



How to buy, borrow or steal growth in the age of the startup

Startups are shaking up categories at a rapid pace. From petfood to sports nutrition, challenger brands – and supermarket range rationalisations – are piling the pressure on the big boys. It’s forcing them to get innovative, and fast

James Halliwell

Supermarket shelves are being shaken up like never before. Whether it’s range rationalisations, major mergers or curious new fascias like Jack’s, change is everywhere. And challenger brands are taking full advantage.

Grenade, for instance, sat in fifth place in the sports nutrition category last year. Today it’s number one, having overtaken giants such as Sci-Mx and Maxinutrition. What started as a sideline for a couple with a passion for sports nutrition now has global sales in over 80 countries and is the UK’s ninth fastest-growing grocery product under £50m (see right). It’s by no means the only challenger brand unsettling established rivals.

“Brands with personality are grabbing consumers’ attention,” says Grenade co-founder Juliet Barratt. “The shelves are crowded and the choice is huge, so products with attitude stand out.”

She cites “smaller companies” such as Tribe (which makes energy bars in eco-friendly packaging), ‘craft’ style soft drinks brand Gunna and plant-based ‘natural’ energy drink Tenzing as examples of disruptors that are “challenging the status quo” in their respective categories. “Demand for all-natural, craft, low-sugar and unique flavour and texture profiles is driving NPD into these categories and shaking up the market share held by the big brands,” she adds.

As Barratt says, capitalising on trends is vital to the success of these smaller brands. And arguably no trend has been quite as high-profile over the past year as plant-based. The boom in all things vegan has seen Alpro make its mark in more than one category. Not only has the brand added £11.3m to its milk alternative lines – now worth £134.4m – but Alpro yoghurts and desserts have become the 10th fastest-growing product under £50m (see right). “Over the past 12 months, plant-based food and drink has catapulted into the mainstream,” says Vicky Bhattu, marketing director at Alpro UK & Ireland.

“There is no question this is now a category in its own right, and we’re the brand that made it happen. We’ve been continuing to lead and shape the plant-based ↻

FASTEST-GROWING FOOD & DRINK PRODUCTS UNDER £50M

By absolute growth, excluding alcohol and tobacco

BRAND	TOTAL VALUE
L’Or Jacobs Douwe Egberts	£35.9m
	▲ £17.8m
Nutella B-Ready Ferrero	£15.5m
	▲ £13.9m
Halo Top Halo Top/Eden	£13.1m
	▲ £13.1m
Rowntrees ice cream Froneri	£30.6m
	▲ £12.5m
Fibre-One General Mills	£19.6m
	▲ £10.1m
Heinz Tomato Ketchup 50% Less Sugar and Salt Kraft Heinz Co	£16.6m
	▲ £9.3m
Graze cereal bars and protein snacks Graze	£10.1m
	▲ £9.2m
Discover the Choice ready meals Booker Belmont	£8.8m
	▲ £8.8m
Grenade Grenade	£16.4m
	▲ £8.7m
Alpro yoghurts and desserts Alpro	£43.5m
	▲ 8.3m

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TASTE THE FEELING®

Five fastest-growing alcohol products under £50m

Alcohol brands dominate the fastest-growing products in this year's report. So we decided to rank them separately. The winners below are an indication of the nation's changing drinking habits. Posh Mediterranean beers are in, as are craft-style brews, fruity flavoured gins and low-alcohol SKUs. Bottoms up.



Estrella Damm Estrella Damm

▲ £49.9m (+£23m)

This year's fastest-growing brand is testament to the nation's love of upmarket Mediterranean lager. In the first half of the year, Estrella Damm was the only brand catering for that market at Tesco in the absence of Birra Moretti. And sales soared. Not only is value up 86.5% on last year, but the brand shifted 89.3% more volume – equating to an extra 69 million litres.



Birra Moretti Heineken

▲ £49.3m (+£22m)

Talk about back with a bang. After suffering a year in the wilderness in Tesco's raft of Heineken delistings, Birra Moretti returned just in time for the World Cup to do a storming trade. The Mediterranean brew is now the UK's 16th-biggest lager brand after racking up 79.3% value gains on volumes up 76.2%. Proof that big brewers can do premium, world lagers.



Whitley Neill Rhubarb & Ginger Gin Halewood Wines & Spirits

▲ £18.4m (+£18m)

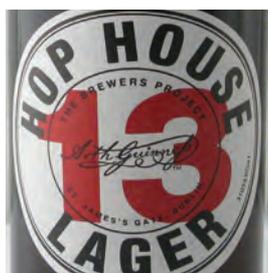
The gin craze shows no sign of slowing. While big brands have taken full advantage – Gordon's Pink has the second-highest gains of the year overall – smaller brands such as Whitley Neill are also booming. Its Rhubarb & Ginger Gin is now the 33rd biggest spirits brand after launching at the tail end of last year.



Bud Light AB InBev

▲ £37.2m (+£16m)

AB InBev's hefty marketing spend on Bud Light is paying off. Shoppers have bought into the message of a lower-calorie, lower-alcohol beer to the tune of £16m extra sales. Its affordable price won't have hurt, either. Bud Light weighs in at just £1.87 per litre, making it only one of the five lager brands in the top 20 that still sells at under the £2 mark.



Hop House 13 Diageo

▲ £29.3m (+£16m)

The stellar performance of spirits giant Diageo's trendy Guinness spin-off suggests Brits are less picky about who actually makes their craft beer than the scene's more ardent evangelists might like to admit. It's racked up an extra £16m in sales this year – more than the additional £9.4m picked up by craft market leader BrewDog's Punk IPA.

“Brands with personality are grabbing consumers’ attention. The shelves are crowded so products with attitude stand out”

➤ agenda and see plenty of room to propel this even further and continue to shake things up.”

Further proof of the appeal of plant-based lies in Halo Top, which brought a dairy-free variant to the UK just six months after making its debut in January. Combined with on-trend low-sugar, low-calorie and high-protein credentials, its ice cream has become the third fastest-growing product in our challengers list.

Challenger brands

Baby and infant care is another category where trend-led startups are making waves. See Ella's Kitchen, which has risen to become the third biggest baby snacking brand on the back of a near 90% increase in value. Or Piccolo, which has doubled its sales to overtake the likes of Nestlé in the babyfood ranking (p85). Piccolo co-founder Cat Gazzoli says the world of infant care is particularly well-suited to savvy challenger brands that are responsive to consumer trends. Her brand's '100% natural' and organic cues, for example, have played into the growing desire to give babies something that resembles home-cooked fare as closely as possible.

“Babyfood is a more delicate category than most and there is a lot of transparency around it from a media perspective,” explains Gazzoli. “It's in the news a lot, people are starting to understand that infant obesity leads to childhood obesity, so as a brand you have to be organised and understand the nutritional side of things. Very few parents can prepare everything from scratch all the time, so they have to believe a baby brand is taking care of that side of things for them.”

It's also easier for challenger brands like Piccolo to communicate authenticity to consumers, she says. “It really makes a difference in the baby category, although it's relevant in other categories as well. Consumers are looking to understand the backstory and the motivation behind brands. We have had our own charity since the very beginning, before we were making any money, and because baby is such an emotive category that especially resonated with shoppers.”

So while it's “not the only reason people are picking up Piccolo, there is an authenticity there. It's much harder for the really big guys like P&G and Unilever to do it. It's not that they don't do it, it's just that they have 100 brands under them.”

All this suggests big established brands need to watch their backs. Indeed, some are at risk of losing share to smaller, more innovative players. But the most successful grocery giants are doing far more than looking over their shoulders. Instead, they're looking ahead with inventive products of their own. ➤

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Five fastest-growing products across grocery

First, a disclaimer. The fastest-growing products are largely tobacco – B&H, Players and Gold Leaf make up the top three – thanks to duty rises and gains made by cheaper brands. So we've excluded tobacco to give an accurate picture of what Britain is eating and drinking. And soft drinks have emerged as the latest tax-related gain.



Coca-Cola Coca-Cola Company

▲ £1,234.3m (+£102.4m)

The taxman is to thank for Coca-Cola's stellar gains. For although value is up 9% for its portfolio, including Classic, Diet and Zero, volume has actually fallen 4.3%. The flagship variant was the cause, down 74.5 million litres in the wake of the sugar levy. By contrast, an extra 1.4 million litres of Diet Coke went through the tills and Coke Zero was up 32.1 million litres.



Gordon's Pink Diageo

▲ £87.6m (+£84.3m)

The runaway success of Gordon's gin has surprised even maker Diageo, which said it had performed "at the top end" of expectations since last year's launch. Pink gin has been the spirits success story of the year, according to Kantar. That Gordon's is one of the most affordable on the market, averaging at under £21 per litre, can't have hurt either.



Pepsi PepsiCo

▲ £515.4m (+£54.4m)

The second soft drinks player in the top five is Pepsi, up 11.8% in value. Unlike rival Coca-Cola, though, this isn't entirely down to the taxman. Even levy-related price increases couldn't stop the standard Pepsi line shedding 6.2% of its value, selling 32.1 million fewer litres. However, that was mitigated by a whopping extra 40.3 million litres for its largest line, Pepsi Max.



Stella Artois AB InBev

▲ £542m (+£48.7m)

The UK's number one alcohol brand continues to reap the benefits of its repositioning as the kind of premium beer that comes with a side of olives. Brewer AB InBev is hoping to build on those gains with the "traditional yet modern" makeover of its packaging and logo (pictured) this year, which is designed to "stand out on shelves" alongside new tagline 'La Bière Fine de Luxe'.



Blueberries

▲ £349.9m (+42.7m)

The food bloggers' favourite fruit has been steadily gaining ground for years, partly thanks to its 'superfood' status. But this has been a breakthrough year for blueberries, which gained 13.9% to overtake clementines as the nation's fifth-favourite fruit. The 16.6% boost to volumes was helped by growers extending the growing season.

"Babyfood is a more delicate category than most and there is a lot of transparency around it from a media perspective"

⊕ Tetley is a prime example of a big brand fighting back with innovative thinking. It suffered a blow in August when Tesco delisted some 40% of its SKUs to make way for the new wave of innovative teas like Heath & Heather and Guyana's Dalgety. Still, the development of its Cold Infusions range – bags designed specially to be brewed in cold water – in time for the hot summer proved it was thinking well beyond the declining black tea market.

Of course, the original innovator in the cold infusion space was Twinings (which Tetley undercut with its launch). Twinings says its Cold In'fuse line is working "particularly well because it taps a number of key consumer trends, such as the increase in water consumption and the desire for naturally better alternatives that don't contain sugar, and are also convenient".

Consumer insight

Tea isn't the only area where big brands are playing smaller rivals at their own game. Ferrero rose to the challenge of the rapidly evolving snacking market, packed full of challenger brands like Graze (whose cereal bars and protein snacks are the seventh fastest-growing product under £50m), with the launch of its Nutella B-Ready bar at the end of 2017. The snack was up 886% in 2018, making it the second fastest-growing product in our list.

"We credit the successful launch of B-Ready to the winning formula that has given us a strong track record of launches in the past," says Levi Boorer, customer development director at Ferrero. That winning formula includes "heavyweight investment" in above-the-line marketing and in-store activity. Plus, the product is backed by some solid consumer insight. At just 115 calories per bar, it caters for the growing demand for a relatively healthy mid-morning snack.

Consumer insight is the key point here. The resulting £13.9m gain for B-Ready was beaten only by JDE's L'Or instant coffee, which amassed an extra £17.8m. As consumers become increasingly picky about their brews – instant or not – the product came at the right time. "The retail coffee market was in need of a luxury brand," says Gemma Povey, shopper marketing and field sales manager. "We introduced a gold coffee standard that UK consumers can enjoy in their home. With its distinct luxury positioning, L'Or exudes premiumisation and innovation in hot beverages, and in turn meets the consumer demand for ever-higher quality in home."

Other giants successfully responding to shopper trends include General Mills with its Fibre One range of 90-calorie bars – the fifth fastest-growing grocery ⊕



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Five fastest-falling products across grocery

Again, the fastest-falling products in this year's report are largely tobacco. Mayfair topped the chart with a staggering £235m decline, followed by Richmond with a near £165m fall. But in the interest of telling the story of what Brits are eating and drinking, we have excluded tobacco from this data to give a wider picture.

Potatoes

▼ £785.5m (–£40m)

Falling sales of the potato are nothing new. Compared with some of the nine-figure losses seen in recent years, this £40m decline is little more than a stumble. Still, it is indicative of a long-term decline in the spud. Not only are Brits consuming fewer carbohydrates, but they are looking for quicker and easier options when they do, as evidenced by the growth of pouch rice.



Lucozade Energy Suntory

▼ £274.6m (–£37.3m)

Still reeling from its less than popular reformulation, Lucozade has shed 12% of its value and 8.1% of its volume. In doing so, it has handed the top spot in energy drinks to rival Red Bull, which rose 9.7% to £318.1m. But Suntory remains resolutely positive. It says sales have picked up of late and insists the reduced-sugar formula has “future-proofed” the brand.



Jacob's Creek Pernod Ricard

▼ £66.8m (–£34.1m)

Mid-market wines have been the major casualty of falling wine volumes. And none more so than Jacob's Creek. The brand fell five places in our wine ranking to number 13 as it shed 33.8% of its value. Still, the brand is looking to regain sales by diversifying with the launch of its reasonably priced, ready-to-serve Aperitivo Spritz in the summer.



Müller Milk Müller

▼ £91m (–£31.9m)

Most milk brands saw their value boosted by inflation this year. Not so Müller Milk, which suffered a 25.9% blow to value on volumes down 30.8%. Müller says shoppers are looking for added benefits from their milk brands, such as health claims or longer use-by dates. Which explains why Cravendale remains comfortably the lead brand with £148.2m.



Velvet Essity

▼ £52.7m (–£30.1m)

As Essity makes huge gains with its Cushelle brand – up 24.1% to over £75m – sister brand Velvet has suffered. Its 36.4% value decline could be partly down to Essity throwing the weight of its marketing budget behind Cushelle, which has brought out a £14.1m Quilted variant this year. But Essity also stresses that the market in general is facing “challenges”.



“It's easy for a smaller brand to switch packaging, and a lot easier to guarantee where they are sourcing all their ingredients from”

⊕ product under £50m – and Heinz's 50% reduced salt and sugar ketchup at number six.

Then there's Mars Perfect Fit, a petfood brand that invites owners to sign up to an online wellness programme based on three areas: eating, moving and playing. Helen Warren-Piper, sales director at Mars Petcare UK, says the development of Perfect Fit identified the “five most common health needs of cats and dogs” to create a formula that “addresses these issues, on top of three benefits tailored to your pet's individual needs”.

This response to the rise of premium and personalised petfood was repaid with 175% value growth. Warren-Piper says it's all down to understanding the consumer. “Over half of cat and dog owners regard their pets as members of the family, and almost three-quarters of owners refer to themselves as ‘mummy’ or ‘daddy,’” she says. “With pets increasingly treated as part of the family, owners expect the same quality of food and services for them as they would for themselves.”

Rapid innovation

In the brewing world, giant Diageo has got in on consumer appetite for smaller craft operations with its Hop House 13 brand. The lager was the fifth fastest-growing alcohol brand in the UK in 2018, behind Estrella Damm, Birra Moretti, Whitley Neill Rhubarb & Ginger Gin and Bud Light.

A spokeswoman for Diageo says the key to its success is wide-ranging appeal. “It is full of flavour, yet still accessible, bridging the gap between craft and world lager, which is one of the reasons why it is so popular.”

To cater for this demand, Diageo has spent the past year extending its range with the launch of a 330ml bottle 12-pack and a 650ml sharing bottle. The formats are taking sharp aim at the growing world beer category, where Diageo says “12-packs, four-packs, 650ml and 330ml formats make up over 45% of total sales”.

All these launches are perfect examples of how the power of a massive operation can generate rapid listings for a new product. It's a tack that has worked well for Unilever, which sees NPD as a way to revitalise flagging categories. In the black tea market, for example, it unveiled a black ‘dairy-free’ tea blend in February to capitalise on the growing free-from market (the fourth fastest-growing in this report, see p73). That was quickly followed by the October launch of PG2Go, which it says taps the “growing on-the-go trend”. The recyclable paper cups, which contain instant tea with milk powder, need only the addition of hot water to create a portable bevvy. ⊕

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IN JUST TWO MONTHS**

— MORE THAN —
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THE SIZE OF THE
BREAKFAST CATEGORY**

* Nielsen Answers Micro-snacking Module: Total Market 52 w/e 6th October 2018 *2 Kantar 12w/e 04-Nov-2018

**3 Kantar Worldpanel Burgers, Hot Dogs & Hot Eat Sandwiches: 4 w/e 7th October 2018

“All the retailers are going through range rationalisations so they are being quite critical but they also want differentiation”

That Unilever scored no fewer than five Top Launches in this year’s Top Products survey – Hellmann’s vegan mayo, Pot Rice, Day2 ‘dry shampoo for clothes’, Love Beauty & Planet eco-friendly toiletries, and its Seventh Generation eco-household brand – says it all. The latter three have sustainability right at their heart – that’s no coincidence. Nielsen says sustainability is a “big trend”. “You have lots of people talking about sustainable packaging and sourcing,” says Nielsen client business partner Joanna Parman.

So far, smaller startups have won at this game. “It’s relatively easy for a smaller brand to switch packaging, and it’s a lot easier for smaller brands to guarantee where they are sourcing all their ingredients from if they are only making 1,000 units,” she explains. “The greater your sales the harder it is to make tactical changes.” However, that’s not to say the likes of Unilever should roll over. “When big manufacturers do make changes they do them really well, which is why big brands will always be the core of the category.”

Retailer relationships

Manufacturers also have another ace up their sleeve: a pre-existing relationship with the supermarkets. While small brands have to work to gain their attention, the giants have an immediate way in.

For that reason, Parman says larger operations are in a “powerful position” to capitalise on the latest trends. “They have scale and currency for their brands, so retailers are more likely to stock a product that a big brand has innovated because they know they have the volume and will attract shoppers into the category,” she says. “We often talk about the first two years when a new product is launched, and the bigger manufacturers have the cash to continue to advertise, promote and market that product for those two years.”

These benefits are exactly what is tempting smaller businesses to work with larger corporations. A growing number of industry giants – see PepsiCo, Kraft Heinz and Diageo – are offering startups their expertise, cash, and sway with retailers in exchange for a share of their success. Which proves they believe there is money to be made from fledgling food and drink operations.

That said, smaller brands have never been in a better position to get the attention of retailers on their own. “All the retailers are going through big range rationalisation processes so they are being quite critical of their ranges and making sure they serve the bulk of what shoppers are after at a great price, but they also want to ensure they are offering differentiation,” says Parman. “That’s what they get from a challenger brand.”

Five fastest-growing categories

It’s all change this year. Usually, we find rolling tobacco firmly at the top of our list of fastest-growing categories. This year, a host of new vices are lining up to take its place. Alcoholic spirits notched up the highest absolute growth, closely followed by soft drinks in the wake of the sugar levy’s introduction in April.



Spirits

▲ £4,436.3m (+£329.1m)

That spirits is the fastest-growing category seems at odds with the idea of the nation drinking less. But there is reason behind this apparent contradiction. As Brits drank 14.9 million fewer litres of wine this year, they turned to spirits instead. That was particularly true for gin: the five fastest-growing brands are all mother’s ruin.



Carbonated drinks

▲ £2,784.9m (+£247.7m)

The sugar levy is to thank for the stellar gains in carbonated drinks this year. For although value soared 9.8%, volume remained entirely flat. The drinks that were subject to the tax largely lost volume as shoppers migrated to lower-sugar alternatives. A whopping 74.5 million fewer litres of Classic Coke went through the tills, while standard 7up was down 9 million litres.



Lager

▲ £3,427.5m (+£227.5m)

The World Cup may have been a disappointment for England fans, but it proved anything but for the lager industry. Brits downed an extra 61.4 million litres as they celebrated successes and drowned sorrows. Year-on-year sales were up an unprecedented 25.3% over the four-week tournament, helping Budweiser and Stella generate an extra £76.9m combined.



Free-from

▲ £1,416.3m (+£200.3m)

That free-from has grown faster than tobacco this year tells you everything you need to know about the state of the category. The boom has continued at an eye-watering pace with a 16.5% rise in value, proving it is anything but a fad. The dairy-free market has been a particular driver of this growth as it benefits from the dual halos of being free-from and vegan.



Rolling tobacco

▲ £2,632.0m (+£194.7m)

Duty hikes on tobacco are continuing to test the budgets of smokers. That, combined with last year’s EU directive that banned 10-packs of cigarettes and smaller pouches of rolling tobacco, has led many shoppers to economise by rolling their own. As a result, rolling tobacco was up 8% in value this year on volumes up 2.9%.

Five fastest-falling categories

Having spent years in hefty decline, it's no surprise cigarettes were the fastest-falling category this year. The performance of the other four categories is far more telling of the state of grocery. The falling values of cosmetics, laundry, hand dishwashing and razors show just how much competition supermarkets are facing in non-core lines.



Cigarettes

▼ £11,563.6m (–£364.5m)

As shoppers migrate to cheaper rolling tobacco – one of this year's fastest-growing categories – cigarette sales slumped in dramatic fashion. In this price-driven market, the more expensive brands suffered most. Mayfair plummeted £235m, while fellow JTI brand Sterling fell over £100m to concede the top spot to cheaper brand Players, up nearly £300m.



Cosmetics

▼ £879.6m (–£31.6m)

A lack of innovation was a key factor behind the decline in cosmetics sales, which fell 3.5% in value on volumes down 6.2%. NPD generated 18% less value than last year in the absence of a new trend to add excitement to the market such as eyebrows, contouring or setting spray. That meant only two of the top 10 brands managed to secure growth.



Laundry detergents

▼ £930.1m (–£24m)

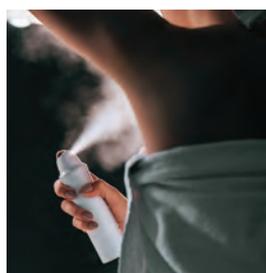
If there's one area where shoppers are looking to make savings, it's household cleaning products. Supermarket laundry sales have borne the brunt as shoppers defect to cheaper own-label options, bargain stores or the discounters. Four of the five top laundry detergent brands are in decline with the exception of Fairy, which managed a modest 1.4% rise to £117.7m.



Razors & blades

▼ £329.7m (–£20.5m)

The unwavering popularity of beards saw yet more losses for the under-pressure razor & blades sector. Leading brand Gillette accounted for nearly half of the category's decline, down £11.1m, while number two brand Wilkinson Sword fell £6.6m. Things look set to only get tougher for brands with the arrival of Dollar Shave Club in the UK in February.



Deodorants

▼ £499.2m (–£17.8m)

Aggressive promotional battles have led to a 3.4% value decline in deodorants, despite volumes only dipping 1.3%. All of the top five brands have lowered their average prices over the past year in a bid to grab sales from their rivals. In terms of volume gains, Sure was the clear winner with a 6.6% increase. But lower prices meant value only increased by 0.1%.

“Retailers do not want a new brand that doesn't know how to forecast because they risk ending up with no availability”

Examples of this thinking are already evident. Take the revamp of the snacking aisle at Sainsbury's Locals to include small players in raw confectionery, natural energy balls and chickpea puffs. The rethink forms part of the supermarket's Future Brands scheme, formed this spring to seek out and hand-pick 'distinctive' disruptor brands.

Grenade's Barratt says this increasing interest in startups is partially because of the changing nature of food and drink. “With the taxation on soft drinks, the declining category size of confectionery and increasing pressure to offer healthier options for consumers, retailers are certainly becoming more agile and reactive to not lose out,” she says. “Challenger brands are gaining market share in a short space of time as retailers adjust their approach to increase the footprint of the brands that play a major role in growing trends.”

The changing nature of the retailer landscape is another factor. Theadora Alexander, founder of food and drink startup community Young Foodies, says supermarkets are increasingly looking to outdo each other in terms of range. “The major mults are desperate to win market share back and compete with Aldi and Lidl,” she explains. “They can't compete on price so they're saying 'what can we compete on?'. And the answer is range.” As Alexander points out, big brands are common to all retailers. Innovative startups, on the other hand, offer “distinctiveness”.

That means it's easier than ever to start a conversation with retailers. The harder part is suddenly gearing up to supply hundreds of stores – something that businesses like Young Foodies are trying to make more manageable.

Piccolo's Gazzoli can testify to the challenges of sudden expansion. She had such a positive experience with retailers that there was only an “eight-week period” between launching in Sainsbury's and Tesco. “When you think about the pressure that puts on the supply chain... you now have to have availability across all the retailers.” She admits there is “more inherent risk with a founder-led one-brand owner from so many supply chain perspectives. I don't own 50 other brands that I am buying bananas for, like a Hain Daniels might.”

It was a similar story at Ember, which has rapidly risen to become the UK's 14th-largest meat snack brand with sales of £200k. What started out as a small venture by brothers Harry and Jack Mayhew is now an operation that sells over 30,000 packs a week in stockists including Waitrose, Ocado and Amazon.

Co-founder Harry has enjoyed building the business – but it hasn't been without challenges. “Compared



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top products survey 2018

Where to find your category

CATEGORY		CATEGORY		CATEGORY	
Aircare	146	Female skincare	159	Poultry (fresh)	134
Alcohol beer & cider	79	Facial tissues	149	Razor blades	160
Alcohol spirits	80	Fish (fresh)	134	Ready meals, ambient	170
Alcohol wine	82	Free-from	131	Ready meals, chilled	170
Babyfood	85	Frozen desserts	136	Ready meals, frozen	170
Baby juice and milk	85	Frozen fish	136	Rice	173
Bagged snacks	89	Frozen pies/quiches	136	Rolling tobacco	197
Batteries	93	Frozen pizza	136	RTDs	80
Biscuits (sweet)	97	Frozen potatoes	136	Savoury biscuits	97
Biscuits (savoury)	97	Frozen ready meals	170	Savoury pastries	181
Bread	94	Fruit & veg	133	Sex devices	167
Butter	114	Gum	111	Sex lubes/condoms	167
Cakes	99	Hairstyling	162	Shampoo	162
Canned beans	101	Hot beverages	145	Shower products	159
Canned fish	101	Hot chocolate	145	Soap (bar)	159
Canned fruit	101	Ice cream, handheld	152	Soap (liquid)	159
Canned meat	101	Ice cream, tub	152	Soups, ambient	190
Canned pasta	101	Indigestion remedies	166	Soups, fresh	190
Canned veg	101	Instant coffee	145	Sparkling wine	82
Carbonates	186	Jams/marm/spreads	155	Spirits	80
Cereal bars	97	Juice drinks/smoothies	188	Sports & energy drinks	186
Cereals	105	Kitchen towels	149	Sports nutrition	193
Champagne	82	Lager	79	Spreads (BSM)	114
Cheese	119	Laundry detergents	148	Squashes & cordials	185
Chocolate	107	Men's skincare	160	Sugar confectionery	111
Choc & malted drinks	141	Men's shaving preps	160	Surface care	146
Cigarettes	197	Meat (fresh)	134	Table sauces	178
Coffee	141	Meat snacks	181	Tea	145
Condiments	178	Milk	122	Tobacco	197
Conditioners (hair)	162	Milk, flavoured	122	Toilet cleaner	146
Confectionery (sugar)	111	Mouthwash	165	Toilet tissue	150
Cooking sauces	177	Nappies	149	Toothbrushes	165
Cosmetics	158	Noodles	173	Toothpaste	165
Dairy drinks	122	NRT	198	Vegetables	133
Deodorants	159	Oils	157	Water, bottled	185
Dishwash	146	Over the counter	166	Wine (still)	82
E-cigarettes	198	Pasta	173	Yoghurt drinks	122
Fabric conditioners	148	Petcare	168	Yogs & desserts	129

METHODOLOGY

● The Grocer's Top Products Survey is sourced using data from Nielsen's Scantrack service, which monitors weekly sales data from a nationwide network of EPoS checkout scanners and represents sales in grocery multiples, co-ops, multiple off-licences, independents, forecourts, convenience multiples and symbols, online grocery retailers and online fulfilment stores ('dark stores'). Personal Care, OTC and baby products also include Chemists. Some category definitions are subject to change.

TABLE NOTES

● All data is for 52 weeks to 8 September 2018. The fastest-growing products on these pages are based on absolute value change.

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"Consumers are going to continue to walk away from general household brands. There are some pretty scary forecasts"

↳ to 10 years ago, retailers are much more open to stocking disruptor brands," he says. "So there's more scope as a startup to get listings. The challenge as a startup is you only have a certain amount of resource to service the distribution gain. When an opportunity does come up, you have to do everything you can to make it happen."

Another word of caution comes from Giles Brook, EMEA chief executive of Vita Coco. Having worked extensively with startups, he is keen to find those that have a chance of long-term success. Not every startup that gains a major listing will last the distance. "For example, every single brand – big or small – jumped on the protein trend. Everyone piles in and then you get significant rationalisation. Only those that meet true consumer needs are the ones that will survive." This point is especially crucial as many supermarkets adopt a "one in, one out policy", and new listings can have "as little as six months" to make their mark on sales.

Fit for the future

Still, Brook believes startups are the future of grocery. "Consumers of today and tomorrow are going to continue to walk away from general household brands," he argues. "There are some pretty scary forecasts for the big brands. There are a number of trends at play but what's really clear is more younger consumers want brands that they want to be seen with themselves." That may mean a trendy craft soft drink, for example, as opposed to the soft drink giants.

It's no reason for Coca-Cola to panic just yet. As Nielsen's Parman points out, big brands are hardly going to "disappear overnight". In fact, she believes this competition can work to the advantage of both sides. "Big manufacturers can use these challenger brands to keep them fit for the future. They should absolutely be keeping an eye on them, but it's healthy competition. And these challenger brands aren't necessarily stealing shoppers away from the core big brands, they are actually adding new shoppers to the category. For sure there is a tension there, but that tension is healthy and good."

Mars Petcare's Warren-Piper agrees there is a place for brands of all sizes, as long as they meet shopper needs. "The brands seeing the greatest success are those who are responding to key consumer trends and shaking up their approach."

The message is clear: there is no room for complacency in today's competitive market. So either disrupt or prepare to be disrupted. ●





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*Temporary visible effect





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- ✦ HEINEKEN 0.0 HAS GROWN 197% IN THE LAST YEAR ²
- ✦ 47% OF INCREMENTAL GROWTH IS FROM HEINEKEN 0.0 ³

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¹ NIELSEN SCANTRACK TO 06/10/2018

² NIELSEN & CGA DATA; ROLLING MAT, YOY COMPARISON FROM JUNE 2018, LOW & NO SEGMENT UK

³ SOURCE: NIELSEN SCANTRACK TOTAL COVERAGE MAT DATA TO 07.07.18 & KANTAR WORLD PANEL DATA L52W'S TO 15.07.18

alcohol: beer & cider



World Cup boosts beer and cider

Daniel Woolfson

England's crushing World Cup semi-final defeat sent swathes of the population into a savage existential crisis. But for beer and cider brands it couldn't have gone any better.

Year-on-year sales were up an unprecedented 25.3% over the four-week tournament, capping a stellar year during which Brits splashed out an extra £319m on beer, cider, stout and ale combined. Lager on its own was accountable for £227.5m of that growth, making it the third fastest-growing category in this report.

AB InBev took the brewers' trophy. The Budweiser and Stella owner generated an extra £76.9m from those two brands alone. Factor in stellar performances from Corona (up £20m to £153.8m), Bud Light (up £16.1m to £37.1m) and Camden Hells (up £3.8m to £5.3m) and that figure breaches £117m.

Heineken also scored a blinder. The Dutch brewer's brands returned to the shelves of Tesco after a year in the wilderness – following 2017's now-infamous delistings – just in time to capitalise on the World Cup kick-off.

The result? A whopping £53.9m in added value across its 10 biggest lagers. Its flagship grew 36% (£23.2m), while Italian brew Birra Moretti is up a massive 79% (£21m). An impressive feat, given this time last year those same brands were down a combined £43.1m.

TOP5 Lager				SALES			
				£m	change (£m)	change (%)	
Total volume change: 4.2%				TOTAL CATEGORY	3,427.5	227.5	7.1
				TOTAL OWN LABEL	54.9	0.7	1.3
1	1	Stella Artois	AB In Bev	542.0	49	9.9	
2	2	Budweiser	AB In Bev	408.6	28	7.4	
3	3	Foster's	Heineken UK	348.1	-16	-4.4	
4	4	Carling	Molson Coors (UK)	319.6	2	0.5	
5	5	Corona	AB In Bev	153.8	21	15.8	

TOP5 Ale & stout				SALES			
				£m	change (£m)	change (%)	
Total volume change: 2.2%				TOTAL CATEGORY	771.5	37.4	0.1
				TOTAL OWN LABEL	20.9	1.6	0.1
1	1	Guinness Draught	Diageo	72.1	1.8	2.6	
2	2	John Smith's Extra Smooth	Heineken UK	63.0	-0.6	-0.9	
3	3	Old Speckled Hen	Greene King	45.5	-2.3	-4.9	
4	4	BrewDog Punk IPA	BrewDog	40.4	9.4	30.2	
5	6	Sharp's Doom Bar	Molson Coors (UK)	23.3	1.9	8.9	

TOP5 Cider & perry				SALES			
				£m	change (£m)	change (%)	
Total volume change: 3.2%				TOTAL CATEGORY	1,111.4	54.8	5.2
				TOTAL OWN LABEL	55.7	6.2	12.4
1	1	Strongbow Original	Heineken UK	164.3	-7.1	-4.2	
2	2	Strongbow Dark Fruit	Heineken UK	121.9	28.4	30.3	
3	3	Kopparberg Mixed Fruit Cider	Cider of Sweden	67.6	3.1	4.8	
4	4	Kopparberg Strawb & Lime	Cider of Sweden	62.1	4.4	7.6	
5	5	Magners Original	AB InBev	52.2	3.0	6.1	

Heineken came second in ciders, too. It sold an admirable extra £22.9m across Old Mout, Scrumpy Jack and Strongbow, but losses for Bulmers (down £6.7m) and Woodpecker (down £129k) meant in growth terms it came behind Thatchers, which rode shoppers' love of posh apple ciders to sell an extra £16.2m.

Upmarket Mediterranean brands made huge gains, too: Peroni grew £13m (10.6%) to £138.4m, overtaking Kronenbourg to become

the UK's sixth-biggest lager brand, while San Miguel and Estrella Damm grew £22m (20.3%) and £23m (86.5%) respectively.

Jim Hopkins, off trade category manager at Marston's, which manages Estrella Damm in the UK, attributes this boom in more premium sales to a move "away from collecting 'things' to collecting 'experiences'".

And for beer and cider brands, few experiences can ever beat the World Cup.



Top Launch 2018

Lost Lager BrewDog

BrewDog is looking to steal share from posh bottled lagers like Peroni and San Miguel with its latest release, a dry-hopped pilsner that hit shelves in September as a Tesco-Booker exclusive. BrewDog's founder and CEO James Watt sees premium world lager as "the next phase of growth for the craft category", as it's full of "strong brands but liquids that are average". He'll certainly have a fight on his hands. But then BrewDog has never been one to shy away from a scrap.

alcohol: spirits & RTDs



Gin leads the way for spirits boom

Daniel Woolfson

Spirits have smashed it. Brits have splashed out a whopping extra £329.1m on the hard stuff this year, making spirits the fastest-growing category, in absolute terms, in this report. Thirty-four of the top 50 brands are in growth. So what's to thank?

The simple answer is gin. The five fastest-growing brands (counting Gordon's and Gordon's Pink as one brand) are all mother's ruin. The gains are spectacular: Edinburgh Gin is up £12.2m (287.1%). Whitley Neill Rhubarb & Ginger has sold over £18m since its release just over a year ago. Tanqueray has grown sales by over a third (33.7%) to £46.2m.

Any speculation that the proliferation of fancy gins could lead to shopper fatigue has proved thoroughly misplaced – at least for now. In fact, that you can buy more flavoured gins than ever before has helped keep shoppers interested, says Nielsen senior client manager Samantha Hall. Thanks to gin's "quick and easy" production, she points out, brands can produce new flavours in a remarkably short time. A special mention should go to Gordon's Pink, last year's Top Launch, which since its debut last summer has racked up value sales of £87.6m – making it the UK's 11th biggest spirits brand.

Still, it's not all about gin. By tapping the trends for premiumisation and mixability

TOP10 Spirits				SALES			
				£m	change (£m)	change (%)	
Total volume change: 4.5%				TOTAL CATEGORY	4,436.3	329.1	8.0
				TOTAL OWN LABEL	599.7	21.5	3.7
1	1	Smirnoff Red Label	Diageo	436.6	5.7	1.3	
2	2	The Famous Grouse	EBS	212.6	3.6	1.7	
3	3	Gordon's	Diageo	211.0	28.3	15.5	
4	4	Jack Daniel's Whisky	BBFB	159.9	2.2	1.4	
5	5	Bell's Original	Diageo	138.8	-5.4	-3.8	
6	6	Glen's	Loch Lomond Group	136.5	-6.6	-4.6	
7	7	Russian Standard	William Grant & Sons	131.7	0.6	0.5	
8	9	Baileys Original	Diageo	108.1	9.3	9.5	
9	8	Bacardi Carta Blanca	BBFB	98.6	-2.9	-2.8	
10	10	Captain Morgan Spiced	Diageo	94.9	6.8	7.7	

TOP5 RTDs				SALES			
				£m	change (£m)	change (%)	
Total volume change: 11.0%				TOTAL CATEGORY	269.1	31.0	13.0
				TOTAL OWN LABEL	35.0	5.0	16.7
1	1	WKD Blue	Beverage Brands	29.8	-0.7	-2.4	
2	2	Jack Daniel's & Cola	BBFB	22.5	2.0	9.5	
3	3	Gordon's G&T	Diageo	18.3	1.4	8.5	
4	5	Gordon's Diet G&T	Diageo	17.6	4.2	31.1	
5	4	Smirnoff Ice	Diageo	17.4	1.3	8.3	

pioneered by gin brands, imported whiskies have also made significant gains. Jameson grew by 20.2% to £36.3m, while Jim Beam added a cool £4.9m to its value, growing 17.6% to £32.8m. Beleaguered blended scotch brands have been watching closely (see Top Launch).

Across the total market, the biggest losses came from budget-tier brands such as Glen's and Bell's, as well as the likes of New Amsterdam Vodka (down 21% to £12.6m), Martell VS Cognac (down 23.3% to £12.7m) and High Commissioner (down 17.1% to £22.4m). In short, the less flashy stuff.

Barring these examples, the picture is overwhelmingly positive for hard liquor.

Brits have proved themselves happy to pay more for spirits across the board. Average prices per litre of spirits are up approximately 3.6%, which Hall attributes largely to posher NPD coming into the category and, to a lesser degree, the introduction of minimum unit pricing in Scotland, which has sent the prices of many budget and own-label spirits SKUs surging north of the border.

RTDs are booming thanks to massive gains for the likes of Gordon's Pink & Tonic (which has pulled in an impressive £7.2m since launching in February) and similar canned cocktails from big brands. But sales of traditional alcopops like WKD stagnated: it seems RTD drinkers have finally grown up. ●



TOP LAUNCH 2018

The Woodsman Whyte & Mackay

There's a whisky revolution underway. Emboldened by booming sales of single malts and imported whiskies, beleaguered blended scotch brands are rethinking their approach. Whyte & Mackay's latest launch (40% abv) is aimed squarely at younger shoppers with its bourbon-esque embossed bottle, and is billed as "the perfect whisky for mixing", with an eye to tapping the booming cocktail trend. Aged in oak and ex-bourbon barrels, it's also considerably sweeter than the average blend.

