

Market Reload

Which trends are here to stay?

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Head of Distribution & Supply Chain Intelligence

8th of May 2023



GfK – your trusted source for market information

We provide answers to your questions



RECOMMENDATIONS

e.g.

- Which price should I display?
- What should be on promotion where?

WHY

e.g.

- What was their purchase journey?
- Which marketing activity shows the biggest ROI?



WHAT

e.g.

- What was bought?
- Where was it bought & for how much?

WHO

e.g.

- Who bought the product?
- Who did not?

Be the shapers of tomorrow

Extract the signals from the noise & accelerate your business



Distribution
& Supply Chain
Intelligence

Monitor distributor
(sell-through) sales
across 45+ countries



POS Market
Intelligence

Track POS sell-out
to end-customers
worldwide



Marketing &
Sales
Effectiveness

Maximize your
campaigns & perfect
pricing strategies



Consumer &
Shopper
Intelligence

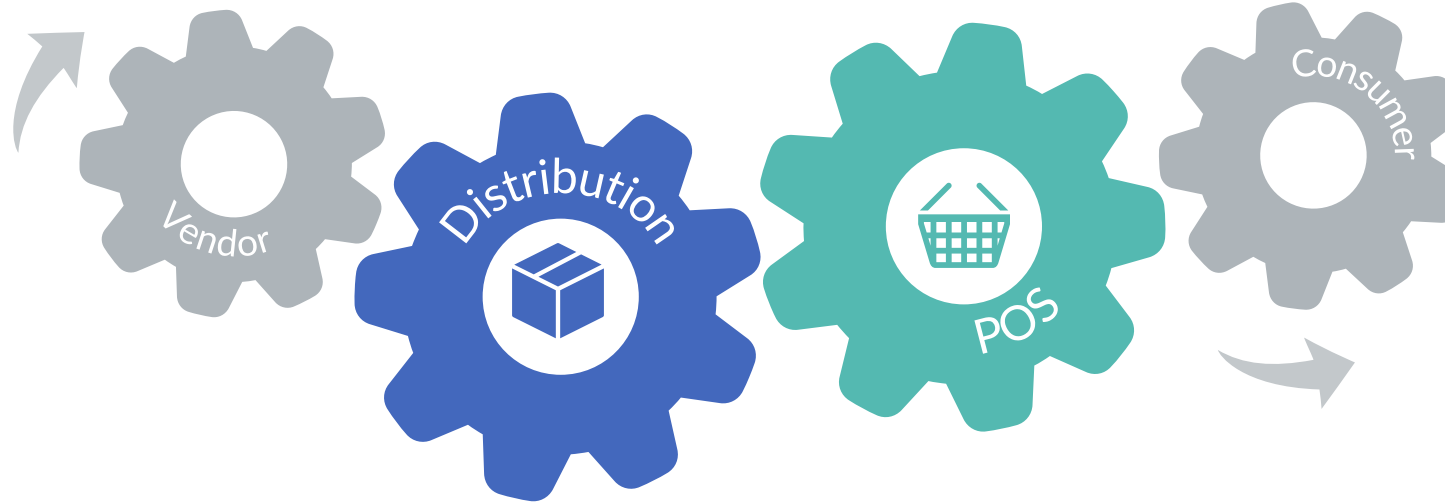
Understand
consumer behaviour



Check out our solutions on <https://www.gfk.com/products>

Receive the full picture with Distribution & POS

Detect potential challenges on all touchpoints of the supply chain



DIS as “sell-through”

Insights on sales from distributors/
wholesalers to retailers & resellers.

Get access to the sourcing behavior of retailers/
resellers across B2B & B2C channels to anticipate
what will happen next at the POS.

POS as “sell-out”

Insights on sales from retailers & resellers
to end-customers (B2B/B2C).

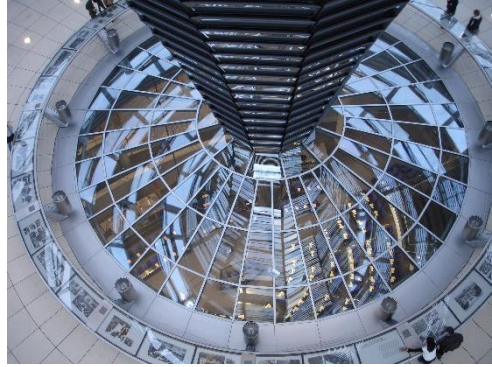
Get familiar with consumers’ behavior
and discover what consumers are buying,
at which POS channel and price point.

Market review

From disruption to resilience

What factors impacted markets & will determine 2023+?

Examples



■ Political & Legal

- ❑ RU/UA conflict
- ❑ US/CN trade sanctions
- ❑ Corporate sustainability reporting directive (CSRD)

