



# Consumer Trends in a Changing Marketplace

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# Agenda

1

Close up on  
current  
grocery  
market

2

Potato  
category  
importance

3

Potato  
category  
performance

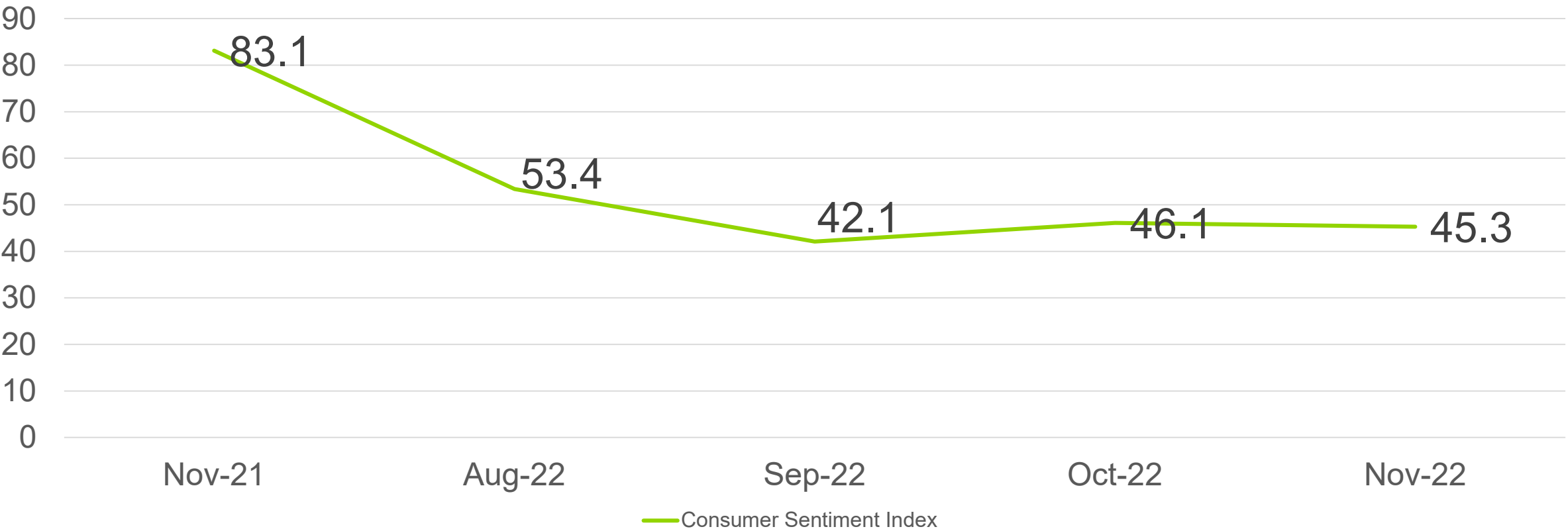
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Opportunities  
& Challenges

