



# IRI State of the Nations

Snapshot of Consumer Goods Trends in Western Economies

Q3 2017

[www.iriworldwide.com](http://www.iriworldwide.com)

December 2017



**IRI**

Growth delivered.

# IRI State of the Nations Q3 2017



**IRi**

Growth delivered.



France



Germany



Greece



Holland



Italy



Spain



United  
Kingdom



Please attribute to 'IRI, the big data and technology expert for consumer industries'.

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





## Key findings - Greece

---

- As 2017 progresses, Greek economy conditions improve at a slow yet steady pace.
- A marginally positive GDP (0.6% in H1), with a retail turnover index at +2.0%, accompanied by a slightly decreased unemployment (22.0% in H1 versus 2016's 23.5%), form the first signs of recovery.
- Following this, the FMCG market turns positive, growing 1.0% in January-September period in terms of value. Q3 stand alone scores +5.3%.
- Nevertheless, FMCG growth could be considered partially fictitious, due to the reactivation of ex-Marinopoulos stores (under Sklavenitis banner), which have drawn volumes of grocery sales back to supermarkets.
- Large supermarkets (1000-2500 sqm) is the only store format that continues to shrink (it still holds the largest contribution in sales at 39.8%).
- Frozen food is a growing champion among product families, increasing value sales by 6.2% (in moving annual total).
- Dairy categories' heavy fall over the last years seems to settle down (value sales -0.7% in January-September versus 2016).



## Key findings - Greece

---

- Tax peak season (mid Q3 and Q4) historically impacts on consumer behaviour and expenditure levels.
- Once again, market shares in the retail landscape are reallocated due to the recent national penetration of Sklavenitis via ex-Marinopoulos stores.
- National brands outperform private labels (1.1% versus -0.2%).
- Promotion war is the established status in Greek retail. Promotional expenditure is mainly funded by manufacturers. Lack of targeted personalised promotions in favour of across category deep discounts.
- Following the increased consolidation of the market, even small/regional players have joined supermarket groups, operating either under a single or individual banner.
- Lidl's growth has halted due to the new Sklavenitis stores activation.
- While the current players store expansion has smoothed out over Q3, rumours of a new entry of an international retailer are spreading through the market.

