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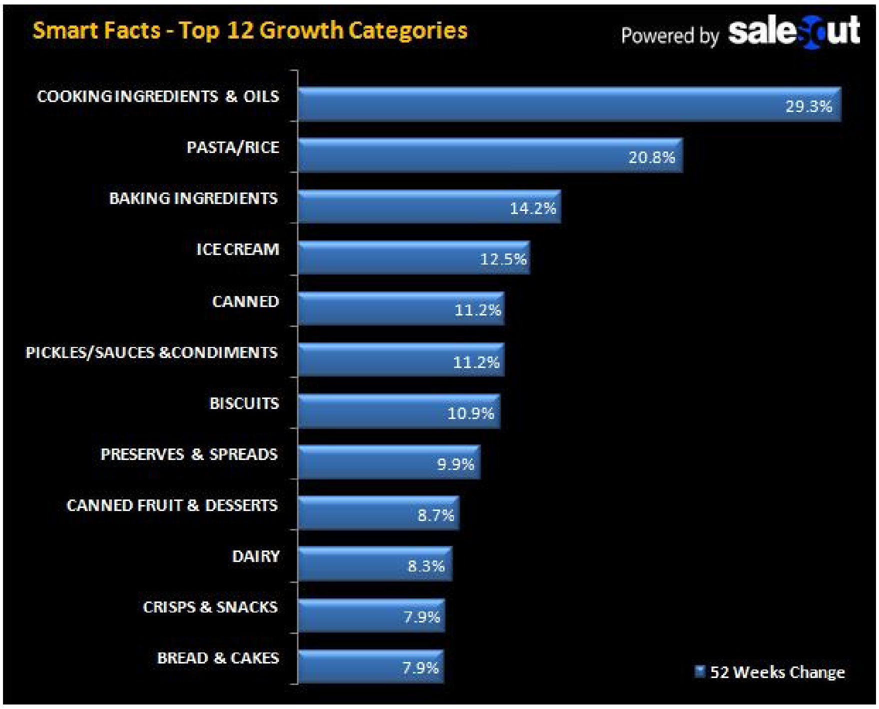
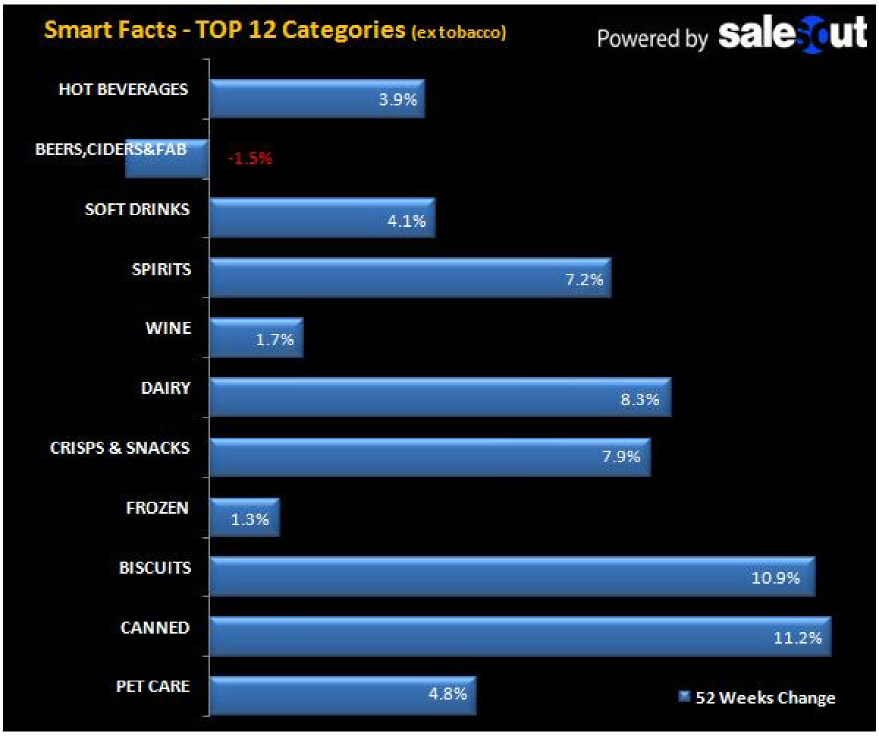
Independent Sales Health Check – Powered by SalesOut

May 2009 – Independent Growth Categories

The graphs are derived from data for:
5,000 independent stores
3,000 of which are symbol stores

The graphs show:
Top 12 Categories (excluding Tobacco) for the year ending March 2009
Top 12 Growth Categories for the year ending March 2009





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Steve Collins, Commercial Director, SalesOut
The independent sector saw 6.4% growth in like for like sales in April. This was a small decline on the annual figure of 4.8%, which is attributable to an accelerating decline in alcohol sales that was partly offset by a buoyant confectionary market driven by the Easter category.

This growth in the independent sector is typical in a recession, when consumers turn to the sector for added convenience and to reduce unnecessary purchases and fresh food wastage. To help independent stores to capitalise on this, SalesOut has looked at the Top 12 Categories (excluding Tobacco) and the Top 12 Growth Categories for the year ending March 2009.

The Top 12 Categories (excluding Tobacco) account for 76% of total independent sales and it is essential to focus on these major areas to ensure continued growth.

All 12 categories saw positive year on year growth in sales, except for 'Beer, Cider and Flavoured Alcoholic Beverages' which fell by 1.5%. Continued heavy discounting by the multiples has continued to erode the independents' share of this market, as well as Wine which underperformed against the market as a whole. 'Crisps and Snacks' and 'Biscuits' are also driving sales as people compensate for the recession with an increase in treat occasions.

The Top 12 Growth Categories paint a similar picture of recession-driven changes in consumer shopping habits. For example, there was a significant increase in home baking and meal preparation, and a huge resurgence in non-perishable and staple goods such as canned, sauces and preserves.

These buoyant sales are evidence that the independent sector can perform well, even in a tough marketplace, particularly if stores take time to understand their local marketplace and consumer needs. Hopefully this renewed growth is a clear indication that the sector is now reaping the benefits of a significant improvement in store standards over recent years.

Next month we will look in more detail at the products that have helped to stimulate category growth and in particular the successful new products introduced in the last year.

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