

The GS1 in Europe Business Intelligence

Common European Market Segmentation Guidelines – 2022

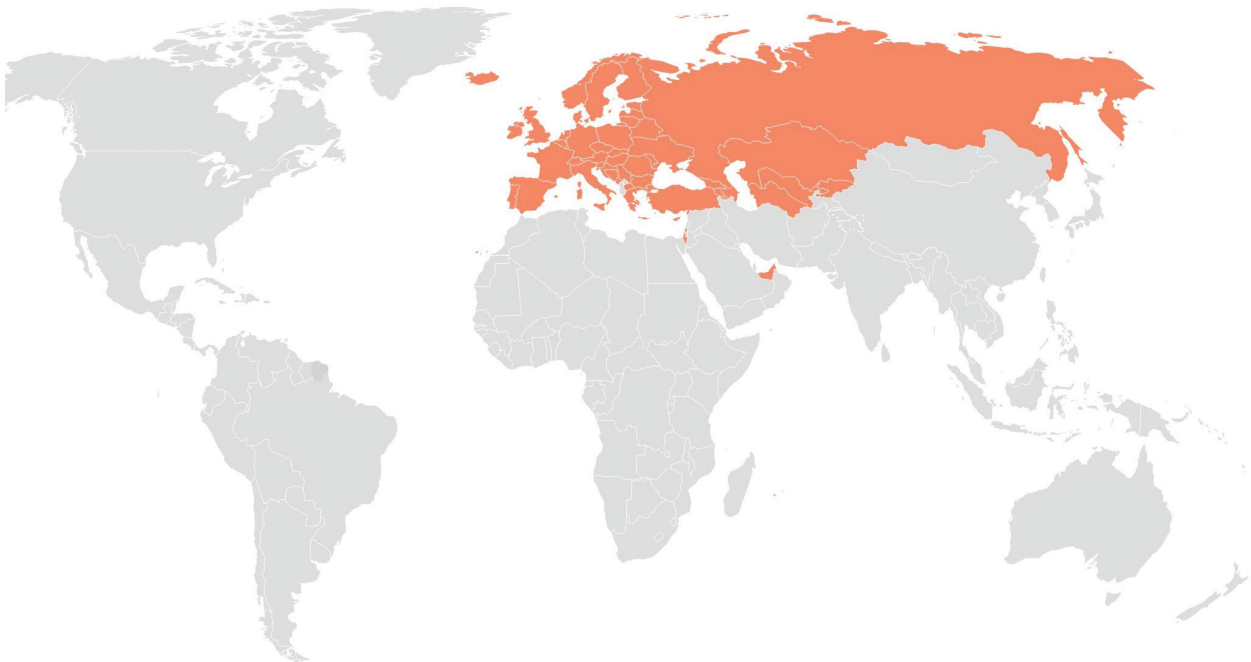


Europe Insights

Business Intelligence is a set of methodologies, processes, architectures, and technologies that transform raw data into meaningful and useful information used to enable more effective strategic, tactical, and operational insights and decision-making.

Based on this definition, our first survey at GS1 in Europe in 2017 our first survey with our 49 MOs, to collect data about them and about GS1 in Europe. Since that date we have been gathering information such as the total number of member companies in the MOs, the number of member companies per sector and business type, the number of employees, the financial strength, the average membership fee, the financial contribution of value-added services in the MO, etc.

This yearly work allows us to collect data that guarantees, year after year, a continuous monitoring and update of some main indicators defining GS1 in Europe MOs' environment, priorities, strategies, strengths, challenges, etc...





“The common European GS1 market analysis is a very powerful tool that helps every MO to design its own vision about the future. The ambition is to proactively adapt our business instead of passively follow the stream.

Nevertheless “the stream” has to be analysed and understood properly; the common business segmentation is in the sense a basic requirement in order to enable a solid benchmark and to determine the relevant trends.

The GS1 in Europe common business segmentation is a terrific achievement as we can understand how difficult it can be to agree on a common schema. I’m sure that this could become a common global reference and not only in our organisation.”

Bruno Aceto
CEO GS1 Italy



“The GS1 ecosystem is constantly evolving. New markets are entering our sphere of influence, new regulations are driving our existing members to rethink the way they work, new challenges are emerging. The only way for GS1 in Europe and its MOs to face those challenges and support the companies that are knocking on their door is to better know the markets. Better understand the various ecosystems. Better grasp the size of the opportunities and challenges ahead. This is what the GS1 in Europe Business Intelligence is all about.

