

The power of promotions

Unlocking Market Insights for Success in Tech & Durables

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Hi! Nice to meet you!



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What can we learn from the Belgian promotional landscape?


Belgian T&D volume is under pressure
Promotions become an even more crucial part of our strategy





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Not only the promotion matters
But also when to play it!




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What makes a promotion a success?
Powered by  Predict



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Target the right consumer for your promotion



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Belgian T&D volume is under pressure

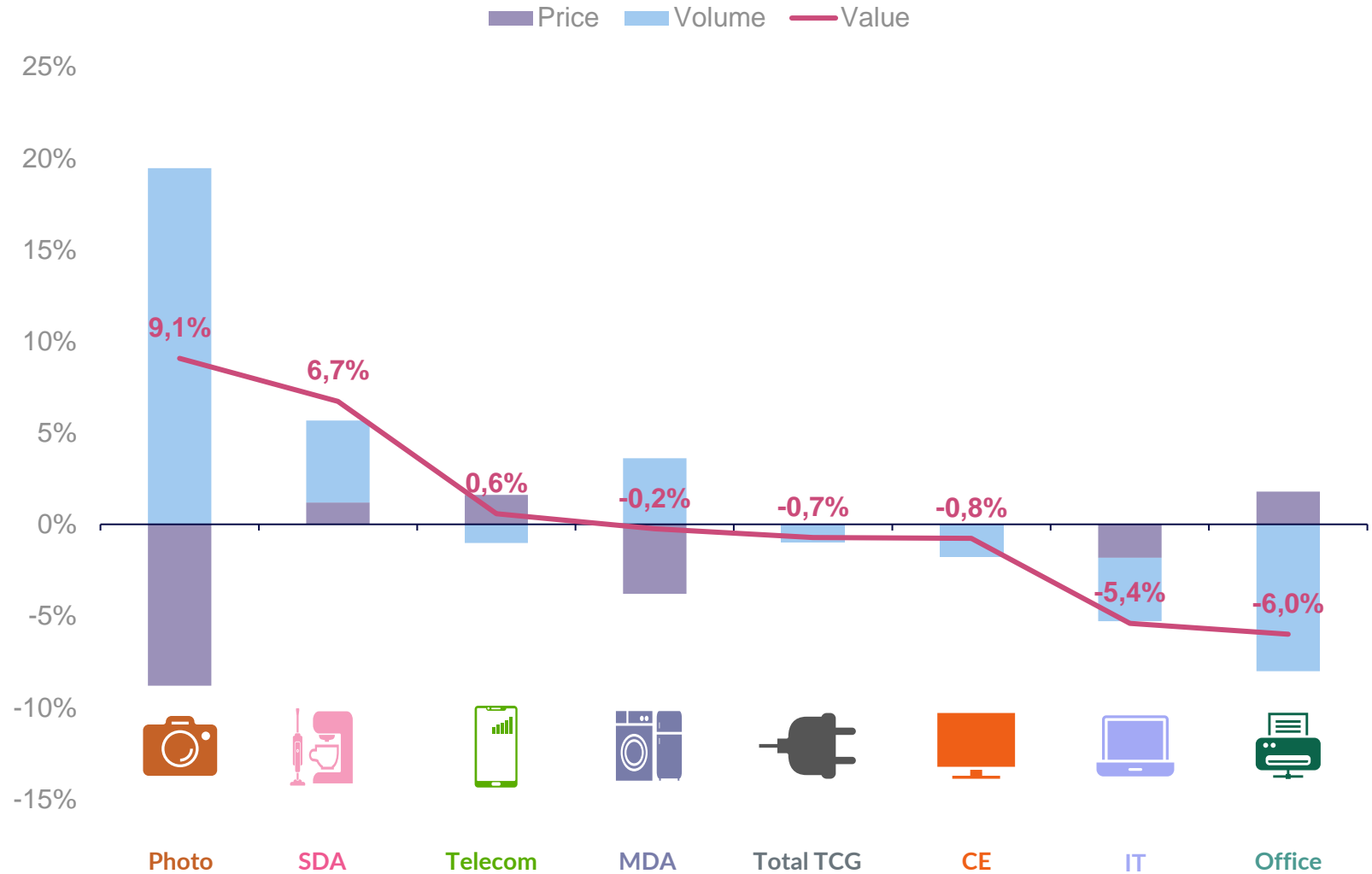
Promotions become an even more
crucial part of our strategy



T&D volume decline continues, as 2024 became the year of Stabilization

Domestic appliances remain key driver to limit volume losses

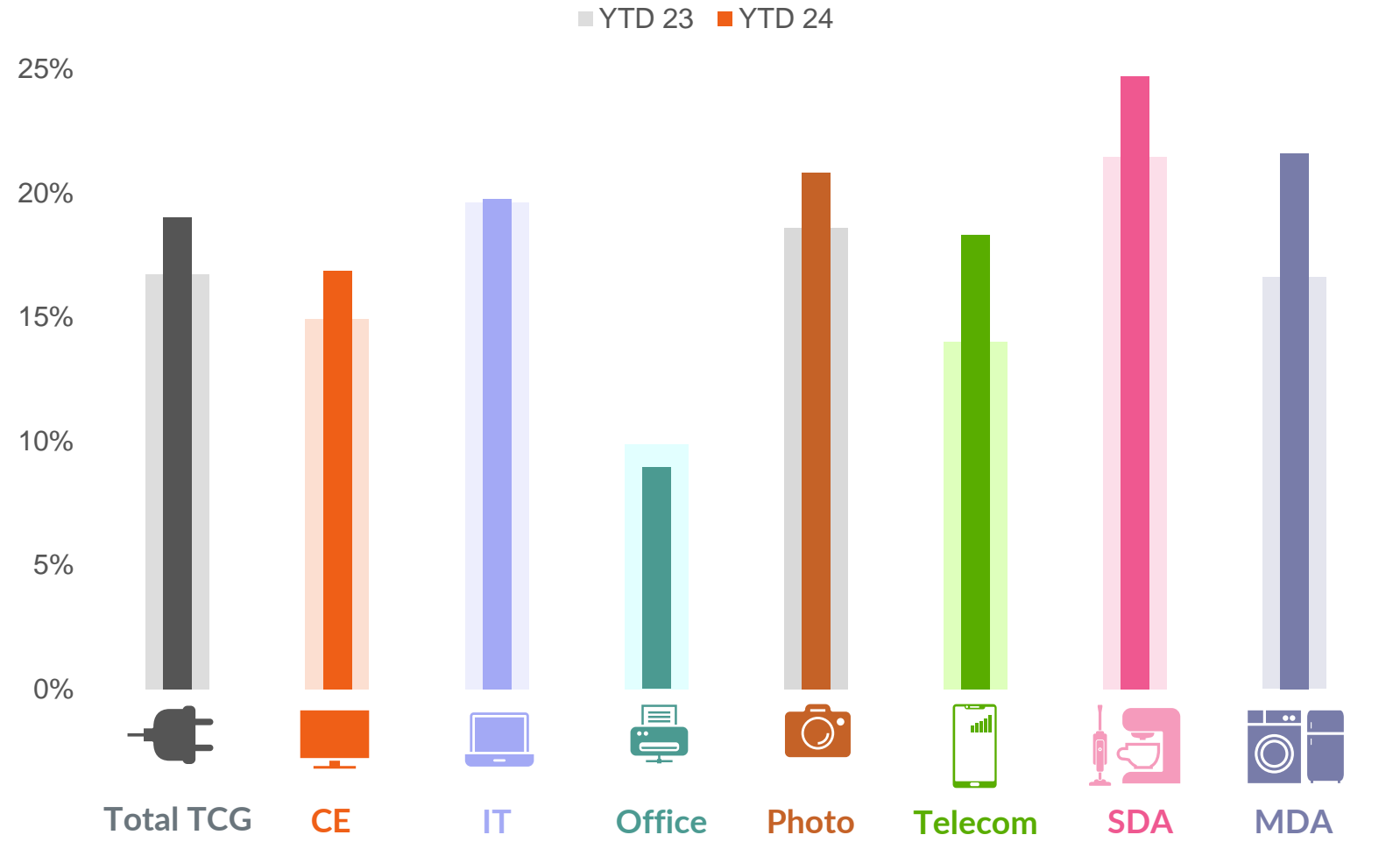
BE | TCG | Panelmarket | YTD 24 vs YTD 23 | Sales Value EUR – Units – Price growth %



