



「 Delivering more *than*
you bargained for 」

「 A survey on consumer attitudes in The Netherlands 」



OC&C
Strategy consultants

uncommon sense™

THE RETAIL PROPOSITION INDEX (RPI) IN NUMBERS



Global survey first launched

2010

2012 in the Netherlands



Consumers surveyed in 2024

~48,000

Approx. 8,000 in the Netherlands



Ratings analysed since launch

68M



Countries included in 2024 survey

9



Number of retailers rated

800

83 in the Netherlands

What do shoppers think of *the biggest retailers in the Netherlands?*

The OC&C Retail Proposition Index answers this through a comprehensive analysis of customer attitudes. In this year's edition of OC&C's annual Retail Proposition Index, we have asked 48,000 globally, of which c.8,000 shoppers in the Netherlands, how they rate the places they shop and what drives their decisions about where and how to buy.

With over a decade of coverage in the Netherlands and beyond, this survey has become an essential tool for retailers, analysts, suppliers, and investors. We hope you find it just as valuable.



Introduction

The last year has been a tough road for consumers and retailers alike, with economic uncertainty and high inflation squeezing consumer confidence and disposable incomes. Retailers have been faced with continued soft demand, price competition and inflating operating costs - which has driven laser focus on low prices and cost efficiency above all else.

We are now starting to see green shoots in consumer retail behaviour and growing optimism as inflation recedes in many markets. Improving trading over the coming 12 months could provide much-needed breathing space for retailers to re-assess priorities and ensure they are tackling long-term strategic issues.



This report will cover:

- 1 2024 TOP PERFORMERS
- 2 COMPETE ON VALUE, WIN THROUGH TRADE UP
- 3 DON'T FORGET THE FUN
- 4 NAVIGATE THE GENERATION GAME
- 5 ACCELERATE WITH AI

Top 10 - Favourite Retailers

Rank	Retailer	Shopper Rating ¹	N =
1	Bol.com	86.5	319
2	Rituals	84.8	214
3	Nike	84.1	215
4	ANWB	84.0	212
5	IKEA	82.5	230
6	Adidas	82.3	215
7	Kruidvat	82.3	314
8	De Bijenkorf	82.0	212
9	Coolblue	81.9	213
10	Albert Heijn	81.2	320

1. Shopper rating indexed 0-100. Based on shoppers visiting or purchasing from that retailer in the last 3 months. Source: OC&C Retail Proposition Index 2024, OC&C analysis

Competitors include 83 retailers covering both national and global brands across 15 categories

Clothing & Footwear

About You
Adidas
Bonprix
Bristol
C&A
Esprit
Foot Locker
H&M
Hunkemöller
Jack and Jones
JD Sports
Livera
Manfield
Miss Etam
MS Mode
MyJewellery
Nelson
Nike
Primark
Shein
Van Haren
Vero Moda
Vinted
WE
Zalando
Zara
Zeeman

Grocery

Albert Heijn
Aldi
Coop
HelloFresh
Jumbo
Lidl
Picnic
Plus

Sports & Outdoors

Aktiesport
ANWB
Bever
Daka
Decathlon
Intersport

Home & Garden

Gamma
Hornbach
Karwei
Praxis
Toolstation.nl

Health & Beauty

Douglas
Etos
Eye Wish
Hans Anders
Holland & Barrett
ICI Paris XL
Kruidvat
Pearle
Rituals
Specsavers
Trekpleister

Department Stores

De Bijenkorf
Wehkamp

Digital Champion

Airbnb
Booking.com
Thuisbezorgd.nl
Uber/Uber Eats

Consumer Electronics

Coolblue
Expert
MediaMarkt

Furniture

Beter Bed
IKEA
JYSK
Kwantum
Leen Bakker
Swiss Sense

General Merchandiser

Action
AliExpress
Amazon
Blokker
Bol.com
Hema
Otto
Temu
Xenos

Other

Intertoys
Top 1 toys

The background of the page is a blurred photograph of a street scene. At the top, there is a window with a wooden frame and a black metal lantern hanging from the wall. Below the window, a white semi-transparent box contains the text. In the foreground, a person is walking, their legs and feet blurred, wearing a colorful skirt and dark shoes. The ground is paved with light-colored tiles.

Methodology

The OC&C Retail Proposition Index is a major piece of national consumer research measuring shopper attitudes and perceptions towards the nation's leading retailers.

This year, approximately 8,000 consumers across the Netherlands rated retailers with whom they have shopped in the past 3 months, on their overall propositions and then to score the key elements of that proposition (price, range, service, etc). These results are then used to compile a ranking of 83 retailers from across the Netherlands.

The Retail Proposition Index was first launched in the Netherlands in 2012, having now surveyed over 45,000 Dutch consumers. The index has become a powerful tool to understand how shopper options and priorities are changing over time and to identify the key trends driving shifts in the retail landscape.

Throughout this report, results from the previous reports are used to provide comparison points, showing the change between two years ago, last year and this year.

1

2024 Top Performers

HEART & MIND CHAMPIONS 2024



bol.



adidas

1. TRUST

Rank	Retailer	Shopper Rating
1	Bol.com	84.6
2	Rituals	83.7
3	Nike	82.4
4	IKEA	81.9
5	De Bijenkorf	81.6
6	ANWB	81.6
7	Albert Heijn	81.1
8	Kruidvat	81.1
9	Lidl	81.0
10	Bever	81.0

2. PRIDE

Rank	Retailer	Shopper Rating
1	Adidas	77.0
2	Nike	76.7
3	De Bijenkorf	76.4
4	My Jewellery	76.1
5	Rituals	75.2
6	Bever	72.9
7	HelloFresh	72.5
8	Foot Locker	72.0
9	Douglas	71.9
10	Coolblue	71.9

PRODUCT CHAMPIONS 2024



RITUALS



RITUALS



AliExpress

3. PRODUCT QUALITY

Rank	Retailer	Shopper Rating
1	Rituals	86.3
2	De Bijenkorf	85.7
3	ICI Paris XL	83.9
4	Nike	83.4
5	Douglas	83.1
6	Holland & Barrett	83.1
7	Toolstation.nl	82.8
8	Bever	82.8
9	Expert	82.6
10	Adidas	82.2

4. PRODUCTS SUITED TO ME

Rank	Retailer	Shopper Rating
1	Rituals	84.0
2	Nike	82.6
3	Hornbach	82.1
4	Douglas	81.9
5	Bol.com	81.7
6	Pearle	80.7
7	Kruidvat	80.0
8	Hans Anders	80.0
9	Picnic	79.9
10	Expert	79.8

5. WIDE CHOICE OF PRODUCTS

Rank	Retailer	Shopper Rating
1	AliExpress	89.4
2	Hornbach	88.0
3	Temu	87.7
4	Bol.com	87.6
5	Vinted	86.5
6	Zalando	85.8
7	Shein	85.4
8	Toolstation.nl	85.2
9	Douglas	85.0
10	De Bijenkorf	84.1

