Three shopper trends - Australia 2024

1. Dwell Times increases, conversion weakens: Simplify the shelf

- Shoppers want to get in and out quickly, yet category dwell times are increasing in Coles and Woolworths
- Correlating with this, fewer shoppers are converting from "seeing" to "buying" a category at main home
- Shoppers want improved Signage, Layout, Information and Theatre (where shoppers want to browse)

**2. Price important yet price knowledge weakens: Improve Value & Understanding of Value**

- Cost of living pressure increases shopper focus on budgeting
- Yet shoppers are less aware of $ price points than before: improve understanding of the price (identify value)
- Our Category Role toolkit can help prioritise these for your category/ segment/ brand

3. Younger shoppers are least satisfied: Improve the basics

- Improve shelf layout/ identify value/ range/ health
- These shoppers are where "identify value" investment is most critical
- They are more likely to respond to innovation and an exciting shelf: invest to win

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"The endless aisles of a supermarket can be a minefield of choices.

As shoppers navigate the dizzying array of options, their mental energy can become depleted, leading to impulsive purchases or even avoidance."*
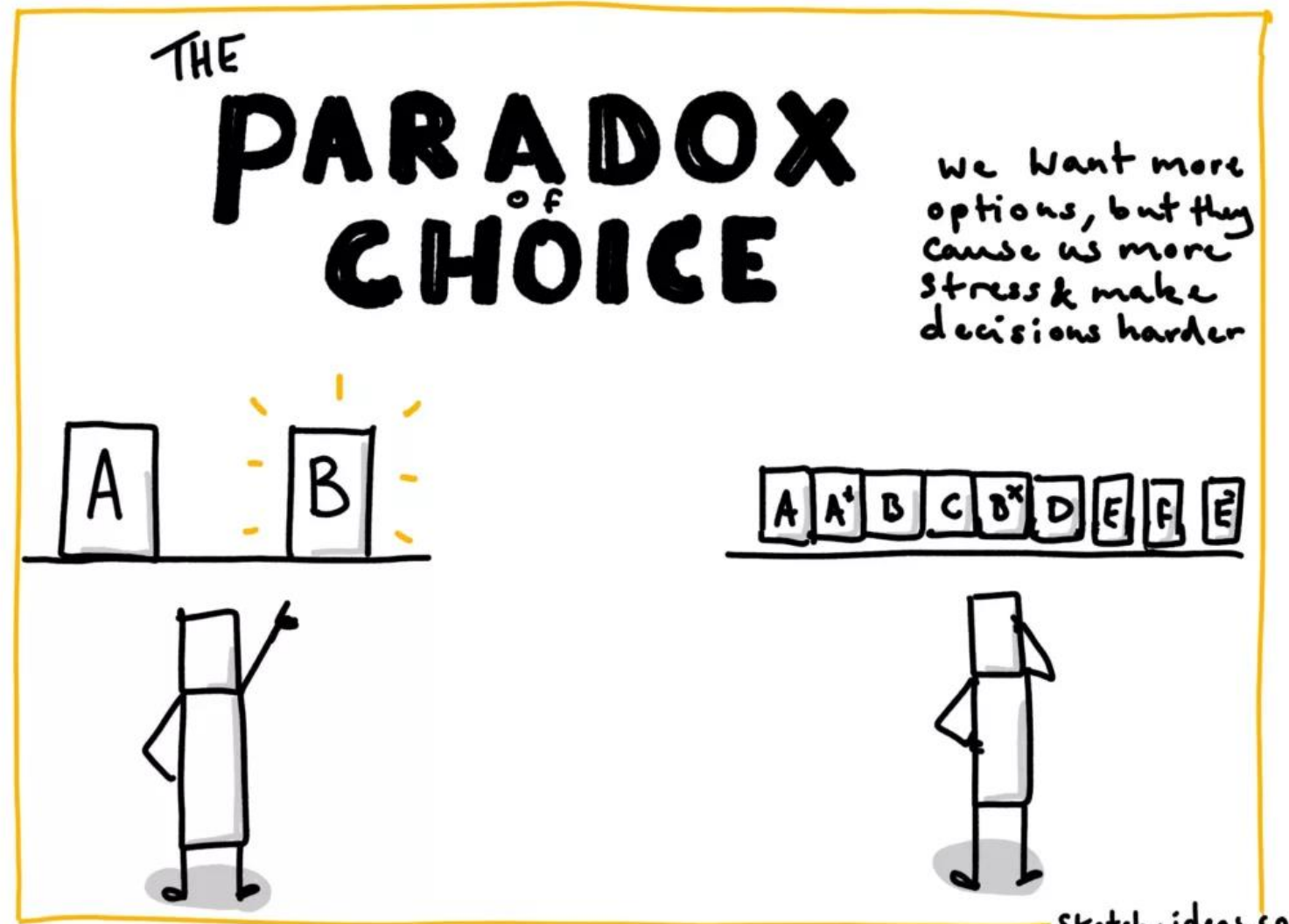
*Sourced from Academic Articles:
•Decision Fatigue and Consumer Behavior: Baumeister, R. F., Bratslavsky, E., Muraven, M., & Tice, D. M. (1998). Conserving self-regulation energy: A battery model of the self. Journal of Personality and Social Psychology, 74(4), 1252-1266.
•Grocery Store Layout and Consumer Behavior: Schindler, R. (2008). The impact of store layout on consumer behavior: A review. International Journal of Retail & Distribution Management, 36(4), 313-332.

