

# Woolworths Trolley Tracker

The State of the Australian  
Grocery Customer - August 2024

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# Welcome to the inaugural edition of the Woolworths Trolley Tracker Report

This report looks at the evolving purchasing behaviour of grocery customers at Woolworths in the context of current cost of living pressures and rising inflation.

The report is based on customer insights gathered by Wiq, part of Woolworths Group.



## Report summary findings

**Rising housing costs are straining household budgets**

**This is leading to heightened value seeking by grocery customers**

**The net result of the value seeking and slowing inflation is that the cost of the grocery basket at Woolworths is coming down**

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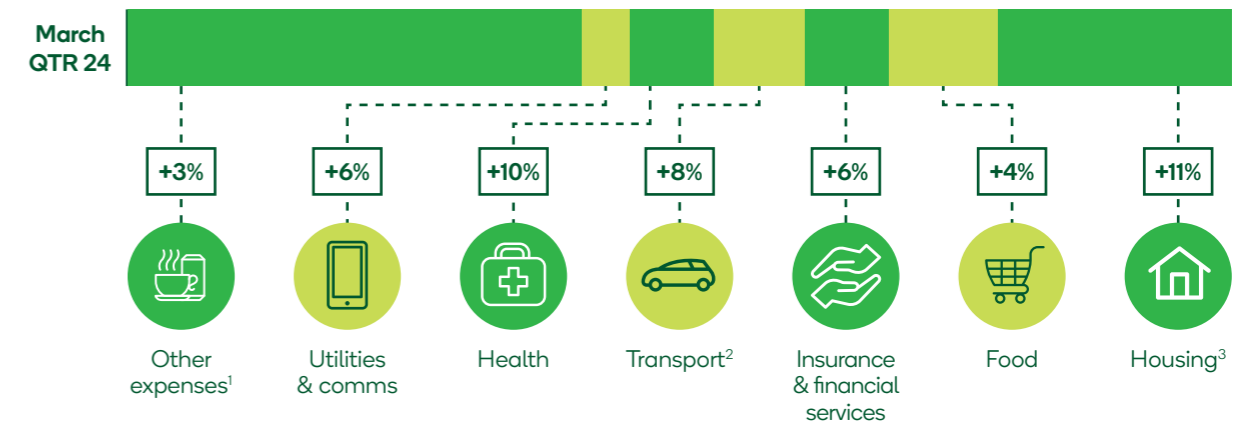
# Increased housing costs is the largest expense

Housing is the largest expense for Australian customers on average, and represents a significantly higher proportion of expenses for younger customers (both families and younger singles and couples) - driving much of the incremental cost of living strain for those cohorts. Housing costs have also grown at the fastest rate of all major expenses over the past year as rental rates have increased (driven by housing supply constraints) and mortgage repayments have strongly grown.



