

N360 Insights Review

May 2021

Easing of Covid restrictions has seen some signs of behaviour returning to pre-pandemic norms



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Online shopping continues to grow

Despite easing of restrictions / return to physical stores, 400k+ additional customers shopped for groceries online in last 12 weeks YoY

Consumer optimism recovering well

Economic outlook for both personal and national finances rebounded sharply, 49% think UK's situation will improve in 6 months

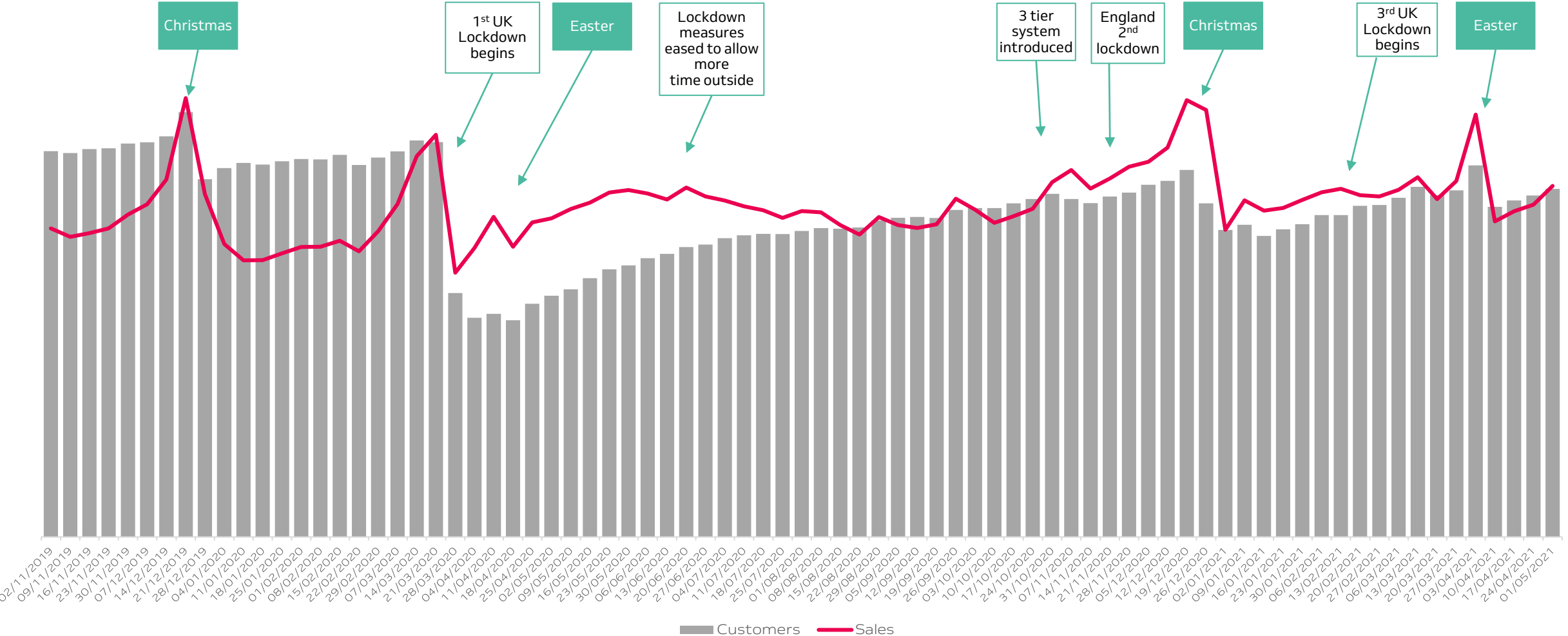
Summer holiday plans are looking more certain

A quarter are still waiting to see how covid plays out, but most people are now planning to spend the summer in the UK

With the third national lockdown easing, there are signs that some shopping behaviour in Sainsbury's continuing to slowly return to 'normal' whilst some behaviour is set to stay

Sainsbury's had the biggest Easter ever

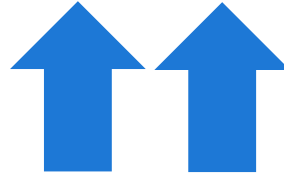
But penetration has not fully recovered from Covid-19



Average basket size remains bigger than last year ...



