Cautious Consumers

Contributed by Kantar
Tuesday, 15 March 2011
Last Updated Tuesday, 15 March 2011

Retail market growth slows as consumers hold back
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The latest grocery share figures from Kantar Worldpanel, published today for the 12 weeks ending 20 February 2011 show that the market is subdued as shoppers watch their pennies.

Overall market growth slowed slightly this period to 3.9% compared to 4.2% last month. However, both Sainsburyâ€™s at 5.2% and Morrisons at 4.5% outperformed, growing ahead of the market.

Sainsburyâ€™s market share moved up to 16.5%, compared to 16.3% a year ago, which continues their strong run, gaining share every month since March 2009. Morrisons maintains its 12.3% market share from the same period last year. Tesco and Asda performed slightly behind the market, with share now standing at 30.3% and 16.9% respectively.

Fraser McKevitt, Retail Analyst at Kantar Worldpanel comments:
â€œWaitrose followed the market trend of slightly slower growth this period, but still posted increased sales of 6.6% compared to a year ago, taking its market share to 4.4%, the highest ever recorded by the retailer.â€•

2011 has seen a return to strong growth from the discounters, both Aldi and Lidl delivering double digit growth, well-ahead of their performances in 2010. Aldi now hold 3.1% of the market, up from 2.8% last year and Lidl hold 2.4%, up from 2.2%.

Fraser McKevitt explains:
â€œWith economic uncertainty increasingly in the news it is no surprise that shoppers are being cautious with their spending. However, while the discounters are performing well this is not due to an increase in new shoppers, but rather because their existing customers are spending more with them. The majority of people continued to seek value through promotions in the mainstream retailers, rather than trading down to the discounters.â€•

The Co-operativeâ€™s market share stabilised at 6.7% this month, however this is a drop from 7.4% a year ago. Icelandâ€™s market share remained at 2.0%, but it will find substantial market growth challenging in the next few months because of strong comparative numbers in 2010.

An update on inflation
Grocery inflation stands at 3.7%* for the 12 period week ending 20 February 2011. Whilst this represents a notable increase from 3.1% reported last month, it is still well below the levels seen in 2008 and 2009, and shoppers are taking advantage of retailer promotions to manage their personal inflation rate.

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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 Fraser McKevitt or to get further information please visit www.kantarworldpanel.com and select â€˜Insightsâ€™. Â

These findings are based on Kantar Worldpanel data for the 12 weeks to 20 February 2011. 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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1 March 2011