



Bord Bia's
Brexit Barometer 2018





Gwladys Hall

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KANTAR WORLDPANEL

All Change?

Fluid Times for UK Grocery

Gwladys Hall
Bord Bia

21 June 2018

Wetherspoon to ditch champagne and German beer before Brexit

Pub chain's pro-Brexit chairman says new sourcing will save customers money



The Triple-A of the UK Grocery Market



ACQUISITION

Retailer Landscape



ADAPTATION

Brand Growth



ALTRUISM

Sugar & Plastic





ACQUISITION

Retailer Landscape

Acquisition?

NEWS

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Sainsbury's vows Asda deal will cut prices

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Sainsbury's-Asda merger



John Lewis rejects rumours of Waitrose takeover talks with Amazon

By Elias Johanson - May 8, 2018

A green sign with the word 'Waitrose' in white, mounted on a white post.

Tesco-Booker mega merger is paying-off, so far

As a profitability drive, Tesco UK CEO, Charles Wilson (ex Booker CEO) is closing Tesco Direct



UK & IRELAND NEWS SUPERMARKETS

Tesco Continues Recovery With Booker Performing Well

15th June 2018

Tesco said today that its growth plans remained on track after posting its tenth consecutive quarter of rising like-for-like sales and revealing particularly strong performance of its newly-acquired Booker unit.



TESCO DIRECT CLOSES What's in the Tesco Direct sale, when is it closing down and why has the Amazon rival been axed?

The website was set up as a rival to Amazon, and is a platform for independent retailers to sell their products through the site

By Jacob Dimhuber

5th June 2018, 12:35 pm | Updated: 5th June 2018, 12:52 pm

We've asked our panellists what they thought of this announcement

Using our new Shoppix App



Worldpanel Plus

SAINSBURY'S AND ASDA: WHAT 10,864 SHOPPERS IMMEDIATELY THINK

4 out of 5 shoppers are OK with the proposal

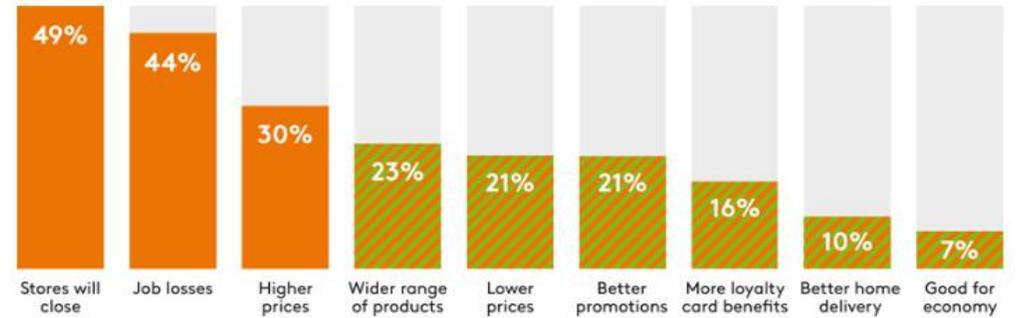
Is the merger a good thing for shoppers?



People who have shopped both Sainsbury's and Asda

Despite concerns, shoppers hope for wider ranges and more promotions

What do you think will happen in the stores?



People who have shopped both Sainsbury's and Asda

Choice, quality and price are top of mind worries

Verbatim



People who have shopped both Sainsbury's and Asda

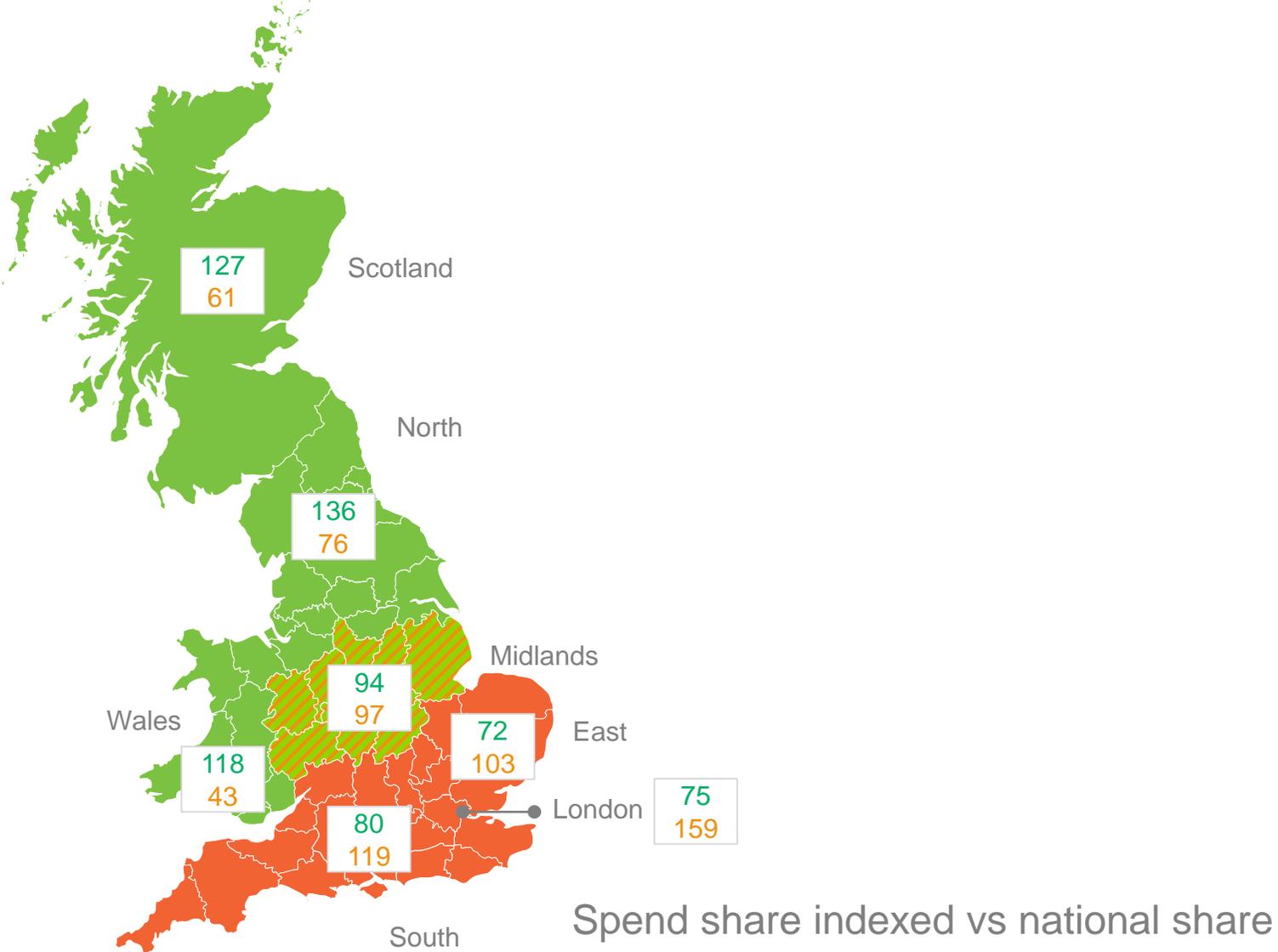
Sainsbury's shoppers think prices will drop, Asda shoppers fear they will rise



