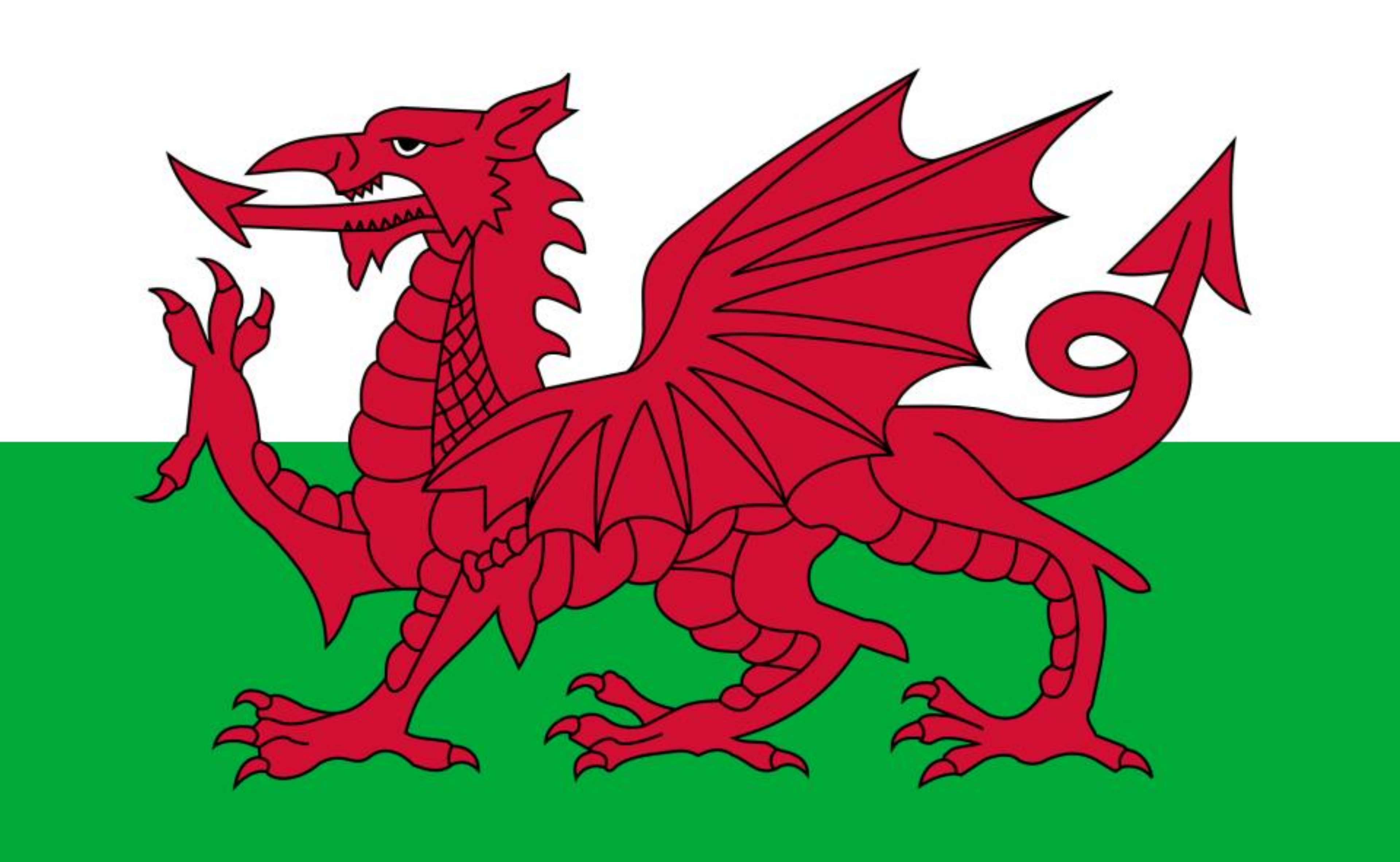
Big Consumer Trends, the London market and how to utilise shopper panel and usage data



AGENDA

- WHO ARE KANTAR WORLDPANEL?
  - HOW WE COLLECT OUR DATA
    - PURCHASE
    - CONSUMPTION
- HOW COMPANIES USE OUR DATA
  - A REAL LIFE CASE STUDY
- CHANGING SHOPPING HABITS, FACT OR FICTION?
  - CONVENIENCE SHOPPING
  - DISCOUNTERS
  - ONLINE
  - THE LONDON MARKET

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AGENDA

- WHO ARE KANTAR WORLDPANEL?
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KANTAR is the information, insight and consultancy businesses of WPP

WPP

- Advertising & Media
- Public Relations
- Branding & Identity & Specialist Communications
- The Kantar Group – Information, Insight & Consultancy

The largest shopper panel in Great Britain

Geographically and demographically representative of the population of GB

30,000

Households in GB

HOW does Worldpanel work?

Take home purchases scanned by palm pilot and clicker technology

Data retrieved automatically via modem and collated into databases on a 4 weekly cycle

Clients receive databases, reports and presentations and work with client service teams to uncover commercial insights

Some of key questions Kantar Worldpanel can answer on your markets

How are my markets performing?

What is driving the sector?
More Shoppers or Shoppers buying more/more often?

Are there opportunities to attract new shoppers?

Identify & quantify opportunities

How can I increase my market share?

What retailers are my shoppers shopping in?

How are our competitors performing?
Private Label or Branded?

WHAT IS THE USAGE PANEL?

10,000 individuals

From 4000 HH subset of Purchase panel

Linked to Purchase panel

Demographically representative of GB population

© Kantar Worldpanel

WHAT DO PANELLISTS DO?

Usage panellists record consumption for a one week period once a quarter

Food & drink consumption is recorded for every member of the household and all guests

Consumption is recorded by time of day and meal occasion as defined by the user

© Kantar Worldpanel

WHAT QUESTIONS CAN USAGE ANSWER?

BRAND IDENTITY	Based on the needs and occasions of your consumers	**CROSS CATEGORY MARKETING**	What dishes offer the biggest opportunity?
PRODUCT SIZE	SKU level capture to help drive incremental growth within a range	**NPD**	How big is the opportunity in your categories?
PACKAGING	What communication should be featured on pack and in store?	**MACRO ISSUES**	What are the trends for convenience vs. scratch cooking? How is health being affected?
OWN LABEL	How can your retail partner be more competitive?	**FIXTURE LAYOUT**	Position products by their usage to improve the shopping experience

© Kantar Worldpanel

AGENDA

- > HOW COMPANIES USE OUR DATA
  - > A REAL LIFE CASE STUDY

© Kantar Worldpanel

BRAND X is a branded, ambient juice drink and one of our big successes

Where Brand X drinks were …

ASDA

MORRISONS

Waitrose

… and where they wanted to be!

ASDA

Sainsbury's

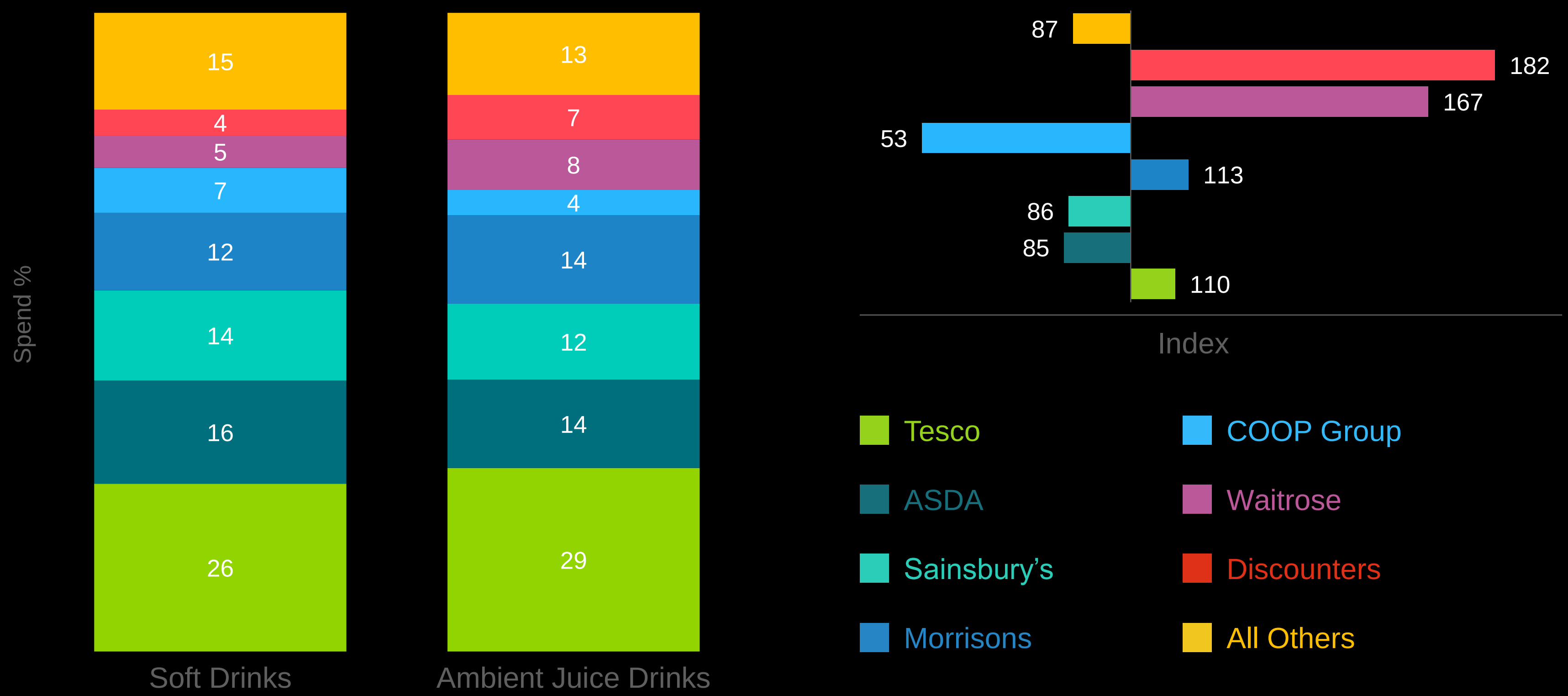
Why does Sainsbury's need Brand X?

What are the benefits?

Sainsbury's

Retailer shares of soft drinks vs. ambient juice drinks

Sainsbury's under-trades in the ambient juice drinks



Data to 52 w/e 8th August 10, Universe: Branded Soft Drinks vs. Branded Ambient Juice Drinks.

What's in it for Sainsbury's?

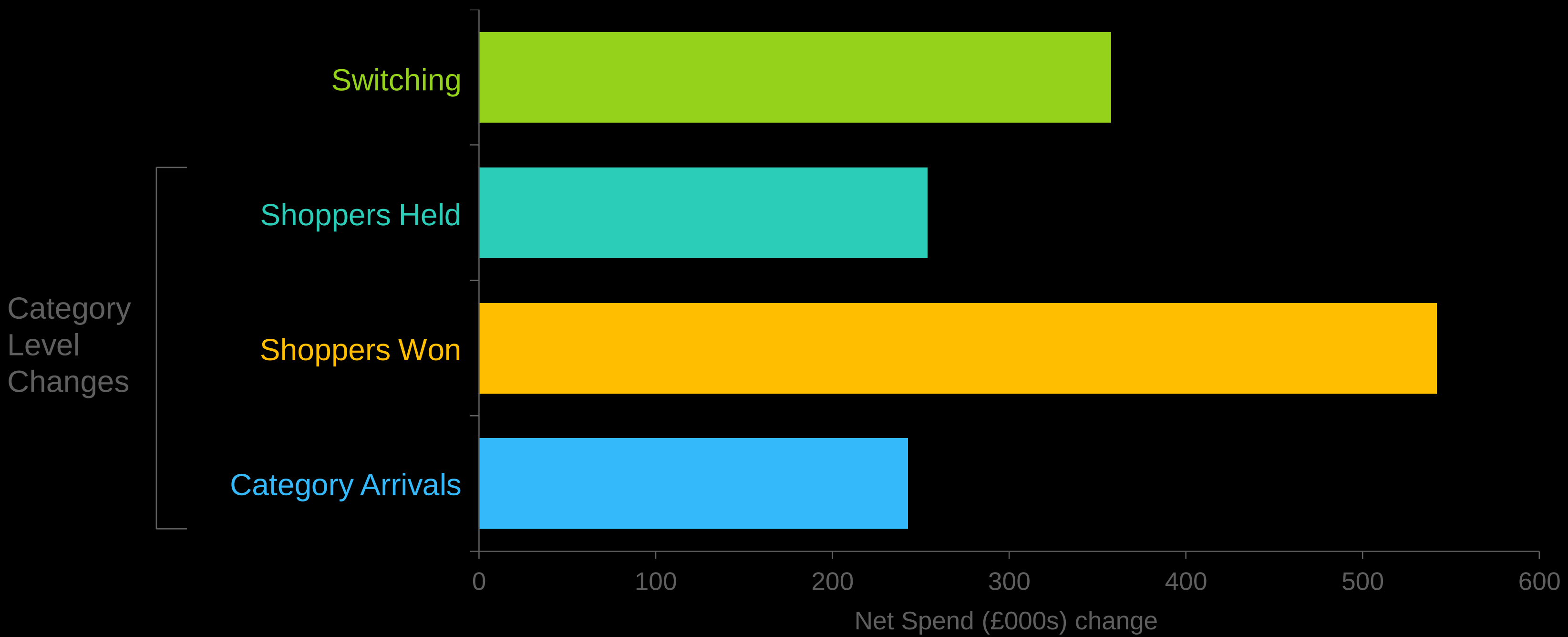
£18m

Opportunity

Sainsbury's

Impressively 75% of Brand X's growth is incremental to the category, primarily due to existing shoppers adding the brand to their repertoire.

