CHANGING TIMES OR **BACK TO THE FUTURE?**

Using our latest data to track shoppers' attitudes and behaviours over the past 3 years

THE **'WHY'** WEBINAR SERIES

Shopper Intelligence
Understand. Influence. Lead.

Changing times or back to the future?

Trend data suggests this may be **something new compared to previous years**

Despite a 'Covid impact' last year the **trend suggests we're returning to normal**

The Shopper Intelligence team

Chris Adkins
Managing Director

- 20 Years FMCG experience
- Category and Shopper

KRAFT
Coca-Cola
MARS

Martin Baptie
Shopper and Category Development Director

- 25 Years FMCG experience
- Category and commercial

Warburtons
Samworth Brothers Quality Foods
Carlsberg Group
ABInBev
Bulmers

Mike Ralls
Director of Business Development

- 12 Years FMCG agency side experience
- Consumer, Retail, Shopper

EUROMONITOR INTERNATIONAL
KANTAR CONSULTING

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We can approach Shopper Insight in a number of ways

the WHO, WHAT, WHERE…DATA

Sales & Share tracking
(market, category, segment and sku)
What are they buying?
Who is shopping?
Where are they shopping?

The essential WHY & HOW… INSIGHT

Shopper Needs, Motivations & Behaviours
Why they buy
How they buy
Markets, Retailers, Categories

Today’s scope

- Presentation findings are based on our latest shopper interviews conducted in 2021 (Apr – Sep 2021), 101k interviews
- All data compared with data from 2019 and 2020 for a ‘pre/during/post’ Covid lockdown analysis
- Data view is market level and includes shoppers of Tesco, Sainsbury’s, Asda, Morrisons, Waitrose, Marks & Spencer, Aldi and Lidl
- Based on shops in bricks and mortar stores, unless stated
- Data collected at a category level (172 categories) and represented here as an aggregated ‘all categories’ view – all data is available at a category and retailer level

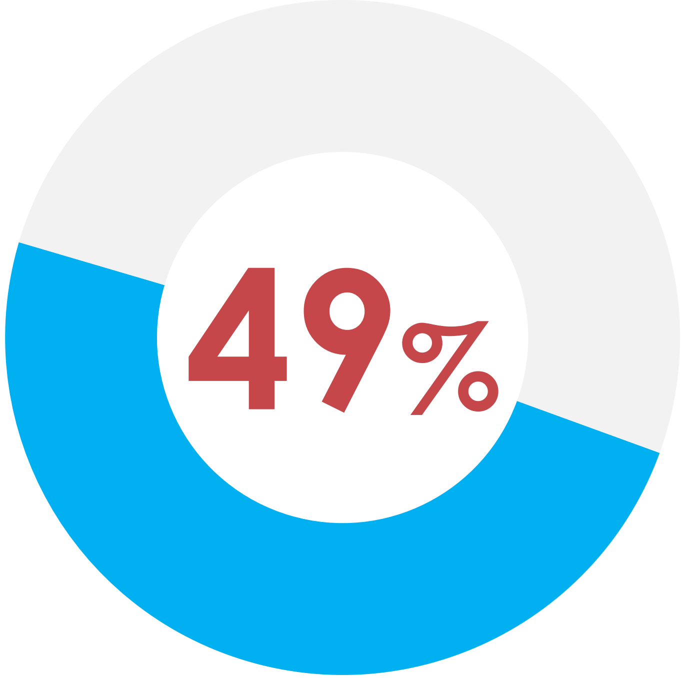
Shopping habits

Shopper Intelligence

The **main shop mission** is back to pre-Covid levels as we return to more smaller, frequent shops..

49%

52%



2019

2020

2021

So what? Spend per trip is reducing, how do you maintain your category's relevance in the face of this

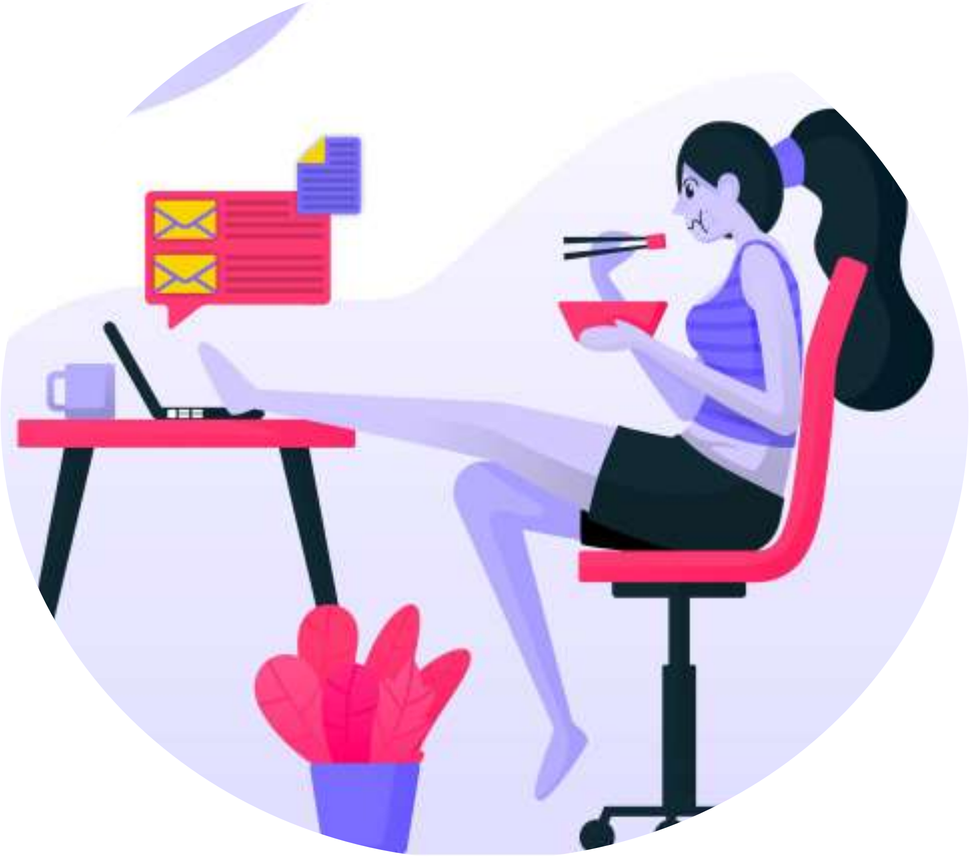
% shoppers – shopper mission 'main shop', all category average

