



FIRST.

Searching for Groceries Online

Which websites are maximising their market share?



Calculating share of search

- Rankings Based Reach (RBR)* provides a simple way to compare a website's search engine rankings with its competitors.
- RBR is an estimate of the percentage of available search traffic a website will receive for a set of phrases – this gives the sites share of search or reach.
- It is weighted based on the popularity of each search phrase and the relative click through rate (CTR) of each ranking position.

*Source: Rankings Based Reach (RBR) is a methodology developed by FIRST



Selected sites

The following New Zealand grocery sites were selected for Ranking Based Reach (RBR) organic search performance analysis.

Sites
countdown.co.nz
farrofresh.co.nz
foursquare.co.nz
huckleberryfarms.co.nz
mightyape.co.nz
newworld.co.nz
noshfoodmarket.com
paknsave.co.nz
supermarketonline.co.nz
supervalu.co.nz

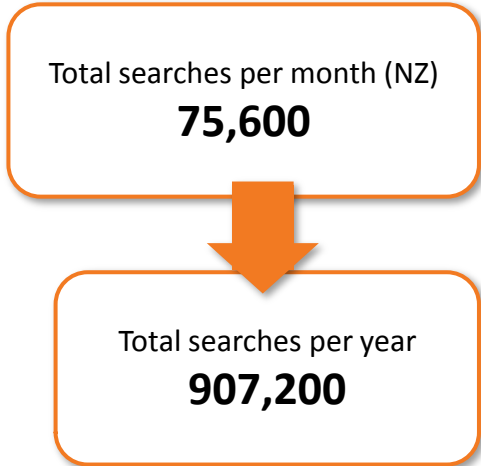


What are people searching for?

In order to identify which websites are leading in organic search FIRST researched frequently used grocery-related phrases.

Search Phrase	Local searches per month
chocolate chip cookies	9,900
banana cake recipe	8,100
chocolate cake	6,600
chicken recipes	5,400
pumpkin soup	5,400
food	4,400
cupcake recipe	3,600
online shopping	3,600
lemon meringue pie	3,600
cake	2,900
dinner ideas	2,900
potato salad	2,900
vegetarian meals	2,900

Search Phrase	Local searches per month
pasta salad	2,400
smoothie recipes	2,400
cheese	1,900
ice cream	1,900
fruit	1,600
gluten free	1,600
lactose intolerance	1,600



Source: Google Keyword Tool, New Zealand exact match, March 2015



Google: Search engine results page 1

What the consumer sees: The top of the Google search results page for a search on “online supermarket”

The screenshot shows a Google search for "online supermarket". The search bar is at the top with the text "online supermarket" and a search icon. Below the search bar are navigation tabs for "Web", "Images", "Videos", "Maps", "News", "More", and "Search tools". The search results are displayed below, starting with "About 178,000,000 results (0.22 seconds)".

Paid search results:

- Shop Online at Countdown - Countdown.co.nz**
Ad shop.countdown.co.nz/ Save Time and Money when you Order Online - Delivered NZ-wide!
- New World Supermarket - newworld.co.nz**
Ad www.newworld.co.nz/ Latest Specials, Recipe Ideas, Healthy Eating, Find Out More! Opening Hours - Savings At New World - Wine & Beer Week 209 Kapa Road, Orakei, Auckland - 09-521 4680
- PAK'nSAVE Supermarket - paknsave.co.nz**
Ad www.paknsave.co.nz/ Bringing you the Latest Specials Everyday. NZ's Lowest Food Prices. Store Finder - Our Promotions & Deals - Bread Under \$1 - Saving Ideas

Organic search results:

- Supermarket Online: Shop online to get your groceries ...**
www.supermarketonline.co.nz/ read more... Email Newsletter. Sign up to get the latest news and special deals from Supermarket Online. Great! You're now signed up. Some Ideas For You ... Specials - Category | Supermarket Online - Delivery Rates - Shipping and Returns
- Online Supermarket: Online Grocery Shopping & Free ...**
shop.countdown.co.nz/ Online Supermarket: Online Grocery Shopping & Free Recipes at countdown.co.nz ... Trolley. Over 5,000 deals valid online until midnight Friday 20 March 2015. My saved lists - Create a shopping list - Delivery - My Favourites
- Online Shopping | New World Supermarket**
www.newworld.co.nz/online-shopping/ Online Shopping is now available in selected Lower North Island stores. Shop online with Click & Collect in the Wellington area. New World Thorndon - New World Levin - New World
- Reduced To Clear: Online Grocery Shopping | Discount ...**
reducedtoclear.co.nz/ Reduced to Clear is dedicated to helping New Zealand families stretch their grocery budgets further. Shop with us for essentials like milk and bread as well as ...
- Online supermarket rivalry heats up | Stuff.co.nz**
www.stuff.co.nz/business/money/.../Online-supermarket-rivalry-heats-up Jun 7, 2013 - CONVERT: Francine Wright, with children Indigo, 1, and Aisha, 3, prefers online supermarket shopping because "you can see what you're ...
- Food & Drink | at Mighty Ape NZ**
https://www.mightyape.co.nz/Food-Drink Mighty Ape Food and Drink allows you to shop online for groceries with the ... We stock some yummy imported groceries from the UK and US like Nestle and ...

Up to 3 keyword-related Google ads for paid search terms lead the Google search results page: Countdown and New World rank in first and second position for the search term “online supermarket”

Paid search results

Mighty Ape, and Supermarket Online are not appearing in the paid search results.