Retailers & manufacturers dig deep to attract the Belgian consumer

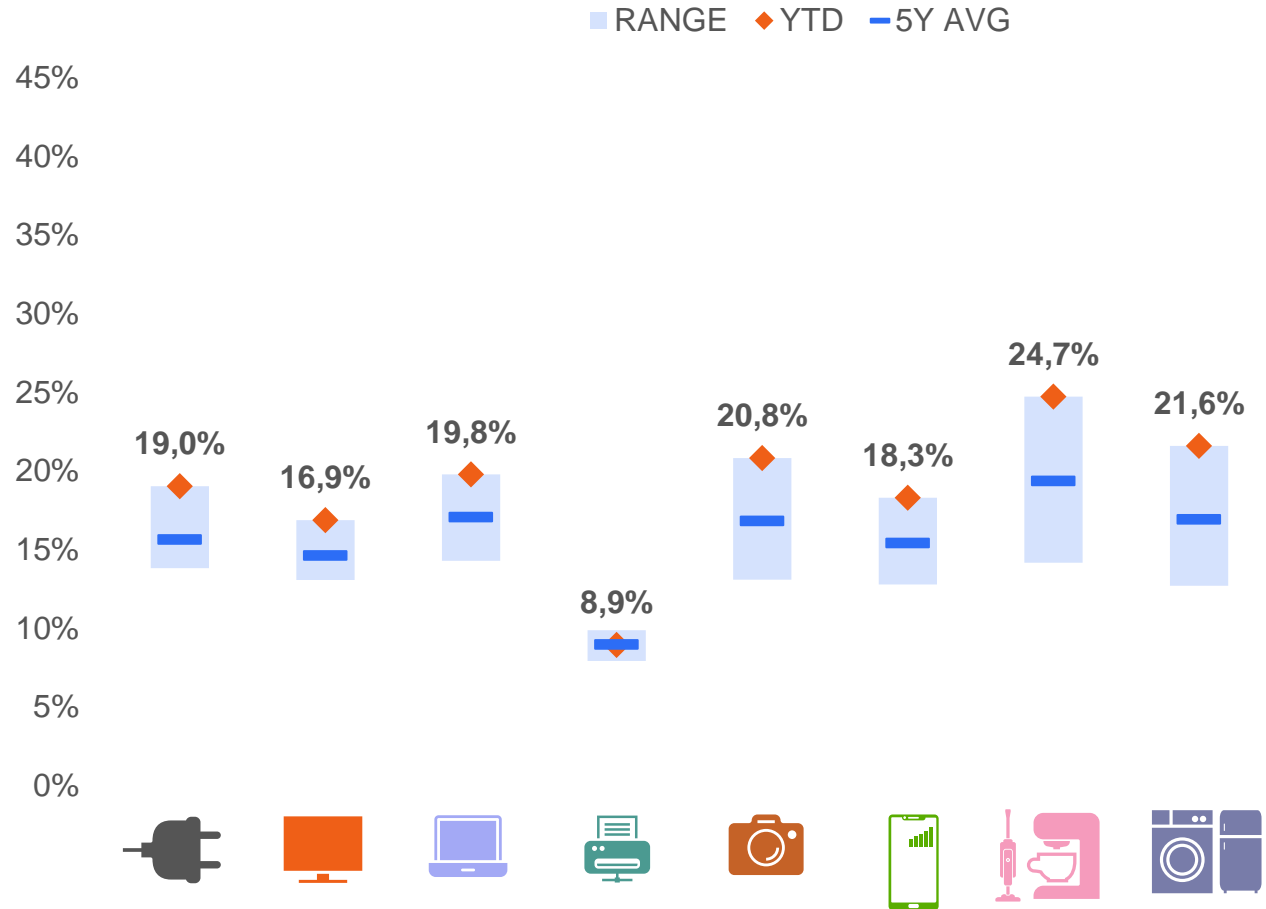
Domestic appliances experiences a surge in promotional activity

BE | TCG | Panelmarket | YTD 24 vs YTD 23 | Share of Units sold at >= 10% discount



The Belgian promotional landscape operates at an all-time high

BE | TCG | Panelmarket | YTD 24 vs YTD 23 | Share of Units sold at $\geq 10\%$ discount vs 5Y AVG



What do you think?

What is the most important choice driver for consumers when buying a TCG* product?

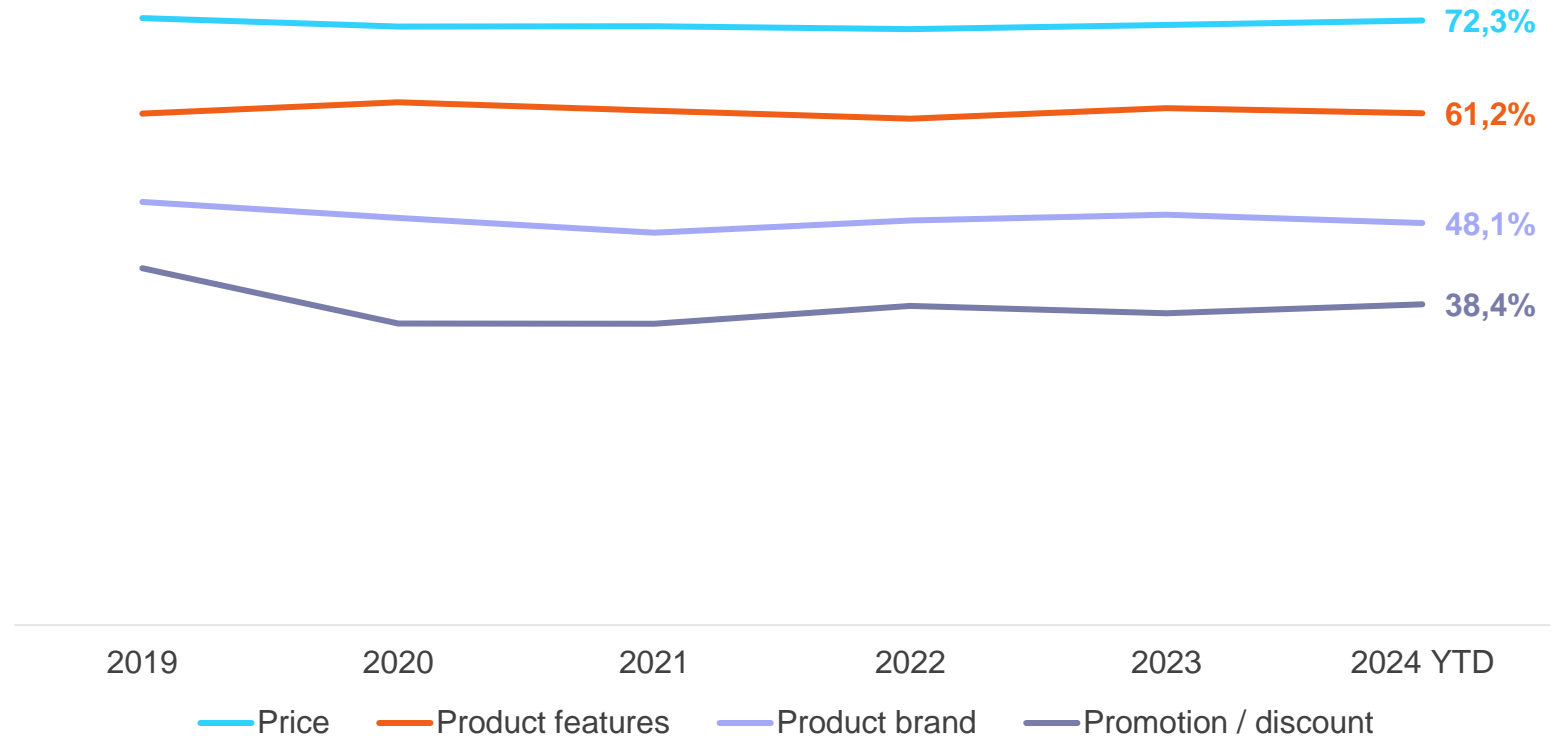
- Product features
- Product brand
- Price
- Promotion/Discount



*Cooling / Freezers, Media Tablets, Mobile Computing, Mobile Phones, PTV, Vacuum Cleaners, Washing Machines

Promotion stays an important driver for consumers.

