

A woman with blonde hair, wearing a grey cardigan over a white top, is standing in a supermarket aisle. She is holding a mobile phone to her ear with her right hand and reaching for a can of 'Ice Tea Light' with her left hand. The shelves are stocked with various products, including cans of tea and boxes of cereal. A shopping cart is visible in the foreground.

## Shopper Needs & The Retailer Response

David Berry 19 Jan 2016

**Bord Bia**  
Irish Food Board

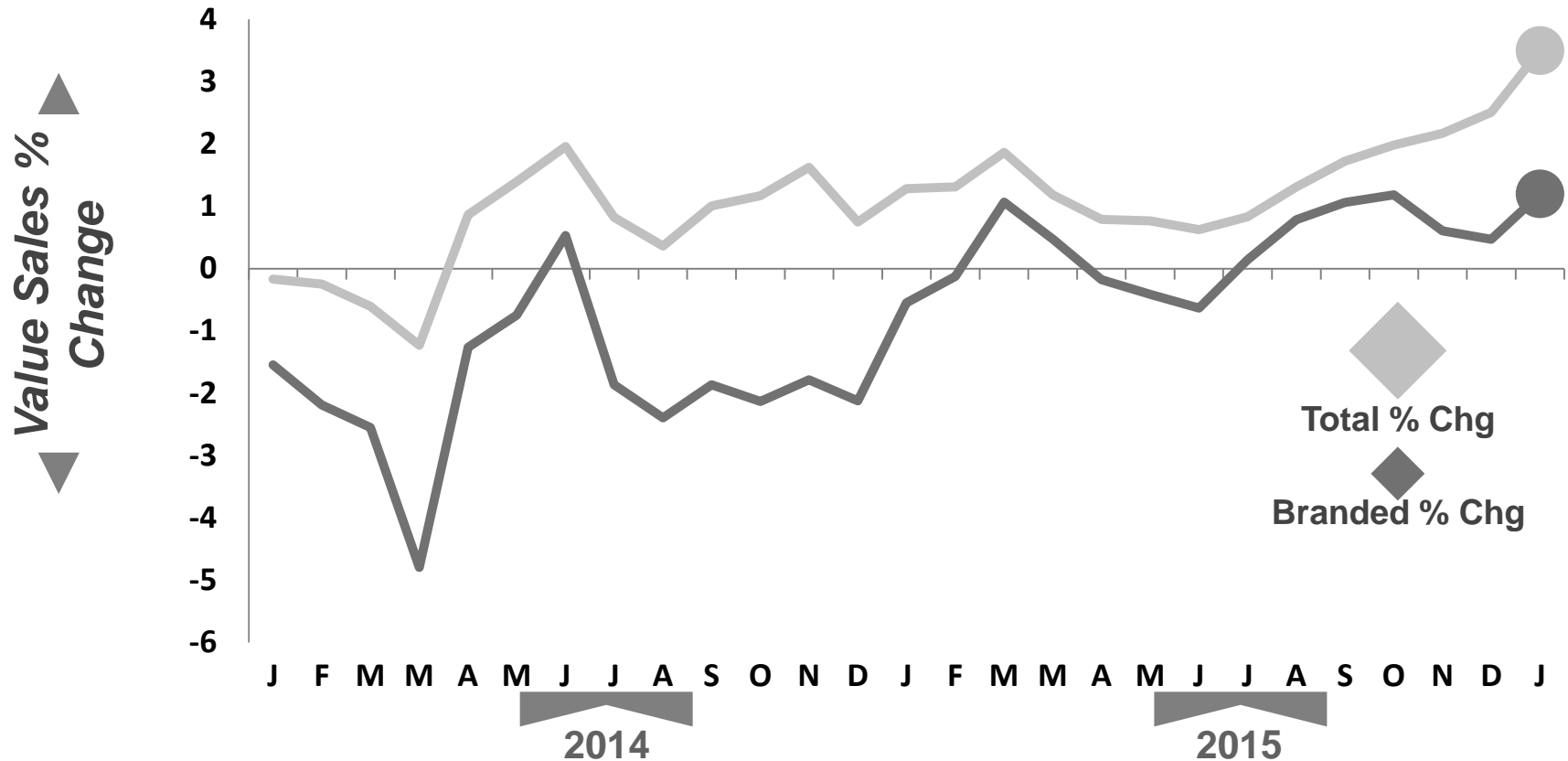
# AGENDA

- 5 Big Grocery Trends
- Retailer Performance
- Consumer Trends
- Looking Ahead

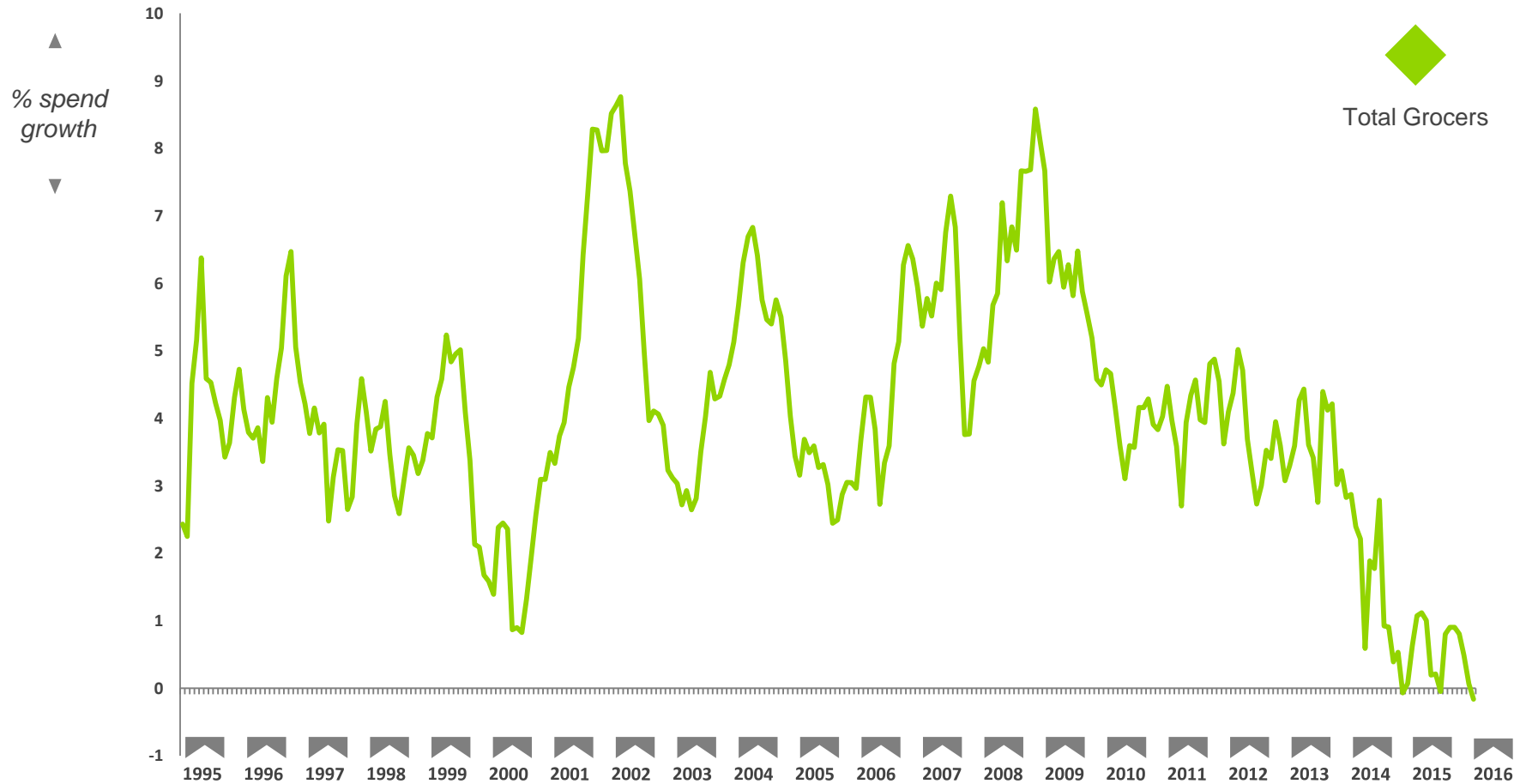


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Latest 6 months show an improved position for Grocery with Branded now also in growth

