



# IRI State of the Nations

Snapshot of Consumer Goods Trends in Western Economies

Q2 2017

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September 2017



**IRi**

Growth delivered.

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Growth delivered.



France



Germany



Greece



Holland



Italy



Spain



United  
Kingdom



Please attribute to 'IRI, a retail and FMCG market intelligence company'.

Please also note that no additional restructuring or manipulation of IRI figures is permitted.





## Key findings - France

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- France's economy has continued to improve with gross domestic product (GDP) rising to 1.8% - its highest point in the past two years - but it is still below other European countries.
- As a result the unemployment rate is now below 10%, which is still high.
- Although the household confidence index is as it was 10 years ago (before the 2008 crisis), household consumption has slowed down after several quarters of growth, probably due to the presidential election.
- After two quarters of stability, in Q2 2017 volume sales are declining slightly (-0.2%) despite a positive weather effect. Nevertheless value sales are increasing at 1.7% thanks to a little pause in the price war and to consumers buying more qualitative FMCG products, which generate a high level of value.
- Categories' performances are uneven:
  - Beers and soft drinks have benefited from the good weather in June, as well as ice creams
  - At the other end of the scale, personal car and homecare products remain damaged (sales shrinking) due to the hard competition of specialised channels and discount stores.



## Key findings - France

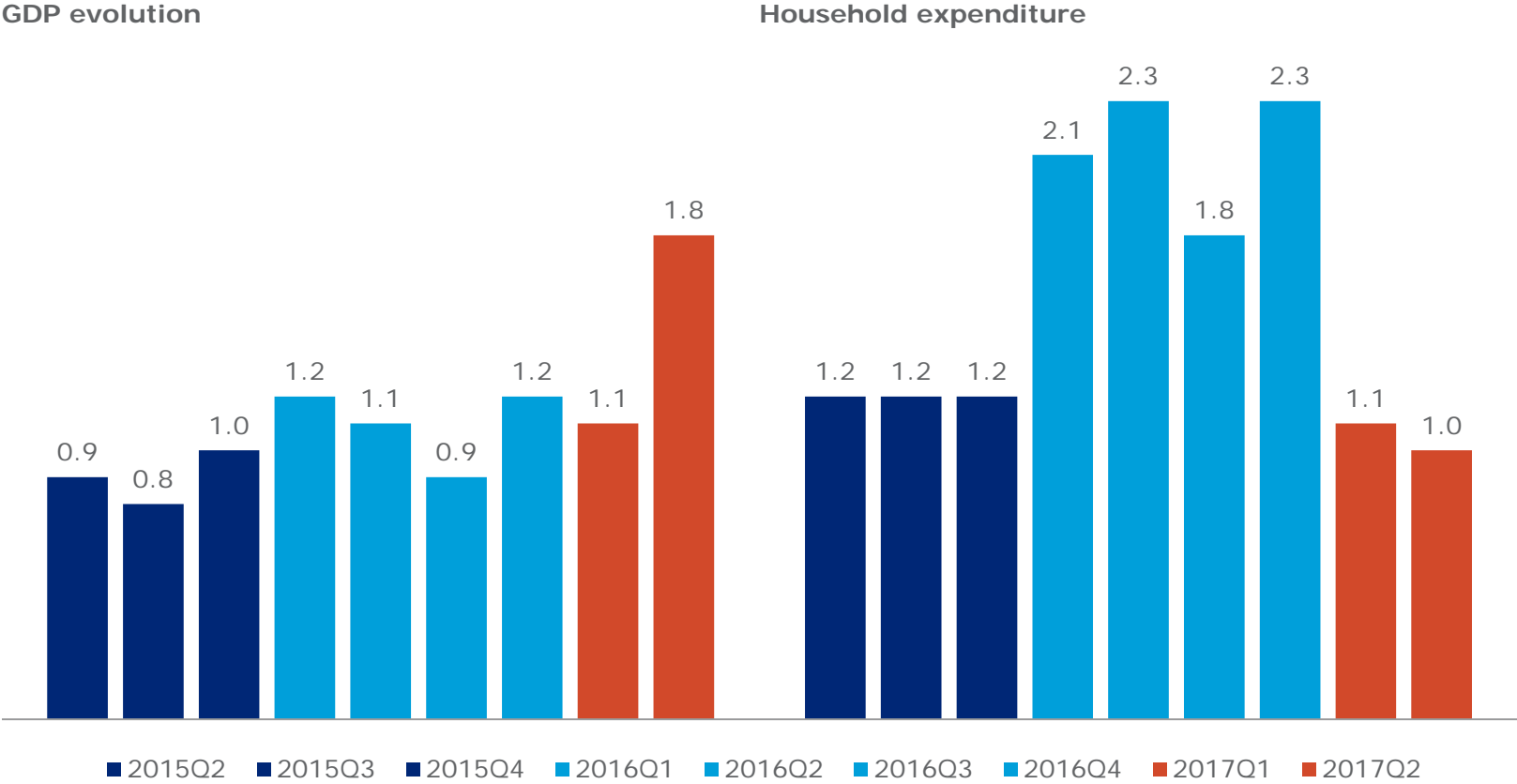
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- On the retail channels side, there are good performances of the click & collect channel partly due to store openings. We have also noticed a mechanical drop of hard discounters as a result of the transformation of DIA stores into convenience stores.
- Private labels are still struggling, not only in the hard discounters, but also in hypermarkets and supermarkets where their share of supply, but also their price gap, with the national brands has been reduced.
- Promotion has been increased after several years of cut back.
- Brands of multinational and millionaire groups are facing difficulties due to the price war, assortment reduction and the promotional outburst. On the contrary small groups (less than 50 million euros revenue per year) are growing because of their assortment extensions in response to the strong demand of consumers.
- Within the slow growth of the FMCG market, organic food has an outstanding performance, +18% in value sales despite supply struggles. In Q2 2017, the market share of organic food rose by 3.8% (+0.5pt) in grocery stores.



