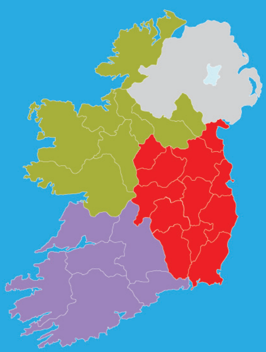
Where We Shop 2015

Checkout has teamed up with Ignite Research to announce the return of *Where We Shop*, our definitive guide to the shopping habits of Irish consumers. Derived from a survey of 1,000 customers across all age and social demographics, the *Where We Shop* report is the most accurate barometer of how and where Irish shoppers are spending, what they see as particular supermarkets' strong points and where they feel they could do better.



CHECKOUT

About The Study

Ignite Research is delighted to be involved in this exciting research again, to provide a real understanding of how and where Irish consumers shop.

At Ignite Research, we have measured the mood of a nation that has gradually become more optimistic about the future. What will be a key question for FMCG brand managers is whether or not this sentiment has an impact on our shopping behaviour.

Perspective

Last year, Ignite Research provided an overview of where Irish people are shopping, how discounters are performing, and the reasons why people are shopping (more or less) in certain retailers. Following on from this study, in May 2015, Ignite Research asked 1,000 people from across Ireland about their shopping habits.

This study provides an understanding of the retailers that are viewed as the most popular choice and what retailers people would consider as an alternative.

The research investigates whether value for money is still important for consumers, or if quality and range is increasing in importance. We ask Irish people their perceptions of each of the supermarkets in Ireland, whether people feel more loyal to one retailer over another, or which retailer is best at supporting Irish products. Outlined in this report are the key findings from the trade perspective: the retail landscape.

Added Value

Further to this, Ignite Research is also working on the only study into how Irish people shop – the behaviour of Irish shoppers through the supermarket aisles, choosing brands from the shelf and heading to the checkout. The study incorporates buyers of the *Checkout Top 100 Brands* from 2014, giving a true understanding of how shoppers plan and organise their lists, but also how emotions play a role in how people shop for products.

The purpose of this study is not only to provide an overview of where people are shopping, but why and how people shop. It is crucial to integrate an understanding of human behaviour into shopper marketing, and Ignite Research intends to provide this insight to brands across Ireland.

For further information on this important research study, please contact Conor Hughes at Ignite Research at conor.hughes@ignitemr.com.

Irish Grocery Habits Remain Consistent As Economy Improves

Stephen Wynne-Jones, Editor, *Checkout*

It's often said that the more things change, the more they stay the same, and one of the most striking aspects of this year's *Where We Shop* report is how consistent our shopping habits remain, despite the economy showing a marked improvement since this time last year. Tesco remains the supermarket in which most do their 'main' weekly shop, with only Aldi (going up) and Dunnes (dipping slightly) showing any change in usage.

Tesco recently claimed back its market-leadership position in Ireland, and as these figures show, this performance is helped by its popularity among younger consumers, particularly those in the 18-24 age group, of whom 36% cite the retailer as their main shop of choice.

Consumers in the older age groups, meanwhile, are more likely to spread their shopping across more stores, with the highest proportion of shoppers aged 55+ citing Dunnes and SuperValu as their main shop of choice.

As well as 'value', which remains a core area of focus for so many consumers, particularly those of the discounters, 'range' and 'convenient location' were also cited by respondents as key footfall drivers, with Tesco and SuperValu performing strongest in this regard.

The *Where We Shop* report is full of such interesting insights, and we hope that you enjoy reading it as much as we have enjoyed putting it together, in conjunction with Ignite Research.

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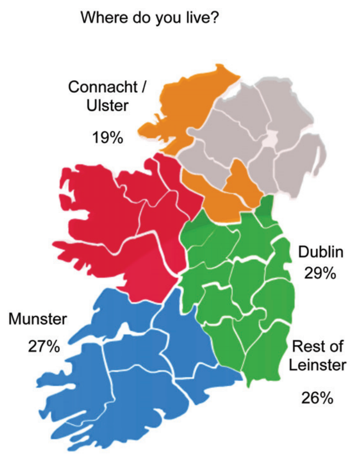
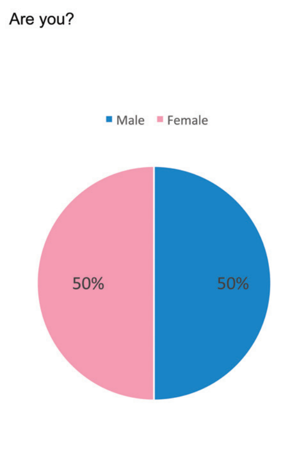
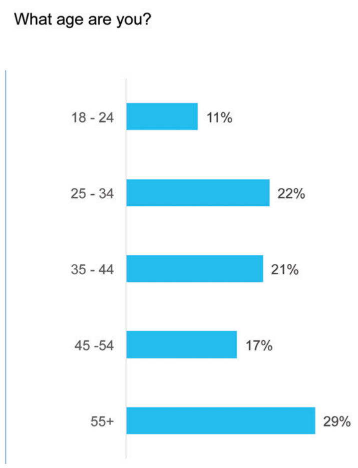
Survey Demographics



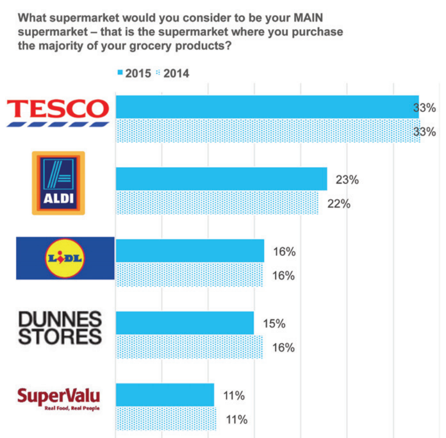


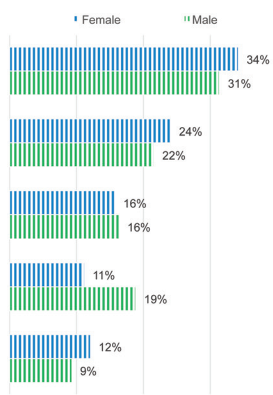


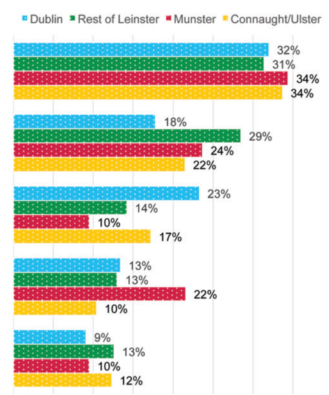
33%

of shoppers use Tesco for their main grocery shop, the same percentage as last year. Aldi (23%) is the only supermarket to see growth, while Dunnes (15%) has seen a decline.