Customers



Spend per customer



£ per visit

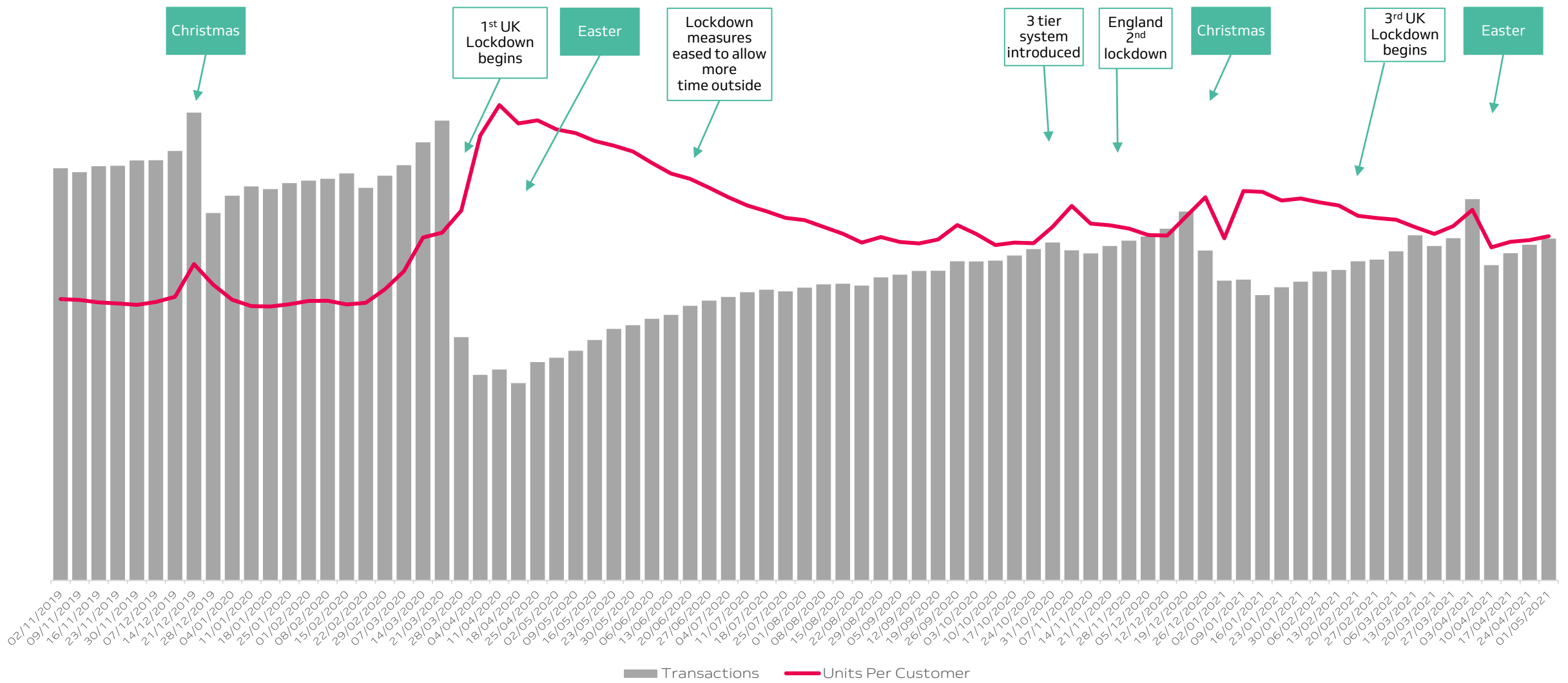


Frequency of purchase



Units per visit

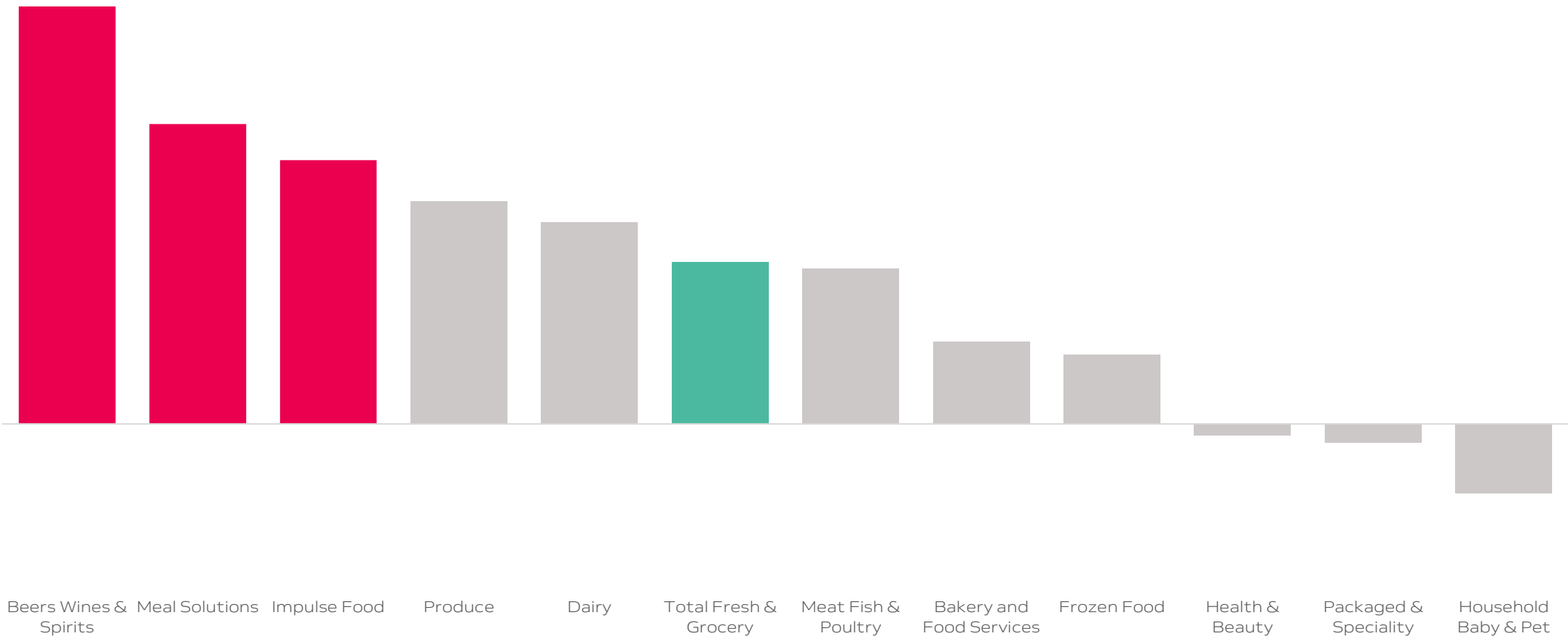
... But continues to steadily decline compared to the start of the pandemic



Categories that struggled the most throughout the pandemic are returning to growth

Category performance – YoY

BWS, Meal Solutions and Impulse are now driving overall sales growth



Category performance 12 weeks YoY

Sharing & gifting products drive growth in several categories as shopper missions change as lockdown eases

Most impacted categories:



Beers, Wines & Spirits

£86m more spent on BWS in the last 12 weeks vs. last year, despite pubs re-opening

Champagne & Sparkling wine had the highest % growth in the category at +70%

£5.8m extra spent on Champagne in the latest quarter

600k extra units of Prosecco purchased

Meal Solutions

£29m extra spent on Meal Solutions in the latest 12 weeks vs last year.

Prepared meals contributed £12m of the sales growth in the category

£4m extra spent on Chilled Oriental Meals

£2.6m extra spent on TTD Prepared Meals

Impulse

£50m extra has been spent within Impulse in the last 12 weeks.

