# CHANNEL PERFORMANCE IN 2021

## TRACKING THE IMPACT ON FMCG AND RETAIL

## “PLACING THE RIGHT BETS TODAY WILL WIN WITH CONSUMERS”

FMCG grew 9.2% in 2020, 3 x growth of 2019. Channel and retail performance was driven by location and trust. As restricted living shifted where and how consumers shopped, Online was a clear winner. However, there are important factors for all channels in 2021.

### ONLINE

DISRUPTIVE GROWTH

Online grew by **79%** with penetration now at 57%. **Increased capacity** almost met demand, which is expected to continue, with **23%** also open to using Apps (Deliveroo/Just Eat etc)
Share by 2023 expected at **15%**

### HIGH STREET

TEMPORARY CHANGE/ RESIDUAL DECLINE

Recovery of High Street is not guaranteed as we see the **role rapidly changing.** Value Retailers on the high street have pulled back overall VR performance, as OOT retailers have thrived.

### CONVENIENCE

RESIDUAL/ LATENT DEMAND

Convenience provides polarised opportunity. The missions for the convenience shopper has changed: **On the Go** purchasing has become **Top Up Shop**

### DISCOUNTERS

RESIDUAL/ LATENT GROWTH

Discounter share gain momentum will return and is expected to be **20%** by 2023, but have been hit by less frequent shopping in 2020. They appeal to the Constrained New shopper looking for **low prices.**

## WHAT ARE THE OPPORTUNITIES

ONLINE:

- **Retailers must think how they keep their customers.** They should address concerns around delivery slots & prices, fresh products etc and perhaps ensure they offer some sort of delivery pass
- For new customers explore partnerships with delivery Apps to capture that more immediate need

HIGH STREET:

- High Street specialists will need to plan creatively to win back footfall and capture lost sales. Explore online offerings or alternative routes to consumers

CONVENIENCE:

- With the changing shopper mission there is a need to get range right and this will differ by store location - right range, right place.

DISCOUNTERS:

- Price will be key to a large set of consumers in 2021, it is key for Discounters to remain competitive on price and draw shoppers back to store more frequently, or for their big shop.

Source: Nielsen Homescan data to: 26th December 2020 and Panel Survey November 2020