AHDB Consumer Insight Snapshot

Online and convenience stores

Online and convenience stores are forecast to see growth over the next few years. The following slides provide a snapshot of information about these channels and their market share in relation to dairy and red meat.

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Online grocery

Three key things:

- The main shop is still the most common shopping mission completed online
- 46% of online grocery shoppers say they shop online because it's easier or more convenient than going into a physical store
- 7.5% of GB grocery retail sales by value were completed online in 2017 according to Kantar Worldpanel data

What to be aware of:

- Delivery time will continue to be important because shoppers are looking for ever more convenient solutions. For example we saw the launch of same day fulfilment for orders in the UK last year
- With an increasing amount of voice-enabled technology available, from fridges to cars, it means that growth in use of this technology is likely to continue
- IGD forecast the channel to grow by over 50% by 2022

Sources: AHDB / IGD ShopperVista Research 2018 / IGD Retail Analysis 2017 / Kantar Worldpanel 52 w/e 31 Dec 17

Convenience stores

Three key things

- IGD ShopperVista research found that 9/10 shoppers say they visit a convenience store at least once a month
- 10% of shoppers say they use convenience stores for the majority of their food shopping as shown by IGD ShopperVista research. Top-up and food-to-go are more common missions in convenience stores compared to other channels.
- 8.7% of grocery retail sales by value occurred through the convenience channel in the past year according to Kantar Worldpanel data

What to be aware of

- Growth of £7.1bn is forecast for the convenience channel in the next 5 years by IGD ShopperVista
- IGD ShopperVista have observed a decline in the proportion of people who state the purpose of their last c-store visit was to purchase an evening meal for that day over the past year

Sources: IGD ShopperVista Research 2018; Kantar Worldpanel 52 w/e 31 Dec 17

Channel overview

This table provides a summary of IGD ShopperVista research into average length of time spent shopping by channel (excluding travel time). Interestingly the length of time for an online shop (where there are a higher proportion of main shops) was found to be similar to that of a super/hyper markets.

Channel	Shopping Time
Convenience	7.1 mins
Specialists	12.0 mins
Variety Discount	15.6 mins
Food Discount	20.2 mins
Online	21.4 mins
Supers/Hypers	22.6 mins
Average	**15.9 mins**

Source: AHDB/IGD ShopperVista 2017

This table shows percentage share of total grocery volume sales by channel. This data is for the GB grocery retail market.

Channel	% share
Main Estate	70.2
Discounters	13.9
Convenience	8.3
Online	7.6

Kantar Worldpanel Channel Definitions:

Main estate: Asda, Sainsbury's (Supermarket), Tesco (Supermarket), Tesco Extra, Waitrose, Tesco Metro, Morrisons, Netto (Old), Total Iceland, Farm Foods, Other Freezer Centres, Other Multiples, Total Butchers, Total Chemists/Drugstores, Total Bargain Stores, Total M&S, Other non-grocers