Top Selling Premium Gins



£40 million sales across the UK (at retail value)
Customers include Greene King, Fullers, Stonegate and Ei Group
UK listings in Morrisons recently extended to more stores
£2 million marketing support
Buy now and enjoy great Xmas sales!

alcohol: wine



Wine brands feel pain as Brits cut back

Daniel Woolfson

It's bad news for the big boys. Hardys, Blossom Hill, Echo Falls and Jacob's Creek have haemorrhaged a combined £71.6m. Of those, Jacob's Creek suffered the worst, falling £34.1m (33.8%) to £66.7m – that's the greatest loss of any booze brand.

This was “driven by FX rates, Brexit and cost of goods increases,” says owner Pernod Ricard UK's commercial director, Chris Ellis. “These have impacted profitability of Jacob's Creek and therefore, for accounts where profitability could not be maintained, we have made the decision to delist.”

There's also that Brits are, as a rule, drinking less wine. We may have splashed out an extra £88.8m on wine this year, but we consumed 14.9 million fewer litres and are generally shopping above the £6 mark [Nielsen]. Hence Ellis says Pernod is eyeing “a premiumisation strategy” for Jacob's Creek.

Posher brands are lining up to replace the old guard. Barefoot added a cool £28m to its value – a 20.8% increase, making it the UK's second-biggest wine brand, overtaking Echo Falls and McGuigan. Yellow Tail grew £32.5m – the largest gain of any wine.

“The brands that are doing well are the ones with very clear positioning and a very distinctive brand proposition,” says Simon Lawson, general manager of Yellow Tail

TOP5 Still wine				SALES			
				£m	change (£m)	change (%)	
Total volume change: -2.0%				TOTAL CATEGORY	5,627.5	88.8	1.6
				TOTAL OWN LABEL	1,359.8	11.8	0.9
1	1	Hardys	Accolade Wines	269.9	-6.0	-2.2	
2	5	Barefoot	E&J Gallo	163.4	28.1	20.8	
3	2	Echo Falls	Accolade Wines	155.1	-16.5	-9.6	
4	4	McGuigan	Australian Vintage	154.3	16.3	11.8	
5	3	Blossom Hill	Treasury Wine Estates	147.6	-15.0	-9.2	

TOP5 Sparkling wine				SALES			
				£m	change (£m)	change (%)	
Total volume change: 0.9%				TOTAL CATEGORY	867.8	35.0	4.2
				TOTAL OWN LABEL	261.8	15.7	6.4
1	1	Plaza Centro	Cantine Maschio	70.9	-14.1	-16.5	
2	3	Freixenet	Freixenet	44.1	14.8	50.7	
3	2	Canti	Fratelli Martini Sec	34.6	-1.7	-4.7	
4	7	I Heart	Copestick Murray	31.3	14.4	85.7	
5	4	Valdo	Valdo	26.1	0.4	1.6	

TOP5 Champagne				SALES			
				£m	change (£m)	change (%)	
Total volume change: -14.5%				TOTAL CATEGORY	292.9	-16.4	-5.3
				TOTAL OWN LABEL	35.2	5.2	17.2
1	1	Moët & Chandon	MHUK	41.3	-3.4	-7.6	
2	3	Veuve Clicquot	MHUK	29.6	0.7	2.3	
3	2	Lanson	Lanson UK	29.0	-3.9	-12.0	
4	4	Bollinger	Mentzenorff	19.0	2.2	13.1	
5	5	Laurent-Perrier	Laurent-Perrier	15.5	-0.1	-0.9	

owner Casella Family Brands Europe.

Fierce competition is just one of many challenges facing wine brands. For one, there is increased competition from own label. Secondly, October's Budget saw a duty hike of 3.1%, adding further cost pressures. But arguably the biggest challenge is the rise of craft gin, to which drinkers are flocking in droves.

“Look at spirits and beer and there is just more edginess and risk-taking,” says

Kingsland Drinks marketing director Neil Anderson. “Wine needs to be a bit ballsier.”

One sector holding its own is sparkling wine, but that comes at the expense of champers. In fact, with value down £16.4m (5.3%), champagne is the worst-performing food & drink category in this entire report as shoppers opt for more affordable prosecco and alternative sparkling wines. It's enough to make anyone reach for the bottle. ●



TOP LAUNCH 2018

1,000 Stories Concha y Toro

This posh (£18/70cl) Californian zinfandel by Casillero del Diablo owner Concha is aged in bourbon barrels and designed to tap the current vogue for aged drinks and American whiskey. It's aimed squarely at “urban male wine drinkers”, according to the brand, which recommends drinking it from a stemless glass like you would whisky, rather than a traditional wine glass. A bold proposition that shows Concha y Toro knows which way the tide is turning.

Season's Greetings!

FROM THE UK'S FASTEST GROWING WINE BRAND[^]



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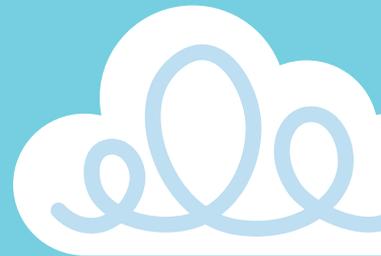
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[^]IRI Total Coverage MAT Value to 10/11/2018 - [yt] grew by £31M, more than any other still wine brand (+29.7% value v YA)

*IRI Total Coverage -MAT value sales to 10/11/2018

made with natural ingredients



Heinz
FOR BABY

Breastfeeding is recommended for the first six months of life. The introduction of solids is recommended at around 6 months except on the advice of a healthcare professional.

baby & infant products



Spending squeeze hits babycare

Natalie Brown

Almost £12k. That's how much the average UK parents shell out on their little darlings in their first year on the planet, according to a 2017 report by Loughborough University. That's a whopping £958 a month.

Little surprise, then, that cash-strapped parents are turning to the discounters (excluded from this data). "The discounters continue to be strong in the category and value sales have grown at 4%," says Nielsen analyst Grace Power.

Sales in the supers, meanwhile, have slumped. Three of the four sectors measured here are down and even strong growth in baby snacks wasn't enough to stop total value falling 1.7% (£11.4m) on volumes down 5.1%.

Even when shoppers are visiting the mults, they're going for cheaper own-label options. Own label might only account for 4.9% of babyfood market value, but it's grown 63% and volumes have doubled. "Private label is doing really well, with both existing SKUs growing and new products launched," says Power, pointing to own label's near 20% lower average prices.

None of this means parents are scrimping on their little ones. "Health trends feed heavily into infant feeding with organic, simple, natural ingredients winning out," adds Power, citing products such as Tesco's organic

TOP10 Babyfood				SALES			
				£m	change (£m)	change (%)	
Total volume change: -4.9%				TOTAL CATEGORY	173.3	-7.6	-4.2
				TOTAL OWN LABEL	8.6	3.3	62.7
1	1	Ella's Kitchen	Hain Celestial	65.8	0.5	0.7	
2	2	Cow & Gate	Danone	41.4	-0.1	-0.3	
3	3	Heinz	Kraft Heinz Co	25.9	-0.9	-3.5	
4	4	Hipp Organic	Hipp	14.6	-10.8	-42.3	
5	5	Aptamil	Danone	5.1	-0.4	-7.2	
6	9	Piccolo	Piccolo	2.3	1.2	106.3	
7	6	Organix	Organix Brands	2.1	-2.2	-50.8	
8	7	Nestlé	Nestlé	1.4	0.2	12.1	
9	10	For Aisha	Cooking For Aisha	1.1	0.2	22.4	
10	12	Kiddylicious	Lotus Bakeries	1.1	0.7	218.2	

TOP5 Baby snacks				SALES			
				£m	change (£m)	change (%)	
Total volume change: 4.7%				TOTAL CATEGORY	82.2	7.4	9.9
				TOTAL OWN LABEL	2.0	-0.2	-8.4
1	1	Organix	Organix Brands	36.7	-1.4	-3.8	
2	2	Kiddylicious	Lotus Bakeries	20.0	7.5	59.5	
3	6	Ella's Kitchen	Hain Celestial	6.0	2.8	89.4	
4	4	Heinz	Kraft Heinz Co	4.7	0.2	5.4	
5	3	Bear	Urban Fresh Foods	4.4	-0.3	-6.6	

kids ready meal range Mini Meal Adventures and Asda's Little Angels Organic Lion Puffs.

Lidl has arguably set the bar highest. Its new Lupilu range was launched to rave reviews and a Good Housekeeping Institute seal of approval in April. NPD includes 100% organic apple & banana fruit pouches at just

39p – less than half the price of leading brand Ella's Kitchen's offering at £1.10.

Still, it's not all doom and gloom for the brands in the mults. Take Heinz, for example. Although sales are down, the brand has overtaken Hipp Organic to become the third best-selling babyfood brand following the launch of Heinz By Nature (see Top Launch) with 100% natural ingredients. "Parents would ideally feed their little ones homemade from fresh, but this isn't always possible," says Kraft Heinz's marketing manager Francesca Mattiussi. "We believe Heinz By Nature is as close to parents' demands as possible."

Playing the health card has also helped organic babyfood brand Piccolo climb ↗

“The current trend is influenced by a decline in the birth rate”



TOP LAUNCH 2018

By Nature Heinz

Heinz has taken third place in babyfood from Hipp Organic, following an overhaul of its range in February. The new By Nature branding was inspired by research that found 57% of parents worry about what goes into prepared babyfood. Hence the '100% natural ingredients' claim mounted alongside cutesy images of wheelbarrows overflowing with vegetables. Heinz forked out £1.5m to back up the relaunch, which is all part of its bid to become number one in babyfood. Watch out, Ella!

baby & infant products



☞ three places to six in our ranking with its 100% natural fruit & veg pouches.

It's not just food facing changes to the pecking order. There's a similar situation in infant snacks. Ella's Kitchen has climbed from six to three in our ranking, overtaking Heinz, Bear and Farley's. It puts the 51.8% rise in volume down to the success of its Melty Puffs and Melty Sticks finger food. The brand claims one Melty Stick is eaten every second in the UK and it has added two new flavours. Meanwhile, Kiddylicious is the fastest-growing snack brand with value sales up 59.5% to £20m, giving it market share of 24.4%.

Not everyone has won in this reshuffle. Organix remains the number one baby snacking brand but has seen £1.4m wiped off its value. "With increased shelf space for the category comes an increase in ranges and greater choice," says Organix MD Philipp von Jagow. Plus, Organix is feeling the impact of consumers trading down to own label.

That trend is affecting all corners of the market, from snacking to infant formula. Last year Aldi's Mamia range, including formula almost half the price of Aptamil's equivalent, overtook Asda's Little Angels to become the bestselling own-label baby range.

Meanwhile, the three top formula brands – Danone's Aptamil, Cow & Gate and Nestlé's SMA – have seen value and volumes fall. "The current trend is influenced by a decline in the birth rate. However, we can see green shoots of recovery in the latest four-weekly data," says Roz Davies, head of category development at Danone Early Life Nutrition.

Those green shoots come in the form of RTD formats such as Aptamil Profutura, value sales of which are up in double digits, according to Danone. This has helped counter damage done by negative headlines – Danone came under fire in July when some parents claimed Aptamil's new powder recipe was making their babies ill. (The FSA confirmed there were no safety issues with the product.)

Negative headlines have also fuelled the decline in baby juice, down 18.5% in value and 19.9% in volumes. Danone exited the category in 2017 and retailers are no longer bothering to offer their own alternative.

The biggest challenge facing the baby aisle, however, is not negative publicity, price or declining birth rates. "The continued increase towards home-cooked babyfood is the biggest threat, which is why the nutritional value of these products is so important to highlight," says Nielsen's Power.

Better get busy, brands.

TOP5 Babymilk				SALES			
				£m	change (£m)	change (%)	
Total volume change: -5.4%				TOTAL CATEGORY	394.5	-10.5	-2.6
				TOTAL OWN LABEL	-	-	-
1	1	Aptamil	Danone	218.4	-1.2	-0.5	
2	2	Cow & Gate	Danone	108.1	-8.0	-6.9	
3	3	SMA	SMA Nutrition	51.6	-3.5	-6.3	
4	4	Hipp Organic	Hipp	12.5	1.0	8.8	
5	5	Nanny Care	Nanny Care	2.2	0.6	34.9	

TOP5 Baby juice				SALES			
				£m	change (£m)	change (%)	
Total volume change: 0.0%				TOTAL CATEGORY	3.0	-0.7	-18.5
				TOTAL OWN LABEL	0.0	-0.7	-100.0
1	1	Heinz	Kraft Heinz Co	2.8	-0.5	-14.1	
2	2	Hipp Organic	Hipp	0.1	-0.2	-60.4	
3	4	Bobo Fruit	Nestlé	0.1	0.0	45.0	
4	8	Bobovita Nektar	Danone	0.0	0.0	52.6	
5	6	Cow & Gate	Danone	0.0	-0.0	-51.8	



The boom in baby and infant snacking has been good news for Kiddylicious, whose value sales have rocketed 59.5% to £20m. The brand is hoping to build further on that growth and take it international with its July sale to Lotus Bakeries, in a deal worth around £42m. The brand joins Lotus Bakeries' Natural Foods arm, which also includes healthy snack brands Nakd, TREK, Bear and Urban Fruit, all of which have been acquired in the past three years.

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bagged snacks



Snacks surge proves it's good to share

Carina Perkins

Bigger is better when it comes to bagged snacks. Brits wolfed down an extra £155.2m worth of popcorn, crisps and nuts last year, led by larger packs. For in the world of snacks, sharing isn't just altruistic; it continues to rake in the big bucks.

"Large sharing is the segment driving the most growth in the crisps category and has added over £170m of value sales to the segment in the past five years," says Pringles UKI marketing manager Vicky Middlemast. "This past year is no exception, and the record-breaking weather in the UK this summer combined with the World Cup certainly contributed to the continued growth of large sharing crisps."

Indeed, Pringles has bounced back from last year's eye-watering decline, growing sales by £15.1m over the past 12 months. "Our #CelebrateWithPringles campaign around the World Cup was a huge driver of growth," says Middlemast. The brand also "saw an uplift" following its Deezer promotion in the summer, which gave shoppers four months of music streaming when they bought three cans of Pringles, she adds.

Walkers also looked to extend its reach in larger packs this year with the UK debut of 'light and airy' potato snack Poppables. "We are seeing strong growth from the sharing

TOP 25 Bagged snacks				SALES			
				£m	change (£m)	change (%)	
Total volume change: 2.9%				TOTAL CATEGORY	2,990.2	155.2	5.5
				TOTAL OWN LABEL	596.4	36.0	6.4
1	1	Walkers Crisps	PepsiCo	424.4	-18.2	-4.1	
2	2	Pringles	Kellogg's	185.9	15.1	8.9	
3	3	Doritos	PepsiCo	165.1	4.7	2.9	
4	4	McCoy's	KP Snacks	125.5	6.9	5.8	
5	7	Sensations	PepsiCo	114.4	18.4	19.1	
6	5	Hula Hoops	KP Snacks	114.3	15.7	15.9	
7	6	Kettle Chips	Snyder's Lance	95.0	-2.2	-2.3	
8	8	Quavers	PepsiCo	81.5	5.2	6.7	
9	9	Jacobs Mini Cheddars	Pladis	61.9	5.5	9.7	
10	10	KP	KP Snacks	59.6	3.5	6.3	
11	11	Wotsits	PepsiCo	55.6	2.4	4.4	
12	18	Walkers Max	PepsiCo	54.9	23.5	75.0	
13	12	Tyrrells	Intersnack	50.9	-0.1	-0.2	
14	16	Walkers Oven Baked	PepsiCo	50.9	15.1	42.3	
15	13	Monster Munch	PepsiCo	48.2	1.1	2.4	
16	14	Sunbites	PepsiCo	42.6	-1.5	-3.5	
17	15	Squares	PepsiCo	40.1	4.1	11.4	
18	17	Butterkist	KP Snacks	31.2	-1.1	-3.3	
19	20	Pom-Bear	KP Snacks	29.7	0.8	2.7	
20	21	French Fries	PepsiCo	28.8	0.6	1.9	
21	22	Seabrook Crisps	Seabrook	27.3	-0.7	-2.5	
22	19	Smiths	PepsiCo	26.3	-3.2	-10.9	
23	25	Popchips	Popchips	25.8	6.8	36.1	
24	24	Skips	KP Snacks	22.8	3.0	15.0	
25	23	Golden Wonder	Tayto Group	20.4	-1.0	-4.4	

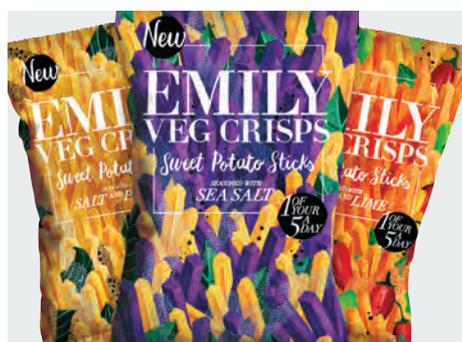
segment," said brand manager Kate Charman as the NPD was announced in May.

Larger packs aren't the sole beneficiaries of the sharing trend, though. "The multipack format plays into the sharing occasion just as much as the larger sharing bag does," says KP Snacks sales director Andy Riddle.

This helped McCoy's add sales worth another £6.9m, with volumes up 2.8% over the past 12 months. The brand continues to command customer loyalty in the wake of its repositioning a few years ago, says Riddle,

with its 2017 McCoy's Chips NPD proving a particularly big success with female consumers. Not bad for a brand that was once very much a lad's proposition based on beer and pubs. "Everything McCoy's does now is around flavour – great flavour, interesting flavour, strong flavour," Riddle says. "That repositioning has been well received because what consumers are looking for is flavour over and above everything else."

Walkers seems to be taking a similar tack. While its standard crisps haven't fared



TOP LAUNCH 2018

Sweet Potato Sticks Emily Veg Crisps

Permissible snacking is all the rage at the moment as Brits look to balance on-the-go and at-home indulgence with healthier living. So these sweet potato sticks from better-for-you snack brand Emily Crisps are right on the mark. Available in Sea Salt, Salt & Pepper and Chilli & Lime variants in a sharing (rsp: £2.79/120g) or impulse bag (rsp: £1.20/35g), they are gluten-free, high in fibre and count as one of your 5 a day, making them perfect for feel-good feasting.

bagged snacks



so well – down by £18.2m – its flavour-driven Walkers Max range is up a whopping £23.5m (75%). That's partly thanks to the roll-out of Walkers Max Strong, a new range of ridged crisps designed to “deliver maximum flavour” and take advantage of the sharing trend. “We continue to see consumers being more adventurous, seeking bold and tasty flavours when shopping for snacks,” says Andy Hawkswell, marketing manager at PepsiCo.

Walkers Oven Baked is also in strong growth of £15.1m (42.3%). That reflects another major trend driving growth in the category: permissible snacking. “Health-conscious shoppers continue to buy into the better-for-you segment,” says Hawkswell.

Indeed, KP's Riddle attributes some of Hula Hoops' success over the past year to the “phenomenal” performance of its more permissible Hula Hoops Puft variant. “It's the lowest calorie snack multipack in the aisle

“Health-conscious shoppers continue to buy into the better-for-you segment”

at 71 calories,” he adds.

Skips, which were already low in calories and Space Raiders, which are baked not fried, are also appealing to shoppers seeking out healthier snacking alternatives, Riddle says. “Part of Skips' growth has been bringing onto front of pack that it has under 100 calories.”

KP also this year acquired Popchips, which Riddle claims is now “the fastest growing better-for-you brand in the marketplace”. However, its other recent permissible snacking acquisition, Butterkist, is down 3.3% after

volumes fell 9.6%. “We took a lot of promotions out of the market while we integrated the business in the first half of 2018,” says Riddle, who points out much of popcorn has been promotionally driven, which “isn't sustainable” in the long run.

Butterkist is also facing competition from emerging rivals such as Propercorn (up 40.2% to £19m) which claims to be the fastest growing popcorn brand in sharing and multipacks. “There is a huge appetite for better-for-you snacks and it's never been more important for retailers to reflect this in their fixtures,” says co-founder Ryan Kohn. “People are time poor and increasingly moving away from traditional mealtimes. These trends are particularly prominent among millennials, who shop for convenience but also look for health, quality and innovation.”

As shoppers move away from mealtimes, on-the-go has become another fast growing opportunity for snacks. Which means small bags, as well as large bags, are in vogue. “Handy packs are in growth as consumers are eating more on the go,” says James Thomas, customer marketing director at Pladis UK & Ireland. Indeed, Mini Cheddars' sales are up 9.7% on volumes up 5.3% year on year.

In a bid to take advantage of this trend, KP Nuts recently extended into smaller formats for convenience stores, which are going “great guns”, claims Riddle. The brand is also benefiting from the better-for-you trend due to the naturally high protein content of nuts, he claims, and was back in growth at the end of October. However, “distribution changes” hit its performance earlier in the year. A more than 10% hike in average prices probably didn't help either. “There has been some commodity pressure in the nuts category over the last year,” admits Riddle.

There have also been some serious inflationary pressures on crisps as a result of the UK potato shortage. With the cold spring delaying planting and the summer heat-wave hitting yields and quality, brands were forced to cut back on promotions this summer. There were 78% fewer supermarket deals on large multipacks of crisps between July to November 2018, data suggests, while the number of promotions on small multipacks fell by 8.2% [Assosia]. With supplies still tight, these pressures look set to continue into 2019. But the performance of the bagged snack sector this year suggests brands offering great flavour, healthier options and ‘big night in’ excitement will continue to grow even if prices do rise.



Walkers set its sights on heat-seekers with the launch of its three Max Strong flavours in January: Chilli & Lime, Hot Chicken Wings and Jalapeño & Cheese. Designed to “complement different types of popular beer”, particularly amber lager, pilsner and pale ale, the crisps were designed to meet demand for a “perfect snack to accompany a pint”. The launch was supported by a TV ad featuring cans, kegs and pints of beer to hammer home the point.

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batteries



Batteries reap benefit of tech trends

Rob Brown

Don't let that 1.4% decline in pack volumes fool you. Brits are actually buying more batteries in larger packs, as sales of smart home sensors, personal medical devices, high-tech toys and the like go skywards.

"Consumers are buying more multi-packs and promotional packs," says Gareth Wheller, MD of GP Batteries UK. "Secondary sitings are helping to drive additional volume. We'd expect the trend for larger packs to continue as the grocers seek to get consumers stocking up from them instead of seeking products online."

It's paying off, with supermarket sales of batteries up 4.1%, or £9.5m. This growth is also being driven by pricier, longer-lasting batteries designed for high-tech devices such as keyless entry systems and portable powerbanks for mobile phones and tablets.

A prime example is our Top Launch Energizer's Ultimate Lithium Coins (below), which come with an rrp of £6 for a pack of two (versus £4.50 for the older 2032 coin product). You get what you pay for, says Energizer senior brand manager Narbeh Hacobian, who claims the new cells give consistently higher voltage compared with earlier versions.

"Heightened consumer demand for 'smart homes' and 'smart health' is driving demand for speciality batteries and creating new

TOP15 Batteries				SALES			
				£m	change (£m)	change (%)	
Total volume change: -1.4%				TOTAL CATEGORY	238.1	9.5	4.1
				TOTAL OWN LABEL	35.1	0.3	0.8
1	1	Duracell	Duracell	122.3	1.5	1.2	
2	2	Energizer	Energizer	64.0	8.0	14.3	
3	3	Panasonic	Panasonic	10.0	-0.1	-0.9	
4	4	Eveready	Energizer	1.9	0.2	13.6	
5	6	Kodak	Kodak	1.2	0.1	11.9	
6	5	JCB	Supreme Imports	0.9	-0.3	-23.5	
7	9	GP	Ansmann	0.8	0.3	72.1	
8	7	Excelltec	Overseas Trading	0.6	0.0	3.0	
9	10	Supacell	Multibrands Intl	0.2	0.0	-16.6	
10	12	Varta	Spectrum Brands	0.2	0.0	13.3	
11	8	Powercell	Orion	0.2	-0.3	-61.9	
12	15	Rayovac	Spectrum Brands	0.2	0.1	56.9	
13	13	Sony	Sony	0.1	0.0	-22.5	
14	14	Maxell	Maxell	0.1	0.0	-19.6	
15	16	Daewoo	Daewoo Electronics	0.1	0.0	-13.8	

opportunities for retailers," adds Hacobian. "Consumers are increasingly seeking out the most appropriate battery for new devices such as fitness monitors and smart home sensors."

Battery brands are banking on the growth in smart devices for the foreseeable future. Energizer says smart homes across Britain will require 420 million batteries by 2020, while smart health devices will require a further 635 million. With use of hearing aids on the rise across the UK, Energizer has improved the life of its Accu Recharge hearing aid batteries.

A combination of distribution gains and innovation has driven market-leading growth for Energizer, which is up 14.3% to £64m on units up 6.3%. Meanwhile, number one brand Duracell has seen value sales inch up 1.2% to £122.3m as volumes have slipped 3.2%.

Duracell is pinning its hopes on growing demand for on-the-go juice for smartphones and tablets, having launched a new range of

portable powerbanks that can deliver up to 72 hours of continuous charging.

"With only 37% of smartphone users owning a power bank, there is still a huge gap between power bank and smartphone penetration," said marketing manager Tatiana Wijeyaratne at the time of the launch. "This represents an opportunity for a leading brand like Duracell to help meet a consumer need."

GP's Wheller expects more space to be given over to such products as use of mobile devices grows. But this doesn't mean the days of the humble AA and AAA are numbered, especially with toys such as Nerf Laser Ops and Myla the Magical Make-Up Unicorn tipped for big things this Christmas.

"The Christmas sales period accounts for over 40% of the yearly sales of batteries," says Wheller. "As usual, it's no surprise that some of the expected top toys this year are battery-powered." Looks like batteries are charging ahead for the foreseeable future. ●

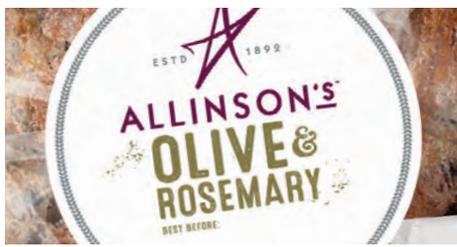


TOP LAUNCH 2018

Ultimate Lithium Coins Energizer

High-tech gadgets need high-tech batteries with longer lives. That's why Energizer launched its longest-ever lasting specialist battery in June, aimed at keeping personal medical devices, smart home sensors and keyless entry systems going for longer. The launch has powered market-leading growth for Energizer, which expects smart health and home devices to require more than a billion batteries by 2020 – and it expects a significant proportion of these to be lithium coins.

bakery & bread



Inflation helps bread to rise again

Rob Brown

Bread is on the rise again. Sales have risen 0.8%, ending five consecutive years of value decline. But don't go popping any corks just yet. Not one of the top five wrapped bread brands has shifted any extra loaves.

Growth is purely inflationary, with milling wheat prices on the up since 2016. "Increased prices have added £33m to the market as higher costs fed through to consumers," says Nielsen senior client manager Carol Ratcliff.

In fact, the supers have sold nearly 28 million fewer loaves overall, a decline of 2%. Brands have borne the brunt with a 7.3% slump in volume – 80.4 million fewer loaves – as retailers increase own-label listings.

Indeed, own-label bread is up by more than a fifth, having put an extra £43.9m through the tills. That makes it the fourth largest own-label gain in this year's report, thanks to a flurry of premium NPD. Ratcliff notes Tesco and Asda have been particularly active.

"The big four and others are driving their identity via own label, resulting in greater space and range allocation," adds Roberts Bakery marketing director Megan Harrison. "This is putting pressure on brands, who now have to redefine their value and purpose."

Easier said than done. Kingsmill is yet to reap the rewards of its 2017 relaunch intended to emphasise its "baking credentials",

TOP20 Bread loaves				SALES			
				£m	change (£m)	change (%)	
Total volume change: -2.0%				TOTAL CATEGORY	1,341.2	10.6	0.8
				TOTAL OWN LABEL	257.8	43.9	20.5
1	1	Warburtons	Warburtons	427.5	-9.9	-2.3	
2	2	Hovis	Hovis	309.8	3.3	1.1	
3	3	Kingsmill	Allied Bakeries	201.4	-18.4	-8.4	
4	4	Roberts	Roberts Bakery	40.9	-3.5	-7.9	
5	5	Braces	Braces	18.4	-4.7	-20.4	
6	6	Jackson's	William Jackson	18.3	2.6	16.8	
7	8	WeightWatchers	Warburtons	8.6	-0.8	-8.3	
8	10	Allinson's	Allied Bakeries	7.4	1.0	15.6	
9	7	Burgen	Allied Bakeries	7.2	-2.4	-25.0	
10	9	Village Bakery	Village Bakeries	6.4	-0.5	-7.1	
11	11	Mother's Pride	Hovis	5.3	0.6	11.9	
12	12	Vogel's	Nicholas & Harris	3.5	-0.8	-18.0	
13	14	Henllan	Henllan Bread	3.2	0.5	17.0	
14	13	The Polish Bakery	The Polish Bakery	3.1	0.2	6.7	
15	20	Baker Street	Carrs Foods	2.1	1.3	145.1	
16	15	Crosta & Mollica	Crosta & Mollica	1.3	-0.3	-18.9	
17	16	Country Choice	Country Choice	1.1	0.0	1.2	
18	21	Garth Bakery	Garth Bakery	1.0	0.2	24.7	
19	18	Cranks	Nicholas & Harris	1.0	0.1	6.2	
20	25	Irwin's	Irwin's	0.7	0.2	34.4	

suffering the category's greatest loss of £18.4m (8.4%). A steady stream of NPD hasn't stopped Warburtons falling £9.9m (2.3%). Roberts has lost £3.5m (7.9%) despite 2017's relaunch as the 'Next Generation Bakery' alongside premium innovations such as Gin & Tonic Fun Buns. (But Harrison cites later figures showing the brand taking share from the big three.)

Of the top three, Hovis is alone in achieving value growth of £3.3m (1.1%). Hovis head of insight Sara Green puts this down to growing demand for posher loaves. She believes bread's relatively small share of food budgets suggests scope for further premiumisation.

"In response, our key focus is to develop new loaves that deliver more," she says,

pointing to its Seeded Batch loaf and premium White Bloomer.

Everyone's at it. Roberts' Bloomer range won national listings in Asda and Morrisons this year. Warbies' Lancashire Thorough Bread was Nielsen's top launch of the year, helping to drive 4.5% growth in premium bread. "Shoppers want to trade up and expand their bakery repertoire," says Warburtons category controller Martin Baptie.

Still, things don't always go to plan. Warburtons' £1m new 'craft' facility (see Top Launch) looked on shaky ground in May, when a proposed Sainsbury's trial of a trio of sourdoughs didn't come off. Morrisons eventually listed the loaves in November. Let's hope this innovation doesn't turn sour. ●



TOP LAUNCH 2018

Warburtons Sourdough Warburtons

Britain's biggest baker is blurring the boundaries between artisan and plant bread with its growing roster of sourdough loaves. The white sourdough toastie is the latest in a string of innovations following a £1m investment in a new Milton Keynes facility, designed to recreate craft offerings at a larger scale. "We want to find the sweet spot between traditional packaged bread and the true artisan bakers," chairman Jonathan Warburton said in May. Looks like he's found it with this one.

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biscuits



Healthy and posh top the biccie trends

Daniel Selwood

Elevenses is becoming an expensive habit. The price of a sweet biccie to dunk in your late morning cuppa is up 2.4%.

This was largely the result of two premiumising – and contradictory – trends: health and indulgence. The former has been especially powerful, says Nielsen analyst Steven Hansell. “Healthier biscuits have grown £55m and they account for an impressive two-thirds of growth within biscuits, showing that consumers continue to look for healthier options even within treat categories.”

The area of permissible treats is where Ferrero made its biscuit debut in summer 2017 with Nutella B-Ready – a snack containing 115 calories per 22g bar (521kcal per 100g). This year, the brand racked up almost £14m of extra sales and added a 10-bar multipack to its repertoire, taking the title of the UK's 13th biggest sweet biccie within its first 12 months.

Such roaring success was down to B-Ready's suitability for elevenses, claims Ferrero's customer development director Levi Boorer. “We're seeing an increasing trend for mid-morning snacking, with 54% of consumers looking for a smaller snack that won't ruin their appetite. Nutella B-Ready is perfect for that occasion.”

David Cox, MD of Fox's Biscuits, confirms the trend towards salubrious nibbles – a

TOP20 Sweet biscuits				SALES			
				£m	change (£m)	change (%)	
Total volume change: 0.5%				TOTAL CATEGORY	1,610.8	46.0	2.9
				TOTAL OWN LABEL	391.9	26.4	7.2
1	1	McVitie's	Pladis	401.2	-13.8	-3.3	
2	4	Cadbury Biscuits	Mondelez	87.2	9.1	11.6	
3	2	Fox's	2 Sisters	76.2	-4.9	-6.1	
4	3	Belvita	Mondelez	73.1	-6.9	-8.6	
5	5	Kit Kat	Nestlé Rowntree	73.0	-0.7	-0.9	
6	6	Oreo	Mondelez	43.9	-8.4	-16.1	
7	7	Maryland	Burton's Biscuit Co	40.2	-4.1	-9.2	
8	8	Go Ahead	Pladis	37.9	-0.5	-1.4	
9	9	Tunnock's	Tunnock's	36.1	1.7	5.0	
10	10	Bahlsen	Bahlsen	31.4	4.3	15.7	
11	13	Twix	Mars	20.5	4.1	25.2	
12	12	Blue Riband	Nestlé Rowntree	17.7	0.3	1.6	
13	11	Jammie Dodgers	Burton's Biscuit Co	16.3	-1.5	-8.3	
14	39	Nutella B-Ready	Ferrero	15.5	13.9	886.4	
15	15	Border Biscuits	Border Biscuits Co	14.2	1.0	7.7	
16	14	Barny	Mondelez	12.1	-2.4	-16.6	
17	17	Wagon Wheels	Burton's Biscuit Co	10.7	-0.1	-0.9	
18	16	Rocky	Fox's	10.4	-2.7	-20.6	
19	18	Happy Shopper	Booker Belmont	10.0	0.9	10.5	
20	24	Lotus Biscoff	Lotus Bakeries	7.7	2.2	39.5	

fashion that has driven double-digit glory in cereal bars, with standout players including General Mills' reduced-calorie Fibre One (up 105.5%). “Three in five consumers are actively taking steps to improve their health, and shoppers are seeking lower-calorie options, especially for on-the-go consumption, which the whole family can enjoy,” says Cox.

On the flip side, however, he adds that “shoppers associate biscuits with special moments, and consumers look to achieve a balanced diet with indulgent treats to enjoy and share with family and friends”.

That insight is informing current thinking at Bahlsen. “Almost a third of shoppers now always opt for indulgent products when choosing a snack and nearly half (45%)

believe high-sugar snacks can be enjoyed as part of a balanced diet,” says trade marketing manager Julien Lacrampe.

It may seem odd at a time when consumers are flocking towards healthy options. But for Lacrampe, it is simply a case of different biscuits for different occasions. “Data shows that shoppers tend to consume healthy snacks on weekdays and treat themselves to more indulgent snacks at the weekend.”

The appetite for richer biscuits is what led Bahlsen in January to launch Choco Moments, a premium lineup boasting “the thickest chocolate topping of any Bahlsen biscuit”. It appears to have worked: the German supplier's value has shot up 15.7% in grocery to £31.4m – marking a second successive ↗



TOP LAUNCH 2018

Flipz Pladis

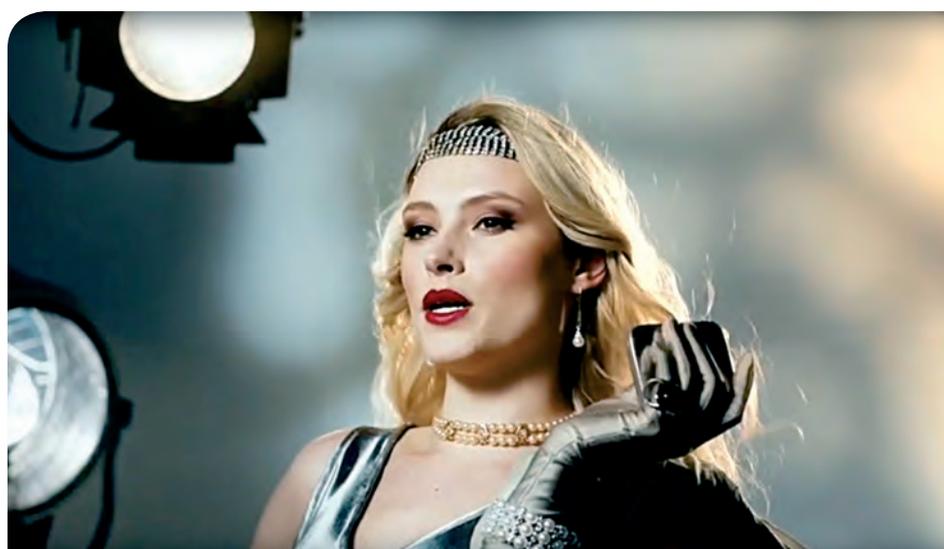
Twenty-one years after being created by Nestlé, Flipz made its UK debut in May via Pladis. The bite-size, chocolate-covered savoury pretzels previously had only limited presence as a higher-priced US import. Now made in Topkapi, Turkey, boxed in Edinburgh and available nationwide, Milk Chocolate and Dark Chocolate were the first variants to land. These were joined in the autumn by limited-edition White Fudge. Pladis has forecast first-year value sales to hit the £9m mark.

biscuits



TOP10 Savoury biscuits			SALES			
			£m	change (£m)	change (%)	
Total volume change: -3.7%			TOTAL CATEGORY	431.7	-5.3	-1.2
			TOTAL OWN LABEL	128.9	11.5	9.8
1	1	Jacob's Crackers	Pladis	58.7	-4.4	-7.0
2	2	Quaker Snack A Jacks	Quaker Oats	28.6	-0.8	-2.7
3	4	Nairn's	Nairn's Oatcakes	18.6	1.4	8.1
4	7	Tuc	Pladis	18.0	1.5	9.1
5	3	Ryvita Crispbread	Ryvita	17.0	-2.2	-11.3
6	5	Kallo	Kallo Foods	16.5	-0.5	-3.0
7	6	Ritz	Mondelez	15.4	-1.2	-7.1
8	8	Carr's	Pladis	12.3	-0.8	-5.9
9	9	Jacob's Cheddars	Pladis	11.2	-1.1	-9.2
10	11	Ryvita Thins	Ryvita	10.0	0.4	4.3

TOP10 Cereal bars			SALES			
			£m	change (£m)	change (%)	
Total volume change: -4.8%			TOTAL CATEGORY	443.6	14.4	3.4
			TOTAL OWN LABEL	18.6	3.6	23.8
1	1	Belvita	Mondelez	54.4	-9.9	-15.4
2	2	Nature Valley	General Mills	50.8	6.2	13.8
3	3	Nakd	Lotus Bakeries	38.5	1.1	3.0
4	4	Eat Natural	Eat Natural	33.8	-1.6	-4.4
5	8	Cadbury Cereal Bars	Mondelez	27.1	3.0	12.4
6	7	Alpen	Weetabix	26.3	-0.1	-0.2
7	5	Go Ahead	Pladis	25.5	-8.3	-24.5
8	6	Kellogg's Rice Krispies	Kellogg's	25.4	-1.1	-4.1
9	13	Fibre One	General Mills	19.6	10.1	105.5
10	10	Kellogg's Nutri-Grain	Kellogg's	16.2	-1.4	-8.2



Bahlsen burst back onto TV screens this year with this ad for its new Choco Moments biscuits. The ad sees recurring character Frau Kassmayer outwit the usual hapless detective with the help of its Crunchy Hazelnut and Crunchy Mint flavours. The premium NPD is positioned to tap the trend for indulgence, which seems to have worked to the brand's favour so far. Bahlsen climbed 15.7% to £31.4m, the largest percentage gain among the top 10 sweet biscuits.

year of double-digit growth.

