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News Release

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Morrisons Set for another Bumper Christmas But High Street and Convenience Retailers Continue to Suffer

Sales in supermarkets picked up in the last two weeks of November as more shoppers turn their backs on convenience stores and the high street retailers in favour of doing big shops at out of town stores, Market research company Nielsen reports today.

Overall growth in the grocery sector stood at 3.2% in the 12 weeks to 29th November with grocery multiples growth stronger at 5.6% (source: Nielsen Scantrack).

Mike Watkins, senior manager retailer services at Nielsen commented:

“Shoppers continue to hunt out the best value and perceive that this can be found at the hypermarkets. In the larger out of town stores growth reached 6% YoY in the 12 weeks to 29th November where as the smallest convenience outlets declined by almost 2% over the same period.”

He continued, “In order to save money shoppers are making less visits to grocery stores. Nielsen has identified that virtually every major food retailer saw the number of visits per shopper fall in November versus a year ago and the big casualties are those retailers that people visit to do top up, small basket and indulgence shops. It is likely that we will see even more deep discounts being advertised over the next 3 weeks as retailers scramble to drive foot fall.”

However, retailers such as Morrisons and Asda and value retailers like Iceland are not being hit by this trend as new shoppers are being drawn in and when there, shoppers are actually spending lots more.

Watkins added, “It looks like Morrisons is going to enjoy a second bumper Christmas. Sales are accelerating just in time for peak Christmas trading as shoppers take advantage of the retailer’s strong and unique promotions, such as `£20 off your Christmas shop`. We know that over 50% of shoppers will be constantly looking for the best prices and promotions when shopping for food this Christmas and Morrisons currently looks appealing to shoppers who are looking for some festive cheer.”



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

<i>Retailer</i>	<i>12w/e 01/12/07</i>	<i>12 w/e 29/11/08</i>	<i>Value Sales % Change</i>
Tesco	28.0	28.0	3.2
Asda	15.1	15.8	7.7
Sainsbury	14.2	14.2	3.6
Morrisons	10.0	10.6	9.5
Co-op	6.0	5.9	1.7
Waitrose	3.4	3.3	-0.9
M&S	3.9	3.7	-0.9
Somerfield	3.5	3.4	-1.3
Iceland	1.6	1.8	13.2

The figures in the table are based on 12 weeks sales through to 29th November 2008 compared with the same 12 week period in 2007

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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