Slow Growth Leaves Retailers Deflated

Contributed by Kantar Worldpanel
Tuesday, 13 April 2010
Last Updated Tuesday, 13 April 2010

The latest grocery market share figures from Kantar Worldpanel (formerly TNS Worldpanel), published today for the 12 weeks ending 21 March 2010, show a fall in growth of the major retailers to the lowest level since August 2007. Â

Although there are some share winners this month, the overall year-on-year growth rate for all the major retailers has now dropped to a pre-recession low of 3.6%.

This slowdown coincides with the continued fall in inflation this month from 2.4% in February to 1.8% in March.

Fraser McKevitt, Retail Analyst at Kantar Worldpanel, explains:
â€œWe can see the dramatic fall in inflation by comparing this monthâ€™s figure to March 2009 when inflation was running at 9.1%. While this has had a dampening effect on retailer growth, lower inflation brings benefits to consumers and the latest figures suggest that shoppers are taking advantage of slower grocery price increases by trading up to more expensive lines such as Tesco Finest.

Despite a 2% fall in year-on-year growth since February, Morrisons has continued to perform ahead of the pack, increasing sales by 7.8% and gaining share of the grocery market by 0.5%. Â

This growth in market share is slightly ahead of Waitrose which has gained an admirable 0.3% share by being the fastest growing retailer at 14.1% against last year.

Sainsburyâ€™s, which is growing at 4.6%, has also maintained its strong run, taking a 0.2% increase in market share. Â

This strong performance can be partially attributed to the ongoing expansion of existing Sainsburyâ€™s premises and the opening of new stores.

Tesco also gained 0.2% in market share on the back of slightly slower growth of 4.1%.

Asda, growing at 2.7%, find their market share coming under pressure with a loss of 0.2% as they face strong comparatives from last year when they were growing at over 8%. Â

The Discounters continue to languish behind the market with both Lidl and Aldi experiencing loss of market share. Â

As yet they are seeing no return to the heady double digit growth experienced in 2009. Â

An update on inflation
Grocery price inflation has decreased since last month and the figure for the 12 week ending period 21 March 2010 is 1.8%*. Slower price increases will benefit shoppers, but restrict the market to a lower rate of growth than we have seen previously.

*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 tha shopping behaviour is held constant between the two comparison periods â€“ shoppers are likely to achieve a lower personal inflation rate if they trade down or seek out more offers.

Total Till Roll
Great Britain Consumer Spend

To view the video commentary from Fraser McKevitt or to get further information please visit www.kantarworldpanel.com and select â€˜Insightsâ€™.

These findings are based on Kantar Worldpanel data for the 12 weeks to 21 March 2010. Kantar Worldpanel monitors the household grocery purchasing habits of 25,000 demographically representative households in Great Britain.

All data discussed in the above announcement is based on the value of items being bought by these consumers, Kantar will only support data that is published in the context we have presented it and our own interpretation of these findings. We cannot be held responsible for any other interpretation of these findings.

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30th March 2010