

The Irish & UK Grocery Retail Landscape



David Berry – Commercial Director, Kantar Worldpanel

The Agenda



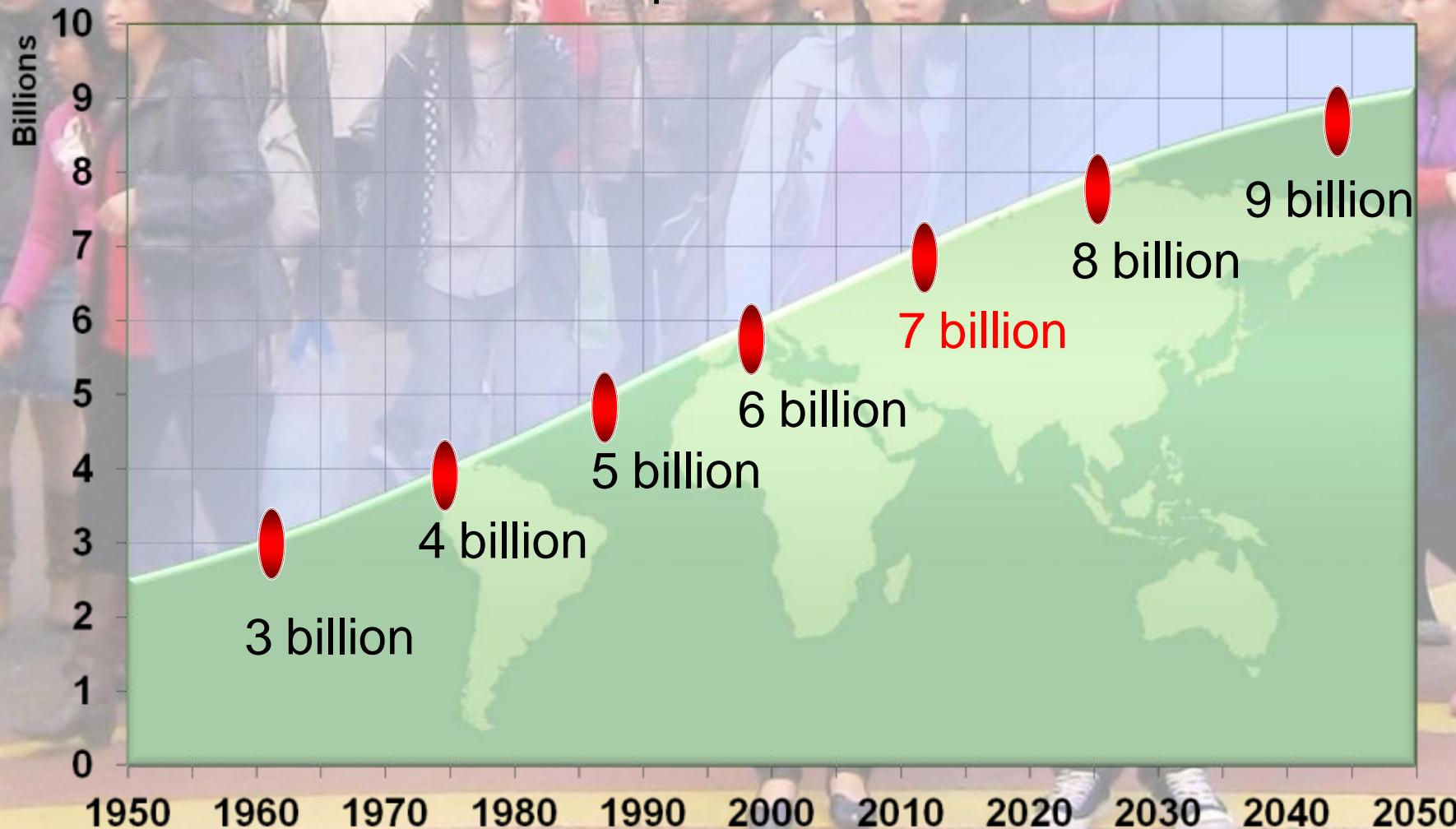
- Global Context
- GB & ROI Market Health
- ROI Key Trends
- GB Key Trends
- ROI Retailer Evaluation
- GB Retailer Evaluation



While the domestic economy continues to struggle
global GDP grows consistently



World Population 1950 - 2050



Source: UN World Population Prospects

World Food Prices



FAO Food Price Index

Customers await bread at bakery in Cairo, Egypt.