And **occasion** remains the dominate purchase driver across food and drink categories

8% general stock up

92% specific occasion

2020



general stock up 6%

specific occasion 94%

2021

So what? Get to know your category's occasions!

% shoppers – 'what uses or occasions to you expect to use this for', all category average

Knowing your category's **main occasions** is key, what are the top categories by occasion?

Eat Now

Energy Drinks

Breakfast

Breakfast Cereal

Lunch

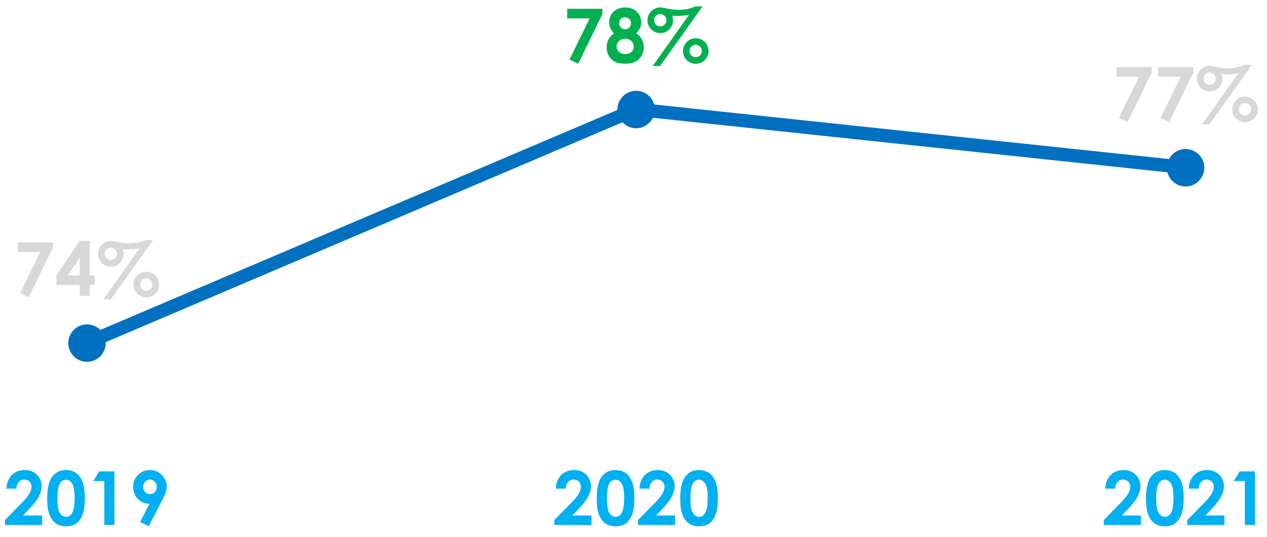
Cooked Meats

Dinner

Kids

Cheese Snacks

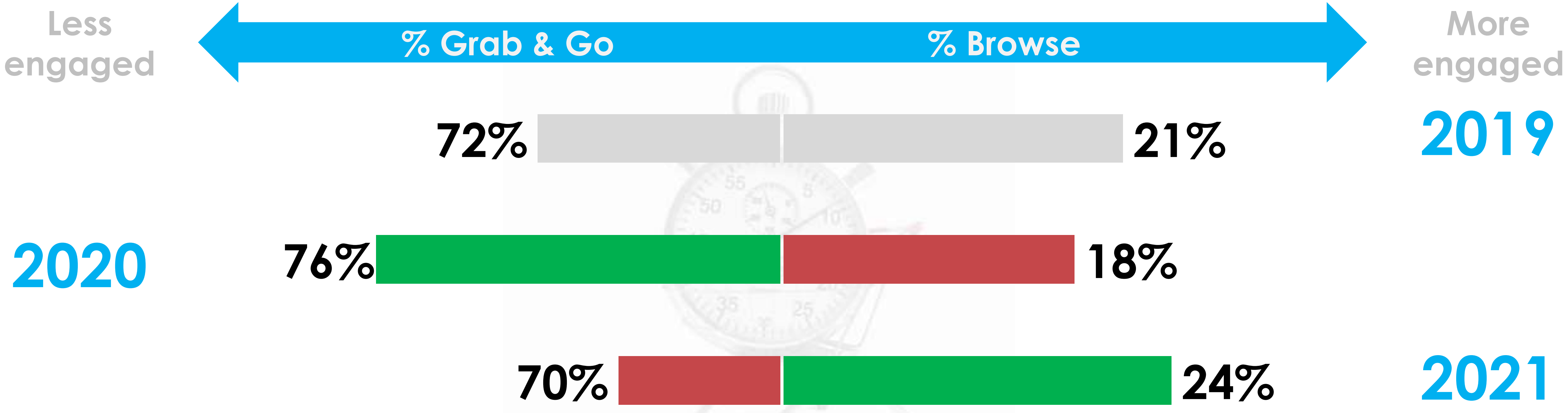
Our tendency to **plan** the shopping trip during lockdown looks to be continuing this year