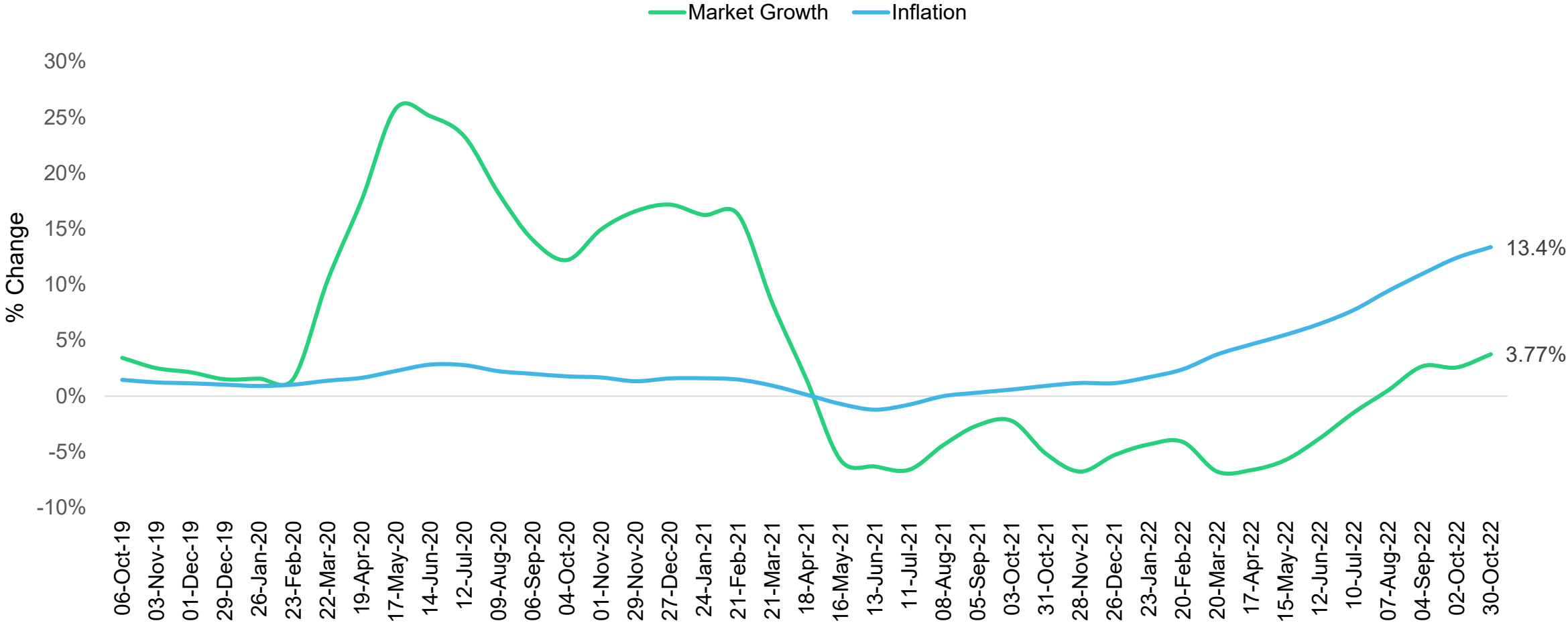
1

Close up  
on current  
grocery  
market

# Consumer Sentiment Index Shows Cautious Consumer Spending in the run up to Christmas



# Inflation has hit a new high of 13.4% in October with the household spend now up 3.77%



I don't have to  
restrict my  
spending in any  
way

I'm comfortable &  
can afford most  
things

On the whole I  
can manage ok

I'm just making  
ends meet

It's not sufficient  
to cover  
expenses

## Comfortable



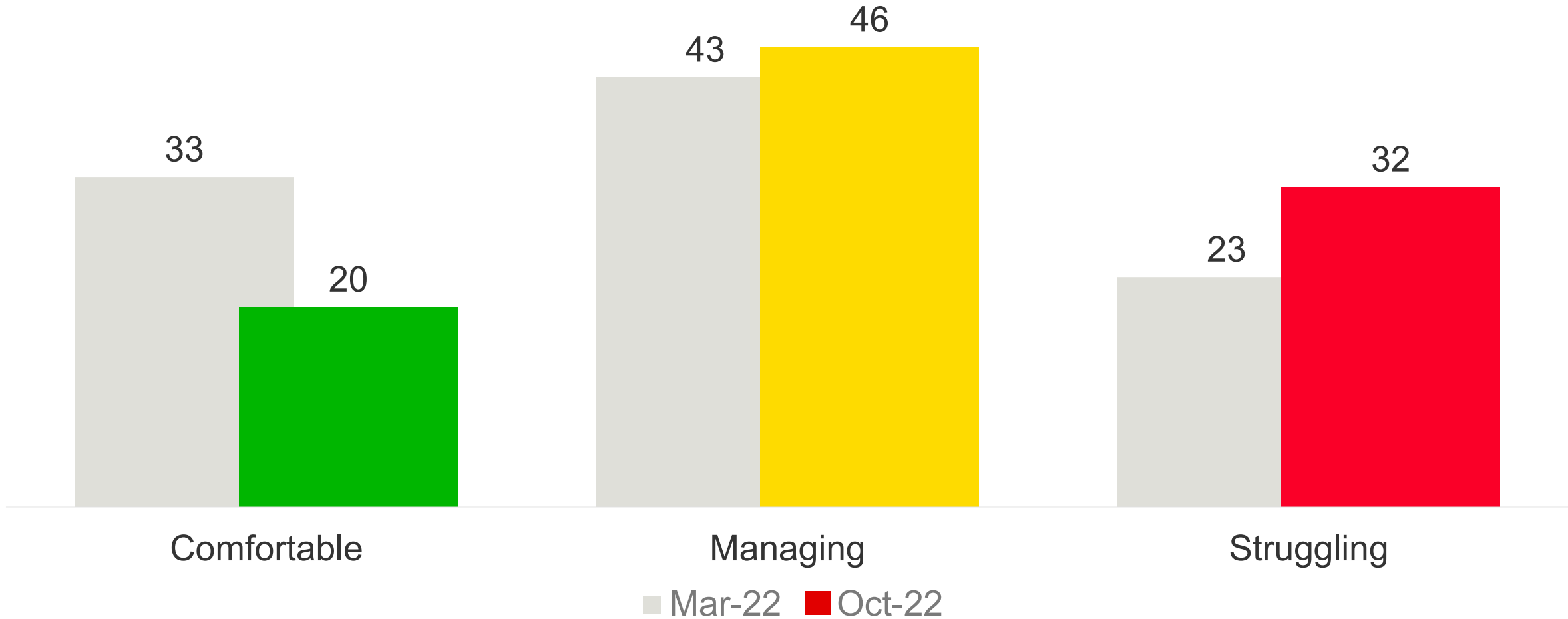
## Managing



## Struggling



# Shoppers have shifted from Comfortable to Struggling



# How do shoppers manage inflation?

Absorb  
inflation

Buy less

Find deals

Choose  
cheaper -  
Brand/PL

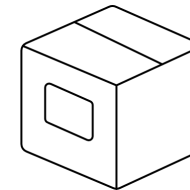
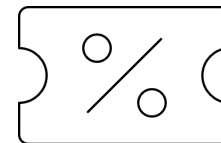
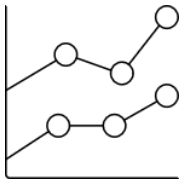
Change  
Retailer

Cut category  
repertoire

Make smaller  
trips or less  
trips

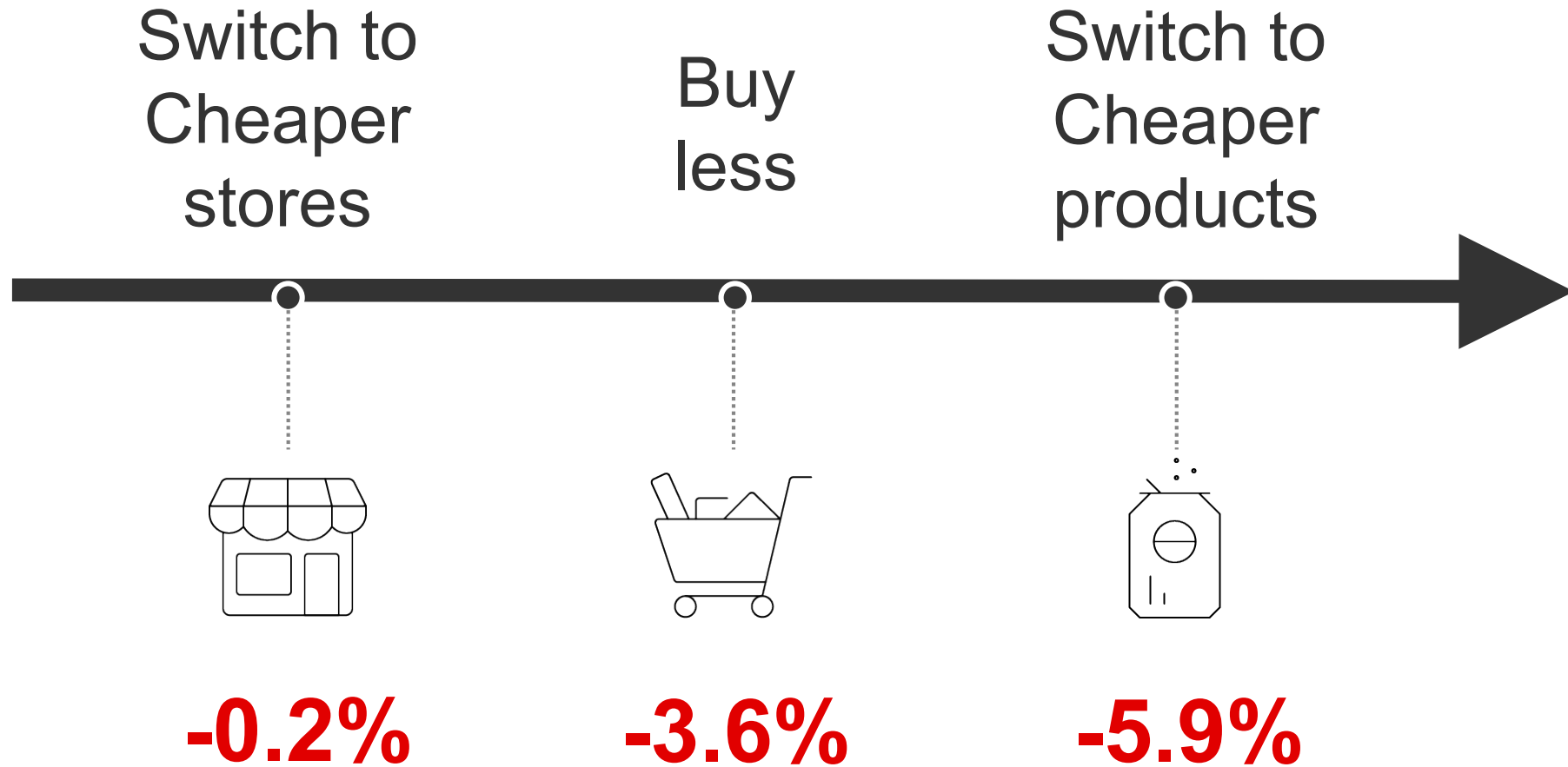
Cut back to  
smaller packs

A trend we see in  
the potato  
category





# How Irish Shoppers are “Trading Down”





# Retail Context



Shop without compromise, and **pay less.**

**Go Full Lidl**

From Thursday 8<sup>th</sup> September

**INFLATION BUSTERS IS BACK**

THIS TIME FEED A FAMILY OF FOUR FOR A WEEK

For less than **€74**

Lidl.ie/InflationBusters

More For You.

TOGGLE ON WITH LIDL PLUS TO SAVE MONEY AND PAPER

**TOGGLE ON**

Lidl Plus Card

Digital Receipt Only

NEW FEATURE

Don't change your lifestyle, change your supermarket

SuperValue **€201.06**

Swap & Save **€72**

Swap & Save **€128.15**

**SWAP & SAVE**

**SUPER 6**

**SHOP NOW**

**TESCO Clubcard**

**THE POWER TO LOWER PRICES**

TESCO Clubcard

**€5 OFF €25**

EXPIRES 13 days

Valid 18 Dec - 1 Jan

Grocery only offer - T&Cs apply

**Dunnes Voucher Group**

Public group · 50.7K members

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**DOUBLE SAVERS**

SAVE in the aisle

SAVE again at the till

**SAVE OVER €65**

ON YOUR WEEKLY FAMILY

IT'S AS EASY AS...