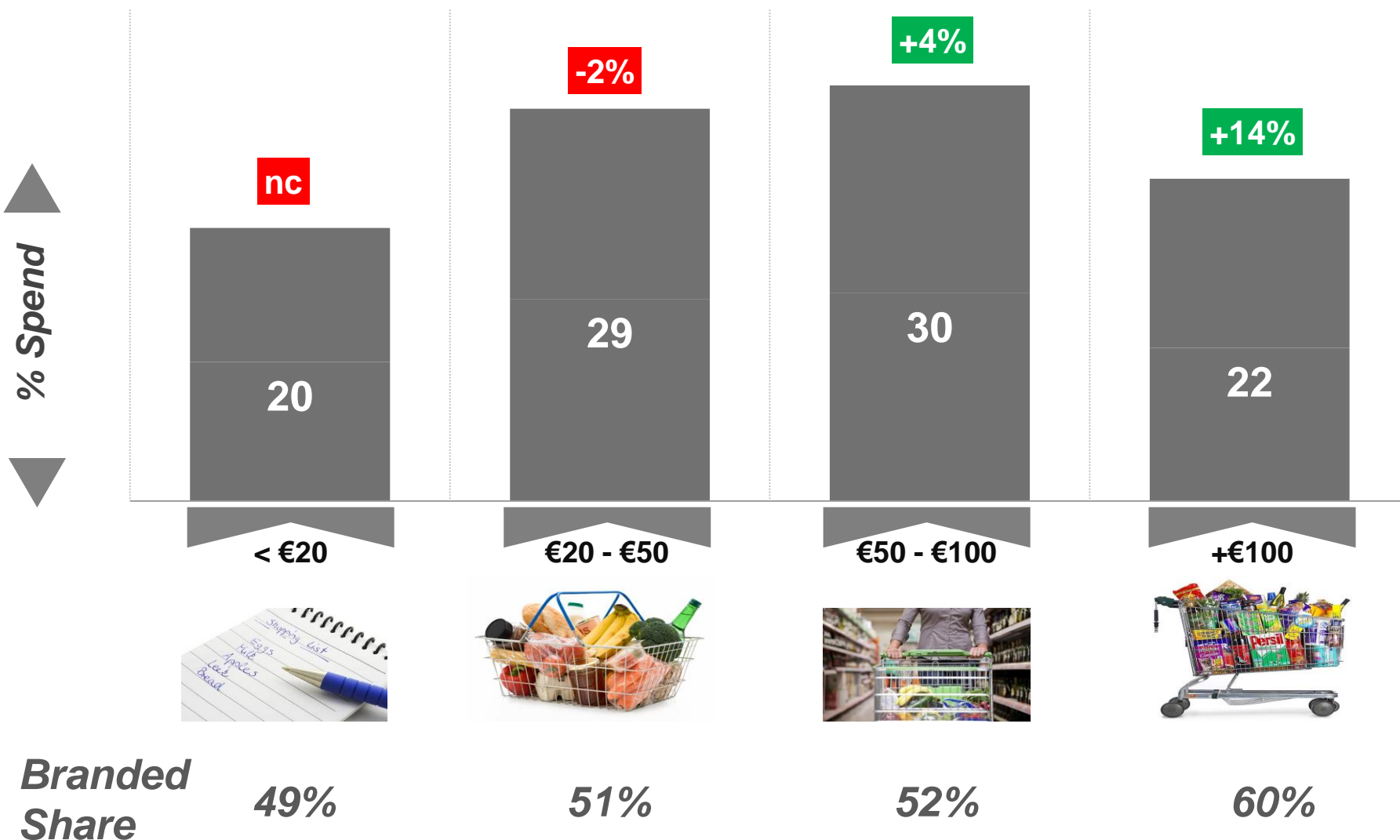


# GB grocery sales declining due to over a year of deflation



Till Roll. KWP 2015 13. 12 w/e 03 Jan 16

## 2 €50+ Shopping Trips are becoming increasingly popular



### 3 Question: How have the top 100 grocery categories performed?

Grew by  
10%+

20

Grew by 2%  
- 10%

39

Changed by  
+2% to -2%

23

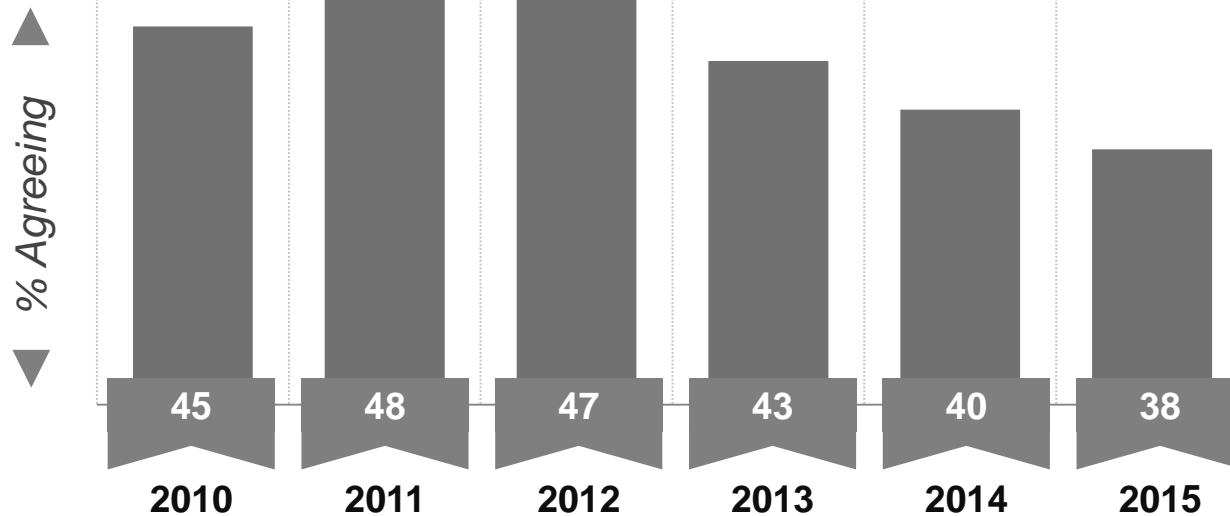
Declined by  
-2 to - 10%+

13

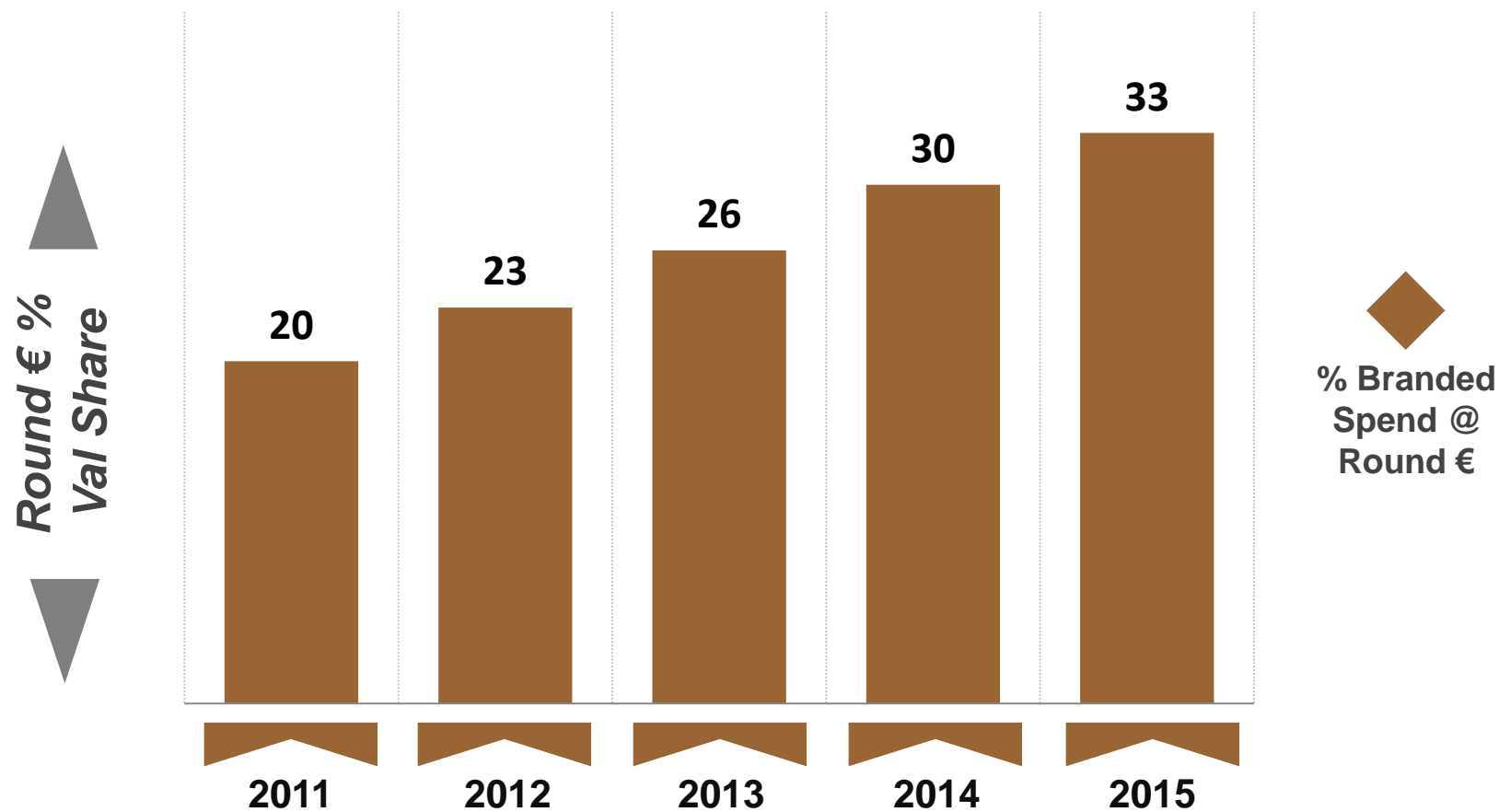
Declined by  
10%+

5

*Price is the most important factor when buying groceries...*



## 4 Round € Price Points remain attractive to shoppers





# Round € promotions have helped Cully & Sully grow sales



	<u>2011</u>	<u>2015</u>
Value Sales	€9.0b	€13.9m
