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## News Release

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### **Supermarkets Pull in Shoppers with more Cheap Deals – 7 in 10 Looking to Buy Cheaper Groceries**

#### **Morrisons, Asda & Sainsbury's See Growths Over 7% YoY, with Tesco Building Momentum**

Sales in the grocery sector continue their dependence on cheap deals as promotions continue to run at record high levels in our supermarkets, reports market research company Nielsen today.

Sales in grocery retailers grew at 5.1% YoY in the 12 weeks to 16<sup>th</sup> May. Morrisons again turned in a good performance with 7.9% YoY sales. Asda and Sainsbury's also grew ahead of market with 7.4% and 7.3% growth respectively. Share for Sainsbury's now stands at 14.8%, considerably up from its low of 14% back in September 2008, as the retailer continues to encourage shoppers to buy across the full range of budget, standard and premium private label.

Meanwhile Tesco continue to plod with market share stagnant at 28%, and a smaller YoY growth of 4.8% than its major competition.

Mike Watkins, Senior Manager Retailer Services at Nielsen commented:

"Shoppers are currently looking for even more promotions with 32% of all sales being goods on offer in the four weeks to May 2009, another record high. Typically this time of year it is around 28%. Take this benefit away from shoppers and we would probably be looking at headline growths at the Multiples some 1% less than the buoyant 5% we have seen since Easter."

He continued:

"In a recent Nielsen survey\*, 68% of GB respondents said they were switching to cheaper grocery brands in order to cut down on living expenses. Furthermore, 32% said they intend to continue to



cut down on grocery spending in this way after the recession is over. This indicates that the need for retailers to show good value for money should now be considered long term, as a fundamental shift in consumer behaviour has taken place over the past months. At face value this will be good news for Asda, Tesco and the Discounters but it is also an opportunity for all other retailers to get a bigger share of wallet of the recession struck shopper.”

Table 1: 12 Weekly % Share of grocery market spend by Retailer

<i>Retailer</i>	<i>12w/e 17/05/08</i>	<i>12 w/e 16/05/09</i>	<i>Value Sales % Change</i>
Tesco	28.1	28.0	4.8
Asda	15.2	15.6	7.4
Sainsbury	14.5	14.8	7.3
Morrisons	10.4	10.6	7.9
Co-op	6.2	6.1	2.5
Waitrose	3.5	3.5	4.0
M&S	3.7	3.7	3.6
Somerfield	3.6	3.2	-6.0
Iceland	1.6	1.8	13.0

The figures in the table are based on 12 weeks sales through to 16<sup>th</sup> May 2009 compared with the same 12 week period in 2008  
Source: Nielsen Total Till, Nielsen Homescan

\*Source: Nielsen Global Online Survey, GB results, polled April 2009

**About Nielsen Homescan Total Till:** Unless otherwise stated, data is based on all purchases, bar-coded and non bar-coded, brought back into the home from any outlet by an in-home scanning panel of more than 14,500 households. Total spend includes all items stocked by any outlet, including grocery, durables and clothing

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