## Share of Australian household spending by major category

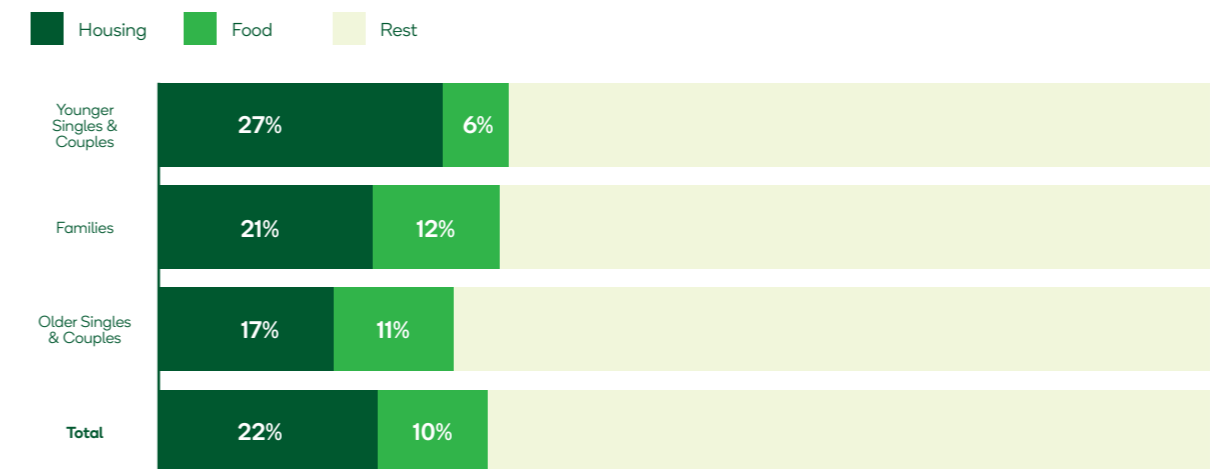
Current prices, March qtr, 2024, %



Category spending annual growth<sup>4</sup> March qtr, 24 vs March qtr, 23, %. Excludes mortgage interest payments -30% vs LY (March qtr, 24 vs March qtr, 23)

## Share of Australian household spending breakdown by lifestage

Last 12 months, %



**Source:** 1. Other expenses include Recreation and culture, Education, Hotels, cafes and restaurants, Alcoholic beverages, Cigarettes and tobacco, Clothing and footwear, Furnishings and household equipment, Purchase of vehicles, other goods and services; 2. Transport services and operation of vehicles; 3. Housing include Rent and other dwelling services (actual and imputed rents & water and sewerage services); Does not include mortgage interest payments; 4. AU National household consumption growth in each category; Source: ABS Australian National Accounts, Current prices, Seasonally Adjusted quarterly data, wiqConsumer

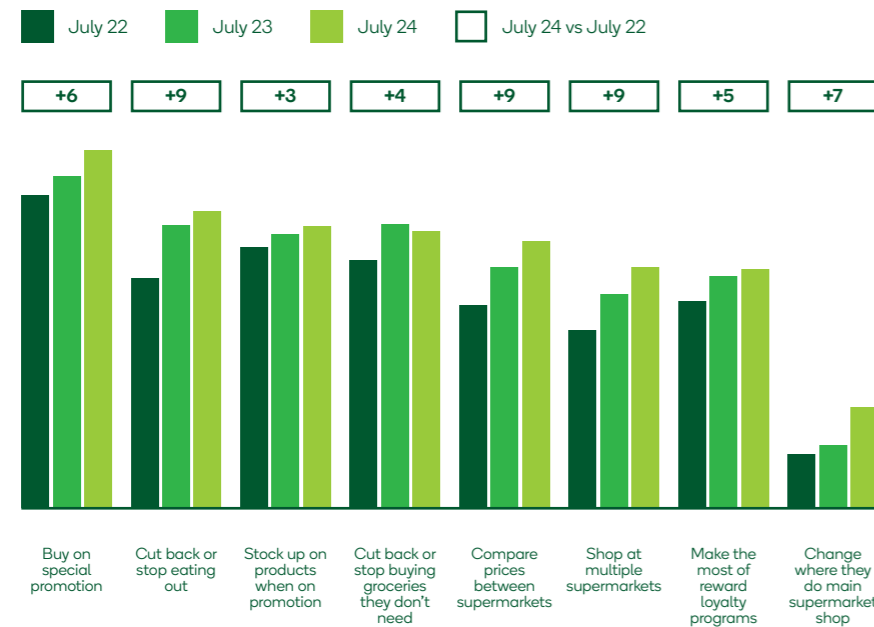
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# Customers are looking for more ways to save

As cost of living pressures have increased, customers have been increasingly leveraging 'value-seeking behaviours' in order to stretch their spend. Value-seeking behaviours such as buying on special have always been significant - and risen gradually over the past year - but historically less used behaviours such as changing the location for main shops have also stepped up markedly. The use of these 'value-seeking behaviours' has been particularly prevalent for our most financially strained customers.

## Percentage of customers using ways to save, %



Source: wiq survey July 2024: Q: In response to increasing prices of food, products and services, are you doing any of the following more than usual?