% On Deal	28%	48%





## 5 Growing importance of NPD



# Liberté is one of the successful brand new launches



**Launched May 2013**  
**€6m annual sales**  
**No. 189 brand**

**26% Trial**  
**51% Repeat**  
**2.5% Share**

**Circa 60% on deal**  
**Round € pricing**  
**27% discount**



# Innovation has driven growth for Heinz



€2.03



€2.33



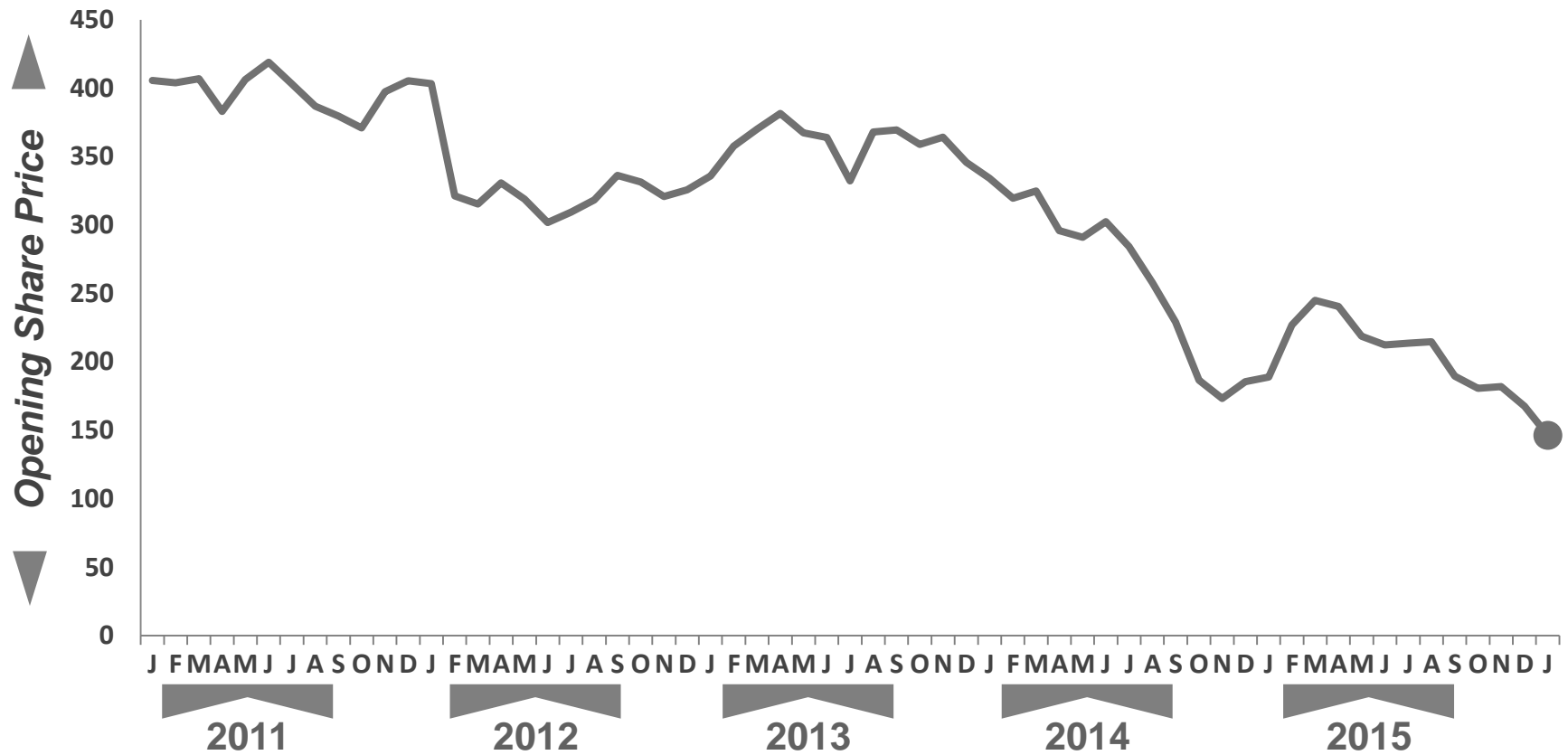
€2.79

10% of sales in 2015  
from innovation

8% of sales through  
Aldi / Lidl

Premiumisation  
through innovation







# 2011

# 2016



- > 27.2% Market Share
- > +6.7% Growth
- > +€11m switching gain



- > 26.1% Market Share
- > +0.3% Growth
- > -€12m switching loss



- > 23.5% Market Share
- > +0.3% Growth