Category Dwell Times are increasing, conversion weakening

Dwell Times*
(average category)

Shoppers are spending longer at shelf

...and converting less (smaller baskets)

22 secs

2022

-3%

2024

See to Buy conversion

16%
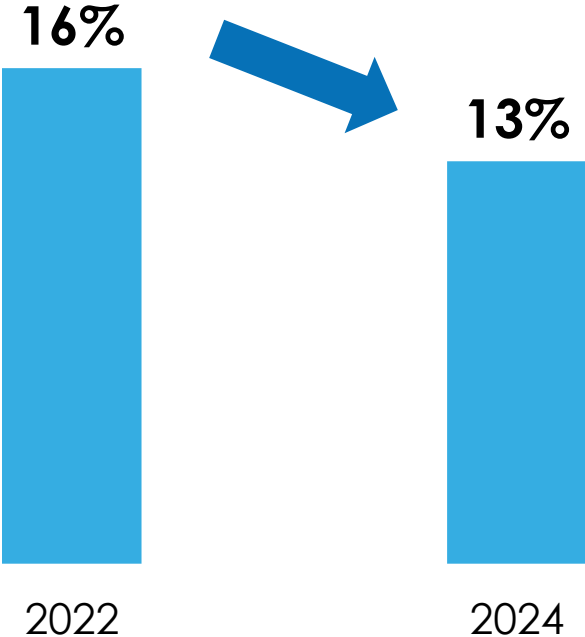
2022

13%

2024
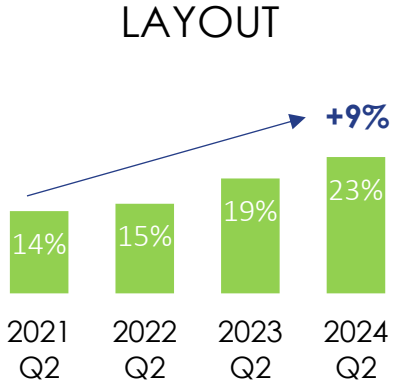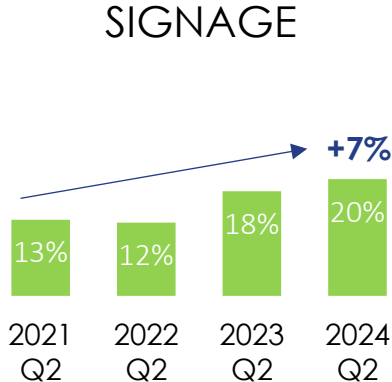
*Store Impact in Coles and Woolworths. Represents the time shoppers enter each category to putting a product in the basket and leaving the category. Does not include walking around the store or checkout
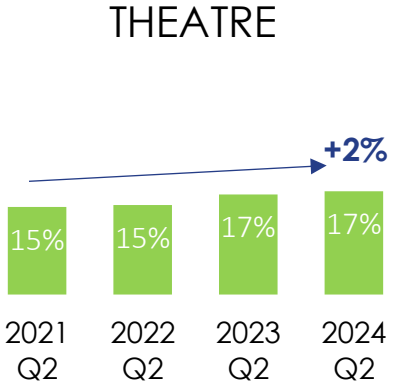
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How and where to improve the shelf?