■ Economic

- ❑ Inflation
- ❑ Rising cost of living
- ❑ Unemployment rate

■ Social

- ❑ Attrition
- ❑ Talent & Skill Gap
- ❑ Environmental concerns

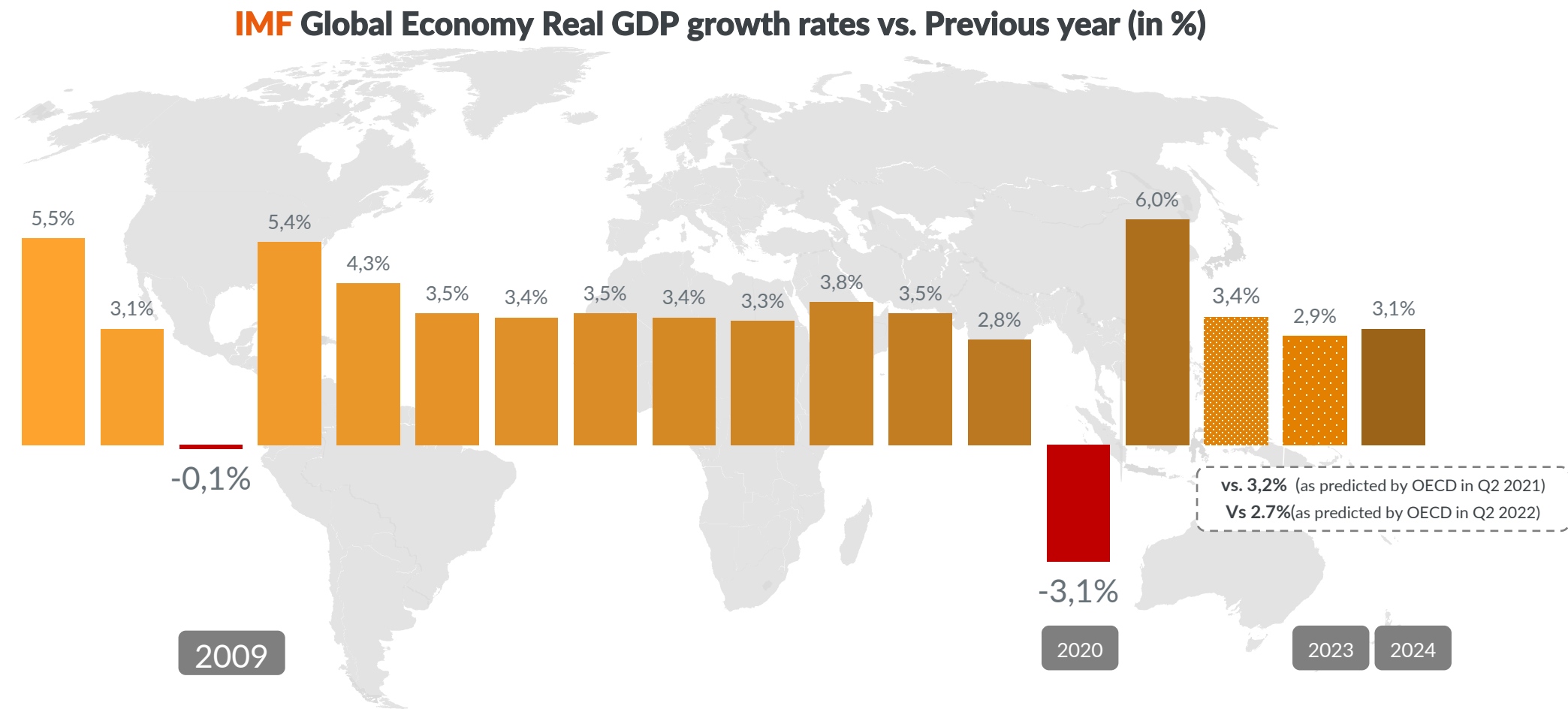
■ Technological

- ❑ Connectivity
- ❑ Digital Transformation
- ❑ AI

The world economy is slowly recovering

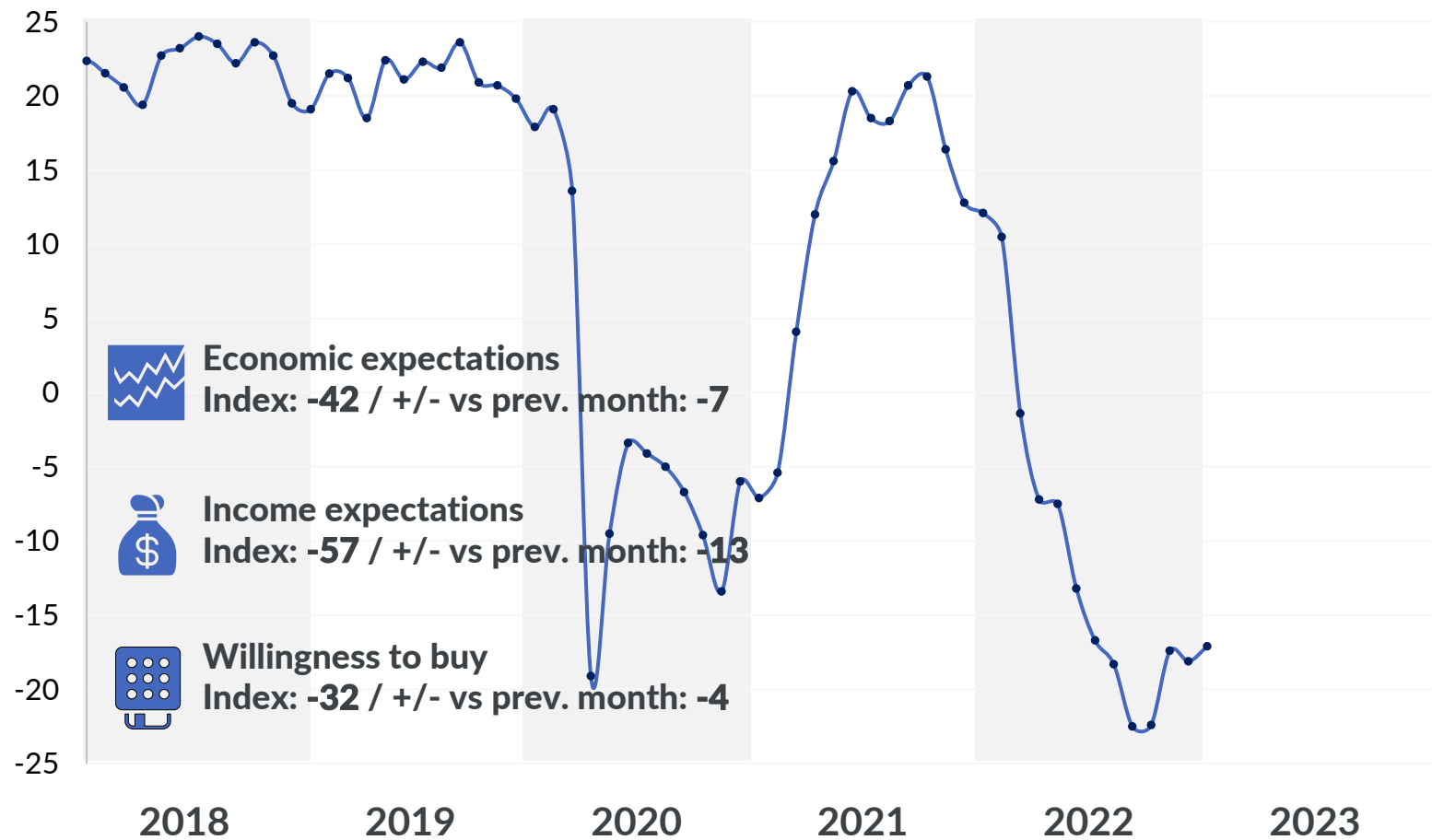


Globally demand has decelerated due to UA/RU war & inflation but slow recovery in sight with Sub optimal economic growth in 2023



Source: Real GDP growth annual % change IMF Data Mapper | WEO Jan 2023 [World Economic Outlook \(January 2023\) - Real GDP growth \(imf.org\)](#) | TCG Conference Deck Q4 2022 – Global Strategic Insights

After the turbulent development in recent months, overall Consumer Climate across EU27 is plateauing



Source: GfK, EU Commission | January 2023 | TCG Conference Deck Q4 2022 – Global Strategic Insights
Channel Summit | GfK Keynote: Market Reload – which trends are here to stay?| Tatjana Wismeth

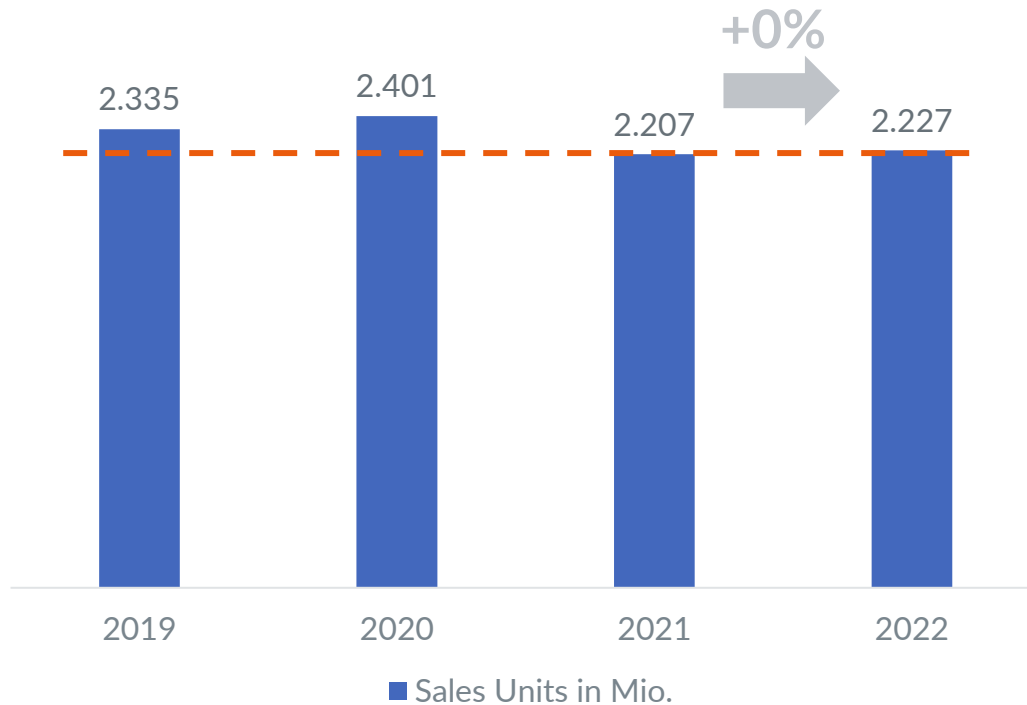
Despite market challenges, distributors showed resilience in 2022.

Though record years could not be continued, global sales remained at high level.

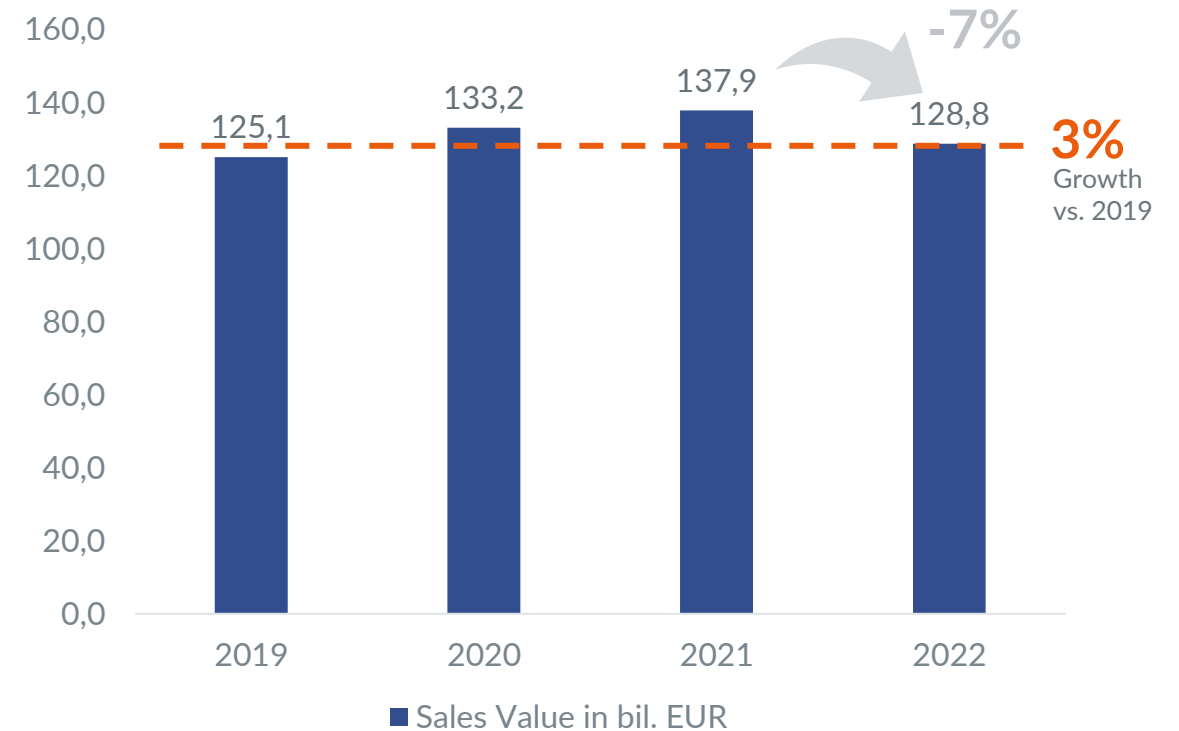


Distribution Global

FY Sales Units in Mio.