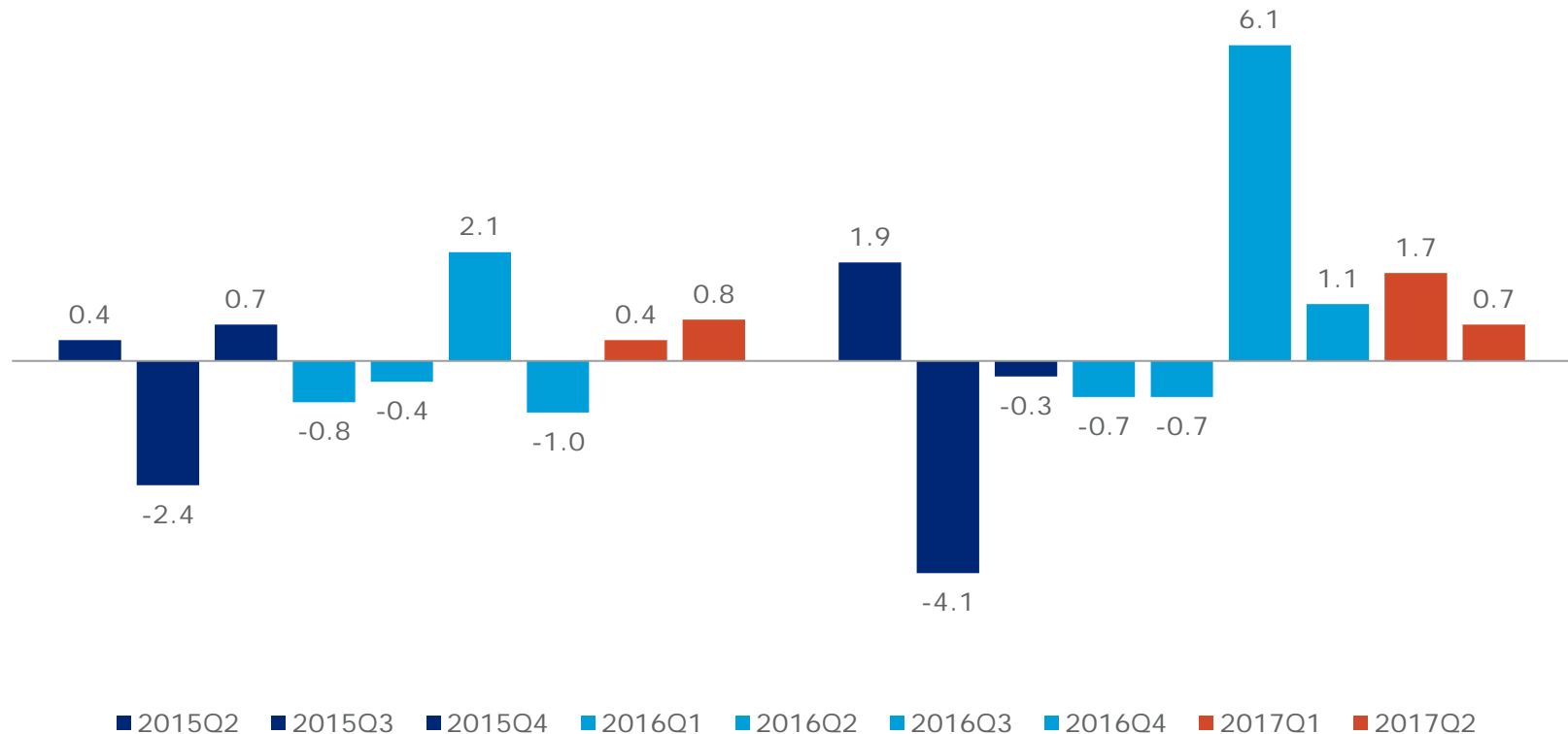


# Macro-economic context – Greece

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

GDP evolution

Household expenditure



Source: Eurostat

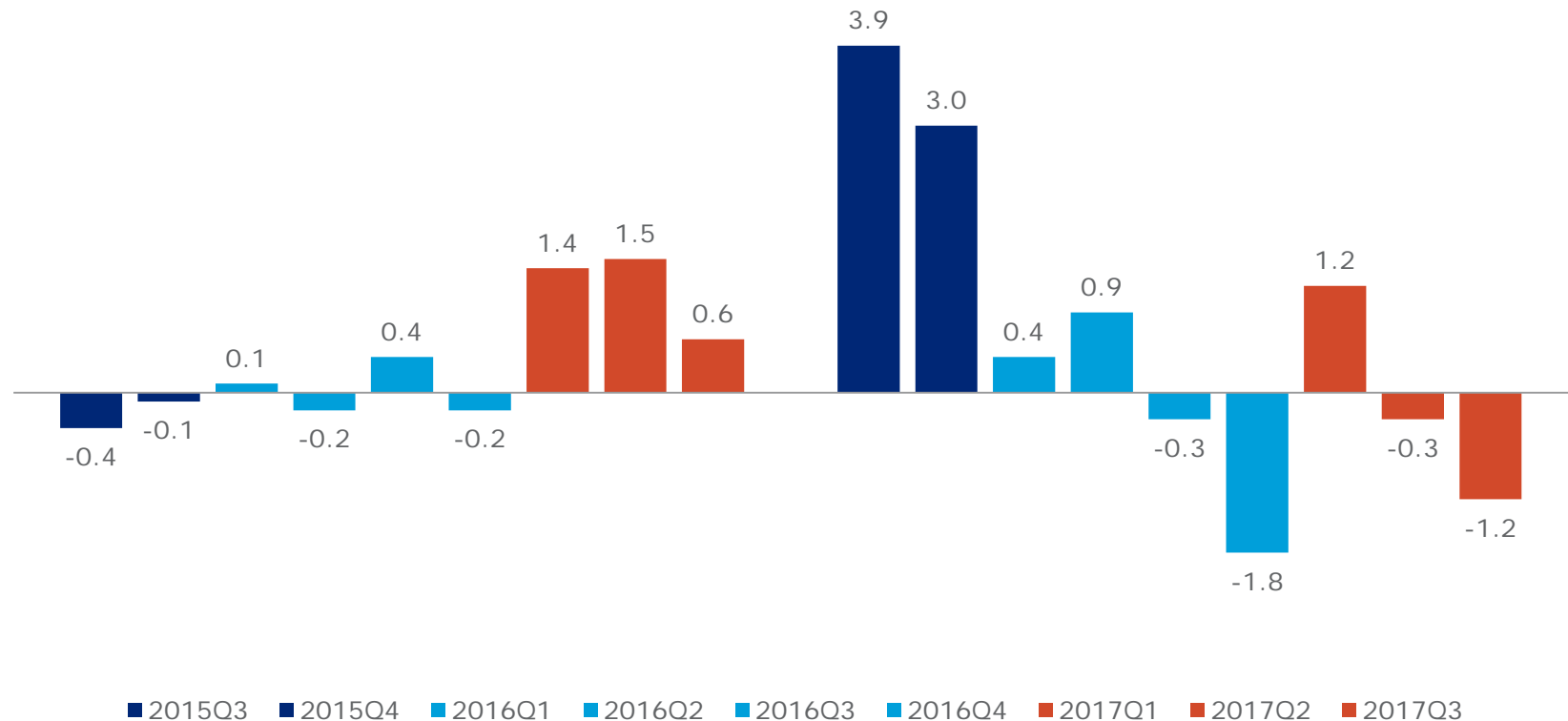


# Macro-economic context – Greece

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