The Agenda



Global Context

ROI & GB Market Health

ROI Key Trends

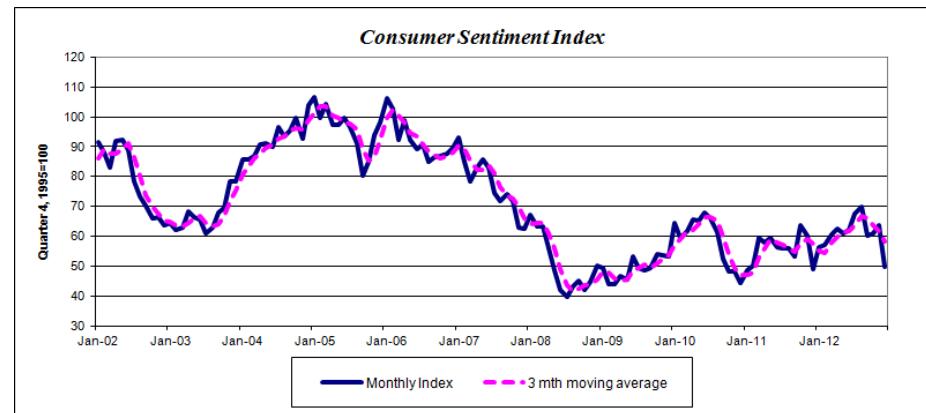
GB Key Trends

ROI Retailer Evaluation

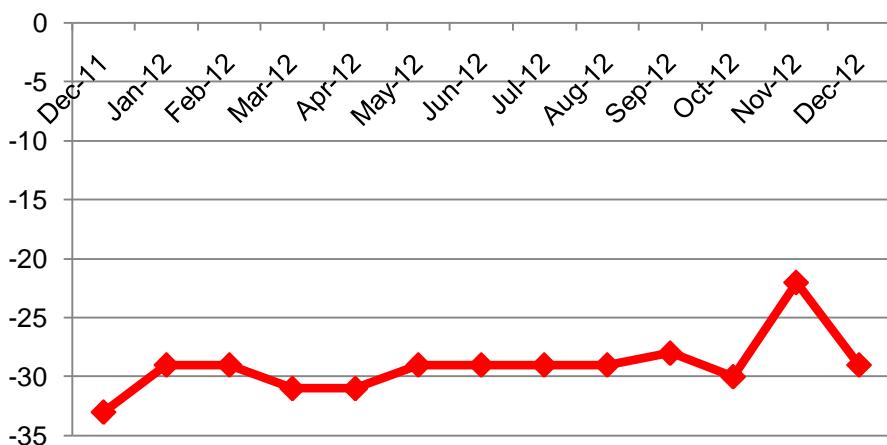
GB Retailer Evaluation



Cash strapped, cautious although (slightly) less fearful



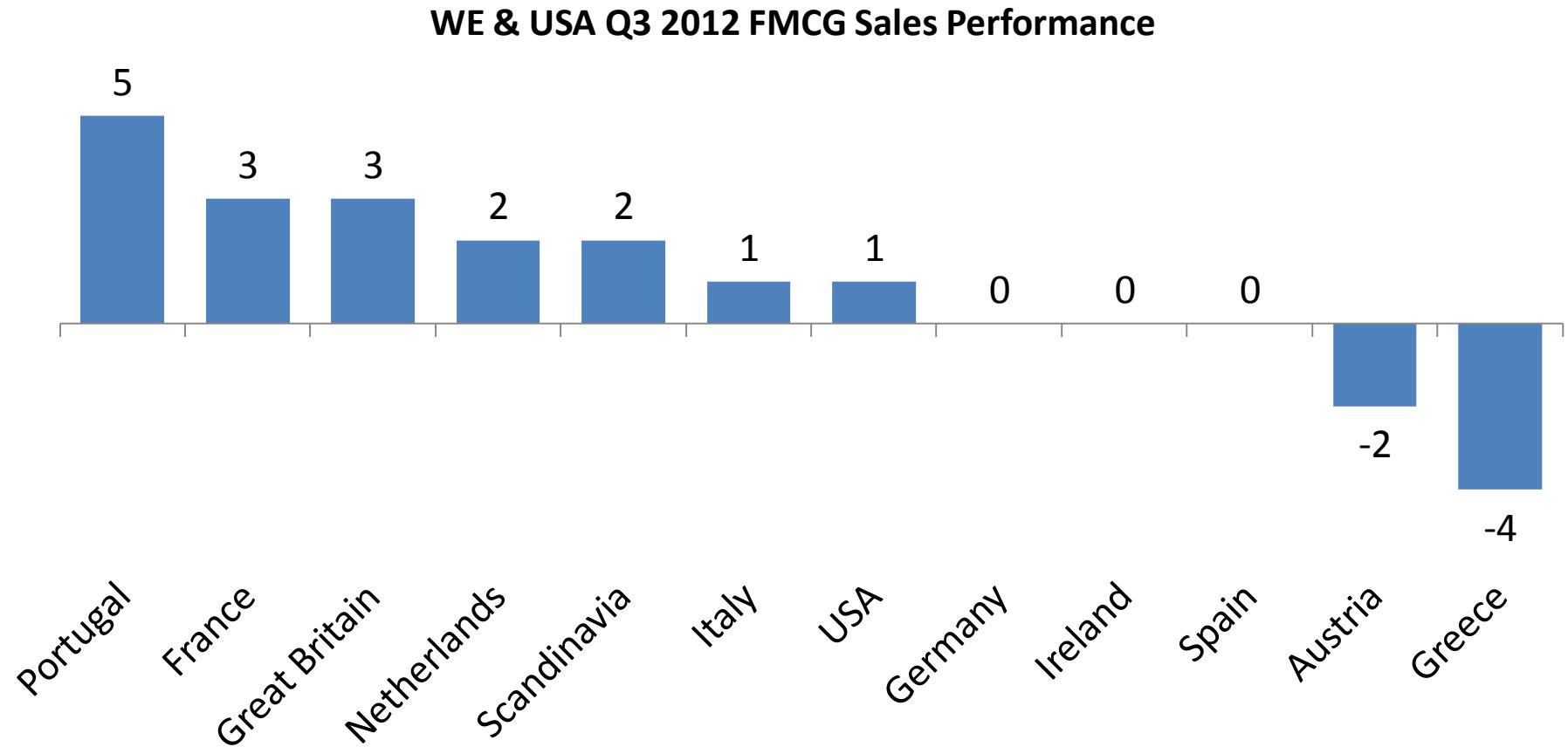
◆ UK Consumer Confidence Index



Nationwide (Up to May 2012)/ESRI (Up to Sep 2012) Consumer Confidence Index



3% market growth in GB adds £3bn, Irish market remains flat



How do the two grocery markets compare?



Market Size	€9b	£100b
Grocery Spend per HH	€5,400	£3,800
Market Growth	0%	+3%
Price Inflation	5%	+4.5%