Source of BRAND X Spend (£000s) Change – Year Ending 08 August



Universe: Total Ambient Juice Drinks

Who is the BRAND X shopper?

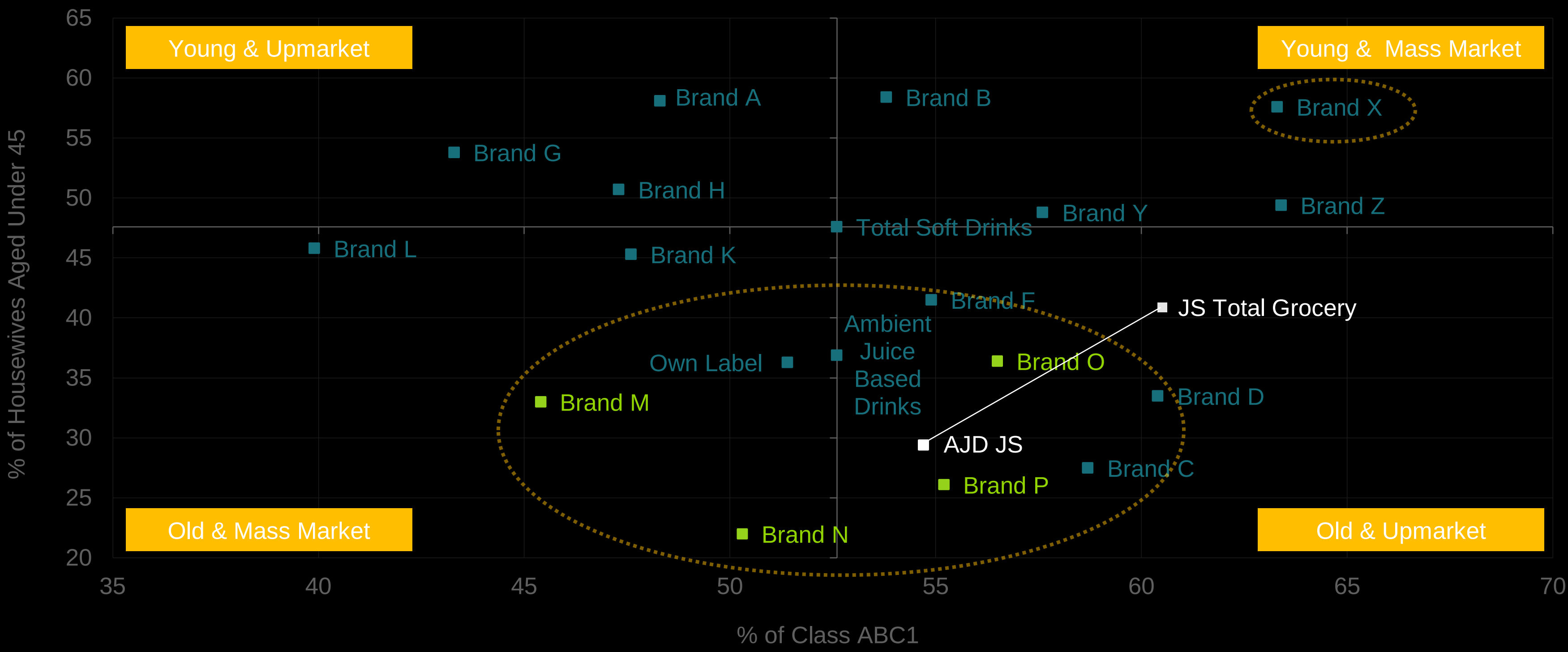
What gap will the Brand X shopper fill at Sainsbury's?

Sainsbury's

Brand X fills a gap in Sainsbury's current range

Demographic Spend Profile of ambient juice drinks brands

Social class vs. housewife age

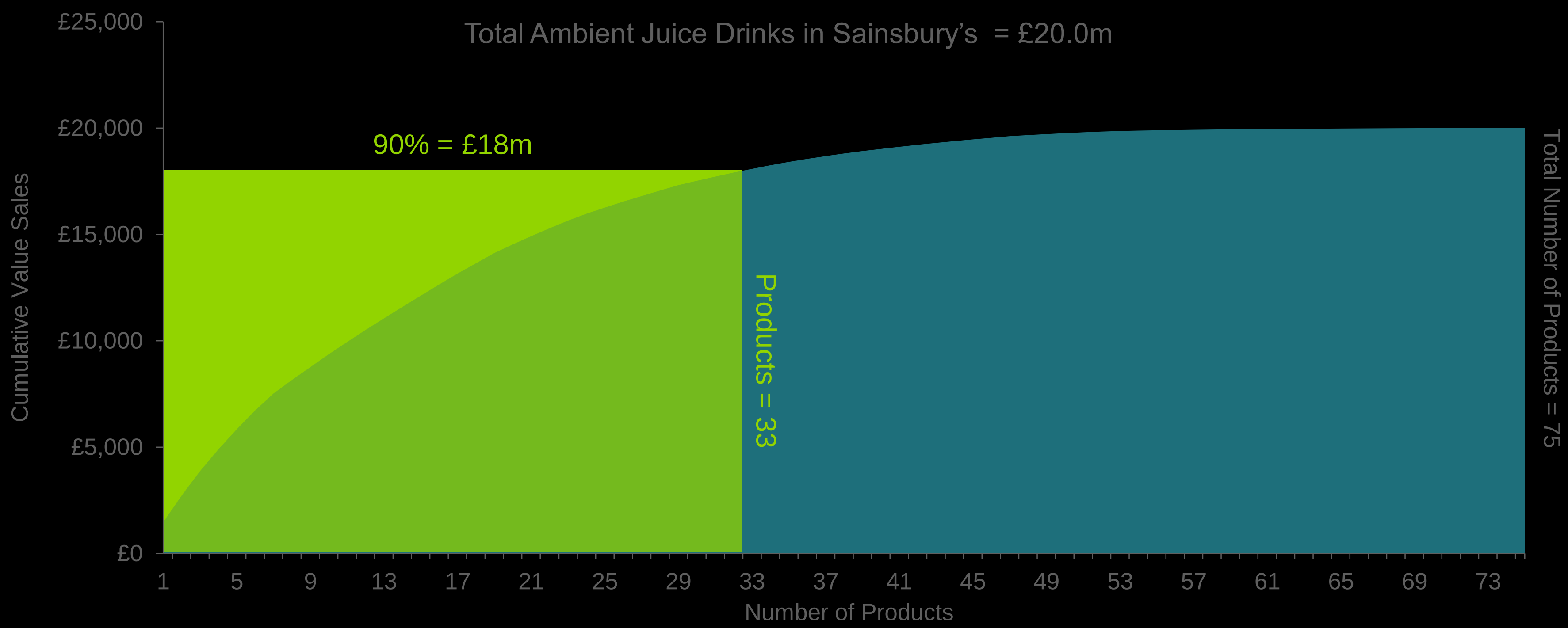


Universe: Ambient Juice Drinks index vs. Total Soft Drinks

Which brands will Brand X replace?

Contribution of ambient juice drink SKU's to Sainsbury's

90% of value sales come from 44% of products – for targeted delist arguments the remaining 56% of products can be considered



Universe: Sainsbury's

Which products can be targeted for de-listing?

£3m

Brands A, B & C in decline at Sainsbury's – SKUs redundant

Brand X deal

Sainsbury's

AGENDA

- CHANGING SHOPPING HABITS, FACT OR FICTION?
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THE RISE OF THE CONVENIENCE TRIP; FACT OR FICTION?

The Telegraph

Home | Video | News | World | Sport | Finance | Comment | Culture | Travel | Life | Women | Fa

Budget | Companies | Comment | Personal Finance | ISAs | Economy | Markets | Property | Enter

HOME » FINANCE » NEWS BY SECTOR » RETAIL AND CONSUMER

How convenience stores helped destroy the supermarket

Tesco, Sainsbury's and Morrisons have fueled their own downfall by opening convenience stores, and only now are they reacting

18 | 95 | 0 | 121 | 234 | Email

Tesco has more than 2,000 convenience stores in the UK, while Sainsbury's also has more Sainsbury's Local stores than supermarkets Photo: REUTERS

BBC | Menu

NEWS

Home | UK | World | Business | Election 2015 | Tech | Science | Health | Education | Ent