Bahlsen's other notable NPD of 2018 was Zoo Imagination, a children's variant that's free from gluten and lactose. "For many parents, the free-from category has a limited offering in terms of products that taste great, are liked by their children and give them peace of mind with a gluten-free certification," says Lacrampe.

It's an example of kids' biscuits following the larger market by starting to shift towards healthier options, says David Cox. "As new government initiatives push the less-than-100kcal messaging, families are looking for new innovative ways to replace the traditional household biscuit options currently available." That's why Fox's, which has lost £4.9m in value sales over the past 12 months, recently added Party Milkshakes with just 78 calories per 18g mini-bag (433kcal per 100g).

Still, there's one area of the market that's missing out on all this appetite for health: savoury biscuits. Despite typically containing less sugar than their sweeter counterparts, savoury was down £5.3m in value.

To mitigate that decline, it could do worse than invest in NPD. For innovation has been given less consideration than in previous years, according to Nielsen's Hansell.

"In the latest year, we have seen £34m worth of brand innovation versus £43m the year before," he notes. "In the latest year, NPD has accounted for 13% of total growth within the category, down from 22% the year before."

James Thomas, customer marketing director at Pladis UK & Ireland, believes that will all change next year. 2018 was "about embracing the challenge to continue developing the biscuit category", he says.

Meanwhile, 2019 will be "about creating new opportunities" he predicts. "The biggest obstacle to growth is not daring to dream or think about where the opportunities lie.

"The category offers fantastic potential for expansion into new occasions and formats, and there are also opportunities for premiumisation and increased basket conversion."

Jeremy Peters, head of category and insights at Burton's Biscuit Company, expects that "the interest in healthier alternatives will continue to grow, as more consumers place importance on wellness and making alternative choices. However, 'treatier' biscuits show no sign of slowing down as people still want to indulge – so manufacturers will need to make sure they're getting the balance right".

Dare we dream of an indulgent biscuit that also hits the right health notes?

cakes



Cakes worth the calories as sales rise

Ash O'Mahony

We all love a treat. So much so that Brits treated themselves to an extra 1.7 million (0.2%) packs of cake this year. That may not sound like much, but after two years of declining volumes it's a welcome boost. "One of the key factors in cake's growth has been bringing new shoppers into the category," says Kantar Worldpanel analyst Aimee Benton.

As if that wasn't enough good news value was also up, as shoppers forked out an extra 2% on average for their cakes, trading up to more premium treats.

But dig behind these headline figures and it's more of a mixed picture. While own label drove category growth with a 1.8% increase in volumes despite bumping up average prices 2.6%, branded volumes failed to justify 0.6% price hikes, resulting in volumes dipping 1.1%. That own label has continued to attract shoppers despite costing 55p more per unit on average than its branded counterparts is ominous news for brands. The past year has seen three of the top five cake brands in decline, losing a combined £11.8m.

The supermarkets have certainly upped their game. High-end cakes include everything from a £35 gâteau at Sainsbury's Patisserie Valerie counters to a four-layer flower festival cake at M&S.

Brands are hardly sitting back, though.

TOP 20 Cakes				SALES			
				£m	change (£m)	change (%)	
Total volume change: 0.2%				TOTAL CATEGORY	1,139.9	25.0	2.2
				TOTAL OWN LABEL	636.4	27.5	4.5
1	1	Mr Kipling	Premier Foods	152.8	1.2	0.8	
2	2	Cadbury	Premier Foods	76.7	-6.3	-7.6	
3	3	McVitie's	Pladis	35.7	-2.1	-5.5	
4	4	Soreen	Samworth Brothers	35.1	0.2	0.5	
5	5	Thorntons	Finsbury Foods	21.6	-3.4	-13.5	
6	6	Mrs Crimble's	Stiletto Foods	8.9	-0.5	-5.3	
7	8	Bonne Maman	Andros	8.6	1.2	16.3	
8	9	Graze	Graze	7.7	1.0	14.8	
9	11	Regal	Regal Foods	6.0	1.2	25.8	
10	45	Mary Berry	Finsbury Foods	6.0	5.5	1,053.6	
11	10	Balconi Cakes	Balconi	4.4	-1.1	-20.3	
12	12	Galaxy	Pladis Uk	4.3	0.1	1.5	
13	15	Tan Y Castell Cakes	Tan Y Castell	3.7	0.5	16.4	
14	16	Bobby's	Bobby's Foods	3.4	0.2	5.6	
15	13	Happy Shopper	Booker Belmont	3.2	-0.1	-2.7	
16	20	Emoji	Finsbury Foods	2.7	0.3	12.4	
17	19	Cabico Cakes	Cabico	2.5	0.1	2.0	
18	21	Just Love	Just Love Food Co	2.5	0.5	22.5	
19	16	Emma's Country Cakes	Emma's Country Cakes	2.2	-0.5	-19.3	
20	24	Lazy Day Foods	Lazy Day Foods	2.2	0.5	28.1	

Market leader Mr Kipling, for example, tapped demand for healthier cakes with its 30% lower sugar Fruit Slices in January, which it reported had amassed £1.1m by October.

Soreen is similarly pushing its more virtuous take on cake. Although growth was price-led (volumes were down 1%), its under-95-calorie loaves were one of only two brands in the top five to increase value. Then there's Graze, up 14.8% to £7.7m. In the past year, it claims to have doubled distribution of its flapjacks, which "tap into the positive health connotations of oats with indulgent flavours".

Consumers aren't focused exclusively on health, though. They still want to indulge – and when they do, they do it in style. McVitie's responded to this trend in June when it

launched its Moments range, billed by head of category Jeremy Horton as "a treat that's worth it". "Younger consumers in particular are experiencing indulgent cakes from cafés and coffee shops, which demonstrate value for calories," adds Horton. The company will be hoping the launch, which includes Honeycomb Crunch and Salted Caramel Billionaire variants, will help reverse the £2.1m decline it suffered this year.

That the Mary Berry cake brand has broken into the top 10 this year (up from 45 last year, when it first launched) shows there is mileage in indulgence done well. It has racked up an extra £5.5m with SKUs such as Indulgent Chocolate Cake and Lemon Loaf Cake. Now that's "value for calories". ●



TOP LAUNCH 2018

Roald Dahl range Premier Foods

Nobody could accuse Mr Kipling of lacking imagination. The brand introduced its limited edition, six-strong range of Roald Dahl treats in May including George's Marvellous Lemon & Raspberry Whirls, Mr Fox's Fantastic Forest Fruit Slices and The BFG's Strawbunkle & Cream Fancies. The range, which has since amassed £3.8m, is supported through an in-store and digital campaign, and offers shoppers the chance to win Roald Dahl-themed holidays.

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canned goods



Canned food rises £30m as inflation hits

Rachel Graham

No longer is canned the weakest link. In a reversal of fortunes, sales are on the up with total value passing £1.7bn. An impressive £30m (1.8%) more went through the tills.

It's quite the turnaround from the £10.6m loss recorded last year. Still, predictions that survivalist Brits would be stockpiling long-life goods in anticipation of Brexit might not have been entirely accurate, as the vast majority of growth came from increased prices.

The trend is most evident in fish, where average price per unit is up 7.3%, rising from £1.59 to £1.71. After double-digit volume losses in 2017, the two biggest brands in the category experienced contrasting fortunes, as John West managed to claw back volumes, up 5.9%. Princes, however, suffered as its range was rationalised, seeing another year of decline and losing 13.5% in volume.

A substantial rise in raw material costs and the weakness of sterling are to blame for the price rises, says international marketing director at John West, Jon Burton. "Most of our raw material and processing costs are in US dollars and euros, so this had a significant impact, coupled with the fact consumers are often unwilling to accept premium pricing for the more sustainable products they demand."

This has impacted shopper numbers, down 0.5%, and crucially volumes bought when

TOP5 Canned beans

				SALES			
				£m	change (£m)	change (%)	
Total volume change: -2.2%				TOTAL CATEGORY	301.9	2.6	0.9
				TOTAL OWN LABEL	54.8	1.7	3.2
1	1	Heinz	Kraft Heinz Co	206.0	0.1	0.0	
2	2	Branston	Mizkan	33.0	0.7	2.0	
3	3	Hunger Breaks	Princes	3.8	0.5	16.0	
4	4	WeightWatchers	Kraft Heinz Co	1.7	-0.2	-9.9	
5	5	Jamie Oliver	Jamie Oliver	0.5	-0.1	-17.5	

TOP5 Canned fish

				SALES			
				£m	change (£m)	change (%)	
Total volume change: -3.5%				TOTAL CATEGORY	439.0	14.9	3.5
				TOTAL OWN LABEL	177.2	15.2	9.4
1	1	John West	John West Foods	154.2	-1.7	-1.1	
2	2	Princes	Princes	79.1	-0.3	-0.3	
3	3	Glenryck	Glenryck	5.8	0.1	1.1	
4	4	Parsons	Parsons FJ	3.3	-0.1	-1.5	
5	5	Kingfisher	Lovering Foods	3.3	0.5	18.6	

TOP5 Canned fruit

				SALES			
				£m	change (£m)	change (%)	
Total volume change: -1.9%				TOTAL CATEGORY	127.8	0.4	0.4
				TOTAL OWN LABEL	61.1	1.0	1.6
1	1	Del Monte	Del Monte	26.5	2.4	10.2	
2	3	SPC Nature's Finest	SPC Ardmona	10.9	0.1	1.2	
3	2	Princes	Princes	10.6	-2.5	-18.8	
4	4	Dole	Dole	8.1	-0.4	-4.9	
5	5	Opies	Bennett Opie	3.6	0.2	5.3	

they buy, says Alan Eriksen, marketing manager for Princes. In fact, overall volumes continued to fall in canned fish, with 3.5% fewer products purchased overall. The dip was felt most keenly in branded, which fell 8.1% in volume, though own label picked up some of the market with a 1.1% rise. It's a similar story in canned meat and beans, with own label share increasing as shoppers look for a more cost-effective alternative to brands.

Branded bean value sales remained flat (up 0.4%) propped up by a 2.9% increase in average price, while own label grew £1.6m (3.2%) to £54.8m on volumes that dipped 0.5%. To arrest the decline, brands continued to innovate. Heinz, for example, says it tapped growing trends like pot formats and health.

But that didn't stop it losing 3.3% in volume. Number two brand Branston was down 3.9%. In fact, Princes' pot and canned



TOP LAUNCH 2018

No Drain Fridge Pots John West

No, this isn't actually a can. But by John West's own admission, consumers see cans as old fashioned and uninspiring. Bit of a blow for the biggest canned fish player. Still, it's proved its ability to adapt with No Drain Fridge Pots. Launched in July, the new plastic tubs of tuna steak come with "a little" olive oil, brine, sunflower oil or spring water (rsp: £2/110g). Importantly, they are "easy peelable and resealable", meaning consumers don't feel obliged to use the whole pack at once.

canned goods



TOP10 Canned meat				SALES			
				£m	change (£m)	change (%)	
Total volume change: -1.2%				TOTAL CATEGORY	200.0	0.2	0.1
				TOTAL OWN LABEL	59.9	2.1	3.6
1	1	Princes	Princes	45.8	-1.6	-3.3	
2	3	Ye Olde Oak	Ye Olde Oak Foods	15.5	-1.0	-6.2	
3	2	Fray Bentos	Baxters	15.1	-1.6	-9.4	
4	4	Spam	Hormel	13.4	0.4	3.0	
5	5	Wikinger	Wikinger	10.5	1.2	12.9	
6	6	Pek	Smithfield	7.2	-0.2	-2.8	
7	7	Kingsfood	Ye Olde Oak Foods	5.0	-0.1	-2.8	
8	11	Rollover	Rollover	4.5	2.7	154.6	
9	8	Stagg	Tulip	2.5	0.1	2.5	
10	12	Tulip	Tulip	2.5	0.7	41.8	

TOP5 Canned veg				SALES			
				£m	change (£m)	change (%)	
Total volume change: -0.8%				TOTAL CATEGORY	566.3	16.4	3.0
				TOTAL OWN LABEL	287.1	12.9	4.7
1	1	Napolina	Princes	66.0	5.2	8.6	
2	2	Green Giant	General Mills	50.0	0.3	0.6	
3	3	Batchelors	Premier Foods	15.7	-0.6	-3.5	
4	4	Cirio	Conserve Italia	11.5	-2.0	-15.0	
5	5	Baxters	Baxters	11.5	-0.5	-3.8	

TOP5 Canned pasta				SALES			
				£m	change (£m)	change (%)	
Total volume change: -9.5%				TOTAL CATEGORY	75.1	-4.8	-6.0
				TOTAL OWN LABEL	12.6	-0.7	-5.1
1	1	Heinz	Kraft Heinz Company	60.5	-3.1	-4.8	
2	2	Branston	Mizkan	0.9	-0.5	-33.6	
3	3	Crosse & Blackwell	Princes	0.6	-0.5	-42.8	
4	4	WeightWatchers	Kraft Heinz Company	0.3	-0.1	-19.5	
5	5	Happy Shopper	Booker	0.1	0.0	4.8	



Sustainability no longer sells. Punters won't pay more for eco claims, says John West. After all, pole & line caught tuna is now standard, with all own label claiming to be responsibly sourced. To get the edge, brands must innovate and improve sustainability, say experts.

meal-in-a-hurry range Hunger Breaks was the only brand in the top five to achieve volume growth, surging 22.9%.

Princes' Eriksen says this shows the rise in canned food "is not simply being driven by market inflation". After all, canned beans prices were only up 1.4% on average – lower than total grocery inflation. "The conclusion we can draw is the category may well become increasingly important to budget-conscious shoppers as prices continue to rise."

It was the emergence of healthy accompaniments in the bean category that drove the most growth, says Nielsen senior client analytics executive Paula Pallant, pointing to 19% growth in products with claims such as 'no added sugar' to £35.4m. Heinz Beanz marketing manager Fabio Megid Pinto cites this as the reason behind last year's launch of its No Added Sugar Beanz. "Health remains a concern for consumers, with 34% of households reducing sugar on a regular basis, and many consumers believe a product containing 'no nasties' is worth paying more for."

However, the same principle doesn't seem to hold true in pasta. Last year's launch of Heinz No Added Sugar Hoops didn't stop pasta being the only one of the six canned subcategories not to share in the value resurgence. It remained in stubborn value and volume decline, down £4.8m (6%) as 11.7 million (9.5%) fewer packs left shelves.

Retailers showed little patience with slowing sales, culling 25% of canned pasta's branded shelf space in 2018. "As most brands rely on licensed children's characters to promote, the cost implications of licences and contract renewal are taken into account," explains Pallant. Coupled with a reduction in on-deal volumes, the sector suffered the greatest percentage volume decline in the canned and ambient aisle this year.

Elsewhere, canned veg made significant value gains, up £16m (3%) on last year, driven by young consumers clamouring for healthy yet affordable ingredients like tomatoes and pulses. Meanwhile, canned fruit gained £400k (0.4%), buoyed by own label increases. "There's not been a lot of innovation in canned fruit," admits Martin Tilney, commercial director for UK and Ireland at Del Monte Europe. "A lot of young people think of canned as a war relic but they're waking up to the benefits in terms of food waste and recyclability, so there's a lot of potential there."

Still, the fact remains that 40 million fewer cans were sold this year, so players will need to push these credentials harder in 2019.



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cereals



Brands lose ground, as well as sugar

Ash O'Mahony

There's more than a touch of déjà vu about cereal's performance this year. Once again, the category experienced a 1.1% drop in value. And once again, those losses (£14.5m) can be solely attributed to brands.

It certainly hasn't been easy for them this year. Between taking on the PHE challenge to achieve a 20% sugar reduction by 2020 and battling loss of shelf space to own label, growth has been tricky to come by. In fact, just 13 of the top 50 managed to increase value. By contrast, own label has shrugged off sugar concerns to rack up an extra £14.5m (4.9%) in value on volumes up 4.2%.

Counterintuitively, it's not the most sugary brands that are suffering. Sales growth may have slowed for Kellogg's Crunchy Nut, but it still reported a respectable £2.9m in additional sales. The similarly indulgent Kellogg's Krave secured an extra £2.3m, up 9.6%.

For healthier brands, fortunes have been mixed. Special K's move away from diet cues appears to have done the trick, as it recovered from its hefty value drop in 2017 to gain 1% this year. Others such as Weetabix and Shreddies, whose sales slipped £3.9m and £2.9m respectively, have taken a hit.

Neither brand is taking this lying down. Weetabix is set to introduce its new 'Any-Which-Way-A-Bix' campaign in 2019, and

TOP 20 Cereals				SALES			
				£m	change (£m)	change (%)	
Total volume change: -1.2%				TOTAL CATEGORY	1,317.4	-14.5	-1.1
				TOTAL OWN LABEL	309.2	14.5	4.9
1	1	Weetabix	Weetabix	135.9	-3.9	-2.8	
2	2	Quaker	Quaker Oats	117.0	1.3	1.1	
3	3	Crunchy Nut	Kellogg's	81.2	2.9	3.8	
4	5	Corn Flakes	Kellogg's	51.8	0.1	0.1	
5	4	Coco Pops	Kellogg's	49.8	-3.0	-5.6	
6	6	Special K	Kellogg's	47.9	0.5	1.0	
7	7	Shreddies	Cereal Partners	43.3	-2.9	-6.3	
8	8	Cheerios	Cereal Partners	40.9	-3.5	-8.0	
9	9	Rice Krispies	Kellogg's	37.4	-1.2	-3.1	
10	10	Shredded Wheat	Cereal Partners	29.8	-4.2	-12.3	
11	11	Alpen	Weetabix	27.0	-3.2	-10.5	
12	12	Krave	Kellogg's	26.6	2.3	9.6	
13	13	Jordans Country Crisp	Jordans & Ryvita Co	21.5	0.0	-0.1	
14	14	Frosties	Kellogg's	20.5	-0.8	-3.7	
15	15	Dorset Cereals Muesli	Jordans & Ryvita Co	19.9	-1.0	-4.7	
16	16	Jordans Crunchy Cereal	Jordans & Ryvita Co	17.4	-2.9	-14.2	
17	18	Weetos	Weetabix	15.4	0.8	5.6	
18	19	Kellogg's Variety	Kellogg's	15.2	0.0	-0.2	
19	17	Fruit & Fibre	Kellogg's	14.7	-0.5	-3.0	
20	20	Scott's	Quaker Oats	12.8	-0.2	-1.9	

Nestlé launched its 'Shred or Not' campaign this year alongside a new recipe for its Shreddies Original in August. "All breakfast cereals, including Shreddies, are operating in a tough environment," says marketing director Toby Baker. "Consumer desires and needs are evolving at a rapid pace, there's strong competition from branded and private label products as well as breakfast alternatives outside of cereal. However, we see this as an opportunity, as it helps to drive continuous innovation."

This drive for innovation resulted in Nestlé's Breakfast to Go range launch in August, featuring single-serve pots of Shreddies and Shredded Wheat Honey & Nut with milk and a spoon. Not one to be left behind, Kellogg's

unveiled its Joyböl smoothie bowl range (see Top Launch) this year, similarly targeting the on-the-go crowd.

Portable breakfasts certainly seem to be where the action is. What started with the breakfast drink is now inspiring a range of formats. That the fastest-growing cereal brand by percentage was instant porridge brand Moma (up 49.9% to £2.9m) speaks volumes. Everyone is at it. Danone launched bircher-like protein breakfast pot Ayem in November, while number two brand Quaker introduced a third variant of its Porridge to Go Squares in July to meet rising demand for handheld breakfast options. At a time of mounting pressure across cereals, this innovation certainly could come in handy. ●



TOP LAUNCH 2018

Joyböl Kellogg's

If this smoothie bowl screams millennial, it's no coincidence. Kellogg's food developers spent 18 months monitoring and testing Joyböl among its target demographic of young urbanites before launching in the UK in October. Available in trendy flavours such as Super Berries & Açai, Strawberry Almond Quinoa and Mango & Coconut, Joyböl's on-the-go credentials are perfect for busy millennial types. Even better, the bowls require no refrigeration or any prep beyond adding water.

New

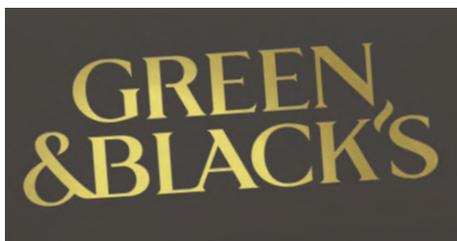
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confectionery: chocolate



Choc goes posh in boost to premium

Megan Tatum

Chocolate went unabashedly posh in 2018. Cadbury unveiled its 'rich and creamy' Darkmilk in August, with a higher cocoa content to reflect the demand for 'pure' chocolate bars. Green & Black's entered the singles market that same month with truffle and praline bars. Even the humble Maltesers got a fancy new look, turned into decadent truffles by owner Mars Wrigley in May complete with a glossy gifting box.

The shift towards upmarket has paid off. In fact, it was the only thing keeping the category in growth. As Brits bought near 800,000 fewer units, the 2% rise in value was only possible thanks to a 1.8% increase in price.

Premium brands are the ones winning. Across the top five, only the decidedly high-end Lindt Lindor stayed out of the red (and convincingly so too, with sales up 17.2%). Despite their tentative moves into premium, Dairy Milk, Galaxy, Kinder and Maltesers shed a combined £19.4m in the past year.

"Confectionery is one of the few categories where consumers are looking for more premium treats, especially at key seasonal trading spikes such as Christmas and spring," says Levi Boorer, customer development director at Ferrero UK, citing research that found 70% of people now value the quality of their chocolate over quantity.

TOP 20 Chocolate				SALES			
				£m	change (£m)	change (%)	
Total volume change: -0.2%				TOTAL CATEGORY	3,750.0	75.0	2.0
				TOTAL OWN LABEL	278.2	-0.4	-0.1
1	1	Cadbury Dairy Milk	Mondelez	517.5	-7.0	-1.3	
2	2	Galaxy	Mars Wrigley	207.6	-4.2	-2.0	
3	3	Maltesers	Mars Wrigley	163.7	-7.1	-4.2	
4	4	Kinder	Ferrero	122.0	-1.1	-0.9	
5	5	Lindt Lindor	Lindt & Sprüngli	115.8	17.0	17.2	
6	6	Cadbury Twirl	Mondelez	93.6	0.4	0.5	
7	7	Kit Kat	Nestlé Rowntree	90.9	-0.1	-0.1	
8	9	Celebrations	Mars Wrigley	88.7	6.5	7.9	
9	8	M&M's	Mars Wrigley	84.3	-5.6	-6.2	
10	10	Cadbury Wispa	Mondelez	83.7	2.7	3.4	
11	12	Mars	Mars Wrigley	77.9	0.7	0.9	
12	11	Quality Street	Nestlé Rowntree	74.0	-4.0	-5.1	
13	13	Snickers	Mars Wrigley	73.3	1.5	2.1	
14	16	Ferrero Rocher	Ferrero	65.5	3.8	6.2	
15	14	Cadbury Heroes	Mondelez	64.7	1.2	1.9	
16	15	Milkybar	Nestlé Rowntree	61.2	-1.9	-2.9	
17	19	Cadbury Creme Egg	Mondelez	57.4	4.1	7.7	
18	20	Cadbury Mini Eggs	Mondelez	54.6	9.7	21.7	
19	17	Terry's Chocolate Orange	Mondelez	52.6	-3.1	-5.5	
20	18	Aero	Nestlé Rowntree	47.2	-6.4	-12.0	

"A core principle remains that consumers are really looking to enjoy their treats and are willing to trade up to do so," adds Mondelez trade communications manager Susan Nash. "The fast-growing premium chocolate segment is incremental and bringing in new, higher value shoppers. We have introduced a number of innovations over the past 12 months that deliver to these need states, helping to drive growth in the category."

She gives Green & Black's as an example (value sales are up 7%). The singles were launched expressly "to capture the growing premium singles market and meet the needs of consumers looking for a luxurious new way to unwind" Nash says.

"We see in general a trading up of the

category," adds Mars Wrigley UK general manager David Manzini. "When we're observing and analysing the market there is a trend of added value and it's the reason that some of our innovation is in the premium position, like Maltesers Truffles."

It's a trend that goes hand in hand with gifting formats too. Ferrero insists key gifting occasions such as Diwali, Valentine's Day and Mother's Day are "vital" to retailers.

"More than ever, key events throughout the year have become the preferred guilt-free occasion to enjoy chocolate and confectionery," says Flo Broughton, co-founder of Choc on Choc, with "less consuming chocolate and confectionery on the go" and brands tailoring their ranges accordingly. ➔



TOP LAUNCH 2018

Maltesers Buttons Mars Wrigley

Following months of rumours that Mars Wrigley was set to remould its 80-year-old Maltesers balls into discs, the brand revealed Maltesers Buttons in May. Marketed as a smaller alternative to the signature snack, rather than a replacement, the buttons offer a greater 'chocolate to malt' ratio, says the brand. Backed by a £1.3m spend, the buttons succeeded in becoming the biggest chocolate confectionery launch of the year, according to Nielsen figures.

confectionery: chocolate



⦿ This overarching premiumisation coupled with more conscious consumption also paved the way for new, smaller players to gain traction in 2018.

Success stories included the likes of Montezuma's, up by 60% to add nearly a million in sales, and Lir, up 32% to take £247k.

That Montezuma's trades on its ethics is no coincidence, says co-founder Helen Pattinson. "Ethics is of growing importance as provenance and transparency become more significant to consumers," she says. "Until now I think it's fair to say that it's been a contributing factor rather than a main driver but today's consumers are much more aware when they are choosing products. It's the whole package that drives choice: taste, price, availability and ethics."

"Consumers are seeking out brands they can trust," adds Mary O'Rourke, head of product development at Lir Chocolates. "Price is

"The whole package drives choice: taste, price, availability and ethics"

important but not the main consideration in chocolate. Demand for premium chocolate and true indulgence with a sensory experience across taste, flavour and colour are all important factors."

One factor continuing to unite confectionery brands big and small in 2018 is health. Rumours of the government extending its sugar levy beyond soft drinks were no doubt playing on the minds of manufacturers, who scrambled to make changes.

One response was to tweak size and format.

In September, Mars Wrigley announced it would be launching smaller size low-cal versions of the classic Mars and Snickers bars. Ferrero says 95% of its portfolio now comes in at less than 150 calories and argues "the best way to help consumers reduce or limit their consumption of sugar is by offering our products in small portions".

Another tack was to look at cocoa content. The launch of Cadbury Darkmilk was not only a nod to premiumisation but also recognition of the trend toward higher cocoa dark chocolate bars that require less sugar.

"There are degrees of acceptance and some consumers find dark chocolate a little too bitter and therefore believe it is not for them," says Nash. "Cadbury Darkmilk has been specially created to meet this consumer demand – providing a more grown-up taste, balanced with a delicious creamy and smooth texture."

"If you want to benefit from all of its great health properties, you should really be eating higher cocoa dark chocolate," adds Montezuma's Pattinson, who says "so many of our customers tell us they have two or three squares of dark chocolate every evening as their pudding." Dark chocolate now accounts for more than half of the brand's sales and nine of its 10 bestselling bars.

The trend "is ideal" believes founder of Ombar Richard Turner, "as the product contains more dry cocoa solids and this is where the good stuff is." Following the launch of a 90% solid chocolate bar a year ago the brand has now added a 100% cacao bar, containing zero added sugar "and almost no naturally occurring sugars".

This shift toward little and often is clearly good news for pricier, purer chocolate. But where does that leave the giants of confectionery, who have traditionally traded on cheaper, high-volume lines?

For Mars Wrigley's Manzini, future success for the big brands is about creating a better, more agile innovation pipeline. The UK general manager has unleashed a raft of NPD since he joined the business a year ago, from protein bars to this year's Top Launch, Maltesers Buttons.

"Fifty per cent of our growth should come from innovation," he says. "The expectation of the consumer is changing, the appetite for innovation and new tastes is there. For us it was a wow moment when, by diagnosing the market, we realised what should be the right pace of innovation. It's going to continue – a lot of surprises are coming." ●



Ireland's Lir Chocolates returned to UK supermarkets in August after a 10-year hiatus. Morrisons, Tesco and Co-op listed its Discovery Collection (rsp: £10/180g), which includes everything from a Persian Lime Truffle to Dark Chocolate Torte using vanilla from the South Pacific. Lir Chocolates' head of product development Mary O'Rourke says there is a growing demand for "premium chocolate and true indulgence with a sensory experience".

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confectionery: sugar



Candy pins hopes on new 'kidult' craze

Daniel Selwood

It's the new market bringing hope to sugar confectionery. We're talking 'kidults', adults seeking out the classic sweets they enjoyed as kids. So retro brands have come back into fashion. In January Tangerine Confectionery brought a host of iconic names – including Dip Dab, Sherbet Fountain, Black Jack and Fruit Salad – back under the 170-year-old Barratt banner, five years after dropping it in favour of Candyland.

Ninety-year-old Swizzels Matlow got in on the action by giving some of its vintage lines a contemporary twist, focusing on Drumstick and Refreshers variants of its new Choos soft chews, and giving Love Hearts a 'digital makeover' by (temporarily) replacing romantic messages with emojis.

Brands are hoping the craze will perk up this slightly flagging market, which has seen value remain static on volumes down more than 3%. "The trend for retro sweets is still performing incredibly well as buyers look to purchase the brands they loved when they were younger – a trend we've named kidulting," says Russell Tanner, marketing & category director at Tangerine.

So, 'kidulting' could be sugar confectionery's word of the year. But there's another contender for that title: 'sugar free'. As the government's obesity strategy ramps up a

TOP 20 Sugar confectionery				SALES		
Total volume change: -3.1%				£m	change (£m)	change (%)
TOTAL CATEGORY				1,050.8	2.3	0.2
TOTAL OWN LABEL				212.1	8.4	4.1
1	1	Haribo	Haribo	171.8	0.7	0.4
2	2	Maynards Bassetts	Mondelez	114.9	-0.7	-0.6
3	3	Rowntree's	Nestlé Rowntree	74.7	-0.2	-0.3
4	4	Trebor	Mondelez	45.3	-4.3	-8.6
5	7	Drumstick	Swizzels Matlow	37.8	7.0	22.6
6	6	Swizzels	Swizzels Matlow	32.2	-1.0	-2.9
7	5	Skittles	Mars Wrigley	32.2	-1.6	-4.8
8	8	Polo	Nestlé Rowntree	25.7	-3.2	-11.1
9	9	Tic Tac	Ferrero	22.7	-2.5	-10.0
10	10	Mentos	Perfetti Van Melle	20.3	-0.9	-4.1
11	14	Fruittella	Perfetti Van Melle	20.0	3.8	23.3
12	11	Werther's	Storck	18.9	-1.4	-6.8
13	12	Starburst	Mars Wrigley	16.6	-1.8	-10.0
14	13	Candyland	Tangerine	16.1	-1.3	-7.2
15	15	Chupa Chups	Perfetti Van Melle	11.3	0.6	5.8
16	16	Cadbury Eclairs	Mondelez	8.8	-1.2	-11.7
17	17	Chewits	Leaf	8.5	0.3	4.1
18	18	Smint	Perfetti Van Melle	7.7	0.5	6.8
19	20	Bobby's	Bobby's Foods	6.1	0.3	5.9
20	19	Buchanan's	Golden Casket	5.8	-0.7	-10.6

notch, there was a flurry of calorie cutting and healthier NPD as suppliers rushed to appeal to the more health-conscious consumer.

Mark Roberts, trade marketing manager at Perfetti Van Melle, believes it is a development worth heeding. He points to the numerous initiatives by Public Health England to promote healthier choices, such as introducing new guidelines recommending lower calorie snacks and the 2020 sugar reduction targets. "Numerous trends are altering shopper missions," he says. "Most notably people are now more health-conscious and looking for alternative choices."

Playing to this market appears to be working for PVM, which has seen its Fruittella brand soar in value by 23.3% to £20m. This

year, it followed up its first low and no sugar lines in 2017 with sugar-free Fruit Drops – its hard candy debut.

The influx of wholesome lines is attracting new shoppers to the category, Roberts adds. "Research is already showing that 73% of sales in less sugar and sugar free are incremental, implying people who previously may not have considered confectionery are entering the category. We only expect this growth to continue in 2019. Next year, we will carry on innovating and emphasising the benefits of our reduced and sugar-free offering."

Everyone's at it. In January, market leader Haribo unveiled its first reduced sugar line, Fruitilicious, promising 30% less sugar than "regular fruit gum sweets". Sweetened ↗



TOP LAUNCH 2018

Starburst Chewing Gum Mars Wrigley

This is a chewing gum with a difference. While most other brands are busy promoting their breath freshening and teeth cleaning properties, Starburst's focus is simply to bring a "candy-like experience" to the world of gum. Wrigley put a £1m spend behind the launch of the range in February, which includes three variants: crispy-coated Mixies pellets in an assortment of strawberry, apple and bubblegum flavours; red berry flavour Sticks; and Soft Cubes in strawberry and red berry.

confectionery: sugar



with dextrin and sorbitol, the confectionery provides 33g of sugar per 100g – in contrast to the 47g of sugar per 100g in Haribo's popular Starmix. Fruitilicious went on to achieve over £2m in sales within eight months.

According to Haribo's trade marketing manager, Claire James, healthier sweet options are already worth more than £22.3m and are likely to become of greater importance to grocery. "It's a growing trend that is showing no signs of slowing. Just take the number of sugar-free and sugar-reduced products – these have increased by 25% in the last 12 months alone. With such a strong influx of new products, manufacturers and retailers will naturally optimise their ranges to focus on the strongest performing products."

So despite the ongoing war on sugar, Tangerine's Tanner believes society isn't going to forgo all treats. He believes enough consumers "will still eat sweets regularly, but will look to focus their budget on buying treats that can slot easily into a healthy lifestyle". "Rather than cutting out sugar entirely, consumers are looking to make small improvements to their diets and leaning towards buying products that use natural sugars, colours and flavourings."

There's also hope in the form of another trend: premiumisation. While candy consumers may be concerned about putting on

TOP10 Gum				SALES			
				£m	change (£m)	change (%)	
Total volume change: -4.2%				TOTAL CATEGORY	254.4	-6.0	-2.3
				TOTAL OWN LABEL	1.6	-0.2	-10.9
1	1	Extra	Mars Wrigley	197.2	-6.5	-3.2	
2	2	Airwaves	Mars Wrigley	31.6	-2.2	-6.6	
3	3	Mentos	Perfetti Van Melle	6.6	0.3	4.4	
4	4	Hubba Bubba	Mars Wrigley	5.2	0.2	4.1	
5	NEW	Starburst	Mars Wrigley	3.3	3.3	●	
6	5	Jawbreaker	Zed Candy	2.1	0.2	7.6	
7	6	Juicy Fruit	Mars Wrigley	0.8	-0.1	-13.5	
8	8	Chupa Chups Bubble Gum	Perfetti Van Melle	0.7	0.1	15.3	
9	7	Doublemint	Mars Wrigley	0.7	-0.2	-25.8	
10	13	Bebeto	Bebeto	0.4	0.1	34.8	

the pounds, they're less worried about holding onto their pennies. Premium options have a strong chance of reigniting the category, Tanner says. "Injecting value growth through luxury confectionery is a key opportunity that is still in development, using high quality ingredients, artisanship and interesting flavours to help denote a premium product."

"At the moment, premium confectionery has been predominantly limited to fudge, but we have started to see it build in fruit jellies, toffees and marshmallows, using all-British ingredients or alcohol flavours, which are popular with adult sugar shoppers looking for gifts or an indulgent treat."

Take, for example, Candy Kittens' Blueberry Bliss – priced at £3 for 138g, and this year's "most interesting launch in fruity confections" according to Nielsen analyst Adam Paulson. The variant added £313k to the blossoming brand's £3.8m posh sweets portfolio, appearing alongside NPD such as its gift jars (see below left). "Blueberry Bliss hits a niche within the sugar category of premium offerings," Paulson adds.

Those offerings appeal to young adults on the lookout for new and different flavours – a demographic also eyed by Maynards Bassetts. In a little under two years, the brand has introduced a host of new flavours via Wine Gums Mocktails, Jelly Babies Tropical and Wine Gums Tangy. Marta Sanso, senior brand manager for joyful candy at brand owner Mondelez, says the trio has "been highly incremental to the candy category. Wine Gums Tangy alone brought in £1.6m incremental RSV in its first year."

Fresh-faced punters were also the target when Mars Wrigley brought "a candy-like experience" to the gum category with sugar-free Starburst Chewing Gum (our Top Launch), aimed at shoppers aged 15 to 24. This was a UK first for gum, it claimed.

"Over the last 10 years, the gum category has seen a 20% decline in penetration from the younger generation," says Dan Newell, fruity confections portfolio director at Mars Wrigley, which "aims to help reignite the enjoyment of gum and engage the next generation of chewers". So far, so good: Starburst Gum has gained an impressive £3.3m in value sales, positioning it as the UK's fifth largest gum brand right out of the gate.

While this may not be our golden age of candy, the category can at least say that today it has something for everyone, not matter how old you are.



Gift-giving has emerged as a strong area of potential for the sugar confectionery market, as evidenced by the August launch of these Candy Kittens gift jars (rsp: £8/350g). With flavours including Peach Fizz, Sour Watermelon and Wild Strawberry, the brand hopes to make sweets feel worthy of a special occasion. It's not the only one. Alan Sugar-backed startup Sweets in the City this year launched a range of gifts that can fit through your letterbox. Sweet.

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Source: Swizzels Ex-factory Data for total Squashies brand



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dairy: butters & spreads



Own label up as brands get spread thinly

Rachel Graham

Butters & spreads are utterly spluttering. A whopping 12,134 fewer tonnes of the yellow stuff entered baskets last year. Yet eye-watering price increases have kept the category in value growth for the second consecutive year as sales grew £96.9m to £1.3bn.

The summer's heatwave caused further concern over milk availability, and sent prices surging on a continued upward trajectory throughout 2018. Average prices are up 12.9%, from £3.85 per kg last year to £4.35 this year. Block butters were hit hardest by price rises of over 26%, while spreadables were forced up 17%.

Counterintuitively, retailer offerings were the driving force behind these price rises. Own-label prices ballooned at more than double the rate of their branded equivalents (22.6% compared with 10.2%), taking the average price to £4.61/kg, up 85p. The upshot is that own label is now gram-for-gram more expensive than brands, which sit at £4.28 per kilo. Yet consumers are cutting brands, down 4.2% in volume (9,908 tonnes), faster than they're dropping own label, which is down 3.4% (2,225 tonnes).

This is driven by retailers prioritising their own lines. "Retailers are cutting space in the BSM aisles," says Nielsen senior client analytics executive Amy Duffy. "Branded

TOP20 Butters & spreads				SALES			
				£m	change (£m)	change (%)	
Total volume change: -4.0%				TOTAL CATEGORY	1,257.7	96.9	8.4
				TOTAL OWN LABEL	295.6	46.2	18.5
1	1	Lurpak	Arla Foods	337.2	34.9	11.5	
2	2	Flora	Upfield	116.6	-1.0	-1.2	
3	3	Anchor	Arla Foods	112.5	11.7	11.7	
4	4	Clover	Dairy Crest	71.2	5.5	8.3	
5	5	Country Life	Dairy Crest	49.7	-6.0	-10.7	
6	6	Bertolli	Upfield	37.4	0.0	0.0	
7	7	Stork	Upfield	26.5	-1.3	-4.8	
8	8	Kerrygold	Ornua Foods	26.2	1.3	5.2	
9	9	Utterly Butterly	Dairy Crest	19.6	1.4	7.6	
10	11	I Can't Believe It's So Good	Upfield	19.2	5.8	43.5	
11	10	Benecol	Raisio	16.7	0.4	2.5	
12	12	Président	Lactalis	15.2	3.3	28.0	
13	13	Yeo Valley	Yeo Valley Farms	9.5	1.4	17.3	
14	14	Willow	Dairy Crest	9.5	1.9	25.1	
15	16	Vitalite	Dairy Crest	7.3	2.0	36.5	
16	17	Graham's The Family Dairy	Graham's Family Dairy	5.9	1.3	28.3	
17	15	Pure	Kerry Foods	5.6	0.1	2.1	
18	NEW	Müller	Müller	2.8	2.7	●	
19	20	St Helen's Farm	St Helen's Farm	2.4	0.2	8.8	
20	26	Trewithen Dairy	Cornish Farm Dairy	2.2	0.7	48.4	

is being hit the hardest in terms of space, with SKU count down 6%. Stork has seen the most significant reduction as retailers are increasingly focusing on own label through promotions and packaging improvements."

