European Retail Trends

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IGD: global membership organisation, retail insight specialists

About IGD

- Membership organisation for the consumer goods industry, 100+ years of experience
- Insights on retailing, supply chain and category management
- A team of 150 experts, with industry experience (retailers and suppliers)
- Focus on primary research – store visits and face to face interviews
- Offices in Europe, Asia and North America
- Over 1000 members worldwide

Free insights on healthy eating

Healthy Eating

Learn how we collaborate with organisations throughout the food and grocery industry on education and research initiatives to encourage healthier eating across the UK.

Reformulation

To help and inspire more businesses to improve the nutritional content of their products.

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Nutrition information on pack

To help and inspire more people to use the information on pack more of the time to make healthier choices.

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Healthy Eating in the Workplace

To test, prove and promote the best ways to encourage healthy eating in the workplace.

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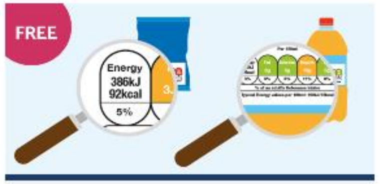


Webinar: How to help people make better use of nutrition labels

Tuesday 15 May
10.30am-11.00am

Discover the best ways to communicate to the public about your front-of-pack nutrition labels with our FREE webinar. You will also learn how to optimise the design, presentation and position of your labels for maximum impact.

Find out more and reserve your free place.

