

# Focus on Customers

At Fix Price, we put our customers first and keep them at the heart of all our decisions. Our team has substantial experience and strives to deliver an offering to our customers that is attractive and good value in terms of price, product range, quality, availability, service, and shopping experience.

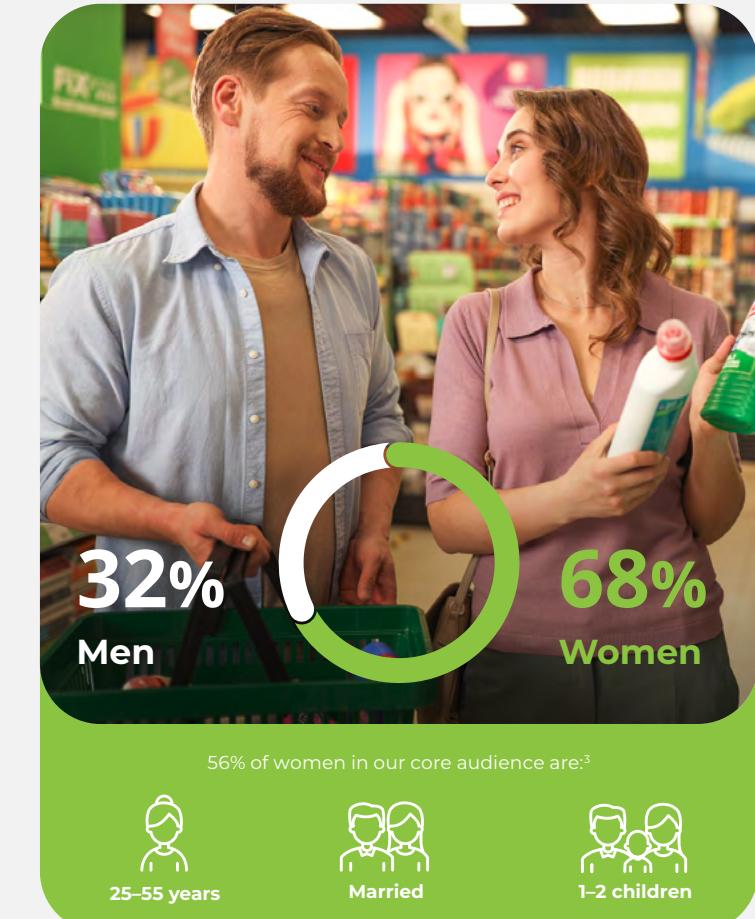
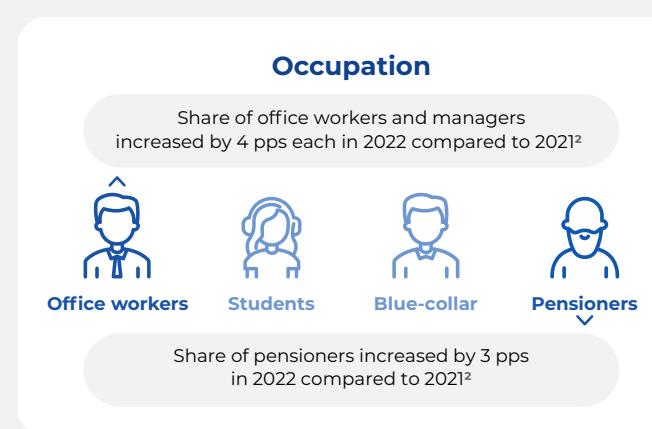
## Fix Price's Target Market and Consumer Trends

The typical Fix Price store primarily targets families with children and middle- and low-income customers. Our value proposition is designed in a way to encompass people with a monthly income under RUB 45,000 (approximately 70% of the Russian population based on Rosstat data<sup>1</sup>), while we continue to attract higher-income customers thanks to our broad product range and offering of WOW products. The share of these customers in 2022 was 4 pps<sup>2</sup> higher than in 2021.