CUSTOMER EXPERIENCE CHAMPIONS 2024



6. RELIABILITY

Rank	Retailer	Shopper Rating
1	ANWB	84.6
2	Nike	83.0
3	Rituals	82.4
4	Bol.com	82.1
5	Hornbach	82.0
6	Douglas	81.8
7	Pearle	81.6
8	De Bijenkorf	81.5
9	Hans Anders	81.4
10	Expert	81.4



7. EASY TO SHOP

Rank	Retailer	Shopper Rating
1	Bol.com	85.7
2	Picnic	85.7
3	Zalando	84.6
4	Bonprix	82.3
5	Douglas	82.2
6	ICI Paris XL	82.1
7	Rituals	82.0
8	About You	81.6
9	Wehkamp	81.6
10	De Bijenkorf	81.6



8. FUN TO SHOP

Rank	Retailer	Shopper Rating
1	Rituals	86.0
2	De Bijenkorf	84.3
3	Vinted	83.6
4	My Jewellery	82.4
5	Douglas	81.6
6	IKEA	79.7
7	Nike	79.7
8	ICI Paris XL	79.4
9	Shein	78.8
10	Intertoys	78.7



9. VALUE FOR MONEY

Rank	Retailer	Shopper Rating
1	Decathlon	79.9
2	Vinted	79.6
3	Toolstation.nl	79.6
4	Hans Anders	79.3
5	Hornbach	79.2
6	IKEA	79.0
7	Lidl	79.0
8	Zeeman	78.3
9	Kruidvat	77.8
10	Action	77.7



10. LOW PRICES

Rank	Retailer	Shopper Rating
1	Temu	87.3
2	AliExpress	87.0
3	Action	86.8
4	Shein	83.4
5	Zeeman	81.6
6	Primark	81.0
7	Vinted	78.8
8	Lidl	74.4
9	Kruidvat	72.9
10	Decathlon	72.6

VALUE AND PRICE CHAMPIONS 2024



11. SUSTAINABILITY

Rank	Retailer	Shopper Rating
1	Vinted	83.3
2	HelloFresh	73.9
3	Swiss Sense	73.3
4	Bever	72.5
5	ANWB	72.3
6	Toolstation.nl	71.3
7	Holland & Barrett	71.1
8	IKEA	71.1
9	Picnic	70.9
10	Nelson	70.5



12. FASHIONABILITY¹

Rank	Retailer	Shopper Rating
1	De Bijenkorf	84.3
2	My Jewellery	83.5
3	About You	82.1
4	Hunkemöller	82.0
5	Nike	80.2
6	Foot Locker	79.6
7	Zara	78.4
8	Adidas	78.1
9	JD Sports	77.9
10	Zalando	77.5

SUSTAINABILITY AND FASHIONABILITY CHAMPIONS 2024

Note: Ratings / 100. "How do you rate [retailer] on the following criteria [Trust, Pride, Product Quality, Products Suited to Me, Wide Choice of Products, Reliability, Easy to Shop, Fun to Shop, Value for Money, Low Prices, Sustainability, Fashionability]."

1. Only clothing & footwear and department store brands are rated on fashionability.



ANT



DUNGELMANN

KLUISEN

claudia strä

PELGER
SINDS 1860

PELGER
SINDS 1860

PASSAGE REISBURE

VANILIA

2 COMPETE ON VALUE, WIN THROUGH TRADE UP

Is price leadership still enough?

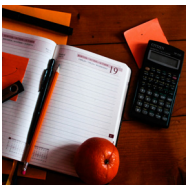
Summary

We are concluding a period marked by high inflation and low consumer trust, where value for money and affordability were of utmost importance. With inflation decreasing, there is growing optimism and confidence among consumers across the Netherlands, the rest of Europe and the US.

As this optimism rises, consumers are starting to prioritise other factors, such as quality, in their assessments of value. This shift signals a need for a new strategy; merely focusing on price leadership is no longer sufficient to attract customers. Consumers are now looking for a wider array of shopping options beyond just discount retailers.



Consumers are increasingly optimistic



Value requirements remain heavily entrenched in consumer memories, and have even grown in importance



While other factors have grown as well: Consumers are increasingly viewing quality as a key part of value



Price leadership alone is no longer enough to win, and customers look beyond discounters for most missions

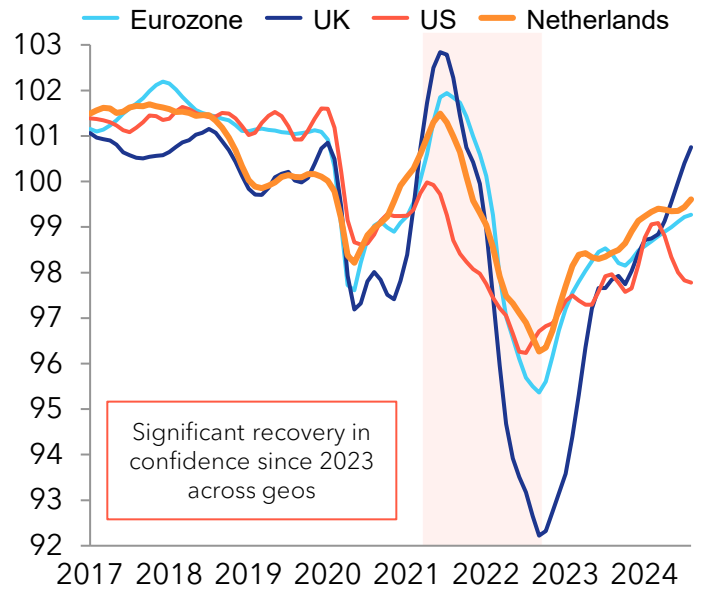


Consumers are increasingly positive...

Since 2017, consumer confidence has fluctuated due to economic growth, the Covid-19 setback, a global recession, and high inflation. With inflation now easing, confidence is rebounding across all regions, including the Netherlands.

The emphasis on low prices and value for money, which became ingrained during the inflationary period, continues to be a top priority for consumers even as economic growth enhances their spending power. Approximately 30% of consumers cite low prices and value for money as the primary reason for choosing a retailer, and this percentage has even increased since 2023 across most regions.