Agenda

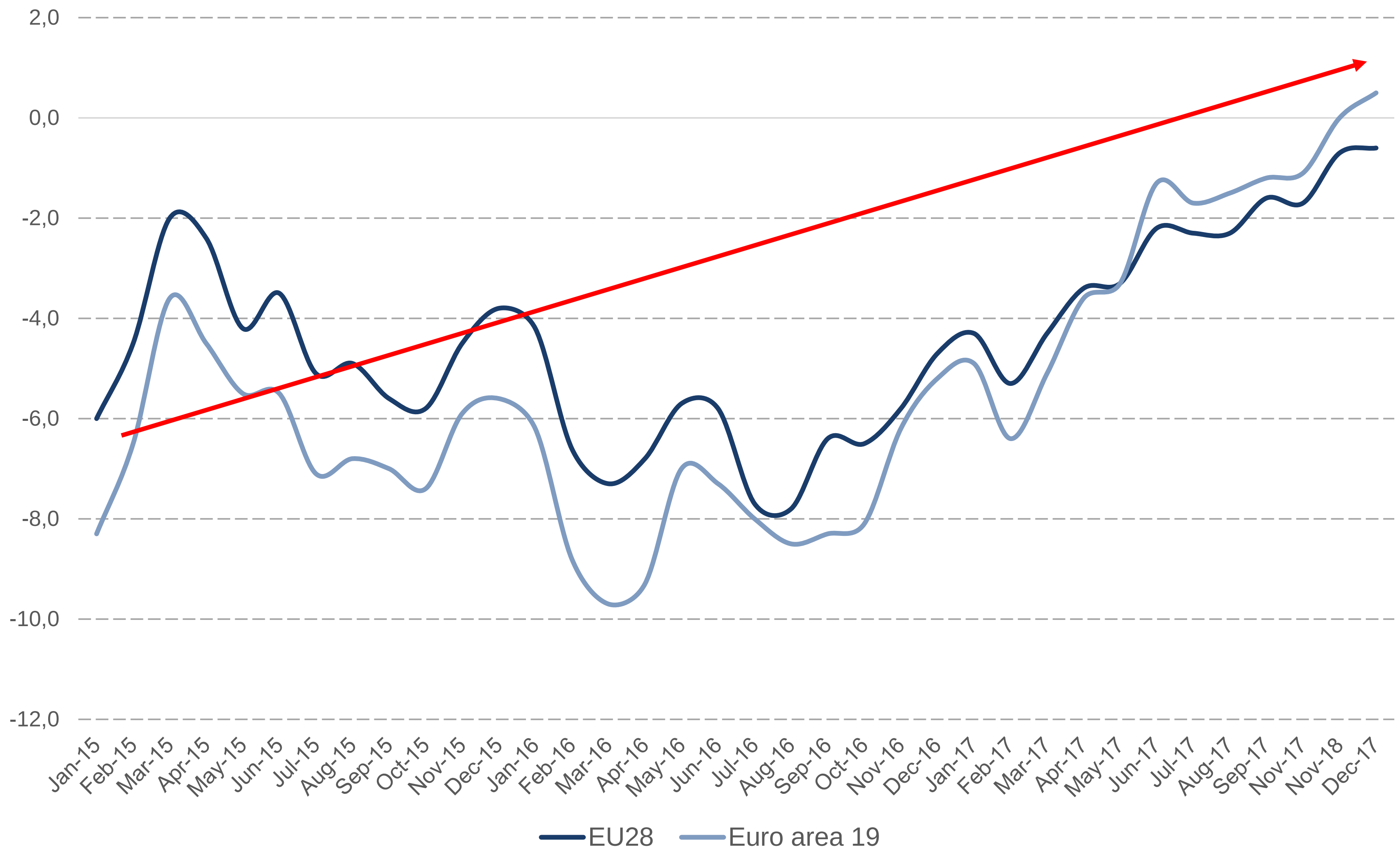
1 Retailing in Europe Today

2 Grocery Retail trends

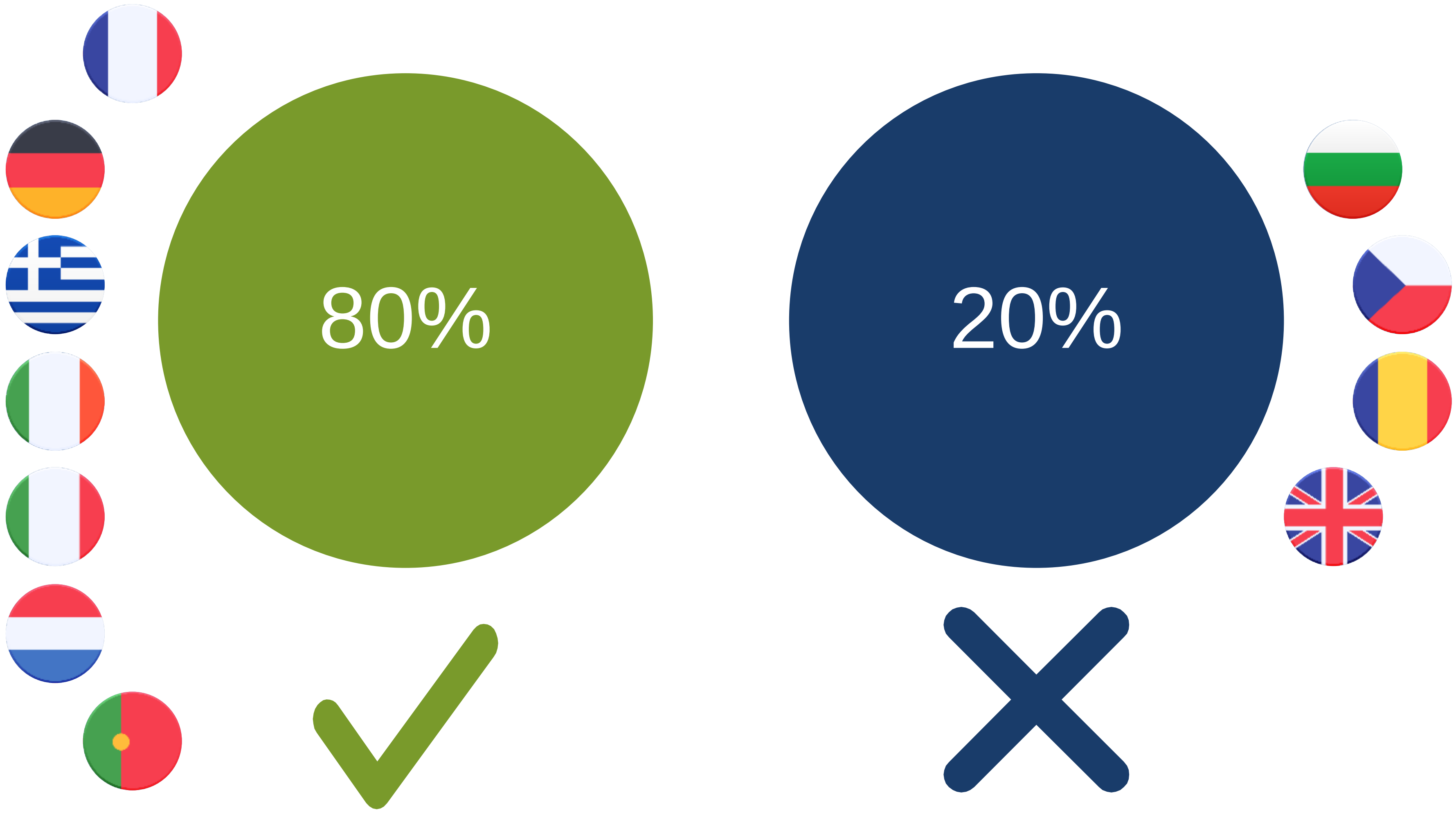
3 Summary and Conclusions

Retailing in Europe today

Shoppers in Europe are becoming more confident

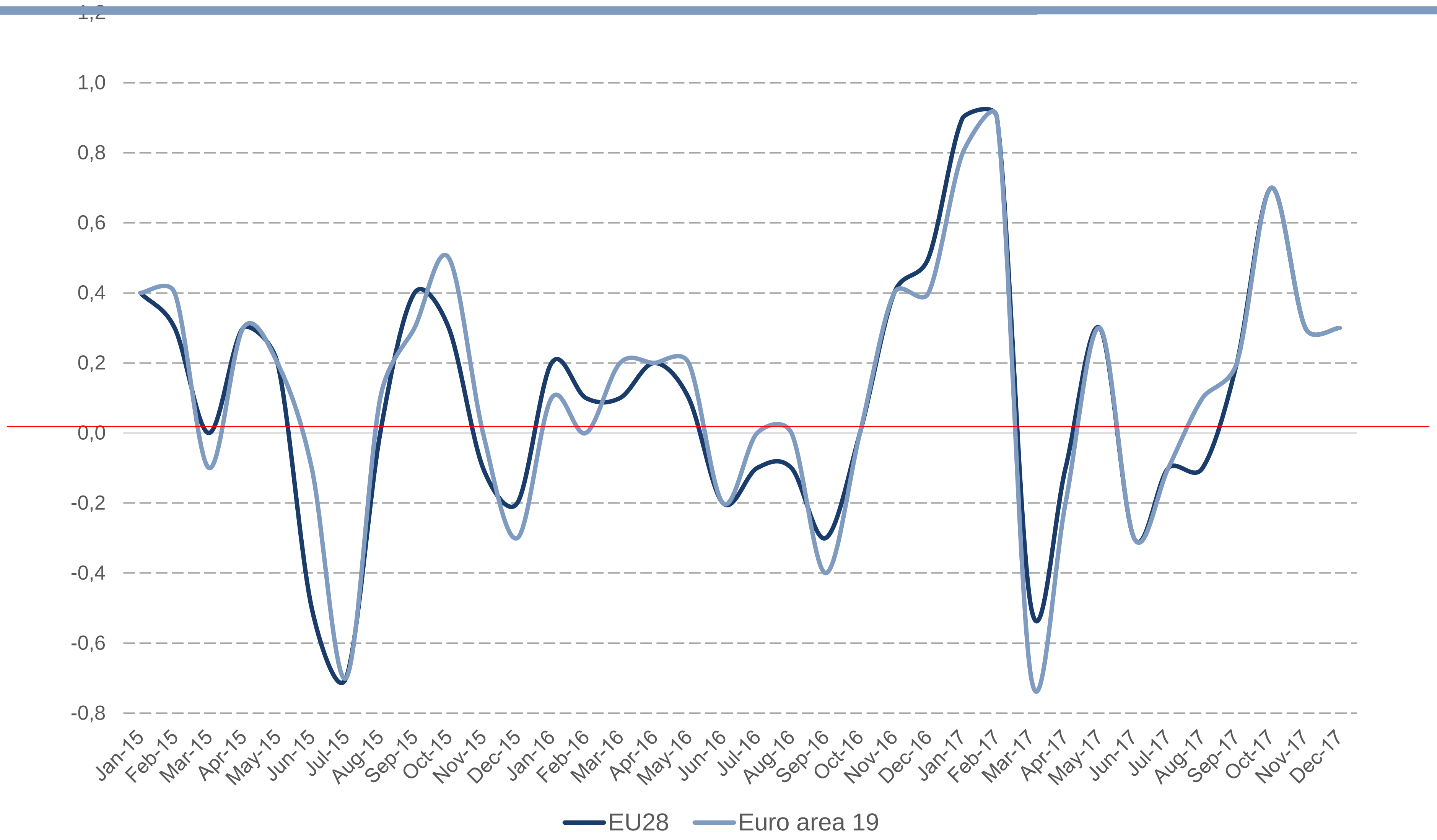


But confidence is not rising everywhere



IGD Research, Eurostat, Consumer confidence indicator, Seasonally adjusted data, not calendar adjusted data