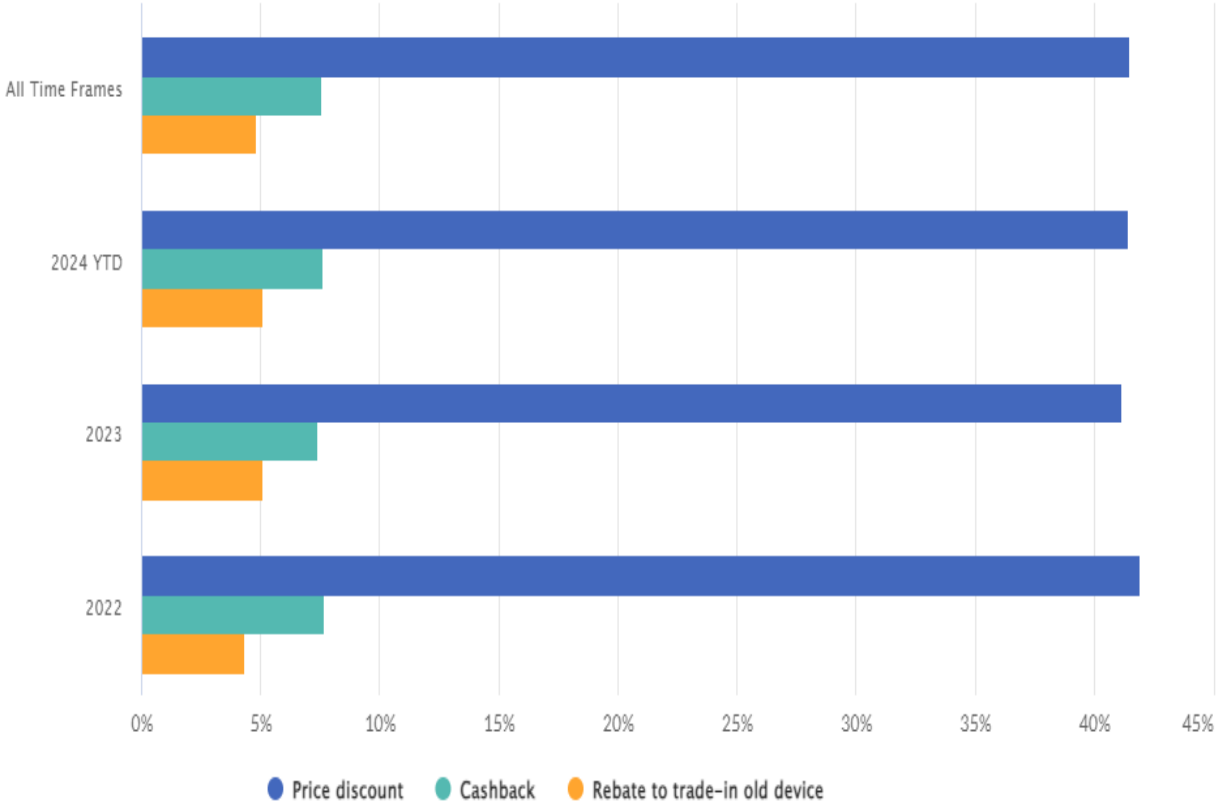
And is ranked being the 4th important driver for consumers to buy a certain product.



GfKnewron Consumer - Country - Belgium.

Product Group - Cooling / Freezers, Media Tablets, Mobile Computing, Mobile Phones, PTV, Vacuum Cleaners, Washing Machines.

To the type of discount that were received, it's clear that an immediate price discount takes the biggest part and stays very stable



Gfknwron consumer: Country- Belgium. Product Group- Cooling / Freezers, Media Tablets, Mobile Computing, Mobile Phones, PTV, Vacuum Cleaners, Washing Machines.

13,320,062 Shoppers | 39,188 Interviews



Not only the promotion matters

But also when to play it!



Not only the promotion matters – also the period to play!

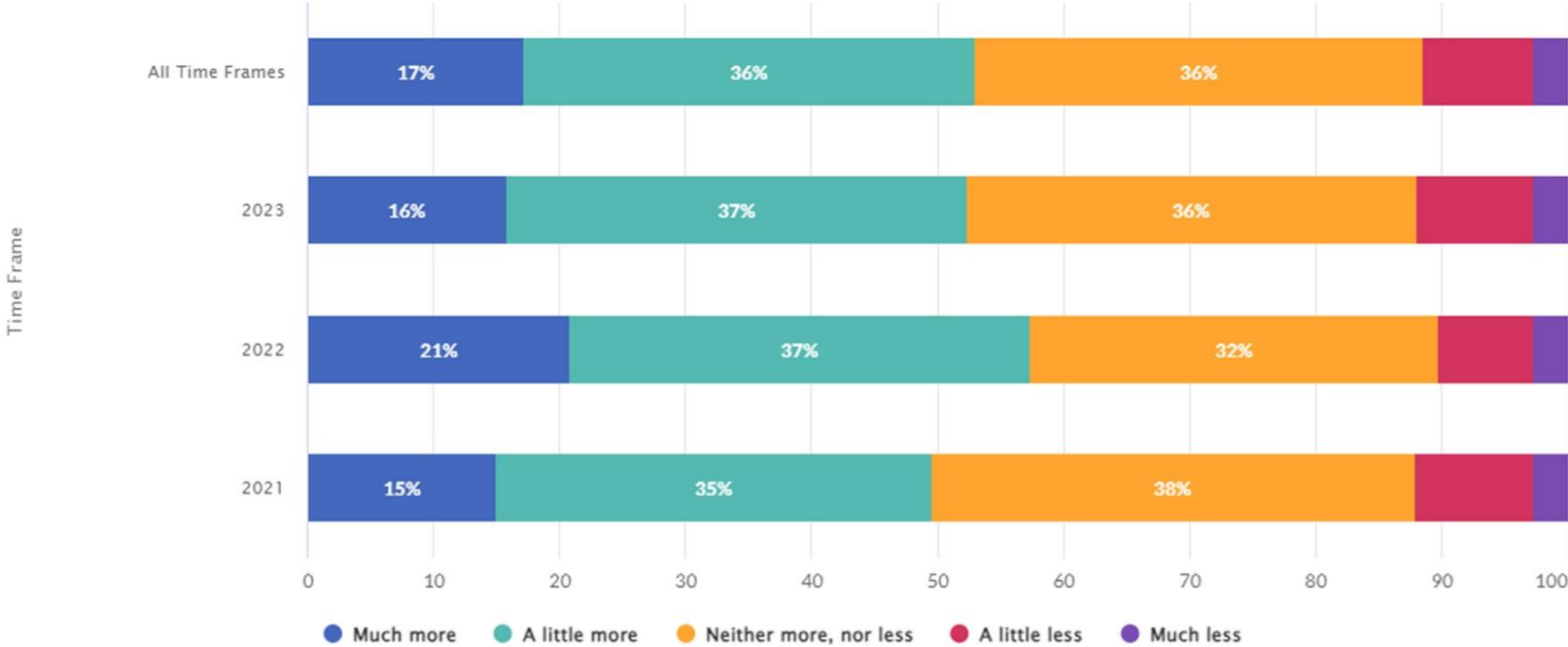
Around **30%** of annual volume comes from 3 key periods

BE | TCG | Panelmarket | **Sales Units % >= 10% Discount** | 10Y evolution

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014												
2015												
2016												
2017												
2018												
2019	32,6						35,4				19,0	
2020	23,9						20,0				34,4	
2021	34,9						31,6				28,7	
2022	19,7						32,4				29,1	
2023	37,0						40,1				40,5	
2024	43,8						42,8	18,7				

Source: GfK Market Intelligence Belgium

Throughout the years we see consumers indicating that they have spent more than planned.



