

News Release

Welcome boost for supermarkets as consumers up spend 8% to £3.3bn in Christmas week

However, discounters are big winners during final quarter of the year

London, 12 January 2016. The UK's beleaguered supermarkets received a welcome Christmas present as consumers spent £3.3 billion during the week ending Boxing Day – 8% more than in the same period a year ago – according to global information and insights company Nielsen.

Supermarket sales during Christmas week were 43% higher than in an average week, when around £2.3 billion¹ is spent.

Mike Watkins, Nielsen's UK head of retailer and business insight: *"With Christmas falling a day later in the week than last year, shoppers had an extra opportunity to buy food and drink between the final pre-Christmas weekend and the big day itself. Consequently, sales accelerated as shoppers took advantage of the extra day to buy fresh foods, seasonal treats, gifts and indulgences."*

The strongest category growths during the four weeks ending 2 January 2016 were in Confectionery (+3.7%), Delicatessen (+3.6%) and Beers, Wines and Spirits (+3.2%). Sales fell the most in Meat/Fish/Poultry (-3.8%), Household (-2.5%), Bakery (-2.2%) and Grocery (-2.1%) – categories where deflation and price cutting is having a bigger impact.

Overall, during the four weeks ending 2 January 2016, sales value was flat¹ versus the same period a year ago, while volumes declined **-0.2%**.

However, discounters the big winners

During the final 12 weeks of the year, Aldi's sales were up 20.6% year-on-year whilst Lidl's were up 17.9%.

In contrast, among the Big Four, Sainsbury's was up 0.2% whilst Asda (-4.2%), Morrisons (-2.7%) and Tesco (-2.0%), all declined. However, Sainsbury's and Tesco's performance was better than the same period a year ago.

Watkins notes: *"The discounters saw a surge of new shoppers in December. However, there was a slowdown in the growth of their basket spend compared to Q3, indicating they're not immune to a fightback from the Big Four."*

In the four weeks ending 2 January 2016, the number of items in the average Aldi (+1.5%) and Lidl (4.7%) basket increased versus a year ago, however, the average cost per item dropped (-2.3% and -3.2%, respectively).

Watkins again: *“The average price per item fell more at Aldi and Lidl than it did across the industry as a whole. So, whilst people are buying more items from the discounters, they’re actually saving money.”*

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

| | % share, 12 weeks to 2 January 2016 | % share, 12 weeks to 3 January 2015 | % sales change vs. same 12 weeks year ago |
|-------------------|-------------------------------------|-------------------------------------|---|
| TESCO | 27.3% | 28.0% | -2.0% |
| SAINSBURY | 16.3% | 16.4% | 0.2% |
| ASDA | 15.3% | 16.1% | -4.2% |
| MORRISONS | 10.7% | 11.1% | -2.7% |
| ALDI | 6.5% | 5.4% | 20.6% |
| CO-OPERATIVE | 5.1% | 5.1% | 1.0% |
| WAITROSE | 4.4% | 4.4% | 1.5% |
| LIDL | 4.4% | 3.7% | 17.9% |
| MARKS AND SPENCER | 3.4% | 3.3% | 6.3% |
| ICELAND | 2.1% | 2.2% | -2.0% |

The figures in the table are based on 12 weeks sales through to **2 January 2016** compared with the same 12 week period ending in 2015
Source: Nielsen Homescan Total Till. Includes an annual universe update at October 2014.

“Over Christmas, shoppers took advantage of some exceptional seasonal offers and price cuts. Meanwhile, most retailers were able to attract new shoppers – in particular, Aldi, Lidl, Sainsbury and Tesco,” concludes Watkins. *“The percentage of sales purchased on promotion fell to 31% - the lowest for over five years. Furthermore, with deflation now likely to have reached its low point, and the intensity of promotions continuing to fall, the industry has a good chance of returning to positive growth in the first part of 2016.”*

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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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