OECD Consumer Confidence Index 2017-YTD24 (100 = Index of Long Run Average)

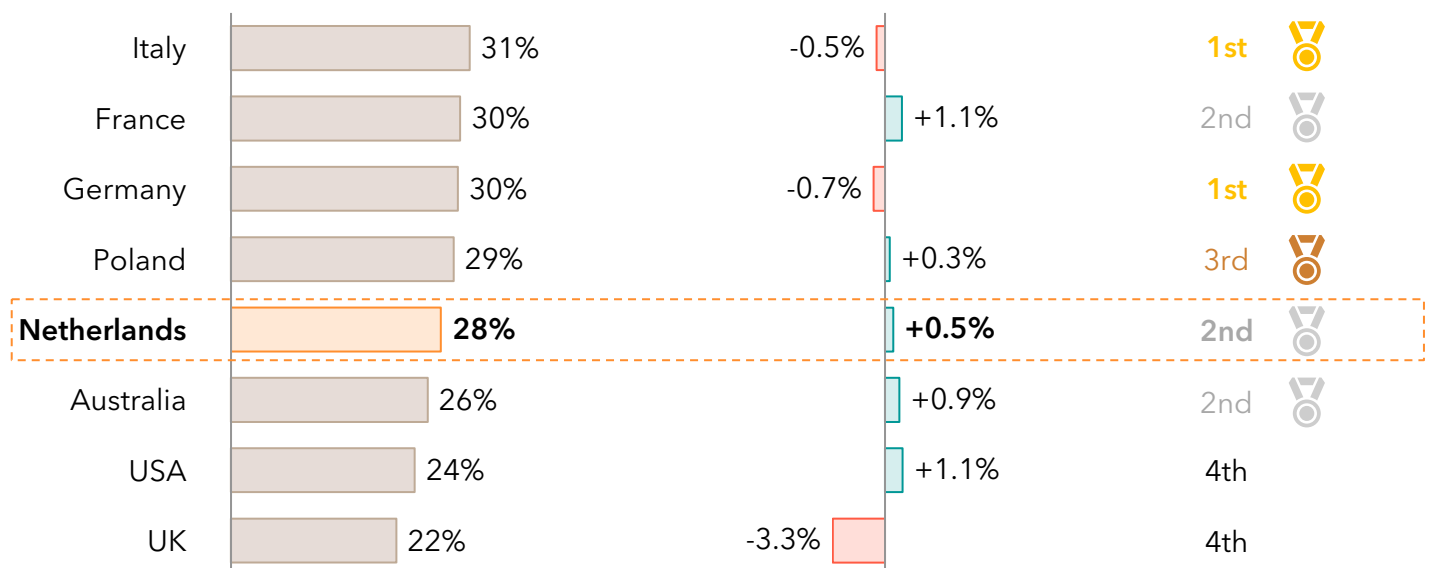


Global Recession & High inflation

1. Delta of the average of the years
Source: OECD, Oxford Economics, OC&C analysis

...yet value requirements remain heavily entrenched

Importance of **Low Prices & Value for Money**¹
(% Respondents Stating as the Main Reason They Shopped With a Brand)



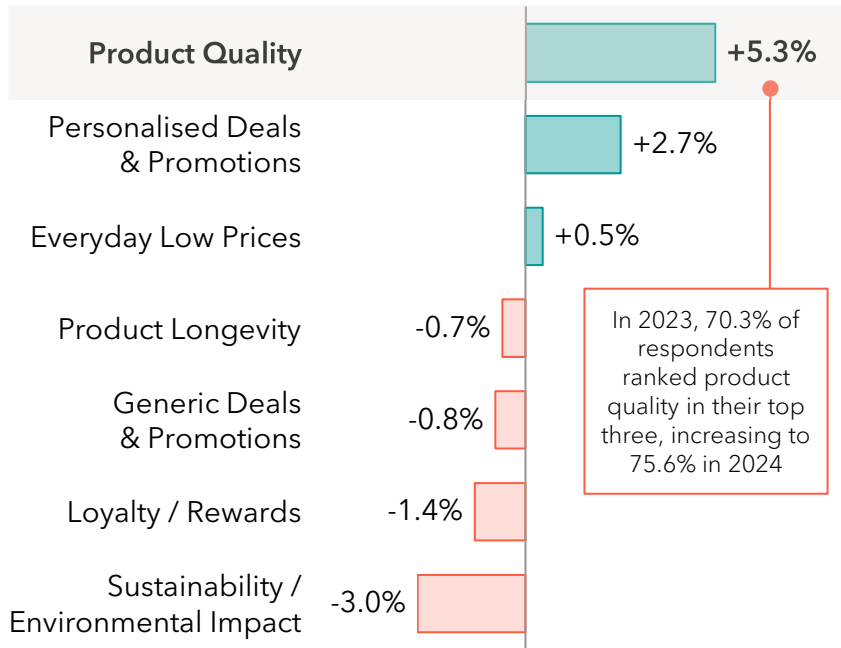
1. What was the main reason that you shopped with [brand]: low prices / value for money?
Source: OC&C Retail Proposition Index 2024, OC&C analysis

Product quality is increasingly important...

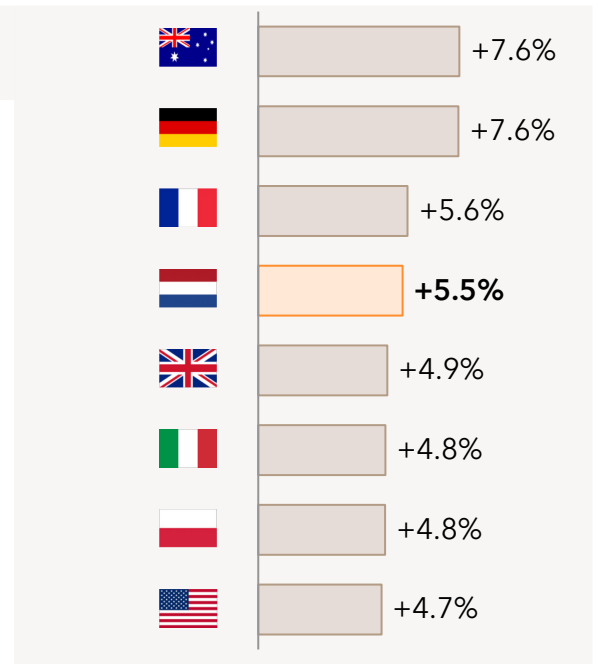
Dutch consumers are redefining what value for money means to them. They are now placing a higher priority on product quality than on promotions, loyalty programs, and sustainability. This shift shows an even greater emphasis on quality compared to last year.

Consumers are increasingly focused on immediate benefits and tangible quality, while the long-term advantages of sustainability and loyalty schemes have become less significant.

