

LATEST MARKET TRENDS

Panagiotis Boretos, IRI Greece Managing Director



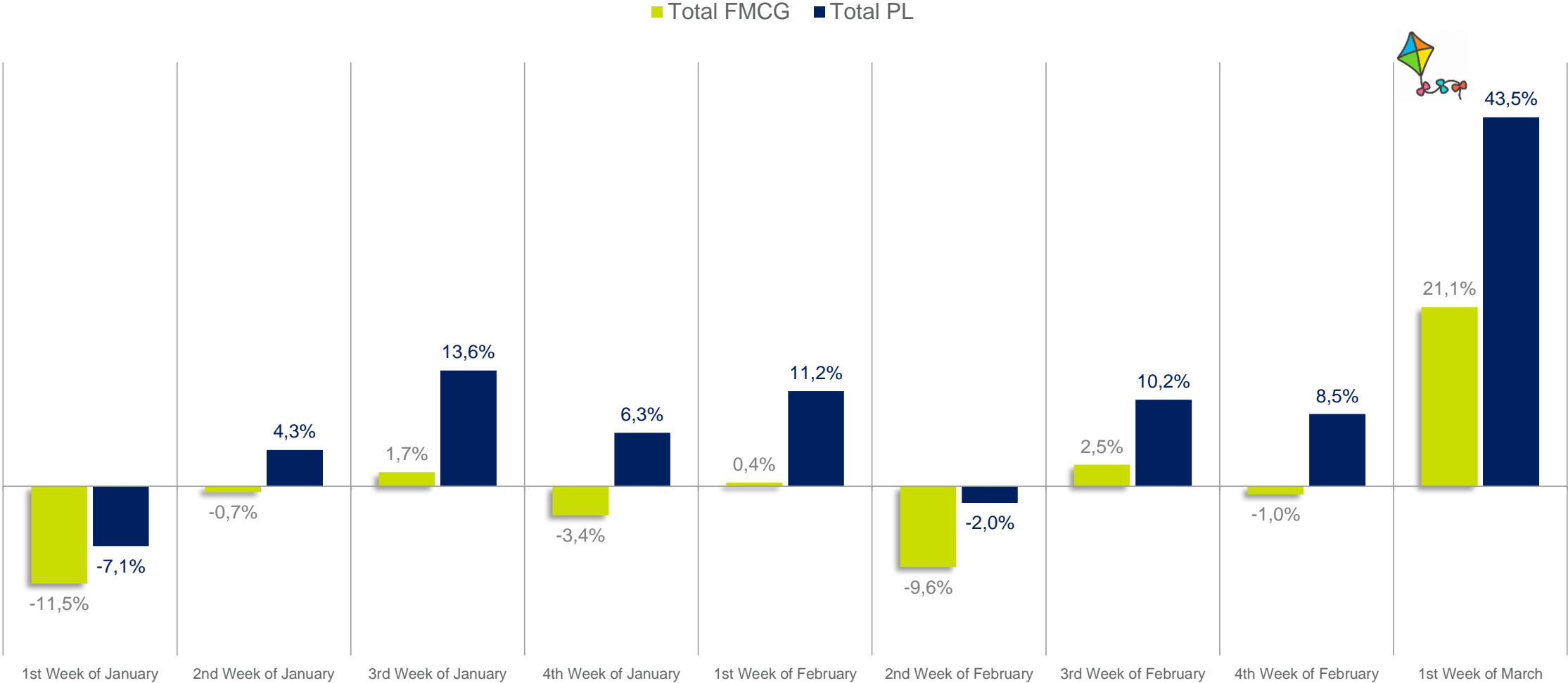
Agenda

- Trends in the first nine weeks of the year
- Forecasting