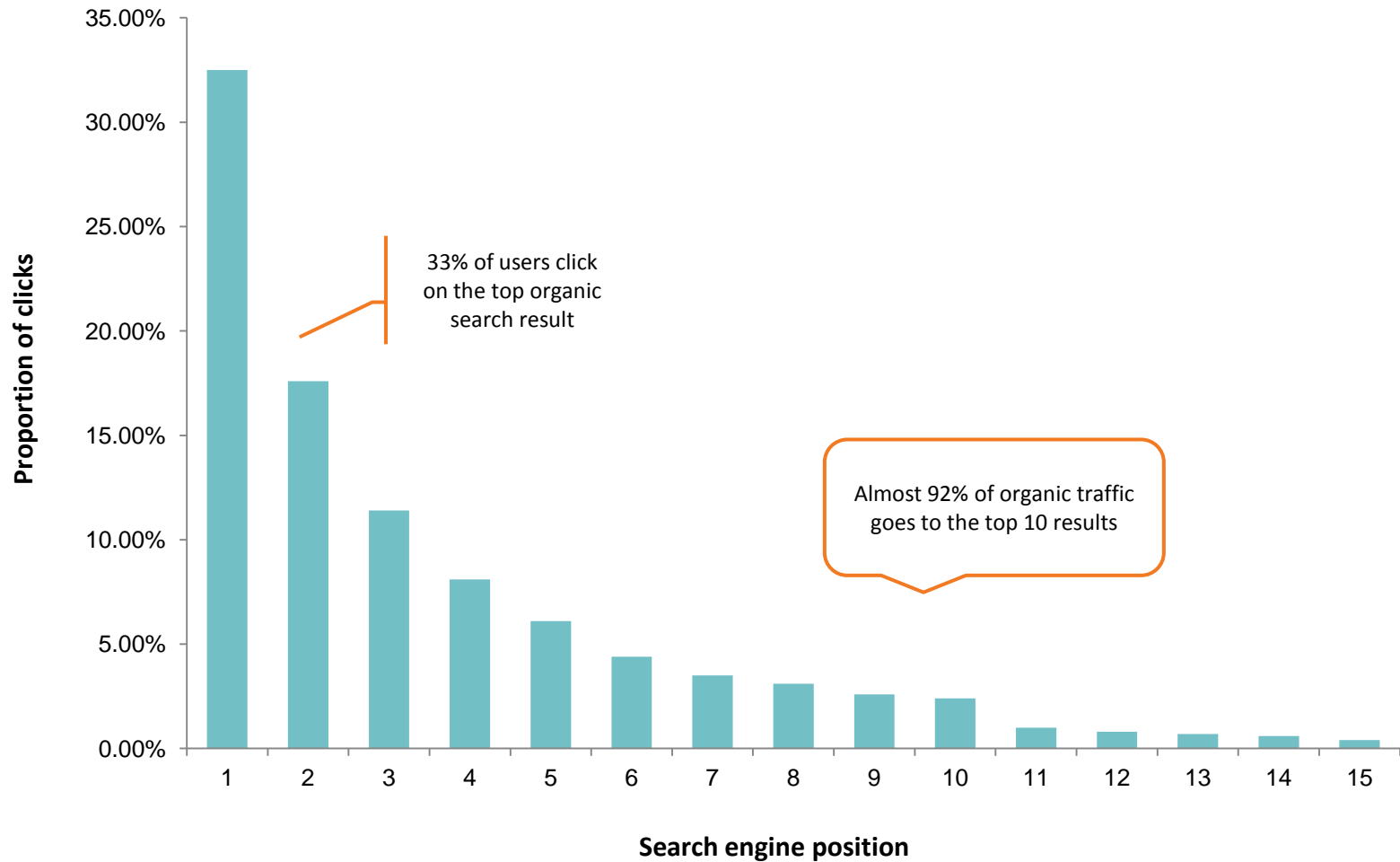
Organic search results: Countdown.co.nz ranks second for the search term “online supermarket”.

Notably, relative newcomer “Supermarket Online” ranks first and is beating supermarket giants – Countdown, New World and Pak’nSave for this phrase.