Business | Your Money | Market Data | Markets | Companies | Economy

The death of the weekly supermarket shop

By Katie Hope
Business reporter, BBC News

5 October 2014 | Business | 453

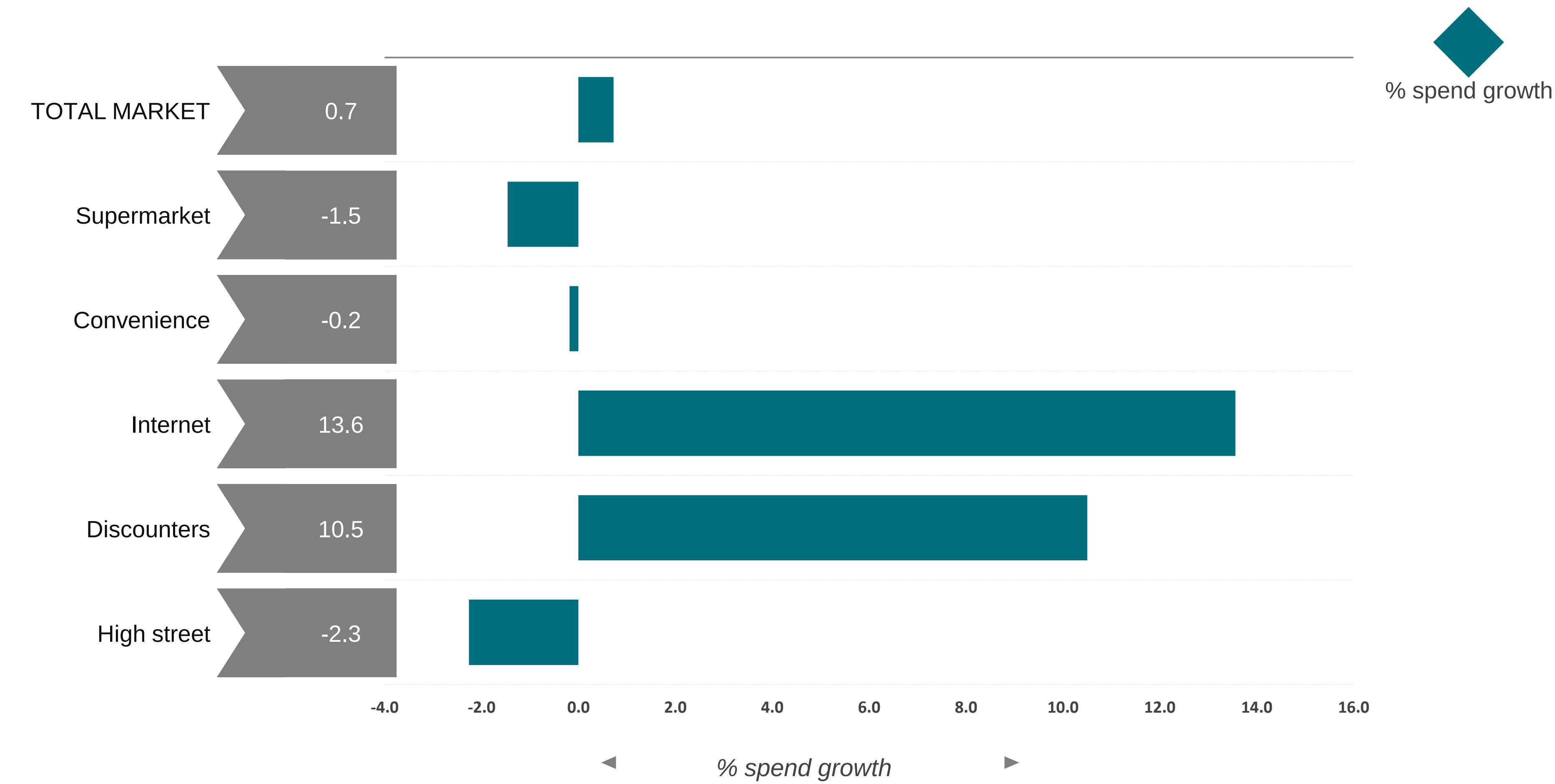
in big supermarkets can be overwhelming

© Kantar Worldpanel

2009	2014
256 trips	256 trips
Main shop 13.1 days	Main shop 13.0 days
Top up shop 1.6 days	Top up shop 1.6 days

CHANNEL GROWTH

The proliferation in supermarket 'convenience' stores has been offset by the decline in independently owned outlets



RT43 (Grocery). KWP 2015 01. 12 w/e 01 Feb 15

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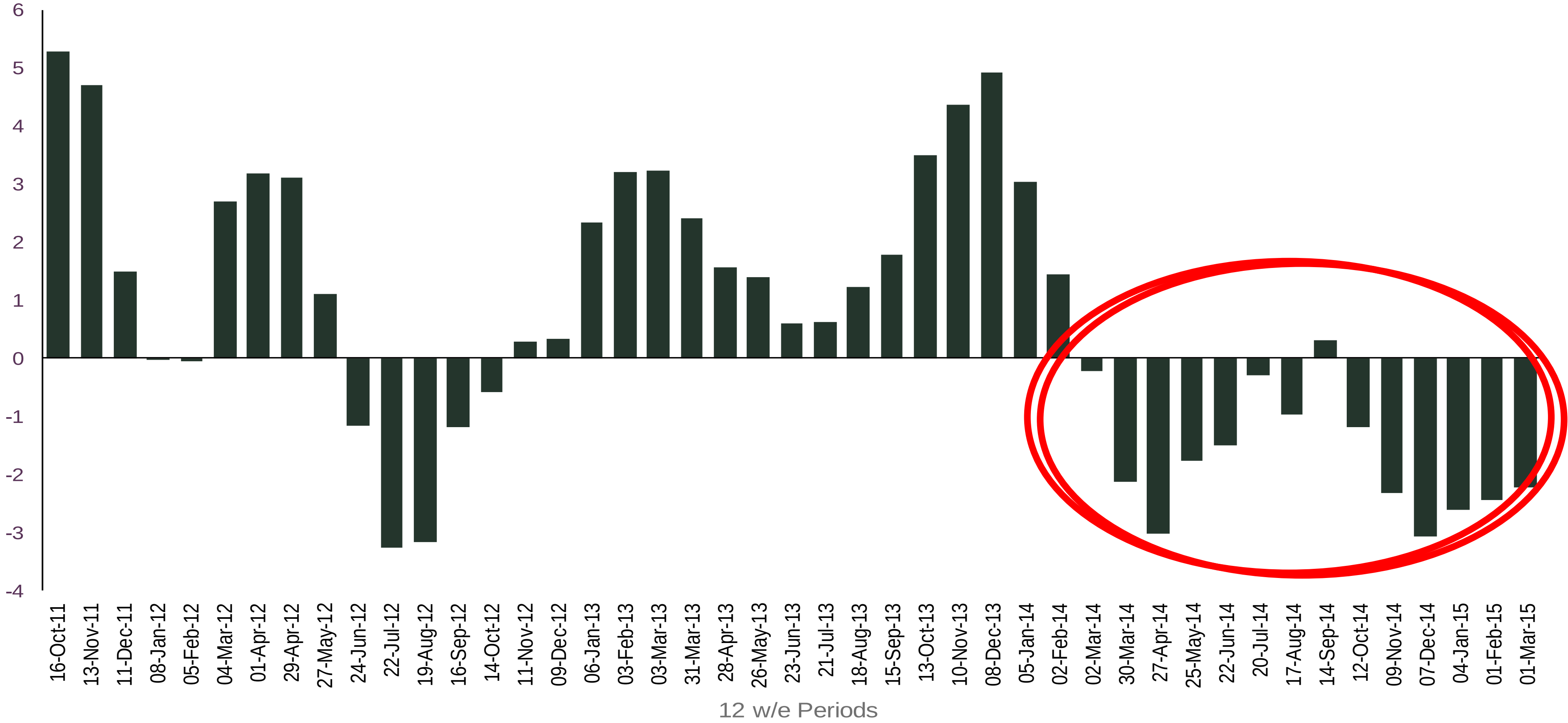
CORNER STORES & SYMBOLS UNDER PRESSURE

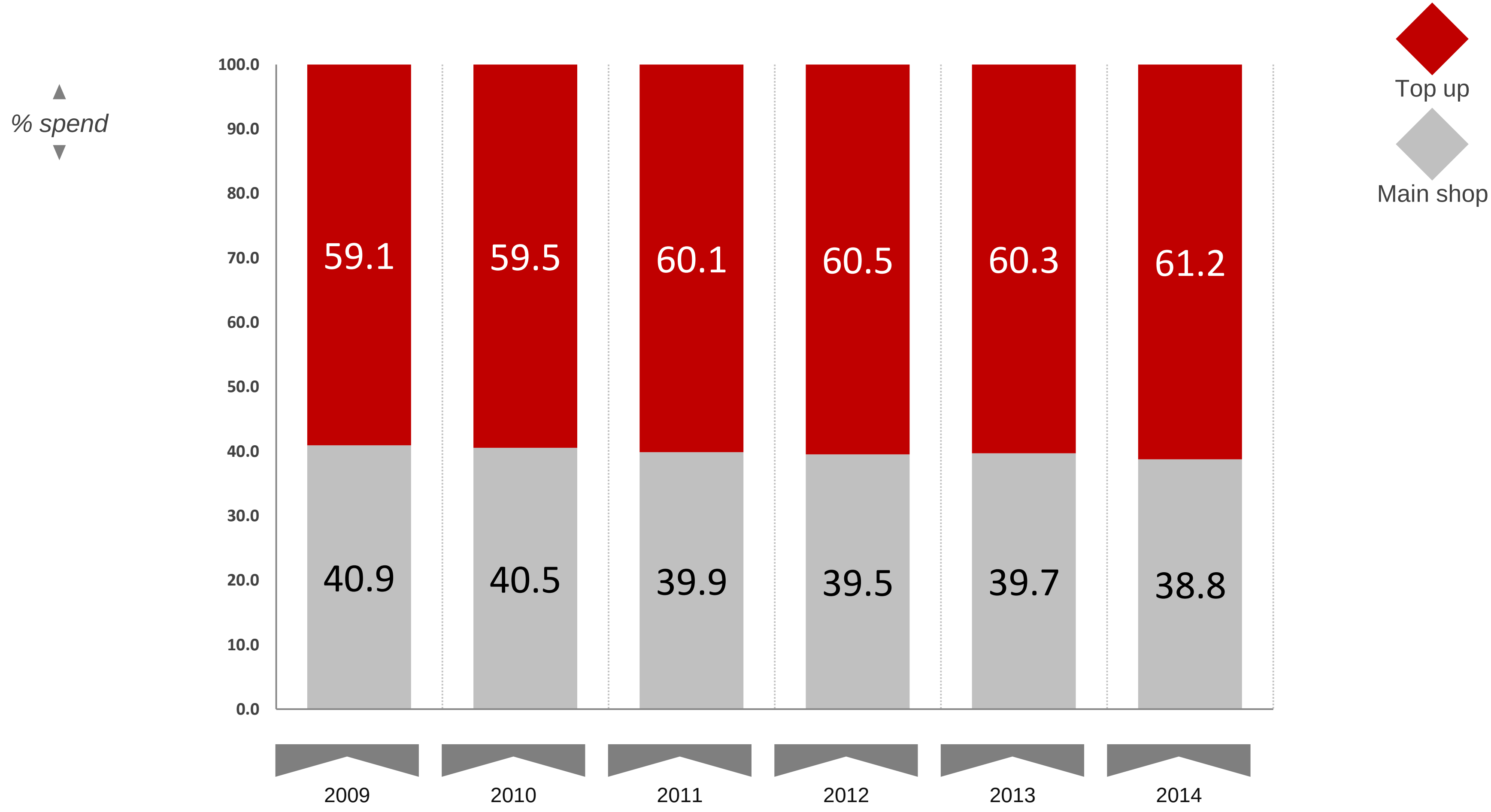


Independents 12we Year-on-Year Trends - Till Roll £%

© Kantar Worldpanel

TOP UP MISSIONS ARE GAINING GROUND, BUT SLOWLY

% of spend by mission type



RT43 (Grocery). KWP 2014 P08. 52we 17 Aug 2014

© Kantar Worldpanel

Small trips get bigger

Big trips get smaller

More top up shops in:

Supermarkets £14
Discounters £8
Online £54

vs
Convenience £6

Main shops decreasing:

Price war in supermarkets

Widening online appeal

11% of main shops in discounters

RT43 (Grocery). KWP 2014 P09. 52we 14 Sep 2014

© Kantar Worldpanel

THE RISE OF THE DISCOUNTERS

Aldi and Lidl effect saves shoppers more than £400million as supermarket price war forces prices to tumble

- Supermarket price war has seen cost of milk, bread
- Price cuts have saved shoppers around £400million
- Supermarkets have slashed their prices to compete
- Prices are around 1.6 per cent cheaper at stores co
- Experts said declining price of essentials is increas

By SEAN POULTER CONSUMER AFFAIRS EDITOR

PUBLISHED: 13:05, 10 March 2015 | UPDATED: 13:56, 10 March 2015

Share | 35 shares

A supermarket price war has saved shoppers across the high stree weeks.

Prices are down by an average of 1.6per cent on a year ago, fuelle Government's official measures of inflation will show a period of 'go

The figures, from retail analysts Kantar, have delivered some posit were up 1.1per cent, which is its best performance for 18 months.

Scroll down for video

Challenger Aldi considers a move into British online sales

Discounters are reported to be eyeing a share of fast-growing internet grocery sales, expected to double to 8% of the UK market by 2019

Aldi is reported to be exploring a move into online sales in the UK. Photog Visual/REX

Aldi is considering moving into online retailing in the U opening up a new front in the discounter's challenge to

Fast growth in internet orders as well as at small local s UK's "big four" supermarkets - Asda, Tesco, Sainsbury' falls in sales at their large supermarkets.

