Post brexit vote GB & Wales Grocery performance; retailer, market and shopper insights

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Take home grocery

30,000

households

Continuous scanning

Consumption

11,000

individuals

2x 1 week online diary

Food on the go

5,000

individuals

Continuous texting

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Average ‘Grocers’ Growth Rate
+4.4%
1993-2013
+0.7%
2014-2016
Till Roll. KWP 2016 10. 12 w/e 09 Oct 16

Aldi + Lidl Market Share

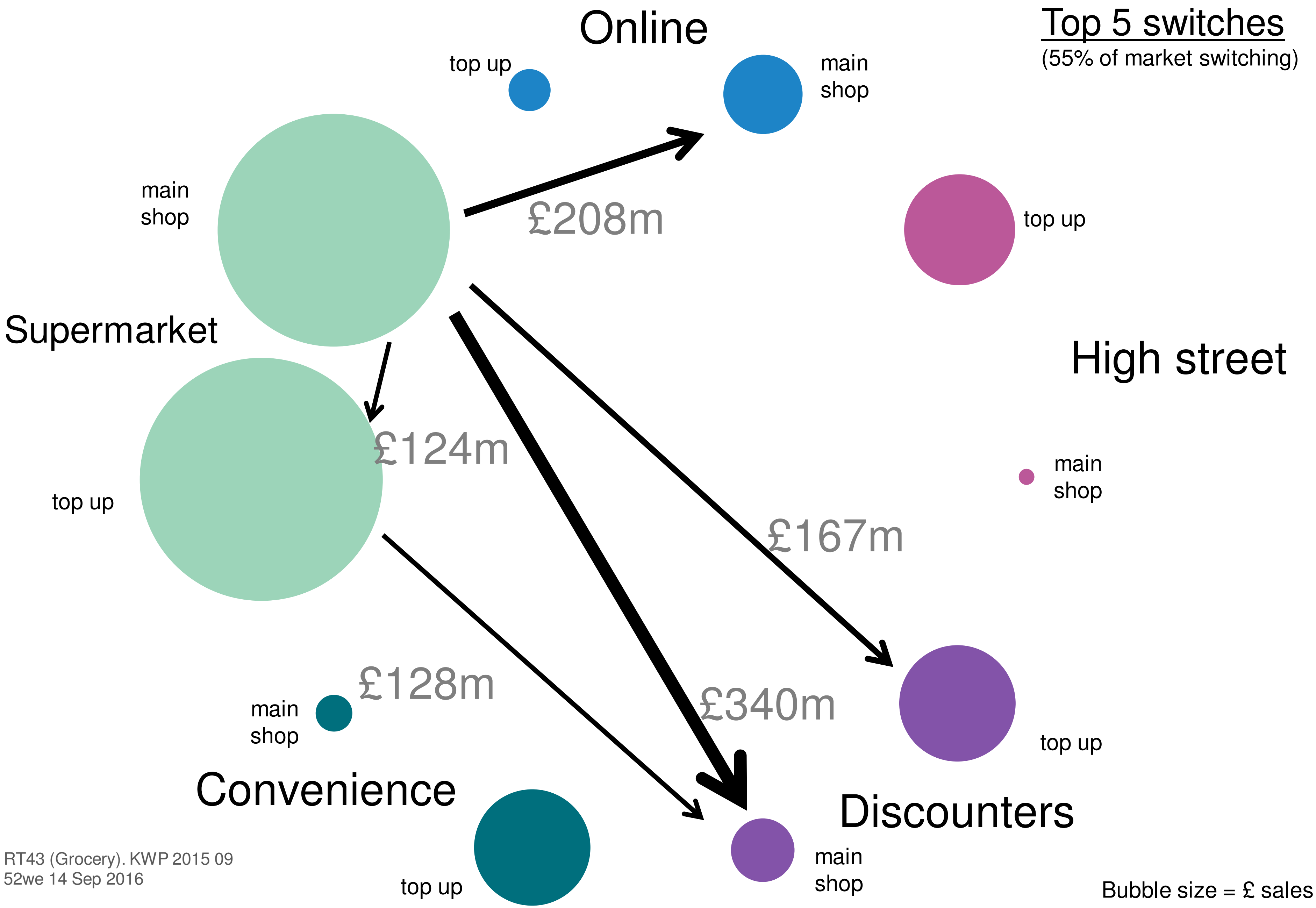
3.8%

October 2006

10.9%

October 2016