1 OWN BRAND LOW PRICES

2 SPECIAL OFFERS

3 WEEKLY VOUCHERS

Save over €65

'Save over €65' is based on switching to

**NEW MONEY-OFF VOUCHER EVERY WEEK**

**Now on the app**

Real Rewards

My Real Rewards Card

# Tis The Season



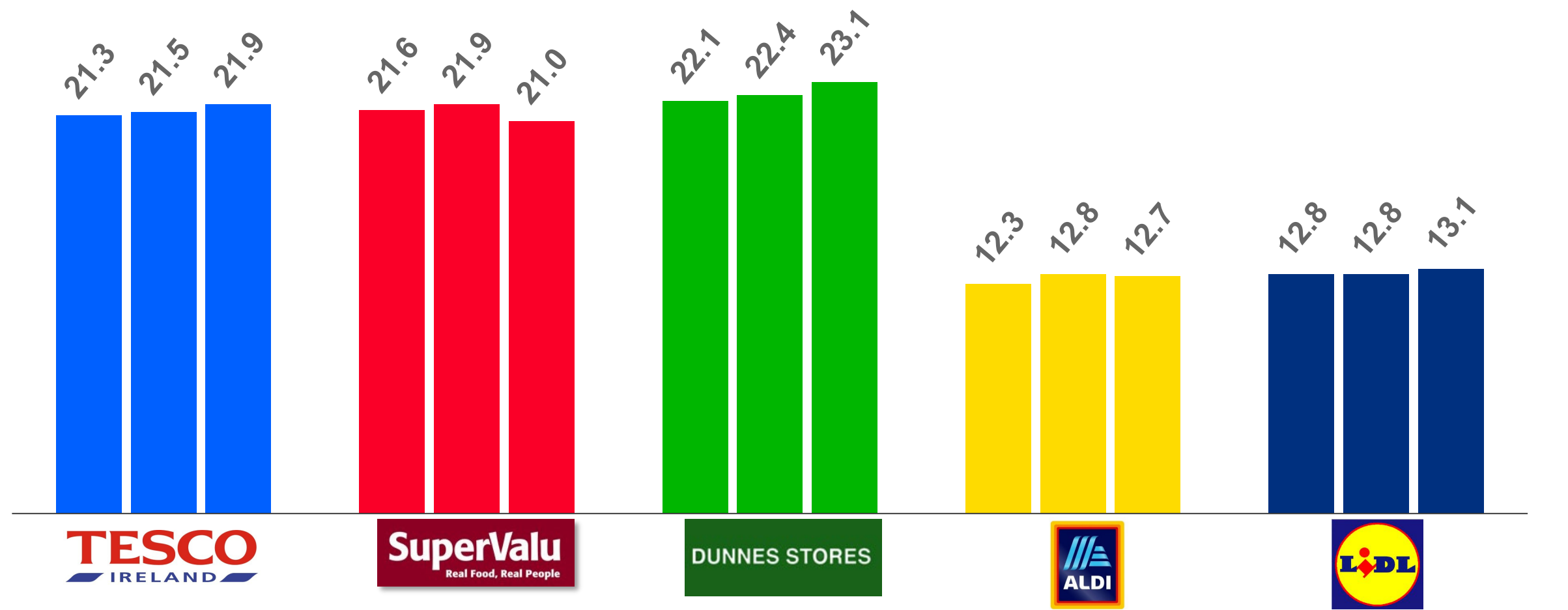
**Tesco Christmas ad nods to cost of living crisis but urges people to 'stand up for joy'**



**Lidl goes for novelty and family appeal**

# Total Grocery share – Dunnes holding strong lead at no.1, while Lidl widens the gap amongst the discounters

Total Market Spend Share (%) by retailer 12 w/e Oct 2020 - 2022



Data to the 30<sup>th</sup> October 2022



**2007**

**2012**

**2019**

**2022**



€8.4b

€8.9b

€11b

€12.5b



234

241

267

245



€24.60

€22.60

€23.90

€28.40



€2.01

€1.89

€1.78

€1.86

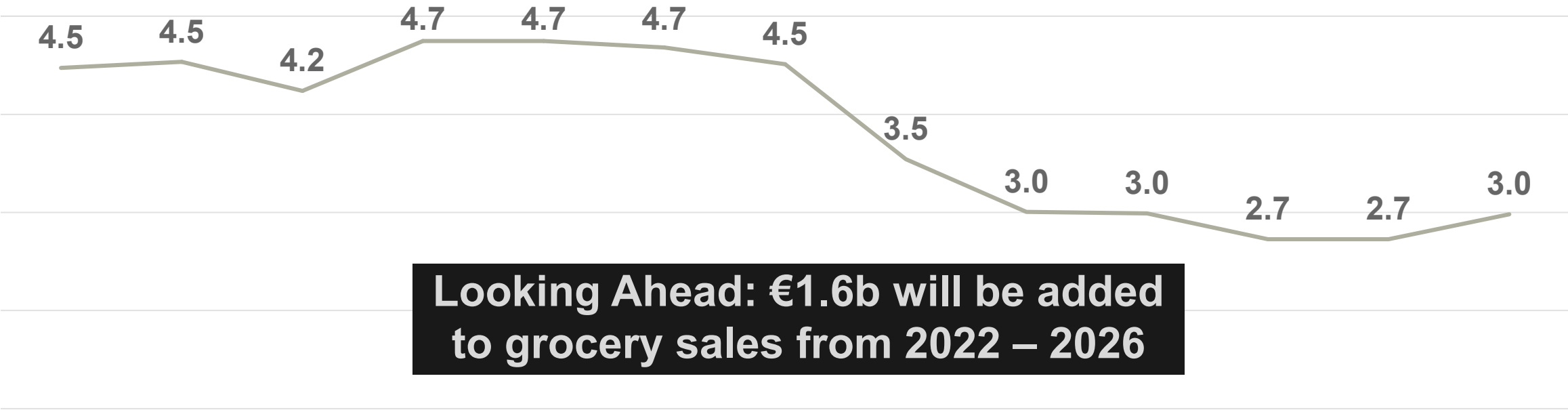
# The YOY growth forecast for 2023

Inflation & population growth fuel value sales growth

Take Home FMCG – YOY value growth forecast

## Full Calendar Year Summary

Value	Growth VS LY	Growth VS 2019	Avg Inflation
€13.1b	3.8%	17.0	5.6



23-Jan-23 20-Feb-23 20-Mar-23 17-Apr-23 15-May-23 12-Jun-23 10 Jul 23 07 Aug 23 04 Sep 23 02 Oct 23 30 Oct 23 27 Nov 23 25 Dec 23

\*Assumes inflation will peak in Q4 2022 at 12%, with shoppers absorbing 70% of those price increases. This brings great variability to the forecast.