We have developed the “GS1 in Europe Funnel Model” which is a process that allows to highlight the key regulations and trends, to describe the sectors’ DNA and to identify the GS1 ecosystem in order for MOs to make informed decisions. It’s all about having the right information at the right time!”

Camille Dreyfuss
GS1 in Europe General Secretary



“A common European Market Segmentation is the foundation for learning from other MOs. Seeing where colleagues are successful is inspiring and helps to avoid blind spots in our work.”

Gregor Herzog
*GS1 in Europe Chair
and CEO GS1 Austria*

The story behind the Common European Market Segmentation

Over the last years, one of the main difficulties was to find a common way to classify all the GS1 member companies in the right sectors and business types, in a homogeneous way across all European Member Organisations (MOs). The reason is that MOs have different ways of segmenting their members in their countries.

GS1 in Europe found an opportunity to strengthen the collaboration among all the European MOs, and start working on a Common European Market Segmentation that could suit all. GS1 in Europe worked together with 10 European MOs, with the final goal of establishing a Common European Market segmentation. This working group was committed to share their expertise, good practices, opinions and recommendations.

This yearly work allows us to collect data that guarantees, year after year, a continuous monitoring and update of some main indicators defining GS1 in Europe MOs' environment, priorities, strategies, strengths, challenges, etc...



The benefits of having a Common European Market Segmentation



“The work developed with the working group proved that all MOs involved are focused and committed to answering their market needs. A common market segmentation that can be used by our 49 MOs, will enable to identify market trends and opportunities, not only at the European level but also at the national level.”

Diogo Almeida

*GS1 in Europe Marketing and
Communication Director*

With a Common European Market Segmentation, we can collect data from our 49 Member Organisations and further analyse our European market. It will enable to collect key insights, to identify trends and establish general economic situations inside specific industries over the next years.

The top 4 benefits for your GS1 Member Organisation in adopting the Common European Market Segmentation:

- Finding new trends and opportunities
- Analysing the penetration index by sector in your country and compare with the European trends
- Obtaining valuable information to support strategic decisions
- Having an overall European market perspective



“A common European market segmentation will allow us to compare our customer base in a more efficient way between MOs and launch European marketing plans addressing priority segments in the future.”

Sara Kalboussi

*Head of Customer Marketing
GS1 France*



“Implementing the Common European Market Segmentation serves specific practical purposes for GS1 Turkmenistan. For example, optimization of budgets for marketing campaigns, finding individual approaches to members.”

Meylis Atbashiye

*Quality Coordinator
GS1 Turkmenistan*



“One of the most important points for the European Common Market segmentation is that it will help us to fill out upcoming annual surveys. We think the surveys will be more precise and accurate.”

Dace Andersmite

*Customer Service Manager
GS1 Latvia*



“It is important to know for the GS1 Community, that a common European market segmentation will be the future for our handling with all GS1 standards to all our customers.”

Rainer Harms

*Senior Sales Manager
GS1 Germany*



“It is imperative that we have a standard approach to the classification of our members. How else we can deliver the insight required to benchmark our engagement and impact against the wider business universe?”

Sarah Atkins

*CMO and Membership Director
GS1 UK*

How to implement the Common European Market Segmentation

GS1 in Europe worked together with 10 EU MOs in order to achieve a segmentation that can suit all the EU MOs' needs. Before working on the schema for the Common European Market Segmentation, the working group defined the following principles:

- 1. Usability** – The aim of this segmentation is not to ask the 49 EU MOs to replace their local segmentation with a European Segmentation. The objective is to combine your MO national segmentation with the European one and benefit from a consolidated market analysis at the European level. For the MOs that don't have a market segmentation yet, it is very easy to implement it.
- 2. Adaptability** – The Common European Market Segmentation is a very simple schema, that will be useful for a small and a big MO. The segmentation is designed to be improved over the next years, according to the MO needs or the market evolution.
- 3. Guaranty** – We don't want to reinvent the wheel! The segmentation is based on the classification following the NACE classification (Statistical Classification of Economic Activities in the European Community Rev. 2), the industry standard classification system used in the European Union. It is the most used classification in Europe where it is also possible to find a common ground with the United Nations' International Standard Industrial Classification of all Economic Activities. Many EU MOs are already using this classification.
- 4. Simplicity** – The aim of the common segmentation is to be simple and usable for the whole GS1 in Europe community, therefore it is based on two levels of information:
 - **Business Type:** it corresponds to the specific role a company plays in the supply chain, Different Business Type are: manufacturer, wholesaler, retailer, service provider, etc.
 - **Sectors:** it corresponds to a segment of the economy that includes companies providing the same type of products or services.
- 5. Flexibility** – The Common European Market Segmentation is based on NACE classification. So if your MO is already using the NACE classification or is thinking to adopt it, it will be extremely easy to extract the right data from your classification and answer the European one.

2022 edition

The guidelines were born one year ago and have been applied for the first time in the "Insight survey 2021". After that we collected suggestions and new needs integrated in this 2022 edition of the guidelines.

The 2022 version of the guidelines includes:

- requests and suggestions from several MOs (i.e more details about Constructions)
- new priorities of GS1 in Europe (i.e Packaging and Row materials).



“Having achieved this common market segmentation in GS1 in Europe is a very significant step in the broader Business Intelligence project in which the Organisation is committed. I am glad to see that the added value of this step has been recognized and shared by the entire Organisation: thank you to the working group for its effort and collaboration.”

Samanta Correale
*Business Intelligence
Senior Manager,
GS1 Italy and GS1 in Europe*

Guidelines

You will find below a simple schema, that represents the Common European Market Segmentation.

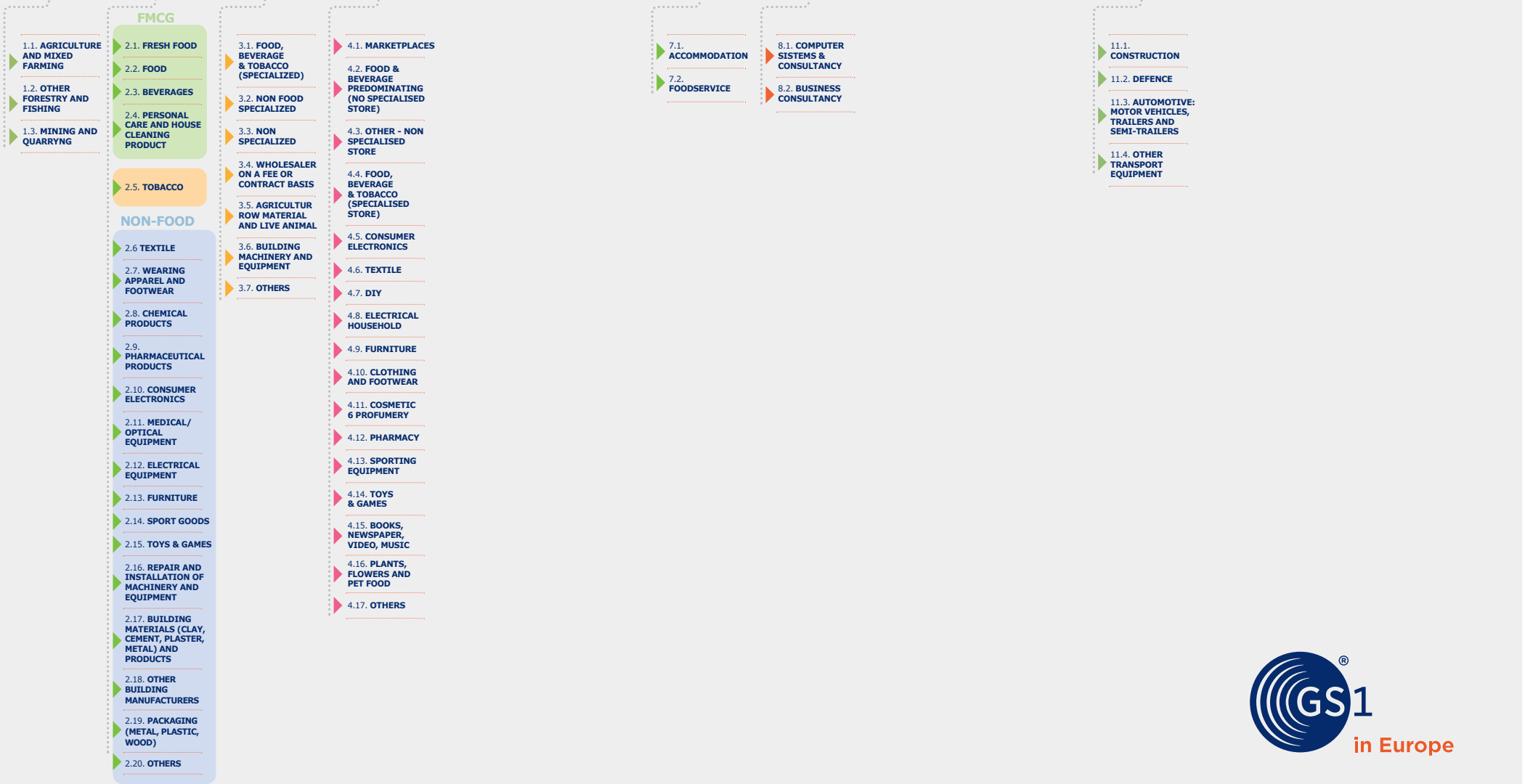
The horizontal axis represents the **business types**, where we classify companies by their specific role in the supply chain.

