

The Irish & UK Grocery Retail Landscape



David Berry – Commercial Director, Kantar Worldpanel

The Agenda



Confidence Returning

GB Key Trends

ROI Key Trends

ROI Retailer Evaluation

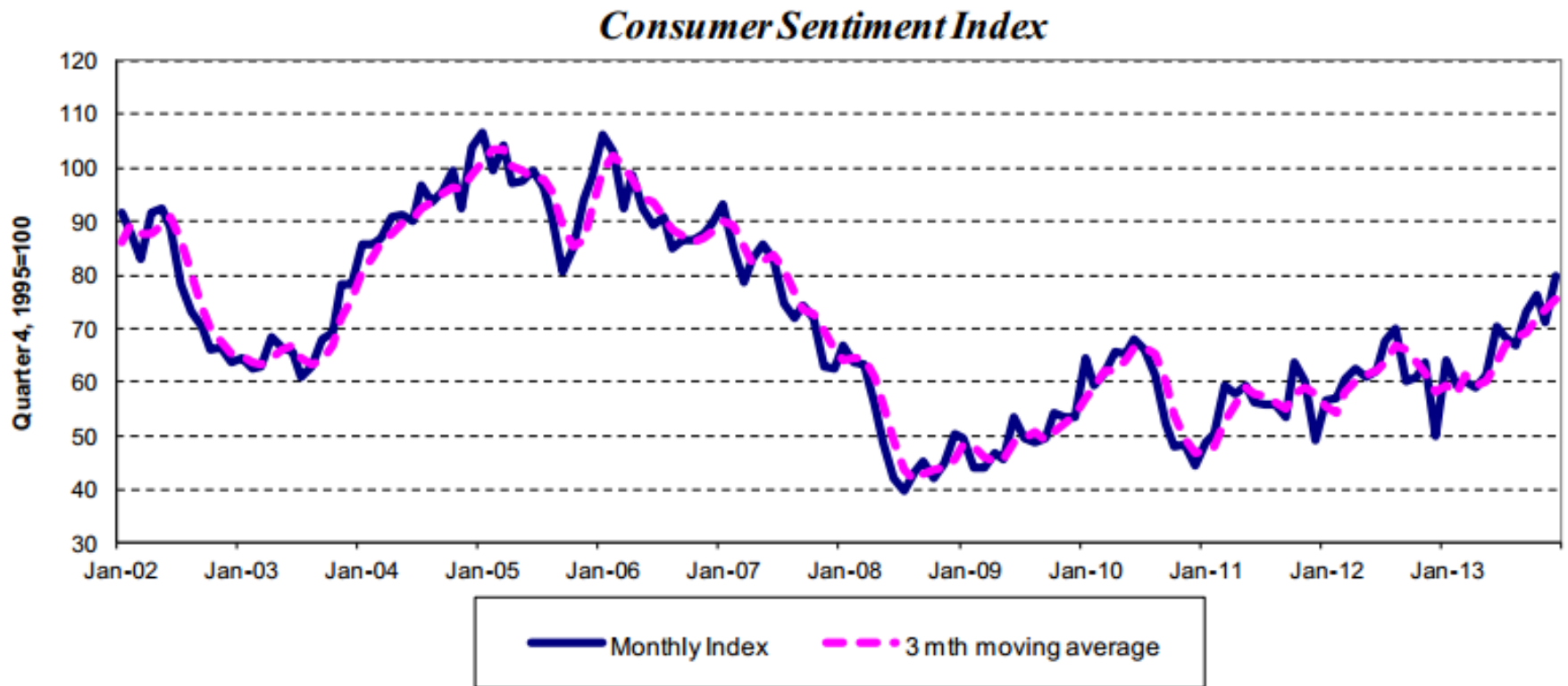
Brand Growth Drivers

Future Prediction



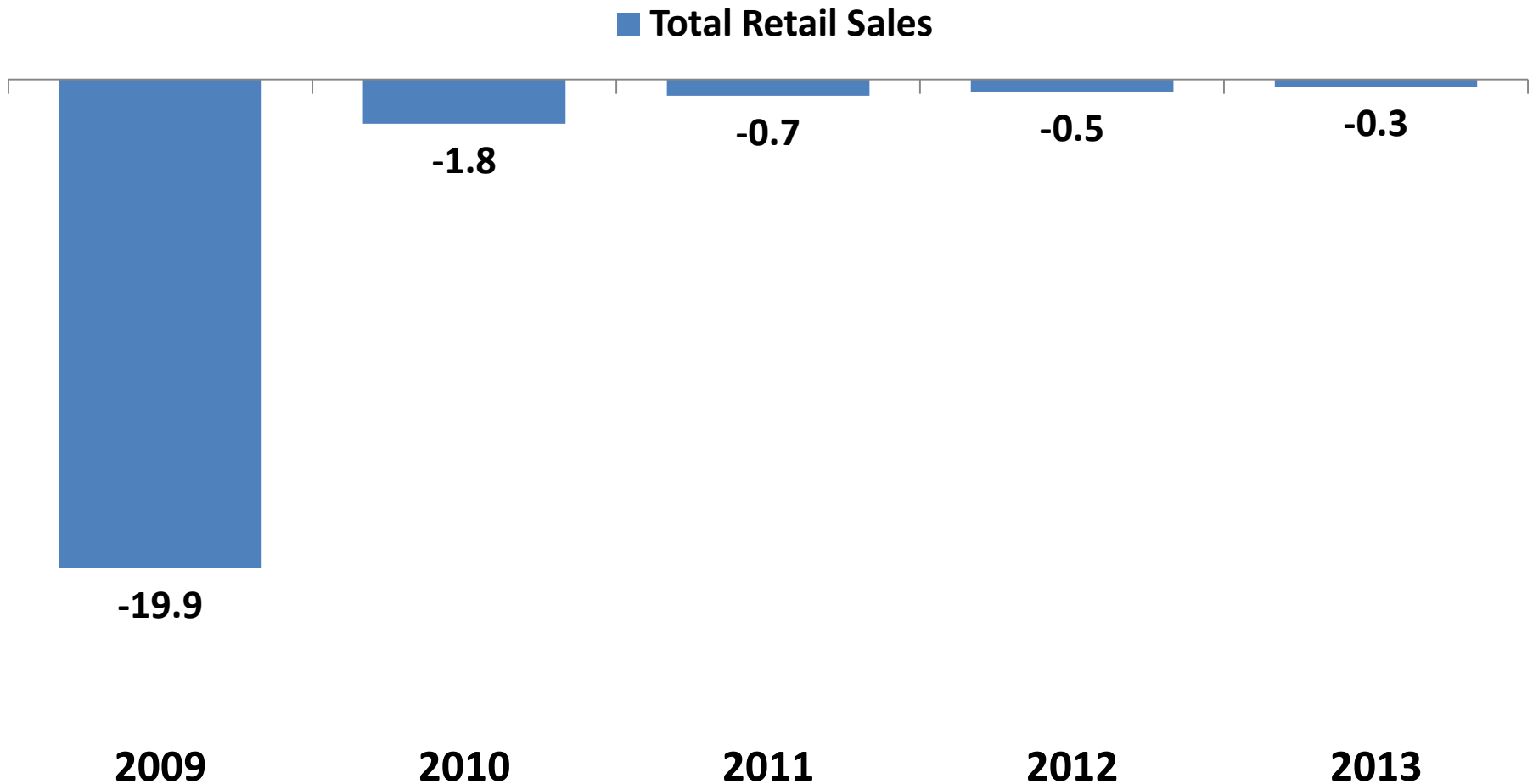
Consumer confidence reaches highest level since 2007

