

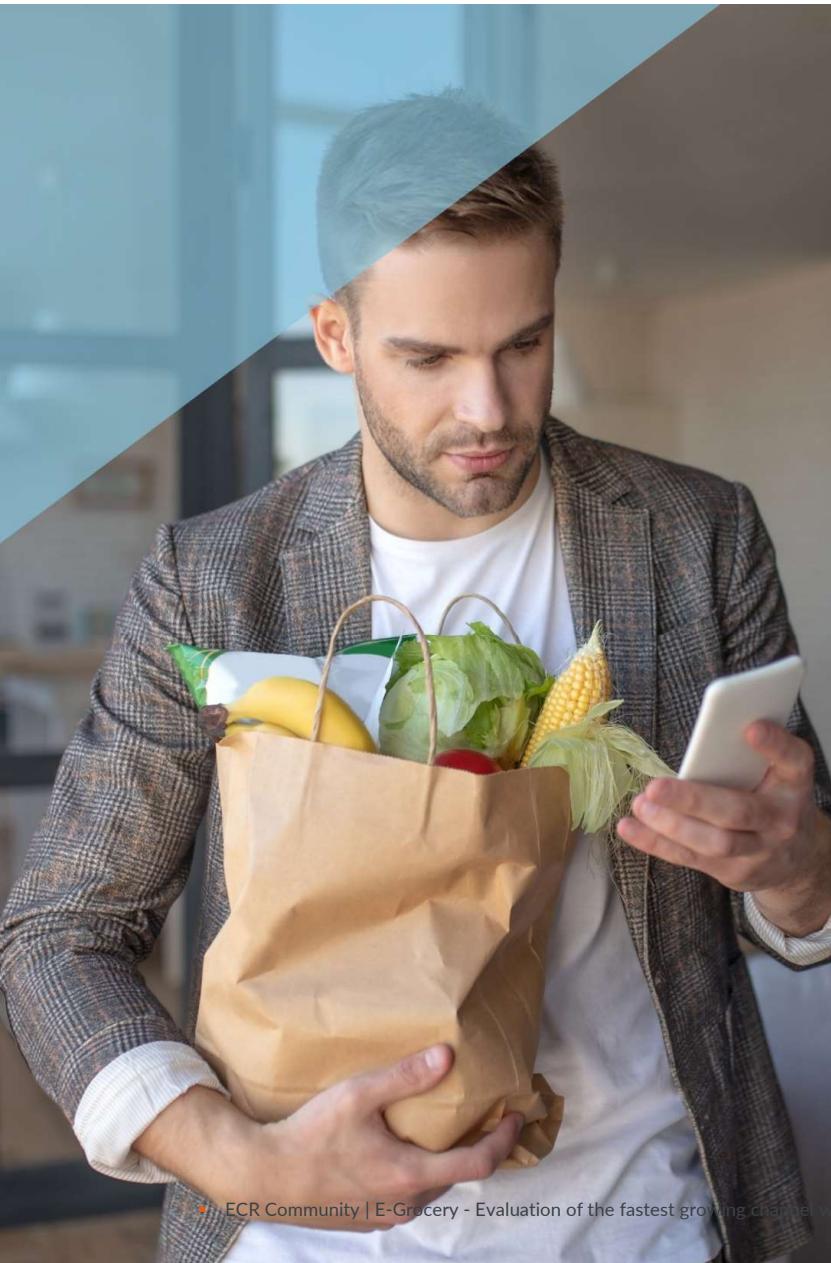
E-grocery

Evaluation of the fastest growing channel within FMCG

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Global Retail Director
GfK Consumer Panels & Services

- ECR Community | E-Grocery - Evaluation of the fastest growing channel within FMCG





Agenda



E-grocery

Evaluation of the fastest growing channel
within FMCG

- 1. Market:** Global development of E-grocery channel
- 2. Offering:** Differentiation of E-grocery channel
- 3. Trends:** Upcoming trends in E-grocery

1.

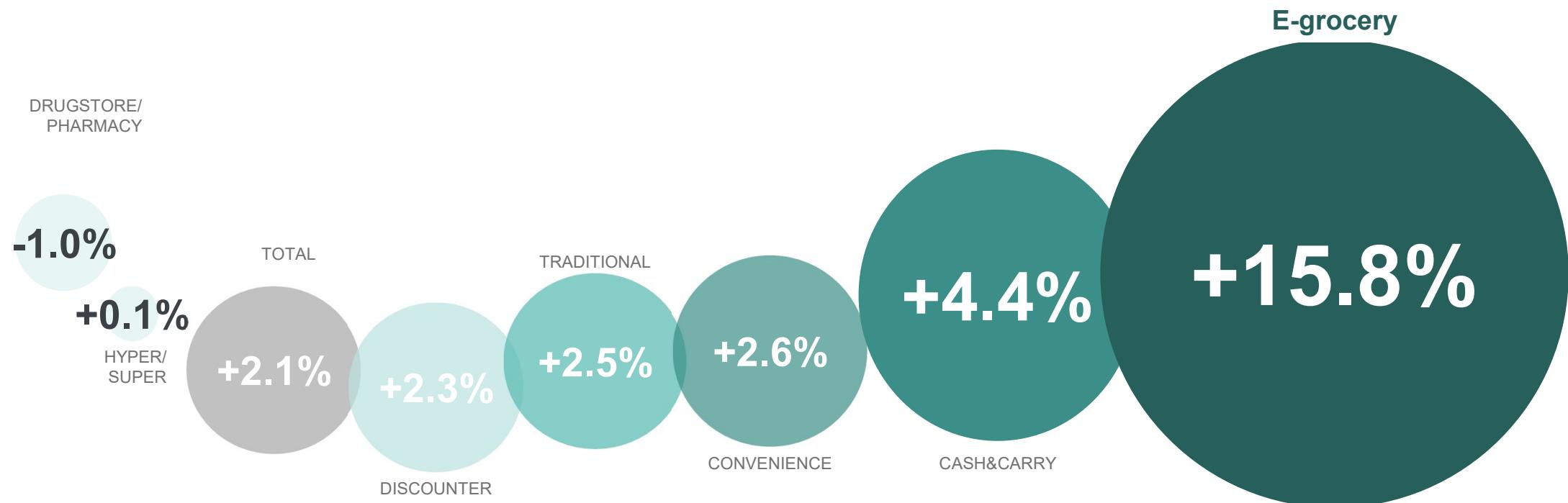
Market: Global development of E-grocery channel



