



# Meat, Fish & Poultry NEWSLETTER

February 2016



## Welcome to the Meat, Fish & Poultry Newsletter.

Christmas already seems a long time ago, but this edition of the newsletter is going to focus on how Grocery and Meat, Fish and Poultry performed over this crucial period. We know that Christmas is one of the most important times of the year for retailers and suppliers and can make or break your year. In order to help you prepare for 2016, we wanted to give you our view on all the important stories this Christmas and some predictions for this coming Christmas. You may remember that we looked forward to Christmas in our last newsletter and were glad to see a lot of our predictions were correct. Shoppers still traded up into premium retailers and the last week was vital for performance, but there were some trends that we didn't predict. The articles we have pulled together will give you all the key trends from Grocery, our categories and our thoughts for 2016.

Our next newsletter will be coming out after Easter and will look at the impact of the event, the early trends of 2016 and reflect on the impact of the WHO report on performance.

We hope you enjoy this newsletter and find some interesting Christmas trends. If you want more information on any of the trends discussed, please talk to your client service team.

Best regards,  
The Worldpanel Meat, Fish & Poultry Team



# What Drove Grocery Performance this Christmas?

Christmas is a key period for the Grocery market, with shoppers spending an additional £1.2bn on top of the average month in these four weeks. Of that additional spend, 43% is spent on Alcohol, as people celebrate Christmas at home and with friends and family. Over the last year we've seen consumer confidence grow, but this didn't translate into shoppers spending more as many took advantage of a cheaper Christmas dinner, choosing to boost volume levels rather than pocketing the difference.

Christmas fell on a Friday this year, with shoppers needing to buy either in the weekend ahead of Christmas or in the days before. Shoppers chose to hold off their purchases until later in the week, with Wednesday 23rd the biggest day for retailers. With Christmas 2016 falling on a Sunday, we are expecting to see a Christmas peak spread across two days in 2016, matching what we saw when Christmas last fell upon a Sunday. This means that the Thursday and Friday before Christmas are likely to be the biggest trading days and this will have huge implications on stock and supply requirements.

We can't mention Christmas without talking about retailer performance and there was a real polarisation between winners and losers. Unlike previous years, promotions alone weren't the deciding factor in who won and lost. Christmas always sees a trade up in the market with premium retailers seeing their shares

increase ahead of the all year round share they see. Waitrose still saw shoppers trading up at Christmas, but didn't see the growth levels of previous years as promotions and deflation held back value sales and online declined. M&S and Ocado were the premium winners, with M&S saw their strongest Christmas in 3 years, driven by the last 2 weeks. M&S saw shoppers switching spend from other stores and traded up shoppers already in store into their premium lines. Ocado grew from a small base, driven by more shoppers and winning from all of the major retailers.

The Discounters continued their strong growth, with Lidl showing the strongest growth of all stores this Christmas. A well timed and fully integrated campaign backed by a strong £10 national press coupon campaign helped drive £50 baskets for the store. At the same time we saw Lidl look to premiumise it's offer with the Deluxe range growing rapidly and attracting more shoppers this year. Morrisons and Asda suffered strong switching losses to the Discounters, particularly as Morrisons moved away from it's highly successful Christmas bonus scheme which had driven large baskets over the last few Christmas periods. Tesco performed ahead of it's annual performance as could be deemed at the retailer in the Big 4 winning Christmas. This performance was achieved through winning in Alcohol, Party Foods and Niceties like confectionery.

Christmas in Grocery isn't just about promotions, a good strategy, the right products, good availability and a clear and relevant above the line campaign are all crucial elements for retailers to get right to win at Christmas. With Christmas falling on Sunday, the last week will be the crucial time for the winners and losers. Retailers need to plan how they will win here, especially in Meat, Fish and Poultry and other Fresh markets, where shoppers will make their big Christmas shop.

By **Helena King**  
Category Analyst





# Christmas Battle of the Proteins



**This Christmas saw Fresh Meat, Fish and Poultry decline by 1.1% in value, driven by lower prices and smaller baskets. Tradition seemed to be under attack from other proteins as Turkey saw a 4% decline and other proteins grew through new shoppers. The real winners this Christmas were Lamb, Fish and Chicken, with Beef roasting joints performing well on top of a strong performance last year.**

Fresh Lamb grew by 3.9% through more shoppers and higher prices. Most of the success came from shoppers switching spend from Beef and Pork. Leg joints were driving this with 8% growth on this more premium cut. Waitrose and Lidl were the key drivers of the success of Lamb this Christmas.

Fish continued to flourish over the Christmas period, continuing a long term trend of growth, seeing value up 2.4% compared to last Christmas. Growth was driven by more shoppers, buying more often over the 4 weeks covering Christmas. Shoppers were switching spend out of Meat and Poultry with the key gains coming from Pork and Beef.

