



## ROI GROCERY MARKET REVIEW

Data to 5th January 2014

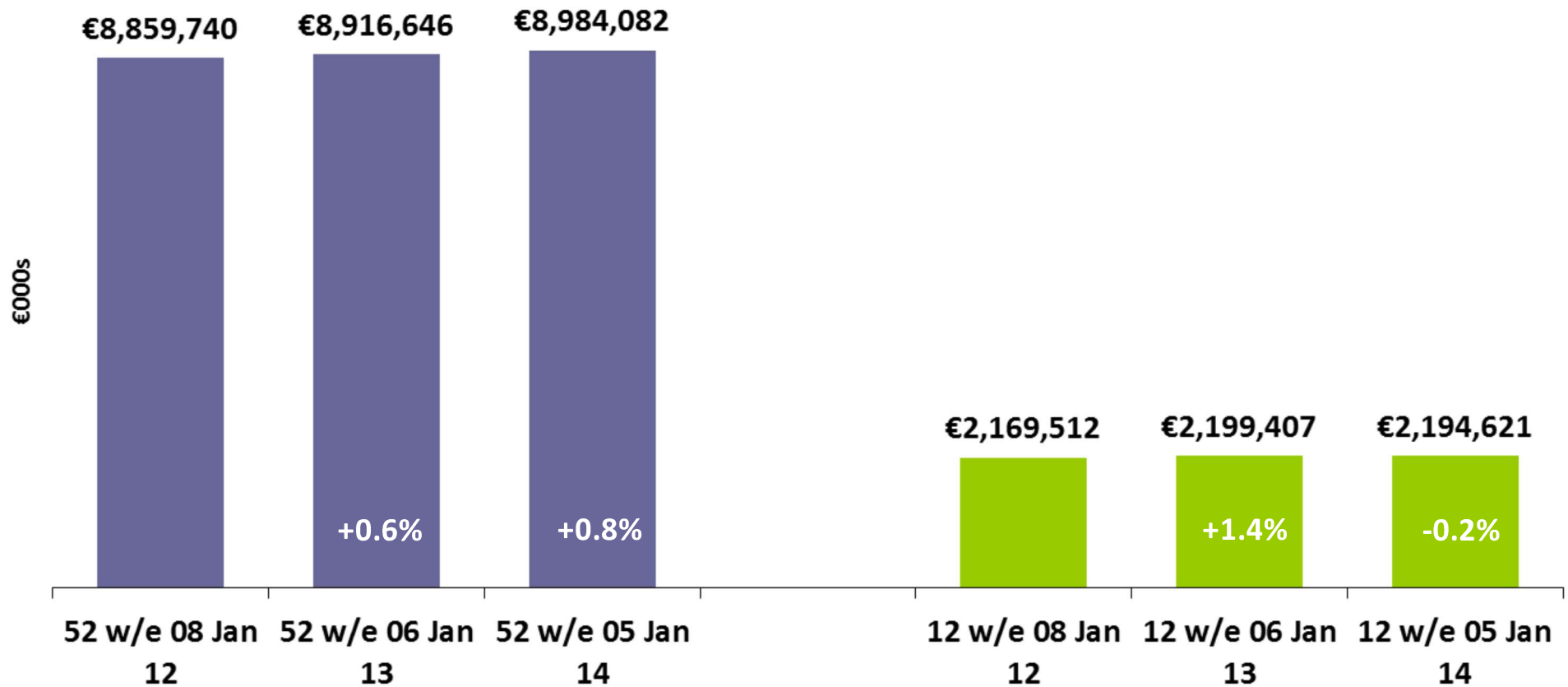
## Market Overview

- The market is seeing positive growth on an annual basis of +0.8% but the latest quarter has been more difficult with a -0.2% decline.
- While there has been price inflation, shoppers continue to compensate for price increases by purchasing on offer and trading down to cheaper lines. However increased volume bought over the Christmas period together with price inflation has resulted in year on year household spend increasing by +0.7%.
- Irish households are making more trips this period, with frequency up by +0.8%.
- Spend per trip has remained steady, spend per household has increased.
- Although the private label share of the grocery market slowed during the lead up to the Christmas period, it is still well ahead of last year.



# Total Irish Grocery Market Value and Growth - 52 and 12 w/e

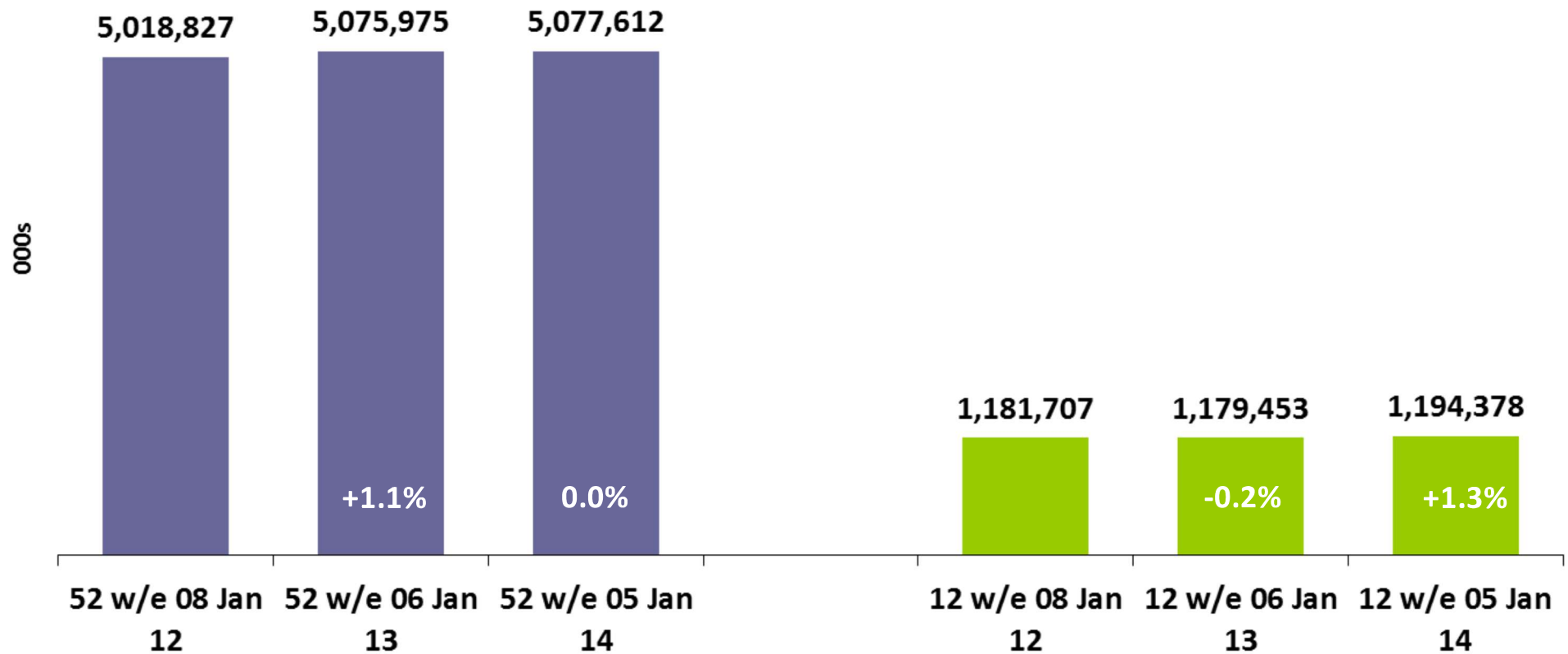
Irish grocery market sales have grown over the 52 week period by 0.8%, but are down by 0.2% for the 12 week period



# Total Irish Grocery Market Volume Sales and Growth - 52 and 12 w/e

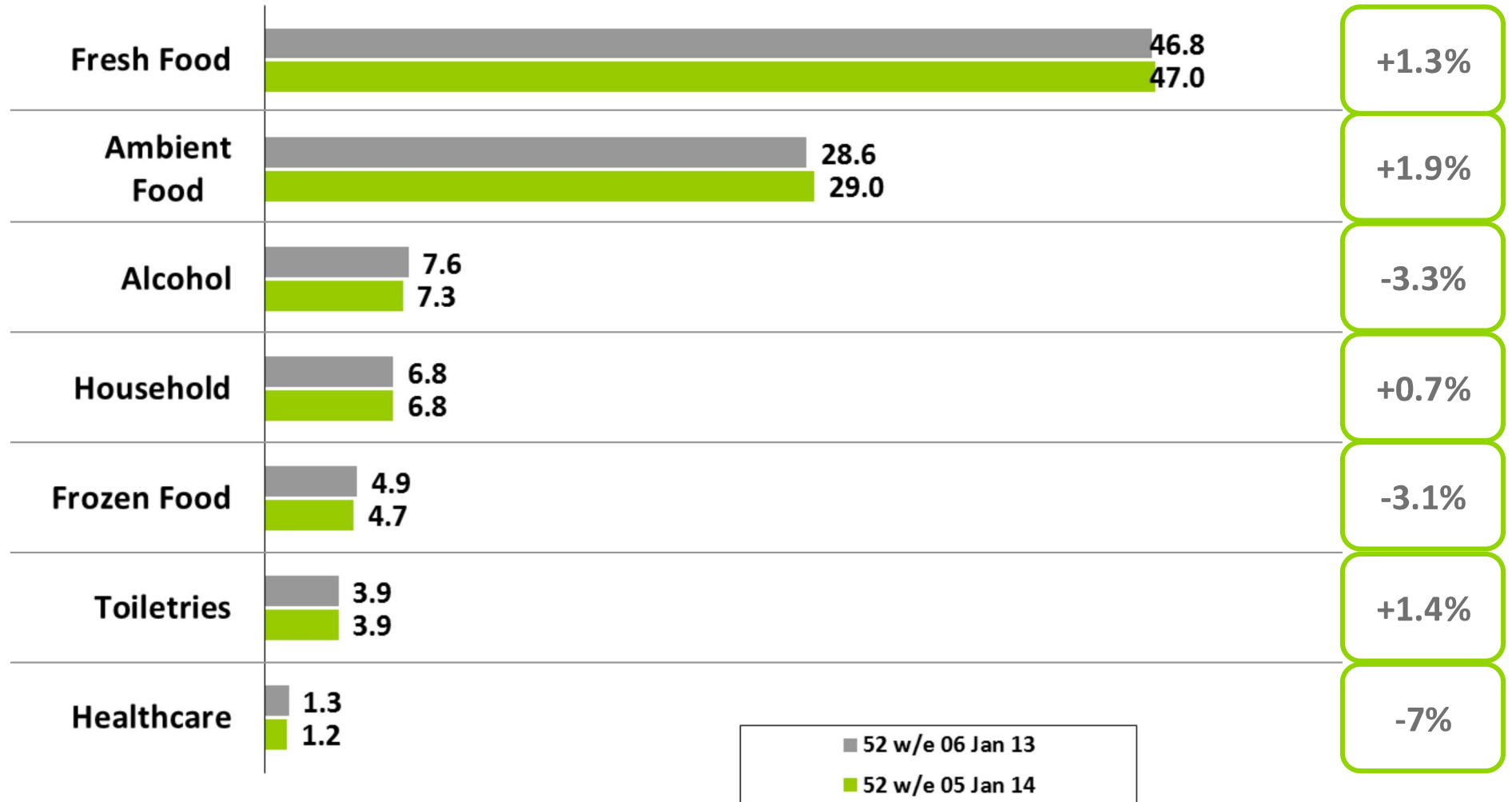
Growth of 1.3% in volume sales in the 12 week period