Till Roll. KWP 2016 10. 12 w/e 09 Oct 16



RT43 (Grocery). KWP 2015 09
52we 14 Sep 2016

Frequency

Annual FMCG

256 → 259

2011 → 2016

Repertoire

12we Till Roll Grocers

5.1 → 5.1

2011 → 2016

Slow change

Basket size

Annual FMCG

9.9 → 9.9

2011 → 2016

Mission

Annual % spend from Top up trips

60.6% → 62.5%

2011 → 2016

TILL ROLL MARKET SHARE AND GROWTH

vs a year ago

Till Roll. KWP 2016 10. 12 w/e 09 Oct 16

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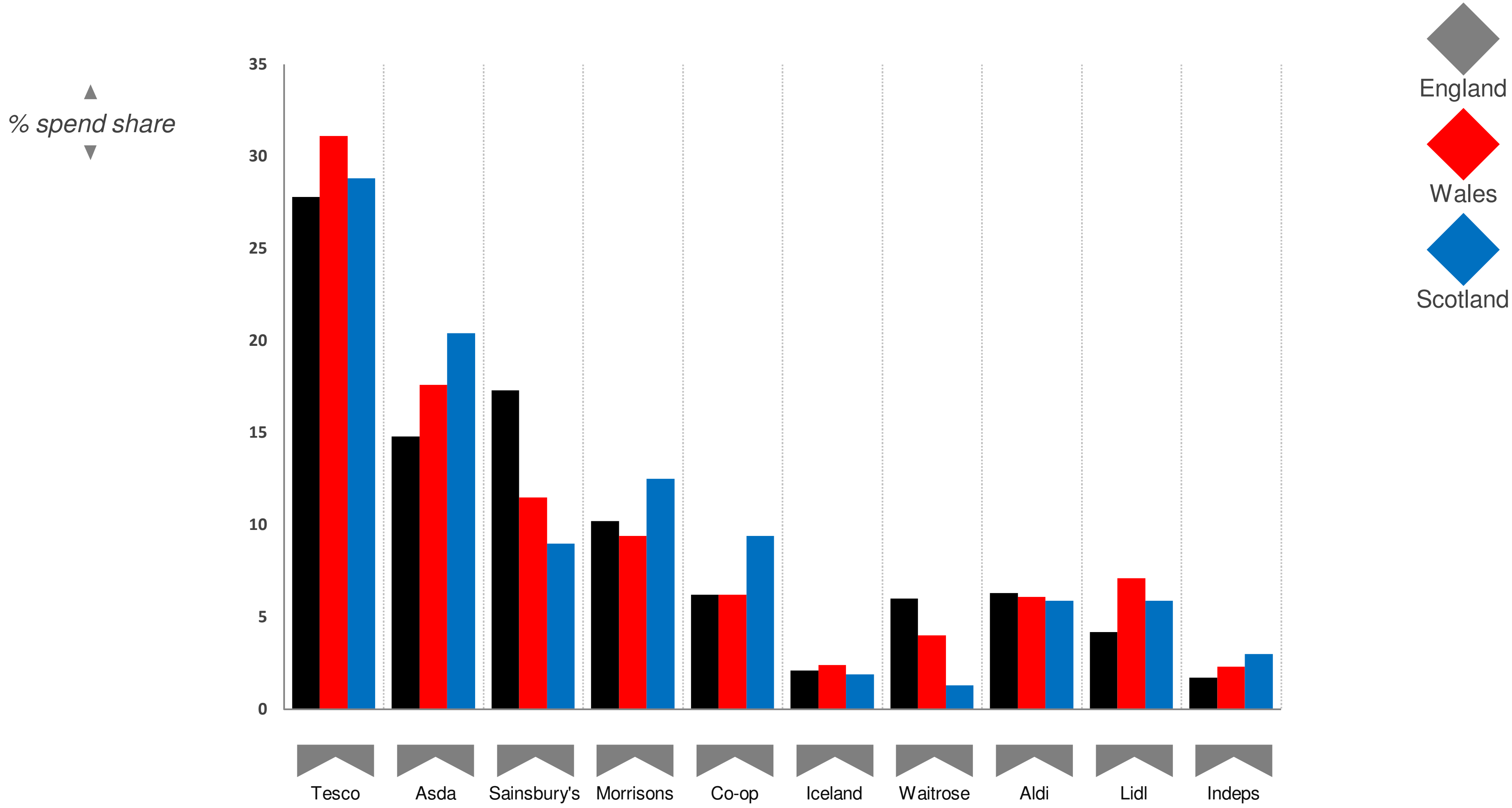
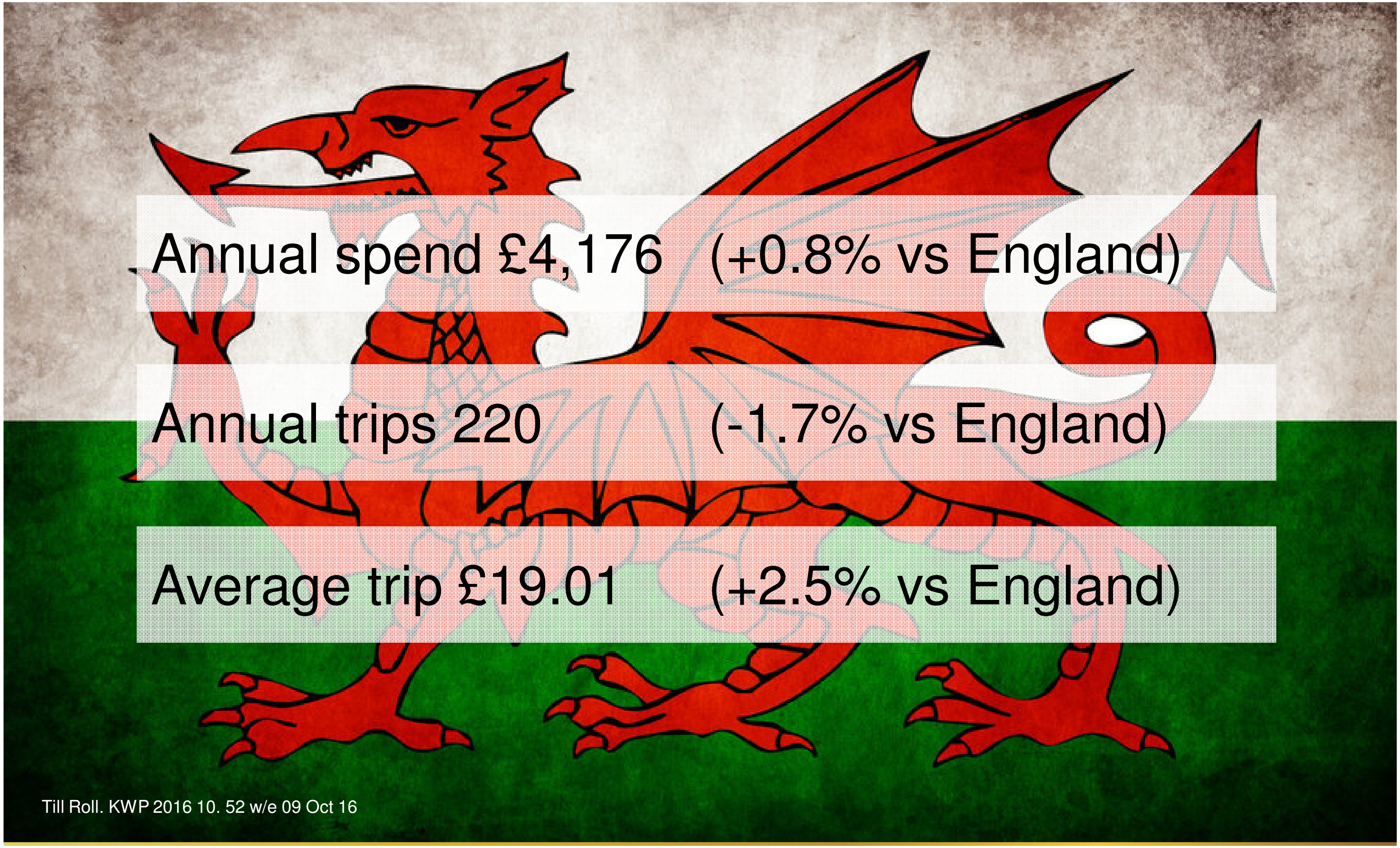
Retail shares by country within GB