# Macro-economic context – France

## GDP and household expenditure evolution, in %, versus year ago, in France

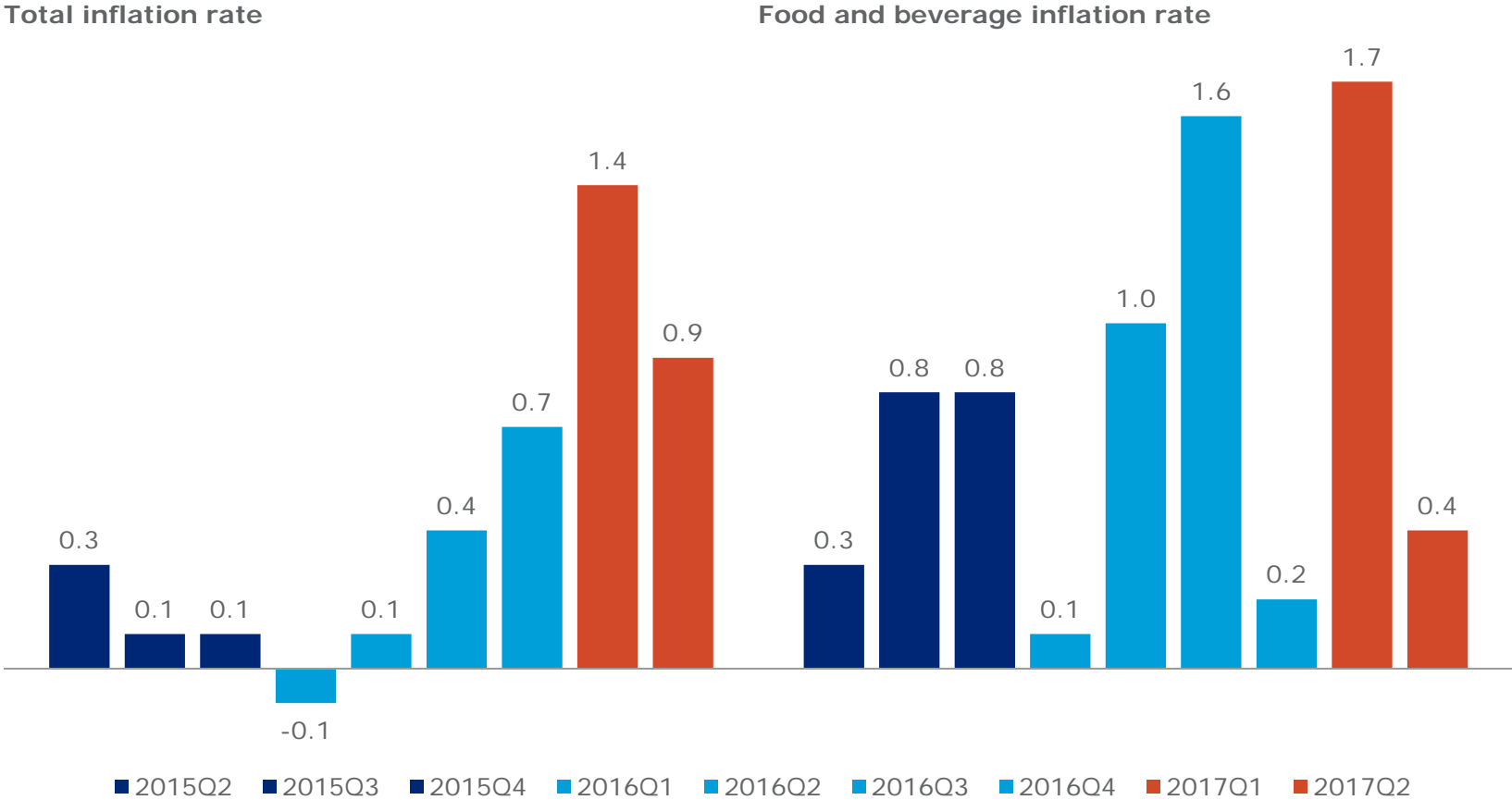


Source: Eurostat



# Macro-economic context – France

## Total inflation and food & beverage evolution, in %, versus year ago, in France



Source: Eurostat

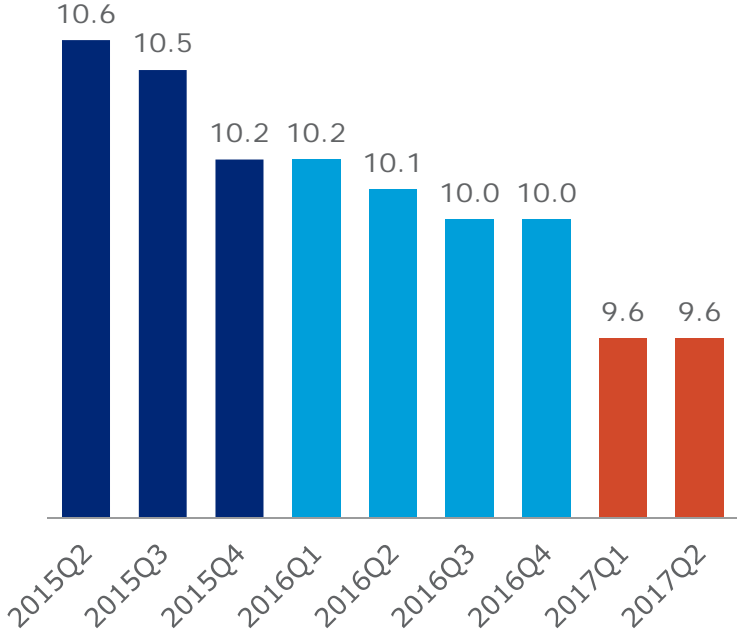