Where Do You Carry Out Your Main Grocery Shop?







Tesco holds on to its place as market leader this year, as 33% visit its outlets for their main shop. As in the *Where We Shop* report last year, discounters Aldi and Lidl are the main supermarket choice for 23% and 16% of respondents, respectively, ahead of Dunnes Stores and SuperValu. Interestingly, while most stores saw near gender parity in those who shop with them, Dunnes Stores was significantly more popular with men (19%) than with women (11%).

Where Do You Carry Out Your Main Grocery Shop?

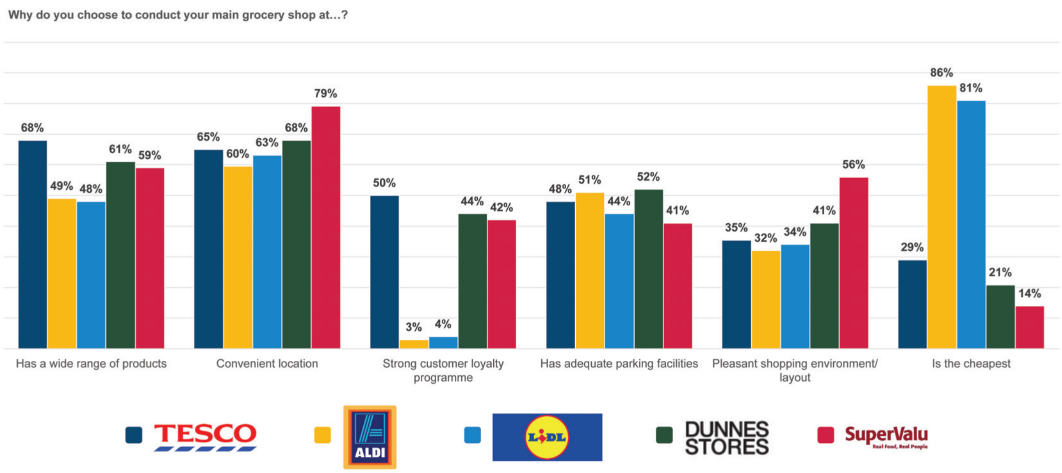
What supermarket would you consider to be your MAIN supermarket – that is the supermarket where you purchase the majority of your grocery products?

	TESCO	ALDI	DUNNES STORES	LIDL	SuperValu
18 – 24	36%	24%	11%	16%	11%
25 – 34	39%	24%	14%	17%	5%
35 – 44	31%	21%	17%	23%	7%
45 – 54	28%	30%	12%	12%	13%
55+	27%	20%	19%	13%	16%
ABC1	32%	22%	17%	16%	10%
C2DE	31%	26%	15%	16%	10%

Tesco is the most popular supermarket with younger age groups, with 36% of 18- to 24-year-olds and 39% of 25- to 34-year-olds choosing it as their main supermarket. The only age group for whom Tesco is not the number-one choice is the 45-54 age bracket, where 30% of respondents choose Aldi. Those in the 35-44 age group, however, are more likely to shop at Lidl (23%) than Aldi (21%). Among Dunnes' main shoppers, more 55+ year olds shop there compared to other age cohorts.

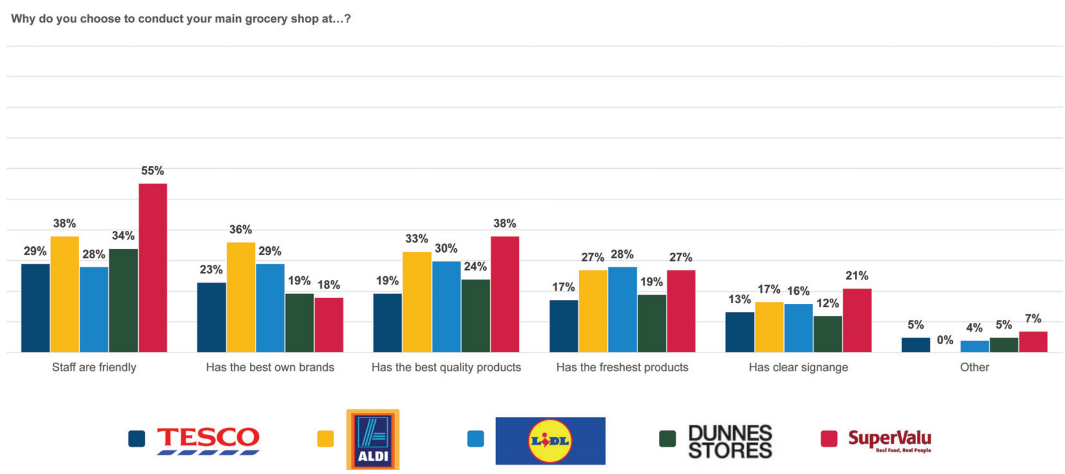
Where We Shop 2015

Why Do You Conduct Your Main Shopping At ...?



As with last year's study, there are some core selling points that still resonate strongly with shoppers. 'Range' and 'convenient location' are seen as core USPs, with Tesco (68%) and SuperValu (79%) scoring highest in these categories. While we have seen relatively small changes in the main shopping behaviour, it is interesting that the discounters have fallen back slightly in terms of their value proposition. However, they are still significantly ahead of the competition.

Why Do You Conduct Your Main Shopping At ...?



79%

of SuperValu shoppers believe that it offers the most 'convenient location', while 56% said that it has a 'pleasant shopping environment'.

Why Do You Conduct Your Main Shopping At ...?

Tesco

Among those who conduct their main shop at Tesco, a 'wide range of products' is cited as the main reason why they choose to conduct their main shop there. Its stores' 'convenient location' and 'strong customer loyalty programme' (an 8% point increase on 2014) are the other main reasons cited. Interestingly, there is also an increased perception of Tesco being 'the cheapest' (a 4% increase on 2014). Despite its difficulties over the past year, this is an indication that the retailer may be turning a corner.