2

Potato  
category  
importance



# Potatoes are the Nations Favourite Vegetable

**€231 million**  
spent by Irish  
households on  
potatoes

**219 million KGs**  
of potatoes sold  
in 2022

**97% of**  
households are  
buying potatoes

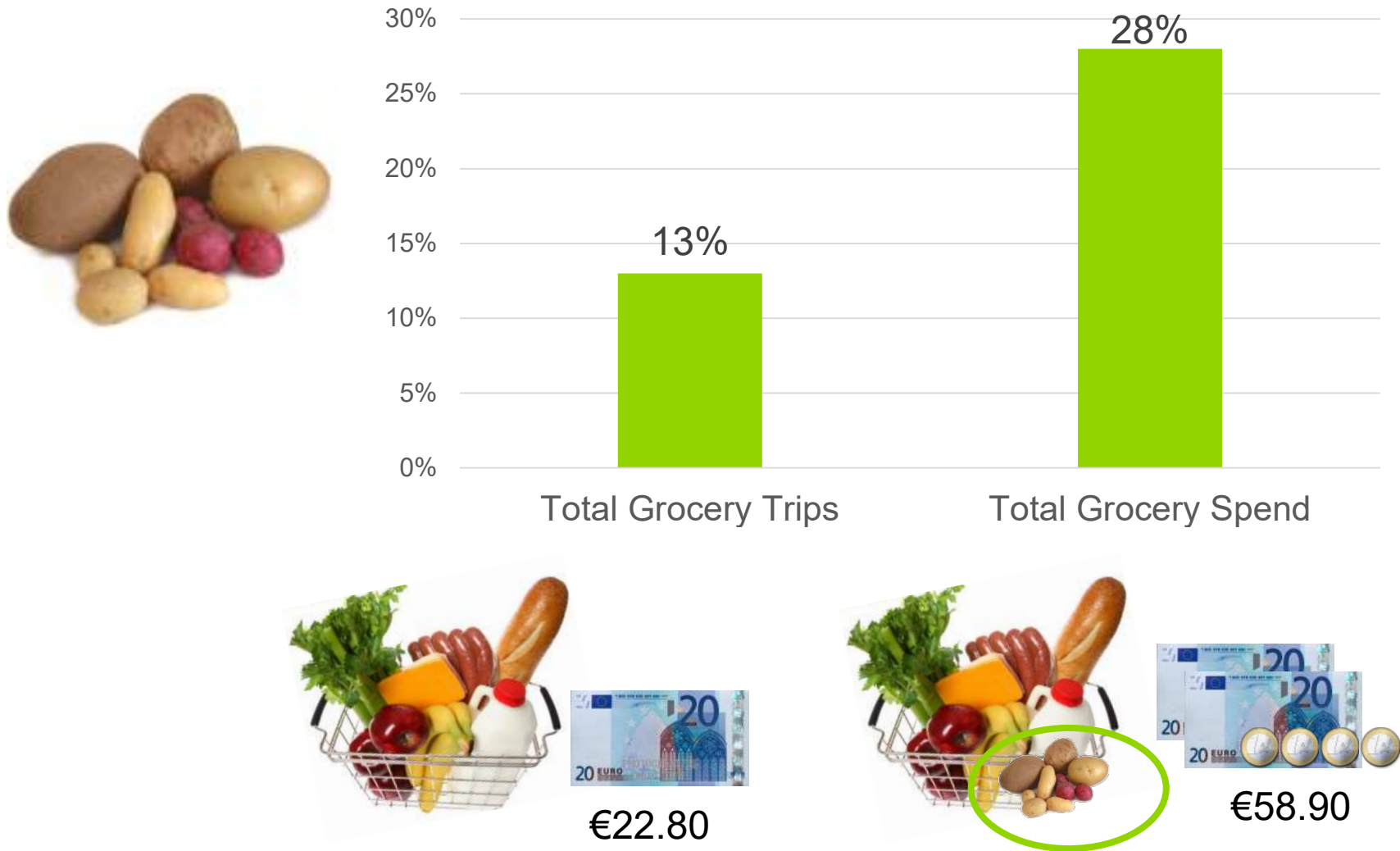
**1.8 million**  
households  
purchasing  
annually

# % of households buying (penetration)...

#1		99.4%
#2		99.1%
#3		98.9%
#4		98.4%
#5		98.3%
#6		97.3%
#6		97.3%
#7		96.2%

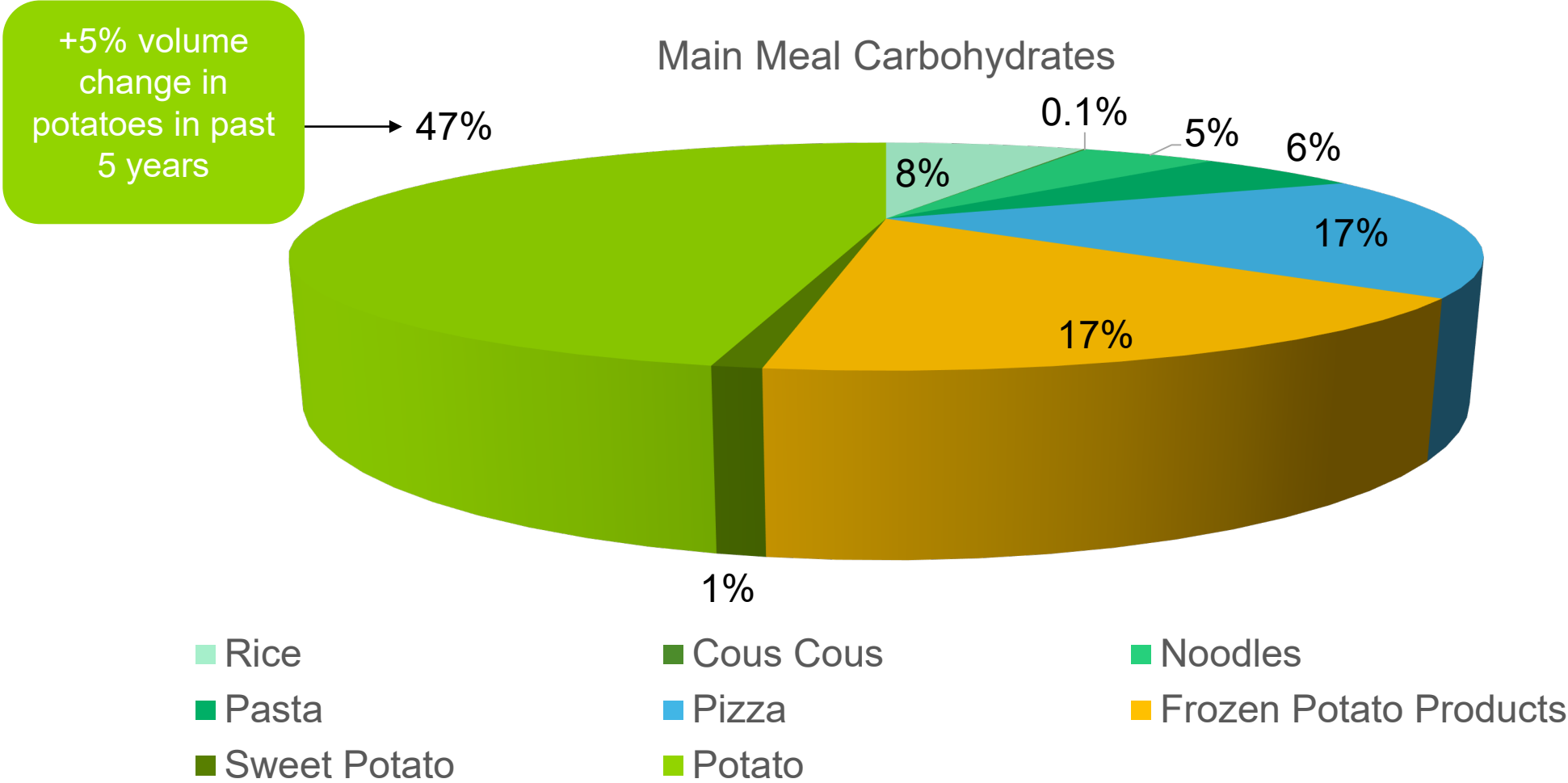
From a shopper perspective  
Potatoes are the **6<sup>th</sup>** most important  
category in store tied with Cheese

# Importance of Potatoes to Retailers



# Potatoes are the No. 1 main meal carbohydrate – nearly half of volume share

52 w/e 02 October 2022 | % Volume Share (kgs)

