

**EMBARGOED FOR 08:00 AM TUESDAY 09 JANUARY 2024**

## **Brits spend record breaking £4.8bn on groceries during Christmas week 2023**

- *Sales at the grocery multiples reached £4.8bn during the week ending Saturday 23rd December 2023, the biggest week on record and an increase in sales of +4.3% on Christmas 2022*
- *Confectionery was the highest performing category with 17.3% value growth but value sales for Beers, Wines and Spirits (BWS) slowed to just +1.6%*
- *Total Till sales growth recorded at +6.6%, slightly down on +6.8% in November but in line with the slowdown in food inflation*

**London, 09 January 2024:** Sales at the UK grocery multiples (supermarkets) reached a record breaking £4.8bn during the week ending 23rd December 2023. This is a +4.3% uplift in sales compared to Christmas in 2022, reveals new data released today by [NIQ](#). And volumes increased by 1.2% as shoppers traded up at this busy time of year.

NIQ data shows that UK shoppers took advantage this year of a full week of trading with the opportunity for extra supermarket visits up to Christmas Eve. Over the four weeks to the 30<sup>th</sup> December and across all channels, shoppers spent £657m<sup>1</sup> more on groceries compared with the same period last year.

### **Shoppers economise on essentials to afford Christmas indulgences**

As UK consumers used the festive period as a time to unwind and gather with family and friends, this impacted sales in several categories. However, this year shoppers focussed on essentials and topped up with affordable treats - economising on discretionary spend such as general merchandise to afford to trade up in food and drink. Affordable treats included crackers and savoury biscuits (+15%), ice cream (+15%), pickles (+15%) and olives and antipasti (+15%). There was also growth in crisps and snacks (+6.3%) and soft drinks (+7.4%)<sup>2</sup>.

However, despite the festive season also being a time to entertain and celebrate, sales uplifts for beers, wines and spirits (BWS) were disappointing and it was one area where shoppers bought less. This included Champagne (value sales -5.8%), port (-4.3%), sparkling wine (-2.7%) and spirits (-2.0%).

Promotions increased to 26.5% of FMCG sales which is a 4 year high which is unusual during December and is due to price competition remaining intense with price cuts and extended loyalty scheme discounts on seasonal items.

Across all of FMCG, private label growth in December remained strong at +7.7% and ahead of brands (+3.9%) with retailers highlighting the quality as well as the value of premium private label items.

### **Christmas boost to M&S but Discounters continue to grow**

According to NIQ, over the four week period ending 30th December 2023, online sales (+7.7%) were just ahead of bricks and mortar stores (+5.5%), with 27% of households shopping online in the four week period. This was a similar figure (27.6%) to Christmas 2022, but for context, up on 2017 (18%), which was the last time Christmas Eve was on a Sunday. Overall, online's share of FMCG spend was 10.6%, a small increase on the 10.4% recorded over the same period last year.

Despite this small uptick in online sales, NIQ's data shows that the Discounters continued to be the fastest growing channel overall, and both Aldi and Lidl continued to outperform the market, with combined market share increasing in the 12 week period to 20.1%, compared to 19% in Q4 2022.

However, while sales at the Discounters continued to grow, some UK shoppers sought to 'trade up' for Christmas. With this in mind, Marks & Spencer was the winner amongst the major supermarkets, with sales up +12.1% in the 12 week period.

NIQ data reports that almost 29% of households shopped at M&S in December, this is up from 27% in the same period last year and equals to 500k new shoppers. This helped drive sales and was a creditable performance against tough comparatives of +12% growth in sales compared with the same period last year. Additionally, Sainsbury's (+8.7%) and Tesco (+7.4%) experienced strong trading, with the former increasing market share over the full 12 weeks to 14.3%.