Food price inflation remains stable



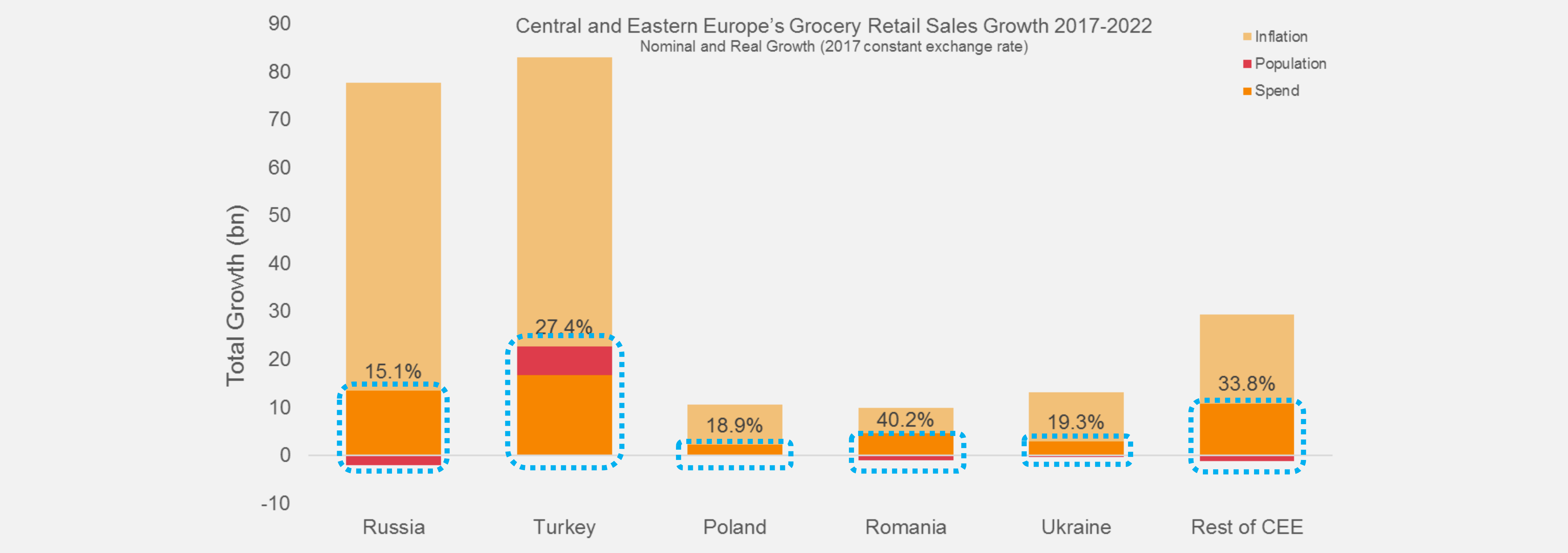
IGD Research, Eurostat, HICP, Food and non-alcoholic beverages, Average of monthly rate of change for 12 months period.

CEE grocery retail growth

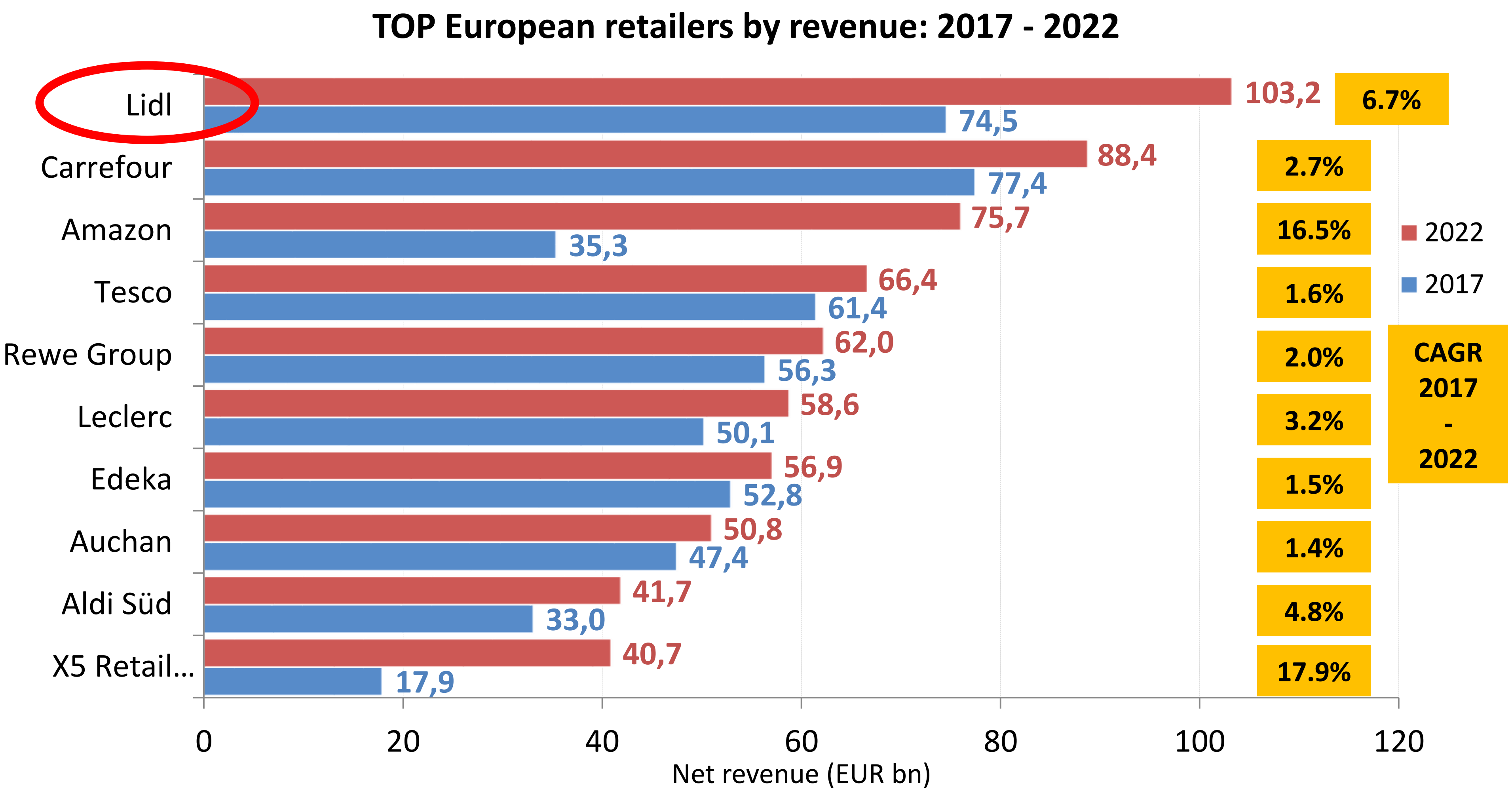
A more inflationary outlook to 2022 vs Western Europe