'What does Value For Money Mean to You': %pts change in Respondents Including in Top 3 Factors 2024 vs 2023¹ (All Geos)



'What does Value For Money Mean to You': %pts change in Product Quality in Top 3 Factors 2024 vs 2023¹



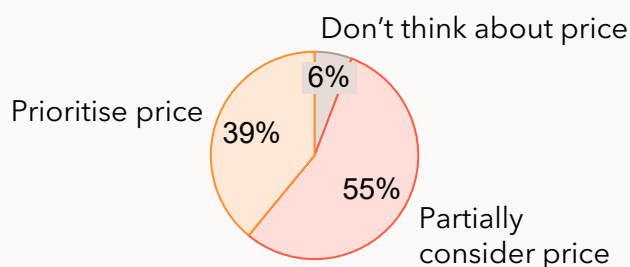
1. Thinking about retail more broadly, what does 'value for money' mean to you? Please rank your top 3 | Quality of product
Source: OC&C Retail Proposition Index 2024, OC&C analysis

...so price leadership alone is no longer enough to win

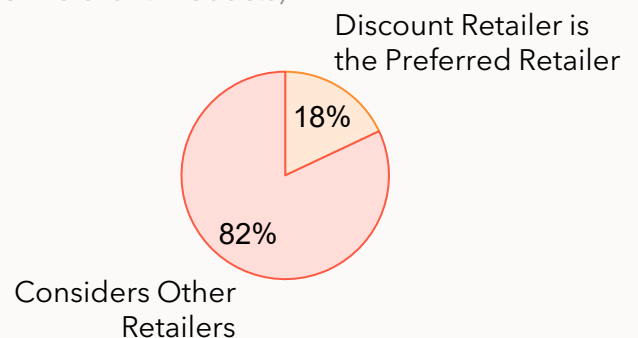
Price remains a key factor for Dutch consumers, with over a third prioritizing it above all else. However, most shoppers who frequent discounters also consider other retailers. This indicates that

only a small percentage of consumers exclusively prefer discounters for all their shopping trips. Therefore, it is essential for all retailers to find the right balance between price and quality.

Respondents' Attitude to Price When Shopping¹
(% Respondents, 2024)



Respondents' Loyalty to Discount Brands²
(% Shoppers of a Discount Brand Stating that the Brand is Their Preferred Retailer When Shopping for Relevant Products)



1. What statement best describes your attitude to price when you are shopping?

2. Which of the following best describes your relationship with [brand]: [brand] is my preferred retailer/brands when I am shopping for interesting products

Source: OC&C Retail Proposition Index 2024, OC&C analysis

This is already being reflected in retail strategies of leaders across markets, with an increasing focus on the trade-up proposition from the hard-fought entry prices

Examples at a *retailer level*

ALDI EXPANDS ITS PREMIUM PRODUCT RANGE



Grocery Hard Discounter Aldi is focusing on the more premium segment by **adding more premium products: growing the premium range category with 16%, while value own-labels declined by 10% as customers were trading up.**

As customers shift to celebrating at home, Aldi will look to increase premium options through their Christmas range to 50% for the first time in 2024.



Raw ham
€1.99



Raw ham -
Prosciutto
Crudo di
Parma
€4.99

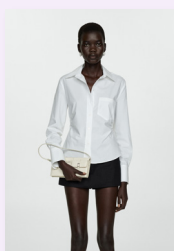
MANGO OFFERS HIGH QUALITY MATERIAL PRODUCTS IN NEW COLLECTION

MANGO



Clothing brand Mango has launched its **premium collection** in 2024, **targeting trend-conscious customers seeking affordable quality.** This collection features items crafted from high-quality materials such as pure cashmere, silk and leather.

The collection acts as a key lever to reinforce the differential value proposition pillar of their Strategic plan, **aiming to reach a turnover of >€4bn by 2026**



Gathered
details
cotton
shirt
€29.99



"Selection"
cotton
shirt with
pleated
details
€69.99

3

DON'T FORGET THE FUN

Inject excitement and enjoyment into retail experiences both online and offline to re-ignite customer engagement

Summary

Fun has been lost from the retail experience, leaving retailers more exposed than ever to competition from leisure for consumer discretionary spending. Consumers continue to prioritise leisure spend over retail, and retailers lag digital leisure leaders (e.g. Airbnb, Just Eat) on Fun to Shop/Use ratings.

The new retail disruptors (Temu, Shein) should provide both inspiration and urgency

in re-invigorating retail experiences, with their success anchored on both fun experience and low prices. This competitive threat is fundamentally different from the Amazon model (low price, breadth of range, easy to use) and will require a new response.

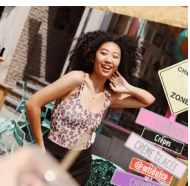
Example tactics for retailers include eclectic product ranges, gamification of the purchase journey and hyper-personalisation



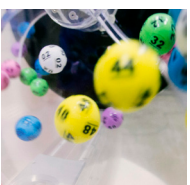
Dutch spending habits are shifting more towards experiences rather than material purchases



The fun element of the shopping is increasingly important for consumers



This 'fun to shop' factor is even more recognized by younger generations where it is ranked as one of the top reasons for choosing (or leaving) a brand by Gen Z

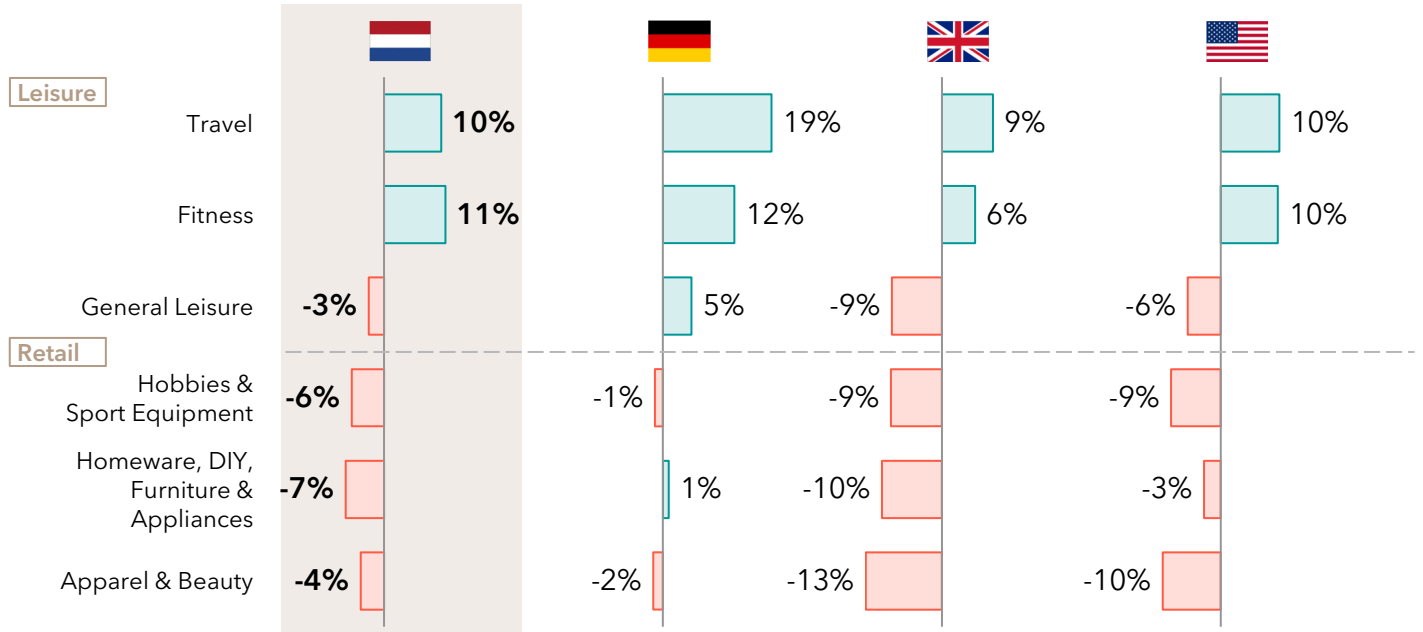


Chinese disruptors have increased their presence in NL and excel at leveraging the 'fun to shop' experience via their digital platform

