



# Belgium FMCG Trends & Changing Retailer Landscape

*For UBA*

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November 2022 – P10 data analysis





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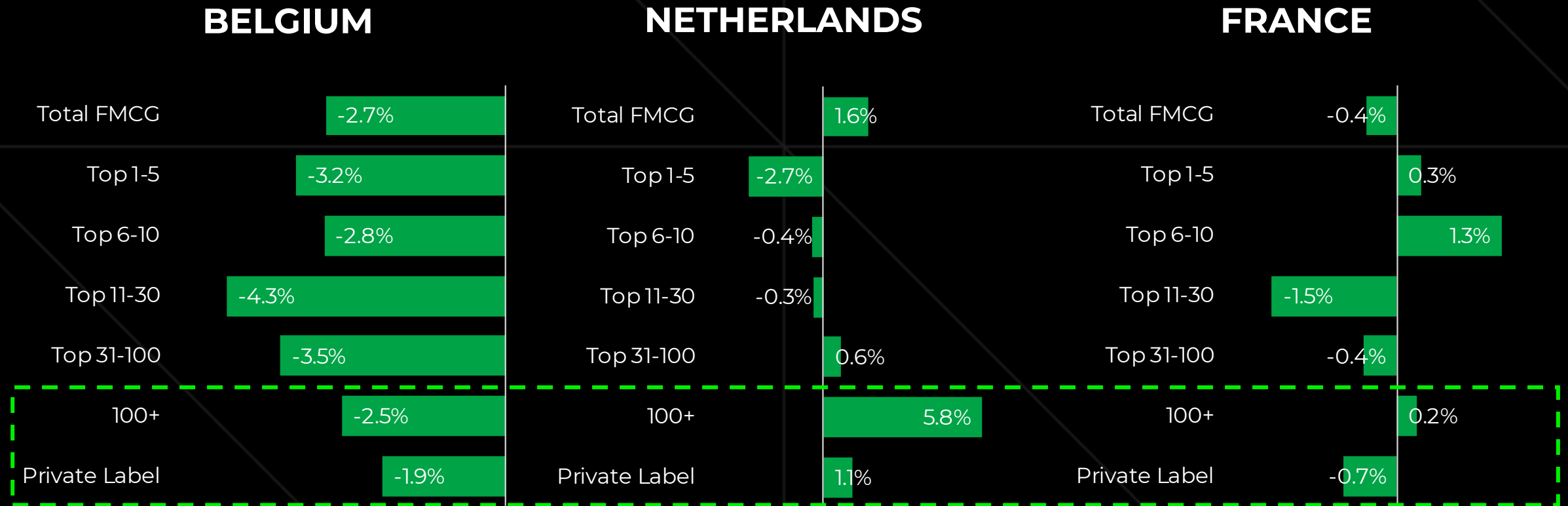


# FMCG Overview

# PL & smaller players are gaining shares in BE

But performance differs upon countries

## Manufacturer performance – Value Growth vs YA – MAT Q2 2022

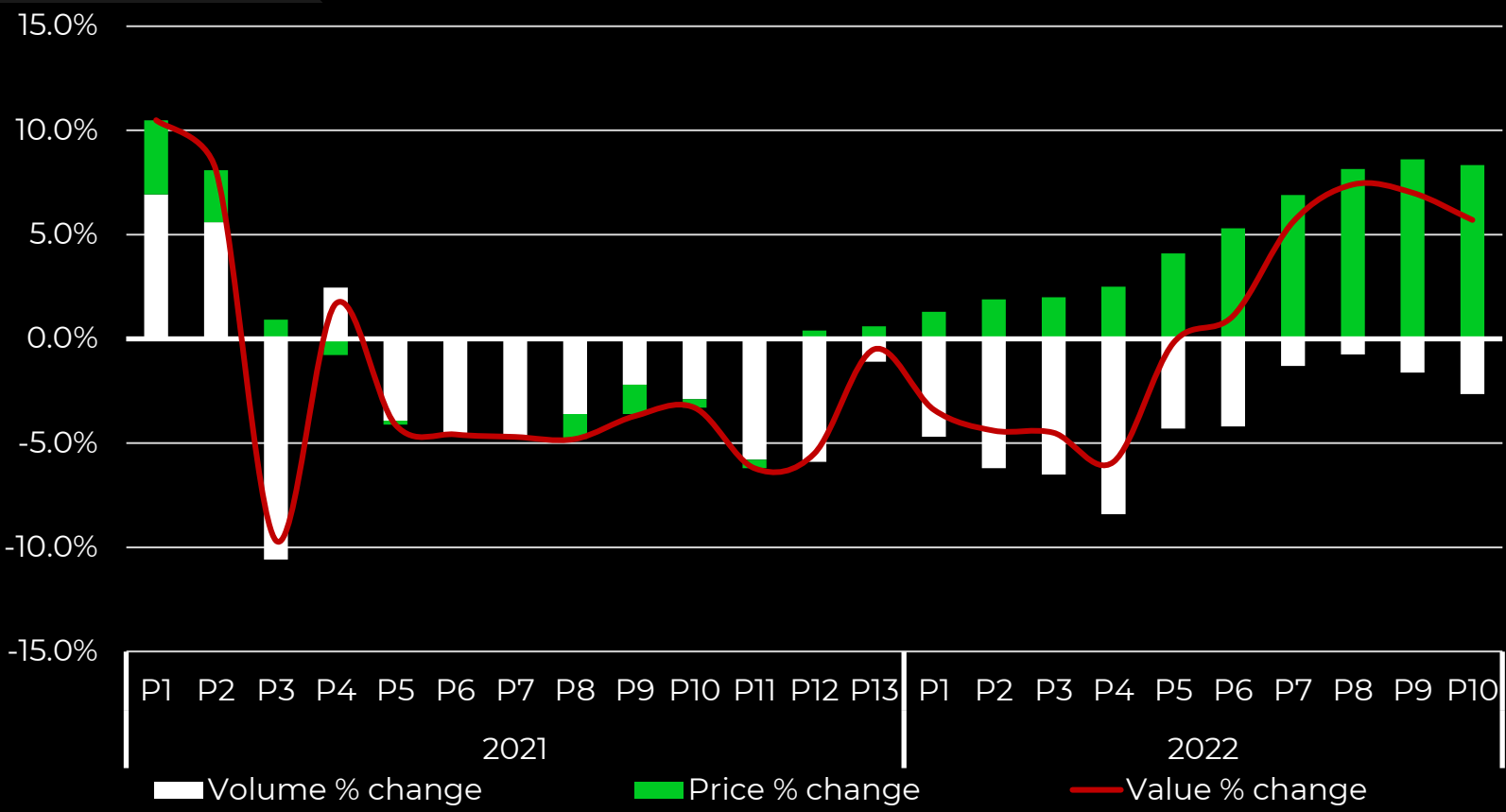


Source: NielsenIQ RMS MAT Q2 2022

Note: FMCG growth rates differ as a result of alternate data sources to deliver FMCG Growth numbers versus Manufacturer performance.

# Price continues to soar

Total BE – Total FMCG – % change vs. LY - Periodically



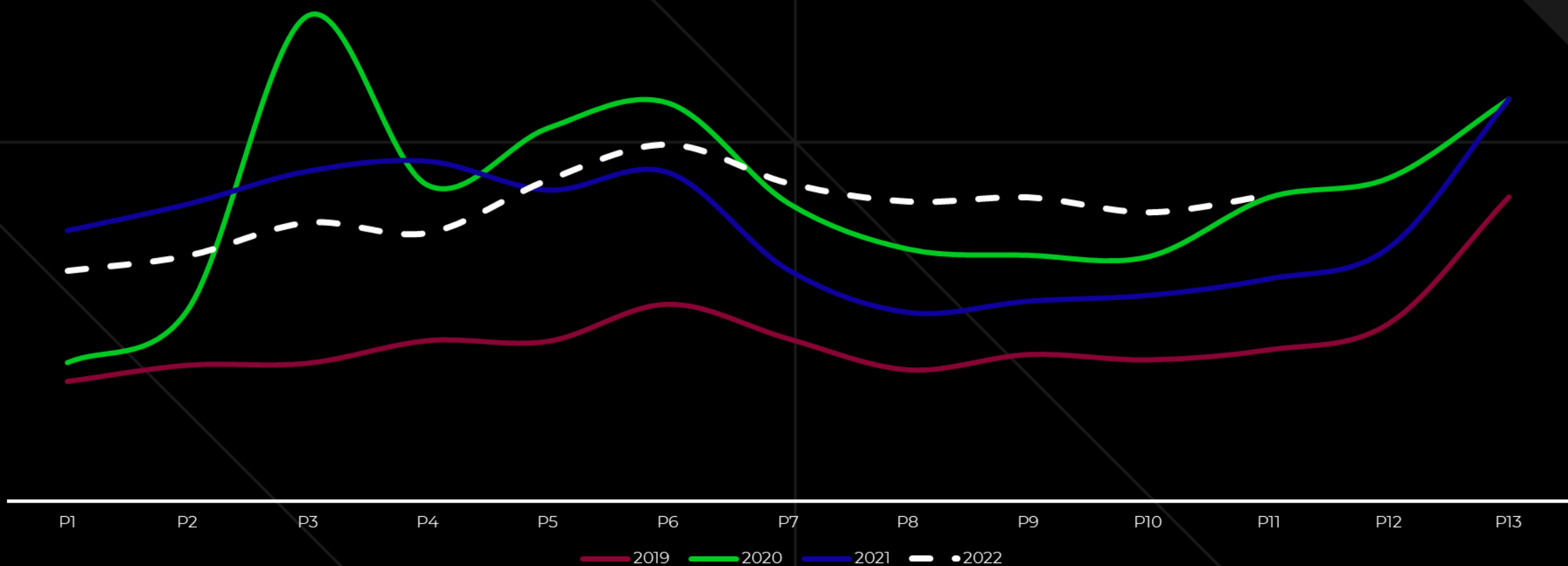
Source: NielsenIQ RMS Belgium

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# 2022 outperforms previous years during the last 4 periods

Total BE – Total FMCG – Value sales – Periodically



Source: NielsenIQ RMS Belgium



**But we experience a double digit growth in 3 years**

**Belgium – FMCG – Evolution in value sales – YTD P11**

**2022 vs. 2019**

**+10.9%**

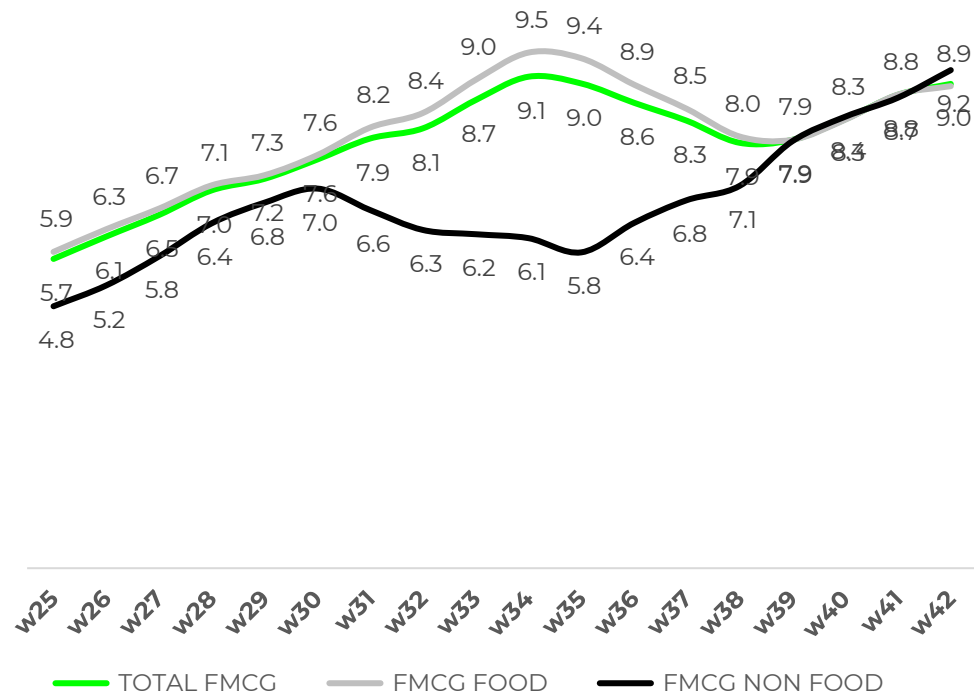


# Non-food surpasses Food's price increase

PL has had a strong growth in price compared to NB

BE - FMCG

Price evolution – Weekly (Rolling 4 weeks)