Volume sales flat over the 52 week period



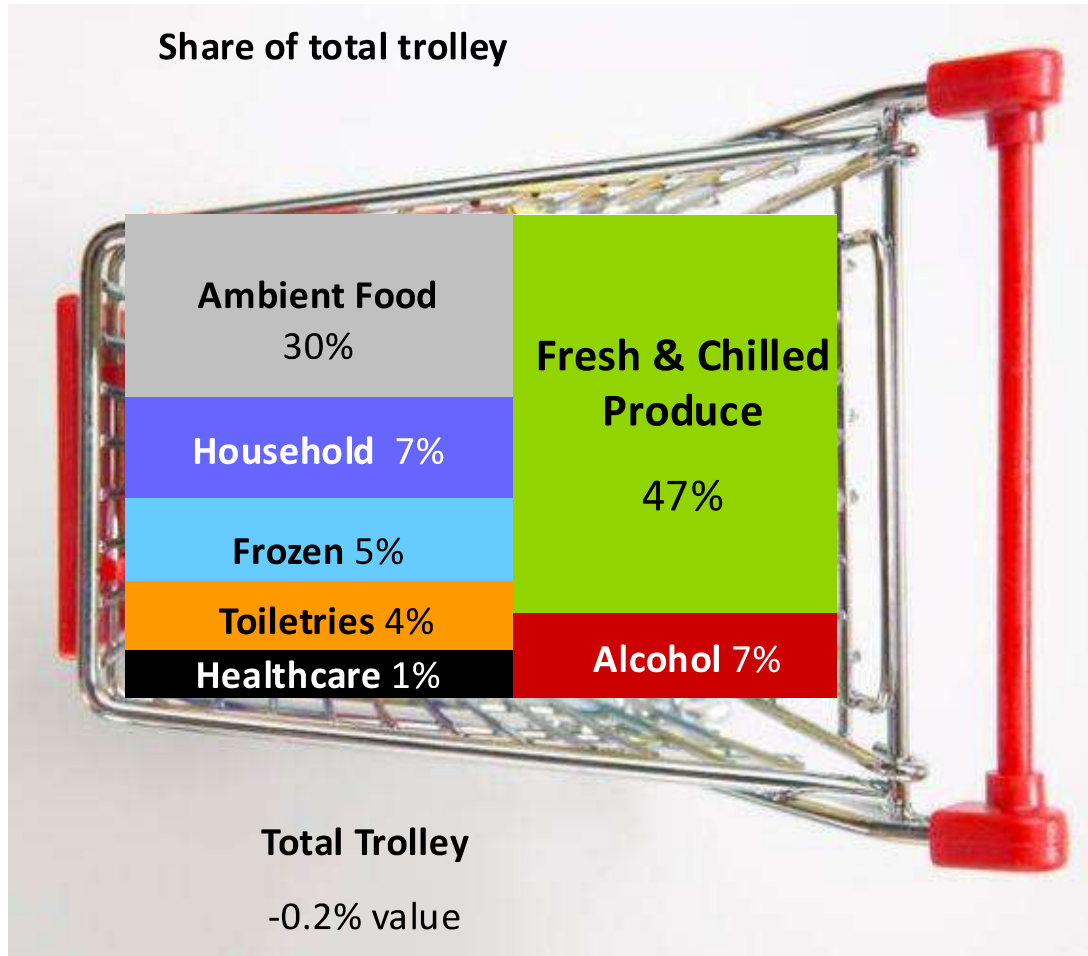
# Total Grocery - Sector Value Share & Growth 52w/e

Fresh Food, Ambient Food and Toiletries driving growth in Grocery over the full year



# Total Grocery - Sector Value Share & Growth 12w/e

The decline in 12 week sales is coming from sales losses year on year in Healthcare, Frozen Food, Alcohol and Fresh & Chilled Food

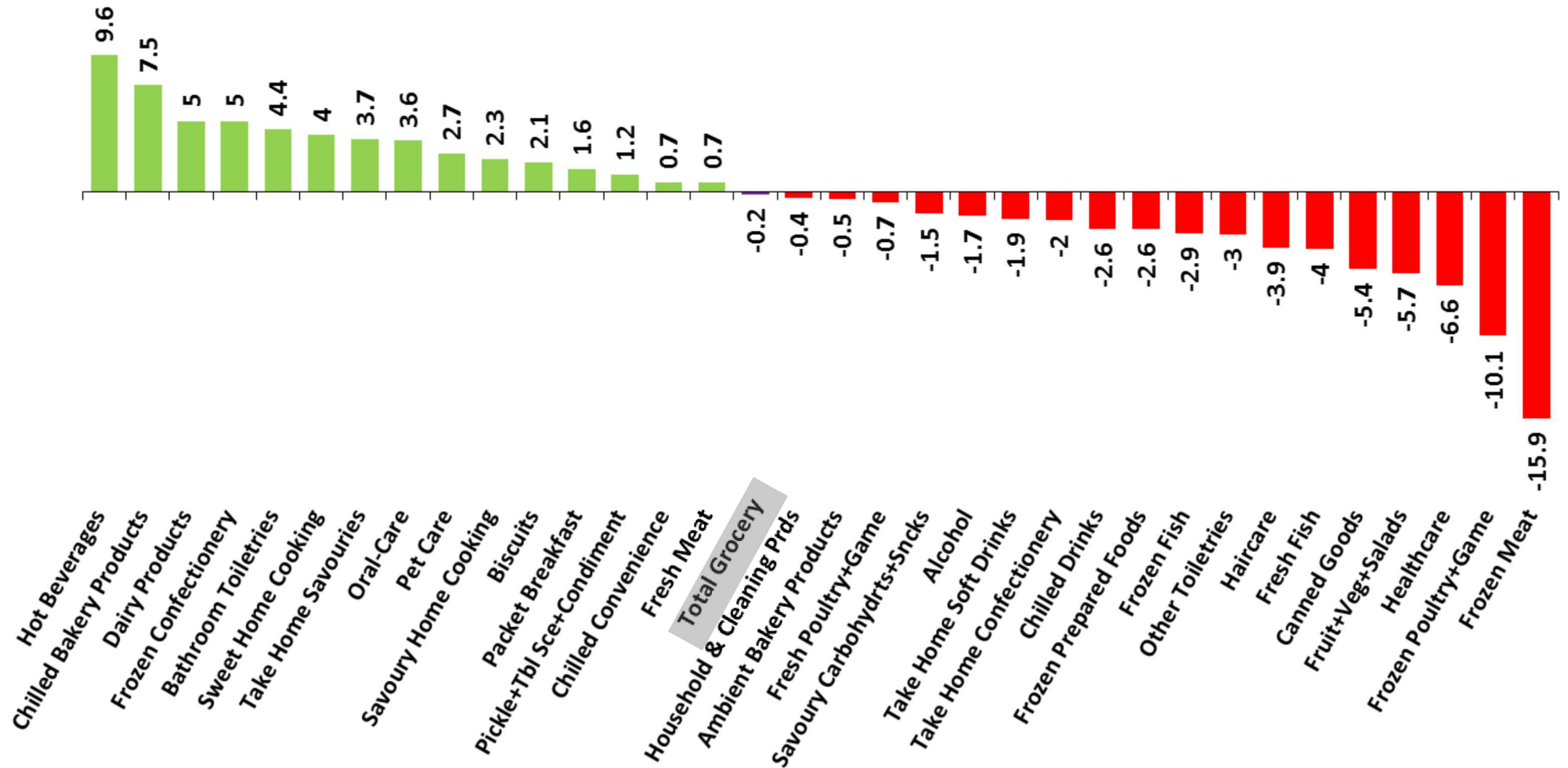


Toiletries	1.3
Ambient Food	0.7
Household	0.3
Total Grocery	-0.2
Fresh & Chilled	-0.4
Alcohol*	-1.7
Frozen Food	-2.0
Healthcare	-6.6

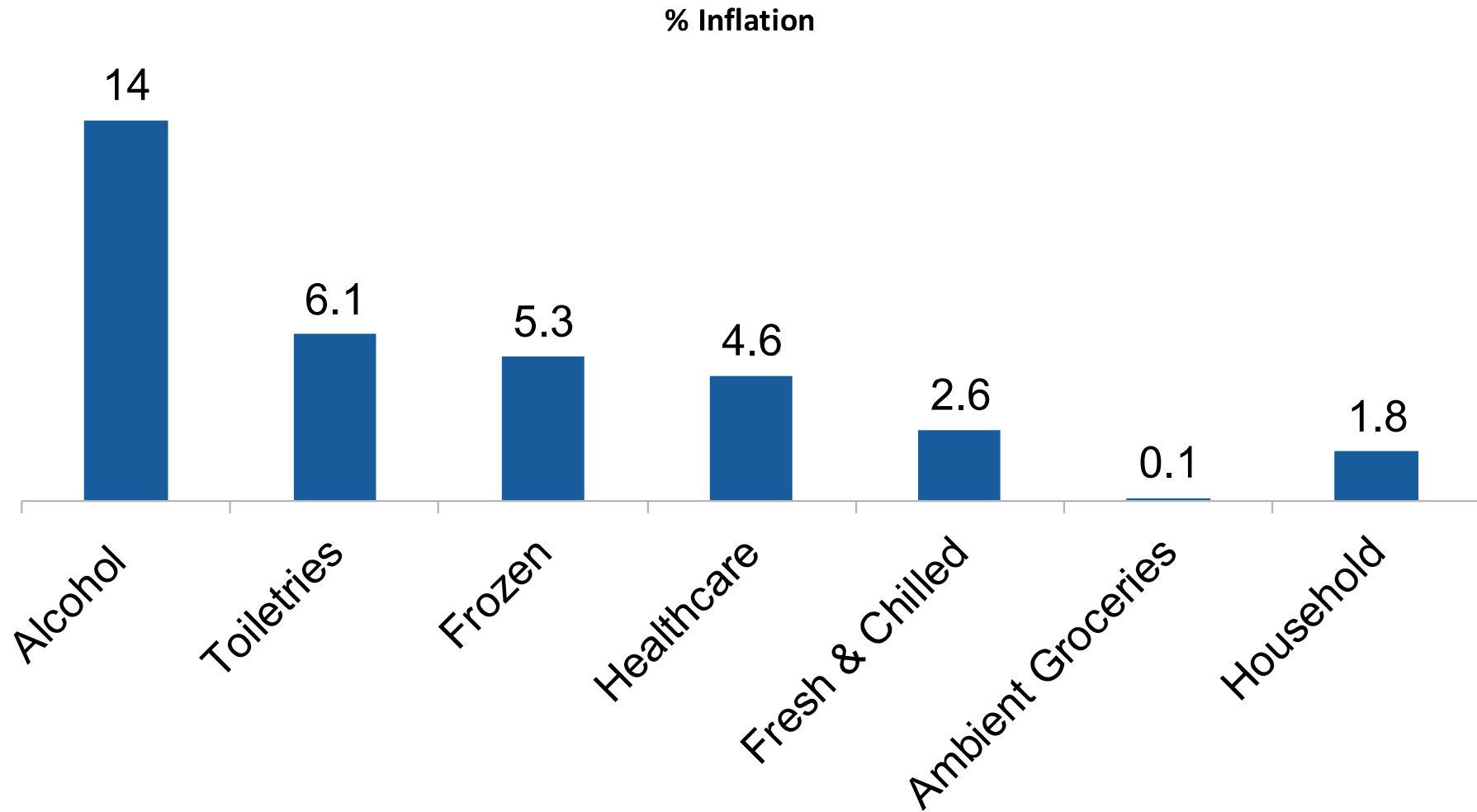
# Analysis by Category – Growth/Decline?