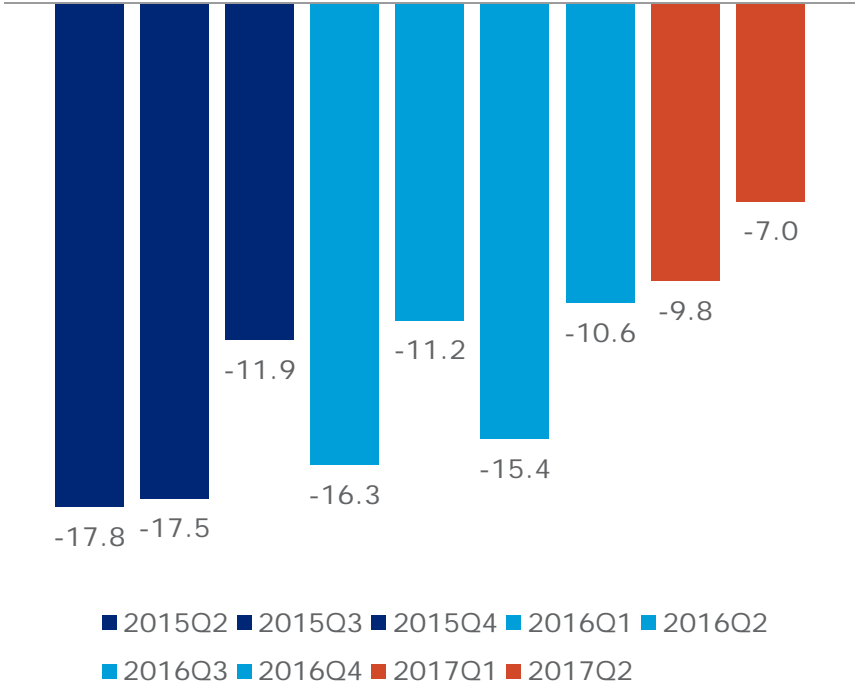
# Macro-economic context – France

## Unemployment and household confidence evolution, in %, in France

Unemployment rate



Confidence level



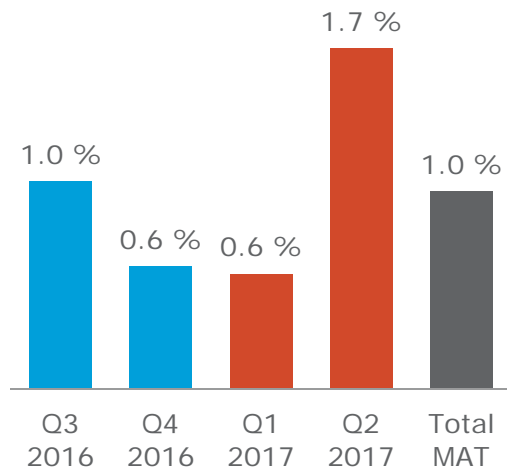
Source: Eurostat



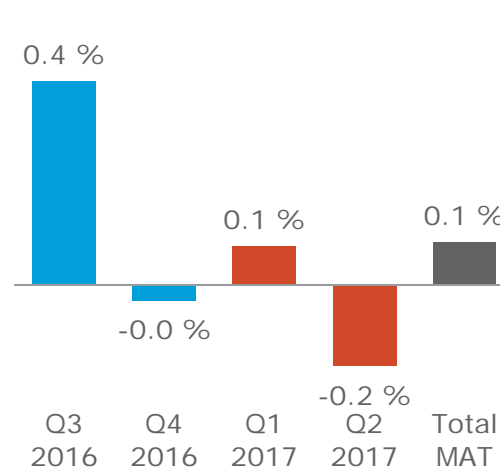
# Total FMCG, Q2 2017 - France

## FMCG evolution in value, volume and volume price, in %, in France

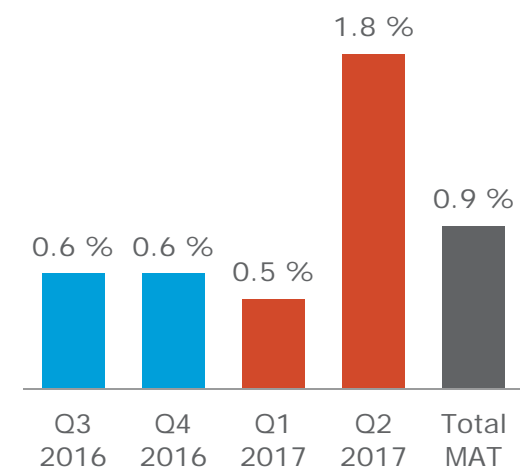
Total FMCG value



Total FMCG volume



Total FMCG volume price



### Comments

- See slides 4 and 5.

Source: IRI

Coverage: hypermarkets, supermarkets, click and collect, convenience stores and EDMP (hard discounters)







