# NIQ Convenience State of the Nation

## NZACS Breakfast Market Review

11th of October 2023

Data to 10 September 2023

# NZACS Market Review Agenda

- New Zealand macro & market trends
- Channel performance & drivers
- Convenience category trends

## Key insights

1. Changing dynamics in the NZ landscape across channels, consumers are consciously making more choices than ever before

2. Fuel costs impact store sales and competition is on the rise, but we are seeing more consistent growth trends

3. The channel is winning through growth in beverages, chilled food and confectionery

4. Tobacco legislation could lead to 40-50% of store closures for dairies, consumers will still shop the channel as tobacco is low on the drivers of store choice

## What *actions* to take

- Ensure strong strategy by banner and partnership execution across supplier base
- Capture the occasion, leverage consumers need for convenience in strong marketing efforts
- Focus on the in-store mix to meet the consumers needs, stock must have products and be competitive on price; tap into categories consumers want
- Right range / right store will become increasingly important as catchments will grow in size, win the battle of attrition!

NIQ

# New Zealand Macro Trends

**Consumer Confidence***

**85 points**

+4pt vs Q2

**Future economic condition (net)^**

**-32**

Relatively flat vs June 2023 at -34

**Consumer Price Index (CPI)**

**+1.1% quarter**

**+6.0% annual**

**Gross Domestic Product (GDP)**

**-0.1% quarter**

**+2.9% annual**

**Official cash rate (OCR)****

**5.5%**

Flat vs May

**Net immigration**

+77,800

**Tourism**

2.45M annual

Source: Stats NZ GDP Mar 2022; CPI June 2023; Immigration & Tourism FY May 2023
*ANZ Roy Morgan Consumer Confidence New Zealand Q3'23 (monthly average July, Aug, Sept)
^ ANZ Roy Morgan Consumer Confidence New Zealand Sept 2023 – Net of expected economic conditions in the next 12 months (good vs bad)
**OCR – Reserve Bank of New Zealand June 2023

# Majority of New Zealanders feel the constraints of a recession

## Current impressions

**59%**

Think we are **currently living** in a **recession**

## Future outlook

**58%**

Expect to be in a **recession** for **12+ months**

## Spending reality

**28%**

Only have enough for food and shelter

Source: NielsenIQ Homescan | New Zealand | Consumer Survey | March 2023
Q: Do you think your country is in a recession at the moment? How long do you think your country will be in a recession? What is your current ability to spend?

# Rise in costs is the greatest concern for kiwis

Top financial concerns for kiwis

**86%**

Food/ grocery costs

**58%**

Fuel prices

**58%**

Housing costs (rent, mortgage, rates)

Source: NielsenIQ Homescan | New Zealand | Consumer Outlook Survey | June 2023
Which of the following caused you the most financial concerns in the last 6 months?

# New Zealand Market Overview

# Total Retail Performance

Absolute Value Change

+$1.3B Supermarkets

+$174M Pharmacy*

+$89M Liquor

+111M Convenience

**Total Retail Sales**

**$23.8B**

**+$1.7B**

**+7.5%**

Source: NielsenIQ Scan | New Zealand | Total Supermarket & Defined Liquor & Convenience (Def SS + 4 SQ + FIX CBD + Night'n'Day) | MAT 10 September 2023 vs YA
*IQVIA Pharmacy scan MAT June 2023 vs YA

# NZ Retailer Landscape

| | Supermarket $17.7 B | Pharmacy $1.3 B* | Convenience $2.4 B | Liquor $2.3 B |
|---|---|---|---|---|
| *$ % Chg / Unit % Chg* | +7.9% / -0.6% | +15.0% / +12.8% | +4.8% / +4.2% | +3.9% / -0.2% |
| *Channel Dynamics* | **Growth** driven by **inflation** | **Growth** driven by **new buyers** Frequency and purchase rates are stabilising | **Growth** driven by **inflation & volume** but behind inflation rate | **Growth** driven by **inflation** |
| *Customer Dynamics* | Inflation driving growth across all retailers | Continued growth from Discount Pharmacy stores openings | Strong contribution across all convenience; service stations driving more unit growth | Super Liquor, Liquorland and Bottle-O key contributor to growth and increasing stores |
| *Category Dynamics* | Confectionery, Sport & Energy drinks, Yoghurt and Biscuits top gainers with value and volume growth<br><br>Consumer replenish/replacing store own shopping bags<br><br>Personal care and pharmacy needs struggling | Consumers meeting more of their health needs in Discount Pharmacy<br><br>Over counter needs & personal care items | Growth from sports & energy drinks, confectionery and chilled foods offset the tobacco declines | Functional benefits & healthier alcohol options continues to be on the rise |

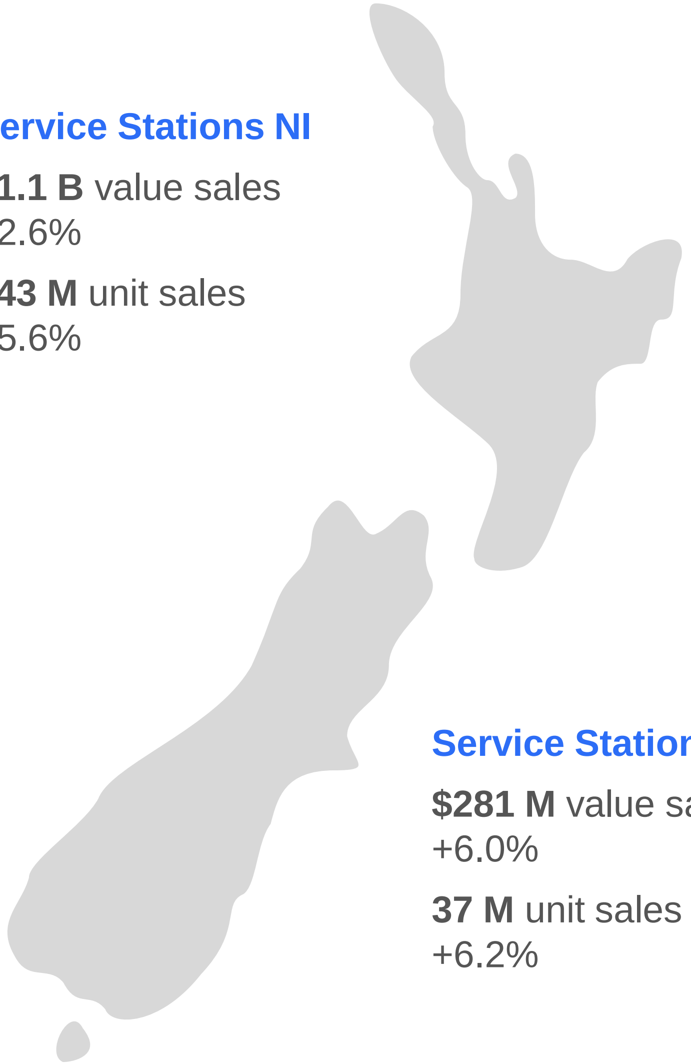
Source: NielsenIQ Scan | New Zealand | Total Supermarket & Defined Liquor & Convenience (Def SS + 4 SQ + FIX CBD + Night'n'Day) | MAT 10 September 2023 vs YA
*IQVIA Pharmacy scan MAT June 2023 vs YA

# Total Service Stations

**$1.37 B** value sales
+3.3%

**180.5 M** unit sales
+5.8%

## NZ Retailer Landscape



**Service Stations NI**

**$1.1 B** value sales
+2.6%

**143 M** unit sales
+5.6%

**Service Stations UNI**

**$808 M** value sales
+2.5%

**105 M** unit sales
+6.7%

**Service Stations LNI**

**$286 M** value sales
+2.8%

**38 M** unit sales
+2.8%

**Service Stations SI**

**$281 M** value sales
+6.0%

**37 M** unit sales
+6.2%

Source: NielsenIQ Scan | New Zealand | Total Defined Service Stations | MAT to 10 September 2023 vs YA

# Store Universe

| | Defined Service Stations | | | | | Convenience Stores | |
|---|---|---|---|---|---|---|---|
| | bp | 2go | Mobil | CALTEX | Z ENERGY | 4 FOUR SQUARE | Night 'n Day |
| Number of Stores | 112 | 88 | 135 | 89 | 189 | 222 | 53 |
| Stores +/- YA | 0 | -3 | +2 | -5 | -3 | 0 | -4 |

Source: NielsenIQ Scan | New Zealand | MAT 2 July 2023 vs YA

# Store Universe – Tier 2 Sites

## Defined Service Stations | Convenience Stores

Number of Stores

| | Allied Petroleum | Waitomo | Gull | Challenge! | g.a.s. | npd | on the spot | MetroMart |
|---|---|---|---|---|---|---|---|---|
| Number of Stores | 101 | 77 | 115 | 78 | 125 | 100 | 71 | 20 |
| Coming Soon | | | 3 | | | | | |

July 2023

# Sales losses from Tobacco impact overall performance for service stations

## Total Defined Service Stations *incl Tobacco*

**+$43.7 M**

$1.37 B value sales

+3.3% vs YA

180.5 M unit sales

+5.8% vs YA

## Total Defined Service Stations *excl Tobacco*

**+$79.7 M**

$759.1 M value sales

+11.7% vs YA

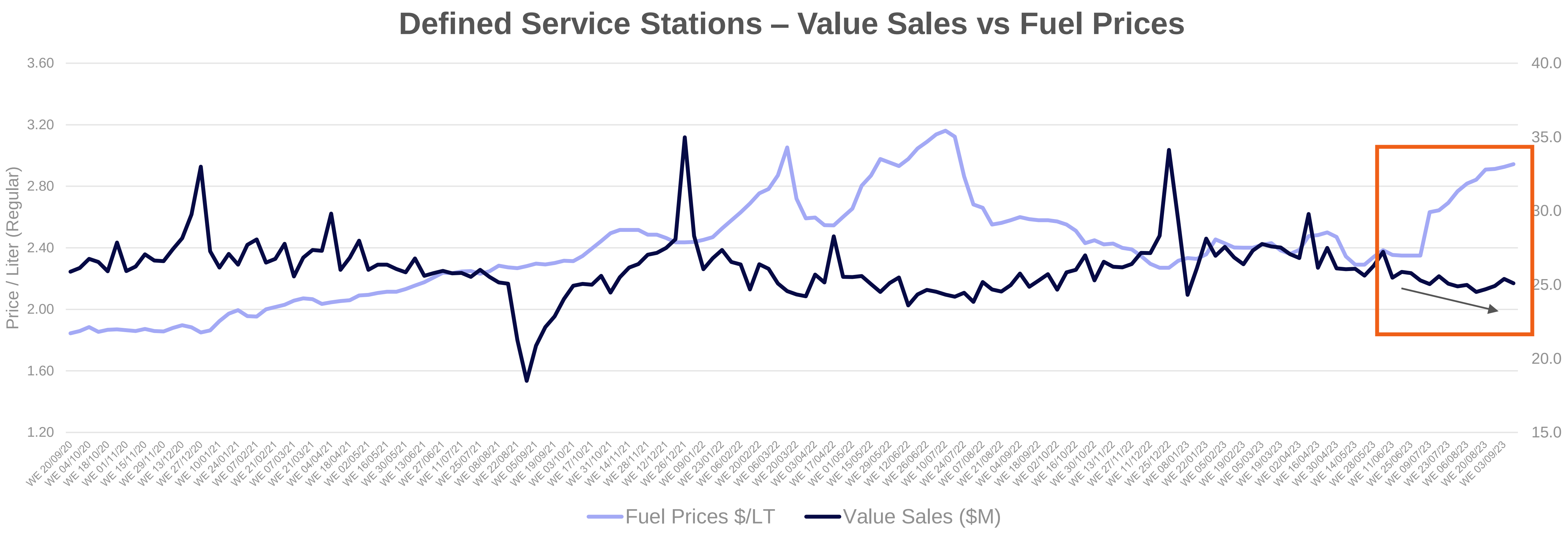
160.0 M unit sales

+7.5% vs YA

Source: NielsenIQ Scan | New Zealand | Total Defined Service Stations | MAT to 10 September 2023 vs YA

# Fuel cost tend to impact shop sales

Fuel prices on the rise as government temporary fuel tax cuts came to an end on the 1st of July 2023




Source: NielsenIQ Scan | New Zealand | Total Defined Service Stations | Weekly 10 September 2023 (Three-Year Trend)
Fuel Prices weekly [Weekly fuel price monitoring | Ministry of Business, Innovation & Employment (mbie.govt.nz)]

NIQ

Store sales per 1,000 LT fuel sold up

+3.9%

# Mixed results across margin performance

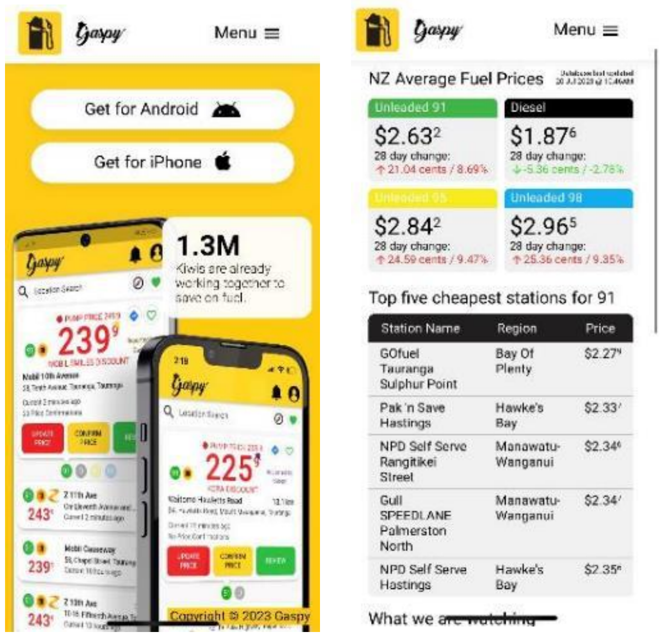
| Instore $ Sales per 1,000L | GP Margin % | | |
|---|---|---|---|
| | 2021 | 2022 | Change |
| | $487.50 | $506.51 | 3.90% |
| Accessories | 42.7% | 43.6% | 0.94% |
| Bread | 28.9% | 29.9% | 0.97% |
| Cards | 4.5% | 4.6% | 0.10% |
| Confectionery | 37.4% | 36.4% | -1.05% |
| Drinks | 34.1% | 33.7% | -0.37% |
| Food to Go | 34.0% | 34.5% | 0.50% |
| Groceries | 35.8% | 35.2% | -0.65% |
| Ice Creams | 33.1% | 33.4% | 0.33% |
| Magazines | 18.4% | 18.6% | 0.19% |
| Milk | 30.9% | 30.0% | -0.88% |
| Oil | 42.7% | 42.0% | -0.70% |
| Tobacco | 11.3% | 11.4% | 0.05% |