Less real growth in the region as a whole

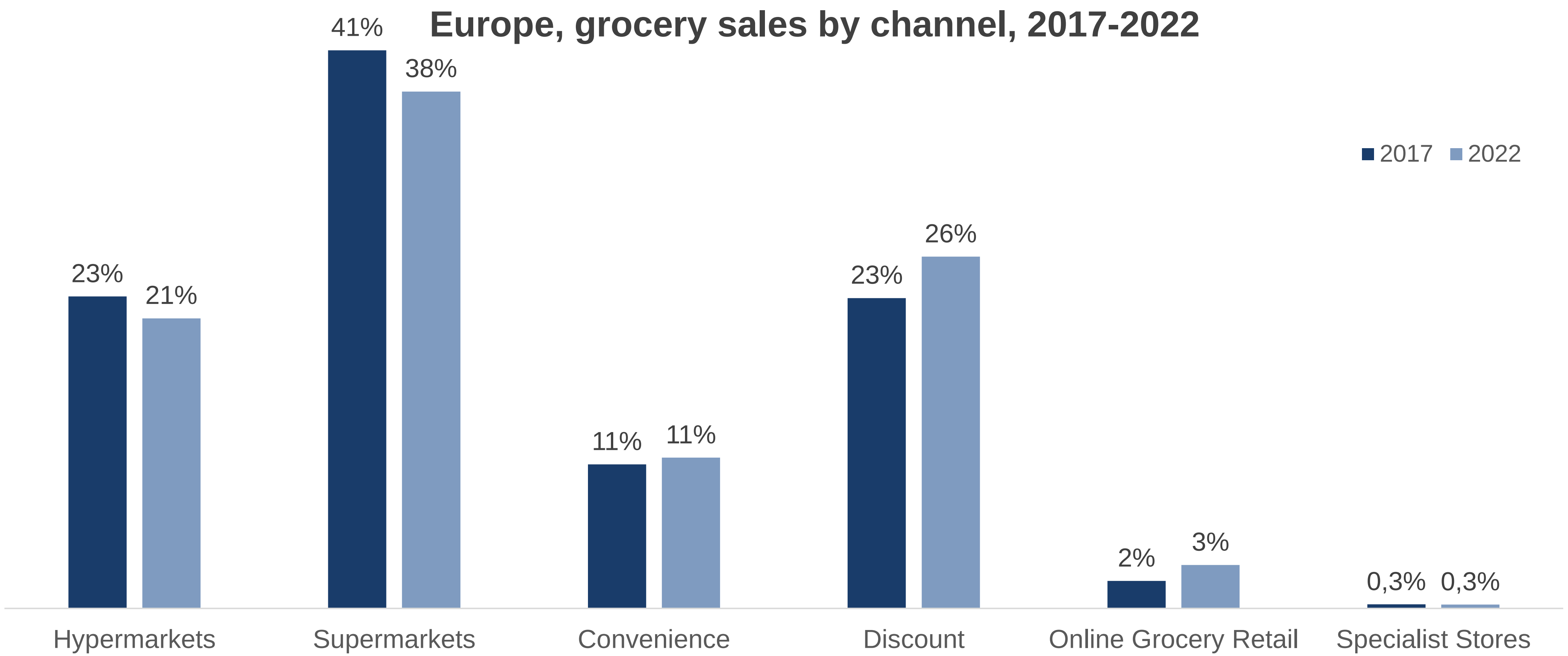
Population will impact negatively, except for Turkey