It's a tactic that's worked for the discounters (not measured here), which have increased their volume sales by 15.2%.

For brands, keeping hold of space has relied on swallowing more of their soaring raw material costs than their rivals. Still, they have had little option but to mark up prices to some extent. A kilo of Lurpak, which would have set you back £5.64 in 2017, averaged £6.61 this year. Its 17.1% price increase seems almost modest compared with the 19.7% spike in Country Life, or the 23.9% premium

set on Ornua's Kerrygold. In total, 16 of the top 40 BSM brands recorded double-digit percentage price increases, while just two managed to shave anything off the price.

In the case of Country Life, inflation was not enough to keep the brand in value growth. It became BSM's biggest loser, leaking almost £6m in value (10.7%) after shifting just 74.3% of the volume it managed last year.

"Squeeze on supply has driven promotional de-escalation and dramatic inflation in butter," explains Neil Stewart, butters & spreads controller at Dairy Crest. "Consumer migration into butter has stalled and attractive pricing in spreads has caused some shoppers, notably young families, to switch out of butter, driving a revival of dairy spreads." ➔



TOP LAUNCH 2018

Organic Vegan Spreadable Naturli

The dairy-free spreads market is hard to crack. After all, there have been delistings galore of retailer products as well as major brands including Vitalite and Flora Freedom. Still, one brand that believes in the market's potential is Naturli, which launched its Organic Vegan Spreadable (rsp: £1.80/225g) into 170 Sainsbury's stores in July. Containing a blend of coconut, shea butter, rapeseed and almonds, the spread aims to provide a vegan option for dishes that just aren't the same without butter.

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dairy: butters & spreads

nielsen



☞ Clover, Utterly Butterly and I Can't Believe It's So Good are among those spreads to have benefited from the butter exodus. Less reliant on buttermilk, the three brands were able to limit price increases to less than 3%. The resulting appeal to budget-conscious shoppers helped shift additional volumes. I Can't Believe It's So Good's versatility-focused rebrand particularly paid dividends as it took an extra £5.8m at the tills, courtesy of a 39.5% volume increase.

The growth runs counter to the trend of consumers ditching spreads for less processed butters in recent years. A quarter of spreads sold are lighter variants, points out Stewart. "Young families are particularly important to that sub-category and, attitudinally, over-index in desire for naturalness," he says. To capitalise on this collision of trends, Clover updated its Lighter variant to remove artificial ingredients and provide a solution "cutting down on fat without a compromise to the ingredient deck".

However, BSM's number two brand, Flora, was unable to capitalise on the migration away from butter. The brand dropped £1m (1.2%) in value, after seeing its vegan-friendly Freedom range reduced to one variant from four this time last year. Between six and 11 months after launch, Freedom's Avocado & Lime, Coconut & Almond, and Walnut SKUs fell flat, leaving just the original variant on shelves from April this year. The brand later ditched Freedom branding, and is now known as Flora Dairy Free.

A similar fate befell the coconut variant of Dairy Crest's Vitalite, which was delisted in May. The brand admitted a sweet spread had somewhat "niche appeal" and could be "polarising" but was unharmed by the failure, climbing a place to become the 16th brand in BSM on the back of a 36.5% boom in value and 35.3% jump in volume.

New owner of Flora, Upfield – which took control of Unilever's spreads portfolio in July – is determined to better tap the dairy-free boom in future with a view to becoming the "global leader in plant-based spreads". "The free-from dairy market is growing by 40% year-on-year," explains Upfield general manager UK and Ireland, Steven Hermiston. "With one in three consumers in the UK now identifying as flexitarian and consumers becoming increasingly health-conscious, plant-based spreads have become increasingly relevant to consumers' day-to-day lives."

This enthusiasm for innovation is evident in the rate of NPD this year. New products

"BSM's been overly reliant on bread, which is in decline... diets are evolving"

contributed £39m to the total BSM category, equivalent to 3% of its value. Dairy giant Müller brought its weight to the playing field with the launch of block butters and spreadables into the mults, having previously launched into c-stores in 2015. It debuted a raft of six spreadable and block butter SKUs into retailers in May. The yoghurt specialist now sits at 19th in BSM brands, up from 44th last year after increasing sales by more than 2,600% since its entry into the mults. The brand spies a £201m opportunity in butter,

and believes it can tempt brand-loyal butter buyers away from their mainstays. That's partly by giving butter a more prominent position both on shelf and among consumers.

"BSM has been overly reliant on other categories, such as bread (see p94), which is seeing a decline," says Müller head of customer value, Rebecca Oliver-Mooney. "With changing consumption and shopping habits, butter has had challenges – diets are constantly evolving and we're eating out more.

"So there is volume loss as shoppers buy a little less, less often. That said, penetration remains stable so any short-term inflationary pressures are not driving shoppers out of the category."

It's comforting news for the future of butter. But as own-label value grows at more than triple the speed of branded, major players will have to think innovatively if they're to prevent that gap closing further. ●



Dairy spreads aren't just for spreading: that's the word a growing number of players are trying to get out as bread volumes continue to go stale (see p94). Flora, for example, is pushing its spreads as a baking ingredient to appeal to the growing number of consumers baking at home and following plant-based diets. I Can't Believe It's So Good is also looking to trumpet its versatility following a relaunch.



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dairy: cheese



Cheese aisle revamps hit brand sales

Kevin White

Cheese brands are hurting. Three years after Tesco replaced a raft of brands with own-label alternatives, sales continue to melt faster than a slice of grilled cheddar.

While own brand delivered healthy value growth of 3.8%, brands were languishing behind with a 0.8% increase. Even that modest growth was fuelled by a 4.9% rise in average prices.

Eight of the top 10 brands lost volume. The top two – Cathedral City and Pilgrims Choice – have shed 3.9 million tonnes over the past year, representing 8% of their combined 2017 totals. Only Lactalis' Seriously and Kerry's Cheestrings managed to buck the trend.

Things could get even worse over the next 12 months as Waitrose became the latest retailer to launch a cull of brands in August. Cathedral City was the hardest hit as the supermarket sought to “reduce duplication in what had become a crowded cheese aisle”, according to one affected supplier.

In most cases, retailers want their cheese aisles to have “a simpler range based around a brand leader and a strong, refocused own-label range, with either secondary or tertiary brands reduced”, says Dairy Crest cheese marketing controller Nigel Marchant.

In this environment, it's no wonder own label has netted an extra £50m at the expense

TOP20 Cheese				SALES			
				£m	change (£m)	change (%)	
Total volume change: -1.6%				TOTAL CATEGORY	2,458.9	58.1	2.4
				TOTAL OWN LABEL	1,380.0	50.0	3.8
1	1	Cathedral City	Dairy Crest	263.6	2.9	1.1	
2	3	Dairy Crest	Mondelez	91.8	2.0	2.2	
3	2	Philadelphia	Mondelez	85.9	-4.1	-4.5	
4	4	Pilgrims Choice	Ornua Foods	73.8	-1.4	-1.9	
5	7	Seriously	Lactalis	49.9	6.9	16.2	
6	5	Babybel	Bel	48.4	-0.8	-1.6	
7	6	Cheestrings	Kerry Foods	46.5	1.7	3.8	
8	8	Lunchables	Mondelez	29.8	-1.9	-5.9	
9	9	Laughing Cow	Bel	27.0	-2.9	-9.7	
10	10	Castello	Arla Foods	21.2	0.0	0.1	
11	11	Leerdammer	Bel	19.2	-0.5	-2.7	
12	12	Président	Lactalis	18.3	0.2	1.0	
13	13	Galbani	Lactalis	16.9	-1.0	-5.4	
14	14	Primula	Kavli	16.1	1.2	8.1	
15	15	Saint Agur	Savencia F&D	15.0	0.4	2.5	
16	18	Attack a Snak	Kerry Foods	13.7	2.8	25.6	
17	17	Boursin	Bel	11.9	-0.7	-5.5	
18	21	Davidstow	Dairy Crest	10.2	1.0	11.3	
19	27	Violife	Arivia	10.0	4.4	78.5	
20	19	Le Rustique	Savencia F&D	9.8	-0.3	-3.0	

of branded volumes. Brands have also suffered from the move towards everyday low pricing, Marchant points out, which has pushed up prices by reducing promotions.

This has proved particularly problematic in the case of cheddar, he says, which has emerged as the main casualty of range rationalisation. In the face of higher prices, Marchant says cost-sensitive younger shoppers are especially likely to switch to own label or away from cheddar altogether.

The effect is evident in the rising prices and falling volumes of cheddar brands. Cathedral City was some 9.6% more expensive this year, and suffered a 7.7% blow to volumes. The biggest branded loser of the year – Wyke Farms – also had the highest rise in

prices, up 11.7%. Delistings by Waitrose and Sainsbury's in June contributed to a 45.9% fall in its value sales to £7.2m, and a 51.6% fall in volume. As a result, the brand slumped from 16th to 23rd in our rankings.

Pilgrims Choice also suffered, with volumes down 8.5% amid a 7.3% increase in average price.

Mike Harper, marketing director at parent company Ornua Foods UK, says this was the result of a switch in its promotional strategy from £2 only to a mix of £2 and £2.50 price points. It was also part of a move to create a more representative price differential between own label and branded, he adds.

“Arguably the price per kg between brand and own label wasn't distinct enough,” ➔



TOP LAUNCH 2018

Seriously Melting Pots Lactalis McLelland

Innovation in cheddar is tricky, but this Seriously Cheddar Melting Pot looks to have found a gap in the market and filled it with oodles of melted cheese. Designed to transfer the mass-market appeal of cheddar into continental cheese usage occasions, Lactalis McLelland launched the pots in October in Aged Scottish Cheddar and Roasted Onion variants. Reactions in pre-launch testing were very favourable, with two-thirds of shoppers pledging to buy the product again.

dairy: cheese



Harper says. “Only brands that have invested in above the line (see ad, below) will be able to sustain this higher promotional price point.”

But he concedes this strategy has also driven some shoppers away. “We have seen switching to own label as a result of the new promotional pricing structure, but we feel there is a better balance now between loyal branded consumers – who are willing to pay a premium for branded – and own label consumers, where previously there was significant switching between the two.”

Conversely, those that are dropping prices are increasing volume. Take Dairy Crest's Davidstow, whose volumes shot up 16.7% amid a 4.7% drop in price. The brand's “small but growing consumer base” extended to more than 200,000 new households, Marchant says.

Dairy Crest marketing director Lee Willett

“We’ve worked to introduce a dedicated ‘destination’ adult snacking shelf”

says the brand's packaging revamp was another driver of this increase. “It appeals to shoppers who are passionate about their cheese and care about depth of taste as well as provenance and heritage.”

It's not just big cheddar brands facing a conflict between price and volume. Mondelez's Dairylea struggled with 2.8% loss in volume as prices rose 5.1%. Sister brand Philadelphia lost 4.5% in volume despite keeping prices static. Bel UK's Mini Babybel saw volumes fall 3.6% amid a 2.1% increase in average

price – though the brand says its total value is more than £15m higher than the £48.4m quoted due to a strong showing in the discounters (not included in this data).

In the case of Bel, there is no sign of shying away from higher prices. The introduction of Mini Babybel Organic in June – which costs over £2 for a pack of five at Waitrose, while a pack of 12 standard cheeses is £2.85 – is seen as a huge opportunity by the brand. The organic snacking cheese will enable retailers to “tap the £2bn organic food and drink segment”, says brand manager Gaëlle Vernet.

It's true that high prices aren't always a death knell for brands. While Lactalis McLelland's Galbani had a “difficult year” as the price differential between branded and own label grew, a 1.3% increase in price didn't stop its Seriously brand become the fastest growing of the year.

The 16.2% increase in value to £49.9m was partly built on distribution gains as the brand won a major listing with Co-op last year. There was also heavyweight marketing support in the form of its ongoing sponsorship of Channel 4's Come Dine With Me, says Lactalis sales director Mike Chatters.

Seriously's Spreadable sub-brand is “experiencing robust growth” in particular, he says, aided by a packaging revamp last year.

Kerry also had a positive year, thanks to the boom in snacking. Its Cheestrings brand grew value 3.8% to £46.5m on volumes up 7.6%. “We've seen great growth come through the core Cheestrings brand, along with the successful launch of the Snack Mix that has helped stretch the brand into new areas such as light snacks and after-school snacking,” says Kerry Foods brand manager Steph Scott.

Then there's Kerry's Attack a Snak, whose 25.6% value increase to £13.7m on volumes up 27.5% makes it the fastest growing brand in kids' cheese snacks, according to Scott.

Dairy Crest's Marchant believes snacking will continue to be a key area of growth for cheese – among adults in particular.

“We've worked with a number of retailers to introduce a dedicated ‘destination’ adult snacking shelf in the main cheese fixture,” he says. The brand is “moving single-serve grab & go lines to front-of-store food-to-go chillers, making them more readily available and visible to shoppers on a ‘need it now’ mission,” Marchant adds.

As brands are on a ‘need it now’ mission of their own when it comes to sales, this could prove vital.



Cheese advertising went surreal this year with this creative from Pilgrims Choice, based on the idea that cheese fuels vivid dreams. The dream-like imagery, including a cheese-loving pirate, was all part of the brand's bid to highlight its “anti-bland and pro-punchy” ethos. All of which was underpinned by parent brand Ornu's belief that cheese brands need to invest in above-the-line marketing to communicate their value.

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(1) AC Nielsen, Total UK, Value Share of Cheese Snack Formats, 52 w/e 03.11.18 (2) Kantar WPO, Babybel, Penetration within Lunchbox Cheese, 52 w/e 04.11.18
(3) AdDynamix November 2018

dairy: drinks



Inflation turns milk into cash cow

Carina Perkins

After years of commoditisation, milk is turning into a cash cow for retailers and brands. Sales of fresh milk have accelerated for a second consecutive year, with Brits splashing out an extra £70.9m over the past 12 months, while sales of flavoured milk are up by £30.4m.

Admittedly, it's not all good news. Volumes are still down by 1.6%. The growth in fresh milk sales has been driven by inflation, with a 4.6% rise in average prices. This is partly down to the "increased costs of dairy production", says Vanessa Pollard, client analytics executive at Nielsen. At the beginning of 2018, dairy commodity markets had recovered slightly from the 2017 supply crisis that prompted the major supermarkets to abandon their price wars and hike prices on own-label milk SKUs. But the summer heatwave heaped pressure on feed and forage, adding costs to the supply chain and driving up farm-gate prices yet again.

However, price inflation isn't just down to an increase in the cost of standard milk, says Rebecca Oliver-Mooney, head of customer value at Müller Milk & Ingredients. There has also been a "significant contribution from the volume growth of added value sectors such as filtered, organic and dairy alternatives, which have a higher pence per litre", she adds.

TOP10 Fresh milk & milk alternatives				SALES			
				£m	change (£m)	change (%)	
Total volume change: -1.6%				TOTAL CATEGORY	2,729.7	70.9	2.7
				TOTAL OWN LABEL	1,872.6	59.8	3.3
1	1	Cravendale	Arla Foods	148.2	-0.5	-0.3	
2	3	Alpro	Alpro	134.4	11.3	9.1	
3	2	Müller	Müller Milk & Ingreds	91.0	-31.9	-25.9	
4	4	Freshways	Nijjar Dairies	58.3	4.6	8.6	
5	5	Lactofree	Arla Foods	50.0	3.0	6.5	
6	6	Watsons	Medina Dairy	38.6	-2.0	-4.9	
7	7	Yeo Valley	Yeo Valley Farms	23.0	-3.8	-14.1	
8	8	Graham's The Family Dairy	Graham's Family Dairy	17.9	0.6	3.4	
9	14	Oatly	Oatly	16.2	7.0	75.3	
10	10	St Helen's Farm	St Helen's Farm	15.3	0.1	0.9	

TOP5 Drinking yoghurts				SALES			
				£m	change (£m)	change (%)	
Total volume change: -0.7%				TOTAL CATEGORY	180.6	1.4	0.8
				TOTAL OWN LABEL	18.1	2.1	12.8
1	1	Actimel	Danone	91.0	-1.5	-1.7	
2	2	Benecol	Raisio	45.2	-0.9	-1.9	
3	3	Yakult	Yakult	17.0	1.1	7.2	
4	5	Mlekovita	Mlekpól	1.8	0.4	31.9	
5	6	Lowicz	OSM Krasnystaw	1.2	0.1	10.5	

TOP10 Flavoured milk				SALES			
				£m	change (£m)	change (%)	
Total volume change: 4.7%				TOTAL CATEGORY	349.5	31.0	9.7
				TOTAL OWN LABEL	57.1	4.1	7.7
1	1	Yazoo	Campina	52.8	4.7	9.8	
2	2	Starbucks	Arla Foods	51.5	8.5	19.9	
3	3	Frijj	Müller	37.6	-0.4	-1.1	
4	4	Weetabix	Weetabix	17.1	-2.8	-14.2	
5	7	Emmi	Emmi	15.3	2.6	20.7	
6	6	Mars	Mars Consumer Drinks	13.9	0.1	0.6	
7	5	Dunn's River	Grace Foods UK	12.9	-1.4	-9.9	
8	9	Alpro	Alpro	11.5	1.9	19.5	
9	8	For Goodness Shakes	My Goodness	11.1	0.5	4.3	
10	12	ÜFit	Lacka Foods	6.6	2.2	50.6	



TOP LAUNCH 2018

Milk & Oats Arla

Forget liquid lunch. Health-minded but time-poor Brits are increasingly turning to beverages for breakfast. Sales of breakfast drinks surged 30% between 2016 and 2017, according to Arla, which charged into the on-the-go breakfast category in May 2018 with Milk & Oats – a hearty blend of skimmed milk and wholegrain oats. Available in Maple and Vanilla variants, it's high in protein, low in fat, a source of calcium and contains vitamins B2 and B12 for a nutritious but convenient on-the-go meal.

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dairy: drinks



➤ Growing demand for added value milks is being driven by “a range of motivations from health benefits and longer use-by dates to ethics and different tastes”, says Oliver-Mooney, who admits it has come at the expense of standard milk sales. Müller Milk has suffered a 30.8% volume loss, wiping £31.9m off the brand’s retail sales, while own-label volumes have dipped 1.4%.

In contrast, filtered giant Cravendale has maintained steady sales, while Arla stable-mates Big Milk and BOB Milk have grown value sales by 26% and 36.4% respectively. “Arla’s Big Milk – milk enriched with vitamins especially for children aged one to five years – is an example of where a manufacturer has focused on added functionality to diversify,” says Pollard. Arla’s Lactofree, which caters to lactose-intolerant shoppers, has also performed well.

But the big success story has undoubtedly

“Arla has focused on added functionality to diversify with its Big Milk”

been milk alternatives. Between them, Alpro and Oatly have added almost £19m in value to the category over the past year. And with sales totalling £134.4m this year, Alpro has overtaken Müller to become the UK’s second biggest brand in milk and milk alternatives. “Our plant-based drinks have performed incredibly strongly over the last year with value sales across our chilled and UHT ranges up by 7% and 15% respectively,” says Vicky Bhattu, head of marketing at Alpro UK & Ireland. “One of the key drivers of this is the

sustained and rapid increase in demand for plant-based food and drink – with one in three households now buying these products every week.”

Alpro is enjoying double-digit growth in flavoured milks, too, with the recent launch of its ready-to-drink Alpro Caffè range.

Dairy-based flavoured milks are also in strong growth, though. Total value sales have surged by £30m (9.7%) over the past 12 months, with volume sales up 4.7%.

Health has again been a key driver, with the category as a whole benefiting from the introduction of the sugar levy in April 2018. “Dairy drinks with more than 75% milk are exempt from the levy,” says a Yazoo spokeswoman. “This has raised the profile of the category and served as a reminder to consumers and customers of the goodness of dairy drinks as an alternative to carbonated soft drinks.”

Even indulgent dairy drinks like Shaken Udder are benefiting to the tune of a whopping 58.4% increase in value. The brand has gained “more listings in the food-to-go sector” in the wake of the levy, says Shaken Udder co-founder Andy Howie. “Our milkshakes are also a healthier alternative to sugary chocolate bars or sweets, providing that instant sweet gratification whilst delivering multiple other benefits such as a B12, calcium and protein boost,” he adds.

On the flip side, yoghurt drink brands are having to work harder to convince shoppers of their benefits. Despite cutting added sugar out of its probiotic yoghurt drinks in March 2018, market leader Actimel saw sales dip 2% on volumes down 2%, while rival Benecol also saw volume and value decline.

Instead, the tide seems to be turning in favour of trendier options. Kefir pioneer Bio-tiful Dairy saw sales surge by 65% on volumes up 60%, reflecting growing demand for “naturally functional” drinks, says founder and MD Natasha Bowes. “Bio-tiful Dairy’s drinks provide support for gut health, a natural source of protein and essential vitamins and minerals including B2, B12, A, K, D vitamins, calcium, phosphorus, iron, zinc and magnesium,” she says. “Kefir is also a lot more powerful in probiotics than yoghurt as it contains over 40 strains of gut-friendly bacteria – while yoghurt typically has a couple.”

And kefir doesn’t come cheap, suggesting shoppers are still happy to splash their cash on milk drinks that offer genuine health benefits. Something brands should keep in mind as they innovate for 2019.



Alpro strengthened its play for the coffee market this year with the launch of its RTD Caffè range. Starting with one-litre cartons in Veganuary, the range was expanded to include single-serve, on-the-go products in summer. The two flavours – Coffee & Soya Caramel and Coffee & Coconut – aim to provide the “ultimate ‘me-time’ moment on the go”. All of which helped Alpro’s flavoured milk business rack up a 19.5% increase in value to £11.5m.

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TOP TEN DAIRY YOGURT MANUFACTURER



Source: Nielsen data 52 w/e 9th Sept 2018 –
Total Coverage inc. Discounters

dairy: yoghurts & desserts



Top brands lose out to innovators

Kevin White

Twelve months after a chastening slump that saw the top yoghurt brands haemorrhage sales, things haven't got any easier for the category's giants. Just one of the top eight brands – Activia – posted an increase in value. But even that 2% increase to £142m was driven by price rather than volume, which fell by 3%.

The remaining seven brands racked up combined losses of almost £30m, with market leader Müller Light the biggest victim, losing £14.3m in value (an 8% drop).

Müller aside, many of these losses would have been even higher if it weren't for price rises. Yeo Valley is 6.7% more expensive, Fage is up 4.8% and Cadbury is up 2.9%.

Indeed 2018 was the year yoghurts finally experienced the inflation seen in other parts of the dairy category. Average prices increased 3.4%, rising to 4.4% for brands.

These price rises aren't the only thing putting consumers off the big names. Retailers are also looking for “new ways to differentiate”, suggests Müller Yogurt & Desserts head of category Carol Hand. That means increasing shelf space not only for own label – up 12.8% in value on volumes up 12% – but also “alternative brands”. In this case, alternative means catering to trends such as free-from, health and indulgence, says Nielsen analyst Kate Goodman.

TOP20 Yoghurts & potted desserts				SALES		
Total volume change: -0.7%				£m	change (£m)	change (%)
TOTAL CATEGORY				1,990.6	1.4	0.8
TOTAL OWN LABEL				548.8	2.1	12.8
1	1	Müller Light	Müller	162.3	-14.3	-8.1
2	2	Müller Corner	Müller	150.1	-0.6	-0.4
3	3	Activia	Danone	142.0	2.8	2.0
4	4	Yeo Valley	Yeo Valley Farms	106.0	-5.1	-4.6
5	5	Onken	Emmi	59.0	-0.4	-0.6
6	7	Fage	Fage	58.3	-0.2	-0.4
7	6	Cadbury	Müller	55.9	-3.2	-5.4
8	8	Petits Filous	Yoplait	49.8	-5.6	-10.2
9	12	Alpro	Alpro	43.5	8.3	23.7
10	10	Gü	Gü	43.1	5.6	15.0
11	9	Müller Rice	Müller	38.6	0.0	-0.1
12	11	Munch Bunch	Nestlé	36.4	0.0	-0.1
13	14	Arla	Arla Foods	35.9	5.8	19.1
14	19	Light & Free	Danone	31.8	7.6	31.3
15	16	The Collective	Epicurean Dairy	31.3	3.5	12.5
16	13	Yoplait Wildlife	Yoplait	28.1	-5.8	-17.1
17	15	Rachel's Organic	Nestlé	26.0	-4.0	-13.3
18	18	Oykos	Danone	25.9	0.3	1.2
19	20	Frubes	Yoplait	22.9	-0.6	-2.4
20	17	Weight Watchers	Yoplait	21.5	-4.3	-16.7

A look at the high-performing brands tells you all you need to know. Free-from giant Alpro is up 24%, indulgence guru Gü has risen 15% and health-orientated brands Arla and Danone's Light & Free have increased 19% and 31% in value respectively. Those value gains were matched by similar strides in volume terms.

Smaller, premium brands have also benefited from the shift in consumer behaviour. The Collective registered a 12.5% increase in value to £31.3m, bringing it into the top 15 for the first time. Meanwhile, Nomadic has delivered a 29% sales boost to £16.9m by catering to on-the-go and convenience trends.

But a fightback could be on the cards from the big guns, suggests Nielsen analyst Rupert

Austin, as they take a leaf out of the book of smaller players.

Leading brands are no longer relying on the same formulaic approach to NPD, says Austin. He cites the success of Danone's Light & Free skyr, which includes 0% fat and 0% added sugar variants for the health-conscious crowd.

Brands have also continued to cater for demand for big pots, which have risen 3.2% in value according to Nielsen. Meanwhile, Hand points to this year's launch of Müller Corner Plain – made with unsweetened, natural, high-protein Greek-style yogurt – as another example of on-trend innovation.

Hopefully that will translate to some sweet growth for the big boys. ●



TOP LAUNCH 2018

The Collective Kefir The Collective Dairy

The Collective has been busy on the kefir front this year. First came the kefir drinks range – described as a major new direction for the brand – in April. That initial dabble was swiftly followed by the launch of this on-trend kefir yoghurt range in October with four flavours: Natural, Madagascan Vanilla, Berries 'n' Hibiscus and Coconut. Co-founder Amelia Harvey says the “completely guilt-free” products contain 30% less sugar than other flavoured yoghurts.

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Dairy-free leads double-digit growth

Angelina Mason

Oatly's latest ad campaign has caused quite a stir. The Swedish oat milk brand has brought its controversial slogan – 'Like milk, but made for humans' – to the UK. That's despite being successfully sued three years ago for its use by the Swedish dairy industry, who said it portrayed cows' milk as unhealthy.

But far from crying over spilt milk, Oatly had reason to celebrate. Its sales in Sweden reportedly rocketed by 45% after the lawsuit was filed. Oatly hopes its £700k marketing push in the UK will similarly convince consumers to make the switch from traditional milk (without the need for legal proceedings).

It has plenty of reason to feel confident. Over the past year, sales of its oat-based products have soared 71.4% to £18.5m on volumes up 57.2%. Its £7.7m absolute growth was the third highest in our list of free-from brands, behind Alpro and Halo Top.

That those three brands are all primarily dairy-free (the Halo Top figure also includes gluten-free) is no coincidence. For this has emerged as an area of particular activity in the already fast-growing free-from market – the fourth fastest in this report, in fact.

The 11 dairy-free brands in the top 50 amassed collective growth of £59.4m or 24.9% – higher than the total category's of 16.5%. According to Nielsen, dairy-free is now

TOP20 Free-from				SALES			
				£m	change (£m)	change (%)	
Total volume change: 13%				TOTAL CATEGORY	1,416.3	200.3	16.5
				TOTAL OWN LABEL	226.0	35.3	18.5
1	1	Alpro	Alpro	204.2	23.2	12.8	
2	2	Lactofree	Arla Foods	61.7	4.0	7.0	
3	3	Nakd	Lotus Bakeries	38.5	1.1	3.0	
4	6	The Collective Dairy	Epicurean Dairy	32.3	4.3	15.2	
5	5	Genius	Genius Foods	30.7	-1.2	-3.9	
6	4	Eat Natural	Eat Natural	29.7	-2.9	-8.8	
7	7	Schär	Dr Schär	28.6	2.8	10.7	
8	8	Nairn's	Nairn's Oatcakes	25.3	2.6	11.7	
9	16	Oatly	Oatly	18.5	7.7	71.4	
10	9	Kallo	Wessanen	17.9	0.2	0.9	
11	15	Nature Valley Protein	General Mills	17.2	5.3	44.1	
12	12	Warburtons Gluten Free	Warburtons	16.0	2.3	16.8	
13	11	Kettle Chips	Kettle	15.6	1.0	7.0	
14	14	Trek	Lotus Bakeries	14.7	2.8	23.5	
15	10	Seabrook	Seabrook Crisps	14.1	-0.8	-5.3	
16	18	Koko	First Grade Int	12.9	3.1	31.9	
17	13	Mrs Crimble's	Wessanen	11.1	-1.0	-8.2	
18	21	Rude Health	Rude Health	10.9	2.6	30.8	
19	NEW	Halo Top	Halo Top UK/Eden	10.3	10.3	●	
20	30	Violife	Arivia SA	10.0	4.4	78.5	

worth a whopping £450.3m.

It's an opportunity that hasn't gone unnoticed by the supermarkets. In November, a Waitrose report revealed a quarter of its 'milk' range is now made up of non-dairy options. Oat milk was named the largest area of growth at 116%, followed by coconut milk at 60%. The same report found one in eight Brits (13%) identify as vegan or vegetarian.

The dual virtues of being free-from and vegan-friendly mean dairy-free is even more appealing to 'lifestylers' – people who shop the free-from aisle by choice, as opposed to necessity – than other areas of the market. "Dairy-free is an ever-expanding corner because it's not specific to people with a medical intolerance," says Ishen Paran, Oatly's

general manager in the UK.

All of which has helped beacon dairy-free brand Alpro to not only strengthen its leadership in the market – up 12.8% to £204.2m – but to regain its position as the second largest fresh milk brand (see p122).

"The sustained growth of plant-based food and drink, and the growing awareness of the benefits such as vitamins and minerals that products such as ours can offer, has been fundamental to the growth of the free-from market as a whole," says Vicky Bhattu, marketing director at Alpro UK & Ireland. "We're now focused on making things available in ways that are as convenient as possible for our shoppers which cater to different needs and usage occasions, all throughout the day." ➔



TOP LAUNCH 2018

Innocent dairy-free range Innocent

Never one to miss a trick, Innocent took aim at the growing dairy-free market with a range of nut and oat milks in spring. A whopping £4m of investment and a year of development went into the original trio of Almond, Hazelnut and Oat, followed up with a Coconut variant just months later. In less than six months, the range brought in £1.9m, according to Nielsen. Plus, each bottle is fully recyclable and made with at least 30% recycled PET.

free-from



☞ This fresh focus on convenience manifested itself in the launch of its ready-to-drink Caffè range in May. The new formats secured Alpro its “first ever listing in Boots as part of the retailer’s meal deal offering”.

So hot is dairy-free that mainstream brands are lining up to take a slice of growth. Most notable of these is Innocent, which launched its nut and oat milk range (see Top Launch) in spring to gain £1.9m. Then there was Ben & Jerry’s, which unveiled its non-dairy range of ice-creams in the UK last year. Newcomer Halo Top was also quick to follow up the launch of its ice cream range in January with dairy-free (and soy-free) lines in the summer. The range is proving successful, says the brand, with sales of these products totaling £10.3m. “Dairy-free is growing across virtually all categories due in large part to the surge in popularity of veganism,” says Doug Bouton, Halo Top president & COO.

“Health and wellbeing is on the radar more than ever before”

But it’s not just veganism contributing to dairy-free sales, says Seb Mullin, managing director of Rude Health. “We’ve found that the appeal of our dairy-free drinks goes far beyond those who choose to commit to a vegan diet or who choose us because of food intolerances. A 2017 Mintel report found that 90% of dairy-alternative shoppers also have milk or other dairy products in their basket. This suggests that there are many consumers who are buying our dairy alternatives for their flavour, variety and versatility.”

Alpro’s Bhattu says consumers are also

buying into plant-based products for health reasons. “Health and wellbeing is on the radar more than ever before, across all walks of life. This is shown by popular retailers such as Tesco having taken steps to employ someone like Derek Sarno to be their director of plant-based innovation.”

Indeed, there’s no shortage of examples to show just how seriously the retailers are taking the free-from opportunity. Own label sales across the entire category have grown by 18.5%, outpacing branded growth of 16.1%. Waitrose relaunched its own allergen-free range in October, changing its name from Love Life to Free From and launching 14 gluten-free and four lactose-free products. Sainsbury’s launched a range of nut milks that undercut brands at a price of £1 per litre.

Even the space-squeezed discounters are upping their game. Lidl announced its permanent gluten-free range Just Free in April, featuring products for as low as 70p. “These ranges are priced substantially lower than equivalent products from specialist brands, which should help to make free-from foods affordable,” says Alyson Parkes, research analyst at Mintel. Its figures indicate 35% of consumers “would be interested in a wider range of free-from foods at discount stores”.

This number is likely to rise as the Department of Health prepares to restrict the number of gluten-free items available on prescription solely to bread and flour mixes. When these changes will take place is yet to be determined but when they do, it is likely to send yet more free-from business the way of the retailers.

Demand for gluten-free is already pretty healthy. Although market leader Genius is experiencing a rare value decline – down 3.9% in value on volumes up 2.5% – other brands are raking in the cash. Schär is up 10.7% in value, representing £2.8m in extra sales. That was bolstered by the launch of two “first to market” chocolate products – Schär Tempties and Schär Melto – in July that “experienced record-breaking units of sale”.

Oatcake maker Nairn’s also experienced a strong year of growth, with value up 11.7% on volumes up 9.4%. Head of marketing Emma Heath says the brand will be expanding its gluten-free range over the coming months, with launches including caramelised onion flatbreads and “popped oat snacks”.

With government legislation and a vegan revolution on its side, the free-from boom looks far from over.



Oatly took aim at the conventional milk market in October with the launch of Whole, Semi and Skinny products. The oat milks look to replicate the fat content and relative creaminess of cow’s milk, with a 0.5% fat content for its Skinny SKU, 1.5% for Semi and 2.8% for its “perfectly smooth and creamy” Whole variant. All this was backed up by a bold new campaign with the tagline ‘Like milk, but made for humans’.

fresh: fruit & veg



Berry boom sends fruit & veg skywards

Rachel Graham

Veg sales are back from the brink. For the first time since we first included fresh produce in this report back in 2014, veg is in value and volume growth, adding £36m in 2018.

But it's fruit that was responsible for the total market smashing £10bn this year, accounting for three quarters of the £179.6m growth. One particular type of fruit – the berry – added £94m to that figure. Standout performer blueberries hit double-digit growth in value and volume, overtaking clementines to claim the number five spot.

There are a number of reasons at play. Snacking is on the up and punnets tap demand for convenience, says British Summer Fruits chairman Nick Marston. That blueberries have been named a 'superfood' won't have hurt either, nor will the fact growers extended the growing season.

Other fruit isn't faring as well. While a 7.3% rise in average price has pushed the value of apples up, volumes have plunged by 12.6 million units.

Still, the industry is hoping the overall 5-a-day message won't be forgotten. To drum it home, it has just thrown its weight behind a primetime TV ad campaign to boost veg sales, due to premiere in January.

The most influential factor in this year's veg sales, though, has been weather. Tomatoes,

TOP10 Vegetables

		SALES			
		£m	change (£m)	change (%)	
Total volume change: 1.4%		TOTAL CATEGORY	5,088.4	36.4	0.7
1	1 Potatoes	785.5	-40.0	-4.8	
2	2 Tomatoes	662.3	17.0	2.6	
3	3 Dry leaf salad	466.7	-4.8	-1.0	
4	4 Mushrooms	295.7	0.4	0.1	
5	5 Peppers	284.0	24.0	9.2	
6	6 Avocados	224.3	8.1	3.7	
7	7 Onions	192.3	5.2	2.8	
8	8 Broccoli	183.2	11.3	6.6	
9	9 Cucumbers	180.5	11.8	7.0	
10	10 Carrots	156.1	-1.3	-0.8	

TOP10 Fruit

		SALES			
		£m	change (£m)	change (%)	
Total volume change: 0.7%		TOTAL CATEGORY	4,923.9	143.2	3.0
1	2 Apples	625.0	24.8	4.1	
2	1 Grapes	588.9	-15.9	-2.6	
3	3 Bananas	574.0	22.6	4.1	
4	4 Strawberries	533.8	30.5	6.1	
5	6 Blueberries	349.9	42.7	13.9	
6	5 Clementines	320.7	10.2	3.3	
7	7 Raspberries	299.9	21.1	7.5	
8	8 Pears	163.7	6.7	4.2	
9	9 Fruit salad	148.6	-2.6	-1.7	
10	10 Oranges	134.2	0.4	0.3	

peppers and cucumbers grew in one of the hottest summers on record, which according to Florette resulted in an additional 27 million barbecues. But other salad stalwarts like lettuce and dry leaves lost £8.4m combined. Although volumes rose – Florette says more than one million extra shoppers bought into the category – it wasn't enough to mitigate the fall in prices after the highs of 2017's shortages.

Overall, prices fell despite tough growing

conditions (spuds, carrots and sprouts were hit by the frozen March and hot summer). That took a particular toll on potatoes, the fastest falling product in this report by value.

The discounter focus on fruit and veg – Lidl boosted its fresh produce range by 25% – made price even more important. "We've had particular growth in our Oaklands Fun Size range, designed to encourage children to eat more fruit and veg," says Lidl buying director Paul Gibson.



TOP LAUNCH 2018

Waste Not Lidl

Taking aim at food waste, Lidl launched a bumper 5kg box of fruit and veg "no longer at its perfect best but still perfectly good to eat" in August. Boxes are sold for a bargain £1.50 between the hours of 8am and 10am, and anything left unsold goes to charity as part of Lidl's Too Good to Waste initiative. Initially launched in 122 of the retailer's locations, the boxes have since rolled out across its 710-strong portfolio, potentially saving some 10,000 tonnes of surplus produce each year.

fresh: meat, fish & poultry



Brits remain hungry for red meat

Kevin White

It may have been the year of the vegan, but that doesn't mean Brits are shunning all things carnivorous just yet.

In fact, despite the mults launching a glut of meat alternatives this year, there is little evidence shoppers are ditching meat, suggests AHDB's head of retail and food service engagement Matt Southam.

"Meat, fish and poultry teams haven't seen a reduction in space in store, and meat alternatives aren't taking up space previously reserved for meat," he says.

This is reflected in the category's sales figures. The nation spent almost £4.3bn on meat this year. That's just 0.2% (or £9.6m) down on 2017, and a far more positive picture than this time last year, when the industry reeled from much larger losses.

Even the most demonised area of the category – red meat – isn't faring badly. Beef added an extra £2.4m to its value. Sausage sales passed the £550m mark thanks to the hot summer. "The weather drove strong sales, particularly around burgers and sausages," says AHDB analyst Susie Stannard.

Bacon, which saw a 1.6% fall in value to £717.7m, also fared better than it may first appear. This corresponded with a 1.6% fall in average price, while volumes edged up 0.1%.

