Morrisons Returns to Growth and Lidl Reaches New Share High

Contributed by Kantar Worldpanel
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The latest grocery share figures from Kantar Worldpanel, published today for the 12 weeks ending 24 May 2015, show continued slow growth in the supermarket sector with sales increasing by just 0.2% compared to a year ago.Â Morrisons was the only one of the big four retailers to see increased sales in the latest period, although its market share remained unchanged at 10.9%.

Fraser McKevitt, head of retail and consumer insight at Kantar Worldpanel, explains:Â â€œMorrisons has returned to growth for the first time since December 2013 with a marginal sales increase of 0.1% â€“ a welcome boost for new CEO David Potts.Â A committed core of loyal Morrisons consumers is responding positively to recent initiatives and business has been boosted by online sales.Â Morrisonsâ€™ performance is an improvement on what was a difficult May 2014, so this is only the first step in any future recovery.â€•

Sainsburyâ€™s has also held its share at 16.5% despite sales falling by 0.3%.Â After an improved start to the year Tesco sales decreased by 1.3%, with its market share falling by 0.4 percentage points to 28.6%.Â Strong performance from the Tesco Express convenience stores and its online channel has not been enough to compensate for falling sales in the larger outlets.Â Asda sales were down by 2.4% with lower prices charged at the till not sufficiently offset by increased footfall.

Fraser McKevitt continues: â€œAll of the major supermarkets are finding growth difficult as prices have been declining since September 2014.Â Yet while like-for-like groceries are 1.9% cheaper than this time last year this is not as steep a fall as last month, when prices were down by 2.1%.Â This means that if current trends continue, prices will once again start rising by the end of the year.â€•

Buoyed by a sales growth of 8.8% Lidl reached a new record high market share of 3.9%, up from 3.6% last year.Â Lidlâ€™s growth has been fuelled by a combination of more consumers visiting the stores and the average basket containing more items, demonstrating a consumer willingness to move their bigger shopping trips to the so called â€˜discountersâ€™.Â Aldi also grew sales by 15.7%, taking share to 5.4% of the market.

As a result of sales growth of 1.6%, Waitrose has increased market share to 5.2%.Â This is helped by a regional bias towards southern Britain, where grocery sales are growing more quicklyâ€“ particularly in London.Â Iceland also returned to growth for the first time in a year this period, increasing sales by 1.9%.