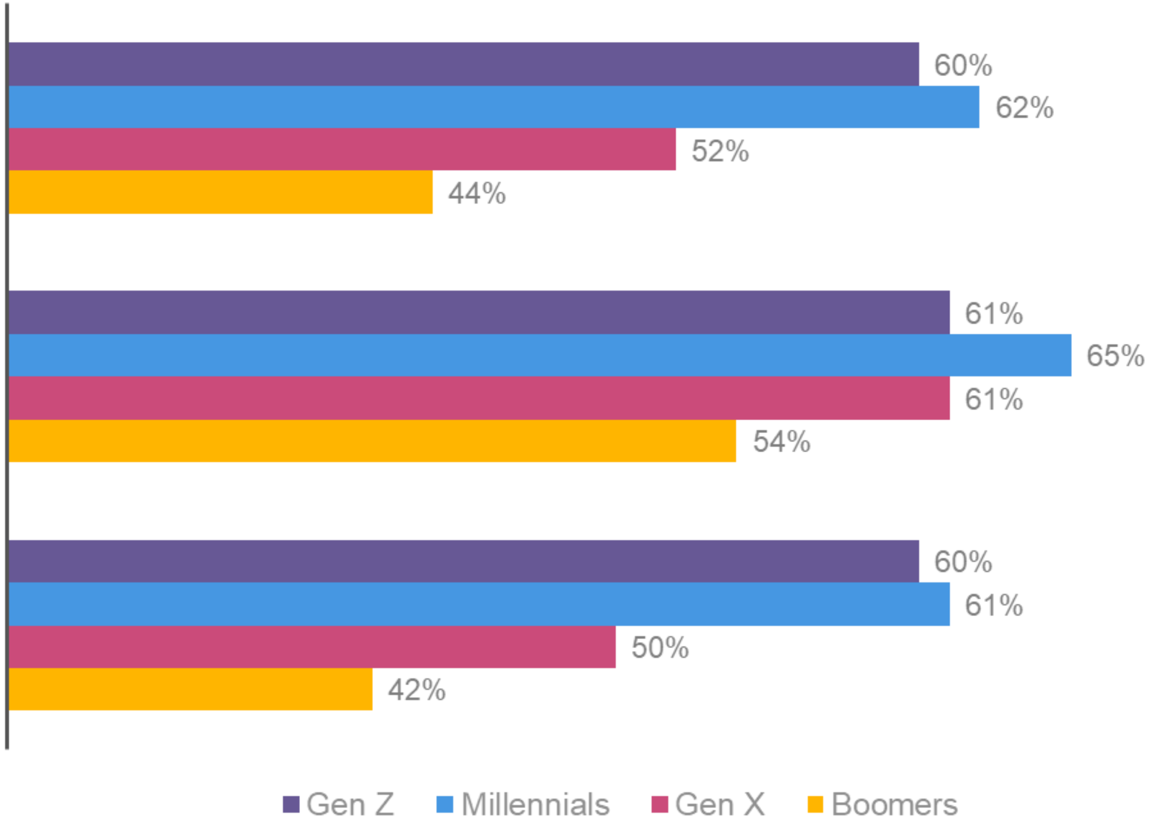
Some consumers are willing to pay a premium for certain products

For convenience, satisfaction, but also for healthy & protein products

56% say they're likely to **spend a little extra** to make **one moment or day** of the week **more special or enjoyable**