Desired Improvements

LAYOUT

+9%

2021 Q2	2022 Q2	2023 Q2	2024 Q2
14%	15%	19%	23%

Improve: Layout on the shelf

SIGNAGE

+7%

2021 Q2	2022 Q2	2023 Q2	2024 Q2
13%	12%	18%	20%

Improve : Signage at shelf

THEATRE

+2%

2021 Q2	2022 Q2	2023 Q2	2024 Q2
15%	15%	17%	17%

Improve : Ideas/ inspiration

INFORMATION

+5%

2021 Q2	2022 Q2	2023 Q2	2024 Q2
14%	13%	17%	19%
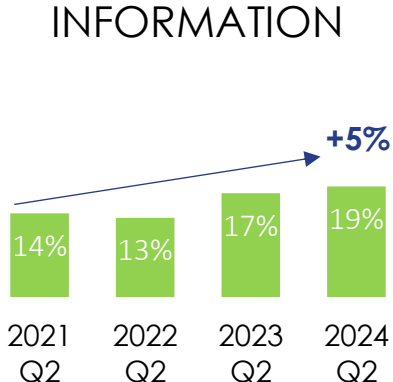
Improve : Information at shelf

TOP 5 Layout	_TOP 5 Signage_	_TOP 5 Theatre_	_TOP 5 Information_
Allergy Products	Milk Modifiers	Mexican Food	Weight Management Products
Baby Toiletries	Allergy Products	Cooking Sauces	Female Facial Skincare
Manual Toothbrush	Portable Breakfasts	Fresh Pasta & Sauce	Pain Creams & Rubs
Boxed chocolate	Organic Snacks	Cosmetics	Allergy Products
Cards & Wrapping Paper	Suncare/Sunscreen	Female Facial Skincare	Milk Modifiers

Q: If you had to improve CATEGORY in RETAILER, which ones would you choose?

Shoppers less knowledgeable of price points

KNOWN VALUE
I know the normal price for what I usually buy in CATEGORY in RETAILER

