# Shoppers Hit The Brakes

Contributed by Kantar
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Grocery sales slow sharply as inflation edges up

The latest grocery share figures from Kantar Worldpanel, published today for the 12 weeks ending 20 March 2011 show a sharp dip in the grocersâ€™ growth rate from 3.9% last month to 2.6%.Â

Grocery price inflation has continued to increase and now stands at 4.0%. This is the first time that the market growth rate has fallen below the inflation rate since July 2009, demonstrating that shoppers are taking an increasingly gloomy view of 2011 and reining in their spending.

Edward Garner, Communications Director at Kantar Worldpanel, explains:
â€œWhile there are no signs yet of the explosive growth in economy own-label ranges that we saw in 2008, there are now clear indications that value-for-money is driving retailer performance.

â€œBoth Aldi and Lidl continue their double digit growth from last month, with Aldi increasing its share from 2.8% a year ago to 3.1%. While Lidl grew its share from 2.3% to 2.5% in the same period - this is an all-time record for the outlet.Â Both performances are being driven by existing shoppers spending more, rather than by new shoppers visiting the stores.â€•

Similarly, the freezer centres Iceland and Farm Foods outperformed the market, posting sales increases of 4.2% and 11.7% respectively. This growth is driven by customers seeking out value-for-money products â€“ something they know they can get from these stores.

Edward Garner continues:
â€œWhile some shoppers have sought value for money this month, not all shoppers shared the same view. Waitrose continued to perform well, posting a higher market share of 4.3% compared to 4.1% a year ago.â€•

For the Top 4 retailers, the tussle for share continued unabated with only Morrisons marginally increasing its share to 12.2% compared to 12.1% for the same period last year.

An update on inflation
Grocery inflation stands at 4.0%* for the 12 period week ending 20 March 2011. This is the fourth successive increase and is now ahead of grocery market growth for the first time since mid-2009.

*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.

It is a â€˜pureâ€™ inflation measure in that shopping behaviour is held constant between the two comparison periods â€“ shopp 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.

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