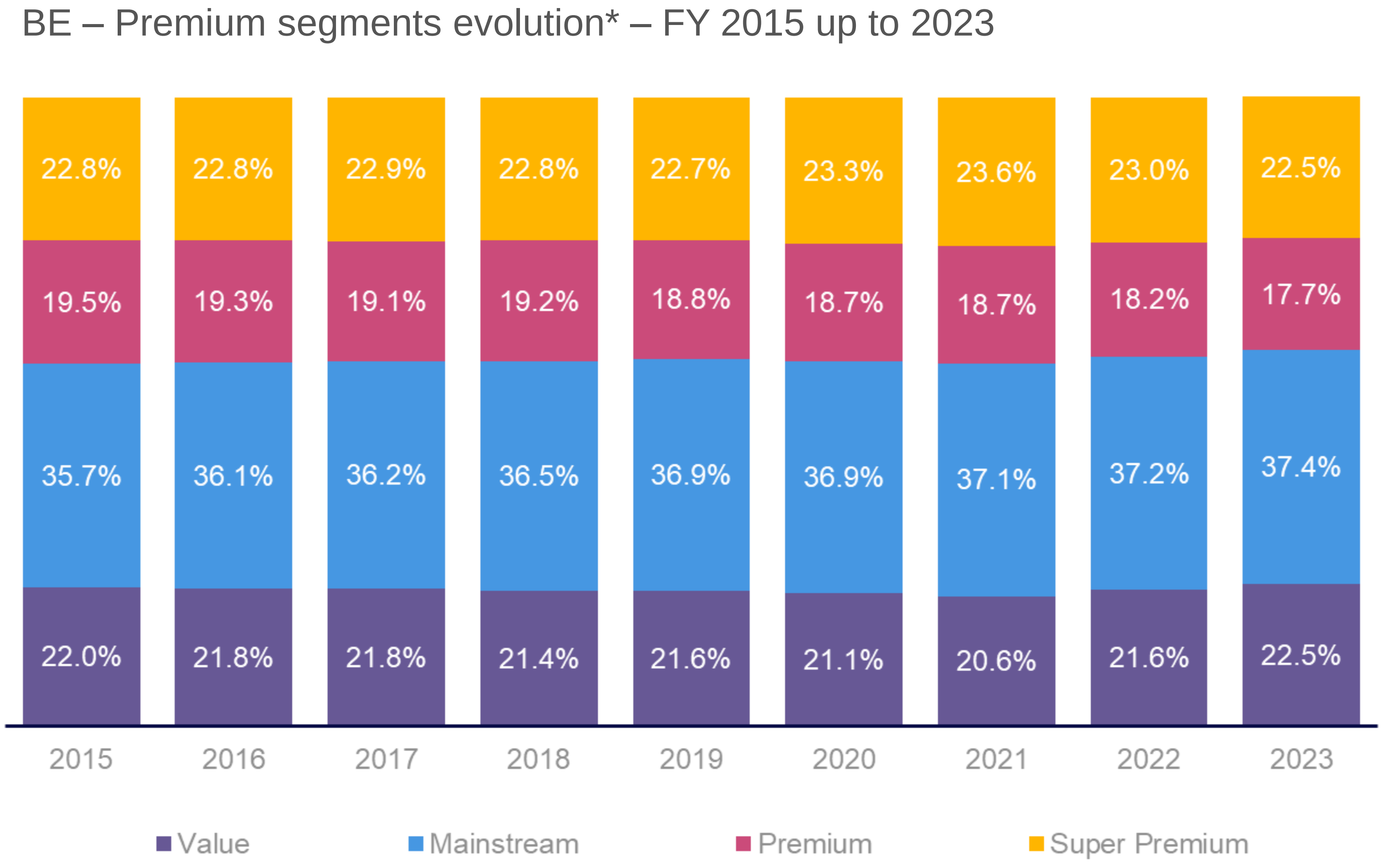
62% say they're likely to **spend more on at-home experiences** to save on restaurant and entertainment expenses

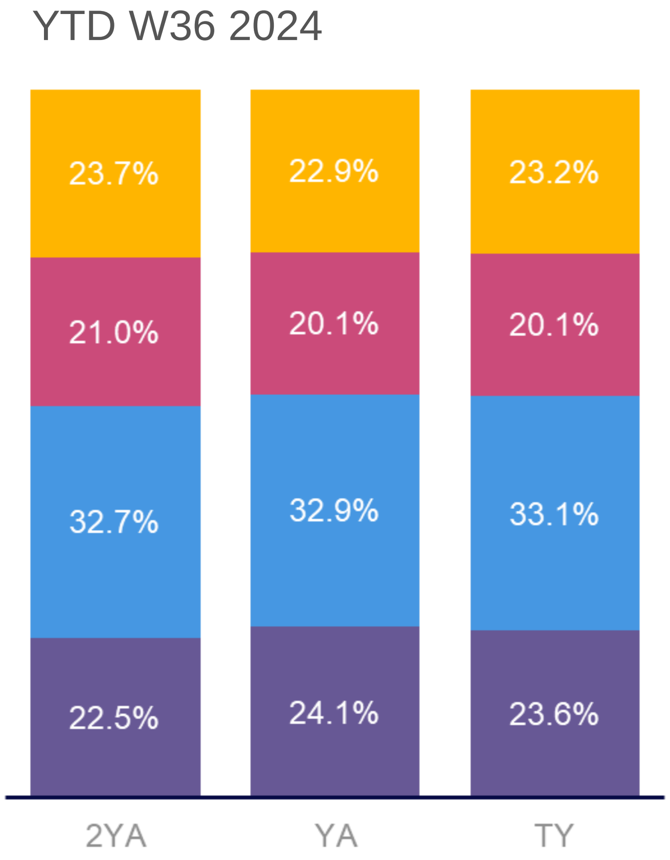
55% are likely to **spend more on** product **formats that are convenient** to use