Shift in consumer spend towards services

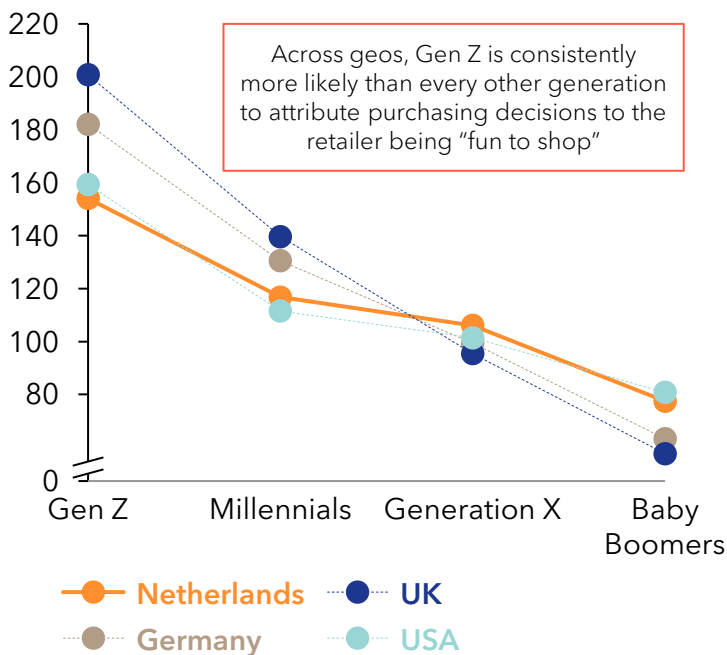
Dutch consumers are continuing to prioritise spend on experience rather than material purchases. This is reflected in 2024 with shifting consumer priorities in spending patterns. Consumers are spending more in categories like air travel and cruises in the Netherlands, while spending less on groceries and retail goods.

Anticipated Net Spend Change in Coming 12 Months by Discretionary Spend Category¹ (% Respondents)



1. Looking forward to the next 12 months, how do you think your spend on these different categories is likely to be different relative to the last 12 months?
Source: OC&C Retail Proposition Index 2024, OC&C analysis

Importance of 'Fun to Shop' in Decision to Choose Retailer by Generation¹, (Respondents Stating as the Main Reason They Shopped With a Brand: Indexed Avg. Across Generations = 100)



Fun to shop

At the same time, the survey reveals that **'fun to shop' is an increasingly important part of the retail experience**, especially for younger generations, although the effect in relation to other generations is less pronounced in the Netherlands compared to other countries.



1. What was the main reason that you shopped with [brand]: fun to shop?
Source: OC&C Retail Proposition Index 2024, OC&C analysis

Only few Dutch retailers prioritise fun to shop...

Traditional retailers often do not prioritize creating a fun shopping experience. In fact, among the top ten most appreciated retailers in the Netherlands, only three have consumers identifying 'fun to shop' as their main reason for choosing them. In contrast, pureplay e-commerce retailers tend to perform better than multichannel retailers in this regard.

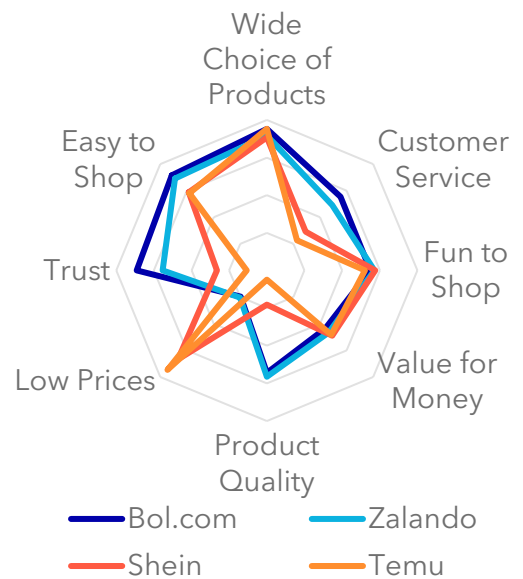
...While Chinese disruptors loom with engaging experiences

One notable development in the Dutch retail landscape is the growing presence of disruptor retailers. Chinese companies like Shein and Temu are beginning to close the gap with traditional e-tailers by offering low prices while also providing a shopping experience that rivals established players such as Bol.com and Zalando. Their platforms enhance customer engagement and excitement through gamification of the purchasing journey, hyper-personalization, and visually appealing user interfaces.

Netherlands Top 10 Retailers by Overall Rating: % Customers Stating "Fun to Shop" as Main Reason for Shopping

		% Stating Fun to Shop as Main Reason ¹	Importance Rank (out of 12)
1	bol.com	6%	6
2	RITUALS...	20%	3
3	NIKE	7%	7
4	anwb	4%	9
5	IKEA	16%	4
6	adidas	9%	5
7	Kruidvat	6%	6
8	deBijenkorf	23%	1
9	cool blue	6%	8
10	Albert Heijn	5%	6

Ratings by Retailer



1. What was the main reason you shopped with [brand]?
Source: OC&C Retail Proposition Index 2024, OC&C analysis

Source: OC&C Retail Proposition Index 2024, GlobalData, CapIQ, OC&C analysis





These platforms generate ‘fun’ through a myriad of features which encourage engagement, interaction, and excitement; other retailers can learn from these



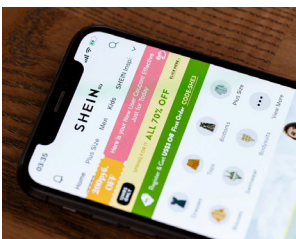
Gamification of purchase journey: positioning for younger generations

Retailers can create a feeling of excitement within the online customer journey by implementing features such as daily check-in rewards, referral bonuses and prize wheels. Additionally, exposing customers to personalised offers or coupons can give the shopper a feeling of agency over the shopping experience



Flash sales: further improve customer engagement

Shein and Temu have frequent limited-time sales and special offers on their platform to create an impression of urgency and the fear of missing out, which makes the purchase feel more rewarding and can lead to the customer coming back



Attention-grabbing UI: create stimulating visuals to keep the customer’s attention

Bright and stimulating UIs which incorporate colours, banners, and animations create an energetic and exciting experience. Frictionless design features such as infinite scroll and adaptive homepages also generates a seamless purchase customer journey.