Easter Confectionary drove growth at +34% YoY

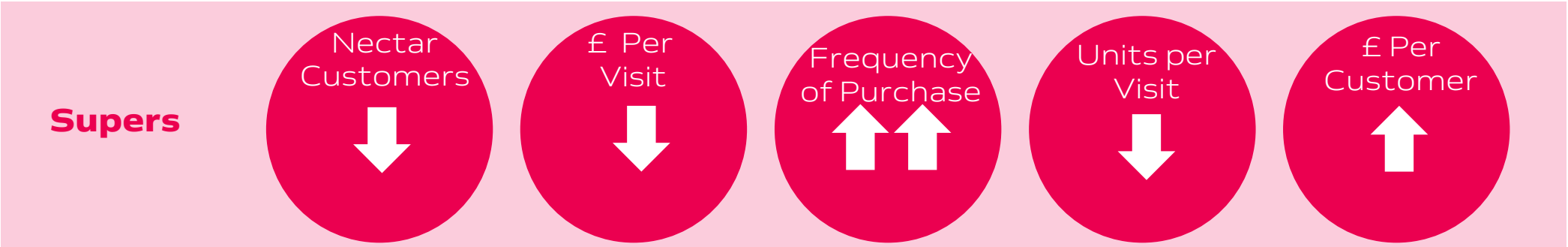
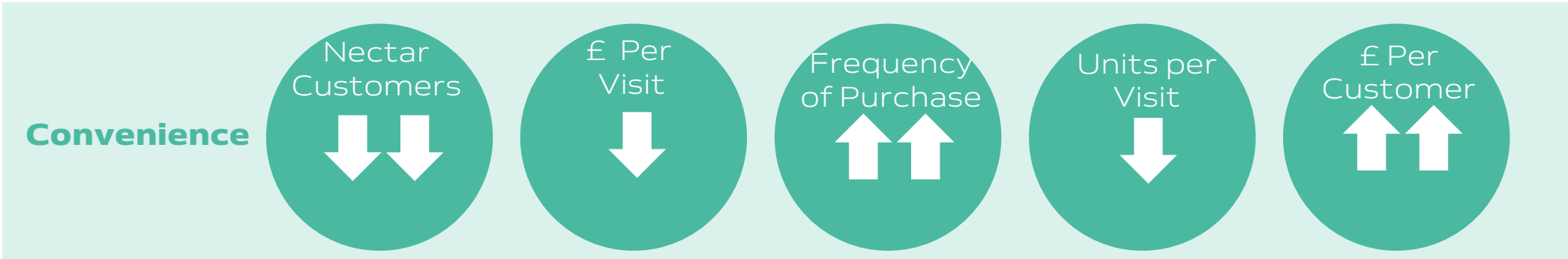
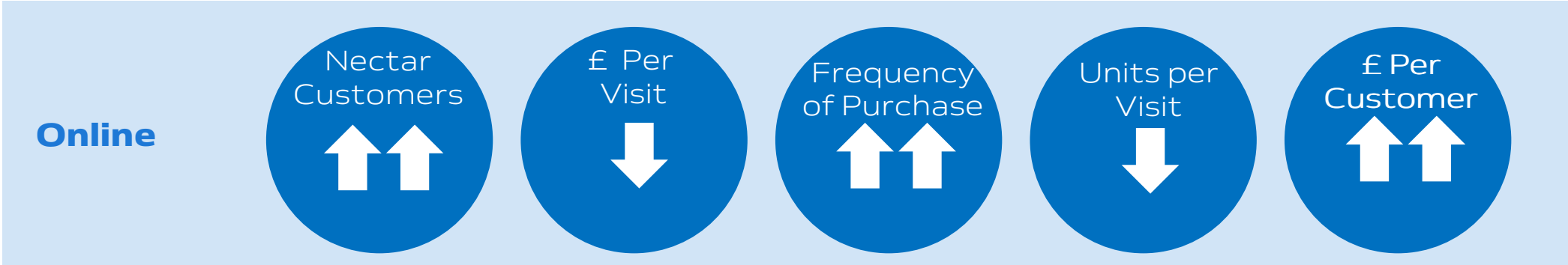
£7.9m extra spent on Easter Shell Eggs

1.4m extra units of Easter Shell Eggs were purchased

The online channel continues to drive growth as capacity increases, indicating that the online shift will continue beyond the pandemic

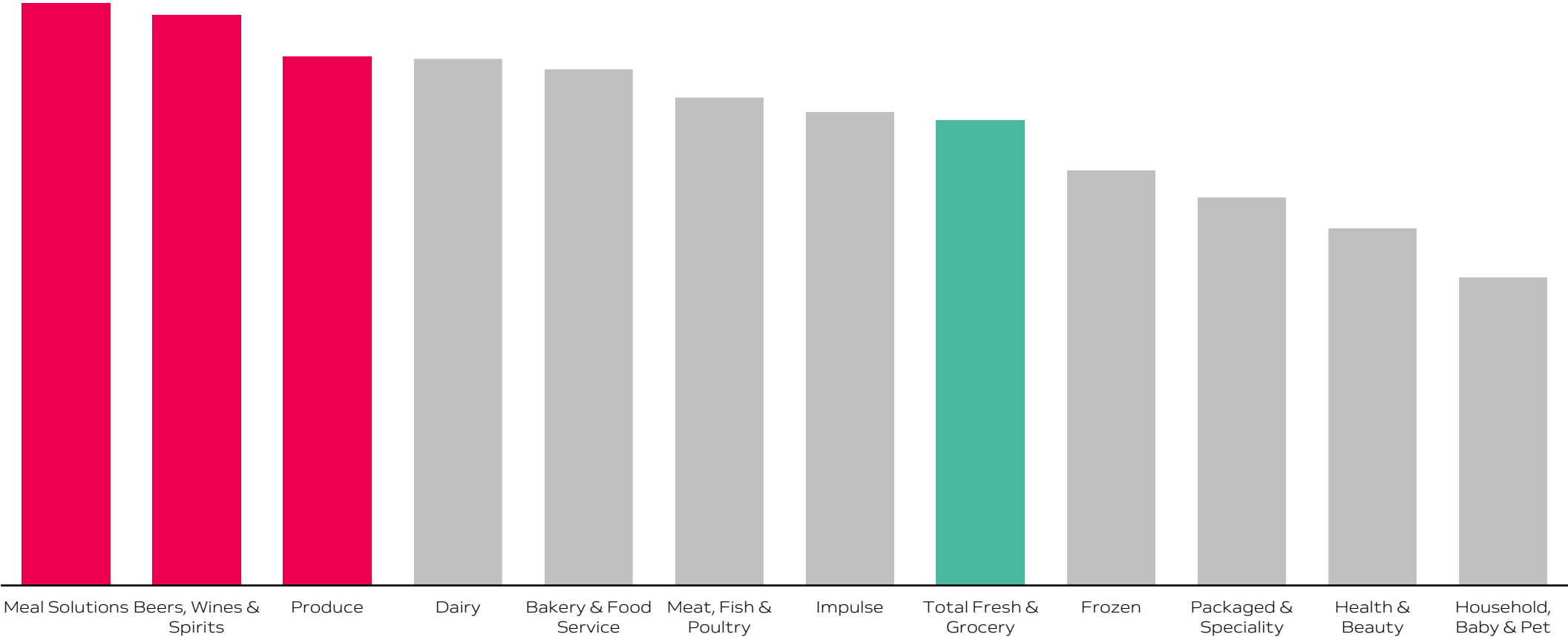
Channel Performance – 12 weeks YoY

An additional 411k customers are shopping online; as shoppers continue to shop more frequently



Online: Category Performance – YoY

Meal Solutions , Beers Wines & Spirits and Produce drive overall sales growth



Online: Category Performance 12 weeks YoY

Fresh & Grocery sales almost double over the latest 12 weeks, driven by a 50% increase in sales per customer

Most impacted categories:



Meal Solutions

1.4m shoppers purchased Meal Solutions in the latest 12 weeks

Traditional & Italian Prepared Meals drove overall growth up £5.1m YoY

1.0m TTD Prepared Meals sold in the latest 12 weeks

An additional £2.1m spent on TTD prepared Meals YoY

Beers, Wines & Spirits

An additional £55m was spent on BWS vs last year

Still Wine drives overall growth contributing to £27m extra spend

£15m extra spent on New World Wine in the last quarter

£8.2m extra was spent on Red Wine New World

Produce

1.6m customers purchased Produce in the last 12 weeks and they spent an additional £66m.

