

Friday, 12 April 2019

## Online grocery shoppers are a small but lucrative market

**Australians who shop for groceries online are far more lucrative customers than those who shop in-store at Australia's two major supermarkets although the market remains a small one.**

In 2018 grocery shoppers who bought groceries from Woolworths online spent an average of \$186 a week compared to only \$103 for those buying from Woolworths 'bricks and mortar' stores.

The huge difference in spending patterns between the online and 'bricks and mortar' stores is driven by Women who spend far more on average via the online outlet than via the physical store. Women who buy groceries from Woolworths Online spend an average of \$194 a week compared to an average of only \$106 for those women buying groceries from a physical Woolworths outlet.

The same pattern is true for men but at a much lower rate. Australian men buying groceries from Woolworths Online spent an average of \$126 in a week compared to an average of \$98 in a week for those buying groceries from physical Woolworths stores.

The same trend is evident for Coles with grocery shoppers spending more at Coles Online in an average week (\$158) than those shopping at a Coles 'bricks and mortar' store spending on average (\$97).

Once again it is Women who spend at a greater level than men with women who shop for groceries at Coles Online spending an average of \$171 per week significantly more than the average of \$104 spent by men at Coles Online in an average week.

Women and men shopping at Coles physical outlets are however much closer in average spend with women buying from Coles physical outlets spending an average of \$99 in a week and men buying from Coles in-store spending an average of \$96 per week.

### Spending at leading supermarkets and online at leading supermarkets by gender in 2018



**Source:** Roy Morgan Single Source. Base: Grocery Buyers 14+, Jan-Dec 2018, n=12,629.

**Michele Levine, Roy Morgan CEO, says online grocery shopping has been slow to take off in Australia with only 4% of grocery shoppers buying their groceries online in an average month however those who do use the service spend large amounts:**

*“Although a recent [Roy Morgan release concentrating on the interest and adoption of online grocery shopping](#) revealed only 4% of Australian grocery shoppers buy their groceries online in an average month the interest is clearly there among many Australians. In 2018 over 5 million Australian grocery buyers (31%) expressed interest in buying groceries online in the next year.*

*“The added convenience of being able to place an order from the comfort of one’s own home, or even while on the move via a mobile phone, is clearly an attractive proposition for some grocery shoppers who may be time poor.*

*“Analysing the spending patterns of grocery shoppers who buy groceries from Woolworths and Coles and their online portals show the average weekly spend via the online portals is far higher than when visiting a store.*

*“In the case of Woolworths weekly spend on groceries is an average of \$186 through Woolworths Online and a comparably small average of \$103 when shopping in-store. Those shopping at Coles Online spend an average of \$158 in an average week compared to an average of \$97 when shopping at a traditional ‘bricks-and-mortar’ Coles store.*

*“These stunning results show that some consumers are more than willing to pay for the convenience of online shopping and also suggests consumers are willing to place larger orders than they would in-store given they will have the goods delivered to their door without having to cart the purchases around themselves.*

*“Another key takeout when analysing online grocery spending when compared to visiting the store is that the extra online grocery spending is primarily driven by women. While women do spend at a greater weekly average when shopping in-store the difference is marginal.*

*“It appears that the biggest beneficiaries of a shift to buying groceries online will be retailers who look set to drive greater revenue per customer from online grocery sales and also women doing the weekly grocery shopping who the data shows are prepared to spend significantly more on groceries when doing so from the convenience of their lounge room.”*

The full [Supermarket & Fresh Food Currency Report](#) is now available from the [Roy Morgan Online Store](#). For comments or more information about Roy Morgan’s data, please contact:

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More information on the suite of products available via the [Roy Morgan Single Source](#) and the psychographic segmentation tools provided by [Roy Morgan Helix Personas](#) is available at [www.roymorgan.com](http://www.roymorgan.com).

### **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, Indonesia 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.

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

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