Organic search results



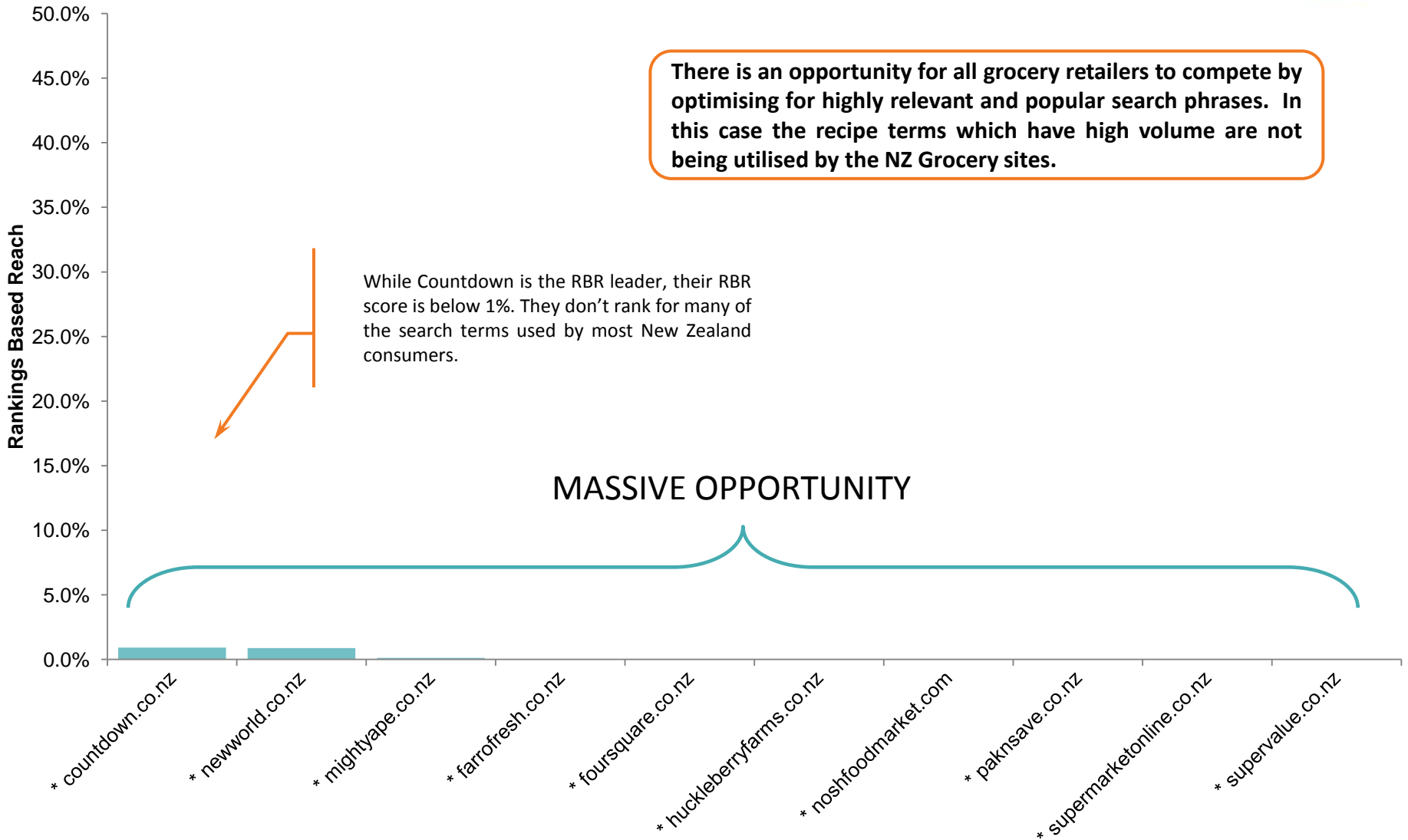
The importance of top rankings



Source: Chitika, 2013 (Organic Search)



Rankings Based Reach: Natural Search



There is an opportunity for all grocery retailers to compete by optimising for highly relevant and popular search phrases. In this case the recipe terms which have high volume are not being utilised by the NZ Grocery sites.

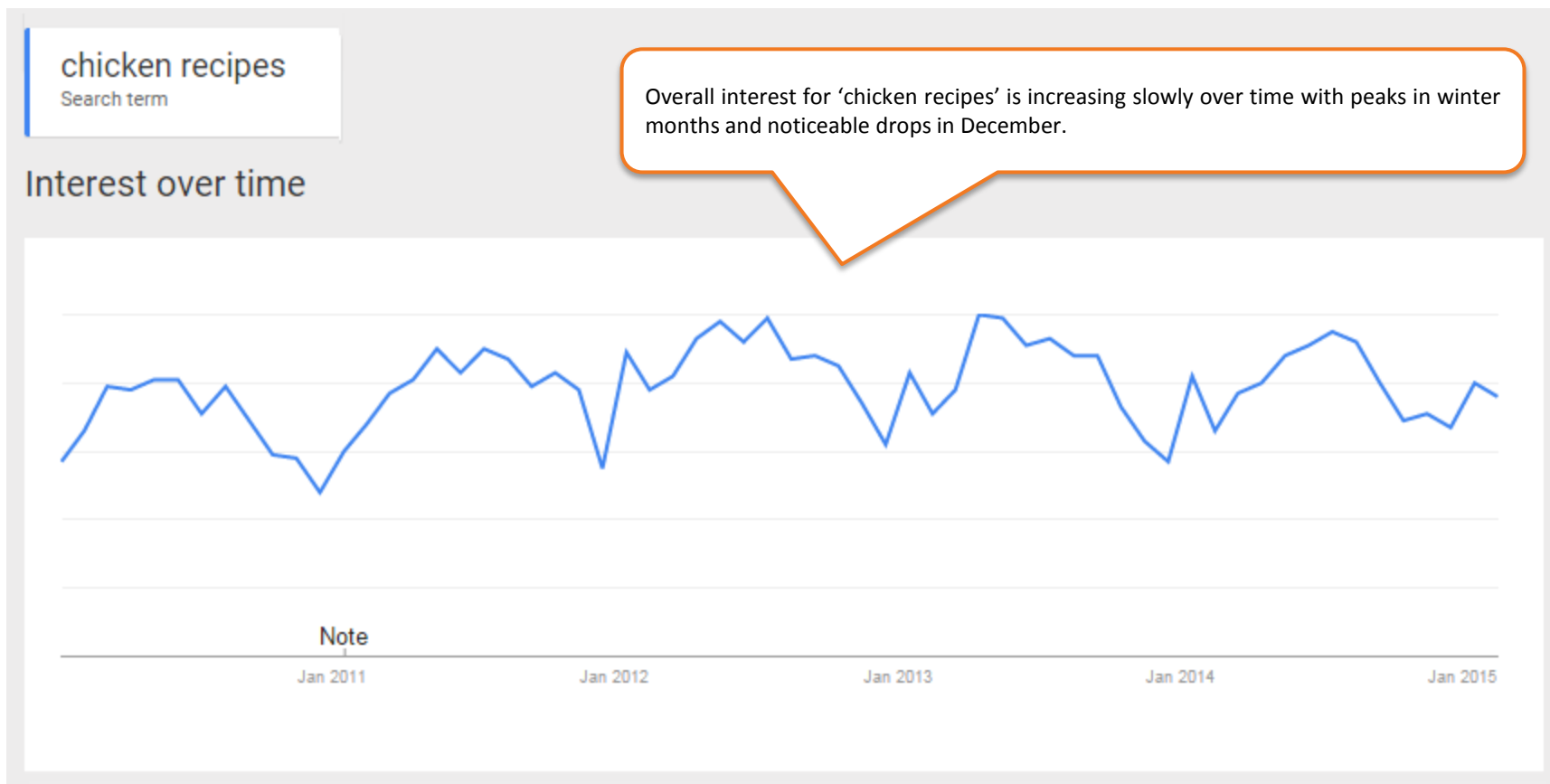
While Countdown is the RBR leader, their RBR score is below 1%. They don't rank for many of the search terms used by most New Zealand consumers.