So what? Understand the dynamic for you category to know best how to invest appropriately

% shoppers – 'decided to buy before entering the store', all category average

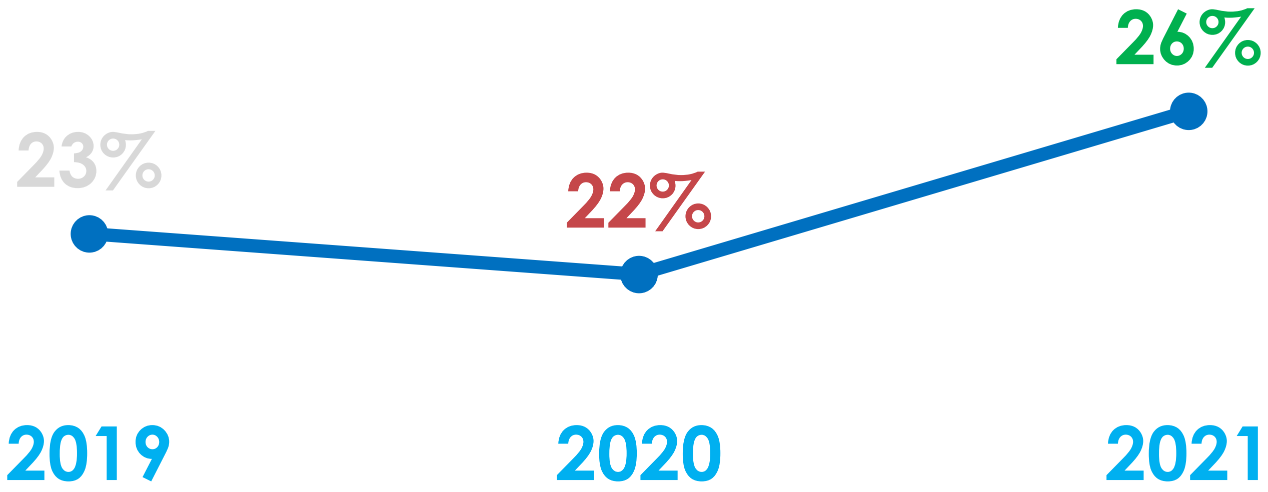
However the drop we saw in shopper engagement (to more ‘grab & go’ behaviour) is gone, **browsing is back**!



So what? More engagement means more opportunity to influence shoppers, choose wisely!

% shoppers – ‘want to grab & go/want to browse’, all category average

More engaged shoppers, willing to spend time, means **more promotional uptake** – could this be under pressure again soon?

