Christmas Comes Early For Consumers As Prices Continue To Fall

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The latest grocery share figures from Kantar Worldpanel , published today for the 12 weeks ending 7 December 2014, show that despite falling prices, the grocery market has returned to marginal growth of 0.1%, after last periodâ€™s historic first ever recorded decline.Â This is thanks to shoppers putting slightly more in their baskets compared with the same time last year.

Fraser McKevitt, head of retail and consumer insight at Kantar Worldpanel, explains: â€œBritainâ€™s supermarket price war is ramping up ahead of the all-important Christmas period.Â Retailers are selling more items on promotion, leading to like-for-like prices falling by 0.7% compared with this time last year.Â Cheaper groceries are an early Christmas present for shoppers, saving them Â£182 million in the past 12 weeks alone but this puts pressure on the supermarkets. We expect grocery deflation to continue well into 2015 as the price war rumbles on.

â€œAt the discount end of the market the two German retailers Aldi and Lidl have reached a record combined market share this period with 8.6% of the market, up 1.5 percentage points over the past year.Â Aldi recorded the fastest growing sales of any retailer at 22.3% and is followed closely behind by Lidl with 18.3% sales growth.â€• Â

Meanwhile Waitrose, the traditionally strong performer in the festive season, continues its impressive run.Â It has grown its sales by 6.0%, extending an unbroken pattern of growth dating back to February 2009.

Asdaâ€™s sales dipped by 1.0% taking its share down to 16.7% however it did record the best performance among the big four.Â Tescoâ€™s sales slowed by 2.7% in the latest 12 week period.Â This is its best result since June, showing some limited signs of stabilisation for the retailer.

Meanwhile, Sainsburyâ€™s and Morrisons both lost share, with sales dipping by 1.8% and 3.2% respectively.