Aldi

Being 'the cheapest' is the main reason why consumers conduct their main shop at Aldi, but, as has already been alluded to, this has decreased slightly from 2014 (86% from 89%, respectively). The discounter also leads the way in being perceived as having the 'best own-brand range' (a 1% increase from 2014). Respondents who choose Aldi also mention that the retailer offers the 'best-quality products' (a 5% increase from 2014 – 33% vs 28%, respectively).

Lidl

Similar to Aldi shoppers, the main reason why consumers choose to conduct their main shop at Lidl is because it 'is the cheapest', however, this has declined in 2015 (81% from 89% in 2014). Those who choose Lidl also mention that it has the 'best-quality products' (a 4% increase from 2014 – 30% vs 26%, respectively). There has, however, been a decrease in consumers mentioning that they choose Lidl as it has the 'freshest products' (28% from 36%, respectively).

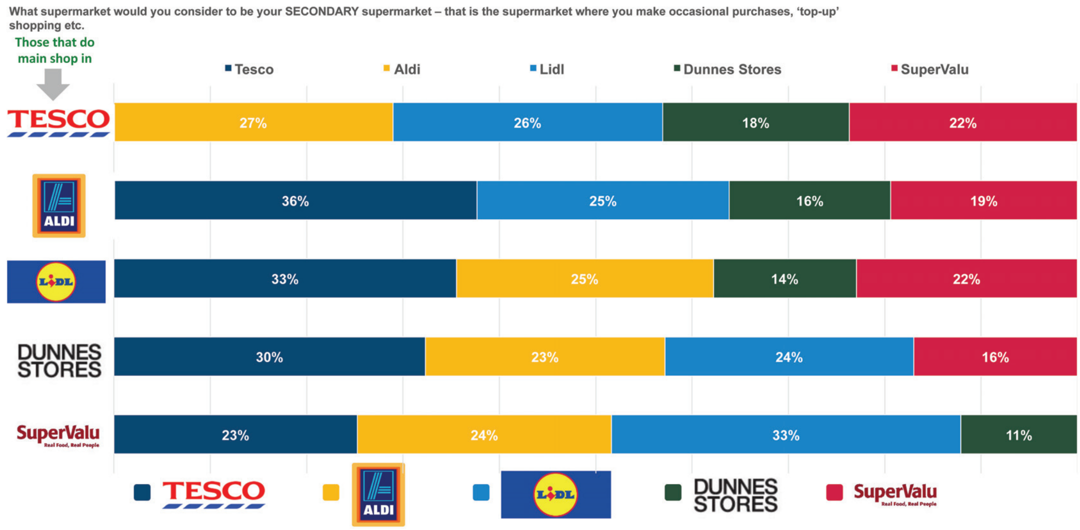
Dunnes Stores

The main reason why consumers choose Dunnes Stores is because of its convenient location (68%), followed by 'has a wide range of products' (61%). Scores for almost all attributes have declined since last year, with a 6% decrease in 'has the best own-brand range' (19% from 25%, respectively). Other attributes that have declined include 'has clear signage' (19% from 12%, respectively) and 'has the best-quality products' (24% from 27%, respectively).

SuperValu

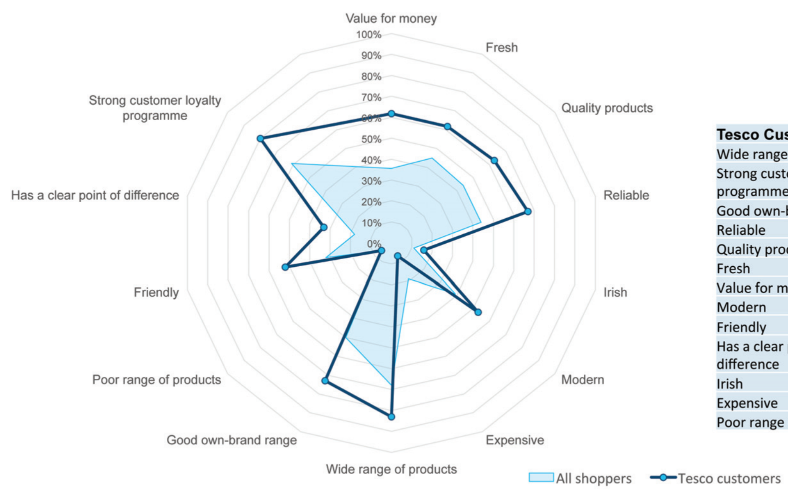
The main reasons why consumers conduct their main shop at SuperValu are because of its stores' 'convenient location' (79%), and 'wide range of products' (59%). Slightly more consumers consider SuperValu 'the cheapest' this year (14% vs 11%, respectively). SuperValu has also shown improvements in terms of offering a 'pleasant shopping experience' (56% vs 53%, respectively) and offering the 'best-quality products' (38% vs 33%, respectively).

What Do You Consider Your Secondary Supermarket?



For those who do their main shop in Tesco, Aldi (27%) and Lidl (26%) are the most popular choices for top-up purchases, with SuperValu in third place, with 22%. Similarly, Aldi and Lidl shoppers are most likely to go to Tesco for their extras (36% and 33%, respectively). In fact, for every group except SuperValu shoppers (of whom 33% favour Lidl for their top-up shops), Tesco was the number-one 'secondary' choice for respondents.