Source: NIQ 2024 Mid-Year Consumer Outlook, Global

Premium segments remain relevant, even in period of inflation





Note: Estimated according to percentage point difference by year vs 2023 - Value: <80 - Mainstream <120 - Premium <150 - Super Premium >150 - based upon classification of the latest year | Source: NIQ BE RMS Scantrack

Health and functionality at the centre of consumers thoughts

Alcohol free

Aperitif without Alcohol	Aperitif with Alcohol
+21.1 % volume sales	- 3.3 % volume sales

Plant based

Cow milk	Plant-based milk
- 1.3% volume sales	+ 6.4 % volume sales

Protein

Dairy with High Protein	Dairy without High Protein
+39.4% TDP	+0.4% TDP

Functional/ Convenience

	EQ sales evol in % vs categ
ENERGY BARS	35.3% vs -1.8%
ENERGY DRINKS	3.4% vs -2.1%
COFFEE RTD	6.4% vs -6.8%
HMR	3.2% vs 0.5%

Source: NIQ BE RMS Scantrack: Aperitif, Milk, Protein: BE excl. Lidl – Evolutions YTD W37 2024 vs YA and Functional/Convenience : BE – Volume sales evolution – YTD w36 2024 vs YA

Innovations can contribute to brands' growth

And eventually result in volume shares gain

BE – Brands* – New varieties** contribution to growth in value & volume – YTD W36

	HiPro	Red Bull	Foodmaker	Actimel
	1 new varieties	9 new varieties	18 new varieties	1 new variety
% value	**23.4%**	**22.8%**	**58.8%**	**11.5%**
% volume	**20.3%**	**21.1%**	**58.2%**	**8.3%**

*Brands respectively operating in yoghurt & lait fermenté drink – energy drinks – HMR & yoghurt & lait fermenté probiotics drink (as per NIQ definition)
**excluding renaming and/or pre-existing variety in Dutch/French, with sales >10K€
Source: NIQ BE RMS Scantrack

Top growing Brands last 5 years in Belgium

	Belgium Sales in Mio €	Sales diff MAT P8 2024 VS Y2019	Sales MAT P8 2024	% Val Ch vs 2019	% Vol Ch vs 2019
1	LAYS (PEPSC/)	63.8	193.3	49%	13%
2	COCA COLA	49.0	602.5	9%	-3%
3	RED BUL(RED-BL)	43.0	98.5	77%	57%
4	SPA (SPADEL)	40.3	161.8	33%	16%
5	STELLA ARTOIS	36.6	60.0	156%	106%
6	COT-D'OR (MONDLZ)	35.1	176.6	25%	4%
7	BELVIVA	31.4	39.9	373%	223%
8	LA-LRRN (LA-LRR)	29.8	48.5	159%	75%
9	KINDR (FERRR)	26.2	83.8	46%	23%
10	LOTS (LOTS-B)	25.5	127.9	25%	0%
11	DR. OETKER	23.6	115.4	26%	-7%
12	DREFT (PROCTR)	23.6	71.0	50%	4%
13	MONSTR (MONSTR)	22.9	40.5	130%	85%
14	HIPRO	22.1	22.1	New	New
15	STARBUCKS	21.3	34.0	167%	77%
16	MOR (MCCN)	20.6	45.8	82%	17%
17	ALPR (DANN)	18.9	103.6	22%	2%
18	CRUMBEL	18.7	18.7	New	New
19	MILKA (MONDELEZ)	18.6	84.5	28%	4%
20	D&L (AGRLMN)	18.2	86.9	26%	3%

Source: NIQ Belgium RMS Scantrack

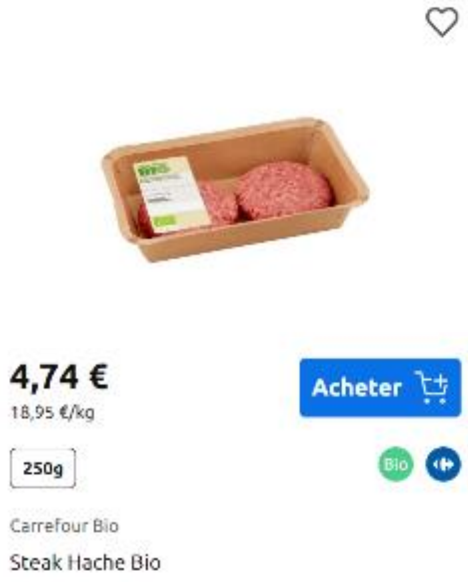
BE excl. Lidl – Pet food (-4.1% vol sales)– YTD W37 2024