Lidl to overtake Carrefour

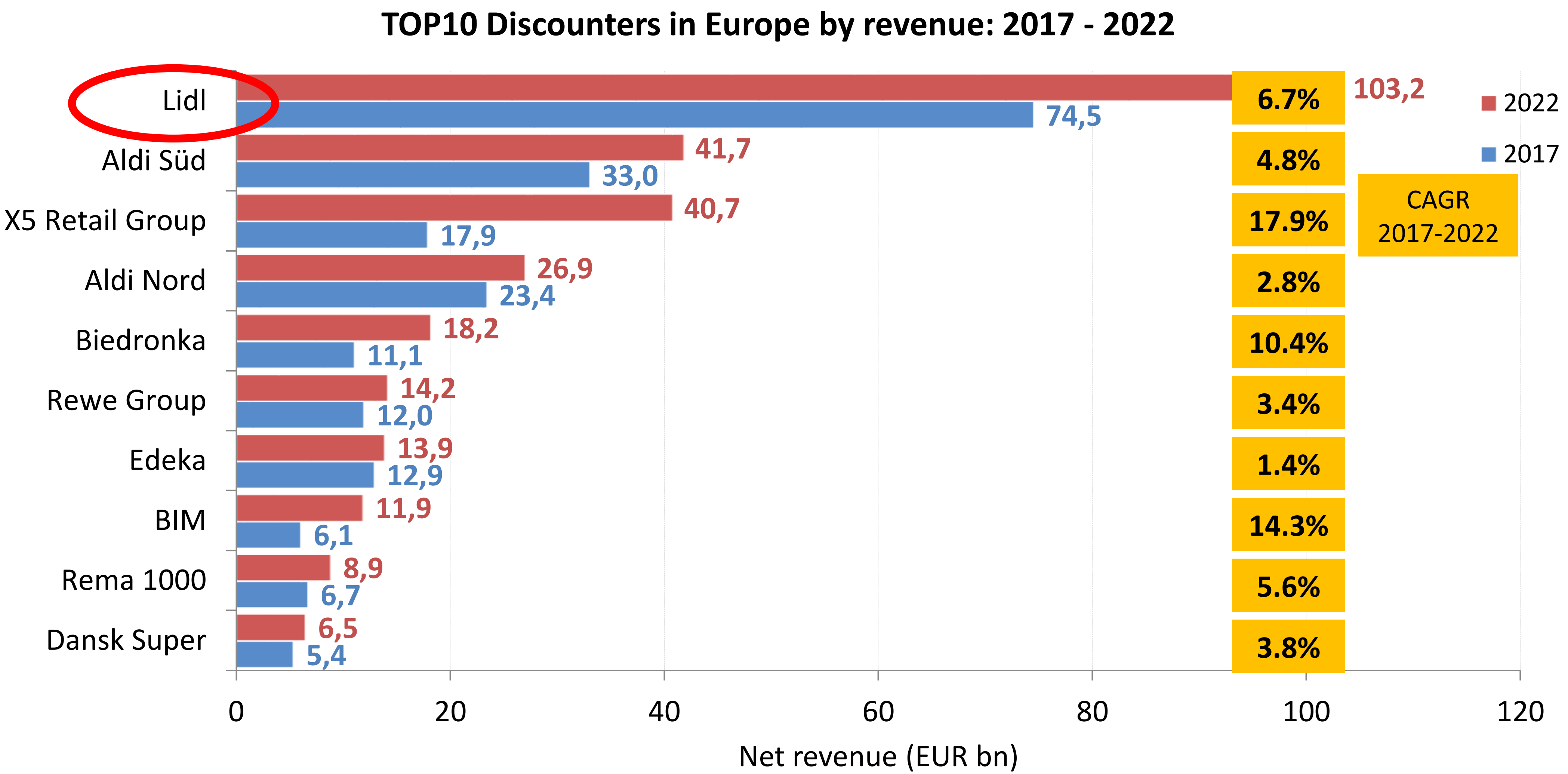


Discount brings three times more revenue than hypermarket

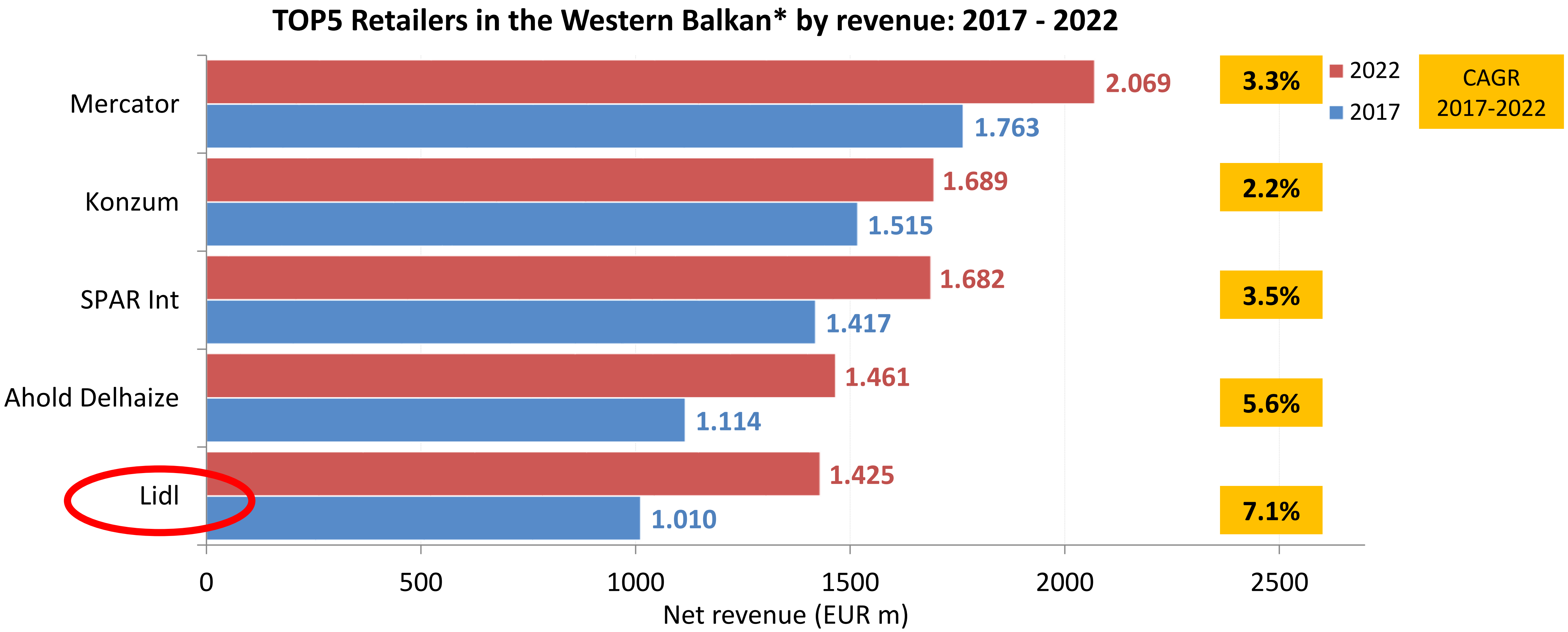


	Hypermarkets	Supermarkets	Convenience	Discount	Online Grocery Retail	Specialist Stores	Total
€bn change	**+€32bn**	**+€56bn**	**+€31bn**	**+€94bn**	**+€20bn**	**+€0.5bn**	**+€234bn**

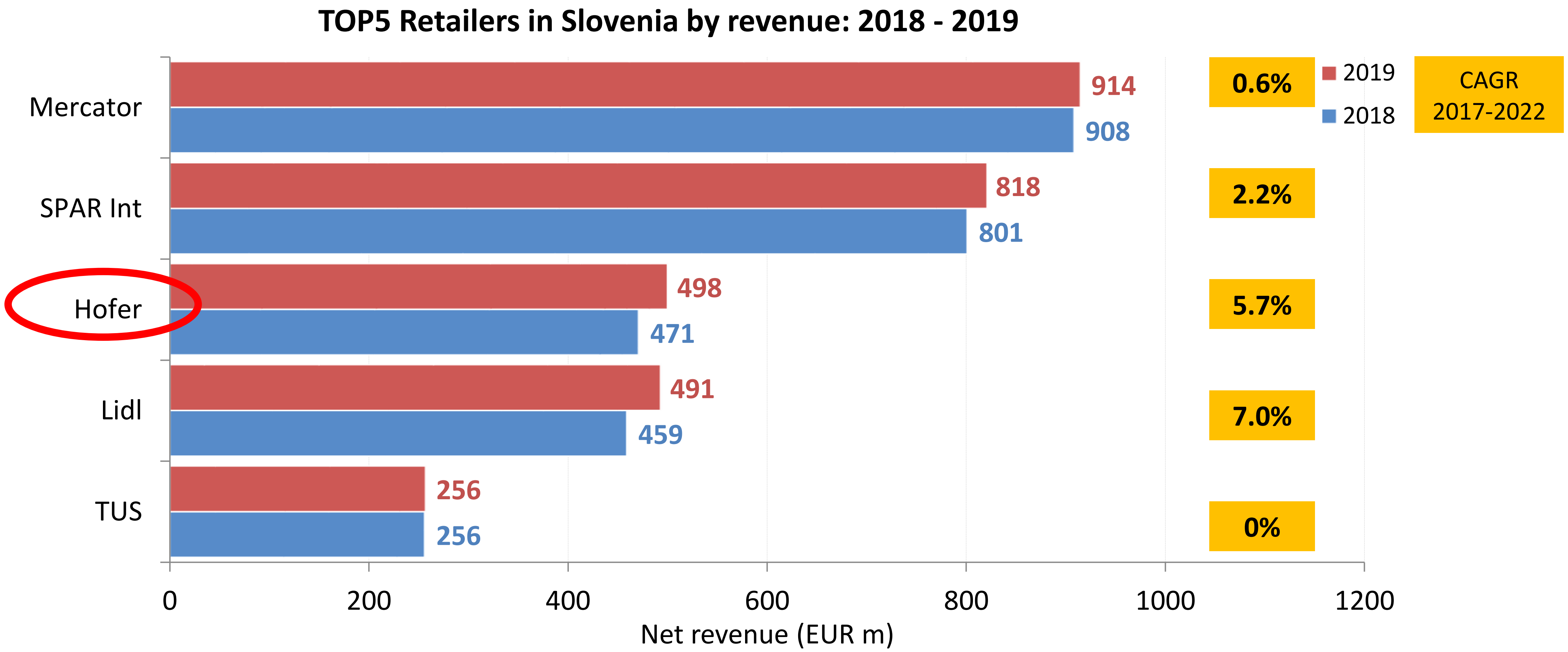
Lidl twice as big as Aldi Süd



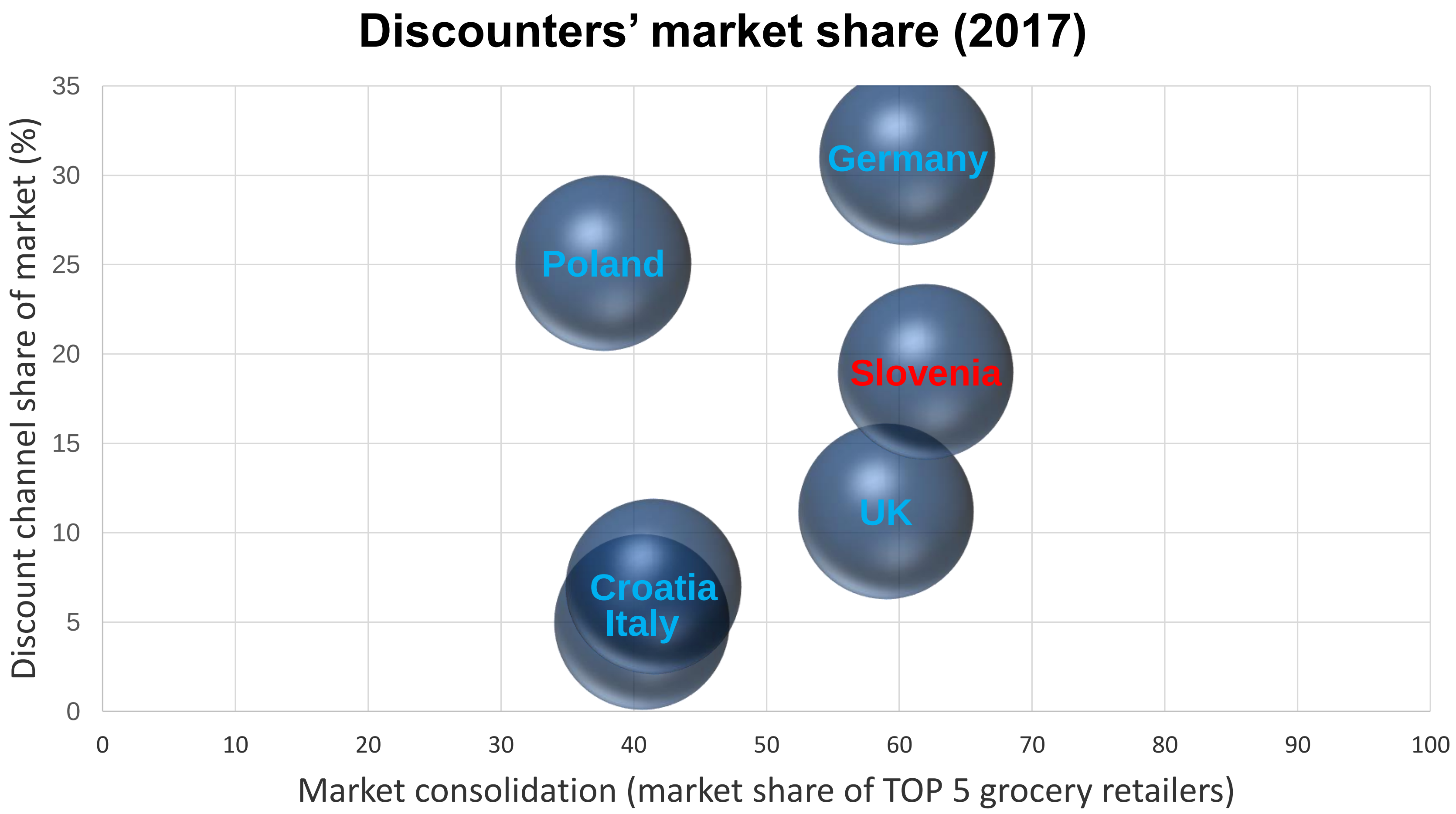
Western Balkan: Lidl the fastest growing retailer



