

The Nielsen logo, consisting of the word "nielsen" in a lowercase, serif font with a dotted line underneath the letters.

UNFOLDING THE PASTA STORY IN THE GULF REGION

Manzar Alam, RMS Head KSA
October, 2018

This artwork was created using Nielsen data.

Copyright © 2017 The Nielsen Company (US), LLC. Confidential and proprietary. Do not distribute.

THEME



EVOLVING CONSUMER SENTIMENTS

How consumers are reacting to the recent challenges and changing their shopping habits.



DRY PASTA IN GULF

Dry Pasta category overview and the opportunities for growth in the Gulf markets



BRIEF BACKGROUND

KSA, UAE, KUW, OMAN, QAT, BAH



THE REGION IS \$25 BILLION FOOD MARKET

55 Million Consumers and
Growing ~ **1% of the world's
population**

Contributes to
2% of the world's GDP

With a per capita GDP of ~ **\$ 25K**

Young Region
+ 40% of population < 25 years

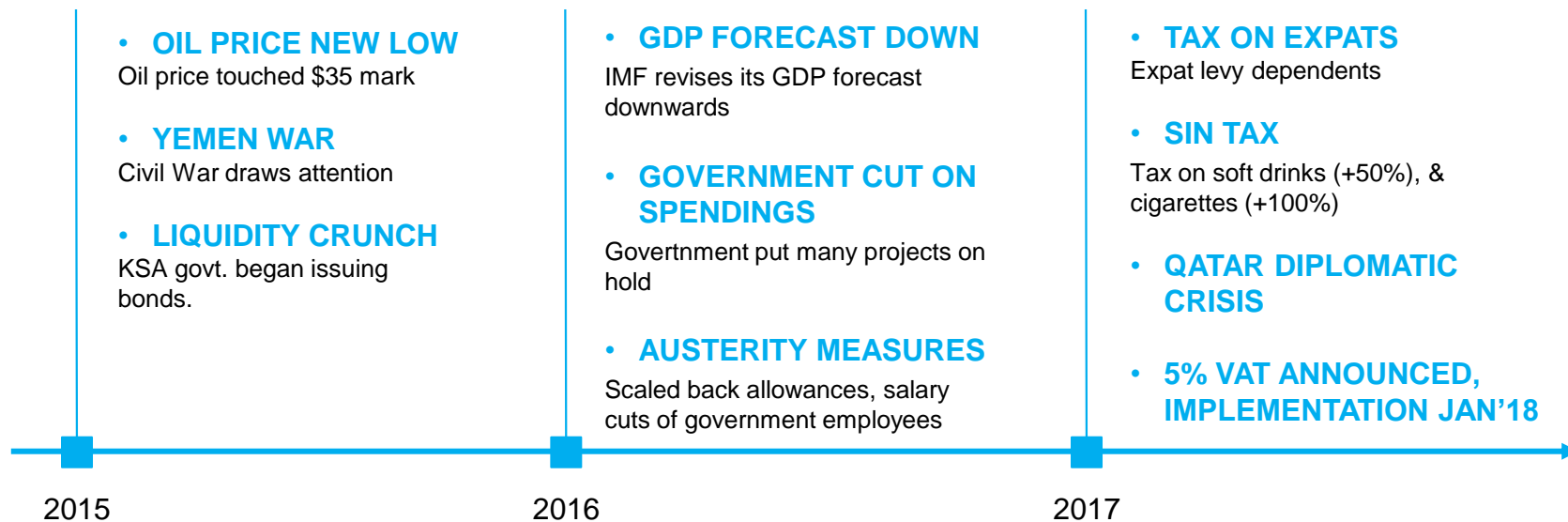


Internet penetration 80%

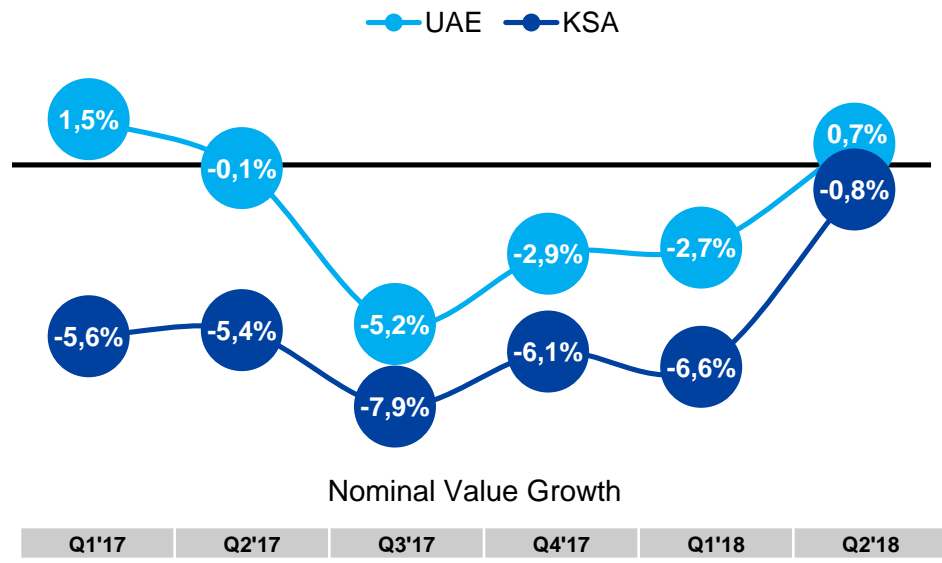
Smartphone penetration 72%

**49% of GCC total population are
Expats**

2015 ONWARDS... STARTED TO GO THROUGH 'TURM-OIL'

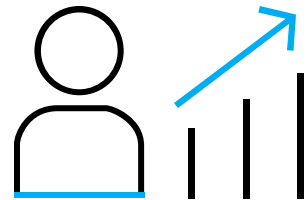


HOWEVER, MARKET HAS STARTED TO SHOW SOME SIGNS OF RECOVERY



+ 9

Consumer Confidence



+ 6

REBOUNING OIL PRICES | REJUVENATED GOVERNMENT SPENDING | SOCIAL REFORMS | FESTIVE SEASON DISCOUNTS

Change: Q2'18 vs Q2'17

HOW CONSUMERS SENTIMENTS EVOLVING?

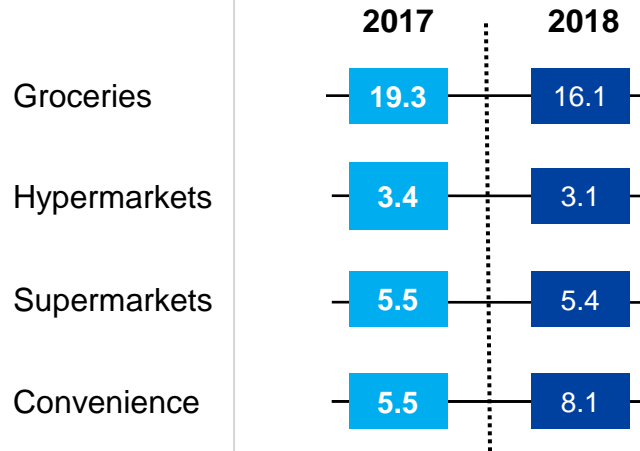
This artwork was created using Nielsen data.

Copyright © 2017 The Nielsen Company (US), LLC. Confidential and proprietary. Do not distribute.

