Growth from Knowledge

FMCG shopper types across GfK countries

Expertise paper

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GfK Consumer Panel
October 2022

Content

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What are the GfK FMCG shopper types?

GfK's FMCG shopper types help develop successful growth strategies

- GfK's FMCG shopper types **structure the entire FMCG market** into **existing shopper segments**, quantify their **importance** and **explain their shopping behavior** and **attitudes**
- They are the basis for **understanding developments** in the FMCG market, in particular the connection with **channels and retail development**
- They **facilitate development strategies** and **shopper activation** to win the relevant shopper segments and **provide thought leadership in retailer relationships**
- They **quantify the size of the prize** for the different courses of **action** and **define opportunities for growth**

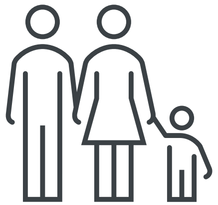
Two types of input data to create a 360° consistent view of the shopper

Shopping Behaviour (measured)

- Purchase KPIs
- Accounts
- Brand Choice
- Loyalty
- Fresh Food, organic
- Shopping missions
- Promotions, loyalty cards

Attitudes (claimed)

- Shopping pleasure
- Time pressure
- Leaflet usage, shopping list
- Advertising, promotions
- Shop distance
- Innovations
- Product origin



Shopper Segmentation → FMCG/ECR shopper types

Comparable segmentation over GfK countries but also with country specific views.

GfK FMCG shopper types - country overview

GfK offers comparable shopper type data across different countries

<table>
<tr><th></th><th>INTERNATIONAL SEGMENTS</th><th>Austria</th><th>Belgium</th><th>Bulgaria</th><th>Czech Republic</th><th>Germany</th><th>Hungary</th><th>Italy</th><th>Nether-lands</th><th>Poland</th><th>Romania</th><th>Russia</th><th>Slovakia</th><th>Ukraine</th><th>Denmark</th><th>Sweden</th></tr>
<tr><td></td><td>Flexible Shopper</td><td>●</td><td>●</td><td>●</td><td>●</td><td>●</td><td></td><td></td><td></td><td>●</td><td></td><td>●</td><td>●</td><td></td><td></td><td>●</td></tr>
<tr><td rowspan="2">Stock Up Shopper</td><td>Heavy Loader</td><td>●</td><td>●</td><td></td><td>●</td><td>●</td><td>●</td><td>●</td><td>●</td><td>●</td><td>●</td><td>●</td><td>●</td><td>●</td><td>●</td><td>●</td></tr>
<tr><td>Convenient Shopper</td><td>●</td><td>●</td><td></td><td>●</td><td>●</td><td>●</td><td>●</td><td>●</td><td>●</td><td>●</td><td>●</td><td>●</td><td>●</td><td></td><td>●</td></tr>
<tr><td rowspan="2">Premium Buyer</td><td>Quality Shopper</td><td>●</td><td>●</td><td>●</td><td>●</td><td>●</td><td></td><td rowspan="2">●</td><td></td><td>●</td><td></td><td></td><td>●</td><td></td><td rowspan="2">●</td><td></td></tr>
<tr><td>Organic Shopper / Modern Shopper</td><td>●</td><td>●</td><td></td><td>●</td><td>●</td><td></td><td></td><td></td><td></td><td></td><td>●</td><td></td><td></td></tr>
<tr><td rowspan="2">Discount Buyer</td><td>Focused Discount Shopper</td><td>●</td><td>●</td><td></td><td></td><td>●</td><td>●</td><td>●</td><td rowspan="2">●</td><td rowspan="2">●</td><td>●</td><td></td><td></td><td></td><td>●</td><td>●</td></tr>
<tr><td>Discount Switcher</td><td>●</td><td>●</td><td></td><td>●</td><td>●</td><td>●</td><td>●</td><td></td><td rowspan="2">●</td><td>●</td><td></td><td>●</td><td></td></tr>
<tr><td></td><td>Promo Hunter</td><td>●</td><td>●</td><td>●</td><td>●</td><td>●</td><td>●</td><td>●</td><td>●</td><td>●</td><td>●</td><td>●</td><td>●</td><td>●</td><td>●</td></tr>
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Local specific segments

Without losing important market specifics

	LOCAL SEGMENTS	Bulgaria	Hungary	Italy	Nether-lands	Poland	Romania	Russia	Ukraine	Den-mark	Sweden
Traditional	Traditionals	●						●	●		
	Traditional Rural Shoppers (Rural Proximity in UA)		●				●		●		
	Traditional with Fresh Food focus		●	●							
	Bazaar Lover								●		
Other specific local clusters	Expedient Shopper	●									
	Cautious Empty Nesters						●			●	
	Capitalism Loving Seniors						●				
	Carefree Enjoyers				●						
	Conscious Innovators				●						
	Ordinary Shopper					●					
	Non-family							●			
	Price oriented							●			
	Discerning							●			
	Online Shoppers										●

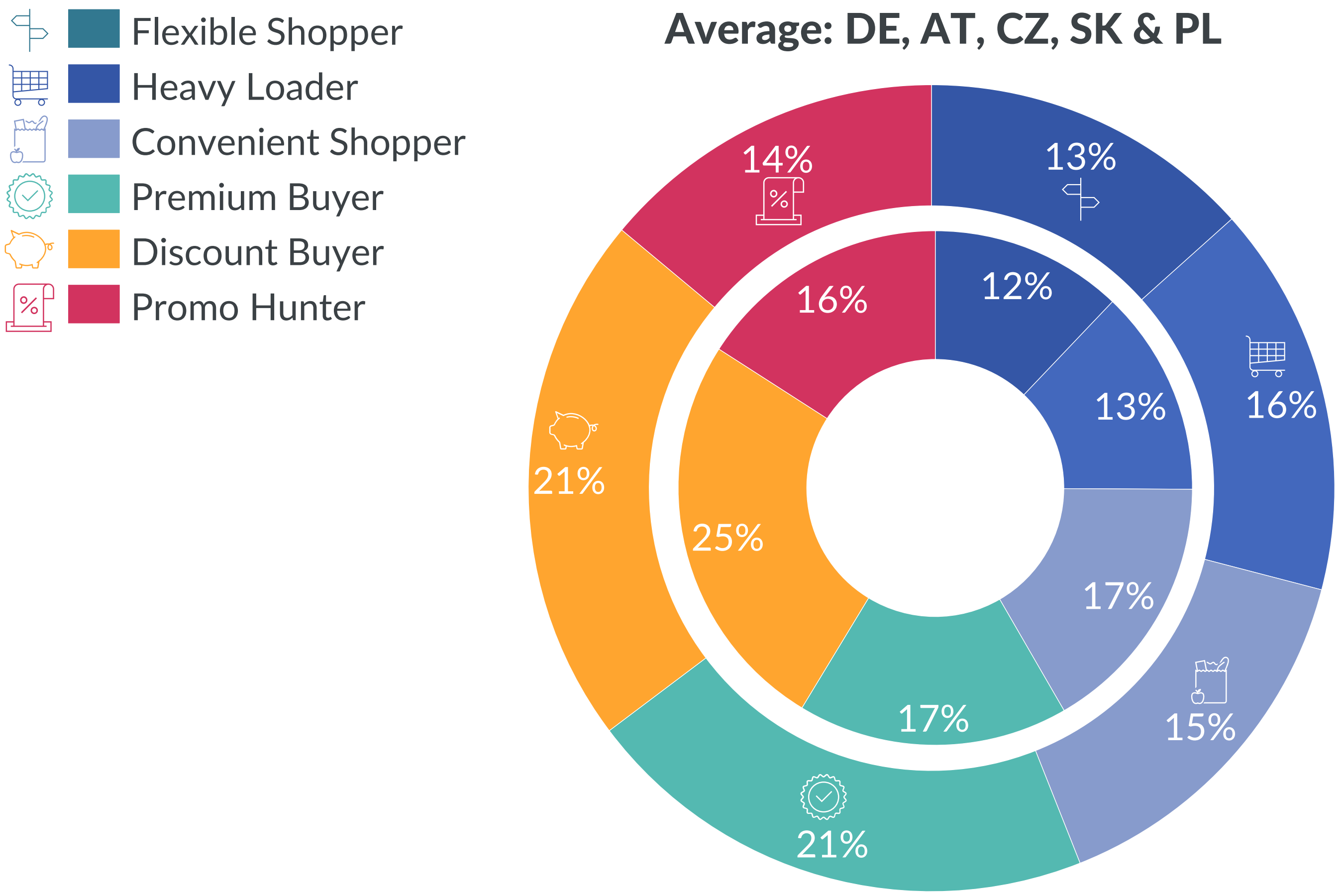
Example

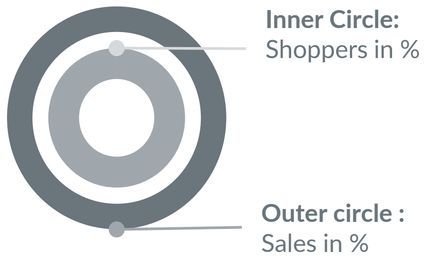
Capitalism Loving Seniors
(RO)

- Traditional trade in urban area
- Buy fresh food
- Average brand loyalty
- Higher frequency, small basked missions
- No budget pressure
- Seniors
- Planned purchases
- Like shopping
- Are attracted by ads
- Use leaflets
- Positive toward innovations

Overview FMCG shopper types

GfK's shopper types are comparable across countries – 'Discount Shoppers' are the biggest group (buyer & value)

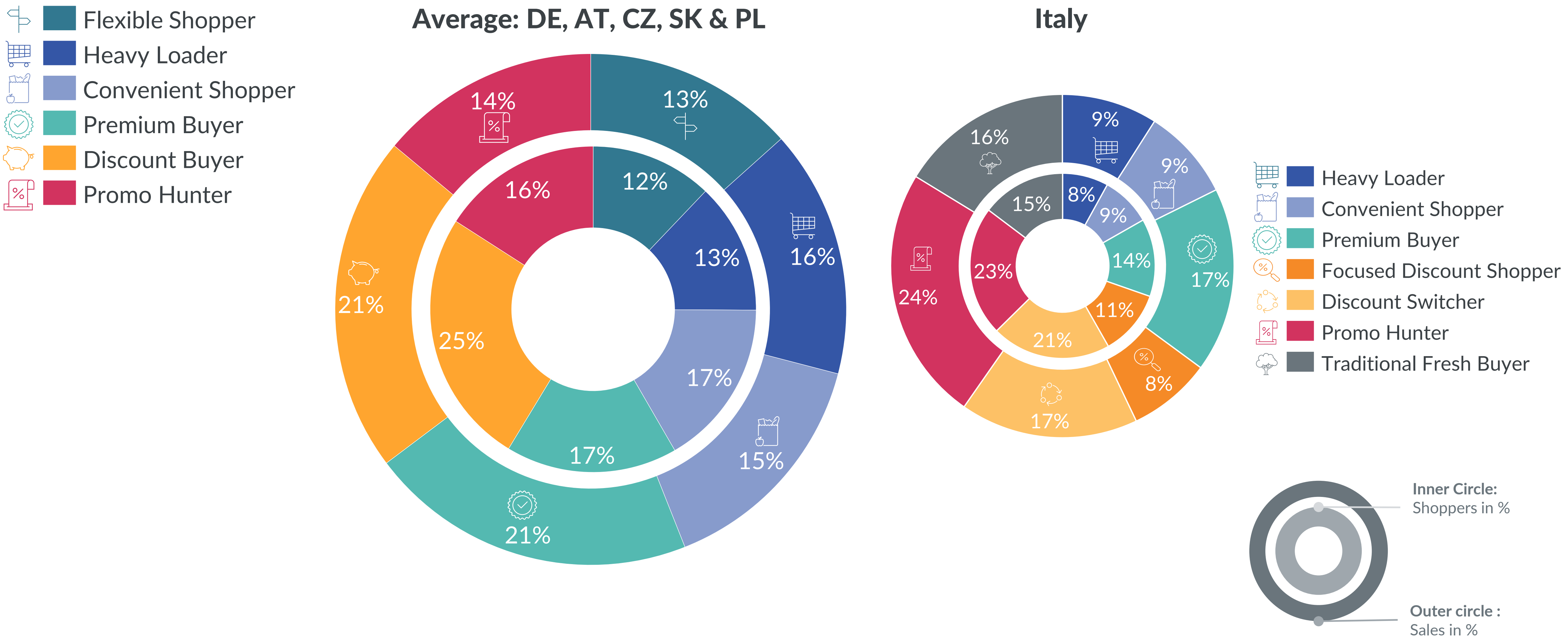




Source: GfK Consumer Panel FMCG | Average: DE, AT, CZ, SK, PL (PL excl. local cluster) | full year 2021

Overview FMCG shopper types

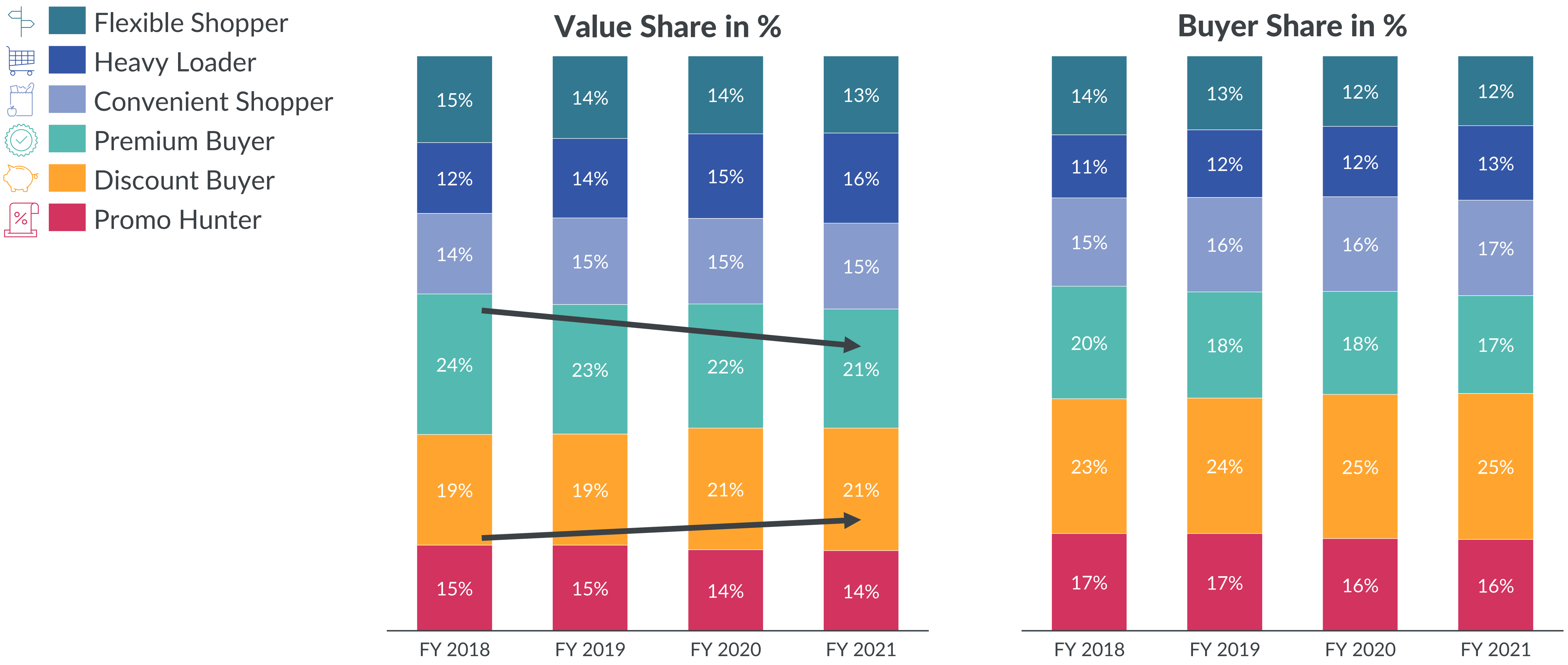
You can also compare country-specific segments – in Italy, the 'Traditional Fresh Buyer' plays an important role



