



UK Shoppers Spend £67.8bn in Q2 2024 on FMCG and Consumer Tech

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- UK shoppers spent a total of £51.4bn on FMCG in Q2 2024, this is just a 1.3% uplift compared with the same period last year
- Value growth for the FMCG sector dropped from +6.1% in Q1 to +1.3% in Q2, this is despite a boost in consumer confidence and falling inflation, which fell from +3.7% in March to +2.5% in June.

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This slowdown in growth is largely attributed to the timing of events such as Easter, the weather and promotional activity which had a bigger impact on sales in the short term. This is reflected in the decline of certain categories such as beverages, which dropped from a +5.4% uplift in Q1 to a -1.5% decline in Q2. The same can be said for snacking, which dropped from a +13.2% growth in Q1 to just a 1.2% growth in Q2. However, the fall in inflation will gradually boost consumer spending as available disposable income slowly improves for many UK households.

Tech & Durables market continued to struggle in Q2 2024 with an overall decline of 4.5% Year on Year. This is also a drop from -3.4% reported in Q1 2024. While there are some areas of optimism in the T&D market, there were not enough to counteract the overall decline.

The plummet in DIY & Home Improvement – which fell from -0.2% in Q1 to -4.1% in Q2 2024 – is largely attributed to the poor weather in Q2. However, within DIY & Home Improvement, there have been pockets of growth. Sales for items such as bedding, storage and cushions performed well in the last three months. Meanwhile, there are signs of growth for traditional tech categories, with the 2024 Euro football tournament helping to boost sales of TVs in May, especially those with larger screen sizes.

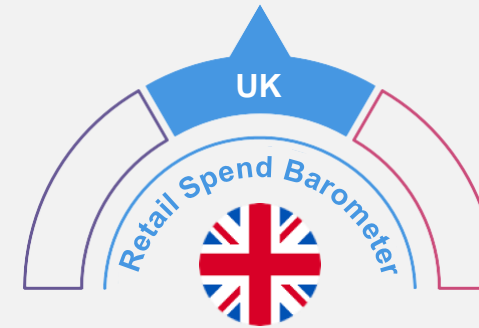
Consumer spending

£ 67,841,245,564

-0.2%



+1.3%
FMCG



-4.5%
T&D

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While FMCG growth was flat in Q2, signs point to improvement with falling inflation and increased promotions. We expect Q3 growth of +2% to +3% helped by warmer weather and events like Euro 2024 and the Paris Olympics. On Tech & Durables, consumers are making more immediate, need-based purchases and are willing to invest in premium products that offer perceived value, such as Full Auto Coffee Machines

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Ben Morrison, Retail Services Director UK & IRE at NIQ