Decline in Frozen Meat, Frozen Poultry & Game, Healthcare and Fruit & Veg & Salad

12w Total Grocery - value % change by category



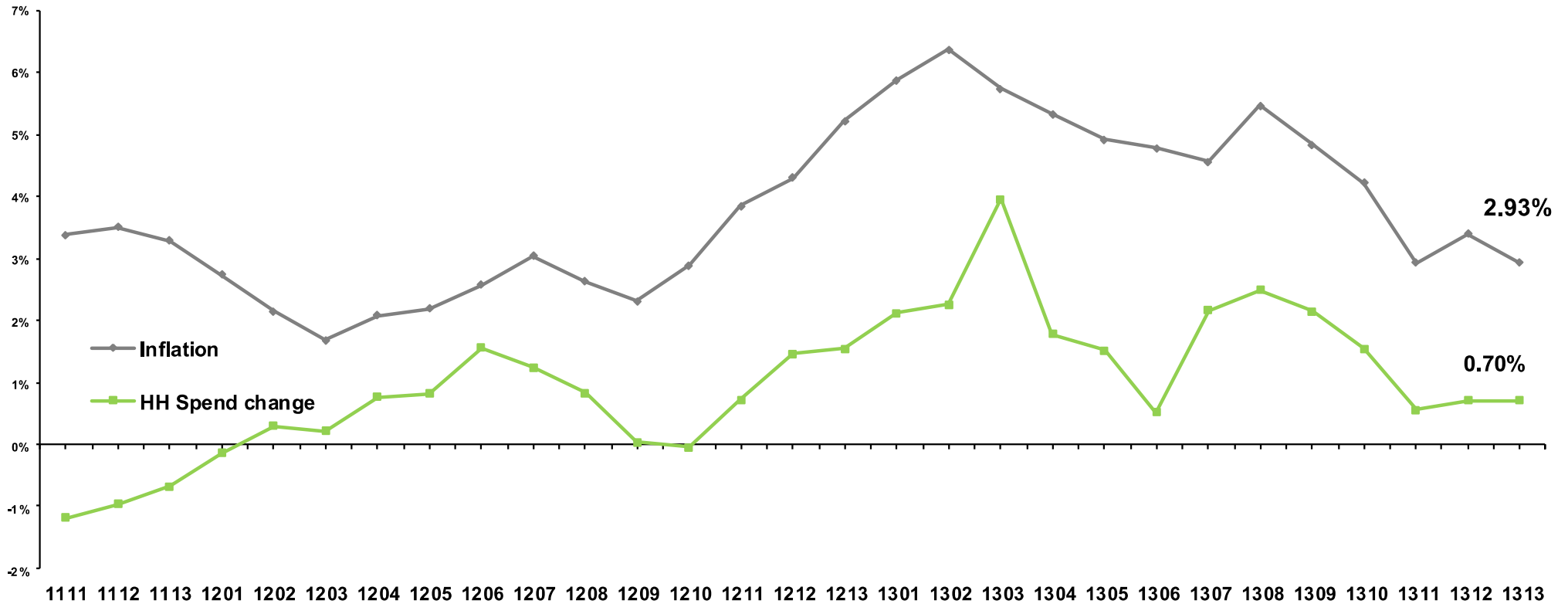
## Large Majority of Markets Seeing Price Inflation, in particular Toiletries and Alcohol



# Change in Inflation Rates and Household Spend 12 w/e

Inflation for the Irish grocery market is just under 3%

% change year on year – 12 week period





How are shoppers coping?



Store choice



Spend less



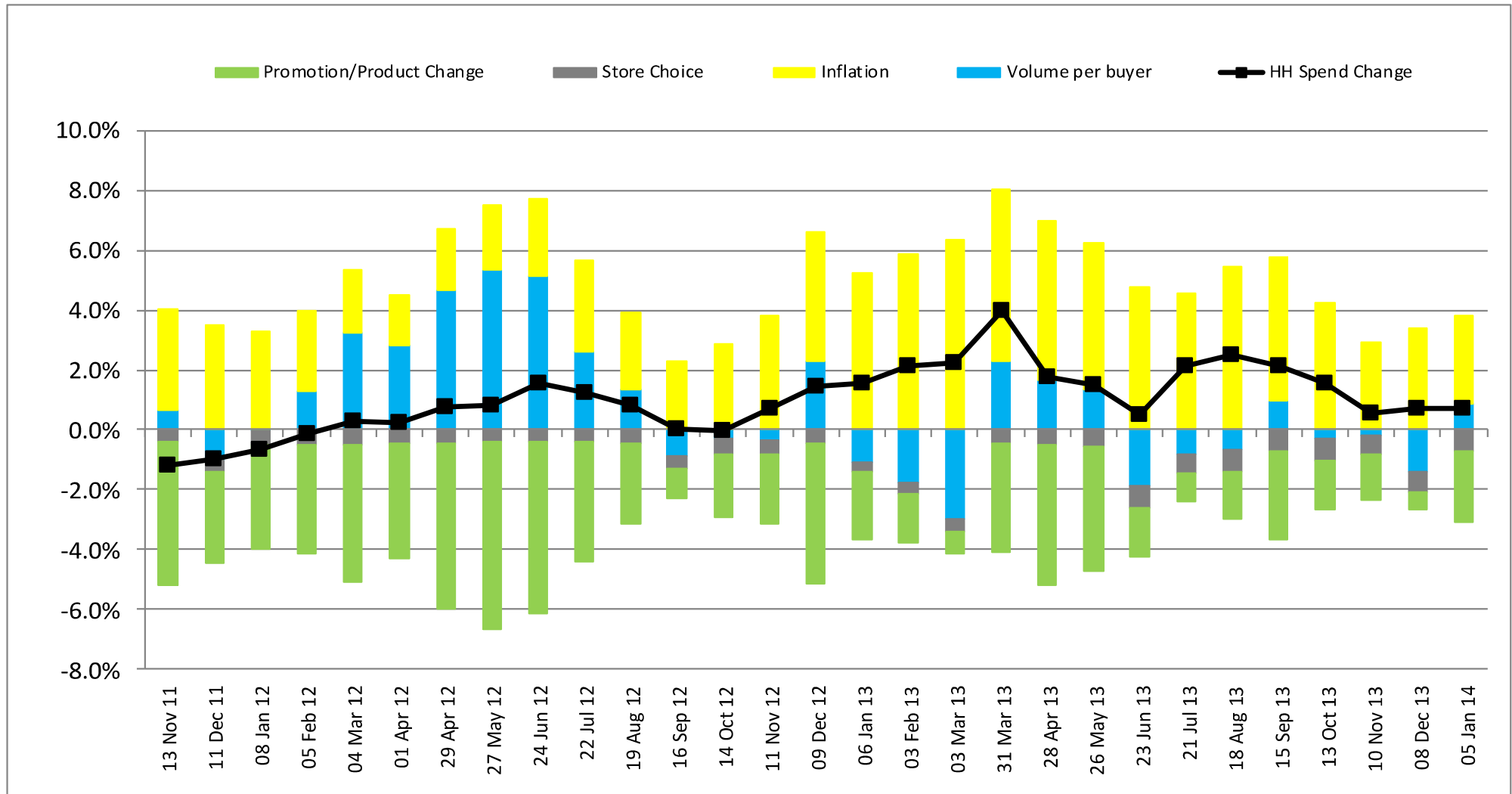
Buy on deal



Trade down

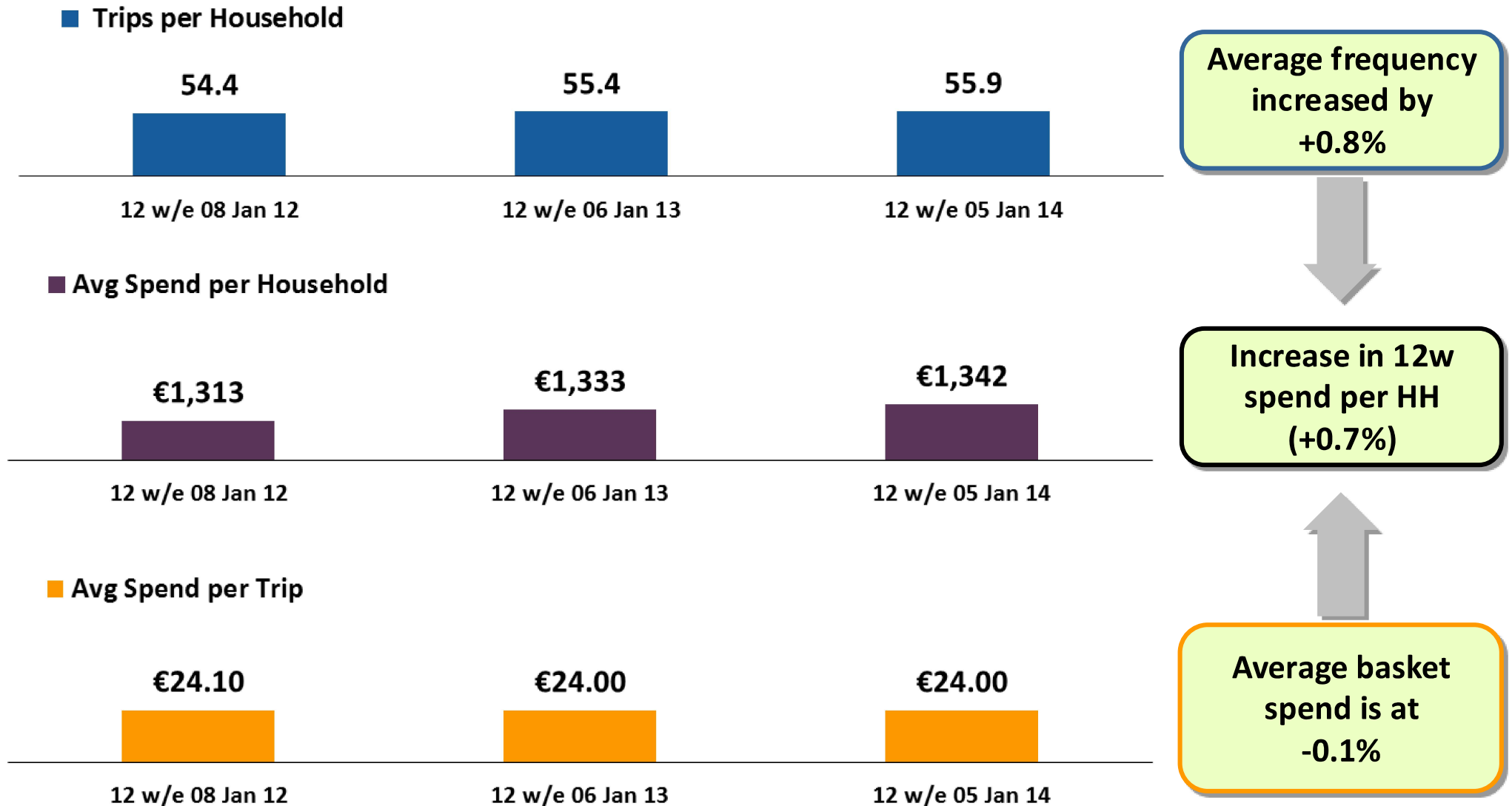
# Trended View of Consumer Coping Strategies