Tomatoes, Cucumbers & Peppers deliver £9m growth vs last year

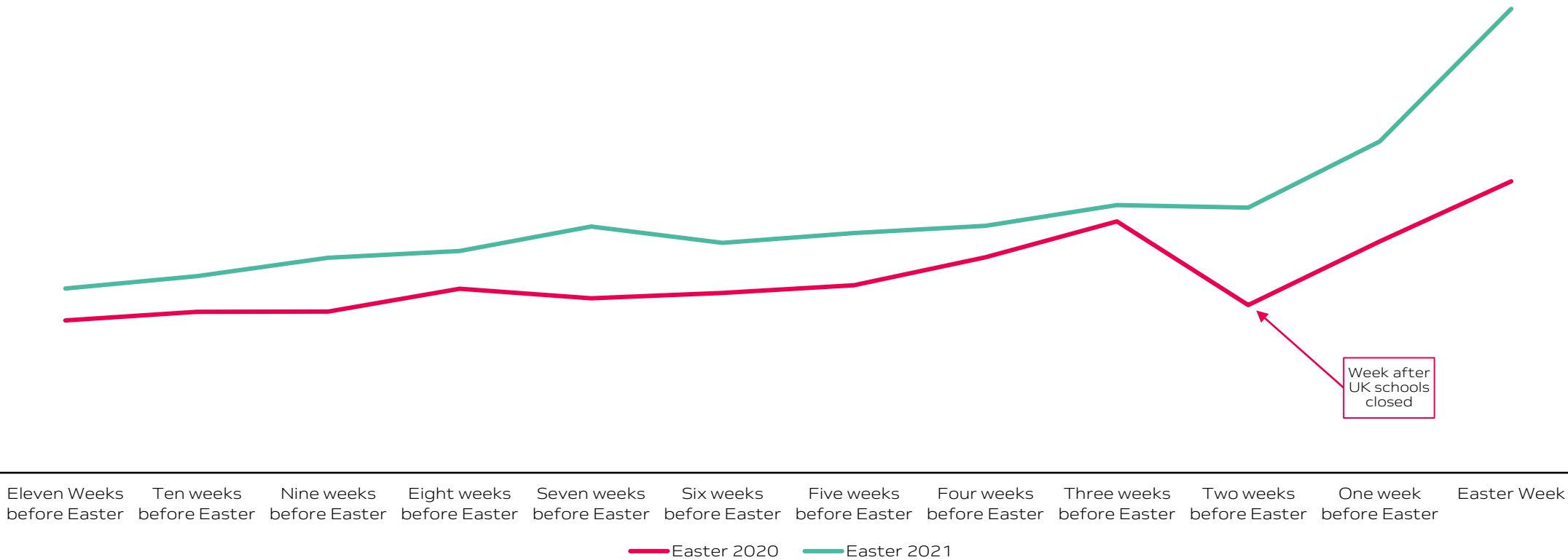
£5m extra spent on Tomatoes in the last quarter

3.7m extra units of Tomatoes were purchased in the latest 12 weeks

Easter performs strongly as shoppers celebrate the easing of lockdown restrictions

989k extra customers shopped for Easter products during Easter week this year

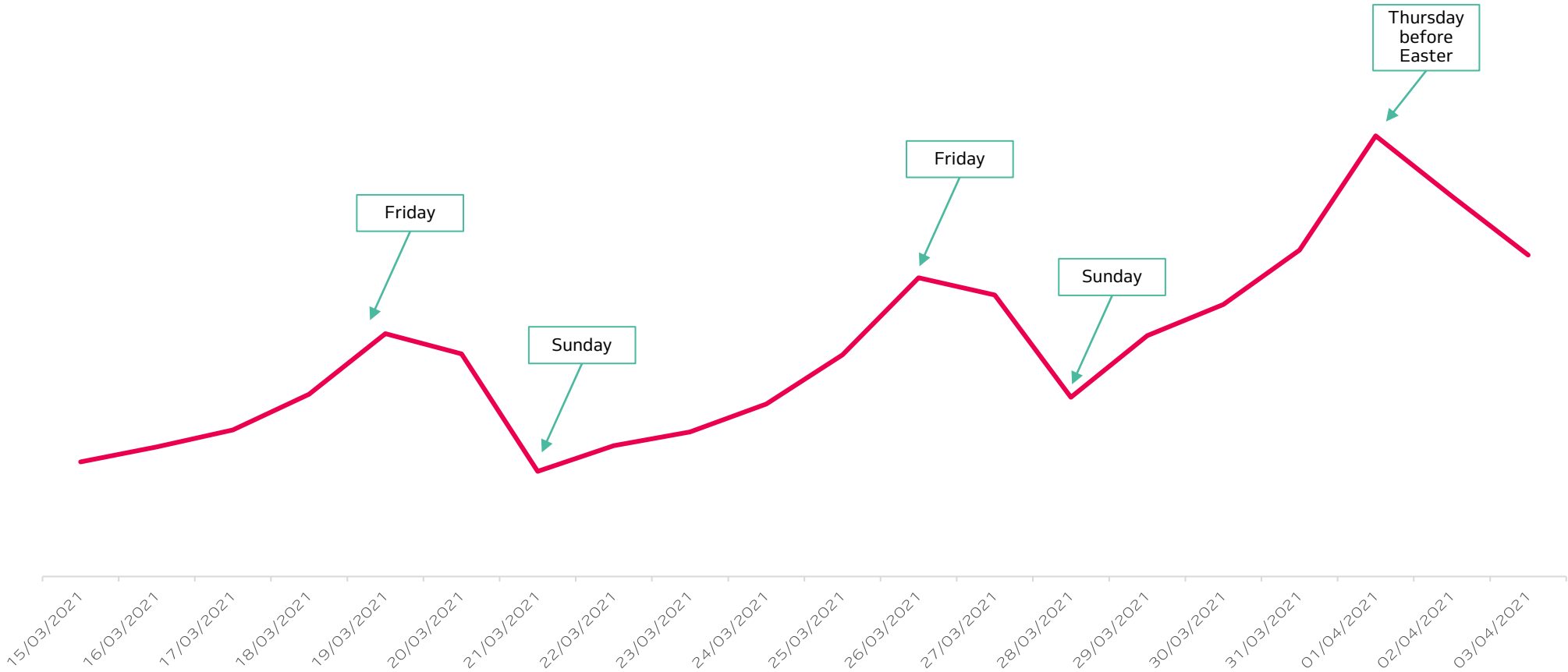
Sales accelerated in the 2 weeks before Easter and doubled vs. last year



