



# IRI Pulse Report Household

Welcome to the Pulse Q4 2013 edition for household. We hope you find it useful. Please do not hesitate to contact us if you have any questions or comments at [EU.Marketing@IRIworldwide.com](mailto:EU.Marketing@IRIworldwide.com).

**Q4 2013**

[IRIworldwide.eu](http://IRIworldwide.eu)



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## About the Report

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- This household report is one of ten super category reports designed to show high-level comparison and analysis for retail markets across major countries in Europe.
- This report contains data gathered from across Europe. The market was split into the following categories: air fresheners, dishwashing, household cleaners, shoe cleaners, cleaning supplies, insecticides, fabric detergents, fabric enhancers and paper disposables.
- The report highlights key metrics such as total sales figures, market trends, category share, and winners and losers for Europe and for individual countries.
- The data has been sourced from IRI retail databases and Eurostat, the statistical branch of administration for the European Commission.
- The countries included in the report are: France, Germany, Italy, the Netherlands, Spain and the United Kingdom (UK).
- The market channels used for each country in this report are as follows:

Country	Channels used
UK	Hypermarkets, supermarkets, drugstores and impulse outlets
ES	Hypermarkets, supermarkets, hard discounters, and drugstores, including the Canary Islands
DE	Hypermarkets, supermarkets, hard discounters and drugstores
NL	Hypermarkets, supermarkets, hard discounters and drugstores
IT	Hypermarkets, supermarkets, small self service, hard discounters and drugstores
FR	Hypermarkets and supermarkets

- For analytical purposes the data sourced from available retail databases has been consolidated to provide consistent results. However, for some countries it has not been possible to source data pertaining to certain categories. Where it has occurred it has been documented in the notes section found at the end of the report.

## On the Radar

The fabric detergents category is the key driver behind the household market's decline in Europe in 2013. In France, interestingly, this category was the main reason for growth in 2012 but it is now in a much weaker position. This category recorded significant losses in Italy (-€84m), Spain (-€51m) and Germany and the UK (-€33m). As fabric detergents accounts for 21% of the overall household sector and is largely seen as essential, overall performance can't improve until this category is turned around with a better value per wash score.

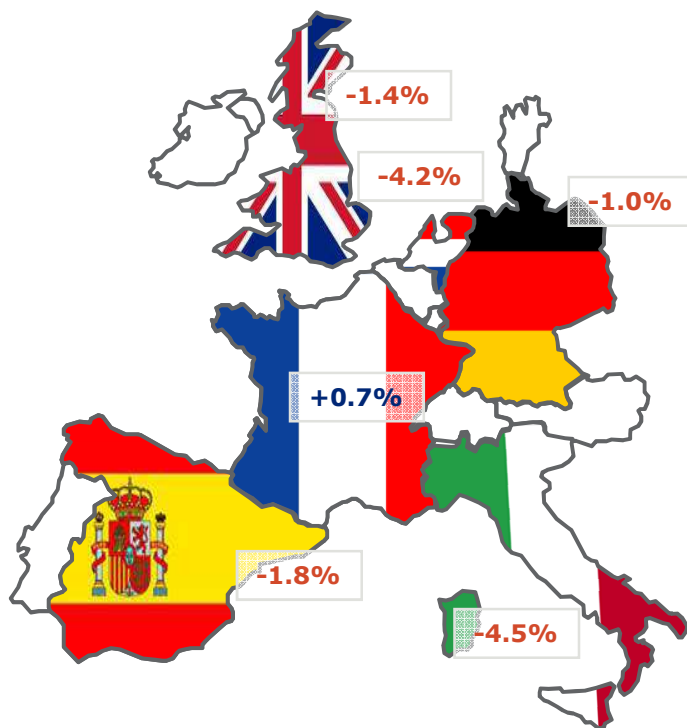
### ECONOMIC FIGURES INFLUENCING CONSUMER BEHAVIOUR

	POPULATION IN MILLIONS		UNEMPLOYMENT (%)		AVERAGE 12 MONTHS INFLATION RATES		GDP IN MILLIONS (€)	
	Jan. 2012	Jan. 2013	Sep. 2013	Average 2012	Sep. 2013	Average 2012	2012	2013 (Estimate)
France	65.3	65.6	11.1	10.2	+1.2	+2.5	2 032 297	2 059 358
Germany	80.3	80.5	5.2	5.5	+1.8	+2.4	2 644 200	2 694 499
Italy	59.3	59.6	12.5	10.7	+1.8	+3.5	1 565 916	1 568 388
Netherlands	16.7	16.8	7.0	5.3	+3.1	+2.8	600 638	604 459
Spain	46.8	46.7	26.6	25.0	+2.3	+2.3	1 049 525	1 051 076
United Kingdom	63.4	63.8	7.5	7.9	+2.7	+3.7	1 901 001	1 854 920