Online grocery sales are expected to be the fastest grow

NEWS

Aldi is now the UK's sixth biggest supermarket

Share:

by Catherine Nelan

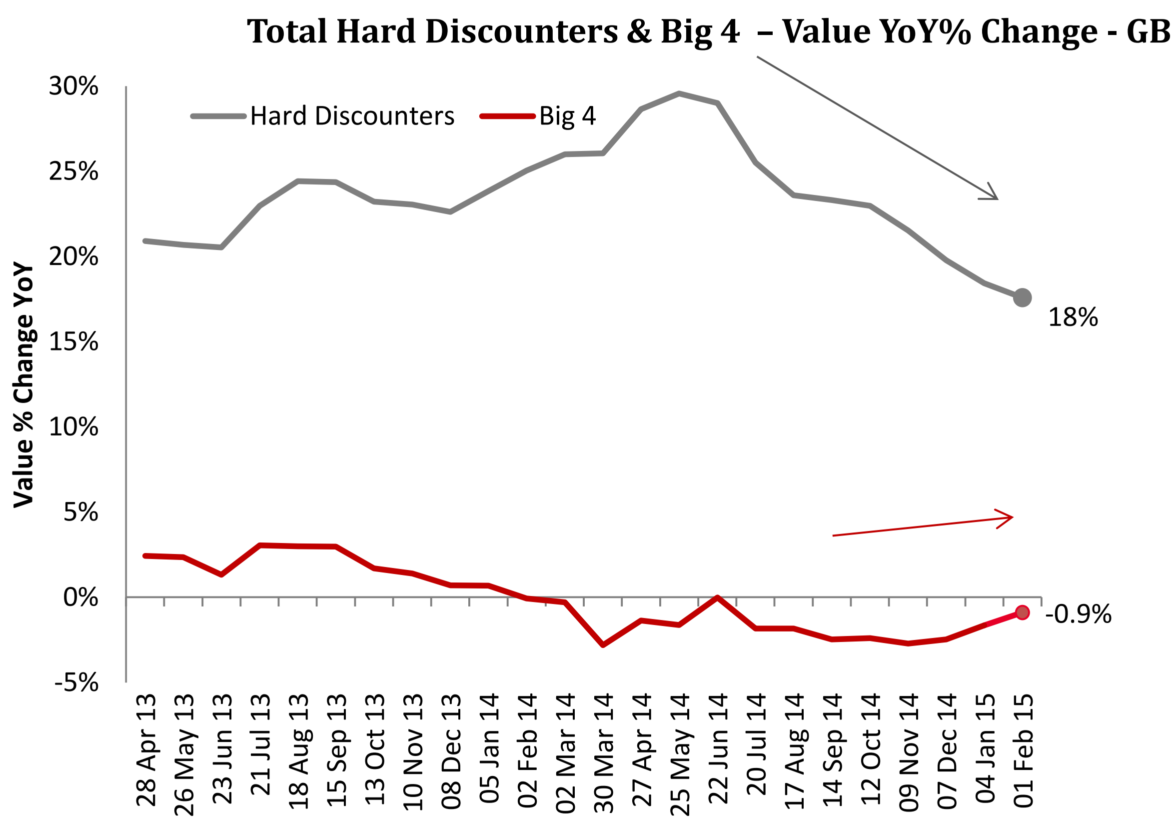
Aldi's dominance in the UK is growing (Source: Getty)

Aldi has overtaken Waitrose to become the UK's sixth biggest supermarket

© Kantar Worldpanel

DISCOUNTER GROWTH SIGNIFICANTLY OUTPACES BIG 4

Discounters are now annualising on very strong number in 2014



Inevitable that Big 4 losses to Discounters will continue this year:

Here's some reasons why…

+70 new stores openings in 2015

Biggest ever stores driving increase basket size and main shop

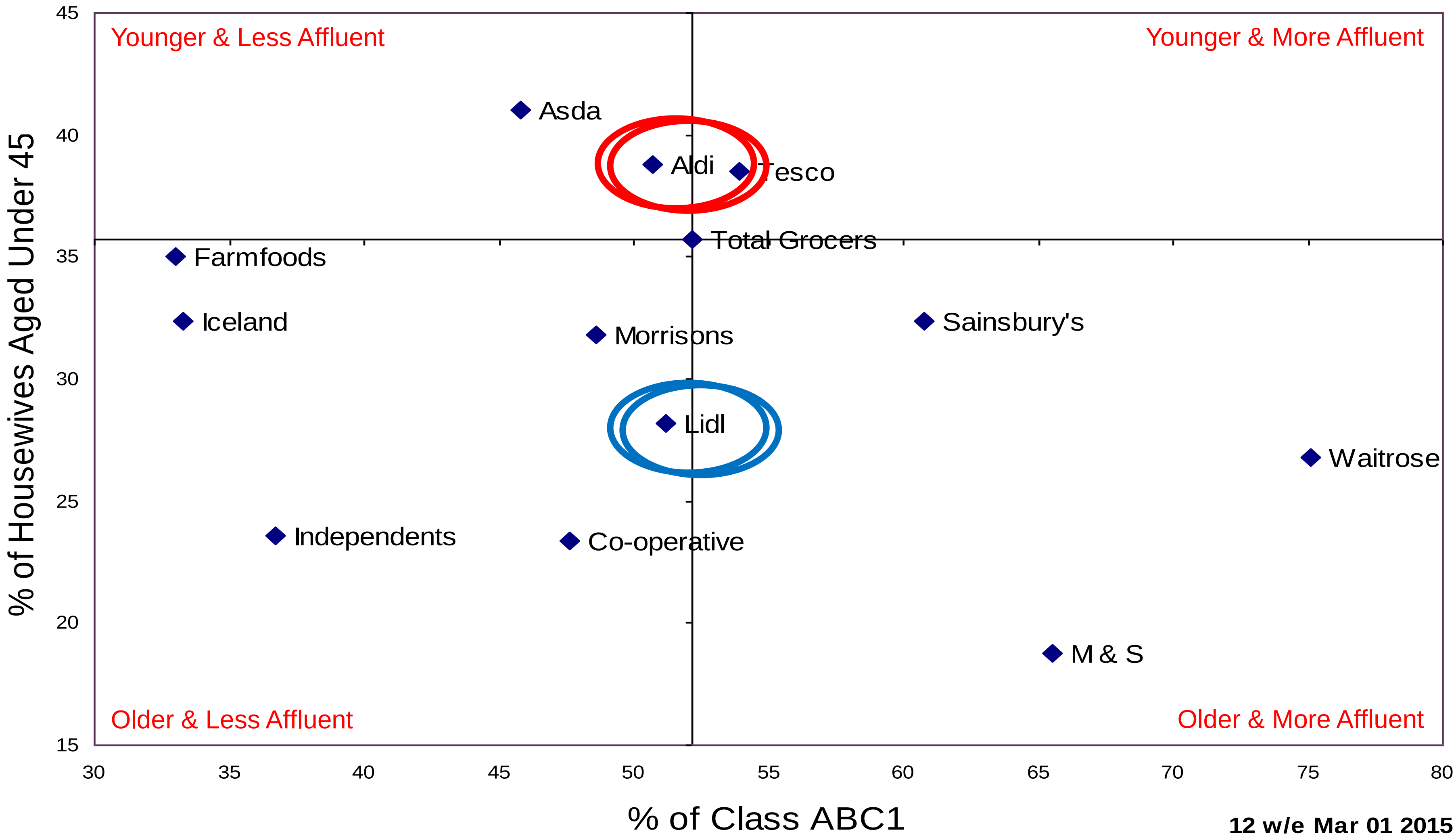
Existing store refurbishment

New Distribution centres in Barnsley and Cardiff

Source: Kantar Worldpanel; GB; Spend YoY; Grocery (RST); Hard Discounters = Aldi & Lidl' 12 w/e data to 1st February 2015