Fears about economic outlook ease, and households more upbeat in December

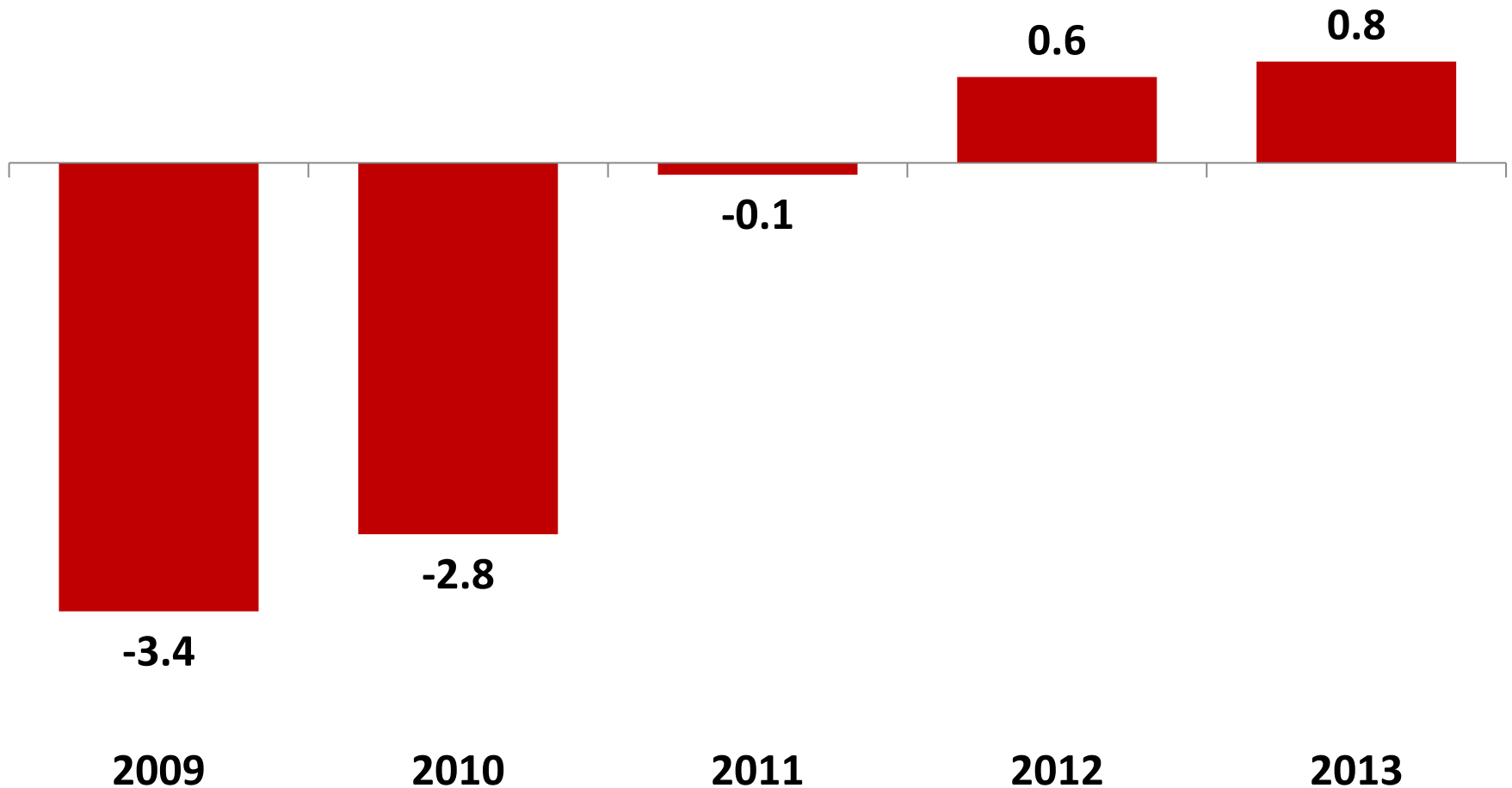


What is the impact on retail sales?

