Bord Bia's

Brexit Barometer 2018

Bord Bia
Irish Food Board

Gwladys Hall

Strategic Insight Director, Kantar Worldpanel

Bord Bia
Irish Food Board

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





J·D·WETHERSPOON

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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Business | Your Money | Market Data | Companies | Economy

Sainsbury's vows Asda deal will cut prices

30 April 2018 Share

Sainsbury's-Asda merger



John Lewis rejects rumours of Waitrose takeover talks with Amazon

By Elias Jahshan – May 8, 2018







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

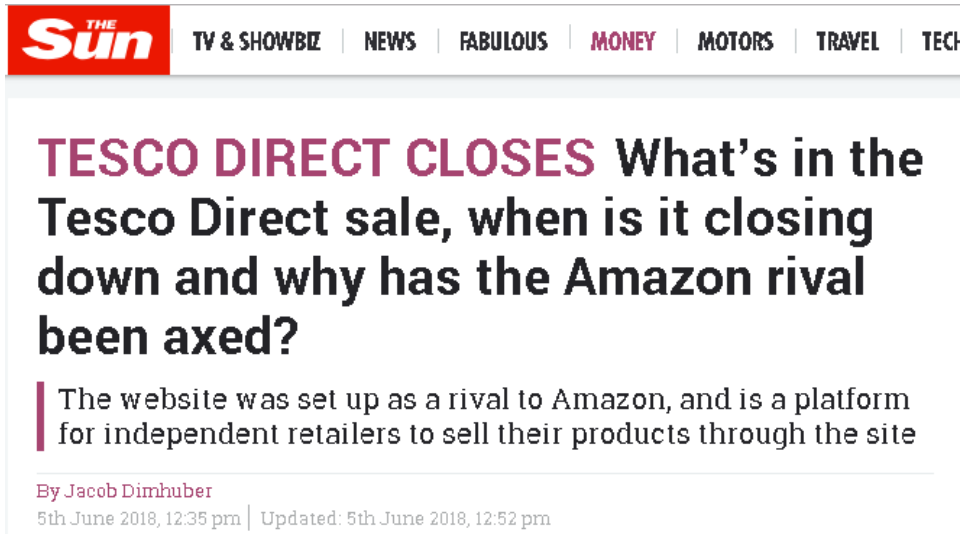
KAMCITY

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.



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

Using our new Shoppix App

A REAL **PLUS**

Worldpanel Plus

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

4 out of 5 shoppers are OK with the proposal

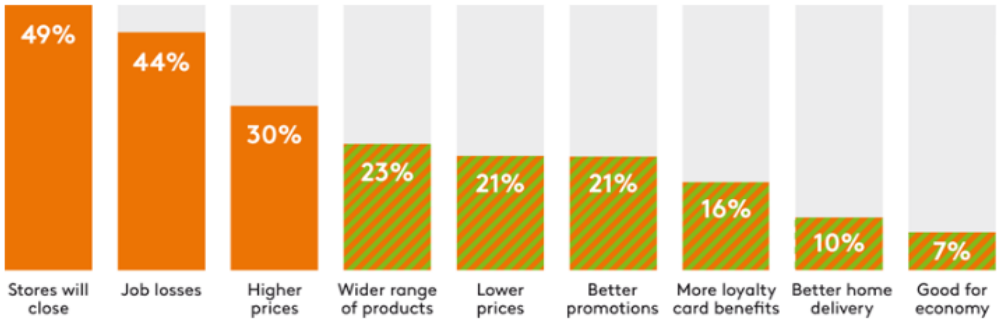
Is the merger a good thing for shoppers?



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

- “Suppliers and farmers will suffer”
- “Nectar or Price Guarantee could be scrapped”
- “Less competition”
- “Less choice of stores”
- “Quality will go down”

People who have shopped both Sainsbury’s and Asda

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

Asda only

There will be **higher** prices in the stores — 32%

Will be a **wider range** of products — 26%

Sainsbury’s only

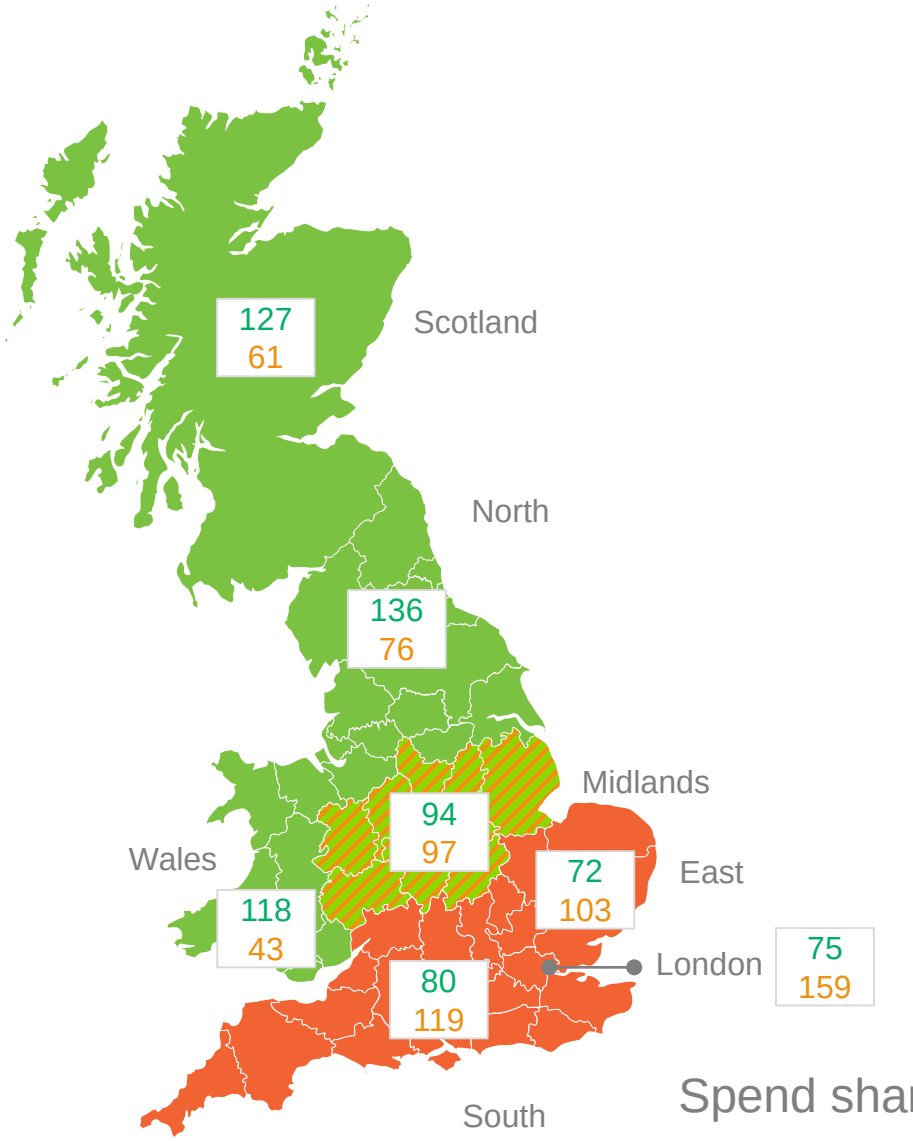
There will be **lower** prices in the stores — 27%