Slovenia: Opportunity with discounters



Slovenia: Consolidated, discount driven market



Grocery retail trends

Five retail trends in Europe

1. Convenience and discounters driving “foot print”

2. Reinvention of large stores

3. Expanding digital retail reach

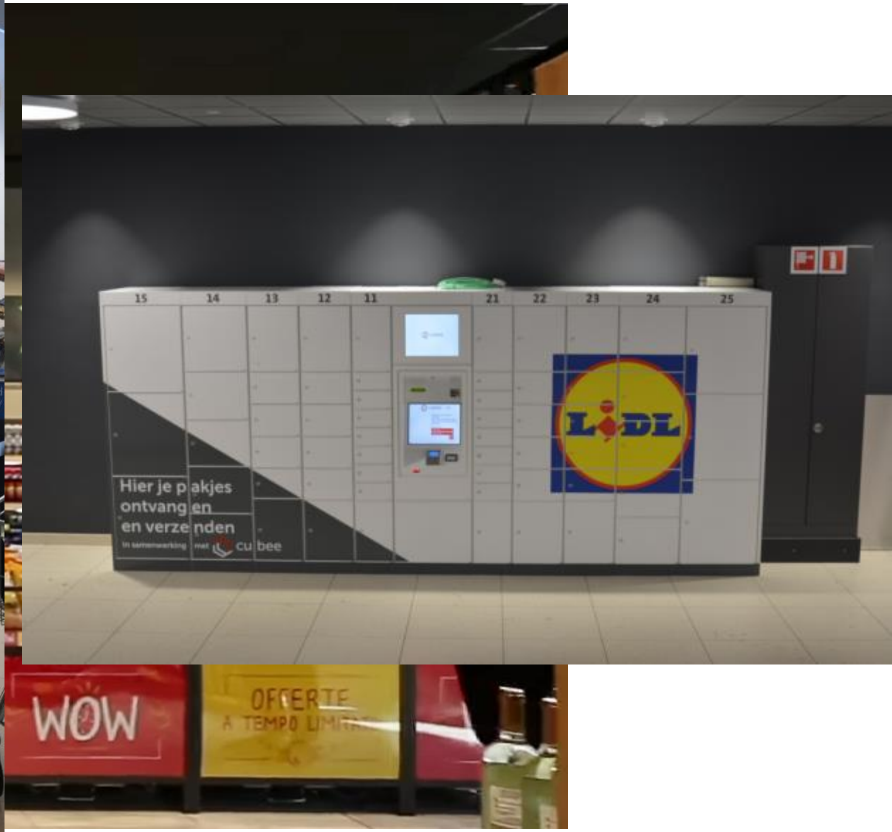
4. Shopper mission driven retail

5. Private label setting pace in innovation

Discounters testing new store locations

Discounters investing in convenience (Lidl Zurich)

Discounters as a convenient retailer



Discounters main shop destination, moving away from EDLP

Source: IGD Research

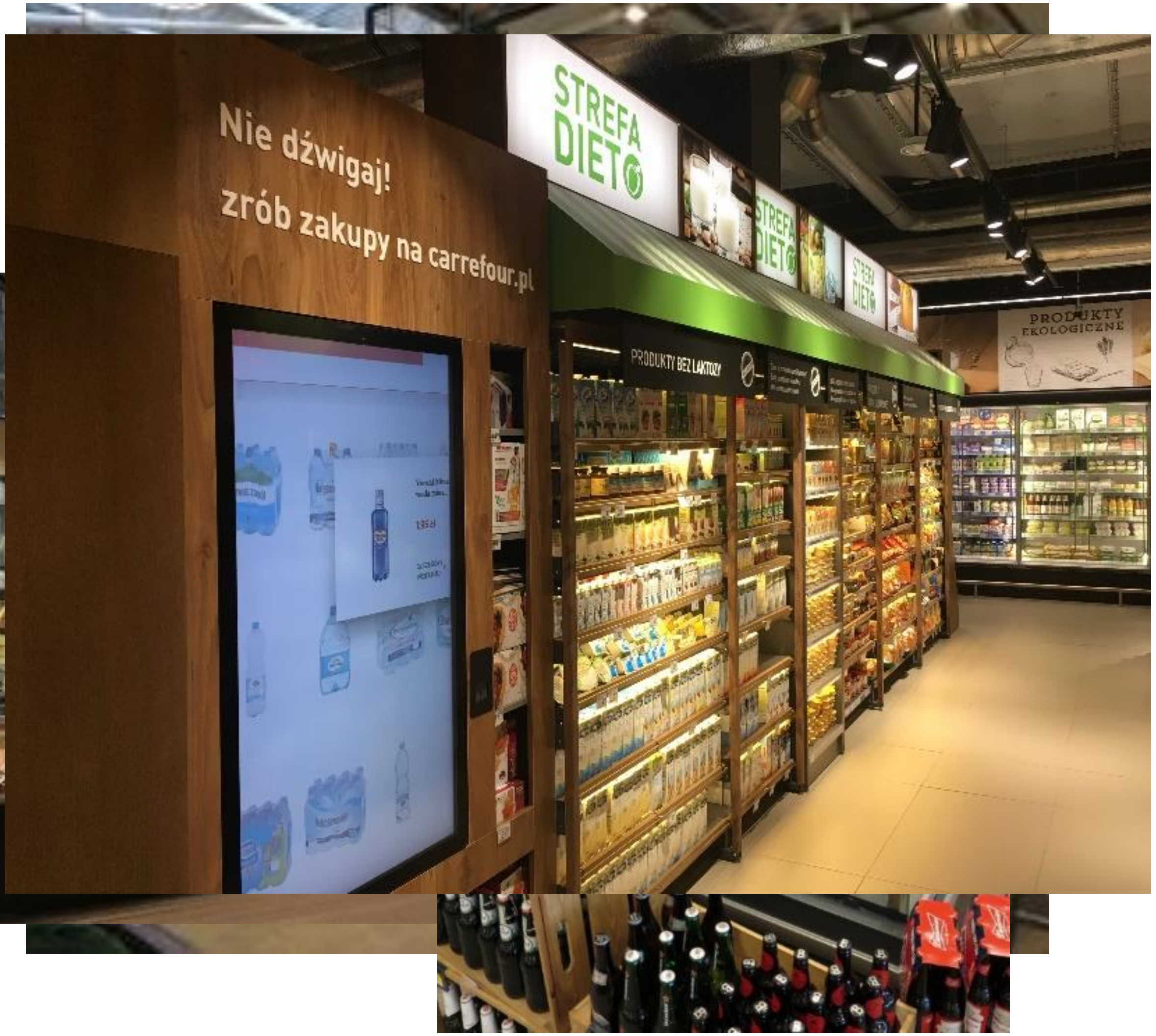
Flagship store (Bucharest, Barbu Vacarescu)

