

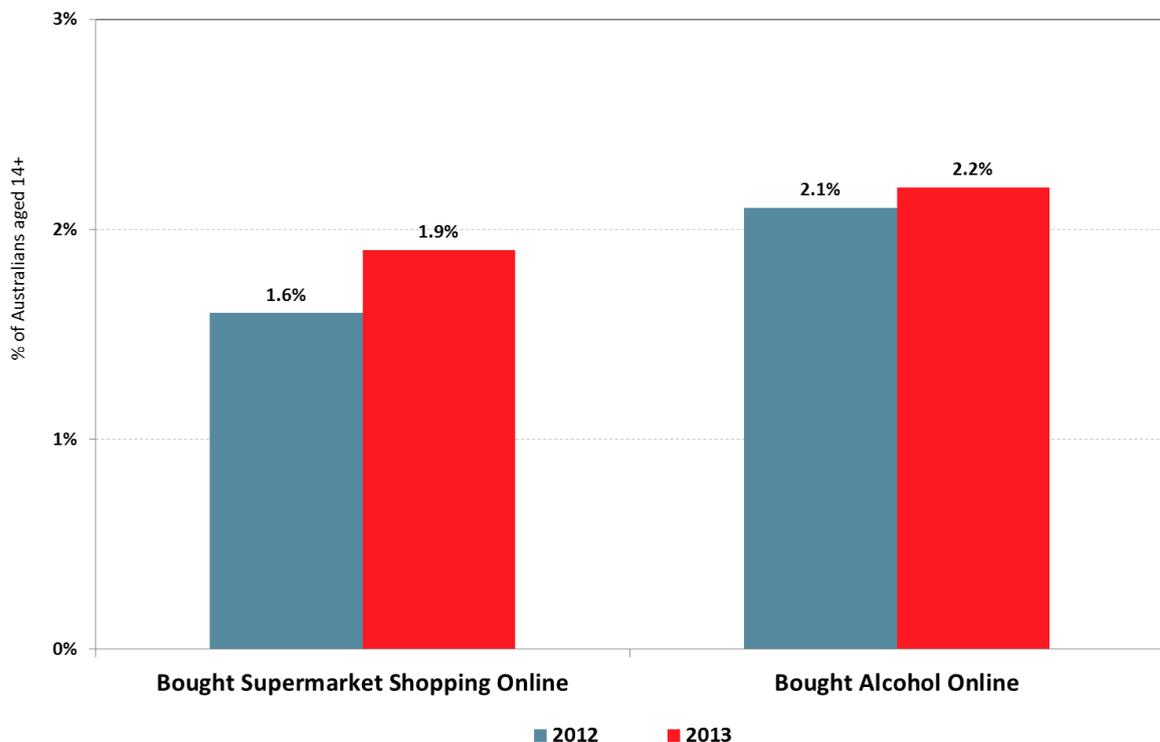
Tuesday, 13 May 2014

Online shoppers go for grog over groceries

More Australians buy alcohol online than groceries, with still less than 1 in 50 people clicking products into a virtual supermarket trolley each month, the latest Roy Morgan Single Source e-commerce data shows.

Last year, just 1.9% of Australians (around 357,000) did some supermarket shopping online in an average four week period, up from 1.6% (294,000) in 2012. However, 2.2% of us (426,000) buy alcohol online, although this is only up 0.1% point since 2012.

Proportion of Australians who bought groceries or alcohol online in an average four week period