Welsh retail scene really not that different to England

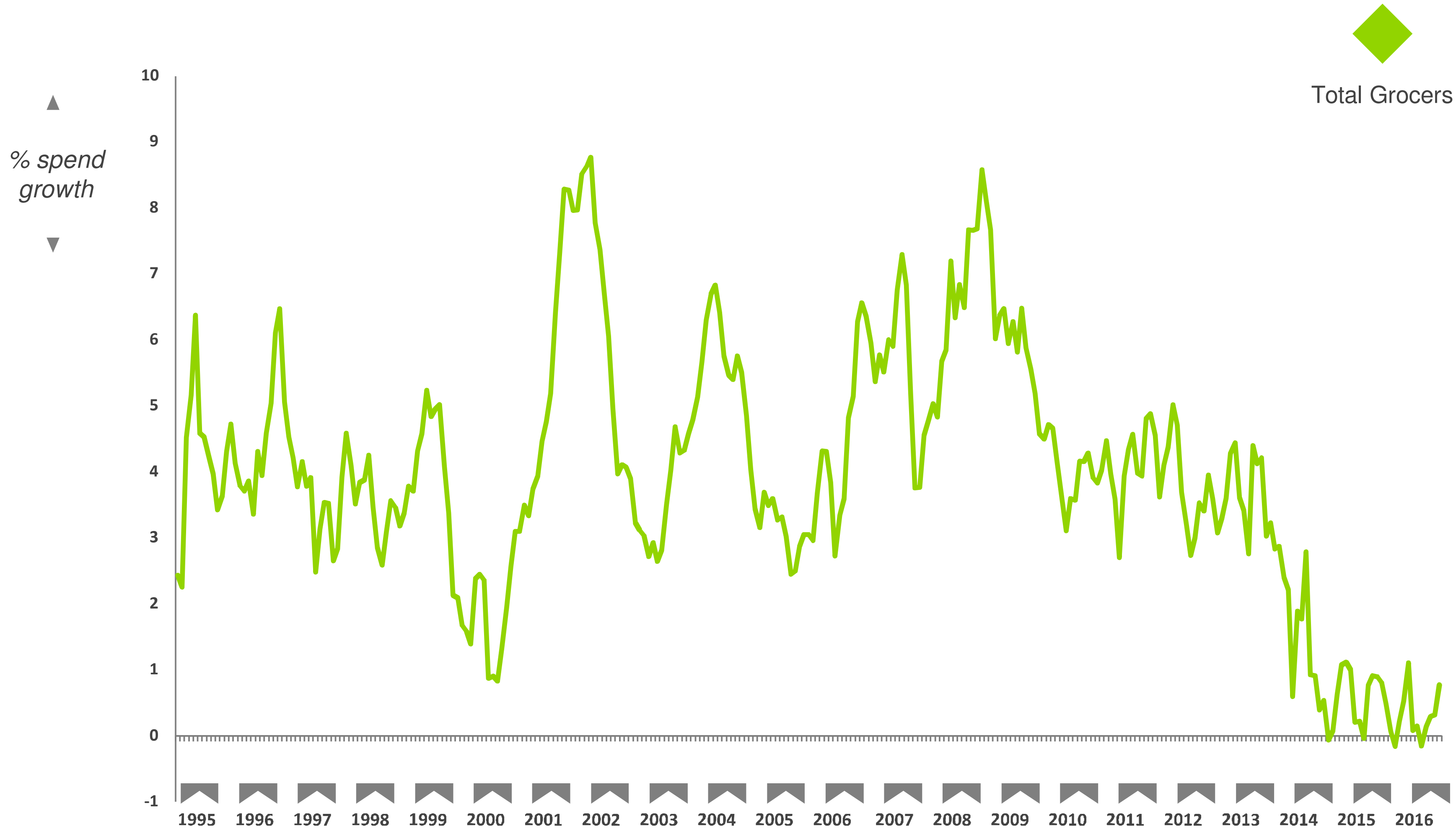


The Welsh shopper



Grocers growing sales at +0.8% vs last year

12we published till roll grocers growth



Till Roll. KWP 2016 10. 12 w/e 09 Oct 16

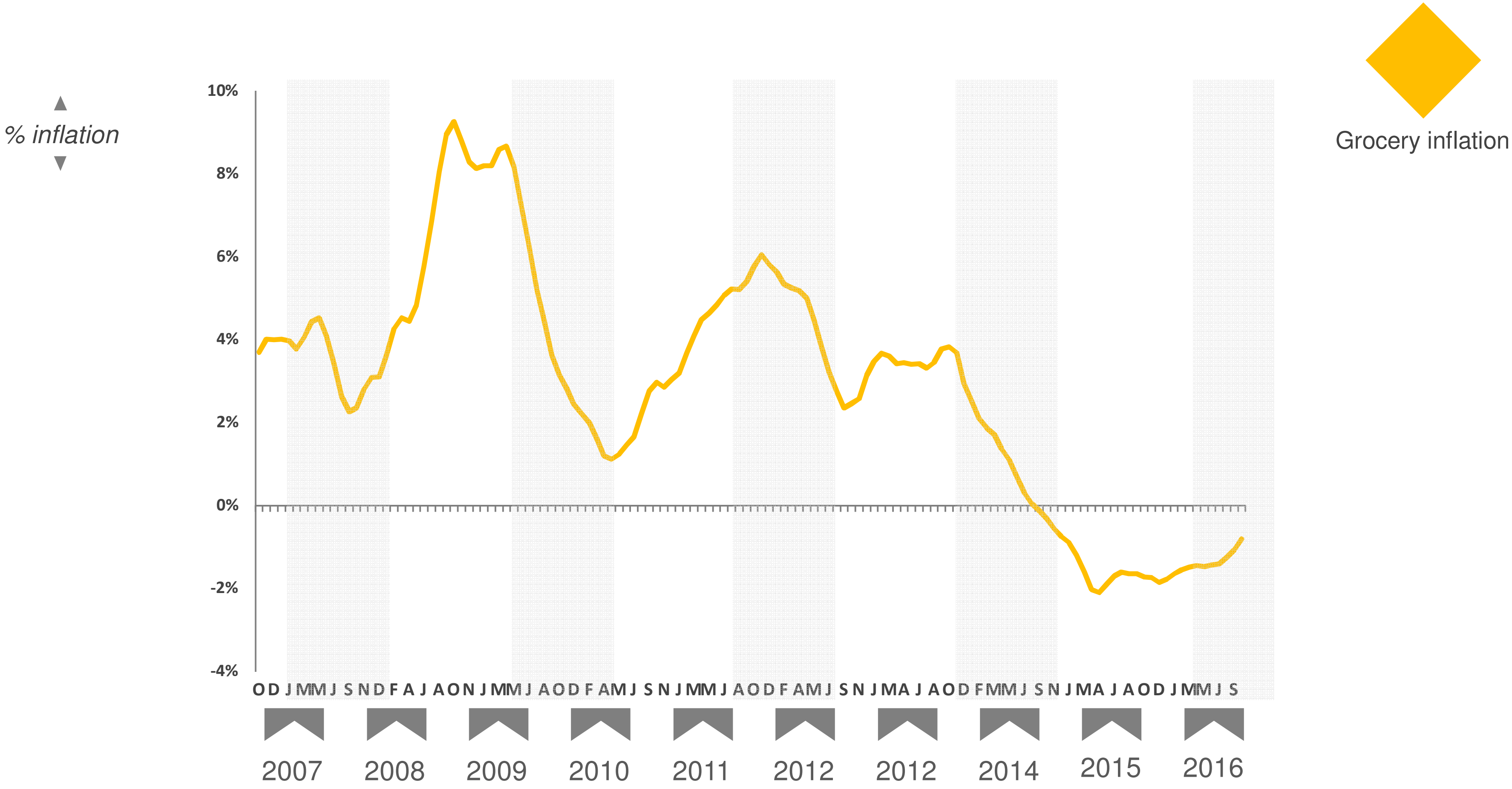
Inflation & prices

Shopping behaviour

Single market & CAP