Source: GfK Consumer Panel FMCG | Average: DE, AT, CZ, SK, PL (PL excl. local cluster) | full year 2021

Development of the shopper types (on average)

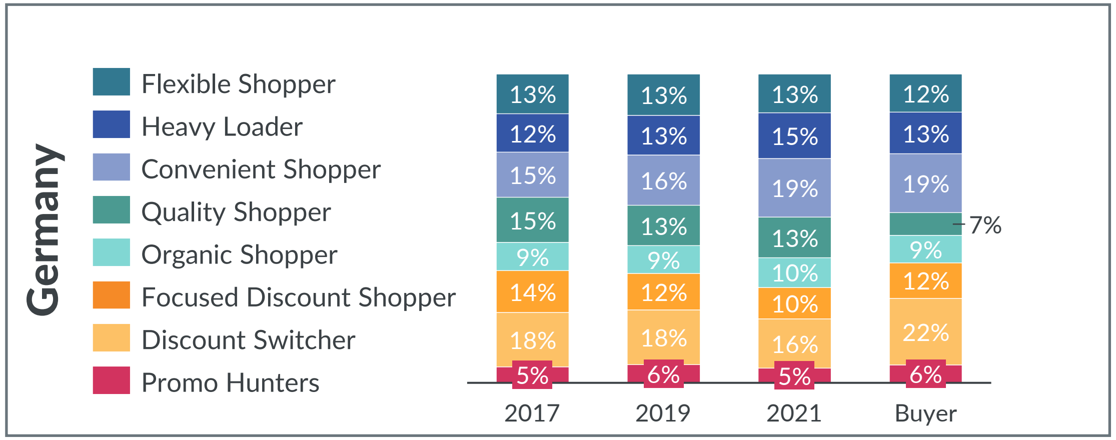
The size of the 'Premium Buyer' segment is decreasing– this is expected to continue in times of inflation

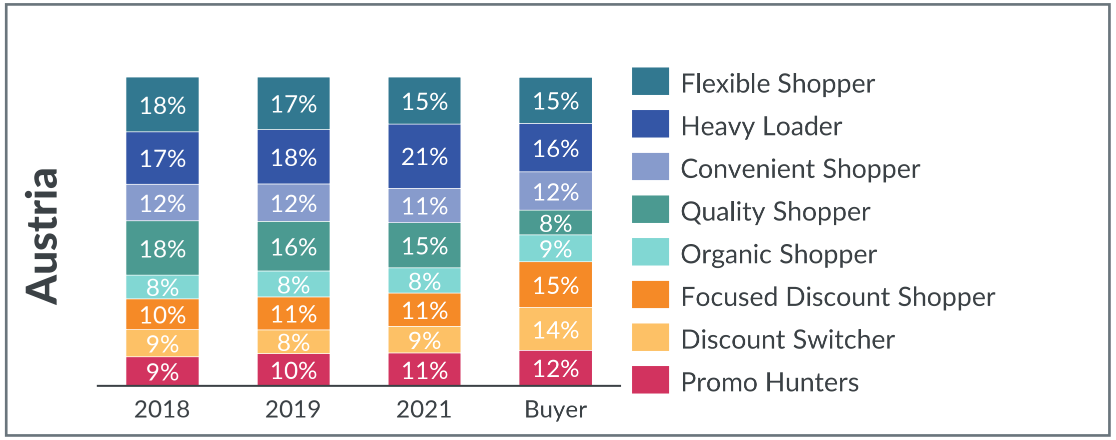


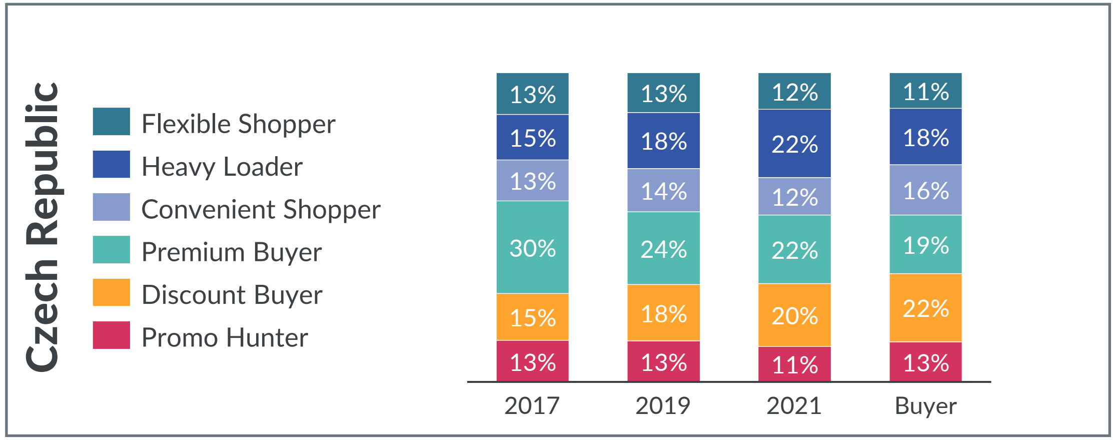
Source: GfK Consumer Panel FMCG | Average: DE, AT, CZ, SK, PL (PL excl. local cluster)

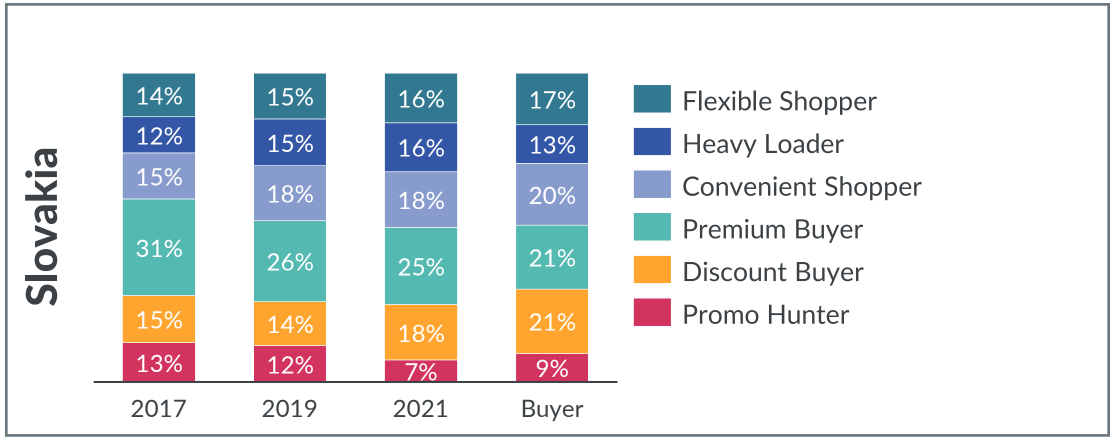
Development of the shopper types by country

Similarities and differences can be seen in the country comparison.
For example, the value share of Premium Shoppers is decreasing in DE, AT, CZ and SK.





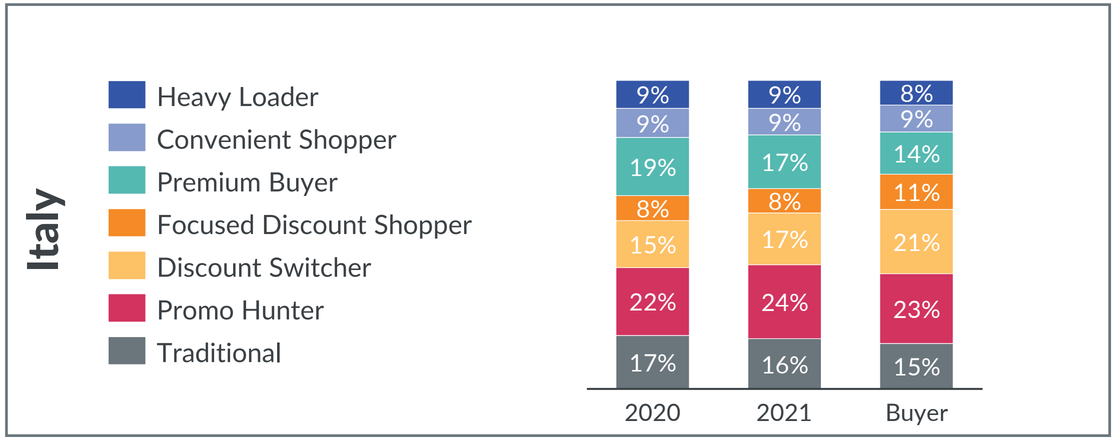


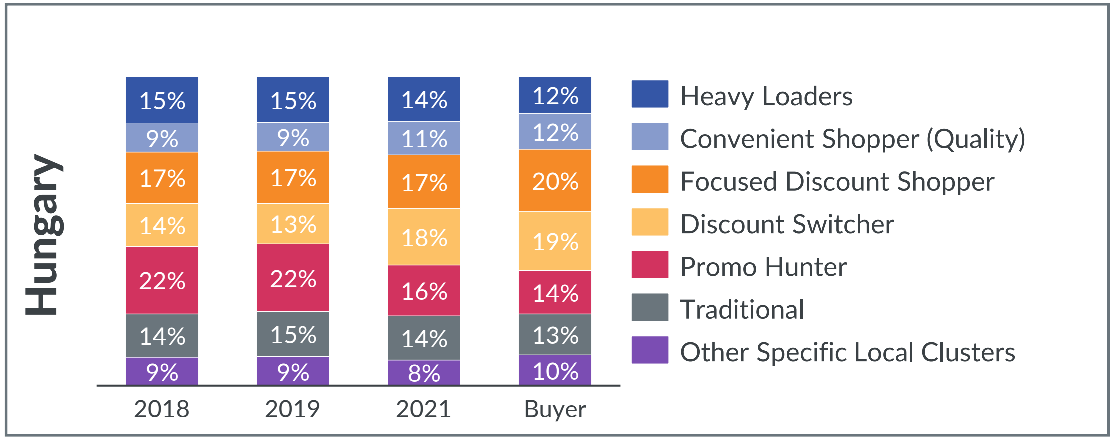


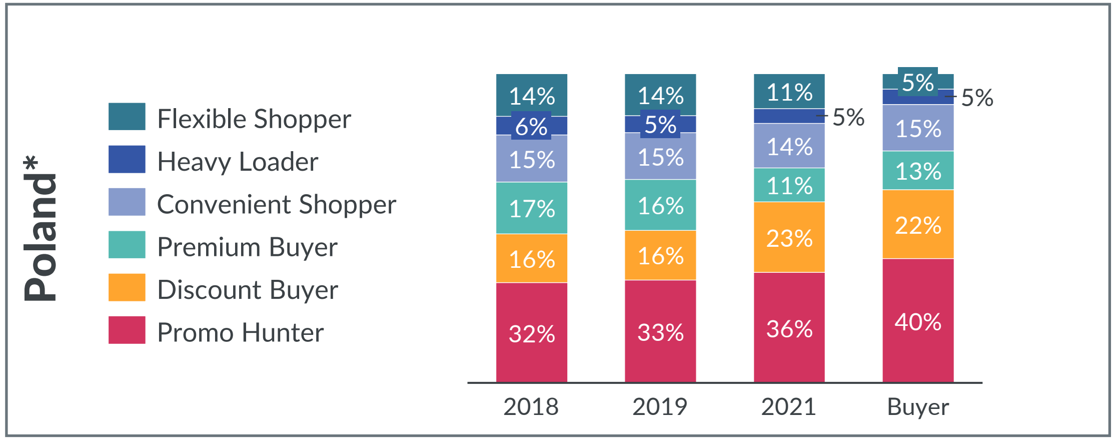
Source: GfK Consumer Panel FMCG | Buyer Share: full year 2021 | Value Share and Buyer Share in %

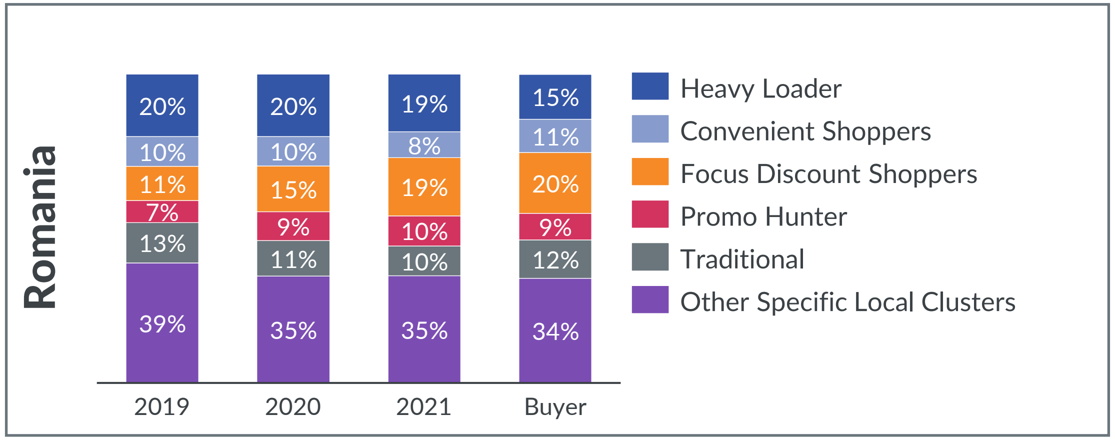
Development of the shopper types by country

IT, HU, PL and RO have in common that the ‘Premium Shopper’ segment size is decreasing, but also, specific country segments like the ‘Traditional’ shoppers









Key Learnings 1

1

What are the GfK FMCG shopper types?

01 Two types of input data, factual measured purchases behavior and attitudes, which create a 360° consistent view of the shopper. The types are available through GfK Consumer Panels and can be used for all analysis

02 The GfK FMCG shopper types are standardized and can be directly compared between countries – but also has country specific insights

03 'Premium Buyers' and the specific local cluster of 'Traditional Shoppers' are decreasing in size, whilst 'Discount Buyers' are increasing in most countries – this trend will likely get stronger through the times of instability and inflation

2

What are the differences between the FMCG shopper types across the different countries?

