

## News Release

# Supermarkets experience biggest sales dip for over a year

*Tesco, Asda and Morrisons most hit by the discounters' rise*

**London, 17 November 2015.** The continuing rise of the discounters has meant the UK's major supermarkets experienced their biggest year-on-year fall in the value of sales for over a year – according to the latest data from global information and insights company Nielsen.

During the four weeks ending 7 November 2015, sales value at the tills dropped **-1.2%**<sup>1</sup> versus the same period a year ago. The last time it was lower was the four weeks ending 11 October 2014 (-1.5%).

With volumes declining **-0.5%**, it meant both metrics declined for the third time in the last four 4-week periods – something that didn't happen at all in the eight 4-week periods prior to that.

*“Heavy price-cutting to combat the discounters, coupled with deflation, is great news for consumers but increasingly problematic for the supermarkets, who are seeing less money going through the tills,”* explains Nielsen's UK head of retailer and business insight Mike Watkins. *“The rise of the discounters seems to have hit Tesco, Asda and Morrisons the hardest. Their combined market share over the last year is down 2.1%, the exact figure the discounters' has risen.*

*“The percentage of sales from items on promotion has remained at 32% for another month, suggesting retailers are still committed to driving incremental sales through promotional activity when the market is in decline. It is, however, lower than the 35% experienced this time last year.”*

### **Sainsbury's continues to fly flag among the Big Four**

Sainsbury's was the only top-four supermarket to see an increase (0.4%) in year-on-year sales over the last 12-week period. Tesco and Morrisons both saw a decrease (**-1.8%**), as did Asda (**-4.7%**) whose drop was the largest of all the top 10.

Marks & Spencer (3.9%) experienced the largest growth in sales, aside from Aldi (27.5%) and Lidl (21.7%).

*“It's too soon to assess the impact of Tesco's new Brand Guarantee commitment but, like Asda, deflation is still driving down spend per visit, and this is likely to continue for the rest of the year,”* notes Watkins. *“Both retailers will be expecting a lot from their Christmas advertising campaigns in terms of attracting new shoppers and encouraging more visits ahead of Christmas. They'll also be helped, vis-à-vis the discounters, by having larger out-of-town stores in their armoury – where shoppers traditionally spend more in December.”*

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

	Market share, 12 weeks to 7 Nov '15	Market share, 12 weeks to 8 Nov '14	Sales change vs. same 12 weeks year ago
TESCO	27.2%	28.1%	-1.8%
SAINSBURY	16.0%	16.1%	0.4%
ASDA	15.5%	16.4%	-4.7%
MORRISONS	10.7%	11.0%	-1.8%
ALDI	6.7%	5.3%	27.5%
CO-OPERATIVE	5.5%	5.6%	0.6%
LIDL	4.4%	3.7%	21.7%
WAITROSE	4.3%	4.2%	2.3%
MARKS AND SPENCER	3.1%	3.0%	3.9%
ICELAND	2.1%	2.1%	-0.4%

*The figures in the table are based on 12 weeks sales through to 7 November 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.*

### Dairy, meat and bread most hit by deflation

Deflation and price cutting is having the biggest impact in Dairy (-4.2%), Meat/Fish/Poultry (-4.1%) and Bakery (-3.2%), which saw the largest sales declines in the four-week period versus a year ago.

The strongest category growths were in Delicatessen (+1.6%), Crisps and Snacks (+1.3%), Produce (+0.8%) and Beers, Wines and Spirits (+0.7%).

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### Notes

*All figures are from Nielsen Homescan Total Till unless otherwise stated*

*<sup>1</sup>Source: 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](http://www.nielsen.com)

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