Shopper Intelligence

The Monthly Focus: Chilled

"Aldi Launches Biggest Ever Vegan Range"

January 2024

Category Challenges in Context

Following the range reductions we saw throughout the course of 2023, once again we're seeing new Vegan & Plant Based products being launched into UK supermarkets as Veganuary 2024 gets underway. The new product launches in Vegan and Plant Based could indicate a readjustment in the category after the initial excitement and subsequent overexpansion of the category that we saw play out over the past few years, which culminated in the 2023 range reductions.

In part, the range reductions could be put down to the cost-of-living crisis as prices in the category remained high and demand fell as a result. However, over ranging and the inherent challenges of effectively managing an emerging category like this to meet shopper needs undoubtedly played its part.

After a period of recalibration, it could now be the right time for retailers and suppliers to take a new approach to the category. The fact is Vegan & Plant Based isn't going away. Let's not forget that we've just experienced the hottest year on record and this year is predicted to be even warmer, with intensive livestock farming being a key contributor to the problem. Add to this an increased focus from consumers on healthy lifestyles, which inevitably sees a spike in January and remains a macro trend year-round, that is only going to increase in importance.

The chilled department is a key area of the store for Vegan & Plant based as consumers look for healthier alternatives to meat and cheese. Chart 1 shows just how important healthy options are for Vegan & Plant Based shoppers, within the context of the Chilled Department.

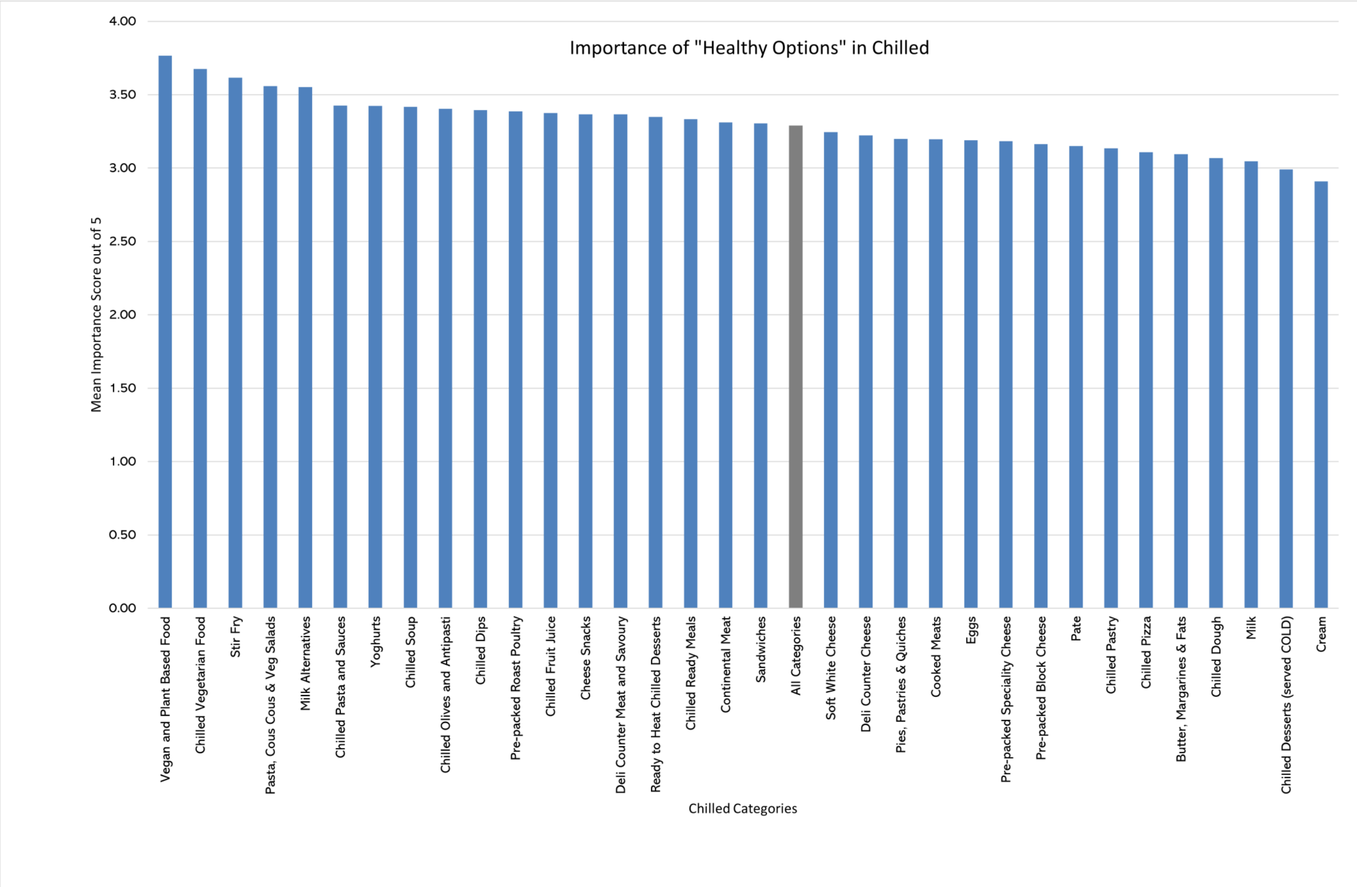

CHART 1: *Which categories do shoppers have the biggest focus on health / healthy options in Chilled (importance of healthy*

Of course, adding healthy options to range can put pressure on category SKU count and retailers and suppliers will need to consider where this space will come from. It is therefore important to understand where breadth of range is less of a priority for shoppers.