Source: NielsenIQ Belgium RMS  
Non-Food refers to Housekeeping and health & beauty products

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NB vs. PL – price increase- last 16 weeks (end W40)

National Brands

**+6.7%**

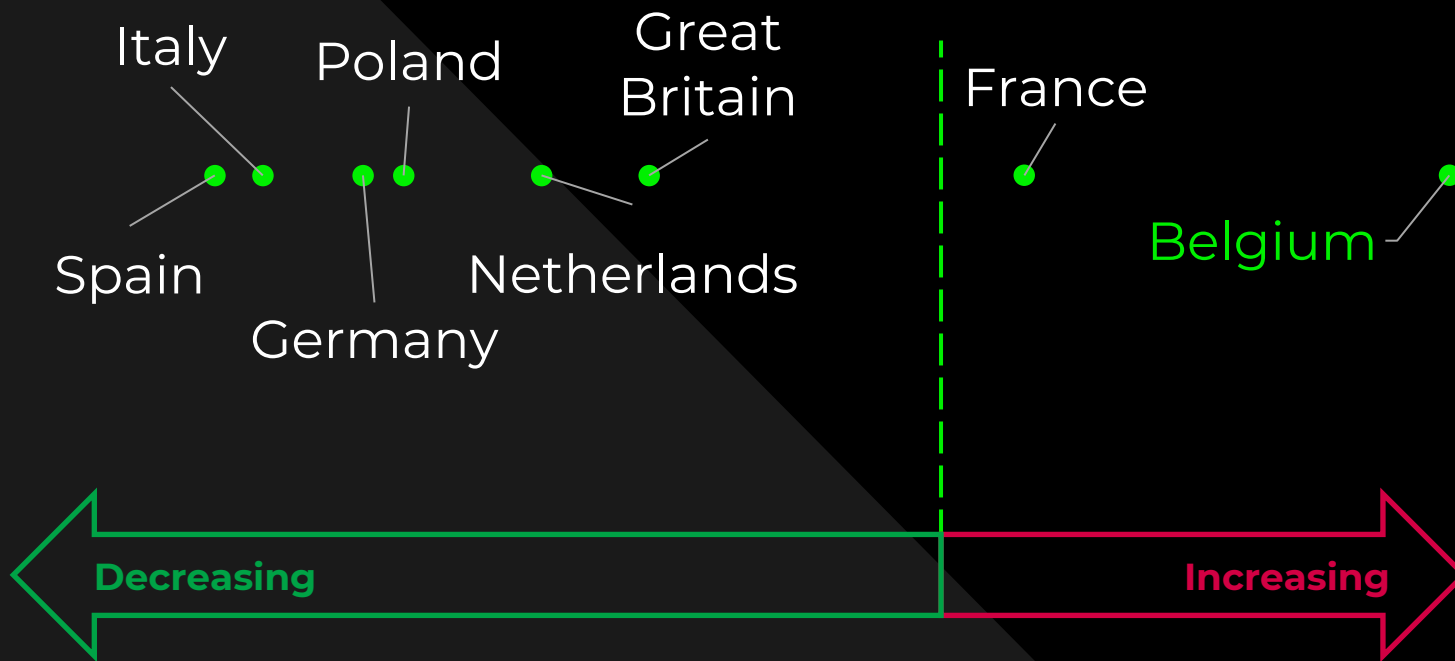
Private Label

**+12.0%**



# Belgian consumers are more sensitive

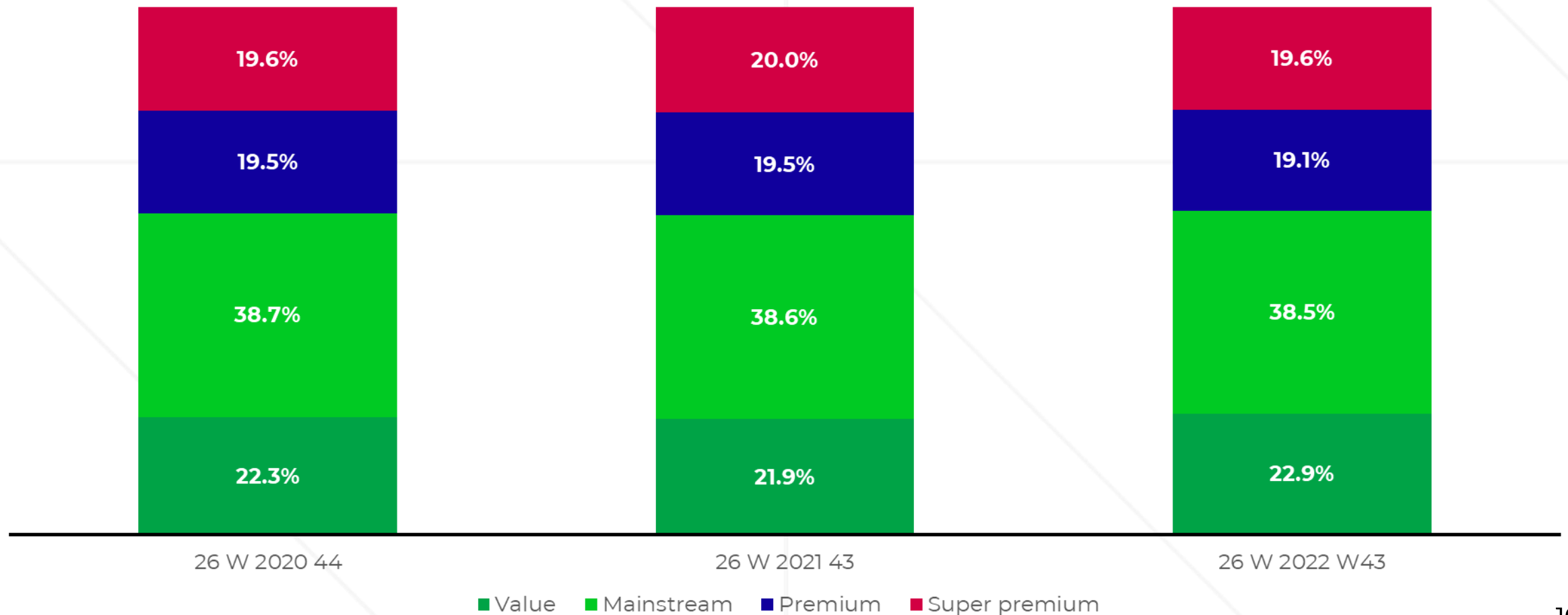
Sensitivity to shelf price change Q3 2022 vs Q3 2020 | Europe



**Shoppers  
price  
sensitivity is  
increasing**

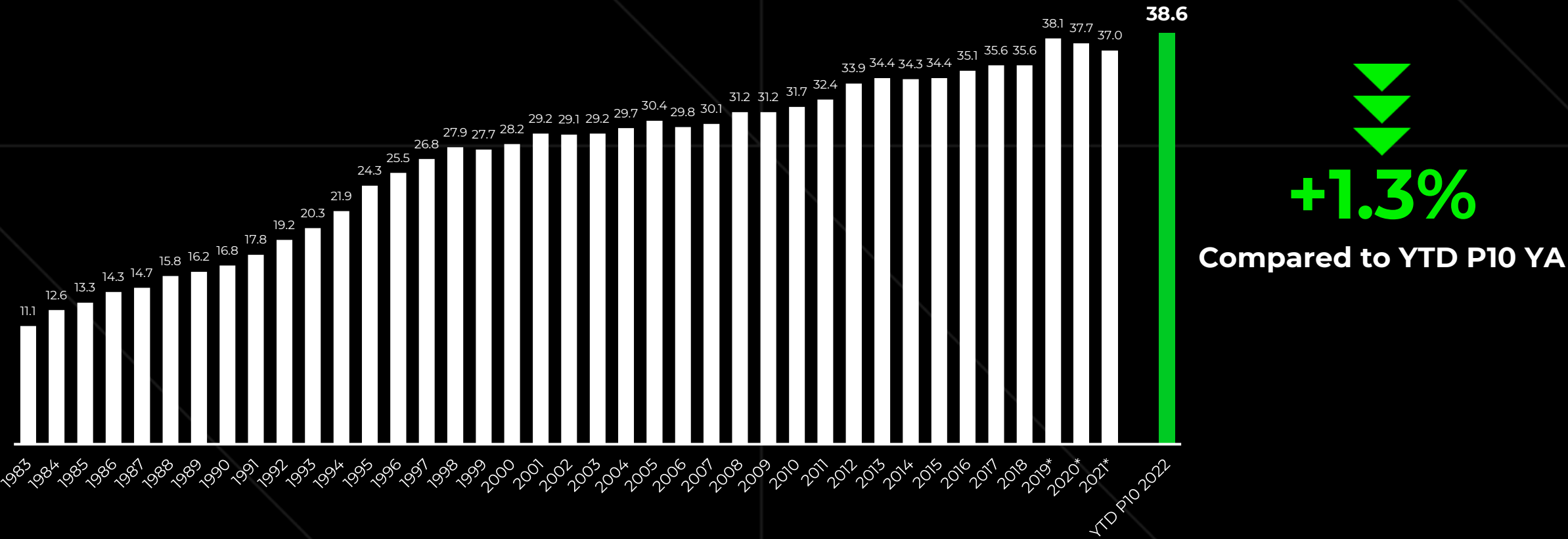
# Lower price ranges gain shares as PL is growing

BE – FMCG – Value shares per price segment – last 6 months (up to Oct.)