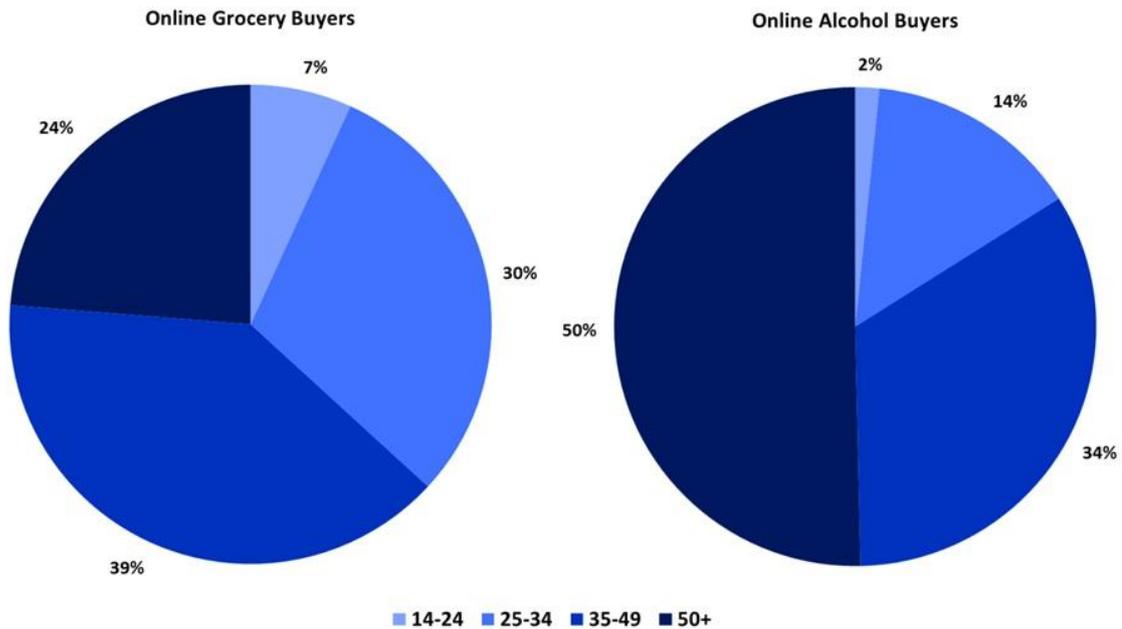


Source: Roy Morgan Single Source (Australia), January 2012–December 2013, average annual sample n= 20,058 Australians aged 14+

35-49 year-olds are the most likely to buy alcohol online (3.0%), and are also more likely than the average Australian to buy alcohol over the internet (2.9%). Those aged 25-34 are the most likely to buy groceries online (3.2%) but just 1.8% of them buy alcohol.

Comparing the age demographics of the two markets reveals a marked dissimilarity. 1 in 2 online alcohol buyers are aged over 50, however this group comprises just 24% of online supermarket shoppers. The reverse is true of 25-34 year-olds, who make up over double the proportion of grocery buyers (30%) than they do alcohol buyers (14%).

Composition of each market by age bracket



Source: Roy Morgan Single Source (Australia), January 2013–December 2013. Samples: n = 335 Australians 14+ who bought groceries online in the last four weeks; n = 428 Australians 14+ who bought alcohol online in the last four weeks.

Warren Reid, Group Account Director – Consumer Products, Roy Morgan Research, says:

“Intuitively you would think the supermarket industry—being more than five times the size of the alcohol industry—would have more online customers, but that is not the case. The grocery industry rakes in over \$95 billion annually from around 12.5 million customers, compared with almost nine million alcohol buyers spending \$17 billion a year.”

“Both Coles and Woolworths have been trying to build their online operations for more than ten years. But despite internet usage and online shopping becoming mainstream, online supermarkets still attract only a tiny proportion of grocery shoppers.”

“One challenge for online supermarkets is that there are two very dissimilar customer types most inclined to buy groceries online and have them delivered to the door: stay-at-home mums with young children, or high-earning professionals and managers.”

“The key to online success for both Coles and Woolworths will be to extend the appeal of website ordering and home delivery to a wider customer base of people for whom regular online grocery shopping could be a valued convenience rather than a necessity.”

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About Roy Morgan Research

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Roy Morgan Research is the largest independent Australian research company, with offices in each state of Australia, as well as in New Zealand, 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.

In Australia, Roy Morgan Research is considered to be the authoritative source of information on financial behaviour, readership, voting intentions and consumer confidence. Roy Morgan Research is a specialist in recontact customised surveys which provide invaluable and effective qualitative and quantitative information regarding customers and target markets.

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