© Kantar Worldpanel

ALDI & LIDL SHOPPERS ARE NOW MORE AFFLUENT THAN EITHER ASDA OR MORRISONS

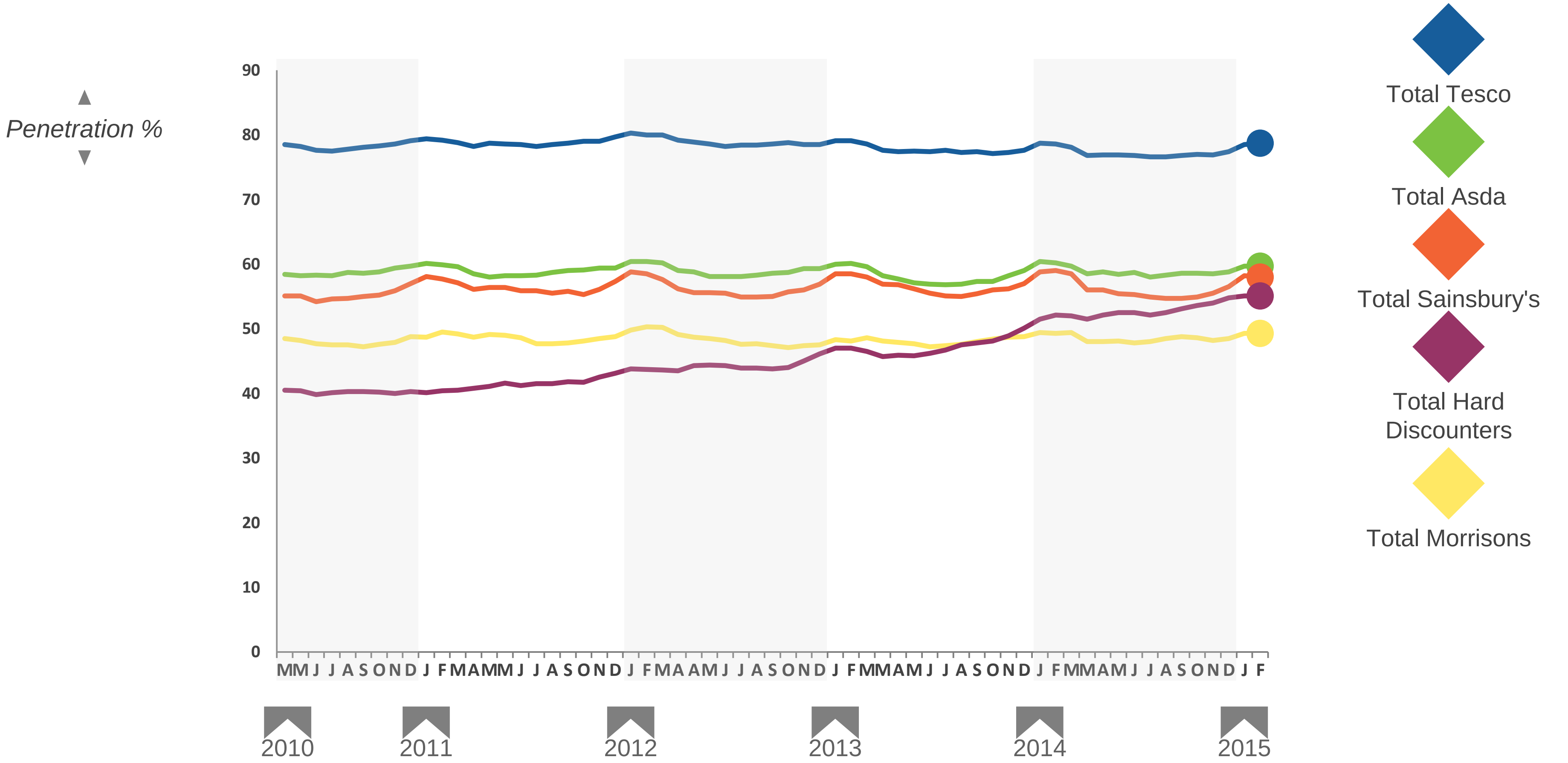


12 w/e Mar 01 2015

© Kantar Worldpanel

12WE PENETRATION

Nearly as many people visit Aldi/Lidl in 12we as visit Sainsbury's



Till Roll. KWP 2015 01. 12we 01 Feb 2015

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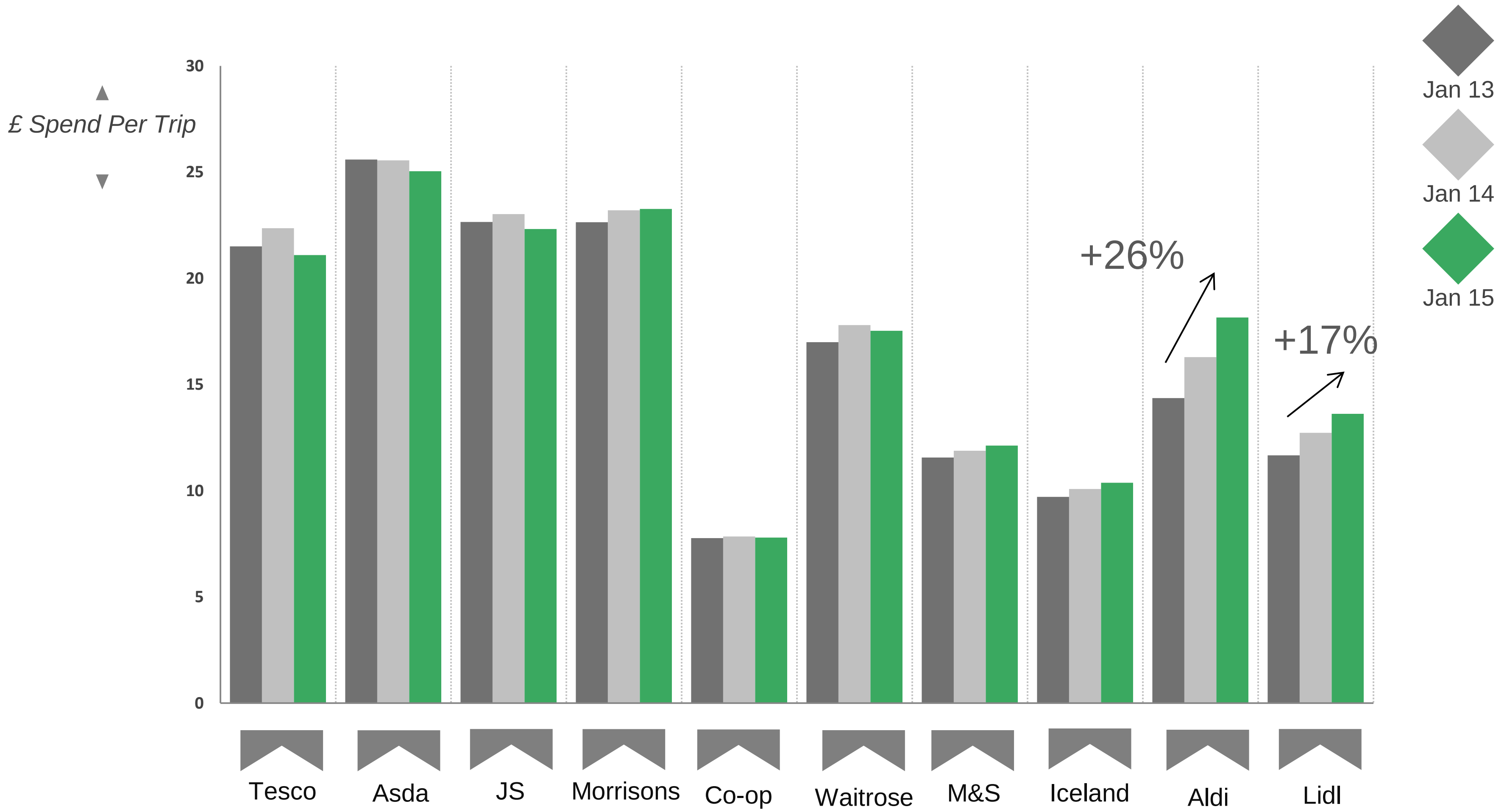
AVERAGE TRIP SPEND

Both Discounters have persuaded us to put more in our baskets



RT43 (Grocery). KWP 2014 13. 52 w/e 04 Jan 15

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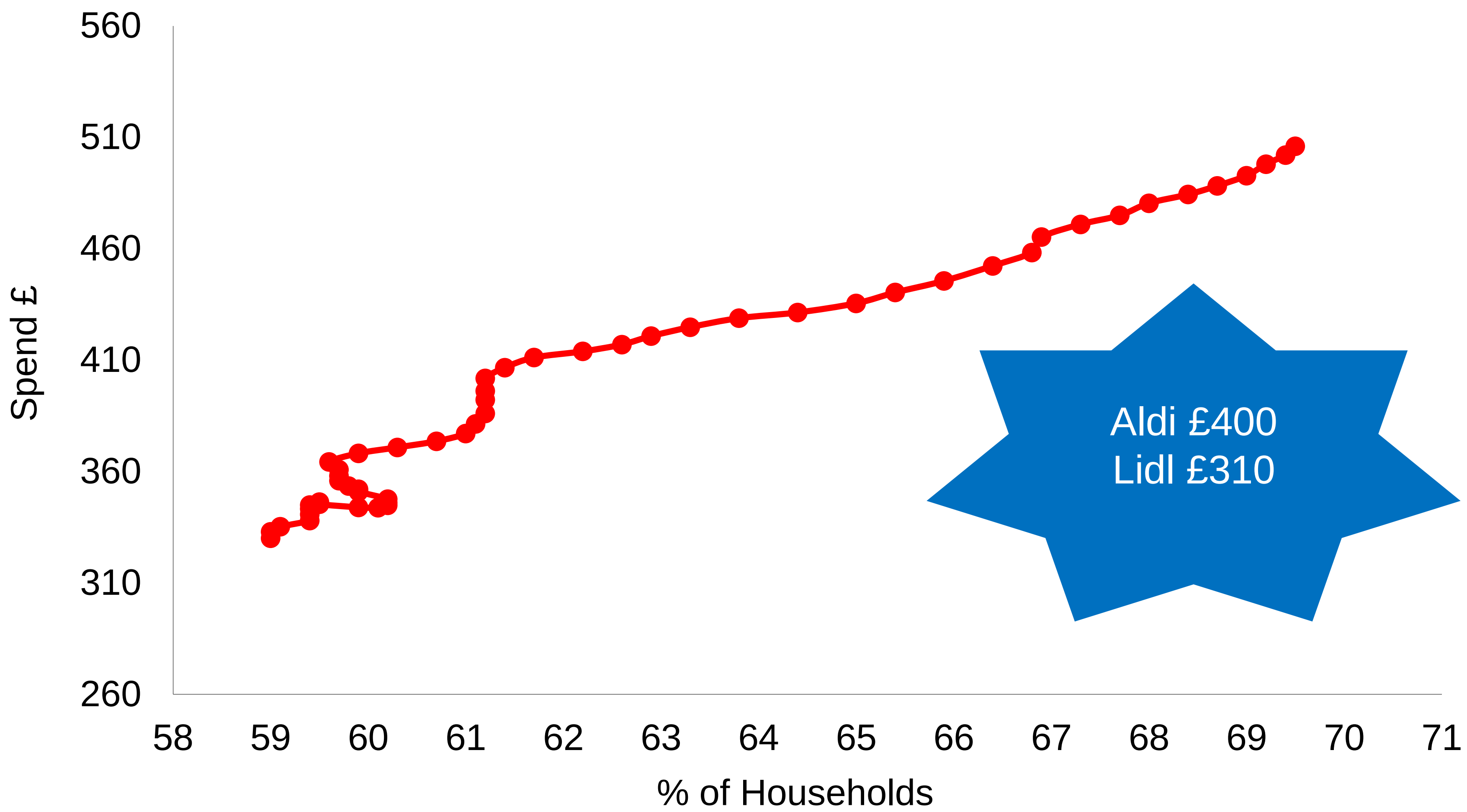
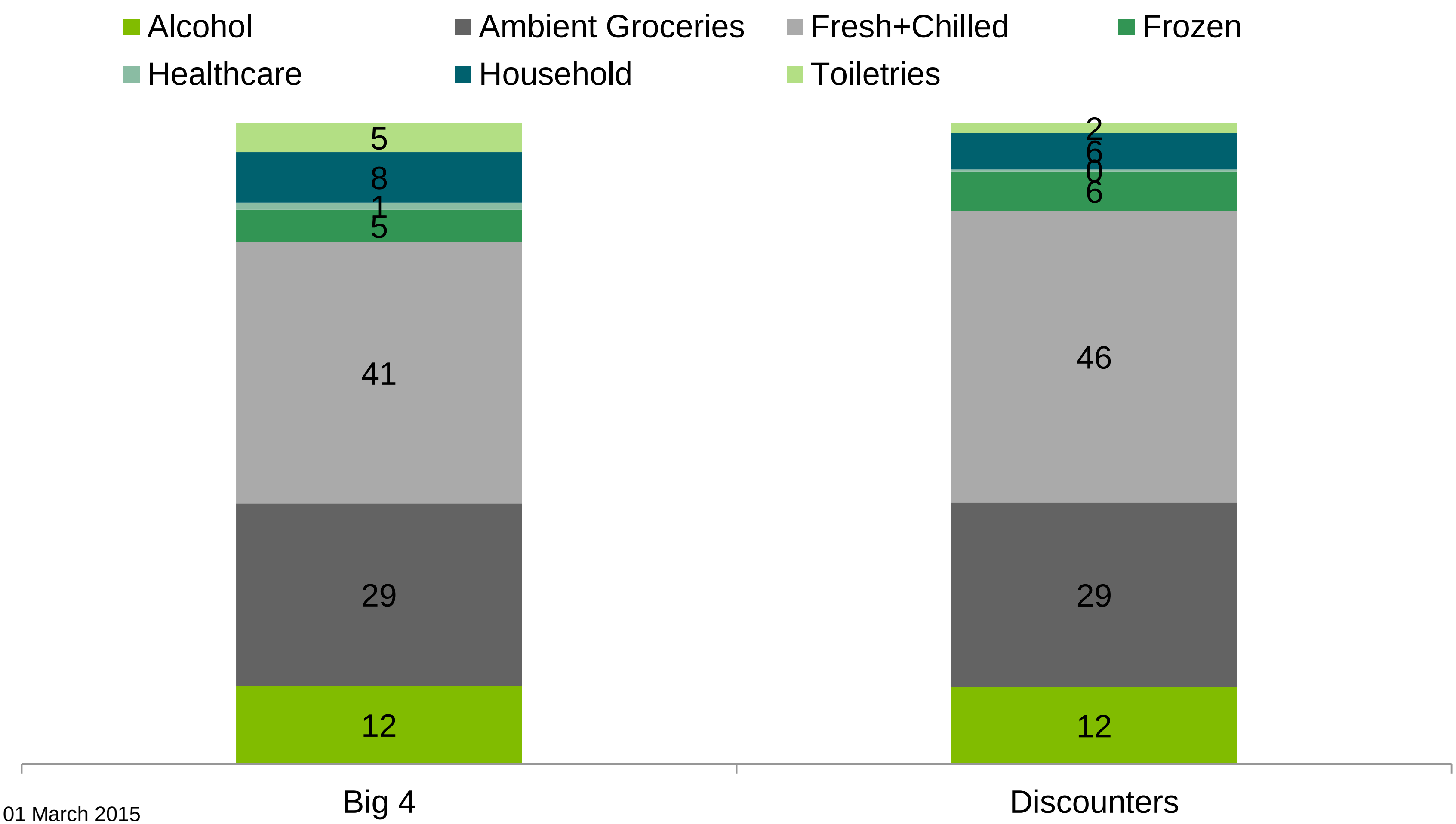