Grocery inflation

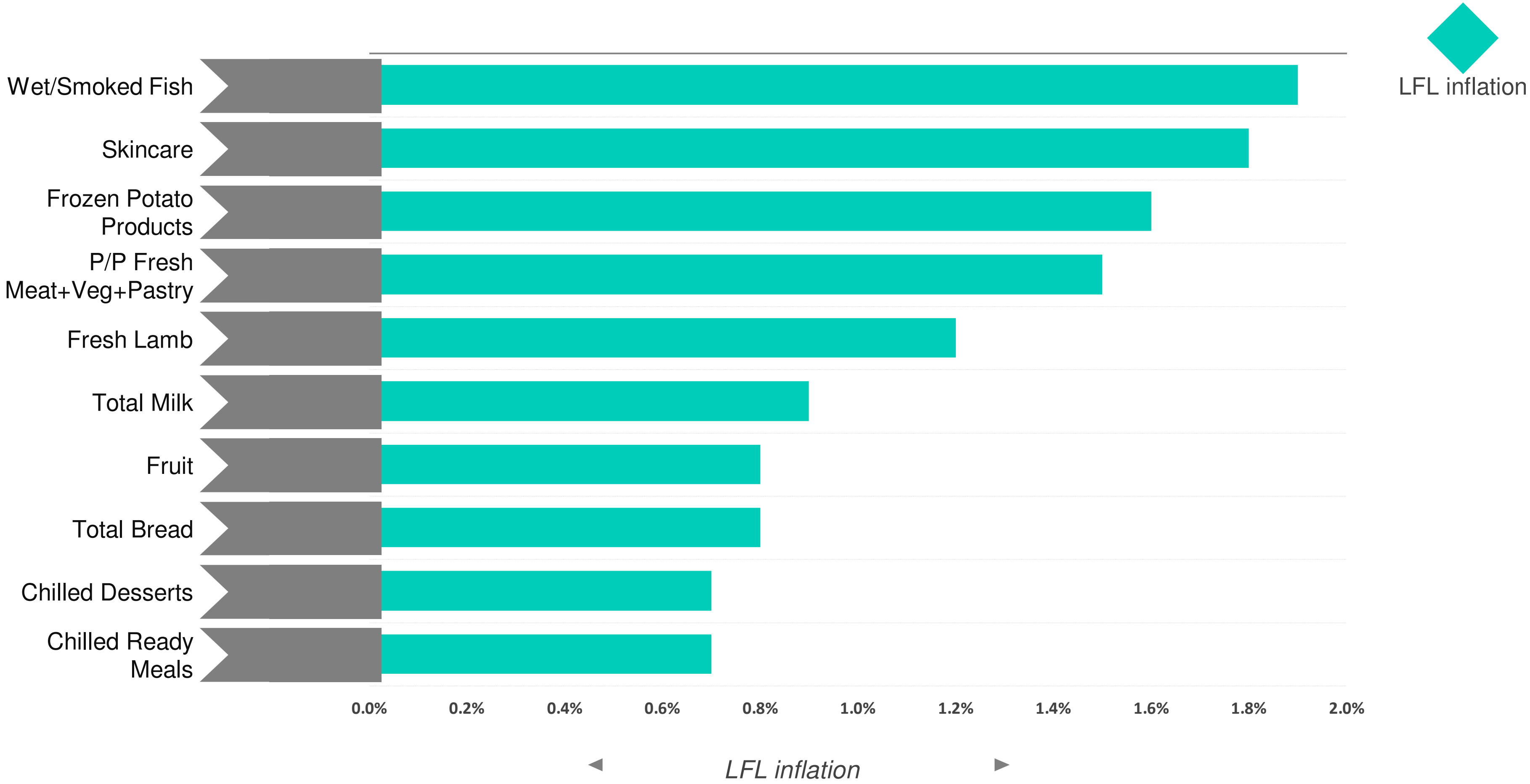
Like for like prices falling by -0.8%



RT43 (Grocery). KWP 2016 10. 12 w/e 09 Oct 16

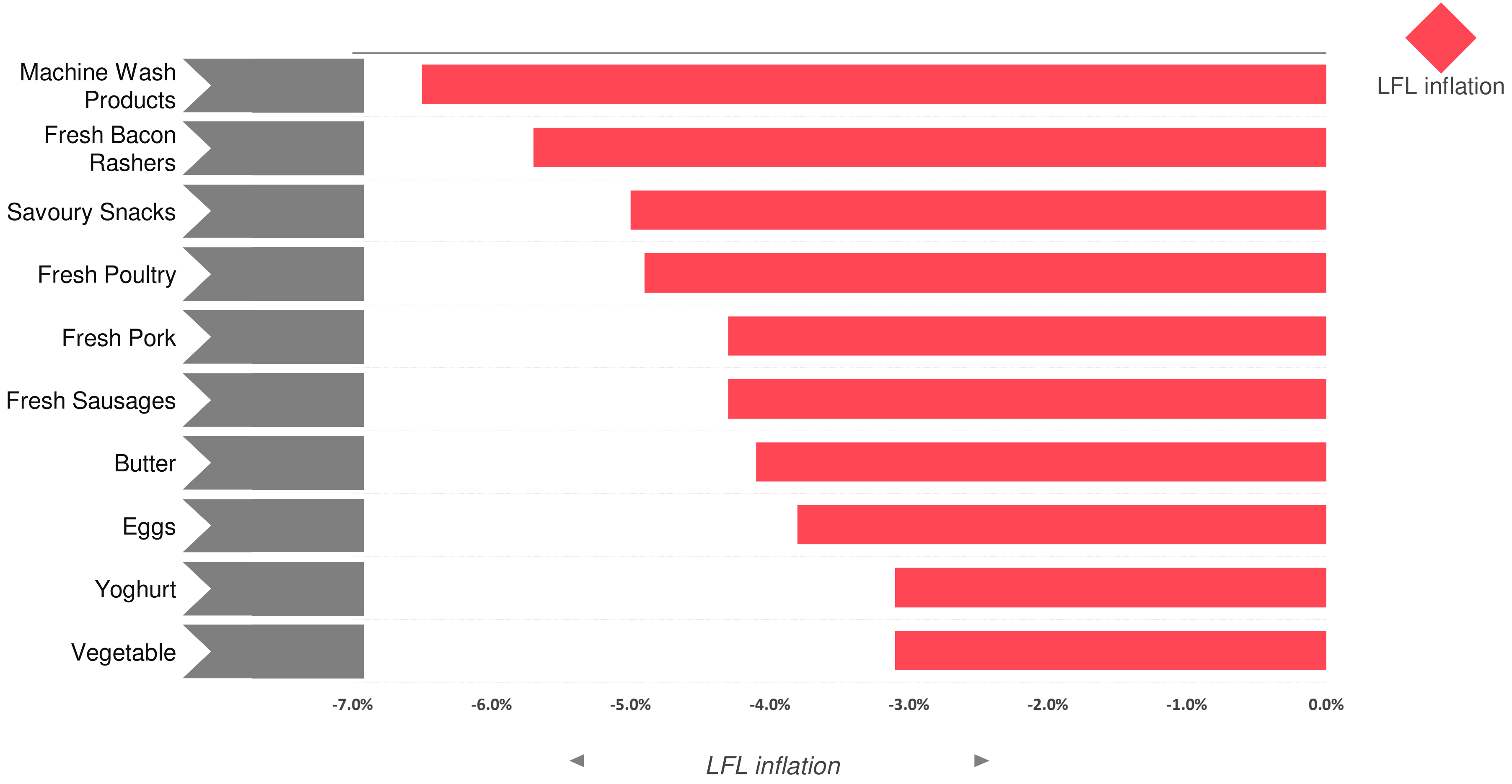
Markets where prices are rising

Some staples (milk, fruit, bread) going up in price



Markets where prices are falling