Total inflation

Food and beverage inflation



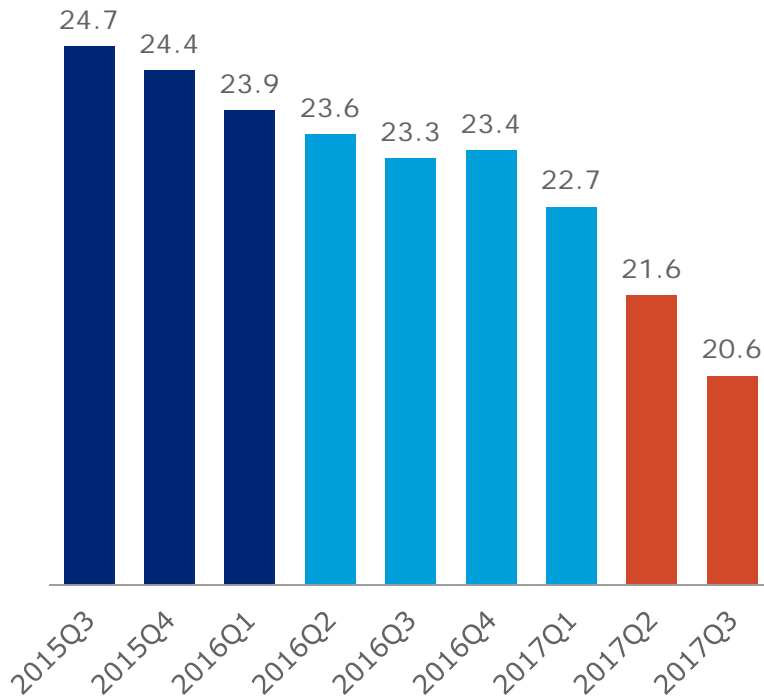
Source: Eurostat



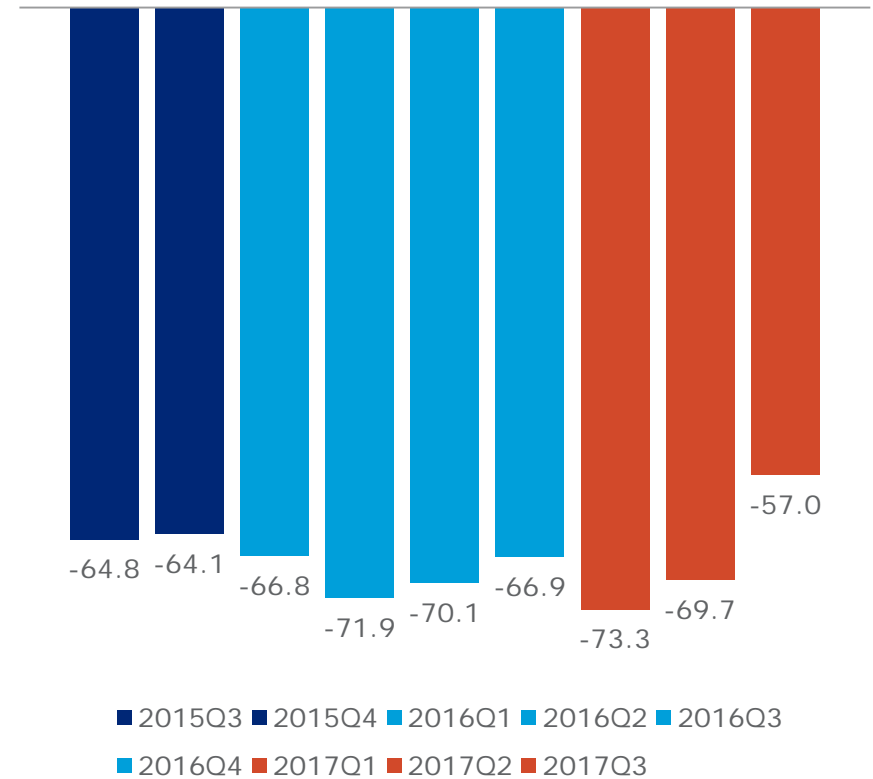
# Macro-economic context – Greece

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

Unemployment rate



