



# Quarterly Insight Report

1 October 2023

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# Market Trends



## Electronic Shelf Edge Labels

We always follow the latest developments in technology, and with sustainability near the top of many suppliers' agendas, were delighted to see [Talking Retail](#) report that Southern Co-op has rolled out electronic shelf edge labels (ESLs) across its estate. ESLs have been around for over 30 years and Tesco, Asda and Morrisons amongst others have, as reported by The Grocer, [previously trialled them](#) without further rolling out.

However, surely, now the time is right. ESLs come, of course, with some hefty capital investment costs, however the long-term benefits are clear: speedy promotional changes, a reduction in staff hours changing pricing labels, lowered print and material costs, the ability to include QR codes to direct shoppers to further information along with the possibility to use the technology to improve pick efficiencies. We'll be following with interest.

## Branded Bays

Suppliers and retailers are working more closely than ever, and we love that [Haribo has partnered with Sainsbury's](#) and [Diageo with Waitrose](#) to create branded bays and drive sales, and we predict that this will become more prevalent as brands look to deliver impact at point of purchase. Investing in bay development and point of sale doesn't guarantee sales though! Key is ensuring availability and compliance, and it makes sense to maximise your investment and sales by regularly visiting to support the bay. Here at Logobrand we've got lots of experience in doing just that; not only in multiple grocery but in specialist retailers like Majestic Wine, supporting brands such as Mars Wrigley and Moët Hennessy. Call our business development team to hear more about it.

## Own Label Products hit 50% of Basket Spend

Food inflation is a real issue for households and the [BBC](#) reports that our shopping habits have now changed for good. Cost-conscious shoppers have swapped from brands to own label products and competition has never been fiercer. While we had better news last week when interest rates didn't change, with prices generally significantly higher than in 2022, ensuring your brand's share of space and compliance to maximise sales has never been more important. Here at Logobrand, that's what we do every day, and we have an array of tools to help our in-store teams. Why not get in touch? We can introduce you to Snappy Decisions – our image recognition software enabling unparalleled insights while still in store!

## Sustainability is Growing

Sustainability is one of retailing's key buzzwords currently, and it's great to see some innovative solutions in the industry. [Coca-Cola is trialing new packaging for large bottle multipacks](#) and [Marks and Spencer is swapping all plastic carriers for paper bags](#). Did you know that Logobrand has great sustainability credentials? We won a gold [FMBE Award](#) in 2022 for our Sustainable Client Relationship with Britvic, and we are the proud holders of a silver [Ecovadis](#) sustainability rating. We have our very own Green Group, comprised of employees from across all functions, who have driven changes to our waste management process, and encouraged us to take small steps, such as turning power off to unused equipment, which lead to sustainability gains. We'd love to tell you more – just get in touch with our business development team!





# Hot Topic



The word on everyone's lips right now is **CHRISTMAS**, and though plans are in action for a volume-packed period, Logobrand's hot topic is what happens next - **AFTERMATH**

What is the plan for rebuilding stock holding? What are the potential issues? How will stock pressure impact your business's bottom line? How can you harness the RIGHT information to take action to relieve that pressure?

At Logobrand, we use *foresight* to anticipate and manage the activities that are important to your business. Using our bespoke systems and 'rebuild model', our dedicated Data & Insights team can tailor a plan specifically for *your* products within *your* categories before we even go into store! By looking at the data ahead of visits, we can not only save potential unnecessary spend, but also devise the best course of action with both you and the Retailer to maximise sales, rebuild stock-holding in the right areas, and reduce potential overage/waste.

Check out our latest [case studies](#) showcasing what Logobrand have done to help our clients exit the Christmas period by maximising not only sales but return on investment!

Now Christmas is in action, make sure you're ready for 2024 peak events:

 New Year New You

 Veganuary

 Valentines Day

 Mother's Day



Measure availability  
and compliance



Analyse potential issues



Identify root causes



Send Reps to investigate  
& resolve issues identified



Report back for Retailer  
stock negotiations





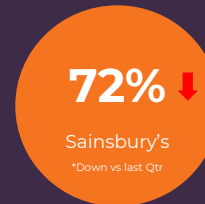
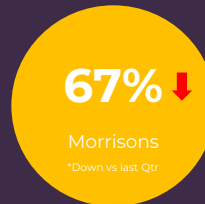
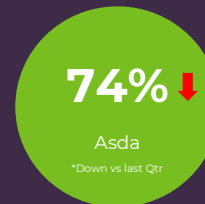
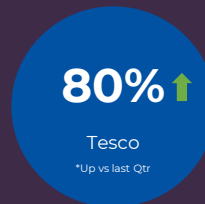
# Retailer Trends