- > +€5m switching gain



- > 9.2% Market Share
- > +12.8% Growth
- > +€5m switching gain



- > 24.6% Market Share
- > +0.1% Growth
- > -€12m switching loss

- > 25.1% Market Share
- > +4.3% Growth
- > +€4m switching gain

- > 24.0% Market Share
- > +5.6% Growth
- > +€5m switching gain

- > 15.9% Market Share
- > +7.1% Growth
- > +€12m switching gain



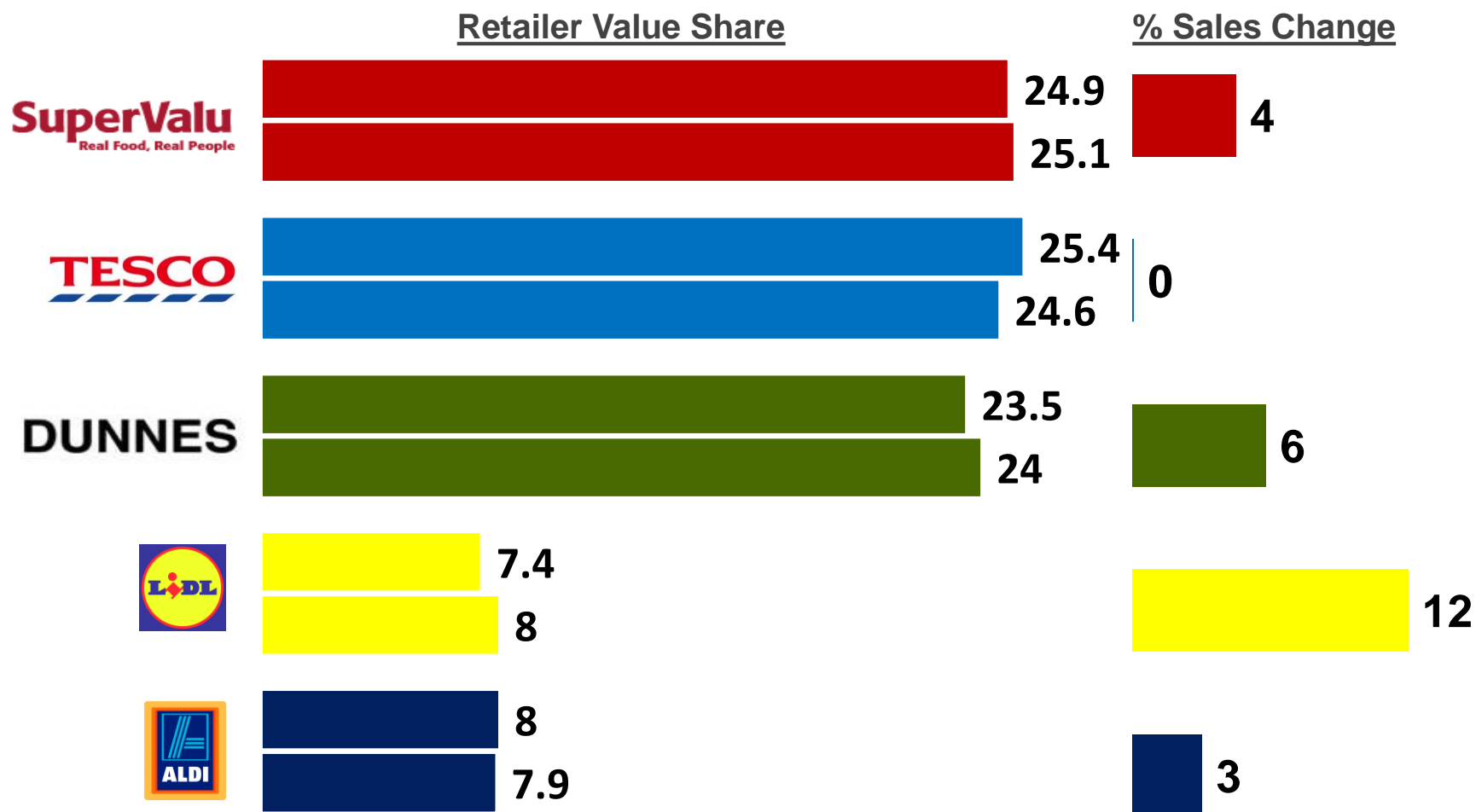


## Specially Selected Fresh Irish Free Range Goose

each **€49.<sup>99</sup>**  
4.3-4.8kg, €11.63-€10.41 per kg

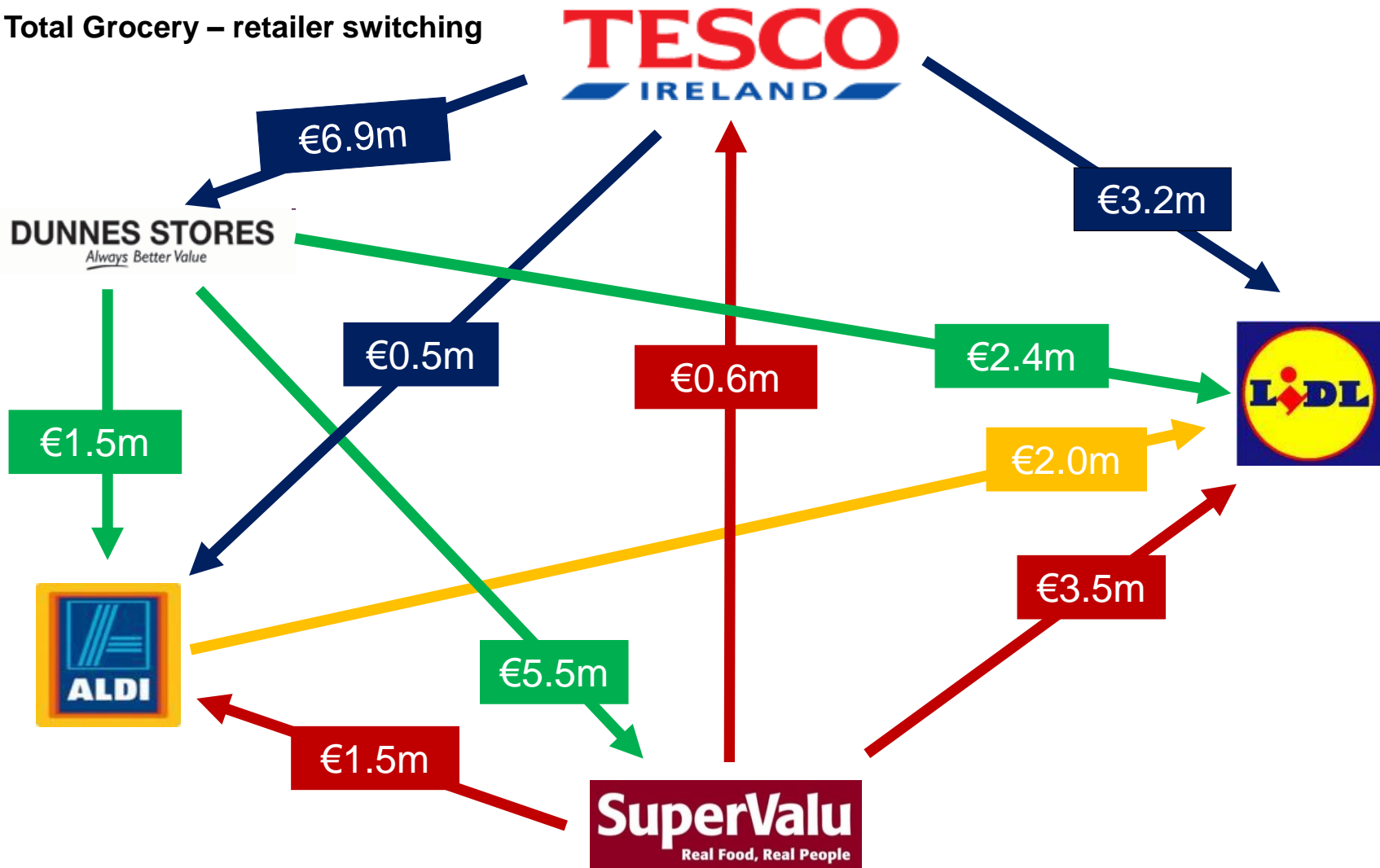


Among the retailers, SuperValu are now number 1 with a gap opened up vs. Tesco



# For Tesco, Dunnes & Lidl are the source of switching loss

12w Total Grocery – retailer switching





