

The Grocer

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Focus On: Butters, Spreads & Margarine by Emma Sturgess (emma-sturgess@hotmail.co.uk)

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With sugar the public health villain and fat back in fashion, Britain is back in love with butter: sales and volumes are up, with spreadable and the new breed of dairy spreads mixed with butter driving growth. But trouble could be brewing. Volumes may be up in block butter but value is down as own label steals share from brands. Now prices are falling in spreadable. So what's to stop own label dominating this sector too? What are butter brands doing to fight back? And with the overall BSM category in value and volume decline, what are other sectors doing to drive sales?

Innovation: This feature will pay close attention to the part new products – such as the new breed of dairy spread/butter hybrids, cooking products and sprays – have played in the market's fortunes of the past year. As prices continue to be eroded and own label grows share, how crucial will NPD be to brands in the coming year? What's on the cards in terms of new products?

Price & promotions: Butters, spreads & margarine remains one of dairy's most heavily promoted categories, with the majority of sales in the past year on deal. How have promotional strategies changed? How much of an impact have deals had on average prices? What other factors have dragged prices down? And what are brands doing to try and break their reliance on promotions and low prices to drive sales?

Own label: Retailers own label BSM offerings are in double digit volume growth and value is up. Major processors such as Muller have made big investments in processing capacity to play a bigger part in the own-label butter market. What factors are driving this growth: the growth of the discounters? Range development by retailers? The widening price difference between brands and own label? Where are the next big opportunities for own label in BSM?

Marketing: This feature will explore how brands are using marketing to support new product launches and guard against own label's onslaught. How have budgets changed in the past year? Where are brands spending their money and what has proven most effective? What does the coming year hold from this perspective?

Box:

Innovations: four new BSM products or product ranges that have not appeared in The Grocer before, including launch date and RSP, and a picture of each.