Household confidence level

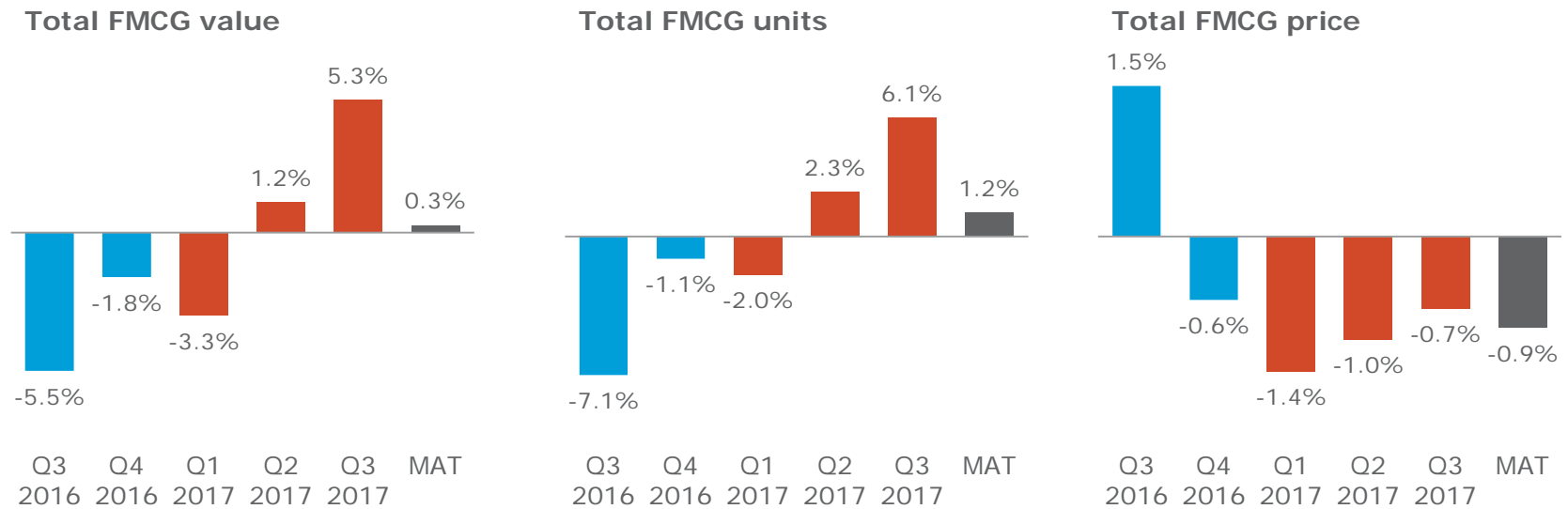


Source: Eurostat



# Total FMCG, Q3 2017 – Greece

FMCG evolution in value, volume and volume price, in %, in Greece



## Comments

- FMCG price levels have dropped during 2017.
- On-going promo war among all-scale retailers.