# PL is surfing on a growing trend

## BE – FMCG – PL Value Shares – Yearly



Source: NielsenIQ RMS Belgium

# PL grows in most rayons

While the price is increasing across FMCG

## BE – FMCG – PL shares & Price evolution – YTD P10

Rayon	PL Shares Evolution	Price evolution
HOT BEVERAGES	2.3%	9.5%
HEALTH & BEAUTY	2.0%	3.5%
DAIRY	1.6%	7.3%
GROCERY	1.5%	5.4%
SWEET SNACKS	1.4%	3.9%
HOUSEKEEPING	1.2%	5.6%
FRESH PRODUCTS	1.0%	5.1%
CONFECTIONERY	0.6%	3.5%
NON ALCOHOLIC BEVERAGES	0.4%	4.4%
BAKERY & TOAST	0.3%	8.3%
PETS PRODUCTS	0.2%	9.0%
ALCOHOLIC BEVERAGES	0.0%	2.3%
SALTED SNACKS	-0.3%	4.0%
FROZEN	-0.8%	3.8%

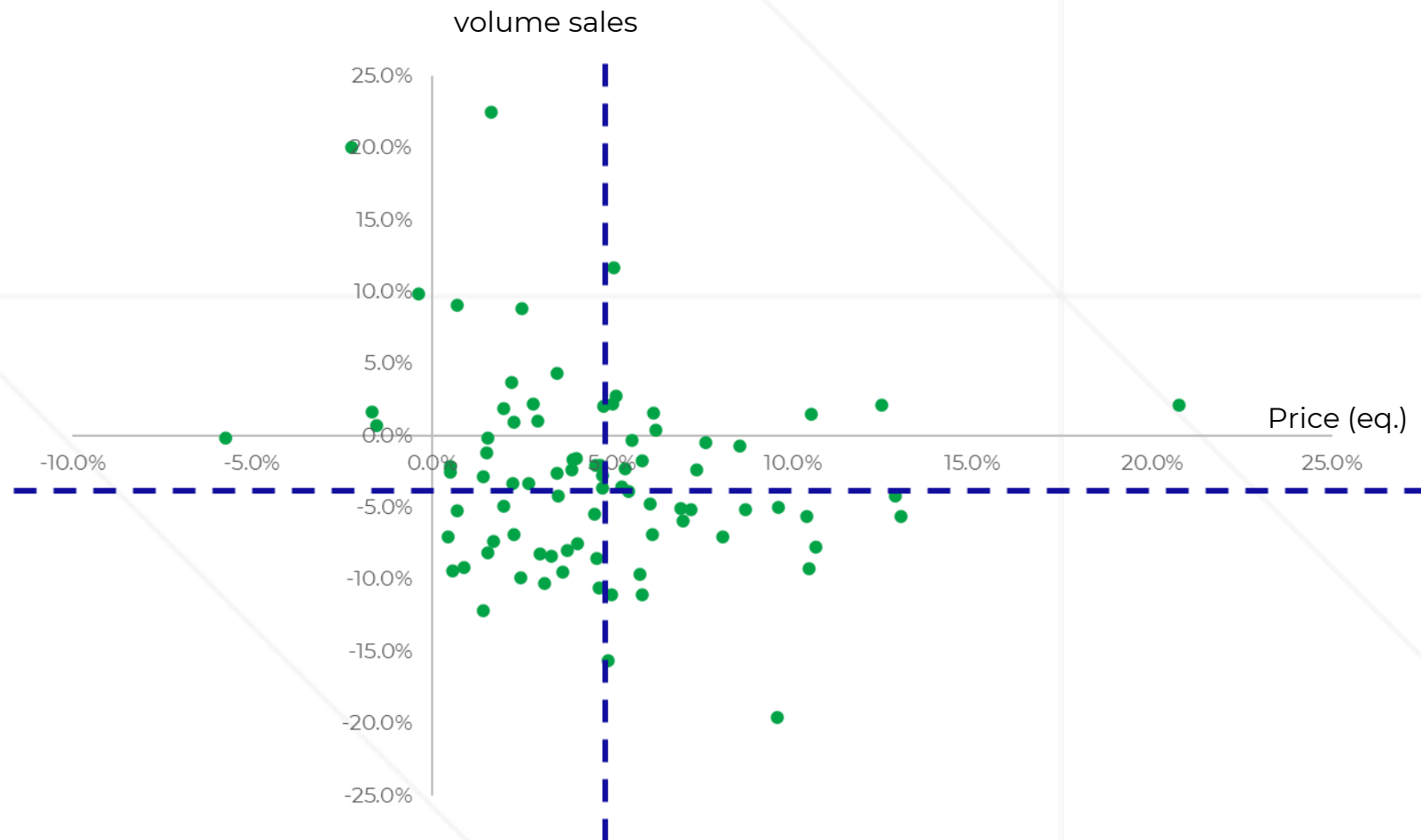
Source: NielsenIQ RMS Belgium

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# Volume is not *necessarily* negatively impacted

BE – FMCG categories – Evolution of Volume Sales & Price (eq.) – YTD P10 vs. YA



Source: NielsenIQ RMS Belgium

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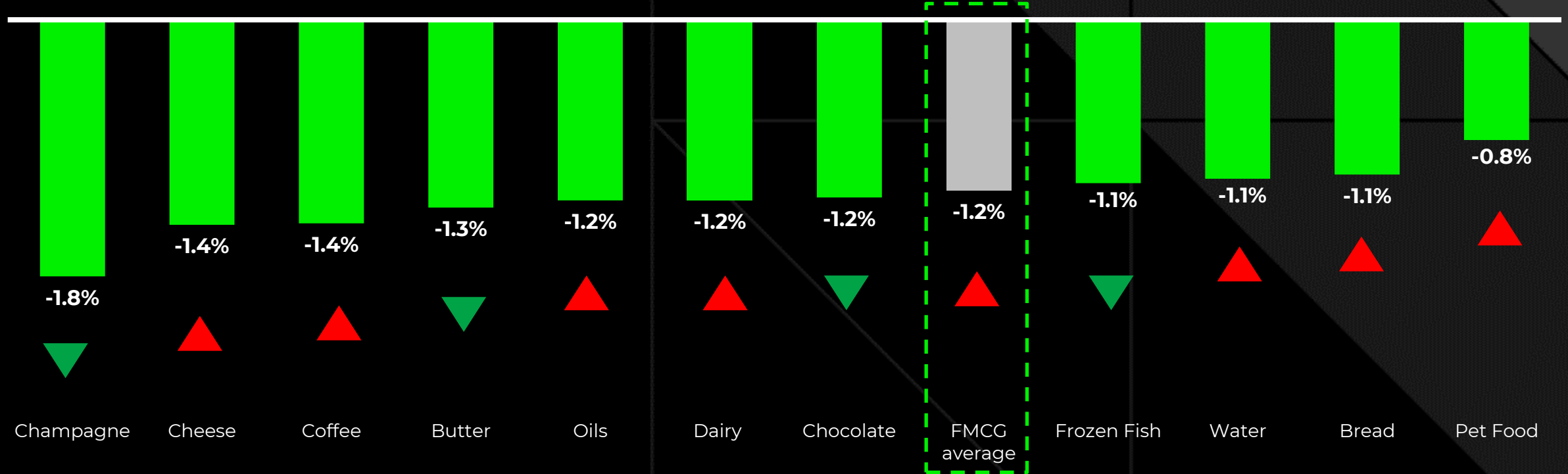
— — • FMCG Performance



# Some categories react stronger to price increases than others

And shopper reactions to prices are changing compared to pre-inflation period

Average impact of a 1% increase in the regular price on volume | Total Belgium

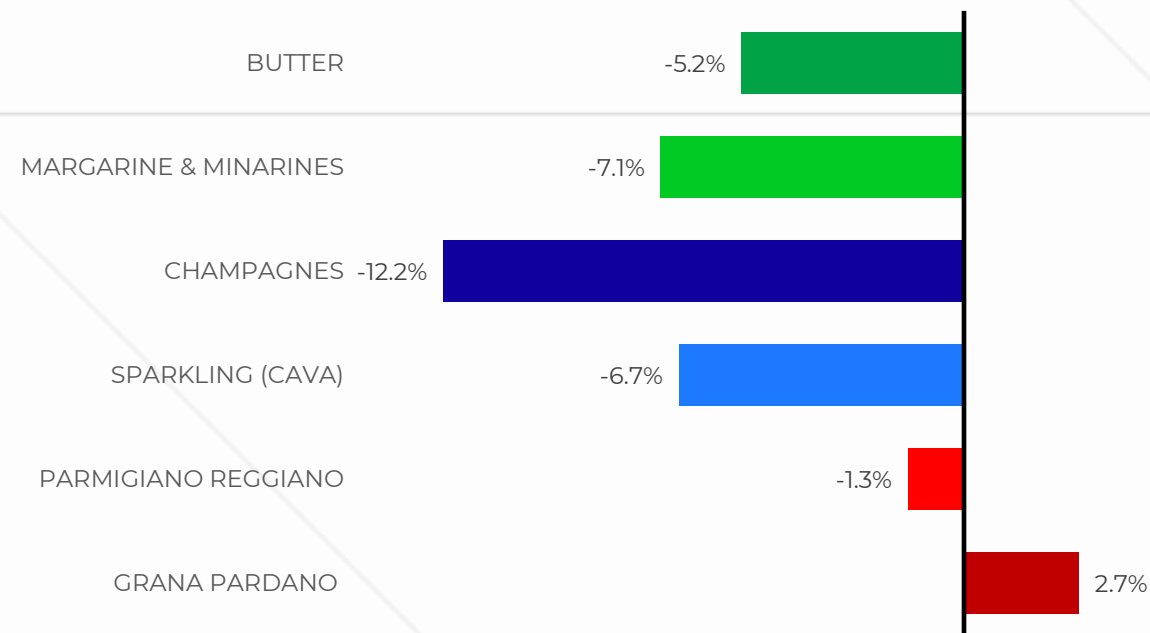


Source: NielsenIQ EDA Price & Promo modelling | 104w ending Q3 2022 | Compared to 104w ending Q3 2020

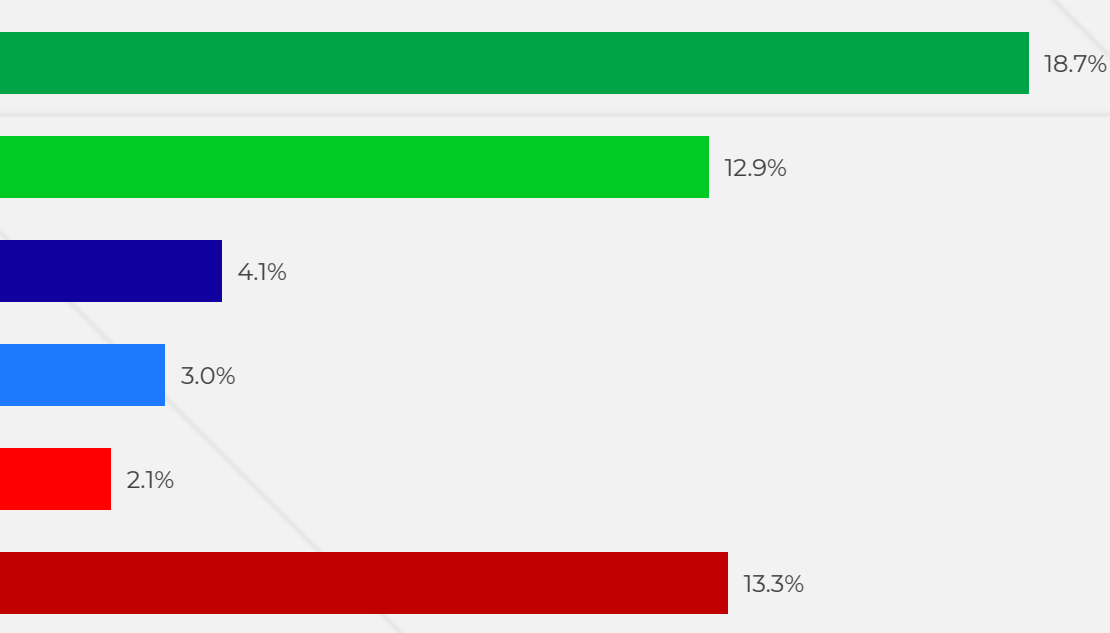
# Cheaper products seem to be favoured in various categories