Trading down product or price tier still remains the key method of dealing with inflation while shoppers are back to buying more volume



# Changes in Consumer Shopping Behaviour - 12w/e

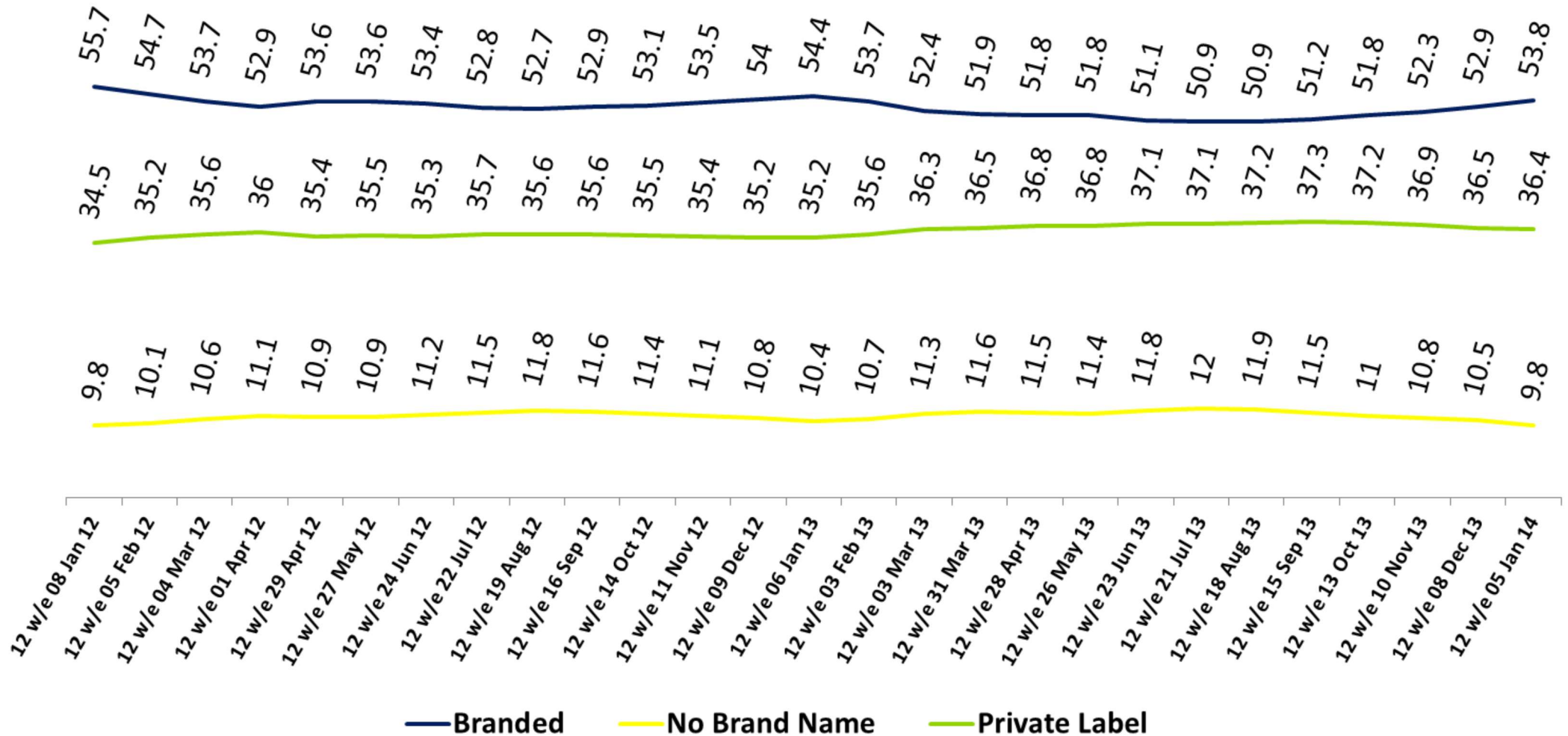
Shoppers are buying more often with frequency increasing by **+0.8%**. While spend per trip has remained steady, spend per Household has increased by **€9**.



# Share of Market - Branded, Private Label and No Brand Name

While Branded share had seen some share growth in the run up to Christmas, branded sales are down compared to last year.

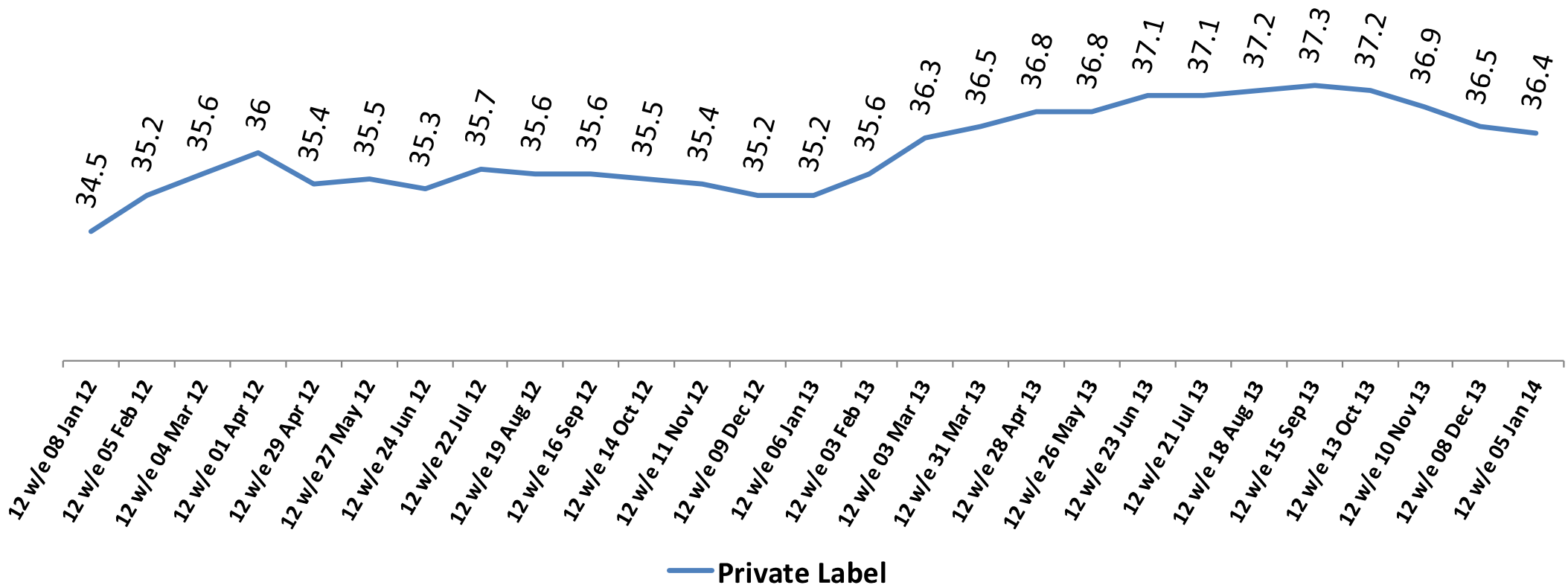
12w Total Grocery – value %



# Private Label Value Share of Total Irish Grocery Market

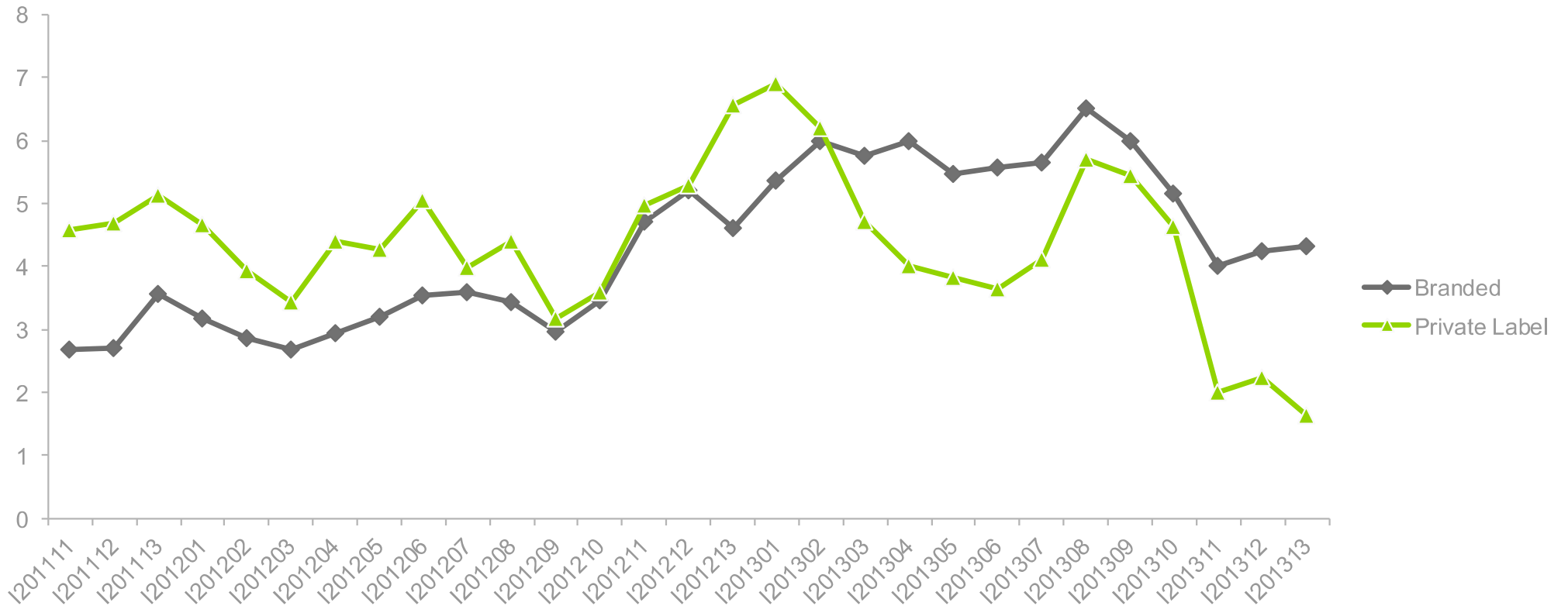
Private Label share of the grocery market slowed as we moved towards Christmas however still performed well ahead of last year