The vertical axis represents the **sectors**, where the member companies providing the same type of products or services are aggregated. For sectors we also consider two intermediate aggregations:

- **Fast Moving Consumer Goods (FMCG):** this includes fresh food, food, beverages, personal care and house cleaning products.
- **Non-Food:** this included, textile, apparel, footwear & leather, chemical products, pharmaceutical/parapharmaceutical products, consumer electronics, medical/optical and electromedical equipment, electrical equipment, furniture, sports goods, games & toys, other non-food products.

COMMON EUROPEAN MARKET SEGMENTATION

BUSINESS TYPE



SECTORS



Classification details

The details below will help the MOs to “convert” their internal classification into the data needed for the GS1 in Europe classification.

1. Raw materials suppliers and producers (NACE code: A+B)

- 1.1 Agriculture and mixed farming (NACE code: A01)*
- 1.2 Other forestry and fishing (NACE code: A02 A03)*
- 1.3 Mining and quarrying (NACE code: B)*

2. Manufacturers

- 2.1. Fresh food (NACE code: C10.1 to C10.3)
- 2.2. Food (NACE code: C10 excl. C10.1 to C10.3)
- 2.3. Beverages (NACE code: C11)
- 2.4. Personal care and house cleaning products (NACE code: C20.4)
- 2.5. Tobacco (NACE code: C12)
- 2.6. Textile (NACE code: C13 C13.9)
- 2.7. Wearing apparel & footwear & leather (NACE code: C14 C15)
- 2.8. Chemical products (NACE code: C20 excl. C20.4)
- 2.9. Pharmaceutical/parapharmaceutical products (NACE code: C21)
- 2.10. Consumer electronics (NACE code: C26.1 to C26.5)
- 2.11. Medical/optical and electromedical equipment (NACE code: C26.6 to C26.8 C32.5)
- 2.12. Electrical equipment (NACE code: C27)
- 2.13. Furniture (NACE code: C31)
- 2.14. Sports goods (NACE code: C32.3)
- 2.15. Games & toys (NACE code: C32.4)
- 2.16. Repair and installation of machinery and equipment (NACE code: C33)*
- 2.17. Building materials (clay, cement, plaster, metal) and products (NACE code: C22.23 C23.3 C23.5 C23.6 C23.7 C24.2 C25.1 C27.3 C27.4)*
- 2.18 Others (building manufacturers)*
- 2.19. Packaging (metal, plastic, wood) (NACE code: C17.21 C22.22 C25.29)*
- 2.20. Others (excl. C29 C30)*

3. Wholesalers

- 3.1. Food, Beverage & tobacco (specialized) (NACE code: G46.3)
- 3.2. Non-food specialized (NACE code: G46.4 to G46.7 excl. G46.63 G46.69 G46.73 G46.74)

Non-food specialized includes household goods, information and communication equipment, other machinery, equipment and supplies.

