

Christmas Signals New Phase To Consumer Spending Habits

Contributed by TNS
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Ed Garner, Director, TNS Worldpanel, comments

The latest TNS Worldpanel grocery market share figures, published today for the 12 weeks ending 29th November 2009 paint a picture of a fiercely competitive – but largely buoyant – grocery market in the run-up to Christmas.

If the current trend continues through December, the UK’s grocery sector will shortly see an end to recessionary purchasing behaviour.

According to Edward Garner, Communications Director at TNS Worldpanel:

“The market is seeing several signs that indicate that an end to the recessionary buying behaviour that has characterised the last year is imminent. Premium ranges – particularly Tesco Finest – are in growth, while the Hard Discount sector, including Aldi, Lidl and Netto, are stagnant, with no year-on-year share growth. This is in contrast to this time last year, when the Discounter revolution was in full swing, and Aldi had just recorded a 25% growth.”

Grocery price inflation is also down to 2.8%, indicating that shoppers are now under much less pressure to trade down.

The positive outlook in this sector is reflected in the strong performance of the UK’s largest retailers this month.

Asda, Sainsbury’s and Morrisons show no signs of coming off the boil as they continue their strong run and all add share.

This is particularly strong in the case of Morrisons which has added 0.4 share points by growing at nearly twice the market rate to achieve a share of 12.1% - an all-time record.

The Co-operative is now recording share increases as Somerfield conversions take effect and Waitrose has posted a sparkling 14.8% growth rate.

Tesco holds share at 30.6% after periods of share loss throughout 2008 and 2009.

This may seem unremarkable except for the fact that their aggressive promotional programme, particularly on premium ranges, might have been expected to depress share through self-imposed price deflation.

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