Major Players Have to Respond to Increasing Pressure

Contributed by Kantar Worldpanel
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The latest grocery share figures from Kantar Worldpanel show the big four supermarkets are under pressure as price becomes less of a differentiator for shoppers and the budget and premium ends of the market continue to grow.

Edward Garner, director at Kantar Worldpanel, comments: â€œThe discounters have continued to perform strongly with year-on-year sales growth of 32.7% for Aldi, another all-time record, and 14.3% for Lidl.Â At the same time there is no sign of Waitrose running out of steam as it delivers growth of 9.7%. â€œStrong performances by retailers at both ends of the market pose a significant challenge for the big four supermarkets.Â The combined growth of Lidl, Aldi and Waitrose has taken three market share points out of the grocery market over the past three years and is forcing the major supermarkets to compete for an ever-smaller middle ground.Â Â â€œPrice match promotions such as Asdaâ€™s â€˜Price Gua Sainsburyâ€™s â€˜Brand Matchâ€™ and Tescoâ€™s â€˜Price Promiseâ€™ have meant that price is less of a differentiator and be convinced to switch outlets based on cost alone.Â There has been a renewed focus on providing high-quality own label products and this strategy seems to be paying dividends.Â The upmarket ranges of Tesco Finest and Sainsburyâ€™s Taste the Difference have both registered double digit growth as shoppers respond to the premium offer.â€• Sainsburyâ€™s is the only big four grocer to increase its market share over the past year, growing from 16.4% to 16.6% and recording market-beating growth of 5.1%.Â The other big retailers have all lost market share over the past year, although Asda is ahead of Tesco and Morrisons in terms of its year-on-year sales growth which stands at 2.4%.For more information please visit: http://www.kantarworldpanel.com/en/ Follow Market Research World on Twitter or join in the conversation with our LinkedIn Group