Women remained the majority of shoppers in our stores (68% of the audience), while married women aged 25 to 55 with one or two children made up the core group (>56%) within this target market.<sup>3</sup> Certain customer categories grew in 2022 versus 2021: for example, the share of white-collar workers and managers increased by 4 pps each and the share of pensioners increased by 3 pps.<sup>2</sup>

Consumer behaviour continued to evolve in 2022, as pressure on households' real disposable income paved the way for more rational shopping and trading down, while price sensitivity rose noticeably. Fix Price is becoming a top pick amid the prevailing consumer sentiment due to our low price offering and extensive product range proposition. A 2022 NielsenIQ Survey<sup>4</sup> highlights the subsequent changes

in the consumer behaviour of Russian customers: 61% of customers tend to choose stores with low prices, 41% look for discounted products, 37% focus on basic consumables while limiting spending, and 26% lean towards cheaper brands. Based on Vector Market Research surveys, 83% of shoppers would consider visiting our stores because of our low price offering which remains, alongside our wide assortment, the primary reason why they would recommend us.



<sup>1</sup> Based on publicly available information

<sup>2</sup> Based on Vector Market Research's studies performed in autumn 2022 and autumn 2021 of Fix Price's target customer base in cities with a population of over 1 million people

<sup>3</sup> Fix Price internal research on the loyalty programme for the 1st half of 2022

<sup>4</sup> NielsenIQ: Key trends in the FMCG market 2022



## Consumer Behaviour of Russian Customers in 2022

**61%**

of customers tend to choose stores with low prices

**37%**

focus on basic consumables while limiting spending

**26%**

lean towards cheaper brands

### Our Audience

**83%**

of customers choose Fix Price due to low price offering alongside wide assortment

## Quality Control

We focus on providing our customers with reliable, decent quality products. Our priority is to verify that production environments are safe and comply with quality control requirements. We conduct audits of the production facilities operated by our private label suppliers. Fix Price has a thorough quality control system based on a range of internal policies and regulations.

In line with these policies and regulations, Fix Price has established strict control procedures whereby we carefully monitor the quality of products on our store shelves and verify it at all stages, from production lines to distribution centres. We monitor supplier production facilities and processes, arrange laboratory testing and tasting of products and promptly investigate customer complaints.

We implement our quality controls both centrally, as products flow through our supply chain system, and locally, as products are placed on store shelves. Products that do not conform with our standards are quickly identified and dealt with.

We have also established customer complaint and remediation process systems to ensure that incidents related to quality serve as a trigger for joint reviews with suppliers, if required. Fix Price provides a customer complaint hotline, and customers can also submit their claims via the Group's website.



Please see Product on [page 61](#) for details

## Store Layout

Fix Price has developed and employs standardised and consistent layouts and designs for our stores to facilitate an easy and convenient shopping experience. Our stores have an open-plan layout with clean and well-lit interiors combined with clear and informative signage which are designed to help customers navigate easily. Products are laid out in several easily accessible zones according to their product category, including non-food, drogerie and food, in a pattern that is replicated across the whole network.

Our store format is designed to ensure clear price communication and includes visually attractive displays that are prominently located. In addition, everything is designed to encourage cross-selling, enhance the treasure-hunt experience and create "wow" moments for customers.

For example, dedicated shelves marked "WOW" feature an assortment offered at extremely attractive prices triggering the impulse to buy immediately – creating a "grab-and-run" effect as such products sell like hot cakes. Essentials are typically placed at the back to encourage customers to walk through the whole store. The vast majority of our stores have 75 product display shelves.

This standardisation not only facilitates efficient merchandising management and contributes to efficiency in stock control, but also creates a consistent offering that is familiar and recognisable to our customers.

We seek to minimise customer queuing times by ensuring that a sufficient number of checkouts are open to serve customers at any point in time, with a typical store having two to three cash registers in operation simultaneously. Newly opened stores are typically equipped with self-service checkouts, which also helps shorten checkout queues, process payments faster and reduce staff workload during peak hours.