- 3.3. Non-specialised (NACE code: G46.9)
- 3.4. On a fee or contract basis (NACE code: G46.1)

* Addition in 2022 version

On a fee or contract basis includes:

- activities of commission agents, commodity brokers and all other wholesalers who trade on behalf and on the account of others,
- activities of those involved in bringing sellers and buyers together or undertaking commercial transactions on behalf of a principal, including on the Internet,
- activities of wholesale auctioneering houses, including Internet wholesale auctions.

3.5. Agriculture raw material and live animal (NACE code: G46.2)*

3.6. Building machinery and equipment (NACE code: G46.63 G46.69 G46.73 G46.74)*

3.7. Others (NACE code G45)*

4. Retailers

4.1. Marketplaces

4.2. Food & beverage predominating (in non-specialised store) (NACE code: G47.11)

Food & beverage predominating includes:

- retail sale of a large variety of goods of which, food products, beverages or tobacco should be predominant in
- activities of general stores that have, apart from their main sales of food products, beverages or tobacco, several other lines of merchandise such as wearing apparel, furniture, appliances, hardware, cosmetics, etc.

Example: Carrefour, Walmart, Aldi, Auchan, ...

4.3. Other, non-specialised (NACE code: G47.19)

4.4. Food, beverage & tobacco in specialised store (NACE code: G47.2)

4.5. Consumer electronics in specialised store (NACE code: G47.4)

Consumer electronics in specialised store includes: the retail sale of information and communications technology (ICT) equipment, such as computers and peripheral equipment, telecommunications equipment, and consumer electronics, by specialised stores.

4.6. Textile in specialised store (NACE code: G47.51)

4.7. DIY in specialised store (NACE code: G47.52 G47.53)

DIY in specialised store includes:

- retail sale of hardware
- retail sale of paints, varnishes and lacquers
- retail sale of flat glass
- retail sale of other building material such as bricks, wood, sanitary equipment
- retail sale of do-it-yourself material and equipment

* Addition in 2022 version

- retail sale of lawnmowers, however operated
- retail sale of saunas
- retail of rugs, carpet, wall and covering floor

- 4.8. Electrical household in specialised store (NACE code: G47.54)
- 4.9. Furniture in specialised store (NACE code: G47.59)
- 4.10. Clothing and footwear (NACE code: G47.71 G47.72)
- 4.11. Cosmetic and toilet articles (NACE code: G47.75)
- 4.12. Pharmacy and pharmaceuticals store (NACE code: G47.73 G47.74)
- 4.13. Sporting equipment (NACE code: G47.64)
- 4.14. Toys & Games (NACE code: G47.65)
- 4.15. Books, newspapers, video, music (NACE code: G47.61 to G47.63)
- 4.16. Plants, flowers and pet food (NACE code: G47.76)*
- 4.17. Others*

5. Transport & Logistics (NACE code: H49.2; H49.4; H50.2; H50.4; H51.2; H52)

Transport & Logistics includes: warehousing and support activities for transportation, such as operating of transport infrastructure (e.g. airports, harbours, tunnels, bridges, etc.), the activities of transport agencies and cargo handling

6. Healthcare (NACE code: Q86)

Healthcare includes:

- activities of short- or long-term hospitals, general or specialty medical, surgical, psychiatric and substance abuse hospitals, sanatoria, preventoria, medical nursing homes, asylums, mental hospital institutions, rehabilitation centres, leprosaria and other human health institutions which have accommodation facilities, and which engage in providing diagnostic and medical treatment to inpatients with a wide variety of medical conditions.
- it also includes medical consultation and treatment in the field of general and specialised medicine by general practitioners and medical specialists and surgeons. It includes dental practice activities of a general or specialised nature and orthodontic activities. Additionally, this division includes activities for human health not performed by hospitals or by practicing medical doctors but by paramedical practitioners legally recognised to treat patients.

7. Accommodation & food service

- 7.1. Accommodation (NACE code: I55)

* Addition in 2022 version

Accommodation includes:

- the provision of short-stay accommodation for visitors and other travellers.
- the provision of longer-term accommodation for students, workers and similar individuals. Some units may provide only accommodation while others provide a combination of accommodation, meals and/or recreational facilities.