Source: IRI

Coverage: hypermarkets and supermarkets

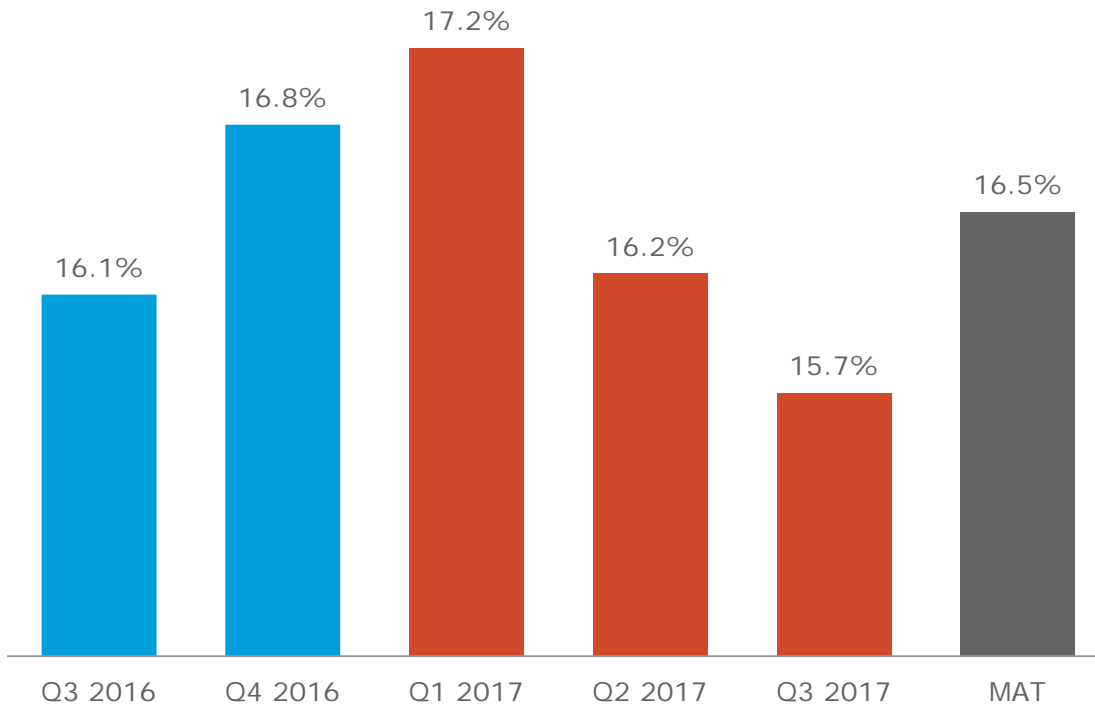




# Private labels, Q3 2017 – Greece

Total FMCG private label market share, in %, in Greece

Total FMCG private labels market share



## Comments

- National brands outperform private labels.