BE – volume & price per unit – evolution (in%) – L4M P10

Volume Sales evolution



Price per unit



Source: NielsenIQ RMS Belgium



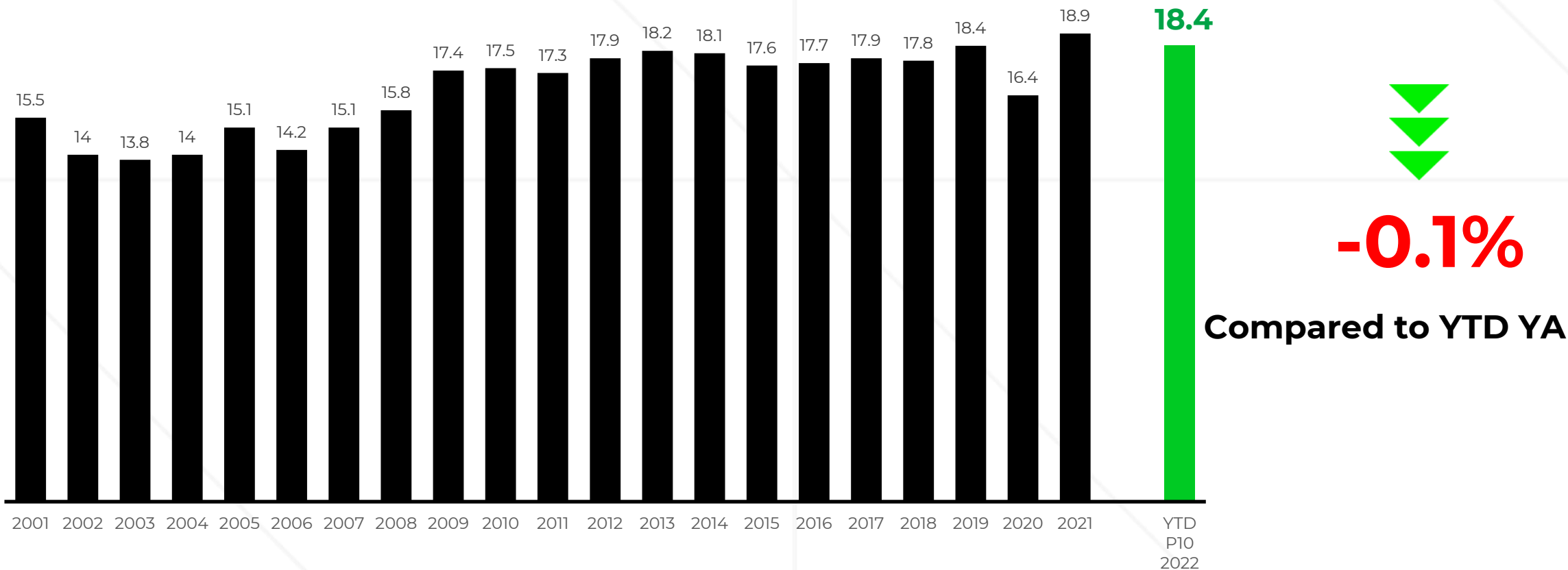


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**Gauge** the price increase  
and be careful with  
**elasticity**

# There has been a slight decrease in promo

BE – FMCG – Promo pressure – Yearly



Source: NielsenIQ RMS Belgium

# More promo does not always entail success

**BE – Rayon – Evolution in Promo pressure & Incrementality (in pp) - YTD P10 vs. YA**

RAYONS	Promo Pressure	Incrementality
CONFECTIONERY	2.7%	-0.1%
ALCOHOLIC BEVERAGES	1.2%	0.4%
HEALTH & BEAUTY	1.1%	1.3%
FRESH PRODUCTS	0.8%	1.2%
SWEET SNACKS	0.6%	0.1%
BAKERY & TOAST	0.5%	1.4%
PETS PRODUCTS	-0.3%	0.4%
FROZEN	-0.3%	0.3%
HOUSEKEEPING	-0.3%	0.2%
DAIRY	-0.6%	1.9%
GROCERY	-0.8%	4.0%
HOT BEVERAGES	-0.9%	5.1%
NON ALCOHOLIC BEVERAGES	-1.7%	0.8%
SALTED SNACKS	-1.9%	2.7%

Source: NielsenIQ RMS Belgium

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# Steady promotions but more successful

Consumers are drawn to good deals

BE exc. HD – FMCG – Value sales - YTD P10 vs. YA

Price Discount evolution

Share of Give Away

**-0.09%**

Incrementality

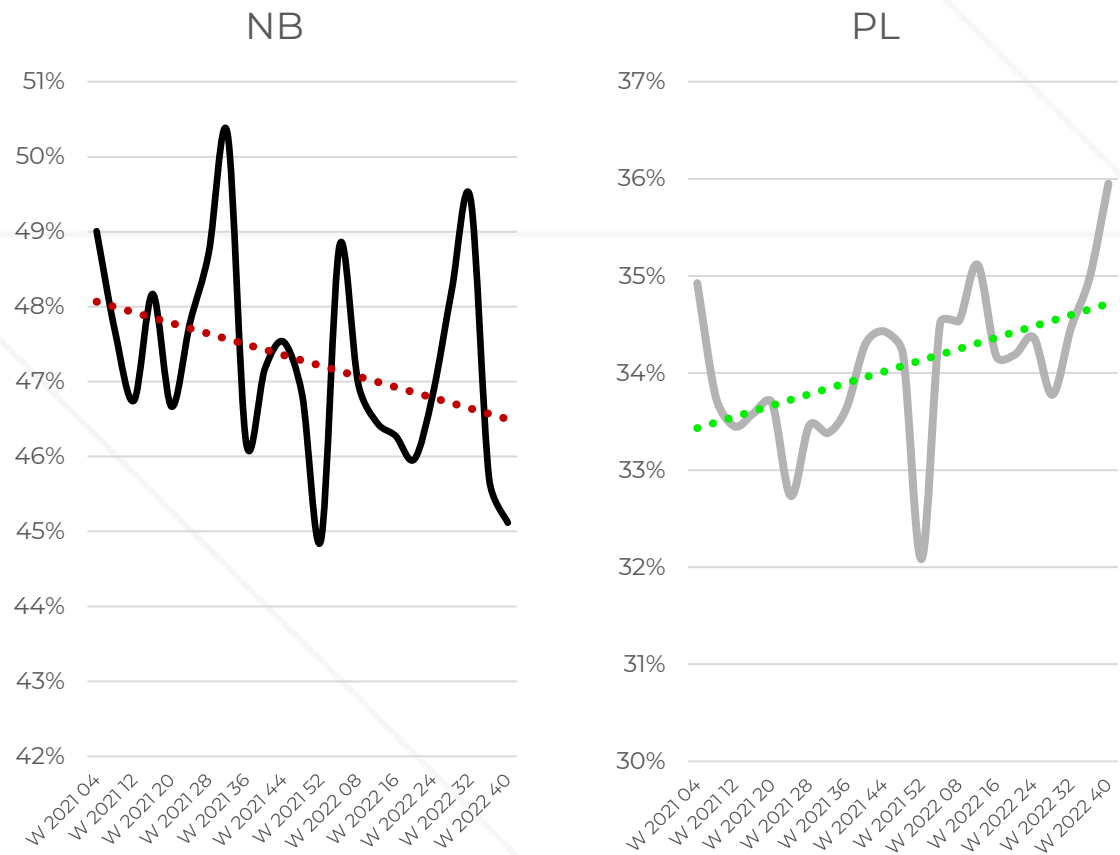
**+1.1%**

# NB decline in neutral & promo

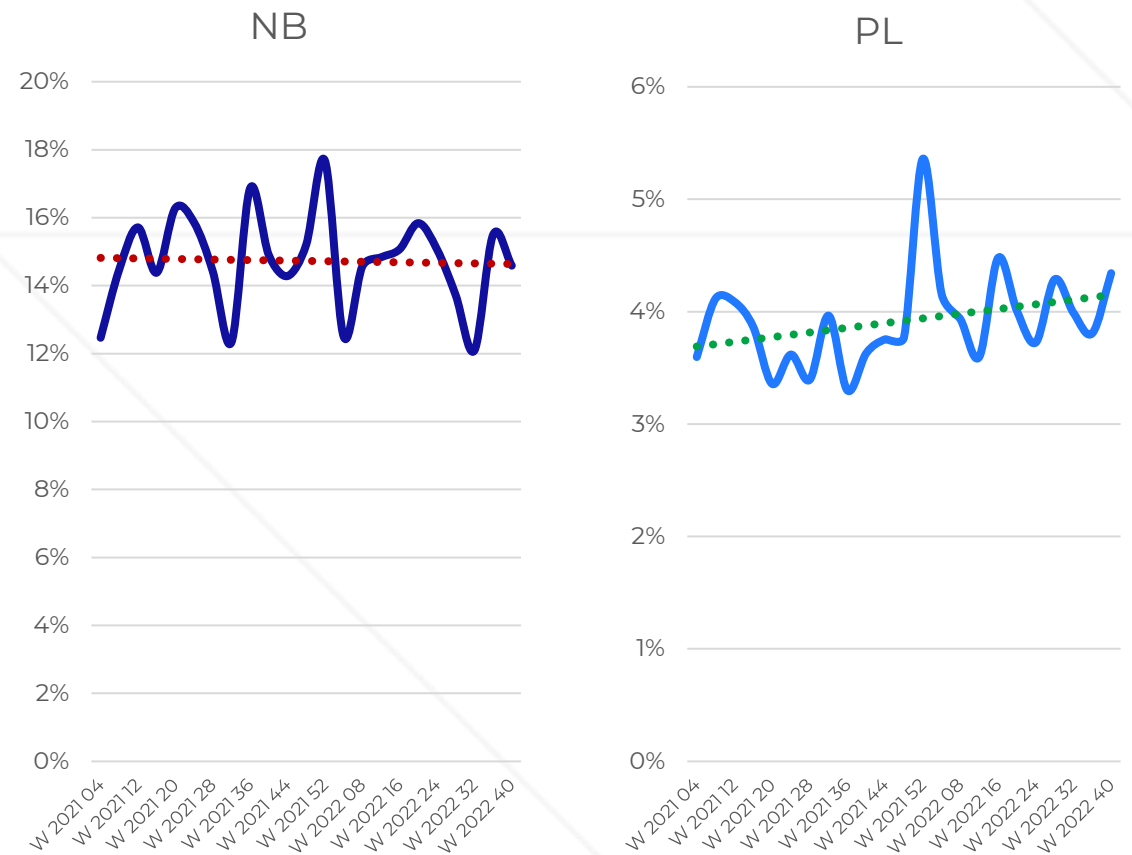
Leading to PL growth in both types of sales