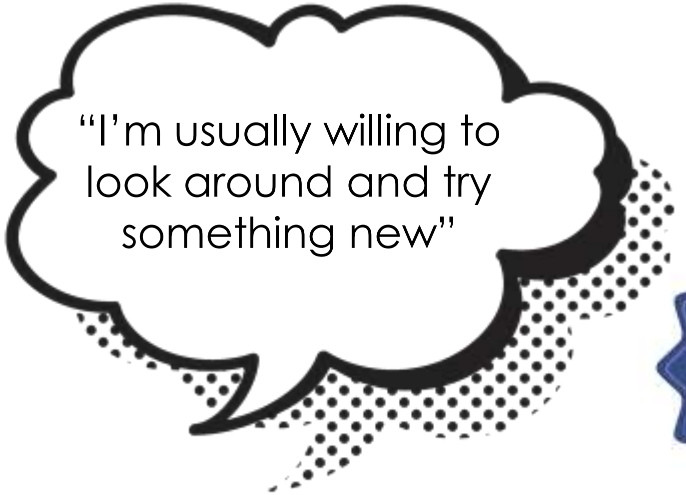


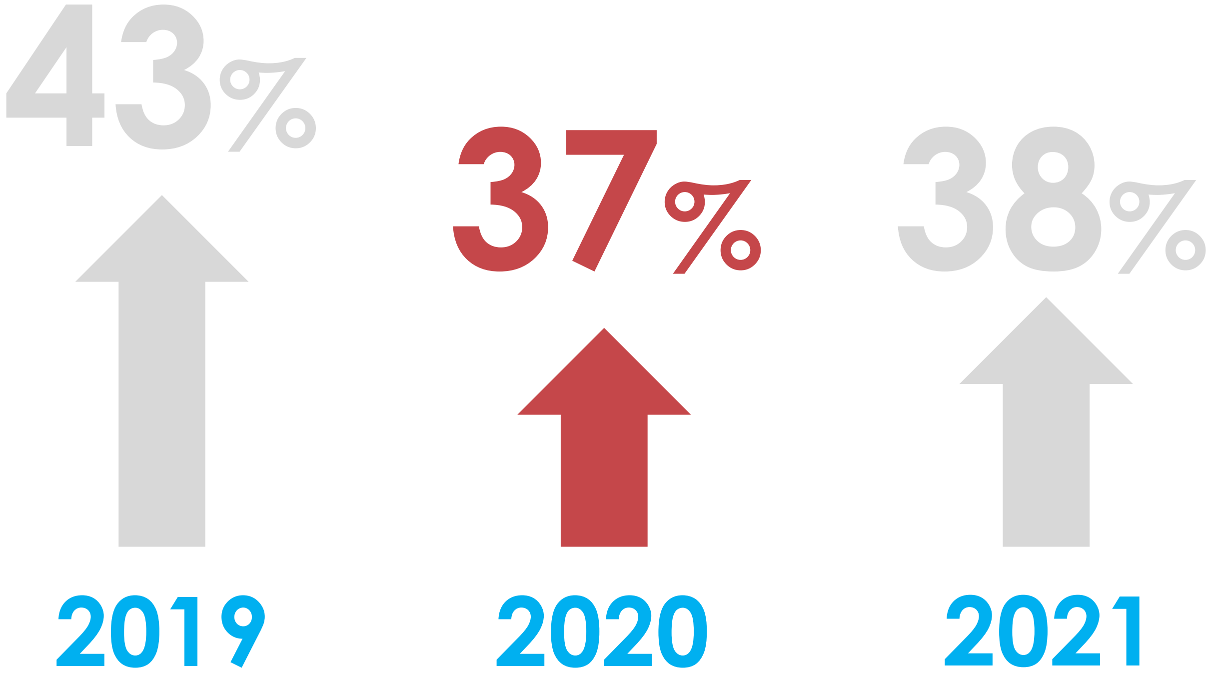
So what? New pressures on availability could well mean a return to reduced promotions, be prepared

% shoppers – 'bought on promotion', all category average

Shopper Intelligence

But we're sticking to what we know, not yet as **willing to try new** as we were previously..





So what? Align ranges to meet shopper requirements, innovation will need to work hard

% shoppers, all category average

The opportunity is there for **NPD** though, innovation has returned to 2019 levels as the **most desired improvement**

2019	2020	2021
29%	24%	28%

NEW → NEW → NEW

So what? NPD must be relevant, don't innovate just to innovate – make sure it fills a need

% shoppers, 'introduce more new types/brands', all category average

Shopper Intelligence

The retail game

The pandemic certainly hurt **shopper satisfaction**, but it appears to have been just a ‘blip’

