Grocery Gets Tougher

Contributed by TNS
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Edward Garner, Director of Research, TNS Worldpanel, comments:

â€œThe latest TNS Worldpanel grocery market share figures, published today for the 12 weeks ending 12th August 2007, show further signs of a consumer spending slowdown with market growth dipping to 3%. This has dropped from a 3 year peak of 6% for the 12 weeks ending 20th May 2007.Â In part, this reflects renewed concentration on price competition as embodied by the latest Tesco â€˜Swingometerâ€™ advertising.

Nevertheless, Tesco, Asda and Sainsburyâ€™s have all exceeded the total market growth rate for the latest period and thus have grown share and combined now account for nearly 65% of the grocery market.

Whilst the independent sector has suffered over the years, it appears that the remaining outlets have found their niche as they have also outperformed the market and lifted share from 2.7% to 2.8%.Â In fact their share has shown clear solidity over the last 17 data releases.

There are mixed fortunes for the discounters with Aldi and Lidl posting market leading growth of 9% and 10% respectively whereas Netto matches the market growth of 3% and therefore holds share.Â

Somerfield again finds itself in negative territory with 8% sales decline bringing the share down to 3.9% from 4.4% a year ago.Â However the owners, the Robert Tchenguiz consortium, have announced refinancing and store-acquisition plans so it is hoped that this situation improves.â€•Â Â