BE – FMCG – Share of sales types (vs. total sales) – weekly

## Non-promo sales



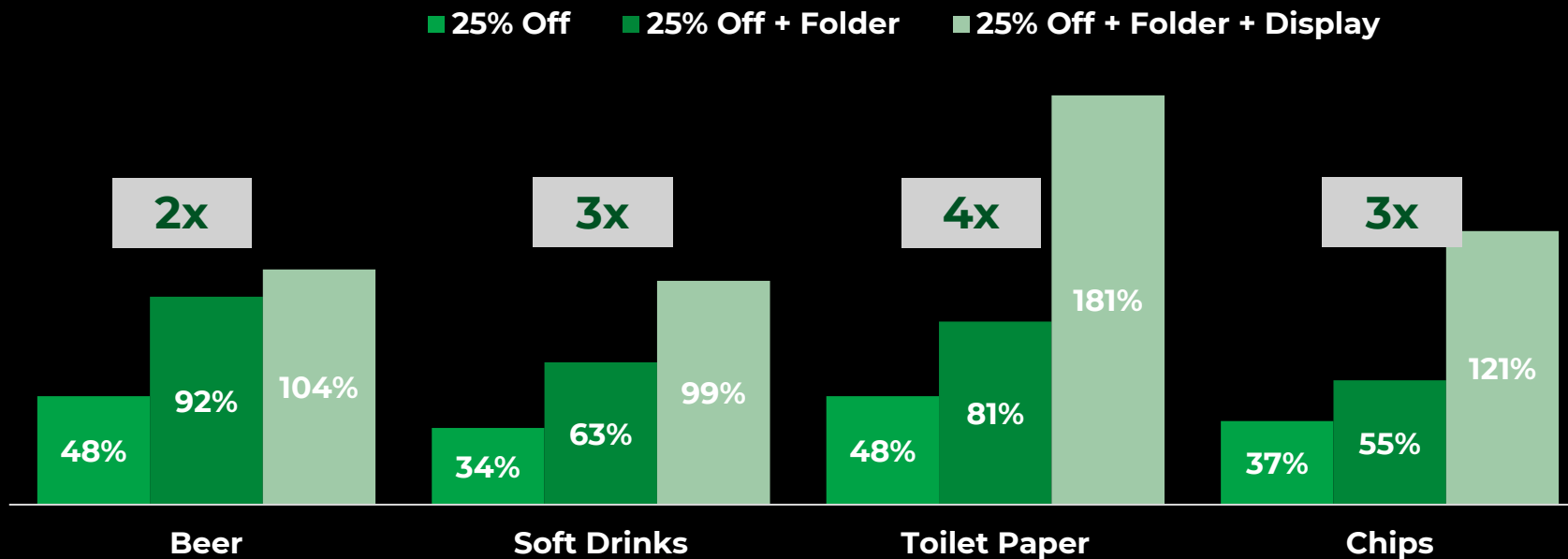
## Promo sales



# Promote Better. Not more.

Ensure the right promo mechanics and support are in place to help drive volume without compromising profit

## Average BE item promotional % volume uplift



Focus on  
**better-not  
deeper** promo  
mechanics for  
Beer and Soft  
Drinks while  
**invest into  
visibility** for  
Toiler Paper  
and Chips



“

Increasing the promo  
will **not automatically**  
lead to more incremental

& **vice-versa**



# Assortment strategy is key

## SM – Rayon – Evolution #items & value sales - YTD P10 vs. YA

Rayon	Assortment evolution	Value Sales Evolution
SALTED SNACKS	3.4%	3.0%
FRESH PRODUCTS	2.4%	2.7%
NON ALCOHOLIC BEVERAGES	1.4%	3.3%
HOT BEVERAGES	0.9%	4.3%
FROZEN	-0.4%	-1.0%
CONFECTIONERY	-0.5%	-1.7%
BAKERY & TOAST	-0.6%	7.2%
DAIRY	-0.8%	2.3%
PETS PRODUCTS	-1.8%	4.1%
HEALTH & BEAUTY	-1.9%	2.2%
GROCERY	-2.6%	3.4%
SWEET SNACKS	-3.3%	1.8%
ALCOHOLIC BEVERAGES	-3.8%	-7.3%
HOUSEKEEPING	-4.6%	-3.4%

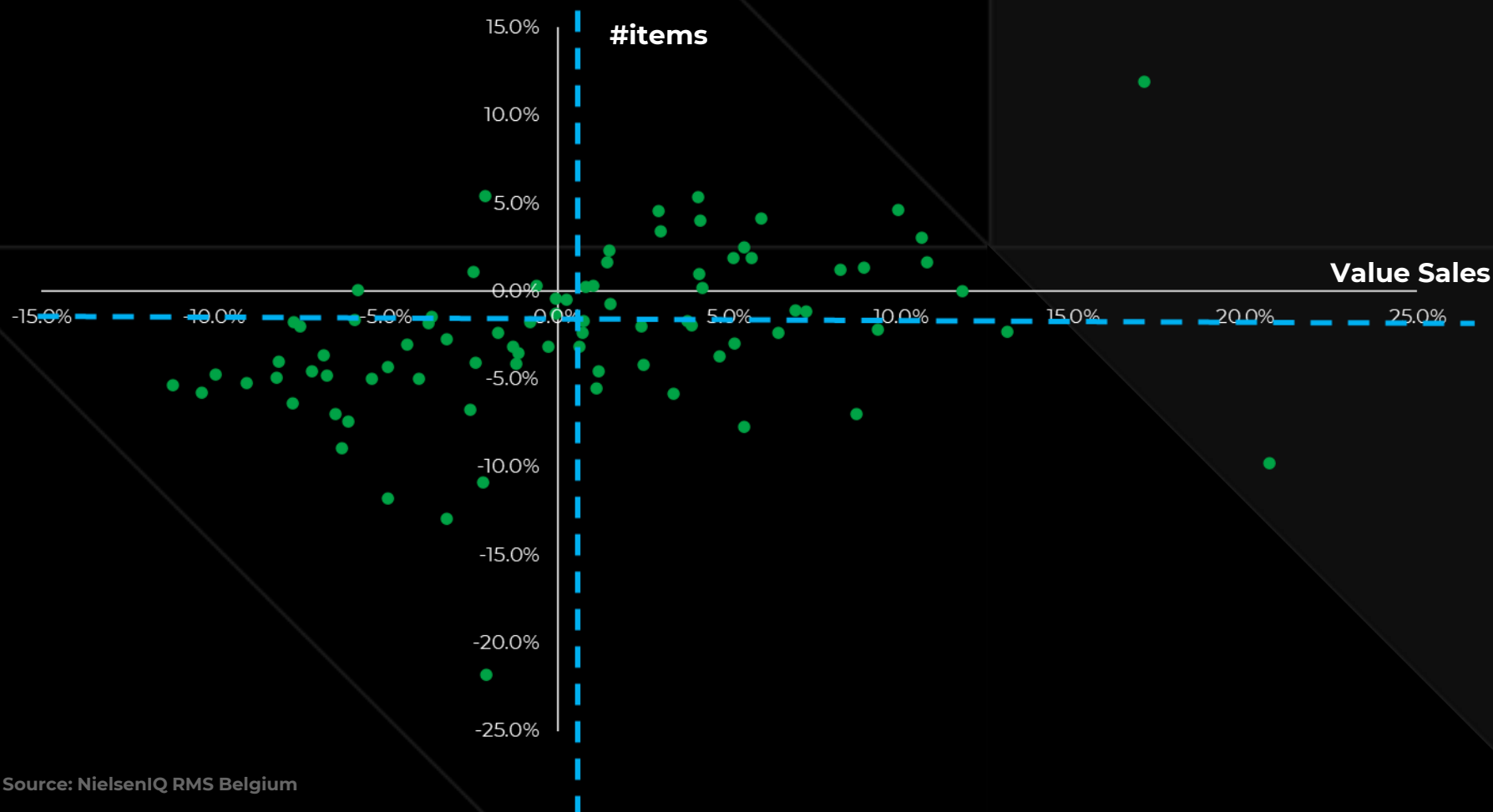
Source: NielsenIQ RMS Belgium



# ~30% of categories increased in #items

Only ~ 1/4 increased in both

SM – FMCG categories – Evolution of value sales & #items per store – YTD 10 vs. YA



Top – Flop in #items

Sports & Energy Drinks

+11.9%

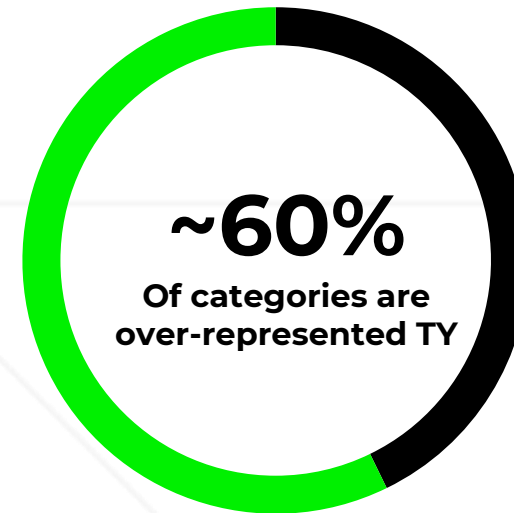
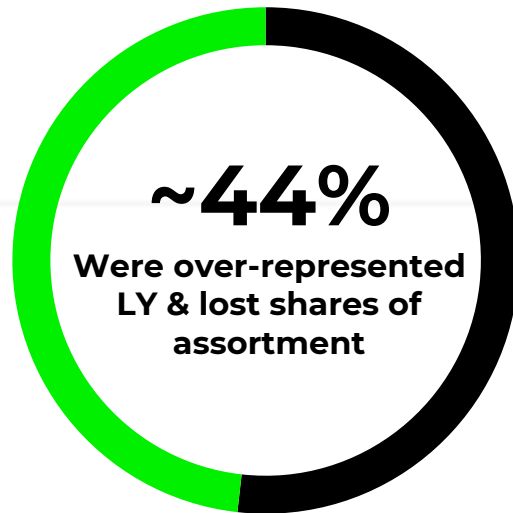
Frozen Soup & Stock