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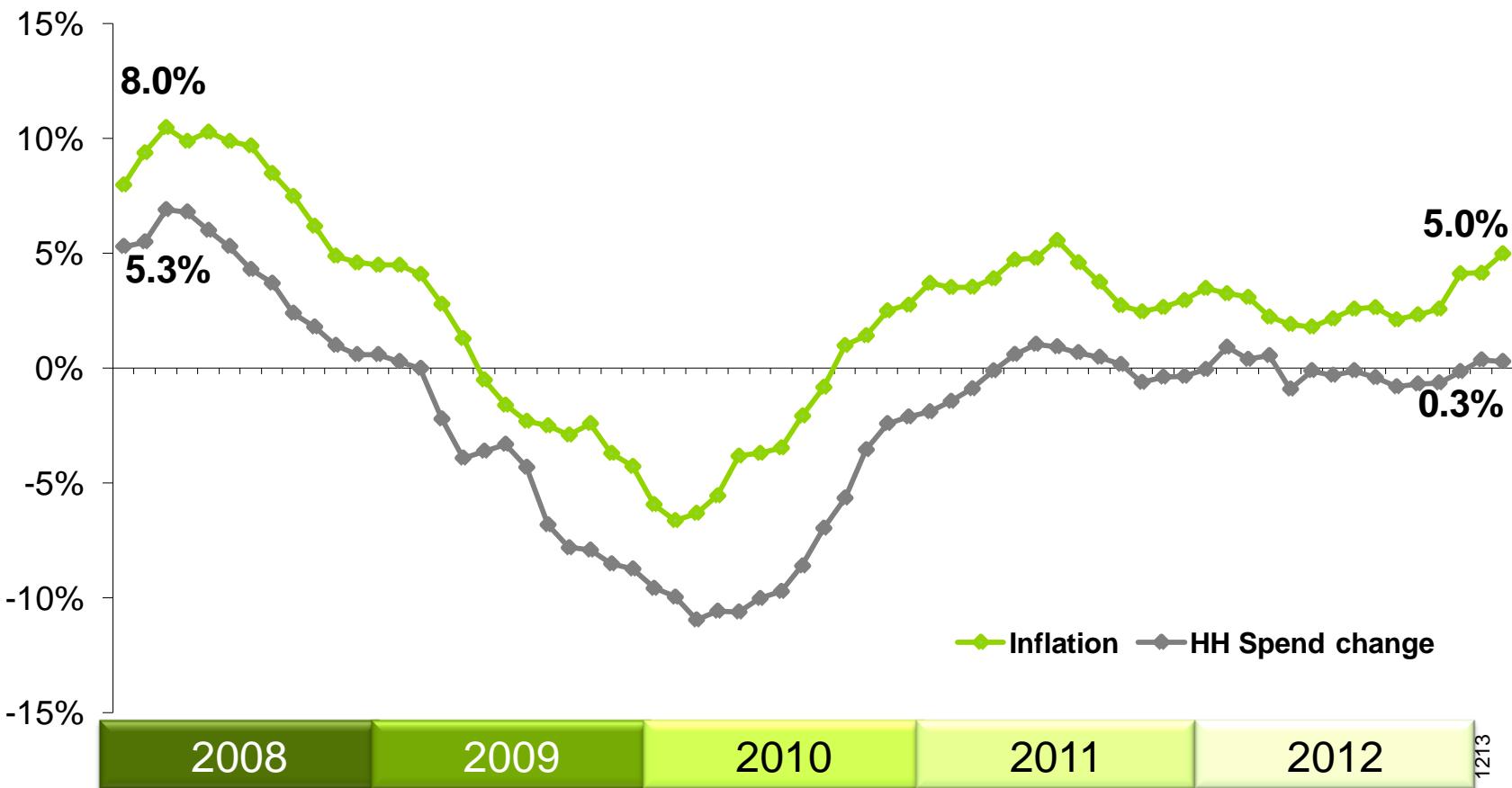
GB Key Trends

ROI Retailer Evaluation

GB Retailer Evaluation



Despite increasing inflation shoppers continue to restrict their spend





So how are
shoppers
coping?



Buy less

-1%



Store choice

-1%



Trade Down

-3%



47% 2012



46% 2011



44% 2010

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Grocery Market Growth v. Inflation

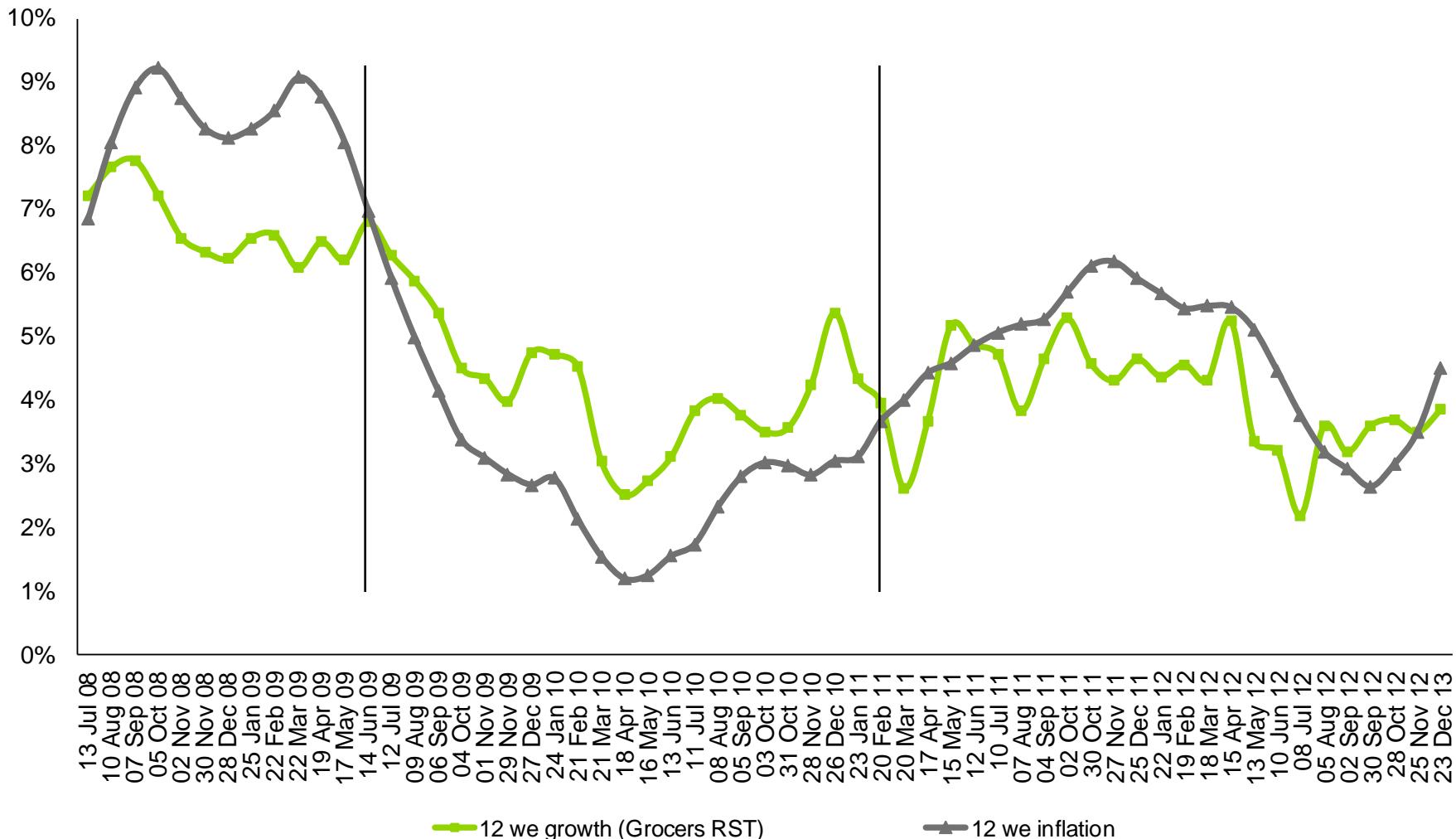
Now trailing inflation again



Phase 1

Phase 2

Phase 3





So how are
shoppers
coping?



