

How to Drive Grocery eCommerce in the UK

Benchmarks & Insights for Multichannel Grocery Brands

MikMak



UK Grocery eCommerce Grows While Shopping Trends Shift

The UK Grocery eCommerce market is expected to reach £16.2 billion this year, growing at 10.4 percent annually. Groceries now account for 13.1 percent of the UK's eCommerce market, with approximately 20 percent of the population buying food and drinks online, according to Statista.

Although inflation has slowed, food and non-alcoholic beverage prices have risen by 1.8 percent in the year to September in the UK, impacting consumer choices. NIQ data reveals that UK households shop for groceries nearly five times a week, but with smaller baskets than last year. According to the MikMak Shopping Index, the average basket contains 7.4 Grocery items.

To win new market share and retain loyal customers, Grocery brands must adapt their eCommerce marketing to shifting trends while driving profitable growth. This guide provides MikMak's latest benchmark data and insights for driving demand and explores Purchase Intent for packaged foods and non-alcoholic beverages.

Average Grocery eCommerce Basket:





Channel Performance Insights

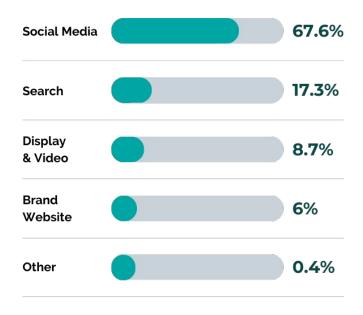
Grocery brands bet on social media to drive shopper traffic

According to the latest IAB UK report, the UK digital ad market has grown 16 percent in 2024. So, where are multichannel Grocery brands spending to drive shoppers to their retailer partners?

MikMak measures in-market shopper traffic to retailers with a metric called Purchase Intent Clicks* This metric indicates the number of times shoppers click on retailer checkout options on multichannel brands' marketing content.

Based on the share of Purchase Intent Clicks, social media currently leads as the top eCommerce traffic source for Grocery brands in the UK this year.

Grocery eCommerce Traffic Sources - UK by Share of Purchase Intent Clicks





*Purchase Intent Clicks: The number of times a shopper has clicked through to at least one retailer during a single session

Meta takes the lead in social media traffic

MikMak data shows that Grocery brands are increasingly investing in social media advertising, aligning with Bazaarvoice insights that <u>59 percent</u> of shoppers now prefer social media for discovering products.

Meta platforms, Instagram and Facebook, are leading traffic sources for Grocery brands in the UK. However, performance varies across demographics, product categories, and retailers, highlighting the importance of evaluating which marketing combinations yield the most profitable results.

Top 5 Social Media Platforms - Grocery - UK by Share of Purchase Intent Clicks

O Instagram	facebook	C TikTok	► YouTube	@ Pinterest
47.4 %	45.2%	4.8%	1.7%	0.6%

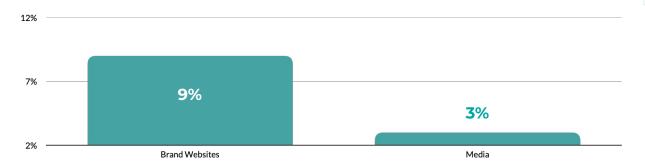


The likelihood of conversion is 3X higher on brand websites compared to media

To monitor the likelihood of conversion, MikMak uses a metric called the Purchase Intent Rate*, which measures the percentage of shoppers clicking through to retailer checkout options from manufacturing brands' shoppable media and websites.

While brand websites ranked as the fourth channel driving in-market shopper traffic, Purchase Intent Rates on brand websites are three times higher than on media.

Average Purchase Intent Rate - Grocery - UK



Mik/Mak How to Drive Grocery eCommerce in the UK

*Purchase Intent Rate: The percentage of shoppers who opened a MikMak Commerce experience then clicked through to at least one retailer



Make your products discoverable & accelerate sales

Successful multichannel brand marketers make it fast and easy for consumers to discover and purchase their products from their preferred retailers, on any digital touchpoint.

MikMak Commerce provides premium consumer shopping experiences that create a seamless path to checkout at any retailer, from anywhere across your entire media mix, including social media, retail media, programmatic, paid search, CTV, video, email, and brand websites.

BRAND EXAMPLE



A leading confectionery brand makes it convenient for consumers to purchase their chocolate by seamlessly connecting social media campaigns to shopping with Shoppable Media

Here are three best practices that led to their success:

- Immediate product appeal: The product and its benefits are front and center.
- Clear Call to Action: "Shop now" and "Buy" buttons encourage purchase clicks.
- Seamless checkout options: Shoppers can choose their favorite retailers, making the buying process smooth and boosting conversions.



