



Friday, 31 August 2018

## The battle for the \$2.9bn fresh bread market

Australia's \$2.9 billion fresh bread market is dominated by the two supermarket giants Woolworths Group and Coles Group who represent a combined 51.9% of the fresh bread market according to the latest Roy Morgan results in the year to June 2018.

In total, supermarkets now comprise over two-thirds of the entire fresh bread market with the remaining 31% split between specialty bread shops including Bakers Delight, Brumby's Bakery and other bread shops, and between delicatessens, milk bars, convenience store and other stores.

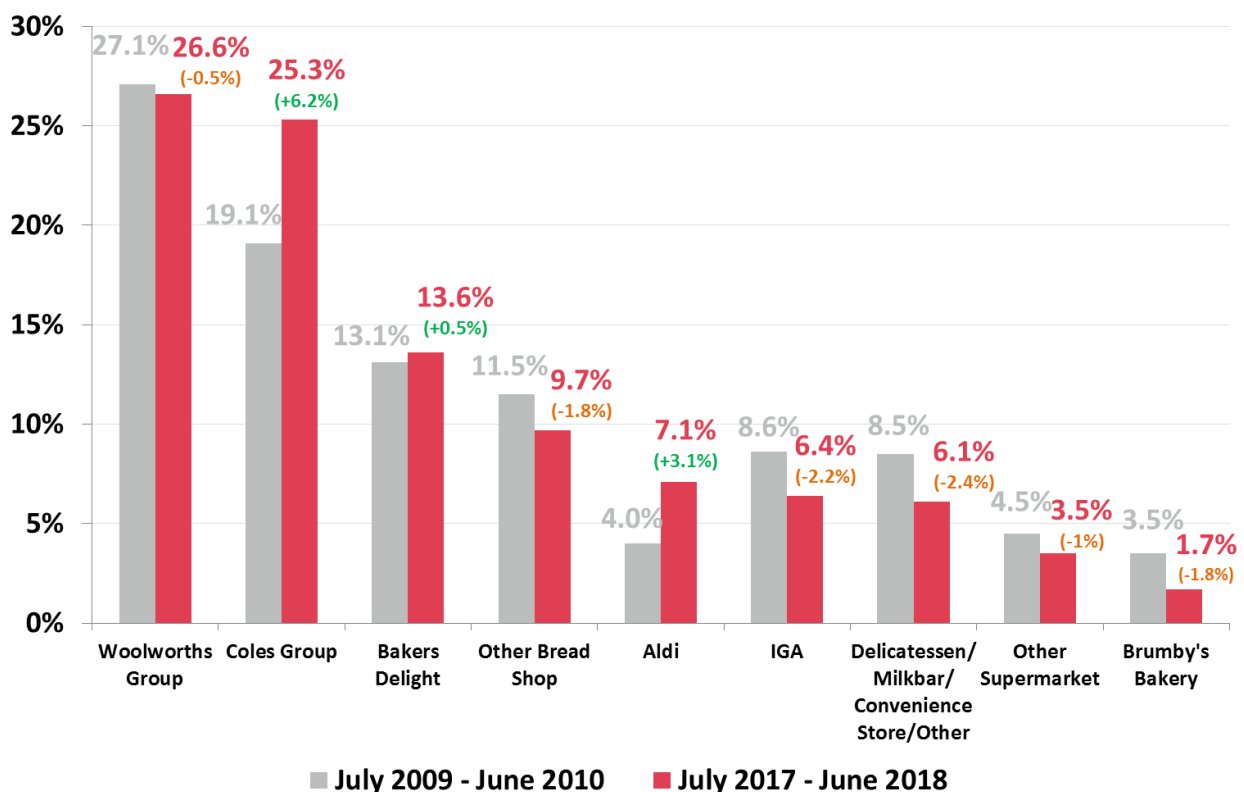
Over the last eight years there have been three stand-out performers in the fresh bread market. Coles Group has grown its market share by an impressive 6.2% to 25.3%, German supermarket chain Aldi has grown its market share by 3.1% to 7.1% and specialty bread shop Bakers Delight now has a market share of 13.6%, up by 0.5% from June 2010.