Source: IRI

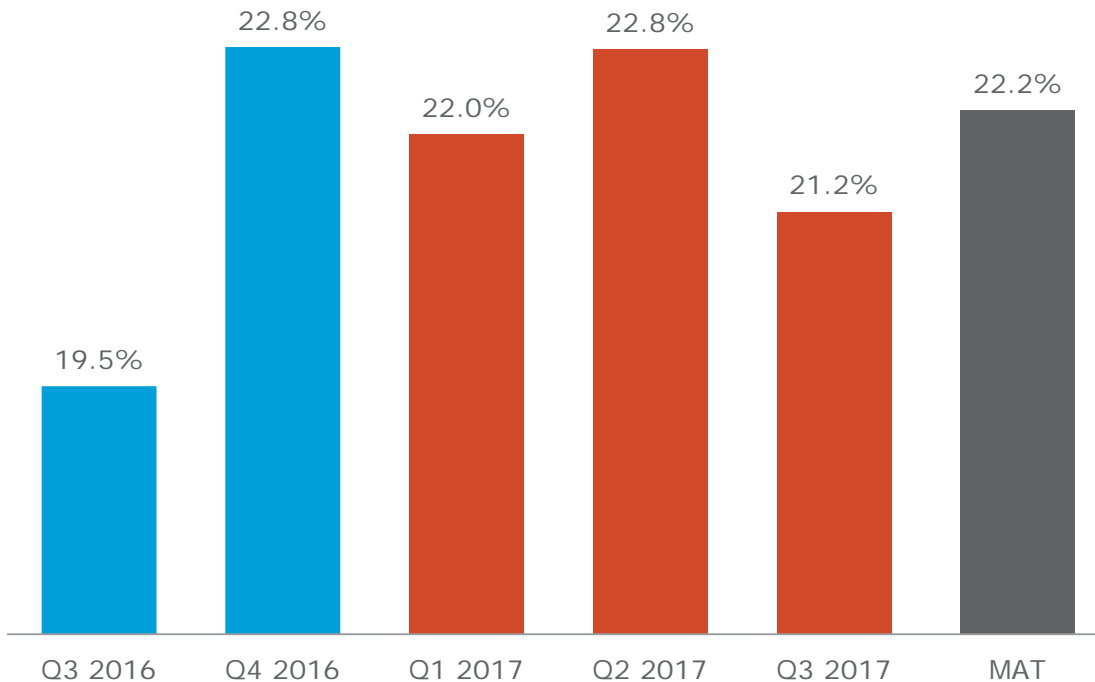
Coverage: hypermarkets and supermarkets



# Promotion, Q3 2017 – Greece

Total FMCG value on promotion, versus year ago, in %, in Greece

Total FMCG value on promotion



## Comments

- Cross category promotions, especially in non-food segments, are the established status quo in modern retail.
- Promotional expenditure is mainly funded by manufacturers.

Source: IRI

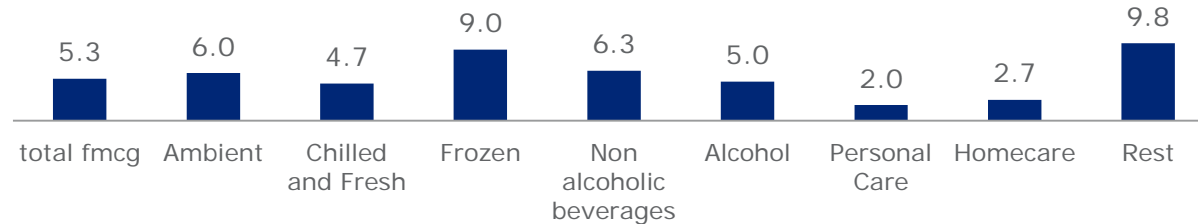
Coverage: hypermarkets and supermarkets



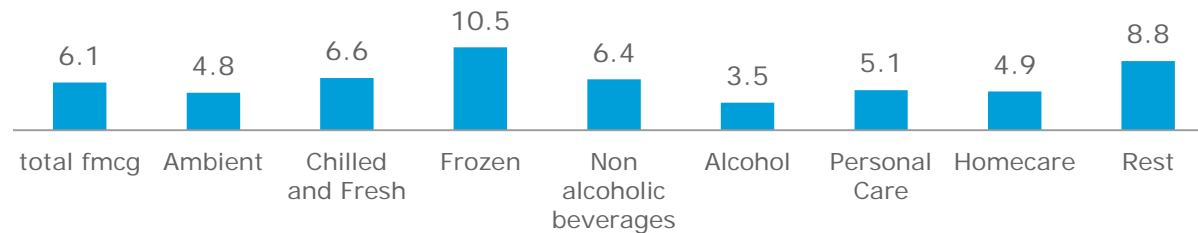
# Categories short term sales, Q3 2017 – Greece

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

### Value (%)



### Unit (%)



### Price (%)



### Comments

- All FMCG segments are boosted during Q3.
- A drop in price level across product families, mainly due to on-going heavy promotions.
- Frozen products are still the champion in FMCG growth.
- Alcoholic drinks show an increase in value sales, mainly due to the tax increase on beers.
- Personal care and homecare categories are struggling due to heavy promotions.