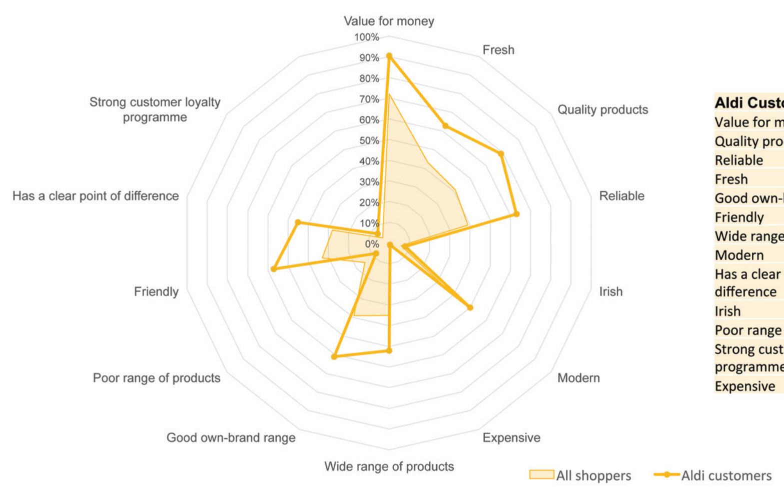
Attribute Association: Tesco



Tesco Customers	2015	2014
Wide range of products	83%	80%
Strong customer loyalty programme	80%	78%
Good own-brand range	73%	70%
Reliable	67%	67%
Quality products	63%	58%
Fresh	62%	60%
Value for money	62%	59%
Modern	53%	56%
Friendly	52%	54%
Has a clear point of difference	33%	29%
Irish	16%	18%
Expensive	7%	9%
Poor range of products	6%	6%

As with last year's *Where We Shop* report, respondents were prompted with a number of words and phrases and asked how closely they associate them with different retailers. Tesco was associated with the phrase 'wide range of products' by 83% of its shoppers, also seeing a strong connection with 'strong customer loyalty programme' (80%) and 'good own-brand range' (73%). There was also an increase in those who associated 'quality products' with the retailer.

Attribute Association: Aldi

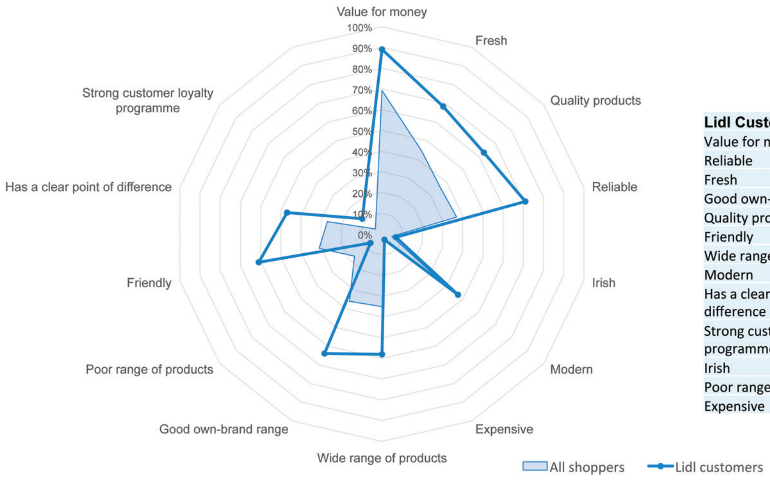


Aldi Customers	2015	2014
Value for money	90%	92%
Quality products	69%	67%
Reliable	63%	69%
Fresh	63%	67%
Good own-brand range	61%	60%
Friendly	57%	59%
Wide range of products	52%	61%
Modern	50%	48%
Has a clear point of difference	45%	47%
Irish	8%	15%
Poor range of products	8%	6%
Strong customer loyalty programme	7%	9%
Expensive	1%	3%

It will come as no surprise that Aldi was strongly associated with 'value for money' by 90% of its shoppers, but the discounter was also linked with 'quality products' by 69%, up from 67% last year. However, despite extensive marketing emphasising the brand's Irish suppliers, only 8% connected the word 'Irish' to the discounter, a significant drop from the 15% who made that connection in 2014.

Where We Shop 2015

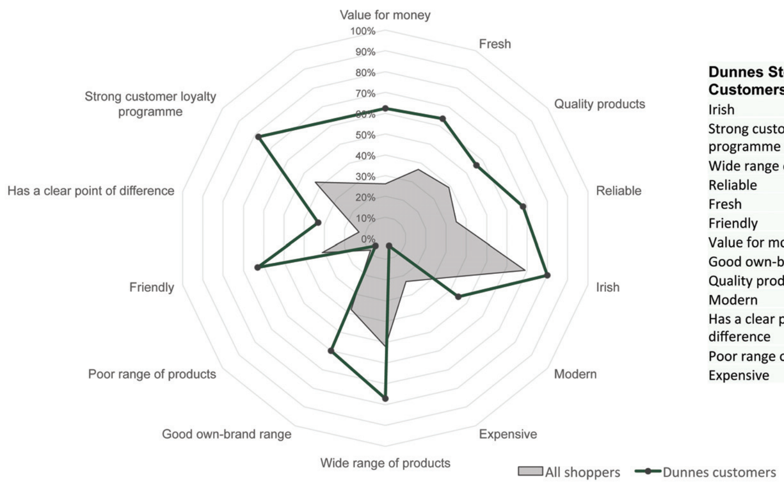
Attribute Association: Lidl



Lidl Customers	2015	2014
Value for money	89%	92%
Reliable	71%	64%
Fresh	68%	71%
Good own-brand range	64%	62%
Quality products	63%	64%
Friendly	61%	53%
Wide range of products	58%	55%
Modern	47%	46%
Has a clear point of difference	47%	43%
Strong customer loyalty programme	12%	8%
Irish	7%	9%
Poor range of products	7%	10%
Expensive	3%	3%

Lidl is another brand strongly associated with 'value for money' (89%), and it was also called 'reliable' by 71% of those surveyed, up considerably from last year (64%). It was also linked with the term 'fresh' by 68%, and with 'good own-brand range' by 64%. Nearly half of its shoppers (47%) also associated the brand with being 'modern' and having 'a clear point of difference'. However, it too has seen a slight decline in the numbers who associate the term 'Irish' with the retailer.