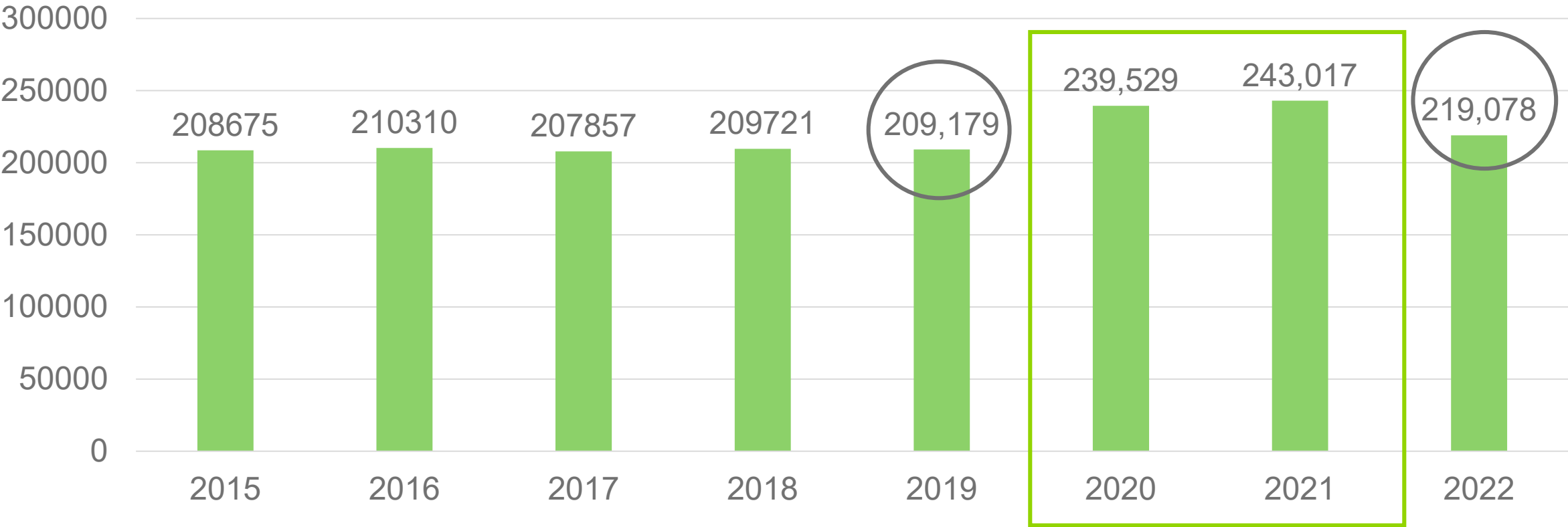


3

Potato  
category  
performance

Volume is ahead by + 4.7% on 2019 levels

Total Potatoes Volume KG Sales 2015 - 2022

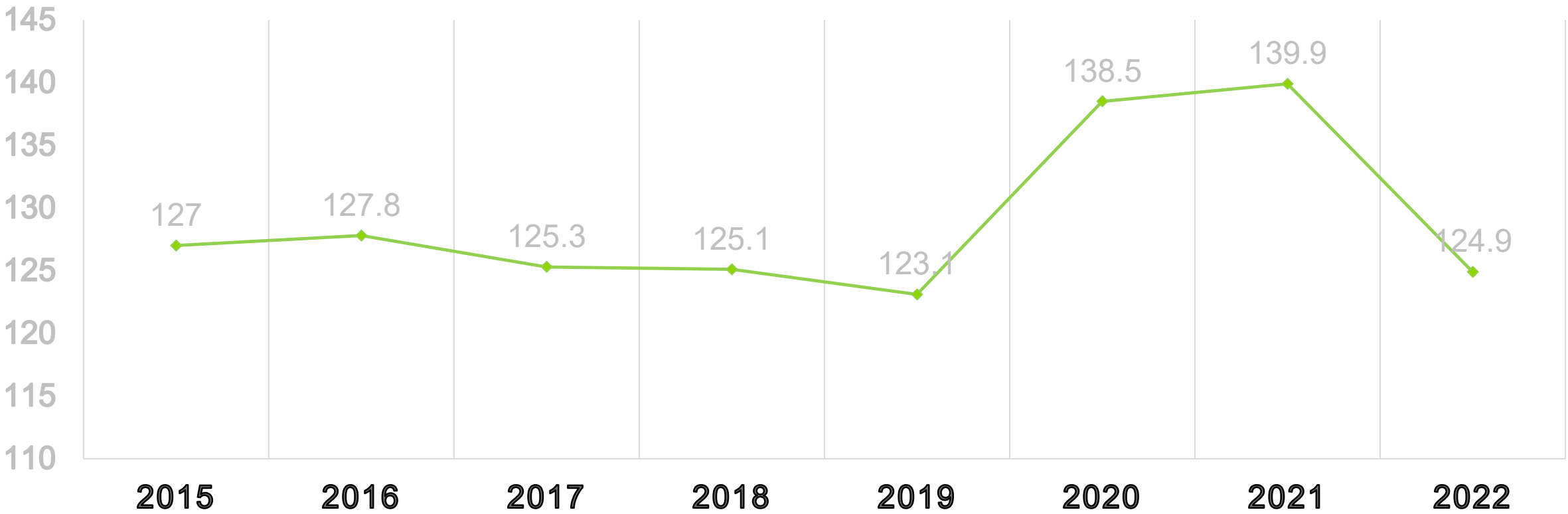


Covid Pandemic

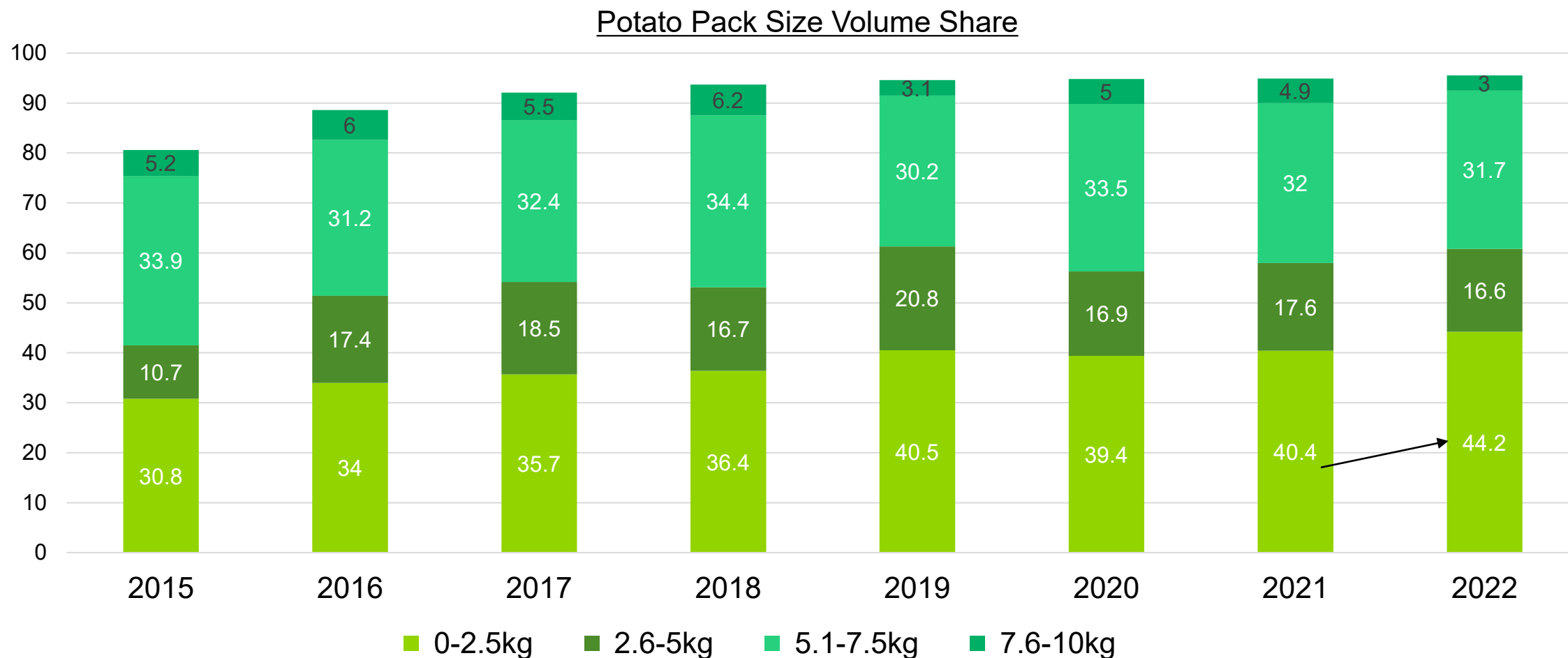
# Volume per household sees highs during pandemic years, but returns to ‘normal’ level in 2022