Buy less

+1%



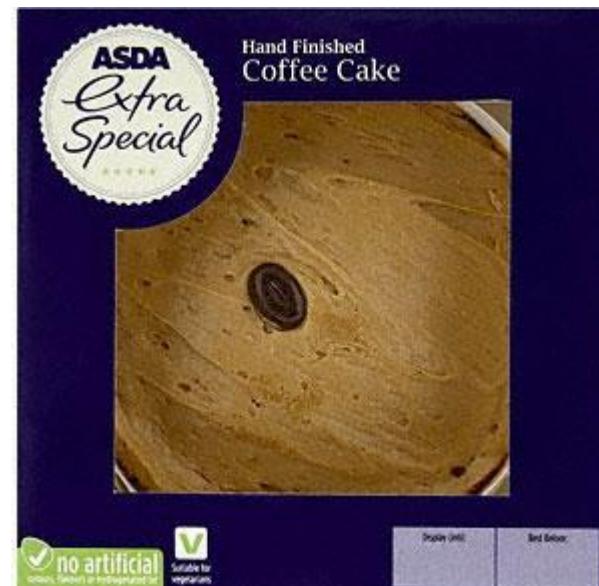
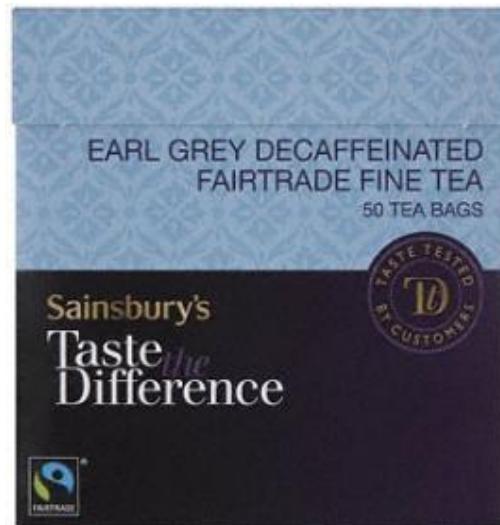
Store choice