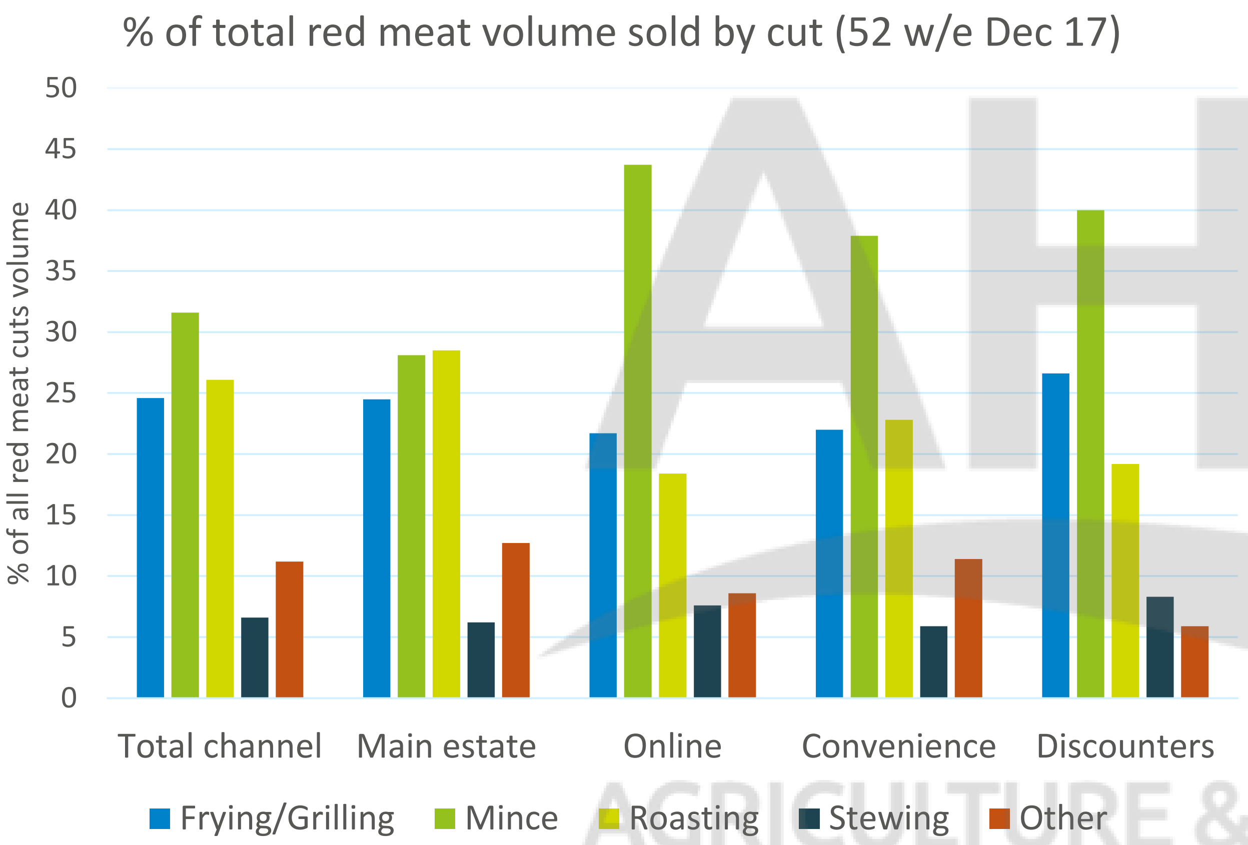
Discounters: Aldi, Lidl

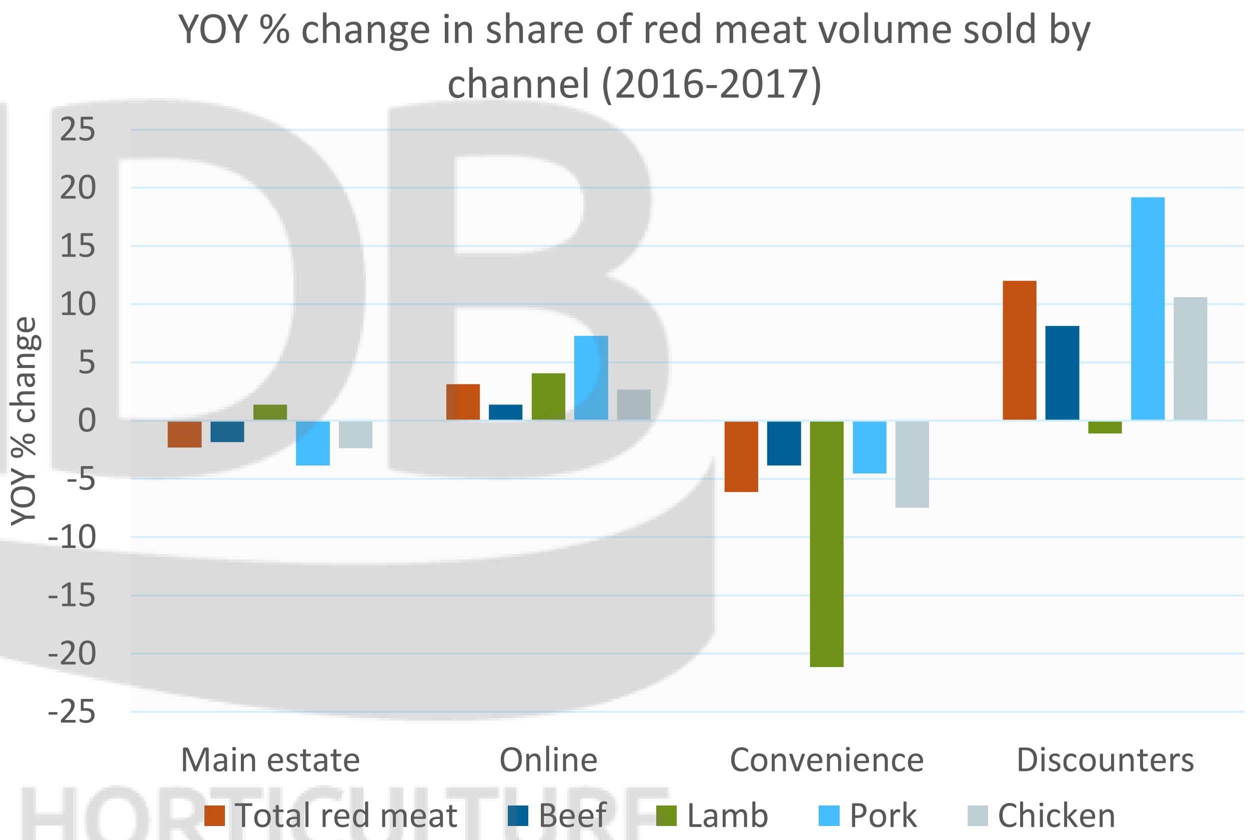
Convenience: Co-Op, Tesco Express, Total independents and symbols, Sainsbury's Other, Budgens, Morrisons Local, Little Waitrose