Despite facing a resurgent Coles in recent years Woolworths has retained its title as Australia's largest retailer of fresh bread capturing a market-leading 26.6% of the fresh bread market.

Other outlets for fresh bread including IGA and other supermarkets as well as Brumby's Bakery and other smaller bread shops and delicatessens, milk bars, convenience stores and other stores have also suffered declines in their share of the fresh bread market of between 1% - 2.4%.

These results are from the Roy Morgan Single Source survey of over 50,000 people per annum, including over 12,000 grocery buyers and covered in the latest [Roy Morgan Supermarket Grocery Currency Reports](#).

### Australian fresh bread market share – 2010 vs 2018



**Source:** Roy Morgan Single Source Australia, July 2009 – June 2010, n=11,911 & July 2017 – June 2018, n=9,066.

**Base:** Last 7 day fresh bread purchasers aged 14+ weighted to Australian households.

Roy Morgan recently analysed the state of the overall grocery market in Australia which is valued at over \$100 billion per annum. The latest results show Woolworths and Aldi have been the two best performers in the last year with both gaining significant market share. Further analysis, including the shares of the major supermarkets of the overall fresh food market, is available to [view here](#).

**Michele Levine, CEO, Roy Morgan, says although Woolworths and Coles have now comprised over 50% of the fresh bread market for over five years, the success of Bakers Delight and Aldi in growing market share shows there is space for nimble competitors:**

*"The dominance of Australia's two supermarket giants Woolworths and Coles is well known with the two now comprising over half the Australian markets for fresh food including fresh meat, fresh fruit & vegetables and fresh bread. Between them Woolworths and Coles now have nearly 52% of the Australian fresh bread market.*

*"However, although the two clearly dominate Australia's fresh bread market, the growth this decade has been led by Coles Group which has significantly increased its market share by 6.2% to 25.3% while Woolworths is little changed with 26.6% of the fresh bread market.*

*"There are two competitors in particular outside the 'Big 2' who have grown their share of the fresh bread market and they come from very different origins.*

*"German discount supermarket chain Aldi has made a huge impression on the Australian marketplace since opening its first store just over 15 years ago in 2001 and now captures 7.1% of the fresh bread market, up 3.1% since 2010.*

*"Aldi's success has been built upon not only discount prices but also a reputation for reliability, meeting the needs of consumers and being honest about what it has to offer. Aldi has consistently rated as one of Australia's most trustworthy brands including retaining its spot as Australia's most trusted brand in this week's Roy Morgan Net Trust Score survey for July. [See more here](#) about Aldi's success what Australian brands need to do to build their trust.*

*"In addition to Aldi and Coles the other success story in the fresh bread market over the last eight years has been the Australian owned bakery chain Bakers Delight. Bakers Delight has resisted the strong competition in the fresh bread market to grow its share by 0.5% to 13.6%.*

*"Bakers Delight trails only the 'Big 2' as an outlet for fresh bread and this shows that a well-run business can take on and beat more highly capitalised competitors with a well-defined strategy in a 'niche' market by offering great customer service and excelling at their core competency.*

*"To stay ahead of the game and be fully prepared for the competitive pressures in a fast changing industry the extensive analysis available in the [Roy Morgan Supermarket & Fresh Food Currency Reports](#) which covers all food retailers, including products purchased and dollars spent is essential. The combination of the large annual sample collected over more than a decade enables a unique in depth trend analysis of this very significant market."*

**View Roy Morgan's [Supermarket & Fresh Food Currency Reports here](#) and for other reports and profiles visit the [Roy Morgan Online Store](#).**

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### **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.



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### 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