NC



Trade Down

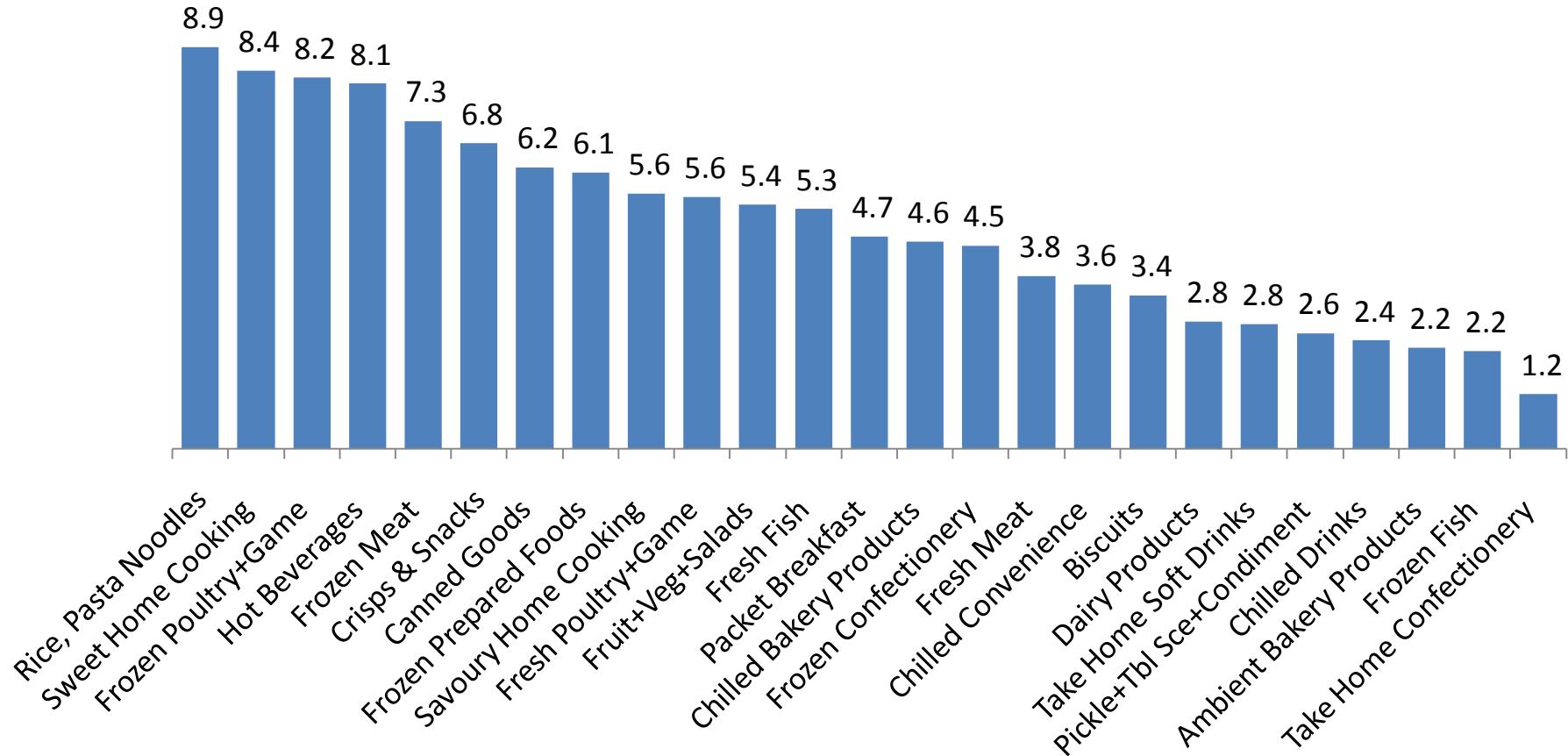
-2%



Cross category sales performance

Every category within grocery is showing sales growth

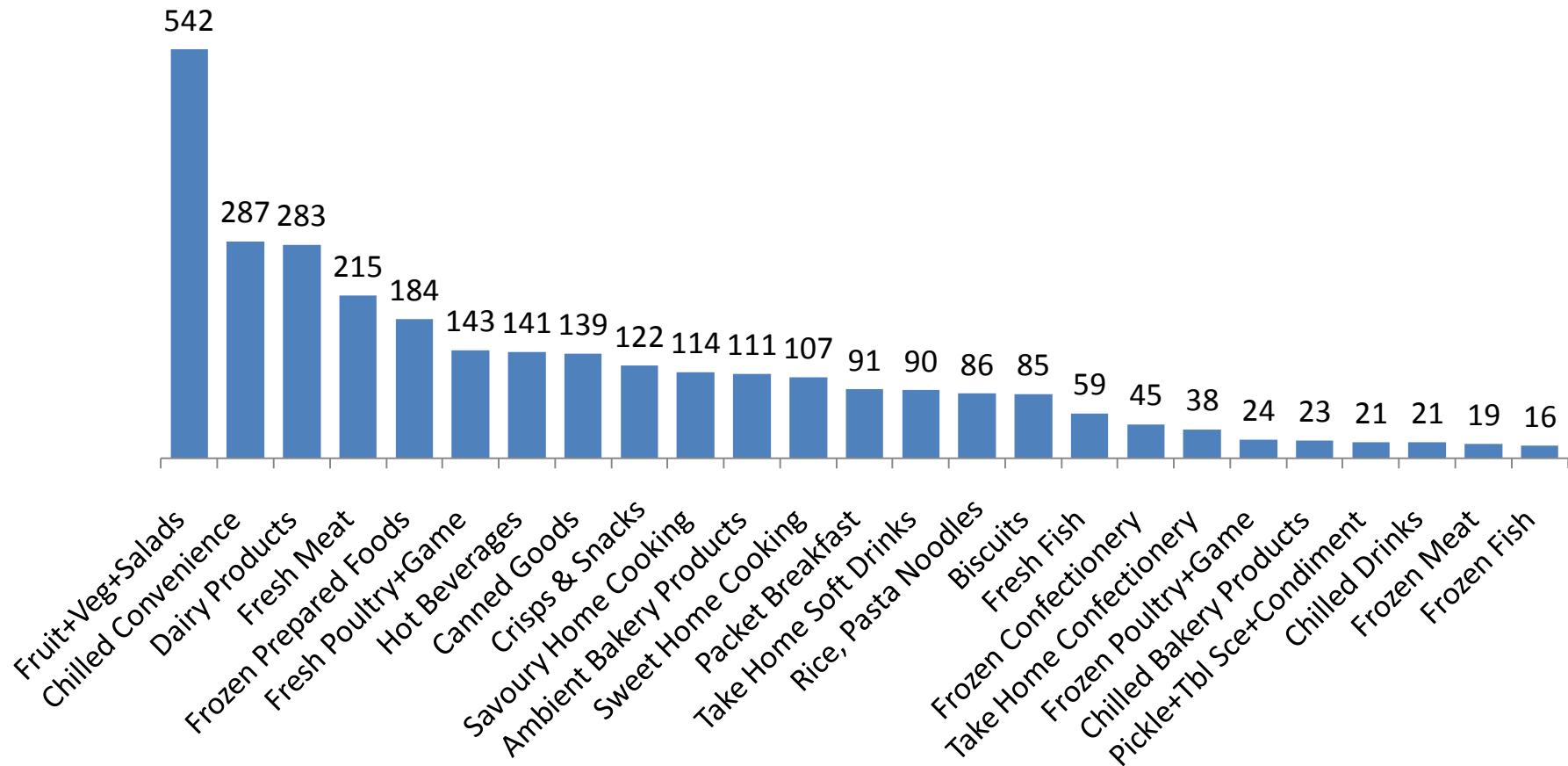
GB Grocery Category Sales Change (%)