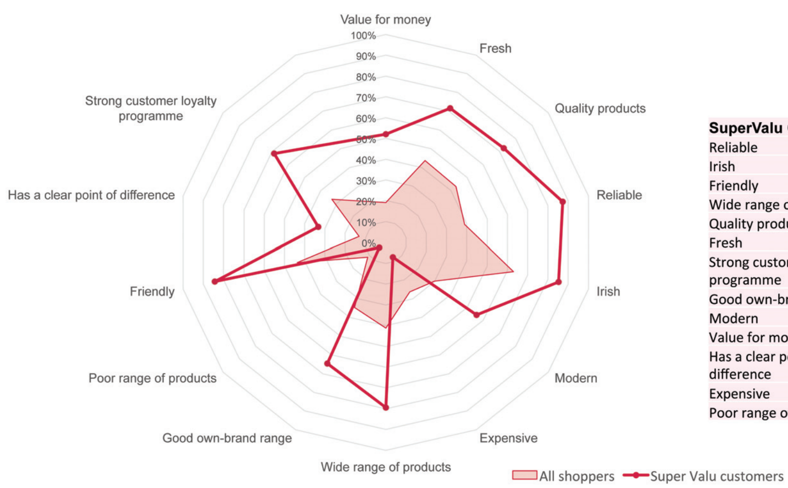
Attribute Association: Dunnes Stores



Dunnes Stores Customers	2015	2014
Irish	80%	81%
Strong customer loyalty programme	78%	74%
Wide range of products	77%	78%
Reliable	68%	68%
Fresh	64%	63%
Friendly	63%	62%
Value for money	62%	58%
Good own-brand range	60%	65%
Quality products	56%	63%
Modern	45%	44%
Has a clear point of difference	33%	26%
Poor range of products	6%	4%
Expensive	4%	6%

Dunnes Stores was most widely associated with being 'Irish' (80%), with its shoppers also linking it with having both a 'strong customer loyalty programme' (78%) and a 'wide range of products available' (77%).
The percentage who felt that the retailer offers a 'good own-brand range' fell to 60% this year, down from 65% last year. However, some 33% of respondents felt that Dunnes offers a 'clear point of difference', which is up on last year (26%).

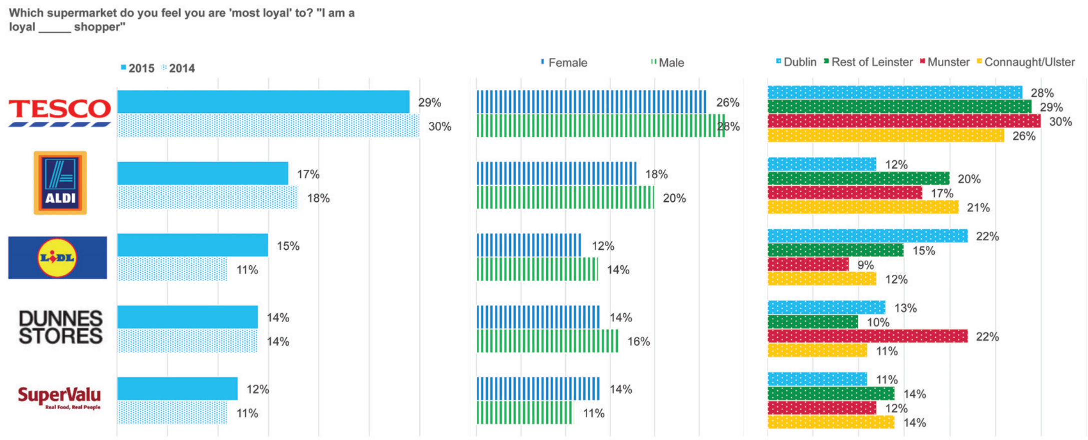
Attribute Association: SuperValu



SuperValu Customers	2015	2014
Reliable	87%	76%
Irish	85%	81%
Friendly	84%	80%
Wide range of products	79%	76%
Quality products	73%	73%
Fresh	72%	77%
Strong customer loyalty programme	69%	65%
Good own-brand range	65%	74%
Modern	56%	62%
Value for money	52%	57%
Has a clear point of difference	33%	32%
Expensive	8%	10%
Poor range of products	4%	8%

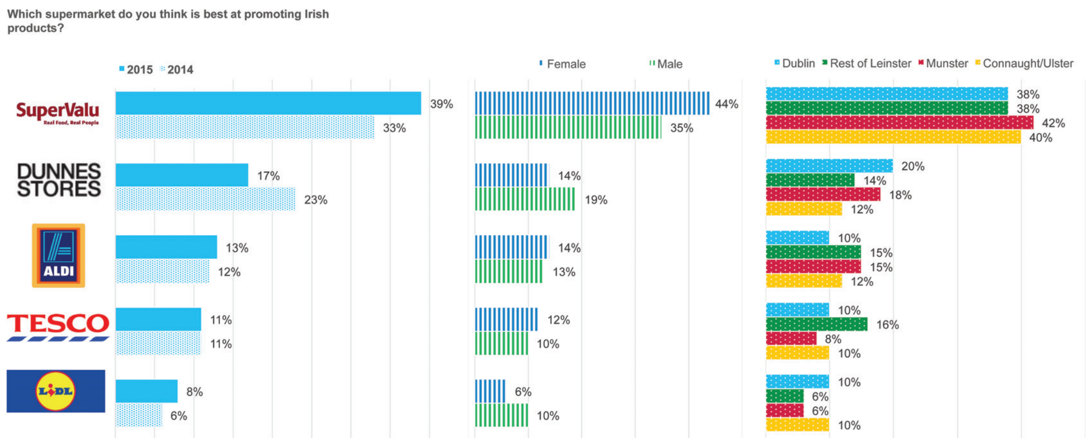
SuperValu's top perceived attributes include 'reliable' (87%), 'Irish' (85%) and 'friendly' (84%), all of which have seen year-on-year improvements. Its shoppers also linked the retailer with having a 'wide range of products' (79%) and 'quality products' (73%). Some 8% of its shoppers perceive the retailer as being 'expensive' (8%), slightly down on last year, while 52% link it with offering 'value for money'.

Which Supermarket Are You Most Loyal To?



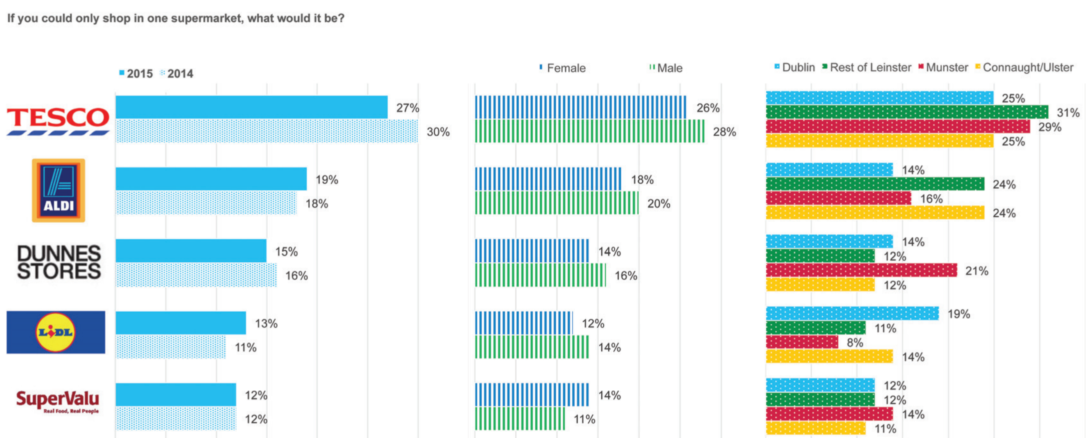
When it comes to brand loyalty, respondents said that they were most loyal to the industry market leader, Tesco, with 26% of its female shoppers and 28% of its male shoppers describing themselves as 'a loyal Tesco shopper'. The percentage declaring loyalty to a particular supermarket has remained largely unchanged since last year, except in the case of Lidl, where 15% of respondents now describe themselves as loyal shoppers (11% in 2014).

