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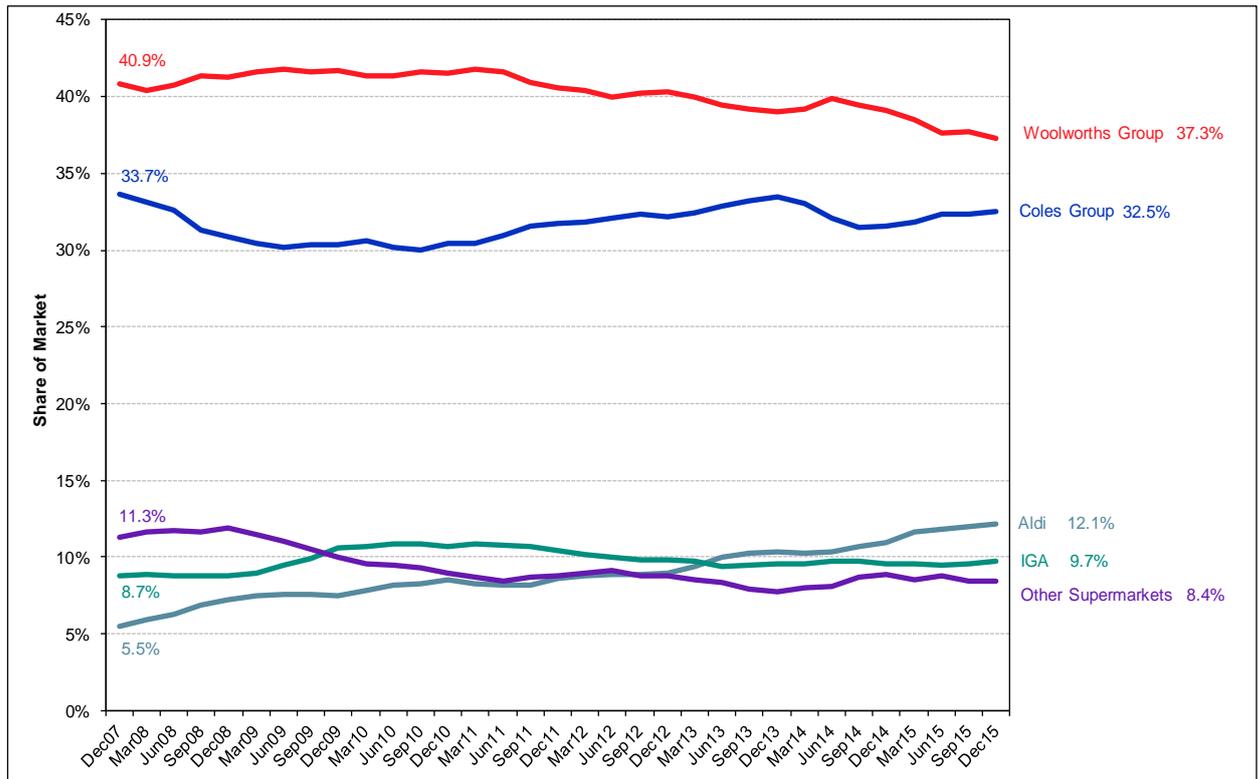
Friday, 15 April 2016

Supermarket sweep: ALDI's share of the Aussie market still rising

First it was \$1 bread, then \$1 milk and now it's cheap roast chook: will Australia's supermarket wars never end? Actually, that's a rhetorical question. With a total market value of \$89.5 billion at stake, the country's supermarket industry is one very hard-fought battlefield. So how are the major players tracking in terms of market share since our last update? Hint: ALDI's share of the market is creeping up while Woolworths Group's gradual decline continues.

As of December 2015, ALDI holds 12.1% of the total supermarket market (up slightly from March 2015, when it was 11.6%). With its first South Australian stores now open and its expansion into Western Australia due to start rolling out mid-year, the future is looking bright for the German supermarket chain's quest for a bigger slice of the Aussie supermarket pie.

Market share over time (dollar value): Australian supermarket grocery market



Source: Roy Morgan Single Source (Australia), January 2007–December 2015, average 12-month sample = 14,793. **Base:** Australian grocery buyers 14+, weighted to households

Although Woolworths Group retains the largest market share of 37.3%, this has declined from 38.5% since our last report. Meanwhile, its bitter rival Coles Group is narrowing the gap, having