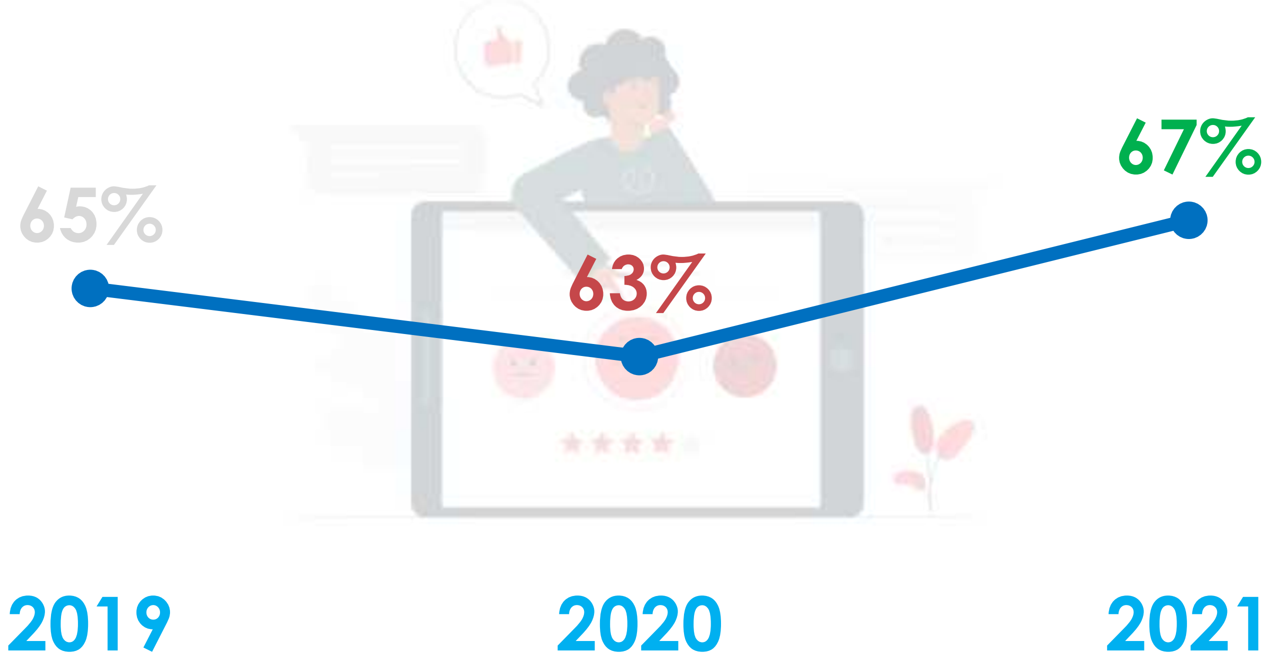
Shopper expectations

↓

Shopper experience in store

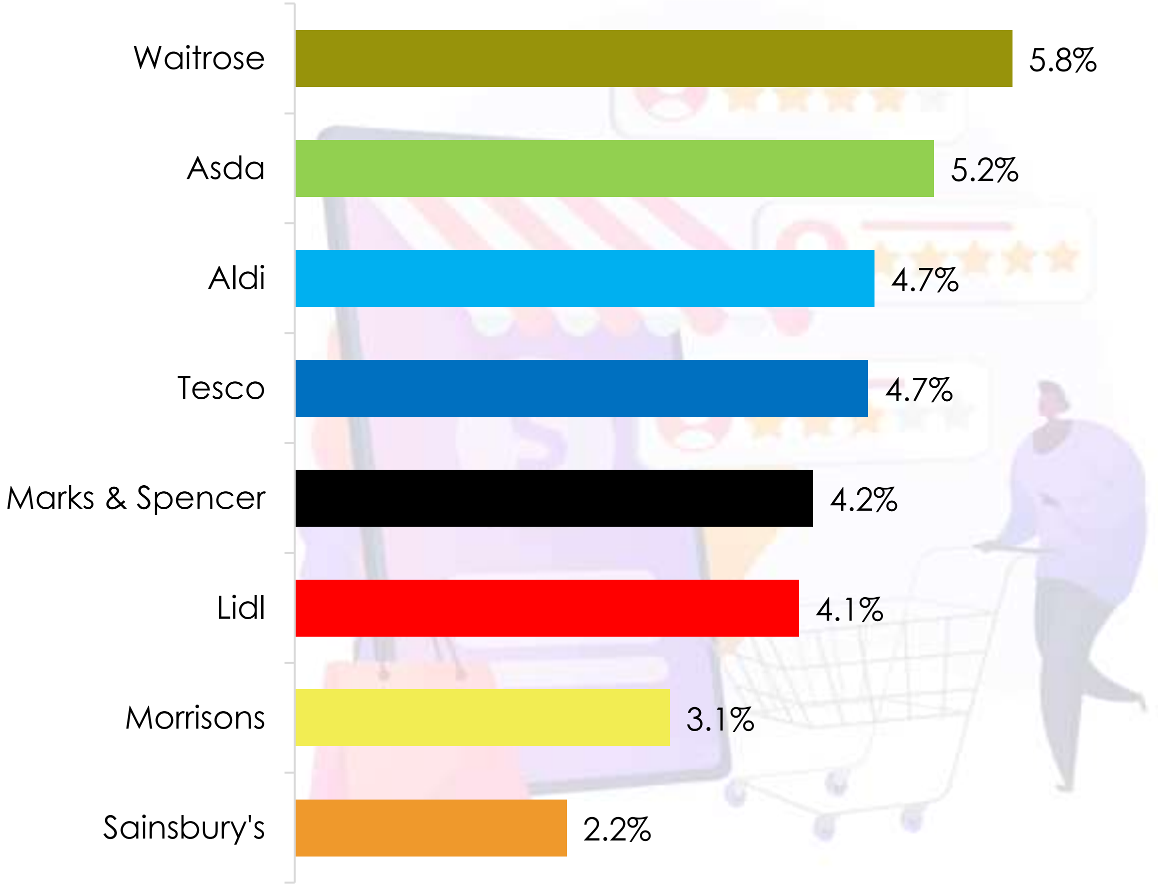
↓

Overall Satisfaction



overall satisfaction, all category average

Waitrose have seen the biggest gains YOY in satisfaction, closely followed by Asda – but discounters remain in top spot



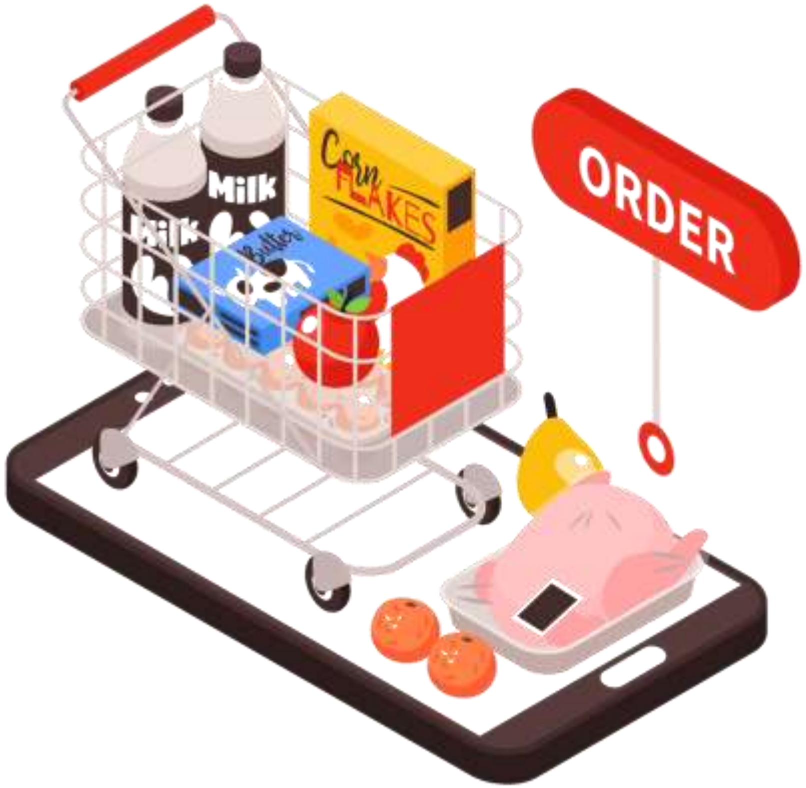
	2020 rank	2021 rank
Waitrose	7	6 ↑
Asda	4	4
Aldi	1	1
Tesco	6	5 ↑
Marks & Spencer	3	3
Lidl	2	2
Morrisons	5	7 ↓
Sainsbury's	8	8