Will be a **wider range** of products — 28%

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



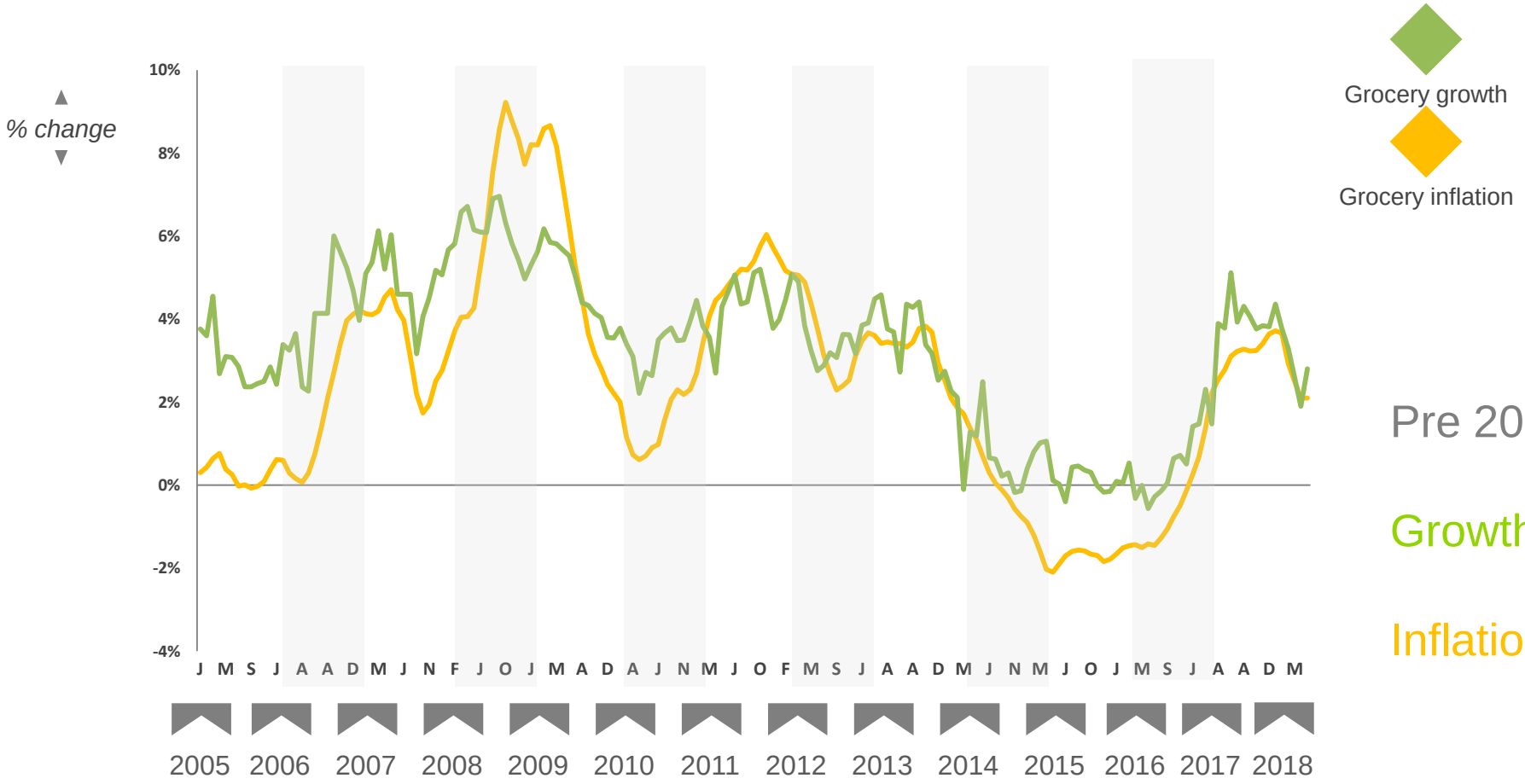
Spend share indexed vs national share

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%



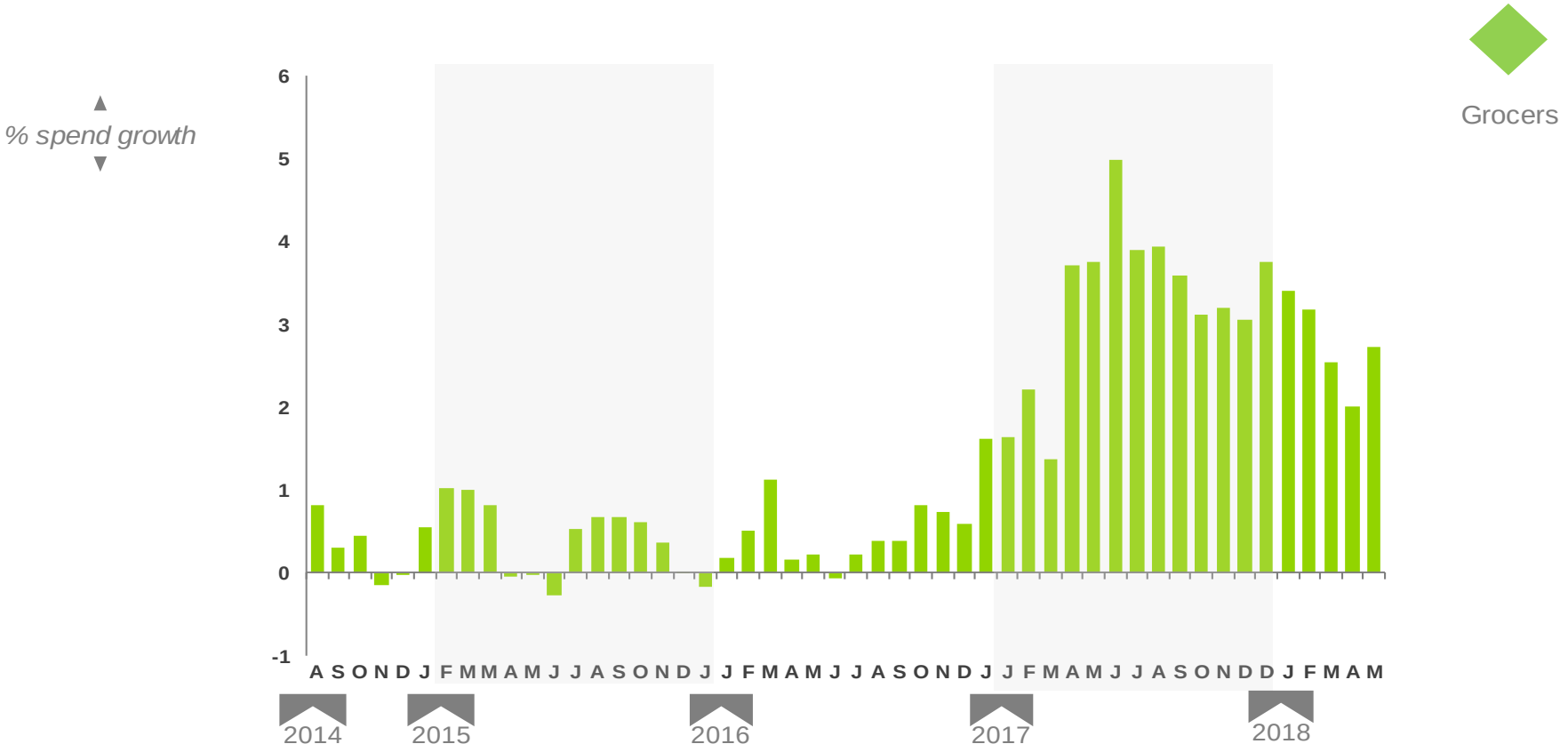
Pre 2015 average:

Growth 4.2%

Inflation 3.5%

Till roll growth

Grocers up +2.7%





Growth



Inflation



Frequency

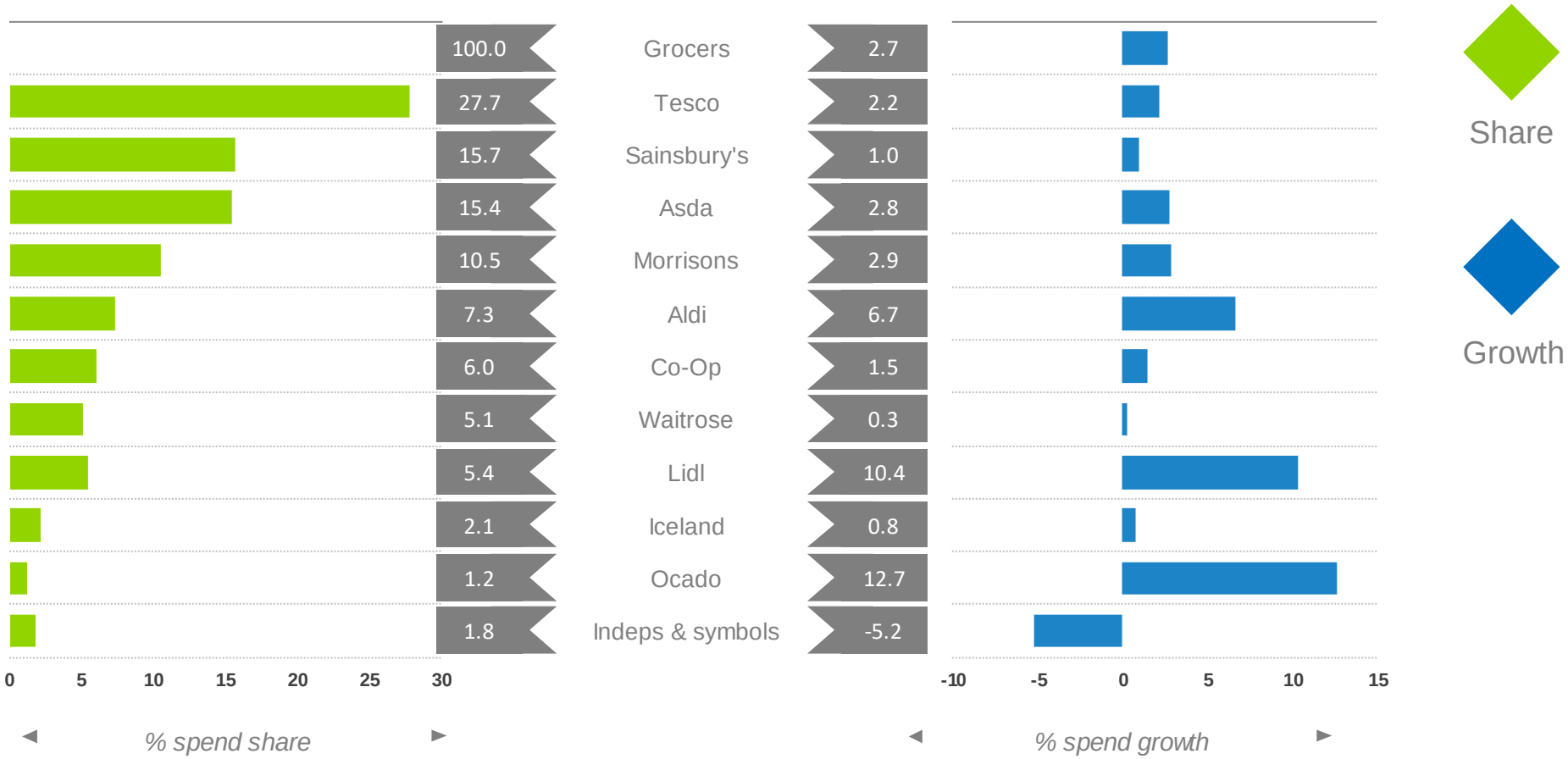


Basket Size

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

Till roll market share & growth

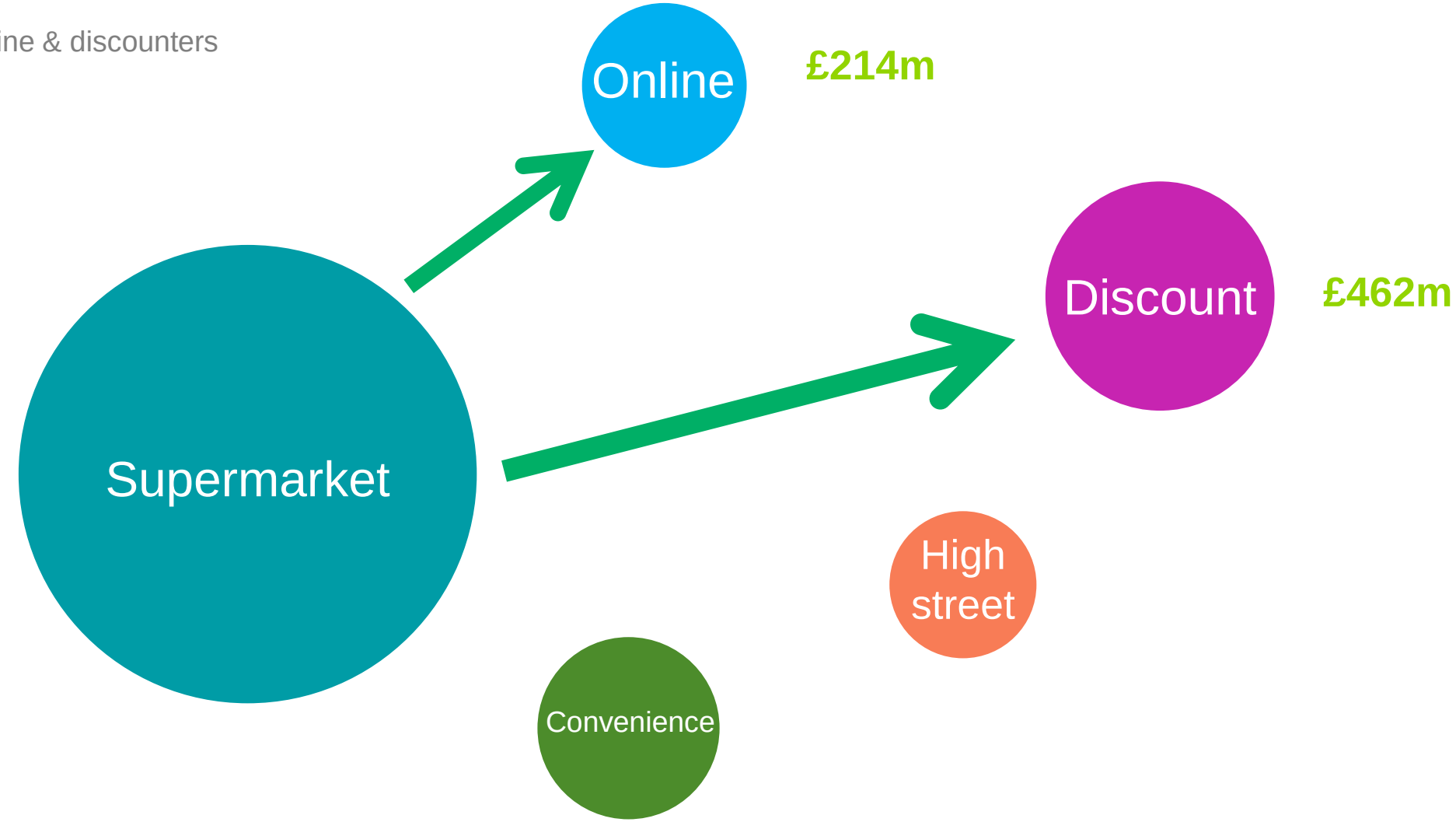
Vs one year ago