53 x 52 weekly periods ending Mar 01 2015

© Kantar Worldpanel

PURCHASE PROFILE OF SUPERMARKETS VS DISCOUNTERS

Discounters are actually more reliant on fresh/chilled products than the Big 4



52we 01 March 2015

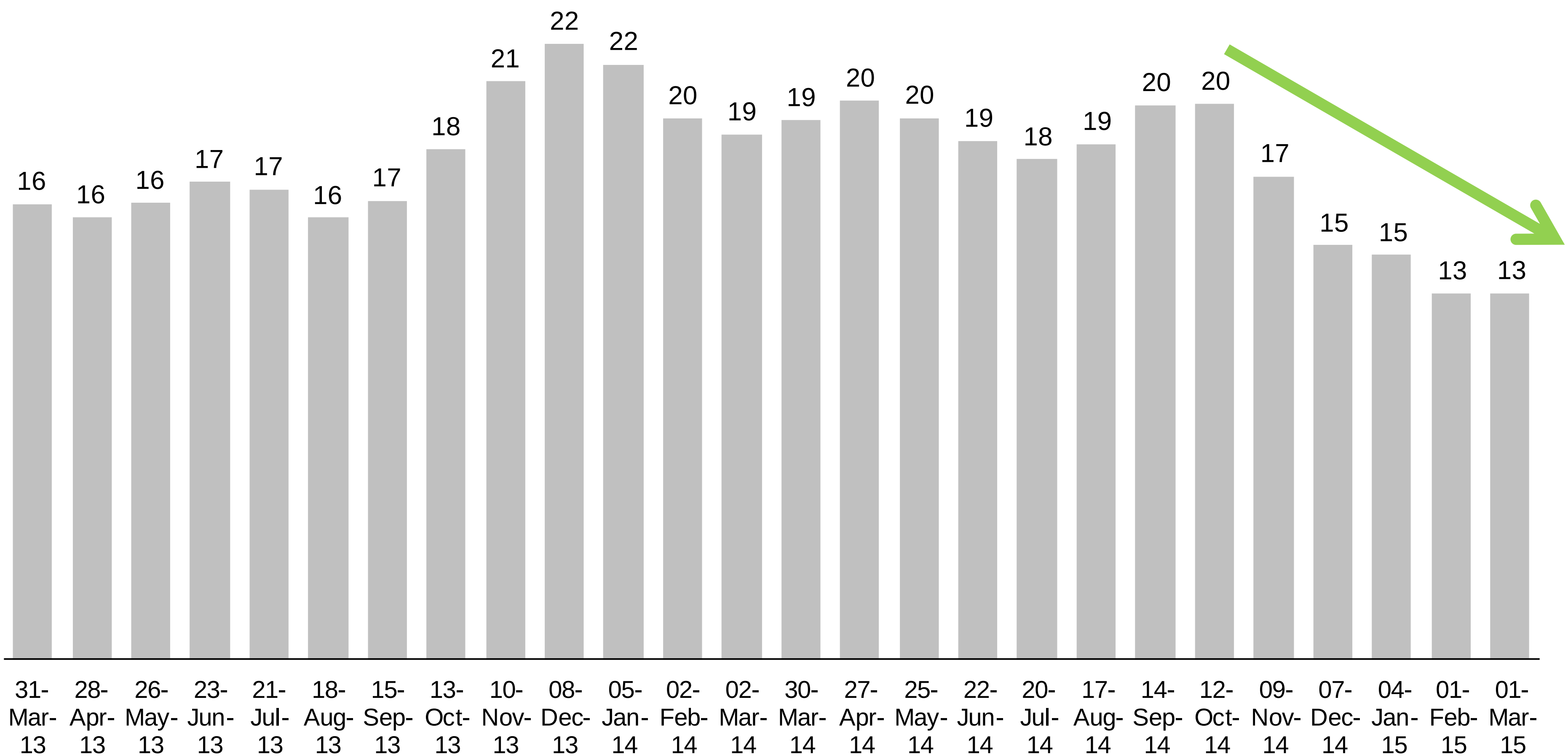
Spend Split by Area of Store, 52we 01 March 2015 £%

© Kantar Worldpanel

WHERE NEXT FOR ONLINE?

© Kantar Worldpanel

ALTHOUGH SLOWING, ONLINE STILL OUTPERFORMS THE MARKET

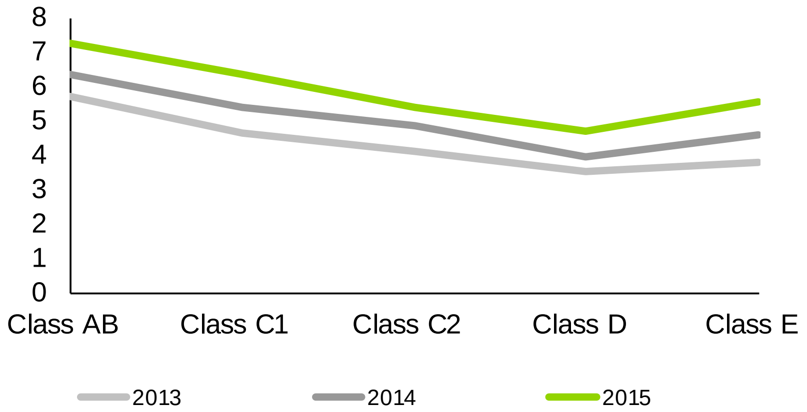


12we Online sales growth £%

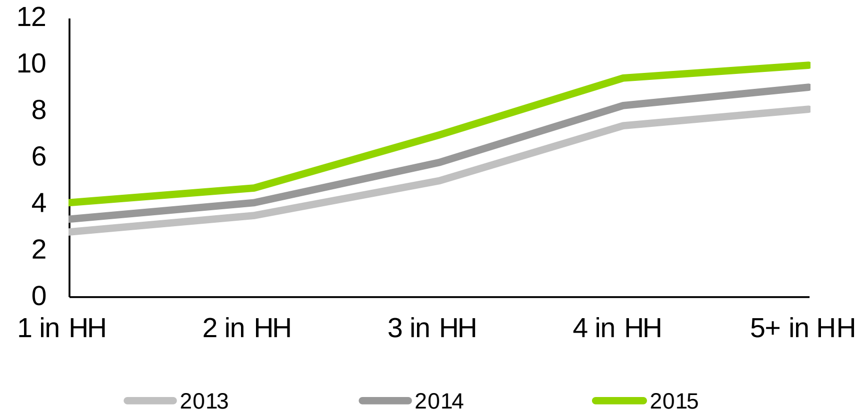
© Kantar Worldpanel

AGE IS A KEY FACTOR IN DETERMINING ENGAGEMENT

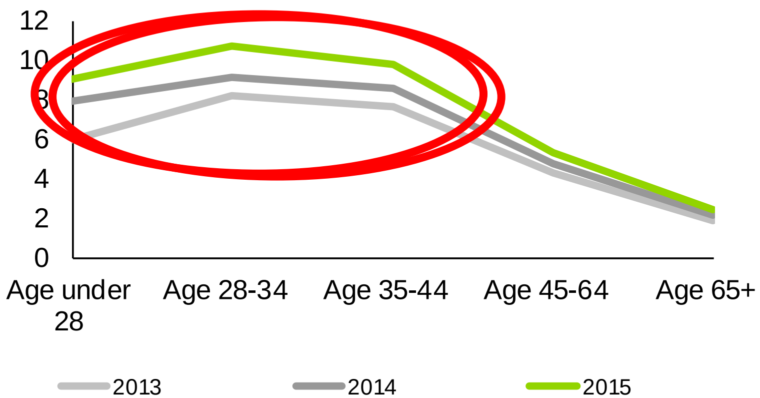
Social Class



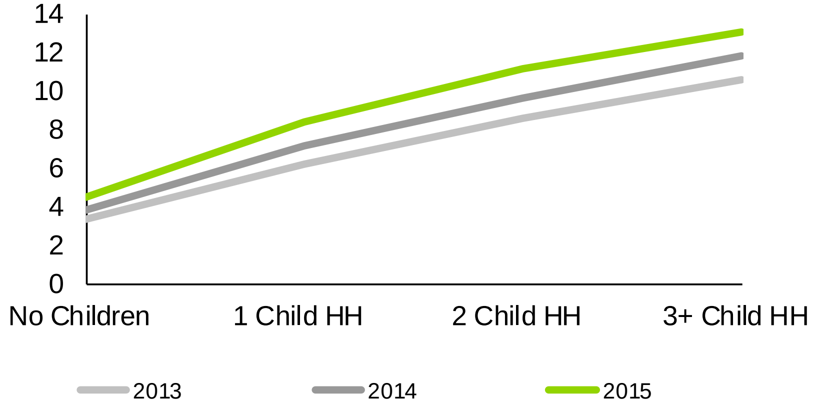
Household Size



Housewife Age



No. of Children



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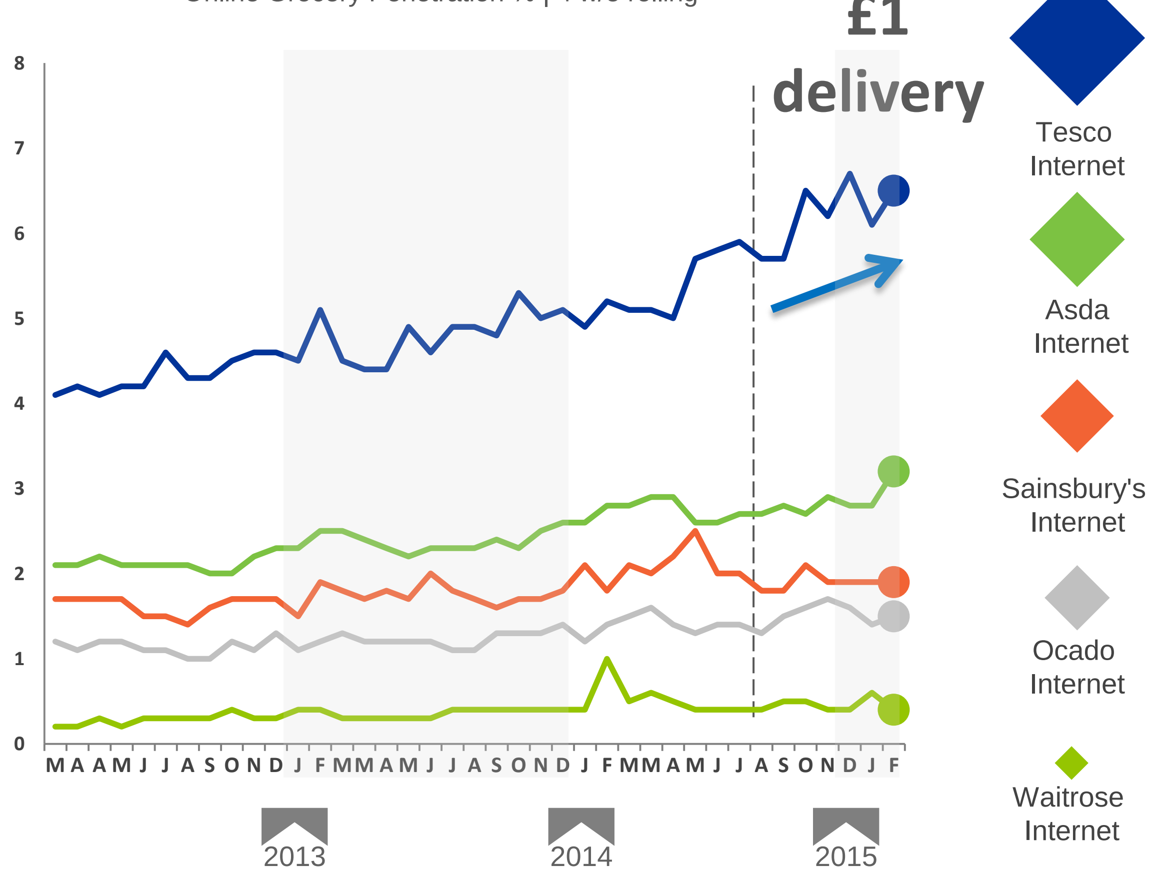
£1 DELIVERY SLOTS DRIVE TESCO'S PENETRATION INCREASES