Sales area: 5,000 sq m

Product range: 20,000 SKU's

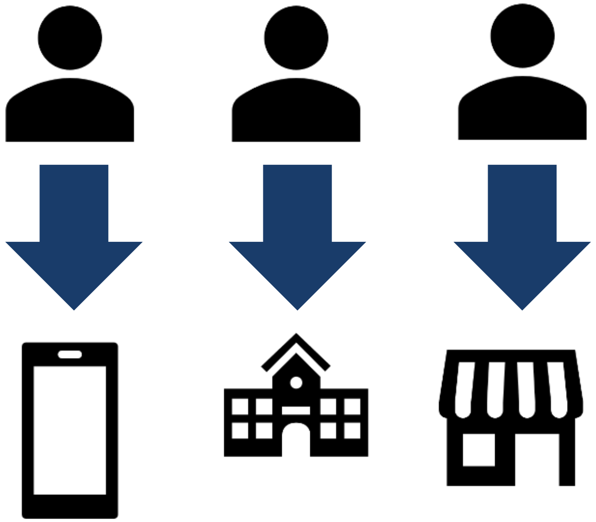
Source: IGD Research

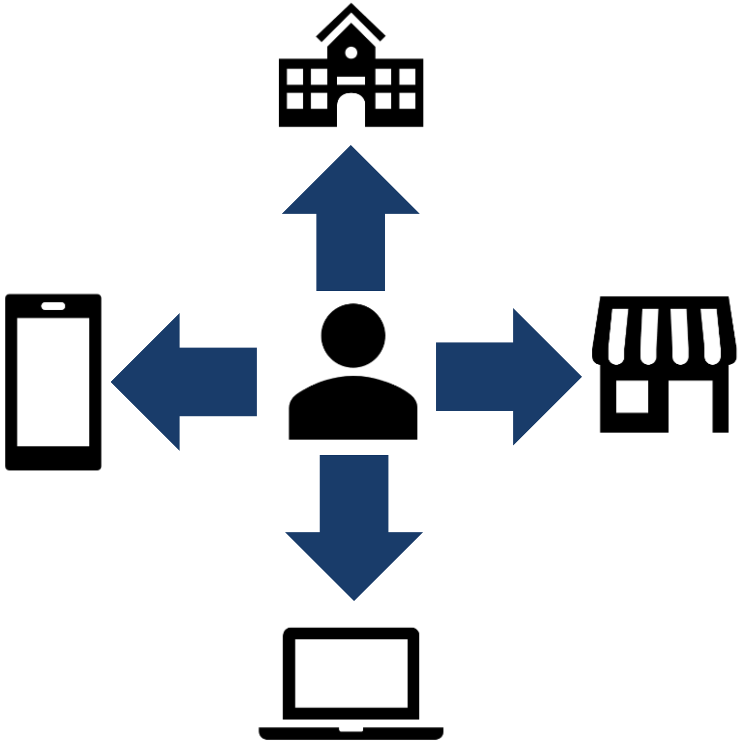
Hypermarkets keep reinventing (Globus, Tesco, CarrefourPro)



Omnichannel

Multi-channel VS Omnichannel



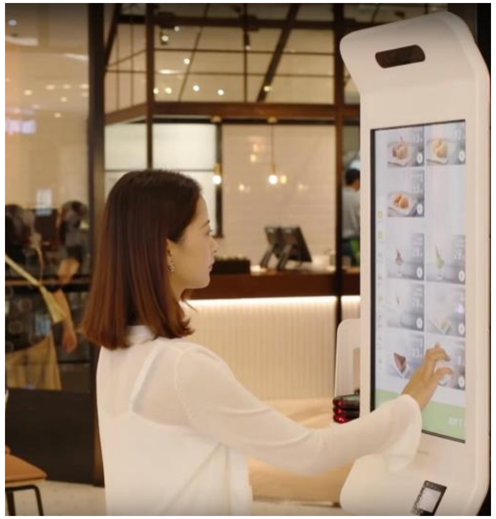


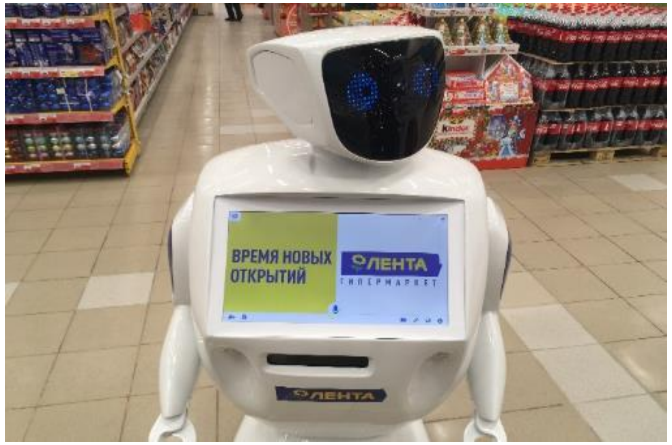
All channel available to a shopper but not necessarily integrated