The Thursday before Easter was the most popular day for shopping

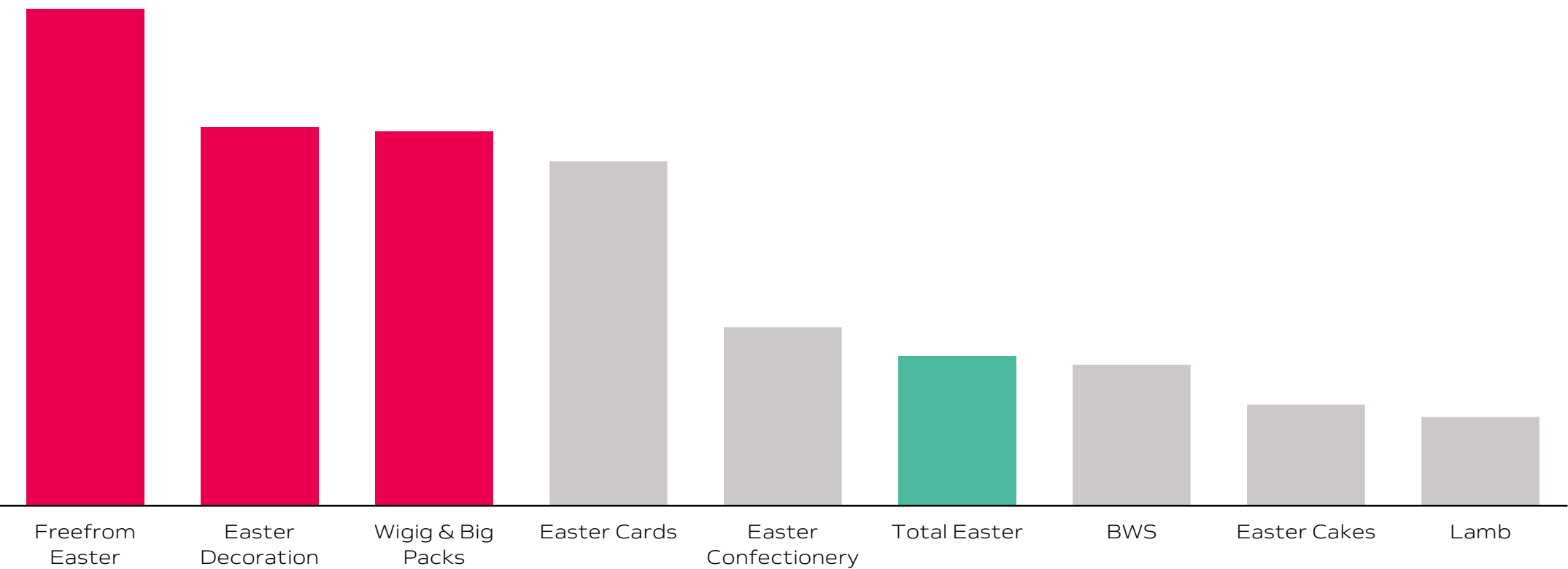
Over 3m units of Easter confectionary were sold on this day

Breakdown of when Easter related sales took place in 2021



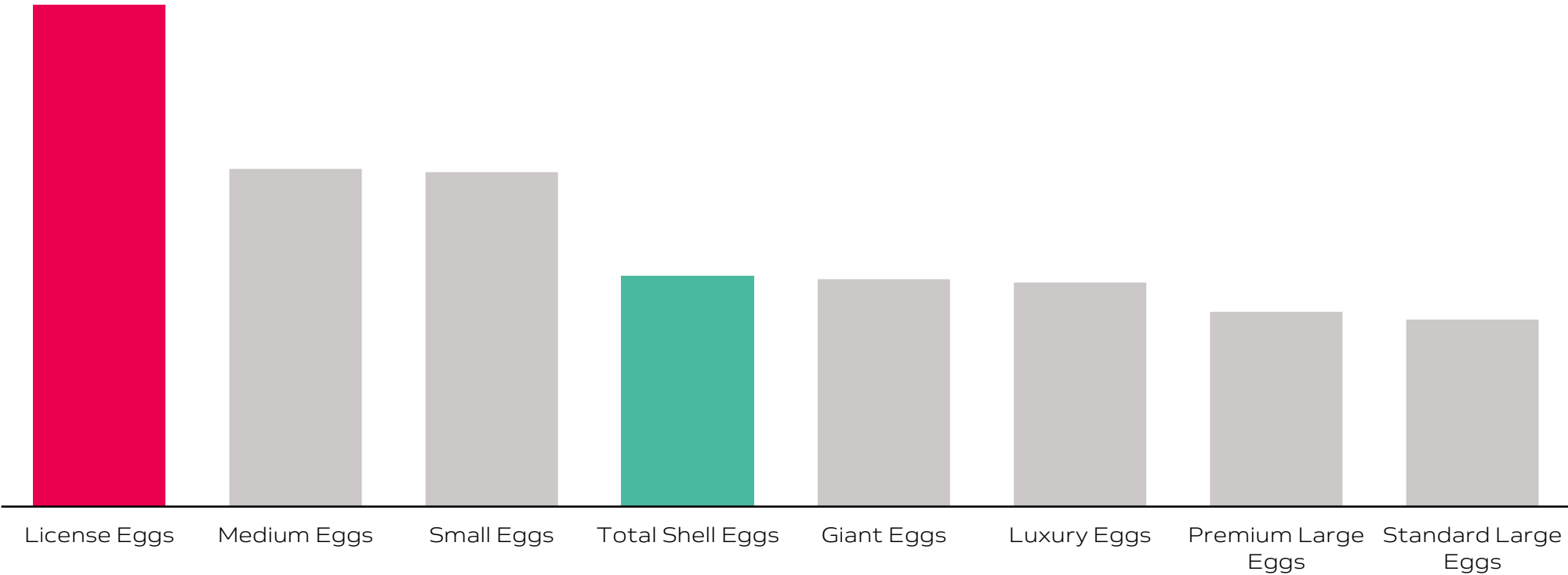
Shoppers were in a celebratory mood for Easter this year

