

Press Release

Grocery Shop Directory 2017



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LARGE FORMATS DRIVING THE FINNISH GROCERY MARKET IN 2017

Last year, two-thirds of the grocery euros in Finland were spent either in large supermarkets or hypermarkets. Finnish customers especially appreciate finding everything they need in the same store and getting good value for money. In addition, the store choice is strongly impacted by a perceivably low price level (source: Nielsen Shoppertrends 2018).

Growth in the Finnish grocery market was particularly driven by supermarkets and hypermarkets, while sales of stores less than 400 square meters fell by -6.6%. Over 220 small stores were closed down during the year, which was the highest number in 20 years. The grocery sales were for the most part declining also for the specialist stores with a more narrow grocery product range as well as for stores added to the Directory: variety discounters and gas station stores.

All in all, the value of grocery sales in 2017 was nearly EUR 17.6 billion. The sales increased by +1.0% versus the previous year, which is the best development since 2013. The information is based on Nielsen's annual Grocery Shop Directory.

Lidl the retailer with strongest sales growth – K-Group with best market share development

Lidl, operating supermarket-size stores, opened 16 new stores during the year, which is the most since their early years in Finland. Sales of Lidl developed significantly better compared to the market, + 5.5%, and their market share increased to 9.3%.

K-Group's share of grocery sales in 2017 was 35.8%. They gained market share by 1 %-point. This was strongly influenced by the fact that the stores purchased in April 2016 during the acquisition of Suomen Lähikauppa Oy now operated on a full-year basis as part of the K-Group. 400 of the acquired roughly 600 stores operated under the K-market chain at the end of the year. K-market has a network of over 800 stores making it the largest grocery chain in Finland. Sales of the K-citymarket chain also developed strongly by + 4.5% compared to the previous year.

The biggest operator in the grocery market, S Group, increased their share to 45.9%. Growth was particularly driven by the Prisma chain, with sales increasing by + 4.3% versus the previous year. Two

new Primas were opened. Prisma was the grocery store chain with the strongest store equity in 2017 based on Finnish consumers evaluating grocery chains on several different criteria (Source: Nielsen Shoppertrends 2018).

The grocery market shares of retailers in 2017:

Group	Market share of Grocery sales (excl. non-FMCG)	Change in market share from 2016
S Group	45.9 %	+ 0.5 %- units
K-Group	35.8 %	+ 1.0 %- units
Lidl Suomi Ky	9.3 %	+ 0.4 %- units
Other private companies	9.0 %	- 1.9 %- units*

*Other private companies also includes Suomen Lähikauppa Oy (until April 11, 2016) with a share of 1.4% in 2016

Online grocery equals the sales of the 30th biggest store

If all the grocery stores in Finland are ranked by the size of their sales, the total grocery sales through domestic online stores would be in the same size as the thirtieth largest physical store. A couple of years earlier, in 2015, sales were at the same level as a hundredth largest physical store.

In 2017, online grocery sales amounted to EUR 48 million. The figure includes sales of both domestic pure online traders as well as the online sales in connection with physical stores. Online sales in total amount to 0.3% of the Finnish grocery sales.

Overall, there were 2,824 stores in Finland selling full grocery assortment on January 1st, 2018 (excl. specialist and market hall stores as well as variety discounters and gas station stores selling a more narrow grocery assortment).

Nielsen's Grocery Shop Directory is comprised of private and cooperative grocery shops in Finland (including also operators selling grocery goods purely online with a wide assortment). In 2016, variety discounters and gas station stores selling a more narrow grocery assortment have retroactively been added to the Directory. Nielsen collects the data for the Grocery Shop Directory annually in cooperation with the retail groups and individual players. Nielsen produces the Grocery Shop Directory in March each year. Nielsen has been producing the Grocery Shop Directory since 1978. **PLEASE NOTE: The 2016 and 2017 figures in this Press Release are comparable. Due to the retroactive inclusion of new markets in 2016, the figures presented here are not comparable with the previous years' Press Releases.**

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