

Discover your *edge*

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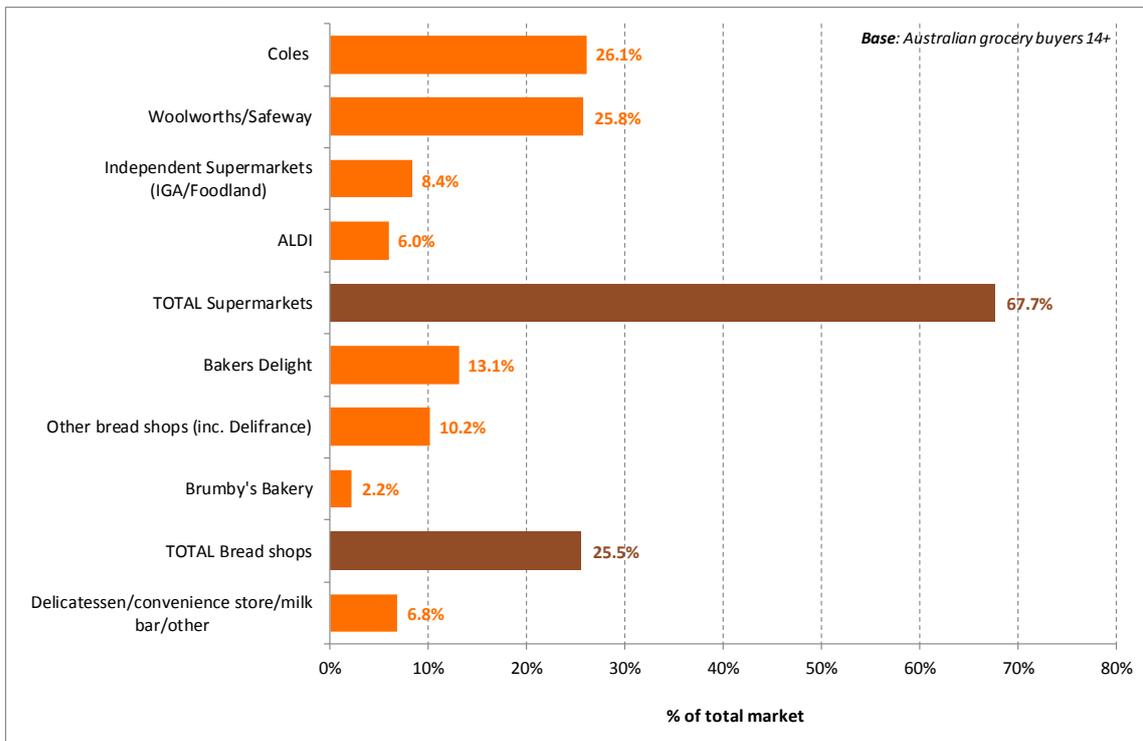
Slicing up Australia's \$4.7 billion bread market

Whether you savour sourdough or munch on multigrain, go wild for white or barmy for buns, bread is one of those food staples that forms part of most people's diet: in fact, according to the latest findings from Roy Morgan Research, 13.9 million of us ate some kind of bread in an average week last year. Not surprisingly, the bread market is extremely competitive, (who could forget the [bread wars of 2014?](#)). So who's leading and who's toast? Read on...

Last year, nearly 11 million Australian grocery buyers (72.3%) purchased bread in any given seven-day period, spending an average of \$8.20 each—or \$89.6 million between them. Nearly 8.9 million purchased bread at least once a week from a supermarket, 2.8 million made their purchase from a specialist bakery/bread shop such as Baker's Delight, and 920,000 bought bread from a milk bar, convenience store or delicatessen. (Obviously, these are not mutually exclusive: some people bought bread from more than one place in an average week.)

Given these figures, it's no surprise to learn that supermarkets account for more than two-thirds (67.7%) of total dollar market share, up from 66.0% in 2015. Coles (26.1%) and Woolworths (25.8%) are neck and neck, well ahead of Independent Supermarkets IGA and Foodland (8.4%) and ALDI (6.0%). Of these shoppers, those who buy bread at Woolworths spend the highest average weekly amount (\$5.90), followed by IGA/Foodland bread buyers (\$5.80), Coles (\$5.70) and ALDI (\$4.40).

Bread retailers by market share



Source: Roy Morgan Single Source (Australia), January--December 2016, n=14,330.

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Bread shops and bakeries account for 25.5% of total weekly dollars spent on bread, down from 26.9% in 2015. Bakers Delight customers spend an average of \$8.00 (resulting in a market share of 13.1%), Brumby's Bakery customers spend \$7.10 (accounting for 2.2% of all weekly bread dollars), and those who make their purchase from other bread shops spend \$7.40 per week (amounting to a 10.2% market share).

Despite country bakeries having a reputation for their especially tasty fare, grocery buyers in country/ regional Australia (17.0%) are less likely than capital-city dwellers (19.3%) to purchase their bread from a bakery, and slightly more likely to buy it from a supermarket (60.1% vs 57.4%).

Norman Morris, Industry Communications Director, Roy Morgan Research, says:

"Despite recent news about the elevated salt content of some bread, the number of Australian grocery buyers purchasing bread in an average week has grown by almost half a million, from just under 10.5 million to nearly 11 million in the last 12 months. This growth has translated to an additional \$4.6 million spent on bread per week and has been driven primarily by these additional shoppers rather than rising bread prices (indeed, the average individual amount spent on bread per week only increased by five cents).

"But while a greater proportion of total bread dollars is being spent at supermarkets, specialised bread shops and bakeries (as well as milk bars, corner shops and the like) are seeing their share of the market slowly decline. So how can these smaller operators ensure they don't lose any further ground and potentially gain more customers? An understanding of the shopping and health attitudes of their bread customers is a good start, enabling them to position their brand in such a way that it aligns with these sensibilities.

"For example, Roy Morgan data shows that grocery buyers who purchase bread at bread shops are almost 20% more likely than the average shopper to trust well-known brands better than the stores' own, 7% more likely to believe that quality is more important than price, and 13% more likely to avoid both genetically modified food and food with additives in it."

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Related research findings

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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