Tesco launched **£1 delivery slots** and new **£25 minimum spend** in April 2014

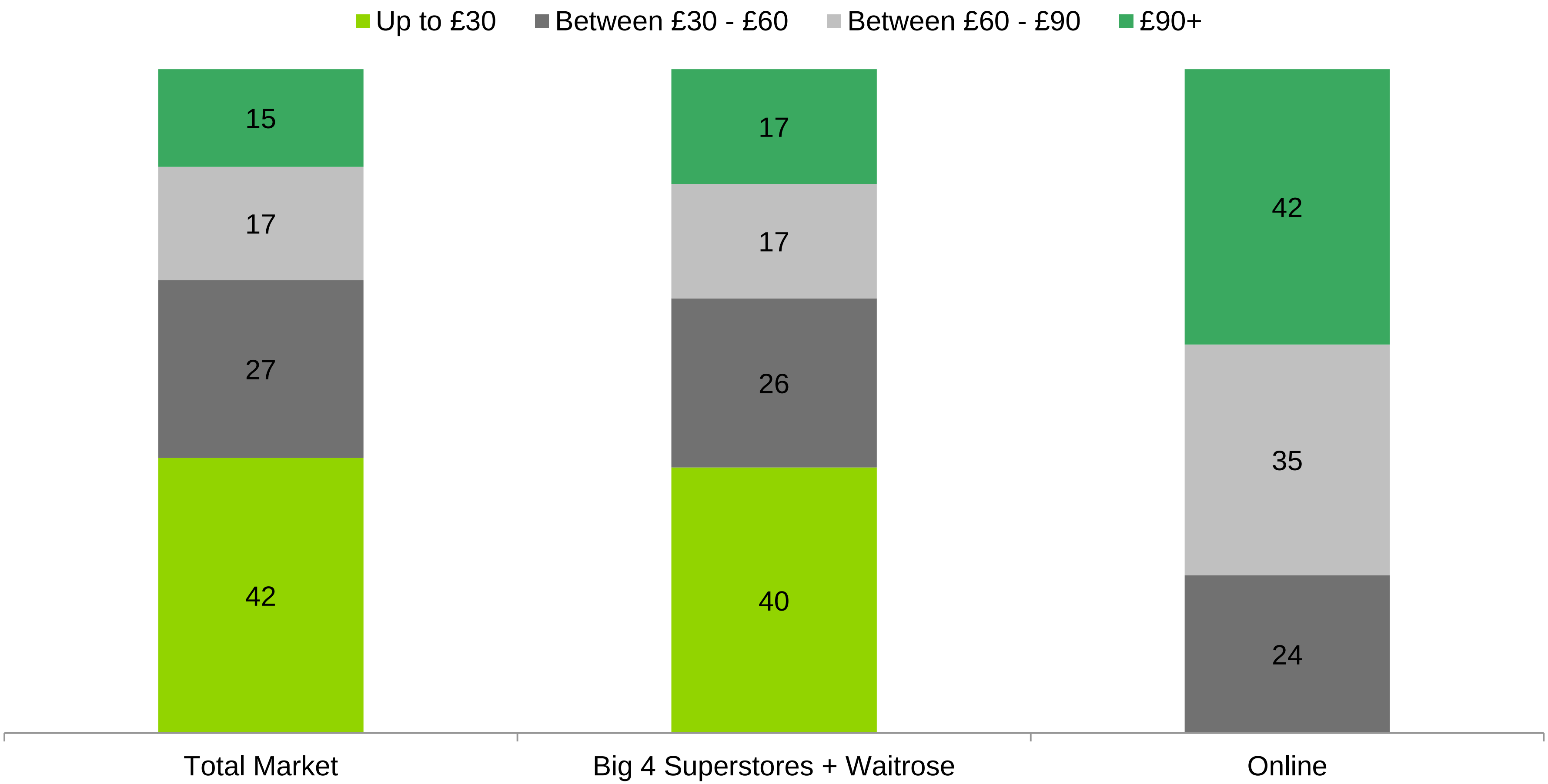
Since then they've gained **+376k more shoppers** vs more than double the closest rival Asda with +154k

(40 w/e Feb vs YA)

Source: Kantar Worldpanel; GB; Penetration; Grocery (RST); 4 w/e data to 1st February 2015

© Kantar Worldpanel

42% OF SPEND IS GENERATED BY TRIPS ONLINES DOESN'T PLAY IN



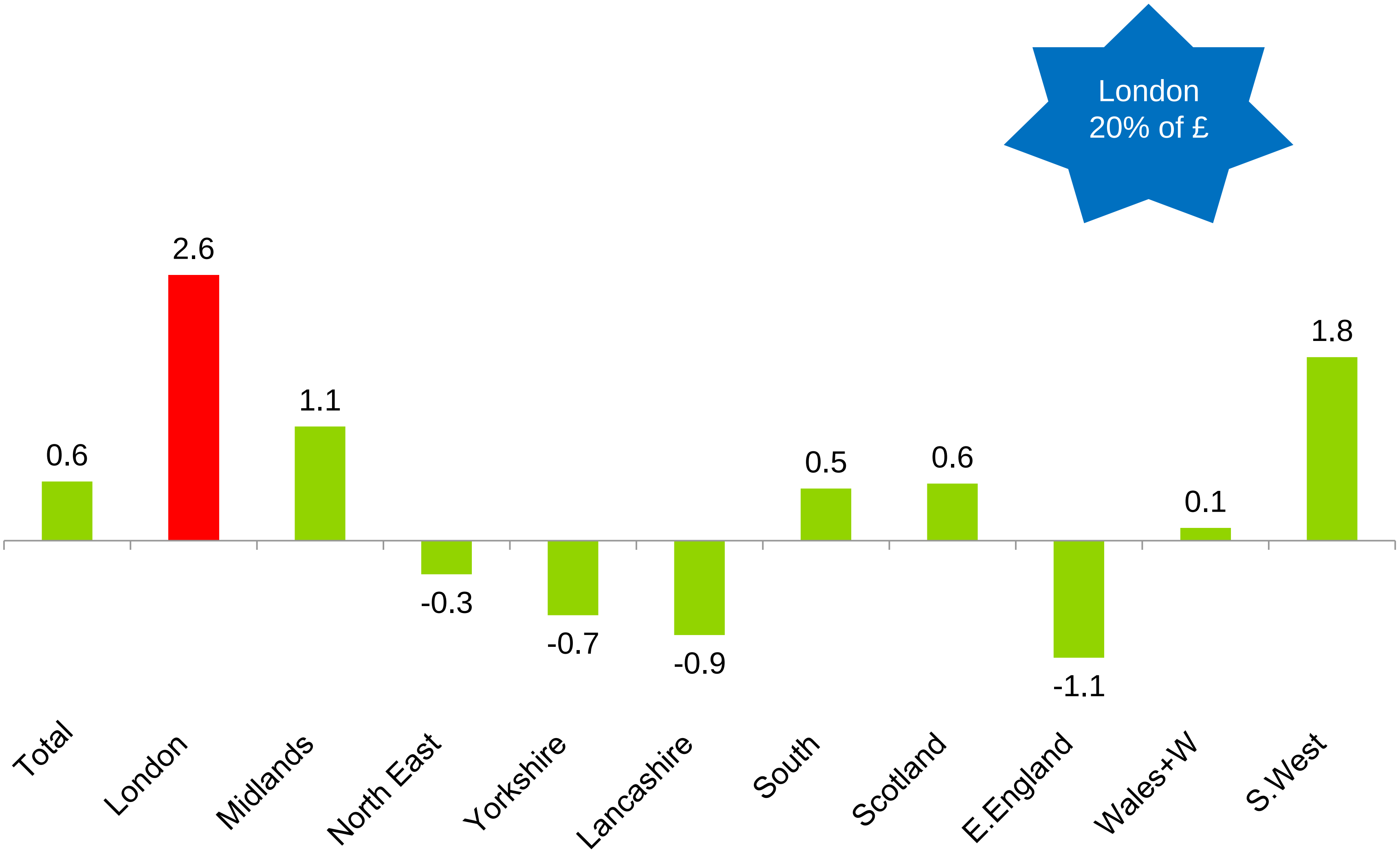
Spend Split by Basket Size, 52we 01 March 2015 £%

© Kantar Worldpanel

LONDON

© Kantar Worldpanel

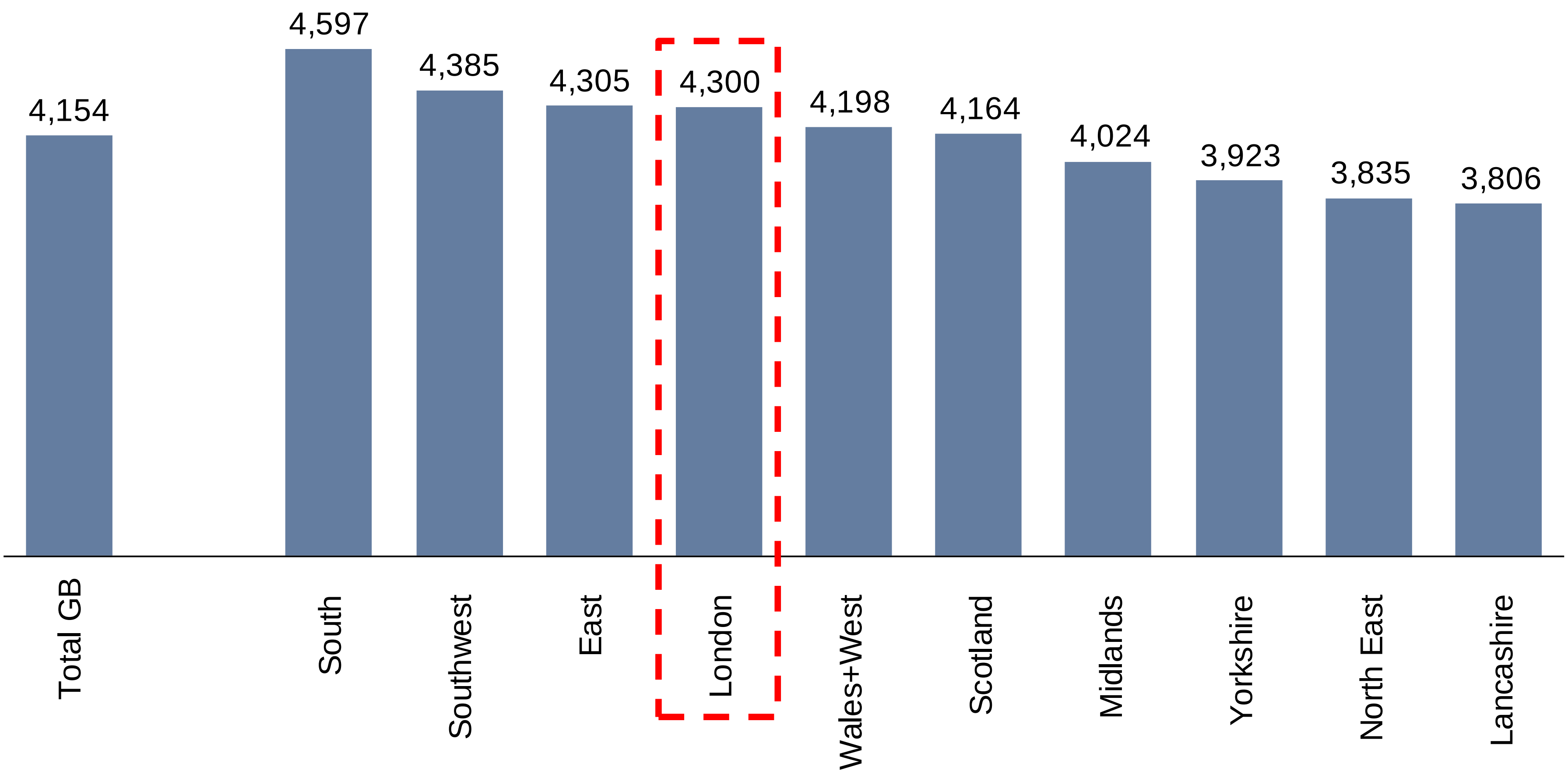
LONDON DRIVES GROWTH AND IS THE MOST IMPORTANT AREA OF GB IN TERMS OF SHARE OF TRADE