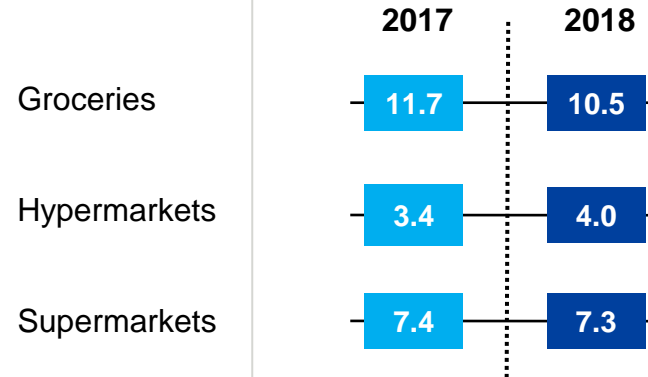
LESS FREQUENT SHOPPING TRIPS INDICATE BULK-BUYING BEHAVIOR



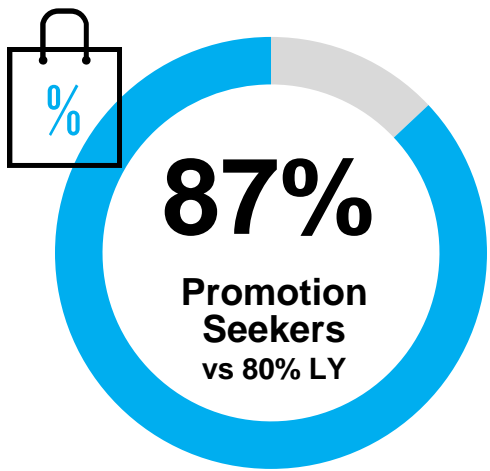
How often do they shop ?
Ave. per month



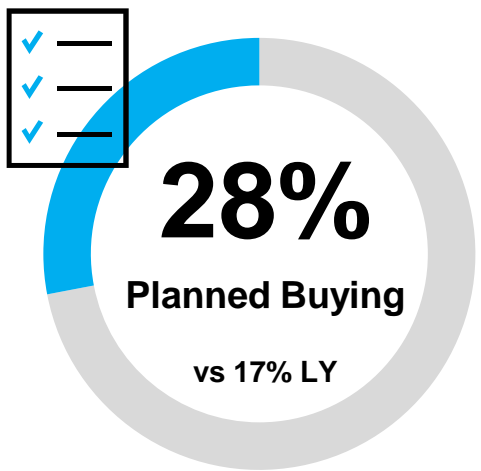
How often do they shop ?
Ave. per month



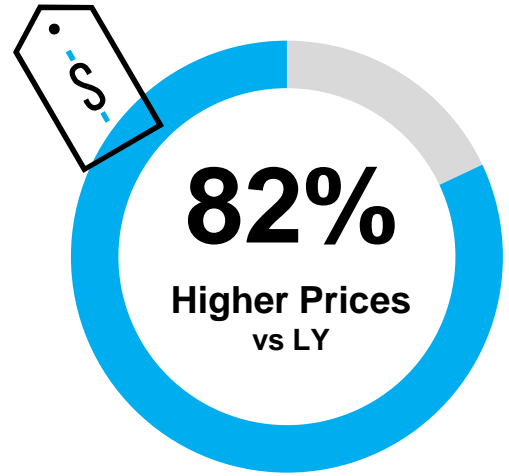
CONSUMERS ARE INCREASINGLY MORE INFORMED AND PRICE CONSCIOUS



Increasing number of shoppers actively seeking promotions - KSA



Sticking to the planned items and avoid buying any additional grocery items - UAE