62%	63%	63%	63%	62%	61%	60%	60%	56%	54%	52%	51%	54%
2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2
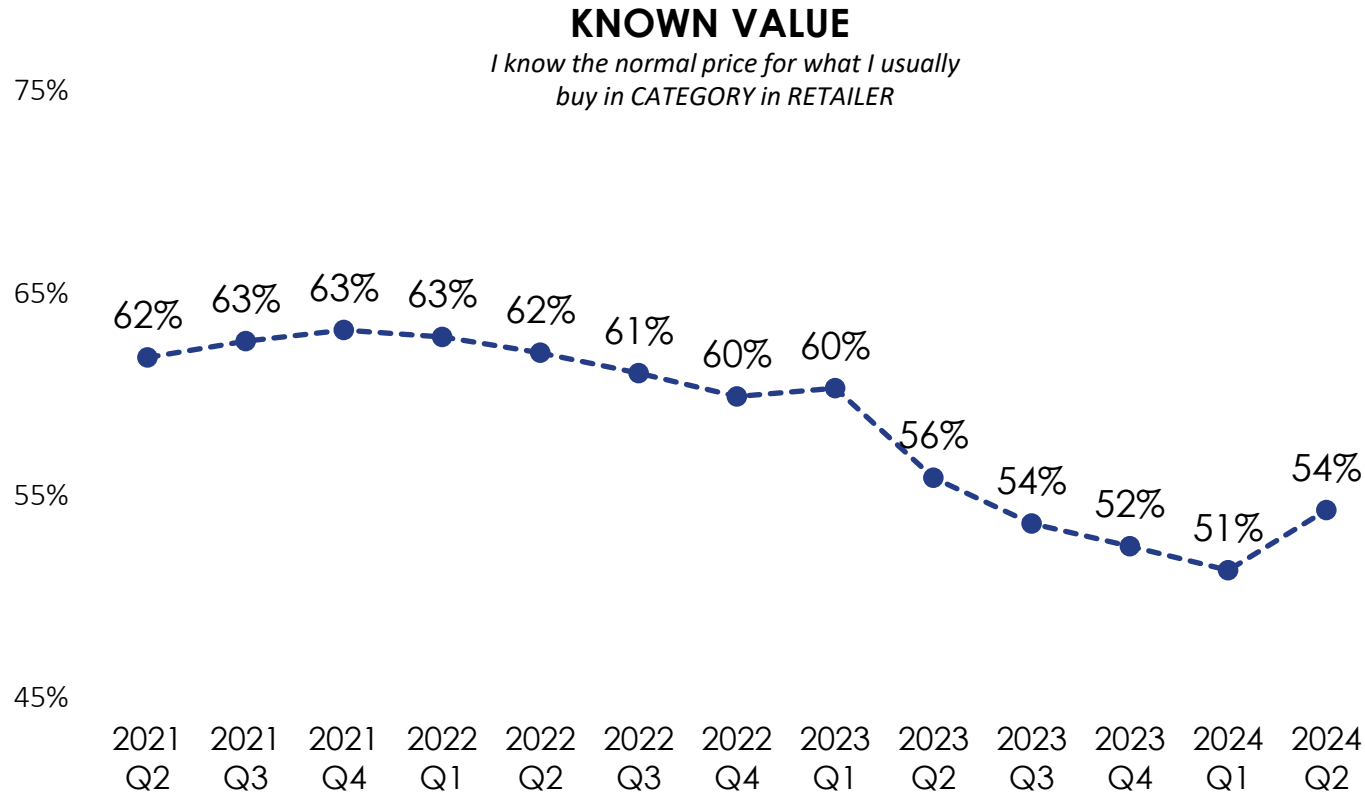
The Challenge:
- Shopper knowledge of price points has weakened
- So Identify Value investment even more important

All categories in each channel, MAT to each quarter
How much you agree or disagree when shopping for CATEGORY in RETAILER?
How important is each statement to you when shopping for CATEGORY in RETAILER? (SR)

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Focus "Identify Value" investment on these categories

Most important categories for "Identify Value"

Baby	Fresh Produce	Pet
Disposable Nappies	Stone Fruit	Cat Food *coles*
Baby Toiletries 🍏	**Frozen Foods**	**Snacking**
Baby Food	Frozen Vegetables	Boxed chocolate
Bakery	Ice Cream	
Packaged Rolls	**Health & Beauty**	
Breakfast & Health Foods	Female Facial Skincare	
Health Fruit, Nuts, Grains & Seeds	Vitamins & Supplements	
Dairy, Eggs & Meals	**Pantry**	
Specialty Cheese	Coffee	
Fresh Non-dairy Milk	Pasta Sauce	
Flavoured Milk	Baking Products *coles*	
Fresh Pasta & Sauce	Cooking Sauces	

🟩 = Do it well

🍏 coles = Do it better

🟩 *Significantly higher satisfaction of Identify Value than All Categories*

🍏 coles *Performs significantly better than the other retailer on Identify Value*

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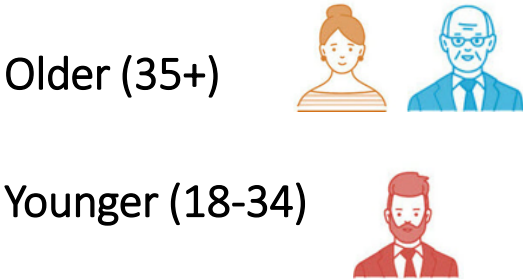Understand. Influence. Lead.

