



Q1 2023 Market Insight Report

FMCG Marketing & Commercial

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Intro

- Welcome to the Allexo Market Insight Report for Quarter 1 of 2023 .
- The purpose of this report is to provide a general overview of trends we are seeing in the market, from interactions with clients and candidates.
- The focus is on the UK FMCG sector, across all areas of Marketing & Commercial from Manager to Director level.
- The recruitment market changes due to a range of factors, and this is intended to help businesses hiring to understand the dynamics of the current market.
- This report will be published on a quarterly basis, and we value any feedback or suggestions on what additional insight would be of value to you.

Market Overview

- 2022 was a busy year for recruitment in the FMCG sector, with a lot of businesses hiring as we came out of the pandemic, which created heightened levels of competition for talent.
- Since October, with a recession looming, high inflation and changes in government policies, we've seen a slow down in both businesses hiring, and candidates actively looking for new roles.
- This quarter, there seems to be a spectrum of optimism from the businesses we've been speaking with:
 - A number of larger businesses announced 6 – 9 month hiring freezes in January, some of which have been partially lifted or now have a definitive end date
 - We're seeing a lot of smaller businesses who performed well in 2022 and are now in a strong financial position, pushing ahead with hiring and growth plans into 2023
 - More recently, we've seen an increasing number of businesses announcing company-wide re-structures
- Whilst the volume of recruitment is currently lower than in previous quarters, the market remains to be competitive, and the attention needs to be in the detail for businesses to attract and secure the best talent.

The Candidate Market

There has been a noticeable increase in applications over the course of February and March.

Below are some key observations from discussions with candidates about new opportunities:

Flexible Working

- Flexible working sits comfortably at the top of the agenda for candidates in 2023.
- A lot of businesses are now revising their work from home policies and increasing the expected number of days in the office. This has been a push factor for candidates not wanting or willing to commute more than they currently are.
- The preference for most candidates is 1 - 2 days a week in the office.
- Businesses expecting candidates to be in the office more than 3 days a week have and will continue to find this limiting in their ability to attract and retain talent.
- Candidates are much more open to a longer commute 1 or 2 days a week which has broadened the talent pool for companies offering this level of flexibility.

Bonuses

- We're seeing candidates who have recently been paid bonuses now opening up to new opportunities. There are likewise many who are waiting for bonus pay outs in April and May before considering moving businesses.

The Candidate Market (cont)

Salary Expectations

- The market in 2022 was highly competitive for talent, particularly in niche areas, and saw some noticeable and often quite dramatic increases in salaries being offered.
- The rationale behind this from our perspective was due to low supply & high demand. A lot of candidates who didn't move during the peak of the pandemic and wanted to change did so in Q1 and Q2 last year. As confidence for businesses returned coming out of the pandemic, the number of new roles coming to the market outweighed the number candidates open to new opportunities which created a lot of competition – and higher salaries being offered as a result.
- The competition slowed towards the end of 2022 but has resulted in a 'new normal' for salary expectations for the different role types and levels, with the justification from candidates now often being more related to increasing living costs due to inflation.
- Salary expectations seem to have stabilised and we're not expecting to see these increase noticeably in 2023, except potentially in higher-growth niche – and candidate short - areas such as RGM, eCommerce and digital.
- We have recently published a 2023 Salary Guide - please get in touch if you'd like a copy to review.

- Alexo record vacancies advertised on a weekly basis, to review and analyse the volume of recruitment activity across the different areas of FMCG marketing & commercial.
- Below is an overview for Q1 2023, which will be updated in the Q2 report.

What volume of roles are being advertised?



- Brand
- Consumer & Market Insights
- Digital/eCommerce
- Sales
- Category Management
- Trade & Shopper
- Commercial Strategy & RGM

- It's clear that the volume of recruitment is in sales, which is generally consistent from quarter to quarter. This is relative to higher headcount in sales versus other functions.
- Whilst the volume is comparatively low for commercial strategy and RGM and digital/eCommerce, so is the size of the talent pool, and we've seen increasing demand in these areas with a number of mid-large sized clients commenting that they will be increasing investment into growing headcount in these areas (namely RGM & d2c) over the course of 2023.

Hiring Activity (cont)

- We often see Director level roles coming externally to the market as a result of mergers & acquisitions, business growth or businesses entering new categories or markets, which is more common when the market is growing and optimism is high – as a result, the past 18 months have been busy at this level.
- In a more stable market, as was the case pre-covid, businesses typically have succession plans in place and it's consequently more common for roles at this level to be filled internally through promotion.
- More recently, we've been seeing a decreasing volume of hiring at the more senior levels, and more hiring at mid-senior manager level, generally as a result of attrition (people leaving and businesses backfilling roles) versus new headcount.
- Due to a lot of re-structuring at the moment, there has been an influx of senior level candidates coming into the market which creates a great opportunity for businesses in a position to hire for leadership roles.

Approach & Process

- Due to a lower volume of recruitment across the board in the current market, many in-house recruitment teams have the capacity to recruit for more of their roles directly.
- In 2022, a lot of roles were outsourced to agency due to in-house teams being stretched. We're now finding that the requirement for support is typically for niche hires, where they need access to in-depth market knowledge and a network of passive talent, where they are lacking either or both of these internally.
- The key areas here are senior hires, category & insights, commercial strategy & RGM, and digital & eCommerce.
- Speed was critical to securing talent in 2022, with a lot of businesses shortening interview processes, typically to 2 stages, and many completing processes via Teams/Zoom.
- Since October, due to a lower volume of candidates and roles in the market, urgency seems to have slowed on both sides, and we're regularly seeing the same pool of candidates interviewing for the same pool of roles.
- The focus therefore needs to be on balancing a structured, efficient search process to generate a sufficient pipeline of qualified candidates to interview, with an efficient, engaging interview process to secure the preferred candidate.
- Too much of one without the other is a key reason companies are finding hiring a challenge at the moment.

Outlook for Q2

- Clients we've been speaking with, particularly in Talent Acquisition and HR roles within larger businesses, have said they are expecting an increase in resignations following bonus pay outs in Q2 this year, and an uplift in recruitment activity as a result.

This will affect companies hiring next quarter in two ways:

- (+) More candidates available in the market for new opportunities
 - (-) More competition for candidates
- If inflation lowers earlier than expected, this may generate optimism and provide businesses with the confidence to start growing headcount again as well, although likely to be a more prominent trend in Q3 and Q4.
- Changes in work from home policies will likely continue to be a key driver for candidates looking, and businesses' ability to attract talent.
- We're expecting to see hiring for newly created roles to be typically for niche, strategic hires in line with longer-term business goals, such as commercial strategy, RGM and d2c.
- With re-structures still being announced and ongoing, next quarter will be a great opportunity for businesses looking to hire into their leadership teams.



Rob Nelson | Director

Allexo Search brings together over 30 years of experience recruiting exceptional FMCG marketing, commercial & strategy talent.

We've spent years growing and developing our network of clients and candidates within this space, and have been lucky to partner with a range of amazing businesses, from budding SMEs to the world's largest blue chip companies.

If you're looking to build and develop your teams across these functions, please feel free to connect or reach out:



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