Karen GREEN

# Lessons from the UK: 5 Key Trends Shaping the Future of Retail

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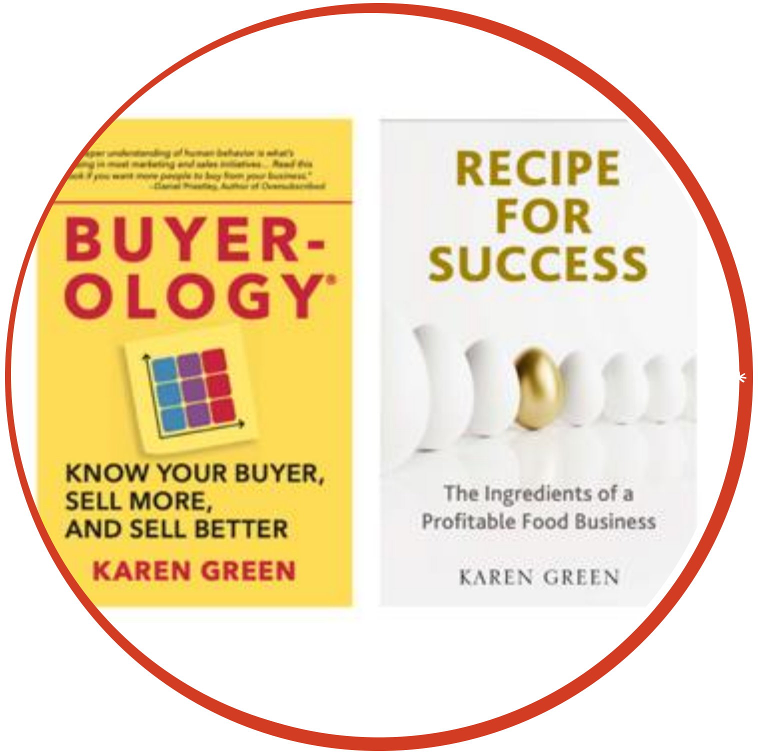
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RECIPE FOR SUCCESS
The Ingredients of a Profitable Food Business
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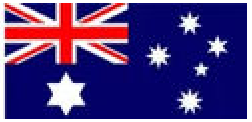
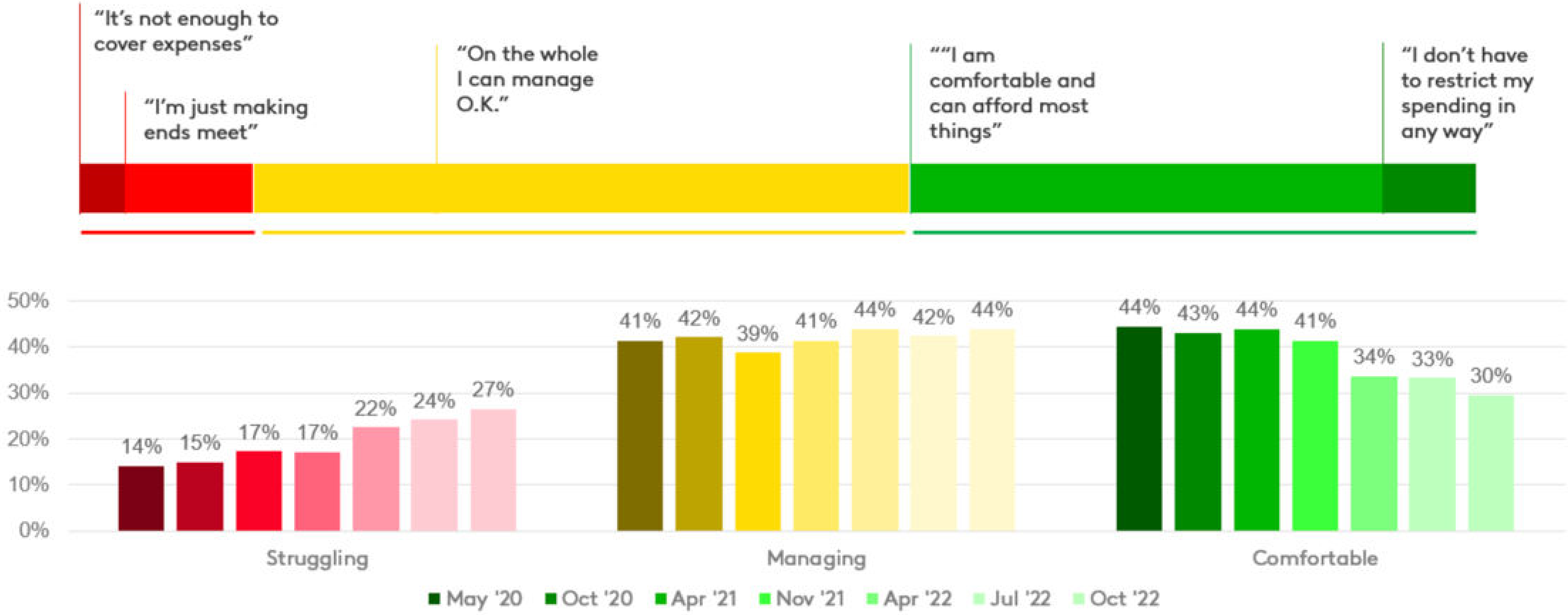
petplace
LAKELAND
semichem
Pets
at Home