VOLUME PER HOUSEHOLD (KGS)

◆ Potatoes

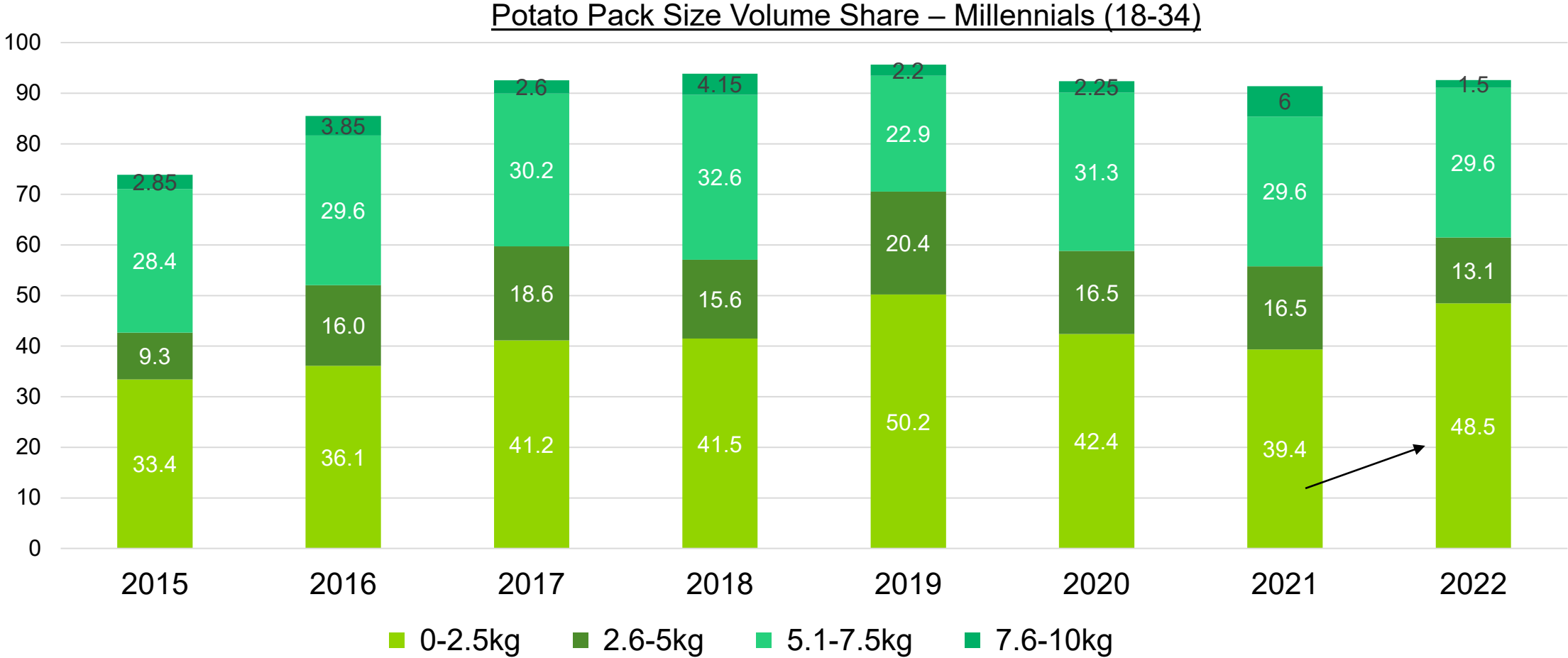


We see a move towards smaller pack sizes over time.  
<2.5 kg packs seeing 3.7 ppts in growth in volume share vs 2019.



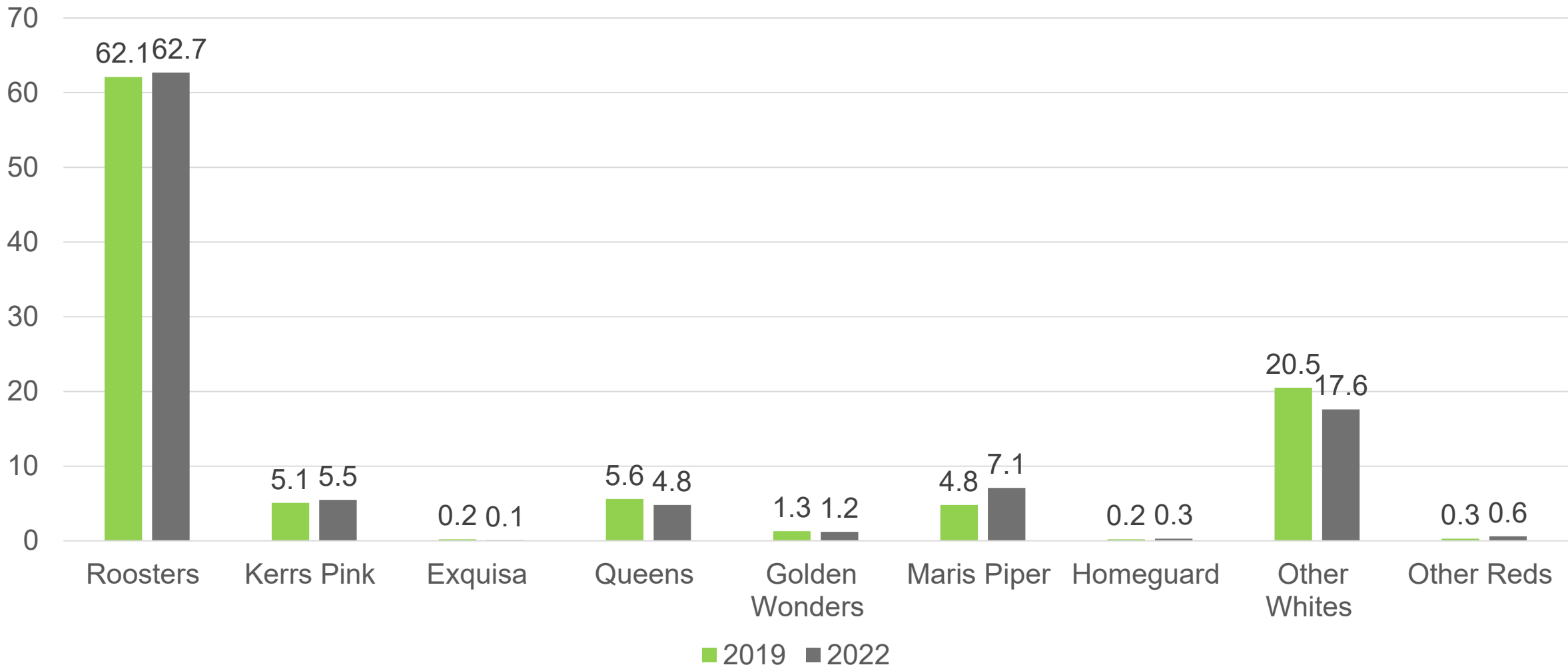


For Millennial shoppers, a bigger move was towards larger packs in the pandemic years. Now there is a return to smaller pack sizes.



