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Independent Sales Health Check – Powered by SalesOut

22 January 2010 – Independent Growth Categories

The column is based on data for an expanded store base of over 11,000 independent stores
5,000 of which are symbol stores

The column describes:

Top 12 Selling Categories (excluding Tobacco) 13wks and 52wks to 8th January 2010
Top 12 Growth Categories (excluding Tobacco) 13wks and 52wks to 8th January 2010
Total sector performance 13wks and 52 wks to 8th January 2010.

Top 12 Categories by Value ex Tobacco		
CATEGORY	13wk Change	52wk Change
SOFT DRINKS	9.9%	8.4%
CONFECTIONERY	5.2%	7.3%
BEERS	-1.9%	-4.1%
SPIRITS	16.3%	10.4%
WINE	6.4%	7.2%
DAIRY	-0.5%	2.7%
CRISPS SNACKS & NUTS	1.6%	5.2%
FROZEN	-2.5%	-1.2%
CIDER	16.6%	15.3%
BISCUITS	8.9%	8.0%
FRESH PRODUCE	4.2%	-2.2%
PET CARE	11.3%	10.6%
TOTAL	7.5%	6.6%

Top 12 Categories by Growth ex Tobacco		
CATEGORY	13wk Change	52wk Change
CIDER	16.6%	15.3%
PET CARE	11.3%	10.6%
SPIRITS	16.3%	10.4%
LAUNDRY	21.6%	10.0%
SOFT DRINKS	9.9%	8.4%
BISCUITS	8.9%	8.0%
HOT BEVERAGES	4.8%	7.6%
CONFECTIONERY	5.2%	7.3%
WINE	6.4%	7.2%
BREAKFAST CEREALS	8.3%	6.7%
CRISPS SNACKS & NUTS	1.6%	5.2%
COOKING & BAKING	2.0%	4.7%
TOTAL	7.5%	6.6%

Steve Collins, Commercial Director, SalesOut

Sales in the independent sector continue to perform well, showing a strong Christmas trading period and continued resilience in the recession. Overall, the sector has seen a 7.5% rise in like for like sales in the last 13 weeks, and a 6.6% rise in like for like sales in the last 52 weeks beating the grocery

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sector as a whole.

Annual growth in total sales is driven by the Soft Drinks (8.4%) and Spirits (10.4%) categories. Cider continued to perform well (15.3%), following considerable effort to promote the category to a wider audience with 'over ice' and other innovative marketing campaigns. There was also a strong performance by the Pet Care category. This was driven by multi-pack sales, showing the benefits of stocking a range that is more reflective of consumer needs. With consumers looking to buy a wider range of groceries from their local convenience store, it is wise for retailers to continually assess and respond to consumer needs with ranging decisions.

The Frozen category continues to struggle for sales (-1.2%), as people tend to buy this category from specialist discount retailers such as Iceland and Farmfoods.

It is encouraging to see that Wine is once again in growth (7.2%). As previously reported by SalesOut, Beer continues to struggle against the regular, tempting and aggressively promoted offers from the multiples (-4.1%), but the category has seen a considerable slowdown in a sales decline in the last 13 weeks (-1.9%). SalesOut will continue to monitor this trend in 2010.

Analysing the Top 12 growth categories of the last year, the mainstay of the above-sector growth categories are non-perishable and staple goods such as Biscuits (8%), Hot Beverages (7.6%), Breakfast Cereals (6.7%) and Cooking & Baking (4.7%). This reflects the last Growth Categories report by SalesOut, and the recommendation that these were the categories to watch in 2009, demonstrating the continued resilience of the independent sector in the recession and the efficacy of in-store marketing campaigns.

Categories that might be considered a personal treat, such as Biscuits (8%) and Confectionery (7.3%) continue to perform well as people look to offset the gloom and extra demands required in the recession.

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