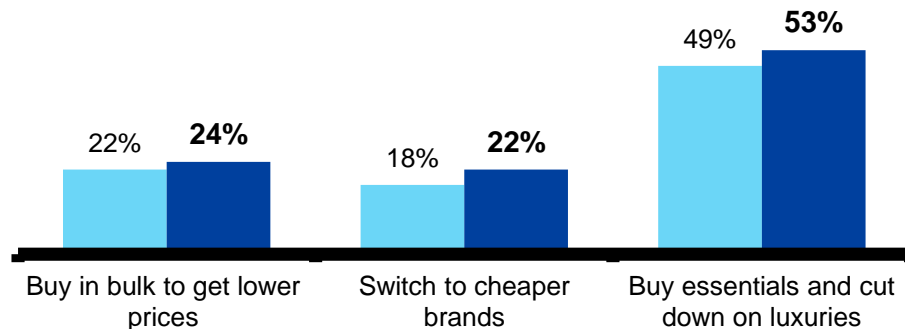


Shoppers are claiming food price inflation over the last year - KSA & UAE

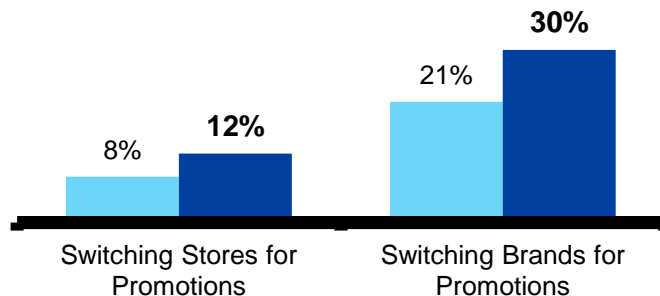
CONSUMERS ARE REACTING...REASSESSING...REPRIORITIZING

2016 2018

1. RATIONALIZE

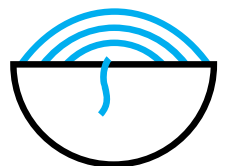


2. OPTIMIZE



DRY PASTA OVERVIEW & OPPORTUNITIES

DRY PASTA PERFORMING BETTER THAN THE FOOD BASKET



TOTAL GULF

93 Million KG
200 Million US\$



-0.9%
Vol Growth