# UK vs Australia

| | UK Market  | Australia Market  |
|---|---|---|
| **Market Maturity** | Highly mature and competitive | More open and agile |
| **Retail Landscape** | Dominated by Big 4 & discounters | Independents & health stores play bigger role |
| **Consumer Mindset** | Value-driven, cautious, loyal to deals | Lifestyle-driven, willing to try new things |
| **Sustainability Focus** | High expectations, demand transparency | Growing, but less scrutinised |
| **Trend Influences** | Europe-led (Scandi, French, etc) | US & Asia-led (Californian, Korean, etc) |

# The UK consumer

## More than 1 in 4 households now describing themselves as struggling



# 1. Targeting the “comfortable”

**Demographics:**
- older adults, over 65
- paid off mortgages
- stable income sources
- 30% child free
- 38% of over-65s are financially comfortable vs 28% of under-35s.

**Behavioural Traits:**
- More likely to spending on non-essentials eg  gifting, travel and good food


- Who is your current customer?
- Could they be different in the UK?
- How can you reach those comfortable
- people?
- How do you market to them better?

# 2. UK growth categories

Source: Kantar/Grocer
December 2024

## 10 fastest growing categories by volume

### Dried herbs & spices
▲ 14.2%

The trend for more adventurous home cooking has led to another year of strong growth for dried herbs & spices. It's shifted an extra 2.5 million kilos.

### Garment care
▲11.4%

Efforts to make clothes last longer have greatly benefited garment care products, backed by innovation and big-money marketing.

Source: Getty Images

Source: Getty Images

### Eggs
▲ 10.1%

No longer struggling with supply issues, own label has seen egg sales rocket – driving the category's gain of 78.8 million units.

### Flavoured milk
▲9.7%

The gut health, protein and iced coffee boom have paid dividends for the flavoured milk category, which has put an extra 21.3 million litres through tills.

Source: Getty Images

Source: Getty Images

### Honey
▲8.6%

An extra 2.7 million kilos of honey were sold this year thanks to the hot honey craze, more home baking and for use as a healthier alternative to sugar.

### Rice
▲7.9%

Rice is affordable, versatile and filling. With shoppers preparing more meals at home Brits consumed an extra 20.7 million kilos.


### Drinking yoghurt
▲7.2%

Like flavoured milk, drinking yoghurt has been buoyed by the gut health boom. Actimel and Biotiful were among the brands to capitalise.

### Hand dishwash
▲ 7.1%

More cooking at home means more washing-up. Which helps to explain why 14.6 million more packs of hand dishwash have gone through tills.

Source: Getty Images

### Bottled water
▲ 7.1%

A thirst for healthier drinks has led to a payday for bottled water. The category shifted an extra 200.7 million litres in the past year.

### Yoghurt
▲ 6.7%

Demand for protein, healthy fats and lines low in sugar have all driven strong volume gains for the yoghurt market. A 39.2 million kilo gain.

### Loose tobacco
▼21.6%

Roll your own just isn't cutting it these days: it's pricey and fruity vapes taste nicer. No wonder loose tobacco is the fastest-declining category of 2024.

### Cigarettes & cigars
▼ 15.2%

At £13.43 per pack, it's hardly surprising that ciggies & cigars continue their long-term decline, shedding 124.9 million units and losing £588.1m.

### Meat-free
▼ 8.7%

The once-fashionable alt-meat has lost volumes due to high prices, ultra-processed foods concerns and the disappointing taste of many products.

### Canned meat
▼7.6%

The overall canned category is in decent shape – but that can't be said for all sectors. Tinned meat has fallen most, as more Brits move to fresh meat.

Source: Getty Images

Source: Getty Images

### Frozen desserts & cakes
▼6.2%

Frozen desserts & cakes has shed 2.3 million kilos, largely driven by a decline in the snacking and treating habits of the Covid pandemic era.