12w Total Grocery – Private Label value %



# Branded and Private Label Inflation – 12w/e

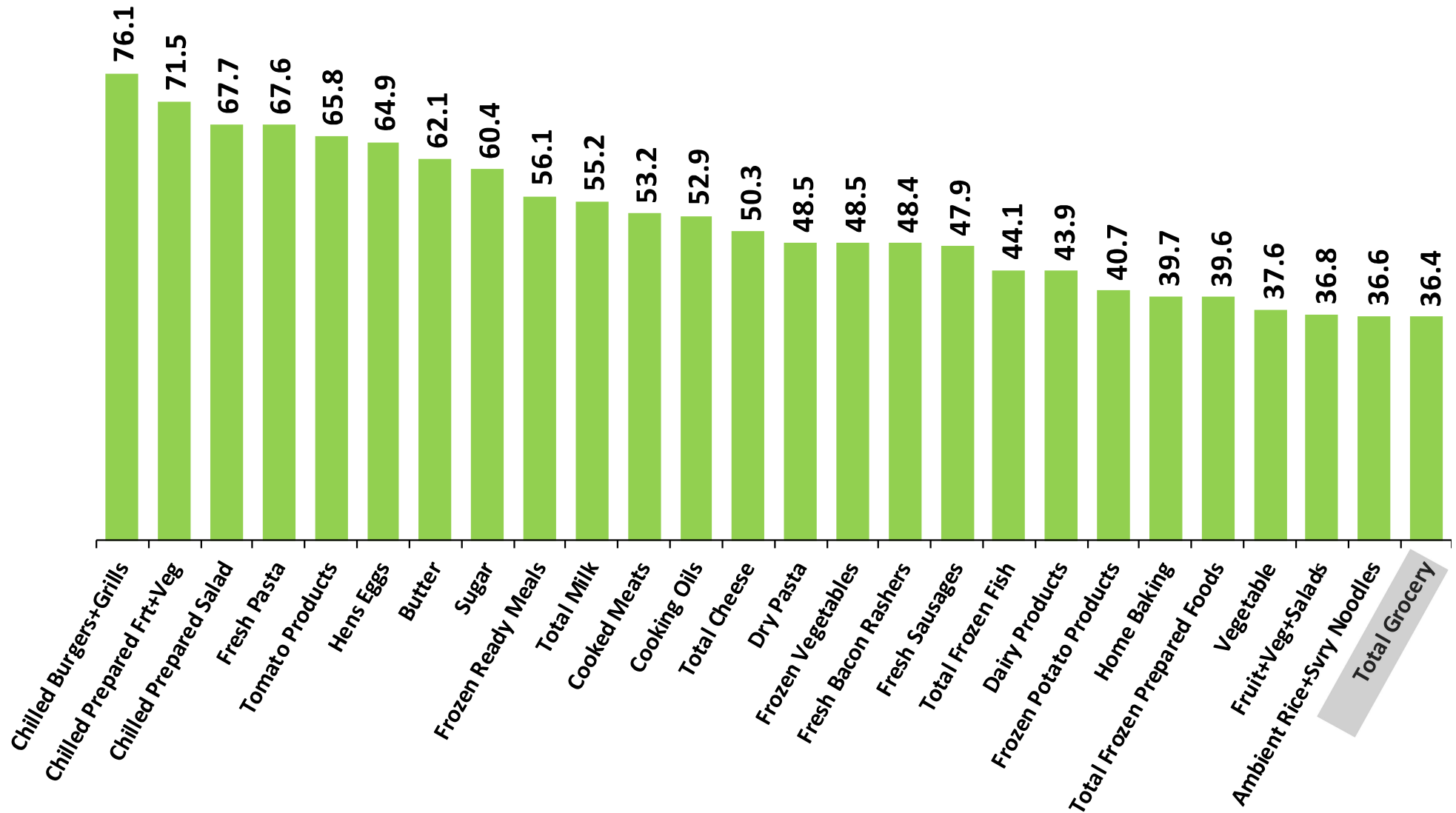
Inflation in Private Label goods beginning to drop back



# Private Label % Value Share by Category

Where is Private Label Strong? – Meats and staples are key for Private Label

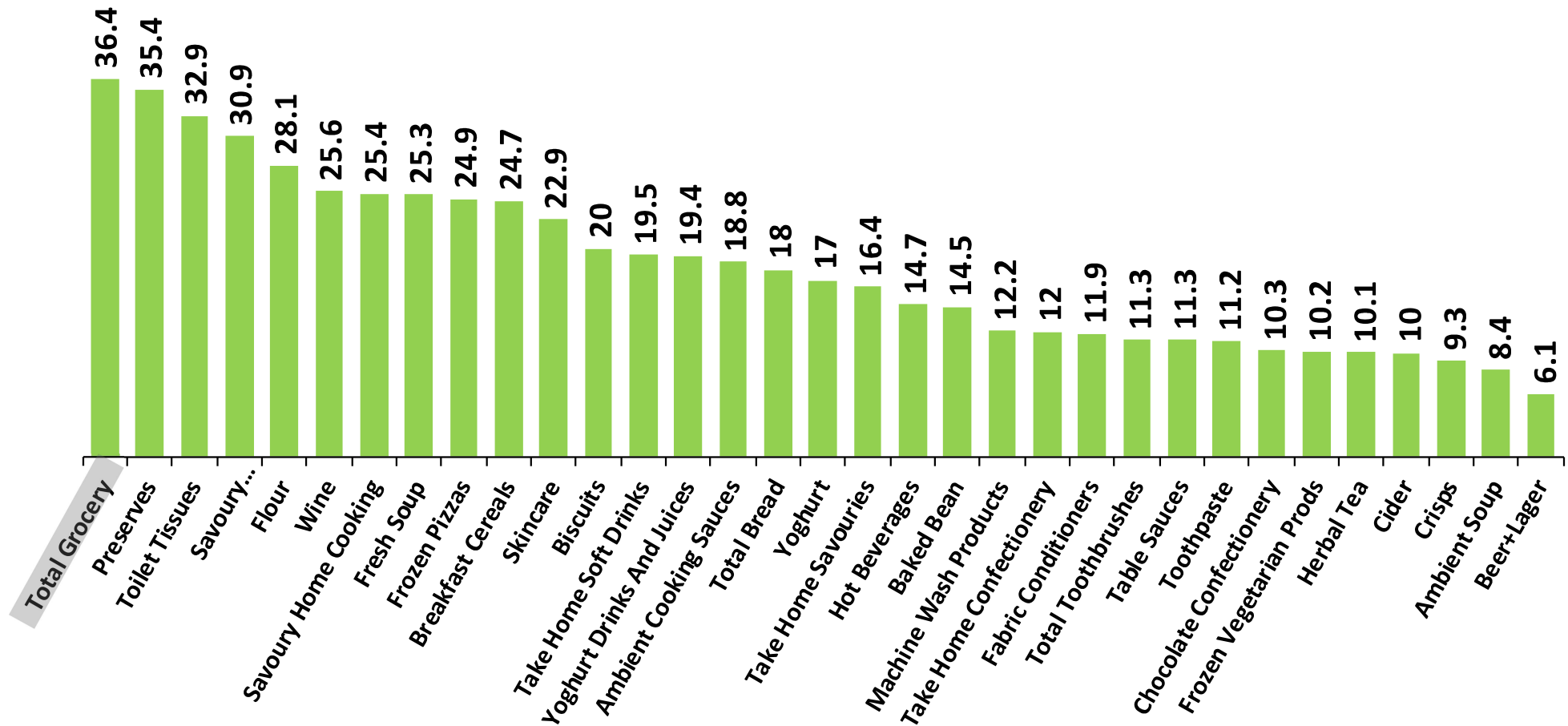
12w Total Grocery - Categories where Private Label overtrade



# Private Label % Value Share by Category

Where is Private Label weaker? – Categories with multiple strong brands and toiletries perform well

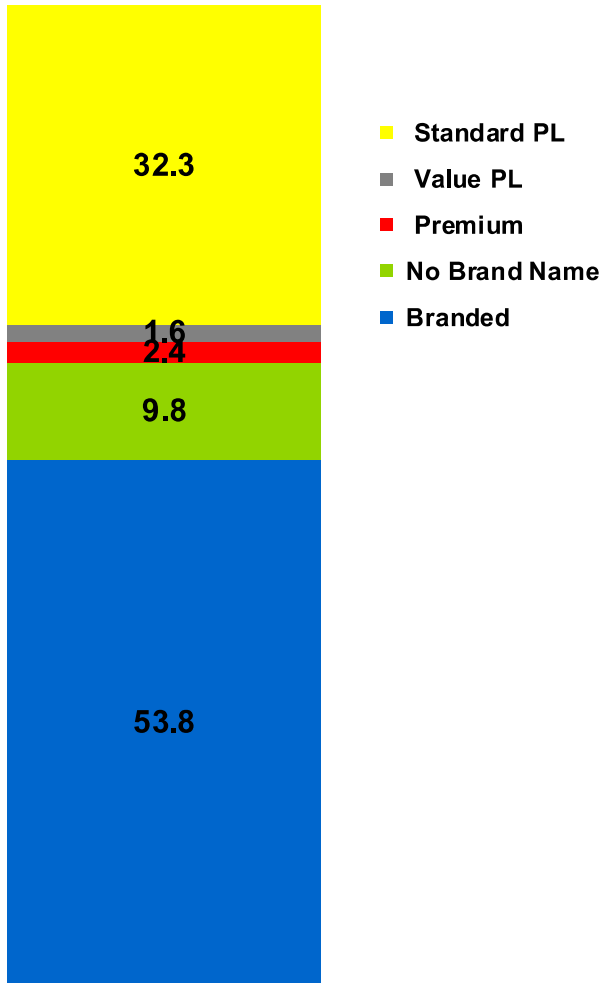
## 12w Total Grocery - Categories where Private Label undertrade



# Market Share and Growth by Branded and Private Label Tier

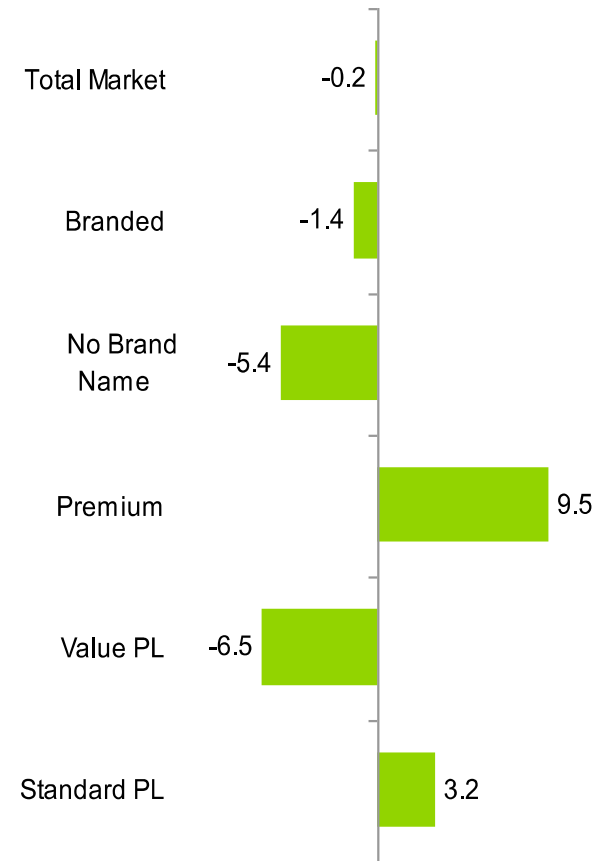
Premium Private Label in growth while Value Private Label declines with shoppers most likely to trade up around Christmas