Source: IRI

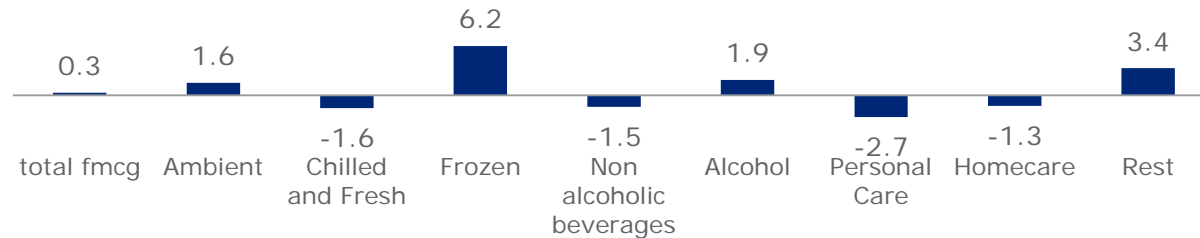
Coverage: hypermarkets and supermarkets



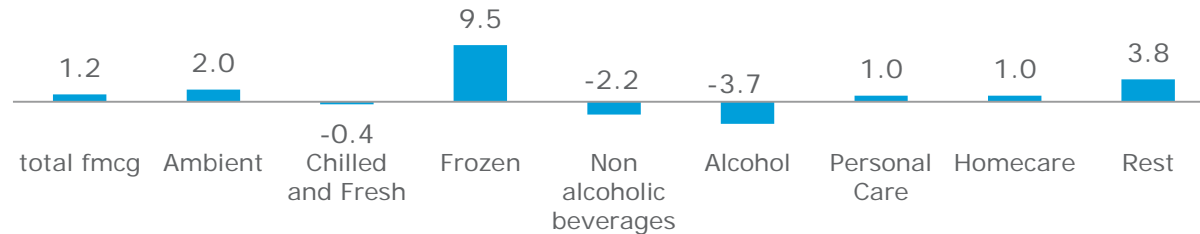
# Categories sales, moving annual total, Q3 2017 – Greece

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

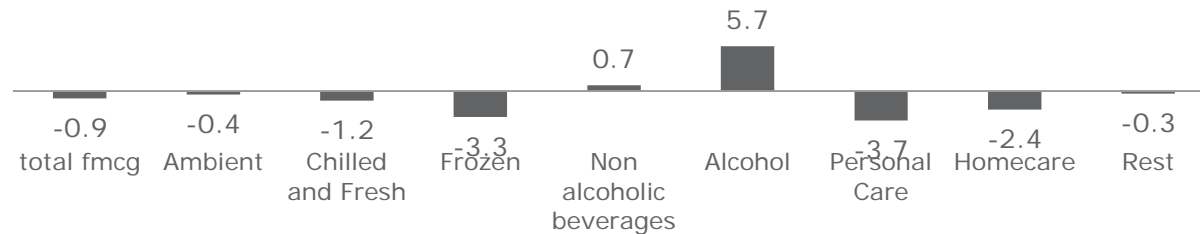
### Value (%)



### Unit (%)



### Price (%)



### Comments

- Dry and frozen food “hold” their growth in MAT.
- Alcohol categories depict fictitious value sales growth due to tax implementations on beer during 2016.
- Personal care and homecare, where major multinational players compete, have undergone significant price level decreases and on-going promo pressure.