Still, it's the parts of the category that tend

TOP5 Fresh meat				SALES			
				£m	change (£m)	change (%)	
Total volume change: -0.3%				TOTAL CATEGORY	4,318.3	-9.6	-0.2
1	1	Beef		1,921.8	2.4	0.1	
2	2	Bacon		717.7	-11.5	-1.6	
3	3	Sausage		554.9	9.2	1.7	
4	4	Pork		489.4	2.4	0.5	
5	5	Lamb		403.9	-13.8	-3.3	

TOP5 Fresh fish				SALES			
				£m	change (£m)	change (%)	
Total volume change: 0.3%				TOTAL CATEGORY	1,863.0	39.4	2.2
1	1	Salmon		799.3	30.3	3.9	
2	2	Cod		185.2	8.4	4.7	
3	3	King prawns		150.5	3.1	2.1	
4	4	Haddock		139.1	3.4	2.5	
5	5	Prawn		91.6	-0.9	-0.9	

TOP3 Fresh poultry				SALES			
				£m	change (£m)	change (%)	
Total volume change: 1.5%				TOTAL CATEGORY	2,149.0	21.2	1.0
1	1	Chicken		1,679.2	25.1	1.5	
2	2	Rotisserie		262.6	1.3	0.5	
3	3	Turkey		165.2	-0.7	-0.4	

to appeal to today's more health-conscious, flexitarian consumer that have seen the most gains. The largest volume increase was in poultry, up 9.3 million kg. Proving high-profile food safety scandals haven't dampened public appetite, an extra 5.4 million kg of that was chicken. That increase was beaten only by rotisserie, selling an extra six million kg.

Fish was the winner in value gains, up £39.4m to just shy of £1.9bn. Commodity price inflation has been a major driver in that growth, as average prices soared across key

species salmon, cod and haddock.

Elsewhere, lamb was the biggest loser. Volumes plummeted 6.5% on the back of a 3.4% price hike driven by what the National Sheep Association described as a "shocking" lambing season. "Lamb's main barrier is the fact it is so expensive, and it also suffers from the drive towards dish-based recipes," Stannard adds. In other words, it's not a natural choice for your 'meat and two veg' dish.

Still, the fact 'meat and two veg' remains popular is cause for cheer in itself. ●



TOP LAUNCH 2018

Food for Superheroes ABP UK

ABP is hoping for a superhero-sized boost to sales with this DC Comics tie-up. Carrying either Batman, Superman or Wonder Woman branding, these products are designed to "create excitement for meat products in younger consumers", ABP says. The Food for Superheroes lineup includes three packs of six chilled pork sausages, three packs of 10 frozen sausages and three packs of four beef burgers, all of which are made entirely from British meat.

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AVAILABLE NOW AT

ASDA

frozen food



Pizza, fish & potatoes fuel rise in frozen

Ash O'Mahony

What separates a winner from a loser these days? If the performance of frozen food, up £37.9m (1.9%) on volumes down 0.5%, is anything to go by, a mix of products marketed on health and restaurant-quality cues goes a long way.

The past year saw the growth of frozen potatoes and pizza – up 2.2% and 4.2% respectively – accelerate from a year ago. Meanwhile frozen fish accrued an extra £21.1m (3.1%). Not every sector enjoyed a boost this year, though. Both frozen pastries and desserts remain on a downward spiral, dipping 2.8% (£3.2m) and 6.3% (£10.9m) respectively.

So, what made the winners win this year? What are desserts and pastries doing wrong? And what will be the key to maintaining growth in the coming year?

Health is perhaps the most significant factor in the frozen resurgence. The fastest growing frozen potato brand in the top five was Aunt Bessie's, which attributes its 10% growth to gaining new shoppers through healthy NPD, such as its Carb Swaps range including vegetable chips and carrot & swede mash. Similarly, premium healthy veggie brand Strong Roots leapt six places up the leader board to 11th this year.

Retailer efforts have helped. Initiatives like Iceland's 'Power of Frozen' and Sainsbury's 'Love your Freezer' campaigns have helped

TOP10 Frozen pizza				SALES			
				£m	change (£m)	change (%)	
Total volume change: 0.7%				TOTAL CATEGORY	414.1	16.6	4.2
				TOTAL OWN LABEL	166.7	5.8	3.6
1	1	Chicago Town	Dr Oetker	114.3	4.5	4.1	
2	2	Goodfella's	Nomad Foods	74.4	6.6	9.8	
3	3	Dr Oetker	Dr Oetker	48.8	-2.5	-4.8	
4	4	San Marco	Nomad Foods	4.3	0.4	11.4	
5	5	Schär	Dr Schär	1.6	0.2	18.6	
6	9	Alberto	Alberto	1.1	0.9	582.6	
7	7	Pizza Express	Pizza Express	1.0	0.2	33.0	
8	6	Gino's	Anaka Foods	0.7	-0.1	-8.5	
9	NEW	Findus	Nomad Foods	0.4	0.4	●	
10	NEW	Muscle Food	Muscle Food	0.3	0.3	●	

TOP5 Frozen desserts				SALES			
				£m	change (£m)	change (%)	
Total volume change: -7.3%				TOTAL CATEGORY	162.7	10.9	-6.3
				TOTAL OWN LABEL	95.5	4.5	-4.5
1	1	Aunt Bessie's	Nomad Foods	9.9	-0.2	-2.4	
2	2	Coppenrath & Wiese	Coppenrath & Wiese	4.6	-0.5	-9.3	
3	4	WeightWatchers from Heinz	Kraft Heinz Co	3.6	-0.4	-10.8	
4	5	Almondly	Almondly	2.5	0.2	10.5	
5	7	Chicago Town	Dr Oetker	1.5	0.4	39.4	

boost public awareness of frozen's health benefits. No wonder virtuous health brands like Deliciously Ella now see real potential in frozen (see below).

But if you ask McCain category controller Naomi Tinkler, it's going to take more than healthy NPD to maintain category growth next year. "As shoppers continue to move from big stores to discounters that offer a range of non-branded products, we must respond with innovative NPD that is unmatched by own label." Tinkler adds 2019 will see a raft of new launches from McCain as part of the brand's "commitment to innovation".

If there's one frozen category that has hit the healthy innovation nail on the head

this year, it's frozen fish. The Saucy Fish Co leapt into the top 10 this year with 105.6% value growth (£0.9m) despite only entering the frozen aisle in 2017. The brand says the majority of that growth came from attracting new, younger shoppers with premium NPD, which this year included Basa with Asian BBQ Sauce and Thai Spiced Fishcakes with a Red Chilli & Coconut Centre.

Young's took a similar route, expanding its premium Gastro range with new Alaska pollock fillets. "We've also launched our Simply Steam and Simply Bake range recently, which we created to attract a younger 'foodie' audience to the frozen category," says Jason Manley, head of frozen at Young's. That ➔



TOP LAUNCH 2018

Deliciously Ella meals

Until now, weight management brands have tended to dominate the 'healthier' end of the frozen ready meal market. The October launch of Deliciously Ella's frozen range, selling for up to £4.99 per pack, indicates a shift away from calorie counting towards high-end, wholesome nutrition. The plant-based recipes include everything from a Yellow Thai Curry with Peppers & Butternut Squash to a Sweet Potato & Black Bean Shepherd's Pie. Consider the freezer a new wellness destination.



CELEBRATING A YEAR AT THE TOP FOR THE CAPTAIN

No.1

- : Frozen Fish Brand¹
- : Campaign²
- : Media Investor³
(Main Meal Brands)

¹Source: AC Nielsen, Total Grocery, Frozen Fish, Value Market Share, 52 w/e 3.11.2018

²Winner of The Grocer Top Frozen Fish Campaign 2018

³Source: Nielsen Report Essity, Total Birds Eye media investment vs. UK FMCG Main Meal Food Category Brands MAT w/e 27.11.18

frozen food



TOP5 Frozen potatoes				SALES		
Total volume change: 1.2%				£m	change (£m)	change (%)
TOTAL CATEGORY				646.8	14.2	2.2
TOTAL OWN LABEL				213.8	8.5	4.1
1	1	McCain	McCain Foods	221.3	14.2	6.8
2	2	McCain Home Chips	McCain Foods	78.6	-8.7	-10.0
3	3	Aunt Bessie's	Nomad Foods	64.7	5.9	10.0
4	5	Birds Eye	Nomad Foods	21.5	0.0	0.2
5	4	McCain Micro	McCain Foods	19.9	-1.7	-7.8

TOP10 Frozen fish				SALES		
Total volume change: 0.0%				£m	change (£m)	change (%)
TOTAL CATEGORY				699.7	21.1	3.1
TOTAL OWN LABEL				349.7	13.7	4.1
1	1	Birds Eye	Nomad Foods	135.6	5.8	4.5
2	2	Young's Gastro	Young's	62.4	4.2	7.3
3	3	Young's	Young's	51.7	-0.1	-0.1
4	4	Young's Chip Shop	Young's	35.2	1.1	3.1
5	5	Birds Eye Inspirations	Nomad Foods	25.0	-5.4	-17.7
6	6	Arctic Royal	J Sykes & Sons	11.9	-0.7	-5.5
7	7	Whitby	Whitby Seafoods	5.7	-0.5	-8.7
8	8	Fishmonger's Favourite	Northcoast Seafoods	2.4	0.3	16.0
9	17	Birds Eye Gluten Free	Nomad Foods	1.9	1.2	177.6
10	15	The Saucy Fish Co	The Saucy Fish Co	1.8	0.9	105.6

TOP5 Frozen pastries				SALES		
Total volume change: -6.1%				£m	change (£m)	change (%)
TOTAL CATEGORY				109.9	-3.2	-2.8
TOTAL OWN LABEL				43.3	1.0	2.4
1	1	Greggs	Greggs	30.8	0.1	0.4
2	2	Birds Eye	Birds Eye	15.9	-1.2	-6.8
3	3	Holland's Pies	2 Sisters Food Group	10.4	-1.3	-11.0
4	4	Pukka Pies	Pukka Pies	1.9	-0.9	-32.1
5	5	Genius	Genius Foods	1.8	-0.7	-28.8

the brand's premium Gastro range is outperforming the main Young's brand with a 7.3% value increase on volumes up 4.8% (Young's main brand dipped 0.1% in value) is telling. This reflects the rise in demand for premium frozen fish, mainly among younger shoppers.

The trend inspired Birds Eye to cast a critical eye over its frozen fish range. "Younger, affluent shoppers are among those contributing to category growth, and they are switching to restaurant-quality frozen food," says marketing director Steve Challouma. "It's up to us to ensure that our products are of the highest quality possible." The brand revealed a new recipe for its fish fingers in May, and invested in improving quality across its frozen fish range this year, a move that was rewarded with an extra £5.8m (4.5%) in value. (Although overall the brand is suffering from flat sales, see below left.)

It's a very different story over in pizza. Dr Oetker attributes much of its 4.8% (£2.5m) value loss this year to "savvy, value-driven shoppers trading down to private label", though the manufacturer had better luck with its Chicago Town range. The brand was up 4.1% in value, driven by adventurous new flavours like Chicago Town Takeaway Sticky Sweet Cola BBQ.

Fellow top brand Goodfella's opted for the vegan route this year, launching its first plant-based SKU in April. "It's exceeded all of our expectations, achieving nearly £1m sales value to date," says head of marketing Claire Hoyle. This focus on growing corners of the market has proved profitable for Goodfella's, which says its gluten-free range has achieved 21.8% growth over the past year.

The impact of free-from is evident in other areas of the market, too. For instance, it's no coincidence that one of the only dessert brands in growth this year is Almondy, a gluten-free range. However, desserts and pastries haven't capitalised on the trends of free-from and health as much as other areas of frozen. To reverse their respective 6.3% and 2.8% value declines, they could do worse than take their lead from ice cream (see p152), which has seen momentous growth by offering healthier and free-from options alongside premium indulgence.

"Frozen desserts and pastries' decline is due to consumers reducing their consumption as they strive for a more balanced diet," says Aunt Bessie's Hannah Haas. So brands will need to up their game if they want to be winners next year.



Aye aye, Captain! In January, Birds Eye unveiled this new, hunkier incarnation of its seafaring poster boy as part of a multimillion-pound campaign. Still, the brand's combined sales in the five sectors measured on these pages are up just £500k (0.3%), meaning rivals are hot on its heels, especially in desserts and potatoes. The Captain might just have to up his game – or is it time he walked the plank?

THE FASTEST SELLING FROZEN POTATO BRAND IN THE MARKET*



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446% GROWTH YEAR ON YEAR*

*NIELSEN SCANTRACK SALES DATA, MAT 08 SEPTEMBER 2018

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TOTAL L'OR MEDIA
SPEND**

£63M

TOTAL L'OR BRAND
VALUE***

3.7M

TOTAL L'OR
HOUSEHOLD****



* The Grocer Top Products List 2018, (excluding alcohol and tobacco)

** L'OR Media spend since launch

*** Nielsen MAT w/e 03.11.18

**** Kantar 52wks w/e 07.10.18

L'OR WHY PURSUE ANYTHING LESS THAN GOLD

hot beverages



Growth from the ground up for coffee

James Halliwell

Talk about a nation of caffeine addicts. This year, Brits splashed out an extra £52m on their coffee fix. That money isn't necessarily going where you think. As much as our national love of coffee shops may be playing a part, it's not the posh, barista-style stuff driving growth.

The roast & ground market is certainly looking healthy, with a rise in prices and volumes taking its total value to £380.1m. But instant has yielded higher growth in absolute and percentage terms, across both value and volume. In fact, Nescafé instant coffee – up £20.7m to £398.1m – achieved higher growth than the entire roast & ground coffee market in absolute terms. So much for predictions of the instant cuppa dying a slow death.

Much of this has been down to a revamping of the instant offering. Leading brands Nescafé and Kenco did plenty to address negative perceptions of instant with their respective Azera and Millicano ranges. On the back of these new-wave instants has come a flurry of even more innovative NPD, which Nielsen analyst Hannah Chapman credits with driving market growth.

Take Nescafé Azera. Much of this year's activity focused on the launch of Azera Coffee to Go in March, a 'just add water' cup targeting the on-the-go crowd, which it says "shows

TOP10 Instant coffee				SALES			
				£m	change (£m)	change (%)	
Total volume change: 3.3%				TOTAL CATEGORY	737.2	36.4	5.2
				TOTAL OWN LABEL	81.8	1.1	12.4
1	1	Nescafé	Nestlé	398.1	20.7	5.5	
2	2	Kenco	Jacobs Douwe Egberts	134.9	14.2	11.7	
3	3	Douwe Egberts	Jacobs Douwe Egberts	48.0	-11.8	-19.7	
4	4	L'Or	Jacobs Douwe Egberts	35.9	17.8	98.7	
5	6	Percol	Food Brands	7.3	2.0	39.1	
6	7	Lavazza	Lavazza	5.4	0.3	5.3	
7	10	Mellow Birds	Jacobs Douwe Egberts	4.0	0.5	13.0	
8	8	Maxwell House	Jacobs Douwe Egberts	3.6	-0.5	-11.7	
9	9	Rappor	Jacobs Douwe Egberts	2.2	-1.4	-38.8	
10	11	Clipper	Clipper Tea	2.2	0.0	-1.5	

TOP10 Roast & ground coffee				SALES			
				£m	change (£m)	change (%)	
Total volume change: 2.8%				TOTAL CATEGORY	380.1	15.6	4.3
				TOTAL OWN LABEL	85.5	6.9	8.7
1	1	Tassimo	Jacobs Douwe Egberts	91.3	1.2	1.3	
2	2	Dolce Gusto	Nestlé	61.8	-6.7	-9.8	
3	3	Taylor's Of Harrogate	Taylor's Coffee	44.4	1.1	2.5	
4	4	Lavazza	Lavazza	39.8	4.0	11.1	
5	16	L'Or	Jacobs Douwe Egberts	7.9	6.9	691.6	
6	8	Starbucks	Starbucks	7.6	2.4	45.9	
7	5	Cafédirect	Cafédirect	7.2	-0.2	-3.1	
8	7	CaféPod	Cafepod	7.2	1.0	16.4	
9	6	Illycaffè	Illy	6.7	0.3	4.1	
10	9	Costa	Jacobs Douwe Egberts	4.1	-0.8	-17.0	

how our business is continually innovating and evolving with the times". Then there was the Nescafé Azera Nitro range, unveiled this summer to neatly coincide with the hot weather and growing demand for cold brew.

Kenco took a similar tack with its Iced Latte Sachets in July available in four flavour variants: Original, Vanilla, Salted Caramel and Coconut. Brand owner Jacob Douwe Egberts says it has embraced the "hot cold drinks" category, describing it as a "huge opportunity".

Others see plenty of opportunity in the traditional instant. Lavazza relaunched the Carte Noire brand with "rounder and smoother" flavoured variants in June and is eyeing £42m of annual sales, which would put it in fourth place in this ranking.

Nescafé, for one, must be pleased the instant market is booming. Because over in roast & grounded, its Dolce Gusto brand shed £6.7m – the largest absolute loss in the sector. Arch rival Jacobs Douwe Egberts, by ↗

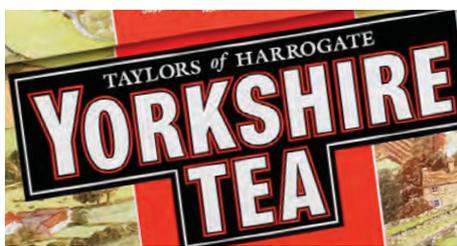


TOP LAUNCH 2018

Cold In'fuse Twinings

OK, so it's not technically a hot beverage. But it is the coolest launch in the market in more ways than one. Twinings took two years developing the technology behind its Cold In'fuse teabags, designed to liven up your tap water by infusing in just five minutes. The bags contain botanicals and small pieces of fruit in six lively flavours such as Passionfruit, Mango & Blood Orange. There are no nasty surprises, either: the bags contain only natural ingredients and no sugar.

hot beverages



TOP10 Tea				SALES		
Total volume change: -4.8%				£m	change (£m)	change (%)
TOTAL CATEGORY				555.2	-7.0	-1.2
TOTAL OWN LABEL				85.1	0.5	0.6
1	2	Twinings	ABF	104.9	-0.6	-0.6
2	1	PG Tips	Unilever	103.4	-9.9	-8.8
3	4	Yorkshire Tea	Taylors Tea	92.0	6.4	7.5
4	3	Tetley	Tata Global Beverages	89.1	-2.1	-2.3
5	5	Pukka	Unilever	19.7	3.2	19.0
6	6	Clipper	Clipper Tea	13.6	-0.6	-4.5
7	7	Typhoo	Apeejay	9.9	-3.6	-26.7
8	8	Teapigs	Teapigs	6.7	0.5	7.6
9	10	Tick Tock	Wistbray	4.1	0.5	15.2
10	9	Scottish Blend	Unilever	3.9	-0.4	-8.4

TOP10 Chocolate and malted drinks				SALES		
Total volume change: -5.4%				£m	change (£m)	change (%)
TOTAL CATEGORY				129.0	-3.3	-2.5
TOTAL OWN LABEL				15.2	-0.2	-1.0
1	1	Cadbury	Mondelez	30.3	0.4	1.4
2	3	Options	Twinings	13.6	1.8	15.6
3	2	Horlicks	GSK	12.3	-1.4	-10.5
4	4	Ovaltine	Twinings	10.6	0.2	1.7
5	5	Tassimo	Jacobs Douwe Egberts	8.9	-0.7	-7.1
6	8	Galaxy	Aimia	6.2	0.3	4.8
7	6	Cadbury Highlights	Mondelez	5.0	-1.4	-22.0
8	9	Cadbury Cocoa	Mondelez	4.2	-1.3	-23.9
9	7	Nescafé	Nestlé	4.1	-1.9	-31.4
10	10	Green & Blacks	Mondelez	3.7	-0.1	-1.7

contrast, racked up an extra £6.5m of sales between its five brands. Tassimo built on its leading position, but the standout performer was L'Or, whose Nespresso-compatible capsules have generated a whopping £6.9m extra sales in their second year, to rise up to fifth in the rankings.

Format is likely to be a key factor here. Nielsen's Chapman says "a lot of growth" has come from Nespresso-compatible ranges from brands like L'Or and CafePod, as well as own-label ranges (up 8.7%).

CafePod is indeed close to overtaking its nearest rival, Cafédirect, with a £1m boost to sales. "We've completely relaunched with a fresh new look, extended our range into ground and whole bean coffee and launched our first ever advertising campaign," it says. "Nespresso-compatible capsules are a boom area with new ranges, and brands and retailers are slowly opening up space. More and more consumers realise the convenience of buying these products in supermarkets."

Taylors of Harrogate, which has generated an extra £1.1m this year, says premium cues are also tempting consumers. "This has been a successful year for whole bean coffee," says senior brand manager Kelly Wright. "We recently launched new packaging to clearly signpost this growing sector, calling out 'beans' loud and proud on-pack. Premiumisation is showing no signs of slowing down and more and more consumers are appreciating speciality coffee and are prepared to pay more for it."

Sadly, premiumisation isn't working so well for tea. Prices are up 4.3%, but volumes have fallen a disappointing 4.8%. Even Twinings, which has taken the number one spot from PG Tips, experienced a dip in value and volume. The cause is clear: the standard black teabag is waning.

Tea brands are brewing up plenty of innovation in response. Twinings ventured into the cooler end of the market with its Cold Infuse product in April (see Top Launch). That was shortly followed by a rival Tetley product - Cold Infusions - which undercut Twinings at almost 11p cheaper per serving.

Unilever is taking a similarly innovative tack with PG Tips. Suffering an 8.8% drop in value on volumes down 4.9%, Unilever admits it's been a "challenging year for hot beverages". Still, it says "our focus this year has been on innovating from the core". Its latest PG2Go range, featuring recyclable paper cups with instant tea, hopes to "tap into the growing on-the-go trend". And the ↗



Boasting some seriously hot sales since its launch last year, L'Or became the fastest-growing roast & ground coffee brand in this year's report. Its high-profile ads, pictured, can't have hurt. Parent company Jacobs Douwe Egberts spent a whopping £8.3m on advertising [Ebiquity 52 w/e 31 May 2018], overtaking Nescafé as the top advertiser in hot beverages. The TV ads promised the capsules would 'ignite a moment of pure pleasure'.



The Nation's Favourite Tea Brand*



BOUGHT BY MORE HOUSEHOLDS THAN ANY OTHER TEA BRAND*

IT'S BACK !

The return of a UK Instant Coffee Icon worth £35 million*
Supported by a £3m Launch Campaign**



Rediscover the pleasure

hot beverages



☞ launch of PG Tips Perfect with Dairy Free in February responded to “consumer needs around diet and taste”, says Unilever, which promises “this is just the start for us”.

It also points to the popularity of matcha, which inspired the launch of Pure Leaf matcha in September. Unilever says matcha is “currently the fastest-growing segment of the global tea market”, as consumers look for both health benefits and an ‘experience’. “We are especially pleased to be the only brand on the market to produce a ginger flavoured matcha – proving our commitment to providing our consumers with something new,” it adds.

For proof of the popularity of these health-led alternative teas, look no further than fellow Unilever brand Pukka, up a whopping £3.2m. This was fuelled by the launch of four new organic herbal lattes this year (pictured right) all of which have been “expertly blended using medicinal-grade herbs and spices” with no added sugar or artificial sweeteners.

That’s not to say black tea is dead. As Typhoo points out, it still accounts for 80% of volume in the market. So despite suffering a difficult year in which it lost £3.6m, it believes the key to returning to growth “lies with re-engaging younger consumers with black tea”.

The success of Yorkshire Tea, which has moved up from fourth to third place, proves it’s not a lost cause. “It’s been a proper positive year for Yorkshire Tea,” says senior brand manager Ben Newbury. “We’re bucking the trend as the only major standard black tea brand in value and volume growth. After the success of Breakfast Brew and Bedtime Brew, we launched Biscuit Brew in March – a tea that tastes like tea and biscuits. The new addition has been well received, and is set to become the number one variant in our speciality tea range.”

Then there is Teapigs, which also bucked the market decline to achieve a 7.6% rise in value. Co-founder Louise Cheadle says its success is down to a “mixture of things. Teapigs has led the charge to get people drinking real, whole leaf tea again rather than the dusty stuff you get in paper bags. They’re interested in the quality of tea, where it is from, how it is sourced and they are also happier to pay a bit more for a quality product.”

Clipper is hoping people will also pay more for an environmentally-friendly product. In October, it claimed a world first with a non-GM, plastic-free teabag. Rebecca Vercoe, Clipper Tea brand controller at Wessanen



All the buzz around ‘superlattes’ made this year the perfect time for Pukka to unveil its organic herbal lattes. The four-strong range – available in Cacao Maca Magic, Majestic Matcha Chai, Ginger Joy and Turmeric Gold –made its debut in Tesco in September. Designed to be blended with nut milks and containing no added sugar or artificial sweeteners, they are certainly bang on trend.

UK, believes innovation like this is the key to growth “rather than feeling under pressure to push through” constant new variants. “Brands should look to key trends that younger consumers are interested in, like ethics, sustainability, plastic reduction and of course taste and quality.” Plenty of other players also see sustainable teabags as a crucial area. In February, PG Tips vowed to shift to “fully biodegradable, plant-based material”. A month later, Tetley and Bettys & Taylors announced trials of biodegradable and polypropylene-free options.

Which brings us, finally, to hot chocolate. It’s another market in need of a shake-up, with a 2.5% fall in value on volumes down 5.4%. Like tea, innovation is proving crucial to overcome this slump. Cadbury, whose value grew 1.4% despite a 0.7% dip in volume, has hardly been resting on its laurels. In June, it launched Cadbury Oreo Instant

Hot Chocolate. Looking to the future, brand owner Mondelez says it “will continue to invest in 2019 in order to drive growth and futureproof the category, increasing marketing investment by 56%”.

Galaxy is also reaping the rewards of innovation; its fairly modest 4.8% value growth masks an eye-watering 21.9% increase in volumes. Parent company Mars attributes this partially to the launch of Galaxy and Maltesers Hot Chocolate pods at the start of the year, which are “changing the dynamics of the category” and had a “strong return on sales in the first quarter”. “Pods are driving growth within the coffee category and our pods replicate this trend within hot chocolate,” says Michelle Frost, general manager for Mars Chocolate Drinks & Treats.

There’s clearly no room for standing still in the hot beverages market. Better keep that caffeine coming. ●

household: cleaning



Bargain hunt hits cleaning product sales

Rob Brown

Supermarket sales of household products are going down the plughole.

Sure, the combined 0.9% value loss of the five big sectors is an improvement on the 2.2% decline of 2017. But there's nothing too sparkly about the 2.4% volume decline. That's 20.2 million fewer packs sold.

Much of this is down to the rise of the discounters (not covered in these numbers). They now account for 30% of the overall category, with sales up 14%, according to P&G.

"Consumers' disposable incomes are being squeezed, so they're reacting in terms of where they shop and what they buy," says P&G sales director Ian Morley.

So retailers are making way for their own cheaper lines, up £18.7m (6.4%). That's come at the expense of brands, down £31.8m (2.9%).

Reckitt Benckiser is down £10.3m (3.1%) as Finish shed £7m, the year's greatest loss. Fairy Liquid contributed £4m to P&G's £10.2m (3.1%) loss. Unilever lost £4.6m (4.5%).

Not all are washed up, though. Eco brands Method and Ecover have weathered boycott calls from green groups objecting to new owner SC Johnson, posting respective gains of £2.4m (17.1%) and £3.1m (24.5%).

"Sustainability is an increasingly dominant influence," says Unilever homeware VP Gemma Cleland (see Top Launch).

TOP3 Toilet care				SALES			
				£m	change (£m)	change (%)	
Total volume change: -3.5%				TOTAL CATEGORY	197.8	-4.6	-2.3
				TOTAL OWN LABEL	55.0	-1.6	-2.9
1	1	Domestos	Unilever	57.3	-2.0	-3.4	
2	2	Toilet Duck	Johnson Wax	28.2	-1.8	-6.0	
3	3	Harpic	Reckitt Benckiser	27.9	1.1	4.3	

TOP3 Surface care				SALES			
				£m	change (£m)	change (%)	
Total volume change: 0.5%				TOTAL CATEGORY	331.3	-1.9	-0.6
				TOTAL OWN LABEL	75.6	5.4	7.7
1	1	Dettol	Reckitt Benckiser	68.4	-0.2	-0.3	
2	2	Flash	P&G	59.7	-2.6	-4.2	
3	3	Cif	Unilever	38.3	-2.5	-6.1	

TOP3 Hand dishwash				SALES			
				£m	change (£m)	change (%)	
Total volume change: -4.4%				TOTAL CATEGORY	173.6	-4.4	-2.4
				TOTAL OWN LABEL	34.5	1.1	3.3
1	1	Fairy	P&G	114.5	-4.0	-3.4	
2	2	Ecover	SC Johnson	7.2	1.1	17.9	
3	4	Method	SC Johnson	1.5	0.2	13.9	

TOP3 Auto dishwash				SALES			
				£m	change (£m)	change (%)	
Total volume change: -1.6%				TOTAL CATEGORY	239.6	-4.1	-1.7
				TOTAL OWN LABEL	57.9	4.1	7.7
1	1	Finish	Reckitt Benckiser	113.2	-7.0	-5.8	
2	2	Fairy	P&G	62.2	-1.9	-3.0	
3	3	Ecover	SC Johnson	5.0	0.7	15.9	

TOP3 Aircare				SALES			
				£m	change (£m)	change (%)	
Total volume change: -4.6%				TOTAL CATEGORY	426.1	1.9	0.5
				TOTAL OWN LABEL	87.1	9.7	12.5
1	1	Airwick	Reckitt Benckiser	99.5	-3.3	-3.3	
2	2	Glade	Johnson Wax	72.6	-2.3	-3.0	
3	3	Yankee	Newell Brands	41.9	1.1	2.7	



TOP LAUNCH 2018

Seventh Generation Unilever

This is a coming of age for household cleaning. The Seventh Generation range of biodegradable cleaning and laundry products is made from at least 91% plant-derived ingredients and comes in packaging made entirely from recycled and recyclable materials. October's launch of the range, which includes Lavender & Blue Eucalyptus detergent and All Purpose Cleaner that creates "no unpleasant fumes", will no doubt be sounding alarm bells for eco brands Method and Ecover.



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 ECO CLEANING PRODUCTS, FOR A GREENER FUTURE.



- ☆ 65% OF UK CONSUMERS WANT TO HAVE A POSITIVE IMPACT ON THE ENVIRONMENT¹
- ☆ CREATED USING 91% OR MORE PLANT-BASED INGREDIENTS
- ☆ BOTTLED USING 100% RECYCLED AND RECYCLABLE MATERIALS

#1 ECO-FRIENDLY BRAND IN THE US²

¹ Soil Association 2017 Report. ² ImagePower Global Green Brands Survey.

household: laundry



Own label cleans up in laundry

Rob Brown

Laudry brands are being left high and dry in the supermarkets. Detergents and conditioners have lost £41.3m (3%) combined; brands lost a whopping £48m (4%). Conversely, own label cleaned up to the tune of £6.7m, a rise of 4.6%.

“The category has suffered as a result of consumers continuing to purchase laundry products from the high street and discounters,” says P&G sales director Ian Morley. “The grocers have tried to compete by prioritising own label, which of course comes at a lower price, so this has driven down overall value.”

P&G has been hit hardest, with Lenor, Bold and Ariel losing £13.1m (9.4%), £11.1m (10%) and £10.2m (6%) respectively. The P&G brands measured here have lost £33.6m (5.5%) combined, while Unilever lost £14.1m (3%) and Reckitt Benckiser £2.7m (3.7%).

That’s said, it’s a turn for the better for Unilever, which last year saw its Persil brand haemorrhage £35m (15%), the third-greatest loss outside tobacco. This year it is down a far less worrying £8m, or 4.1%, in the supers.

“Much of Persil’s success is being driven by consumers trading up into capsule and gem formats,” says Unilever VP for homecare Gemma Cleland. Sure enough, in detergents, Persil Powercaps – promising to “remove stains, care and freshen” – came top in terms

TOP10 Laundry detergents				SALES			
				£m	change (£m)	change (%)	
Total volume change: -4.0%				TOTAL CATEGORY	930.1	-24.0	-2.5
				TOTAL OWN LABEL	111.8	8.0	7.7
1	1	Persil	Unilever	189.1	-8.0	-4.1	
2	2	Ariel	P&G	159.0	-10.2	-6.0	
3	3	Fairy	P&G	117.7	1.6	1.4	
4	3	Bold	P&G	99.8	-11.1	-10.0	
5	5	Surf	Unilever	97.4	-5.2	-5.0	
6	6	Vanish	Reckitt Benckiser	56.7	-3.7	-6.1	
7	7	Daz	P&G	42.1	1.0	2.4	
8	8	Ecover	SC Johnson	14.0	1.3	9.9	
9	9	Dettol	Reckitt Benckiser	9.2	0.7	8.6	
10	10	Dylon	Henkel	7.7	0.5	7.4	

TOP5 Fabric conditioners				SALES			
				£m	change (£m)	change (%)	
Total volume change: -4.1%				TOTAL CATEGORY	388.7	-17.3	-4.3
				TOTAL OWN LABEL	41.9	-1.3	-3.0
1	1	Comfort	Unilever	177.2	-1.3	-0.7	
2	2	Lenor	P&G	126.6	-13.1	-9.4	
3	3	Fairy	P&G	24.7	-0.2	-1.0	
4	4	Febreze	P&G	11.1	-1.5	-12.1	
5	5	Ecover	SC Johnson	3.7	0.5	14.5	

of growth, followed by Ariel Touch of Lenor.

Morley says cementing the value of pricier capsule formats in shoppers’ minds will be key to driving value back into the sector. He says numbers for the past 24 weeks suggest this process is already underway, with Fairy and Ariel liquid tabs up 12%.

“The reality is that no one is going to increase the amount of washing loads they carry out,” he says. “Once you accept this, it’s clear that the only way to drive category value is to provide premium formats.”

Conditioners have taken a similar tack. Comfort’s new Perfume Deluxe lines delivered the highest growth by promising sophisticated, long-lasting fragrance.

But it’s not all about encouraging consumers to pay more per wash. Cleland says growing distribution in the discounters helped drive a 1.9% rise in frequency for Persil.

At the time of writing, Lidl was selling 3.185kg of Persil Powder for £5.79. That’s a saving of nearly 5p per wash on the largest format sold by Tesco (2.6kg at £7). Conversely, Tesco’s largest Persil Small & Mighty Liquid format (1,995ml for £9) weighs in at just under 16p a wash. That’s more than a penny cheaper than buying 875ml for £4.29 at Lidl.

“The category is shifting towards the largest pack sizes,” says Nielsen senior client manager Eva Somosvari. So if you’re not going premium, you’d better go large. ●



TOP LAUNCH 2018

Day 2 Unilever

There’s no excuse for stinky clothes any more. Claimed to be the world’s first dry wash spray for clothes, Unilever’s Day 2 is poised to “revolutionise” the laundry market. That’s not all. One 200ml bottle has the potential to save 60 litres of water, says Unilever, whose research suggests 40% of the average washload is “not actually dirty”. The product comes in three variants – Original, Denim and Delicates – and claims to leave clothes with a “light and airy fresh linen smell”.

household: paper products



Posh NPD helps paper add £32.7m

Steve Farrell

Paper products have hit a turning point. After years of stubbornly flat or declining value, toilet tissue, facial tissue and kitchen towels have added an extra £32.7m to their sales. That was largely driven by rising prices, rather than rising volumes.

It's a turnaround for a category once so beleaguered by bargain-hunting in the form of switching to the discounters, own label gains or online bulk buying that price hikes seemed unthinkable. Despite valiant attempts from the likes of Andrex to push more premium wares, consumers generally stuck to the cheapest option available.

So is the premium message finally getting through? Or is it simply a case of inflation finally hitting paper products?

Inflation has certainly played a part. "Cost inflation continues to be a challenge for manufacturers due to the cost of raw materials following the Brexit vote," says Nielsen senior analyst Matt Carpenter.

There's also the matter of retailer pricing strategies. In the pursuit of everyday low pricing, supermarkets are cutting back on promotional activity across paper. "Sainsbury's are no longer promoting toilet tissue on the gondola end, while Tesco and Asda are pursuing volume-led strategies with the growth of larger pack sizes," says Carpenter. ➔

TOP5 Toilet tissue				SALES			
				£m	change (£m)	change (%)	
Total volume change: -0.1%				TOTAL CATEGORY	1,059.1	17.4	1.7
				TOTAL OWN LABEL	519.4	25.9	5.3
1	1	Andrex	Kimberly-Clark	346.7	-1.1	-0.3	
2	3	Cushelle	Essity	75.8	14.7	24.1	
3	2	Velvet	Essity	52.7	-30.1	-36.4	
4	8	Petal Soft	Intertissue	11.1	6.1	122.8	
5	4	Nicky	Sofidel	10.8	-1.3	-10.8	

TOP5 Nappies				SALES			
				£m	change (£m)	change (%)	
Total volume change: -5.5%				TOTAL CATEGORY	300.8	-15.3	-4.9
				TOTAL OWN LABEL	101.4	-12.4	-10.9
1	1	Pampers	P&G	194.7	-3.0	-1.5	
2	2	Naty	Naty	3.2	-0.1	-4.0	
3	3	Happy Shopper	Booker	0.8	0.1	14.0	
4	NEW	Kit & Kin	Kit & Kin	0.3	0.3	●	
5	5	Dimple	Connect Marketing	0.1	0.0	-31.6	

TOP5 Kitchen towels				SALES			
				£m	change (£m)	change (%)	
Total volume change: -0.9%				TOTAL CATEGORY	356.8	8.5	2.4
				TOTAL OWN LABEL	159.6	14.4	9.9
1	1	Plenty	Essity	87.5	-5.7	-6.1	
2	2	Regina	Intertissue	83.0	-1.9	-2.3	
3	3	Nicky	Sofidel	4.9	-0.3	-5.8	
4	4	Mega	Accrol Papers	3.2	0.5	17.0	
5	5	Renova	Renova	2.2	0.8	56.2	

TOP5 Facial tissues				SALES			
				£m	change (£m)	change (%)	
Total volume change: 3.2%				TOTAL CATEGORY	209.0	6.8	3.4
				TOTAL OWN LABEL	85.6	0.0	0.0
1	1	Kleenex	Kimberly-Clark	112.8	5.8	5.5	
2	2	Velvet	Essity	4.0	-0.1	-3.5	
3	3	Handy Andies	Essity	1.0	0.2	22.1	
4	4	Softy	Accrol Papers	0.8	0.2	43.1	
5	12	Gentle & Soft	Essity	0.6	0.4	168.1	



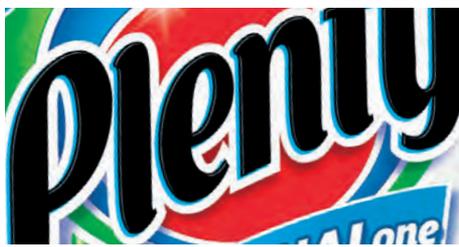
TOP LAUNCH 2018

Cushelle Quilted Essity

This is a shining example of the premiumisation trend in paper products. Essity started the year with a £12m investment in the machinery that makes its new Cushelle quilted paper. By September the product had taken £14.1m, and pushed the brand's category share from 6.4% to 7.8%. "We did this because we strongly believe consumers want a luxurious, quality feel to their toilet paper," says Essity's UK & Ireland communications manager Gareth Lucy.

household: paper products

nielsen



Yet there is evidence of brands contributing to price rises, too. This is especially true in the case of toilet paper, which saw the biggest rise in value – £17.4m or 1.7% – on volumes down 0.1%.