% Value Share

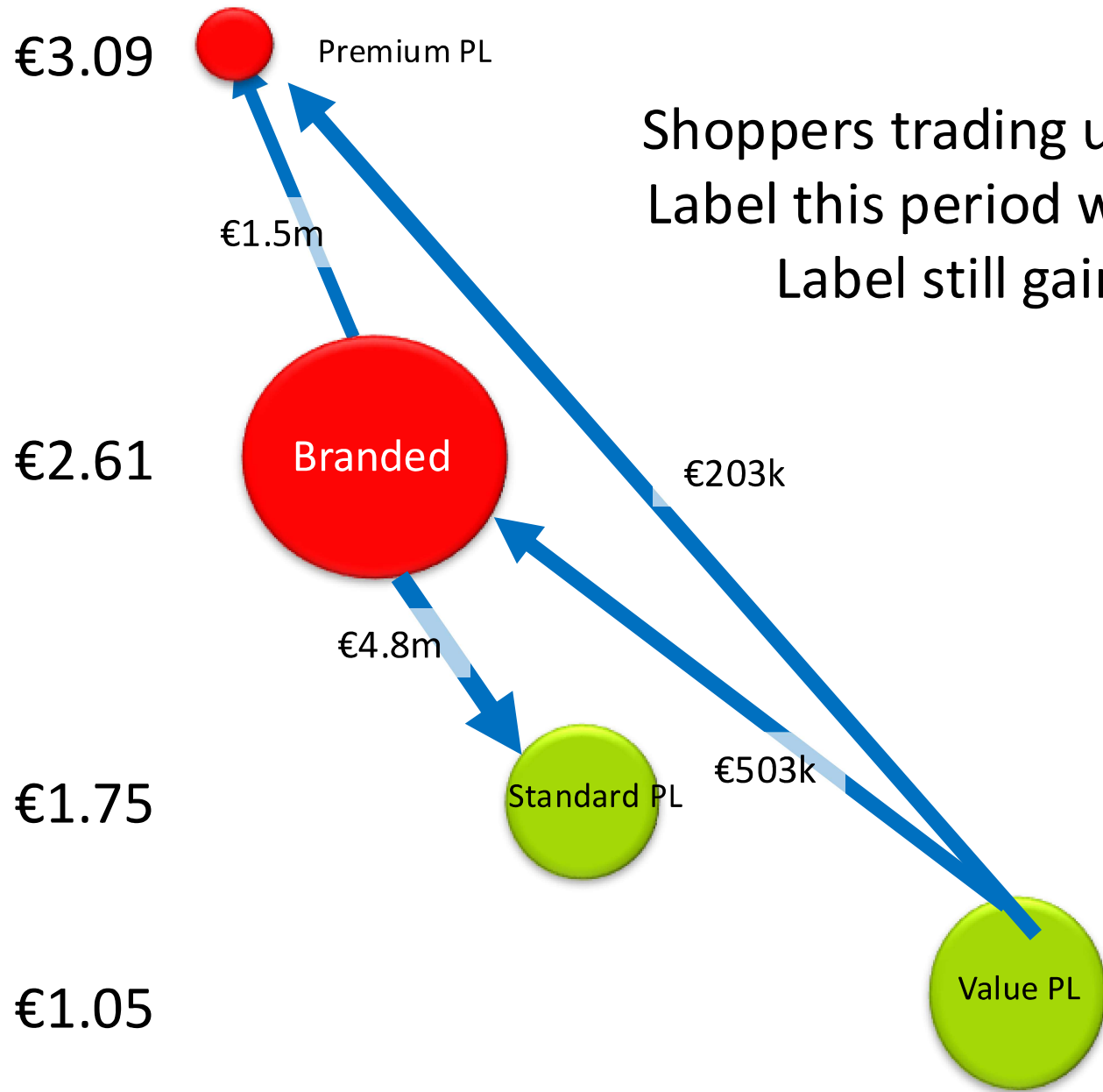


12 w/e 05 Jan 14

% Value Growth



Average price per pack (€)

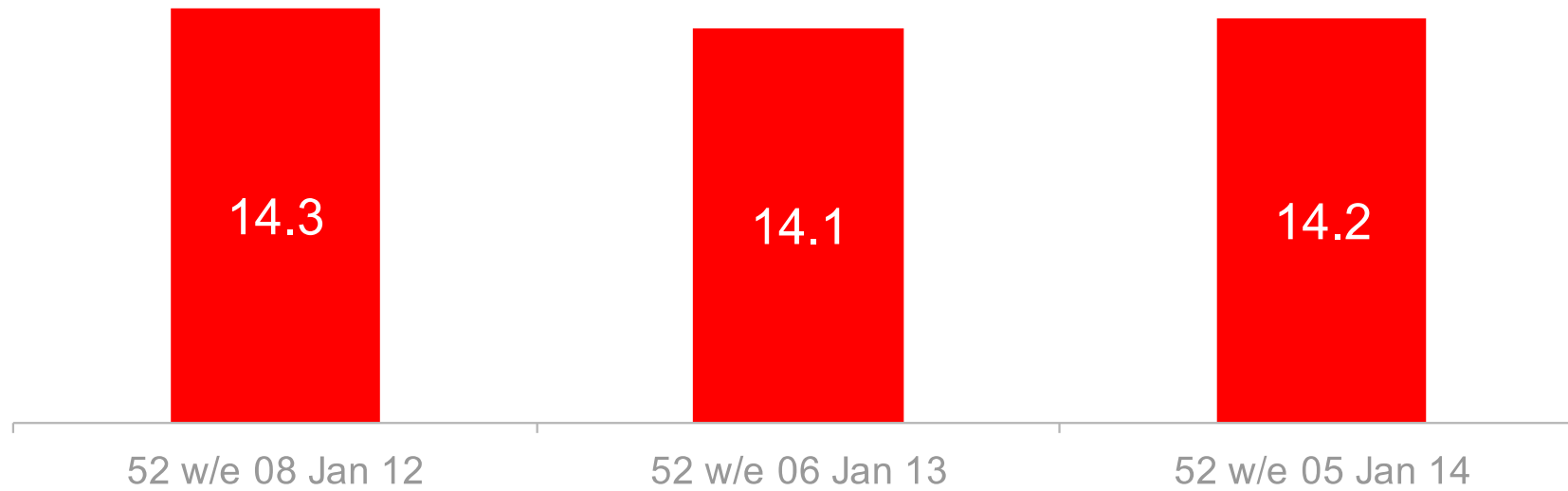


Shoppers trading up to Premium Private Label this period while Standard Private Label still gains from Branded

# Total Grocery – % Packs Sold On Deal – 52 w/e

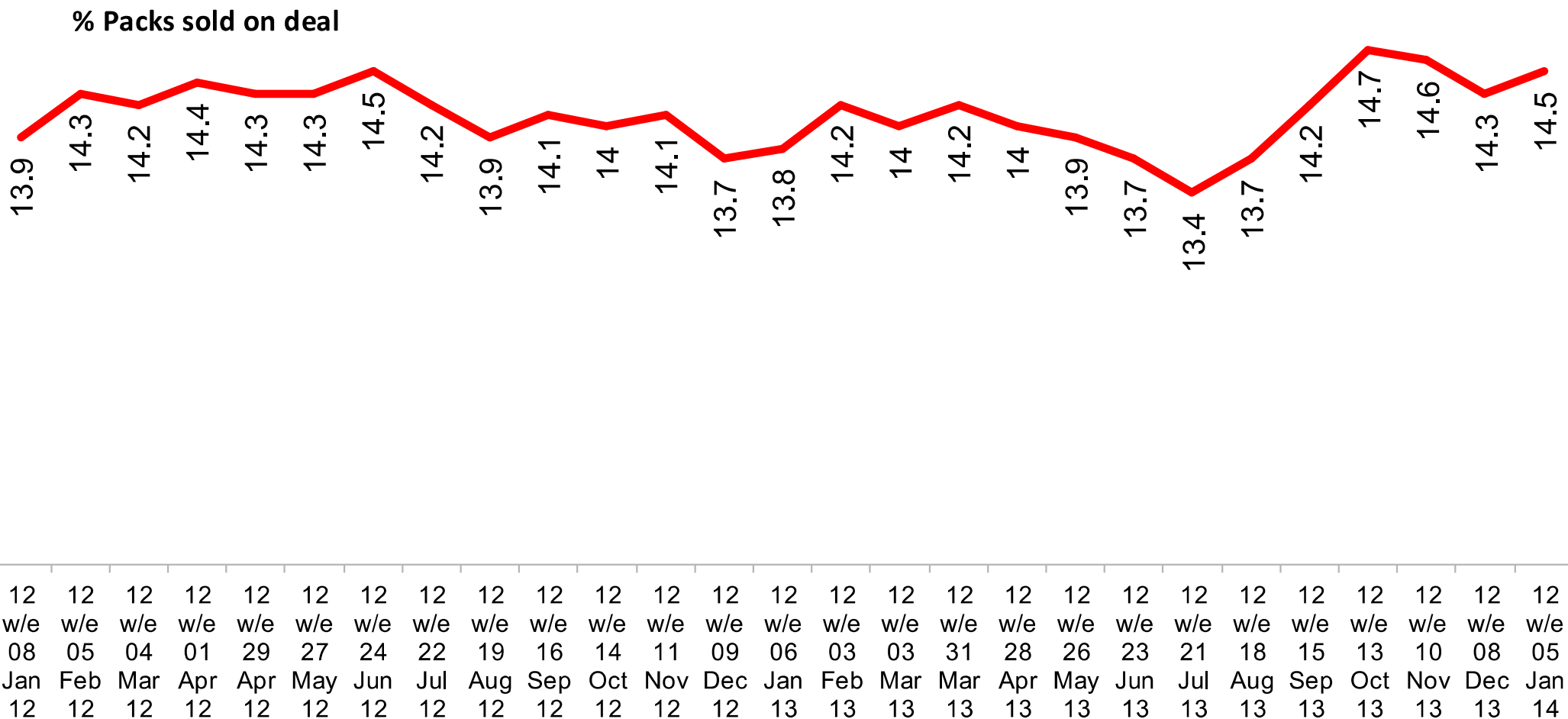
Shoppers perceive that the % of packs sold on deal is consistent over time

## % Packs Sold on Deal



# Total Grocery - Sold on Deal Trended 12 w/e

Promotional activity still hovers around the 14% mark of grocery sales however promotional activity is higher than this time last year

