

Grocery Price Inflation Falls for 10th Consecutive Period

Contributed by Kantar Worldpanel
 Tuesday, 29 July 2014
 Last Updated Tuesday, 29 July 2014

The latest grocery share figures from Kantar Worldpanel, published today for the 12 weeks ending 20 July 2014, show familiar trends bringing new market and retailer records.Â Â Â

Grocery price inflation has fallen for the 10th successive period and now stands at 0.4 per cent. Competitive pricing among the big grocers and deflation in the price of staple items such as vegetables, milk and bread has driven inflation to the lowest level since October 2006 when Kantar Worldpanel began this measure. As a result, market growth has fallen to 0.9 per cent – the lowest figure for 10 years.

Edward Garner, director at Kantar Worldpanel, explained: “Aldi’s 32 per cent growth rate has lifted its market share to 4.9 per cent; this is a new record for the retailer and means it has nearly caught up with Waitrose on 4.9 per cent. Similarly, Lidl sales have grown by nearly 20 per cent and it has held onto its record share of 3.6 per cent.

“Waitrose has continued to resist pressure from the competition, testament to its policy of maximum differentiation, and has grown sales by 3.4 per cent. This figure is well above the market average and thereby has lifted its market share.”

Among the big four grocers, both Asda and Sainsbury’s have held onto their market shares of 17.0 per cent and 16.6 per cent respectively. Conversely, Tesco and Morrisons have recorded losses with sales for both outlets declining by 3.8 per cent compared with this time last year.

Iceland has posted a small drop in sales, its first since 2005, but has retained its 2.0 per cent share.

An update on inflation

Grocery inflation has seen its 10th successive fall and now stands at 0.4 per cent* for the 12 week period ending 20 July 2014. This is the lowest level since Kantar began recording GPI in October 2006 and reflects the impact of Aldi and Lidl and the market’s competitive response, as well as deflation in some major categories including vegetables, bread 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. It is a “pure” inflation measure in that shopping behaviour is held constant between the two comparison periods – shoppers are likely to achieve a lower personal inflation rate if they trade down or seek out more offers.