Leading brand Andrex has been busy targeting higher spenders with its ‘Supreme Clean’ premise, promoting the use of its premium tissues and washlets. Last year, the strategy showed little sign of paying off amid another value decline. This year’s 0.3% decrease in value is hardly anything to write home about, but the average 1.1% price rise is the important figure here. Brand owner Kimberly-Clark says this was bolstered by an additional one million households switching to premium paper in 2018.

Andrex isn’t the only one pushing the premium message. Cushelle added a whopping £14.7m to its value – that’s a rise of 24.1% – mostly thanks to the success of its new

“Brands are backing up their premium efforts with solid investment in marketing”

premium product Cushelle Quilted (see Top Launch). Gaining its first listing in December 2017, Quilted had taken £14.1m by September this year, according to Nielsen, and lifted Cushelle’s share of the category to 7.8%, up from 6.4%.

It’s proof that people want a “luxurious, quality feel to their choice of toilet paper”, according to brand owner Essity. “Cushelle Quilted has been one of the big success stories of 2018 and that’s particularly pleasing for us given the current challenges facing the toilet

paper market,” says Gareth Lucy, Essity’s UK & Ireland communications manager.

“We believe the success of Cushelle Quilted comes down to three essential factors: quality, value, and the strength of the brand.” As such, Essity believes “driving premium mix” is “extremely important” to the category.

But, as Lucy suggests, there remain plenty of challenges in the toilet tissue market. A point that is proven by Cushelle’s sister brand Velvet, which suffered a £30.1m hammer blow to sales as it lost distribution.

Many brands are therefore backing up their premium efforts with solid investment in marketing. Essity’s Lucy says Cushelle’s success was partly down to “impactful and consistent TV advertising support”.

Kimberly-Clark also says Andrex’s premium lines have been supported “with media investment including wide-scale TV advertising throughout 2018”.

Kitchen towel brand Ora is taking a similar tack. In a market that saw a 2.4% rise in value on volumes down 0.9%, Ora was one of the few brands to see rises in volume and value, of 18.3% and 11.5% respectively.

“That can be attributed to our investment in marketing over the last 12 months,” says Oday Abbosh, CEO of Ora brand owner Better All Round. “We’ve worked with our retail partners to deliver campaigns that have driven sales, loyalty and greater brand awareness.”

Facial tissue brand Kleenex – up £5.8m or 5.5% – has also been active on the marketing front with its ‘Made for Living’ TV and radio campaign in time for back to school season.

Still, one market that has been resistant to all this positive news is nappies. The 4.9% decline in value on volumes down 5.5% is partly indicative of the rise of the discounters’ nappy ranges, not included in this data. Ian Morley, group sales director at Procter & Gamble for northern Europe, says the added factor of a declining birth rate means “the pressure to win on nappies is even more intense than it’s ever been”.

On the positive side, P&G is feeling less pressure than last year. After suffering a gruelling fall in 2017, Pampers’ decline dramatically slowed to £3m this year. Morley says “the introduction and development of nappy pants” has proven a growth area.

“These are simply nappies without the taped sides,” he says. “They’re easier to change and fit better. UK Pampers’ pants business is now growing by 25%.”

So perhaps the turning point for nappies is yet to come.



The ‘How Andrex do you feel?’ slogan appeared across TV, digital and social media once again this year as Kimberly-Clark continued to support its brands with marketing investment. This message is all part of Andrex’s bid to make toilet tissue less of a commodity and more of an emotional purchase. Its premium products Supreme Quilts Toilet Tissue and Supreme Washlets were a “substantial focus” of this year’s advertising, according to Kimberly-Clark.

BLITZ THE MESS

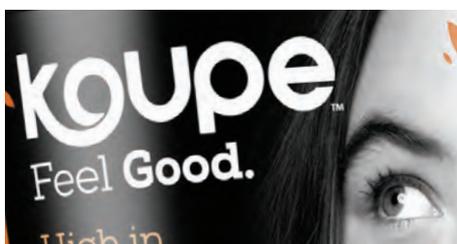
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*52 weeks value sales ending 03.11.18, Nielsen Scantrack total coverage

ice cream



Low-cal and handheld ice creams soar

Ash O'Mahony

In the wake of this year's scorching summer, it's no surprise ice cream sales are growing. What is surprising is the sheer scale of that growth. This year saw an eye-watering £146.1m added to the ice cream market. That's £101.4m more than last year's growth.

Low-calorie ice creams played no small part in this explosion. "These launches have mirrored health trends seen across fmcg," says Nielsen senior client manager Laura Craft. Halo Top made its much-anticipated UK debut in January, rapidly racking up £13.1m. That coincided with the launch of Unilever's low-cal rival Breyers Delights, which has since amassed £6.1m. Together, the top four low-cal brands in this data – Halo Top, Breyers Delights, Oppo and Wheyhey – added over £21.2m to the market. That's nearly half of the £45m growth in the tubs category, which broke the £500m barrier for the first time. That's not even counting the contribution of mainstream brands such as Ben & Jerry's (up £10.9m), which launched its Moo-phoria low-cal variant in February.

Yet despite all the headlines about healthy options, they weren't the biggest success story in ice cream this year. For over £100m of ice cream's £146.1m extra sales came from handheld. Each of the top 10 brands in this category posted growth – and many trade

TOP10 Handheld ice cream				SALES			
				£m	change (£m)	change (%)	
Total volume change: 13%				TOTAL CATEGORY	651.7	101.1	18.4
				TOTAL OWN LABEL	170.9	28.6	20.1
1	1	Magnum	Unilever	184.2	23.2	14.4	
2	2	Cadbury	Froneri	38.4	4.0	11.8	
3	5	Rowntree's	Froneri	30.6	12.5	69.4	
4	3	Cornetto	Unilever	30.5	1.5	5.1	
5	4	Twister	Unilever	23.0	1.8	8.6	
6	6	Calippo	Unilever	19.7	4.3	27.9	
7	9	Solero	Unilever	18.5	5.1	38.6	
8	8	Fab	Froneri	15.3	1.3	9.0	
9	11	Häagen-Dazs	General Mills	14.2	5.3	60.1	
10	10	Mars	Mars	12.5	1.7	16.2	

TOP10 Ice cream tubs				SALES			
				£m	change (£m)	change (%)	
Total volume change: 3.1%				TOTAL CATEGORY	500.7	45.0	9.9
				TOTAL OWN LABEL	125.4	5.0	4.2
1	1	Ben & Jerry's	Unilever	108.1	10.9	11.2	
2	2	Häagen-Dazs	General Mills	60.7	5.0	9.0	
3	3	Carte D'Or	Unilever	46.6	2.1	4.7	
4	4	Kelly's of Cornwall	Froneri	28.6	-0.1	-0.3	
5	5	Wall's	Unilever	14.9	-3.4	-18.5	
6	NEW	Halo Top	Halo Top UK/Eden	13.1	13.1	●	
7	6	Mackie's	Mackie's of Scotland	12.5	-0.7	-5.5	
8	7	Viennetta	Unilever	12.1	-1.1	-8.3	
9	10	Magnum	Unilever	7.8	2.5	46.2	
10	8	Cadbury	Froneri	7.8	1.1	17.1	

on indulgence. See Magnum, up £23.2m (14.4%), or Häagen-Dazs, which scooped an extra £5.3m (60.1%) in handheld and £5m (9%) in tubs.

Both of these brands show no sign of watering down their luxury credentials. This year, Magnum launched a Chocolate & Hazelnut Praliné luxury tub, while Häagen-Dazs rolled out a new Peanut Butter Crunch flavour.

Saying that, there is a nod to health trends even among this unashamedly indulgent

bunch. Magnum launched vegan variants in September, while Cornetto – up £1.5m (5.1%) – introduced new vegan and gluten-free cones. The performance of dairy-free brand Alpro is testament to the power of the plant-based trend. It shot up 27.7% to £4.2m to become the UK's 13th-biggest ice cream tub brand. Not bad for a brand that only ventured into ice cream in 2016.

Amid so much innovation, who needs a hot summer to boost sales? ●



TOP LAUNCH 2018

Halo Top Halo Top UK/Eden Creamery

It could hardly be anything else in the top slot this year. The self-proclaimed "America's most talked-about ice cream" touched down on UK soil in January to much fanfare. Sales appear to have lived up to the hype. In the nine months since hitting Tesco shelves, Halo Top has accumulated £13.1m and expanded from seven flavours to 16, including four dairy-free variants. The brand also recently announced new listings in Morrisons, Co-op, Iceland and Sainsbury's.

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¹ Compared to similar ice cream products. Market comparison in October 2017, using Nielsen data pull. This included products sold in 500ml Tub format. MAT data used, UK Total Coverage. ² Kantar GB, Total Dessert Ice Cream, YTD, Total Stores, 04-Nov 2018.

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jams & spreads



Nut butters hit the new sweet spot

Megan Tatum

Sugar-shy Brits remained suspicious of anything too sweet in 2018. Sales of jams and marmalades were down 0.6% overall, leaving the 10 leading brands facing a collective £2.2m loss in value.

It's a decline that would have been much worse had it not been for market leader Bonne Maman bucking the trend. The French preserve appears to have cut through all the critique to win a kind of cult-like status (supermodel Bella Hadid reportedly has a jar in her fridge). Developing a PR-friendly brand personality also seemed to pay off for fellow outlier Rowse. While rival honey brands struggled, it managed to add £1.4m in sales, leveraging perceptions of honey as a natural source of sweetness and campaigning for real manuka honey.

Sweet preserves should be under no illusion, though. These were the exceptions to the rule – a rule that placed nut butters firmly on top, taking up four of the top six spots in our spreads category. Notably, that included Nutella, whose 50% sugar content didn't stop it netting an extra £1.2m as it capitalised on new consumption opportunities such as Pancake Day, Christmas and back to school. So successful is the spread that pasta brand Barilla is reportedly readying the launch of a sunflower-oil-based rival soon.

TOP10 Spreads				SALES			
				£m	change (£m)	change (%)	
Total volume change: 0.3%				TOTAL CATEGORY	362.2	12.9	3.7
				TOTAL OWN LABEL	95.0	5.4	6.0
1	1	Rowse	Rowse Honey	52.5	1.4	2.6	
2	2	Nutella	Ferrero	49.3	1.2	4.9	
3	3	Marmite	Unilever	30.1	-0.5	-0.9	
4	4	Whole Earth	Wessanen	25.0	0.2	0.6	
5	5	Sun-Pat	Hain Celestial	17.6	-0.4	-2.1	
6	6	Meridian	Meridian Foods	16.9	0.7	4.3	
7	7	Bovril	Unilever	7.2	-0.1	-1.3	
8	8	Princes	Princes	5.0	0.7	16.5	
9	9	Heinz Sandwich Spread	Kraft Heinz Co	3.9	0.0	0.4	
10	11	Tiptree	Wilkin & Sons	3.2	-0.3	-9.3	

TOP5 Jams & marmalades				SALES			
				£m	change (£m)	change (%)	
Total volume change: -1.6%				TOTAL CATEGORY	144.5	-0.9	-0.6
				TOTAL OWN LABEL	48.9	1.6	3.3
1	1	Bonne Maman	Andros	28.0	2.6	10.3	
2	2	Hartley's	Hain Celestial	17.6	-2.1	-10.7	
3	3	Tiptree	Wilkin & Sons	9.3	-0.7	-7.0	
4	4	Mackays	Mackays	8.0	-0.3	-4.0	
5	5	Robertson's	Hain Celestial	7.4	-0.8	-9.7	

Nutella aside, the wider growth of nut butters in the UK seems largely driven by the highly photogenic wellness trend. As such, many more brands have begun diversifying into new, Instagram-chic nuts such as cashews, almonds and roasted peanuts. By doing so, brands aim “to highlight the versatility that nut butters have,” says Meridian Foods head of sales Darren Robinson. Others, such as our Top Launch, have gone down the sports nutrition route.

Though with that higher profile comes more competition for consumer spend. Does that make it tougher? “The ever-increasing positive noise is a very good thing,” insists Kirstie Hawkins, brand controller at Whole

Earth owner Wessanen UK. “There continues to be considerable growth in the category, which we welcome – more activity from competitors means more consumers are having the opportunity to join the category and in turn discover Whole Earth.”

Next to court the healthier consumer will be savoury spreads. Sales of Marmite and Bovril both dipped, something Unilever hopes to tackle with its new low-salt varieties. “Although original Marmite can be enjoyed as part of a balanced diet, our Marmite 25% Reduced Salt appeals to fans looking to manage their daily intake of salt,” points out Andre Burger, vice president for foods at Unilever UK.



TOP LAUNCH 2018

Fuel10K Nut Butter pouches Fuel10K

On-trend protein brand Fuel10K ventured beyond cereals this year with a three-strong lineup of nut butter pouches. Launched in February, the 225g resealable pouches (rsp: £2.39) respond to Brits' insatiable appetite for nut butter, convenient on-the-go snacks and – of course – protein. Available in three variants – smooth, superseed and chocolate – each pouch has around 30g of protein per 100g, no palm oil and only the chocolate option comes with the added sweetness of coconut sugar.

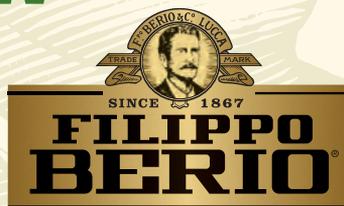
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oils



Rollercoaster year for olive oil prices

Carina Perkins

It's been a year of two halves for olive oil brands. In the early months of 2018, the ongoing impact of the low 2016/17 harvest and the devaluation of sterling resulted in further commodity price inflation, putting pressure on margins and forcing some brands to slash promotional activity. "Cost inflation has impacted upon Napolina's ability to invest in promotional activity to the same levels as last year," says Neil Brownbill, commercial director at the brand, which saw volume sales of oils plummet 13.5% after average prices surged by 12.3%. Higher average selling prices "resulted in some consumers trading down to smaller pack formats, including own brand", Brownbill adds.

However, Italy and Greece's olive groves bounced back for the 2017/18 harvest, with production up by 135% and 77% respectively, according to the EU Commission. It meant total EU production of olive oil was 24% higher than the previous season, and by August average EU producer prices for virgin olive oil had fallen by 10%.

This meant some brands were "able to deliver increased promotional support" says Walter Zanre, MD of Filippo Berio, which returned to triumphant volume and value growth. "We have additionally maintained the above-the-line consumer communication

TOP 15 Oils			SALES			
			£m	change (£m)	change (%)	
Total volume change: 0.0%			TOTAL CATEGORY	351.6	8.3	2.4
			TOTAL OWN LABEL	170.2	6.4	3.9
1	1	Filippo Berio	Salov	32.6	1.2	4.0
2	2	Napolina	Princes	24.2	-0.7	-2.8
3	3	Crisp 'n Dry	Edible Oils	20.3	-0.4	-1.9
4	5	KTC	KTC Edibles	20.2	0.6	3.3
5	4	Fry Light	Dairy Crest	18.7	-1.4	-6.8
6	6	Flora	Edible Oils	9.7	-0.8	-7.2
7	8	Olivio	Edible Oils	4.6	0.5	13.4
8	7	Pura	Edible Oils	4.4	-0.6	-11.9
9	10	Farchioni	Farchioni	3.9	0.8	23.8
10	11	Mazola	Edible Oils	2.9	0.7	30.2
11	21	La Española	Acesur	2.5	1.5	148.3
12	9	The Groovy Food Co	The Groovy Food Co	2.4	-1.4	-37.2
13	12	Golden Fields	Associated Oils	2.0	-0.1	-6.8
14	13	Vita Coco	All Market Inc	2.0	0.2	13.9
15	15	Happy Shopper	Booker Belmont	1.7	0.2	13.1

which has involved TV, press and digital advertising," he adds.

As promotions return to shelves, the wider olive oil market has also returned to volume growth in recent months, Zanre claims. However, growth is coming from extra virgin, as refined continues losing shoppers to sunflower oil. "This will be driven by the large price differential and the fact these oils are easily substitutable," he adds.

Sunflower oil is much cheaper than olive oil, and commodity prices have fallen again this year as a result of "a bumper crop and high carry over," says Paresh Mehta, commercial director at KTC. Global sunflower oil production has hit record highs in the past five years, up 23% on average [Mintec], with low commodity prices fuelling aggressive price cuts in the mults, particularly on larger packs. Tesco cut the price of own-label five-litre packs to £3.50 in April, while Asda and Morrisons followed suit with the KTC brand.

"The most recent triumph in the overall edible oils market is the success of the 5l sunflower oil SKUs," says Mark Church, managing director for Edible Oils, which owns Crisp 'n Dry, Mazola and Pura. "These packs have been used by the retailers to drive new shoppers into the category during key religious festivals including Ramadan and Diwali."

Meanwhile, rapeseed oil brands have been hit by high commodity prices following "a poor crop as a result of the high temperatures in the EU over summer" says Paresh. Coconut oil brands continue to struggle, with the exception of Vita Coco, as retailers use own label to drive down prices and increase penetration. "This means there has been a large price variance between own-label and branded products," says Church.

Looking ahead to 2019, olive oil prices will "remain firm", predicts Zanre, with a bumper crop in Spain expected to offset another big drop in production from Italy and Greece. ●



TOP LAUNCH 2018

Edible Mustard Oil KTC

True innovation is rare in oils. But KTC has brought something genuinely new to the market with this edible mustard oil – which it claims is the UK's first. With a vibrant yellow colour and pungent, nutty flavour, mustard oil is a crucial ingredient for many Indian dishes. It's generally banned from food in the EU due to its high levels of erucic acid, shown to cause fatty deposits in the heart. KTC's version, however, is blended with rapeseed oil to reduce erucic acid content to less than 5%.

personal care: cosmetics



NPD lacking in cosmetics as value falls

Ash O'Mahony

Cosmetics had better avoid the mirrors for now. For sales certainly don't look good on reflection. Value is down a total of £31.6m as brands suffered a 6% hit to volume. In fact, only two of the top 10 brands managed to secure any growth at all. It's a far cry from last year, when supermarket cosmetic sales had passed the £900m mark for the first time.

Lack of innovation was one major factor in this change of fortunes. "NPD is a key driver of growth every year for cosmetics, but there have been 6% fewer new SKUs this year compared to last," says Nielsen senior client manager Pierre Moron. "NPD generated 18% less value sales than last year. There has been no new segment to shake up the market compared to previous years (eyebrows, contouring, concealers, setting spray etc)."

A wider range of foundation colours was one area of innovation, as brands took their cues from No.7's custom foundation blends and the 40-strong range of shades in Rihanna's Fenty Beauty. But even where brands did invest, it was no guarantee of success. Take Rimmel London, which was down £13.1m despite this year's launch of its Match Perfection extended foundation range claiming to match "99% of UK skin tones".

Then there was L'Oréal, which enlisted the help of social media influencers to launch its

TOP20 Cosmetics				SALES			
				£m	change (£m)	change (%)	
Total volume change: -6.2%				TOTAL CATEGORY	879.6	-31.6	-3.5
				TOTAL OWN LABEL	24.2	-7.1	-22.7
1	1	Rimmel	Coty	185.2	-13.1	-6.6	
2	2	Maybelline	Garnier	141.0	3.0	2.2	
3	3	L'Oréal	L'Oréal	98.9	-0.4	-0.4	
4	4	Max Factor	Coty	90.5	-7.9	-8.0	
5	9	Revolution	Medichem Intl	41.1	17.9	77.3	
6	5	Collection	Collection	38.0	-1.0	-2.7	
7	6	Bourjois	Coty	32.1	-5.7	-15.1	
8	7	Revlon	Revlon	26.7	-2.7	-9.3	
9	8	Barry M	Barry M Cosmetics	23.6	-1.5	-5.8	
10	11	Makeup Academy	Makeup Academy	13.2	-2.7	-16.9	
11	12	Sally Hansen	Coty	12.7	-1.9	-13.0	
12	10	Sleek	Sleek	12.2	-4.9	-28.8	
13	14	Essie	Essie	9.0	2.0	27.9	
14	13	Essence	Cosnova	7.3	-0.1	-1.8	
15	15	Gosh	Gosh Cosmetics	5.3	-1.0	-16.1	
16	28	Elf	JA Cosmetics	5.2	4.0	326.1	
17	23	I Heart Revolution	Medichem Intl	3.8	2.1	116.8	
18	16	JML	John Mills	3.0	-1.4	-31.4	
19	21	Eylure	PDC Brands	2.9	0.4	16.7	
20	17	Wunder2	KF Beauty	2.9	-0.7	-19.8	

L'Oréal Bonjour Nudista tint for a "luminous, radiant glow". Still, sales were underwhelming with a 0.4% loss in total value.

One brand to buck this trend was the new number five, the Superdrug-exclusive Revolution, which shot up a whopping £17.3m this year. This was partly thanks to a revamp of its counters in Superdrug and a blistering rate of NPD. The past year's launches have included six new foundation shades, glitter palettes (£10) and highlighters (£6). It also won industry acclaim, named Cosmopolitan's Best Concealer of 2018.

For now Revolution remains an anomaly, but the supermarkets are hoping that will all change next year with a ramping up of their beauty efforts. Most notably, Sainsbury's is

overhauling its beauty department in eight stores, employing trained assistants to showcase new products. Plus, it is hoping to revive the flagging own-label market (down 22.7% in value and 9.1% in volume) with its revamped Boutique range (see Top Launch).

Others are also stepping up their game. Last month saw H&A's new Beauty Crush kits launch exclusively in Tesco, featuring makeup tools at "millennial-friendly price points" of less than £15. Meanwhile Aldi is continuing its focus on affordable beauty with a £6.99 coffee body scrub positioned as an alternative to the £13 Frank Body version. It couldn't come at a better time. For if there's one thing this market sorely needs, it's innovation. ●



TOP LAUNCH 2018

Boutique Sainsbury's

For proof the supers are taking cosmetics seriously, look no further than Sainsbury's, which invested significantly in its beauty offer this autumn. As well as employing trained assistants and overhauling the look and feel of its beauty aisles, the retailer relaunched its Boutique brand with prominent in-store displays. Prices start at £2 for the 100-plus range, which is 100% cruelty free and features on-trend products such as a Long Lasting Brow Tattoo.

personal care: grooming



Brands look to premium to add value

Marianne Calnan

Commoditisation could be this year's most feared word in grooming. For in many sectors, this seems to be the way things are moving. Just look at the trends in prices for proof. In deodorants, prices are down over 2% as brands look to beat each other on promotions. In soaps, consumers are resisting any increases in prices as they seek out value. Take Palmolive, which suffered a 20% fall in volume amid a 3.4% rise in average price.

So, many brands are turning to innovation to add value back into the market. Dove is hoping to mitigate its £2m decline in deodorants with a 0% aluminium variant, which comes at a premium to its standard products.

In shower products, mousse is the latest premiumisation trend. It seems to be working. Average prices were up 3% with only a modest decrease in volume and the top two brands, Radox and Dove, added nearly £5m with the help of mousse NPD. Similarly, female skincare prices have risen 4.8% thanks to a flurry of innovation from brands like Nip+Fab (up 21% to £5.4m).

The next frontier will be eco claims, if our Top Launch Love Beauty & Planet is anything to go by. "The desire to reduce carbon footprints is changing purchasing habits," says Unilever UK and Ireland vice president of personal care Chris Barron.

TOP3 Deodorants				SALES			
				£m	change (£m)	change (%)	
Total volume change: -1.3%				TOTAL CATEGORY	499.2	-17.8	-3.4
				TOTAL OWN LABEL	8.6	-2.0	-18.6
1	1	Sure	Unilever	116.7	0.2	0.1	
2	2	Lynx	Unilever	82.7	-2.5	-3.0	
3	3	Dove	Unilever	66.8	-2.0	-2.9	

TOP3 Female skincare				SALES			
				£m	change (£m)	change (%)	
Total volume change: -2.7%				TOTAL CATEGORY	433.6	8.5	2.0
				TOTAL OWN LABEL	65.0	5.8	9.9
1	1	Simple	Unilever	76.8	4.6	6.4	
2	2	L'Oréal	L'Oréal	71.2	-0.2	-0.3	
3	3	Olay	P&G	65.7	0.7	1.0	

TOP3 Shower products				SALES			
				£m	change (£m)	change (%)	
Total volume change: -0.3%				TOTAL CATEGORY	300.5	7.6	2.6
				TOTAL OWN LABEL	13.2	-0.3	-2.3
1	1	Radox	Unilever	33.4	1.6	5.0	
2	3	Dove	Unilever	32.5	3.3	11.1	
3	4	Sanex	Colgate-Palmolive	29.3	0.4	1.4	

TOP3 Liquid soap				SALES			
				£m	change (£m)	change (%)	
Total volume change: -1.1%				TOTAL CATEGORY	126.9	-0.9	-0.7
				TOTAL OWN LABEL	20.7	0.4	2.0
1	1	Carex	PZ Cussons	45.5	1.8	4.0	
2	2	Baylis & Harding	Baylis & Harding	13.9	1.3	10.2	
3	3	Palmolive	Colgate-Palmolive	8.7	-1.9	-17.7	

TOP3 Bar soap				SALES			
				£m	change (£m)	change (%)	
Total volume change: -8.4%				TOTAL CATEGORY	60.4	-2.5	-4.0
				TOTAL OWN LABEL	3.6	0.0	0.8
1	1	Dove	Unilever	22.9	-0.8	-3.3	
2	2	Imperial Leather	PZ Cussons	8.2	-1.0	-10.6	
3	3	Simple	Unilever	5.4	0.0	-0.8	



TOP LAUNCH 2018

Love Beauty & Planet Unilever

Environmentally friendly? Tick. Vegan? Tick. Natural ingredients? Tick. Unilever made sure to cover all bases with the July launch of Love Beauty & Planet, its first beauty and personal care brand for 20 years. The range is positioned as a mass-market offering for the post-Blue Planet II consumer, with 100% recycled and recyclable packaging and ethically and sustainably sourced ingredients. Unilever expects the brand to be "incredibly popular among millennials".

personal care: male grooming



Shave brands battle £20m sales decline

Daniel Selwood

Warning: beard catfishing is on the rise. That's when a man sports fulsome whiskers to appear more attractive than he really is. Research by Wilkinson Sword this year found 43% of guys had grown their beard to hide unsightly features such as a baby-face, double chin and problem skin.

This shortcut to improved pulling power is yet more bad news for shave brands, who in recent years have watched value slip in the bristly face of hairy hipsters and men's more casual approach to grooming. Razors, blades and preparations lost £23.3m this year – an alarming acceleration in decline since last year's £4.6m loss.

"The continued relaxation of appropriate work attire means there's less and less need for men to shave daily," says Diana Graovac, regional segment manager for north west Europe at Wilkinson Sword owner Edgewell. "This has been a major driver in the fall of shave frequency."

The category is suffering "unprecedented levels of disruption" warns Ian Morley, group sales director for northern Europe at Gillette owner P&G. This is down not only to changes in shaving habits but also the arrival of direct-to-consumer services such as Unilever's Dollar Shave Club, which made its UK debut at the start of 2018.

TOP3 Men's skincare				SALES			
				£m	change (£m)	change (%)	
Total volume change: -1.0%				TOTAL CATEGORY	57.9	-0.6	-1.0
				TOTAL OWN LABEL	1.8	-0.3	-12.9
1	2	Nivea Men	Beiersdorf	20.7	-0.3	-1.5	
2	1	L'Oréal Men Expert	L'Oréal	20.4	-0.6	-3.0	
3	3	Bulldog	Edgewell	10.0	1.5	17.4	

TOP5 Razors & blades				SALES			
				£m	change (£m)	change (%)	
Total volume change: -3.5%				TOTAL CATEGORY	329.7	-20.5	-5.9
				TOTAL OWN LABEL	15.1	-0.5	-3.1
1	1	Gillette	P&G	237.2	-11.1	-4.5	
2	2	Wilkinson	Wilkinson Sword	53.2	-6.6	-11.0	
3	3	Bic	Bic	12.0	-0.2	-1.7	
4	4	Philips OneBlade	Philips	8.3	0.0	-0.3	
5	5	Veet	Reckitt Benckiser	2.9	-2.5	-46.9	

TOP5 Men's shaving preparations				SALES			
				£m	change (£m)	change (%)	
Total volume change: -3.8%				TOTAL CATEGORY	53.3	-2.8	-5.0
				TOTAL OWN LABEL	-	-	-
1	1	Gillette	P&G	27.6	-2.2	-7.4	
2	2	Nivea Men	Beiersdorf	11.4	-0.5	-4.4	
3	3	King of Shaves	King of Shaves	3.5	-0.1	-1.4	
4	5	Wilkinson	Wilkinson Sword	0.9	0.2	28.3	
5	4	Palmolive	Colgate	0.8	0.0	-0.9	

DTC shave brands "threaten the traditional category sizes of the big retailers" says Jeremy Carson, founder of post-exercise grooming startup Fit Kit. On the plus side, he says DTC could be "a great opportunity for men's skincare brands".

Not that they're in bad shape. Skincare clawed back a fair bit of value as leaders Nivea and L'Oréal slowed their declines and Bulldog's seemingly unstoppable rise continued with value sales of an extra 17.4%.

"Men are increasingly aware of the ability

of skincare to offer targeted solutions that assist common imperfections," says Bulldog founder Simon Duffy. His brand this year added Age Defence Eye Roll-On to help reduce fine lines and puffiness.

Bulldog's main focus recently, however, has been all things eco. Having launched bio-plastic packs in late 2017, the brand this year unveiled a razor with a bamboo handle. "We will continue to see a growing backlash against conventional plastics in personal care," Duffy predicts.



TOP LAUNCH 2018

Lynx Gold Unilever

Lynx continued its bid to appeal to an older, more sophisticated crowd with the launch of Gold in February, the follow-up to 2017's stylish You variant. Featuring notes of oud wood and dark vanilla, it promises to be "a modern and refined fragrance" that lasts all day. Available in body spray, antiperspirant and roll-on formats, Gold was the main focus for Lynx during 2018, supported by £6m of promotional activity. It worked: Gold secured listings in all major retailers in just 12 weeks.

We're grateful
for all your
support in 2018.

Here's to
another big year.



—— BULLDOG ——
SKINCARE FOR MEN

personal care: haircare



Longer hair trend leads to volume drops

Marianne Calnan

Gone are the fashions for the bob, the 'Rachel' or the pixie. The penchant for long hair is showing longevity far beyond a fad. And it's changing Britain's haircare habits.

As more shoppers opt to tie their hair back rather than washing on a daily basis, shampoo and conditioner sales have been trimmed further down. Volumes of conditioner have slumped 4.3%, while shampoo hasn't fared much better, falling 3.2%.

Meanwhile, styling products seem to have fallen by the wayside as the fashion for long, relaxed locks led to a 7.4% drop in volume.

"Long hair continues to grow in popularity," says P&G group sales director for Northern Europe Ian Morley. However, there is an upside to this trend. Nine of the 10 most expensive conditioner brands – including MoroccanOil (up 87.6% to £180k) and Philip Kingsley (up 34.5% to £130k) – have seen increases. Because as Brits wash their hair more sporadically, there is an increased willingness to pay for higher-end products that maintain the condition of longer locks.

"This has been both matched and fuelled by increasingly premium products coming to the market," says Morley. "Many of these are designed to help strengthen, repair, grow and style hair, and are tailored to their hair structure, such as dry hair."

TOP5 Shampoo				SALES			
				£m	change (£m)	change (%)	
Total volume change: -3.2%				TOTAL CATEGORY	415.1	1.7	0.4
				TOTAL OWN LABEL	14.1	0.2	1.4
1	1	Head & Shoulders	P&G	59.5	2.4	4.2	
2	2	Elvive	L'Oréal	44.7	-2.8	-6.0	
3	3	Tresemmé	Unilever	31.3	1.5	5.0	
4	6	Herbal Essences	P&G	28.4	0.6	2.2	
5	4	Batiste	Church & Dwight	28.0	-1.5	-5.1	

TOP5 Conditioners				SALES			
				£m	change (£m)	change (%)	
Total volume change: -4.3%				TOTAL CATEGORY	198.9	0.8	0.4
				TOTAL OWN LABEL	4.0	0.3	8.9
1	1	Elvive	L'Oréal	29.3	-1.1	-3.7	
2	2	Tresemmé	Unilever	23.1	0.3	1.5	
3	4	Herbal Essences	P&G	20.2	1.2	6.5	
4	3	Aussie	P&G	20.2	-0.3	-1.3	
5	5	John Frieda	Kao	17.2	-0.7	-3.7	

TOP5 Hair styling				SALES			
				£m	change (£m)	change (%)	
Total volume change: -7.4%				TOTAL CATEGORY	222.1	-10.0	-4.3
				TOTAL OWN LABEL	10.0	-0.9	-8.1
1	1	VO5	Unilever	38.5	-3.5	-8.4	
2	2	Elnett	L'Oréal	32.2	-1.8	-5.3	
3	3	Silvikrin	Coty	24.4	0.0	0.1	
4	5	Schwarzkopf Got2B	Henkel	19.9	2.1	12.1	
5	4	Tresemmé	Unilever	18.2	0.2	1.2	

One such example is L'Oréal Elvive's Dream Lengths range (see Top Launch), which has made £8m so far – helping to keep Elvive's decline down to £1m. That range alone was responsible for over 15% of value generated through NPD this year.

Then there is the ongoing demand for natural, organic or vegan brands. "These have a higher price justified by their innovative claims and attributes," explains Nielsen

client manager Nina Andrianakou.

But not everyone is willing to pay these higher prices. Indeed, Andrianakou says some shoppers are "trading down to cheaper products to manage their budgets". That's demonstrated by the small but growing own-label conditioner market, up 8.9% to reach £4m.

In this changing environment, brands need to be playing the long game. ●



TOP LAUNCH 2018

Elvive Dream Lengths L'Oréal

L'Oréal took aim at the long hair crowd with the spring launch of this range, which includes a restoring shampoo, detangling conditioner, heat protection cream and hair mask. With ingredients including keratin, vitamins and castor oil, the products promise to untangle, strengthen and restore long hair (and possibly stop punters from resorting to an unwanted haircut). The promise seems to have struck a chord. So far, the range has taken £8m in sales, according to Nielsen.

DREAM BIG



PERSONAL CARE:
HAIRCARE

ELVIVE

Dream lengths

LONG HAIR

DO CARE



*Brushing test on bleached hair.
Dream Lengths no haircut cream vs. classic shampoo.

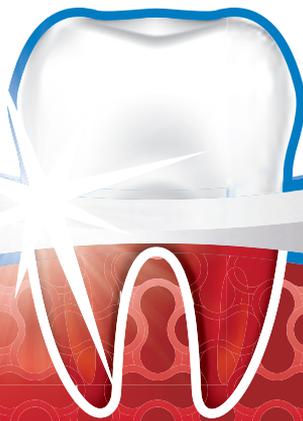
L'ORÉAL
PARIS

NEW



8 SPECIALLY DESIGNED BENEFITS

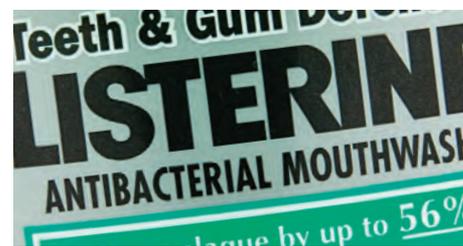
FOR STRONGER
TEETH



& HEALTHIER
GUMS



personal care: oral care



Whitening claims boost toothpastes

Marianne Calnan

Britain's quest for a whiter smile has ramped up a gear. As consumers look to imitate the gleaming gnashers of Love Island stars and Instagram influencers, they are turning to toothpastes with ever bolder scientific claims.

The past year's launches – which have largely focused on whitening – read like a science paper. Oral-B's 3D Whitening Therapy toothpaste is “formulated with an active mineral complex” to remove surface stains, while Colgate's Max White Expert Complete (see Top Launch) has a trademarked “advanced brighteners system” that promises to reflect blue light. There has also been a noticeable rise in charcoal-based products, including one from Colgate, though Nielsen commercial analytics business partner Mahbano Yasmeen notes these remain an “extremely small” part of the market.

P&G Northern Europe group sales director Ian Morley says there is a “continuous revolution” going on in oral care. “Consumers are becoming more health and beauty-conscious and are seeking more premium products.”

That these new-wave, ultra-scientific whitening products tend to retail at well above the average pack price of £1.90 hasn't done the toothpaste market any harm. Yasmeen says more premium propositions have mitigated the 1.8% volume decline. “The main impact

TOP5 Toothpaste				SALES			
				£m	change (£m)	change (%)	
Total volume change: -1.8%				TOTAL CATEGORY	425.4	1.5	0.4
				TOTAL OWN LABEL	8.5	2.2	35.1
1	1	Colgate	Colgate	193.9	-2.5	-1.3	
2	2	Sensodyne	GSK	94.8	1.7	1.9	
3	3	Oral-B	P&G	61.7	2.9	4.9	
4	4	Aquafresh	GSK	23.3	-3.3	-12.5	
5	5	Arm & Hammer	Church & Dwight	9.0	-0.8	-8.6	

TOP5 Toothbrushes				SALES			
				£m	change (£m)	change (%)	
Total volume change: -5.9%				TOTAL CATEGORY	301.6	-13.5	-4.3
				TOTAL OWN LABEL	18.2	0.4	2.5
1	1	Oral-B	P&G	178.4	-4.5	-2.5	
2	2	Colgate	Colgate	53.6	-6.7	-11.1	
3	3	Aquafresh	GSK	7.4	-0.7	-8.3	
4	6	Wisdom	Wisdom Toothbrushes	5.6	0.4	8.2	
5	5	Sensodyne	GSK	5.4	-0.6	-10.2	

TOP5 Mouthwash				SALES			
				£m	change (£m)	change (%)	
Total volume change: -5.9%				TOTAL CATEGORY	133.8	-10.6	-7.3
				TOTAL OWN LABEL	6.7	-0.3	-4.6
1	1	Listerine	Johnson & Johnson	67.4	-6.1	-8.3	
2	2	Colgate	Colgate	26.0	-0.6	-2.4	
3	3	Corsodyl	GSK	13.4	0.0	-0.1	
4	5	CB12	Meda	4.4	-0.3	-5.4	
5	6	Dentyl Active	Periproducts	3.7	-0.9	-19.3	

will be coming from higher-priced products and slightly less promotions, which has made premium ranges pricier than before.”

All this competition in premium whitening means there has also been a “struggle for promotional space”, says Yasmeen. Taking a look at what's on offer, it's easy to see why. Colgate has no fewer than 14 whitening toothpaste SKUs on Tesco.com, while Oral-B has nine. Talk about spoilt for choice.

Still, it means toothpaste is faring far better than toothbrushes and mouthwashes. All top five mouthwash brands have fallen in value. The only good news is Corsodyl, Colgate and CB12 have shifted more volumes, of which CB12 is the standout player with a 31% increase. Over in toothbrushes, Wisdom is the only brand in value or volume growth.

Can the quest for a Love Island smile soon add a bit of magic to these markets, too? ●



TOP LAUNCH 2018

Expert Complete Colgate-Palmolive

Brits will go to great lengths to get a gleaming white smile. One product promising the next-best thing to the dentist's chair is Colgate's Max White Expert Complete (rsp: £12/90ml), which claims to be the only deep and instant tooth-whitening product on the market. Colgate says its formula contains the same ingredient dentists use to remove deep-set stains. Plus, its ‘advanced brighteners system’ reflects blue light to give teeth an immediate boost.

personal care: over the counter



Extreme year is good news for OTC sales

James Halliwell

The UK is infamous for unpredictable weather and 2018 was no exception. No sooner were Brits recovering from the freeze of the Beast from the East than they were complaining about the scorching summer. And the extremes were good news for the OTC trade.

While the severe winter saw cold & flu remedies shoot up by 4.1% in value, summer heralded an impressive 9.9% increase in sales of allergy remedies.

It also marked a comeback for brands. Last year, own label was winning across the board as brands lost £11.5m across all five sectors.