MASSIVE OPPORTUNITY

* includes all websites under the relevant domain name (eg, including www.)

Search trends

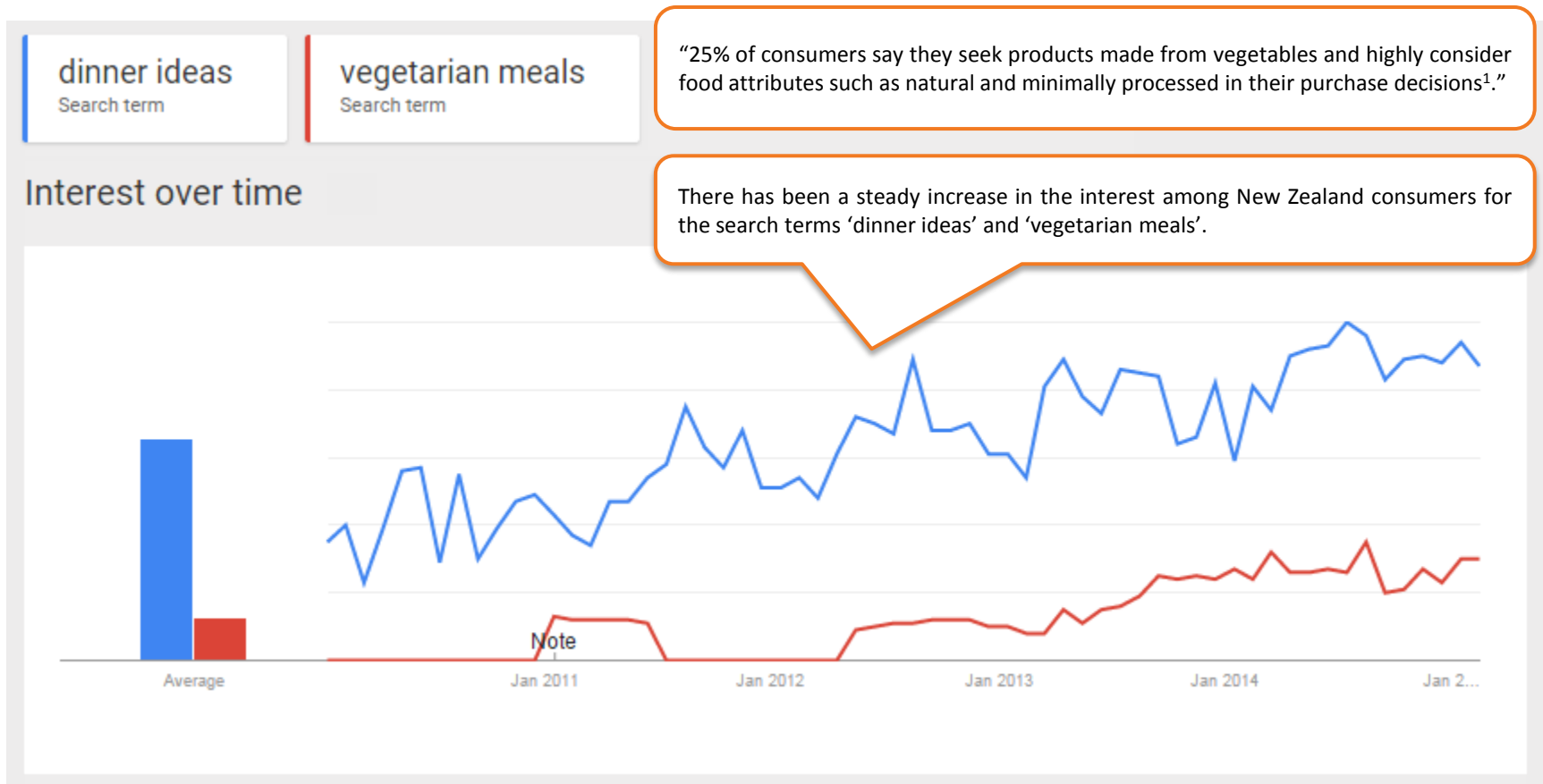
The chart below illustrates interest in key search term 'chicken recipes' in New Zealand over the last 5 years.



Source: Relative total keyword performance on a normalised scale of 1 to 100, Google Trends, New Zealand, March 2015