- Average Retailer **PROMOTIONAL COMPLIANCE** the past quarter means up to 33% of promotional activity is not being activated by stores! The worst areas being NI/London/Scotland. This creates a HUGE job to be done by field sales teams. Though Tesco has improved since last quarter, other retailers are down, highlighting an issue with compliance

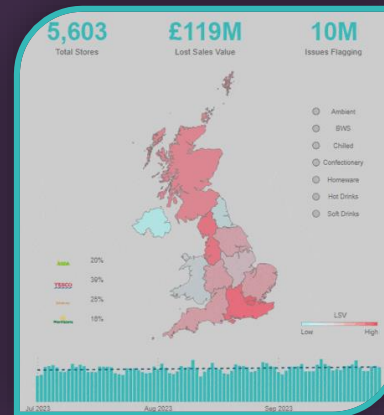


When it comes to **LOST SALES**, Retailers require different actions based on region:

- Asda's biggest issues continue to be in Northwest and Scotland
- Issues in both Tesco and Sainsbury's are consistently concentrated specifically in London and the Southeast
- Morrisons majority of issues are in Northwest/Yorkshire/Scotland
- These patterns are not changing, evidencing the need for intelligent call files to target these Retailer specific issues



**CONTACT LOGOBRAND TO FIND OUT WHAT THIS MEANS FOR YOUR BRAND**



\*Compliance Source: Real life store level data captured on entry by Logobrand Field Reps

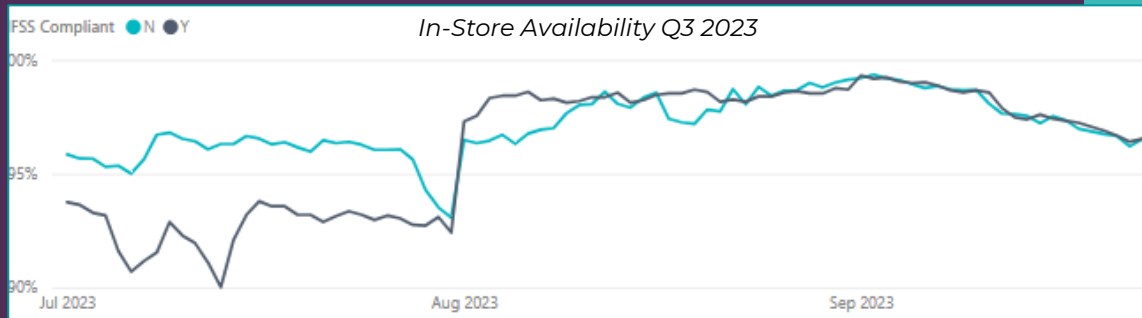
\*\*Lost Sales Source: Availability Manager™ Lost Sales algorithm based on Retailer EPOS

\*Impact of location on lost sales value in Q3 by Retailer and Category, based on sample data from full Grocery store universe



# HFSS Case Study: Ambient Snacking

AVAILABILITY



- Non-Compliant availability higher and more consistent than Compliant
- HFSS Compliant SKUs stock build from August

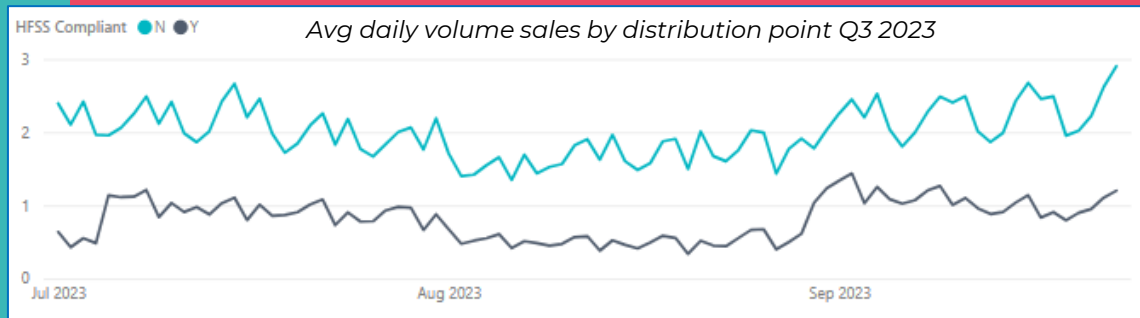
Logobrand reviewed Q3 stock and sales for an Ambient Snacking brand, comparing YoY to track trends:

- HFSS Compliant stock has increased by 22%, Non-Compliant stock by 60% on average vs LY
- Compliant volume sales dropped by 49%, Non-Compliant by 6%
- Better stock levels all round vs pre-HFSS though Compliant sales are suffering for this brand

## RESULT:

The data indicates that **Compliant SKU sales are struggling despite higher levels of stock for Ambient Snacking YoY.**

Focus required to drive Compliant SKU sales



- HFSS Non-Compliant SKU sales have been more consistent on avg
- Compliant SKUs have clear peaks and troughs

SALES TREND



# Eyes & Ears



## Tesco

- Reinventing fresh food segment defending against 'food on demand' from take away services, such as JustEat
- Introducing more own-label SKUs in Express convenience stores<sup>1</sup>
- Assigning permanent space to products that are on clearance (delisted/discontinued) or otherwise reduced in price with new POS
- Relaunching Range Reset programme [previously ran in 2015/16]. It is believed that lower priced SKUs and tertiary brands will be reintroduced to combat inflation by reducing overall price
- Consumer group *Which?* has laid heavy criticism at Tesco and Sainsbury's over deceptive price tactics in their 'loyalty' schemes<sup>3</sup>

Sources:

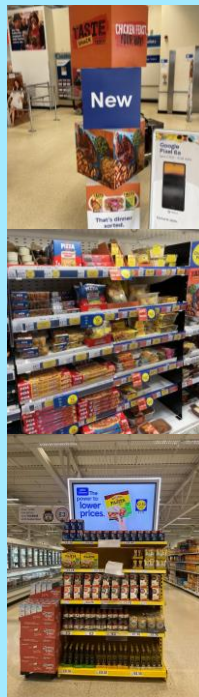
- 1 - [Tesco joins Morrisons in stocking more own-brand items in its convenience stores - Retail Gazette](#)
- 2 - [Tesco expands 'reduced in price, just as nice' signs to 300 stores - Retail Gazette](#)
- 3 - [Sainsbury's and Tesco accused of deceiving shoppers over loyalty prices - Retail Gazette](#)

## Morrisons

- Cameras on freezers to gap scan every hour to flag refill requirement
- Pushing the Savers range through leaflets and instore POS
- Security doors added to BWS with store support button for access
- Bradford fruit packing warehouse to close, consolidating operations to Northamptonshire warehouse, putting up to 456 jobs at risk<sup>1</sup>

Sources:

- 1 - [Morrisons to close Bradford warehouse, 450 jobs at risk - Retail Gazette](#)



## Discounters Spotlight

Although all 400 Wilko stores will close following its entry into administration, the brand itself will survive as The Range has purchased the brand, its website and all intellectual property<sup>1</sup>

Poundland owner Pepco Group will acquire 71 stores and convert them to Poundland stores<sup>2</sup> whilst B&M has acquired a further 51 stores which will be converted to B&M stores<sup>3</sup>

Poundland has announced investment in price cuts<sup>4</sup> including a return to a £1 price point<sup>5</sup>

Lidl remains in contact with administrator PwC to purchase some of the former Wilko sites<sup>4</sup>

Meanwhile Pepco Group CEO – former Tesco Director Trevor Masters – has resigned with immediate effect<sup>5</sup>

- 1 - [Confirmed: The Range buys Wilko brand for £5m \(retailgazette.co.uk\)](#)
- 2 - [Poundland owner to acquire up to 71 Wilko stores - Retail Gazette](#)
- 3 - [B&M buys 51 Wilko stores as HMV rescue deal falters - Retail Gazette](#)
- 4 - [Poundland price cuts | News | Retail Week](#)
- 5 - [Poundland slashes prices | News | Retail Week](#)
- 6 - [Lidl eyes up former Wilko stores | News | Retail Week](#)
- 7 - [Pepco Group chief executive resigns | News | Retail Week](#)



# Eyes & Ears

## Asda

- Camera trial capturing fixtures to review stock to be merchandised, meaning a crackdown on planograms required for accuracy
- Value range reduced by 8%<sup>1</sup>, hinting at an own-label healthy range<sup>2</sup>
- Sales up 9.6% driven by increase in own label<sup>3</sup>. Now launching new F2Q trial to support ambition of being no.2 Retailer by UK market share<sup>4</sup>
- Acquired ex-M&S CTO to oversee IT improvements<sup>5</sup>
- NEW sales-based ordering system LAB. Shelf stock now derived from expected sales calculated locally to reduce inventory and improve productivity. MORE importance on maintaining space and stock record accuracy will be required in Asda going forward
- Asda to analyse results of ESLs since the end of their biggest ever trial