Retailer Landscape

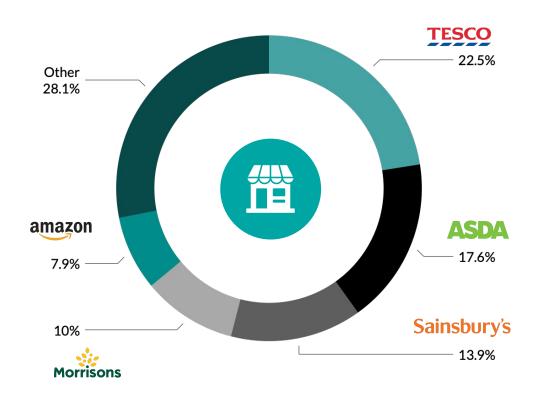
To drive sales, multichannel Grocery brands must empower consumers to discover their products and check out at their preferred retailers.

Tesco holds the top position for Grocery shopping

According to Kantar, Tesco holds the largest market share of the Grocery sector, based on sales, in the UK. MikMak sees this as well, with 22 percent of Purchase Intent Clicks being driven to Tesco.

Interestingly, Amazon is ranking in the fifth position this year, just slightly advancing Ocado, regardless of its recent growth.

Top 5 Grocery Retailers - UK by Share of Purchase Intent Clicks



Strengthen retailer partnerships

Drive business impact and accelerate your eCommerce growth by gaining visibility into your consumers' shopping journey, all the way through purchases at select retailers.

Consider using tools like MikMak Custom Retailer Allocation to achieve this. Additionally, you can enable the MikMak Store Locator feature, so shoppers can see where your products are in-stock based on their geographic location.

MikMak provides proprietary, retailer-specific consumer insights that you can use in joint planning discussions with your retailer partners, to unlock shelf space and media value.

BRAND EXAMPLE

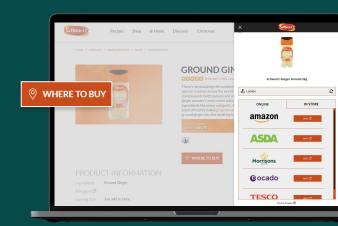
SEE ON WEBSITE



Schwartz drives sales at retailers with available stock

On the Schwartz UK website, when a product is out of stock at the brand's DTC store, a Where-to-Buy solution allows shoppers to checkout at retailers with available products. This allows them to:

- Keep selling when DTC store runs out of stock
- **Enhance customer** experience
- Collect first-party data to optimize marketing



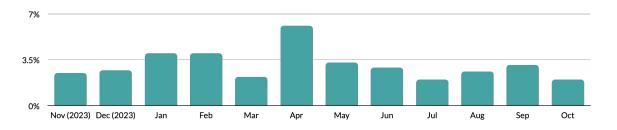
Seasonal Dynamics & Key Dates

April shows the highest peak for Grocery **eCommerce**

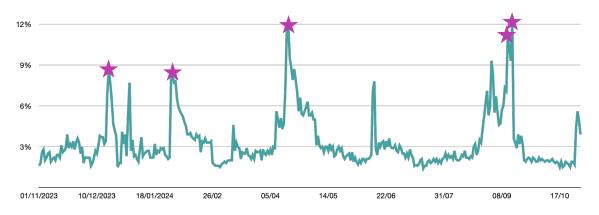
This year, for multichannel Grocery brands in the UK, Purchase Intent Rates (a metric MikMak uses to measure a consumers' likelihood to convert) were highest in April. January and February also scored well, while the year-end 2023 and March 2024 were surprisingly low-performing.



Average Purchase Intent Rate by Month - Grocery - UK



Average Purchase Intent Rate (November 2023 - October 2024)



Peaks: 18 Dec, 30 Jan, 17 Apr, 12 Sep, 15 Sep

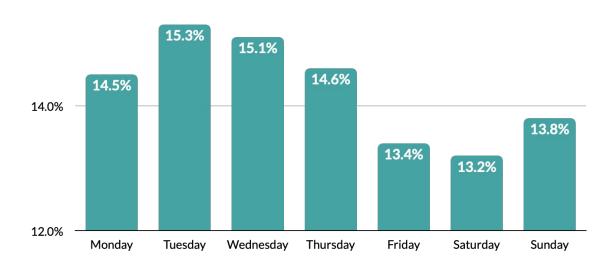


Purchase Intent is highest on Tuesday

In the UK, Tuesdays and Wednesdays stand out as the days when shoppers are most actively engaging with Grocery brands' product content and retailer checkout options.

Share of Purchase Intent Clicks by Day of the Week **Grocery - UK**

16.0%



Use first-party data to improve your marketing effectiveness

To effectively grow market share, it's crucial to understand, compare, and optimize your performance across brands within your category by channel, retailer, and other key metrics. Tracking how your performance evolves during your campaigns and over time is equally important.

