SUPERMARKETS – UK – 2023

A fragile recovery in confidence will mean more opportunities for grocers in 2024 and for volume growth to return, but for most consumers value will be critical.

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Supermarkets - UK - 2023

This report looks at the following areas:

- The impact of the cost of living on the UK grocery sector and supermarket shopping
- Analysis and forecast of the size of the UK grocery and supermarket sector for the next five years
- Market share, customer profile and innovations of the leading players within the grocery sector
- Consumer shopping behaviour for groceries, including format and retailers shopped
- Trends in branded versus private label purchasing and attitudes towards shopping private label
- Services used at supermarkets and key developments in this area

“A fragile recovery in confidence will mean more opportunities for grocers in 2024 and for volume growth to return, but for most consumers value will be critical.

Overview

As inflation has built further in 2023 consumers have cut back, with the grocery sector seeing a significant period of volume decline in sales. Customers have prioritised cutting budgets and this has given opportunities to value retailers and ranges, with further market share gains for discount retailers and an uptick in value private label products.

Improving confidence in 2024 may prove a threat to those retailers who have gained shoppers over the past two years, and highlighting the quality of ranges will be increasingly important to keep customers in-brand. Conversely, for those retailers who have suffered as customers have traded away, there will be opportunities to regain patronage but entry-level lines will be critical in the short term to encourage those shoppers back while helping them to continue to keep costs down.

For the supermarket sector, there is still a need to create excitement in the multi-mission shopping experience, with this the key USP of large-format stores in a market where online growth continues to be strong. Ensuring the correct mix of brands is critical, and appealing more to the needs of younger shoppers in particular with partnerships with new blood in the sector critical to keeping the shopping experience fresh.

Report Content

Key issues covered in this Report

- Overview

EXECUTIVE SUMMARY

Opportunities for the grocery retail sector

- Keep banging the value drum
- Simple is best in value communications
- Improving confidence brings opportunity to regain shoppers
- Premium ranges critical for those looking to keep shoppers in brand
- Online can be the test bed for successful in-store activation
- Circularity will be the foundation of the store of the future

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  - Graph 19: all grocery retail sales (including VAT), market size and growth, 2018-23

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- Supermarket sales forecast to grow 1.7% in 2024
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- Supermarket retail sales: market forecast prediction intervals

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