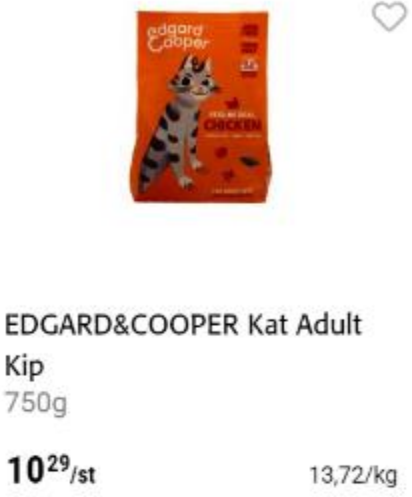
EDGARD COOPER

+ 178% €/eq
+ 16.7% vol sales

LILY'S KITCHEN

+183% €/eq

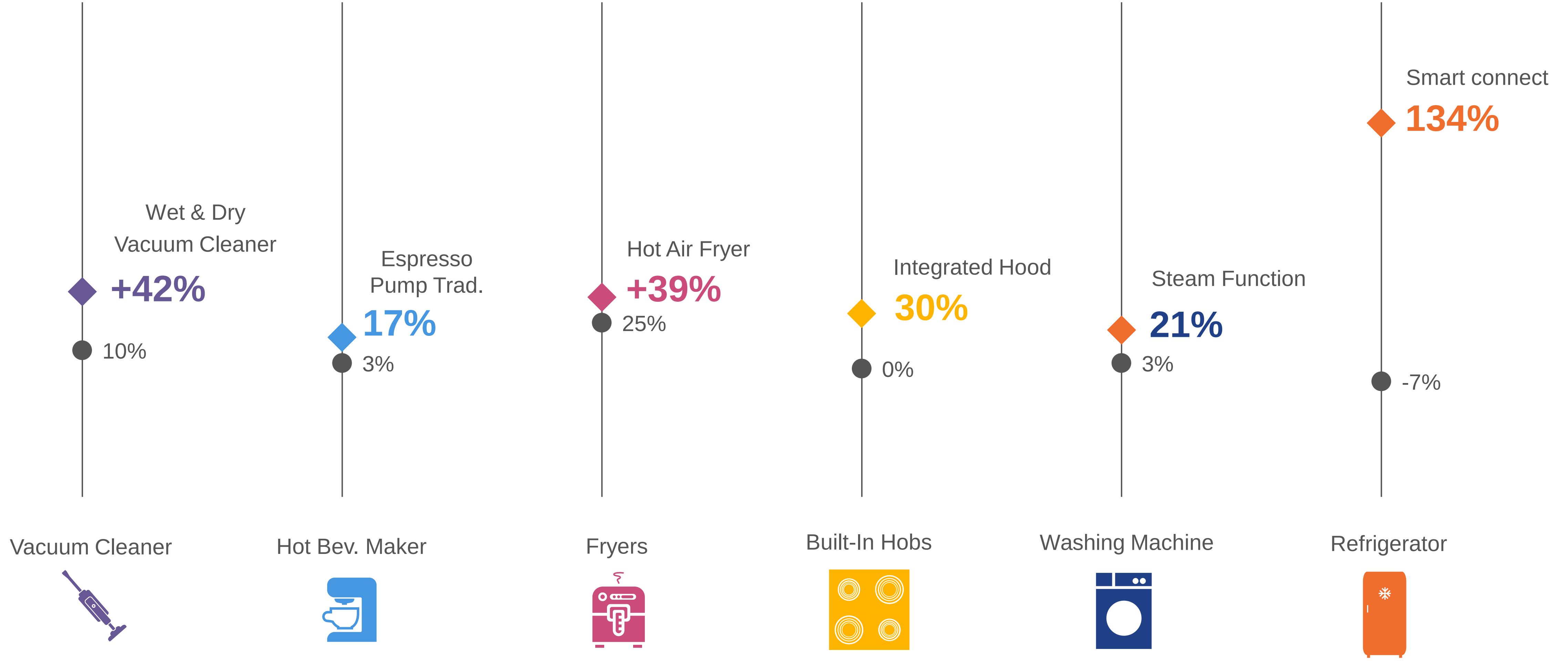




Source: carrefour.be (LILY'S KITCHEN) & colruyt.be (Edgar Cooper)

