BRAND FOOTPRINT

THE UK RANKING OF THE MOST CHOSEN FOOD BRANDS

MAY 2018

KANTAR WORLDPANEL

FOOD

Food brands that have grown in the last year can be categorised very simply in terms of those that have made life healthier, happier, or more convenient. Ideally a brand would be relevant to two or more of these trends.

Health has of course been a major driver across all of grocery in recent years. The sugar levy on soft drinks is already influencing manufacturers and brands in the food sector to reduce sugar or, in the case of some cereals, remove lines altogether.

However, being happy is important to consumers too, so some treating brands have done well, but as part of an aspiration towards an overall healthier diet. Convenience remains key to brand success. As people become increasingly time-poor those brands that can deliver sustenance in a way that is both easy to prepare and consume are growing, and so much the better if they are nutritious as well.

Like-for-like price rises returned to the food sector at the start of 2017, boosting brand sales numbers, but the Consumer Reach Points (CRPs) used in this report are independent of price. That 12 out of the top 20 food brands declined in CRPs is a result of the continued assault from own label lines.

UK Top 20

CONSUMER REACH POINTS (MILLIONS)

		2016	2017	YR/YR %
1	WARBURTONS	540	544	1
2	HEINZ	373	365	-2
3	HOVIS	288	293	2
4	MCVITIE'S	284	291	3
5	WALKERS	265	264	-1
6	KINGSMILL	301	257	-15
7	CADBURY DAIRY MILK	175	178	2
8	BIRDS EYE	179	178	-1
9	MCCAIN	142	145	2
10	CADBURY	127	130	2
11	JACOB'S	128	126	-1
12	MR. KIPLING	111	108	-3
13	BATCHELORS	103	106	3
14	KIT KAT	105	97	-7
15	AUNT BESSIE'S	98	91	-7
16	BISTO	87	84	-3
17	GALAXY	77	81	5
18	FOX'S	92	79	-14
19	PRINCES	90	78	-13
20	HARIBO	77	76	-2

Better Bread

The bread category and some of the brands within it have experienced several tough years due to changing consumer tastes, meaning that sandwiches and toast have been replaced as people have moved away from carbs and replaced them with proteins. Innovation and the introduction of healthier options led to a recovery in the category last year. The fact that sandwich consumption returned to growth has been a major help too.

Warburtons is the UK's most chosen brand, consistently number one in both the food and overall ranking. Warbutons have not rested on their laurels and an ongoing series of innovations made sure they retained their position. Last year, attention was on the giant crumpet and this year it was the Toastie Pocket, which achieved fifth place in the Kantar Worldpanel ranking of top innovations. Toastie Pockets are ready-made soft bread which consumers can fill and heat for a few minutes in the toaster. This meets the consumer drive for convenience and has opened the brand up to new occasions and new shoppers. The investment in advertising by the brand boosted the 'sandwich alternatives' category as a whole and was successful in the rare feat of attracting new category shoppers. With sales in an adjacent category the launch was incremental for Warburtons.

In position 3, Hovis had a successful year leading to an increase in CRPs of 2%. Hovis significantly reduced reliance on promotions, and in the process added £23m in value to the brand. The average price paid was successfully increased by 7% and frequency of purchase by 8%. Hovis invested £6m last year in improving the recipe of the Soft White and Seeded Sensations products, contributing to a 29% increase in sales. Seeded Sensations played into the consumer need for healthier products in the bread aisle and Hovis also launched a 'lower carb' range.

Breakfast like a King

Seen by some as the most important meal of the day, and perhaps driven by the ongoing consumer focus on health, an additional 82m additional breakfasts were eaten at home in the year to December 2017. What people eat for breakfast is changing too, more fruit and eggs being consumed, while breakfast biscuits are less popular than they were.

> 82 million more breakfasts occasions last year with people's morning habits changing

Cereal consumption was in growth helped by the growing trend of adding fresh fruit to the bowl. Weetabix, increased CRPs by 10%. The main reason behind the growth was the successful launch of Weetabix Additions, which fulfilled the three key consumer drivers of healthy, tasty and convenient. The launch was supported with TV advertising, as well as in-store activity, and penetration reached 6% for the year from its launch in January 2017. Additions sold at a 19% premium to the rest of the range and, crucially, minimised cannibalisation of the core Weetabix product.