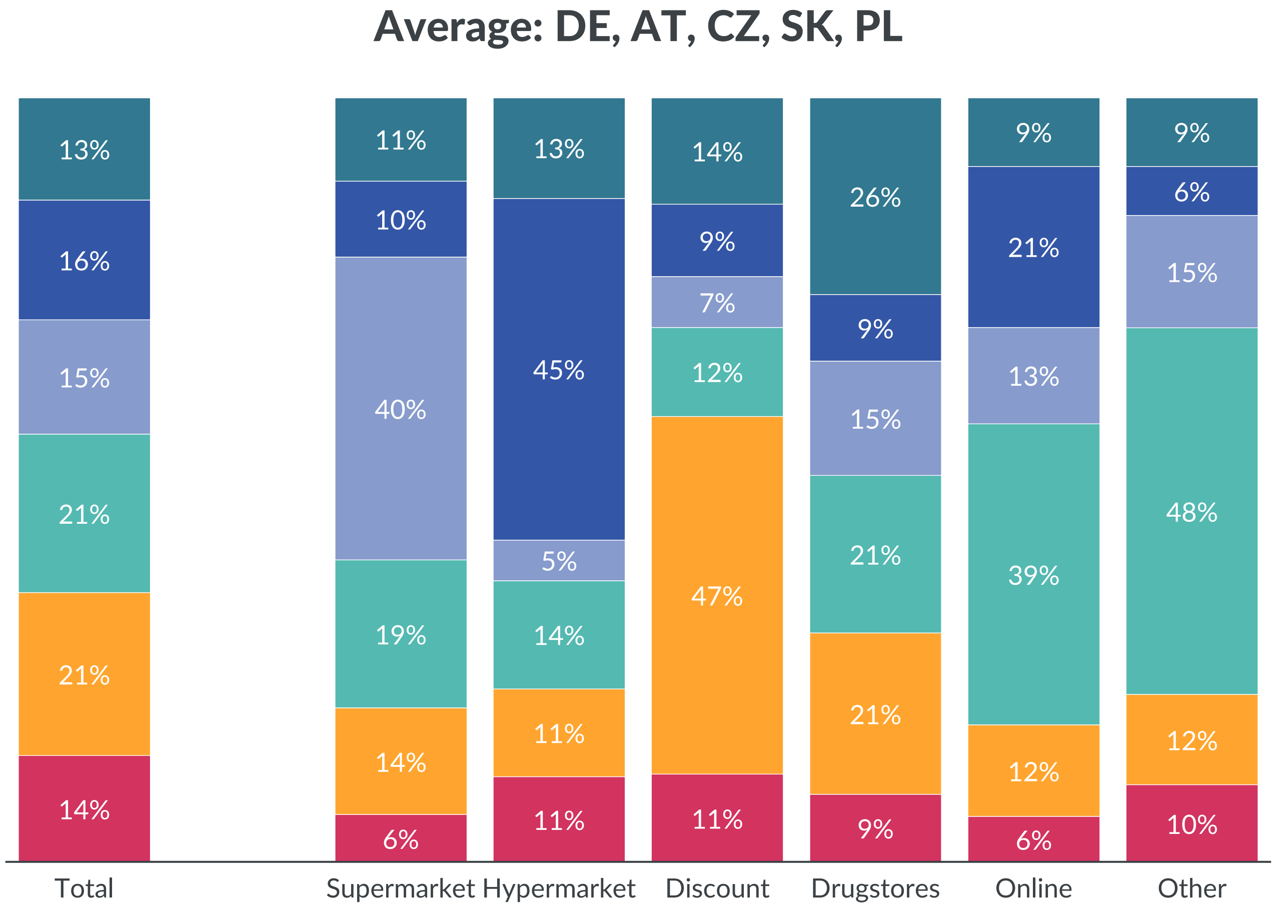
2a

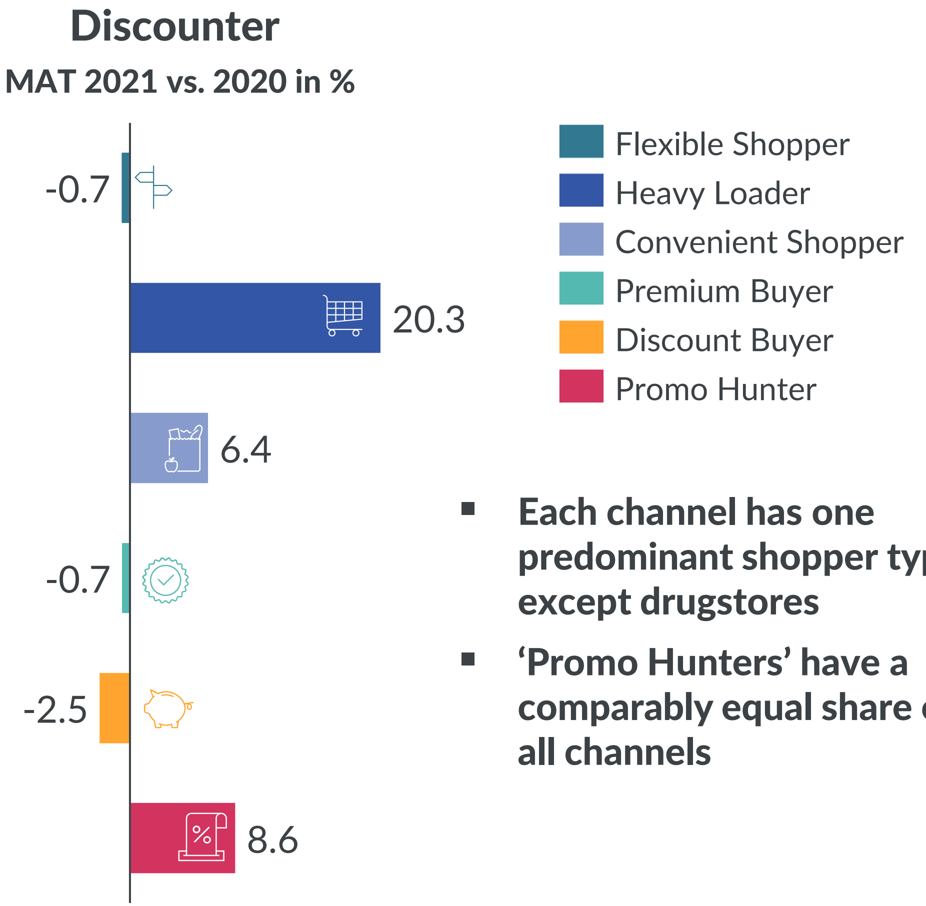
What are the differences between the FMCG shopper types across the different countries?

Channels

FMCG shopper types in channels

At first glance, there are no surprises in the channel split, however, 'Heavy Loaders' are showing dynamic growth at discounters



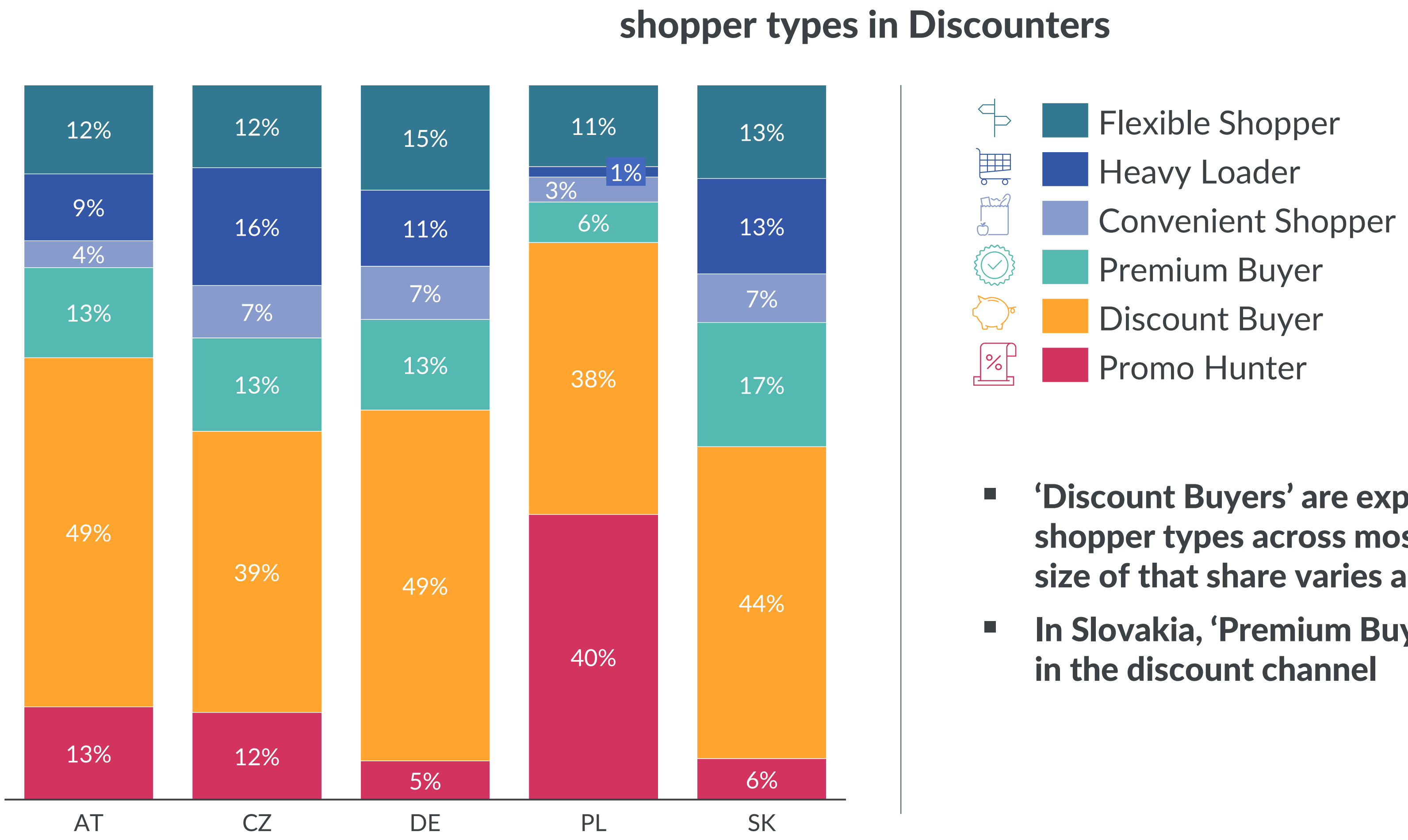


- **Each channel has one predominant shopper type except drugstores**
- **'Promo Hunters' have a comparably equal share over all channels**

Source: GfK Consumer Panel FMCG | full year 2021 | Average: DE, AT, CZ, SK, PL (PL excl. local cluster) | Value Share in %

FMCG shopper types at discounters

In Poland the ‘Promo Hunter’ spends even more at discounters than the ‘Discount Buyer’

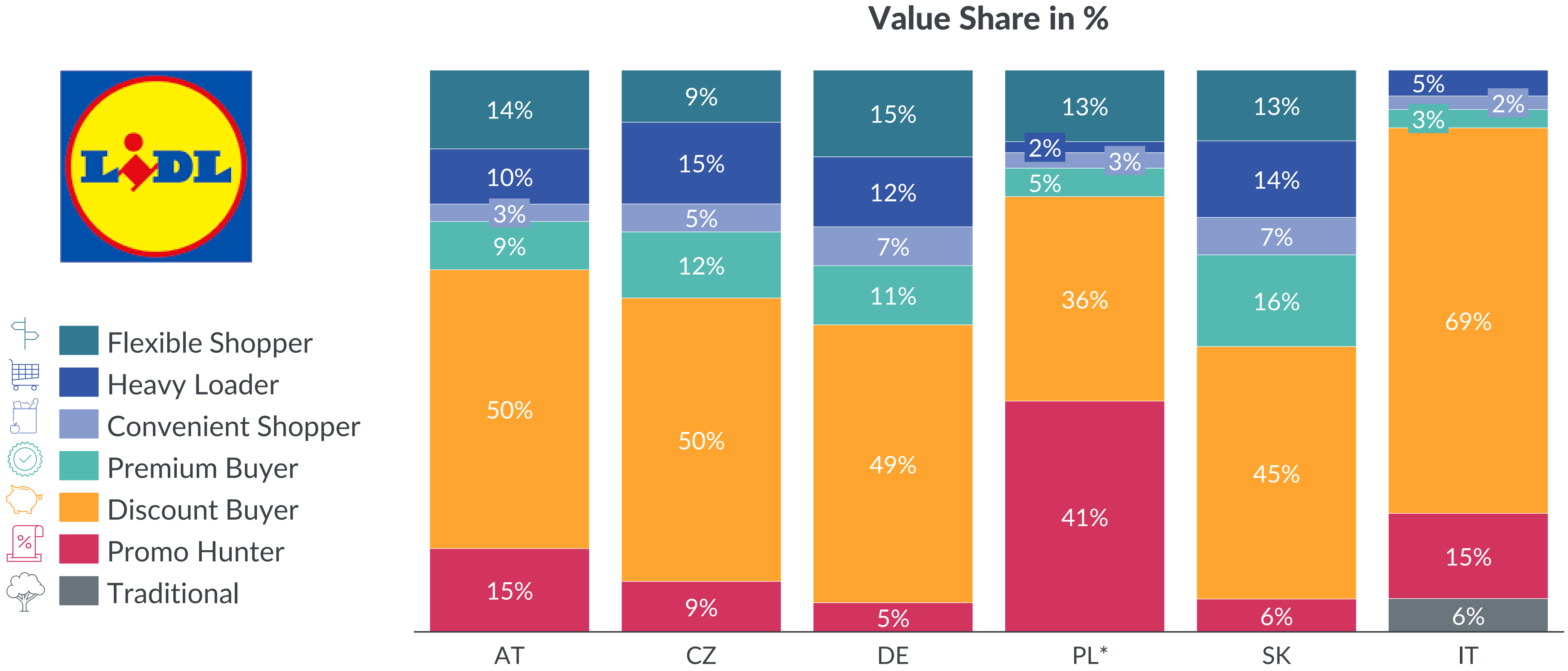


- **‘Discount Buyers’ are expectedly the largest share of shopper types across most countries even though the size of that share varies a lot between the countries**
- **In Slovakia, ‘Premium Buyers’ are the 2nd largest group in the discount channel**

Source: GfK Consumer Panel FMCG | full year 2021 | Average: DE, AT, CZ, SK, PL (PL excl. local cluster) | Value Share in %

Shopper types at Lidl

Shopper types at Lidl show similar shares as in discount overall – but in the Czech Republic the share of 'Discount Buyers' is much higher at Lidl than in total discounters



Key Learnings 2a

2a

Channel differences between FMCG shopper types

01 At first glance, there are no surprises in the channel split – discounters have the highest shares of ‘Discount Buyers’, hypermarkets the highest shares of ‘Heavy Loaders’

02 ‘Heavy Loaders’ are presenting dynamic value growth at discounters. The share of ‘Promo Hunters’ is higher than ‘Discount Buyers’ in Polish discounter channel

