

# Supermarket price war leads to fall in grocery inflation

Promotional offers by supermarkets were a major factor behind a further easing of grocery inflation over the past month, according to industry data.

Kantar Worldpanel, which compiles price and sales data from the major chains, noted a 14th consecutive slowing in the annual pace of price rises at the tills in its latest report on the sector.

It found that savvy shoppers took advantage of the intense competition for business among rival supermarkets by saving £1.3bn through purchases on discounted items over the four weeks to 14 April.

That amounted to a saving of £46 per household, Kantar said.

The rate of grocery [inflation](#) fell from 4.5% to 3.2% as a result, the data showed.

Other contributing factors were price falls for staples including toilet roll, milk and butter.

Kantar's report found that items bought on offer made up 29.3% of all supermarket sales – the highest level outside of Christmas since June 2021.

It is the result of an on-off price war that has raged since the end of the financial crisis earlier in the decade when discounters Aldi and Lidl started to make major inroads in the sales of established brands.

The [cost of living crisis](#) prompted a resurgence in this conflict as food costs surged at an unprecedented rate due to rising energy and commodity costs.

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The rapid expansion of the German firms has proved welcome for shoppers, not just at the discounters' checkouts but also those of Tesco, Sainsbury's, Asda and Morrisons.

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Asda CFO: 'We expect inflation to ease'

That is because their pricing models have forced the so-called "big four" to be more competitive by investing in price to protect their own market shares.

In the latest period, Asda was the only major brand to have lost out in terms of market share, falling 0.4% over the four weeks compared to the same period last year.

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Fraser McKeivitt, Kantar's head of retail and consumer insight, said: "We've been monitoring steady annual growth in promotions over the past 11 months as retailers respond to consumers' desire for value.

"Deals helped shoppers save a massive £1.3bn in the latest four weeks, almost £46 per household.

"This emphasis on offers, coupled with falling prices in some categories like toilet tissues, butter and milk, has helped to bring the rate of grocery inflation down for shoppers at the till."