GP Margins provided by NZACS

# More competition in the market for traditional service stations

Consumers becoming smarter and using apps to find the lowest fuel prices

***Gaspy app helping consumers shop smarter for petrol***



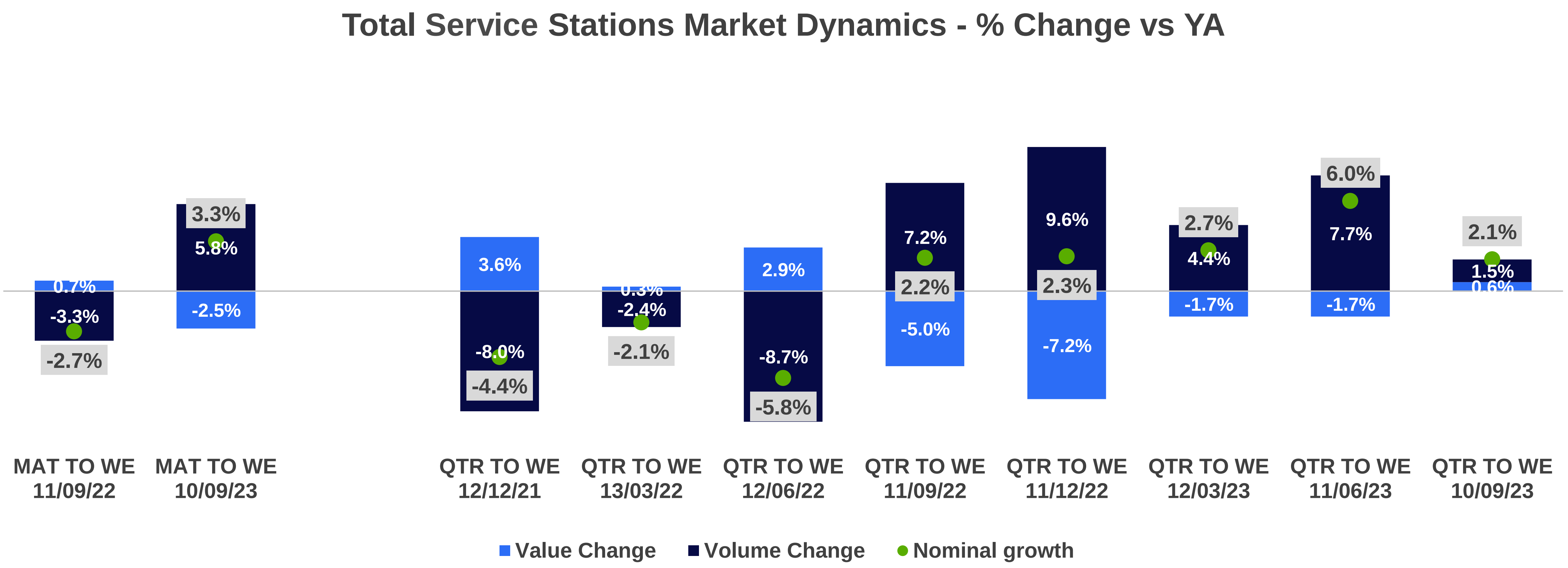

***Self service, 24/7 access keeps overhead cost down to deliver lower prices for customers***

***AA Smartfuel and Countdown Onecard loyalty programmes coming to and end 1 February 2024***

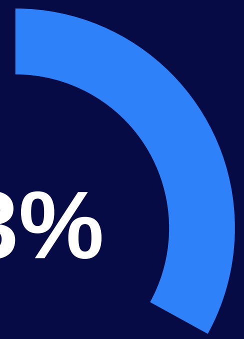

**Costco vs Pak'nSave: Supermarkets ramp up on petrol**


[Costco vs Pak'nSave: Supermarkets ramp up on petrol | Stuff.co.nz](#)
[Fuel prices look to rise again one month after fuel excise duty cut ended | RNZ News](#)
[AA Smartfuel and Countdown Onecard schemes coming to an end (1news.co.nz)](#)

# Previously, service stations picked up volume growth but it slowed down during recent quarter




Source: NielsenIQ Scan | New Zealand | Total Defined Service Stations | MAT and QTR to 10 September 2023 vs YA



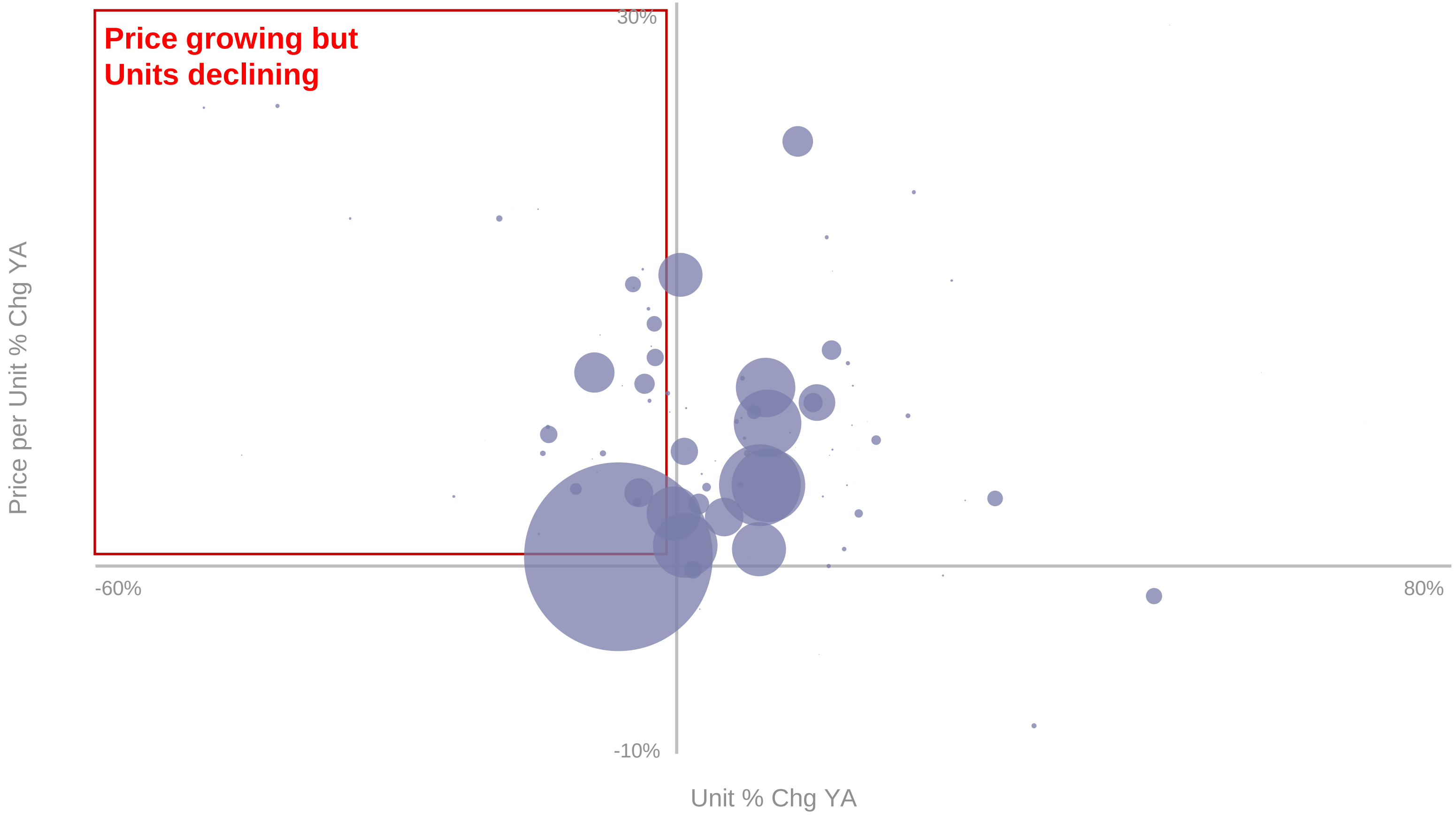
# 33%

## of categories experienced price inflation are in volume decline

NIQ

## Still a place for convenience as consumers are willing to shop the channel

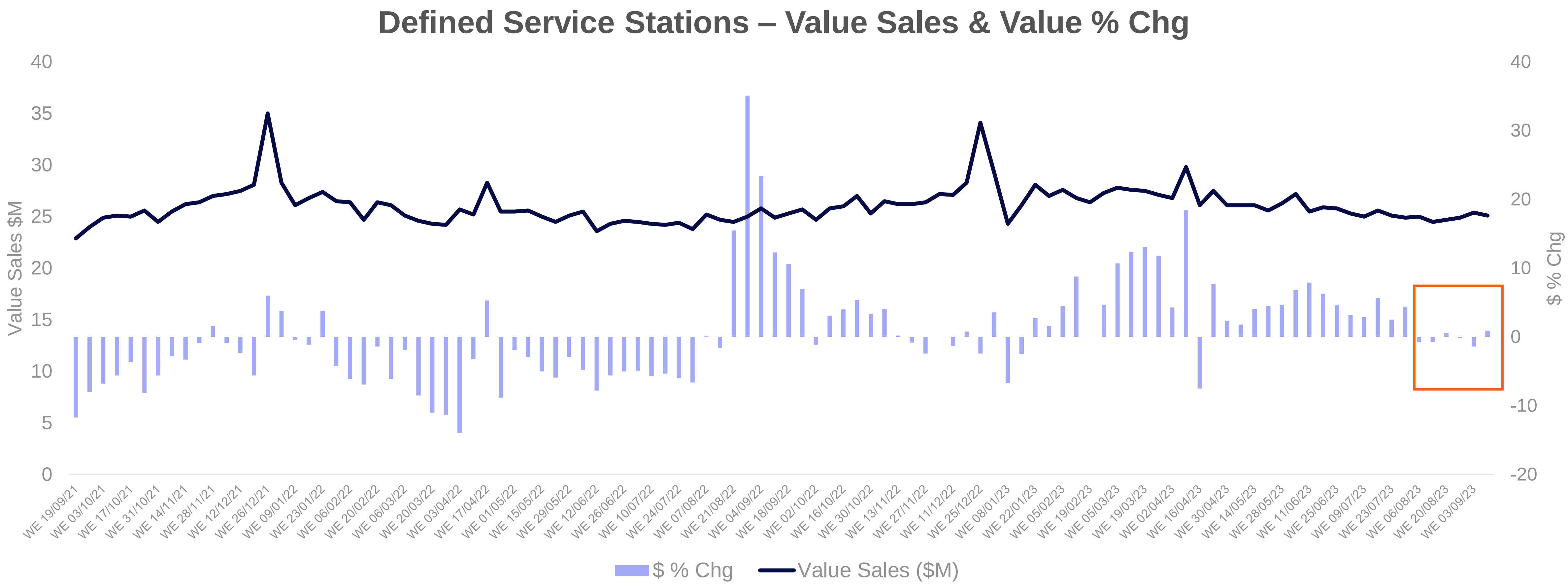
### Price vs Units Growth – Defined Service Stations




Source: NielsenIQ Scan | New Zealand | Total Defined Service Stations | MAT to 10 September 2023 vs YA

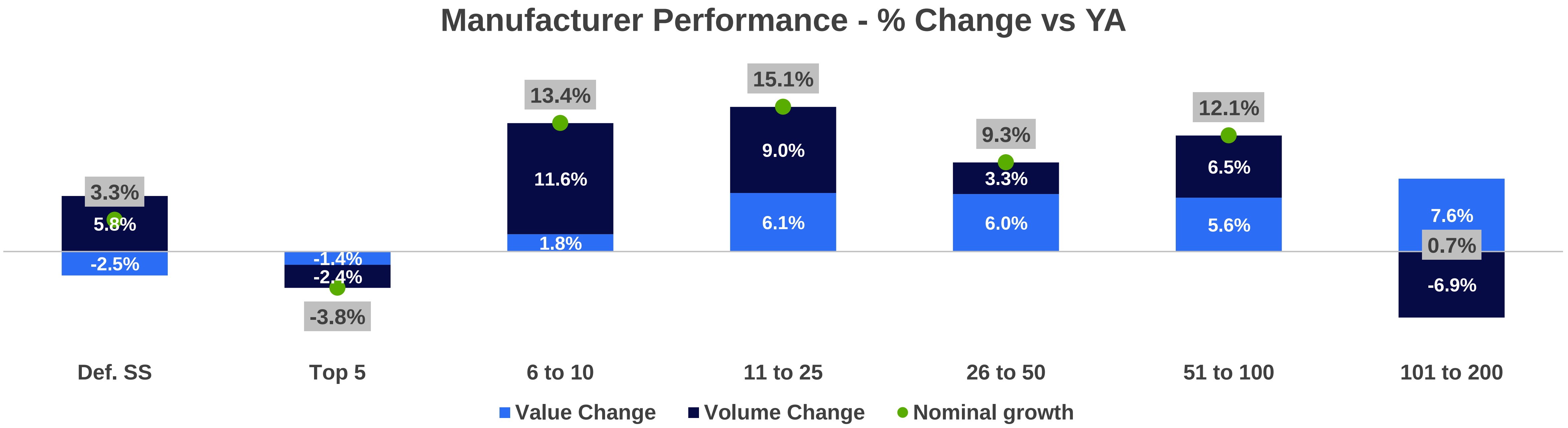
# Growth of Service Stations in 2023 slows down as recovery begins to annualize