# In volume terms, Roosters remain the No. 1 in volume share and gained +0.6 ppts vs 2019

Volume share | Total Outlets | 52 w/e Oct 22 vs 19

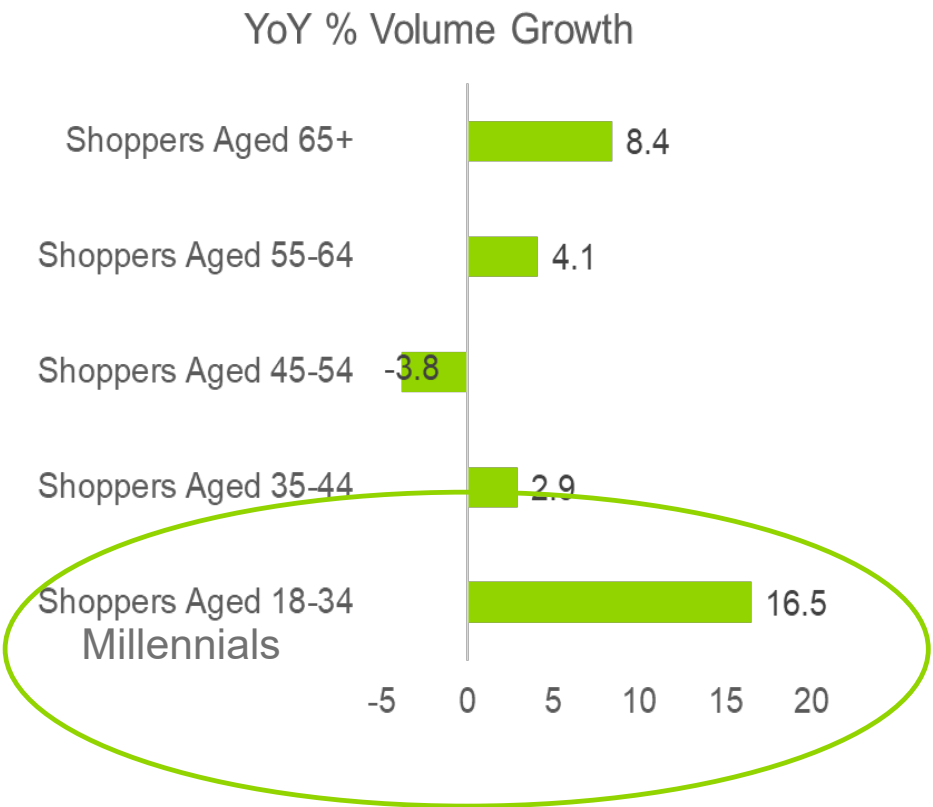
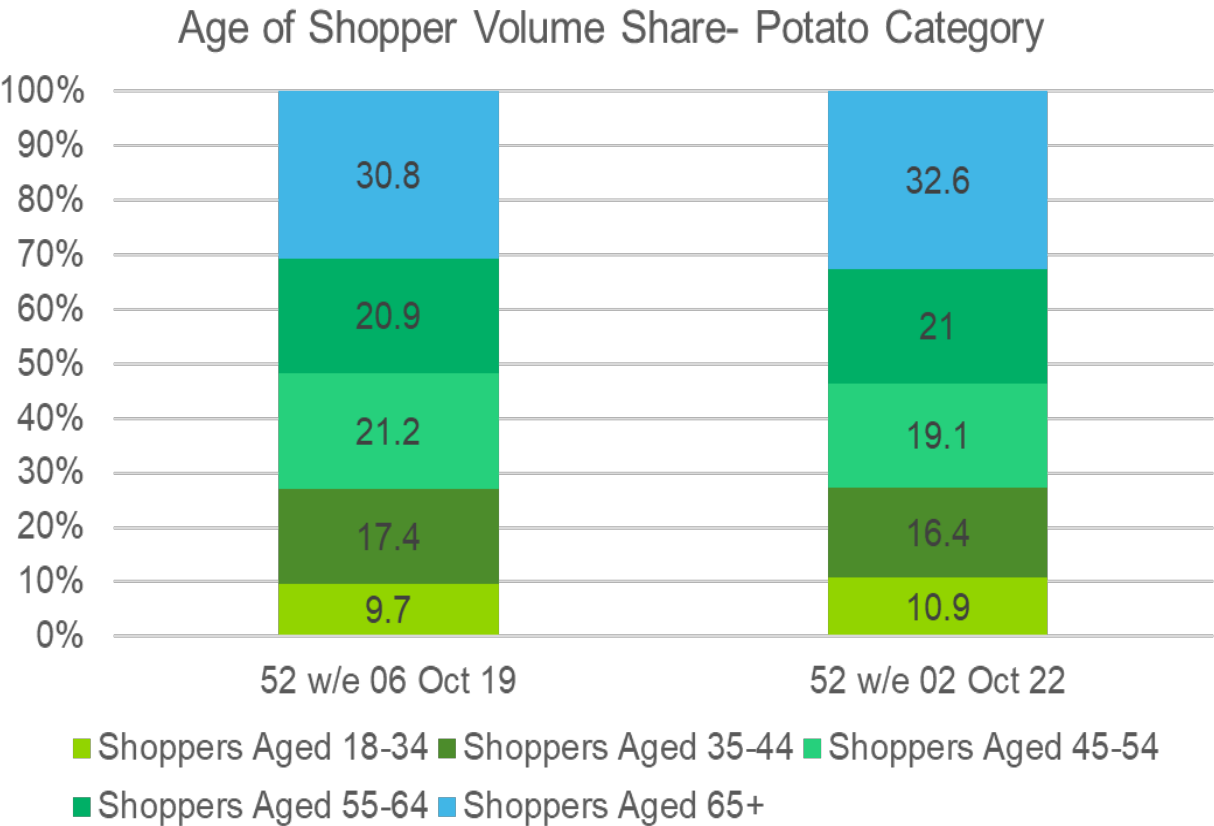


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## Opportunities & Challenges

# Millennials gained volume share and showing strongest growth compared to other shopper age groups

Volume share & growth | Total Outlets | 52 w/e Oct 22 vs 19



**Pre Family Millennials**  
**13.4% Potato Volume Share (2022)**  
**+1.7 ppts on 2019**



**We will add €6.8 million into the Potato Category if we grow to the same volume share as Total Veg (16.4%)**



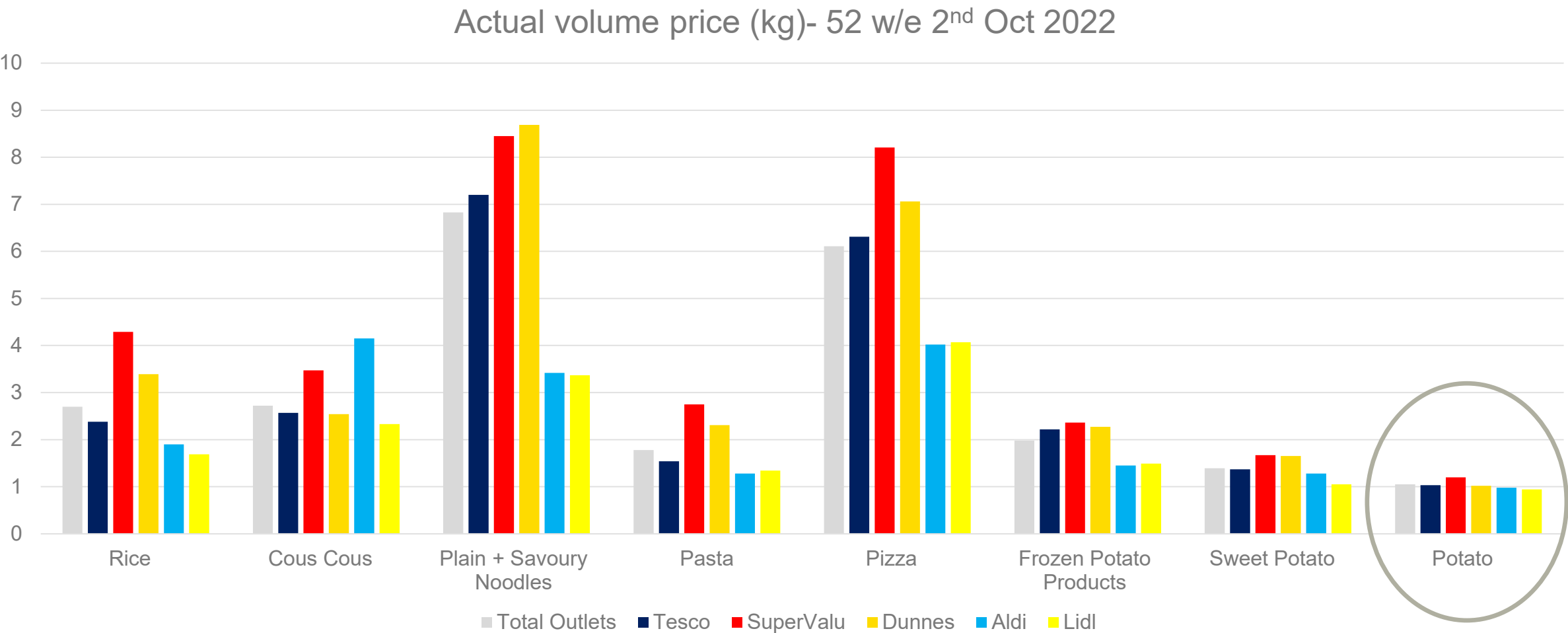
# Potatoes are among the 15 most Essential Food Products