…yet vegetables, butter and pork/poultry are still seeing declining price



Volume trends for total market

Packs and average packs per household

RT43 (Grocery). KWP 2016 10. 12 w/e 09 Oct 16

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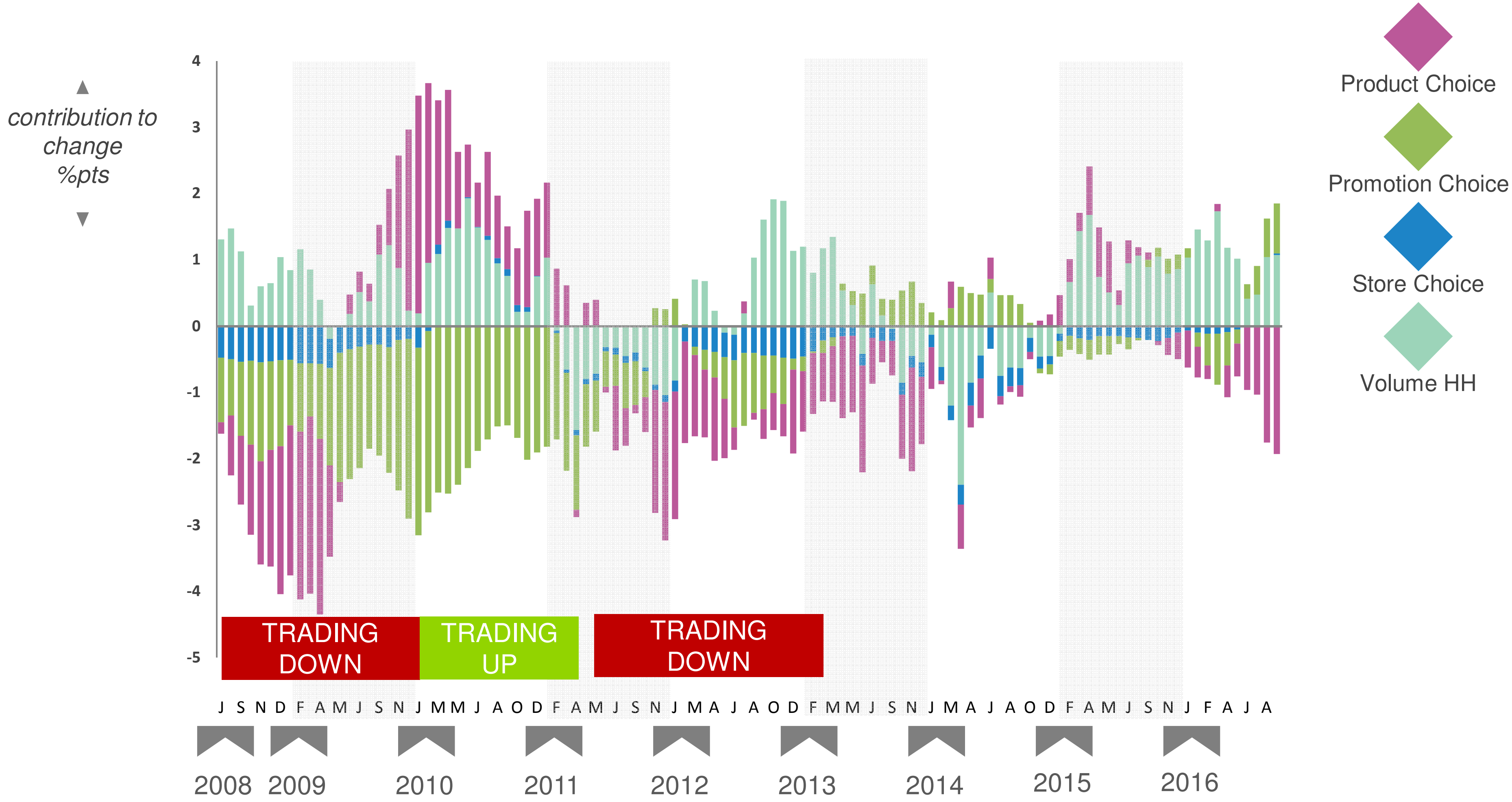
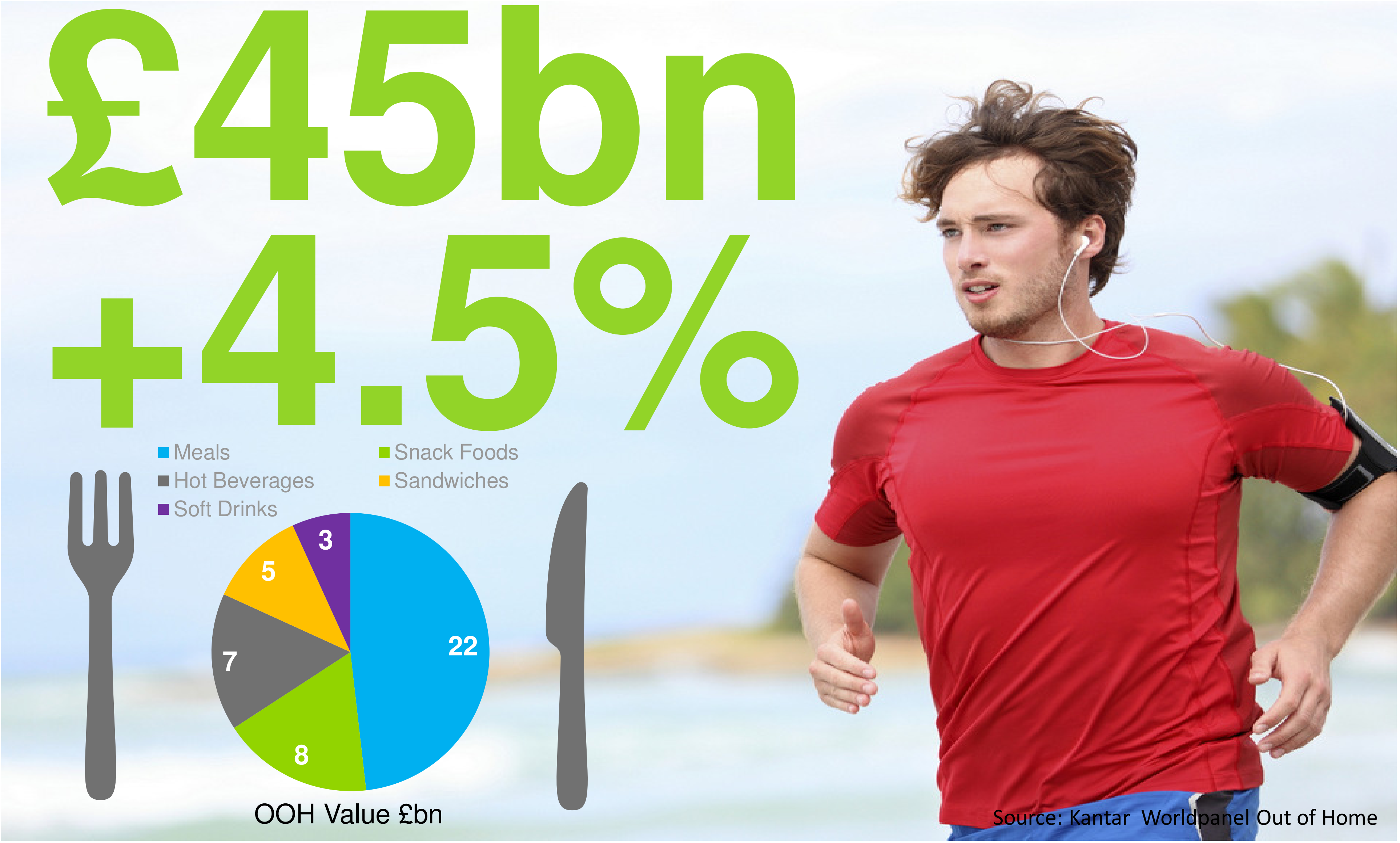
Shopper trading up and trading down strategies