Cross category sales growth

The Fresh Food categories have added the most in absolute sales

GB Grocery Category Absolute Sales Growth - £m



Multi-channel shopping is a growing dynamic in GB





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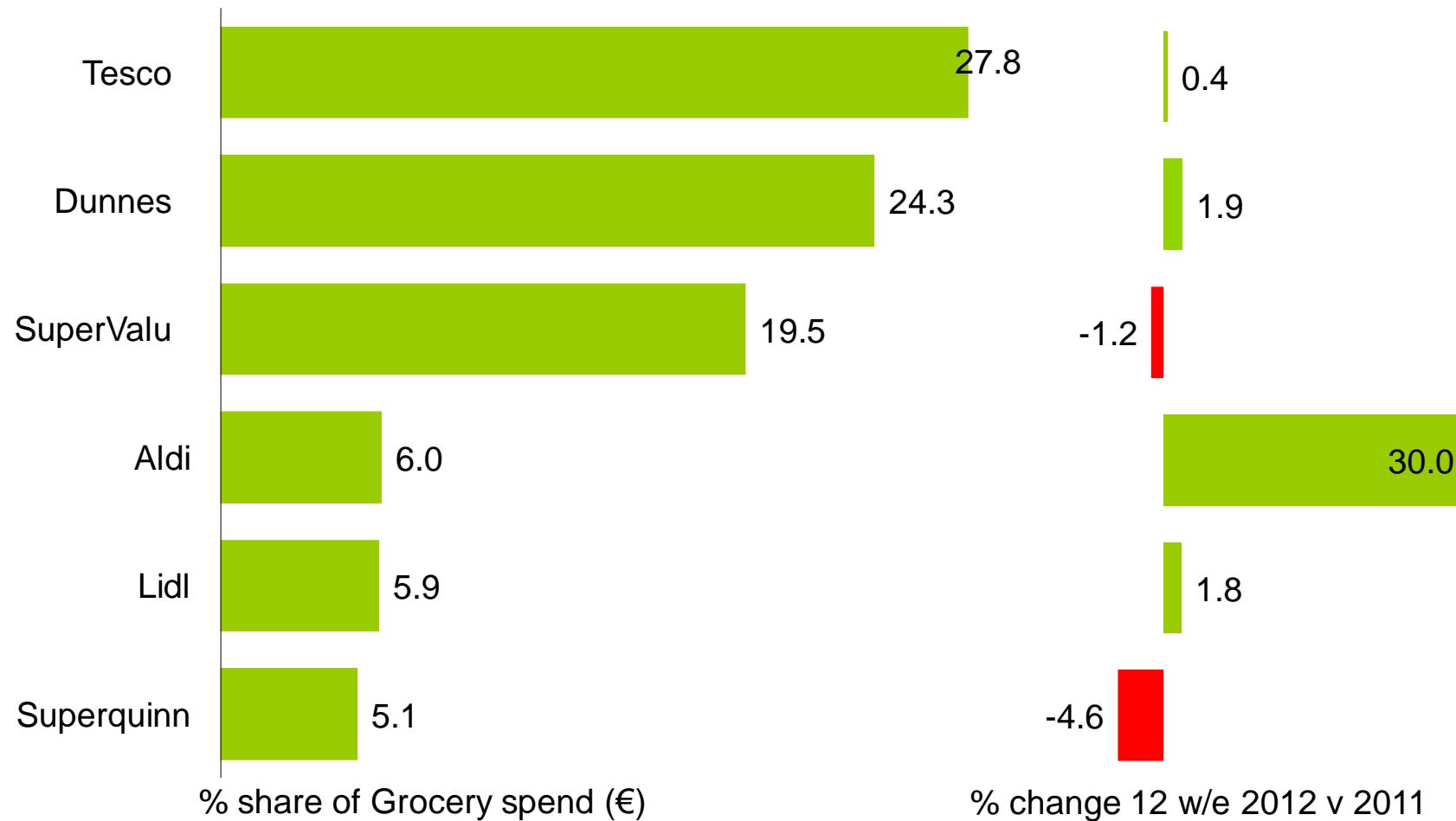
GB Key Trends

> ROI Retailer Evaluation

GB Retailer Evaluation



Dunnes returned to growth for the Christmas period





Objectives:

- Maintain growth ahead of the market
- Leave no reason to shop elsewhere
- Drive value credentials
- Build shopper empathy

How will this be achieved:

- Push multi-channel, especially in Dublin
- Use key events to drive excitement in store
- Drive value to counter Discounter threat
- Improve quality & image of fresh through Homegrown

Objectives:

- Sustain momentum
- Excellent in store execution
- Use ValueClub around key events
- Compete on value

How will this be achieved:

- Targeted use of ValueClub
- Use the big brands our shoppers love
- Clarity & strength of promotional offers

Objectives:

- Retain loyal shoppers
- Win back lapsed shoppers
- Build direct link to shoppers & their community
- Grow through offering new ranges & services

How will this be achieved:

- Providing clear value for money
- Own Brand focus
- Leadership in Fresh Food
- Innovation in store & through IT



Objectives:

Continue to improve sales performance
Reinvigorate traditional strengths
Re-engage with the consumer

How will this be achieved:

Build relationships with shoppers
Relaunch the savings card
Refresh in store environment
Leverage traditional strengths – Fresh & Leinster

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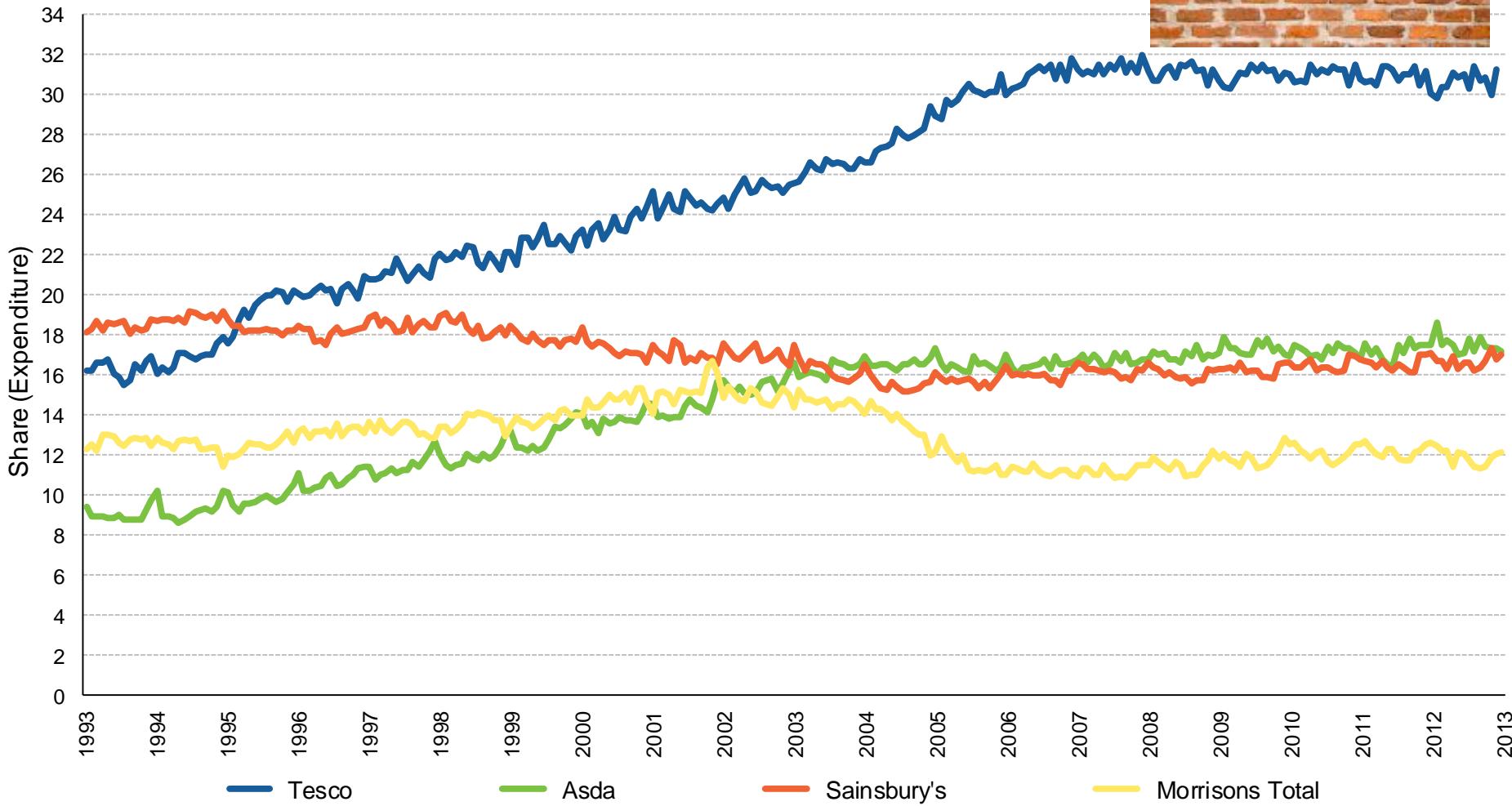
GB Key Trends

