The Grocer

Focus On: Oils by Carina Perkins (carina.perkins@thegrocer.co.uk)

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The Story

Oil is getting more expensive – the average price per litre rose over the past year. This means Brits splashed out an extra despite buying fewer litres of the slick stuff. So, what's going on? Which oils have seen the biggest price rises? To what extent is this down to a poor harvest and rising import costs following the Brexit vote? What other factors are at play? What are retailers and brands doing to address this?

Key themes:

Pricing: This feature will pay particularly close attention to the factors that have led to significant rises in average prices across most of the major cooking oil sectors. These will range from the impact of the discounters, which continue to outperform the wider market, to commodity cost fluctuations arising from variations in yields in raw material growing regions and import costs following the Brexit vote. How can brands and retailers convince consumers their products are worth paying more for?

Retailers: Crucial to this feature will be an exploration of how different retailers are approaching this category in terms of their ranging (branded and own label), merchandising, pricing, promotions and so on. How have ranges been rationalised in the past year and how has this affected the performances of the sector's biggest brands?

Olive oil: Oils' biggest sub-category (extra virgin olive oil) gained £5m over the past year on 0.7% volume growth. Who is benefitting from the value gains? Who's losing out?

Coconut: Coconut had another impressive year – volume sales are up by nearly 50% equating to an extra £5m for the sector's brands. What's behind this continued growth? With new players entering the market, is there room for everyone? And why are average prices are down?

Vegetable oil: It saw the biggest value losses of the year. What are the key factors in this performance? Are consumers switching to specialist oils? What can brands do to win them back?

Retailers: How have retailers' strategies for the category changed over the past year. The discounters are seeing double digit growth – how much of this is down to new additions to their ranges.

Own label vs brands: It's a mixed picture as far as own label and brands are concerned. Own label has seen a huge rise in average prices, but volumes have declines. Branded, meanwhile, has seen volumes rise on value losses. What's behind the different performances? Are brands chasing volume at the expense of value? Are they discounting heavily to compete with own label?

Innovation: This will be key to this feature. We will be investigating how new product development has shaped the category over the past year and what is in store for shoppers in 2017. We will be profiling some of the most interesting launches in a separate innovation panel.

Promotions: This feature will explore how the promotional strategies of retailers and brands have changed over the past year. Attention will be paid to how this has affected average prices.

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?