FY Sales Value in bil. EUR



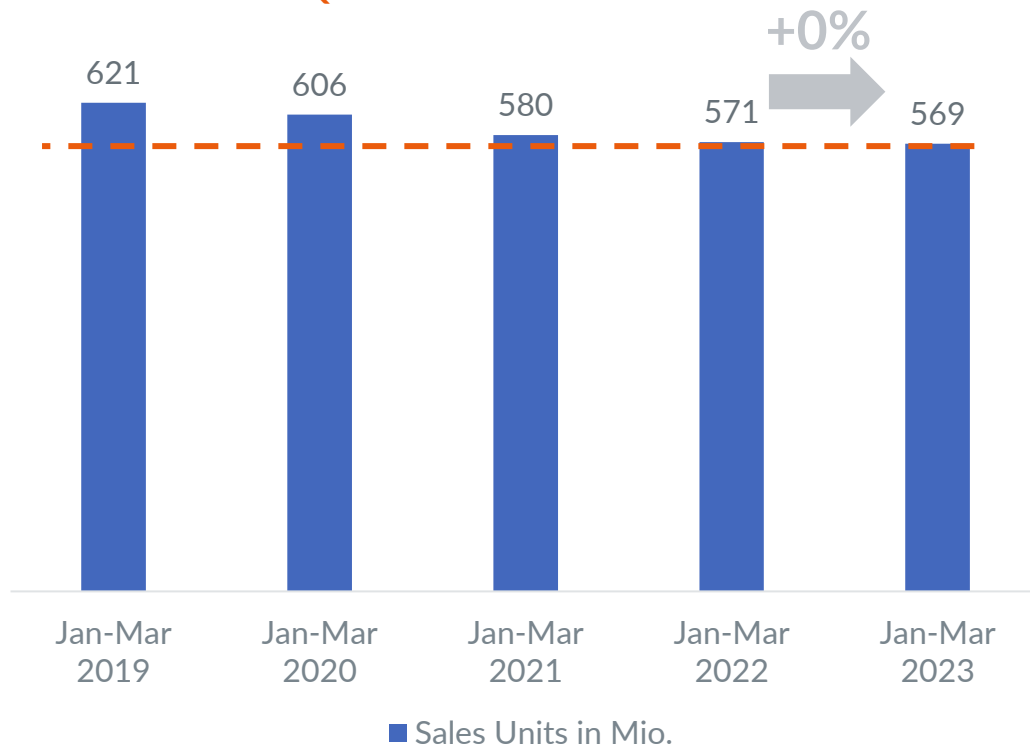
In Q1/2023, global distributors remained stable in demand.

Inventory depletion & price-drops however led to revenue decrease.

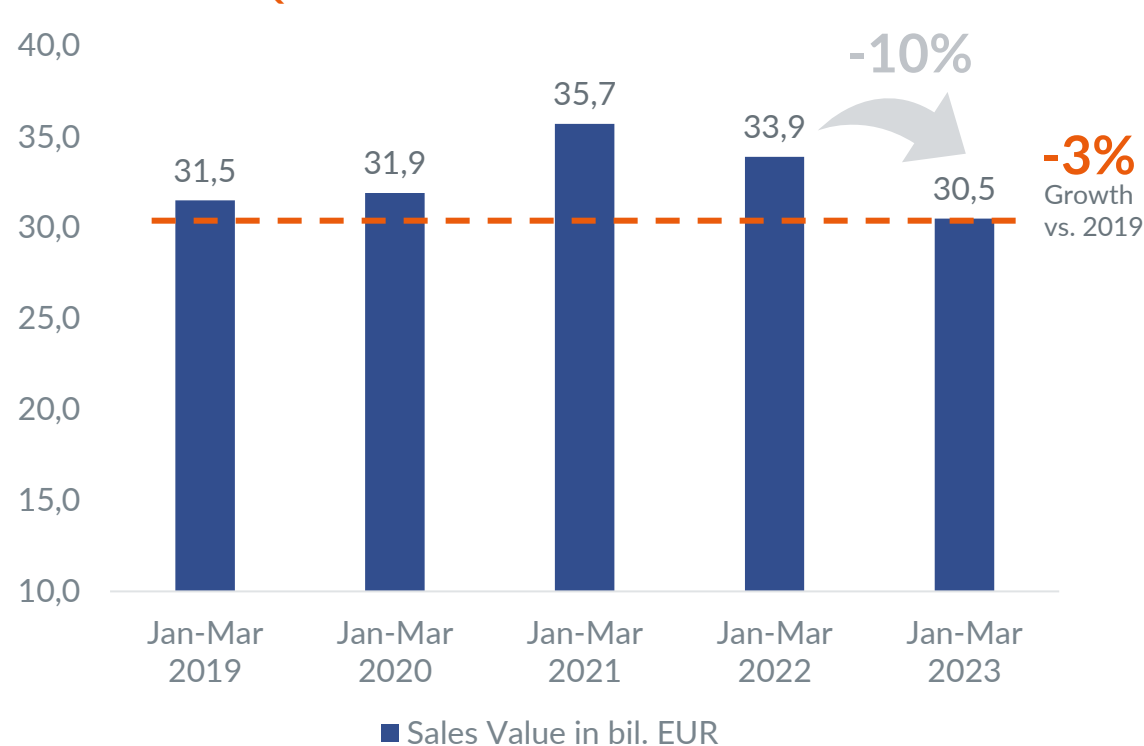


Distribution Global

Q1 Sales Units in Mio.



Q1 Sales Value in bil. EUR



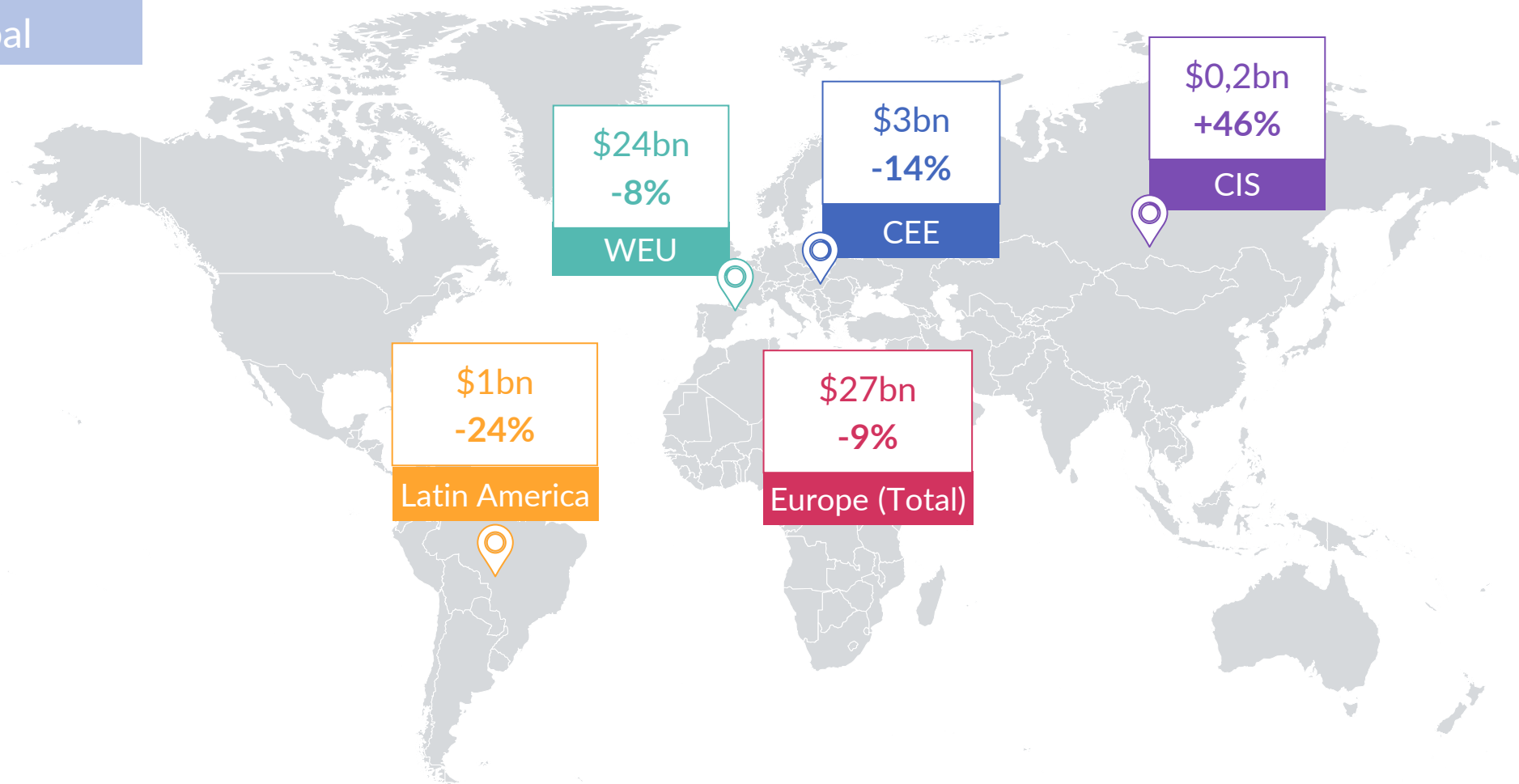
European distributors experience revenue decline in Q1/2023.