Collect and leverage first-party data by using platforms like MikMak to enhance your media targeting based on shoppers' interests, retailer preferences, and channel behavior.

MikMak Insights offers a comprehensive view of your performance, delivering actionable insights in real time to optimize marketing effectiveness and boost profitability.







Kellanova's Loretta Franks on How Better Data Leads to Bigger **Possibilities** Live from Shoptalk Europe

"If there's an opportunity that's going to come up for us in six weeks' time, and we sit on it for three months, then we've missed the opportunity in the market. So, speed to get there is a component."

Loretta Franks, Chief Data & Analytics Officer | **%ellgnovg**



Product Popularity

Chocolate and coffee drive the highest Purchase Intent

This year, chocolate and instant coffee are the standout product categories, driving UK shoppers from branded media to retailers and topping the charts in Purchase Intent Clicks and Purchase Intent Rate. Spices also rank highly in these metrics throughout the year.

However, seasonality plays an important role in Grocery marketing. To identify which products drive the most sales at different times of the year, brands should collect year-round data from shoppers' purchase paths. This enables marketers to adjust advertising investments in specific products at the right times to maximize profitability.



Top 10 Products - Grocery - UK

By Share of Purchase Intent Clicks

- Chocolate bar
- **Spices**
- Chicken dippers
- Pasta sauce
- Mayonnaise
- Pepper sauce
- Baked beans
- Flavored ketchup
- Ready-made meal
- Instant coffee

By Purchase Intent Rate

- Instant coffee
- Spices
- Ice cream
- Pickle
- Cake mix
- Taco kit
- Chocolate bar
- Flavored mayonnaise
- Cereal bar
- 10. Baked beans



Save time and money

Do you know where is best to invest your next marketing budget? First, it's important to understand the channels. campaigns, creative, and audiences that actually convert.

With consistent, real-time reporting and easy access to consumer, retailer, and platform insights, brands' internal teams and agencies can save a ton of time and money.

A global platform like MikMak, complete with full-service and self-service tools, automatically enables consistent reporting and fast decision-making across the entire organization. Our platform empowers you to build, design, and customize eCommerce websites and media experiences, all backed by MikMak's best-in-class global retail network, inventory data, and sales attribution.

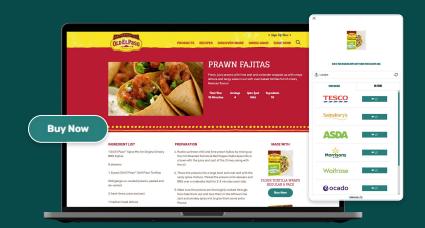
BRAND EXAMPLE

SEE ON WEBSITE



Old El Paso turns content into conversions with shoppable recipes

Old El Paso UK has integrated "Buy Now" buttons on its recipe pages with MikMak, giving consumers direct access to retailer checkout options for featured products. This increases convenience and reduces clicks to purchase. The solution also allows the brand to gather valuable first-party data to fine-tune its marketing initiatives.



Checklist to increase your Grocery eCommerce marketing effectiveness and profitability

- **Simplify checkout to drive sales:** Is your brand utilizing its media campaigns and brand website effectively to drive and measure retailer sales? Using MikMak Commerce with multi-retailer checkout options allows you to increase your chances of conversion.
- Leverage real-time transactional insights: How and where do your audiences convert? Identify with MikMak Insights which channels, campaigns, and retailers are part of your consumers' shopping journey to place your media investments at the right time and in the right places.
- Optimize your content and be agile with your data: Tailor your creative to be relevant to the specific audience segment targeted in your campaign. Keep your creative and marketing outreach focused on consumer behavior, and use insights to adjust your strategy quickly to save time and money.
- **Explore growth opportunities:** Check your performance against category (and subcategory) benchmarks to see how you stack up against the competition. A/B test new creative formats like shoppable recipes, QR codes, and CTV to widen your reach.





LISTEN HERE

"Often, you hear of the marketing strategy and then the execution strategy. For me, it's all one. It's about how we link the measures across sales and marketing, and how we drive a 'one demand' culture within our organization."

Matthew Graham, Chief Marketing Officer | MARS





All data and insights from this report are sourced from the MikMak Shopping Index

The MikMak Shopping Index was developed to provide a standardized set of metrics, methodology, and benchmarks to help drive brands' business results and strategy. It is a collection of key eCommerce KPIs collected across hundreds of brands, over 250 channels, and more than 7,000+ retailer integrations to understand consumer online shopping behavior.

All data in this report is from 1 November 2023 to 1 November 2024.

We're here to help. MikMak helps multichannel brands gain deeper consumer insights to grow and protect market share.

MikMak



Let's chat!

Want to get even more insights? Looking for a different category?

CONTACT US

