Press information

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TESCO SHARE TURNAROUND
(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 1st November 2009 show that Tesco has grown its market share from 30.6% a year ago to 30.7% now. This is the first time this has happened is this series of updates since the end of 2007. The Tesco growth rate of 4.7% year-on-year beats the market average of 4.4% and this has also not happened since the end of 2007. Not only is this evidence of the impact of Clubcard 2 (the doubling of the discount to 2% of spend) but also Tesco will be hoping for added impetus as the latest Clubcard mailout, currently taking place, puts coupons in shoppers' hands in the run-up to Christmas.

The next three retailers (Asda, Sainsbury's and Morrisons) have all continued to outperform the market and have therefore increased share. Morrisons again shows the highest growth of the top 4 as it moves nationwide and consolidates the stores acquired from the aftermath of the Co-operative takeover of Somerfield.

The Co-operative also lifts its share as the estate builds.

Further signs that some shoppers are shrugging off the recession are provided by the buoyant Waitrose performance. The growth rate of 12.3% is the highest recorded by the outlet since September 2005.

The growth spurt enjoyed by the Discounters at the end of 2008 has not been maintained – the sector share of 6.1% remains unchanged year-on-year.

<u>An update on inflation</u>

Grocery price inflation has further decreased since last month and the figure for the 12 week-ending period 1st November 2009 is 3.2%. This is the eighth successive drop in Grocery price inflation in this series of reports. This means that the trading-down effect, which has been a feature of the recession, will now be much reduced. 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 02 November 2008		12 Weeks to 01 November 2009		change
	£000s	% *	£000s	% *	%
Total Till Roll	**28,073,670**		**28,435,490**		**1.3**
Total Grocers	**20,363,830**	**100.0%**	**21,267,740**	**100.0%**	**4.4**
Total Multiples	**19,869,000**	**97.6%**	**20,799,900**	**97.8%**	**4.7**
Tesco	**6,228,468**	**30.6%**	**6,521,371**	**30.7%**	**4.7**
Asda	**3,443,222**	**16.9%**	**3,669,899**	**17.3%**	**6.6**
Sainsbury's	**3,197,227**	**15.7%**	**3,374,885**	**15.9%**	**5.6**
Morrisons	**2,296,264**	**11.3%**	**2,492,014**	**11.7%**	**8.5**
Total Co-operative	**1,860,639**	**9.1%**	**1,682,987**	**7.9%**	**-9.5**
Co-operative	**1,077,726**	**5.3%**	**1,138,760**	**5.4%**	**5.7**
Somerfield	**782,913**	**3.8%**	**544,227**	**2.6%**	**-30.5**
Waitrose	**758,215**	**3.7%**	**851,587**	**4.0%**	**12.3**
Iceland	**346,449**	**1.7%**	**369,243**	**1.7%**	**6.6**
Aldi	**611,668**	**3.0%**	**647,133**	**3.0%**	**5.8**
Lidl	**471,626**	**2.3%**	**497,606**	**2.3%**	**5.5**
Netto	**161,104**	**0.8%**	**163,020**	**0.8%**	**1.2**
Farm Foods	**108,645**	**0.5%**	**117,027**	**0.6%**	**7.7**
Other Freezer Centres	**48,954**	**0.2%**	**50,179**	**0.2%**	**2.5**
Other Multiples	**336,517**	**1.7%**	**362,948**	**1.7%**	**7.9**
Total Independents	**494,837**	**2.4%**	**467,845**	**2.2%**	**-5.5**
Total Symbols	**174,048**	**0.9%**	**161,408**	**0.8%**	**-7.3**
Other Independents	**320,788**	**1.6%**	**306,437**	**1.4%**	**-4.5**

*** = Percentage Share of Total Grocers**

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

<u>Note to editor</u>

These findings are based on TNS Worldpanel data for the 12 weeks to 1st November 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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