-21.8%

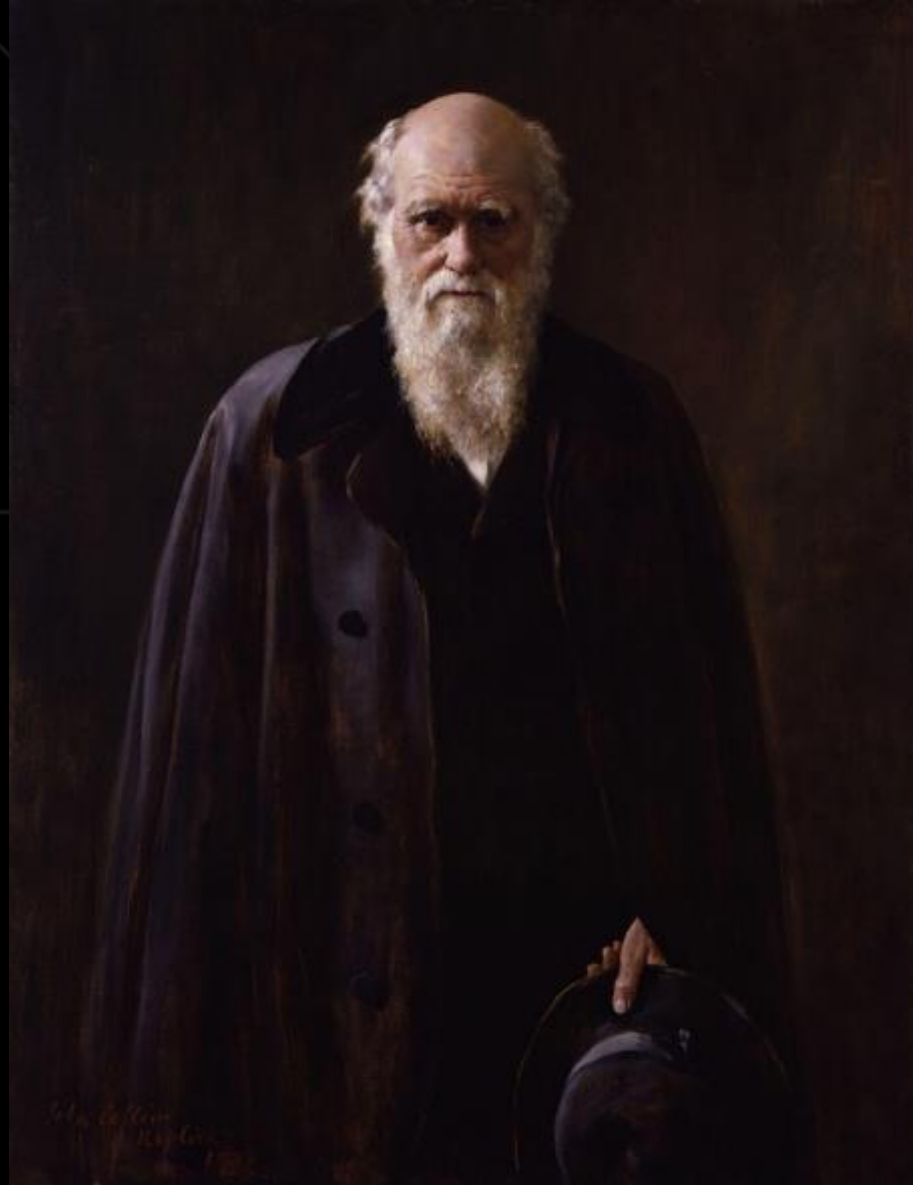
— • FMCG Performance

# We can expect downward trend for over-represented categories

SM – FMCG categories – YTD P10



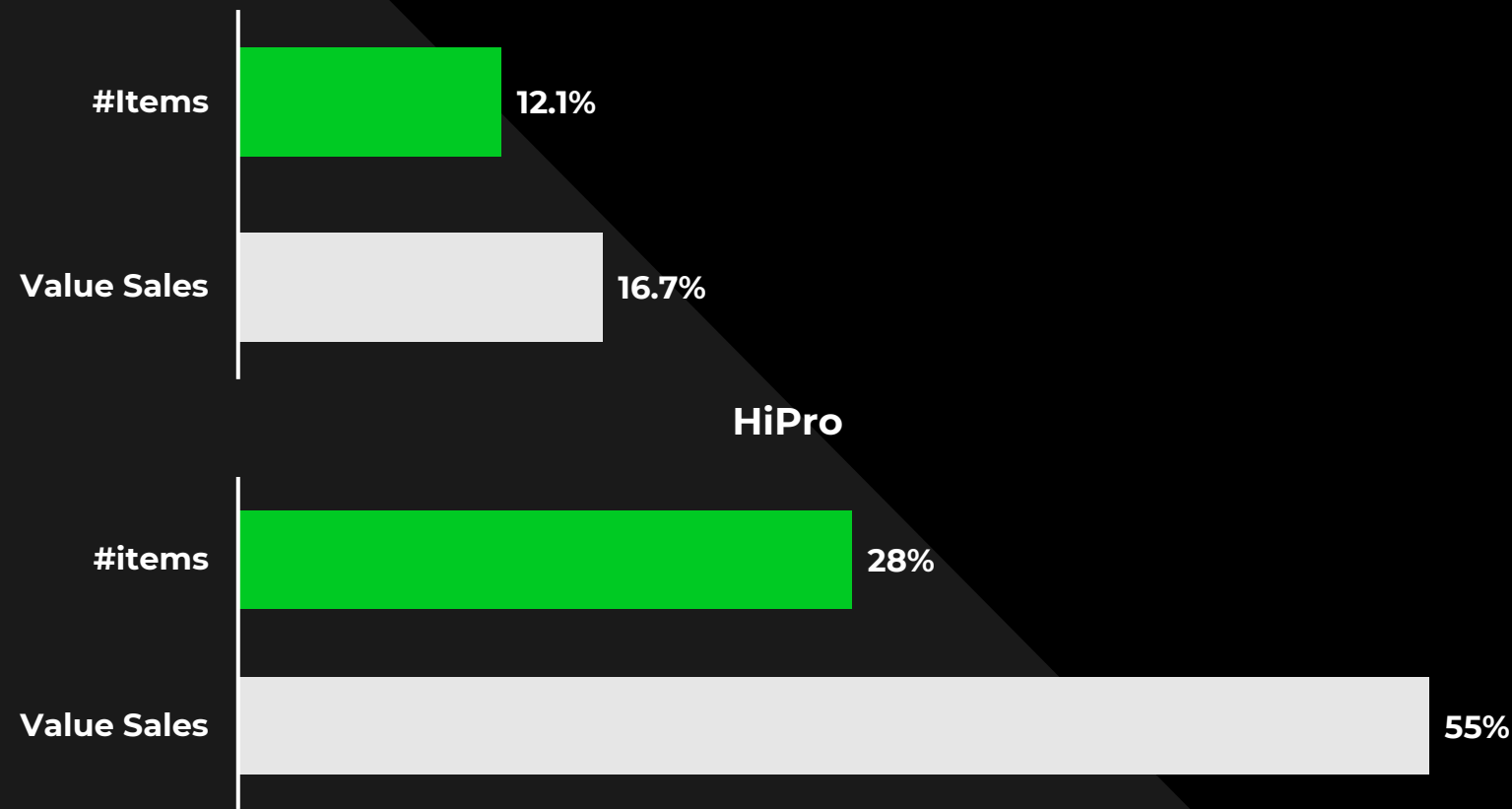
# The theory of evolution... it also applies to FMCG



# Functionality: The sky is the limit

Belgium – Evolution YTD 10 vs. YA

## Sports & Energy Drinks

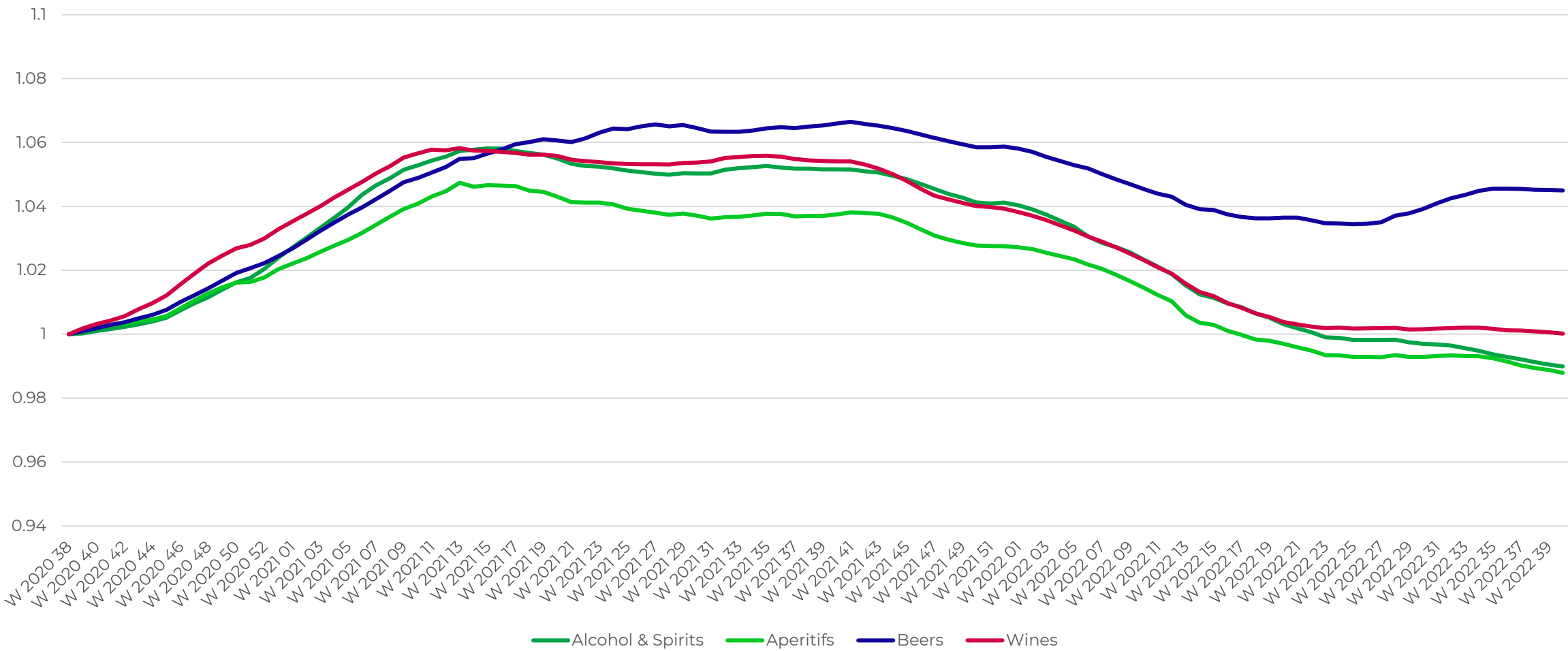


Source: NielsenIQ RMS Belgium



# Aperitifs and Alcohol & spirits continue to decrease

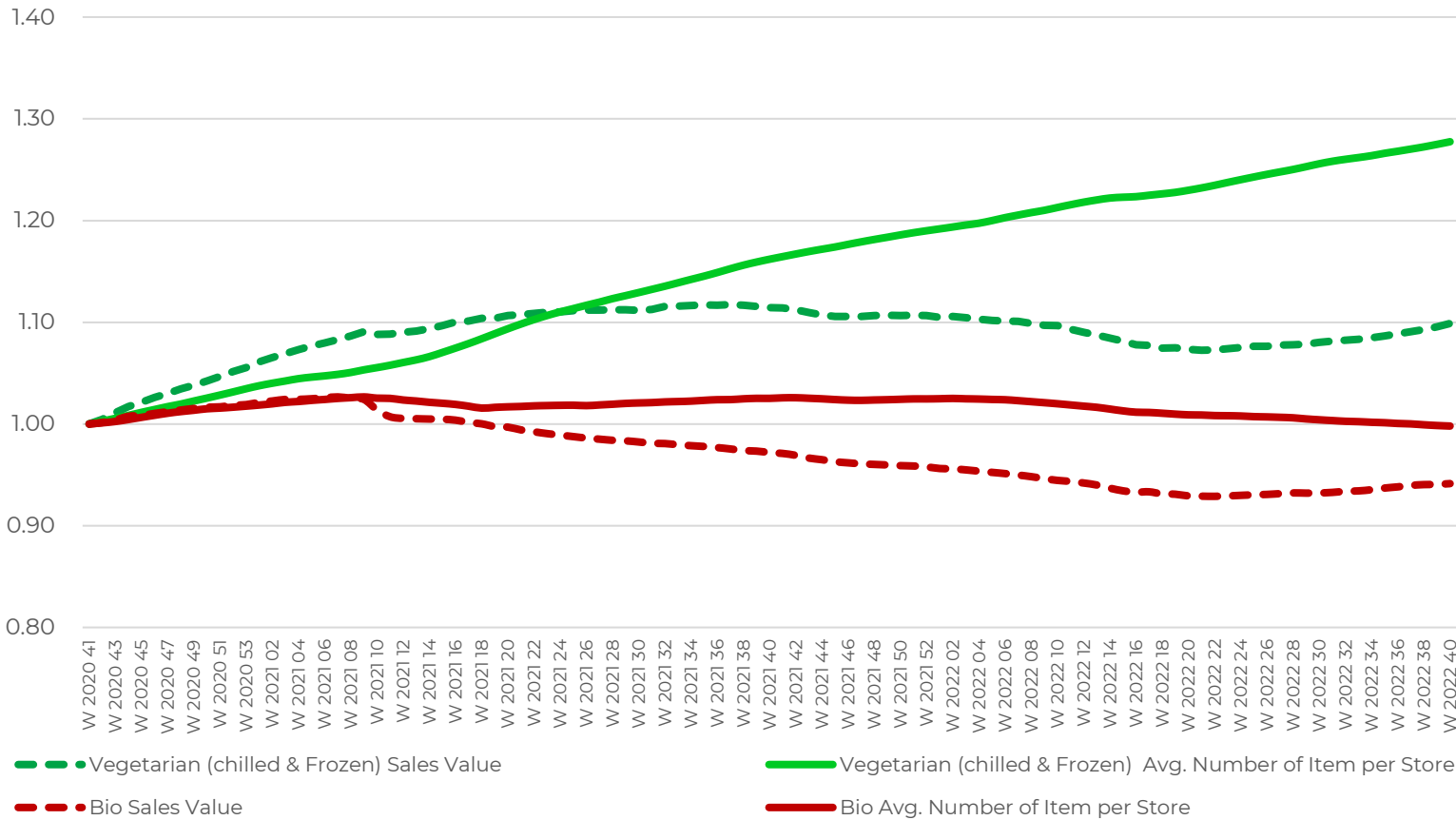
BE – Alcohol beverages - #items – Weekly (rolling MAT)





# Vegetarian is a growing trend

BE – Vegetarian (chilled & frozen) & Bio - #items & value sales – Weekly (rolling MAT)



Source: NielsenIQ RMS Belgium

\*Note: Evolution based upon NielsenIQ coverage in Belgium.