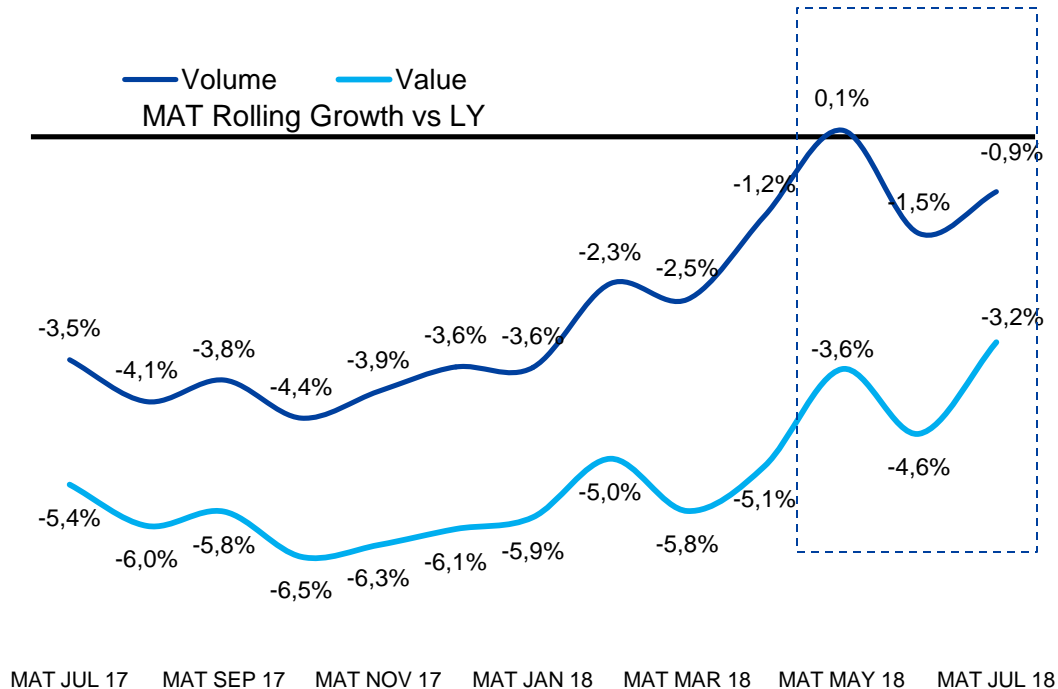
-3.2%
Val Growth



-4.5%
Food Basket* Growth Val

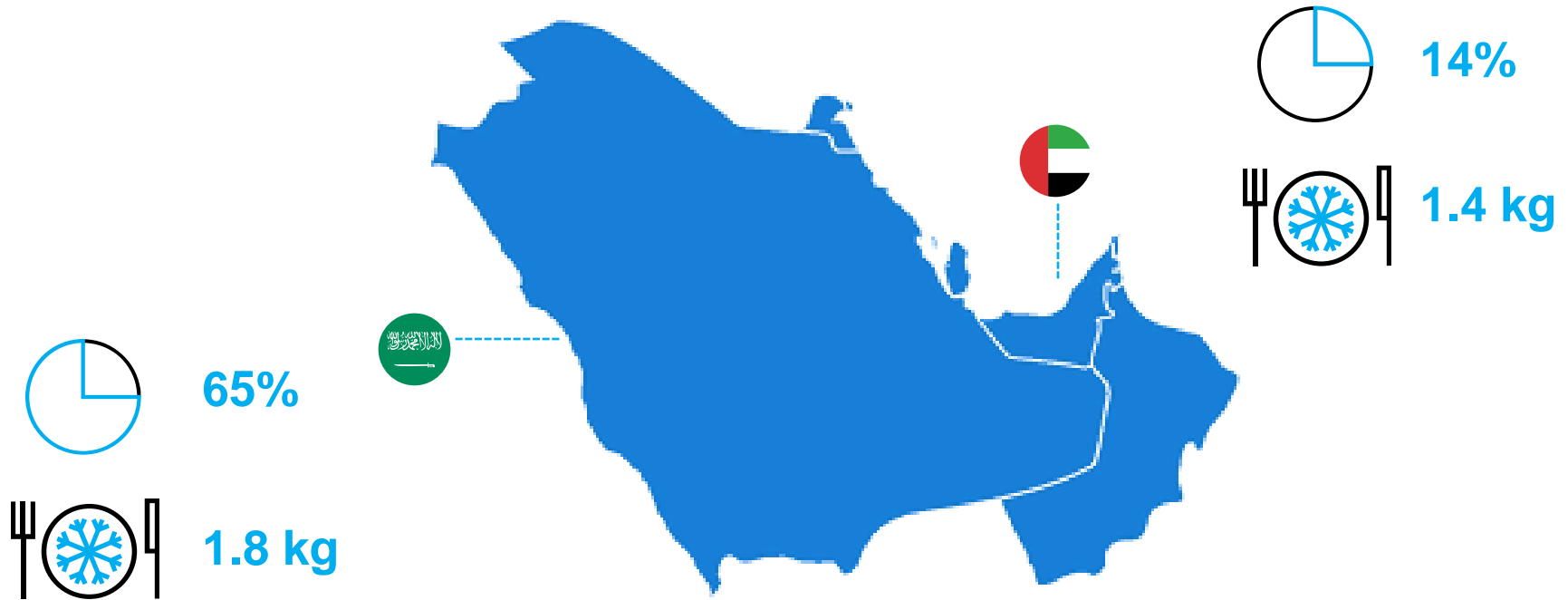
*Food Basket = 70+ Categories

AND DRY PASTA GROWTH IS ON THE PATH OF RECOVERY

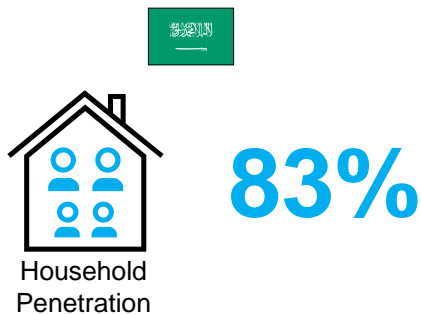


- Discounts & Promotions
- Emerging & New Brands Distribution Drive
- Better Visibility & Execution

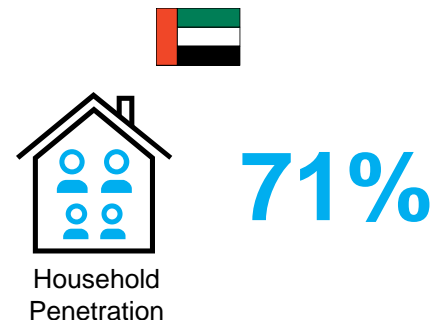
KSA & UAE CONTRIBUTES CLOSE TO 80% OF THE REGION'S CONSUMPTION