Fresh Chicken had an impressive Christmas growing at 3.3% in value and 8.4% in volume, showing another potential break with tradition as switching gain came from the more traditional Turkey, Beef and Pork. In some stores, Chicken was presented as a viable alternative to traditional Christmas meats and this has helped to drive a greater presence in our Christmas

baskets. The movement from Turkey to Chicken is a small proportion of overall sales, but something we predict may continue in 2016. Particularly if we see more convenient Christmas themed products merchandised in the Christmas fixtures. Outside of Chicken, Duck and Other Poultry/Game saw significant growth from a small base as people tried the other traditional favourites for Christmas.

At the same time, we've seen a long term move towards more convenient options at Christmas, with labour saving products and categories seeing strong growth as people want impressive meals without the hassle. People are increasingly only buying one roasting protein over Christmas, so making sure your protein wins at the Christmas meal is increasingly important!

What do we predict for next year? Diversity will increase in Meat, Fish and Poultry with more categories becoming a part of Christmas. Convenience will continue to grow with quicker and easier options in terms of preparation and cooking times increasing in importance. The Christmas dinner plate will be about quality food which is simple to prepare and easy to cook, with shoppers willing to pay more for solutions.

**By Michelle Coggin**  
Client Executive



# Which Bird 'Gobbled' Share this Christmas?

**2015 was a Christmas of mixed fortunes for the Poultry category, with Chicken and Other Poultry clear winners, whilst turkey saw decline.**

Chicken grew volume at 8% which was impressive in a tough market. This growth was driven by an increase in shoppers, as well as shoppers buying more often over the Christmas period. Deflationary pressure and promotions drove lower prices this year, limiting value growth was limited to 3% a healthy growth considering the Meat Fish and Poultry market saw 1% decline in

value at Christmas. Chicken saw significant switching gains from Beef and Pork into the category, with the largest gains coming from the roasting joints.

Within Chicken the smaller cuts that saw growth. Whole Birds growth was ahead of the market, with deflation limiting the value growth to +1% over the 4 weeks of Christmas. The growth in Whole Birds was down to significant growth for large and extra-large birds, balanced out by decline in smaller birds (a key line in the declining 3 for £10 promotional mechanic). The growth of large birds coincided with a clear switching movement away from Whole Turkeys, suggesting that shoppers were in favour of a trading into Chicken as a smaller and more convenient option this Christmas.

Following a strong Christmas in 2014, the Turkey category declined at -4%, driven by a shopper losses and smaller baskets. Whole Birds are the key driver of this negative performance, declining at 10% compared with last Christmas, with Whole Birds seeing switching into the Chicken Whole Birds and Turkey Crowns & Joints. This, alongside long term consumption trends suggest that

whilst people want a Christmas centrepiece, they are keen to do this with less preparation, quicker cooking times and potentially limit waste. The Premium retailers, particularly M&S and Discounters, driven by Lidl saw strong growth in Whole Turkeys, with the Big 4 driving the decline in Whole Birds.

A more recent trend has been towards the niche areas of Poultry, which has accelerated at Christmas. Duck has seen particularly strong growth in the Whole Birds & Crowns which are likely to be consumed as an alternative at Christmas. Goose has seen increasing prevalence in stores and will be an interesting alternative in the future as it gains traction in the market.

Will the trend towards Chicken and Duck continue for Christmas 2016, or will the traditional Whole Turkey make a comeback to be our festive focus once again? Looking at the trends in the market, convenience isn't going to go away and tradition may be under pressure as people see more options available at Christmas. What does this mean for Poultry? We think shoppers will continue to look for quicker and convenient options, but quality won't be an acceptable compromise here. Crowns and Joint provide convenient options with a wow factor, so we expect continued growth here, with Chicken and Duck muscling in on the traditional Turkey heartland.

**By Sophie Barter**  
Client Executive





# Are Promotions the Key to Protein Performance?

Promotions within Meat, Fish and Poultry (MFP) reflected Grocery as they had little effect on which retailers shoppers chose to shop at over Christmas. However, they played a key role in driving shopper protein choice. The proteins and cuts which saw the price reductions tended to see growth through new shoppers and this is especially important over a short period, such as Christmas.

The key to winning Christmas as a protein in Meat, Fish and Poultry this year was all about bringing in new shoppers. Retailers capitalised on shopper growth in specific proteins through targeted promotions with the mechanic of choice being Temporary Price Reductions (TPRs). These TPRs really helped drive new shoppers into the various winning proteins. TPR promotions grew at 10% YoY, with less retailers favouring Y for £X deals. Tesco, Asda, Morrisons and The Co-Op were the only retailers to increased Y for £X deals and even in those stores, the TPR was still the dominant mechanic.

Proteins that gave away more through promotions, generally saw stronger performance at Christmas; Lamb and Chicken were key examples of this driving success for the protein. Fish and Gammon were the only exceptions to this correlation, with Fish cutting back their level of giveaway and gaining share through the premium added value products. Fish cut back on volumes sold on promotion by 4 percentage points, but this did not have an adverse effect on penetration gains which grew by 3% on top of Christmas 2014.

Gammon promotions were stronger, giving away more, but not gaining share through it. Overall the promotions didn't help to drive MFP category growth, just switching shoppers around proteins and driving a market contraction this Christmas of 1.1% in value terms.