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**Incumbents must refine their assortment  
based upon trends & items' incrementality**

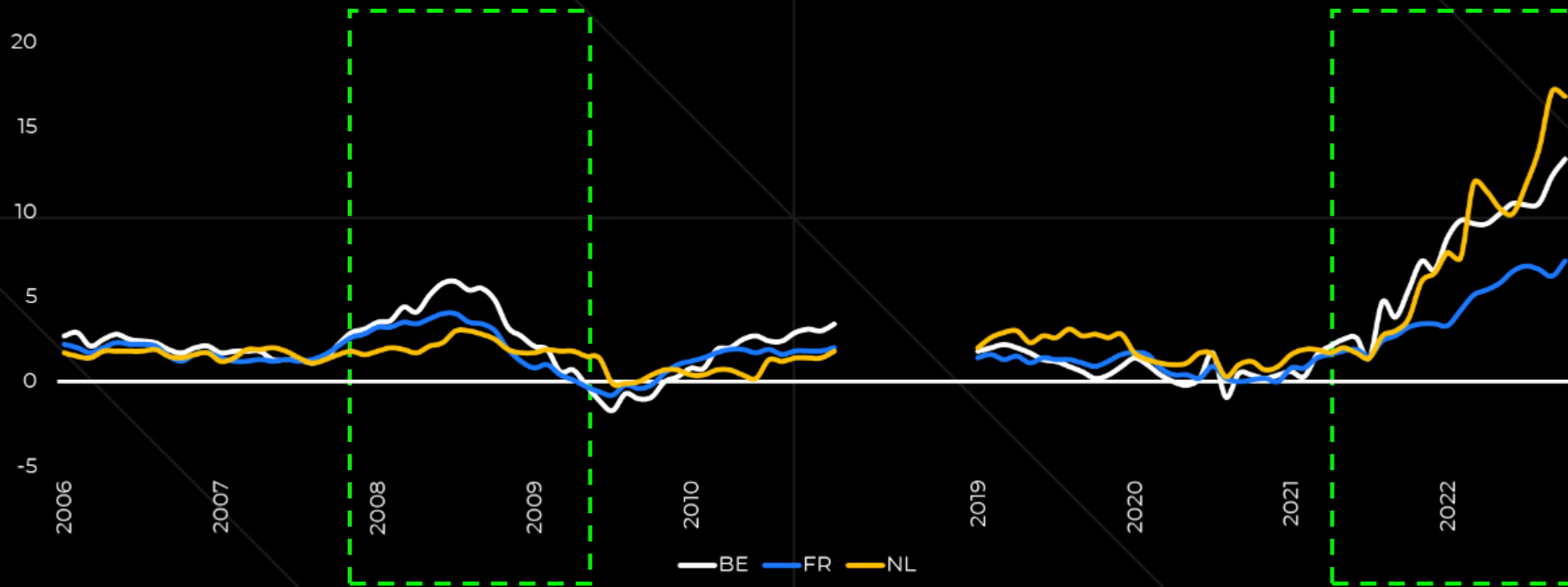


# What can we expect?



# Dark times potentially still lie ahead before a lull

HICP\* (inflation rate) in % - Monthly

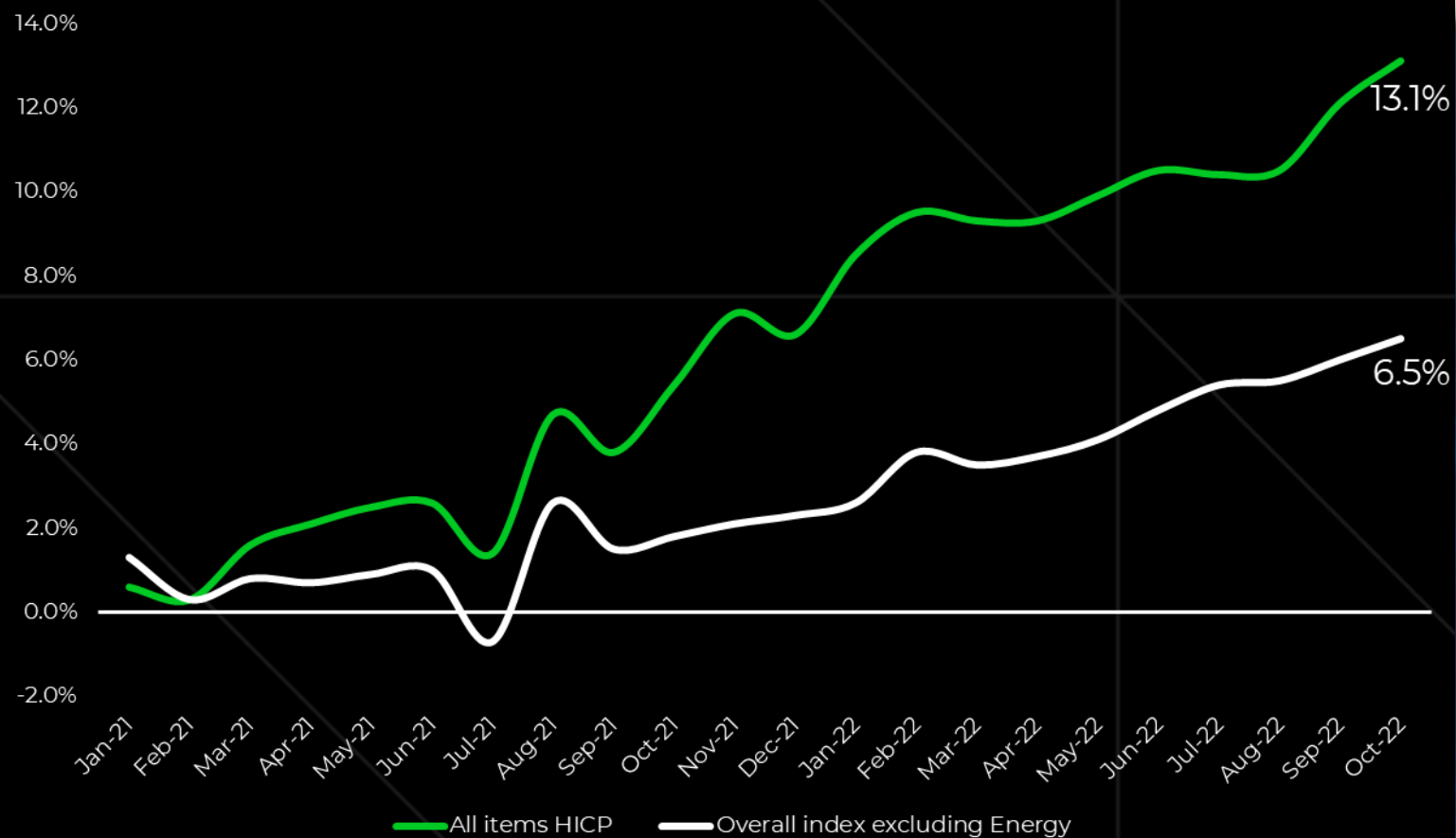


Source: EUROSTAT

\*Harmonised Index of Consumer Price – for October 2022 data is estimated.

# Inflation is mostly driven by Energy

HICP (inflation rate) in % - Monthly



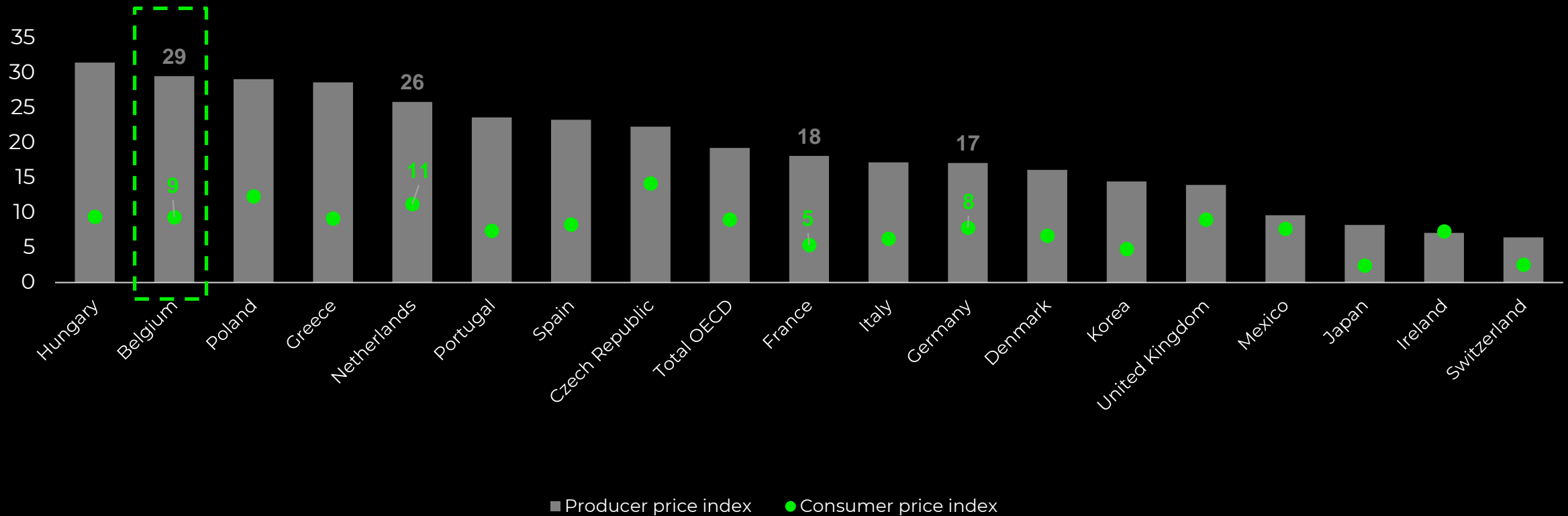
Source: EUROSTAT - for Oct. 2022 data is estimated.