DRY PASTA IS CONSUMED IN ALMOST 2/3 OF THE HOUSEHOLDS, HOWEVER CONSUMPTION OCCASIONS ARE FEW OPPORTUNITY TO CREATE MORE CONSUMPTION OCCASIONS

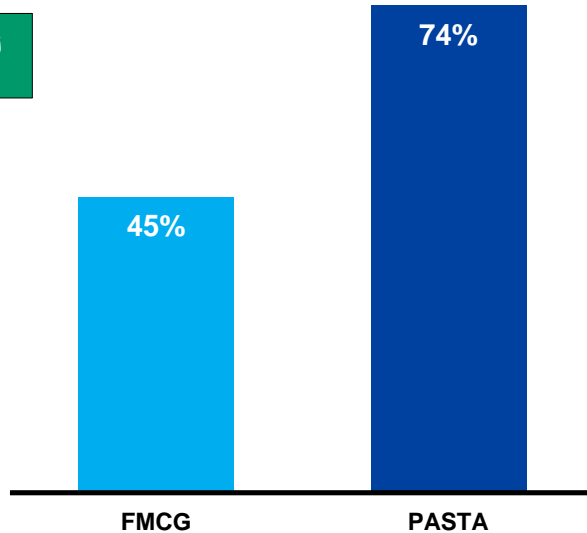


Nationality	HH Penetration	
LOCAL/NATIONALS	84%	67%
ARABS	86%	
ASIANS	69%	

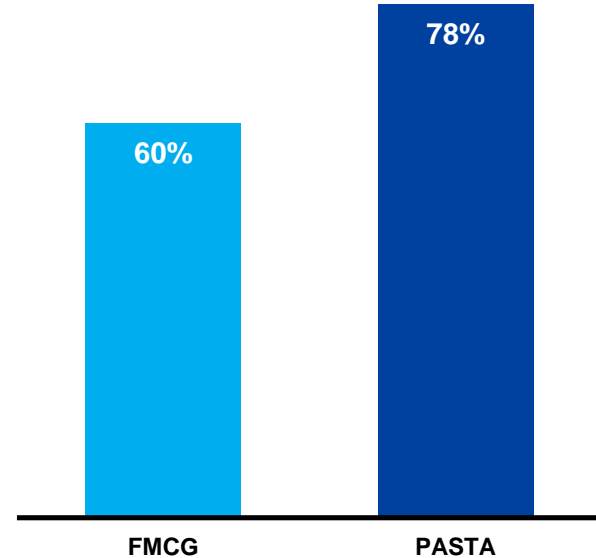


Nationality	HH Penetration	
LOCAL/NATIONALS	86%	
ARABS	81%	
ASIANS	57%	66%

HYPER/SUPER WITH THEIR HIGH IMPORTANCE OFFER OPPURTUNITY TO CAPTURE 2/3 OF THE MARKET WITH JUST 1700 STORES.