Search trends

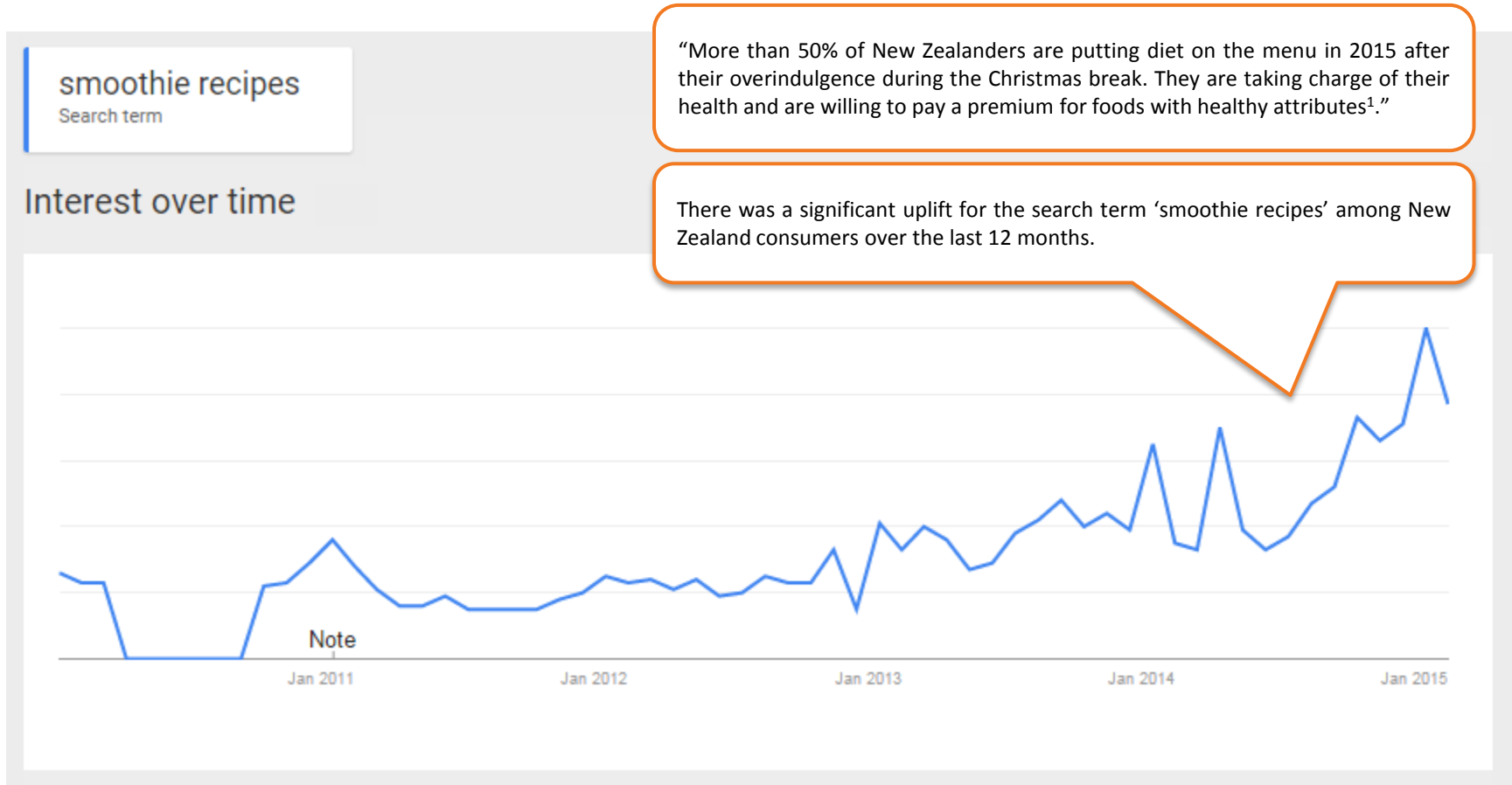
The chart below illustrates interest in key search terms ‘dinner ideas’ and ‘vegetarian meals’ in New Zealand over the last 5 years.



Graph source: Relative total keyword performance on a normalised scale of 1 to 100, Google Trends, New Zealand, March 2015
¹Source: A hunger for healthy: New Zealand’s appetite to battle the bulge, AC Nielsen, February 2015

Search trends

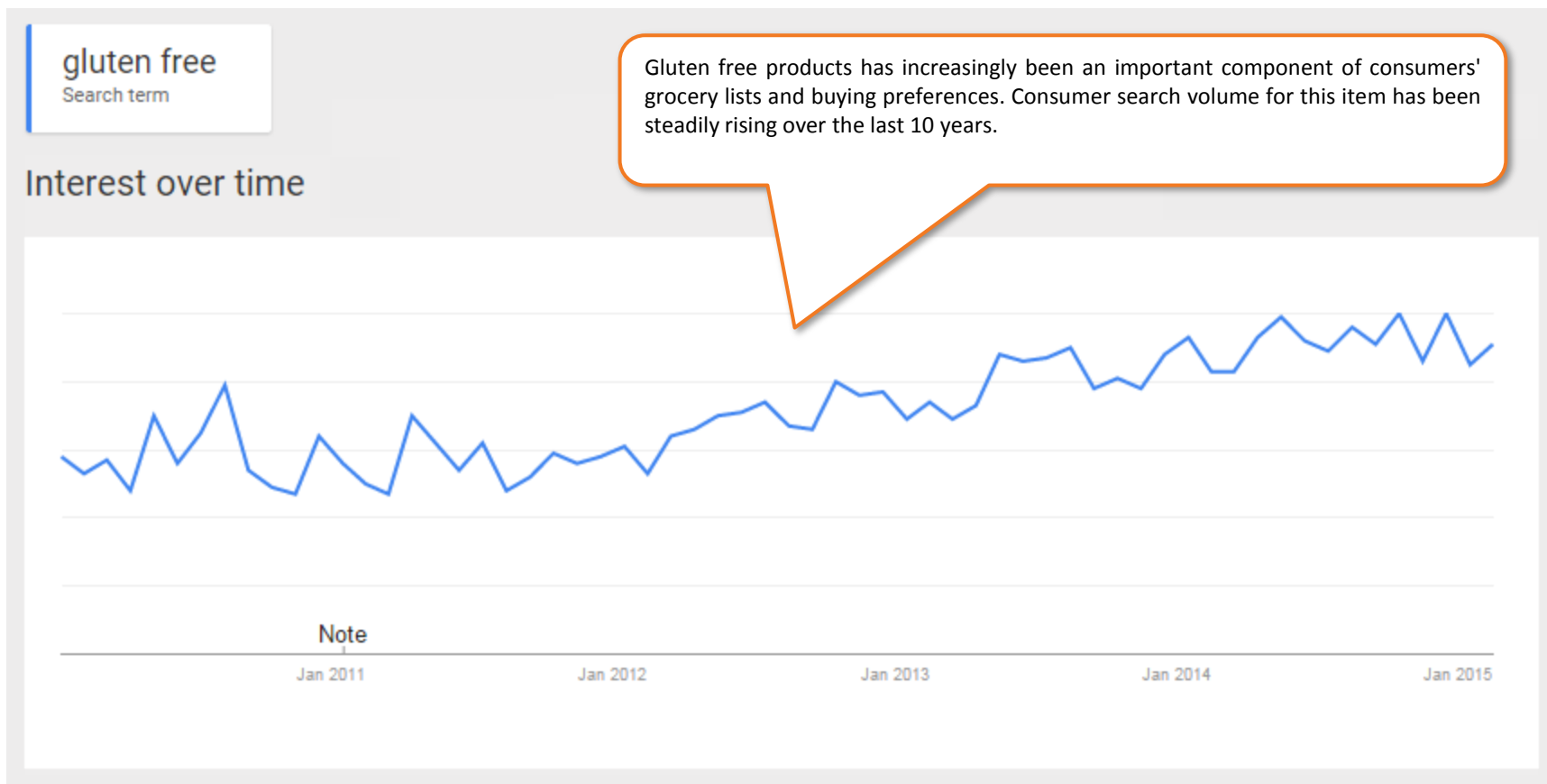
The chart below illustrates interest in key search term ‘smoothie recipes’ in New Zealand over the last 5 years.