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

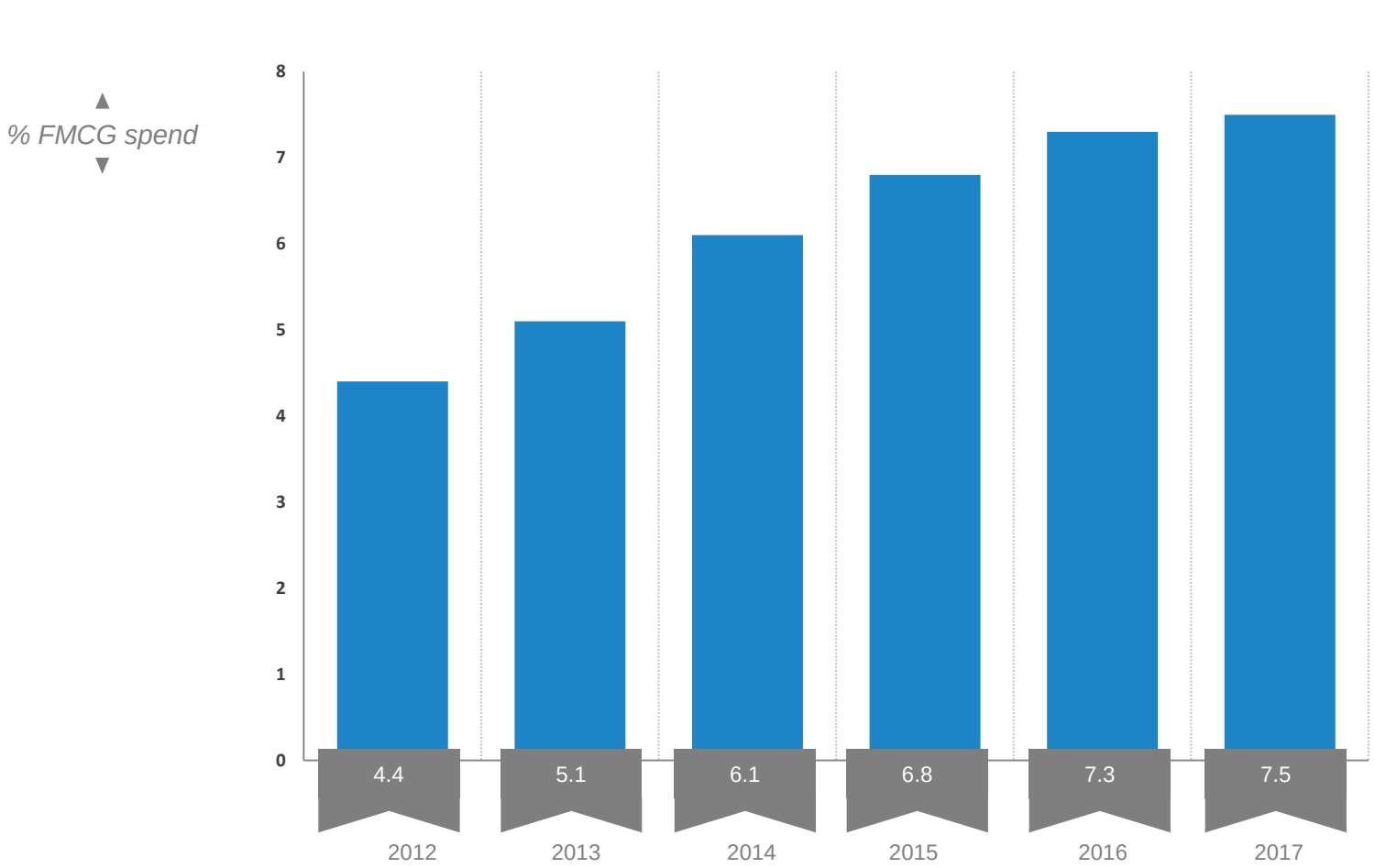
UK Channel switching

Still about online & discounters



Online share of UK grocery

Share growth slowing to under 0.5%pts per annum



Projection:

12% by 2025

(Kantar Worldpanel global ecommerce report)