E-grocery remains the most dynamic channel in the FMCG world



FMCG Global Annual Value Growth in % - 2021 vs. 2020



Source: Kantar, GfK, Intage

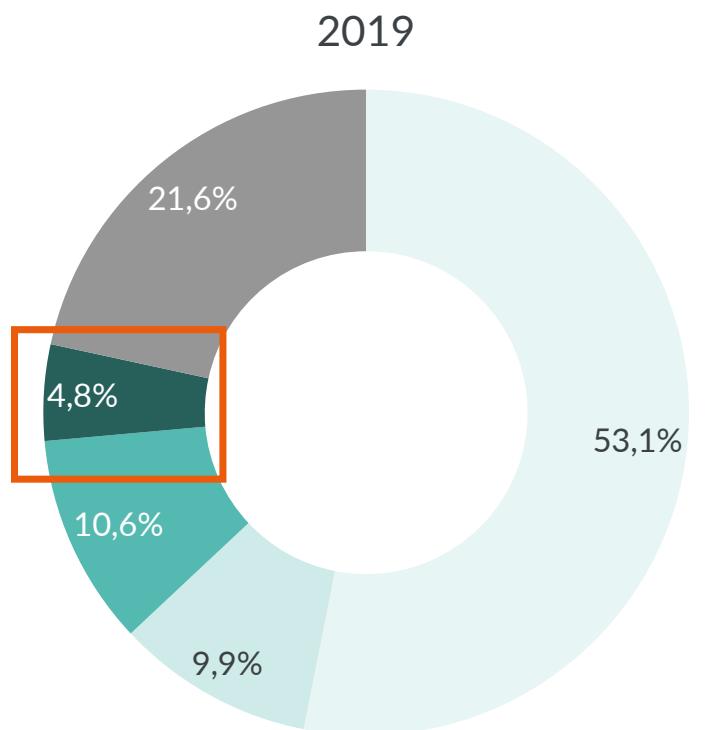
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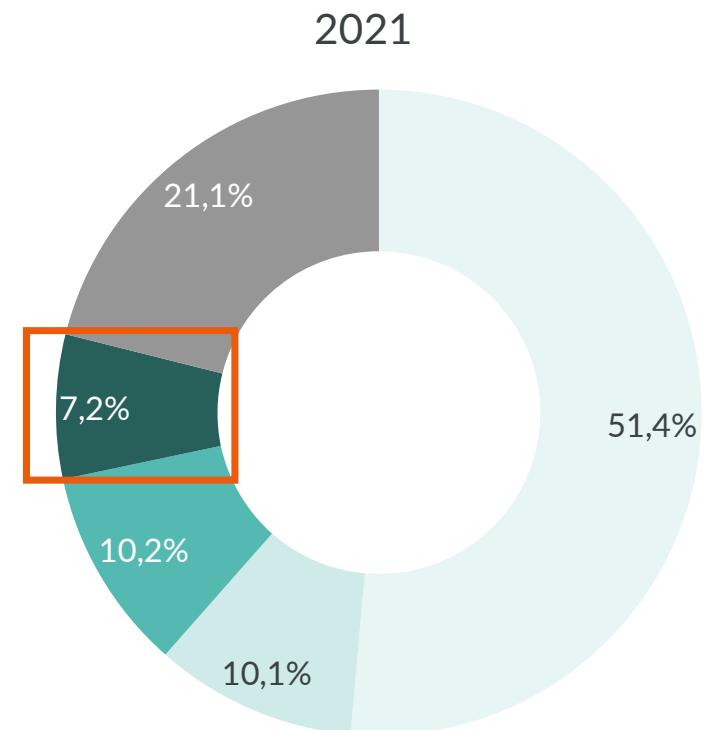
E-grocery increased its market share by 50% in the last two years and reached 7.2% of global FMCG spend in 2021



FMCG Global Value Share in %



- Supermarket/
Hypermarket
- Discounter
- Traditional Trade
- E-Commerce
- Other Channels



Source: Kantar, GfK, Intage

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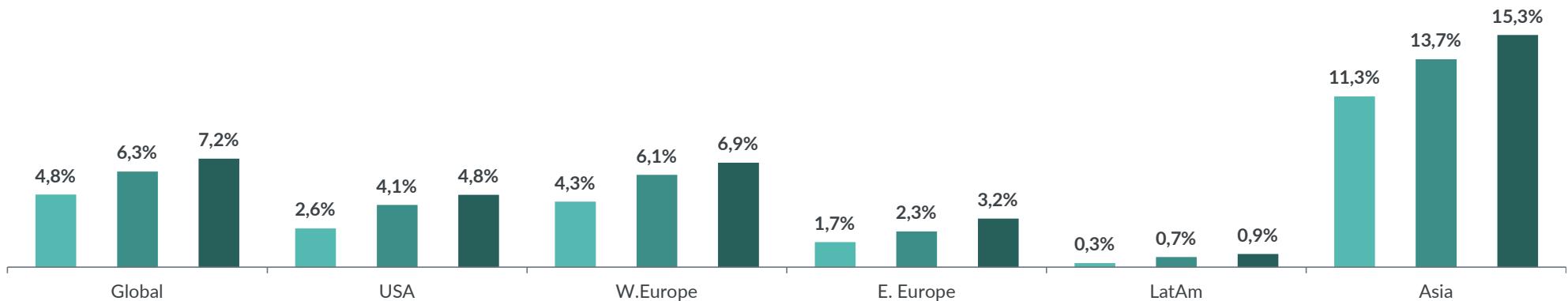
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Asia represents 45% of the overall e-grocery business,
still huge potential in LatAm and Eastern Europe



E-grocery Value Share in %

■ 2019 ■ 2020 ■ 2021



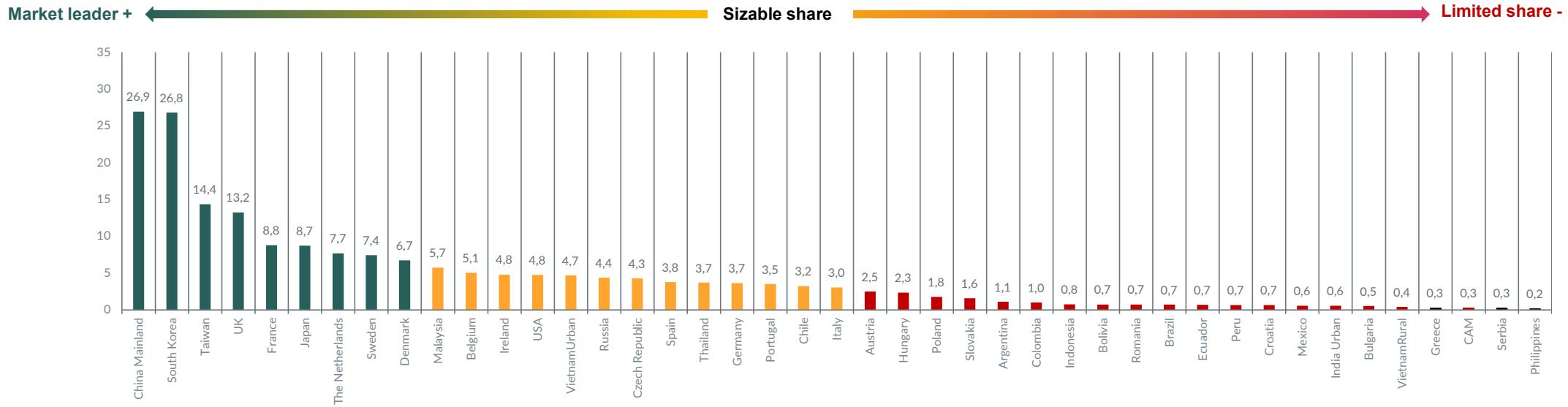
Source: Kantar, GfK, Intage

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Asian and Western European countries with the highest E-grocery market shares