Graph source: Relative total keyword performance on a normalised scale of 1 to 100, Google Trends, New Zealand, March 2015
¹Source: A hunger for healthy: New Zealand’s appetite to battle the bulge, AC Nielsen, February 2015

Search trends

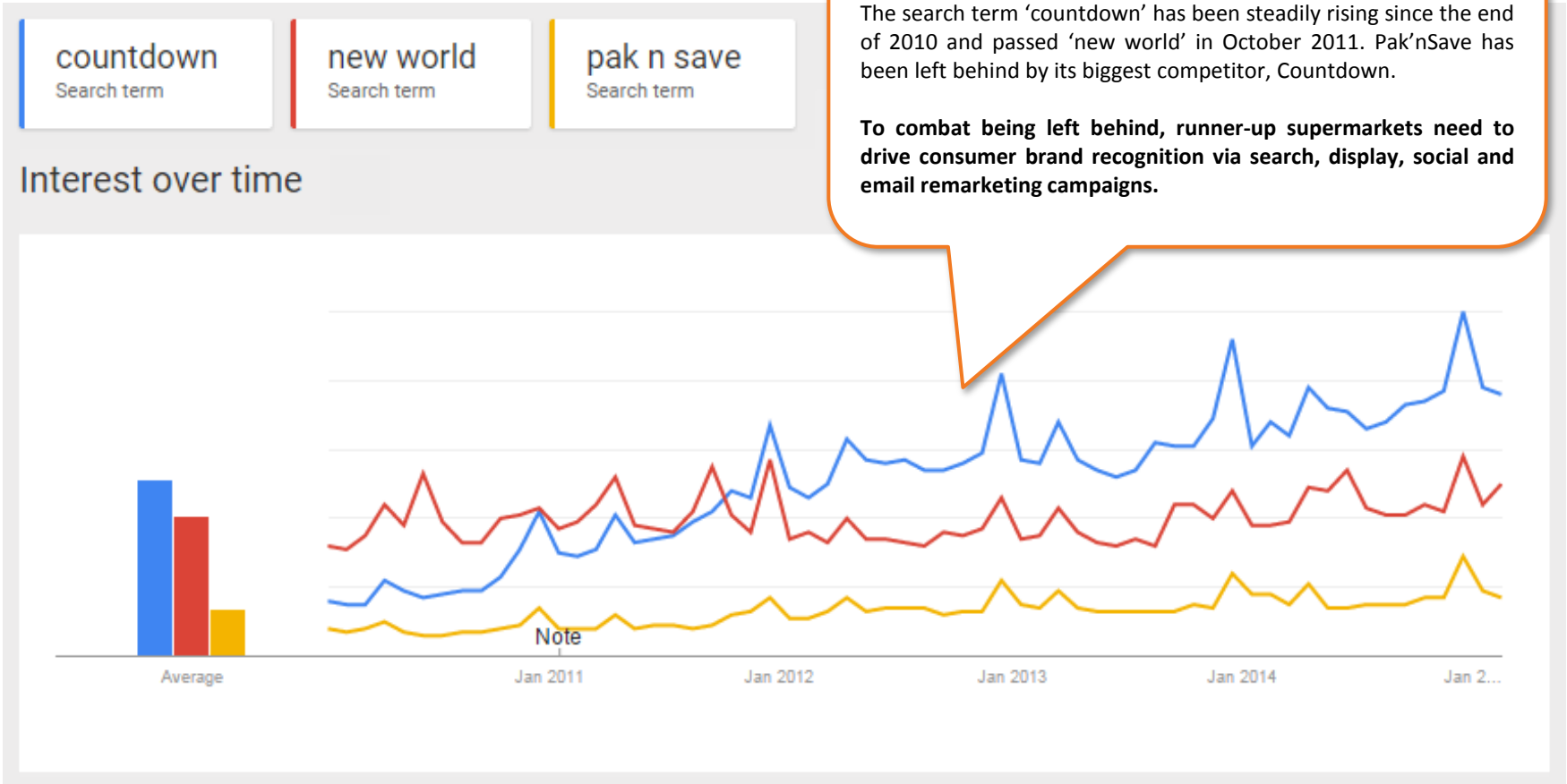
The chart below illustrates interest in key search term 'gluten free' in New Zealand over the last 10 years.



