



## The Irish & UK Grocery Retail Landscape

David Berry 20 Jan 2015



① Market Dynamics

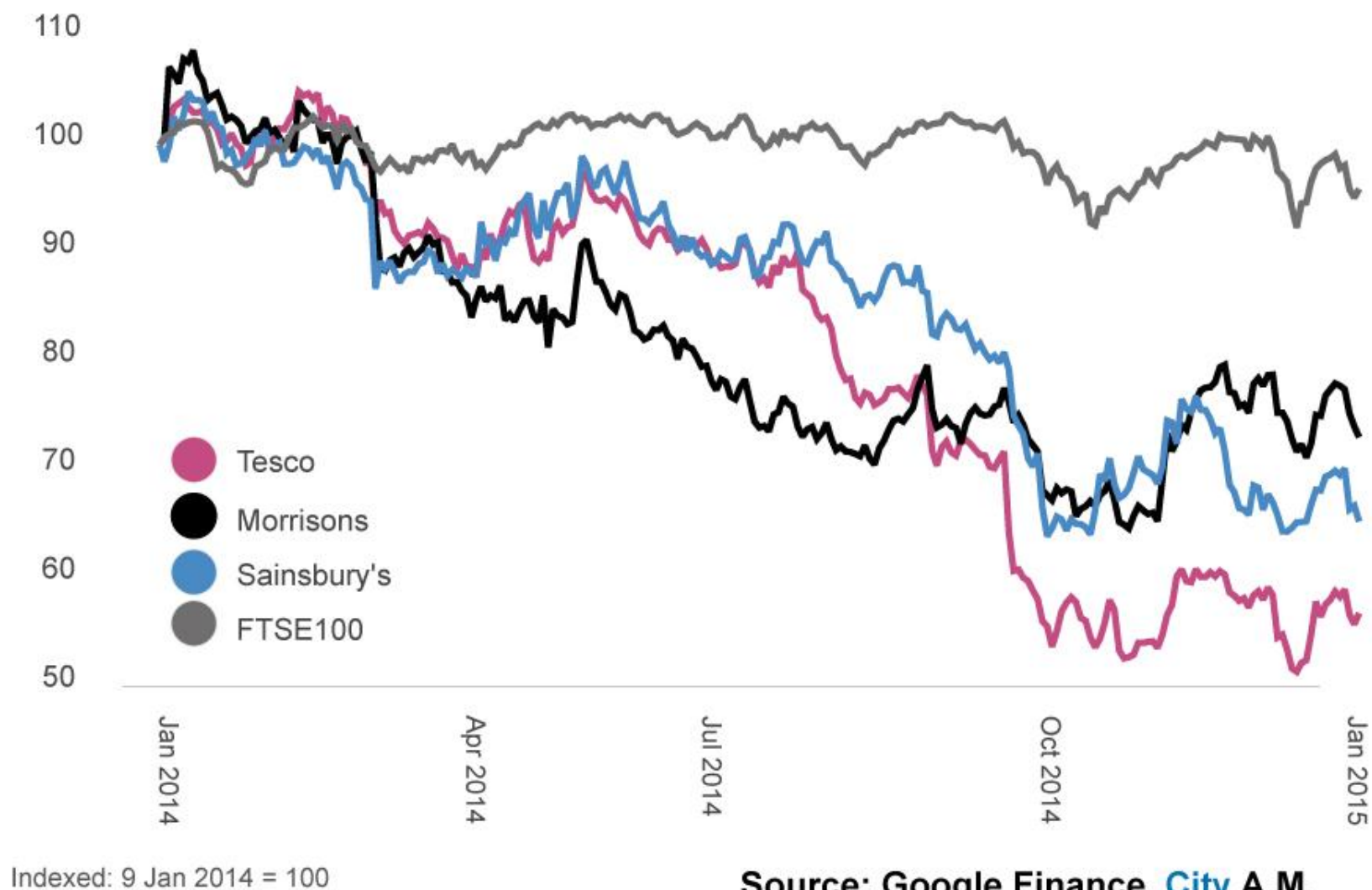
② Retail Trends

③ Opportunities

“The supermarket industry has changed more rapidly in the last three to six months than any time in my thirty years in the industry”

Mike Coupe, Sainsbury's CEO

## Supermarket sweep: A bad year for grocers' shares





# Sainsbury's Morrisons shocks markets with huge fall in sales

Grocer's sales slump 7.1% in what analysts call worst performance by mass market supermarket for a generation

Asda

Sara Spa

Asda h

will no

sales c

Zoe Wood

The Guardian, Thursday 8 May 2014 18.05 BST

aid it  
t term"



Asda: will  
King



# Tesco and Supervalu vie for top position in supermarket war

Just half of one per cent separates the two stores, figures show



# Lidl creates over 50 new jobs in three new stores

The stores will open in Galway, Cork and Donegal.

Feb 16 11:14 AM  22,271 Views  77 Comments

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OVER FIFTY JOBS have been created as discounter Lidl gets set to open three new stores.

The announcement will see Lidl open its 140th Irish store and brings its total number of employees to over 3,400.

The three new stores in Doughiska, Cork City Centre and Letterkenny will open on Thursday, February 27.