Near-tripling Freefrom Easter sales reflects changing customer diets



An additional 2.2m Easter Eggs were sold in the 2 weeks before Easter this year

Licensed Eggs showed the strongest value growth but shoppers also spent an additional £2m on Premium Large Eggs

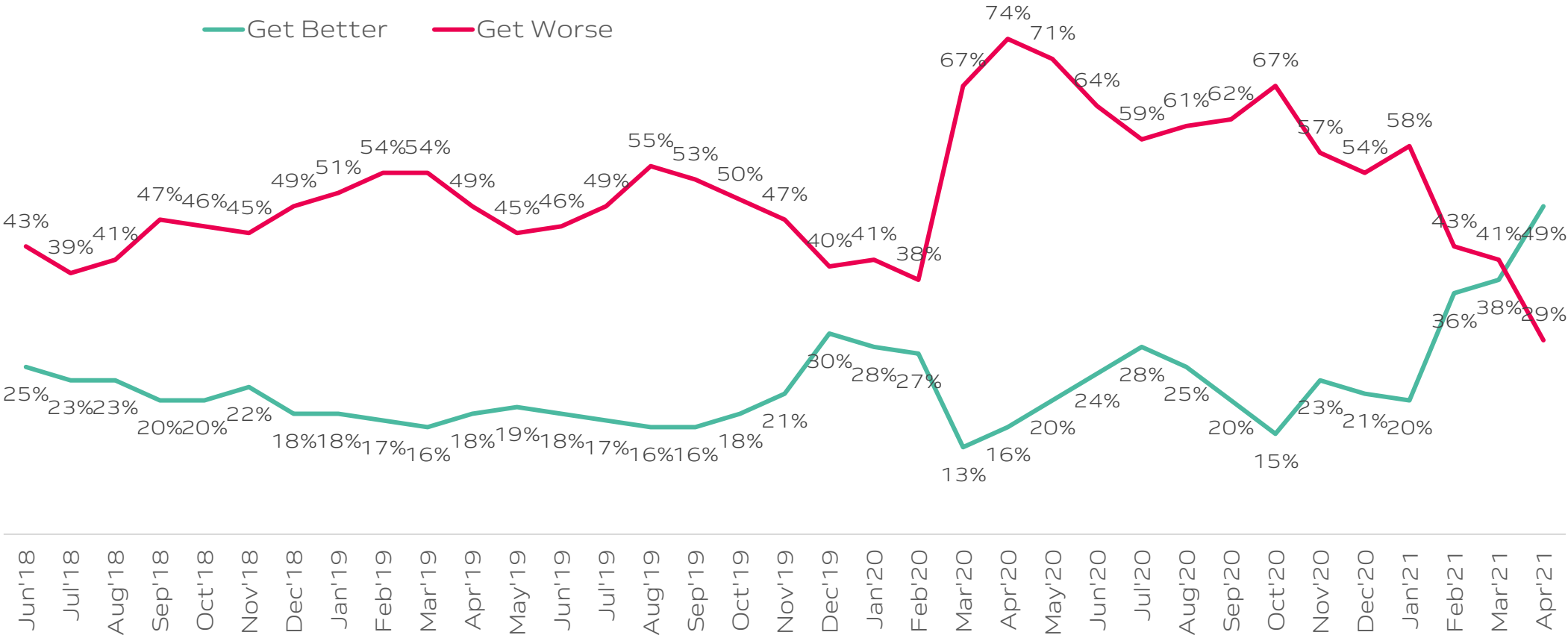


**Relaxation of restrictions
and economic recovery have
driven a rapid improvement
in shoppers opinions of
economic outlook**

Financial Situation - UK

Optimism around the UK economy has risen sharply and now exceeds pessimism for the first time in 3 years

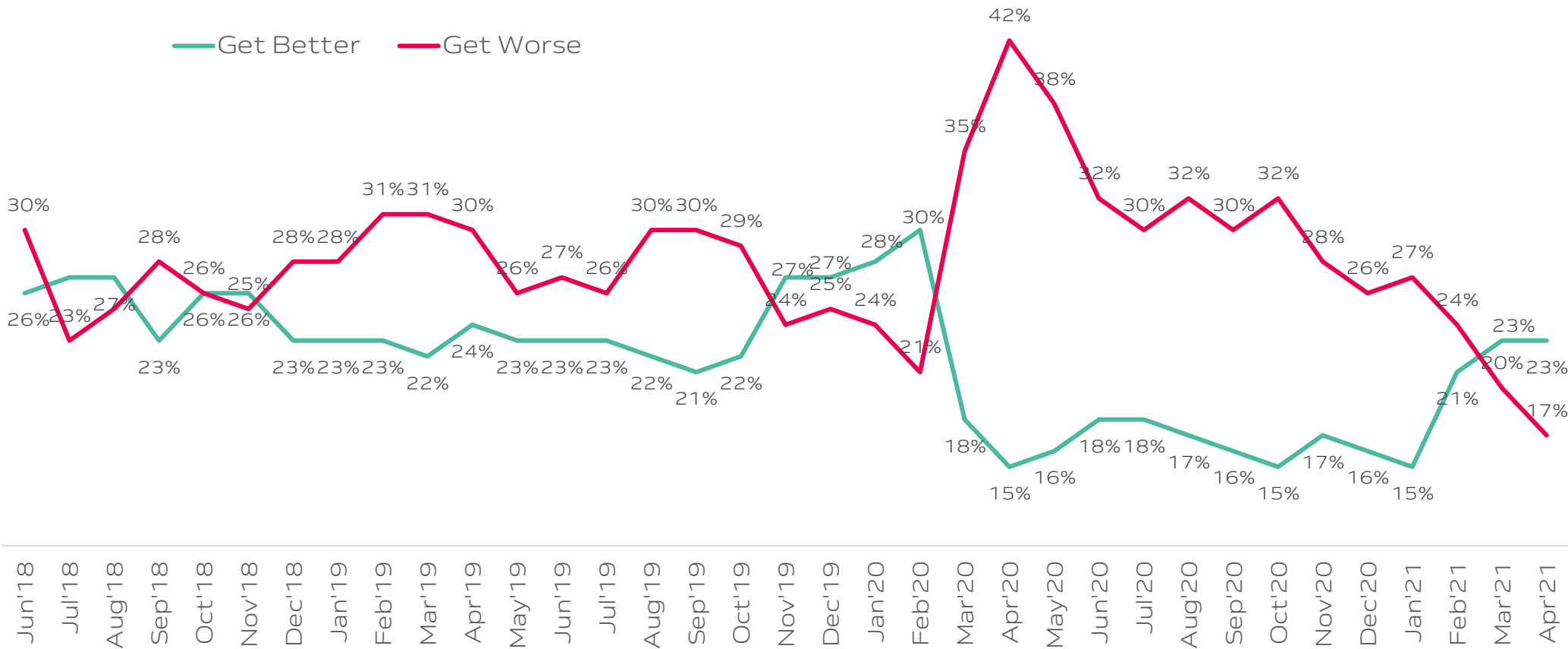
I expect the general economic situation to get better/worse in the next 6 months



