Competitive Pressures Limit Tesco Dominance...

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The latest grocery share figures from Kantar Worldpanel, published today for the 12 weeks ending 19 February 2012, show grocery market growth of 4.5%.Â This is broadly in line with the grocery marketâ€™s performance over the past six months.Â

Edward Garner, director at Kantar Worldpanel, explains:
â€œWhile the growth rate remains lower than grocery price inflation, currently at 5.5%, the gap between the two measures is narrowing â€“ meaning pressure on household budgets, while still strong, is not getting any worse.

â€œTescoâ€™s market share remains under pressure and now stands at 29.7% âˆ' a level we last saw in May 2005 â€“ as it fac competition from its rivals.Â By contrast, the completion of its Netto conversions helped Asda retain its record share of 17.5% that we reported last month.

â€œWaitrose saw its share rise this month to 4.5% âˆ' an all-time record for the retailer. Its continuing strong performance shows that it is a mistake to talk about the â€˜averageâ€™ UK shopper.Â Some consumers clearly value good service and instore experience when shopping, which Waitrose claims to provide.Â The retailer has also benefitted from increasing numbers of shoppers, as its store expansion makes its shops accessible to more people.â€• Â

At the same time, the â€˜Two Nationsâ€™ phenomenon continues as value for money remains paramount for many shoppers, with Aldi, Lidl and Iceland all enjoying double-digit growth as they hold on to record shares. Â

Sainsburyâ€™s continued to out-perform the market in 2012 and lifts its share from 16.5% to 16.6%. Â
Elsewhere, Morrisons dips slightly by 0.1% to 12.2%.

An update on inflation
Grocery inflation stands at 5.5%* for the 12 week period ending 19 February 2012. This is the third successive decrease from the recent peak of 6.2% we reported for November last year and we expect to see further decreases during 2012.

*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.

The latest grocery share figures and comparative data for the past 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.

These findings are based on Kantar Worldpanel data for the 12 weeks to 19 February 2012. 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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