03 Lidl shows ‘Heavy Loaders’ and ‘Premium Buyers’ with considerate share in DE, CZ and SK

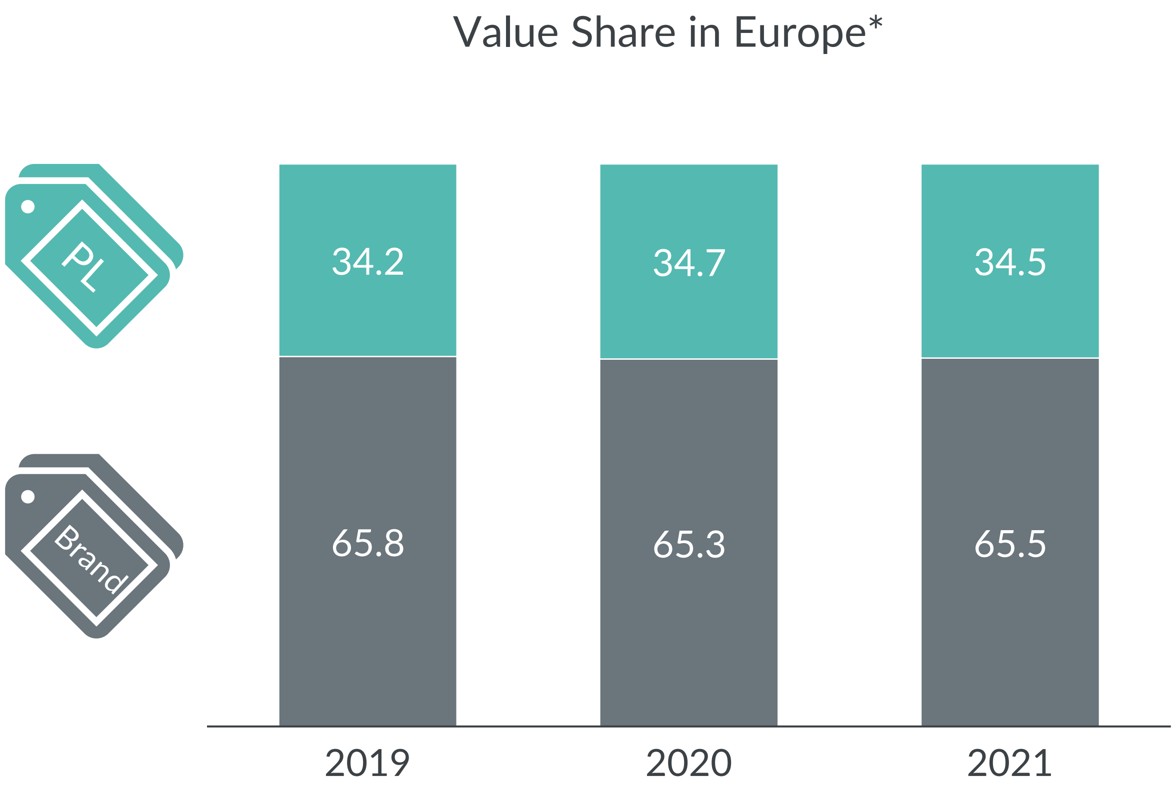
2b

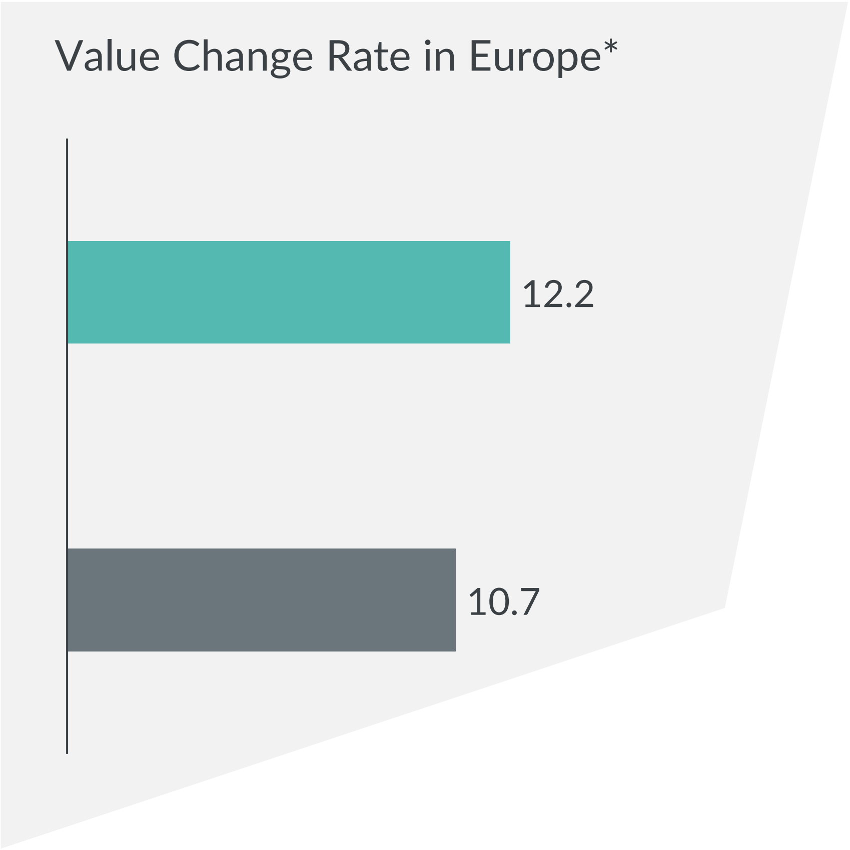
What are the differences between the FMCG shopper types across the different countries?

Private labels

Growth of private labels in Europe*

Value Shares in %, Value Change Rate 2021 vs. 2019

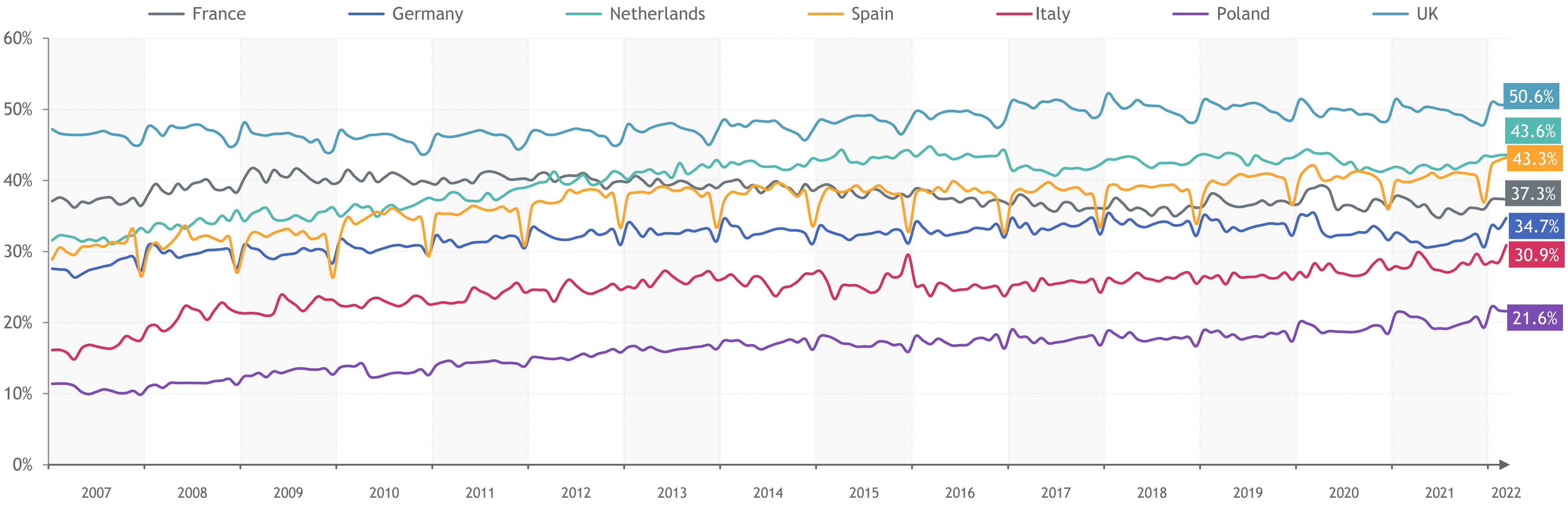




Source: KANTAR Worldpanel & GfK Consumer Panels FMCG (only calibrated packaged goods); Value Shares in %, Value Growth 2021 vs. 2019;
*Based on 21 European Consumer Panel Countries

Private label FMCG shares by country

With increasing inflation, private label shares continue growing in Italy, Poland and Spain and recover elsewhere



Source: Europanel | Report: FMCG Global Trends | FMCG, Inflation & the Economy

Attitude: importance of private labels

‘Flexible Shoppers’ and ‘Discount Buyers’ find private labels important – especially in Czech Republic

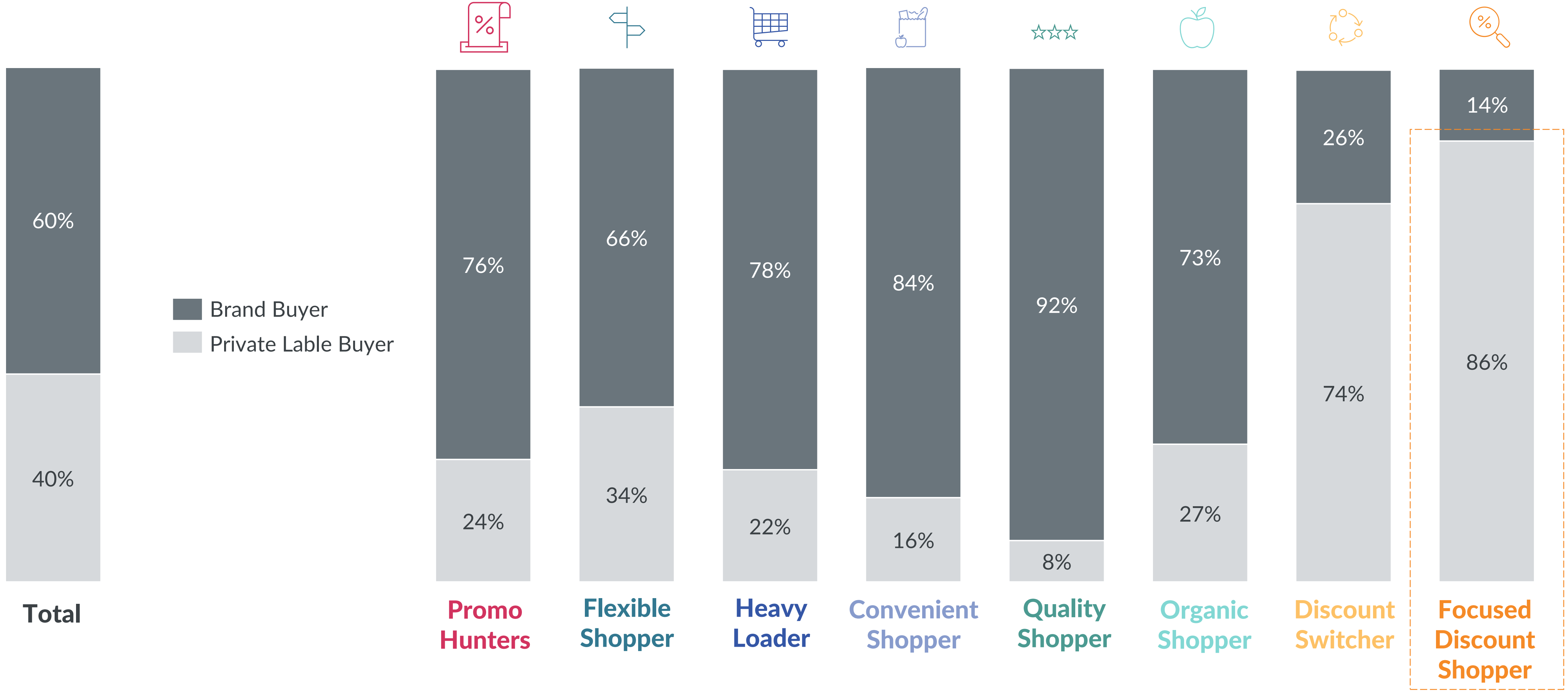
Reading example:

Germany Premium Buyer Index 84: less agreement with importance of private label than the average of all shopper types in total DE, whereas in Austria Promo Hunter (Index 108) think private label are rather important than the average shopper in AT.

Source: GfK Consumer Panel FMCG | full year 2021 | Index: buyer share shopper types vs. Total

FMCG shopper types – distribution by number of brand shoppers

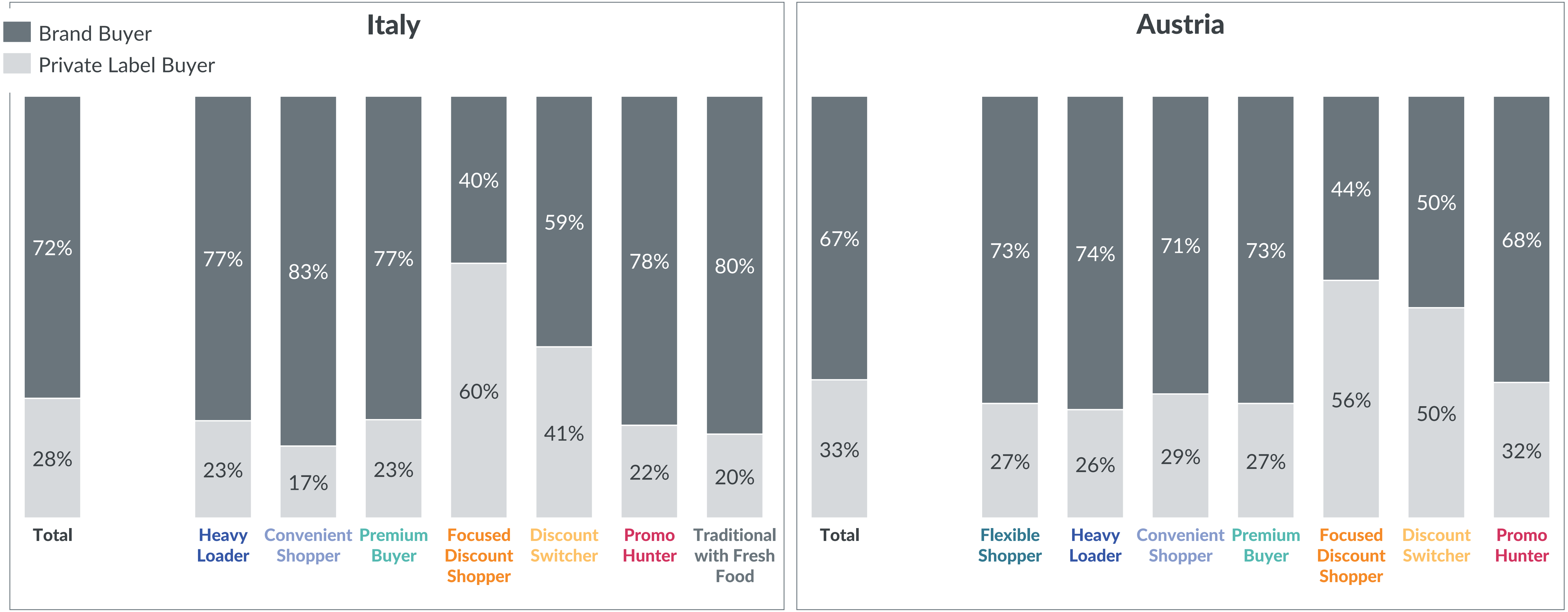
Germany: private labels are growing, and they are especially important for ‘Discounter Buyers’ and ‘Flexible Shopper’ and this is visible in their purchases