7.2. Foodservice (NACE code: I56)

Foodservice includes:

- food and beverage serving activities providing complete meals or drinks fit for immediate consumption, whether in traditional restaurants, self-service or take-away restaurants, whether as permanent or temporary stands with or without seating. Decisive is the fact that meals fit for immediate consumption are offered, not the kind of facility providing them.
- excluded is the production of meals not fit for immediate consumption or not planned to be consumed immediately or of prepared food which is not considered to be a meal. Also excluded is the sale of not self-manufactured food that is not considered to be a meal or of meals that are not fit for immediate consumption

Example: Restaurant, catering, bar

8. Solution Providers

8.1. Computer systems and consulting (NACE code: J62 J63)

Computer systems and consulting includes: the following activities of providing expertise in the field of information technologies: writing, modifying, testing and supporting software; planning and designing computer systems that integrate computer hardware, software and communication technologies; on-site management and operation of clients' computer systems and/or data processing facilities; and other professional and technical computer-related activities.

8.2. Business consulting (NACE code: M70 M73)

Business consulting includes:

- the provision of advice and assistance to businesses and other organisations on management issues, such as strategic and organisational planning; financial planning and budgeting; marketing objectives and policies; human resource policies, practices, and planning; production scheduling; and control planning.
- the creation of advertising campaigns and placement of such advertising in periodicals, newspapers, radio and television, or other media as well as the design of display structures and sites.

9. Bank & finance (NACE code: K64)

10. Education (NACE code: P)

11. Technical industries

- 11.1. Construction (NACE code: F)
- 11.2. Defence (NACE code: O84.22)
- 11.3. Automotive: Motor vehicles, trailers and semi-trailers (NACE code: C29)
- 11.4. Other transport equipment (NACE code: C30)

Other transport equipment includes: the manufacture of transportation equipment such as ship building and boat manufacturing, the manufacture of railroad rolling stock and locomotives, air and spacecraft and the manufacture of parts thereof.

12. State body / Agency (NACE code: O84.1)

State body / Agency includes: general administration (e.g. executive, legislative, financial administration etc. at all levels of government) and supervision in the field of social and economic life.

13. Association (NACE code: S94)

14. Others

Others:

- Electricity, gas, steam and air conditioning supply (NACE code: D)
- Water supply; sewerage, waste management (NACE code: E)
- Transportation and storage (NACE code: H excl. H49.2 H49.4 H50.2 H51.2 H52),
- Information and communication (NACE code: J excl. J62 J63),
- Financial and insurance activities (NACE code: K excl. K64),
- Real estate activities (NACE code: L)
- Professional, scientific and technical activities (NACE code: M excl. M70 M73),
- Administrative and support service activities (NACE code: N)
- Public administration and defence; compulsory social security (NACE code: O excl. O84.1 O84.22)
- Human health and social work activities (NACE code: Q excl. Q86),
- Arts, entertainment and recreation (NACE code: R)
- Other service activities (NACE code: S)
- Activities of households as employers (NACE code: T)
- Activities of extraterritorial organisations and bodies (NACE code: U)

In short, what does your MO need to do?



“It is only possible to get comparative data and accurate interpretation from analyses and comparisons of companies and markets by applying an appropriate common denominator. «

Zdenka Konda
CEO GS1 Slovenia

Just implement the Common European Market Segmentation!

We do believe that the Common European Market Segmentation will strengthen our collaboration, and help our European MOs to better analyse the European market and collect key insights.

Classifying the MO members in different business types and sectors, is a prerequisite for the GS1 in Europe annual survey – Europe Insights.

- **If your MO does not have a market segmentation yet**, this is the right time to implement our Common European Market Segmentation. These guidelines will support you (and so will our GS1 in Europe team!). With this classification your MO will be ready to implement one segmentation based on an international segmentation (NACE), and also be aligned with the GS1 in Europe segmentation.

The general recommendation is to collect the “predominant sector” the member companies operate in. While building the system where you will collect this information, we also advise to consider capturing the secondary sectors in which the companies are involved. This will be useful for your MO in the future when running marketing and communication campaigns, organising specific working groups, etc.

- **If your MO already has a national market segmentation**, these guidelines will help you to connect your national segmentation with the European one and benefit from a consolidated market analysis at the European level.



We are totally at your disposal! For more information please contact:

Diogo Almeida (diogo.almeida@gs1eu.org)

Samanta Correale (samanta.correale@gs1it.org)

GS1 in Europe

E contactus@gs1eu.org

A GS1 in Europe
Galerie Ravenstein 4 box 10
1000 Brussels
Belgium

www.gs1.eu