Moreover, inflation and fuel price hikes also influence weaker growth




Source: NielsenIQ Scan | New Zealand | Total Defined Service Stations | Weekly 10 September 2023

# Majority of suppliers driving growth in convenience




**% Dollar share of Defined Service Stations**

| Total Def SS | Top 5 | 6 to 10 | 11 to 25 | 26 to 50 | 51 to 100 | 101 tp 200 |
|---|---|---|---|---|---|---|
| 100% | 52% | 13% | 14% | 6% | 2% | 1% |

Source: NielsenIQ Scan | New Zealand | Total Def. Service Stations | MAT to 10 September 2023 vs YA

# Growth of Beverages, Chilled Food and Confectionery offsets losses from Tobacco

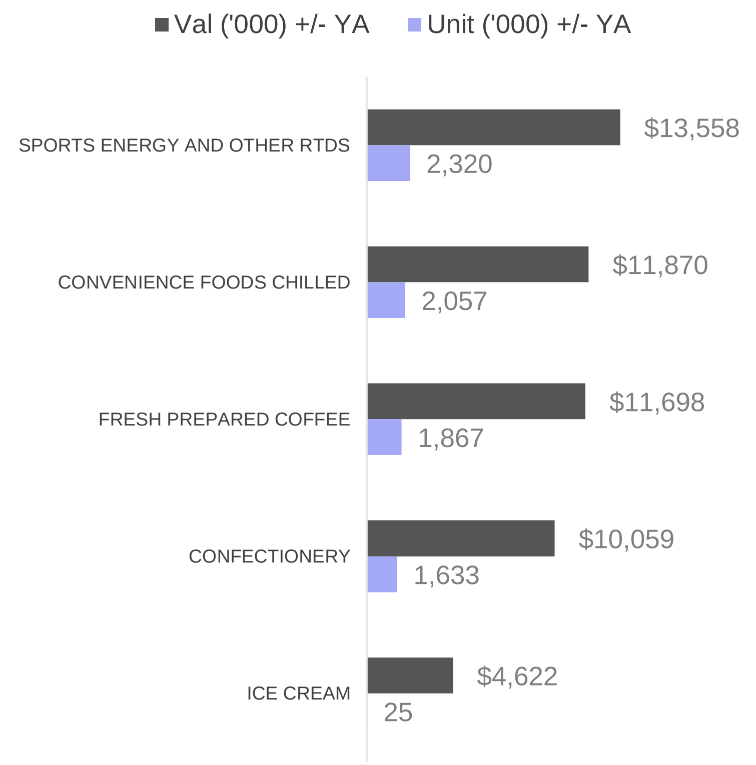
## Total Defined Service Station – Value Contribution $ (M)


| | TOTAL RETAIL YA | BEVERAGES | CHILLED FOOD | CONFECTIONERY | FROZEN INCL ICE CREAM | SNACK FOODS | E-CIGARETTES | GENERAL MERCHANDISE | GROCERY | PERSONAL CARE | HOUSEHOLD & PAPER PRODUCTS | PET SUPPLIES | BABY PRODUCTS | TOBACCO EXCL. E-CIG | TOTAL RETAIL TY |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Val % Chg YA | | 12.4% | 14.3% | 19.7% | 20.9% | 23.4% | 6.4% | 1.9% | 20.8% | 16.7% | 4.3% | 14.0% | 19.8% | -6.6% | 3.3% |
| Val % Share | 100.0% | 22.7% | 7.2% | 4.5% | 4.0% | 1.9% | 4.3% | 12.5% | 1.4% | 0.8% | 0.2% | 0.0% | 0.0% | 40.5% | 100.0% |
| Unit % Share | 100.0% | 43.4% | 15.5% | 10.7% | 6.1% | 3.6% | 2.2% | 5.5% | 2.5% | 1.0% | 0.3% | 0.0% | 0.0% | 9.2% | 100.0% |

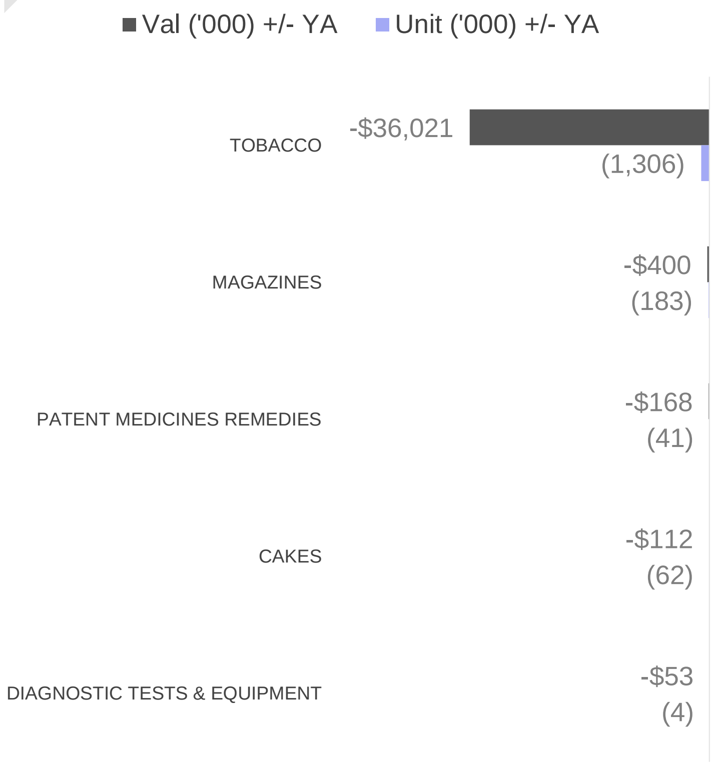
Source: NielsenIQ Scan | New Zealand | Total Defined Service Stations | MAT to 10 September 2023 vs YA

# Category Gainers & Drainers

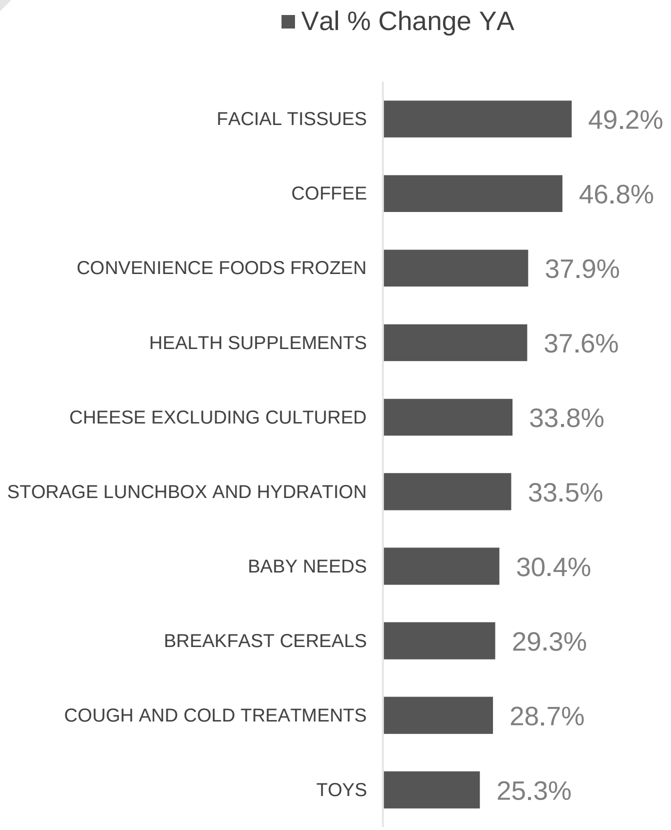
## Gainers




## Drainers



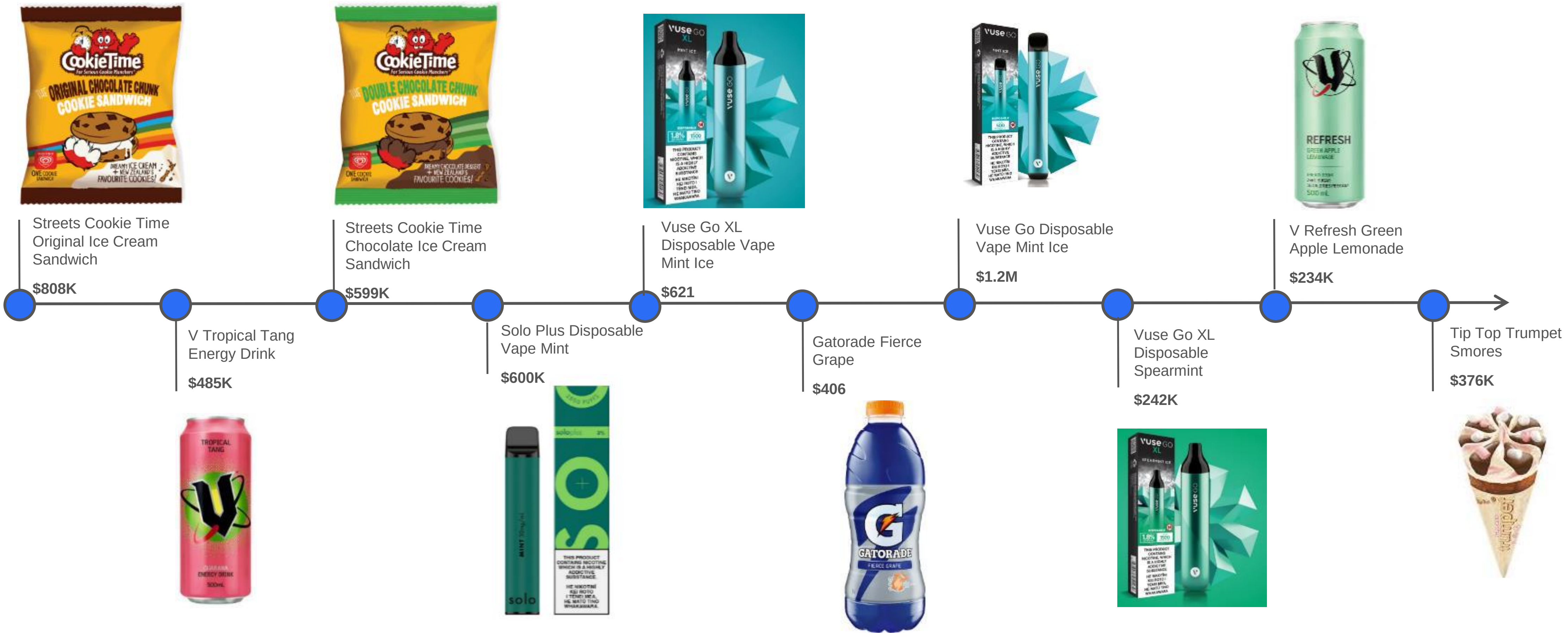

## Emerging




Source: NielsenIQ Scan | New Zealand | Total Defined Service Stations | MAT to 10 September 2023 vs YA

# Ice cream, energy drinks and vaping top the innovations in service stations

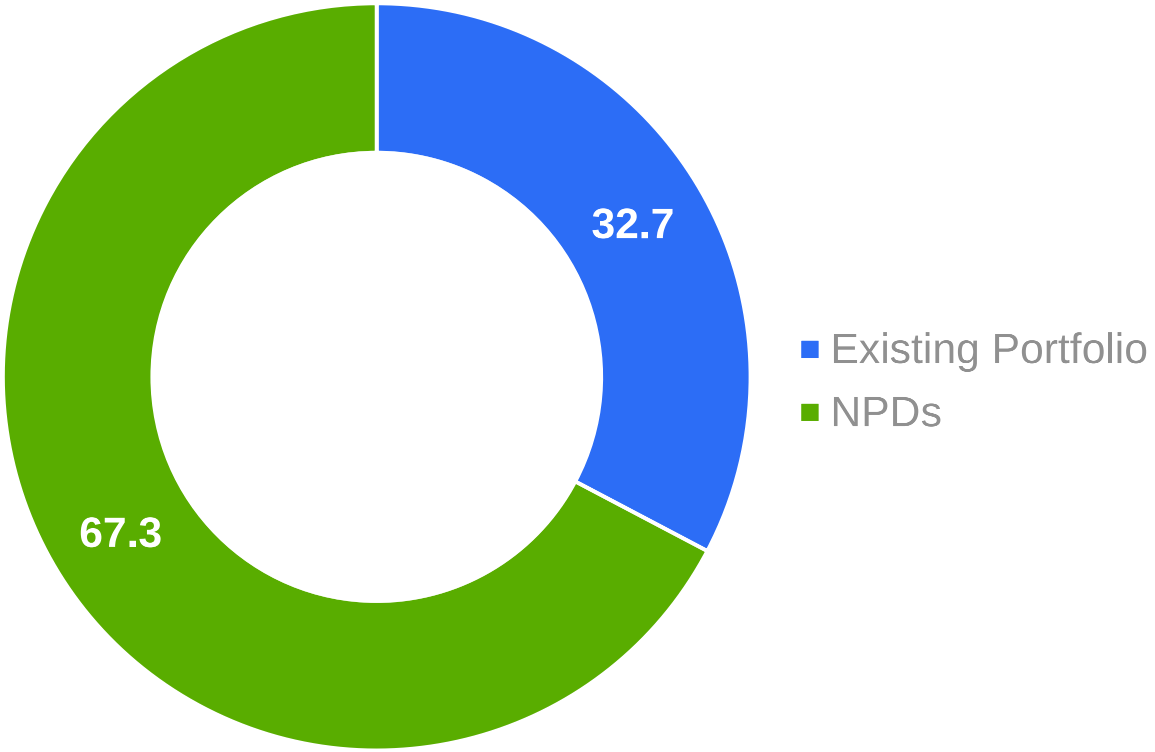
$29.4M in value sales from NPDs in the past year; 10 top NPDs accounts for 19% of the value sales




Source: NielsenIQ Scan | New Zealand | Defined Service Stations | MAT 10 Sept 2023
Ranked by top sales within the first 13 weeks of launch; Value based on MAT