2016 has seen a return to cheaper products, and some volume growth



RT43 (Grocery). KWP 2016 09. 12 w/e 11 Sep 16

OUT OF HOME AND ‘ON THE GO’ BOOMING



Inflation & prices

Expect price rises end of 2016

Anticipate value engineering as round £ points so important

Shopping behaviour

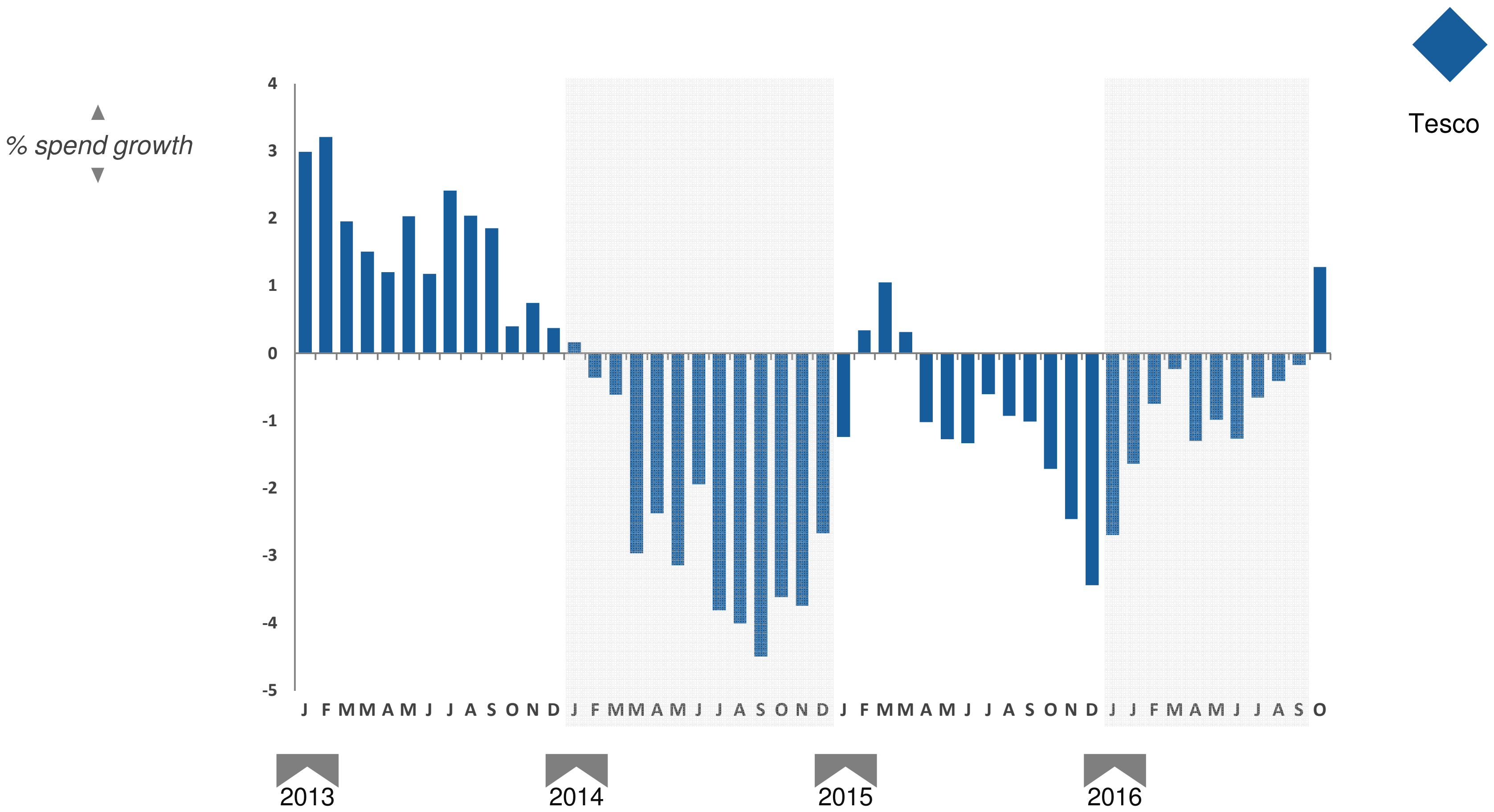
Volumes stable

Move to own label?

Out of home at risk

TILL ROLL GROWTH

Tesco up +1.3%



Till Roll. KWP 2016 10. 12 w/e 09 Oct 16

Tesco growth across the store – value & volume

Very much volume led, except for alcohol & toiletries

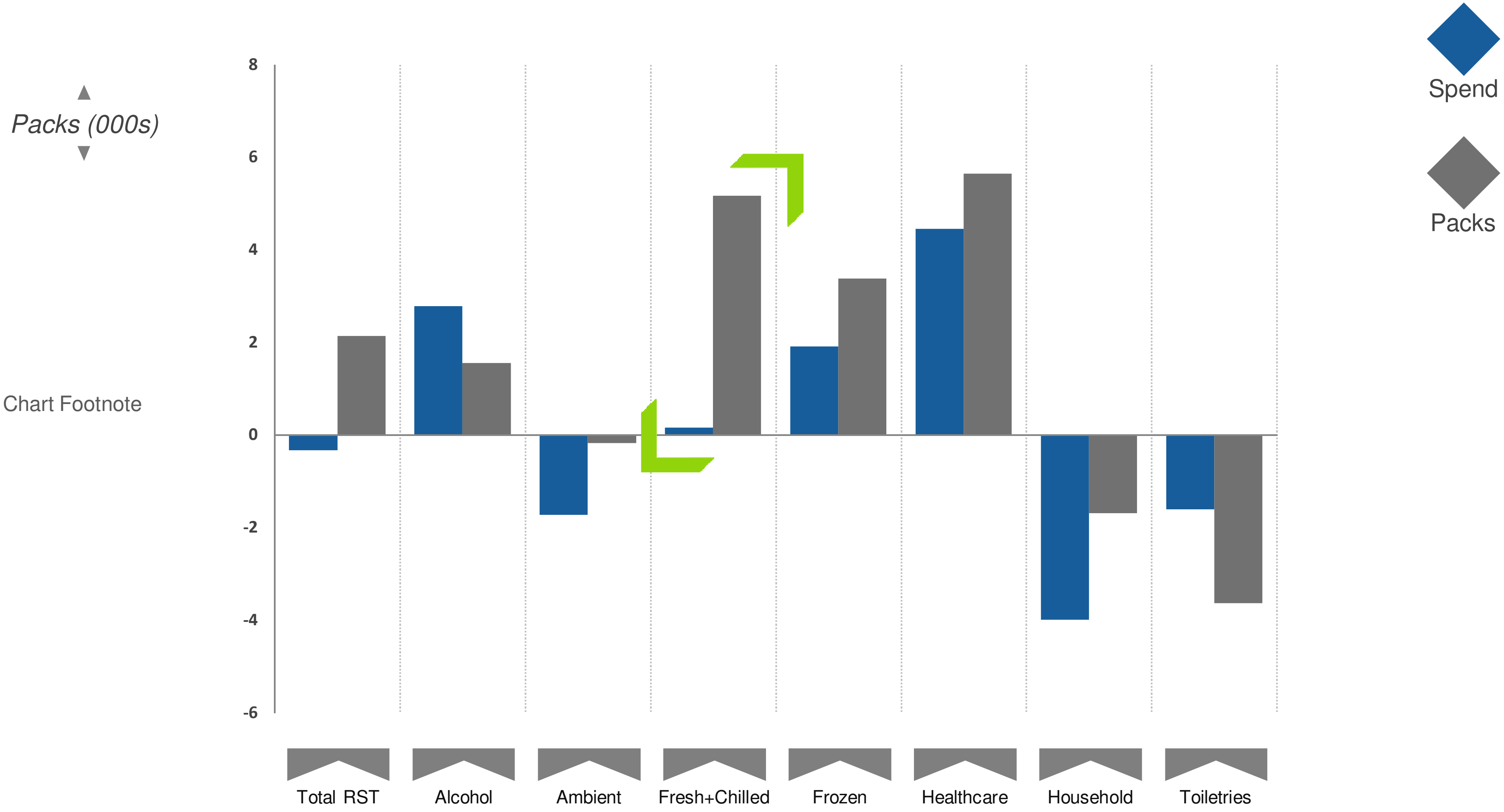
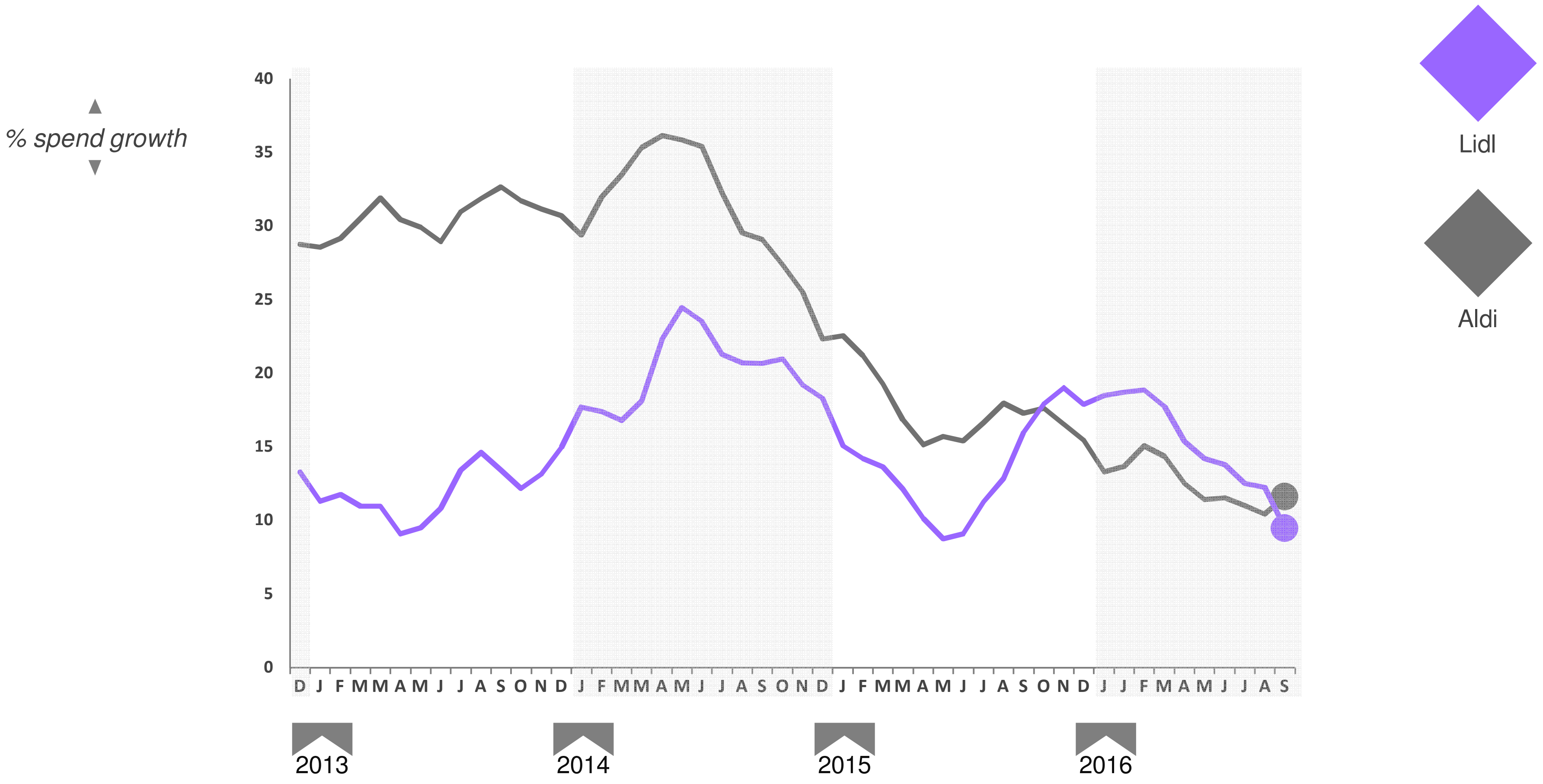