People who have only shopped one of a Sainsbury's or Asda

Asda & Sainsbury's shoppers base are geographically complementary

Asda share vs national average
 Sainsbury's share vs national average

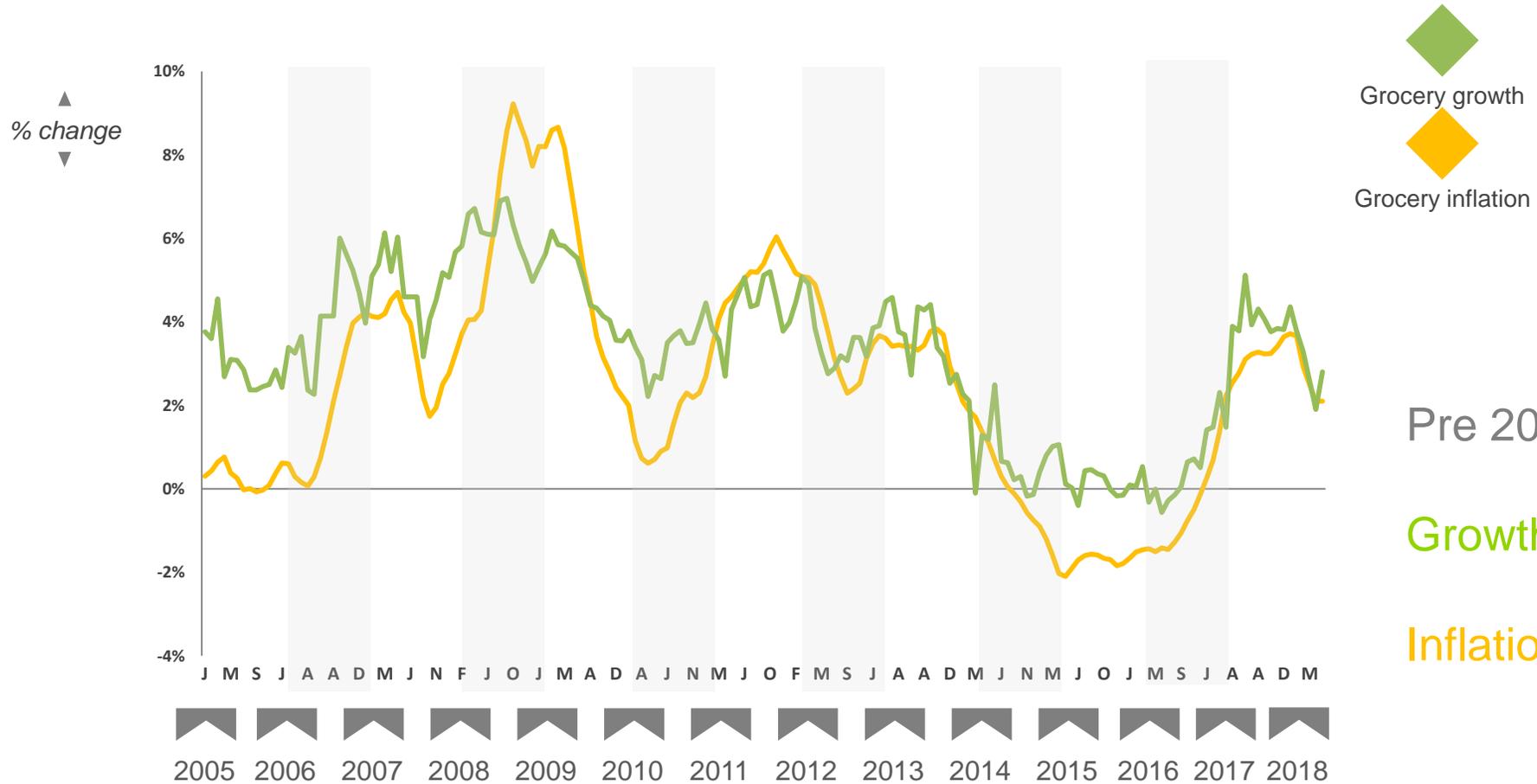


91% of Households have shopped in Sainsbury's or Asda last year



UK Grocery growth & like for like inflation

