



## Brits spent £281.5bn on consumer goods in 2023

- New data reveals that UK shoppers spent a total of £202.2bn on FMCG products in 2023, an 8.4% uplift on the previous year. However, this came at a cost to Tech and Durables (T&D) where sales declined by -2.8% to £79.2bn
- Sales for air-fryers grew 68% in 2023, showing that shoppers are willing to pay for technology products if they serve a tangible benefit
- UK shoppers still sought to make savings, leading to sales growth in private own-label items over brands, while supermarket promotions reached their highest levels in four years (25.3%)

Consumer spending in the UK on Fast Moving Consumer Goods (FMCG) and Tech and Durables products (T&D) increased by 5% last year compared to 2022. In total, this market amounted to £281.5bn in sales in 2023. This increase in spending was driven by price increases for food and personal care products, while consumers saved in the T&D sector. The new NIQ Retail Spend Barometer combines data from NIQ and GfK to measure the turnover in sales of FMCG and Tech & Durables products sold online and in retail stores across the UK.

## Cost of living crisis drives spending in the FMCG sector

According to NIQ data, despite slowing inflation, shopper spending power remained challenging throughout 2023 due to price increases, with prices in December still 17% higher compared with the last two years. The growing sentiment around the cost of living crisis was key to driving shopper purchasing decisions throughout the year. Shoppers looked to reduce non-essential spend both on hospitality and general merchandise in favour of eating at home. This led to significant growth rates for sales in food (+7.6%) and fresh food (+9.6%) in the last quarter of 2023.

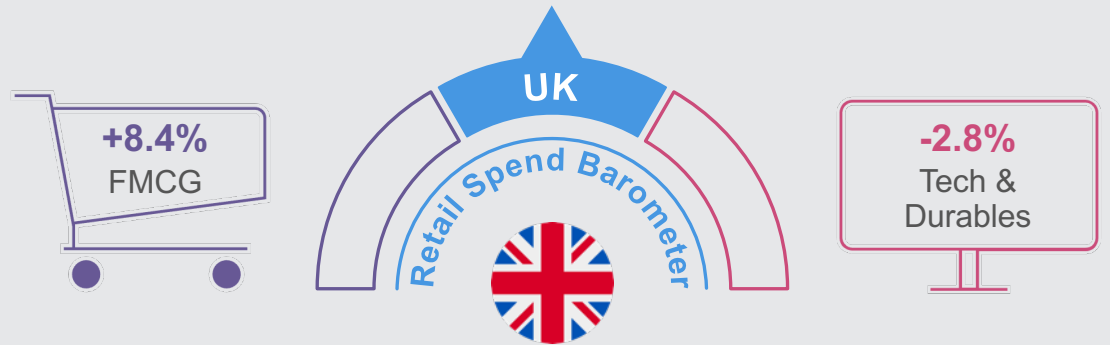
## Savings are being made on T&D products

While spending on FMCG increased, this led to sacrifices in T&D. NIQ and GfK data reveals that the overall T&D market was -2.8% in 2023, and slipped into an even further decline in Q4 (-3.5%). A downturn in sales for technical consumer goods (-7%), which includes products such as TVs and computing are a major contributor to this decline.

## Consumer Spending

£ 281,459,035,701

+5.0%



“

*With the cost of living crisis dominating headlines and consumer mindsets over the last year, it is no surprise that this impacted consumer spending. Shoppers sought to make savings where necessary, which came at a cost to other categories, such as technology and durable goods. Despite inflation slowing, shoppers are still impacted by the rise in prices and in 2024 we anticipate they will continue to strive for value and affordable solutions in where and how they shop. Grocery retailers will therefore continue to drive an intense focus on competitive pricing, promotions and loyalty card benefits.*

”

**Ben Morrison, Retail Services Director UK & IRE at NIQ**