Chart Footnote

RT43 (Grocery). KWP 2016 09. 12 w/e 11 Sep 16

Aldi & Lidl growth

Slowing, but still spectacular



Household penetration

Shopping mission

What people buy

Now mainstream

Who shops there

\+

How much of the store they visit

How much they spend on a trip

Specially Selected

+23%

Deluxe

+76%

Signature
THE VERY BEST IN QUALITY & TASTE Wm Morrison

+8%

The co-operative
TRULY IRRESISTIBLE

+7%*

menu
from Waitrose

+318%**

TESCO finest

-3%

Sainsbury's Taste the Difference

-4%

ASDA Extra Special

+5%

*decline in Freedom Foods masking growth
**launch of Waitrose One
Includes all premium own label, not just specific brand. RT43 (Grocery). KWP 2016 08. 12 w/e 14 Aug 16

Consumer choices drive shopping

Valuing time

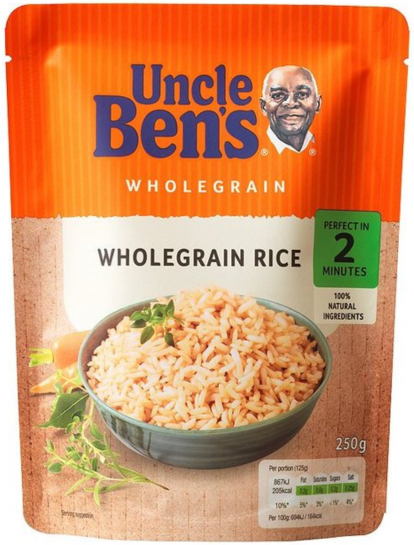
16 of last 20 years consumers had more money

(ONS)

19 of last 20 years shoppers spent less time cooking

(Kantar Worldpanel)