Source: Eurostat, September 2013

# Global Trends

## TOTAL HOUSEHOLD VALUE SALES AND % CHANGE VERSUS PRIOR YEAR

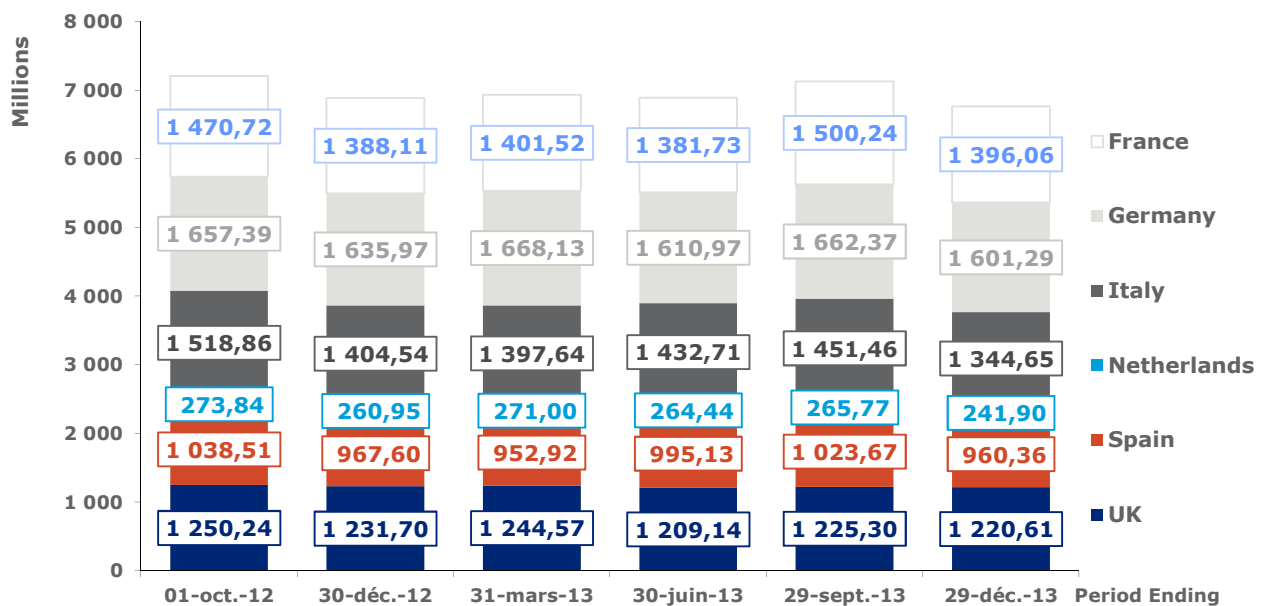


VALUE SALES IN MILLIONS (€)	
Total EU	27 724
DE	6 543
FR	5 680
IT	5 626
UK	4 900*
ES	3 932
NL	1 043

\*based on an exchange rate of €1.150 to the pound

**TOTAL EUROPE -1.7%**

## TOTAL HOUSEHOLD VALUE SALES FOR THE LAST SIX QUARTERS

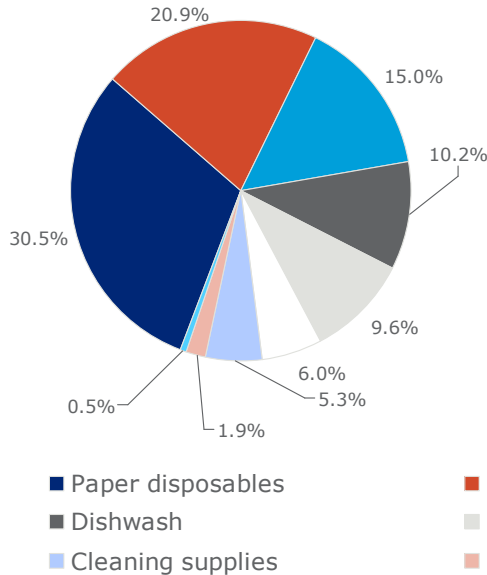


Source: IRI retail databases; period ending 29 December 2013

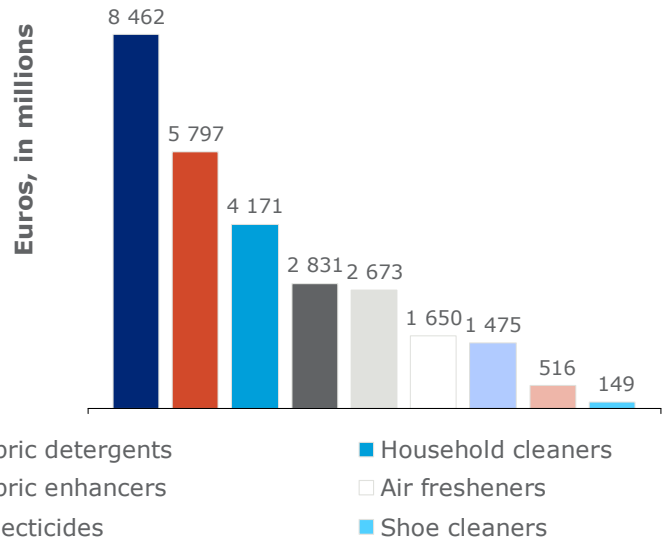


# Europe

## CATEGORY SHARE OF VALUE IN THE LAST YEAR

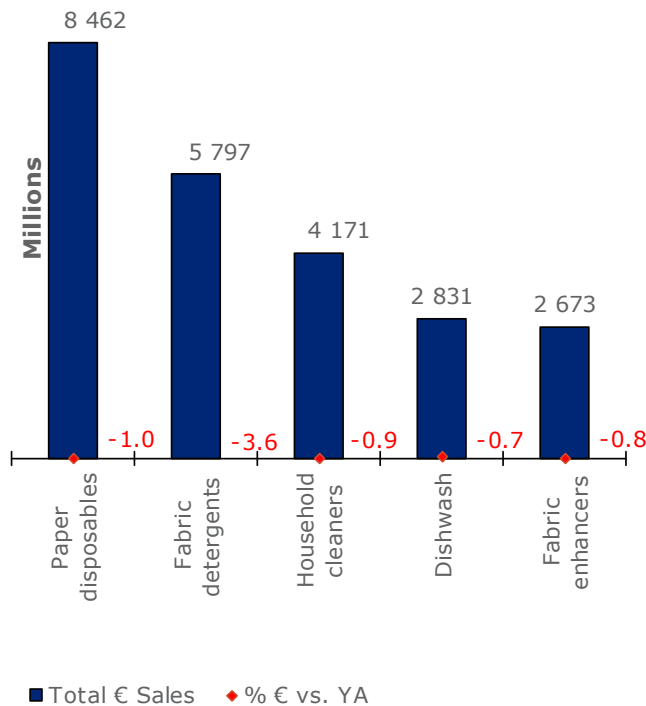


## CATEGORY VALUE SALES IN THE LAST YEAR



## TOP 5 CATEGORIES: EVOLUTION

Value sales (€) and % change versus a year ago



## KEY TRENDS

- France is the only country in Europe that has seen household sales grow, although value sales in Germany and the UK fell at a slower rate than the European total. Like last year, all countries have declined in comparison to the previous quarter as household categories are not a priority over Christmas.
- Sales are down -1.7% versus the prior year with none of the household categories in growth at a total European level. Fabric detergents and paper disposables are driving the decline with significant losses. This is an unusual situation for categories widely regarded as essential.
- These two categories account for more than half of total household sales. The total market will only be able to improve when these return to growth.

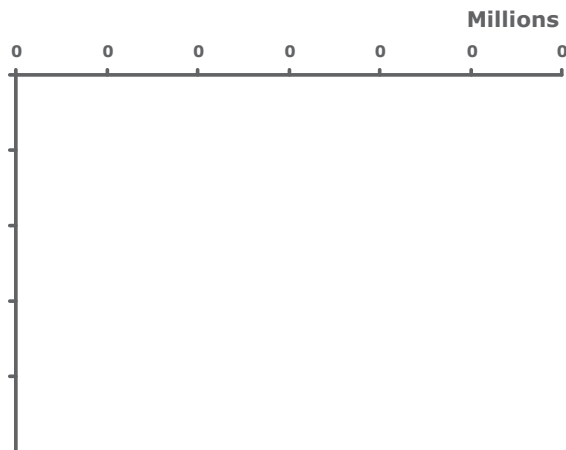
Europe includes: France, Germany, Italy, the Netherlands, Spain and the United Kingdom

Source: IRI retail databases; period ending 29 December 2013

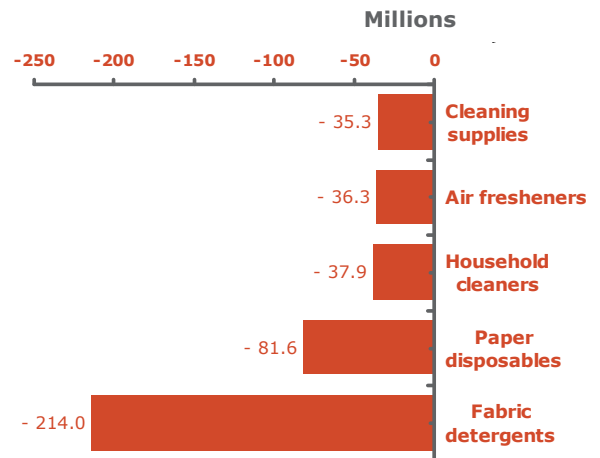


## Europe

### TOP WINNERS: VALUE SALES CHANGE VERSUS A YEAR AGO (€)



### TOP LOSERS: VALUE SALES CHANGE VERSUS A YEAR AGO (€)



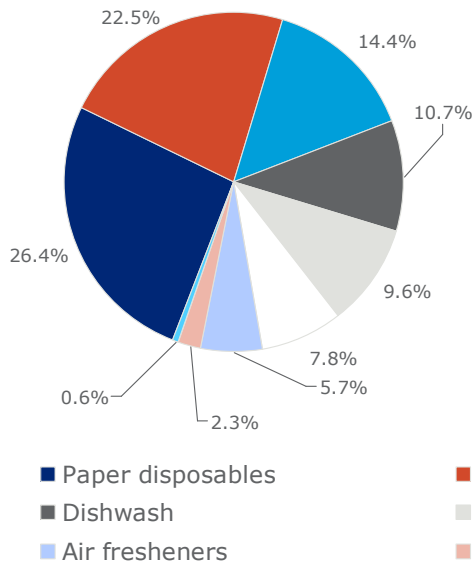
### CATEGORY INSIGHTS

- **Fabric detergents** is the largest area of decline at a European level with a greater fall than the other categories combined. All countries are in decline for this category excluding France. This drop is greater than €30m in Italy, Spain, the UK and Germany. Powder, which is in significant decline in Spain and the UK, is driving this negative outcome. Other formats are unable to achieve the required levels of growth to offset this downward trend.
- **Paper disposables** continue to decrease as France and Spain are unable to compensate for the losses seen in the UK, Italy and Germany. The UK decline is driven by private label in the soft sector, while Italy has seen losses across all sectors except napkins and wipes.
- **Household cleaners** are not performing well. This is driven by Italy but there are also losses in Spain. This fall in sales is across all sectors of the market.
- **Air fresheners'** sales have seen a decrease across every European country but none of the countries are declining strongly. Although this is not a top five performer in terms of share of household, this dip does move it into the bottom five categories in terms of performance.