In winter remedies, all top five brands were in growth. Nielsen analyst Nick Long says premium products are particularly healthy. He gives the example of GSK's Day/Night Nurse, which has benefited not only from price rises but also a 3.9% rise in volumes to become the new number three brand.

All top five hay fever brands have similarly enjoyed healthy sales boosts, with GSK brands Piriteze and Pirinase boasting double-digit rises in value and volume.

Whether this branded boom can last, though, is up for debate. "As consumers become more educated and aware of health-care products, migration to own label will naturally increase," says Jennifer Rann, head of retail commercial at Well Pharmacy.

TOP3 Adult oral analgesics			SALES			
			£m	change (£m)	change (%)	
Total volume change: 3.7%			TOTAL CATEGORY	383.1	15.6	4.2
			TOTAL OWN LABEL	131.9	10.4	8.6
1	1	Nurofen	Reckitt Benckiser	79.9	-0.5	-0.6
2	2	Solpadeine	Omega Pharma	43.4	2.7	6.5
3	3	Anadin	Pfizer	22.5	-0.2	-0.8

TOP3 Allergy remedies			SALES			
			£m	change (£m)	change (%)	
Total volume change: 9.2%			TOTAL CATEGORY	128.4	11.6	9.9
			TOTAL OWN LABEL	-	-	-
1	1	Piriteze	GSK	20.4	2.8	15.8
2	2	Benadryl	Johnson & Johnson	13.8	1.9	16.1
3	3	Piriton	GSK	11.3	1.0	9.3

TOP3 Cold & flu remedies			SALES			
			£m	change (£m)	change (%)	
Total volume change: -1.0%			TOTAL CATEGORY	514.8	20.1	4.1
			TOTAL OWN LABEL	56.1	3.3	6.2
1	1	Lemsip	Reckitt Benckiser	66.0	3.2	5.0
2	3	Strepsils	Reckitt Benckiser	37.7	3.6	10.6
3	5	Day/Night Nurse	GSK	35.8	4.5	14.3

TOP3 Indigestion remedies			SALES			
			£m	change (£m)	change (%)	
Total volume change: -4.1%			TOTAL CATEGORY	148.0	4.7	3.3
			TOTAL OWN LABEL	17.9	-0.3	-1.7
1	1	Gaviscon	Reckitt Benckiser	65.3	1.0	1.5
2	2	Rennie	Bayer Consumer	30.3	0.1	0.3
3	3	Nexium	Pfizer	18.7	3.3	21.8

TOP3 Paediatric analgesics			SALES			
			£m	change (£m)	change (%)	
Total volume change: 3.1%			TOTAL CATEGORY	91.3	6.9	8.1
			TOTAL OWN LABEL	11.1	1.5	15.6
1	1	Calpol	Johnson & Johnson	56.1	3.6	6.8
2	2	Nurofen	Reckitt Benckiser	18.6	1.4	8.3
3	3	Calprofen	Johnson & Johnson	2.5	-0.1	-5.5



TOP LAUNCH 2018

Lemlift Reckitt Benckiser

As the winter nights draw in, most people feel in need of a healthy boost. So RB rolled out this four-strong range of chewable or dissolvable tablets in August in anticipation of the colder months. The tablets, available in "refreshing" orange or lemon flavours, are packed with zinc and vitamin C in varying strengths to suit individual lifestyles and diets. RB says the combination gives a boost to the immune system, reduces tiredness and fatigue, and "contributes to normal cognitive function".

personal care: sex care



Sex toys get some action in the supers

James Halliwell

Sex sells – even at Sainsbury's. To a flurry of tabloid headlines, the retailer rolled out a range of sex toys in November. In classic supermarket style, there were good, better, and best offerings, priced at £8, £12 and £15 respectively. "We are always on the lookout for new opportunities to help our customers live well for less and they've told us that sexual wellbeing is an area they would like to see more choice in," said Sainsbury's food commercial director Paul Mills-Hicks.

The fact a supermarket is designing sex toys shows how mainstream they have become. Despite an 11.1% decrease in sales through grocery, they are increasing in popularity more generally – especially for men, says online sex toy retailer Bondara.

"Men's sex toys have seen a huge leap and are steadily catching up with the women's market," says a spokeswoman. "We hope this trend continues and the taboo gradually breaks down. Millions of people have sex toys, yet it's a topic that remains relatively under the covers."

Supermarkets may seem unlikely place for this revolution to take place but Jennifer Rann, head of retail commercial at Well Pharmacy, believes it could happen. She says consumers are "seeking choice and variety" in sex care. "A change in mentality is what's needed to

TOP3 Condoms			SALES			
			£m	change (£m)	change (%)	
Total volume change: -6.4%			TOTAL CATEGORY	62.7	-0.9	-1.4
			TOTAL OWN LABEL	-	-	-
1	1	Durex	Reckitt Benckiser	53.4	0.0	-0.1
2	2	Skyn	LifeStyles Healthcare	4.6	-0.3	-5.4
3	3	Mates	LifeStyles Healthcare	1.2	-0.2	-16.4

TOP3 Lubes			SALES			
			£m	change (£m)	change (%)	
Total volume change: -1.9%			TOTAL CATEGORY	23.9	0.9	4.1
			TOTAL OWN LABEL	2.5	-0.3	-12.3
1	1	Durex	Reckitt Benckiser	11.3	0.6	5.3
2	2	K-Y	Johnson & Johnson	3.0	-0.1	-3.3
3	3	Replens	Church & Dwight	2.2	0.4	24.9

TOP3 Sex devices			SALES			
			£m	change (£m)	change (%)	
Total volume change: -11.3%			TOTAL CATEGORY	2.4	-0.3	-11.1
			TOTAL OWN LABEL	-	-	-
1	1	Durex	Reckitt Benckiser	2.1	-0.3	-12.5
2	2	Mendurance	Viator Health	0.1	0.0	26.5
3	6	So Divine	So Divine	0.1	0.0	135.8

drive this category forward. Bringing it into daily consumer life in a grocery arena will help to remove stigma."

Toy specialist So Divine is proof it can be done. It jumped from sixth to third place in sex devices after a massive volume hike of 151.4%. It says its toys are now listed in Ocado, Asda, Superdrug, Tesco and Boots.com.

It's a glimmer of growth in an otherwise quiet year for sex care. Condoms have fallen 1.4% in value on volumes down 6.4%. The top three brands – Durex, Skyn and Mates – all saw sales fall, while number four Pasante was hardest hit with a 43.8% value drop.

Convenient outlets were the only ones winning in condoms, says Nielsen analyst Carina

Reynolds. "Growth was mainly achieved through price (up 5.4%), as shoppers will spend more for convenient access."

Sales of lubricants also fell in volume, but innovative products helped lift value. Durex saw value rise 5.3% on volumes up 1.3% after launching SKUs such as its Intense Orgasmic Gel last year. So Divine is hoping to get in on the action with a new "prosecco-flavoured lubricant" next year, which it predicts will be a "major hit".

"People are becoming more open about the category," says a spokeswoman. "Thirty or 40 years ago supermarkets would not have had condoms on shelves and now it is the norm. Times are changing." ●



TOP LAUNCH 2018

Viagra Connect Pfizer

Help for the four million UK men affected by erectile dysfunction has been at hand for years in the shape of Viagra. But until March the little blue diamond was only available on prescription, meaning a potentially awkward conversation with a GP. Thanks to the active ingredient in Viagra – sildenafil citrate – being approved for OTC sales, Pfizer was able to launch this more convenient solution in March. Within three months, the launch had provided a £4.3m boost to supermarket healthcare sales.

petcare



Natural trend drives return to growth

Daniel Selwood

It's officially the year of the 'fur baby'. The continued humanisation of domesticated animals proved a stronger influence than ever on the petcare market this year. "Shoppers are increasingly treating their pets as members of the family and, as such, pet-food trends are mirroring the eating habits of owners," says Nielsen analyst Rachel Dodd.

In particular, this is driving the growth of the natural segment, as the human 'wellness' trend extends to cats and dogs.

The higher prices of these natural options helped the petcare category return to growth after last year's slump into the red. That's despite a fall in volumes caused by a stagnant pet-owning population and increased online competition.

"The demand for natural, high-meat products is strong; premiums are high; the sector is growing and attracting a lot of new players," says Tony Parkinson, MD of HiLife, which this year launched It's Only Natural for Dogs (see Top Launch).

Proof of the trend lies in the performance of health-focused brands such as Inspired Pet Nutrition's Harringtons, whose value shot up 16.3% to £45.1m as volumes grew 9.6%. The trend also saw disruptive direct-to-consumer services come to prominence.

Most prominent of all was Tails.com, the

TOP20 Petcare				SALES			
				£m	change (£m)	change (%)	
Total volume change: -3.0%				TOTAL CATEGORY	1,752.8	26.4	1.5
				TOTAL OWN LABEL	335.1	14.4	4.5
1	1	Felix	Nestlé Purina	241.3	3.4	1.4	
2	2	Pedigree	Mars	178.7	-8.2	-4.4	
3	3	Whiskas	Mars	164.7	-9.4	-5.4	
4	4	Gourmet	Nestlé Purina	90.4	3.8	4.4	
5	6	Sheba	Mars	74.5	3.8	5.4	
6	5	Bakers	Nestlé Purina	71.8	-7.1	-9.0	
7	7	Butchers	Butchers	58.0	-7.3	-11.2	
8	9	Good Boy	Armitage Pet Care	55.8	14.0	33.4	
9	8	Go Cat	Nestlé Purina	47.4	-3.2	-6.4	
10	10	Harringtons	Inspired Pet Nutrition	45.1	6.3	16.3	
11	11	Winalot	Nestlé Purina	40.7	4.1	11.2	
12	12	Purina One	Nestlé Purina	38.1	1.7	4.6	
13	15	Webbox	Pets Choice	35.6	2.4	7.3	
14	13	Cesar	Mars	34.1	-1.0	-2.7	
15	16	Dreamies	Mars	31.1	-0.8	-2.5	
16	14	Iams	Spectrum Brands	30.7	-2.9	-8.8	
17	17	Wagg	Inspired Pet Nutrition	29.5	-0.8	-2.6	
18	18	HiLife	Town & Country Pfds	16.4	-1.4	-7.9	
19	19	Encore	MPM Products	15.4	0.4	2.8	
20	20	Chappie	Mars	15.0	0.7	5.2	

four-year-old dog nutrition service that in April sold a majority stake to Nestlé Purina Petcare for an undisclosed sum.

"Tails.com is undoubtedly one of the category's biggest and most successful disruptors," says Liz Wood, Purina's marketing development organisation director. "Our investment in Tails.com this year demonstrates our continued commitment to innovative business models and to act on consumer trends in high-growth categories."

Purina's move made a lot of sense, notes Matthew Carr, client solutions director at Integrated Food Projects. "With competition in the category growing, and more consumers looking for quality petfood, established manufacturers are making significant

investments to grow market share. It could be in new brands or capital projects that improve production capabilities and allow the producers to scale up and/or diversify."

All this change has taken its toll on more mainstream brands. Mars Petcare saw its two leading lines – Pedigree and Whiskas – lose £17.6m under growing pressure from smaller and online businesses, not to mention increasingly ambitious own-label offerings.

Nevertheless, there were some success stories in the form of Felix, Gourmet and Sheba, each of which racked up over £3m in extra sales. There is "still very much a consumer appetite for traditional petfood brands" insists Purina's Wood. "The large majority of pet owners still purchase big brands." ●



TOP LAUNCH 2018

It's Only Natural For Dogs Town & Country

Keen not to miss out on the premium petfood craze, HiLife launched this natural, grain-free range of wet food in February. The six recipes, which include combos such as Chicken Breast with Sweet Potato & Kale, are available across broth, sauce and jelly. Each is made with "high-quality ingredients we'd eat ourselves" says the brand. Plus, all are free from soya, with no artificial colours, flavouring or preservatives to boot. Sounds good enough to eat.

WHISKAS® & TERRACYCLE®

launch the Pet Food Recycling Programme

The nationwide programme is the first of its kind in the UK & Europe and offers pet owners a free solution to transform waste packaging into useful items.



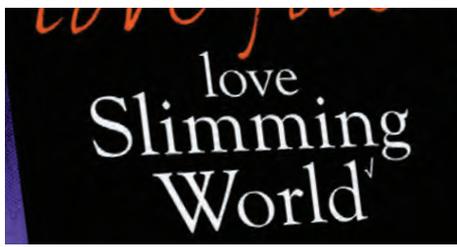
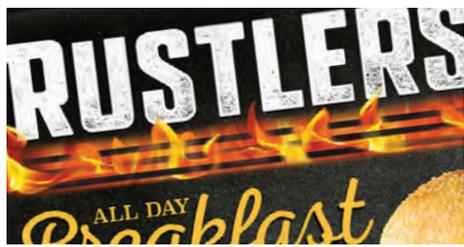
We can't do this alone. Mars Petcare UK is opening up the scheme further by inviting other pet food manufacturers to join TerraCycle and Mars to develop the programme and its impact through wider collaboration.



Find out more on:



ready meals



Ready meals go veggie to stay relevant

Ian Quinn

Until recently, ready meals relied almost exclusively on the tried-and-tested format of meat and grains with a bit of veg thrown in for good measure. How times have changed. For flexitarianism has emerged as one of the largest drivers of growth in this category.

Posh brand Charlie Bigham's has achieved the greatest gain of the year of £11.4m (20.9%), largely driven by NPD aimed at the new generation of meat avoiders. "We launched a series of vegetarian dishes to suit consumers that have either made the decision to go meat-free or reduce their meat intake," says CEO Patrick Cairns.

See Quorn's growth of more than a fifth for more proof of how the trend is transforming the sector. "Meat-free products are becoming more relevant to UK consumers," says marketing director Peter Harrison. "Health is a major driver, with consumers citing a healthy lifestyle as the reason for their choice of diet. Sustainability is also influencing choice as consumers increasingly recognise the impact of intensive meat production on the planet."

Even microwaveable burger brand Rustlers is planning on going veggie, following a flat year. "Flexitarianism is gaining momentum and this, along with continuing to develop the breakfast opportunity, will be a major focal point for us in 2019," says Adrian Lawlor,

TOP5 Chilled ready meals

				SALES			
				£m	change (£m)	change (%)	
Total volume change: -0.8%				TOTAL CATEGORY	2,370.8	41.9	1.8
				TOTAL OWN LABEL	2,055.3	13.8	0.7
1	1	Rustlers	Kepak	88.6	0.3	0.4	
2	2	Charlie Bigham's	Bigham's	65.7	11.4	20.9	
3	3	Feasters	Kepak	21.4	0.0	-0.1	
4	5	Quorn	Marlow Foods	13.6	2.5	22.4	
5	4	McIntosh of Strathmore	Strathmore Foods	13.5	-0.5	-3.5	

TOP5 Frozen ready meals

				SALES			
				£m	change (£m)	change (%)	
Total volume change: -3.2%				TOTAL CATEGORY	381.0	-1.2	-0.3
				TOTAL OWN LABEL	210.2	15.0	7.7
1	1	Slimming World	Loxton Foods	61.7	1.6	2.7	
2	2	Weight Watchers from Heinz	Kraft Heinz Co	22.5	-1.6	-6.5	
3	3	Bisto	Kerry Foods	13.8	-4.5	-24.5	
4	4	Young's	Young's	13.4	-0.3	-2.4	
5	5	Kershaws	Kershaws	11.2	-0.9	-7.3	

TOP5 Ambient ready meals

				SALES			
				£m	change (£m)	change (%)	
Total volume change: 1.4%				TOTAL CATEGORY	120.6	-0.6	-0.5
				TOTAL OWN LABEL			
1	1	Uncle Ben's	Mars	89.8	2.4	2.7	
2	2	Tilda	Hain Celestial	10.0	0.0	-0.2	
3	3	John West	John West Foods	9.0	-1.4	-12.0	
4	4	Napolina	Princes	2.9	-0.8	-8.3	
5	5	Seeds Of Change	Mars	0.8	-0.3	-28.9	

marketing and business development director at owner Kepak. "Health trends are also impacting ready meals and microsnacking, and we'll be capitalising on this next year."

Quality and convenience are as important as health credentials, says Annie Kimberley, senior brand manager at Kraft Heinz. "Consumers are more concerned with health than ever before and are now constantly on the lookout for 'better for you' meal options.

However, they distrust the nutritional and health benefits of ready meals, doubting they can be tasty as well as healthy."

Heinz's Weight Watchers' results bear this out: its frozen ready meals are down 6.5% in value and nearly 30% in volume. Kimberley says Kraft Heinz is "currently in the process of developing new flavours to add to the Weight Watchers range". They'd better be good to arrest a decline of 5.5 million units.



TOP LAUNCH 2018

Boxed Nomad Foods

This brand is testament to demand for eco-friendly fare as much as the trend for frozen premium ready meals. Only six months after launching, Boxed announced a major overhaul in September. Following its sale to Birds-Eye-owner Nomad Foods by William Jackson Food Group, it shrunk its packs from two servings to one in a bid to cater for one-person households and curb food waste. Plus, the meals come in recyclable trays made of sustainably sourced paperboard.

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rice, noodles & pasta



Pouched rice steams ahead in carb battle

Rob Brown

Carbohydrates' share of our plates is shrinking. Brits' carb consumption at home fell 0.4% this year, as we revealed in September. Protein, meanwhile, is all the rage (see p193), with consumers viewing it, rightly or wrongly, as a healthier macronutrient to carbs.

As a result, rice, noodles, pasta and spuds are having to fight hard for their place at the table. So who's winning?

Things aren't pretty for the poor old potato (see p133). That's mostly down to a fall in price, but punters are also looking for products perceived as healthier, easier to prepare and suitable for the ever-widening repertoire of cuisines they're enjoying at home. And they'll pay more for such credentials.

These trends have made rice king of the carbs again this year, up 3% to £444.8m on units up 0.7% – marking five years of consecutive growth. Leading players say there's still room for even more.

"It's been a really good year for rice. The category has grown, own label has grown and a number of brands have grown," says Nadia Follon, marketing manager for market leader Uncle Ben's. "This shows that the category is answering consumer needs."

Pouched rice is one obvious area for growth. While 88% of households regularly buy rice, just 56% buy the stuff in pouch

TOP10 Rice				SALES			
				£m	change (£m)	change (%)	
Total volume change: 0.7%				TOTAL CATEGORY	444.8	13.1	3.0%
				TOTAL OWN LABEL	144.1	9.7	7.2%
1	1	Uncle Ben's	Mars	150.6	-2.3	-1.5	
2	2	Tilda	Tilda	81.3	3.7	4.7	
3	3	Laila	Surya Rice	11.7	3.0	34.6	
4	6	Kohinoor	Kohinoor	9.9	1.9	23.1	
5	4	Batchelors	Premier Foods	7.6	-0.6	-7.4	
6	7	Ainsley Harriott	Symington's	6.6	-1.4	-17.5	
7	5	Veetee	Veetee	5.5	-2.6	-32.2	
8	8	Riso Gallo	Gallo	2.4	-0.3	-9.5	
9	11	Badshah	Veetee	2.4	0.6	32.0	
10	15	Salaam	Surya Rice	2.2	1.0	85.7	

TOP10 Pasta				SALES			
				£m	change (£m)	change (%)	
Total volume change: -0.4%				TOTAL CATEGORY	201.5	-2.6	-1.3
				TOTAL OWN LABEL	129.8	-4.6	-3.4
1	1	Napolina	Princes	30.5	3.6	13.6	
2	2	De Cecco	De Cecco Fara Co	10.5	1.1	11.6	
3	5	Barilla	Euro Food Brands	3.3	0.1	2.4	
4	3	Buitoni	Nestlé	3.2	-1.6	-34.1	
5	6	Marshalls	Pasta Foods	2.7	-0.1	-5.0	
6	14	Pasta Reggia	Antonio Pallante	1.8	1.2	211.3	
7	7	Napolina Bronze Die	Princes	1.6	-0.4	-19.5	
8	4	Cook Italian	La Doria	1.5	-2.4	-61.9	
9	8	Rummo	Rummo	1.4	0.0	-2.3	
10	9	Happy Shopper	Booker Belmont	1.2	0.0	1.1	

formats, according to Tilda. Still, ready to heat (RTH) pouched rice is the fastest growing part of the market, driven by big increases in own-label ranges, regular round pound and two for £2-type deals by the big two brands Uncle Ben's and Tilda, plus a steady stream of branded innovation.

The first two factors are driving prices down, says Nielsen senior analyst Ana Avila. "The category is heavily promoted with 26% of total volume sold on promo, although this

has declined 1.1% versus last year," she says.

"Own label is a fierce competitor, driving value and volume. People used to enter the category through brands like Uncle Ben's and then switch to own label. Now, especially in classic flavours, people are entering through own label and sticking to it."

Own label's 7.2% growth on units up 8.1% illustrates this point perfectly. Meanwhile, Uncle Ben's has seen value dip 1.5% on units up 0.7%. Number two brand Tilda is up ↗



TOP LAUNCH 2018

Pot Rice Unilever

Pot Rice is back with a bang after a 15-year hiatus. With rice fast becoming the carb of choice for time-pressed consumers, the omens are good for Pot Rice's return. Available in three variants inspired by the cuisines of Japan, Italy and India (Chicken Teriyaki, Chicken Risotto and Vegetable Curry), Unilever says the relaunch was a response to a combination of "fierce consumer demand" and the ongoing decline of traditional sit-down meal occasions.

rice, noodles & pasta



⚡ 4.7% in value and 4.6% in unit sales. Note that average price per pack is down for both brands.

With prices being hammered down on standard lines, brands are looking to maintain value through innovations that satisfy demand for healthy, culinary and convenient products. These launches can be eaten either as a side dish or as a meal in their own right. See the July launch of Uncle Ben's Rice & Grains pouched range or Tilda's five-strong Super Grains lineup.

"We're focused on innovation because we can't win on price, so need to give consumers more," Tilda brand lead Anna Beshati told us in the summer. "Our focus is on developing unique recipes that quality-conscious consumers expect." It's not all about adding trendy grains such as quinoa or wild rice and putting it in a pouch, though. Bulk Basmati brand Akash is responsible for the biggest launch in rice of the past year, a loose basmati that's delivered 8% of the total value of all rice NPDP.

The brand uses the strapline 'Perfectly Aged in the Himalayan Sunshine' in a bid to differentiate itself from own label and bargain brands that dominate bulk rice. It's seen

TOP10 Noodles

				SALES			
				£m	change (£m)	change (%)	
Total volume change: 6.0%				TOTAL CATEGORY	36.9	-0.2	-0.4
				TOTAL OWN LABEL	10.2	1.1	11.6
1	2	Amoy	Kraft Heinz Co	7.9	-0.6	-7.5	
2	1	Sharwoods	Premier Foods	7.2	-1.4	-16.1	
3	3	Blue Dragon	AB World Foods	4.1	0.1	3.6	
4	4	Mama	Thai President	1.9	0.4	24.7	
5	6	Barenaked	Barenaked Foods	0.7	0.1	11.2	
6	8	Nissin	Nissin Foods	0.6	0.2	38.7	
7	5	Thai Taste	Empire Bespoke	0.5	-0.2	-29.0	
8	7	Clearspring	Clearspring	0.5	0.0	5.2	
9	11	Mekong	JK Foods	0.4	0.1	26.6	
10	10	Tazaki Foods	Yutaka	0.3	0.0	-9.7	

sales surge 510.9% to £622k.

Brands are also having to push their premium credentials in the noodles and pasta markets to stave off own label. That's especially true in noodles, where own label value sales are up 11.6% on unit sales up 21.2%. Brands, meanwhile, have seen combined sales fall 4.4% while unit sales are flat.

Brands such as Amoy, which took the top spot this year, say communicating quality and convenience is key to competing with own label. "Kraft Heinz continues to focus on

delivering a quality unmatched by own label, whilst focusing on innovation," says Annie Kimberly, senior brand manager for Amoy.

Culinary convenience isn't the only way brands are looking to regain the upper hand. "With consumers more sensitive to what represents 'good value for money', our focus remains on providing the best quality products available, while ensuring these remain affordable," says Daniel Jalalpour, brand director for cooking sauces at Sharwood's owner Premier Foods.

That said, Sharwood's has suffered the greatest decline of the year, losing £1.4m (16.1%) on units down 15.7%. That most retailers offer products similar to Sharwood's but at a much lower price suggests Premier needs to invest in communicating the brand's premium credentials or prepare to promote harder to drive sales.

Having a clear point of difference from own label is crucial, says Neil Brownbill, commercial director for Napolina, which has seen its pasta sales surge 13.6% on units up 20.1%, as pasta brands overall have seen value and volume rise 2.9%. Own label, meanwhile, dipped 3.4% on units down 1.5%.

"One of the key strengths of the Napolina brand within pasta is the breadth of range offered," says Brownbill, adding that Napolina's average price per unit has dipped as a result of the ongoing switch to 500g packs. "Innovative ranges such as 50/50, which delivers more fibre than regular pasta, have been followed up with new to market Organic Gluten Free Vegetable pastas. These complement the pillar of Napolina's core 500g and wholewheat ranges, as well as the Bronze Die premium offering, which has recently seen strong distribution gains."

Healthy and premium: just the sort of image carbohydrates need to cultivate. ●



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This limited edition Peri Peri rice is just one of the culinary innovations to come out of the Tilda kitchen this year. The brand says its wide range of flavours, including Coconut and Brown & Wild rice, is part of its strategy to provide "unique recipes that quality-conscious consumers have come to expect". The Peri Peri variant proved particularly popular, it says, and was accompanied by a how-to video recipe (pictured).

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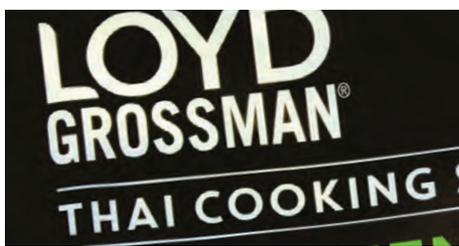
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sauces: cooking



Exotic trend gives brands a taste test

Carina Perkins

Brits are getting bored of bolognese. Inspired by holidays abroad and the proliferation of street food trucks and fast-casual restaurant serving up authentic Indian, Chinese, Mexican and Thai dishes – as well as new cuisines such as Vietnamese, Brazilian and Korean – consumers are itching to recreate more exotic dishes at home.

This is proving to be both an opportunity and a challenge for manufacturers. On the one hand, the hunger for more adventurous flavours means shoppers are “on the lookout for brands they trust which will help them deliver delicious results when cooking up dishes from around the world,” says Daniel Jalalpour, brand director for cooking sauces at Premier Foods. But at the same time, “consumers are becoming more discerning as to what they are looking for,” says Adarsh Sethia, MD of The Spice Tailor. “They are looking for high-quality, authentic products with no compromise on health.”

With retailers also ramping up their own label offer and switching away from promotions to everyday low prices, branded cooking sauces have continued to take a hit. Stalwarts Dolmio, Loyd Grossman, Homepride, Sharwood’s and Uncle Ben’s are all in decline, shedding a collective £11.4m.

Meal kits, however, are in demand.

TOP20 Sauces: cooking				SALES			
				£m	change (£m)	change (%)	
Total volume change: -1.2%				TOTAL CATEGORY	806.8	-3.5	-0.4
				TOTAL OWN LABEL	225.0	3.6	1.6
1	1	Dolmio	Mars	105.7	-3.6	-3.3	
2	2	Old El Paso	General Mills	100.6	2.4	2.4	
3	3	Patak's	ABF	62.3	1.1	1.8	
4	4	Sharwood's	Premier Foods	55.3	-0.9	-1.6	
5	5	Loyd Grossman	Premier Foods	47.9	-4.4	-8.5	
6	6	Blue Dragon	ABF	47.0	1.9	4.1	
7	7	Homepride	Premier Foods	23.3	-1.3	-5.2	
8	8	Sacla	Sacla	22.5	-1.7	-7.0	
9	9	Amoy	Kraft Heinz Co	21.4	-1.7	-7.2	
10	10	Uncle Ben's	Mars	18.8	-1.2	-5.9	
11	11	Santa Maria	Paulig	12.0	10.5	-1.5	
12	12	Kikkoman	Kikkoman	8.7	1.0	13.6	
13	13	The Spice Tailor	The Spice Tailor	6.6	0.4	6.9	
14	15	Napolina	Princes	5.9	0.5	9.4	
15	14	Seeds Of Change	Mars	5.4	-0.4	-7.2	
16	17	Lee Kum Kee	Lee Kum Kee	5.1	1.0	24.0	
17	16	Chicken Tonight	Symington's	4.6	-0.3	-5.8	
18	18	Thai Taste	Empire Bespoke	3.8	-0.2	-4.5	
19	20	Kingfisher	Lovering Foods	3.4	0.3	10.8	
20	19	Ragu	Symington's	3.0	-0.9	-23.0	

Brands tapping this trend, such as Patak’s, Blue Dragon and The Spice Tailor, are all in growth. “We are inspiring with new cuisines, new flavours and new pack formats that bring ‘cooking sauce’ out of jars or tins,” says Paul Watmore, marketing director of AB Foods.

Consumer demand for culinary pastes is also surging, driven by “more exotic flavours that can’t be easily recreated at home,” says Peter Oden, commercial director at Belazu. “It gives them convenience without compromise, allowing them to scratch cook every day of the week without the prep work,” he adds.

Brands catering to the latest flavour crazes have also grown sales. Old El Paso has launched NPD to tap into the Mexican street food trend, for example, while The Spice

Tailor has capitalised on demand for authentic Indian dishes.

Shoppers aren’t completely abandoning Italian, which remains “the most popular cuisine in the UK”, says Napolina commercial director Neil Brownbill. However, they are “more readily switching into alternative categories such as chopped tomatoes and passata to recreate their own Italian sauces”.

Indeed, Napolina is one of the few Italian sauce brands in volume and value growth, having launched a four-strong range of passata sauces in the summer. “It is incumbent on brands to differentiate from own label and offer innovative, added value solutions to the category that align with consumer trends,” Brownbill adds.



TOP LAUNCH 2018

Patak's Oven Bakes AB World Foods

Everyone loves a curry, but sometimes the occasion calls for something a little less saucy. These marinade pouches are inspired by tandoori-style cooking, a staple of Indian street food ideal for making lighter meals. Available in three flavours – Tandoori; Lemon & Coriander; and street food-inspired Spicy Chicken 65 – the pouches can simply be poured over meat or veg before cooking in the oven for 20 minutes. Stuff in a wrap or serve with salad and voila – a mess-free Indian feast.

sauces: table



Sauce goes on a health kick to stay fresh

Ash O'Mahony

It's not just soft drinks going on a reformulation drive. Table sauces have been on a health kick of their own. But rather than a sugar levy, consumer demand has proved the driving force for this category.

The fastest growing product by absolute value was Heinz Tomato Ketchup 50% Less Sugar & Salt, up £9.3m. Hellmann's Lighter than Light mayo climbed 33.3% to £2m. A swathe of ever more ambitious health-focused NPD has hit the shelves, from Asda's new Lighter than Light Mayo to Heinz No Added Sugar & Salt Ketchup, which uses just sucralose for added sweetness. It's seems low sugar equals high sales.

"Healthier eating has become an important factor for many consumers, and sugar and salt content continues to be highly relevant," says Kraft Heinz senior brand manager Martina Davis. "Shoppers are increasingly aware of what they're putting in their bodies."

Saying that, the big brands aren't necessarily benefiting that much from their healthier offerings. Several have found these low-sugar or low-salt variants are cannibalising sales from their staple lines, most notably Heinz. The category giant's original tomato ketchup sales dropped £4.9m (4.6%) this year. That meant it gained just £4.8m across all its ketchup and salad cream lines, making its

TOP10 Table sauces

				SALES			
				£m	change (£m)	change (%)	
Total volume change: 1.8%				TOTAL CATEGORY	561.9	9.3	1.7
				TOTAL OWN LABEL	93.4	5.7	1.2
1	1	Heinz Tomato Ketchup	Kraft Heinz Co	102.6	-4.9	-4.6	
2	2	Hellmann's Real Mayonnaise	Unilever	60.1	-1.4	-2.3	
3	4	HP Sauce	Kraft Heinz Co	29.2	0.3	1.0	
4	3	Hellmann's Light Mayonnaise	Unilever	28.6	-0.9	-3.1	
5	5	Heinz Salad Cream	Kraft Heinz Co	24.4	0.5	2.1	
6	6	Heinz Seriously Good Mayo	Kraft Heinz Co	21.1	3.6	20.6	
7	10	Heinz TK 50% less sugar & salt	Kraft Heinz Co	16.6	9.3	127.4	
8	7	Colman's mustard	Unilever	14.3	-0.1	-0.7	
9	8	Heinz Light Salad Cream	Kraft Heinz Co	13.4	-0.1	-0.7	
10	9	Lea & Perrins	Kraft Heinz Co	12.4	-1.0	-7.5	

TOP5 Condiments

				SALES			
				£m	change (£m)	change (%)	
Total volume change: -6.5%				TOTAL CATEGORY	76.9	-0.1	-0.1
				TOTAL OWN LABEL	41.5	-1.4	-3.8
1	1	Colman's	Unilever	18.4	-2.2	-10.7	
2	2	Ocean Spray	Ocean Spray	4.5	-0.3	-6.3	
3	3	Heinz	Kraft Heinz Co	2.5	-0.1	-3.9	
4	5	Hellmann's	Unilever	2.3	0.6	35.3	
5	4	Maille	Unilever	2.0	0.0	0.0	

burgeoning £19m mayonnaise line even more important. Speaking of mayonnaise, it's a similar story at Hellmann's. Amid fresh competition from Heinz and growing sales for its Lighter than Light mayo, its standard line has fallen 2.3% to £60.1m.

The story hasn't all been around cutting sugar, salt and fat, however. "Traceability of ingredients and a product's authenticity also remain at the forefront of shoppers' minds this year," says Jake Woods, sauces and condiments buyer at The Co-op.

Big brands may be nailing health, but challengers believe they are falling short on these credentials. Smaller startups like The Saucy Affair, which launched its raw sauces into

Sainsbury's in August, and The Foraging Fox, which introduced a three-strong range of mayos in October, are marketing themselves as an all-natural alternative to the mainstream sauces on the market. "Some of the leading mayo brand jars are over-processed and packed with preservatives," says co-founder Frankie Fox. "We want to bring mayonnaise back to its natural roots."

This emphasis on natural could prove the next frontier for the major sauce brands. As they face changing consumer expectations – and tough competition from startups in meeting those expectations – brands that fail to adapt just might find themselves left on the shelves.



TOP LAUNCH 2018

Hellmann's Vegan Mayo Unilever

How do you respond when a rival powerhouse enters your home territory of mayo? In the case of Hellmann's, one answer is to go vegan. It's not a bad shout. Amid the boom in all things plant-based, this NPD (rsp: £2.15/270g) is firmly on trend, and has no artificial colours or flavours to boot. It joins a raft of innovation from Unilever since Kraft Heinz unveiled its own mayo back in February 2016, including Chilli Mayonnaise Fired by Tabasco. Your move, Heinz.

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savoury pastries & meat snacks



NPD gives pie brands a healthy boost

Rob Brown

Instances of brands getting one up on own label are few and far between in this report. Not here: savoury pastry brands are up £16.6m (4.9%) on units up 2.2%. That's an extra 5.8 million branded pies, slices and pasties sold. Own label, by contrast, is flat.

This is because brands are introducing new consumers to the delights of pastry with innovative recipes, formats and brand identities. Meanwhile, own label is largely sticking to fare favoured by older consumers, such as steak & kidney and beef & onion.

Take market leader Ginsters. It was responsible for the year's greatest gain – £6.4m (7.2%) on units up 5.2% – amid a flurry of NPD and a summer relaunch to trumpet quality of ingredients as well as the brand's Cornish roots and increasingly culinary recipes.

“The largest NPD in savoury pastries came with the launch of Ginsters Chicken & Bacon slice, achieving £1.6m since February,” says Nielsen senior client manager Scott Rowley.

The brand has also teamed up with Michelin-starred chef Chris Eden to develop Moroccan Veg and Cheese & Onion Pasties and low-calorie Piri Piri and Katsu Chicken Slices. All of which hope to tackle consumer preconceptions that savoury pastries can be bland, unhealthy and inferior quality.

“It's a case of changing mindsets, proving

TOP 15 Savoury pastries				SALES		
Total volume change: -0.5%				£m	change (£m)	change (%)
TOTAL CATEGORY				1,122.1	16.6	1.5
TOTAL OWN LABEL				767.2	0.0	0.0
1	1	Ginsters	Samworth Brothers	95.7	6.4	7.2
2	2	Wall's	Addo Foods Group	33.3	-2.5	-7.1
3	4	Pukka	Pukka Pies	30.8	4.7	17.9
4	3	Higgidy	Higgidy	29.6	2.2	7.8
5	5	Peter's	Peter's Food Service	14.1	-2.3	-14.2
6	7	Bells	Bells Food Group	13.2	0.9	6.9
7	6	Pork Farms	Addo Foods Group	11.7	-0.7	-6.0
8	8	Vale Of Mowbray	Harris C&T	9.7	1.2	13.5
9	10	Pieminister	Pieminister	7.9	1.2	17.8
10	19	The Welsh Pantry	The Welsh Pantry	7.6	3.9	106.4
11	11	Holland's	2 Sisters Food Group	6.4	0.3	4.7
12	14	Rowe's	WC Rowe	6.1	1.1	20.7
13	13	Island Delight	Cleone Foods	5.9	0.7	12.5
14	16	Dicksons	MI Dickson	5.1	0.9	21.4
15	12	Bigham's	Charlie Bigham's	5.1	-0.5	-8.5

our premium credentials and demonstrating that we're driving new levels of innovation,” says Ginsters MD Kieran Hemsworth. “To broaden our appeal, the lower-calorie slices were made for younger, health-conscious consumers.”

Ginsters isn't alone in going after this crowd. Pukka Pies has overtaken Higgidy to become the market's third biggest brand, thanks to the extra million, primarily younger, consumers it says it's attracted through a relaunch and wave of NPD.

“Over 70% of pie shoppers are post-family and living in one or two-member households, but when I look at our profiling compared to the wider category, it's clear that we're over indexing on younger consumers,” says Pukka category controller Sarah Reedman.

The brand says 4% of its consumers are under 28, versus own label's average of 2.9%. It expects that figure to continue rising as distribution for lines such as its Veggie Masala

and Leek & Potato grows.

“Vegetarian options tend to appeal to younger shoppers, but in the past they've tended to be very premium,” explains Reedman. “Our lower price point is making it more mainstream. We've doubled distribution in Tesco with Tesco Express a new addition. We've also significantly increased our footprint across Sainsbury's Locals.”

Note the emphasis on convenience retailers. As well as a growing focus on young families with the development of products such as Pukka's first frozen range, brands are going after the on-the-go occasion. It makes sense, given the dent the hot summer made on evening meal consumption.

“Food-to-go is starting to become a real growth area for us and we've recently launched with WH Smith,” says Mark Chapman, MD of Higgidy, which is up £2.2m (7.8%) on units up 6%. “People are eating more on the go but they don't want to ↻



TOP LAUNCH 2018

Kings Flexitarian Snacks Kings Elite

Meat is feeling the heat as more and more consumers embrace flexitarianism. So this launch from Kings Elite makes perfect sense. The flexitarian range of protein bites comprises a free-range chicken variant, alongside veggie and vegan versions made with vegetable protein. Expect more to come from Kings Elite. In September the brand – founded by rugby stars Mike Tindell and Mark and James Simpson-Daniel – was bought for more than £20m by Australian tycoon Tony Quinn.

savoury pastries & meat snacks



◀ compromise on quality.”