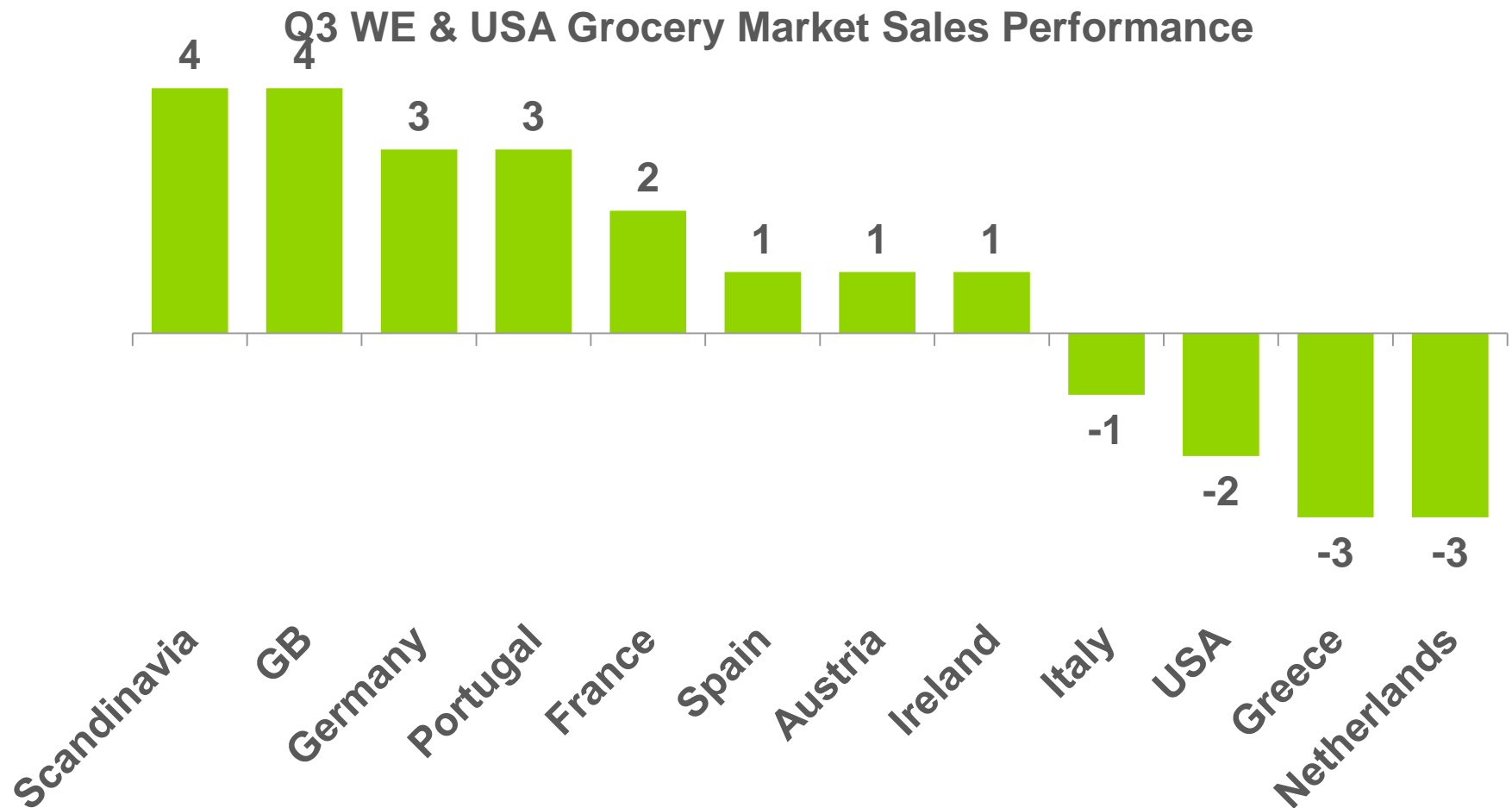
Annual Change In CSO Retail Sales Index



How has grocery spend evolved?



What is the global context?



How do GB & Ireland grocery markets compare?



Market Size

€9b

£104b

Grocery Spend per HH

€5,500

£3,900

Market Growth

0.8%

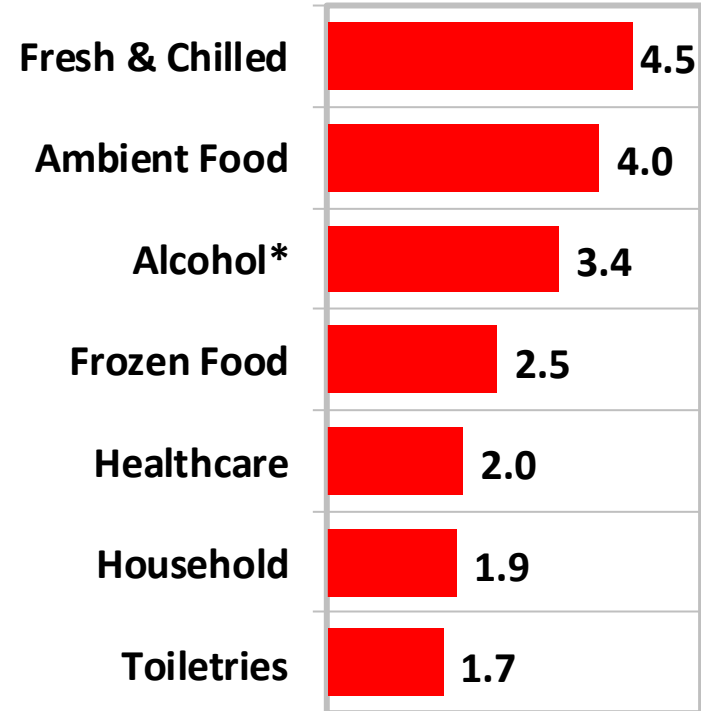
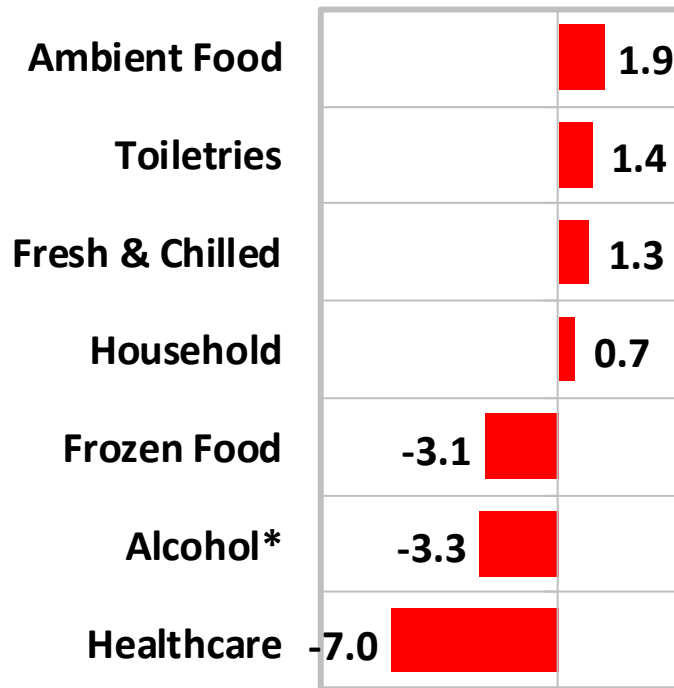
+3.7%

Price Inflation

2.9%

+2.5%

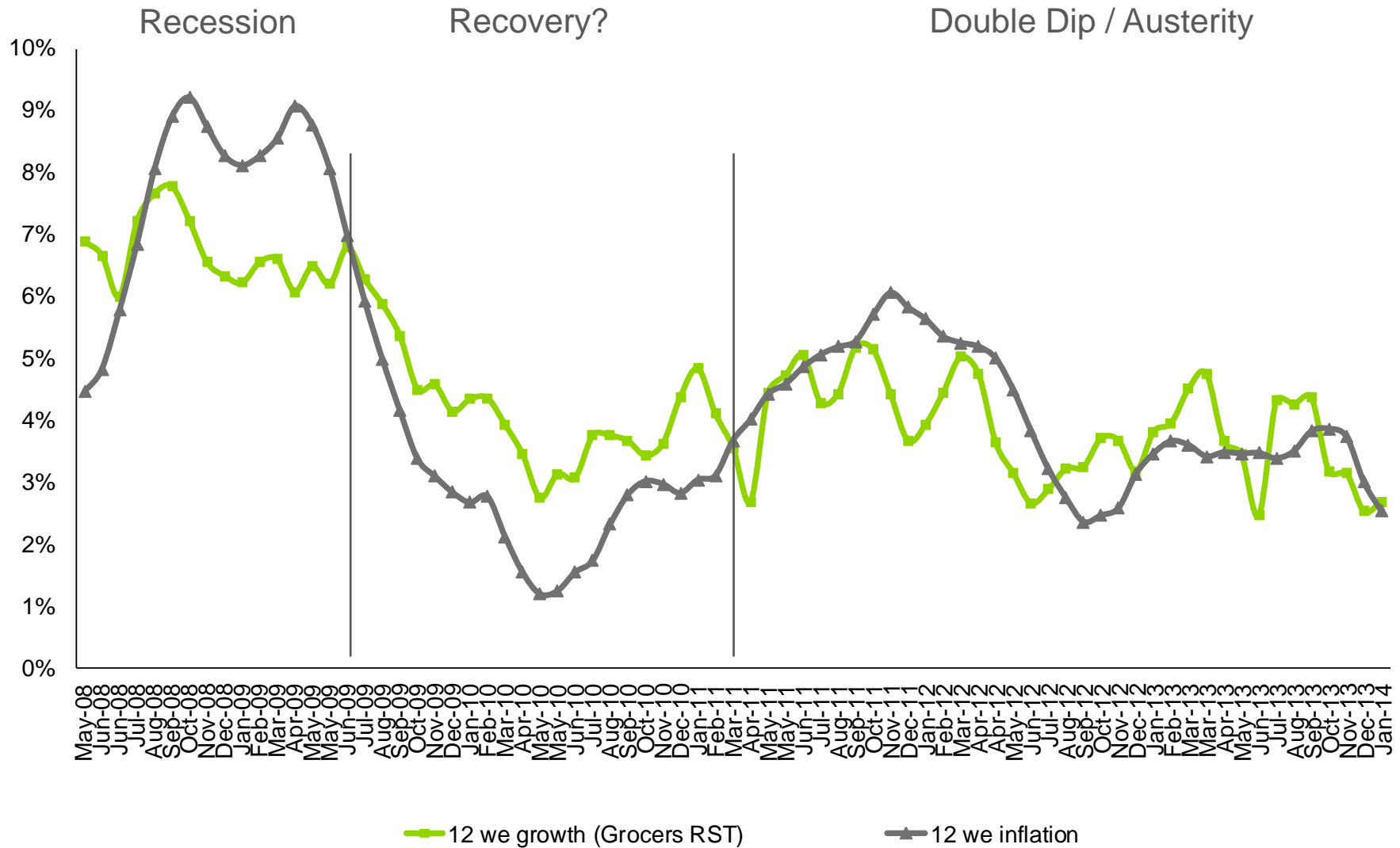
All GB macro categories continue to grow