Which Supermarket Is Best At Promoting Irish?



With every brand seemingly trying to tout its Irish credentials, it is SuperValu that is being seen as promoting Irish products most actively, by 39% (up from 33% last year), no doubt helped in recent months by its prominent Food Academy in-store displays. Notably, Dunnes Stores has seen the greatest decline in promoting Irish products in the eyes of respondents, with 17% citing it as 'best', compared to 23% last year.

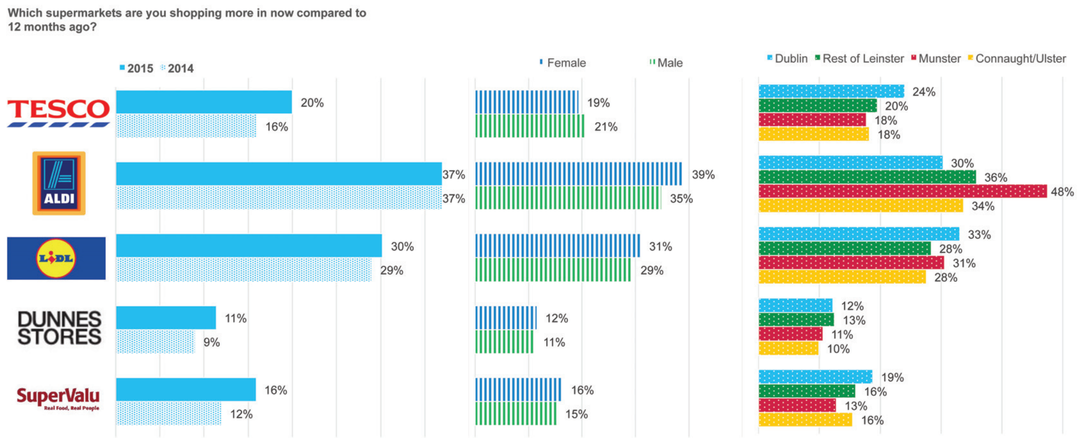
If You Could Shop in Just One Supermarket ...?



While 'split-basket' shopping is likely to remain a feature of the Irish supermarket industry, when asked where they would choose if they could only shop in one store, 27% chose Tesco, down slightly on last year (30%). Aldi (19%) and Lidl (13%) have seen slight increases since last year, while Dunnes (15%) has also dipped slightly. Notably, Dunnes shoppers in Munster appear to be far more loyal than those in the rest of the country.

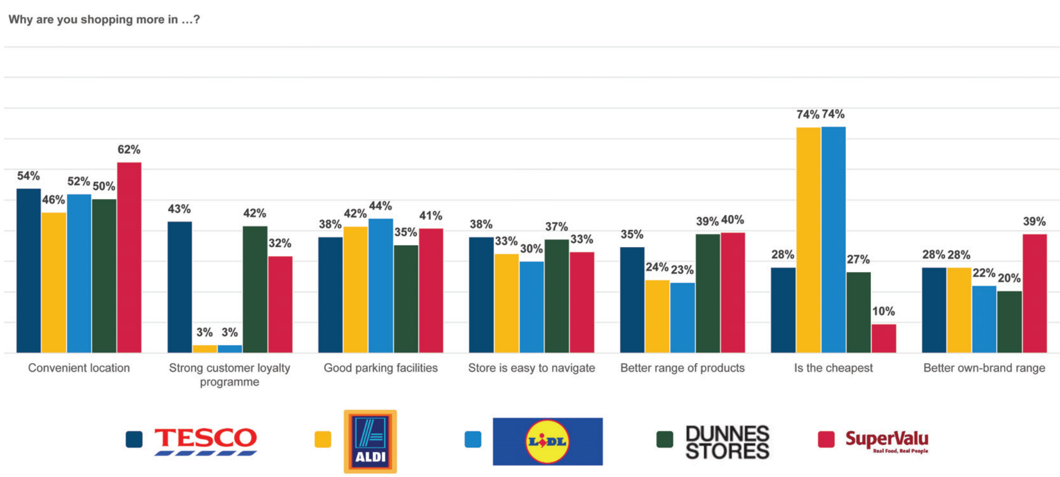
Where We Shop 2015

Which Supermarkets Are You Shopping More In ...?

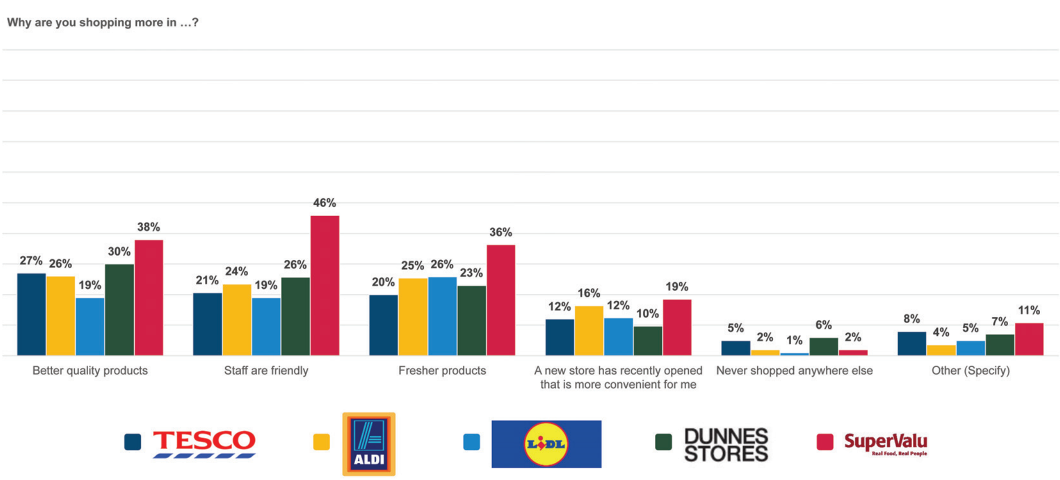


Aldi and Lidl appear to have done the most to entice new shoppers through their doors, according to this year's *Where We Shop* report, with 37% reporting more trips to Aldi and 30% saying that they are visiting Lidl more often. Interestingly, both Tesco (20%) and SuperValu (16%) have also seen significant increases in footfall since last year, an indication of mainstream grocers' willingness to take on the discounters and offer clear points of difference.