## 67% of Service Station *value growth* comes from NPDs

### Contribution of Value Growth



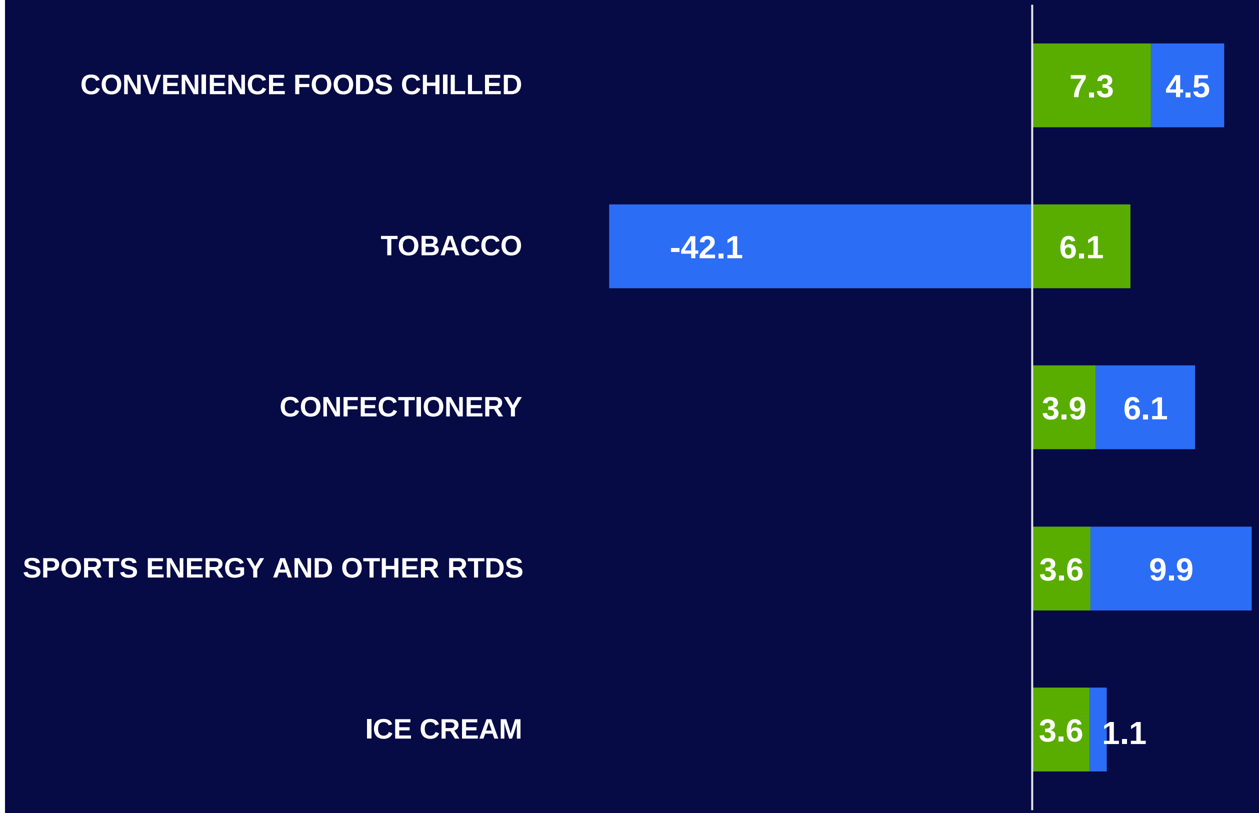

Source: NielsenIQ Scan | New Zealand | Defined Service Stations | MAT 10 Sept 2023

NIQ

## 5 categories makes up 84% of all NPD sales

Ice Cream & Chilled Convenience Food rely more on NPDs

**Value Abs Chg $M** – NPD vs Existing Portfolio



# Category Focus

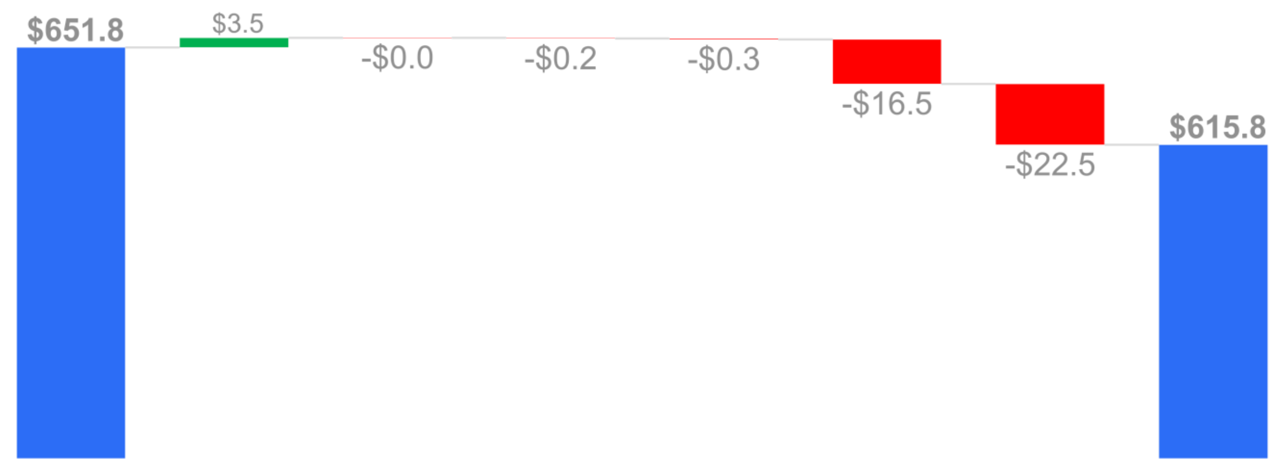
# Tobacco

**$616 M** value sales
-5.5%

**20.5 M** unit sales
-6.0%

## Growth in vaping does not offset the declines for cigarettes and roll your own tobacco

### Total Defined Service Station – Value Contribution $ (M)



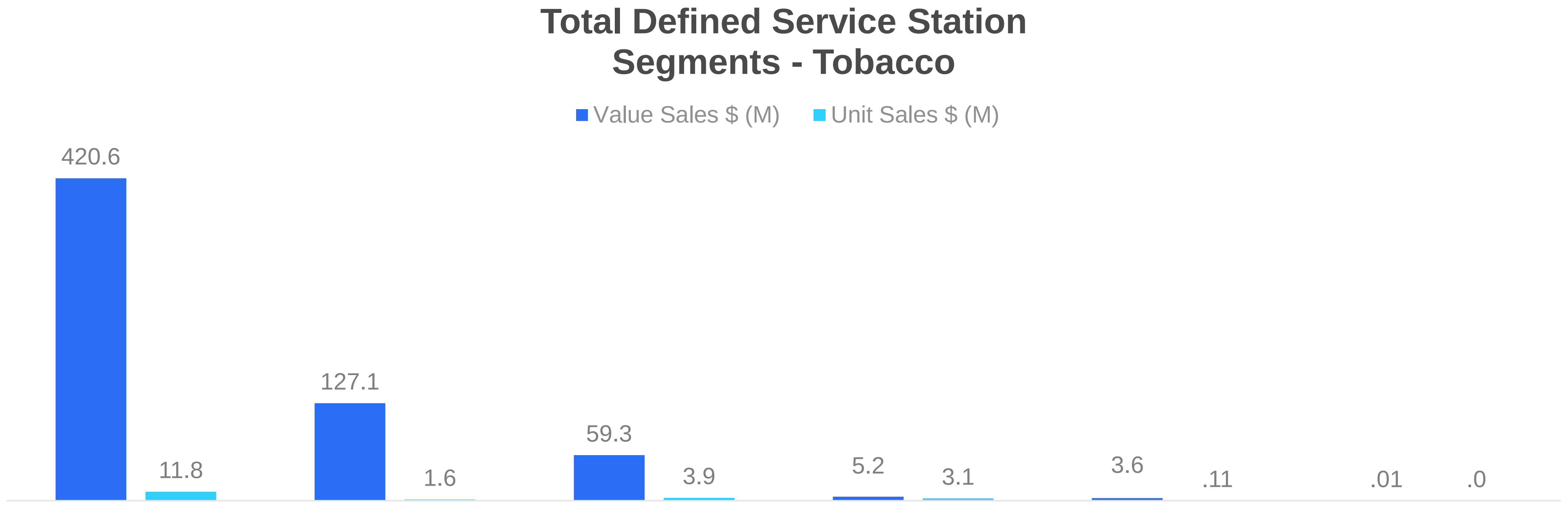

| | TOTAL RETAIL YA | ELECTRONIC CIGARETTES | PIPE TOBACCO | CIGARS | TOBACCO ACCESSORIES | ROLL YOUR OWN TOBACCO | CIGARETTES | TOTAL RETAIL TY |
|---|---|---|---|---|---|---|---|---|
| Value % Chg YA | | 6.4% | -18.9% | -6.3% | -5.1% | -11.5% | -5.1% | -5.5% |
| Unit % Chg YA | | 32.2% | -26.3% | -14.1% | -14.9% | -16.9% | -10.5% | -6.0% |

Source: NielsenIQ Scan | New Zealand | Total Defined Service Stations | MAT to 10 September 2023 vs YA

NIQ

# Tobacco is heavily reliant on Cigarettes, presenting a challenge for the category

Vaping continues to grow and will be the focus of growth for the category




| | CIGARETTES | ROLL YOUR OWN TOBACCO | ELECTRONIC CIGARETTES | TOBACCO ACCESSORIES | CIGARS | PIPE TOBACCO |
|---|---|---|---|---|---|---|
| Value % Share | 68.3% | 20.6% | 9.6% | 0.8% | 0.6% | 0.0% |
| Unit % Share | 57.5% | 7.8% | 19.1% | 15.0% | 0.5% | 0.0% |

Source: NielsenIQ Scan | New Zealand | Total Defined Service Stations | MAT to 10 September 2023 vs YA

# Vuse and Solo vaping products driving category with mint flavours

## $6.1M from Tobacco NPDs not offsetting the $36M category decline






Solo Plus Disposable Vape Mint

$600K

Vuse Go XL Mint Ice

$621K

Vuse Go Disposable Mint Ice

$1.2M

Vuse Go XL Spearmint

$242K

Solo Plus Disposable Vape Menthol

$305K

Source: NielsenIQ Scan | New Zealand | Defined Service Stations | MAT 10 Sept 2023
Ranked by top sales within the first 13 weeks of launch; Value based on MAT

## Smoke Free Aotearoa 2025

- Nearly 85% of New Zealanders are smokefree
- Goal of fewer than 5% of New Zealander will be smokers by 2025
- To achieve this goal, the government proposed plans to make it harder to buy smoked tobacco products

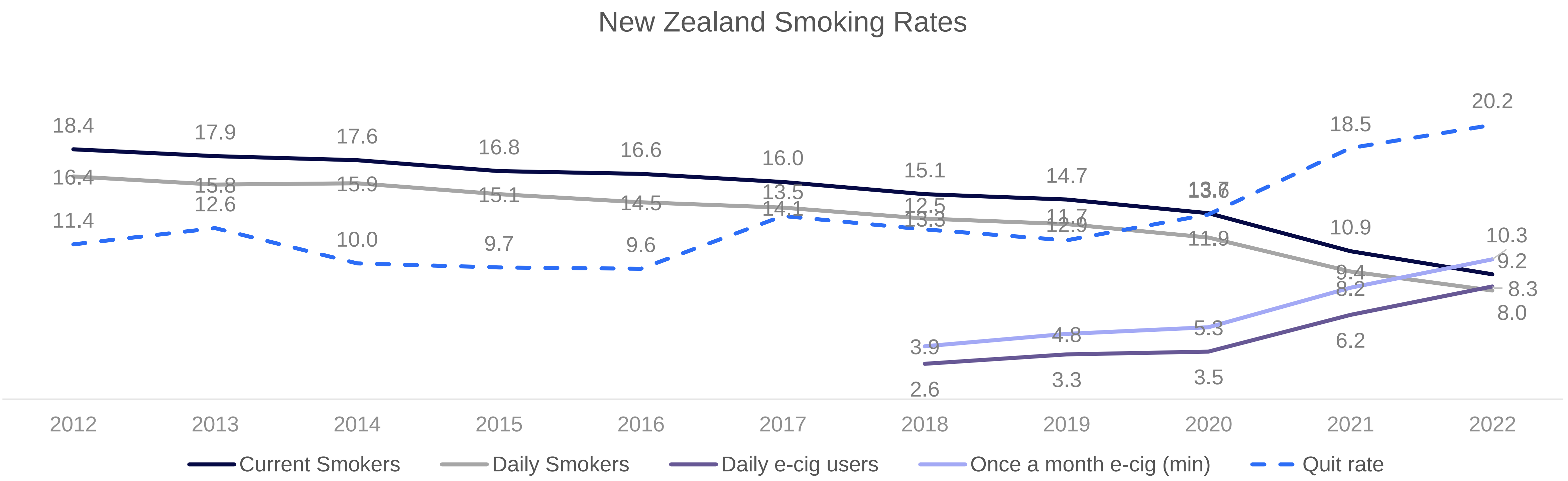
Smokefree Aotearoa 2025 | Smokefree
Proposals for the Smoked Tobacco Regulatory Regime – Public Consultation Document (health.govt.nz)

## Proposed Tobacco Legislation

- Restricts the sales of smoked tobacco products to limited number of approved retailers by the 1st of July 2024
- No more than 600 retail premises across the country (currently there is ~6,000 locations)
- Prohibits anyone from selling or supplying smoked tobacco products to people born on or after 1st January 2009