Sources:

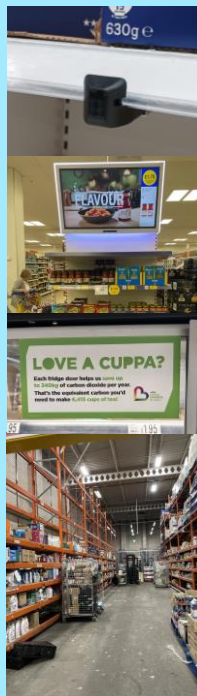
- 1 - [Asda trims 8% of products from Just Essentials budget range | News | The Grocer](#)
- 2 - [Asda hints at new healthier own label range launch | News | The Grocer](#)
- 3 - [Asda sales soar almost 10% as shoppers snap up budget range - Retail Gazette](#)
- 4 - [Asda launches new food-to-go trial to drive shoppers to stores - Retail Gazette](#)
- 5 - [Asda hires ex-M&S CTO as it separates from Walmart - Retail Gazette](#)
- 6 - [Asda ends biggest ever electronic shelf label trial](#)

## Sainsbury's

- New spring-loaded refill shelves in the coffee aisle
- Posted a LfL sales boost of 9.8% ex VAT which it claims is due to investment in price and value<sup>1</sup> which has resulted in volume growth<sup>2</sup>
- Resorting to bulk/pallet displays in Lloyd's pharmacies previous spaces
- Launched beef range which it claims a 25% lower carbon footprint<sup>3</sup>

Sources:

- 1 - [Sainsbury's sales up as food inflation 'starts to fall' - Retail Gazette](#)
- 2 - [Sainsbury's sales increase driven by 'return to volume growth' | News | Retail Week \(retail-week.com\)](#)
- 3 - [Exclusive: Sainsbury's launches new beef range with 25% lower carbon footprint - Retail Gazette](#)



## Discounters Spotlight

Bulk buy retailer Costco is looking to open another 14 stores across the UK 'asap'<sup>1</sup>

Co-Op rolling out dummy packaging to combat an increase in shoplifting<sup>2</sup>. They have also announced further investment in lower prices for its Members Scheme<sup>3</sup> and will offer rewards for Members with Uber Eats<sup>4</sup>. They have extended their robot delivery service into Leeds<sup>5</sup>

Iceland cut prices on 1,000 products, doubling the previous no. lines in cost-of-living crisis<sup>6</sup>

Clinton Cards is looking like the next casualty as it considers closing 1/5 stores (~38 sites)<sup>5</sup>

Majestic Wine has announced a new partnership with Uber Eats as it accelerates its on-demand delivery ambitions<sup>7</sup>.

- 1 - [Costco eyes 14 new stores - Retail Gazette](#)
- 2 - [Co-op rolls out 'dummy display packaging' | News | The Grocer](#)
- 3 - [Co-op invests £70m in member prices | News | Retail Week](#)
- 4 - [Co-op to offer rewards with Uber Eats | News | Retail Week](#)
- 5 - [Co-op extends robot grocery delivery service | News | Retail Week](#)
- 5 - [Iceland slashes prices on 1000 'weekly shop' items - Retail Gazette](#)
- 6 - [Clintons looks to avoid going bust \(retailgazette.co.uk\)](#)
- 7 - [Majestic Wine partners with Uber Eats | News | Retail Week](#)





# Coming up...



## Halloween

Tuesday 31<sup>st</sup> October 23



## Christmas

Sat 23<sup>rd</sup> – Tue 26<sup>th</sup> Dec 23

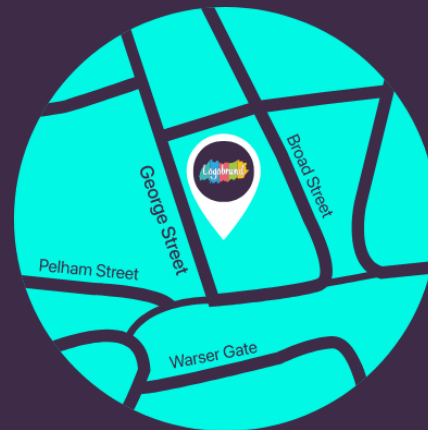


## New Year

Sat 31<sup>st</sup> Dec 23 – Mon 1<sup>st</sup> Jan 24

Find out what is happening with your stock and get AHEAD of the curve for the seasonal period!

Contact **Logobrand** for your field marketing support!



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