

# Online Grocery Retailing - UK - September 2009

Report Price: £1500 / \$3000 / €2250

## What is this report about?

The UK online grocery market is estimated at £4.4 billion (including sales tax and delivery charges) in 2009, having more than doubled (134% growth) in value over 2005-09. Rapidly rising food inflation, particularly in 2008, has contributed to high value growth in the sector, while dampening demand in volume terms.



## Key issues covered in the analysis

- At just under £4.5 billion in 2009, the online channel accounts for just 3% of total grocery retailing, but its value more than doubled between 2005 and 2009.
- Making use-by dates available online could drive revenue growth, as not knowing them is putting more than 25m people off buying fresh food on the web.
- More than 3.5m people have tried online supermarkets but would not do it again. Given their proven interest in the channel, this high-potential group needs to be convinced of tangible improvements in service, with perhaps a sweetener to encourage another trial.
- Grocery shopping is seen as a chore by 12m people. Lucrative pools of cash-rich, time-poor shoppers could be won over by the convenience of online shopping, including functions such as saved favourites and 'predictive' shopping lists to make shopping even easier.
- Delivery charges deter nearly five million shoppers who occasionally buy food online. Waitrose's free delivery service may win over some of this sizeable group.
- Visible special offers and other 'inspiration' online could boost spending among the more than 7m shoppers who occasionally buy food online and often choose products that look interesting or that are on special offer.

## Scope of the report

The online grocery market is defined to include the online sales of food and drink for in-home consumption, including store-based grocers' fmcg sales online, food and drink specialist retailers' online sales, online-based grocers' sales and online-based food box delivery schemes.

### Mintel Oxygen - Quality market and consumer insight

Mintel Oxygen isn't just another source for market research data - it's your business guide towards successful growth and profitability.

Mintel Oxygen - All you need to know about your market:

- Opportunities and risks
- Product innovation
- Brand analysis
- Consumer trends
- Company profiles and analysis
- News and commentary
- Overviews, PowerPoint presentations, Search function

### Use Mintel Oxygen to:

- Gain fresh market insight every day
- Drive your business forward based on consumer trends
- Stand out in new business pitches
- Support your decision-making
- Validate your approach with solid data and expert opinion
- Benchmark competitive activity
- Monitor international developments

If you have any questions or require further information, send an email to [oxygen@mintel.com](mailto:oxygen@mintel.com) or call us on +44 (0)20 7606 6000.