IRI MACROVIEW

THE BIG QUESTION

What impact are range rationalisation programmes having on New Product launches?

IRI NPD STUDY y/e Feb 2017 vs y/e Feb 2016

- Range across the multiples is down on average **-5.7%** on average. Reductions across almost all retailers and all major categories.

- **-1,820:** Products removed from an average sized multiple store over the past 2 years. **-930** of these in the latest year.

- **-8.4%:** The decline in the number of branded NPD launches in the last year Own Label launches have fallen by **-2%.**

- **-£99.6M:** The value of NPD sales lost in the last year.

- Only **1 in 26** new products achieved **75%** distribution in multiples in their first 12 weeks... and only **1 in 7** ever get there.

- Only **50%** of all new products achieved more than **33%** distribution in multiples.

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Source IRI - a retail and FMCG market intelligence company. Based on IRI InfoScan data for 52 weeks ending 24 Feb 2017 vs 52 weeks ending 26 Feb 2016 (and comparable period in 2011)

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-9%: The reduction in distribution pts that the average NPD launched now **reaches vs. seven years ago. Now down to 40%.**

45%: The average price premium at which NPD is launched for first 4 weeks **vs. the category average.**

7% of all NPD is delisted within a year of launch. **34 weeks is their average length of listing.**

Range rationalisation is undoubtedly stifling NPD launches with £99.6m of NPD sales having fallen out of the market in the last year. **60% of these lost sales are driven by fewer NPD launches** by manufacturers. **But 40% is driven by retailers reducing the level of distribution given to NPD.**

Please contact your IRI representative (or email uk.marketing@iriworldwide.com) to find out more about how your categories have performed within our NPD study. www.iriworldwide.com.

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