FENDI

GUCCI

TEMPO
CAFE BISTRO
RESTAURANT
LEVANTE



4

NAVIGATE THE GENERATION GAME

Balance the divergent needs of different age groups through targeted product ranges and propositions catering to different lifestyles

Summary

The youngest generations (Gen Z and Gen Alpha) now contribute a meaningful share of consumer spending (c.25%), but this needs to be weighed carefully against an aging overall population where Boomers and Gen X are the largest spenders (c.50%).

Younger generations have increasingly polarised needs and priorities, which incumbent retailers are struggling to address.

Gen Z ratings are materially lower, and few retailers are managing to resonate consistently across generations.

Retailers face an impending decision point on whether they can credibly deliver ageless appeal, or whether they will need to pick a side of the generational divide. This will be crucial in developing future-fit propositions.

GenZ and Alpha are becoming increasingly more important

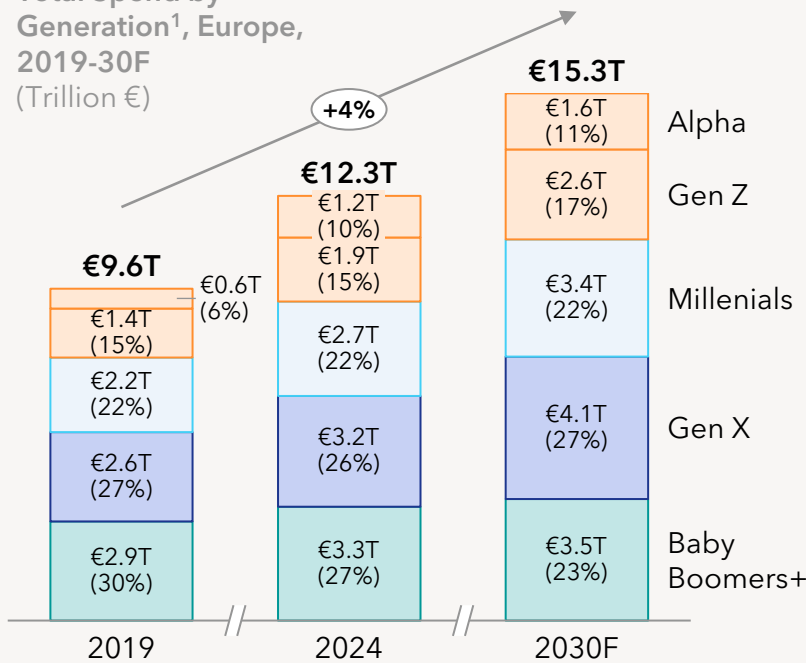
Generation Z and Alpha are increasingly becoming more important for retailers as their spend has gone up and will be almost 1/3 of total spend in 2030. However, their needs and requirements need to be carefully balanced against the c.50% held by Millennials/Baby Boomers, who have materially different needs.

Currently, Generation Z perceive their needs are not met. Most retailer propositions do not resonate with them as strongly, leading to them having worse perceptions on retailers overall.

This is true across Europe; however, the Netherlands seems less polarised than neighbouring countries Germany and the UK.



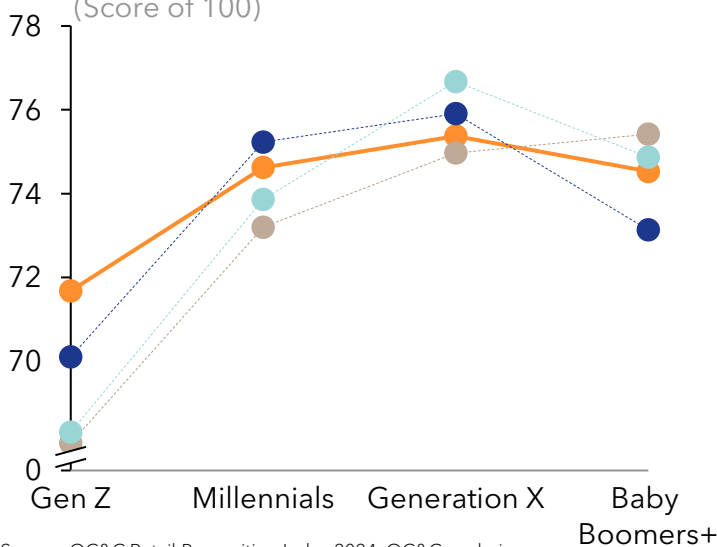
Total Spend by Generation¹, Europe, 2019-30F
(Trillion €)



1. Estimated based on line-chart in NielsenIQ report
Source: NielsenIQ, OC&C analysis

	CAGR (%)		Share Delta (%pts)	
	2019-24	2024-30F	2019-24	2024-30F
Alpha	c.16%	c.5%	+4%pts	+1%pts
Gen Z	c.6%	c.6%	+0%pts	+2%pts
Millennials	c.5%	c.4%	+0%pts	+0%pts
Gen X	c.5%	c.4%	-1%pts	+1%pts
Baby Boomers+	c.3%	c.1%	-3%pts	-4%pts

Average Overall Rating by Generation
(Score of 100)



Source: OC&C Retail Proposition Index 2024, OC&C analysis

Today's retail propositions are not resonating with younger generations, leading to them having worse perceptions of retailers overall





Retailers are faced with an impending choice on whether they can deliver ageless appeal – or to double down on a side of the generational divide

The needs and requirements of Gen Z differ significantly from those of previous generations. There is a heightened emphasis on recommendations from friends and family, as well as a particular focus on environmental impact and locally sourced materials. Unlike earlier generations, Gen Z is less concerned with company services such as cost, consistency, and problem resolution.

Loyalty programs and rewards have become less popular overall, but they hold greater significance for Gen Z. This generation values being part of a

community and tends to identify strongly with brands. Additionally, they appreciate everyday low prices that ensure good value for money.

These criteria present retailers with a crucial decision: whether to strive for ageless appeal or to commit more deeply to a specific generational segment.

The Generational choice proves to have upsides and downsides; with either long-term securing of sales or a large pool of current consumer spend.