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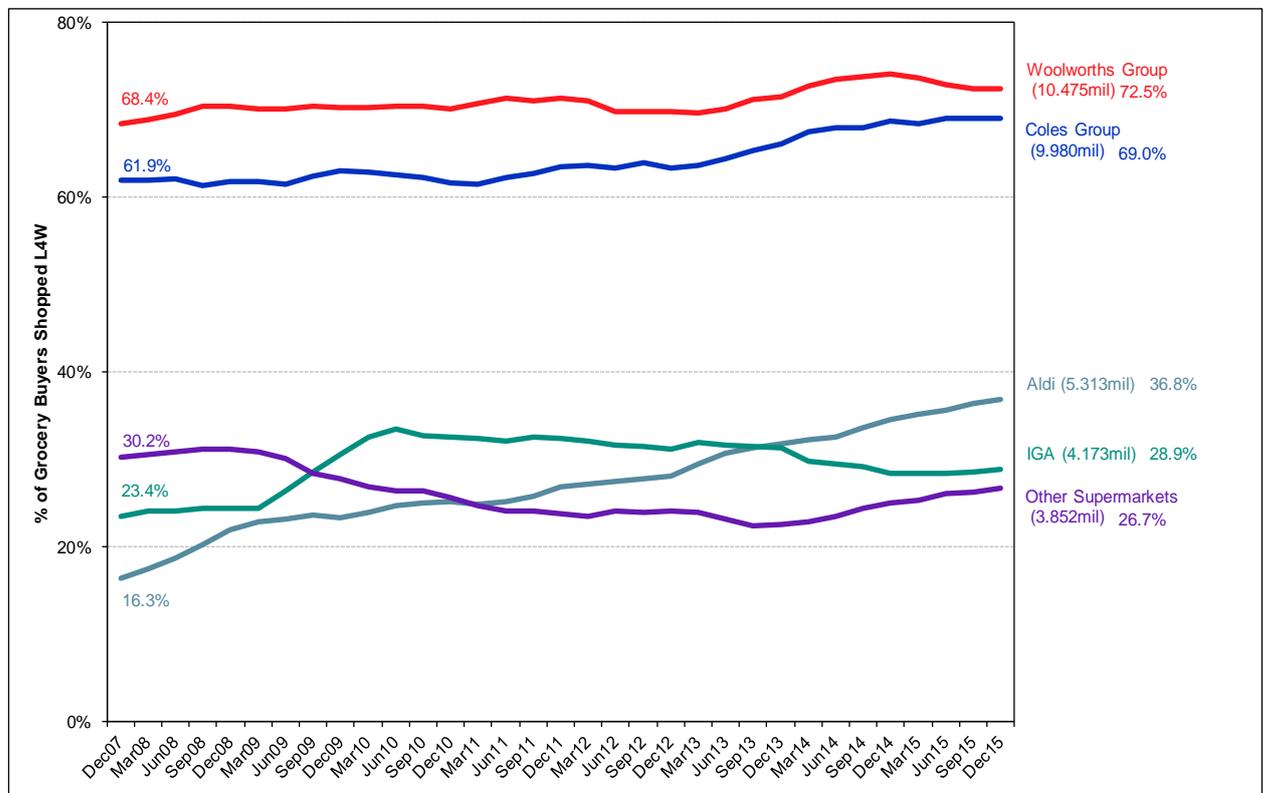
increased its share from 31.8% to 32.5% over the same period. IGA is relatively stable with a 9.7% share.

Customer numbers

While ALDI’s dollar share of the market is just under one-third of Woolworth’s, it is a different story when we consider customer volume. As Roy Morgan’s data revealed recently, customer loyalty is in short supply when it comes to supermarkets, with cross-visitation a regular occurrence – and the fact that ALDI holds a 36.8% share of total grocery buyers (or half of Woolworths’ 72.5%) certainly bears this out.

In an average four-week period, 5.3 million Australian consumers shop at ALDI, 10.5 million shop at Woolworths, 10 million shop at Coles and just over 4 million shop at IGA, while almost 4 million frequent other supermarkets. Some 37.1% of these shoppers visit at least one Coles, one Woolies and one other supermarket during this time.

Supermarket customer penetration over time



Source: Roy Morgan Single Source (Australia), January 2007–December 2015. Average 12-monthly sample size = 14,691. **Base:** Australian grocery buyers 14+

Michele Levine, CEO, Roy Morgan Research, says:

“With its South Australian expansion now underway, and WA to follow soon, it’s no wonder ALDI’s dollar share of the Australian supermarket market is rising. Obviously, the German chain has a long way to go before it threatens Woolworths’ and Coles’ share of the market, but then again, Rome wasn’t built in a day.”

“Meanwhile Woolworths’ dollar share of the market has declined once again — not so much as to knock them off top spot, but still cause for concern, especially given that Coles is showing signs of catching up.

“As they do with dollar market share, Woolworths and Coles have the largest customer bases by far, but with just one in five grocery buyers shopping exclusively at one supermarket, neither of these heavyweights should get too comfortable. Although ALDI has a much smaller dollar share of the market, it is already punching above its weight in term of customer volume and has more than doubled shopper numbers since January 2007.

“With so much choice available to them, Australian supermarket shoppers are in a position of power. As Woolies discovered last year with its disastrous ANZAC campaign, and as ALDI is discovering now after refusing to heed the call to phase out caged eggs (as Woolworths and Coles are doing), the consequences of alienating consumers are very real – and very public.”

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

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Related research findings

View our extensive range of [Supermarket Customer profiles](#), including the [ALDI Customers profile](#), the [Coles Customers profile](#), and the [Woolworths/Safeway Customers profile](#).

Roy Morgan Research’s [Supermarket & Fresh Food Currency Reports](#) include customer penetration and spend at all supermarkets in Australia, as well as measuring grocery buyers’ attitudes and behaviour across grocery stores, supermarkets and other fresh food outlets. It looks at long- and short-term trends for the market size and share (in dollars), customer numbers and cross-visitation at major supermarkets and for each grocery category.

The insights are drawn from Roy Morgan Single Source, an ongoing face-to-face survey of approximately 50,000 Australians annually.

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.

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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