# Quit rates on the rise, while vaping rates exceeding the number of smokers

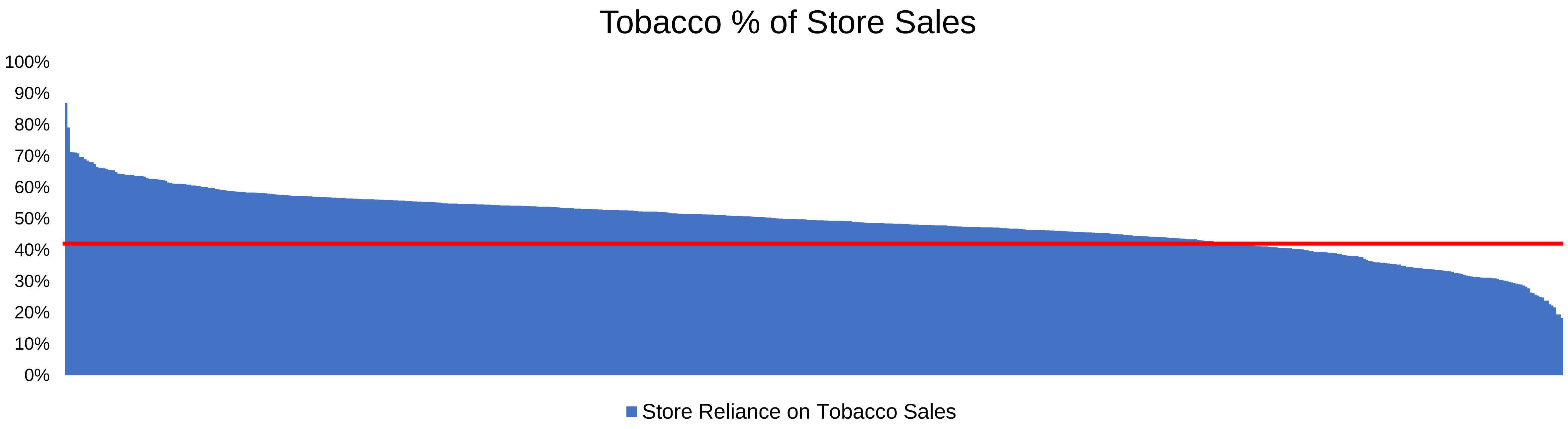
Smoking tobacco in New Zealand continues to decline year over year




Source: Ministry of Health NZ
Explore topics: Tobacco & Vaping / e-cigarette use (adult aged 15 years and over)

# Store reliance on tobacco sales will determine risk of store survival

Channel average is 41% share, yet most stores trade above the average

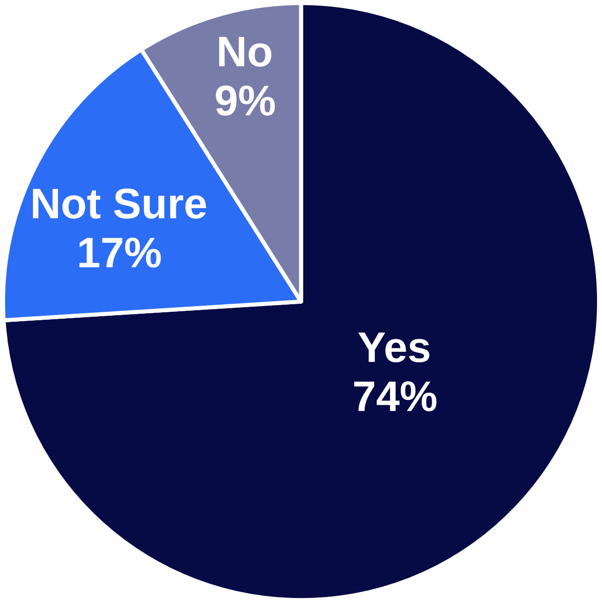


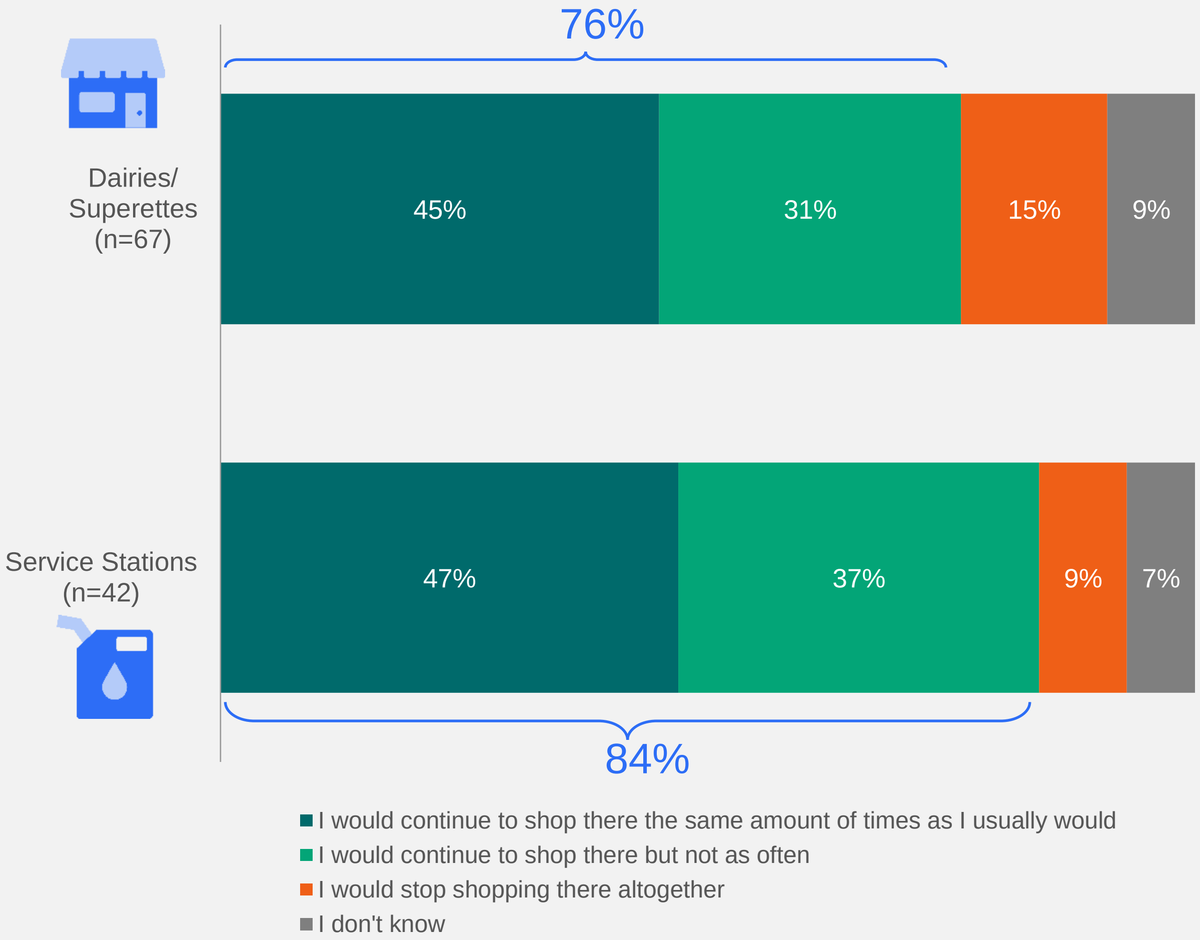

Source: NielsenIQ Scan | New Zealand | Defined Convenience Stores| MAT to 28 May 2023

# Work to keep consumers coming at the same rate with the right range offerings

Despite the proposed tobacco legislation, current smokers claim they will continue to shop the channel

*Will you continue to shop at Convenience Stores (include SS and Dairies) if you are not able to buy Tobacco?*




Source: NielsenIQ Homescan Survey June 2023 | Total New Zealand (households)

Source: NIQ Online Omnibus Survey | New Zealand (individuals)

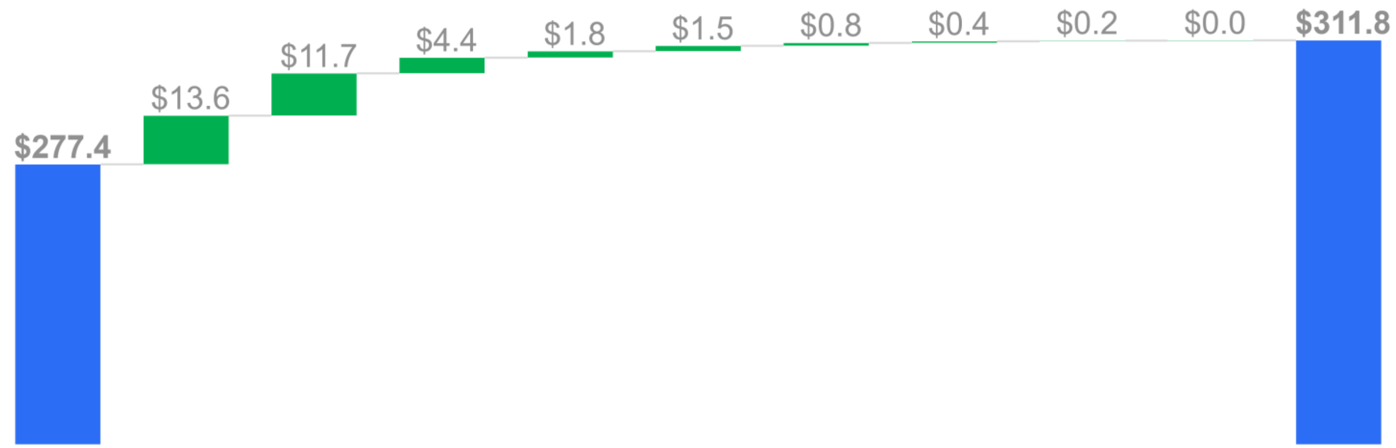
# Beverages

**$312 M** value sales
+12.4%

**78.4 M** unit sales
+8.5%

## Beverages growth driven by sport & energy drinks and fresh coffee, followed by carbonated beverages

**Total Defined Service Station – Value Contribution $ (M)**



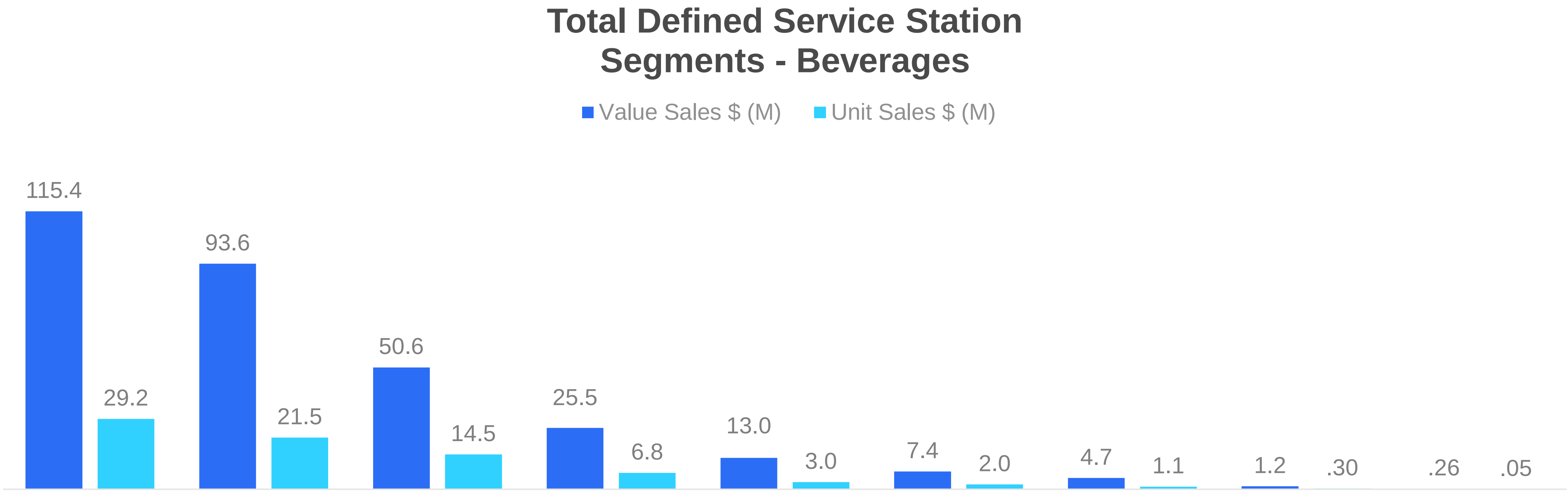

| | TOTAL RETAIL YA | SPORTS ENERGY AND OTHER RTDS | FRESH PREPARED COFFEE | CARBONATED BEVERAGES | WATER | COFFEE | UHT FLAVOURED MILK | FRUIT JUICE AND DRINKS | RTD TEA | ALL OTHERS | TOTAL RETAIL TY |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Value % Chg YA | | 13.3% | 14.3% | 9.5% | 7.6% | 46.8% | 6.9% | 5.6% | 22.1% | 14.4% | 12.4% |
| Unit % Chg YA | | 8.6% | 9.5% | 8.5% | 4.9% | 49.3% | 0.8% | 2.3% | 18.8% | 7.6% | 8.5% |

Source: NielsenIQ Scan | New Zealand | Total Defined Service Stations | MAT to 10 September 2023 vs YA

NIQ

# Top 3 categories are the main contributors for growth in beverages

Focus on ensuring the optimal range is available to keep driving growth




| | SPORTS ENERGY AND OTHER RTDS | FRESH PREPARED COFFEE | CARBONATED BEVERAGES | WATER | UHT FLAVOURED MILK | FRUIT JUICE AND DRINKS | COFFEE | RTD TEA | ALL OTHERS |
|---|---|---|---|---|---|---|---|---|---|
| Value % Share | 37.0% | 30.0% | 16.2% | 8.2% | 4.2% | 2.4% | 1.5% | 0.4% | 0.1% |
| Unit % Share | 37.3% | 27.4% | 18.5% | 8.7% | 3.8% | 2.5% | 1.4% | 0.4% | 0.1% |

Source: NielsenIQ Scan | New Zealand | Total Defined Service Stations | MAT to 10 September 2023 vs YA

# Energy & Sports drink lead the way for beverages

## $5.7M from NPDs in Beverages with $3.6M sourcing from energy and sports drinks


V Refresh Tropical Tang Energy Drink

$485K


Gatorade Fierce Grape

$406K


V Refresh Green Apple Lemonade Energy Drink

$234K


Monster Papillon Energy Drink

$802K


Red Bull Jade Edition Energy Drink

$215K

Source: NielsenIQ Scan | New Zealand | Defined Service Stations | MAT 10 Sept 2023
Ranked by top sales within the first 13 weeks of launch; Value based on MAT