Source: GfK DE Consumer Panel FMCG | Germany | full year 2021 | DE buyer Share in %

FMCG shopper types – distribution by number of brand shoppers

In Austria higher 'Private Label Buyer' shares over all shopper types than in Italy – one exception: 'Focused Discount Shopper'



Source: GfK Consumer Panel FMCG | full year 2021 | buyer Share in %

Key Learnings 2b

2b

Private Label preferences of FMCG shopper types

01 The shares of private labels are growing in the long term. Private labels are getting even more important at times of instability & inflation

02 Private label shares are the highest amongst the ‘Discount Buyers’ (‘Focused Discount Shoppers’ and ‘Discount Switchers’)

03 Private Labels are also very important for ‘Flexible Shoppers’

2c

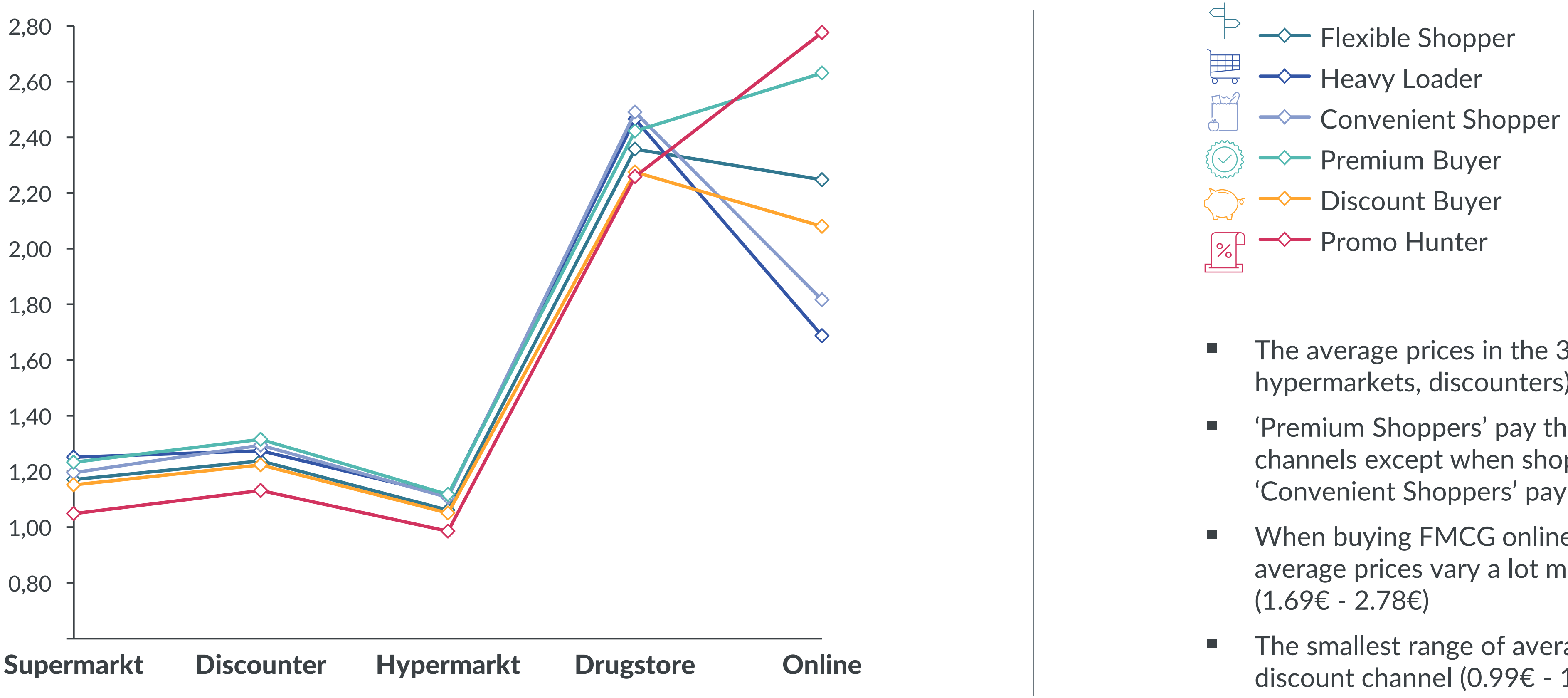
What are the differences between the FMCG shopper types across the different countries?

E-grocery

Spending changes between channels

When buying FMCG online there are significant differences between the shopper types – however, spending over other channels is fairly similar between the segments

Average Price per Channel

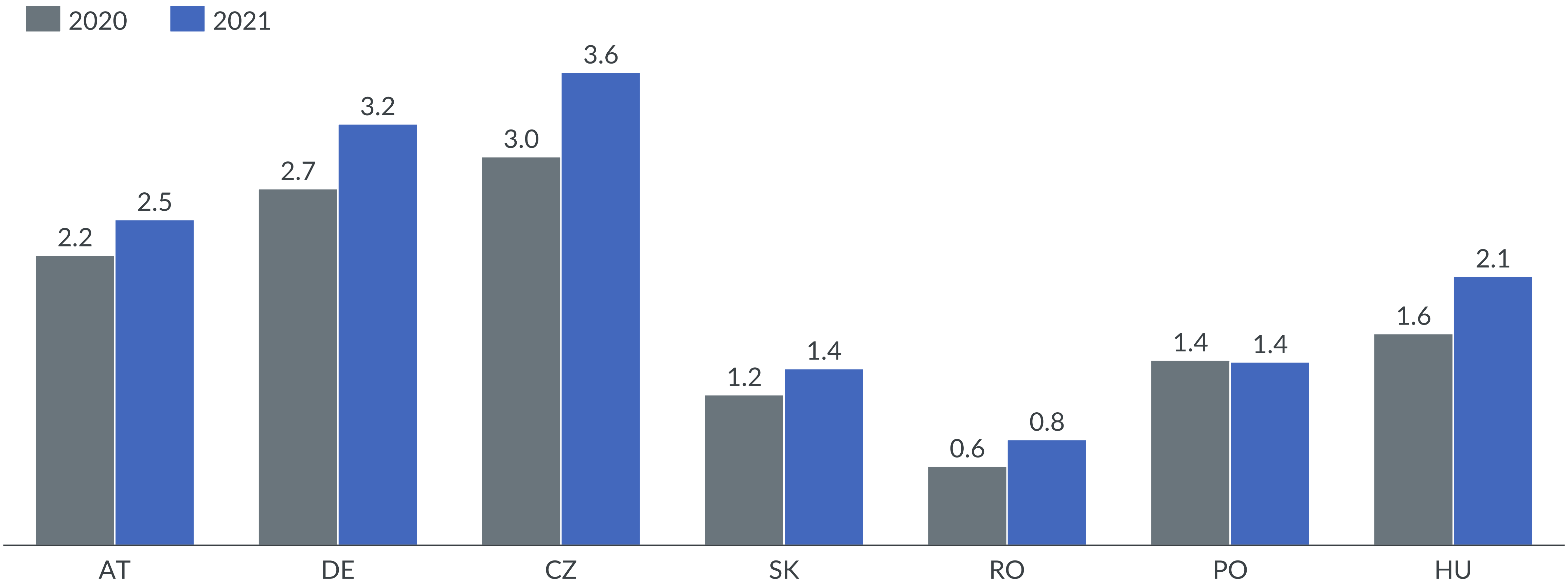


- The average prices in the 3 largest channels (supermarkets, hypermarkets, discounters) are fairly similar
- 'Premium Shoppers' pay the highest average prices in all channels except when shopping at drugstores, where 'Convenient Shoppers' pay the highest prices
- When buying FMCG online the differences between the average prices vary a lot more than in any other channel (1.69€ - 2.78€)
- The smallest range of average prices is observed in the discount channel (0.99€ - 1.12€)

Source: GfK Consumer Panel FMCG | full year 2021 | Average: DE, AT, CZ, SK, PL

Online FMCG value shares

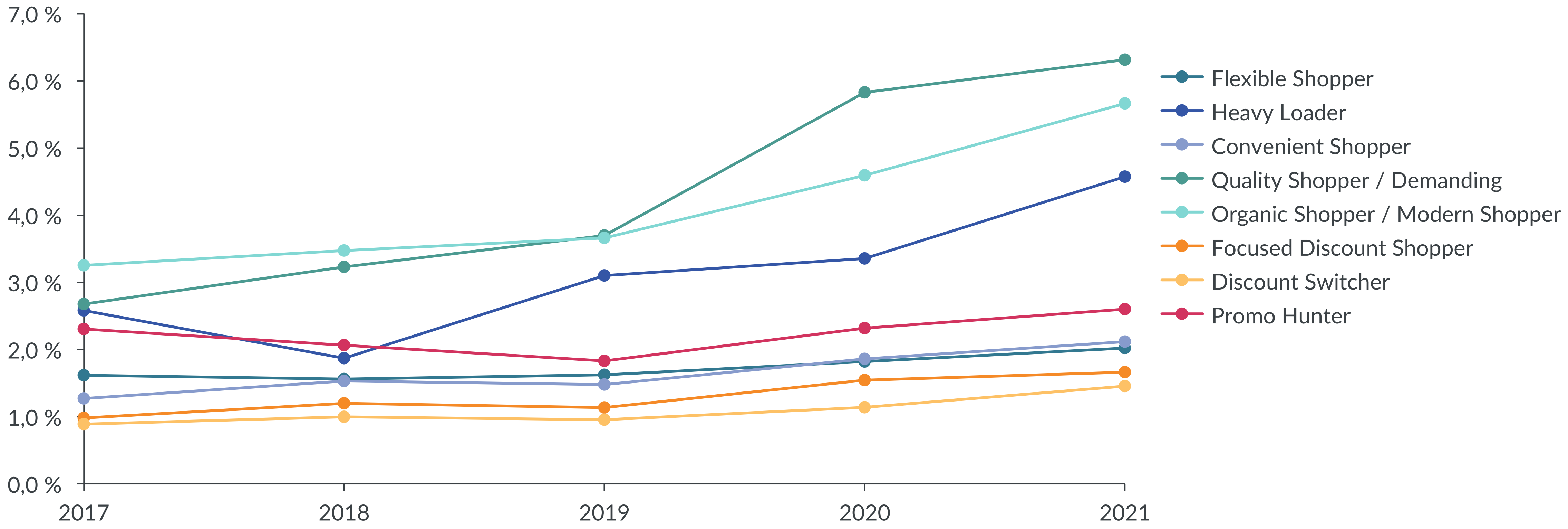
E-grocery value share is growing over all countries



Source: GfK Consumer Panel FMCG | Value Shares in %

Germany: development of online spending

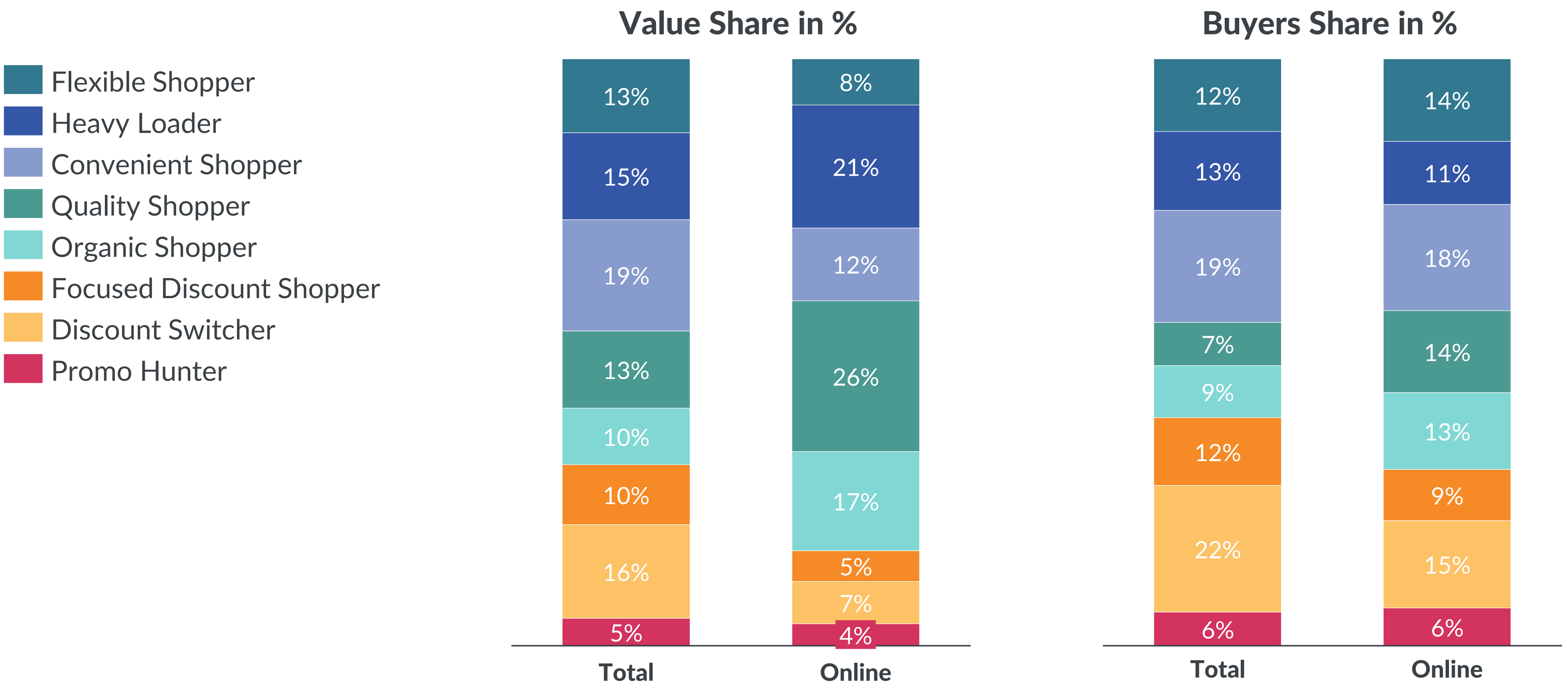
All shopper types increased their online spending in 2021 compared to previous years – but especially 'Premium Buyers' and 'Heavy Loaders'



- In 2017 before the recent growth in e-grocery channels all shopper types saw a much closer share of their budget being spent on online FMCG purchases. Especially the 'Quality Shoppers', 'Organic Shoppers' & 'Heavy Loaders' saw their spending on FMCG online purchase gain in importance.