- Inflation effects

Trends in the first nine weeks of the year

Total FMCG & PL Evolution

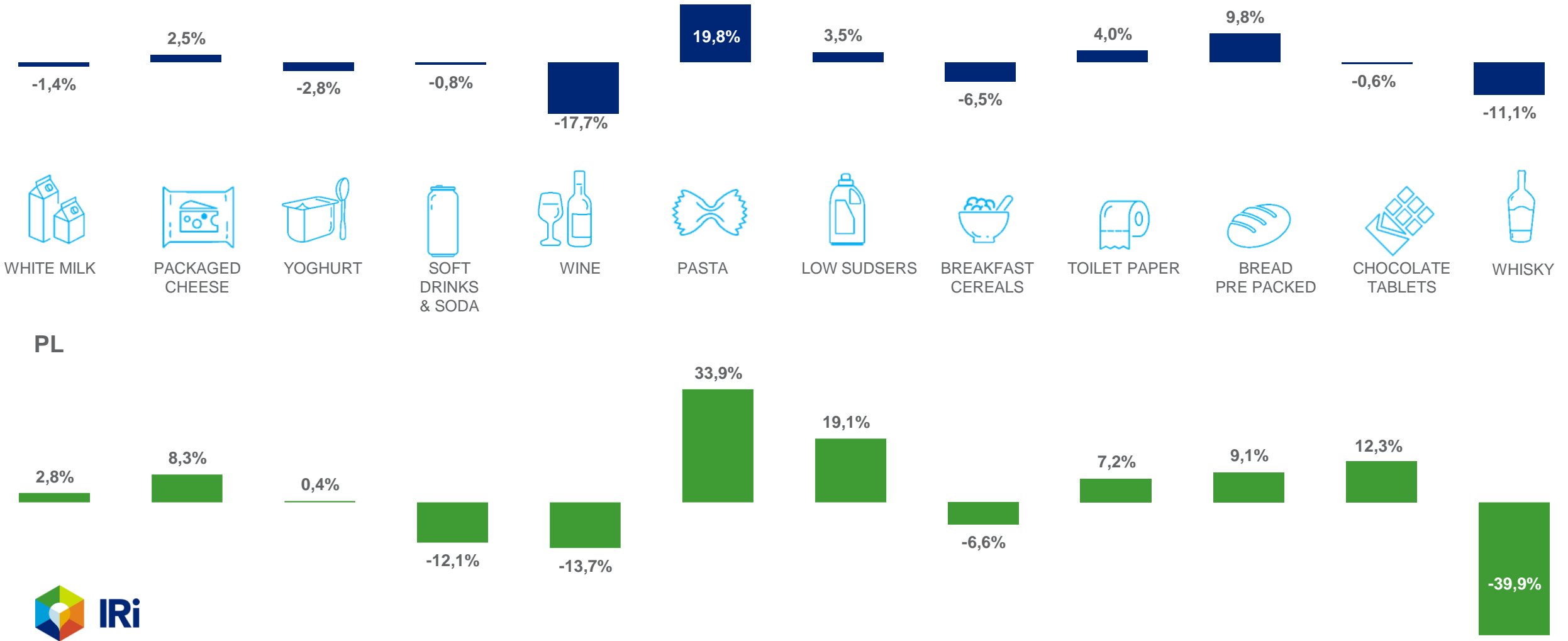
YTD vs YTD, YA	
Total FMCG	-0,1%
Total PL	9,7%