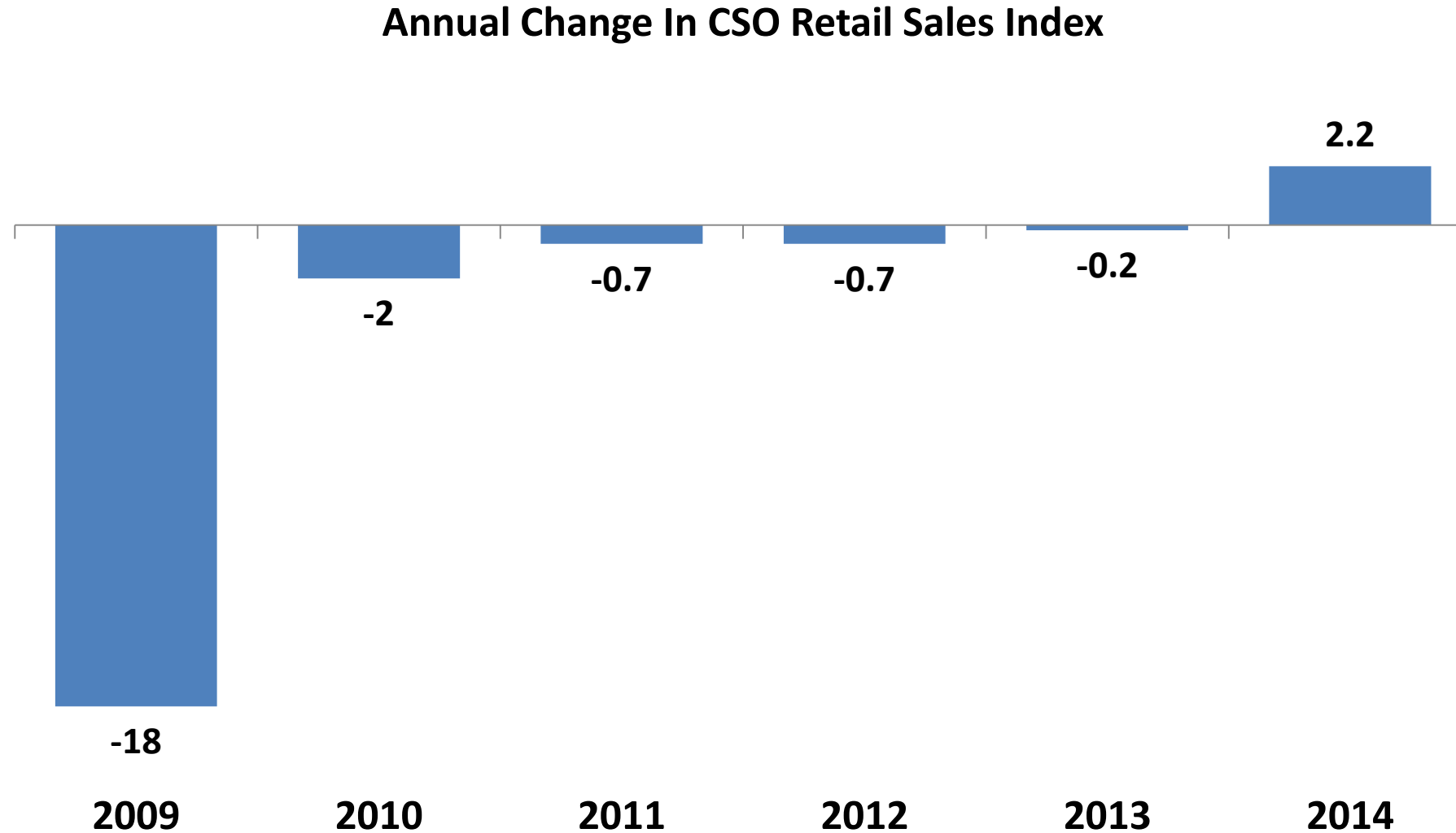


# Irish Consumers More Upbeat In December

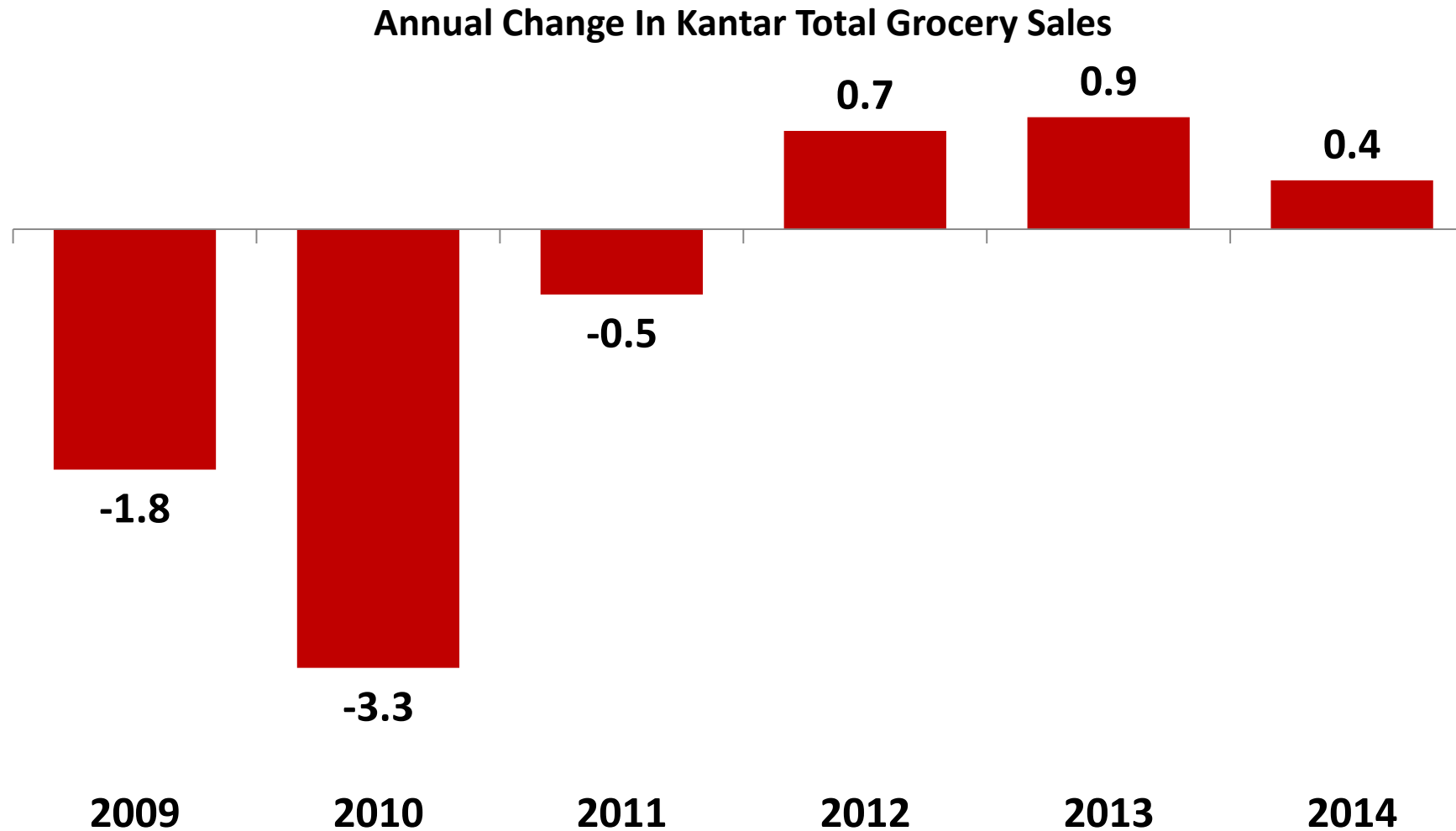




# What is the impact on retail sales?



# How has grocery spend evolved?



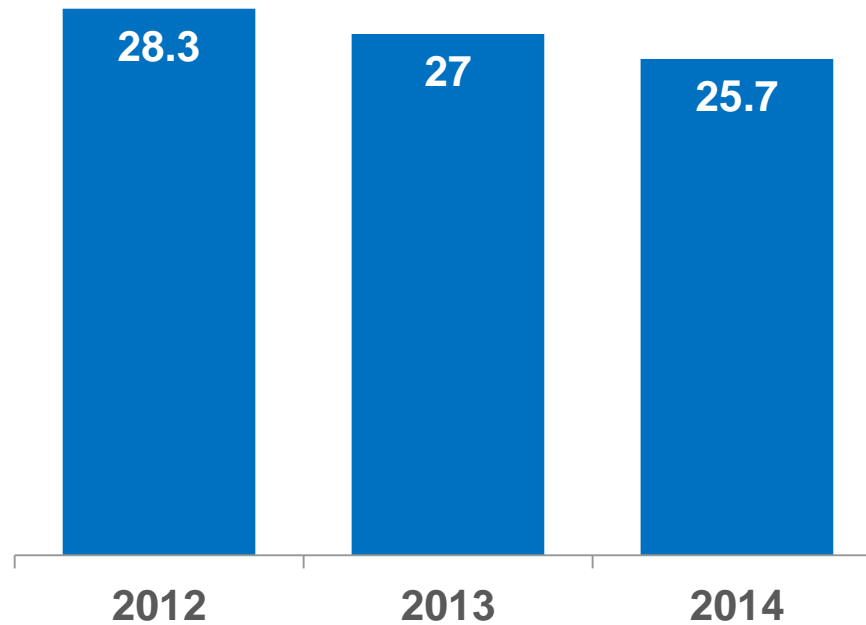