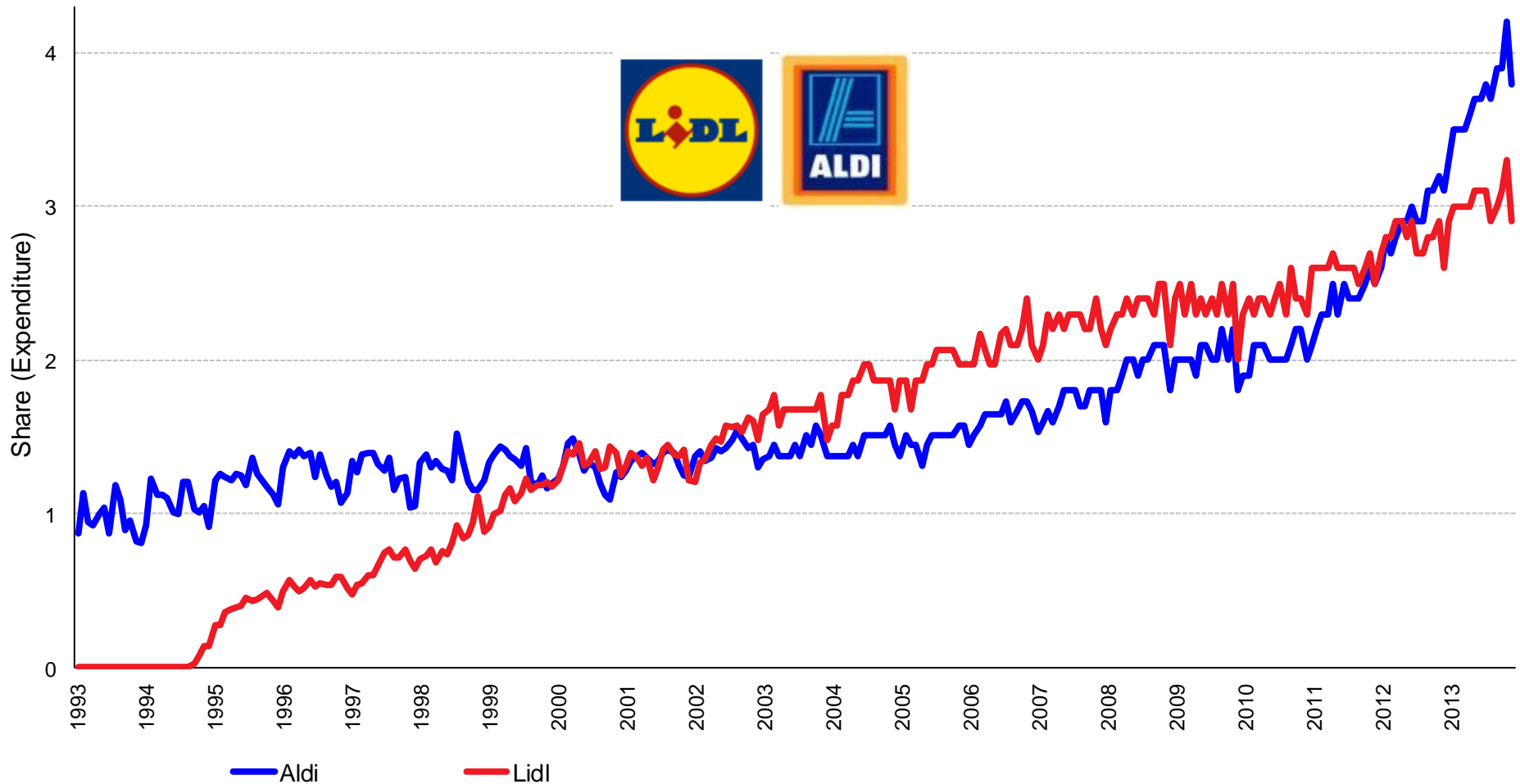
GB retailer performance



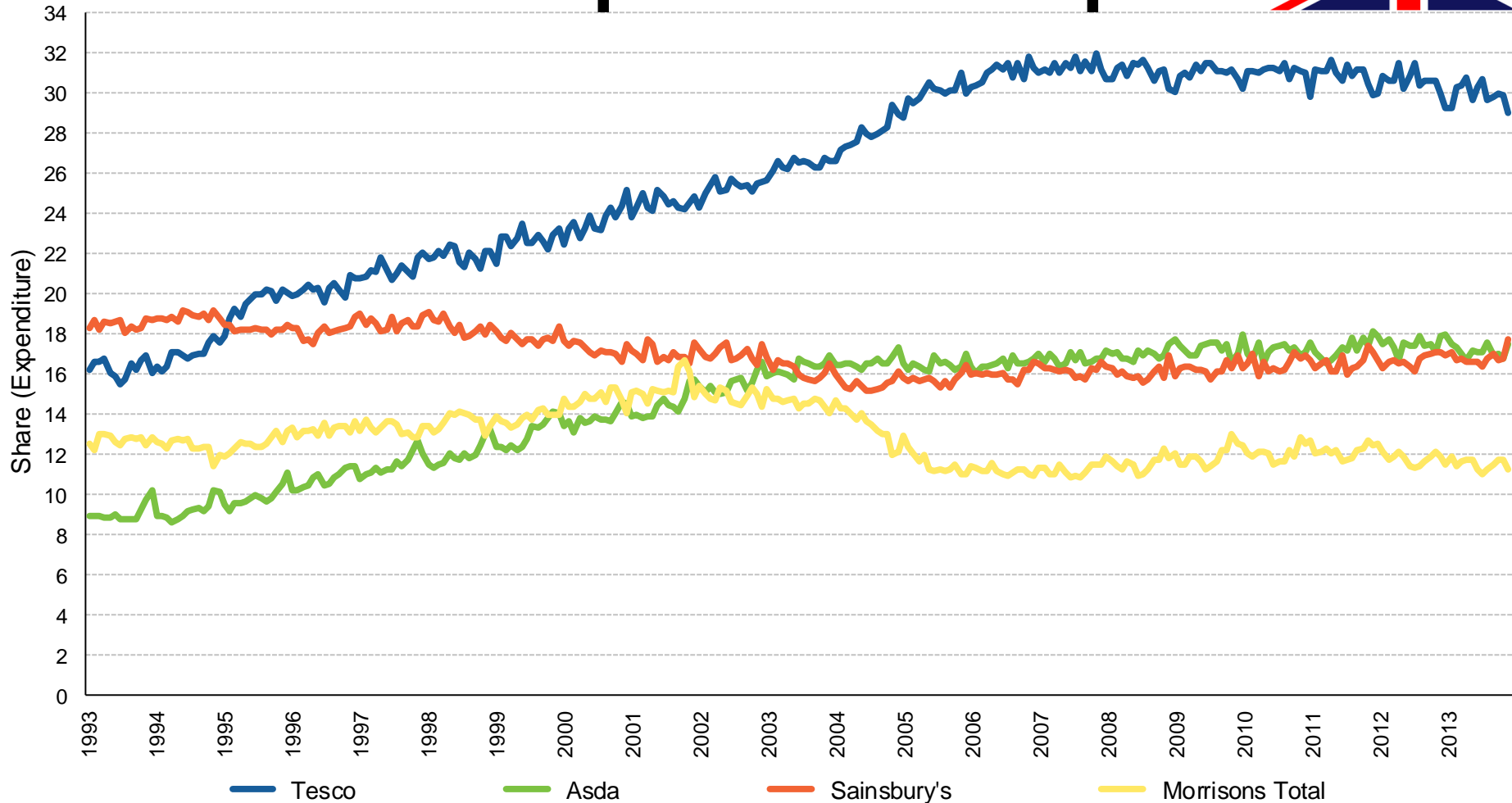
GB market growth vs. inflation



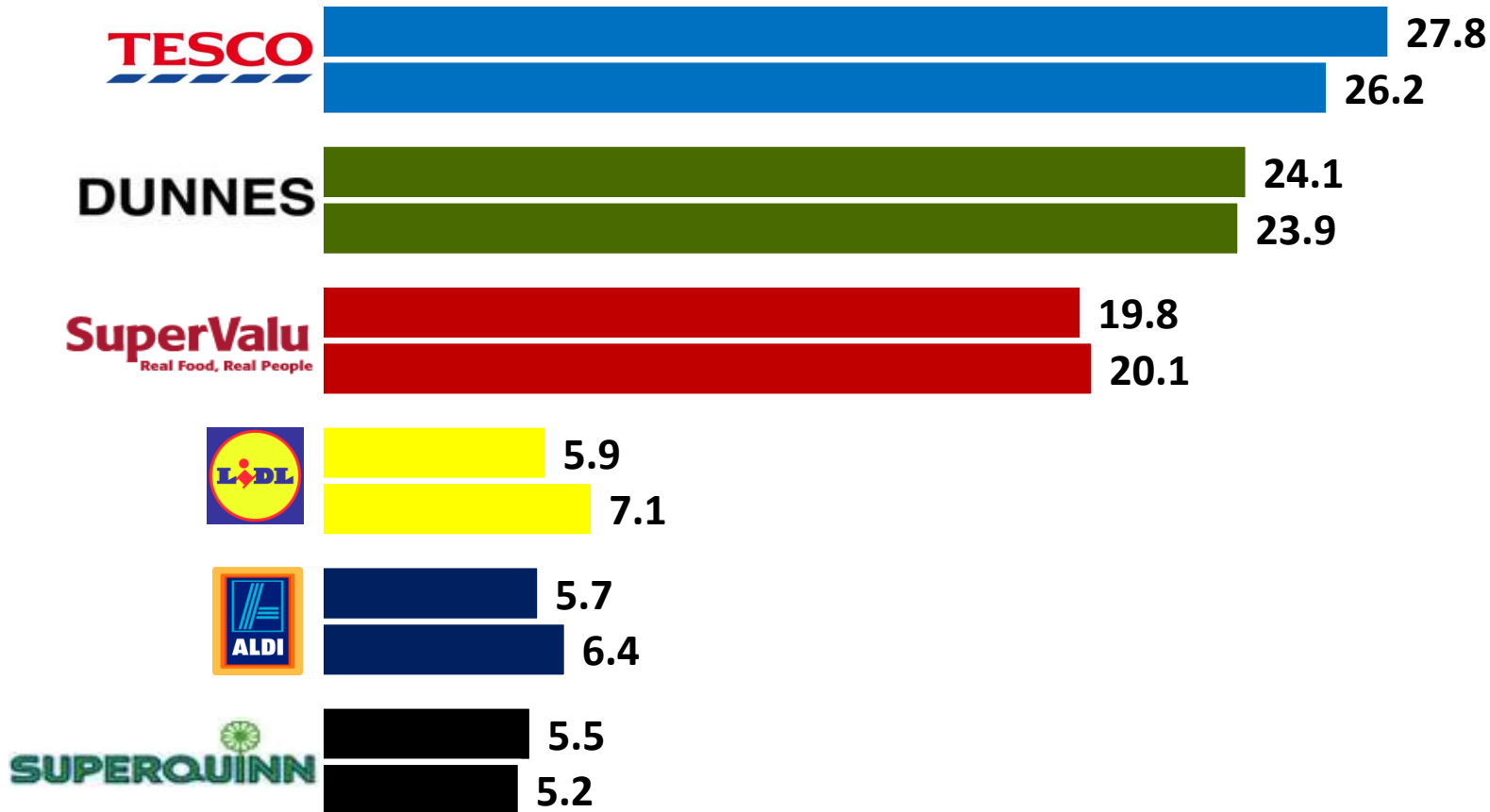
Growing Discounter strength



