

Food & grocery

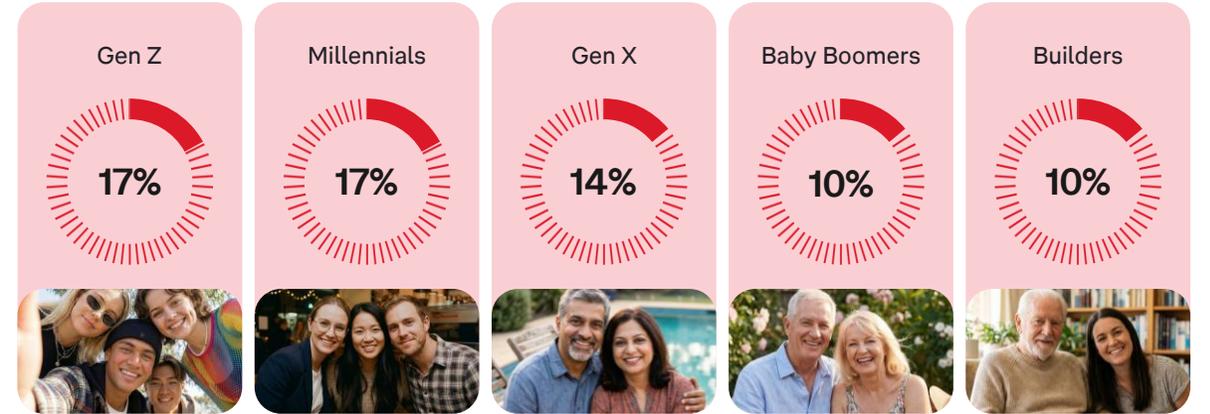
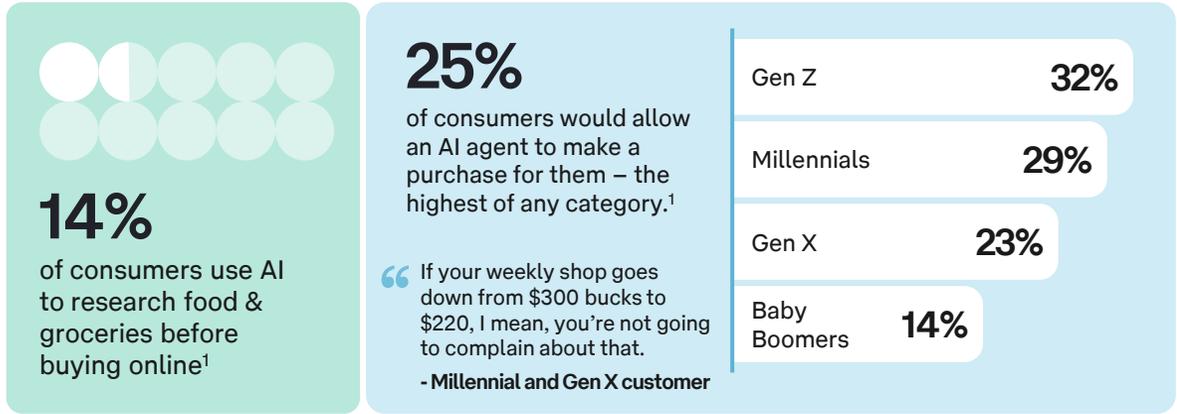
Convenience continues to drive shoppers online to buy their food & grocery items – as an exciting opportunity emerges for this category; the top contender for purchase via an AI agent

14% of consumers use AI to research food & groceries online

Shoppers show strong interest in using AI for purchases in the future

Discounts don't drive conversion for food & groceries compared to other categories

Amongst shoppers that wait for sales, 15% of shoppers hold out before buying food & groceries online²



TOP TIP UNBOXED

Compared to other categories, food & grocery is especially ripe for agentic purchases thanks to its low-risk and repeat-purchase nature. To ensure your brand surfaces in AI-mediated shopping journeys, optimise your metadata with the same discipline you apply to SEO. That means rich, structured, machine-readable product attributes, clear pricing, availability and delivery details.

TOP TIP UNBOXED

Food & grocery shoppers aren't as discount-driven compared to other categories, reducing the reliance on heavy price cuts to drive conversion. Think convenience and seamless shopping experiences instead.

1. Australia Post eCommerce Report Survey 2025 2. Australia Post Omnibus Survey, November 2025

1 Delivery Insight Unboxed 2026

Food & grocery

\$14 billion spent on food & grocery online in 2025

Only 9.6% of category spending was online, showcasing the category's relatively low digital maturity

2m

households shopped for food online in 2025, representing 20% of all households that shopped online

\$14b

spent online in 2025, +15% YoY³

\$104.55

average basket size, -1.1% YoY³

9.6%

of spending was online³



23% of purchases are delivered using express

Speed is important to consumers within this category and is a clear point of differentiation from the market

23%

of food purchases were sent via next-day or same-day delivery



TOP TIP UNBOXED

Speed is a proven driver of conversion. Here's how to stay ahead

- Offer and promote same-day and next-day delivery options clearly at checkout
- Trial free next-day delivery for orders above a certain spending threshold. This could be an effective way to reverse declining basket sizes
- Track conversion uplifts whilst balancing these benefits against potential margin erosion

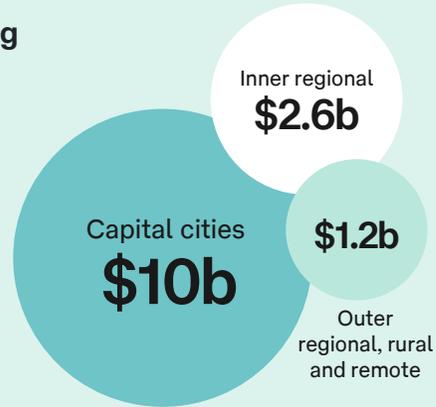
Online spending by generation

Millennials and Gen X dominate this category, making up nearly 70% of food & grocery spending online. Growth is consistent across the board³

	Online spend	YoY growth
 Gen Z	\$2.0b	15.9%
 Millennials	\$5.8b	13.1%
 Gen X	\$3.8b	15.8%
 Baby Boomers	\$1.7b	17.2%
 Builders	\$646m	18.1%

Online spending by region

Majority of online spending for food & grocery is within capital city areas (72%)³



TOP TIP UNBOXED

Food & grocery is a habit category, making it perfect for 'always-on' digital experiences. With consumers hunting convenience, here's what retailers can do –

- Offer bundles or smart add-ons to lift declining basket sizes
- Offer auto-replenishment options or loyalty perks to encourage repeat purchases

³ Commbank IQ, 2025 – Refer to p.38 of Australia Post eCommerce Report 2026