Online: Tesco Internet, Asda Internet, Ocado Internet, Sainsbury's Internet, Morrisons Online, Waitrose Internet, Amazon

Source: AHDB/Kantar Worldpanel, 52 w/e 31 Dec 2017

Red meat





Mince accounts for the largest proportion of red meat cuts sold online, in convenience stores and via the discounters. Main estate stores over index on share of roasting cuts sold compared to the total channel breakdown. Please note, while the YOY % movement for lamb in convenience stores appears large, convenience stores only account for 4.1% of the total volume of lamb sold in GB grocery retail.

Definitions: Main estate: Asda, Sainsbury's (Supermarket), Tesco (Supermarket), Tesco Extra, Waitrose, Tesco Metro, Morrisons, Netto (Old), Total Iceland, Farm Foods, Other Freezer Centres, Other Multiples, Total Butchers, Total Chemists/Drugstores, Total Bargain Stores, Total M&S, Other non-grocers Discounters: Aldi, Lidl Convenience: Co-Op, Tesco Express, Total independents and symbols, Sainsbury's Other, Budgens, Morrisons Local, Little Waitrose Online: Tesco Internet, Asda Internet, Ocado Internet, Sainsbury's Internet, Morrisons Online, Waitrose Internet, Amazon

Source: AHDB/Kantar WorldPanel 52 w/e 01 Jan 17, 52 w/e 31 Dec 17

A closer look at market share

GB Grocery Retail market in 2017, share of product volumes sold by channel type:

Channel	% Total Grocery	% Total Dairy	% Milk	% Cheese	% Total Red Meat	% Beef	% Lamb	% Pork
Main Estate	70.2	64.1	63.1	66.2	72	69.1	81.8	72.6
Online	7.6	7.1	6.5	8.4	6.6	7.3	5.1	5.9
Discounters	13.9	16.9	12.0	18.7	16.8	18.6	9.1	17.4
Convenience	8.3	11.8	18.3	6.6	4.6	5.0	4.1	4.2

- Compared to their share of total grocery sales by volume, the discounters over-index in volume share of cheese, beef and pork sold in GB retail.
- Convenience is not a format through which large volumes of red meat are sold but is important for milk. Product ranges in convenience stores need to meet shopper requirements for top-up and food-to-go shopping missions, for this reason pack size and product format are likely to remain important.

Definitions: Main estate: Asda, Sainsbury's (Supermarket), Tesco (Supermarket), Tesco Extra, Waitrose, Tesco Metro, Morrisons, Netto (Old), Total Iceland, Farm Foods, Other Freezer Centres, Other Multiples, Total Butchers, Total Chemists/Drugstores, Total Bargain Stores, Total M&S, Other non-grocers Discounters: Aldi, Lidl Convenience: Co-Op, Tesco Express, Total independents and symbols, Sainsbury's Other, Budgens, Morrisons Local, Little Waitrose Online: Tesco Internet, Asda Internet, Ocado Internet, Sainsbury's Internet, Morrisons Online, Waitrose Internet, Amazon
Total Dairy – milk, cheese, butter, yogurt, yogurt drinks and juices, fresh cream, margarine, eggs, lards and compounds, fromage frais

Source: AHDB/Kantar Worldpanel, 52 w/e 31 Dec 2017