Grocery sales slowed for Covid anniversary

Grocery sales rose by 7.4 per cent in the 12 weeks to 21 March, marking a slowdown in growth compared to previous months, according to Kantar.

The reduction in the growth rate comes as Britain marks the anniversary of the first Covid-19 lockdown and supermarkets start to annualise sales against the extraordinary spending in 2020. Sales in the four weeks to 21 March were down three per cent compared to the same time last year.

Kantar's head of retail and consumer insight Fraser McKevitt said: “Spring's arrival signals the start of a really interesting period for the grocery market.

The anniversary of the first national lockdown means we begin to compare grocery sales against the record-breaking levels seen in the early days of the pandemic and growth has perhaps not surprisingly dipped over the past four weeks as a result.

'This time last year, Brits were adjusting to schools and offices closing and making extra trips to the supermarket to fill their cupboards for lockdown. To put that into context, shoppers made 117 million fewer trips to the supermarket this month compared with those fraught weeks in March 2020.'

Grocery spending remains considerably higher than pre-pandemic levels, however, and McKevitt stressed that it is important to look at the numbers within the bigger picture.

'Two-year growth figures allow us to examine retailer performance amid these moving parts,” he said. ‘While grocery growth has slowed against 2020, sales are still much higher than the same 12 weeks in 2019 – up by 15.6 per cent.

“As restrictions on dining out continue, the average household spent an extra £134 on take-home groceries compared with this period two years ago.”

Easter weekend will bring reunions with friends and family for many people and preparations are underway.

“Warmer temperatures and lighter evenings mean many of us are planning outdoor get togethers over the long weekend – 61 per cent of people are planning to dust off the barbecue if the weather is kind to us.

“There are signs of people making a special, even symbolic, effort this year and grandparents might be showing up with additional treats after 12 months of restrictions.”

Meanwhile, online grocery growth slowed
with the first signs that shoppers are returning to physical stores. Online sales were 89 per cent higher than this time last year, but the channel’s market share fell back to 14.5 per cent from the record of 15.4 per cent seen in February 2021.

Overall, households made 13 million additional trips to the supermarket in March and there is growing confidence to visit physical stores among older shoppers in particular, with 143,000 fewer over-65s making digital orders during the month.

Now largely vaccinated, this age group increased its trips to bricks-and-mortar outlets by 6.8 per cent – more than double the national rate.

Looking at total sales for the 12 weeks to 21 March, Tesco increased its revenue by 8.5 per cent and once again gained share to capture 27.1 per cent of the market, up by 0.3 percentage points compared with the same 12 weeks last year.

Asda grew ahead of the market and edged up its market share from 15 per cent to 15.1 per cent in the month that CEO Roger Burnley announced he will be standing down later in the year.

Morrisons’ sales growth of 8.7 per cent meant a share increase of 0.1 percentage points to 10.1 per cent, while sales at Sainsbury’s rose by 7.3 per cent to hold its share steady at 15.3 per cent.

Ocado’s sales jumped by 33.9 per cent, taking market share up to 1.9 per cent from 1.5 per cent a year ago.

Meanwhile, discounters Lidl and Aldi, which have not benefited from the boom in online sales during the past year, grew by 2.9 per cent and 1.5 per cent respectively.

Co-op boosted its sales by 7.1 per cent, with its shoppers visiting an average of 22 times during the 12 weeks. Iceland’s sales increased by 14.3 per cent, with particularly strong growth among families with children, while sales at Waitrose rose by 5.1 per cent.

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