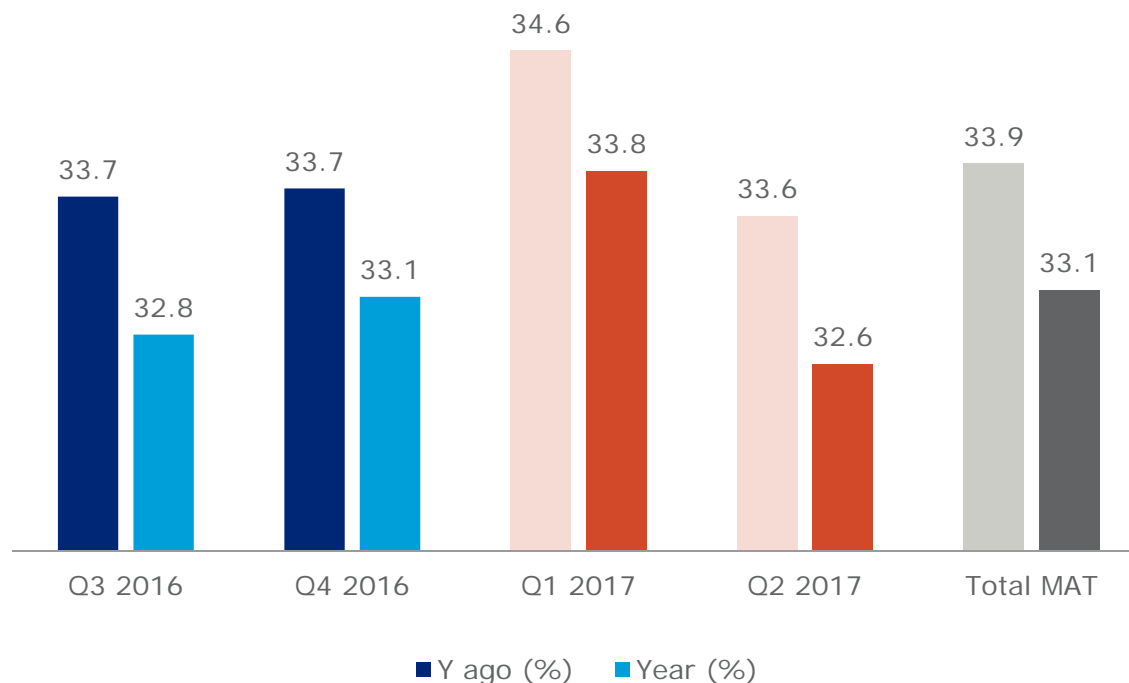
# Private label, Q2 2017 – France

## Total FMCG private label market share, in %, in France

Total FMCG private label market share

### Comments

- See slides 4 and 5.



Source: IRI

Coverage: hypermarkets, supermarkets, click and collect, convenience stores and EDMP (hard discounters)