E-grocery Value Share 2021 in %



Source: Kantar, GfK, Intage

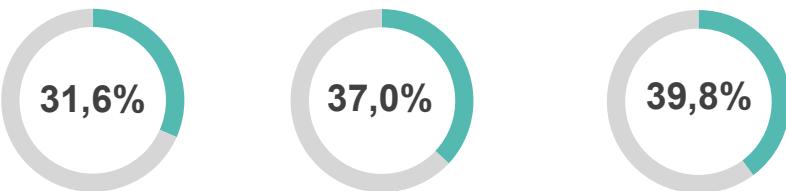
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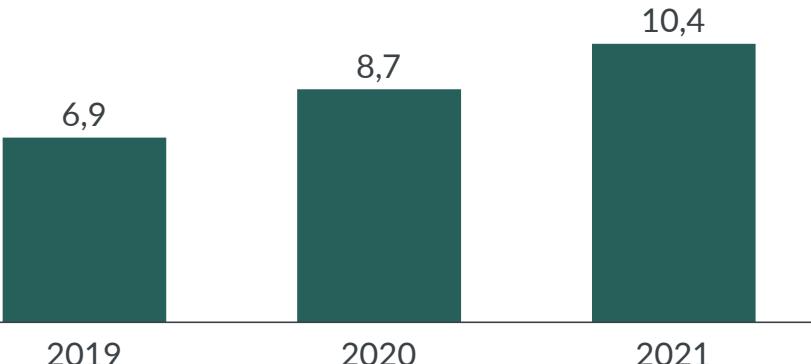
A shift in dynamic of the value drivers to more frequent purchases



Global E-grocery penetration %



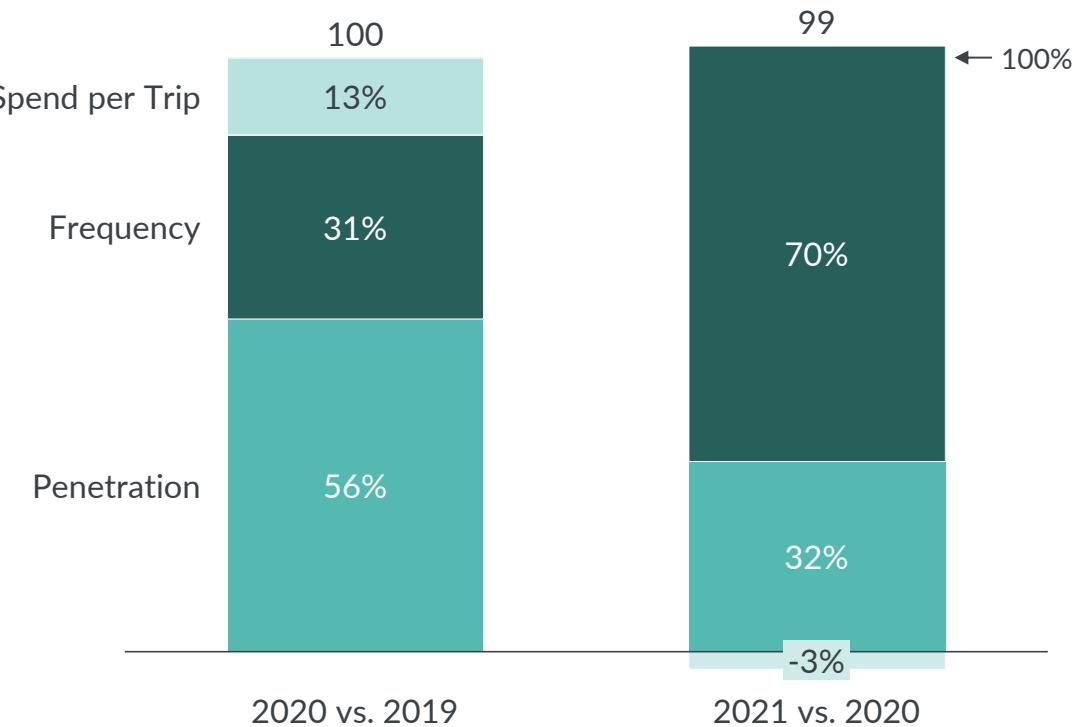
Global E-grocery frequency per year



Source: Kantar, GfK, Intage

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Contribution to global E-grocery value growth in %



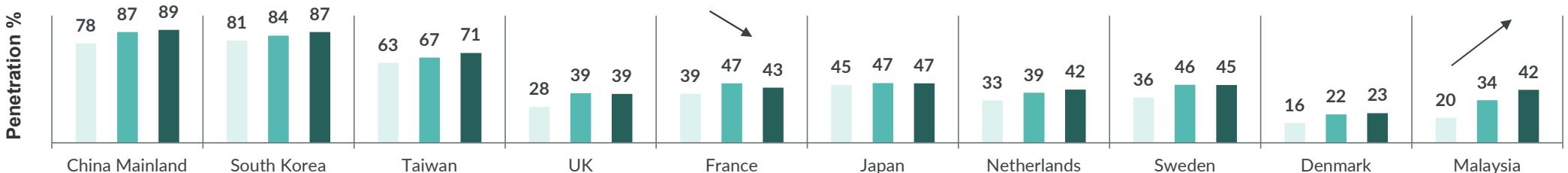
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Penetration plateaus in key countries, while frequency grows everywhere