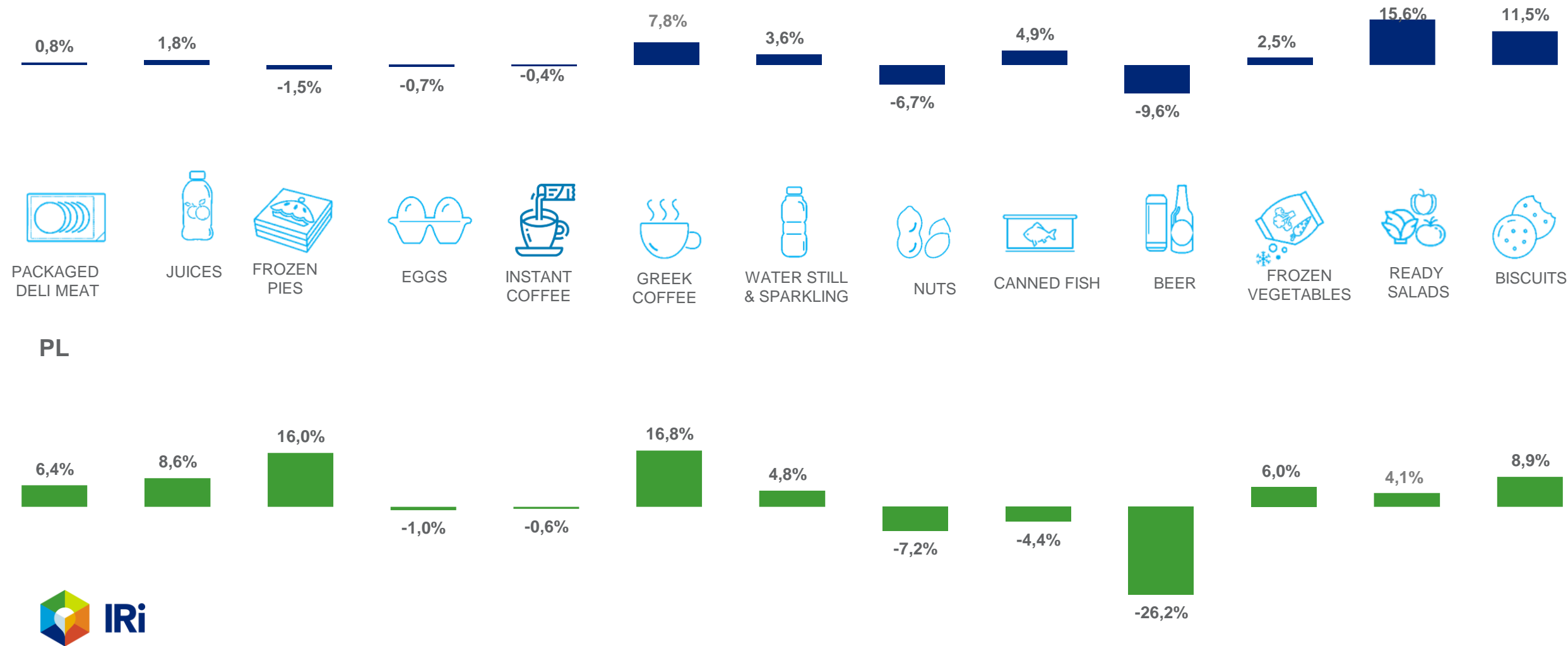
Top 25 Categories Sales Evolution

46,6% within FMCG in 2022

PL Market Share	
YTD 2021	14,90%
YTD 2022	15,90%

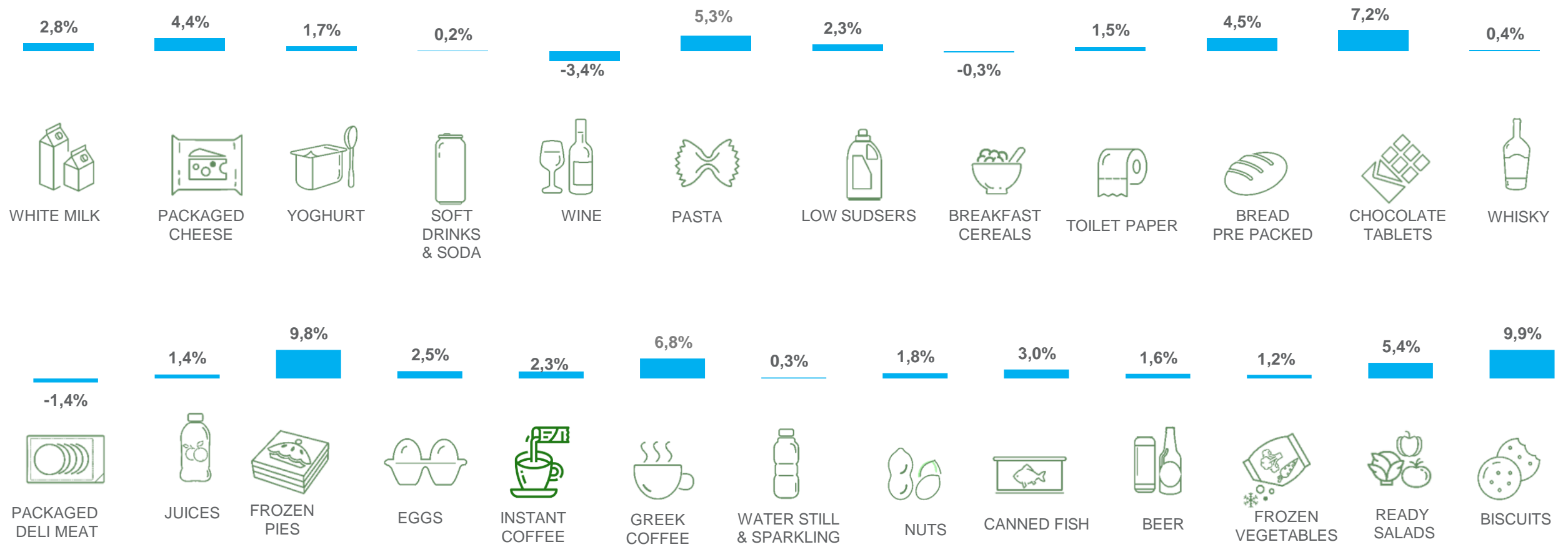


Top 25 Categories Sales Evolution



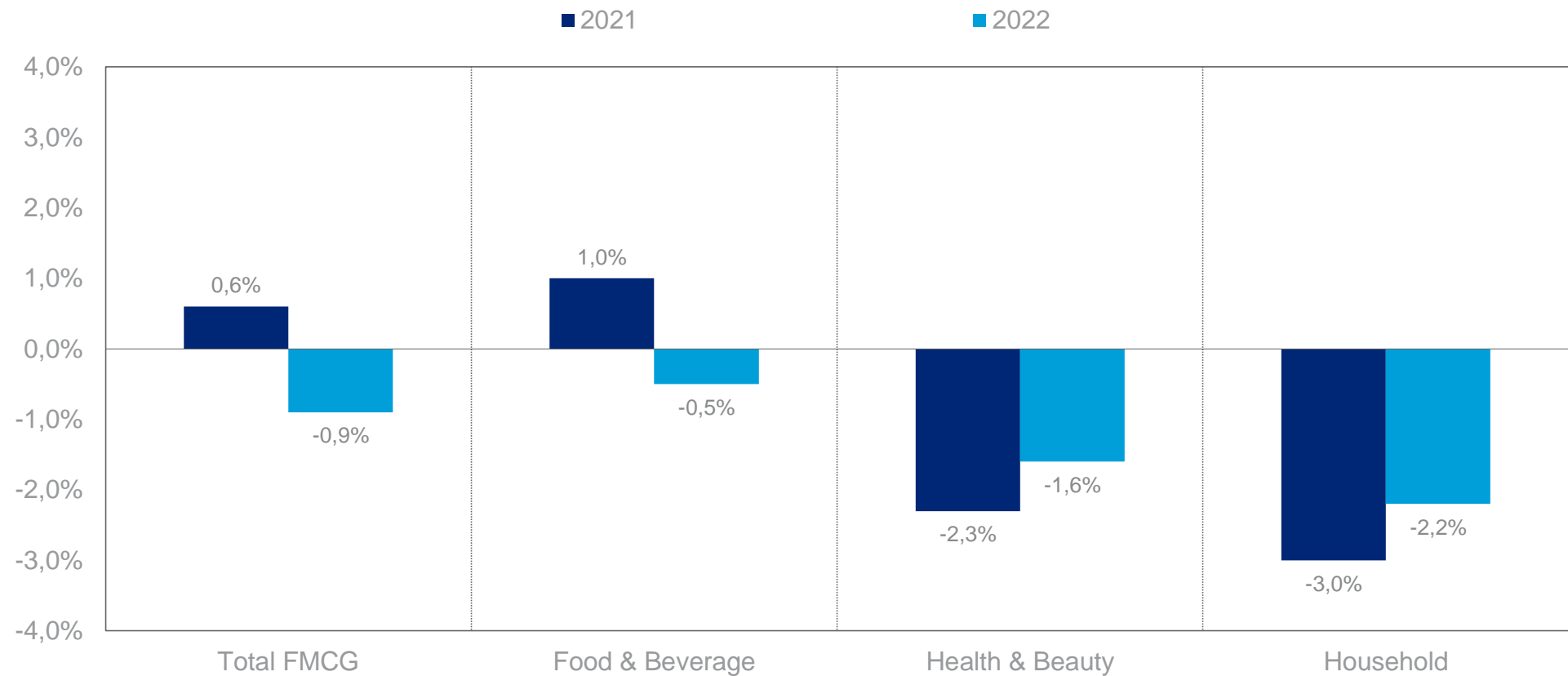
Price increase 2,3 % in total FMCG

