

News Release

Rugby World Cup fails to halt falling supermarket sales

Consumers spend 3.3% less per visit than a year ago

London, 20 October 2015. Continuing deflation and the enduring growth of the discounters outweighed any bounce from the Rugby World Cup, as the UK's major supermarkets suffered a rare fall in both sales value and volume – according to the latest data from global information and insights company Nielsen.

During the four weeks ending 10 October 2015, sales value at the tills dropped **-1.0%**¹ versus the same period a year ago – while volumes declined **-0.1%**. This is only the second time in the last 11 four-week periods that both metrics have declined.

Heavy World Cup-related promotions meant the Beer category saw one of the strongest growths in sales value – up 6.0% year-on-year – followed by Confectionery (+3.7%) and Crisps/Snacks (+1.3%). However, these were more than offset by falls in Dairy (-4.5%), Meat/Poultry (-3.2%), Packaged Grocery (-2.8%) and Bakery (-2.5%).

“Deflation, discounters and weak volume growths have meant a challenging four weeks for the supermarkets – despite the relatively warm weather and the Rugby World Cup,” explains Nielsen’s UK head of retailer and business insight Mike Watkins. “Whilst lower food prices are good news for shoppers, they result in falling spend per visit across the industry which doesn’t benefit retailers who have the same level of fixed and operational costs.”

The average spend per visit in the latest four-week period dropped 3.3% year-on-year to £17.23.

Aldi and Lidl see major surges in growth

Aldi continued their strong growth in year-on-year sales (27.6%) during the 12 weeks ending 10 October, as did Lidl (up 23.3%). Watkins comments: “The other supermarkets will be particularly disappointed that discounter growth shows little sign of slowing – Aldi’s year-on-year rise was their highest in nearly 18 months whilst Lidl’s was their highest in nearly a year.”

Sainsbury’s was the only top-four supermarket not to see a decrease in year-on-year sales (albeit flat at 0.0%) whilst Asda continued to be the weakest performer among the entire top 10 (down 4.2%).

Aside from the discounters, Marks & Spencer had the highest growth in year-on-year sales (3.0%) whilst Waitrose had the largest increase in new shoppers (2.1%).

Table: **12-Weekly** % share of grocery market spend by retailer and value sales % change

	Market share, 12 weeks to 10 Oct '15	Market share, 12 weeks to 11 Oct '14	Sales change vs. same 12 weeks year ago
TESCO	27.5%	28.2%	-1.2%
SAINSBURY	15.9%	16.1%	0.0%
ASDA	15.5%	16.4%	-4.2%
MORRISONS	10.7%	11.0%	-1.3%
ALDI	6.6%	5.2%	27.6%
CO-OPERATIVE	5.7%	5.7%	-0.1%
LIDL	4.4%	3.6%	23.3%
WAITROSE	4.2%	4.2%	2.1%
MARKS AND SPENCER	3.1%	3.0%	3.0%
ICELAND	2.1%	2.1%	0.5%

*The figures in the table are based on 12 weeks sales through to 10 October 2015 compared with the same 12 week period ending in 2014
Source: Nielsen Total Till, Nielsen Homescan. Includes an annual universe update at October 2014.*

Watkins notes: "Perhaps, more than ever, the retailers will be looking forward to the start of Christmas promotions in a couple of weeks to turn things around. We can expect branded price cuts, brand price guarantees and strong promotions, as all the major players search for that important point of difference in consumers' eyes."

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Notes

All figures are from Nielsen Homescan Total Till unless otherwise stated

¹Source: Nielsen Scantrack Grocery Multiples

About Nielsen Homescan Total Till

The Nielsen continuous 14,500 GB household panel is geo-demographically balanced and designed to measure household purchasing through a wide range of channels. It includes all food and drink and non-food spend (e.g. household, personal care, clothing, electrical, cards and stationery, toys, music, general merchandise, etc.) It represents the total amount paid (after all coupons and vouchers), found on the till receipt.

About Nielsen Scantrack

The Nielsen scanning service that measures total store sales every week by SKU for 15,000 shops across all food and drink trade channels in GB. This uses the actual EPOS data from retailers, thus, Scantrack is the most robust and reliable measure of FMCG sales and is integrated with Homescan for the key indicators of retailer and category performance. The total market measured is £145bn per annum. 'Grocery Multiples' is a defined sub-set of the major supermarkets that also includes all food sales from Marks and Spencer (but excludes Aldi and Lidl). The Grocery Multiples account for over £121bn of all GB food, drink and supermarket general merchandise sales.

About Nielsen

Nielsen Holdings plc (NYSE: NLSN) is a global performance management company that provides a comprehensive understanding of what consumers Watch and Buy. Nielsen's Watch segment provides media and advertising clients with Total Audience measurement services across all devices where content — video, audio and text — is consumed. The Buy segment offers consumer packaged goods manufacturers and retailers the industry's only global view of retail performance measurement. By integrating information from its Watch and Buy segments and other data sources, Nielsen provides its clients with both world-class measurement as well as analytics that help improve performance. Nielsen, an S&P 500 company, has operations in over 100 countries that cover more than 90 percent of the world's population. For more information, visit www.nielsen.com

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