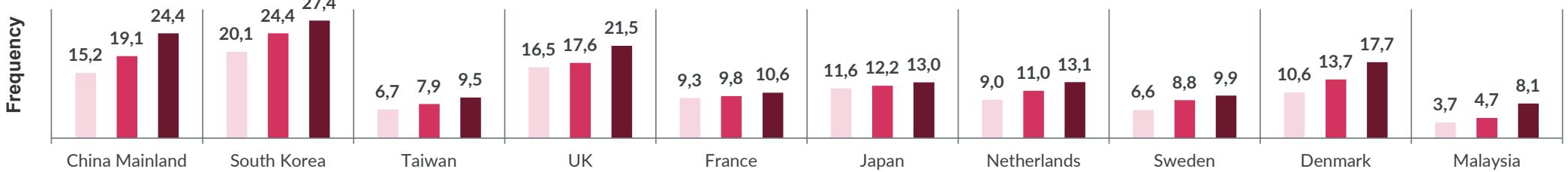


Countries where ecommerce has more than 5% of value share

2019 2020 2021



2019 2020 2021



Source: Kantar, GfK, Intage

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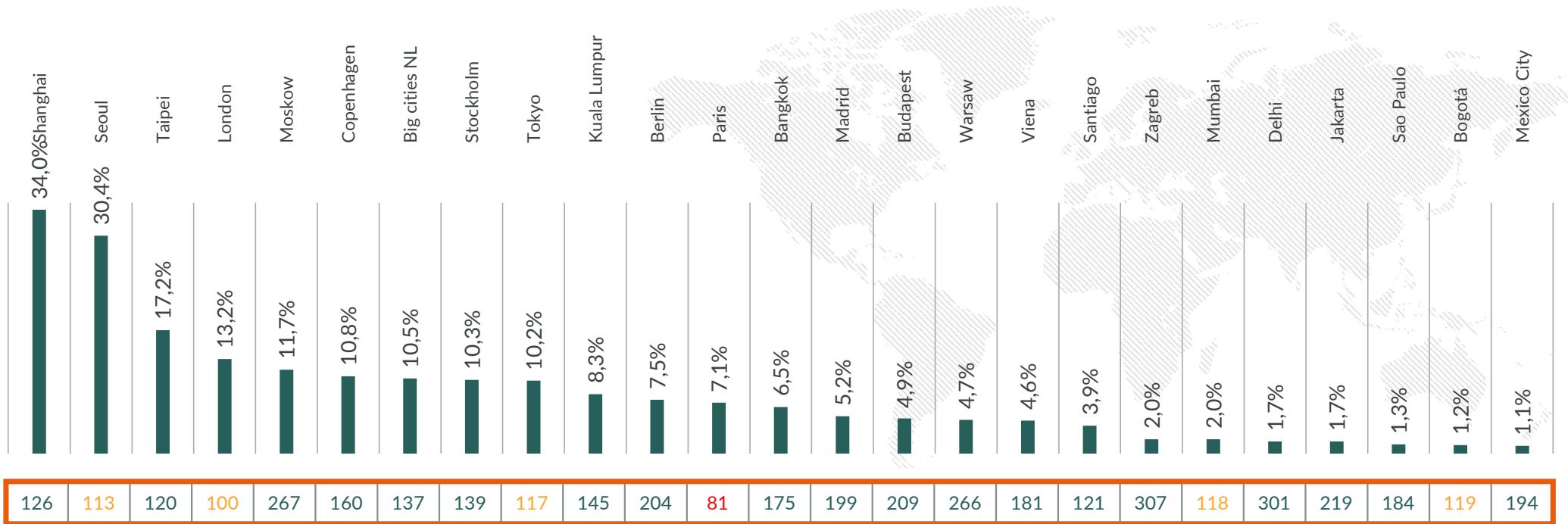
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Big cities are prone to E-grocery



E-grocery Value Share 2021 in %



Source: Kantar, GfK, Intage

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10

2.

Offering: Differentiation of E-grocery channel

A large, semi-transparent blue triangle is positioned in the upper left area of the slide, partially covering a background image. The background image shows a person's hands holding a tablet and using a stylus to interact with a grocery shopping app on the screen. The app displays various grocery items and their prices.

- ECR Community | E-Grocery - Evaluation of the fastest growing channel within FMCG

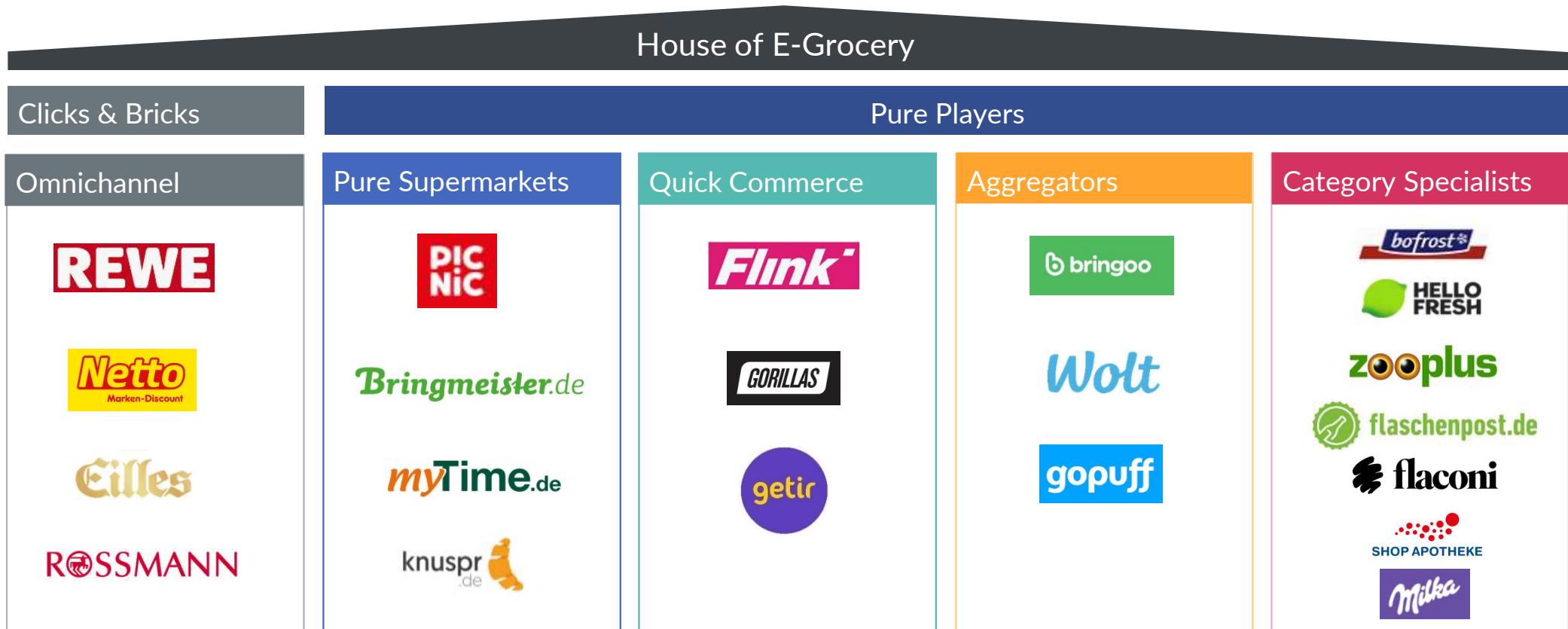
New e-grocery models emerge, more segments and more shopping missions covered