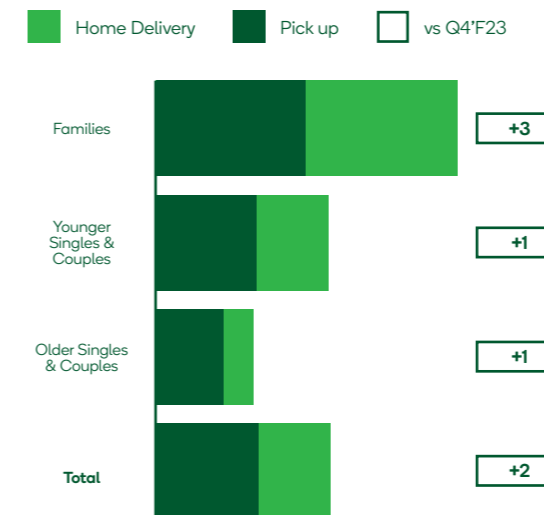


# Customer lifestage is a determinant in how they find value

Our younger customers have been most impacted by cost of living pressures and have been looking for ways to save. Being more digitally savvy, e-commerce and digital mechanisms have been used to a disproportionately high extent by our younger customers in order to realise value. In contrast, families look to convenience to achieve value.

## Online sales penetration by lifestage

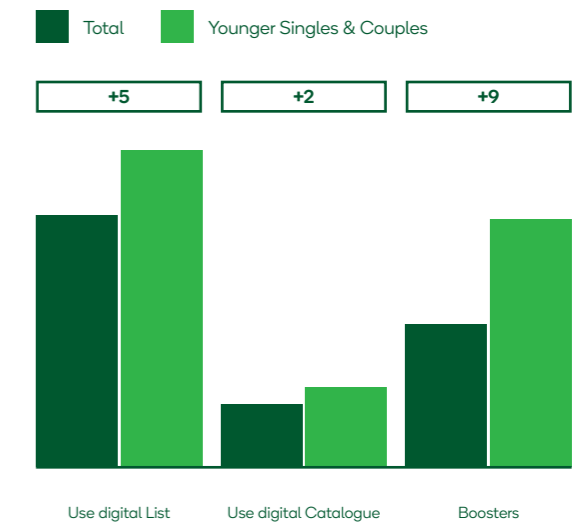
%, Q4'F24



Source: Woolworths Supermarkets

## Digitally engaged Everyday Rewards member growth

% Members, Q4'F24 vs Q4'F23





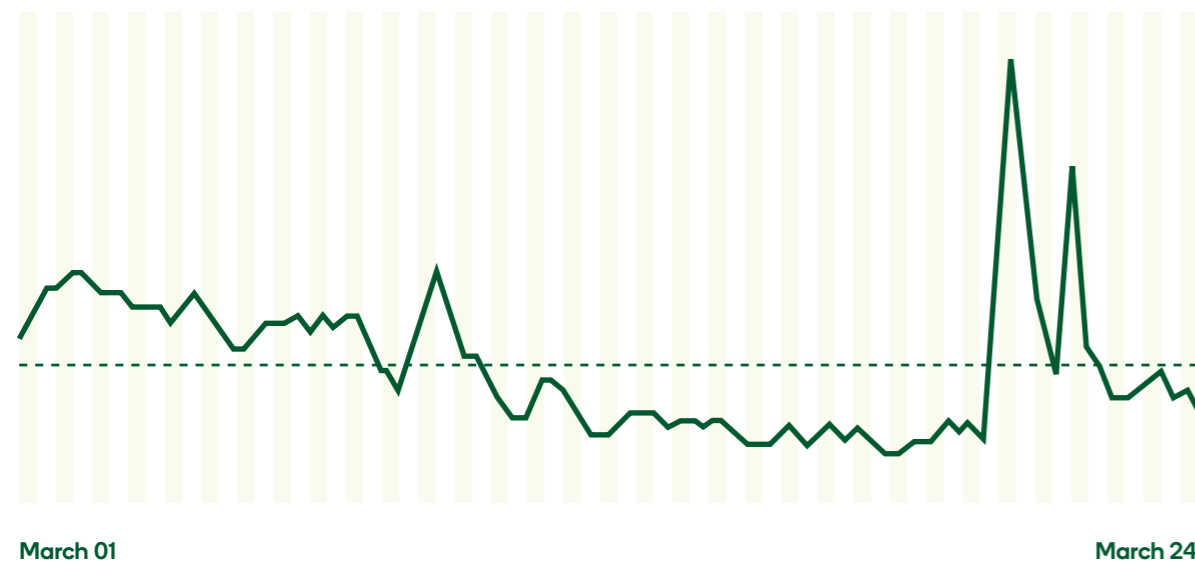
# Household spend on food is beginning to decline

