



The Nielsen Company
Nielsen House
London Road
Headington
Oxford
OX3 9RX
www.nielsen.com

News Release

Contacts

Danielle Tolson
01865 732343
07977 236204
danielle.tolson@nielsen.com

Date Tuesday 31st March 2009, For Immediate Release

Fickle Shoppers Follow the Bargains as Grocery Sector Growth Slows to +2.7%

Sales in the wider grocery sector grew at 2.7% year on year (YoY) in the first quarter of 2009 with the grocery multiples faring slightly better at +4.4% YoY over the same period (source: Nielsen Scantrack). Of the big 4 supermarkets, Morrisons again lead the pack with 6.9% year on year sales growths, followed by Asda at 6.7% for the 12 weeks to 21st March. Tesco continued to lose market share with almost a half percentage point decline to 27.6% for the quarter, with Asda and Morrisons each picking up 0.2 points.

Mike Watkins, Senior Manager Retailer Services at Nielsen commented, "This time last year we were in the run up to an early Easter. Once seasonal purchasing kicks in for the coming Easter we should see improved performances and we expect high single digit growths in food and drink at the multiples over the coming 4 weeks."

He continued, "Shoppers are now well versed with money saving strategies, making the most of price cuts and promotions with many also opting for retailer own labels (including discount brands) where growths are almost 6%*."

Nielsen figures also show that in an effort to shop wisely, shoppers are:

- Continuing to curb the number of times they go shopping for groceries overall, with average number of visits made falling in all major retailers (except the Co-op)
- Shopping around as opposed to sticking with their regular retailer
- Shopping for small amounts more often - there is a 10% increase in the number of visits for baskets of up to 10 items in the first 8 weeks of 2009.

The latter trend has benefited the Co-op where shoppers visit on average almost twice a week and visits are up 5% in the last 4 weeks.

For some retailers, changing shopping patterns have resulted in record levels of penetration. 40% of the population visited a Sainsbury in the 4 weeks to March 21st, their highest ever outside of Christmas 2008. Tesco also has seen its numbers increase; 63% of households visited a Tesco at least once in the same period, up from 61% this time last year.

Watkins added, "Since the start of the year, Morrisons, Asda and now Sainsbury have pulled away from Tesco in terms of sales growths and all are attracting new shoppers. However, once in store, picking and choosing the best bargains and overall shopper caution means that -



despite food inflation hitting 9% again in February - the amount that the average shopper spent in supermarkets over the last 12 weeks was lower than it was a year ago, Asda and Morrisons being the only exceptions.

“Easter and the upcoming bank holidays will present retailers with an opportunity to build up stronger trade. The trick will be converting new and occasional visitors into higher spending shoppers...and managing to hang on to them in these fickle times.”

*source: Nielsen Scantrack Grocery Multiples 12 w/e 7/03/09

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

<i>Retailer</i>	<i>12w/e 22/03/08</i>	<i>12 w/e 21/03/09</i>	<i>Value Sales % Change</i>
Tesco	28.0	27.6	3.3
Asda	15.1	15.3	6.7
Sainsbury	14.8	14.8	5.0
Morrisons	10.3	10.5	6.9
Co-op	6.1	5.9	1.7
Waitrose	3.6	3.5	1.3
M&S	3.8	3.7	2.6
Somerfield	3.6	3.3	-1.2
Iceland	1.6	1.8	15.6

The figures in the table are based on 12 weeks sales through to 21st March 2009 compared with the same 12 week period in 2008

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

About The Nielsen Company

The Nielsen Company is a global information and media company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence, mobile measurement, trade shows and business publications (Billboard, The Hollywood Reporter, Adweek). The privately held company is active in more than 100 countries, with headquarters in New York, USA. For more information, please visit, www.nielsen.com.