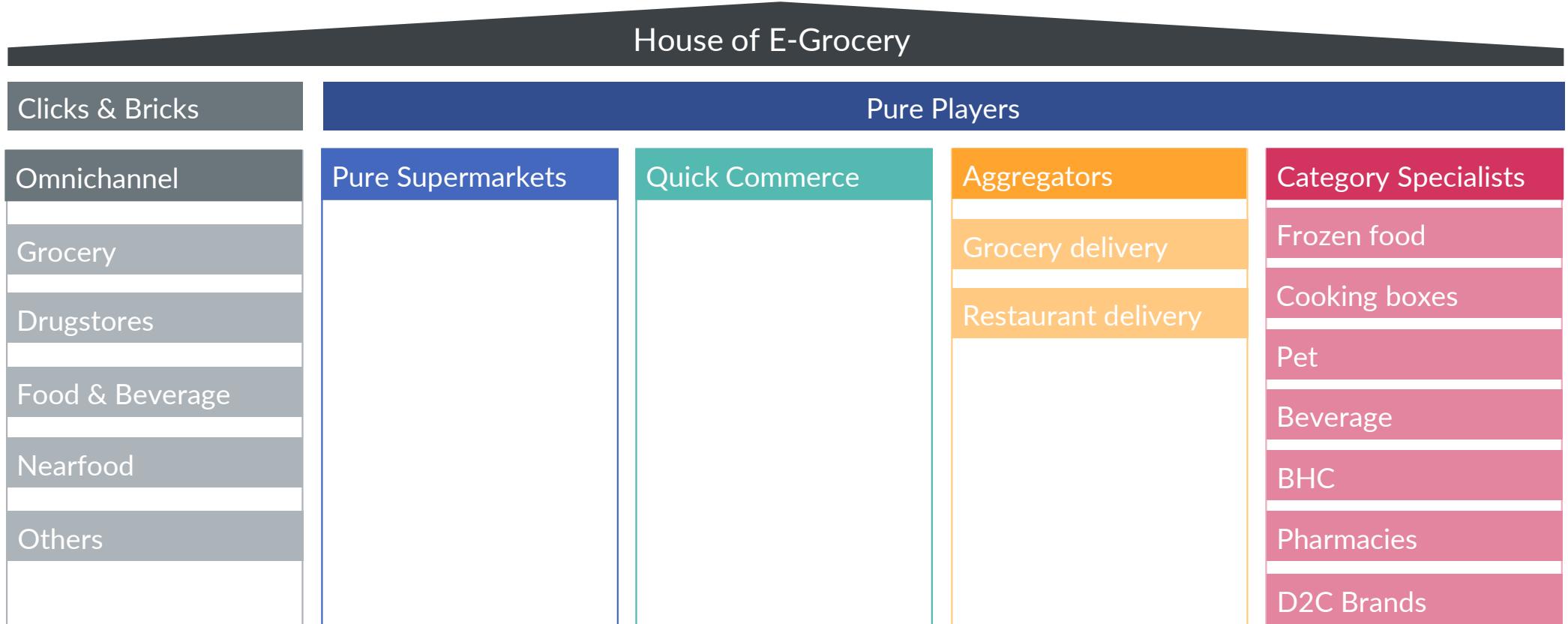
E-grocery in Germany: Same, same, but different



A lot of competitors with different assortments and delivery concepts characterize the E-grocery market in Germany
Only most important business models

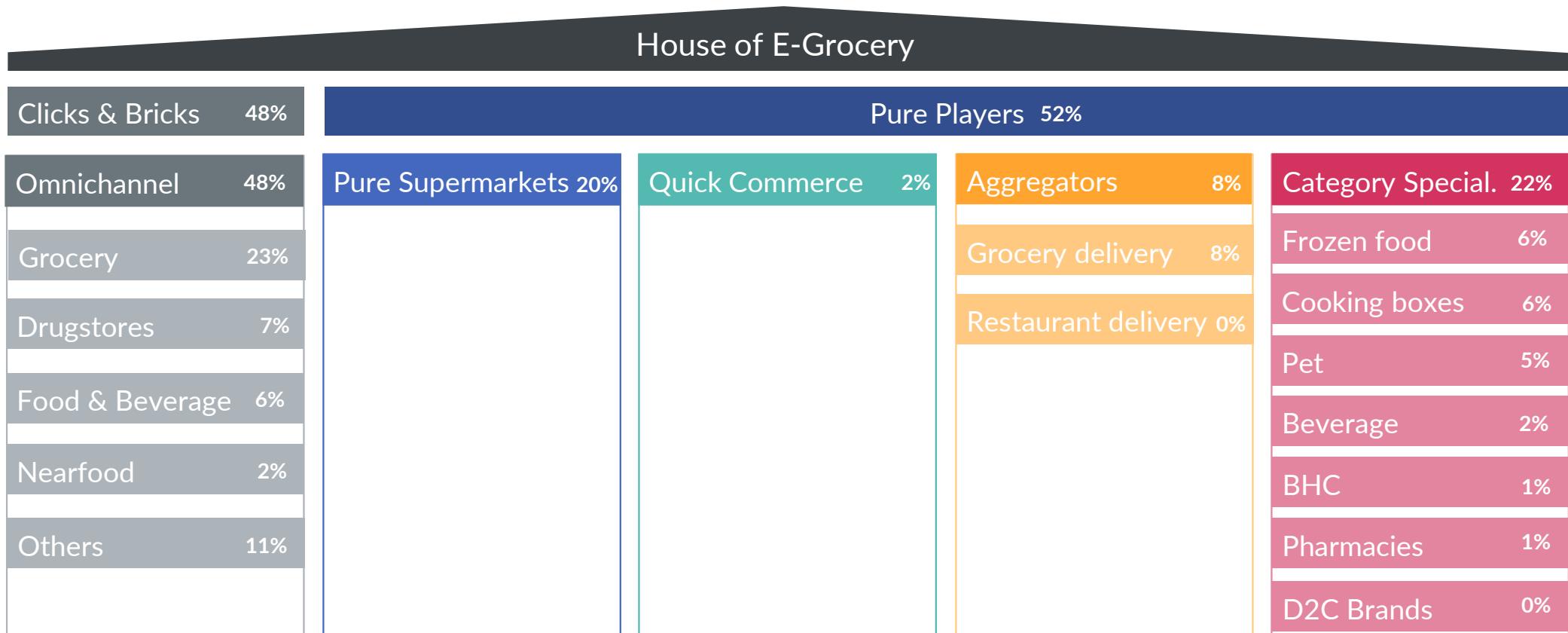


It's worth taking a look at the details



Pure Supermarkets and Category Specialists have so far occupied the pure player segment