And the more premium that consumers buy, the less 'driving' promotions are



> €1400

- 1) Product features
- 2) Product brand
- 3) Product size / dimensions
- ...
- 7) Promotion / discount



> €500

- 1) Product features
- 2) Product brand
- 3) Recommendations
- ...
- 6) Promotion / discount



> €500

- 1) Product features
- 2) Product brand
- 3) Price
- ...
- 5) Promotion / discount



> €1000

- 1) Product brand
- 2) Product features
- 3) Price
- ...
- 5) Promotion / discount

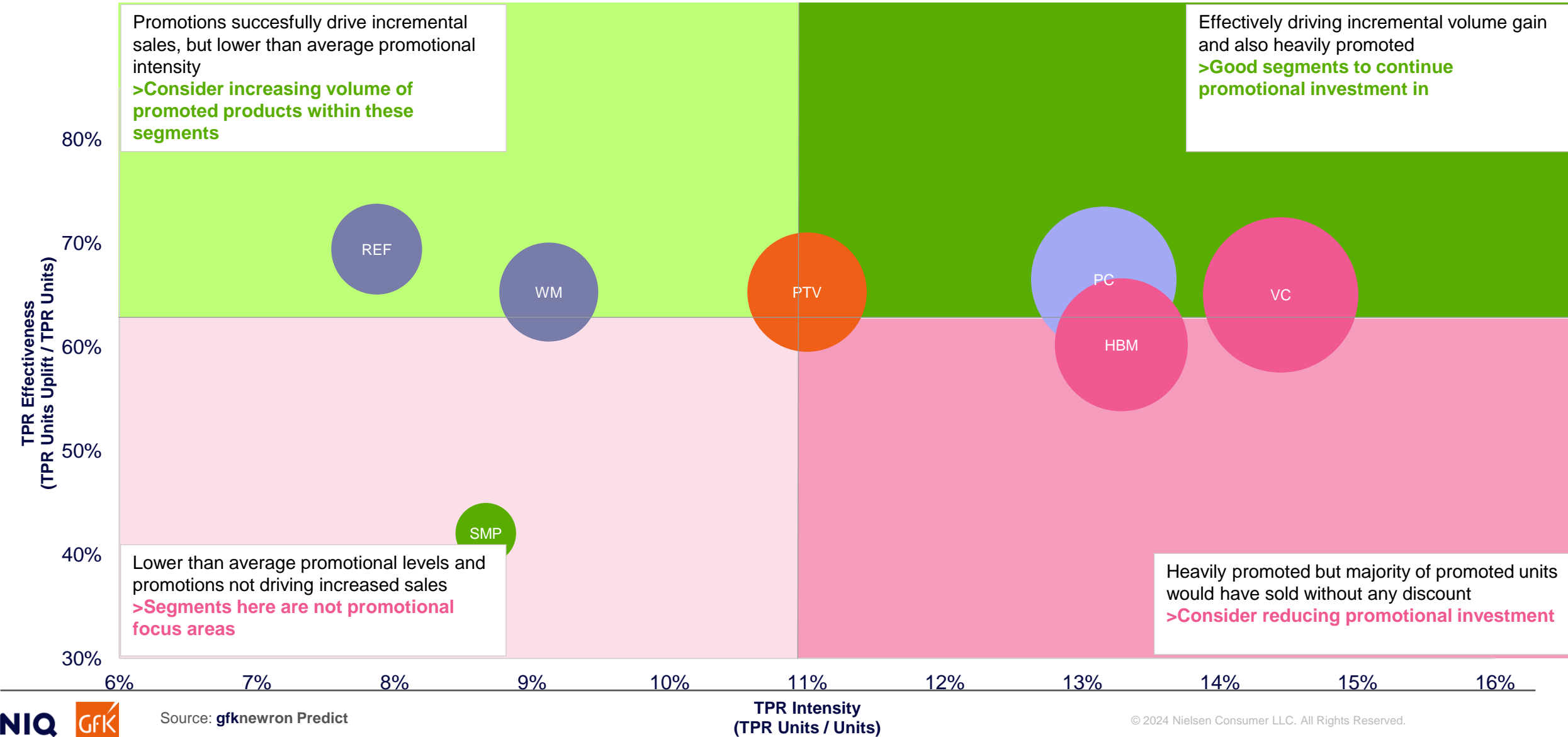
What makes a promotion a success?

Powered by **gfk**newron Predict



Promotional intensity sees mixed results across categories

Domestic appliances tend to hold the most effective promotions

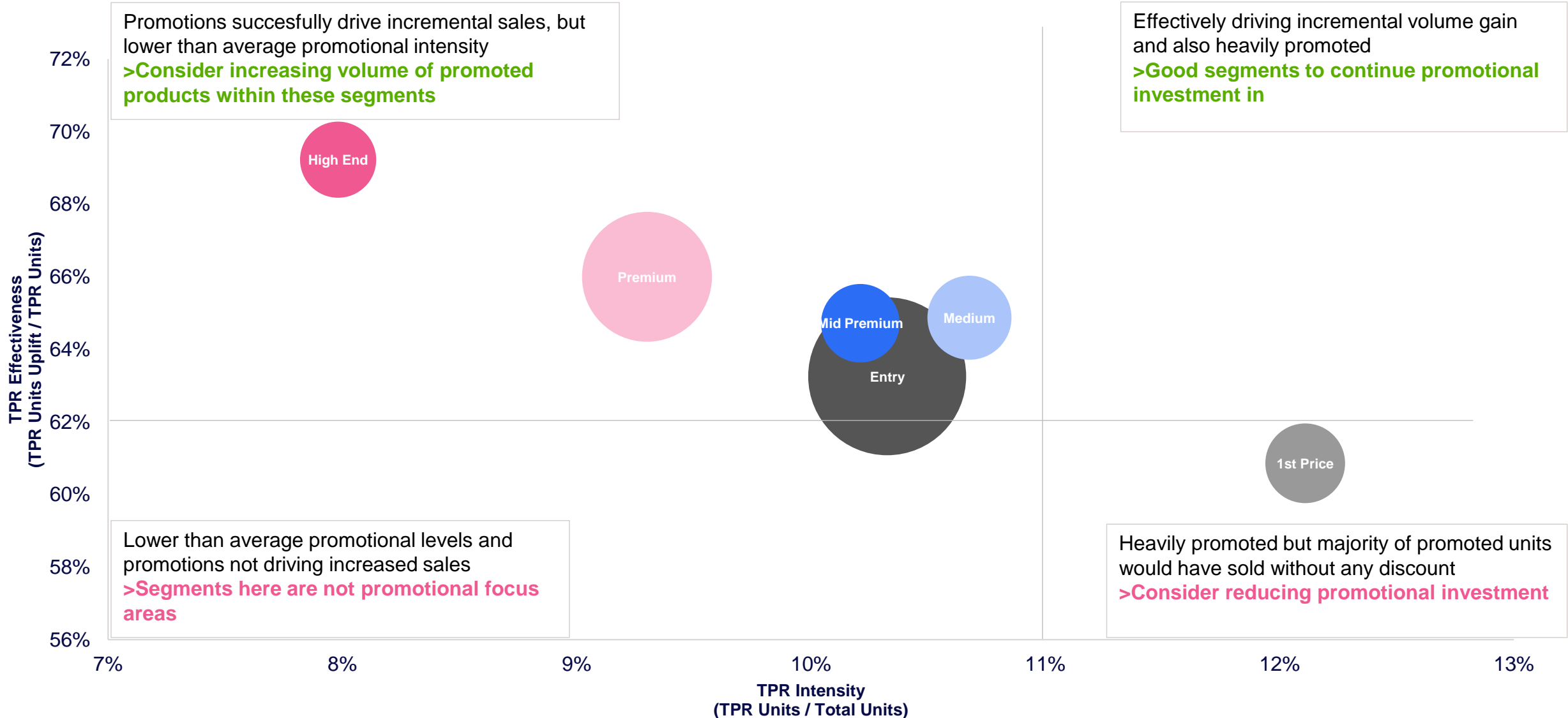


Segmentation of T&D price classes



Promotional volumes tend to fall in lower price points with modest uplifts

On the other hand, premium price points have more room for promotions and are more efficient



The inverse trend is visible in VC, which is highly promoted

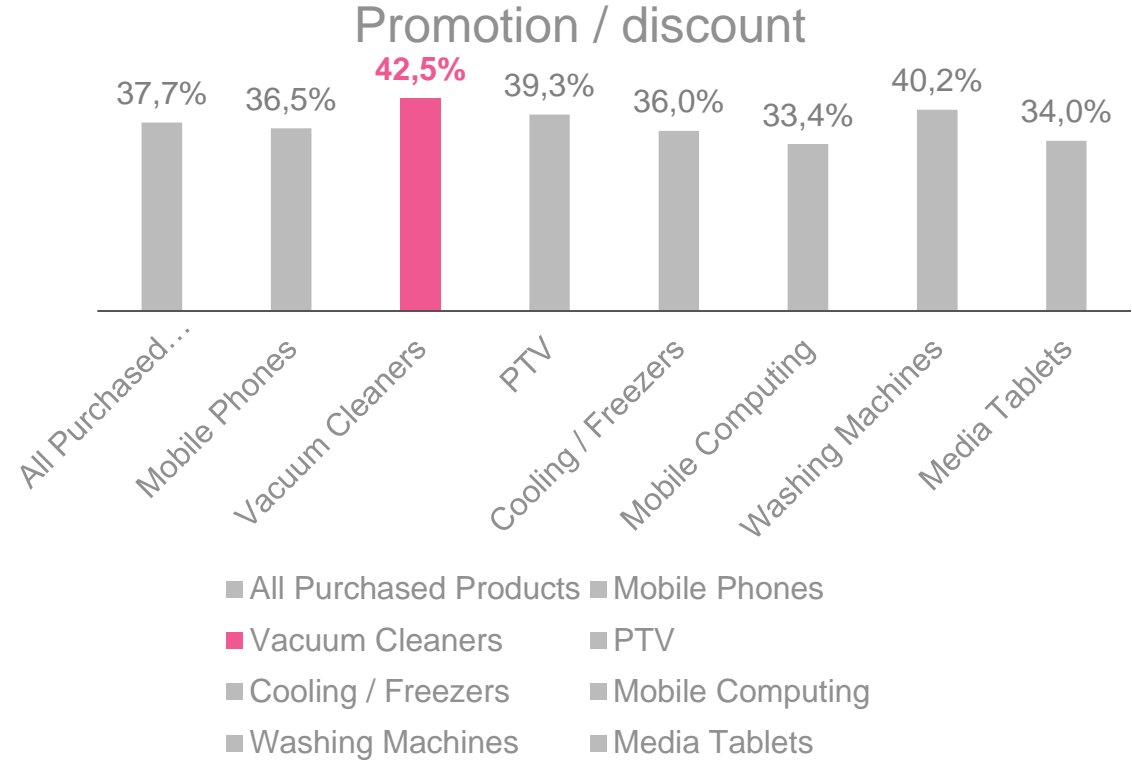
What can we learn from Vacuum Cleaners' success in promotional efficiency?