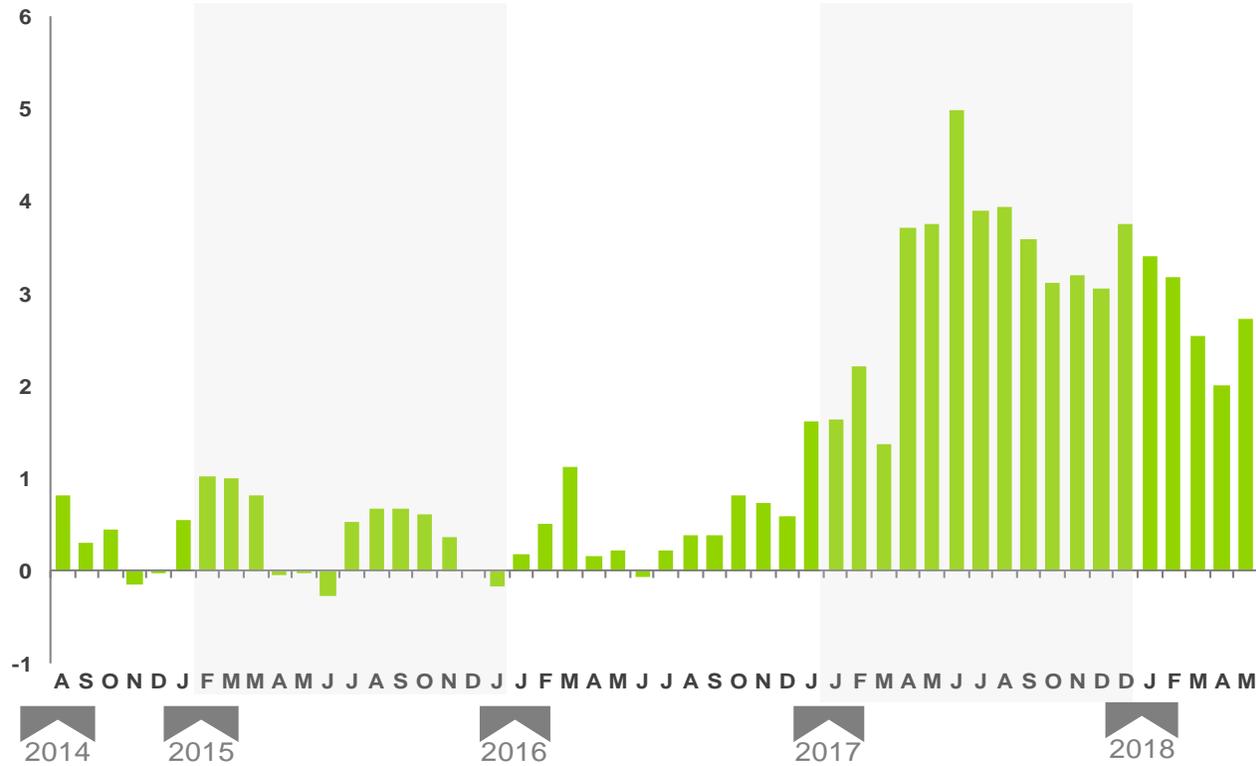
Inflation now running at 2.1%



Till roll growth

Grocers up +2.7%

▲
% spend growth
▼



◆
Grocers

+2.7%

Growth

+2.1%

Inflation

-1.1%

Frequency

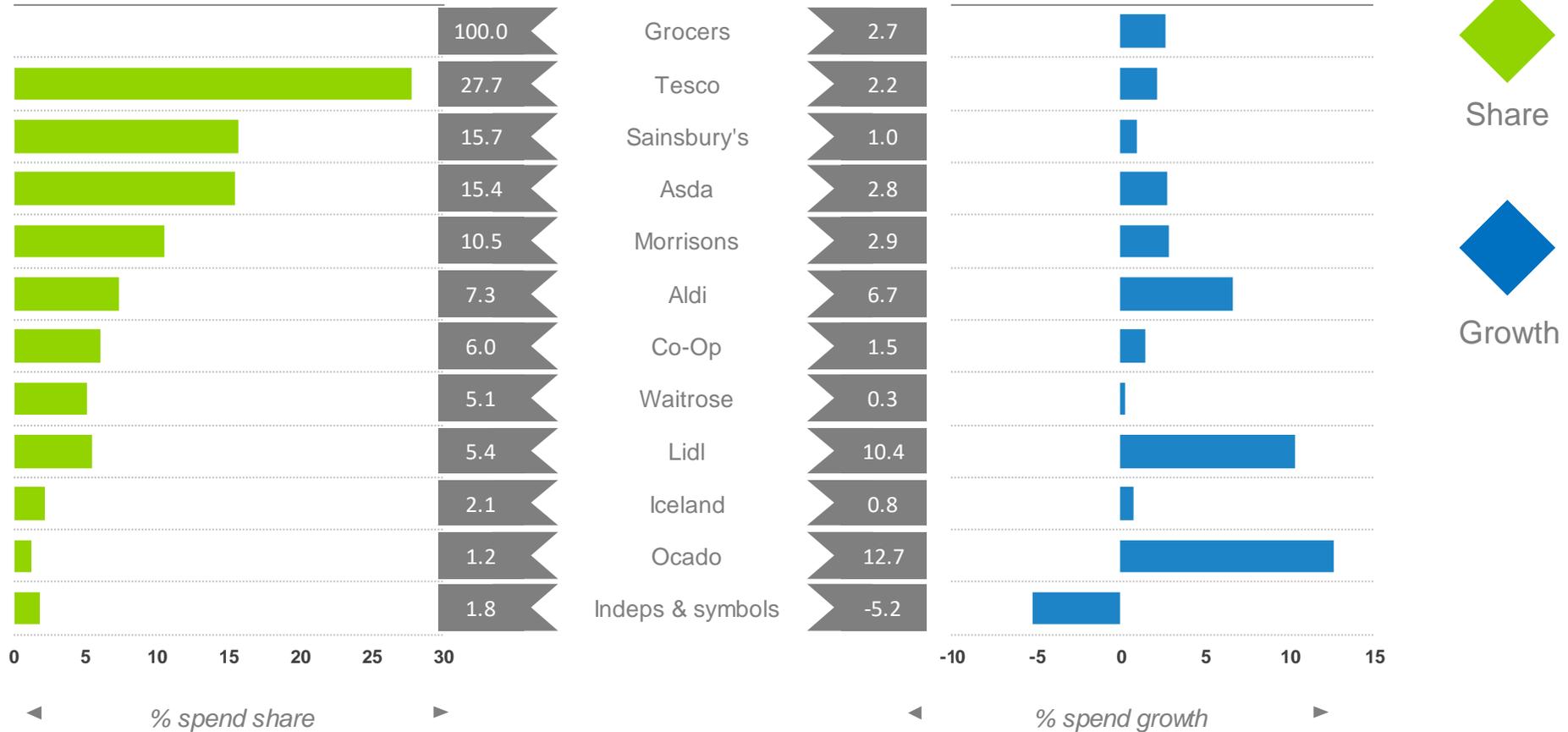
+1.1%

Basket Size

Till Roll. KWP 2018 05. 12 w/e 20 May 18

Till roll market share & growth

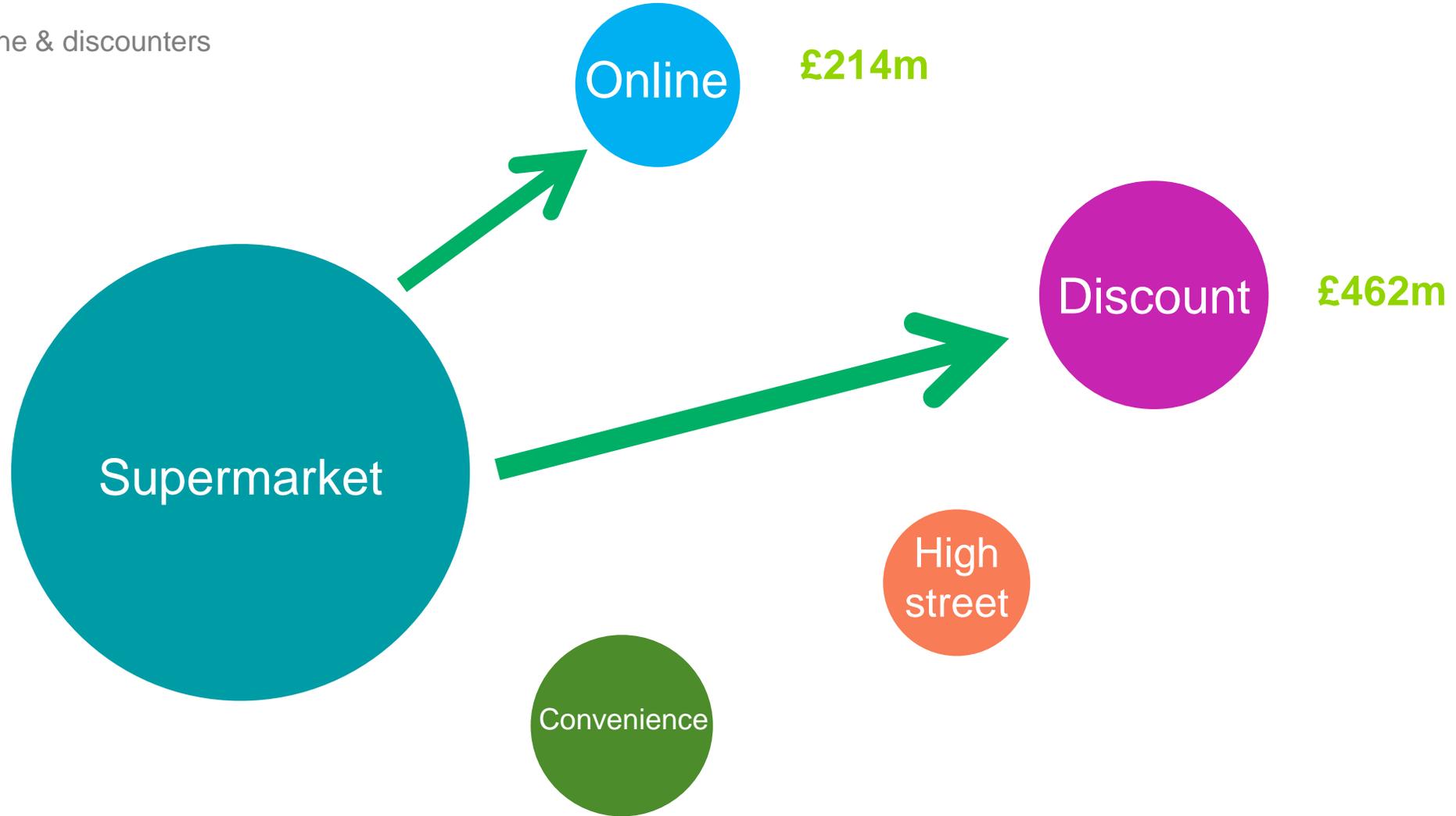