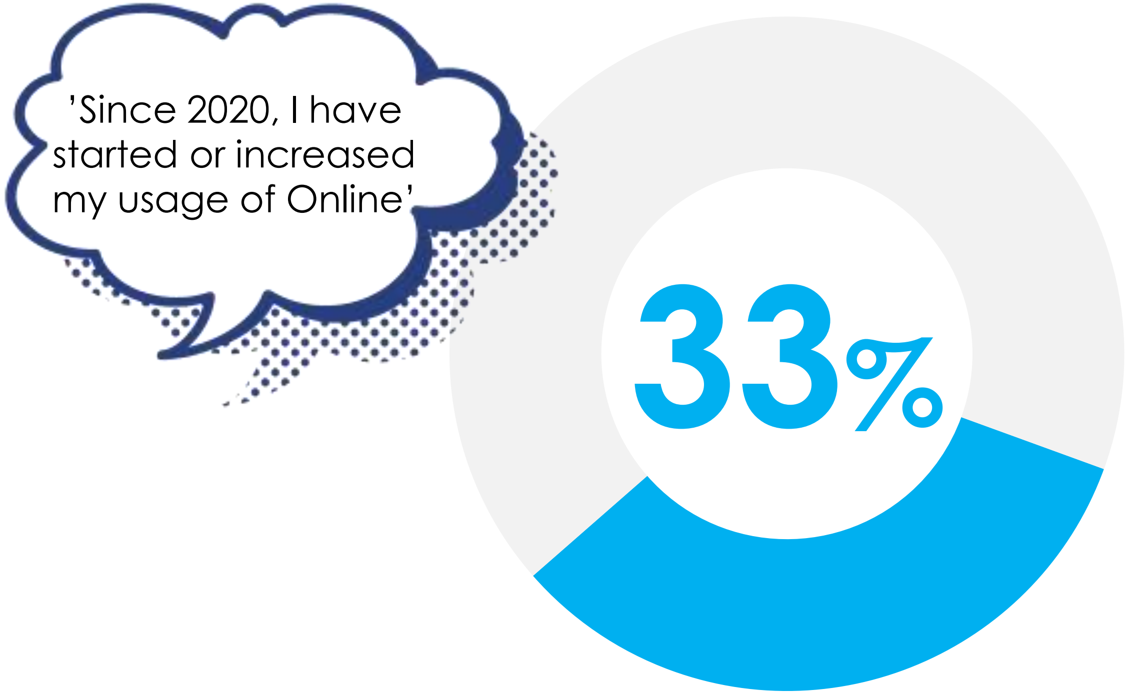
overall satisfaction - % change YOY, all category average

What about Online?

Shopper Intelligence

Online was a big winner in 2020, a third of shoppers have **increased their use of Online** for groceries since 2020

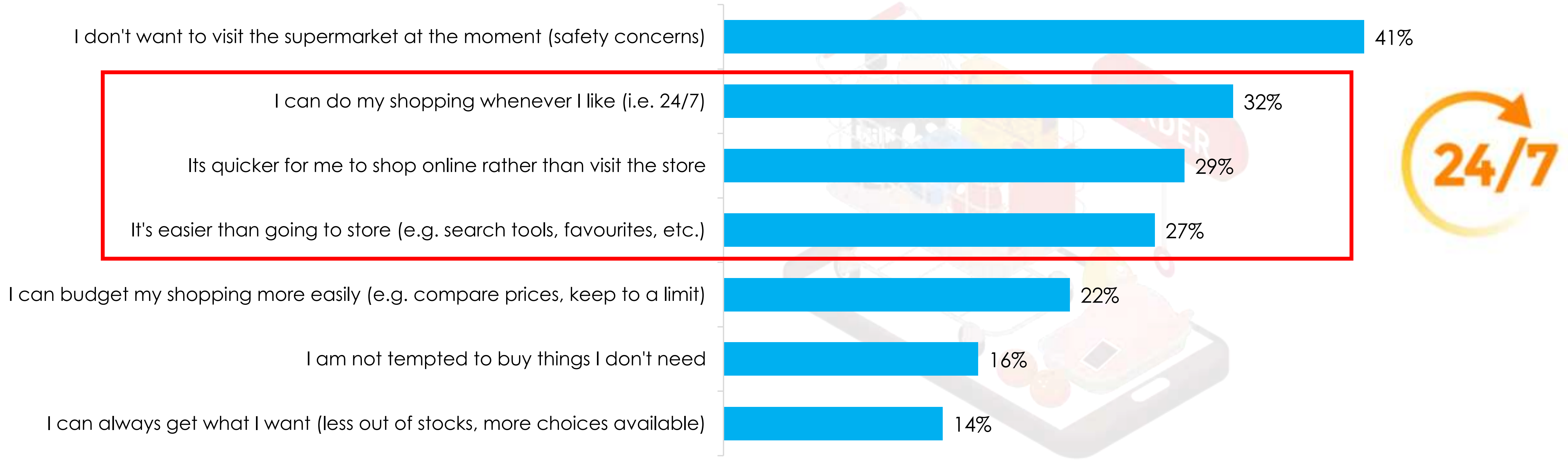




2021

% shoppers, all category average

The biggest driver of this change has been safety concerns, but **convenience is still a clear driver**