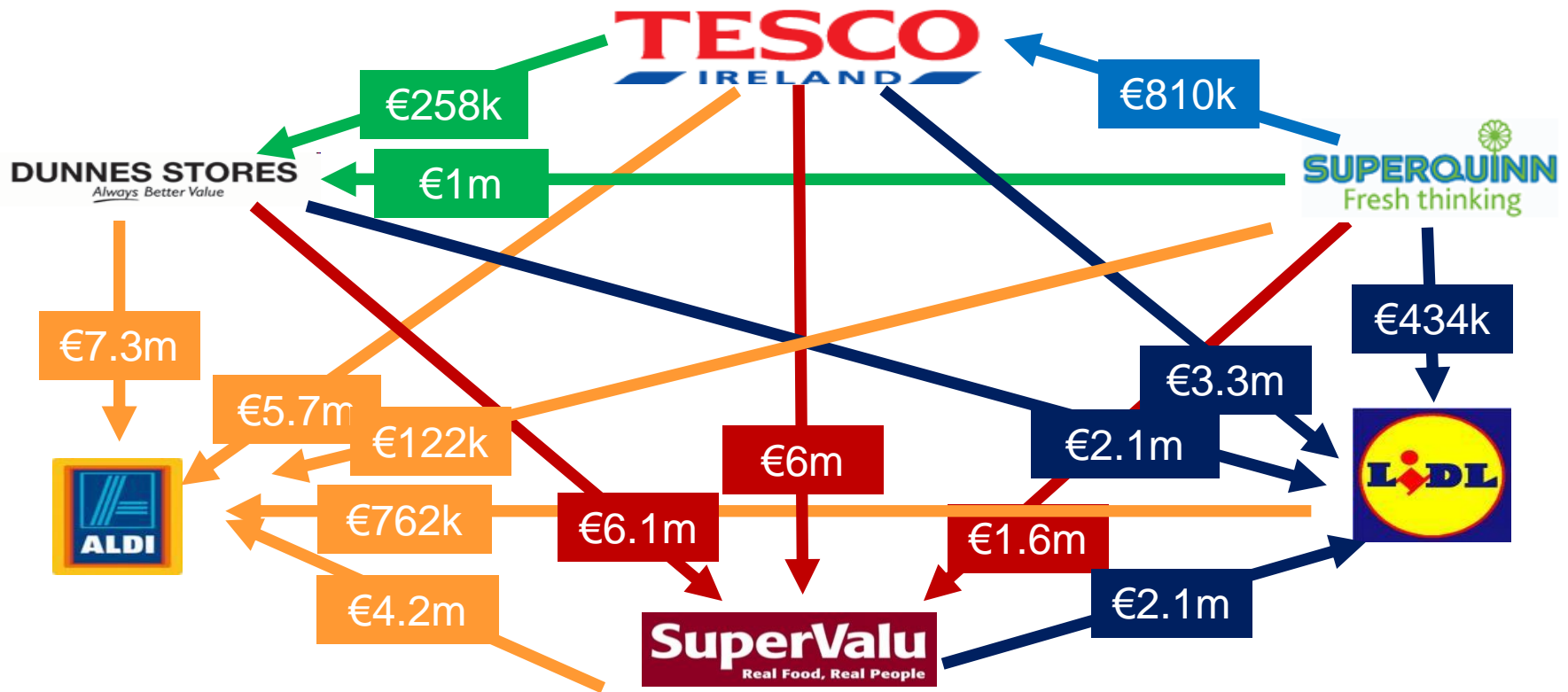
With a clear impact on multiples



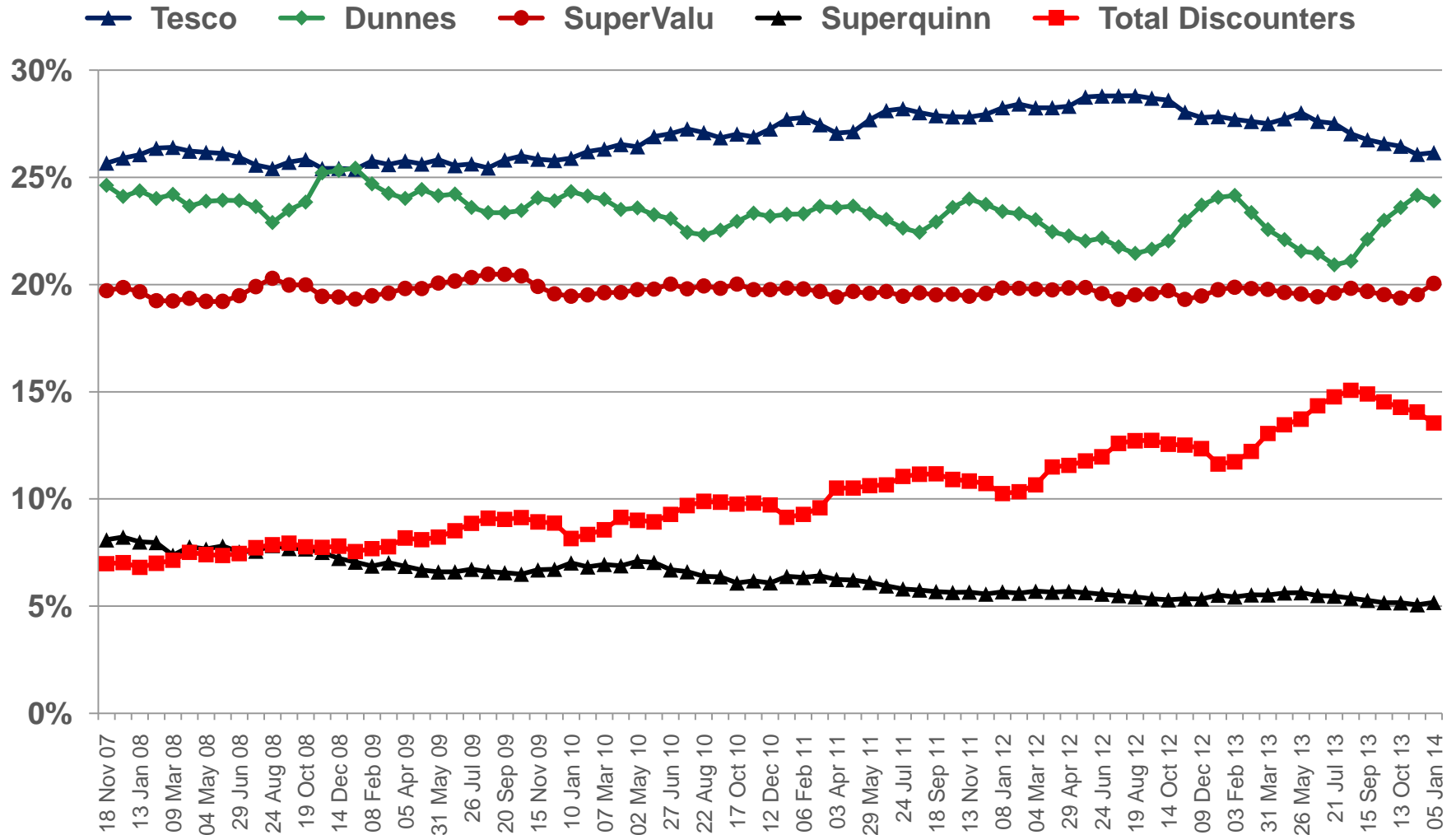
ROI retailer performance



Shopper switching patterns



ROI retailer momentum



Retailer areas of focus



- ? Price Promise
- ? Online Escalation
- ? Convenience
- ? Strong Offers



- ? Superquinn transfer
- ? Always On multi-channel
- ? Own Brand development
- ? Building the brand

