Record Low For Grocery Market Growth As Inflation Disappears

Contributed by Kantar Worldpanel
Tuesday, 21 October 2014

The latest grocery share figures from Kantar Worldpanel, published today for the 12 weeks ending 14 September 2014, show overall grocery market growth slowing to a new record low of 0.3% as price inflation falls to zero.
Fraser McKevitt, head of retail and consumer insight at Kantar Worldpanel explains:Â â€œConsumers are currently benefitting from intense price competition between the grocers.Â For the first time ever weâ€™ve seen the average basket of everyday goods bought today costing exactly the same as it did a year ago.Â With some staple groceries such as vegetables, milk and bread prices are actually falling as the big retailers all compete for a bigger slice of shoppersâ€™ wallets.Â As a result the grocery market is currently growing by just 0.3%, the lowest level since our market data was first compiled in 1993.â€•

â€œAldi has continued its run of double-digit growth, which now stretches back to February 2011, by recording a sales increase of 29.1% compared with last year.Â Similarly, Lidl has increased sales by 17.7%, showing that shoppers still have a strong appetite for the discount stores.Â At the other end of the market Waitrose has grown its sales faster than in previous months, up 4.5%, which has brought its market share back up to 5.1%.â€•

Asda has recorded the best results among the big four supermarkets this period.Â It is the only one of the major grocers to increase its market share, now at 17.4%, and to see an uplift in its sales which have grown 0.8% compared with last year.Â There is no sign yet of recovery at Tesco; sales are down 4.5% leaving its market share at 28.8%.Â Morrisonsâ€™ market share remains under pressure, with sales down by 1.3%, although the rate of decline has slowed considerably as its fresh food promotional voucher scheme has taken effect.Â Â