Austerity Bites

Contributed by Kantar Worldpanel
Wednesday, 18 July 2012
Last Updated Wednesday, 18 July 2012

The latest grocery share figures from Kantar Worldpanel, published today for the 12 weeks ending 8 July 2012, show the grocery market growth rate falling back to 2.1% compared with 4.2% a year ago. Â

Grocery price inflation now stands at 3.8% âˆ' a considerable drop from 6.2% which occurred as recently as November 2011.

Edward Garner, director at Kantar Worldpanel, explains:
â€œWe are seeing big cutbacks by consumers as they continue to respond to this current period of austerity.Â The success of the discounters, Aldi and Lidl, is a clear example of shoppers watching their purses, with both retailers continuing to surge ahead. Once again, they both achieve all-time record shares of 2.9% and remarkable growth of 26.1% for Aldi and 11.5% for Lidl.Â Similarly, although Waitrose is still growing at over double the rate of the whole market, this growth has fallen back to 4.8% from 7.5% last period âˆ' suggesting there are signs that the premium sector is beginning to slow.

â€œAnother sign of austerity making an impact is the decline of the premium own label sector.Â Premium own-label products have been in continuous growth since 2008, despite often being more expensive than their brand equivalent. Now; however, they are declining by 6% year-on-year, while economy own labels such as Tescoâ€™s Everyday Value are growing at 13%.â€•

Among the big four supermarkets, fortunes continue unchanged with market share growth for Asda and Sainsburyâ€™s and share dips for Tesco and Morrisons.

Edward Garner adds:
â€œFrozen food continues to be the top-growing food sector, as consumers look to reduce waste, and this has helped Iceland to continue the upward trend it has enjoyed since 2005.â€•

An update on inflation
Grocery inflation stands at 3.8%* for the 12 week period ending 8 July 2012. This continues the downward trend from the recent peak of 6.2% for November 2011 and reflects lower inflation for fresh produce and falling milk prices.

Follow us on Twitter at http://twitter.com/#!/KWP_UK and join the debate #kwpmarketshare.

The number of households in the Kantar Worldpanel sample has increased by 20% to 30,000 â€“ making it one of the largest continuous panels of its kind in the world.Â As part of this process, the monthly supermarket share data has been updated to reflect the panel changes, which come into effect from March 2012. Changes to retailer shares, as a result of the increased panel size, are marginal and do not impact reported performance.Â Period-on-period changes will not be affected as the historical data has been reworked to maintain consistency.

Please also note, as part of this updating process, there has been a reduction in the stated Aldi turnover and market share to bring it in line with the outletâ€™s own reported performance. The strong period-on-period growth trend of the outlet remains unaffected.

For all publicly-quoted Worldpanel data, users of our research (including media) must ensure that data is now sourced Kantar Worldpanel. Â

These findings are based on Kantar Worldpanel data for the 12 weeks to 8 July 2012. Kantar Worldpanel monitors the household grocery purchasing habits of 30,000 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.

About Kantar Worldpanel
For further information, please visit www.kantarworldpanel.com

About Kantar
Please visit www.kantar.com for more information

17 July 2012