Select premium feature sales increased more than category average

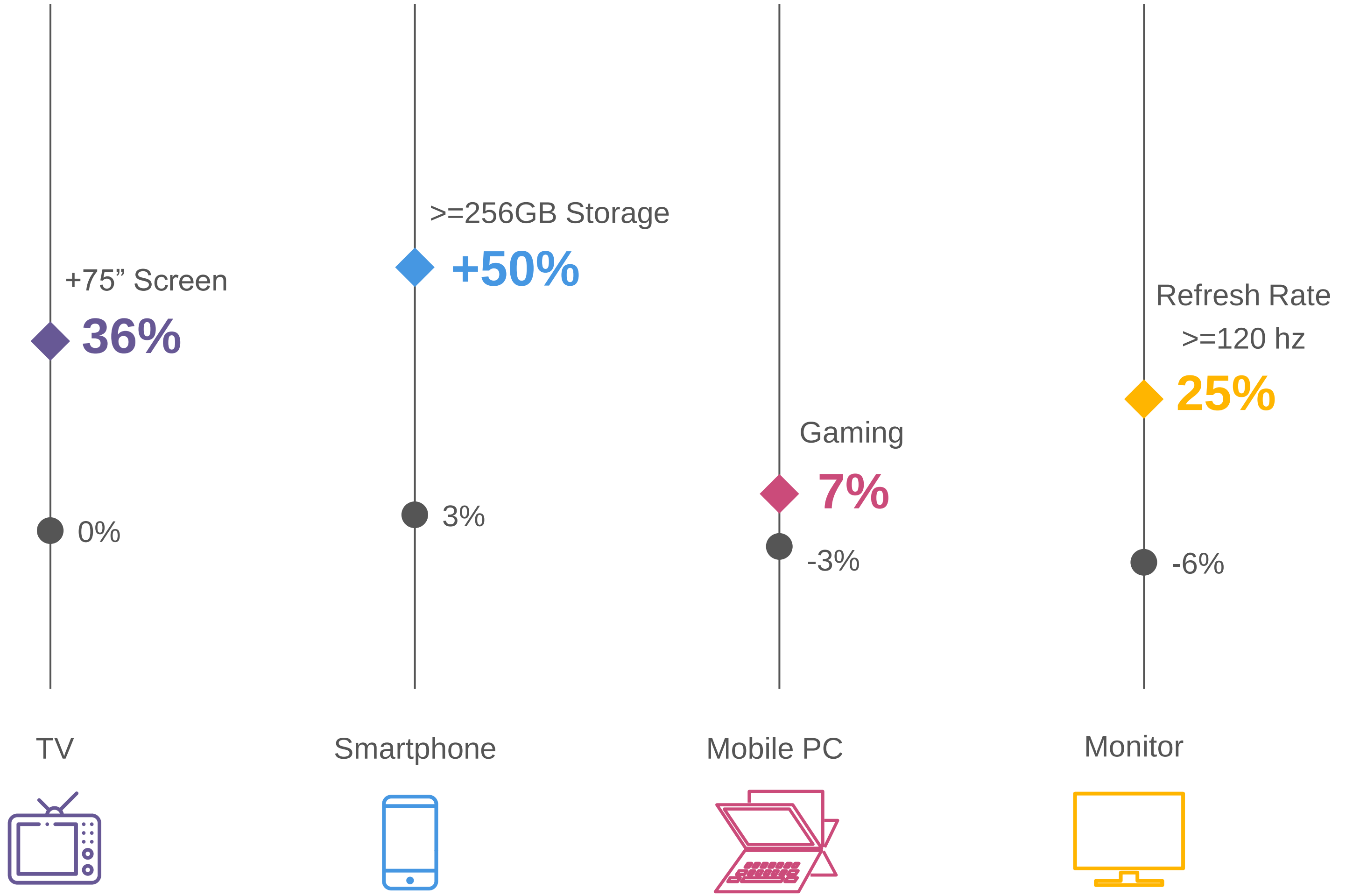
Belgium | Jan-Jun 2024, Sales Value EUR, Growth YoY % | premium segment example vs category total



Source: GfK Market Intelligence Tracking Retailer Market Sales Value EUR growth rate YoY Period Jan-Jun 2024 Belgium

Select premium feature sales increased more than category average

Belgium | Jan-Jun 2024, Sales Value EUR, Growth YoY % | premium segment example vs category total



Source: GfK Market Intelligence Tracking Retailer Market Sales Value EUR growth rate YoY Period Jan-Jun 2024 Belgium

Incremental innovation further continued with robot VC, also pushing price levels higher

This time all three leading robot brands had different types of innovation in their models.







Robot vacuum cleaner mop extension / docking stn. feature trickles down to lawnmowers

New categories robotics like pool robots gains further traction at IFA 2024.