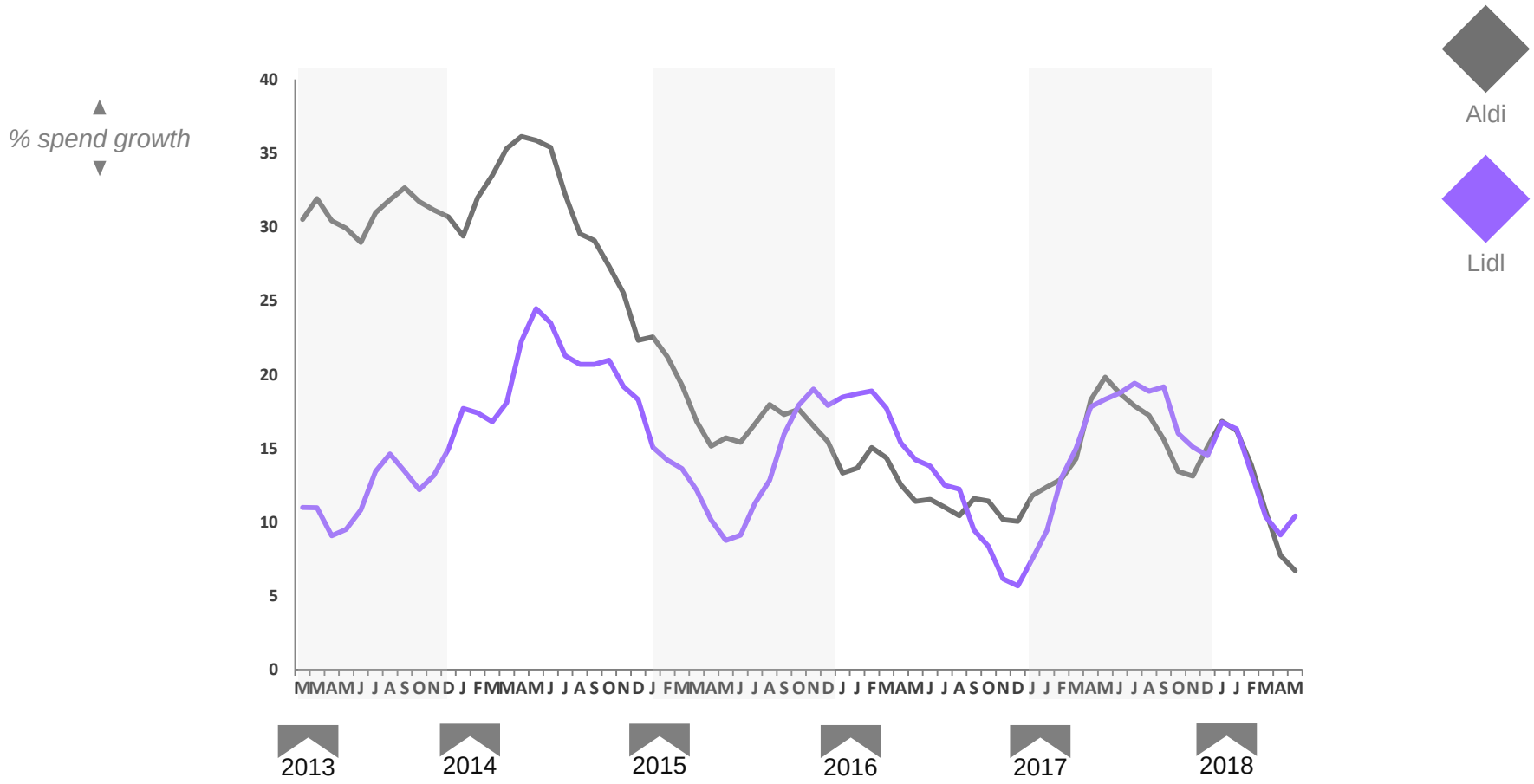
Aldi + Lidl UK market share

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



Aldi & Lidl UK growth

Slowing again



UK Discounters vs. Bargain Stores

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

ALDI & LIDL

+9%

VALUE	PENETRATION
£2.9bn	62%
FREQUENCY	**TRIP SPEND**
9	£19.17

BARGAIN STORES

+3%

VALUE	PENETRATION
£1.0bn	54%
FREQUENCY	**TRIP SPEND**
10	£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