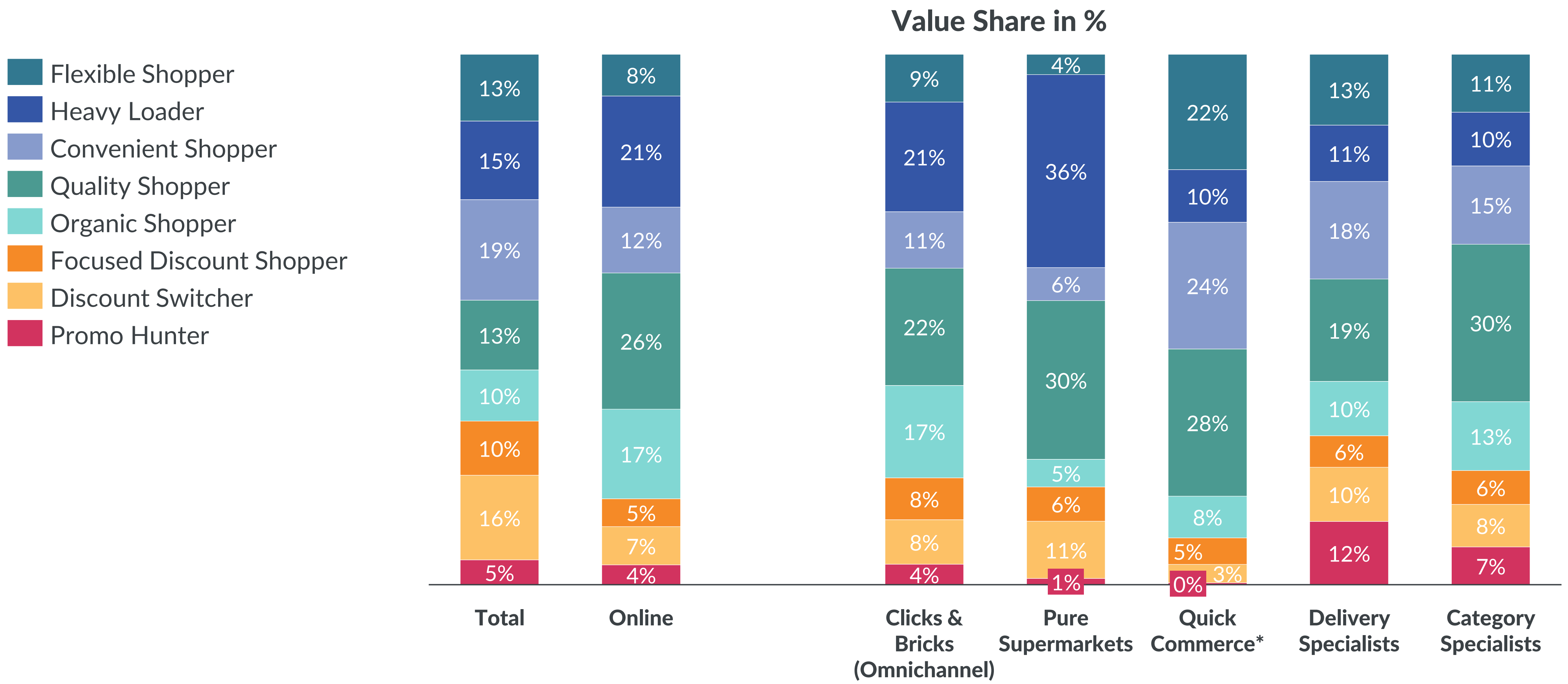
Germany: shopper types in the e-grocery market

'Heavy Loaders', 'Quality Shoppers' and 'Organic Shoppers' are the most important spenders in online FMCG



Germany: shopper types in the e-grocery channels

‘Heavy Loaders’ are the largest group within the pure supermarkets, ‘Quality Shoppers’ have the highest spending at category specialists

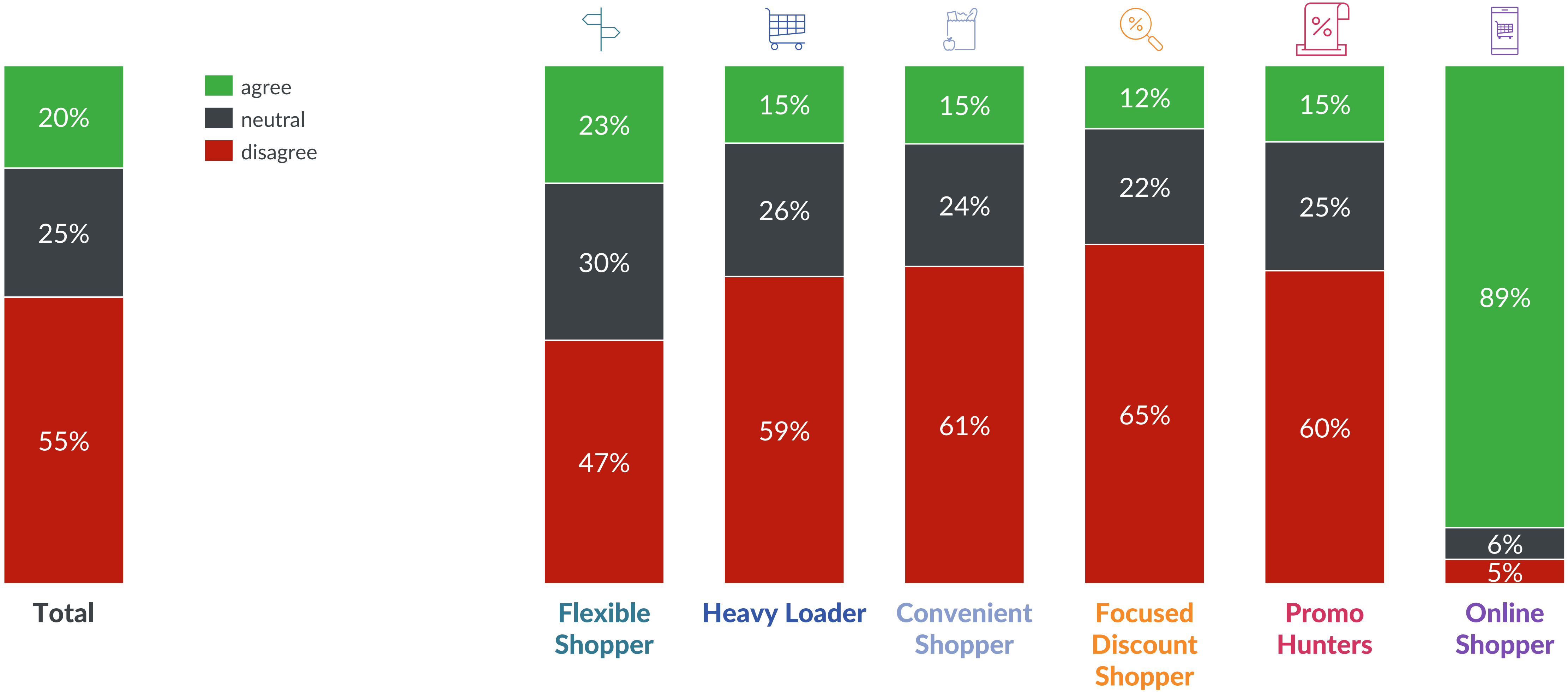


Source: GfK Consumer Panel FMCG DE | Full year 2021 | *small sample size

Importance of e-grocery: Sweden has an own shopper online segment

Nearly all online shoppers in Sweden think online grocery shopping is really convenient

I think shopping for groceries online is really convenient:



Source: SE GfK Consumer Panel Food Monthly | MAT Jun 2022 | Top2 Box buyer share in % | *small sample size

Key Learnings 2c

2c

Differences of e-grocery shopping between FMCG shopper types

01 The differences between the average prices paid by shopper types in e-grocery vary a lot more than in any other channel

02 E-grocery is the channel with the highest growth potential, offering multiple opportunities. The example of Sweden shows the importance of online, with their own ‘Shopper Online Segment’ amongst their shopper types

03 In Germany all shopper segments increased their share of online spending in 2021 compared to previous years, ‘Quality Shoppers’, ‘Organic Shoppers’ & ‘Heavy Loaders’ saw the most gains in importance

2d

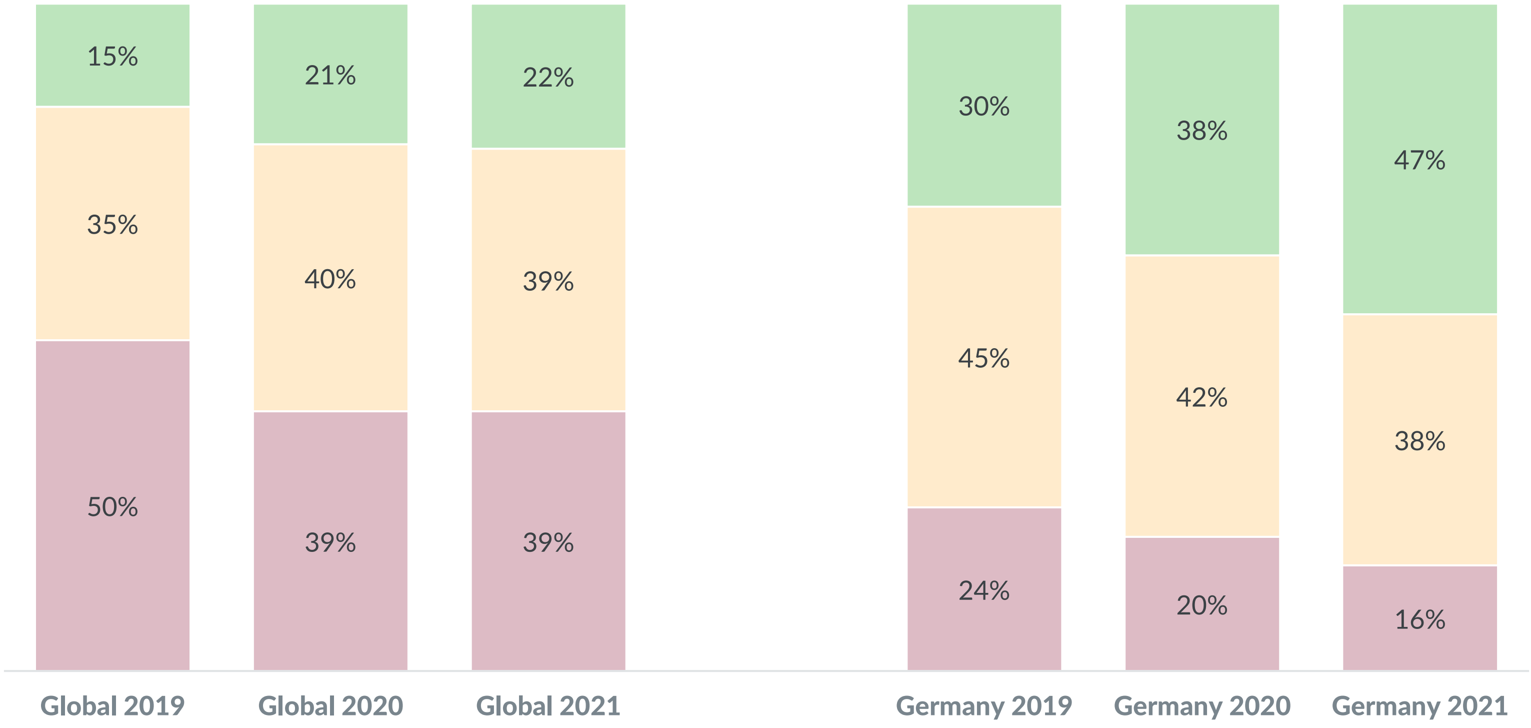
What are the differences between the FMCG shopper types across the different countries?

Sustainability

Eco-segment share

Eco-actives are growing

Eco-Actives have grown considerably in Germany this year, up from 38% in 2020 to 47% in 2021. This takes keep Germany firmly ahead of other countries in having the highest number of eco-actives.



ECO ACTIVES

Shoppers who are highly concerned about the environment, and are making the most of actions to reduce their waste. They feel an intrinsic responsibility to be more sustainable, follow the topic more actively and have a greater awareness.

ECO CONSIDERERS

They are worried about the environment and plastic waste, at similar levels to Eco-Actives. But they are actually closer to Eco-Dismissers in how they act, not making many actions to reduce their waste. Their biggest barriers are convenience and price.

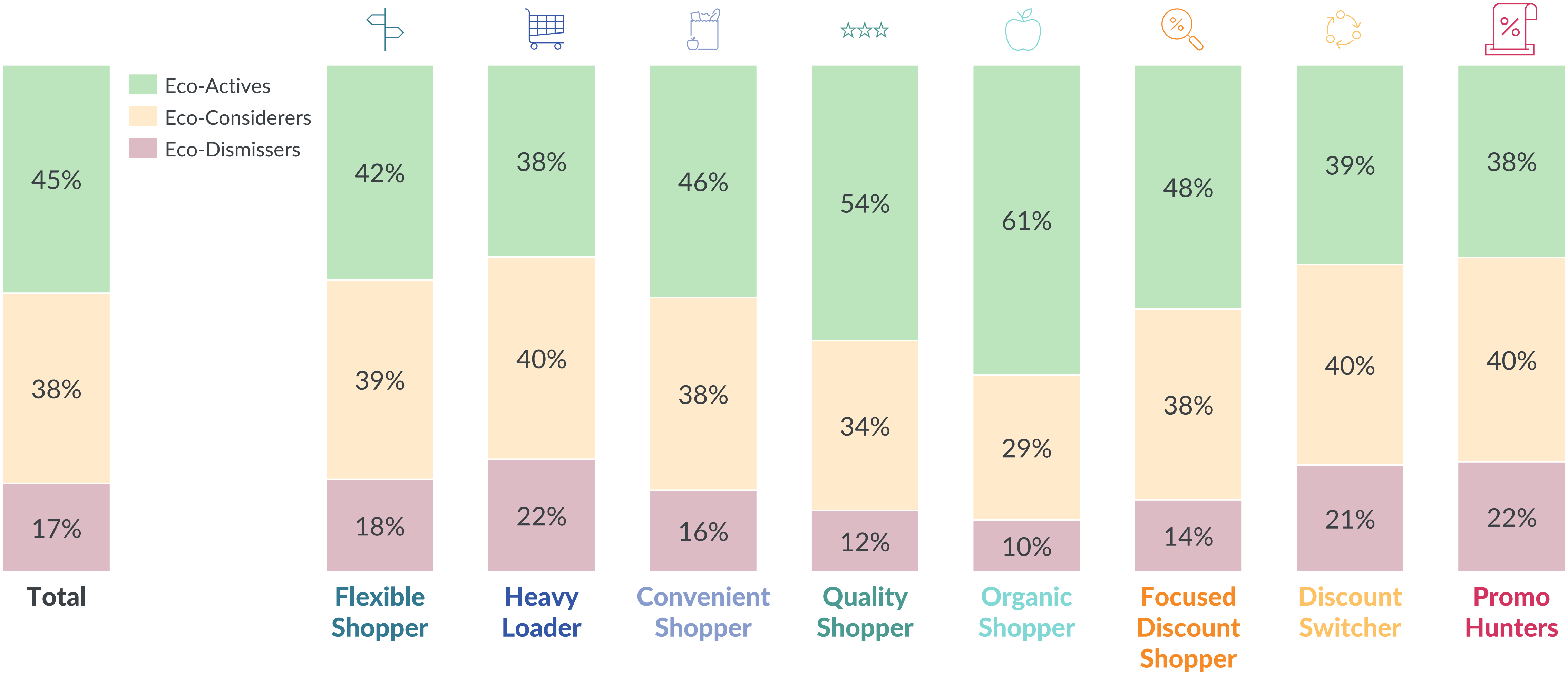
ECO DISMISSERS

Shoppers who have little or no interest in the environment and making no steps to reduce waste. The topic rarely features amongst friends and family and they are lacking awareness of environmental concerns. They do not think they make a difference.