Multifunctionality to offer more for the price of one

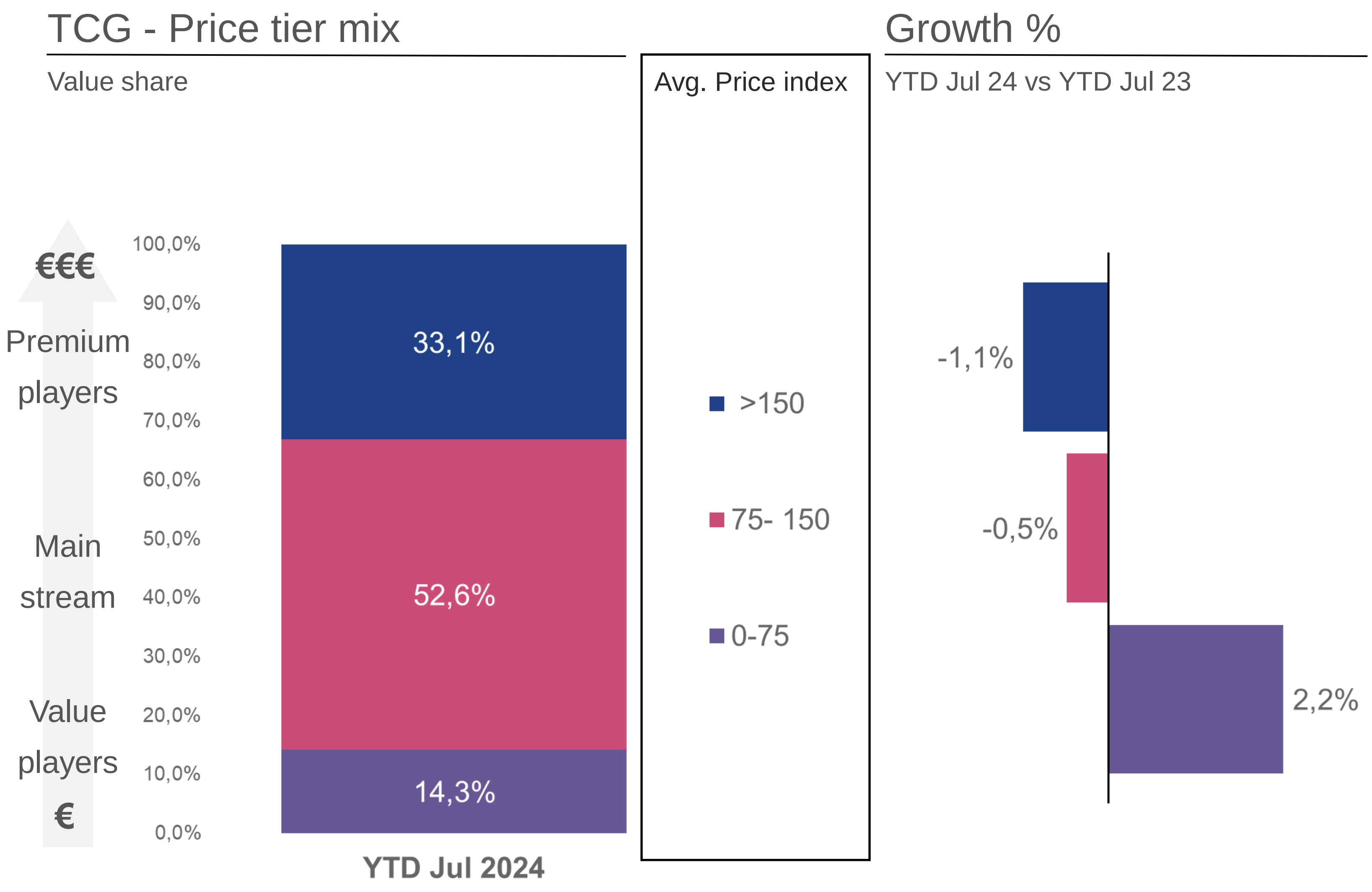
It could be an additional accessory or the design of the product or an add-on purchase which can be brought separately.




Source: Please find product links in Notes Section

Budget price tier is growing in TCG

Premium is declining most
Clear trend change!