Supermarket  
-3%

Convenience  
-2%


Internet  
+8%

Discounters  
+9%

High  
street  
-1%

RT43 (Grocery). KWP 2015 13. 12 w/e 03 Jan 16



A man and a woman are running in a field of tall, dry grass under a clear blue sky. The woman is in the foreground, wearing a black athletic top and leggings with a white stripe. The man is slightly behind her, wearing a white tank top and dark athletic pants. They are both in motion, running towards the right side of the frame.

The **Health** trend continues into 2016 and will remain high on the consumers agenda....

83%

Of Irish Shoppers say they try to lead a Healthy lifestyle

73%

Of Irish Shoppers are aware if food is good for them



# This is not just an Irish trend, we can see this trend holding strong globally....



91% Agree: "I am more worried about my Health this year"



**1 Billion** OBESE adults by 2025

50% Agree: "I will pay more for additive free products"



Google App to calculate calories through Images



From green juices to spinning classes, Health & Wellness is a growing social trend




Walmart Healthy Shopping Trolley counts calories when shopping showing healthy products nearby

Retailers have recognized this and are placing extra importance on Health and Wellness





A young girl with dark hair, wearing a red sleeveless dress, is eating a sandwich outdoors. She is looking towards the camera. The background is a blurred green field with trees.