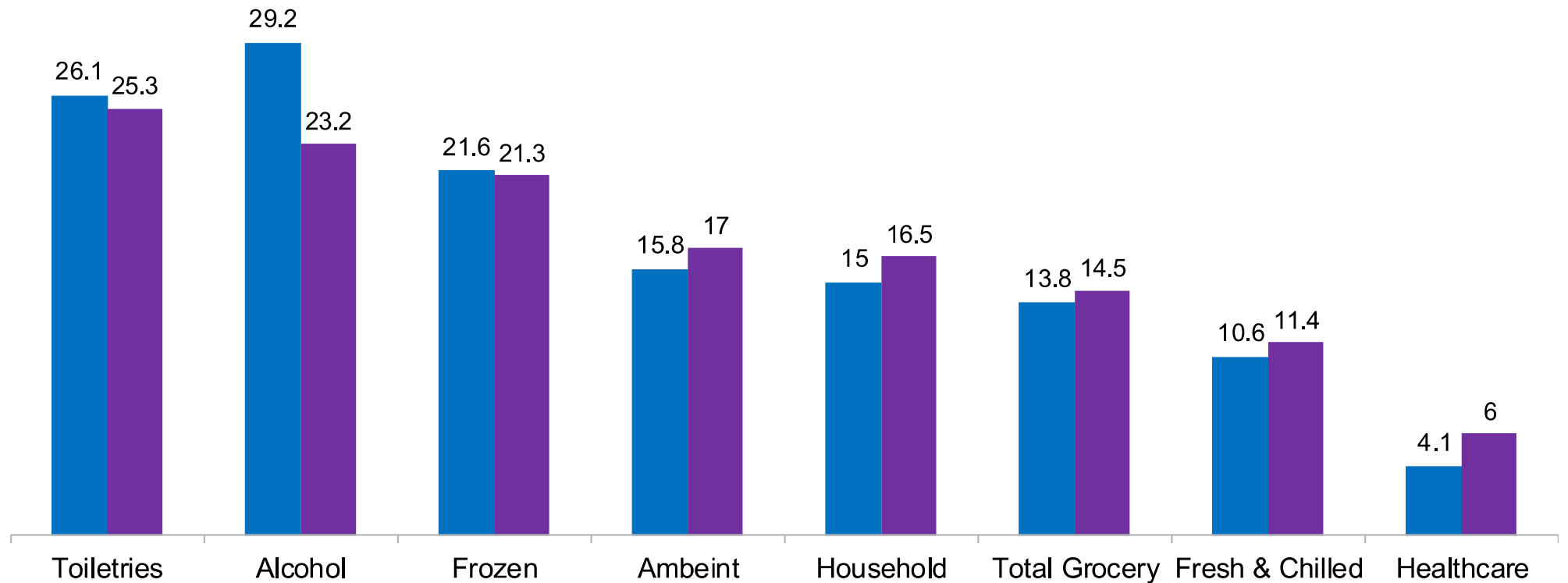


# Total Grocery - Sector Share Sold on Promotion – % Packs

Promotional activity on Alcohol is behind what we saw last year

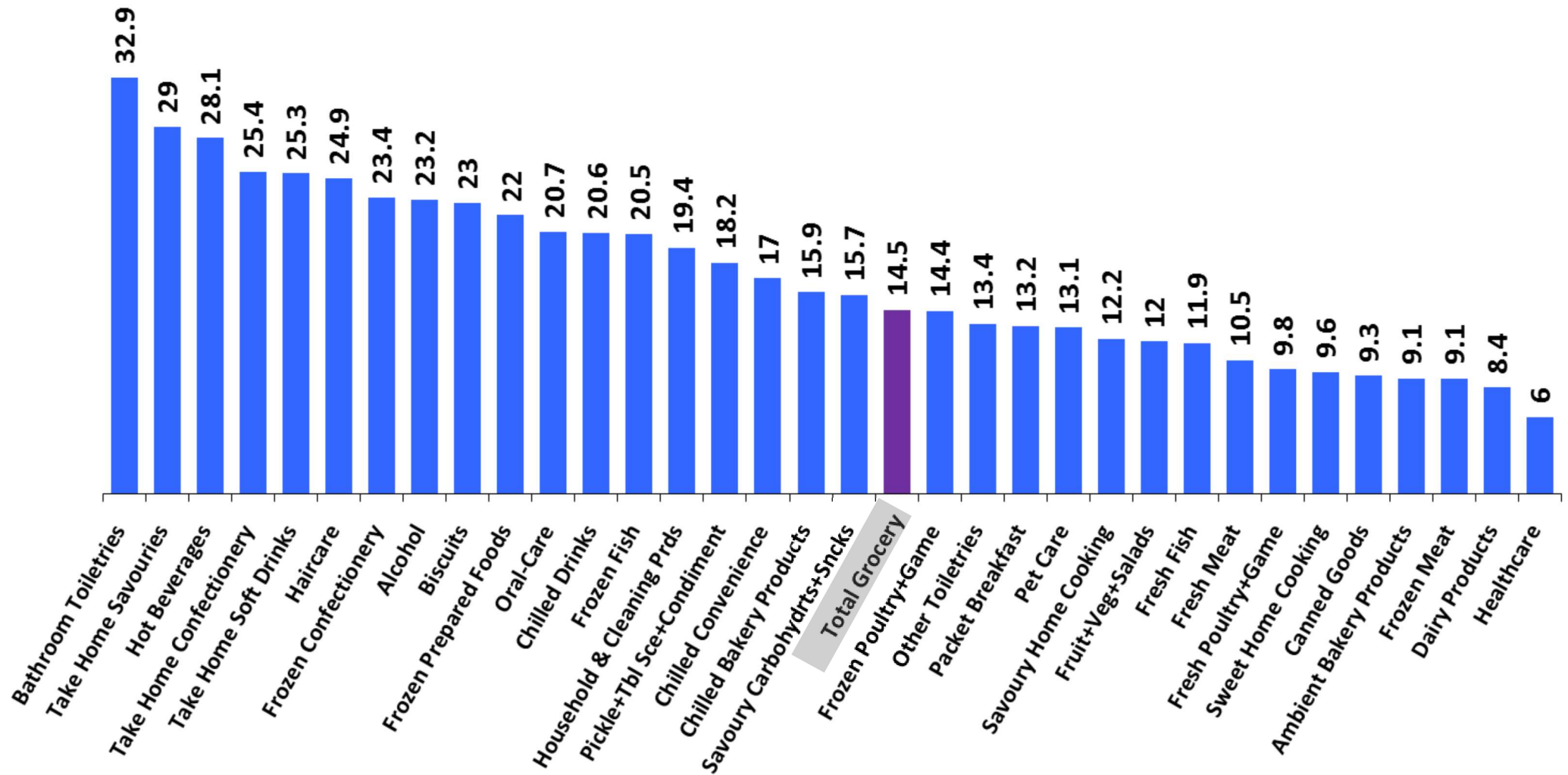
■ 12 w/e 06 Jan 13 ■ 12 w/e 05 Jan 14

## % Packs sold on deal by sector



# Bathroom Toiletries & Take Home Savouries Have the Highest % of Packs Sold On Deal, While Healthcare and Dairy Products Have the Lowest Percentages.