Solutions



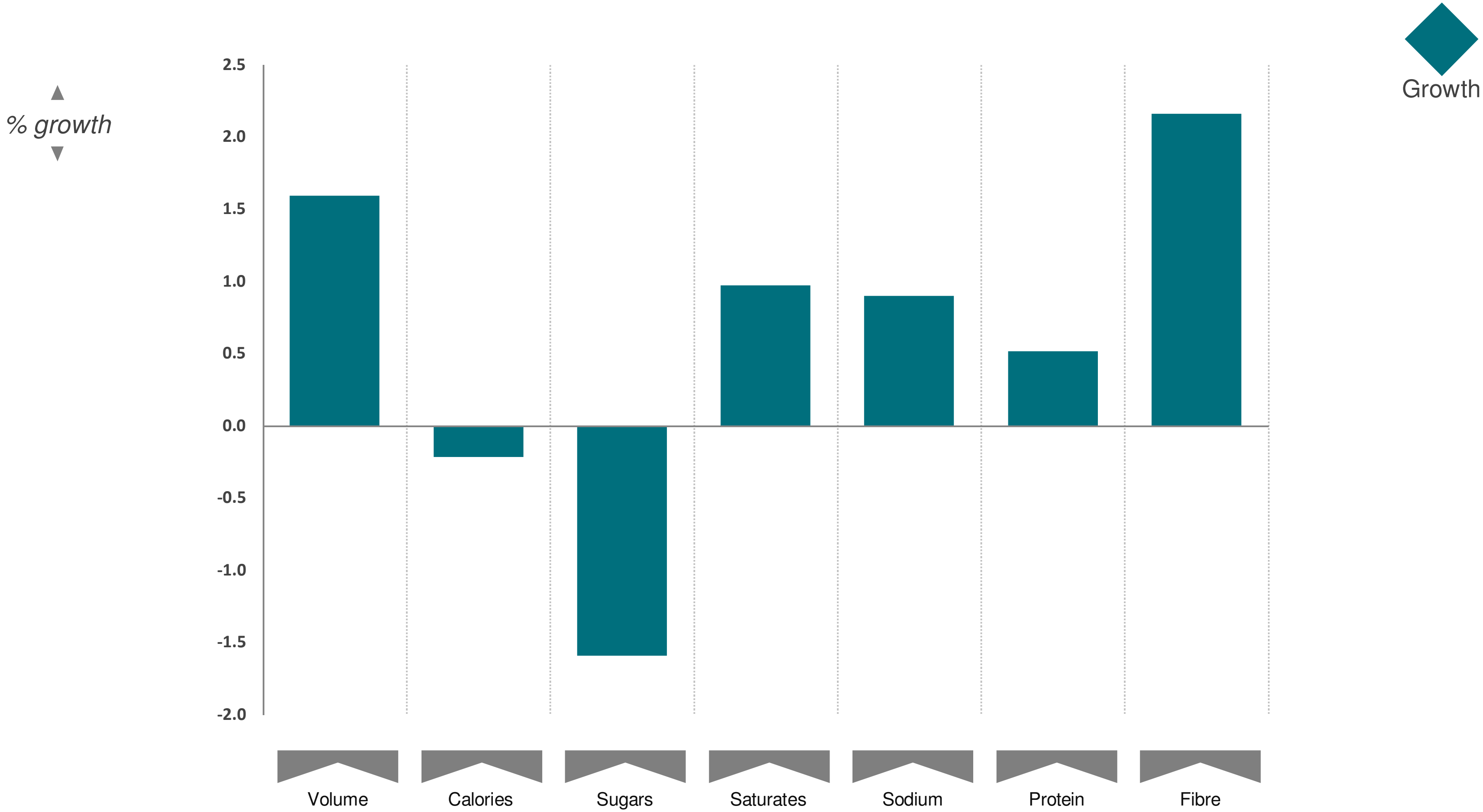
5 x £ premium for a solution

Health

Food and drink chosen in GB for health is a £20.1 billion market

The nation is slowly buying healthier

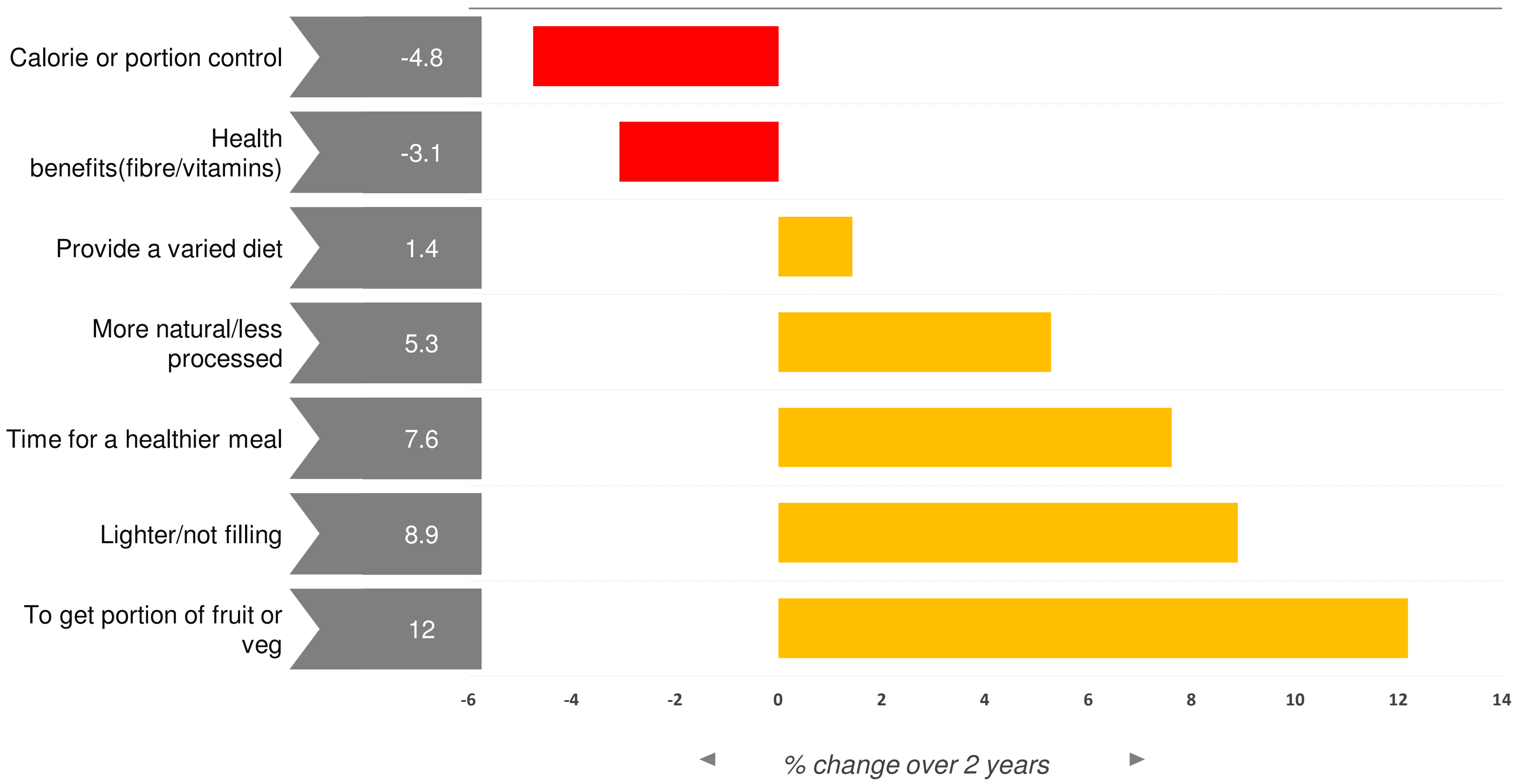
Less sugar especially, but all ‘sin’ nutrients growing behind overall volume



KWP Nutrition Total nutrient % change from GB total take home food and drink march 2016 vs 2015

Nature of health is changing

Move towards positive efforts, away from restriction & denial



KWP Usage

Smaller households

40%

1961

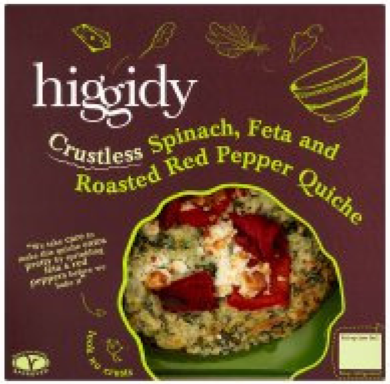
65%

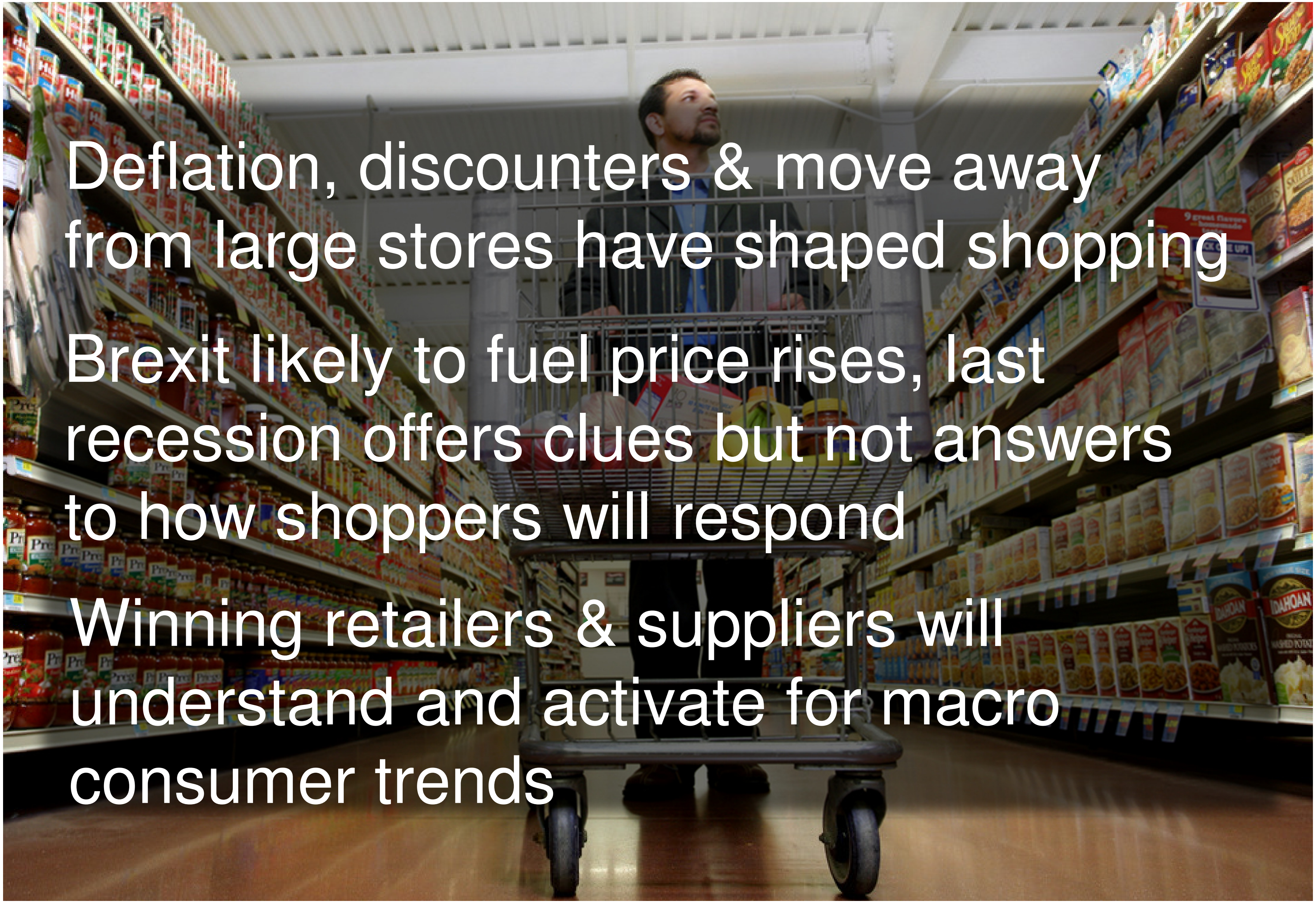
2011

% of households with 1 or 2 people

Recent successful innovation

Tended to tap into multiple consumer trends, and always at a premium




Deflation, discounters & move away from large stores have shaped shopping
Brexit likely to fuel price rises, last recession offers clues but not answers to how shoppers will respond
Winning retailers & suppliers will understand and activate for macro consumer trends

Thank you

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