Value Shares in %, Q1 2022



Quelle: GfK Consumer Panel CP+ 2.0 FMCG | FMCG

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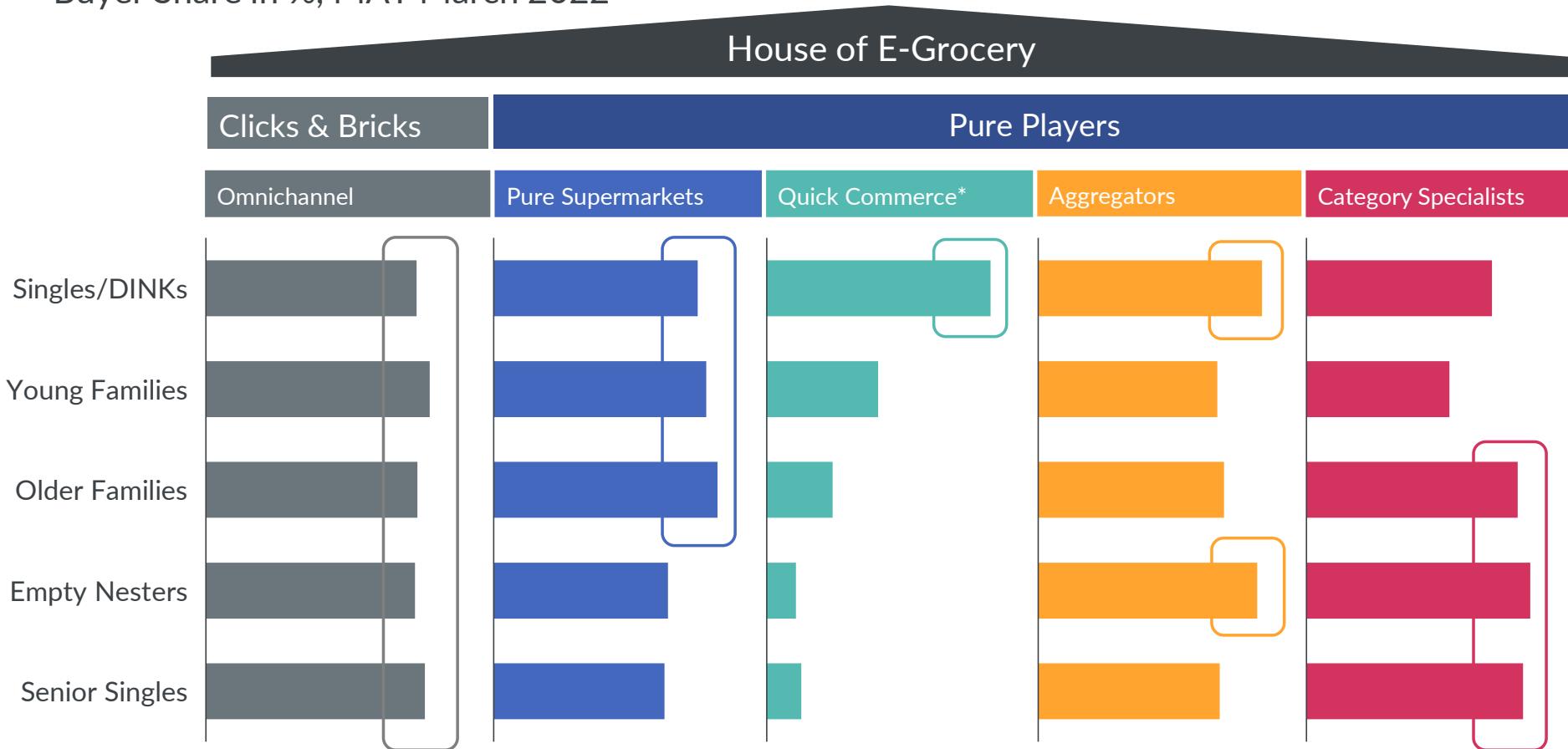
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Different offerings service different target groups



Buyer Share in %, MAT March 2022



Quelle: GfK Consumer Panel CP+ 2.0 FMCG | FMCG * kleine Fallzahlen

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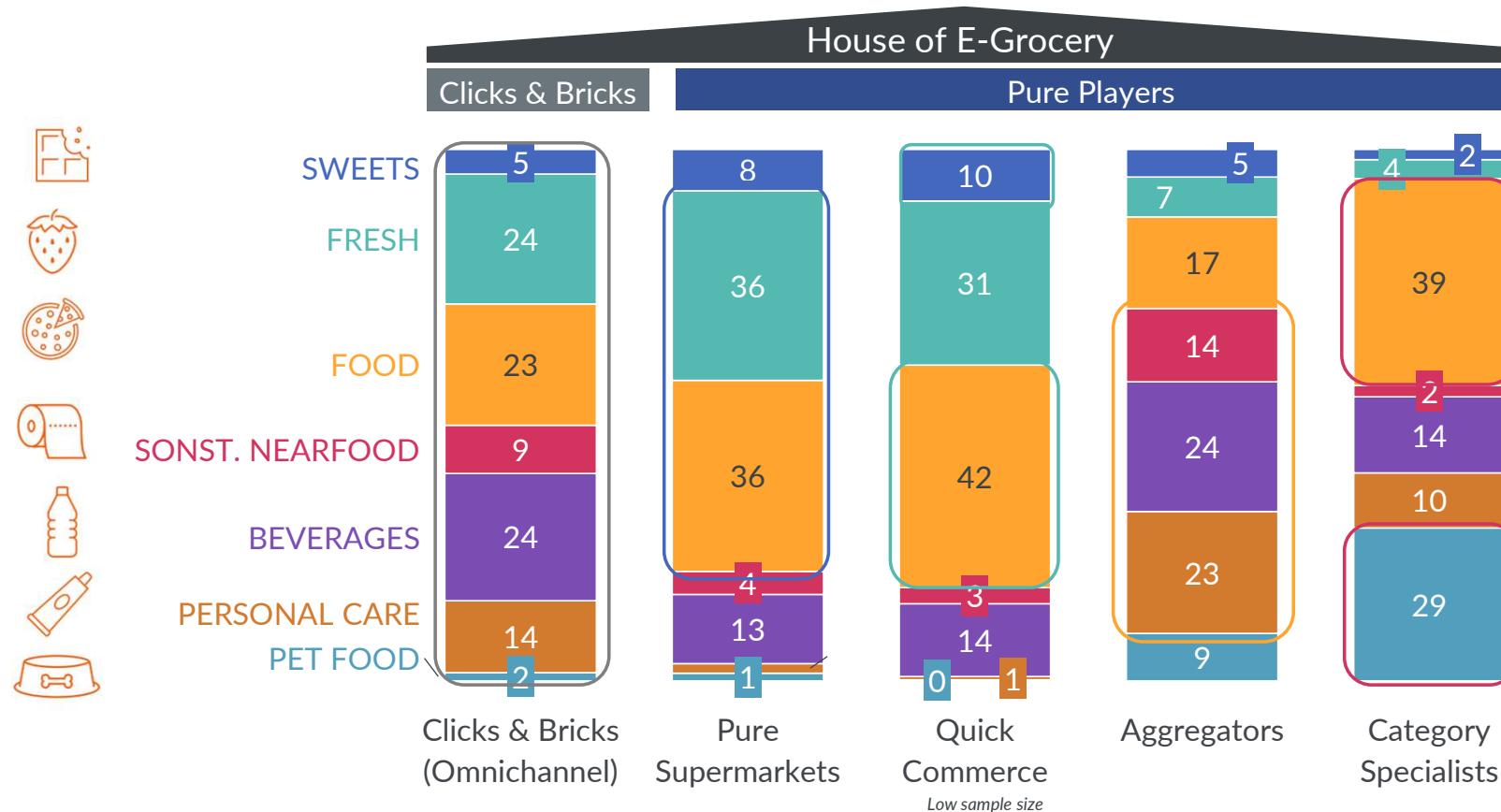
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Different offerings service different shopping missions of the targeted groups



Value Share of categories in %, MAT March 22



Quelle: GfK Consumer Panel CP+ 2.0 FMCG | FMCG

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18

3.