Why Are You Shopping More In ...?

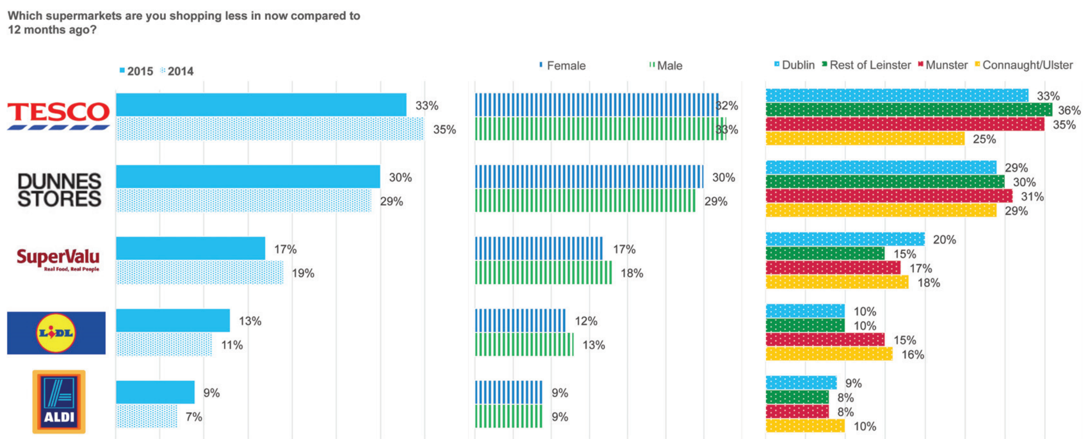


Those who are shopping more at Aldi and Lidl say that they are doing so because said retailers are the 'cheapest'. 'Convenient location' is mentioned as the main reason why consumers are shopping more at Tesco, Dunnes Stores and SuperValu – figures that are consistent with 2014. There has been a significant increase in consumers shopping more at Dunnes Stores because of the retailer's strong customer loyalty programme (42% from 34%, respectively).



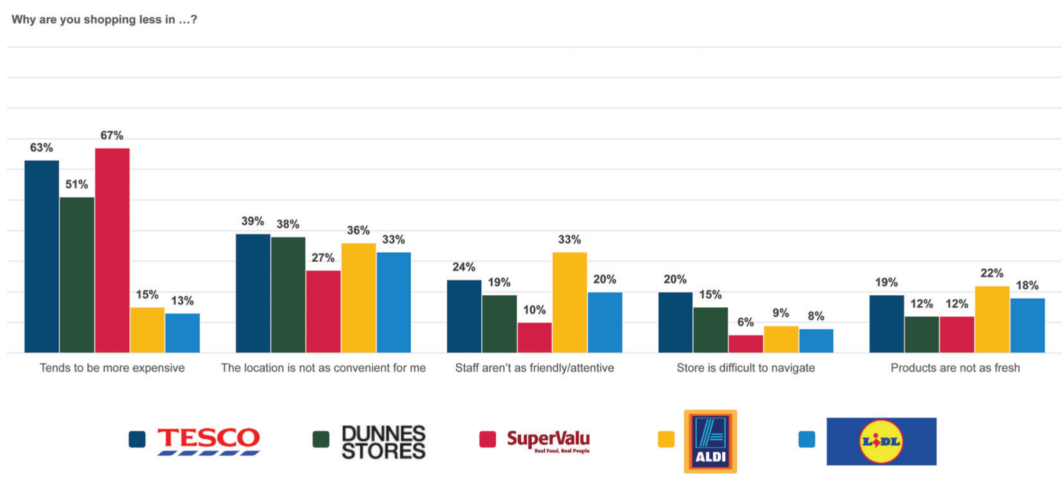
74% of shoppers say they are shopping more in Aldi and Lidl because the discounters 'are the cheapest'. At the other end of the spectrum, just 10% of SuperValu shoppers cite the same reason.

Which Supermarkets Are You Shopping Less In?

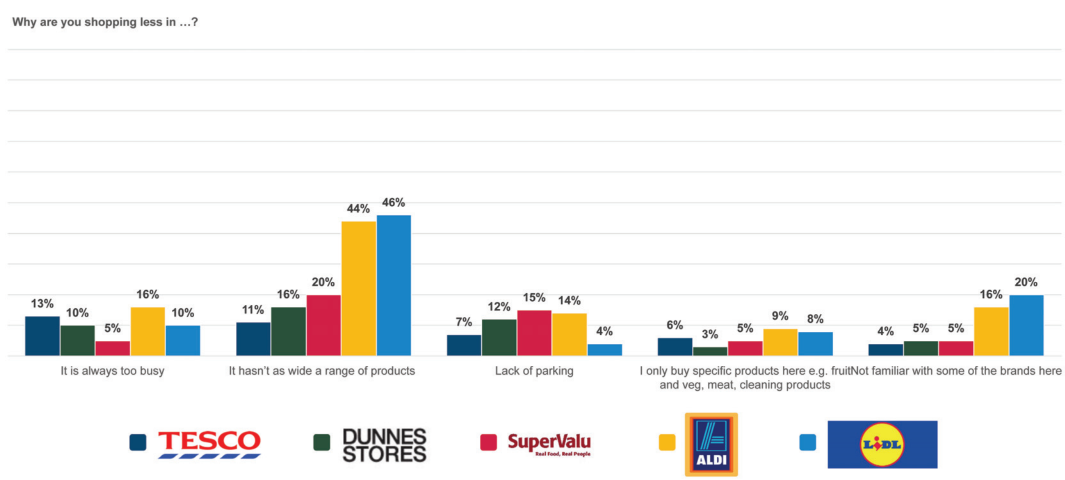


Even though Tesco is cited as the chain of choice for respondents' main shop, it is also the retailer that is losing the highest number of shoppers, according to this study. Some 33% of respondents reported shopping less at Tesco, compared to 30% at Dunnes and 17% at SuperValu. While Lidl (13%) and Aldi (9%) are losing the least amount of shoppers, the percentage who say that they are shopping less at the discounters has increased slightly.