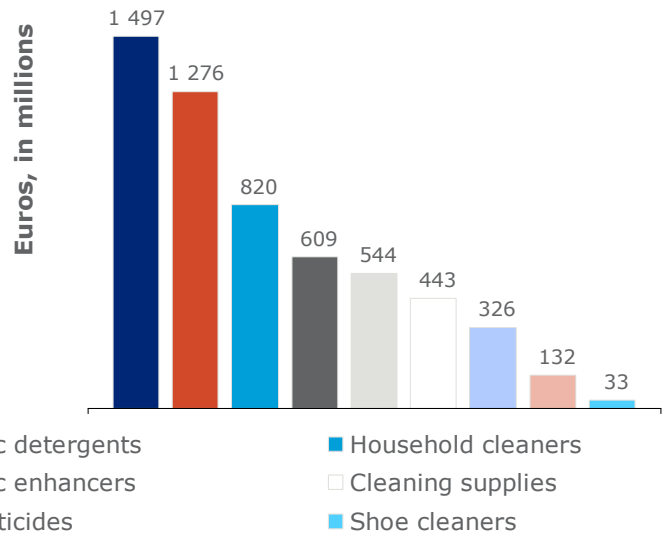
Europe includes: France, Germany, Italy, the Netherlands, Spain and the United Kingdom

Source: IRI retail databases; period ending 29 December 2013

## CATEGORY SHARE OF VALUE IN THE LAST YEAR

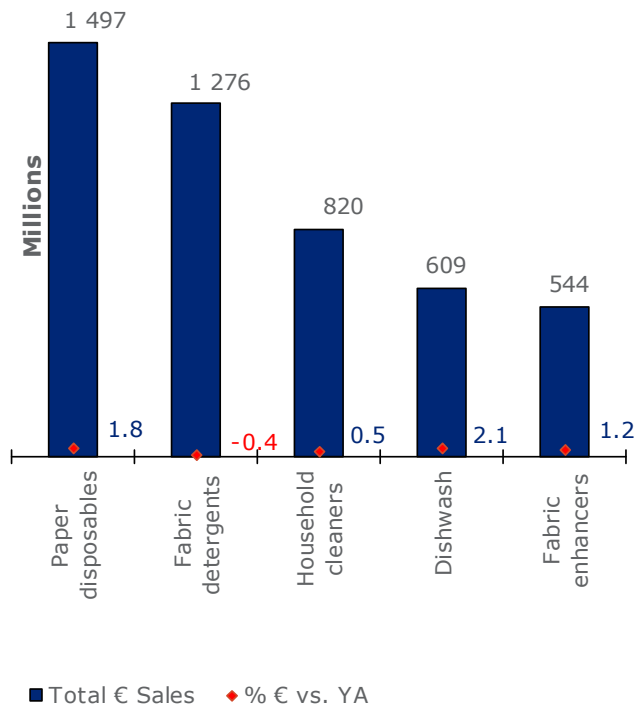


## CATEGORY VALUE SALES IN THE LAST YEAR



## TOP 5 CATEGORIES: EVOLUTION

Value sales (€) and % change versus a year ago



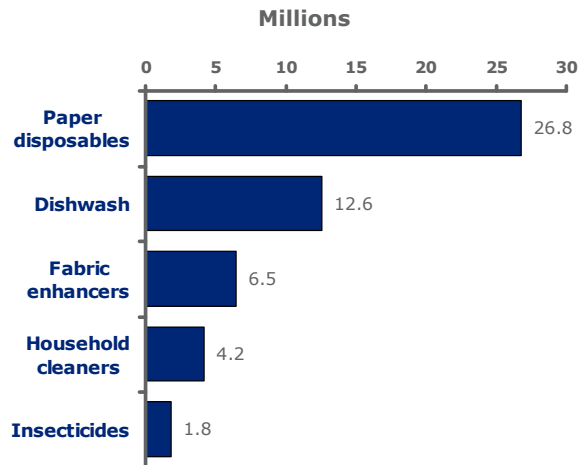
## KEY TRENDS

- France is the only country in Europe to register growth on household products, with a 0.7% increase in value sales versus a decline of 1.7% for Europe.
- But France's growth rate is slowing down quarter by quarter.
- Also FMCG as a whole is performing ahead of household products, with 1.4% growth in 2013.
- In 2013 the key fact for the household category was fabric detergents' downturn, which is interesting to note as it was the main growth lever in 2012.

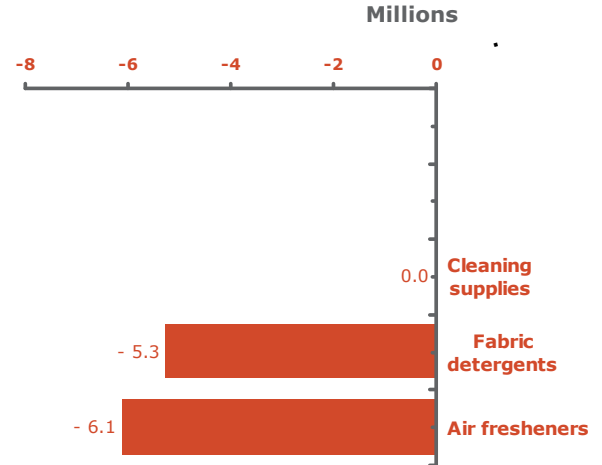
Source: IRI retail databases; period ending 29 December 2013



### TOP WINNERS: VALUE SALES CHANGE VERSUS A YEAR AGO (€)



### TOP LOSERS: VALUE SALES CHANGE VERSUS A YEAR AGO (€)



### CATEGORY INSIGHTS

- **Fabric detergents** have been slowing down quarter by quarter since the beginning of 2013. They ended 2013 with a decline in value sales: -0.4% versus approximately 5% in 2012. The strong increase of the capsules segment is not sufficient to offset the regression of all other product forms. The economic context now seems to be influencing on the category's health. Moreover, during the last two or three years, fabric was benefiting from liquid compaction, but it seems that now consumers are using the correct dose.
- **Paper disposables and dishwashing** grew mainly through promotional sales increases.
- **Household cleaners** have managed to offset their structural decline. All purpose cleaners are driving the category growth, mainly through innovation with the launch of a new product form: concentrated liquid gel.

