

Thursday, 31 January 2019

Supermarkets increase dominance in fresh food

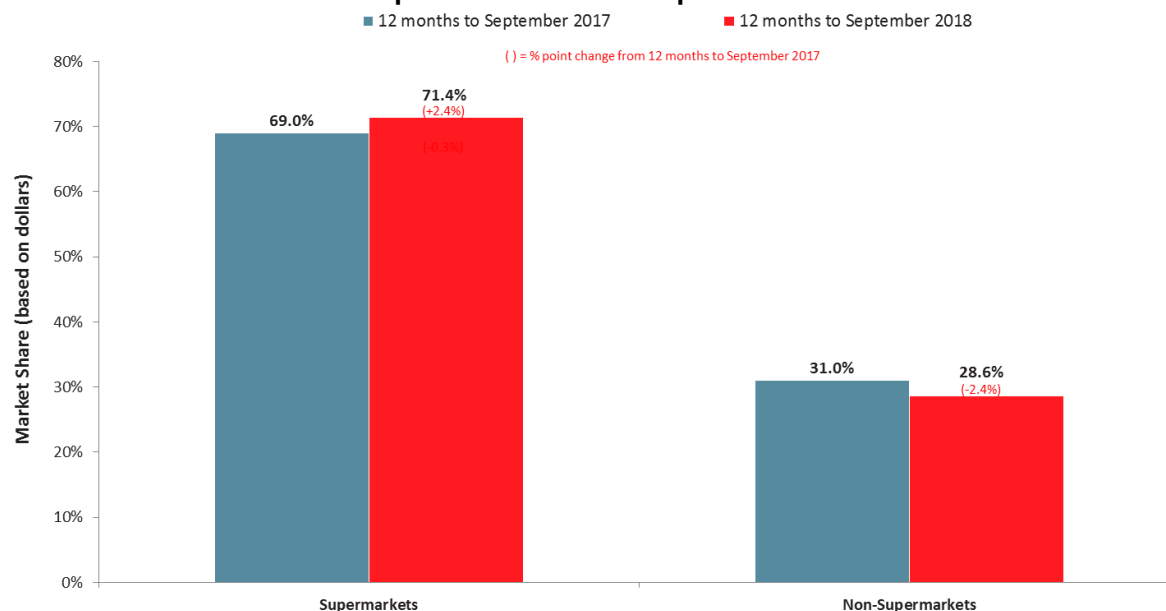
Australia's total fresh food market, comprising meat, bread, deli, fruit +veg and seafood, now has an annual retail value of \$ 38.8 billion. Supermarkets currently hold 71.4% of this market, up from 69.0% 12 months ago and representing a continuation of a long term trend.

These are some of the latest findings from Roy Morgan's 'Supermarket & Fresh Food Currency Report-September 2018' which is based on in-depth interviews conducted face-to-face with over 50,000 consumers per annum in their homes, including detailed questioning of over 12,000 grocery buyers.

Non-supermarkets struggling in fresh food

The following chart shows that fresh food retailers outside of the supermarkets now account for only just over a quarter (28.6%) of this market. This represents a major decline from only 12 months ago when it was 31.0%.

Fresh Food¹ Market Share - Supermarkets v Non-Supermarkets



Source: Roy Morgan Single Source (Australia), October 2016 - September 2017, n = 12,075; October 2017 - September 2018, n = 12,330.

Base: Grocery buyers 14+ weighted to Australia Households. Purchased fresh food in last 7 days. 1 Fresh food includes: fresh meat, fresh deli, fresh bread, fresh fruits and vegetables, fresh seafood.

