

## **EMBARGOED FOR 08:00 AM TUESDAY 08 FEBRUARY 2022**

### **UK supermarket sales fall modestly in January but online share of grocery sales rise to 13.1%**

- *Total Till sales at UK supermarkets fell -2.9% over the last four weeks, a modest decline given the +10.6% growth during the same period a year ago due to lockdown*
- *Online grocery shopping remains popular with consumers; its share of sales rising to 13.1%, up from 11.3% in December 2021, the highest since July 2021*
- *Back to work and school has led shoppers to reset shopping habits with sales of pandemic favourites such as frozen foods and alcohol declining and an uptick in fresh bakery, soft drinks and health & beauty.*

**London, 08 February 2022:** Total till sales at UK supermarkets fell -2.9% in the last four weeks ending 29th January, reveals new data released today by [NielsenIQ](#). However, this is a very modest decline, as there was a +10.6% growth exactly a year ago, when the UK was in its final COVID-19 lockdown period.

According to data from NielsenIQ, whilst there were significantly fewer online shopping occasions (-14%) than last January, this was compensated by more visits to stores (+12%). Moreover, UK grocery shoppers in January continued to adopt an omnichannel mindset, with the share of online sales rising to 13.1%, up from 11.3% in December. Online grocery remains remarkably solid against a peak of 16.1% in January 2021 and is the highest share of sales since July 2021.<sup>1</sup>

January has also led shoppers to reset on their shopping habits. Shoppers have opted to spend less on categories that were popular during the lockdown periods, such as beers, wines and spirits (-14.2%), frozen foods (-11%) and packaged grocery (-8.3%). As more 'normal' lifestyles return, with students returning to school and workers back in the office, there was strong growth in delicatessen (+11.1%), health and beauty (+9.4%), petcare (+8%), soft drinks (+5.6%) and fresh bakery (+4.5%) categories.<sup>2</sup>

This return to normality also led to growth in the convenience channel, where sales are up +2.1%<sup>3</sup> compared with the same period last year, when shoppers in lockdown opted to visit larger stores, less often, and to stock up online. The growth in the convenience channel is also a result of consumers shifting their spend back to shopping little (and more often), continued home working as well as the return to school and commuting, with sales increasing for sandwiches (+60%), prepared salads (+29%), flavoured non-carbonates (+27.5%) and mineral water (+19%).<sup>2</sup>

**Mike Watkins, NielsenIQ's UK Head of Retailer and Business Insight, said:** "Sales during the first weeks of January are typically some of the lowest in the year and given last year's lockdown, we're measuring against very high comparatives. However, our latest data shows a continued resilience in online grocery shopping and rising sales at convenience stores in recent weeks. This suggests that shoppers are continuing to adopt omnichannel shopping habits, now that all remaining restrictions

are lifted. January is also traditionally a month where shoppers are keen to keep household costs low, and along with the added convenience of online shopping, consumers have the opportunity to shop savvy by editing previous shopping lists, searching for lower cost alternatives, and managing the total 'checkout' spend if they are looking to economise when shopping for groceries online"

**Watkins concludes:** "Looking ahead, we expect three headwinds to shape how we shop and what we spend over the next three months. Firstly, given the increased supermarket spend during the 2021 lockdowns, total till growths will likely decline throughout Q1 before returning to growth by Easter. Secondly, shoppers now have concerns about the increasing cost of living, with nearly half of all households saying that this is their most important concern at the moment,<sup>4</sup> which brings with it the risk of reigning-in some discretionary spend. Finally, as inflation continues to bite, shoppers will look to manage their spend on grocery shopping by shopping around, which means if they can save money this way, there are likely to be more visits but smaller basket sizes made across all channels"

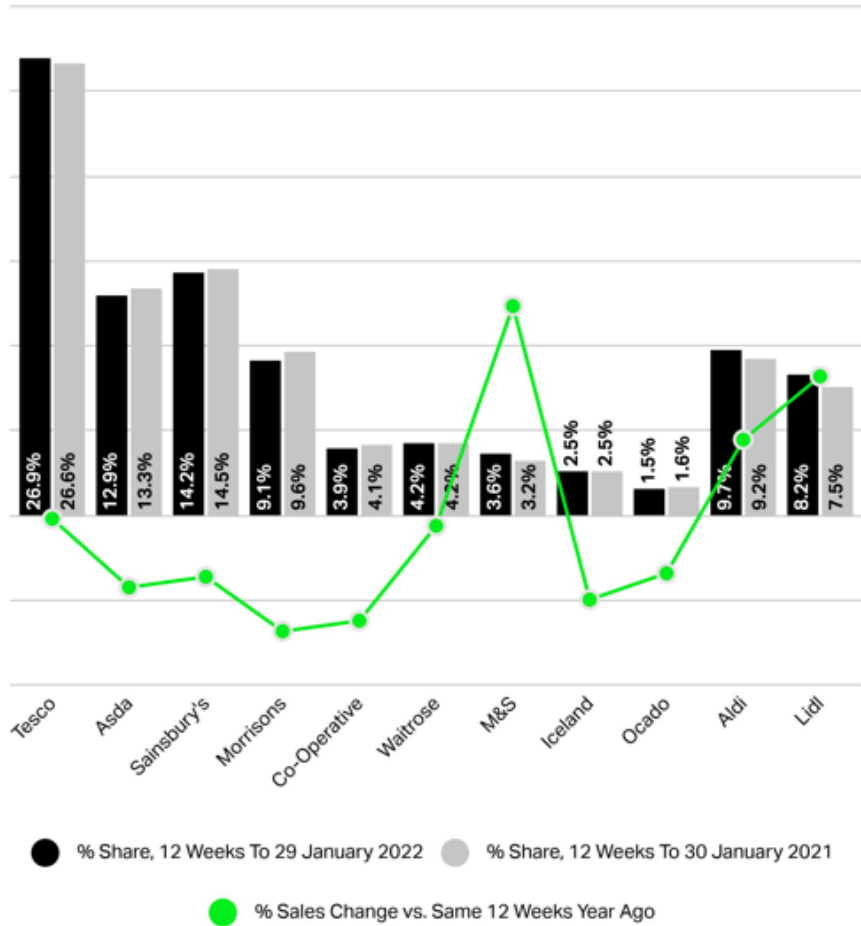
Table: 12-weekly % share of grocery market spend by retailer and value sales % change

# NielsenIQ Total Till: Retailer market share

Source: NielsenIQ Total Till, NielsenIQ Homescan.

% Sales Change vs. Same 12 Weeks Year Ago:

-0.3% -4.3% -3.7% -6.9% -6.3% -0.7% 12.3% -5.0% -3.5% 4.4% 8.1%



ENDS

## Notes

Unless otherwise stated all data is NielsenIQ Homescan Total Till

<sup>1</sup> NielsenIQ Homescan FMCG

<sup>2</sup> NielsenIQ Scantrack Grocery Multiples

<sup>3</sup> NielsenIQ Scantrack Convenience

<sup>4</sup> NielsenIQ, Homescan Survey

**About NielsenIQ Homescan Total Till**

NielsenIQ'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.