A variety of factors, including COVID-driven supply chain disruption, climate events and the Russia-Ukraine conflict, drove up food prices and with them, the proportion of household spend on food. Subsequently, the proportion of household spend on food has again moderated, with the magnitude of food inflation declining, while inflation on some other major spend categories has remained at significantly higher levels.

## Share of average Australian household total expenditure on food

Current prices, qtrly

■ Food    ▤ Average



March 01

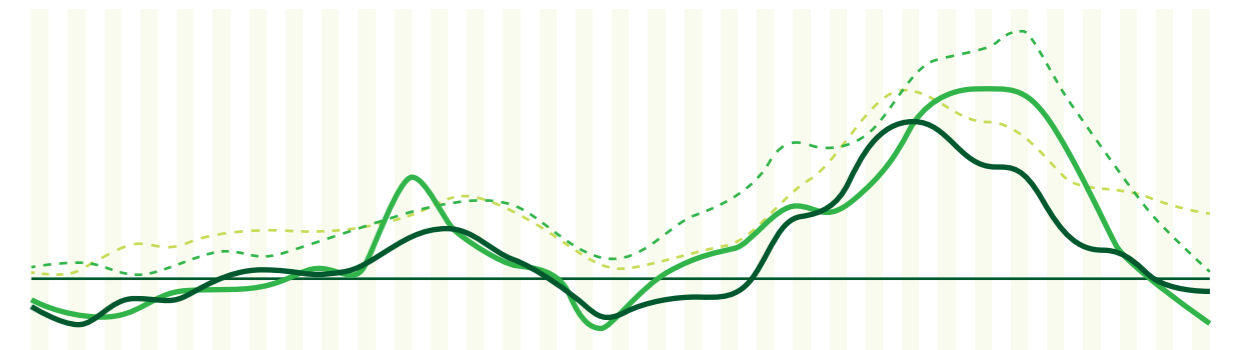
March 24

Source: ABS Australian National Accounts, Current prices, Seasonally Adjusted quarterly data.

## Australian and New Zealand food inflation

(Avg. price change in AU Food and NZ Food businesses vs Food CPI), Qtrly, %

■ Australian Food    ▤ ABS CPI: Food    ■ New Zealand Food    ▤ Stats NZ CPI: Food



March 18

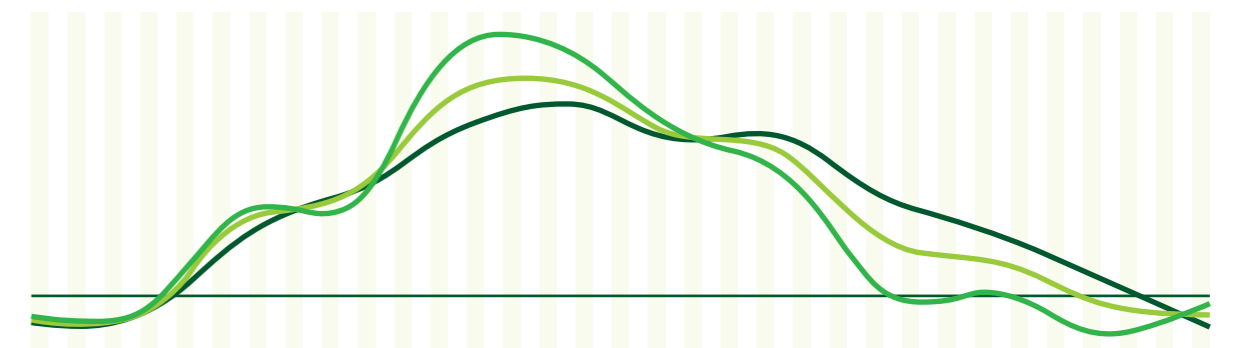
June 24

Source: ABS Consumer Price Index: Food and Non-Alcoholic Beverages; Statistics New Zealand Consumer Price Index: Food

