

**In this week's Retail News:**

- Waitrose has seen Halloween sales rise 41%.
- Amazon has overtaken Tesco in the entertainment market ahead of the all-important Christmas trading period.
- Despite falling demand for cheese, supermarkets have upped the price.
- Sainsbury's is set to scale back its store openings and cut dividend in an aim to combat falling sales.
- Aldi has announced ambitious plans to create 35,000 jobs and reach the 1,000 store mark by 2022.

**Waitrose Sees Halloween Sales Rise 41% (Source: Talking Retail)**

Waitrose said the UK's hottest Halloween on record saw sales jump 41% on last year. The retailer said it was the biggest seasonal occasion outside of Christmas, with customers buying cakes, confectionery and close to half a million pumpkins.

Waitrose personnel director Helen Hyde said: "Waitrose Scary Pumpkin Cupcakes sales increased by an impressive 100% on last year and Halloween confectionery sales were up 12%. Haribo Trick or Treat Mini Mix sales leapt up by 67% and Swizzels Trick or Sweets by 35%. Intriguingly though, romance was also in the air as bouquet sales grew by 70%, outselling cut flowers for the first time."

**Amazon Overtakes Tesco in Entertainment Market (Source: NamNews)**

Tesco has suffered another blow with latest data from Kantar Worldpanel showing that Amazon has taken the top spot in the entertainment market ahead of the Christmas trading period.

Tesco's share of the entertainment market dropped from 20.6% last year to 15.1% in the 12 weeks ending 28 September 2014. In contrast, Amazon continued its strong growth across all areas of the physical music, games and video markets with sales up 4.9% and its share growing from 17.6% last year to impressive 22.5%.

Fiona Keenan, strategic insight director at Kantar Worldpanel, explained: "Amazon has continued to push forward and is enjoying its highest ever share since taking 25% of the market in the last quarter of 2013. This success bodes well for its Christmas performance where it will be trying to capture spend from the 18.6 million consumers who will be shopping for entertainment products in the run up to the festive season. Amazon's success is representative of a general shift towards online shopping within the entertainment sector. Thanks to the rise of connected devices – 71% of individuals now own a smartphone and 57% own a tablet – this is a shift that we expect to continue."

**Supermarkets Boost Profits in Cheese Price Rip-off (Source: Telegraph)**

Cheddar should be a fifth cheaper than last year after a Russian import ban hit the dairy markets, but research shows supermarket prices have risen. Shoppers are being over-charged for cheese by almost £2 a kilo because supermarkets have failed to pass on reductions in wholesale prices, figures indicate. Tumbling demand for dairy produce, thanks to ban on imports in Russia, has reduced the cost of putting cheese on the shelves of Britain's supermarkets.

The wholesale price for cheddar, for example, has fallen by almost a fifth in a year. However, supermarkets are charging more than they did 12 months ago, research by The Grocer magazine found, suggesting retailers are making extra profit at customers' expense. A kilo of cheddar now costs £8.99 on average, up 1.8 per cent in a year. Had prices moved in line with wholesale costs, a kilo would now cost £7.19, indicating that shoppers were paying £1.80 over the odds. Wholesale

cheese prices have collapsed in part due to Russia's ban on fresh food imports in August, which was retaliation over the West's economic sanctions for the Ukraine crisis.

Russia usually imports around 250,000 tonnes of cheese a year from the EU, so its ban has caused an excess across Europe, which has forced farmers to reduce prices. However, every major supermarket except Sainsbury's has frozen or increased prices for cheddar brands such as Cathedral City, Seriously Strong and Pilgrim's Choice over the past year, according to data from price comparison website Mysupermarket.co.uk.

### **Sainsbury's to Scale Back Store Openings and Cut Dividend (Source: *Retail Week*)**



Sainsbury's is to scale back its store-opening programme and cut its dividend as it aims to combat falling sales. The measures are designed to shore up Sainsbury's balance sheet and allow it to invest in prices as well as online, convenience stores and clothing, it is

thought. The move is expected to form part of the strategic review that Sainsbury's boss Mike Coupe is set to unveil this week.

The grocer is expected to cut its dividend from the current 6.6% to about 4.6%, according to reports. Sainsbury's had been performing robustly until recently, despite the tough conditions. However, like-for-likes have begun to slip as it too succumbs to the relentless march of the discounters and the rise of the promiscuous shopper that has hit Tesco and Morrisons hard. Sainsbury's is expected to scale back plans to open larger stores as shoppers continually favour topping up at convenience shops.

### **Aldi to Create 35,000 Jobs by Opening 550 New Stores (Source: *NamNews*)**



Aldi has reaffirmed its ambitions expansion plans for the UK by announcing plans to create 35,000 new jobs by more than doubling its store count over the next eight years. During a visit by the Prime Minister to Aldi's headquarters in Atherstone, the fast-growing discounter revealed that it was looking to reach the 1,000 store mark by 2022 as part of a £600m investment plan that will see the opening of over 550 new outlets. The new jobs will include a range of management roles, both in-store and within its offices, as well as in-store and regional distribution centre roles.

Aldi UK's joint Group Managing Director Matthew Barnes said: "Our expansion plans mean that we can accommodate growing shopper numbers, while ensuring that there is an Aldi store only a short drive away from people, no matter where they live in the country." The chain's other Managing Director Roman Heini added: "As well as growing store numbers, we are investing in our operations to ensure we continue to meet and exceed customer expectations. This includes buying more locally produced products, expanding our fresh food range and making sure customers always get the products and service they need."

Aldi opened 42 new stores last year and expects to open another 54 this year, with over 60 more planned to open in 2015.

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