ROI Retailer Evaluation

➤ GB Retailer Evaluation



Long-Term Share of Till Roll Grocers



TESCO



TESCO directDOUBLE CLUBCARD
POINTS ***Groceries &
Wine**UP TO 50% OFF SELECTED
WINE AND CHAMPAGNE****Entertainment & Digital**PRE-ORDER NOW
SEX AND THE CITY**Finance &
Insurance****TESCO** Compare**Phones &
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Great New Range!

**More Online
Stores**triple clubcard points
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BRITAIN'S BIGGEST DISCOUNTER IS NOW OPEN.

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Our price promise to you.

We'll give you a voucher for the difference* if your comparable grocery shopping is cheaper at Asda, Sainsbury's or Morrisons.

*Up to a maximum of £10. Your shop must contain at least 8 unique items.

Where did you last shop?

[In store](#) ►

[Online](#) ►



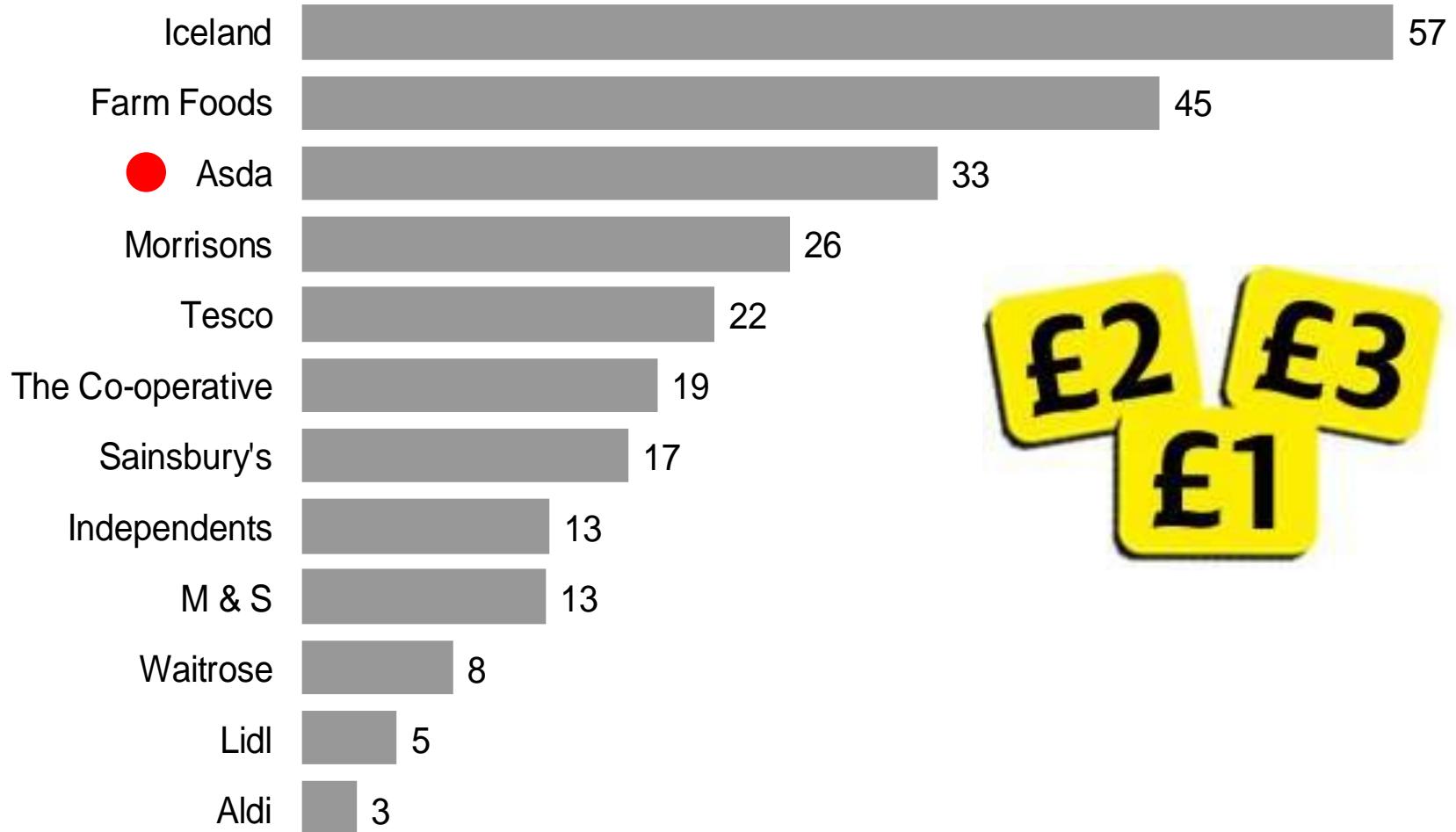


Always **LOW PRICES**



ASDA SAVING YOU MONEY EVERY DAY

Grocery Share at Round Pound Prices £1/2/3/4 - £%



12 w/e Dec 23 2012



Chosen By You Home

Frozen

Chilled

Bakery



Frozen



Chilled



Bakery

TRIED, TASTED AND CHOSEN BY YOU

At Asda we are passionate about providing customers with quality food that tastes great and are proud about the fact that we've won hundreds of own label food awards.