## Average grocery price change

In AU Food, Qtrly, %

■ Total Long Life    ■ Total Food    ■ Total Fresh



Q1'F22

Q4'F24

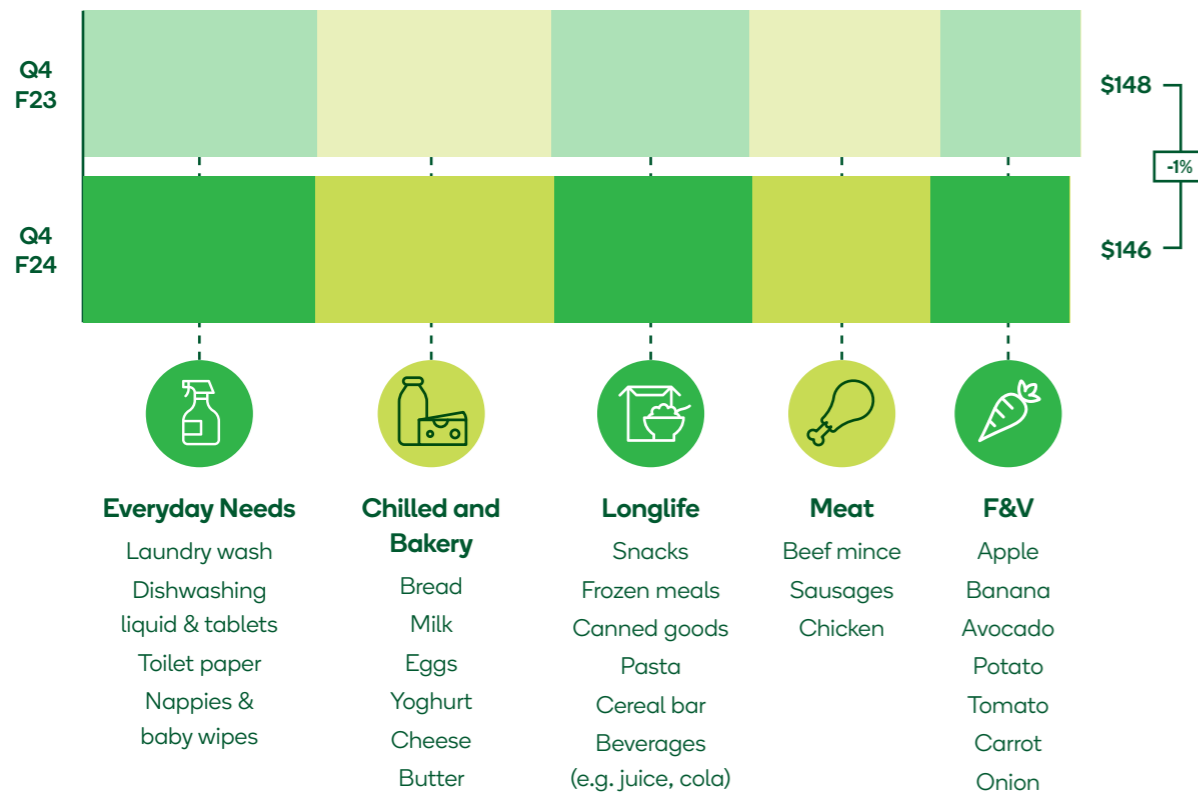
Source: Woolworths Supermarkets.



