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Grocery price inflation hits single digits for first time this year

Grocery price inflation has fallen below 10% for the first time since July 2022 and now sits at 9.7% for the four weeks to 29 October 2023, according to the latest data from [Kantar](#). Take-home grocery sales over the same period rose by 7.4% compared with last year.

Fraser McKevitt, head of retail and consumer insight at Kantar, comments: “Grocery price inflation has finally dropped into single digits after 16 months of double-digit growth, marking a big milestone for the British public and retailers. While the drop to 9.7% is positive news and something of a watershed, consumers will still be feeling the pinch. We’re only seeing year on year price falls in a limited number of major categories including butter, dried pasta and milk.”

Fraser McKevitt continues: “Retailers continue to look at ways of softening the blow for shoppers and slowing the rate of price rises. This has included upping the ante on promotions – every single one of the grocers increased the proportion of sales through deals versus last year which is something that has only happened on one other occasion in nearly ten years. Consumer spending on promotions has now hit 27.2% of total grocery sales – the highest level we’ve seen since Christmas last year. This is a big gear shift from October 2022 when this figure was less than a quarter.”

Shoppers have also been taking matters into their own hands to help manage their spend. **Fraser McKevitt explains:** “It’s now been over a year and a half of pinched pockets and people are continuing to respond by trading down on the items they’re putting into their baskets. Own label lines have grown ahead of their branded counterparts every month since February 2022, with the latest four weeks showing a sales boost of 8.0% for these lines. However, the picture may well change as we go headlong into the festive period, when shoppers typically turn more to brands. The gap between own label and branded goods is at its narrowest since spring last year. Branded sales increased by 6.7% in the latest month, raising the distinct possibility that they will push ahead by Christmas.”

Anyone looking to get into the festive spirit early found a welcome surprise as the average price paid for a standard bottle of sparkling wine fell from £7.46 in August to £6.86 in October, a drop of 8%. While prices for low-alcohol beer have risen more quickly, drier celebrations were still evident this month – perhaps aided by the challenge of Sober October – and volume sales of low-alcohol beer were up by 16% during the month versus a year ago.

Retailer growth figures reported by Kantar relate to overall take home sales, and so include the impact of store openings or closures. Like-for-like sales change is not measured or reported. Calculating like-for-like sales requires a detailed knowledge of store openings and extensions which is information held accurately only by individual retailers.

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The fight for shoppers' Christmas spend looks set to be fierce between the retailers this year. **Fraser McKevitt explains:** "When it comes to where people shop, Brits definitely aren't loyal and some of the traditional shopping demographics and stereotypes have been thrown out of the window. The typical customer walking through the doors of the discounters is now representative of the country as a whole, with 54% of Aldi and Lidl's sales coming from the more affluent 'ABC1' social group – close to the national average of 55%. Discounters are making their mark in frozen items and fresh groceries like meat and veg, with these categories constituting a higher proportion of their sales than the traditional retailers."

Lidl was again the fastest growing retailer this month with sales over the 12 weeks up by 14.7% and share up by 0.4 percentage points to 7.6%. Fellow discounter Aldi sat beside Waitrose as one of only two grocers to increase its number of shoppers year on year, attracting 207,000 more customers than last year. Aldi and Waitrose grew sales by 13.2% and 5.4% respectively to take 9.7% and 4.6% of the market.

Sainsbury's was the fastest growing traditional supermarket this month, with sales up 10.1% over the 12 weeks to 29 October compared to last year. Growing ahead of the market, the retailer now holds 15.2% share, up from 14.9% last year. Britain's largest grocery chain Tesco gained share for the fourth consecutive month to take 27.4% of the market, an increase of 0.4 percentage points versus a year ago, as year on year sales growth reached 9.5%.

Morrisons has now been back in growth for seven months, with sales in the latest period up by 3.2%. It now holds 8.6% of the market and Asda stands at 13.6%. Co-op's sales have grown by 5.2%, the fastest rate since March 2021. Its market share stands at 6.0%, though in baskets less than £20 this figure jumps considerably to 16.9%.

Iceland now account for 2.1% of the market, as sales increased by 2.6% over the 12 weeks. Online-only grocer Ocado's market share has risen to 1.7%, while its year-on-year sales have grown by 12.6%.

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	12 weeks to 30 Oct 2022	Grocers Share	12 weeks to 29 Oct 2023	Grocers Share	% Change (year on year)
	£m	%	£m	%	%
Total Grocers	30,398	100.0%	32,813	100.0%	7.9%
Total Multiples	29,926	98.4%	32,320	98.5%	8.0%
Tesco	8,209	27.0%	8,989	27.4%	9.5%
Sainsbury's	4,531	14.9%	4,989	15.2%	10.1%
Asda	4,346	14.3%	4,458	13.6%	2.6%
Aldi	2,811	9.2%	3,183	9.7%	13.2%
Morrisons	2,747	9.0%	2,834	8.6%	3.2%
Lidl	2,187	7.2%	2,510	7.6%	14.7%
Co-op	1,880	6.2%	1,977	6.0%	5.2%
Waitrose	1,421	4.7%	1,498	4.6%	5.4%
Iceland	688	2.3%	705	2.1%	2.6%
Ocado	488	1.6%	550	1.7%	12.6%
Other Multiples	618	2.0%	627	1.9%	1.5%
Symbols & Independents	472	1.6%	493	1.5%	4.5%

An update on inflation

Grocery inflation now stands at 10.7%† for the 12-week period ending 29 October 2023. Prices are rising fastest in markets such as eggs, sugar confectionery and frozen potato products.

† This figure is based on over 75,000 identical products compared year on year in the proportions purchased by British shoppers and therefore represents the most authoritative figure currently available. It is a "pure" inflation measure in that shopping behaviour is held constant between the two comparison periods – shoppers are likely to achieve a lower personal inflation rate if they trade down or seek out more offers.

Kantar's data visualisation tool allows you to view and analyse grocery market share data online. The latest sales share figures for all of the major grocers can be viewed and compared with historical figures [here](#) and all graphics within the Kantar dataviz are available to embed in your site.

(Optimal viewing in recent versions of Chrome)

Notes to editors

These findings are based on Kantar FMCG data. Kantar monitors the take home grocery purchasing habits of 30,000 demographically representative households across Great Britain. This includes all expenditure through store tills, excluding petrol and in-store concessions.

Grocery market share numbers do not include sales of food or drink consumed out of the home, for example snacks and meals while travelling or at work. During COVID-19 lockdowns, such on-the-go sales through supermarkets reduced substantially. As concerns about the pandemic ease, these on-the-go sales are once again increasing, meaning Kantar's reported take-home only sales trends may be lower than the combined trend. The effect differs by retailer and is greatest for grocers selling a higher proportion of on-the-go sales.

The data in this report may also be supplemented by Kantar's Worldpanel Plus service, which allows panellists to record their retail purchases and the motivations behind them in real time. The Worldpanel Plus service currently tracks the habits and motivations of 105,000 demographically representative shoppers across 10,000 outlets in Great Britain. Worldpanel Plus findings when included are marked by an asterisk.

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For all publicly-quoted data, users of our research (including media) must ensure that data is sourced to 'Kantar'.

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About Kantar

Kantar is the world's leading marketing data and analytics company. We have a complete, unique and rounded understanding of how people think, feel and act; globally and locally in over 90 markets. By combining the deep expertise of our people, our data resources and benchmarks and our innovative analytics and technology, we help our clients understand people and inspire growth.

For further information about **grocery market share**, visit kantar.com/uki
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Further information about **Kantar** can be found at www.kantar.com
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