Source: GfK MI data NL | Price Index of brands based on product group level

Agenda

Big picture

Promotions

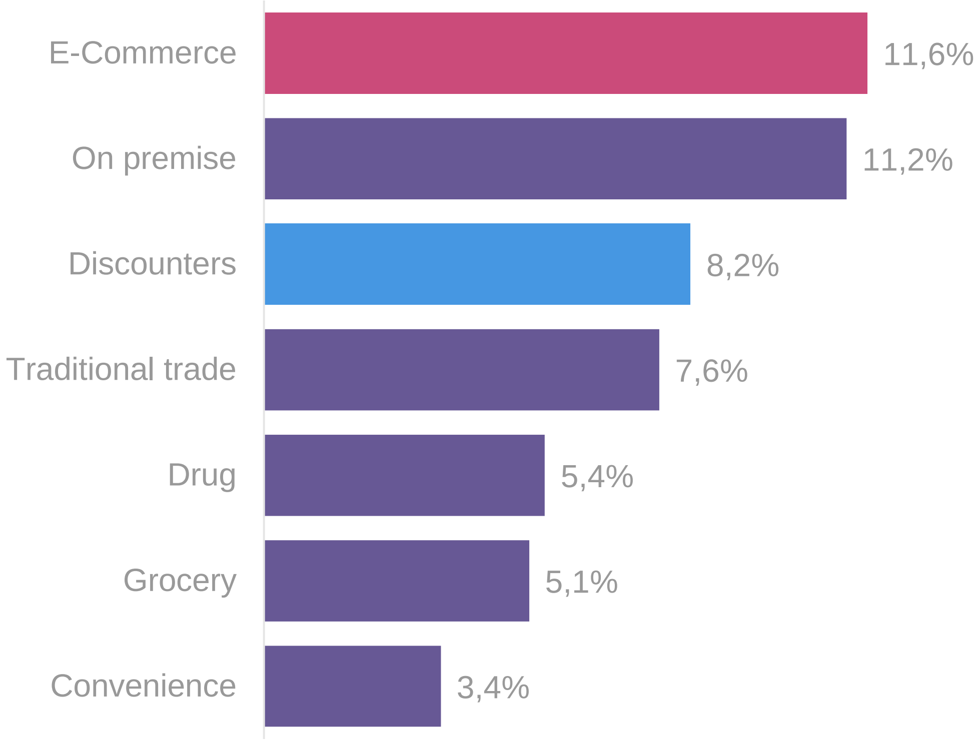
Innovation and Premiumization

E-Commerce

Forward View

E-Commerce is still the fastest growing channel in FMCG

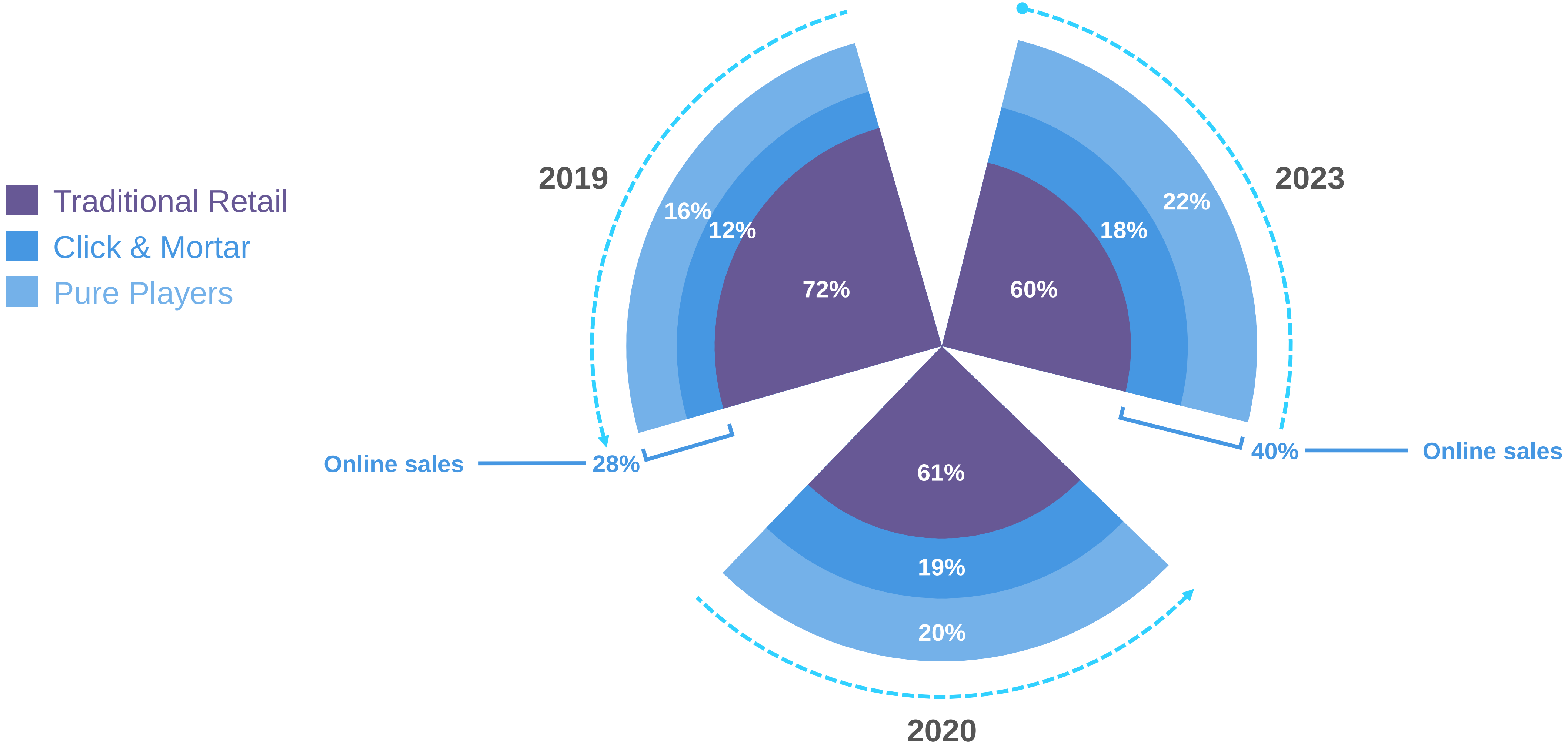
CPG channel performance | % sales growth vs. previous year