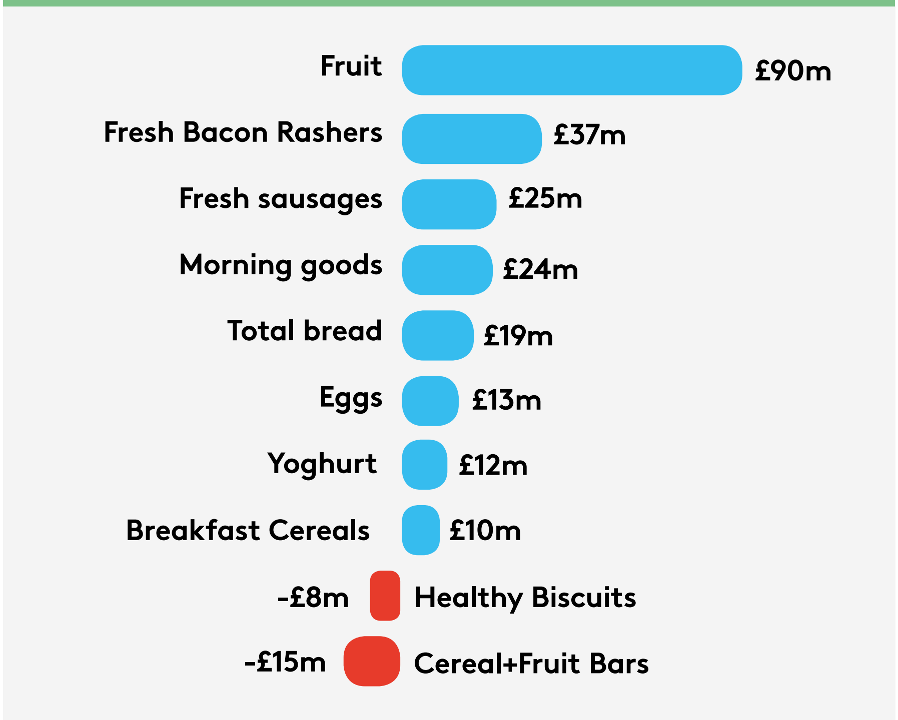
In position 25, Quaker launched several new products. Quaker Oats To Go tapped into the convenience trend and included Breakfast Squares, which can be easily heated. Protein sachets were

launched to appeal to new shoppers looking for a high protein option in a convenient and nutrient-packed format. Super Goodness porridge with super grains met the need for nutritious breakfasts with added health benefits as they contain wholegrain oats, red quinoa, flaxseeds, barley, real pieces of fruit and added nutrients. Quaker also collaborated with the healthy eating blogger Deliciously Ella and Buzzfeed to promote their Overnight Oats range, and encouraged people to share recipes. This was viewed 5m times over four months.

Feed me quick

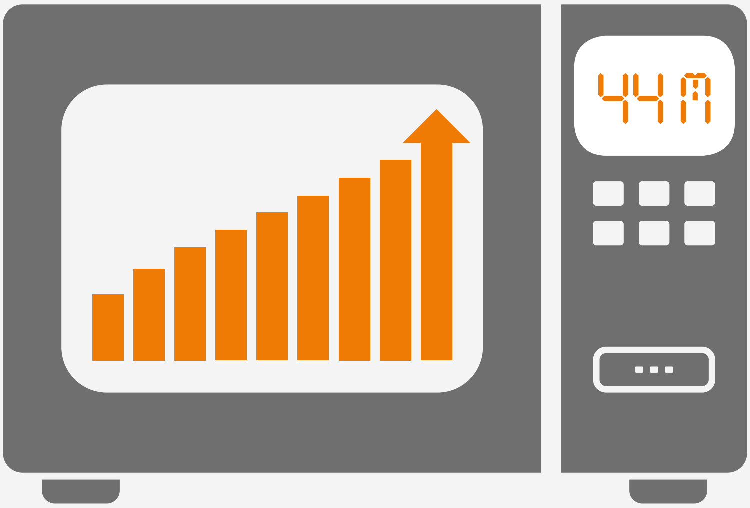
As working patterns and household compositions change, so too have people's eating habits. While snacking has long been a way to get fuel on board quickly, consumers also want actual meals to be fast and easy in both the preparation and eating. The quick meals market grew by 44m occasions in the year to December 2017, an increase of 2%.