Pursue the New Consumer

Example Gen Z Winners 2024



- Ensures longevity of relevance and provides opportunity to win share on a hard to serve consumer...
- ...but the size of prize is smaller, requiring high share of wallet...
- ...and moving too fast risks alienating today's core consumer

Deliver Ageless Appeal

Example Cross-Generational Winners 2024



Common themes of cross-generational winners can include

Wholesome brand position	Targeted curation / sub-brands
Discovery-led retail experiences	Truly omnichannel model
Strong innovation cycle	Technical credentials

But this playbook will not fit all categories or operators

Double Down on the Known Opportunity

Example Gen X/Boomer Winners 2024



- Largest pool of consumer spend – and supported by an aging population...
- ...but succession-planning is needed if Gen Z don't age into the proposition over time...
- ...and there are risks if millennials and Gen X follow Gen Z-led trends

5

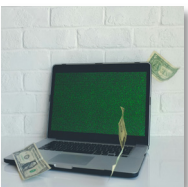
ACCELERATE WITH AI

Make targeted strategic bets on AI where it has the most meaningful potential to enable both operating models and customer propositions/experience

Summary

AI will be a fundamental enabler in driving the next growth phase in retail. There has already been a strong increase in AI spend by retailers globally and this is expected to continue. Retailers can gain a competitive advantage by implementing AI features to solve the largest consumer pain points during the shopping journey such as delivery delays and limited payment options.

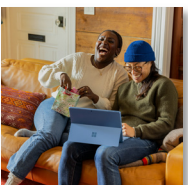
On the customer side, usage of these AI tools is still nascent, however more than half of Dutch consumers (55%) report that they have used an AI/tech feature at least once while shopping in the last 12 months.



Global AI spend by retailers is rapidly growing



Retailers should prioritize solving the largest customer pain points through AI

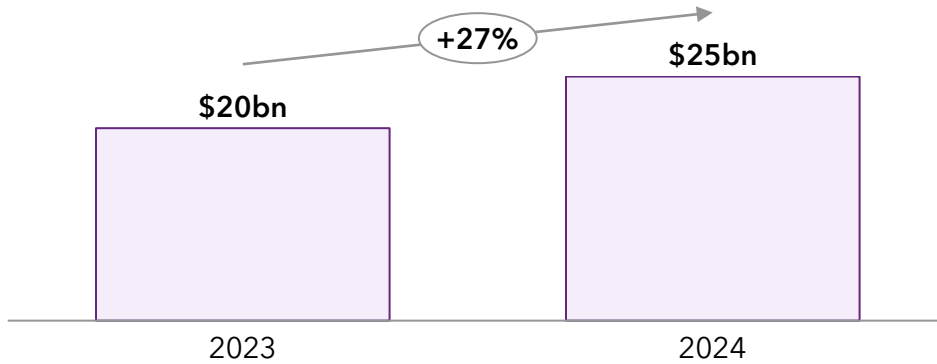


Consumer AI adoption is still emerging with usage in NL above average versus other countries

AI spend in retail is growing rapidly...

AI is expected to be a fundamental unlock in driving the next phase of efficiency in retail operating models. The retail sector is already rapidly investing in AI and is now the largest spender globally on AI after Software & Information, and Banking industries.

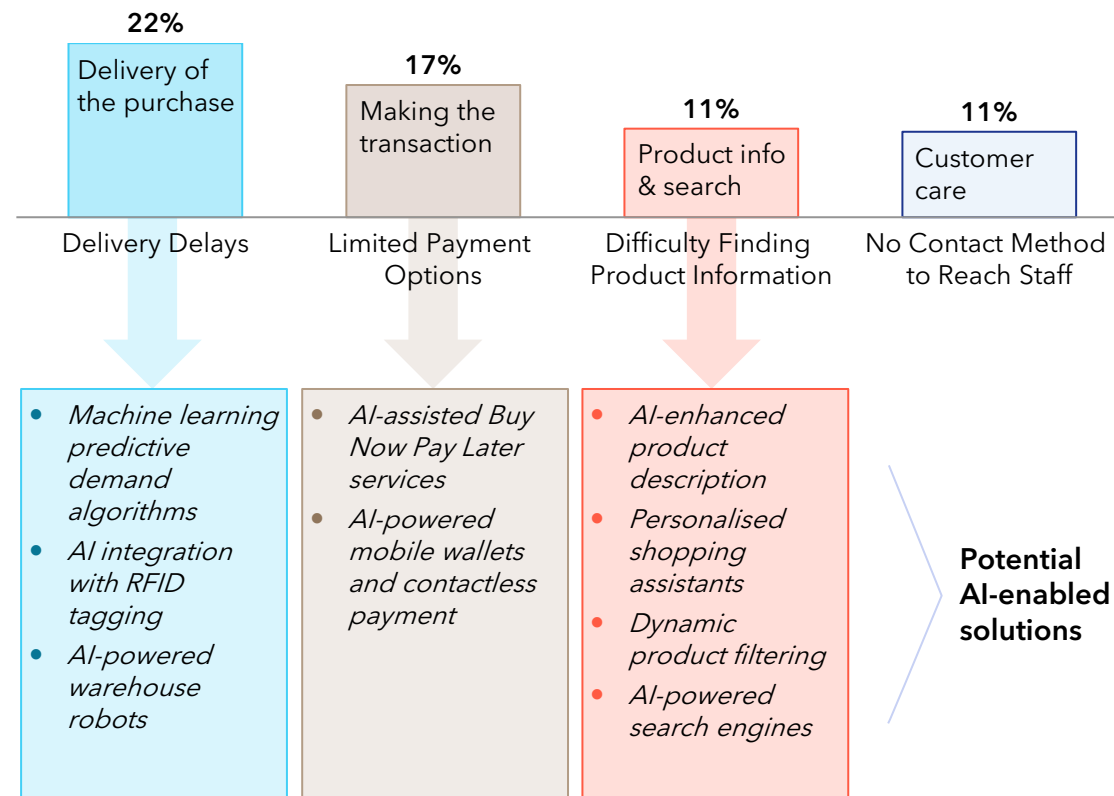
Global AI Spend¹ by Retailers, 2023-2024 (\$bn)



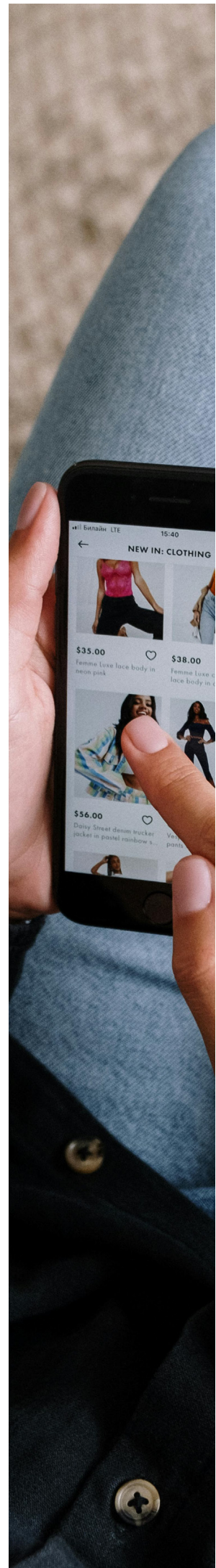
1. Including software, hardware and services for AI-centric systems
Source: IDC, GlobalData, OC&C analysis