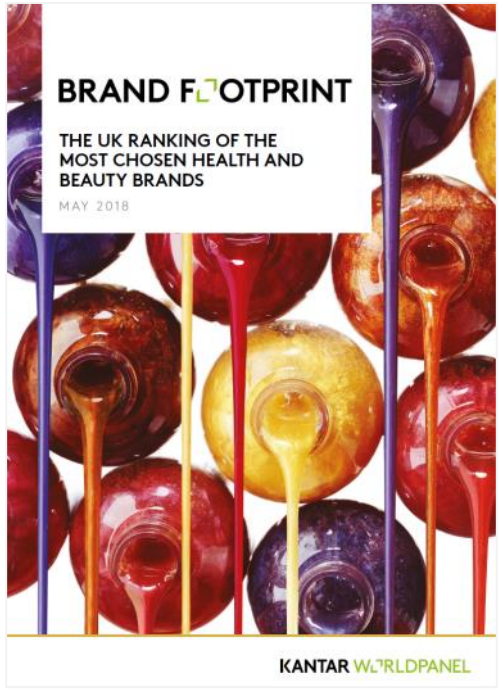
Beverages



Dairy



Food



Health and beauty



Homecare

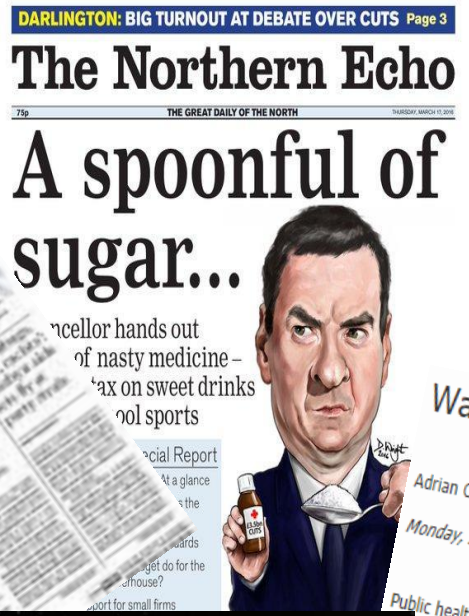
Altruism
Sugar & Plastic

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

Add to PDP Tracker | Print

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

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

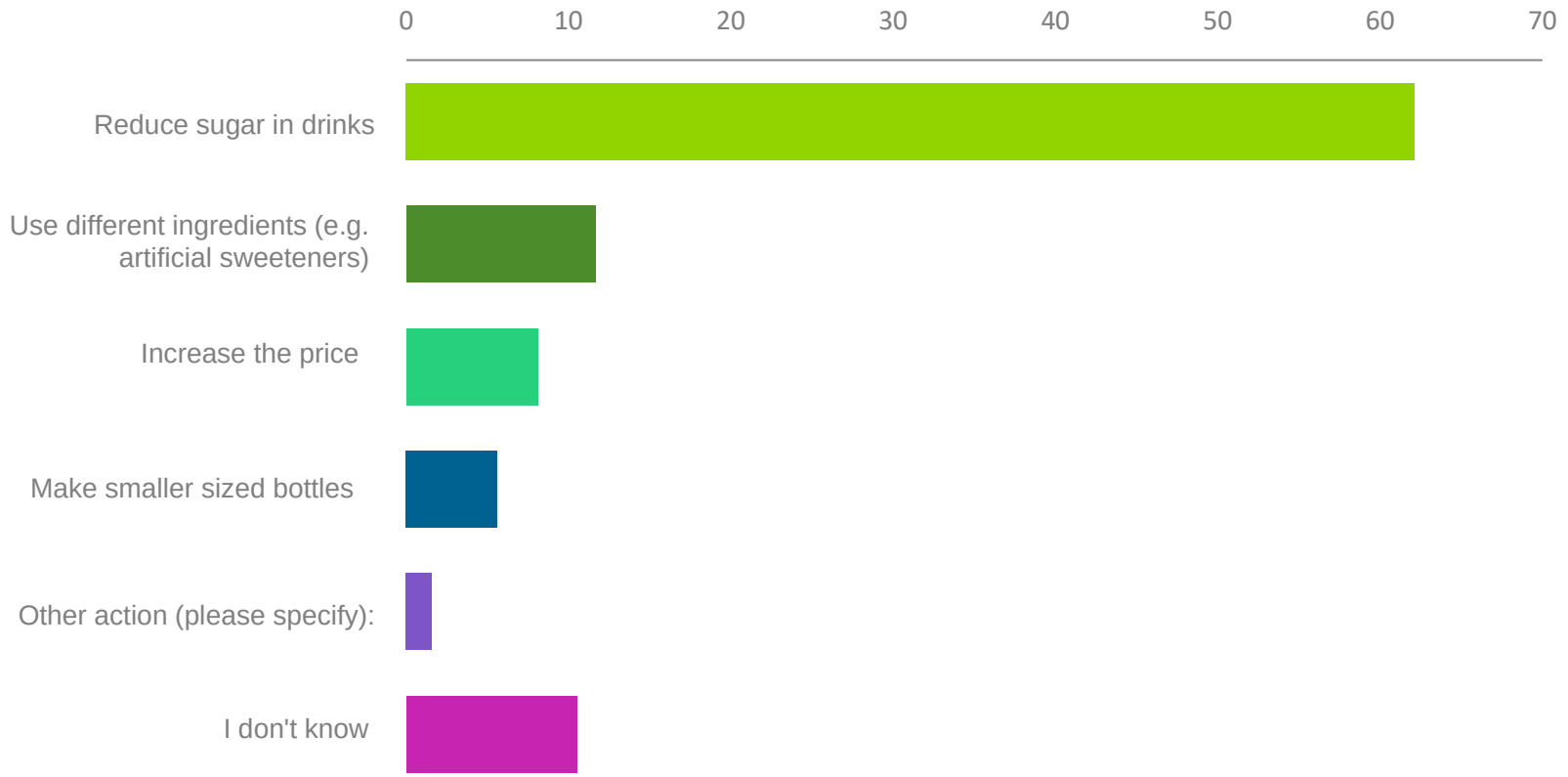


The levy has already prompted manufacturers to slash the sugar content of many of their products
CREDIT: BRIAN LAWLESS /PA

KANTAR WORLDPANEL

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

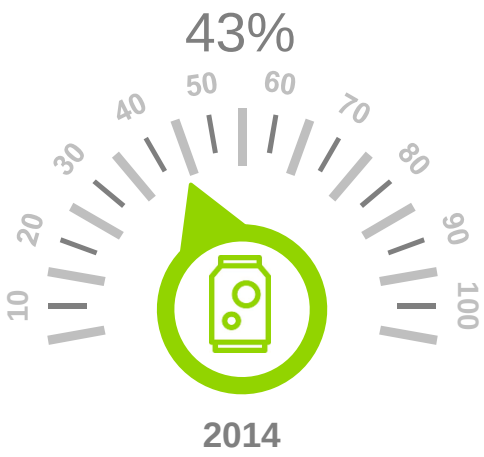
Almost two thirds of people think manufacturers should reduce sugar in drinks

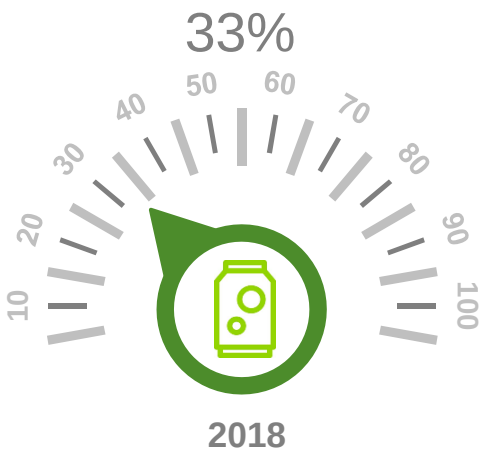


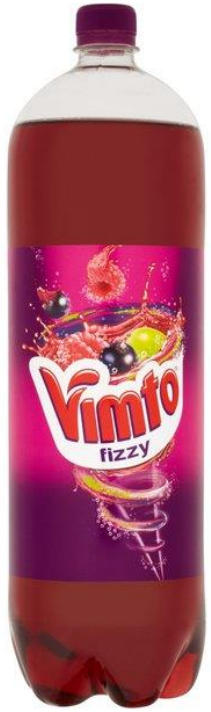
Q3. Which single action would you prefer that drinks companies carried out in response to the sugar tax? Base: 11,991 respondents

The sugar dial has moved

For a combination of reasons







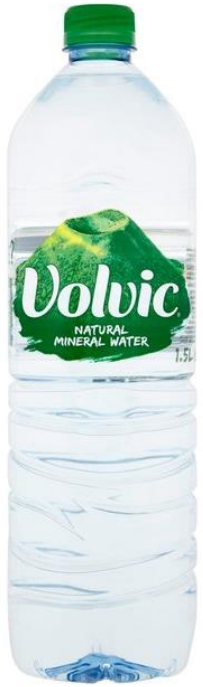
Reformulation



Innovation



Rebalancing



Consumers

Altruism…

New poll reveals 'extreme' shopper concern over plastic

