Global Food and Grocery Retailing, 2013-2018

Market Dynamics, Retail Trends and Competitive Landscape

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Summary

The “Global Food and Grocery Retailing, 2013-2018” report, published by Conlumino, provides an analysis of current and forecast market data of retail sales in the food and grocery categories across different channels globally. Also provides, food and grocery data by categories food, drinks, household products and tobacco. In addition, it highlights the largest and fastest growing markets for the food and grocery categories identifying key trends influencing the markets, with an emphasis on innovative retailers across different channels.

Key findings

Global food and grocery retail sales are forecast to reach US$11 trillion by 2018, largely driven by the growth of modern retailing formats in developing economies

China is set to continue as the largest food and grocery market globally in 2018, with 32% of the global share of food and grocery retailing

Convenience stores (including independents) and gas stations are set to remain the largest channel for food and grocery sales; however, online retailers are growing at a faster pace

The dominance of local and smaller retailers in the world’s most populous countries of India and China, and other emerging markets, primarily influences the large size of convenience stores in the global food and grocery market.
Reasons to buy

The report provides an essential overview of the global food and grocery retail market, highlighting the largest and fastest growing markets across the globe.

Provides analysis of the latest trends, market dynamics (covering 12 channels) and key innovations in retail space in major countries across the four regions, of the Americas, Europe, Asia-Pacific, and the Middle East and Africa.

Identifies the largest and fastest growing channels for the category in major countries across the four regions as well as the highest value growth.

Provides category segmentation by foods, drinks, household products and tobacco.

Benefit from a detailed analysis of key trends influencing the food and grocery retail market.

Monitor the competitive landscape, with analysis of key international players across the four regions.

111 SLIDES, 125 DATA CHARTS & GRAPHS + INFOGRAPHICS & TABLES
Global analysis of Food and Grocery Retail market
(Slide 12)

Introduces global food and grocery retail landscape, includes current market size and forecast, highlights world’s fastest growing markets and channels. Also provides key trends, and sales developments in growth of food and grocery sales.

Americas
(Slide 32)
Highlights food and grocery retail market size in 2013 and its forecast till 2018 with break-down for Food, Drinks, Household products and Tobacco
Biggest and fastest growing food and grocery retail markets
Largest and fastest growing channels by country
Food and grocery retail trends
Major food and grocery retailers in the region
Innovative food and grocery retailers

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Highlights food and grocery retail market size in 2013 and its forecast till 2018 with break-down for Food, Drinks, Household products and Tobacco
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Biggest and fastest growing food and grocery retail markets
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Appendix
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Detailed definitions of channels and product categories covered in the report. Enlists the 50 countries by region.
SUMMARY

Global analysis of Food and Grocery Retail market

Global Food and Grocery retail market to reach US$xx trillion by 2018, driven by growth from developing countries such as China and India.

Online, convenience and hard discounters are the fast growing channels in 2013-2018, however the convenience store remains the largest channel.

Growing world population, rising disposable incomes and spending habits and growth in modern grocery retailing in developing markets remain as key drivers.

Americas

The Americas region recorded total food and grocery sales of US$xx billion in 2013.

The Peruvian food and grocery market is forecast to grow the fastest, driven by growing disposable incomes, and increasing preference among consumers for procuring branded food and grocery products from modern retailing formats.

American retailers and consumers now tend to show greater preference towards small format convenience stores in opposition to the earlier preference for big-box retailing.

Walmart and P&G have opened virtual stores in the US.

Europe

The total food and grocery sales recorded in Europe was US$xx billion in 2013.

Factors such as health, economic conditions and rising disposable income levels will continue to drive the food and grocery retail market over the next five years, in Ukraine, the fastest growing market in the region.

Private labels continue to see increasing demand in the UK, while click and collect services and popularity for locally sourced food products is on a rise in France.

Ecologos concept store provides package free products.

Asia-Pacific

Asia-Pacific had a total food and grocery market of US$xx billion in 2013.

An ongoing trend of urbanization, increasing disposable income levels, growing middle class and rising concerns towards food safety are key driver for the growth in China, the fastest growing market in the Asia-Pacific region.

Traditional mom and pop stores continue to dominate the Indian food and grocery retail market, while Japan continues to see a growth in private label sales.

Yihaodian’s virtual shopping app remains a key innovation in the region.

Middle East and Africa

The Middle East & Africa registered total food and grocery sales of US$xx billion in 2013.

Increasing household spending levels, urbanization, and the rapid expansion of modern retailing concepts across the country will continue to drive the food and grocery retail sector in the UAE.

