Sainsbury's Leads A Resilient Sector

Contributed by Kantar
Tuesday, 25 January 2011

Grocery sales boosted in the festive period while non-grocers are left out in the cold

The latest grocery share figures from Kantar Worldpanel, published today for the 12 weeks ending 26 December 2010 show sharply different fortunes for the grocers and non-grocers over the festive period.

While the grocery sector enjoyed a prosperous Christmas with respectable growth of 5.1% this period, the non-grocers suffered a 2.3% decline in sales. This echoes the gloom of the latest Christmas trading reports from a number of non-food retailers.

Edward Garner, Communications Director, Kantar Worldpanel, comments:Â â€œWidespread disruption caused by the heavy snow before Christmas meant that many consumers only ventured outdoors for essential grocery shopping trips this year. The high streets are usually at their busiest over the festive period but this Christmas shoppers chose instead to stock up on non-food items such as DVDs, toys and books while doing their grocery shop. Increased spending levels rather than shopper numbers were therefore the driving force behind the strong growth of the grocery sector this period.â€•

Historically Sainsburyâ€™s prospers over Christmas as shoppers trade up to more premium ranges. This year was no different, and crowning a period of consistent growth begun in 2004 Sainsburyâ€™s was the only Top 4 retailer to increase its market share this period â€“ from 16.3% a year ago to 16.6%.

Tesco effectively matched market growth and so its share remains unchanged at 30.5% but both Asda and Morrisons experienced small drops in share of 0.1%. Â

Nevertheless, premium own-label ranges across the Top 4 grew by 11% year-on-year, a good measure of positive consumer sentiment pre-Christmas.

In a similar vein, Waitrose enjoyed robust growth of 9.4%, helped by the considerable media buzz around its Delia Smith and Heston Blumenthal recipe offering. This added to the 16.5% growth seen for the Christmas 2009 period.

After a turbulent few months the Discounters Aldi and Lidl grew ahead of the market this period with spend levels increasing sharply. This is perhaps due to the convenient urban locations of the outlets against a background of disruptive weather, and some shoppers still seeking value for money during a traditionally expensive month.Â Â Â

An update on inflation
Grocery inflation stands at 3.0%* for the 12 week ending period 26 December 2010 and is thus largely unchanged for the last five reports.

*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 if they trade down or seek out more offers.

The latest grocery share figures and comparative data for the last three years are available as an app for the iPhone. To download Kantar Worldpanelâ€™s free â€˜Grocer Shareâ€™ app please visit the Apple iTunes Store.

To view the video commentary from Edward Garner or to get further information please visit www.kantarworldpanel.com and select â€˜Insightsâ€™ or follow Edward Garner on Twitter here . Â

These findings are based on Kantar Worldpanel data for the 12 weeks to 26 December 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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11 January 2011