Vs one year ago



Till Roll. KWP 2018 05. 12 w/e 20 May 18

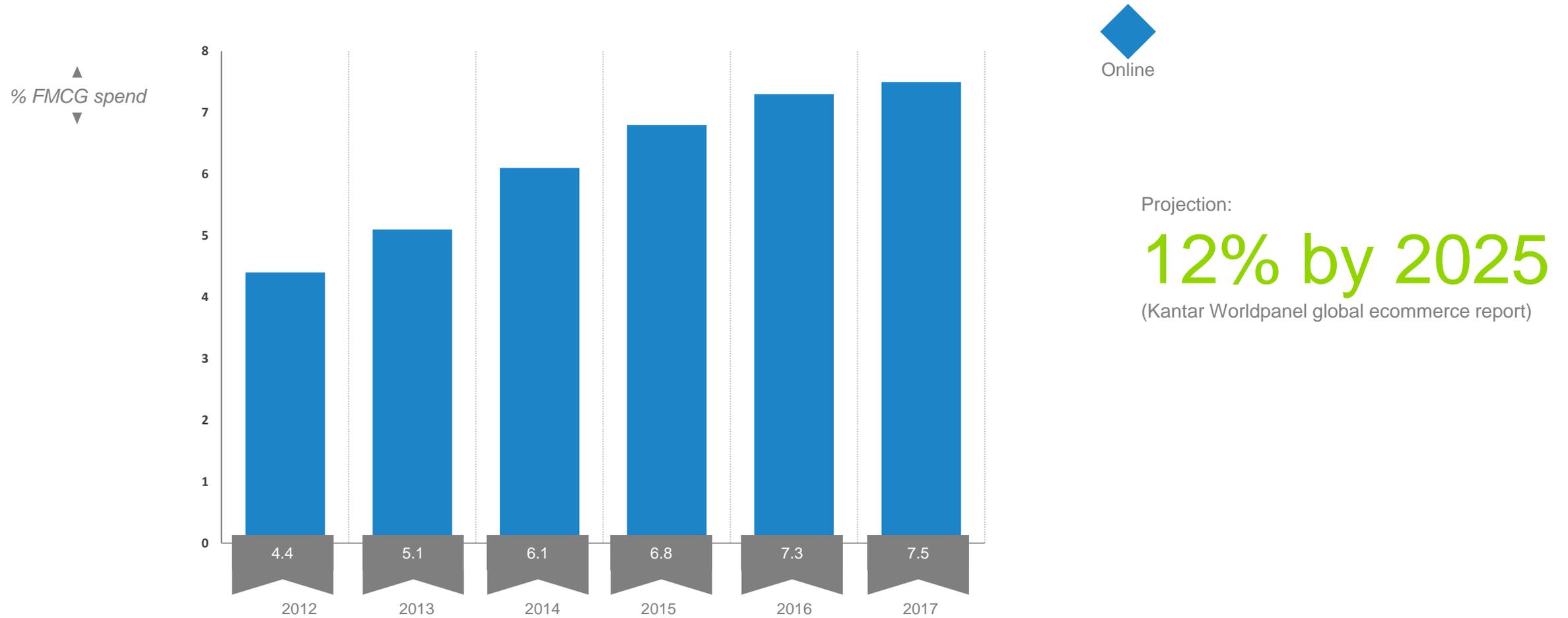
UK Channel switching

Still about online & discounters



Online share of UK grocery

Share growth slowing to under 0.5%pts per annum



Aldi + Lidl UK market share

62% of the population shopping there in 12 weeks. Larger basket sizes too.