Diving down deeper into the proteins, Lamb roasting promotions were up significantly, with £6 in every £10 spent being on promotion. Chicken was the big winner this Christmas, as shoppers switched into the protein from more traditional proteins. Overall, Chicken saw 1/3rd of the category's volume sold on promotion helping to drive sales of the protein as a convenient and quicker to cook alternative. Despite Beef overall not faring well over Christmas, Beef roasting joints grew on top of a successful Christmas 2014 with shoppers buying bigger baskets compared to last year. Promotions in beef roasting were driven solely through TPRs, with ½ price deals a focus this year.

By Rosie Owen  
Client Executive







# Rounding up the Other MFP Christmas Categories


**Christmas isn't just about the centrepiece of the meal, with "all the trimmings" an essential element of a great Christmas Dinner. When we look at the wider Christmas market we see some really interesting trends. Outside of the main meal elements, Smoked Salmon and Gammon saw good performances, whilst the garnishes/trimmings saw a move towards convenience becoming a key trend.**

Smoked Salmon, is traditionally a staple on Christmas Day, working across a variety of roles and occasions. Smoked Salmon's role at Christmas goes from an exciting breakfast through a starter for the main dinner, all the way through to entertaining friends and family. The category has seen significant value growth up 5% compared to last Christmas. NPD, new lines and listings have helped drive growth in the winning retailers, helping to stimulate new shoppers to enter the category this year. Gammon grew volume through promotional activity and price decreases driving an influx of shoppers.

Lidl was particularly successful in this area seeing value grow by a third. Ham joints did not enjoy the growth enjoyed by gammon, seeing flat volume sales.

Fresh stuffing is an important category for the traditional Christmas dinner, providing shoppers with a more convenient option to complement the main protein. Despite a strong performance last year, Fresh Stuffing has maintained its appeal at Christmas, with value and volume remaining fairly static. Smaller trips are driving a minimal decline for the category, but this convenient option retained a strong shopper base. Fresh Gravy and Stock, is another convenient option for a key element of our Christmas Dinner. The category was also a big winner last Christmas and has seen that momentum continue with value up 2.2%, driven by higher prices.

Pigs in Blankets are another traditional British accompaniment to the Christmas Roast Turkey dinner and have performed well ahead of other festive favourites seeing double digit growth this year. At the same time the key elements of Pigs in Blankets, Fresh Sausages and Bacon, have seen significant losses. Shoppers are willing to trade up into this premium category despite it being fairly easy to recreate with the raw materials! Fresh sausages have lost out across all sectors and metrics this Christmas. Shopper losses are the key driver of the decline, with Chipolatas and Cocktail, the categories most commonly associated with Christmas, not been able to lift volume or value levels. Bacon rashers also have a strong link to Christmas, but has seen double digit decline this



Christmas, despite an increase in promotional activity. In the past, they have commonly been used to cover the Turkey, wrap Sausages to create Pigs in Blankets or involved in the Christmas breakfast. Are we seeing the decline of raw components as shoppers buy into more convenient options or is this an ongoing effect of the WHO campaign? As shoppers move into more ready to cook and added value products at Christmas, we are likely to see contraction in sales for these component items as shoppers don't need to cover the Turkey and aren't willing to spend time creating Pigs in Blankets...

**By Helena King**  
**Category Analyst**

# Meat the AUTHORS

# The Kantar Worldpanel MEAT FISH & POULTRY TEAM

Please get in touch  
with any feedback  
on the articles you  
have read or with  
any questions you  
may have.



## Michelle Coggin

Client Executive

Joined Kantar: 2014

Favourite Dish: Meatballs

E: [Michelle.Coggin@kantarworldpanel.com](mailto:Michelle.Coggin@kantarworldpanel.com)

T: +0044 (0)208 967 4461



## Helena King

Category Analyst

Joined Kantar: 2015

Favourite Dish: Mince beef and onion pie

E: [Helena.King@kantarworldpanel.com](mailto:Helena.King@kantarworldpanel.com)

T: + 0044 (0)208 967 4165



## Sophie Barter

Client Executive

Joined Kantar: 2014

Favourite Dish: Steak pie

E: [Sophie.Barter@kantarworldpanel.com](mailto:Sophie.Barter@kantarworldpanel.com)

T: +0044 (0)208 967 4668

M: +0044 (0)778 994 6978



## Rosie Owen

Client Executive

Joined Kantar: 2014

Favourite Dish: Sea bass

E: [Rosie.Owen@kantarworldpanel.com](mailto:Rosie.Owen@kantarworldpanel.com)

T: +0044 (0)208 967 4007

M: +0044 (0)746 937 1636





# CONTACT US

For further information about Kantar Worldpanel and the services we can provide for you please contact:

Kantar Worldpanel  
Westgate  
London W5 1UA

**T:** +0044 (0)208 967 4158

**E:** [KW-MeatFish&Poultryteam@KantarWorldpanel.com](mailto:KW-MeatFish&Poultryteam@KantarWorldpanel.com)

**W:** [www.kantarworldpanel.com](http://www.kantarworldpanel.com)