Source: Europanel, Kantar, GfK #WhoCares?WhoDoes? 2021 | Buyer Share in %

Germany: eco-segments share across FMCG shopper types

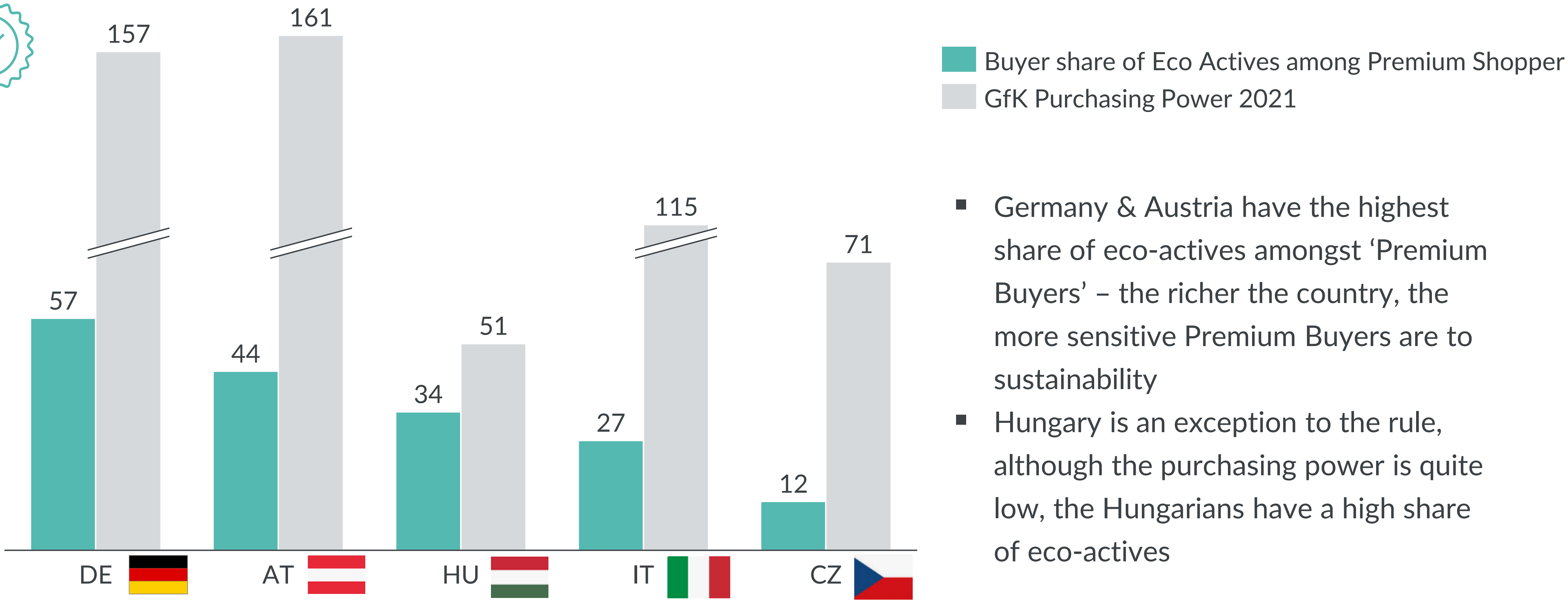
Eco-actives with different shares between the Shopper Segments, eco-actives have highest shares whithin the Premium Buyer but also Focused Discount Shopper (48 %)



Source: GfK DE Consumer Panel FMCG | Germany | full year 2021 | DE Buyer (%)

Eco-actives amongst Premium Buyers

The richer the country, the more sensitive ‘Premium Buyers’ are to sustainability

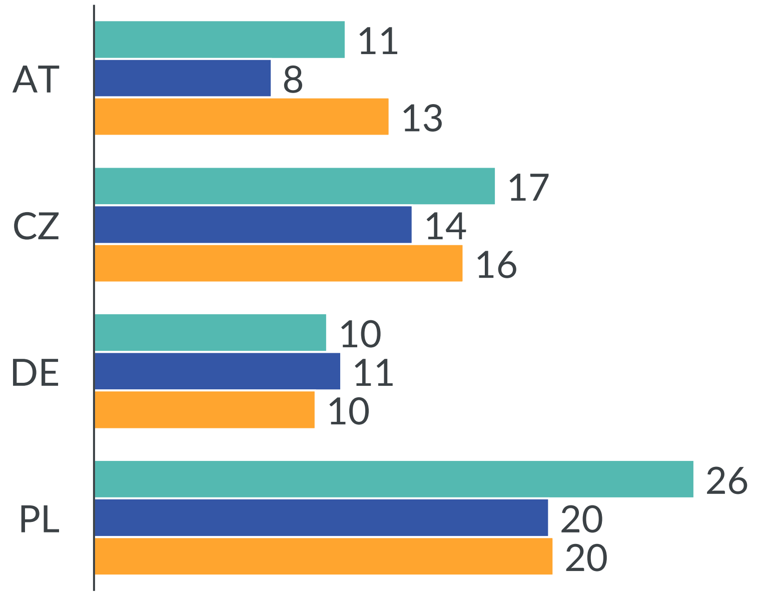


- Germany & Austria have the highest share of eco-actives amongst ‘Premium Buyers’ – the richer the country, the more sensitive Premium Buyers are to sustainability
- Hungary is an exception to the rule, although the purchasing power is quite low, the Hungarians have a high share of eco-actives

Attitude: the environment and fairly produced

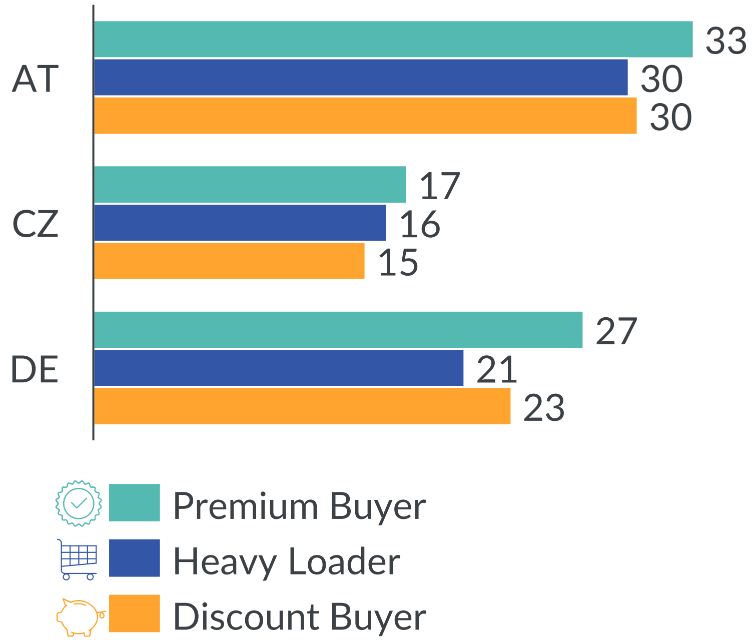
Other indicators of sensitivity might be how satisfied shoppers with current regulations, as well as how they support fairly produced articles in stores

The actions currently taken to protect our environment are sufficient



- Premium buyers in DE, AT less believe actions are enough, while in PL, CZ Premium buyers are realatively satisfied

Fairly produced products are important



- Premium buyers tend to find this feature more important vs. other ECR groups

Source: GfK Consumer Panel | full year 2021 | Harmonized Statements | Top2 Box Agreement with statement buyer share in %

Key Learnings 2d

2d

Difference in Sustainability amongst the FMCG shopper types

01 Sustainability is growing in importance, and as such the eco-active segment is growing

02 Eco-active shares vary between countries and especially between the single types of the national shopper segments

03 ‘Premium Buyers’ are the most sensitive for eco thinking – as they can afford that sensitivity

3

Deep Dive

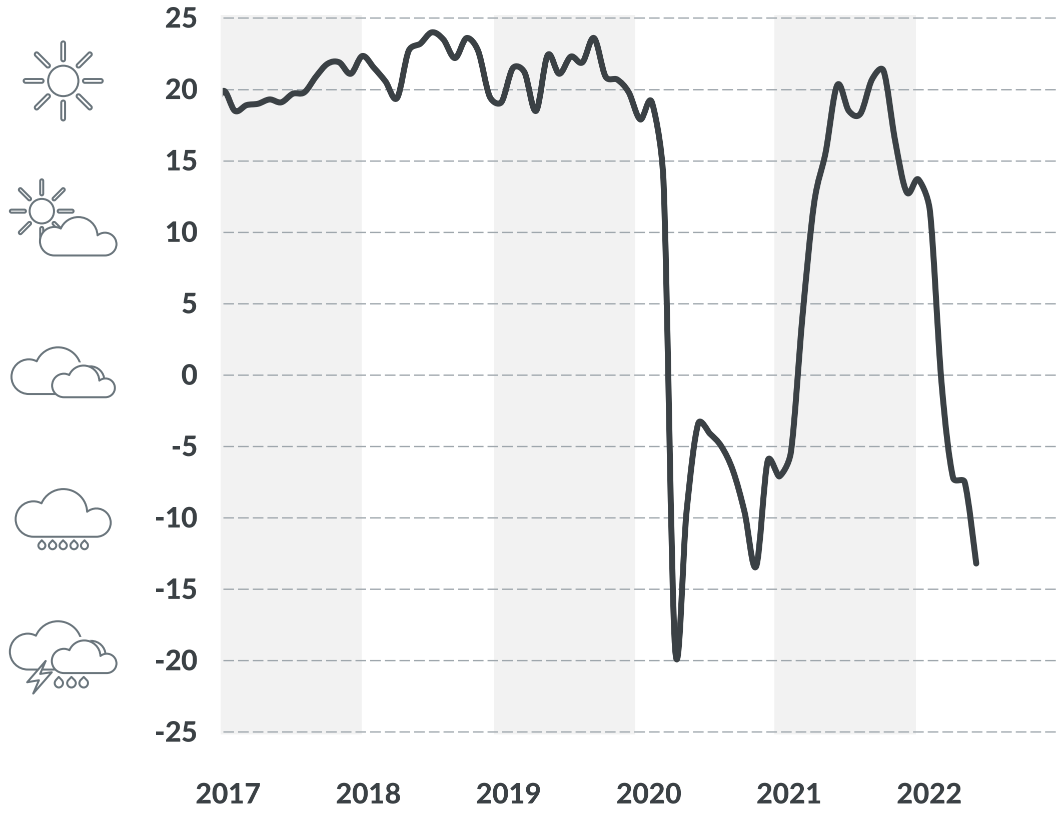
FMCG shopper types under economic strain

Tip of the iceberg: the plunging consumer climate

What lies beneath

- Many forces are conducive to this sentiment and inflation is the strongest
- Inflation has many root causes: from increased governmental expenditures for post-COVID recovery plans, increasing energy prices and other important commodities, to disruptions in supply of raw materials and an all-time high shipping costs
- An end to inflation is not really in-sight, as the war in Ukraine continues and EU countries are all reconsidering their energy mix
- In regular times, we value approaching shopper segments in a differentiated manner, avoiding from misleading averages. However, does this still hold true when we experience unprecedented inflation and price increases?

GfK consumer sentiment Europe (EU27 – June 2022)



Budget security is predictor of changed shopping behavior

Not all shoppers are as economically vulnerable. And where one lives matters on how exposed one is to economic strains.

	EU-14	CEE	WSE	
Concerned	43%	52%	32%	Struggling financially Slight worry about job or not working
Affected	15%	17%	12%	Highly afraid of losing job or currently unemployed
Resistant	43%	31%	56%	Financially comfortable Not, only slightly worried about job or not working

Source: GfK Consumer Panel | Harmonized Statements, EU-14 | full year 2021

Shopper types' exposure to budget insecurity

Some shopper types, like 'Discount' and 'Flexible Shoppers', report higher budget insecurity and their channel choice may be reflective of a coping strategy. While the resilience of 'Premium Buyers' is expected, that of the 'Promo Hunters' is indicative of promo as coping mechanism.

Affected

Segment Affected Index vs Total country

Discount Switcher
121*

126
126
124
132

Discount Buyer / Low Price Buyer
115

127
125

Flexible Shopper
116

136
132
128

Resistant

Segment Resistant Index vs Total country

Premium Demanding Shopper
121

132
124
108

Promo Hunter
107

120
113
108

Traditional Fresh Buyer Tradition with Convenient Focus
120

128
113

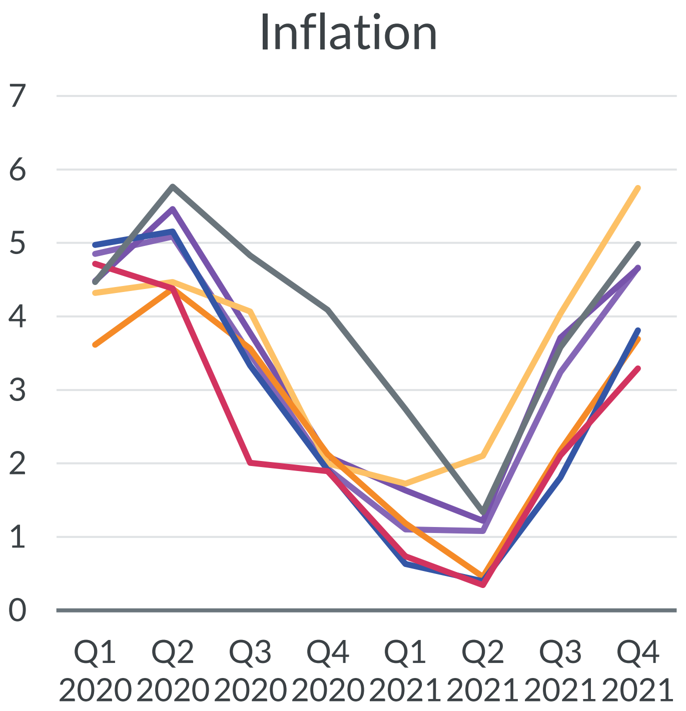
Source: GfK Consumer Panel | Harmonized Statements | full year 2021 | *Average index across available countries

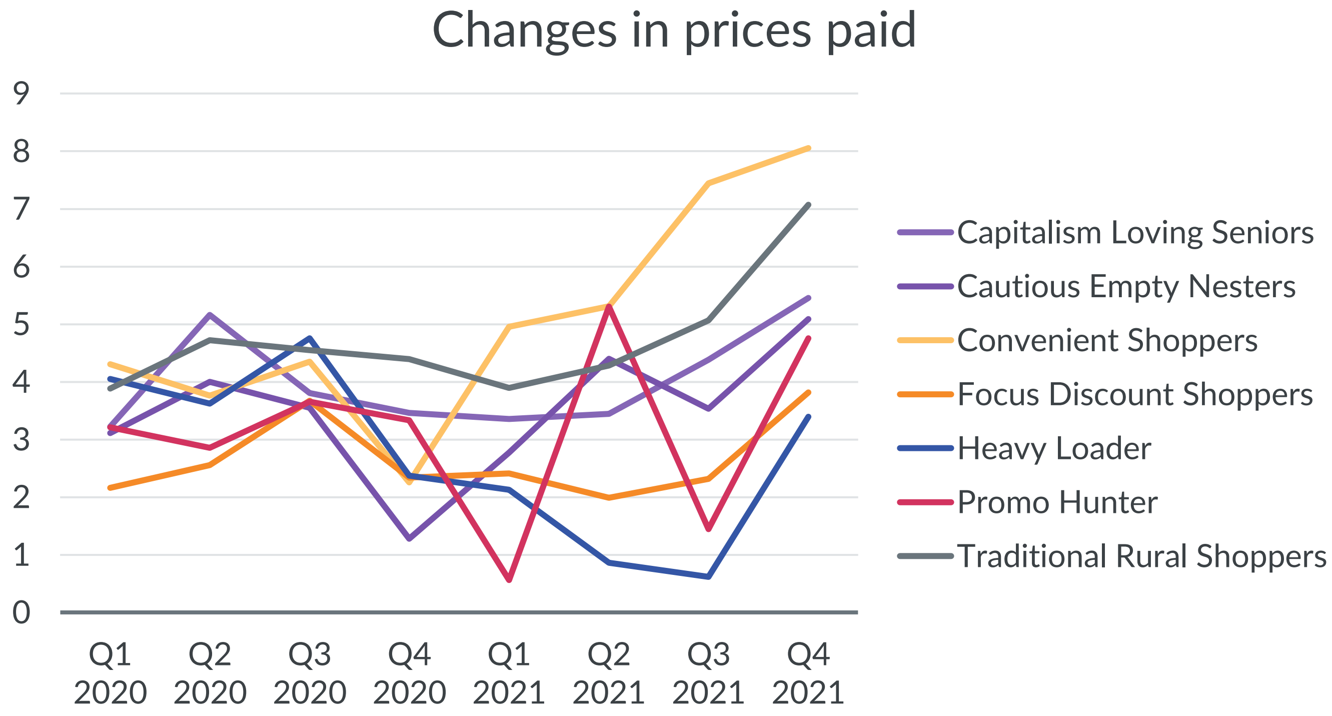
Changes in prices paid diverge across types

Under conditions of increasing turbulence, the impact on shopper segments is likely to increase divergence. Inflation impacts more evenly, but not equally. However, shopper segments differ most in their shifts in demand and purchase of new listings.