Helen Gilbert

Retailers can be in n
doubt that plastic is
a 'critical' issue for sh
pers, after an explosi
new poll found almo
quarter are 'extremel
concerned about plas
packaging.

In a survey of more
than 5,000 UK con-
sumers by Kantar
Worldpanel, 24.6%
expressed 'extreme co
cern' about plastic pac
ging in grocery, while
2% believed food and
rink manufacturers
hould make it their pri
rity to make all their
ckaging recyclable.
Twenty-one per cent
id industry should go
en further and opt for
tirely plastic-free pack
ng, while 19% want
y recycled materials
e used for food and
ik.
t the same time, shop
claimed they were
g their bit to tackle
ic waste, with more
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

Print | Email | Share | Comment | Save



THE UK PLASTICS PACT



Pret partners with Chilly's on reusable bottles

12 Apr 2018



Sainsbury's tackles plastic use 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 Gabbatiss Science Correspondent | Friday 5 January 2018 00:00 GMT | 4 comments

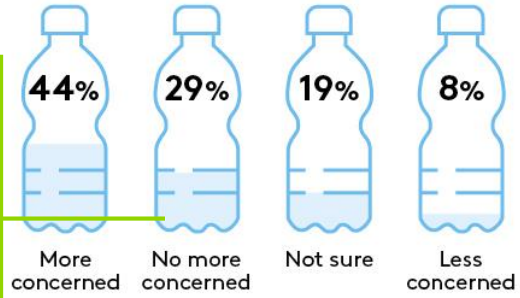
We've asked our panellists how concerned they are

