Market Accelerates and Tesco Returns to Growth

Contributed by Kantar Worldpanel
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The latest grocery share figures from Kantar Worldpanel, published today for the 12 weeks ending 1 February 2015, show the grocery market growing at 1.1%, the fastest rate since June 2014.

Fraser McKevitt, head of retail and consumer insight at Kantar Worldpanel, explains: â€œShoppers are taking advantage of both lower fuel prices and the continuing price war among the supermarkets to slightly increase their grocery spending.Â This has pushed the market into 1.1% growth, low by historical standards but a considerable improvement compared to November 2014, when the market contracted.â€•

Â â€œAll of the major grocers have continued to compete fiercely on price leading to like-for-like grocery prices falling by 1.2%.Â This is another record low, saving Britainâ€™s shoppers Â£327 million over the past 12 weeks.

â€œTesco returned to growth for the first time since January 2014, increasing sales by 0.3% compared to this time last year.Â Britainâ€™s largest retailer is bouncing back from a tough year, with Dave Lewisâ€™s efforts to overhaul the supermarket attracting an additional 236,000 shoppers into its stores in the last 12 weeks.Â Despite the increase in sales, Tescoâ€™s overall market share fell to 29.0%, down by 0.2 percentage points compared to last year.â€•

Asda reclaimed the title of second largest retailer this period with 16.9% of the market, overtaking Sainsburyâ€™s, which traditionally performs more strongly at Christmas than the rest of the year.Â Both grocers saw sales fall compared with a year ago â€“ Asda by 1.7% and Sainsburyâ€™s by 1.0%.Â Morrisonsâ€™ sales fell by 0.4%, the best performance from the Br based retailer since December 2013.

Fraser McKevitt continues: â€œEarly results suggest that discounters Aldi and Lidl will find their accelerated growth levels hard to match in 2015.Â Aldiâ€™s growth of 21.2% is still impressive but a relative slowing from its 36% peak in April 2014.Â Likewise, Lidlâ€™s maximum growth of 24% in May last year is now down to 14.2%.Â Despite this slowdown, both retailers are still taking share from the other retailers â€“ rising 0.8 percentage points and 0.4 percentage points respectively to 4.9% and 3.5%.â€•

At the premium end of the market Waitrose has supported growth with a greater focus on price and promotion.Â This has resulted in a sales rise of 7.2%, taking its overall share to 5.2%.