4.1%

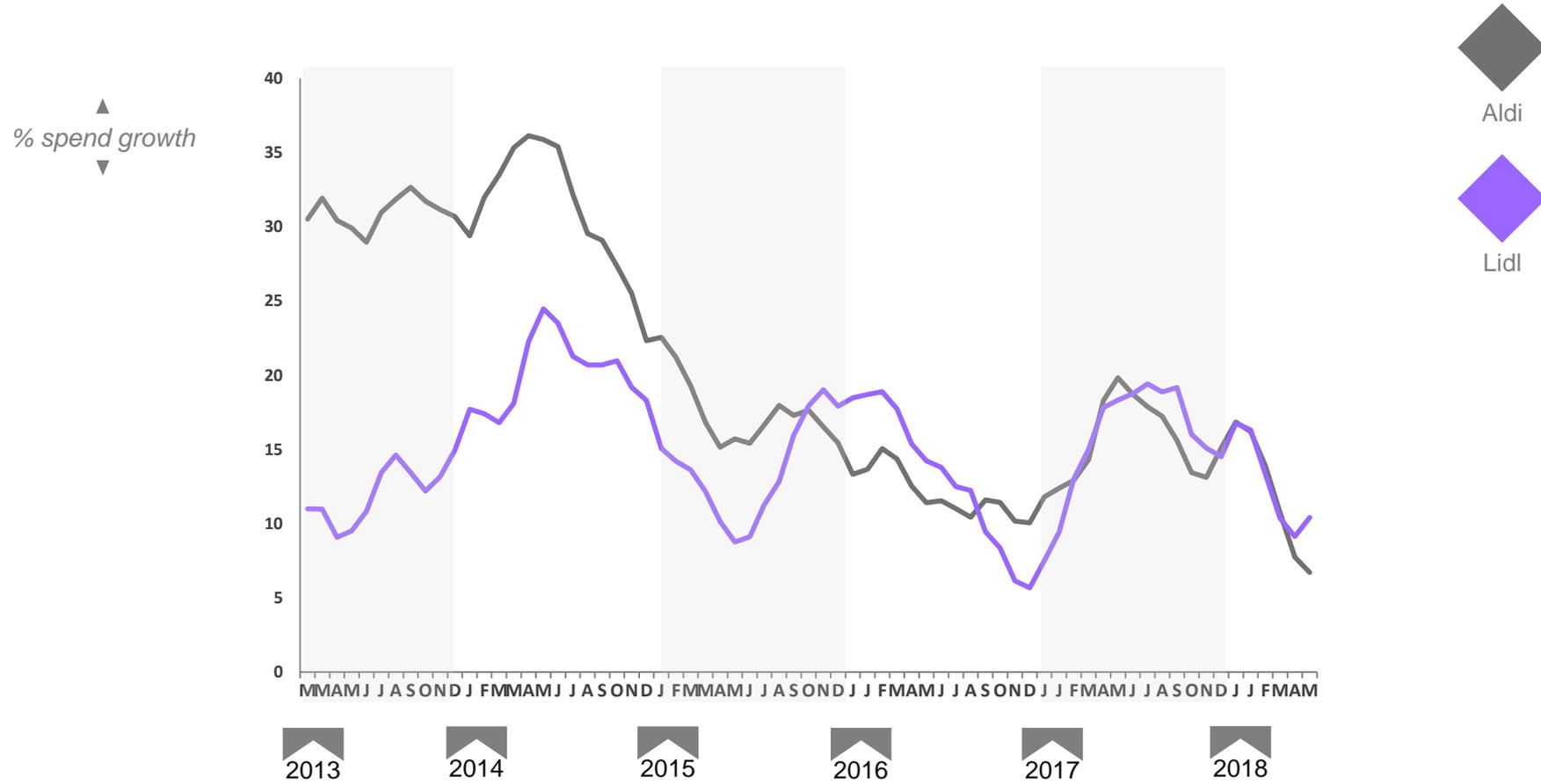
May 2008

12.7%

May 2018

Aldi & Lidl UK growth

Slowing again



UK Discounters vs. Bargain Stores

Smaller basket sizes mean bargain stores are 3 times smaller in sales

+9%

ALDI & LIDL

VALUE



£2.9bn

PENETRATION



62%

FREQUENCY



9

TRIP SPEND



£19.17

+3%

BARGAIN STORES

VALUE



£1.0bn

PENETRATION



54%

FREQUENCY



10

TRIP SPEND



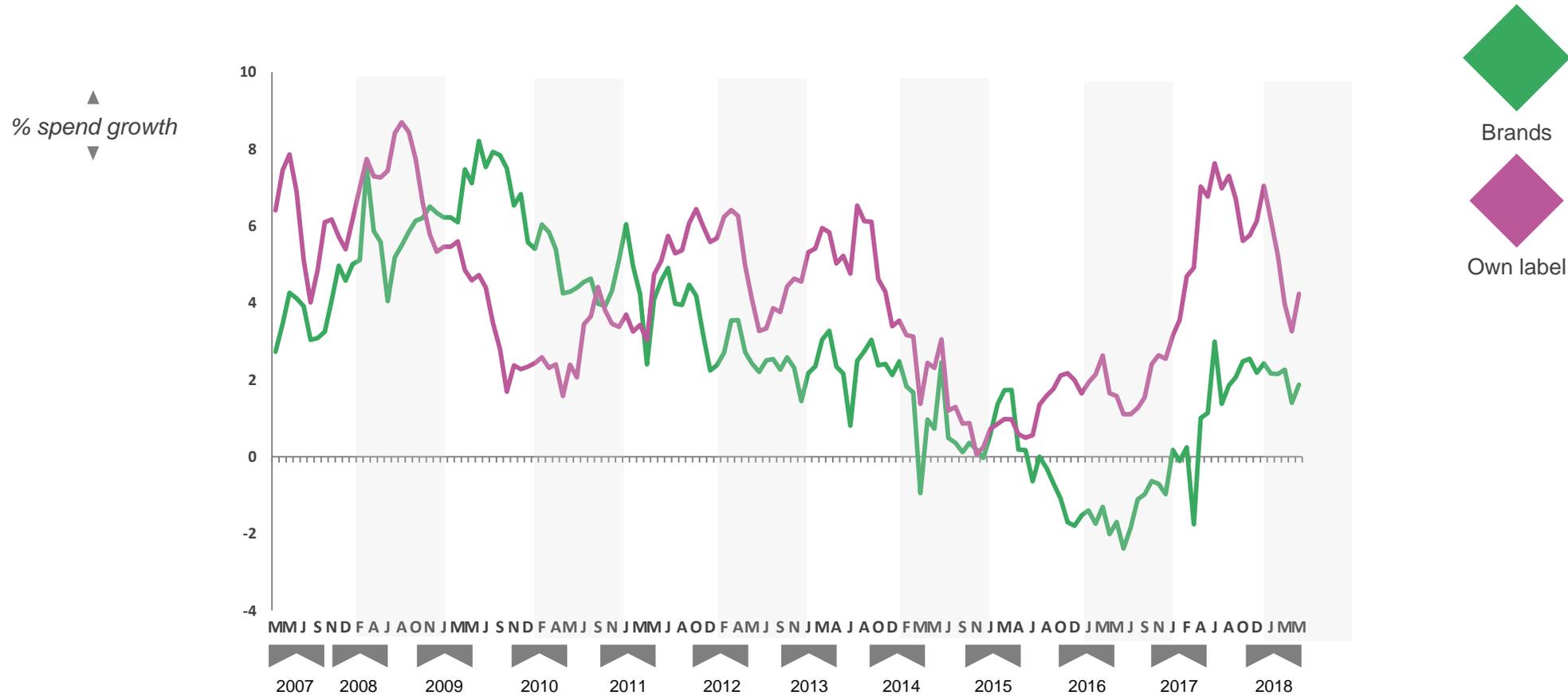
£6.35

Adaptation Brand Growth



Branded vs. Own label trend in the UK

Own label continues to grow much faster than brands, but gap is closing



UK Own labels are diversifying and targeting new consumer based

Shopper choices save money, but also potentially trading up or going vegan!