Chart 2 shows categories where shoppers place less importance on range.

When developing range there are many other aspects to consider, such as understanding shopper behaviour and needs, the mix of premium versus value and private label, existing substitutability and incrementality.

Beyond this effective category management will also need to consider how to apply this range to the fixture in a way that optimises the shopper experience, whether that needs to be a functional approach or one that drives greater levels of engagement, considering factors like ease of shop, navigation, signage and theatre, for example.

Solid, objective shopper data will be essential to land your key messages around this and drive change.

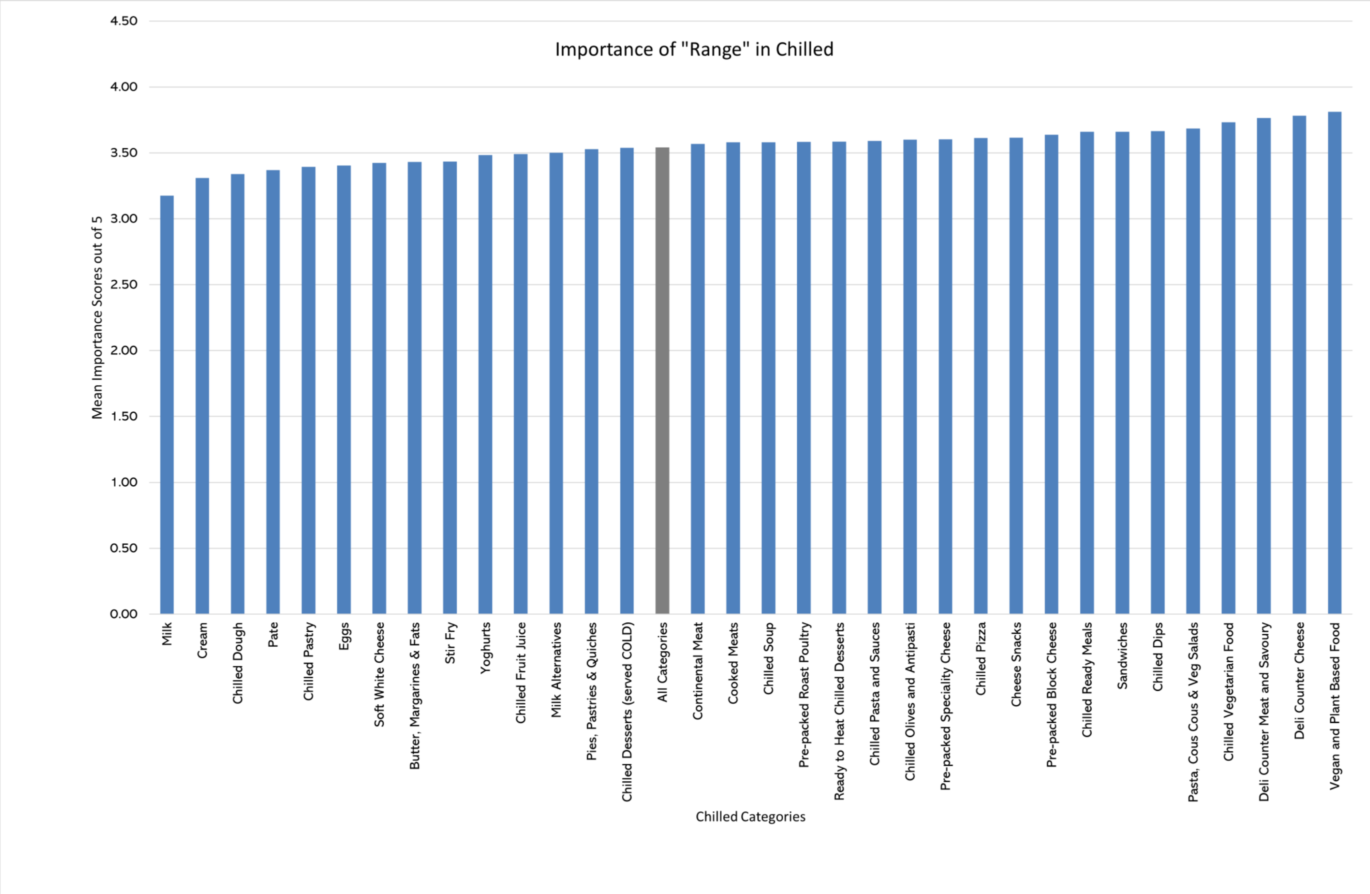

CHART 2: *Which categories have the lowest Range importance in Chilled*

Coming back to range in Chilled to wrap this Monthly Focus up, let's look at how retailers perform at the moment when it comes to shopper satisfaction with chilled range (based on responses from over 8500 shoppers). It looks like Aldi may be taking the right action to respond to their shopper needs.

Retailer	Range Satisfaction (Net Favourable Score)
Tesco	81.9 %
Sainsbury's	79.9 %
Asda	79.9 %
Morrisons	78.8 %
Aldi	78 %
Lidl	68.%

To learn more about effective strategies for Emerging Categories check out this deck from our recent webinar:

https://shopperintelligence.com/resource/what-can-we-learn-from-emerging-categories-webinar-may-