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Younger shoppers were more satisfied, now least

OVERALL SATISFACTION
2020 - 2024
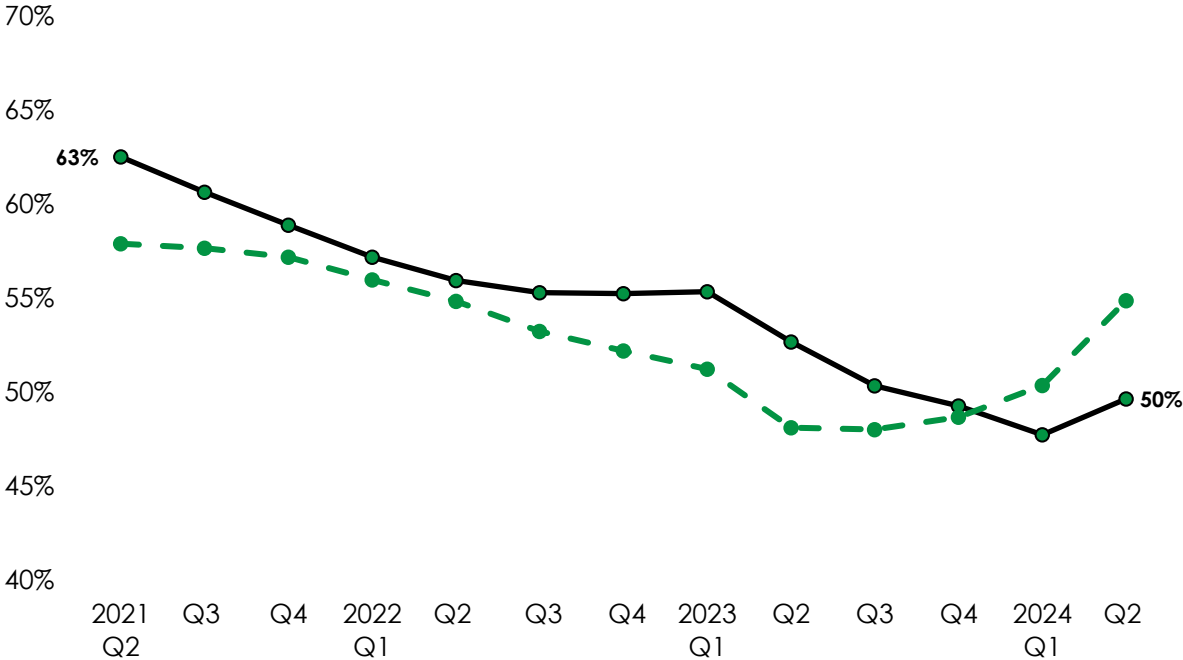
Hypothesis: Cost of living impacts younger shoppers more than older

Action: Must win back younger shopper satisfaction

Older (35+)

Younger (18-34)

—— WW 18-34

······ WW 35+

Invest in the basics at shelf, including identify value

	Difference beetween 18-34 vs 35+	
Layout	+13%	
Location	+10%	
Identify value	+10%	
OOS	+9%	
Sustainability	+9%	
Australian Made	+9%	
Fresh	+8%	
Range	+8%	
Authenticity	+8%	
Quality	+7%	
Healthy Choices	+6%	
Premium	+5%	
Fixed low price	2%	
Price	+0%	
Offers	-1%	
Enjoy	-10%	
Innovation	-11%	

How to win younger shoppers:

- Shelf Layout/ location
- Identify Value
- OOS/ Range
- Sustainable/ Australian/ Authentic/ Quality
- Health

It's less about price, more about identification of Value

Younger shoppers still enjoy shopping & looking for new, but the basics are letting them down

99%   90%   < 90%   90%   99%

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What about YOUR category?

Find out how your business can leverage these trends. Talk to us today:

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