Source: Relative total keyword performance on a normalised scale of 1 to 100, Google Trends, New Zealand, March 2015



Pak'nSave and New World need to catch up



Source: Relative total keyword performance on a normalised scale of 1 to 100, Google Trends, New Zealand, March 2015



Consumer Research: Supermarket Brand Recognition

Question 1: Which of the following supermarket brand names do you recognise? (Tick all that apply)

The three top supermarkets (Countdown, Pak'n Save and New World) are very well-known. As expected, 97% - 98% of Kiwis have heard of these brands.



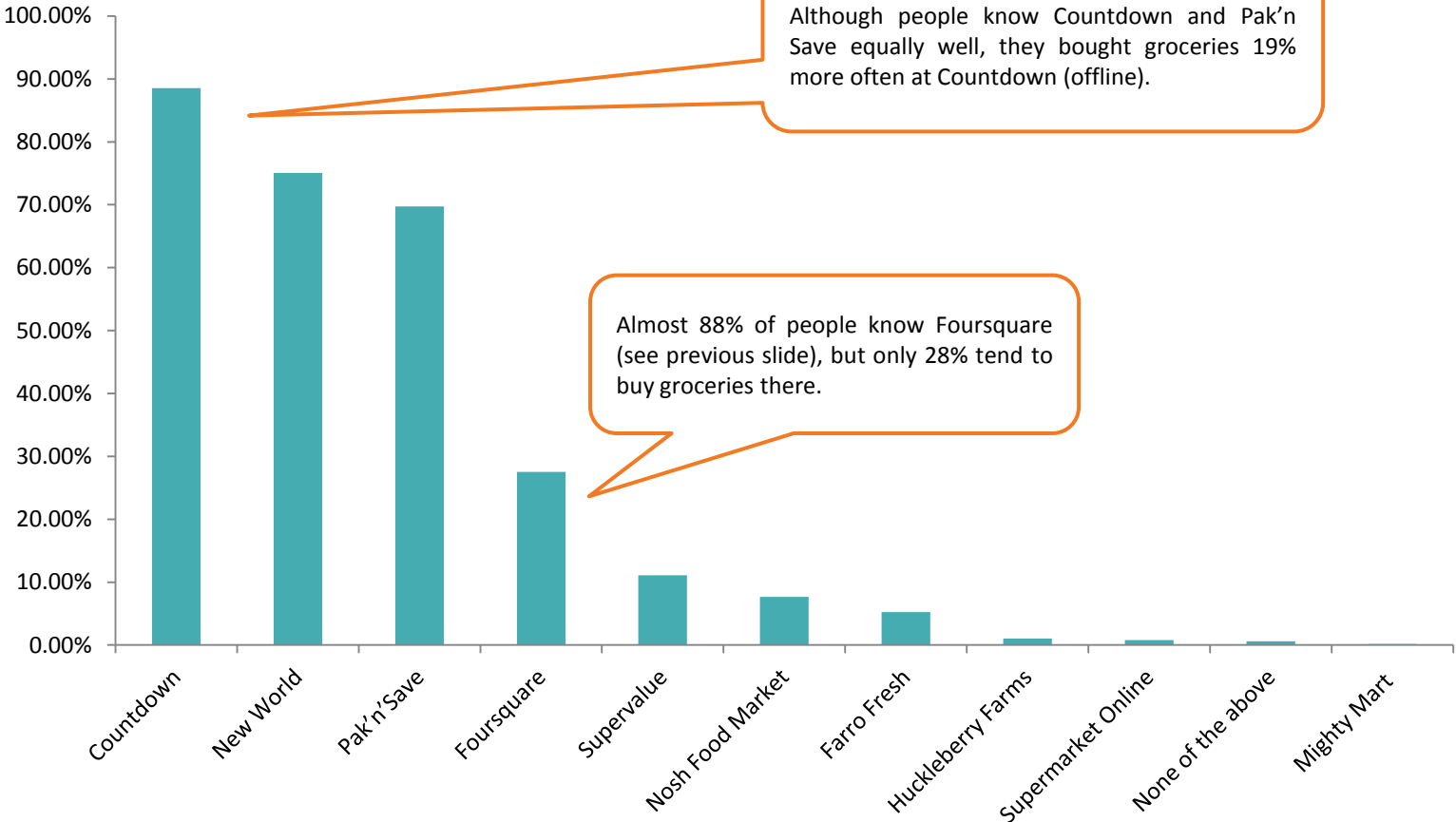
Nosh Food Market is nearly twice as well known as Farro Fresh – and NZ consumers also buy products nearly twice as much at Nosh (see next slide).

This representative survey was carried out by 3Di Research on the Great Sites platform Jan 2014 (n=3,133).



Consumer Research: Supermarket Purchasing (Offline)

Question 2: From which of the following supermarkets have you purchased in the last 3 months in person (offline)? (Tick all that apply)



Although people know Countdown and Pak'n Save equally well, they bought groceries 19% more often at Countdown (offline).