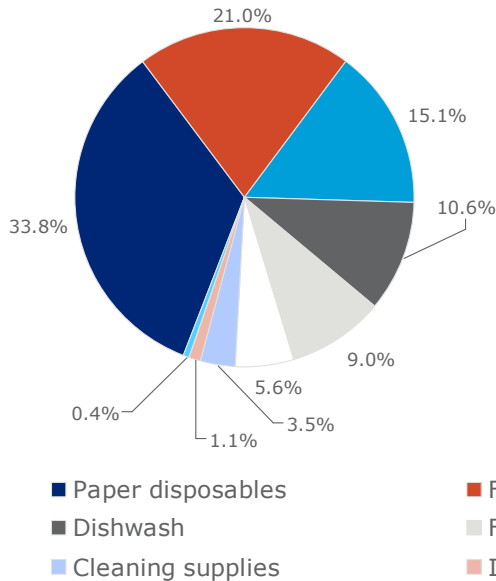
Source: IRI retail databases; period ending 29 December 2013



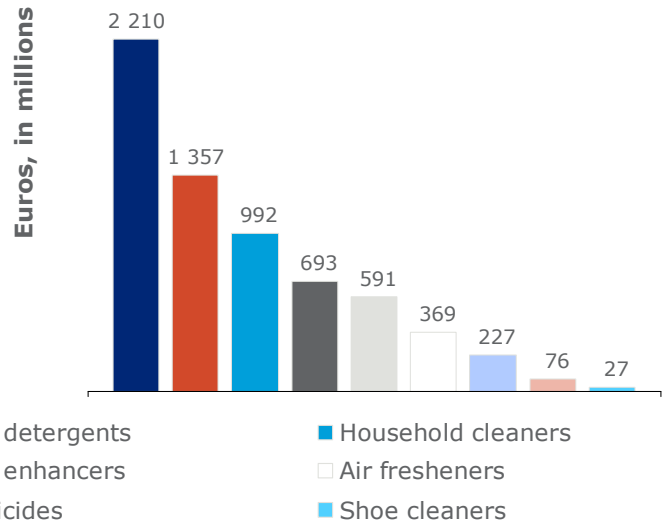


# Germany

## CATEGORY SHARE OF VALUE IN THE LAST YEAR

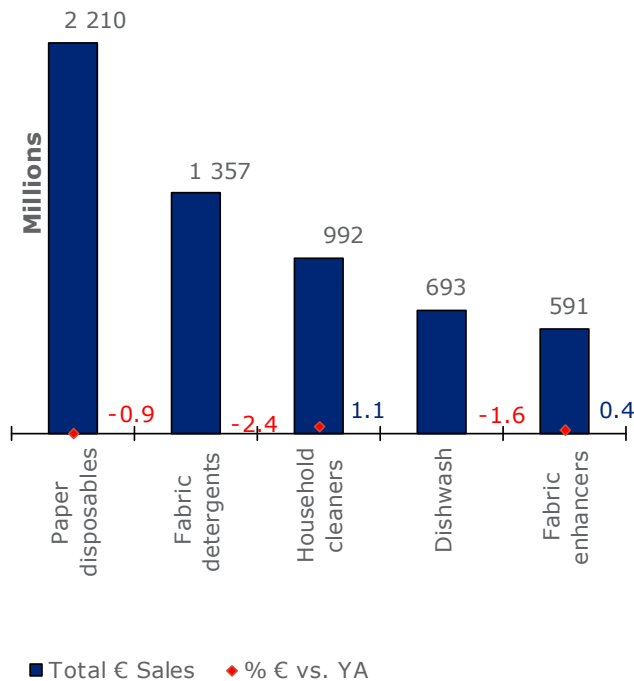


## CATEGORY VALUE SALES IN THE LAST YEAR



## TOP 5 CATEGORIES: EVOLUTION

Value sales (€) and % change versus a year ago



## KEY TRENDS

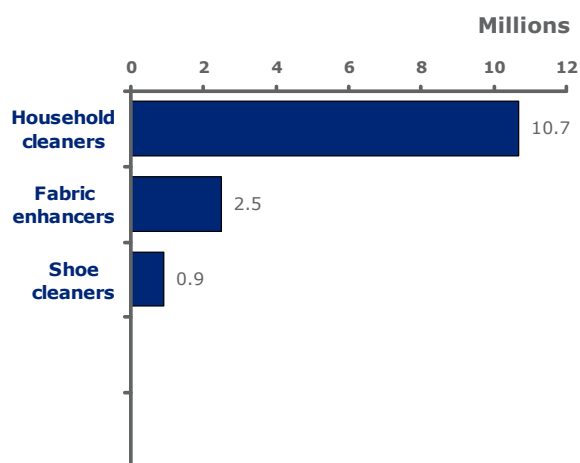
- The household market continues to experience a slight decline, driven by losses in fabric detergents and paper disposables.
- Although promotions contributed to approximately 22% of total sales, there has been a dip in promotional sales growth which is a reason for the overall category decline.
- Hypermarkets remain the major channel with stable growth. The major sub-channels are 1500-2499 square metre (sqm) and 2500-4999 sqm, which offset the losses in other sub-channels with their significant progress.
- Discounters have shown stable growth, especially driven by positive development in soft discounters. Whereas hard discounters display a fall driven by losses in Aldi. A decline in the paper disposables category has impacted Aldi's sales.
- Although other drugstores contributed to more than 50% of the sales in drugstores and show an overall positive development, they are unable to compensate for the bankruptcy of Schlecker.

Source: IRI retail databases; period ending 29 December 2013

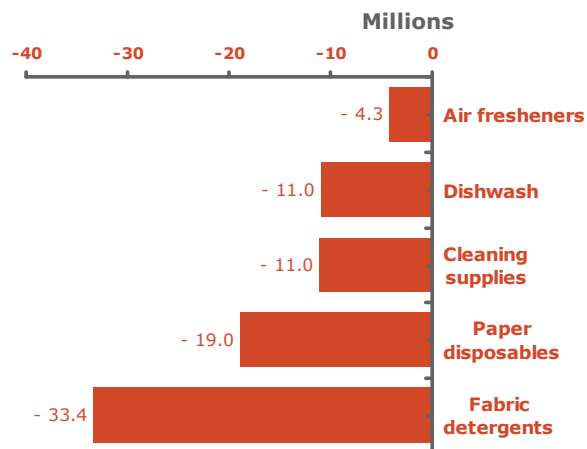


## Germany

### TOP WINNERS: VALUE SALES CHANGE VERSUS A YEAR AGO (€)



### TOP LOSERS: VALUE SALES CHANGE VERSUS A YEAR AGO (€)



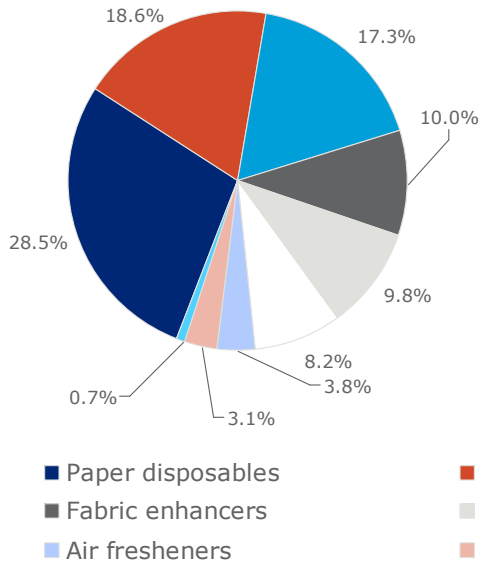
### CATEGORY INSIGHTS

- Household cleaners** lead the category driven by the value growth of toilet bowl cleaner and stones in all channels except for drugstores. Major channels with positive development are discounters and hypermarkets, together contributing to approximately 62% market share fuelled by higher promotions. The overall volume decline of the category is mainly due to losses in drugstores. Private label holds approximately 30% of share with stable growth but loses sales in drugstores.
- Fabric enhancers** show stable development driven by positive growth in the fabric softeners category. Discounters with 25.0% of the category share are the major contributors to the category's growth. Textile aids show double digit growth in discounters, especially hard discounters. Hypermarkets, which are also one of the major channels, show a stable development. Private label has 19.0% share but showed a dip in sales with losses in both drugstores and hypermarkets.
- Fabric detergents** are down in sales, mainly driven by the value losses in all purpose washing detergents. Hypermarket - being the major channel with around 42% market share - is the reason for the overall decline. Drugstores continue with their negative trend due to Schleckers' bankruptcy. Discounters play a major role in pumping up sales but are unable to offset the losses incurred from hypermarkets and drugstores. Private label commands approximately 22% market share, but shows a slight decline, mainly driven by losses in hypermarkets and drugstores.
- Due to heavy losses in the major categories of toilet paper and kitchen roll **the paper disposables** category continues to decline. Losses in discounters and drugstores pulled down the overall sales growth. Hypermarkets are the only channel with positive growth that helped to reduce the losses to some extent, but they were not able to offset it completely.
- Cleaning supplies** also showed a decline driven by losses in almost all channels. The dip in the category is mainly caused by hard discounters and drugstores. Private label is the major manufacturer with approximately 64% market share, but it is also declining with losses in hard discounters.