Source: **gfknewron Predict**
 Timeframe: YTD (W1 – 38)
 Belgium Panelmarket

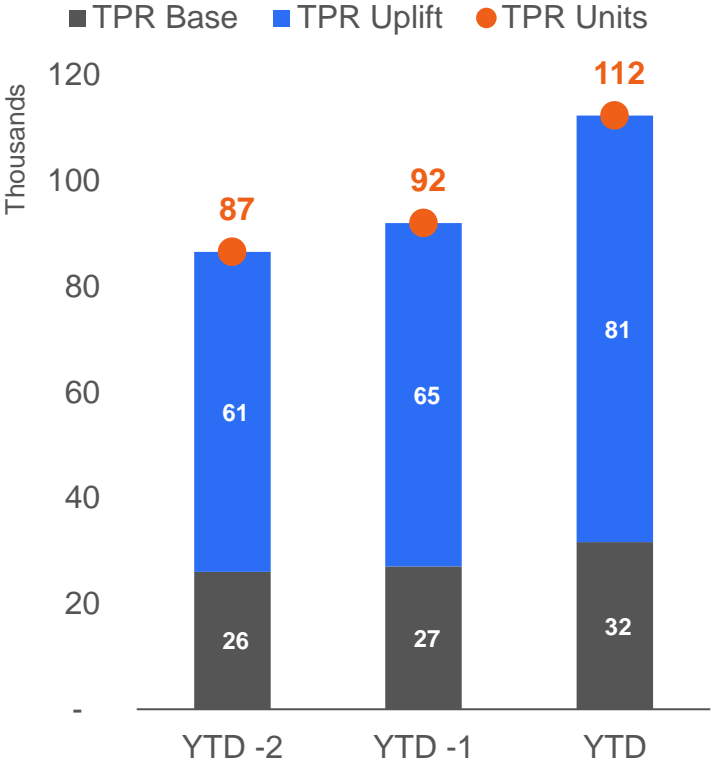
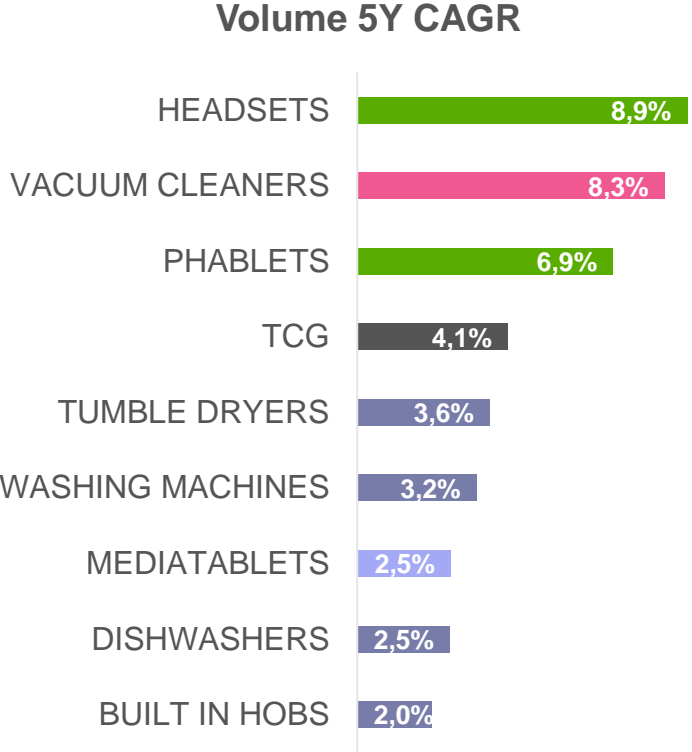
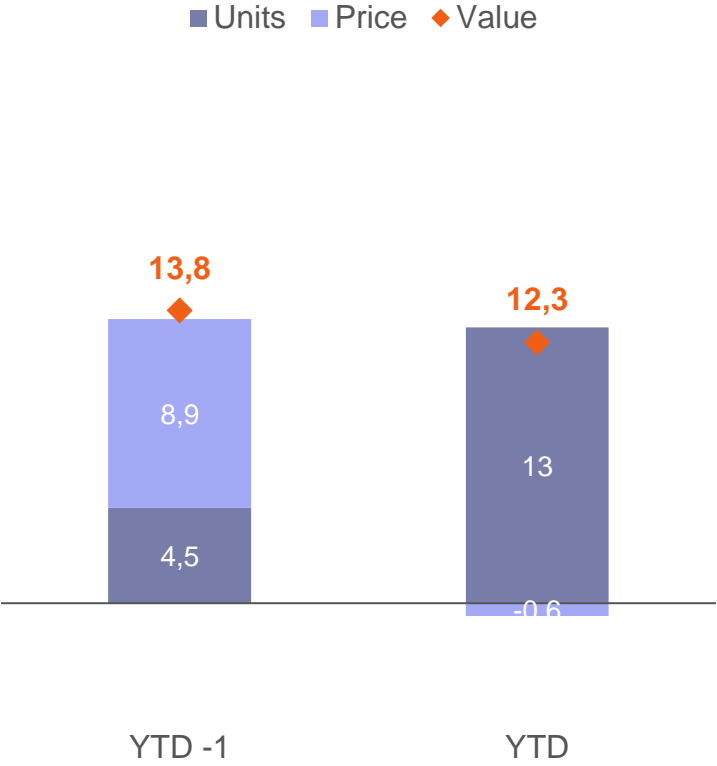
The importance of 'Promotions' in the decision of the consumer does defer from product go product

With vacuum cleaners being the category where it matters the most



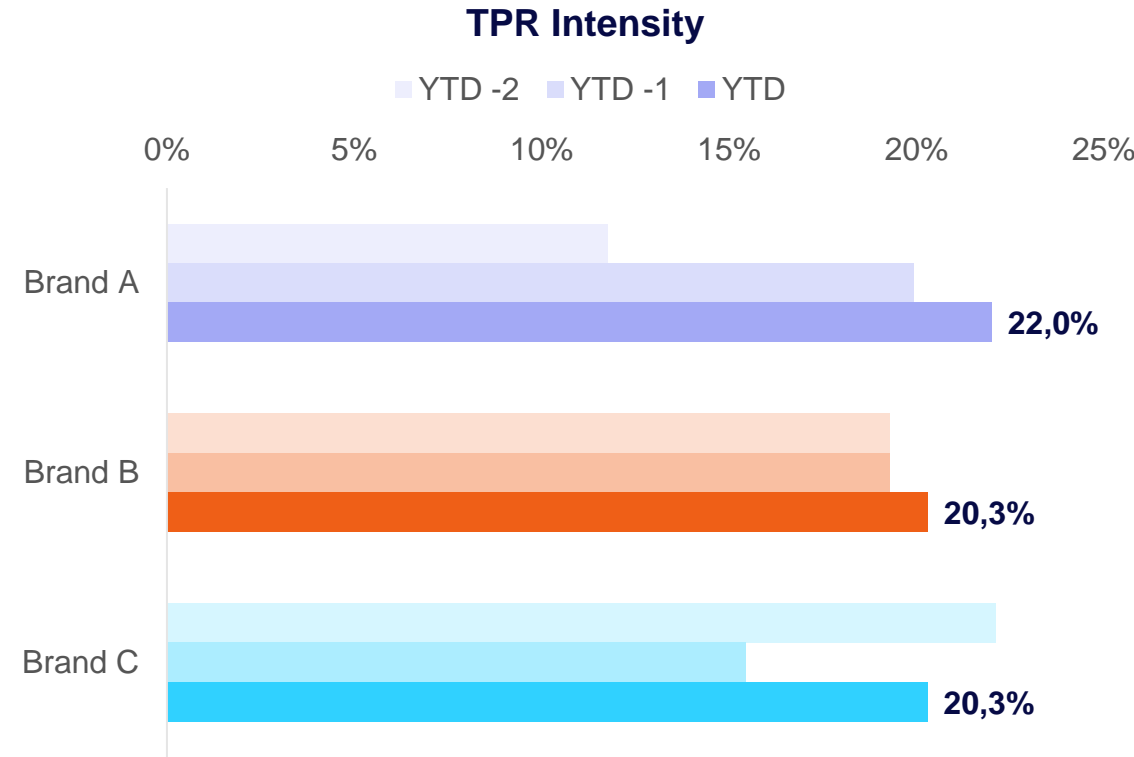
Gfknwron consumer – purchase drivers
 Time Frame: Last four quarters (Jul 23 - Jun 24) | Country: Belgium | Product Group: Cooling / Freezers, Media Tablets, Mobile Computing, Mobile Phones, PTV, Washing Machines, Vacuum Cleaners