**The 15 Most Essential High Penetration Products for shoppers**  
where retailers compete on everyday low price

- Banana
- Semi-Skimmed Milk
- Onions
- Cheddar
- Apples
- Potatoes
- White Bread
- Cucumber
- Carrots
- Easy Peelers
- Eggs Hens
- Ready To Eat Cereals
- Mushrooms
- Peppers
- Lettuce

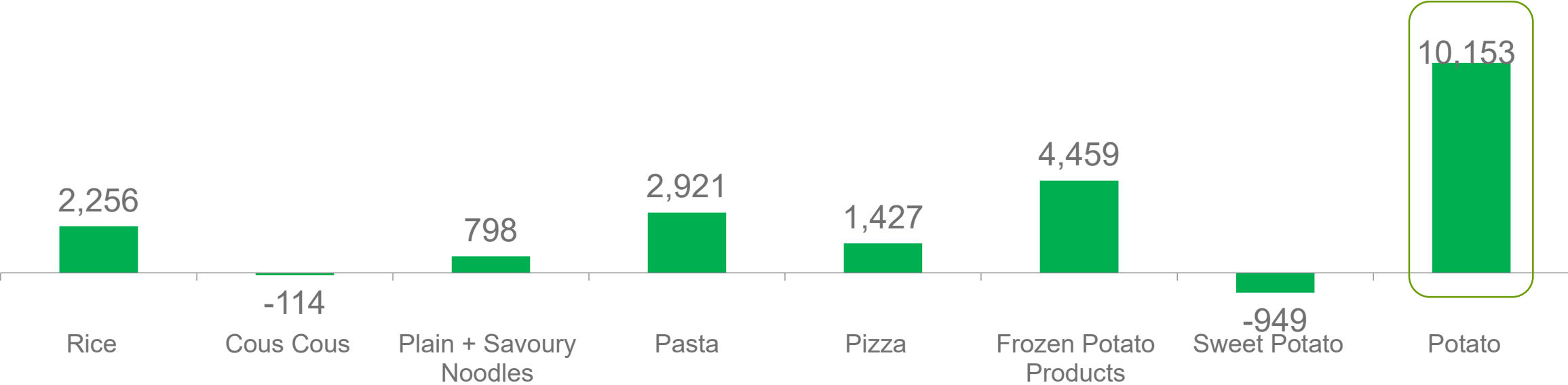


# Looking closely at actual volume price, Potato is the best value option



# Potatoes are growing the strongest in actual volume terms compared to other carbohydrates

■ 5 year actual volume change





# Looking further ahead 8 things that happen to consumption in tough economic times

Learnings from 2008/09.



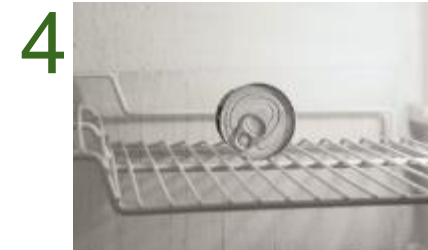
More cooking from scratch especially in batches



Families eating together more



More carried out and OOH shrinks



More leftover foods consumed and reducing food waste



Snacking rebounds with treats providing a “lipstick effect”



Health reasons become less important



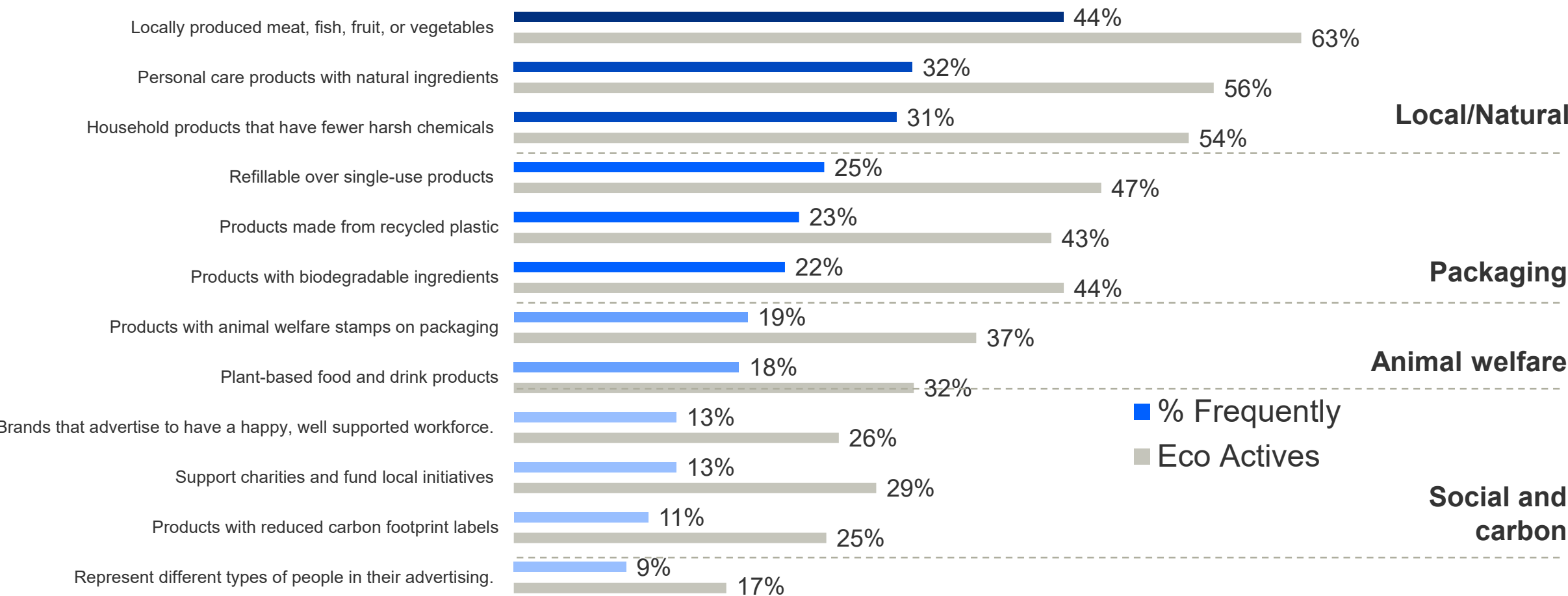
Enjoyment and filling become more important



Sticking with what we know – ‘fancied a change’ declines

# Local and natural foods are the most chosen products by sustainable focused shoppers.

## Products people frequently choose



# Key Takeaways



1

## Value for Money

In a cost-of-living society, Potatoes are well placed to offer value for money to shoppers and are a cheaper alternative to other carbs.

2

## Scratch Cooking

Focus should be on versatility of potatoes in scratch cooking and meal options (lunch, dinner, snacking, sweet dessert), and their importance as a leftover's ingredient.



3

## Sustainability

Local produce is the most chosen product by shoppers most engaged with sustainability. Potatoes are well positioned to leverage this opportunity as a native sustainable vegetable.