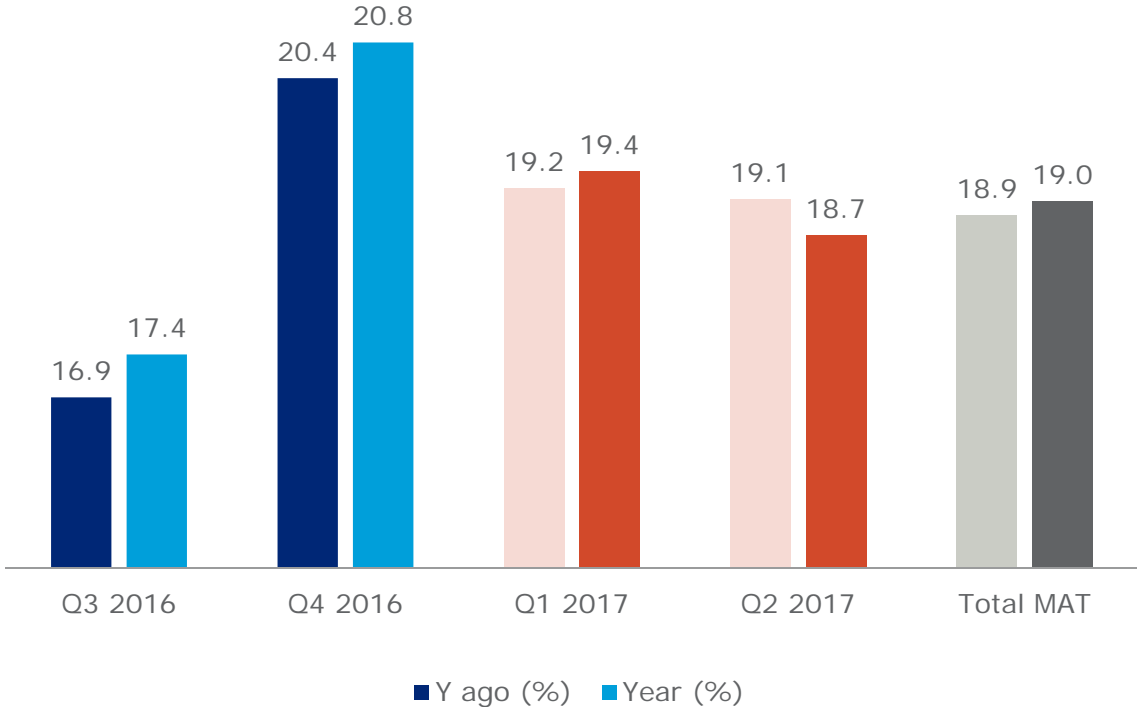
# Promotion, Q2 2017 - France

## Total FMCG value on promotion, versus year ago, in %, in France

FMCG value on promotion

### Comments

- See slides 4 and 5.



Source: IRI  
Coverage: hypermarkets, supermarkets

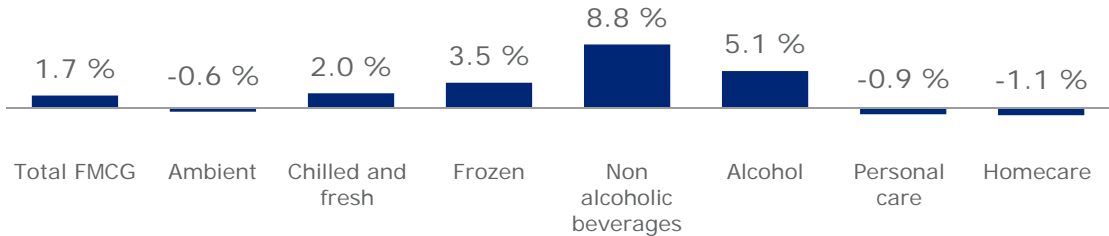




# Categories short term sales, Q2 2017 - France

## FMCG categories value, volume and price evolution, in %, in France

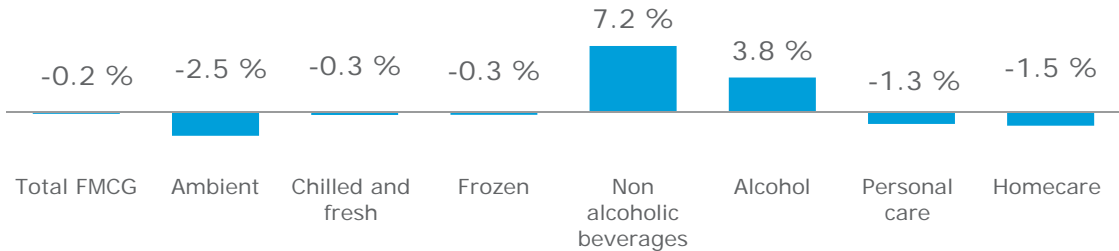
### Value (%)



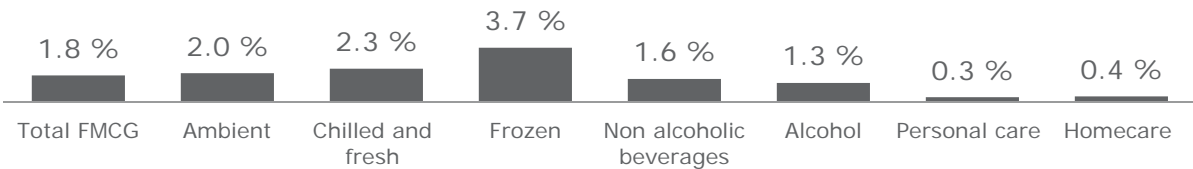
### Comments

- See slides 4 and 5.

### Volume (%)



### Price (%)



Source: IRI

Coverage: hypermarkets, supermarkets, click and collect, convenience stores and EDMP (hard discounters)

