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Coles gains on Woolworths at the deli counter

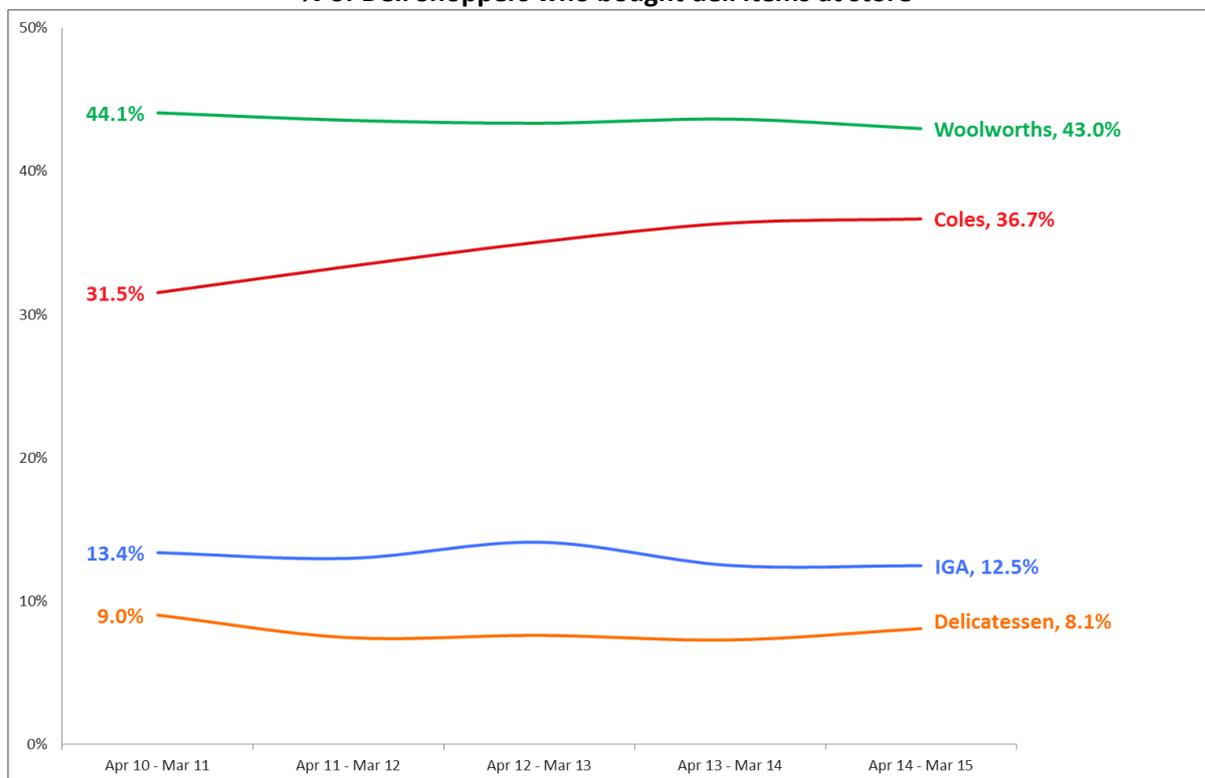
Coles is thinly slicing off an ever bigger share of the \$4.7b annual Australian delicatessen market, but Woolworths remains Australia's number one retailer for fine food delicacies, the latest retail data from Roy Morgan shows.

Over the last five years, Roy Morgan Research has surveyed over 72,000 Grocery Buyers (14+)—half of whom had made a recent purchase from a deli aisle or counter. In the 12 months to March 2015, 6.7 million Australian Grocery Buyers together spent around \$91m on delicatessen items in an average seven days, up from 6.4 million weekly shoppers (and \$73m spent) four years ago.

Woolworths retains the largest share of the market, with 43.0% of Deli Shoppers now buying at least some of their week's supply of deli goods from the store, down marginally from 44.1% in 2011. But rival Coles has been making steady gains, halving the gap from 12.6% points to 6.3% over the period.

Coles now supplies deli items to 36.7% of Deli Shoppers, up from 31.5% in 2011.

% of Deli Shoppers who bought deli items at store



Source: *Roy Morgan Single Source (Australia), April 2010 - March 2015, average annual sample n = 7,277 Australians 14+ who purchased delicatessen items in the last seven days. Results may add to more or less than 100% as respondents may select multiple places, including others not shown.*

IGAs and delicatessens have also lost a bit of ground. 840,000 grocery buyers bought deli items at an IGA in the last week, representing 12.5% of Deli Shoppers (down from 13.4% in 2011), and 540,000 shopped at a dedicated, stand-alone deli (8.1%, down from 9.0%).

Andrew Price, General Manager Consumer Products, Roy Morgan Research, says:

“Over the last five years, only Coles has made any headway in the all-important delicatessen market. The proportion of Grocery Buyers who buy deli goods in an average week has remained steady at around 50% since 2011—which means competition, not market growth, is the only way to gain shoppers.

“The deli is also a vital battleground for Coles and Woolworths as it’s an arena where no-frills discount players like Aldi (and soon Lidi)—with minimal staff and no deli counter—don’t compete in the same way.

“Mid-life families are among the most likely to buy deli items during the week. These are also often the grocery buyers filling their trolleys with goods right across the store—clearly a valuable target market, and a reminder of the potential importance of the deli counter as a driver to broader retail spend.”

For comments or more information about Roy Morgan Research’s retail and FMCG data, please contact:

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Related research findings

View our range of profiles of Australians by their Deli Item Place of Purchase. Compiled with data from Roy Morgan’s Single Source survey (the largest of its kind in the world, with over 50,000 respondents annually), these ready-made profiles provide a broad understanding of the target audience, in terms of demographics, attitudes, activities and media usage.

About Roy Morgan Research

Roy Morgan Research is the largest independent Australian research company, with offices in each state of Australia, as well as in Indonesia, the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan Research has over 70 years’ experience in collecting objective, independent information on consumers.

Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

| Sample Size | Percentage Estimate | | | |
|-------------|---------------------|------------|------------|-----------|
| | 40%-60% | 25% or 75% | 10% or 90% | 5% or 95% |
| 5,000 | ±1.4 | ±1.2 | ±0.8 | ±0.6 |
| 7,500 | ±1.1 | ±1.0 | ±0.7 | ±0.5 |
| 10,000 | ±1.0 | ±0.9 | ±0.6 | ±0.4 |
| 20,000 | ±0.7 | ±0.6 | ±0.4 | ±0.3 |
| 50,000 | ±0.4 | ±0.4 | ±0.3 | ±0.2 |