Trends: Upcoming trends in E-grocery



1. Trend in E-grocery: Blending of E-grocery business models

Clicks and Bricks try to integrate quick commerce services in their omnichannel strategy

Tesco to roll out Whoosh one-hour delivery service to 600 stores



Tesco and Gorillas join forces to test 10-minute delivery service



Source: <https://www.thegrocer.co.uk/tesco/tesco-to-roll-out-whoosh-one-hour-delivery-service-to-600-stores/663492.article>,
<https://www.theguardian.com/business/2021/oct/28/tesco-and-gorillas-join-forces-to-test-10-minute-delivery-service>

Meal delivery players are entering the e-grocery market

Wolt prepares to deliver groceries too



Tallinn-based Bolt lands €600 million to launch new grocery delivery, Bolt Market, in 10 European countries



Source: <https://www.ekathimerini.com/economy/1158539/wolt-prepares-to-deliver-groceries-too/>, <https://www.eu-startups.com/2021/08/tallinn-based-bolt-lands-e600-million-to-launch-new-grocery-delivery-bolt-market-in-10-european-countries/>

First e-grocery market places are opening up

Amazon is about to shake up grocery delivery

New Instacart-like service will expand in Europe and US



Source: <https://www.freightwaves.com/news/amazon-is-about-to-shake-up-grocery-delivery>, <https://www.thinkspain.com/news-spain/26494/amazon-spain-launches-online-grocery-shopping>

2. Trend in E-grocery: Cooperation of E-grocery and traditional retailers

Quick Commerce players cooperate with trad. retailers ((PL) sourcing and/or sales hubs)



Sometimes trad. retailers are even investing in pure players

German delivery startup Flink raises \$240 mln, partners with Rewe



Edeka to double its stake in Picnic



Source::<https://www.reuters.com/technology/german-delivery-startup-flink-raises-240-mln-partners-with-rewe-2021-06-04/> <https://www.retaildetail.eu/en/news/food/edeka-double-its-stake-picnic>

Sometimes trad. retailers are trying to find ways to start omnichannel offers

Aldi Nord partners Glovo to expand into Spain and Portugal and test delivery service

Hungary: ordering ALDI products online in Budapest

Discount Retail Chain ALDI Magyarország Élelmiszer Bt. (privately owned) has signed a cooperation with the Hungarian e-commerce platform startup, ROKSH, which provides an online shopping service.

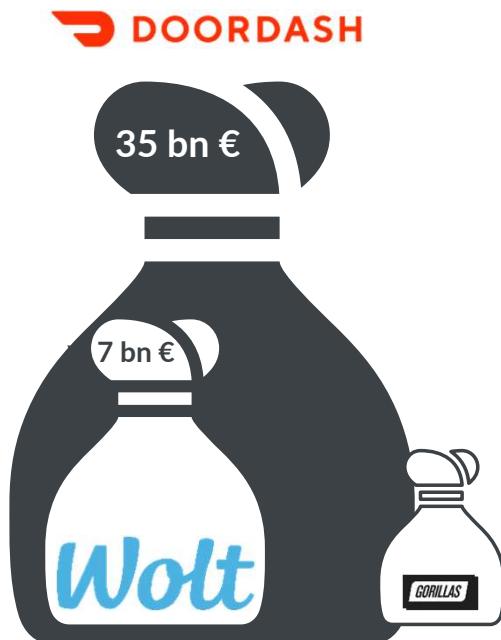
Aldi ends Deliveroo partnership



Source::<https://thepaypers.com/ecommerce/aldi-nord-partners-glovo-to-expand-into-spain-and-portugal-and-test-delivery-service-1248354>; <https://www.discountretailconsulting.com/post/hungary-ordering-aldi-products-online-in-budapest>; <https://www.talkingretail.com/news/industry-news/aldi-ends-deliveroo-partnership-24-01-2022/>

3. Trend in E-grocery: Consolidation of the E-grocery market

Example: Consolidation of Quick Commerce Market



- DOORDASH acquired Wolt
- DOORDASH invests in Gorillas
- E-grocery in Europe - New competitors & operating models entering the European market