Source: IRI

Coverage: hypermarkets and supermarkets

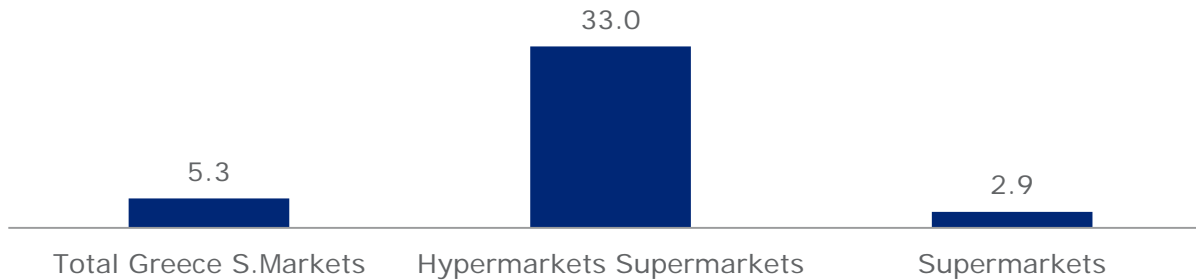




# Channels landscape, Q3 2017 – Greece

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

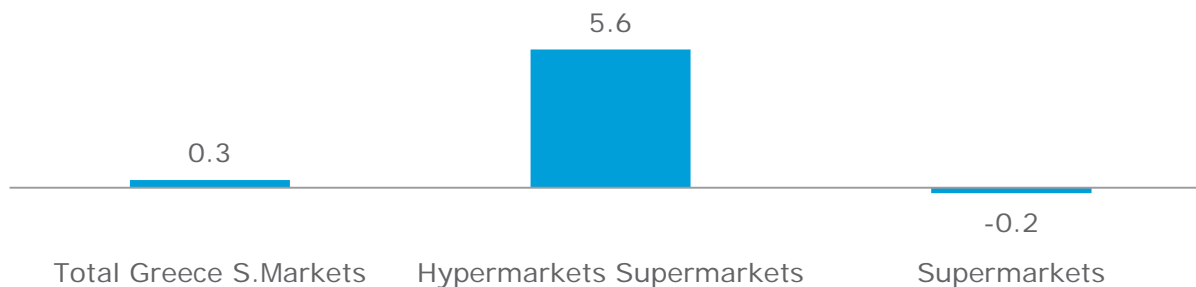
### Channels short term results



### Comments

- Sklavenitis new stores (ex-Marinopoulos was the main player in Hypermarket stores) significantly boost Hypermarket sales.

### Channels MAT results



Source: IRI

Coverage: hypermarkets and supermarkets

# 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.

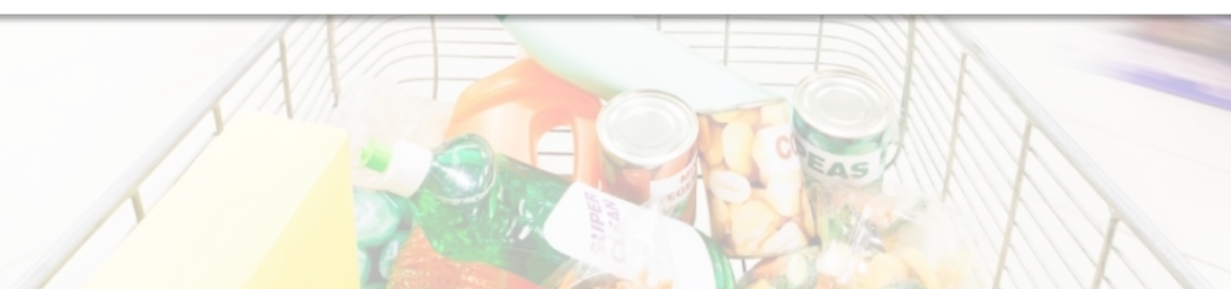
# IRI State of the Nations

---

## FINAL NOTES

---

- **Source:** IRI InfoScan, syndicated retail tracking service.
- **Methodology:** Quarterly review, year-on-year data for fast moving consumer goods.
- **Channel coverage:** Hypermarkets and supermarkets





# 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:

[Evangelos.Danomaras@IRIWorldwide.com](mailto:Evangelos.Danomaras@IRIWorldwide.com) or  
[Evangelos.Foskolos@IRIworldwide.com](mailto:Evangelos.Foskolos@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.

**IRIworldwide.com**

Copyright © 2017 Information Resources, Inc. (IRI). All rights reserved. IRI, the IRI logo and the names of IRI products and services referenced herein are either trademarks or registered trademarks of IRI. All other trademarks are the property of their respective owners.