Top 25 Categories Price Evolution - 2021 vs 2022



Forecasting

2022 value sales forecasting with prices remaining the same as in previous year



Inflation effects

The tension between consumer's rationality & reality will shape the Demand Curve in 2022



Perception

- Is 3.1% or 5% a lot or little?
- Who's afraid of 4.5% (or should I be?)
- "Will this last?" (Will it go higher?!)"



Rationality

- How do I feel about my income?
- Will this change in next 6 & 12 months
- And my spending now and later?



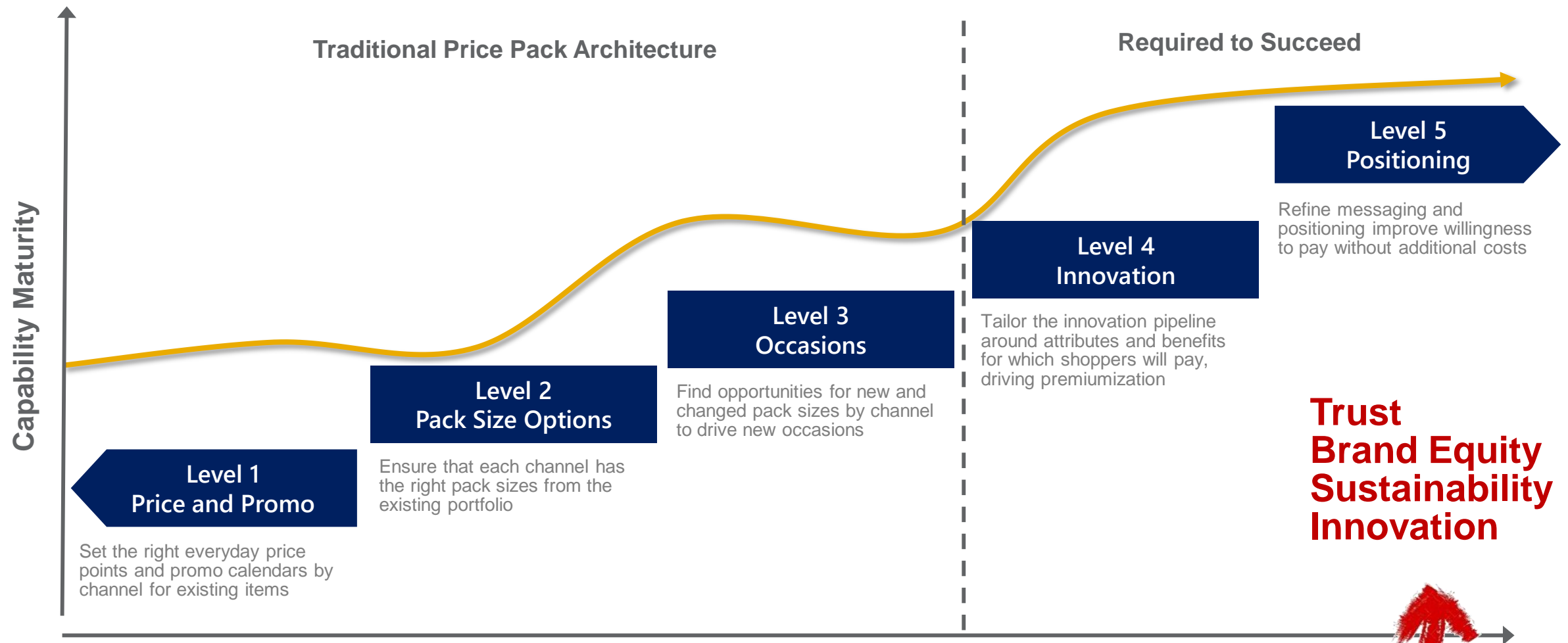
What am I going to do about it?!!!