Our natural obsession

New Lower Prices  
STAYING DOWN



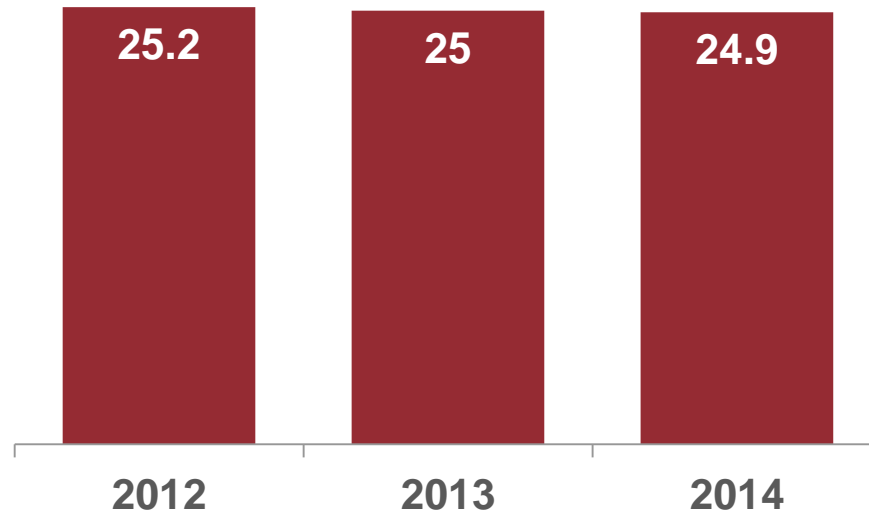
Tesco: 3 Year Market Share



- > More Shoppers
- > Shopping Less Often
- > Buying 1 item less
- > Swing to Branded