Vacuum Cleaners experience strong volume surge, driven by increasing promotional activity

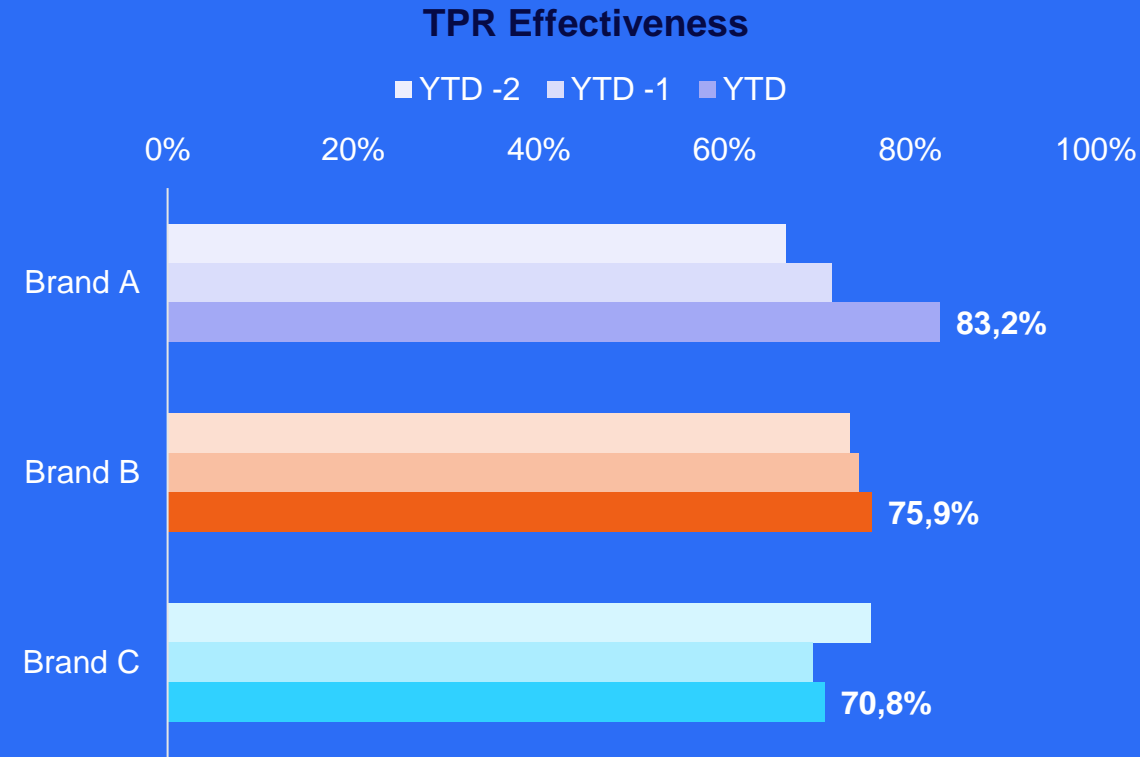


BE | Vacuum Cleaners | Weekly Channels | YTD 24 vs YTD 23 | Sales Value EUR – Units – Price growth %

Brand A has revised their promotional strategy in the last two years



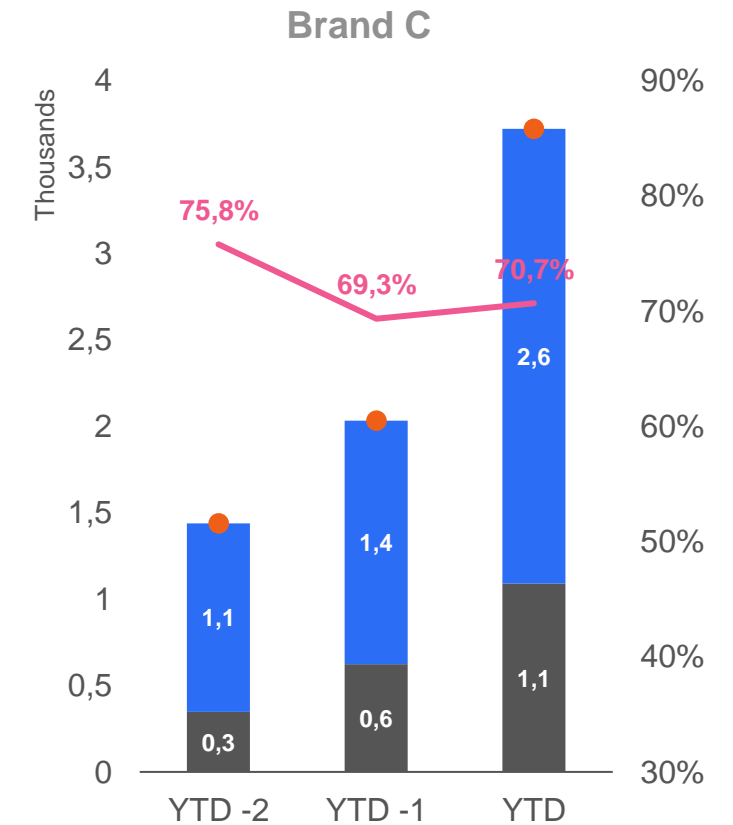
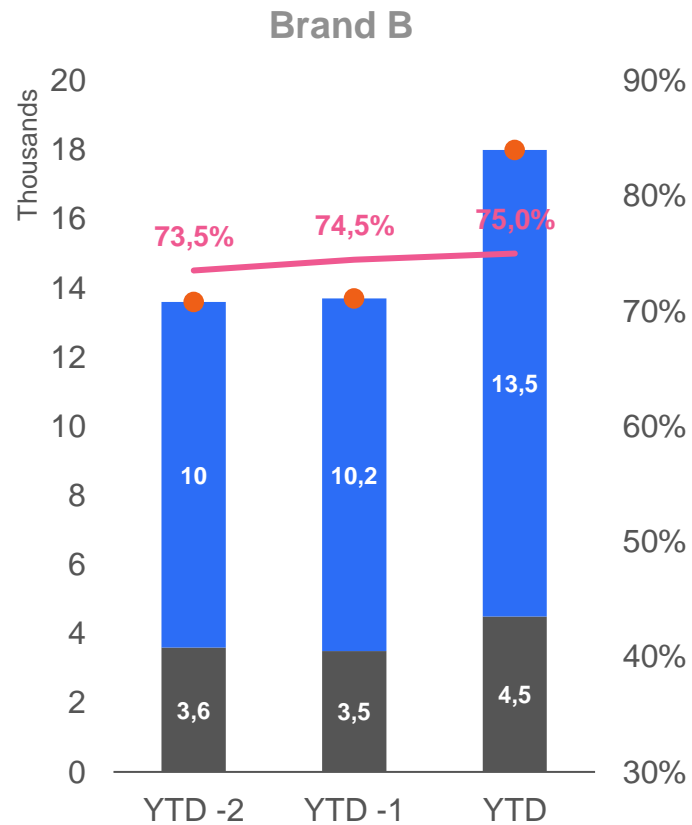
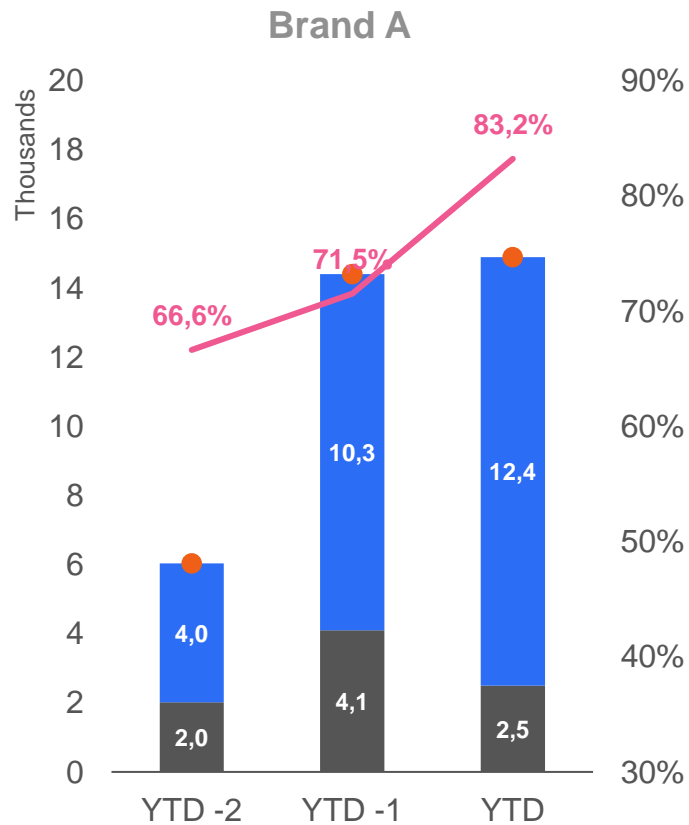
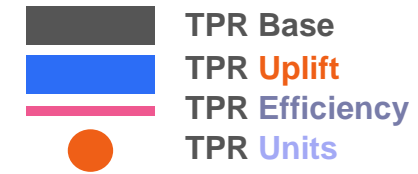
Their increased frequency has resulted in a surge in effectiveness