Again, meat is conspicuous in its absence in many of Higgy's new recipes, which include Spinach & Feta Tartine, Spanakopita Veggie Rolls and a Paneer, Coconut & Spiced Chick Pea Pie. Chapman says veggie dishes inspired by far-flung cuisines are a major draw for younger consumers and crucial for the future health of the category.

“A whole new band of shoppers are looking for something fresh and different,” Chapman adds. “The growth of our vegetarian products outpaces everything else. Almost 70% of what we make is vegetarian and this year we launched our first vegan line.”

The classics still have a place, however. While some traditional brands such as Wall's, Peter's and Pork Farms are all in decline, 10th-placed brand Welsh Pantry has seen sales more than double to £7.6m, thanks largely to the April launch of a quiche line that has since racked up £1.2m at the tills. Eleventh-placed Holland's, meanwhile, is up 4.7% to £6.4m.

It's pushing for a greater slice of the pies market with the launch of the premium Best Ever range, which rolled into the big four and The Co-op in the autumn, following

TOP15 Meat snacks			SALES			
			£m	change (£m)	change (%)	
Total volume change: -2.0%			TOTAL CATEGORY	138.4	3.1	2.3
			TOTAL OWN LABEL	5.2	0.9	20.2
1	1	Peperami	Jack Link's	60.3	-0.8	-1.3
2	2	Fridge Raiders	Kerry Foods	51.3	0.5	1.0
3	3	Wild West	Wild West Foods	5.2	-0.5	-9.3
4	4	Kings	New World Foods	3.7	0.9	30.9
5	6	Jack Link's	Jack Link's	2.8	1.2	75.9
6	8	Cruga	Cruga	2.4	1.0	73.7
7	10	Taste Inc	CP Foods	2.4	1.9	420.9
8	7	Texas Joe's	Texas Joe's	0.7	-0.8	-54.4
9	13	Men's Health	Meatsnacks Group	0.5	0.3	115.6
10	5	Bundu Biltong	Wild West Foods	0.5	-1.3	-73.8
11	22	Itsu	Metcalfe's Food Co	0.3	0.2	231.9
12	16	Dieter Hein	Dieter Hein	0.3	0.1	72.0
13	12	Unearthed	Winterbotham Darby	0.3	0.0	-10.1
14	NEW	Ember	Ember Snacks	0.2	0.2	●
15	20	Delicatessen Fine Eating	House Of Westphalia	0.2	0.1	51.1

consumer research that revealed an appetite for a greater amount of filling.

“Our loyal customers asked for more of our famous fillings, and we listened,” says chief ‘pieologist’ Helen Henry.

Similar premiumisation is taking place in

meat snacks. Market leader Peperami has suffered a 1.3% dip to £60.3m as unit sales plunged 13%, while pricier jerky and biltong brands are delivering strong growth.

Take Jack Link's, the namesake brand of the US manufacturer that bought Peperami from Unilever back in 2014. Sales have almost doubled, with the Link's brand putting an extra £1.2m through the tills in the past year. This, says marketing manager Pavan Chandra, is being driven by a shift towards high-protein snacks perceived as healthier.

“Meat snacks have an increasing appeal with health-conscious shoppers,” he says. Plus the “inherent protein benefits” of products such as its new biltong means it can charge almost three times more than crisps per serving.

With an average price of £1.68 per pack versus a market average of £1.25, the case for using meat snacks such as Link's to drive value is clear. But there's a new breed of snacks charging an even greater premium.

Taste Inc, for example, has hit sales of £2.4m in spite of an average price of £2 a pack. Gourmet brand The Curators, which fetches a similar amount per pack, is picking up new listings for its flavoured jerkies, which include espresso and Korean BBQ lines.

Co-founder Ed Hauck expects the market to continue to premiumise. “Meat is an emotive discretionary spend for many people,” he says. “Why should snacks be any different? There are a lot of parallels with craft beer, where the trend is towards less volume but better quality. We expect to see the same in this market.” ●



Storming into the top 15 meat snacking brands this year was Ember. Launched in 2017, its range of high-end snacks such as this 16g 'shot' of chilli biltong are positioned to revamp the category's image. Co-founder Harry Mayhew believes the “knockout combination of quality and taste alongside an emotive lifestyle brand” could take the penetration of meat snacks from 7% of UK households to 10% by the end of 2020.

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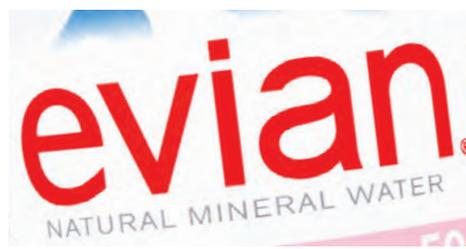


**These days, more and more shoppers want
a low-calorie alternative to their favourite drinks.**

That's why the Red Bull Sugarfree range has grown, offering shoppers new flavours, new sizes and a choice in how they get their wings. As Red Bull Energy Drink is growing at +13%* and Red Bull Sugarfree is growing at +15%*, selling Sugarfree alongside Red Bull Energy Drink can help your category sales fly. So if you want to give your business a lift, it's easy to see:

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soft drinks: bottled water, squashes & cordials



Thirsty Brits guided by plastic effect

Daniel Woolfson

Brits are a thirsty bunch. This report marks bottled water's ninth year of consecutive growth: as a nation we knocked back an extra 133 million litres over the past 12 months alone. But in today's plastic-conscious society, tastes are changing. Packaging is now top of the agenda when it comes to shopper choices.

"There has been a call to action and you can easily see how it has changed the category in the last 12 months," says Joe Benn, co-founder of canned water brand Ugly Drinks. "Plastic is a key driver of buying right now."

Take Highland Spring, for instance, which launched the first 100% recycled plastic bottle into grocery earlier this year (see Top Launch). It's pulled in an extra £19.8m, replacing Buxton as the UK's third-favourite bottled water. That's the largest gain of any brand in this category and the sixth-largest gain of any soft drink in this report. The brand's channel marketing manager, Nichola Grant, credits it to a wide-ranging 'Brave By Nature' ad campaign, the hot summer and "a really positive" response to the eco-bottle.

CCEP's Smartwater, whose bottles are 30% plant-based (they contain plastic produced with sugar cane residue rather than petroleum) made headway too. This year, CCEP has broadened its range with new packs such as an 850ml sports cap bottle aimed at the

TOP10 Bottled water			SALES			
			£m	change (£m)	change (%)	
Total volume change: 6.3%			TOTAL CATEGORY	1,174.7	66.6	6.0
			TOTAL OWN LABEL	319.6	24.9	8.5
1	1	Volvic	Danone	170.3	2.4	1.4
2	2	Evian	Danone	155.6	-1.2	-0.8
3	4	Highland Spring	Highland Spring	123.3	19.8	19.1
4	3	Buxton	Nestlé Waters	108.5	-0.7	-0.6
5	5	Pure Life	Nestlé Waters	64.6	0.2	0.4
6	6	Glacéau Smartwater	CCEP	42.2	2.7	6.9
7	7	San Pellegrino	Nestlé Waters	33.2	0.6	1.7
8	8	Robinsons	Britvic	19.8	4.3	27.4
9	9	Rubicon	AG Barr	16.3	6.8	71.3
10	11	Brecon Carreg	Spadel	8.1	-0.7	-7.5

TOP5 Squashes & cordials			SALES			
			£m	change (£m)	change (%)	
Total volume change: 4.3%			TOTAL CATEGORY	469.9	23.2	5.2
			TOTAL OWN LABEL	141.3	6.1	4.5
1	1	Robinsons	Britvic	182.4	10.1	5.9
2	2	Ribena	Suntory	46.4	0.4	0.8
3	3	Vimto	Nichols	43.2	5.1	13.3
4	4	Bottlegreen	SHS Drinks	12.3	0.9	7.9
5	6	Belvoir Fruit Farms	Belvoir Fruit Farms	10.5	1.8	20.9

on-the-go market and 600ml multipacks.

Water's challenger brands are also experimenting with alternative formats and materials. "There are now half a dozen or so water brands in cans that didn't exist 24 months ago, and we're seeing brands go into materials like Tetra Pak," says Ugly's Benn.

If plastic is the biggest influence in this market, health comes a close second. This is particularly true in flavoured water. The 2017 health-centric launches Robinsons Refresh'd and Rubicon Spring have this year come of age, leading to the biggest gains (in percentage terms) in the top 10 for their owners. "Consumers are still looking for taste, but are seeking a healthier alternative from the

full-sugar carbonates or juice drinks," says Nielsen client manager Will King.

Amid all this change, perhaps the biggest surprise is squash. Last year sales were plummeting – now the top five squash brands have added a combined £18.3m, thanks largely to premium NPD, says Britvic GB commercial director for at home Phil Sanders, who claims 2017 launch Robinsons Cordials has attracted "a new adult customer base".

An average price rise of 0.9% across the segment "may not seem like much", says Nielsen's King. "But in a sector that has been declining in price for many years, driven by an increasingly important private label, this is a huge step for squash." ●



TOP LAUNCH 2018

100% Recyclable Bottle Highland Spring

Highland Spring beat Evian (which this year said it would make all its bottles from 100% recycled plastic by 2025) to the punch with this launch in June. The fast-growing brand's 500ml grey-tinged rPET 'eco-bottle' was trialled in selected Scottish Tescos and in London branches of Sainsbury's in June, during which time it asked for shopper feedback, and a national rollout is now planned for 2019. A perfectly timed, commercially and environmentally savvy play.

soft drinks: carbonates & energy drinks



Zero sugar rushes ahead as levy grips

Daniel Woolfson

Carbonates' £247.7m gain is the second largest for any category in this report (behind spirits), much of which is thanks to the tax man.

The introduction of the sugar levy in April sent prices surging – they're up an average of 9.8% across the category. Volumes, meanwhile, are up a meagre 0.007%. So despite splashing out all that extra cash, Brits drunk just 179,996 extra litres.

Full-sugar pop is fast becoming persona non grata: nearly all of the biggest gains this year were made by zero-sugar or diet variants of the biggest brands. Pepsi Max raked in the largest gain, growing 21.3% (£58.3m) to £332m, while Coca-Cola Zero Sugar followed close behind with a 38.6% (£52.2m) rise to £187m. Irn-Bru Xtra, AG Barr's zero-sugar version of the classic Scottish fizz, grew by more than two-thirds (67.6%) to £15.8m.

It will come as no surprise, then, that standard Pepsi Cola saw 6.2% (£7.1m) wiped off its value as Max flew off the shelves, or that 7 Up took a beating, dropping 25.7% (£5.2m) to £15m while its sugar-free variant added £5.3m, growing 22.6% in its stead. Standard Coke may be up 2.9% in value but that's solely down to price; volumes fell 14.8%.

The message is clear: sugar-free is the future. Even Coke's global CMO for sparkling told The Grocer earlier this year Coke Zero

TOP10 Carbonates			SALES			
			£m	change (£m)	change (%)	
Total volume change: 0.0%			TOTAL CATEGORY	2,784.9	247.7	9.8
			TOTAL OWN LABEL	151.2	3.4	2.3
1	1	Coca-Cola	Coca-Cola Company	1,234.3	102.4	9.0
2	2	Pepsi	PepsiCo	515.4	54.4	11.8
3	3	Fanta	Coca-Cola Company	182.8	29.3	19.1
4	4	Irn-Bru	AG Barr	116.2	10.7	10.1
5	5	Dr Pepper	Coca-Cola Company	98.1	9.7	11.0
6	7	Schweppes	Coca-Cola Company	55.2	10.7	23.9
7	6	Sprite	Coca-Cola Company	50.7	4.7	10.2
8	8	7 Up	PepsiCo	44.3	0.0	0.1
9	10	San Pellegrino	Nestlé Waters	31.2	1.8	6.3
10	12	Barr	AG Barr	27.2	4.8	21.2

TOP5 Sports & energy drinks			SALES			
			£m	change (£m)	change (%)	
Total volume change: 1.4%			TOTAL CATEGORY	1,169.7	22.2	1.9
			TOTAL OWN LABEL	31.4	-4.1	-11.6
1	2	Red Bull	Red Bull	318.1	28.1	9.7
2	1	Lucozade	Suntory	274.6	-37.3	-12.0
3	3	Monster	Coca-Cola Company	200.7	34.2	20.5
4	4	Lucozade Sport	Suntory	116.7	9.5	8.9
5	5	Rockstar	AG Barr	53.6	4.6	9.4

Sugar is fully expected to eclipse the flagship cola at a global level over coming years.

But sugar isn't the whole story. Don't forget 2018 was the year of the CO2 shortage, which caused massive supply issues for many suppliers, including Pepsi distributor Britvic. "We temporarily scaled back promotional activity on our carbonated soft drinks to ensure continuity of supply," says Britvic GB commercial director for at home Phil Sanders.

Then there's the scorching hot summer and dramatic World Cup, the combined impact of which is "quite hard to unpick", says Barr Soft Drinks marketing director Adrian Troy. In fact, he says all these factors have made it "difficult to fully assess the impact of the

sugar levy" on sales.

Indeed, Coca-Cola European Partners customer marketing director Simon Harrison says the World Cup marked "the best sales period ever" for soft drinks.

Over in energy drinks, all but one of the top five brands saw sales surge. Lucozade's core drink struggled to win back share after shoppers gave its reformulated flavour the thumbs down – its £37.3m year-on-year loss is the second greatest of any non-tobacco product this year. But Lucozade Ribena Suntory sales director Scott Meredith insists the brand is now "future-proofed" and that sales have picked up. If reduced sugar is the future, then it is at least in the right place. ●



TOP LAUNCH 2018

Reformulated sodas Cawston Press

Posh soft drinks firm Cawston Press claims to have spent over a year working on removing added sugar from its drinks without using artificial sweeteners, instead opting to massively up their fruit juice content by up to four times. This quadruplet rolled out in March with four flavours and an average of 24% fewer calories. Shoppers have gone nuts for them: value sales of Cawston's carbonates have grown by two thirds (66.5%) to £3.6m over the last year.

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soft drinks: juices & smoothies



Juice brands risk running out of juice

Daniel Woolfson

Britain's losing its sweet tooth – at least when it comes to juice. Nearly all the growth in the category this year is thanks to posh smoothie brands such as Innocent and Naked – the duo have racked up a combined £26m in extra sales. That's not just because the average prices of both Innocent and Naked grew by 5.9% and 2.4% respectively; both brands also increased their volumes. Over in juices, however, well-established brands such as Princes (down 33.7% to £2.6m), Del Monte (down 25.4% to £3.4m) and Copella (down 1.4% to £38.4m) are floundering. So is it game over for fruit juice brands?

Not entirely. Tropicana, despite being knocked off the top spot by Innocent last year, is holding strong. Its sales are back in the black with £1.9m growth. "They've focused on optimising the basics," says Hamish Renton, MD of HRA Food & Drink. "They've got the sizing talking to the price point and that's enabled a tempting promotional strategy."

And it succinctly tapped the health trend with the relaunch of its Essentials sub-brand this year, a range of four new juices containing trendy veg such as carrot and spinach, all of which tout a high vitamin content.

It's also notable that Tropicana has seen its average price drop. While many juice brands

TOP 20 Juice drinks & smoothies				SALES			
				£m	change (£m)	change (%)	
Total volume change: -3.6%				TOTAL CATEGORY	1,773.5	5.1	0.3
				TOTAL OWN LABEL	606.3	10.1	1.7
1	1	Innocent	Coca-Cola Company	251.4	17.2	7.3	
2	2	Tropicana	PepsiCo	213.8	1.9	0.9	
3	3	Ribena	Suntory	99.8	-4.0	-3.9	
4	6	Naked	PepsiCo	75.0	9.8	15.0	
5	4	Capri-Sun	CCEP	73.8	-6.4	-8.0	
6	5	Oasis	CCEP	67.1	-2.5	-3.6	
7	7	Robinsons	Britvic	51.5	-5.0	-8.9	
8	8	Copella	PepsiCo	38.4	-0.5	-1.4	
9	9	J20	Britvic	38.0	1.8	5.1	
10	10	Ocean Spray	Ocean Spray	24.4	-1.5	-5.6	
11	11	Vita Coco	All Market Inc	22.3	-3.1	-12.2	
12	12	Rubicon	AG Barr	17.5	-1.1	-6.0	
13	13	Vimto	JN Nichols	16.9	0.9	5.8	
14	14	This Juicy Water	Coca-Cola Company	11.9	-2.2	-15.7	
15	15	Drench	Britvic	10.0	-3.4	-25.1	
16	19	Euro Shopper	Booker	8.8	1.6	21.6	
17	16	Don Simon	J Garcia Carrion	8.5	-1.4	-14.3	
18	17	Juice Burst	Purity Soft Drinks	8.3	0.6	7.5	
19	20	Savse	Savse Smoothies	6.6	-0.3	-4.7	
20	21	Cawston Press	Cawston Press	6.5	-0.1	-1.5	

containing added sugar have become more expensive thanks in part to the introduction of the sugar tax in April, Tropicana contains no added sugar and is therefore exempt. The increased awareness of sugar goes some way to explain why pure juices like Tropicana are up 1% and juice drinks are down 6%.

Tropicana's better fortunes aside, it's clear the way the market is going. While juices are struggling, smoothies are growing at 13%. Part of the reason, says Renton, is smoothie producers can be faster and more flexible when responding to consumer trends.

"You're effectively competing on your ability to source and combine raw materials in the right proportions. Therefore, if chia seeds suddenly come in and flax seeds go out of

fashion, you can roll with it no problem at all. Smoothies are seen as a health food and health food is a fashion industry."

The category leader now by a long shot, Innocent's recent moves have been less about adding flavours and more about capitalising on wider fmcg trends such as cutting down on plastics – it announced plans in April to roll out 100% non-virgin plastic across its packaging by 2020.

It's also set its sights on growth in the booming dairy alternatives category with the launch of a trio of unsweetened nut milks (see p131), squaring up to the dominant Alpro. Our Top Launch Adez took a similar route. Plant-based players will no doubt be watching the developments with interest. ●



TOP LAUNCH 2018

Adez Coca-Cola European Partners

Coke's foray into dairy-free smoothies certainly raised some eyebrows in January. Especially considering Unilever had already launched Adez in the UK in 2006 as a soya fruit juice, but ditched it shortly afterwards citing lack of shopper interest. CCEP's reimagining drops the soya and comes in Almond Mango-Passionfruit; Oat Strawberry-Banana; and Coconut Berry flavours. It's audacious, sure, but given the current rude health of the dairy-free sector, Adez could well nail its second run.

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 **innocent**
on the bright side

soup



Hot winter, cold summer for soup sales

Ian Quinn

If one category found warmth from the Beast from the East, it was soup. The big freeze saw sales heat up after years of decline, as some manufacturers claimed sales shot up almost a third during the snow.

But if the Siberian weather giveth, the long, hot summer taketh away. This rollercoaster existence averaged out in a somewhat flat picture for the entire year.

“The Beast from the East did have an impact, but it was relatively short-lived,” says Yorkshire Provender marketing director Maria Townsend. “The summer was consistently hot and 21 of the 25 weeks from mid-April to October saw a decline on last year.”

Still, Yorkshire Provender can't complain. It was the standout performer in fresh soup this year, with sales of its standard variant up by 10.4% to £7.9m. Its organic range managed even stronger growth of 51.4% to £5.2m.

Townsend attributes its success to more adventurous flavours such as its Piri Piri chicken (see Top Launch) attracting younger shoppers, along with the power of on-pack health messages. That Yorkshire Provender sits in the fresh aisle can't have hurt either. Fresh generated an extra £3.3m despite losses for number one brand New Covent Garden, which Hain Daniels is consciously stripping back to win extra space for its higher-priced

TOP10 Ambient soup				SALES			
				£m	change (£m)	change (%)	
Total volume change: -4.1%				TOTAL CATEGORY	315.4	-1.5	-0.5
				TOTAL OWN LABEL	45.9	1.7	3.9
1	1	Heinz Classic	Kraft Heinz Co	134.4	-1.9	-1.4	
2	2	Batchelors Cup A Soup	Premier Foods	26.7	-2.4	-8.4	
3	3	Heinz Big Soup	Kraft Heinz Co	22.3	-0.3	-1.4	
4	4	Baxters Favourites	Baxters	17.4	-1.8	-9.6	
5	6	Heinz Classic Cup Soup	Kraft Heinz Co	8.5	0.1	1.4	
6	5	Baxters Vegetarian	Baxters	8.3	-0.8	-8.7	
7	8	Campbell's	Symington's	4.8	-0.1	-2.1	
8	10	Ainsley Harriott Cup Soup	Symington's	4.7	0.8	19.5	
9	7	WeightWatchers from Heinz	Kraft Heinz Co	4.6	-1.0	-17.5	
10	9	Knorr	Unilever	4.3	0.2	5.2	

TOP10 Fresh soup				SALES			
				£m	change (£m)	change (%)	
Total volume change: 0.0%				TOTAL CATEGORY	194.3	3.3	1.7
				TOTAL OWN LABEL	106.5	1.9	1.8
1	1	New Covent Garden Soup	Hain Celestial	26.8	-2.6	-8.9	
2	2	Yorkshire Provender Soup	Hain Celestial	7.9	0.7	10.4	
3	5	Yorkshire Provender Organic	Hain Celestial	5.2	1.8	51.4	
4	4	Glorious Skinny Licious Soup	The Sauce Company	5.0	-0.2	-3.0	
5	3	Glorious Super Soup	The Sauce Company	4.3	-1.2	-21.4	
6	6	New Covent Garden Skinny	Hain Celestial	2.8	-0.6	-17.6	
7	NEW	Bol	Bol Foods	1.2	1.2	●	
8	NEW	New Covent Garden Nutri	Hain Celestial	0.9	0.9	●	
9	11	Alvalle	PepsiCo	0.9	0.4	94.8	
10	10	Scotty	Albert Bartlett	0.8	0.2	25.7	

Yorkshire Provender offering. And even that brand managed to secure an extra £900k with its New Covent Garden Nutri NPD.

Over in ambient, things are looking less positive. Facing a 4% volume decline that rises to 6.2% in branded, brands are looking to innovation to turn things around. “NPD such as Heinz Soup of the Day and Heinz No Added Sugar and Eat Well Soup have played a key role in driving growth,” says Laura Guenault, marketing executive for Heinz

Soup. While standard and chunky soups continue to decline, Guenault says healthy and speciality “are injecting growth by tapping into the growing consumer trends around health, goodness and convenience”. Handily, they can command a higher price too – Eat Well comes at £1.20 in Tesco, while standard Heinz is 95p. All this helped drive up average ambient soup prices by 3.7%.

It may take another Beast to address those flagging volumes, though. ●



TOP LAUNCH 2018

Piri Piri Chicken Yorkshire Provender

It was described as “a sensation” that “restored faith in spicy soup” by the judging panel that made this product a winner at The Grocer New Product Awards this year. With a winning mix of spice as well as price – it comes at £2.50 for 600g – this NPD goes some way to explain Yorkshire Provender's standout performance this year. The brand also targeted a younger audience with world flavours and heavy product sampling at events such as music festivals.



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*Source: L26w/e 13.10.18 data versus average retailer shopper

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sports nutrition



Wider appeal adds £20m to sports sales

Angelina Mason

Sports nutrition is pumped up. The category has power-lifted its way to gain over 20% extra value this year, making it the fastest-growing category in this report by percentage.

For this is the year brands have made a much more concerted play for the mainstream market. The move away from gym buffs has been slowly gaining ground for years. This time, though, efforts have ramped up another notch as sports nutrition looks to compete with mainstream confectionery.

So much so, in fact, that the lines between the two categories are blurring. For proof, look no further than the stellar performance of the Mars and Snickers sports nutrition lines, up 61.7% and 42% in value respectively. There are sure to be more successes where that came from. Mondelez, for one, jumped on the bandwagon in July with a new Boost + Protein bar, containing 12g of protein and 32% less sugar than a standard boost bar.

Still, it's the brands with their roots in sports nutrition that are booming. New number one brand Grenade is a prime example. Its stellar growth made it an acquisition target for private equity giant Lion Capital in a £72m deal last March. Over the past year, its sales have more than doubled to over £16.4m.

One look at the almost confectionery-like packaging of its Birthday Cake Carb Killa

TOP 15 Sports nutrition			SALES			
			£m	change (£m)	change (%)	
Total volume change: 22.5%			TOTAL CATEGORY	119.1	20.5	20.8
1	5	Grenade	Grenade	16.4	8.7	111.9
2	2	Trek	Natural Balance Foods	14.7	2.8	23.5
3	3	For Goodness Shakes	My Goodness	11.7	0.3	2.8
4	1	Maxinutrition	Healthy Nutrition Co	10.6	-2.9	-21.5
5	4	Sci-Mx	Sci-Mx Nutrition	9.0	-1.5	-13.9
6	7	ÜFit	Lacka Foods	8.9	2.3	34.3
7	10	Fulfil	Fulfil Nutrition	6.7	5.2	341.7
8	6	Bounce	Bounce Snack Foods	5.9	-1.2	-17.1
9	11	PhD	PhD Nutrition	3.4	2.0	146.3
10	8	Sis	Science In Sport	3.4	-0.2	-6.7
11	9	Snickers	Mars	2.5	0.7	42.0
12	12	Mars	Mars	2.2	0.8	61.7
13	13	Upbeat	The Good Whey	1.5	0.2	11.7
14	15	Pulsin	Pulsin	1.3	0.2	22.7
15	14	Clif	Clif	1.2	-0.1	-11.2

bars (see Top Launch, below) tells you why. For these bars are reaching beyond sports nutrition into the lucrative world of snacking. "In as little as a year we've seen the needs of the shopper change substantially," says Juliet Barratt, co-founder and chief marketing officer at protein bar company Grenade. "The key reason to purchase protein bars now is as a snack between meals, usually as an alternative to chocolate." As a result, Grenade has seen a 46% surge in sales of Carb Killa bars.

Another brand to win big from this trend is Irish startup Fulfil, founded two years ago. Over the past 12 months, sales of its vitamin and protein bars have leapt 341.7% to £6.7m. "Progressive retailers are looking at the total snack bar market and realising that the biggest segment – traditional chocolate countlines – has been in decline for many years," says CEO Brian O'Sullivan. "Virtually all the growth in snack bars is being driven by Fulfil and other protein bars. Retailers

are giving more space to these brands at the front of store, giving their shoppers the choice between traditional high-sugar confectionery bars and low-sugar alternatives."

Adam Curtis, associate director of MMR Research Worldwide, says brands such as Grenade and Fulfil have grown by "configuring themselves to be accessible, attractive and available in impulse areas of the store".

The on-the-go positioning of these bars is key to their success, adds Mark Neville, managing director of protein smoothies and drinks supplier Upbeat Drinks. "Consumers demand great taste, competitive pricing and ultimate convenience in their shopping," he says. "We ensure products are ranged in front of store fixtures and close to grab-and-go fixtures. We've also expanded our range to cater for on-the-go consumers, launching Upbeat real fruit spring water to provide a lighter nutritional drink."

Taking valuable till space at the major →



TOP LAUNCH 2018

Grenade Birthday Cake bar Grenade

Grenade might have started out as a gym buff brand, but it has rapidly gained wider appeal – and this bar is a prime example of why. Designed to tempt consumers looking for taste plus a protein hit, the brand says the Birthday Cake variant has sold across a range of demographics since launching in August. Despite the nougat-filled bar being smothered in white chocolate and sprinkles, it contains only 218 calories and less than 2g of sugar. So consumers can have their cake and eat it too.

sports nutrition



multis is one thing. But even less obvious retailers are getting on board. M&S began stocking Grenade in August and, ahead of Christmas, took an exclusive listing of its Carb Killa Gingerbread bar. Although the M&S customer base may not seem like an obvious one for sports nutrition, Grenade says the brand is performing well among 45 to 54-year-old shoppers.

This demographic shift speaks volumes about the state of the category. It's a trend that is accelerating, says online healthy food retailer Musclefood. "The demographic of the customer seems to have changed from your traditional body builders now to those focusing on leisure, lifestyle and fitness," says director Nick Preston. "There's a significant drive towards consumers understanding more about ingredients and the benefits of protein."

Holland & Barrett has also seen appeal

“The hard core of sports nutrition is considered too serious and scientific”

broaden. "Younger and male customers are the most keen exercisers, but we're seeing a growing awareness among female customers of how sports nutrition can support health, fitness and nutrition goals," says senior category manager Jessica Keeble.

In the midst of all this innovation to cater for the mainstream audience, more traditional sports nutrition brands are falling behind. See Maxinutrition, which has lost its leading position amid a £2.9m fall in sales. That's over a fifth of its value.

Curtis of MMR Research says this is all down to a change in consumer perceptions. "The hard core of sports nutrition is considered too serious and scientific," he says. As a result, Preston of Musclefood says "traditional powder brands" are struggling. "They tend to be like large oil tankers with small rudders, because their business has been built around powders historically. They've found it difficult to progress and capture this new market, which is moving towards lifestyle and fitness. This lends itself to the emergence of disruptor brands such as Grenade."

Don't write off the established brands just yet, though. Maxinutrition was acquired from GSK by the Healthy Nutrition Company in April and it's now feeling pretty optimistic about the future. "2019 will be an exciting and pivotal year for Maxinutrition," says sales director Dan Wood. "There has been a period of significant review and development, resulting in a new strategy that will see improved graphics and exciting NPD, supported by updated marketing plans." Seeking to reap the rewards in the protein bar market, Maxinutrition has already launched two new flavours – banoffee and rocky road – under its Maximuscle brand, which will be initially available in Asda before being rolled out more widely over the coming months.

Indulgent flavours such as these are key to future success in the category, says Matt Hunt, founder of The Protein Ball Co. "These flavours will appeal to the 44% who struggle to find sports nutrition products that taste nice," says Hunt, referring to a 2018 Mintel report on attitudes to sports nutrition. "Many of these indulgent ranges also have low or reduced sugar content to help position themselves as healthy alternatives to chocolates and cakes. As there is still limited availability of low or reduced sugar options in sweet treats, this could appeal to the everyday consumer looking to reduce their sugar intake."

Grenade's Barratt also believes there is further mileage in the growing healthy snacking market. "The challenge for retailers will be to consider how to maximise the opportunity elsewhere in store, particularly in impulse-driven categories such as confectionery and soft drinks," she says.

As retailers take note of the rapid rise in sports nutrition sales, they will be sure to take up this challenge. But who will win in this next phase is anyone's guess. As traditional powder brands look to take on challengers, another shake-up of the category could well be imminent.



Is the protein shake dying? Once a bastion of growth, scientific-looking shakes are suddenly falling out of fashion as more mainstream sports nutrition options come onto the market. Three of the four brands to suffer a decline in the top 20 – Maxinutrition, Sci-Mx and Sis – all trade in powders. Having collectively lost £4.6m, it might be time to change. Maxinutrition, for one, has launched two new protein bars to appeal to a wider crowd.



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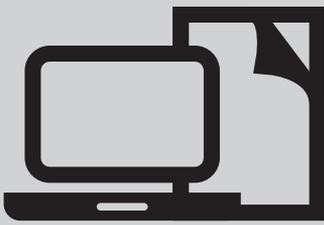
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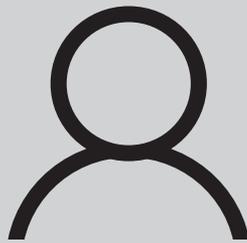
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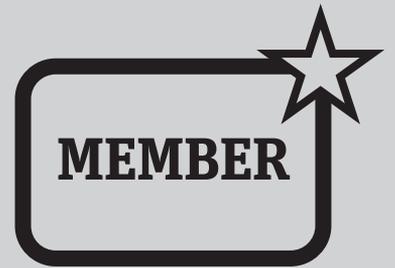
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tobacco



Cheaper cigs boom as duty hikes bite

Ronan Hegarty

The new number one cigarette brand tells you pretty much all you need to know about the long-term trend among smokers. Value sales of Player's from Imperial Brands have rocketed by 26.4% to hit £1.418bn. This added almost £300m to the brand's value and saw it overtake the long-time leader, JTI's Sterling.

There was one clear reason behind the switch: price. For although Player's saw an average price rise of 9.3% thanks to increased taxation in the Budget, it's still cheaper than Sterling. And as the taxman increased his demands on the category, more and more smokers are switching to cheaper cigs.

Indeed, B&H Blue (the year's fastest grower, up £324.8m), Player's and the three other top 10 brands in growth (Sovereign Blue, Carlton and Rothmans) all sell for four pence less than the market average of 43p a cig.

"Smokers are becoming even more price-conscious," explains Nielsen analyst Paul Lecomte. "This explains why more cheaper brands like Player's and B&H Blue, with a price of 39p per stick, are growing."

James Convenience Retail owner Jonathan James agrees that downtrading remains the dominant driver for smokers. As it has been for the past number of years, the most regular question shoppers ask in his stores is "what's your cheapest pack of cigarettes?"

TOP10 Cigarettes				SALES			
				£m	change (£m)	change (%)	
Total volume change: -7.5%				TOTAL CATEGORY	11,563.6	-364.5	-3.1
				TOTAL OWN LABEL	15.5	-0.7	-4.5
1	2	Player's	Imperial Brands	1,418.3	296.5	26.4	
2	1	Sterling	JTI	1,335.8	-107.3	-7.4	
3	6	B&H Blue	JTI	918.5	324.8	54.7	
4	4	Marlboro	Philip Morris	685.9	-59.3	-8.0	
5	3	Mayfair	JTI	653.4	-235.0	-26.5	
6	5	Lambert & Butler	Imperial Brands	589.0	-77.5	-11.6	
7	11	Sovereign Blue	JTI	579.5	87.3	17.7	
8	9	Rothmans	BAT	546.1	2.1	0.4	
9	10	Carlton	Imperial Brands	542.1	7.7	1.4	
10	8	JPS	Imperial Brands	520.2	-64.5	-11.0	

TOP10 Rolling tobacco				SALES			
				£m	change (£m)	change (%)	
Total volume change: 2.9%				TOTAL CATEGORY	2,632.0	194.7	8.0
				TOTAL OWN LABEL	-	-	-
1	1	Amber Leaf	JTI	905.2	19.4	2.2	
2	2	Golden Virginia The Original	Imperial Brands	442.8	4.7	1.1	
3	3	Gold Leaf	Imperial Brands	406.8	110.1	37.1	
4	5	Cutters Choice	BAT	183.6	-13.2	-6.7	
5	4	Golden Virginia Bright Yellow	Imperial Brands	173.5	-28.9	-14.3	
6	6	Sterling	JTI	134.9	66.6	97.6	
7	13	Cutters Choice Extra Fine	BAT	71.9	43.9	156.7	
8	7	Drum	Imperial Brands	59.0	-7.8	-11.7	
9	8	Pall Mall	BAT	51.9	-1.3	-2.4	
10	10	Holborn Yellow	JTI	44.2	5.4	13.9	

An Imperial spokesman confirmed that smokers' purchasing decisions were being determined by taxation and legislation. "Continued tobacco tax hikes have contributed to a rise in demand for products that offer superior value for money," he said. "The European Union Tobacco Products Directive [EUTPD] has also significantly altered the landscape of the UK's tobacco category, but opportunities remain for manufacturers to satisfy evolving consumer demands."

The EUTPD, which came into force in April 2017, banned 10-packs of cigarettes and smaller pouches of rolling tobacco, which drove many smokers to economise by rolling their own. Volumes are up 2.9%, or 183.9 million kg. "Even then, the cheaper brands are winning," adds Lecomte. "This is why more affordable brands like Gold Leaf are growing."

Still, the prize is diminishing. Cigarette and RYO volumes are down 5.6% combined. ●



TOP LAUNCH 2018

Sterling Dual Double Capsule JTI

Since launching in January, the double capsule extension to the range has already racked up sales of £43m. As the name suggests the cigarettes include two clickable capsules – one spearmint and one peppermint – which JTI says allows smokers to "create a variety of distinct smoking experiences in just one cigarette". Capsule options currently account for around 13% of the ready-made cigarette market in the UK. However, this is likely to be short-lived – flavoured cigarettes will be banned in 2020.

e-cigarettes



Pod mod tech helps boost e-cigs growth

Ronan Hegarty

Vaping has been a hard market to corner for the supermarkets. The £184m value quoted in this report, which includes sales through multiples, convenience stores and independents, is estimated to only be 20%-25% of the total vaping market. For the bulk of sales come from specialist stores and online.

But with the arrival of new technology, the mults are starting to fight back. Sales are up 12% in value on volumes up 23.6%. According to Nielsen commercial executive Paul Lecomte, one of the key recent trends has been the shift towards pod mod systems, such as the US brand Juul (see below), which has dominated its home market and launched in the UK in the summer.

“The technological improvements of the devices have been the reason why shoppers would start with a cig-alike and then move on to an open device,” explains Lecomte. Consumers are more likely to head to a specialist for an open device, whereas pod mods are easier for supermarkets and convenience stores to sell as they don’t require the same level of expertise from staff.

Lecomte says the current star-performing pod mod is My Blu from Imperial Tobacco, which also launched this summer and has already captured 0.4% share of retail vaping sales.

TOP10 E-cigarettes				SALES			
				£m	change (£m)	change (%)	
Total volume change: 23.6%				TOTAL CATEGORY	184.0	19.7	12.0
1	1	10 Motives	BAT	36.9	3.8	11.6	
2	3	Blu	Imperial Brands	22.2	2.4	12.4	
3	5	Logic	JTI	19.2	3.6	23.2	
4	6	Cirro	BAT	18.5	3.9	27.0	
5	4	Vype	BAT	18.1	1.1	6.6	
6	2	Vivid	Philip Morris	14.9	-8.7	-36.8	
7	7	MV	MultiCig	8.0	-0.7	-7.6	
8	9	Liberty Flights	Liberty Flights	7.6	3.0	64.8	
9	20	Edge	Afrapoco	7.3	6.8	1,273.3	
10	8	OK	Halco Products	6.7	1.0	18.0	

TOP5 Nicotine replacement therapy				SALES			
				£m	change (£m)	change (%)	
Total volume change: -3.7%				TOTAL CATEGORY	140.3	-1.3	-0.9
				TOTAL OWN LABEL	26.3	-0.1	-0.2
1	1	Nicorette	Johnson & Johnson	60.3	-2.2	-3.5	
2	2	Nicotinell	GSK	29.9	-0.2	-0.7	
3	3	Niquitin	Omega Pharma	23.3	1.3	5.8	
4	4	Galpharm	Galpharm Int	0.6	-0.1	-16.0	
5	5	Health Aid	Health Aid	0.0	0.0	-3.8	

Andrew Miller, head of NGP sales at Blu, suggests there is a lot more growth to come from pod mods.

“If we look to the USA, the biggest vaping market, pod systems are a key growth category, highlighting opportunities for growth here in the UK,” he says. “Pod mods offer vapers and smokers a much simpler format to use and an easier experience in the transition from smoking to vaping.”

Miller also suggests the marketing support pods have been receiving lately has made consumers more aware of these innovations, and more curious to try them.

There are, however, still barriers to all retailers enjoying the benefits of this growing

category. Some brand owners are being cautious over distribution to ensure retailers can provide both the requisite product knowledge and guarantee the product won’t fall into the hands of under-18s. There are also some retailers holding back because they don’t fully understand the category.

One such retailer is CTN specialist James Convenience Retail. Owner Jonathan James admits vaping is a category that it “does not know particularly well”. However, he knows it is an area in which he needs to improve. As such, he is teaming up with leading supplier Liberty Flights to manage the category across his estate.

Let the pod mod revolution begin. ●



TOP LAUNCH 2018 Juul Juul

Having taken the US by storm since launching two years ago, controversial vaping brand Juul made its hotly anticipated UK debut in the summer. On launch it was only available via its own age-controlled website, specialist vape shops and Selfridges, but Juul was given a major boost in November, when it secured listings in all 1,400 Sainsbury’s outlets. Whether it can replicate its US success here remains to be seen – but it’s certainly causing a stir and wider listings are sure to follow soon.