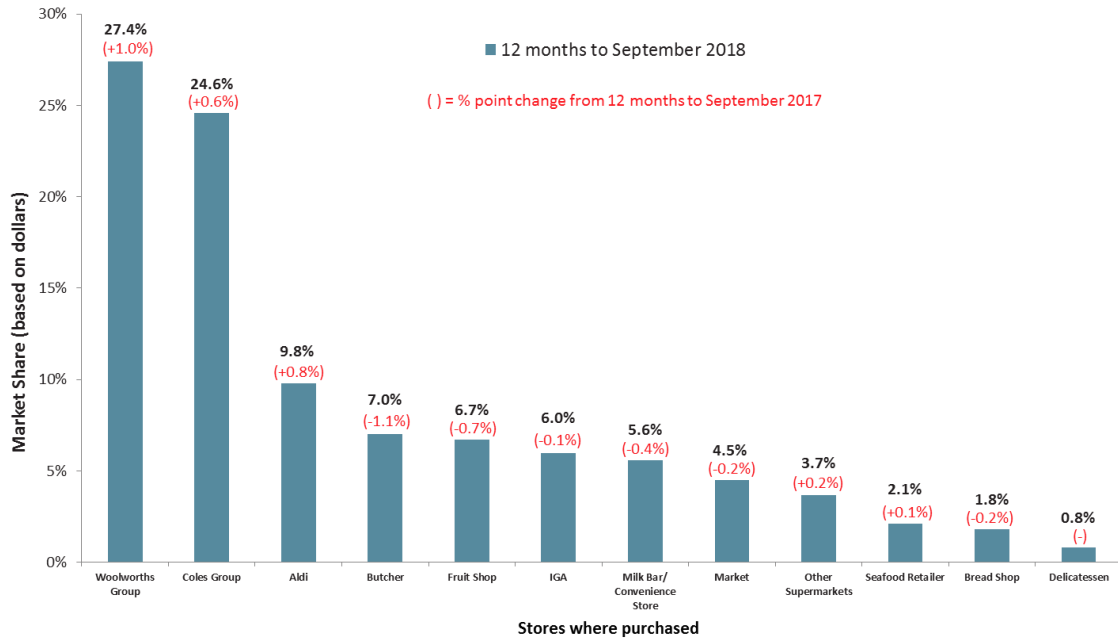
Woolworths and Aldi show biggest gains

Over the last 12 months, Woolworths increased its lead over Coles, with a market share gain in fresh food of 1.0% points (to 27.4%), compared to a gain of 0.6% points for Coles (to 24.6%). Aldi showed the second biggest gain, being up 0.8% points to 9.8%, leaving them in third place behind the big two but well ahead of IGA on 6.0%.

Of the smaller fresh food retailers, butchers showed the biggest decline, down 1.1% points to 7.0%, followed by fruit shops, down 0.7% points to 6.7%.

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Fresh Food¹ Market Share - Stores where purchased



Source: Roy Morgan Single Source (Australia), October 2016 - September 2017, n = 12,075; October 2017 - September 2018, n = 12,330.

Base: Grocery buyers 14+ weighted to Australia Households. Purchased fresh food in last 7 days. 1 Fresh food includes: fresh meat, fresh deli, fresh bread, fresh fruits and vegetables, fresh seafood.

Norman Morris, Industry Communications Director, Roy Morgan says:

“The battle to be Australia’s ‘fresh food’ leader has heated up in recent years as Coles has mounted a challenge to the long standing ‘fresh food people’ at Woolworths. Although Coles has generally closed the gap on its rival over recent years, Woolworths has again increased its lead over the last 12 months. These big two now capture 52% of Australia’s \$39 billion fresh food market, up from 50.4% 12 months ago.

“The disruption to Australia’s supermarket duopoly caused by the entrance of new competitors including Aldi, and in the near future Kaufland, Lidl and Amazon Fresh, is driving the current market leaders Coles & Woolworths to step up their game and increase their market share ahead of this increased competition. We have already seen that this intense competition among the majors is squeezing out the smaller specialty retailers, particularly butchers and fruit shops who are losing the most market share.

“To stay ahead of the game and be fully prepared for the competitive pressures in a fast changing industry, ask Roy Morgan.”

To learn more about Roy Morgan’s fresh food data, call (+61) (3) 9224 5309 or email askroymorgan@roymorgan.com.

Please click on this link to the [Roy Morgan Online Store](#).

About Roy Morgan

Roy Morgan is the largest independent Australian research company, with offices in each state of Australia, as well as in the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan 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
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