Using our new Shoppix App

A REAL **PLUS**

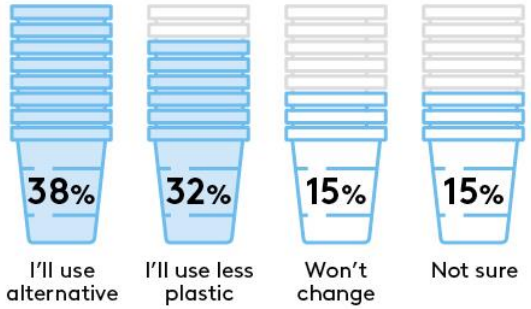
Plastic recycling – a real concern or a load of rubbish?

People are becoming more concerned about single-use plastics...



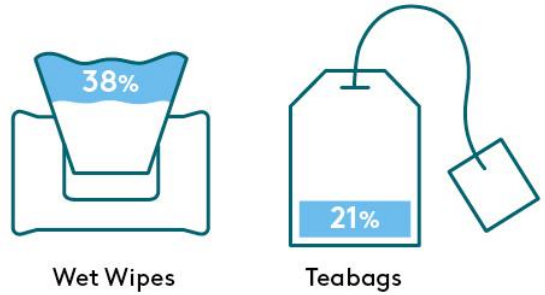
44% are more concerned

...with the majority of us planning to shop more sustainably



70% plan to switch or use less

...but more education is required on products containing plastic



Low awareness where plastic is included

...with plastic bags, fizzy drink bottles and straws most at risk of being replaced or used less

Worldpanel Plus

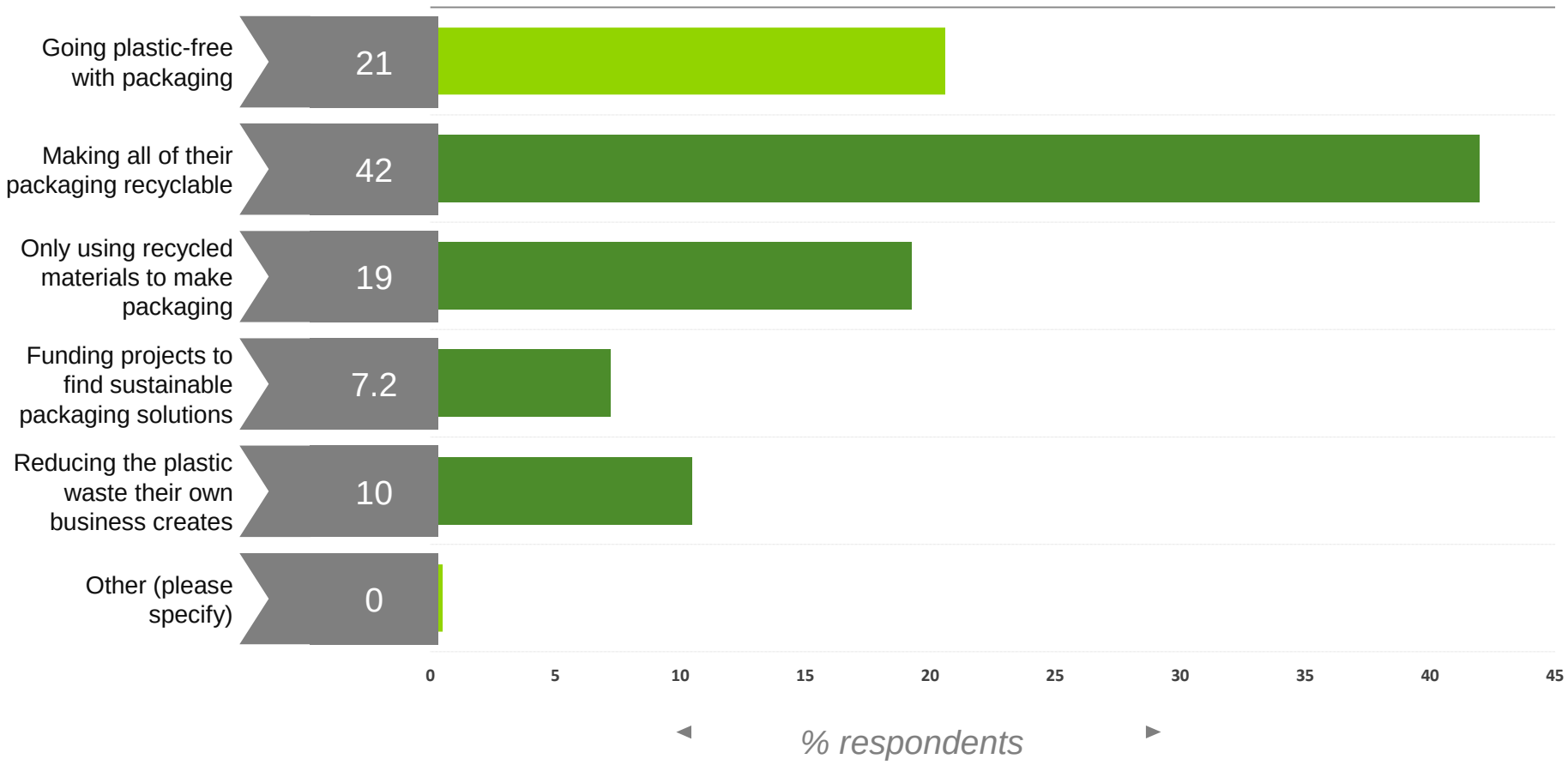


Top 3 items for those who will buy an alternative



Top 3 items for those who will reduce use

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?

Kantar Worldpanel LinkQ survey answered by 5,084 Worldpanel Plus panelists. Feb 2018

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


DENBIES
DEMI-SEC

Thank you

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Gwladys.Hall@kantarworldpanel.com