- Delivery Hero invests in Flink



- gopuff acquired Dija
- gopuff acquired Fancy

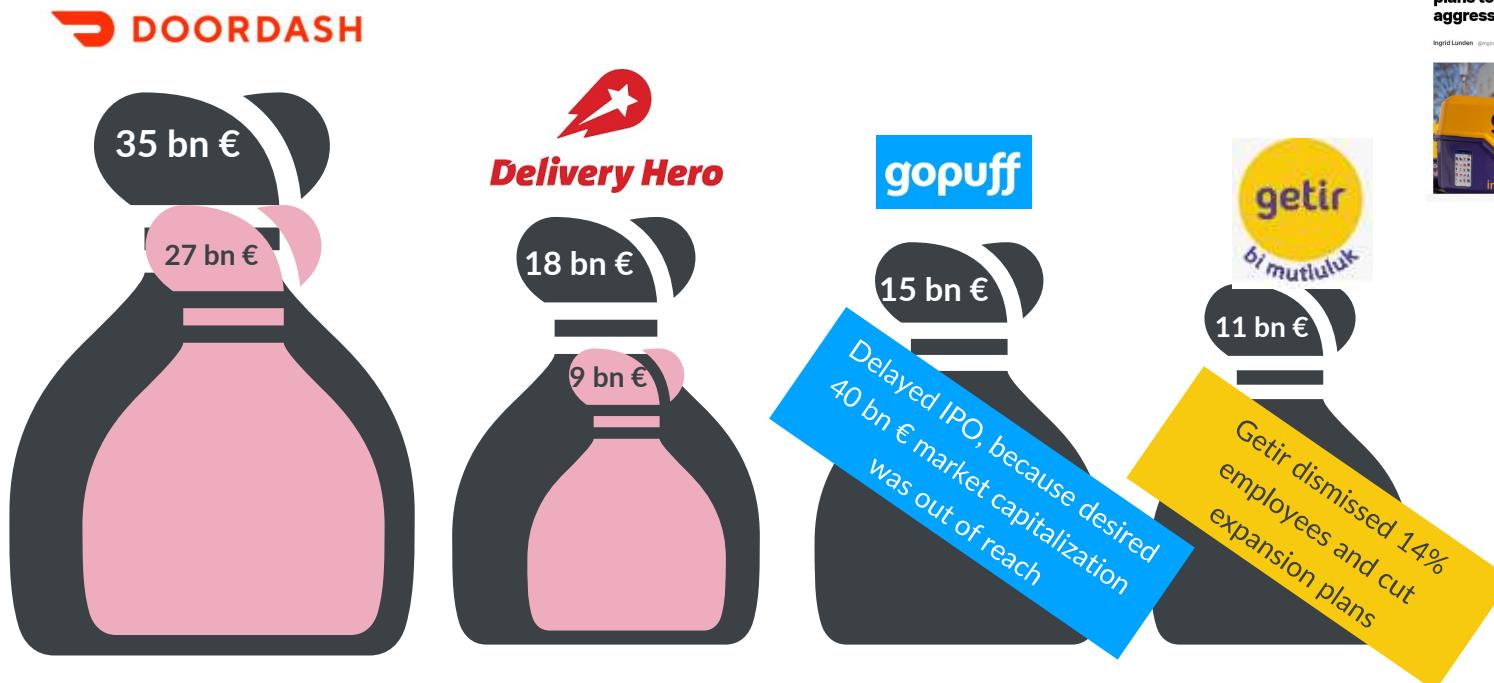


- getir acquired B
- Getir acquired W
- getir acquired Beezy

Chart made in January
© GfK

3. Trend in E-grocery: Consolidation of the E-grocery market

Example: Imploding Quick Commerce Market



Source: <https://nypost.com/2022/03/03/market-values-of-delivery-apps-like-gopuff-gorillas-plunge-as-losses-pile-up/>; <https://www.exberliner.com/politics/gorillas-fire-300-workers-is-time-running-out-for-the-delivery-company/>; <https://techcrunch.com/2022/05/25/getir-the-12b-instant-delivery-startup-plans-to-axe-14-of-staff-globally-and-cut-aggressive-expansion-plans>

- E-grocery in Europe - New competitors & operating models entering the European market

Getir, the \$12B instant delivery startup, plans to axe 14% of staff globally and cut aggressive expansion plans

Ingrid Lunden (@ingridlunden) / 5:00 PM GMT+2 • May 25, 2022



Market values of delivery apps like Gopuff, Gorillas plunge as losses pile up

By Josh Nomren and Theo Visjt March 2, 2022 | 8:19 pm | Updated



Gorillas fire 300 workers: Is time running out for the delivery company?

Not long ago, Gorillas raised \$1 billion. Now they're firing workers and running out of money. How did it come to this?



E-grocery outlook - next E-grocery business models wait in the wings



Full automated Click & Collect ¹



Ochama - go pickup



REWE- Snack Mobil

This innovative business model combines the preparation, packaging and delivery of orders ordered online through the use of robots.

First self driving kiosk in Europe. Guided by cameras and sensors, the snack mobile can be stopped simply by waving, but also pauses at predefined stops. On board assortment: soft drinks, sweets and healthy snacks

Social and Livestream Commerce ²



- **Shoppable livestreams on social media:** Business model in which retailers, influencers, and/or celebrities sell products and services via online video streaming where the presenter demonstrates and discusses the offering and answers audience questions in real-time

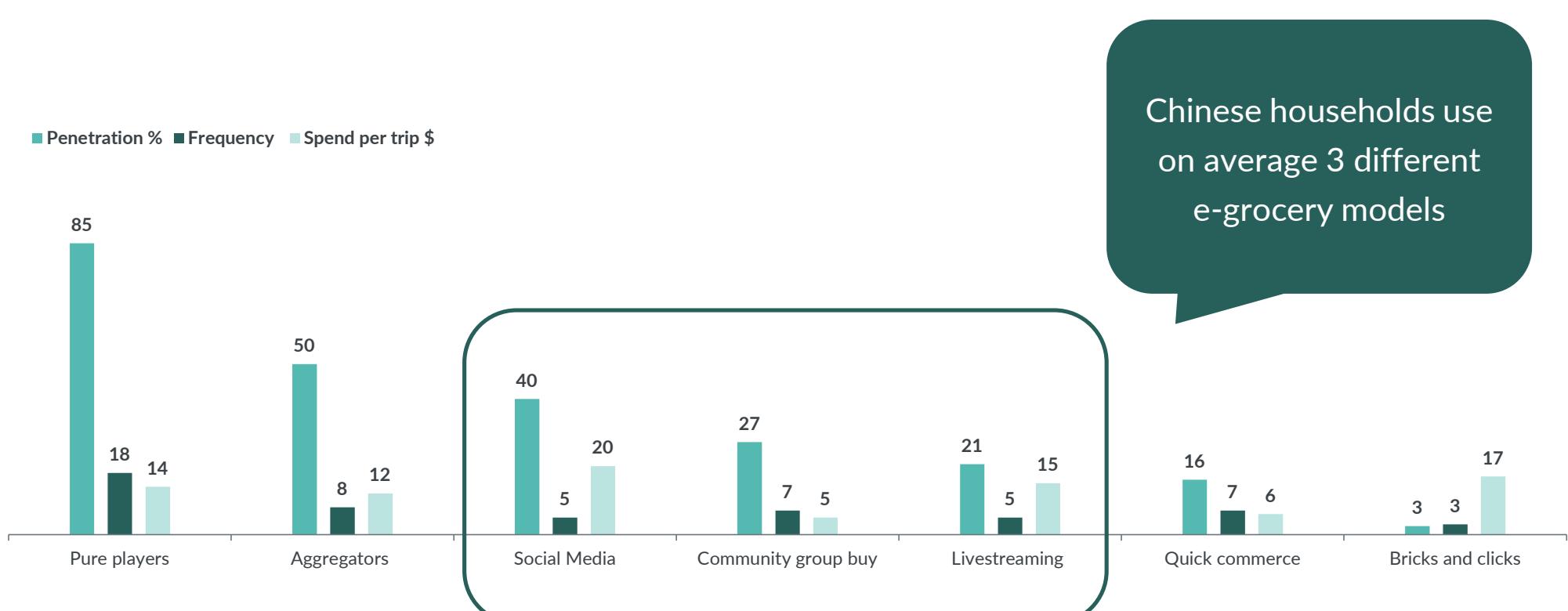
Source: 1 <https://codelist.biz/2022/01/11/a-chinese-company-opens-its-first-fully-robot-operated-smart-stores-in-europe/> 2 <https://retailtechinnovationhub.com/home/2021/11/22/walmart-enlists-jason-derulo-for-first-shoppable-livestream-on-twitter>

- E-grocery in Europe - New competitors & operating models entering the European market

3 new E-grocery business models have in China Mainland already more than 20% penetration



Value Share in %, MAT March 22



Source: Kantar

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Summary: E-grocery will be same, same but different in the second half of the 20s



E-grocery is by far the **fastest growing FMCG channel**



Same, same but different: There are a lot of different E-grocery business models in market with different offerings for different shopping missions



Category Management has always to reflect the specific offerings and shopping missions of the E-grocer



Category Management needs to find specific category strategies and tactics that fit to the specific offerings and shopping missions of the E-grocer



As the market is fragmented and as specific category management concepts are needed, suppliers have to chose and prioritize those business models which are the most important for their products and categories