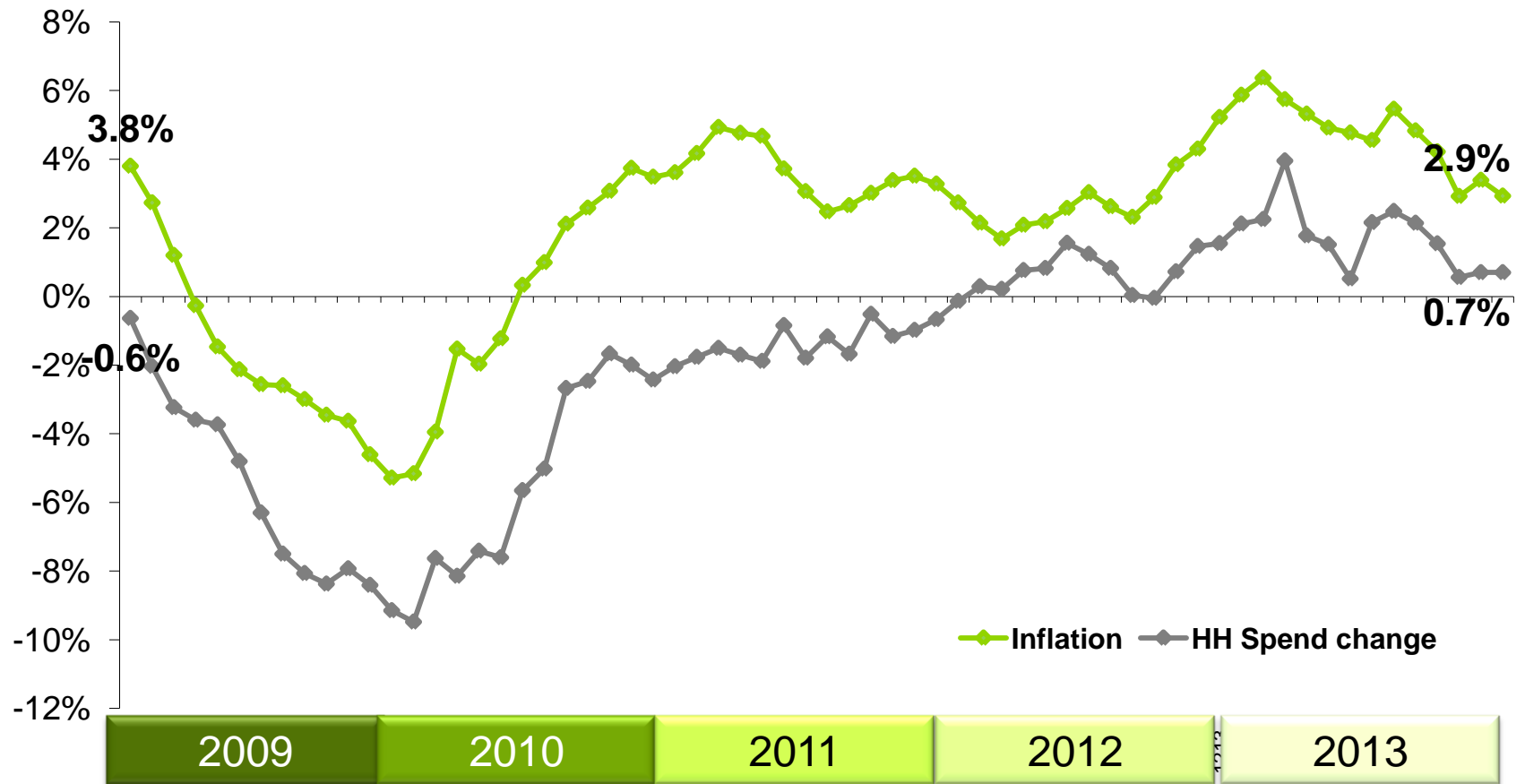
DUNNES

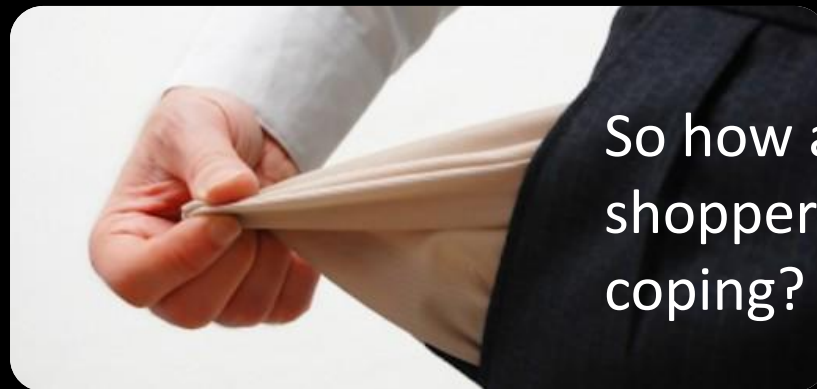
- ? Targeted activity
- ? Own Brand improvement
- ? Up-weighting spend



- ? Dublin opportunity
- ? Store expansion
- ? Range optimisation

ROI market growth vs. inflation





So how are shoppers coping?



Buy less?

+1%



Store choice?