### SuperValu: 3 Year Market Share

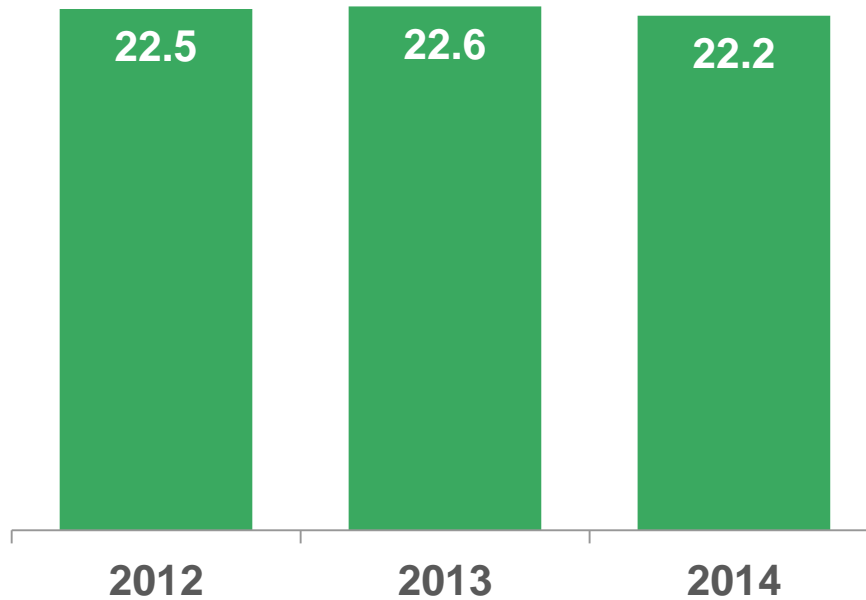


- > More Shoppers
- > Shopping More Often
- > Spending €1 less each trip
- > Swing to Own Brand





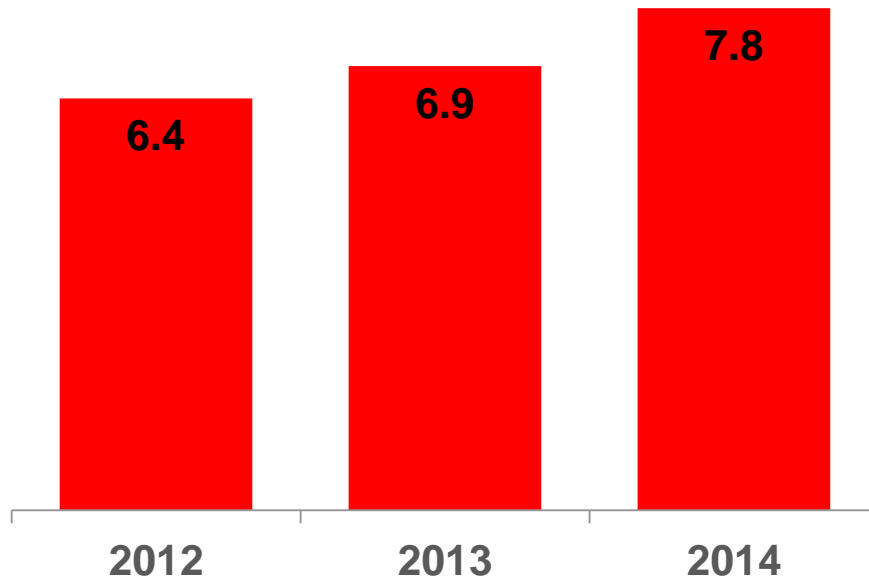
### Dunnes: 3 Year Market Share



- > Fewer Shoppers
- > Spending slightly less
- > Own Brand more important
- > Strong chilled performance



Lidl: 3 Year Market Share



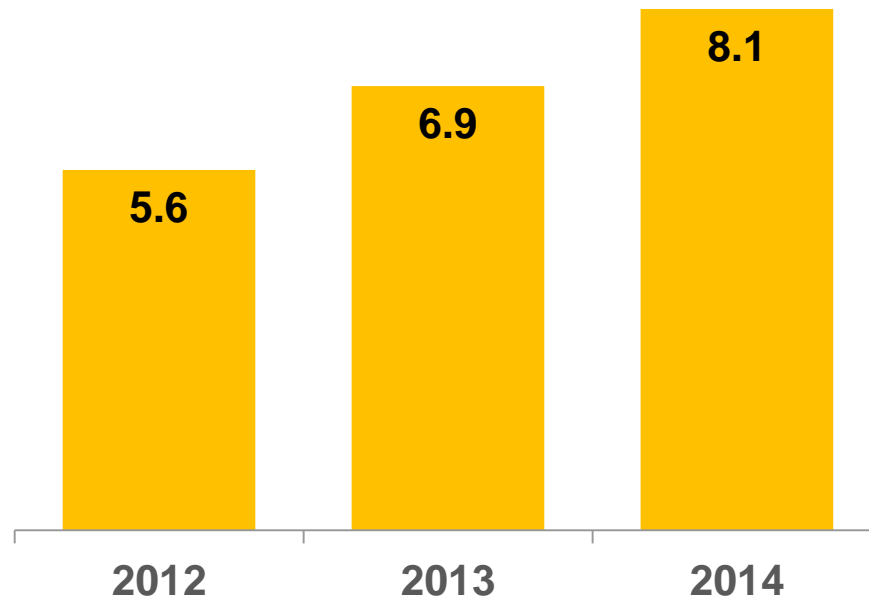
- > More Shoppers
- > Shopping more often
- > Spending more each time
- > Own brand growing faster



Aldi. Come on Ireland, take the challenge.