# 2. UK foodie trends

## UMAMI

Chilli crisp
Fish sauce
Garlic
Gochujang
Kimchi
Miso
Smoked paprika

## SWICY

Chilli crisp
Gochujang
Honey
Hot honey
Hot sauce
Kimchi
Mango & chilli sauce


## PROTEIN

Chicken
Egg
SPAM
Sausage
Whey protein

## CARBS

Bulgur wheat
Chickpeas
Conchiglie
Dan dan
Matzo
Pita
Ramen
Rice
Taco

Source: The Food People


- Are you selling into these categories?
- Do you have on trend innovation?
- How can you use the trends to drive sales

# 3. The power of occasion



- Advent
- Christmas
- Valentines day
- Mother’s day
- Easter
- Father’s day
- Halloween





Plus

- Eid
- Diwali
- Passover
- Meal deals
- Sporting events


- How can do your brand do occasions?
- How do you create exciting gift propositions?
- What is YOUR advent calendar?

# 4. Conscious Consumerism

🌱 **Provenance**

70% of UK consumers want to know **where and how** products are made

❤️ **Purpose**

Younger UK shoppers (Gen Z & Millennials) buy brands with a **mission, a purpose** and a **story**

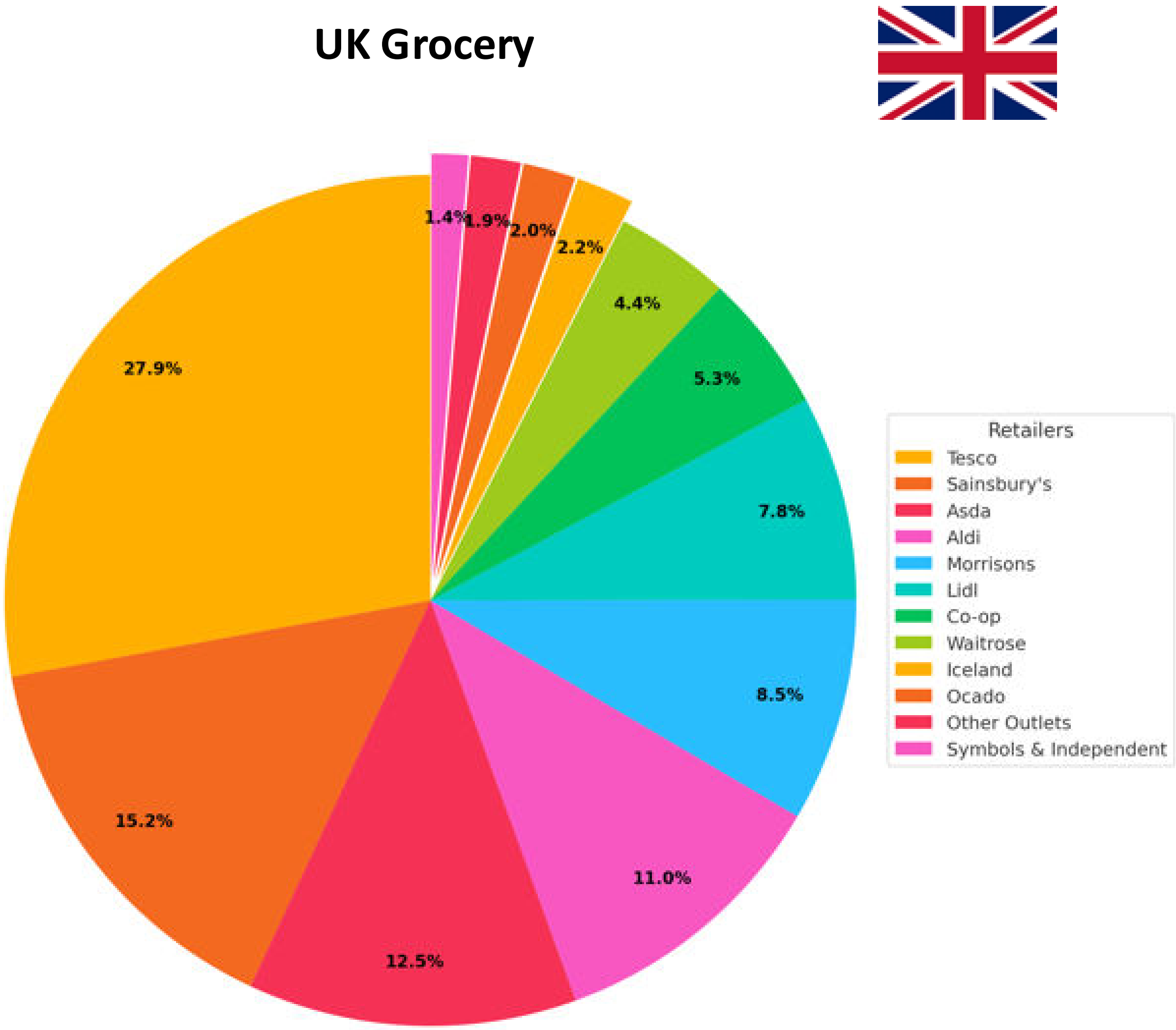
♻️ **Planet**

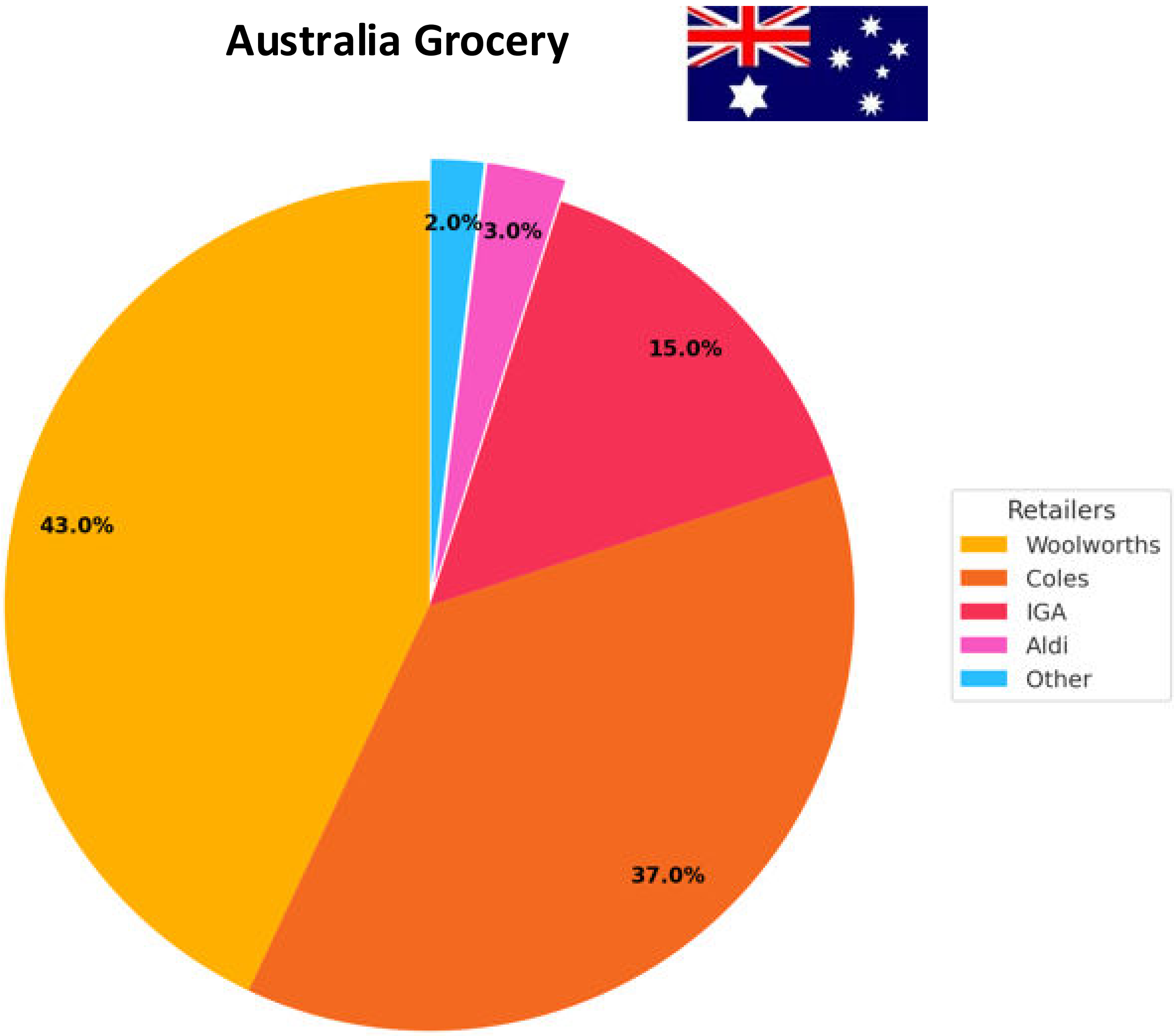
1 in 3 Brits now choose **planet-first products**, even at higher prices

Demand for **ethical sourcing, eco-packaging & regenerative agriculture** is growing


- What is the provenance?
- What is real story behind your brand
- How can you prove your sustainability credentials – organic, rainforest alliance, B Corp?

# 5 The UK retail differently



# UK retail pricing challenges



# Other options



- What would be your route to market?
  - Major multiples
  - Specialist retailers
  - DTC
  - Independent delis and farm shops
- What is your pricing strategy?
- Can you make it work financially?

# Summary

- Find your people
- Work the trends
- Know your occasions
- Be conscious
- Retail better


# Book a consultation

karen@buyerology.co.uk

+44 7811 942054