% shoppers, all category average

Shopper Intelligence

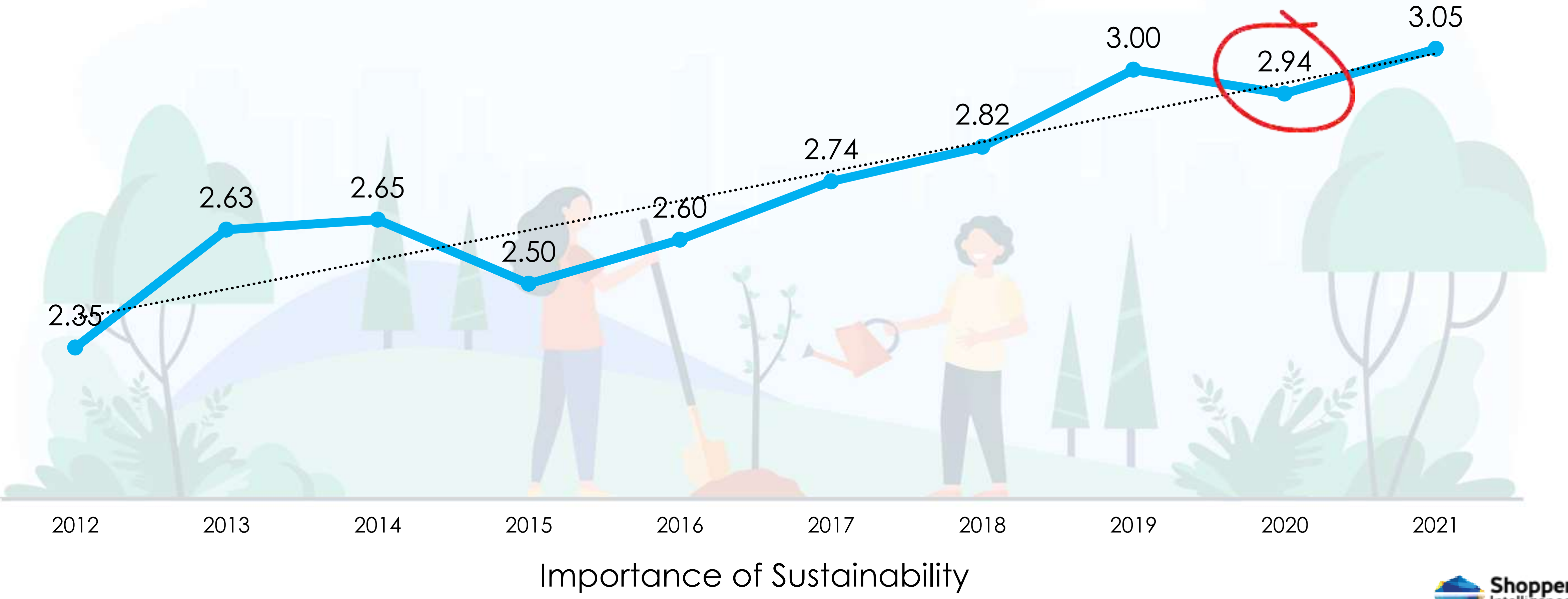
Some questions to ask at this point..

- **What do my shoppers want** from online as a shopping channel, is this **different to bricks and mortar**?
- **Are my shoppers happy** with their experience shopping the category online? **Where can we make improvements**?
- Are my shoppers **shopping differently in Online**? How?
- What are the **biggest opportunities for Online** in my category to drive **category growth**?

Long term trends

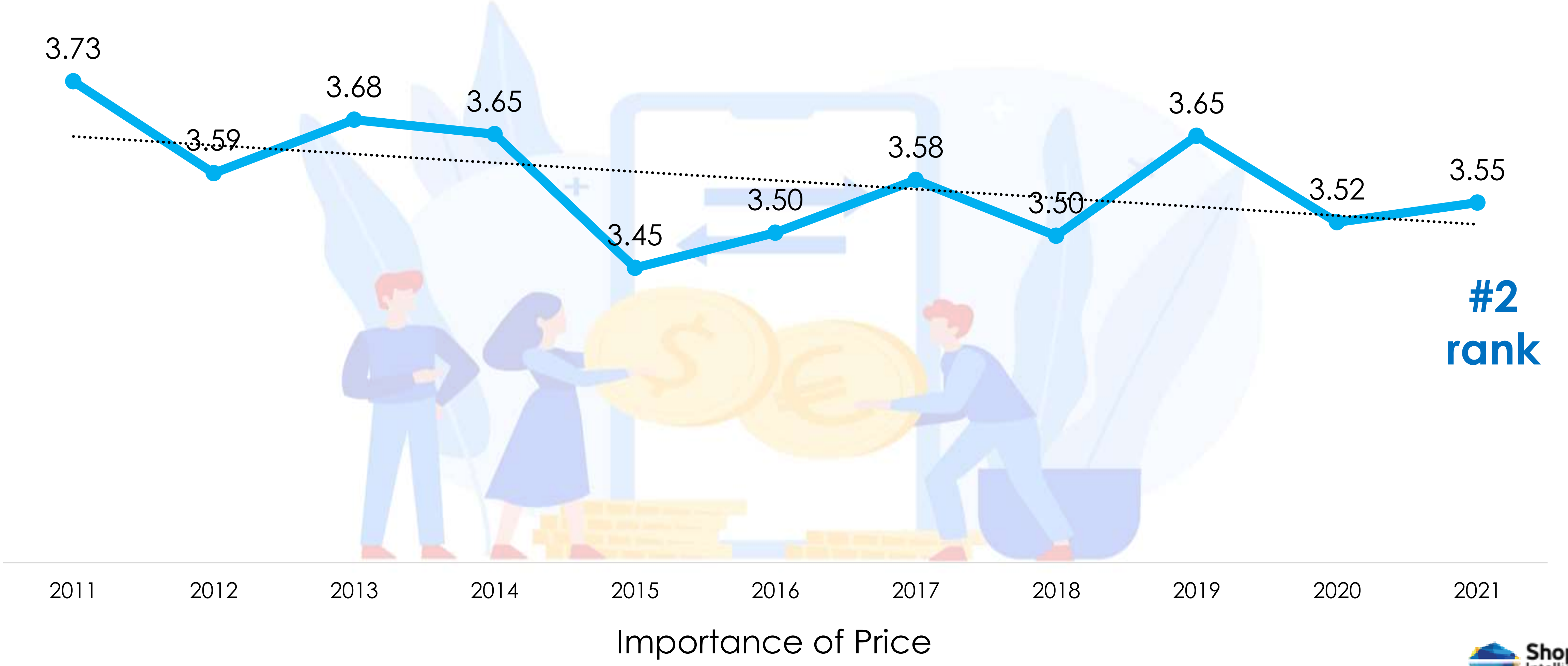
EVERYONE'S TALKING ABOUT SUSTAINABILITY!