-1%

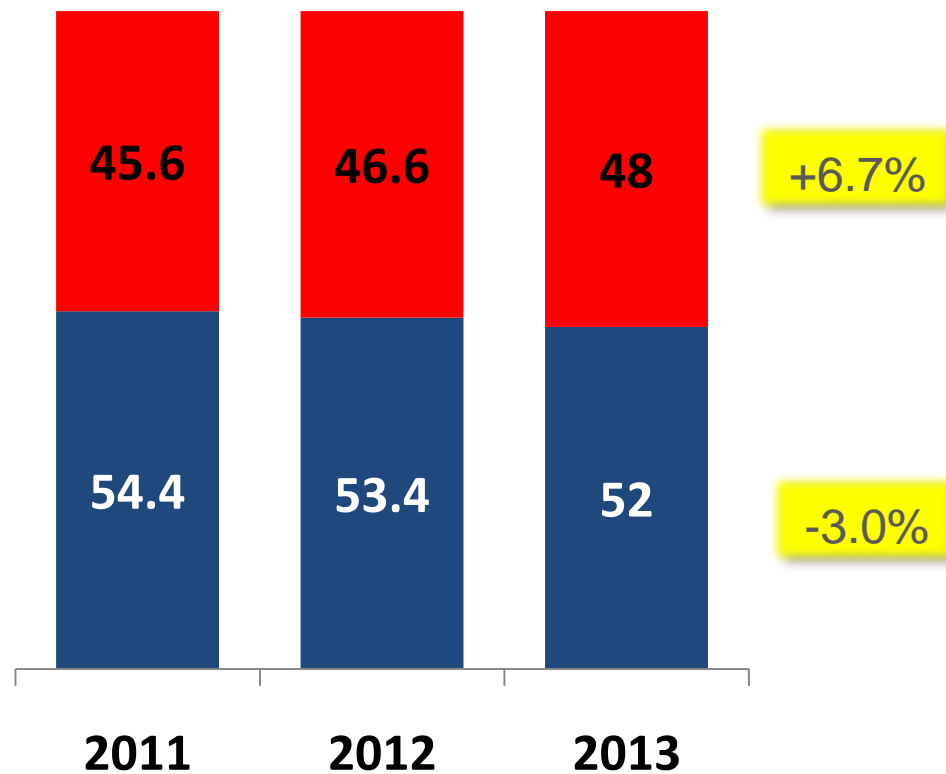


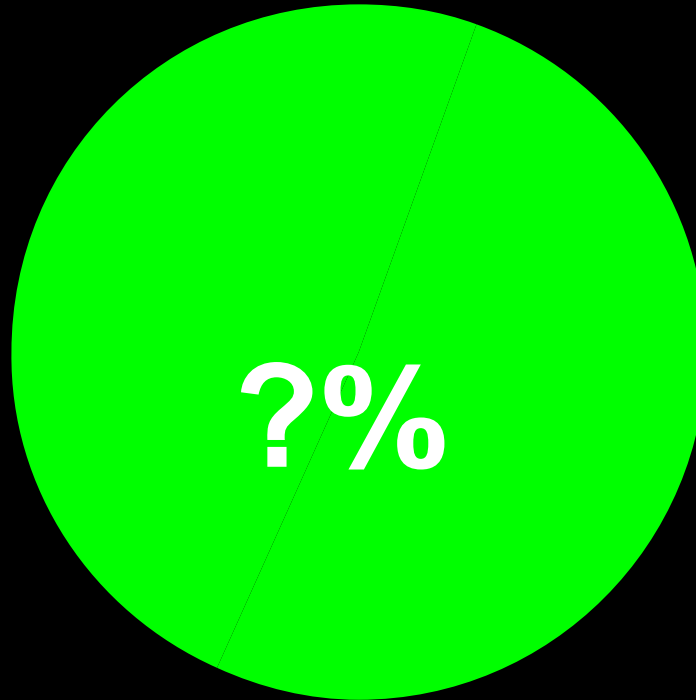
Trade Down?

-2%



VS.





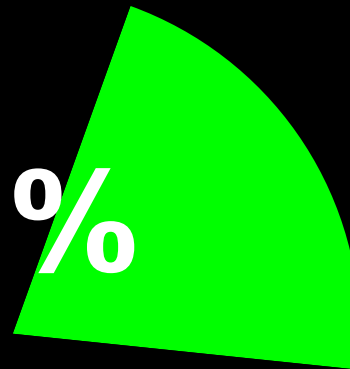
.....of the **top 1000 brands** are in
value sales growth



51%

...and growing for **two consecutive** years?

21%



A Consistent Innovation Pipeline

13.2%

% of grocery
spend from
NPD

17.5%

For the growth
brands

Provide Pricing Clarity



2013

29% Sales

2012

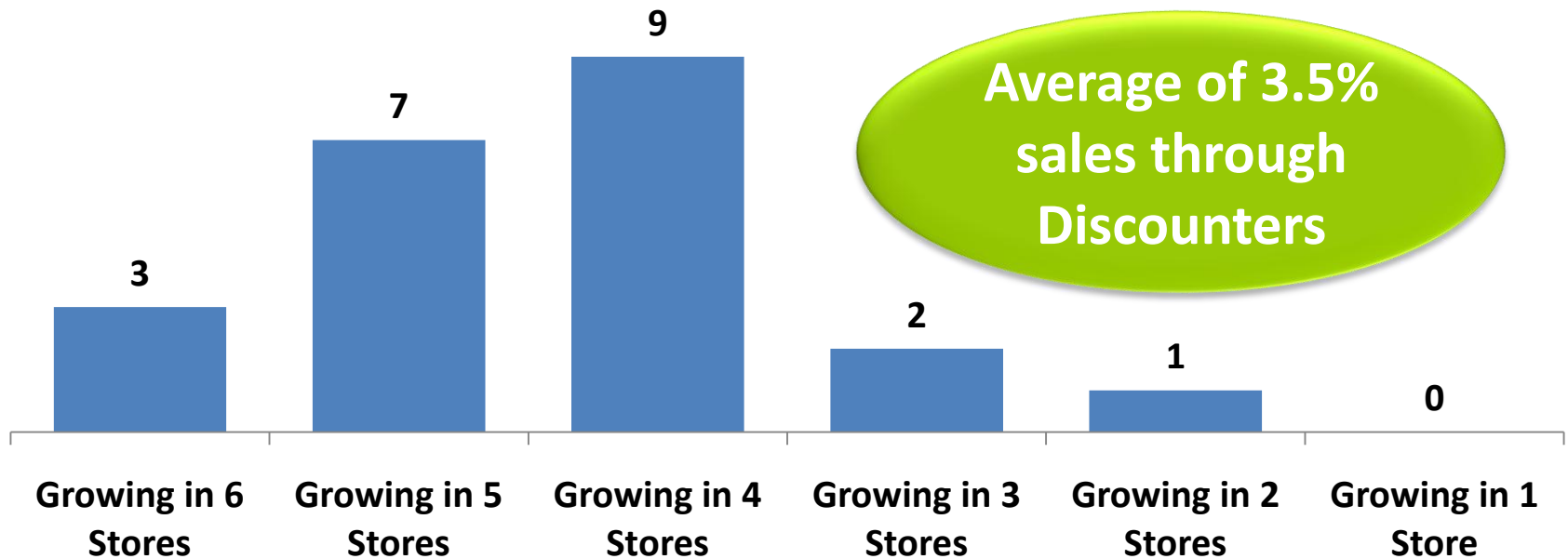
24% Sales

2011

20% Sales

Balanced Trading Platform

Brand Distribution By No. Of Growth Stores



**FACT: SHOPPERS DON'T WORK OUT THE
DISCOUNT – THEY PERCEIVE VALUE**

LESS DISCOUNT –
MORE WEEKS?

**FACT: BUYING MORE INCREASES
NORMAL RATE OF PURCHASE RETURN**

MULTIBUY
CONSTANTLY

PROMOTIONAL STRATEGIES TO CONSIDER


MOVE TOWARDS
PROMOTIONS
ON LARGER SIZES

SAME DISCOUNT –
EXTEND ACROSS
MORE LINES?

**FACT: DEAL ORIENTATED SHOPPERS ARE
BIASED TOWARDS FAMILIES**

**FACT: SHOPPERS BUY MORE WHEN YOU
MAKE THINGS EASIER!**

Consistent Growth Checklist

- 
1. *Innovate*
 2. *Clear Pricing*
 3. *Physical Availability*
 4. *Trade with Discounters*
 5. *Promote More (effectively)*

Consumer spending to rise by 1.3% next year - Ibec



Consumers will continue to benefit from low inflation in 2014, Retail Ireland predicts

Retail Ireland has predicted that consumer spending will rise by 1.3% in 2014, the first such increase since the start of the recession.

2013

€8.9b

€8.9b

2018

€9.8b

€9.8b