Growth by Region, 52we 01 March 2015 £%

© Kantar Worldpanel

ANNUAL HOUSEHOLD GROCERY SPEND BY REGION



52 w/e 01 Mar 15

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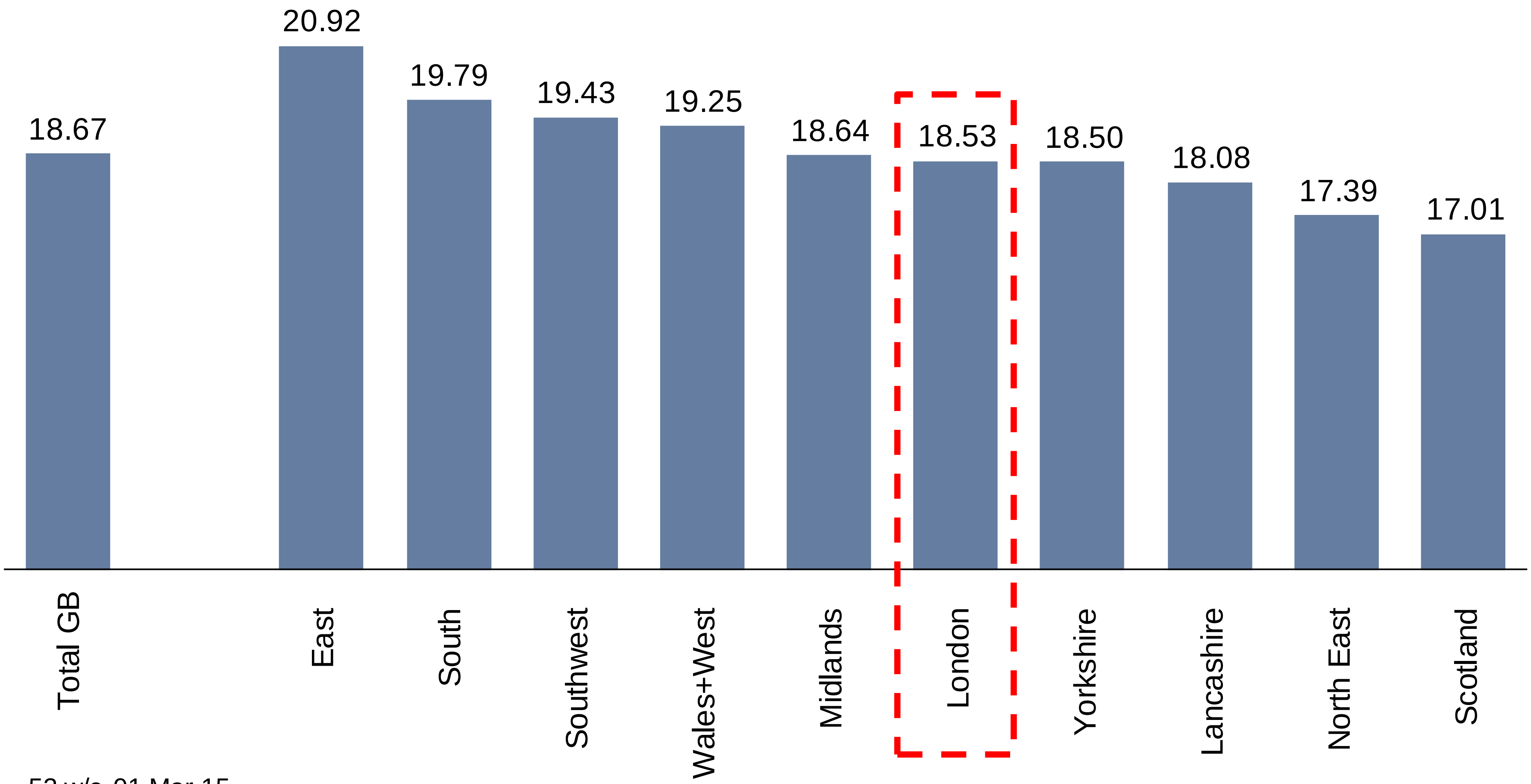
SHOPPING BASKET BY REGION

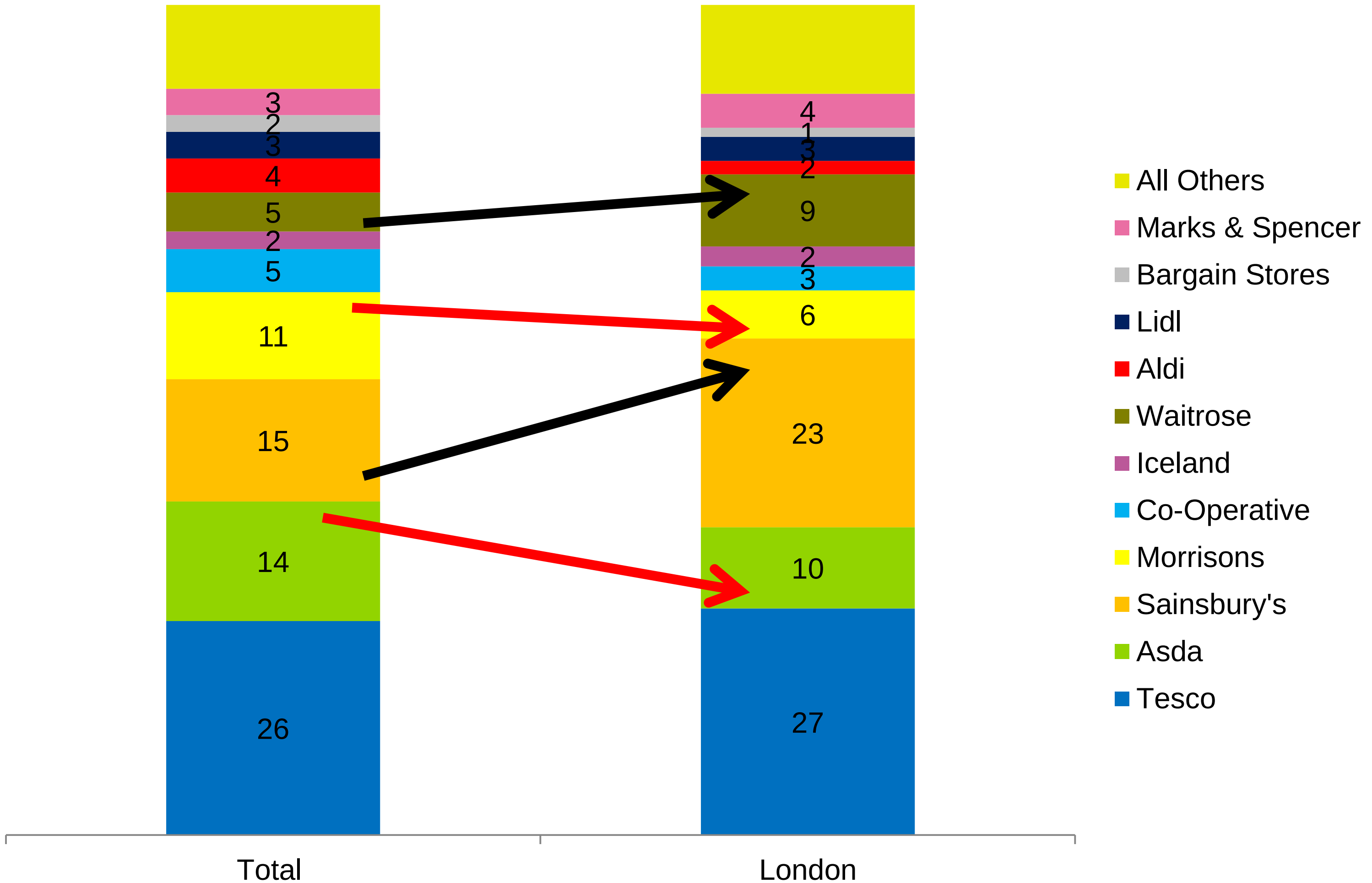


52 w/e 01 Mar 15

Basket Spend £ by Region, 52we 01 March 2015 £%

© Kantar Worldpanel

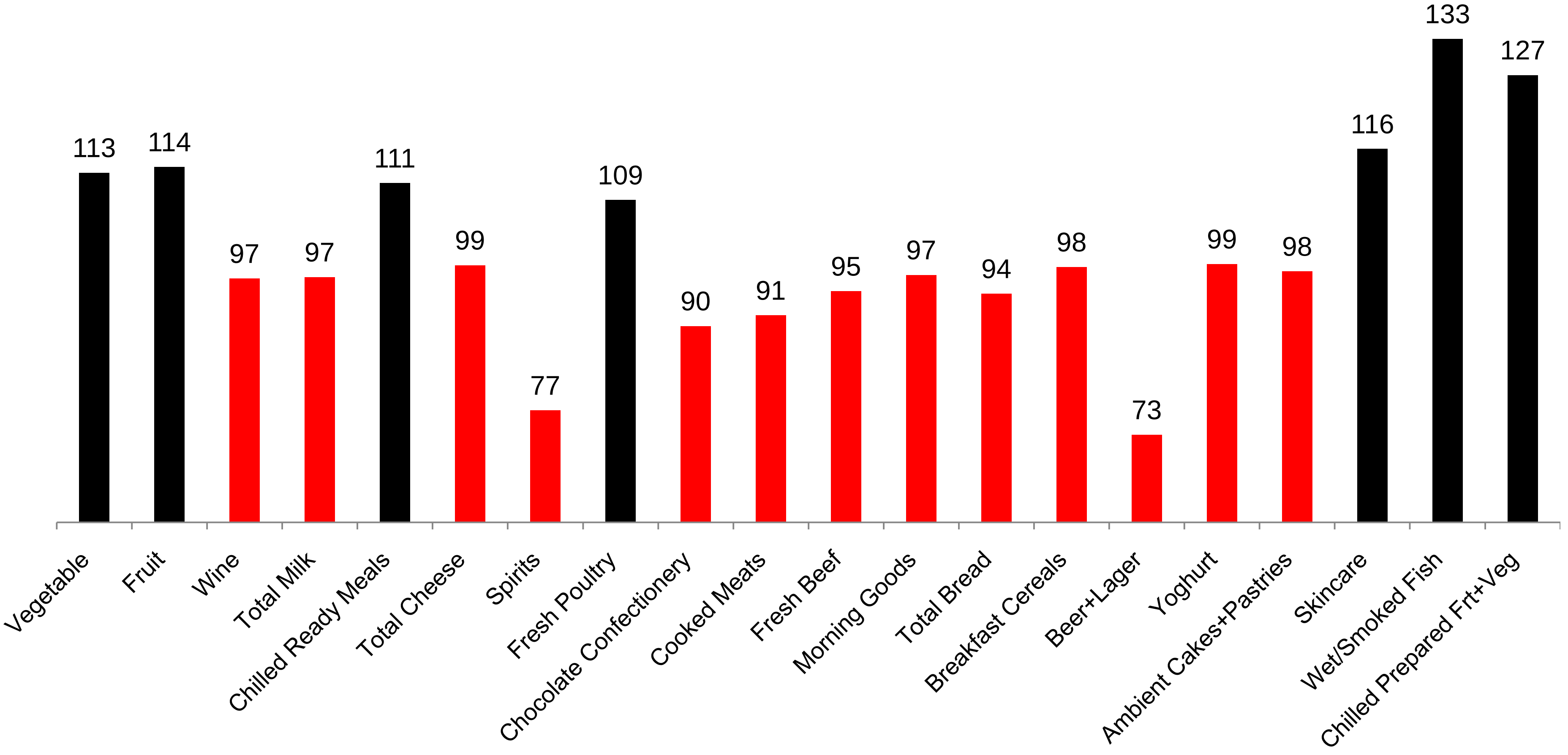
Both Sainsbury's and Waitrose overtrade in London at the expense of Asda and Morrisons which both undertrade



Store Share £% by Region, 52we 01 March 2015

KANTAR WORLDPANEL High definition inspiration
© Kantar Worldpanel

Londoners are more likely to buy into Veg, Fruit, Chilled Ready Meals and Poultry than the average, whilst being less inclined to purchase alcohol.



London indexes, , 52we 01 March 2015

© Kantar Worldpanel

WHAT TO EXPECT IN 2015

Retail, confidence and the economy

Shoppers will buy less despite virtually zero inflation in the market – meanwhile **trade down is less about product choice and more about retailer choice** as competition remains fierce.

Some of recent volume decline may also be due to consumers eating out more – **trend to eating out is likely to follow changes in consumer confidence in 2015** and so this should be monitored closely.

Economic conditions remain challenging, and **consumer sentiment will remain pessimistic** driven further by uncertainty in the run-up to the election. Hard to predict what will happen after that!

Discounters, Bargain Stores will continue to thrive – which will continue to put pressure on the established retail players.

This will **drive more price wars** and hence deflation well into H2. As a USP, **Fuel** will be a key lever for the Big 4 to pull

We won't fundamentally change the way we eat or shop in 12 months – think evolution rather than revolution.

Increased focus on transparency from the retailers – this to encompass promotional strategy but also other retailer practices, including supplier fees.

Online expansion to continue – relevant to an ever-growing audience, increasingly about handheld devices with retailer emphasis towards click & collect. **Potential impact on retailer strategy within their large store formats?** Amazon remain the one to watch.

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ANY QUESTIONS?

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