Willingness to spend
and ...

How did consumer
behaviours change in
previous inflationary events

The Firm's Strategic Options

Applying revenue management strategies such as pack-price architecture and extending beyond is crucial to begin thinking about the strategic growth options available



When was the last time you saw an inflation-busting strategy account for

Source: IRI Growth Consulting Analysis

They approach consumer-obsession with greater precision



Think of inflation shocks as an opportunity because consumers are actively re-evaluating:

- their consumption of the category
- their relationship with existing brands & propositions
- Seeking better value & benefits



Invest in understanding changing consumer needs & behaviours that are likely to shift the demand curve and create new pockets of growth

- Increase Research & Insights activity
- Prioritise Product & Sensory research
- Grow marketing-sensing Social media research & ethnography
- Accelerate Innovation /commercialisation



Re-aligning marketing portfolio, pricing & revenue management, distribution & brand mix to adapt to the changed demand curve

- In the right markets
- For the right consumer (segments)
- With the right product
- At the right price
- With an optimised total marketing model

EXECUTIVE SUMMARY

An Imperfect Inflation as a shaper of the FMCG Demand Curve in 2022 and beyond

- Not the 1st inflation, won't be the last, but there has never been such [a convergence of supply & demand side discontinuities](#) since the Great Depression in the 1920s. This is an imperfect inflation and it will be different.
- Balance of probabilities looking at forecasting & commercial realities is this will [not be a temporary blip](#).
- Consumers [don't recognise marginal increases in prices, it takes 'Sticker Shock'](#), and routinely 9-12 months before their shopping & consumption behaviours change
- This 'Sticker Shock' profoundly influences [what](#), [where](#) & [how](#) consumer try, buy & consume.
- The [direction of travel in the consumer's ability to buy & willingness to spend](#) is a good measure of the amplitude of change we're likely to see in their shopper & consumption behaviour.
- [15 distinct shopper behaviours](#) provide marketers a robust & innovative arsenal to weather the inflationary storm
- Forecasting [the impact on key food & non-food categories](#) affected by a combination of consumer factors, shifting price elasticity & value elevation trends will help determine the shape of the demand curve to come
- [Premium, Mainstream & Private Labels are equally vulnerable](#): to different intensities, outcomes & end-games
- The [utter inability to use tried-and-tested forecasting models](#) gums up decision making and blurs actions manufacturers & retailers can take – but emerging category responses provide hints to
- [High-performance brands](#) that have delivered exceptional performance in inflationary headwinds apply counter-intuitive brand & business strategies; adapting short term actions without losing coherence with long-term strategy
- Manufacturers & Retailers retain [several strategic options](#) when they magnify & execute [the full skills toolbox](#)



THANK YOU!

For More Information, Contact Us...

IRI Hellas

36 Pavlou Bakogianni St., 144 51 Metamorfosi, Athens

Marketing.greece@IRIworldwide.com
+30 210 27 87 600

Follow us on Twitter: **@IRIworldwide**

