

# The Grocer

**Focus On: Rice & Noodles by Andrew Lusher ([me@andrewlusher.com](mailto:me@andrewlusher.com))**

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## The Story

**Pouched rice continues its meteoric rise in the rice & noodles market but this growth is a rare bright spot for the category overall which has slipped into value decline on volumes up. How come? Brits are eating oodles of rice & noodles but paying less for the privilege. So, what can retailers and brands do to inject some value back into the market? What part does NPD have to play in this?**

**Key themes (this list is not exhaustive; we will investigate new angles as they arise):**

**Health:** In the past year a raft of new healthy alternatives to rice and noodles have hit the market, from courgetti, to cauliflower rice and even boodles (butternut squash noodles). How much of a threat do these pose to traditional carb-heavy favourites? Or, is the fact they're mostly in the fresh aisle, allow both to live in harmony?

**Innovation:** Key to this feature will be a discussion of the latest NPD from the category's brands and own label players, large and small. The feature will explore the market trends that have inspired recent innovations and weigh up which new launches are most likely to encourage future growth in the market. We will profile 12 of these in separate innovations panels including four rice innovations, four noodle and four ready to eat meal format innovations.

**Pouch rice:** This sector has continued its meteoric rise and is now worth a whopping £181m. How has this been achieved? Is it brands, or cheaper own label, driving the bulk of this? This feature will canvas the opinions of the sector's biggest and most interesting players on how factors such as new products, changing consumer trends, price promotions, merchandising and so on are driving this growth.

**Prices, promotions and pack sizes:** Our research shows that average price per kilo has fallen across rice & noodles in the past year. Why is this? Are retailers promoting harder? Or are we seeing decreases in everyday prices? How has this market been affected by the ongoing price war?

**Noodles:** Noodles have fallen into value decline, a contrast to last year when they were in growth. So, what's changed? How are the sectors players looking to improve this over the coming year? With ambient rice pouches in such growth, can they tap further into convenience market? How are straight to wok and so on performing?

**The retail mix:** This feature will pay close attention to how different retailers are performing in this category and how their strategies differ. Talk to key retailers and their buyers about how their ranges have changed over the past year and what trends these changes reflect. Are they focusing more on own label products or brands? How has the market been affected by range rationalisation?

**Ramadan and ethnic consumers:** Tesco predicts £30m uplift in sales as a result of Ramadan in 2016, with some retailers claiming last year the season was expected to be the third biggest seasonal event of the year after Easter and Christmas for the first time. Were these expectations realised? How important is the holiday to the rice & noodles category? What are retailers doing to realise the opportunities of this event? Plus: how are brands looking to target ethnic consumers at Ramadan and throughout the year?

**Own label vs branded:** It's a mixed picture for branded and own label. Rice & noodle brands may have seen value losses of 2.1% but volumes are up 3%, while own label saw minor value increases on slight volume losses. What are the reasons behind this differing performance? Are retailers discounting brands harder?

**Discounters:** Sales of rice & noodles through the discounters are still flying. This feature will explore exactly how they are competing with the mainstream multiples in terms of price, product range and own label offerings. How important are the discounters becoming for the big name brands of this market?

**Ready to eat lunch formats:** This feature will include a separate box out on ready to eat rice and noodle formats for the lunchtime market. How much of a growth opportunity is this area and who's getting in on the action?

**Authenticity:** There are growing concerns around the quality and authenticity of Basmati and Risotto rice coming into this country. Are these concerns valid and what measures are manufacturers taking to allay them?

**Kids rice products:** Could rice products aimed at kids be a big sales opportunity? One major player in the market has already made moves in this area (see the Tilda Kids range, launched four years ago); how are they performing? Is anyone else eyeing the market?

**Advertising and marketing:** This feature will also investigate how the marketing and advertising strategies of the category's biggest brands have evolved over the past year and how they will develop in the coming year to sustain growth or return brands to growth.

**Key questions the feature is likely to address:**

- What consumer trends have impacted the category over the past year?
- How have promotional strategies (both in terms of price and marketing) evolved?
- How have individual retailers' strategies impacted the market?
- How has merchandising changed in the market?
- What impact has own-label had on branded players?
- What's next for the category?