



Press information

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GROCERY SHRUGS OFF RECESSION AS INFLATION FALLS (PLUS AN UPDATE ON GROCERY PRICE INFLATION)

Ed Garner, Director, TNS Worldpanel, comments:

The latest TNS Worldpanel grocery market share figures, published today for the 12 weeks ending 6th September 2009 increasingly confirm the impression that “recession panic” is ebbing away as far as the grocery market is concerned. This is not to imply that all sectors of the High Street will instantly return to pre-recession growth. Rather that food remains a manageable proportion of most household budgets by historical standards and, it could be argued, the grocery sector suffered from an over-reaction at the end of 2008 when Aldi posted year-on-year sales growth of 26% and Waitrose saw a sales decline.

Fast-forward to today and Waitrose is the top performer with a growth rate of 11.2% - the highest since August 2006. Admittedly this will be boosted by the stores acquired from the Co-operative / Somerfield combination but it is hardly a sign of a rush downmarket.

Growth for Aldi and Lidl continues to fall back from 2008 levels with Aldi growing ahead of the market at 8.0% and Lidl just keeping pace with the market growth of 5.2%.

Asda, Sainsbury's and Morrisons all continue to grow share and have added 1.1 share points between them. It is too early yet to assess the impact of Tesco's Clubcard 2 within this 12 week period and the Tesco share continues under pressure.

It is worth noting that there is challenge to the sector coming from the falling grocery inflation rate (see below) – this will restrict value growth for the industry going forward.

An update on inflation

Grocery price inflation has further decreased since last month and the figure for the 12 week-ending period 6th September 2009 is 4.3%. This is the sixth successive drop in Grocery price inflation in this series of reports. As always, it is also important to remember that the drop in inflation does not mean that prices are falling, merely rising more slowly.

This figure is based on over 75,000 identical products compared year-on-year in the proportions purchased by British 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 as they trade down or seek out more offers.

Total Till Roll

Great Britain Consumer Spend

Includes all expenditure through main store tills and excludes petrol & instore concession

	12 Weeks to 07 September 2008		12 Weeks to 06 September 2009		change %
	£000s	% *	£000s	% *	
Total Till Roll	27,743,400		28,376,010		2.3
Total Grocers	20,198,470	100.0%	21,247,210	100.0%	5.2
Total Multiples	19,696,310	97.5%	20,784,520	97.8%	5.5
Tesco	6,275,343	31.1%	6,564,678	30.9%	4.6
Asda	3,435,713	17.0%	3,703,737	17.4%	7.8
Sainsbury's	3,141,446	15.6%	3,360,483	15.8%	7.0
Morrisons	2,188,004	10.8%	2,391,943	11.3%	9.3
Total Co-operative	1,861,206	9.2%	1,738,586	8.2%	-6.6
Co-operative	1,102,254	5.5%	1,170,494	5.5%	6.2
Somerfield	758,952	3.8%	567,968	2.7%	-25.2
Waitrose	750,973	3.7%	835,135	3.9%	11.2
Iceland	335,488	1.7%	358,238	1.7%	6.8
Aldi	585,569	2.9%	632,293	3.0%	8.0
Lidl	471,489	2.3%	495,941	2.3%	5.2
Netto	158,225	0.8%	161,246	0.8%	1.9
Farm Foods	107,732	0.5%	118,110	0.6%	9.6
Other Freezer Centres	49,939	0.2%	52,194	0.2%	4.5
Other Multiples	335,183	1.7%	371,938	1.8%	11.0
Total Independents	502,162	2.5%	462,685	2.2%	-7.9
Total Symbols	178,875	0.9%	163,785	0.8%	-8.4
Other Independents	323,287	1.6%	298,900	1.4%	-7.5

* = Percentage Share of Total Grocers

To view the video commentary from Ed Garner or to get further information please visit

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Note to editor

These findings are based on TNS Worldpanel data for the 12 weeks to 6th September 2009. TNS Worldpanel monitors the household grocery purchasing habits of 25,000 demographically representative households in Great Britain. All data discussed in the above announcement is based on the value of items being bought by these consumers, TNS will only support data that is published in the context we have presented it and our own interpretation of these findings. We cannot be held responsible for any other interpretation of these findings.

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