KANTAR WORLDPANEL

Press release
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UNDER EMBARGO UNTIL 8.00AM TUESDAY 25 JULY
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@KWP_UK

Inflation stabilises one year on from EU referendum

The latest grocery market share figures from Kantar Worldpanel, published today for the 12 weeks ending 16 July 2017, show market growth has exceeded 3% for the fourth consecutive period – the first time since November 2013. Supermarket sales increased by 3.9% compared to the same period last year.

Fraser McKevitt, head of retail and consumer insight at Kantar Worldpanel, explains: "Robust market growth this year has been boosted by higher grocery inflation, but consumers will be pleased to hear that price rises are no longer accelerating. Like-for-like inflation now stands at 3.2%, the same rate of increase as this time last month. One year on from the EU referendum – which had a marked impact on the price of imported groceries – hard-pressed shoppers could soon start to feel upward pricing pressures ease.

"June's hot spell was good news for UK grocers, with sales particularly buoyant around the hottest June day for 40 years. Ice cream sales were up 34% in June alone, while sales of suncare products increased by 40% year on year as Brits enjoyed the unexpected sunshine. Over the 12 week period, celebratory shoppers spent an additional £158 million on alcohol. Fruit and vegetable sales also spiked – up 7% – as shoppers parted with an extra £170 million to help offset the summer indulgence."

The success story continues for own label, with sales up 6.7% year on year: supermarkets' own brand lines now account for just over 51% of spending – a record high. **Fraser McKevitt continues:** "While private label's strong performance is partly down to consumers' undying love for a bargain, it's actually the pricier premium own label lines which are leading the way: up 13.9% compared with this time last year. In contrast brands are seeing considerably slower growth, up by just 0.9% year on year."

Lidl was once again Britain's fastest growing supermarket, increasing sales by 19.4% – its strongest growth since October 2014. Its market share has in turn risen to a record high of 5.1%. Close behind, Aldi's sales grew by 17.9%, increasing its share of the market by 0.8 percentage points to 7.0%.

Elsewhere competition was tight as Tesco, Sainsbury's and Morrisons saw sales increases of 2.3%, 2.2% and 2.1% respectively. The fastest-growing of the big four retailers, Tesco continued to perform well in its larger stores and also saw momentum buoyed by a particularly strong performance online. **Fraser McKevitt comments:** "Tesco clearly sees its online business as a crucial component of its ongoing recovery, evidenced by its move into nationwide same day grocery delivery ahead of the competition. It remains to be seen if this

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investment will pay off – while it has the largest share of online sales Tesco overall is still losing market share, down 0.5 percentage points to 27.8% over the past 12 weeks.

"Sainsbury's benefited similarly from strong online custom, while its smaller Local convenience stores also contributed to the retailer's 2.2% sales increase. After leading the move towards fewer multibuy promotions in 2016, Sainsbury's is now aiming to further simplify its pricing by reducing price cut deals. This approach means that only 36% of the grocer's products are currently sold on promotion, compared to an average of 42% across its big four rivals."

Meanwhile Morrisons saw sales up 2.1% year on year, with the success of its 'The Best' range helping to increase premium own label sales by 13%. Growing for the fourth consecutive period, Asda attracted an additional 398,000 new shoppers to increase sales by 1.0% year on year. The retailer's 'Farm Stores' meat and produce lines, which launched in April 2017, are now finding their way into just over a quarter of Asda's baskets, generating sales of over £58 million.

Iceland's market share remained static year on year at 2.1%, with sales increasing by 5.7%, while Waitrose and Co-op saw sales growth of 2.8% and 0.4% respectively. Online specialist Ocado grew sales by 11.7%, holding its overall market share stable at 1.3%.

Ends

An update on inflation

Grocery inflation now stands at +3.2%* for the 12 week period ending 16 July 2017. Prices have been rising since the 12 weeks to 1 January 2017, following a period of grocery price deflation which ran for 30 consecutive periods from September 2014 to December 2016. Rising prices in markets such as butter, fish and cola have been partially offset by falling prices in categories including fruit squash and cooked poultry.

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

Kantar Worldpanel's data visualisation tool allows you to view and analyse Grocery Market Share data online. The latest sales share figures for all of the major grocers can be viewed and compared with historical figures here and all graphics within the Kantar Worldpanel dataviz are available to embed in your site.

(Optimal viewing in recent versions of Internet Explorer or Chrome)

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KANTAR WORLDPANEL MARKET SHARE - TOTAL TILL ROLL

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

Total Till Roll - GB Consumer Spend					
	12 Weeks to 17 July 2016		12 Weeks to 16 July 2017		% Change
	£millions	% **	£millions	% **	%
Total Grocers	**25,307**	**100.0%**	**26,300**	**100.0%**	**3.9%**
Total Multiples	**24,816**	**98.1%**	**25,774**	**98.0%**	**3.9%**
Tesco	7,157	28.3%	7,322	27.8%	2.3%
Sainsbury's	4,116	16.3%	4,207	16.0%	2.2%
Asda	3,919	15.5%	3,958	15.1%	1.0%
Morrisons	2,709	10.7%	2,766	10.5%	2.1%
Aldi	1,562	6.2%	1,841	7.0%	17.9%
Co-op	1,623	6.4%	1,629	6.2%	0.4%
Waitrose	1,293	5.1%	1,329	5.1%	2.8%
Lidl	1,127	4.5%	1,346	5.1%	19.4%
Iceland	527	2.1%	557	2.1%	5.7%
Ocado	317	1.3%	354	1.3%	11.7%
Other Multiples	466	1.8%	463	1.8%	-0.6%
Symbols & Independents	**491**	**1.9%**	**526**	**2.0%**	**7.2%**

** = Percentage Share of Total Grocers

Follow us on Twitter at **http://twitter.com/#!/KWP_UK** and join the debate #GroceryMarketShare.

Notes to editors

Please note: From the 12 w/e 23 April 2017, data on Ocado will be detailed in Kantar Worldpanel's monthly grocery market share. Ocado figures were previously included in 'other multiples', so data for all other individual retailers is not affected.

For further information please contact Camargue.

Please note that four week ending or six week ending retailer share data should not be used in media reporting. The 12 week ending data stated in this release covers a longer time period which means it is a superior indicator of retailer performances and trends.

For all publicly-quoted Worldpanel data, users of our research (including media) must ensure that data is sourced to 'Kantar Worldpanel'.

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These findings are based on Kantar Worldpanel data for the 12 weeks to 16 July 2017. Kantar Worldpanel monitors the household grocery purchasing habits of 30,000 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.

For further information, please contact:

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About Kantar Worldpanel

Kantar Worldpanel is the global expert in shoppers' behaviour.

Through continuous monitoring, advanced analytics and tailored solutions, Kantar Worldpanel inspires successful decisions by brand owners, retailers, market analysts and government organisations globally.

With over 60 years' experience, a team of 3,500, and services covering 60 countries directly or through partners, Kantar Worldpanel turns purchase behaviour into competitive advantage in markets as diverse as FMCG, impulse products, fashion, baby, telecommunications and entertainment, among many others.

For further information, please visit us at www.kantarworldpanel.co.uk.
Twitter: Google+: LinkedIn: RSS: Newsletter:

About Kantar

Kantar is one of the world's leading data, insight and consultancy companies. Working together across the whole spectrum of research and consulting disciplines, its specialist brands, employing 30,000 people, provide inspirational insights and business strategies for clients in 100 countries. Kantar is part of WPP and its services are employed by over half of the Fortune Top 500 companies.

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