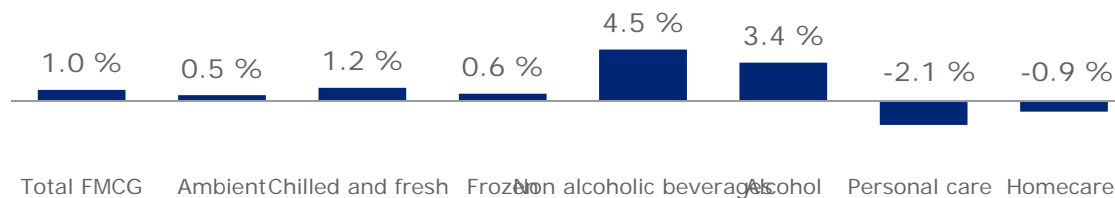




# Categories sales, moving annual total, Q2 2017 - France

## FMCG categories value, volume and price evolution, in %, in France

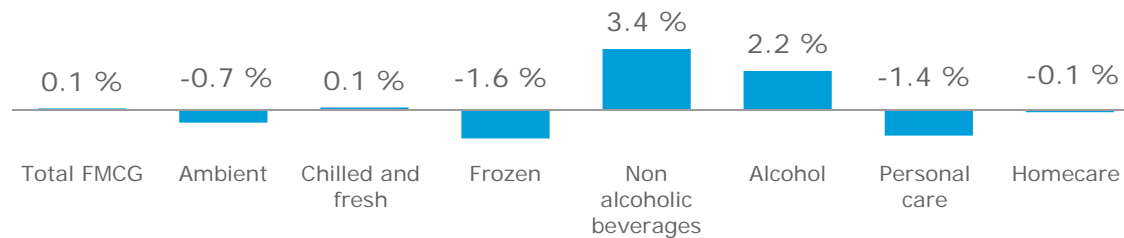
### Value (%)



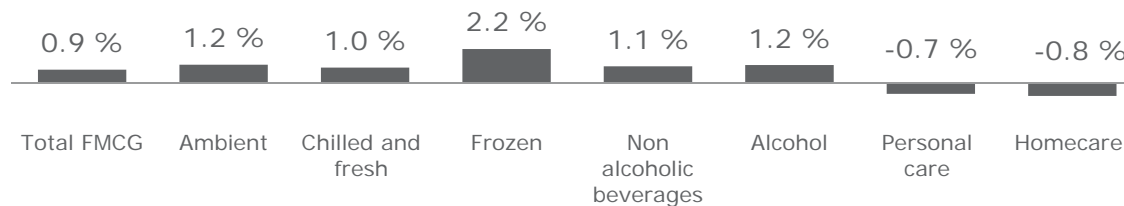
### Comments

- See slides 4 and 5.

### Volume (%)



### Price (%)



Source: IRI

Coverage: hypermarkets, supermarkets, click and collect, convenience stores and EDMP (hard discounters)

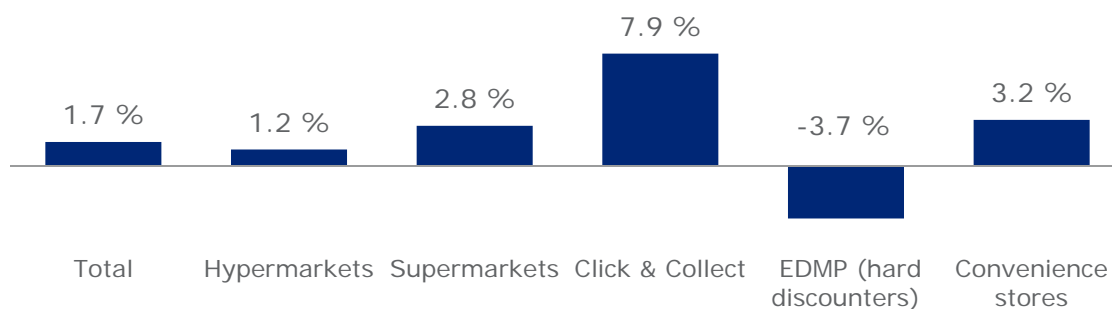




# Channels landscape, Q2 2017 - France

## FMCG channels weight evolution, in %, in France

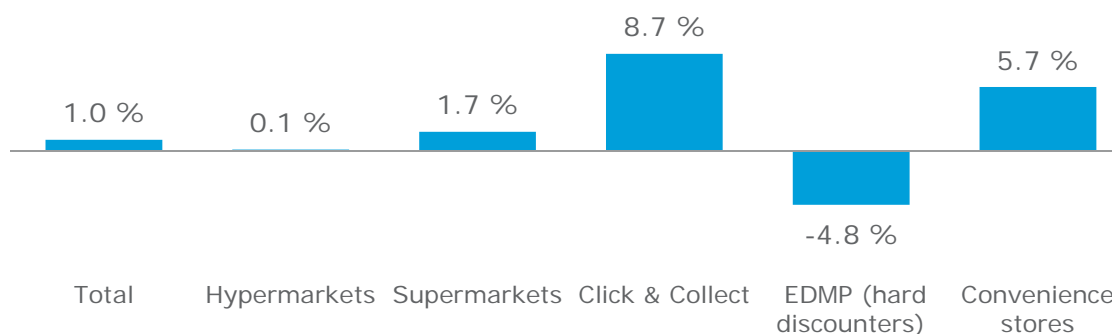
### Channels short term results



### Comments

- See slides 4 and 5.