Source: NIQ Retail Measurement Services, Total FMCG / CPG, annual period ended Q1 2024 vs. Year ago, Value % Growth (unweighted) - via Quarter By Numbers. Channel report: Ecommerce, 17 markets considered; Modern Trade: 24 markets; Hypermarkets, 29 markets; Supermarkets, 34 markets; Small Superettes, 29 markets; Convenience, 37 markets; Drug, 45 markets; Traditional Trade, 45 markets; Discounters, 16 markets; On Premise, 17 markets. Note: includes TikTok (Douyin) in China e-commerce and Dollar stores in the US; Romania data does not include Discounters in this release.

Online landscape in TCG transformed and offers further growth potential in 2024

Europe | Sales Revenue %

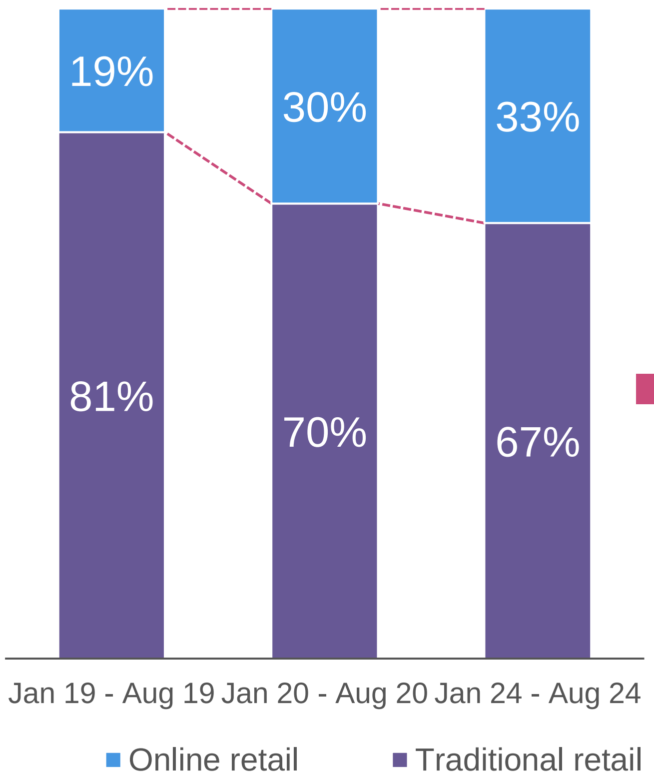


Source: GfK Market Intelligence: Sales Tracking, Europe

Pandemic accelerated online sales of TCG in Belgium

Online share has continued to grow and outpaces offline growth

Technical Consumer Goods Sales Value (BE)



50%

Of global consumers will increase online shopping

Source : GfK Consumer Life 2022 (Global), GfK Market Intelligence : Sales Tracking (Belgium)

NIQ GfK

Agenda

Big picture

Promotions

Innovation and Premiumization

E-Commerce

Forward View

Five years of retail disruption and changing shopper behaviour

2023 Survive, 2024 Revive (?), 2025 Thrive

← 2021	2022	2023	2024	2025 →
Pandemic disruption	Inflationary pressure	Cost-of-living Crisis	Volume recovery?	Next Normal?

FMCG Forecast SM 2024
Excl. tobacco

Value: +1.8%
Volume: +0.2%

FMCG Estimation SM 2025
Excl. tobacco

Value:~ +3.0%
Volume: ~ +0.2%

T&D Forecast 2024

Value: -0.9%
Volume: -1.2%

T&D Forecast 2025

Value: +0.1%
Volume: -1.2%

Note: a forecast excl. tobacco is relevant as per 1 July 2024 the sales of tobacco in Supermarkets will be banned

We deliver The Full View™

The most complete and clear understanding of consumer buying behavior.

NielsenIQ GfK