Distribution markets in Latin America show negative decline as well.



Distribution
Global

Sales Value USD / Jan-Mar 2023 vs. 2022



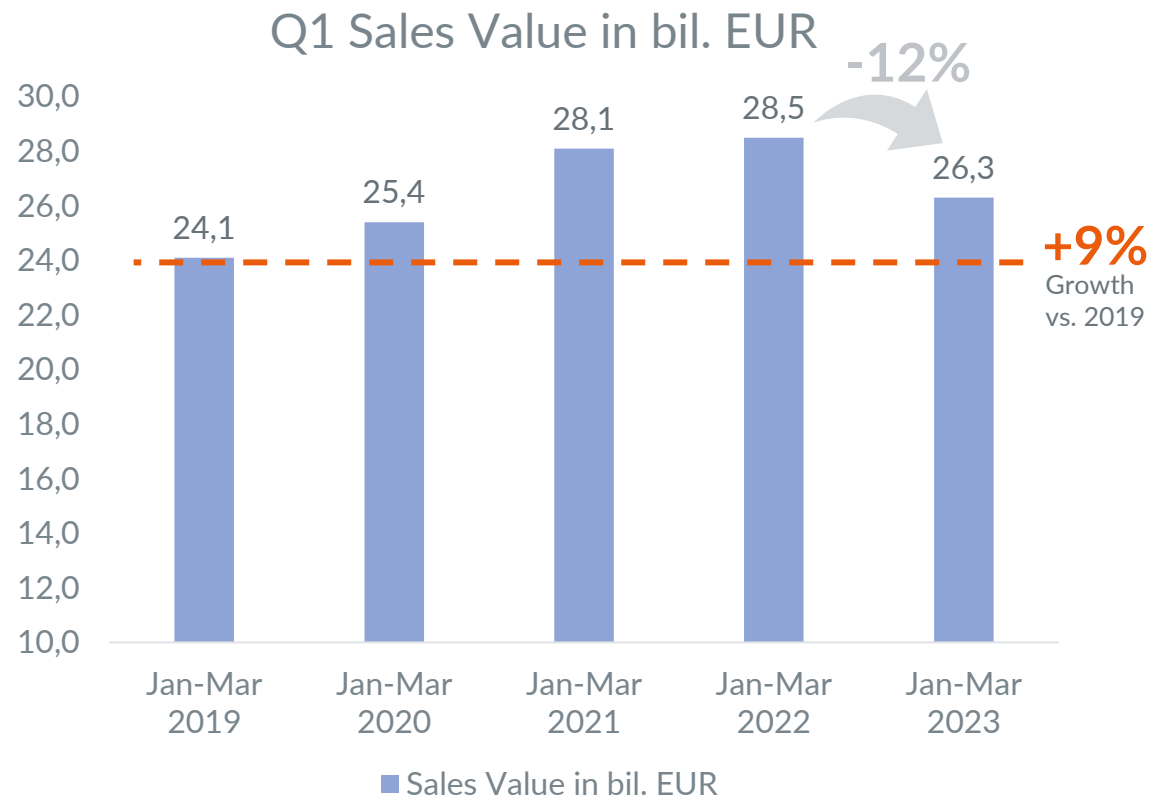
Source: GfK MI: Supply Chain, Global excl. RU, North America & Canada, Sales Value USD, all channels & product groups, Periods until March 2023
Channel Summit | GfK Keynote: Market Reload – which trends are here to stay? | Tatjana Wismeth

Though declines leave negative impression, revenue exceeds 2019 results.

With +9% European distributors are able to outperform 2019 in the forth year.



Distribution Europe

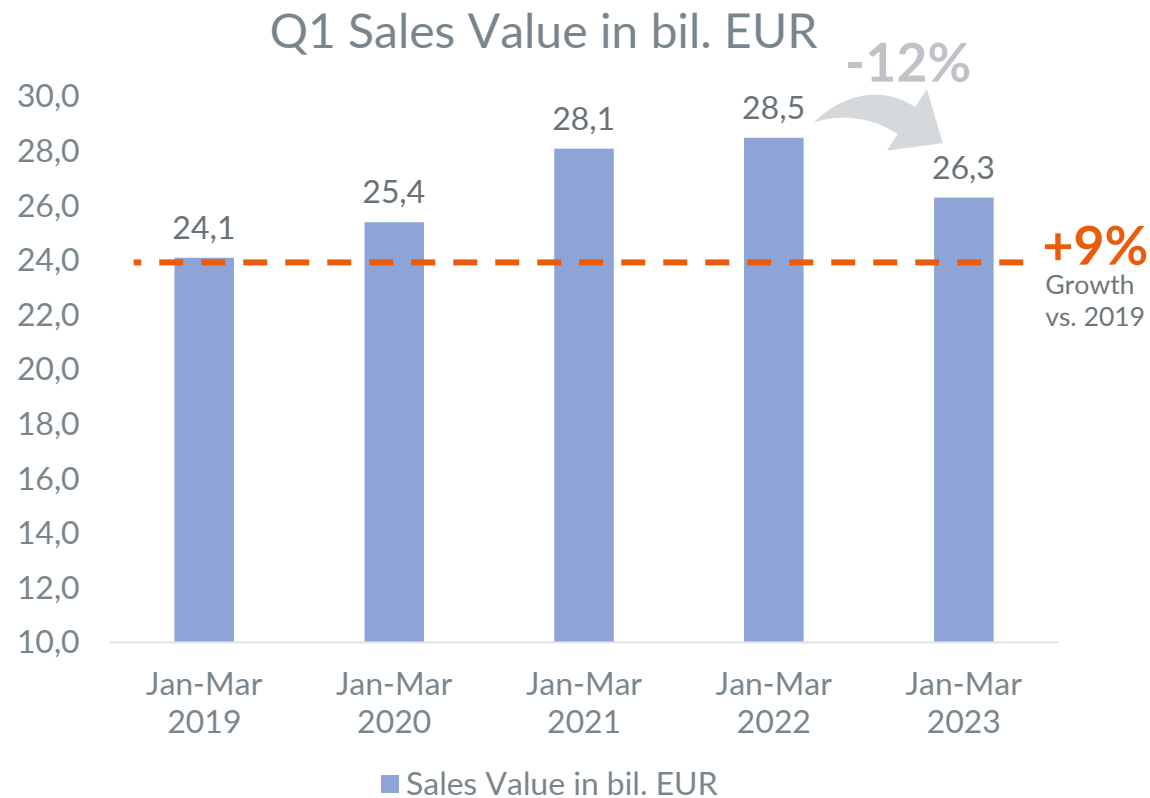


Though declines leave negative impression, revenue exceeds 2019 results.

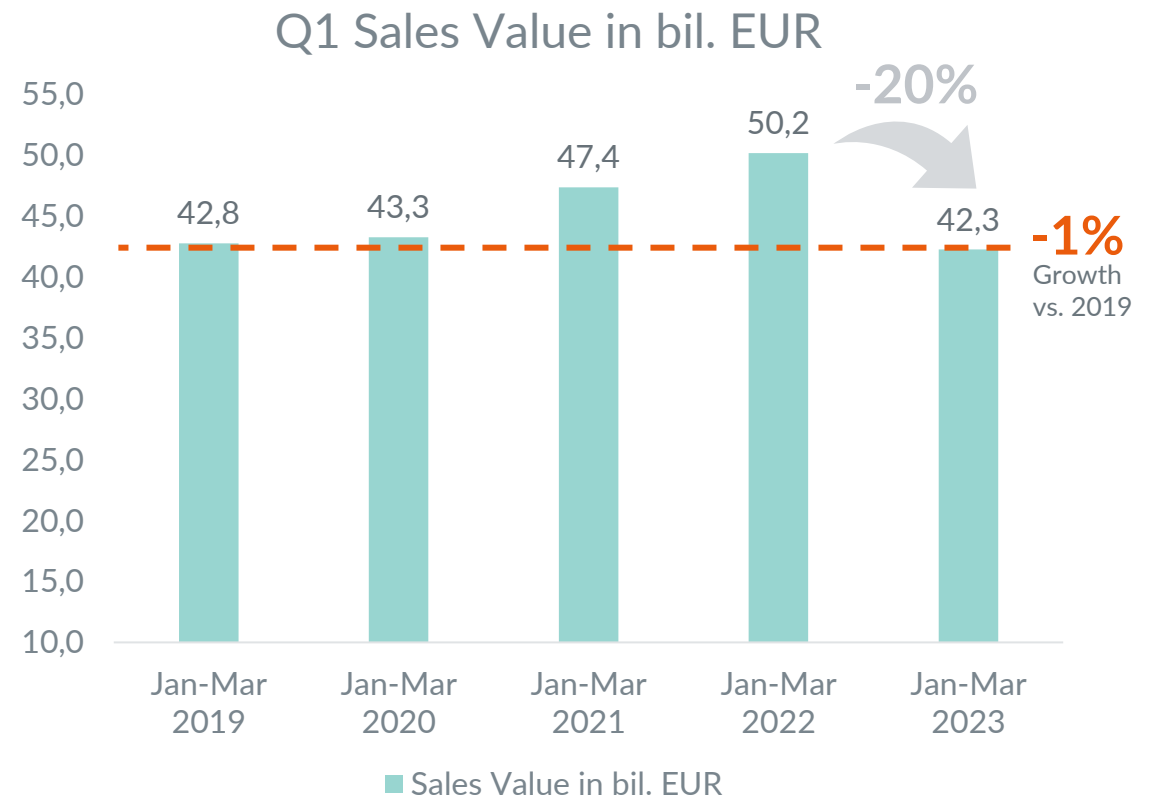
Distributors even demonstrate great resilience in comparison to retailers & resellers.



