Big Four Supermarkets Under Pressure

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Kantar Worldpanel recently published the latest grocery share figures for the 12 weeks ending 7th July 2013. Results show the big four supermarkets under pressure as a result of long term market polarisation.

Edward Garner, director at Kantar Worldpanel, comments: â€œWaitrose, Aldi and Lidl have all been hugely successful in recent years, growing well ahead of the market average.Â Together, these retailers now account for 11.5% of the grocery market, 3.2 percentage points more than they did this time four years ago.Â This trend has cut deeply into the available market share for the bigger retailers who are now having to compete for a contracting middle ground.â€• Â

Lidl has grown its market share to 3.1%, an all-time high for the outlet, while Aldi retains its record 3.6% which it established during the last period.Â The growth rate at Waitrose remains strong at 10.9%, nearly three times the market average, and means the retailer now accounts for 4.8% of the market.

Among the big four supermarkets, only Sainsburyâ€™s has managed to not lose share in the past year with year-on-year growth of 3.8%.Â Although Morrisons is continuing to lose market share, the retailerâ€™s sales growth has shown progressive improvement during 2013 â€“ rising from the low of -1.7% in January to the current figure of 1.8%.Â

The latest data also shows that recent price matching campaigns at the larger retailers have served to shine a spotlight on private label quality. Garner continues: â€œThe latest price matching promotions from retailers have reduced the amount consumers are shopping around, with many people feeling that they can get the same prices at different retailers.Â Â

â€œAs a result we are seeing an increased focus on quality.Â Both Tesco Finest and Sainsburyâ€™s â€˜Taste the Differenceâ are now growing strongly and Aldiâ€™s â€˜Like Brands only Cheaperâ€™ campaign and Lidlâ€™s â€˜Taste Testâ€™ are posit products as direct competitors to major brands.â€•