Their TPR uplift increased drastically this year, despite flat promo volume

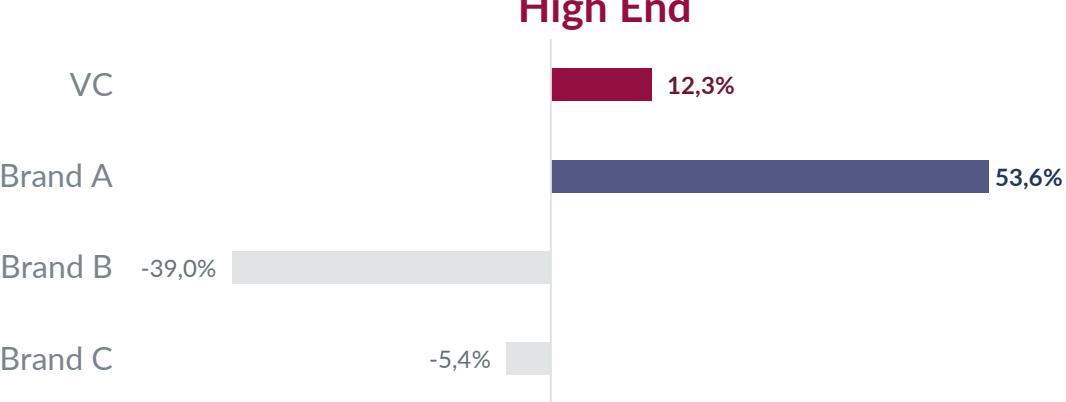
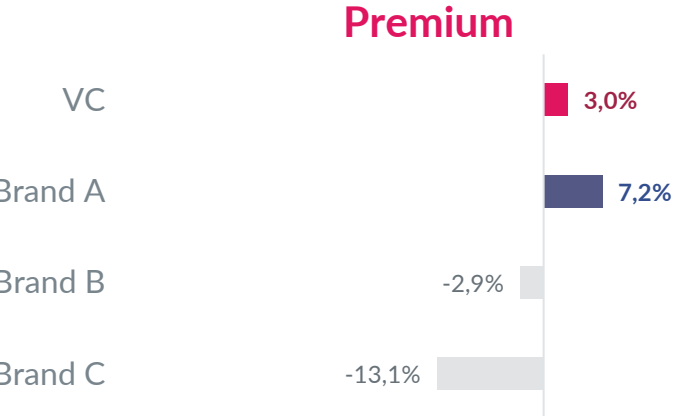
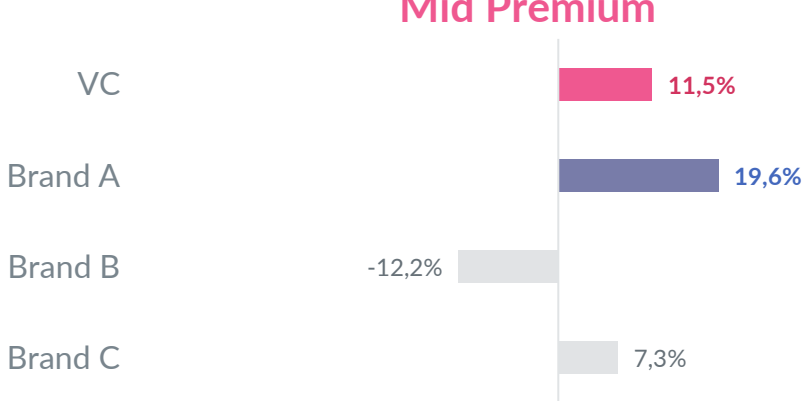
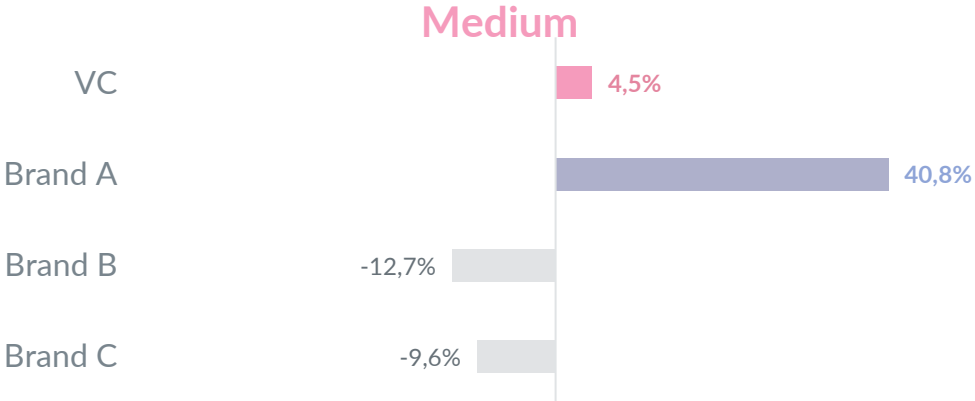
Other brands are pushing promo volumes, but they don't become more efficient

BE | Vacuum Cleaners | Weekly Channels | YTD 24 vs YTD 23 | Promotional Efficiency evolution vs 2Y ago