Value own label

+3%



Standard own label

+4%



Brands

+2%



Premium own label

+8%



UK Brand Footprint

5 sector reports



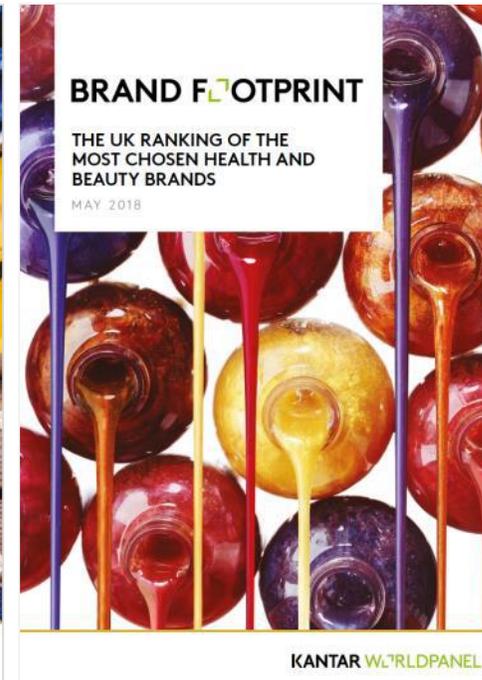
Beverages



Dairy



Food



Health and
beauty

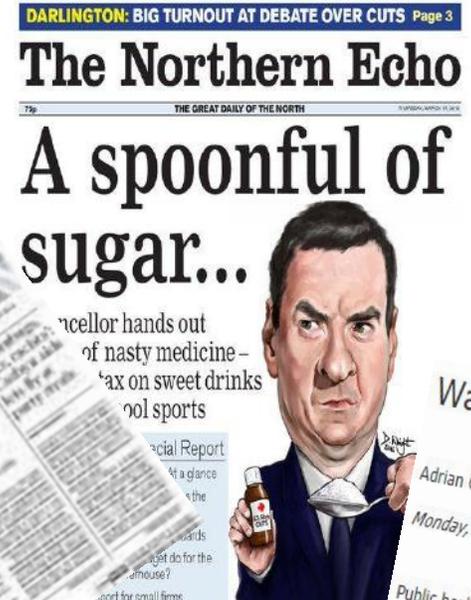


Homecare

Altruism Sugar & Plastic

Altruism...

People think juice is good for them. They're wrong.



Warning issued on high sugar content in snacks

Adrian O'Dowd

Monday, 26 March 2018

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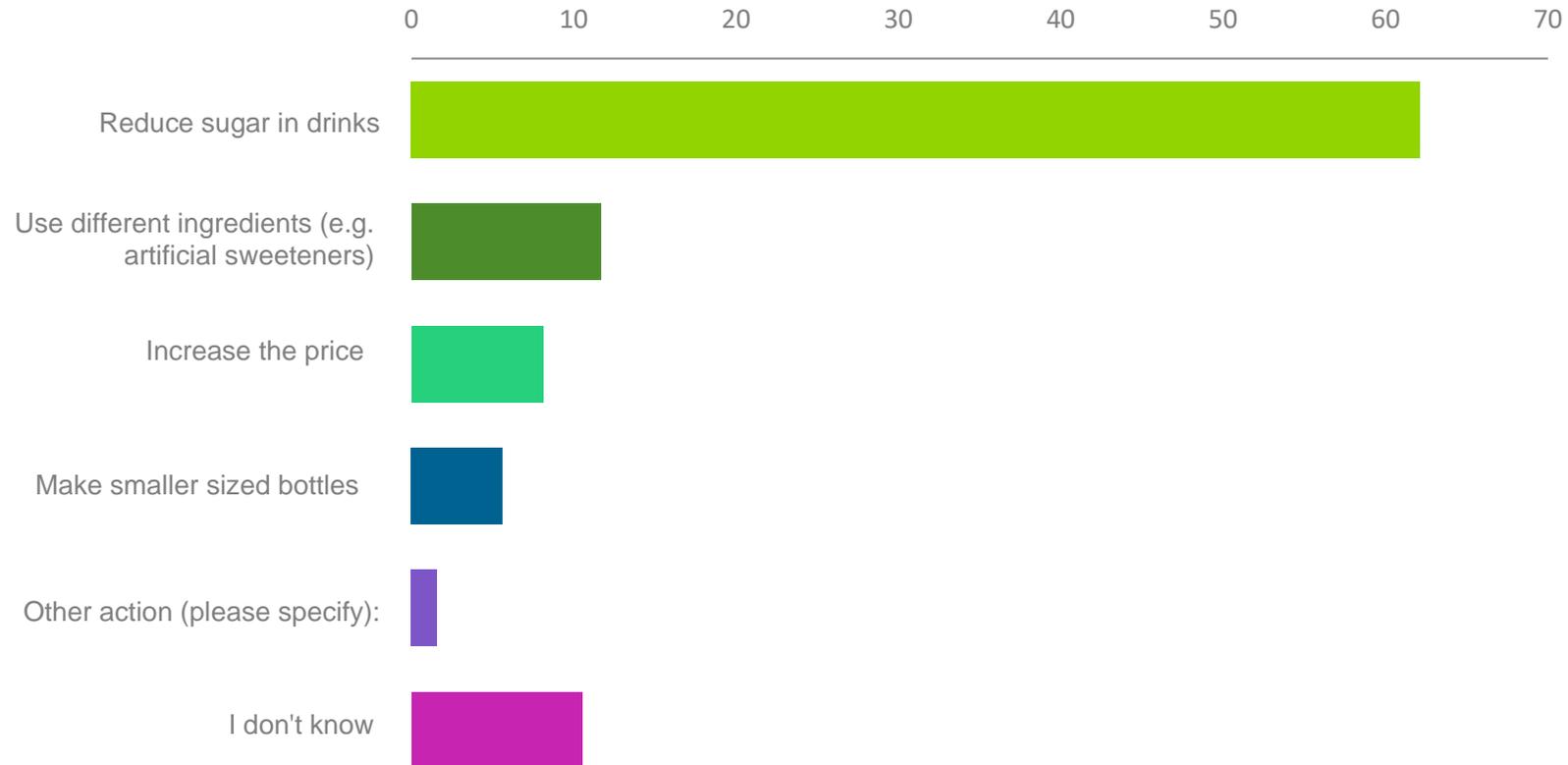
Public health campaigners have called for urgent action to change sugar content in snack food being sold by leading food and manufacturers.