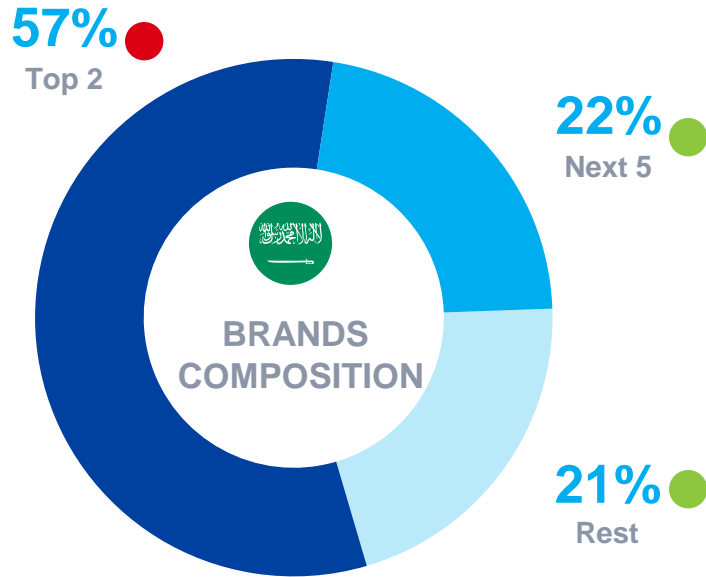


1085

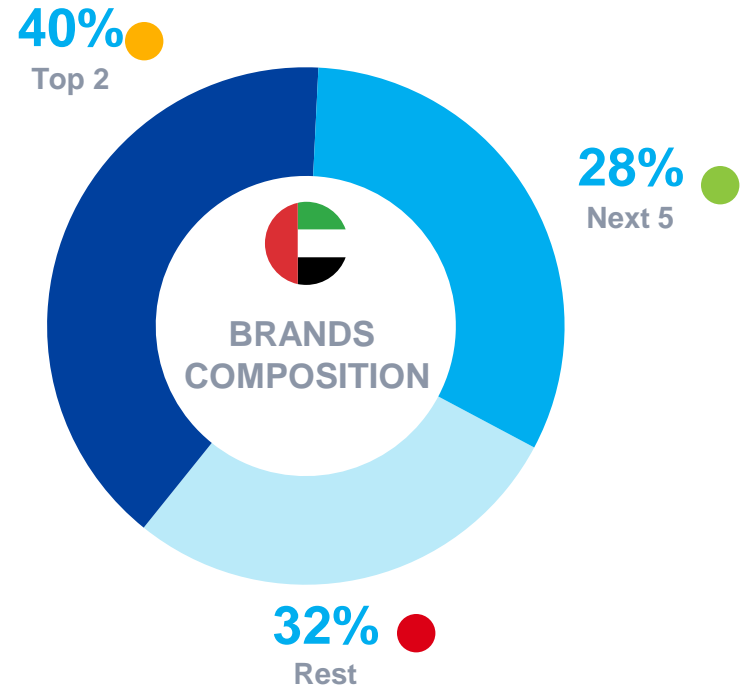


620

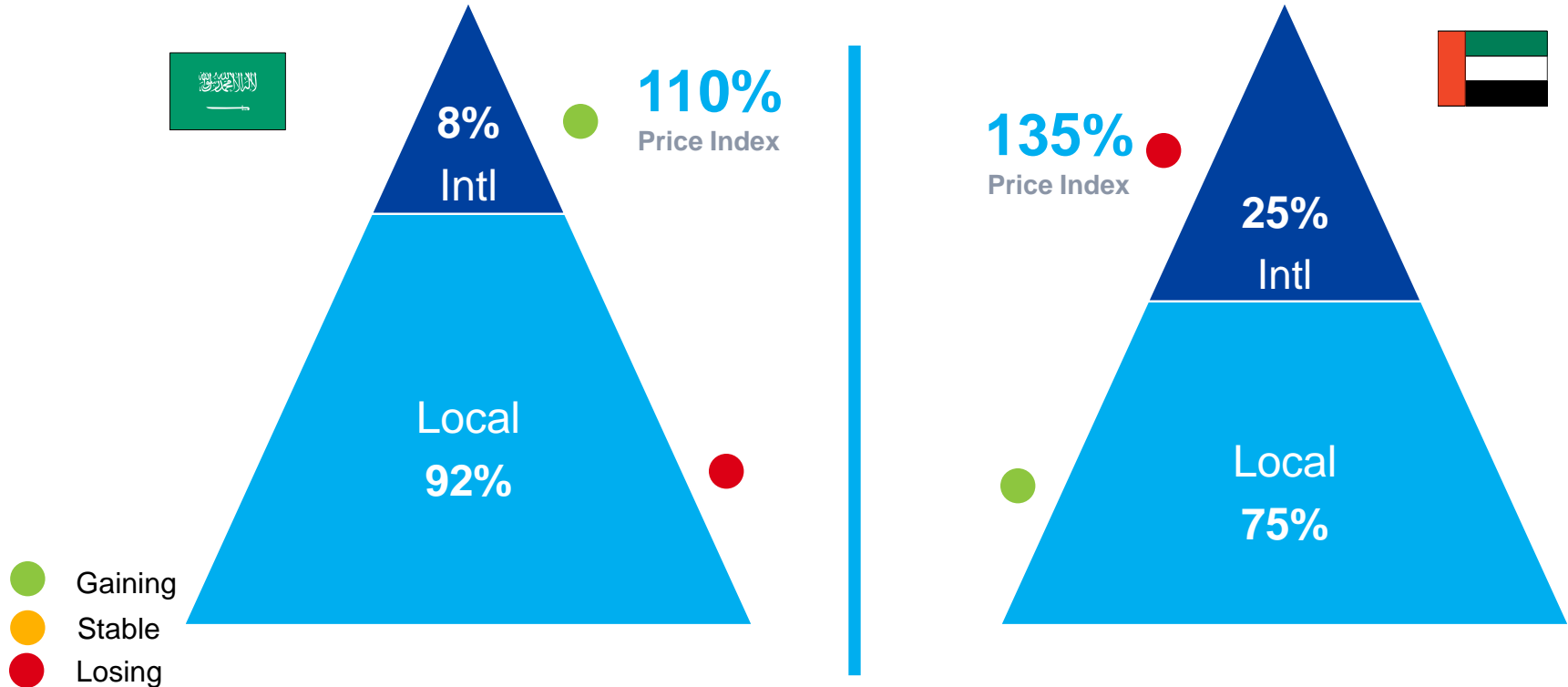
TOP BRANDS FACING THE HEAT, OFFERING OPPORTUNITY FOR THE NEW PLAYERS



- Gaining
- Stable
- Losing



INTERNATIONAL BRANDS HAVE OPPORTUNITY TO GROW, ESPECIALLY IN KSA

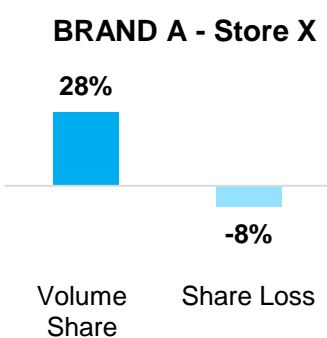


**DON'T PASTA-WAY THE
GROWTH OPPORTUNITIES**

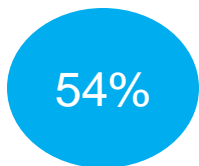
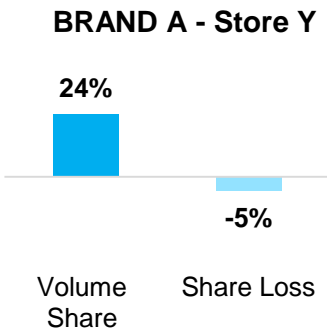
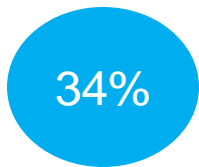
...EXECUTION IS KING!