Covid impacted our likelihood to prioritise Sustainability, but its encouraging to see this hasn't stuck



WHO'S GOT THE BEST PRICES…DOES IT MATTER?!

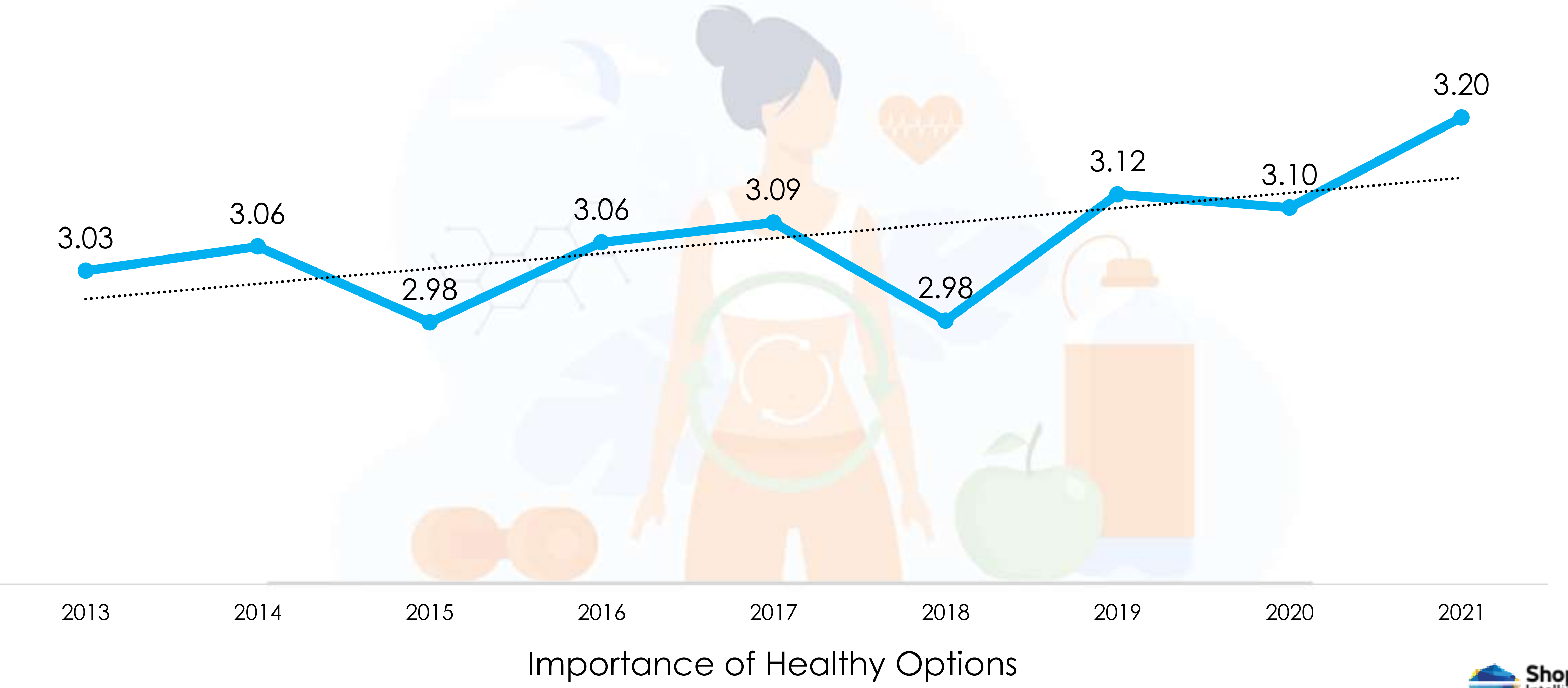
Price continues a steady decline in importance, concerns last year were no more than usual – but it is still critical



Shopper Intelligence

HFSS ANYONE?!

Health is a bigger concern now for shoppers than every before, and this is steadily increasing over time



Changing times or back to the future?

Changing times, or back to the future?

- We **planned more** during Covid and so far this stays
- **Promo appeal is increasing** against a declining trend over the past few years
- New habits have been formed and we **continue to stick more to what we know**
- **Online usage continues to increase** for many shoppers

- **Big shops are back in decline** as we shop more frequently
- **Occasion continues to dominate** purchasing across food and drink
- Shoppers are **more engaged again**, back to pre-Covid levels of browsing
- **NPD** is once again the **biggest requested improvement** from shoppers

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