### Channels MAT results



Source: IRI

Coverage: hypermarkets, supermarkets, click and collect, convenience stores and EDMP (hard discounters)

# Growth Opportunities

- **Price and promotion can't be the only levers.** Retailers need to find differentiations in the shopping experience (e.g. assortment, services, channels).
- **As margins are shrinking** for retailers and manufacturers, they need **to focus on collaboration** and work as partners with one common objective: to enhance the shopper experience. Big data technology and collaborative portals will enable both parties to better understand the path to purchase.
- Manufacturers and retailers can use the same **assortment optimisation** solution that assesses the true value of each item, based on its attributes (such as pack size, format, function, price band, etc.), to identify and understand crucial elements that influence shopper decisions and the drivers of growth for individual brands and a category as a whole.
- Brand teams need **a clear view of what impacts each trip mission** for each shopper segment if they are to gain market share and/or develop margins.

- **Systematic promotion analysis must become normal practice.** With set goals, appropriate analytics solutions will simulate price and promotion tactics to improve margins, revenue, brand and category performance as well as competitive advantage.



# Resources

## HOW WE CAN HELP YOU DRIVE GROWTH?

- **IRI Global Executive Market Reviews (IRI GEMs)** give Fast Moving Consumer Goods (FMCG) manufacturers and retailers access to POS-based information outside of their home country. This solution is ideal for exploring new market opportunities, to understand the players and products in countries where you don't yet have a presence. This is also valuable for understanding new or adjacent categories in foreign markets. IRI GEMs are based on the retail census data IRI collects from grocery, drug and other available FMCG retailers across countries. Information is available from the United States, the UK, France, Germany, Spain, Italy, the Netherlands, Greece, Puerto Rico, Australia, New Zealand and Japan.
- **IRI Price & Promo models** provide a global analytical solution for all revenue management needs. They enable both retailers and manufacturers to get fast and in-depth category insights on key price and promotional levers, to understand their respective impacts on the portfolio, allowing full return on investment analyses, identifying growth opportunities, and enhancing overall bottom line.

## WHY ONLY WITH IRI?

- **Faster:** IRI's unique Liquid Modeling™ technology, leverages WhiteBox in-memory database-farm to ensure integrated workflows with high responsiveness and unprecedented speed across the what, so what and now what.
- **More Accurate:** Proprietary IRI algorithms and advanced prescriptive analytic methodologies identify opportunities, quantify the revenue potential and recommend specific actions.
- **Proven:** A never before used integrated and expanded causal dataset, built on the basis of three decades of unique IRI expertise.
- **Trusted:** Working with 95% of CPG, retail and health & beauty companies in the Fortune 100.
- **Certified:** The biggest and fastest growing marketing analytics centre in the world, located in Europe and ISO certified.

# IRI State of the Nations

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## FINAL NOTES

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- **Source:** IRI InfoScan, syndicated retail tracking service.
- **Methodology:** Quarterly review, year-on-year data for fast moving consumer goods.
- **Channel coverage:** Hypermarkets, supermarkets, click and collect, convenience stores and EDMP (hard discounters).



# Contact

## FOR MORE INFORMATION

To gain deeper insights, predictive analysis and recommendations on specific products, categories, segments, channels or retailers contact your IRI Consultant or email:

[jacques.dupre@iriworldwide.com](mailto:jacques.dupre@iriworldwide.com)



## ABOUT IRI

**About IRI.** IRI is a leading provider of big data, predictive analytics and forward-looking insights that help CPG, OTC health care, retailers and media companies to grow. With the largest repository of purchase, media, social, causal and loyalty data, all integrated on an on-demand cloud-based technology platform, IRI guides over 5,000 clients globally in their quests to remain relentlessly relevant, capture market share, connect with consumers and deliver growth.

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