Financial Situation - Personal

This is reflected in personal impact, more now feeling their own finances will improve

How I expect the financial position of my household to change over the next 6 months

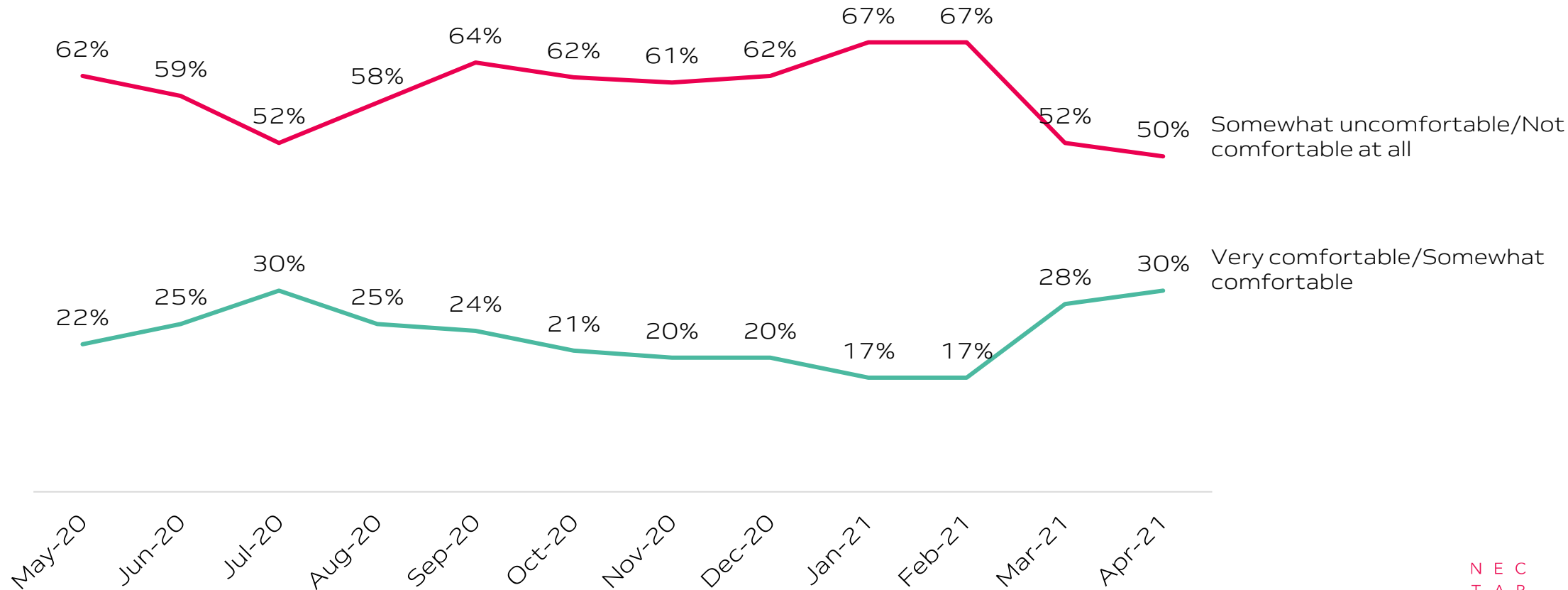


Government roadmap for international travel has resulted in more collectors planning to travel – however the majority plan to spend summer 2021 in the UK

Comfort making future travel plans

Government roadmap for international travel means more Nectar customers feel comfortable booking future holidays

How comfortable do you feel as of now to make your future holiday bookings?

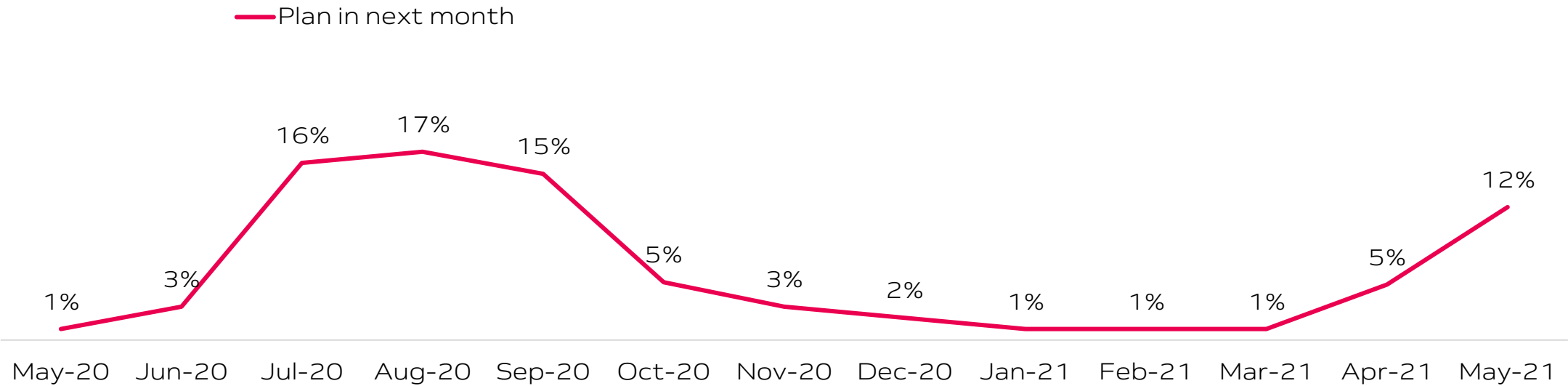


Source: Nectar360 Omnibus/Travel Tracker ~ 2,000 per month. Q. Now thinking about your future holiday plans, how comfortable do you feel as of now to make your future holiday bookings?

