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UK supermarkets experience a surge in sales as British consumers make 79 million extra shopping trips amid COVID-19 pandemic

Total till sales at UK supermarkets surged by 20.5% in the last four weeks, as British shoppers visit stores more often

London, 31 March 2020. British consumers made over 79 million extra grocery shopping trips in the last four weeks, with total till sales at supermarkets surging to 20.5%, reveals data released today by <u>Nielsen</u>. The uptick in sales was particularly pronounced in the week ending 21st March, which saw a massive 43% weekly growth in sales.

This significant rise in grocery sales is attributed to increased stockpiling, amid health fears around the worldwide spread of the coronavirus disease COVID-19, which has since led to the UK implementing strict measures around social distancing, the closure of most public spaces and social venues and the quarantine of elderly and vulnerable citizens.

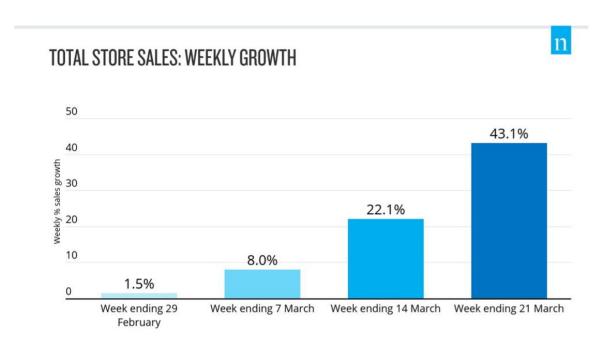
While stockpiling continues, Nielsen data reveals that over the four week period ending 21st March, shoppers typically added just one extra item to their basket during each shopping trip, with the average shopping basket increasing from 10 items to 11 items, and average basket spend rising from £15 to £16 during this same period. While these small increases may not sound like much, shoppers made three additional shopping trips during this period, and in total that equates to a whopping 79 million more shopping trips than the same time last year, all of which adds up to an extra £1.9 billion spent on groceries.

In terms of category performance, Nielsen data shows that in the last week of February and the first week of March, shoppers focused on 'stockpiling' necessities, such as medicines for the family, cleaning supplies, household and pet care items and ambient groceries (shelf stable food). This continued through to the third week, with a consistent rise in these 'pandemic pantry' items.

However, Nielsen data shows that in the week ending 21st March, many shoppers had already stocked up their cupboards and pantries with the necessities, and then began to prepare for the 'lockdown' by filling their freezers as well. Sales of frozen food during this week rose by 84%¹ compared to the same period last year. This was also the week in which the government announced the closure of pubs and restaurants, resulting in a surge in beer, wine and spirits sales (67%), indicating a shift from consumers stockpiling on essential items to focussing on stocking up on items to maintain their lifestyles.

In terms of retailer performance, all UK supermarkets experienced significant growth in sales over the four week period. Moreover, online grocery sales began to pick up and increased by 14% in the four week period, with two in 10 households shopping online - this represents 600 thousand new households shopping online compared to the same period last year with an additional 1.2m online grocery orders placed over the four weeks.

Mike Watkins, Nielsen's UK Head of Retailer and Business Insight, said: "With households making almost three extra shopping trips in the last four weeks, this small change in individual shopping behaviour has led to a seismic shift in overall shopping patterns. As well as increased store visits, consumers opted to shop online - many for the first time. However, unlike stores there is a finite capacity for online grocery shopping, due to warehouse capacity and available delivery slots, and this will have limited the growth of online sales."

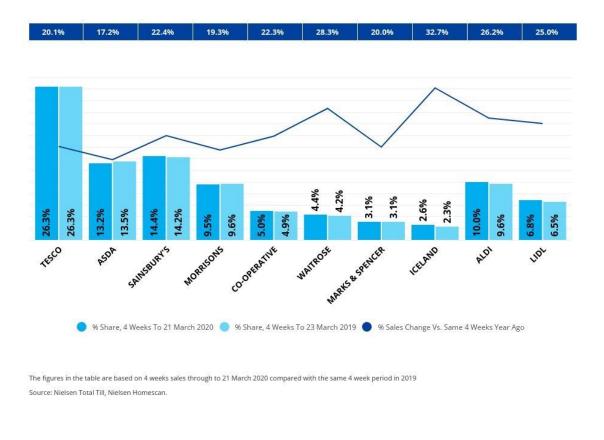


Watkins continues: "Across the industry, retailers are working closely with their supply chain partners to meet the exceptional and unexpected spike in demand from British consumers looking to stock up their cupboards and freezers amid the COVID-19 pandemic. The industry has long been able to accurately predict the rate of demand, constantly adjusting to new patterns such as changes in seasonality, events, weather and promotions - but such a continuous and fast changing surge of sales caused by the pandemic has been unprecedented.

Watkins concludes: "As British shoppers become more accustomed to what the quarantine means for their daily lives, and restricted living becomes the new norm, we expect to see shopping behaviour evolve to become more local as shoppers are unable, or unwilling, to travel further than is necessary for immediate needs such as fresh foods. In any case, the increased base level of sales that we've seen over the last several weeks won't suddenly evaporate, growths won't suddenly plummet to the levels we saw back in January and February before the crisis took hold."

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NIELSEN TOTAL TILL: RETAILER MARKET SHARE (4 WEEKS TO 21 MARCH 2020)



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The figures in the table are based on 4 weeks sales through to **21 March 2020** compared with the same 4 week period in 2019

Source: Nielsen Total Till, Nielsen Homescan

Notes

Unless otherwise stated all data is Nielsen Homescan Total Till

- ¹Nielsen Scantrack Grocery Multiples
- ² Nielsen Homescan FMCG, 4 weeks to 21st March 2020

About Nielsen Homescan Total Till

The Nielsen continuous 14,500 GB household panel is geo-demographically balanced and designed to measure household purchasing through a wide range of channels. It includes all food and drink and non-food spend (e.g. household, personal care, clothing, electrical, cards and stationery, toys, music, general merchandise, etc.) It represents the total amount paid (after all coupons and vouchers), found on the till receipt.

About Nielsen

Nielsen Holdings plc (NYSE: NLSN) is a global measurement and data analytics company that provides the most complete and trusted view available of consumers and markets worldwide. Nielsen is divided into two business units. Nielsen Global Media, the arbiter of truth for media markets, provides media and advertising industries with unbiased and reliable metrics that create a shared understanding of the industry required for markets to function. Nielsen Global Connect provides consumer packaged goods manufacturers and retailers with accurate, actionable information and insights and a complete picture of the complex and changing marketplace that companies need to innovate and grow.