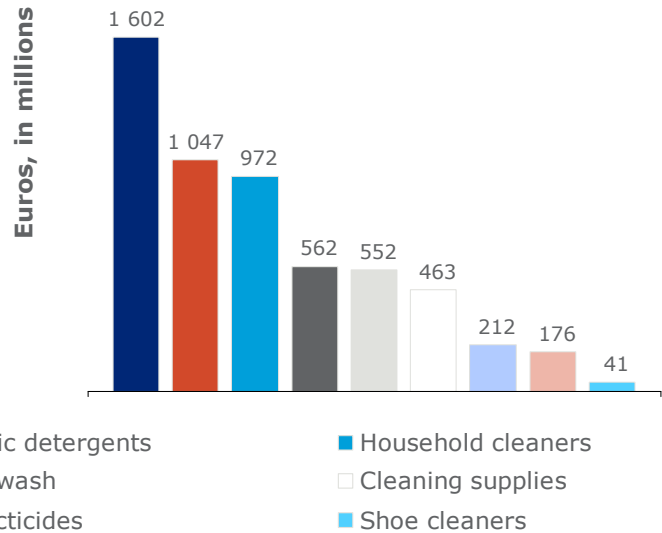
Source: IRI retail databases; period ending 29 December 2013



### CATEGORY SHARE OF VALUE IN THE LAST YEAR

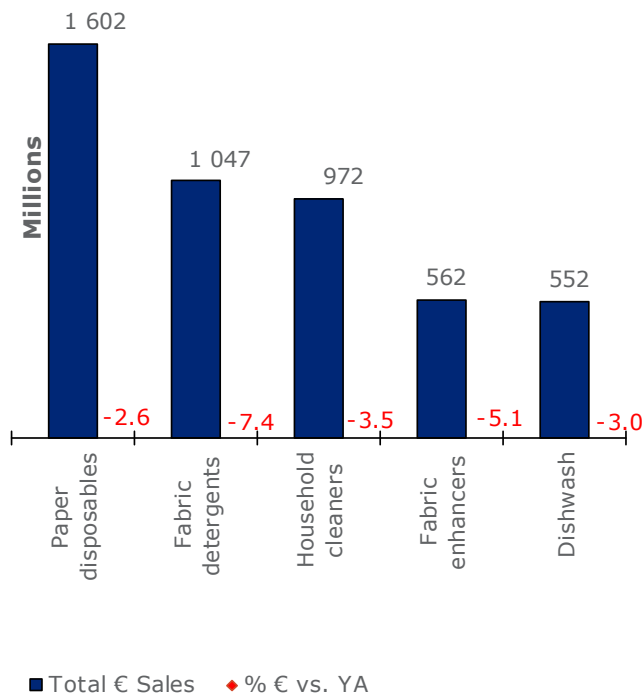


### CATEGORY VALUE SALES IN THE LAST YEAR



### TOP 5 CATEGORIES: EVOLUTION

Value sales (€) and % change versus a year ago



### KEY TRENDS

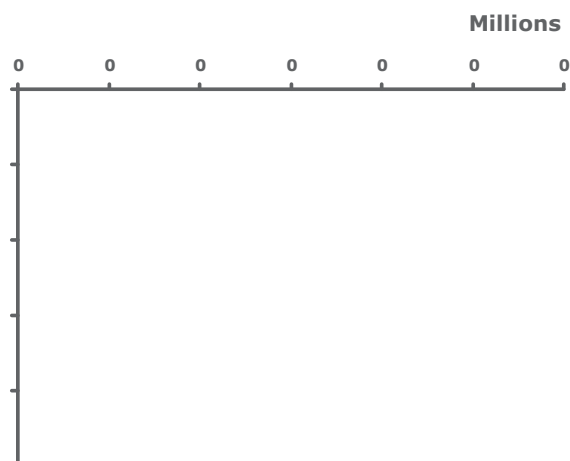
- The Italian macro economy is still in recession and the recovery remains very weak. Also, due to the unstable political situation, consumption is still decreasing, unemployment is still increasing and the GDP forecast for 2014 is only just positive.
- FMCG and particularly food and beverage markets show a negative trend while home and personal care markets are still very negative against the positive trend of the drugstore channel.
- The general downturn is affecting both private label and brands in every segment of FMCG. However, private label is slightly increasing in volume and there is a weak recovery for branded products.

Source: IRI retail databases; period ending 29 December 2013

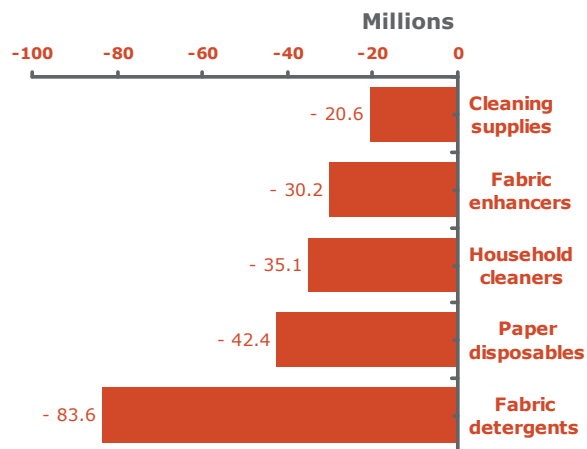


Italy

### TOP WINNERS: VALUE SALES CHANGE VERSUS A YEAR AGO (€)



### TOP LOSERS: VALUE SALES CHANGE VERSUS A YEAR AGO (€)



### CATEGORY INSIGHTS

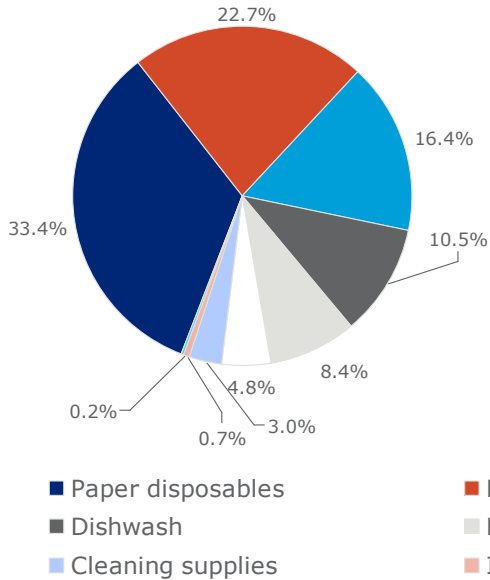
- **Every household category** was negative in value in 2013 but positive in volume in the last two months due to lower prices. Drugstores and discounters are still positive. Every important market of household is in decline (over €20m) and there are still no positive categories.
- Among the top five household categories we can see that all are deeply decreasing: only **paper disposables** has a decrease under 3.0%, as a result of napkins and paper rolls.
- **Dishwashing** has decreased by 3.0%. This can be attributed to a fall in automatic dishwashing.
- In **fabric detergents**, the strongest declining market, only machine washing is decreasing less than average in value and increasing in volume, thanks to the deeper discounts and use of special pack promotions.
- In **fabric enhancers**, softeners (the biggest segment of the market) is decreasing less, as there is heavy investment by top companies in terms of assortment and promotions, while the second biggest segment, laundry additives, decreases by 8%.
- Among other household categories, only **machine descalers** are increasing.
- Private label achieved growth in every grocery market.

