

EMBARGOED FOR 08:00 AM THURSDAY 02 MAY 2024

UK Shoppers Spend Less on Groceries After Treating Themselves Over Easter

- *Brands rely on promotions to boost sales with spend on offer making up 25.3% of sales, up from 24% in March.*
- *Private label goods (+4.8%) outpace branded goods (+4.1%) in sales across all FMCG categories.*
- *Shopper visits to stores are up (+1.5%) compared to this time last year, with online sales growth (+3.2%) stable.*
- *Shoppers spent £229m on chocolates over Easter week, an increase (23%) from the same period last year.*

London, 02 May 2024: Total Till sales at UK supermarkets slowed (+3.4%) in the last four weeks ending 20th April 2024, according to new data released today by [NIQ](#) which is a slowdown compared to the growth (+5.4%) reported last month. This is due to inflation slowing in April and affected by an earlier 2024 Easter and a drop in general merchandise sales (-8%) also likely impacting growth.

However, NIQ data reveals that shoppers took advantage of discounts and promotions in the weeks following Easter with spending on promotions at 25.3% - up from 24% last month. This was driven by an increase in promotional activity from brands which saw value sales of branded items up (+36%) compared to +32% this time last year¹.

NIQ data also shows that omnichannel shopping is now engrained in shoppers' everyday lives with over a quarter (27%) of households choosing to buy groceries online over the last 4 weeks. This reflects a robustness in online shopping with sales growth of +3.2% and online share of FMCG sales at 12.6%, the same as a year ago. There was also an increase in visits to stores (+1.5%) compared to this time last year.¹

Although food inflation is slowing, food prices remain higher than this time last year and shoppers are likely choosing to dine more at home. Over the last four weeks, meat, fish & poultry (+6.7%) and produce (+6.4%) had the biggest uplifts with dairy also seeing strong growth (+4.8%). These three 'super categories' also had the strongest unit growth +5.0%, +4.1% and +4.8% respectively.²

Shoppers also opted for sweet treats to celebrate this Easter holiday with £229m spent on chocolate confectionery, an increase (+23%) compared to last year, influenced by inflation. Sales of crisps and snacks (+5.0%) and soft drinks (+4.0%) also improved. Yet there was slower growth for delicatessen (+1.9%), bakery (+0.6%), household goods (+0.4%) and beers, wine and spirits sales (-0.2%).

Over the last 12 weeks, sales at Ocado grew (+12%) confirming its status as the fastest growing retailer. Sainsbury's (+6.6%) and Tesco (+5.8%) continue to gain market share with visits to stores increasing compared to this time last year. Morrisons (+4.4%) is now holding market share with spend per visit growing ahead of last year. Aldi (+1.3%), with the highest industry comparatives, has

experienced slow growth in the last 12 weeks compared to Lidl (+9.5%). There has however been additional investment in media campaigns by both retailers highlighting new ranges and seasonal events to help drive visits to stores.

As we head into the May bank holidays and hopefully better weather, there's a chance that shopper sentiment will drive sales growth. The GFK consumer confidence index for April data suggests that consumers are slowly starting to feel more secure in their personal finances and it's the external factors such as the UK Economy that makes them low in overall confidence.

This sentiment is mirrored by the recent NIQ Homescan Survey in Q1 which shows that fewer consumers (51%) now feel they are moderately/severely impacted by the cost-of-living squeeze than at the end of 2023 (57%).³

Mike Watkins, NIQ's UK Head of Retailer and Business Insight, said: "The early Easter brought forward some spend to March so weekly growths in April were impacted. This in turn exaggerated some of the slowdown in growth which we were already seeing. However, the growth week ending 20th April at the major supermarkets was +2.6% and may be indicative of the level of growth now that inflation is in low single digits. We can also expect the gap in growth between private label and brands to close further as shopper spend starts to normalise after 18 months of inflation."

Watkins adds: "Even with lower food inflation and, for some households improving personal finances, shoppers still need to be persuaded to spend. Therefore we can expect promotional activity to continue to increase. With 49% of households now feeling that they are more insulated from the pressure on their personal finances, there is a potential that this cohort will be the first to start to spend more freely in 2024."

Watkins concludes: "Shoppers continue to shop around for the best offers. But there is a question mark about spending on fashion, technology and homegoods with holidays and leisure activities more likely to see an uptick when disposable income increases. This means that for food retailers, much depends on the weather improving in the next few weeks to help maintain sales growth as the comparatives are now starting to get a bit tougher."

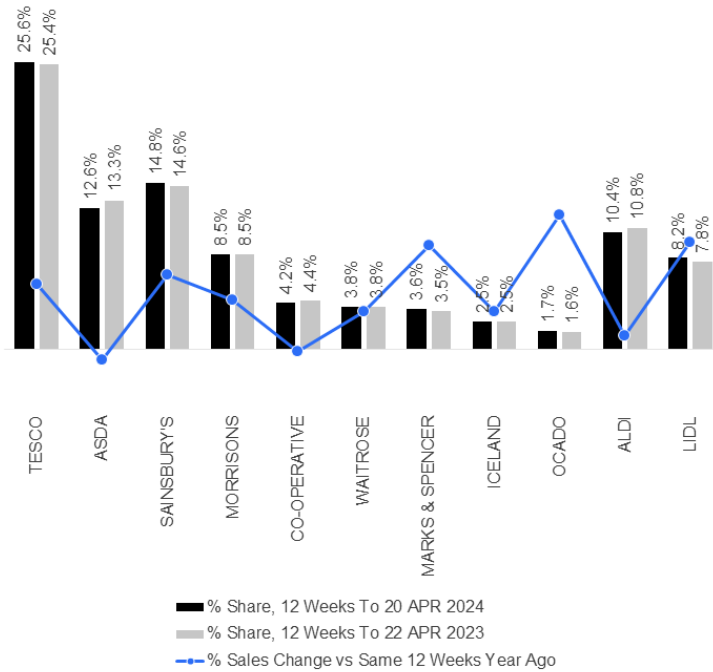
Table: 12-weekly % share of grocery market spend by retailer and value sales % change

NIQ Total Till: Retailer market share

Source: NIQ Total Till, NIQ Homescan

% Sales Change vs. Same 12 Weeks Year Ago:

5.8% -0.9% 6.6% 4.4% -0.2% 3.4% 9.3% 3.3% 12.0% 1.3% 9.5%



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Please note: There have been some operational improvements and methodology enhancements which have updated the ongoing Total Till market shares. This has adjusted the relative levels for the 11 retailers based on the most up to date information we now have available and bringing to the market the most accurate share estimates and comprehensive understanding of the FMCG shopping landscape in Great Britain.

ENDS

Notes

Unless otherwise stated all data is NIQ Homescan Total Till

¹ Homescan FMCG

² NIQ Scantrack Grocery Multiples

³ Homescan Survey February 2024

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 is the world's leading consumer intelligence company, delivering the most complete understanding of consumer buying behavior and revealing new pathways to growth. In 2023, NIQ combined with GfK, bringing together the two industry leaders with unparalleled global reach. With a holistic retail read and the most comprehensive consumer insights—delivered with advanced analytics through state-of-the-art platforms—NIQ delivers the Full View(TM).

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