

Credit crunch turns shoppers to value supermarkets

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British families may not be experiencing the starvation levels of some developing countries, but rising food costs in the UK mean many are struggling to make ends meet when it comes to their weekly shop.

Shoppers do not need headlines to tell them that food costs – and those of fuel for transport and homes – are soaring. The evidence can be seen in their plummeting bank balances. But what can shoppers do?

Short of getting out a spade and creating a back garden veggie patch, those with little time and less money seem to be heading to discount stores.

Well-known no frills chain stores – such as Aldi, Iceland and Netto – have all reported soaring sales in the county, a trend attributed to the influx of new customers.

German chain Aldi is reported to have allocated £1.5 billion to a five-year UK expansion plan, which will increase the number of the firm's stores to 1,500.

Regional figures for the supermarket show a growth of 19 per cent in the last year, while Netto sales have grown by 11 per cent by the end of 2007, compared with the year before.

Frozen food giant Iceland's continued growth rate is now at 15 per cent.

Aldi area manager, Nadine Weise, who is in charge of four Northampton stores, said: "It has increased by about 20 per cent and we have a lot of new customers in our stores.

"I think it is linked to the economy, but we have had a lot of good press about quality awards for our products.

"Judging by the feedback we get from our customers, they say a lot of things are so much cheaper than a lot of other retailers."

The store's offers change regularly, with special value deals available each month on certain products.

Fruit and vegetable sales at the shop have risen by 70 per cent since Aldi started offering a "super six" promotion, which involves reduced prices on particular goods.

But does scouting for bargains at discount stores mean customers must choose to shop less ethically?

Ms Weise said this was not the case. Giving an example, she said buying home grown products remained important to Aldi.

"We try to buy a lot of British products into our stores.

We try to make sure our products are ethically sound."

Charles Banks is the director of The Food People, based in the village of Woodford Halse, near Daventry, which analyses food trends and advises clients linked to the industry.

He said not only were there large numbers of shoppers now seeking value food but, at the other end of the scale, there were still more shoppers ready to pay more to ensure they could buy ethical or locally-sourced products.

"I'm certainly well aware that the discount and low cost operators are the ones who are seeing the big growth at the moment," he said.

"Anyone who does any kind of food shopping will recognise that the price of their food is going up.

"We have got used to buying chickens for two for a fiver, but we wouldn't think twice of going to a meat counter and paying £20 for a joint of beef.

"There will always be a market for cheap food, but we are seeing more people becoming more ethically and morally aware.

"There are more people 'growing their own' in gardens and it is all about ethical, local and seasonal."

Alison Pratt, a Northamptonshire spokeswoman for the National Farmers' Union, said more dialogue had to take place between supermarket chains and agricultural workers, to ensure farmers were given a fair price for their products.

She said: "We are keen to see discounters play a role in the market. They are not a major player at the moment, but it is a growing sector of the market."

But she warned: "What we can't see is prices squeezed at the farm end."