Inflation for Grocery Market Falls to Record Low

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The latest grocery share figures from Kantar Worldpanel, published today for the 12 weeks ending 22 June 2014, show market growth bouncing back to 2.8% from last periodâ€™s historic low of 1.7%.Â Compared with our measure of inflation which stands at just 0.8%, this indicates real volume growth.*

Fraser McKevitt, consumer insight consultant at Kantar Worldpanel, explains: â€œThe low grocery price inflation this period will be welcome news for household budgets.Â The outlook is positive as we predict continuing sub 1% levels into the near future, providing some relief for cash-strapped consumers.

â€œAldi and Lidl continue their stellar growth streaks, holding their all-time record shares reached last period of 4.7% and 3.6% respectively.Â Both retailers have recently announced impressive expansion plans.Â Aldi will aim to double its store numbers to 1,000 by 2021, while Lidl is seeking to boost its presence with an eventual total of 1,500 outlets.â€•Â

Looking outside of the big four, Waitrose and Farmfoods are both continuing to perform strongly with the latter growing ahead of the market at 23.3%.Â Â Iceland held its 2.0% market share in line with last year.

Fraser continues: â€œThere are mixed fortunes for the big four with Tesco and Morrisons registering falls in both share and sales.Â By contrast, both Asda and Sainsburyâ€™s have increased share, beating the market average with growth rates of 3.6% and 3.0% respectively.â€•

* Please note that the current period includes Easter 2014 whereas the comparative 2013 period does not.
An update on inflation

Grocery inflation has shown its ninth successive fall and now stands at 0.8%** for the 12 week period ending 22 June 2014. This is the lowest level in our dataset which began in October 2006 and reflects the impact of Aldi and Lidl and the marketâ€™s competitive response as well as deflation in some categories including vegetables and milk.

**This figure is based on over 75,000 identical products compared year-on-year in the proportions purchased by shoppers and therefore represents the most authoritative figure currently available.Â It is a â€˜pureâ€™ inflation measure in that 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.

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