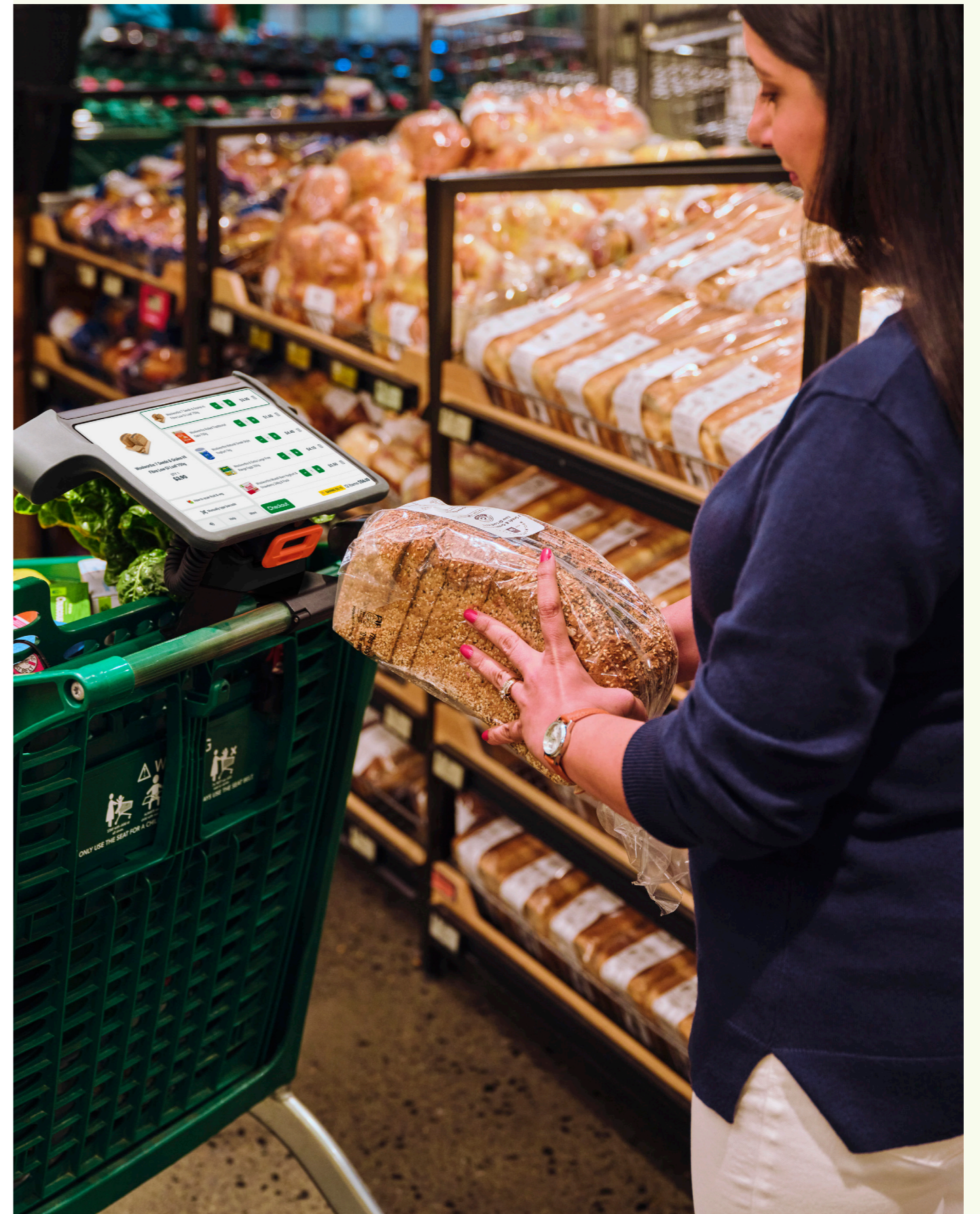
# A typical Woolworths food trolley is 1% less than a year ago

Strong moderation of inflation has led to stabilisation of grocery spend over the past year - including across most major categories of spend.

## Average price of a typical Woolworths food trolley \$



Source: Woolworths Supermarkets. Lines selected are based on high penetration lines, top 10% in our selected categories.





Woolworths  
*The fresh food people*