BREAKFAST SPENDING: WINNERS AND LOSERS



In home breakfast occasions, 52w/e 31 December 2017

QUICK MEALS



44 MILLION OCCASION INCREASE

Convenient to prepare and convenient to eat are two critical factors for consumers when considering meals on the go. Batchelors, in position 13 of this year's ranking, increased CRPs by 3%, helped by their new pot launches. Famous for their pasta and sauce packets, the brand created a new format by putting the product into a pot. The product was launched in July 2017 hot on the heels of their noodles in a pot which sold 3m units in 14 weeks. Competitor brand, Pot Noodle (in position 37) enjoyed a 1% increase in CRPs this year, having launched a pasta pot offering in the same month.

Ginsters, in position 36, has increased in CRPs by 11%, with penetration up 5%. They were successful in attracting new shoppers due to the extra-visible presence of being included in the £3 Tesco Express meal deal.

Permissible Indulgence

Although consumers are more focused than ever on health, they do make room in their brand repertoire for treats. Brands that were innovative in this space in terms of offering a permissible indulgence did well. McVitie's, up one place to position 4 this year, increased CRPs by 3% and is one example of this. With three different variants of the Digestive Thins launched this year, they found a way to deliver a familiar favourite in a slightly healthier way (see brand focus).

Indulgence brands knowingly tapped into the notion of "the big night in". As streaming services like Netflix have grown in popularity, treats that you can share on these viewing occasions have grown, benefitting brands such as Doritos - in position 31 with an increase in CRPs of 2%.

> 82 million more breakfasts eaten in the last year, with people's morning habits changing

Brand Focus: McVitie's Digestive Thins

With their new Digestive Thins range, which achieved number 4 in the Kantar Worldpanel Innovation ranking this year, McVitie's found a way to deliver a favourite product in a slightly healthier format. McVitie's chocolate-covered Digestive Thins contain only 31 calories, compared to 86 calories for the original biscuits, and are aimed at consumers who want a smaller indulgent treat. However, the thinner version of the treat comes with a higher price tag retailing at £9.39 per kilo compared with £5 for the regular chocolate digestives, commanding a considerable premium for the brand.

The new biscuit has broadened the reach of the brand, attracting new targets in the form of younger customers, and featuring in new occasions such as the afternoon or evening snack.

Annual penetration for the Digestive Thins reached 19% whilst the total McVitie's Chocolate Digestives range was bought by over half the population in 2017 – an increase of 1.6m households on the previous year.

Food brands that understand and satisfy new needs will remain relevant

Future Trends

Beyond free-from, DNA-based diet plans

Growth in alternative proteins

Energy boosting caffeinated foods

Cadbury has two brands in the top 20, and both have grown – Cadbury Dairy Milk in position 7 had a CRP increase of 2%. Cadbury (including cakes and biscuits) is in position 10 with an increase of 2%. Growth for the brand overall has come from the successful targeting of occasions such as Easter and Christmas – key times when people treat themselves and gift to others, and also through online shopping. Twirl, in position 35, is the first of 20 separately measured Cadbury brands, aside from Cadbury Dairy Milk in position 7. Twirl has grown steadily both in traditional bars and Twirl bites.

As issues from other areas of grocery, such as the focus on sugar content in beverages and the development of free-from in dairy seep into the food sector, we can expect to see more innovation to make traditional favourites that fit with new consumer demands. As consumers' lives become more fragmented, so their needs multiply. It is those brands – both new and established - that understand these needs and how to satisfy them that will remain relevant and be chosen at the moment of truth.

About Brand Footprint

Kantar Worldpanel believe that brands grow by increasing the number of people that buy them, their penetration. There are five strategic levers which we have identified that lead to brand growth.

Brand Footprint is our global study of which brands shoppers are choosing to buy, and why. The metric used to measure this is called Consumer Reach Points (CRP) and it is calculated by looking at penetration and frequency in combination with the number of households in the country.

Find the full global report at kantarworldpanel.com/brand-footprint-ranking