The BI Daily is compiled and submitted by the SAWIS BI Team. The content is for the exclusive attention of SAWIS members and may contain information that is privileged and confidential. Articles in the BI Daily have as far as possible been interpreted, put into context, validated and confirmed. If you as recipient have any queries, comments or would like to submit an article, please direct them to Charles Whitehead (charles@sawis.co.za).

Global Trends - Wine Industry Key Elements

UK supermarkets see slowing growth in past quarter, with hopes pinned on Christmas sales

15 November 2019. Market IQ/VINEX
UK supermarket sales grew by 1% over the past 12 weeks, slightly behind the growth experienced at the same time last year. This period saw an increased focus on seasonal events and promotions, according to Kantar, with consumers' attention turning to Christmas.

With many supermarkets already unveiling their festive advertising campaigns, the starting gun has been fired on the race to be Christmas number one. “It should come as no surprise to see the grocers jostling for position early – with the average household expected to spend more than £380 on groceries during December,” said Kantar.

In total, shoppers will spend nearly £11 billion in that month alone, showing how it’s a crucial period for retailers. The Co-op has grown continuously since May 2018 and sales increased again this period with year-on-year growth currently standing at 4.4%. Co-op saw an additional 274,000 shoppers through its doors in the past 12 weeks.

Lidl recently announced plans to open over 200 new stores in the next three years and was the fastest growing bricks and mortar retailer this period with sales up by 8.8%. It has made a concerted push to encourage larger trips this year, and its vouchering scheme helped to boost several ‘big shop’ categories, including alcohol where sales rose by 18%.

Fellow discounter Aldi also gained market share, with sales growth of 6.7% and now accounts for 8.0% of grocery sales. Aldi boasted the fastest growing premium own label line on the market – its ‘Specially Selected’ range grew by 17.2%.

Slowing growth in the overall market meant the four largest retailers struggled to make any gains. Sales at Asda and Morrisons fell by 1.2% and 1.7% respectively, while Sainsbury’s and Tesco proved slightly more robust.

After a positive month last time around, Sainsbury’s sales were down by 0.2% in the past 12 weeks, with its market share falling back slightly to 15.6%.

Meanwhile, Tesco, the UK’s largest supermarket saw sales fall by 0.6%. Some 1.8 million households made at least two trips to the retailer worth £50 or more in the past four weeks, a number Tesco will be looking to boost.

Iceland’s market share stayed level at 2.1% following sales growth of 1.6% this period, while Waitrose saw its sales dip by 0.9%, taking its market share to 5.0%.

Online retailer Ocado was again the fastest growing grocer, with sales up by 13.5% compared to the same period last year.

Socio-Cultural Environment
Five ways that ESG creates value

Getting your environmental, social, and governance (ESG) proposition right links to higher value creation. Here's why.

The E in ESG, environmental criteria, includes the energy your company takes in and the waste it discharges, the resources it needs, and the consequences for living beings as a result. Not least, E encompasses carbon emissions and climate change. Every company uses energy and resources; every company affects, and is affected by, the environment.

S, social criteria, addresses the relationships your company has and the reputation it fosters with people and institutions in the communities where you do business. S includes labor relations and diversity and inclusion. Every company operates within a broader, diverse society.

G, governance, is the internal system of practices, controls, and procedures your company adopts in order to govern itself, make effective decisions, comply with the law, and meet the needs of external stakeholders. Every company, which is itself a legal creation, requires governance.