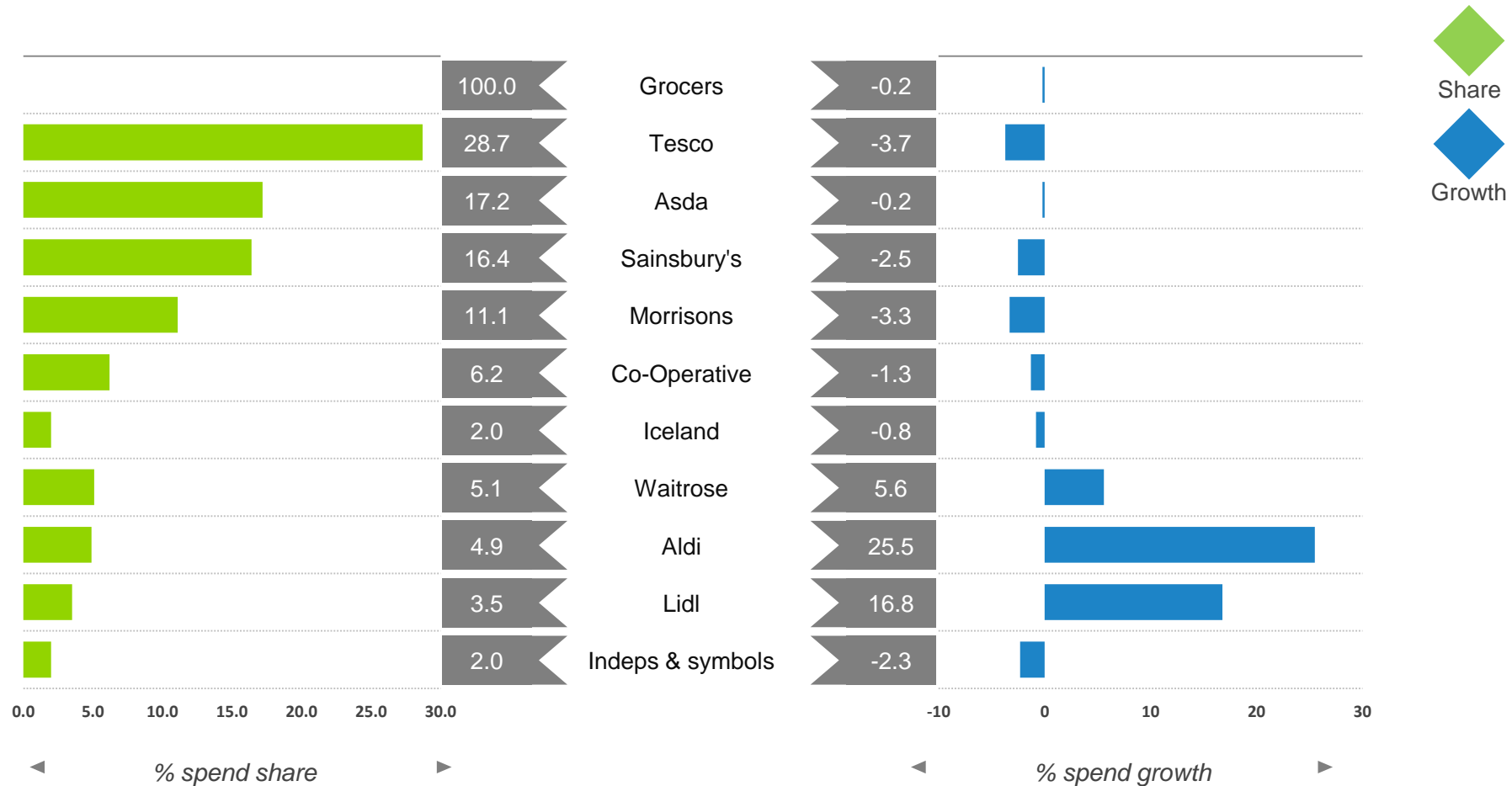
Aldi: 3 Year Market Share



- > More Shoppers
- > Shopping more often
- > Spending more each time
- > All categories grow sales