Source: IRI retail databases; period ending 29 December 2013

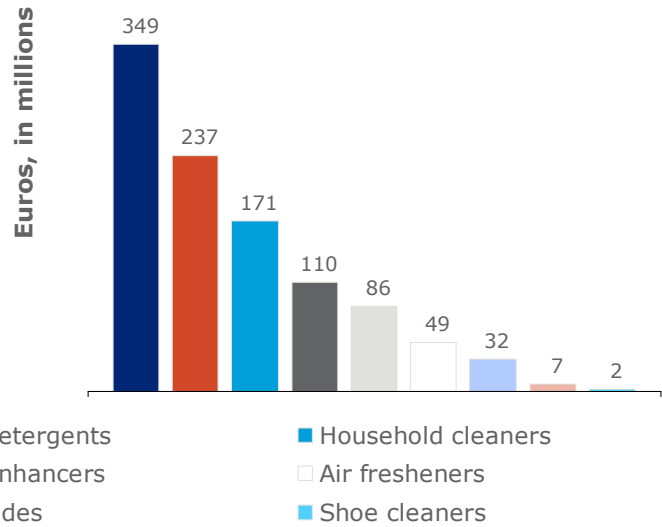


# The Netherlands

## CATEGORY SHARE OF VALUE IN THE LAST YEAR

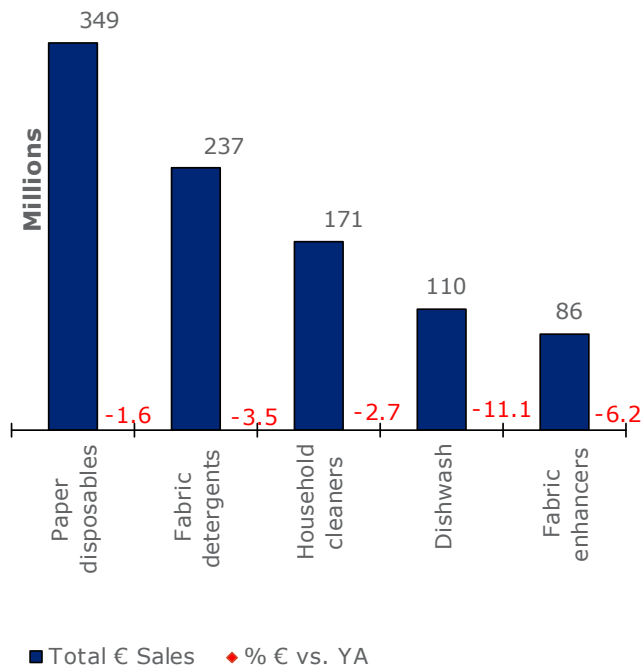


## CATEGORY VALUE SALES IN THE LAST YEAR



## TOP 5 CATEGORIES: EVOLUTION

Value sales (€) and % change versus a year ago



## KEY TRENDS

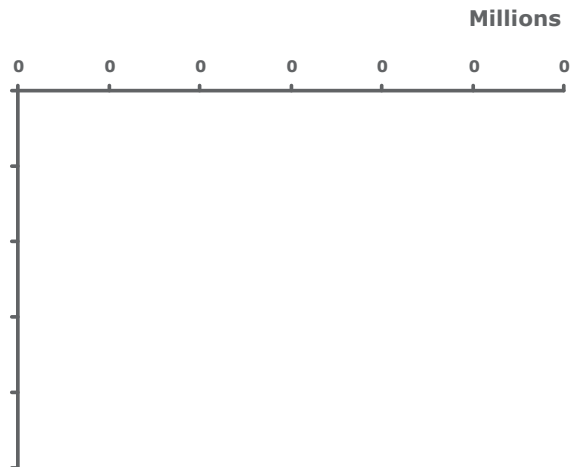
- Due to constant high promotional pressure, total household volume is growing at 0.3% but value is in decline at -3.1%.
- The fall in total household has been driven by service supermarkets. Hard discounters show 3.0% value growth.
- Hard discounters are responsible for this growth due to huge sales for dishwasher driven by good publicity of their range. However, this category is still low overall.

Source: IRI retail databases; period ending 29 December 2013

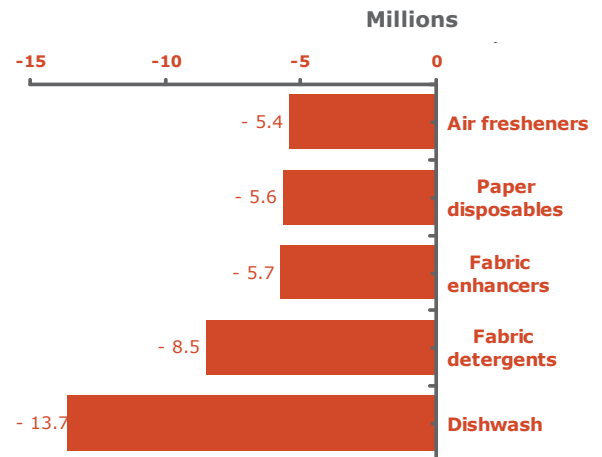


## The Netherlands

### TOP WINNERS: VALUE SALES CHANGE VERSUS A YEAR AGO (€)



### TOP LOSERS: VALUE SALES CHANGE VERSUS A YEAR AGO (€)



### CATEGORY INSIGHTS

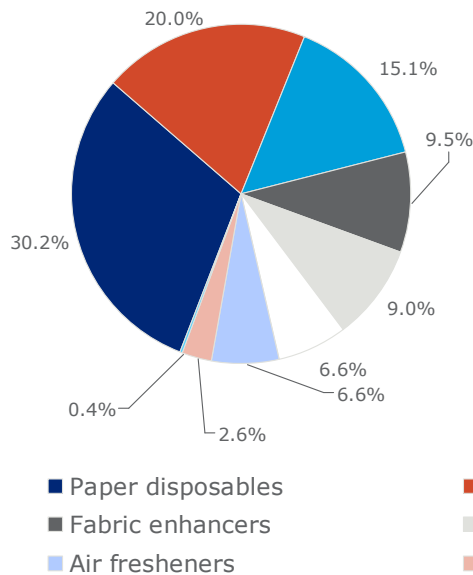
- Although total sales for **paper disposables** is still under pressure, volume sales are rising at 13.6%. This is due to the last introduction of moist toilet paper within hard discounters. Without moist toilet paper, volume would be in decline.
- **Detergents** are responsible for the second largest part of the absolute value loss for total household. Due to a high increase in promotional volume sales, drugstores are the only channel that could increase sales within the category. However, the loss within supermarkets is too big to be offset by this growth in drug stores.
- Due to a decrease in promotional pressure, **dishwash** declined in sales again. Service supermarkets and drugstores are losing share. Lidl displays growth in both value and volume.
- **Air freshener** value and volume sales declined within supermarkets, drugstores and hard discounters.

