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COLES ONLINE CLOCKS UP 20 YEARS, LOOKS TO FUTURE GROWTH ***From 23 postcodes to \$1 billion in annualised sales***

Coles has marked two decades at the forefront of online shopping in Australia, starting from a single Melbourne warehouse to become a \$1 billion business leading the market in adoption of game-changing retail and logistics technology.

Coles Online launched in 1999, just a few years after dial-up internet connections became widely available to Australian homes and almost a decade before the first smartphones hit the market.

At the time, online shopping was still in its infancy, with fewer than 5 per cent of all Australian adults using the internet to make a purchase or order goods or services that year.¹

At launch in June 1999, Coles Online offered delivery services to just 23 postcodes in Melbourne, operating out of a single pick-and-pack warehouse in Clayton, with some items also sourced from Coles Springvale. A trial commenced in Sydney the following December.

Brian Donald, one of Coles Online's longest serving team members, delivered customer orders in the program's early days and said the platform has come a long way.

"The website was almost just a list and you had to tick the items you wanted," he said.

"Everyone paid via eftpos on the doorstep because no one would pay online via the internet back then. So most people were sort of waiting with trepidation about what they were going to get and it was a really new and surprising experience."

By 2002, Coles Online was delivering 1 million items per month to customers, and in 2003 the business doubled in size with the acquisition of Shopfast, which at the time was Australia's largest online grocery site.

Coles Online also outsourced picking, packing and delivery to Australia Post in 2003 – a sharp contrast to today, with Coles team members handling all aspects of order fulfilment from stores across the country and using Coles Online's own fleet of 650 delivery vans to bring orders direct to customers' kitchen benches.

By 2008 Coles Online had expanded to Queensland, and the following year launched in Western Australia and South Australia – two more stepping-stones on the way to the current delivery service which covers 80 per cent of Australian homes.

The first Click&Collect lockers appeared in 2009. By 2015, Click&Collect was available at 120 sites, and has now grown to more than 1000 collection points including Coles supermarkets, Coles Express sites and Click & Collect lockers, accounting for around 30 per cent of customer orders.

¹ Australian Bureau of Statistics (1999), 8146.0 Household Use of Information Technology, Australia
Page 1 of 2

With annualised revenue passing \$1 billion this financial year, Coles Online General Manager Karen Donaldson said the business was now setting the foundations for future growth through a partnership with the UK's Ocado Group, the world's leading online grocery platform.

"Coles Online has changed enormously over the past 20 years, and that pace is only going to accelerate," she said.

"As part of our Smarter Selling strategy, Coles is increasing our use of technology to improve efficiency and enable us to keep pace with rapidly-evolving customer needs. Ocado's automated fulfilment technology and home delivery solution will ensure that we deliver a best-in-class customer experience," she said.

Ocado will construct two automated fulfilment centres in Sydney and Melbourne by FY2023, providing greater range and availability, improved freshness, more delivery slots for customers and the world's leading online grocery website platform.

"Coles has been a great Australian retailer for 105 years, and our partnership with Ocado is part of ensuring the sustainability of our business so we continue to win together with our customers, team members and suppliers in our second century," Ms Donaldson said.

Brian, now Coles Online's Business Process and Improvement Manager, has moved from delivering orders himself to developing an efficiency program to minimise the distance travelled by Coles Online vans – allowing for quicker delivery, lower costs and fewer emissions.

The growth of Coles Online over the past 20 years has not just provided Brian with a career – it's also played a role in his family.

Brian first met his wife Jasmin met while the pair both worked at the Clayton warehouse. Today, they have two children: Paige, 6, and Archer, 1.

Coles Online celebrated their arrival of both children in the most fitting way possible, naming Coles Online vans after each of them.

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