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News Release

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Tuesday 19th August - For Immediate Release

Asda Price it Nice for Strapped Shoppers

Sales at grocery multiples have increased 5.8% YoY in the latest 12 weeks with food inflation continuing to drive all growth in this sector. The country's second largest food retailer, Asda, has made gains with almost 8% YoY growth in the last quarter, pulling away from the third largest retailer, Sainsbury's who's growth was 4.2% YoY and share stood at 14.1% for the 12 weeks to 9th August.

Mike Watkins, senior manager retailer services at Nielsen commented, "The intense price competition in the market has seen Asda, whose heritage is all about low prices, push ahead with strong sales growths and a market share increase versus the same period last year. Shoppers are clearly taking advantage of the short term price cuts and promotional deals that all of the major supermarkets have been running to help keep spend within their family budgets."

Nielsen data also shows that sales are strongest at large out of town supermarkets – growth here was 7% YoY in the 12 weeks to 9th August. Sales at large grocery stores on the high street, in contrast, have slowed to just 1% YoY.

"Seeing this sector slow is quite a stark reflection of the state of high street retailing in general. Consumers are hunting out good value and perceive they will get this at the big out of town hypermarkets. Making a single shopping trip avoids additional fuel costs and shoppers also benefit from free parking and all these little savings are now being considered."

Other retailers who trade on value and price propositions are also performing well. Iceland has seen sales growths of 13% YoY for the latest quarter, increasing to 15% YoY in the last 4 weeks and Morrisons continues to grow at around 9% YoY. Though Tesco growth remains under the 6% mark, the retailer has gained half a percentage point in share terms since this time last year and its recent "Inflation Busting" campaign will certainly have contributed to this.

Watkins added, "Shopping at Discounters continues to increase. In the last 12 weeks almost 40% of households shopped at a Discount retailer and sales are up a massive 26%. The combined market share of Aldi, Lidl and Netto of 6% is the highest ever recorded."



Table 1: 12 Weekly % Share of grocery market spend by Retailer

<i>Retailer</i>	<i>12w/e 11/08/07</i>	<i>12 w/e 09/08/08</i>	<i>Value Sales % Change</i>
Tesco	27.8	28.3	5.5
Asda	14.7	15.3	7.8
Sainsbury	14.0	14.1	4.2
Morrisons	9.7	10.3	9.1
Co-op	6.3	6.2	1.5
Waitrose	3.4	3.4	2.2
M&S	3.8	3.7	0.8
Somerfield	3.5	3.5	3.6
Iceland	1.6	1.7	13.1

The figures in the table are based on 12 weeks sales through to 9th August 2008 compared with the same 12 week period last year.

Source: Nielsen Total Till, Nielsen Homescan

About Nielsen Homescan Total Till: Unless otherwise stated, data is based on all purchases, bar-coded and non bar-coded, brought back into the home from any outlet by an in-home scanning panel of more than 14,500 households. Total spend includes all items stocked by any outlet, including grocery, durables and clothing

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