Distribution Europe



POS sell-out Europe



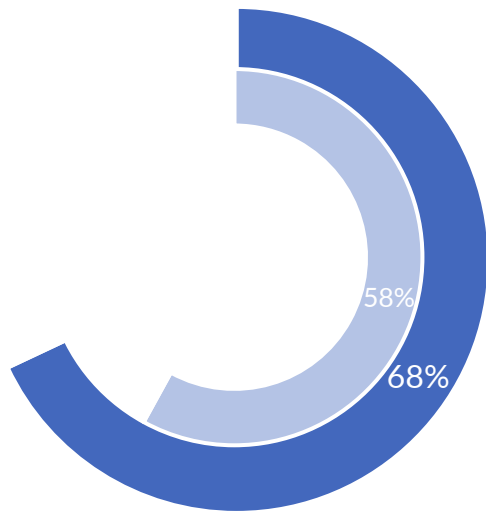
One reason: Distributors are a crucial component of the supply chain.

Share of goods being supplied by distributors has increased sustainably since pandemic.

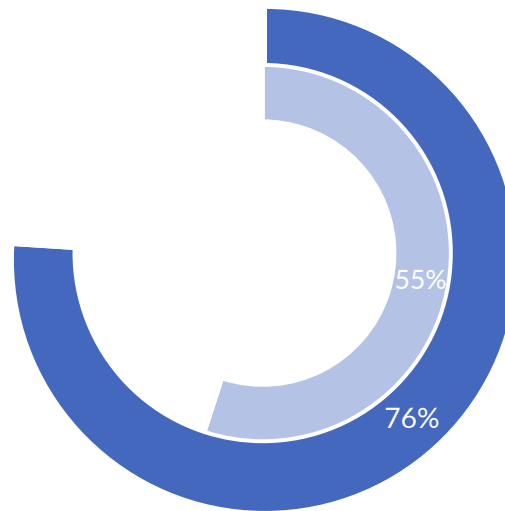


Share of Goods being supplied by distributors, Germany

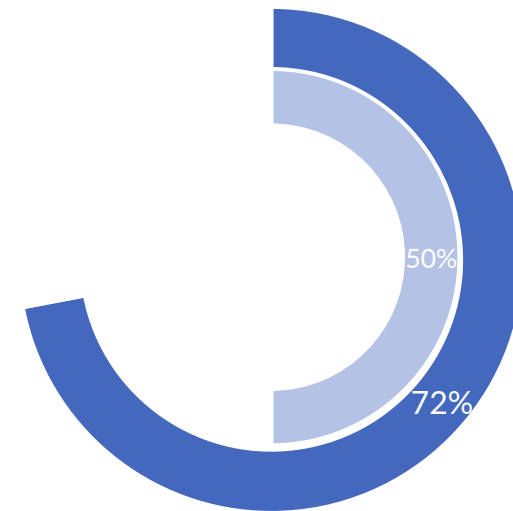
Mobile Computing



Monitors



Printers



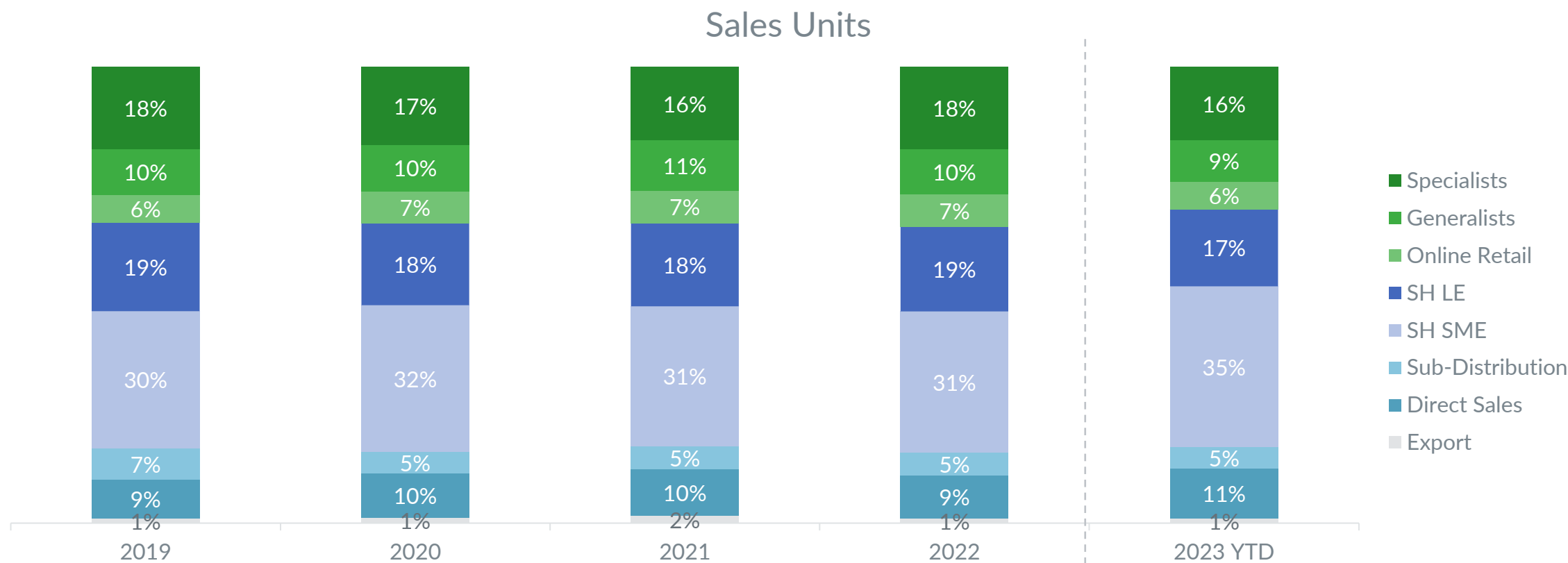
■ 2023
■ 2019

Aside, channels offer further business potential & growth.

Online retailers increased distributor partnerships. Q1 shows high dynamic at SMEs.



Distribution
Global



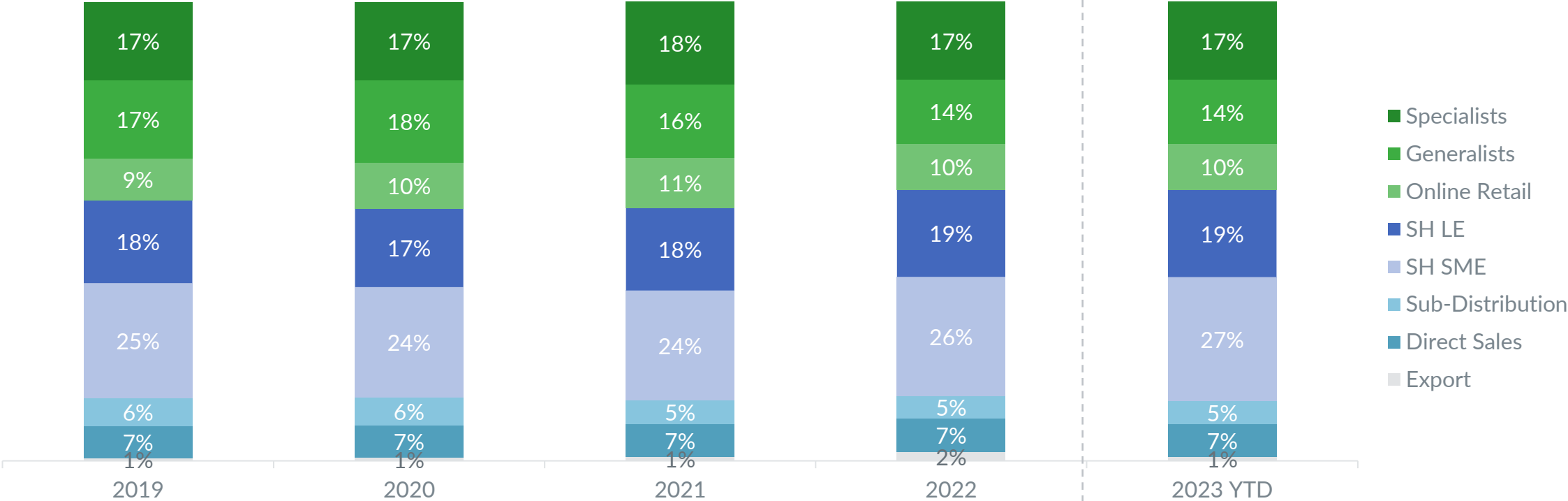
Distributors make up globally 41% of their business in retail.