# Confectionery

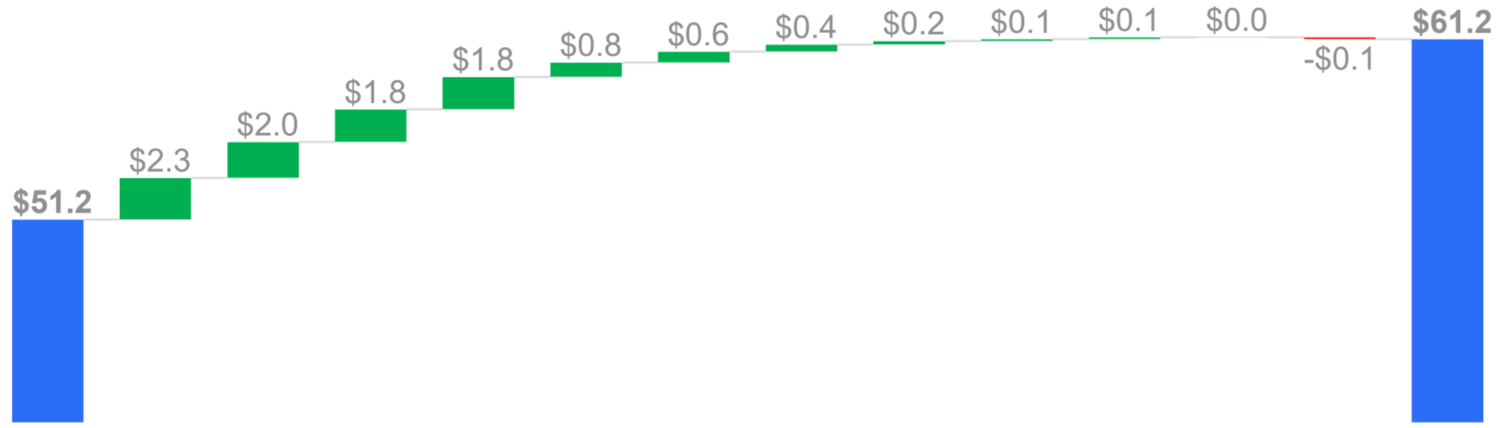
**$61 M** value sales
+19.7%

**19.3 M** unit sales
+9.2%

NIQ

## Chocolate driving half the growth followed by family bags sugar confectionery and chewing gum

### Total Defined Service Station – Value Contribution $ (M)

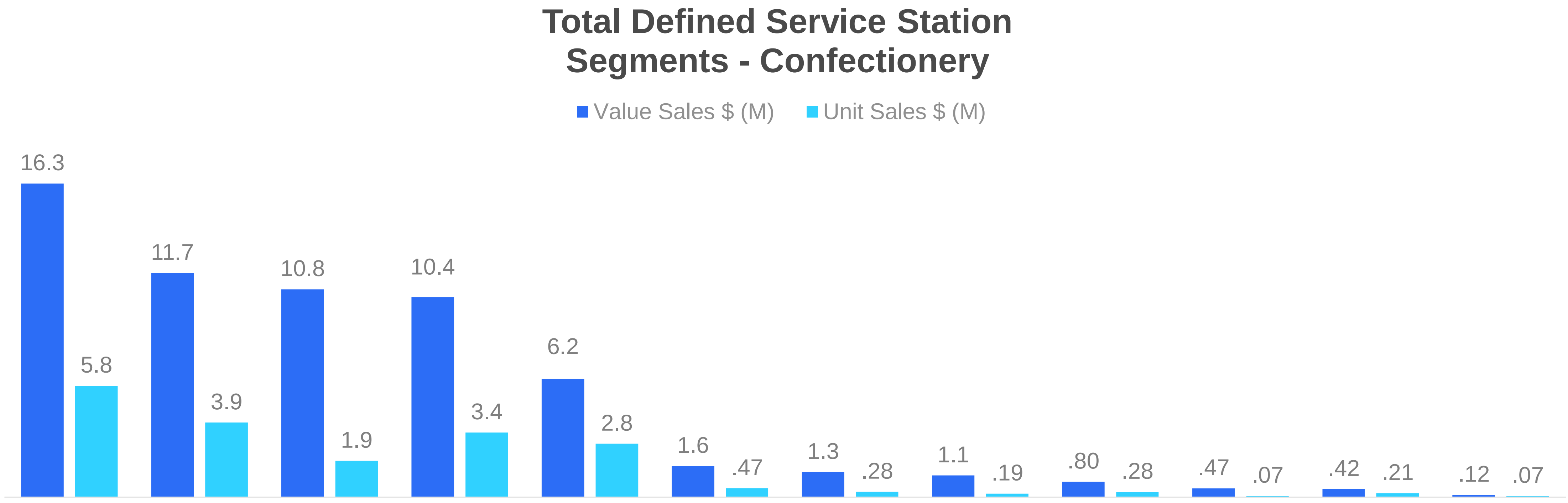



| | TOTAL RETAIL YA | MOULDED CHOCOLATE | ENROBED BARS | SUGAR CONF FAMILY BAGS | CHEWING GUM | SUGAR CONF STICK/ROLL PACKS | SUGAR CONF CARD/TUB PACKS | SUGAR CONF MINI BAGS | SUGAR CONF HANDY BAGS | CHOCOLATE SELF LINES | EASTER CONFECTIONERY | BUBBLE GUM | ALL OTHERS | TOTAL RETAIL TY |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Value % Chg | | 24.8% | 14.3% | 19.9% | 20.4% | 14.3% | 61.3% | 124.3% | 21.8% | 9.3% | 23.7% | 7.5% | -19.2% | 19.7% |
| Unit % Chg | | 22.4% | 7.5% | 9.4% | 6.6% | 0.0% | 7.5% | 65.9% | 16.9% | 8.2% | 17.6% | -6.0% | -51.4% | 9.2% |

Source: NielsenIQ Scan | New Zealand | Total Defined Service Stations | MAT to 10 September 2023 vs YA

# Key confectionery category are critical for every service station to range

Ensure the range offerings are meeting consumer needs




| | ENROBED BARS | MOULDED CHOCOLATE | SUGAR CONF FAMILY BAGS | CHEWING GUM | SUGAR CONF STICK/ROLL PACKS | SUGAR CONF CARD/TUB PACKS | SUGAR CONF HANDY BAGS | CHOCOLATE SELF LINES | SUGAR CONF MINI BAGS | ALL OTHERS | EASTER CONFECTIONERY | BUBBLE GUM |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Value % Share | 26.6% | 19.0% | 17.7% | 17.0% | 10.1% | 2.6% | 2.1% | 1.9% | 1.3% | 0.8% | 0.7% | 0.2% |
| Unit % Share | 30.1% | 20.1% | 9.8% | 17.5% | 14.4% | 2.4% | 1.5% | 1.0% | 1.4% | 0.4% | 1.1% | 0.3% |

Source: NielsenIQ Scan | New Zealand | Total Defined Service Stations | MAT to 10 September 2023 vs YA

NIQ

# Classics with a twist top the confectionery NPDs

$3.9M in NPDs for confectionery


Kit Kat Milky Bar

$139K


Snickers Peanut Brownie Bar

$129K


Gumy Yum Surprise Pink

$190K


Gumy Yum Surprise Blue

$170K


Snickers Bar 2s

$752K

Source: NielsenIQ Scan | New Zealand | Defined Service Stations | MAT 10 Sept 2023
Ranked by top sales within the first 13 weeks of launch; Value based on MAT

# Looking Forward

# Is convenience the key benefit for service station consumers? How do we broaden our appeal?

**61%**

getting petrol anyway

**53%**

only go when need something urgently

**43%**

close to home/work

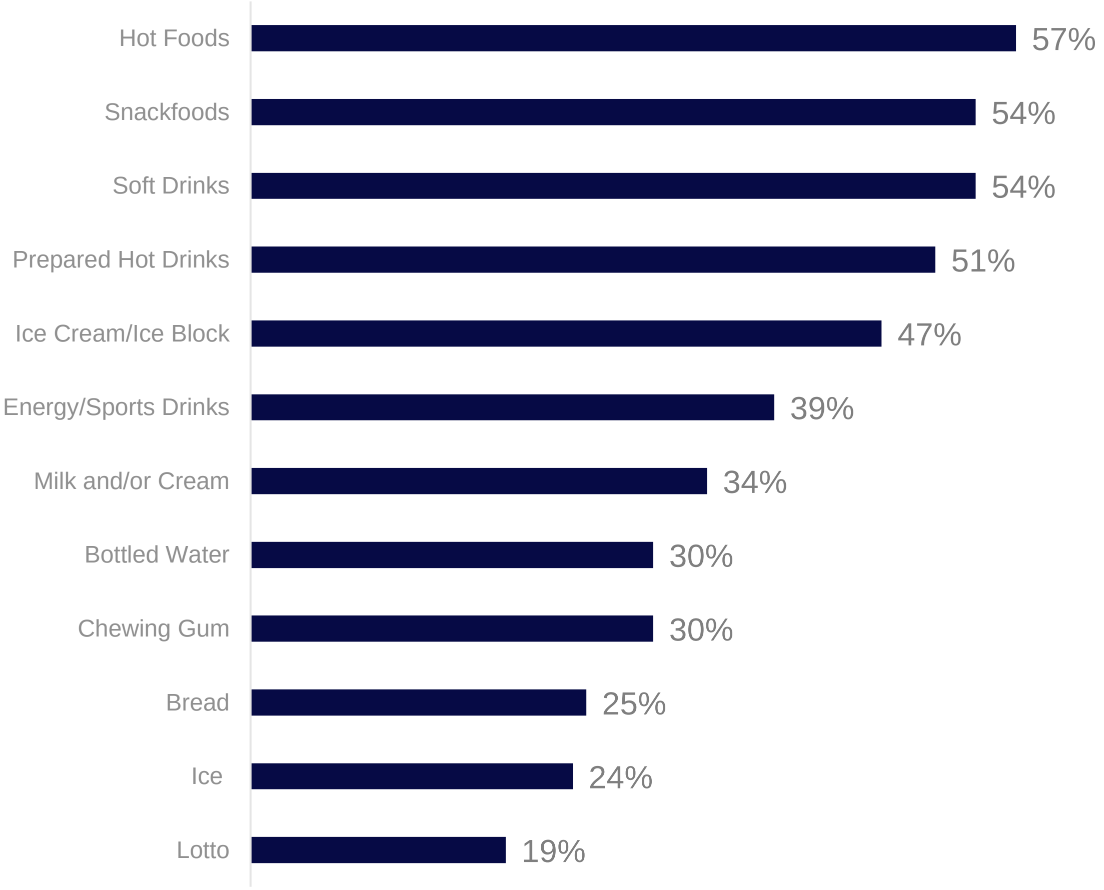
**37%**

quicker than going to supermarket

Source: Nielsen Homescan Survey June 2023 | Total New Zealand

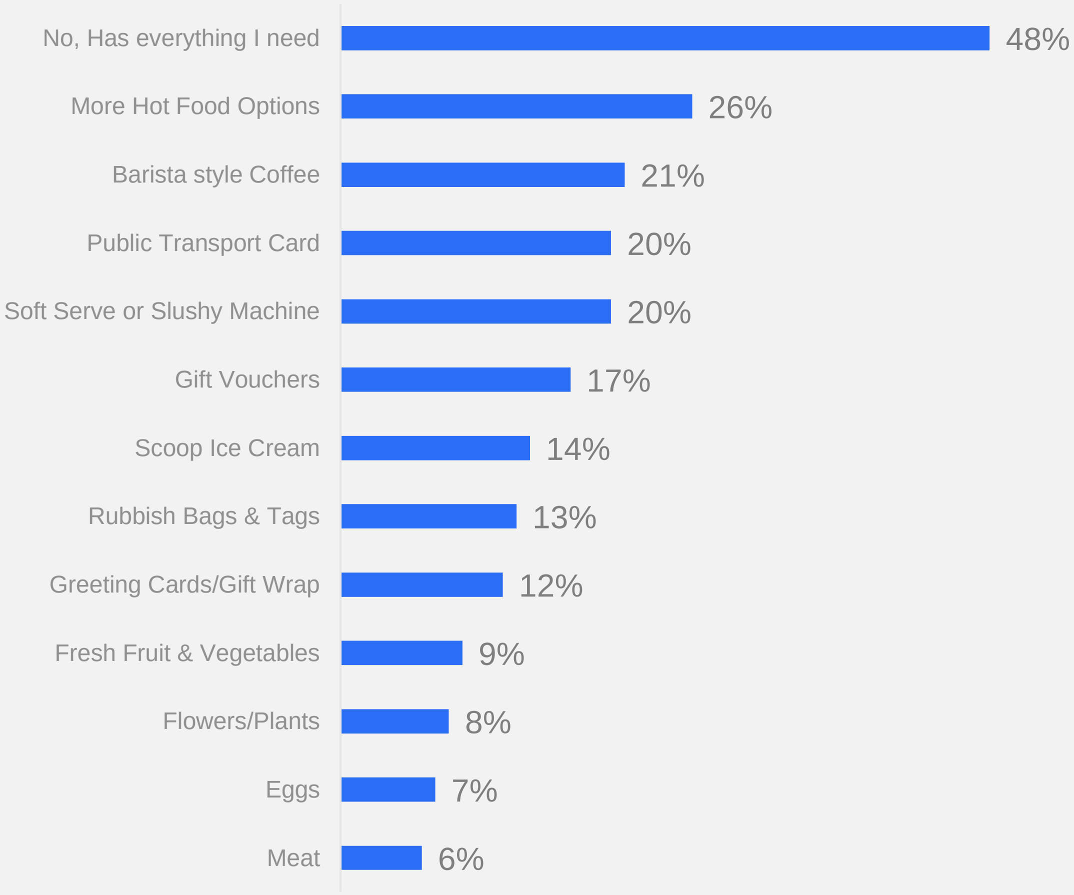
# Reasons to shop at Service Stations

*Tobacco not making the top 12 reasons – sitting at 11%*




# What else do you need?

While half are satisfied with their options, some consumers would like to see more




Source: Nielsen Homescan Survey June 2023 | Total New Zealand

# If stores consolidate, consumers need a place to go – consider the offerings consumers go to diaries for as opportunities within service stations

*Top five*
**main item**
needed when shopping
**dairies/ superettes**


**24%** Milk


**14%** Bread


**9%** Energy drinks


**8%** Cigarette/ Tobacco products


**7%** Confectionery

Q5. (n=370)

*Top five*
**main item**
needed when shopping
**service station**


**12%** Coffee/ tea/ other hot drinks


**10%** Energy drinks


**9%** Milk


**9%** Cigarette/ Tobacco products


**8%** Bread, soft drinks and hot foods

Q5. (n=261)

*Q5. And which of these, would you say was the main item you needed when you visited the convenience store(s) in the last 4 weeks?*
Base: Those aged 18 years and over that shop at a <Convenience stores (not associated with petrol stations) e.g., superettes, dairies>/ <Convenience stores inside petrol/ gas/ service stations for items other than petrol> once a month or more often and recall the items they purchased



*Source: NIQ Online Omnibus June 2023*

## Key insights

1. Changing dynamics in the NZ landscape across channels, consumers are consciously making more choices than ever before
2. Fuel costs impact store sales and competition is on the rise, but we are seeing more consistent growth trends
3. The channel is winning through growth in beverages, chilled food and confectionery
4. Tobacco legislation could lead to 40-50% of store closures for dairies, consumers will still shop the channel as tobacco is low on the drivers of store choice

## What *actions* to take

- Ensure strong strategy by banner and partnership execution across supplier base
- Capture the occasion, leverage consumers need for convenience in strong marketing efforts
- Focus on the in-store mix to meet the consumers needs, stock must have products and be competitive on price; tap into categories consumers want
- Right range / right store will become increasingly important as catchments will grow in size, win the battle of attrition!