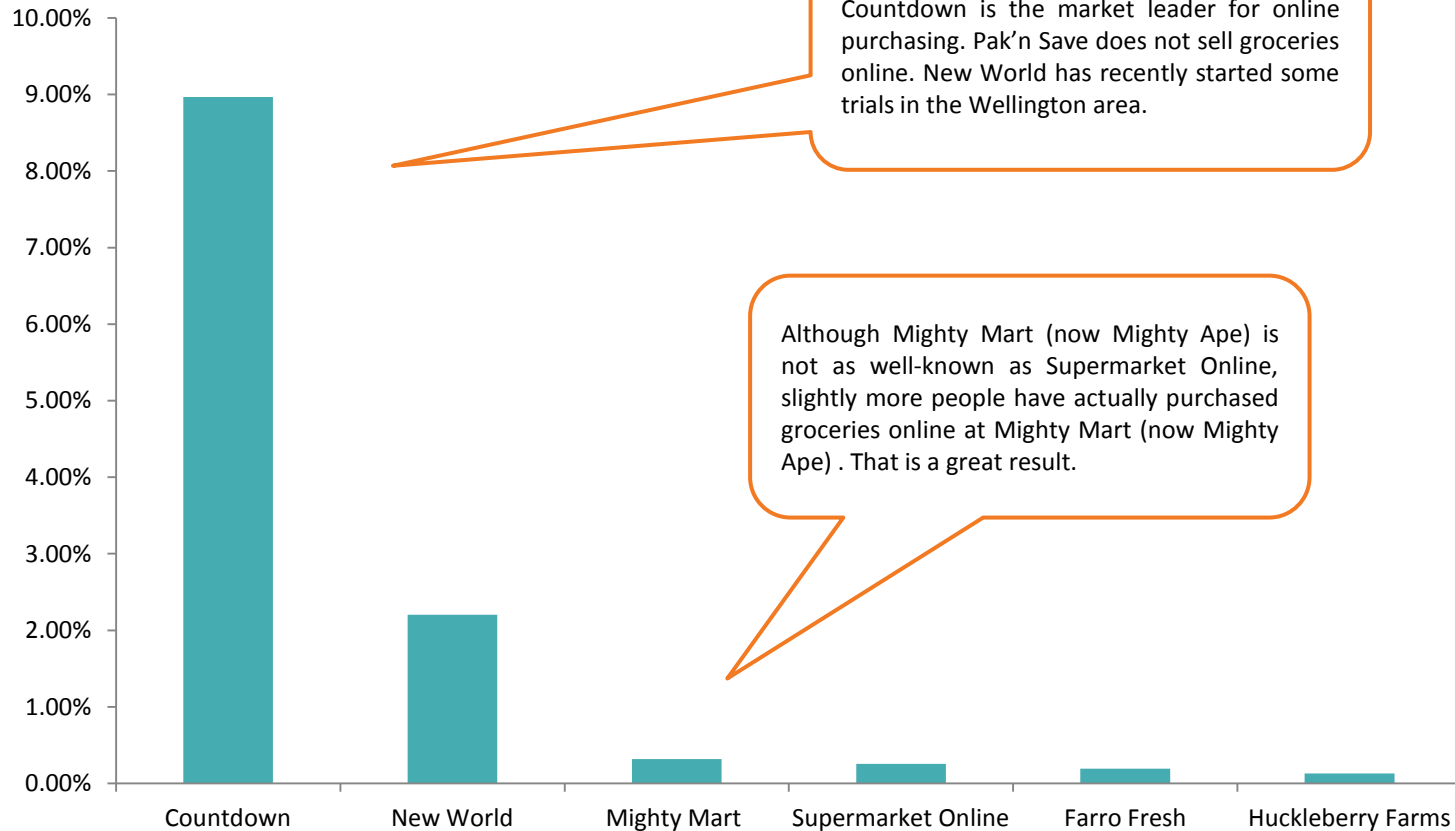
Almost 88% of people know Foursquare (see previous slide), but only 28% tend to buy groceries there.

This representative survey was carried out by 3Di Research on the Great Sites platform Jan 2014 (n=3,133).



Consumer Research: Supermarket Purchasing (Online)

Question 3: From which of the following supermarkets have you purchased in the last 3 months online via their website ? (Tick all that apply)



Countdown is the market leader for online purchasing. Pak'n Save does not sell groceries online. New World has recently started some trials in the Wellington area.

Although Mighty Mart (now Mighty Ape) is not as well-known as Supermarket Online, slightly more people have actually purchased groceries online at Mighty Mart (now Mighty Ape) . That is a great result.

This representative survey was carried out by 3Di Research on the Great Sites platform Jan 2014 (n=3,133).



Groceries – FIRST Insights



- The groceries industry in New Zealand is dominated by Countdown, New World and Pak'n Save. All three of them have invested in paid search for incremental clicks.
- Most grocery and supermarket websites have a very low organic Rankings Based Reach (RBR) score, under 1% (!). This represents a big opportunity for natural search optimisation, primarily around recipe phrases. There are more people searching for recipe information than specific grocery products.
- Online grocery shopping in NZ has been on a steady rise over the last decade as consumers are more engaged than ever in buying online. Moreover, the average transaction size is much larger for food and beverages as online shopping offers a greater mix of pack sizes and categories².
- 79% of global respondents indicated that they actively make dietary choices to prevent health conditions. Two-year sales trends support and reveal that healthy food purchases are on the rise. With consumers' strong interest to be healthy and recent purchasing trends, healthy or good-for-you products are positioned for continued growth¹. Online supermarkets can take advantage of this trend most especially, Farro Fresh and Nosh Food Market, which are known for their fresh and healthy offerings.
- **A comprehensive digital search strategy that integrates both organic and paid search, is a key customer acquisition channel for supermarkets, driving revenue and growing the supermarket's share of digital spend.**

¹Source: A Clean Bill of Health and Wellness: Good –For-You Goods are Set to Grow, AC Nielsen, February 2015

²Source: Five Things to Know About Online Grocery Shopping, AC Nielsen, May 2011



About FIRST.

FIRST is an award-winning team of smart Digital Marketers who have helped over 300 companies across 100 industries achieve success online. We help our clients to grow online sales, revenue and improve their ROI.

Our expertise in digital marketing has been built on over 15 years experience in digital strategy, analytics, conversion and search marketing.

Get in touch to find out more...



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