Potential in generalists? Onliners continue on high revenue share.



Distribution
Global

Sales Value in USD



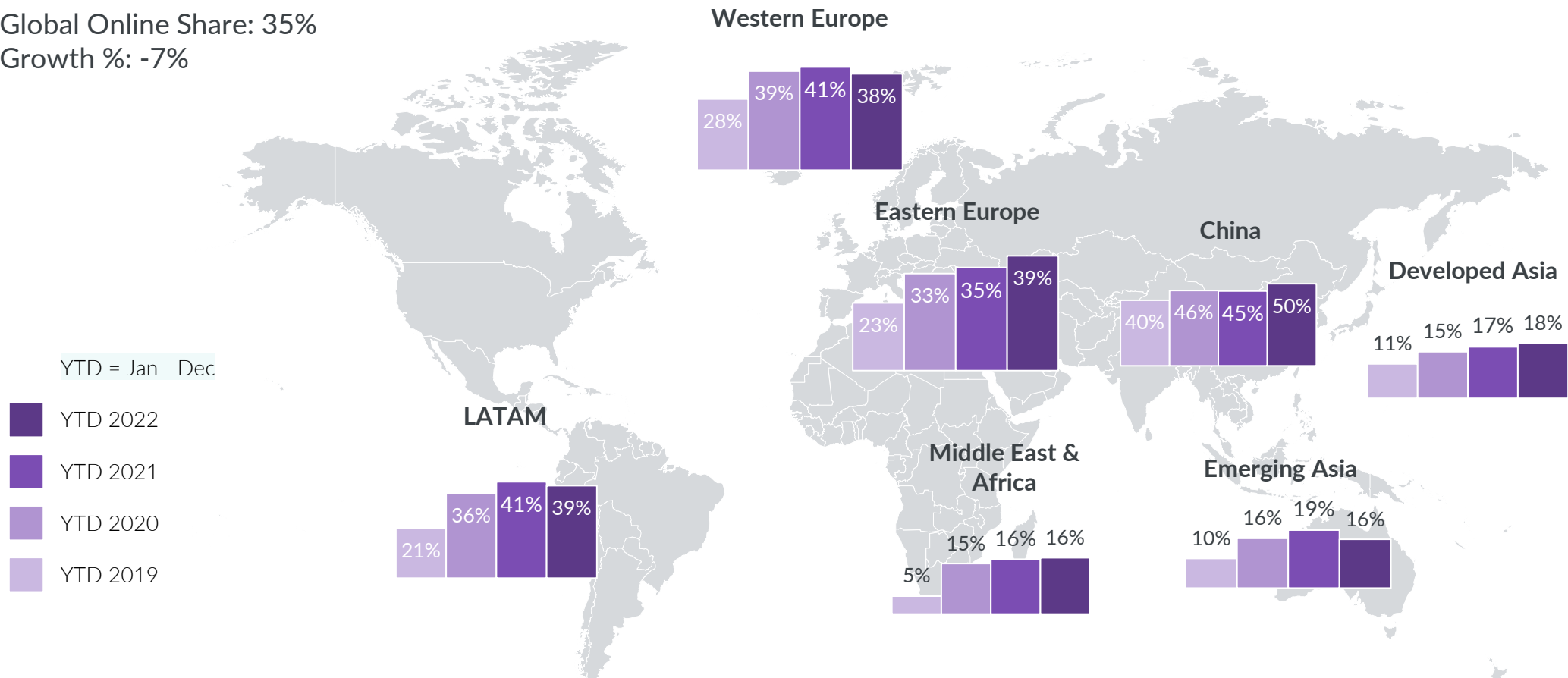
Clearly, online has come to stay – but only to a certain extent.

Offline retailers bouncing back partially while online sales are stabilizing.



TCG online Value share %

Global Online Share: 35%
Growth %: -7%



Source: GfK Consumer Life 2022; GfK Market Intelligence: Sales Tracking Retailer Market, International coverage (excl. North America), Sales Value USD, Value Growth % Year-on-Year
*Eastern Europe incl. RU, KZ, UA PRJ 101566/206542 - RG 5481054 - RP 37600691 - ID 569248389 TCG Conference Deck Q4 2022 – Global Strategic Insights
Channel Summit | GfK Keynote: Market Reload – which trends are here to stay? | Tatjana Wismeth

Outlook

Which trends will shape future markets?

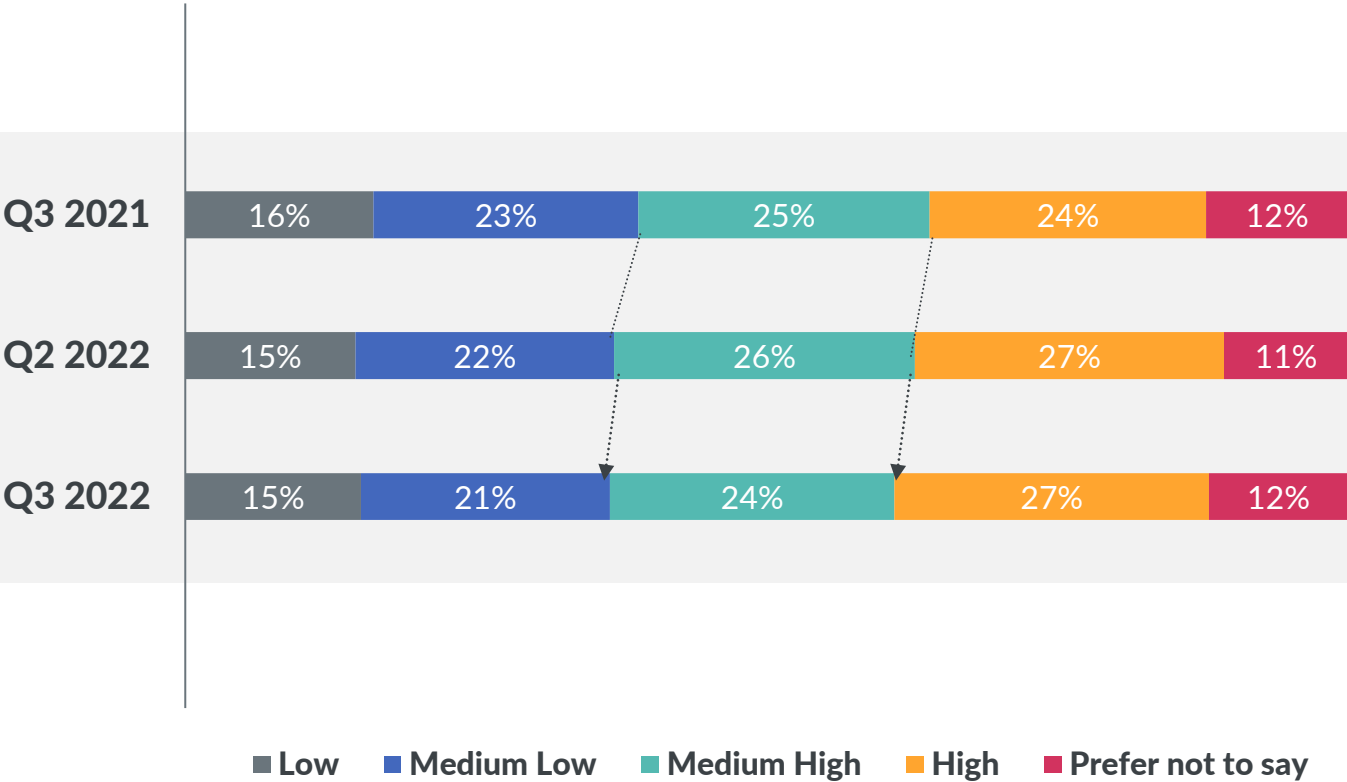
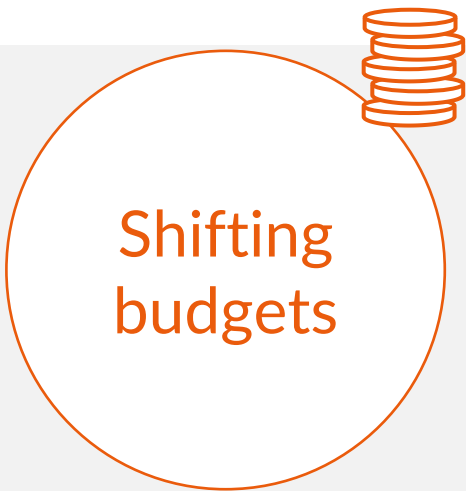
Average prices paid do not further increase, partially due to strong USD exchange rates. Inflation tightens household budgets further.



Global price development
TCG average price growth USD +/- % vs Jan 20 / YoY



The rise in the share of tech and durable goods purchases among high-income buyers has strengthened premium markets.



More consumers are looking for performance upgrades when buying a new product.