NIQ

# Thank you

**Larissa Watson**
Consumer Analytics Lead

Larissa.Watson@nielseniq.com

# Appendices

# Category Reviews

# Chilled Food

**$99 M** value sales
+14.3%

**26.0 M** unit sales
+7.4%

## Convenience chilled food key driver to growth in SS

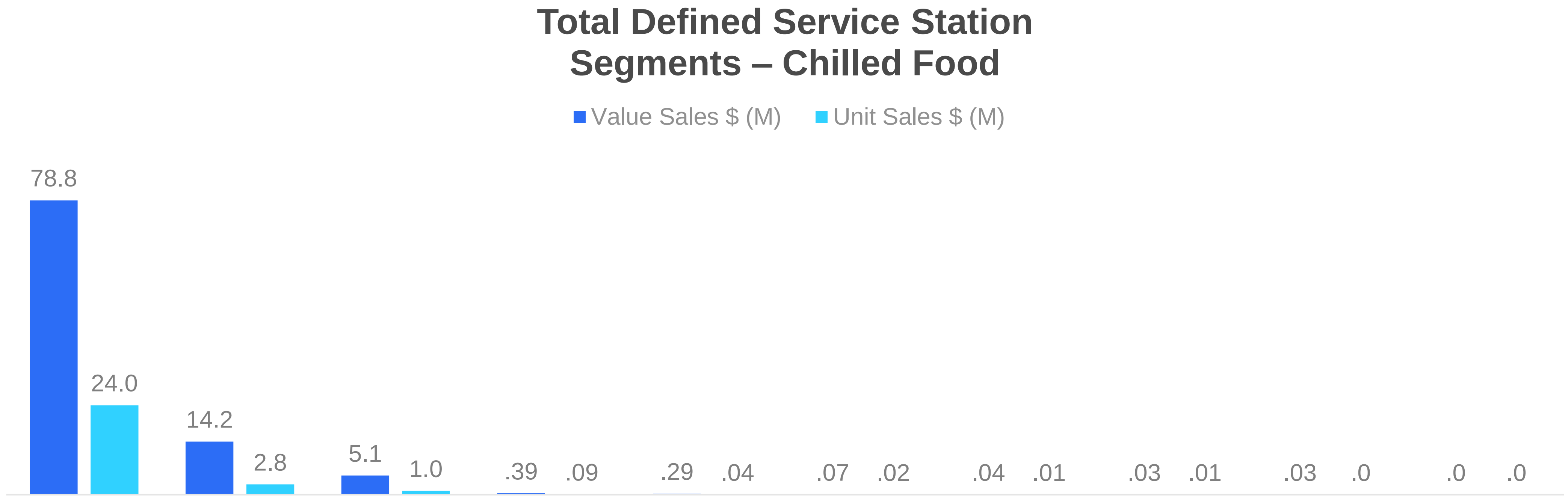
**Total Defined Service Station – Value Contribution $ (M)**


| | TOTAL RETAIL YA | CONVENIENCE FOODS CHILLED | CHILLED BEVERAGES | CHEESE EXCL CULTURED | BUTTER AND MARGARINE | YOGHURT AND DAIRY FOOD | DIPS AND PATE | CULTURED CHEESE | ALL OTHERS | PREPACKED SMALL GOODS | FRESH MILK AND CREAM | TOTAL RETAIL TY |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Value % Chg YA | | 17.7% | 8.7% | 33.8% | 5.8% | 9.8% | 8.9% | 7.4% | 60.0% | -41.6% | -0.2% | 14.3% |
| Unit % Chg YA | | 9.4% | -2.2% | 23.9% | -2.8% | -4.4% | -2.6% | -0.7% | 28.0% | -44.9% | -3.9% | 7.4% |

Source: NielsenIQ Scan | New Zealand | Total Defined Service Stations | MAT to 10 September 2023 vs YA

# Chilled convenience foods makes up 80% of the category

Offering the right convenience food key to maintaining traffic and drive category growth




| | CONVENIENCE FOODS CHILLED | FRESH MILK AND CREAM | CHILLED BEVERAGES | CHEESE EXCL CULTURED | BUTTER AND MARGARINE | YOGHURT AND DAIRY FOOD | DIPS AND PATE | CULTURED CHEESE | PREPACKED SMALLGOODS | ALL OTHERS |
|---|---|---|---|---|---|---|---|---|---|---|
| Value % Share | 79.6% | 14.4% | 5.2% | 0.4% | 0.3% | 0.1% | 0.0% | 0.0% | 0.0% | 0.0% |
| Unit % Share | 85.8% | 9.9% | 3.7% | 0.3% | 0.1% | 0.1% | 0.0% | 0.0% | 0.0% | 0.0% |

Source: NielsenIQ Scan | New Zealand | Total Defined Service Stations | MAT to 10 September 2023 vs YA

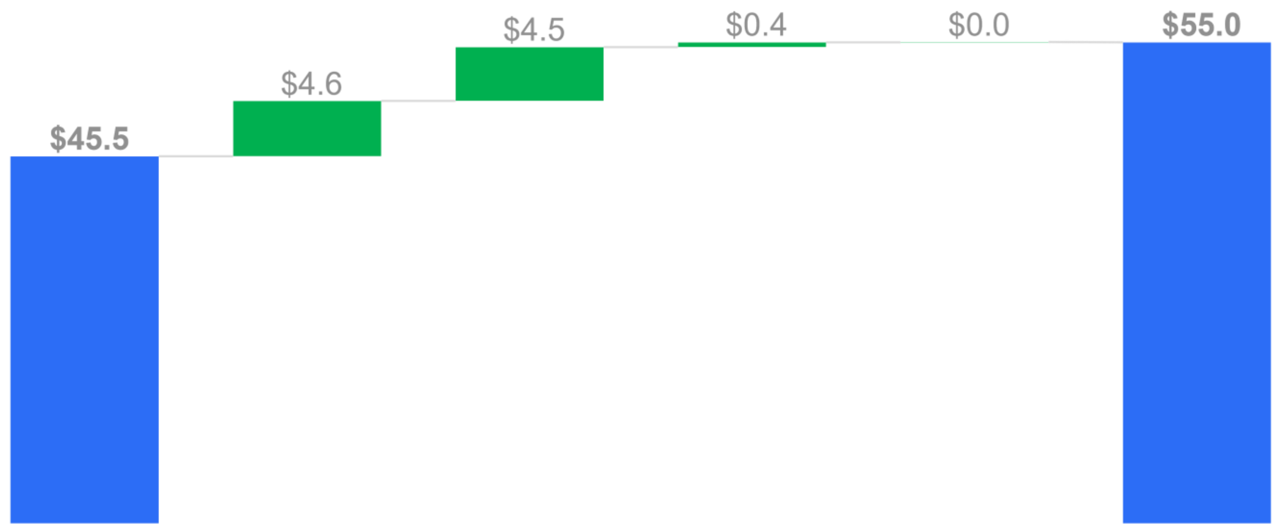
# Frozen Foods

**$55 M** value sales
+20.9%

**11.0 M** unit sales
+3.5%

## Aside from ice cream, convenience frozen foods plays a role in driving growth

**Total Defined Service Station – Value Contribution $ (M)**

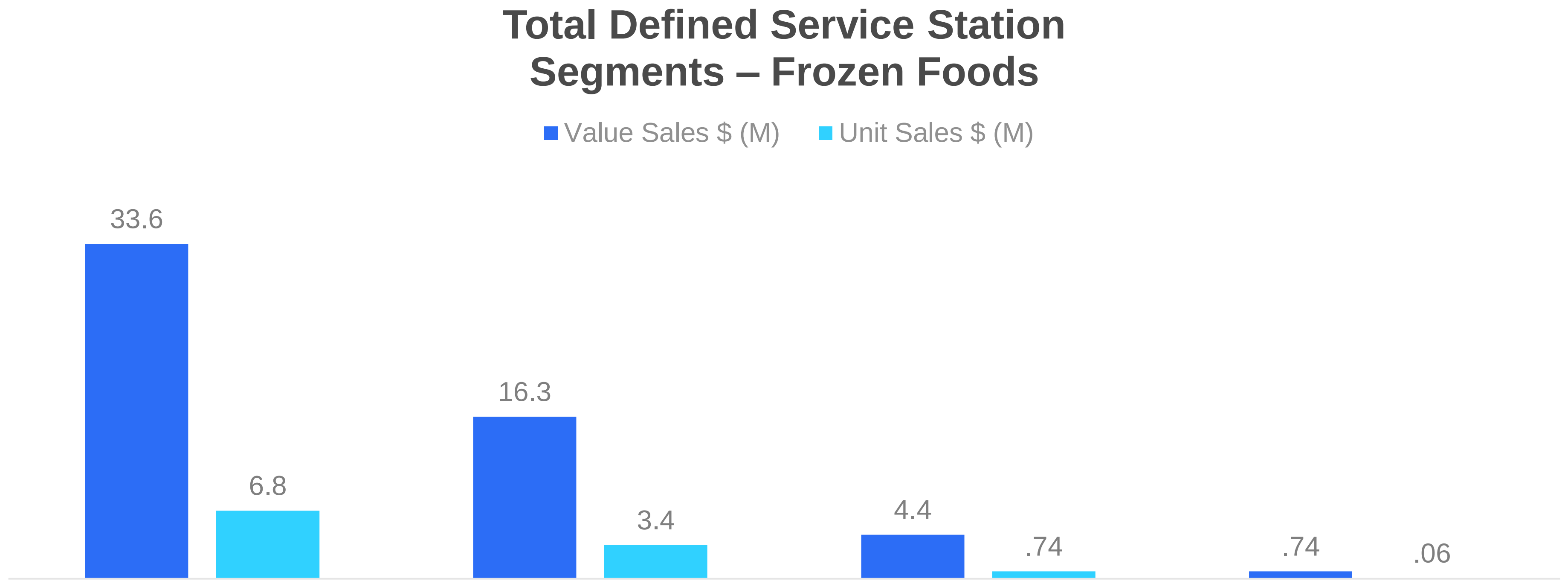



| | TOTAL RETAIL YA | ICE CREAM | CONVENIENCE FOODS FROZEN | FROZEN DESSERTS AND PASTRY | ALL OTHERS | TOTAL RETAIL TY |
|---|---|---|---|---|---|---|
| Value % Chg YA | | 16.0% | 37.9% | 9.9% | 1.0% | 20.9% |
| Unit % Chg YA | | 0.4% | 12.5% | -4.5% | 12.6% | 3.5% |

Source: NielsenIQ Scan | New Zealand | Total Defined Service Stations | MAT to 10 September 2023 vs YA

NIQ

# Convenience frozen food is half the size of ice cream, yet driving just as much growth




| | ICE CREAM | CONVENIENCE FOODS FROZEN | FROZEN DESSERTS AND PASTRY | ALL OTHERS |
|---|---|---|---|---|
| Value % Share | 61.1% | 29.5% | 8.0% | 1.4% |
| Unit % Share | 62.1% | 30.7% | 6.7% | 0.5% |