WINNING THROUGH EXECUTION

How Execution in the Right Stores Helped Brand A



Share of Shelf



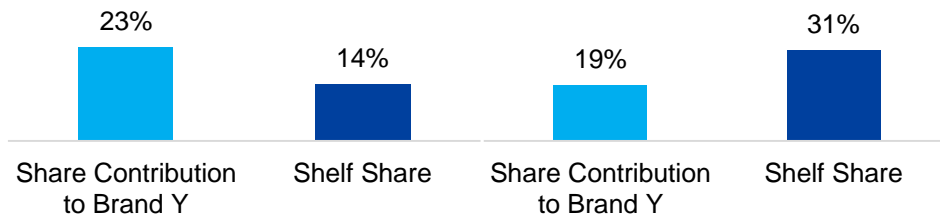
Availability & OOS

TOP SKUS IN PANDA	MORNING	EVENING	NIGHT
BRAND A SKU 1	NO	NO	NO
BRAND A SKU 2	YES	YES	OOS
BRAND A SKU 3	YES	YES	YES
BRAND A SKU 4	NO	NO	NO
BRAND A SKU 5	OOS	OOS	OOS
BRAND A SKU 6	NO	NO	NO
BRAND A SKU 7	NO	NO	NO
BRAND A SKU 8	YES	YES	YES
BRAND A SKU 9	OOS	OOS	YES
BRAND A SKU 10	YES	YES	YES
BRAND A SKU 11	YES	YES	OOS

Inefficient Assortment

SKU 1 - Store Y

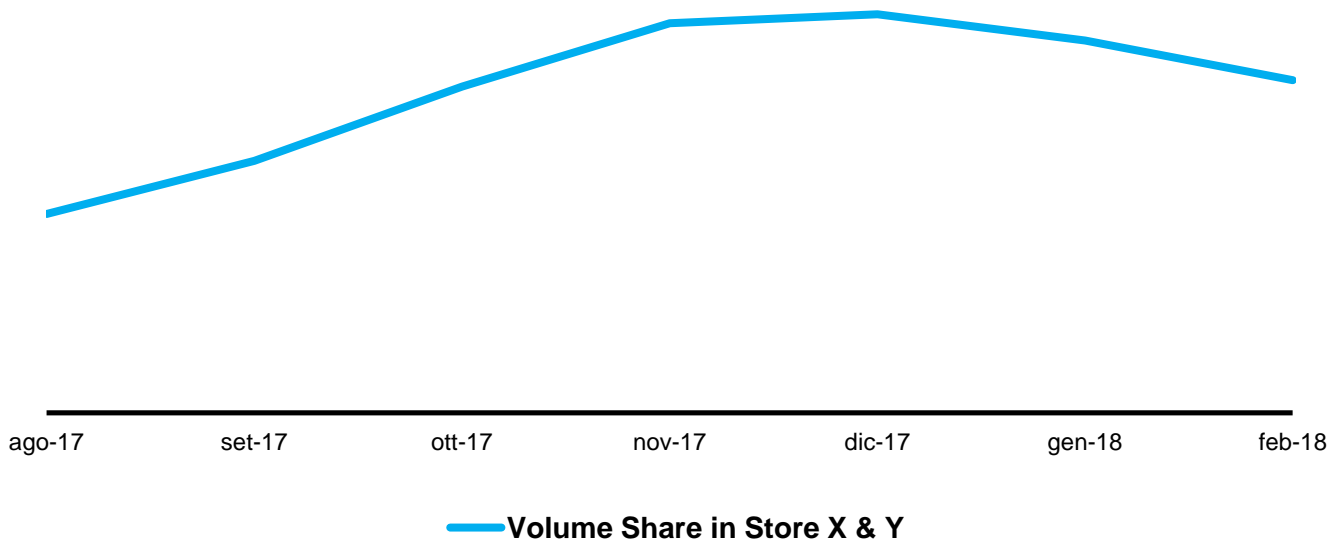
SKU 2 - Store Y



WINNING THROUGH EXECUTION

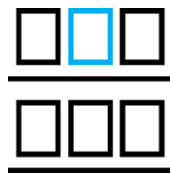
How Execution in the Right Stores Helped Brand A

Positive outcome post taking action to Improve Product Placement & Assortment Mix

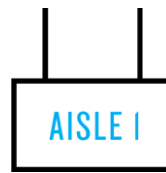


BIGGEST KEY TO SUCCESS..... BETTER EXECUTION

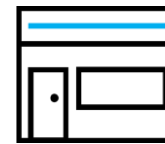
**PRODUCT
ASSORTMENT**



**PRODUCT
PLACEMENT**



**IN-STORE
EXPERIENCE**





nielsen



manzar.alam@nielsen.com

THE SCIENCE BEHIND WHAT'S NEXT™

This artwork was created using Nielsen data.

Copyright © 2017 The Nielsen Company (US), LLC. Confidential and proprietary. Do not distribute.