# GB MARKET SHARE AND GROWTH

Only growth is from Lidl, Aldi & Waitrose



Till Roll. KWP 2014 11. 12 w/e 09 Nov 14





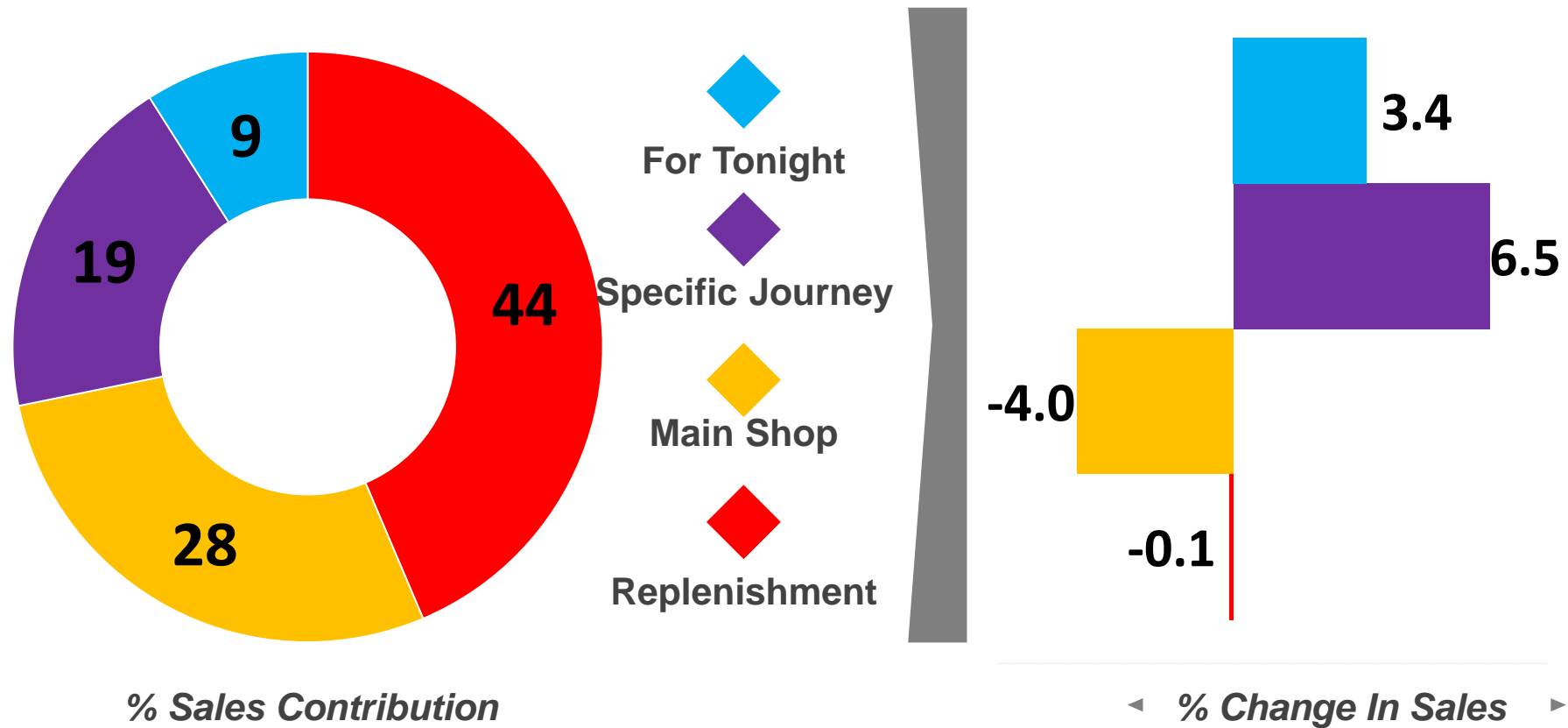
Netto

Sainsbury's

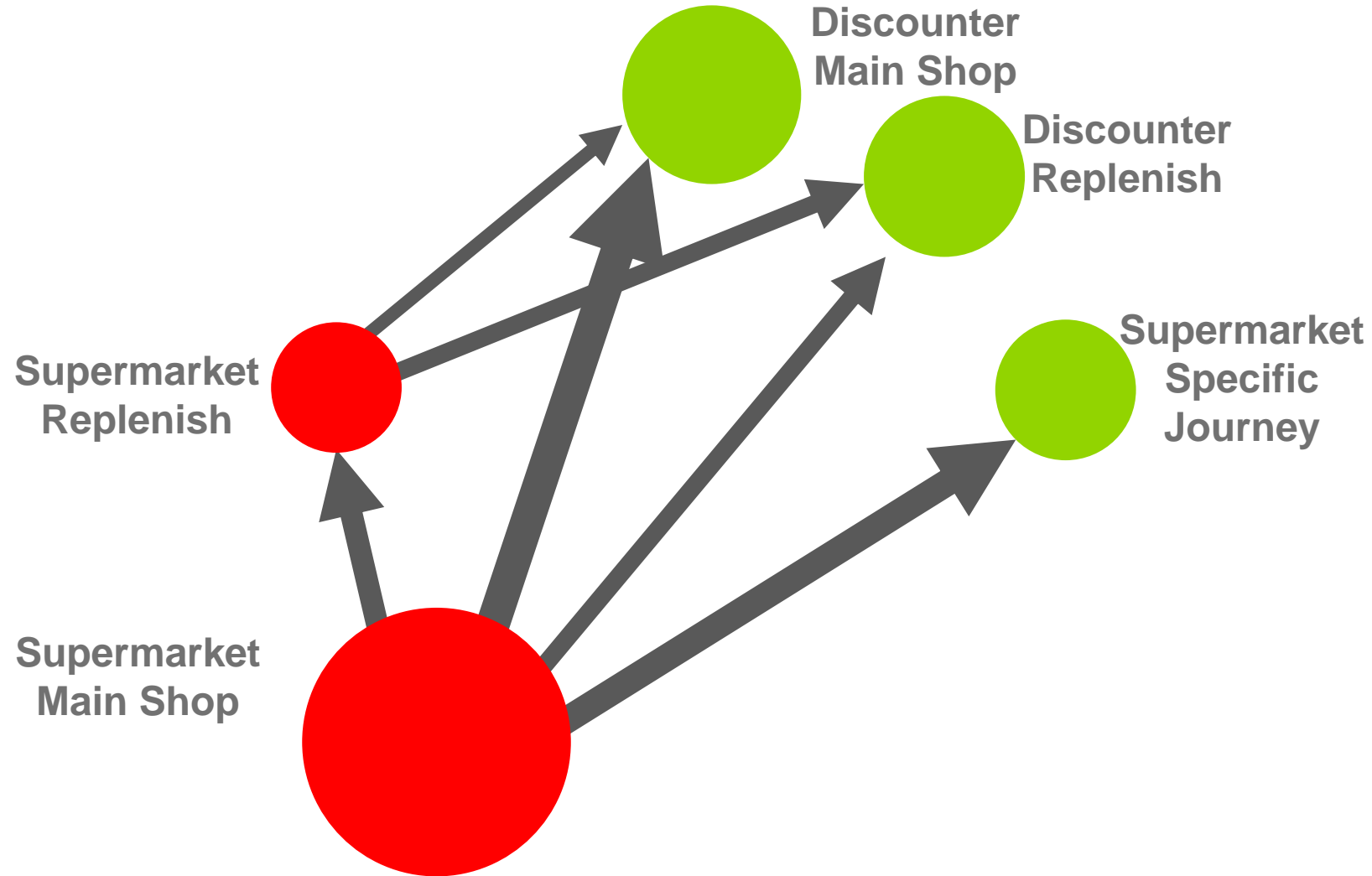
Cash machines



# Any market growth is coming through For Tonight or Specific Journey missions



# Shoppers switch their spend from one mission to another







 37 trips per year

 €14 per trip

 €2.10 per pack

4 markets per trip

 Fresh Protein  
Chilled Convenience  
Bakery

 Household  
Soft Drinks & Savoury Snacks  
Healthcare & Toiletries





**TESCO** 65 

**SuperValu**  138  
Real Food, Real People

**DUNNES** 76 

 52 

 69 



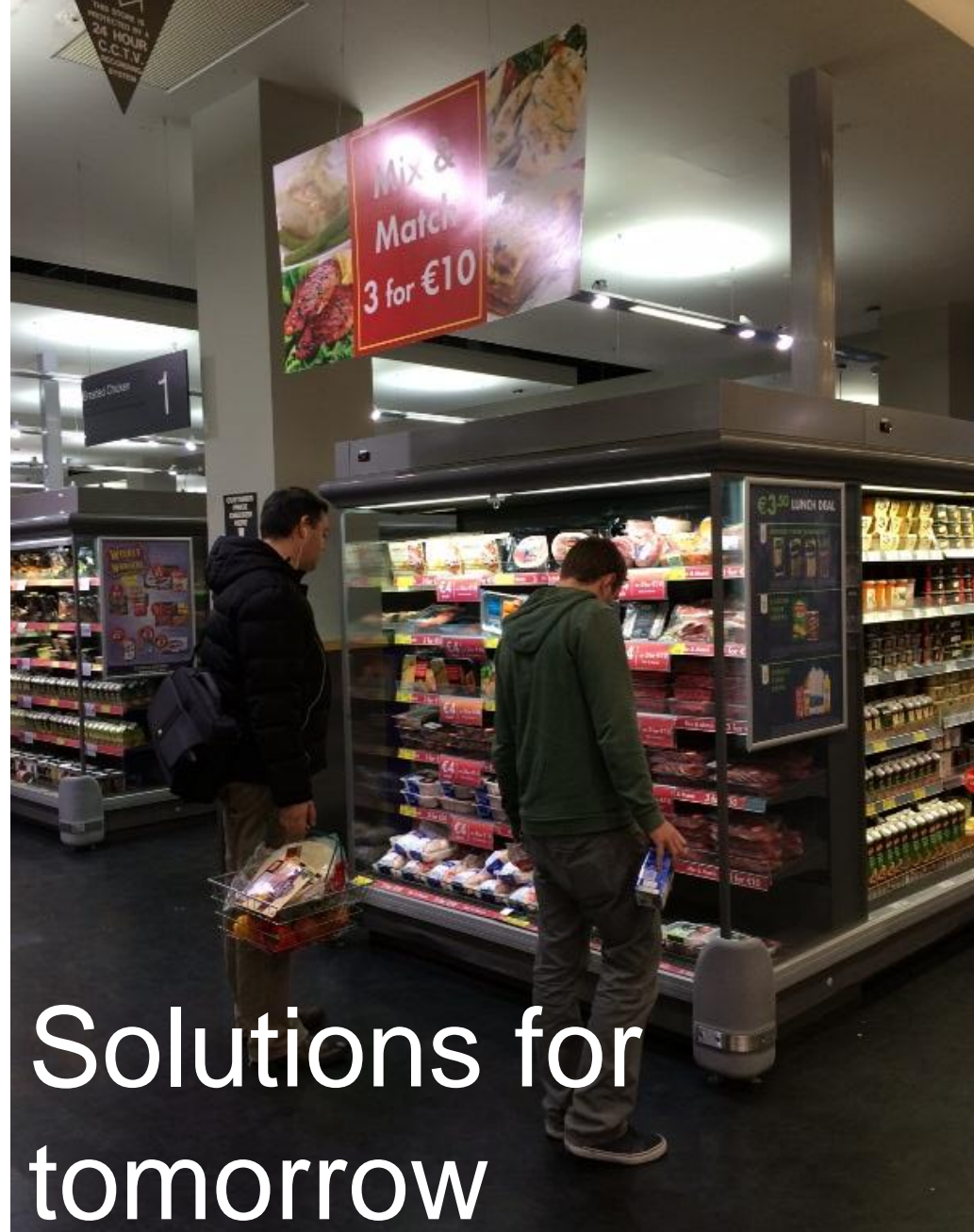
Tuesday / Wednesday