Young Saudi Arabian population show greater inclination towards hypermarkets and supermarkets while the UAE market is witnessing an increase in convenience store formats.

Appendix

Detailed definitions of channels and product categories covered in the report. Enlists the 50 countries by region.
GLOBAL SUMMARY EXAMPLES

China will continue to be largest food and grocery market

Food has the highest share of sales in food and grocery market

The US will be the largest market for hypermarkets, supermarkets and hard-discounters channel

Top 5 countries by channel sales for food and grocery market 2013-2018 (US$ bn)

- The rapid growth in the global food and grocery retail sector is partly contributed to by hypermarkets, supermarkets, and hard-discounters, which dominated with a 36.2% of market share in 2013.
- Many retailers that saw market shares stagnate started registering a notable growth over the historic period, as budget consumers showed increased interest for this channel, following the recession and European financial crisis. Private label offerings from this channel are also gaining improved consumer interest.
- The expansion plans of major retail chains to under-penetrated and unorganized developing markets are also supporting the growth of this channel. A new shopping experience and wider range of product offerings act as key drivers in developing markets.
- The biggest threat to hypermarkets, supermarkets and hard-discount segment are convenience and online channels, which cater more effectively to modern shopping behavior.
REGIONAL SUMMARIES EXAMPLES

The US leads the Americas food and grocery market

Innovative retailers in Europe

Virtual stores gain more space in the European market

- Carrefour installed two virtual stores in France, one each in Lyon and Paris in 2012. These virtual stores were in the form of cubicles with high resolution pictures of food and non-food items accompanied by bar codes. With the help of a mobile app, customers could scan the bar codes to select items they would like to purchase. Additionally, customers could choose their preferred delivery methods. The goods could be either delivered to the doorstep or picked up from convenience stores.

- Tesco unveiled virtual stores at Gatwick airport in the form of fridges. Customers could snap pictures of food and non-food items accompanied with a bar code. Customers could either buy them on the spot and carry them in their baskets or deliver the shopping to their homes. They could also make a selection and return home to an empty fridge and save the hassle of having to go shopping again after returning from a journey.

- Frisco.pl, the portfolio company of MCI management, launched Poland’s first virtual grocery store at Warsaw’s Central metro station. The virtual store is designed as a self-service kiosk with the collaboration of 100 online shops. A mobile app will allow customers to order for delivery, free of delivery cost.

Top five countries by sales in each channel

Top five markets for Food and drinks specialists 2013-2018 (US$ bn)

Top five markets for Cash and carries and Supermarkets 2013-2018 (US$ bn)

Source: Conlumino

Top three largest and fastest growing channels

Convenience stores (including independents) and gas stations are the most preferred channels for Chinese consumers to shop for food and groceries. Good quality of management systems and highly standardized store layouts are two of the main reasons behind the success of convenience stores. Convenience stores are also leveraging the increasing penetration level of both the internet and mobile phones, which are expected to drive online spending over the next five years.

With a rise in organized retailing, the Indian food and grocery sector has seen a remarkable transformation over the past couple of years. The sector is highly dominated by domestic retailers but few international giants such as Flipkart and Amazon have entered the Indian market with their cash and carry formats. The increasing purchasing power of the Indian population, as well as the impact of the increasing affluence, leads to significant opportunities for online retailers.

The Philippines is set to witness a healthy CAGR of sales over the next five years, to reach US$8.7bn by 2018. Shopping centers and supermarkets have helped retailers to strengthen their presence in the country. Changing consumer landscape, higher purchasing power and an ongoing trend towards urbanization will continue to be the most successful factor for convenience stores to maximize their market shares.
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Global* Food and Grocery retail market to reach US$11 trillion by 2018

China remains the largest market for food and grocery retailing

Convenience is the largest food and grocery channel

Online, convenience and hard discount are the fast growing channels

China will continue to be largest food and grocery market

Category break down for food and grocery – foods, drinks, household products and tobacco as % share of Total Food and Grocery Retail Sales.

Covers the 50 largest retail markets. All data is in US$
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Major food and grocery retailers in the region

Innovative retailers in the region

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Major food and grocery retailers in the region
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Note: Forecast exchange rates for all countries can be provided on request.
About Conlumino

Conlumino Global Retail offers a comprehensive 360° view of the retail landscape. A team of analysts, with more than 200 years of combined experience, help you identify and understand the most current retail trends.

Hundreds of retail businesses across the globe used our research to make critical business decisions.

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