

EMBARGOED FOR 08:00 AM TUESDAY 4 APRIL 2023

Half of Brits influenced by loyalty card discounts when buying on promotion

- *As inflation soars, NIQ data reveals 54% of Brits stated that price discounts via loyalty cards were most likely to encourage them to buy a product*
- *Food inflation causes Total Till grocery sales in the four weeks ending 25th March to rise to 11.5% up from 11.1% in February*
- *NIQ predicts that grocery retailers could top £3bn in sales over the Easter week - a 20% growth on sales compared with the same week (pre-Easter week) last year*

London, 4th April 2023: As food inflation in March soared to 15%¹, Total Till value sales rose to 11.5% in the last four weeks ending 25th March, up from 11.1% in February, reveals new data, released today by [NIQ](#) (previously known as NielsenIQ).

According to NIQ, UK supermarkets experienced a 7% increase in shopping visits to stores, with a 13% uplift in spend in-store compared to the same time last year. This is likely due to many UK households looking to plan ahead and shop around to save money on their grocery shopping as many continue to be faced with higher monthly household bills.

With this in mind, new NIQ data shows the importance of loyalty cards for shoppers looking to manage their grocery budgets. 44%² of Brits agree that retailer vouchers and coupons are important in determining where they shop - this rises to 55% of those severely impacted by the increased cost of living crisis.

Moreover, 54% of Brits stated that price discounts via loyalty cards were most likely to encourage them to buy a product. Consequently, a 'special price discount' for loyalty card holders is the top response (35%) from UK shoppers when asked which different promotions are likely to influence where they shop. This is followed by an everyday low price as a close second (34%).

NIQ data shows that over the four week period, volume sales across the grocery multiples fell -3.9%. While this is an improving trend, it still indicates that spend is continuing to shift to the discounter channels, with Aldi and Lidl's combined growth continuing to be above 20%.

However, M&S experienced good momentum following Valentines day and further helped by Mothering Sunday. Data from NIQ reveals that across all grocery channels, shoppers spent £2.8bn in the week ending 18th March - this is £168m more than last Mothering Sunday (+6.4%), with key categories being cut flowers (+5.8%)³ and chocolate gift boxes (+16.8%) showing that despite the cost of living crisis, there was a willingness to spend more for this event with positive unit growth for both.

Mike Watkins, NIQ's UK Head of Retailer and Business Insight, said: "Our recent survey indicates that during a period of high inflation, shoppers are looking for different ways to save money and loyalty card savings are a 'win-win' strategy as they reward both shoppers and retailers. They give meaningful savings, shoppers prefer the immediacy of the discount and they are a promotional mechanic likely to influence where they shop, while also encouraging category purchasing."

Watkins continues: "Sales should rally this week for Easter (against pre-Easter week last year), and sales at the grocery retailers could top £3bn this week, achieving growth in excess of 20% which will be welcome news for retailers. Over the next four weeks, supermarkets should also be able to maximise the 'little and often' purchasing shopping trend over the Bank Holidays in May, which also includes the King's Coronation weekend."

Watkins concludes: "Whilst inflation greatly influences shopping behaviour, there is an expectation that we will hit 'peak inflation' in the new couple of months. If this happens, the big supermarkets are well placed to fulfil new and different mission-based shopping trips. This is helped by having different store formats, as well as the breadth of ranges, typically not available at a discounter. All of this should help volume sales to eventually return to growth after over a year of decline."

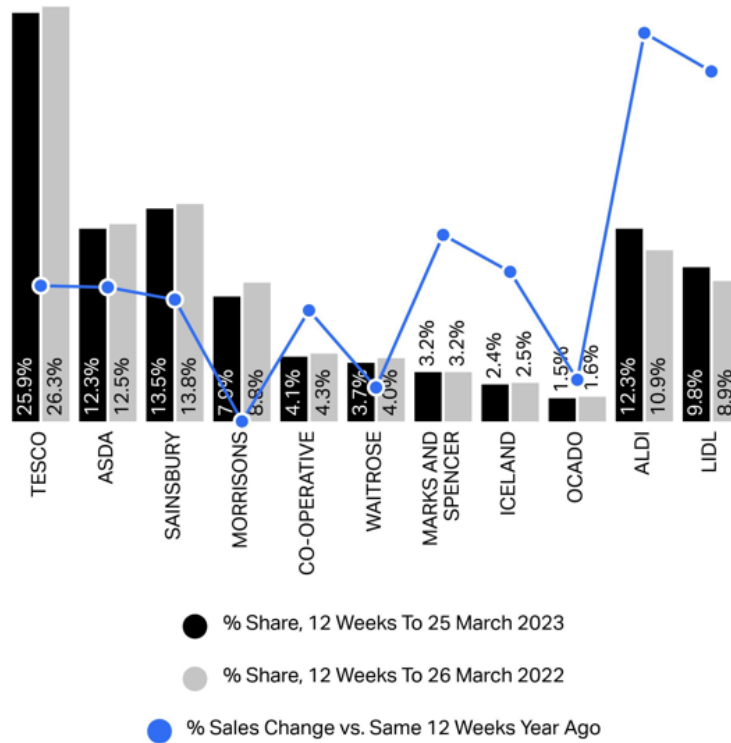
Table: 12-weekly % share of grocery market spend by retailer and value sales % change

NIQ Total Till: Retailer market share

Source: NIQ Total Till, NIQ Homescan.

% Sales Change vs. Same 12 Weeks Year Ago:

8.6% 8.5% 7.8% 0.0% 7.1% 2.2% 11.9% 9.5% 2.7% 24.7% 22.2%



ENDS

Notes

Unless otherwise stated all data is NIQ Homescan Total Till

¹ BRC NIQ SPI

² NIQ Homescan Survey November 2022

³ NIQ Scantrack Grocery Multiples

About NIQ Homescan Total Till

NIQ's continuous panel of 14,550 GB households and our widest read of retailer performance and designed to measure household purchasing through major supermarkets intended for in-home consumption and brought back into the home. It includes all food and drink, household, and personal care and an estimate of non-food spend (e.g. clothing, electrical, cards and stationery, newspapers & magazines, toys, music, general merchandise, etc.) and also tobacco.

About NIQ

NIQ, the world's leading consumer intelligence company, reveals new pathways to growth for retailers and consumer goods manufacturers. With operations in more than 100 countries, NIQ delivers the most complete and clear understanding of consumer buying behavior through an advanced business intelligence platform with integrated predictive analytics. NIQ delivers the Full View. NIQ was founded in 1923 and is an Advent International portfolio company. For more information, visit [NIQ.com](https://www.niq.com)