All channel available to a shopper and are connected

 Source: IGD Research

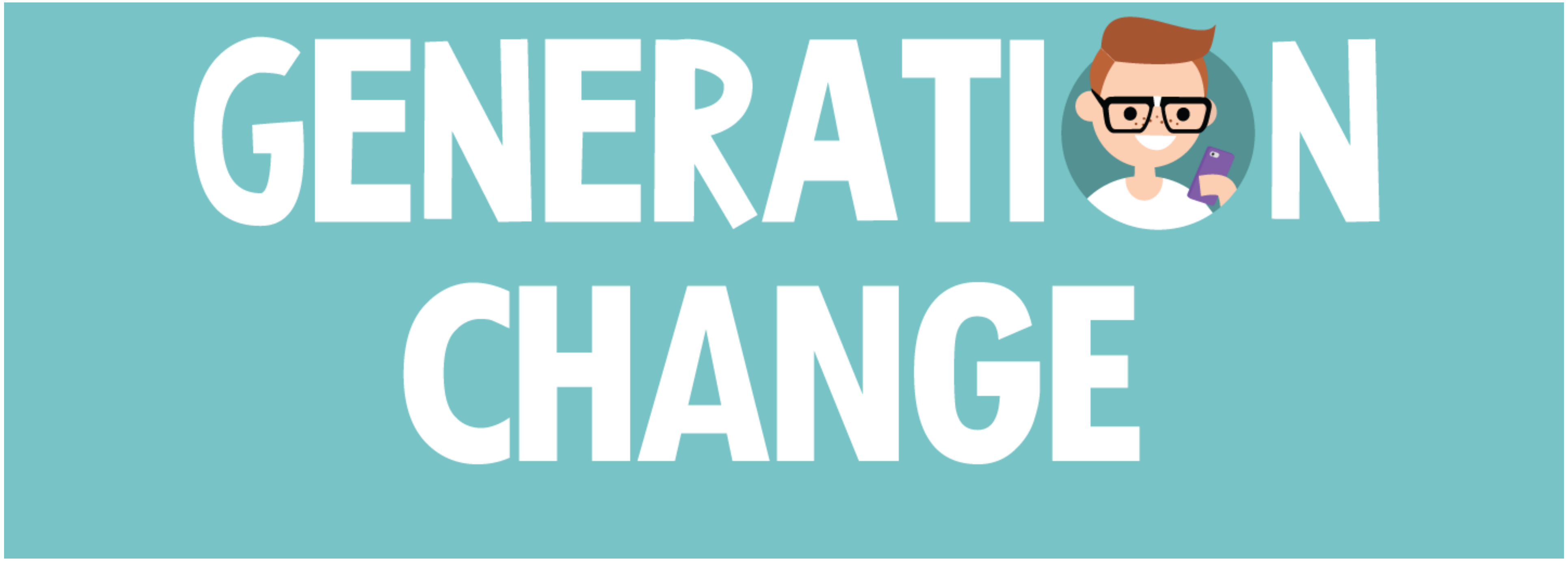
Digital is growing influence on the physical store





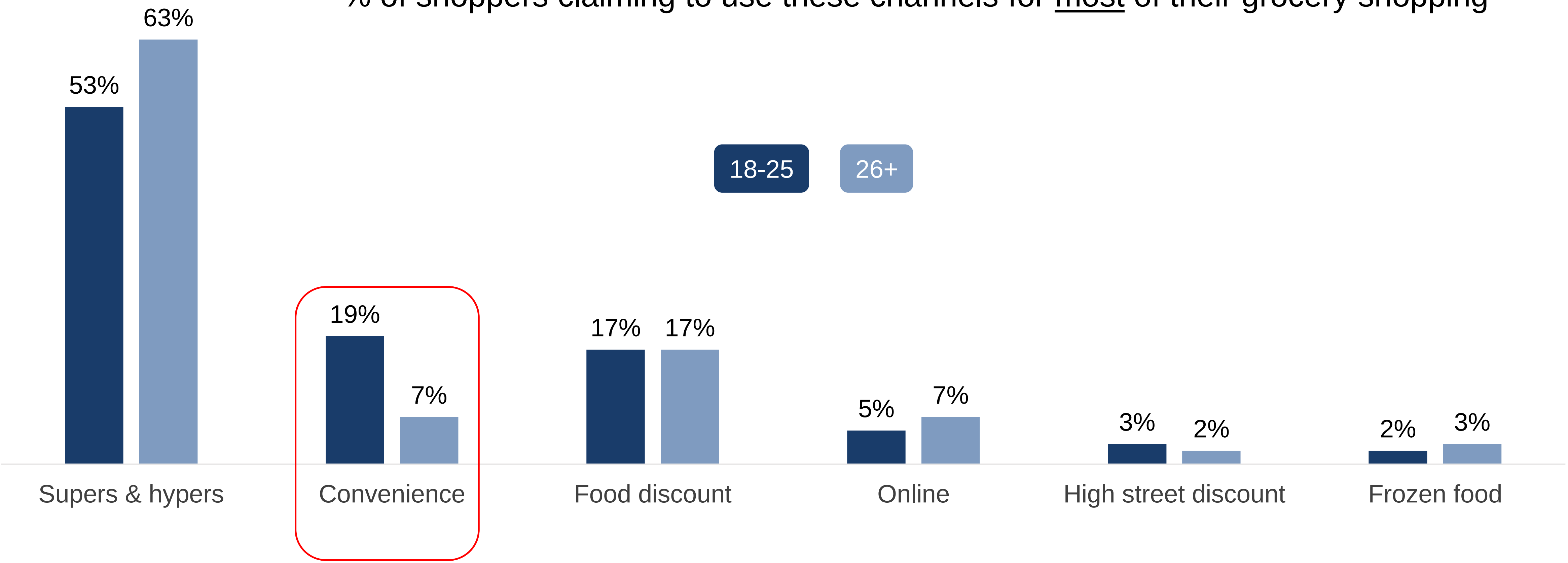
Albert Heijn to Go's 'Tap to Go' (RFID)

18-25 year olds – changing the way we shop



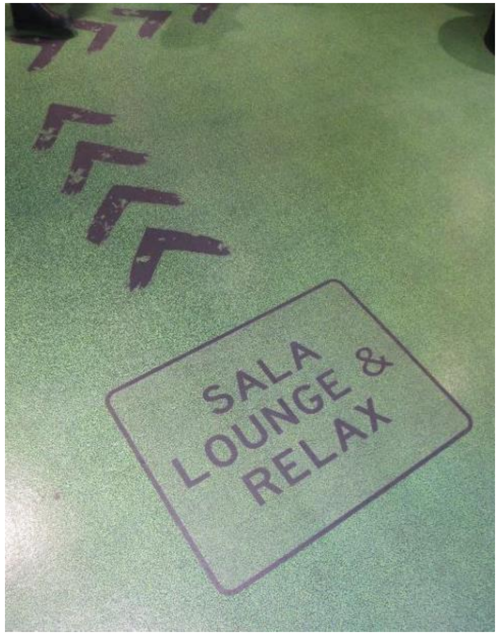
18-25s shopping more at convenience stores

% of shoppers claiming to use these channels for <u>most</u> of their grocery shopping



Source: IGD Shopper Vista, UK data

The convenience store has changed



Food to Go, Food for later, and …

Challenge: Product differentiation

Partnerships rising and delivering innovation

Store of the year: Centra (Musgrave), Parnell St, Dublin

Growth of food to go in Zagreb

Product offer created to shopper mission - ORGANIC

Private label driving innovation driven by shopper mission

Final thoughts

There is no cap on the growth of discounters
Develop products and packaging which supports their new routes to the market – convenience stores and convenient shopping, food-to-go.
Be more flexible and faster in implementation of shopper trends in its own range development. Make sure your product development is ahead of them.

The role of the convenience store has changed
Food-to-go is increasingly integral to any successful convenience store proposition. Successful convenience stores need to target distinct food-to-go missions.
Targeting evening food-to-go is the next big opportunity.

Do not think of ecommerce as a separate channel
Shoppers want a seamless offline and online experience. Retailers will continue to integrate online. This might be internal structures and demonstrated through technology. Manufacturers will need to ensure their structures, processes and measures deliver. (Online store of the future – free report)

Get in touch

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