Source: IRI retail databases; period ending 29 December 2013

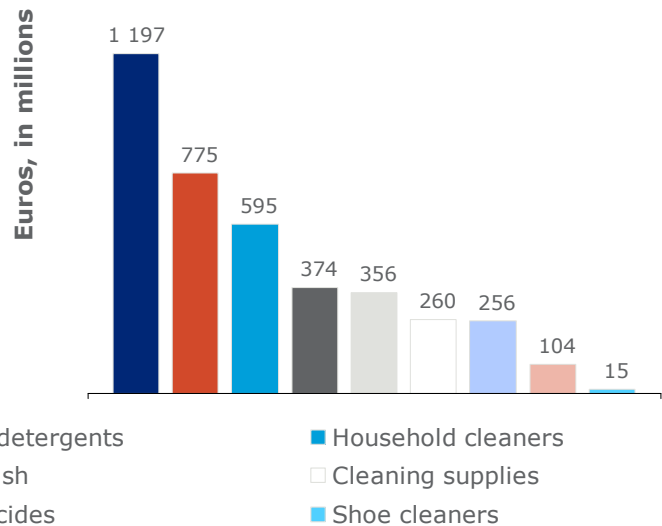


# Spain

## CATEGORY SHARE OF VALUE IN THE LAST YEAR

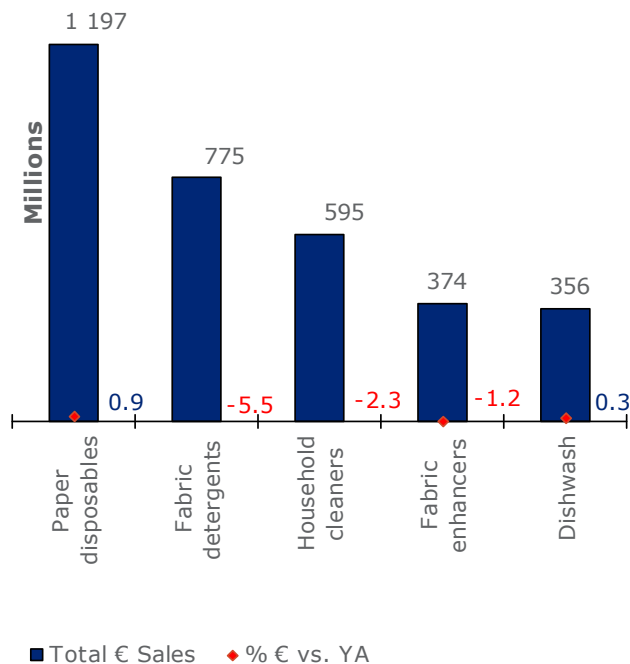


## CATEGORY VALUE SALES IN THE LAST YEAR



## TOP 5 CATEGORIES: EVOLUTION

Value sales (€) and % change versus a year ago



## KEY TRENDS

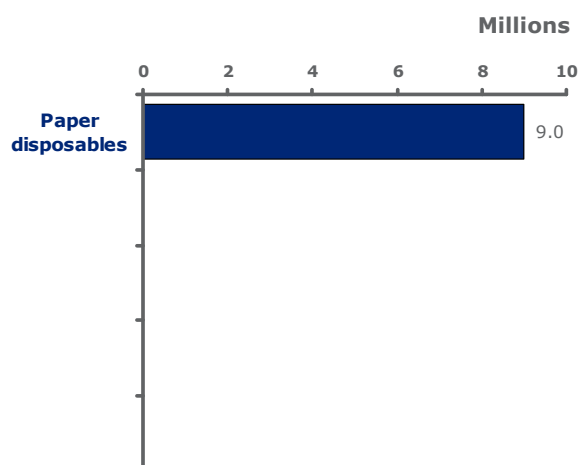
- The FMCG market has growth in 2013 (+0.3%), but demand is negative for the first time and across all sectors. Household is the only market that also has a negative price trend.
- Even though the household sector is falling in demand (-1.5%) and value (-1.6%) in 2013, there are still channels where the trend is positive. These include big supermarkets and local stores, while small supermarkets are flat.
- Private label remains static in big and small supermarkets but decreases by more than -5% in the rest of the channels.

Source: IRI retail databases; period ending 29 December 2013

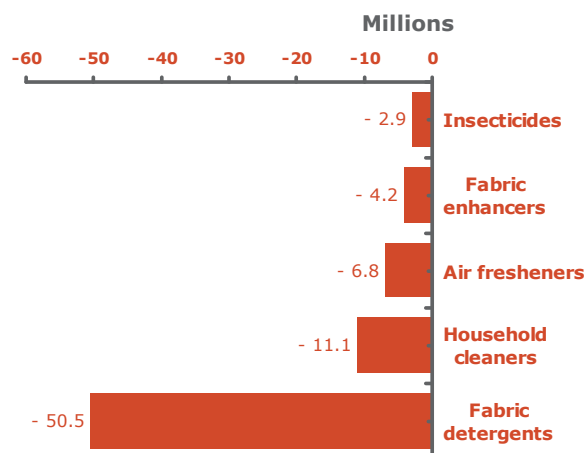


## Spain

### TOP WINNERS: VALUE SALES CHANGE VERSUS A YEAR AGO (€)



### TOP LOSERS: VALUE SALES CHANGE VERSUS A YEAR AGO (€)



### CATEGORY INSIGHTS

- **Paper disposables** are growing across all segments. However, the volume trend is negative so price increases explain the value growth. In the toilet paper sector, the growth of big packs is driving up the category.
- **Insecticides** is a very seasonal category and its decrease is due to climatological reasons. Also, private label is increasing above 5% in volume and value growth which has not been beneficial to the category.
- **Fabric detergents** contribute the most to the household category's decline. Powder decreased in the detergent category and hand detergents and delicate detergents pulled down the category as well. Also, promotional levels have decreased slightly.
- **Air fresheners** are decreasing in terms of value sales. The automatic sector has developed due to new product development (NPD) but there are losses in all other sectors – even for private label which has generally still grown in many categories.
- **Household cleaners** decreased for specialist cleaners and private label. Manufacturer brands also declined but less than private label. No segment experienced a positive trend, only a few small segments remained flat.
- **Fabric enhancers:** even though some softeners are increasing in value (concentrates), the category has lost demand in all segments but it is driven by normal softeners. Brands are performing better than private label.

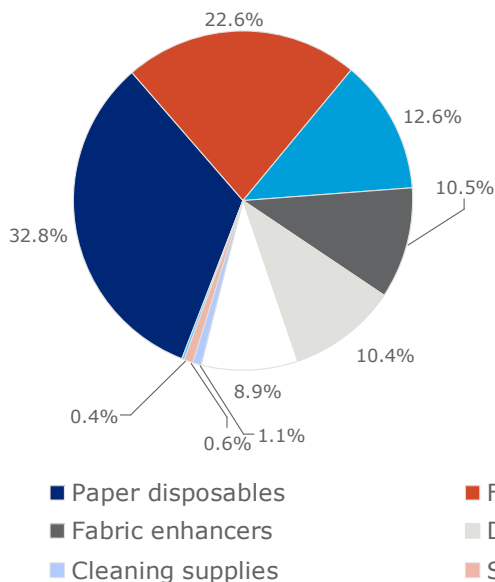
Source: IRI retail databases; period ending 29 December 2013