Analysis* by Action on Sugar and the Obesity Health (OHA), researchers found there was huge variation in content, portion size and lack of nutrition labelling on muffins sold at outlets in the UK's busiest train stations



Shoppers and consumers want at least some of their health concerns dealt with by brands

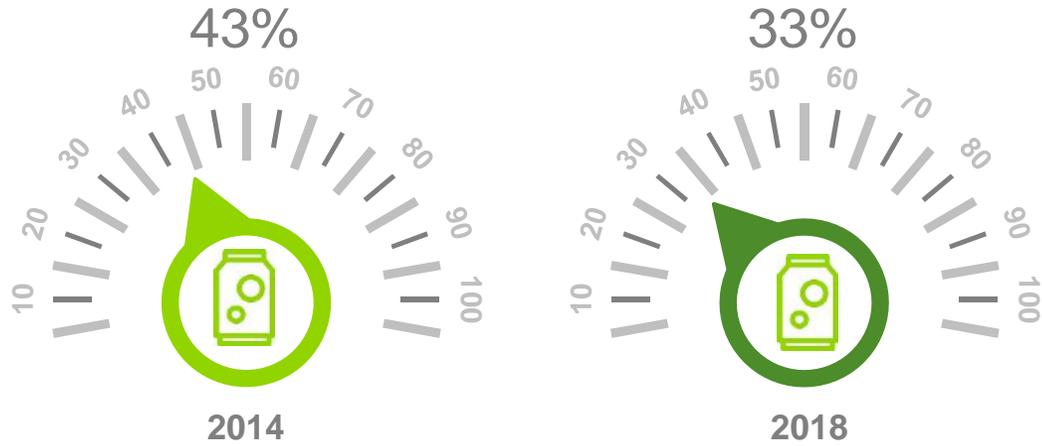
Almost two thirds of people think manufacturers should reduce sugar in drinks



Q3. Which single action would you prefer that drinks companies carried out in response to the sugar tax? Base: 11,991 respondents

The sugar dial has moved

For a combination of reasons



Reformulation



Innovation



Rebalancing



Consumers

Altruism...

New poll reveals 'extreme' shopper concern over plastic

Helen Gilbert
Retailers can be in no doubt that plastic is a 'critical' issue for shoppers, after an explosive new poll found almost a quarter are 'extremely' concerned about plastic packaging.
In a survey of more than 5,000 UK consumers by Kantar Worldpanel, 24.6% expressed 'extreme concern' about plastic packaging in grocery, while 29% believed food and drink manufacturers should make it their priority to make all their packaging recyclable. Twenty-one per cent of the industry should go even further and opt for truly plastic-free packaging, while 19% want recycled materials used for food and drink.
At the same time, shoppers claimed they were doing their bit to tackle plastic waste, with more than half (59%) saying

Iceland supermarket vows to eliminate plastic on all own-branded products

Retailer outlines five-year aim to replace all plastic packaging with trays made of paper and pulp



New fountains and bottle-refill points to tackle London's plastic waste

Exclusive: Mayor of London announces scheme to reduce packaging waste and improve access to tap water



▲ One of the new drinking fountains installed in Borough Market. Photograph: Lucy Young/PR

A new network of drinking fountains and bottle-refill points is set to be rolled out across London this year as part of a plan to reduce the amount of waste created by single-use plastic, the Guardian has learned.

Bottle and can deposit return scheme gets green light in England

Consumers to receive small cash sum for returning plastic, glass and metal drinks containers



▲ Deposit return schemes currently operate in 38 countries. Photograph: Don Ryan/AP

All drinks containers in England, whether plastic, glass or metal, will be covered by a deposit return scheme, the government has announced.

Nestlé commits to zero-waste packaging by 2025

Apr 2018 | Daniel Selwood

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Pret partners with Chilly's on reusable bottles
12 Apr 2018

Sainsbury's tackles plastic with new food cartons
11 Apr 2018

Environment

Disposable coffee cups: How big a problem are they for the environment?

New report from Environmental Audit Committee highlights environmental problems associated with consumption of takeaway hot drinks

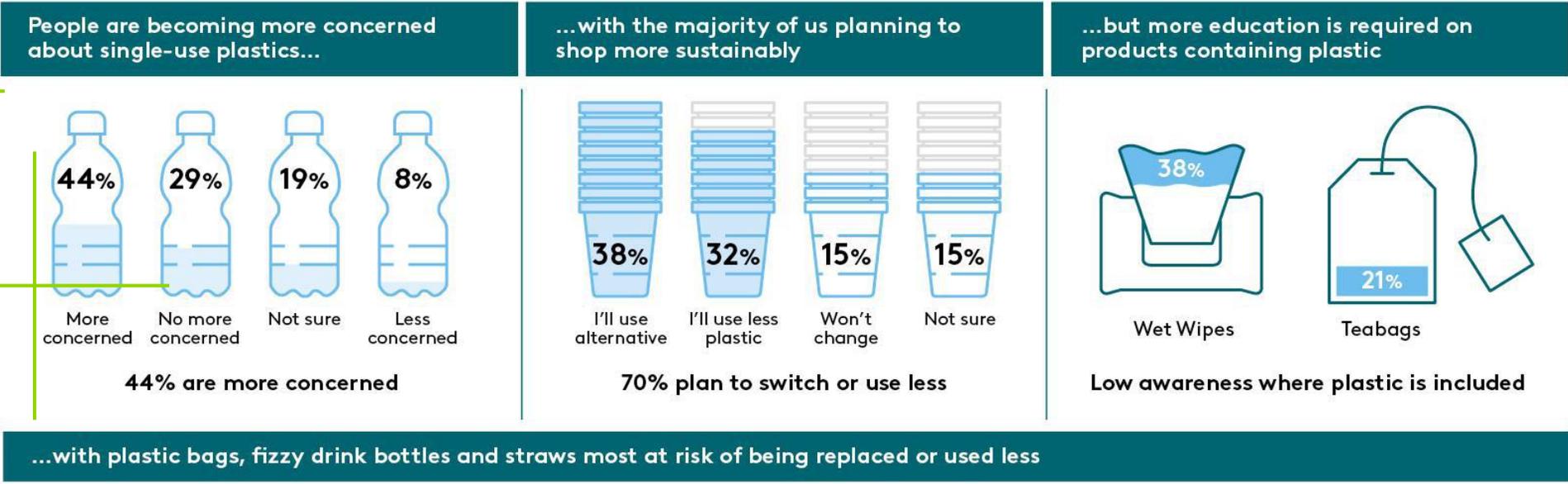
Josh Gabbattiss Science Correspondent | Friday 5 January 2018 00:00 GMT | 4 comments