We believe customers are the best judges of food quality. That's why we've asked people up and down the country to try over 3,500 of our Asda brand products. An independent company has conducted more than 200,000 blind taste tests and only when our products have met customers' high standards have we relabelled them 'Chosen by you'. That way, whenever you see the name 'Chosen by you' you can be confident you are buying great tasting products every time you shop.



ASIA Supermarket



Sainsbury's

Balance



Value ↗

Values ↗



Sainsbury's
20 by 20
Sustainability
Plan

OUR VALUES
MAKE US
DIFFERENT
sainsbury.co.uk/cr

Live
Well
For
Less
Sainsbury's



› Brand Match

Save at Sainsbury's with Brand Match

When you shop instore with us you'll never pay more for brands than at Asda or Tesco. It's simple.



Tesco



Sainsbury's



Asda



Introducing Brand Match

Spend £20 or more, with at least one branded product in your basket, and we'll work out any difference in the price compared with Asda and Tesco. If the same branded items could have been bought for less, we'll give you a coupon* for the difference.



Watch demo



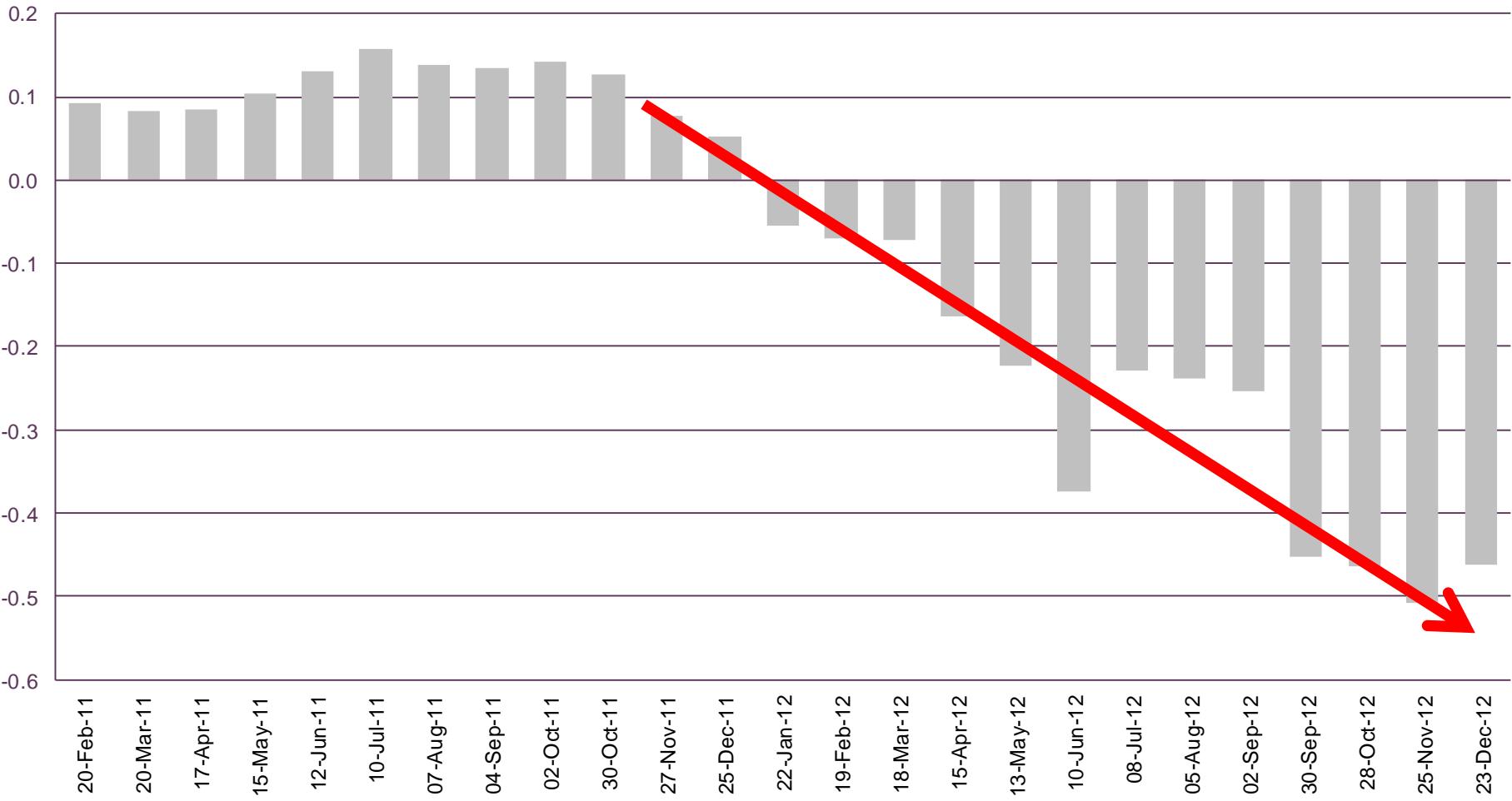
MARKET STREET





MORRISONS

Morrisons Share Change - 12 week share year-on-year change



a



FRESH FISH



£5
each

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[The Morrisons Farm at Dumfries House](#)

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Search for a recipe to plan your perfect menu.

[Advanced search >](#)

Quick Wine Chooser

Which colour do you like?

Got a price in mind?

How do you like it?

The Morrisons Farm at Dumfries House



Welcome to The Morrisons Farm at Dumfries House.

At Morrisons, we are passionate about fresh food and the brilliant British farmers who supply us with it. That's why we now have our very own farm in Scotland – The Morrisons Farm at Dumfries House – and are rolling out a UK-wide farm research programme aimed at helping to build a sustainable British farming industry.

By farming ourselves, we will get an even better idea of the challenges that face farmers and we hope the lessons we learn will benefit not only our suppliers, but many other farmers in Scotland and the rest of the UK. In the future we plan to open The Morrisons Farm at Dumfries House to visits from schools taking part in [Let's Grow](#), so kids can see for themselves where their food comes from.



The latest news

The Morrisons Farm at Dumfries House has undergone a major transformation over the summer months. We've built a new cattle shed to allow us to increase the size of our

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WINNER



Fresh Produce Retailer of the Year

2010 Retail Industry AWARDS

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5 key points...

- 1) Positive long term global food possibilities
- 2) Consumers remain cautious in ROI & GB
- 3) GB marketplace more positive
- 4) Fresh Food a major GB growth area
- 5) Know your retailer & find a fit