**Mike Watkins, NIQ's UK Head of Retailer and Business Insight, said:** "With a full week of shopping before Christmas day and then the benefit of another week to spend in the build up to New Years Eve, it was an omnichannel Christmas. Shoppers mixed and matched across the month to take advantage of the convenience of an early online delivery or click and collect and then store visits for last minute shopping for fresh and festive food for family, friends and the new year celebrations. However, with shoppers spending around 18% more on their groceries than two years ago, many were mindful of overspending, economised early in the quarter and overall bought less volume in eight out of the 12 weeks." <sup>3</sup>

**Watkins continues:** "With low everyday pricing and loyalty card savings now key strategies across the industry, retailers will need to refocus on how they differentiate and offer other reasons to choose their stores to help sales growth and rebuild store equity. Yet promotions will still be important for footfall and sales growth, particularly after two years of falling FMCG volumes due to inflation."

**Watkins concludes:** "Looking ahead, it's likely that the cautious shopper sentiment seen in 2023 will continue for the first part of 2024 but from late Spring onwards we can anticipate confidence slowly improving. The NIQ outlook for 2024 is that Total Till growths will be around +5% but this depends on where food inflation lands during the year. Even so we can expect to see FMCG volumes turning positive as the year progresses."

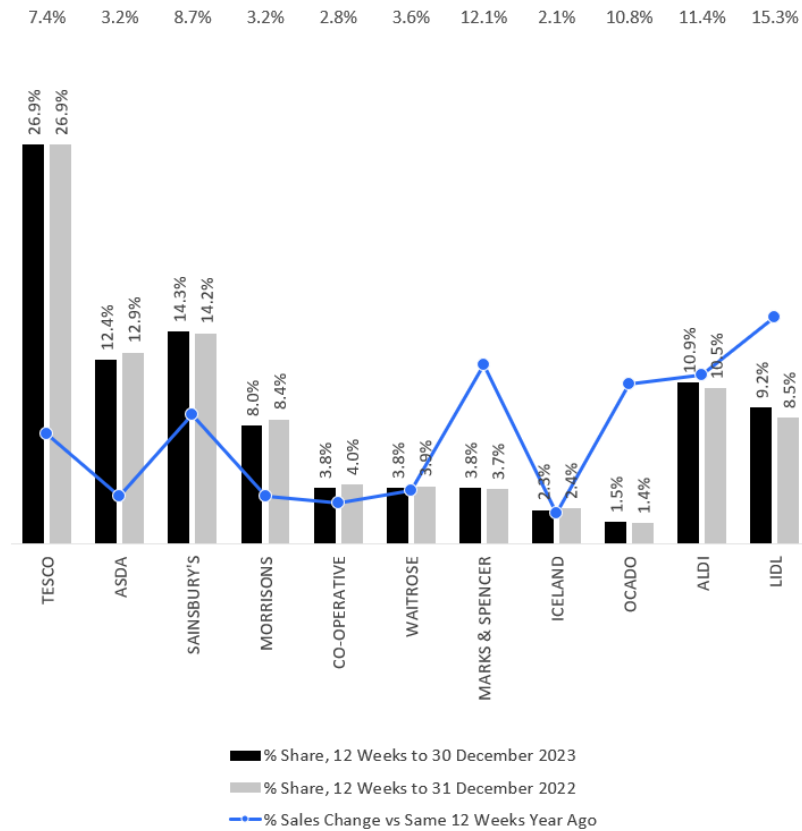
Table: 12-weekly % share of grocery market spend by retailer and value sales % change

NIQ Total Till:

## Retailer market share

Source: NIQ Total Till, NIQ Homescan

% Sales Change vs. Same 12 Weeks Year Ago:



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### Notes

Unless otherwise stated all data is NIQ Homescan Total Till

<sup>1</sup> Homescan FMCG, 4 w/e 30th December 2023

<sup>2</sup> NIQ Scantrack Grocery multiples 4 w/e 30/12/23

<sup>3</sup> NIQ Scantrack Total Coverage inc Discounters 52 we Dec 2023 v 2021

### 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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