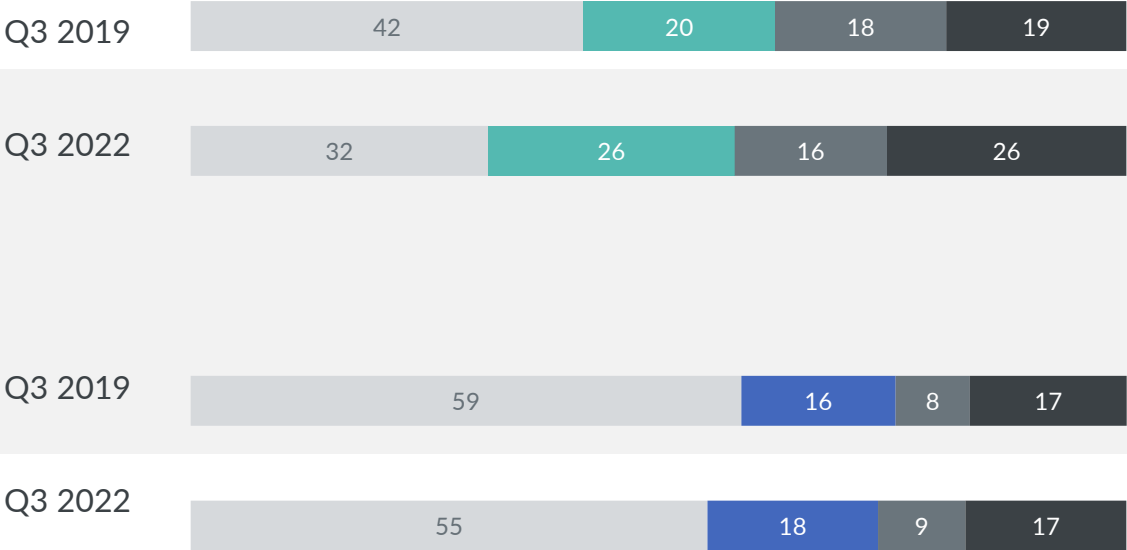


High performance
Products that offer an upgraded and engaging experience



Initial trigger reason for purchasing a new product

- Replace a faulty product
- Upgrade a working product
- Get an additional product



Source: gfknewron Consumer, Belgium, France, Germany, Great Britain, Italy, Netherlands, Spain; NPC=Notebooks/Laptops and MDA9 (Fridges, Freezers, Washers, Dryers, Cooking, Dishwasher, BI Hobs, Hoods, Microwaves) | TCG Conference Deck Q4 2022 – Global Strategic Insights Channel Summit | GfK Keynote: Market Reload – which trends are here to stay?| Tatjana Wismeth

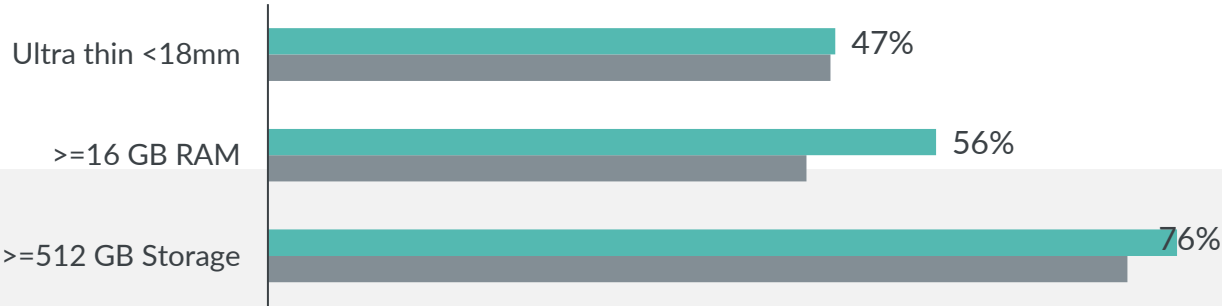
High performance products still sell better than market average.



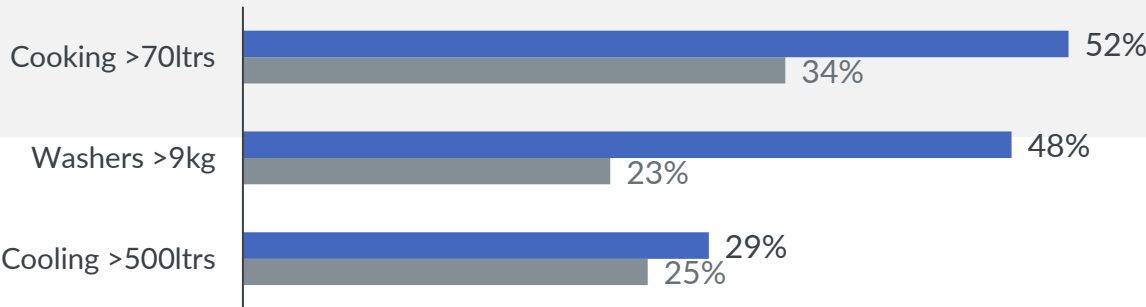
High performance
Products that offer an upgraded and engaging experience



Value % Jan-Dec 2022 vs Jan-Dec 2021 (in grey)

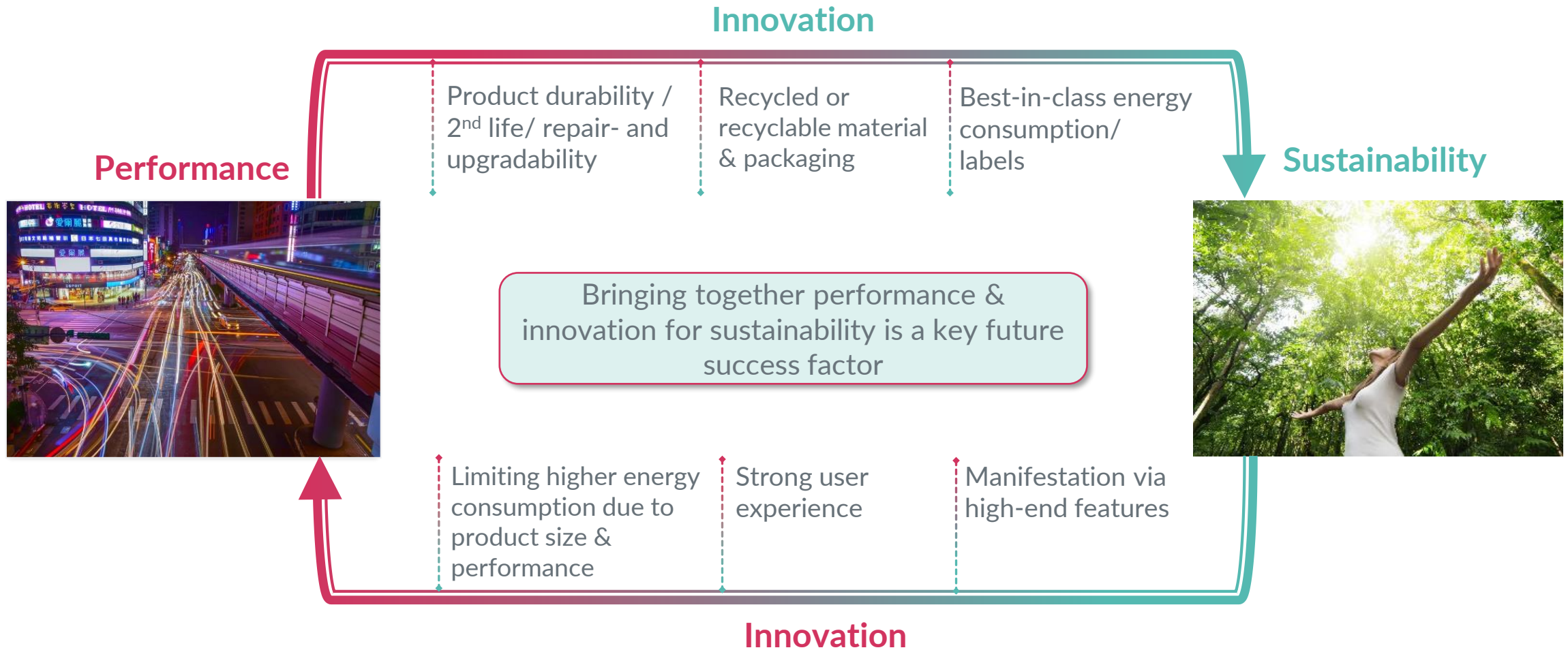


Value % Jan-Dec 2022 vs Jan-Dec 2017* (in grey)



Source: GfK Market Intelligence: Sales Tracking, International coverage (excl. North America) | NPC= Notebooks; MDA9 (Fridges, Freezers, Washers, Dryers, Cooking, Dishwasher, BI Hobs, hoods, Microwaves), *comparison with 2017 due to longer lifecycle of appliances | TCG Conference Deck Q4 2022 – Global Strategic Insights
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Performance Meets Sustainability: The New Balance in Business



Key pillars for business success in 2023+

Customer demands are putting your products' value to test



Upgrading

- Both in B2C & B2B
- Enhanced UX
- 2nd device
- Premium

Simplification

- Home Automation
- Connectivity
- Infrastructure
- Supply & service

Sustainability

- Potential USP
- Recycled material
- Refurbishment
- Repairability

Adding value

- Partner network
- Marketing & Communication
- New Technology



Deep dives will be provided in GfK's upcoming sessions

Artificial Intelligence

Will automation make our jobs obsolete?