Why Are You Shopping Less In ...?



Some 33% of respondents say that they are shopping less in Aldi as 'staff aren't as friendly or attentive', which is actually significantly more than last year (20%). Those who are shopping less at the discounters are also doing so because the retailers don't offer 'as wide a range of products': 44% in the case of Aldi (up from 33%) and 46% at Lidl (up from 40%). The majority of shoppers who are shopping less at Tesco, Dunnes and SuperValu cite price as the core reason for this.



20%

of Lidl shoppers and 16% of Aldi shoppers say they are shopping less at these stores because they 'aren't familiar with some of the brands', an issue that is less prominent in mainstream grocers.

Word Association

As with last year's *Where We Shop* report, respondents were also asked for unprompted words that they associated with each of the five retailers in this study, enabling Ignite Research to generate a 'word cloud' for each retailer. While there are some expected words thrown up, namely 'cheap' for Aldi and Lidl, or 'Irish' for SuperValu, these clouds have a few surprises upon closer inspection.

For example, 'Superquinn' is a term that arises when respondents are asked about SuperValu, indicating the lasting legacy of the retailer that it acquired in 2011. In the case of Tesco, 'British' is a fairly prominent expression, as is 'Clubcard'. With Aldi and Lidl, the term 'German' is acknowledged, as are 'long queues' and 'parking', while at Dunnes, the retailer's 'clothes' and 'homeware' ranges also get a nod. However, when looked at from a distance, consumer sentiment hasn't changed all that much in a year, with terms such as 'expensive', 'cheap' and 'value' still dominant, slightly more so than 'quality' and 'Irish'. Consumers, it seems, are continuing to vote with their wallets.

Additional research

Ignite are also in the process of preparing a comprehensive report into how Irish consumers shop. The research will incorporate the biggest brands in the Irish marketplace, giving a true understanding of how shoppers plan and organise their lists, as well also how emotions play a role in how people shop for products. *Contact Conor Hughes at conor .hughes@ignitemr.com*

18%

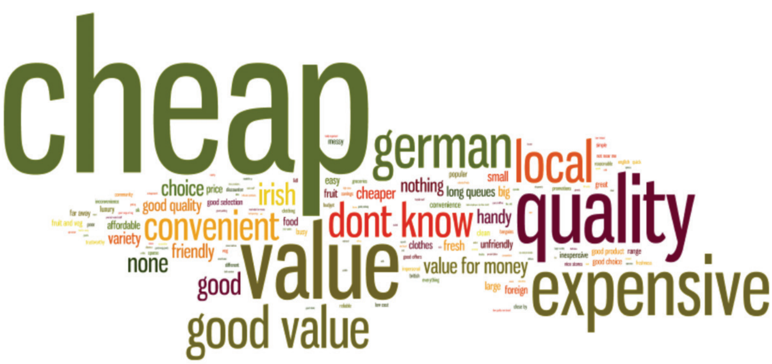
of respondents associated Dunnes Stores with the term 'Irish', a decline on last year's study, when 35% associated it with the term. However, its value perceptions appear to be rising.

Word Association: Tesco

	2015	2014
Cheap	19%	10%
Expensive	15%	14%
Value	12%	10%
Convenient	10%	8%
Local	8%	5%

When it comes to Tesco, 19% of respondents associated the word 'cheap' with the brand, while 15% said 'expensive' – perhaps a reflection of the wide range of products, from budget to luxury, on offer in Tesco and its different store formats, as 'choice' also features as part of the word cloud. Another 12% linked 'value' with the supermarket, while 'convenient' was cited by 10%.

Word Association: Aldi



	2015	2014
Cheap	30%	55%
Value	15%	19%
Quality	14%	11%
Expensive	12%	1%
German	9%	15%

In what comes as no surprise, the top word associated with Aldi was 'cheap' (30%), while 'value' and 'quality' were listed by 15% and 14% of respondents, respectively. However, 12% of those surveyed also called the brand 'expensive', while it was linked far more with being 'German' than 'Irish', despite the brand's recent marketing efforts highlighting its Irish suppliers.

Word Association: Lidl

	2015	2014
Cheap	30%	55%
Value	18%	17%
German	12%	16%
Quality	10%	9%
Convenient	9%	8%

Much like its rival discounter, Lidl was primarily associated with being ‘cheap’ and offering ‘value’, while the third most prominent word linked with it was ‘German’. Lidl was also less linked with ‘quality’ than Aldi, with only 10% calling it so. Lidl was linked with being ‘convenient’ by 9%, evidently having a reputation like Tesco, despite not having a dedicated convenience format.

Word Association: Dunnes

	2015	2014
Irish	18%	35%
Expensive	14%	12%
Value	14%	10%
Cheap	14%	5%
Local	11%	7%

Dunnes Stores has managed to be seen as both ‘expensive’ and ‘cheap’ in equal measure (14% each). More than anything else, it was called ‘Irish’ (18%), albeit not to the same extent as last year, and was also linked with offering ‘value’ by consumers. While it is not the only supermarket offering clothing, Dunnes Stores was linked with ‘clothes’, no doubt in thanks to the dedicated drapery areas in most of its stores.

Word Association: SuperValu

	2015	2014
Irish	18%	20%
Value	14%	12%
Cheap	14%	4%
Expensive	14%	20%
Local	11%	29%

Much like Dunnes Stores, SuperValu was associated with being ‘Irish’ by 18%, and called equal parts ‘cheap’ and ‘expensive’ – perhaps a reflection of the differing financial positions of Irish shoppers across the country. Interestingly, its reputation for being expensive has dropped from 20% in 2014 to 14% this year, suggesting that its strong own-brand offering, as well as discounts in store, is changing customer perceptions.