High margin SKU's allow more room for optimized promotions to unlock volume

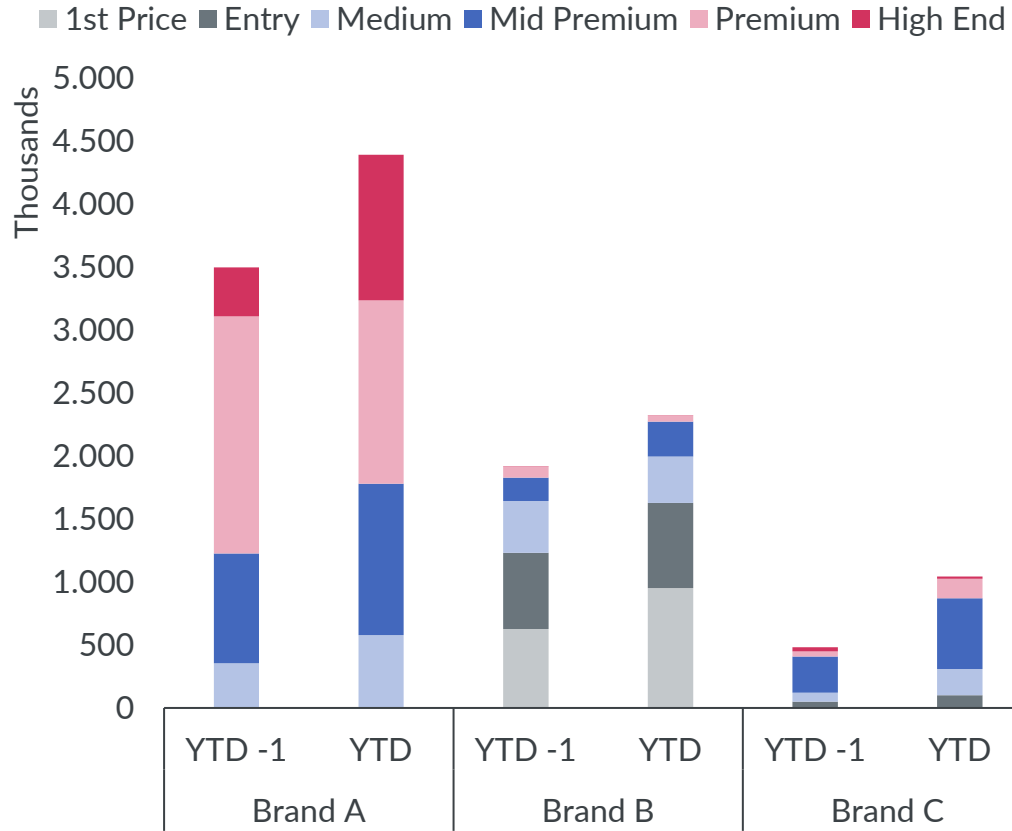
Homework: are we sufficiently promoting our higher ranges? What are the opportunities in our assortment mix?



BE | Vacuum Cleaners | Weekly Channels | YTD 24 vs YTD 23 | TPR Uplift minus TPR Units (Spread)

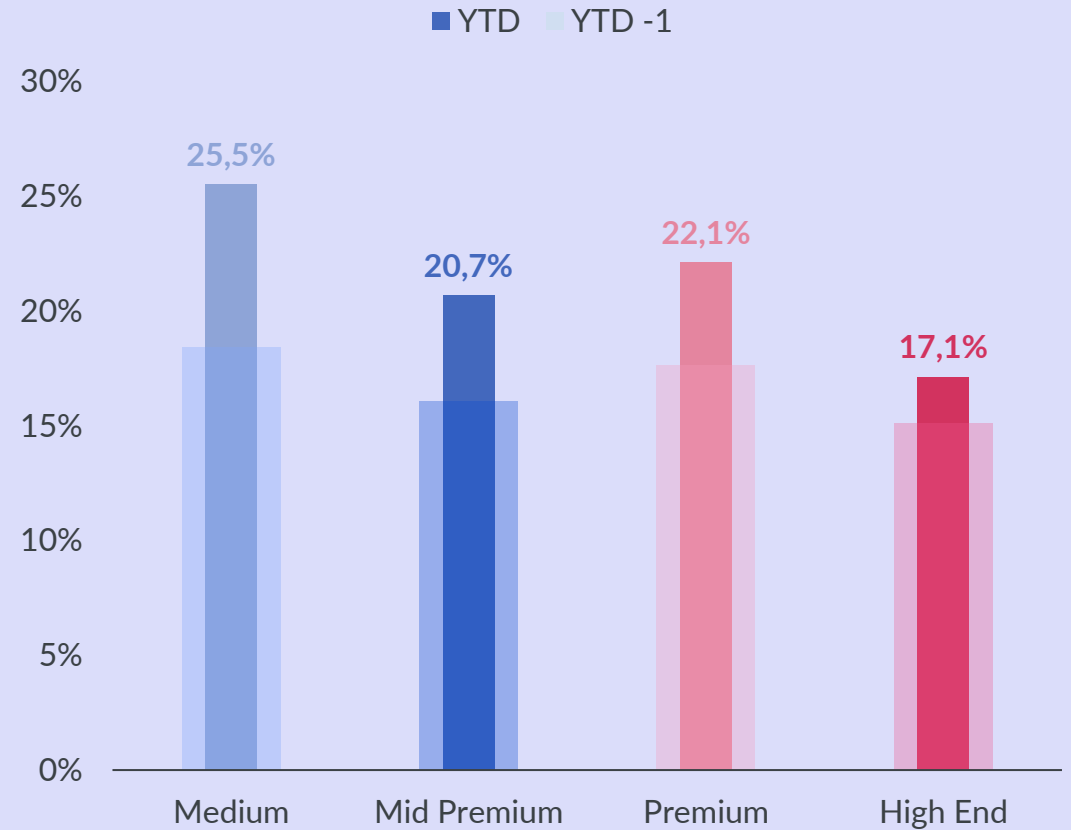
Brand A's change of tactic resulted in a **+ €1M** increase in promotional revenue

Net TPR Revenue



85% of Brand A's success is driven by their **high end** promotional efficiency

Brand A | Price Reduction vs YTD -1

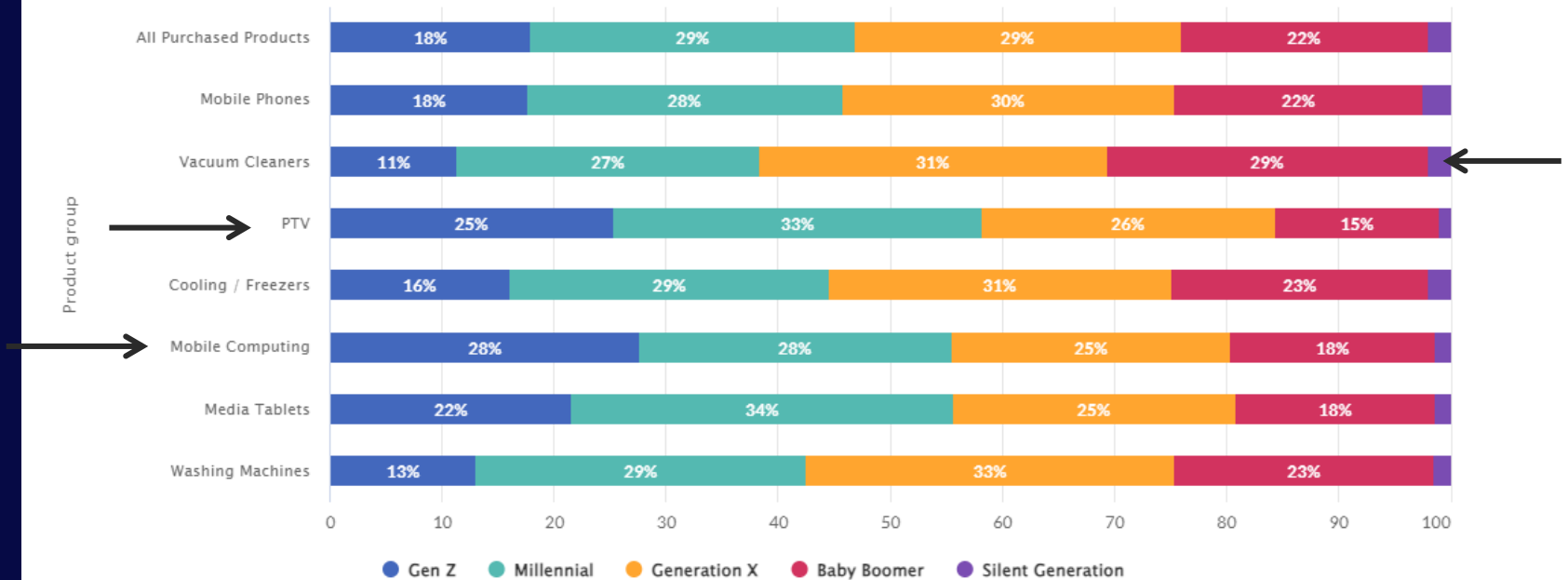


BE | Vacuum Cleaners | Weekly Channels | YTD 24 vs YTD 23 | Net TPR Revenue & Price Reduction across price classes

Target the right consumer for your promotion



For consumers that indicate that promotions were a driver, we also see big differences towards the generations



To wrap up



The promotional landscape hardens

With more and intensified promotions



Promotions are almost never the main driver for consumers

Nevertheless, retailers and manufacturers have changed the consumer behaviour



Timing is essential – definitely in Belgium

And consumers tend to spend more than planned



A successful promotion takes into the assortment mix: Where can we find opportunities?

The right product and price range are crucial for successful planning



Target the right consumer

There where promotions are driving the decision most



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*We deliver the Full View.*TM

*We deliver the Full View*TM

*The most complete and clear understanding
of consumer buying behavior.*