GfK inflation tracker

ROMANIA | FMCG total (2021 vs 2020, 2020 vs 2019), %

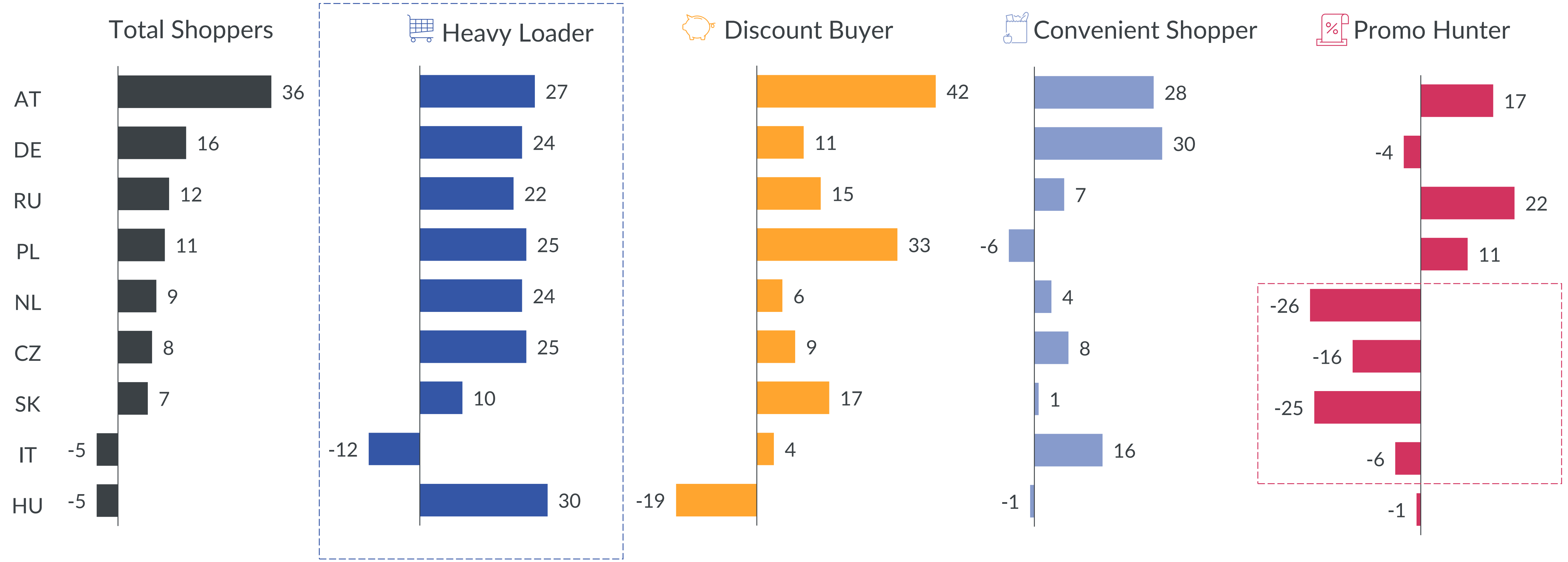




Expected budget security

The optimists about future financial prospects lie amongst ‘Heavy Loaders’. ‘Promo Hunters’ were especially warry even before inflation took off.

NET expectations (improving – worsen) regarding next 12 months financial situation



Price related shopping habits

Least inclined to adopt price-controlling habits are 'Heavy Loaders' and 'Convenient Shoppers', as opposed to 'Promo Hunters' that take every opportunity to save, both pre- and in-store.

The shopping habit that differentiates the segment most | Index segment vs Total

	Heavy Loader	Discount Buyer	Convenient Shopper	Promo Hunter
WSE	64	132	61	157
CEE	79	110	83	110

Shop in ≠ stores to find best prices and special offers

Specifically look for products on special offer.

Consider stores that offer the lowest prices.

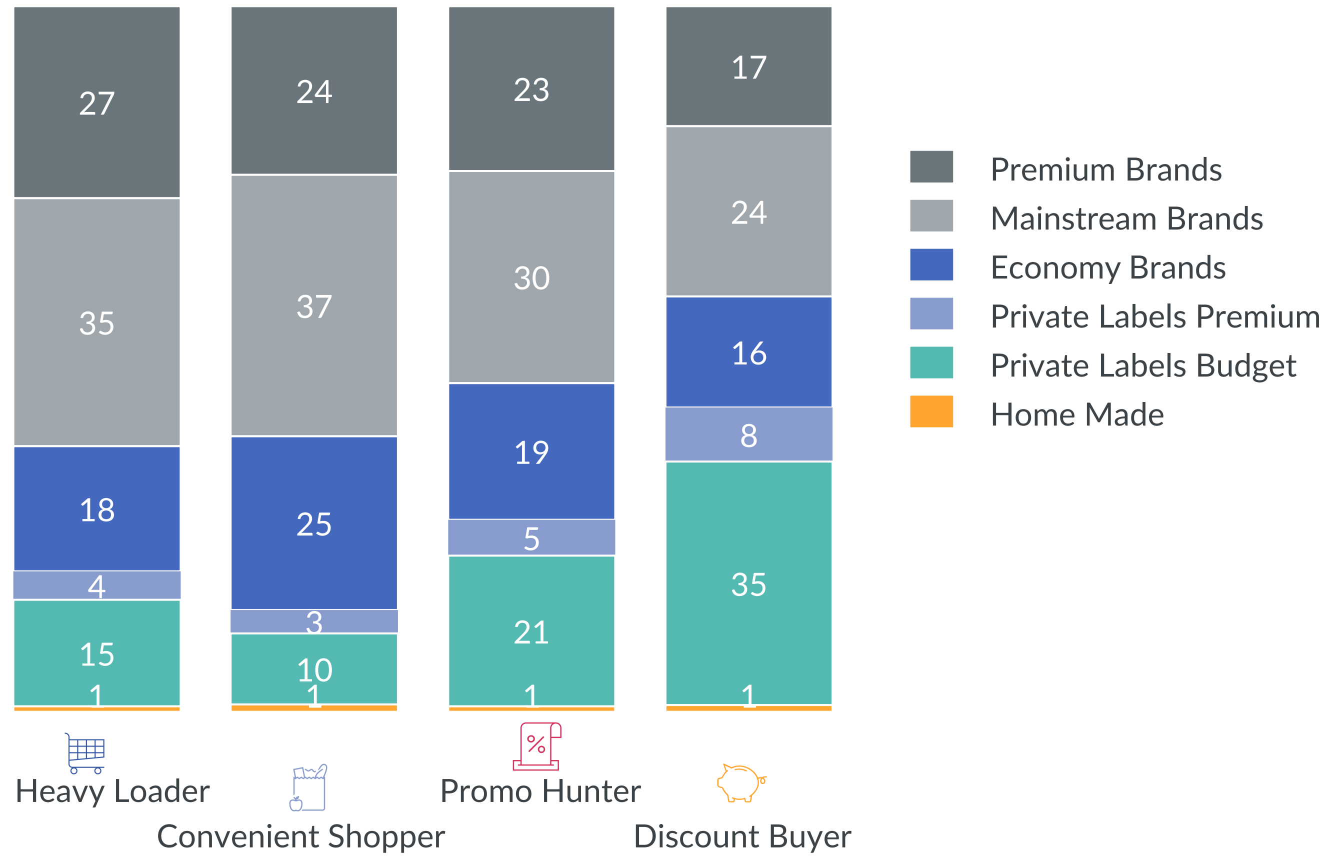
Always compare the prices of the brands.

Source: GfK Consumer Panel FMCG | Harmonized Statements | full year 2021 | WSE = AT, DE, NL, IT; CEE = RU, PL, CZ, SK, HU

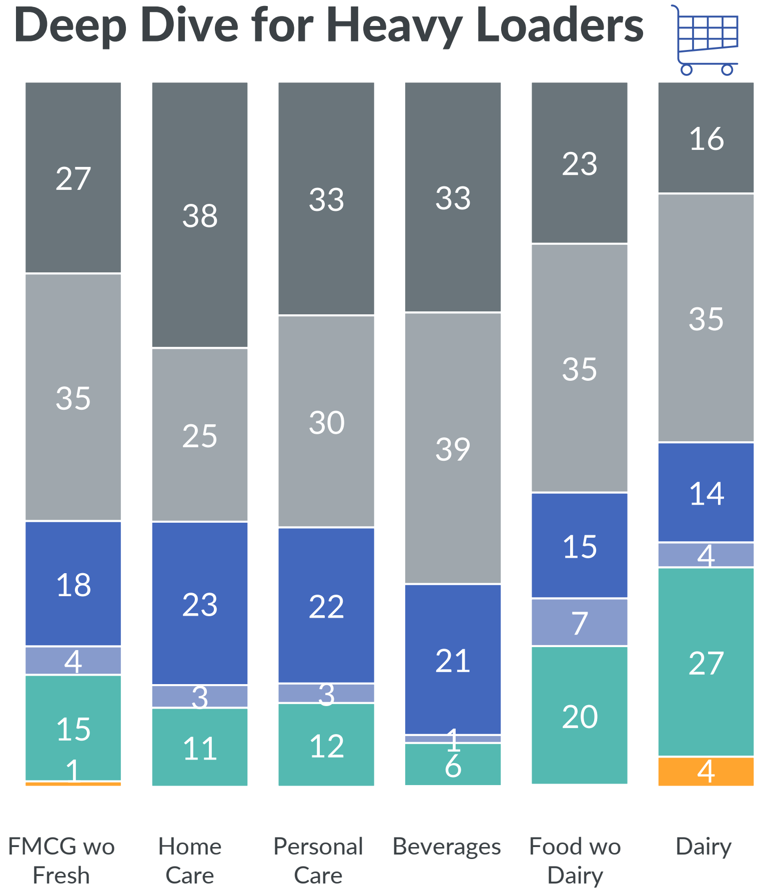
The brand mix

In the future, some segments economize using their brand mix as well. It is important to understand who will balance budgets through PLs and who will do so through economy. Looking at segments current behavior is a solid indication.

Price segments' value share | Romania, MAT 2021



Deep Dive for Heavy Loaders



Source: GfK Consumer Panel RO | full year 2021

Key Learnings 3

Crisis increases shoppers' heterogeneity both in impact of price increases and coping strategies adopted. The average shopper is obsolete, bring shopper segments to the spotlight.

3

FMCG shopper types under economic strain

01 Price increases do not bite from everyone's purchasing power the same. Shoppers are affected differently depending on factors like budget and income security, structure of HHs expenditure and FMCG basket composition and geography

02 Shopper types diverge strongly in how they respond to economic crisis and what coping strategies they employ, from channel and store choice, to brand mix, to stock-up in promotion

03 Tailor your strategy in price, assortment, promo and merchandising based on the specific profile of your most valuable shopper segments, feeding in their exposure to economic vulnerability and their specific responses to it

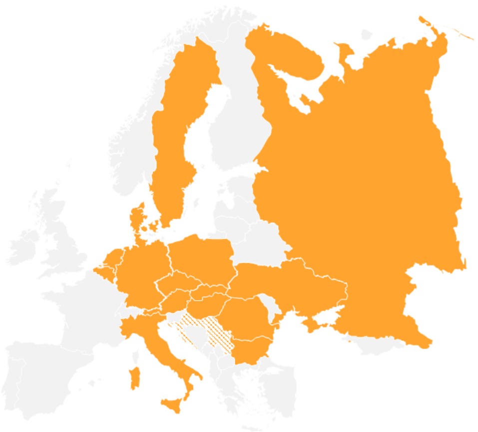
Use GfK´s FMCG shopper types to identify your successful growth strategy and to show your thought leadership in retailer talks!

- Discover the details and profiles of the country specific FMCG shopper types
- Link the FMCG shopper types to your category and marketing target group
- Integrate the types in your regular reporting and category management databases (SimIT) and track them over time – especially in current uncertain times!

Thanks to GfK Consumer Panel the FMCG shopper types **can be linked to**:

- detailed **measured purchase behavior** for **FMCG** and **every single category**
- **sociodemographic** of household and other available **household features**
- **attitudinal statements** and **media behavior** or your **individual questions** in e.g., a customized Why2Buy surveys in the Consumer Panel
- your **individual marketing target group** or segmentation
- other **GfK data sources**, e.g. GfK geo data

GfK FMCG shopper types are regular updated and **available in 15 countries**:



- Austria
- Belgium
- Bulgaria
- Czech Republic
- Denmark
- Germany
- Hungary
- Italy
- Poland
- Romania
- Russia
- Slovakia
- Sweden
- The Netherlands
- Ukraine
- Croatia & Serbia are in planning

For further information please consult your GfK contact!

Get in touch

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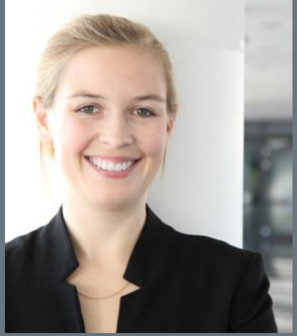

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Thank you

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Growth from Knowledge