

# SHOPPERS CONTINUE TO HOLD BACK GROCERY SPEND AMID EXTENDED BREXIT UNCERTAINTY

## GROWTH IN GROCERY SPEND CONTINUES TO SLOW TO JUST +1.2% IN MARCH AS EXTENDED BREXIT UNCERTAINTY AND RISING LIVING COSTS TAKE THEIR TOLL ON SHOPPER BUDGETS



By Mike Watkins, Head of Retailer & Business Insight

Consumer spending in the grocery sector has continued to slow for the third consecutive month, with sales up +1.2% in the last four weeks, below the CPI rate of +1.9%, and compared to +2.5% this time last month, according to data released today by [Nielsen](#).

This continued slowdown in spend can be attributed to several factors, including the increased costs of living from rises in energy and fuel prices to the upcoming increase in council tax. Extended uncertainty over Brexit negotiations also appears to be causing shoppers to tighten their grocery budgets.


Nielsen's latest data indicates that consumers are looking to manage their grocery spend and are choosing to spend less at the 'big four' supermarket chains (Tesco, Sainsbury's, Morrisons and Asda). This contributed to a rise in sales at the discounters Aldi and Lidl, whose combined market share in the last 12 weeks amounted to a high of 16%.

The first quarter of 2019 has shown a continued slowdown in consumer spending on grocery, with the average household spend each week on groceries amounting to £71<sup>1</sup>, back to the level last seen in October 2017 (excluding March 2018, where sales were stronger due to the 'Beast from the East' which caused people to stock up, and an early Easter). This means that grocery spend remains broadly unchanged in the last 18 months despite inflation. We can see a change in shopping behaviour as well as a shift in sentiment as households shop around to make savings.

In the last 12 weeks, the combined market share of the top four supermarkets was 64.1%, compared with 65.6% last year.

We can see that the last few weeks have continued to be challenging for retailers. However, there should be brighter times ahead, with Easter on the horizon bringing attractive seasonal promotions to encourage shoppers to spend more on confectionery, snacks and drinks. If this is accompanied by warm spring weather and more clarity over the status of Brexit, this will help to kick-start growth for the big supermarkets and boost sales in time for summer.

### 12-WEEKLY % SHARE OF GROCERY MARKET SPEND BY RETAILER AND VALUE SALES % CHANGE

	% share, 12 weeks to 23 Mar 2019	% share, 12 weeks to 24 Mar 2018	% sales change vs. same 12 weeks year ago
TESCO	26.5%	26.9%	0.7%
ASDA	13.6%	13.9%	0.1%
SAINSBURY'S	14.4%	15.0%	-1.6%
MORRISONS	9.6%	9.8%	0.5%
CO-OPERATIVE	4.9%	4.9%	2.5%
WAITROSE	4.2%	4.3%	1.2%
MARKS AND SPENCER	3.2%	3.2%	-0.3%
ICELAND	2.4%	2.4%	3.6%
ALDI	9.7%	8.7%	14.7%
LIDL	6.3%	5.9%	9.8%

The figures in the table are based on 12 weeks sales through to **23 March 2019** compared with the same 12 week period in 2018  
Source: Nielsen Total Till, Nielsen Homescan.

## NOTES

All figures are from Nielsen Homescan Total Till unless otherwise stated.

<sup>1</sup>Source: Nielsen Homescan FMCG

### 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

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