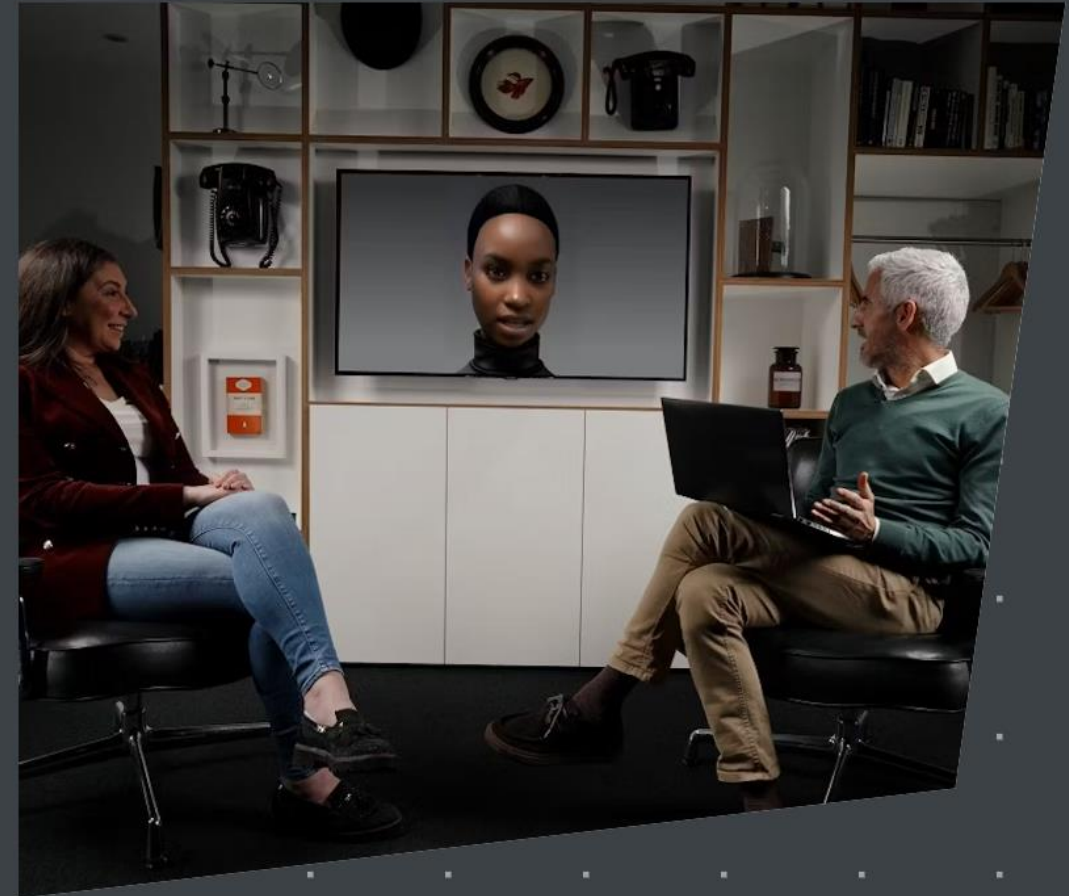
How AI can Revolutionize Business Operations and Drive Transformation



Human vs AI: Can ChatGPT outsmart a CMO?

GfK's CMO, Gonzalo Garcia Villanueva, goes head-to-head against the latest craze in AI, ChatGPT, to debate the latest trends and how marketing leaders should pivot based on them. Can robots really take over our jobs?

Watch video →



Artificial Intelligence – threat or business potential?

Opportunity to optimize and streamline operations



Improved Efficiency

- Automate time-consuming & repetitive tasks
- Enabling more time to focus on complex decision-making
- Improving efficiency

Enhanced Customer Experience

- Enhanced customer experience at all touchpoints
- New potentials for the channel when applied properly

Fact-based Recommendations

- New way of working: Get business recommendations derived from hard facts
- Make fast & profound business decisions

Application Risk

- Analyzing large data sets to identify patterns and trends
- Risk of misleading AI-learning due to insufficient data

Revolutionizing Market Insights: How GfK is using AI to reach new heights

How **gfknewron** provides market insights & recommendations for your business in one go



- Online, always-on platform
- Providing insights on your finger tips
- Extracting signals from noise
- 3 different modules:

 **gfknewron Market**

Know your market

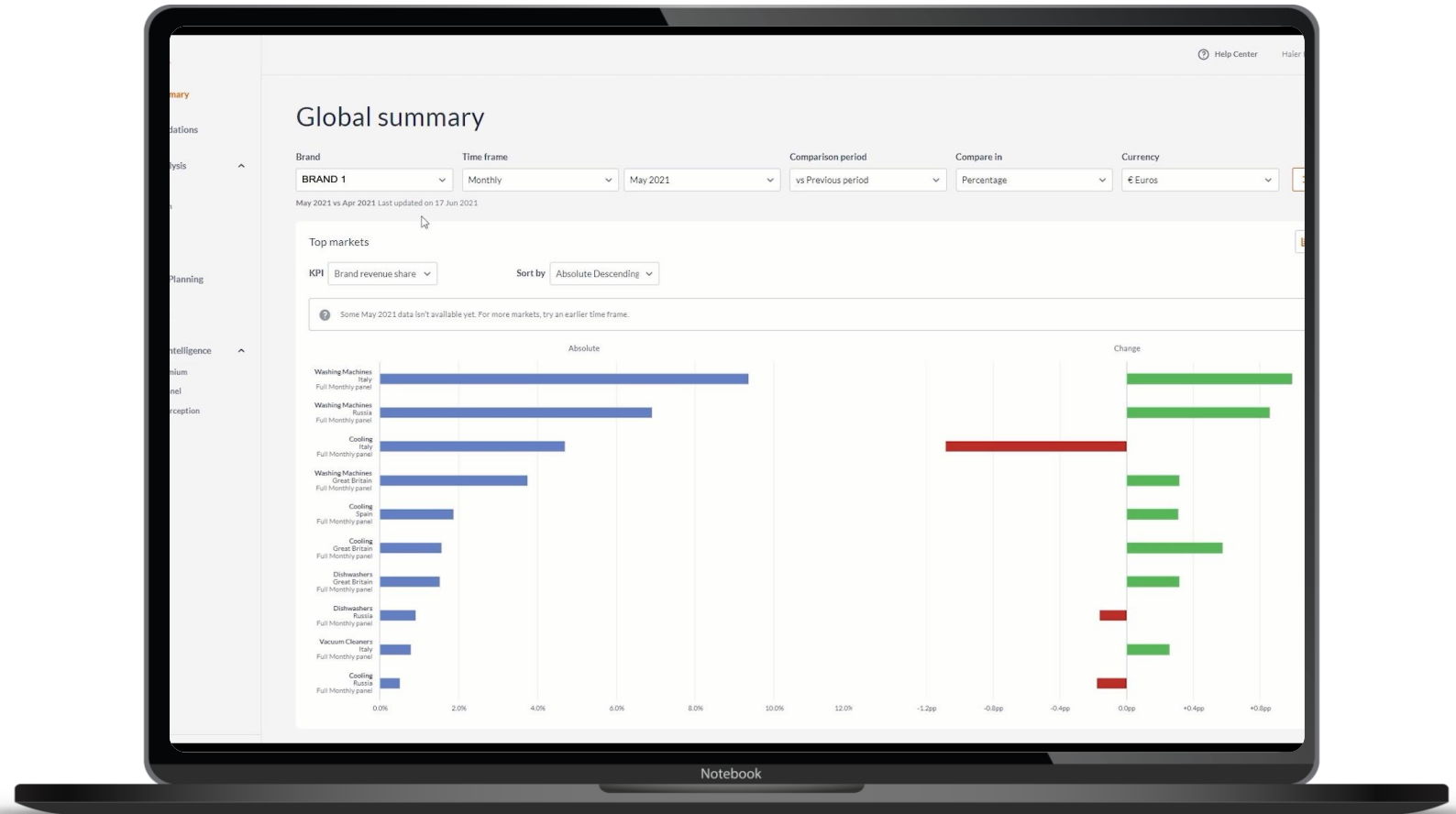
 **gfknewron Consumer**

Know your consumers

 **gfknewron Predict**

Shape what happens next

Request your live demo now!



More information wanted?

Contact us!



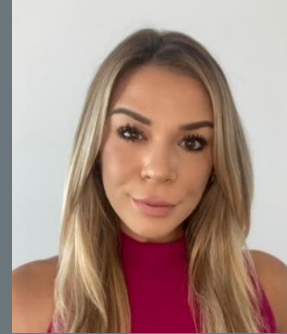
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Don't miss our next workshops!

Monday 15th of May, 15:00

**Connecting the Dots:
How to meet Smart Consumers'
evolving expectations?**

Presented by Ines Haaga
Director Global Strategic Insights
GfK



Tuesday 16th of May, 16:00

**From Chaos to Opportunity:
Navigating market disruption**

Presented by Nevin Francis
Director Global Strategic Insights
GfK



**See you in
Monaco!**

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