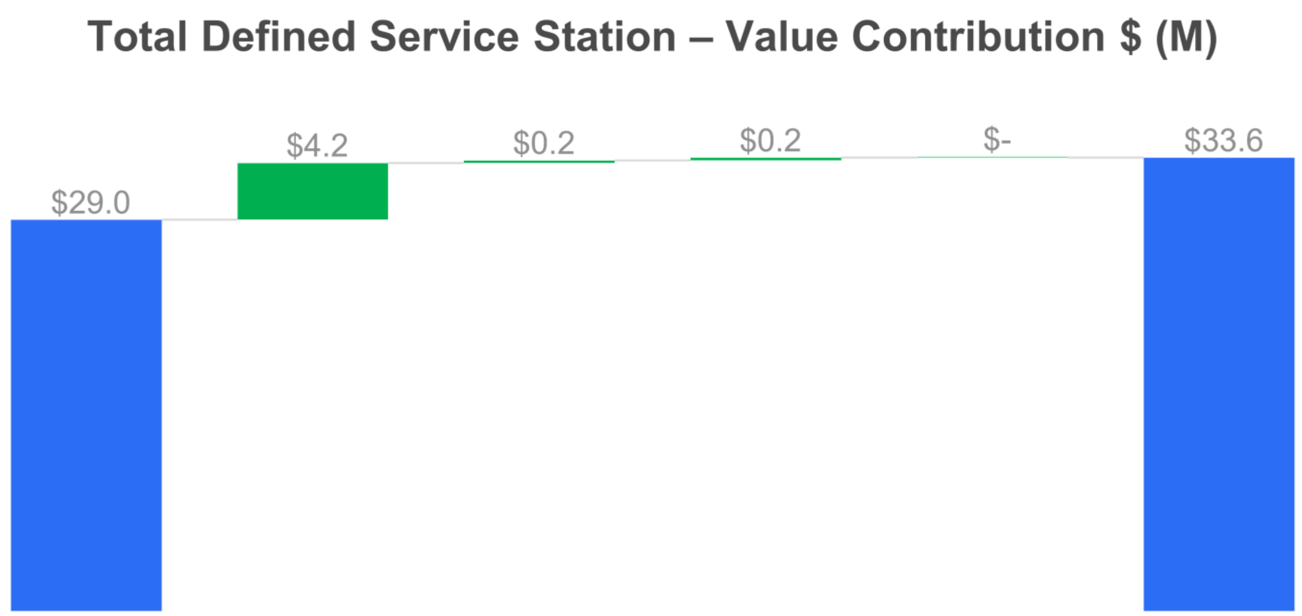
Source: NielsenIQ Scan | New Zealand | Total Defined Service Stations | MAT to 10 September 2023 vs YA

# Ice Cream

**$34 M** value sales
+16.0%

**6.8 M** unit sales
+0.4%

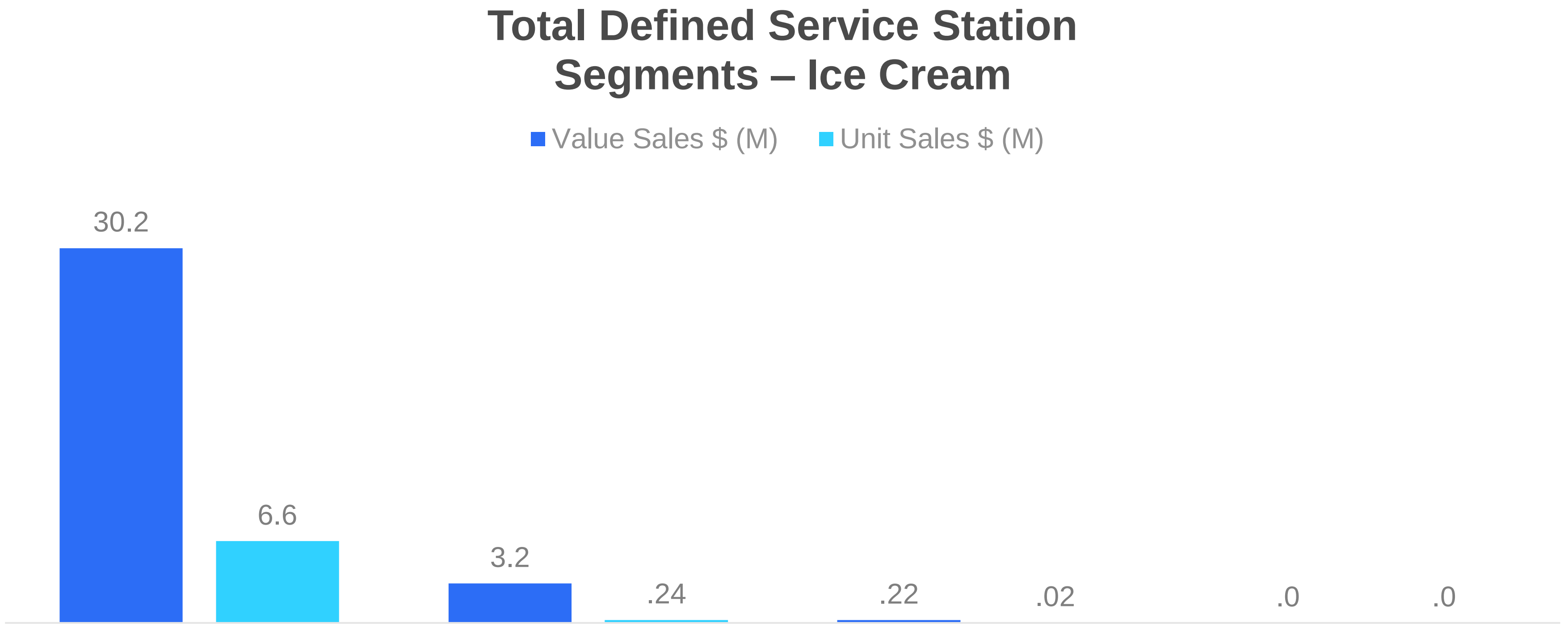
## Single on the go ice cream key driver for category




| | TOTAL RETAIL YA | ICE CREAM NOVELTY/ SINGLES | ICE CREAM TAKE HOME | ICE CREAM FAMILY PACKS | ICE CREAM BULK | TOTAL RETAIL TY |
|---|---|---|---|---|---|---|
| Value % Chg YA | | 16.4% | 7.0% | 279.0% | 0.0% | 16.0% |
| Unit % Chg YA | | 0.2% | -1.2% | 291.1% | 0.0% | 0.4% |

Source: NielsenIQ Scan | New Zealand | Total Defined Service Stations | MAT to 10 September 2023 vs YA

# Single serve ice cream is critical for service stations as it provides perfect on-the-go treat




| | ICE CREAM - NOVELTY/SINGLES | ICE CREAM - TAKE HOME | ICE CREAM - FAMILY PACKS | ICE CREAM - BULK |
|---|---|---|---|---|
| Value % Share | 89.9% | 9.5% | 0.7% | 0.0% |
| Unit % Share | 96.3% | 3.4% | 0.2% | 0.0% |

Source: NielsenIQ Scan | New Zealand | Total Defined Service Stations | MAT to 10 September 2023 vs YA

# Branding collaborations and a twist on classic flavours proves to be successful for ice cream

$3.6M in value sales for NPDs in Ice Cream





Street Cookie Time Original

$808K

Street Cookie Time Chocolate

$599K

Tip Top Trumpet Smores

$376K

Streets Magnum White Chocolate & Berry Remix

$413K

Streets Magnum Chocolate Classic Remix

$332K

Source: NielsenIQ Scan | New Zealand | Defined Service Stations | MAT 10 Sept 2023
Ranked by top sales within the first 13 weeks of launch; Value based on MAT

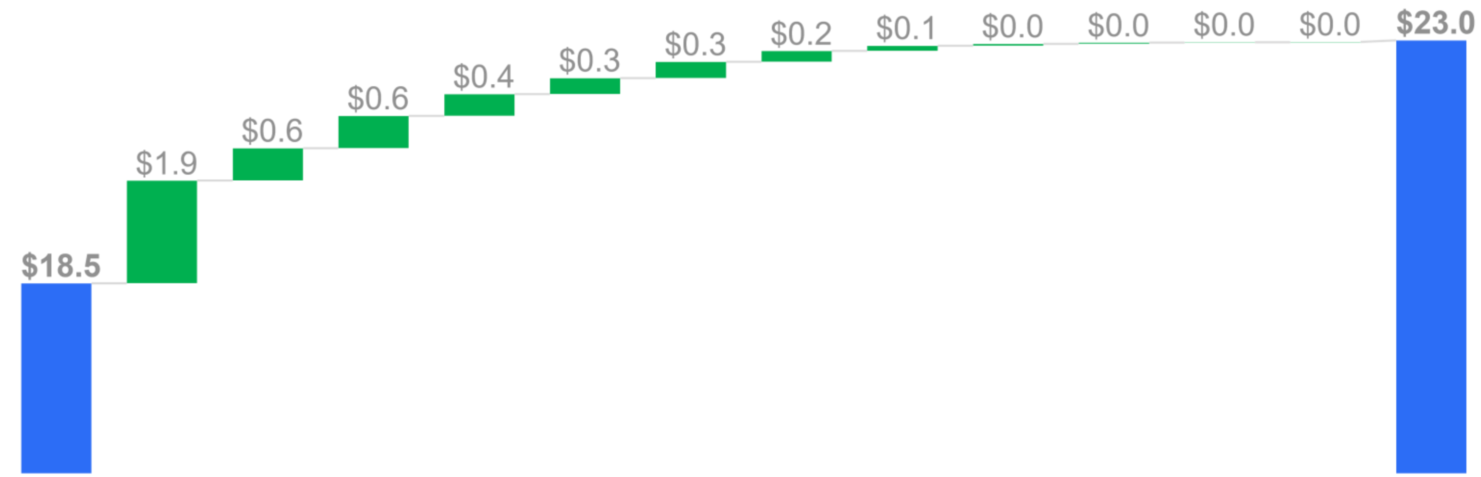
# Snack Foods

**$23 M** value sales
+24.5%

**5.7 M** unit sales
+14.5%

## Potato chips primary driver to snackfoods growth

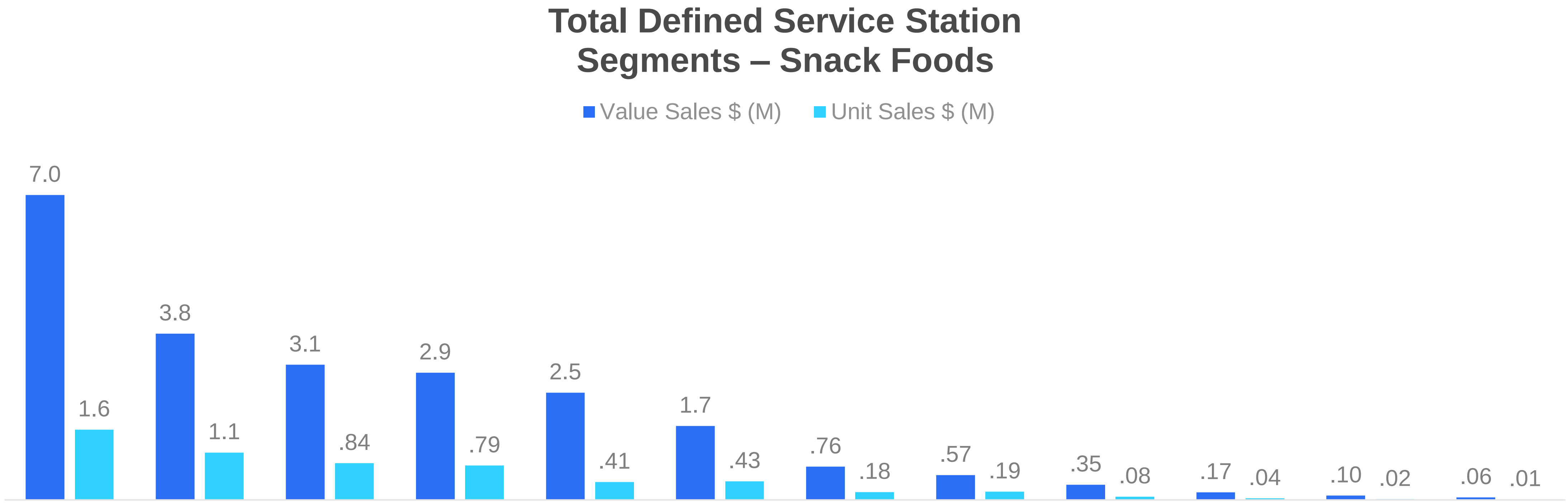
### Total Defined Service Station – Value Contribution $ (M)




| | TOTAL RETAIL YA | PREMIUM PC | MEAT SNACKS | EXTRUSIONS | MAINSTREAM PC | CORN CHIPS | NUTS | VEGE CHIPS | CEREAL SNACKS | ETHNIC SNACKS | POPCORN READY TO EAT | BREAD SNACKS | ALL OTHERS | TOTAL RETAIL TY |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Value % Chg YA | | 36.2% | 35.7% | 25.8% | 11.5% | 12.9% | 22.7% | 24.9% | 26.5% | 24.1% | 6.3% | 9.7% | 7.2% | 24.5% |
| Unit % Chg YA | | 29.1% | 31.6% | 14.1% | 1.5% | 2.9% | 18.1% | 17.6% | 13.5% | 15.2% | -4.1% | -8.0% | 6.3% | 14.5% |

Source: NielsenIQ Scan | New Zealand | Total Defined Service Stations | MAT to 10 September 2023 vs YA

# While meat snacks is not the top category, it is driving second most value growth




| | PREMIUM PC | MAINSTREAM PC | EXTRUSIONS | CORN CHIPS | MEAT SNACKS | NUTS | VEGE CHIPS | CEREAL SNACKS | POPCORN READY TO EAT | ETHNIC SNACKS | BREAD SNACKS | ALL OTHERS |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Value % Share | 30.4% | 16.6% | 13.5% | 12.7% | 10.7% | 7.4% | 3.3% | 2.5% | 1.5% | 0.8% | 0.4% | 0.3% |
| Unit % Share | 28.3% | 19.1% | 14.8% | 13.9% | 7.3% | 7.5% | 3.2% | 3.3% | 1.4% | 0.7% | 0.3% | 0.3% |

Source: NielsenIQ Scan | New Zealand | Total Defined Service Stations | MAT to 10 September 2023 vs YA

# Corn chips topping the snackfoods innovations with interesting flavours

Keeping the category new and interesting will feed into consumers impulse purchases






Doritos 3D Cheese Extreme

$68K

Doritos Nacho Spicy

$68K

Doritos Guacamole Salsa

$52K

Mr Hamfreys Oven Roasted Pork Crackle

$50K

Bluebird Original Cut Cheeseburger

$34K

Source: NielsenIQ Scan | New Zealand | Defined Service Stations | MAT 10 Sept 2023
Ranked by top sales within the first 13 weeks of launch; Value based on MAT

# Thank you

**Larissa Watson**
Consumer Analytics Lead

Larissa.Watson@nielseniq.com