...and retailers can generate a competitive advantage by effectively addressing customer pain points through AI

Largest Pain Points During Shopping Journey¹
(% of Respondents, NL only, N=3,039)



1. Q: During your online/offline purchases, what are the biggest pain points you encounter during each of the following parts of the shopping journey? Blanks across all five questions excluded; based on an analysis of c. 250k free text responses
Source: Colliers, GlobalData, OC&C Retail Proposition Index 2024, OC&C analysis

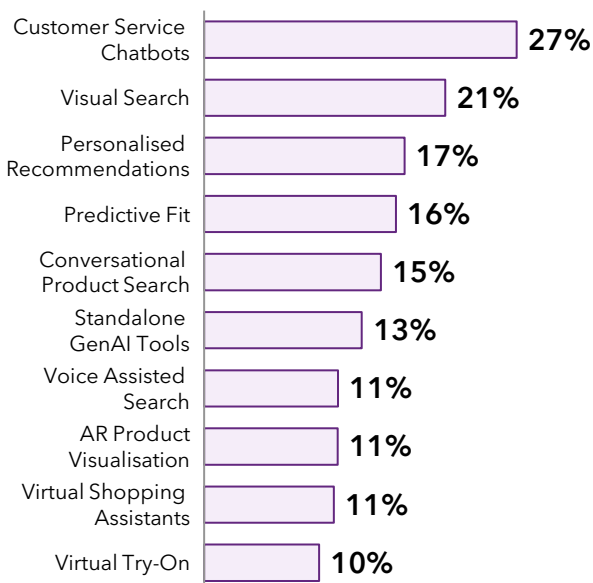




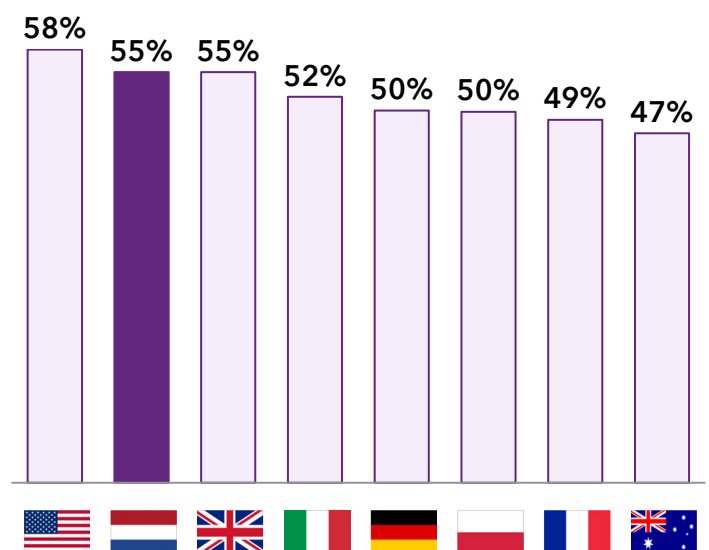
Consumer AI adoption remains nascent but is emerging across markets

There remains a lot of potential for increased consumer adoption of AI features. Currently, the most utilized AI tools are chatbots, visual search and personalised content which are increasingly being offered by retailers. In the Netherlands, AI adoption is above average, with 55% of customers reporting that they have used at least one AI feature while shopping online in the last 12 months.

AI/Tech Feature Usage in Retail^{1,2}
(% of Respondents Using in Last 12 Months)



Usage of At Least 1 AI/Tech Feature when Shopping by Geography¹
(% of Respondents Using in Last 12 Months)

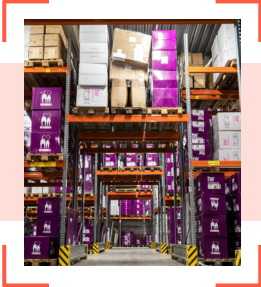


1. Q: Which of the following features have you used for online/offline shopping in the past 12 months, or would consider using? [Have used in the last 12 months]
2. Includes Australia, Germany, France, Italy, Netherlands, Poland, UK & USA

Examples at a retailer level

The first retailers have already implemented AI throughout their operating models and are benefitting from the first results

Inventory management



Replenishment optimisation system optimises demand through factoring store demand patterns, weather and promotions

c.30% improvement to shelf gaps and 2-3-day reduction in in-store stock holding

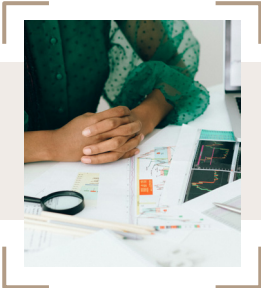
Pricing & promotions



AI dynamic pricing algorithm considers competitor pricing, demand and inventory levels to set competitive prices

Price change on avg. every 10mins for each product, resulting in optimal price point to maximise revenue

Marketing & Advertising



Integration of Gen AI within the AH app to improve customer engagement

Elevating the shopping experience by receiving personalised recipes based on images of ingredients made by the customer

Purchasing experience



Utilizing an AI tool that enables customers to produce garments using AI-generated visual artworks based on text input by the user

Enhanced user experience through creation of a personalised shopping experience

Customer services



IKEA is launching a ChatGPT based bot that offers customer support in choosing products on the website and helps visualizing your room

Significant enrichment of brand product sheets and usage ideas for over 10k online SKUs

A black and white photograph of a person walking on a staircase. The person is wearing dark jeans and black sneakers with a white swoosh. They are carrying a large white paper shopping bag. The background is blurred, showing other people and lights. A white rectangular box with red corner brackets is overlaid on the image, containing text.

Would you like to know the complete results of your company or discuss any themes covered in this report? Please reach out to us – we are happy to share more details!

OFFICES

Belo Horizonte¹

Boston

Düsseldorf

Hong Kong

London

Melbourne

Milan

Munich

New York

Paris

Rotterdam

São Paulo¹

Shanghai

Sydney

Warsaw

uncommon sense™

occstrategy.com



If you would like to discuss any of the themes covered in this report, we'd be delighted to talk. Please get in touch with the OC&C Rotterdam Retail team:



Marc van der Goot

Partner

marc.van.der.goot@occstrategy.com



Teun van der Zijden

Partner

teun.van.der.zijden@occstrategy.com



Bob Chermin

Partner

bob.chermin@occstrategy.com



Ellen Tolboom

Associate Partner

ellen.tolboom@occstrategy.com



OC&C
Strategy consultants



1. The B Corp certification does not extend to our alliance with Advisia OC&C Strategy Consultants in Brazil.

© OC&C Strategy Consultants 2023. Trademarks and logos, including 'Uncommon Sense', are registered trademarks of OC&C Strategy Consultants and its licensors.