

Discounter Boom Tails Off

Contributed by TNS
Friday, 03 July 2009

Ed Garner, Director, TNS Worldpanel, comments:

The latest TNS Worldpanel grocery market share figures, published today for the 12 weeks ending 14th June 2009, show this defensive sector continuing to ride out the recession and growing strongly at 6.5%. Â

There are several signs that shoppers have adopted a more measured approach to the recession and have started to revert to pre-recession behaviour.

In particular the stellar growth of Aldi and Lidl has tailed off and both outlets are seeing their rate of growth eclipsed this period by Sainsburyâ€™s and Morrisons. Â

Additionally, Waitrose has enjoyed a considerable â€˜bounceâ€™ with annual growth reaching 7.0%.Â Current advertising featuring the launch of the Essentials range is a big contributing factor as well as early conversions of former Somerfield stores. Â

Whilst Tesco had seen its share under pressure it has posted its highest growth so far this year at 6.2%.Â This is just a whisker behind the Grocery sector growth so share is virtually unchanged. Â

Asda, Sainsburyâ€™s and Morrisons all perform strongly, outgrowing the market and adding share. Â

The decline of Somerfield (-12.7% year-on-year) may look alarming but it should be remembered that the Competition Commission required them to divest stores following their acquisition by The Co-operative. Â

In future releases we will see the Somerfield share progressively decline as the fascias of the remaining stores convert to The Co-operative livery.

An update on inflation

Grocery price inflation has further decreased since last month and the figure for the 12 week-ending period 14th June 2009 is 7.0%

This figure is based on over 75,000 identical products compared year-on-year in the proportions purchased by British shoppers and therefore represents the most authoritative figure currently available. Â

It is a â€˜pureâ€™ inflation measure in that shopping behaviour is held constant between the two comparison periods â€“ shoppers are likely to achieve a lower personal inflation rate as they trade down or seek out more offers.

To view the video commentary from Ed Garner or to get further information please visit
http://www.tns-global.co.uk/_assets/video/TNS_Global_Market_Research_EG_MS_0509.wmv

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June 2009