Travel plans

As the 3rd lockdown eases, more people are beginning to plan trips out of home – closing in on last summer's levels

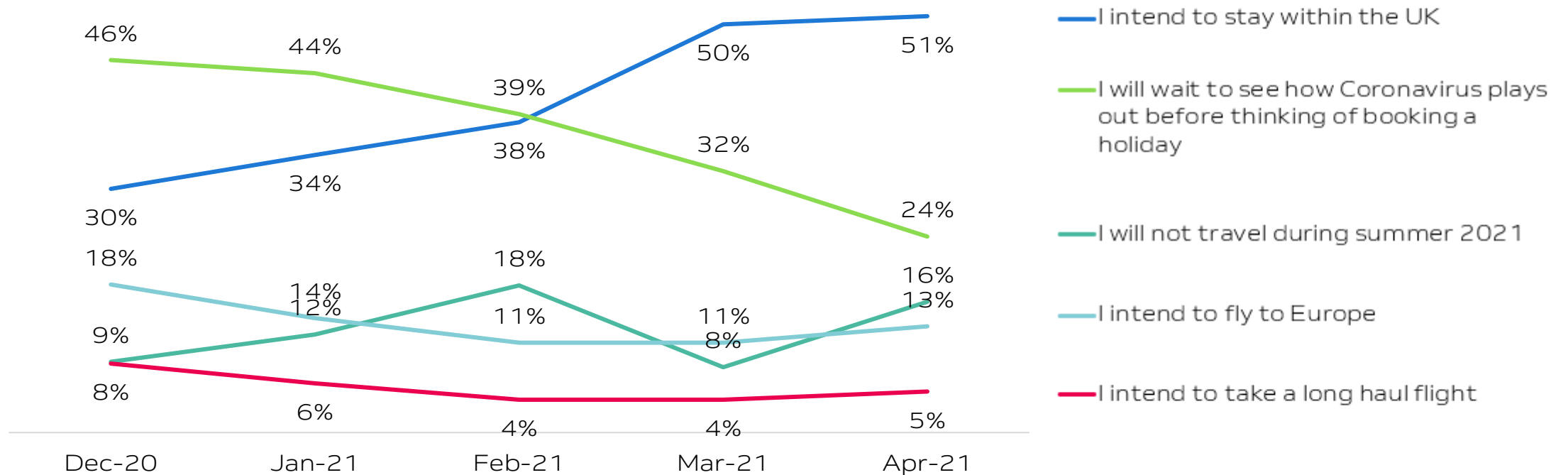
When do you next plan to travel for a holiday that will include at least one night stay away from home?



Travel plans

Customers' summer plans are becoming more certain, with the majority intending to stay in the UK

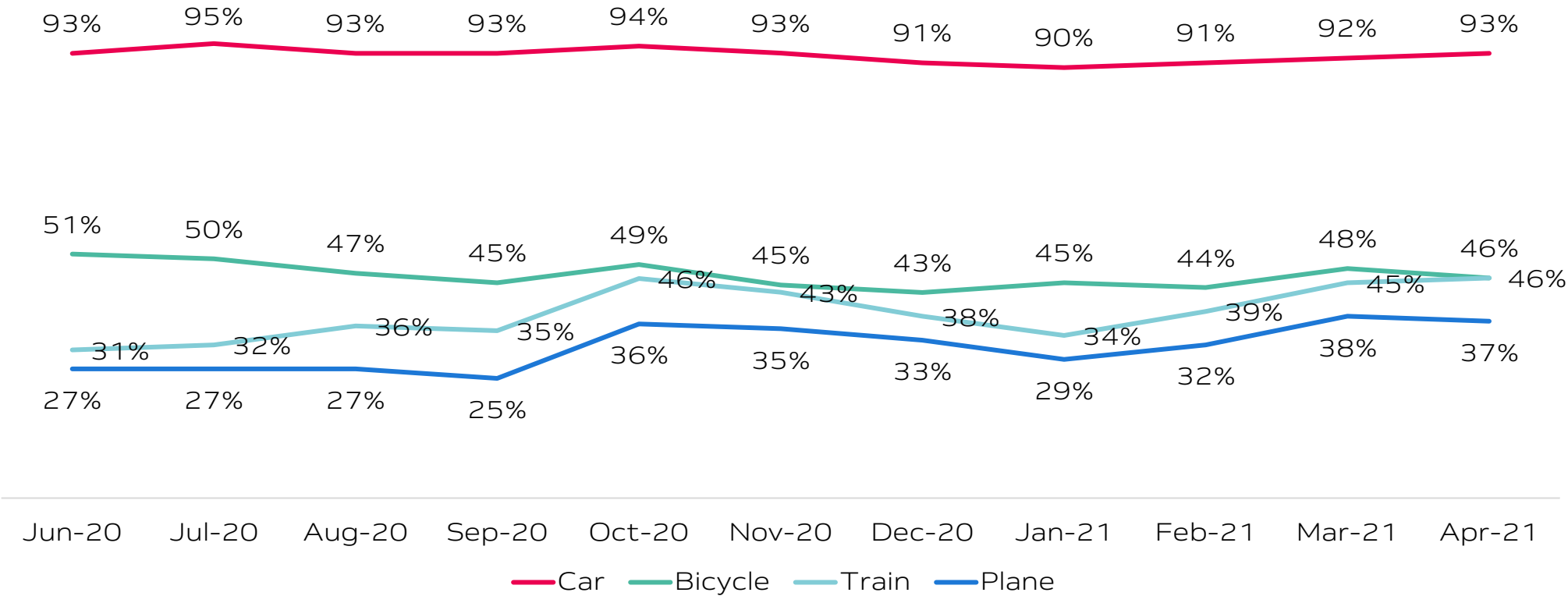
What are your current travel plans for summer 2021?



Comfort with travelling

Drop in Covid case rates and vaccine rollout has helped improve comfort travelling on different modes of transport

How comfortable do you feel using these modes of transport?



Issues to consider

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Why not check out the latest articles on the Nectar 360 site?



On March 23rd 2020, the UK went into its first national lockdown. In the year that followed, across 2 more lockdowns and a colossal vaccine roll-out, the nation's shopping behaviour was radically shifted. Read more [here](#).



Customers' health goals shifted throughout a year like no other, with exercise booming through the summer of 2020 and dropping off in the winter. Other health goals also changed, with consumers focusing on both physical and mental health. Read more [here](#).

Thank you
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