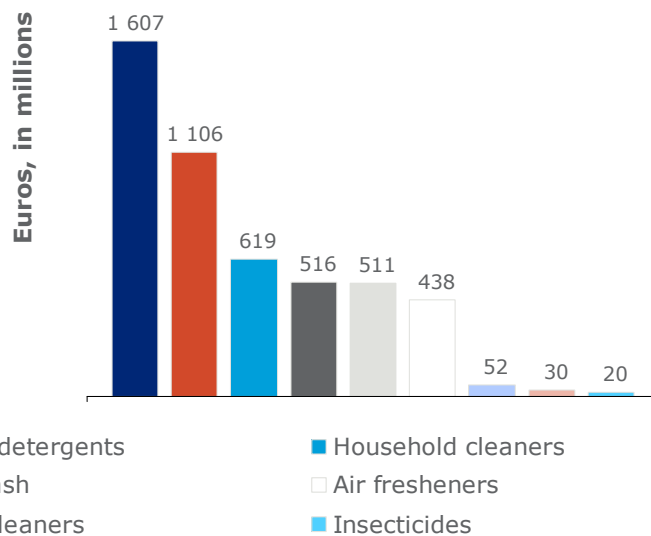


# The United Kingdom

## CATEGORY SHARE OF VALUE IN THE LAST YEAR

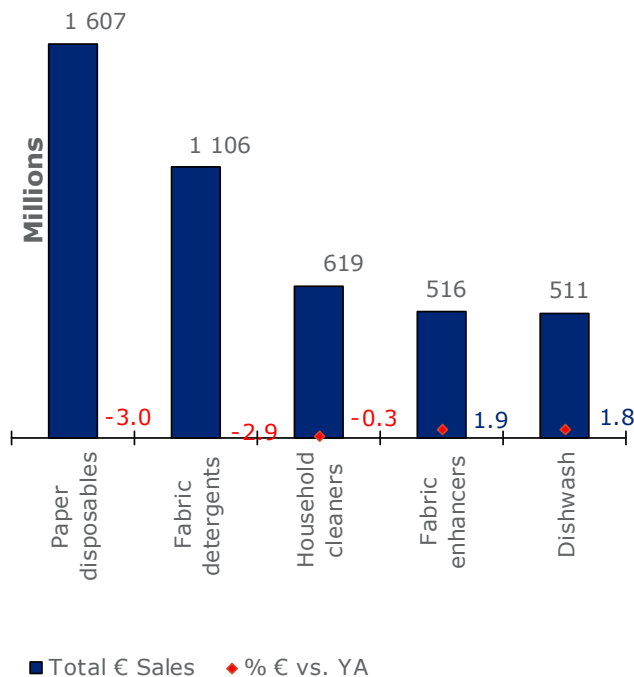


## CATEGORY VALUE SALES IN THE LAST YEAR



## TOP 5 CATEGORIES: EVOLUTION

Value sales (€) and % change versus a year ago



## KEY TRENDS

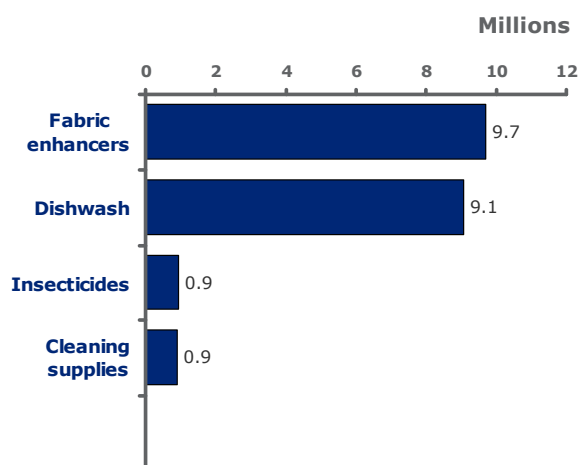
- The UK is ahead of the European market growth rate, but in decline (-1.4% versus -1.7%) with the sales growth rate behind Germany and France. Value sales are down versus last quarter.
- Paper disposables and fabric detergents drove the decline. Of the five largest categories, fabric enhancers grew at the fastest rate and delivered the most absolute growth, closely followed by dishwash.
- The UK household market is facing difficult times. The three largest categories are in decline, whilst the growth of other categories is small. Hopefully manufacturers and retailers can turn this around in the next quarter as we often see significant levels of promotions in January and will be moving into the key spring cleaning season which is a time of retailer events and higher demand.

Source: IRI retail databases; period ending 29 December 2013

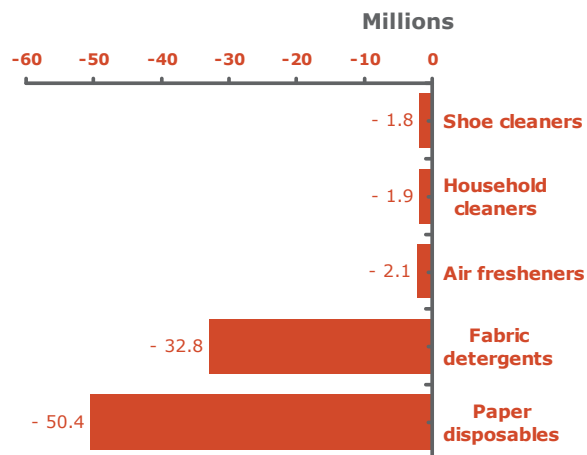


## The United Kingdom

### TOP WINNERS: VALUE SALES CHANGE VERSUS A YEAR AGO (€)



### TOP LOSERS: VALUE SALES CHANGE VERSUS A YEAR AGO (€)



### CATEGORY INSIGHTS

- Fabric enhancers** achieved growth this quarter and in the last year. P&G and Unilever continue to drive this progression at the expense of private label within the liquid concentrated sector. Sales growth is driven by promotions. There is less support (but it is still high) with growth coming from the effectiveness of promotions.
- Dishwash** has also grown, driven by the machine sector, with handwash in decline. Machine growth came from private label, yet this was also the weaker area for the hand sector. Overall category growth came from more effective promotions and promotions at higher promoted prices.
- Household cleaners** continue to decline after a lengthy period of growth. There remains a considerable difference in performance for the bleach (growing) versus toilet (declining) sectors. This, combined with a poor rate of sales performance, suggests shoppers are switching to cheaper parts of the market or making products last longer.
- Fabric detergents** are now waning after a period when this category steered growth for the household category. Main wash is responsible for this fall after some significant format changes. Powder, tablets, gel and liquid concentrate are in heavy decline with capsules and liquid dilutes in growth. Wash treatment is in growth and this is driven by price.
- Paper disposables** remain in heavy decline and are the key reason for household's fall overall in the UK. There are modest increases for the moist sector but this is far outweighed by declines in soft. These declines are driven by Kimberly Clark, Georgia-Pacific and private label and are caused by reductions in base prices.

Source: IRI retail databases; period ending 29 December 2013

# Final Notes

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## Notes on category definitions for countries

Due to the diverse products found in individual countries across this market, it was necessary to consolidate the available data into the categories in this report. In some cases, it wasn't always possible to align products across all six countries, hence the need to highlight any anomalies in the report. These exceptions are listed below:

### Shoe cleaners

- The Germany and France data in this report includes leather cleaning products.

### Tools

- The UK data in this report only contains rubber gloves for this category.
- The Germany data in this report does not include mops, brushes or rubber gloves.

### Fabric enhancers

- The UK data in this report does not include stain remover or fabric bleach products.
- The Italy data in this report does not include tumble dry enhancers.
- The Spain data in this report does not include anti-limescale for laundry, tumble dry enhancer or fabric storage products.

### Paper disposables

- The France data in this report does not include wet wipes.
- The UK data in this report does not include paper napkins.

## Resources

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To gain insight into opportunities across specific categories, segments, channels or retailers, contact your IRI client service representative regarding custom analyses leveraging the following resources:

- **IRI InfoScan Census®** is a syndicated retail tracking service that enables manufacturers and retailers to acquire industry insights used to make better business decisions. IRI InfoScan Census utilises the data that IRI collects from grocery, drug, and mass merchandise retailers to provide the most comprehensive and accurate syndicated data offering in the FMCG sector. With access to accurate, granular detail by category, geography, measure, and time period, clients have the tools needed to develop marketing and sales strategies based on product performance, distribution, and promotion responsiveness. All data about the household market has come from **IRI InfoScan Census®**.
- **IRI Consulting** provides strategic insights and advice, leveraging a variety of data sources, predictive analytics, enabling technologies, and business analyses to help FMCG manufacturers and retailers address significant sales and marketing issues effectively.

### FOR MORE INFORMATION

Please contact Sam Cialis, Senior Insight Manager, IRI at [Sam.Cialis@IRIworldwide.com](mailto:Sam.Cialis@IRIworldwide.com) or call +44 1344 747910 with any questions or comments about this report.

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