# Further price increase could be expected for the consumers

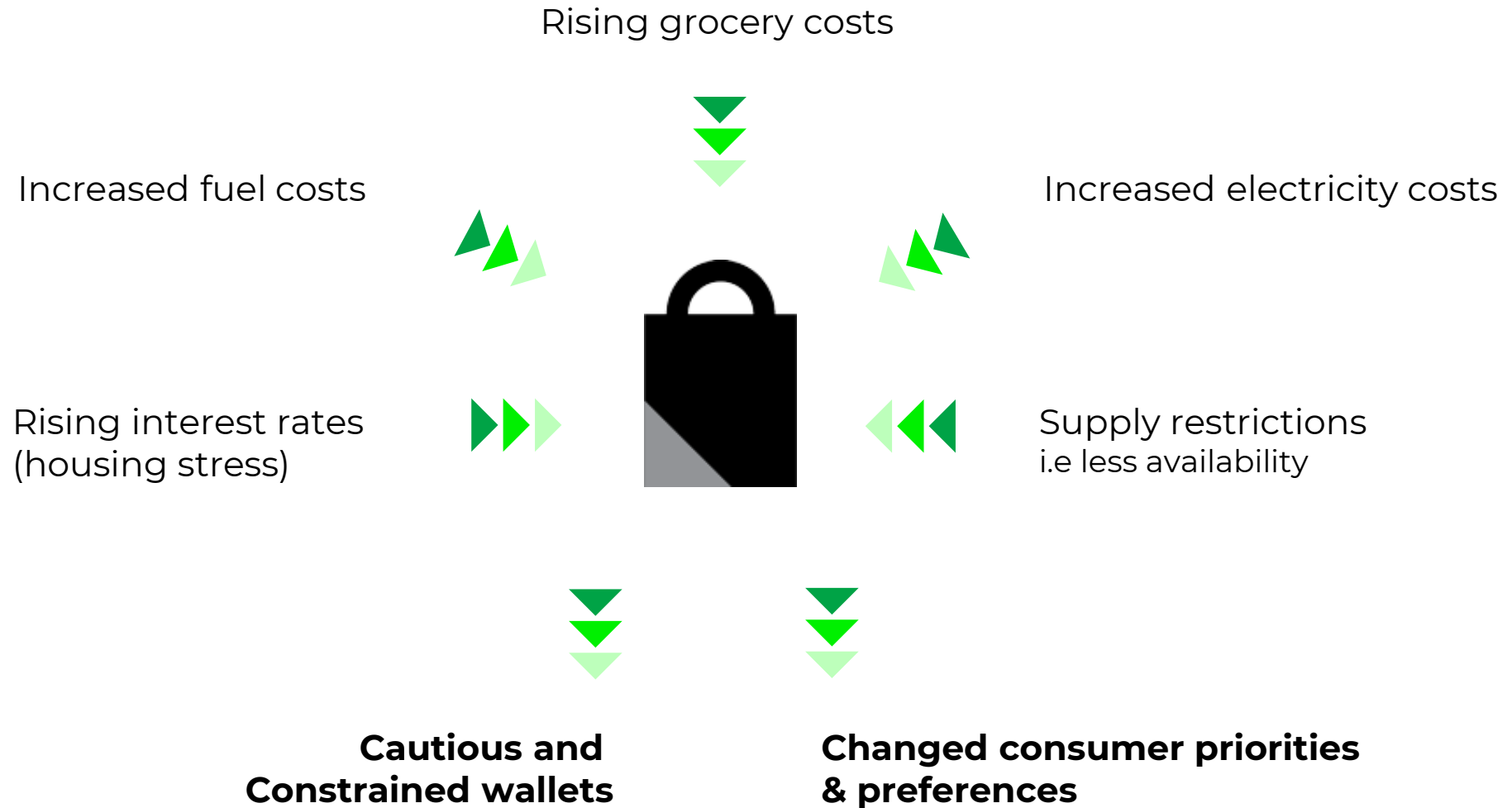
## Producer price index vs consumer price index

Change from April '21 to April '22



Source – OECD - Change from April 2021 to April 2022

# Pressures are mounting on consumer wallets



# And the AFSCA/FAVV confirms our feeling with a study

Consumer's behaviour evolved since Covid-19

**23.6%**

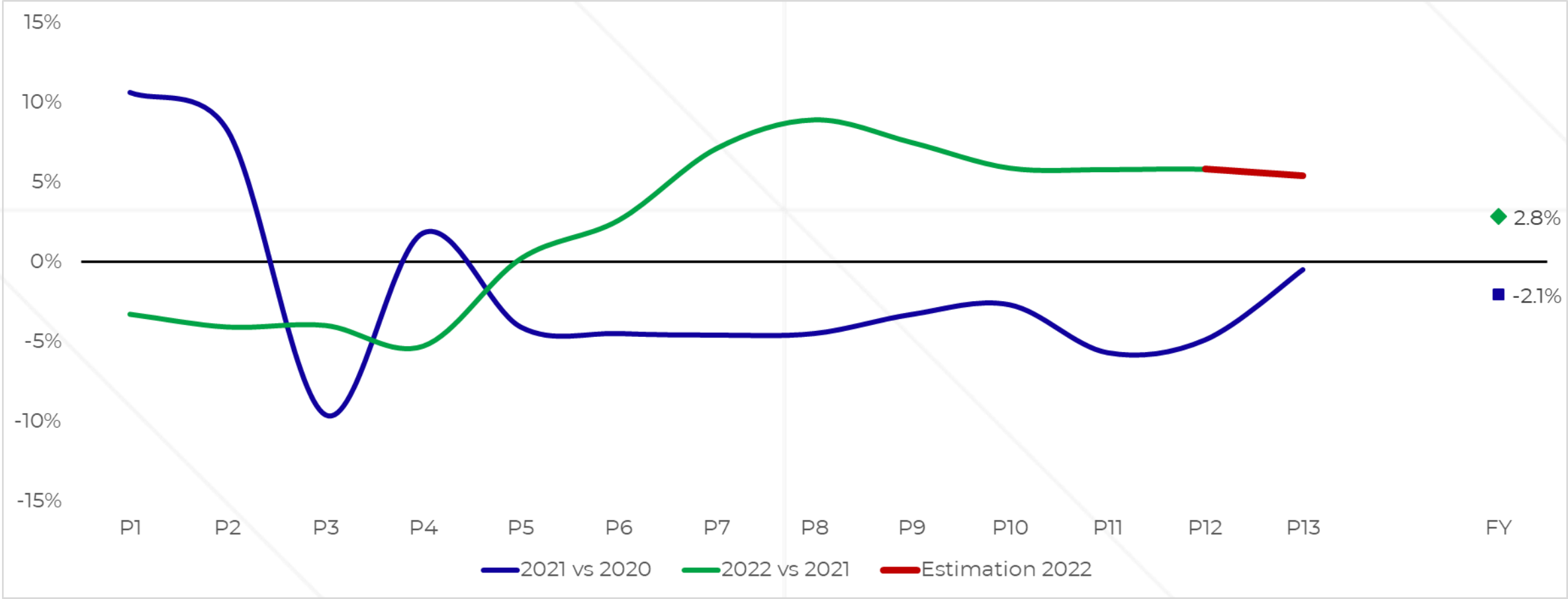
**of respondents more local & seasonal products**

Source: AFSCA - Communiqué de presse: Enquête de l'AFSCA : près de 1 consommateur sur 4 mange davantage de produits locaux depuis la pandémie de coronavirus ([favv-afsca.be](https://favv-afsca.be))



# We can therefore expect a growth in the remaining periods

BE – FMCG - Sales Value evolution compared to YA





## LOOKING AHEAD

### FMCG

Value growth driven by price with minimum impact on volume

### PRICE

Complexity with elasticity & rotations

### PROMOTION

Challenges on the margins & incrementality

### ASSORTMENT

Potential shrinking in categories



# NielsenIQ

Changes in Retailer landscape and  
Our ambitions for 2023 and beyond.



# Changes in Retailer Landscape



## Mestdagh to go from Carrefour to Intermarche

As of week 1 2023, Mestdagh stores will be reported under Intermarche instead of Carrefour going forward.

Total coverage will not change.

Going forward, Intermarche will be available as KAD with 3 lines: 'New' (Mestdagh), 'Old' and 'Total'.



## Match/Smatch transition to Louis Delhaize

Will remain being reported under Match/Smatch.

Total coverage of NIQ will not be impacted.

Data of transitioned stores shared with NIQ will remain in the index

In the further future, the reported banner might change.



## Launch of BE website

Data of products delivered from other Amazon countries is already included in benchmark today.

Data of Belgian website will be included in first half of 2023.

# What NIQ is working on for 2023 and beyond

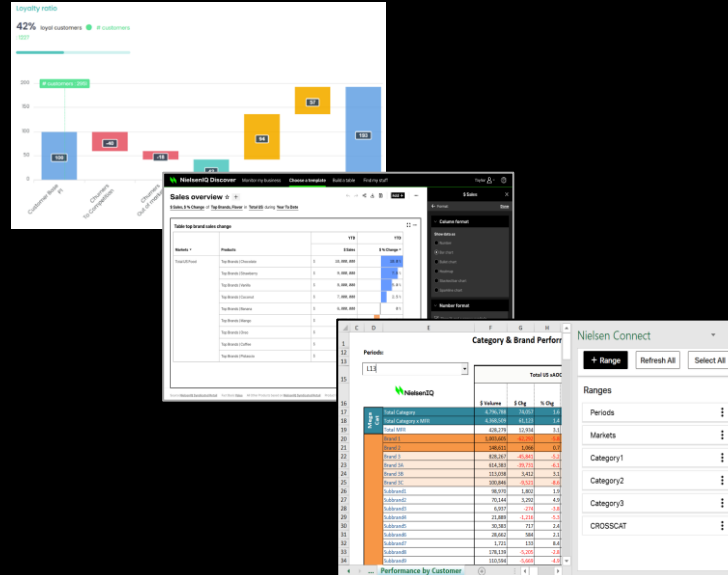


**COOPERATION OR ESTIMATION  
ENHANCEMENT**  
(ACCURACY + GRANULARITY)

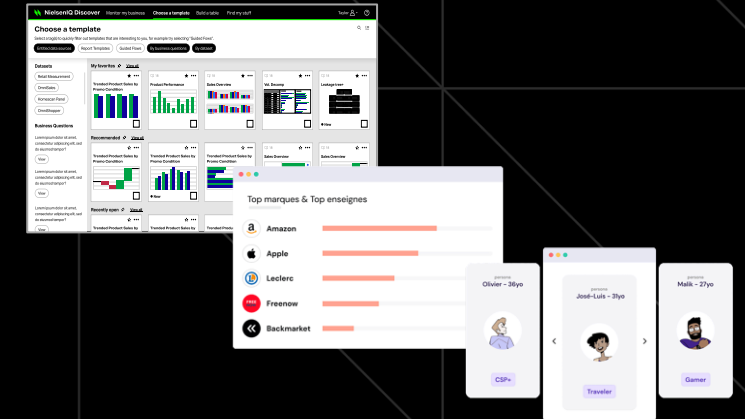


Growth  
from  
Knowledge

**GfK INTEGRATION**  
(COVERAGE INCREASE + ENHANCEMENTS)



**NIQ DISCOVER**  
(BETTER INTEGRATION)  
(READY TO GO VISUAL INSIGHTS)  
(MODERN, INTUITIVE USER EXPERIENCE)



**FOX INTELLIGENCE**  
(COVERAGE INCREASE)  
(OMNI CHANNEL INSIGHTS)  
(INTEGRATION WITH RMS DATA)

**RMS COVERAGE INCREASE**  
(PERFUMERY – PETROL – HARD DISCOUNT)



**Thank you.**

**NielsenIQ BE**