Larger, mature  
households or Pre  
Families

# Solutions for tonight






Solutions for  
tomorrow



 58 trips per year

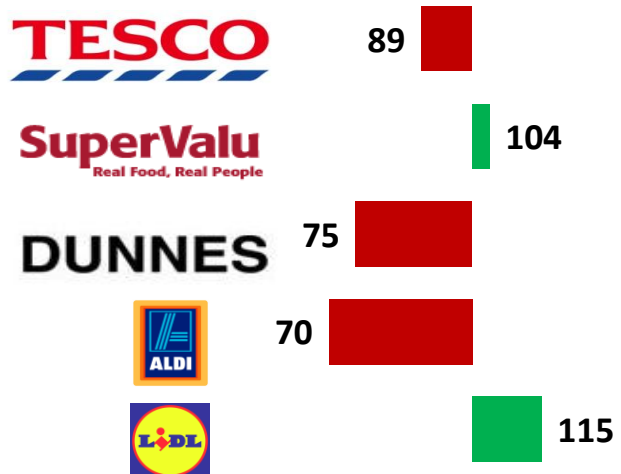
 €18 per trip

 €2.23 per pack

4 markets per trip

 Alcohol  
Toiletries  
Confectionery & Snacks

 Biscuits  
Dairy  
Chilled Convenience

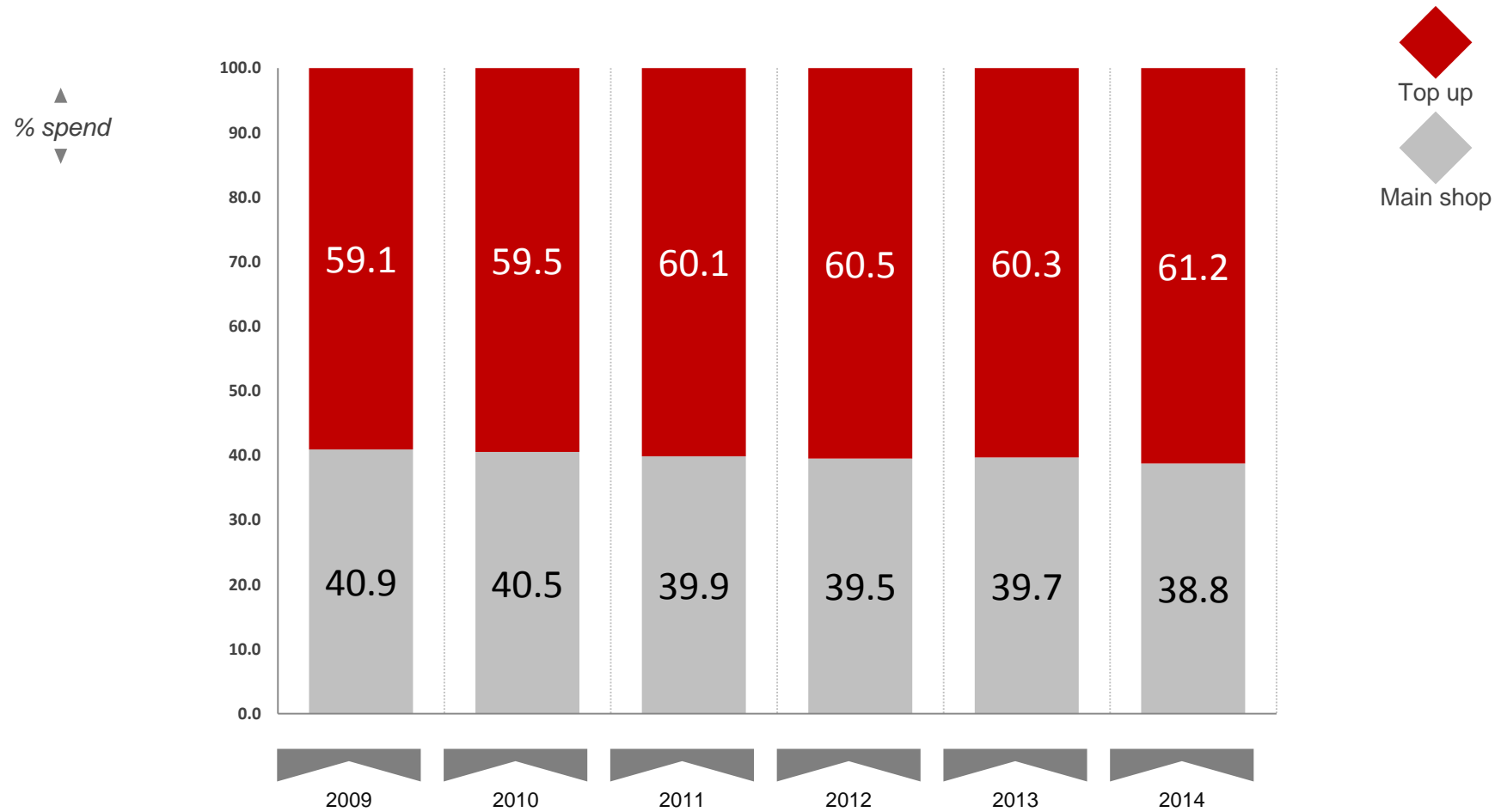


 Sunday / Monday /  
Saturday

 Younger groups – Pre  
Family or Young Family

# TOP UP MISSIONS ARE GAINING GROUND, BUT ONLY SLOWLY

% of spend by mission type



RT43 (Grocery). KWP 2014 P08. 52we 17 Aug 2014



# Small trips get bigger Big trips get smaller

More top up shops in:

Supermarkets £14

Discounters £8

Online £54

VS

Convenience £6

Main shops decreasing:

Price war in supermarkets

Widening online appeal



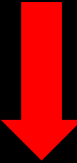


11% of main shops in  
discounters

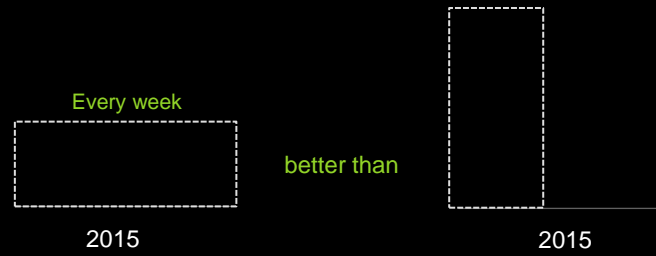
RT43 (Grocery). KWP 2014 P09. 52we 14 Sep 2014

# Sainsbury's helping Specific Journeys



# So what is my chance of growth?

	 1%	1%  -1%	-1% 
	34%	19%	47%
	66%	31%	3%



## CONSTANT & CONSISTENT MARKETING ACTIVITY



MORE FAME: PAY MORE FOR STARS (BRANDS) THAT EVERYONE IS TALKING ABOUT.



MORE VISIBILITY IN STORE: A DISTINCTIVE STORY FOR YOUR CUSTOMERS

MAKE THINGS BETTER

GENUINE NEW PRODUCT INITIATIVES



AN IMPROVED VALUE OFFER

69%

+€430

61%

+€554





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*Bord Bia*

Irish Food Board