We've asked our panellists how concerned they are

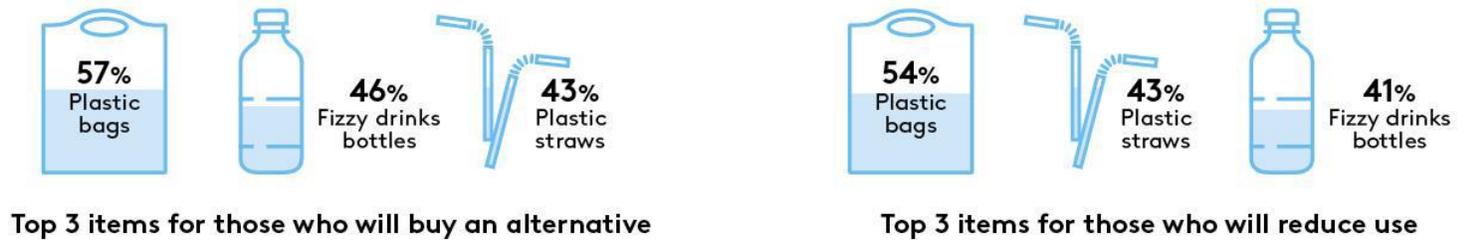
Using our new Shoppix App



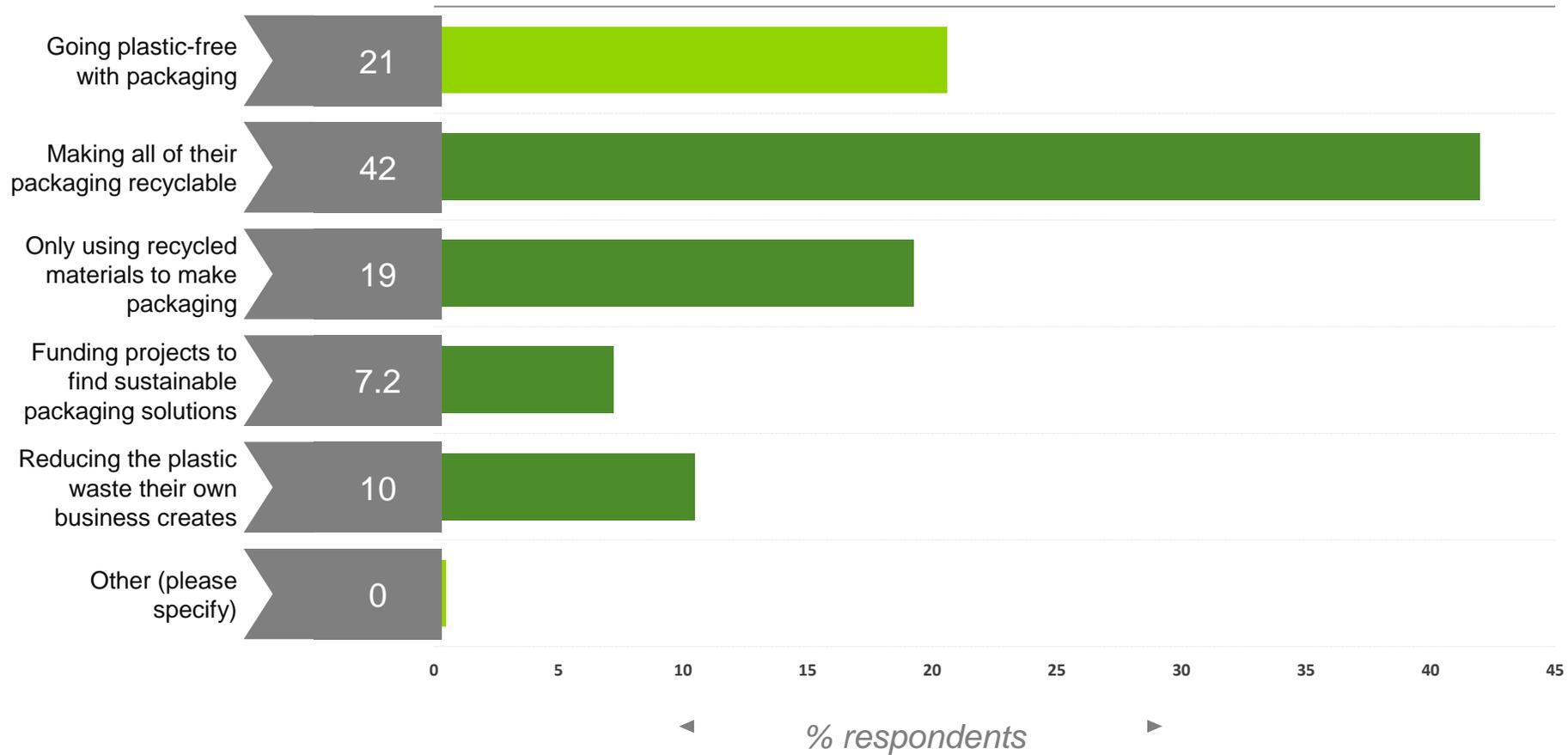
Plastic recycling – a real concern or a load of rubbish?



Worldpanel Plus



Consumers are asking UK manufacturers to take the lead



◆
If food and drink manufacturers could do one thing to reduce plastic waste, what would you ask them to prioritise?

In Summary

Not going away

Retailers Consolidation
Changing channels
Inflationary pressure building

Retailer Landscape



ACQUISITION

Growth stable but slow

Own label central for retailers
Cheap yes, value even more
Fresh growth prioritised
Adaptation is king

Brand Growth



ADAPTATION

2018 & beyond challenges

Economic & political issues looming
UK yet to land a Brexit deal
Consumer concerns still to address

Sugar & Plastic



ALTRUISM



Thank you

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