12w Total Grocery - pack % sold on deal by category

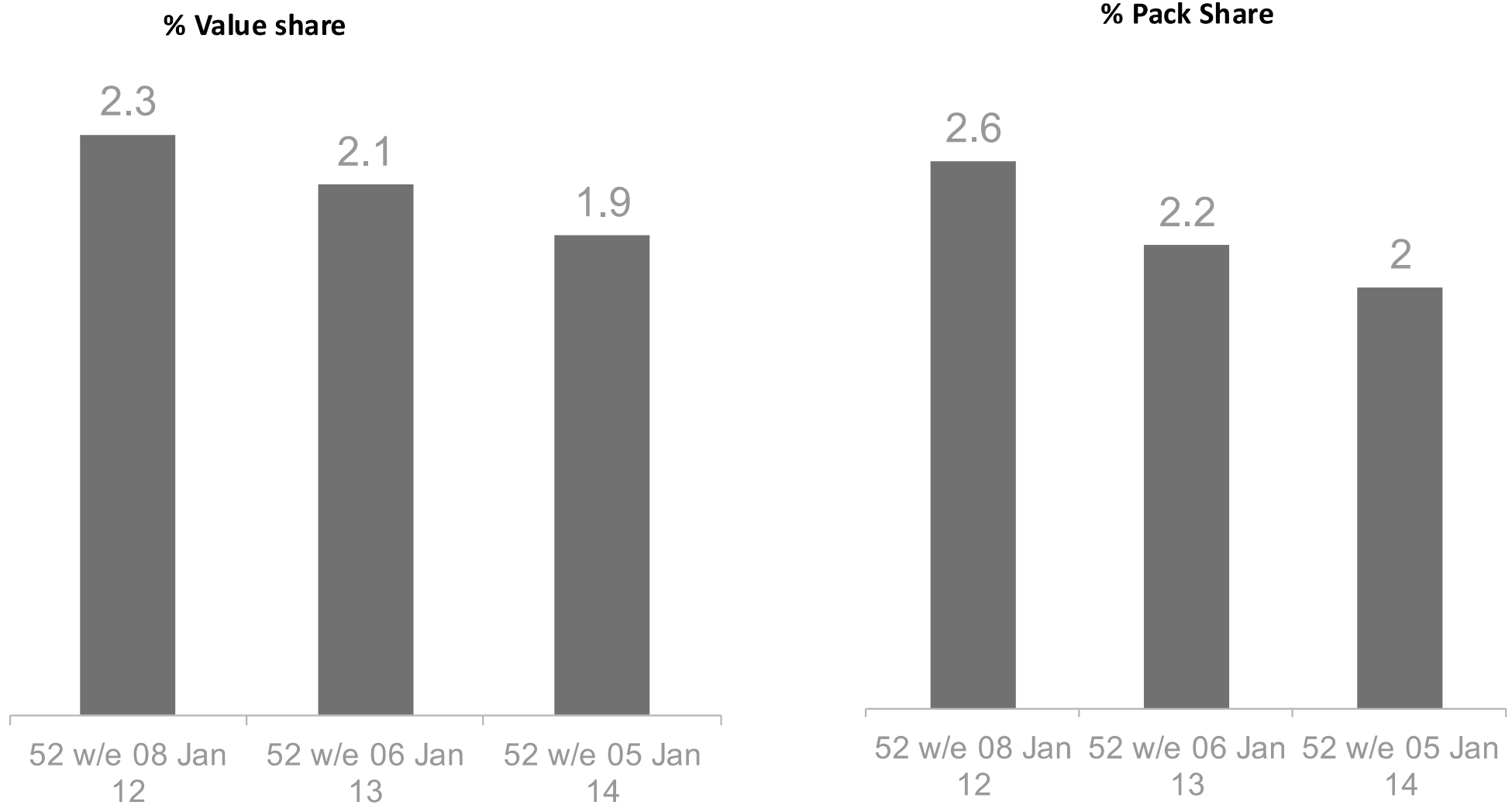




Cross Border Grocery Trade Update

## Total Cross Border Sales – Share of ROI Grocery Market – 52 w/e

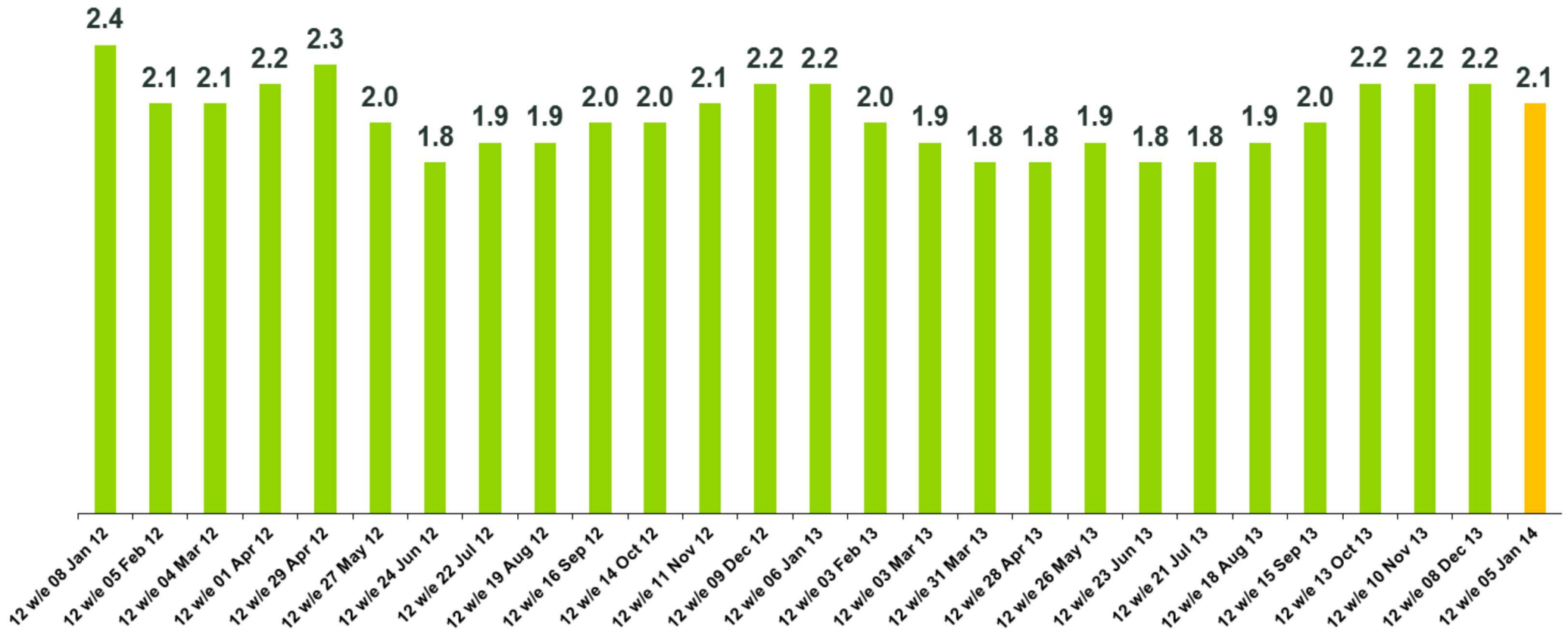
Cross Border Sales continue to decline now making up just under 2% of sales (€173m) down 6% on last year.



# Total Cross Border Sales – Share of Irish Grocery Market – 12 w/e

Cross border share declined over Christmas despite seeing an increase over the previous periods.

Cross Border Value % Share of ROI Grocery Market – 12w/e



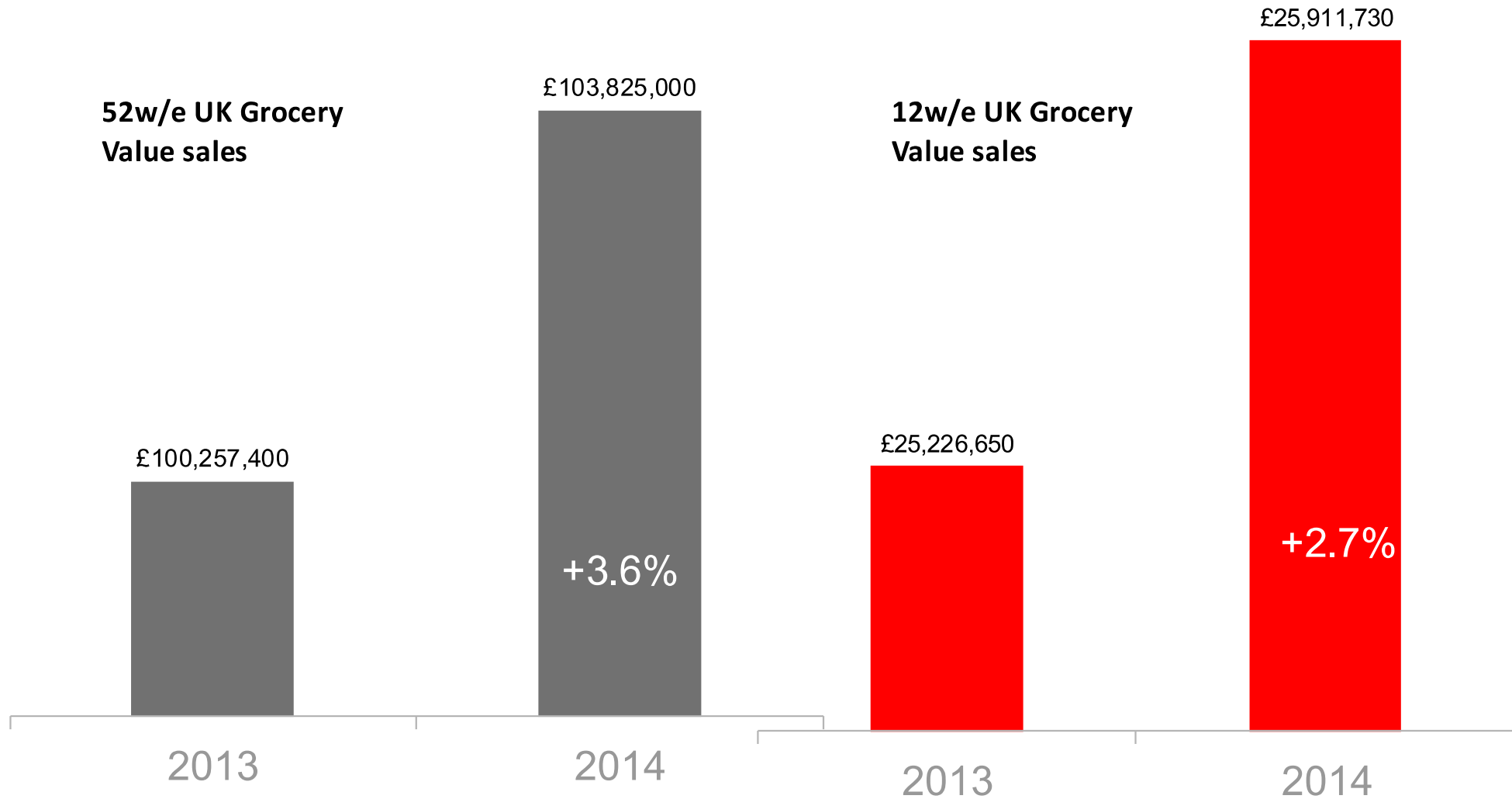


# UK GROCERY



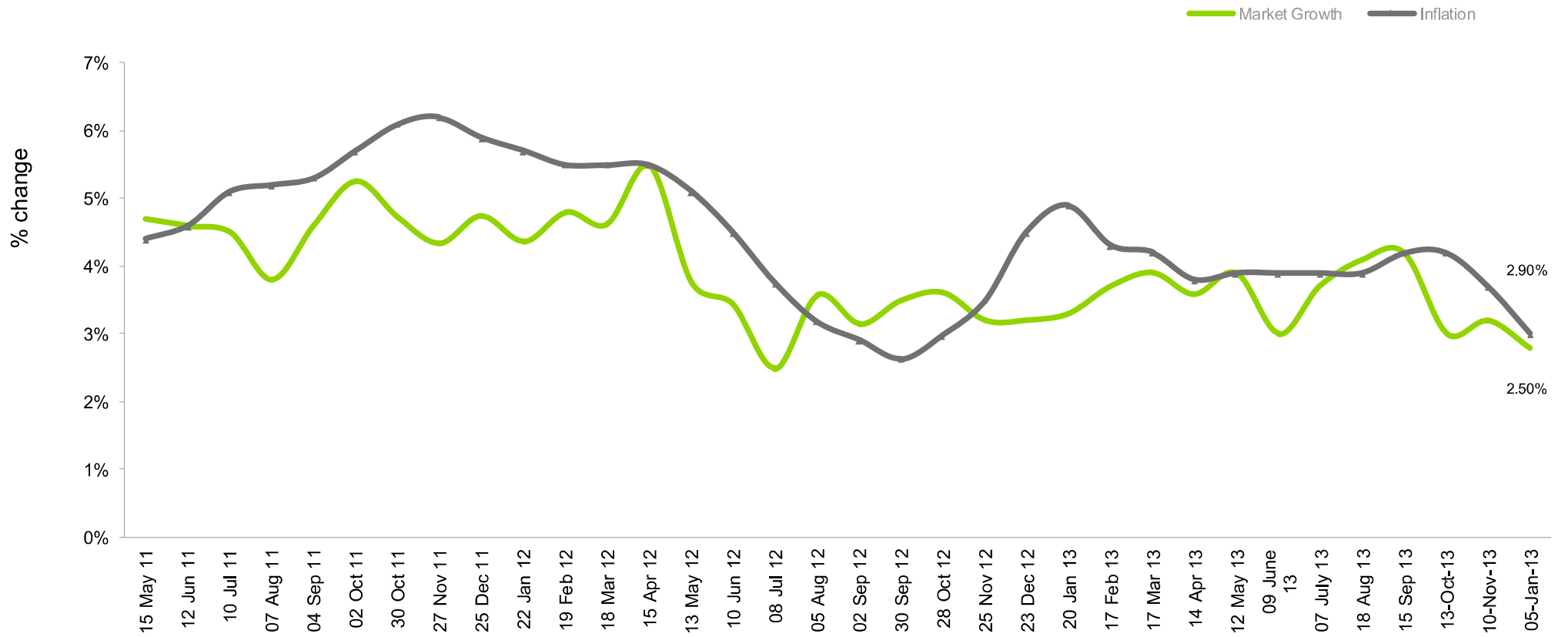
# UK Grocery – Value Sales

UK market showing growth year on year as inflation plays a part



# UK Market Growth and Inflation

## 12w/e- UK Market Inflation & Growth



# How do GB & Ireland grocery markets compare?



**Market Size**

**€9b**

**£104b**

**Grocery Spend per HH**

**€5,500**

**stg£3,900**

**Market Growth**

**0.8%**

**+3.7%**

**Price Inflation**

**2.9%**

**+2.5%**

# Private Label % Market Share

Private label rising in the UK up to 47.9%