Shoppers are also increasingly concerned about what their children are eating and ensuring they provide them with

## Healthy Lunches

67%

Of Irish Shoppers say they give their children healthy meals

61%

Of Irish Shoppers say they promote an active life for their kids

# HOW DOES A TYPICAL 2011 LUNCHBOX COMPARE TO ONE TODAY?

2011



2015



A background image showing two hands cupping a small globe. The globe features a green tree on a grassy hill under a blue sky with white clouds and a faint rainbow. The hands are positioned at the top and bottom of the frame, with fingers slightly curled around the globe.

**Buying for a Cause** continues to be popular with consumers, while Brands and Retailers increasingly support charities and communities

**1 in 4**

Irish Shoppers say they will actively look for Fairtrade Products

**65%**

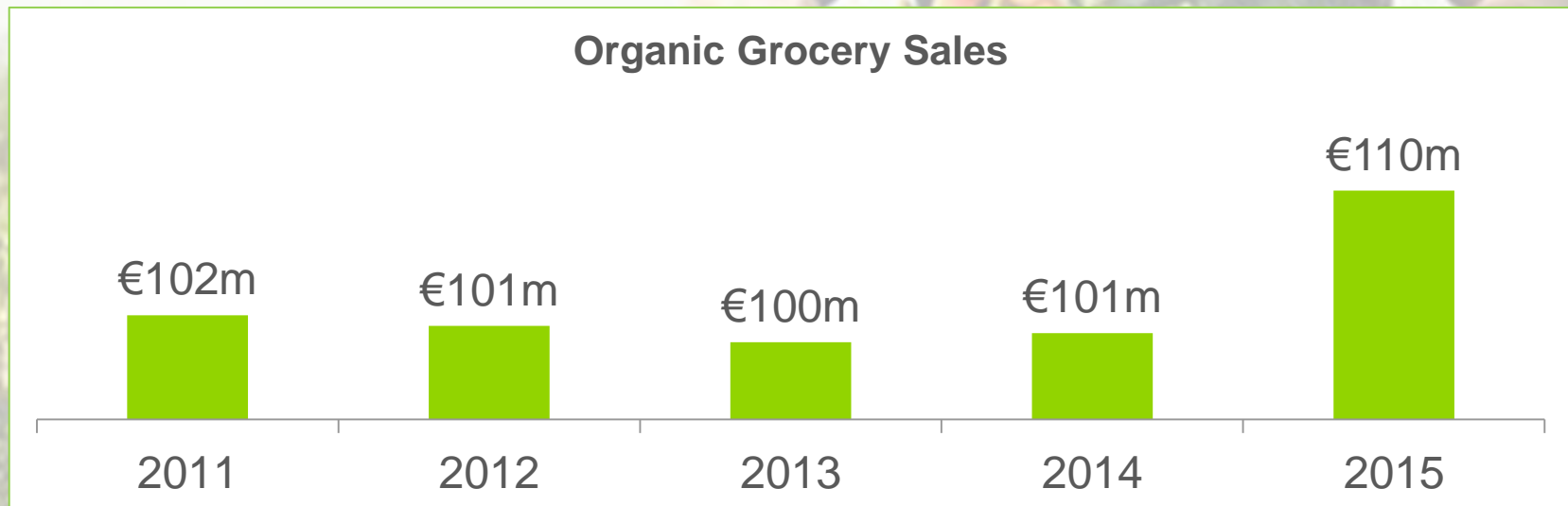
Of Irish Shoppers say they will buy Irish Products when they can



# Buying local continues to be most important to consumers



Irish consumers spent 9% more on Organic groceries in 2015..





# Many Brands champion causes....



One Pack=  
One Life-Saving Vaccine  
Buy Pampers or Fairy Non-Bio and  
help save lives worldwide



# With local initiatives and sponsorships especially popular with the Retailers...




You can drop a gift into our Give A Gift box at your local Aldi store from Monday 23 November to Friday 4 December. Look out for the special Give a Gift box located near the exit door in stores nationwide.



Lidl Ireland and the Dublin  
Crosscare Food Bank have  
joined forces to launch Ireland's  
First Mobile Food Bank





Convenience is becoming an ever more important issue for the modern shopper, who makes on average 188 convenience trips over the year

30%

Growth in online shopping in 2015

28%

Of Irish Shoppers are under time pressure when instore

Retailers have recognised this and are meeting consumer need through 'For Tonight' meal solutions and cross category promotions





# So what does the future hold?



Under 25	+8%
25 – 49	-2%
50+	+13%

Overall	+11%
Average	+2.1%
2020 Value	+€1b

Overall	+7%
Average	+1.3%
2020 Value	+€320M